**Consumer Expectations Survey (CES)**

*Scope and Coverage*

The CES started in Q3 2004 covering NCR only. Beginning in the first quarter of 2007, the CES scope was expanded to cover the whole country to include households from areas outside NCR (AONCR). The CES used the 2003 Philippine Statistics Authority Master Sample (PSA MS), which is considered a representative sample of households nationwide. The sample households are generated using a stratified multi-stage probability sampling scheme. The nationwide sample size is about 5,000 households allocated at approximately 2,500 households each for the NCR and the AONCR.

The period covers the current and next quarters and the year ahead.

The CES includes the following data items:

1. Demographic and economic characteristics

* respondent’s characteristics
* household characteristics

1. Economic and financial outlook

* Family’s financial situation
* Country’s economic condition

1. Economic indicators

* Unemployment
* peso/dollar exchange rate
* interest rate
* inflation rate

1. Buying conditions

* Family income
* Buying conditions for big ticket items such as house and lot, consumer durables and motor vehicles
* Buying intentions for big ticket items such as house and lot, consumer durables and motor vehicles
* Expenditures on basic goods and services

1. Savings outlook

*Sources of Data and Methodology*

Data are generated from the survey responses of the sample households where confidence indices (CIs) are derived. The CIs are generated on the following variables: economic condition of the country, family’s financial situation and income, economic indicators (unemployment, inflation and interest rates, and peso/dollar exchange rate), and expenditures on basic goods and services.

Meanwhile, percentages are obtained in buying conditions, buying intentions and savings.

The CI is computed as the percentage of households that answered in the affirmative less the percentage of households that answered in the negative with respect to their views on a given indicator. A positive CI indicates a favorable view, except for the inflation rate and the peso-borrowing rate, where a positive CI indicates the opposite.

The overall consumer CI is obtained by taking the average of the CIs of the three indicators—economic condition of the country, household finances, and household income.