This article analyses trends in the structure of household final consumption expenditure by consumption purpose (COICOP) which can be expected to have a significant influence on citizen’s wellbeing.

Analysis of EU aggregates

Trends of EU-28 household expenditure 2008-2017

In 2017, EU-28 total household expenditure amounted to 54.4% of GDP. This was a slight decrease compared with 2016, when it amounted to 54.5% of GDP. Except for 2008-9, an overall downward trend has been observed since 2000, where household expenditure peaked at 57.0% of GDP.
Composition of EU-28 household expenditure in 2017

Looking at the composition of EU-28 household expenditure by consumption purpose by the main 10 COICOP categories based on current price figures (see Tables 1, 2 and Figure 1), almost a quarter of EU-28 household expenditure (24.2 % of total or 13.1 % of GDP) was devoted to 'Housing, water, electricity, gas and other fuels'. Other large shares are observed for 'Transport' (13.0 % of total or 7.1 % of GDP), 'Food and non-alcoholic beverages' (12.2 % of total or 6.7 % of GDP) and 'Miscellaneous goods and services' (11.4 % of total or 6.2 % of GDP). 'Housing, water, electricity, gas and other fuels', 'Transport' and 'Food and non-alcoholic beverages' account for almost half of the total household expenditure (49.4 %).

Table 1: Evolution of household expenditure by consumption purpose - COICOP, EU-28, 2008-2017, cumulated % of GDP
Source: Eurostat (nama_10_co3_p3)

Table 2: Evolution of household expenditure by consumption purpose - COICOP, EU-28, 2008-2017, share of total
Source: Eurostat (nama_10_co3_p3)
‘Restaurants and hotels’ (8.8% of total or 4.8% of GDP) and ‘Recreation and culture’ (8.5% of total or 4.6% of GDP) each followed. The remaining household spending was distributed over ‘Furnishings, household equipment and routine household maintenance’ (5.5% of total or 3.0% of GDP), ‘Clothing and footwear’ (4.9% of total or 2.7% of GDP), ‘Health’ (4.0% of total or 2.2% of GDP), ‘Alcoholic beverages, tobacco and narcotics’ (3.8% of total or 2.1% of GDP), ‘Communications’ (2.5% of total or 1.4% of GDP) and ‘Education’ (1.1% of total or 0.6% of GDP) – which together represented 21.8% of total expenditure or 12.0% of EU-28 GDP in 2017.

Evolution of shares over time

While the overall share of GDP fluctuated between a highest level of 56.0% in 2009 and a lowest level of 54.4% of GDP in 2017 over the last ten years, the composition of household expenditure changed gradually over time. Most notably, the biggest increase in the share of total expenditure and share of GDP over 2008-2017 is noted for ‘Housing, water, electricity, gas and other fuels’ (by 0.9 p.p. in the share of total expenditure and 0.2 p.p. in GDP), ‘Restaurants and hotels’ (by 0.6 p.p. in the share of total expenditure and 0.3 p.p. in GDP) and ‘Health’ (by 0.5 p.p. in the share of total expenditure and 0.3 p.p. in GDP) while the biggest decrease is noted for ‘Miscellaneous goods and services’ (by 0.7 p.p. in the share of total expenditure and 0.5 p.p. in GDP), ‘Recreation and culture’ (by 0.5 p.p. in the share of total expenditure and 0.4 p.p. in GDP) and ‘Transport’ (by 0.3 p.p. in the share of total expenditure and 0.2 p.p. in GDP).

Evolution of volumes

The analysis of household consumption in terms of volumes allows also some interesting insights: the development of volumes (of total) during the period 2008-2017 shows an increase (of 7.8%), although year 2009 (the crisis year) and years of 2012 and 2013 show a slight decrease. The largest increases were recorded in ‘Communications’ (of 29.8%), ‘Health’ (22.7%) and ‘Clothing and footwear’ (11.3%). Reductions were posted in ‘Alcoholic beverages, tobacco and narcotics’ (-10.5%).
Figure 2: Evolution of chain linked volumes, index 2008=100 of household expenditure by consumption purpose - COICOP, EU-28, 2008-2017

Source: Eurostat (nama_10_co3_p3)

The detailed table corresponding to figure 2 is available [here](#).

**Evolution of implicit deflator**

Finally, some trends in the implicit deflator seem worth mentioning: the development of implicit prices (of total) during the period 2008-2017 shows a steady increase (of 7.2%), except for 2009 (the crisis year) and 2016. The largest increases were recorded in 'Education' (of 29.1%), 'Alcoholic beverages, tobacco and narcotics' (of 27.2%), 'Restaurants and hotels' (of 15.6%) and 'Housing, water, electricity, gas and other fuels' (of 12.1%); reductions were posted in 'Communications' (of -19.5%), 'Recreation and culture' (of -1.6%), 'Miscellaneous goods and services' (of -1.0%) and 'Clothing and footwear' (of -0.9%).

