

# Consumer Opinion Survey

August 2018

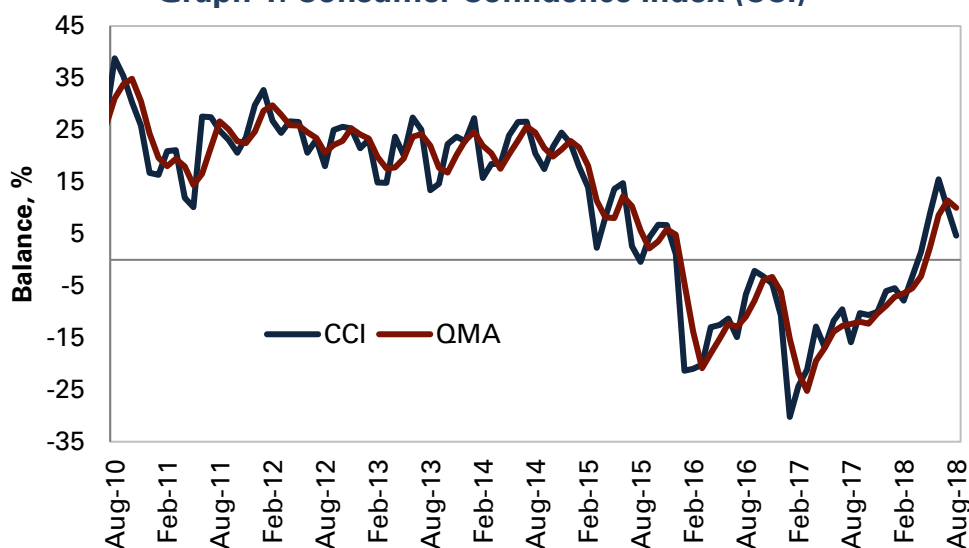
Bulletin 202



In August, the Consumer Confidence Index (CCI) decreased 5.1 percentage points (pps) with respect to the previous month, registering a balance of 4.7%. Compared to August 2017, the CCI increased by 20.6 pps. The reduction relative to previous month was due to a deterioration in both the Consumer Expectations Index and the Economic Conditions Index. Consumer confidence improved in Cali in August but fell in all other surveyed cities. On the other hand, while willingness to buy a house declined, willingness to buy furniture and home appliances recovered with respect to previous month. Compared to August 2017, the CCI and both the willingness to buy a house and durable goods improved.

According to the latest Consumer Opinion Survey (COS), the Consumer Confidence Index (CCI) recorded a balance of 4.7%. Although this value represents a fall of 5.1 percentage points (pps) compared to the previous month, relative to August 2017, the index showed an increase of 20.6 pps (Graph 1).

Gráfico 1. Consumer Confidence Index (CCI)



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

## The decline in the consumer confidence compared to July is due to the deterioration in both 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 about the current economic situation. The Consumer Expectations Index (CEI) is constructed with the first three and the Economic Conditions Index (ECI) with the remaining two.

The decrease of the CCI with respect to July is explained by the drop of 7.2 and 2.1 pps in the CEI and ECI respectively. However, compared to August 2017, the expectations index improved by 24.4 pps, while the economic conditions index increased by 14.8 pps (Graph 2).

