

PRESS RELEASE

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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

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

Throughout May, all IHP's consumer confidence indices have remained at extremely low levels. Leading up to the country-wide protests and the resignation of the Prime Minister on 9 May, some small improvements were seen in the Index of Consumer Expectation (ICE), which measures the public's expectations about the future, and the Index of Consumer Sentiment (ICS), which measures the public's views 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, there was no improvement in any of the indices. This may be reflective of the country's continued difficulties in ensuring essentials such as fuel, electricity, essential food items and other goods and services.

Public continue to be pessimistic about the situation in the future

Through May, the Index of Consumer Expectation (ICE), which reflects sentiments of the future, has mostly remained at or below the Index of Current Conditions (ICC), a broad measure of perceptions about current condition. Dr Ravi Rannan-Eliya, lead investigator for the survey, commented that regardless of small fluctuations in short-term sentiments, the long-term future sentiments of the public 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.

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

Institute for Health Policy, June 2022, "Sri Lanka Consumer Confidence: Consumer confidence remained extremely pessimistic through May", SLOTS Report #2022-06.

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.