



CONJONCTURE IN FRANCE

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Solid growth

World trade has intensified further in early 2017, particularly in the emerging economies. In the Eurozone, gross domestic product accelerated once again (+0.6% after +0.5%), increasing a little more strongly than expected in France, Germany, Spain and Italy. The fundamentals of this growth are robust, as shown by the marked improvement in the business climate since the end of 2016. The UK and US economies slowed down in early 2017, meanwhile. This slowdown is likely to be only temporary in the US, where the upturn in corporate expenditure is being confirmed, but is likely to be more lasting in the UK, where consumers are finally adjusting their expenditure to the recent fall in their purchasing power.

There are many signals suggesting that the improvement in the emerging economies should last: Russia and Brazil are returning to growth after two years of severe recession, while the Chinese economy is no longer scaling back its investments and imports, and is even increasing them again significantly. World trade should therefore continue to grow solidly for the rest of the year, with its 2017 rise even being its highest since 2011.

The Eurozone is benefitting from this positive global environment. In addition to this, even though the positive stimuli since mid-2014 are fading out, the past improvement in the financial situation of agents should continue to bear fruits. Oil prices rose slightly, driving an upturn in inflation at the start of the year and limiting household purchasing power gains. Households are softening the impact on their consumption, however, by reducing their precautionary savings as unemployment continues to fall. Meanwhile, the effects of the past fall in the euro and the decline in interest rates are fading out. Investment financing terms remain very accommodating, however, both for companies that have restored their ability to finance themselves, and for households which are spending strongly once again on new housing, making the most of interest rates that still remain low.

In France, the specific shocks that held back growth in 2016 should no longer do so in 2017. First of all, assuming that weather conditions are normal, the

cereal harvests should clearly rebound in 2017, after knocking 0.2 points off growth in 2016. Next, the return of foreign tourists, if confirmed, could halt the marked deterioration in the tourism balance that followed the major terror attacks in the Paris region and Nice since 2015. Finally, after pulling itself out of the rut in 2016, construction activity should accelerate significantly in 2017. Despite temporary negative factors, such as decreases in industrial activity and in heating expenditure, growth barely slipped in Q1 (+0.4% after +0.5%). It should remain at that pace on the whole over the forecasting period (+0.5% in spring and summer, +0.4% at the end of the year), in line with a business climate that was well above its long-term average in May, and actually at its highest since mid-2011 in industry and building. On an annual average basis, growth should therefore stand at +1.6% in 2017, after +1.1% in 2016, posting its strongest rise since 2011. Although less buoyant, domestic demand should remain robust and foreign trade should deteriorate significantly less than last year.

Growth in activity and policies to reduce labour costs should again boost employment which should increase again significantly in 2017 (+220,000). This rise should drive a continuing fall in the unemployment rate, by 0.6 points year on year, to 9.4% of the French labour force at the end of the year.

There are two main uncertainties surrounding this scenario. The first concerns the savings behaviour of European households. In 2017, their consumption should slow significantly less than their purchasing power, as was already observed in Italy and in Spain at the end of 2016 and the beginning of 2017, notably because unemployment is continuing to fall. If this trend should become more pronounced or be reversed, then Eurozone growth will be stronger or weaker. There is also uncertainty surrounding French exports which stumbled in Q1. The scenario is based on a rebound in the spring, but French exports are likely to continue losing market share over the year as a whole. Over the coming quarters, French exports could provide a nice surprise or could disappoint once again. In the latter case, questions will be raised as to the ability of the French economy to benefit from a better environment. ■

In Q1 2017, world trade was again very dynamic

The emerging economies pick up again

In Q1 2017, activity accelerated in Russia (+0.4% after +0.3%) and returned to growth in Brazil (+1.0%), after contracting sharply for eight consecutive quarters. In China, activity picked up in industry, with year-on-year growth in industrial production exceeding +7.5% in March for the first time since the end of 2014. All in all, imports of the emerging economies remained very dynamic (+3.8% after +2.4%).

US consumption at a standstill

In Q1 2017, the advanced economies decelerated somewhat (+0.4% after +0.5%), mainly due to the United States (+0.3% after +0.5%) where household consumption slowed sharply. Corporate investment confirmed its recovery, however, and progressed strongly. In Japan, gross domestic product (GDP) continued to rise moderately (+0.3%). In the United Kingdom, activity finally slowed (+0.2% after +0.7%), as households adjusted their expenditure to the past fall in their purchasing power due to the marked upturn in inflation. All in all, world trade remained very dynamic (+2.2% after +1.7%).

