

Consumer Opinion Survey

January 2019

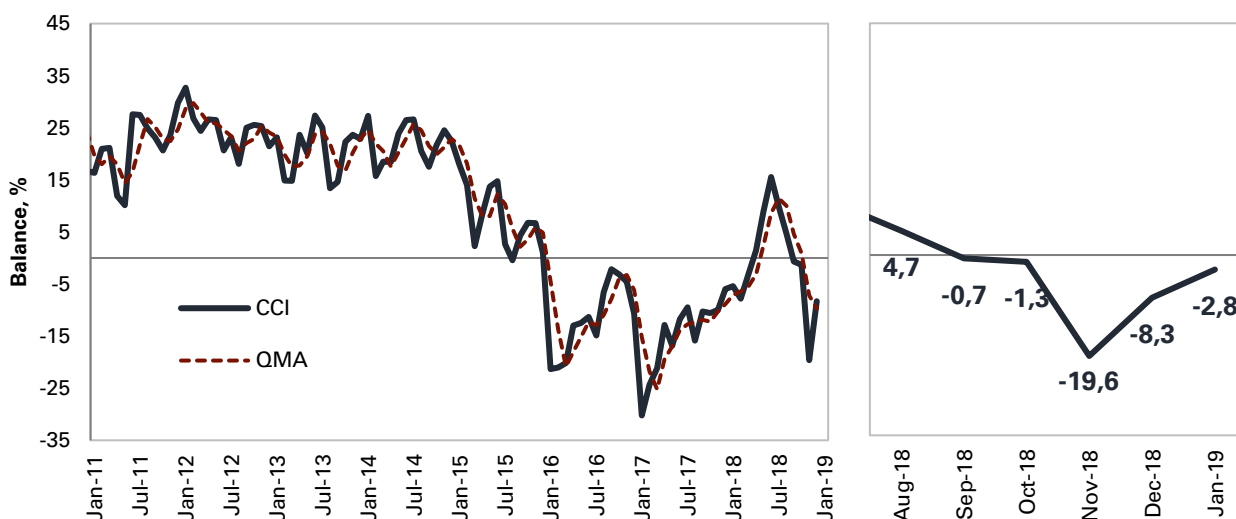
Bulletin 207



In January, Consumer Confidence Index (CCI) stood at -2.8%, which represents an improvement relative to previous month and to January 2018. The recovery from last month was mainly due to an increase in the Consumer Expectations Index, while the Economic Conditions Index decreased. Consumer confidence improved in four of the five surveyed cities compared to December 2018. Willingness to buy a house, furniture and household appliances also improved with respect to last month.

According to the latest Consumer Opinion Survey (COS), the Consumer Confidence Index (CCI) recorded a balance of -2.8%. This value represents an improvement of 5.5 percentage points (pps) compared to the previous month and an increase of 2.6 pps relative to January 2018 (Graph 1). Although consumer confidence continues to be in negative territory, the recovery trend continues.

Graph 1. Consumer Confidence Index (CCI)



Source: Consumer Opinion Survey (COS) – Fedesarrollo
QMA: Quarterly moving average

The improvement in consumer confidence compared to December 2018 was due to a recovery in the Consumer Expectations Index, while the Economic Conditions Index deteriorated.

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 in the CCI respect to December 2018 is mainly explained by an increase of 10.8 pps in the CEI. On the other hand, a deterioration of 2.3 pps was evidenced in the ECI. Compared to January 2018, the expectations index and the economic conditions index improved by 4.2 pps and 0.2 pps respectively. (Graph 2).

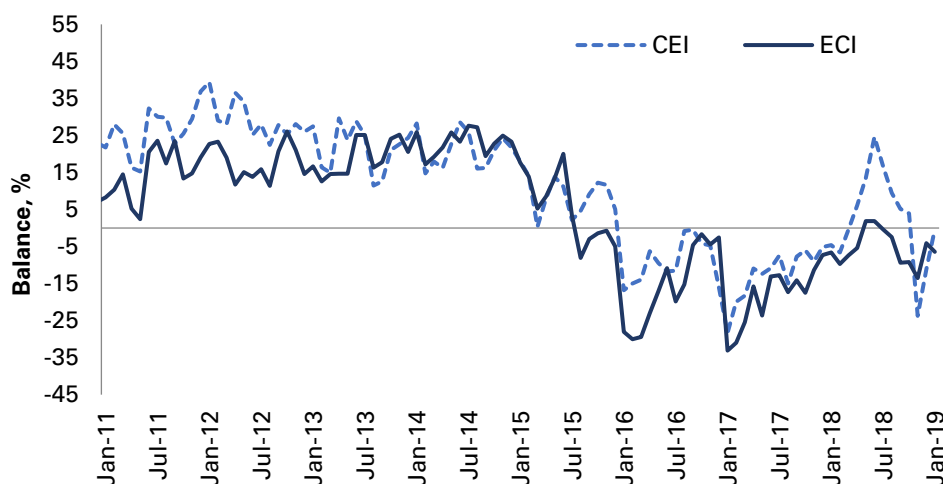
Table 1. Evolution of CCI Components
(Balances between favorable and unfavorable responses, %)

