

The falling household savings: a Rush towards Real Property

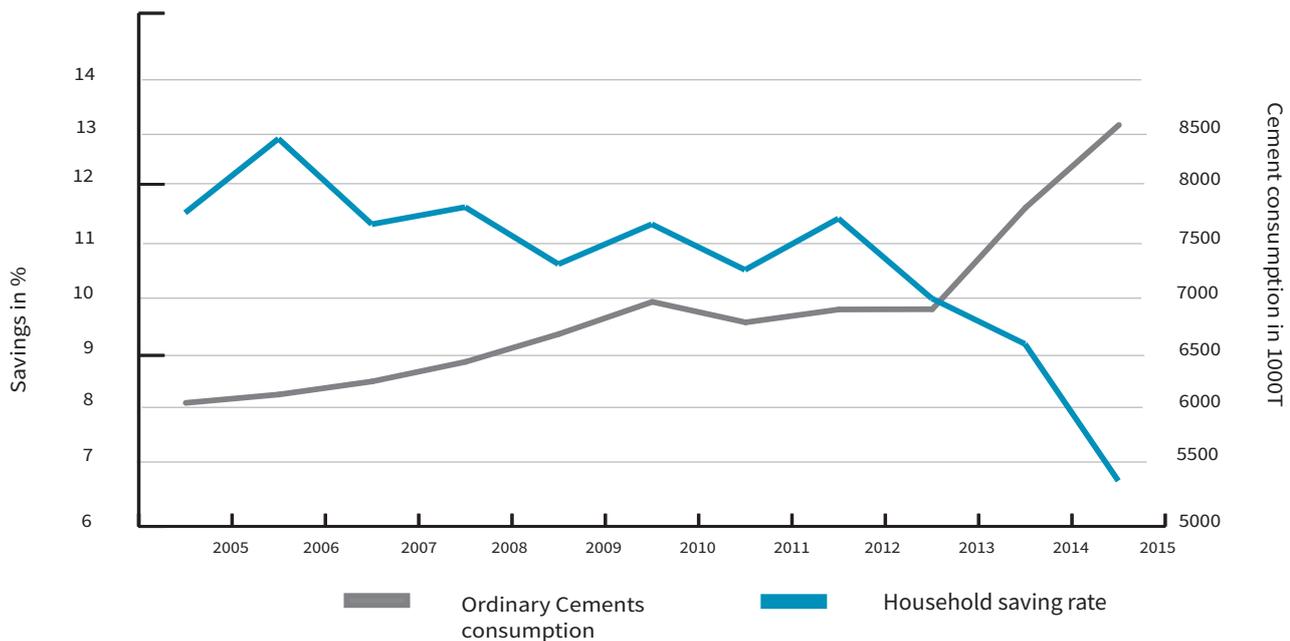
Key highlights

- The Household saving rate dropped by 40 % between 2012 and 2015.
- The consumption of ordinary cement increased by 33 % during the same period.

Title: Household savings rate Vs. consumption of ordinary cements
2005 - 2015

Author: Tunisian Observatory of Economy.

Sources: National Institute of Statistics



Between 2005 and 2012, the household saving rate remained roughly stable: around 11.5 %. It has however dropped tremendously between 2012 and 2015. It fell from 11.4 % in 2012 to 6.8 % in 2015 which represents a 40 % slump in the household savings rate in three years. Classical analyses would state that this drop is the result of a powerful increase in household consumption or a drop in their purchasing power due to high inflation. Nevertheless, if the development of ordinary cements consumption and particularly the significant consumption increase since 2013 are discerned, a further hypothesis might be explored: households have exceedingly used their savings to build or develop their private house. Can this rush to real estate be considered as a sign of households' lack of faith in the country's economic future growth?