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Dragon Capital



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Press Release

Consumer confidence Index in March 2020 decreases by 8.9 p. and equals 73.0.

According to the data provided by Info Sapiens “Consumer confidence of Ukrainians”, conducted by Info Sapiens and financially supported by Dragon Capital, the Consumer Confidence Index (CCI) equals 73.0 in March, which is 8.9 points lower than in February. All the indicator’s components decreased and the short-term economic expectations together with personal well-being estimations (both current and future) most of all.

In March 2020 the Consumer Confidence Index (CCI) equaled 73.0, that is 8.9 points lower than the indicator in February.

Index of the Current Situation (ICS) decreased by 7.3 points to the level of 67.2. The components of this index have changed as follows:

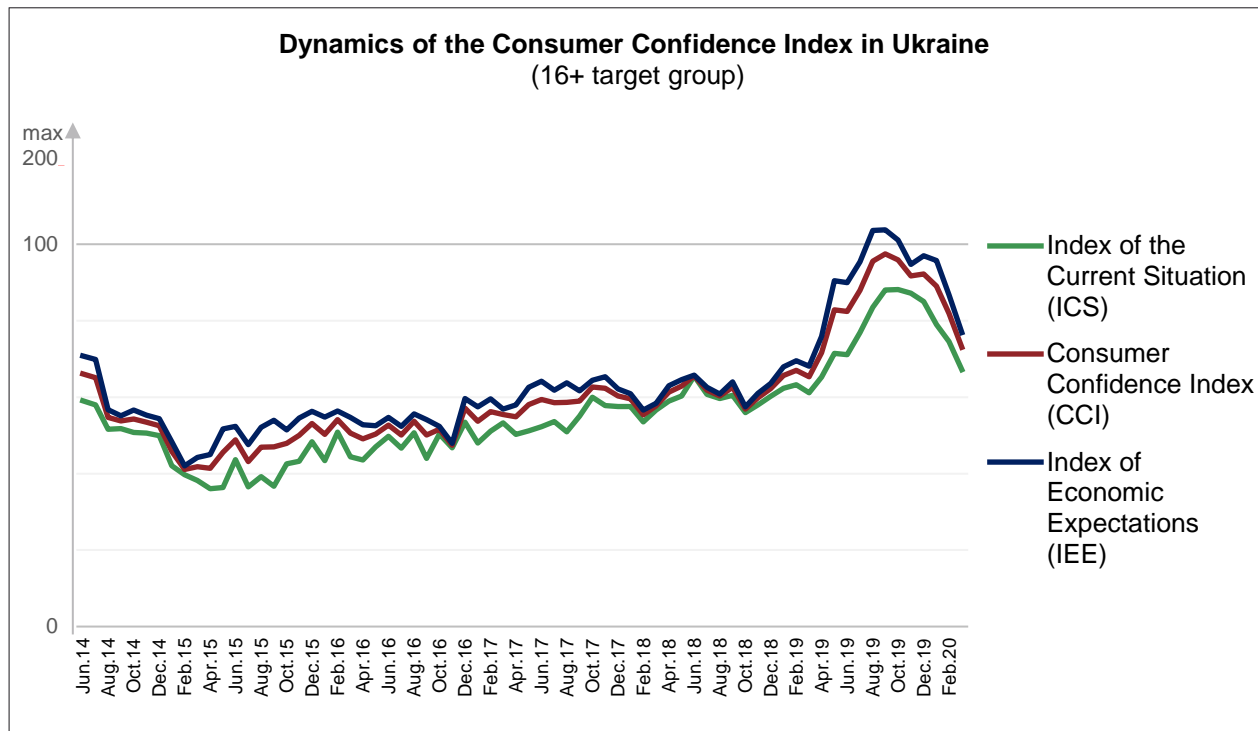
- Index of Current Personal Financial Standing (x1) equaled 60.1, which is 10.6 points lower than the indicator in February;
- Index of Propensity to Consume (x5) decreased by 4.1 p. and reached the indicator of 74.3.

In March, *Index of Economic Expectations (IEE)* decreased by 9.9 points to the level of 76.9. The components of this index have changed as follows:

- Index of Expected Changes in Personal Financial Standing (x2) decreased by 11.7 points comparing to the previous month and equals 75.1;
- Index of Expectations of the Country’s Economic Development Over the Next Year (x3) decreased by 12.1 points and equals 67.9;
- Index of Expectations of the Country’s Economic Development over the Next 5 Years (x4) decreased to the level of 87.7, which is 6.0 points lower than in February.

In March, the indicator of *Index of Expectations of Changes in Unemployment* equaled 133.4, which is 4.7 p. higher than previous month. *Index of Inflationary Expectations* remains stable on the level of 185.4, which is 2.7 points higher than last month. Expectations of Ukrainians regarding the hryvna’s exchange rate in the coming three months have significantly worsened: *Index of Devaluation Expectations* increased by 21.5 points and reached the level of 154.0.

