



CONJONCTURE IN FRANCE

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THE EUROZONE PERKS UP A LITTLE

GENERAL OUTLOOK	7
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SPECIAL ANALYSIS

- How strong of a rebound can be expected in the French economy? 19
- Diverging trajectories for European automotive industries 39

FRENCH DEVELOPMENTS

- Review of the previous forecast 55
- Output 57
- France's international environment 63
- Foreign trade. 66
- Employment 69
- Unemployment 75
- Consumer prices 78
- Wages 81
- Household income. 83
- Household consumption and investment 87
- Entreprises' earnings 91
- Corporate investment and inventory 93

INTERNATIONAL DEVELOPMENTS

- Oil and raw materials 99
- Financial markets. 102
- Eurozone. 105
- Germany. 107
- Italy 108
- Spain 109
- United Kingdom 110
- United States. 111
- Japan 112
- Emerging economies 113

FOCUS

- How will businesses use the Tax Credit for encouraging Competitiveness and jobs (CICE) in 2014? 60
- Subsidised jobs in 2013: the growing importance of future contracts. 73
- How to explain the dynamic consumption of engineered goods in Q4? 90

COUNTRIES ACCOUNTS	116
STATISTICAL FRENCH APPENDIX	120

The Eurozone perks up a little

As forecast in December's Conjoncture in France, the improvement continued in the advanced economies in Q4 2013, although growth remained disappointing in the emerging economies.

In H1 2014, notably due to a new surge of wariness on the markets regarding those countries relying most on foreign capital, growth is unlikely to improve significantly in the emerging countries. In the advanced countries, meanwhile, the recovery is likely to be consolidated, as shown by the improving business climate in business tendency surveys. In particular, growth in the Eurozone should continue to rise over the forecasting period (+0.4% in Q1 then +0.3% in Q2, against +0.2% on average in H2 2013), thanks to more moderate fiscal consolidation, to the upturn in investment after a very pronounced adjustment in many countries and to a fall in precautionary saving by households.

World demand for French products should therefore return to a regular, sustained rate of progression through to mid-2014.

The activity profile is set to be less regular in France in H1, meanwhile, with a progression in GDP of 0.1% in Q1 2014, then of 0.3% in Q2 2014, on account of the combination of several one-off effects.

First of all, dynamic spending in Q4 2013 on durable goods and construction was partly the result of people bringing purchases forward, and is therefore likely to have generated a backlash in Q1. Energy production should also contract in Q1 2014 before rebounding in Q2, on account of particularly mild temperatures this winter. On the other hand, manufacturing production is set to be more dynamic in Q1 as stocks are built up again after their negative contribution in Q4.

These ups and downs aside, the progression in activity in France should therefore remain modest in H1 2014. The business climate in the INSEE business tendency surveys has been stable on the

whole over the last six months and remains below its long-term average, with the notable exception of manufacturing industry. This pause in the improvement of the outlook reflects a certain lack of dynamism in the various demand items.

Exports meanwhile, leaving aside the quarterly ups and downs observed recently, continue to be hit by the past rise in the value of the Euro, as well as by residual losses in non-price competitiveness. They are therefore likely to be less dynamic than foreign demand over the forecasting period.

Investment is likely to be held back by the absence of any upturn in construction, while better prospects for activity and the improving financial situation of companies should be positive factors.

Despite the brighter outlook on the employment front, household purchasing power would accelerate only slightly, as the gains in real wages observed in 2013 due to the unexpected fall in inflation fade out in 2014. The progression in total employment is likely to continue being driven by that in subsidised employment; in the private sector, the upturn in activity is only likely to offset gains in productivity. As the active population is set to return to its long-term trend growth after falling in 2013, the unemployment rate should stabilise in mid-2014 at the same level as in Q4. It is therefore likely that household consumption will barely progress in H1 2014.

This scenario is subject to a number of uncertainties.

In particular, if the return of confidence in the Eurozone is confirmed, it might unleash stronger household consumption than expected. Conversely, the still-high level of household debt could hold spending back more than expected.

Also, activity in the emerging economies over the past year has been facing sudden shifts in levels of confidence among foreign investors, resulting in increased volatility in their growth and therefore their imports. ■

Activity remained dynamic in the advanced economies in Q4 2013

In the emerging economies, activity slowed down

In the emerging economies, activity slowed down slightly in Q4 2013 (+1.2% after +1.7% in Q3). Despite this, industrial production remained firm (+1.3%), buoyed by accelerating exports (+4.2% after +1.6%), while imports were dynamic (+2.2% after +1.8%). On average in H2 2013, activity in the emerging economies accelerated, although not enough to offset the marked slowdown at the start of the year: in 2013, growth thus reached 4.9%, its lowest since 2009.

Strong growth in the advanced economies in Q4 2013

In Q4 2013, growth in the advanced economies was strong (+0.6% after +0.6%), slightly more than expected in Conjoncture in France in December 2013 (+0.4%). The upturn was confirmed in the Eurozone (+0.3% after +0.1%) and the United Kingdom (+0.7% after +0.8%). In the United States, activity slowed down (+0.7% after +1.0%) and the progression in GDP remained disappointing in Japan (+0.2% after +0.2%).

