

# Consumer Opinion Survey

## December

### 2019



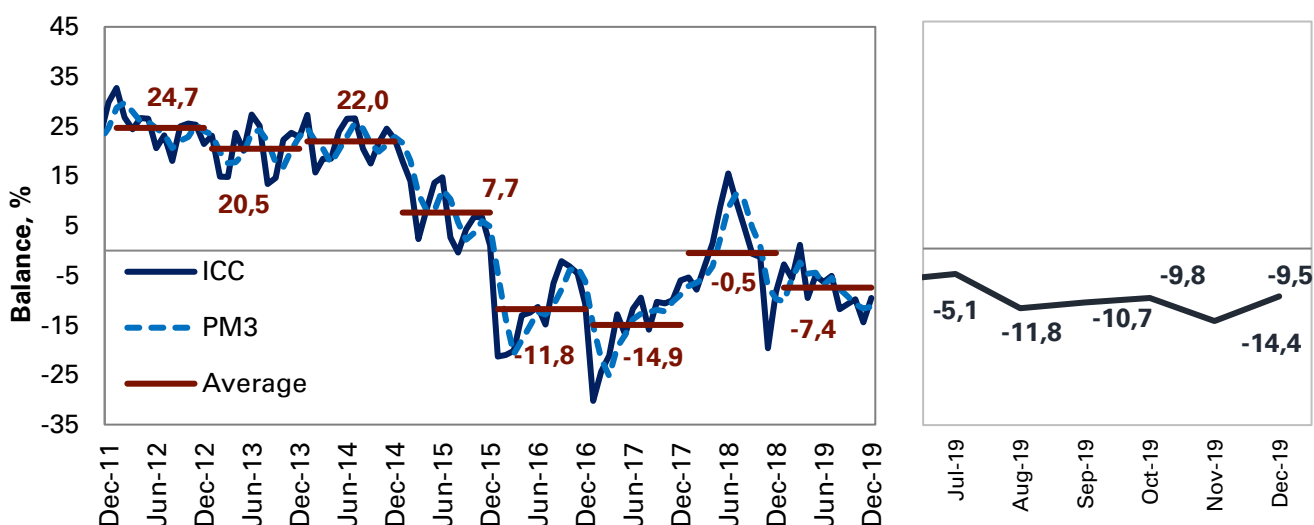
In 2019, the Consumer Confidence Index (CCI) recorded an average balance of -7.4%, which represents a decrease of 7.0 pps compared to the average balance in 2018 (-0.5%).

In December, the Consumer Confidence Index (CCI) recorded a balance of -9.5%. This represents an increase of 4.9 percentage points (pps) compared to the previous month. Compared to November 2019, the increase was due to an increase in the Consumer Expectations Index and an increase in the Economic Conditions Index. Consumer confidence increased in four of the five analyzed cities compared to November 2019. Meanwhile, willingness to buy furniture and home appliances decreased relative to the last month.

#### Annual review

The ICC register an average balance of -7.4% in 2019, which represents a decrease of 7.0 pps compared to the average balance in 2018 (-0.5%). It can be seen that the ICC moderated its recovery path in 2019, but its result is higher compared to the average of 2016, when it was -11.8% and 2017, when it reached its historical minimum, -14.9%.

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

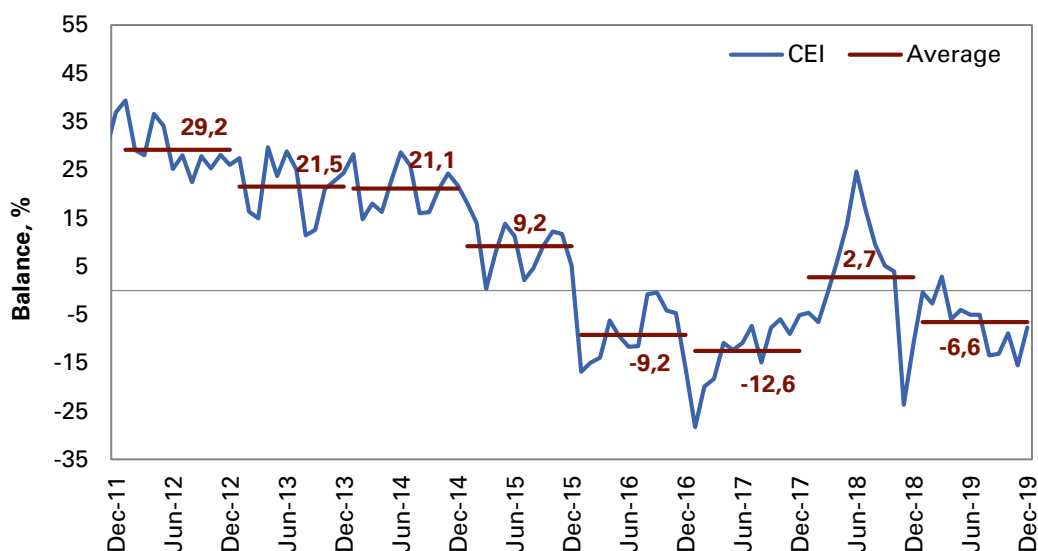


Source: Consumer Opinion Survey (COS) – Fedesarrollo.

