

Consumer Opinion Survey

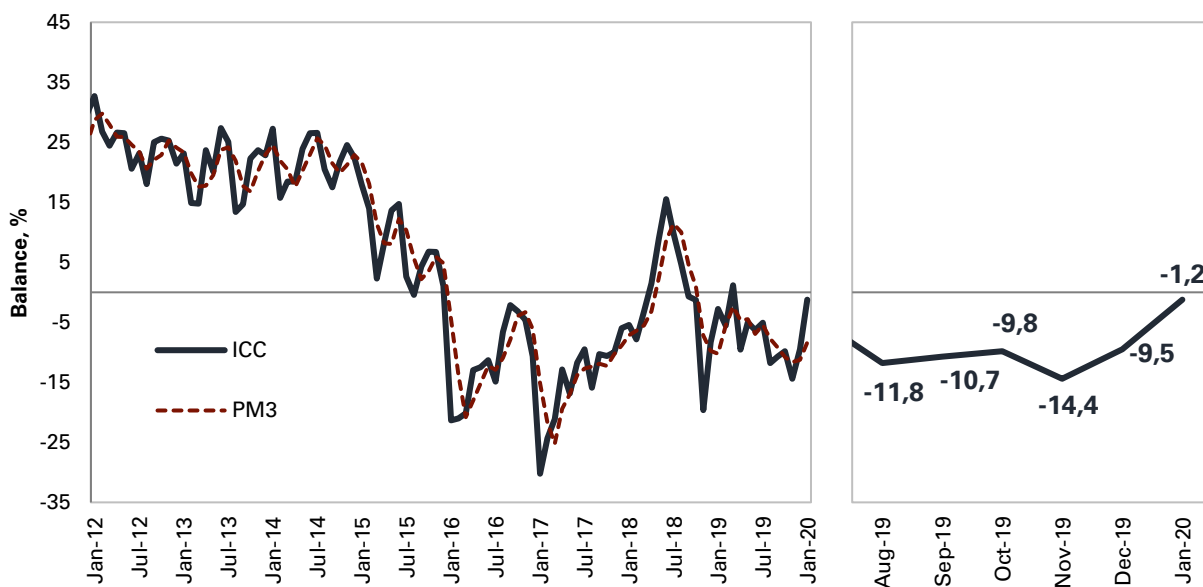
January 2020



In January, the Consumer Confidence Index (CCI) recorded a balance of -1.2%. This represents an increase of 8.3 percentage points (pps) compared to the previous month. Compared to December 2019, the increase was due to a growth in the Economic Conditions Index and an increase in the Consumer Expectations Index. Consumer confidence increased in all strata and four of the five analyzed cities compared to December 2019. Meanwhile, willingness to buy furniture and home appliances increased relative to the last month.

According to the results of the Consumer Opinion Survey (COS) of January, the Consumer Confidence Index (CCI) recorded a balance of -1.2%. This value represents an increase of 8.3 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 December 2019 was due to a growth in the Economic Conditions Index and 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 December is explained by a growth of 9.7 pps in the Economic Conditions Index and an increase of 7.4 pps in the Consumer Expectations Index.

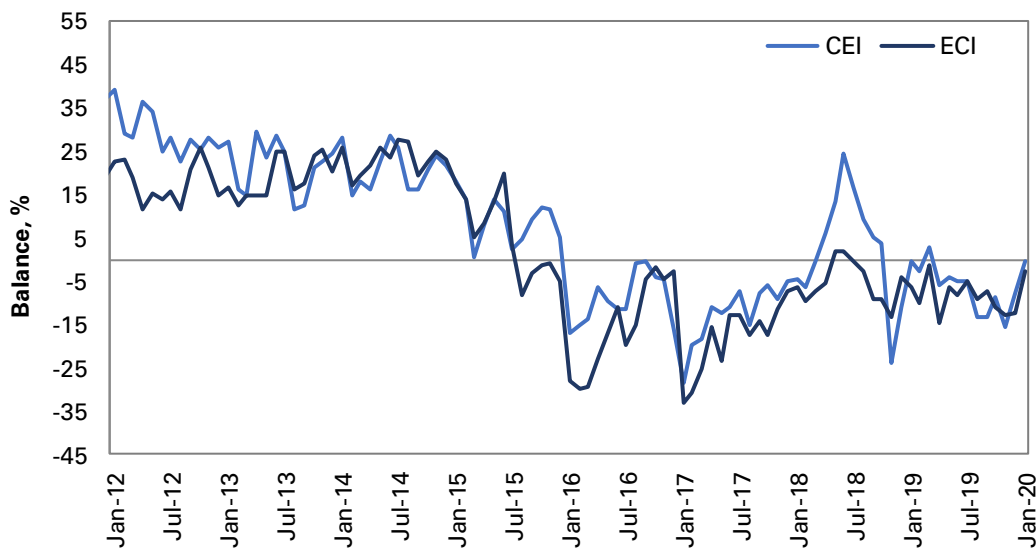
Table 1. Evolution of CCI Components
(Balances between favorable and unfavorable responses, %)