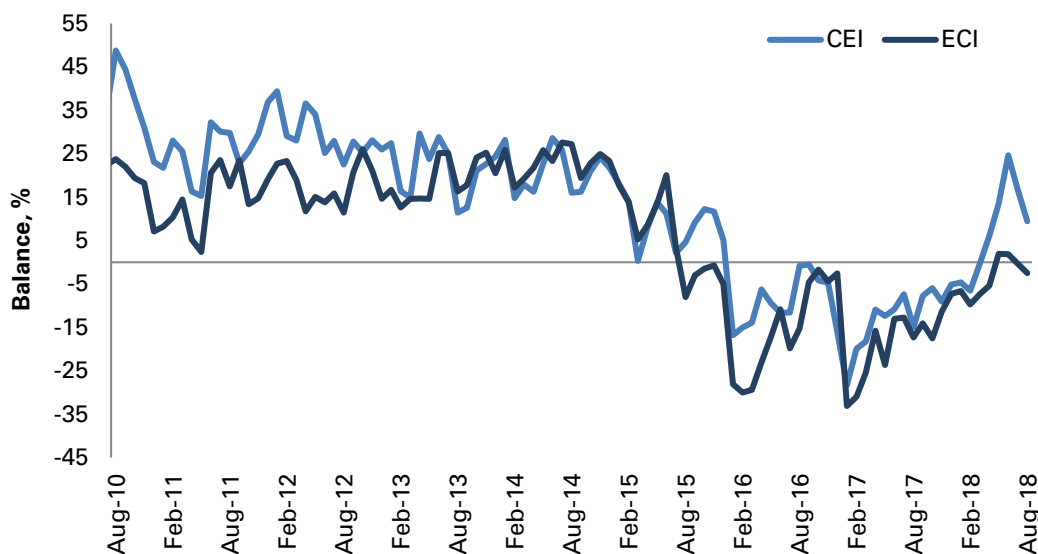
**Table 1. Evolution of the components of the CCI**  
(Balances between favorable and unfavorable responses, %)

Variable / Balance %	2016	2017	2018	
	August	August	July	August
<b>Consumer Confidence Index - CCI</b>	<b>-6,6</b>	<b>-15,9</b>	<b>9,8</b>	<b>4,7</b>
<b>A. Consumer Expectations Index - CEI</b>	<b>-0,8</b>	<b>-15,0</b>	<b>16,6</b>	<b>9,4</b>
-Do you think that within a year your household will economically do better, worse or the same than now?	27,2	21,5	35,6	31,7
-Do you think that within the next twelve months we will have good or bad economic times?	-18,0	-41,9	9,6	-6,1
-Do you think that the country's economic conditions will be better or worse within a year than they currently are?	-11,6	-24,5	4,8	2,7
<b>B. Economic Conditions Index - ECI</b>	<b>-15,3</b>	<b>-17,3</b>	<b>-0,4</b>	<b>-2,5</b>
- Do you think that your household is economically doing better or worse than a year ago?	-10,6	-23,3	-7,1	-11,6
-Do you think this is a good time to purchase big items such as furniture and appliances?	-20,0	-11,3	6,3	6,7

Source: Consumer Opinion Survey (COS) – Fedesarrollo

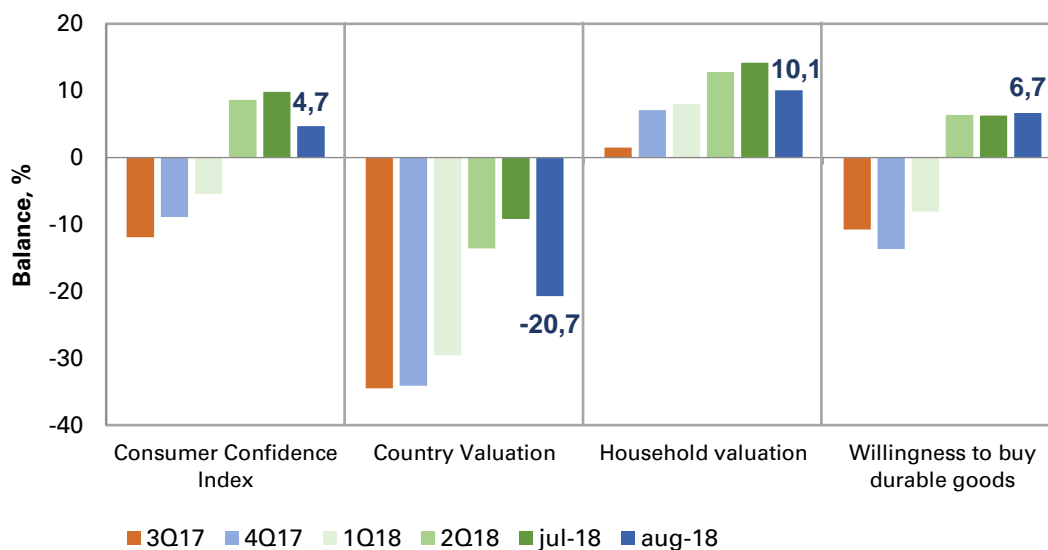
Consumers' assessments of the situation of the country and their households worsened compared to the previous month, reversing the constant improvement dynamic observed since the fourth quarter of 2017. On the other hand, consumers' willingness to buy durable goods improved relative to July recording 6.7% (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

