

# Consumer Opinion Survey

## December 2018

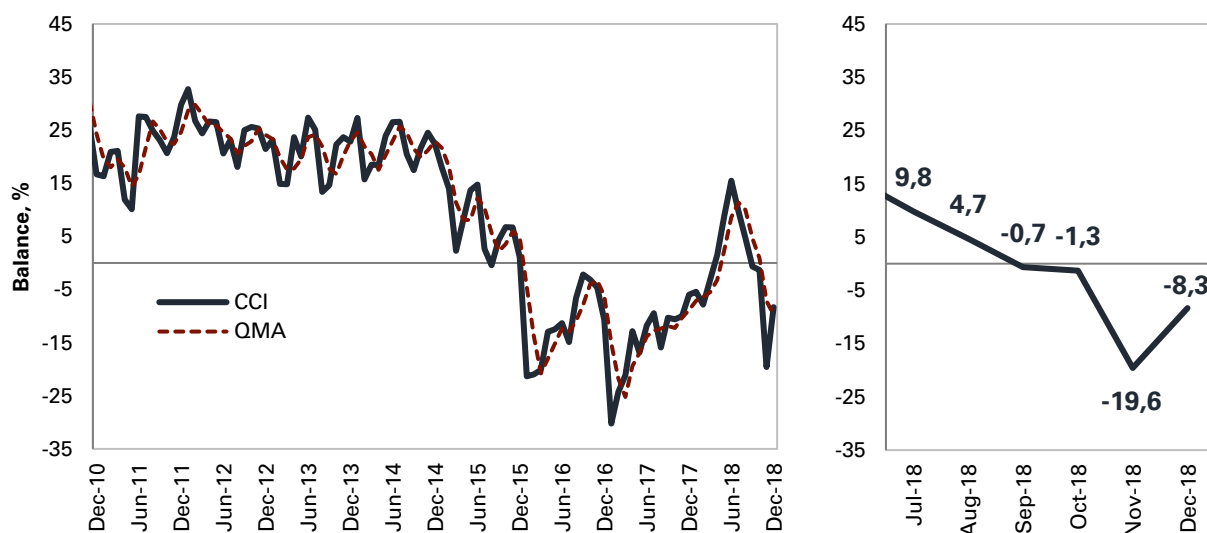
### Bulletin 206



In December, the Consumer Confidence Index (CCI) recovered relative to previous month, but remained in negative territory with a result of -8.3%. Compared to December 2017, the ICC declined by 2.3 pps. The recovery from last month was owed to a better performance in the Consumer Expectations Index and, to a lesser extent, to the better result in the Economic Conditions Index. Consumer confidence increased in all surveyed cities and at all socioeconomic levels compared to November 2018. Finally, compared to the previous month, willingness to buy a house increased while willingness to buy furniture and household appliances decreased.

According to the latest Consumer Opinion Survey (COS), the Consumer Confidence Index (CCI) recorded a balance of -8.3%. This value represents an improvement of 11.3 percentage points (pps) compared to the previous month and a reduction of 2.3 pps relative to the same month of 2017 (Graph 1). In this way, the CCI remained in negative territory as well as its quarterly moving average.

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



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

QMA: Quarterly moving average

**The improvement in consumer confidence compared to November is owed to a better performance in the Consumer Expectations Index and, to a lesser extent, 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 increase of the CCI with respect to the previous month was explained by an increase of 12.6 pps in the CEI and to a lesser extent by the 9.5 pps improvement in the ECI. Compared to December 2017, the CEI fell by 6.0 pps, while the ECI improved by 3.2 pps. (Graph 2).

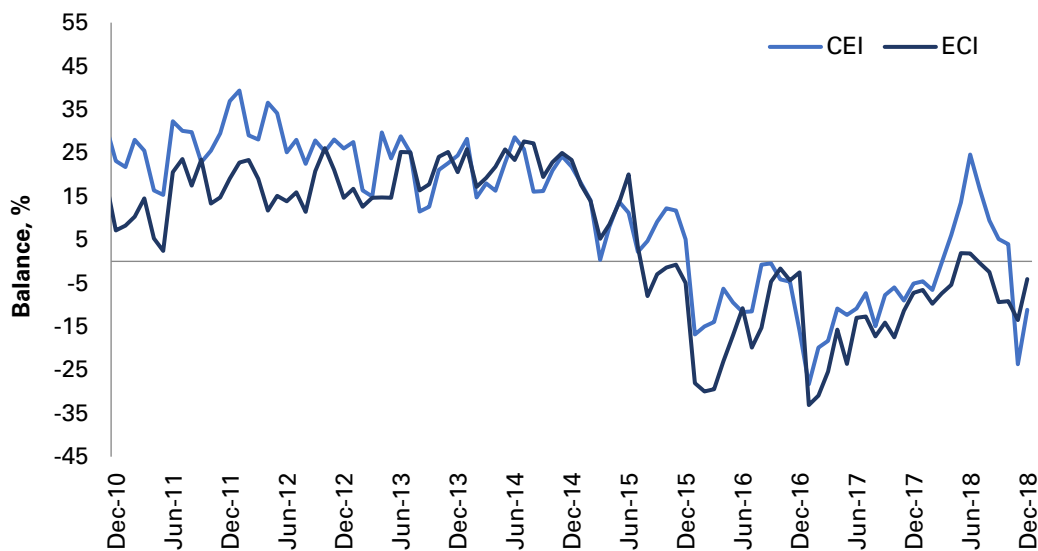
**Table 1. Evolution of CCI Components**  
(Balances between favorable and unfavorable responses, %)

