

Consumer Confidence 'extremely optimistic' in India, while APAC records dip in sentiment: Mastercard Index™ of Consumer Confidence

At 90.2, India retains outlook and ranks third in Asia Pacific

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New Delhi, 12 February 2016 – Consumer confidence in India remained high with consumers maintaining an ‘extremely optimistic’ outlook for the next six months, according to the [Mastercard Index™ of Consumer Confidence \(H2 2015\)](#). Outlook towards economy and employment remained ‘extremely optimistic’ and overall confidence was high (at 90.2) despite a dip in confidence towards stock market.

In comparison, for the first time since 2012, consumers in Asia Pacific region are not optimistic about the immediate future, with 12 of the 17 markets seeing a deterioration in confidence levels. Consumer confidence in Asia Pacific saw an overall dip below the 60 point optimistic mark to neutral, with stock market sentiment being the key driver of the decline followed by outlook towards prospects for employment. The biggest decline in optimism levels was seen in Sri Lanka, followed by Singapore, and Taiwan. As per the survey, other than India, Myanmar and Vietnam are the two other countries which are extremely optimistic in their outlook for the next six months.

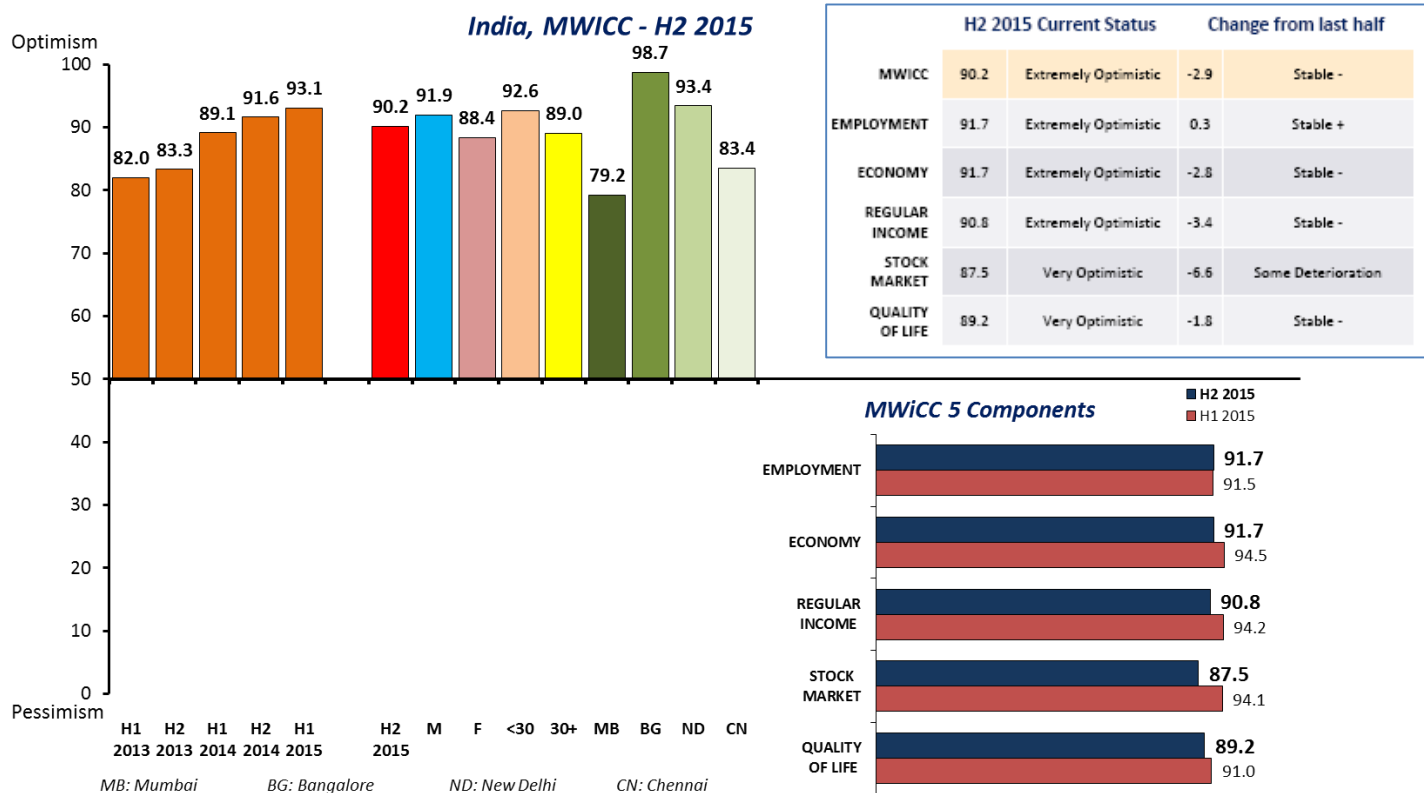
Consumer sentiment for economy, employment and regular income prospects in India were “extremely optimistic” in the current index. Male respondents in India were more optimistic (at 91.9) than their female counterparts (at 88.4). Millennials in India, or people under 30, were more optimistic (95.6) than people above 30 (at 90.0). Among the cities polled in the survey, Bangalore ranked as the most optimistic city in India with a score of 98.7, followed by Delhi with 93.4 points.

