

# Household consumption

Having rebounded sharply in May at the end of lockdown, household consumption overall is expected to be back almost to its pre-crisis level in June (Table 1). Some areas of expenditure are still expected to be at a higher level than “normal”, especially manufactured goods, reflecting the continuing additional spending already observed when lockdown restrictions were first lifted. Other spending is likely to remain below normal levels, however, despite having caught up significantly compared with the first weeks after the easing of lockdown restrictions (spending on fuel, transport services, accommodation and catering). All in all, given its sharp decline in April and its rebound in May and then in June, household consumption in Q2 2020 is expected to be 17% below its pre-crisis level (i.e. a quarterly decline of 12%, after -5.6% in Q1).

As in the previous *Points de Conjoncture*, the estimate given here is based on assumptions of loss or gain in consumption compared to a “normal” period of activity, applied to different goods and services. These assumptions are based mainly on information from bank card transaction data and scanner data. They also reflect the consequences of the regulatory measures put in place from the start of the health crisis (authorisations for businesses to open, etc.) and specific consumer behaviours (constant need for certain types of product, etc.).

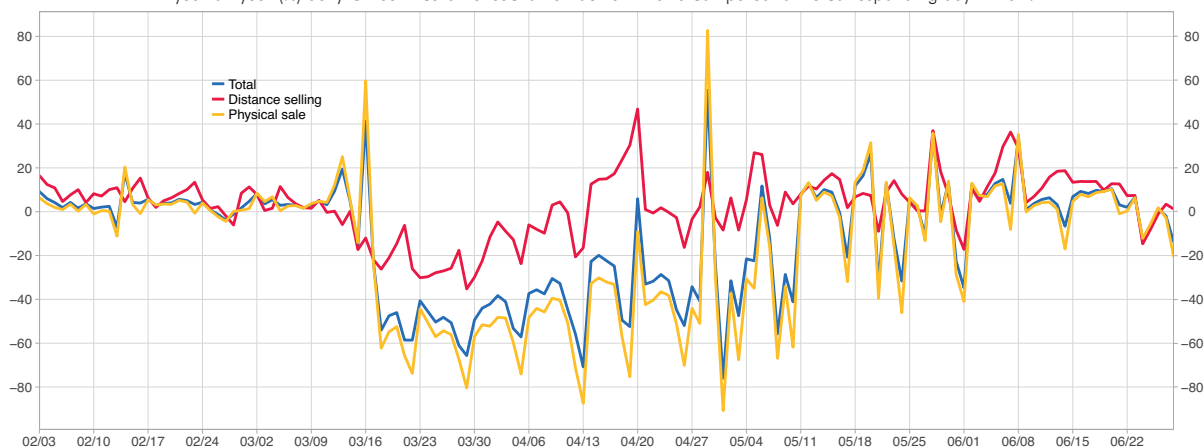
As soon as lockdown restrictions were lifted in mid-May, household consumption rebounded strongly, remaining at a level slightly below

“normal” for the rest of the month of May (-7%, *Point de Conjoncture* of 17 June). In June, consumption would appear to have increased, almost returning to its pre-crisis level (-3% on average for the whole of June). This virtual return to normal is reflected mainly in the total amount in bank card transactions, which since the end of lockdown, and especially in June, has now converged overall with its 2019 level (Graph 1). In particular, the dynamics of physical sale and online sale payments are currently moving much closer together, a sign that people are resuming their more usual consumption habits. However, some consumer items are still subject to the effects of the health crisis.

In June, consumption of manufactured products appears to have been 6% higher than in a normal situation, contributing to an increase in consumption of 3 points. Some expenditure seems to have continued the catch-up that began as soon as lockdown restrictions were lifted, such as spending on fuel (Graph 2) or transport materials. For other manufactured goods, the additional consumption observed when lockdown ended seems to have declined, with spending returning almost to normal (e.g. in clothing-footwear, although spending at the end of June appears to have been below the 2019 level, since at his same period in 2019 the summer sales were starting, Graph 3) or in some cases still remaining well above normal for most of June (e.g. equipment

## 1 - Bank card transactions in store and online

year-on-year (%) daily CB bank card transaction amounts in 2020 compared to the corresponding day in 2019



How to read it: on Monday 15 June 2020, physical CB bank card sales were 4% higher than on Monday 17 June 2019.

Note: the very high year-on-year level on Wednesday 29 April 2020 is linked to the fact that the corresponding day in 2019 was Wednesday 1st May, a public holiday, when CB bank card transaction amounts, all types of sale combined, were particularly low.

