

Consumer Opinion Survey

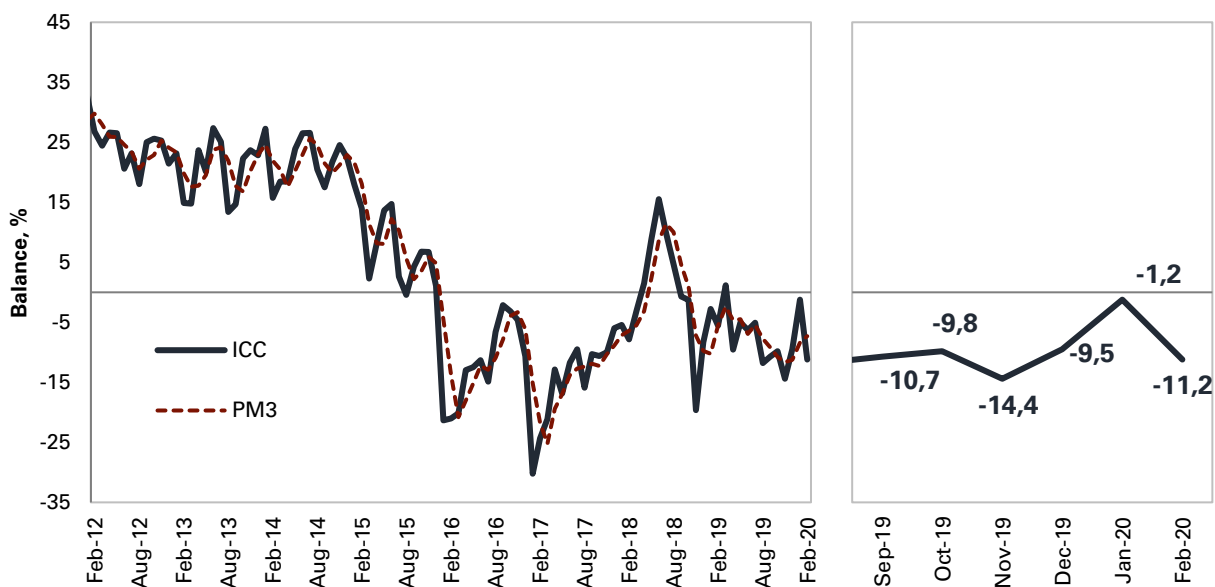
February 2020



In February, the Consumer Confidence Index (CCI) recorded a balance of -11.2%. This represents a decrease of 10.0 percentage points (pps) compared to the previous month. Compared to January 2020, the decrease was due to a fall in the Consumer Expectations Index and a decrease in the Economic Conditions Index. Consumer confidence decreased in all strata and the five analyzed cities compared to January 2020. Meanwhile, willingness to buy furniture and home appliances decreased relative to the last month.

According to the results of the Consumer Opinion Survey (COS) of February, the Consumer Confidence Index (CCI) recorded a balance of -11.2%. This value represents a decrease of 10.0 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 decrease in consumer confidence compared to January 2020 was due to a fall in the Economic Conditions Index and a decrease 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 decrease of the CCI compared to December is explained by a fall of 11.7 pps in the Consumer Expectations Index and a decrease of 7.6 pps in the Economic Conditions Index.

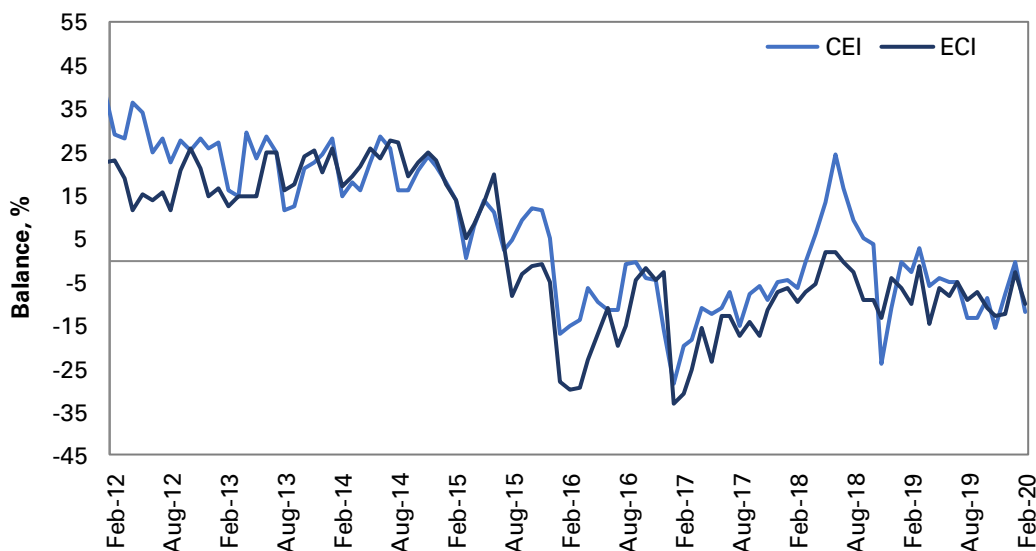
Table 1. Evolution of CCI Components
(Balances between favorable and unfavorable responses, %)

