Consumer Opinion Survey
December 2022
Bulletin 254

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In December, the Consumer Confidence Index (CCI) recorded a balance of -22,3%, representing an increase of 2.5 percentage points (pps) compared to the previous month, after three consecutive months of negative results. This shows a slight recovery of consumer confidence, although the index remains in negative levels. The increase was due to a positive variation of 3.3 pps in the Consumer Expectations Index and of 1.2 pps in the Economic Conditions Index, compared to November 2022.

Consumer confidence increased in the low and high socioeconomic levels, while it decreased at the medium level. On the other hand, it increased in all the cities that were analyzed, except in Bogota compared to November 2022. Additionally, willingness to buy furniture and home appliances decreased relative to the last month, while willingness to invest in a house increased.

According to the results of the Consumer Opinion Survey (COS) of December, the Consumer Confidence Index (CCI) recorded a balance of -22.3% with an increase of 2.5 percentage points (pps). However, confidence remains in negative territory, being the second lowest balance recorded since May 2021, only surpassed by November's result.

Graph 1. Consumer Confidence Index (CCI)
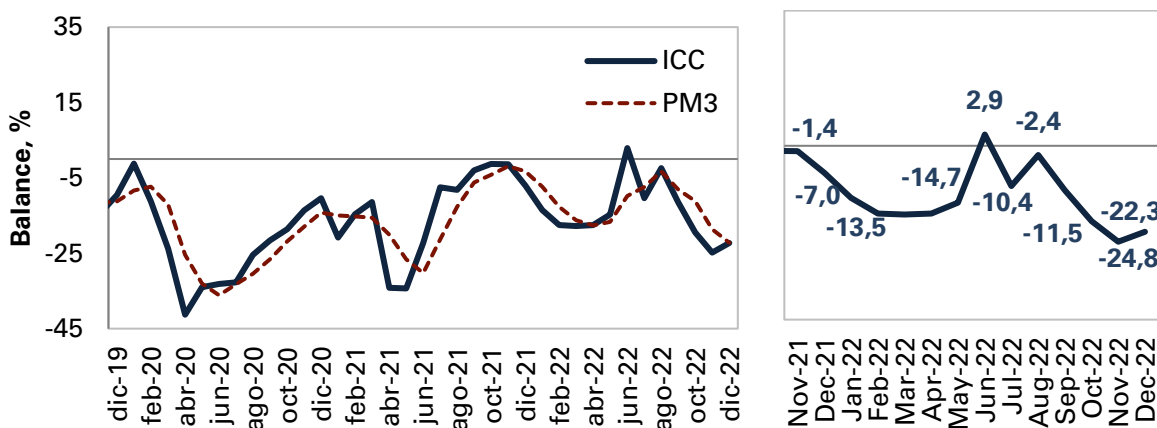
Source: Consumer Opinion Survey (COS) – Fedesarrollo.

QMA: Quarterly moving average.

The increase in the consumer confidence compared to November 2022 was due to a positive change 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 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 increment of the CCI compared to November is explained by a rise of 7.2 pps in the Consumer Expectations Index (-11.2%) and of 1.2 pps in the Economic Conditions Index (-39%).

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

Variable / Balance %	2021 December	2022 November	December
Consumer Confidence Index - CCI	**-7,0**	**-24,8**	**-22,3**
A. Consumer Expectations Index - CEI	**2,1**	**-14,5**	**-11,2**
- Do you think that within a year your household will economically do better, worse or the same than now?	27,7	5,4	**5,5**
-Do you think that within the next twelve months we will have good or bad economic times?	-19,8	-36,3	**-28,2**
-Do you think that the country's economic conditions will be better or worse within a year than they currently are?	-1,6	-12,7	**-10,8**
B. Economic Conditions Index - ECI	**-20,6**	**-40,2**	**-39,0**
- Do you think that your household is economically doing better or worse than a year ago?	-4,0	-27,6	**-26,4**
- Do you think this is a good time to purchase items such as furniture and household appliances?	-37,3	-52,9	**-51,6**

