

Dutch Economy Chart Book

Part 2: consumers

ING Economics Department

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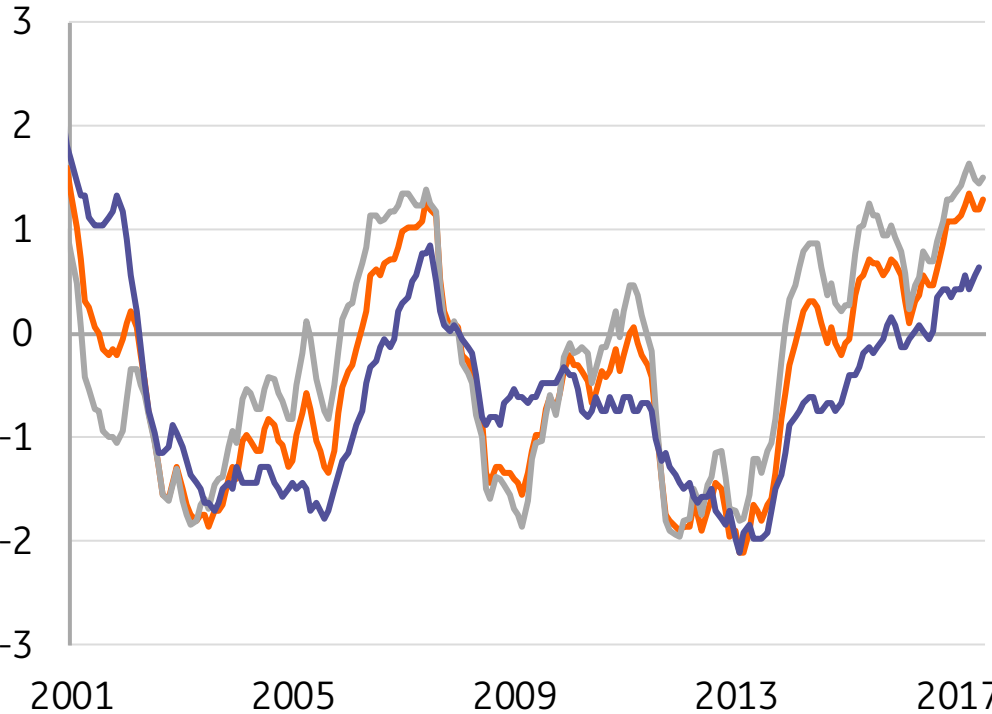
Consumers

- Spending power has risen strongly in the past two years, helped by more jobs, higher wages, near-zero inflation and tax cuts. However, households did not react by boosting their spending at an equal rate. Part of the income increase was put aside or used to pay down on mortgages.
- Debt is still rising, but at a much lower rate than previously. Households are deleveraging the 'soft' way.
- Confidence is high. Consumers are above-average optimistic about the general economic climate and willingness-to-buy is now also above the long-term average. Consumers currently view it a very good time to make large purchases.
- The increase in confidence is largely driven by younger people. Sentiment is buoyed by strong job growth.
- As a result of the strong confidence, households are stepping up their spending pace. Spending on both goods and services is rising. Within the goods category, electronics are the standout. In line with the recovery in home sales, housing-related spending is also picking up. The recovery in clothing and cars has remained muted.
- Total net wealth of households has hit the highest level ever recorded. However, most of the increase in non-liquid assets, such pension assets and housing wealth.

