

# Consumption in Europe: Trends and breaks

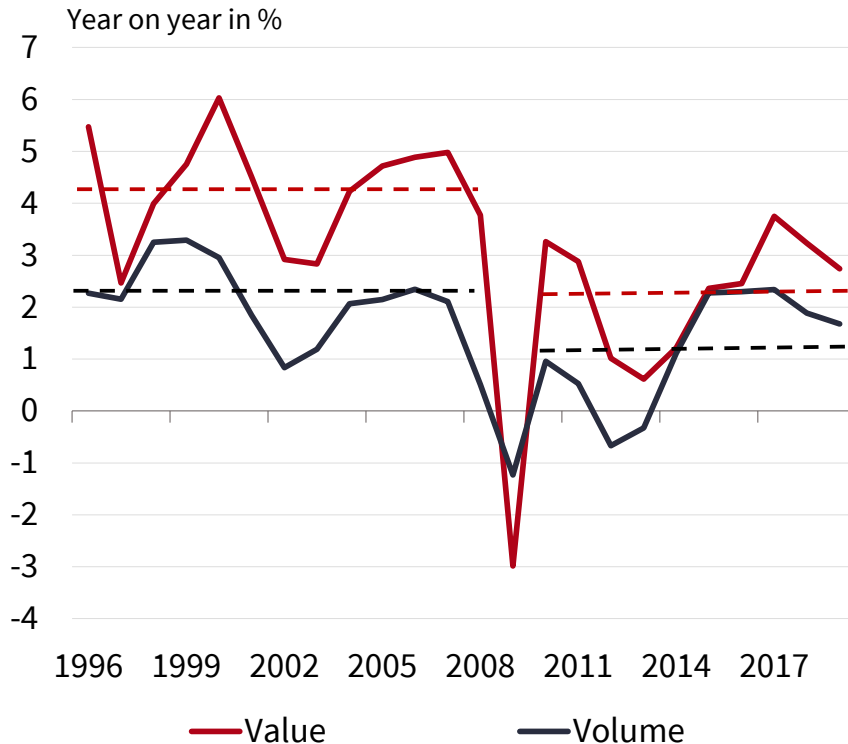
---

François LETONDU

Head of macrosector and macrofinance studies

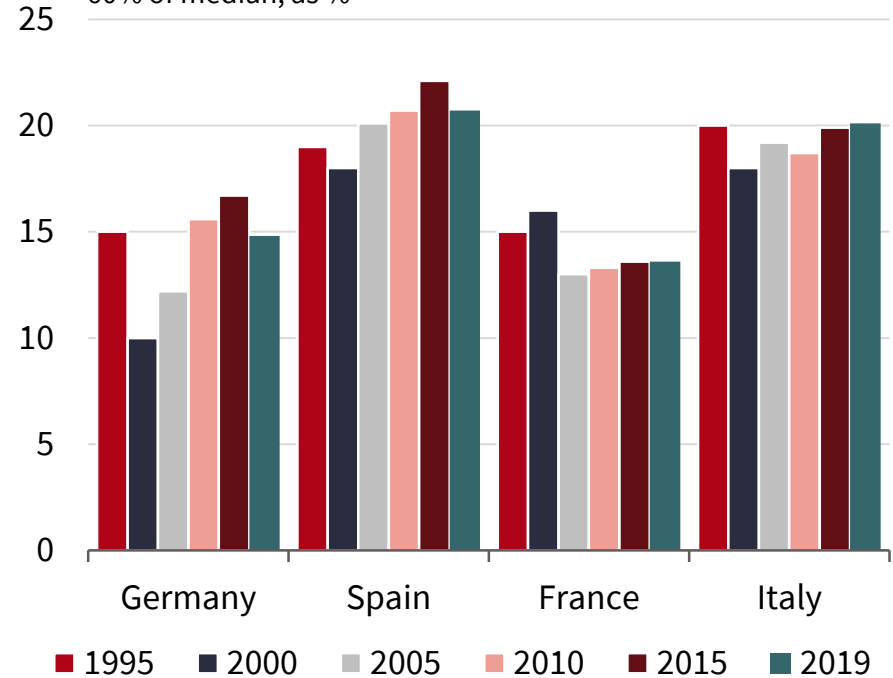
# A stylised economic fact: a slowdown in consumption growth

