

News Release

For Immediate Release

European Consumer Confidence Wavers Amid Increasing Economic, Political Uncertainties

Lack of momentum suggests increasing concerns about the durability of consumer spending in 2020

- Q4 2019 consumer confidence in Europe weakened to 86, down from 88 in Q3 2019, suggesting that consumer pessimism in the region has increased.
- Consumer confidence in the Euro Area was unchanged at 89, slightly above the European average.
- Ten out of 16 Euro Area markets, including Germany, Italy and Spain, saw declines in confidence, while France saw an increase of 3 points. Outside the Euro Area, confidence in the UK also improved by 3 points, while it dropped by 3 points in Turkey and 5 points in Russia.
- Overall, consumers in Europe are increasingly pessimistic about job prospects, personal finances, and spending intentions. However, despite a softening in Europe's economic outlook, consumers will remain the drivers of growth in 2020.

NEW YORK, NY, January 16, 2020...The Conference Board® Global Consumer Confidence Index for Europe, conducted in collaboration with Nielsen, slowed moderately in Q4 2019 to 86, slightly down from 88 in Q3 (a reading of 100 or above is considered positive). The corresponding index value for the Euro Area remained unchanged at a slightly higher level at 89. While Europe is home to more pessimistic than optimistic consumers, the opposite is true for the global average at 107 (unchanged for Q3), including China (slightly down from 114 in Q3 to 112 in Q4) and the US (slightly up from 120 in Q3 to 122 in Q4).

Despite the wavering of Europe's consumer confidence—driven by weaker consumer assessment of job prospects, personal finances, and whether it is a good time to spend—consumer spending is likely to remain the main contributor to economic growth in the region in 2020. “Because the global industrial downturn is driving a softening in Europe's economic outlook, the onus will fall on consumer spending to continue to drive growth,” says Ilaria Maselli, Senior Economist for The Conference Board Europe. “Low inflation and ultra-low interest rates across many European markets should somewhat cushion the European consumer. However, an intensification of concerns about job security and personal financial well-being, especially if combined with lingering geopolitical uncertainties, may erode consumer confidence in the economy and cause them to curb their spending.”

While consumer confidence in North America and Asia-Pacific remains the highest, in China, Japan, and several Southeast Asian markets consumer confidence is also under slightly greater strain. In the US, the increase was primarily driven by improved sentiment about job prospects and spending intentions.

“The continued lack of momentum in global consumer confidence raises concerns about the durability of consumer spending as a major source of growth in 2020,” says Bart van Ark, Chief Economist of The Conference Board. “While The Conference Board projects global economic growth to improve slightly to 2.5 percent in 2020—up from 2.3 percent in 2019—we should not take it for granted that consumer spending will continue to prop up the economy.

Increased investment, an improvement in manufacturing production and trade, and more productivity growth are critical elements of a growth recovery.”

Largest Number of European Markets are Seeing Declines in Consumer Confidence

For the third consecutive quarter, an increasing number of European markets are seeing declines in confidence. Of the 34 European markets surveyed, more than half (18) saw a decline in consumer confidence in Q4, up from 15 in the third quarter. In the Euro Area, nearly two-thirds (10 of 16) of markets saw a decline in confidence, up from 8.

While German consumers remain among the most confident in Europe, consumer confidence declined modestly because of sinking optimism about spending intentions and future job prospects. Sentiment about personal finances over the coming year also waned. Although unemployment rates are near historic lows, issues that are starting to weigh on consumers include slowing employment growth, softening wage growth, and the possibility that industrial weakness could spill into the wider economy. Looking ahead, policymakers remain reluctant to use fiscal policy to boost domestic consumption, and consumer sentiment will likely continue to weaken.

Confidence among French consumers has rebounded by nearly 20 points compared to a year earlier. The recovery was driven in part by a bounce back from the worst impacts of the yellow vest protests but also by rising optimism about future job prospects and record high sentiment about personal finances in the near term. Rising confidence is largely the result of labor market reforms that are starting to pay off, boosting employment growth and leading to the lowest unemployment rate (8.4 percent, November 2019) in over a decade.

