

Central Bank of Nigeria



Consumer Expectations Survey Report

Q₂ 2017

Statistics Department

June 2017

TABLE OF CONTENTS

1.0	Highlights	3
2.0	Introduction	3
3.0	Consumer Outlook	4
3.1	Consumer Overall Confidence Index	4
3.2	Expenditure Outlook in the Next 12 Months	4
3.2.1	Outlook on Price Changes in the Next 12 Months	4
3.2.2	Buying Outlook	5
3.3	Borrowing and Exchange Rates Outlook	5
3.4	Unemployment and Outlook	5

List of Figures

Fig. 1:	Confidence Index on Amount of Expenditure in the next 12 months	4
Fig. 2:	Confidence index on price changes: Next quarter	4
Fig. 3:	Buying Conditions Index	5
Fig. 4:	Buying Intention Index	5
Fig. 5:	Overall Consumer Confidence Outlooks	5
Fig. 6:	Indices of selected economic indicators: next 12 months	5
Fig. 7:	Sectoral Indices of Price Changes: next 12 months	5
Annex:	Table	
Table 1:	Consumer Expectations Survey data	7

1.0 Highlights

The highlights of the Q₂ 2017 Consumer Expectations Survey (CES) are as follows:

- Overall outlook of consumers moderated in the current quarter though remained down beat. This was attributable to an anticipated consumer confidence in the economy, with an expected draw down on their savings /getting into debt and a decline in net household income. Consumers however, had a positive outlook for the next quarter and the next 12 months.
- On average, more households nationwide expect some increase in their expenditure on basic commodities and services in the next 12 months. Consumers expect to spend substantial amounts of their income on food and other household needs, education, savings, purchase of consumer durables, medical expenses and investment.
- Majority of consumers nationwide believe that the next 12 months would not be an ideal time to purchase big-ticket items like motor vehicle and house & lot.
- Most respondents expected that borrowing rate will fall and naira will appreciate in the next 12 months, while inflation and unemployment rates will rise.
- The major drivers of the expected upward movement in prices are: house rent, education, medical care, transport and electricity.

2.0 Introduction

The Consumer Expectations Survey (CES) for Q₂ 2017 was conducted during the period May 22—June 3, 2017 covering a sample size of 1,950 households drawn from the National Bureau of Statistics (NBS) Master Sample List of Households.

The overall response rate for the Q₂ 2017 CES was 98.9 per cent. The distribution of respondents by educational attainment showed that 47.3 per cent had university education, 27.6 per cent had higher but non-university education, while 15.5 per cent had senior secondary school education. Respondents with primary and junior secondary school education accounted for 3.0 and 4.1 per cent, respectively; while those with no formal education accounted for the balance of 2.5 per cent.

3.0 Consumer Outlook

3.1 Consumer Overall Confidence Index

The consumers' overall confidence outlook moderated in Q₂ 2017 while still remaining down beat. Though, the index stood at -17.0, the proportion of respondents that are optimistic about the economy increased when compared with the corresponding quarter of 2016. While some of the respondents attributed this moderation in their outlook to increased confidence in the economy, majority ascribed the development to a decline in their net income, leading to draw-down on savings/getting into debt. The consumer outlook for the next quarter and that of the next 12 months were however, positive at 21.3 and 34.2 points, respectively (Fig. 1). The outlook could be attributed to the anticipated improvement in Nigeria's economic conditions, expected increase in net household income, and expectations to save a bit and/or have plenty over savings in the next 12 months (Table 1).

