dun & bradstreet
PAKISTAN

ISSUE NO. 11

Pakistan Consumer Confidence Index (CCI)

Results of Q3 2022 Survey Report

01st March 2023

Key highlights of change in Consumer Sentiments across Pakistan from Q2 2022 to Q3 2022

Report prepared by D&B Pakistan in collaboration with Gallup Pakistan

Consumer Sentiments are volatile and are shaped by consumers' perception of their personal financial situation as well as the overall financial and economic performance of the country. The Consumer Confidence Index (CCI Index) is a globally recognized instrument that serves as a leading indicator for household consumption and saving, which in turn is a key driver of overall economic activity in the country.

To help businesses and policymakers better understand this crucial link, D&B and Gallup have collaborated to publish a quarterly report. The CCI is a valuable tool for multiple stakeholders, including governments, businesses, and financial institutions, as it enables them to gain a deeper understanding of the market and make informed decisions backed by data.

To learn more about past CCI publications, please visit the D&B Pakistan Knowledge Capital website (https://dnbsame.com/knowledge-capital) or the website of Gallup Pakistan (Private) Limited (www.gallup.com.pk).

# Dun & Bradstreet Pakistan

WORLD'S LEADING PROVIDER OF DATA & ANALYTICS WITH GLOBAL FOOTPRINT ACROSS 200+ COUNTRIES

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D&B was established in 1841 and has the world's largest business database, comprising of over 500+ Million company records. D&B has 8 service lines in the region for its clients

Risk Consultancy Services
Helps banks and financial institutions measure and reduce risk, comply with Basel regulations, and enhance profitability.
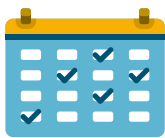
Sales & Marketing Solutions
Provides measurable ROI on the acquisition, retention, and growth strategies across sales and marketing organizations.

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Reduce information asymmetry between lenders and borrowers and support the development of financial infrastructure.


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Enable businesses to make informed decisions, minimize risk, accelerate cash flow, and monitor performance.

D&B Consulting
helps governments and large corporates evaluate business opportunities and risks to formulate and implement effective strategies.
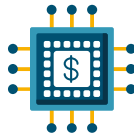
Financial Technology Solutions
Provide software solutions to banks and financial institutions to manage credit and operational risk.
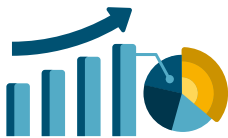
Economic Analysis Group
Develops the D&B Business Optimism Index that studies the business outlook and growth expectations of an economy.

Learning Solutions
Provide innovative, high-quality, comprehensive training and education programs to the business community.

Gallup Pakistan

GALLUP PAKISTAN, THE PAKISTANI AFFILIATE OF GALLUP INTERNATIONAL, IS A LEADING SURVEY RESEARCH AGENCY AND AN EMERGING SOCIAL SCIENCE RESEARCH LAB IN PAKISTAN. GALLUP PAKISTAN IS A SPECIALIST IN INDEPENDENT THIRD-PARTY EVALUATION AND RATINGS.

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Gallup Pakistan is operating in Pakistan since 1980, thus bringing in more than 40 years of professional experience. Gallup Pakistan offers its expertise in 6 fields of social and market research.

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Financial Inclusion Research

Media Research

ICT & Telecom Research

Healthcare Research

Behavioral Science Lab

Gallup History Project

Social and Political Research

Acknowledgements

The Consumer Confidence Index (CCI) is a survey that measures consumer sentiments about the country's economic condition, household financial situation, job prospects, and personal finances.

The survey captures consumers' responses related to the Current Situation as well as their Future Expectations.

We expect this report to be useful for Government entities, as well as private organizations to strengthen their understanding of consumers confidence across

Pakistan and help in developing effective strategies and policies.
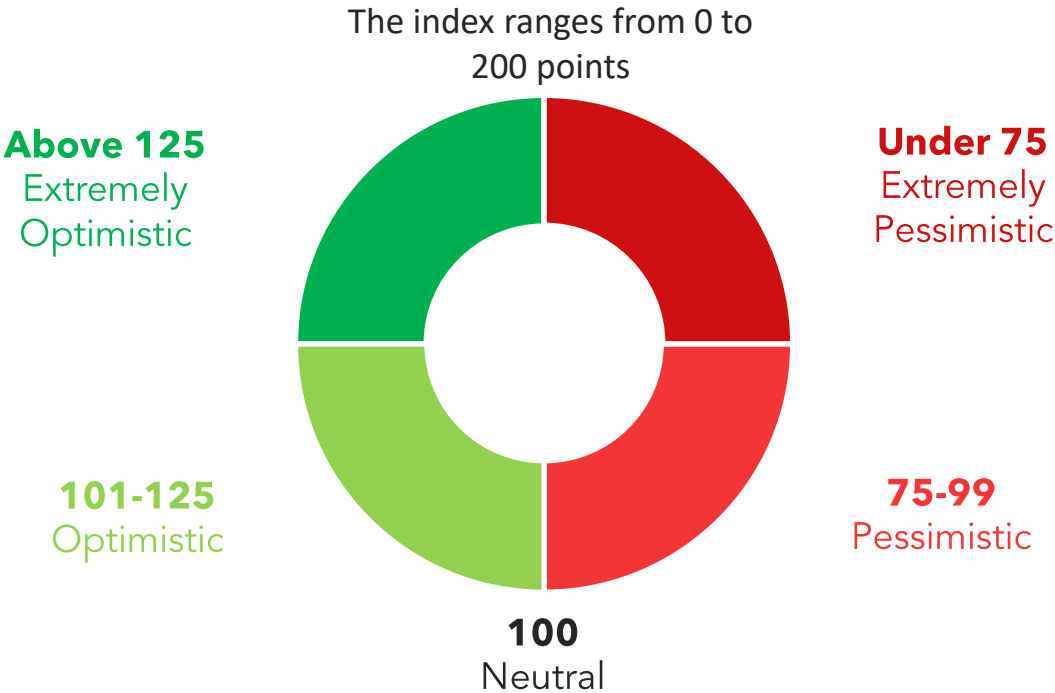
The CCI report is a quarterly publication from Dun & Bradstreet Pakistan and Gallup Pakistan.

This report compares Consumer Confidence in Q3 2022 vis-à-vis Consumer Confidence in Q2 2022 (Q-o-Q comparison).

For more information on past CCI publications please visit: D&B Pakistan Knowledge Capital

Index and Net Indicator (NI) Interpretation

The Index and Net Indicator (NI) scores are used in the report to indicate the level of Optimism or Pessimism with respect to specific questions, or as a composite index

The index ranges from 0 to 200 points

Above 125
Extremely Optimistic

Under 75
Extremely Pessimistic

101-125
Optimistic

75-99
Pessimistic

100
Neutral

Scores between 0 to 99 indicate decreasing levels of pessimism
Scores between 101 to 200 indicate increasing levels of optimism

Note: Please refer to pages 26 to 30 for the detailed methodology
The Index and NI interpretation applies to rounded-off numbers.

Glossary

Consumers
Respondents that have participated in the Consumer Confidence survey.

Net Indicator (NI)
A composite score is computed for each index parameter by assigning weights to responses received from consumers.