Variable / Balance %	2019	2020	
	February	January	February
Consumer Confidence Index - CCI	-5,6	-1,2	-11,2
A. Consumer Expectations Index - CEI	-2,7	-0,3	-12,0
-Do you think that within a year your household will economically do better, worse or the same than now?	26,0	30,0	20,0
-Do you think that within the next twelve months we will have good or bad economic times?	-25,7	-20,6	-37,6
-Do you think that the country's economic conditions will be better or worse within a year than they currently are?	-8,4	-10,2	-18,4
B. Economic Conditions Index - ECI	-9,9	-2,5	-10,1
- Do you think that your household is economically doing better or worse than a year ago?	-18,5	2,3	-8,9
-Do you think this is a good time to purchase items such as furniture and household appliances?	-1,3	-7,4	-11,3

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

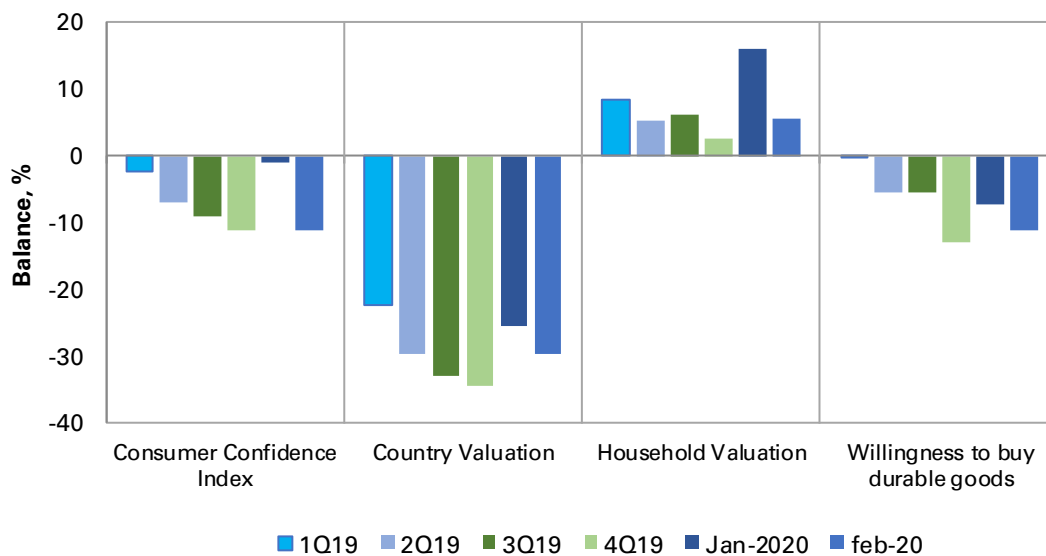
When comparing the results of February 2020 with the observed average during January 2020, consumer's assessment of their households' situation decreased 10.6 pps and the consumer's assessment of the country decreased 4.1 pps. On the other hand, consumer's willingness to buy durable goods was -11.3%, this represents a decrease of 3.9 pps relative to the average balance recorded during January 2020 (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 February, the CCI decreased in the five surveyed cities compared to January 2019.

The CCI decreased compared to the previous month in Bogotá (12.9 pps), Barranquilla (8.3 pps), Medellín (6.8 pps), Cali (5.0 pps) and Bucaramanga (2.5 pps).

Table 2. Evolution of the CCI by cities

City, Balance %	2019	2020	
	February	January	February
Bogotá	-8,7	-3,2	-16,1
Medellín	-9,5	2,9	-3,9
Cali	2,1	-0,3	-5,3
Barranquilla	7,8	3,6	-4,7
Bucaramanga	-0,1	-2,5	-5,1
Total	-5,6	-1,2	-11,2

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

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

By socioeconomic level and compared to the previous month, the CCI decreased 15.9 pps in the middle strata, 10.9 pps in the upper strata and 4.4 pps in the low strata.

Table 3. Evolution of the CCI by income level

Income Level Balance %	2019	2020	
	February	January	February
High	1,3	5,9	-5,1
Medium	-4,6	5,3	-10,3
Low	-7,3	-8,5	-13,0
Total	-5,6	-1,2	-11,2

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Housing. The willingness to buy a house decreased 1.5 pps compared to last month. By cities, this indicator increased in Cali and Barranquilla relative to January 2020.

