

Household consumption

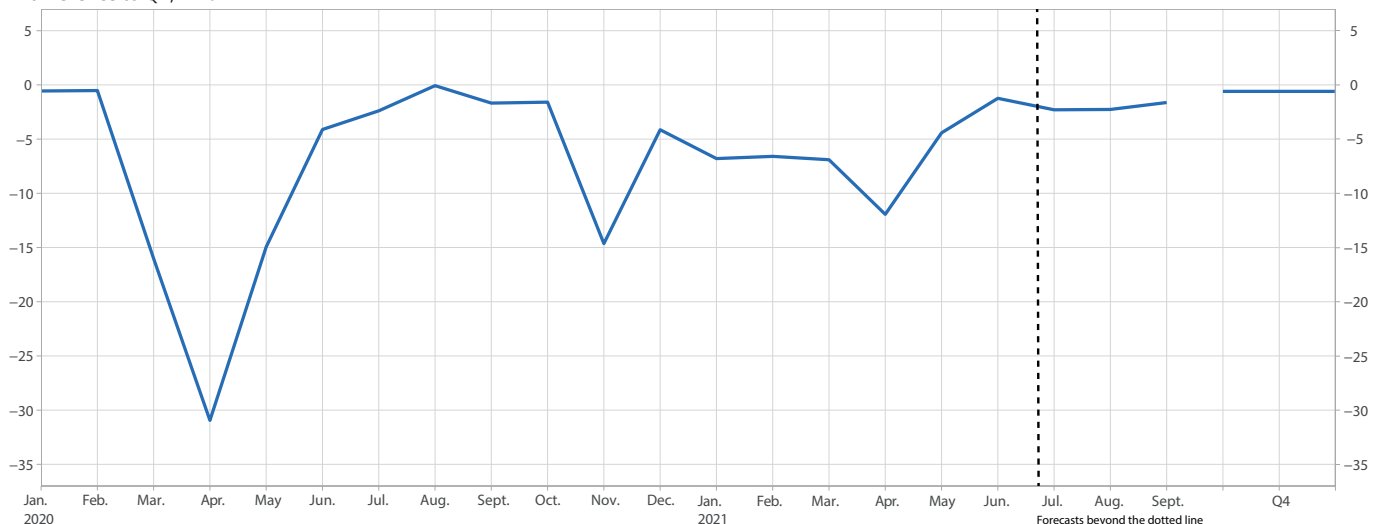
After deteriorating sharply in April as a result of the third lockdown, household consumption in June returned almost to its pre-crisis level (-1% compared to Q4 2019, after -4% in May and -12% in April). In July, it would appear to have fallen back slightly, to 2% below its pre-crisis level. It would seem to have been adversely affected by a downturn in purchases of goods, despite the buoyancy in spending in those services where restrictions had previously applied (accommodation-catering, transport services and leisure activities). In August, consumption seemed to remain for the most part at the same level as in July with purchases of goods picking up slightly but, conversely, spending on accommodation-catering and leisure slipped back, in the context of the introduction of the health pass. However, this downturn would seem to be just temporary and consumption appears to have increased slightly in September, to 1½% below its Q4 2019 level.

In Q4, household spending should get back to normal for most expenditure items. Thus consumption overall is expected to return to its pre-crisis level. However, it is likely to remain depressed in some specific sectors (accommodation-catering, transport and leisure services, with only a partial return of international tourism) or for certain types of goods (purchases of vehicles, as a result of sourcing problems limiting production).

All in all, consumption is expected to rise by 4.0% in Q3 then by 1.5% in Q4, giving an annual change of 4.1% in 2021, after plummeting by 7.2% in 2020. The household savings ratio is likely to decline gradually, after increasing significantly at the height of the crisis: it should therefore be 17.5% at the end of the year, still above its pre-crisis level (15.3% in Q4 2019) but well below its Q2 2021 level (21.4%). ●

► 1. Estimated and forecast monthly consumption

in difference to Q4, in %



How to read it: in July 2021, household consumption would appear to have been 2% below its Q4 2019 level. From October 2021, projections are established on a quarterly basis instead of a monthly basis as previously.

