

CONSUMER CONFIDENCE INDEX SURVEY

Pakistan | Quarter 1, 2024

March 08, 2024

GAME CHANGERS



CEO'S KEY TAKE OUT



Q1, 2024, the latest wave of the Ipsos Global Consumer Confidence Index (GCCCI) survey holds a unique significance for Pakistan as it serves as baseline for the newly incumbent federal government. We initiated this ongoing survey in Pakistan almost five years ago, when Pakistan Tehreek-e-Insaf (PTI) government completed its first year in Islamabad. Please note that critical tracking GCCCI questions ask the respondents to extend their views and perceptions un comparison to preceding one year.

Regrettably, Pakistan's standing today is considerably lower than it was back then. Across this half a decade, instead of improvements, we have regressed. In essence, Pakistan has lost five organic years of growth and development. Economic woes persist, and much of the population remains uncomfortable making daily purchases or investments.

When we examine Pakistan position on the global stage, our standing remains at the lowest, even amongst emerging markets like Brazil, India, and South Africa. Many economies across the world have faced their unique set of challenges in addition to global crises such as the coronavirus pandemic, supply chain disruptions due to the Russia/Ukraine war, and turmoil in the Middle East, to name the few. Nevertheless, despite these hurdles, they have managed to improve their consumer confidence over the past five years.

On the other hand, Pakistan's journey has been characterized by significant fluctuations. Initially, we experienced an expected dip during the Covid-19 period in 2019-2020. Subsequently, there was a remarkable improvement post-Covid in 2021, which could be attributed to effective perception management strategies, where the public was smartly informed of improved macroeconomic indicators. Whether authentic or not, that strong communication strategy did temporarily boost consumer confidence in the country, and for the first time, we saw a slight uptick in comparison to Turkey and South Africa.

Unfortunately, this recovery was short-lived. Following this brief period of improvement, we embarked on a downslide in 2022-23, attributable to political experiments. This dip continued until the IMF stand-by agreement at the end of PDM led government, which brought a bounce back in Q3 2023. The caretaker government, while not able to drive significant improvement, did manage to stabilize the situation. From September 2023 onwards, there has been a positive trajectory.

There are a few key lessons we should glean from these data points.

Firstly, we need to allow governments to complete their five-year terms. Political stability is a prerequisite for economic stability, and premature changes in government do hinder consistent growth. Secondly, we must recognize that this survey is based on perceptions, which at times carry more weightage than reality. It's a chicken-and-egg phenomenon: better perceptions can lead to better realities and vice versa. Therefore, while the incumbent government has an economic reform agenda to implement, they should also set realistic targets and KPIs based on this data for effective perception management. This will ensure that the public, as well as investors' confidence is not only maintained but improved over time.

Abdul Sattar Babar

Founding CEO & MD

Ipsos in Pakistan

METHODOLOGY

APPROACH

CATI Interviews
Post-stratification survey weights for provinces, gender and SECs applied to align survey data with population distributions

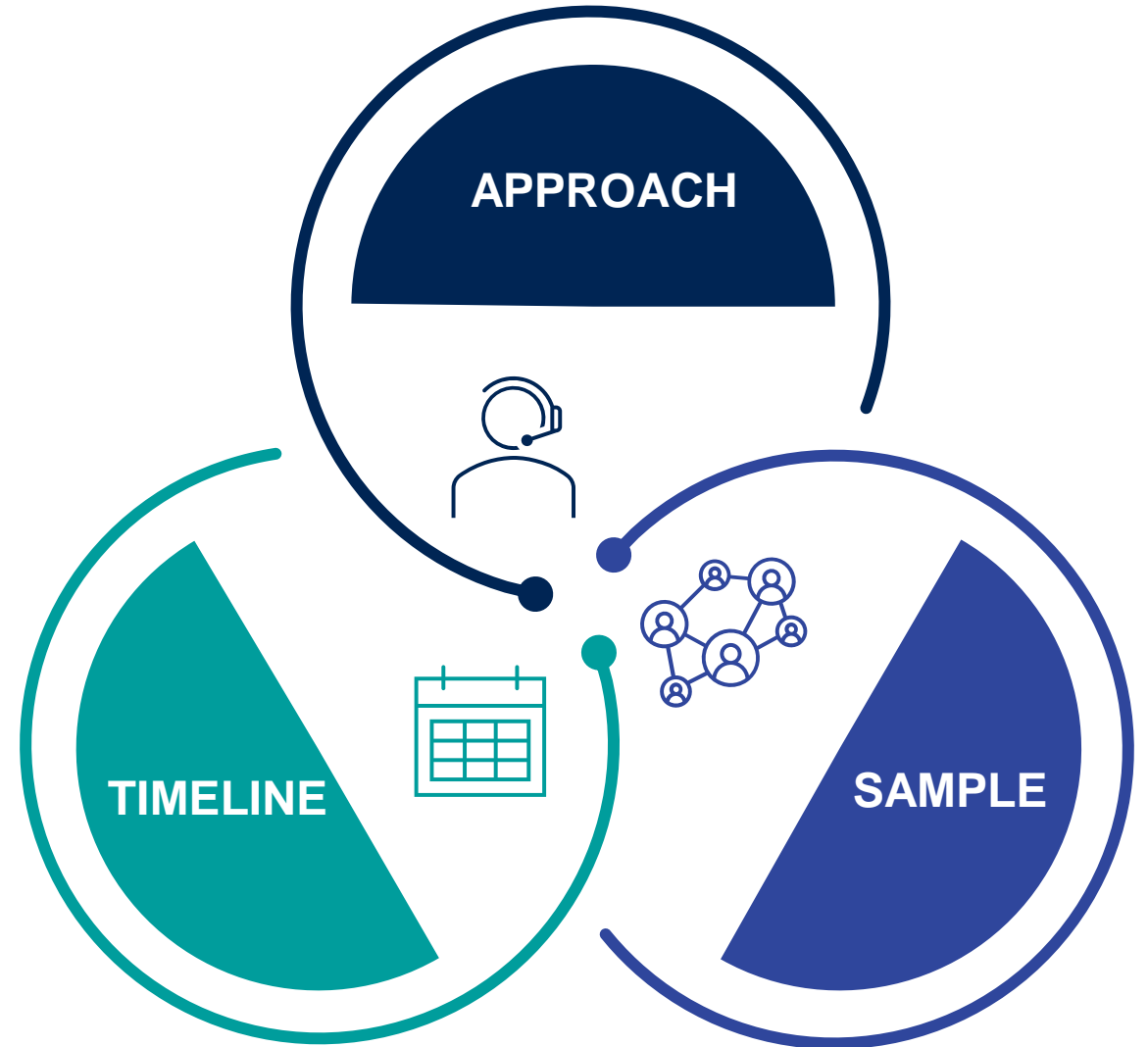
SAMPLE

N=1043
From all 4 provinces of Pakistan, ICT, Gilgit & AJK

TIMELINE

28th February to 7th March 2024

This study had no external sponsors or partners. It was initiated and run by Ipsos with the intention to share our understanding about the world we live in and how citizens around the globe think & feel about their world.



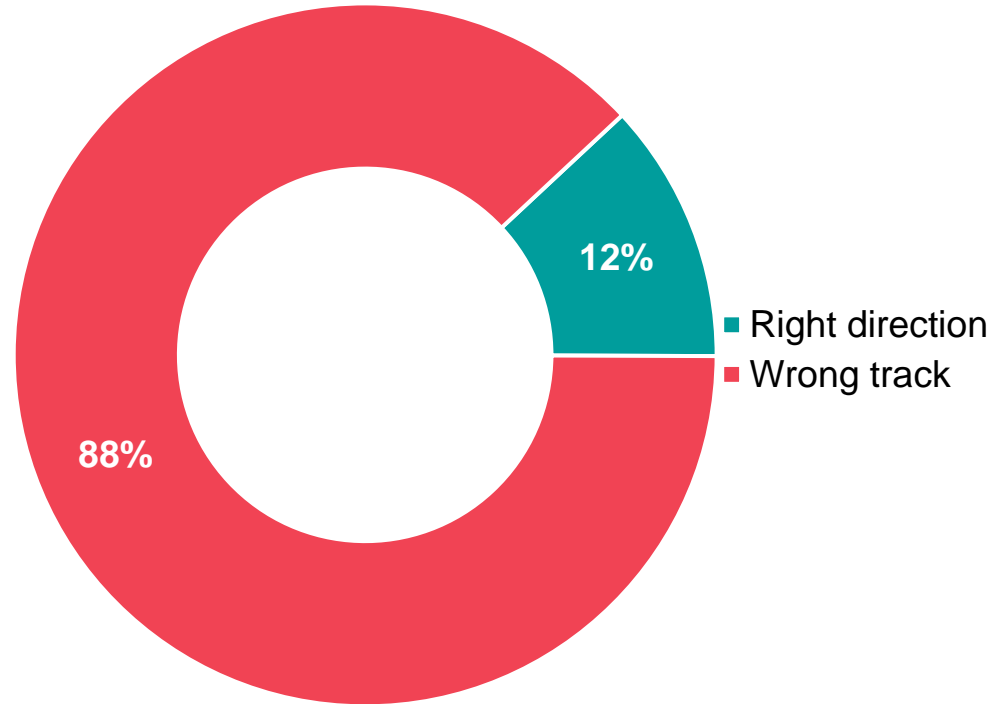
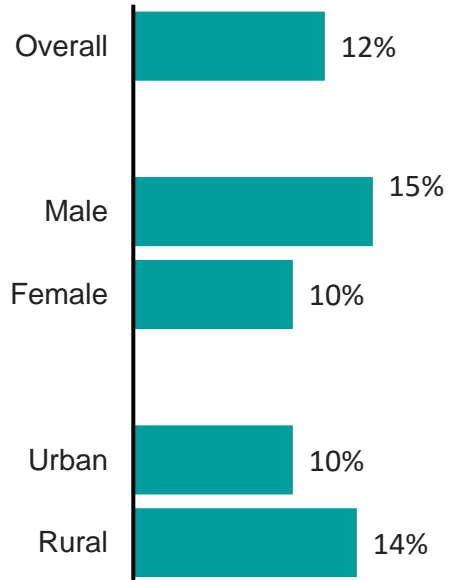
Perception on Economic Conditions

1

Only 1 in 10 Pakistanis believes that country is headed in the right direction. Males are 1.5 times more optimistic than females.

