



CONJONCTURE IN FRANCE

June 2016

© Insee 2016

■ Editorial director
Jean-Luc Tavernier

■ Chief editors
Vladimir Passeron
Dorian Roucher
Kévin Milin
Julien Pramil

■ Contributors
Franck Arnaud
Séverine Arnault
Haroun Ba
Anne-Juliette Bessonne
Clément Bortoli
Stéphane Boucher
Benoît Campagne
Véronique Cordey
Jeanne-Marie Daussin-Benichou
Vincent Dortet-Bernadet
Yannick Fendrich
Philippe Fontaine
Jérémy Fraïsse
Charles-Julien Giraud
Morgane Glotain
Julie Goussen
Jorick Guillaneuf
Yaëlle Hauseux
Jean-Cyprien Héam
Quentin Laffeter
Élodie Lalande
Raphaël Lee
Fabrice Lenseigne
Bertrand Marc
Anis Marrakchi
Pauline Meinzel
Allaoui Mirghane
Pierre-Damien Olive
Mathilde Pak
Camille Parent
Cécile Phan
Alain Quartier La Tente
Sophie Renaud
Catherine Renne
Olivier Simon
Anne-Marie Stoliaroff-Pépin
Camille Sutter
Sophie de Waroquier de Puel Parlan

■ Editorial and pagesetting secretariat
Myriam Broin
Moussa Blaibel
Aurore Dubus
Amandine Nougaret

■ Secretariat
Nathalie Champion

■ Translation
Hancock Hutton

The issues of *Conjoncture* in France along with a glossary of economic outlook terminology are available as soon as they are published on the INSEE web server in the “INSEE conjoncture” section of the website www.insee.fr.

ISSN 0766-6268
Printed from supplied documents by
JOUVE - PARIS

Completed on 9 June 2016

SELF-SUSTAINED RECOVERY IN THE EUROZONE

SPECIAL ANALYSIS

- French growth in 2015: external and internal factors balance each other out 19
- New sub-sector business climate indicators to improve economic outlook analysis. 35

GENERAL OUTLOOK7

FRENCH DEVELOPMENTS

- Review of the previous forecast 57
- Output 59
- France's international environment 65
- Foreign trade. 68
- Employment 71
- Unemployment 77
- Consumer prices 83
- Wages 87
- Household income. 89
- Household consumption and investment 92
- Entreprises' earnings 99
- Corporate investment and inventory 101

INTERNATIONAL DEVELOPMENTS

- Oil and raw materials 107
- Financial markets. 113
- Eurozone. 116
- Germany. 118
- Italy 119
- Spain 120
- United Kingdom 121
- United States 123
- Japan 124
- Emerging economies 125

FOCUS

- What do enterprises tell us about their problems with supply and demand in the business tendency surveys? 62
- The new emergency plan for employment should strengthen job growth and increase the number of individuals receiving training 74
- Comparison over the recent period between the variations in ILO unemployment and that of the number of jobseekers registered at Pôle emploi at the end of the month 79
- The new method of calculating the fresh food price index changes the inflation profile very slightly in 2016 85
- How fluctuations in sales of new homes affect household investment in housing. 95
- A sharp downturn in American oil production expected by the end of 2016 110

STATISTICAL FRENCH APPENDIX127

COUNTRIES ACCOUNTS133

Self-sustained recovery in the Eurozone

2016 started with a further acceleration in activity in the Eurozone (+0.6% after +0.4%). Gross domestic product increased more sharply than expected in France and Germany, while growth did not weaken either in Spain or Italy. The fundamentals driving this growth would now appear to be robust, as shown by the positive trend in the business climate. While exports drove growth in 2015, domestic demand is taking over in 2016 to keep growth stable at just above +1.5% on an annual basis.

Eurozone growth should therefore hold up despite a less positive international environment. The slowdown in the US and UK economies is likely to be confirmed in 2016, notably because the dissaving potential of households would appear to have reached its limit, in addition to uncertainties in the UK as to the prospects of a "Brexit", causing investors to adopt a wait-and-see attitude. There are a number of signs pointing to a less unfavourable trend in the emerging countries: more particularly, activity is likely to stop slowing in China after a further downturn at the start of the year, while activity should stop falling in Russia. The emerging economies have nonetheless been a disappointment in Q1 2016, driving a new contraction in world trade.

In France as in the Eurozone, the factors of resistance to this global context are the same as in 2015. Despite the recent rebound, the price per barrel of oil in mid-2016 is still at almost half its mid-2014 level. Its past decrease is helping to keep inflation at very low levels, thereby stimulating household purchasing power which is also being buoyed as the acceleration in activity works through into employment. Growth in household consumption is therefore likely to hold stable on average over the year. Businesses are also benefiting from low oil prices to improve their margin rate which should come closer to their pre-crisis average in 2016. Combined with low interest rates, under the effect of even more accommodating monetary policies, the rise in the margin rate is improving the financing terms of productive investment which picked up very

markedly at the start of the year and should remain robust thereafter, making it the main factor in the acceleration in activity in 2016.