Source: INSEE calculations from various sources

French economic outlook

► 2. Estimated and projected monthly household consumption levels

difference to the Q4 of 2019, in %

Products	Share of consumption*	Janv. 2021	Feb. 2021	March. 2021	2021		
		Apr. 2021	May 2021	June 2021			
Agriculture, forestry and fishing	3%	-2.4	-1.3	-3.3	-8	-7	-7
Industry	44%	-10.3	-0.2	0.2	-2	-1	-1
Manufacture of food products, beverages and tobacco-based products	15%	3.0	2.8	0.1	-3	1	1
Coke and refined petroleum	4%	-16.6	-7.6	-1.9	1	2	1
Manufacture of electrical, electronic, computer equipment; manufacture of machinery	3%	5.7	14.6	11.7	9	10	10
Manufacture of transport equipment	6%	-12.8	-11.3	-10.4	-14	-13	-12
Manufacture of other industrial products	12%	-32.9	-1.4	4.5	2	0	1
Extractive industries, energy, water, waste treatment and decontamination	5%	8.3	7.2	0.3	1	1	1
Construction	2%	-1.5	-1.7	-2.0	-2	-2	-2
Mainly market services	47%	-17.4	-11.3	-5.1	-3	-4	-3
Trade; repair of automobiles and motorcycles	1%	-3.7	-5.0	-2.7	-5	1	1
Transport and storage	4%	-64.0	-41.3	-34.7	-22	-16	-16
Accommodation and catering	8%	-62.4	-44.0	-16.0	-11	-20	-17
Information and communication	3%	0.8	3.3	2.0	3	3	4
Financial and insurance activities	5%	0.6	1.3	1.7	2	2	2
Real estate activities	19%	2.1	2.2	2.3	2	2	3
Scientific and technical activities; administrative and support services	2%	-8.9	-7.5	-4.5	-4	-4	-6
Other service activities	4%	-33.6	-20.6	-11.4	-9	-10	-9
Mainly non-market services	5%	0.4	0.7	1.5	2	2	2
<i>Territorial correction</i>	-1%	-74.4	-84.3	-95.5	-42	-42	-42
Total	100%	-11.9	-4.4	-1.2	-2	-2	-1 ½

* weight in final household consumption spending in 2018 (excluding territorial correction)

■ Forecast

How to read it: in July 2021, the level of household consumption of accommodation and catering services would appear to have been 11% lower than in Q4 2019.

