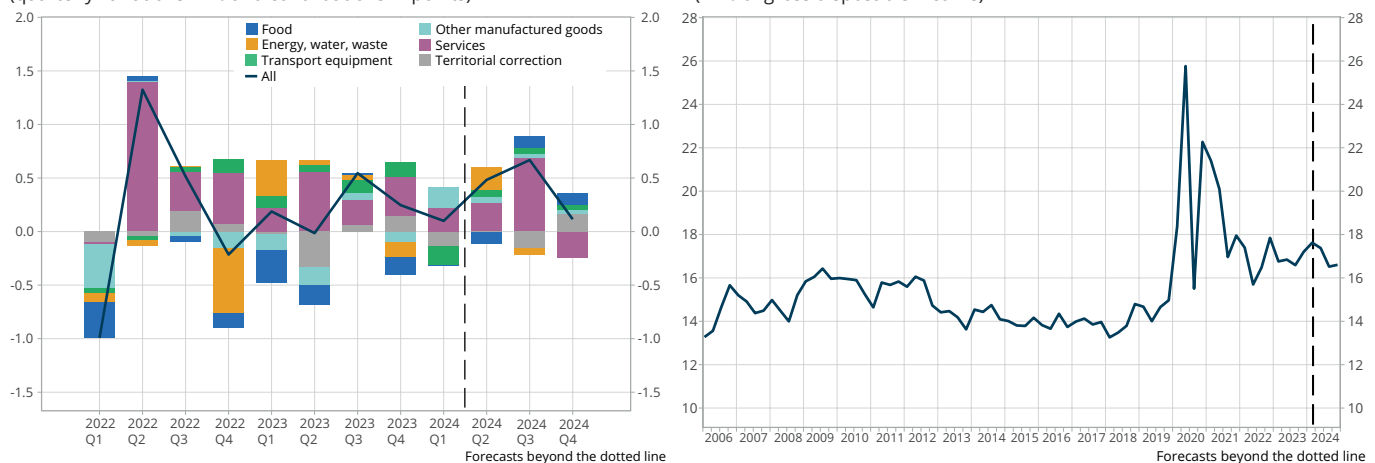


Household consumption and investment

In Q1 2024, household consumption increased slightly (+0.1% after +0.2%, ► **Figure 1**). Purchases of goods stabilised (0.0% after -0.6%): food consumption excluding tobacco began to recover, while tobacco consumption dropped sharply (-7.9%), following the increase in the price of a pack of cigarettes in January. All in all, this sharp decline in tobacco consumption contributed around -0.1 point to the change in household consumption over the quarter. Purchases of goods were also hampered by the impact on automobile sales, with households at the end of 2023 anticipating the introduction of more restrictive criteria for the “ecological bonus” for the purchase of an electric vehicle at the beginning of January. In services, consumption slowed (+0.4% after +0.6%): while spending on transport services remained lively, consumption of accommodation and food services has struggled to recover.

In Q2 2024, household consumption is expected to accelerate (+0.5%). Consumption of gas and electricity, which declined sharply at the end of 2023 and recovered only very slightly in Q1 2024 (► **Figure 2**), is now expected to pick up significantly in Q2 contributing +0.2 points to the increase in all household consumption forecast over the quarter. When adjusted for seasonal variations, gas and electricity consumption did indeed increase sharply in May, mainly due to cool temperatures for the season. Conversely, food consumption is expected to fall again in Q2, despite the continuing decline in inflation for these products. In services, consumption looks set to increase at a trend rate overall.

