

# **MICROECONOMIC OUTLOOK COLOMBIA**

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**IIQ 2024**

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**IIQ 2024**

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# ¿QUÉ HA PASADO EN LOS ÚLTIMOS 6 MESES?

Entorno favorable

Entorno desfavorable

## ENERO

Enero fue un mes de incertidumbre, especialmente marcado por los incendios forestales

**Antioquia y Bogotá lideraron exportaciones de Colombia hacia EE. UU. en enero de 2024**

En estas dos regiones se consolidaron el 34% de las ventas realizadas a Estados Unidos, por US\$ 323,7 millones.

**Comienzan las rebajas en enero: imperdibles descuentos en tiendas Koaj, H&M, Zara y más**

Reconocidos comercios anuncian ofertas especiales en Colombia tras la temporada navideña

**Balance de emergencia: más de 500 incendios se han registrado en Colombia**

**En enero se profundizó la caída en las ventas de vivienda: el decrecimiento fue de 32 %**

Hace un año, la cifra cayó un 50 %. La situación preocupa al sector.

**¿Valen 4 veces más? Precio de los dulces en Colombia tuvo importante cambio que afectó a más de uno**

Febrero tuvo un día más gracias al año bisiesto, y un mejor desempeño que enero, a pesar de las afectaciones climáticas.

Colombia registró el mejor febrero de su historia en movimiento de vuelos internacionales

La ruta entre Medellín y Miami estuvo entre las de mayor crecimiento.

**Por año bisiesto, productividad de febrero sube hasta 0,7% en Colombia**

Con los 246 días hábiles y 297 días laborales que tendrá Colombia, habrá un impacto en la actividad económica, que viene afectada por la desaceleración.

**Tasa de usura bajo en febrero: estos son los bancos que cobran menos intereses en sus tarjetas de crédito**

En abril del año pasado, la tasa de usura había llegado a un máximo de 47,09% efectivo anual, pero a partir de mayo empezó a caer, luego de llevar más de un año sin hacerlo

## FEBRERO

**48 municipios se declararon en calamidad pública por desabastecimiento de agua**

**Febrero batió nuevo récord: anota el noveno mes consecutivo en récord de calor en el mundo**

Las temperaturas oceánicas mundiales también se salieron de lo normal el mes pasado, alcanzando los 21,06 grados, la media más alta para cualquier mes registrado

## MARZO

La Semana Santa tuvo un día festivo adicional lo cual fue positivo para el turismo en algunas regiones, sin embargo, recortó los días laborales.

**El Estéreo Picnic rompió récord: esta fue la millonada que movió el festival al que asistieron más de 159.000 personas**

La reciente edición del festival no solo brindó espectáculo, también estimuló la economía local, con un impacto significativo en ingresos por turismo

**La ocupación hotelera de esta Semana Santa mejoró: fue del 55%**

Boyacá, Caldas, Magdalena y Nariño fueron los destinos que más se recuperaron.

**Crece la alerta climática: marzo batió el récord de altas temperatura por décimo mes consecutivo**

**San Andrés tuvo una terrible Semana Santa por la ausencia de turistas: así ha bajado la ocupación en la isla**

Cotelco estima que podría ser la "semana más nefasta de los últimos 20 años", en lo que va del 2024 la ocupación hotelera no llega al 30%

# ¿QUÉ HA PASADO EN LOS ÚLTIMOS 6 MESES?

Abril, un mes de incertidumbre frente a la Reforma de la Salud e intervenciones en algunas EPS. Se hicieron evidentes las consecuencias del Fenómeno de El Niño

**Economía en abril dio una 'sorpresa positiva' tras variación anual del 5,5%**

Después de 10 meses, todas las actividades económicas quedaron en terreno positivo.

**Mercar en abril fue más barato, luego de que la inflación cedió hasta 7,16% este mes**

## ABRIL

**Fenómeno de El Niño hizo que el precio de la energía en bolsa subiera 23% en abril: XM**

**Inflación de abril hace arder al Caribe colombiano: Dane reveló las ciudades más caras del país**

El precio de los alimentos marcó el aumento del costo de vida de Cartagena, Barranquilla y otras capitales en el cuarto mes de 2024. Las frutas frescas, entre lo que más subió de precio a nivel general

**Compensar EPS podría desaparecer: presentó una solicitud de liquidación voluntaria ante la Superintendencia**  
EPS Sanitas fue intervenida por la Superintendencia de Salud ante crisis financiera: llueven críticas por la medida

La entidad es una de las más grandes en todo el país, con cerca de seis millones de afiliados

**Crisis hídrica en Bogotá: en el primer ciclo de racionamiento, 18 personas fueron multadas por desperdiciar agua**

La temporada del Día de la Madre se extendió en el 2024 gracias a un día festivo adicional.  
La inflación frenó su desaceleración.

**Comerciantes reportaron aumento del 35% en ventas por el Día de la Madre**

**Black Friday Colombia mayo 2024: Un motor de crecimiento para consumidores y empresas**

Para los minoristas y emprendedores, Black Friday representa una oportunidad crucial para incrementar sus ventas y reducir los inventarios acumulados.

**Brecha de género en el mercado laboral colombiano cayó a su nivel más bajo desde que hay registros**

## MAYO

HACIENDA  
**Después de 13 meses a la baja, la inflación se estancó en mayo y se mantuvo en 7,16%**

**Tomates, papas y dulces no dejan bajar el costo de vida**

El indicador anualizado según el Dane fue de 7,16%, a mayo.

**Empieza una gran temporada deportiva. Algunos hogares recibieron prima, iniciaron las vacaciones de mitad de año y se celebró el Día del Padre.**

**Colombianos superaron el billón de pesos en transacciones el Día del Padre, según Redeban**

Medellín, Envigado, Cali y Pereira fueron las ciudades con mejor dinámica en compras y facturación.

**'Intensamente 2' se convierte en la película más taquillera de la historia de Colombia**

La película de Disney 'Intensamente 2' superó a 'Avengers: Endgame', que desde 2019 tuvo en su poder la cifra más alta de la historia del cine colombiano.

**¿Colombianos ya se gastaron la prima de mitad de año? Ventas crecieron 20% con la Primatón de Fenalco**

Balance de la primera Primatón, que se realizó del 28 al 30 de junio, en más de 19.000 puntos de venta en el territorio colombiano.

## JUNIO

**Impuestos saludables del Gobierno Petro han causado una caída de hasta el 15% en las tiendas de barrio, aseguró el presidente de Fenalco Jaime Alberto Cabal**

Como habían vaticinado los gremios del comercio, en efecto, se han pronunciado las bajas en ventas de algunos productos en establecimientos pequeños

**Repunte en inflación podría demorar recorte en tasas de interés, asegura Anif**

Entorno favorable

Entorno desfavorable



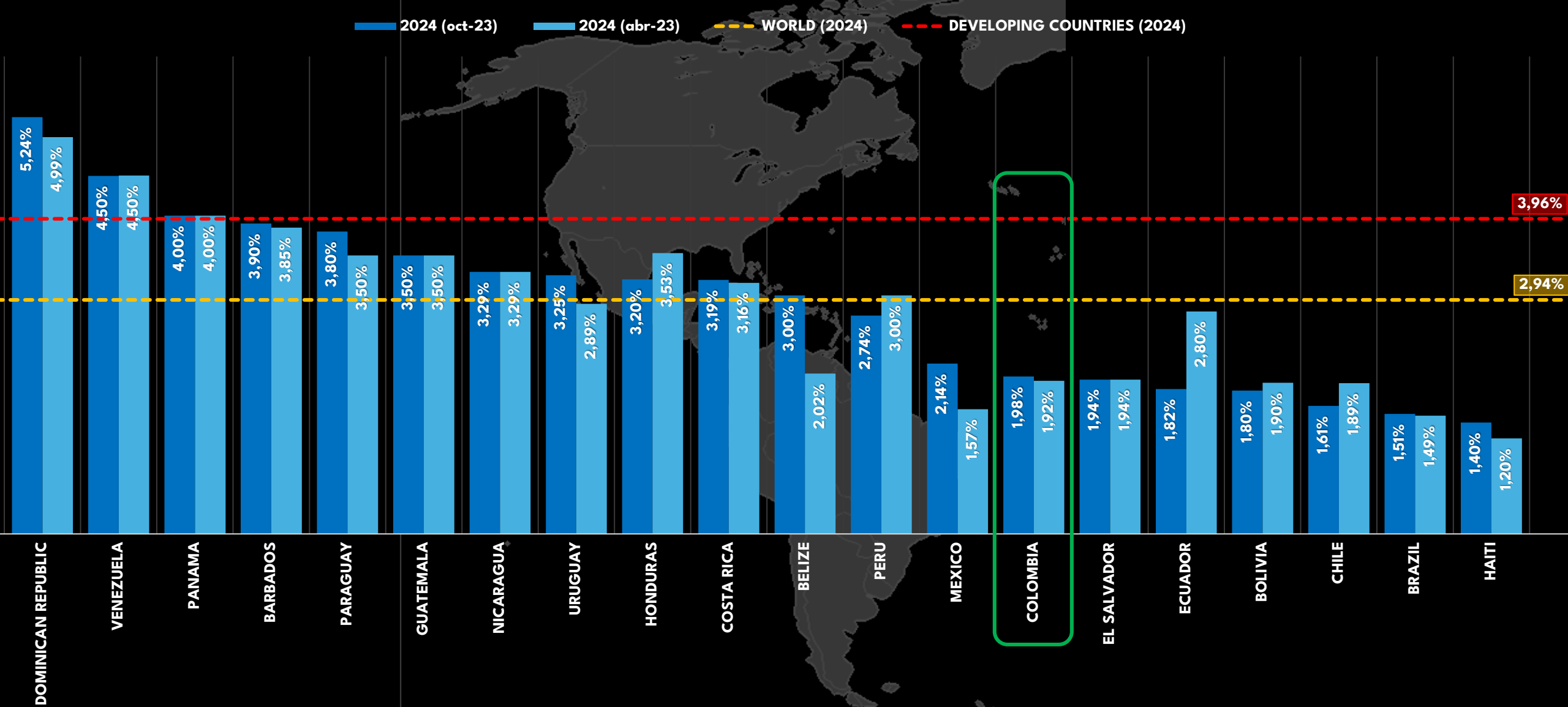
# MACROECONOMIC CONTEXT

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**IIQ 2024**

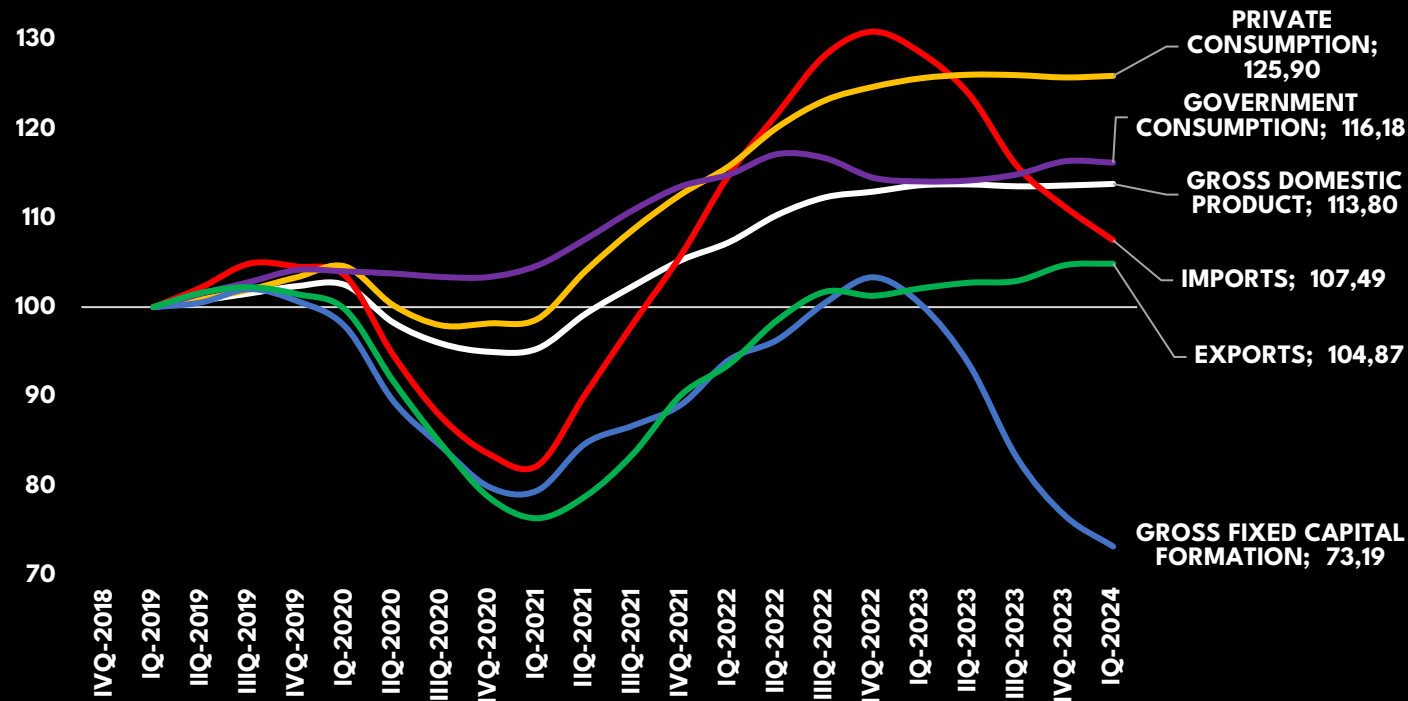
# PROJECTIONS FOR 2024 IMPROVE SLIGHTLY

## GROWTH PROJECTIONS FOR LATIN AMERICA - INTERNATIONAL MONETARY FUND

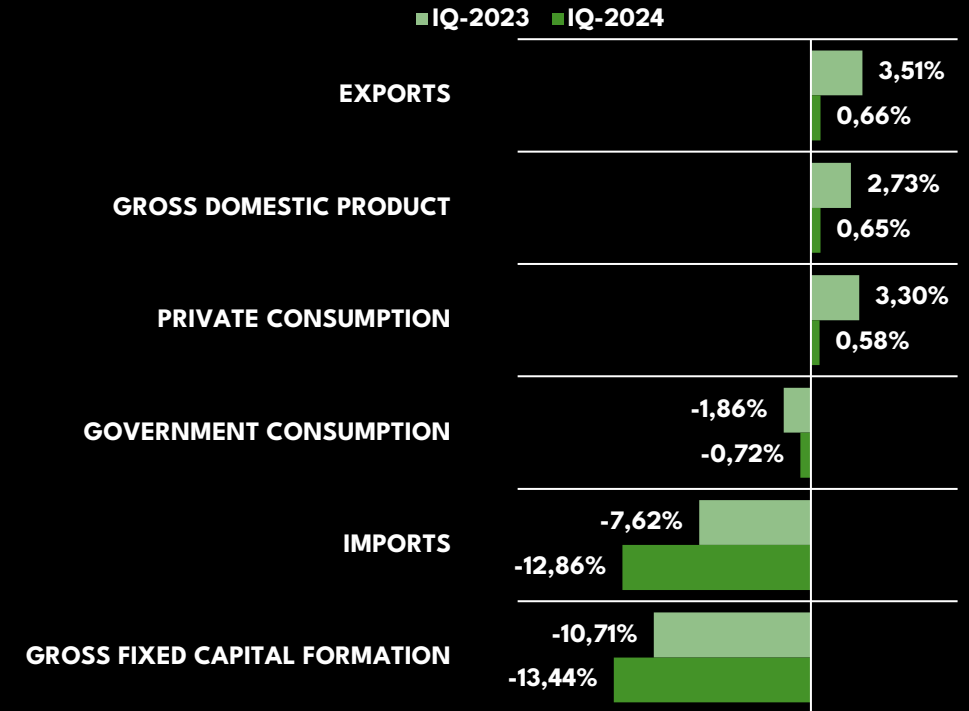


# POSITIVE SURPRISE IN FIRST QUARTER GDP GROWTH

GDP INDEX BY DEMAND COMPONENTS ACCUMULATED 4 QUARTERS  
(IQ-2019 = 100)