Source: INSEE calculations from various sources

► 3. Estimated and projected quarterly household consumption levels

difference to the Q4 of 2019, in %

Products	Share of consumption*	2020				2021				2020	2021
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Agriculture, forestry and fishing	3%	3.9	-1.2	-0.1	-1.0	-0.1	-2.3	-8	-7	0.4	-4
Industry	44%	-6.7	-12.9	2.5	-1.7	-0.9	-3.4	-1	0	-4.7	-1
Manufacture of food products, beverages and tobacco-based products	15%	3.5	5.4	2.2	3.3	3.7	2.0	-1	0	3.6	1
Coke and refined petroleum	4%	-5.9	-29.2	-4.6	-12.9	-5.8	-8.7	1	0	-13.1	-3
Manufacture of electrical, electronic, computer equipment; manufacture of machinery	3%	-8.2	-4.6	12.2	15.4	13.0	10.7	10	5	3.7	10
Manufacture of transport equipment	6%	-23.1	-35.5	3.5	-9.3	-8.4	-11.5	-13	-8	-16.1	-10
Manufacture of other industrial products	12%	-12.1	-23.1	3.5	-5.0	-4.4	-10.0	1	2	-9.2	-3
Extractive industries, energy, water, waste treatment and decontamination	5%	-2.5	-3.5	0.6	1.6	1.7	5.3	1	1	-0.9	2
Construction	2%	-9.4	-23.5	0.2	0.8	-1.1	-1.7	-2	0	-8.0	-1
Mainly market services	47%	-6.1	-21.8	-6.3	-14.1	-15.2	-11.3	-4	-1	-12.1	-8
Trade; repair of automobiles and motorcycles	1%	-12.3	-24.7	1.2	-4.6	-2.6	-3.8	-1	1	-10.1	-2
Transport and storage	4%	-15.6	-74.0	-31.2	-53.4	-51.3	-46.7	-18	-10	-43.6	-31
Accommodation and catering	8%	-17.0	-63.5	-15.0	-46.6	-58.4	-40.8	-16	-10	-35.5	-31
Information and communication	3%	-2.5	-1.8	-0.7	-0.8	1.2	2.0	3	4	-1.5	3
Financial and insurance activities	5%	-2.5	-6.4	-1.7	-0.3	0.7	1.2	2	2	-2.7	1
Real estate activities	19%	0.1	0.3	0.7	0.8	1.8	2.2	2	2	0.5	2
Scientific and technical activities; administrative and support services	2%	-6.7	-19.1	-10.2	-8.9	-9.6	-7.0	-5	-1	-11.2	-6
Other service activities	4%	-12.3	-42.2	-13.2	-25.4	-25.8	-21.9	-9	-4	-23.3	-15
Mainly non-market services	5%	-7.8	-24.1	1.0	-2.4	-0.4	0.9	2	1	-8.3	1
<i>Territorial correction</i>	-1%	-47.7	-81.4	-32.5	-61.7	-69.2	-84.7	-42	-37	-55.8	-58
Total	100%	-5.7	-16.7	-1.4	-6.8	-6.8	-5.9	-2.1	-0.6	-7.6	-3.4

* weight in final household consumption spending in 2018 (excluding territorial correction)

■ Forecast

How to read it: in Q3 2021, the level of household consumption of accommodation and catering services would appear to have been 16% lower than in Q4 2019.

Source: INSEE calculations from various sources

► 4. Household consumption compared to Q4 2019 and as a quarterly variation

in %

	2020				2021				2020*	2021*
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Quarterly growth in %	-5,7	-11,6	18,3	-5,5	0,0	1,0	4,0	1,5	-7,2	4,1
Difference compared in % to Q4 2019	-5,7	-16,7	-1,4	-6,8	-6,8	-5,9	-2,1	-0,6		