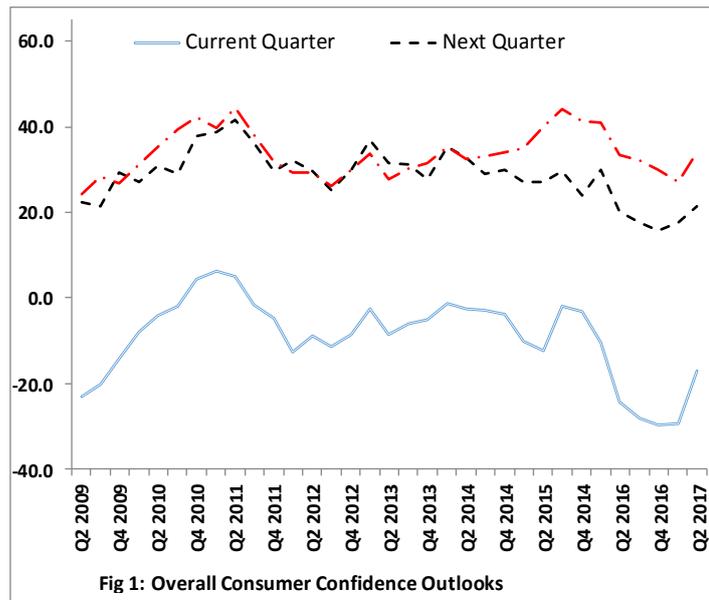


Fig 1: Overall Consumer Confidence Outlooks

3.2 Expenditure Outlook in the Next 12 Months

With an average index of 14.3 points, more households nationwide expect some increase in their expenditure on basic commodities and services in the next 12 months (Table 1). Majority of consumers expect to spend a substantial amount of their income on food and other household needs, education, savings, purchase of consumer durables, medical expenses and investment. However, they do not plan to expend on large ticket items such as purchases of car/motor vehicle and house (Fig. 2).

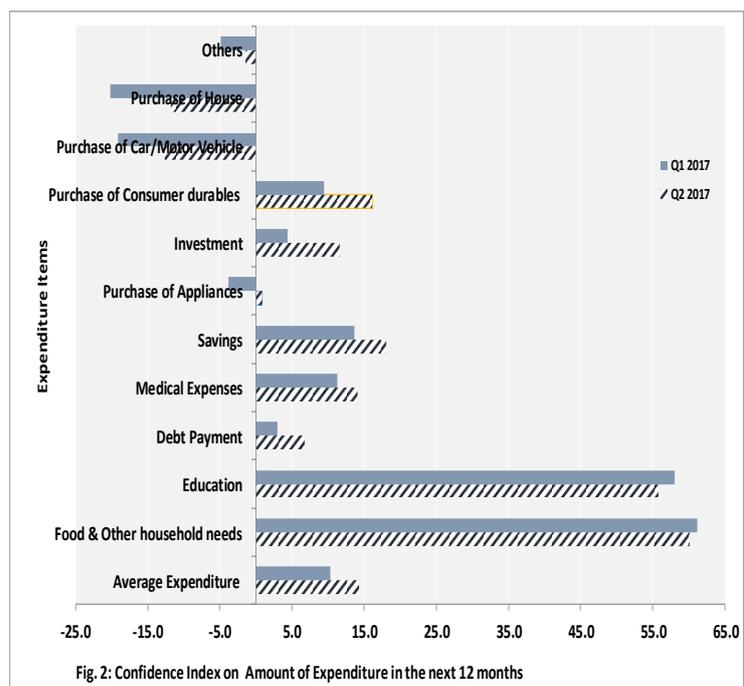
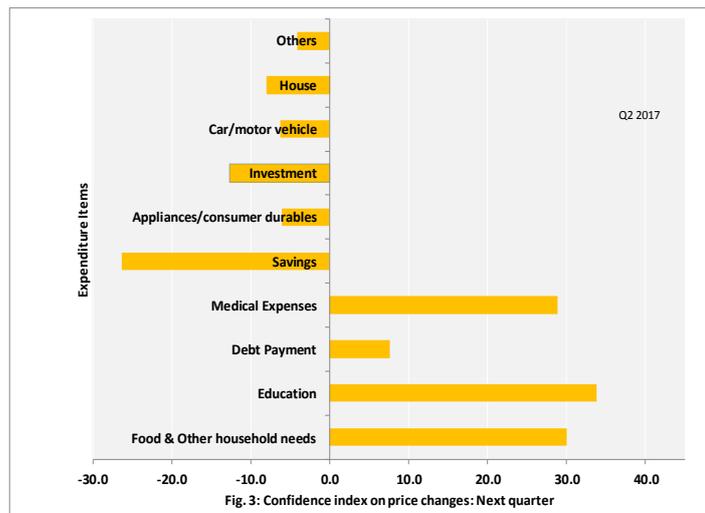


