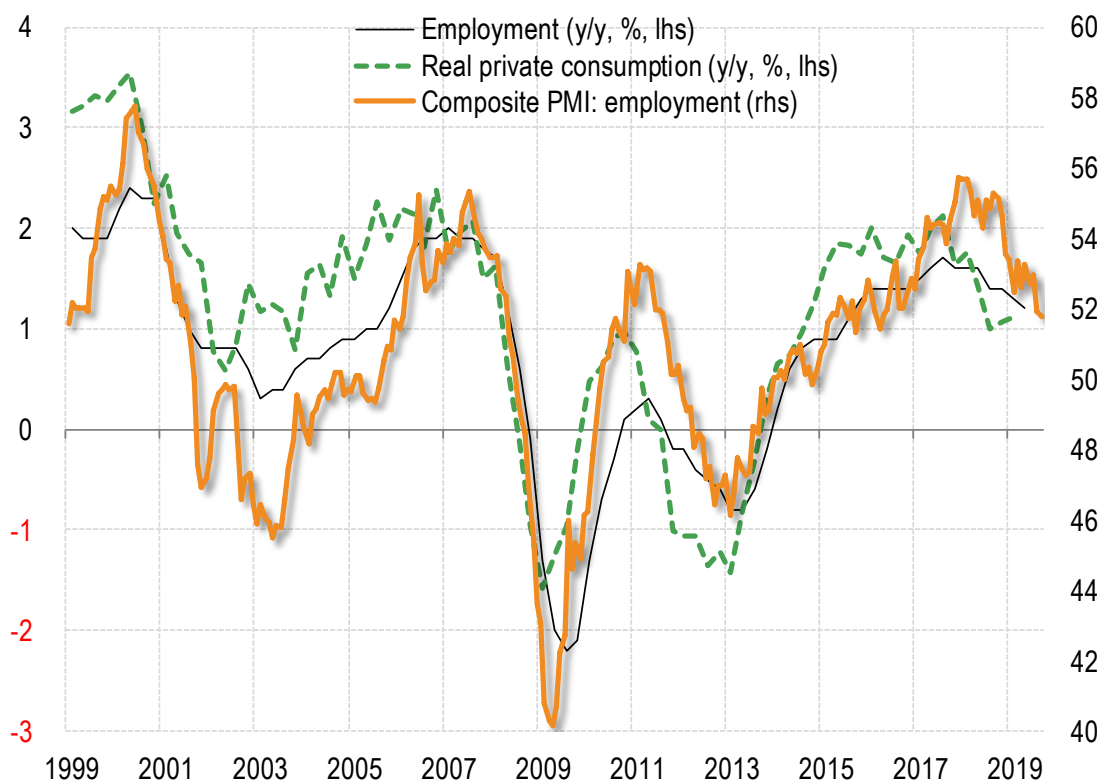




## Eurozone: Employment and private consumption growth

Private consumption is the biggest component of eurozone GDP: 54% in 2018. It is also more resilient to shocks than GDP. This characteristic is particularly important when activity is slowing. A key driver of household spending is real disposable income, which in turn very much depends on employment growth (wages also play a role obviously). Employment growth has been declining since the second half of 2017, which more or less corresponds to the peak of the eurozone growth. Judging by the employment component of the IHS Markit composite PMI, which is highly correlated with growth in employment, growth of the latter should continue to go down and hence weigh on consumer spending growth.



Source: Eurostat, Markit