**In August, the CCI improved compared to the previous month in the city of Cali and declined in all other surveyed cities, mainly in Medellín. With respect to the same month of 2017, consumers’ confidence increased in all cities.**

CCI remain in positive territory in all surveyed cities, but in August it increased only in Cali compared to the previous month (4.5 pps), while it declined in Medellín (11.4 pps), Barranquilla (10.6 pps), Bogotá (5.4 pps) and Bucaramanga (1.7 pps). Compared to

August 2017, consumers' confidence improved in all cities, especially in Bucaramanga and Medellín (Table 2).

**Table 2. Evolution of the CCI by cities**

City, Balance %	2016	2017	2018	
	August	August	July	August
Bogotá	-7,5	-19,6	6,1	0,7
Medellín	-9,8	-19,7	22,6	11,3
Cali	1,4	-6,6	4,1	8,6
Barranquilla	2,8	2,3	18,4	7,8
Bucaramanga	-17,5	-16,9	14,8	13,1
<b>Total</b>	<b>-6,6</b>	<b>-15,9</b>	<b>9,8</b>	<b>4,7</b>

Source: Consumer Opinion Survey (COS) – Fedesarrollo

**In August, consumer confidence decreased in all socioeconomic levels compared to the previous month, but increased in all levels compared to August 2017.**

By socioeconomic level and compared to the previous month, a fall in the CCI was observed in all socioeconomic levels, especially in the low level. Decreases were of 2.0, 0.5 and 10.5 pps in the high, medium and low strata respectively. However, compared to the same period of 2017, consumer confidence improved in all socioeconomic levels, mainly in the high (28.6 pps) and middle (27.5 pps) levels.

**Table 3. Evolution of the CCI by income level**

Income level. Balance %	2016	2017	2018	
	August	August	July	August
High	-10,0	-10,9	19,7	17,7
Medium	-7,9	-17,3	10,7	10,2
Low	-4,9	-15,2	7,8	-2,7
<b>Total</b>	<b>-6,6</b>	<b>-15,9</b>	<b>9,8</b>	<b>4,7</b>

Source: Consumer Opinion Survey (COS) – Fedesarrollo

**Although willingness to buy a house was greater than the observed in August 2017, it fell compared to the previous month. Analyzing the results by cities, this indicator decreased with respect to the previous month in three of the five surveyed cities.**

In August, willingness to buy housing recorded a balance of 2.8%, which is equivalent to a 5.5 pps reduction compared to the previous month and a slight increase of 0.6 pps

compared to August 2017 (Table 4). Compared to last month, willingness to buy a house improved in Medellín and Cali, but worsened in Bogotá, Barranquilla and Bucaramanga.

**Table 4. Willingness to buy a house by cities**

City. Balance %	2016	2017	2018	
	August	August	July	August
Bogotá	-15,3	0,8	0,4	-17,2
Medellín	-12,9	-3,9	7,4	31,1
Cali	6,0	6,1	25,1	40,3
Barranquilla	11,3	18,6	37,5	11,2
Bucaramanga	-29,4	5,5	9,0	3,0
<b>Total</b>	<b>-10,3</b>	<b>2,2</b>	<b>8,4</b>	<b>2,8</b>

Source: Consumer Opinion Survey (COS) – Fedesarrollo

**In the upper and middle socioeconomic levels, the disposition to buy a house improved compared to the previous month. Compared to August 2017 it declined only for the middle income level.**

Between July and August, willingness to buy a house increased in the high and medium strata, and declined in the low level. Compared to August 2017, there was an increase in the high strata and a slight improvement in the low strata, while in the middle level it declined by 5.5 pps.

