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 2008-2018

In 2018, EU-28 total household expenditure amounted to 54.3% of GDP. This was a slight decrease compared with 2017, when it amounted to 54.4% of GDP. Except for the years 2008, 2009 and 2012, 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 2018

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 (24.0% of total or 13.0% of GDP) was devoted to 'Housing, water, electricity, gas and other fuels'. Other large shares are observed for 'Transport' (13.2% of total or 7.2% of GDP), 'Food and non-alcoholic beverages' (12.1% of total or 6.6% 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 (49.3%).

Table 1: Evolution of household expenditure by consumption purpose - COICOP, EU-28, 2008-2018, cumulated % of GDP

Source: Eurostat (nama_10_co3_p3)
Table 2: Evolution of household expenditure by consumption purpose - COICOP, EU-28, 2008-2018, share of total
Source: Eurostat (nama_10_co3_p3)

Evolution of shares over time

While the overall share of GDP fluctuated between a highest level of 55.9% (2009 and 2012) and a lowest level of 54.3% of GDP (in 2018) over the period 2008-2018, 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 2008-2018 is noted for ‘Housing, water, electricity, gas and other fuels’ (by 0.8 percentage points (p.p.) in the share of total expenditure and 0.2 p.p. in GDP), ‘Restaurants and hotels’ (by 0.5 p.p. in the share of total expenditure and 0.2 p.p. in GDP) and ‘Health’ (by 0.4 p.p. in the share of total expenditure and 0.2 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), ‘Communications’ (by 0.5 p.p. in the share of total expenditure and 0.2 p.p. in GDP) and ‘Clothing and footwear’ (by 0.4 p.p. in the share of total expenditure and 0.2 p.p. in GDP).

Figure 1: Household expenditure by consumption purpose - COICOP, EU-28, 2018, share of total
Source: Eurostat (nama_10_co3_p3)
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 2008-2018 shows an increase (of 10.6%), although year 2009 (the crisis year) and 2012 show a slight decrease. The largest increases were recorded in ‘Communications’ (of 30.8%), ‘Health’ (24.8%) and ‘Recreation and culture’ (20.0%). A reduction was noted for ‘Alcoholic beverages, tobacco and narcotics’ (-10.6%).

Figure 2: Evolution of chain linked volumes, index 2008=100 of household expenditure by consumption purpose - COICOP, EU-28, 2008-2018

Source: Eurostat (nama_10_co3_p3)

The detailed table corresponding to Figure 2 is available [here](https://data.europa.eu/8dc/instance/nama_10_co3_p3).

Evolution of implicit deflator

Finally, some trends in the implicit deflator seem worth mentioning: the development of implicit prices (of total) during the period 2008-2018 shows a steady increase (of 8.1%), except for 2009 (the crisis year) and 2016. The largest increases were recorded in ‘Alcoholic beverages, tobacco and narcotics’ (of 31.7%), ‘Education’ (of 30.6%), ‘Restaurants and hotels’ (of 18.5%) and ‘Housing, water, electricity, gas and other fuels’ (of 12.5%); reductions were noted in ‘Communications’ (of -23.0%), ‘Clothing and footwear’ and ‘Miscellaneous goods and services’ (both of -1.4%), as well as ‘Recreation and culture’ (of -1.0%).

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 in 2018 highest in Croatia and Cyprus

Looking at particular countries, the analysis in this article can only point out some interesting trends: as a ratio to GDP in 2018, the highest levels of household expenditure were found in Croatia (72.7% of GDP), Cyprus (72.1%) and Portugal (68.8%), while the lowest levels were found in Ireland (30.0%), Luxembourg (33.3%), Sweden (43.2%) and the Netherlands (43.4%).

Table 3: Household expenditure by consumption purpose - COICOP, Member States, 2018, cumulated % of GDS

<table>
<thead>
<tr>
<th>Country</th>
<th>Total</th>
<th>Food and drink</th>
<th>Clothing and footwear</th>
<th>Housing</th>
<th>Health</th>
<th>Transport</th>
<th>Recreation</th>
<th>Education</th>
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<td>5.0</td>
<td>10.0</td>
<td>15.0</td>
<td>10.0</td>
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<td>11.5</td>
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<td>16.0</td>
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<tr>
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<td>9.8</td>
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<td>15.0</td>
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<td>11.0</td>
<td>11.0</td>
<td>100</td>
</tr>
<tr>
<td>Portugal</td>
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<tr>
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<td>11.0</td>
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<td>9.9</td>
<td>9.9</td>
<td>9.9</td>
<td>92.7</td>
</tr>
</tbody>
</table>

Table 3: Household expenditure by consumption purpose - COICOP, Member States, 2018, cumulated % of GDP

Source: Eurostat (nama_10_co3_p3)
Table 4: Household expenditure by consumption purpose - COICOP, Member States, 2018, share of total expenditure

Source: Eurostat (nama_10_co3_p3)

In the EU as a whole, as well as in nearly all EU countries (except Estonia, Croatia, Cyprus, Lithuania, Malta and Romania) 'Housing, water, electricity, gas and other fuels' was the most important item 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 (28.5%), Denmark (28.1%) and Slovakia (27.7%), while the lowest levels were observed in Malta (10.3%), Lithuania (15.0%) and Cyprus (15.1%).

Figure 4: Housing, water, electricity, gas and other fuels, Member States, 2018, % of total expenditure

Source: Eurostat (nama_10_co3_p3)

For expenditure on 'Food and non-alcoholic beverages', the highest shares were found in Romania (27.8%), Lithuania (20.9%), Estonia (19.6%) and Bulgaria (19.1%), while the lowest shares were observed in United Kingdom (7.8%), Ireland (8.7%), Luxembourg (9.1%) and Austria (9.7%).
Concerning expenditure on 'Transport', the highest shares of household expenditure were found in Slovenia (16.9%), Lithuania and Luxembourg (both 15.8%), while the lowest levels were found in Slovakia (6.6%), Croatia (9.7%) and Czechia (10.4%).

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 after the reference period. Therefore, in this article the latest data available refer to the year 2018.

Breakdowns

Household consumption expenditure is classified by consumption purpose according to the COICOP classification (Classification Of Individual Consumption by Purpose, see also Commission Regulation (EC) No 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
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 (prc), see:

Harmonised indices of consumer prices (HICP) (prc_hicp)
  - HICP - Item weights (prc_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 — prc_hicp_esms)

Visualisations