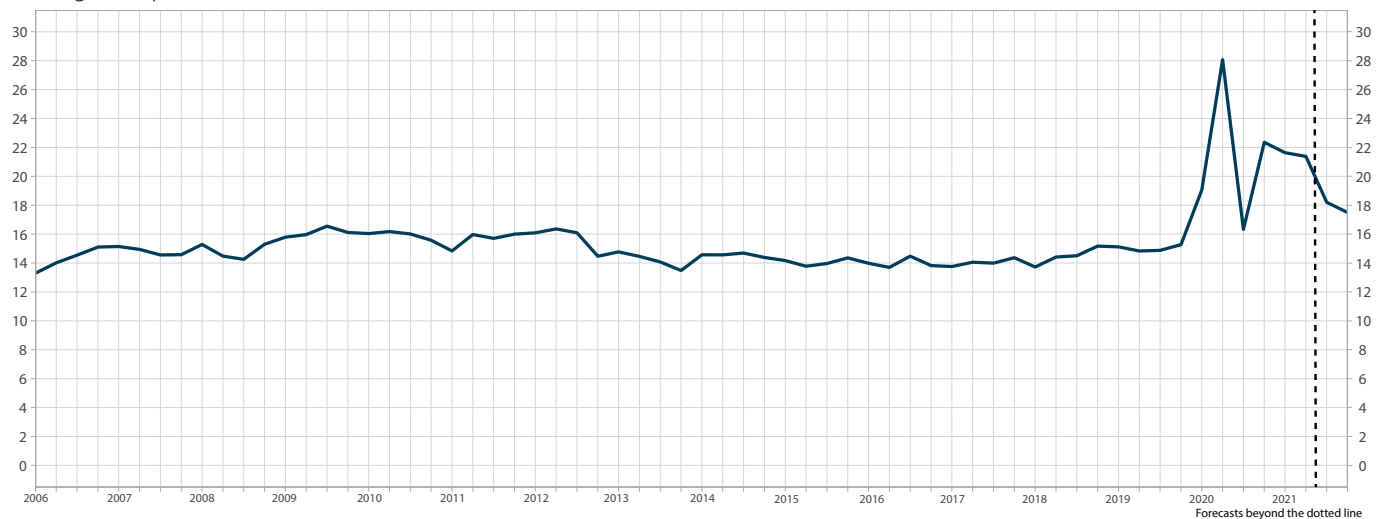
■ Forecast

Annual variations for the last two columns

Source: INSEE

► 5. Household savings ratio

in % of gross disposable income



How to read: in Q4 2021, the household savings ratio is expected to be 17.5% of gross disposable income.

Source: INSEE

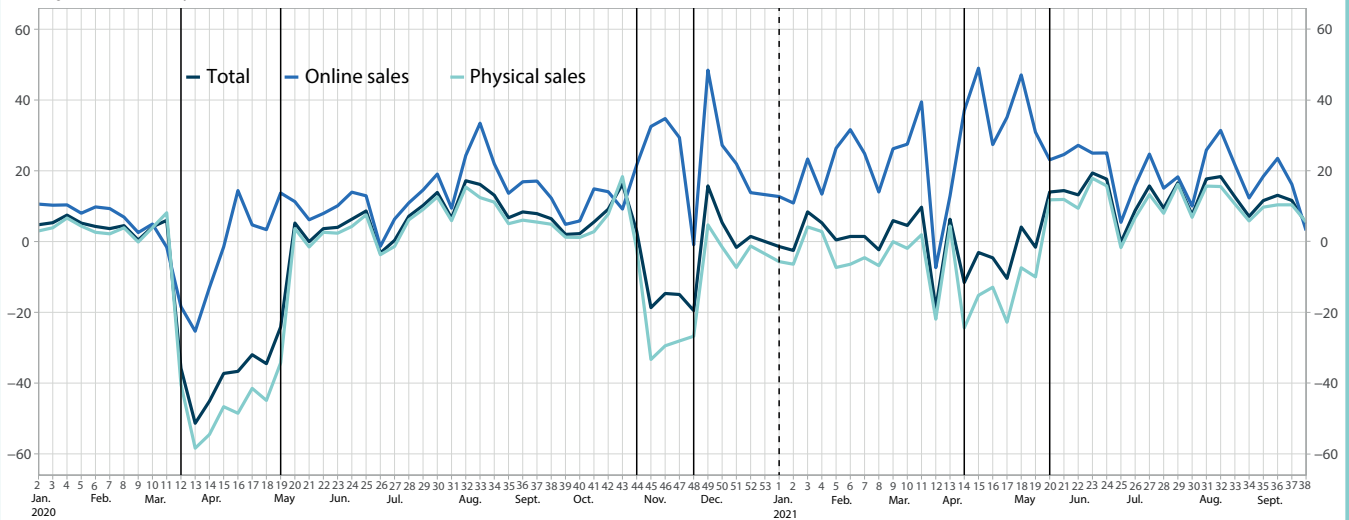
Bank card transaction amounts reveal contrasting changes since the end of August

Aggregated bank card transaction amounts, available to 26 September, are now an invaluable source for advanced analysis of household consumption behaviour. When total amounts are compared year-on-year with 2019, figures for September seem to remain at a level well above that of 2019, and higher than the last week of August (► **Figure 6**).

