

Ministry of Finance and Economic Development

STATISTICS MAURITIUS

HOUSEHOLD BUDGET SURVEY 2012

Republic of Mauritius

ANALYTICAL REPORT

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FOREWORD

Statistics Mauritius conducted its ninth Household Budget Survey (HBS) from January to December 2012 in the islands of Mauritius and Rodrigues. The first Household Budget Survey was undertaken in 1961/62. The second was carried out in 1975. Since then, the survey was conducted once in every five years.

The main purpose of the HBS is to collect data on the consumption expenditure of private households to determine the weights of goods and services for the computation of the Consumer Price Index (CPI). The survey also provides data on the distribution of household income and expenditure, and constitutes a reliable source of information for estimates of consumption expenditure of private households in the system of National Accounts, and for poverty analysis and other analytical and research work.

This report presents the results of the analysis of the survey data in terms of household characteristics, income and expenditure. It also highlights the changes with the results of the previous Household Budget Survey conducted in 2006/07. It is hoped that the report will be of assistance to planners, policy makers, research workers and the public in general.

A first report, entitled “Household Budget Survey 2012 and the Updated Consumer Price Index: Methodological Report”, covering the methodology of the survey and the updated Consumer Price Index is published together with this report.

I would like to thank all participating households whose co-operation was vital to the success of the survey. My thanks also go to the various organisations, the field staff as well as the office staff for their valuable contribution.

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HOUSEHOLD BUDGET SURVEY 2012

KEY FINDINGS

Household and Members Characteristics

- a) The average household size decreased from 3.7 in 2006/07 to 3.5 members in 2012.
- b) Women headed households are on the increase, representing 21% of households in 2012 against 18% in 2006/07.
- c) Availability of living space and household durable goods has improved.
- d) Slightly more than half of the population aged 16 years and above had a job in 2012, and the tertiary sector employed about two third of them.

Household Income

- e) In 2012, the average household disposable income stood at Rs 29,421 per month, 22.5% higher than in 2006/07 after adjusting for price increases.
- f) The 20% of households at the upper end of income range shared 50% of total income while the 20% at the lower end had only 5% of the income.
- g) The income Gini coefficient increased from 0.388 in 2006/07 to 0.414 in 2012, showing the worsening of income inequality.
- h) Income inequality is highest among households in the fifth income quintile, with a Gini coefficient of 0.24.
- i) Income from paid and self employment represented 85% of household income in 2012.
- j) Transfers made up 52% of the income for households in the lowest income quintile.

Household Consumption Expenditure

- k) Average monthly household consumption expenditure was Rs 21,231 in 2012, 18% higher than in 2006/07 after adjusting for price increases.
- l) In 2012, households, on average, spent 27% of their consumption expenditure on “Food & non-alcoholic beverages”, a declining share compared to 2006/07.
- m) The lowest income quintile spent 45% of their consumption expenditure on food against 21% for the highest income quintile.

Indebted Households

- n) In 2012, some 45% of households were indebted, of which more than half had a debt on housing.

- o) An indebted household disbursed on average Rs 6,830 monthly on debt repayment in 2012.

Point of Purchase

- p) More households are leaving the neighbourhood shops to buy groceries from supermarkets and hypermarkets, 82% in 2012 against 67% in 2006/07.
- q) Though health service is free, 68% of households reported having recourse to paid health services in 2012.

MAJOR COMPARISONS BETWEEN FIRST & FIFTH QUINTILES, HOUSEHOLD BUDGET SURVEY 2012

| | | | | First Quintile | Fifth Quintile |
|---|-----|-----|-----|-------------------|-------------------|
| HOUSEHOLD CHARACTERISTICS | | | | | |
| Household size | ... | ... | ... | 2.4 | 4.1 |
| House ownership (%) | ... | ... | ... | 75.7 | 89.3 |
| Free Accommodation (%) | ... | ... | ... | 16.7 | 5.2 |
| HOUSEHOLD INCOME AND EXPENDITURE | | | | | |
| No. of income earners per household | ... | ... | ... | 1.4 | 2.5 |
| Monthly gross income (Rs) | ... | ... | ... | 7,901 | 73,912 |
| <i>Share of wages and salaries</i> | ... | ... | ... | 36.0 | 77.7 |
| <i>Share of transfer income (%)</i> | ... | ... | ... | 52.4 | 7.8 |
| Monthly disposable income (Rs) | ... | ... | ... | 7,862 | 69,969 |
| Gini Coefficient | ... | ... | ... | 0.19 | 0.24 |
| Monthly consumption expenditure (Rs) | ... | ... | ... | 8,320 | 43,926 |
| <i>Share of food (%)</i> | ... | ... | ... | 45.1 | 20.9 |
| <i>Share of transport</i> | ... | ... | ... | 6.4 | 24.9 |
| <i>Share of education (%)</i> | ... | ... | ... | 1.8 | 6.9 |
| HOUSEHOLD INDEBTEDNESS | | | | | |
| Household indebted (%) | ... | ... | ... | 14.3 | 67.2 |
| Monthly debt repayment | ... | ... | ... | 2,700 | 13,470 |
| <i>House (%)</i> | ... | ... | ... | 25.7 | 57.8 |
| <i>Motor vehicle</i> | ... | ... | ... | 1.1 | 15.2 |
| <i>Household Durable (%)</i> | ... | ... | ... | 29.3 | 4.0 |
| <i>Education (%)</i> | ... | ... | ... | 1.9 | 7.0 |
| <i>Other (%)</i> | ... | ... | ... | 42.0 | 16.0 |
| Debt repayment as a percentage of disposable income (%) | ... | ... | ... | 30.0 | 18.9 |

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Abbreviations

| | |
|--------|---|
| HBS | : Household Budget Survey |
| CPI | : Consumer Price Index |
| COICOP | : Classification of individual consumption according to purpose |
| ILO | : International Labour Organisation |
| Rs | : Mauritian rupees |

1. INTRODUCTION

Statistics Mauritius conducted its ninth Household Budget Survey (HBS) from January 2012 to December 2012. The survey was conducted among a sample of 6,720 private households representative of all households in the Republic of Mauritius.

1.1 Objectives

The main objectives of the HBS are to:

- a) Obtain up to date information on the consumption pattern of the Mauritian population mainly with a view to update the basket of goods and services used for the computation of the monthly Consumer Price Index (CPI);
- b) Derive the weight (relative importance) of each item in the CPI basket;
- c) Provide data on the distribution of household income and expenditure;
- d) Supplement the data used in the household accounts for National Accounting purposes;
- e) Provide information for the nutritional analysis of food consumption; and
- f) Provide information for poverty analysis.

1.2 Coverage

The HBS 2012 covered all private non-institutional households in the Republic of Mauritius, including households comprising foreigners. Institutional households such as hotels, hospitals, boarding houses and prisons were excluded. However, for the purpose of analysis in this report, only Mauritian households are considered.

1.3 Concepts and definitions

The concepts and definitions used in the 2012 HBS are according to the recommendations of the International Labour Organisation (ILO).

1.4 Sampling design

A sample of 6,720 households, out of an estimated total of 360,800, was selected for the HBS 2012. The national sample comprised 2 separate samples, one of 6,240 (out of 350,000) for the Island of Mauritius and another of 480 (out of 10,800) for Rodrigues. The sampling fraction used for Rodrigues was larger because of the smaller number of households in the island.

Each sample was selected through a 2-stage design with probability proportional to size. At the first stage, Primary Sampling Units (PSU's) were selected with probability proportional to size; this was followed by selection of households within the selected PSU's.

The HBS 2012 spanned over 12 months to account for seasonal fluctuations in consumption. Each month, 560 households were surveyed of which 520 in the Island of Mauritius and 40 in Rodrigues.

1.5 Sampling Errors

The HBS 2012 estimates are based on a sample of observations. Hence, they are subject to sampling errors; that is estimates could differ from the figures that would have been produced if information had been collected from all households in the country.

1.6 Topics investigated at the survey

During the survey, information was collected on:

- a) Demographic characteristics of household members;
- b) Characteristics of dwellings and availability of household durable goods;
- c) Household income;
- d) Household expenditure;
- e) Household indebtedness; and
- f) Household points of purchase of goods and services.

The survey questionnaires can be accessed at:

<http://statsmauritius.govmu.org/English/CensusandSurveys/Pages/Household-Budget-Survey.aspx>

1.7 Survey methodology

The "Household Budget Survey 2012 and the Updated Consumer Price Index: Methodological Report" is accessible at:

<http://statsmauritius.govmu.org/English/CensusandSurveys/Pages/Reports-HBS-2012.aspx>

2. HOUSEHOLD CHARACTERISTICS

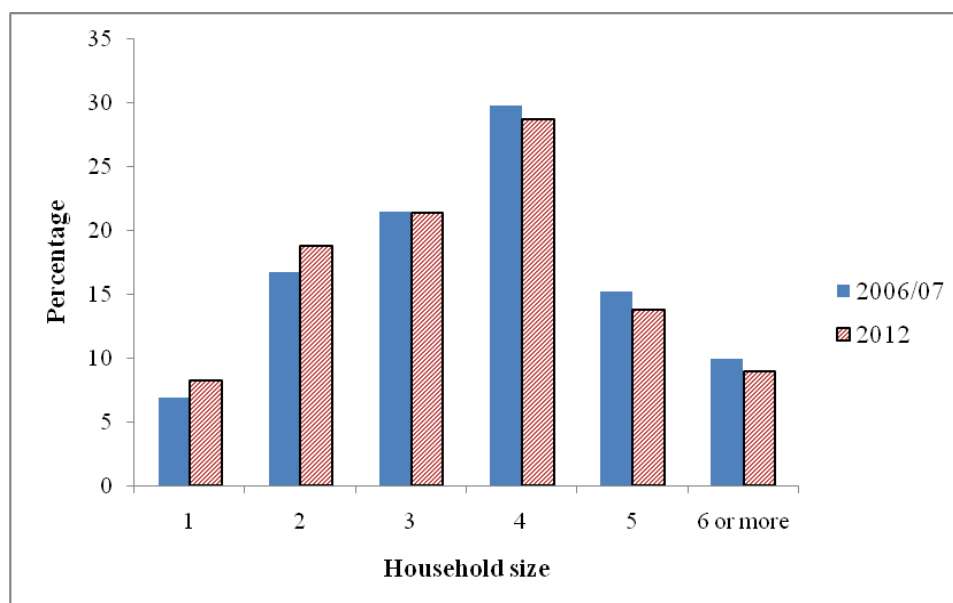
The HBS 2012 covered 6,720 households comprising some 23,800 members. Data on the characteristics of the households such as the size and composition, the characteristics of dwellings as well as the availability of household durable goods have been analysed and the results are given below.

2.1 Household size

Household size is on the decline

In 2012, there were on average 3.5 members in a household compared to 3.7 in 2006/07. The share of households with four or more members decreased from 54.9% in 2006/07 to 51.5% in 2012 while that with two or fewer members increased from 23.6% to 27.1% during the same period. Three member households maintained its share at around 21.5%.

Figure 2.1 –Distribution (%) of households by household size¹, 2006/07 and 2012 HBS



Women headed households are on the increase

Women headed 21% of all households in 2012 compared to some 18% in 2006/07. Female heads were predominant among small sized households while their counterparts tend to head larger households.

¹ It is the number of persons living in the household irrespective of age and relationship to the head.

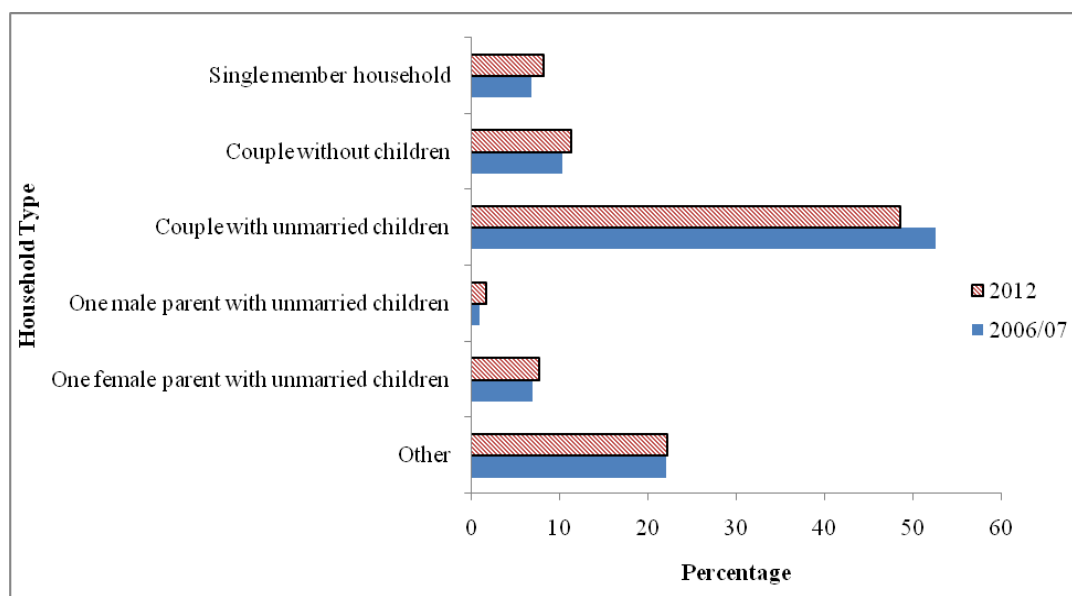
Table 2.1 – Distribution (%) of households by size and sex of head, 2006/07 and 2012 HBS

| Household Size | 2006/07 | | | 2012 | | |
|----------------|-----------------------|-------------------------|--------------|-----------------------|-------------------------|--------------|
| | Male-headed household | Female-headed household | Total | Male-headed household | Female-headed household | Total |
| 1 | 2.4 | 4.5 | 6.9 | 3.0 | 5.3 | 8.3 |
| 2 | 12.0 | 4.7 | 16.7 | 13.1 | 5.7 | 18.8 |
| 3 | 17.6 | 3.9 | 21.5 | 17.0 | 4.3 | 21.4 |
| 4 | 27.6 | 2.2 | 29.8 | 25.8 | 2.9 | 28.7 |
| 5 | 13.9 | 1.2 | 15.1 | 12.4 | 1.5 | 13.9 |
| 6 or more | 8.5 | 1.5 | 10.0 | 7.4 | 1.6 | 9.0 |
| Total | 82.0 | 18.0 | 100.0 | 78.7 | 21.3 | 100.0 |

2.2 Household type

Couple with unmarried children is the most common type of household but is on the decline

In 2012, households comprising “Couple with unmarried children” accounted for almost half of all households. However, the proportion of such households declined from 52.6% in 2006/07 to 48.6% in 2012. On the other hand, “Couple without children” rose from 10.4% to 11.4%. Single member households as well as one parent households are also on the rise.

Figure 2.2 – Distribution (%) of households by household type², 2006/07 and 2012 HBS

² Households have been classified according to their composition with respect to members constituting the households.

2.3 Household tenure

Rented households are on the decline

In 2012, 6.4% of households rented their dwellings compared to 8.4% in 2006/07. While the majority of households (92.7%) owned their dwellings or are supplied free by parents or relatives, less than 1% was supplied free by employer.

Table 2.3 – Distribution (%) of households by tenure, 2006/07 and 2012 HBS

| Type of tenure | Percentage of households | |
|---|--------------------------|--------------|
| | 2006/07 | 2012 |
| Owner occupied and supplied free by parents/relatives | 90.3 | 92.7 |
| Rented | 8.4 | 6.4 |
| Supplied free by employer | 1.3 | 0.9 |
| Total | 100.0 | 100.0 |

Household ownership higher in rural regions

Ownership of dwellings or housing supplied free by parents and relatives were more prominent in rural regions (95.5%) than in urban regions (88.7%). In contrast, 10.5% of households in urban regions lived in rented dwellings compared to 3.5% for their counterparts in rural regions (**Table A2.3**).

2.4 Average number of persons per room

Availability of living space has improved

The percentage of households with less than one person per room increased from 70.6% in 2006/07 to 75.2% in 2012, while that for households with two or more persons per room declined from 2.7% to 1.9%. The availability of living space thus improved from 0.78 person per room to 0.73 person in 2012.

