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Resistance

In summer 2015, the developed economies continued to post a robust growth rate and that rate is also becoming more homogeneous. Activity in the English-speaking countries slowed down, while the Japanese economy showed a slight upturn. Eurozone GDP slipped only very slightly (+0.3%), as was also the case in Germany, Italy and Spain. In France, activity rebounded more strongly than expected (+0.3%), meanwhile, after posting strong growth in Q1 and then stalling in the spring. In almost all these countries, domestic demand remained buoyant, although activity was affected by a downturn in exports. The climate in the emerging countries remained gloomy on the whole: activity continued to be slow in China, barely levelled out in Russia and contracted once again in Brazil. The outlook information for the autumn suggests that the business climate in the emerging countries should stop deteriorating, which augurs well for world trade, although any upturn is likely to be weak.

As regards the forecast through to mid-2016, growth should remain sound in the United States and the United Kingdom, driven once again by strong domestic demand. In the Eurozone, the depreciation of the single currency, now close to its lowest level against the US Dollar since 2003, gives grounds for additional optimism as regards the rebound in exports. The accommodating policy of the European Central Bank has also brought down interest rates, providing households and businesses with an incentive to invest more. Finally, in November oil prices reached their lowest level since early 2009, boosting household purchasing power and the financial situation of enterprises.

The impetus from these factors, the improving business climate since the start of the year, and the rapid rise in household purchasing power all suggest that a progressive increase in growth is likely in France. The deadly terror attacks on 13 November in Paris lead us to modify this scenario in the short term, however, due to the fears they have caused among consumers and tourists. The downturn in certain service activities due to these events is thought to be the main factor in the

slowdown in GDP in Q4, which should increase by just 0.2%. By H1 2016, these effects on growth should have almost faded out, although without triggering a backlash. Housing investment expenditure should almost have stopped falling by the end of 2015, after declining sharply for two years. In addition to this, the financial situation of companies has already recovered considerably in 2015 and should come even closer to its pre-crisis average. With stronger demand prospects and the one-off additional depreciation allowance incentive, their productive investment expenditure should remain buoyant.

All in all, the French economy should accelerate in Q1 2016 (+0.4%) and continue at that rate in Q2. After a year of moderate recovery in 2015 (+1.1%), the growth overhang for 2016 should almost reach that level by mid-year (+1.0%). With the upturn in activity and the development of schemes to boost the number of jobs created by that growth, market-sector employment should continue to progress through to June 2016. When the non-market branches are taken into account, total employment should progress more quickly than the active population and the unemployment rate in France should fall to 10.4% in mid-2016, bringing it back down to its level in mid-2015.

A number of uncertainties surround this scenario. First of all, the dramatic events in Paris have brought greater uncertainty, quite aside from the considerable and immediate downturn in certain branches of activity: if the various agents choose to postpone their expenditure longer, this will weaken the current recovery even further. On the other hand, these fears could ease more quickly than expected. In addition to this, the forecasts for the emerging economies are more fragile than usual and this could have consequences for world trade: although a moderate upturn is expected, their imports could accelerate more sharply in reaction to their fall in early 2015, while the possibility of a further decline in demand in the emerging economies cannot be ruled out. ■

In Q3, the progression in activity remained sound in the advanced economies and showed a slight upturn in the emerging economies

A slight rebound in the Asian emerging economies has allowed an upturn in world trade

After a sharp slowdown in the emerging economies for two quarters and a fall in their imports, activity there showed a slight upturn in Q3. In China, industrial activity seems to be stabilising at a rate of around 6%, while GDP has stopped falling in Russia after four quarters of recession. In the countries of Central and Eastern Europe, activity remained buoyant. The Brazilian economy continued to contract, however. All in all, the imports of the emerging economies have perked up a little, especially in Asia, thereby allowing a progression in world trade after contracting for two consecutive quarters.

The advanced economies kept up robust growth in Q3 2015

In Q3 2015, the advanced economies kept up sustained growth (+0.5% after +0.5%), progressing at their average rate since early 2013. Activity slowed down in the United States (+0.5% after +1.0%) and the United Kingdom (+0.5% after +0.7%), while the Japanese economy rebounded (+0.3% after -0.1%).

Activity has slowed down in the Eurozone as exports stall

In the Eurozone, activity slowed down slightly in Q3 2015 (+0.3% after +0.4%, against a forecast of +0.4% in October's Conjoncture in France), hit by a marked negative contribution of foreign trade, notably due to stalling exports. This slowdown concerned not only Germany (+0.3% after +0.4%), but also Italy (+0.2% after +0.3%) and Spain (+0.8% after +1.0%). The French economy, meanwhile, rebounded (+0.3% after 0.0%) a little more strongly than was forecast in Conjoncture in France in October 2015 (+0.2%).

In France, activity rebounded in Q3 2015

The upturn in dynamism in France was driven by a rebound in manufacturing output (+0.3% after -0.6%) and by an acceleration in activity in market-sector services (+0.6% after +0.3%). In construction, however, production fell significantly once again (-0.8% after -0.9%). Regarding the components of demand, household consumption rebounded a little (+0.3% after 0.0%), while foreign trade made a negative contribution to growth (-0.7 points), offset by a strong positive contribution of changes in inventory (+0.7 point), notably in transport equipment.

