

Consumer Opinion Survey

February 2019

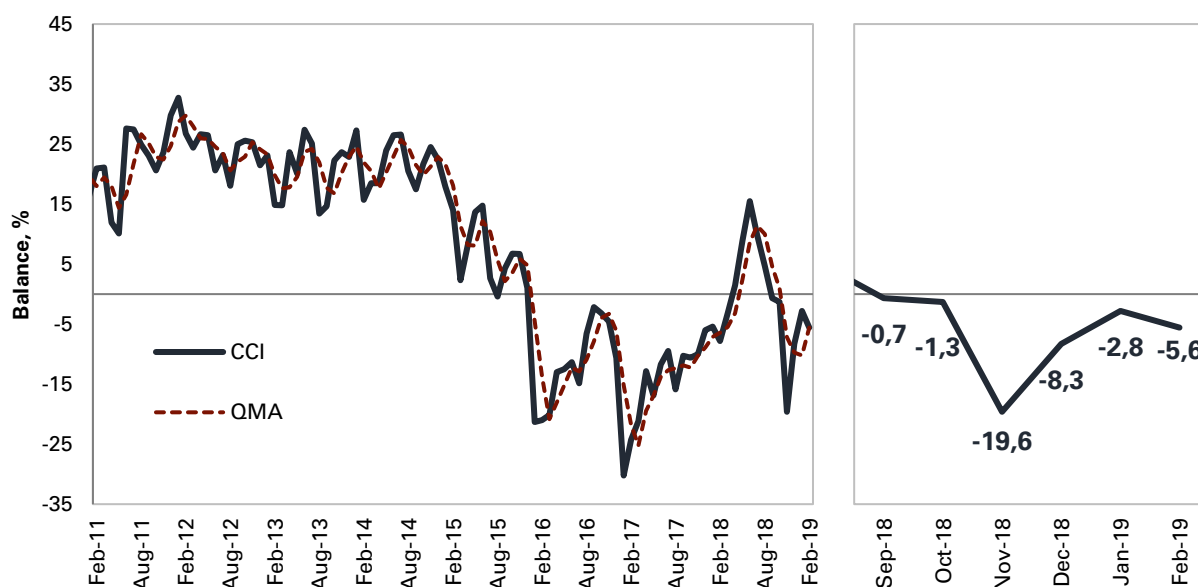
Bulletin 208



In February, the Consumer Confidence Index (CCI) recorded a balance of -5.6%, a deterioration of 2.8 percentage points (pps) compared to the previous month and an improvement of 2.3 pps compared to the same month last year. The reduction with respect to January 2019 was due to a decrease in both the Consumer Expectations Index and the Economic Conditions Index. Consumer confidence declined in 4 of the 5 surveyed cities relative to previous month but increased in all cities with respect to February 2018. Finally, willingness to buy a house and durable goods improved compared to previous month.

According to February results of the Consumer Opinion Survey (COS), Consumer Confidence Index (CCI) recorded a balance of -5.6%. This value represents a reduction of 2.8 percentage points (pps) compared to the previous month, slightly reverting the recovery trend. However, CCI increased by 2.3 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 reduction in consumer confidence relative to January 2019 was due to a decrease in both the Consumer Expectation 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 compared to January is explained by a 3.5 pps decrease in the economic conditions index and a reduction of 2.3 pps in the consumer expectations index. Compared to February 2018, the consumer expectations index improved by 3.9 pps, but the economic conditions declined by 0.1 pps (Graph 2).

