

## PRESS RELEASE

### EMBARGOED UNTIL

Date: Wednesday, May 11, 2022  
Time: 0900 AM Sri Lanka Time

### TO CONTACT FOR FURTHER INFORMATION

Dalreen Barthelot  
Email: dalreen `at` ihp.lk

### TO CONTACT LEAD INVESTIGATOR

Dr. Ravi Rannan-Eliya  
Email: ravi `at` ihp.lk Twitter: @ravirannaneliya

## Sri Lanka Consumer Confidence: Continued Drop in April to Reach New Low of 5

*IHP's Index of Consumer Sentiment fell three points to 5 in April, with all indices down since March*

The Institute for Health Policy (IHP) released today the April 2022 update of its Consumer Confidence Indices, which are being trialled as part of its Sri Lanka Opinion Tracker Survey (SLOTS).

IHP's Index of Consumer Sentiment (ICS), a measure of how the public views their personal economic situation and the wider national economy, fell a further three points in April to 5, closer to its floor of zero, and reaching its lowest level since IHP began tracking it.

The current declining trend started in mid-February with the start of power cuts and increasing impact of foreign exchange shortages, plateaued from mid-March, before consumer sentiment started to decline again from early April around the time of the resignation of the Cabinet.

All three consumer sentiment indices fell in April.

The Index of Current Conditions (ICC), a broad measure of perceptions about current conditions, fell three points to 7. The Index of Consumer Expectations (ICE), a measure of perceptions about the future, fell a further four points to reach 4.

*Public pessimism widespread across all segments, with youth losing optimism about the future*

Consumer pessimism is now universal, across all segments. Until February 2022, consumer confidence was higher in the youth (ages 18–29 years) than older adults, largely because the youth continued to be significantly less pessimistic about the

future (tracked by the ICE which looks at future expectations), but this future optimism of the youth has now collapsed, with consumer sentiment similar across all age groups.

### *Public resigned to likelihood that situation will get worse in coming months and years*

Dr Ravi Rannan-Eliya, lead investigator for the survey, commented that the public appears resigned to the likelihood that economic conditions will worsen. All three forward looking measures (household situation in next 12 months, country situation in next 12 months and in 5 years) are now below 10, and worse than the measures tracking current and recent conditions. With the measure tracking public views of the country's situation in five years' time at a new low of 3, he added that more than 95% of Sri Lankans think the country's economy will be in worse condition five years' time than now.

Adapting standard questions used globally to track consumer sentiment, SLOTS has been tracking consumer sentiment daily since September 2021. Three separate indices are currently tracked on a weekly and daily basis, covering views about current conditions, expectations about future conditions, and views about buying major household items. Data are obtained from phone interviews of a national sample of respondents, with the results adjusted to ensure they are representative of the Sri Lankan population in all provinces and at all income levels.

### **Full report available from [ihp.lk](http://ihp.lk)**

Institute for Health Policy, May 2022, "Sri Lanka Consumer Confidence: Continued Drop in April to Reach New Low of 5", SLOTS Report #2022-05.

### **About IHP**

IHP is an independent, non-partisan research centre based in Colombo, Sri Lanka. The SLOTS lead investigator is Dr Ravi Rannan-Eliya of IHP, who trained in public opinion polling at Harvard University, and who has conducted numerous surveys over three decades.

### **Methodology**

SLOTS combines data from a national sample of adults (ages 18 and over) reached by random digit dialling of mobile numbers, and others coming from a national panel of respondents who were previously recruited through random selection. The SLOTS is made possible by funding support from the Neelan Tiruchelvam Trust, The Asia Foundation in Sri Lanka, and others, but the sponsors play no role in the study design, and analysis and interpretation of findings. Interested parties can contact IHP for more detailed data and results.