

Consumer Opinion Survey

May 2021

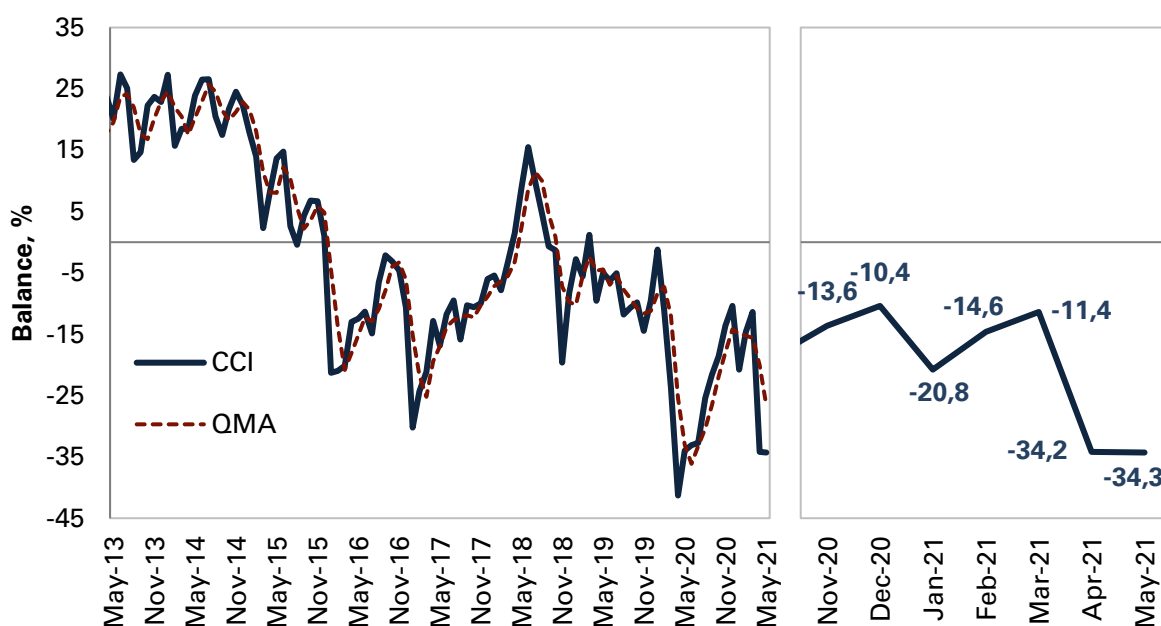
Bulletin 228



In May, the Consumer Confidence Index (CCI) recorded a balance of -34.3%. This represents a decrease of 0.1 percentage points (pps) compared to the previous month. Compared to April 2021, the decrease was due to a fall of 11.2 pps in the Economic Conditions Index and an increase of 7.3 pps in the Consumer Expectations Index. Consumer confidence increased in the high and middle strata and in three the five analyzed cities compared to April 2021. 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 May, the Consumer Confidence Index (CCI) recorded a balance of -34.3%. This value represents a decrease of 0.1 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 April 2021 was due to a fall in the Economic Conditions Index and an increased 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 April is explained by a fall of 11.2 pps in the Economic Conditions Index (-61.7%) and an increased of 7.3 pps in the Consumer Expectations Index (-16.0%).

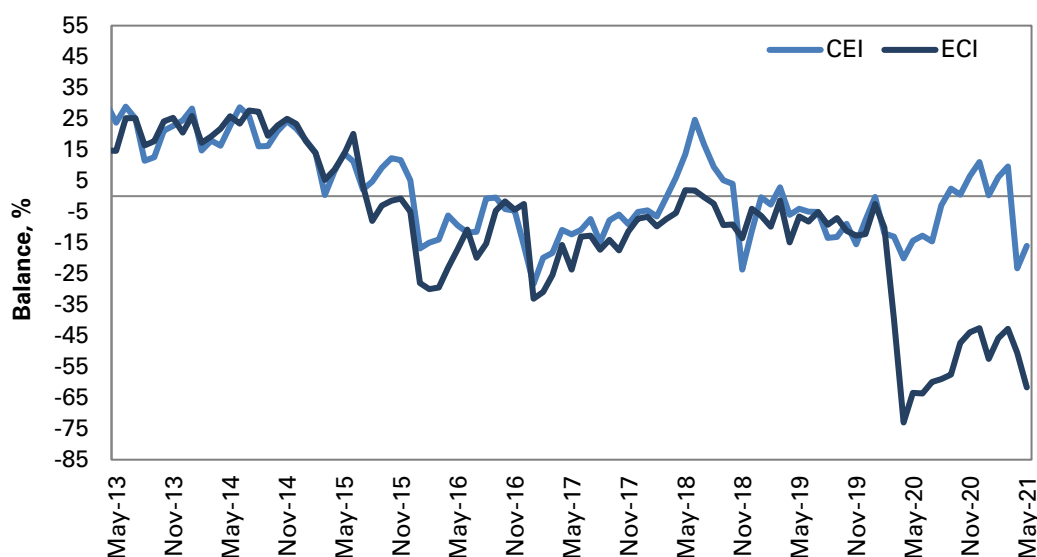
Table 1. Evolution of CCI Components
(Balances between favorable and unfavorable responses, %)