Consumer Confidence Index *(CCI - Overall)*
This is an aggregate index used to determine overall optimism/ pessimism amongst consumers in Pakistan. The CCI is an average of the Current Consumer Confidence Index (CCI - Current) and Future Consumer Confidence Index (CCI - Future)

Current Consumer Confidence Index *(CCI - Current)*
An index that indicates consumer feedback about current economic conditions (vis-a-vis last 6 months) across four index parameters, i.e., Household Financial Situation, Country's Economic Conditions, Unemployment, and Household Savings.

Future Consumer Confidence Index *(CCI - Future)*
An index that indicates consumer outlook for the next 6 months (compared to the months in which the survey was conducted), across four index parameters, i.e., Household Financial Situation, Country's Economic Conditions, Unemployment, and Household Savings.

Index Parameter
The individual constituent of each of the indices captures the current or future economic condition. There are 4 parameters captured as part of the survey and have been explained in the methodology section of this report.

Province
A province is an administrative territory that is governed by its own Government. In Pakistan, there are four provinces i.e., Balochistan, Punjab, Sindh, and Khyber Pakhtunkhwa (KPK).

Report Flow

Executive Summary

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PAKISTAN
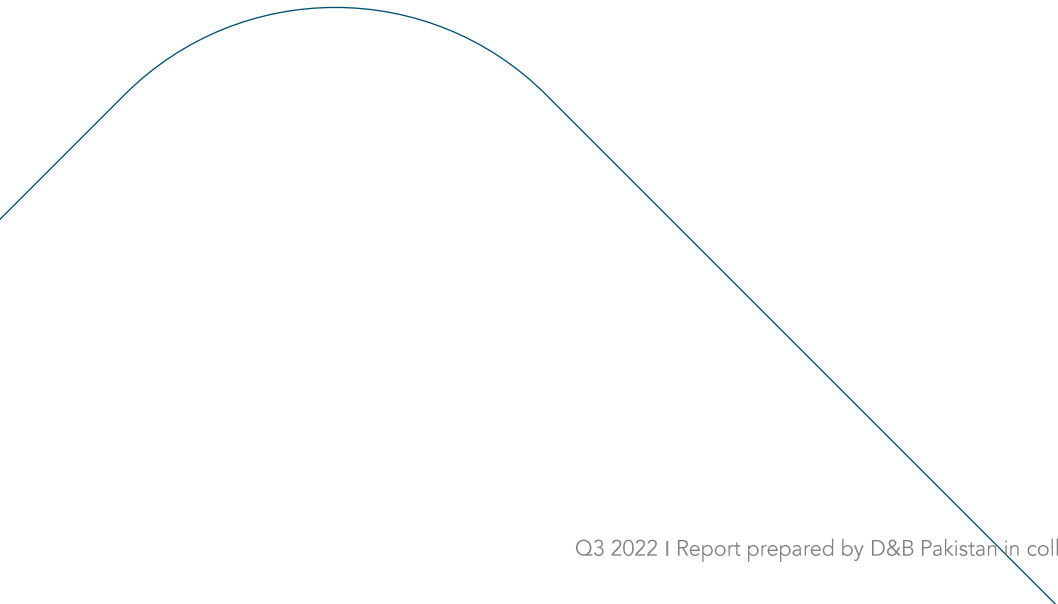
Key Findings: Q3 2022 Survey
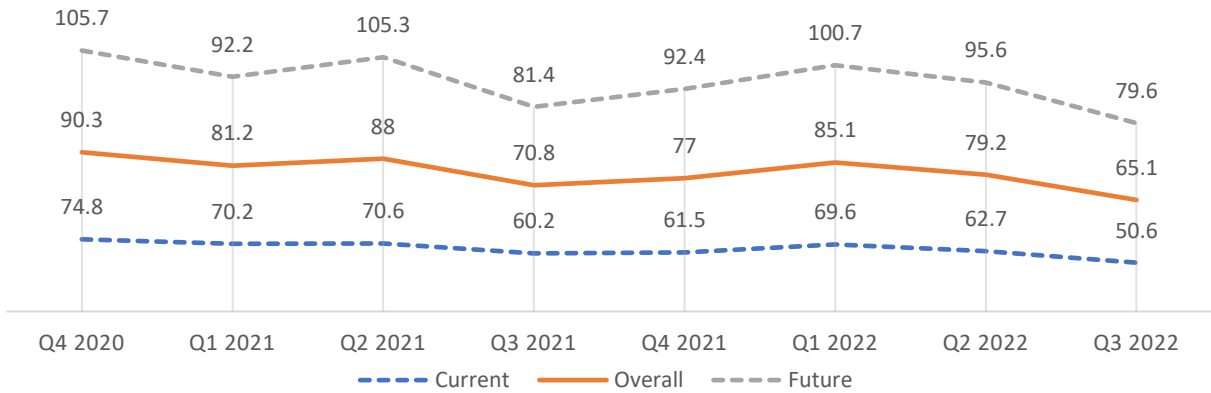
In Q3 2022, the Overall Consumer Confidence Index (CCI) recorded a reading of 65.1 points, indicating a decline of 17.8% quarter-on-quarter. This represents a more substantial drop compared to the 6.9% decline witnessed in Q2, 2022.

CCI Q3 2020 – Q2 2022

Legend: - - - Current ——— Overall - - - Future

The CCI decreased by 17.8% in Q3 2022 to 65.1, indicating deteriorated outlook in comparison to the previous quarter. Overall CCI was reported at 79.2 in Q2 2022.

Deterioration in the recent quarter's CCI can be attributed to a decrease in confidence across parameters of the index.

Consumers were neutral in Q1 2022 and pessimistic in Q2 2022 about the future. However, consumers continued to be pessimistic about future economic prospects.

Relative Optimism – Future to Current

Values: 41.31 (Q4 2020), 31.34 (Q1 2021), 49.15 (Q2 2021), 35.22 (Q3 2021), 50.24 (Q4 2021), 44.68 (Q1 2022), 52.47 (Q2 2022), 57.31 (Q3 2022)
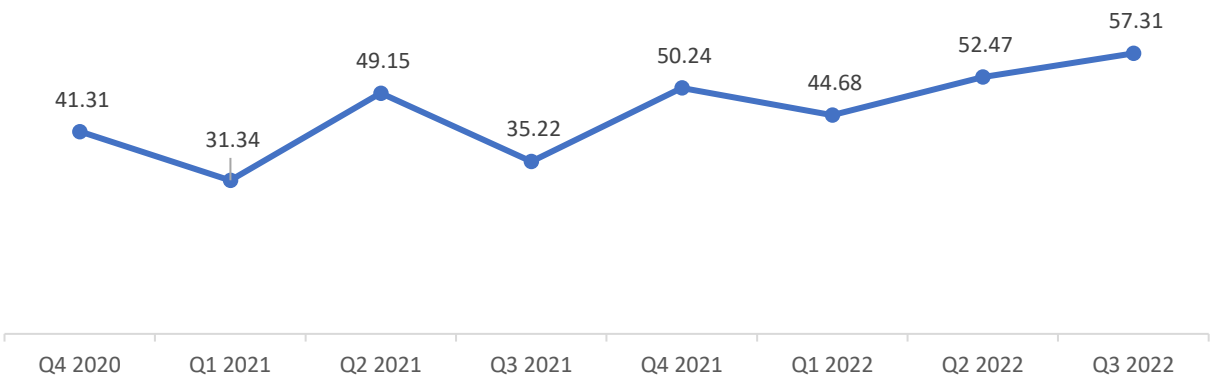
Based on a historical average, the dispersion in CCI between the current situation and the future outlook (relative optimism) is about 57%, highest in last 7 quarters.