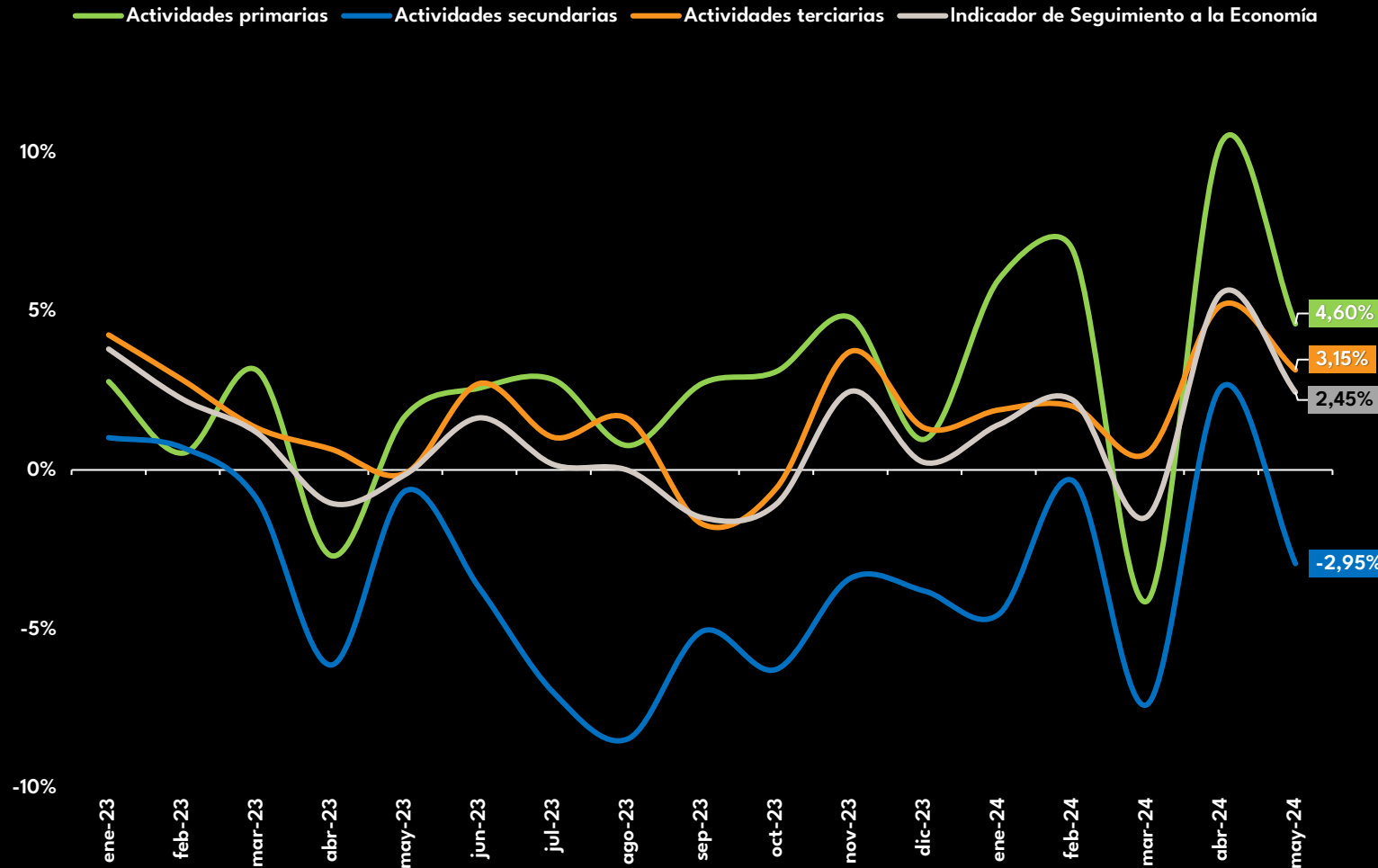
SOURCE OF YEAR-ON-YEAR GROWTH BY DEMAND COMPONENT



- The forecast for the full year's GDP growth increased from 0.6% to 1.3%, thanks to an unexpected positive figure in the first quarter's GDP growth.
- More dynamic economic activity than anticipated in certain sectors, particularly in agriculture and services, contributed significantly to the adjustment in the growth forecast.
- The continuation of the interest rate cut policy by the Bank of the Republic and a less restrictive international financial environment, with expected rate cuts by the European Central Bank and the anticipation of the Federal Reserve reducing its rates before the end of the year, were key to the higher expected growth for the second half of 2024.

# THE COUNTRY'S ECONOMIC ACTIVITY SLOWED DOWN IN THE MONTH OF MAY, WITH SECONDARY ACTIVITIES IN NEGATIVE TERRITORY

## ANNUAL VARIATION OF THE ECONOMIC MONITORING INDEX BY SECTORS

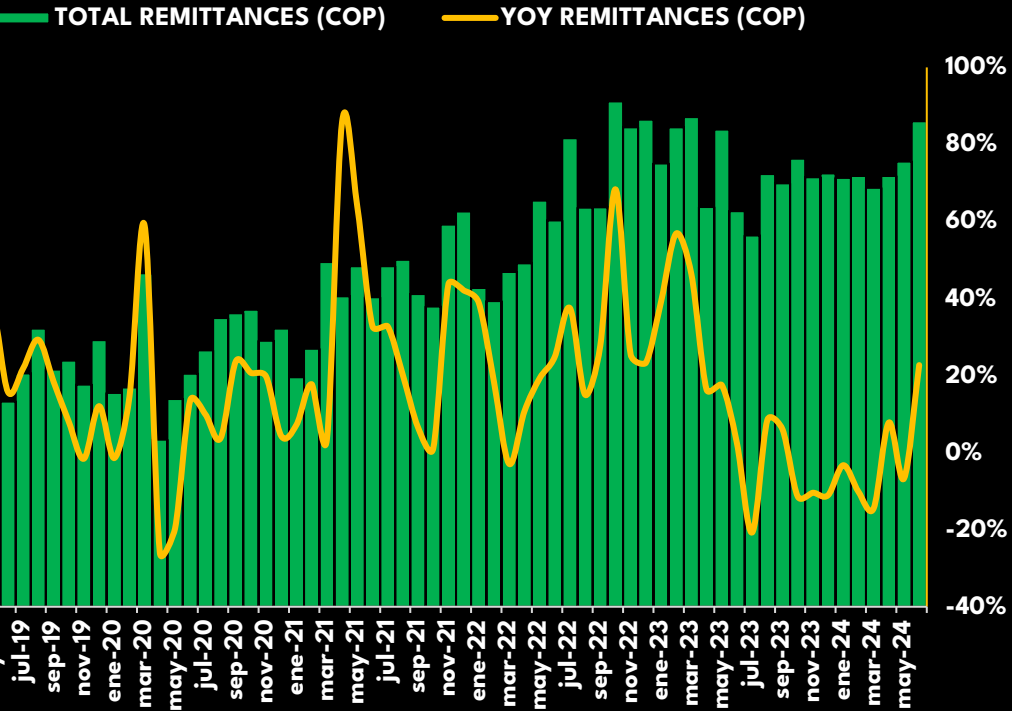


- May 2024 showed tensions in the economic momentum; all activities slowed down, differing from the behavior of May 2023, which saw a recovery across all sectors.
- Manufacturing industries and construction continue to face challenges in growth and have once again entered negative territory with an annual variation of -2.95%. However, on a monthly basis, they grew by 6.39%.
- Tertiary activities were affected by a slowdown in Real Estate, Information and Communications, and Financial and Insurance Activities.
- Activities in Agriculture, Livestock, Hunting, Forestry, and Fishing; Mining and Quarrying, although they experienced drops in their growth rate, recovered compared to June 2023.

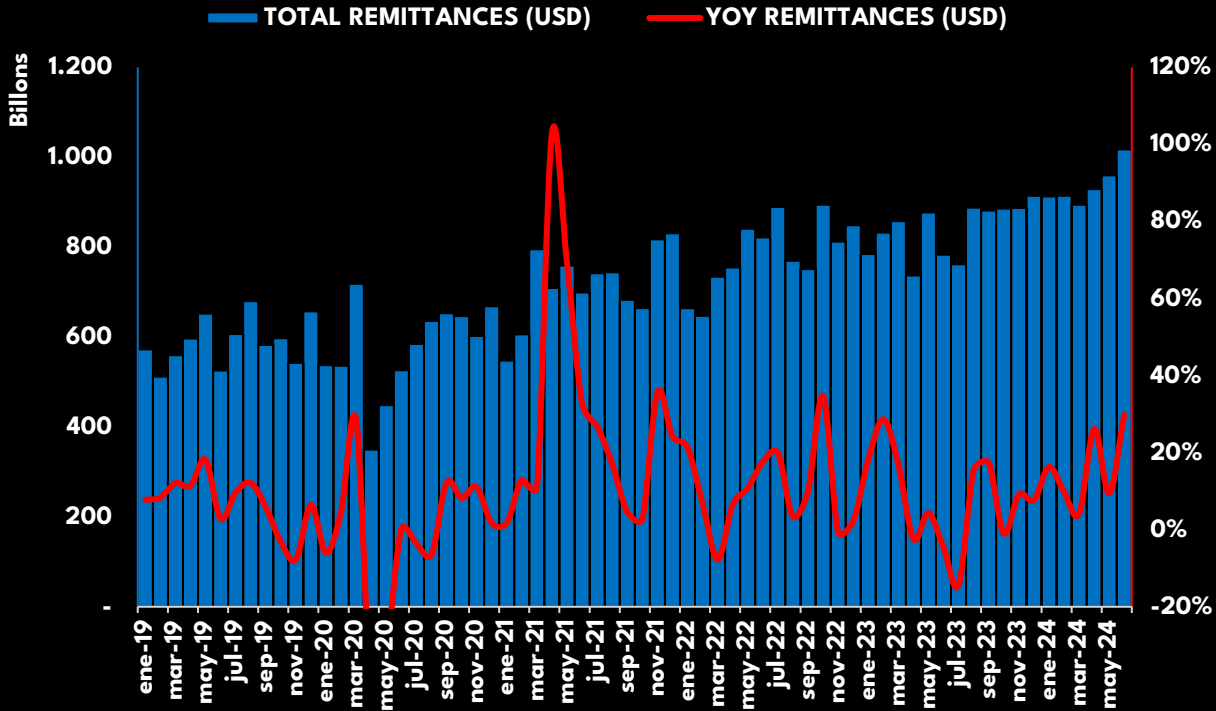


# IMPACT OF MIGRATION TRENDS AND HOLIDAYS ON THE FLOW OF REMITTANCES

REMITTANCES (COP) AND YEAR-ON-YEAR DYNAMICS



REMITTANCES (USD) AND YEAR-ON-YEAR DYNAMICS



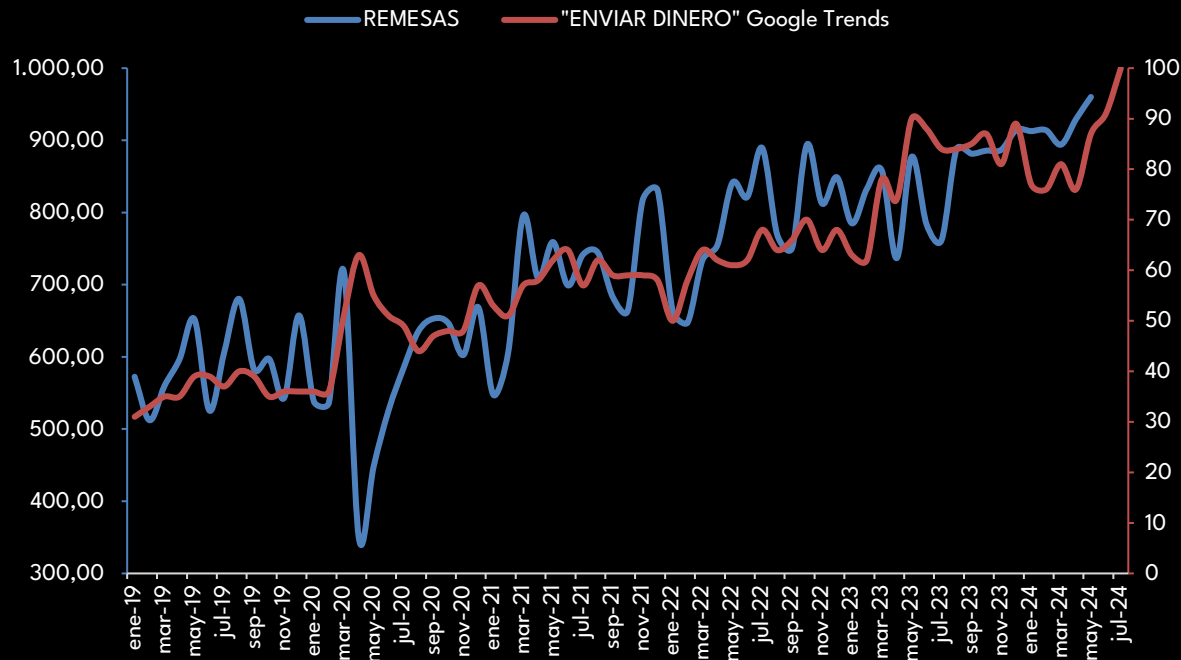
- Historic Increase in the First Quarter: Colombia received over USD 2.72 billion in remittances during the first quarter of 2024, marking a 9.8% increase compared to the same period last year and setting a historical record.
- Impact of Holidays: May is expected to close with a 15% growth in remittances, mainly due to the Mother's Day weekend. This increase is also attributed to the expansion and diversification of new transactional channels for sending money.
- Emigration and Main Destinations: Data reveals that in 2023, half a million Colombians left the country, with the United States and Spain being their main destinations. These countries have become the primary sources of remittances to Colombia, with the United States accounting for 53% and Spain for 13% of the remittances.

# INDICATORS RELATED TO THE DYNAMICS OF REMITTANCES SUGGEST THAT THERE COULD BE A NEW UPSWING FOR THE MONTHS OF JUNE AND JULY

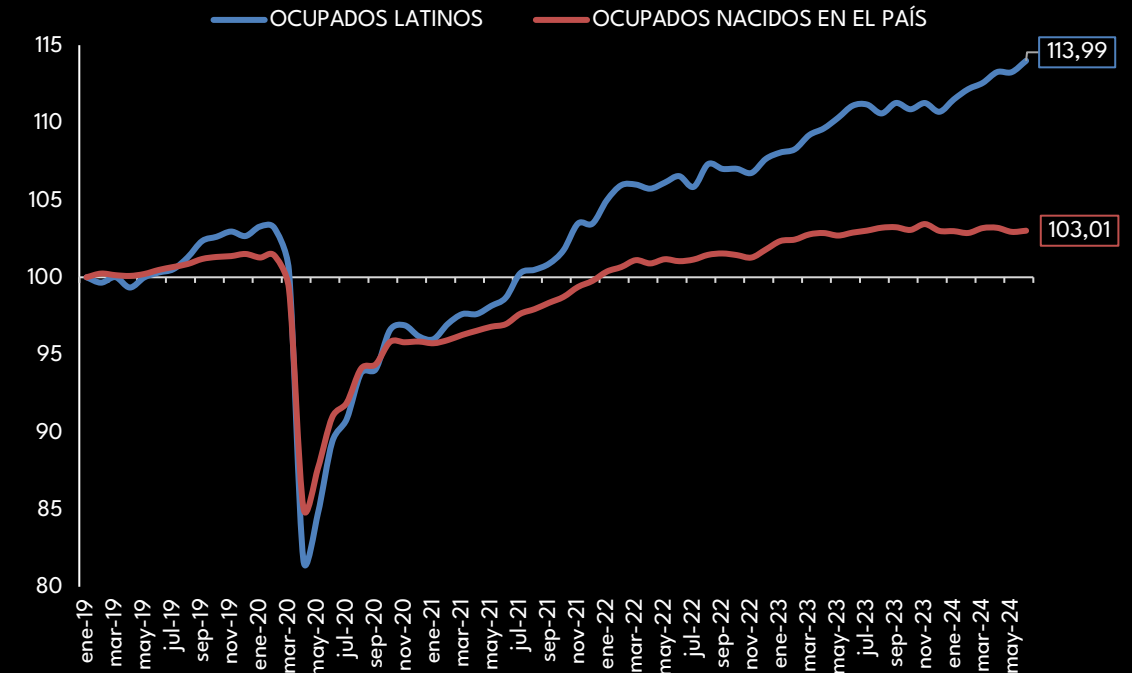
USING SEARCHES IN THE UNITED STATES FOR 'SEND MONEY,' WE CAN OBSERVE AN ACCELERATION DURING THE MONTHS OF MAY TO JULY.

THE EMPLOYMENT OF LATINO WORKERS IN THE UNITED STATES CONTINUES TO SHOW STEADY GROWTH, WHICH WOULD INDICATE A DYNAMIC OF JOB STABILITY THAT COULD CONTINUE TO BENEFIT THE REMITTANCE FLOWS TO THE COUNTRY.