‘The Consumer Confidence Index in March 2020 decreased to the level of April 2019 (one month before the President Zelensky have been inaugurated). The most significant decline show the Indices of personal financial standing and the expected economic conditions in 1-year perspective. At the same time, the propensity to consume decreased to a lesser extent. Presumably, considering the expected growth of prices and devaluation, consumers are willing to make big purchases now. The Index of Devaluation Expectations increased to the level of March 2019, but it is still lower than its maximum level reached in August-September 2018.’ – as Info Sapiens analysts comment.



Dynamics of the Consumer Confidence Index in Ukraine
(16+ target group)

Month, year	Consumer Confidence Index (CCI)	Index of the Current Situation (ICS)	Index of Economic Expectations (IEE)	Index of Expectations of Changes in Unemployment (IECU)	Index of Inflationary Expectations (IIE)	Index of Devaluation Expectations (IDE)
03'20	73,0	67,2	76,9	133,4	185,4	154,0
02'20	81,9	74,5	86,8	128,7	182,7	132,5
03'19	65,3	61,2	68,1	129,0	184,5	151,2

How the indices are calculated

The survey «Consumer confidence in Ukraine» was conducted by GfK Ukraine since June 2000. From 2019 this project is provided by Info Sapiens. From January 2009 consumer confidence survey is conducted on a monthly basis.

In Ukraine, the Consumer Confidence Index is determined through a random survey of domestic households. The poll involves 1.000 individuals aged 16+. (Up to April 2014 the poll involved 1.000 respondents aged 15-59). A representative sample is selected by gender and age, also by type and size of settlement. In April 2014 Autonomous Republic of Crimea was excluded from the sample of consumer confidence research in Ukraine. The margin of error is 3.2%. The survey was carried out on March 5-22. To define the CCI, respondents are asked these questions:

1. How has the financial standing of your family changed over the last six months?
2. How do you think your family's financial standing will change in the next six months?
3. Looking at economic conditions in the country as a whole, do you think the next 12 months will be good or bad?
4. Looking at the next five years, will they be good ones or bad ones for the country's economy?
5. In terms of large purchases for your home, do you think now is generally a good time or a bad time to make such purchases?

Each of these questions is related to a corresponding index:

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- *Index of Current Personal Financial Standing (x1);*
- *Index of Expected Changes in Personal Financial Standing (x2);*
- *Index of Expected Economic Conditions in the Country Over the Next Year (x3);*
- *Index of Expected Economic Conditions in the Country Over the Next 5 Years (x4);*
- *Index of Propensity to Consume (x5).*

Indices are constructed thus: the share of negative answers is deducted from the share of positive answers. and 100 is added to this difference in order to eliminate negative values. On the basis of these five indices. three aggregate indices are calculated:

- *Consumer Confidence Index (CCI) as the arithmetic average of indices x1–x5;*
- *Index of the Current Situation (ICS) as the arithmetic average of indices x1 and x5;*
- *Index of Economic Expectations (IEE) as the arithmetic average of indices x2. x3. and x4.*

Index values range from 0 to 200. The index equals 200 when all respondents positively assess the economic situation. It totals 100 when the shares of positive and negative assessments are equal. Indices of less than 100 indicate the prevalence of negative assessments.

To determine the Index of Expected Changes in Unemployment (IECU), the Index of Inflationary Expectations (IIE) and the Index of Devaluation Expectations (IDE), the respondents are asked these three questions:

- 1. Do you think that within next 12 months the number of unemployed (people who do not have job and are looking for work) will increase. will remain roughly the same. or will decrease?*
- 2. How do you think that prices for major consumer goods and services will change in the next 1–2 months?*
- 3. How do you think the USD value will change towards the UAH value during the next 3 months?*

The IECU, the IIE and the IDE are calculated thus: the share of answers that indicate a decrease of unemployment/inflation/devaluation is subtracted from the share of answers that indicate the growth of unemployment/inflation/devaluation. and 100 is added to the difference to eliminate negative values. The values of indices can vary from 0 to 200. The index totals 200 when all residents expect an increase in unemployment/inflation/devaluation.

About Info Sapiens

Research agency Info Sapiens specializes in public opinion polls, behavioral studies and secondary data analysis. Our team complies with the ICC/ESOMAR International Code of Marketing and Social Research Practice and is a member of Ukrainian Marketing Association.

Info Sapiens provides fieldwork for GfK Ukraine projects and also independently conducts research projects, namely social and political surveys including «Consumer confidence in Ukraine». More information about the company and its services is available on the [website](#) or [facebook page](#).