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Dragon Capital

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Press Release

Consumer confidence Index in April 2021 equals 77.2 p.

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 77.2 in April, which is 9.4 points higher than in March. The increase of the indicator is caused by a significant growth of economic expectations.

In April 2021, the Consumer confidence Index (CCI) equals 77.2, which is 9.4 points higher than the indicator in March.

Index of the Current Situation (ICS) have not changed significantly and equals 60.0, which is 1.1 p. higher than in March. The components of this index have changed as follows:

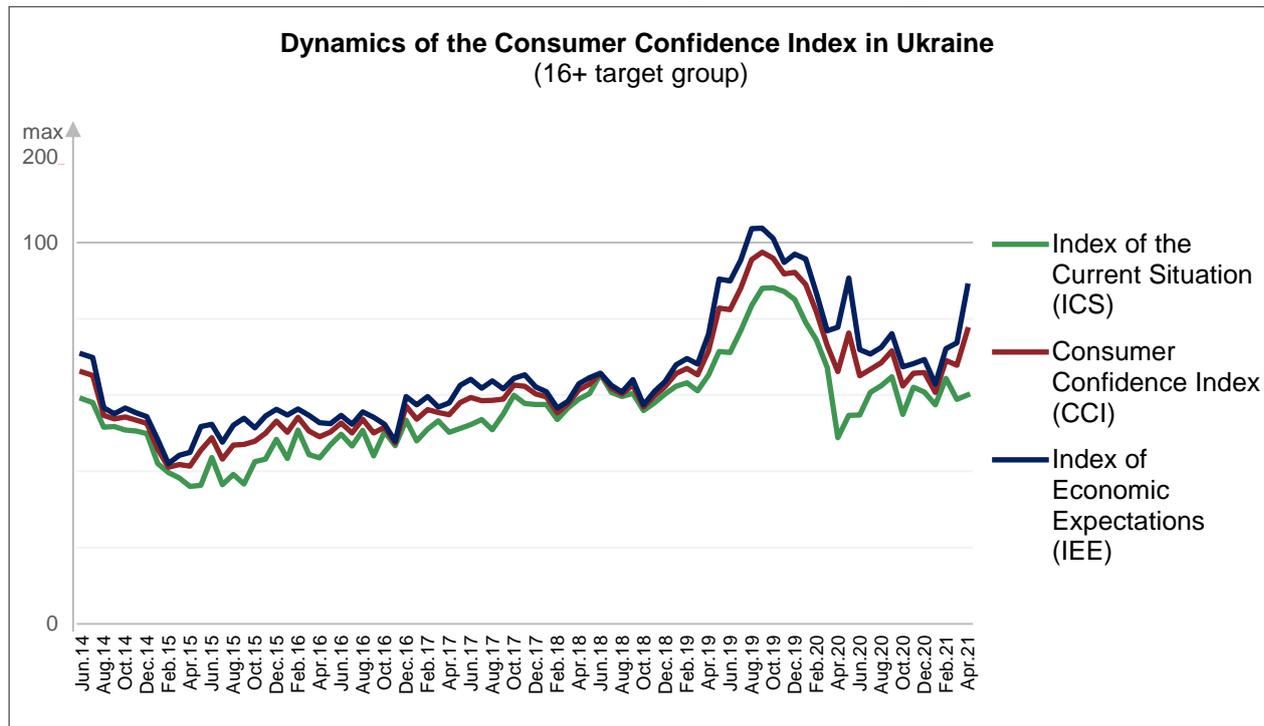
- Index of Current Personal Financial Standing (x1) equals 55.3, which is 0.6 points higher than the indicator in March;
- Index of Propensity to Consume (x5) increased by 1.7 p. to the level 64.8.

In April, *Index of Economic Expectations (IEE)* have increased and equals 88.6. The components of this index have changed as follows:

- Index of Expected Changes in Personal Financial Standing (x2) equals 92.2 which is 13.0 points higher than the level of this indicator in March;
- Index of Expectations of the Country's Economic Development Over the Next Year (x3) equals 71.0 which is 10.5 points higher than the level of this indicator in March;
- Index of Expectations of the Country's Economic Development over the Next 5 Years (x4) increased by 21.0 points compared to last month and equals 102.5.

In April, the indicator of *Index of Expectations of Changes in Unemployment* is stable on the level of 148.6. *Index of Inflationary Expectations* slightly decreased and equals 185.1. Expectations of Ukrainians regarding the hryvna's exchange rate in the coming three months have worsened: *Index of Devaluation Expectations* increased by 10.9 p. and equals 145.3.

«In April 2021, the dynamics of the Index of economic expectations was much ahead of the dynamics of the Index of the current situation. The indices of the current personal financial standing and the propensity to consume did not change significantly, while the Index of expected changes in personal income increased by 13 p. Such a gap in dynamics may indicate the potential for economic recovery after the crisis. The positive trend of consumer confidence corresponds to the improvement of the business expectations recorded by the National Bank in its study in the 1st quarter of 2021 (growth by 8 percentage points). It is also important to note that the positive dynamics may be enhanced by changing the survey method: in April, due to the lockdown the survey was conducted by telephone, but this method attracts a bigger share of wealthy population compared to face-to-face interviews.» – 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)
04'21	77,2	60,0	88,6	148,6	185,1	145,3
03'21	67,8	58,9	73,7	148,1	187,8	134,3
04'20	66,2	48,8	77,8	168,9	172,7	146,8

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%. In April and May 2020 and in April 2021 the survey was conducted via CATI method with calls on mobile phones because of the lockdown. Dates of the latest survey: April 17-30.

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?

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Each of these questions is related to a corresponding index:

- *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](#).