

Consumer Opinion Survey

November

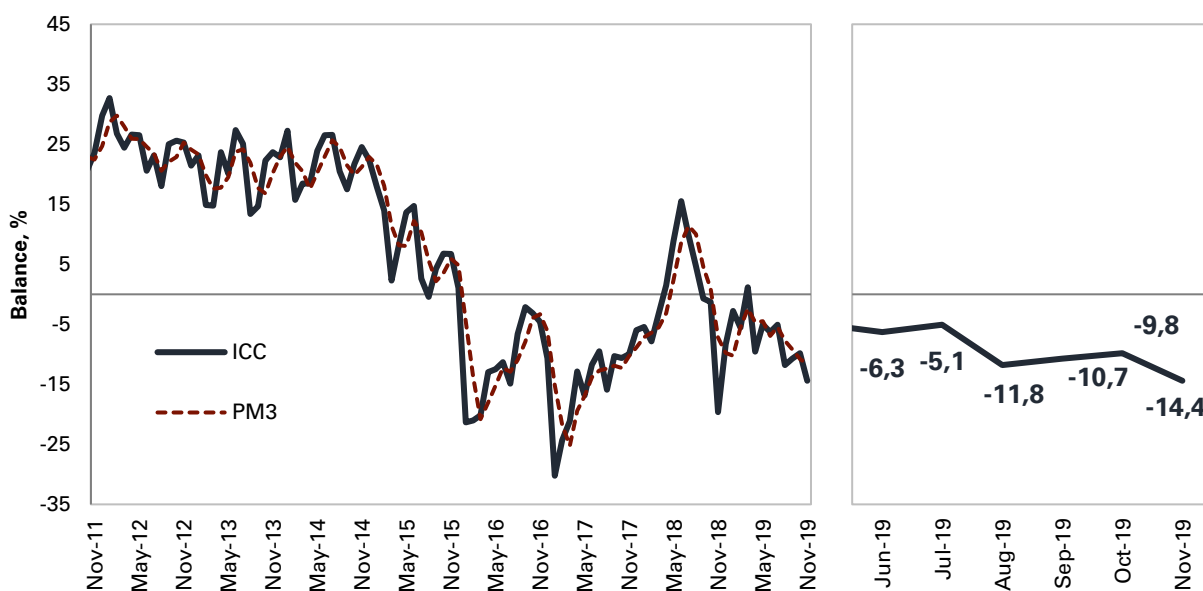
2019



In November, the Consumer Confidence Index (CCI) recorded a balance of -14.4%. This represents a decrease of 4.6 percentage points (pps) compared to the previous month. Compared to October 2019, the decrease was due to a reduction in the Consumer Expectations Index and a decrease in the Economic Conditions Index. Consumer confidence increased in two of the five analyzed cities compared to October 2019. 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 November, the Consumer Confidence Index (CCI) recorded a balance of -14.4%. This value represents a decrease of 4.6 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 October 2019 was due to a reduction in the Consumer Expectations Index and a decrease in 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 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 October is explained by a reduction of 6.7 pps in the Consumer Expectations Index and a decrease of 1.6 pps in the Economic Conditions Index.

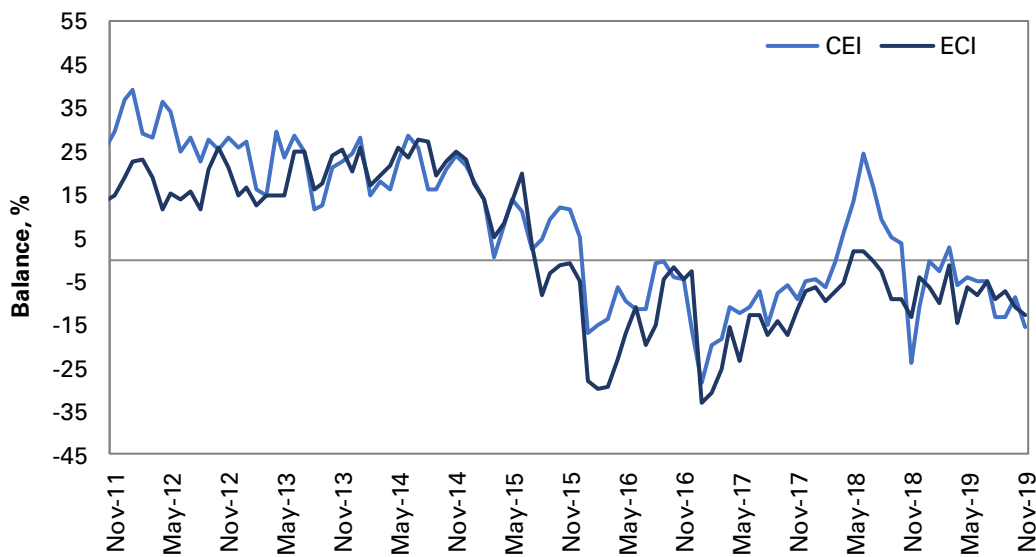
Table 1. Evolution of CCI Components
(Balances between favorable and unfavorable responses, %)