Δ IN OVERALL CCI

NI = 79.2

NI = 65.1

↓ 17.8%

Q2
2022

Q3
2022
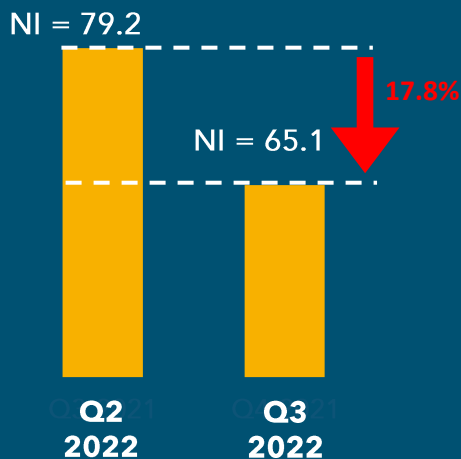
Consumer Confidence Index (CCI)
decreased Q-o-Q, indicating deterioration
in sentiments, thus moving in the
Extremely Pessimistic zone.

Δ IN CURRENT & FUTURE SITUATION

CURRENT DECREASE

FUTURE DECREASE

19.2%

16.7%

Overall, Consumers reported a
greater deterioration in Current
Situation compared to Future
Expectations.

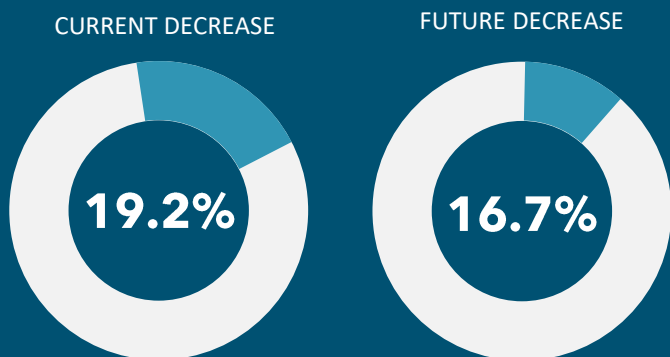Deterioration in the overall CCI can be attributed to decreased optimism (indicating deteriorated outlook) across all parameters. These results are a consequence of the political instability coupled with hike in inflation. Furthermore, the restrictions on import by the Government led to shut down of many industries owing to shortage of raw materials and supply chain disruption across the country.

Consumers' confidence in relation to the Future Situation deteriorated as the prices of oil and electricity further increased along with the looming threats of default across the country. Also, with the weak economy consumers predict an increase in taxes.

Current Outlook on **Financial Situation** and **Household Savings** parameters declined Q-o-Q by 17.8% and 31.1% respectively.

Current Outlook on **Economic Situation** and **Unemployment** parameters declined Q-o-Q by 16.3% and 7.5% respectively.

Rising prices consistently remains in the extremely pessimistic range, rising by 15.1% Q-o-Q.

Index / Net Indicator (NI) Interpretation: Under 75 - extremely pessimistic, 75 to 99 – pessimistic, 100 – Neutral, 101 to 125 – optimistic and 125 above - extremely optimistic

Consumer Confidence Index

Consumers displayed relatively higher optimism regarding Future Expectations (NI = 79.6) compared to Current Situation (NI = 50.6).

Current Quarter: Q3 2022 Survey

50.6 Current

79.6 Future

65.1 Overall CCI

Overall CCI decreased by 17.8% Q-o-Q to **65.1** in Q3, 2022. The decrease can be attributed to political instability coupled with hike in inflation in the country. Furthermore, the restrictions on import by the Government led to shut down of many industries owing to lack of raw material across the country. Therefore, the index remains in the extremely pessimistic zone.

Survey conducted during: December - 22

Previous Quarter: Q2 2022 Survey

62.7 Current

95.6 Future

79.2 Overall CCI

Overall CCI decreased by 6.9% Q-o-Q to **79.2** in Q2, 2022. The decrease can be attributed to political instability paired with disastrous floods across the country which caused soaring inflation rates. Therefore, the index remains in the pessimistic zone.
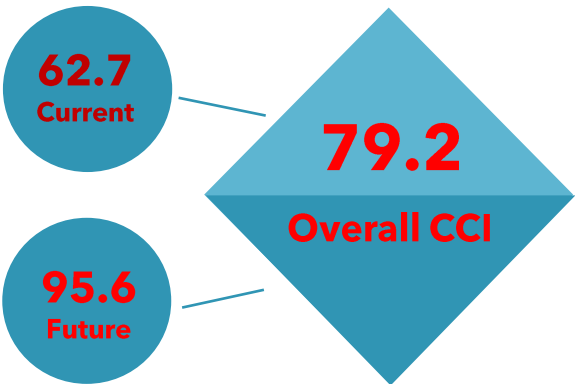
Survey conducted during: August - 22

Q1 2022 Survey

69.6 Current

100.7 Future
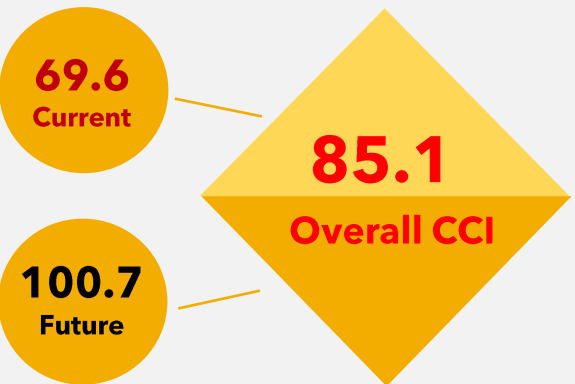
85.1 Overall CCI

Overall CCI increased by 10.5% Q-o-Q to **85.1** in Q1, 2022. The increase can be attributed to positive consumer sentiments towards performance of new government. However, despite improvement, the index remains in the pessimistic zone.

Survey conducted during: May - 22

Index / Net Indicator (NI) Interpretation: Under 75 - extremely pessimistic, 75 to 99 – pessimistic, 100 – Neutral, 101 to 125 – optimistic and 125 above - extremely optimistic

Key Takeaways

Consumers are Extremely Pessimistic about the Current Macroeconomic situation

Consumers remained extremely pessimistic regarding Unemployment, Household Savings, and Economic Situation (NI = 36.6, 45.4 and 50.5 respectively).

Pessimism regarding Future Financial and Economic Situation

Consumers remained pessimism regarding Future Financial and Economic Situation, decreasing by 20.2% and 17.9% Q-o-Q in Q3, 2022 respectively.

Consumers remain concerned about rising Unemployment

Consumers were most concerned about rising Unemployment in the upcoming quarters, in comparison to all other future parameters (NI = 64.7).

Respondents perceive Savings to rise sharply in the upcoming six months

Overall, Household Savings displayed deterioration in sentiments (decreased by 31.1%). Future Household Savings are expected to be higher than Current Situation.

