

LEBANON CONSUMER SENTIMENT INDEX

April 2024



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INTRODUCTION





Introducing the Lebanon Consumer Sentiment Index

Ipsos Lebanon Consumer Sentiment Index (LCSI), is a 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.

Introducing the Lebanon Consumer Sentiment Index

The LCSl result is driven by the aggregation of four, weighted, sub-Indices

1

LCSl Current
Personal
Financial
Conditions

2

LCSl Economic
Expectations

3

LCSl Investment
Climate

4

LCSl
Employment
Confidence

Overall LCSl survey questions

1

Rate the current state of the economy in your local area using a scale from 1 to 7, where 7 means a very strong economy today and 1 means a very weak economy.

2

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?

3

Rate your current financial situation, using a scale from 1 to 7, where 7 means your personal financial situation is very strong today and 1 means it is very weak.

4

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?

5

Compared to 6 months ago, are you now more or less comfortable making a major purchase, like a home or car?

6

Compared to 6 months ago, are you now more or less comfortable making other household purchases?

7

Compared to 6 months ago, are you now more or less confident about job security for yourself, your family and other people you know personally?

8

Compared to 6 months ago, are you now more or less confident of your ability to invest in the future, including your ability to save money for your retirement or your children's education?

9

Thinking of the last 6 months, have you, someone in your family or someone else you know personally lost their job as a result of economic conditions?

10

Now look ahead at the next six months. How likely is it that you, someone in your family or someone else you know personally will lose their job in the next six months as a result of economic conditions?

LEBANON CONSUMER SENTIMENT INDEX



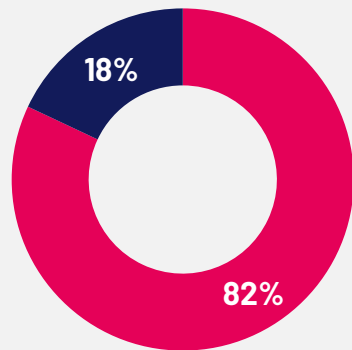
LCSI summary

LCSI April 2024

36.3

Right direction / wrong track

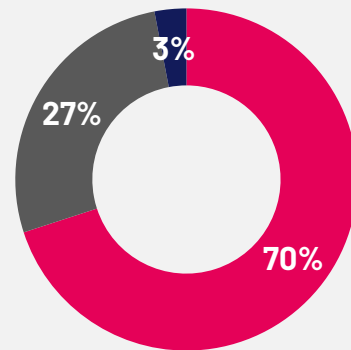
Q: Generally speaking, would you say things in this country are heading in the right direction, or are they off on the wrong track?



■ Right direction
■ Wrong track

Country economic situation

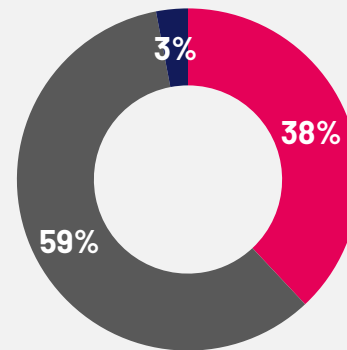
Q: Rate the current state of the economy in your local area using a scale from 1 to 7, where 7 means a very strong economy today and 1 means a very weak economy.



■ Strong ■ Weak
■ Neither strong nor weak

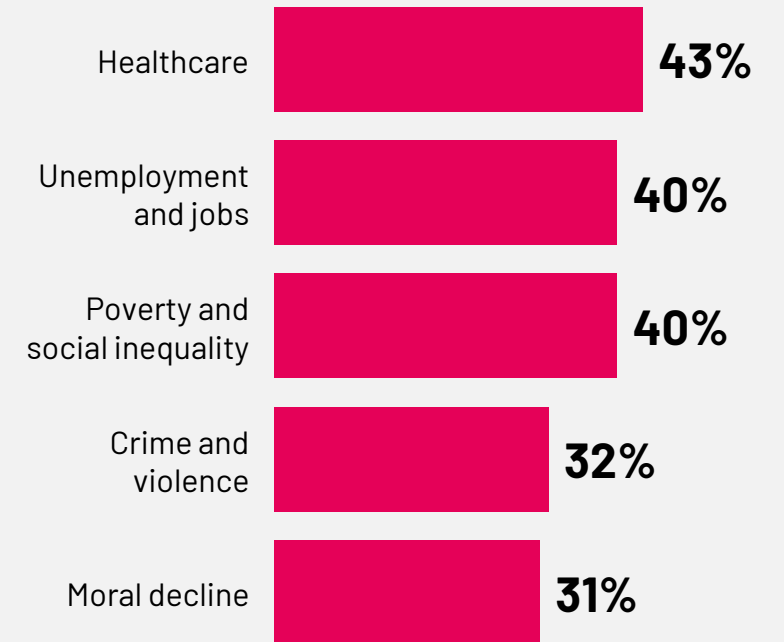
Personal financial situation

Q: Rate your current financial situation, using a scale from 1 to 7, where 7 means your personal financial situation is very strong today and 1 means it is very weak.



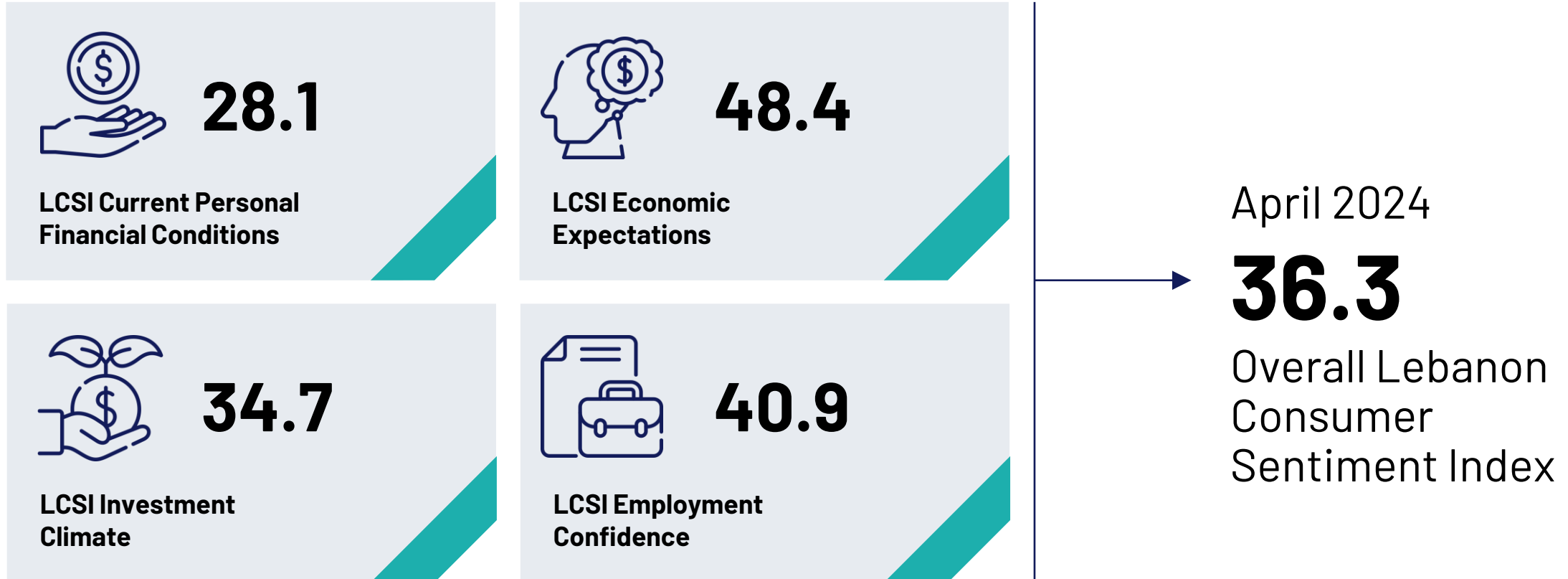
■ Strong ■ Weak
■ Neither strong nor weak