Variable / Balance %	2017	2018	
	December	November	December
<b>Consumer Confidence Index - CCI</b>	<b>-6.0</b>	<b>-19.6</b>	<b>-8.3</b>
<b>A. Consumer Expectations Index - CEI</b>	<b>-5.1</b>	<b>-23.7</b>	<b>-11.1</b>
-Do you think that within a year your household will economically do better, worse or the same than now?	26.7	6.2	16.9
-Do you think that within the next twelve months we will have good or bad economic times?	-30.5	-48.0	-33.1
-Do you think that the country's economic conditions will be better or worse within a year than they currently are?	-11.6	-29.3	-17.3
<b>B. Economic Conditions Index - ECI</b>	<b>-7.3</b>	<b>-13.5</b>	<b>-4.1</b>
- Do you think that your household is economically doing better or worse than a year ago?	0.5	-18.3	1.1
-Do you think this is a good time to purchase items such as furniture and household appliances?	-15.1	-8.7	-9.3

Source: Consumer Opinion Survey (COS) – Fedesarrollo

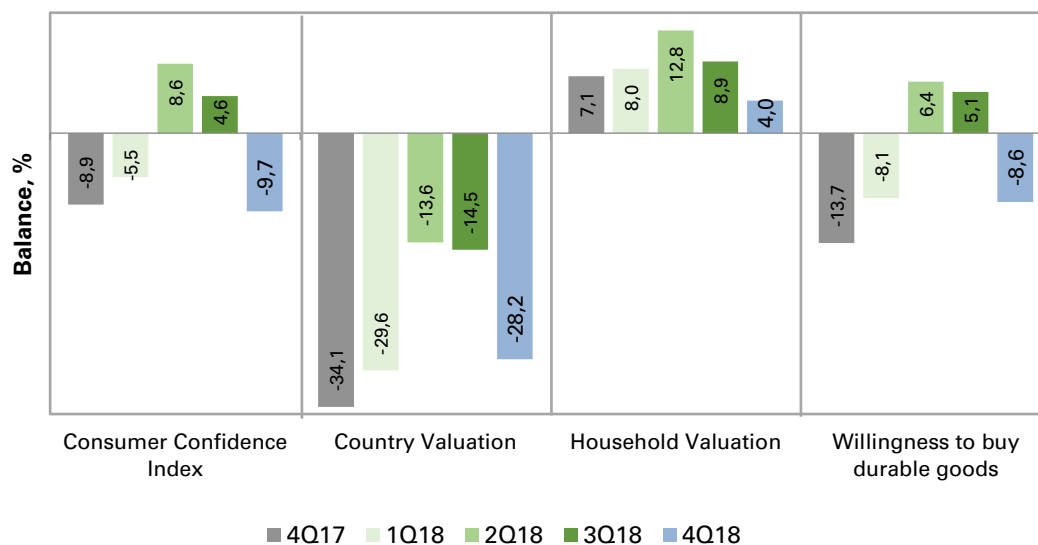
In the fourth quarter, both consumer's assessment of the country's situation and the consumer's assessment of their households' situation fell relative to the previous quarter by 13.6 pps and 4.9 pps respectively. On the other hand, willingness to buy durable goods was -8.6%, deteriorating against the third quarter and returning to negative territory (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 increased relative to previous month in all cities and decreased against the same month in 2017 in three of the five surveyed cities.

The CCI increased compared to the previous month in all surveyed cities (Bucaramanga 20.8 pps, Barranquilla 20.8 pps, Bogotá 12.1 pps, Cali 9.8 pps and Medellín 5.1 pps). However, it stood in negative territory in four of them. Regarding December 2017, consumer confidence declined in Cali, Bogotá and Medellín. (Table 2).

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

City, Balance %	2017	2018	
	December	November	December
Bogotá	-8.0	-23.6	-11.5
Medellín	-13.3	-18.9	-13.8
Cali	4.2	-9.9	-0.1
Barranquilla	7.3	-9.7	11.1
Bucaramanga	-10.2	-25.5	-4.7
<b>Total</b>	<b>-6.0</b>	<b>-19.6</b>	<b>-8.3</b>

Source: Consumer Opinion Survey (COS) – Fedesarrollo

**Socioeconomic level.** In December, consumer confidence improved against the previous month in all socioeconomic levels. Relative to December 2017, consumer confidence only increased at the high level.

Disaggregating the results of the COS by socioeconomic level, the CCI improved compared to the last month in the low stratum (12.1 pps), medium stratum (10.5 pps) and high stratum (15.4 pps). However, compared to the same period of 2017, consumer confidence improved in the high socioeconomic level (13.3 pps) and decreased in the medium (5.4 pps) and low (1.5 pps) strata.

