

Consumer Opinion Survey

July 2019

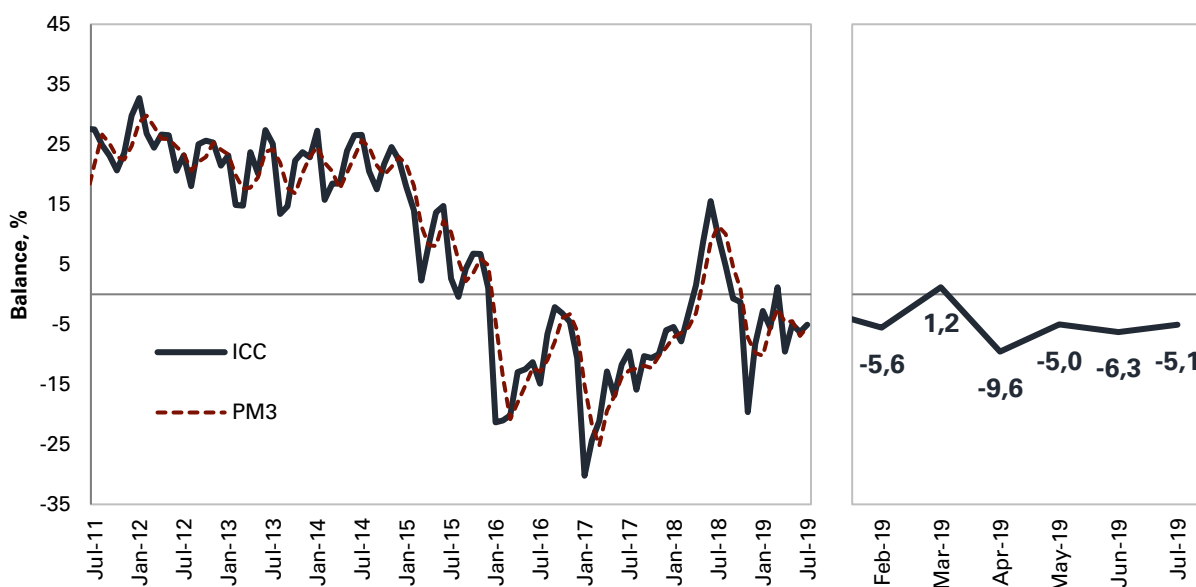
Bulletin 213



In July, the Consumer Confidence Index (CCI) recorded a balance of -5.1%. This represents an increase of 1.2 percentage points (pps) compared to the previous month. Compared to June 2019, the increase was mainly due to an increase in the Economic Conditions Index, while the Consumer Expectations Index remained relatively constant. Consumer confidence increased in three of the five analyzed cities compared to June 2019. Meanwhile, both the willingness to buy a house and the 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 -5.1%. This value represents an increase of 1.2 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 2019 was mainly due to an increase in the Economic Conditions Index, while the Consumer Expectations Index remained approximately constant.

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 June is explained by an increase of 3.1 pps in the Economic Conditions Index, as the Consumer Expectations Index remained practically unchanged.

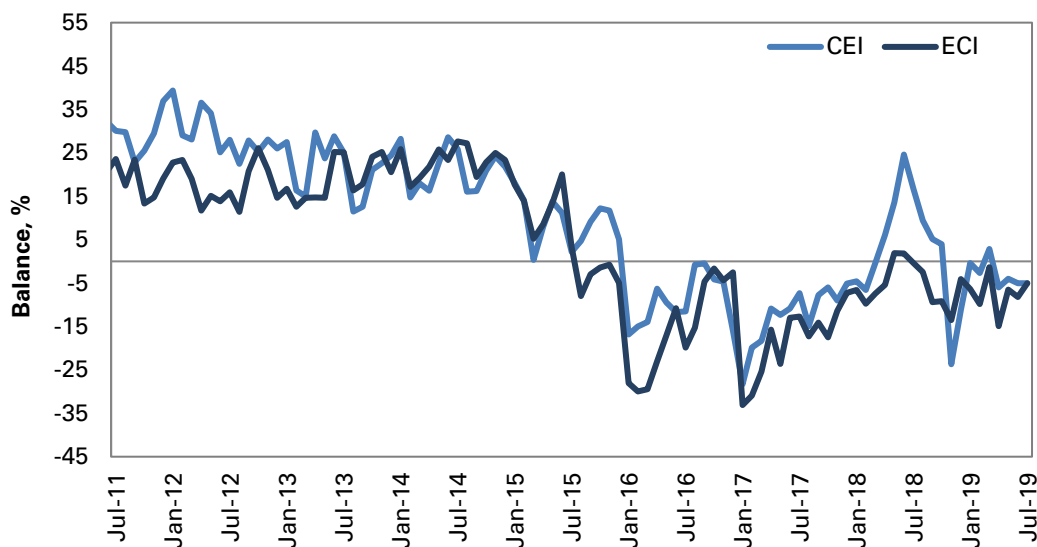
Table 1. Evolution of CCI Components
(Balances between favorable and unfavorable responses, %)

