

# Household consumption and investment

In Q3 2024, household consumption recovered its momentum (+0.6% after 0.0%, ► **Figure 1**), driven mainly by the dynamism in services (+0.9% after +0.5%). Sales of tickets for the Paris Olympic and Paralympic Games were recorded in the national accounts in the summer and boosted consumption in recreational services (+7.1%). However, this major development masks the crowding-out effects on normal recreational activities: in fact, excluding revenue from Olympic and Paralympic Games ticket sales, consumption in these services declined. Crowding-out effects also concerned accommodation-catering and transport services: household consumption in accommodation-catering in France slipped back this summer (-0.2% compared to the previous quarter), as it did in transport services (-0.4%), probably a sign of a relative disaffection by regular tourists. Consumption of goods started to rise again slightly (+0.4% after -0.2%). Food consumption picked up timidly but is still six points below its 2019 average (► **Figure 2**). Automobile purchases, particularly of new cars, fell back significantly, notably as a result of the entry into force of the new EU General Safety Regulation (GSR2) in July. Household spending on gas and electricity remained vigorous, meanwhile, with temperatures in September being cooler than the seasonal norms.

► **1. Past and expected quarterly consumption (left) and household savings ratio (right)**  
(quarterly variations in % and contributions in points) (in % of gross disposable income)

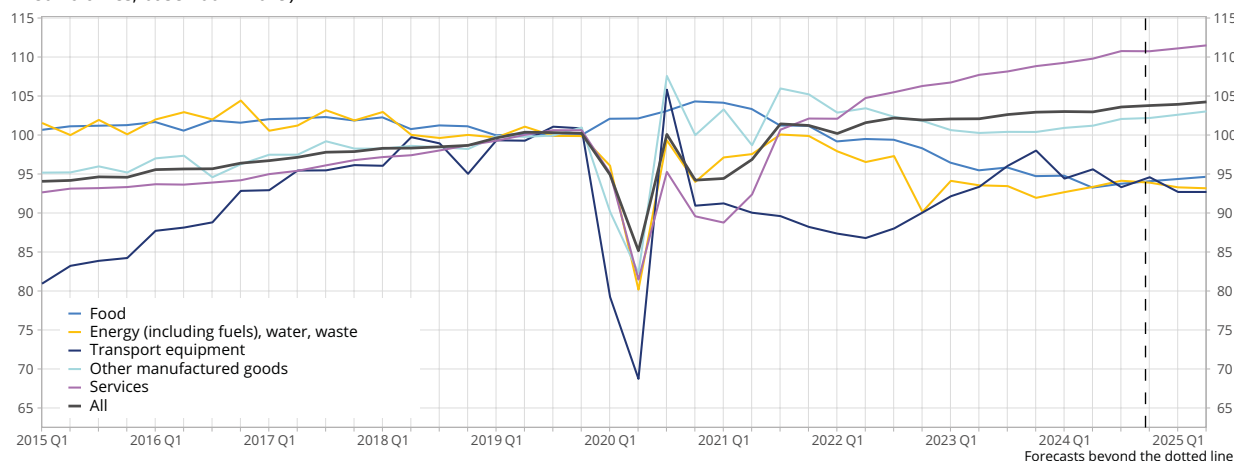


**Note:** territorial correction represents purchases made by French residents abroad (also counted in imports) minus purchases by non-residents made in France (counted in exports). The other contributions to household consumption (food, energy, etc.) refer exclusively to consumption in France.

**How to read it:** in Q3 2024, household consumption rose by +0.6% compared to the previous quarter. Consumption of services contributed +0.5 points to the rise in consumption. The household savings rate stood at 18.2% of gross disposable income Q3 2024.

**Source:** INSEE.

► **2. Past and expected quarterly consumption by level**  
(chain-linked volumes, base 100 in 2019)



**Note:** territorial correction, which denotes purchases by French residents abroad minus purchases made by non-residents in France, is not shown in this graph.

