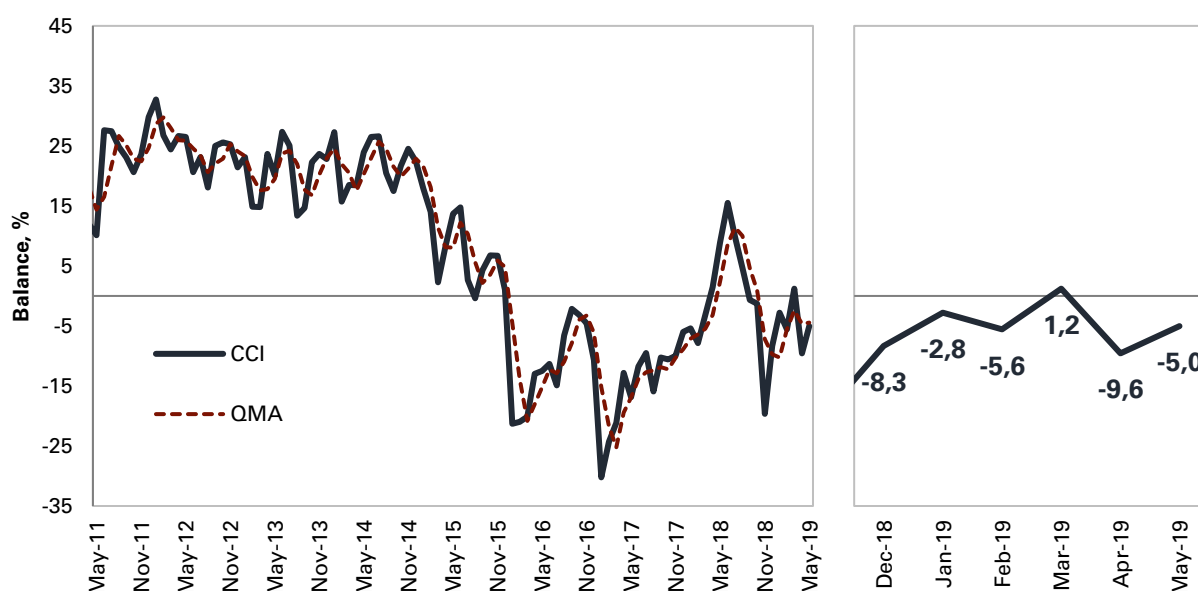


In May, the Consumer Confidence Index (CCI) recovered slightly, recording a balance of -5.0%, which represents an increase of 4.5 percentage points (pps) compared to the previous month and a reduction of 13.9 pps compared to the same month of 2018. The increase compared to the previous month is a result of an increase in the Economic Conditions Index and to a lesser extent, due to a better performance of the Consumer Expectations Index. Consumer confidence increased in the five cities analyzed compared to April 2019. Finally, willingness to buy a house and the willingness to buy furniture and home appliances improved compared to last month.

According to the May results of the Consumer Opinion Survey (COS), the Consumer Confidence Index (CCI) recorded a balance of -5.0%. This result is 4.5 percentage points (pps) higher compared to the previous month and 13.9 pps lower relative to May of 2018 (Graph 1).

Gráfico 1. Consumer Confidence Index (CCI)



Source: Consumer Opinion Survey (COS) – Fedesarrollo.

QMA: Quarterly moving average

The improvement in consumer confidence compared to April 2019 was due to a better performance in the Economic Conditions Index and to a lesser extent to an increase 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 increase of the CCI compared to April is explained by an increase of 8.4 pps in the Economic Conditions Index and, to a lesser extent, an increase of 2.0 pps in the Consumer Expectations Index. Compared to the same period of 2018, both the Consumer Expectations Index and the Economic Conditions Index decreased by 17.6 pps and 8.4 pps, respectively (Graph 2).

