

Consumer Opinion Survey

September 2023

Bulletin 263

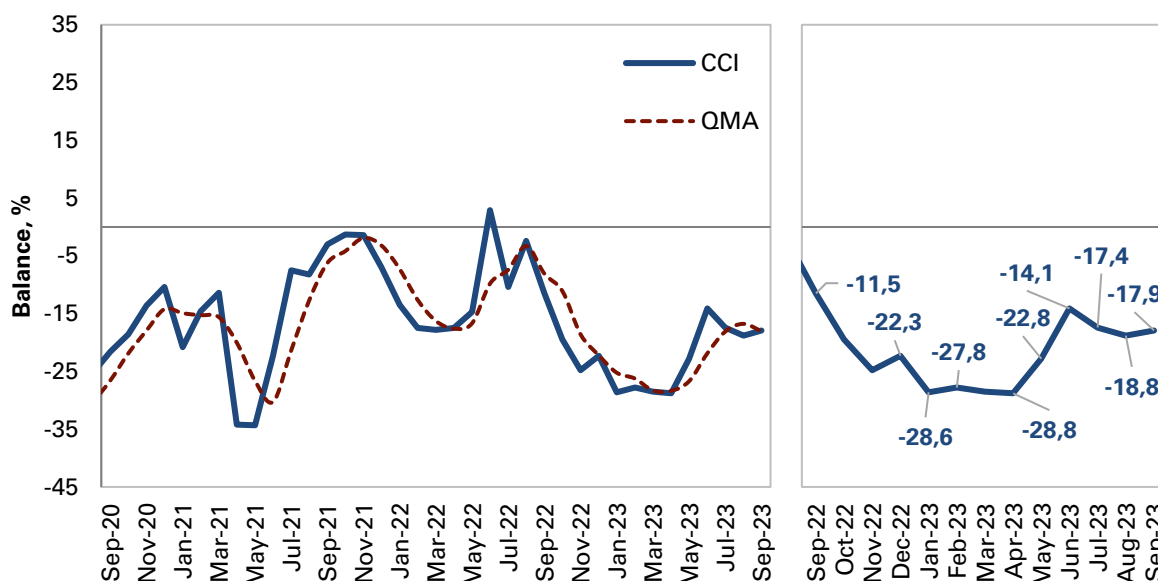


In September 2023, the Consumer Confidence Index (CCI) increased by 0.9 percentage points (pp) compared to August 2023, reaching a balance of -17.9%. This increase is due to an improvement of 2.7 pp in the Economic Conditions Index, which was partially offset by a decrease of 0.3 pp in the Consumer Expectations Index.

In the month of September, consumer confidence increased in three out of the five cities analyzed, as well as in the high and low socioeconomic levels. The willingness to purchase furniture and appliances increased compared to the previous month, while the willingness to purchase housing and vehicles decreased.

The results of the Consumer Opinion Survey (COS) for September reveal that the Consumer Confidence Index (CCI) experienced an increase of 0.9 percentage points (pp) compared to the previous month, reaching -17.9%.

Graph 1. Consumer Confidence Index (CCI)



Source: Consumer Opinion Survey (COS) – Fedesarrollo. QMA: Quarterly moving average.

The increase in consumer confidence compared to August 2023 was explained by an improvement of 2.7 pp in the Economic Conditions Index, which was partially offset by a decrease of 0.3 pp in the Consumer Expectations Index.

The Consumer Confidence Index (CCI) consists of five components detailed in Table 1. The first three components correspond to households' expectations for one year, while the remaining two reflect consumers' perception of the current economic situation. The first three components make up the Consumer Expectations Index (CEI), while the last two form the Economic Conditions Index (ECI).

Compared to August, the increase in the CCI was explained by an improvement in the Consumer Expectations Index (2.7 pp), which was partially offset by a decrease in the Consumer Expectations Index (0.3 pp).

