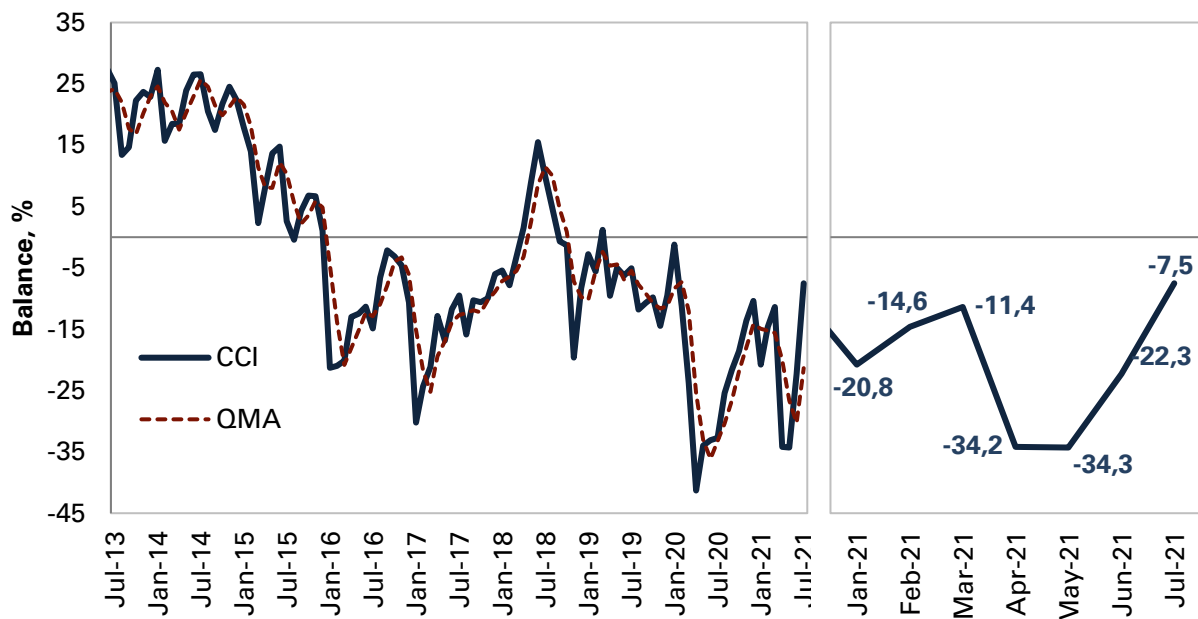


In July, the Consumer Confidence Index (CCI) recorded a balance of -7.5%. This represents an increase of 14.8 percentage points (pps) compared to the previous month. Compared to June 2021, the increase was due to a rise of 17.1 pps in the Economic Conditions Index and an increase of 13.2 pps in the Consumer Expectations Index. Consumer confidence increased in all strata and in all the analyzed cities compared to June 2021. 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 -7.5%. This value represents an increase of 14.8 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 2021 was due to a rise in the Economic Conditions Index and 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 May is explained by an increase of 17.1 pps in the Economic Conditions Index (-31.7%) and a rise of 13.2 pps in the Consumer Expectations Index (8.6%).

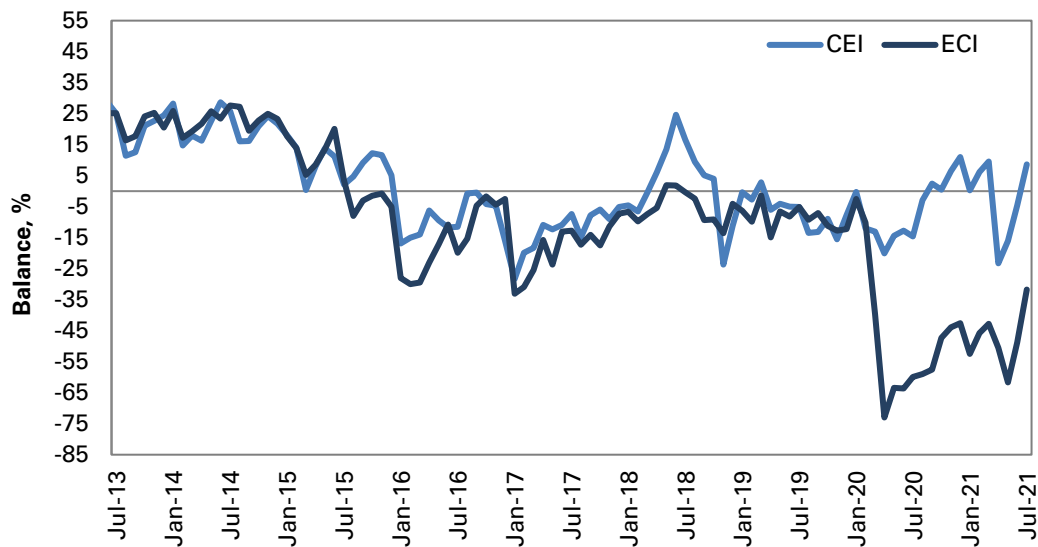
Table 1. Evolution of CCI Components
(Balances between favorable and unfavorable responses, %)

