Between trade risks and fiscal stimuli

In early 2019, uncertainties over the economic situation have had a tendency to increase, both internationally and in France. First, uncertainties as to the economic "rules of the game" and then as to the reactions of the various economic actors to any changes there might be to these rules.

Internationally, the prospect of Brexit and the trade war between China and the United States took centre stage, bringing fears of sharp rises in customs duties. Businesses have adapted their preparations accordingly: British imports accelerated sharply in Q1 2019, for example, before what was expected to be the date of Brexit. As a general rule, global value chains continue to be characterised by a very high level of interdependence between countries, although we are already seeing some trade flows being redirected.

In France, the emergency economic and social measures announced last December have resulted in quite a sharp progression in purchasing power at an aggregate level. The acceleration in household consumption has not been as pronounced, however, perhaps reflecting a climate tinged by a wait-and-see attitude in the shadow cast by the yellow vests crisis.

The rest of the year looks likely to be somewhat similar. The international context appears to be slightly less buoyant than last year and world trade is likely to continue slowing down: the outcome of the different trade negotiations underway is constantly being postponed and at this stage it is impossible to rule out the prospect of a "hard" Brexit or an escalation in US protectionism.

The central banks and different governments have nonetheless noted the risk of a slowdown and are adjusting their economic policy. The Federal Reserve, for instance, has suspended the rise in its base rates faced with doubts over inflation and wages. The Chinese economy, meanwhile, should hold up thanks to fiscal stimulus measures and an accommodating monetary policy.

At the start of 2019, the main Eurozone countries have also all introduced fiscal stimulus measures (in one way or another), aiming notably to boost household purchasing power. Despite this, although Eurozone growth was reassuring in Q1 (+0.4%), consumption did not completely keep pace with gains in purchasing power: France is not the only country where the savings ratio climbed.

Navigating between adverse world trade winds and the support expected from the breeze in the sails of income, the Eurozone is likely to see moderate growth through to the end of the year, at around +0.3% per quarter and +1.2% on an annual average basis.

In France, the business climate and household confidence showed an upturn at the beginning of 2019, after hitting a low point in December 2018 in the midst of the social crisis. The growth profile is likely to be smoother, however, as it has been over the last year and a half: the French economy should maintain a growth rate of 0.3% per quarter through to the end of 2019. On an annual average basis, the slowdown in activity is likely to continue (+1.3% in 2019 after +1.7% in 2018 and +2.4% in 2017). But while 2018 was driven by foreign trade in accounting terms, it is domestic demand that is set to be more of a driver in 2019: although the savings ratio is likely to fall only gradually, household consumption should become stronger, driven by dynamic income and contained inflation (forecast to be +1.4% in December 2019); corporate investment should remain dynamic, although decelerating a little. Foreign trade, meanwhile, should weigh down slightly on French growth, unlike last year.

This growth rate should be sufficient to make job creations slightly more dynamic (241,000 net creations forecast in 2019, after 182,000 in 2018). Against the backdrop of a trend towards a slowdown in the labour force, the unemployment rate should continue to fall by around 0.1 points per quarter to stand at 8.3% at the end of the year. ■

Protectionist tensions rising while world trade has already slowed

World trade slowing down

After expanding at a rate in excess of 1.0% per quarter in 2017, world trade slowed in 2018. While Chinese imports rebounded over the winter, purchases in the Eurozone and US decelerated.

European growth recovered slightly in Q1 2019 while US domestic demand ran out of steam

After a difficult end to 2018 (+0.1% in the summer and then +0.2% in the autumn), Eurozone activity became more buoyant again at the beginning of 2019 (+0.4%). In Germany, the catch-up in consumption brought a return to growth in activity (+0.4%) after a sluggish last two quarters in 2018 (–0.2% then 0.0%). Italian activity stopped falling (+0.1% in Q1 2019 after –0.1%), although domestic demand remained slow. The Spanish economy remained buoyant (+0.7% in Q1 2019). French growth (+0.3%) carried on at the same pace as at the end of 2018, despite weak exports. Across the Atlantic, US growth was relatively lively at the start of the year (+0.8%), driven above all by foreign trade and stocking, offsetting the weaker contribution of domestic demand to activity over the past year and a half (+0.4 points).