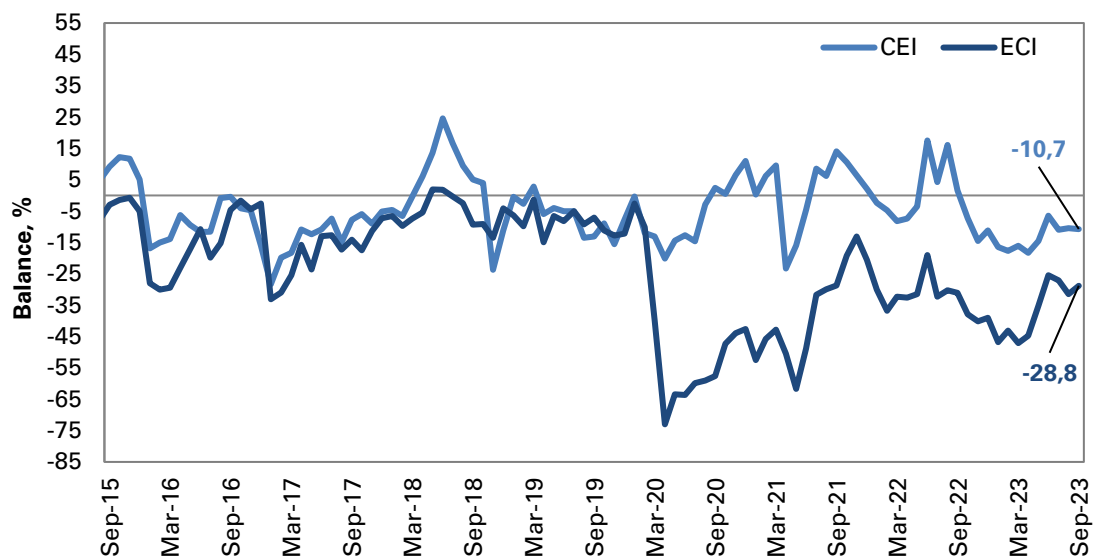
Table 1. Evolution of CCI Components
(Balances between favorable and unfavorable responses, %)

Variable / Balance %	2022	2023	
	September	August	September
Consumer Confidence Index - CCI	-11,5	-18,8	-17,9
A. Consumer Expectations Index - CEI	1,6	-10,4	-10,7
- Do you think that within a year your household will economically do better, worse or the same than now?	15,3	5,7	6,0
- Do you think that within the next twelve months we will have good or bad economic times?	-14,6	-27,7	-25,5
- Do you think that the country's economic conditions will be better or worse within a year than they currently are?	4,1	-9,2	-12,6
B. Economic Conditions Index - ECI	-31,1	-31,5	-28,8
- Do you think that your household is economically doing better or worse than a year ago?	-19,7	-24,0	-24,0
- Do you think this is a good time to purchase items such as furniture and household appliances?	-42,5	-39,0	-33,5

