

Industry trends – Consumer durables

Global sales of consumer durables forecast to slow

October 2025



Global overview

After increasing by 5.8% in 2024, global sales growth of consumer durables is forecast to slow down to 1.8% in 2025 and 1.3% in 2026. Next year’s expansion will be mainly driven by the US and emerging markets except China. In the US the loosening of financial conditions, solid gains in real disposable incomes, a low savings rate, and stronger mortgage refinancing will support consumer spending. In emerging markets consumer demand will benefit from previous policy rate cuts, fiscal measures, and rising net remittance inflows. Tighter labour markets should bolster real wage growth.

Trade tariffs and protectionism pose greatest downside risks
The consumer durables sector is exposed to geopolitical and economic downside risks such as tumbling stock markets and volatile commodity prices. Potential supply chain disruptions and higher volatility of prices of raw materials, energy, transportation or containerships could inflate retail prices for home equipment, and more generally hurt households’ willingness to spend.

Currently the most imminent threats are the increased use of trade tariffs and protectionism. Tariffs weigh on economic

growth directly through higher costs of trade, which in turn often results in increasing consumer prices and a reduction in disposable household income. If operating costs rise substantially, some retailers could be forced to modify their sourcing policies and look for new partners to dodge tariff hikes. Many will seek to pass on charges to customers by rising prices to protect already thin margins.

Smaller players in advanced markets face greater insolvency risks
The credit risk of consumer durables retailers in many advanced markets remains elevated, with smaller players especially vulnerable to defaults and insolvency. The sector operates in a fiercely competitive environment with thin margins. These are being further squeezed by more frequent markdowns, as consumers seek discounts year-round. At the same time online retailers are increasing their market share, putting pressure on brick-and-mortar operators. Large companies with ample cash reserves will be best positioned to navigate the stormy waters, while smaller retailers could face some solvency issues.

Industry performance forecast

Europe		Asia and Oceania		Americas		Credit Risk / Business Performance Legend
Austria	Netherlands	Australia	Phillipines	Brazil	Excellent The credit risk situation in the sector is strong / business performance in the sector is strong compared to its long-term trend.	
Belgium	Poland	China	Singapore	Canada	Good The credit risk situation in the sector is benign / business performance in the sector is above its long-term trend.	
Czech Republic	Portugal	Hong Kong	South Korea	Mexico	Fair The credit risk situation in the sector is average / business performance in the sector is stable.	
Denmark	Slovakia	India	Taiwan	USA	Poor The credit risk in the sector is relatively high / business performance in the sector is below its long-term trend.	
France	Spain	Indonesia	Thailand		Bleak The credit risk in the sector is poor / business performance in the sector is weak compared to its long-term trend.	
Germany	Sweden	Japan	UAE			
Hungary	Switzerland	Malaysia	Vietnam			
Ireland	Turkey	New Zealand				
Italy	UK					



Industry trends

Consumer durables output



Strengths and growth drivers

Emerging markets growth: Urbanisation and the number of middle-income families is growing, driving demand for consumer durables in the coming years. This, together with increasing internet penetration and digitalisation, will make many emerging markets attractive for retail investment.

New technologies: Retailers can leverage AR/VR technology to create immersive shopping experiences and chatbots for conversational commerce, enriching the brand-consumer relationship through one-to-one interactions. Conversing with consumers at scale makes chatbots a strategic medium for customer engagement.

Sustainability: Sales of eco-friendly recycled and refurbished goods provide an increasing business opportunity for retailers. Higher consumer acceptance is likely to result in increased competitiveness for retailers.

