Consumer Opinion Survey
July 2023
Bulletin 261

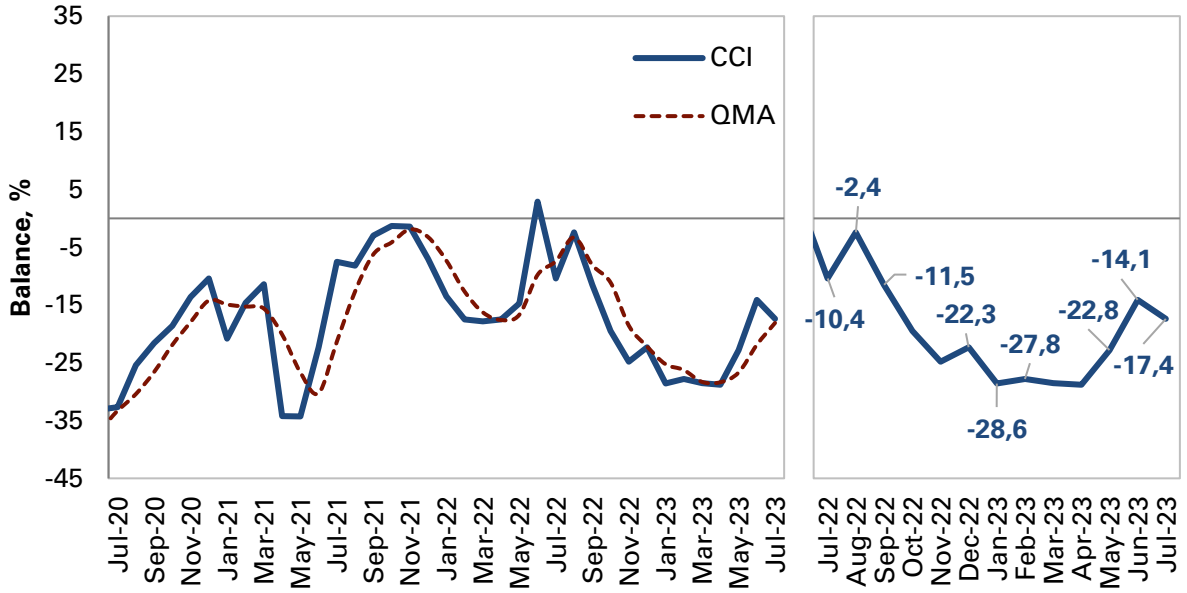
FEDESARROLLO
Centro de Investigación Económica y Social

In July 2023, the Consumer Confidence Index (CCI) decreased by 3.3 percentage points (pps) compared to June 2023, reaching a balance of -17.4%. This decline is mainly due to a decrease of 4.5 pps in the Consumer Expectations Index and a decrease of 1.7 pps in the Economic Conditions Index.

In July, consumer confidence decreased in four out of five analyzed cities. Likewise, consumer confidence decreased in the middle and high socioeconomic levels. The willingness to purchase furniture and appliances decreased compared to the previous month, while the willingness to buy housing and vehicles increased.

The results of the Consumer Opinion Survey (EOS) for July reveal that the Consumer Confidence Index (CCI) experienced a decrease of 3.3 percentage points (pps) compared to the previous month, reaching -17.4%.

Graph 1. Consumer Confidence Index (CCI)



Source: Consumer Opinion Survey (COS) – Fedesarrollo. QMA: Quarterly moving average.

The decline in consumer confidence compared to the month of June 2023 was explained by a decrease of 4.5 pps in the Consumer Expectations Index and a decrease of 1.7 pps in the Economic Conditions Index.

The Consumer Confidence Index (CCI) consists of five components detailed in Table 1. The first three components correspond to households' expectations for one year, while the remaining two reflect consumers' perception of the current economic situation. The first three components make up the Consumer Expectations Index (CEI), while the last two form the Economic Conditions Index (ECI).

In relation to June, the decrease in the CCI was explained by a decrease in the Consumer Expectations Index (4.5 pps) and in the Economic Conditions Index (1.7 pps).