## EU27: Household consumption



## Population at risk of poverty

Share of population with income after transfers below 60% of median, as %



Sources: SG Economic and sector studies; Eurostat

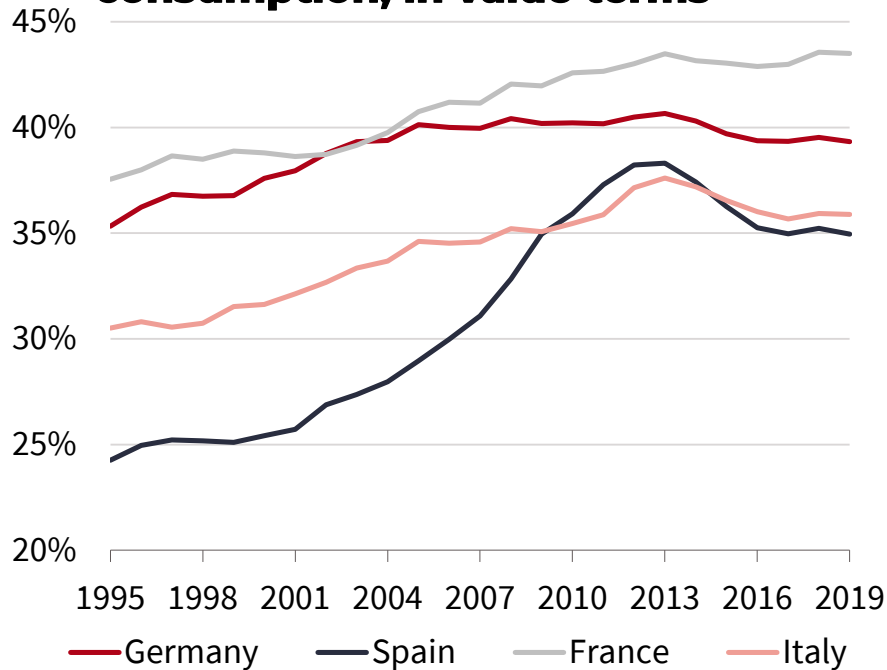
**Slowing consumption growth post-2008 crisis, both in volume and value terms.**

**Due to weaker revenue growth especially in countries most affected by the 2008-2014 crises.**

**Savings not a factor on average in the EU and €A... but with stark country divergences.**

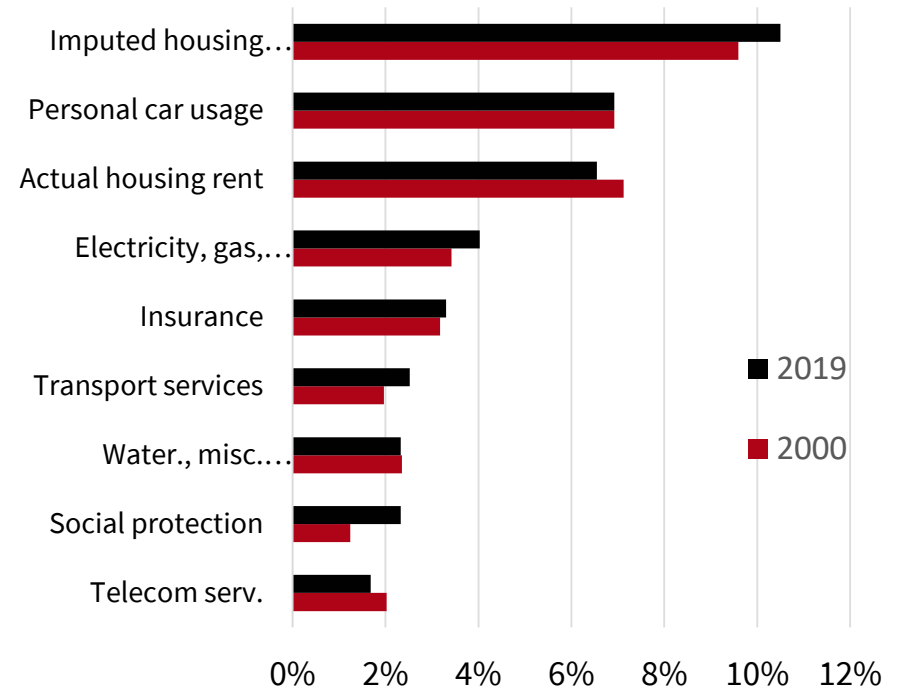
# The increasing importance of spending on basic necessities