Fig. 2: Confidence Index on Amount of Expenditure in the next 12 months

3.2.1 Outlook on Price Changes in the Next 12 Months

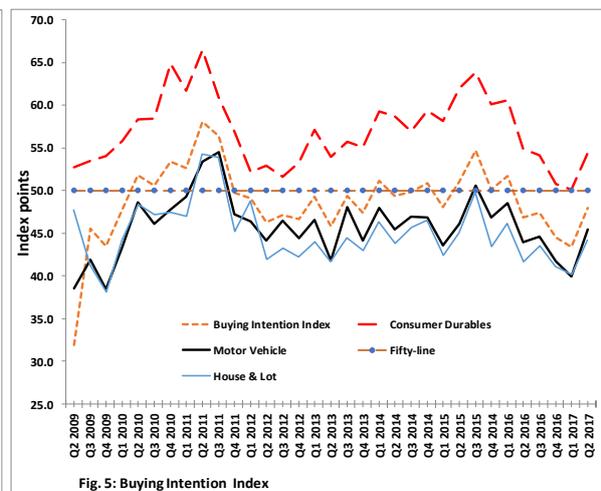
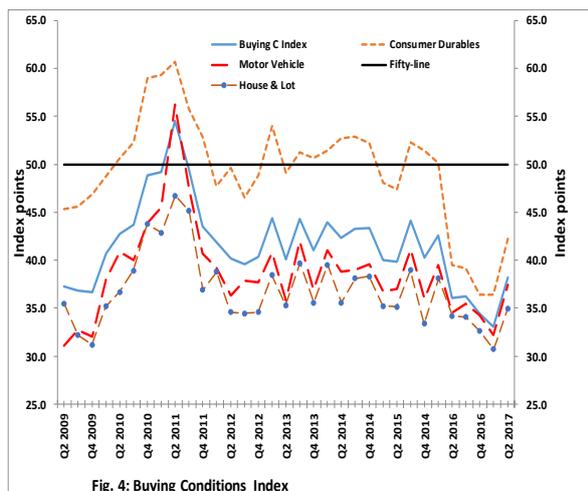
Most respondents expect the prices of goods and services to rise in the next 12 months with an index point of 23.1. The major drivers are: house rent, education, medical care, transport and electricity (Fig. 2).



3.2.2 Buying Outlook

The overall buying conditions index for consumers in the current quarter for big-ticket items stood at 38.2 points. This indicates that majority of consumers believed that the current quarter was not the ideal time to purchase big-ticket items like consumer durables, motor vehicles, and house & lot (Fig 3).

Similarly, buying intention index for consumer durables such as furniture, gas cooker, refrigerator, air conditioner, television and other durables in the next twelve months stood at 48.0 index points, indicating that majority of consumers believed that the next 12 months would not be an ideal time to purchase motor vehicles and house & lot. Contrarily, the buying intention index for the big-ticket items like consumer durables were above 50 points, indicating that the next twelve months would be an ideal time to purchase these items (Fig 4).

