

Consumer Confidence Survey (06/2009)

1. Survey Objective and Details

The Public Governance Programme of Lingnan University was commissioned by the Bauhinia Foundation Research Centre to conduct 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 in the evenings of 8 - 13 June 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. The number of eligible samples within households were input and the computer would randomly draw one of the eligible samples to be our respondents.

A total of 1,030 respondents were successfully interviewed. The response rate is 36.1%. The margins of error are estimated to be $\pm 3.1\%$ at 95% confidence level.

2. Findings

2.1 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?

	Past 3 months		Next 3 months		Next 12 months	
	N	%	N	%	N	%
Improve	239	23.2	324	31.5	525	51.0
No change	237	23.0	237	23.0	104	10.1
Worsen	471	45.7	296	28.7	169	16.4
Not sure/ No comments	83	8.1	173	16.8	232	22.5
Total	1,030	100.0	1,030	100.0	1,030	100.0

Regarding Hong Kong's overall economic conditions over the past 3 months, the number of respondents (45.7%) who considered them to have worsened is more than those who considered them to have improved or remained unchanged (23.2% and 23.0% respectively).

Regarding Hong Kong's overall economic conditions in next 3 months, the numbers of respondents who considered them to improve, worsen and remain unchanged do not differ much (31.5%, 28.7% and 23.0%, respectively).

Regarding Hong Kong's overall economic conditions in next 12 months, the number of respondents (51.0%) who considered them to improve is more than those who considered them to worsen or remain unchanged (16.4% and 10.1% respectively).

- 2.2 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?

	Past 3 months		Next 3 months		Next 12 months	
	N	%	N	%	N	%
Improve	110	10.7	249	24.2	515	50.0
No change	134	13.0	205	19.9	99	9.6
Worsen	694	67.4	446	43.3	188	18.3
Not sure/ No comments	91	8.8	130	12.6	228	22.1
Declined to answer	1	0.1	0	0.0	0	0.0
Total	1,030	100.0	1,030	100.0	1,030	100.0

Regarding Hong Kong's employment situations over the past 3 months, the number of respondents (67.4%) who considered them to have worsened is more than those who considered them to have improved or remained unchanged (10.7% and 13.0% respectively).

Regarding Hong Kong's employment situations in next 3 months, the number of respondents (43.3%) who considered them to worsen is more than those who considered them to improve or remain unchanged (24.2% and 19.9% respectively).

Regarding Hong Kong's employment situations in next 12 months, the number of respondents (50.0%) who considered them to improve is more than those who considered them to worsen or remain unchanged (18.3% and 9.6% respectively).

- 2.3 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?

	Past 3 months		Next 3 months		Next 12 months	
	N	%	N	%	N	%
Increase	69	6.7	119	11.6	221	21.5
No change	640	62.1	621	60.3	433	42.0
Decrease	281	27.3	161	15.6	124	12.0
Not sure/ No comments	35	3.4	125	12.1	249	24.2
Declined to answer	5	0.5	4	0.4	3	0.3
Total	1,030	100.0	1,030	100.0	1,030	100.0

Regarding their household incomes over the past 3 months, 62.1% answered that they have remained unchanged and 27.3% of the respondents answered that they have decreased. Only 6.7% answered that they have increased.

Regarding their household incomes in next 3 months, 60.3% of the respondents answered that they are going to remain unchanged. 15.6% answered that they were going to decrease and 11.6% answered that they were going to increase.

Regarding their household incomes in next 12 months, 42.0% of the respondents answered that they are going to remain unchanged. 12.0% answered that they were going to decrease and 21.5% answered that they were going to increase.

- 2.4 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	195	18.9	142	13.8
No	817	79.3	689	66.9
Not sure/No comments	12	1.2	188	18.3
Declined to answer	6	0.6	11	1.1
Total	1,030	100.0	1,030	100.0

18.9% of the respondents answered that some of their family members had been unemployed over the past 3 months, and 79.3% answered not. Regarding next 3 months, 13.8% of the respondents answered that it was likely for some of their family members to be unemployed, and 66.9% answered not. Another 18.3% answered “not sure or no comments”.

- 2.5 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	24	2.3	36	3.5
No	997	96.8	969	94.1
Not sure/No comments	6	0.6	25	2.4
Declined to answer	3	0.3	0	0.0
Total	1,030	100.0	1,030	100.0

2.3% of the respondents answered that their families had purchased properties over the past 3 months, and 3.5% of the respondents answered that it was likely that their families would in next 3 months.