Activity accelerated in the Eurozone

In the Eurozone, growth picked up a little at the beginning of 2017 (+0.6% after +0.5%), slightly more than forecast in *Conjoncture in France* in March. It was boosted by the acceleration in investment. Growth was stronger in particular in Germany (+0.6% after +0.4%), where construction activity benefitted from a mild winter, in Spain (+0.8% after +0.7%) and even in Italy (+0.4% after +0.3%).

In France, activity slowed a little in Q1

In France, activity decelerated slightly at the beginning of 2017 (+0.4% after +0.5%), although a little less than forecast in *Conjoncture in France* in March (+0.3%). Manufacturing production stumbled (−0.2% after +0.7%), due mainly to refinery stoppages. On the demand side, household consumption was at a standstill (+0.1% after +0.6%) as energy expenditure slipped, under the effect of the mild weather conditions at the end of the winter after a cool autumn. Corporate investment accelerated sharply, however (+1.9% after +0.9%), driven notably by very dynamic purchases of capital goods before the end of the one-off additional depreciation allowance. Finally, exports fell back significantly (−0.8% after +1.0%), in particular those of aircraft after the record deliveries at the end of 2016, and imports became more dynamic (+1.4% after +0.6%), partly due to exceptional purchasing: the contribution of foreign trade to growth was once again very negative (−0.7 point).

The financial environment remains favourable in Europe

The Fed set for further rate hikes

On the other side of the Atlantic, inflation is now above 2% and the unemployment rate is at its lowest since 2007 (4.3%): the Federal Reserve (Fed) therefore raised its main base rate to 1% in March and is likely to continue tightening its monetary policy through to the end of the year. Conversely, the ECB is continuing its government security purchases, although it has slowed the pace since April to €60 billion a month (against €80 billion previously).

Sovereign yields easing, the Euro slightly up

With the rise in US base rates, the expected upturn in inflation and anticipation of an expansionist fiscal policy in the US after the election of Donald Trump, sovereign yields rose all over the world at the end of 2016. For France, the 10-year sovereign yield temporarily hit 1.2% in March, but fell back to 0.6% in mid-June. Likewise, the euro, which had lost ground against the dollar since the end of 2016, has gained in value since then and stood at \$1.12 in early June, the same level as last summer.

OPEC has cut its production but the rise in oil prices has been contained

Just after the announcement at the end of November of the agreement to reduce the production of the OPEC countries and Russia, oil prices rose to about \$55 per barrel of Brent. The agreement has been respected on the whole and the cartel's production fell by 1.4 million barrels a day in Q1, causing a marked deficit in the physical market worldwide. However, the particularly high level of stocks and the recovery of unconventional production in the US have contained any price rises. Through to the end of the year, despite the continuing deficit in the physical market with the renewal of the agreement, oil prices should hover around \$53 per barrel.

In 2017, world trade picks up

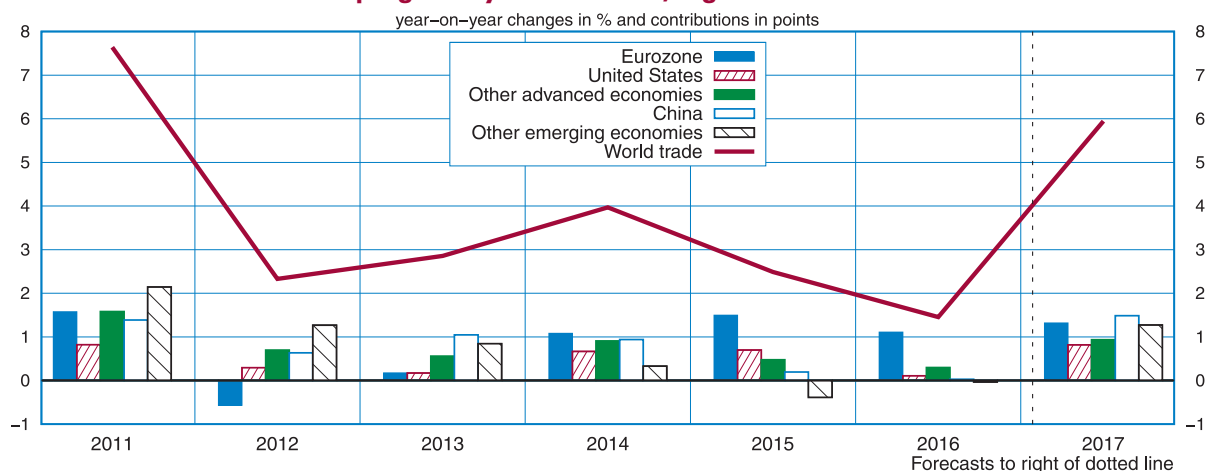
The emerging economies looking brighter

After improving continuously since mid-2015, the business climate in the emerging economies levelled out in spring 2017 at a level that is above the expansion threshold, although still well below the levels of the 2000s. In China, growth should hold up in 2017 at +6.8%. Investment should stop falling and this, combined with a recovery in processing trade, should boost imports. With the stabilisation of commodity prices and the upturn in Chinese demand, the currencies of the commodity-producing countries have stopped falling, thus contributing to a fall in inflation. As losses in purchasing power ease, activity should accelerate in 2017 in Russia, and Brazil should emerge from recession. All in all, the imports of the emerging economies should increase by 8.8% in 2017, after falling for two years (*Graph 1*).