Consumers confidence strikes post-crisis high

Consumer confidence highest in 9 years

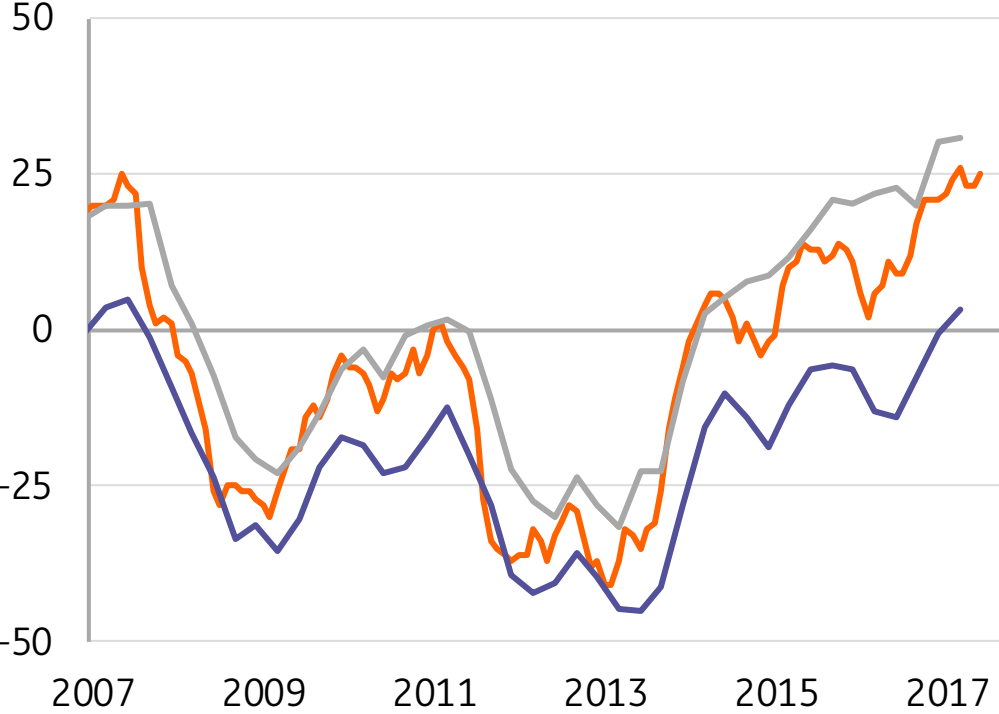
Standardized index



- Consumer confidence index
- Economic climate
- Willingness to buy

Especially younger people are full of confidence

Consumer confidence, index

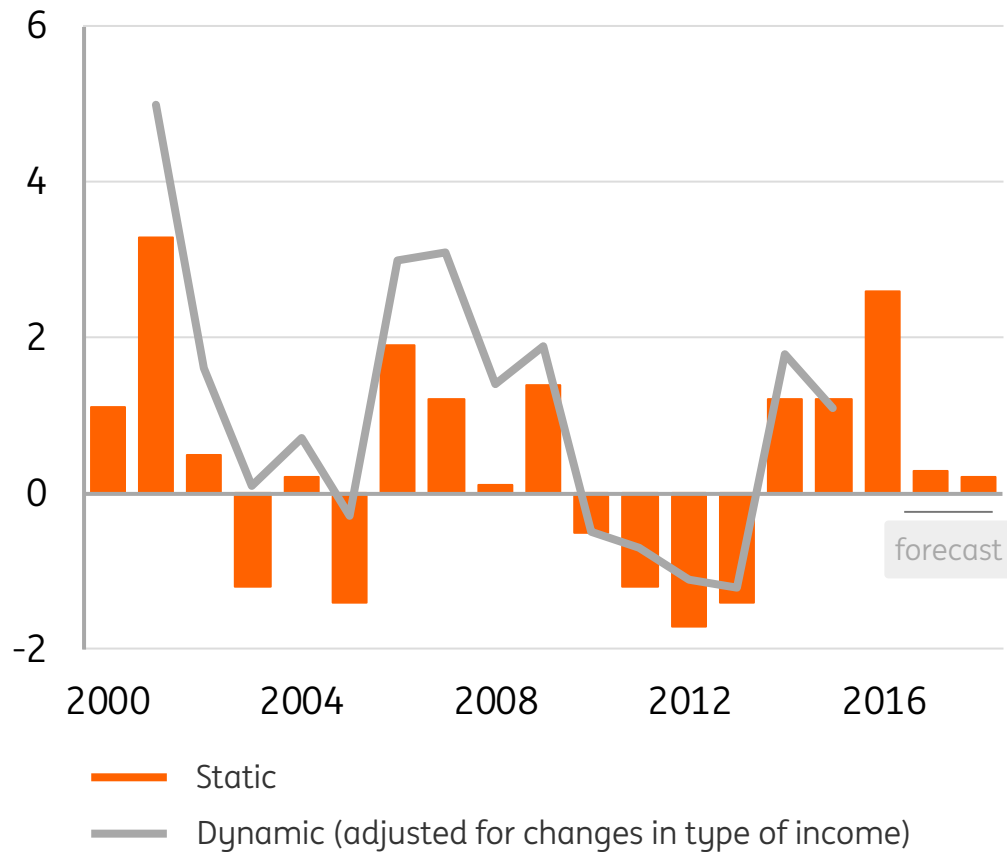


- All ages
- 18-45 years
- 65+

More spending power

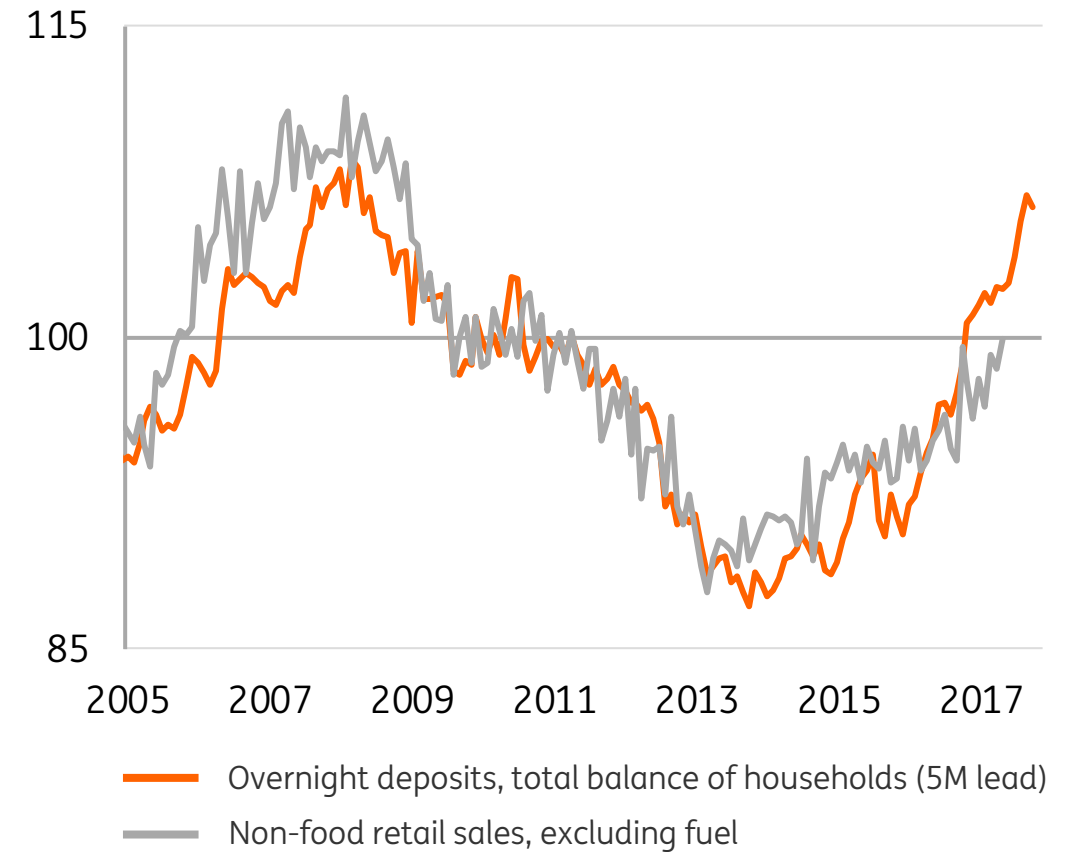
After 4 yrs of decline, purchasing power is rising