Variable / Balance %	2020	2021	
	July	June	July
Consumer Confidence Index - CCI	-32.7	-22.3	-7.5
A. Consumer Expectations Index - CEI	-14.6	-4.6	8.6
- Do you think that within a year your household will economically do better, worse or the same than now?	30.4	23.2	34.0
-Do you think that within the next twelve months we will have good or bad economic times?	-60.3	-34.1	-10.0
-Do you think that the country's economic conditions will be better or worse within a year than they currently are?	-13.9	-3.0	1.8
B. Economic Conditions Index - ECI	-59.9	-48.8	-31.7
- Do you think that your household is economically doing better or worse than a year ago?	-57.9	-40.3	-20.1
- Do you think this is a good time to purchase items such as furniture and household appliances?	-61.9	-57.2	-43.3

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

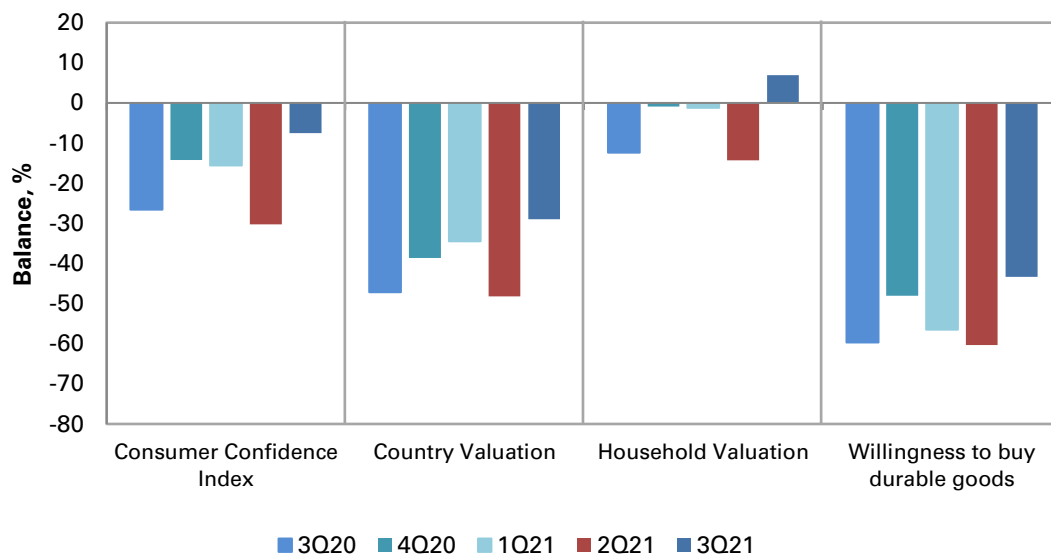
When comparing the results of the third quarter of 2021 so far with the observed average during the second quarter of 2021, consumer's assessment of their households' situation increased 21.3 pps and the consumer's assessment of the country increased 19.2 pps. On the other hand, consumer's willingness to buy durable goods was -43.3%, this represents an increase of 17.1 pps relative to the average balance recorded during the second 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 July, the CCI increased in all surveyed cities compared to June 2021.

Relative to the previous month the CCI increased in Bogota (17.3 pps), Medellin (17.1 pps), Barranquilla (10.4 pps), Bucaramanga (8.6 pps) and Cali (4.4 pps).

Table 2. Evolution of the CCI by cities

City, Balance %	2020		2021	
	July	June	July	June
Bogotá	-32.9	-23.5	-6.2	
Medellín	-35.2	-20.0	-2.9	
Cali	-30.7	-23.1	-18.7	
Barranquilla	-32.6	-20.2	-9.8	
Bucaramanga	-26.0	-15.4	-6.8	
Total	-32.7	-22.3	-7.5	

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

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

By socioeconomic level and compared to the previous month, the CCI increased 20.2 pps in the middle strata, 10.7 pps in the higher strata and 9.6 in the lower strata.

Table 3. Evolution of the CCI by income level

Income level. Balance %	2020		2021	
	July	June	July	June
High	-38.5	-8.4	2.3	
Medium	-33.7	-21.2	-1.0	
Low	-31.0	-25.0	-15.4	
Total	-32.7	-22.3	-7.5	

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Housing. The willingness to buy a house increased 21.0 pps compared to last month. By cities, this indicator increased in all the analyzed cities relative to June 2021.

