

News Release

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Global Consumer Confidence Unchanged

Lack of momentum suggests increasing concerns about the durability of global consumer spending in 2020

- Q4 2019 global consumer confidence was unchanged at 107, suggesting more optimistic than pessimistic consumers; however, out of 64 markets surveyed, 30 saw a decline in confidence
- Concerns about future job prospects, which had already increased in Q3 2019, have begun to weigh on consumer sentiment about personal finances and spending intentions
- While consumer confidence in North America and Asia-Pacific remains the highest, in China, Japan, and several Southeast Asian markets, confidence is under slightly greater strain
- Consumer confidence in the Euro Area is well below 100, but remained unchanged relative to previous quarters; Confidence declined in Germany, Italy and Spain, but improved in France

NEW YORK, NY, January 16, 2020...The Conference Board® Global Consumer Confidence Index, conducted in collaboration with Nielsen, was unchanged in Q4 2019 at 107 (a reading of 100 or above is considered positive). The index has been relatively flat in recent quarters, despite hovering at historically high levels for more than a year.

“The continued lack of momentum in global consumer confidence raises concerns about the durability of consumer spending as a major source of growth in 2020,” says Bart van Ark, Chief Economist of The Conference Board. “While The Conference Board projects global economic growth to improve slightly to 2.5 percent in 2020—up from 2.3 percent in 2019—we should not take it for granted that consumer spending will continue to prop up the economy. Increased investment, an improvement in manufacturing production and trade, and more productivity growth are critical elements of a growth recovery.”

Out of 64 markets surveyed, 30 of them (14 emerging and 16 mature) saw a decline in consumer confidence (see table on page 5). This is a slight improvement from last quarter, when 33 markets saw a decline (14 emerging and 19 mature). However, confidence weakened in several larger economies (including China, Germany, Japan, Mexico, Russia, and Turkey), offsetting gains in other regions.

Consumer confidence remains highest in Asia-Pacific and North America. However, while consumer confidence in the US modestly improved over the previous quarter, it weakened in several Asian markets, including those in China, Japan, and Southeast Asia. Consumer confidence in the Euro Area is well below 100 but remained unchanged relative to previous quarters. Confidence declined in Germany, Italy and Spain, but improved in France. Consumer confidence faces challenges in Latin America but has been strengthening in the Gulf Region.

Consumer Caution on the Rise

“Strong labor markets, rising wages, and low consumer price inflation supported consumer spending in 2019,” says Elizabeth Crofoot, Senior Economist, The Conference Board. “An intensification of concerns about job security and personal financial well-being, especially if combined with lingering geopolitical uncertainties, may erode consumers’ confidence in the economy and cause them to rein in their spending.”

Consumer concerns that the economy is in recession (in their market) have visibly increased in Asia-Pacific and Europe over the past year, but eased slightly in North America and Latin America. Labor markets are tightening in many economies, and the number of additional jobs created is slowing. This slower job growth is reflected in increasing consumer concerns about job prospects. Wages have not risen as rapidly as expected, and consumers, especially less affluent ones, are therefore slightly more concerned about personal finances. And while low inflation in most markets—but not all—makes this a good time to spend, such favorable conditions will not last forever.

European Confidence Wavers Amid Increasing Economic, Political Uncertainties

For the third consecutive quarter, an increasing number of European markets are seeing declines in confidence. Of the 34 European markets surveyed, more than half (18) saw a decline in consumer confidence in Q4, up from 15 in the third quarter. In the Euro Area, nearly two-thirds (10 of 16) of markets saw a decline in confidence, up from 8.

Because the global industrial downturn is driving a softening in Europe’s economic outlook, the onus will fall on consumer spending to continue to drive growth. Low inflation and ultra-low interest rates across many European markets should somewhat cushion the European consumer.

Consumer confidence in the UK climbed for the second consecutive quarter, driven by improved sentiment about future job prospects and personal finances in the next 12 months. However, current spending intentions declined. Retail sales softened in November 2019 during the holiday shopping season. The December general election may have reduced uncertainty surrounding Brexit and buoyed consumer confidence. However, weakening retail spending raises concerns about whether the consumer can continue to support the economy in early 2020, especially as employment and wage growth have shown signs of weakening.

North America: Consumer Spending Remains Driver of Growth, But Bears Watching

Consumer confidence in the US climbed modestly, nearing its historic high of 123. The increase was primarily driven by improved sentiment about job prospects and spending intentions. A strong labor market with low unemployment and rising wages have kept Americans spending throughout 2019.

In an overall slow-growth environment, consumer spending has been the engine of growth. However, growth in real consumer spending is expected to slow to 2.7 percent in the first half of 2020. In the months ahead, several risk factors will weigh on the ability of consumers to propel the economy forward, including slowing employment growth; slowing wage gains, which have stalled at about 3 percent; and, in the wake of manufacturing weakness during 2019, possible layoffs in that sector. A potential waning of consumer spending bears watching in the near term.