In the United States, post-electoral optimism is barely fading

In the advanced economies, the business climate has progressed significantly since the end of 2016, despite a marked upturn in inflation affecting household purchasing power. This is the case notably in the United States, where the business climate and household confidence have leapt upwards since November's presidential election and remain at a high level despite a recent downturn (*Graph 2*). After being affected temporarily by weak private and government consumption in Q1, US activity should accelerate in Q2 (+0.7%), then remain steady in H2 (+0.5% per quarter). Over the year as a whole, growth should come to +2.1% (after +1.6% in 2016), thanks to the recovery in corporate expenditure. In Japan, activity should only just accelerate in 2017 (+1.1% after +1.0%), notably driven by an upturn in household consumption. In the UK, meanwhile, activity should progress much less quickly (+0.3% per quarter) than the average between 2013 and 2016: households are likely to continue adjusting their spending to the past fall in their purchasing power.

1 - World trade to progress by 5.9% in 2017, a growth rate not seen since 2011



Sources: DG Trésor, INSEE calculations

General outlook

World trade to increase by 5.9% in 2017, a level not seen since 2011

After slowing down sharply in 2015 (+2.5%), world trade increased by only 1.5% in 2016, posting its weakest growth since 2009, due to sluggish US and emerging economy imports. After progressing strongly for two quarters at the end of 2016 and beginning of 2017, the pace of purchases should remain sustained through to the end of the year (+1.2% on average per quarter), as suggested by the leading customs data from the Asian countries and the very high level of foreign orders in business tendency surveys around the world. All in all, world trade should grow by 5.9% in 2017, close to the average annual rise between 1990 and 2007 (+6.3% a year), a growth rate not seen since 2011.

In the Eurozone, the business climate in spring 2017 is at a ten-year high

The business climate has improved in the Eurozone since the end of 2016, notably in industry

In the Eurozone, the business climate in industry in May was at its highest since mid-2011 in the European Commission surveys and in Markit's PMI indicator. The business climate calculated by the Commission, all sectors included, reached its highest in ten years in the spring.

European households have cut their savings ratio slightly in the face of the upturn in inflation

In the Eurozone, due to energy prices, headline inflation has risen significantly since the end of 2016, to +2.0% in February 2017, when it had still been in negative territory in mid-2016. It has already fallen back slightly to +1.4% in May and should remain at this level through to the end of the year. Core inflation is increasing slightly and should reach +1.2% at the end of 2017, against +0.8% at the end of 2016, as wages accelerate a little. Employment should remain solid and the unemployment rate continue to fall, to 8.8% at the end of 2017, 0.9 points lower than one year previously. All in all, due to inflation, the purchasing power of European households was at a standstill at the end of 2016 and beginning of 2017 and it should slow down significantly, on an annual average basis, to +1.2% in 2017, after +1.9%. However, their consumption should decelerate less quickly (+1.6% in 2017 after +2.0%), as Italian and Spanish households lower their propensity to save.

