

The end of lockdown: an immediate rebound in consumption, albeit with considerable variation between products

With many businesses reopening on 19 May, household consumption bounced back immediately. All in all, this rebound appears to be a little less substantial than that witnessed after previous lockdowns, largely because it started from a higher level than on those occasions (consumption in April 2021 is believed to have been 12% below pre-crisis levels, compared with 15% in November 2020 and 31% in April 2020). The reopening of “non-essential” shops saw a marked surge in sales of clothing & shoes and household goods. The lifting of travel restrictions in early May led to an increase in fuel spending, particularly around the May public holidays, reflecting the return of both professional and leisure travel. On account of the progressive reopening of restaurants, the rebound in consumption in this sector has been more gradual, as in the hotel sector, although trade does appear to be brisker since 9 June. Some forms of spending, although increasing, remain relatively subdued. This includes the sums spent with travel agencies, reflecting the slow return of international travel.

An immediate rebound in consumption, from a level which was slightly above that seen during previous periods of lockdown

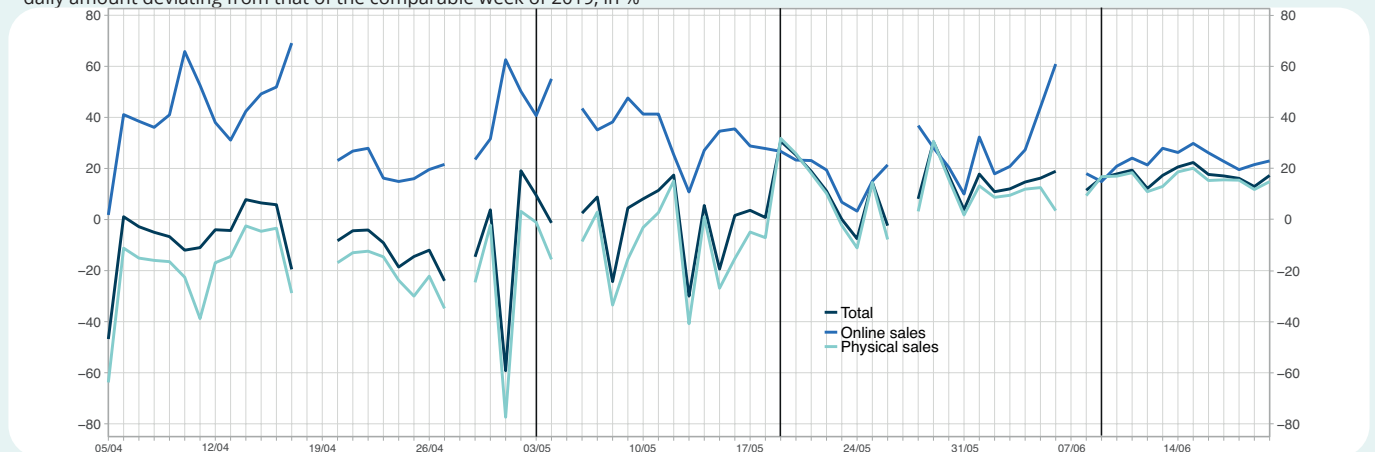
On Wednesday 19 May, the reopening of numerous activities – “non-essential” shops, restaurants with outdoor seating, cinemas and cultural facilities etc. – led to an immediate rebound in consumption. The total value of card transactions jumped noticeably on Wednesday 19 May, clearly exceeding the level recorded in 2019 after several weeks of languishing below that pre-crisis marker (► **figure 1**). This rebound was entirely driven by the return of physical sales, with businesses reopening. Indeed, the reopening does not seem to have had a particular impact on the trajectory of online

sales, which had been in decline for a few days before 19 May, although they remain far superior to their 2019 level. However, the second phase of lockdown easing, on Wednesday 9 June, did not see any noticeable spike in the total value of card transactions.