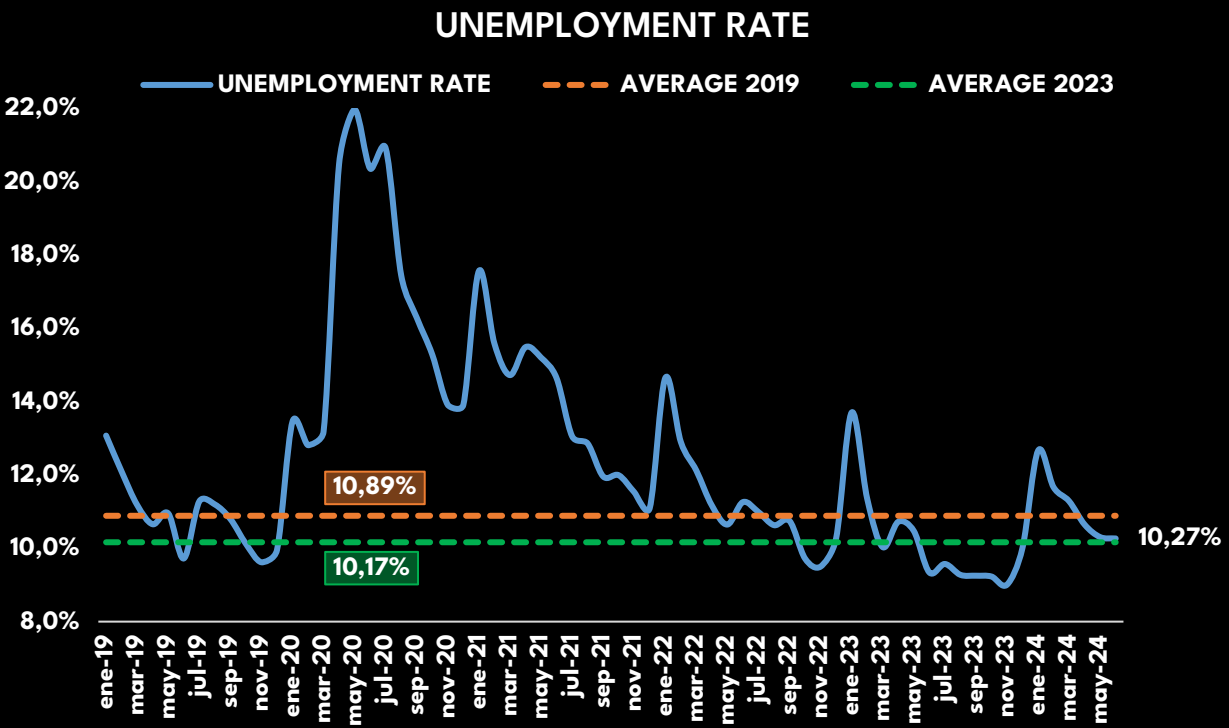
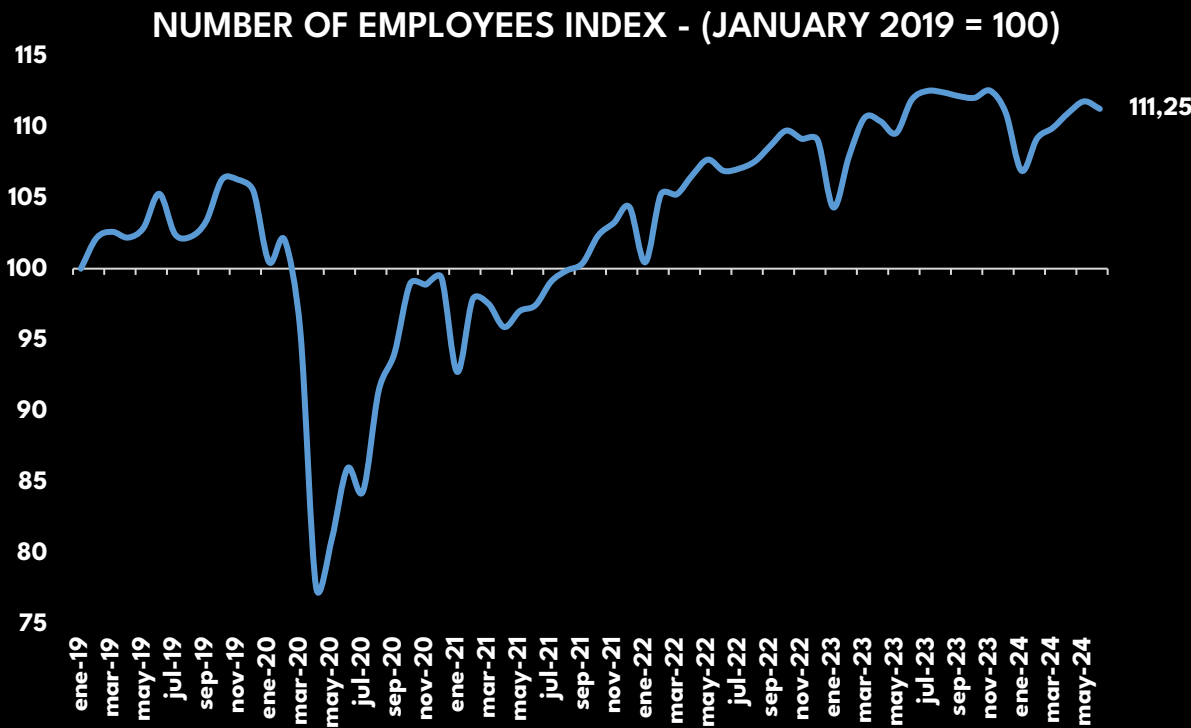
REMITTANCE INFLOWS VS. SEARCH FROM THE U.S. ON GOOGLE TRENDS FOR 'SEND MONEY'



EMPLOYMENT INDEX IN THE UNITED STATES (JANUARY 2019 = 100)



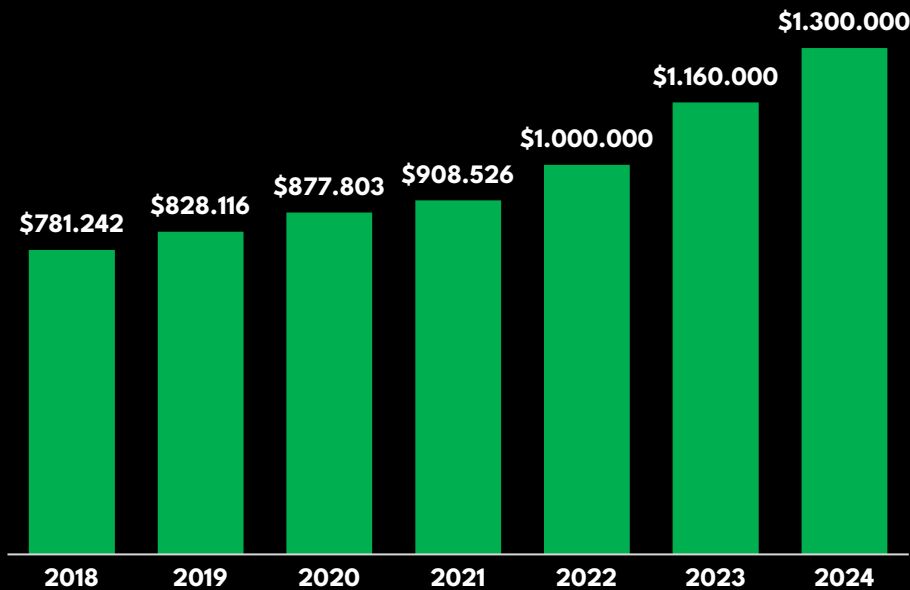
# THESE FACTORS SUGGEST THAT ALTHOUGH THERE IS STABILIZATION IN THE NUMBER OF EMPLOYED INDIVIDUALS, THE UNEMPLOYMENT RATE HAS SLIGHTLY INCREASED



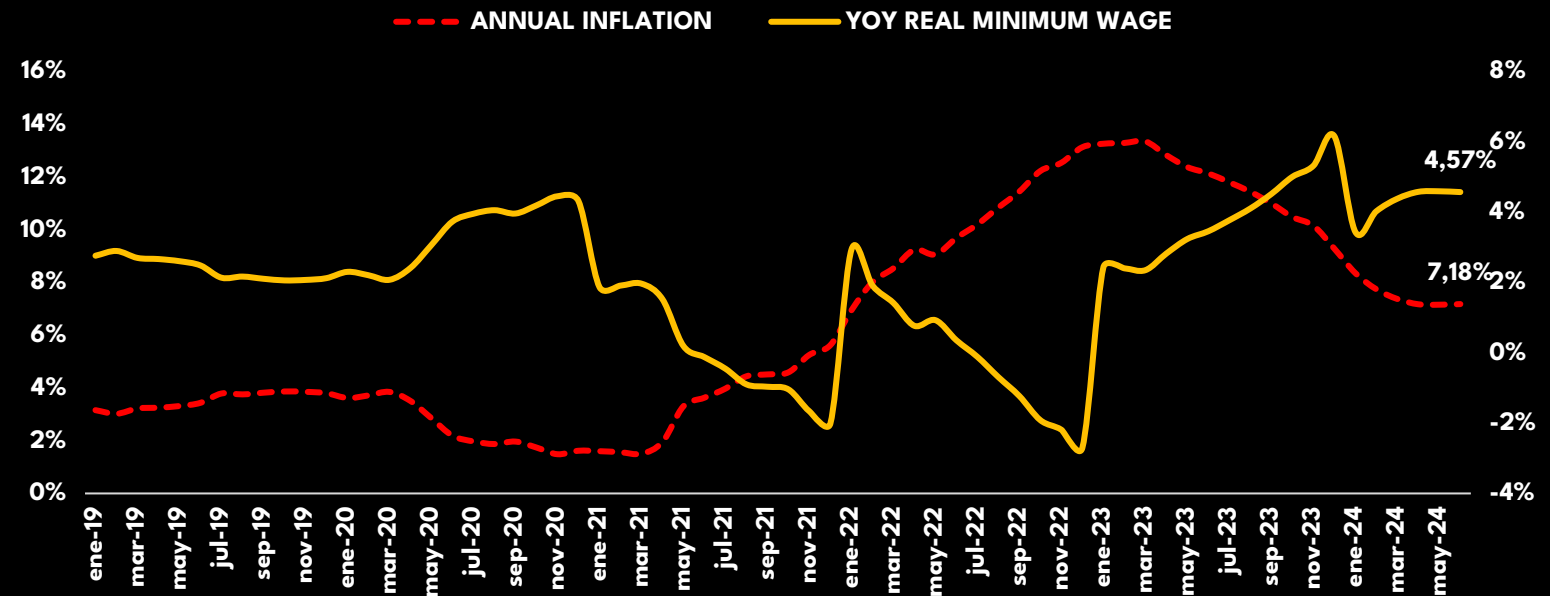
- Unemployment Rate: In June 2024, the national unemployment rate was 10.3%, which represented an increase of 0.9 percentage points compared to the same month in 2023.
- Employment Stabilization: Data indicates that after a period of contraction, national employment has stabilized in recent months, reaching levels close to 22.9 million employed in the quarter ending in May 2024.
- Regional and Sectoral Differences: The employment rate stood at 57.3% during the same period, with a significant difference between urban areas (59.2%) and other head towns and rural areas (55.2%). Additionally, salaried employment has shown stagnation throughout the year, while non-salaried employment has experienced slight growth, leading to an increase in the informality rate to 56.2% in May.

# THESE FACTORS INDICATE THAT REAL WAGES IN COLOMBIA HAVE BEEN INFLUENCED BY RIGIDITY IN THE FORMAL WAGE STRUCTURE, ADJUSTMENTS IN THE MINIMUM WAGE, AND INFLATIONARY CONDITIONS

MINIMUM WAGE (COP)



ANNUAL VARIATION REAL MINIMUM WAGE VS GDP

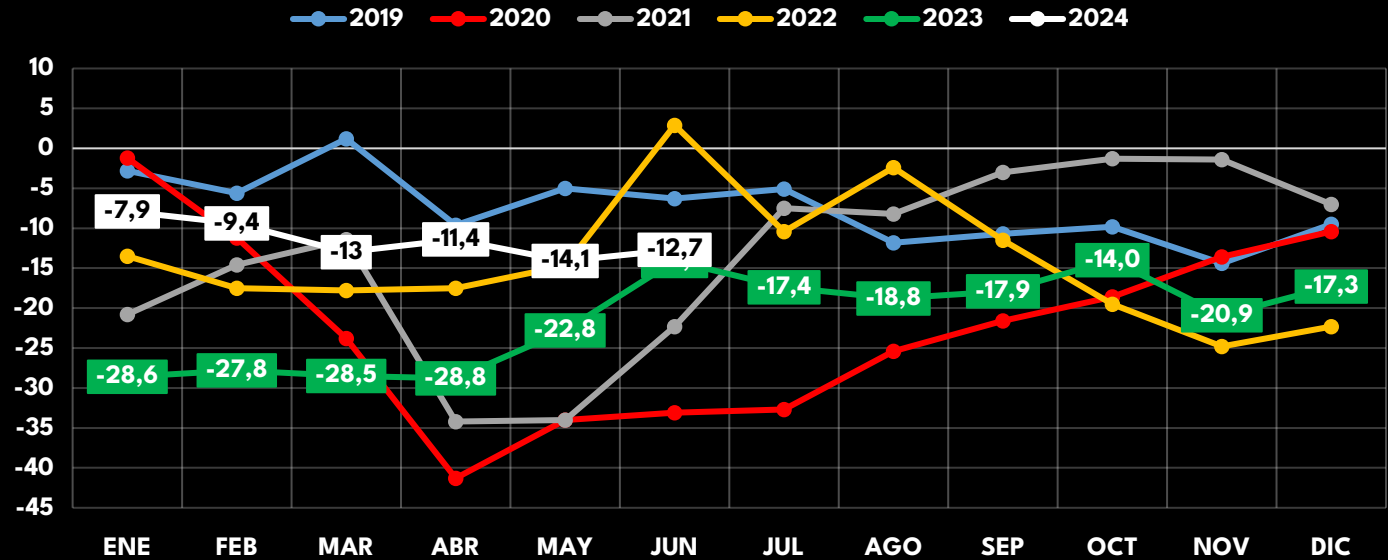


- **Formal Wage Rigidity:** The short-term rigidity of formal wages, especially during the post-pandemic inflationary increase, has contributed to the decline in real wages. Although nominal wages adjust to match prices, this process can fuel inflationary escalation.
- **Inflation and Expectations:** Even though inflation is expected to decrease to 5%, it remains at high levels, affecting the purchasing power of real wages. Inflation expectations and monetary policies also play a crucial role in determining real wages, as they influence wage negotiations and adjustments of nominal wages.

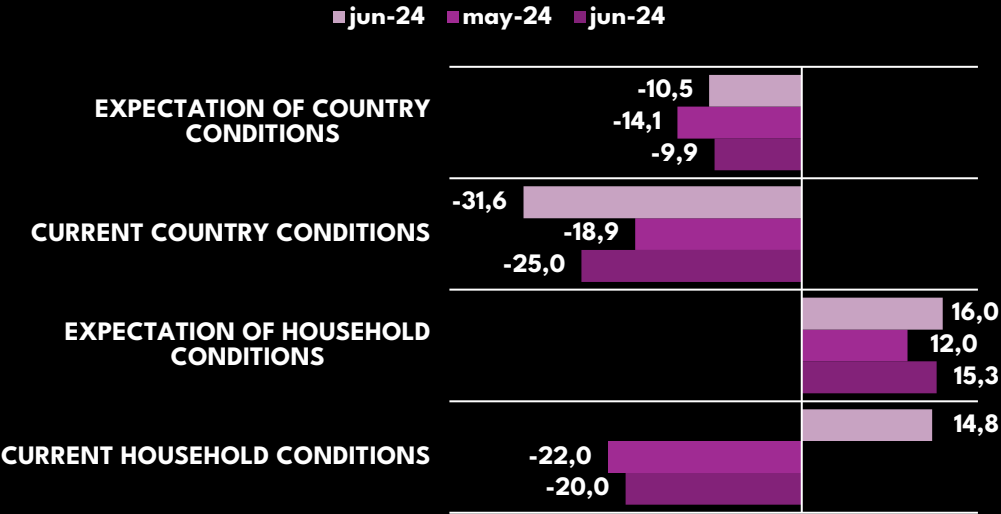


# THESE FACTORS SUGGEST THAT ALTHOUGH THERE IS A MORE POSITIVE PERCEPTION OF THE CURRENT ECONOMIC SITUATION, THERE IS UNCERTAINTY ABOUT THE FUTURE AND CAUTION REGARDING LONG-TERM INVESTMENTS SUCH AS HOME PURCHASES.

ANNUAL COMPARISON OF CONSUMER CONFIDENCE



EVOLUTION OF CONSUMER CONFIDENCE BY COMPONENT



- Improvement in Current Economic Conditions: Consumer confidence improved in June 2024, with the index rising by 1.4 points to -12.7, thanks to an improvement in the current economic conditions which went up to -18.7 from -24.8.
- Deterioration of Future Expectations: Despite the improvement in current conditions, future expectations worsened, with a reading of -8.7 compared to -7 in May, indicating a decrease in confidence towards the country's economic future.
- Decrease in Willingness to Buy Housing: While there was an increase in the willingness to buy vehicles and durable goods, the willingness to buy housing decreased compared to the previous month, which could reflect concerns about the stability of the real estate market or consumers' ability to make large investments.

# IN SUMMARY

## WHAT HAPPENED AT IIQ 2024?



- ✓ Economic Activity
- ✓ Trade
- ✓ Income and Sources of Expenditure
- ✓ Consumer Confidence

- **GDP Growth:** Colombia's GDP growth was driven by a positive surprise in the first quarter, increased activity in key sectors, and a favorable international financial context.
- **Remittance Growth:** Remittances in Colombia reached record figures due to a historic increase in the first quarter, the impact of festivities, and significant emigration to main destinations like the United States and Spain.
- **Employment and Unemployment:** The unemployment rate in Colombia increased slightly, while employment stabilized, showing marked regional and sectoral differences.
- **Real Wages:** Real wages in Colombia were impacted by formal wage rigidity, a significant increase in the minimum wage, and persistent inflationary conditions.
- **Consumer Confidence:** Consumer confidence in Colombia improved due to the perception of better current economic conditions, although caution remained about the future and investment in housing.