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



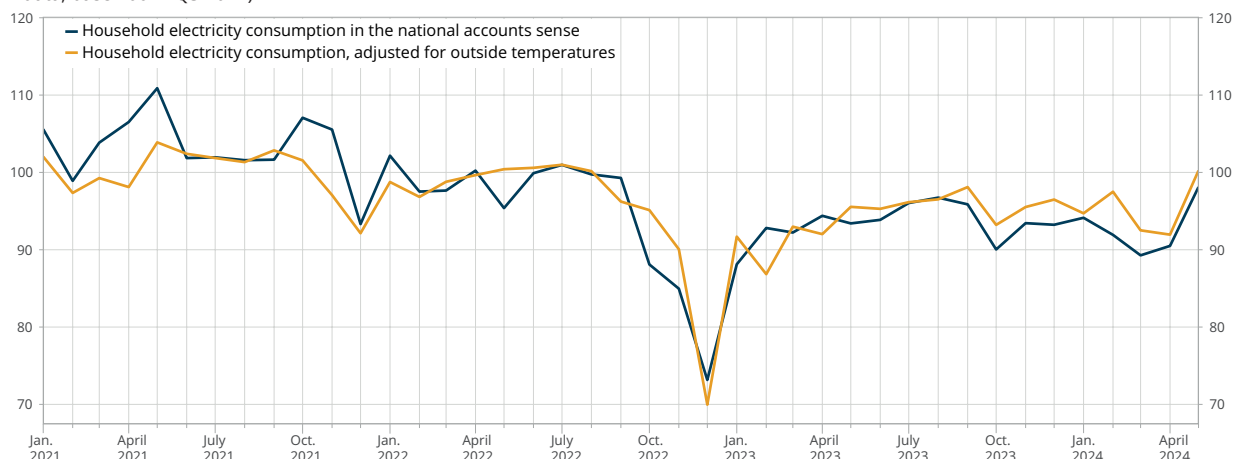
Note: territorial correction represents purchases made by French residents abroad (also counted in imports) minus purchases by non-residents made in France (counted in exports). The other contributions to household consumption (food, energy, etc.) refer exclusively to consumption in France.

How to read it: in Q2 2024, household consumption is expected to increase by +0.5% compared to the previous quarter. Consumption of energy, water and waste is expected to contribute +0.2 points to variation in consumption. In Q2 2024, households' savings ratio is expected to stand at 17.4% of their gross disposable income.

Source : INSEE.

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

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



Last point: May 2024.

Lecture: in March 2024, household electricity consumption was 11% less than its average level in Q3 2022. Adjusted for the effects of weather conditions (slightly milder than seasonal norms), consumption would have been 7% lower than in the Q3 2022.

Source: INSEE.

In H2 2024, consumption is expected to maintain the same pace on average but with a somewhat uneven profile: household consumption should be particularly buoyant during the summer (+0.7%, ► [Figure 3](#)) before stabilising at the end of the year (+0.1% in Q4 2024). At the Olympic and Paralympic Games in Paris, about two thirds of the expected spectators are expected to be French residents, and should therefore temporarily boost consumption by resident households by about +0.3 points in Q3 (► [Focus](#) on the effect of the Olympic and Paralympic Games), and then reduce the trend by the same amount at the end of the year.¹ This effect is most likely to be seen in spending on “other services to households”, which are likely to be 8 points higher than the trend due to purchases of tickets for the events, recorded in the summer in the national accounts. To a lesser extent, the consumption of transport services is also likely to increase, mainly as a result of the rise in passenger numbers on public transport in Île-de-France, as will the use of accommodation-catering. After adjustment for seasonal variations, gas and electricity consumption are expected to decline in the summer, the season when this consumption is less sensitive to weather conditions: both are expected to return to their more usual levels after the sharp rebound in spring, although they are still down by 4% on the level of summer 2022. This consumption should then stabilise in Q4 2024, assuming that weather conditions are normal: the energy-saving behaviour observed during the last two autumns therefore appears to be maintained, although not increased.

¹ All in all, the Olympic and Paralympic Games are expected to bolster total consumption in France by +0.4 points this summer, however, a third of this increase will not contribute to the expected consumption by resident households since this share is expected to be due to spending by tourists not resident in France: this fraction is therefore deducted from household consumption in the territorial adjustment and the equivalent is added to exports of tourism services.

