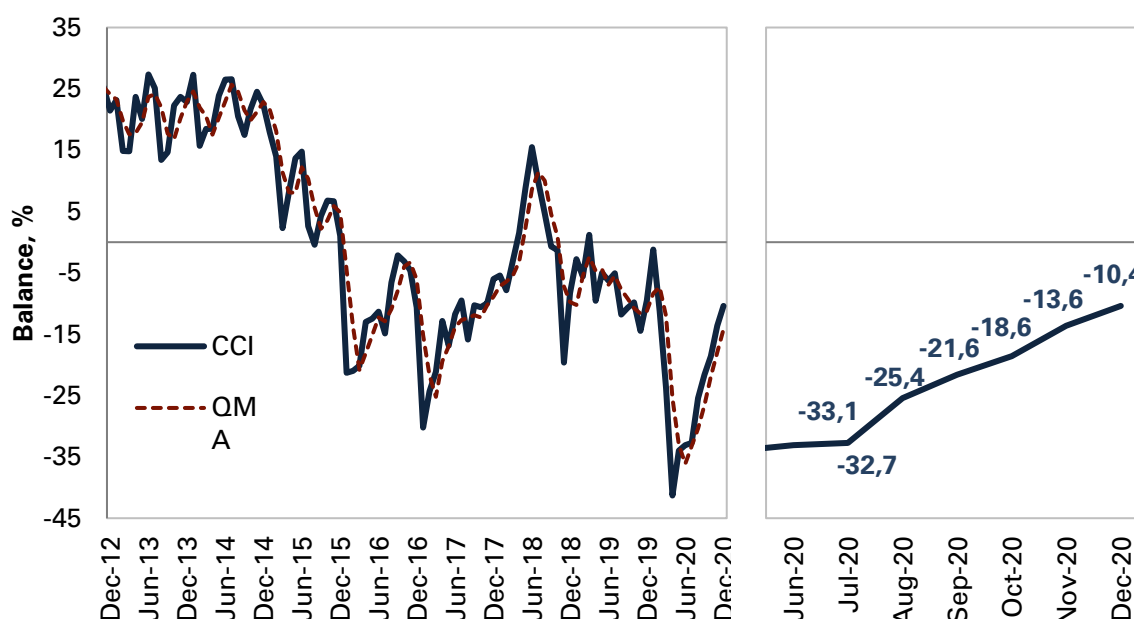


In December, the Consumer Confidence Index (CCI) recorded a balance of -10.4%. This represents an increase of 3.2 percentage points (pps) compared to the previous month. Compared to November 2020, the increase was due to a rise of 4.5 pps in the Consumer Expectations Index and an increase of 1.3 pps in the Economic Conditions Index. Consumer confidence increased in all strata and four of the five analyzed cities compared to November 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 December, the Consumer Confidence Index (CCI) recorded a balance of -10.4%. This value represents an increase of 3.2 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 November 2020 was due to a rise in the Consumer Expectations Index and the Economic Conditions 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 November is explained by an increase of 4.5 pps in the Consumer Expectations Index (11%) and a rise of 1.3 pps in the Economic Conditions Index (-42.6%).

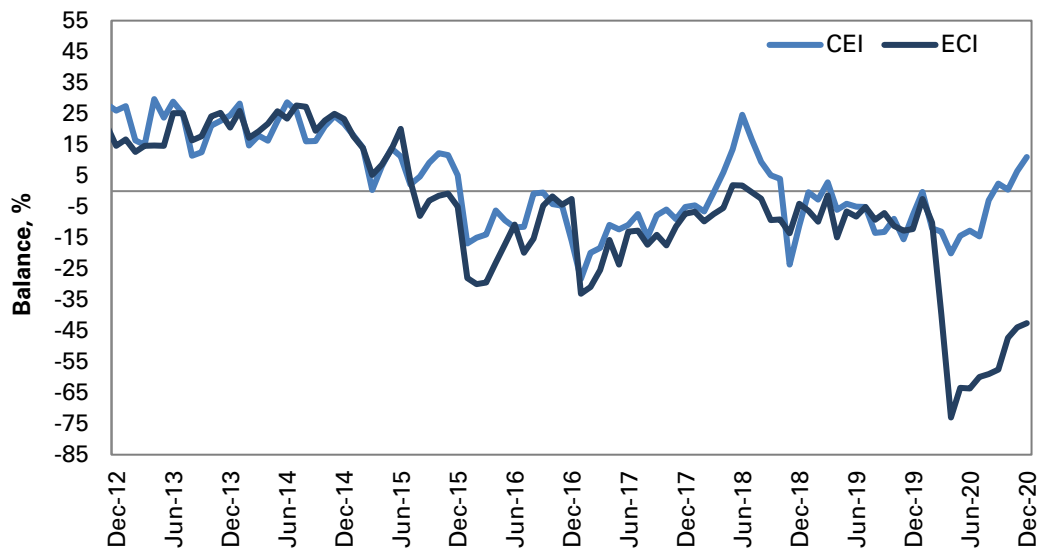
Table 1. Evolution of CCI Components
(Balances between favorable and unfavorable responses, %)