Top 5 concerns for consumers in Lebanon



LCSI summary

The LCSI result is driven by the aggregation of four, weighted, sub-Indices



COUNTRY'S GENERAL SITUATION

Lebanon: right direction /wrong track

Q. Generally speaking, would you say things in this country are heading in the right direction, or are they off on the wrong track?



Believe things in the country
are heading in the right
direction



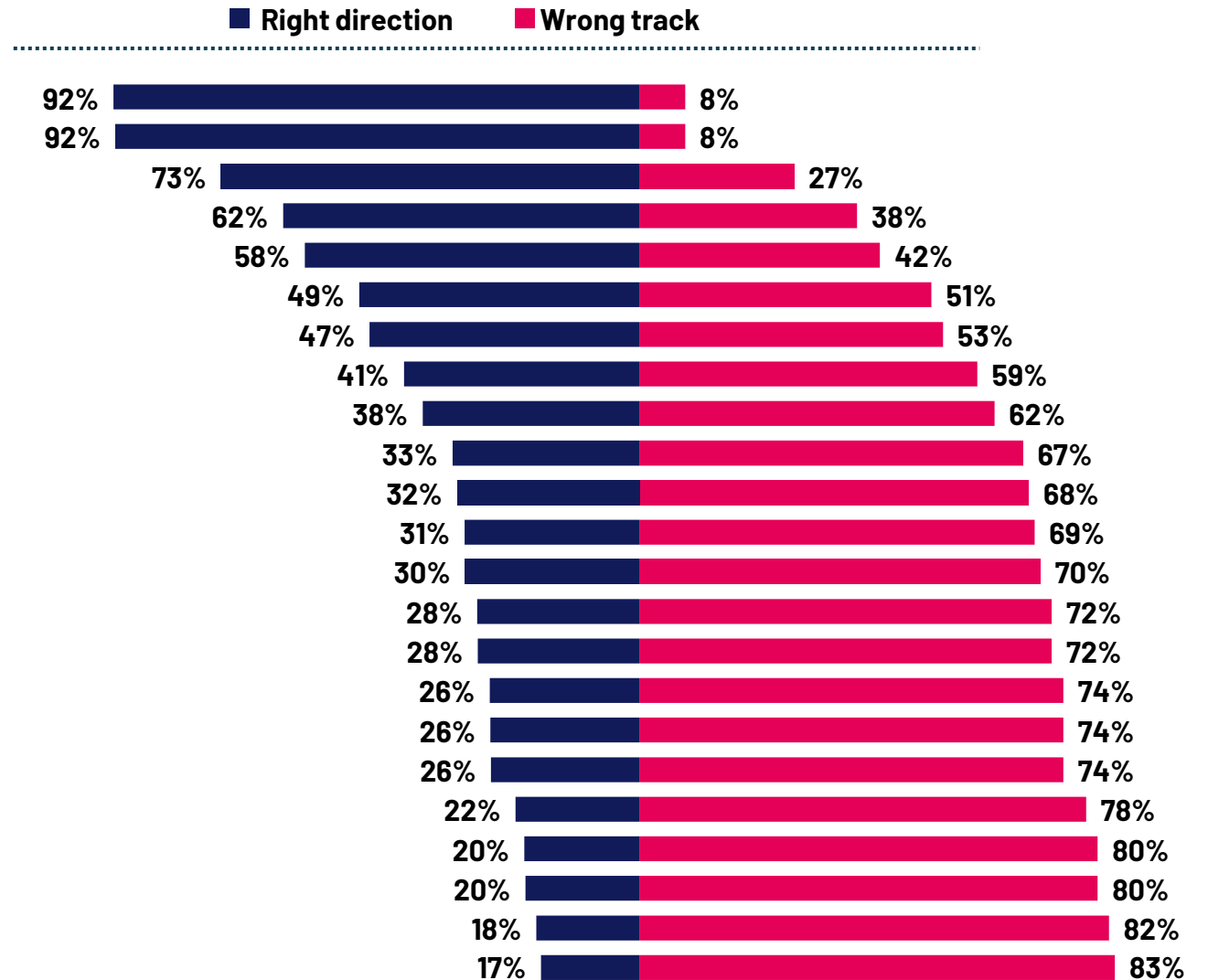
Believe things in the country
are heading in the wrong
track

Right direction /wrong track – global comparison

Q: Generally speaking, would you say things in this country are heading in the right direction, or are they off on the wrong track?