## Weight of household spending on basic necessities in consumption, in value terms



## Basic necessities in consumption

% of total consumption, average of 5 largest countries



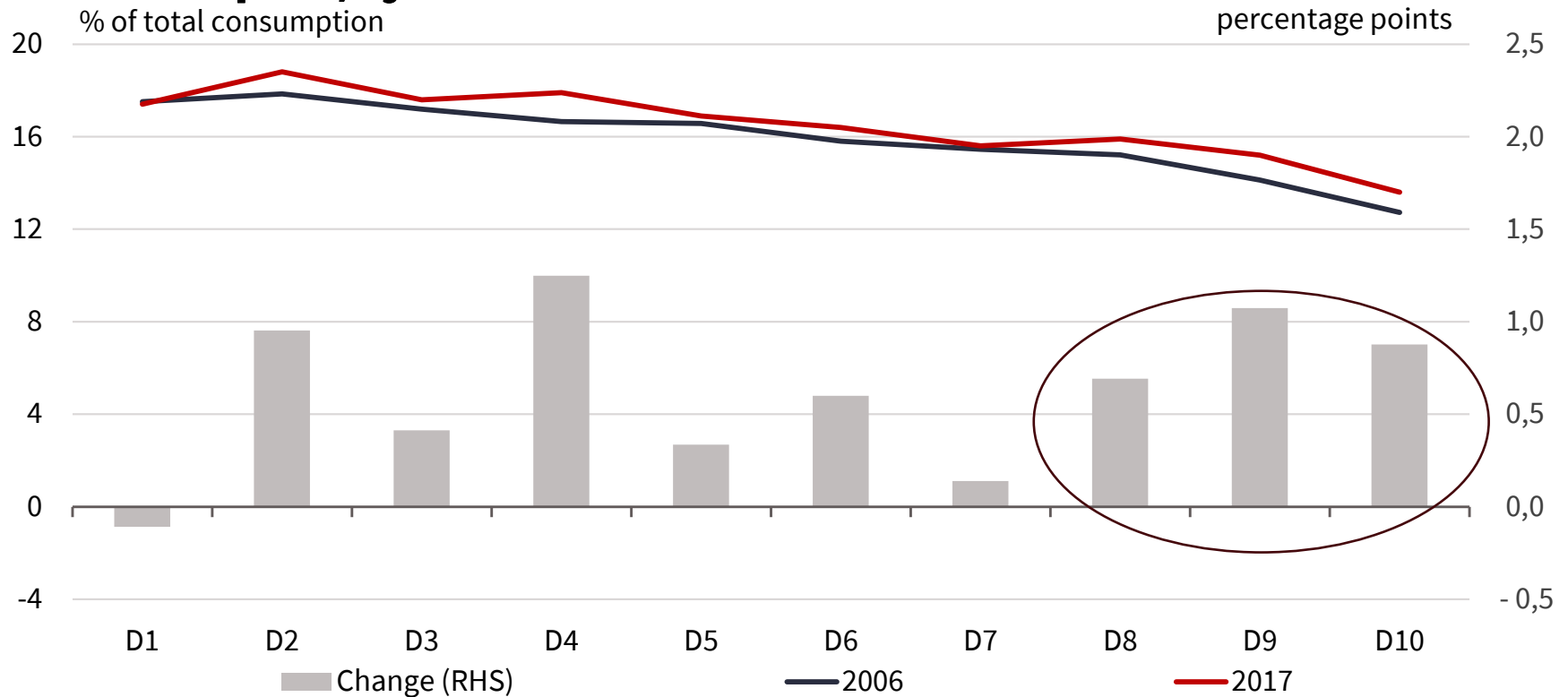
Sources: SG Economic and sector studies; Eurostat

Spending on basic necessities (excluding food) is taking a larger share of household budgets.

