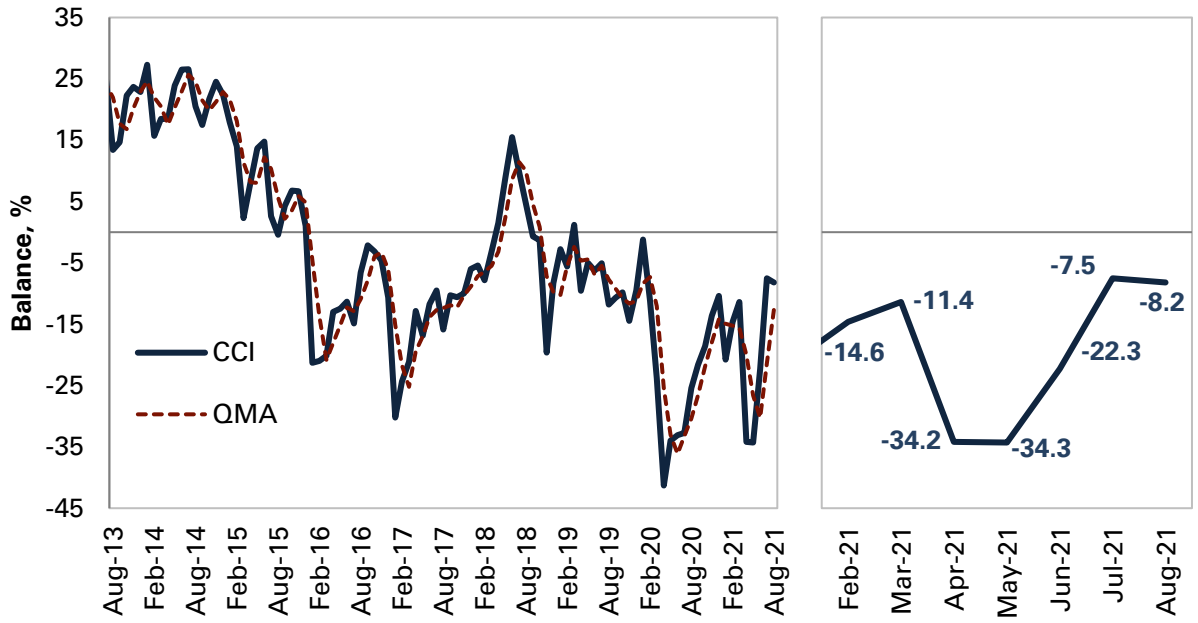
Consumer Opinion Survey
August 2021
Bulletin 231

FEDESARROLLO
Centro de Investigación Económica y Social

In August, the Consumer Confidence Index (CCI) recorded a balance of -8.2%. This represents a decrease of 0.7 percentage points (pps) compared to the previous month. Compared to July 2021, the decrease was due to a fall of 2.4 pps in the Consumer Expectations Index. However, the Economic Conditions Index increased 1.8 pps . Consumer confidence increased in low strata and in three of the five analyzed cities compared to July 2021. 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 August, the Consumer Confidence Index (CCI) recorded a balance of -8.2%. This value represents a decrease of 0.7 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 July 2021 was due to a fall 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 July is explained by a fall of 2.4 pps in the Consumer Expectations Index (6.2%). However, the Economic Conditions Index (-29.9%) rised by 1.8 pps.

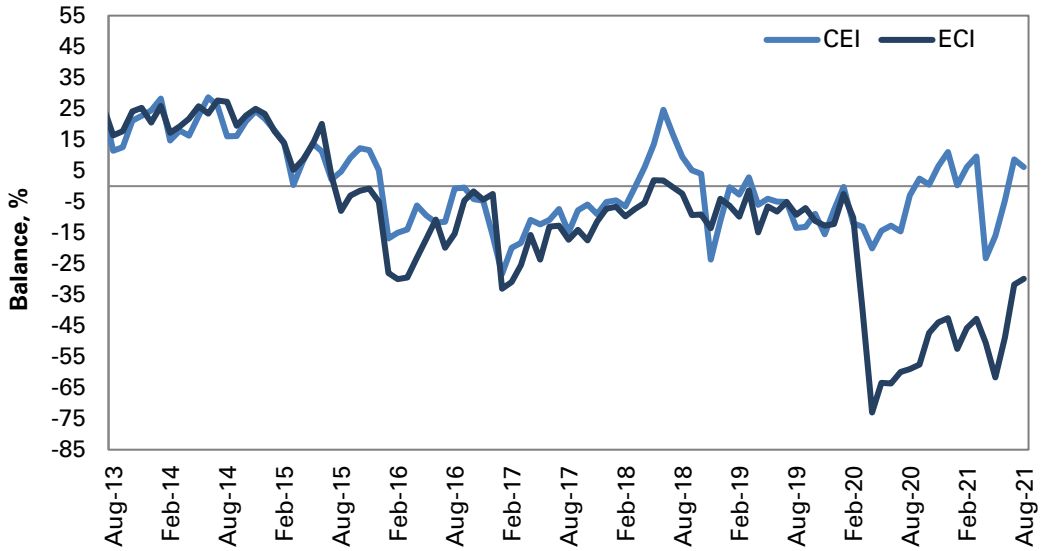
Table 1. Evolution of CCI Components
(Balances between favorable and unfavorable responses, %)