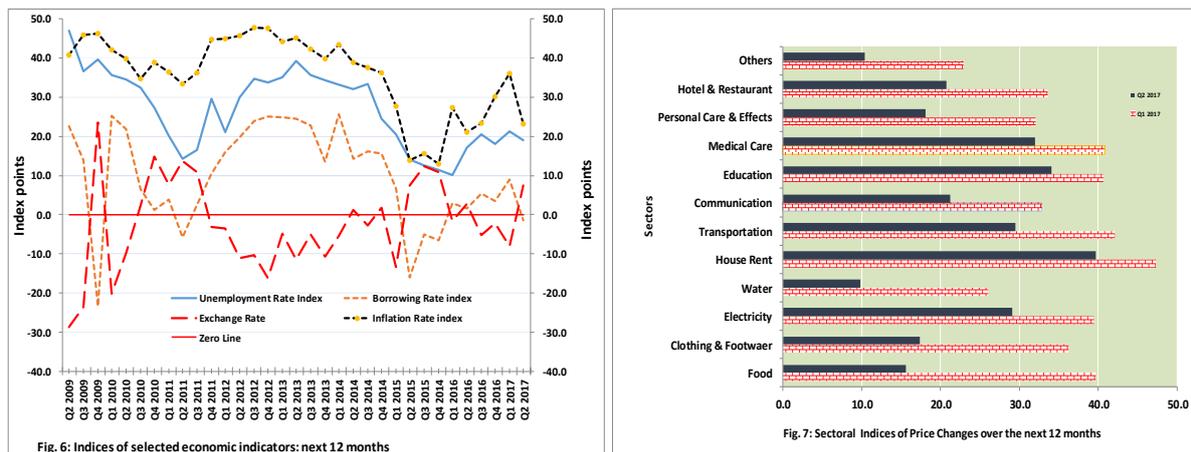


3.3 Borrowing and Exchange Rates Outlook

With indices of -1.5 and 7.5 points, consumers expect borrowing rate to fall and exchange rate to appreciate in the next 12 months.

3.4 Unemployment Outlook

The unemployment index for the next 12 months remained positive at 19.1 points in Q₂ 2017, indicating that majority of the consumers expect unemployment to rise in the next 12 months.



TECHNICAL NOTES

1. The Overall consumer confidence index is computed as the average of the three indices, namely:

- a. Economic Condition refers to the perception of the respondent regarding the general economic condition of the country.
- b. Family Financial Situation refers to the level of savings, investments, other assets including cash at hand and outstanding debts.
- c. Family Income includes primary income and receipts from other sources received by all family members as participants in any economic activity or as recipients of transfers, pensions, grants, and the like.

2. The confidence index or diffusion index is computed as the percentage share of respondents that answered in the affirmative less the percentage share of respondents that answered negative in a given indicator.

3. A positive CI indicates that respondents with a favorable view outnumber those with an unfavorable view, except for unemployment, change in prices and interest rate for borrowing money, where a positive CI indicates the opposite

4. Buying condition and buying intention indices refer to the assessment of consumers as to whether it is good time, neither good nor bad or bad time to buy assets (i.e. consumer durables, house and lot, and motor vehicles) during the quarter. An index above 50 means more respondents indicated that it is a good time to buy assets; below 50 means more

respondents believe that it would not be an appropriate time to make purchases; and 50 means the number of respondents on both sides is equal.

