

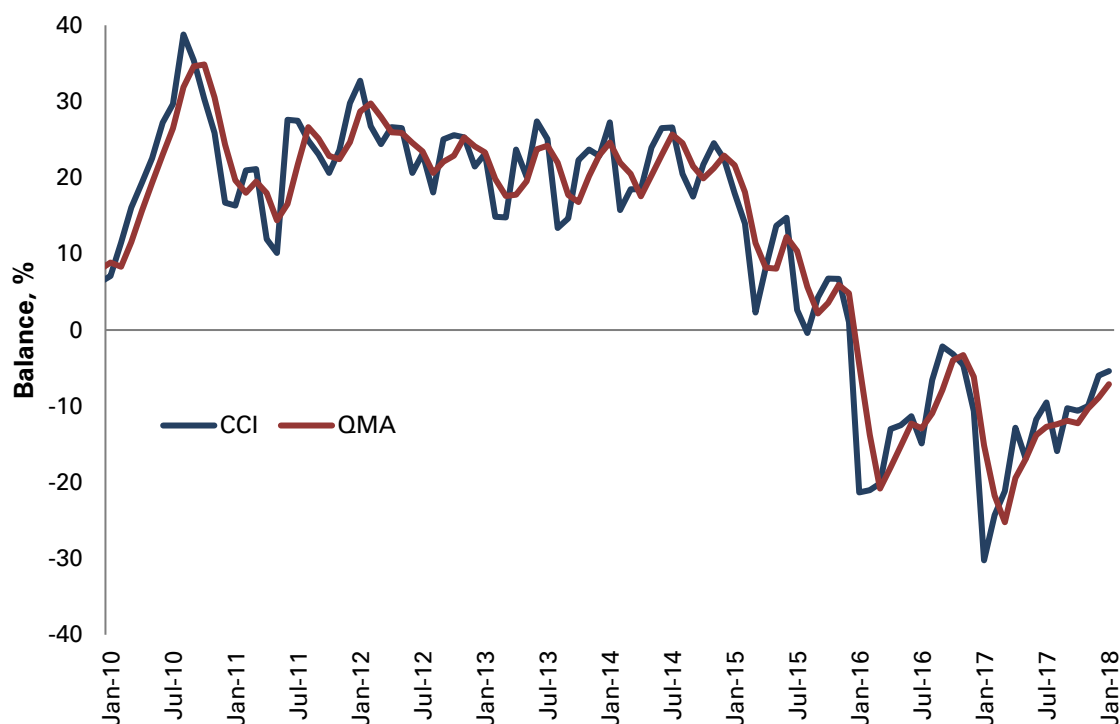
Press Release
Consumer Opinion Survey
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Bulletin 195



In January, the Consumer Confidence Index (CCI) remains in negative territory but improved relative to the previous month and compared to January 2017. Monthly increase is explained by improvements in both the Economic Conditions and Consumer Expectations Indicators. Consumer confidence improved in all surveyed cities and all levels of income compared January 2017. The willingness to buy a house declined with respect to the previous month, but it was higher than twelve months ago. On the other hand, the willingness to buy furniture and household appliances increased compared to the previous month.

According to the results of the most recent measurement of the Consumer Opinion Survey (COS), in January the Consumer Confidence Index (CCI) recorded a balance of -5.4%, which represents an increase of 0.6 percentage points (pps) compared to the previous month and an increase of 24.8 pps compared to January 2017 (Graph 1).

Graph 1. Consumer Confidence Index (CCI)



Source: Consumer Opinion Survey (COS) – Fedesarrollo.
QMA: Quarterly Moving Average

The improvement in consumer confidence compared to January and December 2017 is explained by improvements in both the Economic Conditions and Consumer Expectations indicators.

The CCI has five components, the details of which are shown in Table 1. The first three refer to household expectations for the following 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 increase in the CCI relative to December is explained by an increase of 0.7 pps in the index of economic conditions and an increase of 0.5 pps in the indicator of consumer expectations. Compared to January 2017, the economic conditions index increased by 26.5 pps and the consumer expectations index by 23.7 pps (Graph 2).