**How to read it:** in Q3 2024, household food consumption was 6 points below its 2019 average.

**Source:** INSEE.

In Q4 2024, household consumption should continue to increase (+0.2%) despite the sharp decline forecast in leisure services (-6.0%), linked to the after-effects from Olympic Games ticket sales. Spending in other services is expected to be dynamic. In particular, consumption in accommodation-catering services and transport services are expected to grow faster than their trend growth, as a reaction to the sluggish summer, as the crowding-out effects associated with the Olympic and Paralympic Games come to an end. Spending on goods should continue to recover, including food, where purchases are expected to increase at virtually the same pace as the previous quarter (+0.4% in Q4 after +0.5%). Purchases in the automobile sector look set to improve temporarily: new registrations were certainly dynamic in November, in anticipation of the reduction in the bonus for the purchase of electric vehicles (which came into force at the beginning of December) and the tightening planned for early 2025 of the European CAFE standard on vehicle emissions. The consumption of gas and electricity, when adjusted for seasonal variations, is expected to be stable compared to the summer: household consumption of gas and electricity looks set to remain about 4% higher than its level of last winter, due to an early cold snap in November, with energy-saving behaviour assumed to be constant (► [Figure 3](#)).

Across the whole of 2024, consumption is expected to increase at a similar pace to the previous year (+0.9%, ► [Figure 4](#)). The increase would thus be significantly less than that in purchasing power (+2.1%, ► [Figure 5](#)) and the household savings ratio in 2024 is expected to settle, on average, at 17.9%, one point higher than last year and 4 points higher than its pre-health crisis level (► [Focus](#) on savings ratio of European households). Household opinion regarding the opportunity to save in the current economic situation remains at historically high levels, whereas regarding the opportunity to make major purchases, opinion has recovered slightly compared to mid-2023, but is still very much in decline (► [Figure 6](#)).

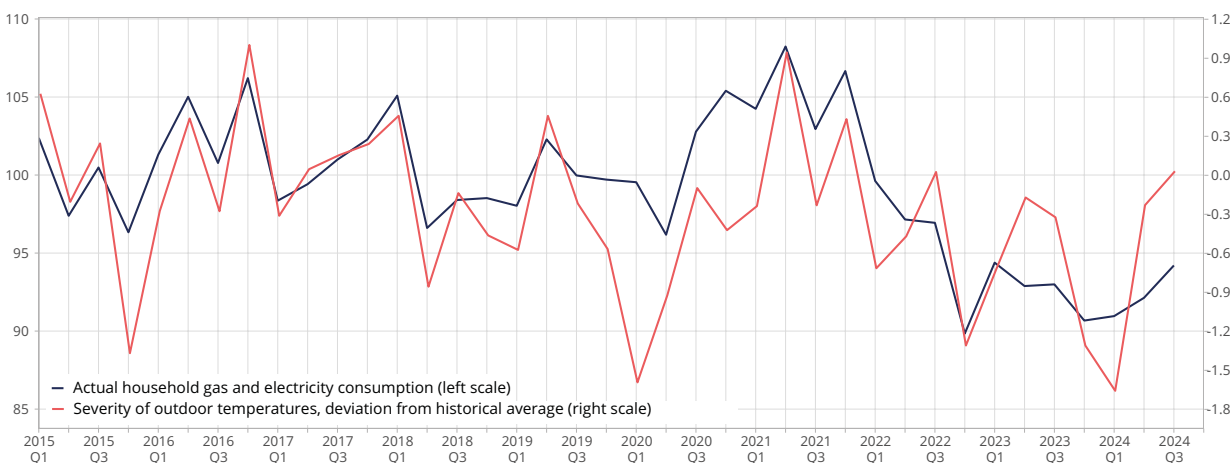
In H1 2025, household consumption is expected to maintain a moderate pace, on average, accelerating in Q2 (+0.1% then +0.3%): their purchasing power looks set to be sluggish over the forecasting period, but their savings ratio, which is particularly high, could fall slightly, provided that the period of political uncertainty comes to an end. Consumption of goods is expected to fall back slightly in the winter (-0.1%). Automobile purchases are likely to suffer in Q1 as the CAFE standard comes into force and prices rise due to the tightening of restrictions on the electric vehicle bonus: because automobiles have become relatively more expensive compared to the other items in the basket, the decline in purchases in winter 2025 is expected to be more significant than their increase in autumn 2024. Spending on energy for housing is also likely to fall back (-1.0% in Q1 2025), assuming that temperatures return to their seasonal norms and that energy-saving behaviour continues. These two effects will probably no longer play a part in the spring, with the result that by then the consumption of goods should regain some of its momentum (+0.2%). In H1 2025, with a growing perception by households that the period of inflation is coming to an end, recovery should continue in food consumption, albeit moderately. On the services side, consumption is expected to maintain a certain momentum (+0.3% per quarter), in line with trends observed over the recent period.