Availability of living space improved for both urban and rural households. However, the living space available in rural households remained higher at 0.74 person per room compared to urban households with 0.70 person per room.

Table 2.4 – Distribution (%) of households by average number of persons per room, 2006/07 and 2012 HBS

| Number of persons per room | Urban | | Rural | | Total | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2006/07 | 2012 | 2006/07 | 2012 | 2006/07 | 2012 |
| Less than 1 | 73.0 | 76.5 | 69.2 | 74.3 | 70.6 | 75.2 |
| 1 or more but less than 2 | 24.6 | 21.9 | 27.9 | 23.6 | 26.7 | 22.9 |
| 2 or more but less than 3 | 1.7 | 1.3 | 2.2 | 1.6 | 2.0 | 1.5 |
| 3 or more | 0.7 | 0.3 | 0.8 | 0.5 | 0.7 | 0.4 |
| All households | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Average number of persons per room | 0.75 | 0.70 | 0.80 | 0.74 | 0.78 | 0.73 |

2.5 Household durable goods

Availability of household durable goods has improved

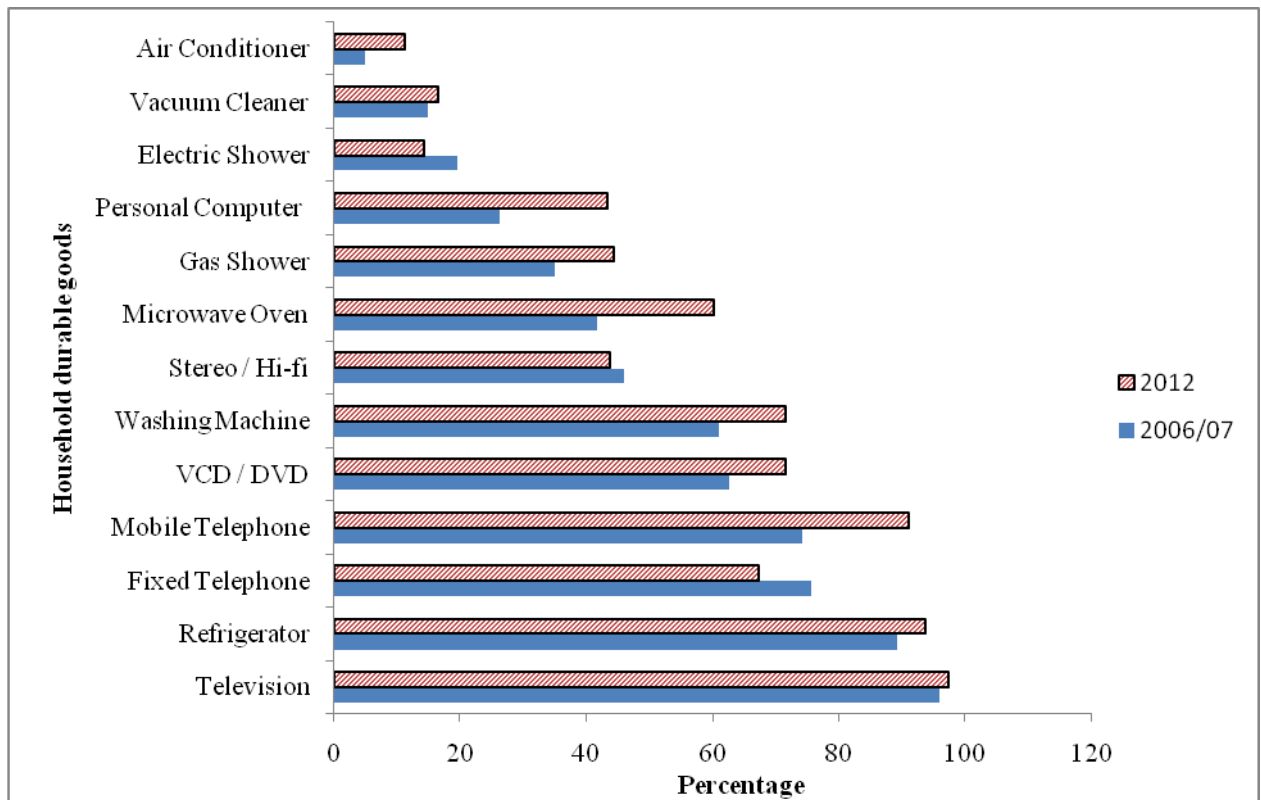
The proportions of households with appliances such as refrigerator, washing machine, microwave oven, vacuum cleaner, air conditioner and gas shower increased during the five-year period.

Mobile phones have become more popular during recent years. In 2012, 91.1% of households had at least one household member who possessed a mobile phone compared to 74.2% in 2006/07. On the other hand, the proportion of households with a fixed telephone decreased from 75.7% to 67.2% during the same period.

In 2012, almost 43% of households indicated having a personal computer compared to just over 26% five years earlier.

More households are equipped with a gas shower, 44.2% in 2012 against 34.9% in 2006/07. The share of households with electric shower declined from 19.6% to 14.2% during the same period.

Figure 2.5 – Distribution (%) of households with selected durable goods, 2006/07 and 2012 HBS



2.6 Domestic Services

One out of every ten households has recourse to domestic services

Some 10% of households reported employing domestic workers either full time or part time. The most common employee was domestic servant, employed by 7.9% of all households, followed by gardener (2.7%). Some 1.0% of households employed a baby sitter while an even smaller proportion had recourse to carer services.

3. CHARACTERISTICS OF HOUSEHOLD MEMBERS

This chapter covers the results of the analysis of the social and economic characteristics of the household members with respect to age, marital status, economic activity status, occupation and industry group.

3.1 Age structure

The population is ageing

Comparing 2006/07 and 2012 HBS data by age reveals a decline in the share of the child population aged less than 15 years and a rise in the share of the elderly population aged 60 years and above. This change in age structure of the population reveals an ageing population.

Table 3.1 – Distribution (%) of the population by age group and sex, 2006/07 and 2012 HBS

| Age group | 2006/07 | | | 2012 | | |
|--------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Male | Female | Total | Male | Female | Total |
| Less than 15 years | 23.9 | 23.0 | 23.4 | 20.9 | 19.5 | 20.2 |
| 15 to 59 years | 66.6 | 65.5 | 66.1 | 66.8 | 65.7 | 66.2 |
| 60 years and above | 9.5 | 11.5 | 10.5 | 12.3 | 14.8 | 13.6 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

3.2 Marital status

A decreasing share of single persons in the population

The proportion of single persons decreased from 44.6% in 2006/07 to 43.2% in 2012, explained by the lower share of the young age group in the population. During the same period, the percentage of widowed increased from 6.1% to 6.7%, again explained by the change in the age structure of the population with an increasing number of elderly persons.

Marital breakdown on the rise

In 2012, divorced and separated persons made up 3.1% of the population, against 2.6% in 2006/07. It is also noted that among women, 15.4% were widowed, divorced or separated compared to 3.8% among men indicating that women are less likely to remarry.

Table 3.2 – Distribution (%) of the population by marital status and sex, 2006/07 and 2012 HBS

| Marital status | 2006/07 | | | 2012 | | |
|--------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Male | Female | Both Sexes | Male | Female | Both Sexes |
| Single | 49.4 | 40.0 | 44.6 | 48.0 | 38.7 | 43.2 |
| Married/In a union | 47.2 | 46.1 | 46.6 | 48.1 | 46.0 | 47.0 |
| Widowed | 1.6 | 10.5 | 6.1 | 1.6 | 11.5 | 6.7 |
| Divorced/Separated | 1.8 | 3.4 | 2.6 | 2.2 | 3.9 | 3.1 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

3.3 Activity status

Slightly more than half of the population aged 16 years and above had a job

In 2012, 78% of the population were aged 16 years and over. Around 53% of them had a job; 4.4% were looking for work, 20.8% were homemakers, 9.1% were students, and 9.9% were retired.

Table 3.3 – Distribution (%) of population aged 16 years and above by activity status and sex, 2012 HBS

| Activity Status | Male | Female | Both Sexes |
|-----------------------------------|--------------|--------------|--------------|
| Currently active | 75.3 | 41.0 | 57.6 |
| With a job | 70.4 | 37.0 | 53.2 |
| Without a job and looking for job | 4.9 | 4.0 | 4.4 |
| Currently inactive | 24.7 | 59.0 | 42.4 |
| Homemaker | 0.1 | 40.2 | 20.8 |
| Student | 8.9 | 9.3 | 9.1 |
| Disabled | 2.8 | 1.9 | 2.3 |
| Retired | 12.5 | 7.4 | 9.9 |
| Other | 0.5 | 0.2 | 0.3 |
| Total | 100.0 | 100.0 | 100.0 |

Analysis by sex shows that the proportion of active (those with a job and those looking for work) was higher among men (75.3%) than among women (41%) while the proportion of inactive (homemakers, students, disabled and retired) was higher among women (59.0%) compared to the men (24.7%). Among inactive women, a high majority were homemakers as opposed to a negligible proportion among men.

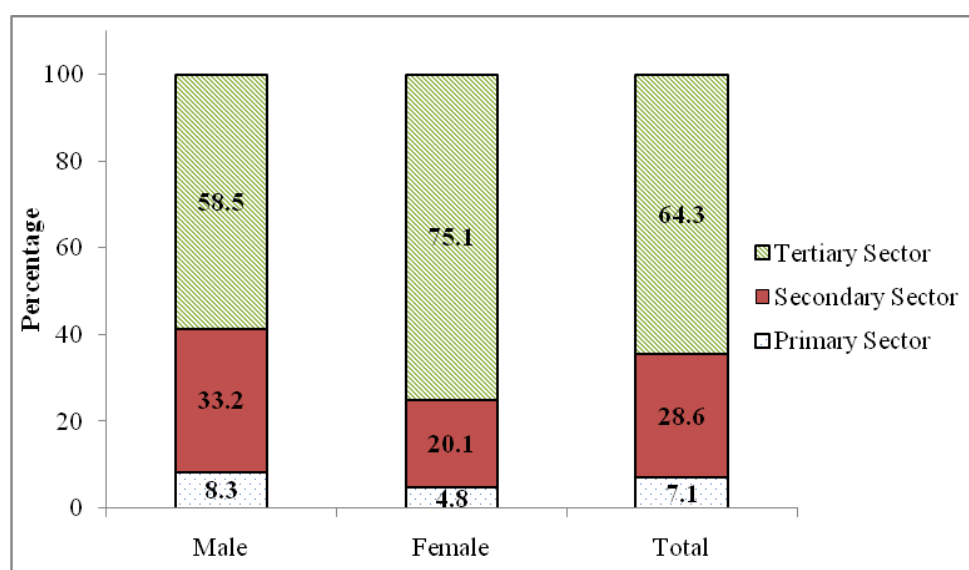
3.4 Industry group

About two third of the employed persons work in the tertiary sector

In 2012, the tertiary sector (covering trade, accommodation and food service activities, transportation and storage and all the other service industries) employed 64.3% of the employed person followed by the secondary sector (covering manufacturing, electricity, gas, steam and air conditioning supply and water supply, sewerage waste management and remediation activities and construction), 28.6%. The primary sector (covering agriculture, forestry and fishing and mining & quarrying) had an employment share of 7.1%.

The share of women employed in the tertiary sector stood at 75.1% compared to 58.5% for their counterpart. However, the secondary sector which comprises the construction industry had a higher proportion of men (33.2%) than women (20.1%).

Figure 3.4 – Distribution (%) of working persons by sector and sex, 2012 HBS



In 2012, an employed person worked on average 40.8 hours per week.

All sectors except “Agriculture, hunting, forestry and fishing”, “Professional, scientific and technical activities”, “Education” and “Other services” had a weekly average of more than 40 hours. “Education” had the lowest average weekly hours of 30.3 (Table A3.5.2).

3.5 Occupation

The “Service and sales workers” occupational group had around one fifth of total employment

In 2012, the occupational group “Service and sales workers” constituted the highest proportion of workers, 19.1% followed by “Elementary Occupations”, 18.4% and “Craft and related trades workers”, 18.0%. “Legislators, Senior officials and Managers” had the least proportion of employed person (4.7%).

Women are more likely to work in “Elementary Occupations” than men

Around one quarter of employed women worked in “Elementary Occupations” compared to 14.3% for men. Another 20.7% and 14.4% of women worked as “Service and sales workers” and “Clerical support workers” respectively. Men worked mainly as “Craft and related trades workers” (25%) followed by “Service and sales workers” (18.3%).

Table 3.5 – Distribution (%) of working persons by major occupational group and sex, 2012 HBS

| Major Occupational Group | Male | Female | Total |
|--|--------------|--------------|--------------|
| Legislators, Senior officials and Managers | 5.3 | 3.6 | 4.7 |
| Professionals | 6.6 | 11.6 | 8.3 |
| Technicians and Associate Professionals | 9.8 | 11.5 | 10.4 |
| Clerical Support Workers | 5.4 | 14.4 | 8.5 |
| Service and Sales Workers | 18.3 | 20.7 | 19.1 |
| Skilled Agricultural, Forestry and Fishery Workers | 4.7 | 1.9 | 3.7 |
| Craft and Related Trades Workers | 25.0 | 5.1 | 18.0 |
| Plant and Machine Operators and Assemblers | 10.7 | 5.2 | 8.8 |
| Elementary Occupations | 14.3 | 26.0 | 18.4 |
| All occupational groups | 100.0 | 100.0 | 100.0 |

Persons employed as “Plant and machine operators and assemblers” work the most hours

The occupational group “Plant and machine operators and assemblers” had the highest average number of hours per week, 46.3 hours followed by “Service and sales workers”, 45.7 hours and “Legislators, senior officials and managers”, 43.6 hours. “Skilled agricultural, forestry and fishery workers” worked the least hours, 33.6 hours per week (**Table A3.6**).

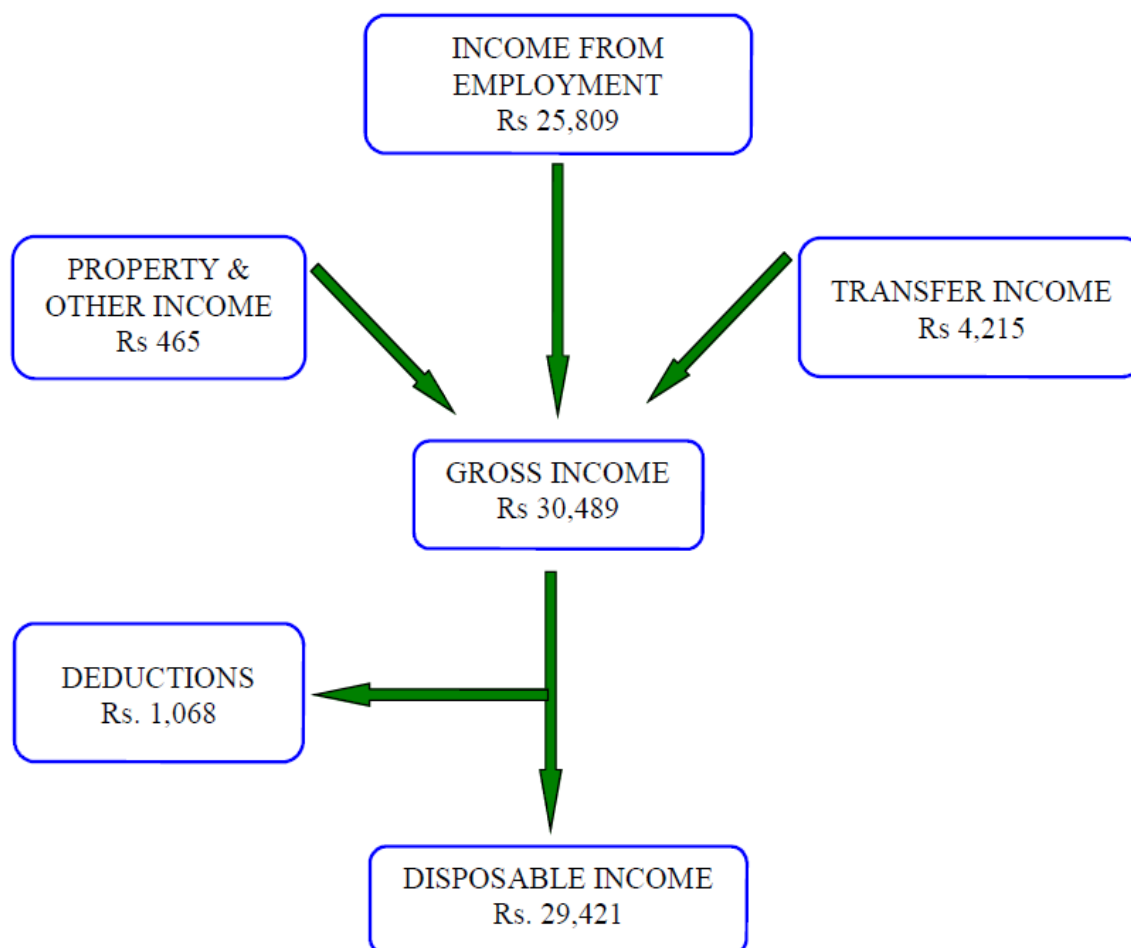
4. HOUSEHOLD INCOME

In addition to its main objective to obtain information on the expenditure of households, the 2012 HBS collects data on the income of households. The income data were used to assess the reliability of the household expenditure and to analyse the variations in levels of income over time and among households of different types.