► 3. Estimated and projected quarterly household consumption

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

Products	weight ⁽¹⁾	2022				2023				2024				2022	2023	2024
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
All goods	44 %	-1.9	-0.1	-0.1	-1.7	0.0	-0.5	0.6	-0.6	0.0	0.5	0.4	0.5	-2.3	-1.6	0.4
Food goods	17 %	-2.0	0.3	-0.3	-0.8	-1.9	-1.1	0.2	-1.0	0.0	-0.7	0.7	0.7	-3.3	-3.5	-0.9
Agricultural products	3 %	-2.5	-1.1	-0.5	-2.5	-0.5	0.7	0.0	-1.2	-0.2	-1.0	0.7	0.7	-6.2	-2.6	-1.3
Food product	14 %	-1.9	0.6	-0.3	-0.5	-2.1	-1.4	0.2	-1.0	0.1	-0.7	0.7	0.7	-2.8	-3.7	-0.9
Coke and refined petroleum	4 %	-2.1	-1.4	1.7	-1.3	0.4	-2.1	-0.4	-1.6	1.8	1.0	-0.1	-0.3	1.5	-2.2	0.5
Other industrial products	19 %	-1.9	0.1	-0.3	0.2	-0.2	-0.1	1.0	0.6	-0.4	0.5	0.5	0.5	-1.0	0.4	1.3
Capital goods	3 %	-0.2	-0.5	-0.1	-2.1	-1.1	-1.3	3.4	-0.3	2.2	1.0	1.0	1.0	-4.0	-2.1	5.0
Transport equipment	5 %	-1.0	-0.7	1.0	2.9	2.4	1.2	2.2	2.8	-3.4	1.3	1.0	1.0	-1.9	7.8	1.6
Other industrial products	11 %	-2.7	0.6	-0.9	-0.4	-1.2	-0.4	-0.1	-0.1	0.5	0.0	0.2	0.2	0.2	-2.1	0.2
Energy, water, waste	5 %	-1.7	-1.1	0.2	-13.5	8.7	1.1	1.1	-3.2	0.3	4.6	-1.0	0.0	-7.0	-2.4	1.4
All services	57 %	0.0	2.5	0.6	0.8	0.4	1.0	0.4	0.6	0.4	0.5	1.2	-0.4	9.0	3.1	2.1
Construction	2 %	2.1	-2.3	-1.1	1.5	0.7	-0.3	-0.3	-0.3	0.5	0.2	0.5	0.5	2.5	0.2	0.6
Trade (2)	0 %	-0.6	-0.2	-0.4	2.9	-0.4	-0.3	-1.1	-0.1	-1.1	1.0	0.0	0.0	1.4	0.8	-1.1
Market services excluding trade	46 %	-0.1	3.0	0.7	0.8	0.4	1.0	0.4	0.6	0.4	0.4	1.3	-0.5	10.2	3.2	2.2
Transport	3 %	1.7	6.8	2.3	1.1	0.0	3.0	0.6	1.2	1.0	0.7	2.2	-0.6	34.9	6.6	4.4
Accommodation and food	9 %	-2.6	13.6	1.0	0.9	-0.6	2.6	-0.3	0.0	0.1	0.6	1.2	0.0	37.7	5.5	1.6
Information-communication	4 %	-0.3	0.0	1.5	0.9	2.0	0.9	2.2	1.6	1.3	0.5	0.5	0.5	3.3	5.7	4.6
Financial services	8 %	0.6	0.6	0.5	0.4	0.3	0.4	0.4	0.5	0.2	0.3	0.3	0.3	2.4	1.7	1.3
Real estate services	19 %	0.4	0.4	0.2	0.5	0.3	0.4	0.4	0.3	0.2	0.4	0.4	0.4	1.6	1.4	1.3
Business services	3 %	0.6	0.8	1.0	2.3	0.9	0.8	0.5	1.9	1.1	0.3	0.8	0.6	11.0	4.7	3.8
Household services	4 %	-0.2	2.3	1.2	0.9	1.0	0.9	-0.2	0.9	0.6	0.3	8.4	-8.0	18.9	3.6	3.7
Non-market services	5 %	-0.4	-0.1	0.5	1.0	0.7	1.0	0.8	1.6	0.3	0.9	0.3	-0.5	1.9	3.3	2.9
Total consumption in France	101 %	-0.9	1.4	0.3	-0.3	0.2	0.3	0.5	0.1	0.2	0.5	0.8	0.0	3.8	1.0	1.4
Territorial correction	-1 %	10.9	4.5	-19.1	-8.5	2.6	42.2	-5.9	-14.0	14.6	0.1	15.1	-14.1	499.8	6.4	11.3
Imports of tourism services		1.5	3.8	7.4	4.7	3.8	-4.7	1.9	4.0	3.4	0.6	0.6	0.6	28.4	10.4	7.2
Exports of tourism services		3.7	4.0	0.8	2.1	3.6	3.7	0.0	-0.1	5.6	0.5	3.7	-2.9	55.2	9.5	8.1
Total consumption of residents	100 %	-1.0	1.3	0.5	-0.2	0.2	0.0	0.5	0.2	0.1	0.5	0.7	0.1	3.0	0.9	1.3

■ Forecast

(1) weight in household final consumption expenditure in current euros in 2023.