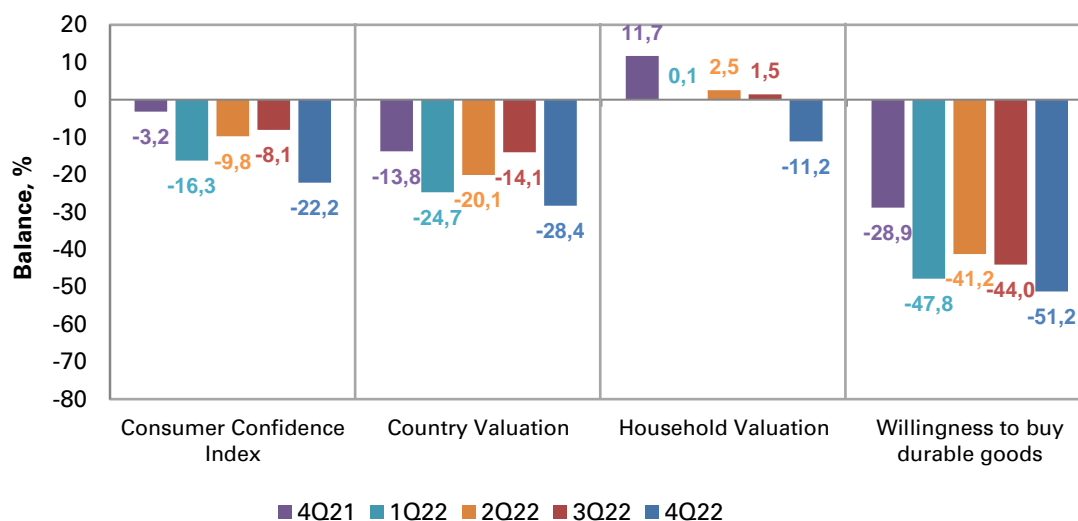**Source:** Consumer Opinion Survey (COS) – Fedesarrollo.

When comparing the results of the fourth quarter of 2022 with the observed average during the third quarter of 2022, consumer's assessment of their households' situation decreased 12.7 pps and the consumer's assessment of the country decreased 14.3 pps. Additionally, consumer's willingness to buy durable goods was -51.2%. This represents a reduction of 7.2 pps relative to the average balance recorded during the third quarter of 2022 (Graph 3).

Graph 2. Consumer Expectations Index (CEI) – Economic Conditions Index (ECI)
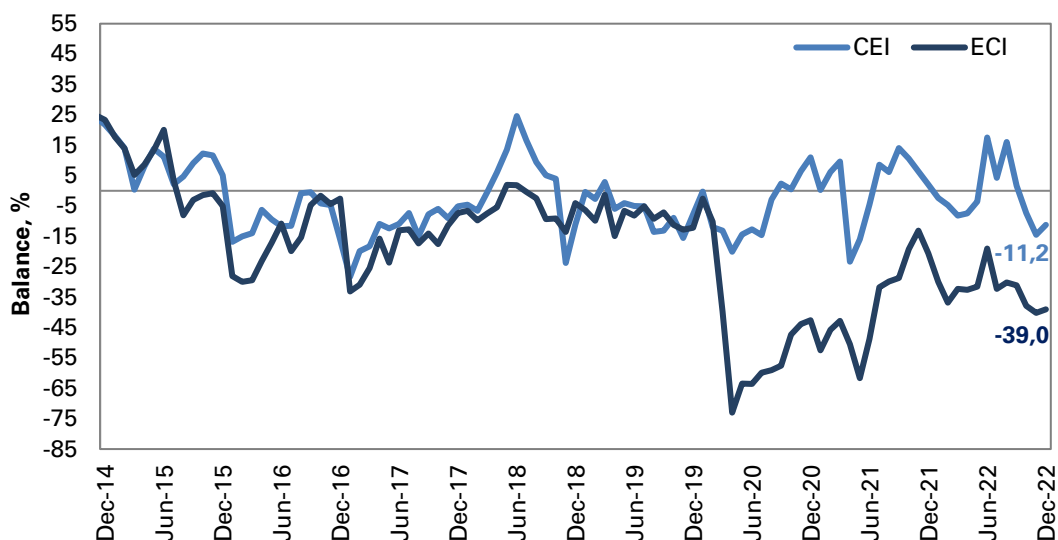
Source: Consumer Opinion Survey (COS) – Fedesarrollo.

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

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Cities. In December, the CCI rise in Medellín, Cali, Bucaramanga and Barranquilla compared to November 2022.

Relative to the previous month, the CCI had a variation of 5.3 pps in Medellín, 7.6 pps in Cali, 13.7 pps in Barranquilla, 18.6 pps in Bucaramanga and -1.8 in Bogotá

Table 2. Evolution of the CCI by cities

City, Balance %	2021 December	2022 November	2022 December
Bogotá	-10,4	-25,3	-27,1
Medellín	-6,2	-32,4	-27,1
Cali	1,5	-17,0	-9,4
Barranquilla	-4,8	-15,6	-1,9
Bucaramanga	5,4	-26,2	-7,6
Total	**-7,0**	**-24,8**	**-22,3**

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

<u>Socioeconomic level.</u> In December, consumer confidence increased in the lower and higher socioeconomic levels.

By socioeconomic level, and compared to the previous month, the CCI increased 27.1 pps in the higher strata and 2.4 pps in the lower strata, while in the medium strata it decreased 0.4 pps.

Table 3. Evolution of the CCI by income level

Income level. Balance %	2021 December	2022 November	2022 December
High	9,3	-58,2	-31,1
Medium	-8,4	-26,7	-27,1
Low	-8,1	-19,1	-16,7
Total	**-7,0**	**-24,8**	**-22,3**

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

<u>Housing.</u> The willingness to buy a house decreased 5.4 pps compared to last month. By cities, this indicator decreased in four of the five analyzed cities relative to November 2022.