The concepts and definitions of these various types of income are in accordance with the recommendations of International Labour Office (ILO) and are defined at **Annex 2**.

The chart presents an overview of the composition of household income.

Figure 4 - Sources of income, 2012 HBS



4.1 Household gross income

Average household gross income at Rs 30,489 per month

In 2012, the average household gross income, comprising income from employment, property³, transfers⁴ and other sources⁵ before compulsory deductions and taxes, amounted to Rs 30,489, 56.6% higher than the figure of Rs 20,896 in 2006/07.

Income from employment represents around 85% of household gross income

Together, income from paid and self employment made up around 85% of household gross income in 2012. While transfer income represented some 14%, property income had a negligible share of household income.

During the period 2006/07, employment income maintained its share of household income while property income had a reduced share. However, transfer income increased by 60% and its share rose to 13.8% in 2012 from 13.5% in 2006/07.

Table 4.1 – Average monthly household gross income by source of income, 2006/07 and 2012 HBS

| Sources of income | Average monthly gross income (Rs) | | | | |
|--|-----------------------------------|---------------------|----------------------|---------------------|--------------------|
| | 2006/07 | % | 2012 | % | % change |
| Wages and salaries | 13,463 | 69.1 | 21,454 | 70.4 | 59.4 |
| Entrepreneurial | 2,929 | 15.1 | 4,355 | 14.3 | 48.7 |
| Property | 430 | 2.2 | 440 | 1.4 | 2.3 |
| Transfer | 2,630 | 13.5 | 4,215 | 13.8 | 60.3 |
| Other income | 14 | 0.1 | 25 | 0.1 | 78.6 |
| <i>Average monthly household gross income</i> | <i>19,466</i> | <i>100.0</i> | <i>30,489</i> | <i>100.0</i> | <i>56.6</i> |

Transfers main source of income for households in the lowest income quintiles⁶

Around 52% of the average household gross income in the lowest quintile was made up of transfers. This indicates that these households were highly dependent on non-employment income. Paid employment was the major source of income for all other quintiles, ranging from

³ Property income relates to net receipts derived from ownership of assets and includes interests, dividends as well as rent of buildings, land, machinery and equipment.

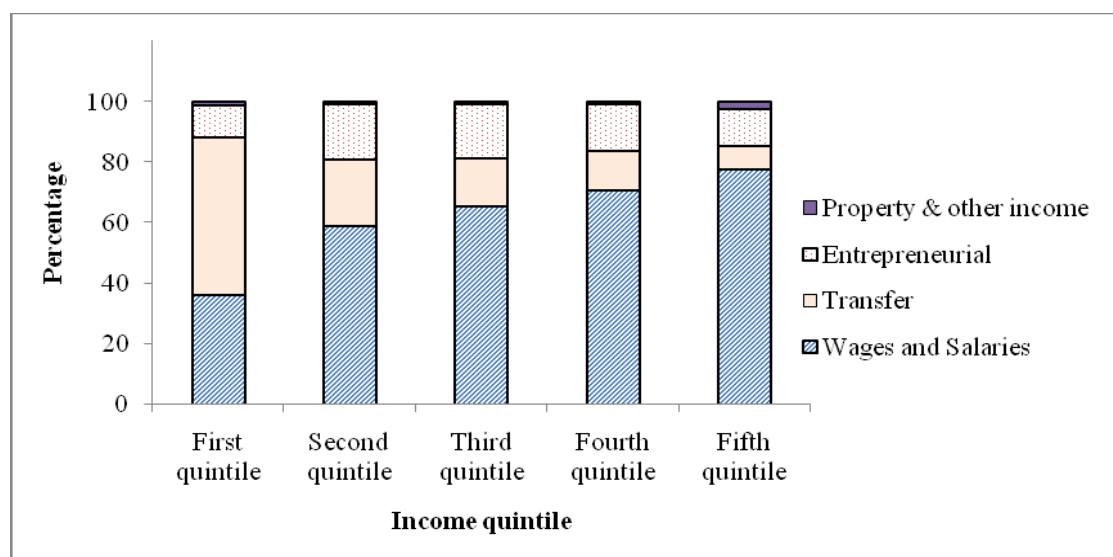
⁴ Transfer income consists of pensions and allowances from government and private organisations as well as inter household transfers.

⁵ Other income is mainly the value of goods produced by households for their own consumption.

⁶ Households are ranked according to their disposable income from lowest to highest and were divided into 5 equal classes.

59% for the second quintile to 78% for the fifth quintile. However, share of income from self employment was highest (18%) among the second and third quintiles.

Figure 4.1 – Distribution (%) of monthly household gross income by source of income and income quintile, 2012 HBS



4.2 Household disposable income

Average household disposable income⁷ at Rs 29,421 per month

In 2012, the average household disposable income stood at Rs 29,421 compared to Rs 19,083 five years earlier.

Table 4.2 – Measures of monthly household income, 2006/07 and 2012 HBS

| Sources of income | Average monthly income (Rs) | |
|--|-----------------------------|---------------|
| | 2006/07 | 2012 |
| Average monthly household gross income | 19,466 | 30,489 |
| Deductions | 383 | 1,068 |
| Average monthly household disposable income | 19,083 | 29,421 |
| Other receipts ⁸ | 1,813 | 2,460 |
| Average monthly household receipts | 20,896 | 31,881 |

During the five year period, the amount of compulsory deductions nearly trebled to Rs 1,068; it constituted 3.5% of gross income in 2012 compared to some 2.0% in 2006/07. Thus, the

⁷ The household disposable income is defined as the gross household income less compulsory deductions such as income tax (PAYE) and contributions to pensions and social security schemes.

⁸ Non-regular receipts such as withdrawals from savings, loans obtained repayments of loans by other household, etc.

household disposable income rose by 54%, to a lesser extent than the increase in gross income. The per capita disposable income, at Rs 9,103 in 2012, increased by a larger percentage (59%) than household income, explained by the decline in household size from 3.7 to 3.5 in 2012.

Household disposable income increased by 22.5% in real terms

From 2006/07 to 2012, the price of goods and services, as measured by the Consumer Price Index (CPI), increased by 33% and the average household size decreased by 5.4% from 3.7 to 3.5 persons. After adjusting for smaller household size and price increases, the real increase in the household disposable income works out to 22.5%.

In 2012, there were 2.0 income earners for an average household of size 3.5 compared to 1.9 income earners for an average household of size 3.7 in 2006/07. Thus, there was an increase of 11.3% in the average number of income earners per household after adjusting for smaller household size. The increase in household disposable income in 2012 is partly attributed to the larger number of income earners in the households.

Non-regular household receipts, such as money from sale of property, withdrawals from savings, cash gifts, etc, accruing to households amounted to Rs 2,460 monthly in 2012, an increase of 36% over the 2006/07 figure.

4.3 Household income distribution

Households have shifted towards higher income groups

The rise observed in the average household disposable income is explained by the shift of households towards higher income groups. The proportion of household having income less than Rs 10,000 decreased from 26.6% in 2006/07 to 14.4 % in 2012. During the same period, the share of households with a monthly income between Rs 20,000 and Rs 40,000 increased from 23.8% to 35.1%. The increase in the share of households with a monthly income above Rs 40,000 was even higher, from 7.8% in 2006/07 to 20.6% in 2012.

Table 4.3.1 – Distribution (%) of households by income class, 2006/07 and 2012 HBS

| Monthly Household Disposable Income (Rs) | Households (%) | |
|--|----------------|--------------|
| | 2006/07 HBS | 2012 HBS |
| Under 5,000 | 6.4 | 3.5 |
| 5,000 to < 10,000 | 20.2 | 10.9 |
| 10,000 to < 12,000 | 10.6 | 5.7 |
| 12,000 to < 14,000 | 9.9 | 6.1 |
| 14,000 to < 16,000 | 9.1 | 6.3 |
| 16,000 to < 18,000 | 6.8 | 5.9 |
| 18,000 to < 20,000 | 5.4 | 5.9 |
| 20,000 to < 25,000 | 10.3 | 13.4 |
| 25,000 to < 30,000 | 6.7 | 9.6 |
| 30,000 to < 35,000 | 3.8 | 7.1 |
| 35,000 to < 40,000 | 3.0 | 5.0 |
| 40,000 & above | 7.8 | 20.6 |
| Total | 100.0 | 100.0 |

The 20% of households at the upper end of income range of households share nearly 50% of total income

Analysis of household income by quintiles revealed that the highest 20% of households shared 47.5% of the total income while those in the lowest 20% shared only 5.3% of the total income. This reflects income inequality among households.

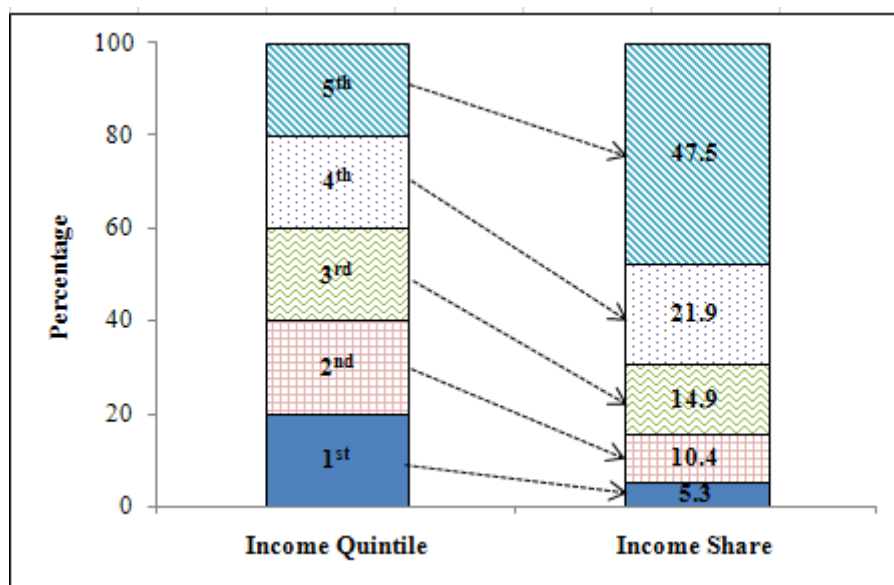
Figure 4.3.1 – Share of total income by quintiles (%), 2012 HBS

Table 4.3.2 – Share of total income (%), 2006/07 and 2012 HBS

| | 2006/07 | 2012 |
|---------------------------------------|---------|------|
| Percentage of total income going to:- | | |
| Lowest 20% of households | 6.1 | 5.3 |
| Highest 20% of households | 45.6 | 47.5 |
| Ratio of highest 20% to lowest 20% | 7.4 | 9.0 |

The share of total income going to the 20% of households at the lower end of the income range decreased from 6.1% in 2006/07 to 5.3% in 2012. On the other hand, the share of the upper 20% of households increased from 45.6% to 47.5%, displaying increasing inequality in household income distribution.

Income of households in the higher income groups registered larger increase

Between 2006/07 and 2012, average household disposable income among all income quintiles registered increases higher than 34%. However, average household income rose by 60.6% for the highest quintile households, 26 percentage point higher than the increase of 34.6% for households in the first quintile.

After adjusting for different household size across the quintiles, the average per capita income for the fifth quintile rose by 66.5%, that is, 18.9 percentage points higher than the increase of 47.6% for households in the first quintile.

Table 4.3.3 – Average monthly household disposable income by quintile group of household income, 2006/07 and 2012 HBS

| Income Quintile | Average monthly disposable income (Rs) | | % change | Average monthly disposable income per capita ⁹ (Rs) | | % change |
|---|--|---------------|-------------|--|--------------|-------------|
| | 2006/07 | 2012 | | 2006/07 | 2012 | |
| First quintile | 5,840 | 7,862 | 34.6 | 2,815 | 4,155 | 47.6 |
| Second quintile | 10,549 | 15,196 | 44.0 | 3,487 | 5,327 | 52.8 |
| Third quintile | 14,615 | 21,999 | 50.5 | 4,454 | 6,827 | 53.3 |
| Fourth quintile | 20,851 | 32,144 | 54.2 | 5,963 | 9,271 | 55.5 |
| Fifth quintile | 43,567 | 69,969 | 60.6 | 11,979 | 19,951 | 66.5 |
| All quintiles | 19,083 | 29,421 | 54.2 | 5,739 | 9,103 | 58.6 |
| Ratio highest to lowest quintile | 7.5 | 8.9 | | 4.3 | 4.8 | |

⁹ It is a measure of the average amount of disposable income per person in a household.

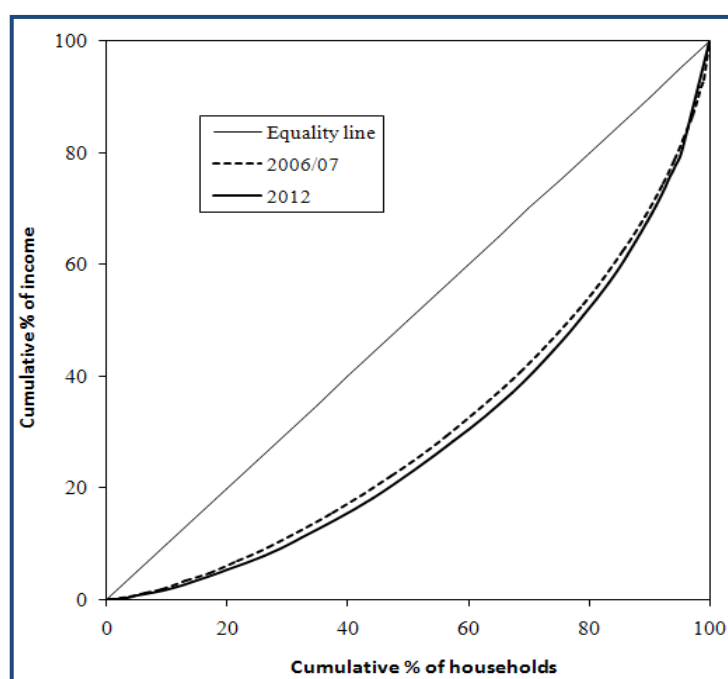
Gap between high-income and low-income households widens

The higher increase in the income of households in the fifth quintile compared to that of households in the first quintile resulted in a widening gap between high-income and low-income households. The ratio of the highest to the lowest household disposable income per capita rose from 4.3 in 2006/07 to 4.8 in 2012.

Household income distribution has deteriorated

The dispersion of the income distribution can be illustrated by a Lorenz curve, which shows the income share for any selected cumulative proportion of households. If all incomes were equally distributed, the plot would coincide with the diagonal line known as the line of equality. **Figure 4.3.2** shows that the Lorenz curve has shifted further away from the equality line in 2012 as compared to 2006/07, thus indicating deterioration in the income distribution.

Figure 4.3.2 – Lorenz curves, 2006/07 and 2012 HBS



The increase in Gini coefficient confirms the worsening of income inequality

The degree of inequality in income can also be measured by the Gini coefficient that ranges between 0 (complete equality) and 1 (complete inequality). Data from past two surveys show that the Gini coefficient increased from 0.388 in 2006/07 to 0.414 in 2012.