Looking at points of sale in detail, the change in bank card transactions appears contrasted in September: they remained dynamic in household equipment and picked up slightly in catering (after the dip observed in early August, ► **Figure 7** and **8**). However, from late August these amounts declined in accommodation, perhaps reflecting the end of the summer period with larger numbers of resident tourists than usual. In clothing-footwear, the profile of bank card transactions revealed a downward trend from mid-July, although amounts remained markedly higher than 2019 levels. Finally, from examining bank card transactions, purchases of fuel appear to be down from the beginning of September compared to August. This may also be the result of the end of the summer season: resident tourism was sustained (► **Focus**), driving up spending on fuel in August. There could be a backlash in September, with the end of the season and possibly more frequent use of teleworking. ●

► 6. Weekly bank card transactions

weekly amount compared to that of the same week in 2019, in %



How to read it: in week 38 of 2021 (20 – 26 September), total bank card transaction amounts were 5% higher than the total amount in week 38 of 2019. The vertical lines show the dates that “non-essential” businesses closed and reopened during the 2020 lockdowns and the national lockdown in spring 2021. As each amount is compared to that of the same week in 2019, for the differences shown for the end of 2020 and the start of 2021 there is therefore a break in the reference week (end of 2019 then start of 2019). This break is indicated by the vertical dotted line at week 1 of 2021.

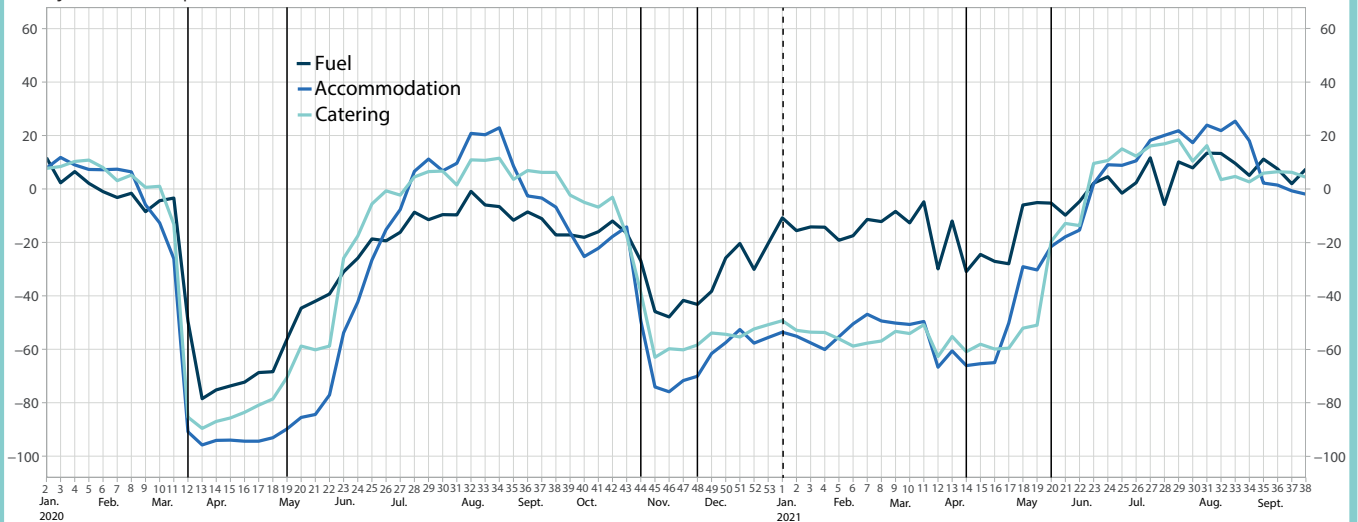
Note: in addition, the dynamism of these transaction amounts from March 2020 onwards may reflect a higher use of bank card payments. This trend has been taken into account in the forecast for losses or increases in consumption compared to the pre-crisis level.

