



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

第一季度報告 2011  
First Quarter Report

# **CONSUMER CONFIDENCE SURVEY**

**First Quarter Report 2011**

*Submitted to*

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# Consumer Confidence Survey

## First Quarter Report 2011

### 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 21 and 27 March 2011. 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 1,040 respondents were successfully interviewed. The response rate is 32.3%. The margins of error are estimated to be  $\pm 3.1\%$  at 95% confidence level.

The Survey is the eighth 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 (March 2011) can be calculated.<sup>1</sup>

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).<sup>2</sup> 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).<sup>3</sup> 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.

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<sup>1</sup> 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).

<sup>2</sup> 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.

<sup>3</sup> 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):

		<b>2009. 09</b>	<b>2009. 12</b>	<b>2010. 03</b>	<b>2010. 06</b>	<b>2010. 09</b>	<b>2010. 12</b>	<b>2011. 03</b>
Hong Kong's overall economic conditions	Present	151.1	163.5	168.5	124.3	155.6	144.3	<b>129.6</b>
	Next 3 months	124.1	128.1	124.2	98.3	119.7	110.6	<b>90.4</b>
	Next 12 months	106.1	97.4	99.3	84.3	90.9	83.6	<b>75.8</b>
Hong Kong's employment situations	Present	192.6	281.0	300.8	253.8	278.9	276.9	<b>289.8</b>
	Next 3 months	143.8	158.0	160.8	125.0	149.4	141.4	<b>133.5</b>
	Next 12 months	101.7	99.7	100.4	86.7	87.7	85.3	<b>81.4</b>
Respondents' household incomes	Present	120.3	125.0	125.5	120.6	126.2	125.2	<b>125.8</b>
	Next 3 months	111.4	115.8	113.9	108.6	113.4	115.6	<b>112.0</b>
	Next 12 months	107.4	110.1	107.7	103.4	105.3	107.4	<b>103.0</b>
Unemployment of respondents' family members	Past 3 months	102.9	102.6	102.0	103.2	104.9	108.4	<b>106.8</b>
	Next 3 months	103.9	103.6	105.8	103.1	107.7	106.1	<b>105.7</b>
Property purchase by respondents' families	Past 3 months	169.1	111.5	148.2	106.1	145.1	136.0	<b>116.4</b>
	Next 3 months	117.0	139.9	108.1	122.6	115.4	100.4	<b>88.8</b>
Respondents' expenses on daily necessities	Past 3 months	128.2	142.6	155.3	142.5	155.3	153.7	<b>151.1</b>
	Next 3 months	113.7	141.1	116.3	120.4	128.5	141.9	<b>125.8</b>
Respondents' spending on non-recurrent large purchases	Past 3 months	112.6	113.8	114.4	105.7	125.1	118.1	<b>101.9</b>
	Next 3 months	104.4	118.6	108.0	113.2	99.6	121.1	<b>114.0</b>
Respondents' investment in financial products	Past 3 months	109.1	128.8	118.9	91.4	111.5	127.3	<b>112.8</b>
	Next 3 months	105.2	111.5	104.7	96.9	102.6	114.2	<b>100.2</b>

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

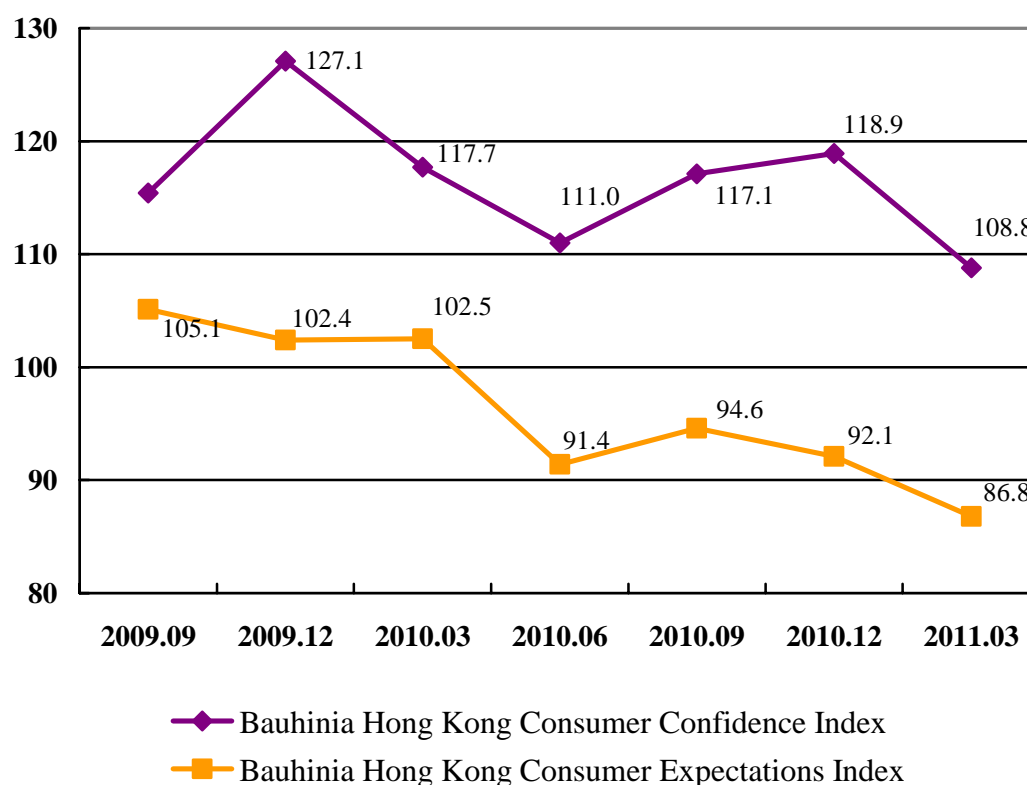
## 2.2 Bauhinia Hong Kong Consumer Confidence Index

After calculation, the **Bauhinia Hong Kong Consumer Confidence Index for the survey period (March 2011) is 108.8** (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 (March 2011) is 86.8** (June 2009 = 100.0).