QMA: Quarterly moving average

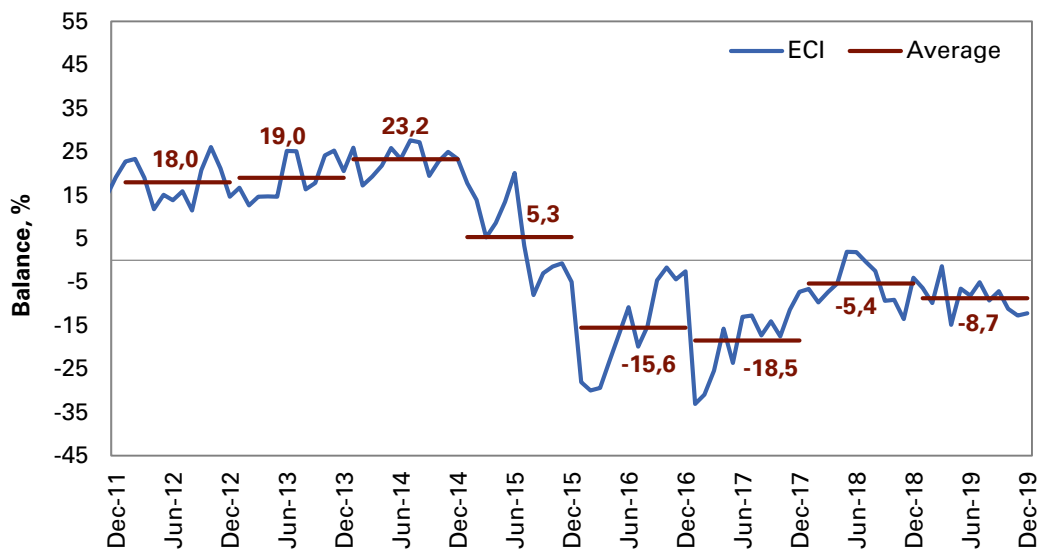
The CEI register an average balance of -6.6%, which represents a decrease of 9.3 pps compared to the average balance in 2018 (2.7%) (Graph 2.A.). In the other hand, the ECI register an average balance of -8.7% in 2019, which represents a decrease of 3.4 pps compared to the average balance in 2018 (-5.4%) (Graph 2.B.).

**Graph 2.A. Consumer Expectations Index (CEI)**



Source: Consumer Opinion Survey (COS) – Fedesarrollo.

**Graph 2.B. Economic Conditions Index (ECI)**



Source: Consumer Opinion Survey (COS) – Fedesarrollo.

## December de 2019 results

According to the results of the Consumer Opinion Survey (COS) of December, the Consumer Confidence Index (CCI) recorded a balance of -9.5%. This value represents an increase of 4.9 percentage points (pps) compared to the previous month.

**The increase in consumer confidence compared to November 2019 was due to an increase in the Consumer Expectations Index and an increase in 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 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 increase of the CCI compared to November is explained by an increase of 7.8 pps in the Consumer Expectations Index and an increase of 0.6 pps in the Economic Conditions Index.

