

Household consumption and investment

After a fairly substantial increase in Q3 2023 (+0.5%, ► [Figure 1](#)), household consumption came to a standstill at the end of the year (0.0% in Q4 2023). Purchases of goods again fell dramatically (-0.6% in Q4 after +0.6% in Q3, ► [Figure 2](#)), especially food consumption (-1.1%), which had experienced a slight rebound in the summer after six consecutive quarters in decline. In addition, spending on electricity and gas fell back sharply (-3.3%): on the one hand, the weather at the beginning of autumn was mild, and on the other hand, households had maintained a degree of austerity behaviour, although less so than the previous year (► [Figure 3](#)). Conversely, automobile purchases increased strongly (+3.1%): the post-Covid catch-up continued and households were also anticipating the introduction at the beginning of 2024 of more restrictive criteria for the “ecological bonus” on the purchase of an electric vehicle. On the services side, household consumption accelerated (+0.6% after +0.3%), especially in non-market services, with the reduction in the rate of reimbursement for dental treatment from mid-October giving rise to an increase in the share included in household consumption.

All in all, consumption slowed markedly in 2023 (+0.6% after +2.1%): on the one hand, the momentum of the post-health crisis catch-up had slowed, especially in transport and accommodation-catering; and on the other hand, food purchases declined considerably for the second year running (-4.7% after -3.6%), with households adjusting their purchases significantly to cope with rising prices.

In H1 2024, household consumption is expected to regain some of its vitality (+0.3% in Q1 then +0.4%) in a context of improved purchasing power, expected particularly in Q1 2024. According to the monthly economic survey of households, their confidence in the economic situation has continued to rebound in recent months, despite a downturn in February. Across the whole of the half-year, consumption is likely to be bolstered by the rebound in spending on electricity and gas. During the winter, outside temperatures are certainly expected to be a little closer to the seasonal norms than in the autumn. In Q1, it is likely that consumption will be temporarily hampered by the decline in automobile purchases, a reaction to the significant increase at the end of 2023. This reaction should only be temporary, however: the automobile market has not yet recovered its pre-health crisis level and vehicle registrations started to rise again in February. Finally, purchases of capital goods are expected to recover a certain buoyancy. Regarding services, consumption is expected to increase at a trend rate.

In H1, the rise in consumption is likely to be comparable overall to the increase in purchasing power, and the savings ratio should stabilise at a high level, two to three points above that at the end of 2019 (► [Figure 4](#)). Household opinion on the opportunity to save is still at historically high levels.

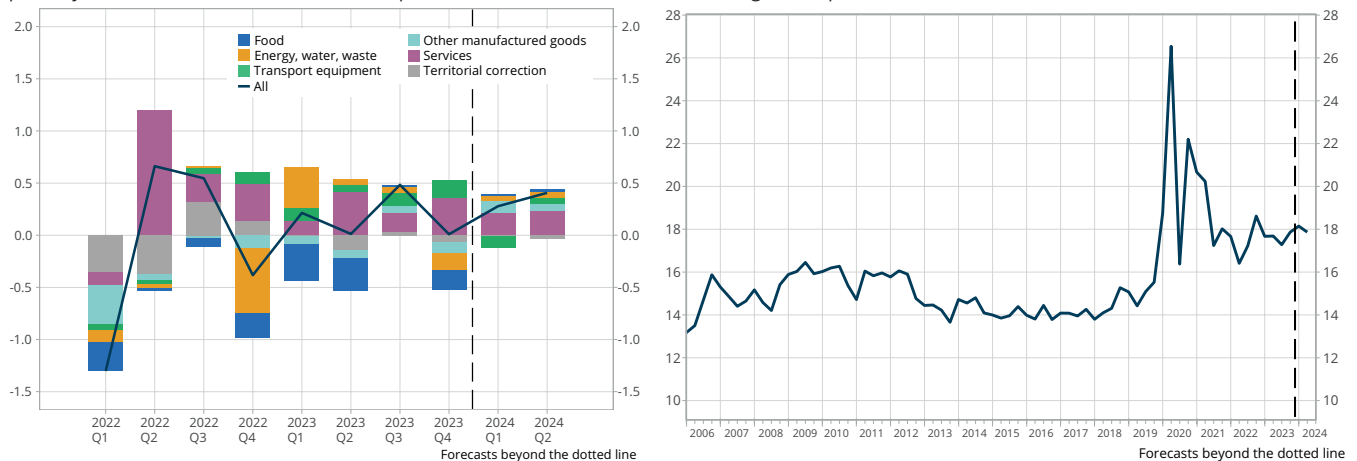
Household investment is expected to continue to decline across the whole of H1 2024, in a context where access to credit is still difficult: the construction sector seems likely to continue to be buoyed up a little by maintenance and improvement work, but this will probably not be enough to compensate for the drop in activity around new housing. However, this decline should be slightly less intense than at the end of 2023, given the apparent stabilisation in housing starts for new dwellings over the last few months (► [Figures 5](#)). ●