Country

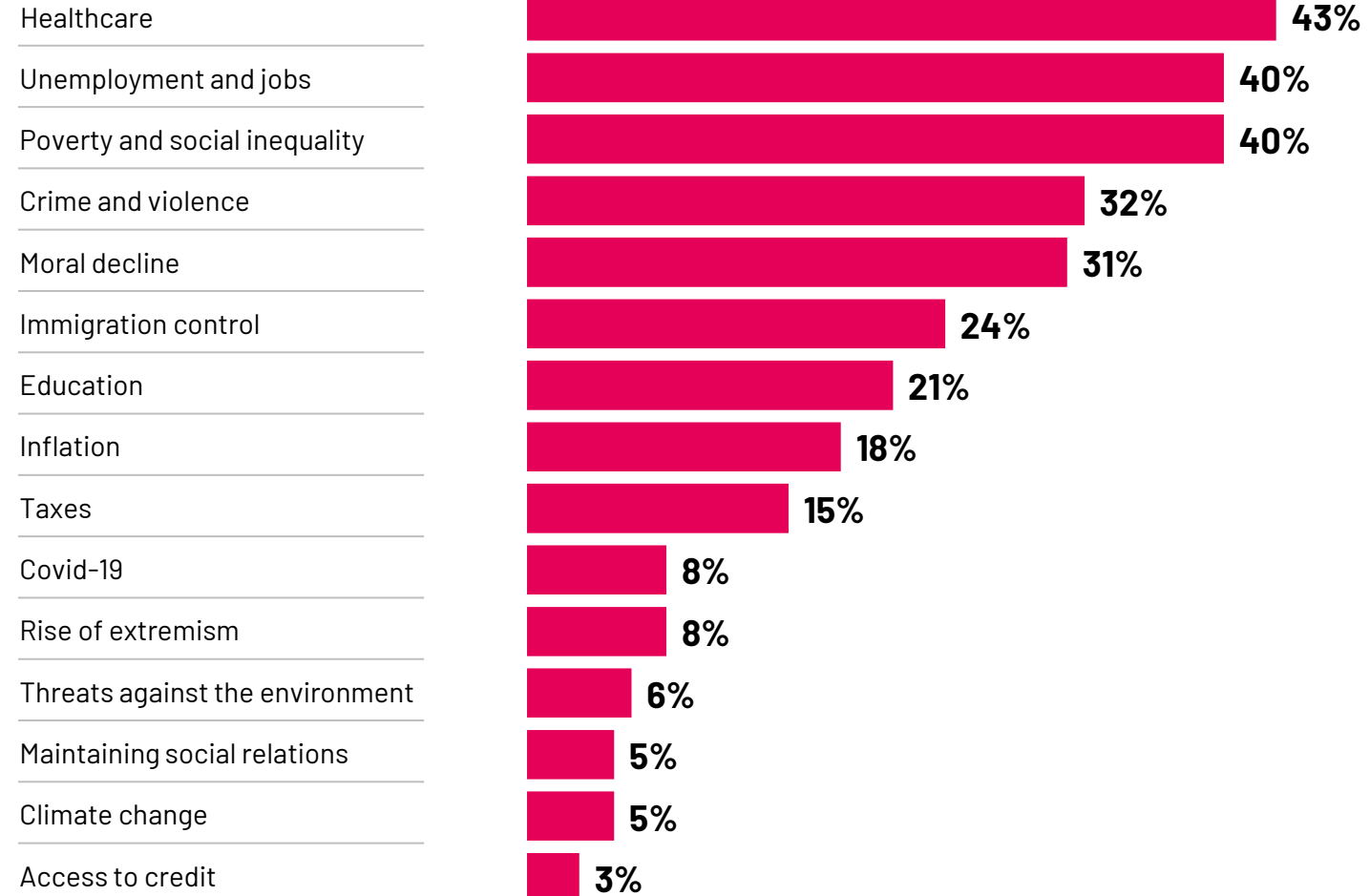
Saudi Arabia
China
India
Argentina
Mexico
Australia
Brazil
Poland
Spain
Canada
Italy
USA
Belgium
Germany
Great Britain
Turkey
Japan
South Korea
Sweden
South Africa
France
Lebanon
Hungary



What concerns Lebanon

Q: Which of the following do you find the most worrying in Lebanon?

Concerns for consumers in Lebanon

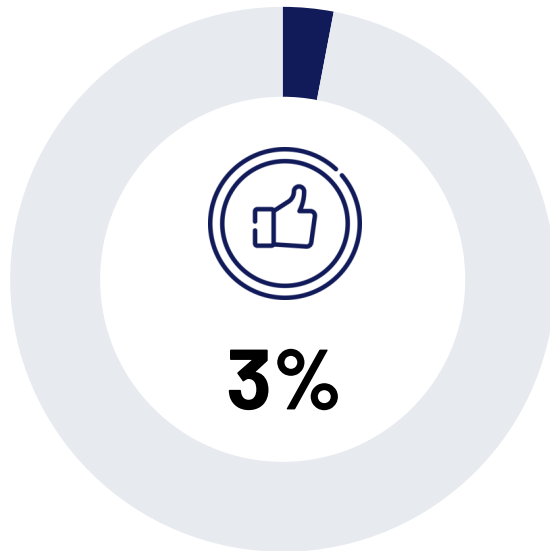


PERSONAL FINANCIAL SITUATION

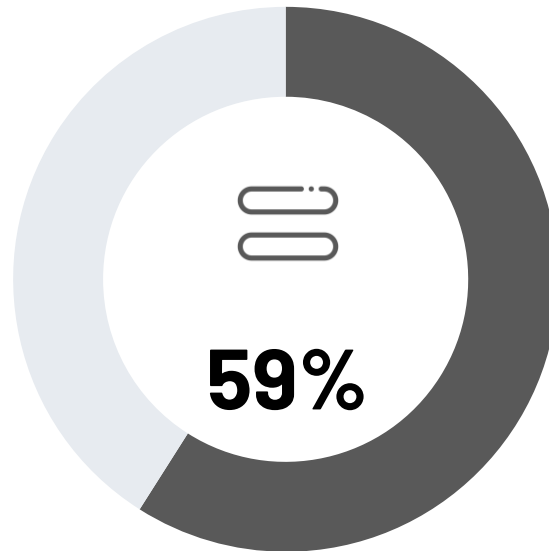


Current personal financial situation

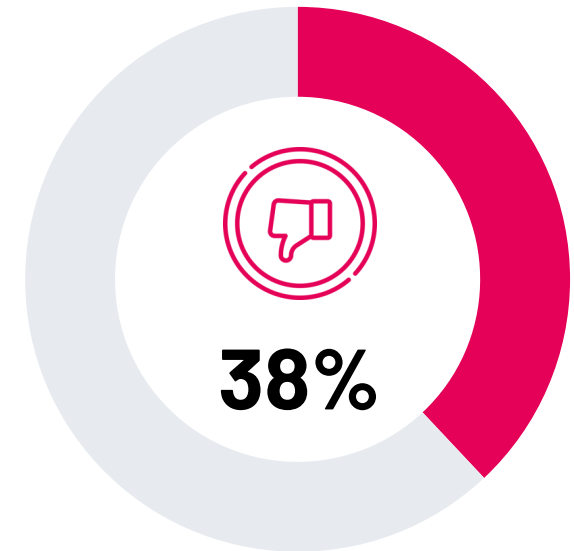
Q. Rate your current financial situation, using a scale from 1 to 7, where 7 means your personal financial situation is very strong today and 1 means it is very weak.



