



# **CONJONCTURE IN FRANCE**

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# France keeps up the pace

Since the end of 2016, French activity has kept up a sustained rate (+0.5 to 0.6% per quarter): annual growth thus reached 2.2% this summer, returning to a rate not seen since 2011, against a backdrop of relatively homogenous growth throughout the Eurozone.

The world environment remained buoyant this summer and should remain so over the forecasting period (to mid-2018), as the business climate remains very positive in most of the business tendency surveys. American growth has not weakened in recent months; the fiscal stimulus announced during the presidential election is still awaited, but should happen from 2018. In Japan, consumption should take over little by little from foreign trade in driving activity. In the UK, meanwhile, domestic demand is likely to be hit by the sharp upswing in inflation and the uncertainties surrounding the terms of Brexit.

World trade is likely to be driven by the recovery in the emerging markets: Chinese growth remains at a high level despite the tendency towards a slowdown in investment, notably in real estate. The Russian, Brazilian and Indian economies, buoyed by relatively low inflation and recovering consumption, are picking up after two years of recession, pulling imports in their wake.

In the Eurozone, growth was very strong once again in Q3 (+0.6% after +0.7%) and the business climate is at its highest in 17 years: the political uncertainties in Europe, with the Catalan crisis, the more difficult than expected formation of a majority government in Germany and upcoming elections in Italy do not seem to be affecting the morale of entrepreneurs for the moment. Fiscal policy is likely to remain neutral or even accommodating in the main Eurozone countries. Buoyed by steady investment, activity should therefore remain robust throughout the Eurozone through to mid-2018 (+0.6% at the end of 2017, then +0.5% per quarter), while certain countries are beginning to see tensions appearing in their production systems, in particular Germany.

France is unlikely to be an exception to this general trend: the French economy is likely to maintain its momentum over the coming quarters (+0.6% at the end of 2017, +0.5% in early 2018, then +0.4% in the spring). Annual growth should come to +1.9% in

2017 and the growth overhang for 2018 should be +1.7% by mid-year.

French business leaders are resolutely optimistic according to the business tendency surveys: the business climate has been progressing continuously since the end of 2016, reaching its highest since early 2008 in November 2017. The different sectors are all in unison, whether in industry (where general activity prospects are at levels not seen in 17 years), market-sector services (which continue to benefit from the return of tourists, among other factors), or construction.

Growth is set to be driven by strong global demand. Although exports may be affected by jolts in the aeronautics and shipbuilding sectors, and the trade deficit is likely to widen a little further in manufactured goods, foreign trade should stop weighing down on growth in mid-2018, thanks to agricultural products and tourism. Regarding domestic demand, growing numbers of companies are declaring supply-side difficulties and their investment expenditure is therefore unlikely to ease up. Households, meanwhile, should benefit from dynamic earned income. Rising inflation and the calendar effects of taxation measures are likely to restrain their purchasing power temporarily over the winter, placing their consumption under strain, but it should hold up: households are likely to reduce their savings ratio in anticipation of an improvement in their purchasing power at the end of 2018. Their investment expenditure should accelerate significantly in 2017, but then slow down a little in mid-2018, in line with the stabilisation in sales of new houses observed in the last few months.

The French economy should continue to generate about 100,000 market-sector jobs per semester, while non-market-sector employment is likely to fall back once again, with the reduction in subsidised employment. Total employment should nonetheless progress more quickly than the labour force and the unemployment rate should fall slightly, to 9.4% over the forecasting period (−0.1 points year on year).

In the short term, this scenario is likely to be affected by political uncertainties on both sides of the Atlantic, as well as by the consumption behaviour of French households in the face of the temporary downturn in their purchasing power. ■

### Global activity remained dynamic this summer

*Recovery confirmed  
in the emerging economies*

In the emerging economies, activity and imports have recovered significantly since the end of 2016. In China, growth stood at +1.7% in Q3 2017 and has been at a constant rate since the start of the year. In Brazil and Russia, activity has been buoyed by the recovery in consumption and would appear to have progressed since January, after two years of recession in 2015 and 2016. All in all, imports of the emerging economies rebounded this summer (+1.6% after -0.5% in Q2, up 6.8% year on year).

*American growth  
remained strong*

In Q3 2017, growth remained sustained in the advanced economies (+0.8% as in the previous quarter), notably in the United States (+0.8%) where household consumption only barely slowed down under the effects of the hurricanes in the south of the country. In Japan, activity remained dynamic (+0.6% after +0.7%), buoyed by Chinese demand and despite a one-off fall in household expenditure. In the United Kingdom, growth was slightly higher than expected (+0.4% after +0.3%), as households managed to increase their spending despite the fall in their purchasing power due to the sharp upswing in inflation. All in all, world trade accelerated (+1.0% after +0.6%).