Much like 19 May, the previous reopenings of 11 May 2020 and 28 November 2020, following the first and second periods of lockdown, had also led to immediate rebounds in consumption. In order to compare the scale of these movements, we measure the variation in transactions involving payment cards (in year-on-year terms compared with 2019) between the seven days preceding the reopening and the seven subsequent days. The rebound in consumption associated with the reopening of 19 May appears to be less substantial than

► 1. Daily sum of card transactions, by type of payment

daily amount deviating from that of the comparable week of 2019, in %



Note: in order to make the data easier to read, the year-on-year comparisons for Sunday 18 April and Monday 19 April, Wednesday 28 April, Wednesday 5 May, Thursday 27 May and Monday 7 June are not shown. Since the corresponding days in 2019 were, respectively Easter Sunday and Monday, May Day, VE Day, Ascension Thursday and Pentecost Monday, the value of card transactions on these days was very low in 2019, making the year-on-year increase very high.

How to read it: on 19 May 2021, the total value of card transactions was up 31% on the equivalent day in 2019.

Source: CB Cartes Bancaires, INSEE calculations

those recorded on 11 May and 28 November 2020 (► **figure 2**). This might be explained by the fact that consumption was less subdued during the lockdown of Spring 2021 than it had been in the lockdowns of 2020: in particular, online sales increasingly compensated for physical sales, leading the former to decrease when stores reopened, to a greater extent than in May 2020. Another explanation may be found in the particular circumstances of the reopening in late November: stores reopened shortly before Black Friday, pushed back to 4 December, which led to a strong, one-off spike in online sales and contributed to the rebound in consumption.

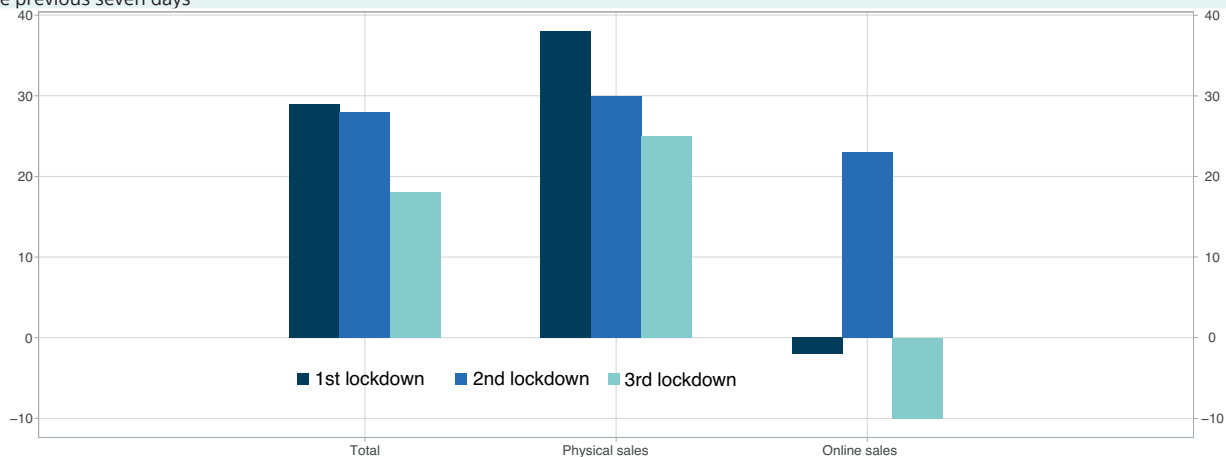
The reopening of “non-essential” shops led to a sizeable rebound in consumption of clothing & shoes

For both clothing & shoes and household goods (excluding electronic goods and computers), the rebound in consumption appears to be particularly strong, since these categories were directly impacted by the closure of “non-essential” retail in April. Card transactions bounced back immediately on 19 May, and the following Saturday, before then subsiding slightly (► **figure 3**).

In the clothing & shoes category, the scale of the rebound appears to be greater than it was in November and similar to that which followed the end of lockdown

► 2. Variation in the value of card transactions between the seven days preceding the reopening and the ensuing seven days, by type of payment

year-on-year comparison with 2019 for the seven days following the reopening, percentage deviation from the 2019 comparison for the previous seven days