The slowdown in world trade affecting China and certain emerging countries

In China, although the published growth rate is holding up at around 1.5% per quarter, some short-term indicators are looking less positive (retail sales, industrial production) and may be a sign of the ongoing trade tensions and the effect of the global economic slowdown. In the other emerging countries, activity is still dynamic in India, but Turkey and Argentina are continuing to feel the effects of the crises that started in 2018, while Brazil, Russia and the Eastern European countries are seeing their activity slow down somewhat.

In Q1, French activity grew by 0.3%

Since the beginning of 2018, activity in France has grown by an average of 0.3% per quarter. Driven by gains in purchasing power, household consumption (+0.4%) was the main driver of growth in GDP in Q1 (+0.3%). As imports grew more quickly than exports over the winter (+1.4 against +0.4%), foreign trade weighed down on growth in French gross domestic production by 0.3 points. In contrast with their dynamism over the past year and a half (over 1.0% per quarter), corporate investments in services were at a standstill at the start of the year (–0.1%). The rebound in investment in manufactured goods (+2.0% in Q1 2019) buoyed growth in corporate investment (+0.7%), however, although at a less dynamic rate than the average in 2017 and 2018. Finally, French household consumption stagnated (after –0.3% at the end of 2018).

The Euro exchange rate and European sovereign rates fell slightly again

The central banks have taken note of the global economic slowdown

After a rise at the end of 2018, the Federal Reserve (Fed) is watching the economic trends before going any further in moving its base rates. It has also announced that it is putting a halt to the reductions in its balance sheet from next September. The European Central Bank (ECB) is carrying on with its highly accommodating monetary policy: its base rates are staying at their lowest and it will be starting a new refinancing programme (TLTRO) as of September 2019 in the face of the current economic slowdown. These particularly low interest rates have enabled a slight fall in Eurozone sovereign rates and maintained rapid growth (over 5% per year) in outstanding loans to French and German companies and to French households.

From \$1.15 to the euro in January, the exchange rate of the euro against the dollar continued to fall slightly to about \$1.12 in May.

The price per barrel of oil rebounded in early 2019, before falling again at the end of May

The price per barrel of Brent rose from \$55 in January 2019 to over \$70 in April, before falling back below \$65 at the end of May, the level we have taken as our assumption for our forecasts through to the end of 2019. The various geopolitical tensions in the Middle East and production objectives of the OPEC countries are all uncertainties that may have an effect on these rates in a context of high American stocks.

World trade to continue slowing progressively

The effects of the trade war should become visible from the spring onwards

After several reciprocal hikes in customs duties between the United States and China in 2018, world trade saw a slight improvement during the negotiations in early 2019 between the two countries. This pause in the escalation in customs barriers came to an end in May, however, with the increase in duties from 10% to 25% on \$200 billion of American imports from China and the Chinese reprisals that followed. This recent upswing in protectionist measures should weigh down more particularly on the purchases and sales of the two countries from Q2 onwards.

American activity to slow down over the year

In these conditions, after strongly supporting US growth in Q1 2019 (contribution of +0.2 points of GDP), foreign trade should weigh down on it again through to the end of the year. Although US growth was dynamic (+0.8% in Q1 2019, with the effect of the shutdown being weaker than expected), domestic demand contributed only +0.4 points of GDP. After a slight acceleration in the spring, the contribution of domestic demand should remain at around +0.5 points of GDP per quarter through to the end of the year: household consumption and private investment are likely to grow only by around 0.5% per quarter in H2 2019.

If an agreement is found on Brexit between the UK and EU, UK growth should stall in the spring before recovering in the summer (+0.4%) and then slowing again at the end of the year (+0.1%).

Japanese activity to be marked by the rise in consumption tax

In Japan, after growth of 0.6% in Q1 2019, driven by foreign trade, activity is set to slow down in the spring despite the support provided by the tax incentives for companies in the wage negotiations. Household consumption should then be more buoyant over the summer, in anticipation of the two-point rise in consumption tax scheduled for October. As with the previous rise in this tax in 2014, consumption should fall back significantly in the autumn, dragging GDP downwards.

The Chinese slowdown likely to be contained by public policies in favour of demand

Chinese activity should hold up despite the consequences of the trade war with the United States. Recent public measures should contribute to limiting the slowdown by supporting domestic demand (cut in value added tax, tax incentives for purchases of hybrid vehicles, support for real estate investment, for example).