In July, the indicator of willingness to buy a house was -2.9%, 21.0 pps higher than the previous month. For this month, willingness to buy a house increased in Cali (36.9 pps), Barranquilla (26.1 pps), Bogota (19.2 pps), Medellin (14.1 pps) and Bucaramanga (12.7 pps) and Barranquilla (3.9 pps) compared to what was observed in June.

Table 4. Willingness to buy a house by cities

Ciudad. Balance %	2020		2021	
	Julio	Junio	Julio	Julio
Bogotá	-35,8	-21,7	-2,5	
Medellín	-28,5	-18,8	-4,7	
Cali	-11,4	-38,2	-1,3	
Barranquilla	-34,0	-31,9	-5,8	
Bucaramanga	-54,6	-14,4	-1,7	
Total	-31,8	-23,9	-2,9	

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

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

When analyzing by socioeconomic level in June, willingness to buy a house showed an increase compared to last month of 23,3 pps in the middle and 23.1 pps in the lower, and it showed a decrease of 20.3 pps in the upper strata compared to what was observed in June 2021.

Table 5. Willingness to buy a house by socioeconomic level

Income level. Balance %	2020		2021	
	July	June	July	July
High	-26,3	18,1	-2,2	
Medium	-32,0	-19,4	3,9	
Low	-32,3	-32,9	-9,8	
Total	-31,8	-23,9	-2,9	

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Durable goods. Willingness to buy furniture and home appliances increased 13.9 pps compared to the previous month. By cities, the indicator increased in four of the five analyzed cities compared to June 2021.

The balance of answers about whether it is a good or bad moment to buy goods such as furniture and appliances was -43.3% in July. This represents an increase of 13.9 pps compared to July 2021. Relative to last month, willingness to buy durable goods increased in Barranquilla (22.8 pps), Medellín (21.4 pps), Bogotá (12.7 pps) and Cali (7.4 pps), and it remained constant in Bucaramanga.

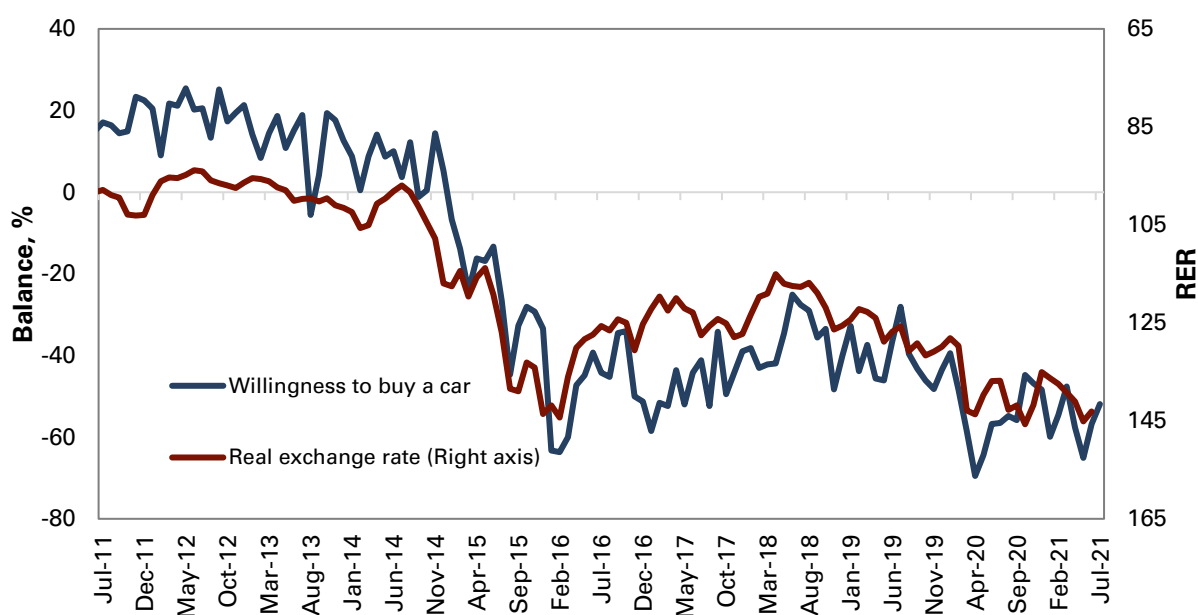
Table 6. Willingness to buy furniture and home appliances by cities

City. Balance %	2020		2021
	July	June	July
Bogotá	-65,6	-58,3	-45,6
Medellín	-57,4	-56,2	-34,8
Cali	-51,7	-56,0	-48,6
Barranquilla	-61,2	-54,4	-31,6
Bucaramanga	-67,1	-53,6	-53,6
Total	-61,9	-57,2	-43,3

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

Vehicles. In July, the willingness to buy a vehicle registered a balance of -51.9%. This implies an increase of 4.9 pps compared to the previous month (-56.8%).

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



Note: Real exchange rate until June 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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Published on August 9 , 2021

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