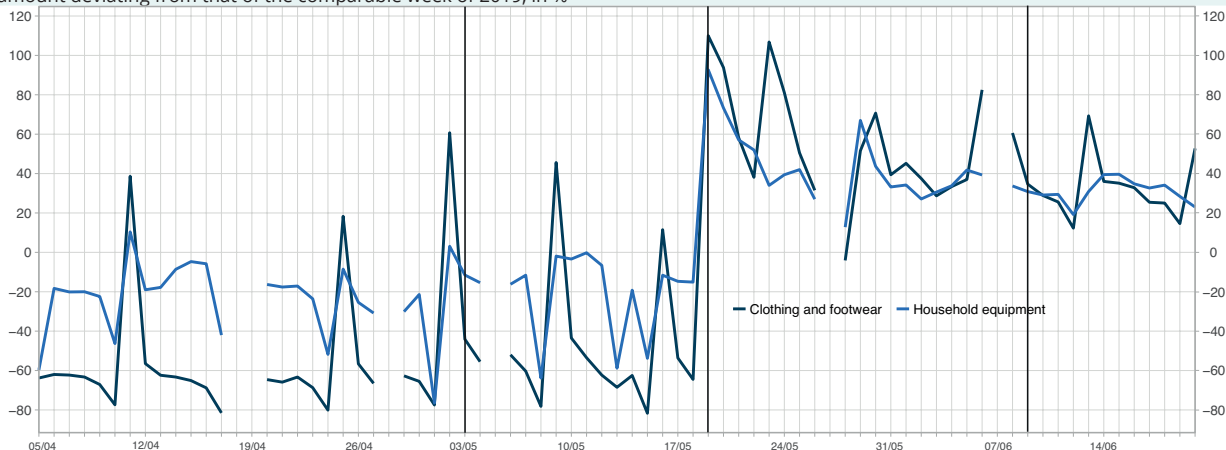


How to read it: after the 3rd period of lockdown, and over the seven days following this reopening (19-25 May 2021), the year-on-year comparison (with 2019) in the total value of card transactions was 29 points greater than the 2019 comparison for total value of card transactions in the preceding 7 days (12-18 May 2021).

Source: CB Cartes Bancaires, INSEE calculations

► 3. Daily value of card transactions for spending on clothing & shoes and household goods

daily amount deviating from that of the comparable week of 2019, in %



Note: in order to make the data easier to read, the year-on-year comparisons for Sunday 18 April and Monday 19 April, Wednesday 28 April, Wednesday 5 May, Thursday 27 May and Monday 7 June are not shown. Since the corresponding days in 2019 were, respectively Easter Sunday and Monday, May Day, VE Day, Ascension Thursday and Pentecost Monday, the value of card transactions on these days was very low in 2019, making the year-on-year increase very high.

How to read it: on 19 May 2021, the value of card transactions for spending on clothing & shoes was 110% greater than the equivalent day in 2019.

Source: CB Cartes Bancaires, INSEE calculations

French economic outlook

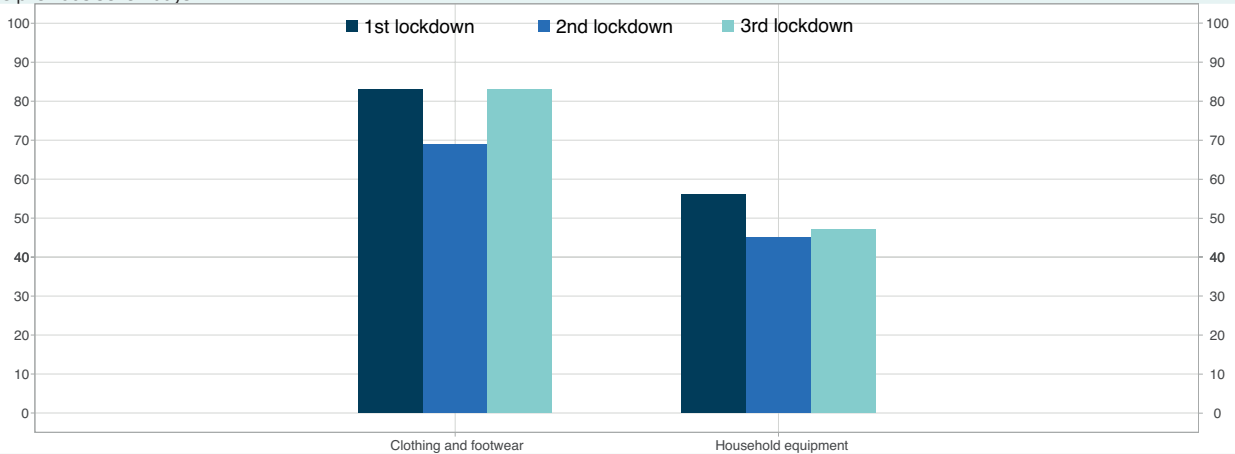
in May 2020 (► [figure 4](#)). The arrival of summer may also partly explain this difference with the reopening of late November 2020, as well as the fact that spending on clothing & shoes had remained at a fairly low level since the start of 2021, with the exception of the winter sales. For household goods, the rebound in bank card transactions was comparable to that seen when shops reopened in November 2020, but slightly below that witnessed a year previously at the end of the first period of lockdown.