The Euro, oil prices and interest rate: more positive drivers for the French economy at the end of 2015

Monetary policies are diverging once again, pushing in favour of a further depreciation of the Euro

After six years of stability at very low rates, the Federal Reserve is likely to increase its base rates in light of inflation prospects and the regular improvement in the US labour market. Conversely, faced with low Eurozone inflation, the European Central Bank has decided to extend the duration of its programme of large-scale security purchases, including sovereign debt, and to lower its deposit facility interest rate even further into negative territory. Monetary policies continue to diverge and anticipation of these decisions has led to a further depreciation of the single currency to \$1.08 for €1 in early December 2015 (against \$1.12 for €1 in October). Likewise, interest rates remain low at the end of 2015 in the Eurozone, with French 10-year sovereign rates almost stable at around 1%.

Oil and commodity prices fall once again

With the perspective of a sharp slowdown in China, industrial commodity prices (rubber, copper, aluminium, lead, nickel, etc.) have continued to fall since the summer. More particularly, oil prices, which rose a little in the spring, fell once again from \$65 a barrel in June to \$45 at the end of November (Graph 1). By convention, the oil price has been set at this level for the purposes of this forecast.

Activity set to remain sound in the advanced economies, but the upturn in the emerging economies likely to remain weak

Consumption set to drive activity in the advanced economies

In the advanced economies, the short-term outlook remains positive in Q4 2015. In the United States and United Kingdom, consumption should continue to drive activity as household purchasing power continues to be buoyed by the acceleration in wages and a continuing high level of job creations. In both these countries, however, industry would appear to be slowing down, hit by the rise in their respective currencies. In Japan, the business tendency surveys show a moderate progression in activity, thanks to a timid upturn in domestic demand. Finally, in the Eurozone, the upturn would seem to be very much underway. All in all, the imports of the advanced economies should remain dynamic through to mid-2016 (+1.2% per quarter).

After a cold snap at the start of the year, the upturn remains weak in the emerging economies

The business climate remains poor in most of the major emerging countries, however (Graph 2). In China, activity is likely to hold up thanks to household consumption, although investment should slow down further: as an annual average, growth is set to be lower in 2015 than in 2014, which was already the lowest figure since 1990. However, Chinese imports are likely to return to growth and the flow of trade to show an upturn in the economies of the emerging countries in Asia. In Russia, activity is set to progress slightly, although any prospect of a clear recovery remains remote for the moment. Brazil, meanwhile, is likely to remain in recession. All in all, the imports of the emerging countries should progress moderately when compared to their trend (+0.8% per quarter through to mid-2016 against +2.0% on average since 1990).

World trade set to recover in 2016, although without returning to its pre-crisis growth rate

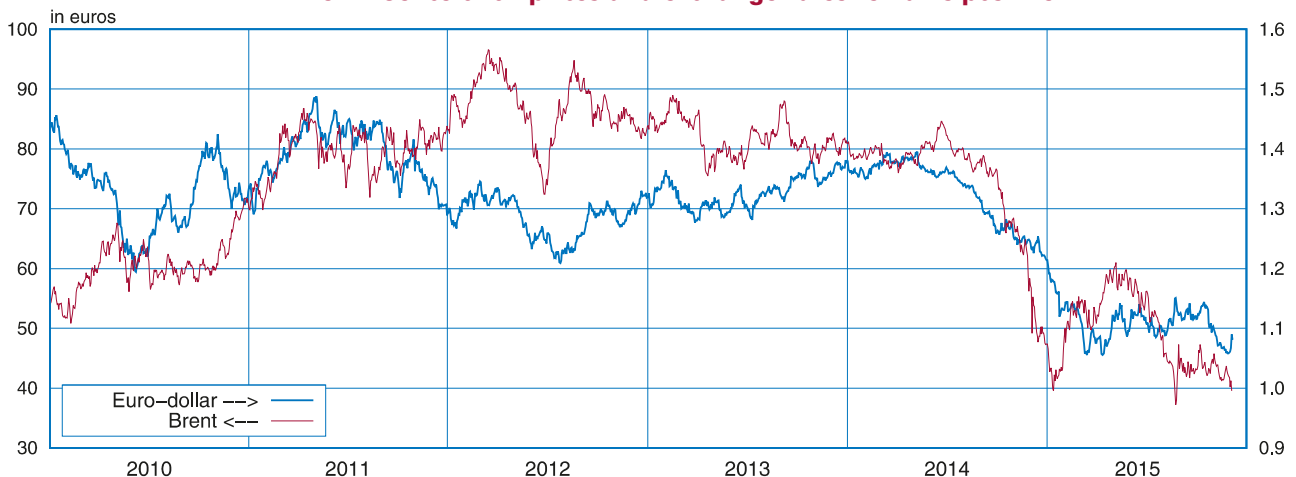
World trade fell sharply in H1 2015 (-0.8% in Q1 then -1.0% in Q2) and then rebounded moderately without a backlash effect in Q3 (+1.1%), thanks to the recovery in trade in Asia. Through to mid-2016, the imports of the advanced economies should remain more dynamic than those of the emerging economies and world trade is likely to progress at a rate of +1.0% per quarter, although this is still a lower rate than that observed between 2000 and 2007 (+1.5% per quarter).

