

Consumer Opinion Survey

April 2019

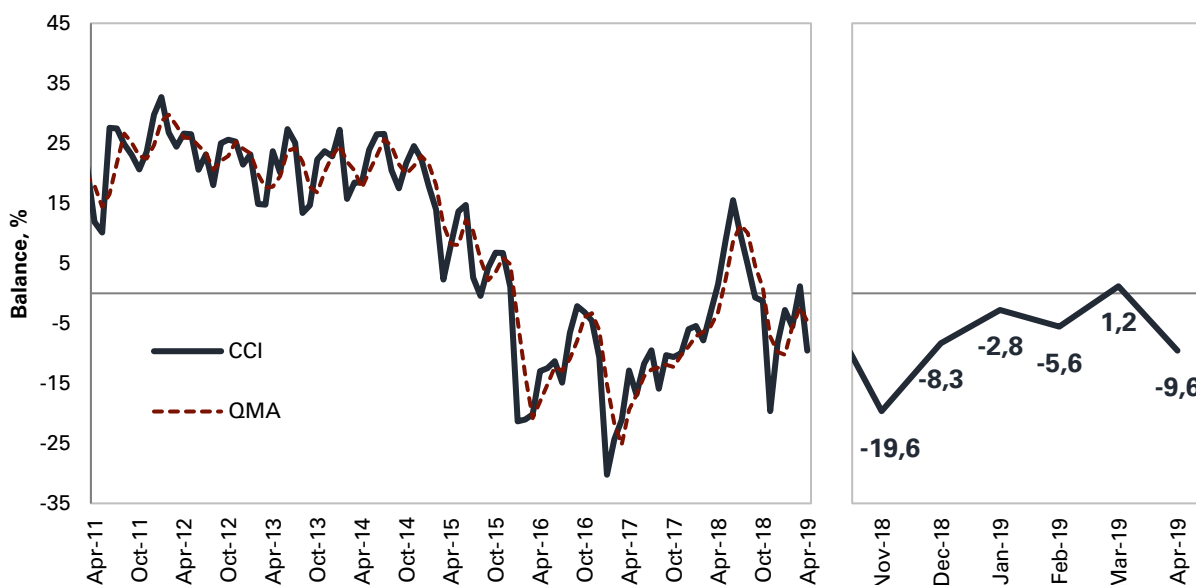
Bulletin 210



In April, the Consumer Confidence Index (CCI) returned to negative territory, recording a balance of -9.6%. This result represents a 10.7 percentage points (pps) reduction compared to the previous month and 11.0 pps decrease relative to the same month of 2018. The reduction compared to previous month was due to a fall in both the Economic Conditions Index and the Consumer Expectations Index. Relative to last month and April 2018, consumer confidence decreased in four of the five cities analyzed. Finally, willingness to buy a house and durable goods decreased relative to previous month and the same period of 2018.

In April, the Consumer Confidence Index (CCI) recorded a balance of -9.6%. This result represents a 10.7 percentage points (pps) reduction compared to previous month and a 11.0 pps deterioration relative to the same period of 2018 (Graph 1).

Graph 1. Consumer Confidence Index (CCI)



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

The drop in consumer confidence relative to both March 2019 and April 2018 was due to a deterioration in both the Consumer Expectations Index and the Economic Conditions Index.

The CCI 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 decrease of the CCI compared to March is explained by a 13.5 pps reduction in the economic conditions index and a 8.9 pps decrease in the consumer expectations index. Relative to April 2018, the consumer expectations index and the economic conditions index decreased by 12.1 pps and 9.5 pps, respectively (Graph 2).