Eric Schneider, Region Head, Asia Pacific, Mastercard Advisors, said: “*The decline of consumer confidence in Asia Pacific reflects the continued uncertainty in the global economic environment. In particular, recent stock market turbulence has significantly impacted consumer outlook. However, a number of emerging markets are bucking this trend, namely, Myanmar, Vietnam and India, which are all continuing to see strong economic growth. So while Asia Pacific’s overall confidence has dampened and growth has slowed, its markets will still play a key role in driving global growth in 2016.*”

Between November and December 2015, 8,779 respondents, aged 18 to 64 in 17 Asia Pacific markets, were asked to give a six-month outlook on five economic factors including the economy, employment prospects, regular income prospects, the stock market and their quality of life. The Index is calculated with zero as the most pessimistic, 100 as most optimistic and 50 as neutral.

India – key findings:

- **India (90.2, -2.9)** retained its extremely optimistic sentiment of 90.2 points with only a 2.9 point drop from the last survey in H1 2015
- Among the five chosen parameters, India rates highest in its outlook toward employment prospects with a score of 91.7 index points in H2 2015 over 91.5 in H1 2015
- Gender-wise, male respondents are more optimistic with a score of 91.9 than their female counterpart with a score of 88.4
- People under the age group of 30 are extremely optimistic with a score of 92.6 about the near future than the 30+ population with a score of 89.0 in H2 2015
- Among the cities polled in the survey, Bangalore ranks 1st as India’s most optimistic city with a score of 98.7 followed by Delhi with 93.4 points.



Key APAC findings

- Overall, the **Asia Pacific markets saw a deterioration in confidence**, falling 6.4 points to 59.7 points in H2 2015 from 66.1 points in H1 2015. Eight of the 17 markets surveyed are now below the 50 point neutral mark compared to four in the previous survey conducted in H1 2015.
- There were **declines across all five key economic indicators for Asia Pacific**: stock market (-10.8 to 52.0), employment (-7.1 to 59.8), economy (-6.7 to 56.2), quality of life (-4.7 to 57.4) and regular income prospects (-2.9 to 72.9).
- People in the emerging markets of **Myanmar, Vietnam and India however are extremely optimistic about economic prospects** over the next six months, with Myanmar showing the biggest improvement.
- Compared to H1 2015, **only Myanmar (+14.1), Indonesia (+12.2) and Vietnam (+7.3) out of the 16 Asia Pacific markets surveyed recorded a greater than 5 point improvement** in consumer confidence.
- Declines were recorded in 12 out of 16 Asia Pacific markets, with **extreme deterioration in Sri Lanka (-25.2), Singapore (-20.9) and Taiwan (-20.6)**. The decreases recorded in **Korea, Malaysia and Taiwan** moved these markets from Neutral into pessimistic territory, while **Australia** – the only pessimistic market in the previous survey – moved from pessimistic to neutral.

Country-level detail

- Consumer confidence in both **China (74.6) and Hong Kong (44.4)** posted significant declines of 11.3 points and 16.8 points, respectively. Confidence in the stock market plummeted by 40.6 points in Hong Kong and had the most negative impact on the country's overall score. Comparatively, China only suffered a 15.1 point drop in stock market sentiment despite the volatility in the Chinese stock market since the middle of 2015.

- **Taiwan** (28.9), which showed extreme deterioration from six months ago, also saw a decrease in confidence in the stock market (-28.4) and employment (-24.2), and now has the lowest score in the region.
- While **Thailand's** consumer confidence remains in optimistic territory (66.6) despite a drop of 6.1 points, sentiment is at its lowest level since late 2011.
- **Singapore** (44.3) moved from optimistic into neutral territory after falling 20.9 points, led by extreme deterioration in stock market sentiment (-32.8), the economy (-26.9) and employment (-20.1).
- **Bangladesh** (67.3) saw some deterioration (-8.0) but its overall score remains optimistic.
- **Sri Lanka** (42.2) showed the greatest decline in confidence levels of all markets surveyed with a 25.2 point drop, with all indicators suffering more than 20 point losses except for regular income which fell by a relatively smaller margin (-7). The depreciating rupee which has contributed to rising inflation has dampened the outlook in Sri Lanka.
- **Australia** (42.4, +2.9) and **New Zealand** (52.0, -5.7) remain relatively stable although New Zealand suffered a deterioration of 17.5 points in their optimism levels for employment (41.8, -17.5).