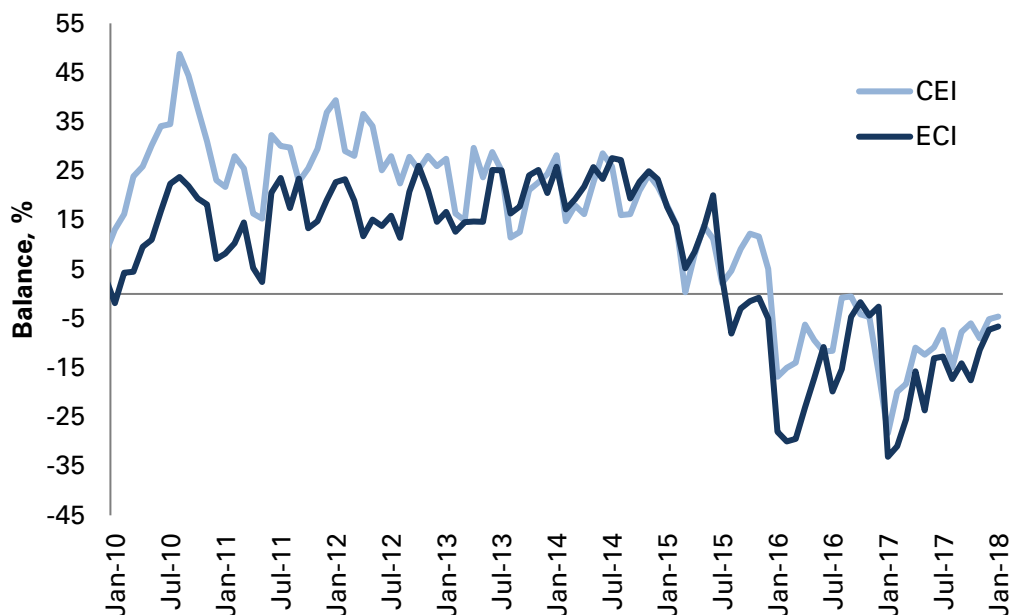
**Table 1. Evolution of the components of the CCI
(Balances between favorable and unfavorable responses, %)**

Variable / Balance %	2016	2017	2017	2018
	January	January	December	January
Consumer Confidence Index - CCI	-21.3	-30.2	-6.0	-5.4
A. Consumer Expectations Index - CEI	-16.8	-28.3	-5.1	-4.6
-Do you think that within a year your household economic situation will be better, worse or the same than now?	16.6	7.0	26.7	24.3
-Do you think that within the next twelve months we will have good or bad economic times?	-42.1	-55.2	-30.5	-27.8
-Do you think that the country's economic conditions will be better or worse within a year than they currently are?	-24.9	-36.7	-11.6	-10.3
B. Economic Conditions Index - ECI	-28.1	-33.1	-7.3	-6.6
- Do you think that your household is economically doing better or worse than a year ago?	-18.8	-33.3	0.5	-3.1
-Do you think this is a good time to purchase big items such as furniture and appliances?	-37.3	-32.9	-15.1	-10.1

