

Consumer Opinion Survey

September

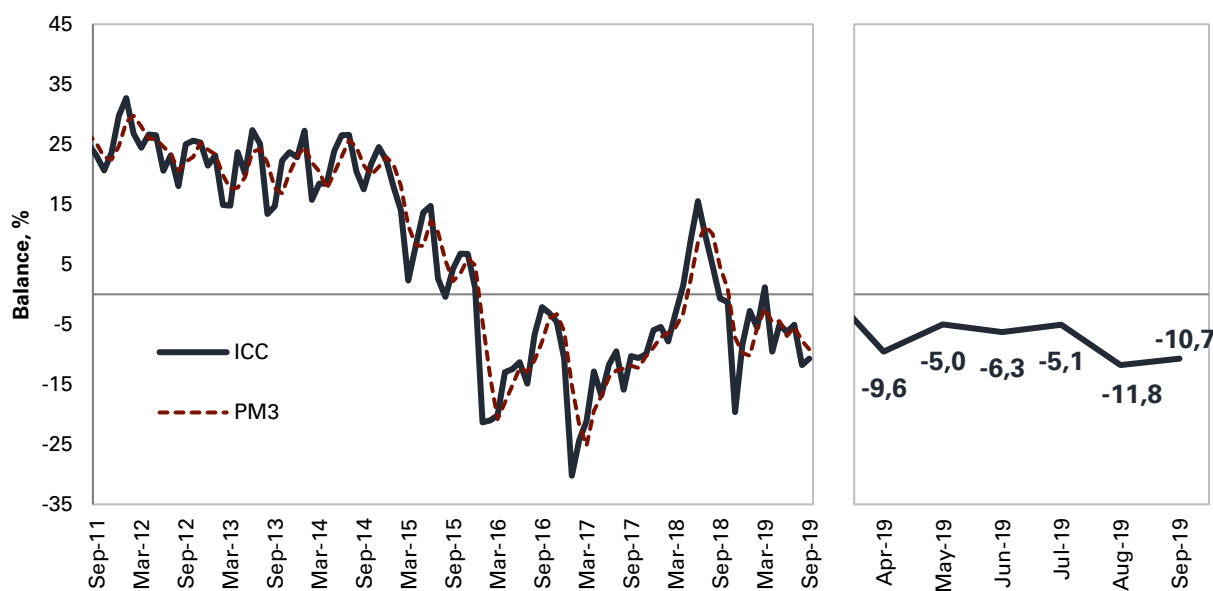
2019



In September, the Consumer Confidence Index (CCI) recorded a balance of -10.7%. This represents an increase of 1.1 percentage points (pps) compared to the previous month. Compared to August 2019, the increase was due to an increment both in the Economic Conditions Index and in the Consumer Expectations Index. Consumer confidence increased in three of the five analyzed cities compared to August 2019. Meanwhile, both the willingness to buy a house and the willingness to buy furniture and home appliances increased relative to the last month.

According to the results of the Consumer Opinion Survey (COS) of September, the Consumer Confidence Index (CCI) recorded a balance of -10.7%. This value represents an increase of 1.1 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 increase in consumer confidence compared to August 2019 was due to an increment 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 increment of the CCI compared to August is explained by an increase of 2.1 pps in the Economic Conditions Index and an increase of 0.4 pps in the Consumer Expectations Index.

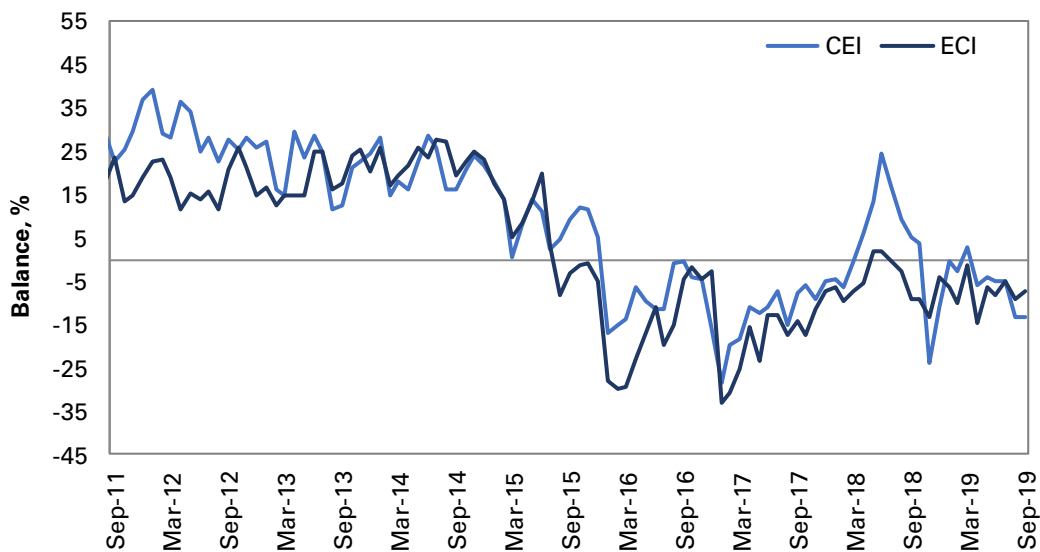
Table 1. Evolution of CCI Components
(Balances between favorable and unfavorable responses, %)