Index / Net Indicator (NI) Interpretation: Under 75 - extremely pessimistic, 75 to 99 – pessimistic, 100 – Neutral, 101 to 125 – optimistic and 125 above - extremely optimistic

DETERIORATED OUTLOOK VERSUS PREVIOUS QUARTER FOR ALL THE RELEVANT PARAMETERS OUTLINE BELOW

Household Financial Situation

NI	Q2 2022	Q3 2022	% Change
Overall	**101.4**	**81.9** ⌄	**19.2%**
Current	85.0	69.8 ⌄	17.8%
Future	117.9	94.0 ⌄	20.2%

Country's Economic Situation

NI	Q2 2022	Q3 2022	% Change
Overall	**81.2**	**67.1** ⌄	**17.3%**
Current	60.4	50.5 ⌄	16.3%
Future	102.0	83.7 ⌄	17.9%

Unemployment Situation

NI	Q2 2022	Q3 2022	% Change
Overall	**58.2**	**50.6** ⌄	**13.0%**
Current	39.6	36.6 ⌄	7.5%
Future	76.9	64.7 ⌄	15.8%

Household Savings

NI	Q2 2022	Q3 2022	% Change
Overall	**75.7**	**60.5** ⌄	**20.0%**
Current	65.9	45.4 ⌄	31.1%
Future	85.6	75.7 ⌄	11.5%

Index / Net Indicator (NI) Interpretation: Under 75 - extremely pessimistic, 75 to 99 – pessimistic, 100 – Neutral, 101 to 125 – optimistic and 125 above - extremely optimistic
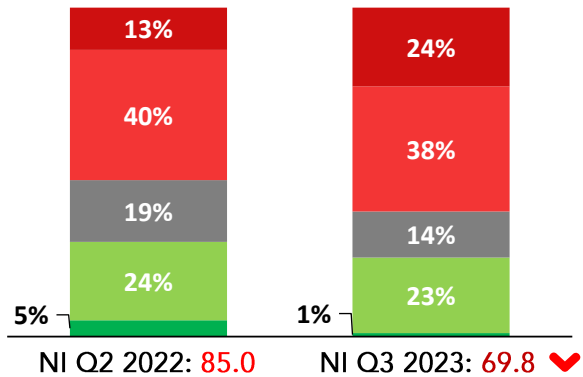
PERCEPTIONS REGARDING HOUSEHOLD FINANCIAL SITUATION MARGINALLY DECLINED Q-O-Q

Consumers remained **pessimistic** regarding **Future Household Financial Situation** (NI = 94.0), moreover, future expectations **declined by 20.2% Q-o-Q**.
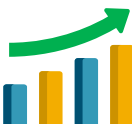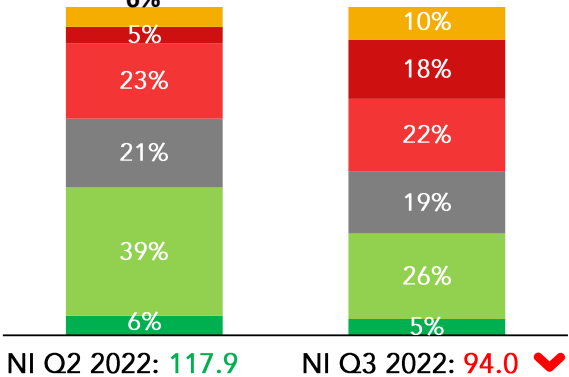
50% of the respondents indicated that their **Household Financial Situation is expected to improve or stay the same in Future** as compared to 66% in Q2 2022.

Surveys	Overall NI*
Q2 2022	101.4
Q3 2022	81.9 ❤

Current: How is your household's financial situation in comparison to last 6 months?

	Q2 2022	Q3 2023
Worse a lot	13%	24%
Worse	40%	38%
No change	19%	14%
Better	24%	23%
Better a lot	5%	1%

NI Q2 2022: **85.0**   NI Q3 2023: **69.8** ❤

Future: What do you expect your household's financial situation to be in next 6 months?

	Q2 2022	Q3 2022
Don't Know	6%	10%
Worse a lot	5%	18%
Worse	23%	22%
No change	21%	19%
Better	39%	26%
Better a lot	6%	5%

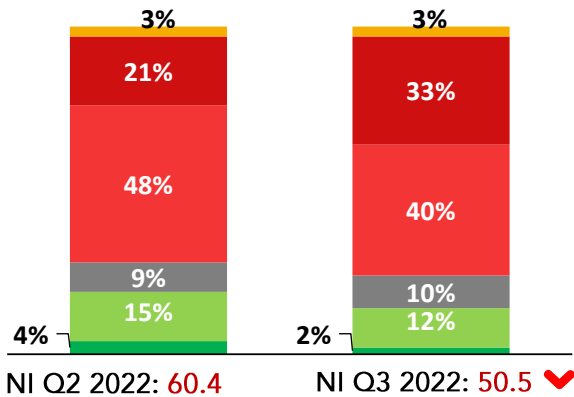NI Q2 2022: **117.9**   NI Q3 2022: **94.0** ❤

SENTIMENTS REGARDING COUNTRY'S ECONOMIC SITUATION OBSERVED A SUBSTANTIAL DECREASE ACROSS BOTH CURRENT SITUATION AND FUTURE EXPECTATIONS

Sentiments regarding Country's Economic Situation deteriorated primarily due to decrease in **Future Expectations** by 17.9% Q-o-Q.
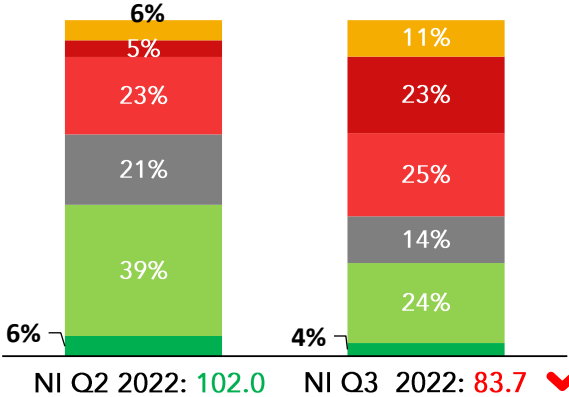
41% expect **Country's Future Economic Situation to improve or remain the same** (24.0% decrease Q-o-Q).

Surveys	Overall NI*
Q2 2022	81.2
Q3 2022	65.8 ❤

Current: In your opinion, how would you describe the current economic situation in Pakistan in comparison to last 6 months?

	Q2 2022	Q3 2022
Don't Know	3%	3%
Worse a lot	21%	33%
Worse	48%	40%
No change	9%	10%
Better	15%	12%
Better a lot	4%	2%

NI Q2 2022: **60.4**   NI Q3 2022: **50.5** ❤

Future: In your opinion, what do you expect Pakistan's economic situation to be in next 6 months?