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

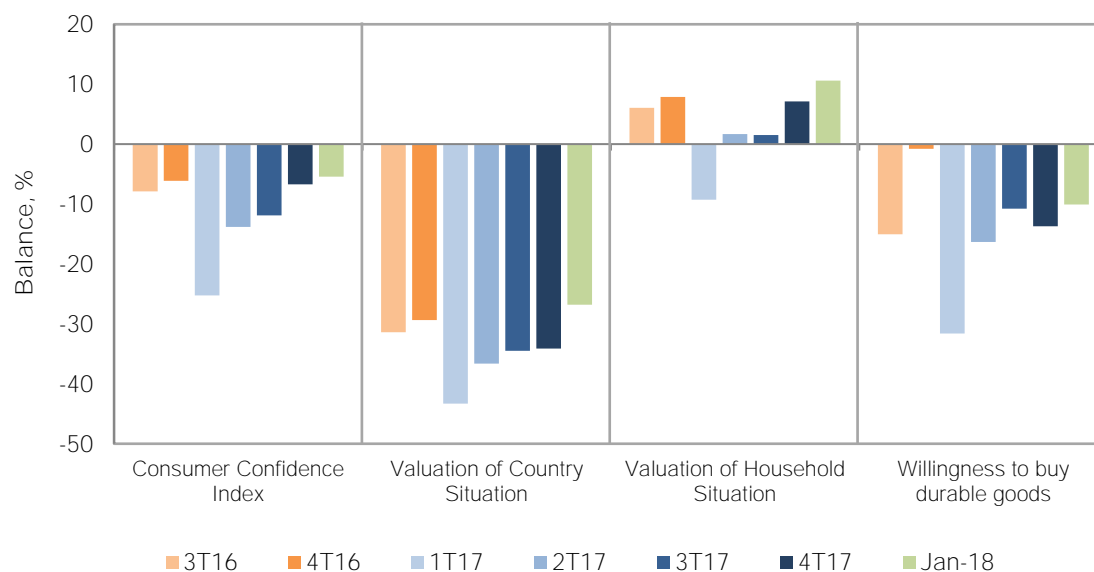
The balance for questions related to the situation of the households remains at positive levels and are higher than those observed during the previous six quarters. On the other hand, the valuation regarding the situation of the country improved, but it remains in negative territory. Finally, the disposition to buy durable goods increased with respect to the previous year (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 January, the CCI decreased compared to the previous month in three of the five surveyed cities, mainly in Cali. Relative to the same month of 2017, confidence increased in all five cities.

Disaggregated by city the CCI decreased, with respect to December, in Cali (11.5 pps), Barranquilla (2.0 pps) and Bucaramanga (1.3 pps) (Table 2). Compared to January of the

previous year, consumer confidence increased in all the cities surveyed, especially in Bogotá and Barranquilla (Table 2)

Table 2. Evolution of the CCI by cities

City, Balance %	2016	2017	2017	2018
	January	January	December	January
Bogota	-29.8	-35.2	-8.0	-4.1
Medellin	-9.4	-28.8	-13.3	-12.0
Cali	-20.5	-20.2	4.2	-7.3
Barranquilla	-12.0	-16.2	7.3	5.2
Bucaramanga	-20.8	-30.7	-10.2	-11.5
Total	-21.3	-30.2	-6.0	-5.4

Source: Consumer Opinion Survey (COS) – Fedesarrollo

Consumer confidence increased against the previous month in the high and middle-income level. However, relative to January 2017, the CCI increased in all income levels.

Disaggregating the results by level of income, and comparing with December, there was an increase in the CCI of 6.7 pps and 1.4 pps within the high-income and middle-income groups correspondingly. Compared to January of the previous year, consumer confidence increased in the high, medium and low-income level, by 34.3 pps, 24.9 pps and 23.5 pps respectively (Table 3).

Table 3. Evolution of the CCI by income level

Income level. Balance %	2016	2017	2017	2018
	January	January	December	January
High	-44.5	-37.8	-10.2	-3.5
Middle	-24.6	-28.7	-5.2	-3.8
Low	-15.6	-30.9	-6.3	-7.4
Total	-21.3	-30.2	-6.0	-5.4

Source: Consumer Opinion Survey (COS) – Fedesarrollo

The willingness to buy a house decreased compared to the previous month, but it is higher than the observed in January 2017. Compared to December, the indicator increased in three of the five surveyed cities.

In January, the indicator regarding willingness to buy a house recorded 1.3%, which is equivalent to a reduction of 0.9 pps compared to the previous month and an increase of 22.0 pps relative to January 2017 (Table 4). The results by city show that the willingness to buy a house increase in Bogotá, Barranquilla and Bucaramanga, comparing to previous month and January 2017.

Table 4. Willingness to buy a house by cities

City. Balance %	2016	2017	2017	2018
	January	January	December	January
Bogota	-34.1	-31.0	-5.0	-2.0
Medellin	-18.0	-21.6	8.6	-2.5
Cali	-21.5	-0.6	14.3	5.0
Barranquilla	-6.7	5.5	21.8	22.7
Bucaramanga	3.4	6.4	-13.6	10.1
Total	-24.2	-20.7	2.2	1.3

Source: Consumer Opinion Survey (COS) – Fedesarrollo

The willingness to buy a house increased in all levels of income compared to January 2017 and in the high and middle-income level also increased compared to the previous month.