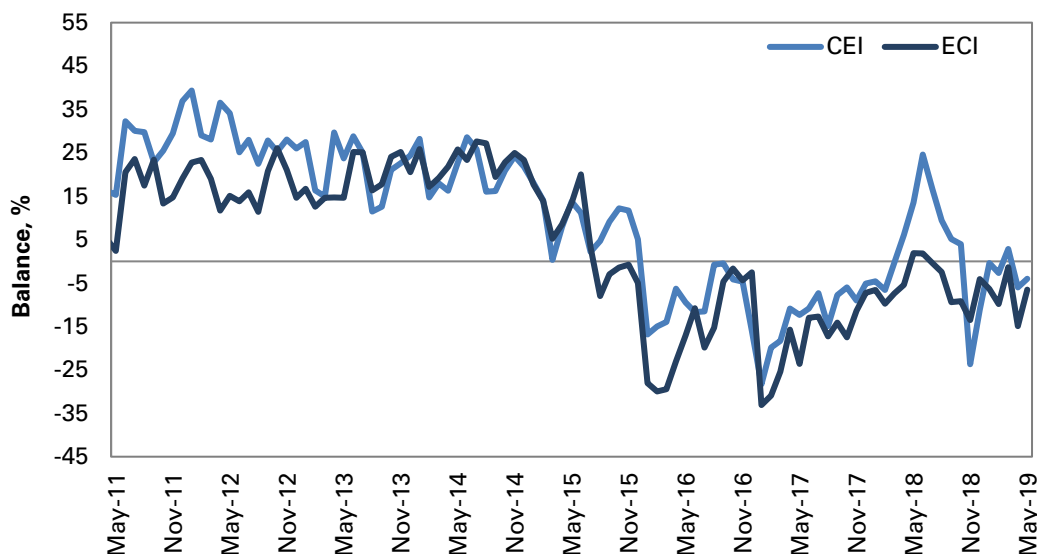
Table 1. Evolution of CCI Components
(Balances between favorable and unfavorable responses, %)

Variable / Balance %	2018	2019	
	May	April	May
Consumer Confidence Index - CCI	8.9	-9.6	-5.0
A. Consumer Expectations Index - CEI	13.5	-6.0	-4.0
-Do you think that within a year your household will economically do better, worse or the same than now?	32.2	20.8	26.3
-Do you think that within the next twelve months we will have good or bad economic times?	1.0	-23.7	-28.5
-Do you think that the country's economic conditions will be better or worse within a year than they currently are?	7.5	-15.0	-9.9
B. Economic Conditions Index - ECI	1.9	-14.9	-6.5
- Do you think that your household is economically doing better or worse than a year ago?	-7.6	-18.4	-10.4
-Do you think this is a good time to purchase items such as furniture and household appliances?	11.4	-11.4	-2.7

Source: Consumer Opinion Survey (COS) – Fedesarrollo

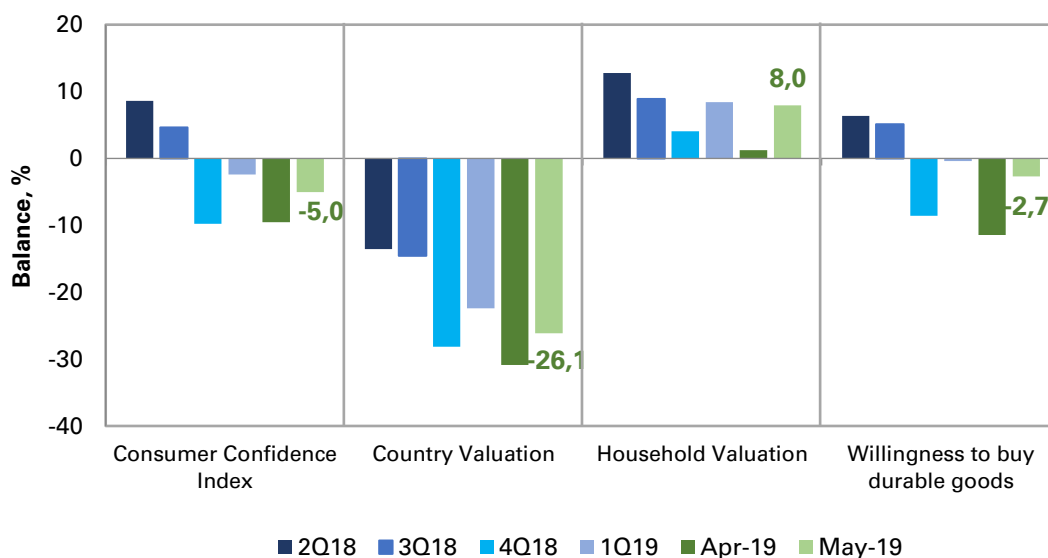
When comparing the results of May with those of April 2019, both the consumer's assessment of the country and households situation improved by 4.8 pps and 6.7 pps respectively. On the other hand, the consumers willingness to buy durable goods was -2.7%, which represents an increase of 8.7 pps compared to April 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 May, the CCI improved in the five surveyed cities compared to the previous month. Compared to the same month of 2018, confidence increased only in Cali.