Activity accelerated in the Eurozone

In Q4 2013, activity in the Eurozone accelerated (+0.3% after +0.1%), as expected in Conjoncture in France in December 2013, driven by an upturn in exports, which had stagnated in the previous quarter, and in investment.

In France, activity rebounded in Q4 2013

Upturn in activity in France

Activity rebounded in France in Q4 2013 (+0.3% after -0.1%). Buoyed by strong manufacturing demand (+0.6% for domestic demand excluding stocks and +1.5% for exports), added value in the manufacturing industry rebounded (+0.4% after -0.8%). Companies drew on their stocks to meet extra demand and stocks contributed negatively to GDP by 0.3 points. Production of market-sector services accelerated (+0.4% after +0.2%), notably driven by the manufacturing branch. Energy production fell again clearly in Q4 (-1.1% after -1.5%), as temperatures were higher than the seasonal norm, thereby limiting household heating expenditure once again. Finally, activity in construction took off again (+0.3% after -0.4%), under the combined effect of several factors: the peak in public works activity, probably linked with the municipal election cycle, the delayed effect of the rebound in housing starts at the beginning of 2013, and probably also people bringing some home maintenance spending forward before the VAT rate hike on 1st January.

The oil price should be high through to mid-2014

Despite a physical market with little in the way of tensions, the oil price remains high

In Q4 2013, the price of Brent remained at a high level (US\$109), despite the relative easing of the tensions that had caused it to rise in summer 2013. Fears as to the level of OPEC production, already low, and a general context of dynamic demand, especially from OECD countries, buoyed up crude oil prices and led to a sharp fall in oil stocks in the developed countries, now at a particularly low level. In Q1 2014, there should be no significant tensions on the physical market. Supply should be strong once again, in particular in Iraq where production has shown an upturn. In Q2, production should remain strong, driven by the seasonal rise in biofuels production. Most forecasts see the oil price per barrel remaining stuck close to its recent level of US\$108.

The short-term outlook should remain more favourable in the advanced economies through to mid-2014

Activity in the emerging economies should slow down...

The emerging economies are currently flying through a zone of monetary turbulence. After being shaken last spring, the currencies of the high-current-deficit countries (Argentina, Brazil, Indonesia, Turkey) and also the Russian ruble again slipped in value, as the US began to cut back its quantitative

easing, and their central banks have continued to tighten their monetary policies. The business tendency surveys, which had deteriorated markedly in the spring and then improved slightly in H2, were once again on a downward trend in January. In China, activity decelerated in Q4 (+1.8% after +2.2%) and the business climate collapsed at the start of this year. All in all, except for the economies of Central Europe, which should continue to grow strongly, activity in the emerging countries is set to decelerate and their imports slow down (+1.2% in Q1 then +1.7% in Q2).

... but the upturn should continue in the advanced economies

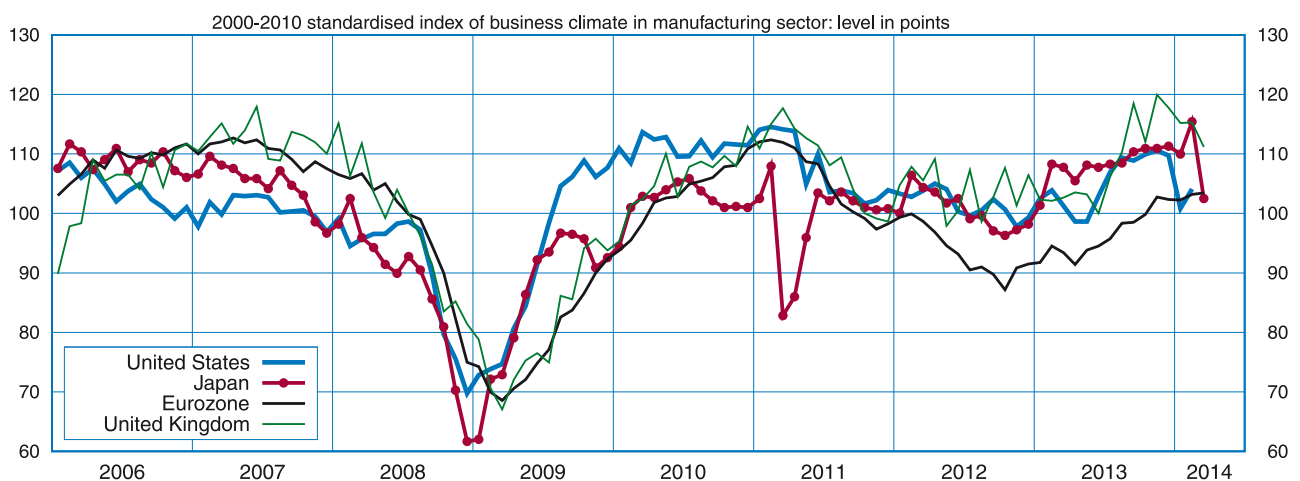
In the advanced economies, the business tendency surveys showed a marked upturn, in contrast, in summer 2013 and the business climate returned to its long-term average (see [Graph 1](#)). Activity should therefore continue to grow moderately over the forecasting period (+0.5% in Q1 then +0.3%). In the United States, activity should still be sound, even if production did suffer from the extreme weather conditions at the start of the year. In the United Kingdom, the upturn should continue at a strong pace: activity is likely to continue being driven by the rise in asset prices and upturn in lending, especially in real estate. In the Eurozone, the fiscal effects should be much less negative in 2014 than in recent years and consumption should start up again modestly. Investment excluding construction should also become more dynamic, driven by prospects for activity. In Japan, the profile of activity should be uneven (+0.8% in Q1 then -0.8% in Q2) due to the rise in VAT scheduled for 1st April.