Variable / Balance %	2018	2019	
	July	June	July
Consumer Confidence Index - CCI	9.8	-6.3	-5.1
A. Consumer Expectations Index - CEI	16.6	-5.0	-5.1
-Do you think that within a year your household will economically do better, worse or the same than now?	35.6	26.3	26.9
-Do you think that within the next twelve months we will have good or bad economic times?	9.6	-28.3	-30.2
-Do you think that the country's economic conditions will be better or worse within a year than they currently are?	4.8	-13.1	-11.8
B. Economic Conditions Index - ECI	-0.4	-8.2	-5.1
- Do you think that your household is economically doing better or worse than a year ago?	-7.1	-13.6	-7.4
-Do you think this is a good time to purchase items such as furniture and household appliances?	6.3	-2.8	-2.7

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

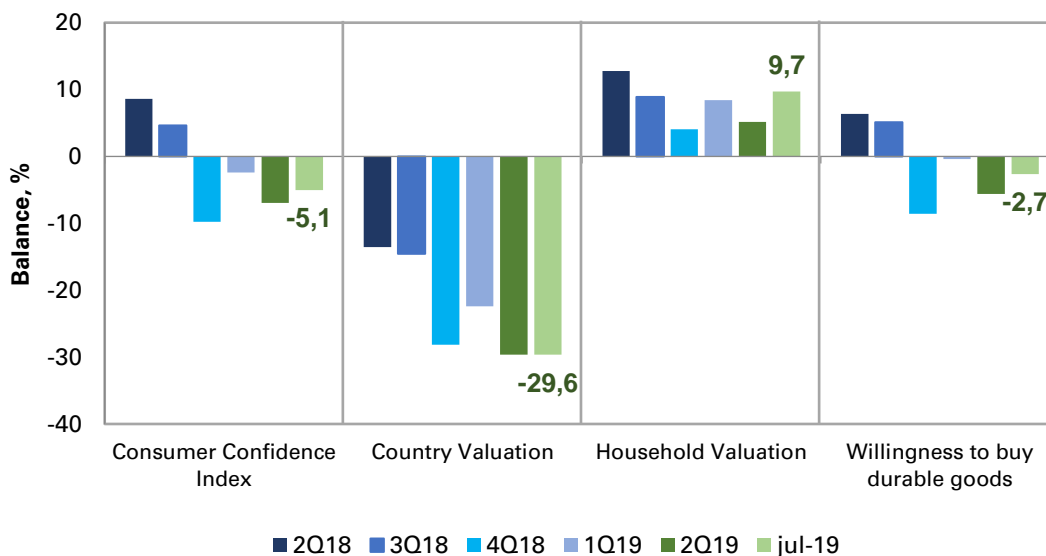
When comparing the results of July with the observed average during the second quarter of 2019, consumer's assessment of their households' situation increased 4.5 pps, while the consumer's assessment of the country remained approximately the same. On the other hand, consumer's willingness to buy durable goods was -2.7%, this represents an increase of 3.0 pps relative to the average balance recorded during the second 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 July, the CCI increased in three of the five surveyed cities compared to June 2019.

The CCI increased compared to the previous month in Medellín (14.8 pps), Bucaramanga (3.9 pps) and Bogotá (0.3 pps) while decreased in Cali (9.9 pps) and Barranquilla (0.7 pps).

Table 2. Evolution of the CCI by cities

City, Balance %	2018	2019	
	July	June	July
Bogotá	6.1	-10.4	-10.1
Medellín	22.6	-9.7	5.1
Cali	4.1	6.3	-3.6
Barranquilla	18.4	7.9	7.2
Bucaramanga	14.8	-10.0	-6.1
Total	9.8	-6.3	-5.1

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Socioeconomic level. In July, consumer confidence increased in the low and middle strata and showed a decrease in the high stratum compared to the previous month.

By socioeconomic level and compared to the previous month, the CCI increased 2.3 pps and 0.9 pps in the lower and middle strata, respectively, while in the upper stratum it was reduced 4.9 pps.

Table 3. Evolution of the CCI by income level

Income Level. Balance %	2018	2019	
	July	June	July
Higj	19.7	-1.3	-6.3
Medium	10.7	-6.6	-5.7
Low	7.8	-6.6	-4.2
Total	9.8	-6.3	-5.1

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Housing. Willingness to buy a house increased 5,2 pps compared to last month. By cities, this indicator increased in Cali, Medellín and Bucaramanga relative to June 2019.