In Q1, these positive effects were reinforced by a number of temporary factors, such as the rebound in spending on heating and in expenditure on services which had been hit by the consequences of the terror attacks of 13 November, and by preparations for the Euro 2016 football championship. Growth was therefore particularly strong (+0.6%). These temporary factors are likely to fade out in Q2 and activity should slow down, while remaining sound, at +0.3%. It is likely to remain pretty much at that level in H2 (+0.3% then +0.4%), which is consistent with a business climate that was slightly above its long-term average in May. Even the climate in building is thawing somewhat, in line with housing investment, which should finally stop holding back growth, after falling almost continuously since 2011. On average over the year, growth should therefore come to +1.6%, after +1.2% in 2015, representing its strongest rise since 2011. The only cloud on an otherwise clear horizon is foreign trade, which is likely to act as a drag on economic growth even more than last year.

Accelerating activity and policies to reduce the cost of labour on lower wages are set to boost employment which should increase by 210,000 in 2016. This increase should allow a 0.4-point fall in the unemployment rate to 9.8% of the labour force by the end of the year.

There are two main uncertainties in this scenario. The first concerns expenditure by businesses which accelerated significantly at the end of 2015 and the beginning of 2016. A pronounced slowdown is expected in the spring and could turn out to be sharper than expected, or investment could surprise once again by its dynamism. The second is uncertainty surrounding the possibility of a "Brexit": this could result in a wait-and-see attitude in the UK first of all, and then in the European Union in the event of such uncertainties spreading to the question of European unity. ■

World activity slowed down once again in Q1

Activity progressed weakly again in early 2016 in the emerging economies

In Q1 2016, activity remained sluggish in the emerging economies after slowing down considerably in 2015. Brazilian gross domestic product continued to contract, while activity slowed down again significantly in China (+1.1% after +1.5%) and imports fell sharply, hitting trade throughout Asia. Activity levelled out in Russia, however, after falling for several quarters. All in all, imports from the emerging economies fell sharply in Q1 and world trade contracted (-1.7%).

The US economy slowed again

In Q1 2016, the advanced economies accelerated slightly (+0.4% after +0.3%), despite the sluggish US economy (+0.2% after +0.3%), where corporate investment and exports contracted again. The British economy also decelerated (+0.4% after +0.6%). The Japanese economy showed an upturn, meanwhile (+0.5% after -0.4%).

Activity accelerated in the Eurozone

Activity accelerated in the Eurozone (+0.6% after +0.4%), driven by industrial production. It gained new impetus in Germany (+0.7% after +0.3%), in France (+0.6% after +0.4%) and in Italy (+0.3% after +0.2%), while growth remained strong in Spain (+0.8%, as at the end of 2015).

In France, activity accelerated more than expected in Q1 2016

On the supply side, activity in market-sector services accelerated significantly

Activity grew by 0.6% in France, which was more than the forecast in Conjoncture in France in March (+0.4%). While production stalled in manufacturing industry (+0.1% after +0.7%), it accelerated in most other branches, notably in commerce (+1.4%), other market-sector services (+1.0%) and construction (+0.5%).

Domestic demand was very dynamic but exports stalled

Household consumption showed a marked rebound (+1.0% after 0.0%) for all its components, notably capital goods for the home and services to households. Investment also accelerated sharply (+1.6% after +1.2%), with automobile purchases once again being very dynamic. Exports stalled, meanwhile, and foreign trade again made a negative contribution to growth (-0.2 points). After making a very positive contribution for two quarters, changes in inventory made a negative contribution this quarter (-0.2 points).

Upturn in the oil price, while the Euro and interest rates level out

Oil and commodity prices on the upturn

In Q1 2016, the oil price (Brent) was \$35 per barrel on average, its lowest since 2004. After dropping below \$30 in January, it showed a marked upturn and was fluctuating around the \$50 mark by early June. The physical market should continue to tighten through to the end of the year due to the fall in US production, but the very high level of stocks should limit upward pressure on prices. In our forecast, the price per barrel is set to \$50.

The Fed should continue to tighten its monetary policy

The monetary policy choices of the main central banks are likely to diverge a little more in 2016. On the one hand, the Federal Reserve is likely to raise its base rate gradually, although the tightening of US monetary policy should be limited and not on the sort of scale likely to trigger massive outflows of capital from the emerging countries. The European Central Bank, meanwhile, decided to step up its accommodating monetary policy considerably last March, in particular by increasing its volume of purchases and extending them to private bonds. Interest rates should therefore be stable at very low levels in the Eurozone, with the French 10-year sovereign rate remaining at around 0.5%. Likewise, after rising against the Pound Sterling at the start of the year, the exchange rate of the Euro against the main currencies has been stable on the whole since March.

Growth to increase modestly in the emerging economies and to perk up in the advanced economies

The emerging economies to pick up modestly

In the major emerging countries, a few signs of improvement are appearing, even though the business climate does remain depressed on the whole. In China, past monetary easing has allowed a marked upturn in lending, which in turn is stimulating investment, especially in construction. In addition, further tax cuts have been decided on to buoy up activity. In Brazil, activity should continue to contract, but less drastically, as the recovery in the value of the Real brings some respite for household purchasing power by limiting inflation. In Russia, activity should remain almost stable through to the end of 2016. In India, Turkey and the countries of Central and Eastern Europe, growth should remain buoyant on the whole in 2016, driven by domestic demand. In 2016, the imports of the emerging countries should level out overall: +0.1% after -1.4% in 2015 and +8.5% on average between 1991 and 2011.