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

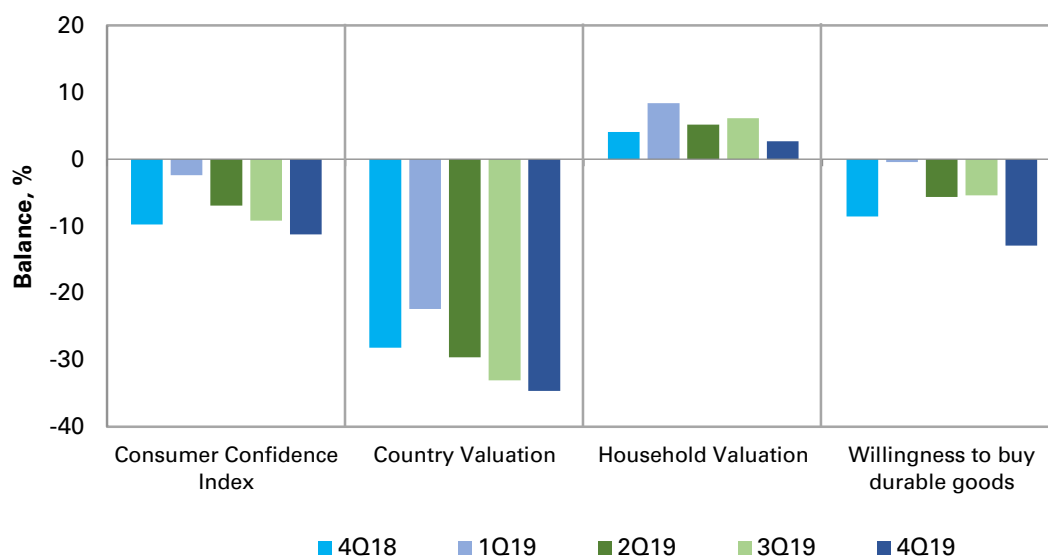
Variable / Balance %	2018 December	Average 2018	2019 November	2019 December	Average 2019
<b>Consumer Confidence Index - CCI</b>	<b>-8,3</b>	<b>-0,5</b>	<b>-14,4</b>	<b>-9,5</b>	<b>-7,4</b>
<b>A. Consumer Expectations Index - CEI</b>	<b>-11,1</b>	<b>2,7</b>	<b>-15,5</b>	<b>-7,7</b>	<b>-6,6</b>
-Do you think that within a year your household will economically do better, worse or the same than now?	16,9	26,3	10,3	20,8	22,6
-Do you think that within the next twelve months we will have good or bad economic times?	-33,1	-14,3	-36,8	-31,7	-28,7
-Do you think that the country's economic conditions will be better or worse within a year than they currently are?	-17,3	-3,8	-20,2	-12,3	-13,6
<b>B. Economic Conditions Index - ECI</b>	<b>-4,1</b>	<b>-5,4</b>	<b>-12,8</b>	<b>-12,2</b>	<b>-8,7</b>
- Do you think that your household is economically doing better or worse than a year ago?	1,1	-9,4	-12,5	-6,6	-11,4
-Do you think this is a good time to purchase items such as furniture and household appliances?	-9,3	-1,3	-13,1	-17,8	-6,1

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

When comparing the results of the fourth quarter with the observed average during the third quarter of 2019, consumer's assessment of their households' situation decreased 3.4 pps and the consumer's assessment of the country decreased 1.6 pps. On the other hand, consumer's willingness to buy durable goods was -12.9%, this represents a decrease of 7.5 pps relative to the average balance recorded during the third quarter of 2019 (Graph 3).

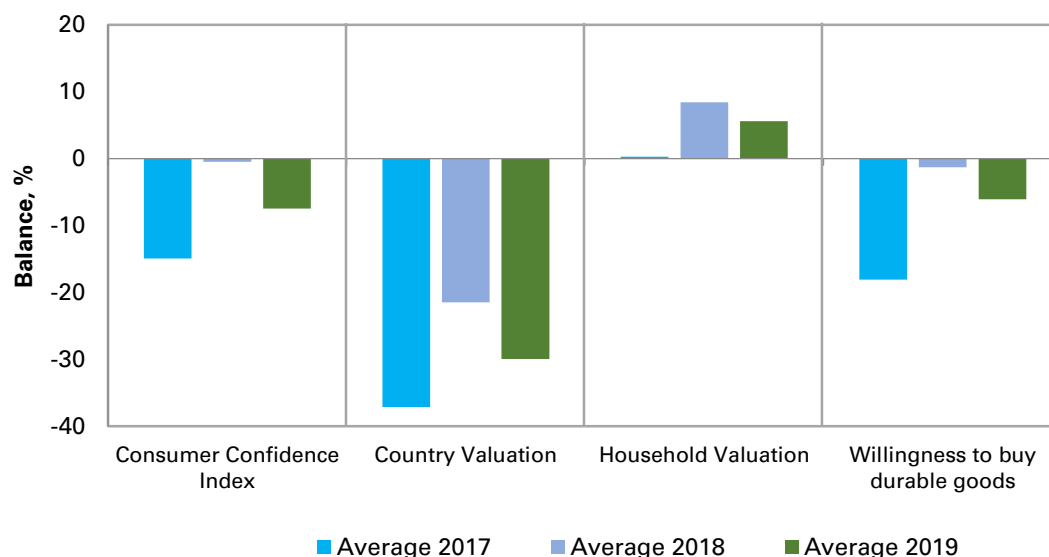
Consumer's assessment of their households' situation register an average balance of 5.6% in 2019, which represents a decrease of 2.8 pps compared to the average balance in 2018 (8.4%). Consumer's assessment of the country register an average balance of -29.9% in 2019, which represents a decrease of 8.5 pps compared to the average balance in 2018 (-21.5%). On the other hand, consumer's willingness to buy durable goods register an average balance of -6.1% in 2019, which represents a decrease of 4.8 pps compared to the average balance in 2018 (-1.3%) (Graph 4).