Through to mid-2014, the Eurozone should perk up slightly

Monetary policy at the crossroads in the advanced economies

As the world recovery is confirmed, the calendar of the major central banks for tightening their monetary policies has become a key issue. In the United States, the Federal Reserve started reducing the volume of its monthly securities purchases in December 2013, the first stage towards putting an end to quantitative easing at some point in the future. In the United Kingdom, the quick fall in unemployment also raises the question of whether the Bank of England should continue its expansionist monetary policy. The European Central Bank, meanwhile, faced with weak growth and inflation and persistent fragmentation of the monetary market, continues to ensure easier access to bank liquidities and is likely to keep its base rate (at 0.25% since November 2013) unchanged over the forecasting period.

1 - The upturn should continue in the advanced economies



Sources: Institute for Supply Management, Shoko Chukin Bank, Commission Européenne

General outlook

The role of the ECB on the monetary market remains important

On the money market, the role of the central banks remains important, in particular in the Eurozone where the ECB continues to provide advantageous refinancing conditions to the banks, mainly for the benefit of the southern countries of the monetary union (in particular Spain and Italy), while those countries whose banks are sounder (including Germany and France) have reduced their reliance on central bank financing.

The credit market remains blocked in the Eurozone

The credit market remains blocked in the Eurozone, however: outstanding lending to non-financial enterprises has been falling back continually for almost two years, and the continuing fragmentation of the interbank market results in significantly higher financing costs in Spain and in Italy than in Germany and France. However, surveys of the banks report that lending conditions are becoming more stable on both the supply and demand sides.

Outlook surveys remain at a high level in the Eurozone

In the Eurozone, business tendency surveys continue to improve on the whole, although at a slower pace than in mid-2013, and the business climate in industry is now in expansion territory. Activity in the Eurozone should therefore continue to grow moderately in H1 2014 (+0.4% then +0.3%). Germany should accelerate markedly, while growth should remain modest in France, Italy and Spain.

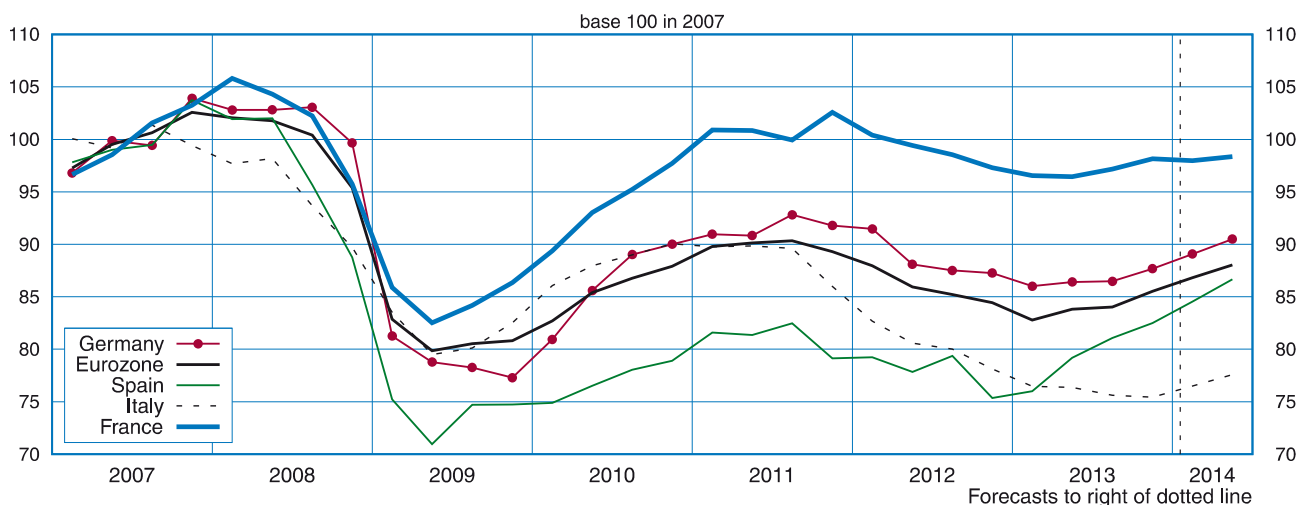
Households set to cut their precautionary savings

In the Eurozone, household purchasing power should be held back less by the fall in employment and tax increases. It should therefore increase weakly (+0.1% per quarter), buoyed by the upturn in wages. Households should also cut their precautionary saving over the forecasting period, as activity and employment prospects improve. Consumption in the Eurozone is therefore likely to increase a little more quickly than purchasing power (+0.2% in Q1 2014, +0.4% in Q2, the profile being due to France).