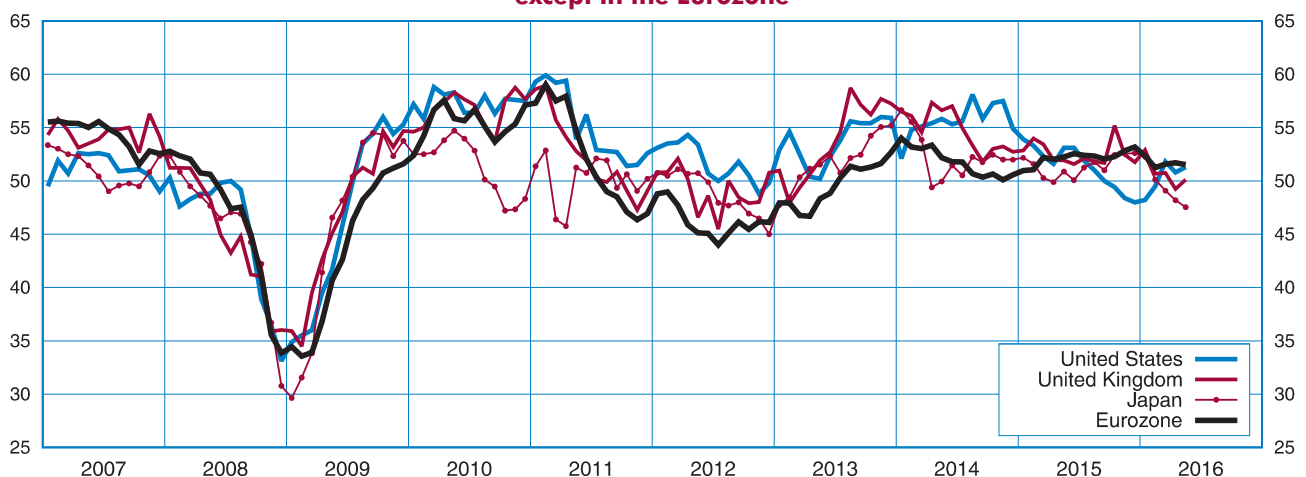
Activity to perk up in the United States, but hit by uncertainty in the United Kingdom

In the advanced economies, the short-term outlook remains positive, although the trend has weakened since autumn 2015, notably in industry (*Graph 1*). GDP growth in these countries is likely to remain moderate: +0.5% in Q2, then +0.4% per quarter in H2. In the United States, activity should rebound significantly in Q2 (+0.7%) after two gloomy quarters, in particular because investment should stop contracting in the mining sector. In the United Kingdom, the prospect of the referendum is likely to strengthen the wait-and-see attitude among businesses, and activity should slow down in the spring (+0.3%). Even if the UK does remain in the European Union, activity is likely to progress only moderately. In Japan, modest growth should be driven by consumption, but the weakness of foreign trade outlets is likely to limit investment. Finally, the recovery in the Eurozone should resist the general slowdown thanks to consumption and investment. As an annual average, growth in the advanced countries is set to weaken somewhat in 2016 (+1.7% after +1.9% in 2015), notably in the United States and the United Kingdom.

World trade to progress more slowly than activity once again in 2016

After a sharp fall in early 2016, world trade should rebound in the spring (+1.8%), driven by imports in the emerging countries, in particular in Asia. It should then grow moderately in H2 (+0.8% per quarter) when compared to its pre-crisis rate (+1.5% per quarter on average between 2000 and 2007). All in all, growth in world trade is likely to remain very weak in 2016 (+1.2%, after +1.6% in 2015). The contribution of foreign trade to growth should be positive on the whole in the emerging economies and negative in the advanced economies.

1 - The short-term climate has slipped back since last autumn in the advanced economies, except in the Eurozone



Sources: Markit, ISM

Self-sustaining recovery in the Eurozone

Exports set to slow down in 2016

After progressing strongly from mid-2014 to mid-2015, Eurozone exports have been at a standstill since. Although they are likely to perk up through to the end of the year, they should slow down distinctly on average over 2016 (+2.7% after +5.1%), as the effects of the past depreciation of the Euro fade out, and hit by the slowdown in demand from the United States and the United Kingdom, and by continuing weak demand in the emerging countries.

Domestic demand to accelerate slightly due to the recovery in construction

Private consumption should continue to drive activity, boosted by the further progression in employment and despite an expected upturn in inflation at the end of the year. Government consumption is unlikely to weaken, especially in Germany for the reception of migrants. For businesses, easier financing terms are facilitating lending and investments in equipment should remain dynamic, also stimulated by the additional depreciation incentives in Italy and France. Finally, investment in construction should pick up speed as the sector is dynamic in Germany, on the one hand, and has levelled out after sharp falls in Italy and France, on the other.