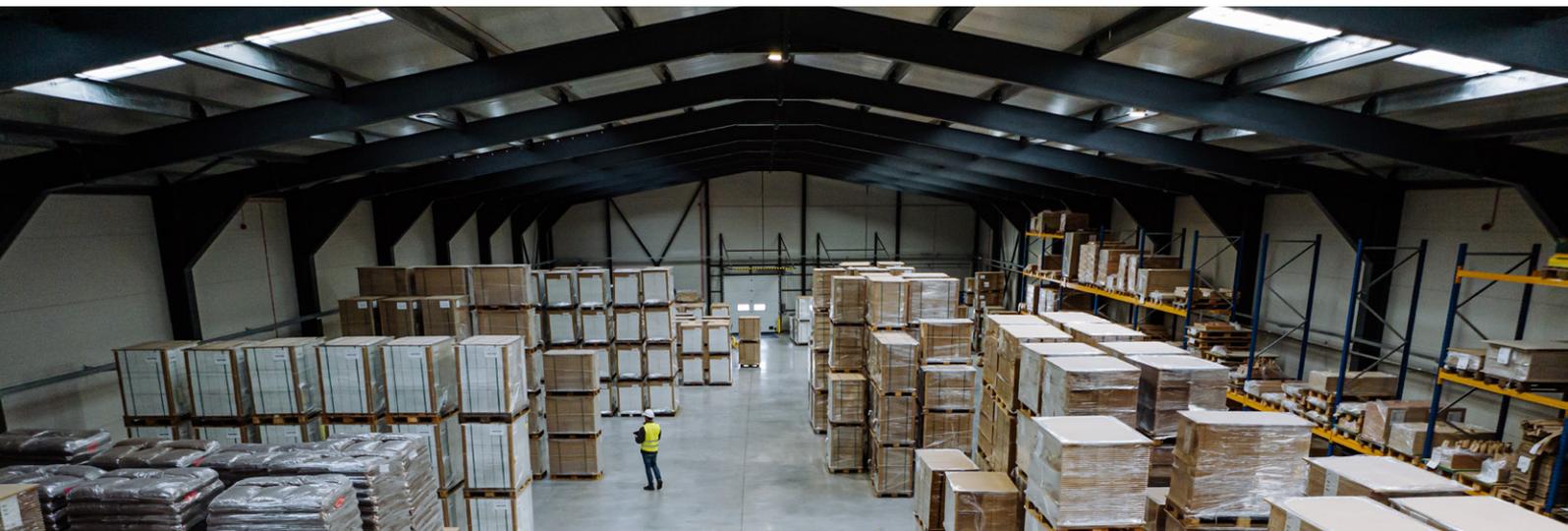
Constraints and downside risks

Elastic demand: Compared to essentials like food, demand for consumer durables is more closely aligned to incomes, prices and economic cycle volatility.

Margin issues: In many markets, retail profit margins are structurally thin and under pressure. In a fiercely competitive environment, the bargaining power of online retailers is increasing, and their price transparency is adding pressure to margins along the whole value chain.

Higher input costs: Retailers in many markets are facing higher costs for logistics, labour and energy.

Business realignment: If they're to survive in today's digital world, brick-and-mortar retailers need to offer additional services, expand their online business and enhance their digital capabilities. However, this requires major investment and the willingness to change; a difficult task amid tight profit margins, especially for smaller retailers.





Consumer durables/retail outlook Americas

Consumer durables gross output (sales)	2024	2025*	2026*	2027*
Brazil	11.3	-0.2	0.8	1.9
Canada	-5.7	-1.6	-10.0	2.2
Mexico	1.7	6.5	-0.7	3.5
USA	-2.1	-1.1	3.2	4.3

Year-on-year, % change /*forecast – Source: Oxford Economics

USA

Solid growth outlook in 2026, but tariffs threaten supply chains.

Post-pandemic consumer spending in the US has largely been driven by high levels of durable goods purchases on item such as furniture, domestic appliances and electronics, supported by government schemes, a drawdown in disposable savings and nominal wage growth.

US consumer spending growth sharply slowed in H1 of 2025 due to plummeting sentiment, and increased uncertainty hurting discretionary spending. We expect US consumer durables sales to contract by 1.1% this year, with consumer electronics and domestic appliances decreasing by 3.3% and 2.2% respectively. Meanwhile spending has gained momentum again, and in 2026 consumer durables is forecast to grow 3.2%. Household spending should be supported by further interest rate cuts and personal tax cuts. However, this is mainly driven by higher income households, while spending among low-income consumers is under pressure due to a weaker labour market and lower benefits from tax cuts. That bifurcation in will persist and deepen. Tariffs are a bigger drag on drag on low-income consumers, affecting in particular discretionary spending.