Source: *Cartes Bancaires CB*, INSEE calculations

for the home, *Graph 3*). In addition, on average across the month, household spending on agrifood products appears to have maintained a similar momentum to that of previous months, but with some occasional increases during lockdown (*Graph 4*).

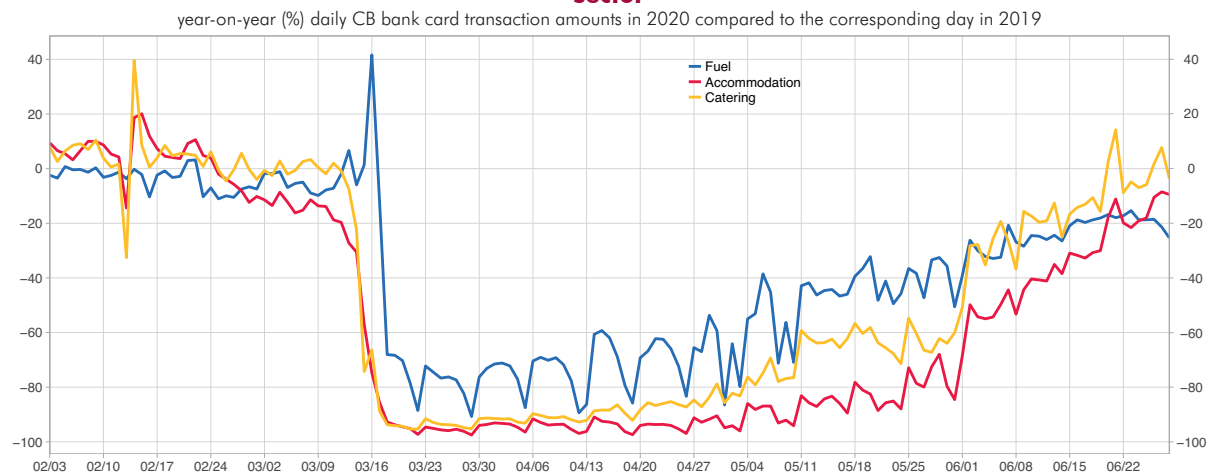
In June, consumption of mainly market services appears to have been 9% lower than in a normal situation, i.e. a contribution of -4 points to the overall loss of household consumption. The catch-up in consumption that started in accommodation and catering appears to have continued and at a much faster pace than when lockdown was first lifted, which is linked to the gradual lifting of restrictions on opening (*Graph 2*). This is also the case in transport services, where consumption appears to have increased considerably, although it is still below its pre-crisis level. However, services that are still subject to restrictions on their activity

are likely to remain at seriously low consumption levels, as in air transport or cultural activities, for example.

In mainly non-market services, consumption would seem to have continued to pick up slightly, with the gradual resumption of local outpatient care and market teaching services, although it has not yet recovered its normal level of activity (-17% loss of consumption in June, contributing -1 point to overall loss). In the construction branch too, the upswing in renovation work appears to have increased household consumption considerably, although it remains below its normal level (-31% loss of consumption in June, a marginal contribution to overall loss).

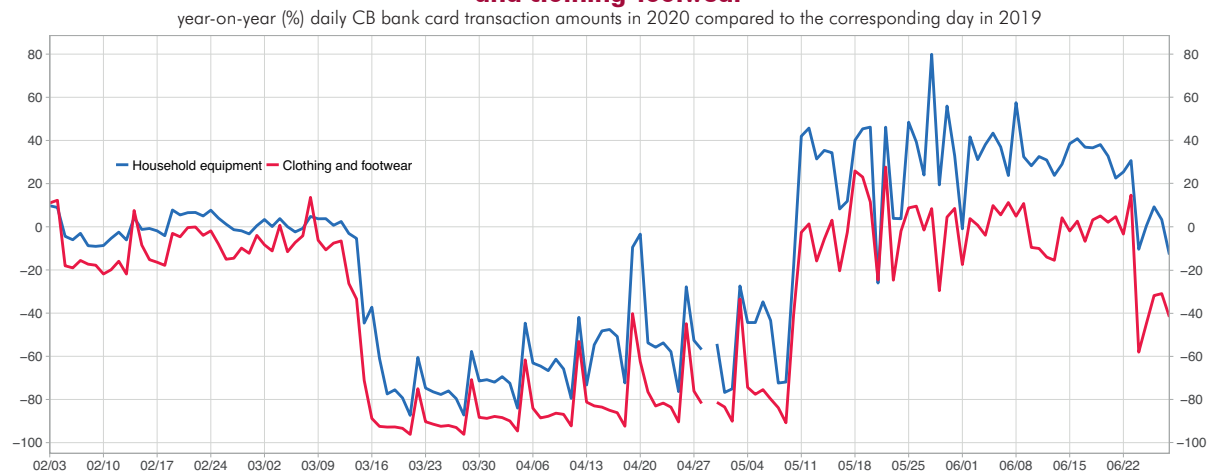
All in all, given the estimates for loss of consumption in April and May (-32% and -15% respectively, revised slightly since the last *Point*

