

Consumer Opinion Survey

August 2019

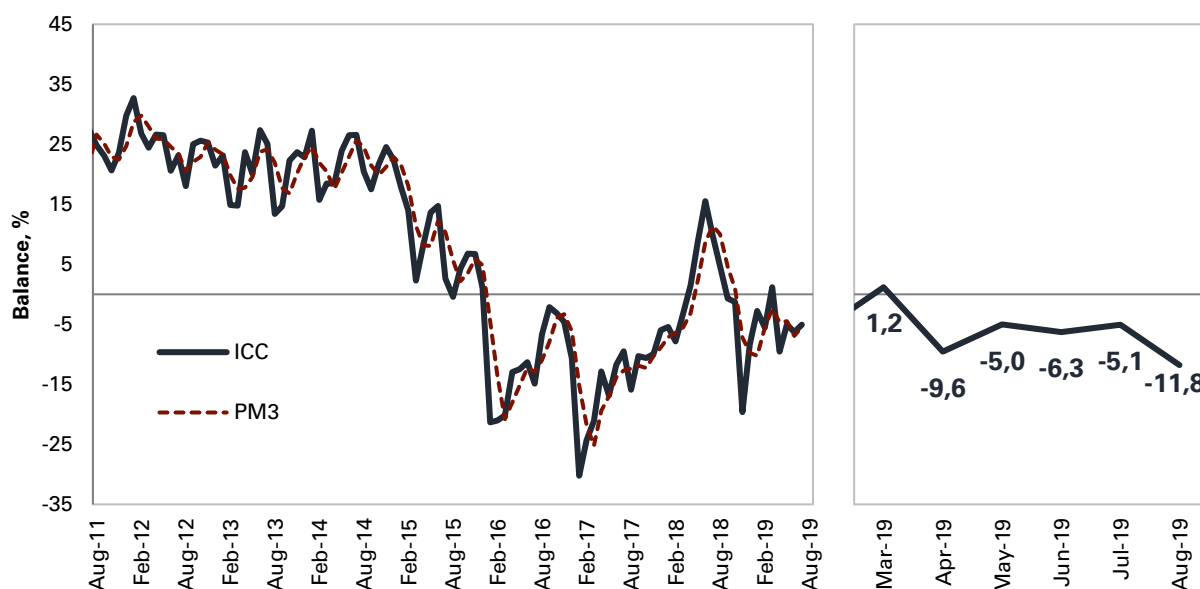
Bulletin 214



In August, the Consumer Confidence Index (CCI) recorded a balance of -11.8%. This represents a decrease of 6.7 percentage points (pps) compared to the previous month. Compared to July 2019, the increase was due to a decrease both in the Economic Conditions Index and in the Consumer Expectations Index. Consumer confidence decreased in the five analyzed cities compared to July 2019. Meanwhile, both the willingness to buy a house and the willingness to buy furniture and home appliances decreased relative to the last month.

According to the results of the Consumer Opinion Survey (COS) of August, the Consumer Confidence Index (CCI) recorded a balance of -11.8%. This value represents a decrease of 6.7 percentage points (pps) compared to the previous month.

Graph 1. Consumer Confidence Index (CCI)



Source: Consumer Opinion Survey (COS) – Fedesarrollo.

QMA: Quarterly moving average

The decrease in consumer confidence compared to July 2019 was due to a decrease in the Economic Conditions Index and in the Consumer Expectations 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 regarding current economic situation. The Consumer Expectations Index (CEI) is constructed with the first three and the Economic Conditions Index (ECI) with the two remaining.

The reduction of the CCI compared to July is explained by a decrease of 8.4 pps in the Consumer Expectations Index and a decrease of 4.1 pps in the Economic Conditions Index.