French economic outlook

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

(quarterly variations in % and contributions in points)

(in % of gross disposable income)



Note: territorial correction represents purchases made by French residents abroad (also counted in imports) minus purchases by non-residents made in France (counted in exports). The other contributions to household consumption (food, energy, etc.) refer exclusively to consumption in France.

How to read it: in Q1 2024, there is expected to be an upturn in household consumption compared to the previous quarter (+0.3%). Consumption of transport equipment is expected to contribute -0.1 points to variation in consumption. In Q1 2024, the household savings ratio is expected to be 18.1% of their gross disposable income.

Source: INSEE.

► 2. Estimated and projected quarterly household consumption

(quarterly and annual variations, in %, SA-WDA)

Products	weight ⁽¹⁾	2022				2023				2024		2022	2023	2024 ovhg
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2			
All goods	48%	-1.7	-0.3	-0.1	-1.9	0.2	-0.6	0.6	-0.6	0.2	0.5	-2.6	-1.6	0.2
Food goods	18%	-1.6	-0.2	-0.5	-1.4	-2.0	-1.8	0.2	-1.1	0.2	0.2	-3.6	-4.7	-0.9
Agricultural products	3%	-1.9	-0.8	-0.1	-2.9	-0.2	0.6	0.0	-1.1	-0.4	0.2	-6.1	-2.4	-0.9
Food product	15%	-1.5	-0.1	-0.6	-1.1	-2.3	-2.3	0.2	-1.1	0.3	0.2	-3.1	-5.2	-0.9
Coke and refined petroleum	4%	-2.9	-2.6	1.8	-1.4	0.7	-0.4	-0.7	-1.4	1.5	0.0	-0.8	-1.1	-0.1
Other industrial products	21%	-1.6	0.0	-0.1	0.2	0.1	0.0	1.1	0.6	-0.3	0.7	-1.1	0.9	1.2
Capital goods	3%	0.1	-0.1	0.5	-1.9	0.0	-0.8	3.2	-1.1	0.5	0.6	-3.7	-0.5	1.5
Transport equipment	6%	-1.2	-0.9	1.1	2.2	2.3	1.3	2.3	3.1	-2.0	1.0	-2.8	7.4	2.4
Other industrial products	12%	-2.2	0.4	-0.8	-0.2	-0.9	-0.4	0.1	-0.2	0.4	0.5	0.2	-1.6	0.6
Energy, water, waste	5%	-2.2	-0.6	0.3	-12.9	9.4	1.3	1.1	-3.3	1.0	1.0	-6.5	-0.9	0.1
All services	51%	-0.2	2.2	0.5	0.6	0.3	0.7	0.3	0.6	0.4	0.4	8.5	2.4	1.5
Construction	2%	0.7	0.5	-0.8	-0.2	0.8	-0.3	0.4	1.2	0.0	0.0	2.5	0.7	1.0
Trade ⁽²⁾	1%	-1.3	-0.9	-0.2	1.8	-0.3	-0.2	-1.3	0.2	0.0	0.0	-0.1	0.1	-0.5
Market services excluding trade	46%	-0.3	2.6	0.5	0.7	0.3	0.9	0.4	0.5	0.4	0.4	9.7	2.7	1.5
Transport	4%	-0.4	5.5	1.8	2.0	1.1	2.8	0.4	1.9	-0.3	0.4	29.9	7.8	2.3
Accommodation and food	8%	-2.3	11.8	0.5	1.0	-0.9	1.9	-0.1	-0.1	0.6	0.4	37.1	4.1	1.3
Information-communication	3%	0.1	-0.3	1.3	0.2	1.2	0.1	1.9	1.0	0.1	0.8	3.2	3.3	2.4
Financial services	5%	-0.2	-0.1	0.1	0.3	0.4	0.5	0.4	0.4	0.5	0.4	0.3	1.4	1.5
Real estate services	19%	0.3	0.3	0.2	0.5	0.2	0.4	0.4	0.2	0.4	0.3	1.3	1.3	1.1
Business services	2%	0.9	0.0	0.9	0.9	0.3	0.2	0.6	1.5	0.7	0.3	8.6	2.3	2.4
Household services	4%	-0.7	2.3	1.1	0.8	1.0	0.8	-0.5	0.9	0.8	0.4	19.2	3.3	1.8
Non-market services	5%	0.3	-0.1	0.6	0.3	0.0	0.2	0.4	1.8	0.2	0.9	2.8	1.3	2.4
Territorial correction	-1%	25.2	21.6	-15.4	-7.5	0.0	8.4	-1.7	3.4	-0.1	1.9	149.0	-3.6	5.1
Imports of tourism services		-6.9	-2.0	10.6	3.4	0.4	0.9	3.1	-1.0	1.0	0.5	20.7	9.8	2.4
Exports of tourism services		3.9	7.6	-1.3	-0.9	0.3	3.7	1.3	0.7	0.6	1.0	52.6	4.3	3.4
Total	100%	-1.3	0.7	0.6	-0.4	0.2	0.0	0.5	0.0	0.3	0.4	2.1	0.6	0.8

