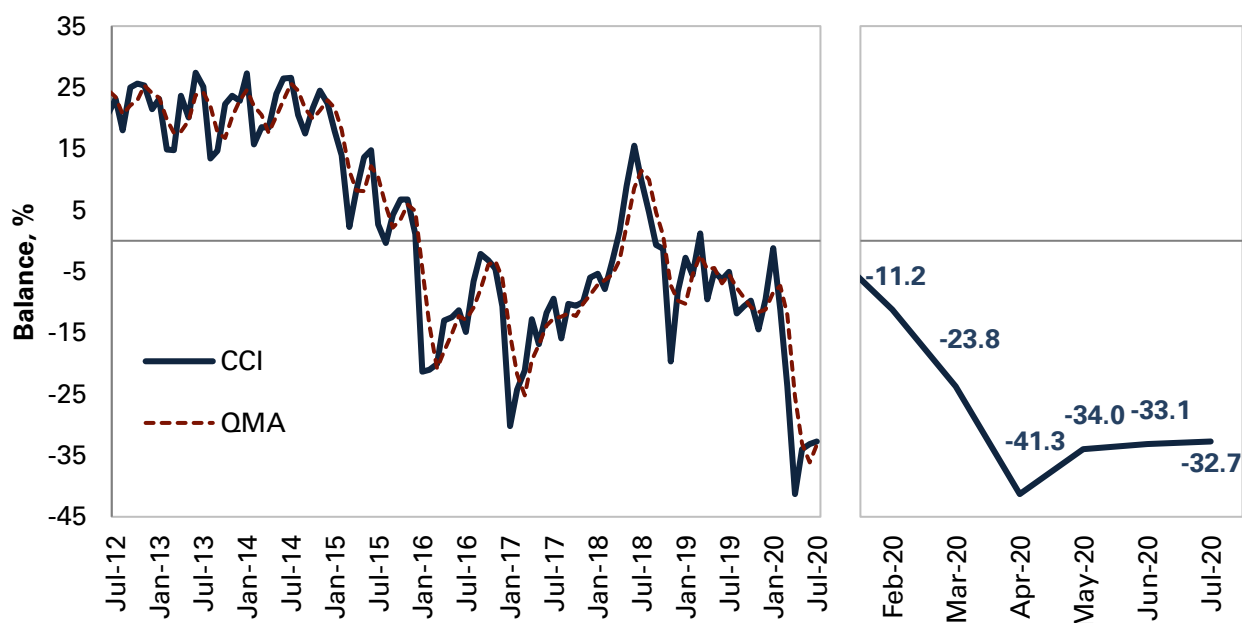


In July, the Consumer Confidence Index (CCI) recorded a balance of -32.7%. This represents an increase of 0.4 percentage points (pps) compared to the previous month. Compared to June 2020, the increase was due to a rise of 3.7 pps in the Economic Conditions Index that made up for the fall of 1.9 pps in the Consumer Expectations Index. Consumer confidence increased in the low strata and two of the five analyzed cities compared to June 2020. 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 July, the Consumer Confidence Index (CCI) recorded a balance of -32.7%. This value represents an increase of 0.4 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 June 2020 was due to a rise in the Economic Conditions Index that made up for the fall 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 June is explained by an increase of 3.7 pps in the Economic Conditions Index (-59.9%) that made up for the fall of 1.9 pps in the Consumer Expectations Index (-14.6%).

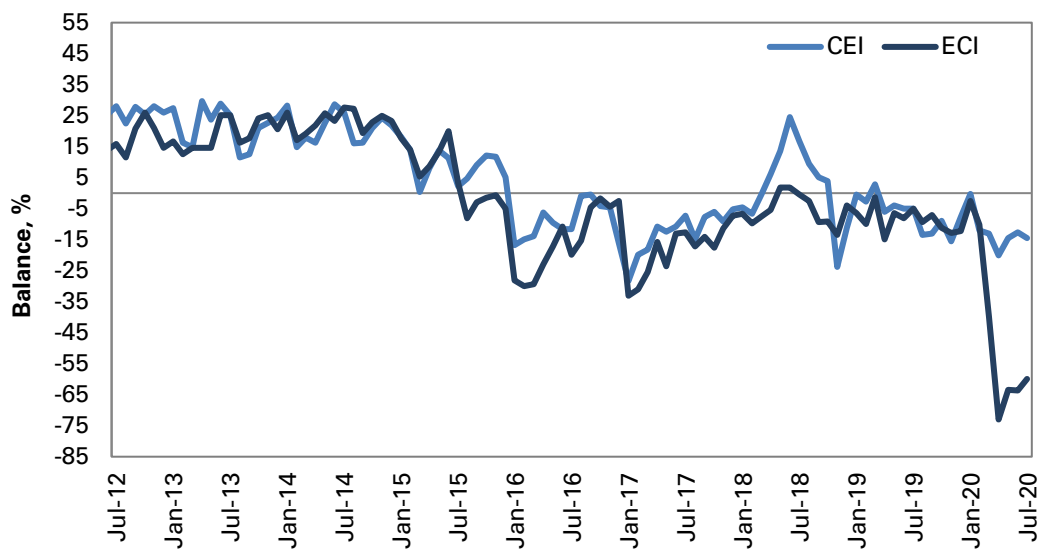
Table 1. Evolution of CCI Components
(Balances between favorable and unfavorable responses, %)