Investment benefitting from the upturn in lending, especially in Southern Europe

In summer 2015, for the first time in over three years, outstanding loans to non-financial corporations in the Eurozone increased. In Italy and Spain, moves among companies to reduce debt eased considerably with the sharp fall in bank lending rates invoiced to companies. The upturn in credit in the Eurozone is likely to go hand-in-hand with growth in productive investment through to mid-2016, at a rapid rate in Spain (where growth was already strong) and also in Italy,

Growth set to hold up in the Eurozone through to mid-2016

1 - The influence of oil prices and exchange rates remains positive



Source: Macrobond

General outlook

Growth rates evening out in the Eurozone at around +0.4% per quarter

Eurozone household consumption set to benefit from the upturn in employment

European exports set to rebound after stalling in Q3

buoyed, like in France, by the tax incentive measures in the form of the one-off additional depreciation allowance.

In the major Eurozone countries, the business climate improved further over the summer and early autumn, particularly in Italy where it is now at its highest since 2007. Through to mid-2016, domestic demand is set to remain sustained and growth should hold up (+0.4% per quarter). The growth rates of the Eurozone countries are converging: Spain is likely to slow down slightly (+0.7% in Q4, then +0.6% per quarter in H1 2016) as the catch-up effect in investment runs out of steam, while activity in Italy and France should progress practically at the same rate as in Germany.

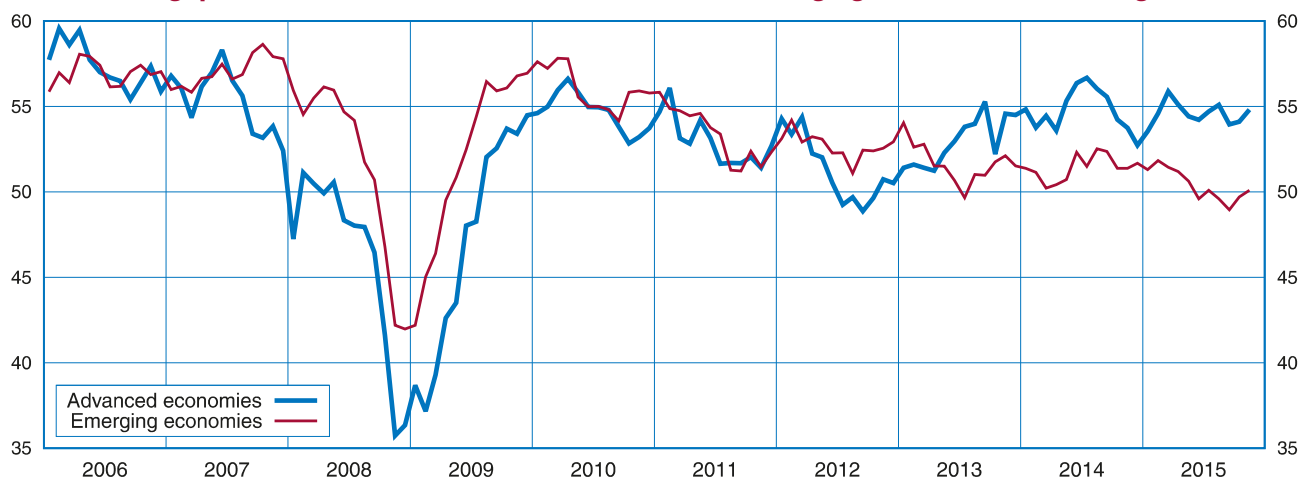
In the Eurozone, household consumption should continue to grow soundly through to mid-2016 (+0.4% per quarter) thanks to the sharp acceleration in their purchasing power, stimulated by the fall in oil prices and also the generalised upturn in employment. More particularly, consumption should progress strongly in Spain, where the improvement in the labour market is very clear, and in Germany, thanks notably to the effects of the minimum wage working through. In Germany, government consumption should also remain dynamic due to the additional expenditure required to host the large numbers of refugees arriving in the country.

In H1 2015, European exports surprised by their dynamism at a time when world trade was contracting. Conversely, when trade was recovering in Asia in Q3, Eurozone sales slipped back, notably those towards the emerging countries. Through to mid-2016, they should progress at a rate close to world demand for products from the Eurozone, with the past depreciation in the Euro offsetting the trend losses in market share.

French exports set to be stronger after falling in Q3

French exports, in particular of transport equipment, fell back in Q3, as did exports in Germany and Italy. However, this would appear just to be a jolt, partly offsetting the very strong growth over the previous four quarters. Through to mid-2016, the buoyancy of activity in the Eurozone and the fall in the single currency should once again boost French exports which should progress at almost the same rate as that for world trade: +0.7% at the end of 2015 then +0.9% and +1.0% in the first two quarters of 2016.

2 - The gap between the outlooks in the advanced and emerging economies remains significant



Source: Markit

The French economy likely to be hit by the consequences of the terror attacks in late 2015, but should perk up in early 2016

The business climate in France improved again through to November

After remaining stable on the whole from September 2013 to February 2015 at around 94, the business climate in France rose to 102 in November, a four-year high. This improvement was driven by industry, commerce and also market-sector services (Graph 3). The business climate remains poor in building, however.