Strong



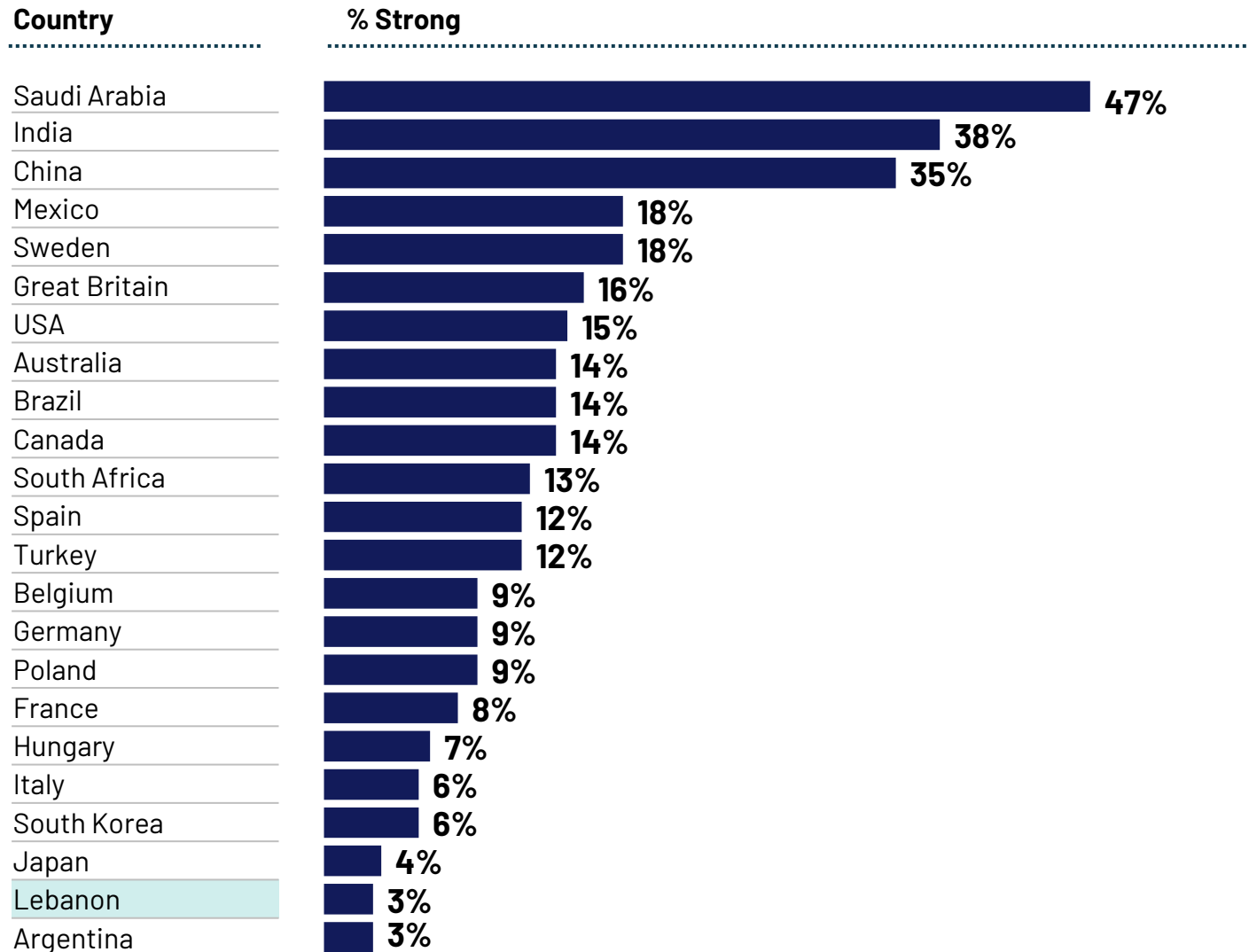
Neither strong
nor weak



Weak

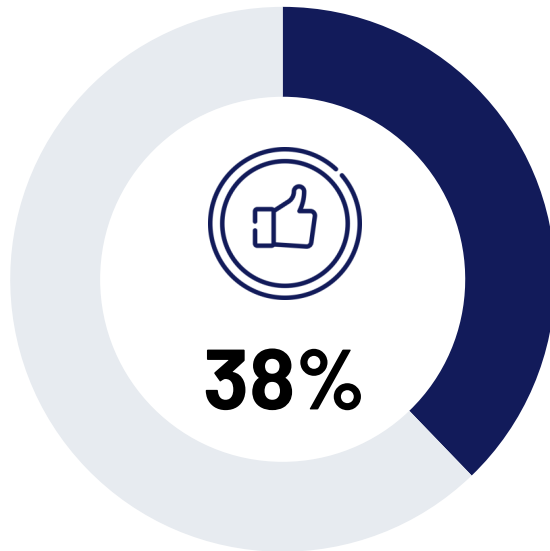
Current personal financial situation – global comparison

Q: Rate your current financial situation, using a scale from 1 to 7, where 7 means your personal financial situation is very strong today and 1 means it is very weak.

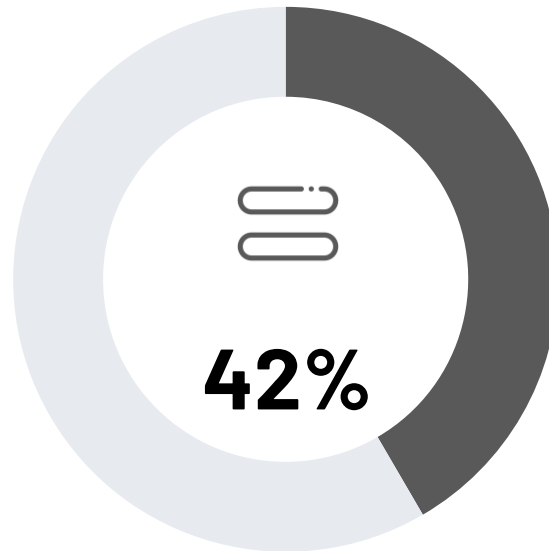


Future personal financial situation

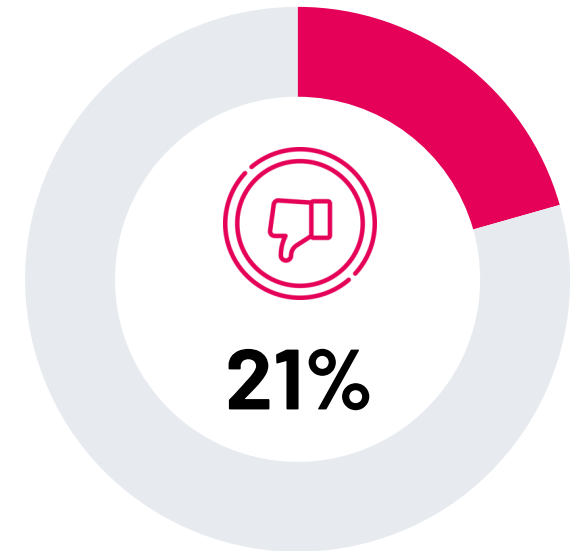
Q. Looking ahead six months from now, do you expect your personal financial situation to be much stronger, somewhat stronger, about the same, somewhat weaker, or much weaker than it is now?