**0.65%**  
IQ 2024

**GDP**

VS 2.73%  
IQ 2023



**10.0%**  
JUN 2024

**UNEMPLOYMENT RATE**

VS 10.2%  
JUN 2023



**12%**  
2024

**MINIMUM WAGE**

VS 16%  
2023



**-17.3%**  
JUN 2024

**CONSUMER CONFIDENCE**

VS -22.3%  
JUN 2024



# HOUSEHOLD SPEND

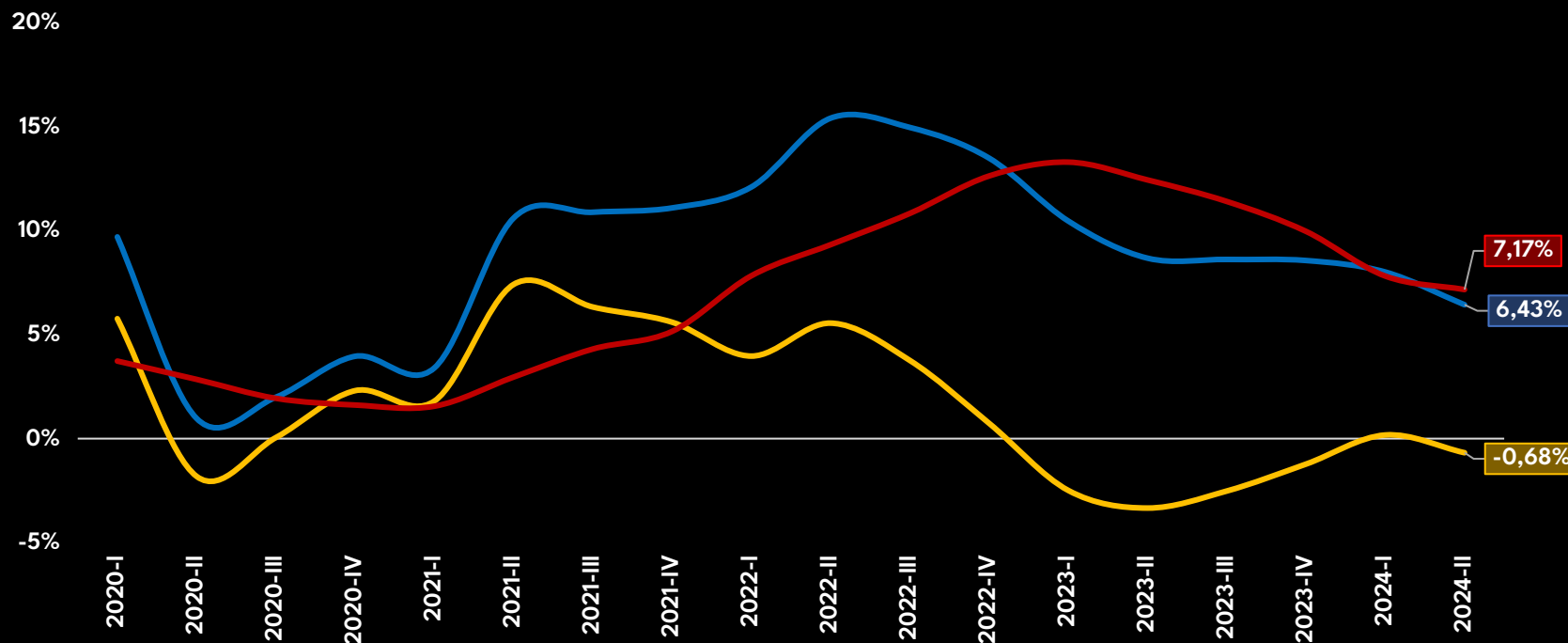
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**IIQ 2024**



## QUARTERLY HOUSEHOLD EXPENDITURE IN COLOMBIA DYNAMICS

— YOY CURRENT EXPENDITURE — YOY REAL EXPENDITURE — QUARTERLY INFLATION



### UPWARD FACTORS:

- ▲ In 2024, consumers prioritize quality over other factors when making purchases, showing a preference for premium products.
- ▲ Shoppers are increasingly turning to non-traditional channels like Hard Discount stores, possibly in pursuit of better deals.
- ▲ Households typically shop 1 to 4 times monthly, suggesting a trend towards more strategic and efficient budgeting.
- ▲ The historic increase in remittances during the first quarter and the rise due to festivities.
- ▲ The stabilization of employment.

### DOWNWARD FACTORS:

- ▼ There has been a widespread need to buy less, suggesting a contraction in consumption
- ▼ The rise in food prices has significantly impacted household spending
- ▼ The cost of public services has negatively affected household budgets
- ▼ Health-related taxes have increased the prices of these foods, affecting spending dynamics.

HOUSEHOLD SPEND IN THE  
FOURTH QUARTER WAS

**177.22\$**

THOUSAND BILLION PESOS

WITH A CURRENT ANNUAL  
GROWTH RATE OF

**6.43%**

AN ANNUAL INFLATION OF

**7.17%**

AND AN ANNUAL GROWTH IN  
REAL EXPENDITURE OF

**-0.68%**

SOURCE: Gastometría IIQ-2024, RADDAR.

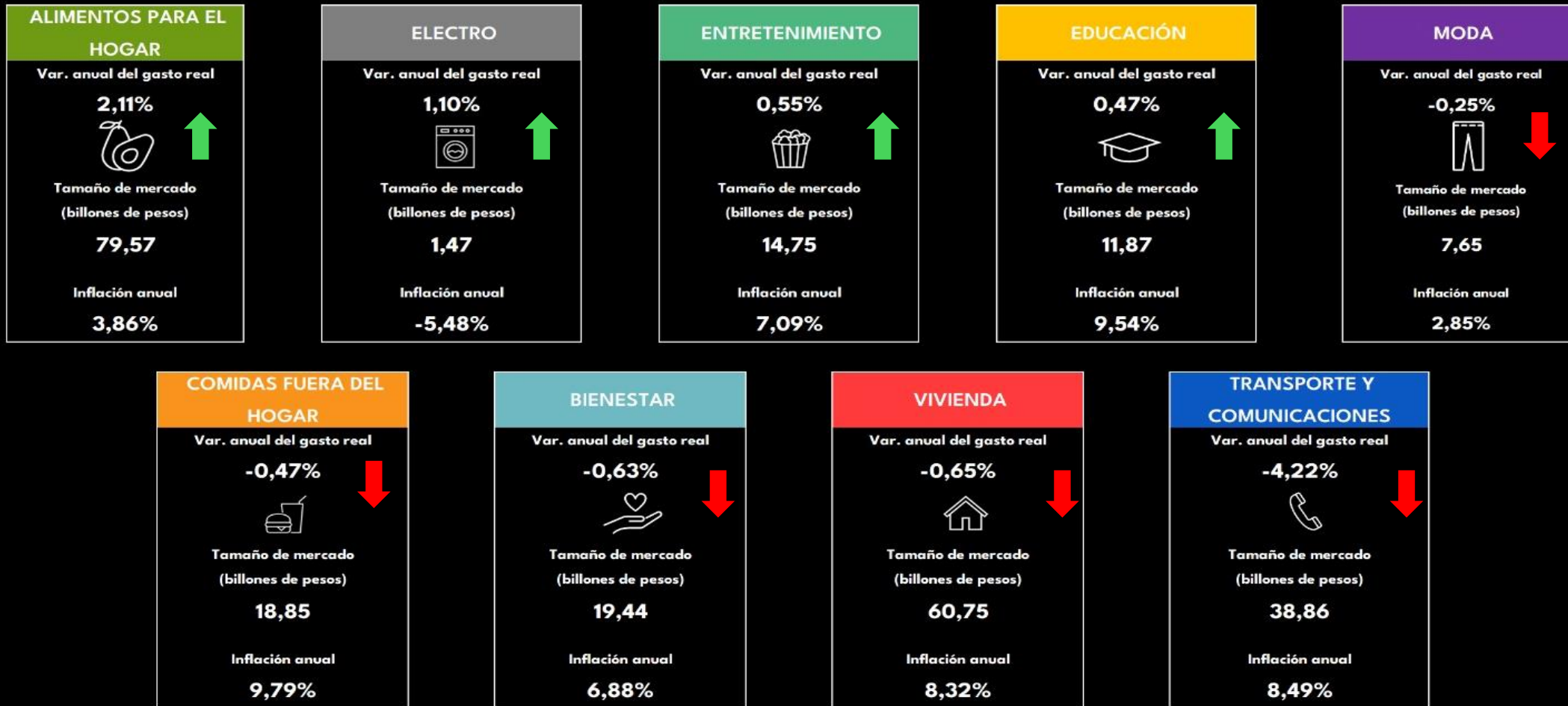


# DYNAMICS OF CONSUMPTION BASKETS IIQ 2024

\* Annual change in real expenditure  
\*\* Annual quarterly inflation

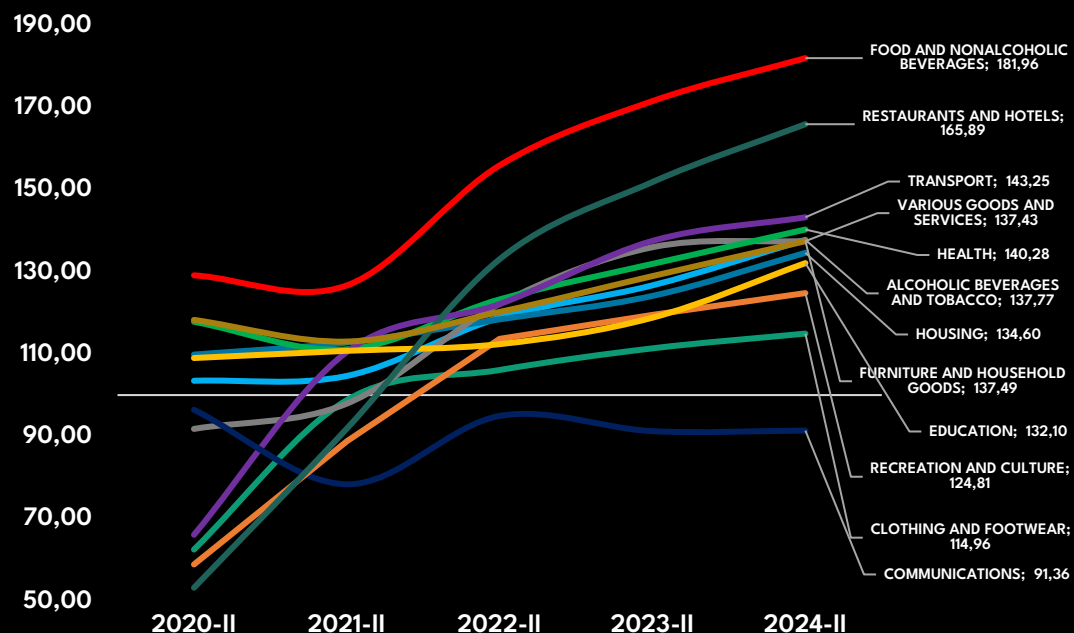
Monetary unit: Colombian pesos

## DINÁMICA DE LAS CANASTAS DE CONSUMO 2024-II

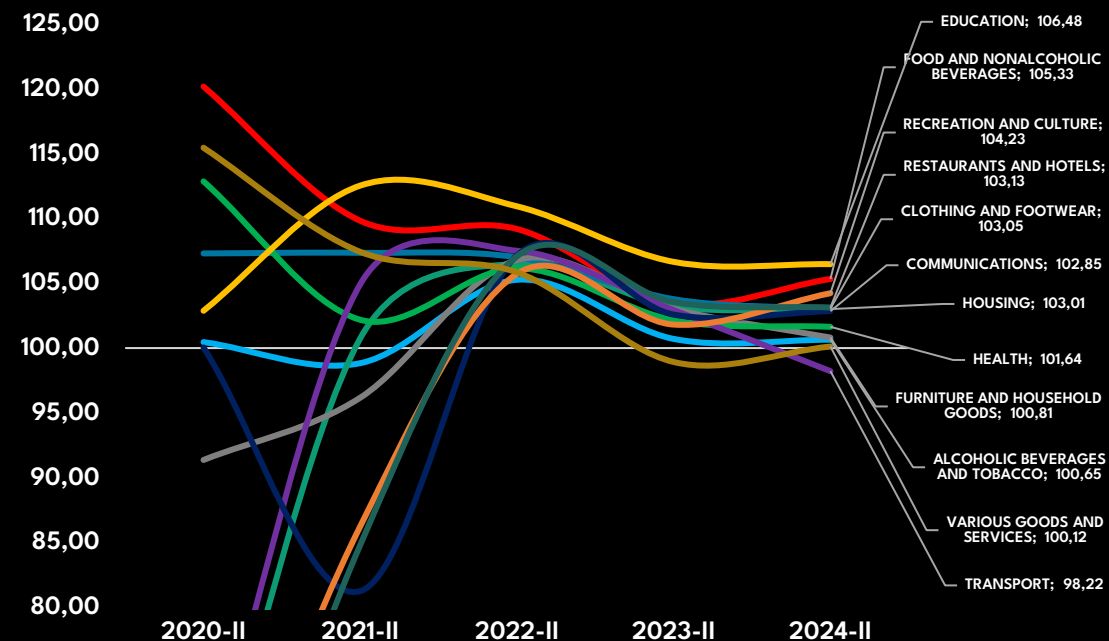


# IN REAL TERMS, SPENDING HAS BEEN MODERATE, WITH A NOTABLE SHIFT IN FOOD AND RECREATION, THOUGH FOOD REMAINS AT RISK OF FURTHER PRICE HIKES.

CURRENT EXPENDITURE INDEX (IIQ-2019=100)



REAL EXPENDITURE INDEX (IIQ-2019=100)



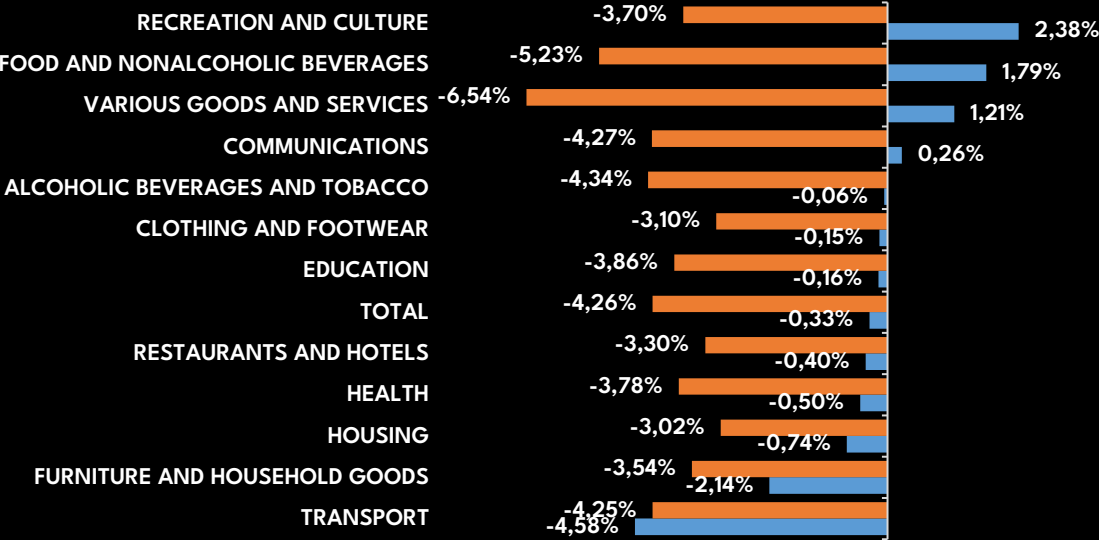
- Current spending levels have generally increased for most baskets. However, transportation shows a continuous deceleration in recent quarters. This may be related to increases in vehicle maintenance costs such as gasoline and spare parts, as well as a decline in vehicle purchases.
- On the other hand, Food and restaurants were the baskets with the highest growth in recent quarters, driven by price increases and their importance in household budgets.

- In real terms, the increases in spending levels have been more moderate. However, they already show a trend change in most baskets. Among these, consumers are increasing their spending on food and recreation more quickly. This may indicate a relief in these baskets in terms of prices, allowing them to adjust quantities. Despite this, the food basket remains at the greatest risk of price increases due to reduced supply and the rising cost of inputs.

# DESPITE YEAR-OVER-YEAR DECLINES, THE RECREATION AND FOOD BASKETS SHOW STRONG INTER-QUARTERLY GROWTH IN Q2 2024, LIKELY DRIVEN BY SEASONAL EFFECTS.