*Growth reached +0.6%  
in the Eurozone this summer*

In the Eurozone, activity remained very dynamic in Q3 (+0.6% after +0.7% in Q2), a little more than forecast in *Conjoncture in France* in October. Activity accelerated notably in Germany (+0.8% after +0.6%) and in Italy (+0.4% after +0.3%). It slowed down slightly in Spain, although remaining very robust (+0.8% after +0.9%).

### In France, activity progressed by 0.5% in Q3, making +2.2% year on year

In France, activity progressed by 0.5% this summer (after +0.6%), as forecast in *Conjoncture in France* in October. Manufacturing output did not weaken (+0.8%), driven notably by the dynamic performance in aeronautics. On the demand side, household consumption accelerated (+0.6% after +0.3%), with the change in the dates of the summer sales automatically favouring purchases in textiles and household equipment in Q3. Investment remained steady, among both businesses (+1.1% after +1.2%) and households (+1.1% after +1.4%). Exports slowed down, however, due to a backlash after the spring's shipbuilding deliveries (+1.1% after +2.2%), while imports leapt upwards (+2.8% after +0.3%), driven by strong domestic demand and also by large-scale sourcing in chemicals and aeronautics. All in all, the contribution of foreign trade was significantly more negative than forecast (-0.6 points) and, symmetrically, that of inventory change was very positive (+0.5 points).

### The oil price and the euro rising slightly

*The Fed returns to normal,  
the ECB continues its QE*

Across the Atlantic, inflation stands at around 2% and the unemployment rate is at its lowest since 2001 (4.1% in October 2017): the Federal Reserve (Fed) therefore raised its main base rate to 1.25% in June and is likely to keep on tightening its monetary policy through to June 2018. It also announced a reduction in its balance sheet in October 2017, and will be gradually accentuating that move over the coming year. Conversely, the ECB is continuing its purchases of public securities, although it will be reducing the rate to €30 billion a month from January 2018 (instead of €60 billion previously).

*A rise in the euro this summer*

In this context, interest rates remain very low in the Eurozone compared to the United States. For France, the 10-year sovereign yield has been stable on the whole at around 0.7% since the summer, compared to 2.3% for US securities. Despite this, due to the improved outlook in Europe and uncertainties as to the scale of the fiscal stimulus in the US, the euro rose significantly this summer, levelling out at about \$1.17 at the end of the year, compared to \$1.04 one year earlier.

*The OPEC output reduction agreement is being complied with, the price of Brent is rising a little*

The agreement to reduce the output of the OPEC countries and Russia has been complied with on the whole since the start of the year, restoring balance to the physical market, or even a slight deficit after two years of surpluses. With the announcement of its renewal, oil prices rose at the end of the summer, levelling out at around \$60. At this price, however, unconventional oil production in the US should show a marked upswing through to June 2018, which should contain any upward pressures, especially as stocks, although down slightly, remain particularly high.

*The emerging economies are recovering despite an expected slowdown in China*

## World expansion to continue through to mid-2018

In Brazil, Russia and India, the fall in inflation as exchange rates have stabilised is working through quickly into consumption. The business climate is improving, although it is still below its average levels, and activity is set to accelerate through to mid-2018 after showing a recovery in 2017, pulling imports in its wake. In China, after a spectacular recovery at the end of 2016 and beginning of 2017, demand seems to be easing: investment is slowing anew, in particular in real estate. All in all, it is likely that the imports of the emerging economies will barely weaken at all, growing at a rate of around +1.5% per quarter, although that is still below the average rate from 1990 to 2011 (+2.3%).

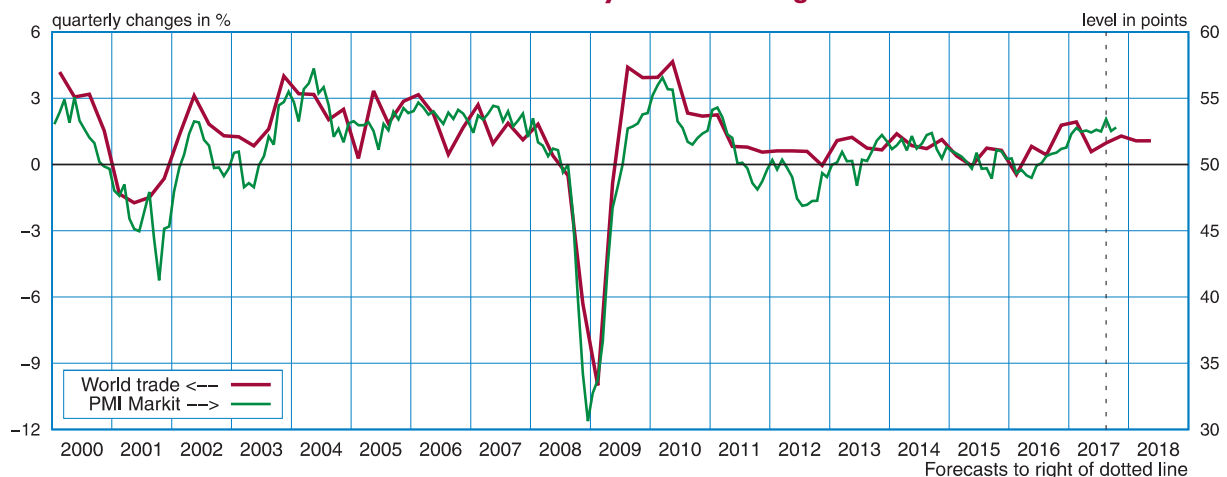
*The United States waiting for a tax stimulus*

