Consumer Confidence Survey (CCS)

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Why in the News?

The latest bi-monthly survey, called Consumer Confidence Survey, conducted by the Reserve Bank of India (RBI) unveiled a remarkable surge in consumer confidence, reaching its peak since mid-2019.

About Consumer Confidence Survey (CCS)

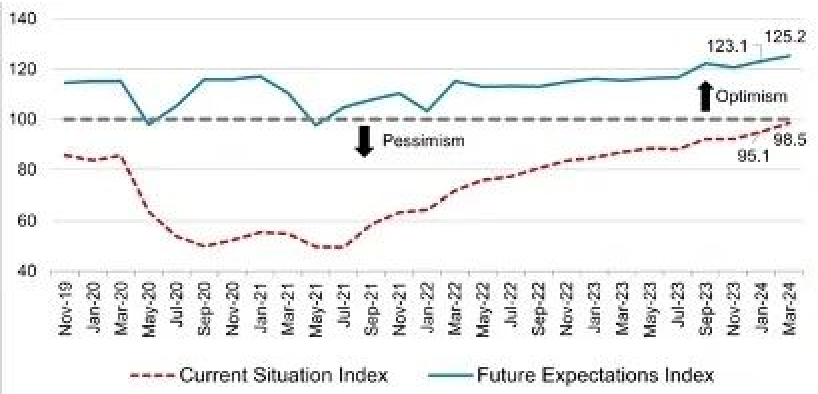
- The Reserve Bank of India (RBI) conducts a Consumer Confidence Survey to measure consumers' perceptions of the prevailing economic situation.
- The survey is conducted across various cities and measures consumer confidence on parameters such as the economy, employment, price, income, and spending.
- The survey consists of questions regarding consumers' sentiments over various factors in the current situation and future.

News Summary

- The Reserve Bank released the results of March 2024 round of its bi-monthly Consumer Confidence Survey.
- Conducted between March 2 and 11, the survey encompassed insights from more than 6,000 participants, with female respondents comprising 50.8 percent of the sample.

Key Findings of the Survey

- According to the survey findings, respondents demonstrated a positive assessment across all parameters.



- **Current Situation Index (CSI)**:
  - The **CSI measures overall consumer sentiment regarding the present economic situation**.
  - It saw a rise of 3.4 points, compared to the previous survey. The CSI is at 98.5, marking its highest level since mid-2019.
- **Future Expectations Index (FEI)**:
  - The FEI analyses consumer sentiment for the next 12 months.
  - It witnessed a substantial uptick, hitting its peak since mid-2019, underscoring a positive outlook for the forthcoming year.
- CSI and FEI are compiled on the basis of net responses on the economic situation, income, spending, employment and the price level for the current period as compared with one year ago and a year ahead, respectively.
- **Households' Inflation Expectation Survey**:
  - The share of households expecting overall prices and inflation to increase over the next three months and one year, has slightly increased.
  - This is for general prices as well as for most of the product groups, when compared to the previous survey round.

- Households' sentiments on general economic situation and employment prospects recorded notable improvements for both the current period as well as the upcoming year.
- The survey also highlighted improvements in households' sentiments regarding the general economic situation and employment prospects, both for the present and future years.

Conclusion

- The RBI Governor **Shaktikanta Das** has highlighted bright prospects for investment activity in India, citing factors such as:
    - Upturn in the private capex cycle,
    - Robust government capital expenditure,
    - Healthy balance sheets of banks and corporates, and
    - Rising capacity utilization.

Q1. Who compiles the Consumer Price Index?

The National Statistical Office (NSO), Ministry of Statistics and Programme Implementation (MoSPI) compiles All India as well as state-wise Consumer Price Index (CPI) for Rural, Urban, Combined sectors and releases the CPI numbers on 12th day of every month for current month and Final Index of previous month.

Q2. What is the difference between Bank Rate and Repo Rate?

The Bank Rate is the rate at which the central bank lends funds to commercial banks for long-term periods. The Repo Rate is when the central bank lends funds to commercial banks for short-term periods, typically overnight. Typically, it covers loans with maturities ranging from a few months to several years.

Source: Consumers optimistic about economic situation, income, employment for next one year: RBI survey

RBI