Strong



Neither strong
nor weak



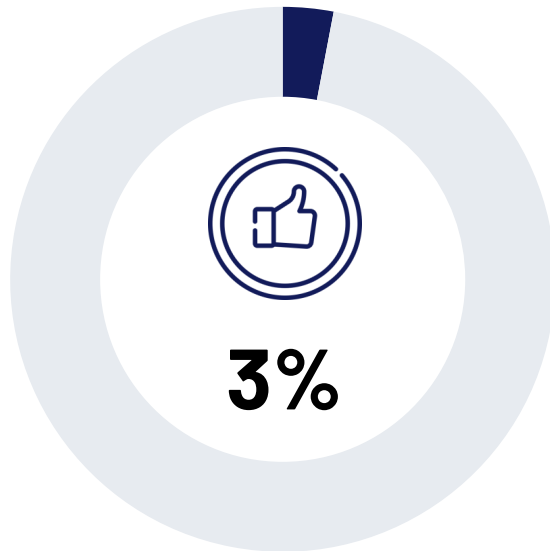
Weak

LEBANON'S ECONOMIC SITUATION

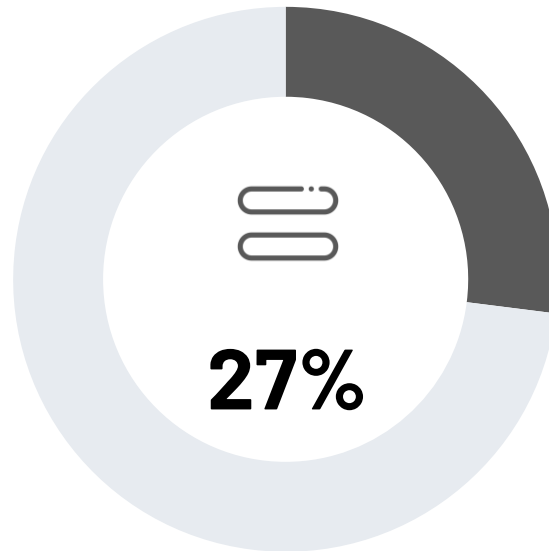


Current state of the economy

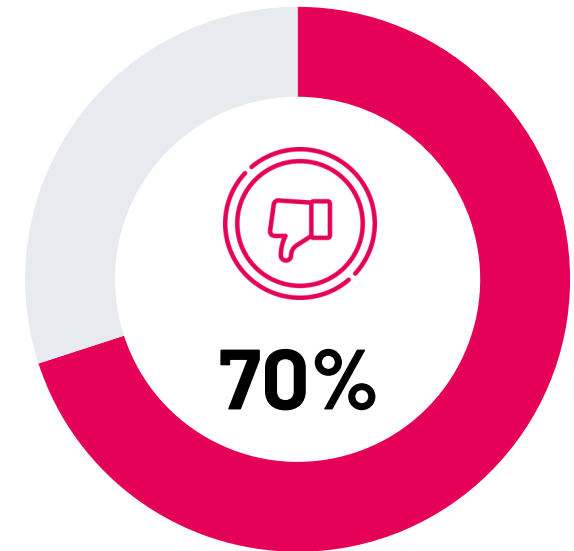
Q: Rate the current state of the economy in your local area using a scale from 1 to 7, where 7 means a very strong economy today and 1 means a very weak economy.