Change year on year, in %



Increase in overnight deposits points to higher spending

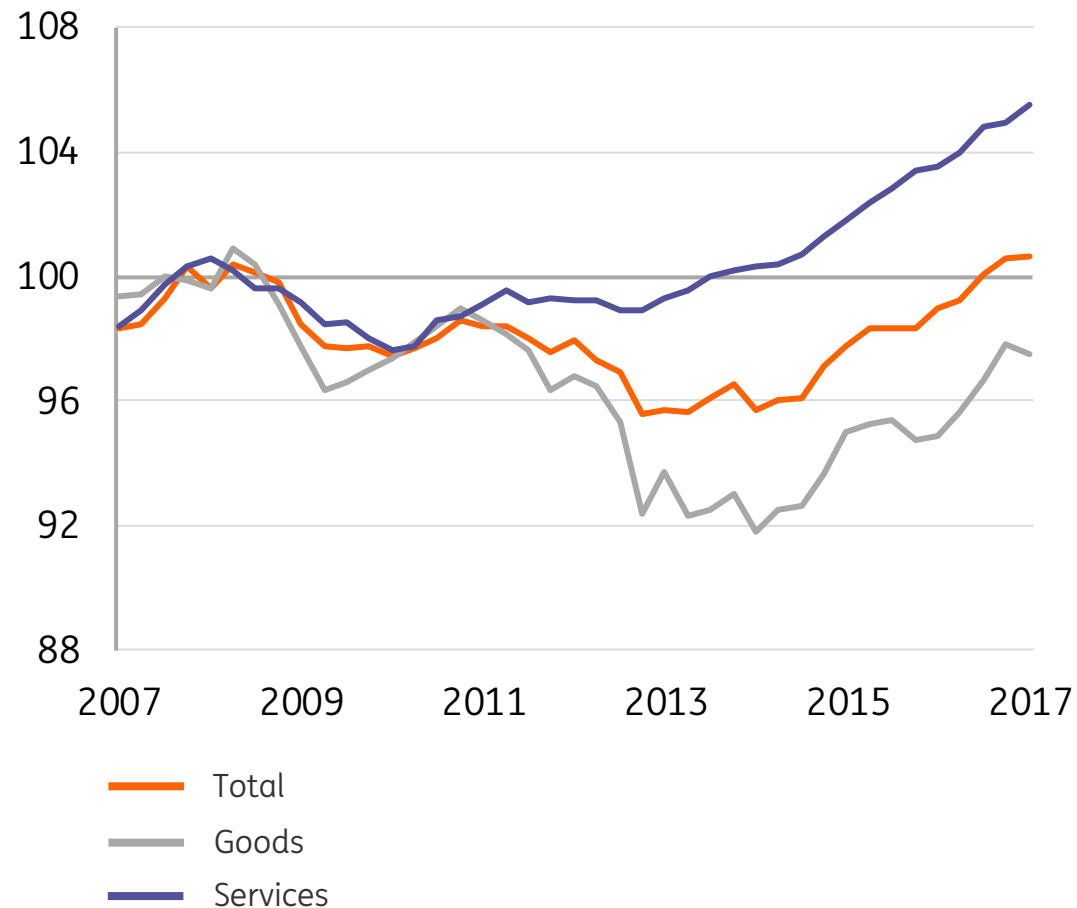
Inflation-adjusted index, 2010 = 100



Private consumption growth is gaining traction

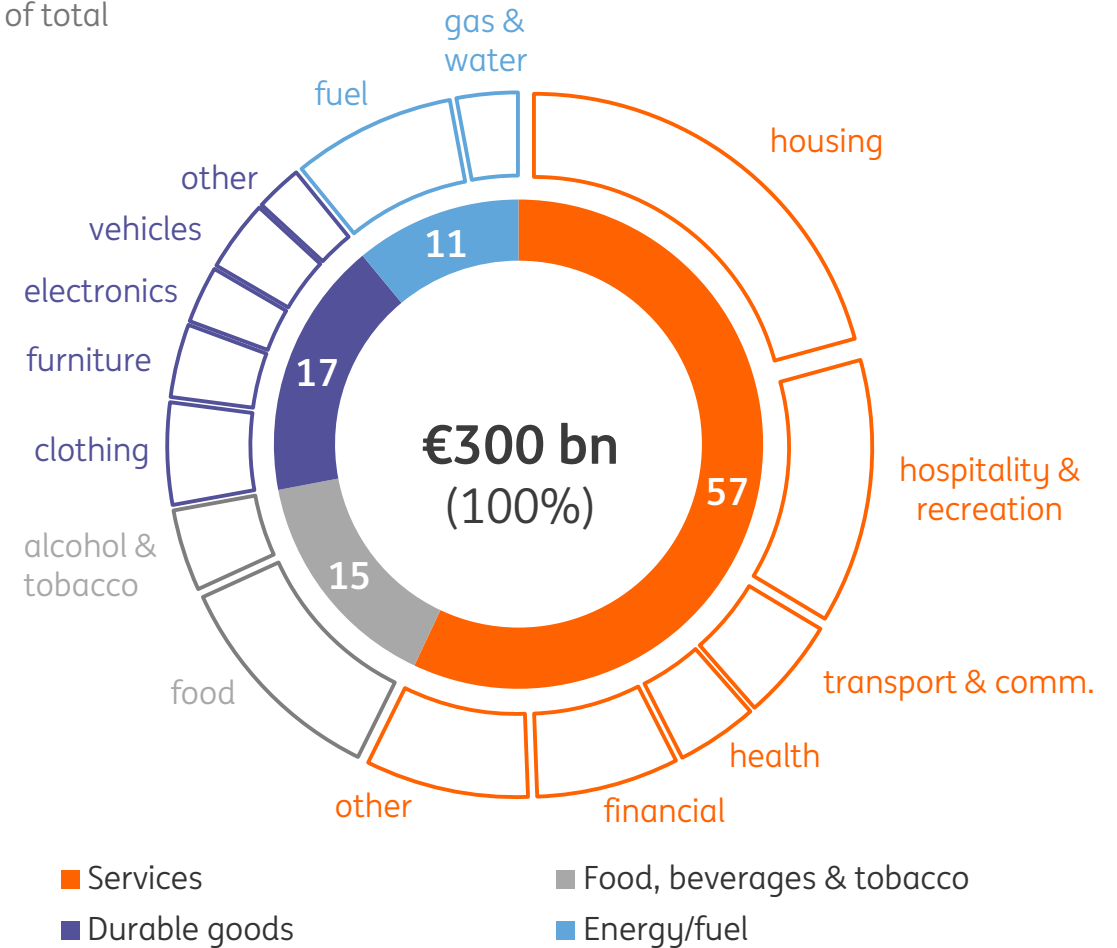
Increased spending on both goods and services

