

IHP Consumer Confidence Indices

May 2022

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Sri Lanka Consumer Confidence: ***Consumer confidence remained extremely pessimistic through May***

*Consumer confidence remains at extremely low levels,
with public continuing to indicate they believe
conditions will worsen in coming months and years*

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About the IHP Sri Lanka Opinion Tracker Survey (SLOTS)

The IHP Sri Lanka Opinion Tracker Survey (SLOTS) was launched to track public experience and opinion during the recovery from COVID-19. It is run by the Institute for Health Policy (IHP), which is an independent, non-partisan research centre based in Colombo, Sri Lanka. The SLOTS lead investigator is Dr Ravi Rannan-Eliya of IHP, who was trained in public opinion polling at Harvard University, and who has conducted numerous opinion surveys over three decades.

SLOTS interviews representative samples of Sri Lankan adults each month by telephone to gather their current views and situation. All interviews include a core set of common questions, with additional rotating sets of other questions that examine issues of topical importance. The survey is made possible by the generous funding support of the Neelan Tiruchelvam Trust, The Asia Foundation, and others. The survey has an omnibus design, and the Institute welcomes sponsorship to continue the survey, to add new questions, or to undertake tailored analyses of the data. Potential sponsors should contact the Institute for further details.

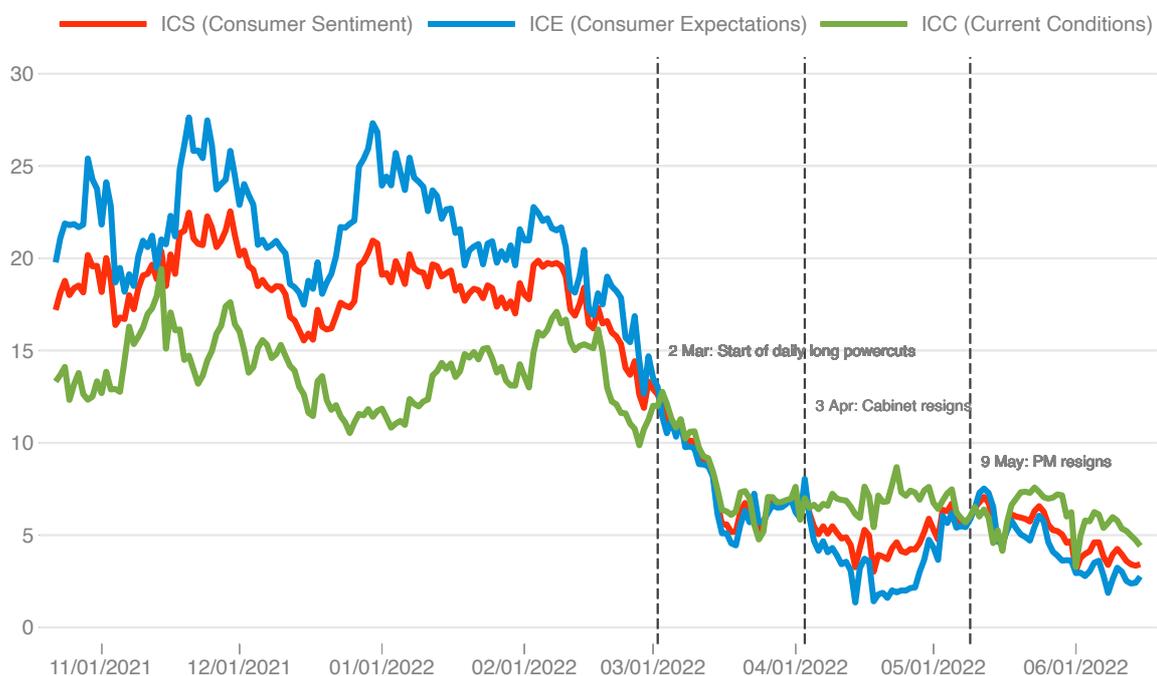
SLOTS respondents consist of a mix of respondents reached by random digit dialling of mobile numbers, and others coming from a national panel of respondents who have agreed to be re-interviewed, and who were previously recruited using random selection. As with any survey, bias can arise from the sampling design and non-response, which means that respondents are not representative of the underlying population. To adjust for this, unless otherwise noted, all reported estimates and analyses use data that have been weighted to ensure that they are representative of the national adult population. This weighting process uses propensity weighting and iterative proportional fitting (raking) to match the national population according to gender, age, ethnicity, religion, socioeconomic ranking, education, sector, and geographical location.

