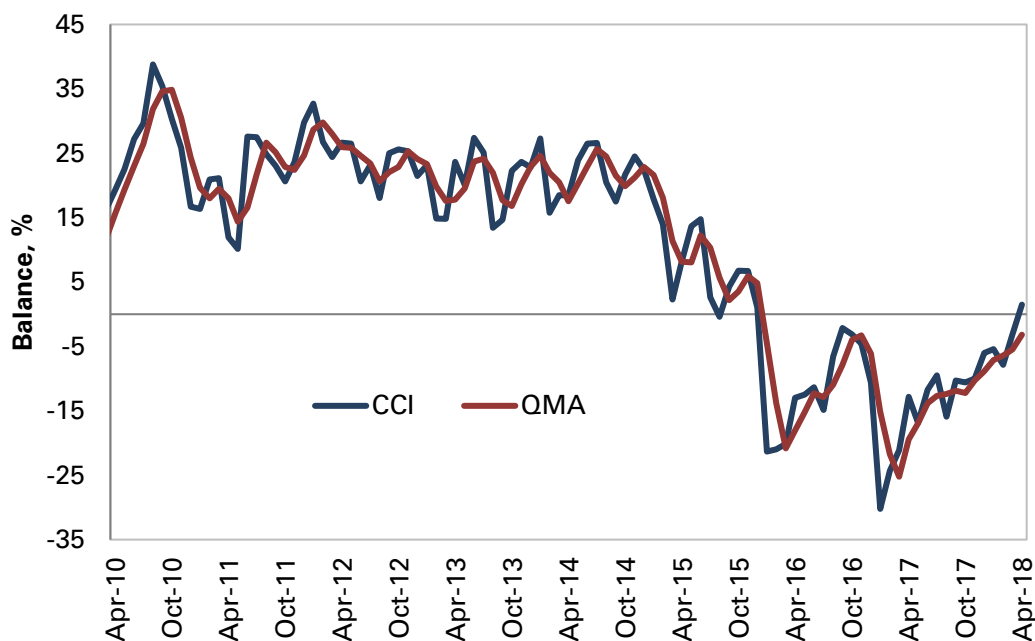


In April, the Consumer Confidence Index (ICC) improved by 4.6 percentage points with respect to the previous month, placing it in positive territory after 27 months. The monthly increase was explained by a strong rebound in the consumer expectations index and better results in the economic conditions index. Consumer confidence improved in four of the five cities surveyed compared to March. Willingness to buy a house increased compared to last month and was higher than one year ago. Finally, willingness to buy personal property and household appliances showed a considerable improvement compared to the previous month.

According to the results of the most recent measurement of the Consumer Opinion Survey (COS), in April the Consumer Confidence Index (CCI) recorded a balance of 1.5%, placing itself in positive territory after 27 months. The improvement represents an increase of 4.6 percentage points (pps) compared to the previous month and of 14.3 pps compared to April 2017 (Graph 1).

**Graph 1. Consumer Confidence Index (CCI)**



**Source:** Consumer Opinion Survey (COS) – Fedesarrollo  
QMA: Quarterly moving average

**The improvement in consumer confidence compared to March is due to an increase in both the economic conditions index and the consumer expectations index.**

The ICC has five components, the details of which are presented in Table 1. The first three refer to the expectations of households in a given year, while the other two refer to the perception of consumers about the current economic situation. The Consumer Expectations Index (CEI) is constructed with the first three and the Economic Conditions Index (ECI) with the remaining two.

The increase in the CCI with respect to March is explained by increases of 6.4 pps in the consumer expectations index and 2.0 pps in the economic conditions indicator. On the other hand, compared to April 2017, the consumer expectations index increased by 17.0 pps and the economic conditions indicator by 10.3 pps (Graph 2).