In the advanced economies, the business climate remains very positive, notably in the United States where it has reached the highest levels in 12 years in both services and industry. US growth should therefore remain strong through to mid-2018 (+0.8% then +0.6% per quarter). American households are likely to profit from the acceleration in wages, encouraged by an unemployment rate at its lowest in 17 years and the promised tax cuts. In Japan, activity should slow down yet remain solid (+0.2% to +0.3%): due to the expected slowdown in China, the contribution of foreign trade is likely to weaken, but consumption should pick up the slack. In the United Kingdom, however, where inflation has reached a high of 3%, activity should progress significantly more slowly (+0.4% at the end of 2017 then +0.3% per quarter) than on average between 2013 and 2016: households are likely to be forced to adjust their expenditure to the past fall in their purchasing power and the uncertainty surrounding the terms of the country's departure from the European Union is likely to hold back investment.

*World trade showing no sign of weakness and likely to remain very dynamic through to mid-2018*

After slowing sharply in 2015 (+2.3%), growth in world trade was just +1.6% in 2016, its weakest since 2009, due to sluggish imports in the US and emerging economies. In 2017, with a growth rate close to that in 2011, the recovery in world trade should be very strong (+5.0%). Surveys of purchasing managers around the world about their foreign orders remain at levels not seen since 2011 (Graph 1) and world trade should barely weaken through to mid-2018 (+1.3% at the end of 2017 then +1.1% per quarter in early 2018). All in all, the growth overhang in world trade for 2018 should stand at +3.5% by mid-year.

**1 - World trade should barely weaken through to mid-2018**



Sources: DG Trésor, PMI Markit, INSEE calculations

### At the end of 2017, the business climate in the Eurozone soars to its highest in 17 years

*In the Eurozone, the business climate continues to progress, with tensions appearing on the supply side*

In the Eurozone, the business climate has continued to progress since the summer, reaching its highest since 2001 (*Graph 2*). This improvement is common to all the Eurozone countries and is being driven more particularly by industry and construction. Supply-side tensions are appearing in European production systems, particularly in Germany. The resurgence of political uncertainties in Spain, Germany and Italy does not appear to be affecting the morale of entrepreneurs. Activity should therefore remain very robust through to mid-2018 (+0.6% at the end of 2017, then +0.5% per quarter).

*Investment to remain steady*

With growing supply-side tensions, equipment investment should remain strong through to mid-2018, especially as the savings of European companies remain at very high levels and external financing terms are still favourable. In construction, building permits remain on an upward trend, although easing slightly: investment is likely to slow a little through to mid-2018 but continues to buoy up activity.

*European households to continue reducing their precautionary savings slightly*

Employment should remain dynamic with unemployment continuing to fall and wages firming up in all countries due to the improvement in the labour market and the past rise in inflation. Driven by energy prices, inflation rose to +1.4% year on year in Q3 2017, compared to +0.7% at the end of 2016, and should reach +1.6% in mid-2018. This rise in prices should continue to erode gains in purchasing power slightly but household expenditure is unlikely to weaken (+0.5% per quarter), as the improving labour market makes it easier to dip into precautionary savings.