Variable / Balance %	2019		2020
	December	November	December
Consumer Confidence Index - CCI	-9.5	-13.6	-10.4
A. Consumer Expectations Index - CEI	-7.7	6.5	11.0
-Do you think that within a year your household will economically do better, worse or the same than now?	20.8	40.9	41.0
-Do you think that within the next twelve months we will have good or bad economic times?	-31.7	-25.9	-19.7
-Do you think that the country's economic conditions will be better or worse within a year than they currently are?	-12.3	4.5	11.7
B. Economic Conditions Index - ECI	-12.2	-43.9	-42.6
- Do you think that your household is economically doing better or worse than a year ago?	-6.6	-43.2	-38.7
-Do you think this is a good time to purchase items such as furniture and household appliances?	-17.8	-44.5	-46.4

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

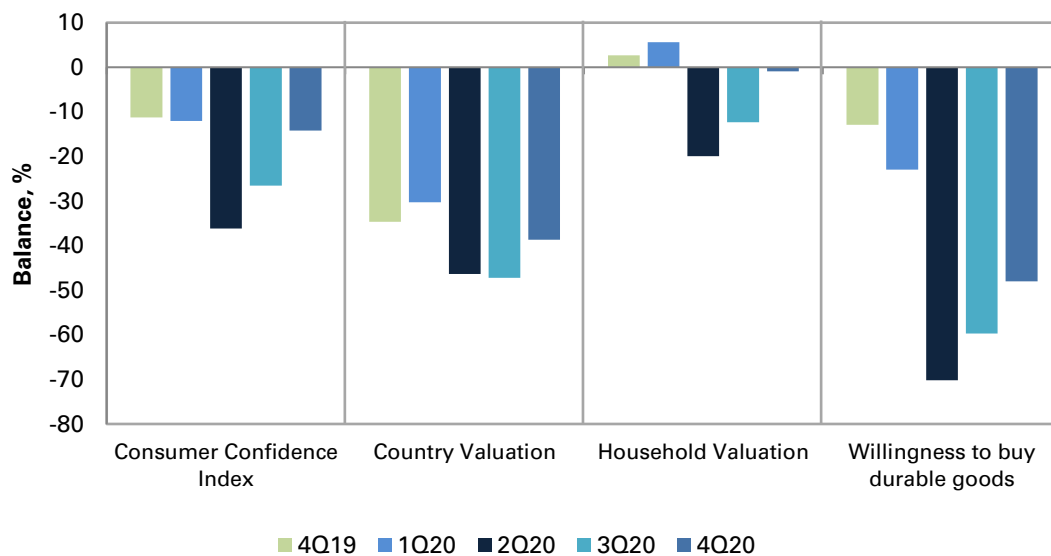
When comparing the results of the fourth quarter of 2020 with the observed average during the third quarter of 2020, consumer's assessment of their households' situation increased 11.5 pps and the consumer's assessment of the country increased 8.5 pps. On the other hand, consumer's willingness to buy durable goods was -48.0%, this represents an increase of 11.7 pps relative to the average balance recorded during the third 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 December, the CCI increased in all surveyed cities compared to November 2020.

Relative to the previous month the CCI increased in Bogota (6.4 pps), Barranquilla (2.4 pps), Cali (0.3 pps) and Medellin (0.1 pps), and it decreased in Bucaramanga (-13.6 pps)

Table 2. Evolution of the CCI by cities

City, Balance %	2019	2020	
	December	November	December
Bogotá	-13.7	-19.2	-12.8
Medellín	-2.9	-7.5	-7.4
Cali	-6.0	-9.6	-9.3
Barranquilla	-6.8	0.7	3.1
Bucaramanga	3.2	-2.0	-15.6
Total	-9.5	-13.6	-10.4

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

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

By socioeconomic level and compared to the previous month, the CCI increased 6.4 pps in the higher strata and 3.1 pps in the lower strata, and it decreased 3.0 pps in the middle strata.

Table 3. Evolution of the CCI by income level

Income level. Balance %	2019	2020	
	December	November	December
High	1.0	-5.1	1.3
Medium	-9.3	-12.8	-9.8
Low	-11.1	-15.7	-12.6
Total	-9.5	-13.6	-10.4

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Housing. The willingness to buy a house increased 2.6 pps compared to last month. By cities, this indicator increased in three of the five analyzed cities relative to November 2020.