Variable / Balance %	2018		2019
	January	December	January
Consumer Confidence Index - CCI	-5.4	-8.3	-2.8
A. Consumer Expectations Index - CEI	-4.6	-11.1	-0.4
-Do you think that within a year your household will economically do better, worse or the same than now?	24.3	16.9	26.6
-Do you think that within the next twelve months we will have good or bad economic times?	-27.8	-33.1	-20.7
-Do you think that the country's economic conditions will be better or worse within a year than they currently are?	-10.3	-17.3	-7.1
B. Economic Conditions Index - ECI	-6.6	-4.1	-6.4
- Do you think that your household is economically doing better or worse than a year ago?	-3.1	1.1	-8.9
-Do you think this is a good time to purchase items such as furniture and household appliances?	-10.1	-9.3	-3.8

Source: Consumer Opinion Survey (COS) – Fedesarrollo

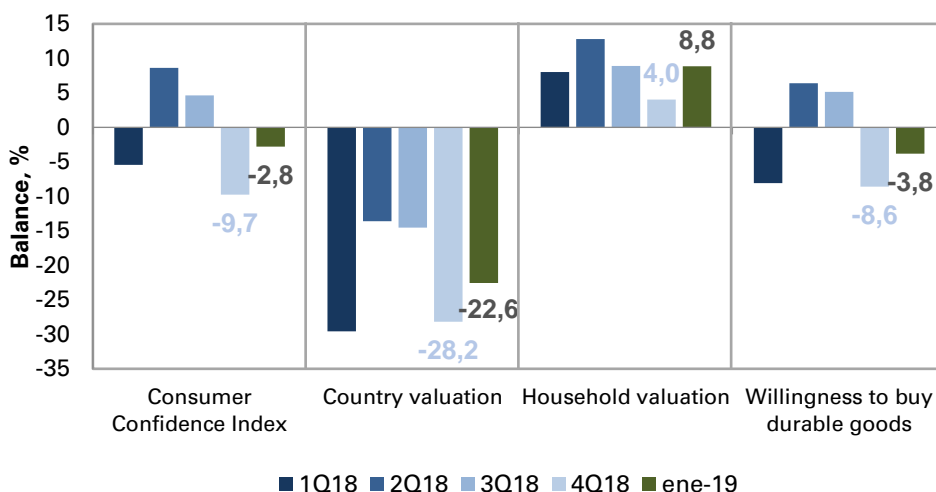
When comparing the results of January with the average observed during the fourth quarter of 2018, both the consumer's assessment of the country situation and the consumer's assessment of their households' situation improved by 5.6 pps and 4.8 pps respectively. On the other hand, willingness to buy durable goods was -3.8%, a result that represents a recovery of 4.7 pps relative to the average balance recorded during the fourth quarter of 2018 (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 January, the CCI improved in four of the five surveyed cities compared to the previous month.

The CCI improved relative to previous month in Medellín (15.6 pps), Cali (12.6 pps), Bucaramanga (9.6 pps) and Bogotá (3.0 pps), and worsened in Barranquilla (-13.8 pps) . Regarding January 2018, consumer confidence improved in Cali, Bucaramanga and Medellín (Table 2).

Table 2. Evolution of the CCI by cities

City, Balance %	2018		2019
	January	December	January
Bogotá	-4.1	-11.5	-8.5
Medellín	-12.0	-13.8	1.9
Cali	-7.3	-0.1	12.5
Barranquilla	5.2	11.1	-2.7
Bucaramanga	-11.5	-4.7	5.0
Total	-5.4	-8.3	-2.8

Source: Consumer Opinion Survey (COS) – Fedesarrollo

Socioeconomic level. In January, consumer confidence improved at all socioeconomic levels relative to last month and January 2018

By socioeconomic level and relative to previous month, the CCI improved 15.2 pps in the high strata, 9.6 pps in the middle strata and 0.4 pps in the low level. Compared to January 2018, consumer confidence improved in all socioeconomic levels

Table 3. Evolution of the CCI by income level

Income level. Balance %	2018		2019
	January	December	January
High	-3.5	3.1	18.4
Medium	-3.8	-10.6	-1.0
Low	-7.4	-7.8	-7.4
Total	-5.4	-8.3	-2.8

Source: Consumer Opinion Survey (COS) – Fedesarrollo

Housing. Willingness to buy a house increased compared to last month but worsened relative to January 2018. By cities, this indicator decreased in Barranquilla and Medellin against last month.