(2) this item corresponds to sale and repair of motor vehicles and motorbikes.

Lecture: in Q2 2024, household consumption of food is expected to decline by 0.7% compared to the previous quarter.

Source: INSEE.

French economic outlook

Throughout 2024 as a whole, household consumption is expected to accelerate slightly compared to last year (+1.3% in 2024, after +0.9% in 2023). The consumption trend should therefore be similar to that of household purchasing power (+1.4%, ► [Figure 4](#)). As an annual average, the savings ratio is likely to remain virtually stable, at 17.1% in 2024 after 16.9% in 2023: this would still be 2.5 points higher than the 2019 average (14.6%), which seems consistent with the balance of opinion on opportunity to save, which is still high (► [Figure 5](#)), as declared in the monthly economic survey of households (CAMME). The savings ratio is expected to decline quarter by quarter in H2 2024, to reach 16.6% at the end of the year (after 17.2% observed one year earlier): household consumption is likely to be relatively dynamic throughout the year, whereas more gains in purchasing power were achieved at the end of 2023 and the beginning of 2024, especially given the timetable for the increase in social benefits.

Meanwhile, household investment continued its sharp decline in Q1 2024 (-1.4%): while investment in services started to pick up, driven by a rebound in the number of transactions in the older housing sector, household investment in construction has continued to tumble (► [Figure 6](#)), despite easing slightly in new housing. In Q2, Household investment is expected to fall back less strongly (-0.6%): spending on maintenance and improvement is expected to rebound but this will not be sufficient to compensate for the further decline in investment in new housing. In H2 2024, household investment in construction should gradually stabilise (-0.5% then 0.0%): spending on maintenance and improvements is likely to increase slightly, while the drop in investment in new housing should slow, reflecting, albeit with some delay, the current stabilisation in housing starts. Their investment in services appears stable, given that the proportion of households intending to buy a home stopped declining some months ago (► [Focus](#) on housing purchase intentions). ●

► 4. Household consumption, investment and savings ratio

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

	2022				2023				2024				2022*	2023*	2024*
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Consumption: <i>quarterly changes</i>	-1.0	1.3	0.5	-0.2	0.2	0.0	0.5	0.2	0.1	0.5	0.7	0.1	3.0	0.9	1.3
Purchasing power: <i>quarterly changes</i>	-1.7	-0.7	1.5	1.4	-1.1	0.1	0.2	1.0	0.6	0.2	-0.4	0.2	0.2	0.9	1.4
Savings ratio: <i>as % of gross disposable income</i>	17.4	15.7	16.5	17.8	16.8	16.8	16.6	17.2	17.6	17.4	16.5	16.6	16.9	16.9	17.1
Investment: <i>quarterly changes</i>	-0.1	-1.3	-2.5	-1.3	-2.7	-2.2	-2.1	-2.0	-1.4	-0.6	-0.4	0.0	-3.3	-8.2	-5.2