*In early 2018, relatively homogenous growth through the Eurozone*

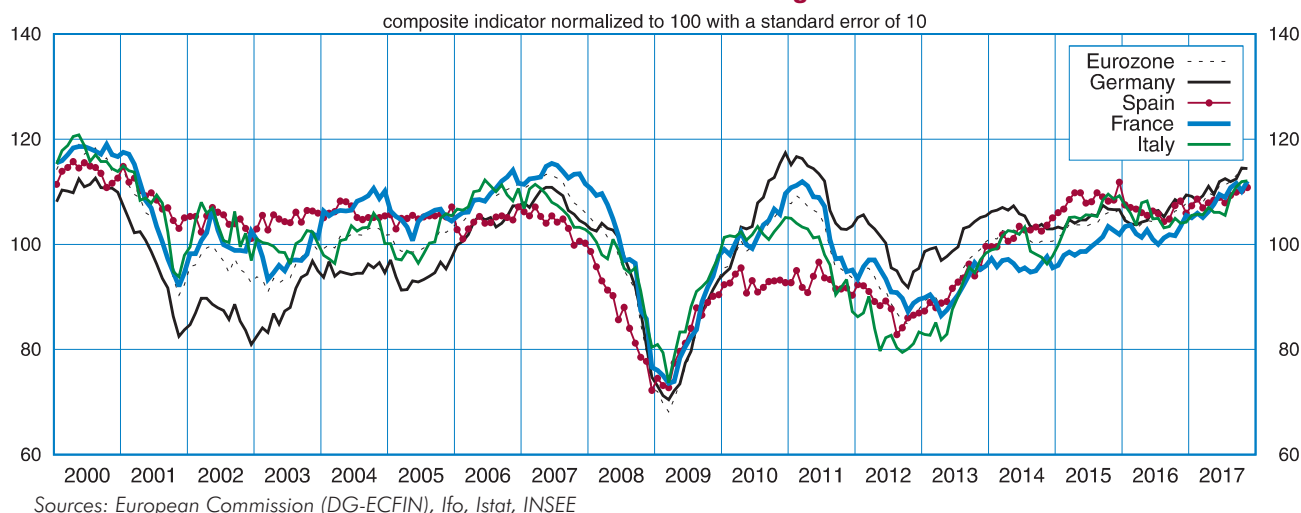
Growth will benefit all the European countries. Activity should remain very steady in Germany, where the growth overhang should be +2.0% by mid-year, after +2.6% growth in 2017. Activity should barely slow down in Spain. In Italy and France, growth should be close to the European average.

### Foreign trade to stop weighing down on French activity through to mid-2018

*French exports hit by jolts in the aeronautics and shipbuilding sector*

French exports slowed down in Q3 (+1.1% after +2.2%) in a backlash effect after the sale of an ocean liner in the spring, masking the good performance of other sales. In Q4, exports should leap to +1.8%: civilian aeronautics sales should make up the ground lost since the start of the year and agricultural exports should remain very vigorous due to the rebound in the cereals harvest. In H1 2018, despite dynamic demand for French products, manufacturing exports should slow down: aeronautics sales should return to normal while other sectors suffer a little from the rise in the euro.

## 2 - The Eurozone business climate is at its highest level since 2001





Finally, tourism should continue to recover through to mid-2018, gradually returning to its level before the terror attacks of 2015 and 2016. All in all, the growth overhang in exports for 2018 should stand at +3.4% by mid-year, exceeding growth in the whole of 2017.

*Imports to ease and foreign trade to stop weighing down on activity*

In Q4 2017, imports should be at a standstill (+0.2% after +2.8%), in reaction to the exceptional purchases over the summer, notably in chemicals and aeronautics. In early 2018, they should increase again steadily to serve domestic demand (+0.8% per quarter). All in all, the contribution of foreign trade to the growth overhang should be neutral in mid-2018, after five years of negative contributions. This improvement should be driven by agricultural products, tourism and energy, while the deficit in manufactured goods should continue to widen slightly in early 2018, at its lowest since 2011.

## In France, businesses remain resolutely optimistic

*The business climate in France at its highest in almost 10 years*

From October 2015 to November 2016, the business climate in France remained almost stable, a little above its long-term average. Since the end of 2016, it has progressed continuously and reached 111 in November, its highest since early 2008 (Graph 3). The improvement is common to all sectors. In industry notably, the balances for general activity prospects have reached levels not seen in 17 years. Manufacturing production is therefore set to accelerate strongly at the end of 2017 (+1.5%) and then remain solid in H1 2018 (+0.6% then +0.3%); by mid-year, its growth overhang for 2018 (+2.5%) should already exceed the growth posted in the whole of 2017 (+1.9%).

*Market-sector services to continue benefiting from the return of tourists*

Production of market-sector services should remain very dynamic through to mid-2018, at between +0.6% and +0.8% per quarter. In addition to the strength of industrial production and corporate investment, the transport and accommodation and food services sectors should continue to benefit from the return of foreign tourists: after falling by 6.9% in 2016, their expenditure should increase by 5.2% in 2017 and their growth overhang for 2018 should stand at +3.0% by mid-year.