CCI increased compared to the previous month in all the cities surveyed (Cali 6.9 pps, Bogotá 5.3 pps, Bucaramanga 5.1 pps, Medellín 1.1 pps and Barranquilla 0.8 pps), moreover, it was positive in 4 of them. Relative to May 2018, consumer confidence decreased in all cities surveyed except in Cali, where confidence improved by 1.5 pps (Table 2).

Table 2. Evolution of the CCI by cities

City, Balance %	2018	2019	
	May	April	May
Bogotá	6.0	-18.8	-13.5
Medellín	10.8	0.8	1.9
Cali	11.9	6.5	13.4
Barranquilla	19.8	1.1	1.9
Bucaramanga	7.9	-2.8	2.3
Total	8.9	-9.6	-5.0

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Socioeconomic level. In May, consumer confidence improved in lower and middle strata compared to the previous month, but declined relative to May 2018 in both cases. Instead, in the high stratum, the CCI decreased compared to the previous month but increased compared to May 2018.

When analyzing by socioeconomic level and against the previous month, the CCI increased 8.6 pps and 1.5 pps in lower and middle strata, respectively; while in the high stratum it decreased 4.5 pps. Compared to the same period of 2018, the index fell in the low (20.6 pps) and medium (9.5 pps) strata, but increased in the high stratum (4.8 pps).

Table 3. Evolution of the CCI by income level

Income Level. Balance %	2018	2019	
	May	April	May
High	-1.3	8.0	3.5
Medium	8.3	-9.8	-1.2
Low	10.7	-11.4	-10.0
Total	8.9	-9.6	-5.0

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Housing. Willingness to buy a house increased slightly compared to the previous month and compared to the same month of 2018. By cities, this indicator improved in Cali and Bucaramanga in both periods.

In May, willingness to buy a house was -0.4%, 0.5 pps higher than the one of the previous month and 0.3 pps higher compared to the same month of 2018 (Table 4). Compared with April, willingness to buy a house improved in Bucaramanga (17.8 pps) and Cali (13.5 pps), and decreased in the other cities analyzed. Compared to May 2018, this indicator increased in Cali (27.2 pps), Medellín (7.3 pps) and to a lesser extent in Bucaramanga (0.6 pps), while it worsened in Bogotá (8.3 pps) and Barranquilla (6.1 pps).

Table 4. Willingness to buy a house by cities

City. Balance %	2018	2019	
	May	April	May
Bogotá	-6.1	-12.5	-14.3
Medellín	6.1	18.1	13.4
Cali	-4.2	9.5	23.0
Barranquilla	33.2	31.6	27.2
Bucaramanga	-0.1	-17.4	0.4
Total	-0.7	-0.9	-0.4

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Willingness to buy a house worsened, compared to the previous month, in low and high strata. Regarding May 2018, this indicator improved in medium and high socioeconomic levels.

When analyzing by socioeconomic level, in May, willingness to buy a house, showed a reduction compared to the last month in low (1.7 pps) and high strata (23.3 pps), while in the middle socioeconomic level it increased by 5.0 pps. Compared to May 2018, there was an increase in medium (14.3 pps) and high (19.7 pps) strata, and a deterioration in the low stratum (16.6 pps).