Income inequality is largest among the highest income households

The Gini coefficient is highest for the fifth income quintile, at 0.240, showing largest income inequality among the households. Income inequality is low in the second, third and fourth

quintiles with Gini coefficient less than 0.1. From 2006/07 to 2012, income inequality worsened across all income quintiles, as indicated by the increase in the Gini coefficient.

Table 4.3.4 – Gini coefficient by income quintile, 2006/07 and 2012 HBS

| Income Quintile | 2006/07 | 2012 |
|------------------------|----------------|--------------|
| First quintile | 0.180 | 0.190 |
| Second quintile | 0.055 | 0.068 |
| Third quintile | 0.050 | 0.055 |
| Fourth quintile | 0.067 | 0.072 |
| Fifth quintile | 0.235 | 0.240 |
| All households | 0.388 | 0.414 |

4.4 Household income by region

Household income in urban regions 19.4% higher than that in rural regions

In 2012, the monthly disposable income of households in urban regions stood at Rs 32,518, 19.4% higher than that of households in rural regions. Comparison of the per capita income discloses a higher income gap of 26.3%, explained by the larger household size of 3.6 in rural regions against 3.4 in urban regions.

Table 4.4 – Monthly household income by region, 2006/07 and 2012 HBS

| | 2006/07 | | | 2012 | | |
|--|----------------|--------------|--------------------|--------------|--------------|--------------------|
| | Urban | Rural | All regions | Urban | Rural | All regions |
| Average monthly household disposable income (Rs) | 22,677 | 16,977 | 19,083 | 32,518 | 27,244 | 29,421 |
| Average monthly per capita household income (Rs) | 7,027 | 4,981 | 5,739 | 10,373 | 8,210 | 9,103 |

The income gap between households in urban and rural households narrowed

In 2012, the average household disposable income of urban households was 1.2 times higher than that of rural households, compared to a higher ratio of 1.3 in 2006/07. The decrease in the income gap between urban and rural households is explained by the higher increase in income among rural households, 60% against 43% for urban households.

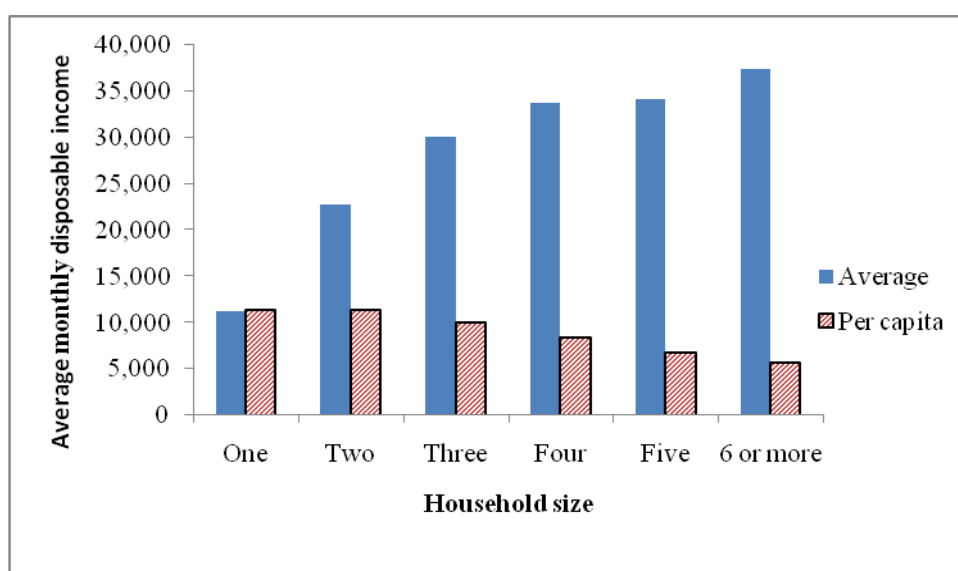
4.5 Income by household size and type

While household income increases with household size, per capita income shows the reverse

In 2012, the average monthly household disposable income, which was Rs 37,360 for households with six or more members, stood at more than three times that for one-member households, at Rs 11,322. This is explained by the fact that larger households contain more income earners and hence higher household income.

On the other hand, as the household size increases, the per capita income decreases. The per capita income was Rs 11,322 for one-member household compared to Rs 5,712 for households with six or more members. This is explained by the presence of more children, who were not income earners in larger households.

Figure 4.5 – Average household and per capita income by household size, 2012 HBS



Couple without children had a per capita income of around Rs 13,000

In 2012, the average monthly household disposable income per capita for “Couple without children” amounted to Rs 13,013. Per capita income for households consisting of one male parent with unmarried children stood at around Rs 10,400, 40% higher than that of a household with one female parent with unmarried children. This is explained by the fact that employment income for households comprising “One male parent with unmarried children” is 70% higher than that for households with “One female parent with unmarried children” which consist of more elderly persons who are highly dependent on transfer income.

Table 4.5 – Average household and per capita income by type of household, 2012 HBS

| Type of household | Household monthly income (Rs) | |
|---|--|-------------------|
| | Average | Per capita |
| Single member household | 11,322 | 11,322 |
| Couple without children | 26,025 | 13,013 |
| Couple with unmarried children | 33,423 | 8,846 |
| One male parent with unmarried children | 26,220 | 10,415 |
| One female parent with unmarried children | 19,038 | 7,516 |
| Other households | 33,069 | 7,294 |
| All households | 29,421 | 9,103 |

5. HOUSEHOLD CONSUMPTION EXPENDITURE

The main objective of the 2012 HBS was to obtain information on the consumption expenditure¹⁰ of households for the purpose of updating the basket of goods and services used for the computation of the Consumer Price Index (CPI). The expenditure data were used to analyse the consumption pattern across income groups as well as the variations of expenditure among households of different types and across regions.

The consumption expenditure has been classified according to the UN COICOP (Classification of Individual Consumption According to Purpose) which consists of 12 major divisions, each representing a specific set of commodities. The complete definition of household consumption expenditure is given at **Annex 2**.

5.1 Household monthly consumption expenditure

Average monthly household consumption expenditure as reported at HBS 2012 stood at Rs 21,231

The average monthly expenditure reported by households at the HBS 2012 was Rs 21,231, 48.5% higher than Rs 14,300 recorded five years earlier. After adjusting for price increases and decrease in household size between 2006/07 and 2012, the real increase in household expenditure works out to 18%.

After comparing expenditure data collected at the 2012 HBS with data from other sources, it has been found necessary to adjust the household consumption expenditure for underreporting of alcoholic beverages and cigarettes. It has been estimated from other sources, such as data on production, imports, exports and local sales, that household consumption of alcoholic beverages and cigarettes represents about 80% of total sales in the country. On this basis, an adjustment of Rs 1,683 has been made for the average monthly household consumption expenditure. The COICOP divisions affected are ‘Alcoholic beverages and tobacco’ and ‘Restaurants and Hotels’ since the latter includes alcoholic drinks and cigarettes consumed in bars and restaurants.

An amount of Rs 794 was imputed to cater for the interests paid on housing loans following requests from users to include expenditure on housing loan in the CPI basket of goods and

¹⁰ Household consumption expenditure refers to all money expenditure by households on goods and services for consumption as well as the value of goods received as income in kind and consumed by the households.

services. The imputation is based on the methodology recommended by ILO. The COICOP division affected is ‘Housing, water, electricity, gas & other fuels’.

After adjusting for underreporting, the average monthly household consumption expenditure works out to Rs 23,708

The average adjusted monthly household consumption expenditure stood at Rs 23,708 in 2012, 55.6% higher than the figure of Rs 15,238 in 2006/07. This represented a real increase of 23.7% after adjusting for price increases and smaller household size.

Expenditure on “Housing, water, electricity, gas & other fuels”, “Health” and “Education” registered highest increases

Comparison of monthly consumption expenditure in 2012 with figures recorded five years earlier shows highest increases in the COICOP groups: “Housing, water, electricity, gas & other fuels” (91%), “Health” (101%) and “Education” (109%). Percentage increases in the other COICOP groups ranges from 15.8% for ‘Alcoholic beverages and tobacco’ to 62% for “Communication”.

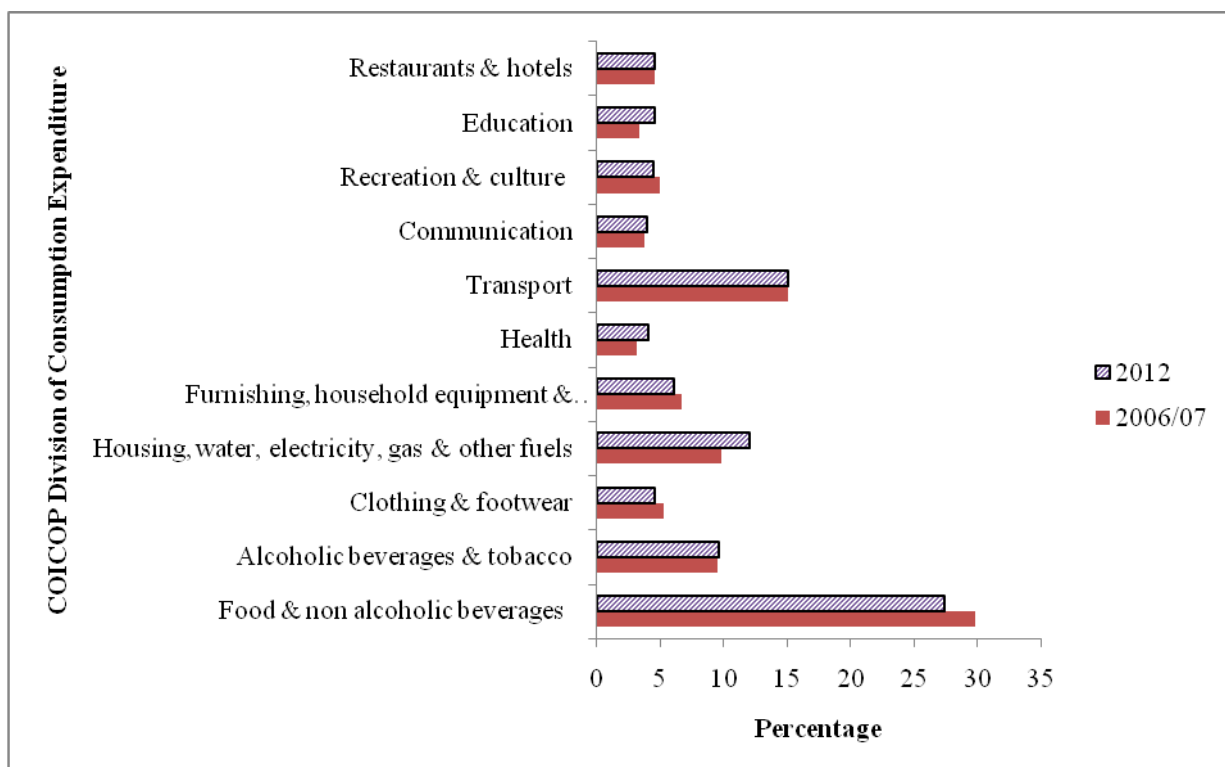
Table 5.1 – Adjusted average monthly household consumption expenditure (Rs) and distribution (%) by COICOP division, 2006/07 and 2012 HBS

| COICOP | | 2006/07 | | 2012 | | % |
|-------------------------------------|---|---------------|--------------|---------------|--------------|-------------|
| Division of consumption expenditure | | Rs | % | Rs | % | change |
| 1 | Food & non alcoholic beverages | 4,534 | 29.8 | 6,494 | 27.4 | 43.2 |
| 2 | Alcoholic beverages & tobacco | 1,450 | 9.5 | 2,291 | 9.6 | 58.0 |
| 3 | Clothing & footwear | 807 | 5.3 | 1,063 | 4.5 | 31.7 |
| 4 | Housing, water, electricity, gas & other fuels | 1,498 | 9.8 | 2,860 | 12.0 | 90.9 |
| 5 | Furnishing, household equipment & routine household maintenance | 1,022 | 6.7 | 1,449 | 6.1 | 41.8 |
| 6 | Health | 467 | 3.1 | 938 | 4.0 | 100.9 |
| 7 | Transport | 2,295 | 15.1 | 3,549 | 15.0 | 54.6 |
| 8 | Communication | 569 | 3.7 | 922 | 3.9 | 62.0 |
| 9 | Recreation & culture | 760 | 5.0 | 1,048 | 4.4 | 37.9 |
| 10 | Education | 510 | 3.3 | 1,067 | 4.5 | 109.2 |
| 11 | Restaurants & hotels | 694 | 4.6 | 1,060 | 4.5 | 52.7 |
| 12 | Miscellaneous goods & services | 632 | 4.1 | 967 | 4.1 | 53.0 |
| All Items | | 15,238 | 100.0 | 23,708 | 100.0 | 55.6 |

Slightly more than one quarter of household expenditure is spent on “Food & non-alcoholic beverages”

In 2012, “Food & non-alcoholic beverages” had the highest share of household consumption expenditure accounting for 27.4%, followed by “Transport”, 15% and “Housing, water, electricity, gas & other fuels”, 12%. “Communication” had the least share of expenditure (3.9%).

Figure 5.1 – Distribution (%) of adjusted average monthly household consumption expenditure by COICOP division, 2006/07 and 2012 HBS



“Food & non-alcoholic beverages” registered the largest decline in share of expenditure

The share of expenditure on “Food & non-alcoholic beverages” dropped by 2.4 percentage points from 29.8% in 2006/07 to 27.4% in 2012. Other COICOP groups with declining share of expenditure are “Clothing & footwear, Furnishing”, “Furnishing, household equipment & routine household maintenance” and “Recreation & culture”, with decreases of less than one percentage point.

“Housing, water, electricity, gas & other fuels”, “Education” and “Health” had the largest increases in share of 2.2, 1.2 and 0.9 percentage points respectively.

It is to be noted that the unadjusted consumption expenditure of Rs 21,231 is used for further analysis of household expenditure

5.2 Households by consumption expenditure class

Households have shifted towards higher expenditure group

There is an upward shift in the number of households from lower expenditure classes to higher expenditure classes during the period 2006/07 to 2012. The proportion of households with a monthly consumption expenditure of less than Rs 15,000 decreased from 68.9% in 2006/07 to 46.9% in 2012. During the same period, the share of households with a monthly consumption expenditure of Rs 30,000 or higher more than doubled from 7.4% to 16.8%.

Table 5.2.1 – Distribution (%) of households and total consumption expenditure by monthly expenditure class, 2006/07 and 2012 HBS

| Monthly consumption expenditure class (Rs) | Households (%) | | Consumption expenditure (%) | |
|--|----------------|--------------|-----------------------------|--------------|
| | 2006/07 | 2012 | 2006/07 | 2012 |
| Less than 5,000 | 9.8 | 4.7 | 2.5 | 0.8 |
| 5,000 to < 7,500 | 15.5 | 7.5 | 6.8 | 2.2 |
| 7,500 to < 10,000 | 18.1 | 11.6 | 11.0 | 4.8 |
| 10,000 to < 12,500 | 15.2 | 11.1 | 11.9 | 5.9 |
| 12,500 to < 15,000 | 10.3 | 12.0 | 9.8 | 7.7 |
| 15,000 to < 20,000 | 12.7 | 17.3 | 15.3 | 14.2 |
| 20,000 to < 30,000 | 11.0 | 19.0 | 18.5 | 21.8 |
| 30,000 to < 40,000 | 3.6 | 7.6 | 8.6 | 12.2 |
| 40,000 to < 50,000 | 2.0 | 3.7 | 6.2 | 7.8 |
| 50,000 and above | 1.8 | 5.5 | 9.4 | 22.6 |
| All Classes | 100.0 | 100.0 | 100.0 | 100.0 |

From 2006/07 to 2012, the share of total household expenditure incurred by households with a monthly expenditure of less than Rs 15,000 halved from 42% to 21%. The share of expenditure incurred by households with a monthly expenditure of Rs 30,000 and more rose from 24% to 43% during the same period.

Increase in household consumption expenditure for all income groups

Between 2006/07 and 2012, households across all income quintiles experienced increases in average monthly household consumption expenditure. However, the average monthly household consumption expenditure rose by 57.8% for the highest quintile, 22.3 percentage points higher than the increase of 35.5% for households in the first quintile.

After adjusting for different household size among the income quintiles, the average monthly household consumption expenditure per capita increased by 53.5% between 2006/07 and 2012.