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



Source: Consumer Opinion Survey (COS) – Fedesarrollo.

**Graph 3. Annual average of the perception of consumers about the situation of the country and the household**



Source: Consumer Opinion Survey (COS) – Fedesarrollo

**Cities. In December, the CCI increased in four of the five surveyed cities compared to November 2019.**

The CCI increased compared to the previous month in Bogotá (7.6 pps), Medellín (7.3 pps), Cali (0.8 pps) and Bucaramanga (0.7 pps), but decreased in Barranquilla (11.8 pps).

Taking into account the observed average in 2019, the ICC decrease in Bogotá (9.6 pps), Bucaramanga (5.4 pps), Barranquilla (5.2 pps), Cali (4.1 pps) and Medellín (1.5 pps), compared to the observed average in 2018.

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

City, Balance %	2018	Average 2018	2019		Average 2019
	December		November	December	
Bogotá	-11,5	-3,4	-21,4	-13,7	-13,1
Medellín	-13,8	-0,6	-10,2	-2,9	2,1
Cali	-0,1	6,1	-6,8	-6,0	2,0
Barranquilla	11,1	7,5	5,0	-6,8	2,3
Bucaramanga	-4,7	1,0	2,4	3,2	-4,4
<b>Total</b>	<b>-8,3</b>	<b>-0,5</b>	<b>-14,4</b>	<b>-9,5</b>	<b>-7,4</b>

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

**Socioeconomic level.** In December, consumer confidence increased in the low and middle strata compared to the previous month.

By socioeconomic level and compared to the previous month, the CCI increased 5.8 pps in the low strata and 5.1 pps in the middle strata, but decreased 5.6 pps in the upper strata.

Taking into account the observed average in 2019, the ICC decrease in the middle (8.6 pps), upper (8.6 pps) and low strata (5.0 pps), compared to the observed average in 2018.

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

Income Level	2018 December	Average 2018	2019 November	2019 December	Average 2019
High	3,1	7,7	6,6	1,0	-0,6
Medium	-10,6	0,9	-14,4	-9,3	-7,7
Low	-7,8	-3,0	-16,8	-11,1	-8,0
<b>Total</b>	<b>-8,3</b>	<b>-0,5</b>	<b>-14,4</b>	<b>-9,5</b>	<b>-7,4</b>

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

**Housing.** The willingness to buy a house decreased 2.5 pps compared to last month. By cities, this indicator increased in Cali relative to November 2019, while it decreased in the rest.

In December, the willingness to buy a house was -9.2%, 2.5 pps lower than the previous month. For this month, willingness to buy a house increased in Cali (5.9 pps), while it decreased in Barranquilla (19.7 pps), Bogotá (2.6 pps), Medellín (2.3 pps) and Bucaramanga (0.8 pps) compared to what was observed in November 2019.

The willingness to buy a house register an average balance of -0,1% in 2019, which represents a decrease of 3.4 pps compared to the average balance in 2018 (3.3%). Taking into account the observed average in 2019, this indicator increased in Barranquilla (2.1 pps), while it decreased in Bucaramanga (8.4 pps), Bogotá (4.4 pps), Cali (4.4 pps) and Medellín (1.0 pps), compared to the observed average in 2018.

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

City	2018 December	Average 2018	2019 November	2019 December	Average 2019
Bogotá	-11,7	-6,0	-20,0	-22,5	-10,3
Medellín	-2,1	7,9	2,5	0,2	6,9
Cali	6,8	23,1	6,5	12,4	18,7
Barranquilla	25,8	23,0	36,7	17,0	25,1
Bucaramanga	-29,3	2,5	9,2	8,4	-5,9
<b>Total</b>	<b>-5,1</b>	<b>3,3</b>	<b>-6,7</b>	<b>-9,2</b>	<b>-0,1</b>

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

**Compared to the previous month, willingness to buy a house increased in the low strata and decrease in the upper and middle strata.**

When analyzing by socioeconomic level in December, willingness to buy a house showed an increase compared to last month in the low strata (4.4 pps), while it decreased in the upper strata (14.1 pps) and the middle strata (8.1 pps) compared to what was observed in November 2019.