Eurozone economy growth rates to converge at around +0.4% per quarter

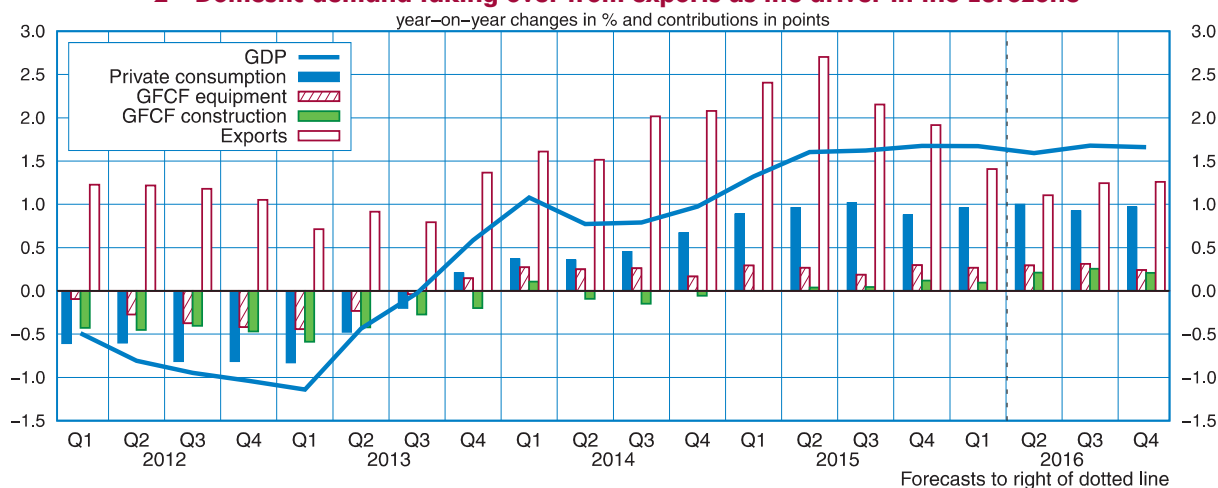
All in all, activity in the Eurozone should grow by 0.3% in Q2 and then by 0.4% a quarter in H2. The Italian, French and German growth rates should converge at around +0.4% per quarter. On an annual average basis, activity should progress at close to same pace as in 2015 (+1.7% after +1.6%), with domestic demand taking over from exports as the driver of that growth (Graph 2). There is likely to be a slight slowdown in Spain as the catch-up effect runs out of steam (+3.0% after +3.2% in 2015), while the German (+1.7% after +1.4%) and Italian (+0.9% after +0.6%) economies are likely to accelerate.

French exports to benefit from deliveries of major contracts but should slow down significantly on average in 2016

French exports to show a one-off rebound in Q2 and then weaken

French exports weakened again in Q1, hit by the fall in aeronautics sales. In Q2, they should progress significantly, buoyed by deliveries of major contracts in the shipbuilding sector. In H2 they should then weaken again as sales in that sector return to normal. Over the year as a whole, exports should slow down (+1.8% after +6.0%) as the positive effects of the fall in the Euro fade out and world demand slows down. With imports being more dynamic (+3.9% after +6.4%), the contribution of foreign trade is likely to be negative (-0.7 points) for the third consecutive year. The trade deficit excluding energy is set to reach €22.1 billion in 2016 (1.0% of GDP), its highest level since 2011.

2 - Domestic demand taking over from exports as the driver in the Eurozone



Sources: Eurostat, INSEE forecasts

French growth to reach +1.6% in 2016

The business climate was positive in May

After remaining roughly stable at around 94 between September 2013 and February 2015, the business climate in France progressed significantly in the course of 2015, levelling out at around its long-term average (100) since last summer. In May 2016, it rose slightly to 102, a level that is compatible with quarterly growth of +0.3% to +0.4%.

Manufacturing output should progress again in H2

The business climate in industry, in particular, is stable at a level above its long-term average (Graph 3). After a gloomy start to 2016, the number of industrialists reporting an increase in their past activity grew in May. Their production prospects also remain above their long-term average. Manufacturing output is likely to be hit by the refinery strikes, however, and should stagnate in Q2. In H2, it should progress strongly once again (+0.8% in Q3 then +0.4% in Q4). Over the year as a whole, it is likely to slow down a little (+1.2% after +1.5% in 2015).

A thaw in the construction sector

In addition, there is a thaw in the business climate in building construction. Although it still remains below its long-term average, at 95 in May, it has increased by 3 points since March. This improvement is in line with the recovery in new house sales over the last few months. It suggests that construction activity should no longer decline in 2016, after falling sharply for two years (+0.3% after -2.2%).

Service-sector activity to accelerate significantly in 2016

According to the business leaders surveyed in May, the short-term climate in services is on the up and has returned to its long-term average. Production should slow down in Q2, after the surge driven by ticket sales for Euro 2016, and then return to its average growth rate in H2. On average in 2016, production of services should accelerate significantly (+2.8% after +1.6%).