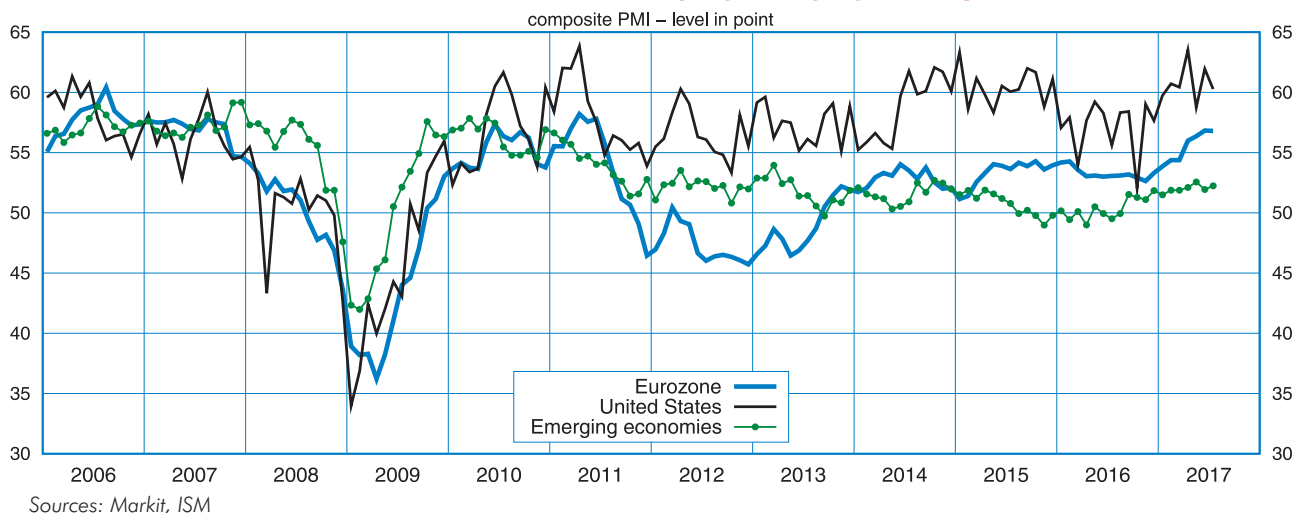
Investment to remain strong

Investment in equipment rebounded in early 2017 and should remain strong over the rest of the year, with production capacity utilisation rates being at their highest since 2008. Investment in construction, meanwhile, was very dynamic in Q1 thanks to the mild winter and is likely to stall in reaction in Q2, notably in Germany. It should pick up momentum in H2 in line with the recent upturn in building permits.

Growth to remain robust in the Eurozone

All in all, growth should remain solid in the Eurozone, at +0.5% per quarter, and then rise in small increments on average over the year: +1.8% in 2017 after +1.6% in 2016: it should remain stronger in Spain (+3.0%) than in Germany (+1.9%), France (+1.6%) and Italy (+1.3%).

2 - The business climate in the Eurozone has been progressing significantly since the end of 2016



After holding back growth in 2016, French foreign trade should weigh down much less in 2017

Buoyed by the worldwide improvement, French exports should rebound by the end of the year

French exports fell back significantly at the start of 2017 (−0.8% after +1.0%), affected notably by the profile of aeronautical deliveries. In Q2, they should rebound strongly (+2.2%), driven in particular by deliveries on major contracts, and then increase further in H2 (+0.9% then +1.3%). Aside from the ups and downs linked to aeronautical and shipbuilding activities, foreign sales should benefit from strong world demand, the restart of nuclear power plants and the return of tourists to France: annual growth in exports should reach +2.8% in 2017, after +1.9% in 2016.

Despite strong imports, foreign trade should weigh down less on activity

In Q2 2017, imports should be at a standstill (0.0% after +1.4%), as a backlash after the exceptional purchases at the start of the year, in particular in pharmaceutical products. In H2, they should increase again in response to domestic demand (+0.5% then +0.7% per quarter). Over the year as a whole, they should again increase strongly, (+3.5% after +4.2%). However, thanks to the acceleration in exports, foreign trade should weigh down much less on growth in 2017 (−0.3 points) than in 2016 (−0.8 points). The balance of trade in manufactured goods is likely to worsen, however, to its lowest since 2011.

The French economy to accelerate at last in 2017

The business climate in France has improved since December, in industry in particular

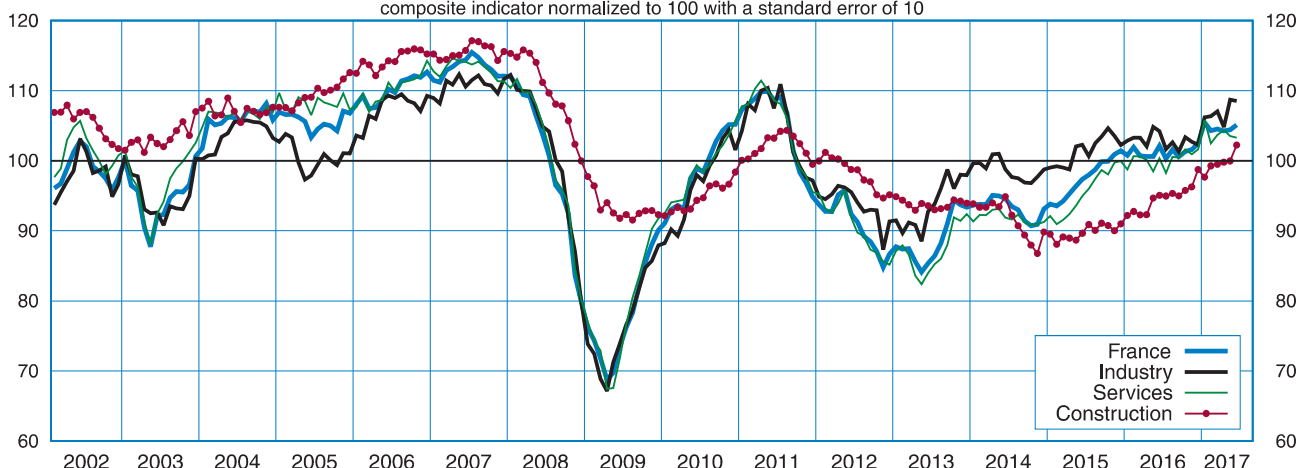
From October 2015 to November 2016, the business climate in France remained almost stable at a little above its long-term average. It has risen since December and stood at 105 in May 2017, well above its long-term average. The improvement is very clear in industry, where the business climate reached 109 in May, its highest since mid-2011 (Graph 3). Business managers are particularly optimistic as to prospects for their activity and foreign demand, and report that their order books are filling up. Manufacturing production should therefore increase in Q2 and continue rising robustly in H2. It should stand at +1.5% on an annual average basis in 2017 (after +0.8% in 2016).