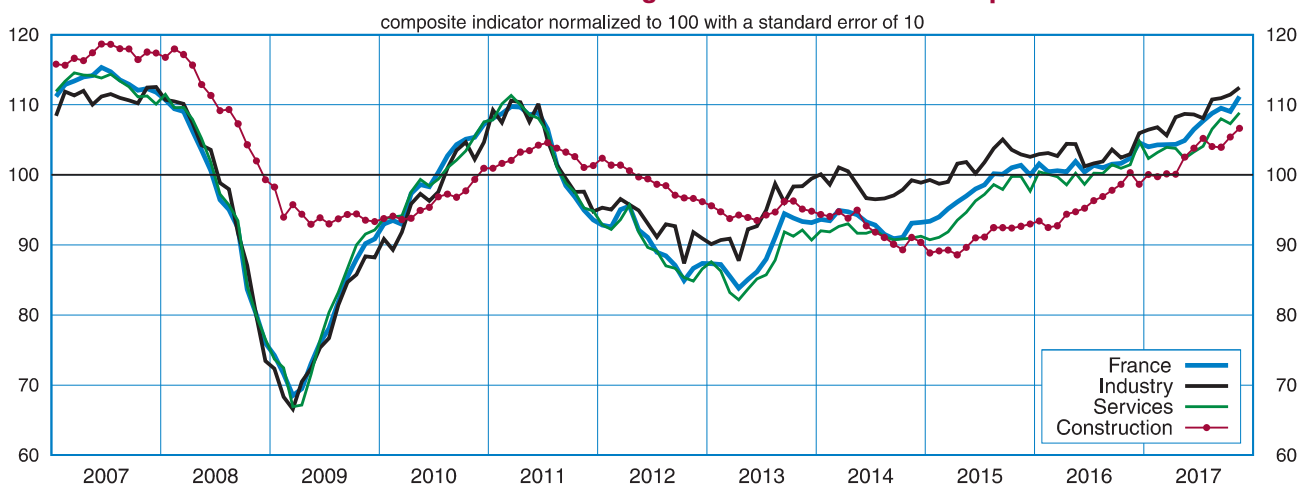
*Construction to slow slightly*

After falling sharply in 2014 (-1.9%) then again in 2015 (-1.5%), activity in construction stopped shrinking in 2016 (+0.1%) and should accelerate significantly in 2017 (+2.6%). It is set to remain very dynamic at the end of 2017 and in early 2018, and then slow a little in mid-2018 as the stabilisation in sales of new homes since the start of 2017 works through.

*French growth to reach 1.9% in 2017*

All in all, GDP should continue to grow steadily: +0.6% at the end of 2017, +0.5% at the beginning of 2018, then +0.4% in Q2 2018. Annual growth should come to +1.9% in 2017, its highest since 2011. The growth overhang for 2018 should stand at +1.7% by mid-year, which is more than one year previously.

## 3 - In France the business climate is taking off and has returned to its pre-crisis level



Source: INSEE



## General outlook

### Private employment to progress steadily but the fall in unemployment likely to be limited by the reduction in subsidised employment

*The French economy should continue to generate about 100,000 market-sector jobs per semester*

Market-sector payroll employment slowed down in Q3 (+46,000 after +77,000 in the spring), mainly in reaction to the end of the hiring premium for SMEs on 30 June. After a dip this summer, workforce prospects have progressed strongly in the business tendency surveys and the employment climate stood at 109 in November. Market-sector employment is set to progress in Q4 2017 (+60,000) and increase by a further 100,000 in H1 2018, driven by the improvement in activity. The measures to reduce labour costs are unlikely to continue increasing the employment intensity of growth, as the positive effects of the Tax Credit for Encouraging Competitiveness and Jobs (CICE) and the Responsibility and Solidarity Pact (PRS) are offset by the negative effects of the termination of the hiring premium for SMEs. All in all, after +215,000 jobs in 2016, market-sector payroll employment should progress by 242,000 in 2017 and barely weaken in early 2018.

*Non-market-sector employment to continue falling due to subsidised employment*

In the non-market sectors, employment should fall significantly in H2 2017 (-38,000 after +27,000 in H1), due to the reduction in the number of subsidised jobs. In H1 2018, the cuts in subsidised employment are set to continue and non-market-sector employment should continue to fall (-32,000). The rest of employment should remain stable, with the result that total employment should slow down significantly in H2 2017, with net job creations of 71,000 after +163,000 in H1. In H1 2018, 72,000 jobs should be created (Graph 4).