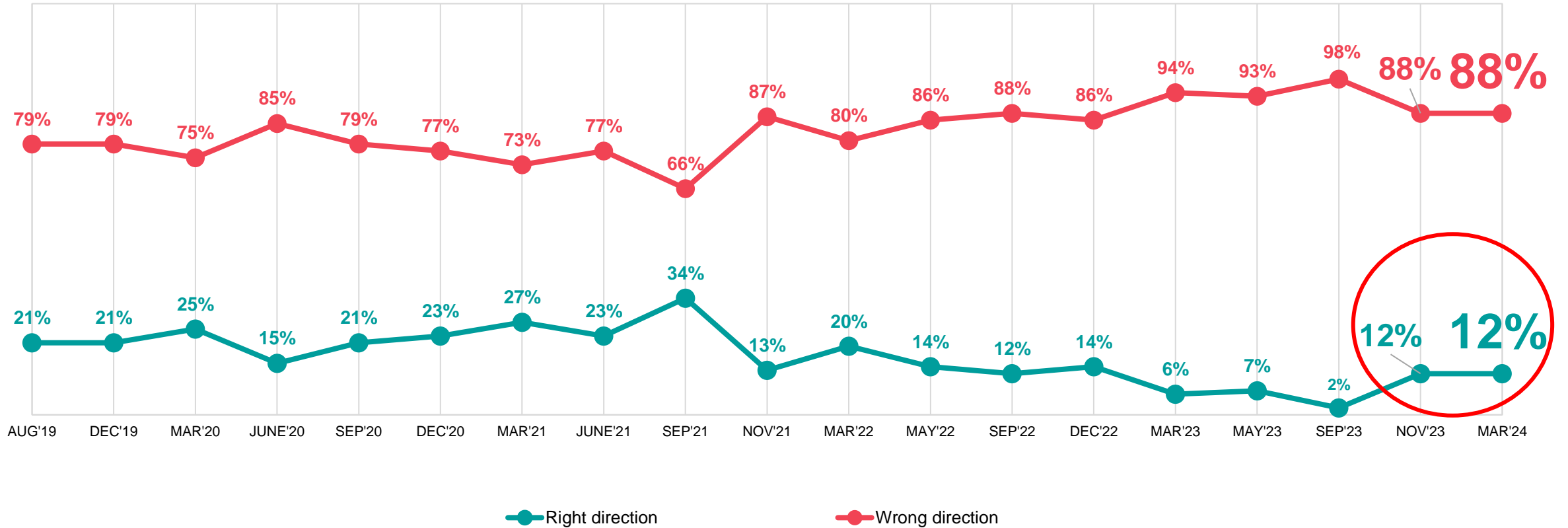
Q Generally speaking, would you say things in this country are heading in the right direction, or are they off on the wrong track?
برائے مہربانی پاکستان کی موجودہ صورتحال کے بارے میں سوچتے ہوئے یہ بتائیے کہ آپ آجکل پاکستان کی مجموعی صورتحال سے کس حد تک مطمئن یا غیر مطمئن ہیں؟

Those who said Country is moving in right direction



Despite still being low, there is stability in optimism since the caretaker government took over in Q3 2023.

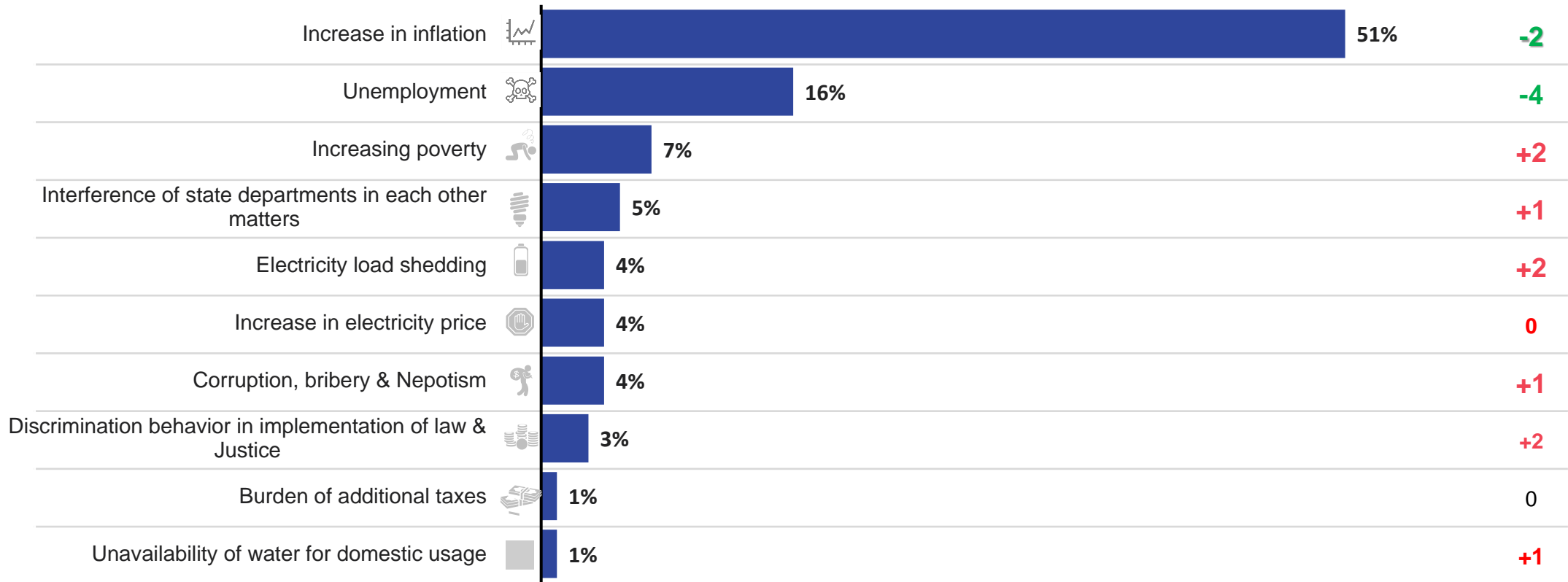
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Economic problems continue to top the list of worrying issues for Pakistanis. However, a slight decrease can be seen in the perception of inflation as the most worrying issue since Q4 '23.