Moderate Eurozone growth after a dip at the end of 2018

The European economic climate has been darkening for several quarters

Since the start of 2018, business climates have been falling back in all the major Eurozone countries, more significantly in industry than in services. The few one-off rebounds observed recently would seem to suggest that this trend is likely to level out, at best. In addition to production issues at the end of 2018 in the automotive and chemicals sectors in Germany, the international context may have weighed down on the morale of entrepreneurs.

General outlook

Gains in purchasing power should be significant in the main Eurozone countries

A large number of measures have been introduced since the beginning of 2019 to boost household income (*Graph 1*): raises in civil service wages and family allowances and cuts in taxes and social contributions in Germany; citizens' income and lowering of the retirement age in Italy; increase of more than 20% in the minimum wage in Spain; emergency economic and social measures in France. They should result in an acceleration of gains in purchasing power for European households with +2.2% in 2019, after +1.8% in 2018 and +1.5% in 2017. This income is unlikely to be spent in full in the short term and consumption should progress more slowly, as at the start of the year (+0.5% in Q1 against +1.2% in purchasing power). Consumption is nevertheless likely to constitute a major driver for activity, which should only be partly offset by a negative contribution of foreign trade (contribution of –0.2 points to growth in GDP in 2019 after +0.1 points in 2018).

Spain to remain dynamic and Italy bleak

Eurozone activity should therefore grow by around 0.3% per quarter through to the end of 2019. As over the past year, growth should be relatively dynamic in Spain (+0.6% per quarter) and less so in France (+0.3%) and Germany (+0.2%), while the activity outlook in Italy is likely to remain bleak (+0.2% then +0.1% per quarter through to the end of the year).

On an annual average basis, French exports to continue slowing in the wake of world trade

After an expected fall in the spring, French manufacturing deliveries may accelerate through to the end of 2019

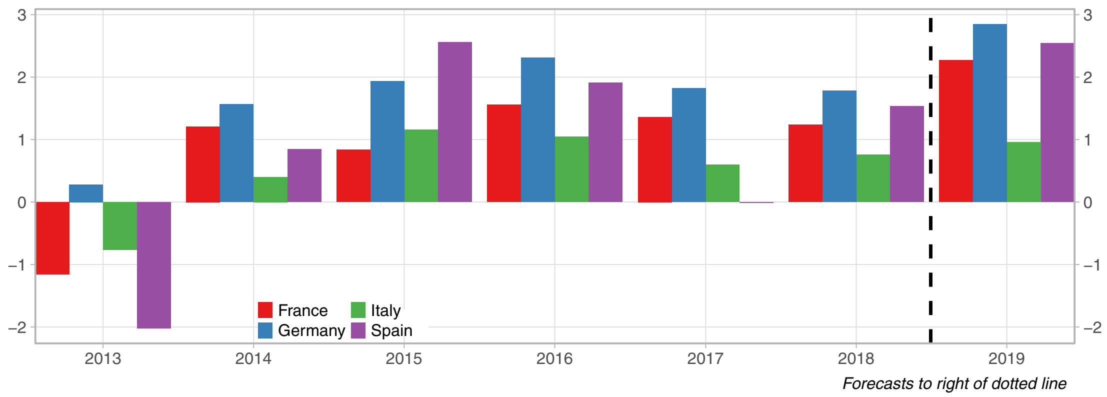
French exports slowed in Q1 (+0.4%) after a dynamic end to 2018. They should fall back in Q2 (–0.7%), notably due to the absence of any deliveries of cruise ships after two successive quarters when such exceptional sales contributed almost one percentage point to quarterly manufacturing exports. After expanding over the summer (+0.7%), more in line with world demand, exports are likely to accelerate at the end of the year (+1.4%), driven by the acceleration in aeronautics sales. On average in 2019, exports should continue the slowdown that has been underway for the past two years (+2.5% after +3.5% in 2018 and +4.0% in 2017).

The contribution of foreign trade to growth set to be slightly negative in 2019

Imports should stall in the spring (–0.3% after +1.4% over the winter), before growing again at a rate close to 1.0% per quarter during the second half of the year to serve domestic demand. In 2019, they should increase by 2.8%, after +1.2% in 2018. The contribution of foreign trade to growth should become slightly negative again in 2019 (–0.1 points) after providing strong support in 2018 (+0.7 points).