Variable / Balance %	2019	2020	
	July	June	July
Consumer Confidence Index - CCI	-5,1	-33,1	-32,7
A. Consumer Expectations Index - CEI	-5,1	-12,7	-14,6
-Do you think that within a year your household will economically do better, worse or the same than now?	26,9	24,6	30,4
-Do you think that within the next twelve months we will have good or bad economic times?	-30,2	-54,6	-60,3
-Do you think that the country's economic conditions will be better or worse within a year than they currently are?	-11,8	-8,1	-13,9
B. Economic Conditions Index - ECI	5,1	-63,6	-59,9
- Do you think that your household is economically doing better or worse than a year ago?	-7,4	-64,6	-57,9
-Do you think this is a good time to purchase items such as furniture and household appliances?	-2,7	-62,5	-61,9

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

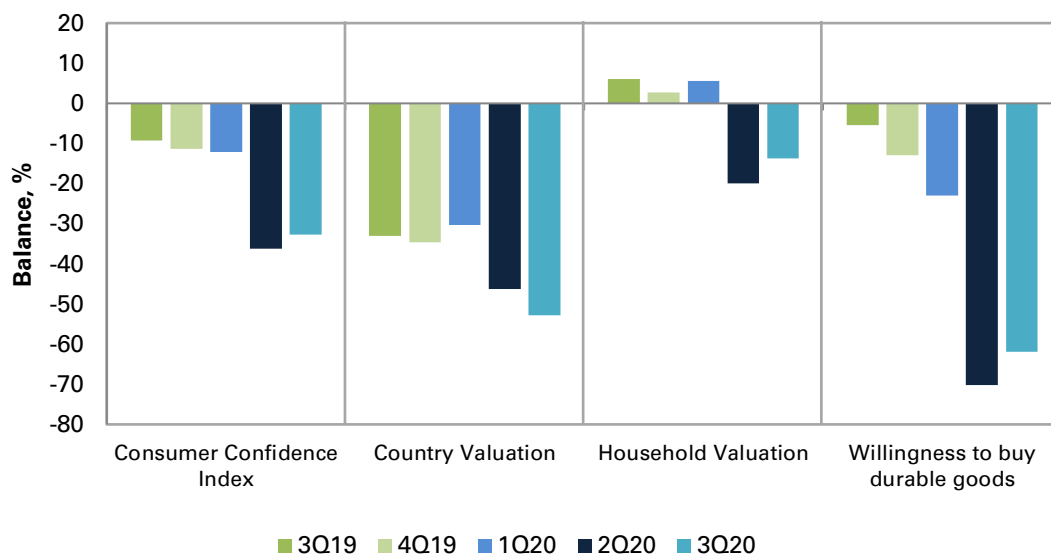
When comparing the results of the third quarter of 2020 so far with the observed average during the second quarter of 2020, consumer's assessment of their households' situation increased 6.2 pps and the consumer's assessment of the country decreased 6.5 pps. On the other hand, consumer's willingness to buy durable goods was -61.9%, this represents an increase of 8.3 pps relative to the average balance recorded during the second quarter of 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 July, the CCI increased in two of the five surveyed cities compared to June 2020.

The CCI increased compared to the previous month in Bucaramanga (11,1 pps) and Bogotá (2,9 pps), and it decreased in Medellín (5,9 pps), Cali (4,0 pps) and Barranquilla (2,6 pps).

Table 2. Evolution of the CCI by cities

City, Balance %	2019	2020	
	July	June	July
Bogotá	-10,1	-35,8	-32,9
Medellín	5,1	-29,3	-35,2
Cali	-3,6	-26,7	-30,7
Barranquilla	7,2	-30,0	-32,6
Bucaramanga	-6,1	-37,1	-26,0
Total	-5,1	-33,1	-32,7

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Socioeconomic level. In July, consumer confidence increased in the low strata compared to the previous month.

By socioeconomic level and compared to the previous month, the CCI increased 1.1 pps in the low strata; and it decreased 0.9 pps in the upper strata and 0.2 pps in the middle strata.

Table 3. Evolution of the CCI by income level

Income level. Balance %	2019	2020	
	July	June	July
High	-6,3	-37,6	-38,5
Medium	-5,7	-33,5	-33,7
Low	-4,2	-32,1	-31,0
Total	-5,1	-33,1	-32,7

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Housing. The willingness to buy a house increased 2.3 pps compared to last month. By cities, this indicator increased in two of the five analyzed cities relative to June 2020.