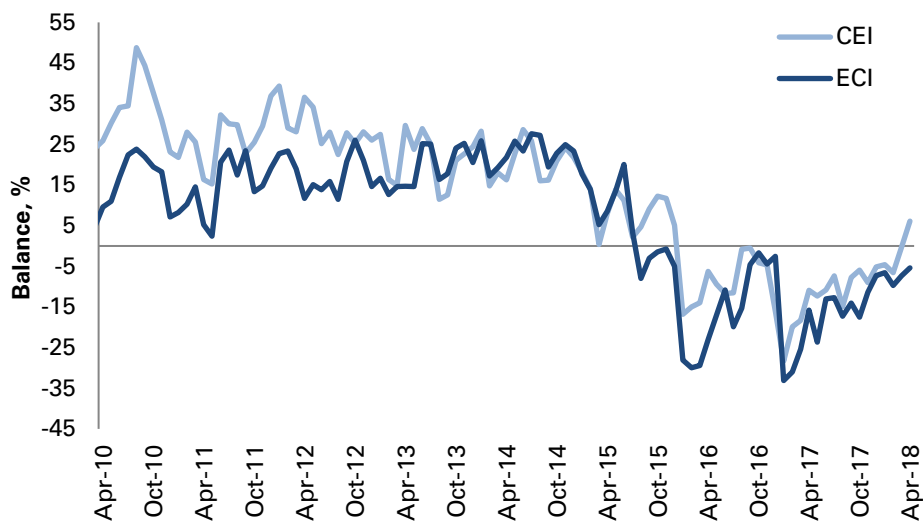
**Table 1. Evolution of the components of the CCI  
(Balances between favorable and unfavorable responses, %)**

Variable / Balance %	2016	2017	2018	
	April	April	March	April
<b>Consumer Confidence Index - CCI</b>	<b>-13.0</b>	<b>-12.8</b>	<b>-3.2</b>	<b>1.5</b>
<b>A. Consumer Expectations Index - CEI</b>	<b>-6.3</b>	<b>-10.9</b>	<b>-0.3</b>	<b>6.1</b>
-Do you think that within a year your household will economically do better, worse or the same than now?	26.3	18.7	26.3	28.4
-Do you think that within the next twelve months we will have good or bad economic times?	-31.5	-33.6	-21.3	-13.1
-Do you think that the country's economic conditions will be better or worse within a year than they currently are?	-13.6	-17.8	-6.0	2.9
<b>B. Economic Conditions Index - ECI</b>	<b>-23.1</b>	<b>-15.7</b>	<b>-7.4</b>	<b>-5.4</b>
- Do you think that your household is economically doing better or worse than a year ago?	-15.8	-17.4	-8.6	-10.7
-Do you think this is a good time to purchase big items such as furniture and appliances?	-30.3	-14.1	-6.2	-0.1

**Source:** Consumer Opinion Survey (COS) – Fedesarrollo.

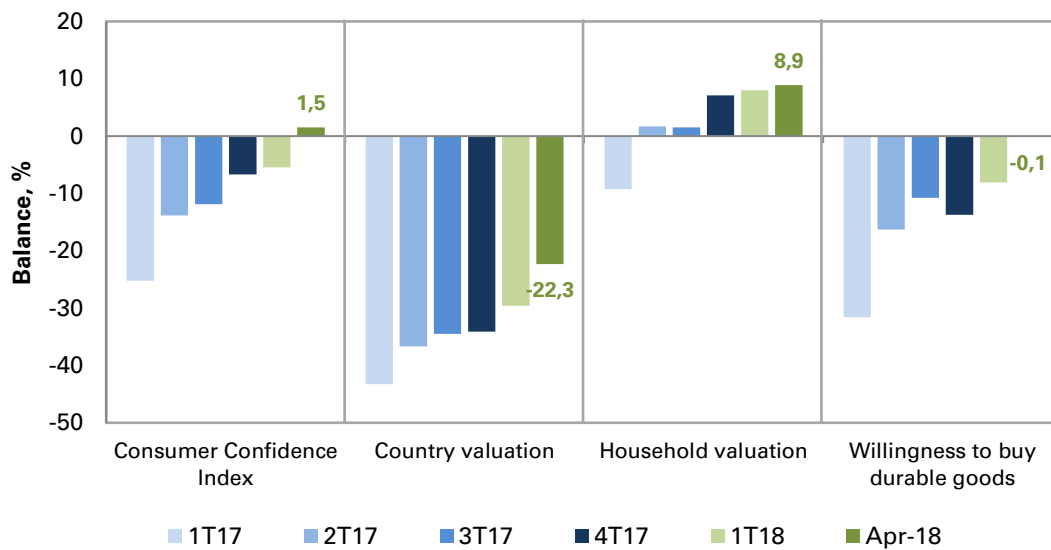
Results for April showed an improvement in confidence compared to the first quarter of 2018 (Graph 3). This is explained by an increase in both the valuation of the country, although it remains in highly negative values, and in the valuation of the household, which is consolidated in positive domain. On the other hand, willingness to buy durable goods continued to improve.

