PostFinance consumption indicator

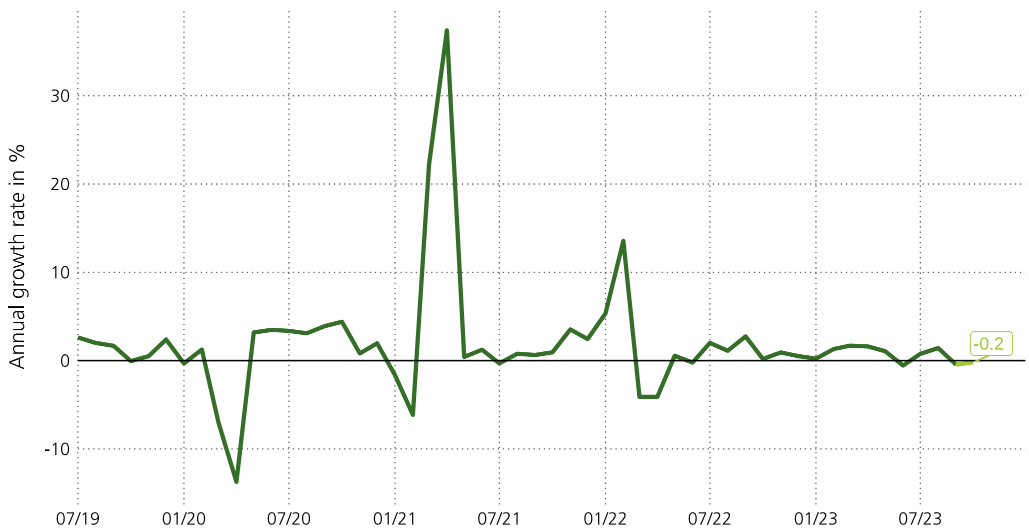
November 2023

Financial concerns weigh on consumption

Consumption levels among the Swiss public remain subdued. In October, consumer spending experienced a nominal decline of 0.2 percent compared to the same month last year. The decline is even more significant when adjusted for price changes. This caution is hardly surprising in light of the uncertain mood among Swiss consumers, who are increasingly concerned about their own financial situation. It is also striking that their prudence is resulting primarily in a drop in demand for goods, while services such as travel and restaurant visits are still in high demand.

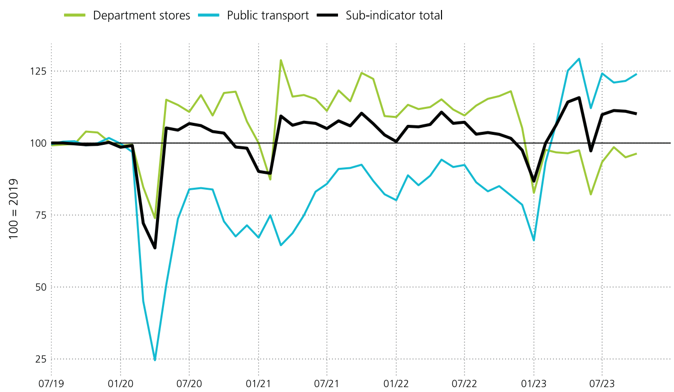
PostFinance consumption indicator

PostFinance consumption indicator — Forecast October



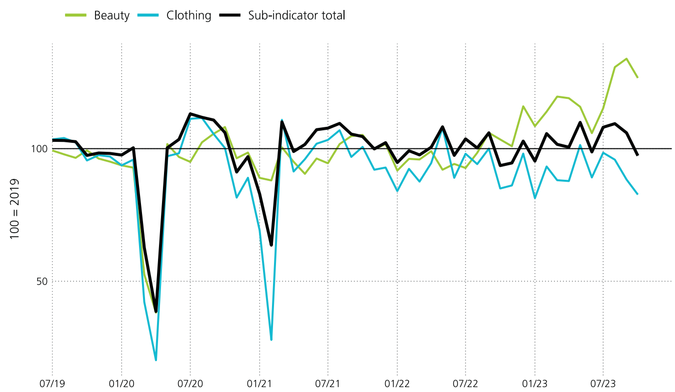
With 2.5 million customers, PostFinance is one of the largest financial institutions in Switzerland. Every month, we analyse our customers' anonymized payment transactions. This enables us to ascertain in almost real time how people in Switzerland spend their money each month. At the same time, the aggregated figures provide meaningful and up-to-date information about economic developments in Switzerland. The PostFinance consumption indicator shows year-on-year consumer spending adjusted for sales and holiday effects. In addition to the main indicator, we have developed seasonally adjusted consumption indicators, that include spending on specific goods and services ("everyday & household", "beauty & wellness", "recreation & leisure" and "travel"). The main indicator is published in annual growth rates, the sub-indicators are presented as indices.

"Everyday & household" sub-indicator



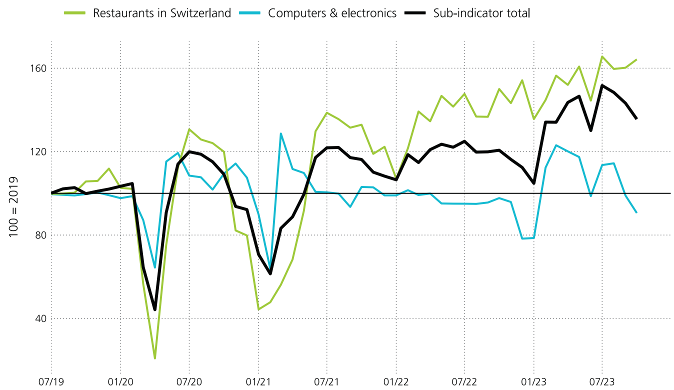
Total household spending remained unusually steady over the past four months, despite significant deviations from usual consumer preferences. Current consumption at department stores is appreciably lower than the average of the last four years, while public transport usage is noticeably high.

"Beauty & wellness" sub-indicator



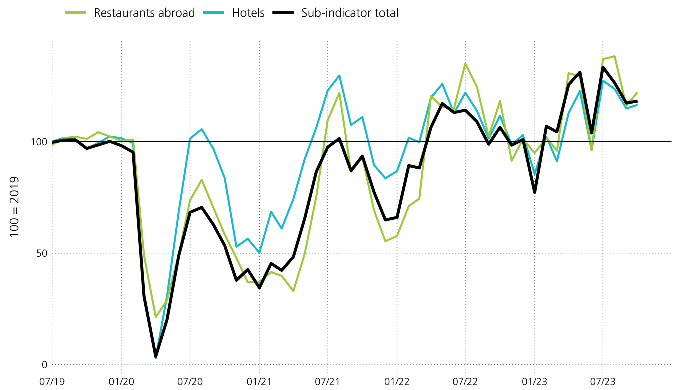
Revenues in the beauty and wellness sector declined in October. This sector also saw stark differences between goods and services. Beauty treatments were still in high demand, but fewer new clothes were purchased.

"Recreation & leisure" sub-indicator



The Swiss public spent slightly less money in the recreation and leisure sector last month. Demand for computer and electronic items in particular was somewhat subdued. However, visits to restaurants remained very popular.

"Travel" sub-indicator



Swiss residents are still travelling a great deal. Total travel expenditure rose slightly month-on-month. This increase was seen in spending on both restaurants worldwide and hotels.

Beat Wittmann
Head of Investment Office

PostFinance Ltd
Investment Office
Mingerstrasse 20
3030 Bern
Switzerland

postfinance.ch/market-view