Table 1. Evolution of CCI Components

(Balances between favorable and unfavorable responses, %)

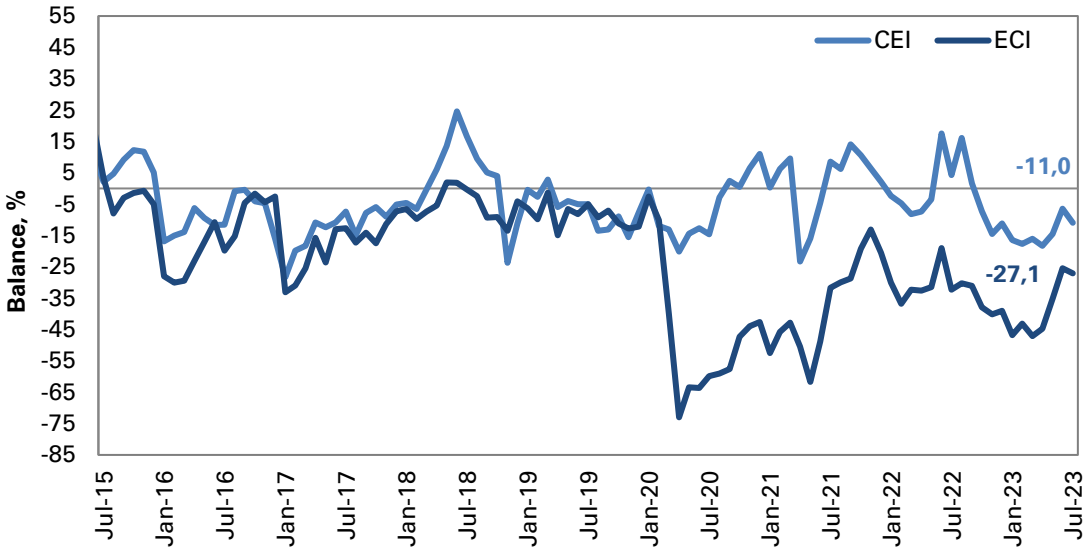
Variable / Balance %	2022	2023	
	July	June	July
Consumer Confidence Index - CCI	**-10,4**	**-14,1**	**-17,4**
A. Consumer Expectations Index - CEI	**4,3**	**-6,5**	**-11,0**
- Do you think that within a year your household will economically do better, worse or the same than now?	18,6	15,3	8,5
- Do you think that within the next twelve months we will have good or bad economic times?	-10,7	-25,0	-25,3
- Do you think that the country's economic conditions will be better or worse within a year than they currently are?	4,9	-9,9	-16,2
B. Economic Conditions Index - ECI	**-32,3**	**-25,4**	**-27,1**
- Do you think that your household is economically doing better or worse than a year ago?	-19,9	-20,0	-18,6
- Do you think this is a good time to purchase items such as furniture and household appliances?	-44,7	-30,9	-35,5

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

When comparing the results of the current third quarter[1] of 2023 with those of the second quarter, an increase of 4.2 pps and 1.7 pps in consumers' assessment of their household situation and their country's situation, respectively, can be observed. Furthermore, consumers' willingness to purchase durable goods was at -35.5% during the third quarter, representing an increase of 7.2 pps compared to the balance recorded in the second quarter of 2023 (Graph 3).