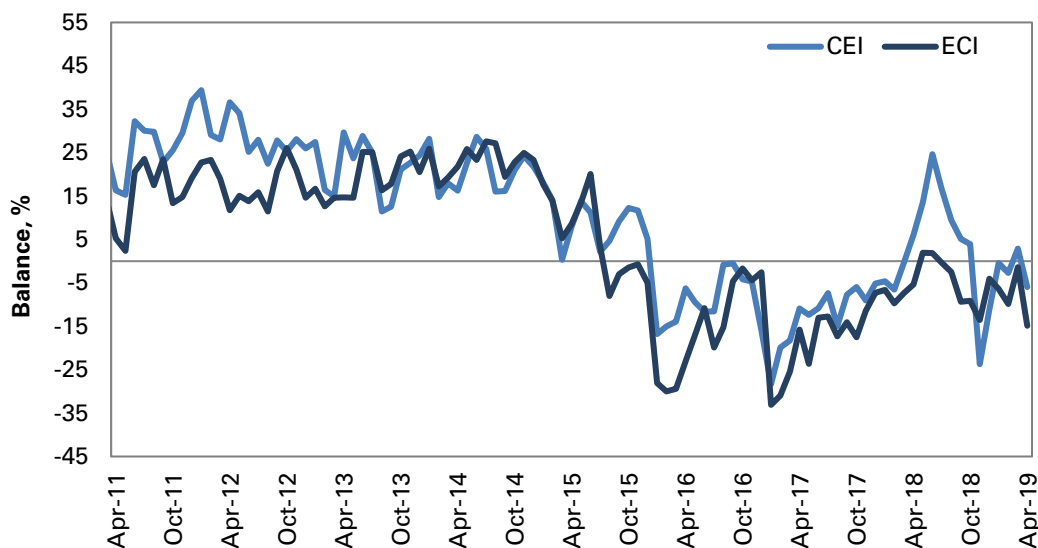
Table 1. Evolution of CCI Components
(Balances between favorable and unfavorable responses, %)

Variable / Balance %	2018	2019	
	April	March	April
Consumer Confidence Index - CCI	1.5	1.2	-9.6
A. Consumer Expectations Index - CEI	6.1	2.9	-6.0
-Do you think that within a year your household will economically do better. worse or the same than now?	28.4	31.7	20.8
-Do you think that within the next twelve months we will have good or bad economic times?	-13.1	-16.8	-23.7
-Do you think that the country's economic conditions will be better or worse within a year than they currently are?	2.9	-6.3	-15.0
B. Economic Conditions Index - ECI	-5.4	-1.4	-14.9
- Do you think that your household is economically doing better or worse than a year ago?	-10.7	-6.6	-18.4
-Do you think this is a good time to purchase items such as furniture and household appliances?	-0.1	3.9	-11.4

Source: Consumer Opinion Survey (COS) – Fedesarrollo

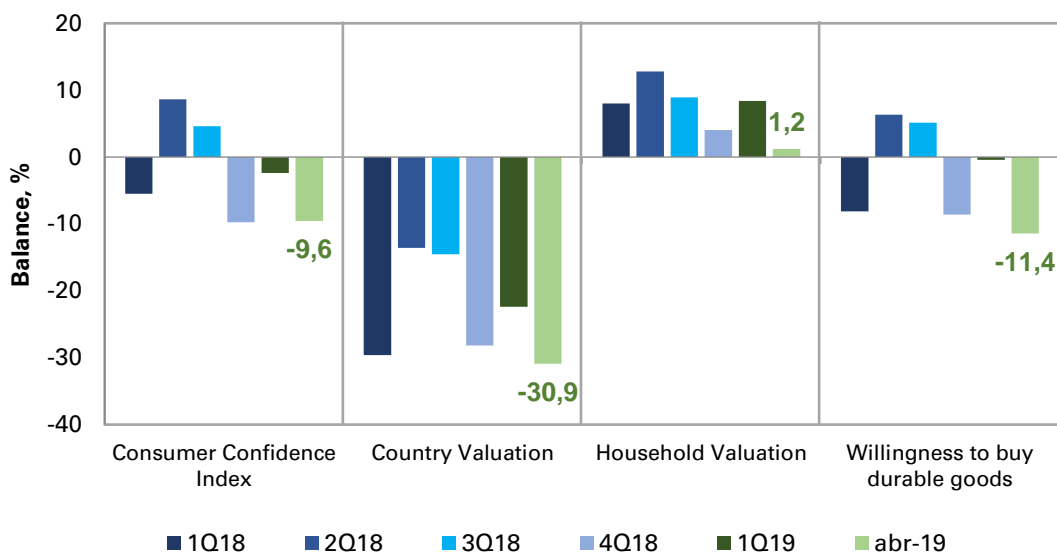
When comparing the results of April with those observed during the first quarter of 2019, both consumers' valuation of country situation and household situation worsened by 8.5 pps and 7.2 pps, respectively. On the other hand, consumers' willingness to buy durable goods stood at -11.4%, which implies a 11.0 pps reduction relative to the average balance recorded during the first quarter of 2019 (Graph 3).

