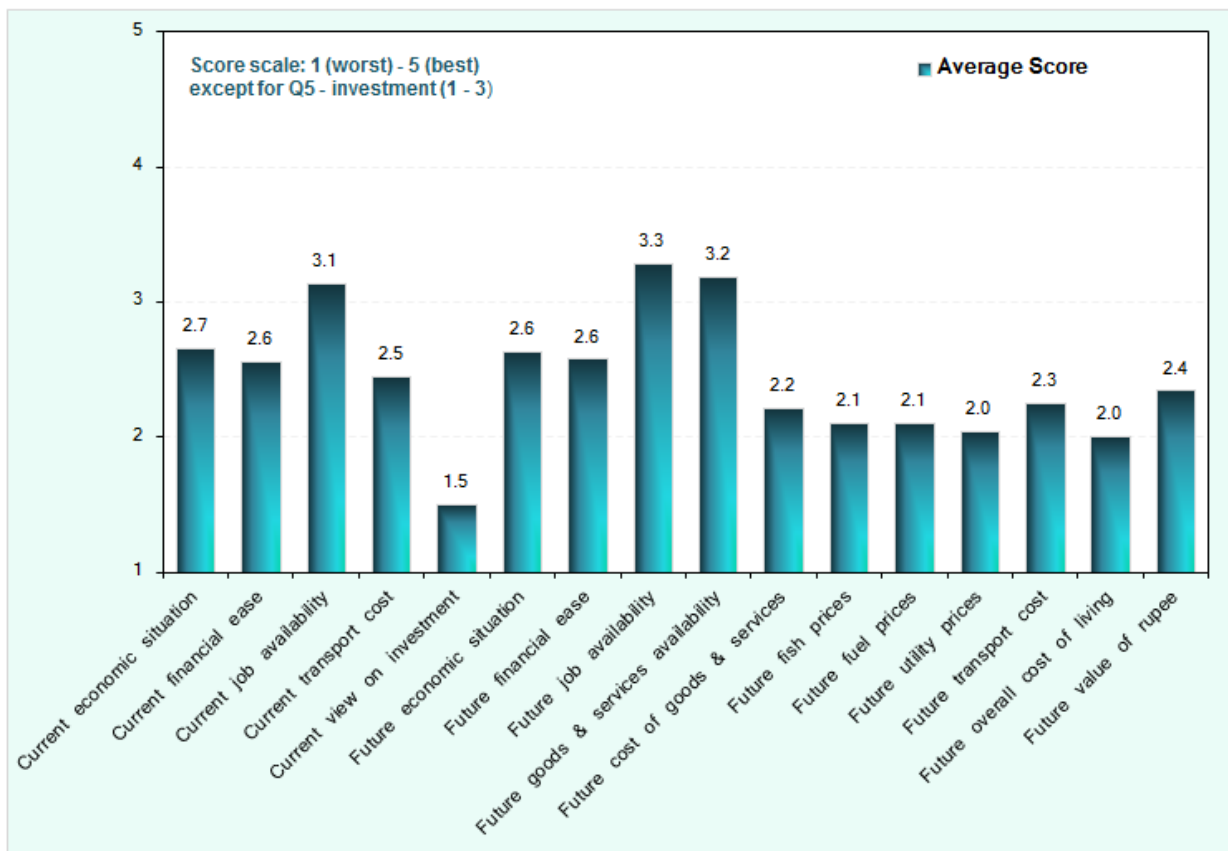


Consumer Confidence and Expectation Survey Results - July 2014

Chart 1: Consumer Confidence and Expectation Survey Results

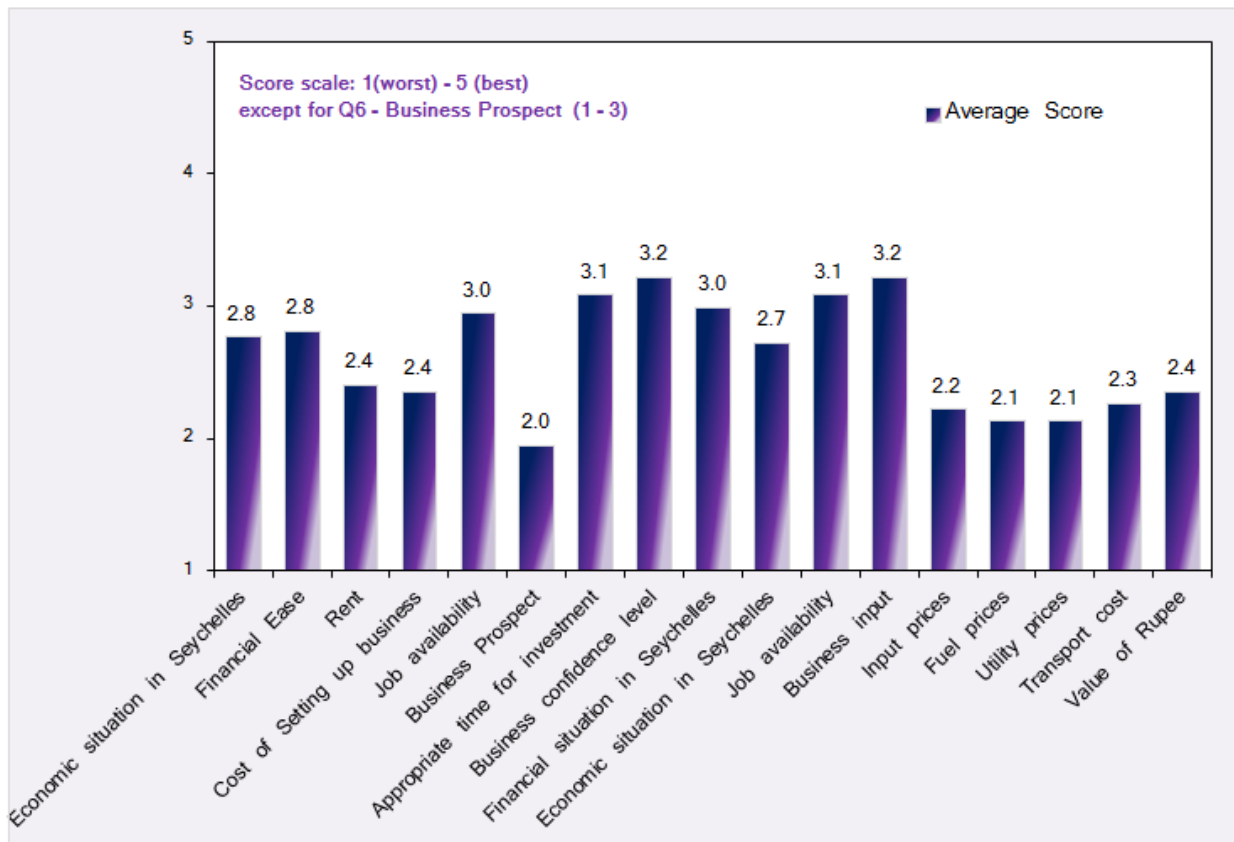


- Out of the 502 consumer survey forms that were received, 326 were from female respondents (65%) and 312 were from respondents aged 18 to 40 years (62%).
- Overall, consumers' views on the present economic situation and current economic variables (prices, costs, financial situation) were that these remained unchanged or have slightly worsen compared to 6 months ago.
- The majority of respondents were either uncertain or believed that the surveyed period was not the best time to make a costly investment, which suggests a fair degree of consumer uncertainty within the economy.
- The general response to questions on future price variables (fuel, fish, utility, transport costs) and future financial situation suggests that the majority of the respondents expected these variables to increase over the next 6 months.
- Respondents' views on the current and future availability of jobs, as well as availability of goods and services were that these would remain the same or increase slightly in the next 6 months.
- The majority of consumers foresee the value of the rupee to remain the same or depreciate slightly (slightly lose value) against the US dollar in the next 6 months.

- Respondents cited the following factors in their views and outlook:
 - ❖ *certainty that the cost of goods will increase with the depreciation of the rupee;*
 - ❖ *the increase in fuel and utilities will affect the general cost of goods and services;*
 - ❖ *that certain organisations should be more proactive as market liberalisation has allowed most merchants and suppliers to set high prices. As a result the more vulnerable are the ones being most affected;*
 - ❖ *given that the country is a net importer, local businesses need to find ways of boosting exports and increasing the country's foreign exchange earnings;*
 - ❖ *the need to reduce importation of non-essential goods and increase production of fruits and vegetables;*
 - ❖ *how a person's financial situation depends on his or her lifestyle and how they priorities their goals.*