**Table 5. Willingness to buy a house by socioeconomic level**

Income level , Balance %	2016	2017	2018	
	August	August	July	August
High	-8,4	-10,9	14,8	28,7
Middle	-8,6	12,3	3,5	6,8
Low	-12,1	-6,4	12,6	-4,8
<b>Total</b>	<b>-10,3</b>	<b>2,2</b>	<b>8,4</b>	<b>2,8</b>

Source: Consumer Opinion Survey (COS) – Fedesarrollo

**Willingness to buy furniture and household appliances increased compared to the previous month and was higher than in August 2017.**

The balance of answers about whether it is a good or bad time to buy goods such as furniture and household appliances recorded 6.7% in August. This represents a slight increase of 0.3 pps compared to July and an increase of 18.0 pps compared to August 2017. Compared to the previous month, willingness to buy durable goods increased in Medellín (2.8 pps), Bucaramanga (7.3 pps) and Bogotá (1.9 pps), while it declined in Cali

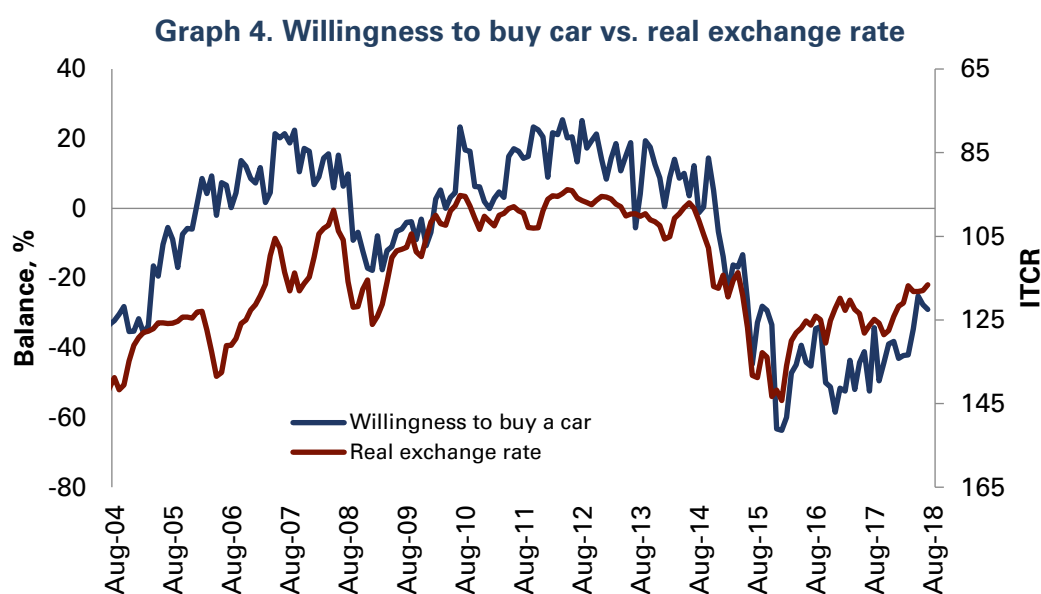
(5.0 pps) and Barranquilla (10.4 pps). Compared to August 2017, the index increased in all surveyed cities except in Cali (Table 6)

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

City, Balance %	2016	2017	2018	
	August	August	July	August
Bogotá	-18,2	-15,0	0,3	2,2
Medellín	-37,1	-27,0	13,1	15,9
Cali	3,6	15,2	11,9	6,9
Barranquilla	3,5	0,7	28,7	18,2
Bucaramanga	-43,3	-15,4	1,0	8,3
<b>Total</b>	<b>-20,0</b>	<b>-11,3</b>	<b>6,3</b>	<b>6,7</b>

Source: Consumer Opinion Survey (COS) – Fedesarrollo

**In August, willingness to buy a vehicle declined and registered -29.0%. This implies a fall of 1.4 pps compared to the previous month but an increase of 23.4 pps compared to August 2017. (Graph 4)**



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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