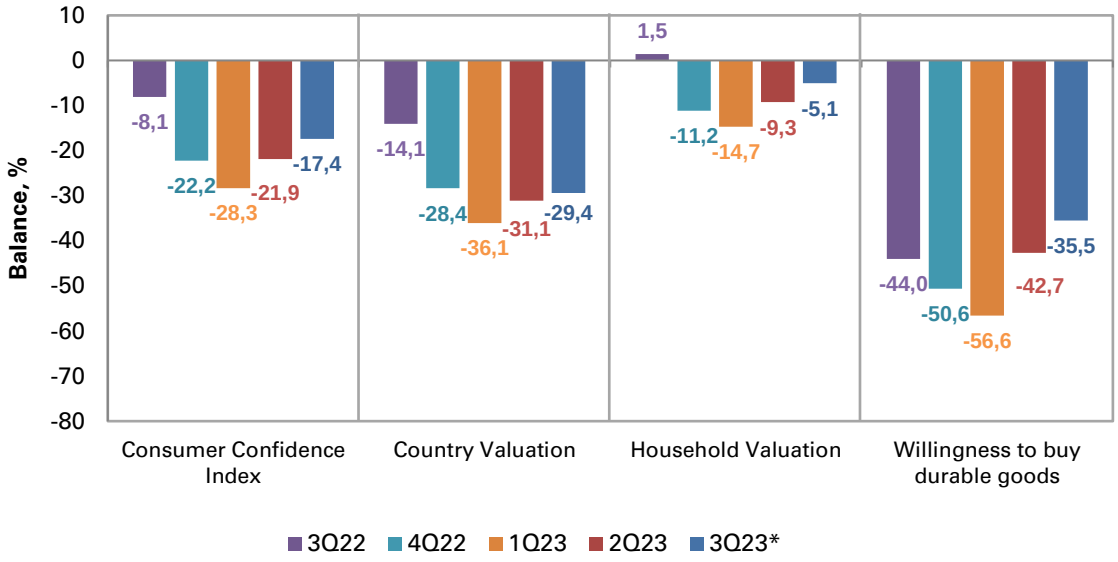
[1] Quarter up to July 2023.

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.
*Quarter up to July 2023.

Cities. In July, the ICC decreased in four out of the five cities analyzed compared to the month of June 2023.

In comparison with the previous month, the following variations in the ICC were recorded: -17.4 pps in Barranquilla, -9.2 pps in Cali, -1.3 pps in Medellín, -1.2 pps in Bogotá, and 4.5 pps in Bucaramanga.

Table 2. Evolution of the CCI by cities

City, Balance %	2022	2023	
	July	June	July
Bogotá	-10,1	-12,9	-14,1
Medellín	-20,7	-30,9	-32,2
Cali	-8,0	-7,9	-17,1
Barranquilla	7,6	4,5	-12,9
Bucaramanga	-6,2	-15,9	-11,4
Total	**-10,4**	**-14,1**	**-17,4**

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Socioeconomic level. Consumer confidence decreased in the middle and high socioeconomic levels compared to the month of June 2023.

In July 2023, there was a decrease of 13.3 pps in the high socioeconomic stratum and 12.9 pps in the middle socioeconomic stratum. On the other hand, in the low socioeconomic stratum, there was an increase of 6.4 pps compared to the previous month.

Table 3. Evolution of the CCI by Socioeconomic level

Socioeconomic level. Balance %	2022	2023	
	July	June	July
High	-37,9	-35,0	-48,3
Medium	-12,7	-10,3	-23,2
Low	-4,8	-15,0	-8,6
Total	**-10,4**	**-14,1**	**-17,4**

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Housing. The willingness to purchase housing increased by 3.8 pps compared to the previous month. By cities, this indicator increased in two out of the five cities analyzed relative to June 2023.

In July, the index of willingness to purchase housing increased by 3.8 pps compared to the previous month, reaching -39.7%. There is an improvement in the cities of Bucaramanga (23.2 pps) and Bogotá (14.9 pps), which were offset by decreases in Medellín (6.3 pps), Cali (9.0 pps), and Barranquilla (45.5 pps).

Table 4. Willingness to buy a house by cities

City. Balance %	2022	2023	
	July	June	July
Bogotá	-34,7	-53,8	-38,9
Medellín	-48,0	-44,1	-50,4
Cali	-39,9	-21,6	-30,6
Barranquilla	-10,3	-0,1	-45,6
Bucaramanga	-14,7	-46,3	-23,1
Total	**-35,3**	**-43,5**	**-39,7**

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Compared to the previous month, the willingness to purchase housing increased in the middle socioeconomic level.

When analyzing by socioeconomic level, it is observed that in July, the willingness to purchase housing increased by 25.1 pps in the middle socioeconomic level. On the other hand, in the low socioeconomic level, there was a decrease of 14.5 pps, and in the high socioeconomic level, a decrease of 20.1 pps compared to the previous month.