Variable / Balance %	2020	2021	
	May	April	May
Consumer Confidence Index - CCI	-34,0	-34,2	-34,3
A. Consumer Expectations Index - CEI	-14,4	-23,3	-16,0
- Do you think that within a year your household will economically do better, worse or the same than now?	27,7	16,0	15,6
-Do you think that within the next twelve months we will have good or bad economic times?	-59,0	-58,0	-47,6
-Do you think that the country's economic conditions will be better or worse within a year than they currently are?	-11,8	-27,9	-16,0
B. Economic Conditions Index - ECI	-63,4	-50,5	-61,7
- Do you think that your household is economically doing better or worse than a year ago?	-60,2	-42,2	-58,2
- Do you think this is a good time to purchase items such as furniture and household appliances?	-66,7	-58,7	-65,2

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

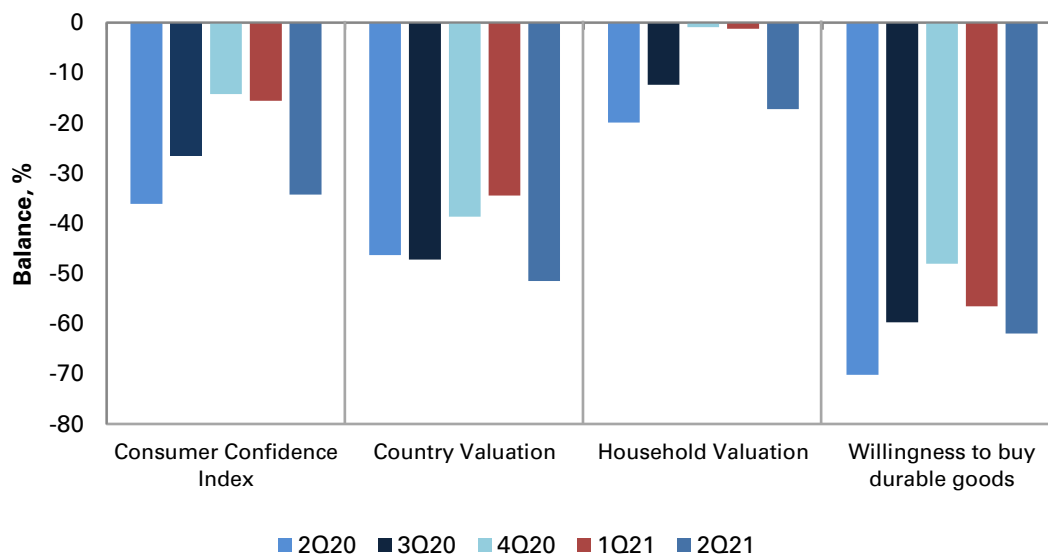
When comparing the results of the second quarter of 2021 so far with the observed average during the first quarter of 2021, consumer's assessment of their households' situation decreased 16 pps and the consumer's assessment of the country decreased 17 pps. On the other hand, consumer's willingness to buy durable goods was -62.0%, this represents a decrease of 5.4 pps relative to the average balance recorded during the first quarter of 2021 (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 increased in three surveyed cities compared to April 2021.

Relative to the previous month the CCI increased in Cali (4.8 pps), Bucaramanga (2.2 pps) and Bogota (1,9 pps), and it decreased in Medellin (11.0 pps) and Barranquilla (0,5 pps).

Table 2. Evolution of the CCI by cities

City, Balance %	2020	2021	
	May	April	May
Bogota	-33,2	-37,6	-35,7
Medellin	-36,0	-27,7	-38,7
Cali	-32,7	-30,7	-25,9
Barranquilla	-38,0	-29,1	-29,6
Bucaramanga	-34,6	-34,2	-32,0
Total	-34,0	-34,2	-34,3

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Socioeconomic level. In May, consumer confidence increased in the higher and middle strata compared to the previous month.

By socioeconomic level and compared to the previous month, the CCI increased 8.2 pps in the higher strata and 1.9 pps in the middle, while it decreased 3.3 pps in the lower strata.

Table 3. Evolution of the CCI by income level

Income level. Balance %	2020	2021	
	May	April	May
High	-34,9	-37,5	-29,3
Medium	-34,2	-33,2	-31,3
Low	-33,7	-34,7	-38,0
Total	-34,0	-34,2	-34,3

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Housing. The willingness to buy a house decreased 22.6 pps compared to last month. By cities, this indicator increased in all the analyzed cities relative to April 2021.

