



## News release

Date 15 December 2015

Contact Candy Li, PwC  
Tel: +44 207 2132136 / +44 7843 330307  
e-mail: [candy.li@uk.pwc.com](mailto:candy.li@uk.pwc.com)

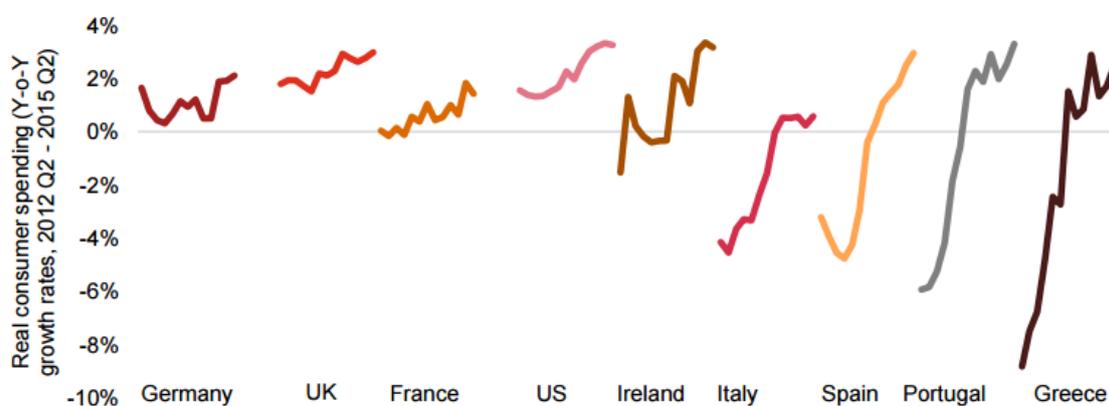
More details: [www.pwc.com/GEW](http://www.pwc.com/GEW)  
Follow/retweet: @pwc\_press

### Will consumers behave like Santa or Scrooge this Christmas?

*PwC economists analyse consumer spending trends*

Recent trends in consumer spending indicate that year-on-year growth in most Western economies is in the 2-4% range in real terms (see Figure 1), signalling good news for retailers and businesses this festive season.

**Fig 1: Peripheral Eurozone consumers have staged an impressive turnaround in spending**

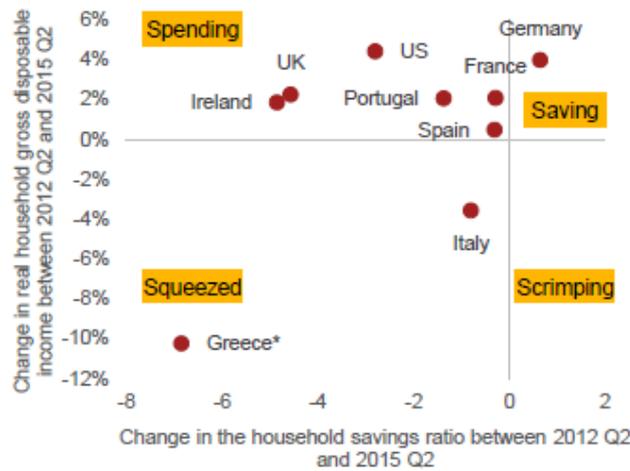


Sources: PwC analysis, Datastream, National Statistical Agencies

“Consumer spending is fundamental to businesses and economies, and, in many of the advanced economies that we track, accounts for around two-thirds of economic activity. It is also a key driver of corporate revenues, which, in turn, correlate positively with the hiring intentions of most businesses,” said Richard Boxshall, Senior Economist, PwC.

According to PwC economists, both the main drivers of consumer spending – real disposable income and the savings ratio – have played a part in this uptrend. Most of the economies in our sample are in a ‘sweet spot’ where real disposable incomes have grown and savings ratios have decreased but in Germany the savings ratio has increased despite rising incomes.

**Fig 4: Households are relatively better off now than they were three years ago except in Italy and Greece**



\*Greece data is for 2012 Q1 to 2015 Q1  
Sources: PwC analysis, Eurostat, US BEA, OECD

Greece and Italy, however, are in the ‘squeezed’ quadrant, where incomes have fallen and consumers have brought down their savings ratio to offset this.

Going forward, we see a positive outlook for consumer spending in most of the advanced economies we track. However, some emerging economies – such as Russia and Turkey (because of geopolitical events) and Brazil (due to economic troubles) – could be facing higher downside risks.

Concluded Mr Boxshall: “If consumers continue to behave more like Santa and less like Scrooge, the retail sector as a whole should record good sales figures during the key Christmas shopping period. However, businesses and retailers in some emerging economies that are seeing geopolitical or economic uncertainty should continue to put in place contingency plans via scenario planning to prepare for the impact of possible downside risks.”

**Notes:**

The December edition of PwC’s *Global Economy Watch* can be found at [www.pwc.com/GEW](http://www.pwc.com/GEW)

At PwC, our purpose is to build trust in society and solve important problems. We’re a network of firms in 157 countries with more than 208,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at [www.pwc.com](http://www.pwc.com).

PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see [www.pwc.com/structure](http://www.pwc.com/structure) for further details.

©2015 PricewaterhouseCoopers. All rights reserved.