	Q2 2022	Q3 2022
Don't Know	6%	11%
Worse a lot	5%	23%
Worse	23%	25%
No change	21%	14%
Better	39%	24%
Better a lot	6%	4%

NI Q2 2022: **102.0**   NI Q3 2022: **83.7** ❤

Legend: 🟩 Will be better a lot   🟢 Will be better   ⬜ No change   🟥 Will be Worse   🟥 Will be Worse a lot   🟧 Don't Know

Index / Net Indicator (NI) Interpretation: Under 75 - extremely pessimistic, 75 to 99 – pessimistic, 100 – Neutral, 101 to 125 – optimistic and 125 above - extremely optimistic
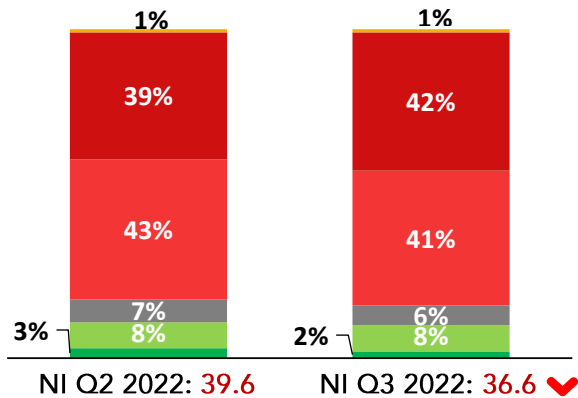
WHILE CONSUMER CONCERNS AROUND UNEMPLOYMENT CONTINUE TO PERSIST, THE OVERALL OUTLOOK WORSENS DURING Q3 2022

Respondents indicated the **most concern regarding Unemployment Situation**, across all CCI parameters, with NI decreasing by 13.0% from 58.2 to 50.6, Q-o-Q.
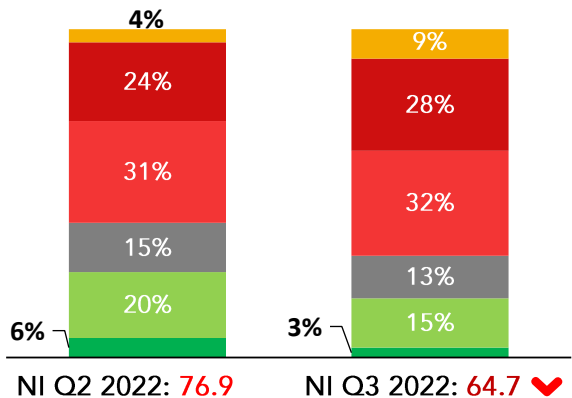
60% respondents highlighted that **Unemployment will increase** in the next six months (increased from **55% in Q2 2022**).

Surveys	Overall NI
Q2 2022	58.2
Q3 2022	50.6 ▼

Current: In your opinion, in comparison to last 6-month, unemployment in Pakistan is …..?

1%	1%
39%	42%
43%	41%
7%	6%
3% 8%	2% 8%

NI Q2 2022: 39.6   NI Q3 2022: 36.6 ▼

Future: In your opinion, in next 6 months, unemployment in Pakistan will be….?

|	
4%	9%
24%	28%
31%	32%
15%	13%
20%	15%
6%	3%

NI Q2 2022: 76.9   NI Q3 2022: 64.7 ▼

SENTIMENTS REGARDING OVERALL HOUSEHOLD SAVINGS DECLINED Q-O-Q. CONSUMERS EXPRESSED RELATIVELY LESS OPTIMISM ABOUT FUTURE HOUSEHOLD SAVINGS IN Q3 2022

Sentiments regarding Household Savings noted an extensive decrease **Q-o-Q (31.1%)**, therefore it remains **extremely pessimistic in current situation**

43% respondents expect Household Savings to increase or remain same in the next six months

Surveys	Overall NI
Q2 2022	75.7
Q3 2022	60.5 ▼

Current: Do you think, in comparison to last 6 months, your household savings increased, decreased or remained the same?

1%	
27%	38%
33%	35%
25%	21%
2% 12%	5%

NI Q2 2022: 65.9   NI Q3 2022: 45.4 ▼
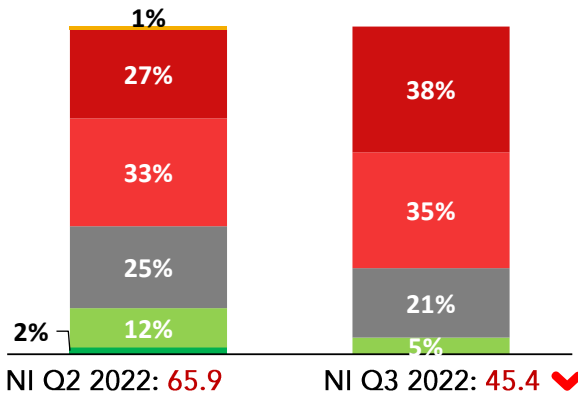
Future: Do you expect your household savings to increase, decrease or remain the same in next 6 months?

4%	6%
20%	27%
29%	24%
19%	23%
24%	17%
4%	2%

NI Q2 2022: 85.6   NI Q3 2022: 75.7 ▼
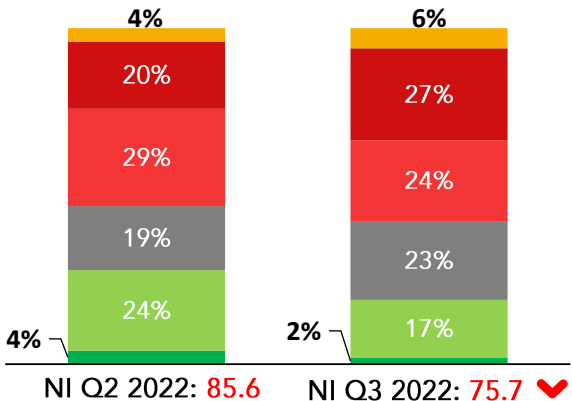
■ Will be better a lot ■ Will be better ■ No change ■ Will be Worse ■ Will be Worse a lot ■ Don't Know

Index / Net Indicator (NI) Interpretation: Under 75 - extremely pessimistic, 75 to 99 – pessimistic, 100 – Neutral, 101 to 125 – optimistic and 125 above - extremely optimistic

ALL PROVINCES INDICATED DETERIORATION IN OVERALL SENTIMENTS Q-O-Q

Punjab
n = 1,291

NI	Q2 2022	Q3 2022	% Change
Overall	**80.9**	**72.6** ❤	**10.2%**
Current	62.8	56.9 ❤	9.3%
Future	99.1	88.3 ❤	10.8%

Sindh
n = 413

NI	Q2 2022	Q3 2022	% Change
Overall	**67.4**	**57.2** ❤	**15.1%**
Current	57.2	44.5 ❤	22.2%
Future	77.7	69.9 ❤	10.0%

KPK
n = 262

NI	Q2 2022	Q3 2022	% Change
Overall	**87.6**	**48.3** ❤	**44.8%**
Current	67.6	35.0 ❤	48.2%
Future	107.7	61.6 ❤	42.8%

Balochistan
n = 102

NI	Q2 2022	Q3 2022	% Change
Overall	**92.5**	**56.2** ❤	**39.2%**
Current	76.1	44.0 ❤	42.1%
Future	109.0	68.4 ❤	37.2%

Index / Net Indicator (NI) Interpretation: Under 75 - extremely pessimistic, 75 to 99 – pessimistic, 100 – Neutral, 101 to 125 – optimistic and 125 above - extremely optimistic

CONSUMERS IN BOTH URBAN AND RURAL AREAS ARE LESS OPTIMISTIC IN Q3, 2022. MOREOVER, FEMALE RESPONDENTS DEPICTED LESS OPTMISM IN COMPARISON TO MALE RESPONDENTS IN OVERALL SENTIMENTS.