In May, the indicator of willingness to buy a house was -38.4%, 8.7 pps lower than the previous month. For this month, willingness to buy a house decreased in Bucaramanga (30.0 pps), Medellín (27.8 pps), Bogotá (23,1 pps), Barranquilla (21,0 pps) and Cali (13.0 pps), compared to what was observed in April.

Table 4. Willingness to buy a house by cities

City. Balance %	2020		2021	
	May	April	April	May
Bogota	-39,3	-18,0	-18,0	-41,1
Medellin	-47,6	-6,5	-6,5	-34,3
Cali	-37,5	-20,4	-20,4	-33,4
Barranquilla	-64,8	-7,0	-7,0	-28,0
Bucaramanga	-45,4	-24,3	-24,3	-54,3
Total	-42,7	-15,8	-15,8	-38,4

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

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

When analyzing by socioeconomic level in May, willingness to buy a house showed an increase compared to last month of 25,3 pps in the lower, 22.6 pps in the middle and 0,7 pps in the upper strata compared to what was observed in April 2021.

Table 5. Willingness to buy a house by socioeconomic level

Income level. Balance %	2020		2021	
	May	April	April	May
High	-6,7	13,1	13,1	12,4
Medium	-33,3	-8,3	-8,3	-30,9
Low	-54,8	-27,6	-27,6	-52,9
Total	-42,7	-15,8	-15,8	-38,4

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Durable goods. Willingness to buy furniture and home appliances decreased 6.5 pps compared to the previous month. By cities, the indicator decreased in four of the five analyzed cities compared to April 2021.

The balance of answers about whether it is a good or bad moment to buy goods such as furniture and appliances was -65.2% in May. This represents a decrease of 6.5 pps compared to April 2021. Relative to last month, willingness to buy durable goods decreased in Medellin (31.6 pps), Bucaramanga (7.8 pps), Cali (6.6 pps) and Barranquilla (5.9 pps), and it increased in Bogota (1.2 pps).

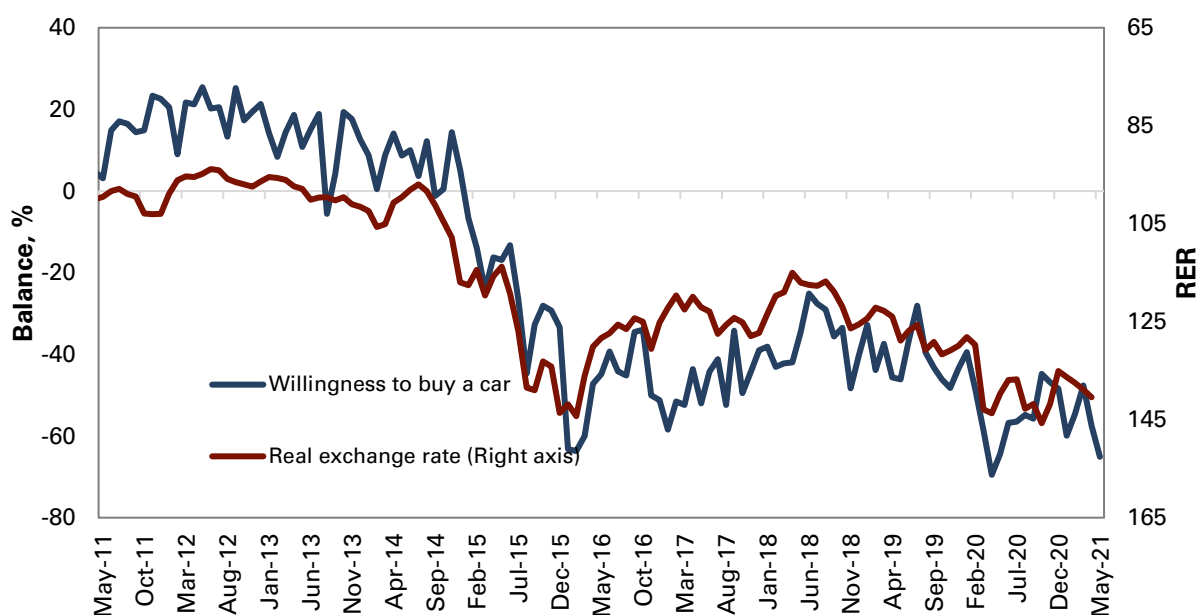
Table 6. Willingness to buy furniture and home appliances by cities

City. Balance %	2020		2021
	May	April	May
Bogota	-64,4	-64,7	-63,5
Medellin	-74,2	-45,4	-77,0
Cali	-60,7	-60,2	-66,8
Barranquilla	-80,1	-43,0	-48,9
Bucaramanga	-62,7	-57,5	-65,3
Total	-66,7	-58,7	-65,2

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

Vehicles. In May, the willingness to buy a vehicle registered a balance of -65.1%. This implies a decrease of 7.5 pps compared to the previous month (-57.6).

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



Note: Real exchange rate until April 2021

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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