## 2 - Bank card transactions for purchases of fuel and purchases in the accommodation and catering sector



How to read it: on Monday 15 June 2020, bank card transactions in the catering sector were 17% lower than on Monday 17 June 2019  
Source: Cartes Bancaires CB, INSEE calculations

## 3 - Bank card transactions for purchases of household equipment and clothing-footwear



How to read it: on Monday 15 June 2020, bank card transactions on household equipment were 37% higher than on Monday 17 June 2019.

Note: for clarity, the values corresponding to Wednesday 29 April 2020 have been removed because the corresponding day in 2019 was Wednesday 1st May, a public holiday, giving a very high year-on-year figure.

Source: Cartes Bancaires CB, INSEE calculations

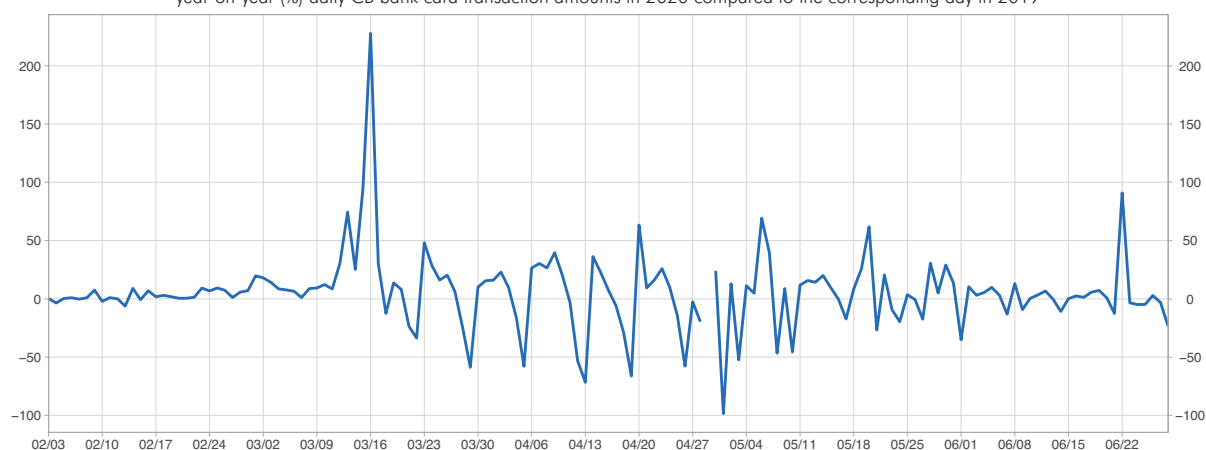
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de Conjoncture), household consumption in Q2 2020 appears to be 17% down on the level in a normal situation. The month of April, spent entirely in lockdown, certainly marked the low point in this decline, affecting all goods and services, with the exception of food and some specific services (especially real estate, finance and insurance services). From May onwards, the month during which lockdown measures were lifted, the upturn in consumption appears to have been much faster for industrial goods (+28 consumption points in May) than for services (+8 points in May for market services). The availability of existing industrial goods inventory appears to have enabled the catch-up in consumption to take place in May and June, while production was recovering only gradually (Graph 5). For services, however, residual restrictions on activity at the end of lockdown combined with health

protection measures (physical distancing, etc.) would appear to have set the pace for the recovery of consumption, with the result that it was much more gradual. ■

### 4 - Sale of agricultural and agrifood products excluding tobacco in major retail outlets

year-on-year (%) daily CB bank card transaction amounts in 2020 compared to the corresponding day in 2019