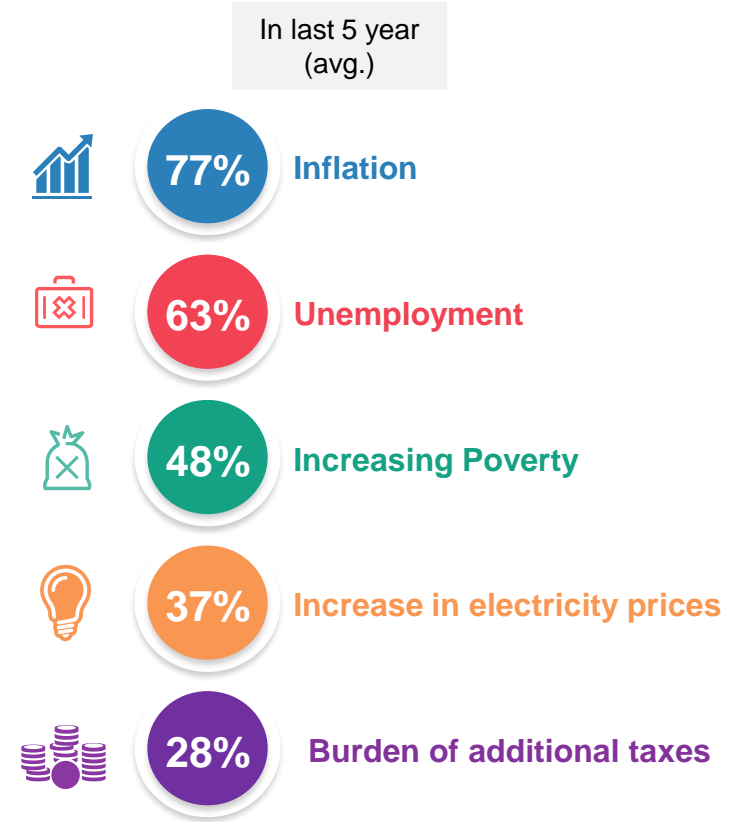
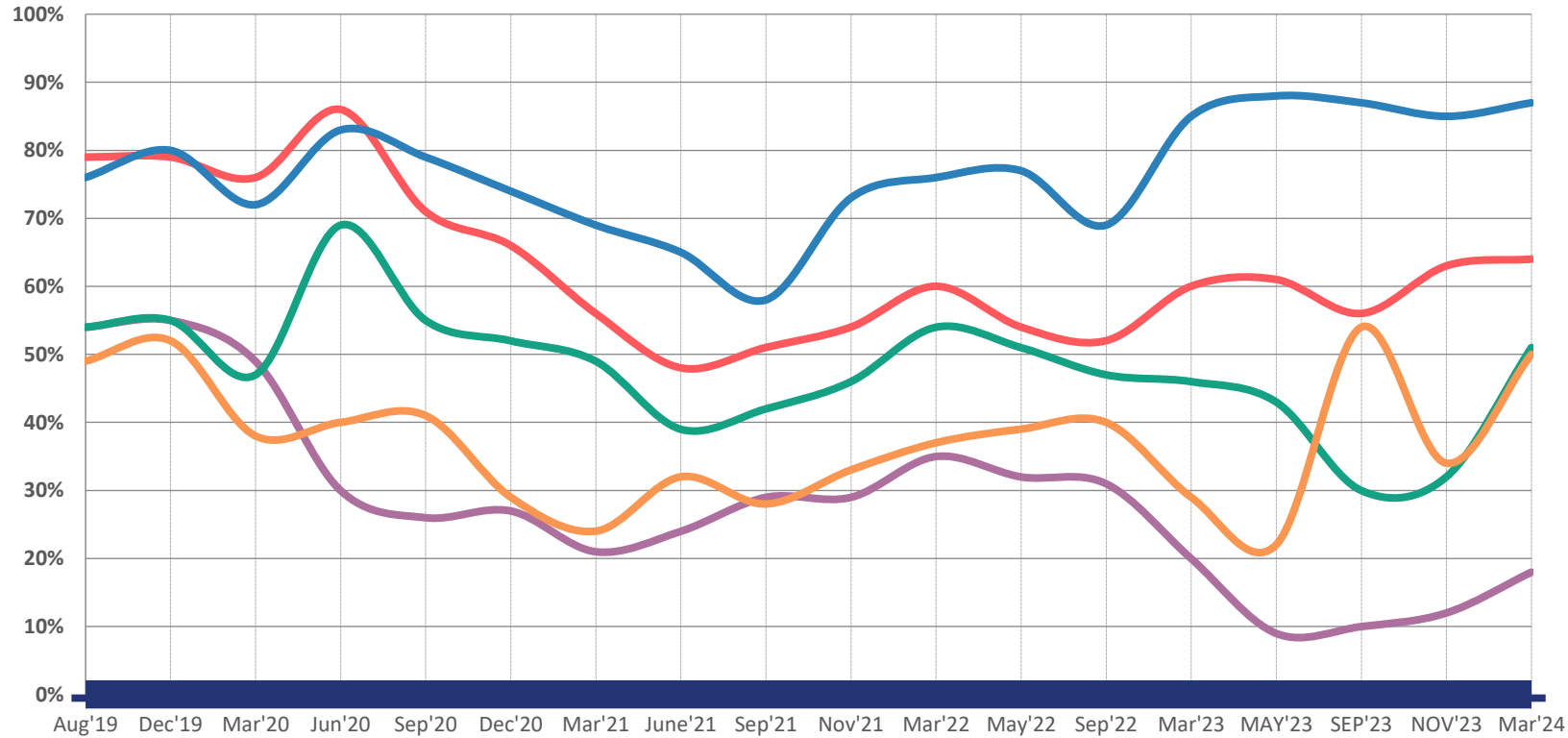
Q According to you, which of the following is the MOST worrying issue in Pakistan?
 یہ بتائیے کہ آپ کے خیال میں پاکستان کے مندرجہ ذیل مسائل میں سے سب سے زیادہ پریشان کن مسئلہ کو نسا ہے؟

**Change vs.
last Quarter**



For Pakistanis, Economic issues like inflation, unemployment and poverty has prevailed as top challenge since 5 years.

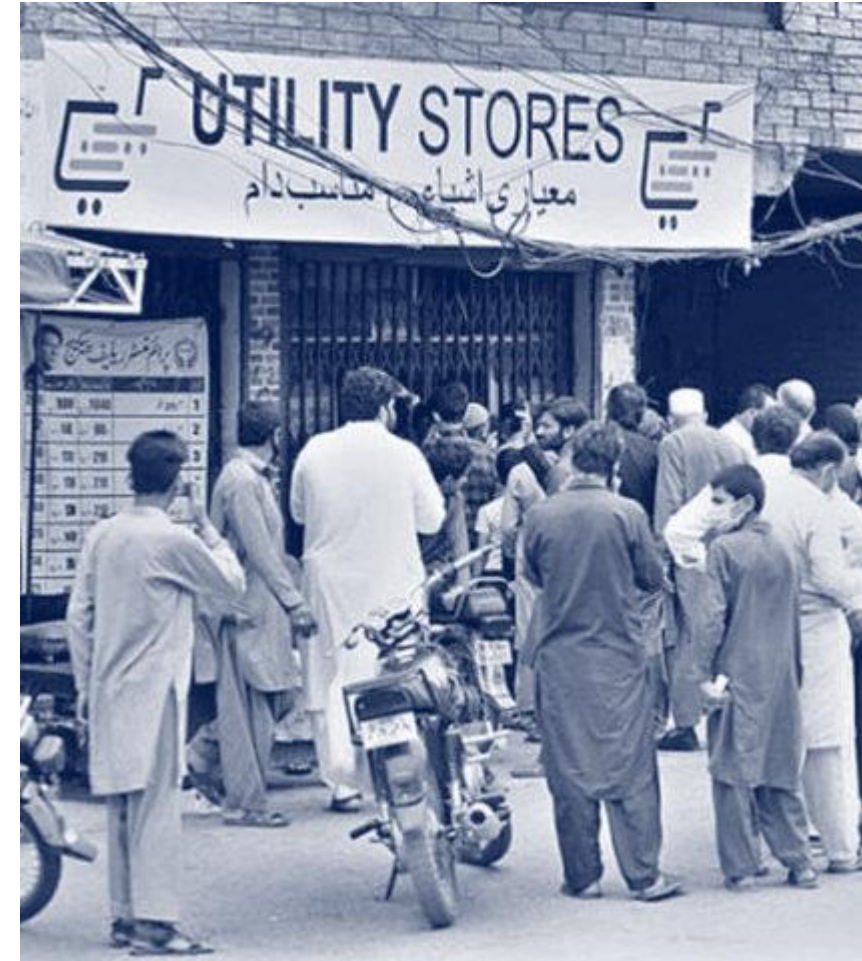
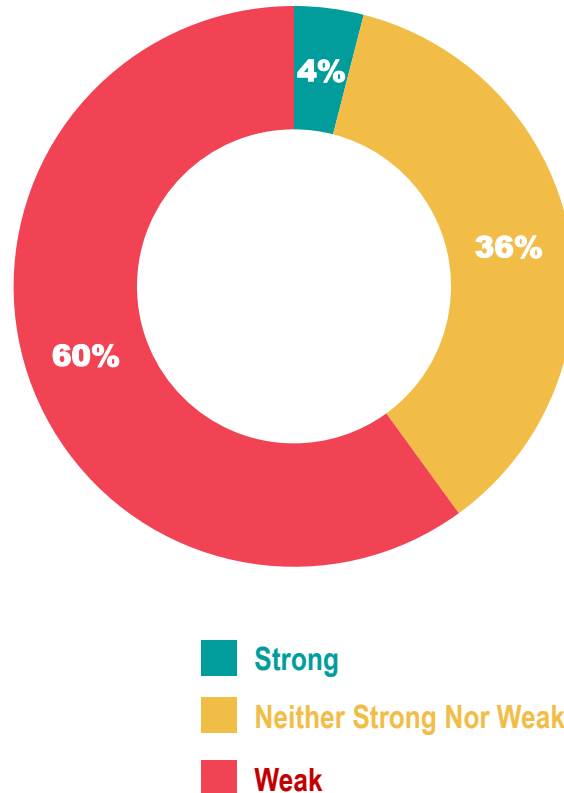
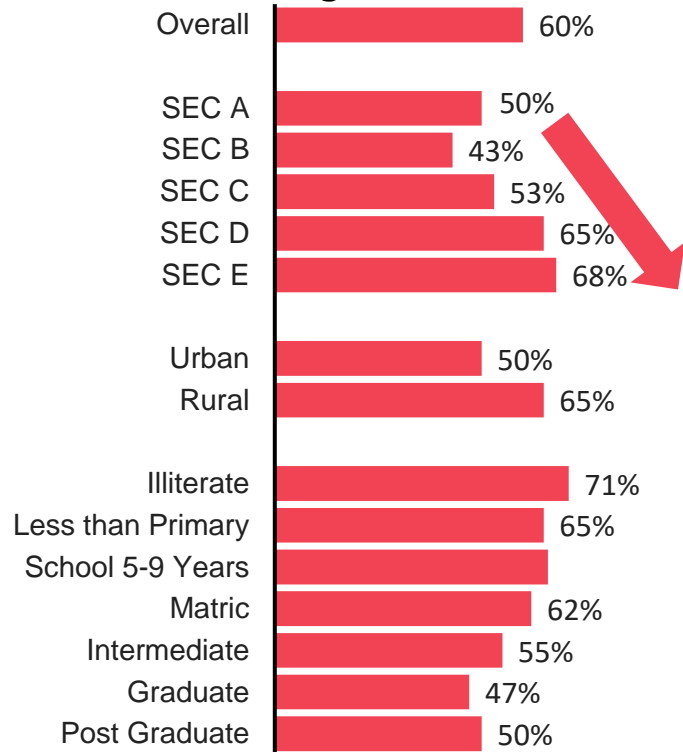
Q According to you, which of the following is the Most & Other worrying issue in Pakistan?
 یہ بتائیے کہ آپ کے خیال میں پاکستان کے مندرجہ ذیل مسائل میں سے اور کون کون سے مسائل پریشان کن ہیں؟



6 out of 10 Pakistanis believe that economic condition of the country is weak. People from Lower SECs classes are more pessimistic.