1 - Household purchasing power in the major Eurozone countries to accelerate significantly in 2019

annual changes in purchasing power of household gross disposable income, in %



Source: Eurostat, INSEE previsions

French growth likely to be comparable to that in the Eurozone

Since early 2019, the business climate has shown an upturn in industry and services alike

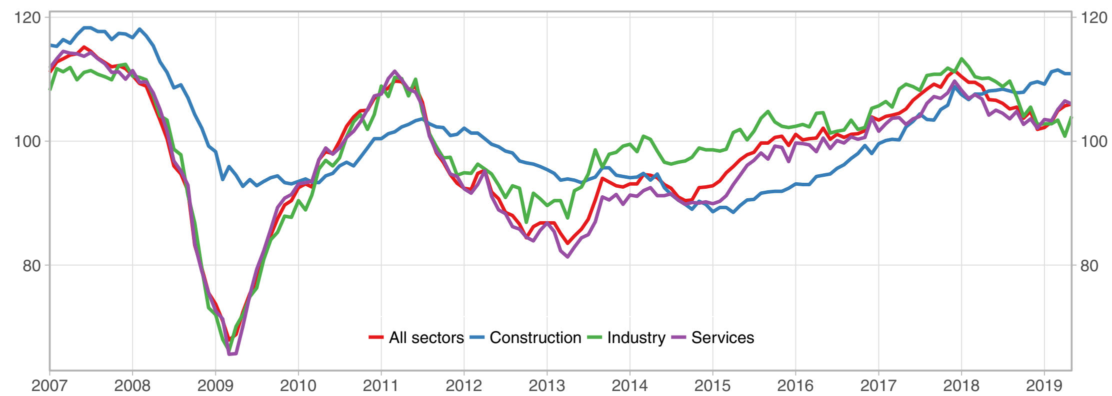
After losing almost 10 points between the end of 2017 and the end of 2018, the business climate in France has recovered slightly since the start of 2019 (*Graph 2*). It stood at 106 in May, above its long-term average. Climates in the services and industrial sectors followed almost the same trend, reaching 106 and 104 in May.

French economic activity to keep up growth of 0.3% per quarter through to the end of 2019

In this context, the French economy should remain at a growth rate of around 0.3% per quarter through to the end of the year. Household consumption (about +0.4% per quarter) should be its main driver. In 2019, households are likely to increase their consumption by 1.3%, after +0.9% in 2018; corporate investment, meanwhile, should grow by only 3.3% in 2019, a rate that may be dynamic but is less than in 2018 (+3.9%) and even more so than in 2017 (+5.0%). As regards the branches, the growth in added value should be driven much more by market-sector services (around +0.4% per quarter through to the end of the year) than by industry or construction. After the economic slowdown in 2018, this continued growth at a quarterly rate close to that observed since the beginning of 2018 should lead to a deceleration in GDP on an annual average basis, at +1.3% in 2019, after +1.7% in 2018 and +2.4% in 2017 (*Graph 3*).

2 - The business climate in France is recovering in early 2019 after falling significantly throughout 2018

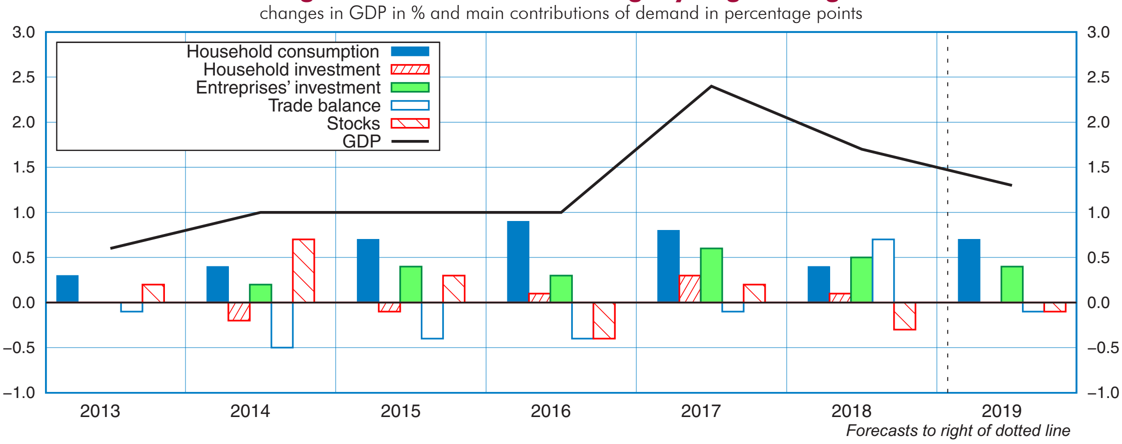
summary indicators in points



Source: INSEE, business surveys

3 - Domestic demand to be the main driver of growth in 2019, while the contribution of foreign trade should become slightly negative again

