



智經研究中心

Bauhinia Foundation Research Centre

香港消費者信心意見調查

Hong Kong Consumer Confidence Survey

第二季度報告 2010

Second Quarter Report

CONSUMER CONFIDENCE SURVEY
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1. Survey Objective and Method

The Public Governance Programme of Lingnan University was commissioned by the Bauhinia Foundation Research Centre to conduct the Consumer Confidence Survey (hereafter, the Survey). The key objective of the Survey is to assess consumer confidence in Hong Kong.

The Survey is a telephone interview survey. Data collection of the Survey took place between 7 and 12 June 2010. The target respondents are Hong Kong permanent residents aged 18 or above.

To ensure the representativeness of the data, a sample of telephone numbers was randomly selected from Hong Kong Telephone Directory. The last two digits of the telephone numbers were replaced by two random numbers. Eligible samples within households were input and the computer would randomly draw one of the eligible samples to be our respondents.

A total of 1,022 respondents were successfully interviewed. The response rate is 31.5%. The margins of error are estimated to be $\pm 3.1\%$ at 95% confidence level.

The Survey is the fifth one of a series of quarterly survey exercises, with the first survey completed in June 2009, followed by surveys conducted every three months. The Survey consists of two parts. Questions in Part One ask respondents about their perceptions of Hong Kong's overall economic conditions, Hong Kong's employment situations and respondents' household incomes currently, in next three months and in next twelve months. Questions in Part Two ask respondents about their various economic and consumption behaviours.

Every question has a "favourable" answer (e.g. economic conditions have been improved, no household members are unemployed) and an

“unfavourable” answer (e.g. economic conditions have been worsened, some household members are unemployed). From the data of this survey, the **index scores** of each of the questions in the survey period (June 2010) can be calculated.¹

The **Bauhinia Hong Kong Consumer Confidence Index** is calculated from the index scores of all the questions asking respondents about their economic expectations and economic behaviours in the short term future (next three months).² It shows the consumers’ confidence over economic expectations and economic behaviours in the short term future.

The **Bauhinia Hong Kong Consumer Expectations Index** is calculated from the index scores of the three questions asking respondents about their medium term future economic expectations (perceptions of Hong Kong’s overall economic conditions, Hong Kong’s employment situations and respondents’ household incomes).³ It shows the consumers’ expectations of economic conditions in the medium term future.

The change in the index score of a question indicates the change in the consumers’ confidence or economic conditions as represented by the question. The index scores in the base period (June 2009) are set to be 100.0, and the index scores in this survey are compared with those in the base period (June 2009 = 100.0). In general, an increase in the index score indicates an improvement of the consumers’ confidence or economic conditions, and a decrease in the index score indicates a worsening of the consumers’ confidence or economic conditions, as represented by that index score.

¹ We subtract the percentage of respondents who chose the “unfavourable” answer from the percentage of respondents who chose the “favourable” answer, and then add 100 to the difference, to obtain the relative score of the question. The relative score takes a value between 0 and 200. When it exceeds 100, that means more respondents chose the “favourable” answer than those choosing the “unfavourable” one; when it is smaller than 100, that means more respondents chose the “unfavourable” answer than those choosing the “favourable” one. The index score of the question is the ratio of the relative score of this question to that in the base period (June 2009).

² The Bauhinia Hong Kong Consumer Confidence Index is calculated by taking the arithmetic mean of the index scores of all the questions relating to the short term future.

³ The Bauhinia Hong Kong Consumer Expectations Index is calculated by taking the arithmetic mean of the index scores of the three questions relating to the medium term future economic expectations (perceptions of Hong Kong’s overall economic conditions, Hong Kong’s employment situations and respondents’ household incomes).

2. Findings

2.1 Index scores of different questions

The following table shows the index scores for the present/past three months, next three months and next twelve months of different questions (June 2009 = 100.0):