Table 5.2.2 – Average monthly household consumption expenditure (Rs) by quintile group of household income, 2006/07 and 2012 HBS

| Income Quintile | Average monthly household consumption expenditure (Rs) | | % change | Average monthly household consumption expenditure per capita ¹¹ (Rs) | | % change |
|---|--|---------------|-------------|---|--------------|-------------|
| | 2006/07 | 2012 | | 2006/07 | 2012 | |
| | First quintile | 6,141 | | 8,320 | 35.5 | |
| Second quintile | 9,497 | 13,571 | 42.9 | 3,089 | 4,682 | 51.6 |
| Third quintile | 12,063 | 17,265 | 43.1 | 3,658 | 5,304 | 45.0 |
| Fourth quintile | 15,983 | 23,106 | 44.6 | 4,575 | 6,677 | 45.9 |
| Fifth quintile | 27,830 | 43,926 | 57.8 | 7,658 | 12,542 | 63.8 |
| All quintiles | 14,300 | 21,231 | 48.5 | 4,369 | 6,704 | 53.5 |
| Ratio highest to lowest quintile | 4.5 | 5.3 | | 2.7 | 2.9 | |

The lowest income quintile spend 45% of their expenditure on food against 21% for highest income quintile

The proportion consumption expenditure on “Food & non-alcoholic beverages” decreased with increasing household income, from 45% for households in lowest income quintile to 21% for households in highest income quintile. Similarly, “Alcoholic beverages and tobacco” and “Housing, water, electricity, gas and other fuels” showed a declining share of expenditure with increasing income.

Conversely, “Clothing and footwear”, “Furnishings, household equipment and routine household maintenance”, “Transport”, “Education” and “Restaurants and hotels” revealed increasing expenditure share with higher income.

¹¹ It is a measure of the average amount of consumption expenditure per person in a household.

The largest difference in share of expenditure occurred in “Transport”, 24.9% for highest quintile against 6.4% for households in the lowest quintile, followed by “Education” 6.9% against 1.8%.

Table 5.2.3 – Distribution (%) of monthly household consumption expenditure by COICOP division and quintile group of household income, 2012 HBS

| COICOP Division | Quintile group of household income | | | | | All Classes |
|--|------------------------------------|--------------------|-------------------|--------------------|-------------------|--------------|
| | First quintile | Second quintile | Third quintile | Fourth quintile | Fifth quintile | |
| 01. Food and non-alcoholic beverages | 45.1 | 40.8 | 37.7 | 32.3 | 20.9 | 30.6 |
| 02. Alcoholic beverages and tobacco | 4.2 | 4.9 | 4.4 | 4.1 | 2.4 | 3.6 |
| 03. Clothing and footwear | 3.2 | 4.7 | 5.1 | 5.6 | 5.1 | 5.0 |
| 04. Housing, water, electricity, gas and other fuels | 14.7 | 12.2 | 11.1 | 9.7 | 7.5 | 9.7 |
| 05. Furnishings, household equipment and routine household maintenance | 5.9 | 6.0 | 6.4 | 6.7 | 7.5 | 6.8 |
| 06. Health | 4.6 | 3.4 | 3.2 | 3.9 | 5.5 | 4.4 |
| 07. Transport | 6.4 | 8.6 | 11.0 | 13.8 | 24.9 | 16.7 |
| 08. Communication | 3.6 | 4.3 | 4.6 | 5.0 | 4.0 | 4.3 |
| 09. Recreation and culture | 4.0 | 4.8 | 4.9 | 5.2 | 5.0 | 4.9 |
| 10. Education | 1.8 | 3.2 | 3.5 | 4.9 | 6.9 | 5.0 |
| 11. Restaurants and hotels | 3.0 | 3.6 | 4.0 | 4.4 | 4.8 | 4.3 |
| 12. Miscellaneous goods and services | 3.5 | 3.5 | 4.1 | 4.4 | 5.4 | 4.6 |
| All Items | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

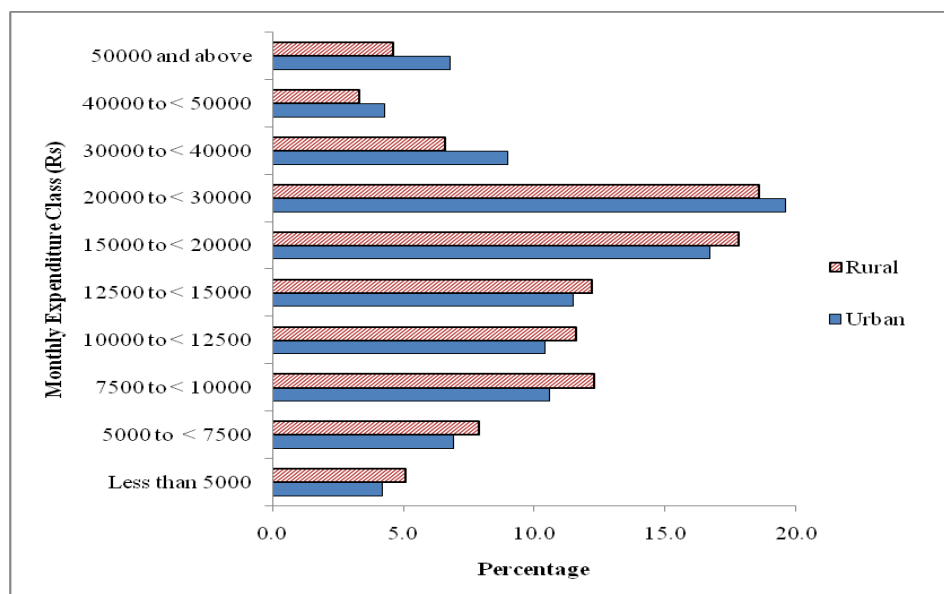
Note: The distribution has been worked out using the unadjusted household consumption expenditure

5.3 Households by monthly consumption expenditure and region

Urban households spend on average more than their rural counterparts

The distribution of households shows higher proportions of urban households than rural households at the higher monthly expenditure classes, Rs 20,000 and higher.

Figure 5.3 – Distribution (%) of households by consumption expenditure class and regional stratum, 2012 HBS



Households in urban regions spent on average Rs 22,842 on consumption goods and services every month, 13.7% more than households living in rural regions with an expenditure of Rs 20,098. Comparison of per capita expenditure shows a higher difference of 22% explained by the larger household size in rural regions, 3.6 against 3.4 in urban regions.

Table 5.3.1 – Monthly household consumption expenditure (Rs) by region, 2006/07 and 2012 HBS

| | 2006/07 | | | 2012 | | |
|---|---------|--------|-------------|--------|--------|-------------|
| | Urban | Rural | All regions | Urban | Rural | All regions |
| Average monthly household consumption expenditure (Rs) | 16,215 | 13,174 | 14,300 | 22,842 | 20,098 | 21,231 |
| Average monthly household per capita consumption expenditure (Rs) | 5,113 | 3,931 | 4,369 | 7,499 | 6,145 | 6,704 |

The higher expenditure increase among rural households reduces the gap between urban and rural households

During the period 2006/07 to 2012, the average monthly household expenditure among rural households rose by 53% compared to 41% among urban households. Thus, the ratio of monthly household consumption expenditure among urban households to that among rural households dropped from 1.2 to 1.1.

Rural households spend a higher proportion of their total household expenditure on “Food & non-alcoholic beverages”

In 2012, rural households spent 32.2% of their total household consumption expenditure on “Food & non-alcoholic beverages” compared to 28.6% for urban households. After adjusting for different household size, it is found that the per capita monthly consumption expenditure on “Food & non-alcoholic beverages” is Rs 2,132 for urban households, nearly 7% higher than that of rural households, at Rs 2,002. Rural households also had a higher share of expenditure on “Alcoholic beverages and tobacco” and “Clothing and footwear”.

Table 5.3.2 – Distribution of average monthly household consumption expenditure by COICOP division and regional stratum, 2012 HBS

| COICOP Division | Regional Stratum | | | | Total |
|--|------------------|--------------|---------------|--------------|---------------|
| | Urban | % | Rural | % | |
| 01. Food and non-alcoholic beverages | 6,526 | 28.6 | 6,472 | 32.2 | 6,494 |
| 02. Alcoholic beverages and tobacco | 708 | 3.1 | 794 | 4.0 | 759 |
| 03. Clothing and footwear | 1,027 | 4.5 | 1,089 | 5.4 | 1,063 |
| 04. Housing, water, electricity, gas and other fuels | 2,342 | 10.3 | 1,872 | 9.3 | 2,066 |
| 05. Furnishings, household equipment and routine household maintenance | 1,524 | 6.7 | 1,397 | 6.9 | 1,449 |
| 06. Health | 1,207 | 5.3 | 750 | 3.7 | 938 |
| 07. Transport | 3,879 | 17.0 | 3,317 | 16.5 | 3,549 |
| 08. Communication | 1,011 | 4.4 | 859 | 4.3 | 922 |
| 09. Recreation and culture | 1,171 | 5.1 | 961 | 4.8 | 1,048 |
| 10. Education | 1,330 | 5.8 | 883 | 4.4 | 1,067 |
| 11. Restaurants and hotels | 1,028 | 4.5 | 823 | 4.1 | 908 |
| 12. Miscellaneous goods and services | 1,090 | 4.8 | 881 | 4.4 | 967 |
| All Items | 22,842 | 100.0 | 20,098 | 100.0 | 21,231 |

Note: The distribution has been worked out using the unadjusted household consumption expenditure

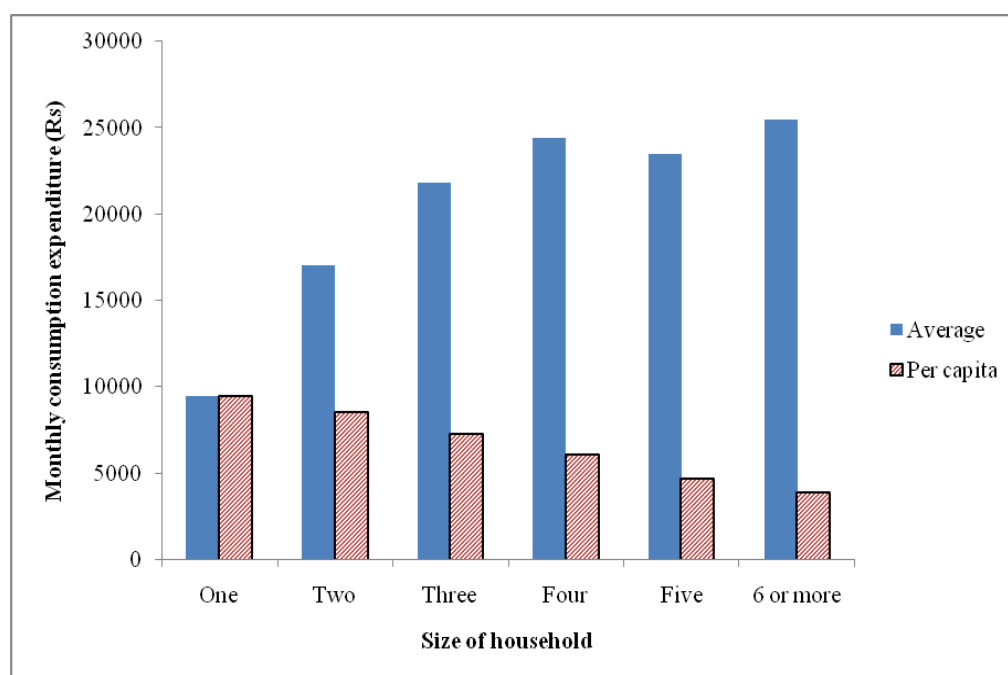
Main COICOP groups on which urban households had a higher share of consumption expenditure than rural households are “Housing, water, electricity, gas & other fuels”, “Education” and “Health”.

5.4 Monthly consumption expenditure by household size and type

Per capita household consumption expenditure decreases with household size

The average household monthly consumption expenditure was higher for larger households, ranging from Rs 9,471 for one-member households to Rs 25,474 for households with six or more members. However, the per capita expenditure decreased from Rs 9,471 for one-member households to Rs 3,918 for the households with six or more members. This can be partly explained by the fact that larger households enjoy economies of scale in sharing common facilities.

Figure 5.4.1 – Average household and per capita household consumption expenditure by household size, 2012 HBS

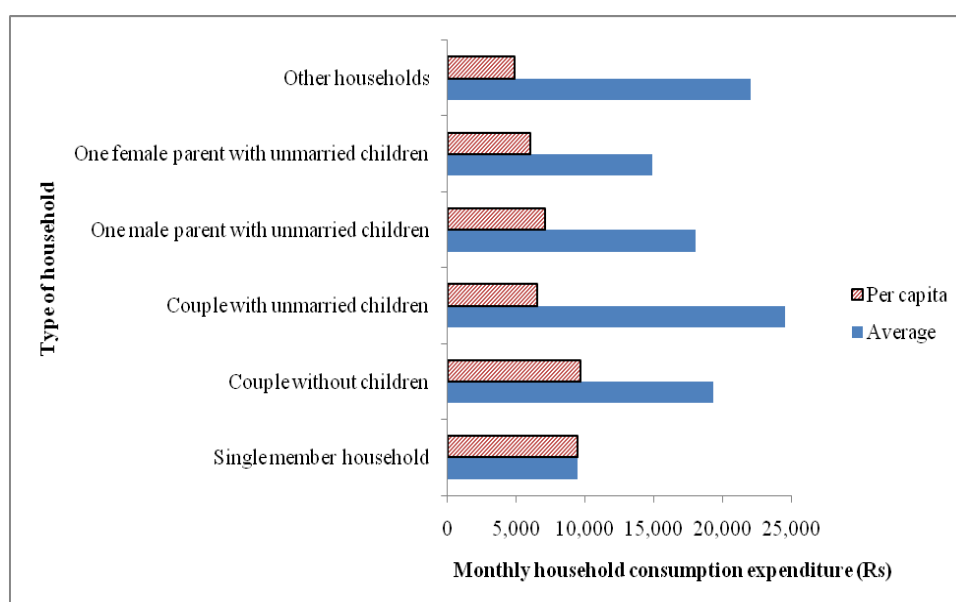


Average household consumption expenditure for “couples with unmarried children” more than doubled that for a “single member household”

In 2012, the average household monthly consumption expenditure for “one-member household” was Rs 9,471 while that for “couples with unmarried children” stood at Rs 24,470. Households comprising “one female parent with unmarried children” spent on average about Rs 14,863 per month compared to “one male parent with unmarried children” households with an average monthly expenditure of Rs 17,996. It is to be noted that the disposable income of households of “one female parent with unmarried children” is Rs19,038, lower than that of households with “one male parent with unmarried children”, at Rs 26,220.

The per capita consumption expenditure was higher for “couple without children” and “single-member households” than for the other types of households due to fewer members in these two household types. The per capita consumption expenditure for these two household types worked out to Rs 9,645 and Rs 9,471 respectively compared to an amount ranging from Rs 4,866 to Rs 7,121 for the other household types.

Figure 5.4.2 – Average household and per capita household consumption expenditure by type of household, 2012 HBS



6. INDEBTED HOUSEHOLDS

Debts are used to finance the purchase/construction of a new home, acquire goods and services, or invest in education. For this analysis, household debt includes loans on housing, education, health, motor vehicle and hire-purchases goods (e.g. household appliances, television, etc.).