Mastercard Index of Consumer Confidence Data – H2 2015

	H2 2015 Current Status		Change from last half	
Asia Pacific	59.7	Neutral +	-6.4	Some Deterioration
Australia	42.4	Neutral -	2.9	Stable +
China	74.6	Optimistic	-11.3	Significant Deterioration
Hong Kong	44.4	Neutral -	-16.8	Significant Deterioration
India	90.2	Extremely Optimistic	-2.9	Stable -
Indonesia	76.5	Very Optimistic	12.2	Significant Improvement
Japan	46.9	Neutral -	-9.7	Some Deterioration
Korea	33.8	Pessimistic	-6.2	Some Deterioration
Malaysia	32.0	Pessimistic	-13.0	Significant Deterioration
New Zealand	52.0	Neutral +	-5.7	Some Deterioration
Philippines	82.3	Very Optimistic	0.9	Stable +
Singapore	44.3	Neutral -	-20.9	Extreme Deterioration
Taiwan	28.9	Pessimistic	-20.6	Extreme Deterioration
Thailand	66.6	Optimistic	-6.1	Some Deterioration
Vietnam	94.2	Extremely Optimistic	7.3	Some Improvement
Myanmar	95.7	Extremely Optimistic	14.1	Significant Improvement
Bangladesh	67.3	Optimistic	-8.0	Some Deterioration
Sri Lanka	42.2	Neutral -	-25.2	Extreme Deterioration

Index Score Current Status			Change in Index Points from last half		
Lower Range	Upper Range	Qualitative Statement	Lower Range	Upper Range	Qualitative Statement
0	10	Extremely Pessimistic	-100	-20	Extreme Deterioration
10	25	Very Pessimistic	-20	-10	Significant Deterioration
25	40	Pessimistic	-10	-5	Some Deterioration
40	50	Neutral -	-5	0	Stable -
50	60	Neutral +	0	5	Stable +
60	75	Optimistic	5	10	Some Improvement
75	90	Very Optimistic	10	20	Significant Improvement
90	100	Extremely Optimistic	20	100	Extreme Improvement

Methodology

Respondents were asked five questions pertaining to their six-month outlook on the economy, their employment prospects, the local stock market, their regular income prospects, and their quality of life. The results of their responses were converted in five component indexes which were subsequently averaged to form the Mastercard Index of Consumer Confidence (MICC) score. The MICC Index score and the 5 component index scores range from 0 – 100 where 0 represents maximum pessimism, 100 represents maximum optimism and 50 represents neutrality.

About the Mastercard Index™ of Consumer Confidence

The Mastercard Index™ of Consumer Confidence survey has a 20-year track record of consumer confidence indices collected from over 200,000 interviews, unequalled both in scope and history across Asia Pacific.

It is the most comprehensive and longest running survey of its kind in the region. In June 1997, the Index revealed a decline in consumer confidence – one month prior to the devaluation of the Thai baht that triggered the regional economic crisis. In June 2003, the Index score for Employment in Hong Kong dropped to a low score of 20.0. This was subsequently reflected in Hong Kong’s unemployment rate, which peaked just before September 2003 at eight percent.

The survey began in the first half of 1993 and has been conducted twice yearly since. Seventeen Asia Pacific markets now participate in the survey: Australia, Bangladesh, China, Hong Kong, India, Indonesia, Japan, Malaysia, Myanmar, New Zealand, Philippines, South Korea, Singapore, Taiwan, Thailand and Vietnam.

Mastercard and its Suite of Research Properties

The Mastercard Index suite in Asia Pacific includes the long-running [Mastercard Index of Consumer Confidence](#), as well as the [Mastercard Index of Women’s Advancement](#), [Mastercard Index of Financial Literacy](#), and the [Mastercard Index of Global Destination Cities](#). In addition to the indices, Mastercard’s research properties also include a range of consumer surveys including [Online Shopping](#), [Ethical Spending](#) and a series on Consumer Purchasing Priorities (covering [Travel](#), [Dining & Entertainment](#), [Education](#), [Money Management](#), Luxury and General Shopping).

About Mastercard

Mastercard (NYSE: MA), www.mastercard.com, is a technology company in the global payments industry. We operate the world’s fastest payments processing network, connecting consumers, financial institutions, merchants, governments and businesses in more than 210 countries and territories. Mastercard’s products and solutions make everyday commerce activities – such as shopping, traveling, running a business and managing finances – easier, more secure and more efficient for everyone. Follow us on Twitter [@MastercardAP](#) and [@MastercardNews](#), join the discussion on the [Beyond the Transaction Blog](#) and [subscribe](#) for the latest news on the [Engagement Bureau](#).

Contacts

Rahul Vaidyanathan, Weber Shandwick, rvaidyanathan@webershandwick.com, +91 9811130902

Devaki Adhikari, Weber Shandwick, dadhikari@webershandwick.com, +91 9891635431