

Consumer Opinion Survey

June 2019

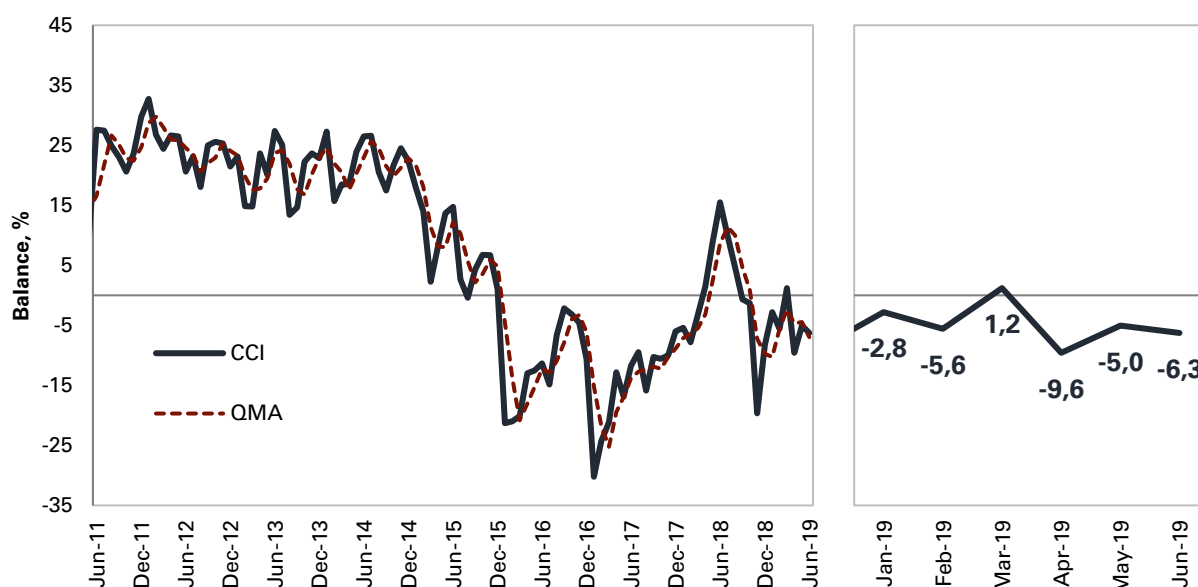
Bulletin 212



In June, the Consumer Confidence Index (CCI) recorded a balance of - 6.3%. This represents a reduction of 1.3 percentage points (pps) compared to the previous month and a decrease of 21.8 pps compared to the same month of 2018. Compared to the previous year, this reduction is a result of a decrease in the Consumer Expectations Index and to lesser extent to the reduction in the Economic Conditions Index. Consumer confidence decreased in the five analyzed cities compared to June 2018. Finally, the willingness to buy a house and the willingness to buy furniture and home appliances decreased compared to the last year.

According to the results of the Consumer Opinion Survey (COS) of June, the Consumer Confidence Index (CCI) recorded a balance of -6.3%. This value represents a reduction of 1.3 percentage points (pps) compared to the previous month and a decrease of 21.8 pps relative to the same month of 2018 (Graph 1).

Graph 1. Consumer Confidence Index (CCI)



Source: Consumer Opinion Survey (COS) – Fedesarrollo.

QMA: Quarterly moving average

The decrease in consumer confidence compared to May 2019 was due to a reduction in the Economic Conditions Index and to a lesser extent to the decrease 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 May is explained by a decrease of 1.7 pps in the Economic Conditions Index and, to a lesser extent, a reduction of 1.0 pps in the Consumer Expectations Index. Compared to the same period of 2018, both the Consumer Expectations Index and the Economic Conditions Index decreased by 29.7 pps and 10.0 pps, respectively (Graph 2).