French growth to increase again in 2016 to +1.6%

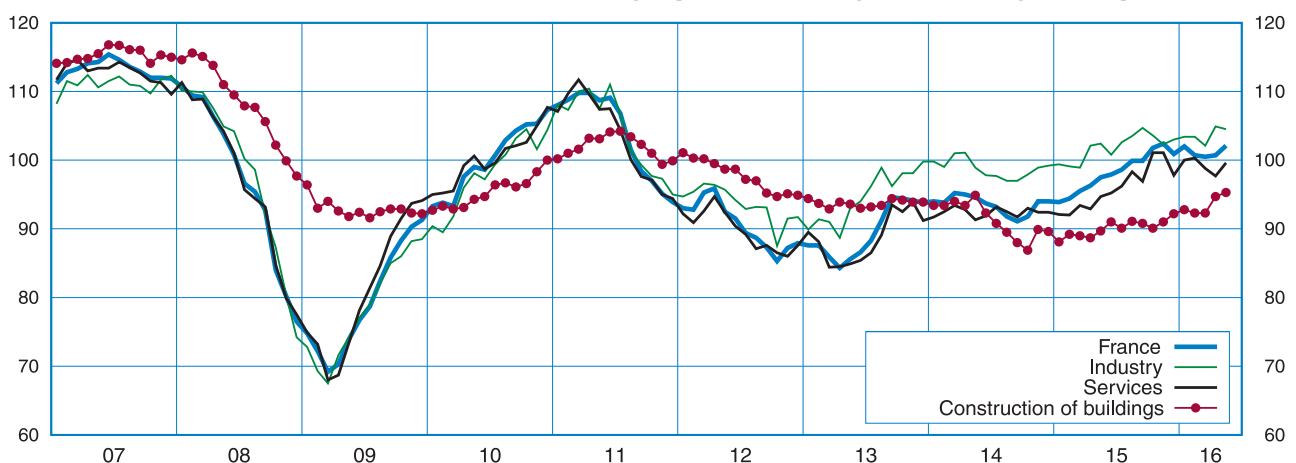
All in all, GDP should progress by 0.3% in Q2 and Q3, then by 0.4% at the end of the year. On average in 2016, activity should accelerate: +1.6% after +1.2% in 2015. This acceleration is being driven by market-sector services and construction.

Market-sector employment to accelerate and unemployment to fall by the end of 2016

The French economy should create 139,000 market-sector jobs in 2016

Market-sector payroll employment continued to progress in Q1 2016 (+40,000 after +47,000 in Q4 2015). Employment prospects are positive in the business tendency surveys and market-sector employment should progress again strongly through to the end of the year. Overall in 2016, 139,000 additional jobs should be created, after +109,000 in 2015. This dynamism is being driven by activity and by the measures to reduce labour costs, which should continue to increase the employment to growth ratio. After the tax credit for encouraging competitiveness and jobs (CICE), and the Responsibility and Solidarity Pact (PRS), a hiring premium was introduced for SMEs at the start of 2016 as part of the Emergency Plan for Employment.

3 - The business climate in France is slightly above its long-term average in May



Source: INSEE

General outlook

Total employment to progress by 210,000 in 2016

In the non-market sectors, employment is set to slow down in 2016 (+38,000 after +47,000 in 2015), due to subsidized employment. Taking account of agricultural payroll employment and self-employment, total employment should increase by 210,000 in 2016 (after +188,000 in 2015).

Unemployment to decrease by 0.4 points to 9.8% at the end of 2016

In Q1 2016, unemployment levelled out at 10.2% in France (9.9% in Metropolitan France), down 0.1 points year on year. During the following quarters, the expected rise in employment should exceed that in the labour force, and the number of unemployed should fall again. The unemployment rate should fall by 0.4 points to 9.8% at the end of the year (9.5% in Metropolitan France, *Graph 4*). The ramp-up of the training plan for the unemployed should take some 30,000 people out of the labour force, making a contribution of -0.1 points to the fall in the unemployment rate.

Inflation to rise again, driven by energy

In May 2016, inflation remained slightly negative (-0.1% year on year), due to its energy component. As the fall in oil prices no longer weighs it down, inflation should increase again by the end of the year (+0.7%) to return to the moderate level of core inflation. After rising in 2015 to +0.9% in January 2016, core inflation has fallen slightly to +0.6% in April and should remain almost stable through to December (+0.5%). First of all, the inflationary effect of the past depreciation in the Euro on imported products has faded out, while the past fall in commodity prices should continue to spread to the prices of manufactured products; finally, prices of services remain moderate, in particular rents.