Table 5. Willingness to buy a house by socioeconomic level

Income level. Balance %	2018	2019	
	May	April	May
High	-28.3	14.8	-8.6
Medium	-7.4	1.9	6.9
Low	9.7	-5.2	-6.9
Total	-0.7	-0.9	-0.4

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Durable goods. Willingness to buy furniture and home appliances increased compared to the previous month but declined when compared to May 2018. By cities, this indicator increased with respect to the last month in all of the analyzed cities.

The balance of answers about whether it is a good or bad time to buy goods such as furniture and appliances was -2.7% in May. This represents an increase of 8.7 pps compared to April and a decrease of 14.1 pps compared to May 2018. Relative to last month, willingness to buy durable goods increased in all the cities surveyed, particularly in Barranquilla (26.0 pps) and Cali (15.8 pps). Compared to May 2018, willingness to buy durable goods decreased in Bogotá (24.6 pps), Medellín (19.3 pps), and Barranquilla (2.7 pps), while it increased in Bucaramanga (27.6 pps) and Cali (16.1 pps) (Table 6).

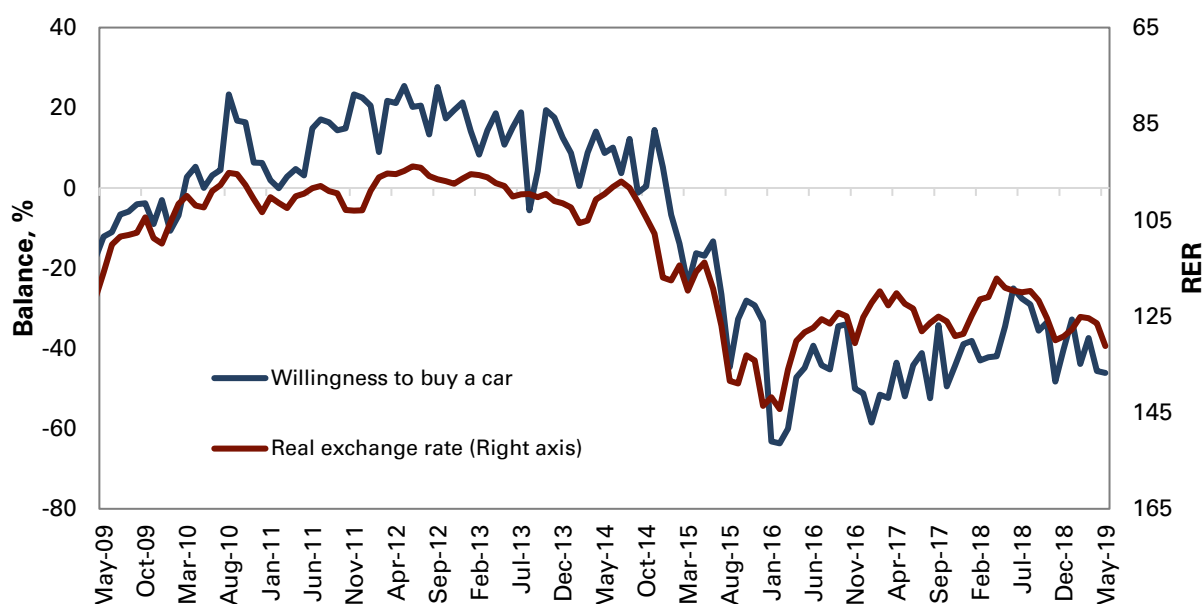
Table 6. Willingness to buy furniture and home appliances by cities

City. Balance %	2018		2019	
	May	April	April	May
Bogotá	8.9	-22.2	-22.2	-15.8
Medellín	19.9	-3.7	-3.7	0.6
Cali	6.5	6.8	6.8	22.6
Barranquilla	36.8	8.1	8.1	34.1
Bucaramanga	-23.5	2.9	2.9	4.0
Total	11.4	-11.4	-11.4	-2.7

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Vehicles. In May, the willingness to buy a vehicle recorded a balance of -46.1%. This implies a decrease of 0.5 pps compared to the previous month and a reduction of 11.5 pps relative to the same month of 2018 (Graph 4).

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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