**Graph 2. Consumer Expectations Index (CEI) – Economic Conditions Index (ECI)**



Source: Consumer Opinion Survey (COS) – Fedesarrollo.

**Graph 3. Perception of consumers about the situation of the country and the household**



Source: Consumer Opinion Survey (COS) – Fedesarrollo

**In April, the CCI improved relative to the previous month in four of the five surveyed cities, mainly in Bucaramanga. With respect to April 2017, confidence increased in all the cities analyzed.**

The results of the CCI disaggregated by city show a monthly increase in Bucaramanga (32.8 pps), Barranquilla (11.1 pps), Cali (10.0 pps), and Bogotá (3.7 pps), although in the latter, together with Medellín, confidence remains negative (Table 2). Compared to April of the previous year, consumer confidence increased in all the cities surveyed, especially in Bucaramanga (Table 2).

**Table 2. Evolution of the CCI by cities**

City, Balance %	2016	2017	2018	
	April	April	March	April
Bogotá	-15.2	-17.7	-5.6	-1.9
Medellín	-15.2	-17.4	-5.8	-12.0
Cali	-7.4	0.4	5.9	15.9
Barranquilla	-1.2	2.1	8.3	19.4
Bucaramanga	-13.6	-4.8	-14.7	18.1
<b>Total</b>	<b>-13.0</b>	<b>-12.8</b>	<b>-3.2</b>	<b>1.5</b>

Source: Consumer Opinion Survey (COS) – Fedesarrollo

**Consumer confidence increased in all socioeconomic levels relative to March and April 2017.**

Disaggregating the results of the CCI by socioeconomic level, an increase was observed in all levels compared to the previous month, particularly in the high level where an increase of 18.0 pps was registered. Compared to April 2017, consumer confidence improved in the high, medium and low levels, by 26.5 pps, 14.9 pps and 12.3 pps respectively (Table 3).

**Table 3. Evolution of the CCI by income level**

Income level. Balance %	2016	2017	2018	
	April	April	March	April
High	-20.0	-18.7	-10.2	7.8
Medium	-14.8	-10.2	4.1	4.8
Low	-10.5	-14.8	-9.9	-2.6
<b>Total</b>	<b>-13.0</b>	<b>-12.8</b>	<b>-3.2</b>	<b>1.5</b>

Source: Consumer Opinion Survey (COS) – Fedesarrollo

**Willingness to buy a house increased relative to the previous month and April 2017. Compared to March, this indicator showed an improvement in three of the five surveyed cities.**

In April, the index of willingness to buy a house recorded a balance of 2.7%, which is equivalent to an increase of 0.3 pps compared to the previous month and an increase of 2.4 pps relative to April of 2017 (Table 4). Results by city showed that willingness to buy a house improved in Bucaramanga, Barranquilla and Cali compared to the previous month and April 2017.

**Table 4. Willingness to buy a house by cities**

City. Balance %	2016	2017	2018	
	April	April	March	April
Bogotá	-12.3	-7.0	-7.1	-10.0
Medellín	-6.3	10.0	6.8	5.4
Cali	-1.5	5.0	23.0	29.1
Barranquilla	6.8	26.4	23.9	31.6
Bucaramanga	-20.8	-9.5	5.3	18.7
<b>Total</b>	<b>-8.2</b>	<b>0.3</b>	<b>2.4</b>	<b>2.7</b>

Source: Consumer Opinion Survey (COS) – Fedesarrollo

**Willingness to buy a house increased in the high and low socioeconomic levels compared to the previous month and April 2017.**

Disaggregated by socioeconomic level, willingness to buy a house showed a monthly increase of 4.4 pps at the high level and 1.3 pps at the low level. Compared to April 2017, there was an increase of 3.7 pps in the high level, of 3.3 pps in the medium level and of 1.5 pps in the low level.