Manufacturing output likely to progress again moderately through to mid-2016

In manufacturing industry, business leaders indicated in November that their past activity remained on a positive trend. Manufacturing output should therefore progress again in Q4 (+0.4% after +0.3%). The balance of opinion on production prospects still remains relatively positive and activity should remain practically at this rate in H1 2016 (+0.3% per quarter).

Activity in services likely to suffer from the consequences of the terror attacks in Q4

According to the business leaders surveyed before the terror attacks of 13 November, the short-term outlook in services continued to improve over the summer to its highest level since summer 2011. However, activity in market-sector services is likely to suffer from the consequences of the dramatic events in Q4 2015 (+0.3% after +0.6%), particularly in accommodation, food, recreation and transport services. The rate of growth should then show a progressive upturn (+0.5% then +0.6% in the first two quarters of 2016). With the exceptionally mild temperatures in early November, energy production should fall in Q4 (-0.7%), then progress moderately in H1 2016 (+0.5% in Q1 then +0.3% in Q2).

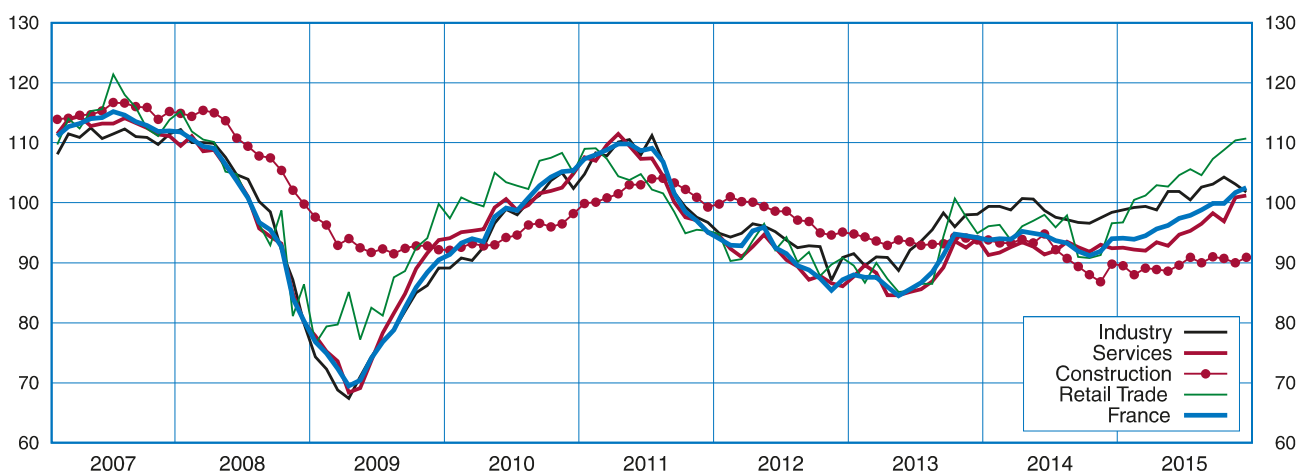
Construction set to stop making a negative contribution to activity

Over the past two years, production has fallen back sharply in construction, knocking an average of 0.1 points per quarter off GDP: construction of housing was hit by a sharp fall in household demand and activity in civil engineering suffered from a drop in public investment, especially by local authorities, due to cuts in their budgets and the electoral cycle of the municipal authorities. The slight upturn in new housing starts suggests that the bulk of the adjustment in building is behind us and that production in the sector should almost level out through to mid-2016.

Growth in GDP should rise slightly in early 2016

All in all, GDP should slow down at the end of 2015 (+0.2%) before perking up in early 2016 (+0.4% per quarter in H1) as the effect of the terror attacks fades out gradually, energy production rebounds and building performs more strongly. Growth should stand at +1.1% over 2015 as a whole, and +1.3% year on year in mid-2016.

3 - In France, the business climate progressed again through to November and is at a four-year high



Source: INSEE

Market-sector employment set to progress again and unemployment to fall slightly through to mid-2016

The CICE and Responsibility Pact should continue to boost the number of jobs created by growth

Although it had been on an upwards trend since the end of 2014, market-sector payroll employment levelled out in Q3 2015 (-1.000 after +28.000 in Q2). Labour force prospects are improving significantly in the business tendency surveys, especially for temporary employment, and market-sector payroll employment should progress again through to the end of the year (+25.000 jobs in Q4). In early 2016, job creation is likely to be robust, sustained by the extra jobs created by the Tax Credit for Encouraging Competitiveness and Jobs (CICE) and the Responsibility Pact. All in all, market-sector payroll employment should increase by 35.000 jobs in H1 2016.

Total employment to continue increasing at the same rate

In the non-market sectors, employment is unlikely to weaken in H1 2016 (+20.000. after +16.000 in H2 2015). The number of beneficiaries of subsidised contracts in the non-market sectors should be close to stable. In addition, self-employment and agricultural payroll employment should remain dynamic (+16.000 over the first six months). Total employment should therefore progress by 73.000 jobs in H1 2016 after +57.000 in H2 2015.