Corporate investment should continue to recover

Growing activity and the need to renew production capacities after a marked phase of adjustment should continue to drive the recovery in investment in equipment (see Graph 2). It should nonetheless continue to be held back somewhat by the high level of lending rates to SMEs in Italy and Spain. In construction, the improvement in confidence in the sector, although weak, is consistent with a lessening of the fall in investment in H1 2014. The quarterly profile in construction should be very uneven (0.0% then -0.5%) due to the mild winter, particularly in Germany.

2 - Corporate investment should continue to recover in the Eurozone



Sources: Destatis, Eurostat, INSEE

World trade should be dynamic through to mid-2014

World trade accelerated in Q4 2013 (+1.6% after +1.1%). Trade progressed in advanced and emerging countries, especially in Asia. Trade should progress by 1.2% in Q1 and 1.4% in Q2, returning almost to its long-term growth rate as the economic situation improves in the advanced economies, particularly in the European Union, while imports in the emerging economies should slow down slightly after a dynamic Q4 2013.

The progression in French exports should be moderate, however

The upturn in the advanced economies should buoy up French exports

After a pause in Q4 (+0.6%) linked to sluggish imports among our European partners, foreign demand for French products should once again be in line with world trade through to mid-2014 (+1.2% then +1.4%, *see Graph 3*). French exports, which rebounded strongly in Q4 2013 (+1.3%), due to the progression in transport equipment sales (+3.7%), are likely to grow more weakly than foreign demand in H1 2014 (+0.9% and +0.8% in Q1 and Q2 2014), due to residual losses in non-price competitiveness plus the negative impact of the rise in the Euro since mid-2012. This continuing rise against the Dollar, at a time when interest rate and growth prospects are more favourable across the Atlantic, raises many questions.

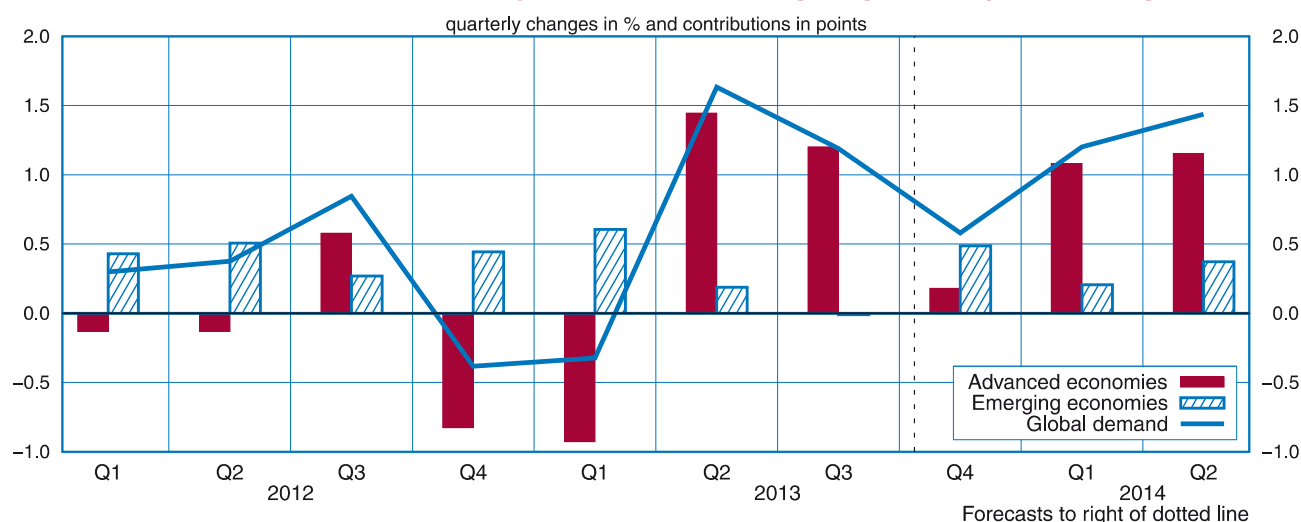
In France, the recovery should remain modest in H1 2014

The business climate has not progressed for six months in France

After a marked rebound in all sectors in summer 2013, the business climate in France has been almost stable for six months (at 95 in March and in September) and still remains below its long-term average (*see Graph 4*). The business climate in industry - the branch in which trends in net outlook indicators are generally watched more closely - has continued to progress slightly, however, and in March it stood at its long-term level (at 100 since December). Conversely, composite indicators remain below their long-term average in wholesale trade (99 in March) and retail trade (97 in March), and even deteriorated in building (at 93 in February) and services (92 in February against 95 in November).

(1) The forecasts in this *Conjoncture in France* are in the 2005 base, consistent with the last published quarterly national accounts covering Q4 2013. The switch to the 2010 base on 15 May 2014 should lead to revisions of the series in terms of level, but the quarterly trends should remain similar to those in the 2005 base.