Purchasing power to increase by 1.7% in 2016

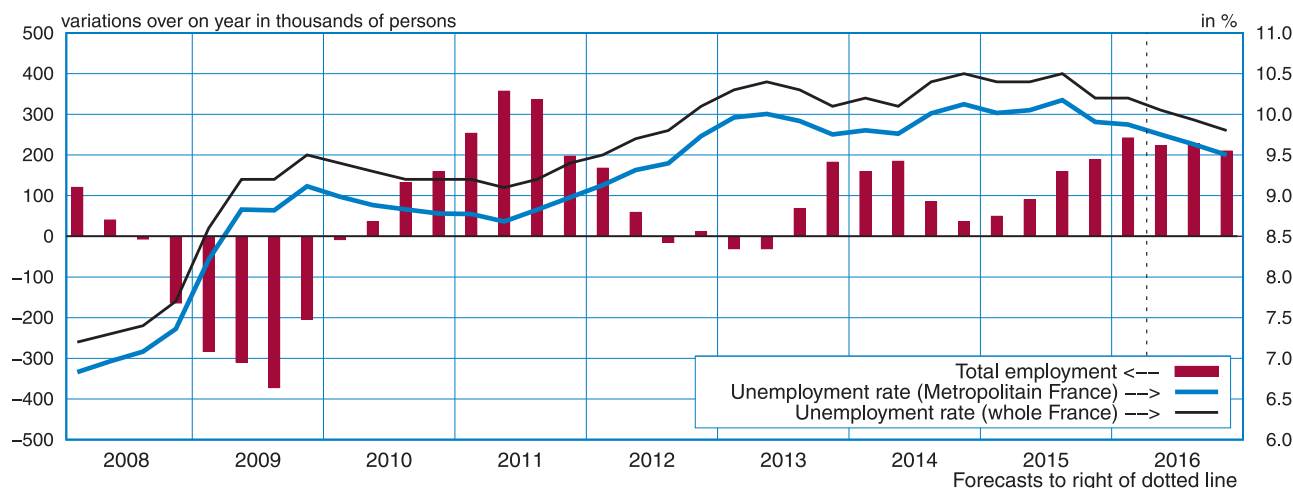
Nominal wages barely to slow down in the market sector

In 2016, wages should slow down a little in the market sector (+1.5% after +1.6%), passing on only part of the effect of low past inflation. They should accelerate in the civil service, however (+1.3% after +0.5%), due to the increase in the value of the index point on 1st July and to specific measures for certain categories of staff.

Gains in purchasing power to reach +1.7% in 2016

In 2016, household purchasing power should increase at almost the same rate as in 2015 (+1.7% after +1.6%) and much faster than in 2014 (+0.7%). Earned income should accelerate thanks to the rise in employment, especially in the market sector, while taxes and social contributions are set to progress at almost the same pace.

4 - Unemployment rate to fall in France to 9.8% (9.5% in Metropolitan France) at the end of 2016



Scope: Metropolitan France

Source: INSEE

Despite a few jolts, household consumption to progress at a pace close to that in purchasing power

In 2016, household consumption should progress at almost the same rate as in 2015

In Q1, household consumption soared (+1.0%), marking the sharpest quarterly rise since early 2006. On the one hand, this rise can be explained by a catch-up effect after the sluggish end to 2015: expenditure on clothing and on energy picked up as winter temperatures returned to more normal levels after a particularly mild autumn, while consumption bounced back in the sectors hit by the aftermath of the terror attacks of 13 November. On the other hand, consumption received a temporary boost in household equipment, with the change in the television broadcasting standard, and in services to households with ticket sales for Euro 2016. As these effects fade out, there should be a marked weakening of consumption in Q2 (+0.2%), although that slowdown is unlikely to affect all sectors: accommodation and food services, in particular, should benefit from Euro 2016 being held in France, while energy expenditure should remain dynamic. In Q3, consumption is set to remain sluggish (+0.2%), hit by the fall in energy expenditure, before returning to a growth rate that is close to the trend in purchasing power at the end of the year (+0.4%). Overall in 2016, household consumption should progress almost at the same rate as last year (+1.6% after +1.5%).

The savings ratio to fall slightly year on year

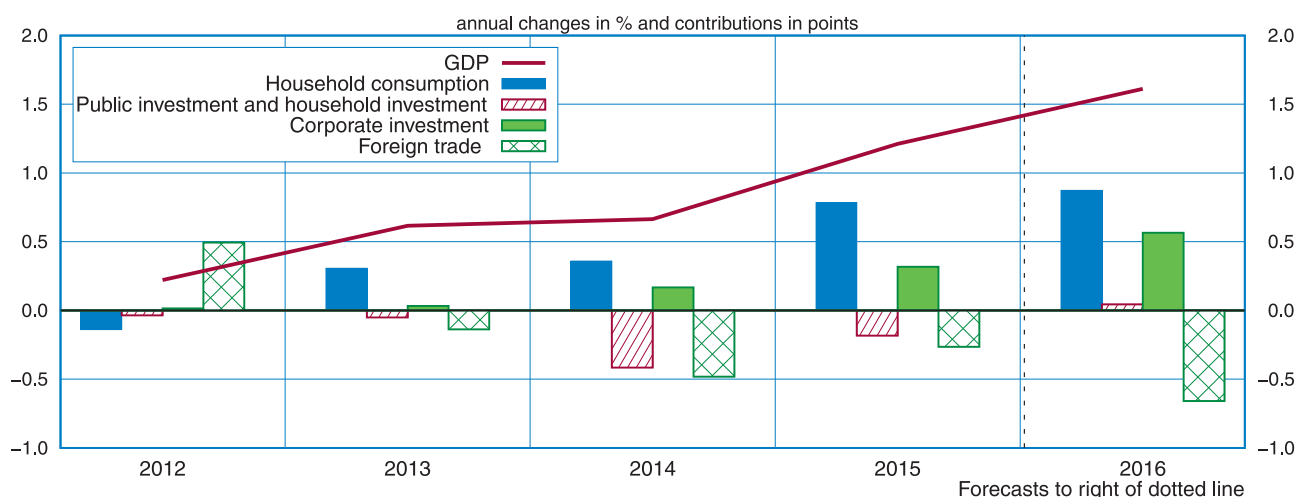
In 2015, the upturn in household purchasing power also boosted savings: at the end of 2015, the savings ratio peaked at 14.9%, 0.8 points more than one year earlier. In 2016, the savings ratio should fall, however, by 0.6 points to 14.3% at the end of the year, as households progressively consume the savings they made on the past fall in energy prices.