*Unemployment to fall slightly through to mid-2018*

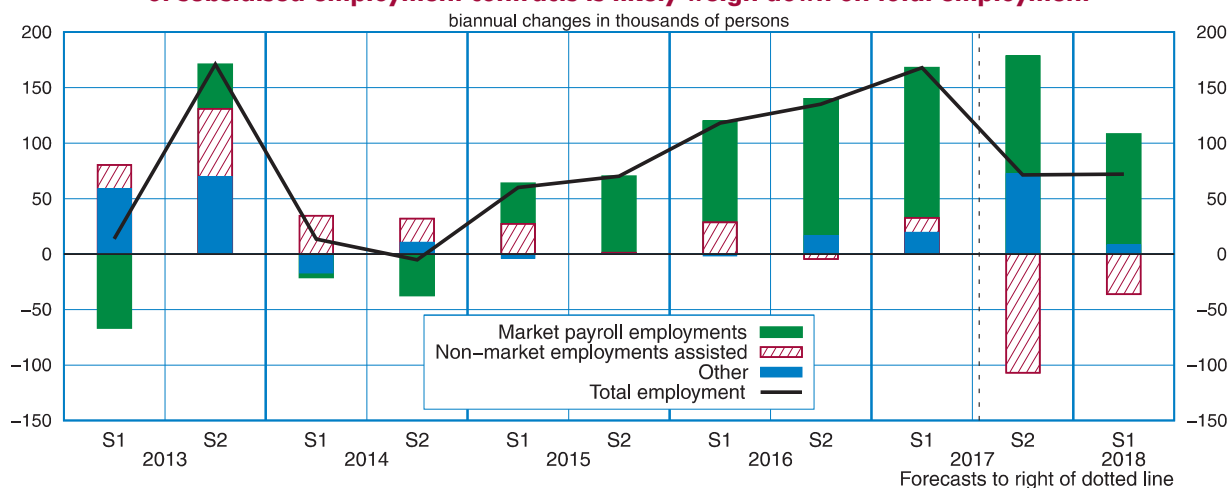
After a sharp fall in H1 2017, the employment survey indicated an unexpected rise in the unemployment rate this summer: +0.2 points over the quarter to 9.7% of the French labour force. That is still down 0.3 points year on year. Over the following quarters, the expected rise in employment should once again exceed the variation in the labour force, and the number of unemployed should fall a little: the unemployment rate should stand at 9.4% in mid-2018, down 0.1 points year on year.

### Purchasing power at a standstill in early 2018 due to inflation and the taxation calendar

*Inflation to increase again*

Since the end of 2016, inflation has increased significantly, reaching +1.2% year on year in November 2017, compared to +0.5% one year earlier. This upturn is largely due to rising oil prices. Through to mid-2018, headline inflation should continue to rise to +1.6% in June. On the one hand, tax on petroleum products and tobacco is set to increase. On the other, core inflation should rise from +0.5% in October 2017 to +1.0% in June 2018, as service-sector companies gradually pass on the past rise in wages.

#### 4 - Market-sector employment should barely weaken but the fall in the number of subsidised employment contracts is likely weigh down on total employment



*Nominal wages to remain strong*

In 2017, per capita nominal wages should accelerate significantly (+2.1% after +1.2%), due especially to the upswing in inflation and the fall in unemployment. In early 2018, wages should remain dynamic in the market sector (+1.2% in H1), against a backdrop of sharp increases in recruitment difficulties.

*The taxation calendar to restrain purchasing power temporarily*

In 2017, earned income should accelerate clearly with the combined progressions in both wages and employment, partly offsetting the marked upswing in inflation (Graph 5). All in all, purchasing power should progress by 1.6%, after +1.8% in 2016. In 2018, a large number of tax measures are to be introduced: the Generalised Social Contribution (CSG) is to be increased and social contributions are to be reduced for those in work, while wealth tax and housing tax are to be cut. The measures with a negative impact on purchasing power (CSG, indirect taxes) should be concentrated at the start of the year, however, while those with a positive impact (housing tax, part of the cut in social contributions) will only come at the end of the year. All in all, despite dynamic earned income, purchasing power is likely to be at a standstill in early 2018 and its growth overhang only +0.6% in mid-year.

## Household consumption under strain but likely to hold up

*Household consumption to remain moderate in early 2018*

Household consumption accelerated this summer (+0.6% after +0.3%), due to the change in the date of the summer sales, and is likely to slow down in reaction in the autumn (+0.3%). Over 2017 as a whole, consumption should slow more significantly than purchasing power (+1.2% after +2.1%) with the backlash after the one-off events that boosted it in 2016 (European football championship, change in the television broadcasting standard, effect of temperatures on energy spending). Faced with the slowdown in their purchasing power, households are likely to limit the rise in their spending in H1 2018 (+0.3% per quarter) even if they do anticipate the expected improvement at the end of the year due to the taxation calendar. All in all, the growth overhang in consumption should be +1.1% by mid-2018, which is roughly equivalent to the growth in the whole of 2017.