Consumer confidence in Canada declined modestly. Optimism about future job prospects fell the most because of a sudden spike in unemployment from 5.5 percent in October to 5.9 percent in November 2019. As in the US, Canadian consumers have bolstered economic growth throughout the year amid low inflation and unemployment. However, slowing consumer demand, the recent uptick in joblessness, and rising delinquencies on consumer debt may start to curb spending.

Latin America: Economic, Political, Social Concerns Continue to Impact Confidence

Consumer confidence in Latin America softened slightly but has remained generally stable over the last several quarters. The largest declines globally were recorded for Chile and Mexico, with Chile's level of confidence dropping well below that of the troubled economies of Argentina and Venezuela. Argentina, Chile, Costa Rica and Mexico saw declines in all three drivers of consumer confidence (job prospects, personal finances, and spending intentions).

Economic and political uncertainties due to slowing foreign demand, contentious government elections, and widespread protests continue to work against the recovery of the most fragile Latin American markets and will likely continue to undermine consumer confidence.

After a sharp drop in mid-2019, consumer confidence in Brazil increased for the second consecutive quarter and nearly returned to levels of a year ago. Brazilian consumers stand among the most confident in the region, spurred by large improvements in job prospects and spending intentions. Despite a modest decline in the fourth quarter, two-thirds (66 percent) of Brazilian consumers still feel optimistic about their personal finances over the next 12 months.

Mexican consumer confidence declined sharply due to worsening sentiment about job prospects, personal finances, and spending intentions. After hovering around 100 for several quarters, the index dropped to 90, although it is still slightly above its historical average value (88).

About the Global Consumer Confidence Survey

The Global Consumer Confidence Index, based on online responses from 32,000 consumers in 64 markets throughout Asia-Pacific, Europe, Latin America, the Middle East and Africa, and North America, was acquired from Nielsen, which first began the survey in 2005. Nielsen, a leading global provider of information and analytics around what consumers buy and watch, continues to collaborate with The Conference Board on conducting the global survey.

The series for the world, the 64 markets covered and regional aggregates as well as information on several components of the index, including job prospects, personal finances and spending intentions, are released on a timely basis in summary format to the public during the first two weeks of each quarter. Detailed data series are made available on a complimentary basis to members of The Conference Board.

The Conference Board publishes the quarterly Global Consumer Confidence Index at 9:00 AM ET. The Global Consumer Confidence Index Highlights, full report and technical notes to this series are available on The Conference Board [website](#).

About The Conference Board

The Conference Board is the member-driven think tank that delivers trusted insights for what's ahead. Founded in 1916, we are a non-partisan, not-for-profit entity holding 501 (c) (3) tax-exempt status in the United States. www.conference-board.org.

About Nielsen

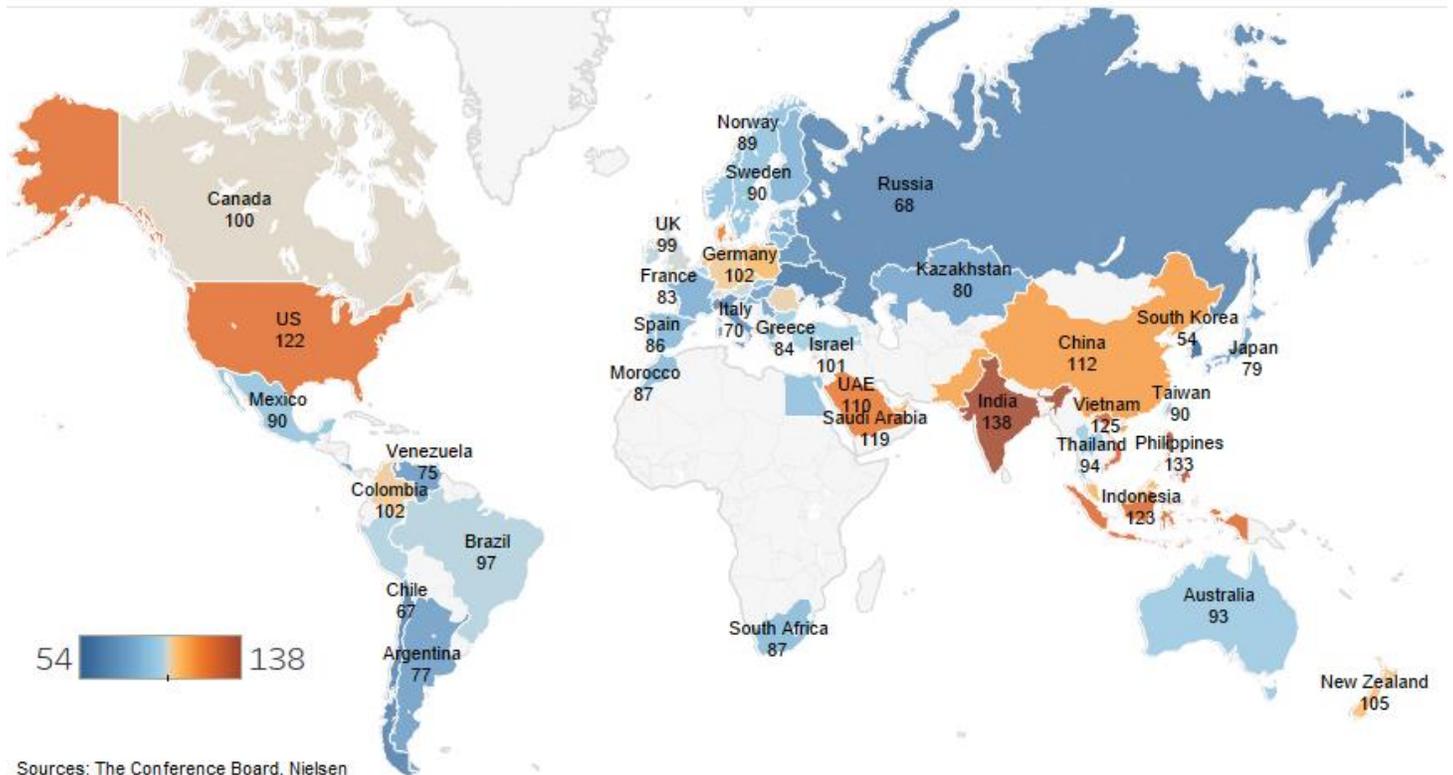
Nielsen Holdings plc (NYSE: NLSN) is a global performance management company that provides a comprehensive understanding of what consumers watch and buy. Nielsen's Watch segment provides media and advertising clients with Total Audience measurement services for all devices on which content — video, audio and text — is consumed. The Buy segment offers consumer packaged goods manufacturers and retailers the industry's only global view of retail performance measurement. By integrating information from its Watch and Buy segments and other data sources, Nielsen also provides its clients with analytics that help improve performance. Nielsen, an S&P 500 company, has operations in over 100 countries, covering more than 90 percent of the world's population. For more information, visit www.nielsen.com.