In the mid-term tariffs threaten to disrupt established supply chains and product availability, while consumers could cut back purchases because of higher prices. The US sources a large part of domestic

appliances, consumer electronics and furniture from Asia, in particular China. US retailers have been pre-empting tariffs since November 2024, maintaining already high post-pandemic inventory levels, so that sales prices have not increased immediately. However, higher costs for companies importing goods, particularly from China and Vietnam, will lead to higher prices. Most importers will be unable to push for cheaper prices from suppliers or be able to absorb the full cost of the tariff on their margins. Retailers will be forced to pay the tariffs, either by absorbing it, passing it on to consumers, or a combination of both. In general larger retailers are in a better position to deal with the situation than smaller companies, which are often less able to build up large inventories and switch suppliers at short notice.

Some companies that used to source from overseas may need to overhaul their sourcing strategies to focus on local producers. But the options to reshore consumer durables production are limited, as US manufacturers lack the infrastructure and specialised skills to ramp up large-scale output in the short term.

Brick-and-mortar retailers continue to lose market share to ecommerce. This segment remains vulnerable to bankruptcies due to increased supply chain and inventory challenges, as well as macroeconomic concerns. Traditional brick-and-mortar stores are increasingly adopting digital strategies to remain competitive, further driving the growth of online retail.

Industry performance forecast

- Brazil**
- Canada**
- Mexico**
- USA**

Excellent
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Bleak
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Consumer durables/retail outlook Asia Pacific

Consumer durables gross output (sales)	2024	2025*	2026*	2027*
China	10.9	1.4	0.6	4.0
India	24.4	4.7	6.6	7.7
Indonesia	3.9	4.5	3.5	4.5
Japan	-1.4	-8.7	0.9	0.0

Year-on-year, % change /*forecast – Source: Oxford Economics

China

The impact of government support for consumer durables sales is waning.

In order to boost consumer spending, in September 2024 the Chinese government introduced a domestic trade-in programme for passenger cars, household appliances and consumer electronics. This led to a boost in consumer durables sales in late 2024 and early 2025. However, the momentum from the programme is about to fade, and we expect consumer durables sales growth to slow down to 0.6% in 2026. At the same time Chinese consumer sentiment remains volatile, mainly due to the ongoing issues in the property sector, where home buyers are confronted with negative wealth effects due to price pressures. Deflation risks still persist which may lead to further demand erosion. While unemployment remains low and manageable, the persistence of youth unemployment poses a risk to discretionary spending. Chinese household spending in 2025 and in 2026 will still not have reached pre-pandemic levels of growth.

Chinese furniture manufacturing is set to contract by 4% in 2025 and by 1% in 2026. US tariffs are weighing heavily on home goods exports, which decreased by more than 21% in July. This has prompted Chinese factories to cut shifts, reduce wages, and relocate some production to Southeast Asia. With domestic demand subdued due to the weak housing performance, producers are left with little capacity to offset the external weakness.

India

Ongoing growth and good long-term prospects

Household spending in India will remain robust in 2025 and in 2026, supported by monetary easing and a large consumption tax cut, which covers more than 400 items. This move is designed to cushion the impact of higher US tariffs and aligns with plans to position domestic consumption as the primary driver of growth. Over the coming years, households are expected to shift their spending focus more towards services, including travel and leisure, rather than physical goods. That said, the long-term outlook for consumer durables remains positive due to increasing household purchasing power and a growing middle class.

Japan

Low consumer confidence weighs on the sector.

After an 8.7% decline in 2024 we expect consumer durables sales in Japan to rebound by only 0.9% in 2025 and to level off in 2026. Households' purchasing power has weakened. There will be moderate gains in real incomes, but the lagged impact of currently-low confidence will avoid a comprehensive recovery in the short-term. In the long run, the ageing and declining population size will mean weaker consumption prospects.