Strong



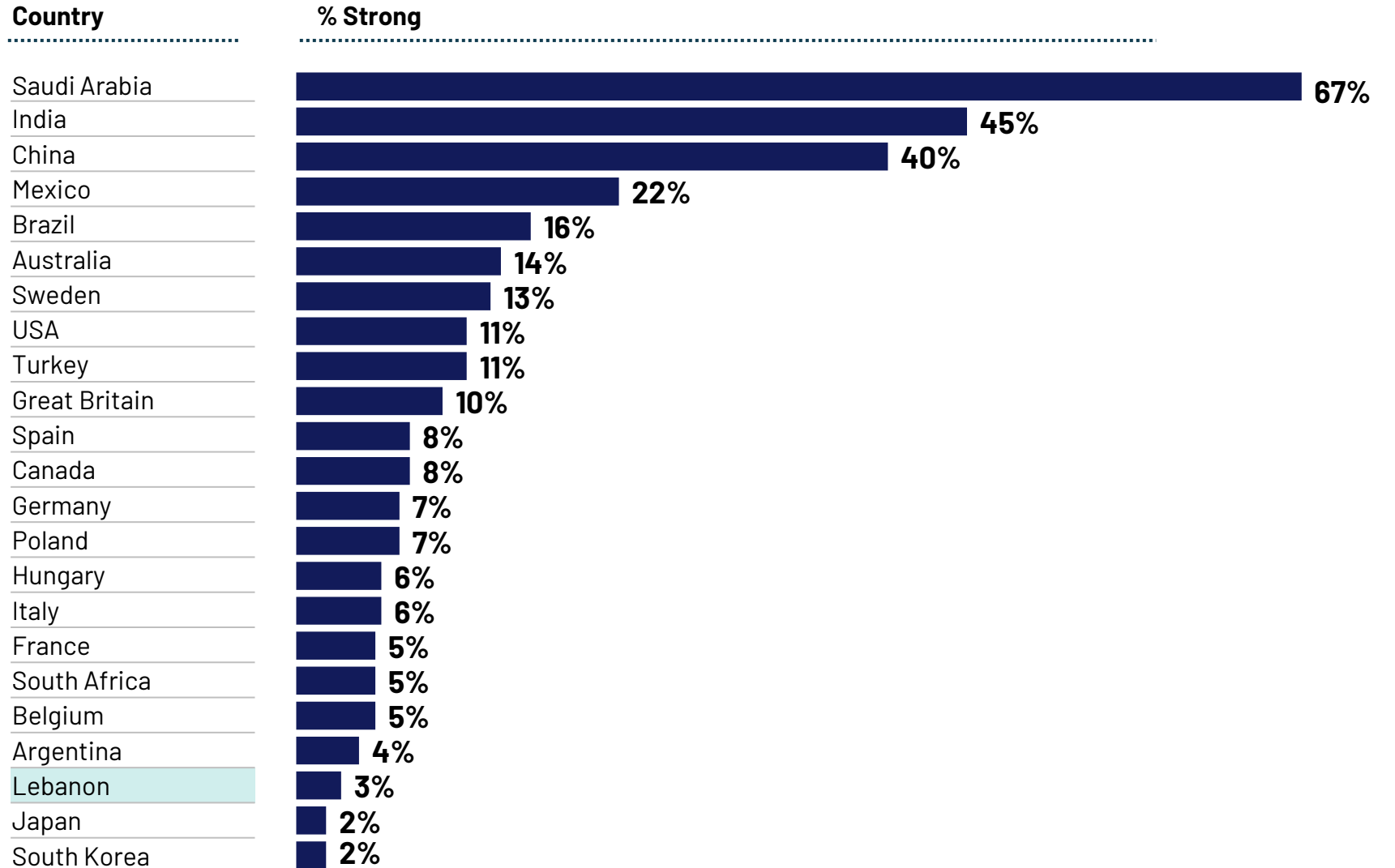
Neither strong
nor weak



Weak

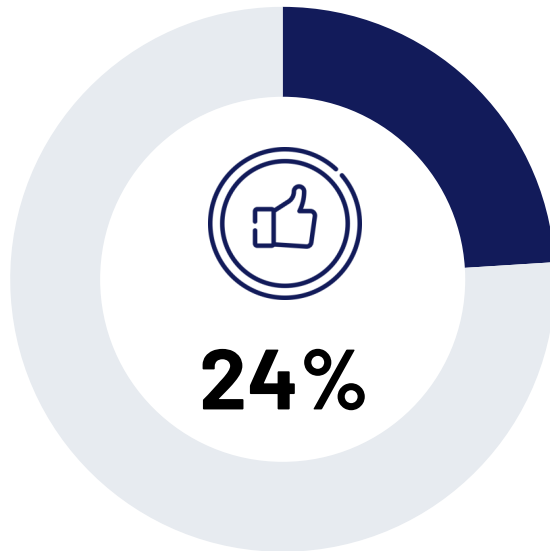
Current state of the economy – global comparison

Q: Rate the current state of the economy in your local area using a scale from 1 to 7, where 7 means a very strong economy today and 1 means a very weak economy.

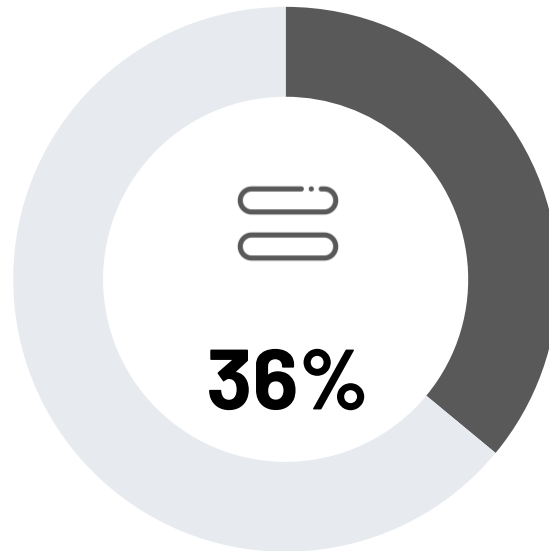


Future state of the economy

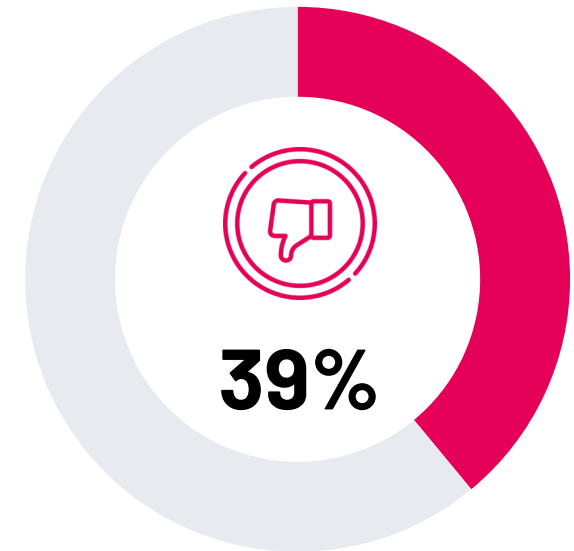
Q. Looking ahead six months from now, do you expect the economy in your local area to be stronger, about the same or weaker than it is now?



Strong



Neither strong
nor weak



Weak

EMPLOYMENT



Job security

Q. Compared to 6 months ago, are you now more or less confident about job security for yourself, your family and other people you know personally?



Are now more confident about job security



Are now less confident about job security

Job losses in the past 6 months

Q. Thinking about the last 6 months, have you, someone in your family or someone else you know personally lost their job as a result of economic conditions?



61%

Reported job loss (themselves, family, or someone they know) due to economic conditions in the past 6 months



39%

Did not report job loss (themselves, family, or someone they know) due to economic conditions in the past 6 months

Job losses in the next 6 months

Q. Looking ahead at the next six months, how likely is it that you, someone in your family or someone else you know personally will lose their job in the next six months as a result of economic conditions?



Perceive a likelihood of job loss (themselves, family, or someone they know) due to economic conditions in the next 6 months



Do not perceive a likelihood of job loss (themselves, family, or someone they know) due to economic conditions in the next 6 months

INVESTMENT CLIMATE

Ability to invest in the future

Q. Compared to 6 months ago, are you now more or less confident about your ability to invest in the future, including your ability to save money for your retirement and your children's education?