Variable / Balance %	2018		2019
	Noviembre	Octubre	Noviembre
Consumer Confidence Index - CCI	-19,6	-9,8	-14,4
A. Consumer Expectations Index - CEI	-23,7	-8,9	-15,5
-Do you think that within a year your household will economically do better, worse or the same than now?	6,2	18,5	10,3
-Do you think that within the next twelve months we will have good or bad economic times?	-48,0	-27,5	-36,8
-Do you think that the country's economic conditions will be better or worse within a year than they currently are?	-29,3	-17,6	-20,2
B. Economic Conditions Index - ECI	-13,5	-11,2	-12,8
- Do you think that your household is economically doing better or worse than a year ago?	-18,3	-14,5	-12,5
-Do you think this is a good time to purchase items such as furniture and household appliances?	-8,7	-7,9	-13,1

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

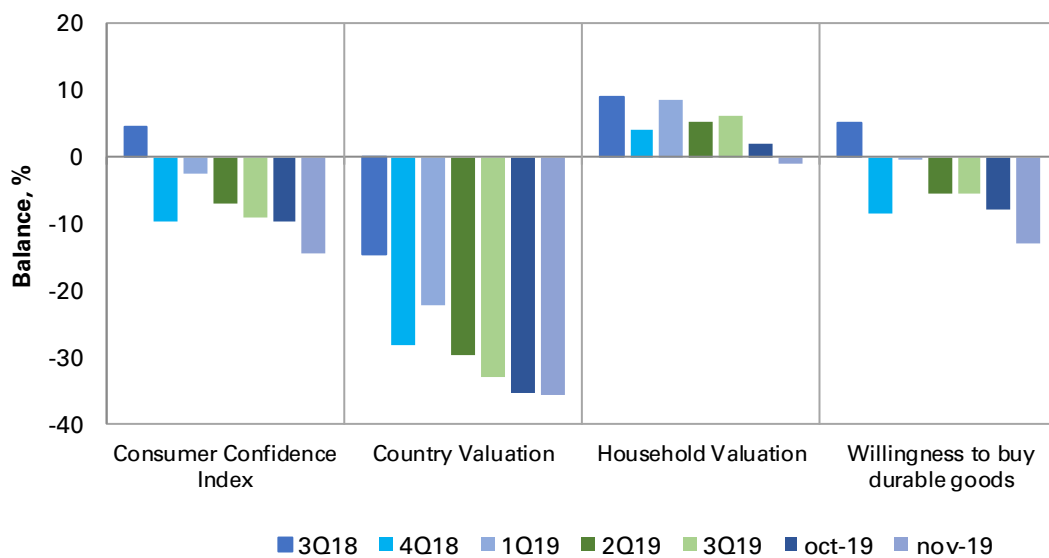
When comparing the results of November 2019 with the observed average during the third quarter of 2019, consumer's assessment of their households' situation decreased 7.2 pps and the consumer's assessment of the country decreased 2.8 pps. On the other hand, consumer's willingness to buy durable goods was -13.1%, this represents a decrease of 7.7 pps relative to the average balance recorded during the third 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 November, the CCI increased in two of the five surveyed cities compared to October 2019.

The CCI increased compared to the previous month in Bucaramanga (16.8 pps) and Barranquilla (0.4 pps), but decreased in Medellín (9.1 pps), Cali (7.5 pps) and Bogotá (4.4 pps).

Table 2. Evolution of the CCI by cities

City, Balance %	2018		2019
	Noviembre	Octubre	Noviembre
Bogotá	-23,6	-17,0	-21,4
Medellín	-18,9	-1,2	-10,2
Cali	-9,9	0,6	-6,8
Barranquilla	-9,7	4,7	5,0
Bucaramanga	-25,5	-14,4	2,4
Total	-19,6	-9,8	-14,4

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

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

By socioeconomic level and compared to the previous month, the CCI increased 15.0 pps in the upper strata and 4.4 pps in the middle strata, but decreased 16.0 pps in the low strata.

Table 3. Evolution of the CCI by income level

Income Level Balance %	2018		2019
	Noviembre	Octubre	Noviembre
High	-7,2	-8,4	6,6
Medium	-21,1	-18,8	-14,4
Low	-19,8	-0,8	-16,8
Total	-19,6	-9,8	-14,4

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Housing. The willingness to buy a house decreased 8.2 pps compared to last month. By cities, this indicator increased in Bucaramanga, Barranquilla and Medellín relative to October 2019.

In November, the willingness to buy a house was -6.7%, 8.2 pps lower than the previous month. For this month, willingness to buy a house increased in Bucaramanga (25.0 pps), Barranquilla (14.9 pps) and Medellín (2.4 pps), while it decreased in Cali (21.6 pps) and Bogotá (12.6 pps) compared to what was observed in October 2019.