Private consumption by type, volume index, 2008 = 100



Breakdown of consumer spending

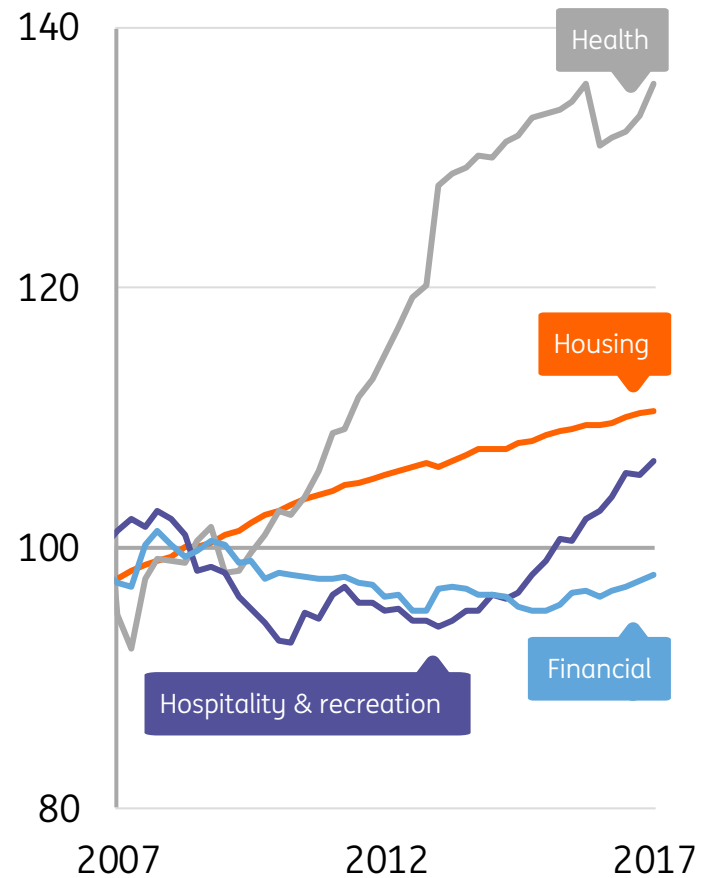
% of total



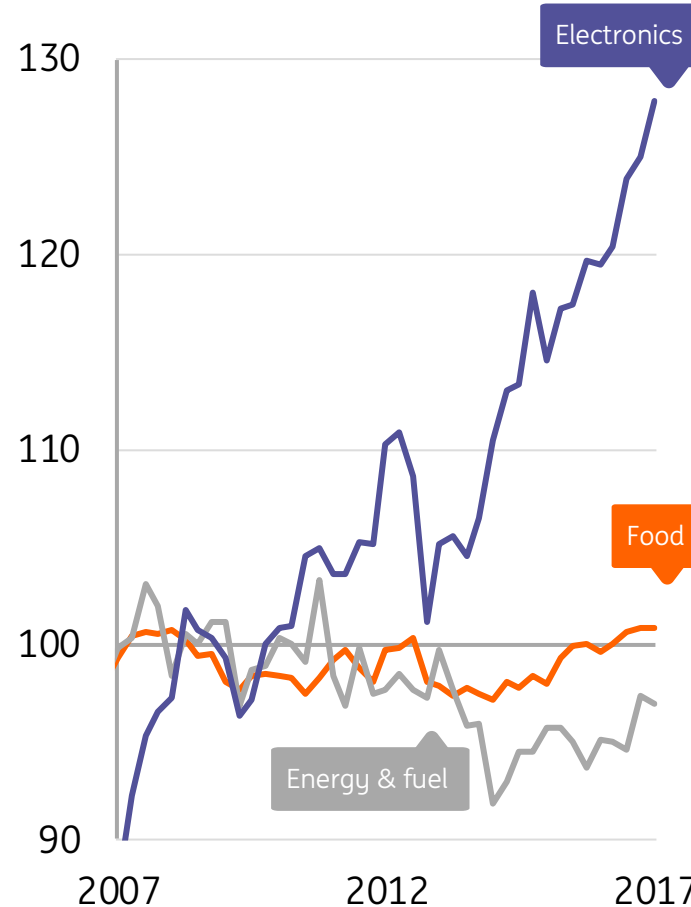
Consumer spending trends

Services: more on housing and health

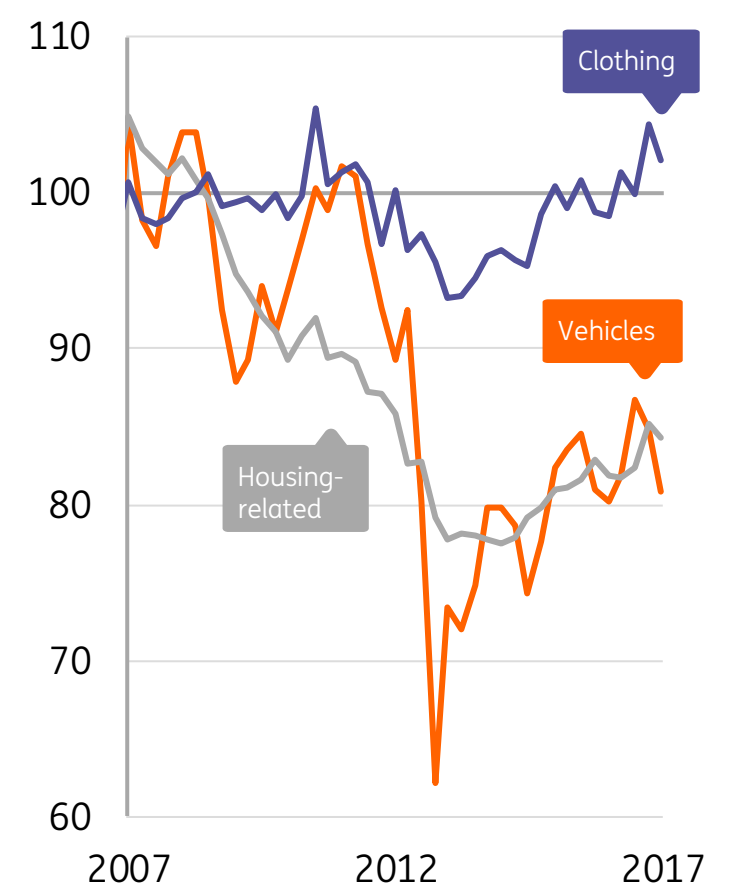
