

# Household consumption and investment

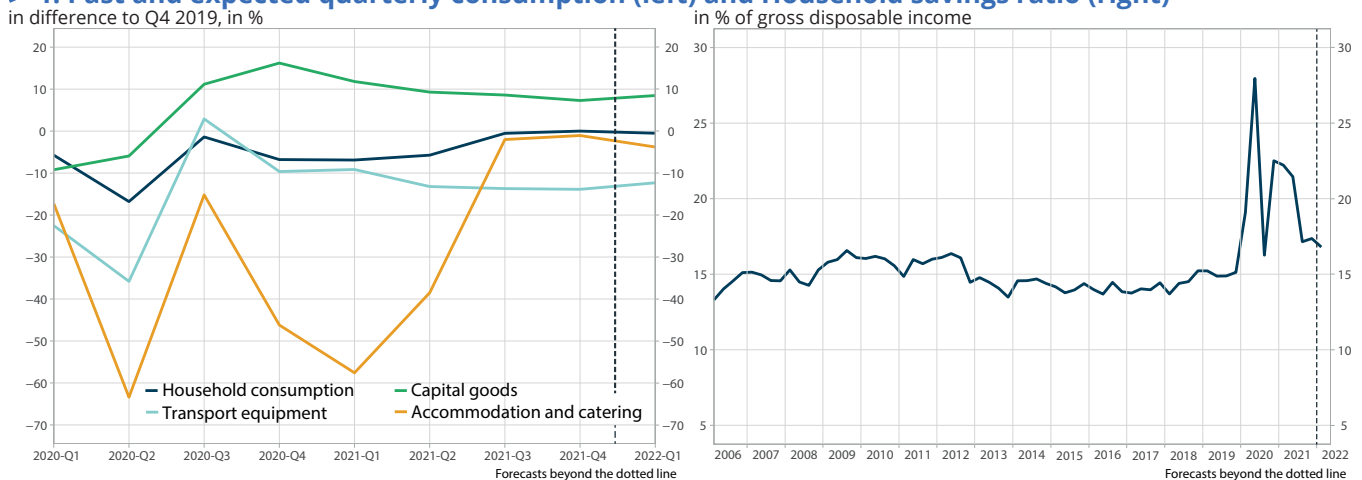
In Q4 2021, household consumption increased by 0.5%, returning to its overall pre-health crisis level (that of Q4 2019). Catch-up continued in leisure activities and transport services, despite consumption in these branches remaining well below the pre-health crisis level. In accommodation-catering, consumption remained stable in the context of the Delta wave then the arrival of the Omicron variant at the end of the year. Purchases of goods slipped back slightly, focusing less on capital goods and fuel, and continuing to decline in vehicle purchases.

In Q1 2022, household consumption by volume is expected to weaken, affected by the deterioration in the health situation in January. This is likely to be the case in transport services, accommodation-catering and leisure activities especially, but also, regarding goods, in other industrial products. The winter 2022 sales, which took place from the beginning of January to the beginning of February, seem to have been less buoyant than those of winter 2020 (just before the start of the health crisis; ► **Focus**). The extra spending observed since the start of the health crisis is expected to continue for capital goods, whereas purchases of vehicles look set to remain at a lower level compared to pre-health crisis. All in all, consumption is expected to get back to a level almost equivalent to that of last summer. The war in Ukraine could in fact affect household consumption in Q2, or even from March onwards, due to increased prices and a possible wait-and-see attitude linked with less favourable prospects for standard of living (► **Focus** on early analysis of the business tendency surveys, linked to the France Economic Outlook Sheet).

Despite the expected weakening of consumption in Q1, after a substantial increase during the lockdowns, households' savings ratio is likely to continue to decline, in a context of declining purchasing power. It is expected to settle at 16.7% in Q1 2022 (against 15.0% in 2019).

Meanwhile, having stagnated towards the end of 2021, household investment looks set to increase again in Q1. This momentum is expected to be driven by the construction of individual homes (significant rise in the number of building permits in 2021) and to a lesser extent by major maintenance work (linked to the MaPrimeRénov' renovation aid scheme). ●

► 1. Past and expected quarterly consumption (left) and Household savings ratio (right)