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

Cities. In April, the CCI deteriorated in four of the five surveyed cities compared to previous month. Relative to April 2018, CCI increased only in Medellín.

The CCI declined relative to previous month in Bogotá (13.8 pps), Barranquilla (10.0 pps), Medellín (9.7 pps) and Cali (4.9 pps), and improved in Bucaramanga (5.6 pps). Regarding April 2018, consumers' confidence decreased in all surveyed cities except in Medellín, where confidence improved by 12.8 pps (Table 2).

Table 2. Evolution of the CCI by cities

City. Balance %	2018	2019	
	April	March	April
Bogotá	-1.9	-5.0	-18.8
Medellín	-12.0	10.4	0.8
Cali	15.9	11.4	6.5
Barranquilla	19.4	11.1	1.1
Bucaramanga	18.1	-8.4	-2.8
Total	1.5	1.2	-9.6

Source: Consumer Opinion Survey (COS) – Fedesarrollo

Socioeconomic level. In April, consumers' confidence declined in the middle and low strata over the previous month and April 2018. Meanwhile, the CCI increased in the high strata during both periods.

By socioeconomic level and relative to previous month, the CCI decreased by 12.9 pps and 11.3 pps in the middle and low strata, respectively; while in the high strata it increased by 11.1 pps. Relative to April 2018, consumer confidence declined in the middle (14.6 pps) and low strata (8.9 pps), but increased in the high strata (0.2 pps).

Table 3. Evolution of the CCI by income level

Income Level. Balance %	2018	2019	
	April	March	April
High	7.8	-3.0	8.0
Medium	4.8	3.0	-9.8
Low	-2.6	-0.1	-11.4
Total	1.5	1.2	-9.6

Source: Consumer Opinion Survey (COS) – Fedesarrollo

Housing. Willingness to buy a house decreased compared to last month and April 2018. By cities, this indicator decreased in Bogotá, Cali and Bucaramanga in both periods.

In April, willingness to buy a house stood at -0.9%, equivalent to a deterioration of 2.0 pps compared to previous month and a reduction of 3.6 pps relative to April 2018 (Table 4). Regarding last month, willingness to buy a house improved in Medellín (12.9 pps) and in Barranquilla (8.0 pps) but decreased in the rest of analyzed cities. Relative to April 2018, this indicator deteriorated in Bucaramanga (36.1 pps), and to a lesser extent, in Cali (19.6 pps) and Bogotá (2.5 pps).

Table 4. Willingness to buy a house by cities

City. Balance %	2018		2019	
	April	March	April	March
Bogotá	-10.0	-9.1	-12.5	-10.0
Medellín	5.4	5.1	18.1	5.4
Cali	29.1	26.5	9.5	29.1
Barranquilla	31.6	23.5	31.6	31.6
Bucaramanga	18.7	-8.6	-17.4	18.7
Total	2.7	1.2	-0.9	2.7

Source: Consumer Opinion Survey (COS) – Fedesarrollo

Compared to previous month, willingness to buy a house worsened in the middle and low strata. Regarding April 2018, this indicator improved in the high and middle socioeconomic levels.

In April, willingness to buy a house disaggregated by socioeconomic level, showed a reduction compared to previous month in the middle (5.2 pps) and low strata (2.2 pps), while in the high socioeconomic level it increased by 28.5 pps. Relative to April 2018, this indicator increased in the high (7.0 pps) and medium strata (2.1 pps), but decreased in the low strata (10.5 pps).

