

# IHP Consumer Confidence Indices

**April 2022**

FOR RELEASE MAY 10, 2022

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

*Economic pessimism widespread across all segments,  
and public resigned to likelihood that conditions will  
worsen in coming months and years*

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### RECOMMENDED CITATION

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 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.

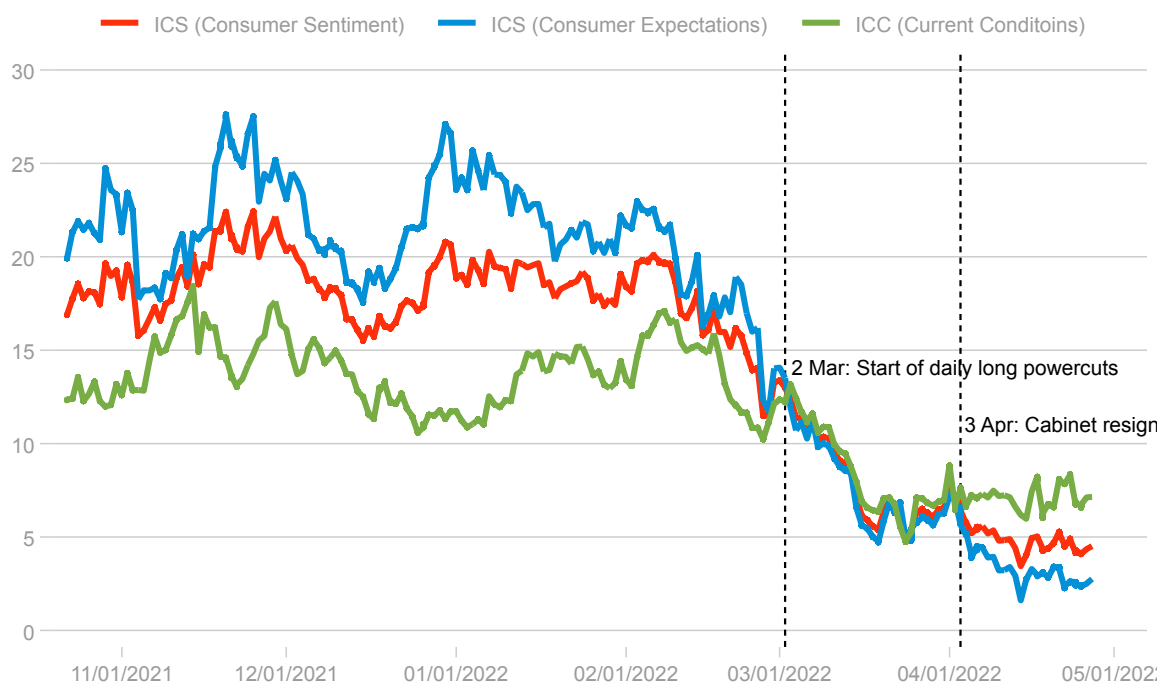
SLOTS interviews representative samples of Sri Lankan adults each month by telephone to gather their current views and situation. All interviews include a core set of common questions, with additional rotating sets of other questions that examine issues of topical importance. The survey is made possible 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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*IHP's Index of Consumer Sentiment fell three points to 5 in April, with all indices down since March*



#### 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 4,091 adults during Oct. 21, 2021–May 4, 2022, with sample sizes varying between indices depending on which respondents were randomized to specific questions and response rates.

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 the 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, and the Index of Consumer Expectations (ICE), a measure of perceptions about the future, fell a further four points to reach 4.

Four out of the five components comprising the three indices declined, with only the Current Buying Conditions measure not declining, although it remained at extremely pessimistic levels below 10.

### Changes in IHP Consumer Confidence Measures in last month

Measure	↓↑↔	April 2022	March 2022	February 2022	January 2022
Index of Consumer Sentiment (ICS)	↓3	5	8	16	19
Index of Consumer Expectations (ICE)	↓4	4	8	17	23
Index of Current Conditions (ICC)	↓3	7	9	15	13
Personal Financial Situation (last 12m)	↓5	6	10	20	20
Personal Financial Situation (next 12m)	↓5	3	8	25	32
Country Situation (next 12m)	↓7	4	11	18	26
Country Long-Term Prospects (next 5y)	↓2	3	5	10	12
Current Buying Conditions	↑2	9	7	9	7

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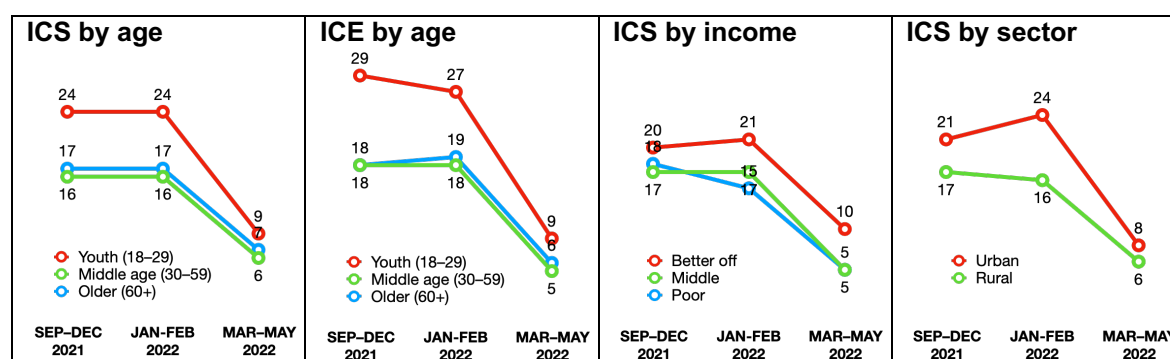
Estimates based on 2,684 interviews conducted by SLOTS from Jan. 1–Apr. 31, 2022. Monthly values derived after weighting responses to be nationally representative according to gender, age, ethnicity, education, sector, province and socioeconomic status.

## 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 had been 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.

The deterioration in consumer sentiment during Jan-Feb 2022 was largely due to a recovery of consumer confidence in the better-off and urban adults, but this proved short-lived and confidence in these groups fell faster since February, with differences with other groups vanishing.

### Changes in consumer confidence from 2021 through early 2022 by segment



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Estimates based on 2,684 interviews conducted by SLOTS from Jan. 1–Apr. 31, 2022. Monthly values derived after weighting responses to be nationally representative according to gender, age, ethnicity, education, sector, province and socioeconomic status.

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

The public appears resigned to the likelihood that economic conditions will worsen, with all three forward looking measures (household situation in next 12 months, country situation in next 12 months and in 5 years) 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, more than 95% of Sri Lankans think the country's economy will be in worse condition five years' time than now.

### Technical notes

#### Appendix: Monthly ICS, ICE and ICC values, November 2021 to April 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	6	4	7

*Note:* All indices have been rescaled since last publication to range from zero to 100. Indices are based on responses to five questions. 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.