All in all, the 2025 mid-year household consumption overhang is likely to be +0.8%, slightly higher than that of purchasing power (+0.6%). Thus in Q2, the household savings ratio looks set to stand at 17.9% of gross disposable income, still well above its level throughout the 2010s.

### ► 3. Gas and electricity consumption and the severity of outside temperatures

(SA-WDA data for gas and electricity consumption, base 100 in 2019)  
average)

(unified degree days, deviation from historical



**Last point:** Q3 2024.

**Note:** actual household gas and electricity consumption also includes consumption financed by “energy cheques”, assigned in the national accounts to general government.

The severity of temperatures is calculated as the deviation of the temperature in “unified day degrees” from the historic average (since 1990), where unified day degrees equal the difference between 17°C and the observed temperature if this difference is positive, 0 if not.

**How to read it:** in Q4 2023, actual household gas and electricity consumption, seasonally adjusted, was about 9% below its 2019 average. In Q4 2023, temperatures were less severe than their historic average, by around 1.3 celsius degrees.

**Source:** INSEE, Météo France (INSEE calculations).

## French economic outlook

Finally, household investment continued to decline in Q3 2024, but slightly less than the previous quarter (-0.6% after -0.9%). Household investment in services, linked to real estate transactions in second-hand housing (agency and notary fees), contracted after a dynamic spring (-0.9% after +1.9%), while their investment in construction continued to fall, although less sharply than before (-0.6% after -1.7%). By mid-2025, the decline in household investment in construction should affect activity less and less, as the time lag reflecting the stabilisation of housing starts begins to come into play, while their investment in services is expected to recover its vitality. In fact, the proportion of households intending to buy a home has been recovering since mid-2024, a sign that the cycle of ECB cuts that started in June is now beginning to unblock transactions. In addition, the outlook for activity in companies building new housing has stabilised overall since the spring, having been in constant decline almost since the start of 2022, and hitting some very low levels (► [Figure 7](#)).●