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Business Confidence and Expectation Survey Results - July 2014

Chart 2: Business Confidence and Expectation Survey Results



- Based on the average scores, the majority of respondents' view on the present economic situation and current economic variables (rent, cost of setting up a business, financial situation) were that these were either the same or slightly worse compared to 6 months ago.
- With regards to business confidence in the economy, the majority of businesses were of the view that the general prospects for business was stagnation and that the most appropriate time to make an investment would be 6 months from now, indicating a drop in business confidence and a level of uncertainty within the economy.
- Businesses were more negative on questions addressing future price variables (business inputs, fuel, utility, transport costs) and expect them to slightly increase over the next 6 months.
- The majority of respondents were more optimistic on jobs (current and future availability), availability of business inputs, their future financial situation and state of the economy in the next 6 months. They anticipate these variables to remain the same or become slightly better in the next 6 months.
- The majority of businesses foresee the rupee remaining the same or depreciating slightly (slightly lose value) against the US dollar in the next 6 months

- Respondents cited the following factors in their views and outlook:
 - ❖ *the depreciation of the rupee against the major currencies has led to the cost of goods and services to increase;*
 - ❖ *increasing costs in the foreseeable future;*
 - ❖ *the issue of manpower and the need for an improvement in the business environment with less bureaucracy;*
 - ❖ *difficulty in getting access to finance, the burden of tax regimes, and increase in business costs;*
 - ❖ *very good environment, businesswise;*
 - ❖ *the situation will be difficult, unless tourism picks up;*
 - ❖ *slight reduction in foreign exchange & inflows;*
 - ❖ *reduction in FDI and less spending by visitors.*
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