Taking into account the observed average in 2019, this indicator increase in the middle strata (2.0 pps), while it decrease in the upper (9.4 pps) and low strata (8.0 pps), compared to the observed average in 2018.

**Table 5. Willingness to buy a house by socioeconomic level**

Income level Balance %	2018 December	Average 2018	November	2019 December	Average 2019
High	4,9	6,3	25,0	10,9	-3,1
Medium	-8,1	-1,4	-6,9	-15,0	0,5
Low	-3,5	7,7	-10,0	-5,6	-0,4
<b>Total</b>	<b>-5,1</b>	<b>3,3</b>	<b>-6,7</b>	<b>-9,2</b>	<b>-0,1</b>

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

**Durable goods. Willingness to buy furniture and home appliances decreased 4,7 pps compared to the previous month. By cities, this indicator increased in Bogotá compared to what was observed in November 2019.**

The balance of answers about whether it is a good or bad time to buy goods such as furniture and appliances was -17.8% in December. This represents a decrease of 4.7 pps compared to November 2019. Relative to last month, willingness to buy durable goods increased in Bogotá (3.1 pps), but decreased in Bucaramanga (33.4 pps), Barranquilla (23.9 pps), Cali (22.1 pps) and Medellín (1.3 pps).

The willingness to buy furniture and home appliances register an average balance of -6.1% in 2019, which represents a decrease of 8.6 pps compared to the average balance in 2018 (1.3%). Taking into account the observed average in 2019, this indicator increased in Medellín (14.0 pps) and Bucaramanga (12.2 pps), while it decreased in Barranquilla (15.7 pps), Bogotá (14.7 pps) and Cali (13.1 pps), compared to the observed average in 2018.

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

City. Balance %	2018 December	Average 2018	November	2019 December	Average 2019
Bogotá	-10,5	-6,9	-28,2	-25,2	-14,4
Medellín	-21,6	-2,6	-6,2	-7,5	0,6
Cali	-3,3	14,1	5,7	-16,4	7,9
Barranquilla	19,5	15,7	27,7	3,8	13,1

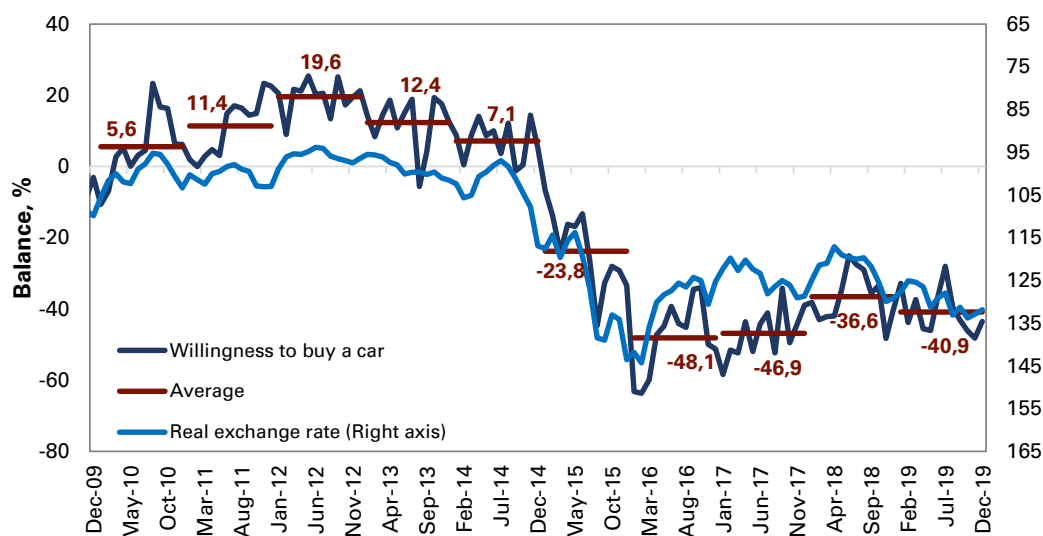
Bucaramanga	-16,5	-9,4	29,1	-4,3	-7,5
<b>Total</b>	<b>-9,3</b>	<b>-1,3</b>	<b>-13,1</b>	<b>-17,8</b>	<b>-6,1</b>

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

**Vehicles.** In December, the willingness to buy a vehicle registered a balance of **-43.5%**. This implies an increase of **4.7 pps** compared to the previous month (**-48.2**).

The willingness to buy a vehicle register an average balance of **-40.9%** in 2019, which represents a decrease of **4.3 pps** compared to the average balance in 2018 (**-36.6%**).

**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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