Unemployment to fall slightly through to mid-2016

In Q3 2015, the unemployment rate posted an unexpected one-off rise (10.6% after 10.4%), despite the increase in employment: the main effect of the increase in the number of unemployed was an unusual fall in the halo of unemployment, notably in the number of so-called «discouraged» unemployed. In the course of the following quarters, the expected rise in employment should exceed the variation in the active population and the number of unemployed should start falling again (Graph 4). The unemployment rate should stand at 10.4% in mid-2016 (10.0% in Metropolitan France), thus returning to its level in Q2 2015.

Inflation to remain low through to mid-2016

Inflation should rise again, while remaining at a low level through to mid-2016

In November 2015, inflation was still very moderate: consumer prices stagnated year on year. Headline inflation should only just increase through to mid-2016 (+0.2% in June), mainly driven by higher energy prices partly linked to the rise in taxes in early 2016. The upturn in core inflation since the start of the year has been confirmed, however, standing at +0.7% in November 2015 (against -0.2% one year earlier). It should then be stable until mid-2016 (+0.7% in June 2016): on the one hand, the past depreciation of the Euro should buoy up imported product prices, especially in electronics, while the past fall in commodity prices should continue to work through on the other, pushing inflation downwards.

4 - Through to mid-2016, employment should increase slightly more quickly than the active population and unemployment fall slightly



Source: INSEE

Purchasing power likely to remain dynamic through to mid-2016

Nominal wages to continue progressing moderately

On an annual average basis in 2015, nominal wages in the market-sector branches should continue increasing at the same rate as in 2014 (+1.6%), despite the low level of inflation and high level of unemployment. In early 2016, they should continue at the same rate despite the slight upturn in inflation, and nominal wages should progress by 0.8% in H1.

Household purchasing power should accelerate sharply in 2015 and not weaken in early 2016

In 2015, the purchasing power of household income should continue to accelerate, increasing by +1.7% as an annual average (after +1.1% in 2014 and -0.1% in 2013), due to the rebound in property income and moderation of compulsory levies this year, while earned income is unlikely to weaken. This would be its strongest rise since 2007. In early 2016, it should progress at a quarterly rate of around +0.3%.

Household consumption to fall back in late 2015 before rising again in early 2016

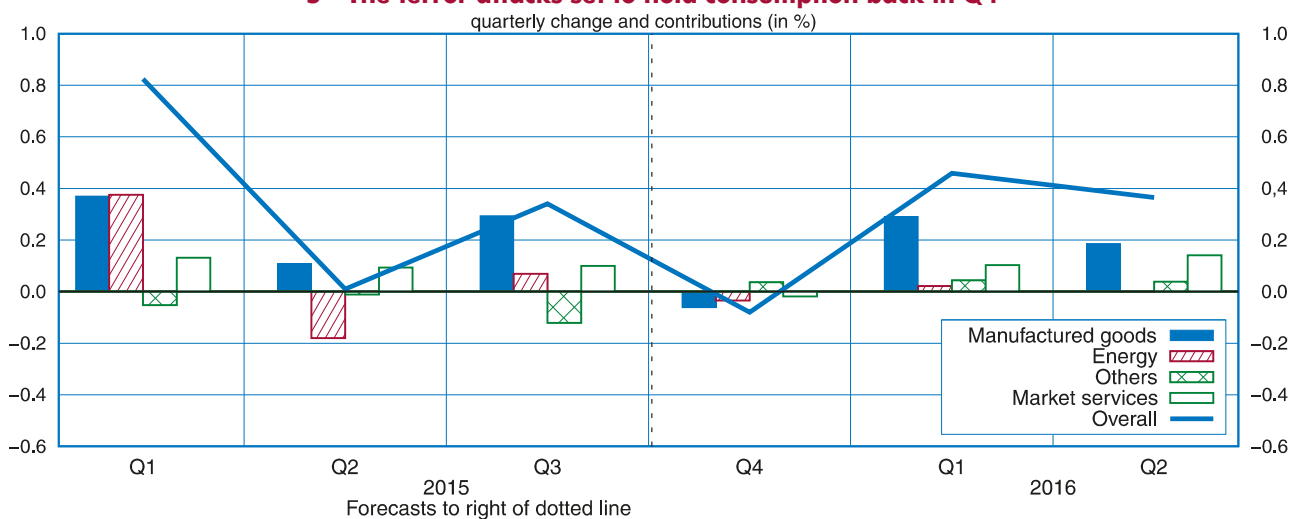
Household consumption to fall back in late 2015

After rebounding in Q3 (+0.3% after 0.0%), consumption should fall back slightly at the end of 2015 (-0.1%, Graph 5). Consumption of services, notably in accommodation and food services, recreation and transport, is likely to be hit by the fears caused by the terror attacks of 13 November. In addition, energy expenditure is likely to fall on account of the mild temperatures in November. In H1 2016, household consumption should accelerate progressively in services and rebound by reaction on other items. Spending on home equipment should also be driven by the change in the television broadcasting standard and purchases of electronic products on the occasion of Euro 2016.

In mid-2016, the savings ratio should be slightly up year on year

Although the strength of the purchasing power of households has buoyed up their consumption since the beginning of the year, it has also fed into their savings: on average in 2015, the savings ratio should stand at 15.4%, up 0.3 points on 2014. In early 2016, consumption behaviour should fall more closely into line with purchasing power, although without correcting the past rise in savings: in mid-2016, the savings ratio should stand at around 15.4%, up 0.3 points on its mid-2015 level.