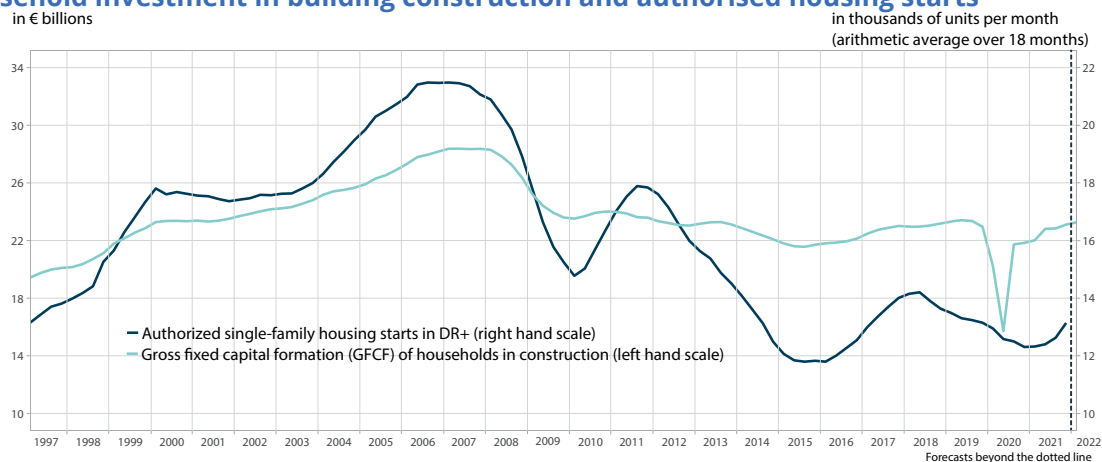


How to read it: in Q1 2022, household consumption would be 0.5% below its level in Q4 2019, and the household savings ratio would be 16.7% of their gross disposable income.

Source: INSEE

# French economic outlook

## ► 2. Household investment in building construction and authorised housing starts



Note: DR+ corresponds to real estimated dates  
Source: INSEE, SDES

## ► 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
<b>Agriculture, forestry and fishing</b>	<b>3 %</b>	<b>3.9</b>	<b>-1.1</b>	<b>-0.1</b>	<b>-1.1</b>	<b>-0.1</b>	<b>-2.2</b>	<b>-7.1</b>	<b>-5.2</b>	<b>-4.9</b>
<b>Industry</b>	<b>44 %</b>	<b>-6.6</b>	<b>-12.9</b>	<b>2.6</b>	<b>-1.8</b>	<b>-0.9</b>	<b>-3.4</b>	<b>-1.2</b>	<b>-1.0</b>	<b>-1.4</b>
Manufacture of food products, beverages and tobacco-based products	15 %	3.4	5.3	2.3	3.2	3.5	1.9	-0.9	0.1	0.3
Coke and refined petroleum	4 %	-6.2	-28.5	-4.4	-13.0	-6.1	-7.7	2.1	1.6	-0.8
Manufacture of electrical, electronic, computer equipment; manufacture of machinery	3 %	-9.2	-5.9	11.2	16.2	11.8	9.3	8.6	7.3	8.5
Manufacture of transport equipment	6 %	-22.5	-35.8	2.9	-9.6	-9.1	-13.2	-13.7	-13.9	-12.3
Manufacture of other industrial products	12 %	-11.8	-22.8	3.9	-5.3	-3.6	-9.5	1.0	0.4	-1.8
Extractive industries, energy, water, waste treatment and decontamination	5 %	-2.2	-3.7	0.7	1.5	1.5	6.3	2.5	3.3	2.9
<b>Construction</b>	<b>2 %</b>	<b>-10.6</b>	<b>-24.5</b>	<b>0.4</b>	<b>1.1</b>	<b>-2.4</b>	<b>6.5</b>	<b>6.0</b>	<b>5.6</b>	<b>5.6</b>
<b>Mainly market services</b>	<b>47 %</b>	<b>-6.1</b>	<b>-21.8</b>	<b>-6.3</b>	<b>-14.0</b>	<b>-15.1</b>	<b>-10.8</b>	<b>-0.6</b>	<b>1.0</b>	<b>0.6</b>
Trade; repair of automobiles and motorcycles	1 %	-12.3	-24.7	1.6	-4.6	-2.3	-3.4	-2.2	1.7	0.9
Transport and storage	4 %	-16.2	-73.4	-31.8	-53.2	-51.5	-45.5	-20.1	-14.0	-13.8
Accommodation and catering	8 %	-17.3	-63.4	-15.2	-46.2	-57.6	-38.5	-2.0	-1.0	-3.8
Information and communication	3 %	-2.8	-2.3	-0.4	-0.6	0.7	1.5	4.0	7.2	7.8
Financial and insurance activities	5 %	-2.5	-6.4	-1.7	-0.3	0.7	1.2	1.8	1.9	2.2
Real estate activities	19 %	0.2	0.2	0.8	0.8	1.6	2.2	2.6	3.1	3.4
Scientific and technical activities; administrative and support services	2 %	-6.4	-18.9	-10.2	-8.7	-8.5	-5.5	0.0	2.3	3.4
Other service activities	4 %	-12.1	-42.1	-13.1	-25.4	-25.0	-21.7	-3.6	-0.6	-2.4
<b>Mainly non-market services</b>	<b>5 %</b>	<b>-7.7</b>	<b>-24.4</b>	<b>1.2</b>	<b>-2.3</b>	<b>-0.3</b>	<b>1.2</b>	<b>1.4</b>	<b>3.1</b>	<b>2.8</b>
Territorial correction	-1 %	-46.0	-75.7	-31.9	-63.8	-58.7	-65.4	-30.1	5.4	13.1
Imports of tourism services		-8.4	-70.8	-52.1	-53.2	-54.9	-48.5	-26.7	-23.3	-23.4
Exports of tourism services		-17.7	-72.0	-47.1	-55.8	-55.9	-52.6	-27.5	-16.2	-14.4
<b>Total</b>	<b>100 %</b>	<b>-5.7</b>	<b>-16.8</b>	<b>-1.4</b>	<b>-6.8</b>	<b>-6.9</b>	<b>-5.7</b>	<b>-0.5</b>	<b>0.0</b>	<b>-0.5</b>