In February, the willingness to buy a house was 0.4%, 1.5 pps lower than the previous month. For this month, willingness to buy a house increased in Cali (18.8 pps) and Barranquilla (9.6 pps), while it decreased in Bucaramanga (7.5 pps), Bogotá (6.5 pps) and Medellín (2.6 pps) compared to what was observed in January 2020.

Table 4. Willingness to buy a house by cities

City Balance %	2019	2020	
	February	January	February
Bogotá	-2,2	-3,5	-9,9
Medellín	9,8	18,1	15,5
Cali	5,4	0,8	19,6
Barranquilla	24,4	11,6	21,2
Bucaramanga	-6,7	-12,4	-19,5
Total	3,0	1,8	0,4

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

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

When analyzing by socioeconomic level in February, willingness to buy a house showed an increase compared to last month of 7.9 pps in the middle strata and 1.2 pps in the upper strata, while decrease 12.1 pps in the middle strata, compared to what was observed in January 2020.

Table 5. Willingness to buy a house by socioeconomic level

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

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Durable goods. Willingness to buy furniture and home appliances decreased 3,9 pps compared to the previous month. By cities, this indicator increased in Barranquilla, Medellín and Cali compared to what was observed in January 2020.

The balance of answers about whether it is a good or bad time to buy goods such as furniture and appliances was -11.3% in February. This represents a decrease of 3.9 pps compared to January 2020. Relative to last month, willingness to buy durable goods increased in Barranquilla (15.8 pps), Medellín (1.6 pps) and Cali (0.2 pps), but decreased in Bucaramanga (13.1 pps) and Bogotá (8.1 pps).

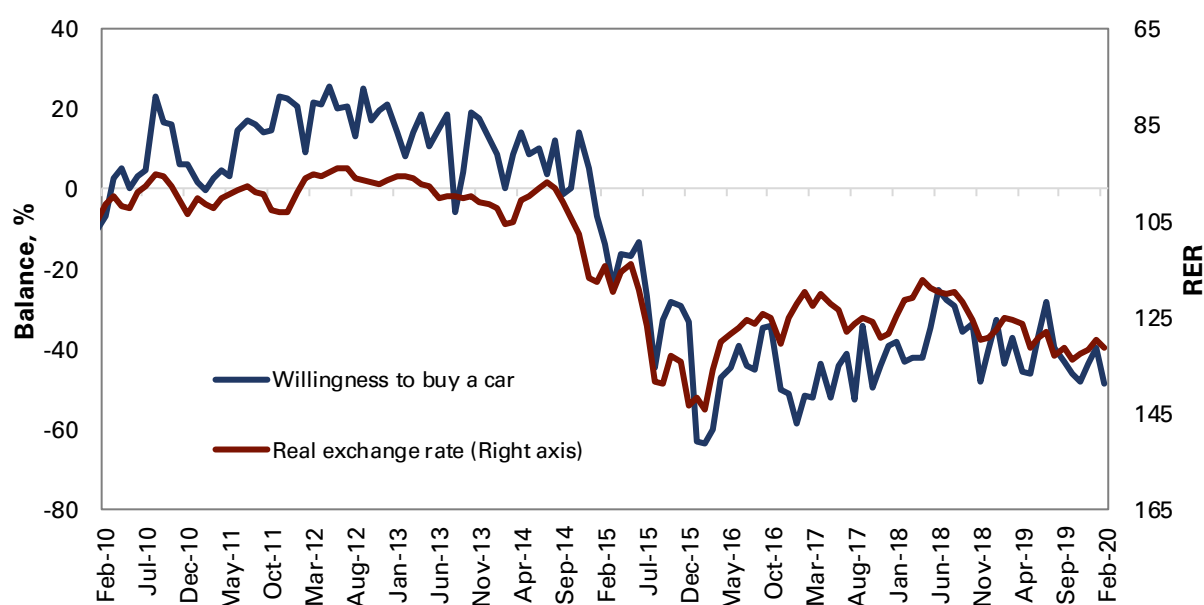
Table 6. Willingness to buy furniture and home appliances by cities

City. Balance %	2019		2020
	February	January	February
Bogotá	-9,4	-11,8	-19,9
Medellín	4,6	-9,3	-7,7
Cali	9,5	11,3	11,5
Barranquilla	24,0	-7,5	8,4
Bucaramanga	-6,2	-4,9	-18,0
Total	-1,3	-7,4	-11,3

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

Vehicles. In February, the willingness to buy a vehicle registered a balance of **-48.4%**. This implies an decrease of **9.0 pps** compared to the previous month (**-39.5**).

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



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



50 AÑOS
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 on March 18, 2019

Comments to Daiyan Andrea Correa Jimenez: dcorrea@fedesarrollo.org.co