**Table 5. Willingness to buy housing by socioeconomic level**

Income level , Balance %	2016	2017	2018	
	April	April	March	April
High	-50.2	4.0	3.4	7.7
Middle	-13.6	-3.6	0.7	-0.3
Low	1.1	3.8	4.0	5.3
<b>Total</b>	<b>-8.2</b>	<b>0.3</b>	<b>2.4</b>	<b>2.7</b>

Source: Consumer Opinion Survey (COS) – Fedesarrollo

**Willingness to buy furniture and home appliances increased compared to the previous month and April 2017.**

The balance of answers about whether it is a good or bad time to buy goods such as furniture and appliances was -0.1% in April, which represented an increase of 6.0 pps compared to March and 14.0 pps compared to April 2017. Compared to the previous month, the willingness to buy durable goods increased in four of the five cities surveyed, particularly in Bucaramanga (38.0 pps). Compared April 2017, the index increased in all the cities analyzed (Table 6).

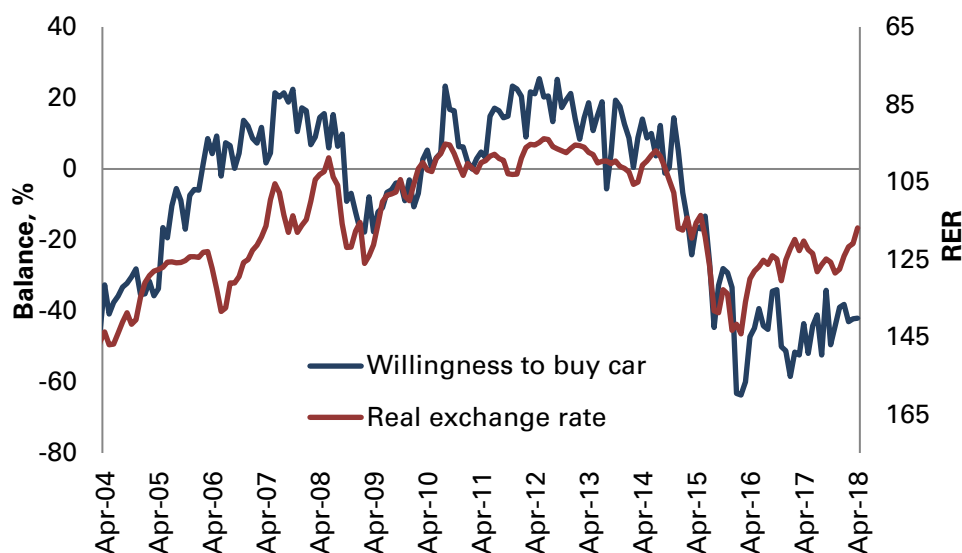
**Table 6. Willingness to buy furniture and home appliances by cities**

City, Balance %	2016	2017	2018	
	April	April	March	April
Bogotá	-37.6	-14.5	-12.2	-7.4
Medellín	-20.7	-29.5	-6.5	-8.1
Cali	-26.7	-3.2	20.6	21.0
Barranquilla	-21.2	5.7	-2.2	28.6
Bucaramanga	-37.0	-18.9	-35.5	2.6
<b>Total</b>	<b>-30.3</b>	<b>-14.1</b>	<b>-6.2</b>	<b>-0.1</b>

Source: Consumer Opinion Survey (COS) – Fedesarrollo

In April, the balance of **willingness to buy vehicles was -42.0%**, a slight increase of **0.2 pps compared to the previous month** and of 1.6 pps compared to April 2017. (Graph 4).

**Graph 4. Willingness to buy car vs. real exchange rate**



Source: Consumer Opinion Survey (COS) – Fedesarrollo and Central Bank of Colombia



Contact us if you would like to have access to  
disaggregated results by city, level of income  
and other survey questions

+57 1 3259777 ext. 340  
[comercial@fedesarrollo.org.co](mailto:comercial@fedesarrollo.org.co)

Published May 17, 2018

Comments to Santiago Gomez: [sgomez@fedesarrollo.org.co](mailto:sgomez@fedesarrollo.org.co)