$BCI = 0.5(100+DI)$, where $DI =$ diffusion index

ANNEX: TABLES

TABLE 1
CONSUMER EXPECTATIONS SURVEY DATA

Year	2014				2015				2016				2017	
Quarter	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
1. Overall Consumer Confidence Index														
All Sectors														
Current Quarter	-1.3	-2.4	-2.9	-3.6	-10.0	-12.4	-1.9	-3.0	-10.3	-24.2	-28.2	-29.8	-29.4	-17.0
Next Quarter	35.4	32.9	29.0	30.0	27.1	27.0	29.6	23.9	30.0	20.3	17.8	15.9	17.5	21.3
Next 12 months	35.3	32.6	33.0	34.0	35.0	40.1	44.1	41.5	40.9	33.5	32.1	29.9	27.2	34.2
2. Consumer outlook indices on the current economic and family condition: Current Quarter														
National														
Economic Condition	3.4	1.7	-0.5	-2.0	-10.0	-13.7	5.3	5.3	-8.5	-23.2	-30.8	-31.8	-29.5	-9.7
Under N 20,000 per month	-6.0	-13.5	-9.0	-14.9	-25.4	-22.1	-3.5	-8.2	-18.1	-22.5	-32.5	-31.0	-31.5	-23.4
Between N 20,000 and N 50,000 per month	1.2	2.6	0.6	-2.1	-10.1	-8.2	4.8	5.3	-4.3	-22.0	-30.3	-35.2	-23.8	-8.9
Between N50,001 and N100,000 per month	12.3	9.0	-1.3	3.5	-3.5	-11.7	10.4	10.6	-10.7	-21.6	-31.1	-27.1	-32.1	-2.6
Over N 100,000 per month	5.6	11.0	10.6	8.7	-0.4	-18.8	8.7	10.4	-3.9	-28.7	-29.5	-33.9	-34.9	-9.7
Family Financial Situation	-10.0	-14.5	-14.0	-13.3	-16.3	-18.1	-15.4	-17.2	-22.8	-28.5	-31.9	-30.5	-31.6	-26.0
Under N 20,000 per month	-24.2	-26.7	-35.0	-23.3	-24.7	-31.5	-21.2	-28.2	-37.3	-36.8	-40.1	-42.4	-40.5	-34.0
Between N 20,000 and N 50,000 per month	-9.3	-15.6	-12.4	-14.2	-21.0	-20.3	-19.6	-20.4	-24.1	-30.2	-32.6	-27.8	-35.9	-28.0
Between N 50,001 and N 100,000 per month	-5.8	-8.6	-7.3	-5.0	-8.0	-11.0	-11.1	-12.1	-21.5	-25.6	-28.9	-30.2	-24.5	-20.1
Over N 100,000 per month	-1.9	-2.1	3.1	-9.2	-6.2	-12.6	-7.2	-6.6	-9.3	-20.0	-24.7	-21.8	-24.0	-23.7
Family Income	2.8	5.4	5.8	4.4	-3.8	-5.2	4.5	2.8	0.4	-21.0	-21.7	-27.1	-27.2	-15.5
Under N 20,000 per month	-8.3	-7.9	-3.6	-11.9	-27.4	-16.5	-0.6	-10.4	-4.6	-22.7	-27.4	-29.1	-20.8	-13.8
Between N 20,000 and N 50,000 per month	2.6	7.8	5.4	5.6	-5.2	-4.9	0.6	6.4	0.6	-18.4	-19.8	-28.8	-23.7	-10.9
Between N 50,001 and N 100,000 per month	11.4	16.9	14.0	13.3	13.9	2.2	10.7	5.7	3.9	-19.3	-17.1	-17.5	-28.9	-16.8
Over N 100,000 per month	2.1	0.0	8.5	12.4	0.0	-6.5	9.1	2.8	-1.4	-27.4	-26.5	-36.9	-38.9	-24.7
3. Consumer outlook indices on economic and family condition: Next Quarter														
National														
Economic Condition	30.8	26.9	27.2	28.1	21.8	35.5	41.3	38.3	32.2	23.4	18.6	21.3	8.7	29.4
Under N 20,000 per month	18.7	5.2	14.7	3.8	-5.3	11.2	21.7	9.6	14.1	14.1	15.6	11.1	-1.1	13.4
Between N 20,000 and N 50,000 per month	31.2	27.0	23.7	24.7	20.2	32.1	42.7	38.7	26.4	20.1	11.9	20.1	0.2	23.3
Between N50,001 and N100,000 per month	37.3	36.8	34.8	43.3	33.5	41.9	45.0	43.1	37.9	24.1	20.2	27.2	11.6	34.7
