

Household consumption and investment

In Q3, household consumption increased by 4.9%, bringing it much closer to its pre-crisis level (-1.0% compared to Q4 2019). Above all, this dynamism clearly shows the rebound in spending in those sectors previously subject to health restrictions (accommodation-catering, transport services, leisure activities, etc.), although consumption in these sectors is still below its pre-crisis level. Spending on goods, however, offers a more contrasting situation, between some strong increases (electronic equipment) and some levels still in decline (purchases of vehicles). Despite the rise in oil prices, fuel consumption even exceeded its pre-crisis level slightly over the summer.

In Q4 2021, household consumption by volume is expected to continue its trajectory back to its pre-crisis level, especially in transport services, leisure activities and accommodation-catering. Regarding goods, additional spending observed since the beginning of the health crisis looks set to continue for electronic and computer equipment, whereas purchases of vehicles and other industrial products are likely to decline. All in all, consumption is expected to return almost to its pre-crisis level in Q4, an improvement of 0.3% compared to the previous quarter: it should therefore rebound by 4.5% in 2021 (after tumbling 7.2% in 2020).

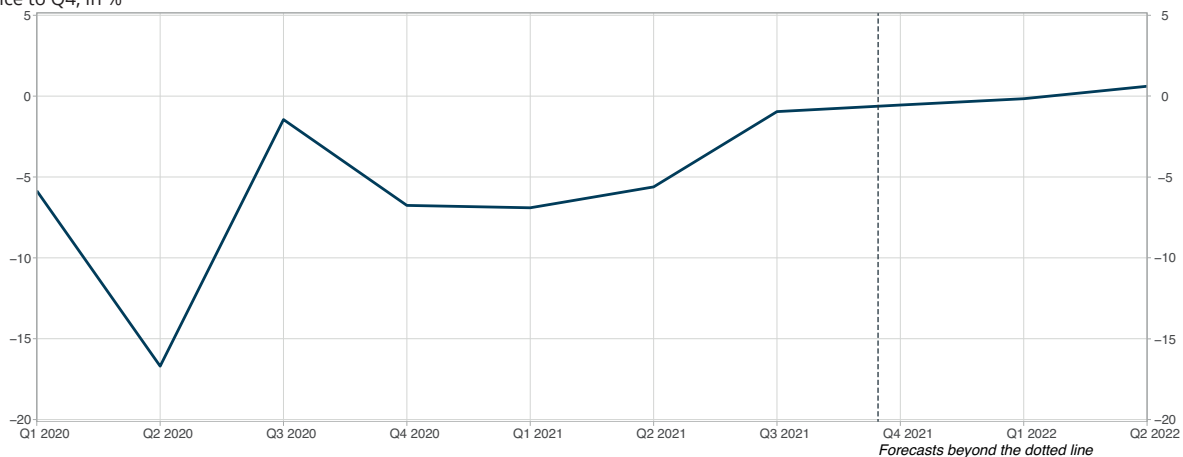
In H1 2022, household spending on the most affected items should gradually return to pre-crisis level, although for some items it is still likely to remain well below (especially purchases of vehicles, linked to supply chain difficulties hampering production in the sector). In other sectors, household consumption overall is likely to recover its previous momentum, reflecting the return to normal of consumer behaviour. All in all, the carry-over effect of consumption should reach 4.1% by mid-year.

After a substantial increase at the height of the crisis, the household savings ratio is expected to continue to decrease gradually, reaching 16.1% in Q2 2022, slightly above its 2019 level (15.0%).

Concerning household investment, it is expected to continue to increase in Q4, then decline slightly at the beginning of next year, affected by the downturn in deliveries of new homes and the slowdown in the pace of second-hand real estate transactions. ●

► 1. Past and expected quarterly consumption

in difference to Q4, in %

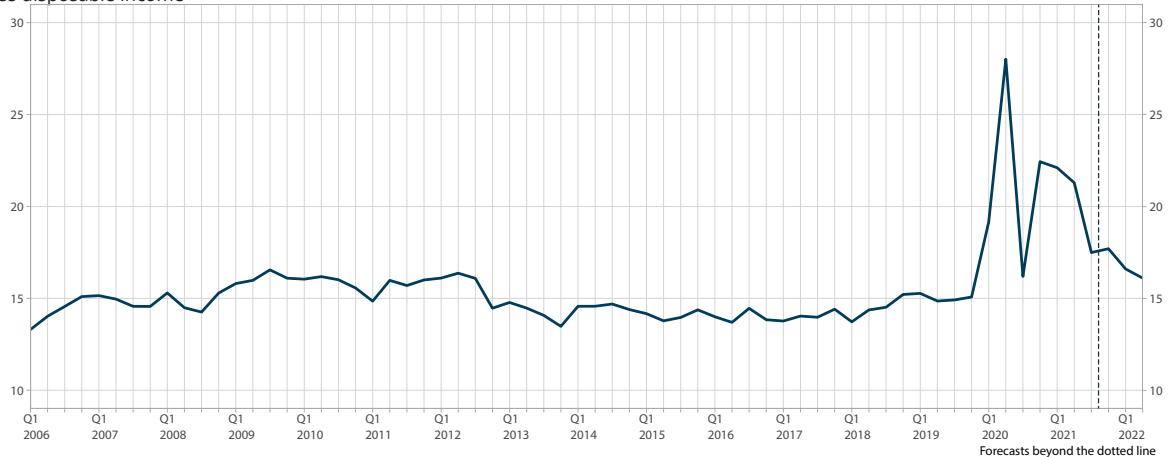


How to read it: in Q4 2021, household consumption would be 0.6% below its level in Q4 2019.