changes in GDP in % and main contributions of demand in percentage points



Source: INSEE

Although moderate, growth in economic activity is likely to be enough for the fall in the unemployment rate to continue

The rate of market-sector job creations to remain sustained in 2019

In Q1 2019, market-sector employment (+92,000) grew sharply. Temporary employment contributed to this (+8,000), after falling back for a year. Industrial employment confirmed its recent upward trend, for instance, while job creations in construction remained dynamic. Through to the end of the year, market-sector job creations should continue at a rate of 40,000 per quarter, comparable to that observed in 2018. All in all, non-farm market payoll employment is likely to grow by 213,000, after 167,000 in 2018 and 323,000 in 2017.

After a fall in 2018, the number of beneficiaries of subsidised employment should be almost stable in 2019. Non-market-sector employment should therefore grow slightly, with the result that total employment should increase by 241,000 in 2019, after +182,000 last year.

The unemployment rate to fall at a rate of 0.1 points per quarter

In a context of a gradual slowdown in the labour force, these job creations should enable the fall in the unemployment rate to continue, by about 0.1 points per quarter. It should therefore stand at 8.3% next autumn, after 8.7% last winter.

Household purchasing power to progress sharply in 2019

Inflation to remain at between +1% and +1.5% through to the end of 2019

Inflation dropped below 1.5% at the start of 2019. The rise in the below-cost selling threshold last February and rules on promotions in the Agriculture and Food Law would appear to have had only a limited effect on the consumer price index (Focus in the Consumer Prices sheet). Through to the end of the year, headline inflation is likely to fluctuate between +1% and +1.5%, despite the expected rises in the regulated prices of electricity in June and of tobacco in November. Core inflation should remain below 1% during the same period.

Wages surged in Q1 2019 with the tax and social contribution-exempt exceptional bonus

The exceptional bonus proposed as part of the emergency economic and social measures stimulated growth in the nominal average wage per capita in the non-agricultural market sector to +1.0% in Q1 2019. Over €2 billion was paid out by companies between the end of December and March. However, part of this amount may have been paid in place of the bonuses that are subject to tax and social contributions that are usually paid out to employees at this time of year. The return to more usual earned income in Q2 should cause the average wage per capita to fall back (–0.4%), before returning to growth of 0.5% per quarter through to the end of the year. All in all, the nominal average wage per capita should grow by 1.9% in 2019 (+0.8% in real terms), after +1.7% in 2018 as in 2017 (+0.2% and +0.8% respectively in real terms).

Household purchasing power to accelerate in 2019

In Q1 2019, buoyant earned income went hand in hand with the rise in the activity bonus and the broadening of its eligibility terms, the reduction in the rate of the General Social Contribution (CSG) for certain categories of income, and the exemption from taxes and social contributions on overtime. The rise in household income thus came to 1.0% in Q1. As the exceptional bonus will not be paid out again in the following quarter, payroll received by households and their gross disposable income should progress only weakly. This income should pick up in the summer (+0.5%) then accelerate in the autumn (+1.0%) due to the ongoing reduction in housing tax. On average in 2019, household gross disposable income should grow by 3.4%, after 2.7% the previous year. Gains in the purchasing power of gross disposable income should be 2.3% (or 1.8% per consumption unit) after +1.2% in 2018 (or +0.7% per consumption unit, Graph 4).

Household consumption and savings to benefit from these gains in purchasing power

Profiting from the sharp rises in real income at the end of 2018 and start of 2019 and the return of household confidence to its long-term average level, household consumption is likely to increase at a rate of around 0.4% per quarter through to the end of the year (Special Analysis on What is the link between household purchasing power and consumption in France today?). Households are therefore likely to continue smoothing out the effects on their consumption of the quarterly fluctuations in their income. After a peak at 15.3% at the start of the year, the savings ratio should therefore drop back to between 14.7% and 15.0% in H2 2019. On an annual average basis, household consumption expenditure should grow by 1.3% in 2019, after +0.9% in 2018 and +1.6% in 2017.