The values of the Bauhinia Hong Kong Consumer Confidence Index and the Bauhinia Hong Kong Consumer Expectations Index over different survey periods are shown in the following chart:



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 108.8 (June 2009 = 100.0), lower than the index value of 118.9 in the previous survey (December 2010). It indicates that consumers' confidence over economic expectations and economic behaviours in the short term future (next three months) has deteriorated *vis-à-vis* the previous survey three months ago.
- The Bauhinia Hong Kong Consumer Expectations Index is 86.8 (June 2009 = 100.0), lower than the index value of 92.1 in the previous survey (December 2010). It indicates that consumers' expectations of economic conditions in the medium term future (next twelve months) have deteriorated *vis-à-vis* the previous survey three months ago.
- Regarding Hong Kong's overall economic conditions, respondents' current perceptions have significantly worsened *vis-à-vis* the previous survey three months ago, while their expectations in next three months have worsened very significantly and those in next twelve months have worsened.
- Regarding Hong Kong's employment situations, respondents' current perceptions have improved slightly *vis-à-vis* the previous survey three months ago. Their expectations in next three months have worsened and those in next twelve months have worsened slightly, *vis-à-vis* the previous survey three months ago.
- Regarding respondents' household incomes, respondents' current situation has been at par with those in the previous survey three months ago, and their expectations in next three months and in next twelve months have worsened slightly.
- The employment situation of respondents' family members over the past three months and their expectations in next three months have been at par *vis-à-vis* the previous survey three months ago.

- Property purchase by respondents' families over the past three months and respondents' expectations in next three months regarding property purchase by their families have worsened significantly, *vis-à-vis* the previous survey three months ago.
- The situation of respondents' expenses on daily necessities over the past three months has been at par, and respondents' expectations in next three months have worsened significantly, *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 significantly, while respondents' expectations in next three months have worsened, *vis-à-vis* the previous survey three months ago.
- The situation of respondents' investment in financial products over the past three months and their expectations of investment in financial products in next three months have worsened significantly, *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	336	32.3	277	26.6	284	27.3
No change	283	27.2	245	23.6	173	16.6
Worsen	332	31.9	351	33.8	263	25.3
Don't know / No comments	87	8.4	166	16.0	319	30.7
Declined to answer	2	0.2	1	0.1	1	0.1
<b>Total</b>	<b>1,040</b>	<b>100.0</b>	<b>1,040</b>	<b>100.0</b>	<b>1,040</b>	<b>100.0</b>

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	458	44.0	326	31.3	290	27.9
No change	211	20.3	260	25.0	193	18.6
Worsen	193	18.6	243	23.4	214	20.6
Don't know / No comments	177	17.0	210	20.2	342	32.9
Declined to answer	1	0.1	1	0.1	1	0.1
<b>Total</b>	<b>1,040</b>	<b>100.0</b>	<b>1,040</b>	<b>100.0</b>	<b>1,040</b>	<b>100.0</b>

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	148	14.2	175	16.8	224	21.5
No change	690	66.3	628	60.4	469	45.1
Worsen	149	14.3	98	9.4	92	8.8
Don't know / No comments	43	4.1	131	12.6	249	23.9
Declined to answer	10	1.0	8	0.8	6	0.6
<b>Total</b>	<b>1,040</b>	<b>100.0</b>	<b>1,040</b>	<b>100.0</b>	<b>1,040</b>	<b>100.0</b>

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	138	13.3	108	10.4
No	880	84.6	751	72.2
Don't know / No comments	14	1.3	173	16.6
Declined to answer	8	0.8	8	0.8
<b>Total</b>	<b>1,040</b>	<b>100.0</b>	<b>1,040</b>	<b>100.0</b>

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	29	2.8	27	2.6
No	1002	96.3	980	94.2
Don't know / No comments	3	0.3	28	2.7
Declined to answer	6	0.6	5	0.5
<b>Total</b>	<b>1,040</b>	<b>100.0</b>	<b>1,040</b>	<b>100.0</b>

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	340	32.7	264	25.4
More or less the same	421	40.5	451	43.4
Decrease	271	26.1	252	24.2
Forgotten / Don't know / No comments	7	0.7	71	6.8
Declined to answer	1	0.1	2	0.2
<b>Total</b>	<b>1,040</b>	<b>100.0</b>	<b>1,040</b>	<b>100.0</b>

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	353	33.9	312	30.0
No	681	65.5	604	58.1
Forgotten / Don't know / No comments	3	0.3	122	11.7
Declined to answer	3	0.3	2	0.2
<b>Total</b>	<b>1,040</b>	<b>100.0</b>	<b>1,040</b>	<b>100.0</b>

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	313	30.1
No	719	69.1
Forgotten	8	0.8
<b>Total</b>	<b>1,040</b>	<b>100.0</b>

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	96	30.7	63	20.1
More or less the same	151	48.2	143	45.7
Decrease	59	18.8	57	18.2
Forgotten / Don't know / No comments	2	0.6	47	15.0
Declined to answer	5	1.6	3	1.0
<b>Total</b>	<b>313</b>	<b>100.0</b>	<b>313</b>	<b>100.0</b>

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