Where we have data, this trend seems more acute for less affluent household.

# On food, some evidence of increasing focus on quality by more affluent households

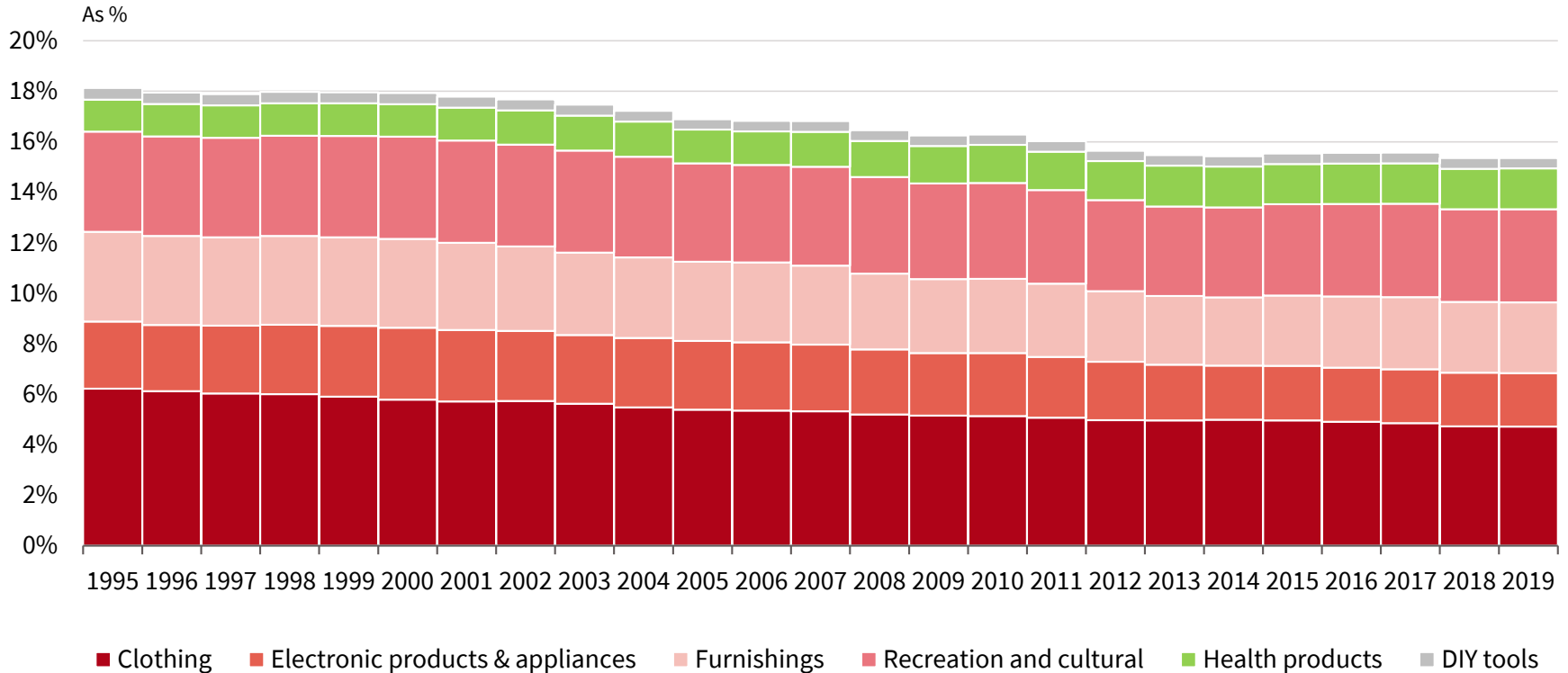
## France: Share of Food & non-alcoholic beverages in consumption, by income decile