Source: INSEE calculations from various sources

► 2. Household savings ratio

in % of gross disposable income



How to read: in Q4 2021, the household savings ratio would be 17.7% of their gross disposable income.

Source: INSEE

► 3. Estimated and projected quarterly household consumption levels

difference to the Q4 of 2019, in %

Products	weight*	2020				2021				2022	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Agriculture, forestry and fishing	3%	3.8	-1.3	0.0	-1.0	-0.1	-2.3	-6.9	-4.5	-2.8	-1.0
Industry	44%	-6.9	-13.0	2.5	-1.7	-1.0	-3.5	-1.2	-2.7	-1.7	-1.0
Manufacture of food products, beverages and tobacco-based products	15%	3.4	5.3	2.1	3.3	3.6	1.9	-1.1	-1	0	1
Coke and refined petroleum	4%	-6.3	-28.5	-4.1	-13.0	-6.3	-7.6	2.4	0	0	0
Manufacture of electrical, electronic, computer equipment; manufacture of machinery	3%	-8.7	-5.5	12.1	15.6	12.6	9.8	9.6	8	9	10
Manufacture of transport equipment	6%	-23.4	-36.0	2.9	-9.1	-8.8	-12.1	-12.9	-16	-12	-10
Manufacture of other industrial products	12%	-12.2	-23.1	3.7	-5.1	-4.6	-10.0	0.6	-1	-1	-1
Extractive industries, energy, water, waste treatment and decontamination	5%	-2.1	-4.1	0.3	1.6	1.9	5.6	1.9	2	0	0
Construction	2%	-9.5	-23.4	0.4	0.8	-1.3	8.0	3.8	1.8	2.0	2.1
Mainly market services	47%	-6.2	-21.7	-6.5	-14.1	-15.3	-11.0	-1.4	0.1	0.5	1.5
Trade; repair of automobiles and motorcycles	1%	-12.4	-24.6	1.8	-4.7	-2.5	-3.4	-2.4	-1	0	0
Transport and storage	4%	-16.4	-73.7	-32.4	-53.2	-51.7	-46.0	-21.3	-13	-13	-6
Accommodation and catering	8%	-17.4	-62.9	-15.7	-46.5	-58.5	-39.3	-4.4	-2	-2	-1
Information and communication	3%	-2.7	-1.9	-0.5	-0.7	0.9	1.7	4.6	4	4	4
Financial and insurance activities	5%	-2.5	-6.4	-1.7	-0.3	0.7	1.2	1.8	2	3	3
Real estate activities	19%	0.1	0.2	0.7	0.8	1.8	2.1	2.1	3	3	4
Scientific and technical activities; administrative and support services	2%	-6.6	-18.9	-10.2	-8.9	-9.3	-6.4	-1.0	0	0	1
Other service activities	4%	-12.2	-42.2	-13.6	-25.3	-25.4	-22.0	-5.5	-4	-4	-2
Mainly non-market services	5%	-7.8	-24.4	1.1	-2.3	-0.3	1.1	0.6	0.9	0.8	0.9
<i>Territorial correction</i>	-1%	-44.8	-82.5	-35.5	-61.8	-64.2	-82.9	-32.7	-33	-29	-24
Total	100%	-5.9	-16.7	-1.5	-6.8	-6.9	-5.6	-1.0	-0.6	-0.2	0.6

* weight in household final consumption expenditure in current euros in Q4 2019

■ Forecast

How to read it: in Q4 2021, the level of household consumption of accommodation and food services would be 2% lower than in the Q4 of 2019.

Source: INSEE calculations from various sources

► 4. Household consumption and investment

quarterly changes and difference in Q4 2019, in %

	2020				2021				2022		2020*	2021*	2022* ovgh
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2			
Consumption: quarterly changes	-5.9	-11.5	18.3	-5.4	-0.2	1.4	4.9	0.3	0.4	0.8	-7.2	4.5	4.1
<i>difference in Q4 2019</i>	-5.9	-16.7	-1.5	-6.8	-6.9	-5.6	-1.0	-0.6	-0.2	0.6			
Investment: quarterly changes	-12.1	-18.2	29.7	6.8	-1.6	5.1	0.9	1.3	-0.3	-0.2	-12.2	16.3	2.2
<i>difference in Q4 2019</i>	-12.1	-28.1	-6.8	-0.5	-2.0	2.9	3.8	5.2	4.9	4.7			