2.6 Have you increased or decrease expenses on daily necessities over the past 3 months?

Are you going to increase or reduce expenses on daily necessities in next 3 months?

	Past 3 months		Next 3 months	
	N	%	N	%
Increase	118	11.5	114	11.1
No change	483	46.9	544	52.8
Decrease	421	40.9	316	30.7
Forgotten / Not sure / No comments	4	0.4	55	5.3
Declined to answer	4	0.4	1	0.1
Total	1,030	100.0	1,030	100.0

11.5% of the respondents answered that they had increased and 40.9% answered that they had decreased expenses on daily necessities over the past 3 months. Regarding their expenses on daily necessities in next 3 months, 11.1% of the respondents answered that they would increase them and 30.7% answered that they would decrease them.

2.7 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	344	33.4	278	27.0
No	682	66.2	658	63.9
Not sure	2	0.2	93	9.0
Declined to answer	2	0.2	1	0.1
Total	1,030	100.0	1,030	100.0

33.4% of the respondents answered that they had spent over \$3,000 on a single non-recurrent purchase over the past 3 months, and 66.2% answered that they had not.

27.0% of the respondents answered that they would spend over \$3,000 on a single non-recurrent purchase in next 3 months, and 63.9% answered that they would not.

- 2.8 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	236	22.9
No	791	76.8
Declined to answer	3	0.3
Total	1,030	100.0

22.9% of the respondents answered that they had made financial investment over the past 3 months while 76.8% answered that they had not.

- 2.9 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) in the past 3 months?
Are you going to increase or decrease your financial investment in next 3 months?

[Only those who have answered “yes” in paragraph 2.8 were asked this question.]

	Past 3 months		Next 3 months	
	N	%	N	%
Increase	73	30.9	55	23.3
More or less the same	87	36.9	89	37.7
Decrease	75	31.8	51	21.6
Forgotten / Not sure / No comments	1	0.4	40	16.9
Declined to answer	0	0.0	1	0.4
Total	236	100.0	236	100.0

30.9% of those respondents who had invested in the past 3 months answered that they had increased their investment, while 31.8% answered that they had decreased it.

Regarding their financial investment in next 3 months, 23.3% answered that they would increase it, while 21.6% answered that they would decrease it.

3. Observations

We have the following initial observations from the survey findings:

- Nearly half of the respondents considered that Hong Kong's overall economic conditions had worsened over the past 3 months. Regarding Hong Kong's overall economic conditions in next 3 months, the numbers of respondents who considered them to improve, worsen and remain unchanged do not differ much. More than half of the respondents considered economic conditions in next 12 months would improve (para. 2.1);
- About two-thirds of the respondents considered Hong Kong's employment situations had worsened over the past 3 months and over 40% expected it would worsen in next 3 months. However, half of the respondents expected Hong Kong's employment situations would improve in next 12 months (para. 2.2);
- Regarding their household incomes over the past 3 months, about a quarter of the respondents answered that they have decreased, and only 6.7% answered that they have increased. Regarding their household incomes in next 3 months, 15.6% of the respondents answered that they were going to decrease and 11.6% answered that they were going to increase. Regarding their household incomes in next 12 months, 12.0% of the respondents answered that they were going to decrease and 21.5% answered that they were going to increase (para. 2.3);
- About 20% of the respondents answered that some of their family members had been unemployed over the past 3 months, while 13.8% answered that it was likely for some of their family members to be unemployed in next 3 months (para. 2.4);
- 2.3% of the respondents answered that their family had purchased properties over the past 3 months and 3.5% answered that it was likely that their families would in next 3 months (para. 2.5);
- About 40% of the respondents answered that they had decreased their expenses on daily necessities over the past 3 months and about 30% answered that they would in next 3 months (para. 2.6);
- About one-third of the respondents answered that they had spent over \$3,000 on a single non-recurrent purchase over the past 3 months, and 27.0% said they would in next 3 months (para. 2.7);
- 22.9% of the respondents answered that they had made financial investment over the past 3 months. Amongst them, the numbers of those who answered that they had increased or decreased their financial investment in the past 3 months are similar (both about 30%). Also, the numbers of those who answered that they would increase or decrease their financial investment in next 3 months are similar (both about 20%) (paras. 2.8 - 2.9).

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