Further information:

Carol Courter (212) 339-0232 / courter@conference-board.org

Joseph DiBlasi (781) 308-7935 / joseph.diblas@conference-board.org

GLOBAL CONSUMER CONFIDENCE INDEX, Q4 2019: 107



Global Consumer Confidence by Region and Market

	2019 Q4	2019 Q3	Point Change		2019 Q4	2019 Q3	Point Change
Global Consumer Confidence Index	107	107	0	Europe	86	88	-2
Asia-Pacific	116	117	-1	Euro Area 16*	89	89	0
Australia	93	93	0	Austria*	99	102	-3
China	112	114	-2	Belarus	71	71	0
Hong Kong	83	86	-3	Belgium*	96	93	3
India	138	135	3	Bulgaria	96	87	9
Indonesia	123	123	0	Croatia	79	76	3
Japan	79	82	-3	Czech Republic	105	103	2
Malaysia	107	109	-2	Denmark	117	118	-1
New Zealand	105	101	4	Estonia*	85	92	-7
Philippines	133	131	2	Finland*	84	88	-4
Singapore	89	89	0	France*	83	80	3
South Korea	54	53	1	Germany*	102	104	-2
Taiwan	90	84	6	Greece*	84	84	0
Thailand	94	101	-7	Hungary	78	80	-2
Vietnam	125	128	-3	Ireland*	98	97	1
Africa & The Middle East	100	97	3	Israel	101	99	2
Egypt	89	90	-1	Italy*	70	71	-1
Morocco	87	74	13	Kazakhstan	80	84	-4
Pakistan	111	111	0	Latvia*	81	87	-6
Saudi Arabia	119	110	9	Lithuania*	86	88	-2
South Africa	87	88	-1	Netherlands*	105	103	2
UAE	110	109	1	Norway	89	89	0
Latin America	91	92	-1	Poland	106	102	4
Argentina	77	77	0	Portugal*	94	94	0
Brazil	97	95	2	Romania	101	99	2
Chile	67	75	-8	Russia	68	73	-5
Colombia	102	99	3	Serbia	78	79	-1
Costa Rica	73	76	-3	Slovakia*	89	90	-1
Mexico	90	98	-8	Slovenia*	84	91	-7
Peru	97	92	5	Spain*	86	87	-1
Venezuela	75	75	0	Sweden	90	96	-6
North America	120	118	2	Switzerland	99	98	1
Canada	100	103	-3	Turkey	95	98	-3
US	122	120	2	UK	99	96	3
				Ukraine	63	69	-6

Note: The quarterly US data shown here are based on *The Conference Board*'s Global Consumer Confidence Survey and are included to enable country/regional comparisons. These data and methodology differ from the Consumer Confidence Survey* and Consumer Confidence Index* which are published monthly by The Conference Board. For more information, see: <https://www.conference-board.org/data/consumerconfidence.cfm>