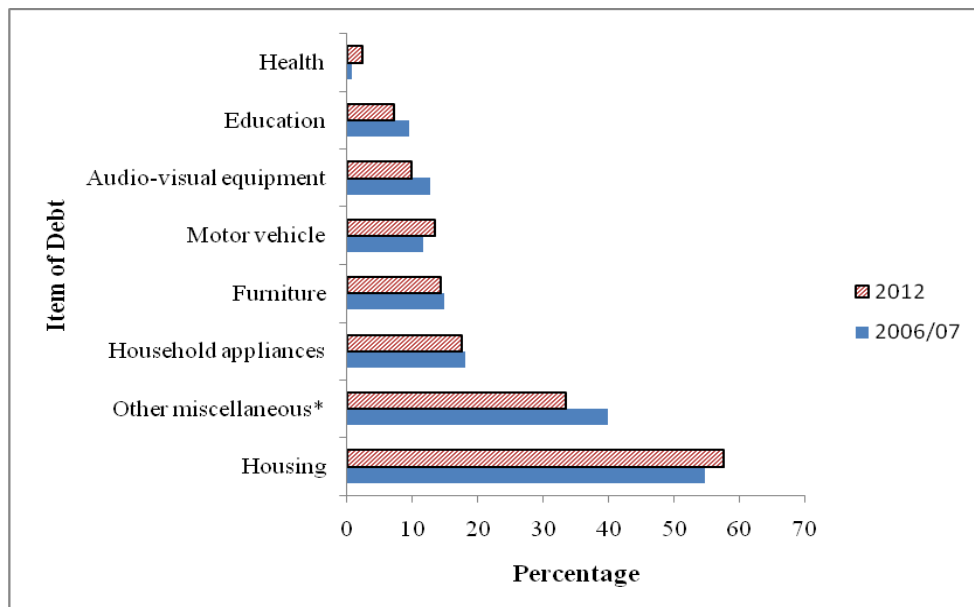
6.1 Level of indebtedness and debt items

Some 45% of the households are indebted, of which more than half have a debt on housing

At the 2012 HBS, 45.3% of the households reported having made at least one debt repayment during the month. The corresponding figure at HBS 2006/07 was slightly higher, at 46.5%.

Among indebted households, housing (57.5%) was the most common item of debt, followed by household appliances and furniture. Health is the item of debt on which least number of households (2.3%) were indebted.

Figure 6.1.1 – Indebted households (%) by item of debt, 2006/07 and 2012 HBS



* Include debt on wedding, computer, mobile phone, solar water heater and personal loans

Housing debt remains the most common debt item over the years

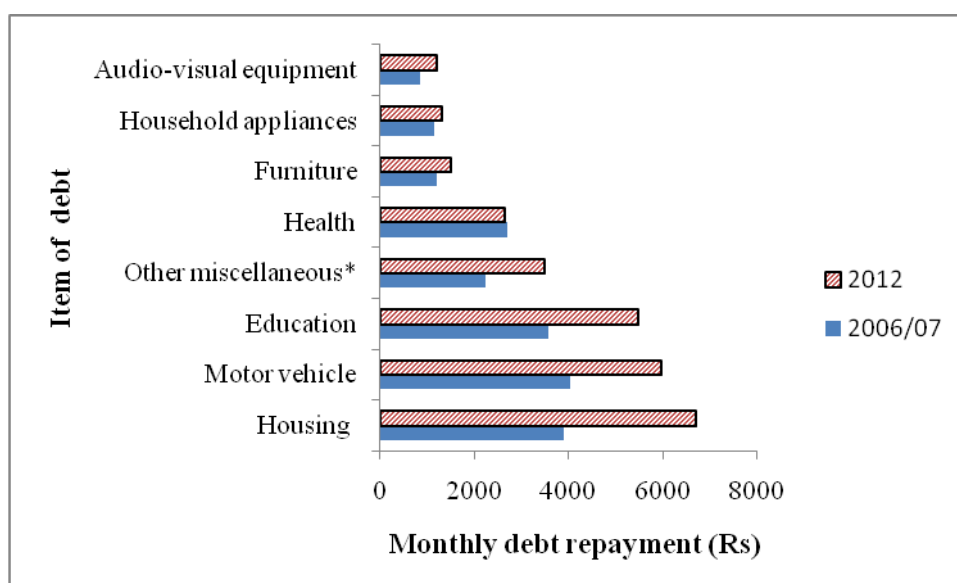
The proportion of indebted households for housing increased from 54.7% in 2006/07 to 57.5% in 2012. During that period, household ownership increased from 90.3% to 92.7%. While the proportion of households indebted on motor vehicle also increased, that of audio-visual equipment decreased and to a lesser extent for furniture and household appliances.

Health, item of debt with least number of households (2.3%) saw the proportion of indebted households more than trebled over the 5 years. A lower proportion of households was indebted on education in 2012, 7.2% compared to 9.4% in 2006/07.

An indebted household disbursed on average Rs 6,830 monthly on debt repayment in 2012

On average, an indebted household disbursed Rs 6,830 per month on debt repayment in 2012, 56.8% higher than the monthly loan of Rs 4,353 in 2006/07. After adjusting for price increases between 2006/07 and 2012, debt repayment increased by 17.9%.

Figure 6.1.2 – Average monthly debt repayment by item, 2006/07 and 2012 HBS



* Include debt on wedding, computer, mobile phone, solar water heater and personal loans

The average monthly debt repayment was highest, at Rs 6,690, for housing followed by motor vehicle (Rs 5,960) and education (Rs 5,470). Education which ranked sixth in term of level of household indebtedness among the items of debt had the third largest debt repayment. In 2006/07, the highest debt repayment was on motor vehicle followed by housing.

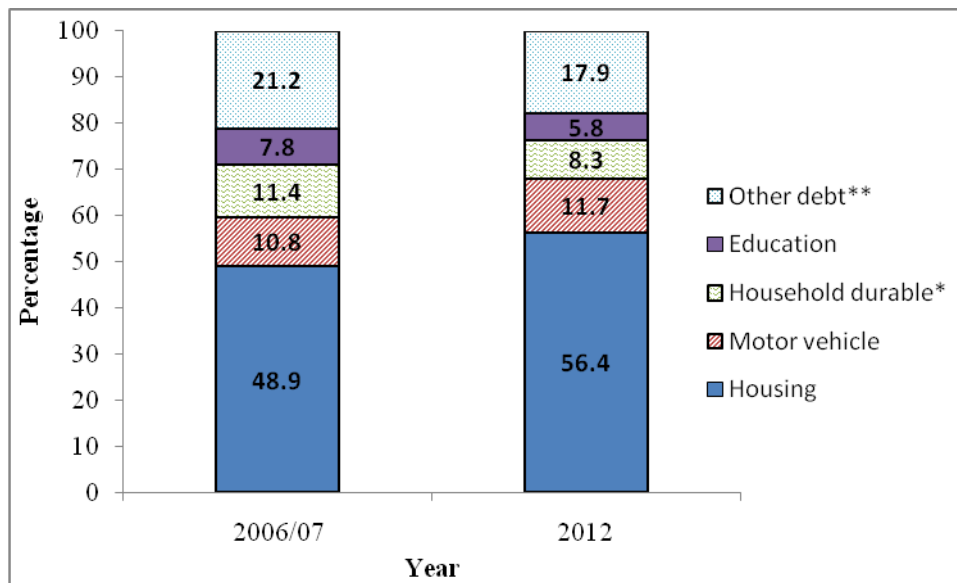
During the period 2006/07 to 2012, housing saw an increase of 29.3% in average monthly debt repayment followed by education (14.9%) and motor vehicles (11.1%). While monthly debt repayment on health decreased by 26.6% during the same period, the proportion of households indebted on health increased from 0.7% to 2.3%. The changes in debt are in real terms.

6.2 Composition of household debt

Housing remained the largest component of debt repayment

Housing, being the largest debt component in both 2006/07 and 2012, saw its share increased from 48.9% to 56.4%. The component motor vehicle also witnessed an increase from 10.8% to 11.7%. However, the components education and household durable had declining shares in the overall debt repayment during that period.

Figure 6.2 – Component (%) of household debt, 2006/07 and 2012 HBS



*Include furniture, audio-visual equipment and household appliances

**Include wedding, computer, mobile phone, solar water heater, personal loans and health

6.3 Indebtedness across income groups

The level of indebtedness of households in the highest income quintile is more than four times higher than that of households in the lowest quintile

Some 67% of households in the fifth quintile were indebted in 2012. The level of indebtedness decreases with lower income to reach 14% for the first quintile. Comparison with 2006/07 HBS data shows that the proportion of indebted households decreased for almost all income groups except for a marginal increase for households in the lowest quintile.

Table 6.3.1 – Indebted households as a percentage of total households and average monthly loan repayment by income class, 2006/07 and 2012 HBS

| Income Quintile | Indebted households as a percentage of total households | | Average monthly debt repayment by indebted households (Rs) | | % change in average monthly debt repayment |
|----------------------|---|-------------|--|--------------|--|
| | 2006/07 | 2012 | 2006/07 | 2012 | |
| First quintile | 14.2 | 14.3 | 1,474 | 2,700 | 83.1 |
| Second quintile | 38.2 | 37.3 | 1,942 | 2,560 | 31.8 |
| Third quintile | 50.7 | 48.5 | 2,665 | 3,570 | 33.9 |
| Fourth quintile | 59.8 | 59.2 | 3,766 | 5,640 | 49.8 |
| Fifth quintile | 69.5 | 67.2 | 8,005 | 13,470 | 68.3 |
| All quintiles | 46.5 | 45.3 | 4,353 | 6,830 | 56.9 |

Average monthly debt repayment in the lowest income group registered highest increase

Average monthly debt repayment among all income quintiles registered increases higher than 30% between 2006/07 and 2012. However, debt repayment rose by 83.1% for the lowest quintile household, around 15 percentage points higher than the increase of 68.3% for households in the highest quintile.

Table 6.3.2 – Component (%) of household debt by income quintile, 2012 HBS

| Item of debt | Quintile group | | | | | All Households |
|--|----------------|-----------------|----------------|-----------------|----------------|----------------|
| | First Quintile | Second Quintile | Third Quintile | Fourth Quintile | Fifth Quintile | |
| House | 25.7 | 56.6 | 58.0 | 55.2 | 57.8 | 56.4 |
| Motor vehicle | 1.1 | 3.9 | 4.9 | 9.0 | 15.2 | 11.7 |
| Household Durable* | 29.3 | 22.2 | 14.4 | 10.1 | 4.0 | 8.3 |
| Education | 1.9 | 2.7 | 4.2 | 4.6 | 7.0 | 5.8 |
| Other** | 42.0 | 14.5 | 18.5 | 21.1 | 16.0 | 17.9 |
| All items | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Average monthly debt repayment (Rs) | 2,700 | 2,560 | 3,570 | 5,640 | 13,470 | 6,830 |

*Include furniture, audio-visual equipment and household appliances

**include wedding, computer, mobile phone, solar water heater, personal loans and health

Households in the lowest income groups allocate one quarter of their debt repayment on housing

In 2012, households in the lowest income quintile allocated on average one quarter of their debt repayment on housing, against more than 50% for households with higher income. The proportion of debt repayment on motor vehicle and education increased with higher income. However, the share of debt repayment on household durable decreased with increasing income.

6.4 Share of total household debt

Households in the highest income quintile had the largest share of total debt in 2012

The large share of total debt for households in the fifth quintile is explained by its higher level of indebtedness and larger debt repayment. Its share of total debt increased from 53.6% in 2006/07 to 57.4% in 2012, showing concentration of debt among the highest income households. During the same period, the share of total debt decreased for all other quintiles.

Table 6.4 – Share of total debt (%) by income quintile , 2006/07 and 2012 HBS

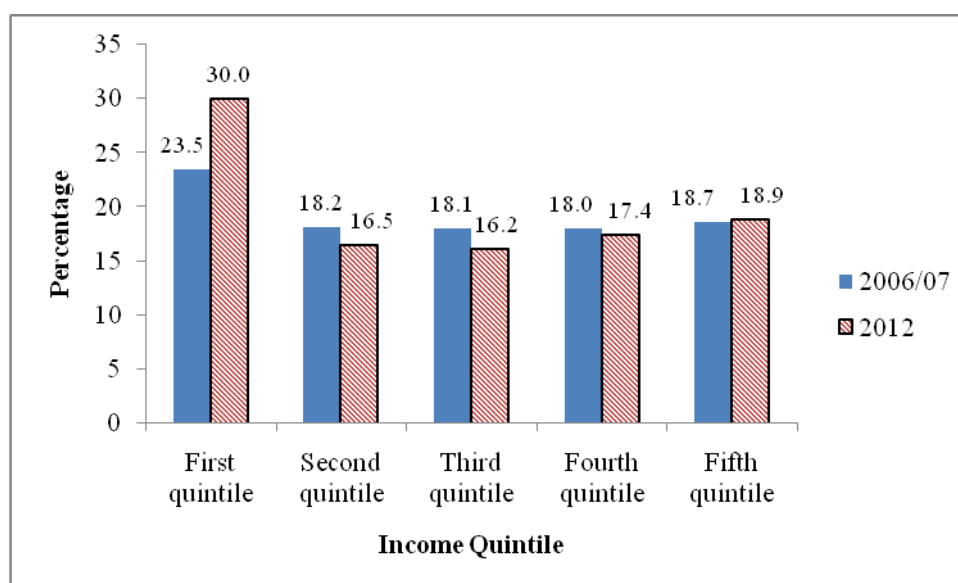
| Income Quintile | 2006/07 | 2012 |
|------------------------|----------------|--------------|
| First quintile | 3.0 | 2.7 |
| Second quintile | 7.6 | 6.8 |
| Third quintile | 13.5 | 11.9 |
| Fourth quintile | 22.3 | 21.2 |
| Fifth quintile | 53.6 | 57.4 |
| All quintiles | 100.0 | 100.0 |

6.5 Debt repayment

Households in the lowest income quintile allocate more than one quarter of their income on debt repayment

Debt repayment as a percentage of disposable income stood at 30% among households in the lowest quintile, higher than the 23.5% in 2006/07. However, the proportion of disposable income devoted to debt repayment was much lower for the other quintiles, and decreased over the five year period, except for a marginal increase for households in the highest quintile.

In 2012, an indebted household, on average, allocated 18.2% of its disposable income on debt repayment compared to 18.6% in 2006/07.

Figure 6.5 – Debt repayment as a percentage of disposable income, 2006/07 and 2012 HBS

Housing is the most common debt item across all income groups

Among all income groups, the most common debt item is housing. However, the proportion of households with such debt increased from 30.5% among households in the lowest quintile to 67.6% among household in the highest quintile.

Table 6.5 – Indebted households (%) by item of debt and income quintile, 2012 HBS

| Item of debt | Income quintile | | | | | All households |
|---------------------------|-----------------|-----------------|----------------|-----------------|----------------|----------------|
| | First quintile | Second quintile | Third quintile | Fourth quintile | Fifth quintile | |
| House | 30.5 | 45.5 | 56.7 | 61.1 | 67.6 | 57.5 |
| Motor vehicle | 2.1 | 4.4 | 6.4 | 11.8 | 27.1 | 13.4 |
| Furniture | 21.1 | 19.3 | 15.1 | 14.0 | 9.8 | 14.3 |
| Audio-visual equipment | 17.4 | 11.6 | 10.0 | 10.2 | 6.9 | 9.9 |
| Household appliances | 27.6 | 25.6 | 18.3 | 17.6 | 10.0 | 17.5 |
| Education | 2.6 | 2.5 | 5.4 | 8.5 | 11.1 | 7.2 |
| Other miscellaneous items | 17.3 | 26.0 | 31.3 | 36.7 | 39.6 | 33.4 |

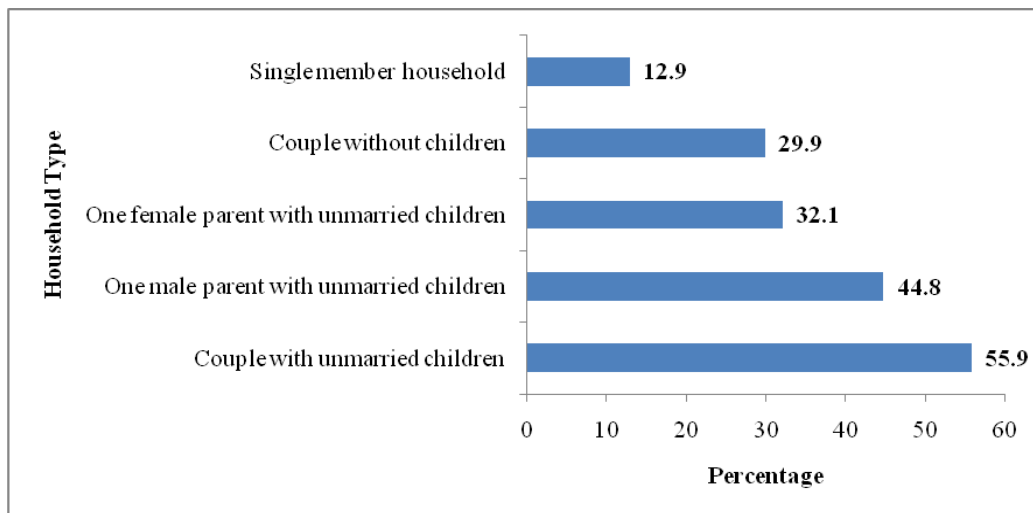
Similarly, level of indebtedness on motor vehicle was more pronounced among households in the higher quintiles. However, for furniture, audio visual equipment and household appliances, household indebtedness decreased with increasing income quintile.