■ Forecast.

(1) weight in household final consumption expenditure in current euros in Q4 2019.

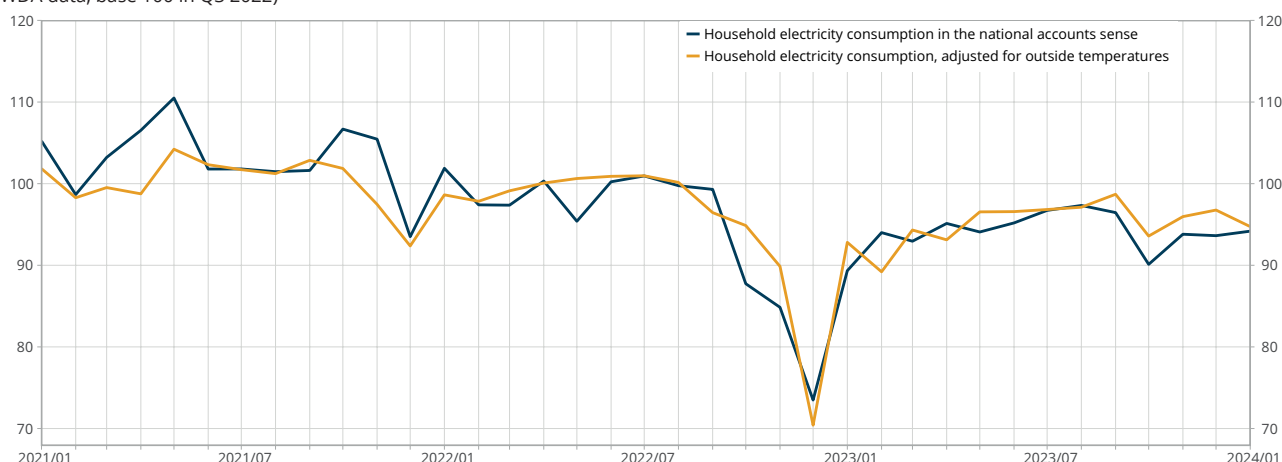
(2) this item corresponds to sale and repair of motor vehicles and motorbikes. Expenditure in retail trade excluding motor vehicles and motorbikes is allocated to the corresponding products.

How to read it: in Q1 2024, household consumption of energy, water and waste would increase by 1.0% compared to the previous quarter.

Source: INSEE.

► 3. Monthly household electricity consumption, with and without correction for outside temperatures

(SA-WDA data, base 100 in Q3 2022)



Last point: January 2024.