Table 4. Willingness to buy a house by cities

City Balance %	2018		2019
	Noviembre	Octubre	Noviembre
Bogotá	-14,2	-7,4	-20,0
Medellín	0,2	0,1	2,5
Cali	-2,7	28,1	6,5
Barranquilla	7,2	21,8	36,7
Bucaramanga	-15,0	-15,8	9,2
Total	-8,4	1,5	-6,7

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

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

When analyzing by socioeconomic level in November, willingness to buy a house showed an increase compared to last month in the high strata (64.1 pps) and middle strata (1.9 pps), while it decreased in the low strata (26.8 pps) compared to what was observed in October 2019.

Table 5. Willingness to buy a house by socioeconomic level

Income level Balance %	2018		2019
	Noviembre	Octubre	Noviembre
High	-21,9	-39,1	25,0
Medium	-18,2	-8,8	-6,9
Low	3,9	16,8	-10,0
Total	-8,4	1,5	-6,7

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Durable goods. Willingness to buy furniture and home appliances decreased 5,2 pps compared to the previous month. By cities, this indicator increased in Bucaramanga, Barranquilla and Cali compared to what was observed in October 2019.

The balance of answers about whether it is a good or bad time to buy goods such as furniture and appliances was -5.2% in November. This represents a decrease of 5.2 pps compared to October 2019. Relative to last month, willingness to buy durable goods increased in Bucaramanga (44.7 pps), Barranquilla (8.4 pps) and Cali (5.2 pps), but decreased in Medellín (14.3 pps) and Bogotá (10.3 pps).

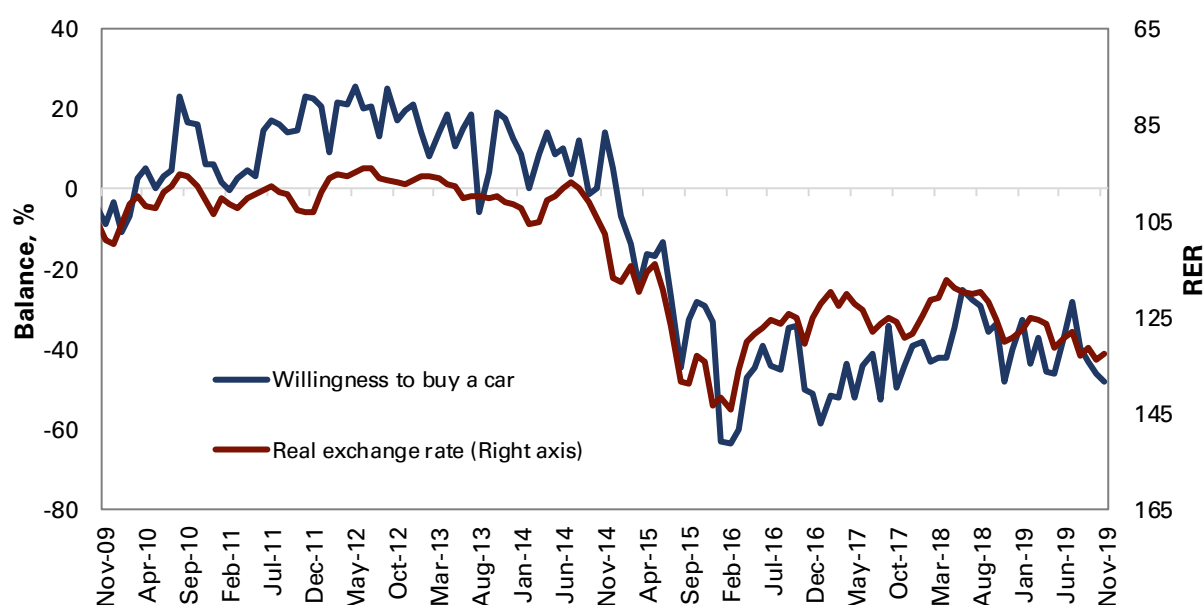
Table 6. Willingness to buy furniture and home appliances by cities

City. Balance %	2018		2019
	Noviembre	Octubre	Noviembre
Bogotá	-12,1	-17,9	-28,2
Medellín	-13,5	8,1	-6,2
Cali	-0,4	0,5	5,7
Barranquilla	16,0	19,4	27,7
Bucaramanga	-23,2	-15,6	29,1
Total	-8,7	-7,9	-13,1

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

Vehicles. In November, the willingness to buy a vehicle registered a balance of **-48.2%**. This implies a decrease of 2.1 pps compared to the previous month (-46.1).

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



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**

+57 1 3259777 ext. 340
comercial@fedesarrollo.org.co

Published on December 18, 2019

Comments to Daiyan Andrea Correa Jimenez: dcorrea@fedesarrollo.org.co