Urban
n = 1,256

NI	Q2 2022	Q3 2022	% Change
Overall	**80.7**	**63.1** ❤	**21.8%**
Current	62.8	48.2 ❤	23.2%
Future	98.6	78.1 ❤	20.7%

Rural
n = 812

NI	Q2 2022	Q3 2022	% Change
Overall	**78.3**	**66.0** ❤	**15.7%**
Current	62.7	51.8 ❤	17.3%
Future	94.0	80.3 ❤	14.5%

Male
n = 1,077

NI	Q2 2022	Q3 2022	% Change
Overall	**83.0**	**69.5** ❤	**16.2%**
Current	64.7	54.0 ❤	16.5%
Future	101.3	85.0 ❤	16.0%

Female
n = 991

NI	Q2 2022	Q3 2022	% Change
Overall	**75.0**	**60.2** ❤	**19.7%**
Current	60.6	46.9 ❤	22.6%
Future	89.3	73.6 ❤	17.5%

Index / Net Indicator (NI) Interpretation: Under 75 - extremely pessimistic, 75 to 99 – pessimistic, 100 – Neutral, 101 to 125 – optimistic and 125 above - extremely optimistic

CONSUMERS ACROSS ALL AGE GROUPS REMAINED EXTREMELY PESSIMISTIC FOR THE CURRENT QUARTER; RESPONDENTS AGED BELOW 30 YEARS DEPICTED THE LEAST PESSIMISM.

Below 30 years
n = 756

NI	Q2 2022	Q3 2022	% Change
Overall	**81.4**	**70.2** ⌄	**13.7%**
Current	63.3	57.5 ⌄	9.1%
Future	99.6	83.0 ⌄	16.6%

30 to 49 years
n = 982

NI	Q2 2022	Q3 2022	% Change
Overall	**76.5**	**61.8** ⌄	**19.2%**
Current	62.1	46.3 ⌄	25.4%
Future	90.9	77.3 ⌄	14.9%

50 years and above
n = 331

NI	Q2 2022	Q3 2022	% Change
Overall	**82.4**	**63.0** ⌄	**23.5%**
Current	63.5	47.5 ⌄	25.1%
Future	101.3	78.5 ⌄	22.5%

Index / Net Indicator (NI) Interpretation: Under 75 - extremely pessimistic, 75 to 99 – pessimistic, 100 – Neutral, 101 to 125 – optimistic and 125 above - extremely optimistic

Price Situation & Household Income

CONSUMER SENTIMENTS RELATED TO PRICE REMAINED EXTREMELY PESSIMISTIC IN Q3, 2022 (NI = 20.5), INCREASED BY 15.1% Q-O-Q)

Current: In your opinion, in comparison to last six months, prices of daily essentials are

Net Indicator
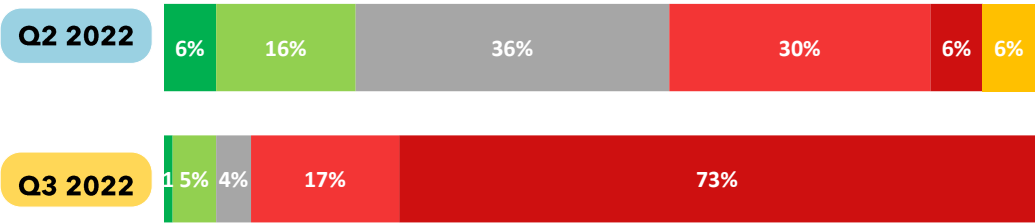
	Much Cheaper	Cheaper	Have not changed	Expensive	Very Expensive	Don't Know	Net Indicator
Q2 2022	6%	16%	36%	30%	6%	6%	17.8
Q3 2022	1%	5%	4%	17%	73%		20.5 ⌃

■ Much Cheaper ■ Cheaper ■ Have not changed ■ Expensive ■ Very Expensive ■ Don't Know

90% of consumers said that daily essentials have become expensive/very expensive in last six months compared to **93% responses** in **Q2 2022**.

Net Indicator	Under 30 yrs.	30-49 yrs.	Above 50 yrs.
Q2 2022	17.0	20.8	7.5
Q3 2022	⌃ 19.1	⌃ 21.0	⌃ 21.9

Consumers under 30 years of age are most concerned about rising prices of daily essentials in Q3, 2022

Net Indicator	Punjab	Sindh	KPK	Balochistan
Q2 2022	21.0	13.0	14.5	29.0
Q3 2022	⌃ 25.2	⌃ 14.6	⌄ 11.1	⌄ 16.0

Respondents across provinces displayed a decrease in optimism, barring those in Punjab and Sindh

Net Indicator	Male	Female
Q2 2022	17.5	18.3
Q3 2022	⌃ 23.0	⌄ 17.7

Male respondents' sentiments improved to **NI = 23.0** in Q3 2022 as compared to **NI = 17.5** in Q2 2022, however, Female respondents indicated deteriorated sentiments.

Net Indicator	Urban	Rural
Q2 2022	13.3	21.5
Q3 2022	⌃ 15.7	⌃ 23.0

Urban consumers are much more concerned about increase in prices than rural consumers in Q3 2022

CONSUMERS INDICATED PESSIMISTIC SENTIMENTRS ABOUT FUTURE HOUSEHOLD INCOME IN Q3 2022

Future: What change do you expect in your household income in the future?

						Net Indicator
Q2 2022	6%	30%	36%	16%	6%	**119.5**
Q3 2022	3%	20%	33%	27%	10%	6%	**95.5** ⌄
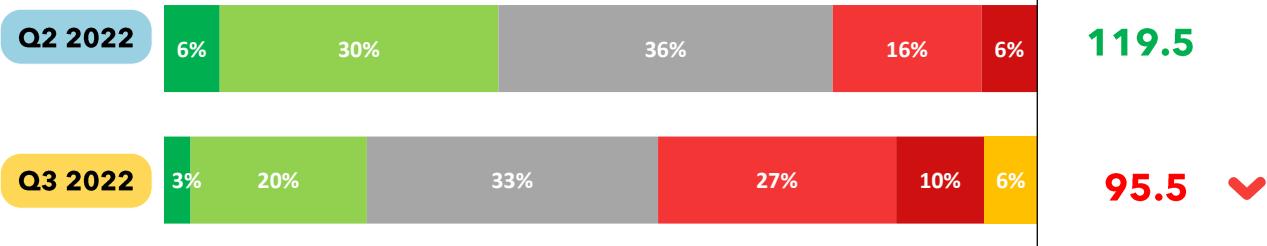
■ Much Cheaper ■ Cheaper ■ Have not changed ■ Expensive ■ Very Expensive ■ Don't Know

38% of respondents mentioned that their income levels will decrease in the next 6 months compared to **22%** in **Q3 2022**.

Net Indicator	Under 30 yrs.	30 - 49 yrs.	Above 50 yrs.
Q2 2022	121.5	119.3	111.8
Q3 2022	⌄ 99.8	⌄ 91.7	⌄ 97.2

All age groups have decreased in optimism. However, respondents within 30 - 49 years remained the least optimistic.