*The savings ratio to fall sharply by a smoothing effect*

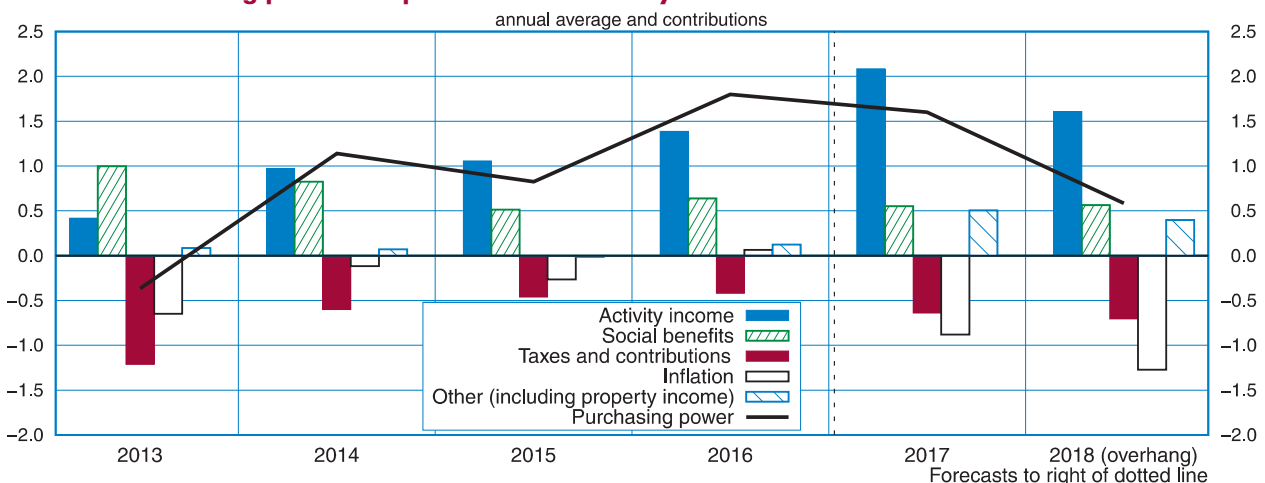
Due to this consumption smoothing behaviour, the savings ratio is set to fall through to mid-2018, slipping from 14.4% in Q3 2017 to 13.9% in Q2 2018. This fall should also be facilitated by the improvement in the labour market which encourages households to reduce their precautionary savings.

## Investment to remain dynamic

*Corporate expenditure unlikely to weaken*

Since the beginning of the year, corporate investment has progressed sharply, even holding up through the termination of the one-off additional depreciation measure in April. Through to mid-2018, the financial situation of companies should improve further with the rise in the rate of the Tax Credit for Encouraging Competitiveness and Jobs (CICE) from 6% to 7%. Faced with supply-side tensions

### 5 - Purchasing power is expected to stall in early 2018 due to inflation and calendar effects



## General outlook

*After an exceptional progression in 2017, household investment set to lose a little momentum*

*Public investment to rebound significantly through to mid-2018*

*The scale of the US stimulus and the resurgence of political uncertainties in Europe*

*Consumption behaviour of French households*

and growing demand, companies should continue to increase their production capacities through to mid-2018 (+0.9% to +1.2% per quarter). The growth overhang in investment should reach +3.7% by mid-year, after +4.4% in 2017.

Household investment has recovered quickly over the past two years, passing on the past upswing in sales of new homes. It should therefore reach 5.2% in 2017, a growth rate not seen since 1999. However, sales of new homes have levelled out since the start of the year and household investment should slow down gradually through to mid-2018 while remaining solid: its growth overhang should stand at +2.9% in mid-year.

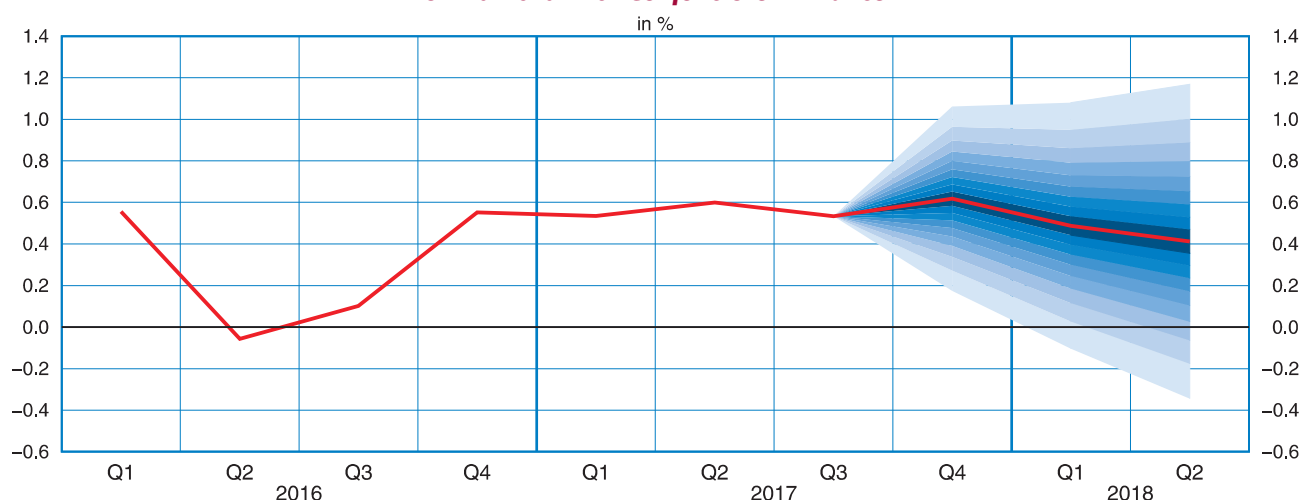
Public investment should fall back again in 2017, for the fifth consecutive year. In civil engineering, however, companies are reporting a significant upswing in their public-sector order books, in particular as spending on the *Grand Paris Express* ramps up. Expenditure on equipment is also likely to rebound: all in all, public investment should return to growth in 2018 with a mid-year growth overhang of +2.3%.

