



Growth in the Euro Zone: Europeans Consuming Again

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Euro area growth appears set to outperform in 2015, thanks in part to a stronger consumer. Consumers are feeling more confident about their own economies, and in some spots, job growth and wage increases provide an additional boost. Here are some of the major consumer trends I have noticed across the euro zone:

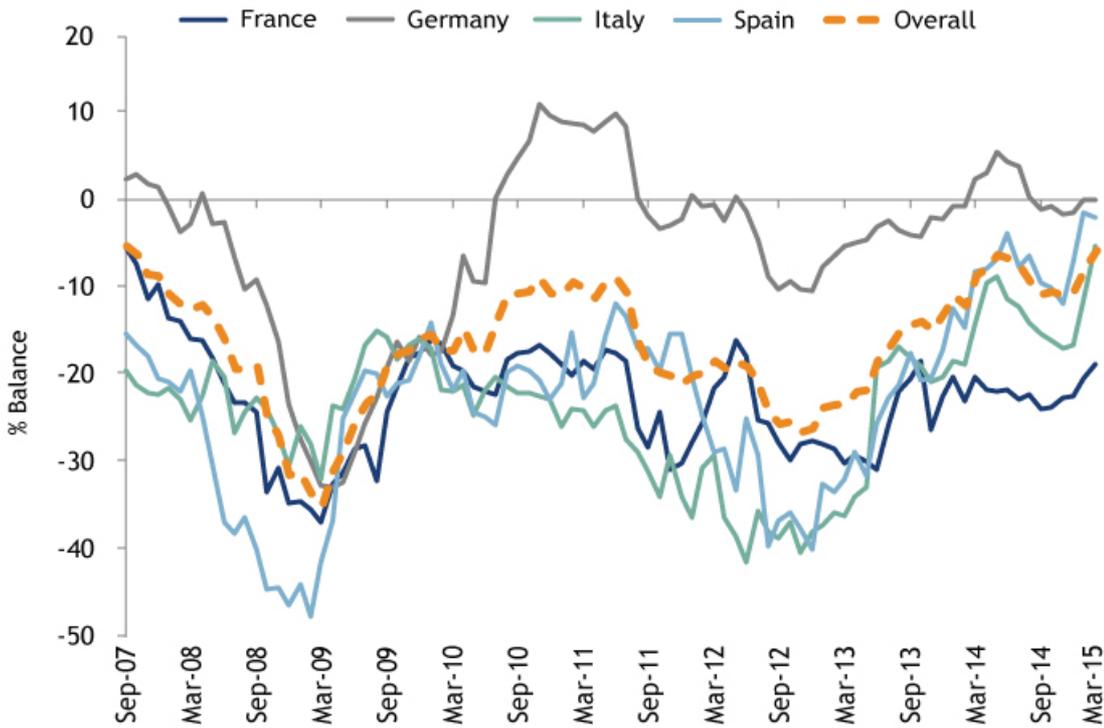
Current star performers:

- **Consumer durable goods** – including cars and furniture – are performing well as consumers replace aged goods
- All things **pharmaceutical & medical** are growing strongly across Europe given the aging demographic
- **Germany** printed two strong retail sales numbers in a row (including the 5% increase reported 3/3/2015 in year-over-year volume across most categories of consumption goods)
- Consumers in **Italy** appear confident, increasing their new car, household goods & hardware purchases
- In both **Spain** and **Portugal**, consumers, regardless of their employment status, report feeling more confident about their country's economic outlook
- **Ireland** is cranking on most fronts and consumers are spending in tandem

Laggards:

- **French consumer confidence** has lagged, weighed down by weak housing trends and little job growth. This could improve in coming months but it's important to watch given French consumers account for 57% of French GDP and 20% of euro GDP
- Ongoing political strife and recession in Russia continues to restrain the economy and consumers of **Finland**, where job cuts and house price declines curb consumer behavior
- **Greek** consumers perked up for a time, but spending was ultimately squashed by the country's January elections
- The most depressed consumer sectors across Europe? **Sporting equipment, camping goods, toys and games**

EURO ZONE: CONSUMER CONFIDENCE INDICATOR



Percent balance equals percent of respondents reporting an increase minus the percent of respondents reporting a decrease
Source: Haver Analytics and European Commission, as of 3/15/2015.

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