Variable / Balance %	2018		2019
	September	August	September
Consumer Confidence Index - CCI	-0.7	-11.8	-10.7
A. Consumer Expectations Index - CEI	5.1	-13.5	-13.1
-Do you think that within a year your household will economically do better, worse or the same than now?	26.0	18.1	18.3
-Do you think that within the next twelve months we will have good or bad economic times?	-12.1	-36.6	-38.1
-Do you think that the country's economic conditions will be better or worse within a year than they currently are?	1.4	-22.0	-19.6
B. Economic Conditions Index - ECI	-9.4	-9.2	-7.1
- Do you think that your household is economically doing better or worse than a year ago?	-21.2	-13.3	-5.9
-Do you think this is a good time to purchase items such as furniture and household appliances?	2.5	-5.2	-8.3

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

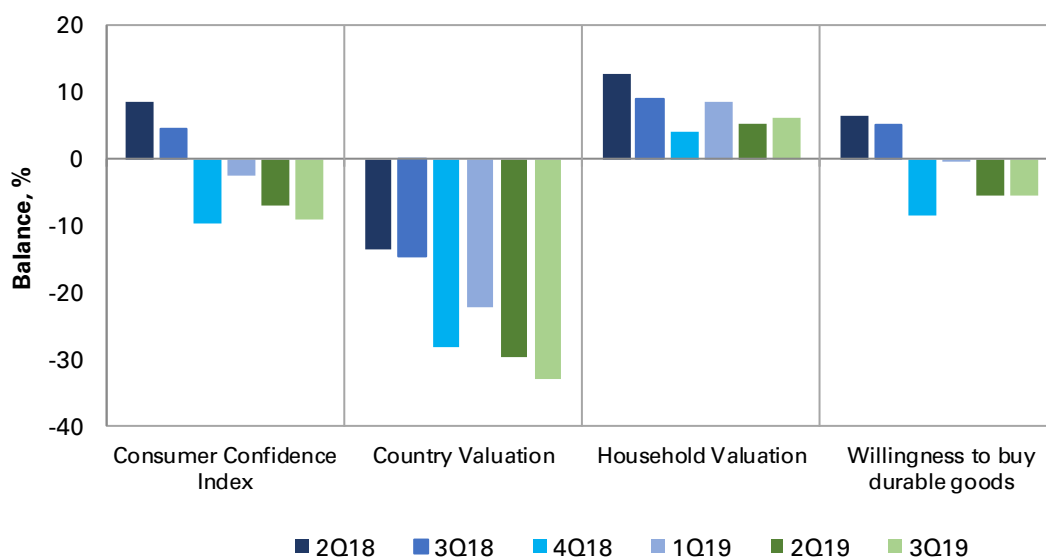
When comparing the results of the third quarter of 2019 with the observed average during the second quarter of 2019, consumer's assessment of their households' situation increased 0.9 pps, while the consumer's assessment of the country decreased 3.4 pps. On the other hand, consumer's willingness to buy durable goods was -5.4%, this represents an increase of 0.2 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 September, the CCI increased in three of the five surveyed cities compared to August 2019.

The CCI increased compared to the previous month in Cali (8.5 pps), Barranquilla (5.5 pps) and Bogotá (0.2 pps), but decreased in Bucaramanga (3.7 pps) and Medellín (3.6 pps).

Table 2. Evolution of the CCI by cities

City, Balance %	2018		2019
	September	August	September
Bogotá	-3.1	-14.9	-14.7
Medellín	5.7	-4.3	-7.9
Cali	4.6	-10.4	-1.9
Barranquilla	-8.4	-7.9	-2.3
Bucaramanga	-1.5	-10.3	-14.0
Total	-0.7	-11.8	-10.7

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Socioeconomic level. In September, 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 3.1 pps in the lower strata and 0.5 pps in the middle strata, but decreased 9.6 pps in the upper strata.

Table 3. Evolution of the CCI by income level

Income Level Balance %	2018		2019
	September	August	September
High	21.6	-8.6	-18.1
Medium	0.4	-12.5	-12.0
Low	-4.7	-11.5	-8.4
Total	-0.7	-11.8	-10.7

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Housing. The willingness to buy a house increased 1.0 pps compared to last month. By cities, this indicator increased in Bogotá relative to August 2019.