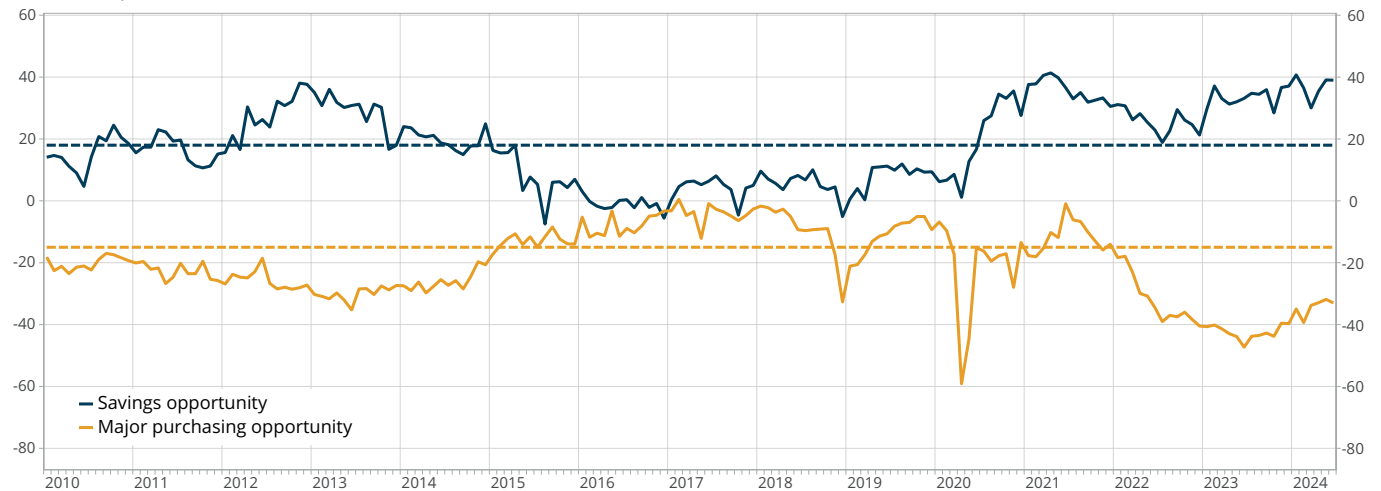
■ Forecast

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

Source: INSEE.

► 5. Household investment in construction and housing space produced

(balance of opinion, SA data)



Last point: June 2024.

Note: dotted lines represent historical average balances, calculated over the period January 1987-December 2023.

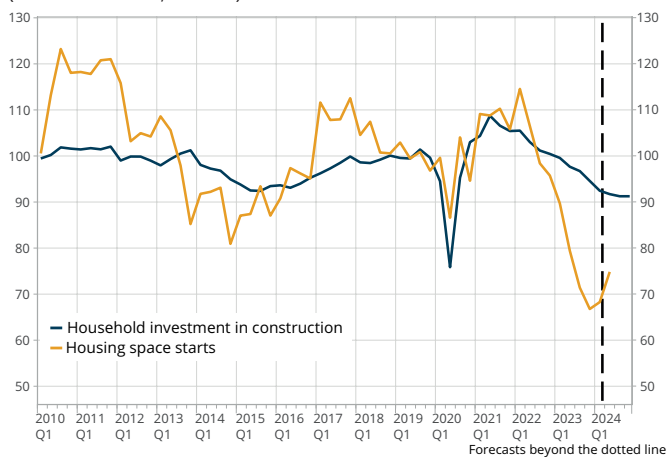
How to read it: in June 2024, households' balance of opinion on the opportunity to save stood at 39 points.

Scope: households living in ordinary housing in metropolitan France

Source: monthly household survey (Camme), INSEE.

► 6a. Household investment in construction and housing starts

(base 100 in 2019, SA data)



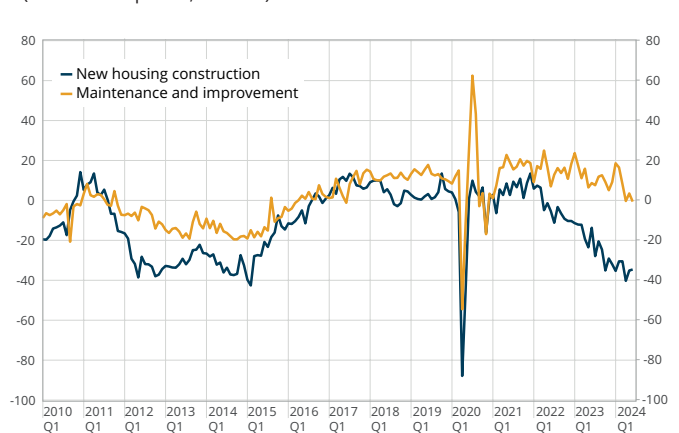
Note: for housing starts, the point at Q2 2024 corresponds to data for April and May only.

How to read it: in Q2 2024, household investment in construction – expressed as base 100 in 2019 – is expected to be 92.6.

Source: INSEE and SDES

► 6b. Balances of opinion on expectations for activity in the next three months in construction

(balance of opinion, SA data)



Last point: June 2024.

How to read it: in June 2024, the balance of opinion on expectations for activity in the next three months in new housing construction stands at -35 points.

Source: monthly business survey of the construction industry, INSEE