Variable / Balance %	2019		2020
	January	December	January
Consumer Confidence Index - CCI	-2,8	-9,5	-1,2
A. Consumer Expectations Index - CEI	-0,4	-7,7	-0,3
-Do you think that within a year your household will economically do better, worse or the same than now?	26,6	20,8	30,0
-Do you think that within the next twelve months we will have good or bad economic times?	-20,7	-31,7	-20,6
-Do you think that the country's economic conditions will be better or worse within a year than they currently are?	-7,1	-12,3	-10,2
B. Economic Conditions Index - ECI	-6,4	-12,2	-2,5
- Do you think that your household is economically doing better or worse than a year ago?	-8,9	-6,6	2,3
-Do you think this is a good time to purchase items such as furniture and household appliances?	-3,8	-17,8	-7,4

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

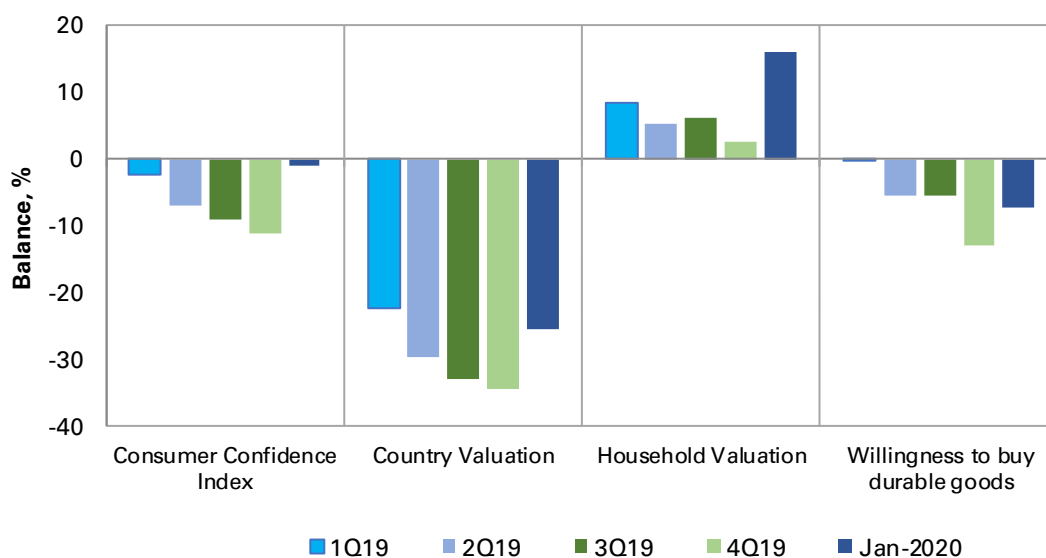
When comparing the results of January 2020 with the observed average during the fourth quarter of 2019, consumer's assessment of their households' situation increased 13.5 pps and the consumer's assessment of the country increased 9.0 pps. On the other hand, consumer's willingness to buy durable goods was -7.4%, this represents an increase of 5.5 pps relative to the average balance recorded during the fourth 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 January, the CCI increased in four of the five surveyed cities compared to December 2019.

The CCI increased compared to the previous month in Barranquilla (10.4 pps), Cali (7.6 pps), Bogotá (7.3 pps) and Medellín (5.5 pps), but decreased in Bucaramanga (13.3 pps).

Table 2. Evolution of the CCI by cities

City, Balance %	2019		2020
	January	December	January
Bogotá	-5,1	-10,6	-2,7
Medellín	-1,4	-2,6	8,4
Cali	15,1	-7,9	-5,0
Barranquilla	-0,8	-6,8	7,0
Bucaramanga	18,8	10,7	-1,8
Total	-2,8	-9,5	-1,2

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Socioeconomic level. In January, consumer confidence increased in all strata compared to the previous month.

By socioeconomic level and compared to the previous month, the CCI increased 14.5 pps in the middle strata, 4.9 pps in the upper strata and 2.5 pps in the low strata.

Table 3. Evolution of the CCI by income level

Income Level Balance %	2019		2020
	January	December	January
High	18,4	1,0	5,9
Medium	-1,0	-9,3	5,3
Low	-7,4	-11,1	-8,5
Total	-2,8	-9,5	-1,2

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Housing. The willingness to buy a house increased 11.1 pps compared to last month. By cities, this indicator increased in Bogotá and Medellín relative to December 2019.