Net Indicator	Punjab	Sindh	KPK	Balochistan
Q2 2022	119.8	119.8	117.0	116.8
Q3 2022	⌃ 100.1	⌄ 93.1	⌄ 84.5	⌄ 81.2

Consumers across all provinces decreased in optimism Q-o-Q, all the provinces turned pessimistic after remaining Optimistic in the previous quarter, except Punjab turned in the Neutral range.
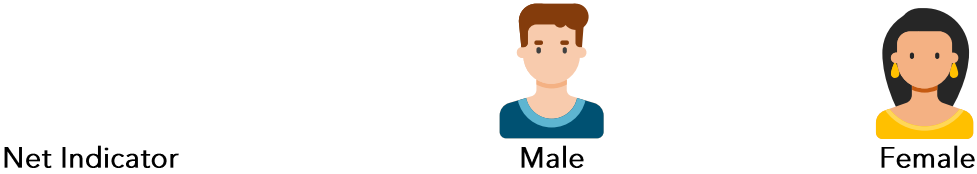
Net Indicator	Male	Female
Q2 2022	116.3	123.0
Q3 2022	⌄ 100.6	⌄ 90.1

Both Male and Female consumers indicated decline in Optimism. Male turned to Neutral and Female turned to Pessimistic zone in current quarter.

Net Indicator	Urban	Rural
Q2 2022	121.0	119.0
Q3 2022	⌄ 100.1	⌄ 93.1

Both Urban and Rural consumers shows less Optimism. Urban shifted to Neutral and Rural moved to Pessimistic zone in Q3 2022.

Methodology

dun&bradstreet
PAKISTAN

Q3 2022 SURVEY: A TELEPHONIC SURVEY WAS CONDUCTED AMONG 2,068 RESPONDENTS BY A TEAM OF TRAINED PROFESSIONALS FROM GALLUP PAKISTAN
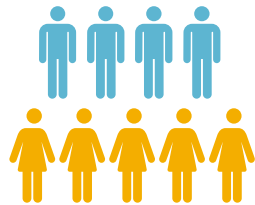
Sample Size: 2,068

2.2% Error Margin at 95% Confidence level
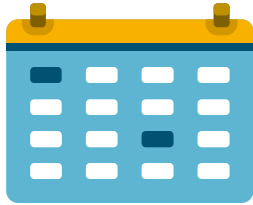
Data Collection Period: December 2022

Sample Survey Key Concepts

Male
52%

Female
48%

Below 30 years
37%

30 to 49 years
47%

50 years & above
16%

Urban
35%

Rural
65%

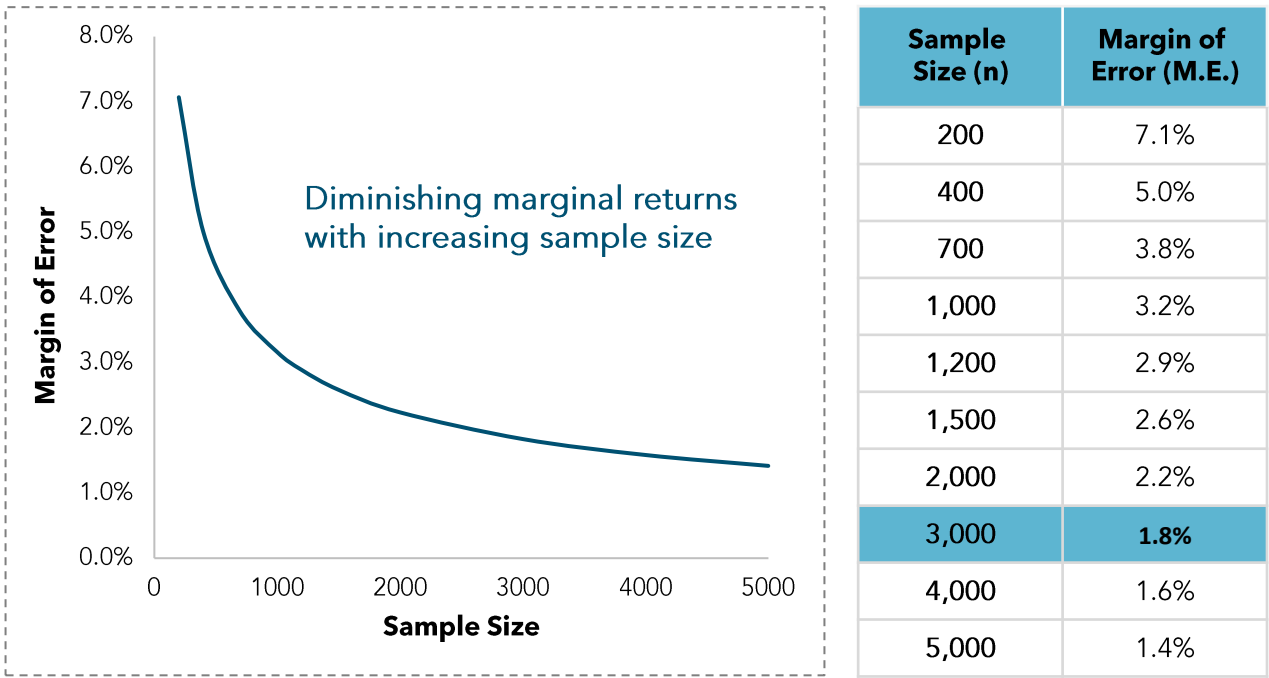# Sample Size Distribution by Province

Sindh
24%

Punjab
59%

Balochistan
4%

KPK
13%

Sample size of 2,068 respondents result in a margin of error of 2.2%, hence the sample size is representative of population.

THE MARGIN OF ERROR DECREASES WITH INCREASE IN SAMPLE SIZE BUT AT A MUCH LOWER PACE. A SAMPLE SIZE OF 1,200 IS STATISTICALLY SIGNIFICANT. HOWEVER, OUR SAMPLE SIZE OF 2,068 IS MORE THAN SUFFICIENT FROM THE POINT OF VIEW OF STATISTICAL ACCURACY

Relationship between Sample Size and Margin of Error

Diminishing marginal returns with increasing sample size

Sample Size (n)	Margin of Error (M.E.)
200	7.1%
400	5.0%
700	3.8%
1,000	3.2%
1,200	2.9%
1,500	2.6%
2,000	2.2%
3,000	1.8%
4,000	1.6%
5,000	1.4%

Observations:

- A four times increase in sample size (from 1,000 to 4,000) will reduce error margin by only 1.6% (from 3.2% to 1.6%).
- The most substantial decrease in margin of error is between samples sizes of 200 and 1,200
- The margin of error does not substantially decrease at sample sizes above 1,500 (since it is already below 3%).

With Pakistan's population of ~220 Mn, a sample size of 1,200 results in a margin of error of 2.8%, which is below 3%, the accepted norm for statistical research accuracy. A Sample of 1,765 for this survey is sufficiently large to represent feedback from across the Nation.