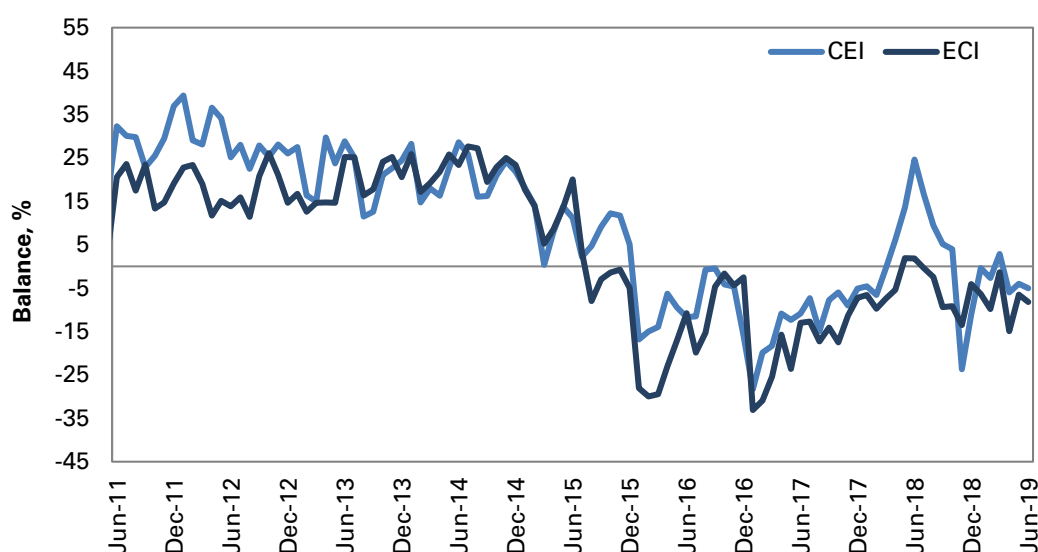
Table 1. Evolution of CCI Components
(Balances between favorable and unfavorable responses, %)

Variable / Balance %	2018	2019	
	June	May	June
Consumer Confidence Index - CCI	15.5	-5.0	-6.3
A. Consumer Expectations Index - CEI	24.6	-4.0	-5.0
-Do you think that within a year your household will economically do better, worse or the same than now?	38.4	26.3	26.3
-Do you think that within the next twelve months we will have good or bad economic times?	21.0	-28.5	-28.3
-Do you think that the country's economic conditions will be better or worse within a year than they currently are?	14.4	-9.9	-13.1
B. Economic Conditions Index - ECI	1.9	-6.5	-8.2
- Do you think that your household is economically doing better or worse than a year ago?	-4.1	-10.4	-13.6
-Do you think this is a good time to purchase items such as furniture and household appliances?	7.8	-2.7	-2.8

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

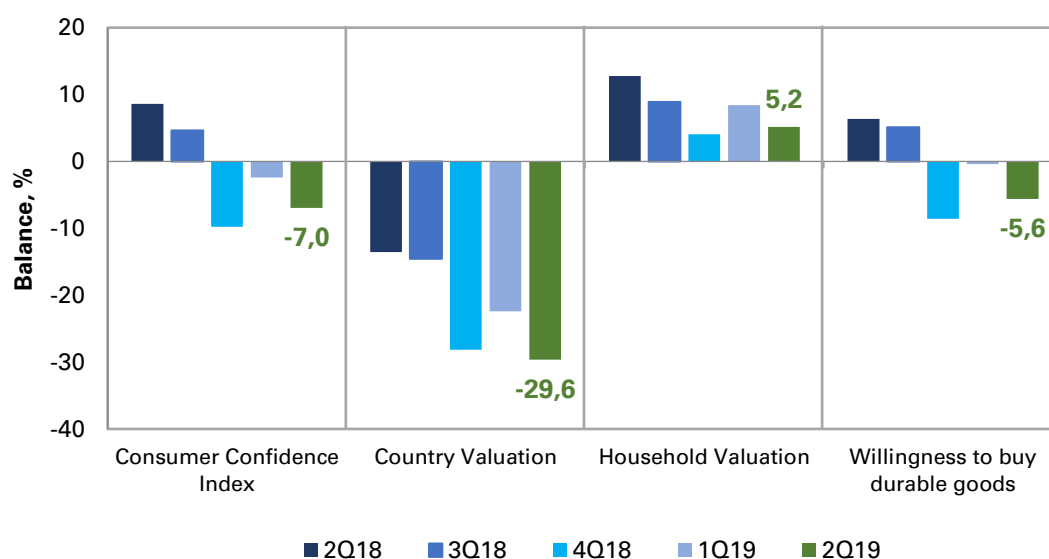
The results of the second quarter of 2019 show a reduction in confidence compared to the first quarter of 2019 and compared to the second quarter of 2018. Particularly, both the consumer's assessment of the country and households situation decreased compared to the previous quarter by 7.2 pps and 3.2 pps respectively. On the other hand, consumers' willingness to buy durable goods was -5.6%, which implies a reduction of 5.2 pps compared to the average balance recorded during the first quarter of 2019 (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 June, the CCI decreased in the five surveyed cities compared to June 2018. Compared to the previous month, confidence increased only in Bogotá and Barranquilla.