Q Rate the current state of the economy in Pakistan. Using a scale from 1 to 7, where 7 means a very strong economy today and 1 means a very weak economy.
 یہ بتائیے کہ آپ ملک کی معاشی صورتحال کے بارے میں کیا کہیں گے/گی؟ آپ اپنا جواب 1 سے 7 کے اسکیل کی مدد سے دیں جہاں 1 کا مطلب بہت کمزور معیشت جبکہ 7 کا مطلب بہت مضبوط معیشت ہے؟

Those who said Country's state of economy is weak is moving in wrong direction

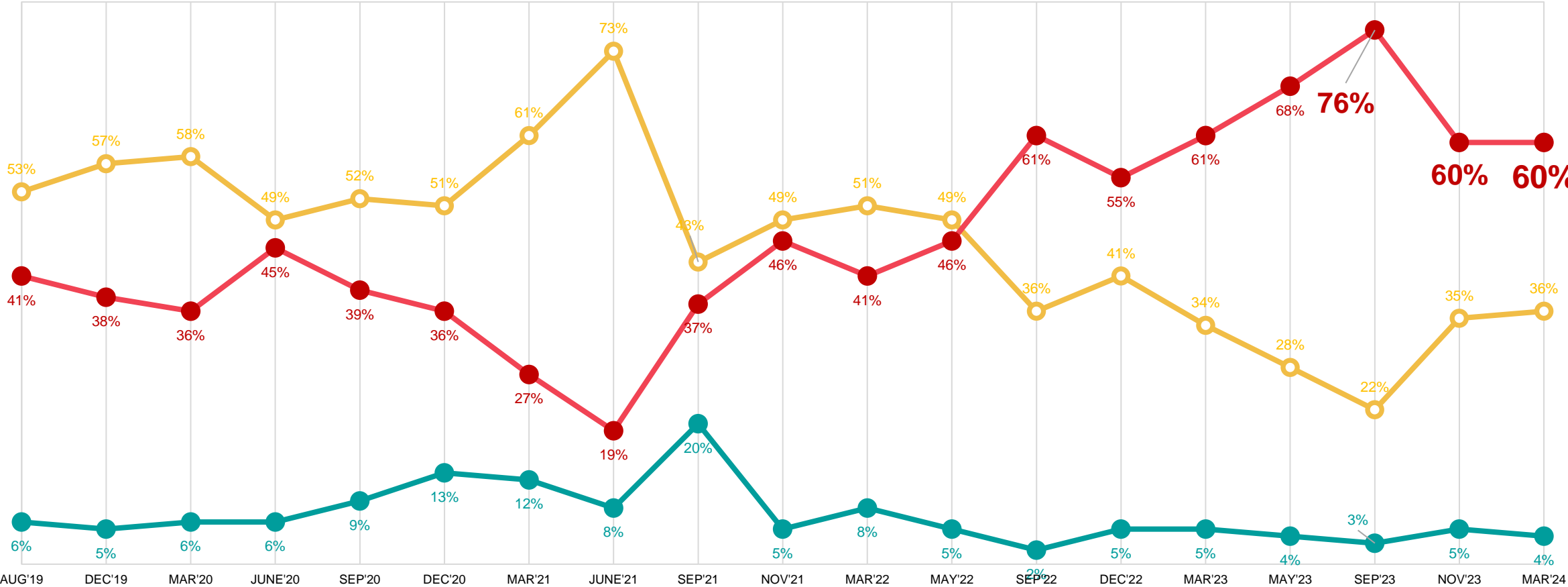


Pakistanis calling current state of economy as 'strong' has slightly decreased from 5% to 4% this Quarter.

Q

Rate the current state of the economy in Pakistan. Using a scale from 1 to 7, where 7 means a very strong economy today and 1 means a very weak economy.

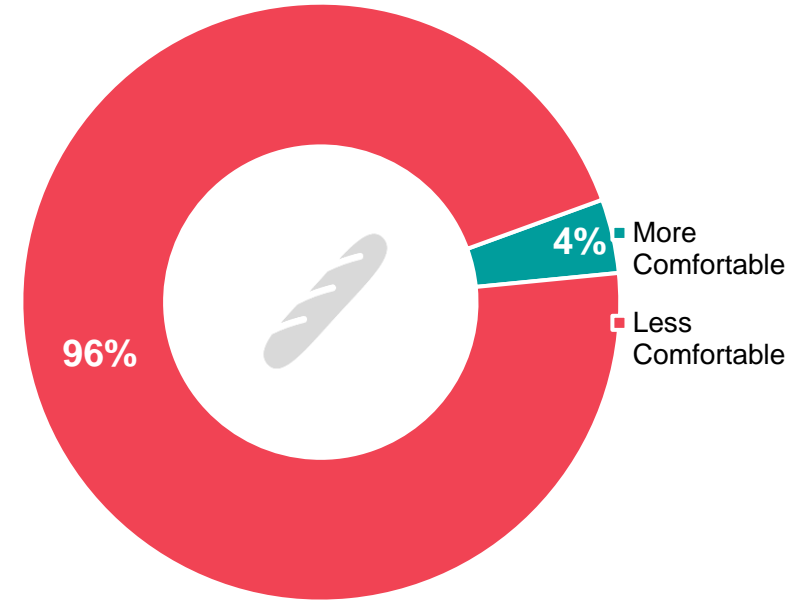
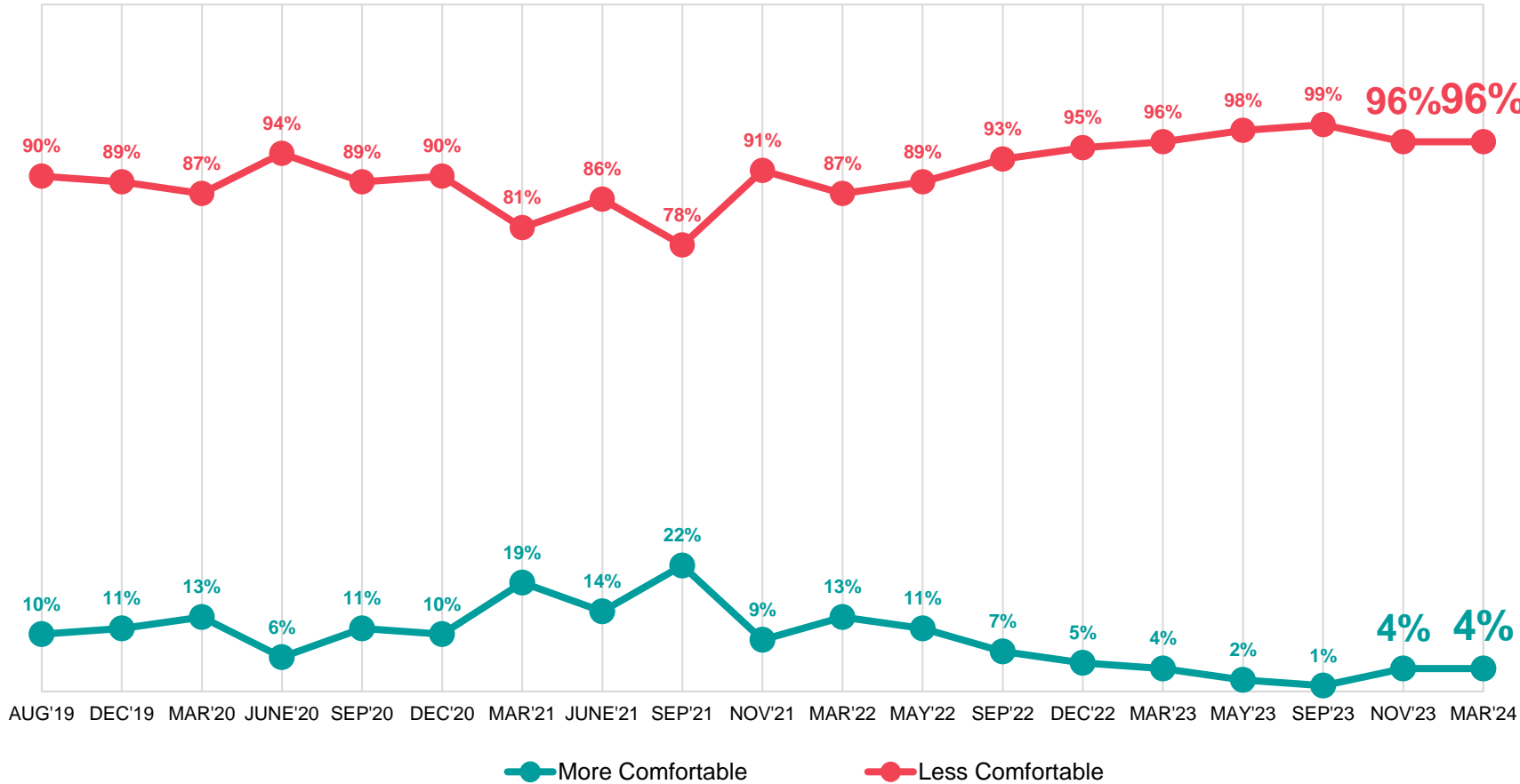
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Over 9 out of 10 Pakistanis continue being uncomfortable in making household purchases.