3 - World demand for French goods and services buoyed by the European recovery



Sources: INSEE, DG Tresor, Centraal Plan Bureau

General outlook

Growth in manufacturing production in H1 2014

In manufacturing industry, production grew markedly in January (+0.7%). Business leaders' answers remain relatively optimistic in March in the INSEE business tendency survey, with all the balances of opinion being close to their long-term averages. The progression in manufacturing production in Q1 should therefore be close to the overhang at the end of January, at +0.9%, as the contribution of stocks offsets the weakness of demand. In Q2, it should continue to grow at a lesser rate (+0.3%).

The upturn in the French economy likely to remain modest in H1 2014

Energy production should fall again in Q1 (-1.5%), as temperatures have been much higher than the seasonal norms, and then rebound in Q2 (+2.4%) if temperatures are more in line with the seasonal norms. Finally, activity in construction should contract again in H1 2014 (-0.7% per quarter). On the one hand, building permits have been on a downwards trend since early 2013 and the number of starts fell again in H2 2013. On the other hand, public works should be hit by the after-effect of Q4 2013, driven by the municipal election cycle. All in all, the upturn in the French economy is likely to lag behind that for the Eurozone as a whole in H1 2014 (+0.1% then +0.3%).

GDP set to show a growth overhang of +0.7% by mid-2014

In mid-2014, GDP is likely to be showing a growth overhang of +0.7%, after annual growth of +0.3% in 2013 and 0.0% in 2012. The acceleration in activity expected for 2014 as a whole should be driven in particular by manufacturing industry (overhang of +1.1% in mid-2014 after +0.1% in 2013 and -2.8% in 2012). In contrast, construction is likely to continue weighing down on activity (overhang of -1.3% in mid-2014, after -2.2% in 2013).

Total employment set to progress and unemployment to be stable through to mid-2014

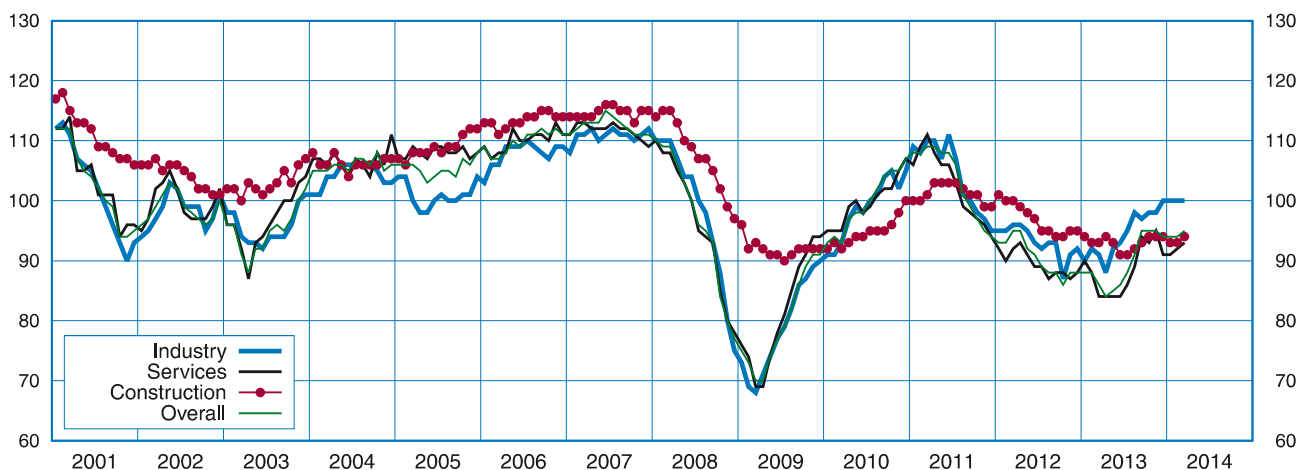
Market-sector employment should be almost stable through to mid-2014

In H2 2013, non-agricultural market-sector employment levelled out (+5,000 jobs after -68,000 in H1), in particular thanks to the rebound in temporary employment. Through to mid-2014, the progression in activity should be in line with that in productivity gains. The effects of the classical productivity cycle should be offset by the favourable effect on employment of the tax credit for competitiveness and employment (CICE). Market-sector employment should be almost stable (+2,000 per quarter).

Total employment set to progress to mid-2014, notably driven by subsidised jobs

In the non-market sectors, employment should be up again (+42,000 in H1 2014, as big a rise as in the whole of 2013), notably due to the increase in the number of beneficiaries of subsidised Jobs of the Future contracts. Despite a fall in the number of new contracts in the Finance Act for 2014 (377,000 new

4 - The business climate still remains below its long-term average, except in the manufacturing industry



Source: INSEE

contracts, after 427 000 observed in 2013 in Metropolitan France), the increase in the average duration of these subsidised contracts should result in an increase in the number of beneficiaries. These Jobs of the Future should therefore contribute to buoying up subsidised non-market-sector employment which should progress sharply in H1 2014 (+63,000 jobs, after +54,000 jobs in H2 2013). All in all, job creations are set to continue in H1 2014 at the same rate as in H2 2013 (+53,000 jobs after +66,000), essentially driven by subsidised employment.

Unemployment should be stable through to mid-2014

The unemployment rate stood at 10.2% of the active population on average in Q4 2013 (9.8% in Metropolitan France), down 0.1 points on the previous quarter.² Through to mid-2014, the unemployment rate should be stable at 10.2%. Over the forecasting period, net job creations are likely only to absorb the rise in the active population.