Variable / Balance %	2020	2021	
	August	July	August
Consumer Confidence Index - CCI	**-25.4**	**-7.5**	**-8.2**
A. Consumer Expectations Index - CEI	**-2.9**	**8.6**	**6.2**
- Do you think that within a year your household will economically do better, worse or the same than now?	31.7	34.0	30.4
-Do you think that within the next twelve months we will have good or bad economic times?	-42.2	-10.0	-14.7
-Do you think that the country's economic conditions will be better or worse within a year than they currently are?	1.8	1.8	3.0
B. Economic Conditions Index - ECI	**-59.0**	**-31.7**	**-29.9**
- Do you think that your household is economically doing better or worse than a year ago?	-56.4	-20.1	-14.8
- Do you think this is a good time to purchase items such as furniture and household appliances?	-61.7	-43.3	-45.1

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

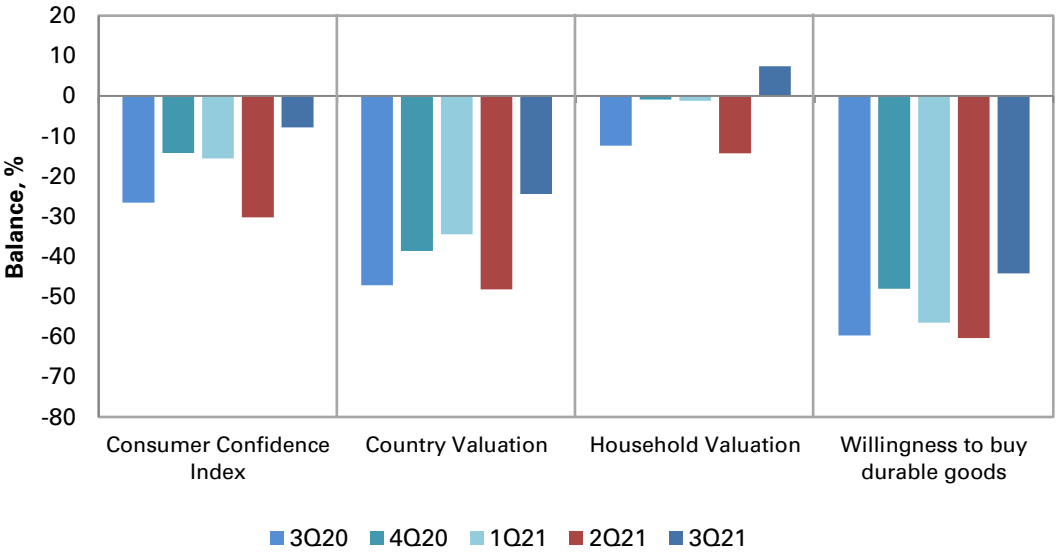
When comparing the results of the third quarter so far with the observed average during the second quarter of 2021, consumer's assessment of their households' situation increased 21.7 pps and the consumer's assessment of the country increased 23.8 pps. On the other hand, consumer's willingness to buy durable goods was -44.2%, this represents an increase of 16.2 pps relative to the average balance recorded during the second quarter of 2021 (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.

<u>Cities.</u> In August, the CCI increased in three of five surveyed cities compared to July 2021.

Relative to the previous month the CCI increased in Cali (25.3 pps), Bucaramanga (6.1 pps) and Barranquilla (0.9 pps), and it decreased in Medellin (7.5 pps) and Bogota (5.4 pps).

Table 2. Evolution of the CCI by cities

City, Balance %	2020	2021	
	August	July	August
Bogotá	-25.8	-6.2	-11.6
Medellín	-39.1	-2.9	-10.4
Cali	-11.9	-18.7	6.6
Barranquilla	-19.4	-9.8	-8.9
Bucaramanga	-14.5	-6.8	-0.7
Total	**-25.4**	**-7.5**	**-8.2**

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Socieconomic level. In August, consumer confidence increased in low strata compared to the previous month.

By socioeconomic level and compared to the previous month, the CCI increased 5.6 pps in the lower strata, and it decreased in the 12.4 pps in the higher strata and 5.4 in the middle strata.

Table 3. Evolution of the CCI by income level

Income level. Balance %	2020	2021	
	August	July	August
High	-26.2	2.3	-10.1
Medium	-28.4	-1.0	-6.4
Low	-22.3	-15.4	-9.8
Total	**-25.4**	**-7.5**	**-8.2**

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Housing. The willingness to buy a house decreased 2.2 pps compared to last month. By cities, this indicator decreased in four of the five analyzed cities relative to July 2021.