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

■ Forecast

How to read it: in Q1 2022, the level of household consumption of accommodation and food services would be 3.8% 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			
<b>Consumption: quarterly changes</b>	-5.7	-11.7	18.5	-5.5	-0.1	1.2	5.5	0.5	-0.5	-7.2	4.7	2.9
<i>difference in Q4 2019</i>	-5.7	-16.8	-1.4	-6.8	-6.9	-5.7	-0.5	0.0	-0.5	-	-	-
<b>Investment: quarterly changes</b>	-12.5	-18.1	30.0	6.9	-1.9	5.0	0.7	0.0	0.3	-12.2	15.6	1.8
<i>difference in Q4 2019</i>	-12.5	-28.3	-6.8	-0.4	-2.3	2.5	3.3	3.3	3.5	-	-	-

■ Forecast

\* Annual variations (or carry-over for 2022) for the last three columns.

Source: INSEE

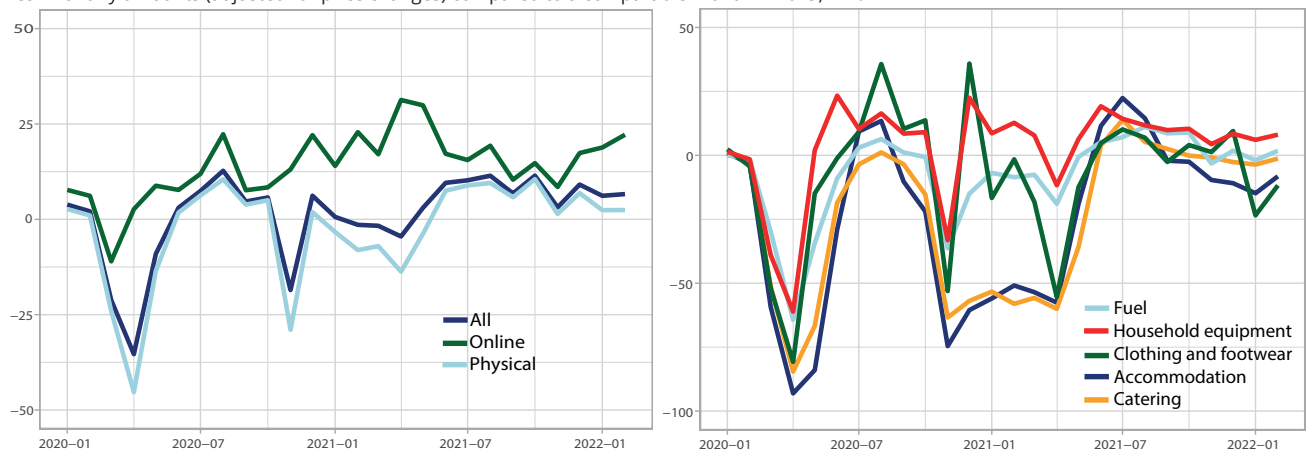
### Bank card transaction amounts at a standstill since the start of 2022

Aggregated bank card transaction amounts, available up to 6 March 2022, can be used for advanced analysis of household consumption behaviour. In January and February, total monthly amounts, compared year-on-year with 2019 and adjusted for price changes, show a profile that is becoming stable (► Figure 5, left). This total does indeed appear to be well above its January 2019 level, but this is partly due to the fact that the use of bank cards has increased over the last two years. At the beginning of March, analysis of bank card transactions does not give a clear signal at this stage, especially since, in a context of high inflation and in the absence of observed price data, it is difficult to adjust bank card amounts according to prices.

In catering and accommodation, real transaction amounts deteriorated at the end of 2021, then even further at the start of 2022 in accommodation, probably linked to the health situation (► Figure 5, right). In clothing-footwear, bank card transaction amounts fell in January then stabilised in February, but interpretation of this shift is disrupted by the dates of the winter sales, which differ slightly from year to year. Finally, for fuel and household equipment, real bank card transaction amounts seem to have held up. ●

### ► 5. Real monthly bank card transaction amounts per type of transaction (left) and for various points of sale (right)

real monthly amounts (adjusted for price changes) compared to a comparable month in 2019, in %



How to read it: during February 2022 (1-21 February), total bank card transaction amounts were 8% higher than the total for February 2019.

Note: amounts are adjusted for inflation using aggregated monthly consumer price indices specific to each item. As each amount is compared to a comparable month in 2019, for the differences shown for December 2021 and January 2022 there is therefore a break in the reference month (December 2019 then January 2019). Note that the dynamism of the real bank card 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-health crisis level.

Last point : week of 20 to 27 February 2022.

Source: Cartes Bancaires CB, INSEE calculations