Over N 100,000 per month	28.6	29.6	36.2	34.7	29.5	46.7	46.4	46.5	42.4	34.9	31.0	22.6	25.8	41.7
Family Financial Situation	14.7	12.9	11.6	14.1	10.0	15.8	21.0	13.3	13.0	3.7	2.0	-3.8	-6.4	4.4
Under N 20,000 per month	8.0	5.8	4.2	0.9	-5.5	-3.6	16.0	15.4	4.0	7.6	8.3	6.5	-11.1	-4.1
Between N 20,000 and N50,000 per month	11.2	9.4	4.5	12.1	4.8	9.7	13.9	9.9	10.0	2.1	-1.3	-6.4	-7.0	5.8
Between N50,001 and N100,000 per month	19.9	19.4	19.7	20.0	20.4	23.5	27.2	13.7	19.8	3.3	2.4	-2.9	-3.3	8.2
Over N100,000 per month	18.5	16.2	22.7	21.3	17.7	25.5	26.9	17.6	12.3	4.1	2.5	-9.3	-6.1	2.7
Family Income	60.8	58.7	48.1	47.0	49.5	29.7	26.4	20.1	44.8	33.7	32.7	30.3	50.3	30.0
Under N20,000 per month	55.0	62.6	53.5	42.2	48.8	22.8	24.8	21.0	44.2	37.0	25.6	25.9	59.6	38.1
Between N20,000 and N50,000 per month	61.2	55.0	44.3	50.7	55.5	33.0	30.6	19.3	40.9	32.1	28.5	28.4	47.8	37.0
Between N50,001 and N100,000 per month	59.0	61.5	48.7	47.4	43.7	31.4	26.4	19.2	46.3	35.0	38.0	36.7	49.5	26.9
Over N 100,000 per month	66.9	59.1	50.2	44.7	46.9	27.6	21.0	22.4	48.8	32.6	38.2	27.4	48.4	18.4
4. Consumer outlook indices on economic and family condition: Next 12 Months														
National														
Economic Condition	28.1	25.7	26.3	28.5	29.8	40.3	47.1	46.0	43.8	31.1	27.2	27.7	19.9	33.6
Under N 20,000 per month	17.5	3.9	19.0	3.3	4.1	11.4	32.6	15.9	27.6	23.8	22.7	16.7	2.1	17.0
Between N 20,000 and N 50,000 per month	26.0	18.6	19.4	21.3	20.3	31.9	40.3	31.9	35.3	20.0	16.2	18.1	12.4	21.5
Between N 50,001 and N 100,000 per month	31.8	34.7	27.7	36.6	39.0	44.9	45.8	53.5	45.3	31.8	26.4	35.0	18.6	37.2
Over N 100,000 per month	30.9	35.9	39.9	41.7	44.7	54.3	60.5	62.2	55.1	47.5	44.2	35.1	37.8	49.3
Family Financial Situation	18.5	17.4	13.9	18.7	16.4	23.9	27.8	20.3	21.2	9.9	8.4	1.6	0.4	8.8
Under N 20,000 per month	10.6	7.8	1.1	5.7	-7.2	3.5	13.7	1.4	15.7	10.9	4.3	-1.2	-5.9	-9.4
Between N 20,000 and N 50,000 per month	7.4	9.1	4.2	11.5	2.5	9.6	14.8	5.4	11.6	-1.7	4.1	2.1	-3.4	5.5
Between N 50,001 and N 100,000 per month	27.2	22.9	23.6	24.7	27.8	30.1	32.0	27.1	24.0	17.5	9.8	0.3	0.9	13.4
Over N 100,000 per month	25.3	27.4	24.0	28.0	33.5	37.8	41.1	35.0	28.2	15.4	13.9	3.7	6.5	14.6
Family Income	59.4	54.7	59.0	54.5	58.8	56.2	57.6	58.1	57.9	59.5	60.6	60.4	61.2	60.2
Under N 20,000 per month	49.7	29.9	44.3	31.6	7.5	33.3	47.8	46.3	53.9	49.1	44.5	49.0	58.1	58.7
Between N 20,000 and N 50,000 per month	61.4	61.0	61.8	54.3	64.4	58.5	60.5	57.5	57.5	57.2	62.1	60.3	61.3	60.8
Between N 50,001 and N 100,000 per month	59.5	56.0	62.0	59.1	66.2	59.5	58.1	60.0	59.1	62.8	61.5	65.3	61.1	60.4
Over N 100,000 per month	60.7	57.1	60.1	61.4	66.5	59.8	57.8	60.1	58.3	63.4	65.4	60.6	63.0	59.8