YEAR-ON-YEAR REAL EXPENDITURE

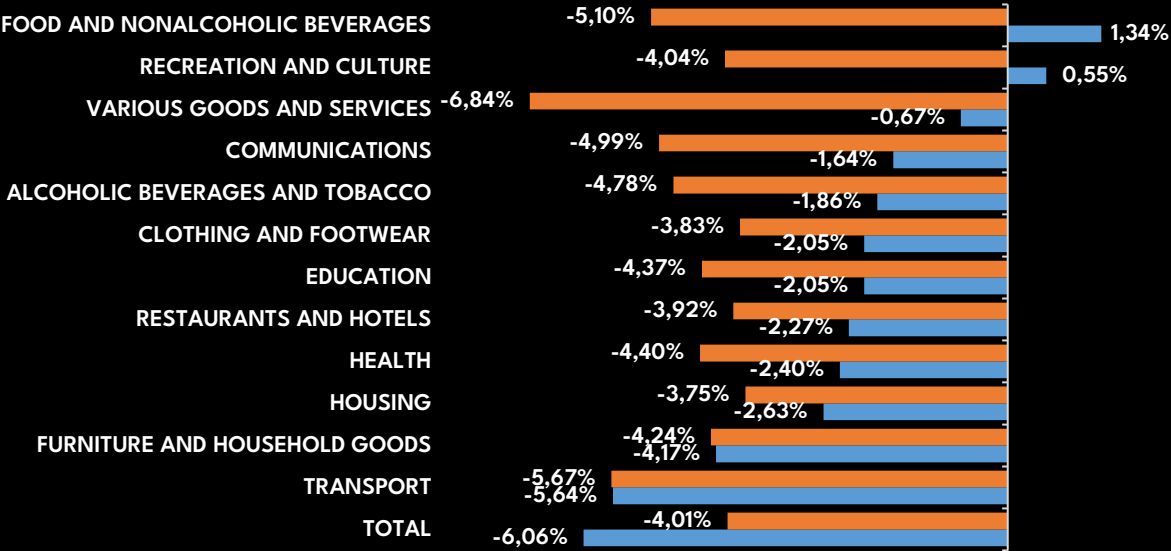
2023-II 2024-II



- Although several baskets show year-over-year declines, these falls are less than those observed the previous year at the peak of the inflationary spike. Among the baskets with better dynamics, recreation stands out, which could have been driven by special dates (Mother's Day), major events (Copa América), and the start of the holiday season.
- Additionally, the real food expenditure adjusts significantly and grows at a rate higher than the total expenditure growth.

MONTH-ON-MONTH REAL EXPENDITURE

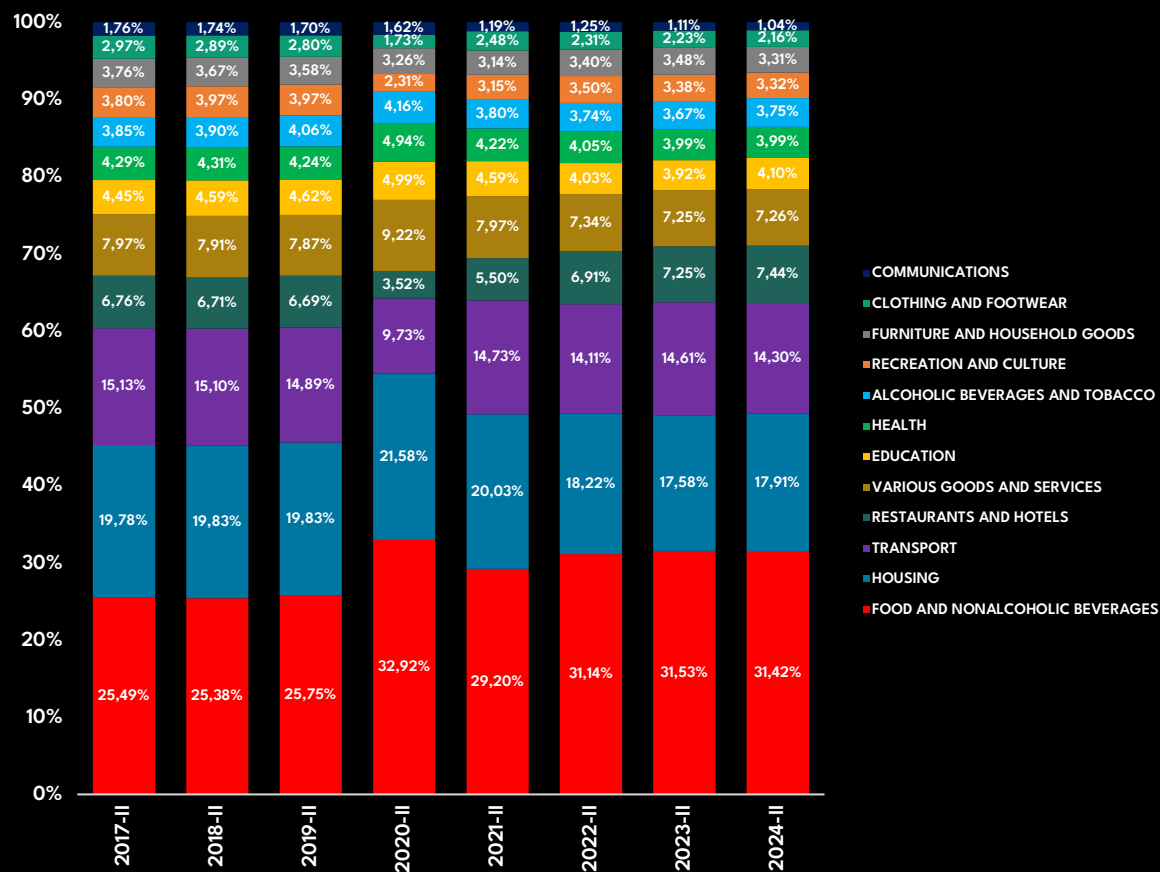
jun-23 jun-24



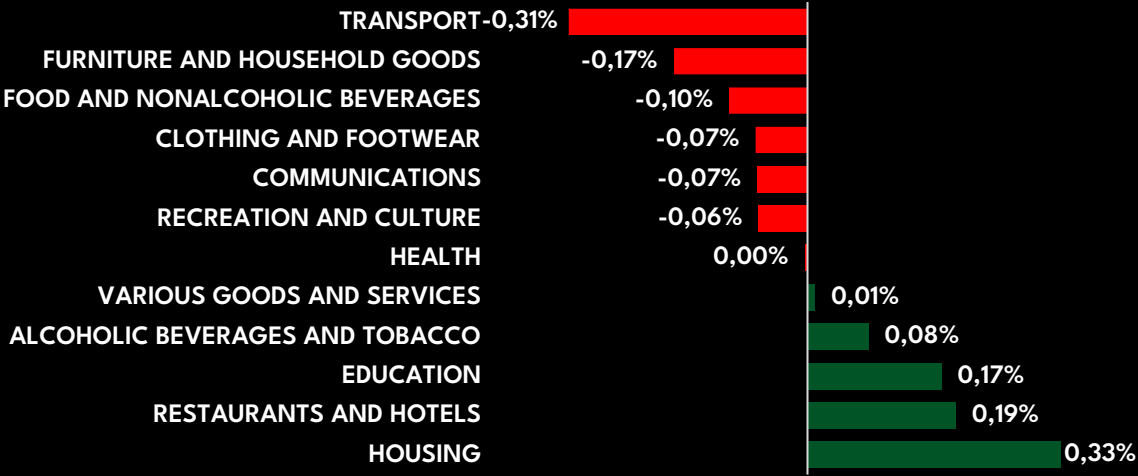
- The inter-quarterly growth (Q2 2024 Vs Q1 2024) of the recreation and food baskets increases the evidence indicating that these baskets were driven by a seasonal effect.
- On the other hand, the inter-quarterly growth of the rest of the baskets shows a decline that can be interpreted as a common pattern in household spending where the second quarter adjusts spending downwards on services such as housing, education, health, among others.

# HOUSEHOLDS HAVE SIGNIFICANTLY INCREASED THEIR SPENDING ON ESSENTIAL SERVICES SUCH AS HOUSING, EDUCATION, AND HEALTH TO COVER RISING COSTS

COMPOSITION OF HOUSEHOLD EXPENDITURE IN COLOMBIA (CURRENT)



REESTRUCTURACIÓN DEL GASTO 2024-II VS 2023-II

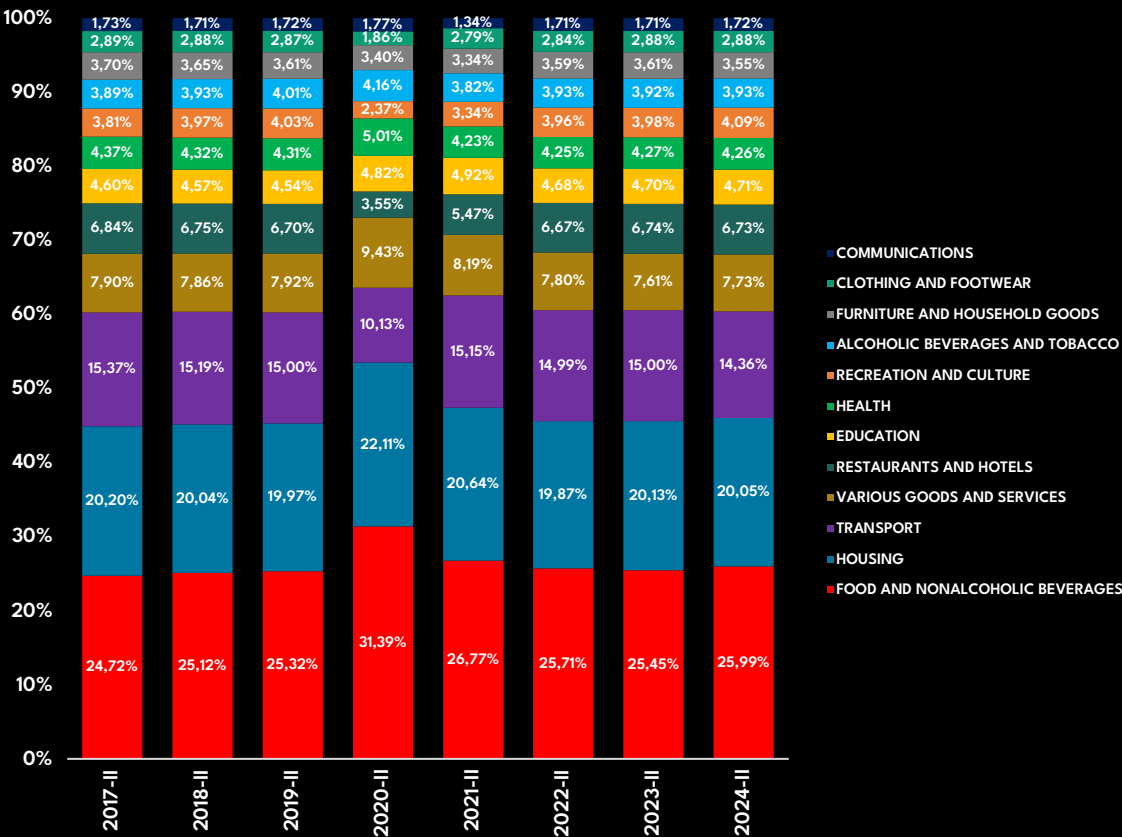


- In transportation: When comparing the expenditure distribution of the second quarter with the same period of the previous year, there is a significant increase in household expenditure allocation aimed at compensating for large expenses in services such as housing, education, health, and various services. This is related to the higher outlay that households have to make to maintain these services.
- On the other hand, there is a decrease in the allocation for durable and semi-durable goods such as furniture, clothing, cultural items, and vehicles (within the transportation basket). This is related to a lower willingness to purchase these types of goods.

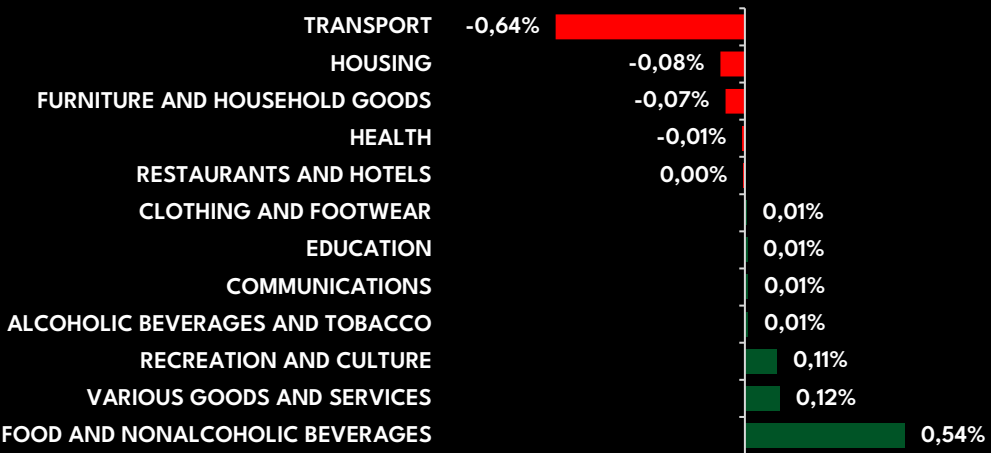


# THE RESTRUCTURING REVEALS A SIGNIFICANT SHIFT IN HOUSEHOLD PURCHASING PATTERNS, WITH AN INCREASED FOCUS ON FOOD DUE TO PRICE REDUCTIONS

COMPOSITION OF HOUSEHOLD EXPENDITURE IN COLOMBIA (REAL)



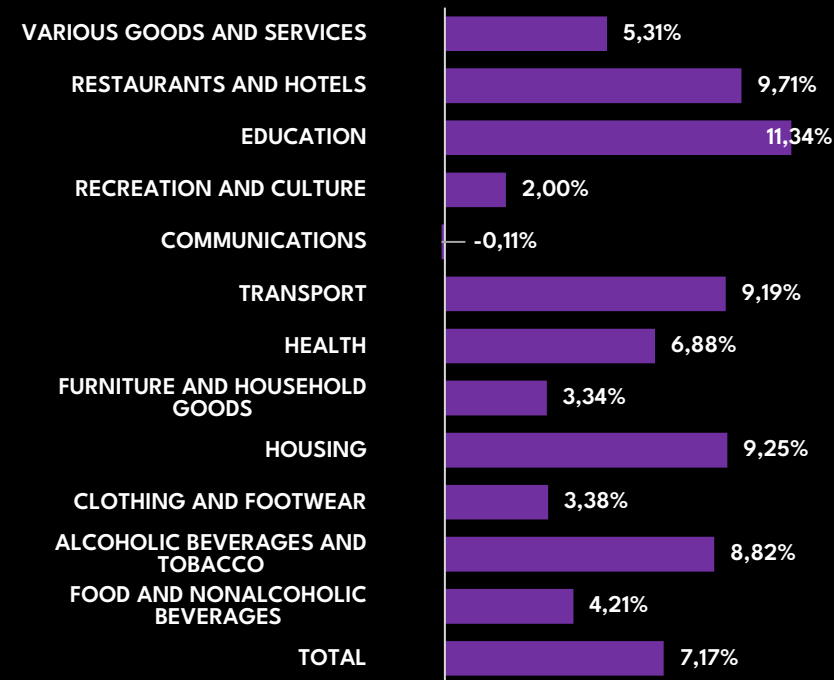
REESTRUCTURACIÓN DEL GASTO 2024-II VS 2023-II



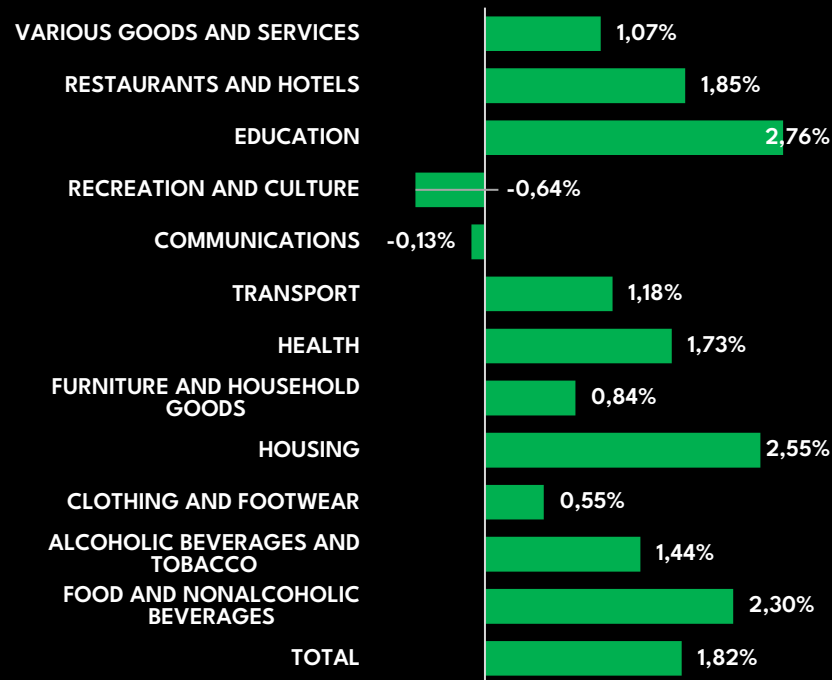
- In real terms, the restructuring shows a strong adjustment in the weight of food within the quantities purchased by households. This is mainly due to the price reduction experienced by the basket, which allowed households to increase the quantity they acquire.
- In contrast, the reduction is strongly evidenced in the transportation basket, which is related to a decrease in vehicle purchases and the rising costs of maintenance products such as gasoline and spare parts.