Inflation below 1% to mid-2014

Inflation set to remain low through to mid-2014

Year-on-year change in consumer prices should stand at +0.9% in June 2014, against +0.7% in December. Aside from the monthly ups and downs due notably to the sales (pushing the year-on-year figure down in January and up in February, before an expected return to normal in March), the underlying trend in inflation still remains very moderate (+0.5% in June 2014) although headline inflation is likely to be pushed upwards by energy prices which had fallen in spring 2013 before rising again later. The rise in VAT rates on 1st January 2014, about half of which is likely to have been passed on in prices, should be partly offset by the disinflationary effect of the tax credit for competitiveness and employment (CICE).

Purchasing power up slightly in early 2014

Real wages set to slow down in early 2014

In the market sector, growth in average wages per head remained sustained in Q4 (+0.5% after +0.3%). On average in 2013, real wages progressed (+0.9%) due to the unexpected fall in inflation. In H1 2014, the great inertia observed in wages in France in recent years is likely to continue. However, nominal wages should slow down (+1.5% year on year after +1.7%) and, with the slight upturn in inflation in early 2014, gains in real wages are likely to fade out (+0.1% then 0.0% in Q1 and Q2 2014).

Purchasing power should progress again weakly

In 2013, household purchasing power saw an upturn (+0.3% after -0.9% in 2012), mainly thanks to the deceleration in consumer prices (+0.6% after +1.9% in 2012). The gross disposable income of households progressed without accelerating (+0.9% like in 2012), with the slowdown in earned income (+1.4% after +1.9% in 2012) being offset by a less dynamic tax burden (+4.6% after +7.4% in 2012). In H1 2014, purchasing power should rise again (+1.0% then +0.1%) after falling back slightly in H2 2013 (-0.2% per quarter). In early 2014, earned income should progress at a stable rate while taxes, after the rises in late 2013, should fall back symmetrically in Q1. Looking over the whole one-year period from mid-2013 to mid-2014, purchasing power should be up moderately (+0.6%).

(2) The unemployment rate presented here is calculated with the new questionnaire and 0.5 points lower than the rate calculated with the old questionnaire (see publication in the unemployment rate in the fourth quarter of 2013, 6 March 2014)

Household consumption to slow down in H1 2014

Quarterly ups and downs in consumption in H1 2014

In Q4 2013, household consumption progressed significantly (+0.4% after 0.0%), in particular in durable goods, in anticipation of the tighter terms of the ecological «malus» on 1st January 2014, and no doubt also because of the early release of employee savings plans. In Q1 2014, consumption of manufactured goods should suffer a backlash after these exceptional factors and is likely to fall (-0.5%), notably in automobiles. Energy consumption, in particular for heating, should slip again (-6.0%), driven by temperatures above the seasonal average. All in all, consumption should fall by 0.3%. In Q2 2014, vehicle purchases should return to their trend level while energy consumption should rebound and total consumption progress by 0.6%.

Ups and downs aside, a slight fall in the savings ratio

Looking beyond the quarterly ups and downs caused in particular as people smoothed out the rises in taxes, the savings ratio should decrease slightly year on year to 15.8% in Q2 2014, against 15.9% in Q2 2013 (see Graph 5), driven by a fall in precautionary savings.

Public consumption slower than in 2013

Public consumption slower than in 2013

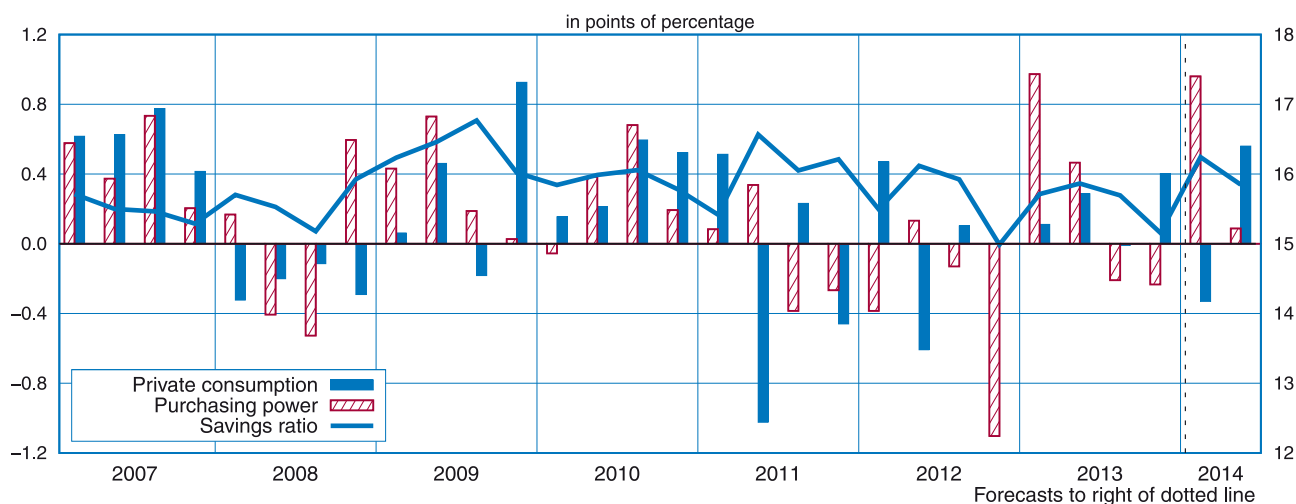
Public consumption is set to progress by 0.3% per quarter in H1 2014, slower than in 2013 (+1.7% annual average, or +0.4% on a quarterly basis). Public investment, meanwhile, should fall back significantly after the peak in public works at the end of 2013 linked with the municipal election cycle.