Sources: SG Economic and sector studies; INSEE

# Decreasing share of consumer goods

## EU15: Consumer goods excl. food: share in total consumption

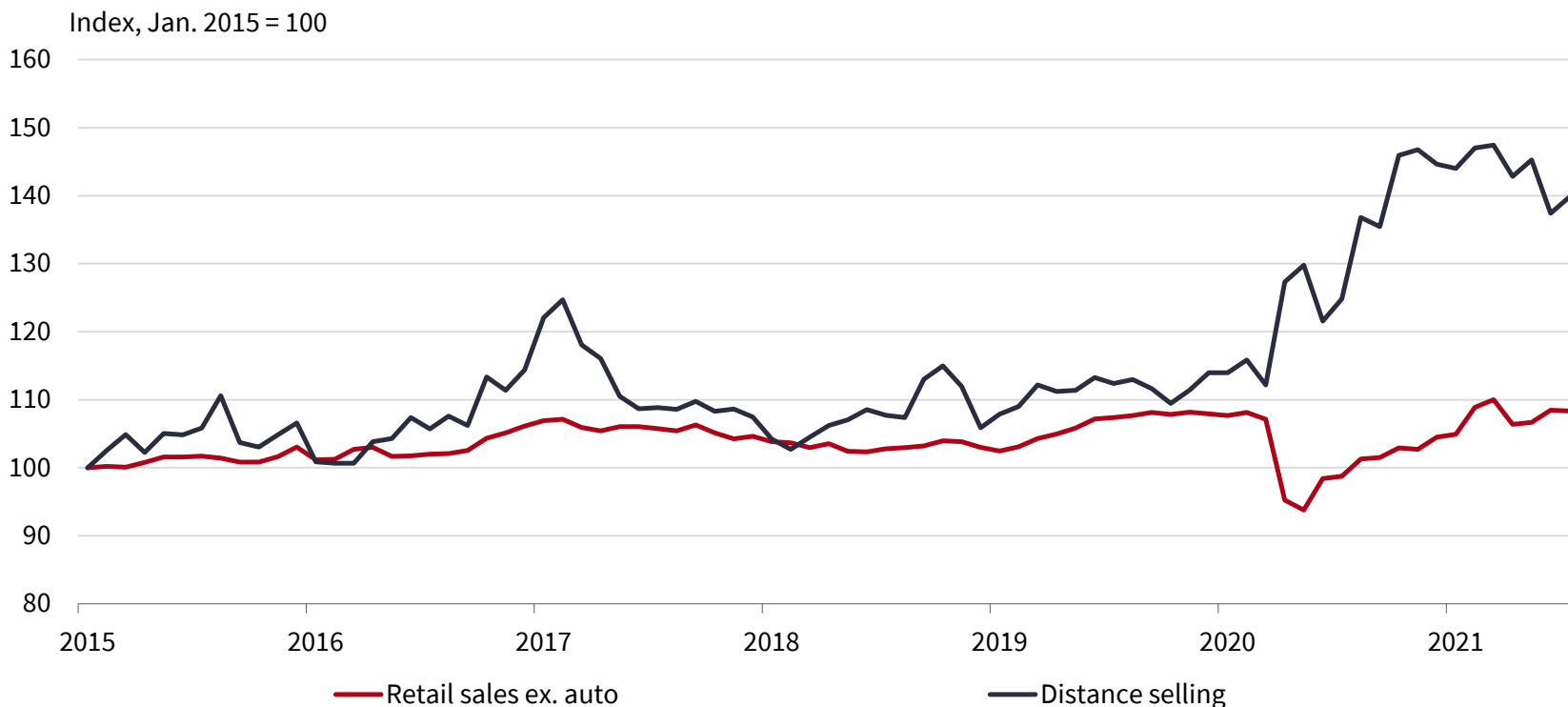


Pressure on prices a major driver in this trend.