Are now more confident about their ability to invest in the future



Are now less confident about their ability to invest in the future

Ability to make a major purchase

Q. Compared to 6 months ago, are you now more or less comfortable making a major purchase, like a home or car?



Are now more comfortable making a major purchase



Are now less comfortable making a major purchase

Buying household durables

Q. Compared to 6 months ago, are you now more or less comfortable making other household purchases?



Are now more comfortable making household purchases



Are now less comfortable making household purchases

LCSI DEEP DIVE

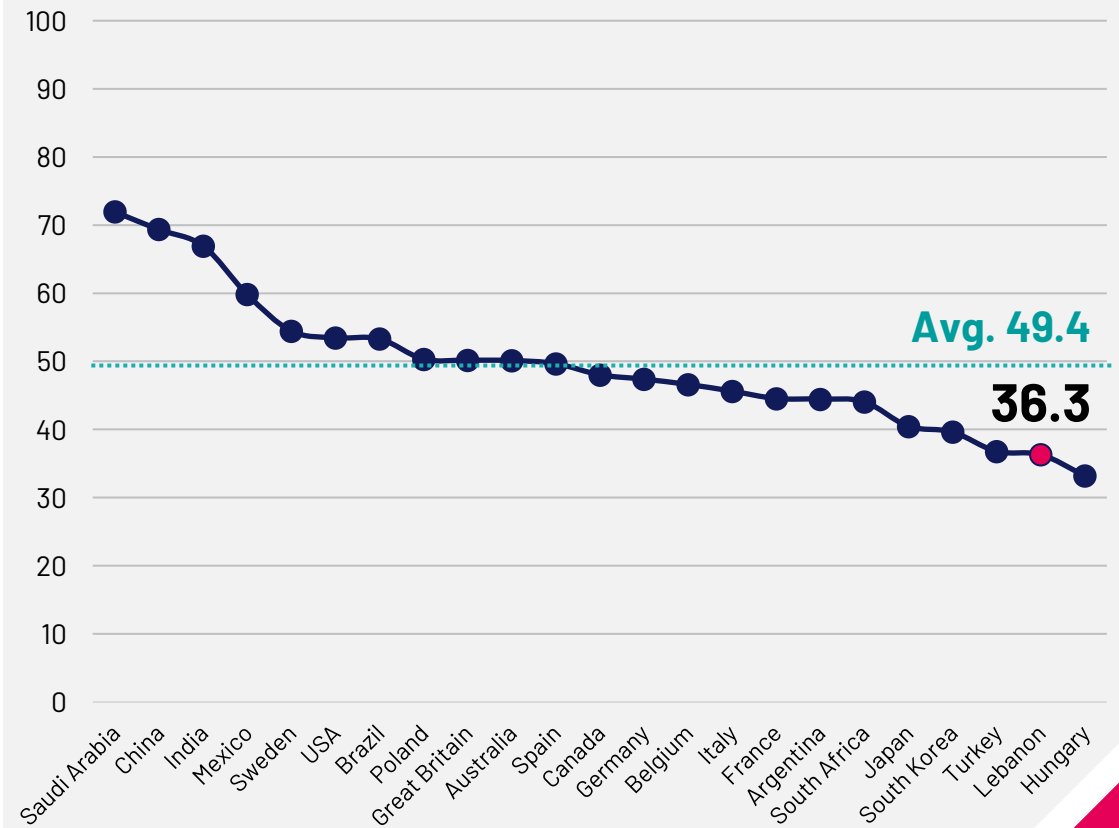


Overall LCSi

Lebanon

36.3

Global comparison



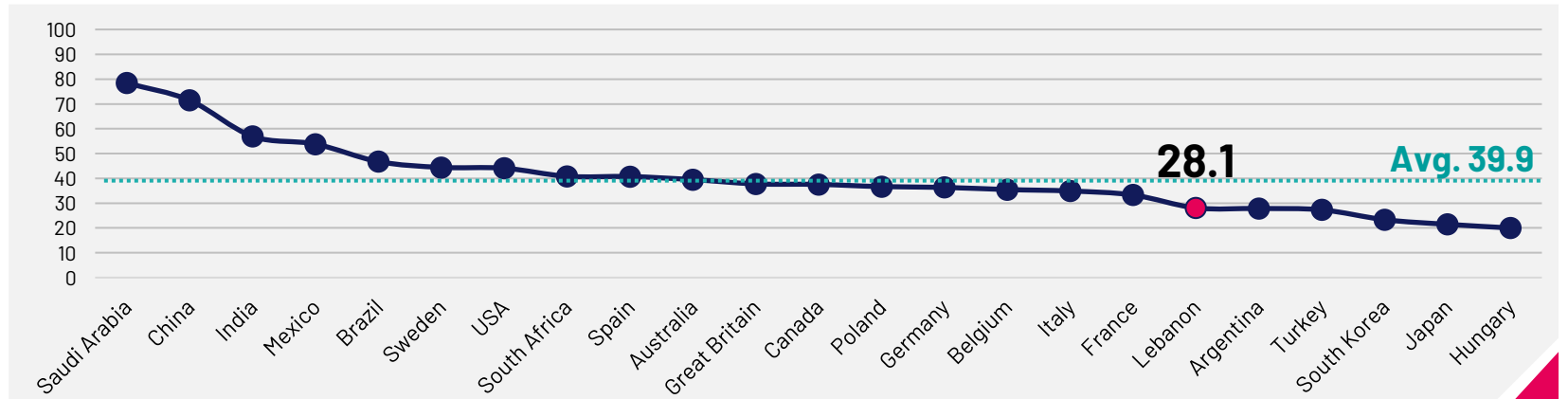
LCSI personal financial conditions

- Compared to 6 months ago, are you now more or less comfortable making a major purchase, like a home or car?
- Compared to 6 months ago, are you now more or less comfortable making other household purchases?
- Compared to 6 months ago, are you now more or less confident about job security for yourself, your family and other people you know personally?
- Compared to 6 months ago, are you now more or less confident of your ability to invest in the future, including your ability to save money for your retirement or your children's education?
- Rate your current financial situation, using a scale from 1 to 7, where 7 means your personal financial situation is very strong today and 1 means it is very weak.
- Rate the current state of the economy in your local area using a scale from 1 to 7, where 7 means a very strong economy today and 1 means a very weak economy.

Lebanon

28.1

Global comparison



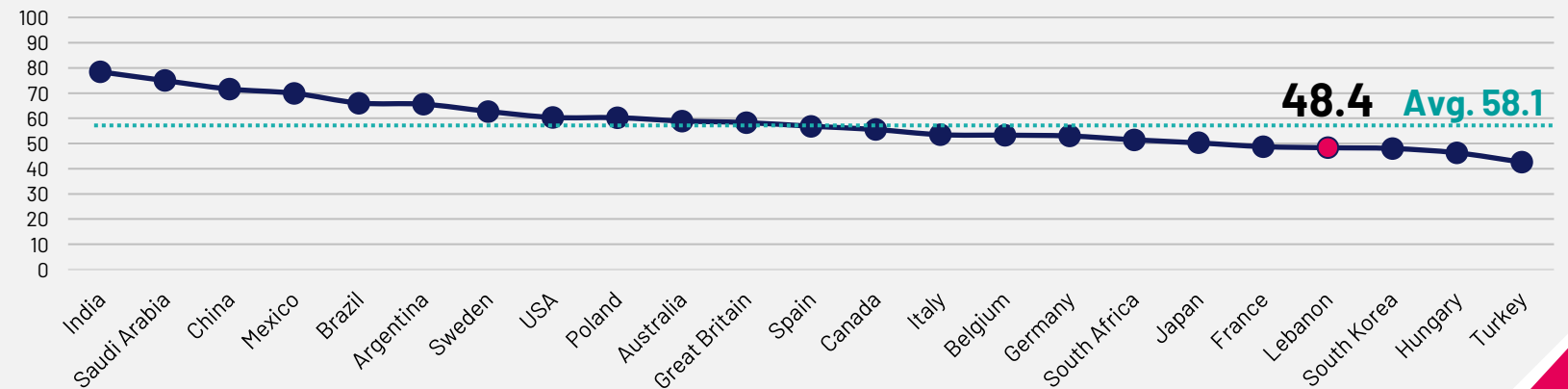
LCSI economic expectations

Lebanon

- Now look ahead at the next six months. How likely is it that you, someone in your family or someone else you know personally will lose their job in the next six months as a result of economic conditions?
- 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?
- 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?