Corporate investment to buoy up growth, but more moderately

Supply-side difficulties remain significant but are easing slightly

Production capacity and equipment tensions reached high levels at the end of 2018, but have eased slightly in early 2019. Symmetrically, demand-driven restrictions on corporate activity have increased slightly (Graph 5). This shift could lead companies to revise their investment perspectives downwards slightly, although they remain buoyant, supported by favourable financing terms and, on a one-off basis, by the transformation of the tax credit for encouraging competitiveness and jobs (CICE) into a permanent reduction in employers' social contributions. Investment in services should therefore slow down in 2019 (+4.2% after +5.5% in 2018). Investment in manufactured goods is likely to decelerate in H2 after a dynamic start to the year. It should grow by 3.7% in 2019, after +2.0% in 2018.

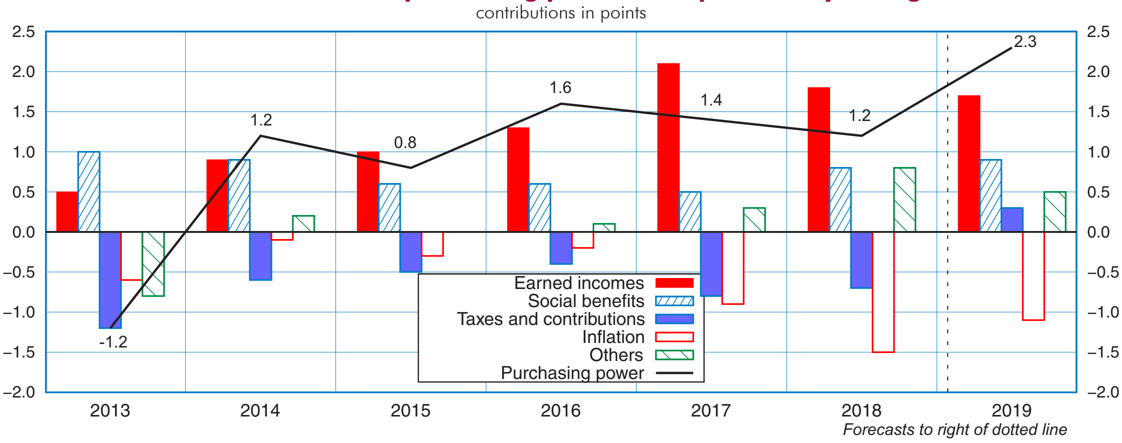
In this year leading up to the municipal elections, general government investment should also remain brisk: it is likely to progress by 2.9% (after +2.4% in 2018), buoyed notably by public construction.

The fall in household investment set to continue

Household investment should continue to fall back (by about –0.1% to –0.3% per quarter) through to the end of 2019. The downward trend in housing starts is still weighing down on investment in building and is not being offset by the modest growth in maintenance and home improvement activity. The volume of transactions for existing homes remains high but is no longer increasing, with the result that the level of household investment in services is stagnating. Year on year, the slowdown in household investment in 2019 should lead to a fall of 0.3%, after +2.0% in 2018 and +6.6% in 2017.

4 - Growth in household purchasing power to be particularly strong in 2019

contributions in points



Source: INSEE

The outcome of trade negotiations a threat to global activity

The effects of the protectionist escalation may be greater in 2019 than last year

Although the effects of the various waves of protectionist measures taken in 2018 have not yet materialised, further hikes in duties have been announced by the United States. Their impacts and those of any reprisals could be all the greater and take longer to occur in that they may be accompanied by unilateral measures in addition to hikes in customs duties. The trade war that is currently centred on China and the US could also have a direct effect on Europe and its mass exports, such as automobiles.