Yet also a lower share in volume terms as consumption is increasingly geared towards services, especially for leisure: digitisation, renting vs. purchasing, eating outside vs. at home...

# The Covid crisis reversed the decline in consumer goods vs. services, through increased recourse to distance selling

## EU27: Retail sales in value, by channel



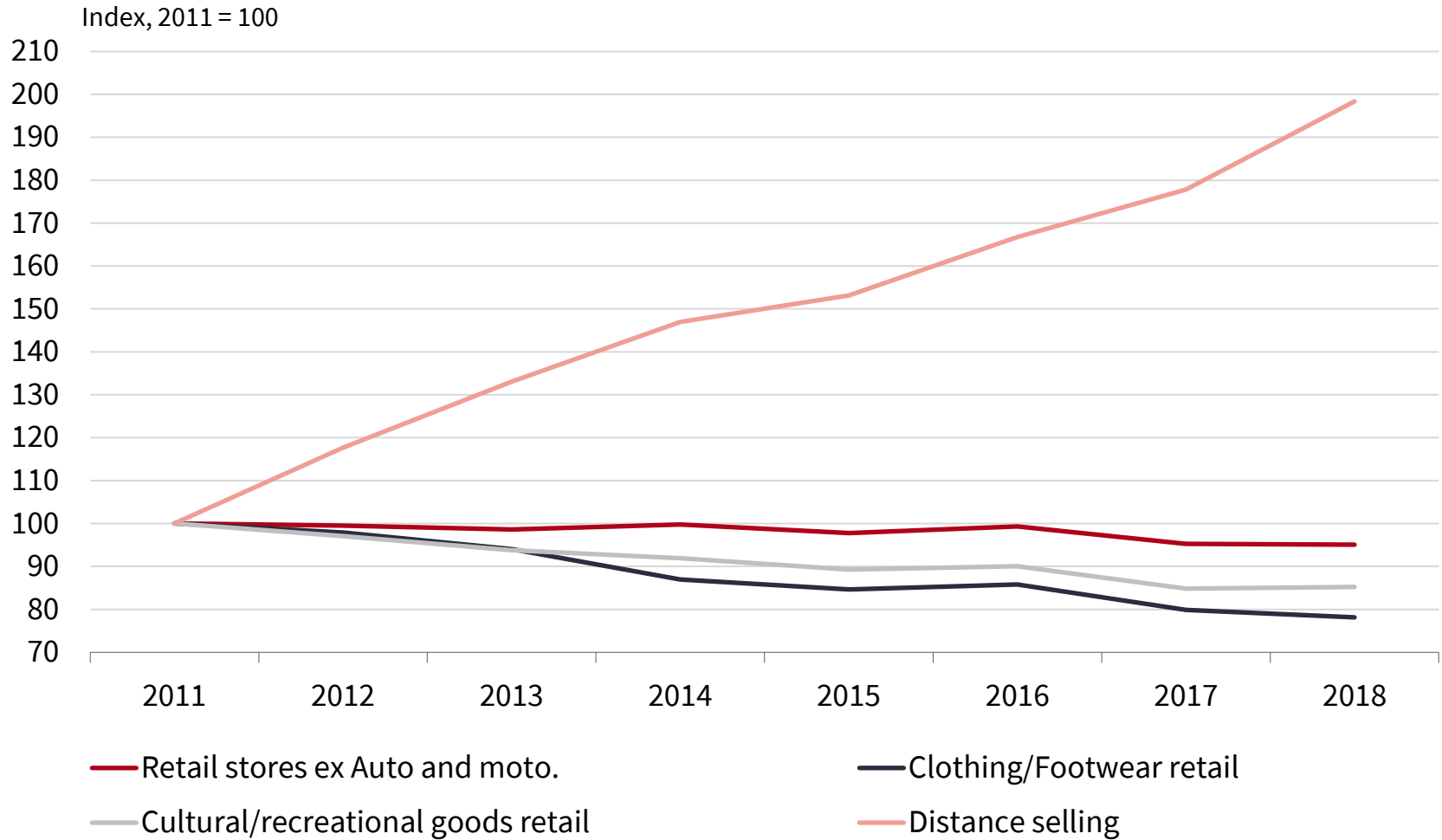
Sources: SG Economic and sector studies; Eurostat

A lasting change?