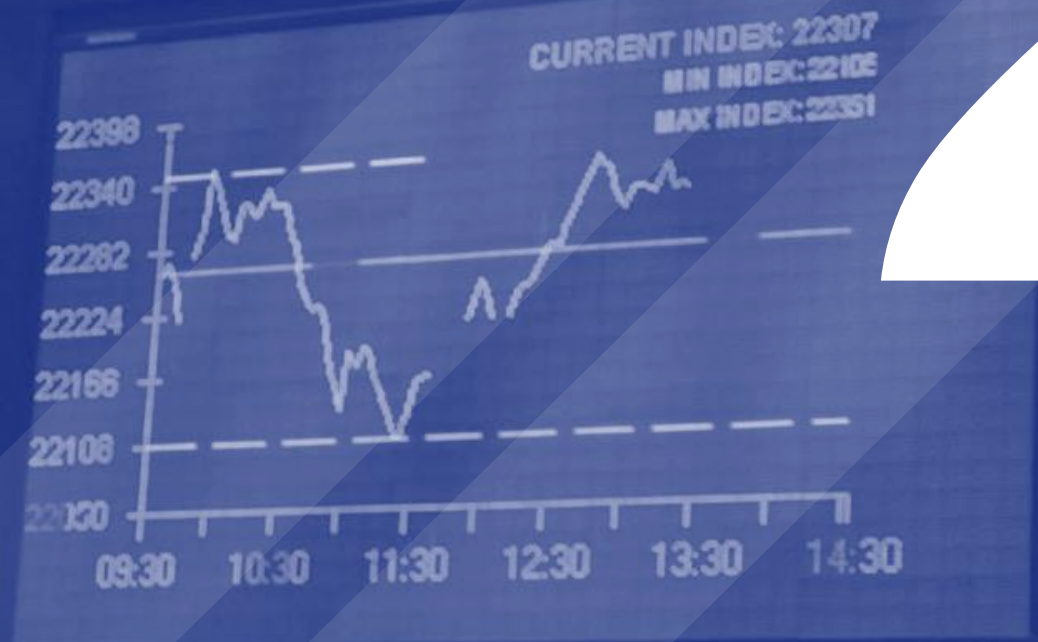
Q Compared to 1 year ago, are you now more or less comfortable making other household purchases?

یہ بتائیے کہ گذشتہ ایک سال پہلے کے مقابلے میں آج کل آپ کے لئے عام گھریلو یا ذاتی استعمال کی اشیاء کی خریداری کرنا آسان ہو گیا ہے یا مشکل ہو گیا ہے؟



FUTURE EXPECTATIONS

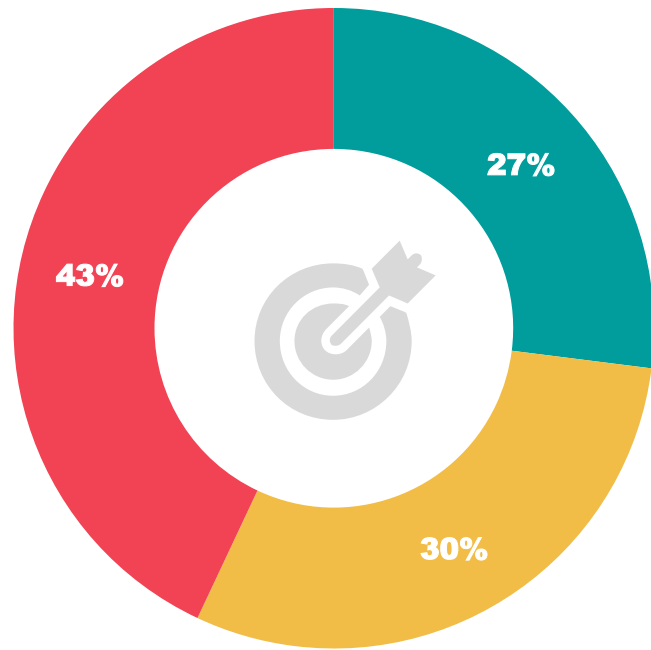
2



3 in 10 Pakistanis expect their local economic situation getting better in next 6 months.

Looking ahead six months from now, do you expect the economy in your local area to be much stronger, somewhat stronger, about the same, somewhat weaker, or much weaker than it is now?

Q آئندہ چھ ماہ کے بارے میں سوچتے ہوئے یہ بتائیے کہ آپ کے خیال میں آئندہ چھ ماہ کے دوران ملک کی معاشی صورتحال کیسی ہوگی؟



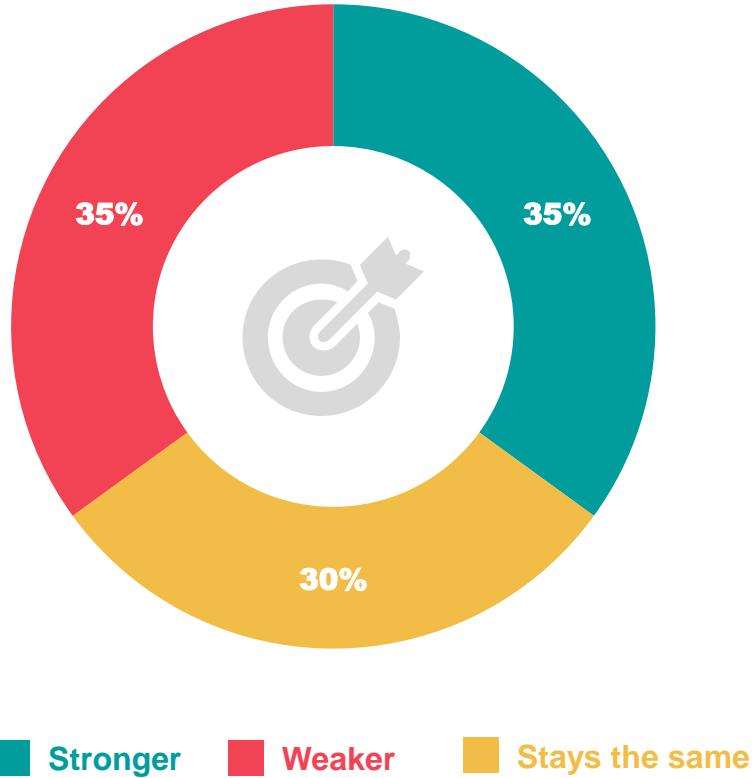
■ Stronger ■ Weaker ■ Stays the same

4 in 10 Pakistanis expect their personal financial situation getting better in next 6 months.

Looking ahead six months from now, do you expect your personal financial situation to be much stronger, somewhat stronger, about the same, somewhat weaker, or much weaker than it is now?

Q

آئندہ چھ ماہ کے بارے میں سوچتے ہوئے یہ بتائیے کہ آپ کے خیال میں آئندہ چھ ماہ کے دوران آپ کی اپنی معاشی صورتحال کیسی ہوگی؟