How to read it: in December 2023, household electricity consumption was 6% less than its average level in Q3 2022. Adjusted for the effects of weather conditions (slightly milder than seasonal norms), consumption would have been 3% lower than in the Q3 2022.

Source: INSEE.

► 4. Household consumption, investment and savings ratio

(quarterly changes and difference to Q4 2019, in %, SA-WDA data)

	2022				2023				2024		2022*	2023*	2024* ovhg
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2			
Consumption: quarterly changes	-1.3	0.7	0.5	-0.4	0.2	0.0	0.5	0.0	0.3	0.4	2.1	0.6	0.9
difference to Q4 2019	-0.7	0.0	0.5	0.1	0.3	0.3	0.8	0.8	1.1	1.5	0.1	0.7	1.6
Savings ratio: as % of gross disposable income	17.7	16.4	17.2	18.6	17.7	17.7	17.3	17.9	18.1	17.9	17.5	17.6	17.9
difference in points to Q4 2019	2.1	0.9	1.7	3.1	2.1	2.2	1.8	2.3	2.6	2.3	2.0	2.1	2.4
Investment: quarterly changes	-1.9	1.2	-1.4	-1.0	-2.0	-1.5	-1.1	-1.4	-1.0	-0.5	-1.3	-5.1	-3.2
difference to Q4 2019	3.0	4.2	2.7	1.7	-0.4	-1.8	-2.9	-4.2	-5.2	-5.6	3.7	-1.5	-4.7

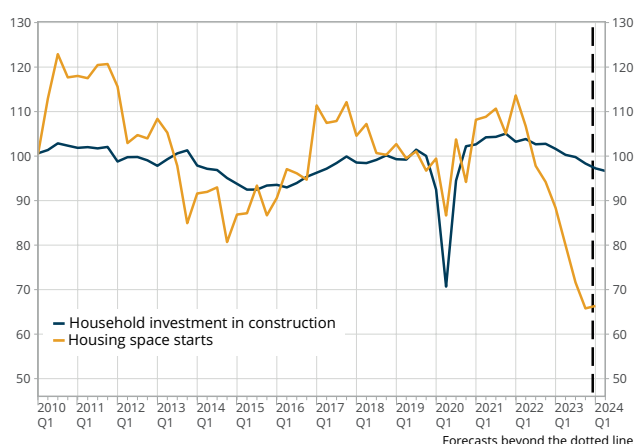
■ Forecast.

* annual variations for the last three columns (apart from the annual average for savings ratio).

Source: INSEE.

► 5a. Household investment in construction and housing starts

(base 100 in 2019, SA-WDA data)



Last point: Q2 2024.

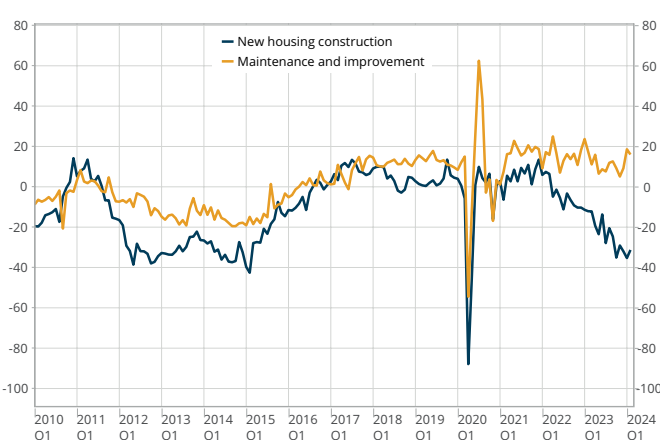
Note: for housing starts, the point at Q1 2024 corresponds to data for January only.

How to read it: in Q1 2024, household investment in construction – expressed as base 100 in 2019 – is expected to be 97.3.

Source: INSEE and SDES.

► 5b. Balances of opinion on expectations for activity in the next three months in new housing construction and maintenance-improvements

(balances of opinion, SA data)



Last point: February 2024.

How to read it: in February 2024, the balance of opinion on expectations for activity in the next three months in new housing construction stands at -31 points.

Source: monthly business survey of the construction industry, INSEE.