The role of distance selling in lowering acquisition and search cost for goods?

# As consumption evolves, so does the retail sector

## EU27: number of firms by type of retail



Sources: SG Economic and sector studies; Eurostat

# FOLLOW US

The screenshot shows the 'NEWS AND MEDIA' section of the Société Générale website. The navigation bar includes: ABOUT US, NEWS AND MEDIA (highlighted), MEASURING OUR PERFORMANCE, BUILDING TOMORROW, WORKING TOGETHER, and ACCESS YOUR ACCOUNT. The main content area is divided into three columns:

- NEWSROOM**
  - All press releases
  - Positions
  - Talk & Touch
  - News topics
- DIALOGUE & TRANSPARENCY**
  - SOCIAL MEDIA HUB**
    - 2.0@societegenerale
- ECONOMIC STUDIES**
  - Economic news
  - Our economic research
  - The Department of Economic Studies

**VIEWPOINTS**

On the right side, there is a featured article with a tulip image:

**Bitcoins, cash and tulips**  
READ MICHALA MARCUSSEN'S VIEWPOINT

# SCENARIOECO RISK&OPPORTUNITIES

<https://www.societegenerale.com/en/news-and-media/economic-studies/our-economic-research>



# DISCLAIMER

---

This publication reflects the opinion of Societe Generale S. A.'s Economic and Sector Research department at the date of publication. This opinion is subject to change at any time without notice. It is provided for information purposes only, and does not constitute an investment recommendation or an investment advice within the meaning of current regulations. This publication has no contractual value.

Neither the information contained in, nor the analyses expressed therein constitute in any way an offer to sell or a solicitation to offer to subscribe, purchase, sell a product or execute a transaction and shall not engage the liability of Société Générale S. A. or any of its entities, in compliance with current regulations. Then, should a retail or a professional client, or eligible counterparty obtain this publication, they should not base any investment decisions solely on the basis of this publication, and must seek independent financial advice.

The accuracy, completeness or relevance of information derived from external sources is not warranted, even if it comes from sources reasonably believed to be reliable. Subject to the current regulations, Societe Generale S. A. does not accept any liability in this respect. The economic information mentioned in this document is based on data valid at a given time, and may therefore change at any time.

Societe Generale S. A. is a French credit institution authorized and supervised by the Autorité de Contrôle Prudentiel et de Résolution ("ACPR"), regulated by the Autorité des Marchés Financiers ("AMF") and under the prudential supervision of the European Central Bank ("ECB").

Societe Generale S.A. is also authorized by the Prudential Regulation Authority and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority. Details about the extent of our authorization and regulation by the Prudential Regulation Authority, and regulation by the Financial Conduct Authority are available from us on request.

Notice to US Investors: this document is issued by non-US SG economic analysts or affiliates on economic studies are issued solely to major US institutional investors pursuant to SEC Rule 15a-6. Any US person wishing to discuss this report or effect transactions should do so with or through SG Americas Securities, LLC. SG Americas Securities LLC has its registered office at 1221 Avenue of the Americas, New York, NY, 10020. (212) 278-6000.

Notice to Asian investors: this document is prepared for and intended to be distributed in Asia solely to sophisticated and professional clients. You should therefore be appropriately qualified as a professional, accredited, wholesale, expert or institutional investor (however defined in your local jurisdiction).

This publication may not in any way be reproduced (in whole or in part) or transmitted to any other person or entity without the prior written consent of Societe Generale SA.

© 2021

**THE FUTURE  
IS YOU**



**SOCIETE  
GENERALE**