CCI decreased compared to the previous year in all the surveyed cities (Medellín 26.1 pps, Cali 23.4 pps, Bogotá 22.1 pps, Bucaramanga 16.6 pps and Barranquilla 8.8 pps). Relative to May 2019, consumer confidence decreased in all surveyed cities except in Barranquilla and Bogotá where confidence increased 6.0 pps and 3.1 pps respectively (Table 2).

Table 2. Evolution of the CCI by cities

City, Balance %	2018	2019	
	June	May	June
Bogotá	11.7	-13.5	-10.4
Medellín	16.4	1.9	-9.7
Cali	29.7	13.4	6.3
Barranquilla	16.7	1.9	7.9
Bucaramanga	6.6	2.3	-10.0
Total	15.5	-5.0	-6.3

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Socioeconomic level. In June, consumer confidence increased in the low stratum but declined in the upper and middle strata compared to the previous month. Relative to June 2018, the CCI was lower for all socioeconomic levels.

When analyzing by socioeconomic level and against the previous month, the CCI decreased 5.4 pps and 4.9 pps in the medium and high strata, respectively, while in the low stratum it increased 3.4 pps. Compared to the same period of 2018, the index was lower in all socioeconomic levels; moreover, in the middle stratum it decreased 25.4 pps, in the high stratum 24.8 pps and in the low stratum 17.7 pps (Table 3).

Table 3. Evolution of the CCI by income level

Income Level. Balance %	2018	2019	
	June	May	June
High	23.5	3.5	-1.3
Medium	18.8	-1.2	-6.6
Low	11.2	-10.0	-6.6
Total	15.5	-5.0	-6.3

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Housing. Willingness to buy a house increased compared to the previous month but decreased compared to the same month of 2018. By cities, this indicator was lower in Bucaramanga, Cali and Medellín in both periods of analysis.

In June, the willingness to buy a house was -0.1%, 0.2 pps higher than the one of the previous month and 13.9 pps lower compared to the same month of 2018 (Table 4). Compared to last month, willingness to buy a house increased in Barranquilla (9.5 pps) and in Bogotá (4.9 pps), and decreased in the other analyzed cities. Compared to June 2018, this indicator decreased in all the surveyed cities, except in Barranquilla where it increased 10.8 pps.

Table 4. Willingness to buy a house by cities

City. Balance %	2018	2019	
	June	May	June
Bogotá	2.9	-14.3	-9.5
Medellín	10.8	13.4	3.9
Cali	50.8	23.0	13.8
Barranquilla	25.9	27.2	36.7
Bucaramanga	16.3	0.4	-13.0
Total	13.8	-0.4	-0.1

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Compared to the previous month, willingness to buy a house increased in the upper and lower strata. Relative to June 2018, this indicator decreased in the three socioeconomic levels.

When analyzing by socioeconomic level, in June, willingness to buy a house, showed an increase compared to the last month in the high (10.7 pps) and low (1.3 pps) strata, while in the middle stratum it decreased (2.0 pps). Compared to June 2018, there was a reduction in all the strata; specifically, the low stratum decreased 19.1 pps, the middle stratum 9.7 pps and the high stratum 8.3 pps (Table 5).