6.6 Profile of indebted households

Higher indebtedness prevails among couple with unmarried children

The degree of indebtedness among the various types of households varies. Some 56% of “Couples with unmarried children” were indebted compared to 29.9% for “Couples without children” while “Single member households” were less likely to be indebted (12.9%). Housing was the main item of debt across all household types.

Figure 6.6 – Indebted households (%) by type of households, 2012 HBS



7. POINT OF PURCHASE

At the 2012 HBS, households were requested to state the outlets where they usually purchase selected goods and services. Information about frequency of purchase and usage of health public services were also collected. An analysis of the data collected is given below.

7.1 Point of purchase

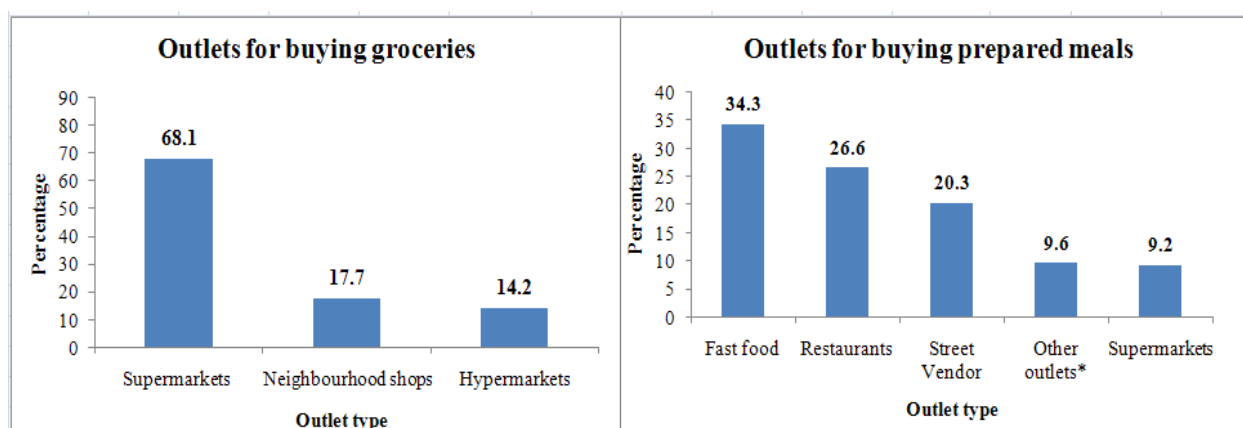
7.1.1 Groceries and prepared food

More households are leaving the neighbourhood shops to buy groceries from supermarkets and hypermarkets

In 2012, around 68% of households bought their groceries at supermarkets followed by neighbourhood shops (18%) and hypermarkets (14%). The corresponding figures for 2006/07 were 58 % for supermarkets, 33% for neighbourhood shops and 9% for hypermarkets.

Data show that prepared meals are usually bought at fast food outlets (34.3%) followed by restaurants (26.6%) and street vendors (20.3%).

Figure 7.1.1 – Distribution (%) of outlets visited by households for buying of groceries¹² and prepared meals, 2012 HBS



* shops, tabagie, canteen, open market, market

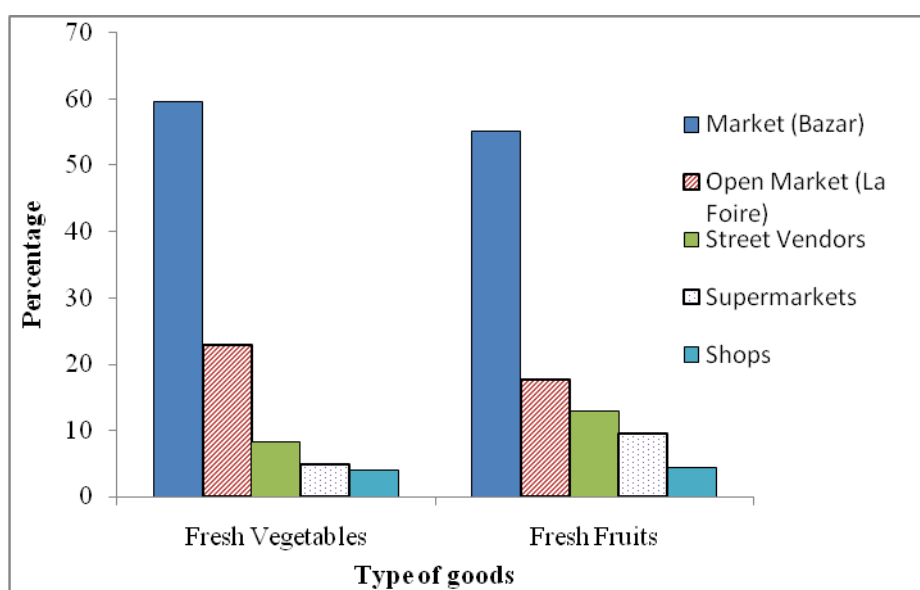
¹² refer to goods (often denoted as "ration") usually bought by households at the end of the month

7.1.2 Fresh vegetables and fruits

Fresh vegetables and fruits are usually bought at market

Most households tend to buy fresh vegetables from the market (59.6%), followed by open market (22.9%) and street vendors (8.4%). A similar distribution is observed for fresh fruits where market accounted for 55.1%, followed by open market (17.8%) and street vendors (13.0%).

Figure 7.1.2 – Distribution (%) of outlets visited by households for buying fresh vegetables and fresh fruits, 2012 HBS



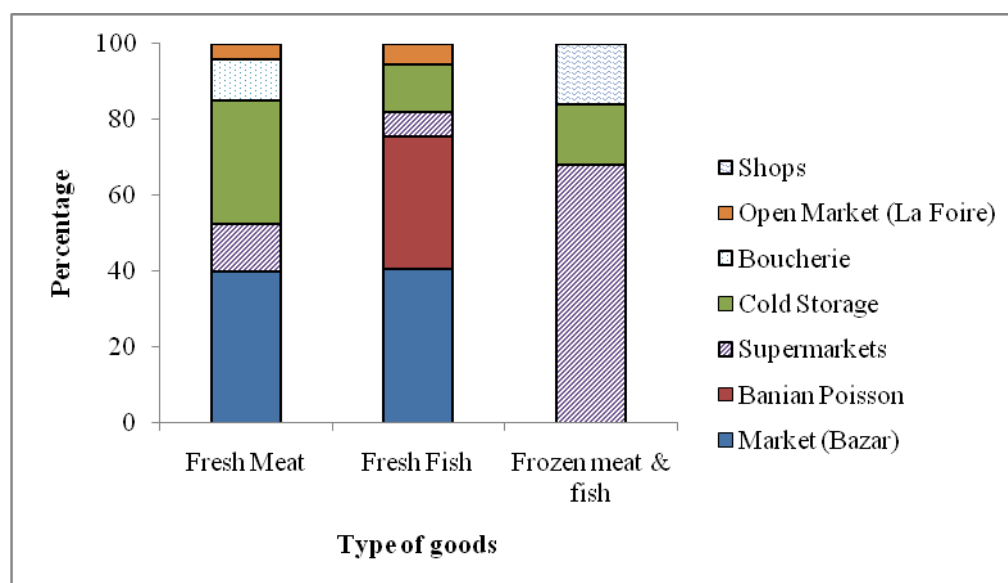
7.1.3 Meat and fish

Most households buy fresh meat and fish at markets while frozen meat and fish are usually bought at supermarkets

Among households consuming fish, 40% made their purchase from markets, 33% from cold storage and 13% from supermarkets. Similarly, fresh fish was mainly bought from market by 41% of households. About 35% of households purchased fresh fish from “banian poisson” while 13% would go to cold storage.

Frozen meat and fish were usually bought at supermarkets (68%), followed by cold storage and shops, each with a share of 16%.

Figure 7.1.3 – Distribution (%) of outlets visited by households for buying fresh meat, fresh fish and frozen meat and fish, 2012 HBS

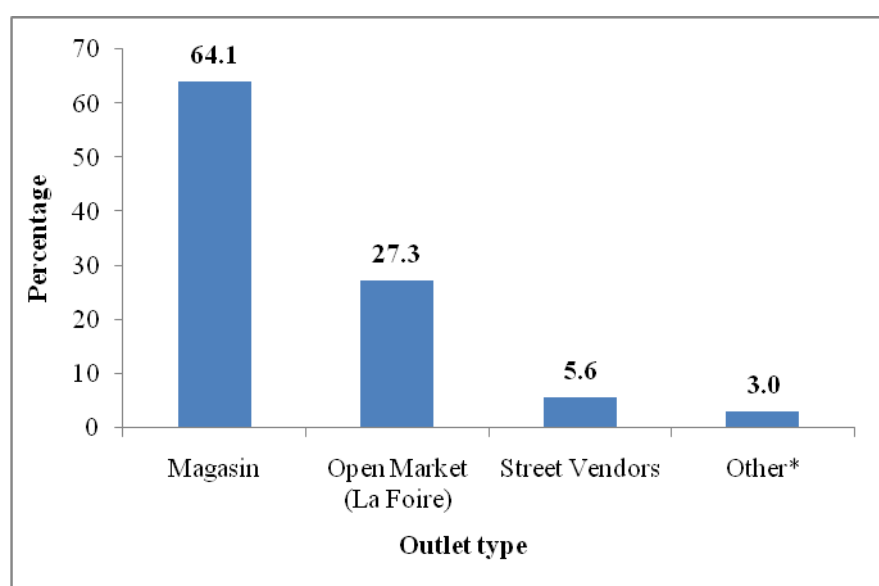


7.1.4 Readymade Garments

Households tend to buy readymade garments in “magasin”

In 2012, around 64% of households bought their readymade garments at “magasin”, followed by open market (27.3%) and street vendors (5.6%).

Figure 7.1.4 – Distribution (%) of outlets visited by households for buying readymade garments, 2012 HBS



* market and supermarkets

7.2 Paid services

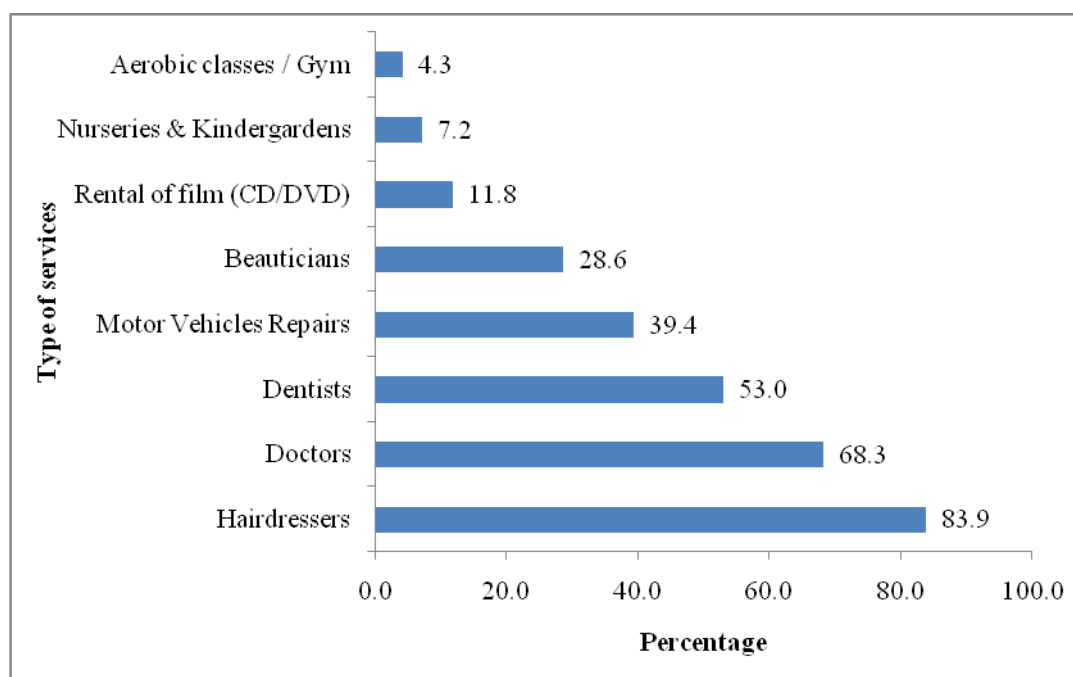
Though health service is free, an important proportion of the households had recourse to paid health services

Though 94% of households normally had recourse to free public health services, it is noted that some 68% of households paid for private doctor fees and 53% for dentist fees.

Data collected on household paid services in 2012 showed that some 84% of households spent on hairdresser services.

Some 12% of households paid for rental of films and only around 4% spent on aerobic classes or gym.

Figure 7.2 – Distribution (%) of households by type of services paid, 2012 HBS



7.3 Purchase of groceries

Some 70% households buy their groceries when needed

At the HBS 2012, 70% of households reported that they buy their groceries when needed, i.e., on and off purchases. Nearly one third of households reported purchasing groceries in the first week of the month, and a slightly lower proportion in the fourth week. The third week of the month is the week where the least number of households, only 6.7% of all households, purchase groceries.

Table 7.3 – Period when households usually purchase groceries, HBS 2012

| Period | Percentage of households |
|--------------------------------|---------------------------------|
| First week of the month | 32.8 |
| Second week of the month | 12.2 |
| Third week of the month | 6.7 |
| Fourth week of the month | 30.9 |
| When needed (on/off purchases) | 70.0 |
| Other | 3.0 |

Note: The percentages do not add to 100 due to multiple answers

Appendix 1

Annex tables to text

Table A2.1 – Distribution (%) of households by household size, 2006/07 and 2012 HBS

| Household size | 2006/07 | 2012 |
|-------------------------------|--------------|--------------|
| 1 | 6.9 | 8.3 |
| 2 | 16.7 | 18.8 |
| 3 | 21.5 | 21.4 |
| 4 | 29.8 | 28.7 |
| 5 | 15.2 | 13.8 |
| 6 or more | 9.9 | 9.0 |
| Total | 100.0 | 100.0 |
| Average household size | 3.7 | 3.5 |

Table A2.2 – Distribution (%) of households by household type, 2006/07 and 2012 HBS

| Household type | Distribution of households | |
|--|----------------------------|--------------|
| | 2006/07 | 2012 |
| Single member household | 6.9 | 8.3 |
| Couple without children | 10.4 | 11.4 |
| Couple with unmarried children | 52.6 | 48.6 |
| One parent with unmarried children | 8.0 | 9.5 |
| <i>of which</i> | | |
| <i>One male parent with unmarried children</i> | <i>1.0</i> | <i>1.7</i> |
| <i>One female parent with unmarried children</i> | <i>7.0</i> | <i>7.8</i> |
| Other | 22.1 | 22.2 |
| Total | 100.0 | 100.0 |

Table A2.3– Distribution (%) of households by regional stratum and tenure, 2012 HBS

| Regional stratum | Type of tenure | | | Total |
|------------------|---|------------|---------------------------|--------------|
| | Owner occupied and supplied free by parents/relatives | Rented | Supplied free by employer | |
| Urban | 88.7 | 10.5 | 0.8 | 100.0 |
| Rural | 95.5 | 3.5 | 1.0 | 100.0 |
| Total | 92.7 | 6.4 | 0.9 | 100.0 |