In July, the willingness to buy a house was -31.8%, 2.3 pps higher than the previous month. For this month, willingness to buy a house increased in Cali (11,1 pps) and Bogotá (8,4 pps), and it decreased in Medellín (17,0 pps), Bucaramanga (13,1 pps) and Barranquilla (3,1 pps), compared to what was observed in June 2020.

Table 4. Willingness to buy a house by cities

City. Balance %	2019	2020	
	July	June	July
Bogotá	-9,8	-44,2	-35,8
Medellín	21,1	-11,5	-28,5
Cali	33,2	-22,5	-11,4
Barranquilla	29,5	-30,9	-34,0
Bucaramanga	-9,1	-41,5	-54,6
Total	5,1	-34,1	-31,8

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

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

When analyzing by socioeconomic level in July, willingness to buy a house showed an increase compared to last month of 4.1 pps in the low strata, 0.6 pps in the middle strata and 0.2 pps in the upper strata, compared to what was observed in June 2020.

Table 5. Willingness to buy a house by socioeconomic level

Income level. Balance %	2019	2020	
	July	June	July
High	3,8	-26,5	-26,3
Medium	1,6	-32,6	-32,0
Low	8,7	-36,4	-32,3
Total	5,1	-34,1	-31,8

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Durable goods. Willingness to buy furniture and home appliances increased 0.6 pps compared to the previous month. By cities, this indicator increased in three of the five analyzed cities compared to what was observed in June 2020.

The balance of answers about whether it is a good or bad time to buy goods such as furniture and appliances was -61.9% in July. This represents an increase of 0.6 pps compared to June 2020. Relative to last month, willingness to buy durable goods increased in Medellín (12,6 pps), Cali (9,5 pps) and Bucaramanga (2,4 pps), and it decreased in Bogotá (5,2) and Barranquilla (2,2 pps).

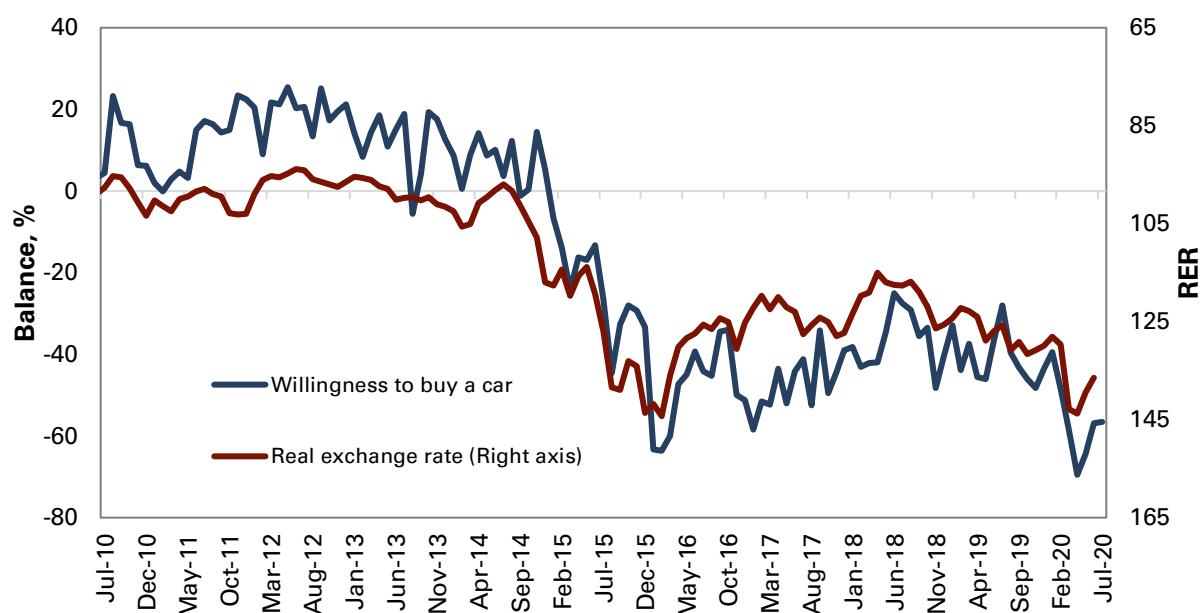
Table 6. Willingness to buy furniture and home appliances by cities

City. Balance %	2019		2020
	July	June	July
Bogotá	-6,3	-60,4	-65,6
Medellín	4,6	-70,0	-57,4
Cali	1,7	-61,2	-51,7
Barranquilla	15,0	-59,0	-61,2
Bucaramanga	-35,9	-69,5	-67,1
Total	-2,7	-62,5	-61,9

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

Vehicles. In July, the willingness to buy a vehicle registered a balance of -56.5%. This implies an increase of 0.3 pps compared to the previous month (-56.8).

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



Note: Real exchange rate until June 2020

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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