Table 5. Willingness to buy a house by socioeconomic level

Income level. Balance %	2022	2023	
	July	June	July
High	-58,1	-50,1	-70,2
Medium	-34,3	-56,2	-31,1
Low	-33,5	-30,3	-44,8
Total	**-35,3**	**-43,5**	**-39,7**

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Durable goods. The willingness to purchase furniture and appliances decreased by 4.6 pps compared to June 2023. By cities, this indicator decreased in three out of the five analyzed cities compared to the previous month.

In July, the percentage of positive responses regarding whether it is a good or bad time to buy goods such as furniture and appliances recorded a balance of -35.5%, representing a decrease of 4.6 pps compared to the previous month. When analyzed by cities, a decrease in the willingness to purchase durable goods of 18.8 pps was observed in Barranquilla, 5.8 pps in Cali, and 5.5 pps in Bogotá. On the other hand, there were increases of 2.1 pps in Medellín and 9.8 pps in Bucaramanga.

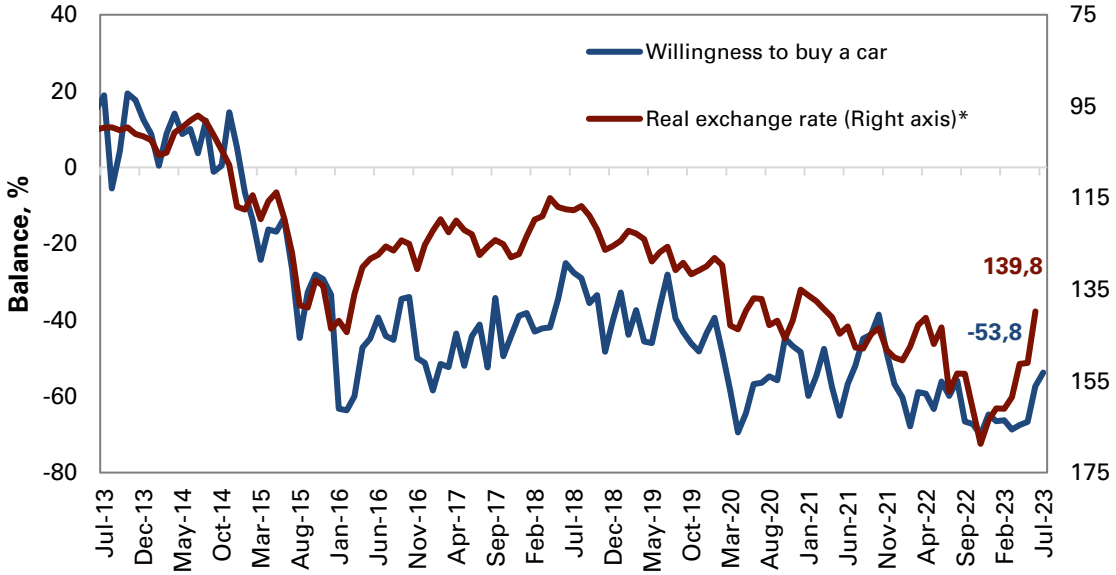
Table 6. Willingness to buy furniture and home appliances by cities

City. Balance %	2022	2023	
	July	June	July
Bogotá	-44,9	-30,2	-35,7
Medellín	-45,0	-47,3	-45,2
Cali	-55,9	-32,3	-38,1
Barranquilla	-30,3	-2,2	-21,0
Bucaramanga	-33,7	-21,0	-11,2
Total	**-44,7**	**-30,9**	**-35,5**

Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Vehicles. **In July, the willingness to purchase a vehicle recorded a balance of -53.8%, which represents an increase of 3.6 pps compared to the previous month (-57.4%).**

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



Source: Consumer Opinion Survey (COS) – Fedesarrollo and Central Bank of Colombia.
*Real exchange rate up to June 2023.

FEDESARROLLO
Centro de Investigación Económica y Social

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 August 09, 2023
Comments to Carlos Alfredo Ayala Betancourt: cayala@fedesarrollo.org.co