

IHP Consumer Confidence Indices

March 2023

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Sri Lanka Consumer Confidence: *Significant improvement in consumer confidence in March*

Although all consumer indices remain pessimistic, the biggest gains were in future expectations suggesting the IMF funding agreement has lifted perceptions

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FOR MEDIA INQUIRIES

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About the IHP Sri Lanka Opinion Tracker Survey (SLOTS)

The IHP Sri Lanka Opinion Tracker Survey (SLOTS) was launched in August 2021 to track public experience and opinion during the recovery from COVID-19. It has been extended to track public perceptions during the economic crisis. 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 daily 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 UK National Institute for Health and Care Research (NIHR), the Asian 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 at community level 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, sector, and geographical location, and where appropriate past voting behaviour.

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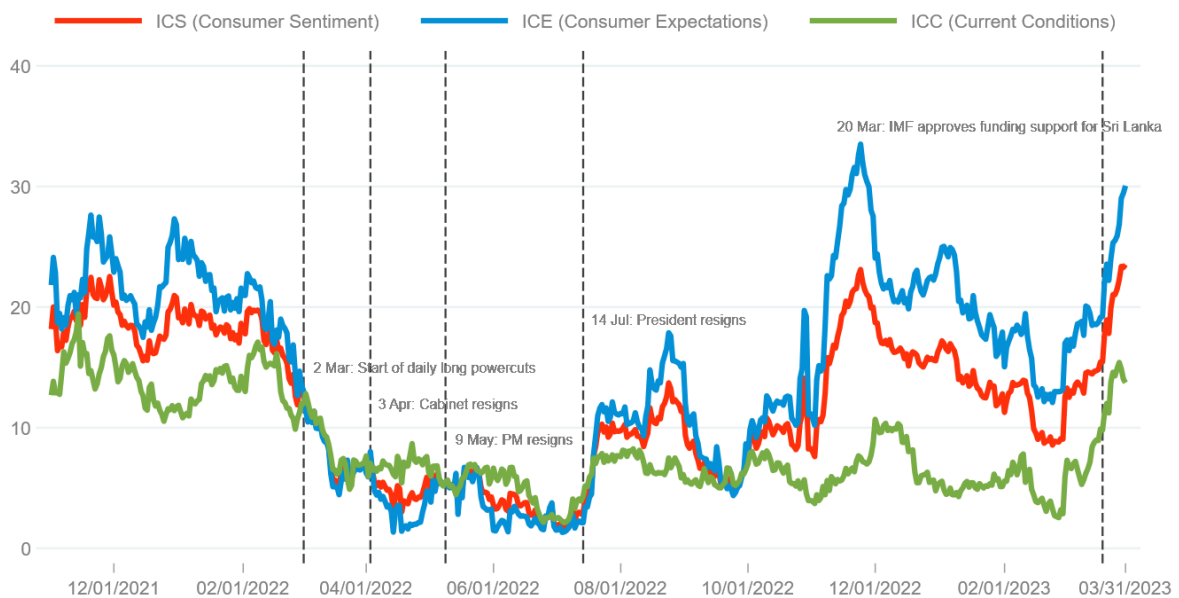
Significant improvement in consumer confidence in March

Although all consumer indices remain pessimistic, the biggest gains were in future expectations suggesting the IMF funding agreement has lifted perceptions

There was broad improvement in consumer sentiment in March, with all three of IHP’s Consumer confidence indices significantly improving, although all remain at pessimistic levels. The Index of Consumer Sentiment (ICS), the broadest measure of the public’s view on their personal economic status and the national economy increased 4 points to 16 points. The ICS ranges from zero to a potential maximum 100, with levels below 50 indicating net pessimism.

Future expectations improved the most, suggesting that the IMF funding agreement with Sri Lanka approved in March and other associated positive economic signals influenced public perceptions positively.

The Index of Consumer Expectation (ICE), a measure of perceptions about the future, improved 5 points to 22 points, but the Index of Consumer Conditions (ICC), a measure of perceptions about current conditions increased only 2 points. In contrast, views about current buying conditions remains unchanged in March, which were at very low levels (below 10 points) indicating consumer demand for large purchases will remain very low.



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Index values are daily estimates based on responses to five questions, pooling data from days before and after a given day. 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 9,378 adults during Oct. 21, 2021–Mar. 31, 2023, with sample sizes varying between indices depending on which respondents were randomized to specific questions and response rates.

Changes in IHP Consumer Confidence Measures in the last month

Measure	↓↑↔	March 2023	February 2023	January 2023	December 2022	November 2022	October 2022	September 2022
Index of Consumer Sentiment (ICS)	↑ 4	16	12	15	16	20	10	6
Index of Consumer Expectations (ICE)	↑ 5	22	17	22	22	29	12	7
Index of Current Conditions (ICC)	↑ 2	8	6	5	8	7	6	5
Personal Financial Situation (last 12m)	↑ 5	10	5	6	8	7	7	8
Personal Financial Situation (next 12m)	↑ 3	23	20	23	22	26	10	8
Country Situation (next 12m)	↑ 5	17	12	16	18	25	12	7
Country Long-Term Prospects (next 5y)	↑ 6	25	19	28	26	35	14	5
Current Buying Conditions	↔ 0	6	6	3	8	6	5	3

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Estimates based on 3,637 interviews conducted by SLOTS from Sep. 01, 2022–Mar. 31, 2023. Monthly values derived after weighting responses to be nationally representative according to gender, age, ethnicity, education, sector, province, and socioeconomic status.

Appendix: Monthly ICS, ICE and ICC values, January 2022 to March 2023

	Index of Consumer Sentiment (ICS)	Index of Consumer Expectations (ICE)	Index of Current Conditions (ICC)
JAN 2022	19	23	13
FEB 2022	16	17	15
MAR 2022	8	8	9
APR 2022	5	4	7
MAY 2022	5	5	6
JUN 2022	3	2	5
JUL 2022	6	6	5
AUG 2022	12	15	7
SEP 2022	6	7	5
OCT 2022	10	12	6
NOV 2022	20	29	7
DEC 2022	16	22	8
JAN 2023	15	22	5
FEB 2023	12	17	6
MAR 2023	16	22	8

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. Historical estimates are updated monthly, so there may be small revisions to earlier released monthly values.