Fuel spending picked up from the start of May, with the end of restrictions on movements

Two weeks before the reopening of “non-essential” shops, restrictions on movements within metropolitan France were lifted on 3 May. Fuel spending, which had been very subdued in April, immediately increased to reach a level close to that recorded in 2019, although still slightly below that benchmark (► [figure 5](#)). Card transactions at motorway toll stations reflected the return of travel during the month of May: an immediate

► 4. Variation in the value of card transactions between the seven days preceding reopening and the seven days after reopening, for spending on clothes & shoes and household goods

year-on-year comparison with 2019 for the seven days following the reopening, percentage deviation from the 2019 comparison for the previous seven days

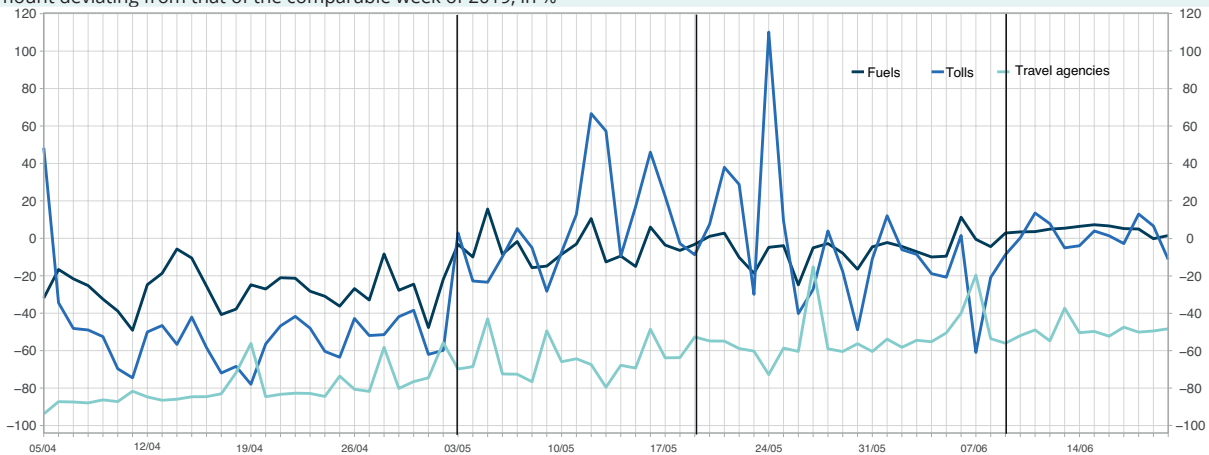


How to read it: preceding the end of the 3rd lockdown, and the seven days following the reopening (19-25 May 2021). The 2019 comparison for card transactions for spending on clothing & shoes was 83 points greater than the 2019 comparison for card transactions on clothing & shoes in the seven days before reopening (12-18 May 2021).

Source: CB Cartes Bancaires, INSEE calculations

► 5. Daily sum of card transactions for fuel purchases and road tolls

daily amount deviating from that of the comparable week of 2019, in %



How to read it: on 19 May 2021, the amount of transactions by CB bank card relating to fuel purchases was 3% lower than on the comparable day of 2019.

Source: CB Cartes Bancaires, INSEE calculations

rebound from the start of the month onwards, reaching very high levels in mid-May with the long weekend around the Ascension Day holiday (13–16 May) and Pentecost weekend (22–24 May, with a peak of card transactions at toll booths on Pentecost Monday). The dynamism of card transactions at toll booths throughout the month of May could thus reflect not only the return of commuting and professional travel, but also of travel for leisure purposes.