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

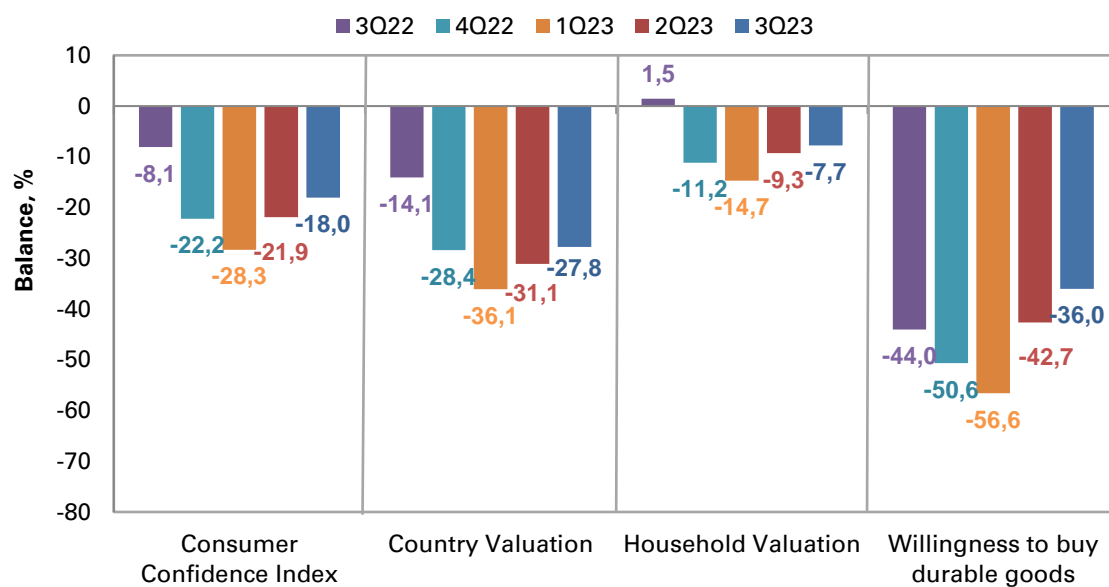
When comparing the results of the third quarter of 2023 with those of the second quarter, an increase of 1.5 pp and 3.3 pp is observed in consumers' assessment of their household and country's situation, respectively. Furthermore, consumers' willingness to purchase durable goods stood at -36.0% during the third quarter, representing an increase of 6.7 pp compared to the balance recorded in the second quarter of 2023 (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 September, the CCI increased in three out of the five cities analyzed compared to August 2023.

Compared to the previous month, the following variations in the CCI were recorded: -3.3 pp in Cali, -1.6 pp in Barranquilla, 0.9 pp in Medellín, 1.5 pp in Bogotá, and 10.1 pp in Bucaramanga.

Table 2. Evolution of the CCI by cities

City, Balance %	2022		2023	
	September	August	September	August
Bogotá	-11,8	-18,4	-16,9	-23,2
Medellín	-21,7	-29,4	-28,5	-36,6
Cali	-6,8	-10,5	-13,8	-20,6
Barranquilla	12,7	-9,9	-11,5	-21,4
Bucaramanga	-21,1	-25,0	-14,9	-20,8
Total	-11,5	-18,8	-17,9	-26,0

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Socioeconomic level. Consumer confidence increased in the high and low socioeconomic levels compared to August 2023.

In September 2023, there was an increase of 9.7 pp and 3.3 pp in the high and low strata, respectively. On the other hand, in the middle stratum, there was a decrease of 2.3 pp compared to the previous month.

Table 3. Evolution of the CCI by Socioeconomic level

Socioeconomic level. Balance %	2022		2023	
	September	August	September	August
High	-30,3	-45,5	-35,8	-45,5
Medium	-10,1	-13,8	-16,1	-18,4
Low	-11,1	-21,0	-17,7	-21,0
Total	-11,5	-18,8	-17,9	-26,0

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Housing. The willingness to purchase housing decreased by 10.2 pp compared to the previous month. By cities, this indicator decreased in all the cities analyzed relative to August 2023.

In September, the housing purchase willingness index decreased by 10.2 pp compared to the previous month, reaching -55.4%. There was a decrease in the cities of Cali (27.0 pp), Medellín (8.0 pp), Bogotá (7.7 pp), Barranquilla (7.2 pp), and Bucaramanga (1.2 pp).

Table 4. Willingness to buy a house by cities

City. Balance %	2022		2023	
	September	August	August	September
Bogotá	-39,9	-52,5	-52,5	-60,2
Medellín	-23,7	-42,8	-42,8	-50,8
Cali	-20,1	-32,9	-32,9	-59,9
Barranquilla	-2,5	-20,1	-20,1	-27,3
Bucaramanga	-30,4	-42,2	-42,2	-43,4
Total	-31,1	-45,2	-45,2	-55,4

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Compared to the previous month, the willingness to purchase housing decreased in the middle and low socioeconomic levels.

When analyzed by socioeconomic level, it is observed that in September, the willingness to purchase housing decreased by 11.2 pp and 10.8 pp in the low and middle socioeconomic levels, respectively. Meanwhile, in the high socioeconomic level, there was an increase of 6.3 pp relative to the previous month.