Consumer confidence in Italy declined slightly, driven primarily by deteriorating sentiments about future job prospects and spending intentions. Italian consumers have the most negative perceptions about their job prospects, with over 80 percent saying these are “not so good” or “bad” over the next 12 months. Moreover, given the slow growth environment, 87 percent of Italians surveyed believe their country is in recession, 8 percent more compared to Q3.

Consumer confidence in Spain edged down as a result of falling sentiment about job prospects and personal finances in the next 12 months. Although unemployment remains stubbornly high at 14.1 percent as of November 2019 and is the second highest in the EU after Greece, the 22 percent increase in the minimum wage at the beginning of 2019 has continued to buoy spending intentions and drive household consumption. Fourteen percent of Spanish consumers cited political stability as their biggest concern over the next 6 months, up from 7 percent a year earlier. A tenuous coalition government and continued disputes over Catalonia may strain consumers’ willingness to spend.

Consumer confidence in the UK climbed for the second consecutive quarter, driven by improved sentiment about future job prospects and personal finances in the next 12 months. However, current spending intentions declined. Retail sales softened in November 2019 during the holiday shopping season and is raising concerns about whether the consumer can continue to support the economy in early 2020, especially as employment and wage growth have shown signs of weakening.

About the Global Consumer Confidence Survey

The Global Consumer Confidence Index, based on online responses from 32,000 consumers in 64 markets throughout Asia-Pacific, Europe, Latin America, the Middle East and Africa, and North America, was acquired from

Nielsen, which first began the survey in 2005. Nielsen, a leading global provider of information and analytics around what consumers buy and watch, continues to collaborate with The Conference Board on conducting the global survey.

The series for the world, the 64 markets covered and regional aggregates as well as information on several components of the index, including job prospects, personal finances and spending intentions, are released on a timely basis in summary format to the public during the first two weeks of each quarter. Detailed data series are made available on a complimentary basis to members of The Conference Board.

The Conference Board publishes the quarterly Global Consumer Confidence Index at 9:00 AM ET. The Global Consumer Confidence Index Highlights, full report and technical notes to this series are available on The Conference Board [website](http://www.conference-board.org).

Source: January 2020 **Global Consumer Confidence Survey**
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About The Conference Board

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About Nielsen

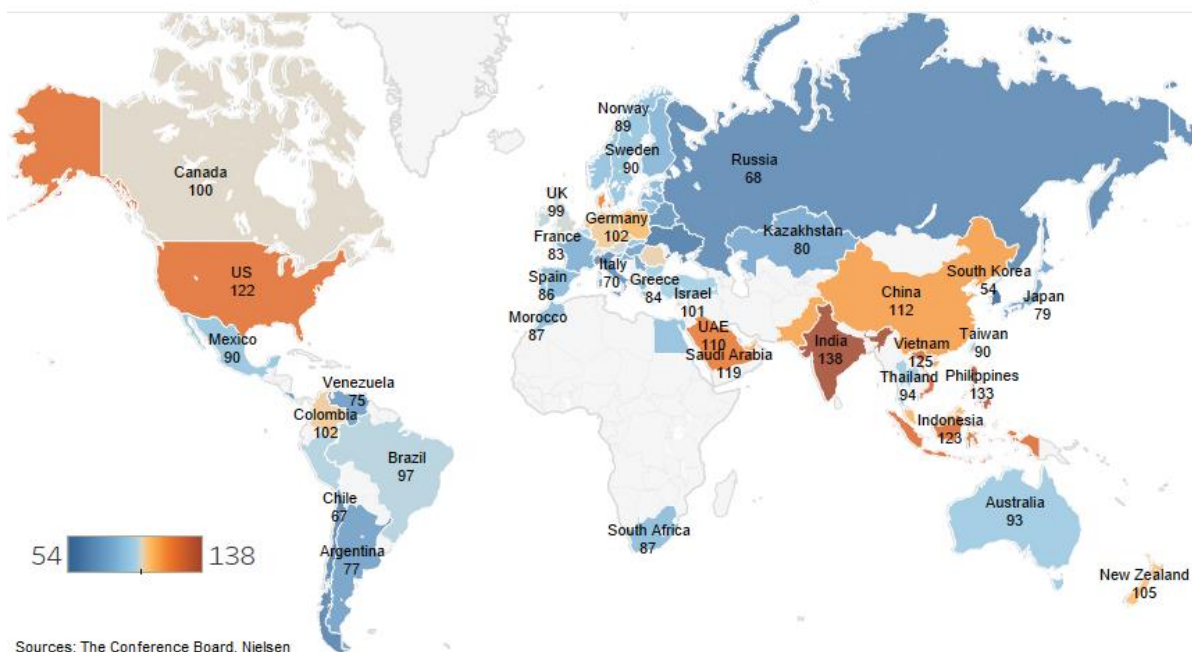
Nielsen Holdings plc (NYSE: NLSN) is a global performance management company that provides a comprehensive understanding of what consumers watch and buy. Nielsen's Watch segment provides media and advertising clients with Total Audience measurement services for all devices on which content — video, audio and text — is consumed. The Buy segment offers consumer packaged goods manufacturers and retailers the industry's only global view of retail performance measurement. By integrating information from its Watch and Buy segments and other data sources, Nielsen also provides its clients with analytics that help improve performance. Nielsen, an S&P 500 company, has operations in over 100 countries, covering more than 90 percent of the world's population. For more information, visit www.nielsen.com.