Agricultural production to rebound, contributing to the acceleration in activity in 2017

In 2016, agricultural production collapsed (−5.6% after −1.5% in 2015), knocking 0.2 points off GDP growth: cereal and wine harvests were hit by exceptionally bad weather conditions. In 2017, assuming that weather conditions return to normal, agricultural production in cereals should return to a level close to its average, contributing +0.1 points to activity overall.

3 - In France, the business climate has been improving since December and was at its highest since mid-2011 in industry in May 2017

composite indicator normalized to 100 with a standard error of 10



Source: INSEE

General outlook

Market services should benefit from the return of the tourists

Despite an expected slowdown in household consumption, production of market services should accelerate in 2017 (+2.4% after +1.3% in 2016) thanks to strong industrial production and corporate investment. The transport and the accommodation and food services branches should also benefit from the return of the tourists: overnight stays by foreigners were up 4.7% year on year in Q1 and this rebound should continue through to the end of the year.

Construction to return to steady growth

After falling sharply in 2014 (-1.9%) and in 2015 (-1.5%), activity in construction stopped contracting in 2016 (+0.1%) and should accelerate sharply in 2017 (+1.8%): the construction of housing in particular returned to growth, following the increase in sales of new homes and then in building permits, with the usual time lag.

All in all, French GDP should rise by 1.6% in 2017, a level of growth not seen since 2011

All in all, GDP should progress by 0.5% per quarter in Q2 and Q3, then by 0.4% at the end of the year. Annual growth should stand at +1.6%, its strongest since 2011. French activity should thus return to a growth rate closer to that of the Eurozone, after three years of weaker growth than its neighbours.

Employment progresses steadily, unemployment down

The French economy should generate 203,000 market-sector jobs in 2017, almost the same as in 2016

Market-sector payroll employment progressed significantly once again in Q1 2017 (+76,000 after +60,000 at the end of 2016). Workforce prospects are looking positive in the business tendency surveys and the employment climate stood at 108 in May. Market-sector employment should therefore increase again in Q2 (+45,000). Over H1 as a whole, the Tax Credit for Encouraging Competitiveness and Jobs (CICE), the Responsibility and Solidarity Pact (PRS) and the hiring premium in SMEs have increased the employment intensity of growth by 40,000 new jobs. In H2, that effect should be zero overall, due to the end of the hiring premium, and market-sector employment is likely to slow down (+82,000). All in all, 203,000 market-sector jobs should be created in 2017, almost the same number as in 2016.

Subsidised non-market employment to fall in H2

In 2017, non-market-sector employment should slow down (+17,000 after +49,000 in 2016). Its private component should remain dynamic and the number of civil servants should increase slowly. However, the number of beneficiaries of subsidised jobs is set to fall, especially in H2. All in all, taking account of the fact that agricultural employment and self-employment are almost stable, 222,000 jobs should be created in 2017, after 255,000 in 2016.

Unemployment to fall again by the end of the year

In Q1 2017, the unemployment rate fell significantly (-0.4 points over the quarter and -0.6 points year on year) to 9.6% of the French labour force, its lowest level since early 2012. Over the following quarters, the expected rise in employment should again exceed the change in the labour force and the number of unemployed should continue to fall, although more moderately. The unemployment rate should stand at 9.4% at the end of 2017.

In 2017, purchasing power should slow down due to the upturn in inflation

Inflation has picked up since December due to its energy component

Since the end of 2016, inflation has picked up significantly, reaching +0.8% year on year in May 2017, against 0.0% one year earlier. This upturn was driven mainly by its energy component, with the rises in oil prices and in taxes on petroleum products. Through to the end of 2017, headline inflation should barely rise at all: +1.1% in December. Core inflation is likely to remain low, at +0.8% in December 2017, against +0.4% one year earlier: the past fall in commodity prices should stop weighing down on the prices of manufactured products and the recent rise in commodity prices should not yet begin to work through. In addition to this, the increase in rents, which are index-linked to past inflation, should remain moderate.