48.4

Global comparison



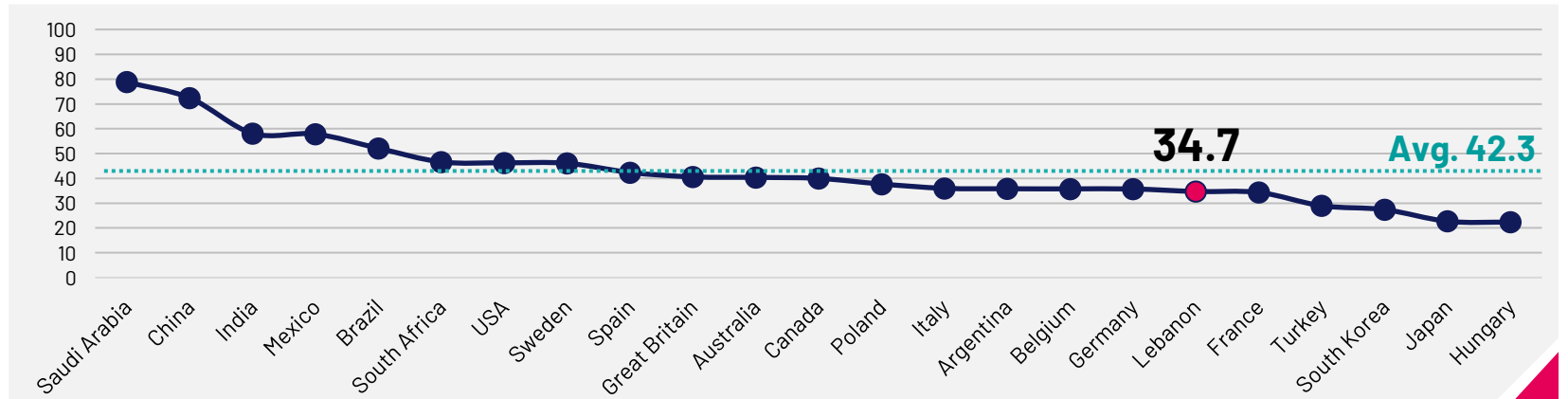
LCSI investment climate

- Compared to 6 months ago, are you now more or less comfortable making a major purchase, like a home or car?
- Compared to 6 months ago, are you now more or less comfortable making other household purchases?
- Compared to 6 months ago, are you now more or less confident of your ability to invest in the future, including your ability to save money for your retirement or your children's education?
- Rate your current financial situation, using a scale from 1 to 7, where 7 means your personal financial situation is very strong today and 1 means it is very weak.
- 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?

Lebanon

34.7

Global comparison

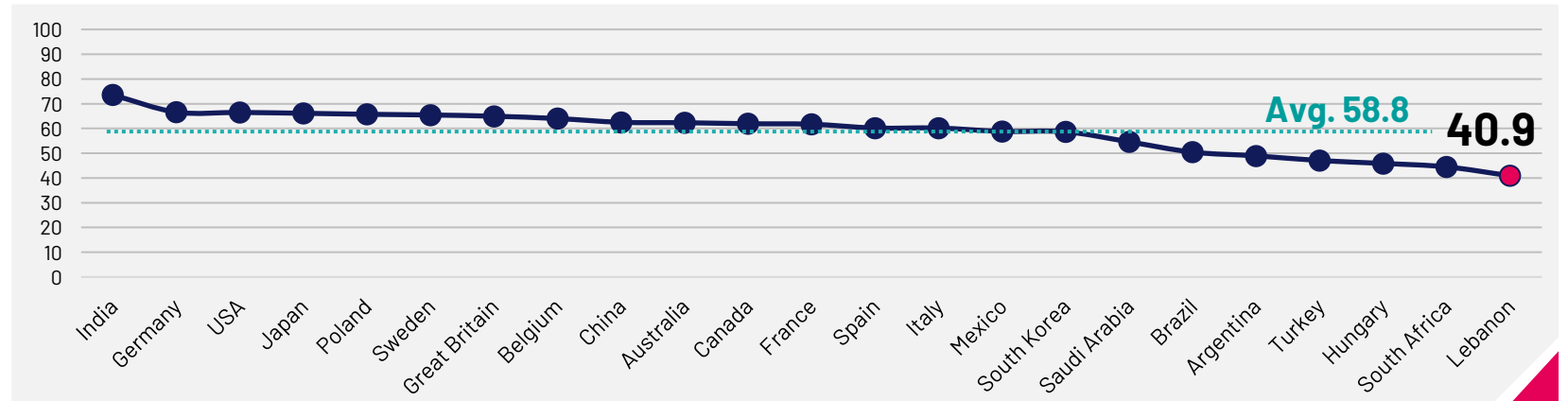


LCSI employment confidence

Lebanon



Global comparison



- Compared to 6 months ago, are you now more or less confident about job security for yourself, your family and other people you know personally?
- Thinking about the last 6 months, have you, someone in your family or someone else you know personally lost their job as a result of economic conditions?
- Now look ahead at the next six months. How likely is it that you, someone in your family or someone else you know personally will lose their job in the next six months as a result of economic conditions?

Sample and methodology

- **Methodology – Computer Aided Telephone Interviews (CATI)**
- **Sample Size – 500 Respondents**
- **Age – 18 years and above**
- **Sample Criteria – General Public**

The Lebanon Consumer Sentiment Index is calculated by utilizing data from the survey results. Responses are divided into aggregated Top Box (Reward) numbers and Bottom Box (Penalty) numbers. Using Shapely Value Analysis, values were generated for the penalty and reward for each question. The magnitude of each question is the difference between the reward and penalty. An Importance factor, which the ultimate weight of the particular question in the index, is the magnitude of each question divided by the total magnitude of all questions. A Top

Box Weight for each question is calculated by dividing the Reward by the magnitude of each question. Similarly, the Bottom Weight for each question is calculated by dividing the Penalty for each question by magnitude of the same. The Index Value for each question is calculated by using the formula: $\text{Importance} \times (\text{Top Box Wt} * \text{Top Box \%}) - (\text{Bottom Box Wt} * \text{Bottom box \%})$.

For More Information

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