Table 5. Willingness to buy a house by socioeconomic level

Income level. Balance %	2018		2019	
	April	March	April	March
High	7.7	-13.7	14.8	7.7
Medium	-0.3	7.1	1.9	-0.3
Low	5.3	-3.0	-5.2	5.3
Total	2.7	1.2	-0.9	2.7

Source: Consumer Opinion Survey (COS) – Fedesarrollo

Durable goods. Willingness to buy furniture and household appliances reduced compared to the previous month and April 2018.

The balance of answers about whether it is a good or bad time to buy goods such as furniture and household appliances was -11.4%. This result represents a 15.3 pps reduction compared to previous month and a 11.3 pps decrease relative to April 2018. In the other hand, compared to last month, willingness to buy durable goods decreased in Cali (24.7 pps) , Bogotá (17.7 pps) and Medellín (13.4 pps), but increased in Bucaramanga (17.7 pps) and Barranquilla (0.5 pps). Regarding April 2018, willingness to buy durable goods decreased in Barranquilla (20.6 pps), Bogotá (14.8 pps), and Cali (14.2 pps), while it increased in the rest of surveyed cities (Table 6).

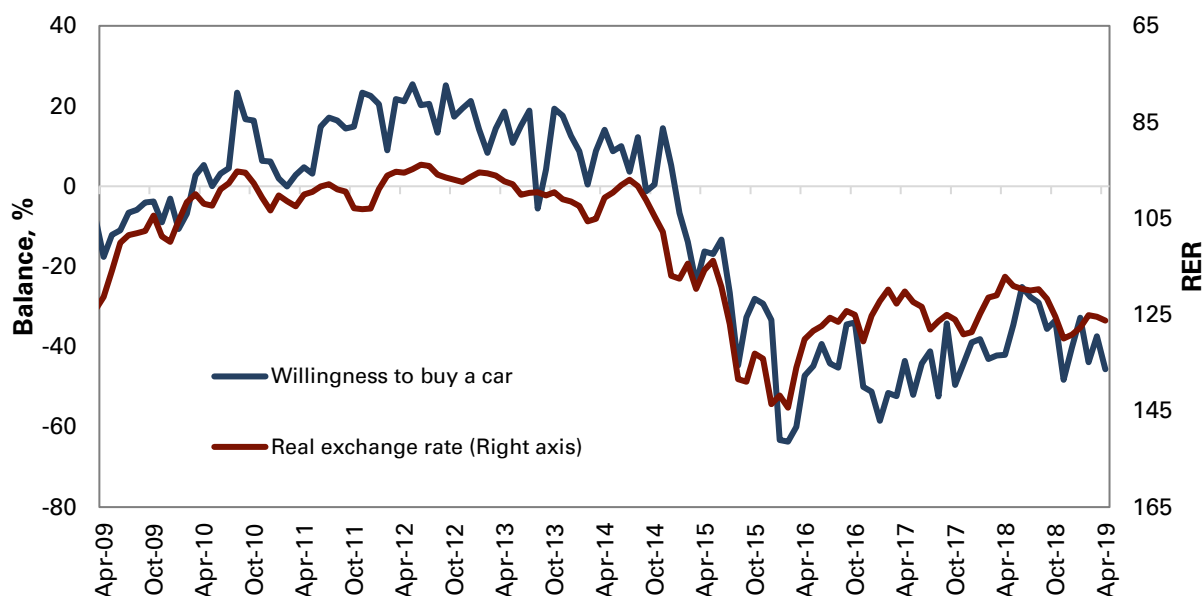
Table 6. Willingness to buy furniture and home appliances by cities

City. Balance %	2018		2019
	April	March	April
Bogotá	-7.4	-4.5	-22.2
Medellín	-8.1	9.7	-3.7
Cali	21.0	31.5	6.8
Barranquilla	28.6	7.6	8.1
Bucaramanga	2.6	-14.8	2.9
Total	-0.1	3.9	-11.4

Source: Consumer Opinion Survey (COS) – Fedesarrollo

Vehicles. In April, willingness to buy a vehicle stood at -45.6%. This implies a 8.2 pps reduction compared to previous month and a 3.6 pps decrease relative to April 2018 (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

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