Consumer Confidence Falls In India

Contributed by Warc
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Consumer confidence declined in India during the last month in what may represent the "beginning of a negative trend", a report has stated.

BluFin, the financial information provider, and TNS, the research firm, polled 4,000 people in 18 cities, and found the regular consumer confidence index (CCI) hit 40.3 points in June, on a scale where scores above 50 points indicated improving sentiment.

Figures here had decreased by 1.4 points compared with the previous month, but nevertheless remained significantly higher than the low of 35.8 points lodged in December 2011.

"The drop in the CCI score might be beginning of a negative trend," Rashid Bilimoria, the chief executive of BluFin, warned. "Overall, the downturn is a cause of concern as the consumers continue to grapple with economic uncertainties and inflationary pressures."

In June, optimism peaked at 50.5 points in Mangalore, with Hyderabad on 50.5 points and Delhi on 48.7 points. Nagpur yielded the lowest total, on 31.3 points, with Kochi and Ludhiana, on 31.5 points each.

Elsewhere, participants delivered a rating of 47.1 points when assessing their present situation, off by 2.1 points measured against May, but up 1.2 points from six months ago.

The metric for future expectations came in at 37.5 points, marking a monthly contraction of 1.2 points, despite bettering the reading from six months earlier by 5.9 points.

Of all the areas tracked, the index for inflation was particularly depressed, on 26 points, although this constitutes a 0.2 point expansion since May.

Spending sentiment saw a 0.2 point drop, to a similarly modest 27 points. While still muted, however, this was an improvement of 7.5 points over the last six months.

Residents of southern areas proved the most likely to splash out in June, on 32.7 points, falling to 29.8 points in the north, 25.8 points in the west, and 19.8 points in the east.

Finally, the barometer covering the employment market stood at 46.1 points, down 1.9 points month on month. Contributors in the south were again the most upbeat, on 50.1 points, whereas those in the east returned a reading of just 41.7 points, the lowest regional total.

"The decline in the employment sentiment, which has been flat for the past six months, denotes that pessimism is also rising ... while spending sentiment and inflation sentiment continue to remain extremely subdued," Bilimoria said.

Data sourced from BluFin; additional content by Warc staff

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