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

Income level. Balance %	2017	2018	
	December	November	December
High	-10.2	-7.2	3.1
Medium	-5.2	-21.1	-10.6
Low	-6.3	-19.8	-7.8
<b>Total</b>	<b>-6.0</b>	<b>-19.6</b>	<b>-8.3</b>

Source: Consumer Opinion Survey (COS) – Fedesarrollo

**Housing.** Willingness to buy a house increased compared to last month but worsened compared to December 2017. By cities, this indicator decreased against the previous month in Bucaramanga and Medellin.

In December, the indicator of willingness to buy a house registered a balance of -5.1%, which is equivalent to an improvement of 3.3 pps compared to the previous month and a deterioration of 7.2 pps relative to the same month of 2017 (Table 4). Compared to last month, willingness to buy a house fell in Bucaramanga (14.3 pps) and Medellin (2.3 pps).

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

City, Balance %	2017	2018	
	December	November	December
Bogotá	-5.0	-14.2	-11.7
Medellín	8.6	0.2	-2.1
Cali	14.3	-2.7	6.8
Barranquilla	21.8	7.2	25.8
Bucaramanga	-13.6	-15.0	-29.3
<b>Total</b>	<b>2.2</b>	<b>-8.4</b>	<b>-5.1</b>

Source: Consumer Opinion Survey (COS) – Fedesarrollo

**Compared to the previous month, willingness to buy a house declined in the low socioeconomic level. Regarding December 2017, willingness to buy a house decreased at all socioeconomic levels.**

Between November and December, the results of the indicator of willingness to buy a house, disaggregated by socioeconomic level, increased in the high stratum (26.8 pps) and medium stratum (10.1 pps), and decreased in the low stratum (7.4 pps). Compared to December 2017, there was a decrease in all socioeconomic levels.

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

Income level. Balance %	2017	2018	
	December	November	December
High	5.0	-21.9	4.9
Medium	-5.5	-18.2	-8.1
Low	10.0	3.9	-3.5
<b>Total</b>	<b>2.2</b>	<b>-8.4</b>	<b>-5.1</b>

Source: Consumer Opinion Survey (COS) – Fedesarrollo

**Durable goods. Willingness to buy furniture and household appliances experienced a deterioration compared to the previous month, but increased compared to December 2017.**

The balance of answers about whether it is a good or bad time to buy durable goods such as furniture and household appliances recorded -9.3% in December. The latter represents a reduction of 0.5 pps compared to November and an increase of 5.8 pps compared to December 2017. Regarding the previous month, willingness to buy durable goods increased in Bucaramanga (6.7 pps) and Barraquilla (3.4 pps), but decreased in the other analyzed cities, especially in Medellin (8.1 pps). Compared to December 2017, the index decreased in Cali and Barranquilla and increased in the other analyzed cities (Table 6).

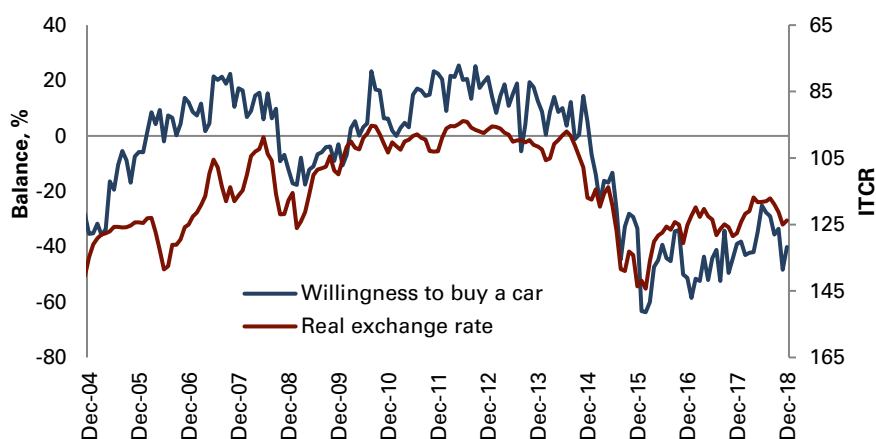
**Table 6. Willingness to buy furniture and home appliances by cities**

% City, Balance %	2017		2018	
	December	November	December	November
Bogotá	-21.0	-12.1	-10.5	
Medellín	-24.4	-13.5	-21.6	
Cali	2.3	-0.4	-3.3	
Barranquilla	23.7	16.0	19.5	
Bucaramanga	-33.2	-23.2	-16.5	
<b>Total</b>	<b>-15.1</b>	<b>-8.7</b>	<b>-9.3</b>	

Source: Consumer Opinion Survey (COS) – Fedesarrollo

**Vehicle.** In December, willingness to buy a vehicle reversed its downward trend and recorded a balance of **-40.2%**. This implies an increase of 8.1 pps compared to the previous month and a reduction of 1.2 relative to December 2017 (Graph 4).

**Graph 4. Willingness to buy car vs. real exchange rate**



Source: Consumer Opinion Survey (COS) – Fedesarrollo and Central Bank of Colombia



**FEDESARROLLO**  
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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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