In January, willingness to buy a house was -1.9%, which represents an improvement of 3.2 pps compared to the previous month and a deterioration of -3.2 pps compared to January 2018 (Table 4). Regarding last month, willingness to buy a house worsened in Barranquilla (-23.9 pps) and Medellin (-4.1 pps)

Table 4. Willingness to buy a house by cities

City, Balance %	2018		2019
	January	December	January
Bogotá	-2.0	-11.7	-8.2
Medellín	-2.5	-2.1	-6.2
Cali	5.0	6.8	26.0
Barranquilla	22.7	25.8	1.9
Bucaramanga	10.1	-29.3	1.5
Total	1.3	-5.1	-1.9

Source: Consumer Opinion Survey (COS) – Fedesarrollo

Relative to previous month and January 2018, willingness to buy a house improved in the medium and high levels but deteriorated in the low level.

In January, willingness to buy a house disaggregated by socioeconomic level, increased 15.3 pps in the medium strata and 8.3 pps in the high strata; while in the low strata it declined by 9.5 pps. Relative to January 2018, the drop of 18.8 pps in the low strata stands out.

Table 5. Willingness to buy a house by socioeconomic level

Income level. Balance %	2018		2019
	January	December	January
High	10.3	4.9	13.2
Medium	-4.2	-8.1	7.2
Low	5.9	-3.5	-12.9
Total	1.3	-5.1	-1.9

Source: Consumer Opinion Survey (COS) – Fedesarrollo

Durable goods. Willingness to buy furniture and household appliances improved relative to previous month and January 2018.

The balance of answers about whether it is a good or bad time to buy goods such as furniture and household appliances was -3.8% in January. This represents a recovery of 5.4 pps compared to December and an increase of 6.3 pps compared to January 2018. Relative to previous month, willingness to buy durable goods increased in Medellín (32.9 pps), Cali (14.0 pps) and Bucaramanga (11.1 pps), but decreased in the other cities analyzed, especially in Barranquilla (16.8 pps). Compared to January 2018, willingness to buy durable goods decreased in Barranquilla and Bogotá, and increased in the other cities analyzed (Table 6).

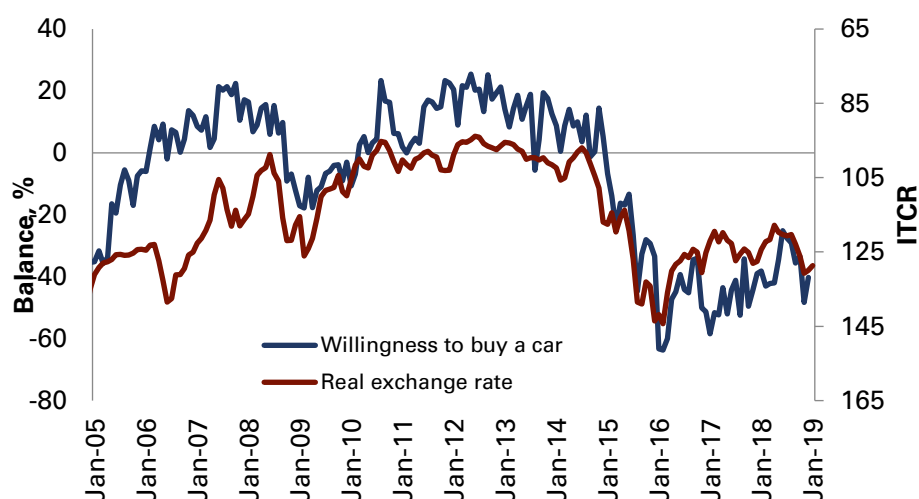
Table 6. Willingness to buy furniture and home appliances by cities

City, Balance %	2018		2019
	January	December	January
Bogotá	-12.6	-10.5	-12.9
Medellín	-17.8	-21.6	11.3
Cali	0.5	-3.3	10.7
Barranquilla	7.2	19.5	2.7
Bucaramanga	-15.7	-16.5	-5.4
Total	-10.1	-9.3	-3.8

Source: Consumer Opinion Survey (COS) – Fedesarrollo

Vehicle. In January, willingness to buy a car continued its upward trend and recorded a balance of -32.8%. This implies an increase of 7.4 pps compared to previous month and an increase of 5.4 pps relative to January 2018 (Graph 4).

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



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



FEDESARROLLO
Centro de Investigación Económica y Social

Contact us if you would like to have access to disaggregated results by city, level of income and other survey questions

+57 1 3259777 ext. 340
comercial@fedesarrollo.org.co

Published February 19, 2018

Comments to Diego Alejandro Gutiérrez: dgutierrez@fedesarrollo.org.co