



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

第四季度報告 2009
Fourth 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 1 and 5 December 2009. 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 1,070 respondents were successfully interviewed. The response rate is 34.6%. The margins of error are estimated to be $\pm 3.1\%$ at 95% confidence level.

The Survey is the third one of a series of quarterly survey exercises, with the first two surveys completed in June and September 2009. 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 (December 2009) 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
Hong Kong's overall economic conditions	Present	100.0	151.1	163.5
	Next 3 months	100.0	124.1	128.1
	Next 12 months	100.0	106.1	97.4
Hong Kong's employment situations	Present	100.0	192.6	281.0
	Next 3 months	100.0	143.8	158.0
	Next 12 months	100.0	101.7	99.7
Respondents' household incomes	Present	100.0	120.3	125.0
	Next 3 months	100.0	111.4	115.8
	Next 12 months	100.0	107.4	110.1
Unemployment of respondents' family members	Past 3 months	100.0	102.9	102.6
	Next 3 months	100.0	103.9	103.6
Property purchase by respondents' families	Past 3 months	100.0	169.1	111.5
	Next 3 months	100.0	117.0	139.9
Respondents' expenses on daily necessities	Past 3 months	100.0	128.2	142.6
	Next 3 months	100.0	113.7	141.1
Respondents' spending on non-recurrent large purchases	Past 3 months	100.0	112.6	113.8
	Next 3 months	100.0	104.4	118.6
Respondents' investment in financial products	Past 3 months	100.0	109.1	128.8
	Next 3 months	100.0	105.2	111.5

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 (December 2009) is 127.1** (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 (December 2009) is 102.4** (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
Bauhinia Hong Kong Consumer Confidence Index	100.0	115.4	127.1
Bauhinia Hong Kong Consumer Expectations Index	100.0	105.1	102.4

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 127.1 (June 2009 = 100.0), higher than the index value of 115.4 in the previous survey (September 2009). It indicates that consumers' confidence over economic expectations and economic behaviours in the short term future (next three months) has strengthened significantly *vis-à-vis* the previous survey three months ago.

- The Bauhinia Hong Kong Consumer Expectations Index is 102.4 (June 2009 = 100.0), slightly lower than the index value of 105.1 in the previous survey (September 2009). It indicates that consumers' expectations of economic conditions in the medium term future (next twelve months) have weakened slightly *vis-à-vis* the previous survey three months ago.
- Regarding Hong Kong's overall economic conditions, respondents' current perceptions have improved significantly *vis-à-vis* the previous survey three months ago. However, their expectations in next three months have only improved slightly, and their expectations in next twelve months have worsened significantly, *vis-à-vis* the previous survey three months ago.
- Regarding Hong Kong's employment situations, respondents' current perceptions have improved very significantly *vis-à-vis* the previous survey three months ago. Their expectations in next three months have improved significantly. However, their expectations in next twelve months have worsened slightly *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 next twelve months have improved 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, so has respondents' expectation in next three months, *vis-à-vis* the previous survey three months ago.
- Property purchase by respondents' families over the past three months has worsened significantly (the percentage of property purchase by respondents' families over the past three months has declined 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 improved significantly (the percentage of respondents with decreased expenses on daily necessities has declined significantly), while respondents' expectations in next three months have improved 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 been at par with that in the previous survey three months ago, while respondents' expectations in next three months have improved significantly.
- The situation of respondents' investment in financial products over the past three months has improved significantly *vis-à-vis* the previous survey three months ago. Also, their expectations of investment in financial products in next three months have improved significantly.

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	473	44.2	493	46.1	482	45.0
No change	308	28.8	263	24.6	136	12.7
Worsen	188	17.6	155	14.5	150	14.0
Don't know / No comments	98	9.2	157	14.7	299	27.9
Declined to answer	3	0.3	2	0.2	3	0.3
Total	1,070	100.0	1,070	100.0	1,070	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	460	43.0	477	44.6	477	44.6
No change	242	22.6	249	23.3	176	16.4
Worsen	228	21.3	180	16.8	141	13.2
Don't know / No comments	135	12.6	162	15.1	272	25.4
Declined to answer	5	0.5	2	0.2	4	0.4
Total	1,070	100.0	1,070	100.0	1,070	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	130	12.1	205	19.2	292	27.3
No change	759	70.9	645	60.3	461	43.1
Worsen	138	12.9	86	8.0	73	6.8
Don't know / No comments	40	3.7	127	11.9	238	22.2
Declined to answer	3	0.3	7	0.7	6	0.6
Total	1,070	100.0	1,070	100.0	1,070	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	183	17.1	127	11.9
No	873	81.6	755	70.6
Don't know / No comments	3	0.3	178	16.6
Declined to answer	11	1.0	10	0.9
Total	1,070	100.0	1,070	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	2.6	53	5.0
No	1032	96.4	982	91.8
Don't know / No comments	5	0.5	31	2.9
Declined to answer	5	0.5	4	0.4
Total	1,070	100.0	1,070	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	243	22.7	320	29.9
More or less the same	571	53.4	503	47.0
Decrease	236	22.1	176	16.4
Forgotten / Don't know / No comments	11	1.0	62	5.8
Declined to answer	9	0.8	9	0.8
Total	1,070	100.0	1,070	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	403	37.7	342	32.0
No	655	61.2	611	57.1
Forgotten / Don't know / No comments	3	0.3	109	10.2
Declined to answer	9	0.8	8	0.7
Total	1,070	100.0	1,070	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	307	28.7
No	753	70.4
Forgotten	2	0.2
Declined to answer	8	0.7
Total	1,070	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	130	42.3	85	27.7
More or less the same	125	40.7	113	36.8
Decrease	45	14.7	44	14.3
Forgotten / Don't know / No comments	1	0.3	62	20.2
Declined to answer	6	2.0	3	1.0
Total	307	100.0	307	100.0

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