However, card payments to travel agencies, which stood at very low levels in April (and the preceding months), have not surged spectacularly since the lifting of restrictions. They have certainly increased, but they still remain far below the levels recorded in 2019 (50% down as of mid-June).

Consumption has returned in instalments in the hotel and restaurant sectors, as well as cinemas

The restaurant sector also saw an immediate rebound in consumption as soon as premises with outdoor seating were allowed to reopen, but did not witness an initial spike comparable to that observed in the consumption of goods (► [figure 6](#)). On 19 May and the subsequent days, card transactions certainly recovered

from the substantially reduced levels seen in April (and the preceding months), but they nonetheless remained well below their 2019 level (with the exception of 24 May, Pentecost Monday). The fact that only outdoor seating was permitted probably accounts for this partial rebound. On 9 June, when restaurants were allowed to reopen completely, card transactions exceeded their 2019 level and have remained dynamic since.

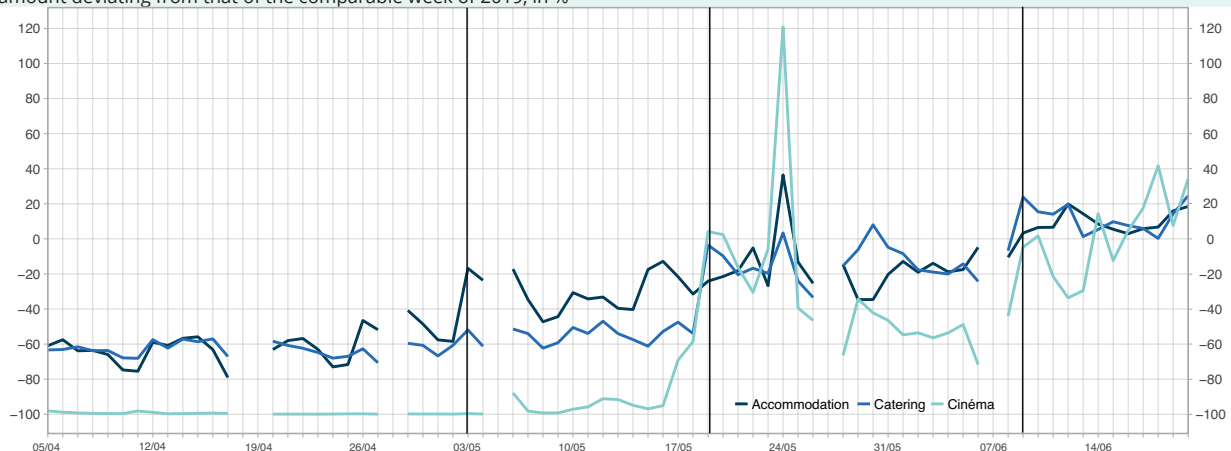
Spending on hotel accommodation seems to be following the same staggered trajectory as the restaurant sector, as well as mirroring the state of travel restrictions. Consumption began to rise in early May, when travel restrictions ended. It nonetheless remained well below its 2019 level, getting very close to that level from 19 May onwards before exceeding it since 9 June.

Like restaurants, cinemas had been closed since the beginning of the lockdown in November 2020: their reopening on 19 May seems to have been accompanied by a rebound in consumption, with card transactions returning to their 2019 level (having been virtually nil over the preceding six months). This rebound subsided in subsequent weeks, but the dynamism of card transactions seems to have returned since mid-June. ●

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► 6. Daily sum of card transactions for spending on hotels, restaurants and cinemas

daily amount deviating from that of the comparable week of 2019, in %



Note: in order to make the data easier to read, the year-on-year comparisons for Sunday 18 April and Monday 19 April, Wednesday 28 April, Wednesday 5 May, Thursday 27 May and Monday 7 June are not shown. Since the corresponding days in 2019 were, respectively Easter Sunday and Monday, May Day, VE Day, Ascension Thursday and Pentecost Monday, the value of card transactions on these days was very low in 2019, making the year-on-year increase very high.

How to read it: on 19 May 2021, the amount of CB bank card transactions in catering was 4% lower than on the comparable day of 2019.

Source: CB Cartes Bancaires, INSEE calculations