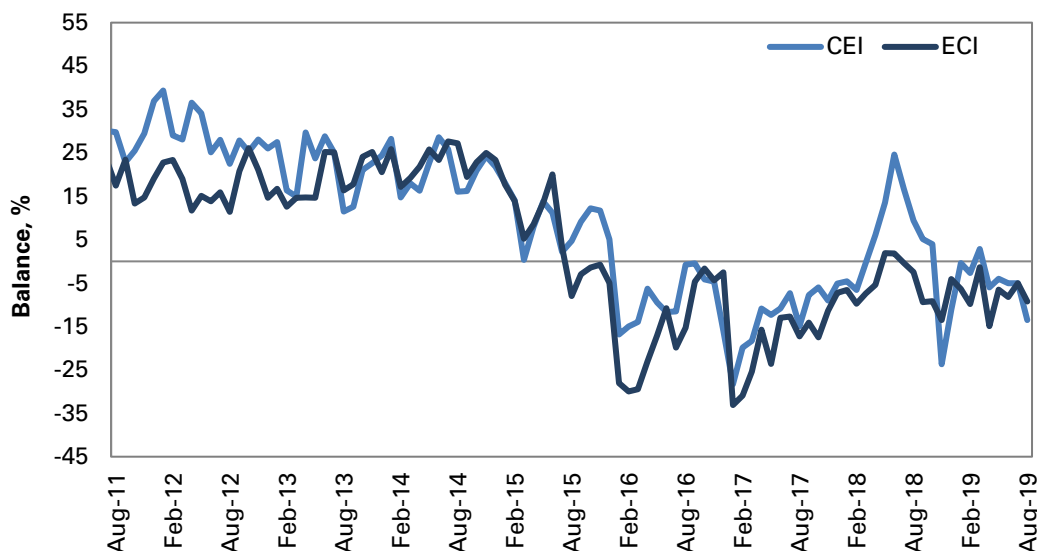
Table 1. Evolution of CCI Components
(Balances between favorable and unfavorable responses, %)

| Variable / Balance % | 2018 | 2019 | |
|---|-------------|-------------|--------------|
| | August | July | August |
| Consumer Confidence Index - CCI | 4.7 | -5.1 | -11.8 |
| A. Consumer Expectations Index - CEI | 9.4 | -5.1 | -13.5 |
| -Do you think that within a year your household will economically do better, worse or the same than now? | 31.7 | 26.9 | 18.1 |
| -Do you think that within the next twelve months we will have good or bad economic times? | -6.1 | -30.2 | -36.6 |
| -Do you think that the country's economic conditions will be better or worse within a year than they currently are? | 2.7 | -11.8 | -22.0 |
| B. Economic Conditions Index - ECI | -2.5 | -5.1 | -9.2 |
| - Do you think that your household is economically doing better or worse than a year ago? | -11.6 | -7.4 | -13.3 |
| -Do you think this is a good time to purchase items such as furniture and household appliances? | 6.7 | -2.7 | -5.2 |

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

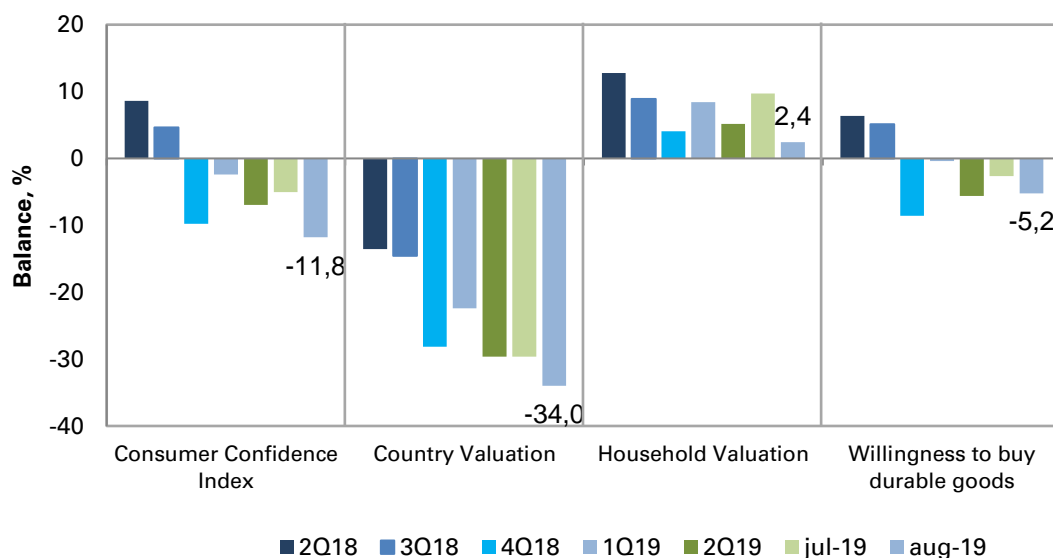
When comparing the results of August with the observed average during the second quarter of 2019, consumer's assessment of their households' situation decreased 2.7 pps, while the consumer's assessment of the country decreased 4.3 pps. On the other hand, consumer's willingness to buy durable goods was -5.2%, this represents an increase of 0.4 pps relative to the average balance recorded during the second 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 August, the CCI decreased in the five surveyed cities compared to July 2019.