In July, the willingness to buy a house was 5.1%, 5.2 pps higher than the one of the previous month. For this month, willingness to buy a house increased in Cali (19.4 pps), Medellín (17.2 pps) and Bucaramanga (4.0 pps) while it decreased in Barranquilla (7.2 pps) and Bogotá (0.3 pps) compared to what was observed in June 2019.

Table 4. Willingness to buy a house by cities

City. Balance %	2018	2019	
	July	June	July
Bogotá	0.4	-9.5	-9.8
Medellín	7.4	3.9	21.1
Cali	25.1	13.8	33.2
Barranquilla	37.5	36.7	29.5
Bucaramanga	9.0	-13.0	-9.1
Total	8.4	-0.1	5.1

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

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

When analyzing by socioeconomic level in July, willingness to buy a house showed an increase compared to last month in the low (14.3 pps) and high (1.7 pps) strata, while in the middle stratum it decreased (3.3 pps) compared to what was observed in June 2019.

Table 5. Willingness to buy a house by socioeconomic level

Income level. Balance %	2018	2019	
	July	June	July
High	14.8	2.1	3.8
Medium	3.5	4.9	1.6
Low	12.6	-5.6	8.7
Total	8.4	-0.1	5.1

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Durable goods. Willingness to buy furniture and home appliances increased 0,1 pps compared to the previous month. By cities, this indicator increased in Bogotá, Barranquilla and Medellín compared to what was observed in June 2019.

The balance of answers about whether it is a good or bad time to buy goods such as furniture and appliances was -2.7% in July. This represents an increase of 0.1 pps compared to June 2019. Relative to last month, willingness to buy durable goods increased in Barranquilla (8.1 pps), Medellín (5.9 pps) and Bogotá (2.1 pps), but decreased in Cali (16.6 pps) and in Bucaramanga (1.5 pps).

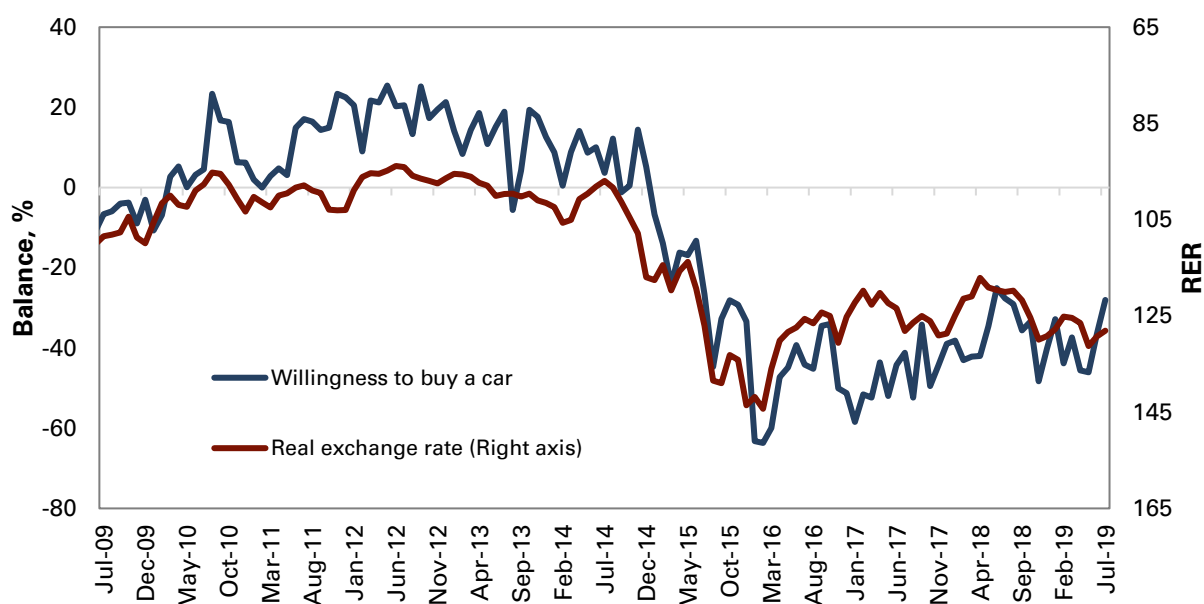
Table 6. Willingness to buy furniture and home appliances by cities

City. Balance %	2018		2019	
	July	June	June	July
Bogotá	0.3	-8.5	-8.5	-6.3
Medellín	13.1	-1.3	-1.3	4.6
Cali	11.9	18.3	18.3	1.7
Barranquilla	28.7	6.9	6.9	15.0
Bucaramanga	1.0	-34.4	-34.4	-35.9
Total	6.3	-2.8	-2.8	-2.7

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

Vehicles. In July, willingness to buy a vehicle registered a balance of -28.1%. This implies an increase of 8.4 pps compared to the previous month.

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

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