Index, constant prices, 2008 = 100



Electronics surge, food edging higher



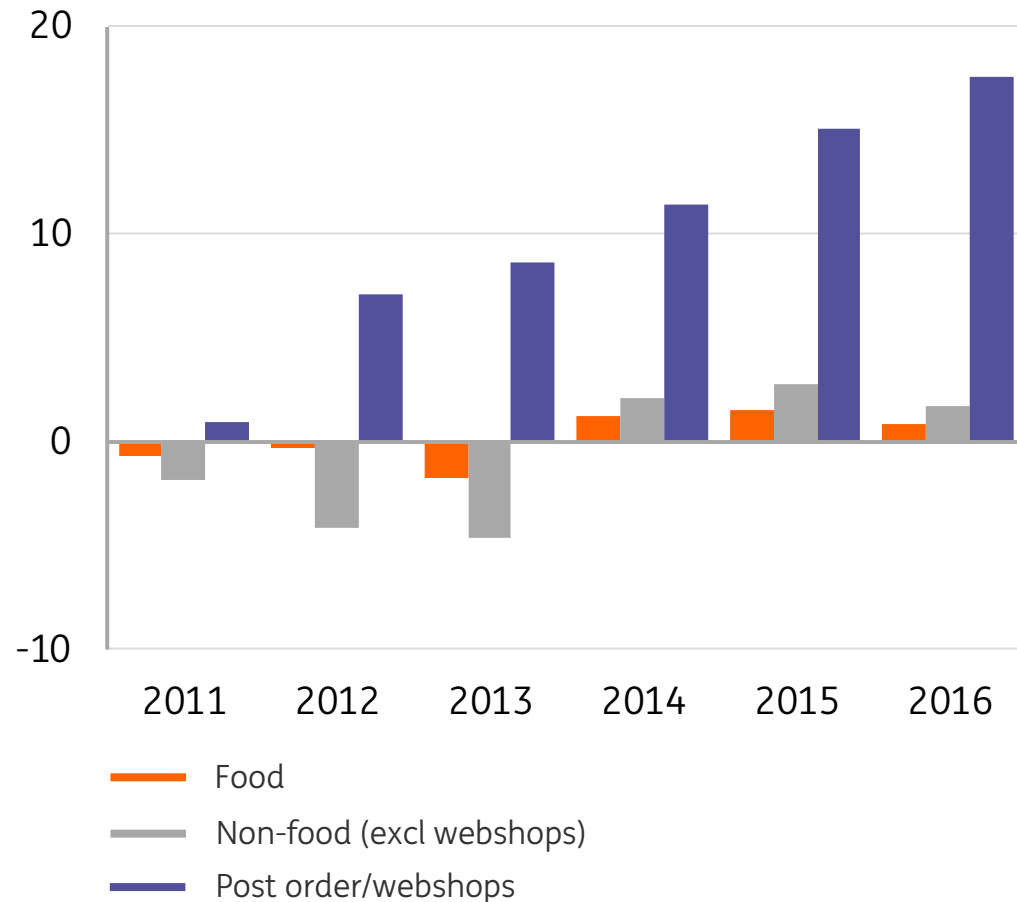
Durables: cyclically-driven uptrend



More and more online

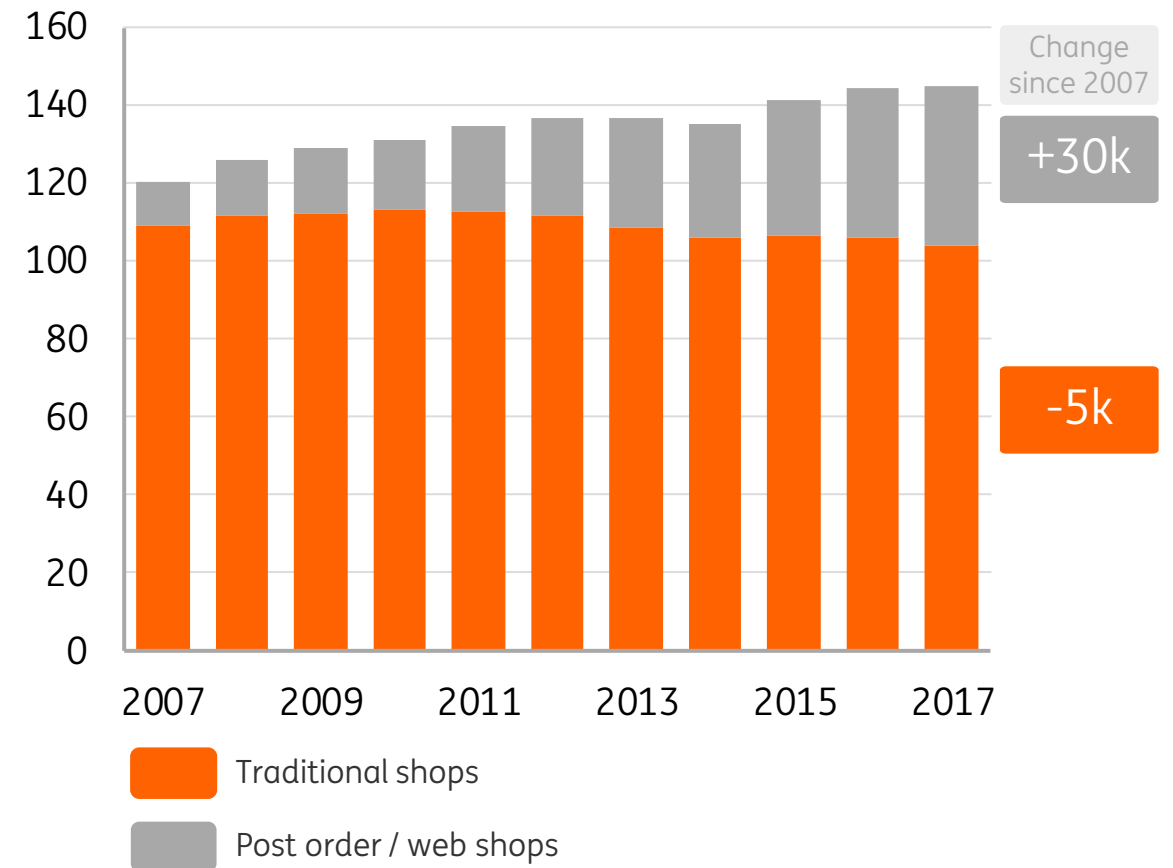
Double-digit rise in online sales volumes