		2009.06	2009.09	2009.12	2010.03	2010.06
Hong Kong's overall economic conditions	Present	100.0	151.1	163.5	168.5	124.3
	Next 3 months	100.0	124.1	128.1	124.2	98.3
	Next 12 months	100.0	106.1	97.4	99.3	84.3
Hong Kong's employment situations	Present	100.0	192.6	281.0	300.8	253.8
	Next 3 months	100.0	143.8	158.0	160.8	125.0
	Next 12 months	100.0	101.7	99.7	100.4	86.7
Respondents' household incomes	Present	100.0	120.3	125.0	125.5	120.6
	Next 3 months	100.0	111.4	115.8	113.9	108.6
	Next 12 months	100.0	107.4	110.1	107.7	103.4
Unemployment of respondents' family members	Past 3 months	100.0	102.9	102.6	102.0	103.2
	Next 3 months	100.0	103.9	103.6	105.8	103.1
Property purchase by respondents' families	Past 3 months	100.0	169.1	111.5	148.2	106.1
	Next 3 months	100.0	117.0	139.9	108.1	122.6
Respondents' expenses on daily necessities	Past 3 months	100.0	128.2	142.6	155.3	142.5
	Next 3 months	100.0	113.7	141.1	116.3	120.4
Respondents' spending on non-recurrent large purchases	Past 3 months	100.0	112.6	113.8	114.4	105.7
	Next 3 months	100.0	104.4	118.6	108.0	113.2
Respondents' investment in financial products	Past 3 months	100.0	109.1	128.8	118.9	91.4
	Next 3 months	100.0	105.2	111.5	104.7	96.9

For data details, please refer to Statistical Tables 1 to 9 in the Appendix.

2.2 Bauhinia Hong Kong Consumer Confidence Index

After calculation, the **Bauhinia Hong Kong Consumer Confidence Index for the survey period (June 2010) is 111.0** (June 2009 = 100.0).

2.3 Bauhinia Hong Kong Consumer Expectations Index

After calculation, the **Bauhinia Hong Kong Consumer Expectations Index for the survey period (June 2010) is 91.4** (June 2009 = 100.0).

Results in paragraphs 2.2 to 2.3 can be summarized in the following table:

	2009.06	2009.09	2009.12	2010.03	2010.06
Bauhinia Hong Kong Consumer Confidence Index	100.0	115.4	127.1	117.7	111.0
Bauhinia Hong Kong Consumer Expectations Index	100.0	105.1	102.4	102.5	91.4

2.4 In view of paragraphs 2.1 to 2.3, the following observations can be obtained:

- The Bauhinia Hong Kong Consumer Confidence Index is 111.0 (June 2009 = 100.0), lower than the index value of 117.7 in the previous survey (March 2010). It indicates that consumers' confidence over economic expectations and economic behaviours in the short term future (next three months) has weakened *vis-à-vis* the previous survey three months ago.

- The Bauhinia Hong Kong Consumer Expectations Index is 91.4 (June 2009 = 100.0), significantly lower than the index value of 102.5 in the previous survey (March 2010). It indicates that consumers' expectations of economic conditions in the medium term future (next twelve months) have weakened significantly *vis-à-vis* the previous survey three months ago.
- Regarding Hong Kong's overall economic conditions, respondents' current perceptions and their expectations in next three months and in twelve months have worsened very significantly *vis-à-vis* the previous survey three months ago.
- Regarding Hong Kong's employment situations, respondents' current perceptions and their expectations in next three months have worsened very significantly, while their expectations in next twelve months have worsened significantly, *vis-à-vis* the previous survey three months ago.
- Regarding respondents' household incomes, respondents' current perceptions and their expectations in next three months and in twelve months have worsened slightly *vis-à-vis* the previous survey three months ago.
- The employment situation of respondents' family members over the past three months has stayed unchanged *vis-à-vis* the previous survey three months ago. Their expectations in next three months have worsened slightly *vis-à-vis* the previous survey three months ago.
- Property purchase by respondents' families over the past three months has worsened very significantly, while respondents' expectations in next three months regarding property purchase by their families have improved significantly, *vis-à-vis* the previous survey three months ago.

- The situation of respondents' expenses on daily necessities over the past three months has worsened, while respondents' expectations in next three months have improved slightly, *vis-à-vis* the previous survey three months ago.

- The situation of respondents' expenses on non-recurrent large purchases over the past three months has worsened than that in the previous survey three months ago, while respondents' expectations in next three months have improved slightly.

- The situation of respondents' investment in financial products over the past three months has worsened very significantly, while their expectations of investment in financial products in next three months have worsened, *vis-à-vis* the previous survey three months ago.

3. Statistical Tables

1. Do you think the overall economic conditions of Hong Kong have improved or worsened over the past 3 months?
Do you think the overall economic conditions of Hong Kong will improve or worsen in next 3 months?
Do you think the overall economic conditions of Hong Kong will improve or worsen in next 12 months?