TABLE 1 (CONTINUED)
CONSUMER EXPECTATIONS SURVEY DATA

Year	2014				2015				2016				2017	
Quarter	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
5. Confidence Index on Amount of Expenditures: Next 12 months														
Average	14.2	11.6	15.1	13.8	15.2	12.2	18.2	13.3	15.0	11.8	13.7	10.5	10.3	14.3
Food & Other household needs	59.4	54.7	59.0	54.5	58.8	56.2	57.6	58.1	57.9	59.5	60.6	60.4	61.2	60.2
Education	56.7	56.0	58.1	54.2	55.7	54.4	58.4	58.2	58.2	54.2	54.9	55.4	58.1	55.8
Debt Payment	3.6	-1.1	2.7	-0.9	5.8	-6.5	-2.3	0.4	2.8	1.2	3.4	0.5	3.0	6.7
Medical Expenses	12.5	12.7	17.7	10.6	16.5	8.8	12.9	8.8	9.6	11.0	14.8	13.7	11.3	14.1
Savings	20.3	16.3	20.6	24.9	21.3	18.6	30.7	22.5	25.4	13.7	17.8	11.3	13.7	18.1
Purchase of Appliances	3.1	1.2	4.1	2.4	6.5	0.2	11.0	0.2	5.1	-1.2	-3.9	-2.5	-3.8	0.8
Investment	8.6	6.1	13.7	14.7	9.5	9.8	19.5	11.4	16.1	10.4	11.0	5.7	4.3	11.6
Purchase of Consumer durables	10.6	10.9	15.9	12.6	13.5	13.0	18.0	10.8	14.4	7.9	13.4	11.0	9.5	16.2
Purchase of Car/Motor Vehicle	-11.7	-15.0	-11.3	-8.1	-9.1	-10.7	-4.8	-12.3	-9.5	-11.7	-10.9	-16.0	-19.1	-12.7
Purchase of House	-10.9	-12.9	-12.7	-9.6	-11.0	-10.2	-6.2	-12.4	-11.0	-14.5	-13.0	-18.2	-20.1	-11.7
Others	3.6	-1.9	-1.6	-3.1	-0.7	1.0	5.1	0.4	-3.5	-0.2	2.4	-5.8	-4.8	-1.4
6. Buying Conditions Index: Current Quarter														
Buying Conditions Index	44.0	42.4	43.3	43.4	40.0	39.8	44.1	40.3	42.6	36.1	36.2	34.4	33.1	38.2
Consumer Durables	51.4	52.7	52.9	52.2	48.1	47.4	52.3	51.4	50.2	39.5	39.1	36.4	36.4	42.3
Motor Vehicle	41.0	38.8	39.0	39.6	36.8	37.0	41.2	36.0	39.5	34.5	35.5	34.3	32.2	37.4
House & Lot	39.5	35.5	38.1	38.3	35.2	35.1	39.0	33.4	38.1	34.2	34.0	32.6	30.7	34.9
7. Buying Intention Index: Next 12 Months														
Buying Intentions Index	51.2	49.3	49.8	50.9	48.1	51.1	54.7	50.1	51.8	46.9	47.5	44.6	43.4	48.0
Consumer Durables	59.3	58.7	56.9	59.4	58.2	62.0	63.9	60.1	60.6	54.9	54.2	50.8	50.2	54.4
Motor Vehicle	48.0	45.5	47.0	46.9	43.6	46.2	50.6	46.9	48.6	44.0	44.6	41.7	39.9	45.4
House & Lot	46.3	43.8	45.7	46.5	42.4	45.1	49.8	43.4	46.2	41.7	43.6	41.2	40.1	44.2
8. Indices on Selected Economic Indicators: Next 12 Months														
Unemployment Rate Index	33.3	32.1	33.5	24.5	20.5	14.1	12.5	11.3	10.0	17.1	20.5	18.1	21.3	19.1