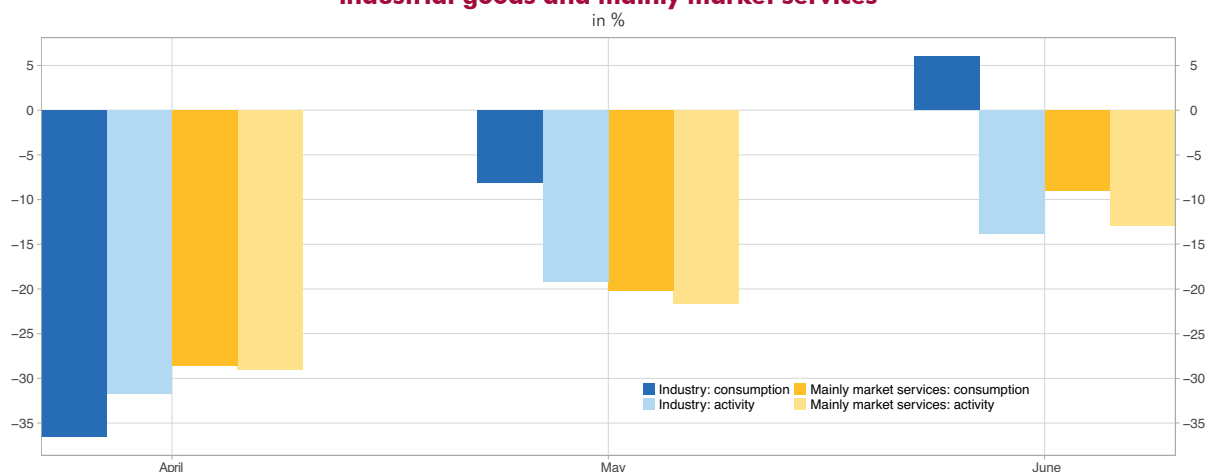


How to read it: on Tuesday 16 June 2020, sales of agricultural and agrifood products excluding tobacco were 2% higher than on Tuesday 18 June 2019.

Note: for clarity, the values corresponding to Wednesday 29 April 2020 have been removed because the corresponding day in 2019 was Wednesday 1 May, a public holiday, giving a very high year-on-year figure.

Source: scanner data of several supermarket and hypermarket signs, INSEE calculations

### 5 - Estimated difference in level of consumption and activity compared with a normal situation, for industrial goods and mainly market services



How to read it: in April 2020, consumption of industrial goods appears to be 37% below normal. Industrial activity appears to be 32% below normal.

Sources: INSEE calculations from various sources

## 1 - Estimated difference in level of household consumption compared with a "normal" situation

Products	Share of consumption* (%)	Difference for April (in %)	Difference for May (in %)	Difference for June (in %)	Contributions for June (in points of percentage)	Difference for Q2 (in %)
<b>Agriculture, forestry and fishing</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>0</b>	<b>3</b>
<b>Industry</b>	<b>44</b>	<b>-37</b>	<b>-8</b>	<b>6</b>	<b>3</b>	<b>-13</b>
Manufacture of food products, beverages and tobacco-based products	15	3	3	5	1	4
Coke and refined petroleum	4	-55	-30	-10	0	-32
Manufacture of electrical, electronic, computer equipment; manufacture of machinery	3	-61	-7	23	1	-15
Manufacture of transport equipment	6	-69	-23	5	0	-29
Manufacture of other industrial products	13	-67	-12	11	1	-23
Extractive industries, energy, water, waste treatment and decontamination	5	-7	1	0	0	-2
<b>Construction</b>	<b>2</b>	<b>-61</b>	<b>-41</b>	<b>-31</b>	<b>0</b>	<b>-44</b>
<b>Mainly market services</b>	<b>46</b>	<b>-29</b>	<b>-20</b>	<b>-9</b>	<b>-4</b>	<b>-19</b>
Trade; repair of automobiles and motorcycles	1	-65	-1	16	0	-17
Transport and storage	3	-83	-72	-43	-1	-66
Accommodation and catering	7	-82	-67	-20	-1	-56
Information and communication	3	-10	-6	0	0	-5
Financial and insurance activities	6	0	0	0	0	0
Real estate activities	19	0	0	0	0	0
Scientific and technical activities; administrative and support services	2	-37	-20	-18	0	-25
Other service activities	4	-65	-37	-29	-1	-44
<b>Mainly non-market services</b>	<b>5</b>	<b>-37</b>	<b>-25</b>	<b>-17</b>	<b>-1</b>	<b>-26</b>
<b>Total</b>	<b>100</b>	<b>-32</b>	<b>-15</b>	<b>-3</b>	<b>-3</b>	<b>-17</b>

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

How to read it: the level of household consumption of accommodation and catering services in June is expected to be 20% lower than that usually observed in a normal period of economic activity, contributing a 1-percentage point reduction in household consumption overall.

Source: INSEE calculations from various sources