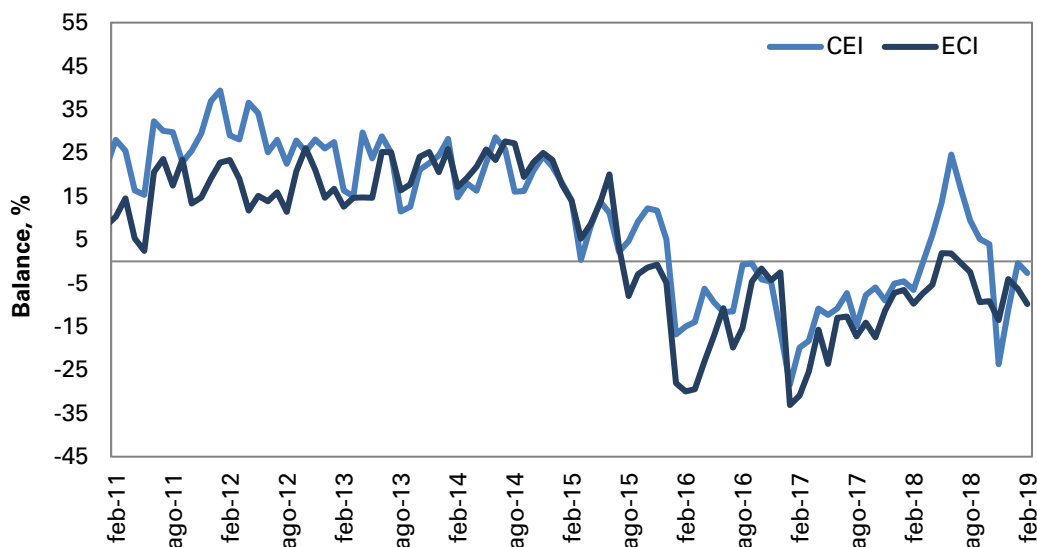
Table 1. Evolution of CCI Components
(Balances between favorable and unfavorable responses, %)

Variable / Balance %	2018		2019	
	February	January	February	January
Consumer Confidence Index - CCI	-7,8	-2,8	-5,6	
A. Consumer Expectations Index - CEI	-6,6	-0,4	-2,7	
-Do you think that within a year your household will economically do better, worse or the same than now?	20,7	26,6	26,0	
-Do you think that within the next twelve months we will have good or bad economic times?	-28,5	-20,7	-25,7	
-Do you think that the country's economic conditions will be better or worse within a year than they currently are?	-11,9	-7,1	-8,4	
B. Economic Conditions Index - ECI	-9,7	-6,4	-9,9	
- Do you think that your household is economically doing better or worse than a year ago?	-11,4	-8,9	-18,5	
-Do you think this is a good time to purchase items such as furniture and household appliances?	-8,0	-3,8	-1,3	

Source: Consumer Opinion Survey (COS) – Fedesarrollo

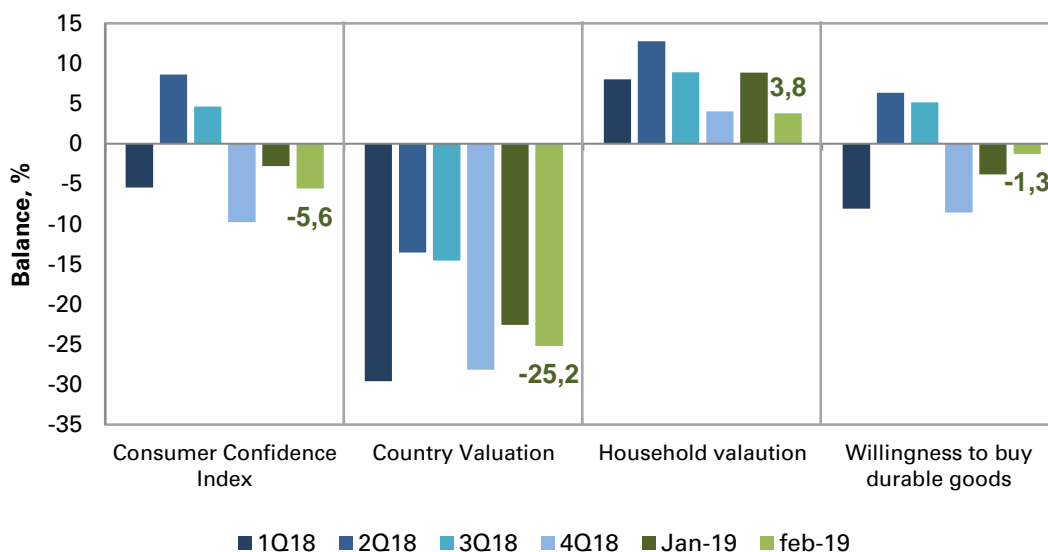
When comparing the results of February with those of January (Graph 3), both consumers' valuation of country and household situation was reduced by 2.6 pps and 5.1 pps, respectively. On the other hand, consumers' willingness to buy durable goods improved by 2.5 pps with respect to January 2019.