Nominal wages to accelerate a little

In 2017, mainly due to the upturn in inflation and the fall in unemployment, nominal wages per capita in the market sector should increase slightly more than in 2016 (+1.6% after +1.3%). In the civil service, wages should accelerate more clearly, boosted by increases in the index point and statutory measures set out in the Finance Law.

Purchasing power to slow down due to the upturn in inflation

In 2017, earned income should accelerate, essentially due to wages. Benefits, which are index-linked to past inflation, should not accelerate, while taxes should increase more than in 2016, as the tax cuts that were passed were smaller than the previous year. All in all, purchasing power gains should slow significantly, at +1.1% after +1.8% in 2016, hit by the upturn in inflation (*Graph 4*).

Household consumption to slow down in 2017 and the savings ratio fall slightly

Household consumption should progress by 1.2%, almost twice as slowly as in 2016

Household consumption was at a standstill in Q1 (+0.1%), essentially due to heating expenditure. It should rebound in a backlash effect in the spring (+0.4%) then progress moderately in H2 (+0.3% per quarter). On an annual average basis, it should be less dynamic: +1.2% against +2.1% in 2016.

The savings ratio should fall slightly in 2017, reaching its lowest since 1990

Since 2015, the consumption of French households has progressed a little more quickly than their purchasing power. In 2017, the expected fall in unemployment should facilitate a slight drop in their precautionary savings and the savings ratio should slip once again to 13.9% after 14.0% in 2016, its lowest since 1990.

Investment to remain dynamic in 2017

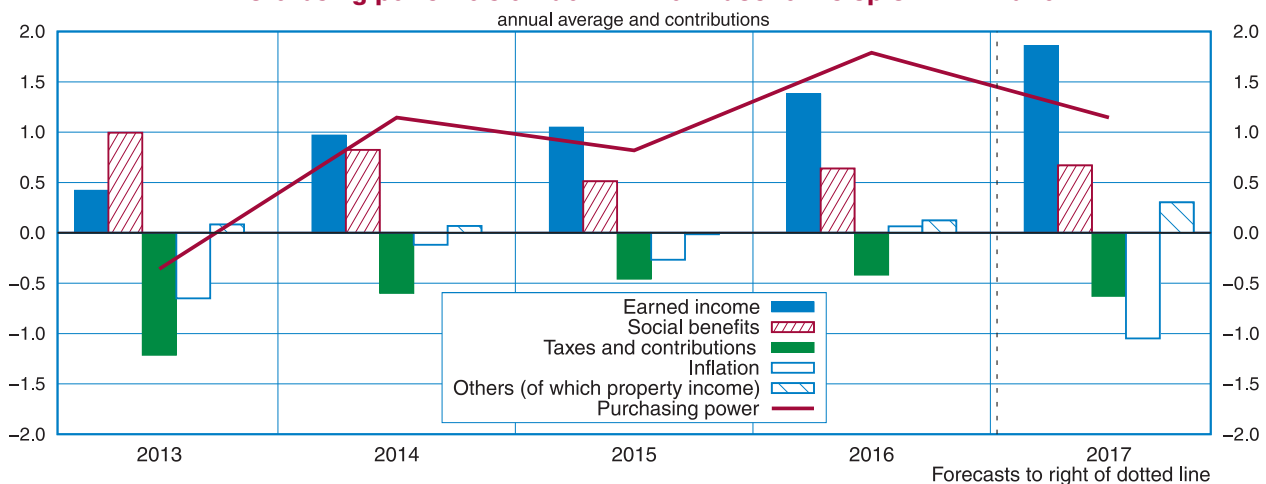
Corporate investment to increase sharply again in 2017

In Q1, corporate investment progressed strongly, boosted by purchases of capital goods and expenditure on services. Conditions are set to remain favourable: prospects for (notably external) demand are looking bright, the margin rate and self-financing capacity are stable at a relatively high level and, despite a slight rise, borrowing costs remain very low. However, the end of the one-off additional depreciation allowance since mid-April should cause a marked jolt in investment expenditure. Total corporate investment should therefore fall in Q2 (-0.2%) then pick up again in H2 (+0.7% on average per quarter), bringing growth over the year to +2.9%. The investment rate should therefore stand at its highest level since 2008.

Household investment to maintain momentum in 2017

Household investment has been accelerating progressively for a year and its growth stood at 1.0% in early 2017. The recent rise in building permits suggests that this trend should continue almost at the same rate: household investment should therefore rise by 3.7% in 2017, a rise on a scale not seen since 2006 (*Graph 5*).

4 - Purchasing power to slow down in 2017 due to the upturn in inflation



Uncertainties: exports and consumption behaviour

The improvement in the short-term climate would appear to be firmly established, with the result that the uncertainties surrounding this forecast seem fewer than usual. Nevertheless, two main uncertainties have been identified.