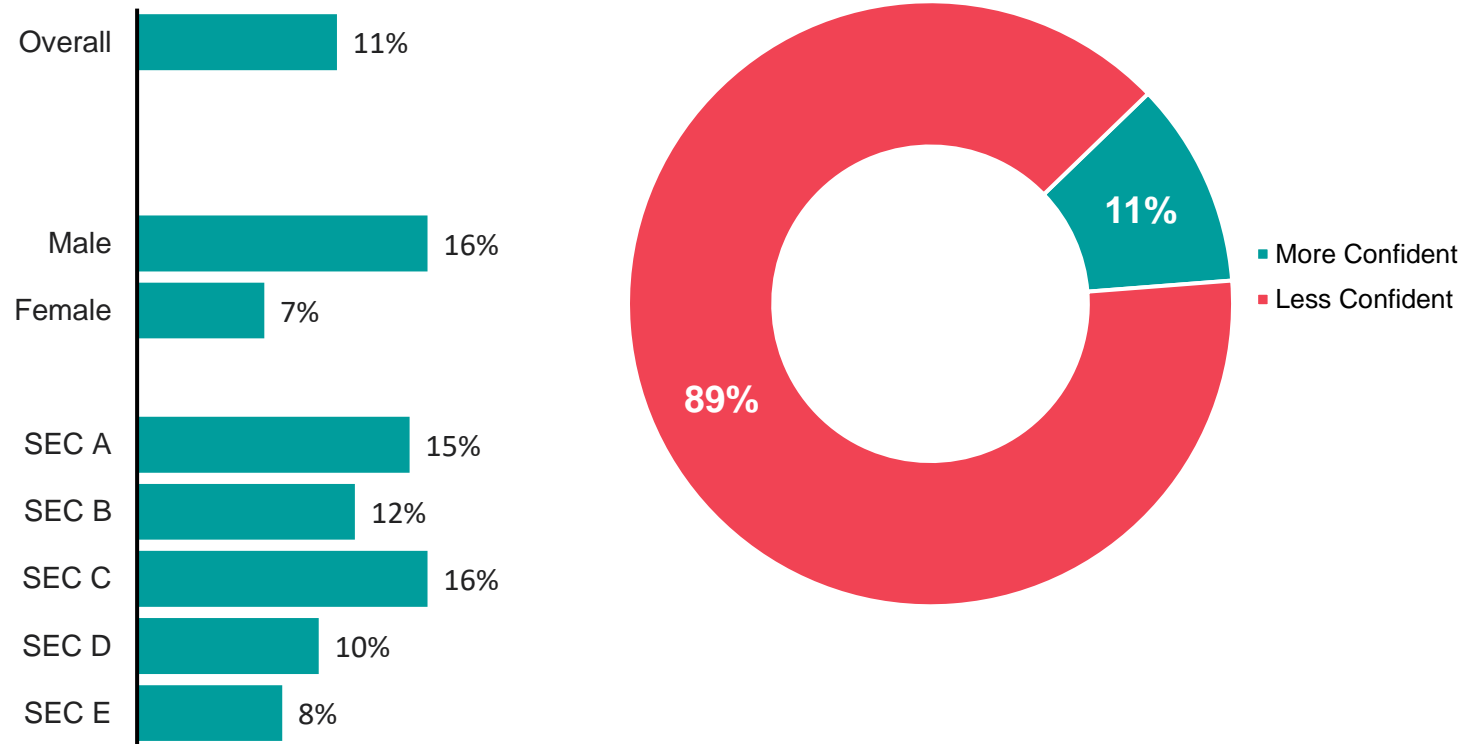
Perception on investment in future

3

Only 1 in 10 Pakistanis more confident about future saving and investment. Males are twice as more optimistic than females.

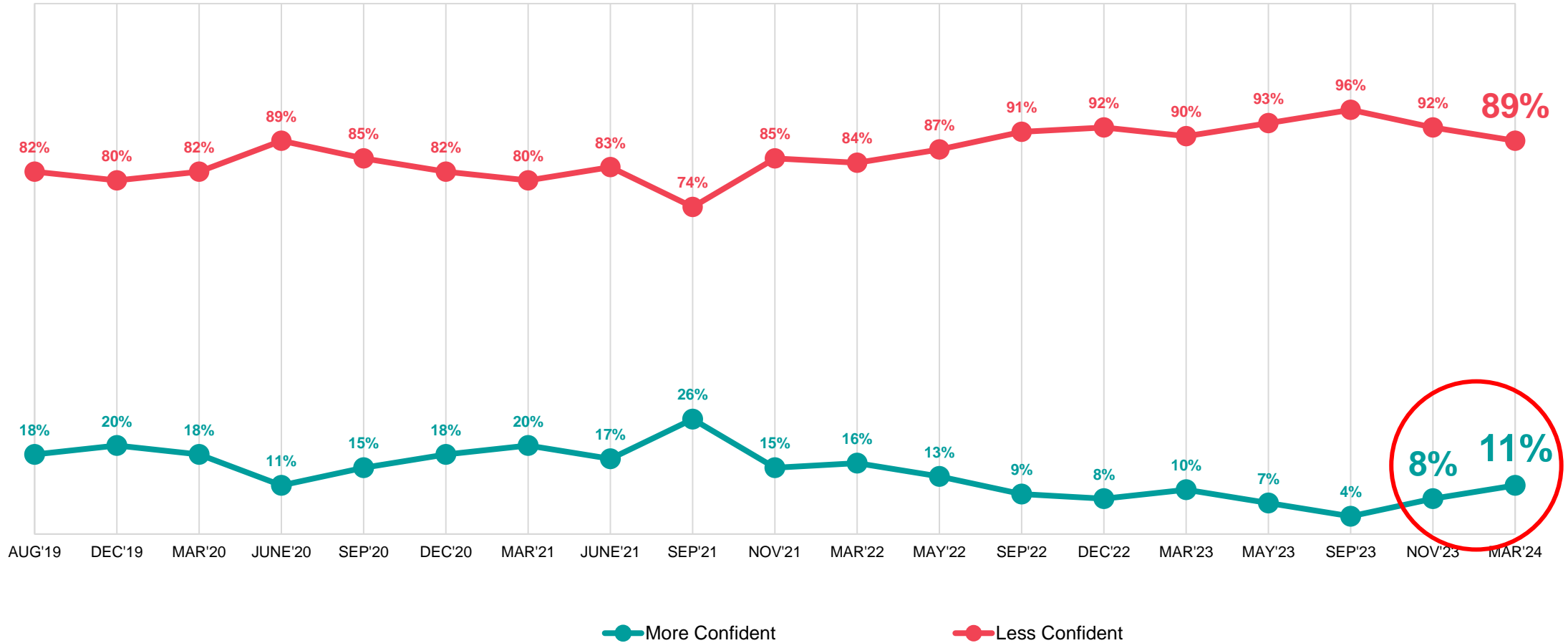
Q Compared to 1 year ago, are you NOW more or less confident to invest in the future, including your ability to save money for your retirement or your children's education?
یہ بتائیے کہ گذشتہ ایک سال پہلے کے مقابلے میں آج کل آپ اس حوالے سے کس حد تک کم یا زیادہ پراعتماد ہیں کہ آپ میں مستقبل مثلاً ریٹائرمنٹ کے بعد یا اپن ے بچوں کی تعلیم، شادی وغیرہ کے اخراجات کے لئے پیسہ بچانے کی صلاحیت موجود ہے؟

Those who were confident about savings.



After 18 months' continuous decline, Pakistanis' confidence about their future continues to show a positive trend with 3% added this quarter.

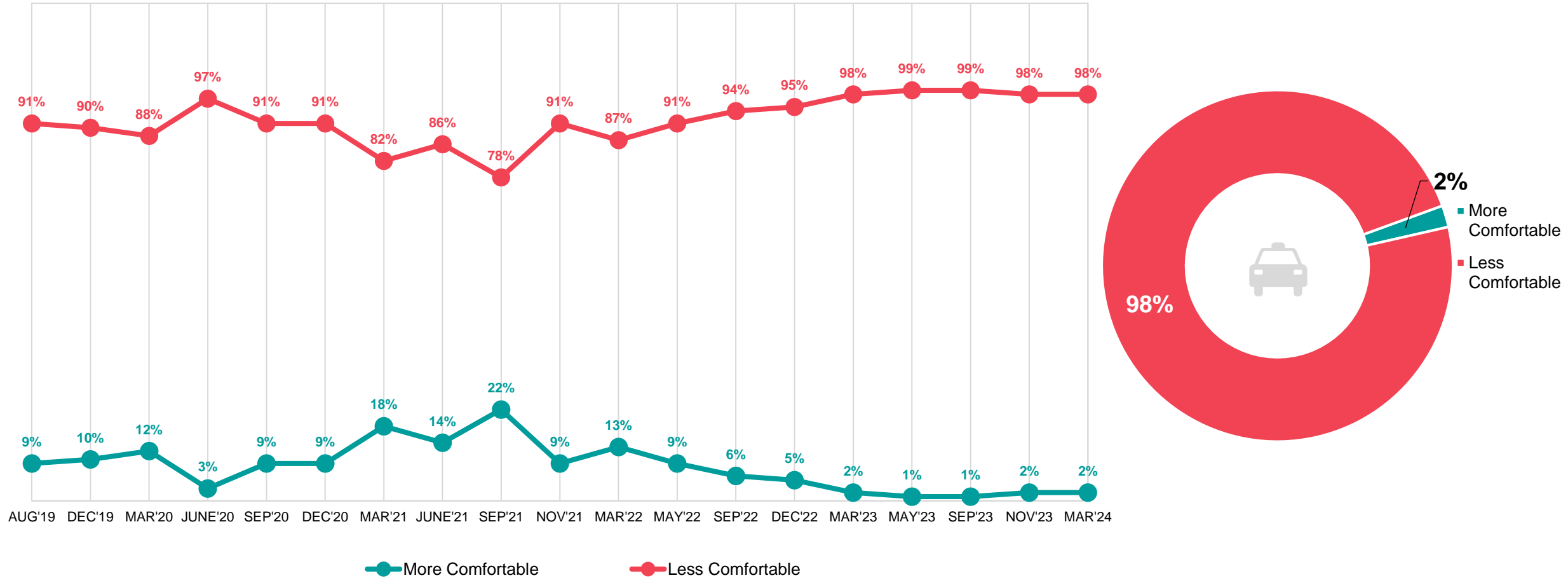
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98% Pakistanis are still not comfortable to make major purchases like home or car.

Q Compared to 1 year ago, are you NOW more or less comfortable making a major purchase, like a home or car?