In December, the indicator of willingness to buy a house was -48.1%, 5.4 pps lower than the previous month (-42.7%). For this month, willingness to buy a house decreased in Bogotá (-3.8 pps), Medellin (-8.4 pps), Cali (-21.0 pps) and Bucaramanga (-12.1 pps), while it increased in Barranquilla (23.0 pps) compared to November 2022.

Table 4. Willingness to buy a house by cities

City. Balance %	2021 December	2022 November	2022 December
Bogotá	-17,1	-53,8	-57,6
Medellín	-14,6	-35,4	-43,8
Cali	-5,7	-14,2	-35,2
Barranquilla	-1,1	-28,0	-5,0
Bucaramanga	-2,9	-32,7	-44,8
Total	**-13,4**	**-42,7**	**-48,1**

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Compared to the previous month, willingness to buy a house decreased in the high and medium socioeconomic levels.

When analyzing by socioeconomic level in December, willingness to buy a house showed a decrease of -46.9 pps in the higher strata and -17.4 pps in the medium strata, and increase of 11.2 in the lower strata, compared to what was observed in November 2022.

Table 5. Willingness to buy a house by socioeconomic level

Income level. Balance %	2021 December	2022 November	2022 December
High	3,6	-34,3	-81,2
Medium	-16,9	-42,2	-59,6
Low	-12,6	-44,2	-33,0
Total	**-13,4**	**-42,7**	**-48,1**

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

<u>Durable goods.</u> Willingness to buy furniture and home appliances increased 1.3 pps compared to the previous month. By cities, the indicator decreased in three of the five analyzed cities compared to November 2022.

The balance of answers about whether it is a good or a bad moment to buy goods such as furniture and appliances was **-51.6%** in **December**. This represents an increase of **1.3** pps compared to **November** 2022. Relative to last month, willingness to buy durable goods had a variation of **-42.9 pps** in Bogota**, -2.1 pps** in Barranquilla**, 1.4 pps** in Cali**, 10.9 pps** in Bucaramanga and **15.6 pps** in Medellin.

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

City. Balance %	2021 December	2022 November	2022 December
Bogotá	-39,8	-57,9	-60,8
Medellín	-33,0	-52,3	-36,7
Cali	-40,3	-45,5	-44,1
Barranquilla	-22,9	-29,1	-31,2
Bucaramanga	-36,5	-51,0	-40,1
Total	**-37,3**	**-52,9**	**-51,6**

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

Vehicles. **In December, the willingness to buy a vehicle registered a balance of -51.6%. This implies an increase of 18.5 pps compared to the previous month (-70.1%).**

Graph 4. Willingness to buy car vs. real exchange rate
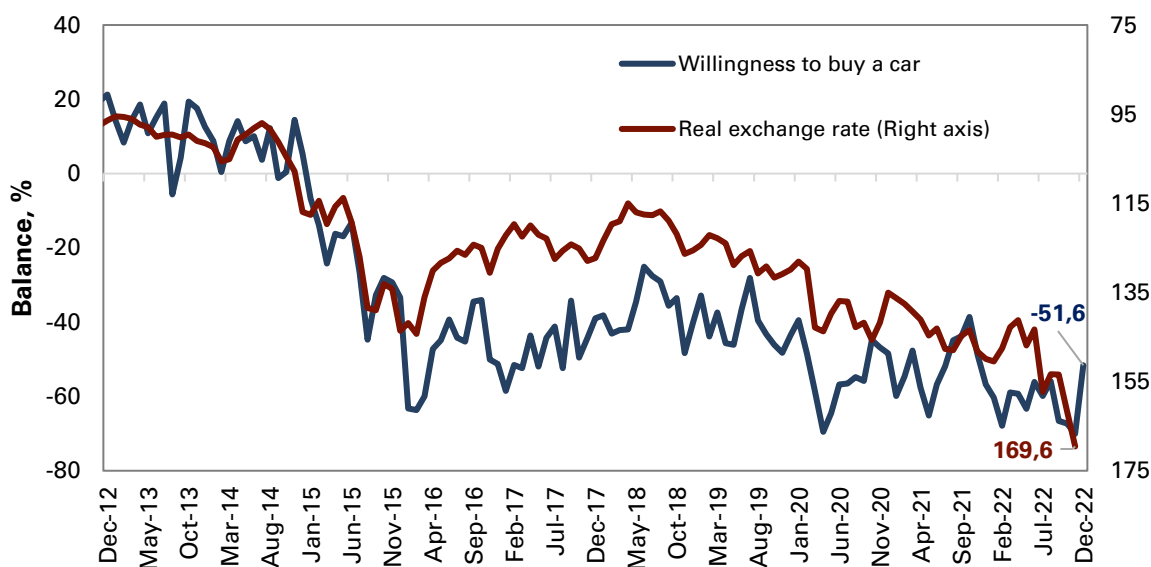
Note: Real exchange rate until October 2022
Source: Consumer Opinion Survey (COS) – Fedesarrollo and Central Bank of Colombia