In August, the indicator of willingness to buy a house was -5.1%, 2.2 pps lower than the previous month. For this month, willingness to buy a house decreased in Cali (12.5 pps), Bucaramanga (5.9 pps), Medellin (2.6 pps) and Bogota (1.5 pps), and it increased in Barranquilla (15.3 pps) compared to what observed in July 2021

Table 4. Willingness to buy a house by cities

City. Balance %	2020	2021	
	August	July	August
Bogotá	-18.7	-2.5	-4.0
Medellín	-28.5	-4.7	-7.3
Cali	-11.2	-1.3	-13.8
Barranquilla	-35.7	-5.8	9.5
Bucaramanga	-24.1	-1.7	-7.6
Total	**-21.0**	**-2.9**	**-5.1**

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Compared to the previous month, willingness to buy a house decreased in middle and lower strata.

When analyzing by socioeconomic level in August, willingness to buy a house showed a decrease compared to last month of 6,0 pps in the lower strata and 23.1 pps in the middle strata, and it showed an increased of 48.7 pps in the upper strata compared to what was observed in July 2021.

Table 5. Willingness to buy a house by socioeconomic level

Income level. Balance %	2020	2021	
	August	July	August
High	26.6	-2.2	46.5
Medium	-20.8	3.9	-0.7
Low	-25.8	-9.8	-15.8
Total	**-21.0**	**-2.9**	**-5.1**

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Durable goods. Willingness to buy furniture and home appliances decreased 1.8 pps compared to the previous month. By cities, the indicator increased in two of the five analized cities compared to July 2021.

The balance of answers about whether it is a good or bad moment to buy goods such as furniture and appliances was -45.1% in August. This represents a decrease of 1.8 pps compared to July 2021. Relative to last month, willingness to buy durable goods increased in Cali (26.0 pps) and Bucaramanga (21.4 pps), and it decreased in Medellín (8.2 pps), Bogota (7.2 pps) and Barranquilla (1.3 pps).

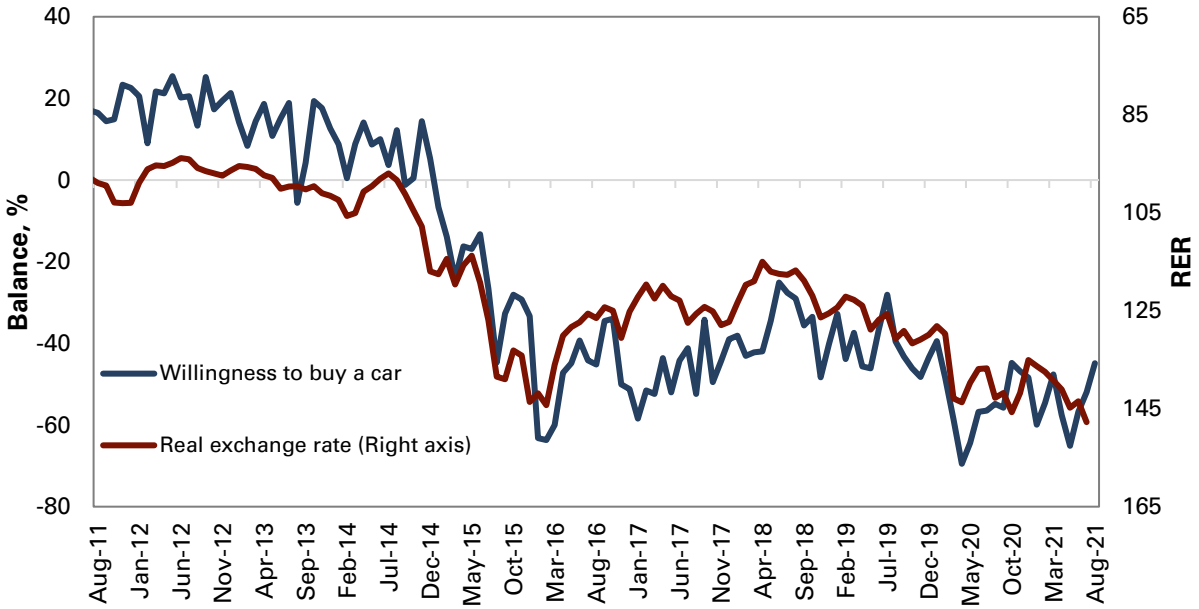
Table 6. Willingness to buy furniture and home appliances by cities

City. Balance %	2020		2021
	August	July	August
Bogotá	-58.8	-45.6	-52.8
Medellín	-73.6	-34.8	-43.0
Cali	-59.5	-48.6	-22.6
Barranquilla	-67.3	-31.6	-32.9
Bucaramanga	-45.2	-53.6	-45.4
Total	**-61.7**	**-43.3**	**-45.1**

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

Vehicles. In August, the willingness to buy a vehicle registered a balance of -44.9%. This implies an increase of 7.0 pps compared to the previous month (-51.9%).

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



Note: Real exchange rate until July 2021
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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