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GLOBAL CONSUMER CONFIDENCE INDEX, Q4 2019: 107



Sources: The Conference Board, Nielsen

Global Consumer Confidence by Region and Market

	2019 Q4	2019 Q3	Point Change		2019 Q4	2019 Q3	Point Change
Global Consumer Confidence Index	107	107	0	Europe	86	88	-2
Asia-Pacific	116	117	-1	Euro Area 16*	89	89	0
Australia	93	93	0	Austria*	99	102	-3
China	112	114	-2	Belarus	71	71	0
Hong Kong	83	86	-3	Belgium*	96	93	3
India	138	135	3	Bulgaria	96	87	9
Indonesia	123	123	0	Croatia	79	76	3
Japan	79	82	-3	Czech Republic	105	103	2
Malaysia	107	109	-2	Denmark	117	118	-1
New Zealand	105	101	4	Estonia*	85	92	-7
Philippines	133	131	2	Finland*	84	88	-4
Singapore	89	89	0	France*	83	80	3
South Korea	54	53	1	Germany*	102	104	-2
Taiwan	90	84	6	Greece*	84	84	0
Thailand	94	101	-7	Hungary	78	80	-2
Vietnam	125	128	-3	Ireland*	98	97	1
Africa & The Middle East	100	97	3	Israel	101	99	2
Egypt	89	90	-1	Italy*	70	71	-1
Morocco	87	74	13	Kazakhstan	80	84	-4
Pakistan	111	111	0	Latvia*	81	87	-6
Saudi Arabia	119	110	9	Lithuania*	86	88	-2
South Africa	87	88	-1	Netherlands*	105	103	2
UAE	110	109	1	Norway	89	89	0
Latin America	91	92	-1	Poland	106	102	4
Argentina	77	77	0	Portugal*	94	94	0
Brazil	97	95	2	Romania	101	99	2
Chile	67	75	-8	Russia	68	73	-5
Colombia	102	99	3	Serbia	78	79	-1
Costa Rica	73	76	-3	Slovakia*	89	90	-1
Mexico	90	98	-8	Slovenia*	84	91	-7
Peru	97	92	5	Spain*	86	87	-1
Venezuela	75	75	0	Sweden	90	96	-6
North America	120	118	2	Switzerland	99	98	1
Canada	100	103	-3	Turkey	95	98	-3
US	122	120	2	UK	99	96	3
				Ukraine	63	69	-6

Note: The quarterly US data shown here are based on *The Conference Board*'s Global Consumer Confidence Survey and are included to enable country/regional comparisons. These data and methodology differ from the Consumer Confidence Survey* and Consumer Confidence Index* which are published monthly by The Conference Board. For more information, see: <https://www.conference-board.org/data/consumerconfidence.cfm>