Household investment to fall back again

A new fall in building

Household investment fell again in Q4 2013 (-0.4%), for the eight consecutive quarter. There were more housing starts at the beginning of 2013, but the number fell back again in H2 2013. Consequently, household investment is likely to fall again in H1 2014 (-0.9% and -1.4%), also being hit from spring onwards by the impact of the rise in VAT on 1st January on home maintenance, as a number of exemptions delay the impact of that rise in the VAT rate. The growth overhang in household investment should stand at -3.0% in mid-2014, after a fall of 3.8% over 2013 as a whole.

5 - Ups and downs aside, a slight fall in the savings ratio



Source: INSEE

Ups and downs in corporate investment in Q1

In Q4 2013, corporate investment progressed by 0.9%, after contracting for seven consecutive quarters, buoyed partly by exceptional factors (bringing heavy vehicle purchases forward before the expected tougher antipollution standards and a jump in public works). In Q1 2014, corporate investment should fall by a backlash effect (-0.2%), before progressing again in Q2 2014 (+0.2%).

Uncertainties: Upturn in the advanced economies, slowdown in the emerging economies and Ukraine-Russia conflict

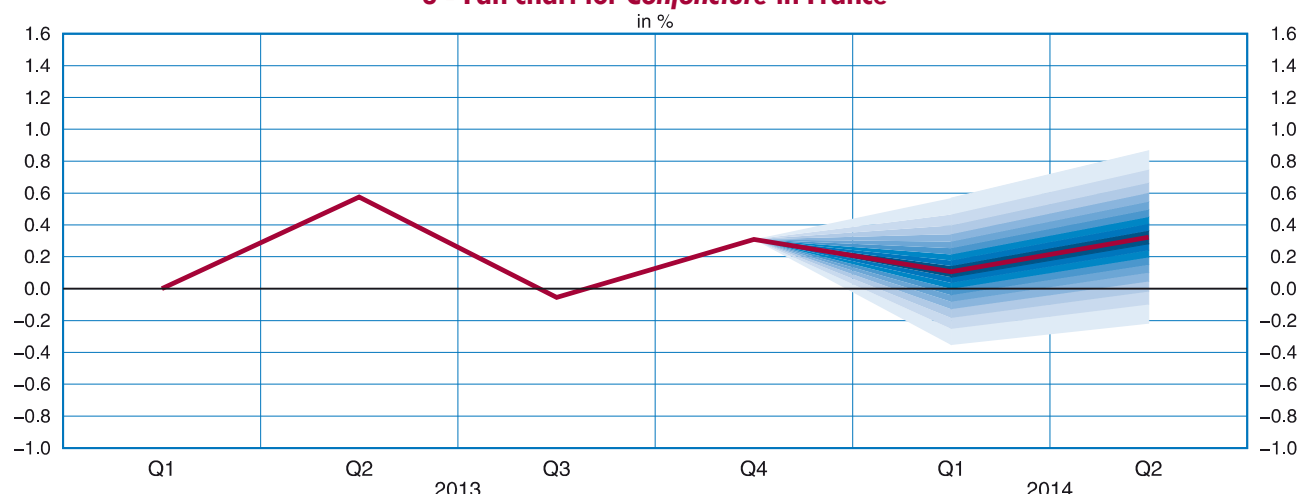
Upturn in the advanced economies

In the scenario in this Conjoncture in France, a marked turnaround in expectations in the Eurozone and wealth effects in the Anglo-Saxon countries result in a slight fall in households' precautionary savings. If this returning confidence and real estate price inflation continue, the acceleration in household consumption could be stronger in the advanced economies, with a positive impact on demand for French products. Conversely, households could take advantage of the improvement in their income to cut their debt, which is very high in certain countries, and their consumption could therefore progress less over the forecasting period.