	Present		Next 3 months		Next 12 months	
	N	%	N	%	N	%
Improve	248	24.3	253	24.8	331	32.4
No change	385	37.7	346	33.9	194	19.0
Worsen	286	28.0	243	23.8	194	19.0
Don't know / No comments	103	10.1	180	17.6	301	29.5
Declined to answer	0	0.0	0	0.0	2	0.2
Total	1,022	100.0	1,022	100.0	1,022	100.0

2. Do you think Hong Kong's employment situations have improved or worsened over the past 3 months?
Do you think Hong Kong's employment situations will improve or worsen in next 3 months?
Do you think Hong Kong's employment situations will improve or worsen in next 12 months?

	Present		Next 3 months		Next 12 months	
	N	%	N	%	N	%
Improve	334	32.7	283	27.7	321	31.4
No change	280	27.4	282	27.6	205	20.1
Worsen	233	22.8	272	26.6	176	17.2
Don't know / No comments	175	17.1	185	18.1	318	31.1
Declined to answer	0	0.0	0	0.0	2	0.2
Total	1,022	100.0	1,022	100.0	1,022	100.0

3. Has your household income increased or decreased over the past 3 months?
Do you think your household income will increase or decrease in next 3 months?
Do you think your household income will increase or decrease in next 12 months?

	Present		Next 3 months		Next 12 months	
	N	%	N	%	N	%
Improve	111	10.9	137	13.4	207	20.3
No change	731	71.5	698	68.3	525	51.4
Worsen	154	15.1	94	9.2	73	7.1
Don't know / No comments	20	2.0	89	8.7	213	20.8
Declined to answer	6	0.6	4	0.4	4	0.4
Total	1,022	100.0	1,022	100.0	1,022	100.0

4. Has anyone in your family been unemployed over the past 3 months?
Is it likely for anyone in your family to be unemployed in next 3 months?

	Past 3 months		Next 3 months	
	N	%	N	%
Yes	167	16.3	126	12.3
No	836	81.8	717	70.2
Don't know / No comments	16	1.6	175	17.1
Declined to answer	3	0.3	4	0.4
Total	1,022	100.0	1,022	100.0

5. Has your family purchased any properties over the past 3 months?
Is it likely that your family will purchase properties in next 3 months?

	Past 3 months		Next 3 months	
	N	%	N	%
Yes	28	2.7	47	4.6
No	990	96.9	951	93.1
Don't know / No comments	2	0.2	23	2.3
Declined to answer	2	0.2	1	0.1
Total	1,022	100.0	1,022	100.0

6. Have you increased or decreased expenses on daily necessities over the past 3 months?
Are you going to increase or decrease expenses on daily necessities in next 3 months?

	Past 3 months		Next 3 months	
	N	%	N	%
Increase	231	22.6	177	17.3
More or less the same	557	54.5	570	55.8
Decrease	225	22.0	210	20.5
Forgotten / Don't know / No comments	6	0.6	63	6.2
Declined to answer	3	0.3	2	0.2
Total	1,022	100.0	1,022	100.0

7. Have you spent over \$3,000 on a single non-recurrent purchase (e.g. traveling overseas, buying a new model TV set or branded handbag) over the past 3 months?
Are you going to spend over \$3,000 on a single non-recurrent purchase (e.g. traveling overseas, buying a new model TV set or branded handbag) in next 3 months?

	Past 3 months		Next 3 months	
	N	%	N	%
Yes	359	35.1	308	30.1
No	655	64.1	600	58.7
Forgotten / Don't know / No comments	3	0.3	110	10.8
Declined to answer	5	0.5	4	0.4
Total	1,022	100.0	1,022	100.0

8. Have you made any financial investment over the past 3 months (e.g. equities, fixed income products, FX products or derivatives, investment funds, insurance/ savings schemes)?

	Past 3 months	
	N	%
Yes	266	26.0
No	748	73.2
Forgotten	1	0.1
Declined to answer	7	0.7
Total	1,022	100.0

9. Have you increased or decreased your investment in financial products (e.g. equities, fixed income products, FX products or derivatives, investment funds, insurance / savings schemes) over the past 3 months?

Are you going to increase or decrease your financial investment in next 3 months?

[Only those who answered “yes” in Table 8 were asked this question.]

	Past 3 months		Next 3 months	
	N	%	N	%
Increase	65	24.4	51	19.2
More or less the same	109	41.0	112	42.1
Decrease	90	33.8	55	20.7
Forgotten / Don't know / No comments	2	0.8	48	18.0
Total	266	100.0	266	100.0

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