5 - The terror attacks set to hold consumption back in Q4



Source: INSEE

Corporate investment to accelerate, household investment to level out

Corporate investment should accelerate further

Over the first three quarters of 2015, corporate investment progressed clearly (+0.8% in Q1 2015 then +0.5% in Q2 and +0.7% in Q3), notably in productive assets. There are many favourable factors: domestic and external demand prospects are looking up, the margin rate is rising considerably thanks to the CICE, the Responsibility Pact and the fall in oil prices and, finally, borrowing costs have fallen considerably. In addition to this, the possibility of a one-off additional depreciation allowance has led to companies bringing forward purchases of capital goods. These improvements are showing through progressively in business tendency surveys: the balances of opinion on investment among entrepreneurs in services have been above their long-term average since April, while production bottlenecks in industry are at a level not seen since 2008. Corporate investment should therefore accelerate slightly, at a rate of +0.8% to +0.9% per quarter in the forecast.

Household investment should stop falling

New home sales have been increasing since the end of 2014, and the number of building permits, which reached a low in early 2015, has been rising again since then, notably for individual homes. After falling markedly for two years and in light of the production lead times in the sector, household investment should practically level out through to mid-2016.

The dynamism of domestic demand should drive imports

After progressing strongly this summer, imports should slow down at the end of the year, notably those of refined products by a backlash effect. They should accelerate again in early 2016, driven by domestic demand. All in all, the profile of French activity should continue to be marked mainly by that of domestic demand: slowing down at the end of 2015, especially due to consumption, and accelerating thereafter. The contributions of foreign trade and changes in inventory should be neutral, however.

Uncertainties: international environment and the consequences of the terror attacks

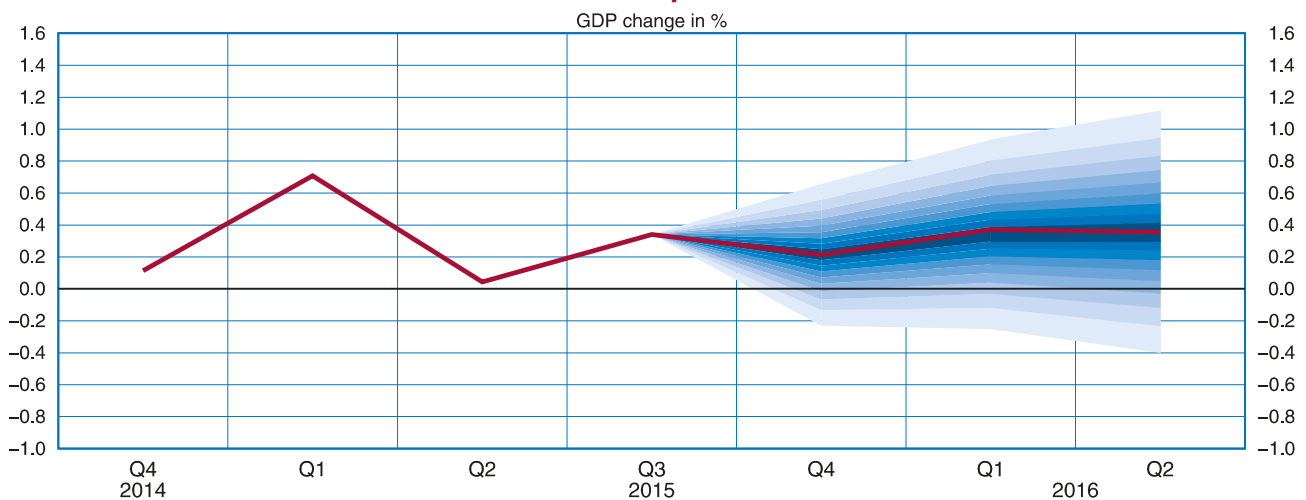
The upturn in emerging countries seems fragile

In our scenario, the imports of the emerging economies should continue to recover and world trade should accelerate in early 2016. This should be the result mainly of Russian and Chinese imports, which collapsed much more in early 2015 than would have been suggested by their levels of domestic demand, and which should start progressing again in line with activity, without making up for the previous fall. A new weak spell cannot be ruled out, however, or their imports could accelerate more strongly by a backlash effect, notably to build up inventory again.

The extent of the reaction to the terror attacks is uncertain

The effect of the terror attacks on activity, and in particular on household consumption, remains difficult to appreciate (see the focus in «Consumption»). On the basis of the precedents of 1995 and 2001 and of the first information to become available in the responses to business tendency surveys, our scenario includes a negative contribution of around -0.1 points of GDP in Q4, mainly via the expenditure of households and foreign tourists on accommodation and food, transport and recreation services. This evaluation remains fragile and uncertain by nature, however: the fears elicited by the terror attacks of 13 November could lead the various agents to postpone their expenditure more than expected, thereby further weakening the current recovery. On the other hand, it could fade out more quickly than expected: the rebound in consumption could provide a surprise as early as in Q1 2016. ■

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 Q4 2015 has a 50% chance of being between 0.0% (lower limit of the fifth band from the bottom) and +0.4% (upper limit of the fifth band from the top). Likewise, it has a 90% chance of being between -0.2% and +0.6%. In Q1 2016, the 90% confidence intervals is [-0.2% ; +0.9%].