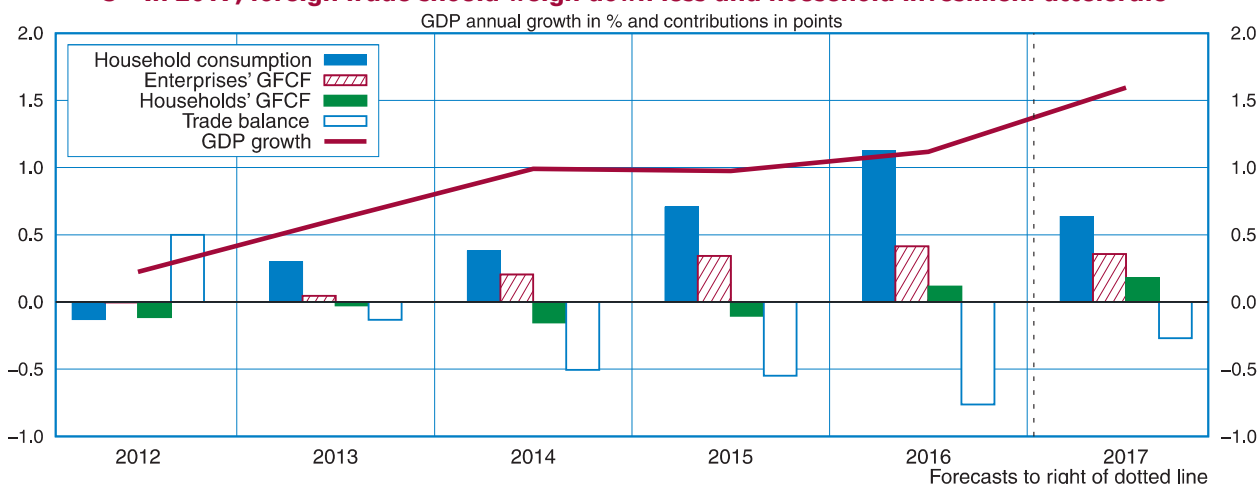
Ability of exports to rebound after the disappointing start to the year

In Q1, manufacturing exports fell despite the acceleration in world trade. The scenario is based on a rebound in Q2, but the acceleration is likely to be modest over the year as a whole, showing further losses of market share. Like last year, exports could be higher than expected at the end of the year or they could disappoint, in the latter case raising questions as to the ability of the French economy to benefit from the improvement in the international environment.

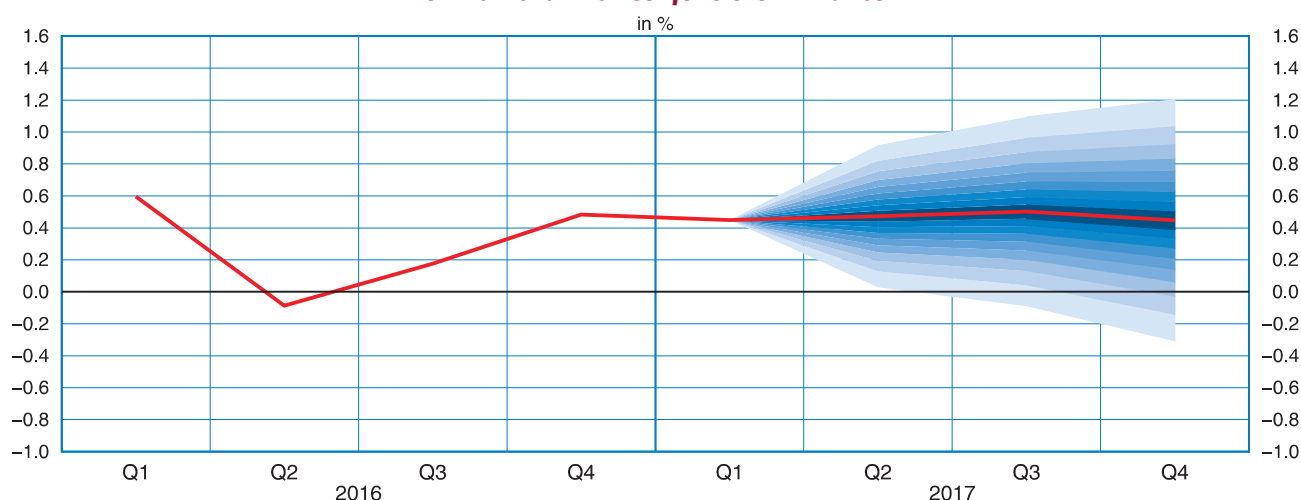
Extent of the fall in the savings ratio in the Eurozone

In the Eurozone, consumption should slow down significantly less than purchasing power in 2017 as households reduce their precautionary savings, in Italy and Spain in particular. This movement was already observed at the end of 2016 and beginning of 2017 but could either become stronger over the rest of the year or be reversed, thus affecting activity. ■

5 - In 2017, foreign trade should weigh down less and household investment accelerate



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 2017 has a 50% chance of being between +0.3% and +0.7%.