The CCI decreased compared to the previous month in Barranquilla (15.1 pps), Medellín (9.5 pps), Cali (6.8 pps), Bogotá (4.8 pps) and Bucaramanga (4.1 pps).

Table 2. Evolution of the CCI by cities

| City, Balance % | 2018 | 2019 | |
|-----------------|------------|-------------|--------------|
| | August | July | August |
| Bogotá | 0.7 | -10.1 | -14.9 |
| Medellín | 11.3 | 5.1 | -4.3 |
| Cali | 8.6 | -3.6 | -10.4 |
| Barranquilla | 7.8 | 7.2 | -7.9 |
| Bucaramanga | 13.1 | -6.1 | -10.3 |
| Total | 4.7 | -5.1 | -11.8 |

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Socioeconomic level. In August, consumer confidence decreased in the low, middle and high strata compared to the previous month.

By socioeconomic level and compared to the previous month, the CCI decreased 7.3 pps in the lower strata, 6.8 pps in the middle strata and 2.3 pps in the upper strata.

Table 3. Evolution of the CCI by income level

| Income Level Balance % | 2018 | 2019 | |
|---------------------------|------------|-------------|--------------|
| | August | July | August |
| High | 17.7 | -6.3 | -8.6 |
| Medium | 10.2 | -5.7 | -12.5 |
| Low | -2.7 | -4.2 | -11.5 |
| Total | 4.7 | -5.1 | -11.8 |

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Housing. The willingness to buy a house decreased 2.3 pps compared to last month. By cities, this indicator increased in Barranquilla and Bogotá relative to July 2019.

In August, the willingness to buy a house was 2.8%, 2.3 pps below the previous month. For this month, willingness to buy a house increased in Barranquilla (8.7 pps) and Bogotá (0.1 pps) while it decreased in Medellín (10.6 pps), Cali (5.8 pps) and Bucaramanga (0.5 pps) compared to what was observed in July 2019.

Table 4. Willingness to buy a house by cities

| City Balance % | 2018 | 2019 | |
|-------------------|------------|------------|------------|
| | August | July | August |
| Bogotá | -17.2 | -9.8 | -9.7 |
| Medellín | 31.1 | 21.1 | 10.4 |
| Cali | 40.3 | 33.2 | 27.4 |
| Barranquilla | 11.2 | 29.5 | 38.1 |
| Bucaramanga | 3.0 | -9.1 | -9.5 |
| Total | 2.8 | 5.1 | 2.8 |

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Compared to the previous month, willingness to buy a house increased in the middle strata.

When analyzing by socioeconomic level in August, willingness to buy a house showed an increase compared to last month in the middle strata (7.4 pps), while it decreased in the high (18.7 pps) and low (10.0 pps) strata compared to what was observed in July 2019.