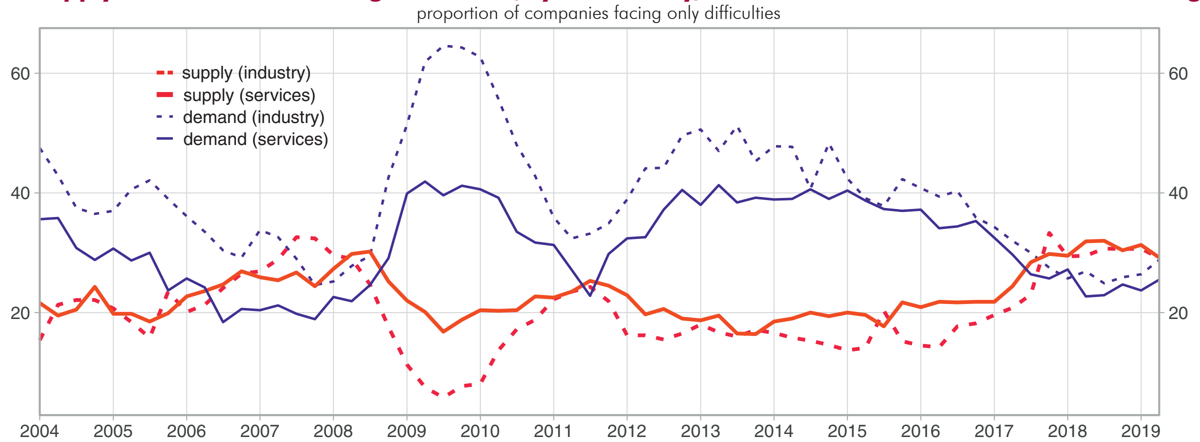
In addition to this, the Brexit negotiations have still not been completed and continue to bring uncertainties on both sides of the Channel (Focus in the United Kingdom sheet).

What proportion of the fiscal stimulus for household income in the Eurozone will be passed on to consumption?

In the Eurozone, the reactions of economic agents to fiscal stimulus measures remain uncertain. These measures, notably to buoy household consumption, should make a positive contribution to growth through to the end of the year, but the extent of their impact will depend on the choices households make between consumption and saving. Finally, in France, it is not impossible that the recent rebound in the business climate and household confidence might lead to more dynamic activity than forecast. ■

5 - supply difficulties are easing somewhat; symmetrically, those related to demand are resurfacing

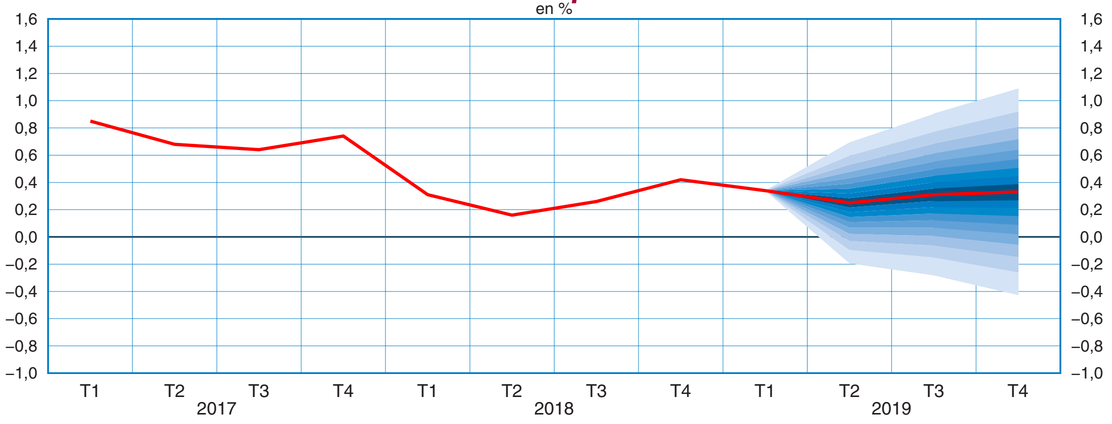
proportion of companies facing only difficulties



Source: *INSEE, business surveys*

6 - Fan chart for *Conjoncture in France*

en %



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 2019 has a 50% chance of being between +0.1% and +0.4% ; for Q3 2019, up to a 90% probability the estimate will be between –0.3% and +0.9%.

