Household consumption

According to information available on 7 May 2020, final household consumption expenditure is likely to be about 32% lower than the corresponding level in a "normal" period of activity (Table 1). This decline is slightly less than that estimated at the end of March (–35%): this change, which is in line with that announced in the previous Point de Conjoncture, *mainly reflects the very gradual recovery of spending on manufactured goods. Unsurprisingly, however, other types of spending remain at very low levels (fuel, accommodation, catering and leisure services).*

This estimate, like those published in previous editions of the *Point de Conjoncture*, is based on consumption loss (or gain) assumptions, item by item at the level of 138 products. These assumptions are based on the analysis of data from various sources (bank card transactions, scanner data and electricity consumption data for 53% of consumption amounts) and external information (for 6% of amounts). For 41% of consumption, the assumptions also reflect the consequences of the regulatory measures to combat the spread of Covid-19 (business closures, etc.) and specific consumption behaviours (constant need for certain types of service, etc.).

This estimate is still of the same order of magnitude as those published on 23 April (–33%), and at a more aggregated level on 26 March (–35%). Compared with the 23 April estimate, the differences are due mainly to the fact that more recent bank card transaction data were used. Thus the reference period for lockdown is 6 to 26 April (instead of 30 March to 12 April in the *Point de Conjoncture* of 23 April). Overall bank card transaction amounts confirm the slight rebound observed during the first

1 - Estimated loss of final household consumption linked to lockdown measures

Products	Share of consumption* (%)	Loss of consumption (%)	Contribution to loss of consumption (percentage points)
Agriculture, forestry and fishing	**3**	**3**	**0**
Industry	**44**	**–33**	**–15**
Manufacture of food products, beverages and tobacco-based products	15	5	1
Coke and refined petroleum	4	–72	–3
Manufacture of electrical, electronic, computer equipment; manufacture of machinery	3	–35	–1
Manufacture of transport equipment	6	–89	–5
Manufacture of other industrial products	13	–54	–7
Extractive industries, energy, water, waste treatment and decontamination	5	3	0
Construction	**2**	**–75**	**–1**
Mainly market services	**46**	**–31**	**–14**
Trade; repair of automobiles and motorcycles	1	–68	–1
Transport and storage	3	–80	–3
Accommodation and catering	7	–87	–6
Information and communication	3	–9	0
Financial and insurance activities	6	0	0
Real estate activities	19	0	0
Scientific and technical activities; administrative and support services	2	–52	–1
Other service activities	4	–77	–3
Mainly non-market services	**5**	**–37**	**–2**
Total	**100**	**–32**	**–32**

* weight in final household consumption spending (excluding territorial correction)

How to read it: he level of household consumption of products derived from coke and refined petroleum (or agrifood industries) is currently 72% lower (or 5% higher) than that usually seen in a normal period of economic activity, contributing a 3 percentage point decline (or a 1 percentage point increase) to household consumption overall.
Source: INSEE calculations from various sources

weeks of April: they tend to ease the drop in household consumption compared with the previous estimate (*Focus*). The estimate also incorporates scanner data[1] into the analysis, making it possible to refine the estimate for household spending on food products (*Box 1*). This increase in spending seems to be less than the estimate in the first weeks of lockdown based on external information (3% increase against 10% in the previous *Points de Conjoncture*). The result of this adjustment, all else being equal, is therefore a greater decline in consumption compared with the previous estimate. Finally, concerning electricity consumption, the estimate includes analysis of electricity consumption data for the residential sector, resulting in an estimated increase in consumption of around 4% (*Focus on electricity consumption*). When compared with the assumption of constant energy requirements proposed in the previous *Points de Conjoncture*, this estimate has contributed to a reduction in the loss of consumption overall[2]. ∎

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1. Scanner data are data collected by the major retail outlets when consumers go through checkout.

2. The hypothesis for gas consumption by households is identical to the estimated increase in electricity consumption.