Source : Insee

GDP, consumer price index and unemployment rate: in 2016, INSEE will publish key French outlook indicators more quickly

From 2016, INSEE will publish three key indicators of the French outlook more quickly. On 29 January 2016, for the first time, an estimate of GDP will be published 30 days after the end of the quarter, and a provisional estimate of consumer prices will be published at the end of the month. On 20 May, the ILO unemployment rate will be published two weeks earlier than previously.

In 2016, INSEE will publish three key indicators for analysing the short-term outlook more quickly: GDP and the ILO unemployment rate (quarterly indicators), and the consumer price index (CPI, monthly). Each of these indicators will be made available two weeks earlier than at present. The first results of the quarterly accounts will therefore be published less than 30 days after the end of the quarter in question, instead of 45 days at present. In addition to this, a new estimate will be available 60 days after the end of the quarter. The results of the Labour Force Survey, and more particularly the ILO unemployment rate, will be published seven weeks after the end of the quarter, instead of nine at present. Finally, a provisional estimate of the CPI will be available at the end of the month in question. The current publication of the final index, two weeks after the end of the month, will be maintained in its present format and will continue to serve as the basis for index linking of private contracts and for general

adjustment calculations, such as increases in the minimum wage.

From Q4 2015, INSEE will publish an initial estimate of GDP 30 days after the end of the quarter instead of 45 days at present

Currently, the quarterly accounts are published twice per quarter. Initial results are published about 45 days after the end of the quarter and contain mainly the full accounts for goods and services (GDP, consumption, investment, foreign trade, inventory, etc.), in value and in volume, for the past quarter. Detailed results are then available less than 85 days after the end of the quarter: this publication presents the accounts for agents in the different institutional sectors (households, non-financial corporations, general government, etc.) for the past quarter, along with a new version of the goods and services accounts, revised in relation to those published after 45 days.

From 2016, the quarterly accounts will be published three times per quarter. The first estimate will be published about 30 days after the end of the quarter in question and users will therefore receive a full description of economic activity in the past quarter two weeks earlier than before. A new version of the goods and services account will be available less than 60 days after the end of the quarter, taking

account of the main indicators that have come to be known in the meantime. Finally, detailed results will continue to be published less than 85 days after the end of the quarter. INSEE will therefore publish a first estimate of the quarterly accounts for Q4 2015 on 29 January 2016. France will thus be the only country in the world, along with the United States, to publish a full goods and services account 30 days after the end of each quarter. Although certain European countries do already publish a “flash” estimate of GDP 30 days after the end of the quarter (notably Spain and the United Kingdom), they do not publish the breakdown of growth.

The earlier availability of data is a long-term trend. The previous step forward in this area was in 2007, when the first results were brought forward from 50 to 45 days. A 30-day estimate has been made possible by the fact that a large number of the sources used for the quarterly accounts are available earlier than was previously the case. This initial estimate will, however, require the extrapolation of certain data that is not available at the time of publication. This will be the case in particular of the Industrial Production Index (IPI) for the last month of the quarter and of the indicators relating to household investment in housing for the whole of the quarter: these extrapolations have a direct effect on the GDP estimate. Likewise, the estimates from Customs and of the Balance of Payments for the last month of the quarter will not be known at the moment of publication: the estimates of foreign trade and of contributions of changes in inventory to GDP will therefore be likely to be revised more significantly between the first and second estimate than they were hitherto.

The dozen or so tests conducted by INSEE since 2009 have shown the reliability of the data that is provided earlier: the average absolute revision between the growth in GDP estimated at 30 days and that actually published at 45 days comes to 0.07 points of GDP. Obviously, this does not guarantee that the revisions between the first and second estimates will systematically be smaller, but it does give an initial idea of the scale of the average revisions from 2016 onwards, which should be comparable to the average revisions of those countries that have already adopted such a calendar (United States, United Kingdom and Spain).

The ILO unemployment rate will also be available two weeks earlier

The unemployment rate and the main labour market indicators are monitored by the Labour Force Survey, the only source which allows measurement of unemployment as defined by the International Labour Organisation. This survey is governed by the European regulation on labour force surveys in order to provide an unemployment rate measurement that is harmonised between countries. For a given quarter, survey collection is completed about three weeks after the end of the quarter. Given the time required to analyse and process the data, the results of the survey were only available hitherto about six weeks after the end of field collection, which is to say nine weeks after the end of the quarter.

The reform of the Labour Force Survey in 2013 (modification of the questionnaires and new computer processing chain) has made it possible to shorten this processing time by two weeks. From Q1 2016, ILO unemployment will thus be available seven weeks after the end of the quarter. The results for Q1 2016 will therefore be published on 20 May 2016.

In 2016, INSEE will publish a provisional estimate of the CPI at the end of each month

The consumer price index (CPI) is the instrument used to measure inflation. It serves to provide a month-by-month estimate of the average variation in the prices of products consumed by households. It is published each month in the Official Journal and is used to index link a large number of private contracts, maintenance payments, life annuity payments and the minimum wage. Until now, the CPI was the subject of a single monthly publication and the final index was available two weeks after the end of the month in question. A harmonised consumer price index (HCPI,¹ meaning an index calculated in accordance with a harmonised European methodology), a core inflation index (excluding public tariffs and products with volatile prices, corrected for tax measures and seasonal variations) and an index of prices of frequently-purchased goods in super and hypermarkets were also published at the same time.