Slowdown in the emerging economies and Ukraine-Russia conflict

In the scenario in this Conjoncture in France, the slowdown in the emerging economies is seen to continue, but without any major deterioration. If the withdrawal of foreign capital should become more intense, some high-current-deficit countries might face further speculative attacks against their currency and might be forced to allow their exchange rates to fall, thereby posing a risk to the solvency of private agents with debts in dollars in some countries, or forced to tighten their monetary policy, at the risk of stifling financing of the economy. Conversely, after the new surge in wariness on the markets at the start of the year, the emerging economies might, as in Q3 2013, benefit from something of a return to normal of their markets and their imports might be surprisingly high. Finally, the scenario in this Conjoncture in France excludes any international escalation of the conflict between Ukraine and Russia, the macroeconomic consequences of which would be very difficult to foresee if it should occur. ■

6 - Fan chart for Conjoncture in France



How to read it: the fan chart plots 90% of the likely scenarios around the baseline forecast (red line). The first and darkest band covers the likeliest scenarios around the baseline, which have a combined probability of 10%. The second band, which is a shade lighter, comprises two sub-bands just above and just below the central band. It contains the next most likely scenarios, raising the total probability of the first two bands to 20%. We can repeat the process, moving from the centre outwards and from the darkest band to the lightest, up to a 90% probability (see *INSEE Conjoncture in France* for June 2008, pages 15 to 18). It can therefore be estimated that the first result published by the quarterly accounts for Q1 2014 has a 50% chance of being between -0.1% (lower limit of the fifth band from the bottom) and +0.3% (upper limit of the fifth band from the top). Likewise, it has a 90% chance of being between -0.4% and +0.6%. In Q2 2014, the 90% confidence intervals is [-0.2% ; +0.9%].

Source: INSEE

General outlook

Key figures: France and its international environment

seasonally adjusted / working-day adjusted data (except for prices), quarterly or annual averages, as a %

	2012				2013				2014		2012	2013	2014 ovhg
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2			
International environment													
Advanced economy GDP	0.6	0.0	0.2	0.0	0.3	0.6	0.6	0.6	0.5	0.3	1.4	1.3	1.6
Eurozone GDP	-0.1	-0.3	-0.2	-0.5	-0.2	0.3	0.1	0.3	0.4	0.3	-0.6	-0.4	0.9
Barrel of Brent oil (in dollars)	118	110	109	110	113	103	110	109	108	108	112	109	108
Euro-dollar exchange rate	1.31	1.28	1.25	1.30	1.32	1.31	1.32	1.36	1.37	1.38	1.28	1.33	1.38
World demand for French products	0.3	0.4	0.8	-0.4	-0.3	1.6	1.2	0.6	1.2	1.4	0.9	1.9	3.7
France - supply and use													
GDP	0.1	-0.3	0.2	-0.2	0.0	0.6	-0.1	0.3	0.1	0.3	0.0	0.3	0.7
Imports	0.7	0.2	0.0	-1.2	-0.1	1.4	0.9	0.7	0.8	0.8	-0.9	0.8	2.8
Household consumption	0.5	-0.6	0.1	0.0	0.1	0.3	0.0	0.4	-0.3	0.6	-0.4	0.3	0.5
Public and NPISH consumption	0.6	0.4	0.4	0.4	0.4	0.7	0.3	0.5	0.3	0.3	1.5	1.7	1.2
Total GFCF	-1.2	-0.3	-0.6	-0.9	-0.7	-0.3	-0.3	0.5	-0.5	-0.3	-1.2	-2.1	-0.5
of which: NFEs	-1.5	-0.5	-0.9	-1.1	-0.9	-0.1	-0.3	0.9	-0.2	0.2	-1.9	-2.3	0.4
Households	-0.7	0.0	-0.5	-1.0	-1.3	-1.5	-0.7	-0.4	-0.9	-1.4	-0.4	-3.8	-3.0
Exports	0.4	0.4	0.4	-0.8	-0.5	2.3	-1.1	1.3	0.9	0.8	2.5	0.8	2.5
Contributions (in point)													
Domestic demand excluding change in inventories *	0.2	-0.3	0.0	-0.1	0.0	0.3	0.0	0.4	-0.2	0.3	-0.1	0.2	0.5
Change in inventories *	0.0	-0.1	0.0	-0.3	0.1	0.1	0.5	-0.3	0.3	0.0	-0.8	0.1	0.4
Net foreign trade	-0.1	0.0	0.1	0.1	-0.1	0.2	-0.6	0.2	0.0	0.0	1.0	0.0	-0.1
France - situation of households													
Total employment	52	-16	-60	-27	-35	-21	6	59	34	19	-51	10	-
Non-agricultural market sector employment	5	-17	-54	-40	-29	-39	-10	15	2	2	-106	-62	-
Unemployment rate Metropolitan France **	9.1	9.3	9.4	9.8	9.9	9.9	9.9	9.8	9.8	9.8	9.0	9.8	-
Unemployment rate France **	9.5	9.7	9.8	10.2	10.3	10.3	10.3	10.2	10.2	10.2	9.4	10.2	-
Consumer price index ***	2.3	1.9	1.9	1.3	1.0	0.9	0.9	0.7	0.7	0.9	2.0	0.9	-
Core inflation ***	1.7	1.5	1.2	0.7	0.7	0.3	0.6	0.6	0.5	0.6	1.3	0.6	-
Household purchasing power	-0.4	0.1	-0.1	-1.1	1.0	0.5	-0.2	-0.2	1.0	0.1	-0.9	0.3	0.9

Forecast

(*) Inventory changes include acquisitions net of sales of valuable

(**) For annual data, unemployment rate is that of the last quarter of the year

(***) Year-on-year on the last month of the quarter and annual averages

How to read it: the volumes are calculated at the previous year's chain-linked prices, seasonally and working-day adjusted, quarterly and annual averages, as a %.

Source: INSEE