یہ بتائیے کہ گذشتہ ایک سال پہلے کے مقابلے میں آج کل آپ کے لئے کوئی بڑی خریداری کرنا مثلاً جائیداد، گاڑی یا نئے کپڑے وغیرہ خریدنا آسان ہو گیا ہے یا مش کل ہو گیا ہے؟



JOB SECURITY AND EMPLOYMENT

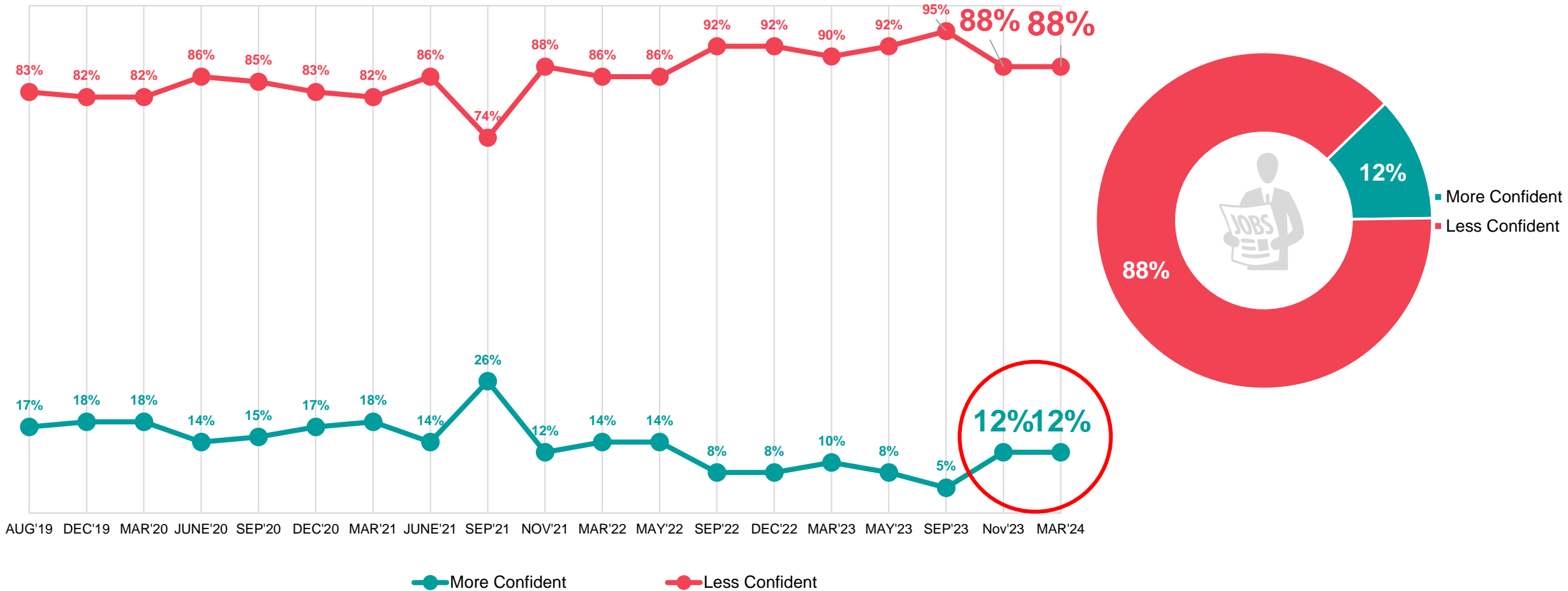
4

Confidence in job security has remained unchanged since last quarter, with the majority (88%) still expressing lower confidence.



Compared to 1 year ago, are you NOW more or less confident about job security for yourself, your family and other people you know personally?

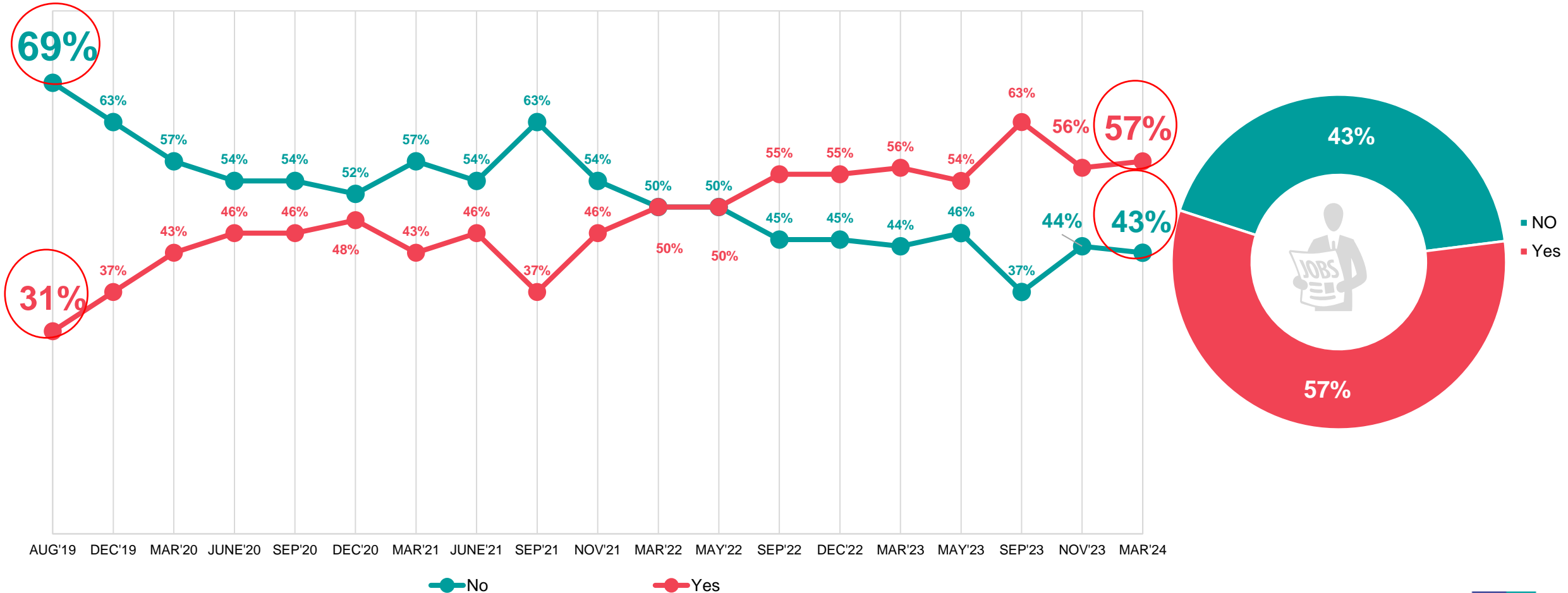
یہ بتائیے کہ گذشتہ ایک سال پہلے کے مقابلے میں آج کل آپ اپنی یا اپنے گھرانے کے افراد یا جان پہچان والے افراد کے ذریعہ معاش مثلاً مالزمت، کاروبار وغیرہ کے باقی رہنے کے حوالے سے مجموعی طور پر کس حد تک کم یا زیادہ پراعتماد ہیں؟



6 out of 10 Pakistanis claim to personally know someone who lost their job as a result of economic conditions. Five years back, this perception was half with 3 in 10 Pakistanis raising such claims.

Q Thinking of the last 1 year, have you, someone in your family or someone else you know personally lost their job as a result of economic conditions?

یہ بتائیے کہ کیا گزشتہ ایک سال کے دوران آپ یا آپ کے گھرانے کے کسی فرد یا آپ کے کسی جاننے والے کو معاشی صورتحال کے باعث اپنے ذریعہ معاش مثلاً م الزمت، کاروبار وغیرہ سے ہاتھ دھونا پڑا؟