Industry performance forecast

	Australia
	China
	Hong Kong
	India
	Indonesia
	Japan
	Malaysia
	New Zealand
	Phillippines
	Singapore
	South Korea
	Taiwan
	Thailand
	UAE
	Vietnam

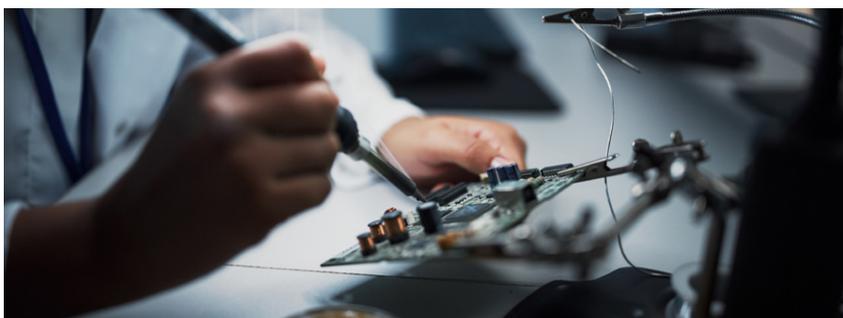
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Consumer durables/retail outlook Europe

Consumer durables gross output (sales)	2024	2025*	2026*	2027*
France	0.3	-1.6	-0.9	1.2
Germany	-2.8	0.6	1.6	1.2
Italy	-2.2	1.1	-1.9	0.6
United Kingdom	-4.1	1.2	-1.1	-1.2

France

Credit risk remains high in the retail sector.

We expect the performance of French consumer durables to remain subdued in 2025 and in 2026, with sales contractions of 1.6% and 0.9% respectively.

Unemployment is rising and French households are spending less due to lack of confidence in the future. Domestic appliances sales are forecast to increase by 2% in 2026, but consumer electronics is facing a 5% contraction in the same period.

Credit risk in the retail segment remains elevated. Inventories are quite high due to low levels of demand, and financial partners are increasingly restrictive with short-term facilities. Margins are generally low across all subsectors, but higher in the small household appliances segment compared to consumer electronics. The level of payment delays and insolvencies is high among smaller retailers. Large, specialised retailer groups are financially more healthy, as they keep on gaining market share.

Germany

Growing sales amid increased payment delays and insolvencies.

After a 2.8% contraction in 2024, consumer durables sales in Germany are expected to rebound by 0.6% in 2025 and to grow by 1.6% in 2026. A stabilising labour market should help to sustain consumer spending. Slowing inflation also supports real income gains and falling deposit interest rates may limit the degree of precautionary savings. But risks remain to the downside, underscored by the softness of consumer confidence. The credit risk in the German retail segment remains elevated. Input costs for retailers remain high, credit is still expensive and margins are very thin. The level of payment delays and insolvencies is high, expected to increase further in the coming six months.

United Kingdom

Retailers need to cut costs amid volatile consumer confidence.

After a 1.2% growth in 2025 we expect consumer durables sales in the UK to contract by 1.1% in 2026. Consumer electronics is forecast to decrease 4.9% next year after growing 1.9% in 2025, while domestic appliances will contract 0.2% in 2026 after a modest 0.5% growth this year. UK Consumer confidence remains volatile amid lower pay growth and higher inflation.

Companies have cut spending on wages and salaries in response to the increase in employers' national insurance contributions (NICs) in April. Retailers face the need to cut costs, while opportunities for top line growth are limited. This is to ensure operations are as efficient as possible to maintain profitability after the impacts from the rising NIC and National Living Wage have been accounted for. Credit risk in the segment remains elevated, and maintaining strong liquidity discipline through stock and supply chain management will be critical for success. Smaller players struggle most in a shrinking market, as many are unable to access more favourable pricing and payment terms.



Industry performance forecast	
	Austria
	Belgium
	Czech Republic
	Denmark
	France
	Germany
	Hungary
	Ireland
	Italy
	Netherlands
	Poland
	Portugal
	Slovakia
	Spain
	Sweden
	Switzerland
	Turkey
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