Table 5. Willingness to buy a house by socioeconomic level

Income level. Balance %	2022		2023	
	September	August	August	September
High	-40,8	-76,2	-76,2	-69,9
Medium	-28,6	-51,0	-51,0	-61,8
Low	-32,6	-36,7	-36,7	-47,9
Total	-31,1	-45,2	-45,2	-55,4

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Durable goods. The willingness to purchase furniture and appliances increased by 5.5 pp compared to August 2023. By cities, this indicator increased in three out of the five cities analyzed compared to the previous month.

In September, the percentage of positive responses regarding whether it is a good or bad time to buy items such as furniture and appliances recorded a balance of -33.5%, representing an increase of 5.5 pp compared to the previous month. When analyzed by cities, there was an increase in the willingness to purchase durable goods of 32.6 pp in Bucaramanga, 10.2 pp in Bogotá, and 3.4 pp in Medellín. On the other hand, there was a decrease of 0.5 pp in Barranquilla and 16.1 pp in Cali.

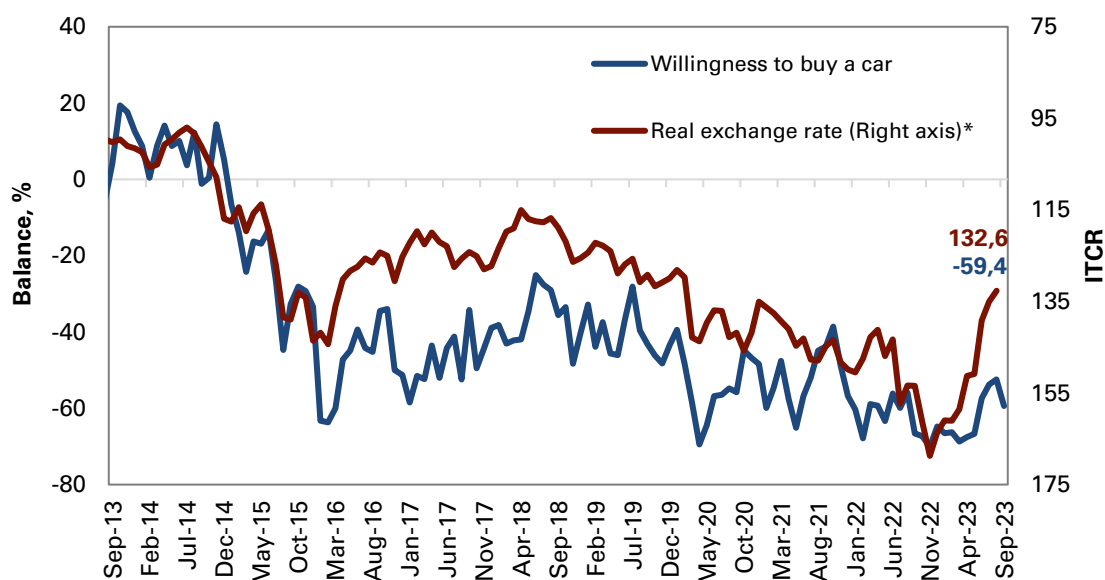
Table 6. Willingness to buy furniture and home appliances by cities

City. Balance %	2022		2023
	September	August	September
Bogotá	-40,2	-38,7	-28,5
Medellín	-51,6	-50,4	-47,0
Cali	-59,5	-27,1	-43,2
Barranquilla	-11,0	-22,2	-22,7
Bucaramanga	-38,0	-66,2	-33,6
Total	-42,5	-39,0	-33,5

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Vehicles. In September, the willingness to buy a vehicle recorded a balance of **-59.4%**, representing a decrease of 7.0 pp compared to the previous month (-52.4%).

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



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

*Real exchange rate up to August 2023.



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 October 11, 2023

Comments to Carlos Alfredo Ayala Betancourt: cayala@fedesarrollo.org.co