■ Forecast

*Annual variations

Source: INSEE

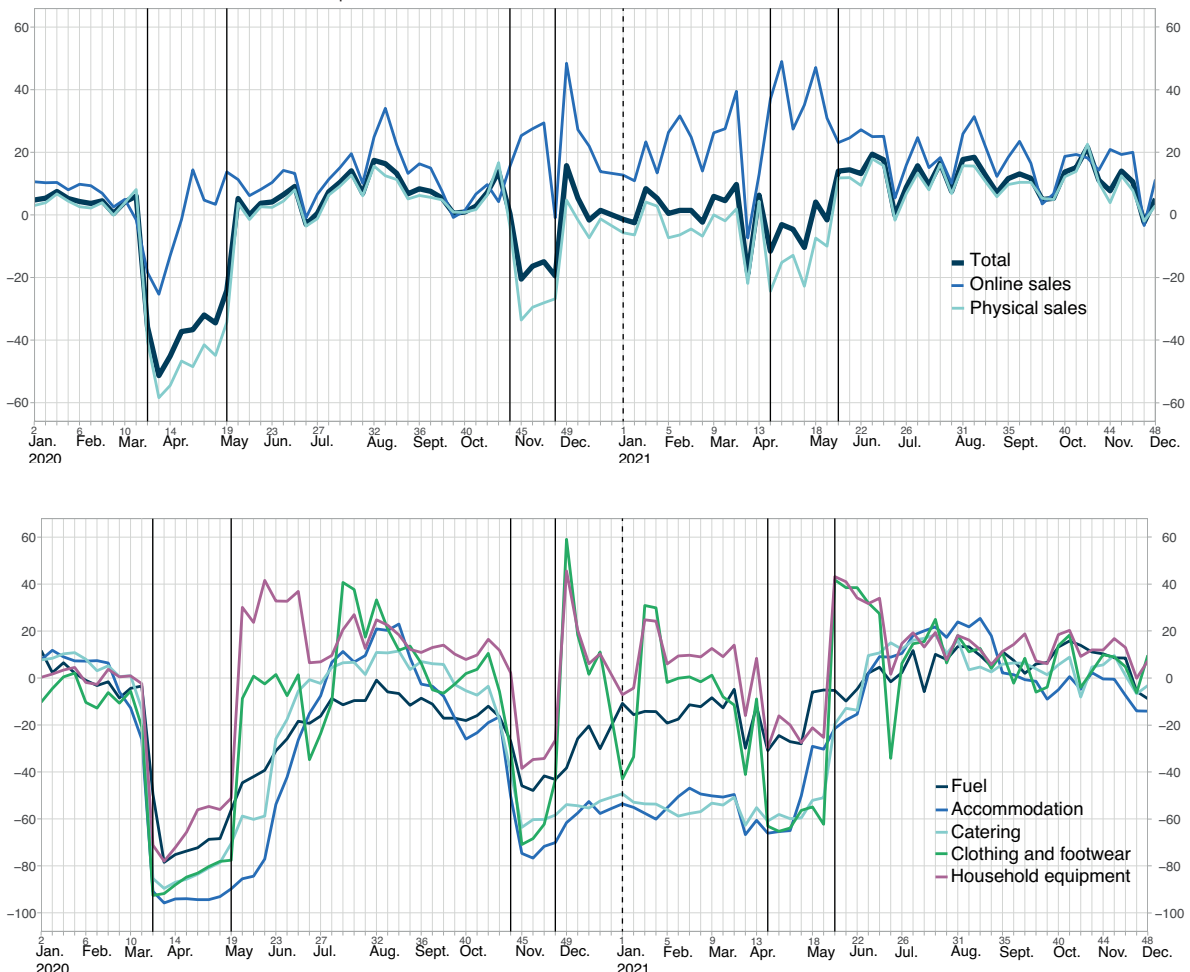
Bank card transaction amounts have demonstrated relative dynamism since September

Aggregated bank card transaction amounts, available up to 5 December, are now an invaluable source for advanced analysis of household consumption behaviour. Compared year-on-year with 2019, total amounts were still well above the 2019 level in October and November (although admittedly this is partly due to the increased use of this payment method since the start of the health crisis), and their profile appears more dynamic than in Q3 (► [Figure 5](#)).

Looking at points of sale in detail, the change in bank card transactions appears contrasted in October and November: they remained dynamic in household equipment, whereas in clothing-footwear, the downward trend that began towards the end of July seems to have halted. Transactions relating to fuel purchases also appear to have increased across October and November, to more than 10% above their pre-crisis level (but this increase may be the effect of higher fuel prices). Lastly, bank card transactions were not very buoyant in accommodation and catering, with the profile following on from that of September, and even deteriorating in November in accommodation. ●

► 5. Weekly CB bank card transactions amounts

weekly amount in difference to that of the comparable week in 2019, in %



How to read: in week 48 of 2021 (26 November - 5 December), total CB bank card transaction amounts were 5.1% higher than the total for week 48 of 2019. The vertical lines show the dates that “non-essential” businesses closed and reopened during the 2020 lockdowns and the national lock-down 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 payment by bank card. This trend has been taken into account in the forecast for losses or increases in consumption compared to the pre-crisis level.

Source: INSEE calculations from various sources