

PRESS RELEASE

Luxembourg, 5 March 2015

Luxembourg residents seem to be less likely to save than before, according to ING International Survey !

According to the last study from ING International Survey (IIS), 31% of Luxembourg residents surveyed declare that the present economic situation has affected their finances and their savings capacity these last 3 months, against 24% last year. As a comparison, the European average amounts to 36%, against 41% last year.

Last year, more Luxembourg residents declared to have savings (84%) than this year (79%). This is confirmed by the declining feeling of comfort resulting of the level of savings held, where the Grand-Duchy ranks in the third place against the 1st place for last year. The Netherlands tops now the savings comfort league.

Also, Luxembourg is now in the average of countries where the citizens saw their savings decline in one year while the country knows an economic growth above average.

The opinion of our economist

According to Philippe Ledent, senior economist ING, if we consider the macroeconomic statistics published by Eurostat regarding the Grand-Duchy, we notice that the country has the highest savings rate (proportion between the country's global savings and the number of inhabitants) : this can be explained by the specificity of the Luxembourg economy, focused on the financial sector and employing many cross border workers. This would not be the first time that Luxembourg statistics are distorted by these elements and this does not mean that Luxembourgers are the biggest savers.

The savings rate mentioned in the Eurostat figures is a macro-economic one indeed taking over mortgage loan reimbursements. From a macroeconomic point of view, people save money when they pay back their mortgage loan. The sharp increase of the savings rate in Luxembourg may be linked to the fact that households have to pay a more and more important part of their income to pay back their mortgage.

And most people consider this reduces their savings capacity. As a consequence, the high level of real estate prices in the Grand-Duchy can explain why the results of the IIS Survey seem to indicate a decrease in Luxembourg residents' savings capacity.

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ING Profile

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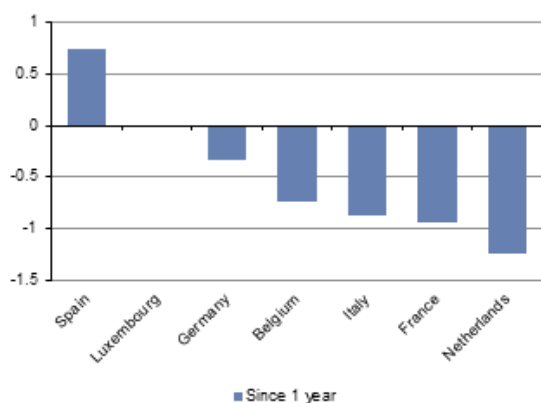
With a network of 16 branches distributed throughout the Grand-Duchy, ING Luxembourg aims to satisfy the varied requirements of its customers, individuals and professionals alike, in the best possible manner. Its teams consist of specialists with extensive know-how in their field. Not only are they trained in the latest financial management techniques, but they can also rely on the commercial relations and experience of a large international group.

Percentage of available income

Source : Eurostat

GEO/TIME	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
European Union (28 countries)	11.59	11.10	11.02	10.77	11.05	13.22	11.92	11.31	11.24	10.90
Euro area (18 countries)	14.37	13.94	13.66	14.03	14.28	15.18	13.82	13.23	13.00	13.05
Belgium	15.31	14.87	15.59	16.36	16.60	18.19	15.24	14.06	15.24	:
Czech Republic	7.86	9.52	10.62	10.25	9.37	11.22	10.73	9.86	10.59	:
Denmark	6.37	3.71	5.45	4.25	5.10	8.40	7.70	7.70	6.61	6.87
Germany (until 1990 former territory of the FRG)	16.12	16.28	16.39	16.84	17.37	16.97	16.89	16.43	16.44	:
Estonia	-5.78	-4.12	-6.26	-1.76	1.94	10.48	10.11	11.12	4.53	:
Ireland	8.77	10.04	8.30	7.17	11.65	16.16	13.18	11.16	10.15	:
Spain	10.99	10.81	10.24	10.38	13.75	17.79	13.86	12.66	10.36	:
France	15.44	14.39	14.61	15.11	15.26	16.05	15.56	15.61	15.20	:
Italy	16.53	16.42	15.89	15.46	15.20	14.26	12.37	11.95	11.63	12.91
Cyprus	11.71	11.66	11.16	7.46	5.65	12.85	14.66	14.00	7.90	:
Latvia	4.32	0.84	-4.11	-5.75	4.91	10.67	4.71	-1.31	-1.80	:
Lithuania	0.81	0.96	0.88	-4.21	-1.11	5.41	8.24	4.19	0.89	:
Luxembourg	:	:	10.11	10.87	16.21	18.91	19.32	19.44	19.71	:
Hungary	10.11	11.30	11.96	8.43	8.00	10.19	10.81	10.70	7.43	:
Netherlands	13.05	12.27	12.19	13.04	12.15	12.35	10.48	11.57	10.74	:
Austria	14.03	14.46	15.13	16.33	16.31	16.11	13.98	12.03	12.62	:
Poland	8.01	8.32	8.84	7.15	2.38	9.02	8.17	2.12	4.77	:
Portugal	9.96	9.98	8.03	6.99	7.06	10.86	10.13	9.73	11.96	12.58
Slovenia	14.80	16.60	16.76	15.02	14.50	14.66	12.87	12.06	11.92	:
Slovakia	5.92	6.61	5.60	7.23	6.14	6.88	10.27	9.39	8.21	:
Finland	9.83	8.46	6.80	7.24	7.83	11.71	10.70	8.74	8.59	:
Sweden	7.59	6.93	7.82	10.11	11.83	13.81	11.26	13.10	14.79	14.94
United Kingdom	3.80	2.91	3.36	2.13	2.18	6.98	7.31	6.70	7.33	:
Norway	11.64	14.30	5.25	6.61	9.13	12.06	10.83	12.67	13.47	13.89
Switzerland	13.62	14.32	15.99	17.54	16.86	16.61	16.51	17.81	:	:

Moreover, looking at consumer confidence surveys, a question is dedicated to the past evolution of their savings capacity and another one to their expectations for the following 12 months. The consumer confidence indicators went down during the last 12 months but not significantly more than in other countries :

Savings capacity in the last months (variation on 1 year)


Source : European Commission

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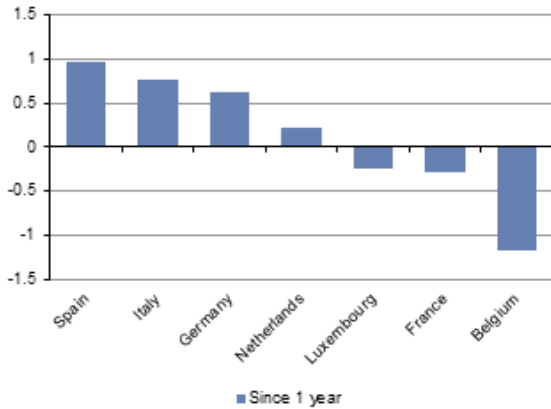
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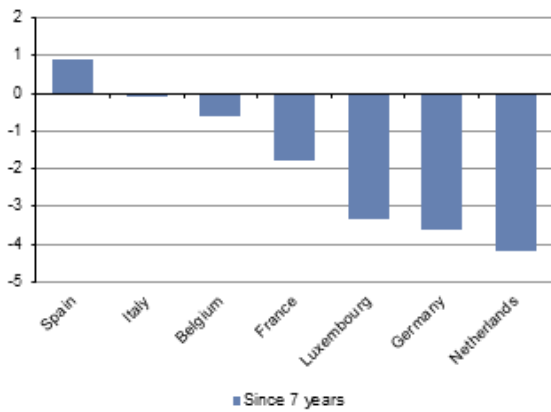
Savings capacity in the last 12 months (variation on 1 year)



Source : European Commission

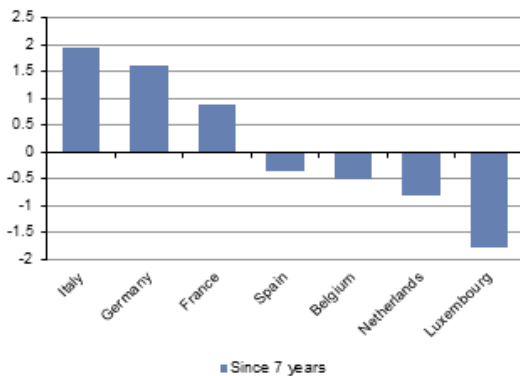
On the other hand, it is true that when we compare the feeling with the savings capacity at its level beginning 2008 (before the financial crisis), Luxembourg seems to be one of the countries where the feeling has known the strongest deterioration:

Savings capacity in the last months (variation on 7 years)



Source : European Commission

Savings capacity in the last 12 months (variation on 7 years)



Source : European Commission

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If we look at the figures for the next 12 months, we see that the savings capacity appears to be relatively weak, from a historical point of view.

But once again, real estate prices play here an important role: people do save a lot in reality (according to Eurostat criteria taking into account the reimbursement of mortgage loans) but as an important part of savings is dedicated to housing, they do not have the feeling that they save a lot.

On mymoney.lu, an interesting infographic sums up well the feelings of Luxembourg residents regarding the prices of real estate.



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