

Foreign trade

In Q3 2022, foreign trade weighed heavily on GDP growth (-0.5 points). Imports accelerated significantly (+3.5% after +1.6% in Q2), driven by manufactured products and to a lesser extent by purchases by French tourists abroad. Exports (+2.0% after +0.9%) are still less vigorous than imports, despite an upswing in exports of manufactured products.

In Q4 2022, imports are expected to slip back (-0.3%), affected by a decline in domestic demand. Production difficulties in the manufacture of coke and refined petroleum products sector are likely to lead to more imports of refined petroleum products, but these would replace imports of crude oil as an input for this sector. Electricity imports are likely to fall back, in line with the decline in the demand for electricity by households and companies and despite a climate where electricity production is reduced (► **Focus** on monitoring electricity consumption). Meanwhile, exports are expected to be mainly driven by one-off movements (naval and aeronautical deliveries), offsetting the reduction in exports of refined petroleum products. Apart from these movements, exports look set to be sluggish, in line with the slowdown in world demand for French products. All in all, exports are expected to increase by 1.0% in Q4 2022, with foreign trade contributing 0.4 points to GDP change.

In Q1 2023, imports are expected to continue their decline (-0.4%), before rebounding in Q2 (+0.8%), in line with the upturn in domestic demand. As difficulties in the manufacture of coke and refined petroleum products sector come to an end, this should lead to reverse movements from those in the previous quarter (upswing in imports of crude oil and drop in imports of refined petroleum products). The upturn in electricity production should result in a decline in imports of electricity once again. Meanwhile exports are expected to decline at the beginning of the year (-0.4% in Q1), despite the recovery in exports of refined petroleum products, due to a downturn in world demand for French products and fewer aeronautical and naval deliveries. Exports are then likely to rebound in Q2 (+1.0% forecast), driven by new aeronautical and naval deliveries. Foreign trade is expected to make a marginal contribution to GDP growth in Q1, then +0.1 points in Q2. ●

► 1. France's foreign trade

variation in %, volumes of previous year's chained prices, contributions in points

	Quarterly variations												Annual variations			
	2021				2022				2023				2021	2021	2023 (ovhg)	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Exports																
Total	-0.2	2.6	2.0	3.1	2.0	0.9	2.0	1.0	-0.4	1.0		8.6	8.1	2.4		
Manufactured products (66%*)	-2.2	3.0	-2.6	2.5	2.8	0.0	2.8	1.4	-0.6	1.1		7.0	6.0	2.7		
Imports																
Total	1.5	2.1	0.9	4.5	1.4	1.6	3.5	-0.3	-0.4	0.8		7.8	8.9	2.0		
Manufactured products (70%*)	1.1	1.0	-1.5	5.4	0.3	0.7	3.2	0.6	-1.4	0.9		7.4	6.1	1.4		
Contribution of foreign trade to GDP	-0.5	0.1	0.3	-0.5	0.1	-0.2	-0.5	0.4	0.0	0.1		0.1	-0.4	0.0		

■ Forecast

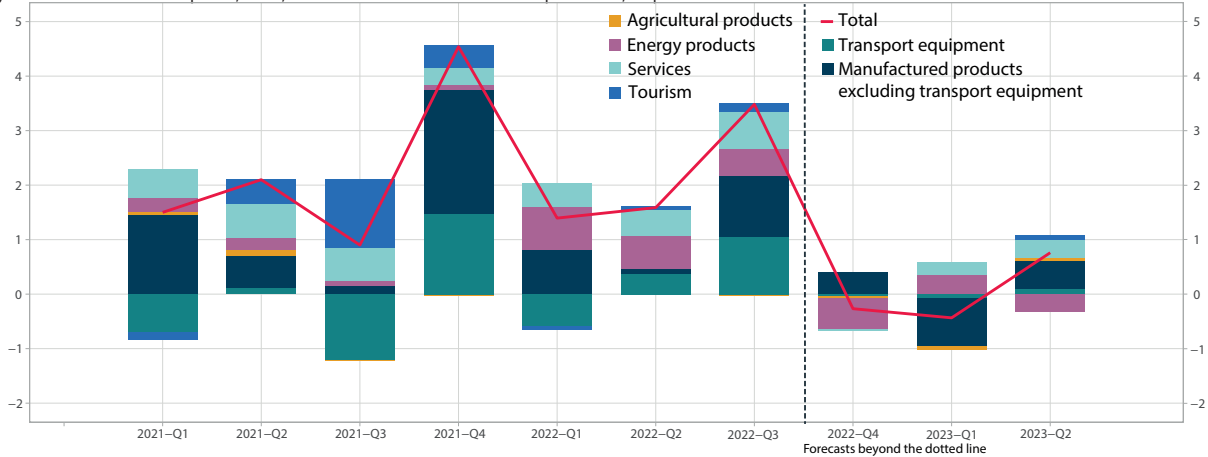
*Share of exports (or imports) of manufactured products in total exports (or imports), in 2021.

How to read it: French exports would grow by 1.0% in Q4 2022. For the year 2022 as a whole, exports are expected to grow by 8.1% compared to 2021.

Source: INSEE

► 2. Imports are likely grow at a moderate pace over the forecasting period

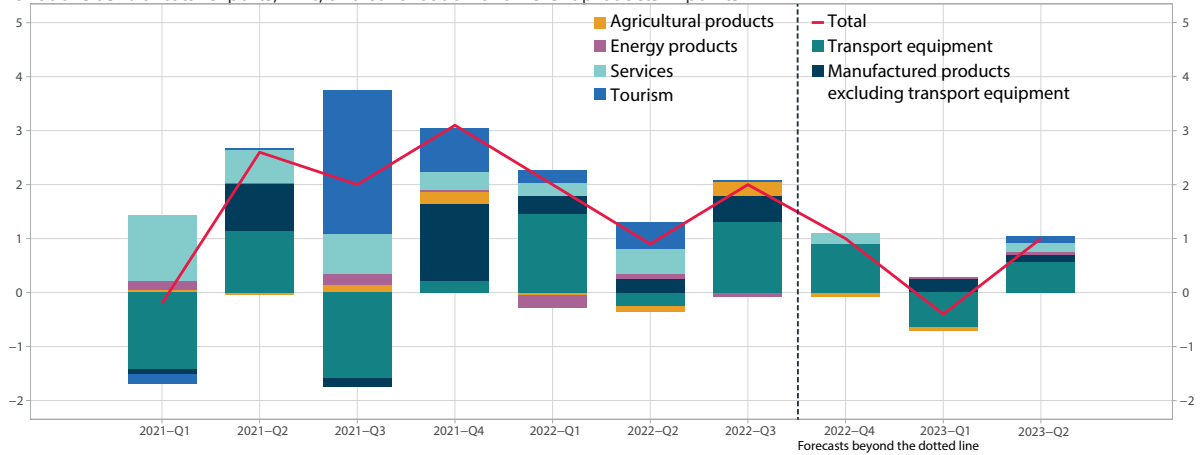
quarterly variations of total imports, in %, and contribution of different products, in points



How to read it: French imports increased by 3.5% in Q3 2022, with imports of services contributing 0.7 percentage points.
Source: INSEE

► 3. Exports look set to move mainly at the pace of aeronautical and naval deliveries

quarterly variations as % of total exports, in %, and contribution of different products in points



How to read it: French exports increased by 2.0% in Q3 2022, with exports of manufactured products excluding transport equipment contributing 0.5 percentage points.
Source: INSEE