### ► 4. Estimated and projected quarterly household consumption

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

Products	weight <sup>(1)</sup>	2023				2024				2025		2023	2024	2025 ovgh
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2			
<b>All goods</b>	<b>44%</b>	<b>-0.1</b>	<b>-0.5</b>	<b>0.5</b>	<b>-0.5</b>	<b>-0.1</b>	<b>-0.2</b>	<b>0.4</b>	<b>0.3</b>	<b>-0.1</b>	<b>0.2</b>	<b>-1.6</b>	<b>-0.3</b>	<b>0.4</b>
Food goods	17%	-1.9	-1.0	0.4	-1.2	0.1	-1.6	0.5	0.4	0.4	0.4	-3.5	-1.7	0.8
Agricultural products	3%	-0.8	1.3	-0.3	-0.8	-0.2	-1.9	-0.5	0.0	0.3	0.3	-2.6	-2.3	-0.3
Food product	14%	-2.1	-1.4	0.5	-1.2	0.1	-1.6	0.7	0.4	0.4	0.4	-3.7	-1.6	1.0
Coke and refined petroleum	4%	-0.1	-1.9	-0.3	-1.4	1.3	0.4	-0.3	-0.5	-0.3	-0.3	-2.2	-0.3	-0.9
Other industrial products	19%	-0.3	0.1	0.9	0.5	-0.6	0.5	0.0	0.5	-0.2	0.3	0.4	0.7	0.4
Capital goods	3%	-0.9	-1.4	2.1	0.1	1.4	0.7	0.5	0.6	0.9	0.9	-2.1	3.2	2.5
Transport equipment	5%	2.3	1.3	2.9	2.0	-3.7	1.3	-2.4	1.4	-2.0	0.0	7.8	-0.4	-1.9
Other industrial products	11%	-1.2	-0.1	-0.4	0.0	0.3	0.2	0.9	0.0	0.3	0.3	-2.1	0.7	1.0
Energy, water, waste	5%	8.7	0.7	0.1	-1.9	0.3	1.0	1.8	-0.1	-1.0	0.0	-2.4	0.8	0.1
<b>All services</b>	<b>57%</b>	<b>0.4</b>	<b>0.9</b>	<b>0.4</b>	<b>0.6</b>	<b>0.4</b>	<b>0.5</b>	<b>0.9</b>	<b>0.0</b>	<b>0.3</b>	<b>0.3</b>	<b>3.1</b>	<b>2.1</b>	<b>1.1</b>
Construction	2%	0.8	-0.1	-0.2	0.1	0.1	-0.5	-0.2	0.2	0.0	0.0	0.2	-0.4	-0.1
Trade (2)	0%	-0.2	-0.3	-0.8	-0.6	-1.5	0.6	-0.8	-0.2	-0.2	-0.2	0.8	-2.4	-0.8
Market services excluding trade	46%	0.4	1.0	0.4	0.6	0.5	0.4	1.0	0.0	0.3	0.3	3.2	2.1	1.1
Transport	3%	0.1	2.5	0.4	1.7	0.6	0.3	-0.4	0.6	0.3	0.3	6.6	2.8	0.8
Accommodation and food	9%	-0.5	2.4	-0.2	0.1	0.4	0.6	-0.2	0.7	0.2	0.2	5.5	1.5	0.9
Information-communication	4%	1.9	0.9	2.3	1.6	1.5	0.8	2.5	2.0	0.6	0.6	5.7	6.5	4.0
Financial services	8%	0.3	0.4	0.4	0.5	0.2	0.4	0.4	0.2	0.3	0.3	1.7	1.4	1.0
Real estate services	19%	0.3	0.3	0.4	0.3	0.3	0.4	0.3	0.3	0.3	0.3	1.4	1.3	1.1
Business services	3%	0.7	1.4	0.5	1.6	0.7	-1.1	1.5	0.2	0.1	0.1	4.7	2.5	0.8
Household services	4%	0.8	1.0	-0.4	0.3	0.9	1.2	7.1	-6.0	0.4	0.4	3.6	4.1	-0.2
Non-market services	5%	0.8	0.7	1.0	1.7	-0.1	1.5	0.7	0.0	0.8	0.8	3.3	3.4	2.2
Total consumption in France	101%	0.2	0.3	0.4	0.1	0.2	0.2	0.7	0.1	0.2	0.3	1.0	1.1	0.8
Territorial correction	-1%	8.3	36.2	-7.4	-15.0	10.8	23.6	4.4	-6.0	0.5	0.5	6.2	19.9	3.3
Imports of tourism services		1.7	-3.8	3.5	4.5	2.3	-3.0	-0.8	1.0	0.5	0.5	10.4	3.9	0.4
Exports of tourism services		2.9	3.7	0.9	0.1	3.9	2.5	0.5	-0.8	0.5	0.5	9.5	7.3	1.1
<b>Total consumption of residents</b>	<b>100%</b>	<b>0.1</b>	<b>0.0</b>	<b>0.5</b>	<b>0.3</b>	<b>0.1</b>	<b>0.0</b>	<b>0.6</b>	<b>0.2</b>	<b>0.1</b>	<b>0.3</b>	<b>0.9</b>	<b>0.9</b>	<b>0.8</b>

■ 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 motorcycles. Expenditures in retail trade, excluding cars and motorcycles, are allocated to the corresponding products.

**How to read it:** in Q3 2024, household consumption of food rose by 0.5% compared to the previous quarter.

**Source:** INSEE.

## ► 5. Household consumption, purchasing power, savings ratio and investment

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

	2023				2024				2025		2023*	2024*	2025 ovhg*
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2			
<b>Consumption:</b> quarterly changes	0.1	0.0	0.5	0.3	0.1	0.0	0.6	0.2	0.1	0.3	0.9	0.9	0.8
<b>Purchasing power:</b> quarterly changes	-1.0	-0.2	0.3	1.1	0.3	0.5	0.9	-0.1	0.2	-0.1	0.9	2.1	0.6
<b>Savings ratio:</b> as % of gross disposable income	16.9	16.7	16.6	17.2	17.4	17.9	18.2	18.0	18.1	17.9	16.9	17.9	17.9
<b>Investment:</b> quarterly changes	-2.9	-1.5	-2.3	-2.0	-2.0	-0.9	-0.6	-0.3	-0.2	0.0	-8.2	-6.0	-0.9