In 2016, corporate investment should accelerate, while investment by households should stop falling

The margin rate of businesses to increase further

In 2015, the margin rate of non-financial corporations increased significantly to 31.7% at the end of the year, up 1.1 points year on year: this was driven by the fall in oil prices and reductions to labour costs (CICE, PRS). In 2016, the margin rate should continue to increase (+0.7 points to 32.4% at the end of 2016), due to additional productivity gains and further labour cost cuts within the framework of the PRS and the hiring premium for SMEs, returning to close to its average pre-crisis level (32.7% between 1988 and 2007).

5 - Investment to be the main driver of the acceleration in GDP in 2016



Source: INSEE

General outlook

Corporate investment to slow down, while continuing to progress strongly

Since early 2015, corporate investment has accelerated significantly, buoyed by improvements in the demand prospects and financial situation of businesses, lower borrowing costs and the 40% additional depreciation tax incentive. It has even been very dynamic over the past two quarters, driven by purchases of capital goods and automobiles. In the business tendency surveys, the investment prospects of business leaders in the service sector are above their long-term average, while those of industrialists remain positive for 2016. Corporate investment should therefore come to a standstill in Q2, as a backlash after the great dynamism of the last six months, but then progress strongly at a pace of +0.5% to +0.6% per quarter in H2. Over the year as a whole, the acceleration should be pronounced (+4.7% after +2.7%) with growth reaching levels not seen since 2007 (*Graph 5*).

Household investment almost stable

After falling sharply for several quarters, household investment levelled out at the end of 2015 and rose slightly in early 2016 (+0.3%). Since the beginning of 2015, building permits and housing starts have stabilised overall, showing the improvement in sales of new homes with a certain delay. In line with the thaw in the business climate, household investment should continue to grow weakly. On average over the year, it should be almost stable in 2016 (+0.2%) after falling again in 2015 (-0.8%) and should therefore stop holding growth back.

Uncertainties: "Brexit" and investment in France

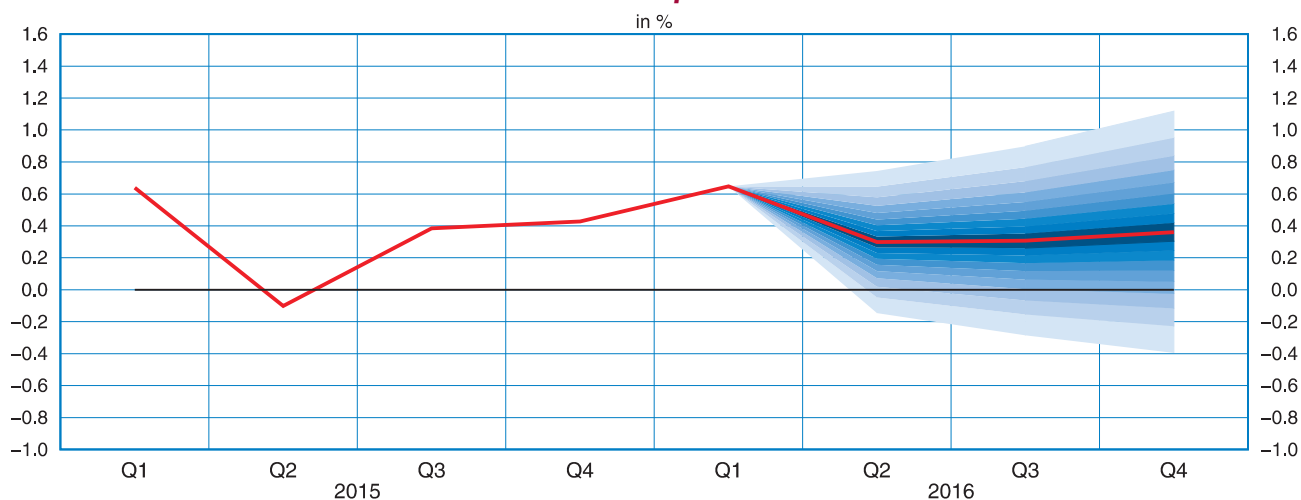
A "Brexit" would trigger greater uncertainties

The scenario taken here is based on the hypothesis that the United Kingdom remains in the European Union after the referendum of 23 June. A victory for the "Brexit" would trigger greater uncertainty, however, as to the future trading partnership between the United Kingdom and the European Union on the one hand, and as to European unity on the other. This uncertainty could contribute to a more wait-and-see attitude among European investors.