In January, the willingness to buy a house was 1.8%, 11.1 pps higher than the previous month. For this month, willingness to buy a house increased in Bogotá (19.1 pps) and Medellín (17.9 pps), while it decreased in Bucaramanga (20.8 pps), Cali (11.6 pps) and Barranquilla (5.4 pps) compared to what was observed in December 2019.

Table 4. Willingness to buy a house by cities

City Balance %	2019		2020
	January	December	January
Bogotá	-8,2	-22,5	-3,5
Medellín	-6,2	0,2	18,1
Cali	26,0	12,4	0,8
Barranquilla	1,9	17,0	11,6
Bucaramanga	1,5	8,4	-12,4
Total	-1,9	-9,2	1,8

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

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

When analyzing by socioeconomic level in December, willingness to buy a house showed an increase compared to last month of 21.6 pps in the middle strata, 64.1 pps and upper strata and 1.3 pps in the low strata, compared to what was observed in December 2019.

Table 5. Willingness to buy a house by socioeconomic level

Income level Balance %	2019		2020
	January	December	January
High	13,2	10,9	12,5
Medium	7,2	-15,0	6,6
Low	-12,9	-5,6	-4,3
Total	-1,9	-9,2	1,8

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Durable goods. Willingness to buy furniture and home appliances increased 10,4 pps compared to the previous month. By cities, this indicator increased in Cali and Bogotá compared to what was observed in December 2019.

The balance of answers about whether it is a good or bad time to buy goods such as furniture and appliances was -7.4% in January. This represents an increase of 10.4 pps compared to December 2019. Relative to last month, willingness to buy durable goods increased in Cali (27.7 pps) and Bogotá (13.4 pps), but decreased in Barranquilla (11.3 pps), Medellín (1.7 pps) and Bucaramanga (0.6 pps).

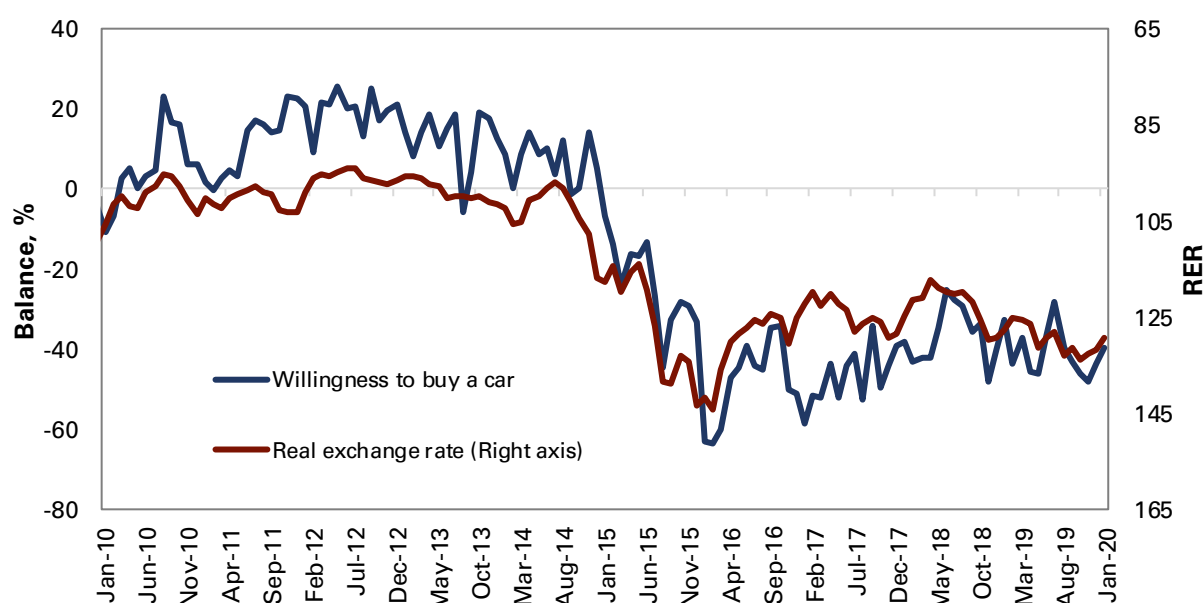
Table 6. Willingness to buy furniture and home appliances by cities

City. Balance %	2019		2020
	January	December	January
Bogotá	-12,9	-25,2	-11,8
Medellín	11,3	-7,5	-9,3
Cali	10,7	-16,4	11,3
Barranquilla	2,7	3,8	-7,5
Bucaramanga	-5,4	-4,3	-4,9
Total	-3,8	-17,8	-7,4

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

Vehicles. In January, the willingness to buy a vehicle registered a balance of **-39.5%**. This implies an increase of **4.0 pps** compared to the previous month (**-43.5**).

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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