Retail sales volume, change year-on-year, in %



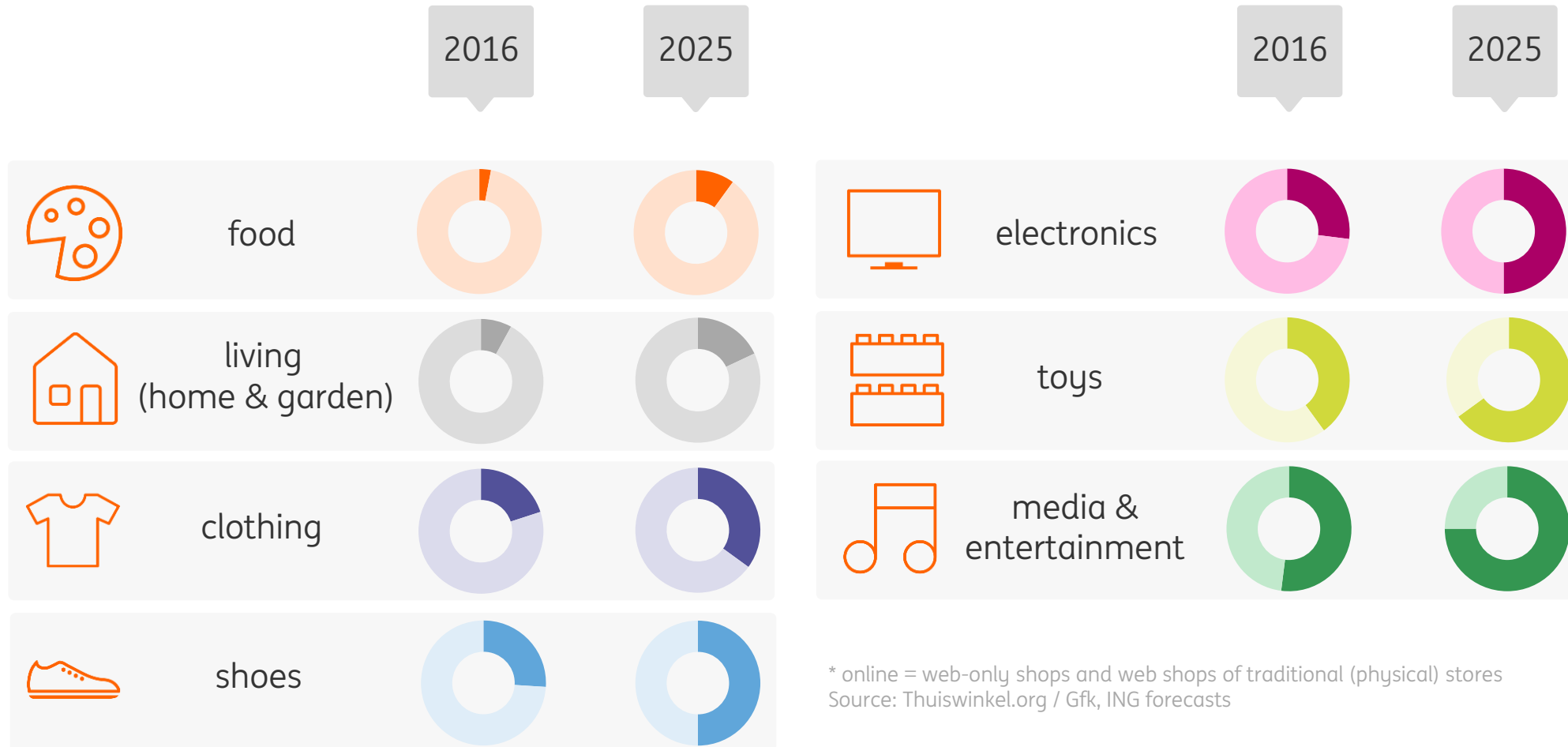
Number of web shops up, traditional stores down

In thousands



Rapid increase forecast in share of web shops in retail turnover

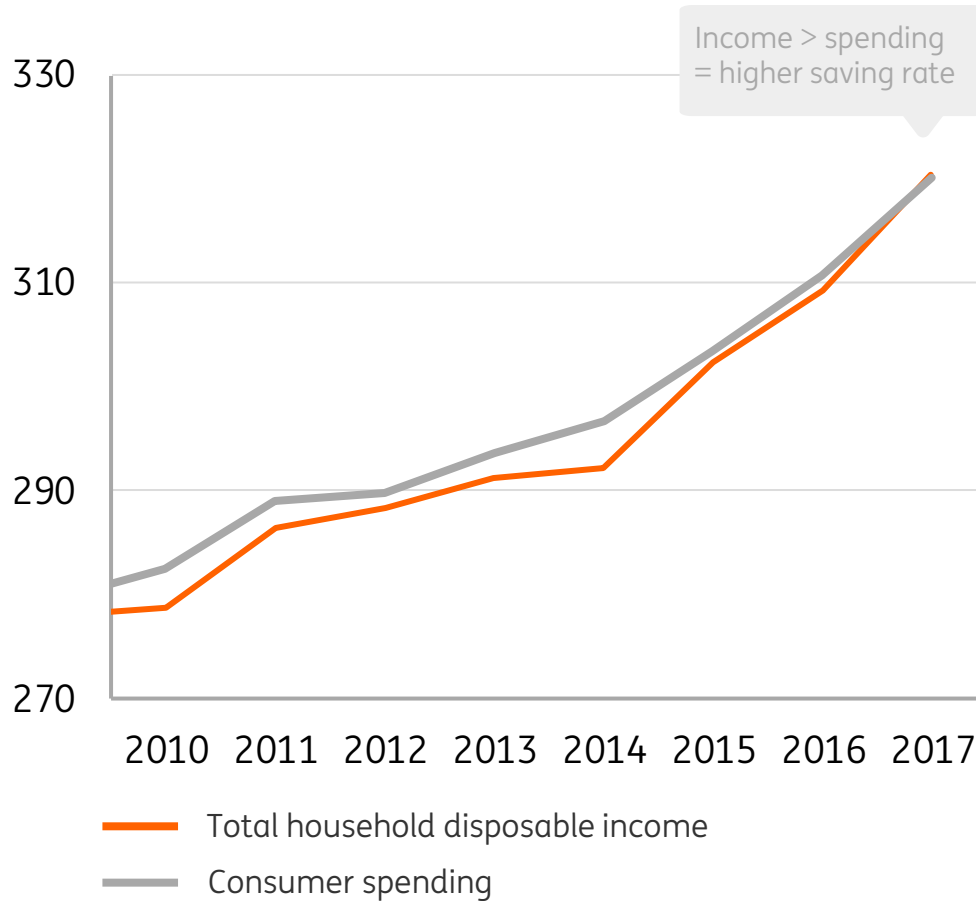
Share of online* in total retail turnover, per segment