Borrowing Rate index	25.7	14.2	16.2	15.6	6.7	-16.0	-5.1	-6.5	3.0	1.6	5.3	3.5	8.9	-1.5
Exchange Rate	-5.5	1.2	-2.8	1.8	-13.4	7.4	12.4	10.9	-1.7	2.8	-5.2	-2.2	-8.2	7.5
Inflation Rate index	43.4	38.9	37.5	36.1	27.7	14.0	15.6	13.0	27.4	21.0	23.3	30.3	36.1	23.1
9. Sectors Contribution to price changes over the next 12 months														
Food	57.5	53.7	51.5	45.2	41.6	22.9	20.0	17.6	33.1	27.1	24.4	22.4	39.7	15.6
Clothing & Footwaer	48.3	39.6	38.6	38.5	32.8	15.0	17.0	13.6	28.1	17.0	22.1	26.7	36.3	17.4
Electricity	51.4	41.8	44.5	43.0	34.7	12.6	14.4	19.4	42.4	31.9	25.5	36.0	39.5	29.1
Water	25.3	23.0	24.0	20.6	15.9	2.4	-0.7	2.5	19.4	13.2	12.8	23.5	26.0	9.8
House Rent	61.5	60.6	58.3	53.8	47.5	29.9	32.7	28.8	39.6	38.1	40.0	45.7	47.3	39.7
Transportation	46.4	51.2	43.1	42.4	24.7	10.2	14.7	4.0	25.6	18.1	28.9	33.4	42.1	29.5
Communication	26.8	27.3	22.1	20.6	12.4	3.7	7.2	-0.8	15.6	10.2	18.0	21.5	32.8	21.2
Education	53.3	46.7	47.2	43.3	34.1	20.1	26.7	24.5	34.0	28.4	36.0	36.6	40.7	34.0
Medical Care	49.2	38.3	41.9	37.9	30.8	15.1	19.6	19.2	29.6	24.8	27.6	36.3	40.9	32.0
personal Care	32.6	26.2	25.4	26.8	19.1	14.8	13.4	12.1	22.3	17.1	16.8	29.0	32.1	18.1
Hotel & Restaurant	40.4	32.7	30.8	36.9	27.3	15.2	17.2	10.2	24.0	16.6	16.5	29.8	33.6	20.8
Others	28.4	26.2	22.6	24.6	11.7	5.6	5.5	4.9	14.7	9.4	11.4	22.2	22.9	10.4
10. Percentage of Respondents by Educational Attainment														
Primary School	4.3	4.3	4.6	4.1	2.6	2.4	2.6	3.7	2.1	5.0	3.1	3.2	2.3	3.0
Junior School	3.6	3.1	3.3	3.4	3.6	2.5	2.9	3.2	2.6	3.9	2.7	3.0	3.5	4.1
Senior School	14.4	17.6	17.6	14.9	19.4	16.6	15.8	16.4	14.9	17.2	16.7	14.3	16.7	15.5
Higher non-university education	28.5	30.3	31.1	31.1	30.7	30.3	29.9	28.4	31.3	28.2	29.9	30.5	29.6	27.6
University	45.1	41.5	40.4	42.7	41.0	45.9	46.1	45.9	47.6	43.1	45.4	46.8	45.2	47.3
None	4.0	3.1	2.8	3.8	2.6	2.2	2.7	2.4	1.4	2.7	2.1	2.3	2.7	2.5
11. Total Sample Households and Response Rate														
Number of Sample Households	1850	1850	1900	1900	1900	1900	1900	1900	1900	1950	1950	1950	1950	1950
Number of Respondents	<u>1845</u>	<u>1844</u>	<u>1895</u>	<u>1882</u>	<u>1893</u>	<u>1886</u>	<u>1880</u>	<u>1884</u>	<u>1882</u>	<u>1944</u>	<u>1937</u>	<u>1940</u>	<u>1947</u>	<u>1928</u>
Response Rate	99.7	99.7	99.7	99.1	99.6	99.3	98.9	99.2	99.1	99.7	99.3	99.5	99.8	98.9