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PRESS RELEASE

THE 2024 CETELEM BAROMETER: “Inflation, energy shortages, rising interest rates: is the worst over?”

A survey conducted in 10 European countries on a sample of 10,400 people

In the face of soaring inflation, almost 9 out of 10 French people have cut their food waste

The Observatoire Cetelem Barometer analyses the perceptions and responses of Europeans to the current crises, inflation in particular. These are key indicators in assessing and anticipating the outlook for savings and consumption in Europe in 2024.

Morale is fairly stable

Morale among Europeans has remained fairly stable year on year. Indeed, the situation in their respective countries and their morale continue to be affected by a challenging political and economic climate. As a result, the scores they assign to the general situation in their country and their personal circumstances, on a scale of 1 to 10, have only improved very slightly (+0.1 points) to 5 points and 6 points respectively. These scores remain below their pre-Covid-19 levels. **Germany and France buck the overall trend, having seen their scores fall in both categories.** Germany's scores fell significantly, with a drop of 0.5 points to 5.2 / 10 for the general situation in the country, and a drop of 0.3 points to 5.9 / 10 when it comes to personal circumstances. Meanwhile, the French give the general situation in their country a score of 4.9 points (-0.1 pts) and their personal circumstances a score of 5.9 points (-0.1 pts).

Households in Europe continue to be hit hard by inflation

While 88% of Europeans are of the view that prices rose in 2023, **59% think that they “increased significantly” (-10 points year on year)** and 29% believe that they “increased somewhat” (+7 points). Inflation seems to be more keenly felt in Southern Europe. Indeed, in Portugal, Italy and Spain, 81%, 65% and 65% of respondents, respectively, believe that prices “increased significantly”. **The perceptions of French and German consumers** are again similar on this topic: 89% of those surveyed consider that prices went up in 2023.

Even though inflation is lower than a year ago, it remains a major concern for all Europeans: 87% consider it to be their biggest worry, ahead of the international geopolitical situation (83%).

Purchasing power remains under pressure despite a slight improvement

Last year, 53% of Europeans believed that their purchasing power had fallen over the previous 12 months. This year, 48% are of this view. At the same time, 19% believe it has increased, compared with 18% last year. The proportion of respondents who say that their purchasing power has remained stable year on year has risen by 4 points to 33%.

The Portuguese and French express the most negative feelings in this regard, with 58% and 55% of those surveyed, respectively, stating that their purchasing power has fallen.

Saving intentions are up in almost every country

Falling inflation and rising interest rates are prompting Europeans to save more. 53% would like to set more money aside in 2024, compared with 51% last year. Only Germany and Sweden swim against the tide, with saving intentions falling by 2 and 3 points respectively (57%). Meanwhile, purchasing intentions have held up well, with 53% of Europeans stating that they are keen to spend in 2024. This figure has not changed since 2023, suggesting that household consumption in Europe will be resilient in 2024, despite high interest rates and relatively poor economic conditions. **The big winner when it comes to this urge to consume is travel and leisure, which sees a significant year-on-year rise (+5%).** Purchasing intentions in this sector (59% of respondents) are far ahead of the figure for video streaming platforms (41%) and household appliances (40%).

European household budgets are subject to tough trade-offs

Time to go without...

Faced with the highest inflation in 40 years, Europeans have displayed an impressive capacity to adapt. **People are frequently foregoing certain purchases.** 62% of Europeans, including 65% of French consumers, have decided against splashing out on leisure activities and 58% on holidays (59% in France). **What's more, 60% of French respondents (54% of Europeans) have cut back on their clothing and footwear purchases, while more than 4 out of 10 (44%; 37% of Europeans) have reduced their food spending.** Household goods (furniture, electrical appliances, TV, hi-fi/video) were also the target of cut-backs by consumers in 2023 (53% in France and 52% in Europe as a whole).

...But that's not all...

As well as cutting back on their food expenses, Europeans have adopted various measures to cope with the inflation crisis. **For instance, 83% of those surveyed say they have reduced their food waste (87% in France).** 81% say they are more likely to take advantage of promotional offers and low prices (79% in France). This trend is reflected in the market shares of food retailers. **Lastly, 35% of Europeans admit that they eat less than in the past (41% in France).**

"These are still difficult times for consumers, but they demonstrated an impressive capacity to adapt in 2023. The full effects of the gradual fall in inflation are yet to be felt. Nonetheless, the most likely scenario for 2024 will see household consumption remain resilient, if not enthusiastic. It will be important to keep an eye on saving levels. Indeed, rising interest rates could encourage Europeans to save more, as our 2024 Observatoire Cetelem Barometer suggests," says **Flavien Neuvy, economist at BNP Paribas Personal Finance.**

Methodology:

Survey conducted by **Harris Interactive in November 2023 in 10 European countries:** Belgium (BE), France (FR), Germany (DE), Italy (IT), Poland (PL), Portugal (PT), Romania (RO), Spain (ES), Sweden (SE) and the United Kingdom (UK). In total, **10,389 individuals** were surveyed online (CAWI method). These individuals aged 18 to 75 were drawn from national samples representative of each country. The quota method was employed to ensure that the sample was representative (gender, age, region of residence, socio-professional category/income). 3,000 interviews were conducted in France and 800 in each of the other countries.

About L'Observatoire Cetelem

Founded in 1985, L'Observatoire Cetelem is an economic research and intelligence unit of BNP Paribas Personal Finance. Its mission is to observe, highlight and interpret shifts in consumption patterns in France and abroad. To fulfil this objective, L'Observatoire Cetelem has set up a programme founded on diverse and complementary content, with two highly reputed annual surveys conducted at an international level, one on motoring and the other on consumer spending.

For more information and to access all our surveys, visit the Observatoire Cetelem website | [@obs_cetelem](#)

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