Table 5. Willingness to buy a house by socioeconomic level

Income level. Balance %	2018	2019	
	June	May	June
High	10.4	-8.6	2.1
Medium	14.6	6.9	4.9
Low	13.5	-6.9	-5.6
Total	13.8	-0.4	-0.1

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Durable goods. Willingness to buy furniture and home appliances decreased compared to the previous month and with respect to June 2018. By cities, this indicator decreased with respect to last month in all the analyzed cities except in Bogotá.

The balance of answers about whether it is a good or bad time to buy goods such as furniture and appliances was -2.8% in June. This represents a reduction of 0.1 pps compared to May 2019 and a decrease of 10.5 pps compared to June 2018. Relative to last month, disposition to buy durable goods increased in Bogotá (7.3 pps), but it decreased in the other analyzed cities, especially in Bucaramanga (38.5 pps) and Barranquilla (27.2 pps). Compared to June 2018, willingness to buy durable goods decreased in all the surveyed cities (Table 6).

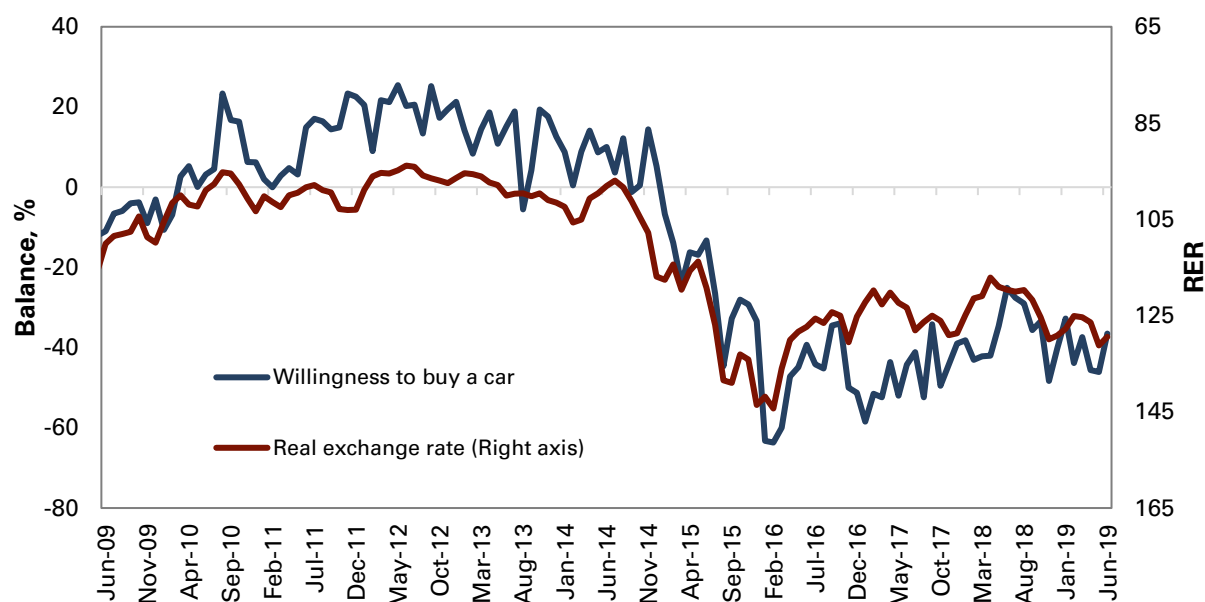
Table 6. Willingness to buy furniture and home appliances by cities

City. Balance %	2018	2019	
	June	May	June
Bogotá	0.3	-15.8	-8.5
Medellín	7.2	0.6	-1.3
Cali	27.9	22.6	18.3
Barranquilla	34.3	34.1	6.9
Bucaramanga	-15.7	4.0	-34.4
Total	7.8	-2.7	-2.8

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Vehicles. In June, willingness to buy a vehicle recorded a balance of -36.5%. This represents an increase of 9.6 pps compared to the previous month and a reduction of 11.4 pps relative to the same month of 2018 (Graph 4).

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



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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