Source: INSEE

Key figures: France and its international environment

	2017				2018				2019				2017	2018	2019 acquis
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
International environment															
Advanced economy GDP	0.6	0.7	0.7	0.5	0.5	0.7	0.4	0.4	0.5	0.3	0.4	0.3	2.4	2.2	1.8
Eurozone GDP	0.7	0.7	0.7	0.7	0.4	0.4	0.1	0.2	0.4	0.3	0.3	0.3	2.5	1.9	1.2
Barrel of Brent oil (in dollars)	54.7	50.9	52.2	61.5	66.8	74.4	75.2	67.4	63.2	69	65	65	54.8	71	65.5
Euro–dollar exchange rate	1.06	1.1	1.17	1.18	1.23	1.19	1.16	1.14	1.14	1.13	1.13	1.13	1.13	1.18	1.13
World demand for French products	1.6	1.5	1	1.9	0.6	0.7	0.7	0.3	1.1	0.4	0.7	0.6	5.5	3.9	2.7
France - supply and uses															
GDP	**0.9**	**0.7**	**0.6**	**0.7**	**0.3**	**0.2**	**0.3**	**0.4**	**0.3**	**0.3**	**0.3**	**0.3**	**2.4**	**1.7**	**1.3**
Imports	2.0	–0.1	1.4	0.6	–0.7	0.8	–0.2	1.1	1.4	–0.3	0.9	1.1	4.1	1.2	2.8
Household consumption	0.3	0.3	0.6	0.2	0.3	–0.3	0.4	0.3	0.4	0.3	0.5	0.4	1.6	0.9	1.3
GG and NPISHs consumption	0.2	0.4	0.6	0.2	0.0	0.1	0.1	0.4	0.2	0.3	0.3	0.3	1.5	0.8	1.0
Total GFCF	2.4	1.1	1.2	0.9	–0.1	1.0	0.8	0.6	0.5	0.5	0.4	0.4	5.0	2.8	2.3
of which: NFEs	*3.0*	*0.7*	*1.5*	*1.4*	*–0.1*	*1.3*	*1.3*	*0.8*	*0.7*	*0.8*	*0.5*	*0.4*	*5.0*	*3.9*	*3.3*
Households	*2.2*	*2.2*	*0.8*	*0.5*	*0.1*	*0.7*	*0.3*	*–0.3*	*0.0*	*–0.3*	*–0.2*	*–0.1*	*6.6*	*2.0*	*–0.3*
Exports	–0.2	2.5	0.7	2.1	–0.4	0.7	0.5	2.0	0.4	–0.7	0.7	1.4	4.0	3.5	2.5
Contributions (in point)															
Domestic demand excluding changes in inventories [1]	0.7	0.5	0.7	0.4	0.1	0.1	0.4	0.4	0.4	0.3	0.4	0.4	2.3	1.3	1.4
Changes in inventories[1]	0.8	–0.6	0.2	–0.1	0.1	0.1	–0.4	–0.2	0.3	0.0	–0.1	–0.1	0.2	–0.3	–0.1
Net foreign trade	–0.7	0.8	–0.2	0.4	0.1	0.0	0.2	0.3	–0.3	–0.1	0.0	0.1	–0.1	0.7	–0.1
France situation of households															
Total employment (variation en fin de trimestre)	96	96	52	99	46	23	39	74	98	47	49	48	343	182	241
Non-farm market sector employment	77	85	52	108	39	31	34	63	92	41	40	40	323	167	213
ILO unemployment rate France[2] (excluding Mayotte)	9.6	9.5	9.6	8.9	9.2	9.1	9.1	8.8	8.7	8.5	8.4	8.3	8.9	8.8	8.3
Consumer price index[3]	1.1	0.7	1	1.2	1.6	2	2.2	1.6	1.1	1.3	1	1.4	1	1.9	1.2
Core inflation[3]	0.4	0.4	0.5	0.6	0.9	0.8	0.7	0.7	0.5	0.8	0.9	1	0.5	0.8	0.8
Household purchasing power	0.2	0.6	0.5	0.6	–0.7	0.9	0.3	1.1	0.9	–0.2	0.2	0.8	1.4	1.2	2.3

Forecast
1. Changes in inventories include acquisitions net of sales of valuable
2. For annual data, unemployment rate is that of the last quarter of the year
3. Year-o-year on the last month of the quarter and annual averages

How to read it: the volumes are calculated at the previous year's chain-linked prices, seasonally and working-day adjusted, quarterly and annual averages, as a %.
GDP: gross domestic product
GFCF: gross fixed capital formation
GC: general government
NFEs: non-financial enterprisest
NPISHs: non-profit institutions serving households
ILO unemployment: unempoyment as defined by the International Labour Organisation

Source: INSEE