Figure 3: Evolution of implicit deflator, index 2008=100 of household expenditure by consumption purpose - COICOP, EU-28, 2008-2017

Source: Eurostat (nama_10_co3_p3)

The detailed table corresponding to figure 3 is available [here](#).

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1 Implicit deflator series are derived as a ratio of current price to chain-linked volumes series and give indication of underlying price changes.
Country specific trends
Household expenditure shares highest in Cyprus and Greece

Looking at particular countries, the analysis in this article can only point out some interesting trends: as a ratio to GDP in 2017, the highest levels of household expenditure were found in Cyprus (76.4% of GDP), Greece (73.0%) and Portugal (68.3%), while the lowest levels were found in Ireland (30.9%), Luxembourg (34.3%), Sweden (43.3%) and The Netherlands (43.6%).

Table 3: Household expenditure by consumption purpose - COICOP, Member States, 2017, cumulated % of GDP

<table>
<thead>
<tr>
<th>Country</th>
<th>Food</th>
<th>Food, drink and tobacco</th>
<th>Housing equipment</th>
<th>Health</th>
<th>Transport</th>
<th>Recreation and culture</th>
<th>Education</th>
<th>Restaurants and hotels</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU-28</td>
<td>12.2</td>
<td>4.0</td>
<td>2.8</td>
<td>4.8</td>
<td>8.5</td>
<td>13.0</td>
<td>10.3</td>
<td>5.7</td>
<td>57.7</td>
</tr>
<tr>
<td>Belgium</td>
<td>17.6</td>
<td>6.9</td>
<td>10.9</td>
<td>6.7</td>
<td>11.8</td>
<td>15.1</td>
<td>9.4</td>
<td>4.9</td>
<td>74.7</td>
</tr>
<tr>
<td>Germany</td>
<td>16.8</td>
<td>8.0</td>
<td>11.9</td>
<td>9.4</td>
<td>12.9</td>
<td>15.7</td>
<td>10.6</td>
<td>7.6</td>
<td>75.6</td>
</tr>
<tr>
<td>France</td>
<td>14.9</td>
<td>4.7</td>
<td>2.9</td>
<td>4.8</td>
<td>8.0</td>
<td>13.4</td>
<td>10.5</td>
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<td>56.4</td>
</tr>
<tr>
<td>Greece</td>
<td>15.9</td>
<td>6.1</td>
<td>10.4</td>
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<tr>
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<td>73.0</td>
</tr>
</tbody>
</table>

Table 4: Household expenditure by consumption purpose - COICOP, Member States, 2017, share of total

<table>
<thead>
<tr>
<th>Country</th>
<th>Food</th>
<th>Food, drink and tobacco</th>
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<th>Health</th>
<th>Transport</th>
<th>Recreation and culture</th>
<th>Education</th>
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</tbody>
</table>

Note: Data not available.
Source: Eurostat (online data code: nama_10_co3_p3)
In the EU as a whole, as well as in nearly all EU countries (except Romania, Estonia, Cyprus, Lithuania and Malta) 'Housing, water, electricity, gas and other fuels' was the most important function of household expenditure, followed by 'Transport' and 'Food and non-alcoholic beverages'.

As regards expenditure 'Housing, water, electricity, gas and other fuels', the highest levels of household expenditure were found in Finland (28.8%), Denmark (28.7%) and United Kingdom (26.7%), while the lowest levels were observed in Malta (10.1%), Lithuania (14.8%) and Cyprus (15.4%).

For expenditure on 'Food and non-alcoholic beverages', the highest shares were found in Romania (27.8%), Lithuania (21.6%), Estonia (20.3%) and Bulgaria (19.2%), while the lowest shares were observed in United Kingdom (8.2%), Luxembourg (8.9%), Ireland (9.2%) and Austria (9.9%).

Concerning expenditure on 'Transport', the highest shares of household expenditure were found in Slovenia.
(16.3%), Lithuania (15.1%) and Germany (14.7%), while the lowest levels were found in Slovakia (7.9%), Czechia (10.1%) and Belgium (11.1%).

![Transport, Member States, 2017, % of total expenditure](nama_10_co3_p3)

**Figure 6:** Transport, Member States, 2017, % of total expenditure

Source: Eurostat (nama_10_co3_p3)

**Data sources**

Eurostat collects data on household final consumption expenditure according to the international Classification of individual consumption by purpose (COICOP) in the framework of ESA2010.

The transmission requirements for each dataset are defined in ESA 2010 transmission programme. For COICOP data these are t+9 months. Therefore, in this article the latest data available refer to the year 2017.