GLOBAL CONSUMER CONFIDENCE INDEX

5

INTRODUCING THE GLOBAL CONSUMER CONFIDENCE INDEX (GCCCI)*

GLOBAL CONSUMER CONFIDENCE INDEX (GCCCI)*

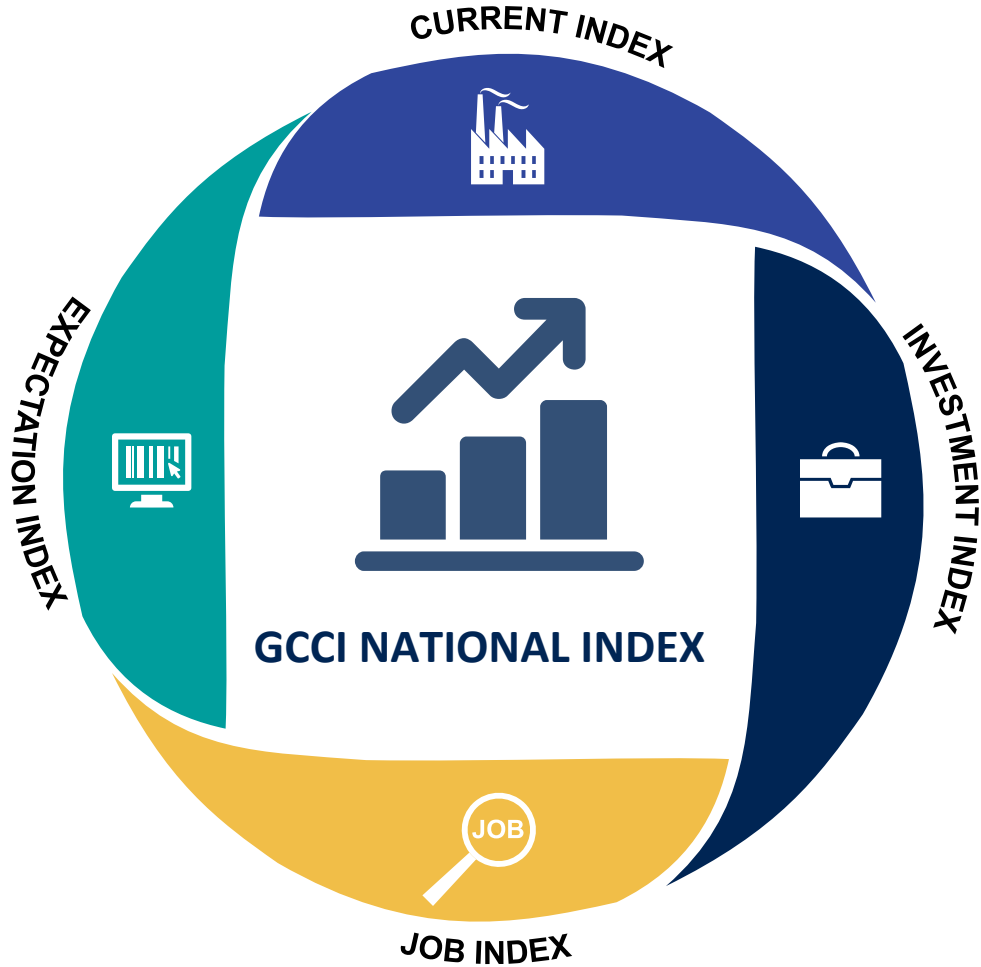
Ipsos Global Consumer Confidence Index (GCCCI) is a national survey of consumer attitudes on the current and future state of the local economy, personal financial situation, as well as confidence to make large investments and ability to save.

Consumer sentiment is a key predictor of purchase trends in the market. Despite it being a lagging indicator, if consumer confidence is high, people will make more purchases and the economy will expand.

Businesses and Policy Makers can monitor changes in the index to factor the data in their decision-making processes. A wave-on-wave decreasing trend suggests consumers have a negative outlook on their ability to spend. Thus, manufacturers may expect consumers to avoid retail purchases, particularly items that require financing. Likewise, banks can anticipate a decrease in lending activity, mortgage applications, and credit card usage.

** GCCCI Index is also known as Primary Consumer Sentiments Index (PCSI)*

IPSOS GLOBAL CONSUMER CONFIDENCE INDEX (GCCCI*)



GCCCI NATIONAL INDEX: Reflects respondents' perception of current local economy, future local economy, current financial situation, future financial situation, major purchase comfort, household purchase comfort, job security, investment confidence, job loss experience and job loss expectation within their country.

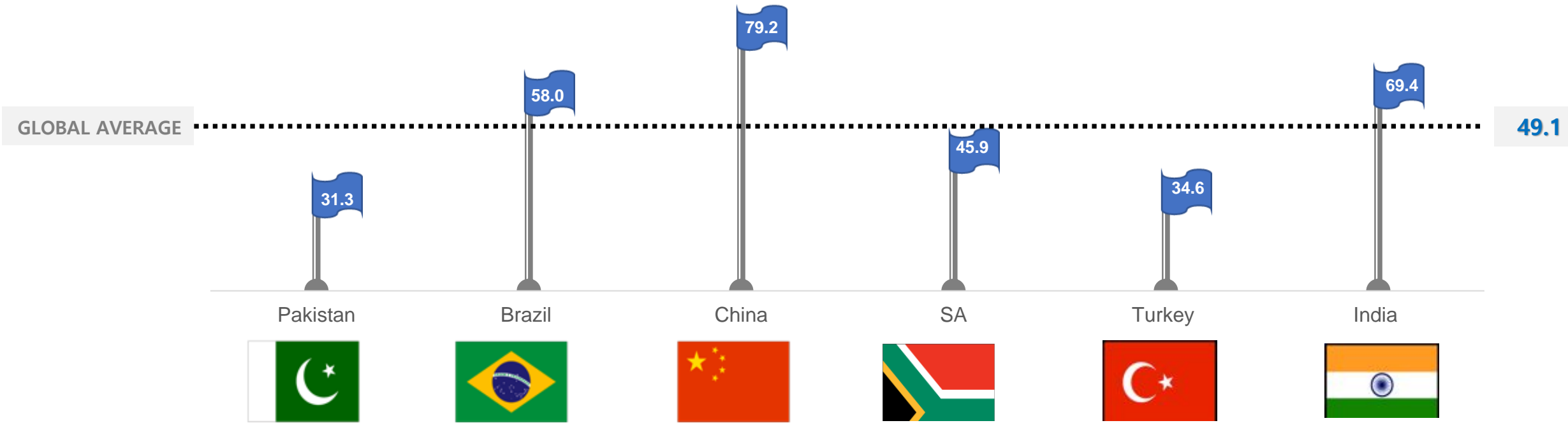
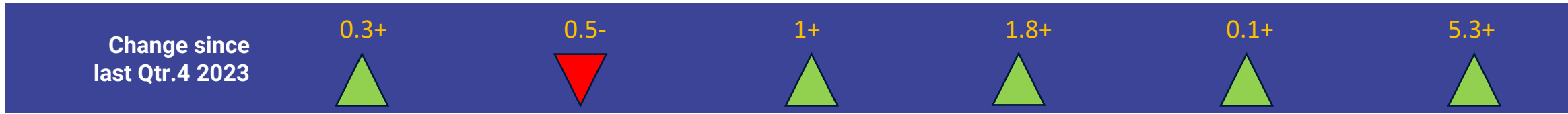
EXPECTATION INDEX: Reflects respondents' attitude regarding the future local economy, future financial situation and job loss expectation within their country.

CURRENT INDEX: Reflects respondents perception of current economic climate, ability to make household purchases, job security, and investment confidence within the country.

INVESTMENT INDEX: Reflects respondents' perception of current financial situation, future financial situation, major purchase comfort, household purchase confidence within the country.

JOB INDEX: Reflects respondents' perception regarding **Job security, job loss experience, and job loss expectation** within the country.

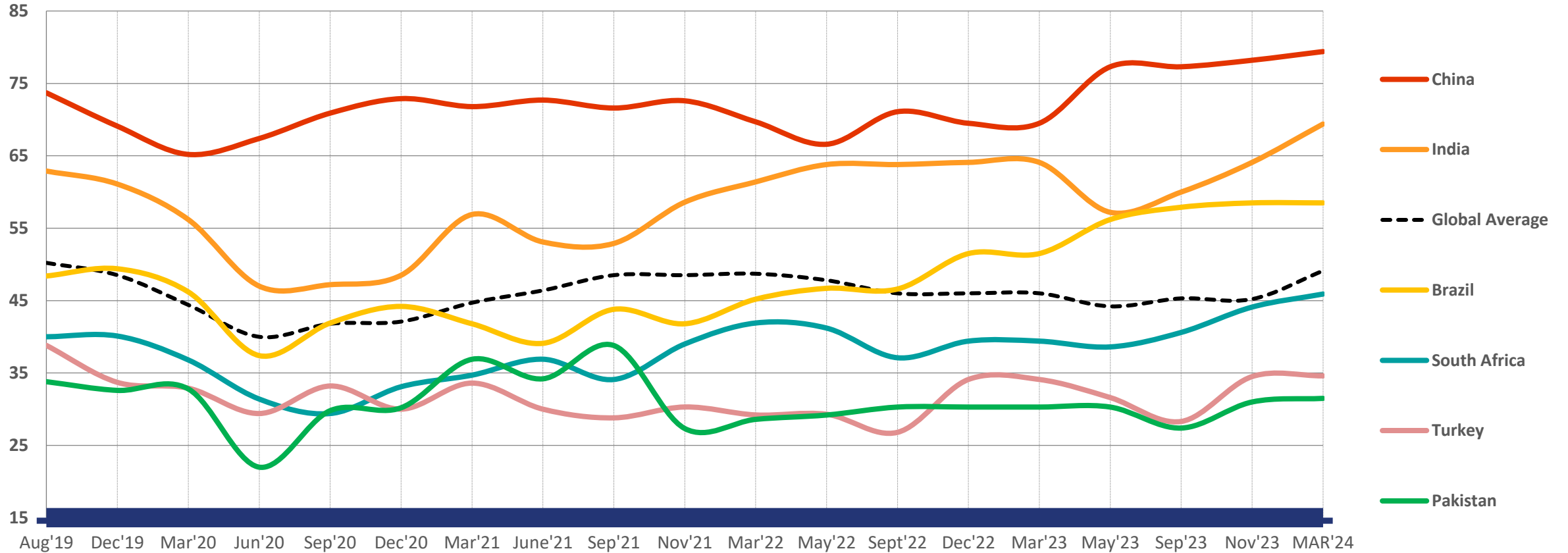
Since last quarter, Pakistan shows least net +ve change in comparison to emerging markets



CURRENT INDEX	17.3	0.8	▲
EXPECTATIONS INDEX	45.0	0.5	▼
INVESTMENT INDEX	18.5	0.7	▲
JOBS INDEX	44.1	1.2	▼

Pakistan score remains lowest among comparative emerging markets but shows some signs of recovery.

GLOBAL CONSUMER CONFIDENCE INDEX (GCCCI)



THANK

YOU

For more details & queries reach
out at:

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GAME CHANGERS