In September, the willingness to buy a house was 3.8%, 1.0 pps higher than the previous month. For this month, willingness to buy a house increased in Bogotá (10.6 pps) while it decreased in Barranquilla (25.3 pps), Cali (14.7 pps), Medellín (5.9 pps) and Bucaramanga (0.1 pps) compared to what was observed in August 2019.

Table 4. Willingness to buy a house by cities

City Balance %	2018		2019
	September	August	September
Bogotá	-0.5	-9.7	1.0
Medellín	10.5	10.4	4.6
Cali	24.1	27.4	12.7
Barranquilla	32.3	38.1	12.9
Bucaramanga	-3.6	-9.5	-9.6
Total	7.5	2.8	3.8

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

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

When analyzing by socioeconomic level in September, willingness to buy a house showed an increase compared to last month in the low strata (13.0 pps), while it decreased in the middle (9.2 pps) and high (8.7 pps) strata compared to what was observed in August 2019.

Table 5. Willingness to buy a house by socioeconomic level

Income level Balance %	2018		2019
	September	August	September
High	22.9	-14.9	-23.6
Medium	-4.7	9.0	-0.3
Low	17.6	-1.3	11.6
Total	7.5	2.8	3.8

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Durable goods. Willingness to buy furniture and home appliances decreased 3,1 pps compared to the previous month. By cities, this indicator increased in Barranquilla and Medellín compared to what was observed in August 2019.

The balance of answers about whether it is a good or bad time to buy goods such as furniture and appliances was -8.3% in September. This represents a decrease of 3.1 pps compared to August 2019. Relative to last month, willingness to buy durable goods increased in Barranquilla (16.8 pps) and Medellín (1.1 pps), but decreased in Bucaramanga (16.4 pps), Cali (8.4 pps) and Bogotá (4.6 pps).

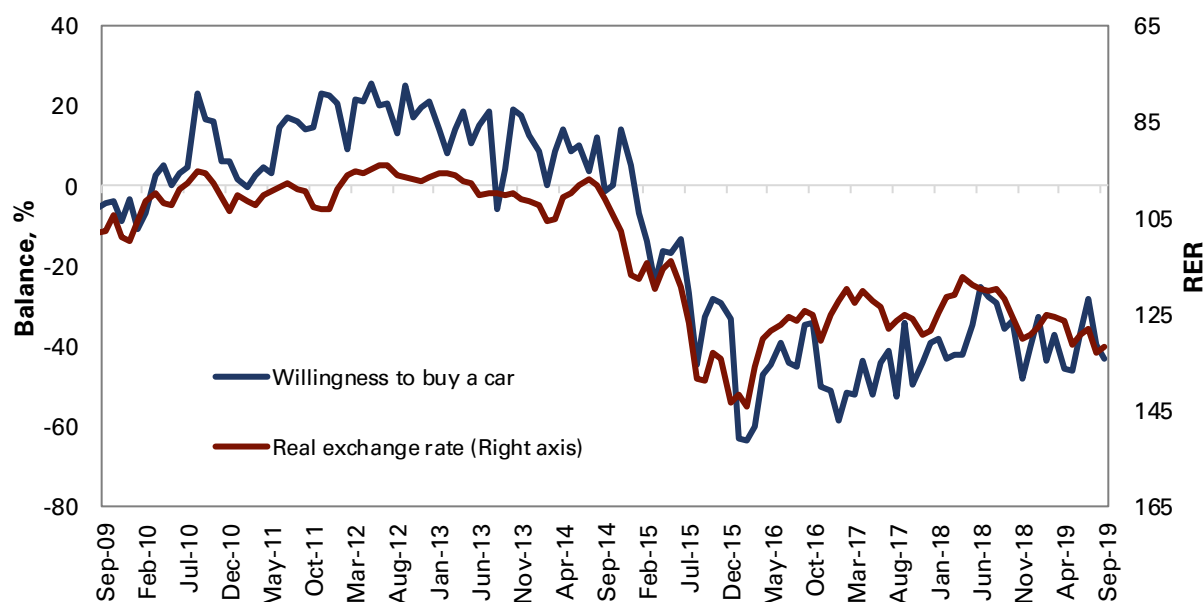
Table 6. Willingness to buy furniture and home appliances by cities

City. Balance %	2018		2019
	August	July	August
Bogotá	-0.5	-8.3	-13.0
Medellín	0.7	-6.7	-5.6
Cali	18.0	6.0	-2.4
Barranquilla	-4.6	-4.3	12.5
Bucaramanga	7.2	3.7	-12.6
Total	2.5	-5.2	-8.3

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

Vehicles. In September, the willingness to buy a vehicle registered a balance of **-43.2%**. This implies a decrease of **3.7 pps** compared to the previous month (**-39.6**).

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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