# INFLATION DINAMICS

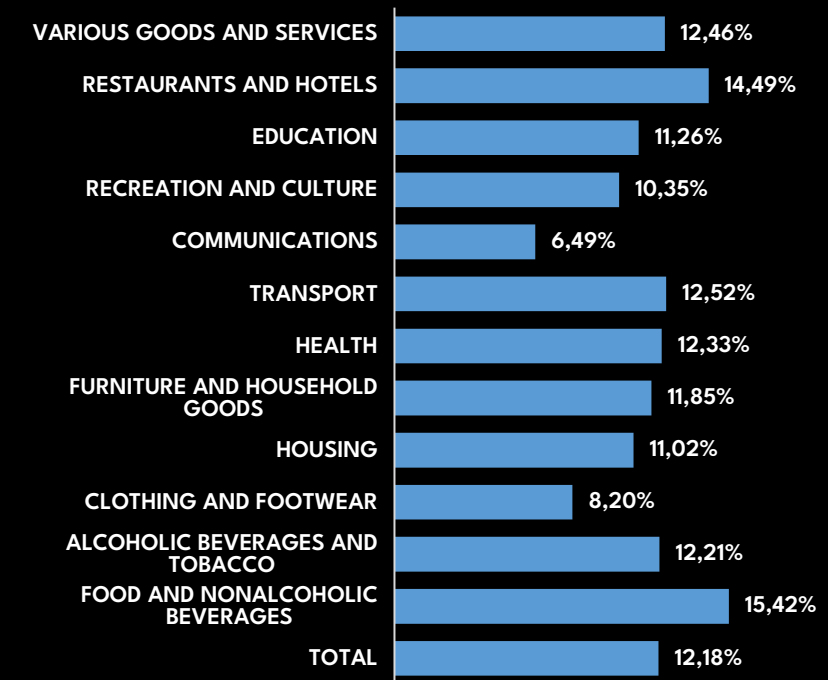
YOY IIQ-2024  
INFLATION



QOQ IIQ-2024  
INFLATION



AVERAGE YOY INFLATION (IIIQ 2015-  
2024 EXCLUDING 2020)



- The inflation of recreation and culture shows a significant adjustment with prices decreasing. This may be related to a drop in the prices of imports such as televisions, video game consoles, among other items in this category.
- On the other hand, the greatest price pressures are seen in the baskets of housing, education, health, highlighting how services have generated inflationary pressures in the second quarter. This implies that households have had to adjust their spending as seen previously.





RADVR

# HOUSEHOLD SPEND FOOD

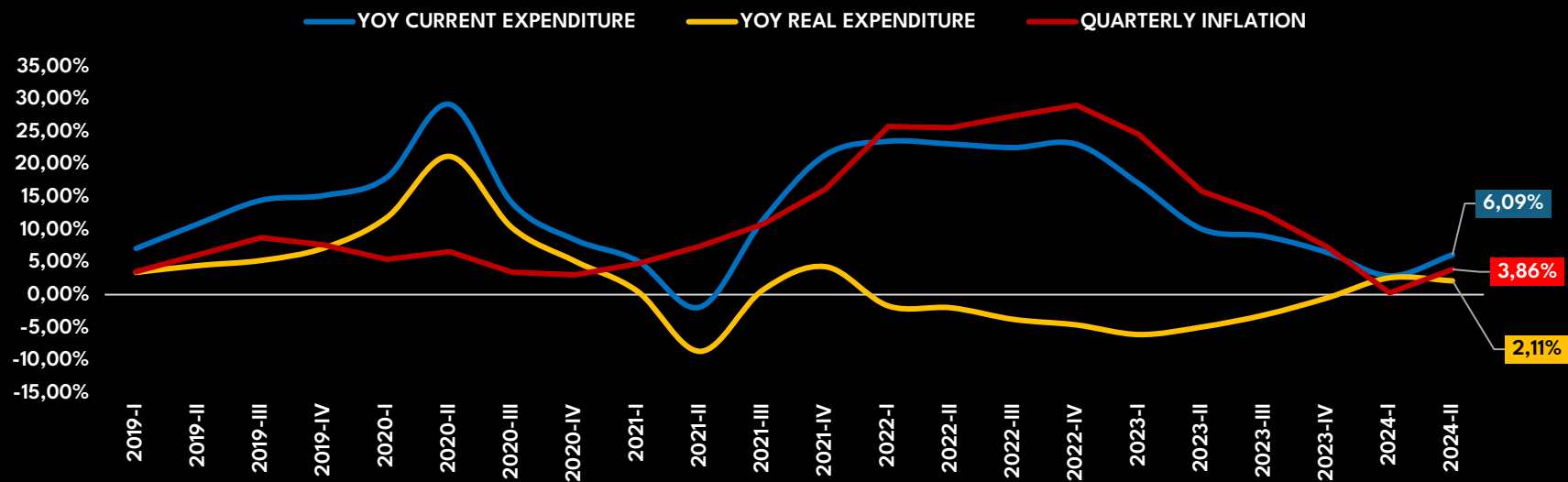
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IIQ 2024



# FOOD INFLATION ROSE IN Q2 DUE TO LOWER SUPPLY FROM HARVEST SEASONS

QUARTERLY HOUSEHOLD EXPENDITURE IN FOOD FOR THE HOME DYNAMICS



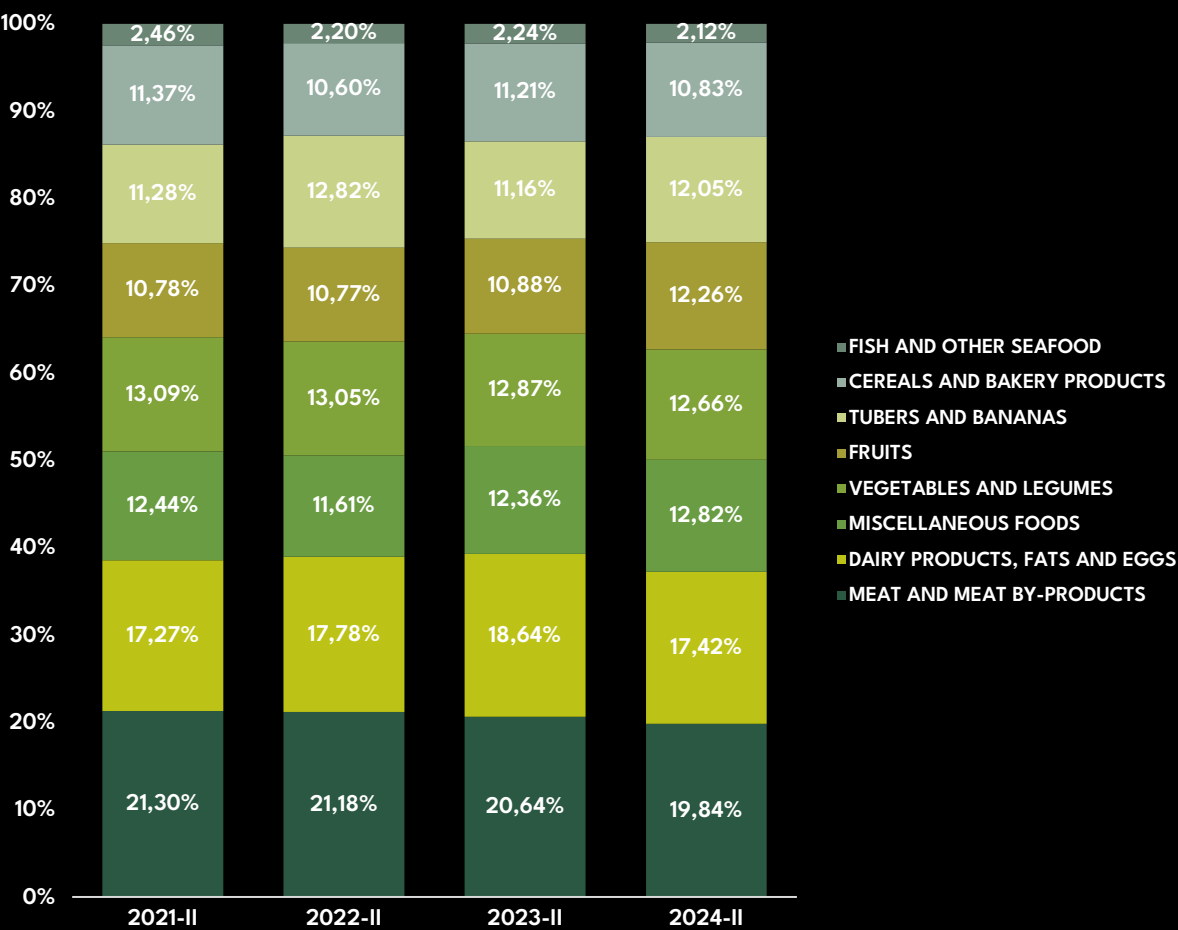
- Food inflation shows an upturn for the second quarter of the year, which is related to the decrease in supply due to the harvest seasons of agricultural products.
- However, it is observed that current spending rebounds, showing a response to this price increase in order to maintain and increase their purchased units. This can be seen in the upturn of real spending growth.

	MARKET SIZE	YEAR-ON-YEAR REAL EXPENDITURE	QUARTERLY INFLATION	POCKETSHARE
IIQ 2024	79.57 billion pesos	2.11%	3.86%	31.42%
IIQ 2023	75.00 billion pesos	-4.96%	15.81%	31.53%

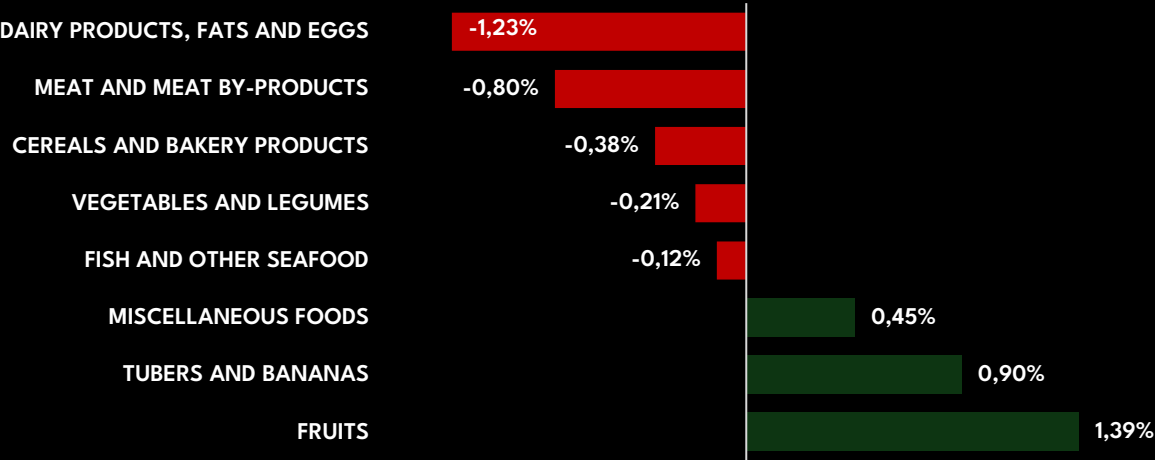


# HOUSEHOLDS ARE SHIFTING THEIR SPENDING TOWARDS TUBERS, FRUITS, AND VARIOUS FOODS DUE TO RISING PRICES

COMPOSITION OF HOUSEHOLD EXPENDITURE IN FOOD FOR THE HOME (CURRENT)

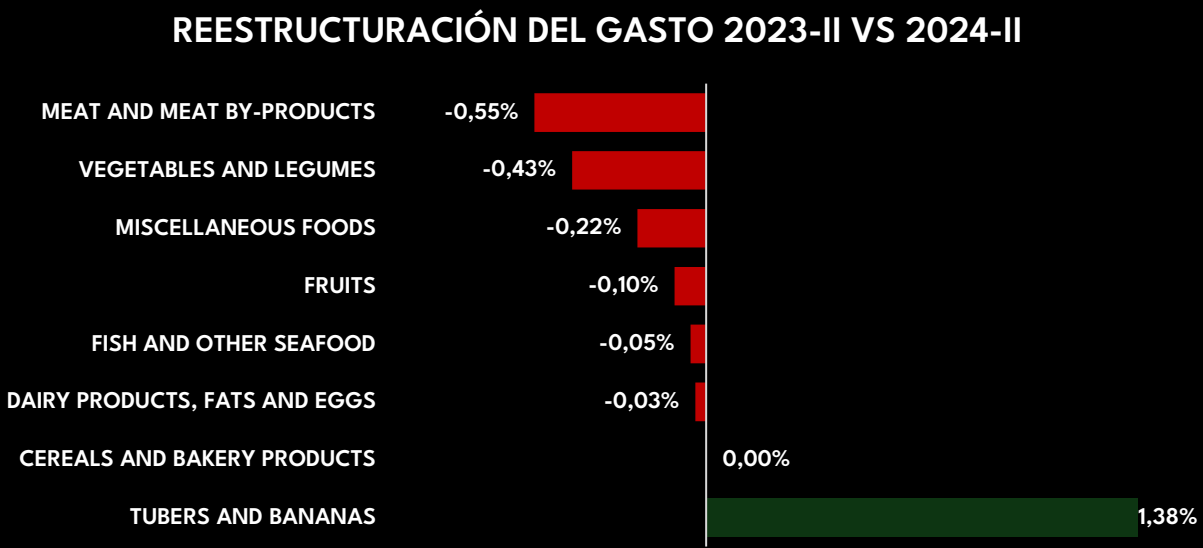
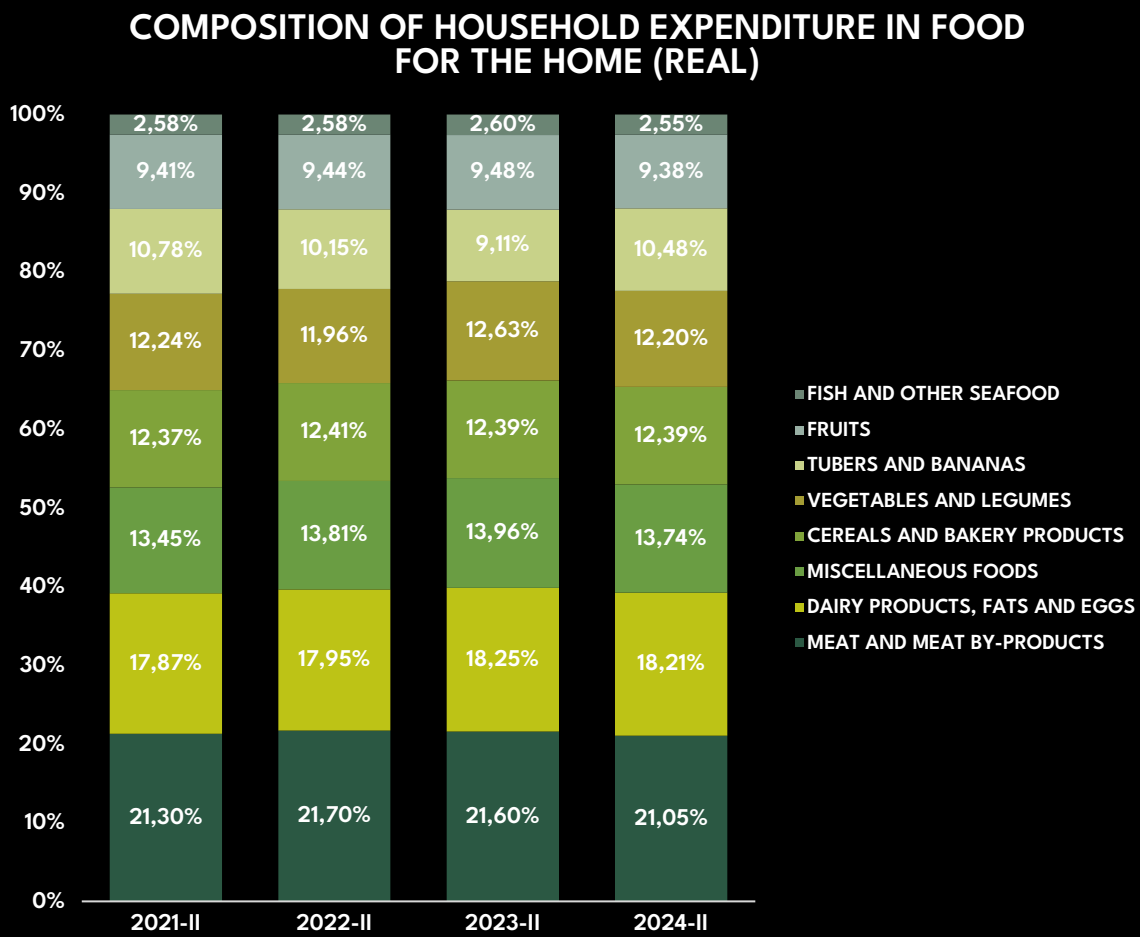


REESTRUCTURACIÓN DEL GASTO 2023-II VS 2024-II



- Two effects are causing households to redistribute their spending towards tubers, fruits, and various foods.
- First, the increase in prices of products that fall under healthy taxes on processed foods. This effect leads households to increase the share of money allocated to these products to compensate for their higher costs. This is evident in the basket of various foods.
- Second, the end of the harvest season for fresh foods such as potatoes and fruits has caused prices to rise and with it the weight within the household budget for those seeking to maintain or increase their spending on these items

# THE TUBER BASKET SAW THE BIGGEST GAIN DUE TO RISING POTATO PRICES, WHILE MEAT AND ITS BY-PRODUCTS SUFFERED THE GREATEST LOSS



In real terms, it is observed that the tuber basket gained the most from the loss observed in the rest of the food categories. This is due to the importance of potatoes in the basic basket and their significant price increase, which modifies the structure of household spending.

On the other hand, it is evident that meat and its by-products have the greatest loss of weight in unit expenditure. This implies that consumers are adjusting in this category to compensate for price spikes. However, this category is also affected by healthy taxes on ultra-processed foods.