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 February, the CCI deteriorated in four of the five surveyed cities relative to previous month. Compared to February 2018, CCI increased in all cities analyzed.

The CCI declined relative to previous month in Medellín (11.4 pps), Cali (10.3 pps), Bucaramanga (5.0 pps) and Bogotá (0.2 pps), and increased in Barranquilla (10.5 pps). Relative to February 2018, consumer confidence increased in all the surveyed cities, especially in Barranquilla where it improved by 9.4 pps (Table 2).

Table 2. Evolution of the CCI by cities

City, Balance %	2018		2019	
	February	January	January	February
Bogotá	-10,5	-8,5	-8,5	-8,7
Medellín	-11,0	1,9	1,9	-9,5
Cali	1,8	12,5	12,5	2,1
Barranquilla	-1,6	-2,7	-2,7	7,8
Bucaramanga	-2,6	5,0	5,0	-0,1
Total	-7,8	-2,8	-2,8	-5,6

Source: Consumer Opinion Survey (COS) – Fedesarrollo

Socioeconomic level. In February, consumer confidence declined in the middle and high strata over the previous month. With respect to February 2018, CCI increased in the middle and low strata.

By socioeconomic level and compared to the previous month, CCI deteriorated by 17.1 pps and 3.7 pps in the high and medium strata respectively, while in the lower stratum increased 0.1 pps. Compared to the same period of 2018, consumer confidence improved in the low (5.2 pps) and medium (0.7 pps) strata but deteriorated (-7.3 pps) in the high stratum.

Table 3. Evolution of the CCI by income level

Income Level. Balance %	2018		2019	
	February	January	January	February
High	8,6	18,4	18,4	1,3
Medium	-5,3	-1,0	-1,0	-4,6
Low	-12,5	-7,4	-7,4	-7,3
Total	-7,8	-2,8	-2,8	-5,6

Source: Consumer Opinion Survey (COS) – Fedesarrollo

Housing. Willingness to buy a house increased compared to last month but worsened with respect to February 2018. By cities, this indicator decreased compared to the previous month in Bucaramanga and Cali, and compared to the same month of 2018 it declined in all cities except Barranquilla.

In February, willingness to buy a house was 3.0%, equivalent to an improvement of 4.9 pps compared to the previous month and a deterioration of 9.0 pps relative to February 2018 (Table 4). Compared to previous month, willingness to buy a house worsened in Cali (-20.5 pps) and Bucaramanga (-8.2 pps). With respect to february 2018, this indicator deteriorated in all cities except Barranquilla.

Table 4. Willingness to buy a house by cities

City, Balance %	2018	2019	
	February	January	February
Bogotá	7,4	-8,2	-2,2
Medellín	11,0	-6,2	9,8
Cali	32,8	26,0	5,4
Barranquilla	10,1	1,9	24,4
Bucaramanga	5,0	1,5	-6,7
Total	12,0	-1,9	3,0

Source: Consumer Opinion Survey (COS) – Fedesarrollo

Relative to february 2018, willingness to buy a house worsened in all strata. Compared to last month, this indicator only improved in the low stratum.

In February, willingness to buy a house disaggregated by socioeconomic level, showed a reduction compared to previous month in the high stratum of 20.1 pps and in the middle of 8.5 pps, while in the low stratum it increased by 21.9 pps. Compared to February 2018, this indicator deteriorated in all socioeconomic levels.