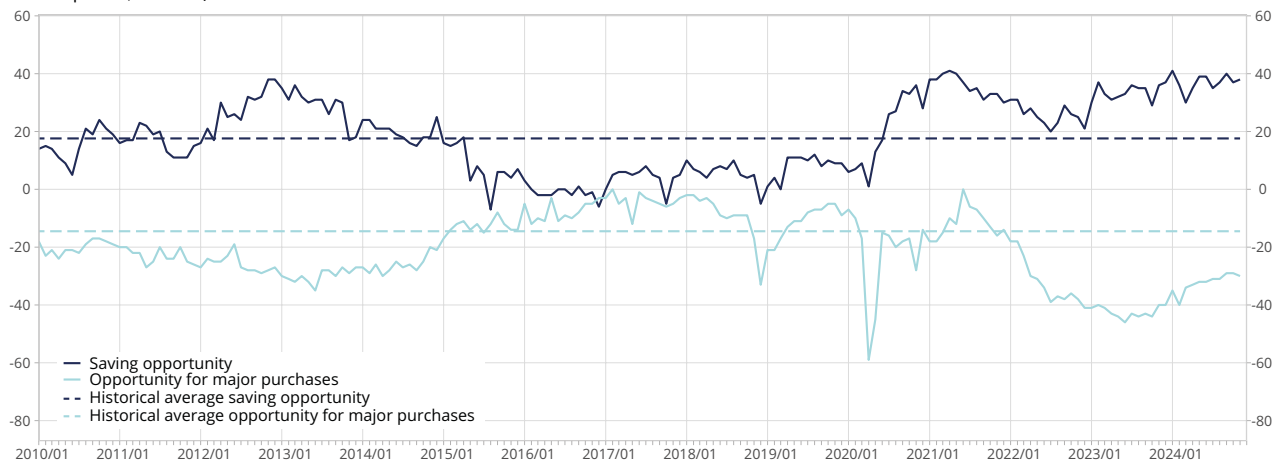
■ Forecast.

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

Source: INSEE.

## ► 6. Household investment in construction and housing space produced

(balance of opinion, SA data)



Last point: November 2024.

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

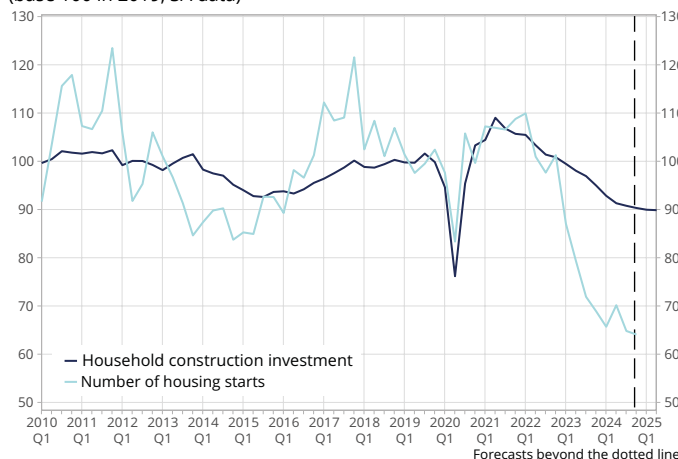
How to read it: in November 2024, households' balance of opinion on the opportunity to save stood at 38 points.

Scope: households living in ordinary housing in metropolitan France.

Source: monthly household survey (Camme), INSEE.

## ► 7a. 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 October only.

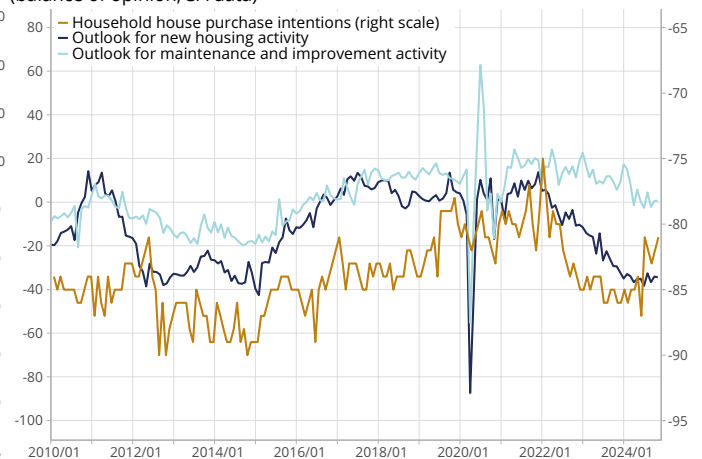
How to read it: in the Q3 2024, household investment in construction was 9 points below its average level for 2019.

The number of housing starts was 35 points below its average level for 2019.

Source: INSEE and SDES.

## ► 7b. Balances of opinion on expectations for activity in the next three months in construction (companies) and home-buying intentions (households)

(balance of opinion, SA data)



Last point: November 2024.

How to read it: in November 2024, the balance of opinion on expectations for activity in the next three months in the construction of new homes stands at -34 points.

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