PRICE INCREASES ARE MOST NOTABLE IN VEGETABLES AND FRUITS,  
WITH HOUSEHOLDS MAINTAINING SPENDING DESPITE NEGATIVE  
GROWTH IN OTHER FOOD CATEGORIES.

CATEGORY	ANNUAL CHANGE CURRENT EXPENDITURE	INFLATION	ANNUAL CHANGE REAL EXPENDITURE
CEREALS AND BAKERY PRODUCTS	2,50%	-1,11%	1,18%
TUBERS AND BANANAS	14,63%	3,65%	16,47%
VEGETABLES AND LEGUMES	4,34%	19,29%	-2,26%
FRUITS	19,60%	12,73%	0,09%
MEAT AND MEAT BY-PRODUCTS	1,99%	4,44%	-1,40%
FISH AND OTHER SEAFOOD	0,32%	-3,37%	-0,78%
DAIRY PRODUCTS, FATS AND EGGS	-0,88%	0,04%	0,97%
MISCELLANEOUS FOODS	9,98%	11,51%	-0,43%

- The largest price increases are observed in the category of vegetables and fruits. Similarly, these categories show a rebound in current spending, which indicates that households seek to maintain their spending in these categories.
- The tuber basket shows a strong current and real increase in spending. This is in line with the importance of potatoes, which experienced a significant price increase and encouraged increased spending on this product.
- Various foods show an attempt by households to maintain their unit spending; however, this remained in negative growth terms for the second quarter of the year.

A close-up, high-angle shot of a glass filled with ice and a golden beer being poured from a bottle. The liquid is captured mid-pour, creating a dynamic splash and bubbles. In the background, a red cup with ice and a green cup are partially visible, slightly out of focus. The overall lighting is warm and focused on the glass in the foreground.

RADVA

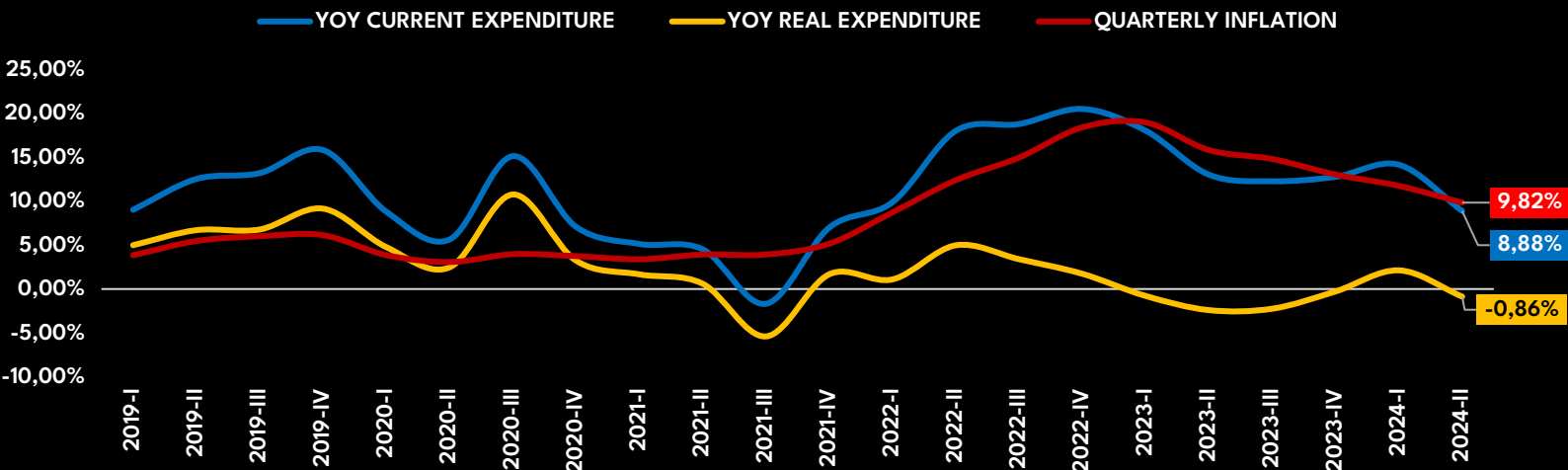
# HOUSEHOLD SPEND BEVERAGES

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**IIQ 2024**

# THE “REFRESHING” BASKET’S INCREASED EXPENDITURE SHARE WAS DRIVEN BY EL NIÑO AND HIGHER PRICES FROM THE HEALTHY TAX

QUARTERLY HOUSEHOLD EXPENDITURE IN NON-ALCOHOLIC BEVERAGES DYNAMICS



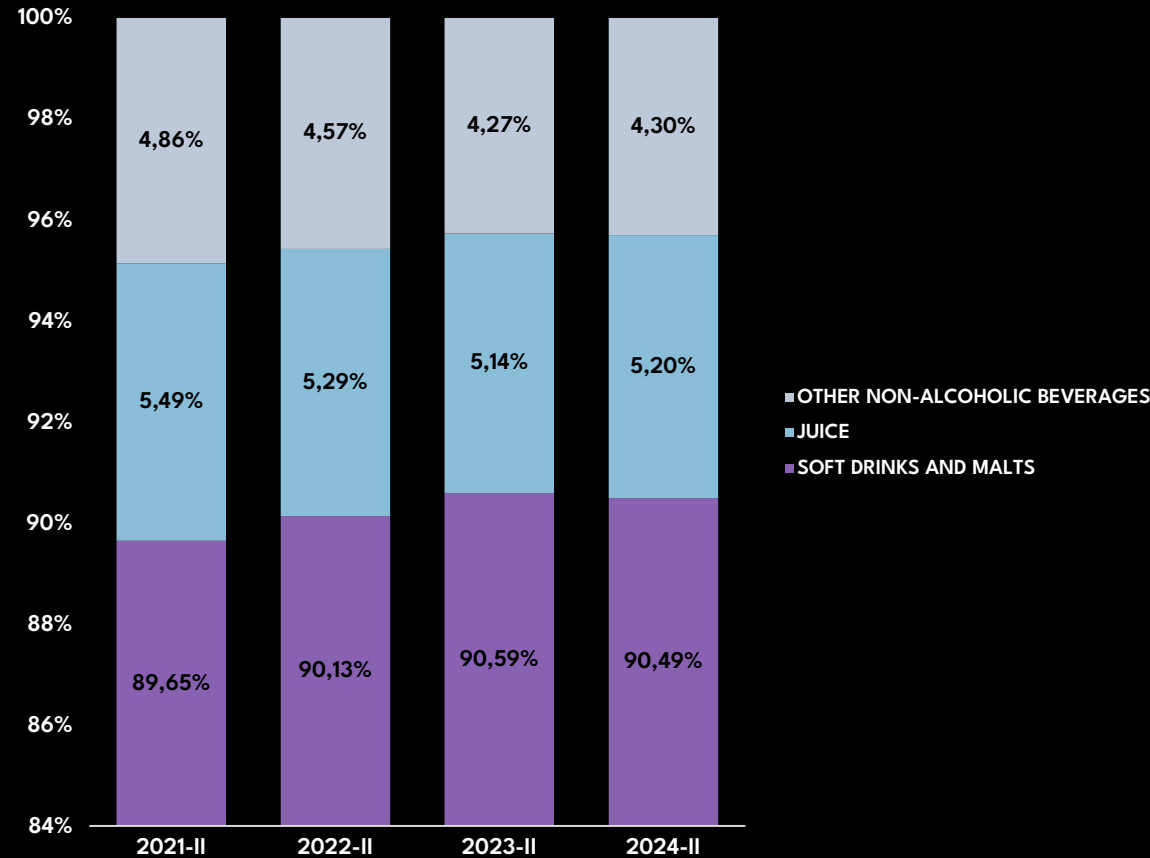
- The “Refreshing” basket had, during the first two quarters of 2024, a greater share of monetary expenditure relative to the total national expenditure. This showed, on one hand, an incentive to spend on these products due to the El Niño phenomenon. On the other hand, this greater participation could be linked to the higher price of these products due to being taxed with the healthy tax (with the exception of beer).
- Regarding the second quarter, there was a generalized downward trend compared to the data reported in the first quarter. To some extent, the slight drop in temperatures may have contributed to this dynamic.

	MARKET SIZE	YEAR-ON-YEAR REAL EXPENDITURE	QUARTERLY INFLATION	POCKETSHARE
IIQ 2024	3.34 billion pesos	-0.86%	9.82%	1.32%
IIQ 2023	3.06 billion pesos	-2.40%	15.80%	1.29%



# THE RISE IN PRICES FROM HEALTH TAXES ON SODAS AND REDUCED TEMPERATURES HAS DECREASED HOUSEHOLDS' SPENDING SHARE ON SODAS

COMPOSITION OF HOUSEHOLD EXPENDITURE IN NON ALCOHOLIC BEVERAGES (CURRENT)



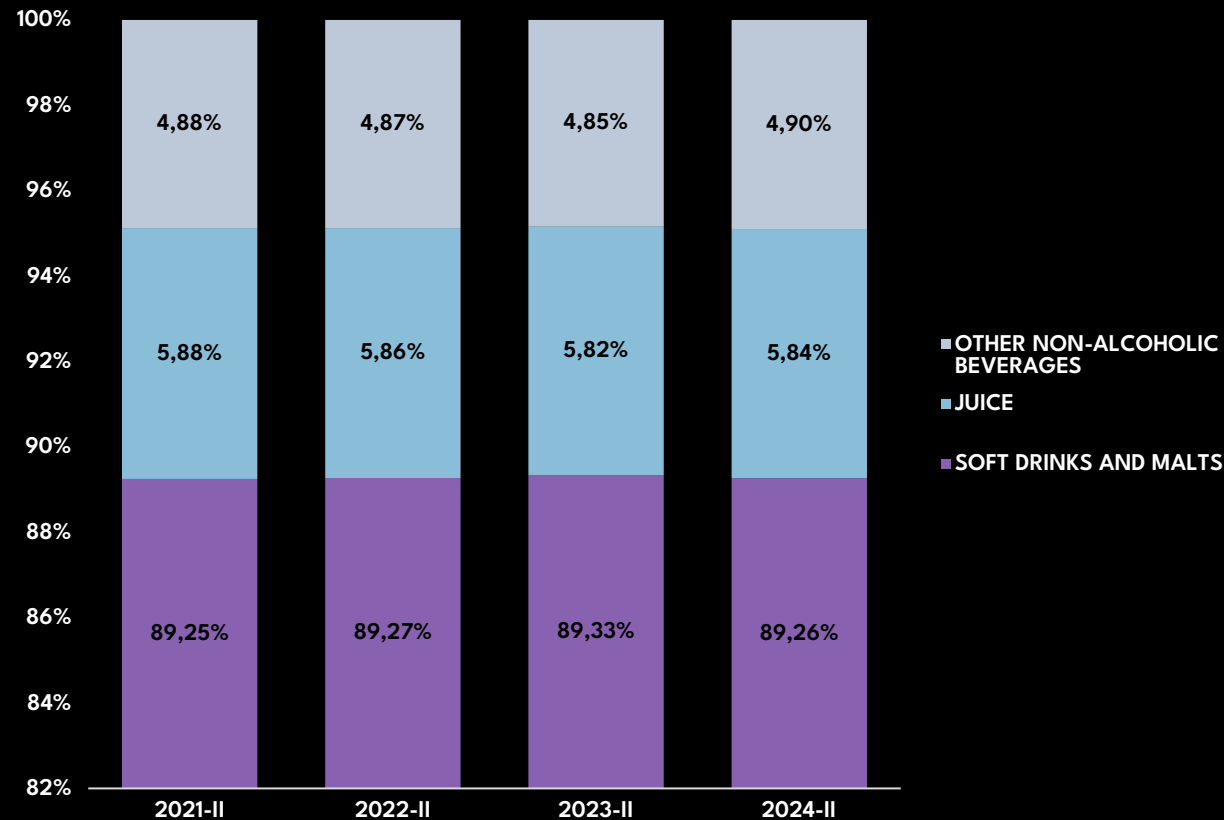
REESTRUCTURACIÓN DEL GASTO 2023-II VS 2024-II



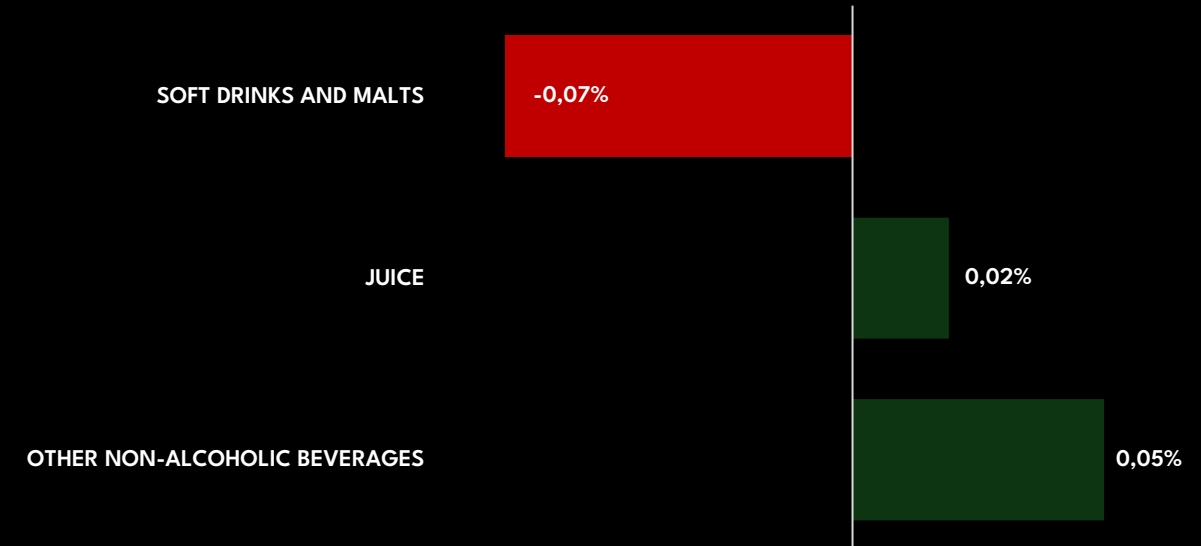
- The price increase due to healthy taxes affecting the soda category and the temperature reduction has led to a decrease in the share of monetary expenditure that households make in the beverage basket.
- Conversely, categories such as juices and other drinks (water, energy drinks) are gaining a share of monetary expenditure.
- This halts the trend that sodas had shown of increasing their share in the monetary expenditure of the basket.

# IN REAL TERMS, THE TREND MIRRORS THAT SEEN IN MONETARY TERMS, WITH A DECREASE IN SODA CONSUMPTION AND AN INCREASE IN JUICES AND OTHER BEVERAGES

COMPOSITION OF HOUSEHOLD EXPENDITURE IN NON ALCOHOLIC BEVERAGES (REAL)



REESTRUCTURACIÓN DEL GASTO 2023-II VS 2024-II



- In real terms, a similar trend to what is observed in monetary terms is noted, with a decrease in the weight of sodas and an increase in juices and other beverages (water and energy drinks).
- This reinforces the idea that sodas are losing traction within spending disposition.

# INFLATION IN CERTAIN CATEGORIES SIGNIFICANTLY EXCEEDS THE OVERALL INFLATION RATE OF 6.43% AND FOOD INFLATION AT 3.86%

CATEGORY	ANNUAL CHANGE CURRENT EXPENDITURE	INFLATION	ANNUAL CHANGE REAL EXPENDITURE
JUICE	10,24%	8,17%	-0,41%
SOFT DRINKS AND MALTS	8,75%	10,81%	-0,80%
OTHER NON-ALCOHOLIC BEVERAGES	9,78%	15,76%	0,28%

- Finally, it is observed that the inflation of categories is at levels much higher than the total inflation (6.43%) and food inflation (3.86%). This creates greater pressures on unit spending.
- It is evident that the only category where consumers compensated for the price increase to increase the quantities purchased is the category of other beverages (water and energy drinks). This is related to the increase in water consumption and a preference for these products over sodas.
- The category with the greatest decline is soft drinks, which are under the pressure of healthy taxes along with a lower willingness to spend.