Source: Cartes Bancaires CB, INSEE calculations

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7. Weekly bank card transaction amounts, for various points of sale

weekly amount compared to that of the same week in 2019, in %



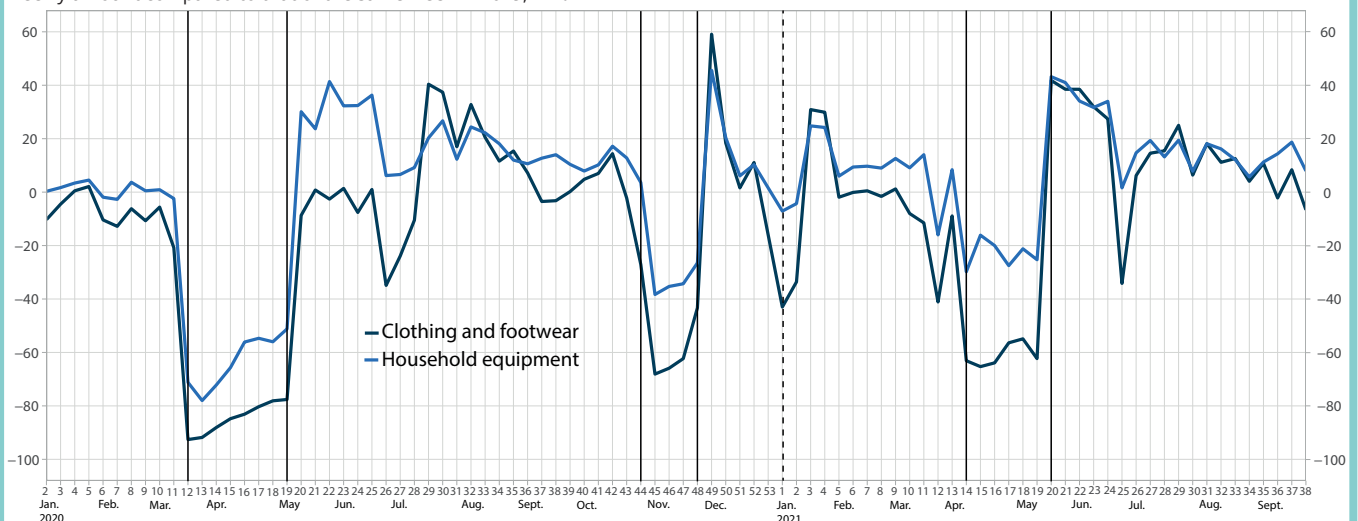
How to read it: in week 38 of 2021 (20 – 26 September), bank card transaction amounts related to purchases of fuel were 7% higher than amounts in week 38 of 2019. The vertical lines show the dates that “non-essential” businesses closed and reopened during the 2020 lockdowns and the national lockdown in spring 2021. As each amount is compared to that of the same week in 2019, for the differences shown for the end of 2020 and the start of 2021 there is therefore a break in the reference week (end of 2019 then start of 2019). This break is indicated by the vertical dotted line at week 1 of 2021.

Note: the dynamism of these transaction amounts from March 2020 onwards may reflect a higher use of bank card payments. This trend has been taken into account in the forecast for losses or increases in consumption compared to the pre-crisis level.

Source: Cartes Bancaires CB, INSEE calculations

8. Weekly bank card transaction amounts, for various points of sale

weekly amount compared to that of the same week in 2019, in %



How to read it: in week 38 of 2021 (20 – 26 September), bank card transaction amounts in clothing-footwear were 7% lower than amounts in week 38 of 2019. The vertical lines show the dates that “non-essential” businesses closed and reopened during the 2020 lockdowns and the national lockdown in spring 2021. As each amount is compared to that of the same week in 2019, for the differences shown for the end of 2020 and the start of 2021 there is therefore a break in the reference week (end of 2019 then start of 2019). This break is indicated by the vertical dotted line at week 1 of 2021.

Note: the dynamism of these transaction amounts from March 2020 onwards may reflect a higher use of bank card payments. This trend has been taken into account in the forecast for losses or increases in consumption compared to the pre-crisis level.

Source: Cartes Bancaires CB, INSEE calculations