Table 5. Willingness to buy a house by socioeconomic level

Income level. Balance %	2018	2019	
	February	January	February
High	17,7	13,2	-7,0
Medium	8,5	7,2	-1,4
Low	14,8	-12,9	9,0
Total	12,0	-1,9	3,0

Source: Consumer Opinion Survey (COS) – Fedesarrollo

Durable Goods. Willingness to buy furniture and home appliances improved compared to the previous month and compared to February 2018.

The balance of answers about whether it is a good or bad time to buy goods such as furniture and appliances was -1.3% in February. This represents a recovery of 2.5 pps compared to January and an increase of 6.8 pps compared to February 2018. Relative to previous month, willingness to buy durable goods increased in Barranquilla (21.2 pps) and Bogota (3.5 pps), but decreased in the other cities analyzed. Compared to February 2018, willingness to buy durable goods only decreased in Cali (-21.6 pps) (Table 6).

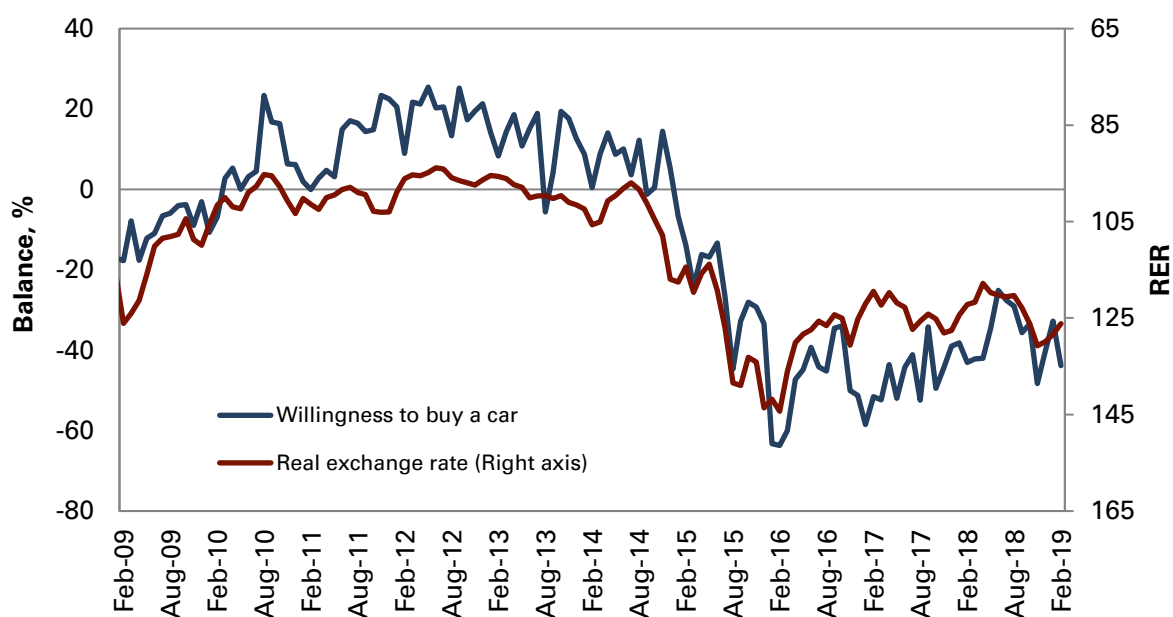
Table 6. Willingness to buy furniture and home appliances by cities

City, Balance %	2018		2019	
	February	January	February	January
Bogotá	-17,7	-12,9	-9,4	
Medellín	-8,6	11,3	4,6	
Cali	31,1	10,7	9,5	
Barranquilla	-14,4	2,7	24,0	
Bucaramanga	-10,0	-5,4	-6,2	
Total	-8,0	-3,8	-1,3	

Source: Consumer Opinion Survey (COS) – Fedesarrollo

Vehicles. In February, willingness to buy a vehicle registered a balance of -43.9%. This implies a reduction of 11.1 pps compared to the previous month and a fall of 0.8 pps relative to February 2018 (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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