In January, the disposition to buy a house, disaggregated by level of income, experienced a monthly increase of 5.3 pps within the high-income level. Compared January 2017, there was an increase of 18.8 pps within the high-income level, of 22.7 pps within the middle-income level and of 21.7 pps within the low-income level.

Table 5. Willingness to buy a house by socioeconomic level

Income level, Balance %	2016	2017	2017	2018
	January	January	December	January
High	-29.8	-8.4	5.0	10.3
Middle	-28.8	-26.9	-5.5	-4.2
Low	-19.0	-15.8	10.0	5.9
Total	-24.2	-20.7	2.2	1.3

Source: Consumer Opinion Survey (COS) – Fedesarrollo

The willingness to buy furniture and home appliances increased compared to the previous month and compared to January 2017.

In January, the balance of answers about whether it is a good or bad time to buy goods such as furniture and home appliances recorded -10.1%, which represents an increase of 5.0 pps compared to December and 22.8 pps compared to January 2017. Relative to the previous month, the willingness to buy durable goods increased in three of the five surveyed cities, particularly in Bucaramanga (17.5 pps). Compared to January 2017, the index increased in all five cities (Table 6).

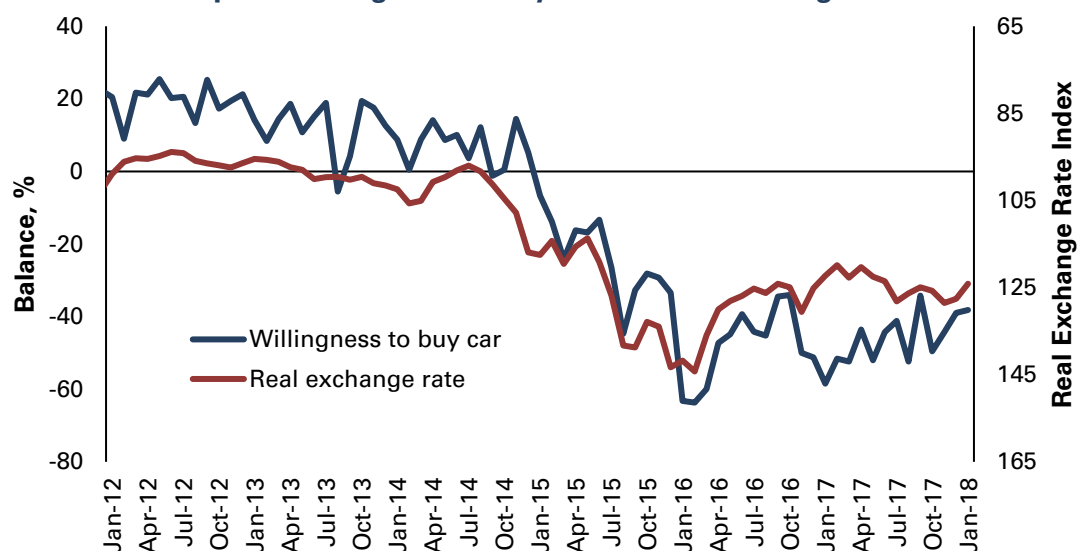
Table 6. Willingness to buy furniture and home appliances by cities

City, Balance %	2016	2017	2017	2018
	January	January	December	January
Bogota	-52.4	-38.8	-21.0	-12.6
Medellin	-13.4	-30.5	-24.4	-17.8
Cali	-24.3	-16.7	2.3	0.5
Barranquilla	-42.5	-26.6	23.7	7.2
Bucaramanga	-43.0	-31.7	-33.2	-15.7
Total	-37.3	-32.9	-15.1	-10.1

Source: Consumer Opinion Survey (COS) – Fedesarrollo

In January, the balance of willingness to buy a car was -38.2%, with an increase of 0.8 pps compared to the previous month and 20.3 pps relative to January 2017 (Graph 4).

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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