Note: For further details on statistical concepts see page 32

THIS SURVEY HAS BEEN WEIGHTED USING 'POST-STRATIFICATION WEIGHTS'

Weighting Approach

Sindh   KPK

Punjab   Balochistan
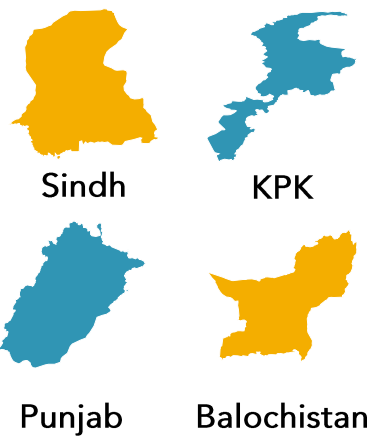
- A weighting approach has been used for the CCI to make the sample statistically representative of the population.

- The weights have been applied based on Provinces of Residence (Sindh, Punjab, KPK or Balochistan)

- The assignment of a weight to each survey respondent is such that: demographics that are under-represented (when compared to the actual population proportion) are assigned a weight larger than 1, and those in over-represented groups are assigned a weight smaller than 1.

FOR ESTIMATING NET INDICATOR, WEIGHTS HAVE BEEN ASSIGNED TO EACH RESPONSE ASYMMETRICALLY TO ACCOUNT FOR RESPONDENT'S TENDENCY TO UNDER-WEIGH POSITIVE RESPONSES

Response Weighting

Response Weights	1.00	0.75	0.25	(0.75)	(1.00)	0.00
Response Categories	Much Better	Better	Same as Before	Worse	Much worse	Don't Know
Net Indicator	1 + Σ (Weighted Responses)					

Net indicator is a composite score computed for each index parameter by assigning weights to responses received from consumers. For each question asked during the survey, the respondent has six options as shown above.

Neutral responses (Same as before) are assigned a weight of 0.25 due to respondent's tendency to under-weigh positive responses.

Net Indicator is computed by taking a weighted average sum of the responses based on the weights indicated above. It is converted into an index by adding 100 to the weighted average score. The index will thus range from 0 to 200

Index / Net Indicator (NI) Interpretation: Under 75 - extremely pessimistic, 75 to 100 – pessimistic, 100 to 125 – optimistic and 125 & above - extremely optimistic

Appendix

A SAMPLE IS A COLLECTION OF DATA FROM A SUBSET OF THE POPULATION. MARGIN OF ERROR DETERMINES THE ACCURACY OF ESTIMATION ABOUT POPULATION PARAMETER FROM SAMPLE SURVEY

Sample Survey Key Concepts

Population, Sampling Frame and Sample

Population: The entire group of individuals or objects that we wish to know something about

Sample (n): Those individuals or objects who provide the data to be collected.

Sampling Frame: It is a list of all those within a population who can be sampled. Having sampling frame close to population avoids selection bias.

Relationship between Population, Sampling Frame and Sample (Process of creating a sample)
- Want to know about a population
- Only really have access to a sampling frame to draw an intended sample from
- Get observations only from the actual sample.

Margin of Error (ME)
- It measures the reliability of the percent or other estimate based on the survey data
- The margin of error depends directly on the square root of the size of the sample.

Formula: ME = 1 / $\sqrt{n}$
Rule of Thumb: The larger the sample size (n) the smaller the margin of error;

the size of the population does not affect the margin of error

Confidence Interval (CI)
- It is a probability that a parameter will fall between a pair of values around the mean.

Formula: CI = $\bar{x} \pm z * \sigma / (\sqrt{n})$
($\bar{x}$ = sample mean, z = confidence level value, σ = sample standard deviation)
Observation: Mostly constructed using confidence levels of 95% or 99%.

If a survey is conducted using an unbiased methodology, then the margin of error tells us directly about the accuracy of the survey at estimating a population parameter.

THIS REPORT HAS BEEN DEVELOPED TO ASSESS CONSUMER CONFIDENCE ACROSS PAKISTAN. MULTIPLE STAKEHOLDERS CAN USE THIS REPORT FOR STRATEGIC DECISION MAKING.

The Consumer Confidence Index (CCI Index) is a globally recognized instrument that helps understand the sentiments and outlook of the common man.

The Consumer Confidence Survey measures the level of optimism that consumers have about household financial situation, country's economic condition, job prospects, personal finances and spending intentions.

Thus, it would help multiple stakeholders to strengthen their research, develop their strategies, and thereby aid in the process of decision making.

Target Audience

| Public Institutions and Policy Makers | Large and Small Businesses (especially B2C) | Development Financial Institutions & Foundations | Banks and Non-Banking Financial Institutions | Education and Research Center |
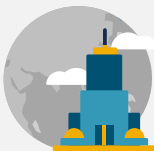
THIS REPORT COMPARES CHANGES IN CONSUMER CONFIDENCE ACROSS TWO QUARTERS; SECOND QUARTER OF 2022 (Q2 2022) AND THE CURRENT SITUATION (Q3 2022)

	Q2 2022	Q3 2022
Number of Respondents	1,543	2,068
Time period of Survey	August 22	December 22
Mode of Survey Interviews	Telephonic	Telephonic

THE CONSUMER CONFIDENCE INDEX REPORT COMPARES SURVEY RESULTS, AND ASSESSES CURRENT & FUTURE CONSUMER OUTLOOK FOR ALL KEY PARAMETERS ACROSS DEMOGRAPHIC SEGMENTS

Analysis Framework

Consumer response related to Current Situation and Future Expectations

Current
Past 6 Months sentiment from month of survey

Future
Next 6 Months outlook from month of survey

Q. How would you describe the current situation in comparison to 6 months ago?

Q. What do you expect the situation to be 6 months from now?

Quarterly Consumer Confidence Surveys

Q2 2022 Survey

Q3 2022 Survey

Different colors are used to indicate the quarterly Surveys

For each question asked during the survey, the respondents had multiple options: much better, better, same, worse, much worse and don't know

Demographic Split

Provinces
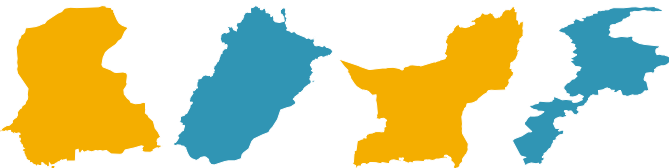
Location

Urban

Rural

Age Group

Below 30 years

30 to 49 years

50 years & above

Gender

Male

Female

Consumer Confidence

Household Financial Situation
Current:
Q1. How is your household's financial situation in comparison to last 6 months?

Future:
Q2. What do you expect your household's financial situation to be in next 6 months?

Country's Economic Condition
Current:
Q3. In your opinion, how would you describe the current economic situation in Pakistan in comparison to last 6 months?

Future:
Q4. In your opinion, what do you expect Pakistan's economic situation to be in next 6 months?

Unemployment
Current:
Q5. In your opinion, in comparison to last 6-month, unemployment in Pakistan is …..?

Future:
Q6. In your opinion, in next 6 months, unemployment in Pakistan will be….?

Household Savings
Current:
Q7. Do you think, in comparison to last 6 months, your household savings increased, decreased or remained the same?

Future:
Q8. Do you expect your household savings to increase, decrease or remain the same in next 6 months?

Prices

Outlook on food prices:
Current:
Q9. In your opinion, in comparison to last six months, prices of daily essentials has…?

Household Income

Outlook on household income:
Future:
Q10. What change do you expect in your household income in the future?

In Q4 2021 Survey, number of questions were reduced to manage the survey process effectively through telephonic calls, abiding by all the COVID-19 restrictions.

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