**Breakdowns**

Household consumption expenditure is classified by consumption purpose according to the COICOP classification (Classification Of Individual CONsumption by Purpose, see also Commission Regulation 113/2002 of 23 January 2002). COICOP categories at three-digit level are as follows:

- **P010** - Food and non-alcoholic beverages
- **P011** - Food
- **P012** - Non-alcoholic beverages
- **P020** - Alcoholic beverages, tobacco and narcotics
- **P021** - Alcoholic beverages
- **P022** - Tobacco
- **P023** - Narcotics
- **P030** - Clothing and footwear
- **P031** - Clothing
- **P032** - Footwear
- **P040** - Housing, water, electricity, gas and other fuels
- **P041** - Actual rentals for housing
- **P042** - Imputed rentals for housing
P043 - Maintenance and repair of the dwelling
P044 - Water supply and miscellaneous services relating to the dwelling
P045 - Electricity, gas and other fuels
P050 - Furnishings, household equipment and routine household maintenance
P051 - Furniture and furnishings, carpets and other floor coverings
P052 - Household textiles
P053 - Household appliances
P054 - Glassware, tableware and household utensils
P055 - Tools and equipment for house and garden
P056 - Goods and services for routine household maintenance
P060 - Health
P061 - Medical products, appliances and equipment
P062 - Outpatient services
P063 - Hospital services
P070 - Transport
P071 - Purchase of vehicles
P072 - Operation of personal transport equipment
P073 - Transport services
P080 - Communication
P081 - Postal services
P082 - Telephone and telefax equipment
P083 - Telephone and telefax services
P090 - Recreation and culture
P091 - Audio-visual, photographic and information processing equipment
P092 - Other major durables for recreation and culture
P093 - Other recreational items and equipment, gardens and pets
P094 - Recreational and cultural services
P095 - Newspapers, books and stationery
P096 - Package holidays
P100 - Education
P101 - Pre-primary and primary education
P102 - Secondary education
P103 - Post-secondary non-tertiary education
P104 - Tertiary education
P105 - Education not definable by level
P110 - Restaurants and hotels
P111 - Catering services
Derogations

Breakdowns of CP100 Education and CP80 Communication are not published as several countries have derogations from the data transmission requirements of ESA 2010. For CP100: Denmark, Germany, Ireland, Spain, France and Slovakia. For CP80: Ireland.

Context

Consumption expenditure is what people, acting either individually or collectively, spend on goods and services to satisfy their needs and wants. A household’s economic well-being can be expressed in terms of its access to goods and services. The more that can be consumed, the higher the level of economic well-being, though the relationship between the two is not a linear one. Measuring consumption expenditure might, therefore, be a way of measuring economic well-being.

Studies of consumption investigate how and why society and individuals consume goods and services, and how this affects society and human relationships. Contemporary studies focus on meanings of goods and the role of consumption in identity making. Traditionally, consumption was seen as rather unimportant compared to production, and the political and economic issues surrounding it. However, with the development of a consumer society, increasing consumer power in the market place, the growth in marketing, advertising, sophisticated consumers, ethical consumption etc., it is recognised as central to modern life.

In national accounts, the final consumption expenditure of households is the biggest component of the expenditure approach to GDP. Its evolution allows an assessment of purchases made by households, reflecting changes in wages and other incomes, but also in employment and in savings behaviour.

Other articles

- Consumer prices - inflation
- Archive: Household consumption expenditure - national accounts

Tables

- National accounts (including GDP) (t_na), see:
  - Annual national accounts (t_nama)
  - National accounts detailed breakdowns (by industry, by product, by consumption purpose) (t_nama_brk)
  - Final consumption expenditure of households by consumption purpose (COICOP) (t_nama_co)
  - Household expenditure per inhabitant, by category (tsdpc520)

- Prices
Database

- Consumption expenditure of private households (hbs), see:

  Mean consumption expenditure of private households (hbs_exp)
  Structure of mean consumption expenditure (hbs_struc)

- National accounts (na), see:

  Annual national accounts (nama),

  National Accounts detailed breakdowns (by industry, by product, by consumption purpose) (nama_brk)
  Final consumption expenditure of households by consumption purpose (COICOP) (nama_co)
  Final consumption expenditure of households by consumption purpose - COICOP 3 digit - aggregates at current prices (nama_co3_c)
  Final consumption expenditure of households by consumption purpose - COICOP 3 digit - volumes (nama_co3_k)
  Final consumption expenditure of households by consumption purpose - COICOP 3 digit - price indices (nama_co3_p)

- Prices (pre), see:

  Harmonised indices of consumer prices (HICP) (pre_hicp)
  HICP - Item weights (pre_hicp_inw)

Dedicated section

- National accounts (including GDP)

Publications

- Essential SNA — Building the basics — 2014 edition
- European system of accounts — ESA 2010
- European system of accounts — ESA 2010 — Transmission programme of data (multilingual)
- Handbook on price and volume measures in national accounts
- Manual on the changes between ESA 95 and ESA 2010 — 2014 edition
- Regulation (EC) No 113/2002 of 23 January 2002 on Classification of expenditure according to purpose
- Regulation (EU) No 549/2013 (ESA 2010 Regulation) of 21 May 2013 on the European system of national and regional accounts in the European Union
- Implementing Decision (EU No 403/2014) of 26 June 2014 on granting derogations to Member States

Methodology

- Annual national accounts (ESMS metadata file — nama_esms)
- Consumption expenditure of private households (ESMS metadata file — hbs_esms)
- Harmonised indices of consumer prices (HICP) (ESMS metadata file — pre_hicp_esms)

Visualisations