### Uncertainties: political uncertainties in the United States and Europe and consumption behaviour in France

In the United States, the details of the tax stimulus are not yet known in full, as the government and Congress are still in discussion, even though the Senate has passed a text. The effect on activity and therefore on US imports will depend on the scale of that stimulus. In Europe, political uncertainties seem to be making a resurgence at the end of the year, with Catalan demands in Spain, no parliamentary majority in Germany, Italian general elections scheduled for spring 2018 and difficulties coming to an agreement on the terms of Brexit. At present, the European outlook seems not to be reacting to these political uncertainties, but depending on how they turn out, the risks could hinder the current recovery.

In France, household purchasing power is likely to be at a standstill in early 2018, notably due to the taxation calendar, but consumption should hold up. The measures that have been implemented make significant redistributions between households and their effects on savings behaviour are difficult to determine. The fall in the savings ratio could therefore be more or less pronounced than that used in this forecast, with a significant effect on activity. ■

### 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 Q4 2017 has a 50% chance of being between +0.4% and +0.8%.

Source: INSEE

## Key figures: France and its international environment

	2016				2017				2018		2016	2017	2018 ovhg
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2			
International environment													
Advanced economy GDP	0.4	0.5	0.5	0.5	0.5	0.7	0.8	0.6	0.5	0.5	1.6	2.3	1.9
Eurozone GDP <sup>1</sup>	0.5	0.3	0.4	0.5	0.7	0.7	0.6	0.6	0.5	0.5	1.7	2.4	1.8
Barrel of Brent oil (in dollars)	34	46	47	51	55	51	52	60	60	60	44	54	60
Euro-dollar exchange rate	1.10	1.13	1.12	1.08	1.06	1.10	1.17	1.17	1.17	1.17	1.11	1.13	1.17
World demand for French products	0.0	1.4	0.2	1.8	1.5	0.9	1.0	1.2	1.0	1.0	2.7	4.8	3.3
France - supply and uses													
GDP	0.6	-0.1	0.1	0.6	0.5	0.6	0.5	0.6	0.5	0.4	1.1	1.9	1.7
Imports	0.5	-1.0	2.6	0.9	1.2	0.3	2.8	0.2	0.8	0.8	4.2	4.6	3.1
Household consumption	1.3	0.4	-0.2	0.7	0.1	0.3	0.6	0.3	0.3	0.3	2.1	1.2	1.1
GG and NPISHs consumption	0.3	0.3	0.3	0.3	0.3	0.5	0.5	0.2	0.4	0.3	1.2	1.5	1.1
Total GFCF	1.0	0.1	0.2	0.6	1.5	1.1	0.9	1.1	1.0	0.8	2.7	3.7	3.2
of which: NFEs	1.6	-0.2	0.0	0.7	2.1	1.2	1.1	1.2	1.1	0.9	3.4	4.4	3.7
Households	0.7	0.7	1.0	1.3	1.6	1.4	1.1	1.0	0.8	0.6	2.4	5.2	2.9
General government	-0.8	0.2	-0.5	-0.7	-0.8	0.2	-0.2	0.7	1.1	0.9	-0.1	-1.2	2.3
Exports	0.5	-0.2	0.8	1.3	-0.7	2.2	1.1	1.8	0.7	0.2	1.9	3.3	3.4
Contributions (in point)													
Domestic demand excluding changes in inventories <sup>2</sup>	1.0	0.3	0.0	0.6	0.4	0.5	0.6	0.4	0.5	0.4	2.0	1.8	1.6
Changes in inventories <sup>2</sup>	-0.4	-0.6	0.7	-0.2	0.7	-0.5	0.5	-0.3	0.0	0.2	-0.1	0.5	0.1
Net foreign trade	0.0	0.3	-0.6	0.1	-0.6	0.5	-0.6	0.5	0.0	-0.2	-0.8	-0.5	0.0
France - situation of households													
Total employment	59	59	79	56	79	89	45	26	37	35	253	239	72
Non-farm market sector employment	51	40	55	68	59	77	46	60	55	45	215	242	100
ILO unemployment rate France <sup>3</sup>	10.2	10.0	10.0	10.0	9.6	9.5	9.7	9.5	9.5	9.4	10.0	9.5	9.4
Consumer price index <sup>4</sup>	-0.1	0.2	0.4	0.6	1.1	0.7	1.0	1.2	1.4	1.6	0.2	1.0	-
Core inflation <sup>4</sup>	0.7	0.7	0.7	0.4	0.4	0.4	0.5	0.6	0.8	1.0	0.6	0.5	-
Household purchasing power	0.5	0.2	0.7	0.2	0.2	0.7	0.5	0.1	-0.3	0.4	1.8	1.6	0.6

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