In 2016, the inflation figures will be the subject of a new publication: a provisional estimate of the CPI and HCPI will be published at the end of the month in question, which is to say two weeks before publication of the final figures which will be maintained and will have the same format as at present. On 29 January 2016, INSEE will therefore publish, for the first time, a provisional estimate of the CPI for January. The new publication will include an estimate of the changes for the main items in the index: food, including fresh products, manufacturing goods, services, energy and tobacco. Changes in most tariffs (notably the prices of medicines, health services, telecommunications and transport) and certain price collection data will not be available at the time of publication and will have to be estimated. INSEE has also conducted tests of this for several years and considers that such early estimates are reliable: the average difference between the provisional estimate and the final index is 0.05 points.

The final CPI, which will be available two weeks after this initial publication, will nonetheless remain of prime importance: only this index will continue to be published in the Official Journal and it will remain the reference for private or public index linking (increases in the minimum wage, for example). ■

¹ The HCPI differs from the CPI by the definition of the prices it is based on (after reimbursements made by general government for the HCPI), and by the broader scope of the HCPI which includes non-market services.

Key figures: France and its international environment

	2014				2015				2016		2014	2015	2016
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2			
International environment													
Advanced economy GDP	0.2	0.4	0.6	0.5	0.4	0.5	0.5	0.5	0.5	0.5	1.8	1.9	1.9
Eurozone GDP	0.2	0.1	0.3	0.4	0.5	0.4	0.3	0.4	0.4	0.4	0.9	1.5	1.2
Barrel of Brent oil (in dollars)	108	110	104	77	55	63	51	47	45	45	100	54	45
Euro-dollar exchange rate	1.37	1.37	1.32	1.45	1.13	1.10	1.11	1.09	1.08	1.08	1.38	1.11	1.08
World demand for French products	0.7	1.1	1.2	1.2	0.5	-0.2	1.5	1.0	1.0	1.0	4.0	3.2	3.3
France - supply and uses													
GDP													
Imports	-0.2	-0.1	0.2	0.1	0.7	0.0	0.3	0.2	0.4	0.4	0.2	1.1	1.0
Household consumption	0.9	0.8	1.5	1.8	1.9	0.5	1.7	0.6	1.0	1.0	3.9	5.6	3.1
Public and NPISH consumption	-0.4	0.4	0.4	0.2	0.8	0.0	0.3	-0.1	0.5	0.4	0.6	1.4	0.8
Total GFCF	0.5	0.5	0.6	0.5	0.2	0.4	0.4	0.4	0.3	0.4	1.9	1.6	1.2
of which: NFEs	-0.7	-0.6	-0.4	-0.2	0.2	-0.1	0.1	0.5	0.4	0.4	-1.2	-0.2	1.1
Households	-0.1	0.2	0.4	0.1	0.8	0.5	0.7	0.8	0.9	0.8	2.0	2.0	2.6
General government	-1.9	-1.4	-1.0	-0.4	-0.8	-1.1	-0.5	-0.1	0.0	0.0	-5.3	-3.0	-0.6
Exports	-2.1	-2.7	-2.5	-1.0	-0.3	-0.8	-1.0	0.3	0.3	0.0	-6.9	-3.9	-1.4
Contributions (in point)	0.3	-0.2	1.3	2.7	1.5	1.9	-0.6	0.7	0.9	1.0	2.4	5.5	2.3
Domestic demand excluding changes in inventories*	-0.3	0.2	0.2	0.2	0.6	0.1	0.3	0.2	0.4	0.4	0.5	1.1	0.9
Changes in inventories*	0.3	0.0	0.1	-0.3	0.3	-0.4	0.7	0.0	0.0	0.0	0.2	0.2	0.2
Net foreign trade	-0.2	-0.3	-0.1	0.2	-0.2	0.4	-0.7	0.0	0.0	0.0	-0.5	-0.1	-0.3
France - situation of households													
Total employment	-4	13	-19	42	17	52	17	41	37	36	32	127	73
Non-agricultural market sector employment	-29	-8	-43	17	-7	28	-1	25	15	20	-63	46	35
ILO unemployment rate Metropolitan France**	9.8	9.7	10.0	10.1	10.0	10.0	10.2	10.1	10.0	10.0	10.1	10.1	10.0
ILO unemployment rate France**	10.2	10.1	10.4	10.5	10.3	10.4	10.6	10.5	10.4	10.4	10.5	10.5	10.4
Consumer price index***	0.6	0.5	0.3	0.1	-0.1	0.3	0.0	0.2	0.3	0.2	0.5	0.0	0.4
Core inflation***	0.4	0.1	0.0	-0.1	0.2	0.6	0.6	0.8	0.8	0.7	0.2	0.5	0.7
Household purchasing power	0.7	0.4	0.6	0.0	1.1	-0.2	0.8	0.0	0.3	0.3	1.1	1.7	0.9

Forecast

* Changes in inventories 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

GDP: Gross Domestic Product

GFCF: Gross Fixed Capital Formation

NFE: Non-financial enterprise

NPISH: Non-profit Institutions Serving Households

ILO unemployment : unemployment as defined by the International Labour Organisation

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