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Sri Lanka Consumer Confidence:

Consumer confidence remained extremely pessimistic through May

IHP's Index of Consumer Sentiment, Consumer Expectation and Current Conditions remain highly pessimistic, unchanged from April



Institute for Health Policy Sri Lanka Opinion Tracker Survey

Index values based on responses to five questions. All index values range from 0 (situation worse off than before/future will be worse than now) to 100 (situation better/future will be better), with values below 50 indicating net pessimism. Survey of 4,667 adults during Oct. 21, 2021–Jun. 15, 2022, with sample sizes varying between indices depending on which respondents were randomized to specific questions and response rates.

Through May, all IHP's consumer confidence indices have remained at extremely low levels. During the country-wide protests up to the resignation of the Prime Minister on 9 May, small improvements (<5 points) were seen in the Index of Consumer Expectation (ICE), which measures the public's insight about the future, and in the Index of Consumer Sentiment (ICS), which measures the public's view on their personal economic status and the national economy. However, despite the resignation of the Prime Minister, and subsequent appointment of a new Prime Minister, none of the indices have improved, and there is some evidence of a worsening through May into early June. This may be reflective of the country's continued difficulties in ensuring essentials such as fuel, electricity, essential food items and medicines are available, and failure of the political changes to elicit public confidence.

Public continue to be pessimistic about the situation in the future

Since April, the Index of Consumer Expectation (ICE), which reflects sentiments of the future, has mostly remained similar or more negative than the Index of Current Conditions (ICC), a broad measure of perceptions about current conditions. This suggests that regardless of small fluctuations in short-term sentiments, the long-term sentiment of the public continues to remain bleak.

Four of the five components comprising the three indices stayed at similar levels. In keeping with long-term pessimism, sentiments on country long-term prospects and current buying conditions declined slightly. All indices and components of these remain at extremely pessimistic levels below 10.

Changes in IHP Consumer Confidence Measures in last month

Measure	↓↑↔	May 2022	April 2022	March 2022	February 2022	January 2022
Index of Consumer Sentiment (ICS)	↑1	6	5	8	16	19
Index of Consumer Expectations (ICE)	↑1	5	4	8	17	23
Index of Current Conditions (ICC)	↓1	6	7	9	15	13
Personal Financial Situation (last 12m)	↔0	5	5	10	20	20
Personal Financial Situation (next 12m)	↑1	4	3	8	25	32
Country Situation (next 12m)	↑4	8	4	11	18	26
Country Long-Term Prospects (next 5y)	↓1	3	4	5	10	12
Current Buying Conditions	↓1	8	9	7	9	7

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Estimates based on 3,202 interviews conducted by SLOTS from Jan. 1–May. 31, 2022. Monthly values derived after weighting responses to be nationally representative according to gender, age, ethnicity, education, sector, province, and socioeconomic status.

Political and policy changes during April and May have not alleviated public pessimism

Overall measures of consumer confidence remain close to April levels and are extremely low. The public remain pessimistic not only about the economy's short-term future (one year ahead), but also about long term prospects (5 years ahead). Indeed, the two measures tracking future conditions moved further downwards during May, even though these changes are not statistically significant. Given the significant political changes during this time—the resignation of the cabinet and Prime Minister, as well as a number of economic adjustments—a devaluation, price rises and announcements about future tax rises, this suggests that changes so far have failed to improve the hopes of most Sri Lankans about the economy's and their own futures.

Technical notes

Appendix: Monthly ICS, ICE and ICC values, November 2021 to May 2022

	Index of Consumer Sentiment (ICS)	Index of Consumer Expectations (ICE)	Index of Current Conditions (ICC)
NOV 2021	19	22	14
DEC 2021	17	19	13
JAN 2022	19	23	13
FEB 2022	16	17	15
MAR 2022	8	8	9
APR 2022	5	4	7
MAY 2022	6	5	6

Note: Values range from 0 (situation worse off/negative expectations) to 100 (situation better/positive expectations), with values below 50 indicating net pessimism. Monthly values derived after weighting responses to be nationally representative according to gender, age, ethnicity, education, sector, province, and socioeconomic status.