Table 5. Willingness to buy a house by socioeconomic level

| Income level Balance % | 2018 | 2019 | |
|---------------------------|------------|------------|------------|
| | August | July | August |
| High | 28.7 | 3.8 | -14.9 |
| Medium | 6.8 | 1.6 | 9.0 |
| Low | -4.8 | 8.7 | -1.3 |
| Total | 2.8 | 5.1 | 2.8 |

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Durable goods. Willingness to buy furniture and home appliances decreased 2,6 pps compared to the previous month. By cities, this indicator increased in Bucaramanga and Cali compared to what was observed in July 2019.

The balance of answers about whether it is a good or bad time to buy goods such as furniture and appliances was -5.2% in August. This represents a decrease of 2.6 pps compared to July 2019. Relative to last month, willingness to buy durable goods increased in Bucaramanga (36.9 pps) and Cali (4.3 pps), but decreased in Barranquilla (19.2 pps), Medellín (11.3 pps) and Bogotá (2.0 pps).

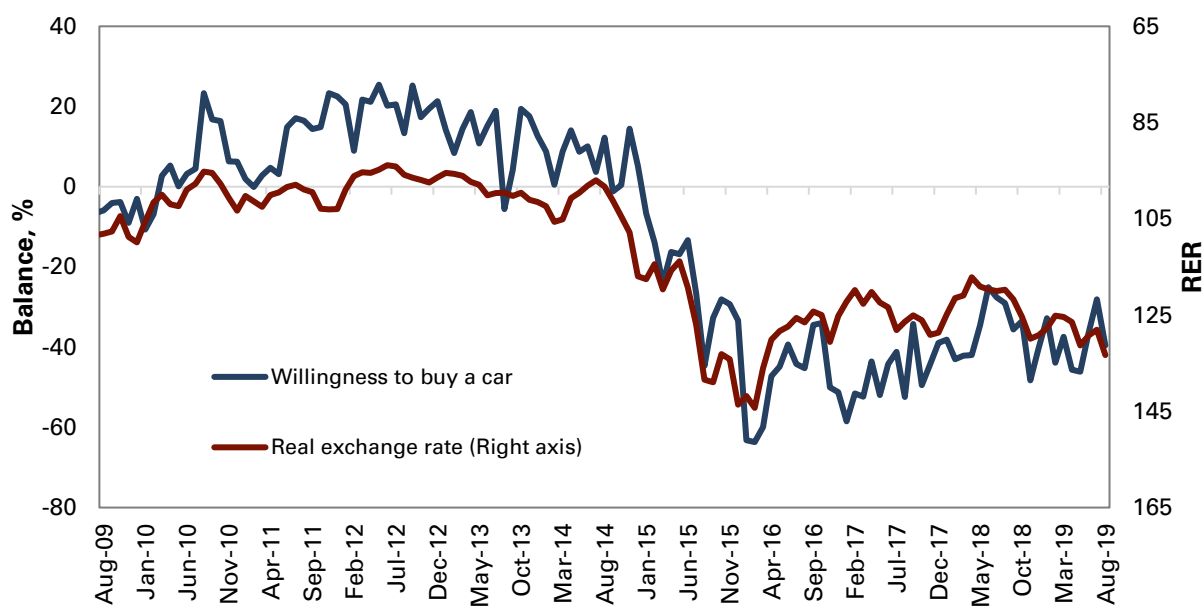
Table 6. Willingness to buy furniture and home appliances by cities

| City. Balance % | 2018 | | 2019 |
|-----------------|------------|-------------|-------------|
| | August | July | August |
| Bogotá | 2.2 | -6.3 | -8.3 |
| Medellín | 15.9 | 4.6 | -6.7 |
| Cali | 6.9 | 1.7 | 6.0 |
| Barranquilla | 18.2 | 15.0 | -4.3 |
| Bucaramanga | 8.3 | -35.9 | 3.7 |
| Total | 6.7 | -2.7 | -5.2 |

Fuente: Encuesta de Opinión del Consumidor (EOC) – Fedesarrollo

Vehicles. In August, the willingness to buy a vehicle registered a balance of -39.6%. This implies a decrease of 11.5 pps compared to the previous month (-28.1).

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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