RADVA

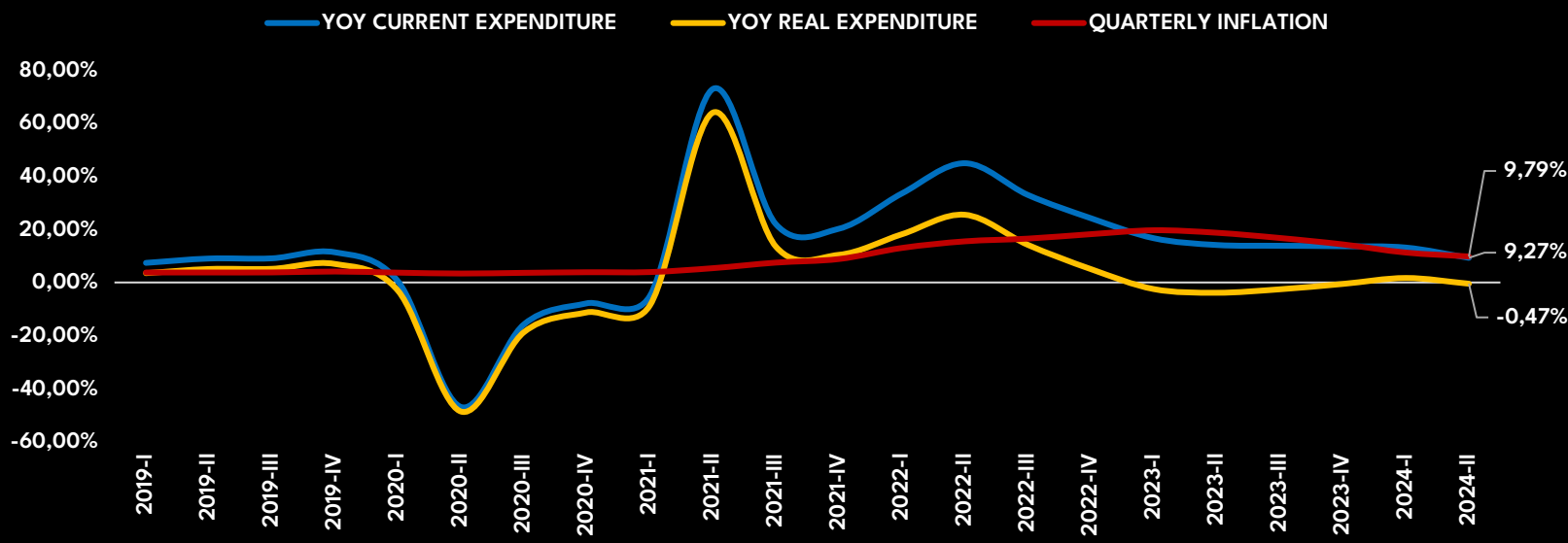
# HOUSEHOLD SPEND RESTAURANTS

IIQ 2024



# IN THE SECOND QUARTER OF THE YEAR, REAL EXPENDITURE ON THE BASKET TURNED NEGATIVE AGAIN AFTER A BRIEF RECOVERY

QUARTERLY HOUSEHOLD EXPENDITURE IN RESTAURANTS DYNAMICS



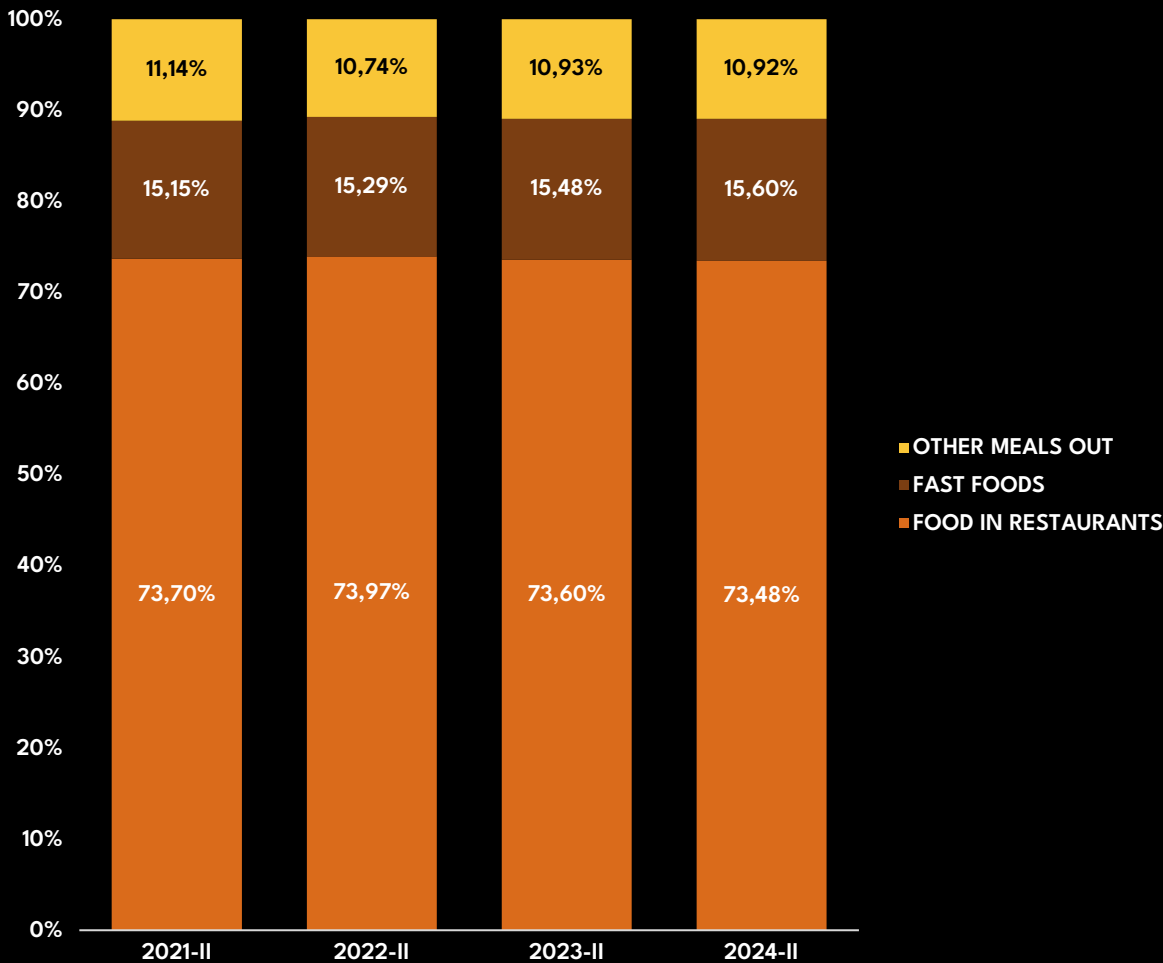
- In the cumulative second quarter of the year, the real expenditure of the basket returned to negative levels after a slight recovery at the beginning of the year. However, households continued to allocate more money to this basket, with a growth of 9% compared to the second quarter of last year; this is evidenced by the fact that the share of meals outside the home within the total household expenditure reached its peak for the second quarter of the last 7 years.
- Therefore, in the second quarter, what marked the fall in basket spending was especially the sharp increase in prices, which cut into households’ purchasing power, who nevertheless made an effort, especially in a quarter with 4 holidays, Father’s Day and Mother’s Day celebrations, among other events.

	MARKET SIZE	YEAR-ON-YEAR REAL EXPENDITURE	QUARTERLY INFLATION	POCKETSHARE
I IQ 2024	18.84 billion pesos	-0.47%	9.27%	7.44%
I IQ 2023	17.24 billion pesos	-3.87%	18.71%	7.25%

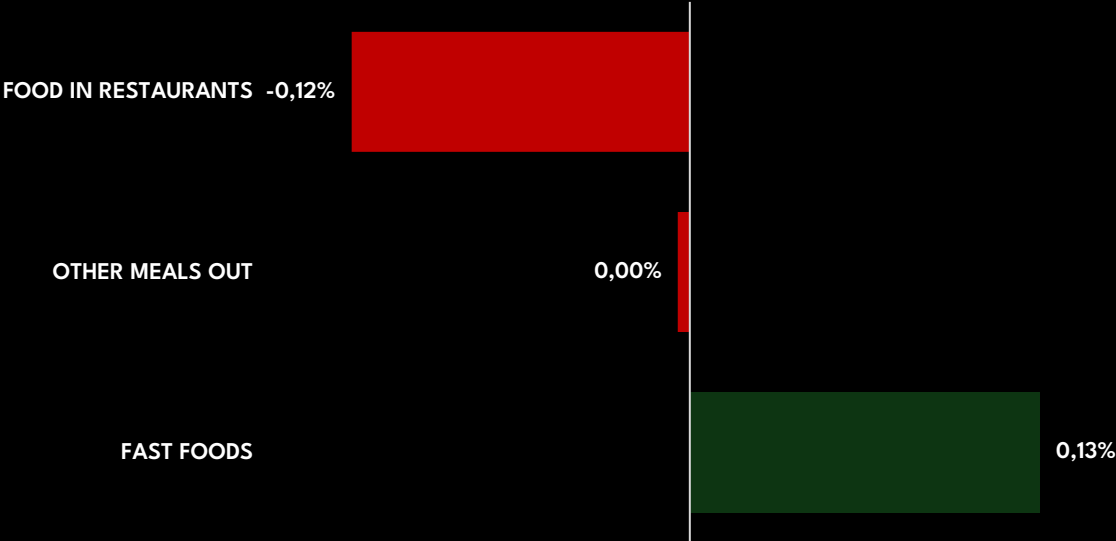


# IN THE SECOND QUARTER OF THE YEAR, HOUSEHOLDS ACROSS MAJOR CITIES INCREASED SPENDING ON DINING OUT

COMPOSITION OF HOUSEHOLD EXPENDITURE IN RESTAURANTS (CURRENT)



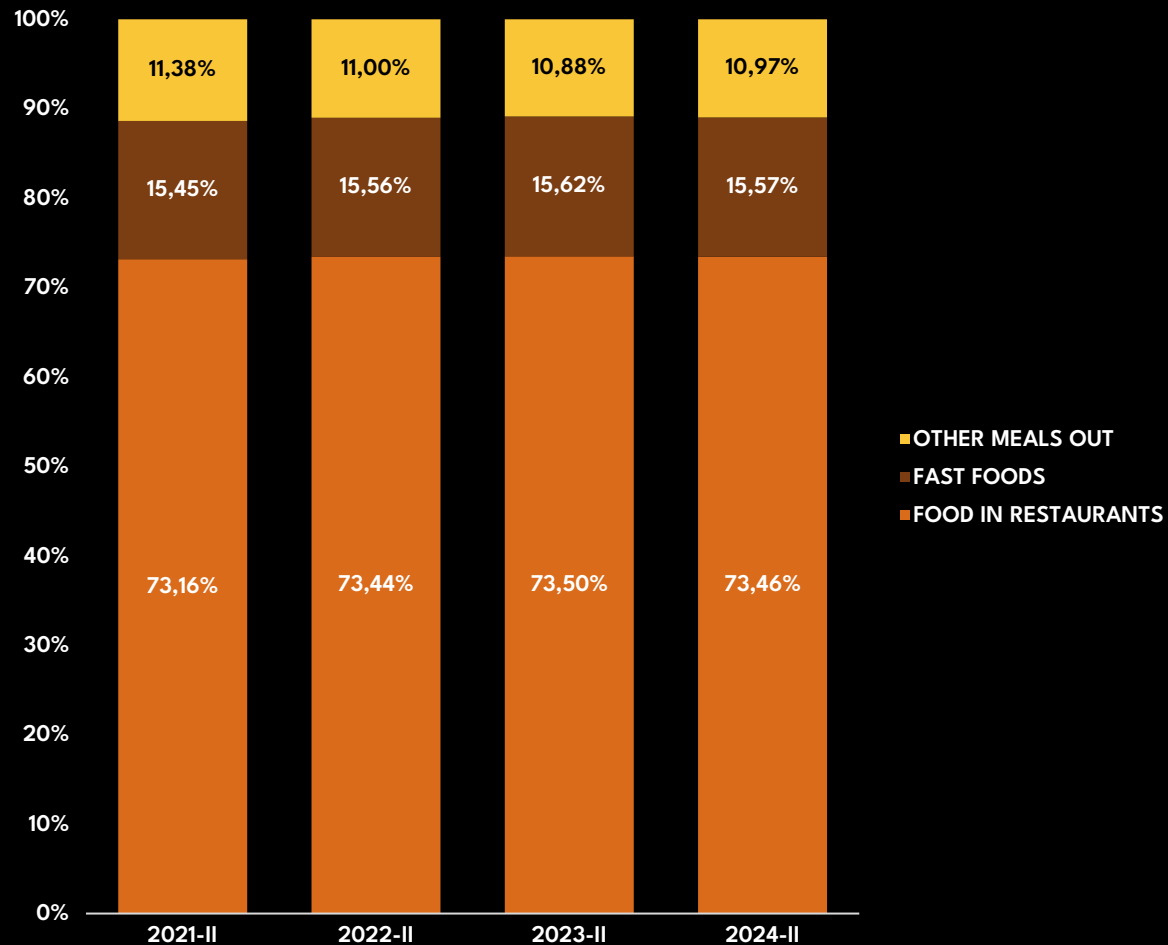
REESTRUCTURACIÓN DEL GASTO 2023-II VS 2024-II



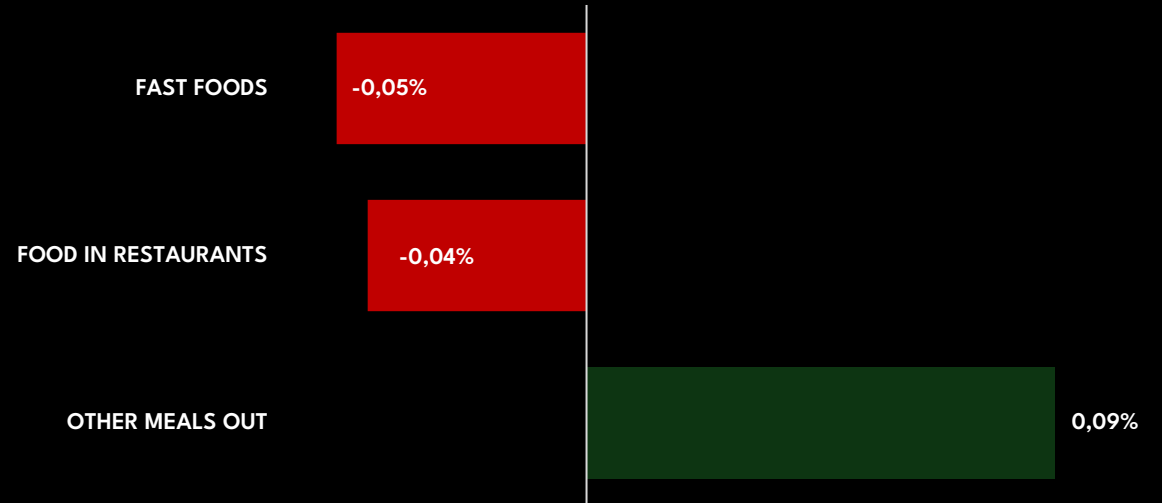
- For the second quarter of the year, in all major cities, households increased their spending allocation to eating out, with Bogotá standing out where for every 100 pesos that households spent, almost 9 pesos were allocated to eating out. Events such as Salchipapa Fest mainly in Bogotá, Medellín, and Cali, as well as Sushi Fest from June 13 to 23, Burger Master between April and May, and the Salchipapa Festival in June in Barranquilla, among others, could have favored these larger disbursements of money in the category; this, along with the holding of about 70 concerts in different cities during the second quarter, where snacks, juices, ice creams, and fast food could have been the most important companions and of lesser disbursements.

# DESPITE THE FINANCIAL EFFORT, RISING PRICES REDUCED HOUSEHOLDS' PURCHASING POWER

## COMPOSITION OF HOUSEHOLD EXPENDITURE IN RESTAURANTS (REAL)



## REESTRUCTURACIÓN DEL GASTO 2023-II VS 2024-II



- However, despite this financial effort, the price increase cut into households' purchasing power, and even the higher spending on lower average tickets could have encouraged a general fall in real spending across all major cities; nevertheless, this annual drop does not reach 1%, very much in line with the overall drop in total household spending.

# THE ANALYSIS OF THE BASKET'S PRICE DYNAMICS REVEALS A CONTINUED DOWNWARD TREND THAT STALLED IN Q2 2024

CATEGORY	ANNUAL CHANGE CURRENT EXPENDITURE	INFLATION	ANNUAL CHANGE REAL EXPENDITURE
FOOD IN RESTAURANTS	9,09%	8,11%	-0,42%
FAST FOODS	10,15%	11,86%	-0,67%
OTHER MEALS OUT	9,22%	8,57%	0,49%

- When analyzing the price dynamics of the basket, it was observed that the downward trend continued, but it seems to have stalled in the second quarter of 2024, probably due to the continuous increase in inputs such as ultra-processed foods, wage increases, and the rise in public services.
- Thus, the price increase in the second quarter affected categories that had previously stood out, such as restaurant meals and fast food.

# IN SUMMARY

## WHAT HAPPENED AT IIQ 2024?



- ✓ Real and current expenditure
- ✓ Inflation
- ✓ Consumer baskets
- ✓ Pocket share

- Food inflation experienced an uptick in the second quarter of 2024, primarily due to a decrease in agricultural supply from seasonal harvests. Despite this, real spending on food rebounded as consumers adjusted their purchasing behavior to counteract the price increase, leading to an increase in the volume of food purchased.
- The "Refreshing" basket saw an increased share of total national expenditure during the first two quarters of 2024, driven by the El Niño phenomenon and higher prices due to healthy taxes. However, in the second quarter, spending on beverages declined as cooler temperatures reduced demand, and the impact of taxes became more pronounced.
- In the second quarter of 2024, restaurant spending fell back into negative growth after a brief recovery at the start of the year. Despite this downturn, households allocated more money to dining out, with a notable 9% increase compared to the same period last year, driven by the higher cost of meals and the influence of holidays and celebrations.

**6.43%**  
IIQ 2024

### Current spend

VS 8.67%  
IIQ 2023



**-0.68%**  
IIQ 2024

### Real spend

VS -3.34%  
IIQ 2023



**7.17%**  
IIQ 2024

### Inflation

VS 12.44%  
IIQ 2023



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# THANKS



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