Income has increased slightly faster than spending

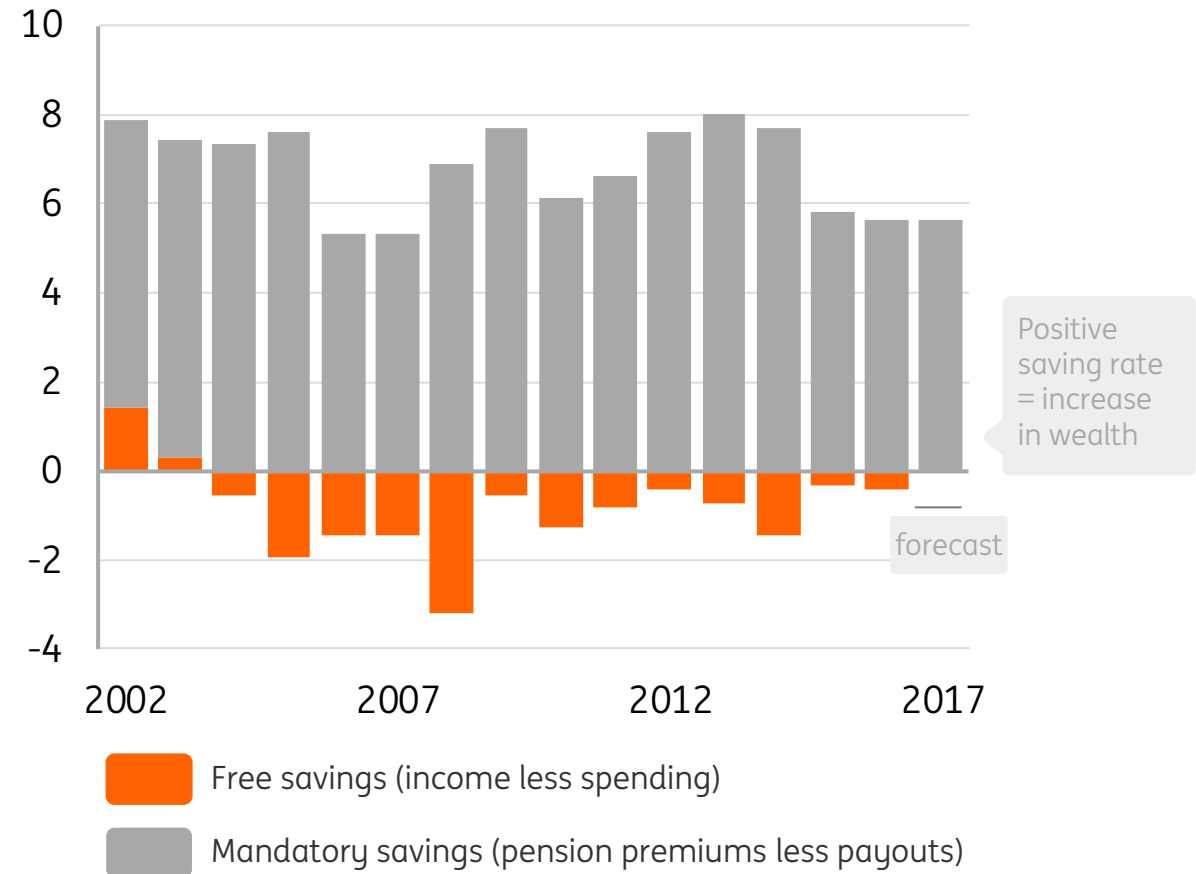
Household income has increased faster since 2014...

In billions of euros



...pushing 'free' savings rate back towards positive territory

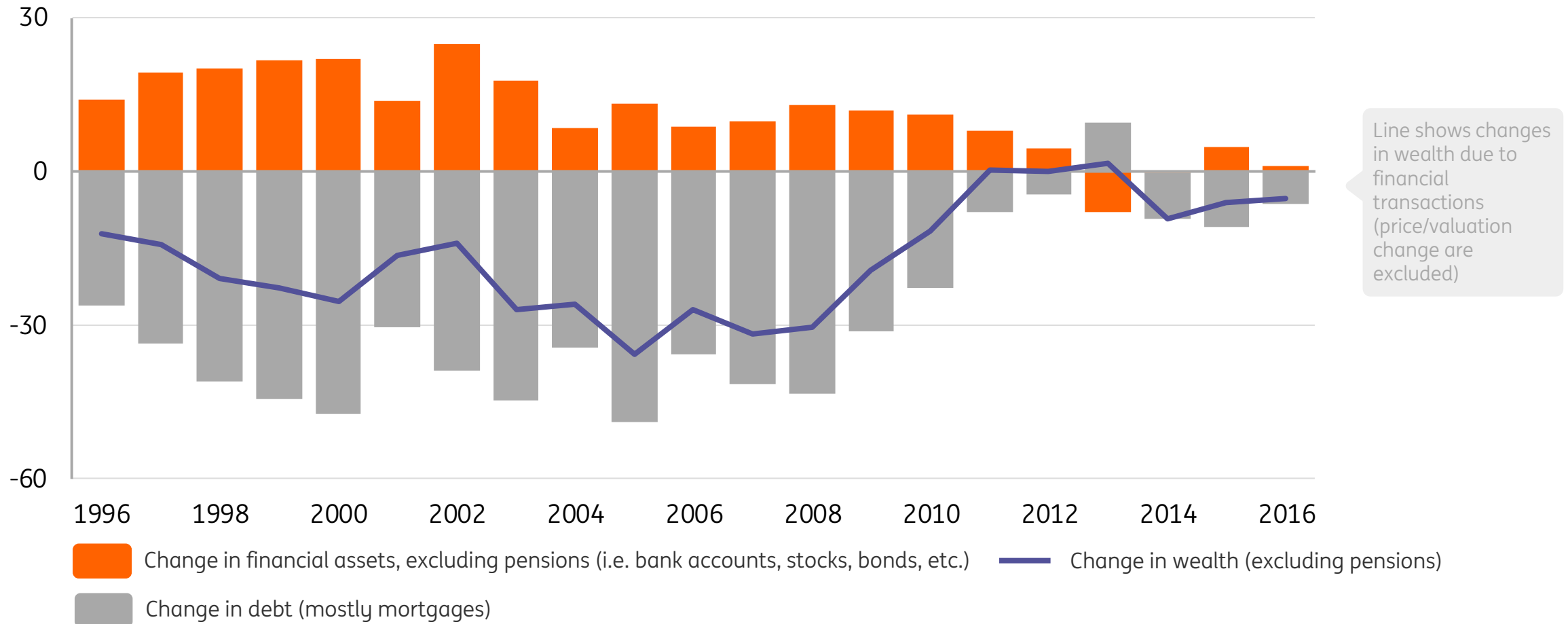
% of disposable income



Households are taking up much less debt

For a long period, debt increased much faster than liquid assets, but that has changed