Source: INSEE

Key figures: France and its international environment

	2015				2016				2017				2015	2016	2017
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
International environment															
Advanced economy GDP	0.5	0.4	0.4	0.3	0.4	0.4	0.6	0.5	0.4	0.5	0.5	0.4	2.0	1.7	1.9
Eurozone GDP ¹	0.4	0.4	0.3	0.4	0.6	0.3	0.3	0.4	0.6	0.5	0.5	0.5	1.5	1.6	1.8
Barrel of Brent oil (in dollars)	55	63	51	45	35	47	47	51	55	52	53	53	53	45	53
Euro-dollar exchange rate	1.13	1.10	1.11	1.10	1.10	1.13	1.12	1.08	1.06	1.10	1.12	1.12	1.11	1.11	1.10
World demand for French products	1.2	0.1	0.7	0.8	-0.1	1.3	0.5	1.9	1.5	1.3	1.1	1.0	3.5	2.5	5.3
France - supply and uses															
GDP	0.4	0.0	0.4	0.2	0.6	-0.1	0.2	0.5	0.4	0.5	0.5	0.4	1.0	1.1	1.6
Imports	1.8	0.2	1.7	2.6	0.6	-1.1	2.8	0.6	1.4	0.0	0.5	0.7	5.5	4.2	3.5
Household consumption	0.4	0.1	0.6	0.1	1.3	0.3	0.1	0.6	0.1	0.4	0.3	0.3	1.3	2.1	1.2
GG and NPISHs consumption	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	1.2	1.2	1.2
Total GFCF	0.4	-0.3	0.8	1.4	1.1	-0.1	0.2	0.5	1.2	0.1	0.7	0.7	0.9	2.7	2.3
of which: NFEs	1.1	0.6	0.7	1.8	1.6	-0.3	-0.2	0.9	1.9	-0.2	0.8	0.7	2.9	3.4	2.9
Households	-0.6	-0.4	0.1	0.7	0.8	0.7	0.9	0.9	1.0	0.9	0.9	0.8	-2.1	2.4	3.7
General government	-0.2	-3.3	2.2	1.2	-0.5	-0.6	0.0	-1.5	-1.2	0.2	0.5	0.5	-3.1	-0.2	-2.0
Exports	1.1	1.3	-0.1	0.6	0.3	0.2	0.6	1.0	-0.8	2.2	0.9	1.3	4.0	1.9	2.8
Contributions (in point)															
Domestic demand excluding changes in inventories ²	0.3	0.1	0.6	0.4	1.0	0.2	0.1	0.5	0.4	0.3	0.4	0.4	1.2	2.0	1.5
Changes in inventories ²	0.3	-0.4	0.4	0.5	-0.4	-0.7	0.7	-0.2	0.7	-0.5	0.0	-0.1	0.3	-0.1	0.4
Net foreign trade	-0.3	0.3	-0.6	-0.7	-0.1	0.4	-0.7	0.1	-0.7	0.7	0.1	0.2	-0.5	-0.8	-0.3
France - situation of households															
Total employment	2	53	17	59	64	54	72	65	90	52	41	40	131	255	222
Non-farm market sector employment	1	32	25	49	52	36	57	60	76	45	41	41	108	205	203
ILO unemployment rate France ³	10.3	10.5	10.4	10.2	10.2	10.0	10.0	10.0	9.6	9.6	9.5	9.4	10.2	10.0	9.4
Consumer price index ⁴	-0.1	0.3	0.0	0.2	-0.1	0.2	0.4	0.6	1.1	0.8	1.1	1.1	0.0	0.2	1.1
Core inflation ⁴	0.2	0.6	0.6	0.9	0.7	0.7	0.7	0.4	0.4	0.5	0.5	0.8	0.5	0.6	0.5
Household purchasing power	0.3	-0.2	0.6	0.6	0.6	0.3	0.6	0.1	0.1	0.5	0.3	0.2	0.8	1.8	1.1

Forecast

1. Eurozone excluding Ireland, as this country's accounts present a break in series in Q1 2015

2. Changes in inventories include acquisitions net of sales of valuable

3. For annual data, unemployment rate is that of the last quarter of the year

4. Year-on-year on the last month of the quarter and annual averages

GDP: gross domestic product

GFCF: gross fixed capital formation

GG: general government

NFEs: non-financial enterprises

NPISHs: 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