Table A2.5 – Distribution (%) of households with selected durable goods, 2006/07 and 2012 HBS

| Household durable goods | Percentage of households | |
|----------------------------------|--------------------------|------|
| | 2006/07 | 2012 |
| Television | 95.9 | 97.3 |
| Stereo / Hi-fi | 45.9 | 43.7 |
| VCD / DVD | 62.7 | 71.6 |
| Refrigerator | 89.2 | 93.7 |
| Washing Machine | 61.1 | 71.6 |
| Microwave Oven | 41.6 | 60.1 |
| Vacuum Cleaner | 14.9 | 16.5 |
| Air Conditioner | 4.8 | 11.2 |
| Fixed Telephone | 75.7 | 67.2 |
| Mobile Telephone | 74.2 | 91.1 |
| Personal Computer (inc. Laptop) | 26.3 | 43.2 |
| Electric Shower | 19.6 | 14.2 |
| Gas Shower | 34.9 | 44.2 |
| Solar Water Heater | N/A | 17.3 |
| Water Tank | N/A | 48.0 |
| Water Pump | N/A | 15.9 |
| TNT Decoder (MBC) | N/A | 62.2 |

N/A: Not Applicable

Table A3.4.1 –Distribution(%) of working persons by industry group and sex, 2012 HBS

| Industry Group | Male | Female | Total |
|--|--------------|---------------|--------------|
| Agriculture, forestry and fishing | 7.9 | 4.7 | 6.8 |
| Manufacturing, mining and quarrying | 15.6 | 19.0 | 16.8 |
| Electricity, gas, steam and air-conditioning supply | 0.7 | 0.1 | 0.5 |
| Water supply; sewerage, waste management and remediation activities | 0.9 | 0.4 | 0.8 |
| Construction | 16.3 | 0.8 | 10.8 |
| Wholesale and retail trade; repair of motor vehicles and motorcycles | 13.3 | 15.8 | 14.2 |
| Transportation and storage | 8.8 | 1.7 | 6.3 |
| Accommodation and food service activities | 7.3 | 7.5 | 7.4 |
| Information and Communication | 1.9 | 1.4 | 1.7 |
| Real estate activities, financial and insurance activities | 2.5 | 4.9 | 3.4 |
| Professional, scientific and technical activities | 2.1 | 3.2 | 2.5 |
| Administrative and support service activities | 4.3 | 4.5 | 4.3 |
| Public administration and defence; compulsory social security | 9.9 | 7.3 | 9.0 |
| Education | 3.1 | 9.3 | 5.3 |
| Human health and social work activities | 1.6 | 3.9 | 2.4 |
| Arts, entertainment and recreation | 1.6 | 1.0 | 1.4 |
| Other services | 2.2 | 14.4 | 6.5 |
| Total | 100.0 | 100.0 | 100.0 |

Table A3.4.2 – Average number of hours worked per week by industry group, 2012 HBS

| Industry Group | Average number of hours worked per week |
|--|--|
| Agriculture, forestry and fishing | 34.2 |
| Manufacturing, mining and quarrying | 43.5 |
| Electricity, gas, steam and air-conditioning supply | 43.6 |
| Water supply; sewerage, waste management and remediation activities | 41.1 |
| Construction | 40.4 |
| Wholesale and retail trade; repair of motor vehicles and motorcycles | 44.1 |
| Transport and storage | 44.8 |
| Accommodation and food service activities | 45.4 |
| Information and Communication | 42.1 |
| Real estate activities, financial and insurance activities | 40.0 |
| Professional, scientific and technical activities | 39.1 |
| Administrative and support service activities | 46.7 |
| Public administration and defence; compulsory social security | 40.2 |
| Education | 30.3 |
| Human health and social work activities | 40.6 |
| Arts, entertainment and recreation | 40.3 |
| Other services | 31.6 |
| Total | 40.8 |

Table A3.5 – Average number of hours worked per week by major occupational group, 2012 HBS

| Major Occupational Group | Average number of hours worked per week |
|--|--|
| Legislators, Senior Officials and Managers | 43.6 |
| Professionals | 34.5 |
| Technicians and Associate Professionals | 41.2 |
| Clerks | 39.7 |
| Service Workers and Shop Sales Workers | 45.7 |
| Skilled Agricultural and Fishery Workers | 33.6 |
| Craft and Related Trades Workers | 40.6 |
| Plant and Machine Operators and Assemblers | 46.3 |
| Elementary Occupations | 37.3 |
| Total | 40.8 |

Table A4.1 Distribution (%) of monthly household gross income by source of income and income quintile, 2012 HBS

| Income Quintile | Wages and Salaries | Entrepreneurial | Transfer | Property & other income |
|-----------------|--------------------|-----------------|-------------|-------------------------|
| First quintile | 36.0 | 10.5 | 52.4 | 1.1 |
| Second quintile | 58.8 | 18.2 | 22.3 | 0.8 |
| Third quintile | 65.5 | 17.6 | 16.0 | 0.9 |
| Fourth quintile | 70.9 | 15.5 | 12.7 | 0.9 |
| Fifth quintile | 77.7 | 12.3 | 7.8 | 2.2 |
| Total | 70.4 | 14.3 | 13.8 | 1.5 |

Table A4.3.1 – Distribution (%) of households and total income by income class, 2006/07 and 2012 HBS

| Monthly Household Disposable Income (Rs) | 2006/07 HBS | | 2012 HBS | |
|--|----------------|------------------|----------------|------------------|
| | Households (%) | Total Income (%) | Households (%) | Total Income (%) |
| Under 5000 | 6.4 | 1.1 | 3.5 | 0.4 |
| 5000 to < 10000 | 20.2 | 8.2 | 10.9 | 2.7 |
| 10000 to < 12000 | 10.6 | 6.0 | 5.7 | 2.1 |
| 12000 to < 14000 | 9.9 | 6.7 | 6.1 | 2.7 |
| 14000 to < 16000 | 9.1 | 7.1 | 6.3 | 3.2 |
| 16000 to < 18000 | 6.8 | 6.0 | 5.9 | 3.5 |
| 18000 to < 20000 | 5.4 | 5.4 | 5.9 | 3.8 |
| 20000 to < 25,000 | 10.3 | 12.1 | 13.4 | 10.2 |
| 25000 to < 30,000 | 6.7 | 9.5 | 9.6 | 8.9 |
| 30000 to < 35,000 | 3.8 | 6.5 | 7.1 | 7.8 |
| 35000 to < 40,000 | 3.0 | 5.8 | 5.0 | 6.3 |
| 40000 & above | 7.8 | 25.6 | 20.6 | 48.4 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 |

Table A4.3.2 – Some selected measures of monthly household income, 1975, 1980/81, 1986/87, 1991/92, 1996/97, 2001/02 2006/07 and 2012 HBS

| Measures of monthly household income | Household Budget Survey | | | | | | | |
|---------------------------------------|-------------------------|---------|---------|---------|---------|---------|---------|--------|
| | 1975 | 1980/81 | 1986/87 | 1991/92 | 1996/97 | 2001/02 | 2006/07 | 2012 |
| Average monthly household income (Rs) | 740 | 2,212 | 3,496 | 6,503 | 10,179 | 14,232 | 19,083 | 29,421 |
| Median monthly household income (Rs) | 552 | 1,518 | 2,663 | 5,300 | 7,870 | 11,150 | 14,640 | 21,848 |
| Gini coefficient | 0.42 | 0.445 | 0.396 | 0.379 | 0.387 | 0.371 | 0.388 | 0.414 |

Table A4.5 – Average monthly and per capita household income by household size, 2012 HBS

| Size of household | Household monthly income (Rs) | |
|-----------------------|-------------------------------|--------------|
| | Average | Per capita |
| One | 11,322 | 11,322 |
| Two | 22,801 | 11,401 |
| Three | 30,092 | 10,031 |
| Four | 33,719 | 8,430 |
| Five | 34,135 | 6,827 |
| 6 or more | 37,360 | 5,712 |
| All households | 29,421 | 9,103 |

Table A5.3 – Distribution (%) of households by consumption expenditure class and regional stratum, 2012 HBS

| Consumption expenditure class (Rs) | Regional Stratum | | |
|------------------------------------|------------------|--------------|--------------------|
| | Urban (%) | Rural (%) | All Households (%) |
| Less than 5,000 | 4.2 | 5.1 | 4.7 |
| 5,000 to < 7,500 | 6.9 | 7.9 | 7.5 |
| 7,500 to < 10,000 | 10.6 | 12.3 | 11.6 |
| 10,000 to < 12,500 | 10.4 | 11.6 | 11.1 |
| 12,500 to < 15,000 | 11.5 | 12.2 | 12.0 |
| 15,000 to < 20,000 | 16.7 | 17.8 | 17.3 |
| 20,000 to < 30,000 | 19.6 | 18.6 | 19.0 |
| 30,000 to < 40,000 | 9.0 | 6.6 | 7.6 |
| 40,000 to < 50,000 | 4.3 | 3.3 | 3.7 |
| 50,000 and above | 6.8 | 4.6 | 5.5 |
| All Classes | 100.0 | 100.0 | 100.0 |

Table A5.4.1– Average monthly and per capita household consumption expenditure by household size, 2012 HBS

| Size of household | Monthly household consumption expenditure (Rs) | |
|-----------------------|--|--------------|
| | Mean | Per capita |
| One | 9,471 | 9,471 |
| Two | 17,075 | 8,537 |
| Three | 21,846 | 7,282 |
| Four | 24,457 | 6,114 |
| Five | 23,513 | 4,703 |
| 6 or more | 25,474 | 3,918 |
| All households | 21,231 | 6,704 |

Table A5.4.2 – Average monthly and per capita household consumption expenditure by type of households, 2012 HBS

| Type of households | Monthly household consumption expenditure (Rs) | |
|---|--|--------------|
| | Mean | Per capita |
| Single member household | 9,471 | 9,471 |
| Couple without children | 19,290 | 9,645 |
| Couple with unmarried children | 24,470 | 6,481 |
| One male parent with unmarried children | 17,996 | 7,121 |
| One female parent with unmarried children | 14,863 | 6,013 |
| Other households | 22,018 | 4,866 |
| All types of households | 21,231 | 6,704 |

Table A6.1.1 – Indebted households (%) by item of debt, 2006/07 & 2012 HBS

| Item of debt | Indebted households (%) | |
|------------------------|-------------------------|-------------|
| | 2006/07 | 2012 |
| House | 54.7 | 57.5 |
| Motor vehicle | 11.6 | 13.4 |
| Furniture | 14.8 | 14.3 |
| Audio-visual equipment | 12.7 | 9.9 |
| Household appliances | 18.0 | 17.5 |
| Education | 9.4 | 7.2 |
| Health | 0.7 | 2.3 |
| Other miscellaneous** | 40.0 | 33.4 |
| All items | 46.5 | 45.3 |

Table A6.1.2 – Average monthly loan repayment by item of debt, 2006/07 & 2012 HBS

| Item of debt | Average monthly loan repayment by indebted households on specific items (Rs) | |
|------------------------|--|--------------|
| | 2006/07 | 2012 |
| House | 3,891 | 6,690 |
| Motor vehicle | 4,036 | 5,960 |
| Furniture | 1,214 | 1,510 |
| Audio-visual equipment | 860 | 1,210 |
| Household appliances | 1,146 | 1,300 |
| Education | 3,581 | 5,470 |
| Health | 2,711 | 2,650 |
| Other miscellaneous** | 2,252 | 3,480 |
| All items | 4,353 | 6,830 |

** include debt on wedding, computer, mobile phone, solar water heater and personal loans

Table A6.6 – Indebted households (%) by type of households, 2012 HBS

| Type of households | Percentage |
|---|-------------|
| Single member household | 12.9 |
| Couple without children | 29.9 |
| Couple with unmarried children | 55.9 |
| One male parent with unmarried children | 44.8 |
| One female parent with unmarried children | 32.1 |
| Other households | 46.7 |
| All types of households | 45.3 |

Table A7.1.2 – Distribution (%) of outlets visited by households for buying fresh vegetables and fresh fruits, 2012 HBS

| Outlet Type | Fresh Vegetables | Fresh Fruits |
|------------------------|------------------|--------------|
| Market (Bazar) | 59.6 | 55.1 |
| Open Market (La Foire) | 22.9 | 17.8 |
| Street Vendor | 8.4 | 13.0 |
| Supermarkets | 5.0 | 9.6 |
| Shops | 4.1 | 4.5 |

Appendix 2

Concepts & Definitions

Household size

The household size is defined as the number of persons living in the household irrespective of age and relationship to the head.

Household gross income

Household gross income consists of regular receipts, both in cash or in kind, accruing to members of the household before compulsory deductions and taxes. It is made up of employee income, self-employment or entrepreneurial income, property income, transfer income and other income.

(a) Employee income

Employee income refers to all regular income from paid employment including travelling allowance, rent allowance, bonuses and gratuities as well as any income received in kind. It is to be noted that income derived by employees from subsidiary or parallel business was also included as employee income. However, employers' contributions to social security, pensions and insurance schemes on behalf of employees were excluded.

Estimates of monthly employee income refer to the monthly equivalent income. These are based on the last pay; in cases where the period covered was not monthly, the pay was adjusted to a monthly equivalent income. In addition, the amount received as end of year bonus and leave refund was divided by twelve to obtain the equivalent average monthly income.

(b) Self-employment or entrepreneurial income

Self-employment or entrepreneurial income is defined as the net income derived from self-employment in household enterprises, business, trade, crop cultivation and independent professional activities.

(c) Property income

Property income relates to net receipts derived from ownership of assets and includes interests, dividends as well as rent of buildings, land, machinery and equipment.

(d) Transfer income

Transfer income consists of pensions and allowances from government and private organisations as well as inter household transfers such as alimony, child support, parental support and, goods and services from social organisations.

(e) Other income

Other income is mainly the value of goods produced by households for their own consumption. These were valued at the market prices prevailing during the reference period.

Household disposable income

The household disposable income is defined as the gross household income less compulsory deductions such as income tax (PAYE) and contributions to pensions and social security schemes.

Unless otherwise stated, household disposable income has been used as the analytical income measure since it is close to the total income available for consumption expenditure during the accounting period.

Other household receipts

Receipts that are non-regular or non-recurring were not considered as income, but as other receipts.

These are

- a) money derived from sale of property and possessions;
- b) withdrawals from savings;
- c) loans obtained;
- d) repayments of loans by other households;
- e) cash gifts from other households; and
- f) capital transfers such as inheritances, lump sum, etc.

Household receipts are defined as the sum of household disposable income and other household receipts.

Income quintile

Households are ranked according to their disposable income from lowest to highest. Then they are divided into 5 equal classes with each containing one fifth of the total households.

Household consumption expenditure

Household consumption expenditure refers to all money expenditure by households on goods and services for consumption as well as the value of goods received as income in kind and consumed by the households. Thus, goods produced by households and utilised for their own consumption as well as those received free or at a reduced price, are included at prevailing market prices. It does not, however, include the value for education, health, transport and other services received free from the government as well as the rental value of owner-occupied and free housing. This concept of household consumption expenditure is different as in the System of National Accounts which includes imputed rental of owner-occupied housing.

Excluded from the household consumption expenditure are direct taxes such as income tax; social security contributions; life insurance premiums; saving bank deposits; repayment of loans; loans provided to other households; disbursement for investments such as purchase of land, houses and major house repairs; gambling losses; and cash grants to other households.

Comparison of expenditure against income

The HBS provides information about both expenditure and income, but it would be misleading to consider the difference between the average monthly income and the average monthly expenditure as shown in the tables in this report as a measure of savings for the following reasons:

- a) Household savings is expressed along the concept of household wealth where all forms of income and expenditure have to be measured. But, the HBS focuses on regular forms of income and expenditure of current consumption. Thus, the average monthly household income does not include non-regular income such capital transfers or windfall gains (inheritances, lump-sum receipts and lotteries) while the average monthly consumption expenditure does not include non-consumption expenditure such as income tax, social security contributions; life insurance premiums and mortgage repayment.

- b) The income and expenditure data do not relate to the same reference period.
- i) Employee income does not refer to the actual income received during the survey month, but is an estimate of the monthly equivalent income, having been adjusted for end of year bonus. Income from self-employment relates to the previous accounting period while property income such as interests and dividends may relate to period earlier than the survey month.
- ii) Expenditure data were collected on an acquisition basis, i.e., the cost of some goods acquired during the survey month was considered as expenditure regardless of whether the household paid for them during the month. Hence, the value of goods acquired on hire purchase during the survey month was considered as expenditure even though the total amount was not paid during that month.
- c) A household expenditure in a particular month may not necessarily be paid from the income received during the same month. It could also have been paid from non-regular receipts (which are not considered as income) such as inheritances, lump-sum receipts and money withdrawn from savings or obtained by way of loan.