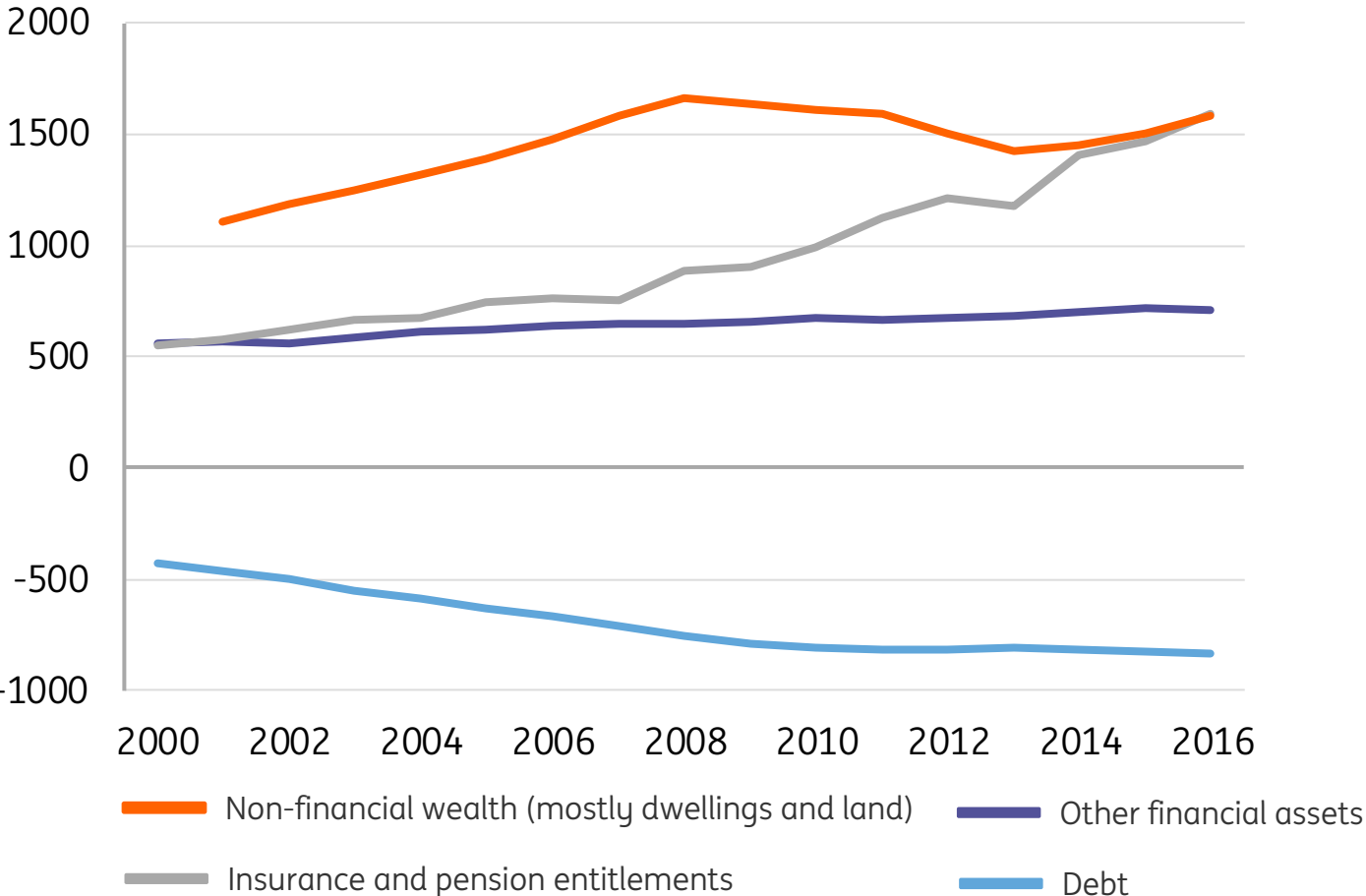
In billions of euros



Total net wealth increased further during crisis

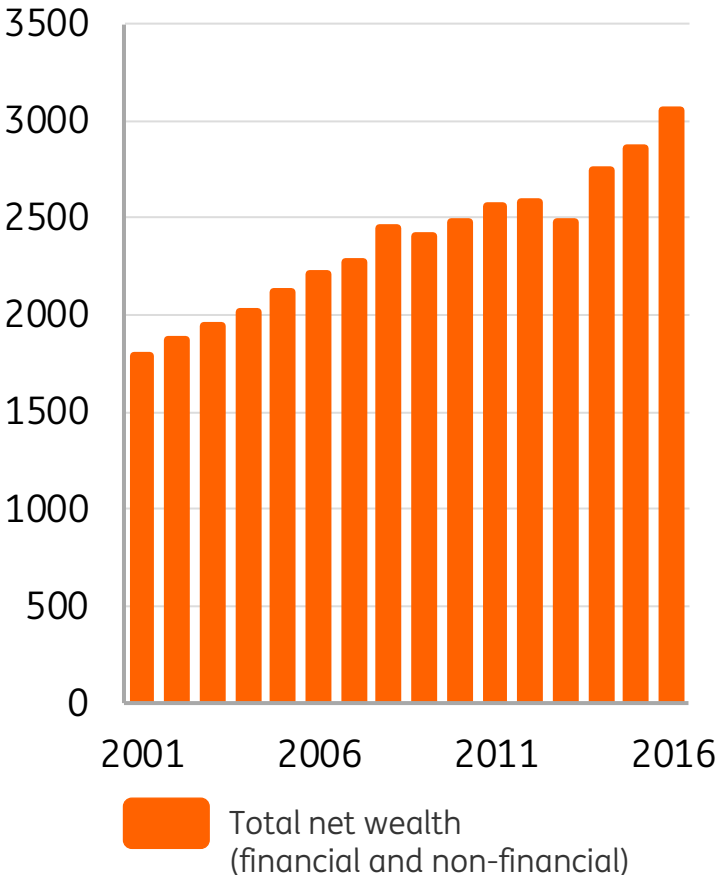
Increase in pension assets has offset temporary decline in housing wealth

In billions of euros



Total net wealth at record high

In billions of euros



Contact details

More information?

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Data sources

Page	Sources
3	CBS, ING calculations
4	[1] CBS, CPB [2] Eurostat, DNB, ING calculations
5	CBS, ING calculations
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7	CBS
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11	CBS, ING calculations

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