Investment could provide a surprise once again in France

In the scenario taken here, corporate investment slows down in France, notably investment in car purchases, as business vehicle registrations have reached levels not seen since 2000. But with the improvement in internal and external financing terms, investment could surprise once again by being higher than expected. On the other hand, the backlash could be greater than expected. ■

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 estimate that will be published in the quarterly accounts for Q2 2016 has a 50% chance of being between +0.1% (lower limit of the fifth band from the bottom) and +0.5% (upper limit of the fifth band from the top). Likewise, it has a 90% chance of being between -0.1% and +0.7%.

Source: INSEE

Key figures: France and its international environment

	2014				2015				2016				2014	2015	2016
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
International environment															
Advanced economy GDP	0.2	0.4	0.6	0.5	0.5	0.5	0.5	0.3	0.4	0.5	0.4	0.4	1.8	1.9	1.7
Eurozone GDP	0.2	0.1	0.3	0.4	0.6	0.4	0.3	0.4	0.6	0.3	0.4	0.4	0.9	1.6	1.7
Barrel of Brent oil (in dollars)	108	110	104	77	55	63	51	45	35	47	50	50	100	53	46
Euro-dollar exchange rate	1.37	1.37	1.33	1.25	1.13	1.10	1.11	1.10	1.10	1.13	1.12	1.12	1.33	1.11	1.12
World demand for French products	0.6	1.2	1.3	1.1	1.0	-0.1	1.3	0.3	0.5	1.0	0.8	0.8	4.0	3.4	2.6
France - supply and uses															
GDP	0.0	0.1	0.3	0.2	0.6	-0.1	0.4	0.4	0.6	0.3	0.3	0.4	0.7	1.2	1.6
Imports	0.9	0.6	2.1	1.7	2.2	0.3	1.6	2.5	0.6	0.2	0.4	0.7	4.8	6.4	3.9
Household consumption	-0.6	0.5	0.5	0.4	0.5	0.1	0.4	0.0	1.0	0.2	0.2	0.4	0.7	1.5	1.6
Public and NPISH consumption	0.2	0.3	0.4	0.5	0.3	0.3	0.3	0.4	0.4	0.3	0.3	0.3	1.2	1.5	1.4
Total GFCF	-0.5	-0.3	0.0	-0.1	0.5	0.2	0.1	1.2	1.6	0.1	0.3	0.4	-0.4	0.9	2.9
of which: NFEs	-0.3	0.2	0.5	0.0	1.2	0.6	0.4	1.9	2.4	0.2	0.5	0.6	1.4	2.7	4.7
Households	-1.3	-1.0	-0.5	0.0	0.0	-0.3	-0.2	0.0	0.3	0.0	0.2	0.2	-3.5	-0.8	0.2
General government	-2.0	-2.3	-1.8	-1.3	-1.2	-0.2	-0.6	0.7	0.9	-0.2	0.0	0.2	-5.8	-3.9	0.9
Exports	0.8	0.2	1.3	2.9	1.8	1.5	-0.2	0.8	0.0	0.9	0.3	0.6	3.4	6.0	1.8
Contributions (in point)															
Domestic demand excluding changes in inventories*	-0.4	0.3	0.4	0.3	0.5	0.2	0.3	0.3	1.0	0.2	0.3	0.4	0.6	1.4	1.9
Changes in inventories*	0.4	0.0	0.2	-0.4	0.3	-0.6	0.6	0.7	-0.2	-0.1	0.1	0.0	0.6	0.1	0.4
Net foreign trade	-0.1	-0.1	-0.3	0.3	-0.1	0.3	-0.6	-0.6	-0.2	0.2	-0.1	0.0	-0.5	-0.3	-0.7
France - situation of households															
Total employment	-2	21	-25	42	12	61	44	71	65	43	49	52	36	188	210
Non-agricultural market sector employment	-26	-2	-47	14	-10	38	35	47	40	28	34	37	-60	109	139
ILO unemployment rate Metropolitan France**	9.8	9.8	10.0	10.1	10.0	10.1	10.2	9.9	9.9	9.8	9.6	9.5	10.1	9.9	9.5
ILO unemployment rate France**	10.2	10.1	10.4	10.5	10.4	10.4	10.5	10.2	10.2	10.1	9.9	9.8	10.5	10.2	9.8
Consumer price index***	0.6	0.5	0.3	0.1	-0.1	0.3	0.0	0.2	-0.1	0.1	0.7	0.7	0.5	0.0	0.3
Core inflation***	0.5	0.1	0.1	-0.1	0.2	0.6	0.6	0.9	0.6	0.6	0.7	0.5	0.2	0.5	0.6
Household purchasing power	0.5	0.4	0.5	-0.1	0.9	0.0	0.8	0.3	0.8	0.1	0.3	0.0	0.7	1.6	1.7

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