In December, the indicator of willingness to buy a house was -6.7%, 2.6 pps higher than the previous month. For this month, willingness to buy a house increased in Medellín (12.7 pps), Cali (9.0 pps) and Bucaramanga (6.5 pps), and it decreased in Bogotá (1.4 pps) and Barranquilla (0.8 pps) compared to what was observed in November 2020.

Table 4. Willingness to buy a house by cities

City. Balance %	2019		2020	
	December	November	December	November
Bogota	-22.5	-7.3	-8.7	
Medellin	0.2	-11.2	1.5	
Cali	12.4	-21.4	-12.4	
Barranquilla	17.0	-2.0	-2.8	
Bucaramanga	8.4	-5.7	0.8	
Total	-9.2	-9.3	-6.7	

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Compared to the previous month, willingness to buy a house increased in the higher and middle strata.

When analyzing by socioeconomic level in December, willingness to buy a house showed an increase compared to last month of 36 pps in the higher strata and 2,2 in the middle, and it showed a decrease of 1.5 pps in the lower strata compared to what was observed in November 2020.

Table 5. Willingness to buy a house by socioeconomic level

Income level. Balance %	2019		2020	
	December	November	December	November
High	10.9	8.8	44.8	
Medium	-15.0	-2.2	-3.7	
Low	-5.6	-19.2	-17.0	
Total	-9.2	-9.3	-6.7	

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Durable goods. Willingness to buy furniture and home appliances decreased 1.9 pps compared to the previous month. By cities, the indicator increased in three of the five analyzed cities compared to November 2020.

The balance of answers about whether it is a good or bad moment to buy goods such as furniture and appliances was -46.4% in December. This represents an decrease of 1.9 pps compared to November 2020. Relative to last month, willingness to buy durable goods increased in Cali (14.4 pps), Bogota (7.3 pps) and Bucaramanga (1.8 pps), and it decreased in Medellin (40.9 pps) and Barranquilla (12.5 pps).

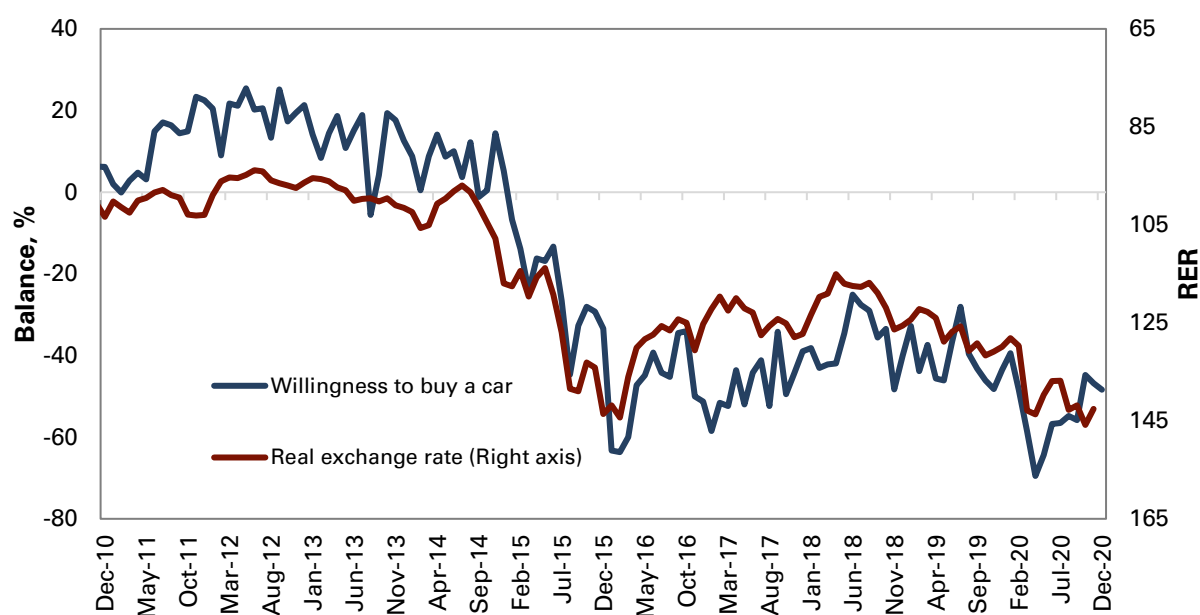
Table 6. Willingness to buy furniture and home appliances by cities

City. Balance %	2019		2020
	December	November	December
Bogotá	-25.2	-52.0	-44.7
Medellín	-7.5	-26.8	-67.7
Cali	-16.4	-50.1	-35.7
Barranquilla	3.8	-19.2	-31.7
Bucaramanga	-4.3	-47.4	-45.6
Total	-17.8	-44.5	-46.4

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

Vehicles. In December, the willingness to buy a vehicle registered a balance of **-48.4%**. This implies an decrease of 1.6 pps compared to the previous month (-46.8).

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



Note: Real exchange rate until November 2020

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



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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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