Modest growth, against a backdrop of geopolitical uncertainties

Economic outlook

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Modest growth, against a backdrop of geopolitical uncertainties

The Covid-19 pandemic, followed by the outbreak of war in Ukraine, have greatly disturbed production conditions worldwide, affecting many industrial value chains. Supply-side tensions reached often unprecedented levels in 2021 and 2022. These tensions have eased significantly in recent quarters. Nonetheless, some tensions persist. One obvious example is oil prices, which increased sharply over the summer, and again after the surge in geopolitical tensions in the Middle East following the events of 7 October.

The high volatility of oil prices since late September is also a telling illustration of the current state of uncertainty about the economic outlook. Concerns about supply, which may be indicative of a certain deterioration in the geopolitical fragmentation of the world, have been matched by concerns about demand against a backdrop of high interest rates. Global trade is struggling to return to form and the business tendency surveys suggest a persistent lack of dynamism in France’s major European partners, in both the industrial and the service sectors.

In theory, increasing fuel prices should not reverse the easing of inflation observed in recent months in most Western economies, reflected in the gradual decrease of production prices, but persistent uncertainty over energy prices makes forecasting even more difficult. In France, the rebound in the price of oil products cancelled out the slowdown in other price increases in September (food, services, manufactured goods). Nonetheless, food prices decreased during that month (-0.3%) for the first time in almost two years. They should remain broadly stable over the forecasting period (to end of 2023), which means that the year-on-year increase should be around +7% in December (compared with +15.9% in March). Headline inflation should stand at +4.4% for the year to December (with 5.0% the annual mean value), while core inflation should be +3.9% (annual mean +5.2%).

After deteriorating in May, the business climate in France has remained virtually unchanged since, cleaving closely to its long-term average. The rate of growth recorded in Q2 (+0.5%) was surprisingly high, partly due to one-off factors, but the long-term trend for the French economy appears to be more modest. We thus see no reason to adjust the quarterly growth forecast found in our *Economic outlook* reports published in June and September of this year: +0.1% in Q3 followed by +0.2% in Q4. Activity should slow in both the service and industrial sectors - although certain catch-up effects are expected to persist in branches previously affected by production difficulties - while also continuing to decline in the construction sector. Annual growth should stand at +0.9% for 2023, in spite of a 0.2% decrease in mean annual household consumption, leaving a relatively modest “overhang” for 2024.

Whereas activity in Q2 2023 was boosted by foreign trade, the growth witnessed in Q3 seems to have been largely driven by the rebound in household consumption, with inflation beginning to ease. This rebound should continue into the autumn, albeit at a more modest rate: household confidence in the economic situation is still struggling to recover from the nadir reached in mid-2022. Corporate investment, meanwhile, appears to have increased considerably over the summer as a result of strong levels of vehicle fleet renewals, but it may well drop off toward the end of the year due to the rising cost of borrowing. Finally, and as is often the case, export figures should be dependent on the delivery schedules of the aeronautical and naval sector, with a new rebound expected toward the end of the year.

The improvement in the terms of trade seen in 2023 is helping, directly or indirectly, both household income and business revenues. As such, the mean margin rate of non-financial corporations in 2023 should be slightly higher than its pre-Covid level, benefiting from the clear slowdown in input costs and relatively moderate wage increases. In real terms, after falling in H1 2023, wages should nevertheless bounce back in the second semester. As an annual average, nominal wages should thus increase at the same rate as inflation. In spite of the slowdown in employment (+133,000 net job creations forecast for this year, predominantly in H1, with a slight increase in unemployment expected in H2, reaching 7.3% of the active population), earned income should be relatively dynamic, as should property income and social benefits, many of which are index-linked to inflation. Overall, household purchasing power should increase by 1.2% in 2023, or +0.7% per consumption unit.

This forecast remains at the mercy of any number of variables, not least among which are the speed with which the tightening of monetary policy is passed on to the real economy, geopolitical tensions capable of inducing new spikes in international energy and commodity prices, and even consumer behaviour, with the savings ratio remaining well above its pre-pandemic level. ●

International economic outlook and detailed forecasts for France

After easing significantly, some of the inflationary pressures weighing upon energy and commodity prices are lingering or even increasing

After a year of adaptation to the new realities of the gas supply, the energy markets have partially stabilised in Europe (► **Figure 1**). Since the spring of this year, gas prices on the European market have fallen back to below €40 per MWh, a far cry from the prices of €200 and more recorded in the summer of 2022, albeit still well above pre-pandemic levels. There are now few concerns about energy supplies as winter approaches, with gas reserves across the European Union replenished to 94% by the end of the summer, although natural gas futures (TTF) for H1 2024 are currently trading at around €50 per MWh, indicating that tensions persist.

Tensions also became apparent in the oil supply in September, with Saudi Arabia announcing plans to restrict production until the end of the year: oil prices (Brent crude) recently topped $90 per barrel, a level not seen since November 2022. Prices then subsided, with concerns being voiced about the outlook for demand, before bouncing back as a consequence of exacerbated geopolitical tensions in the Middle East.

Meanwhile, prices for non-energy commodities have also returned to levels far below those seen in H1 2022. Nevertheless, tensions persist on certain commodities, with prices still above pre-pandemic levels (wheat and oil crops, for example, whose prices have mostly dopped back below the peak of late 2021, but remain above their 2019 levels).

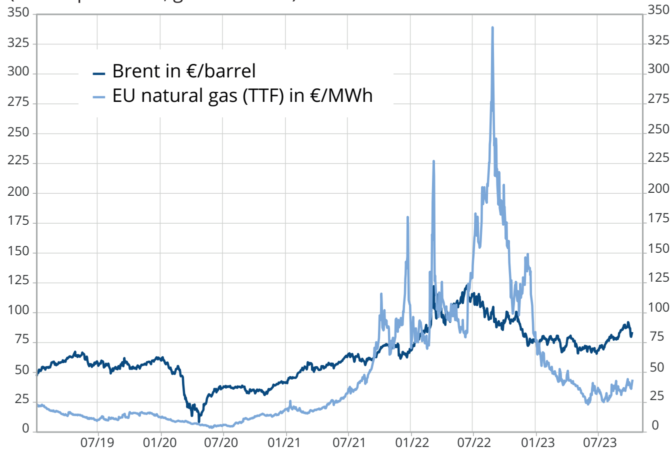
Inflation is falling back in Western economies, but it remains partly dependent on fluctuations in energy prices, among other factors

The tightening of monetary policy which began in 2022 has continued into 2023. In particular, the Fed, the ECB and the Bank of England all increased base interest rates again in Q3, taking them to levels last seen in the autumn of 2008 (► **Figure 2**).

Meanwhile, inflation has led to a slowdown in Western economies, particularly in the USA and Spain (► **Figure 3 left**). The year-on-year increase in consumer prices is considerably lower than it was this time last year, but the cumulative increase recorded since 2019 is substantial: almost 15% in France and Spain, and over 20% in Germany and the United Kingdom (► **Figure 3 right**). The fall in inflation was also tempered by rising oil prices

► 1. World oil prices and natural gas prices in Europe

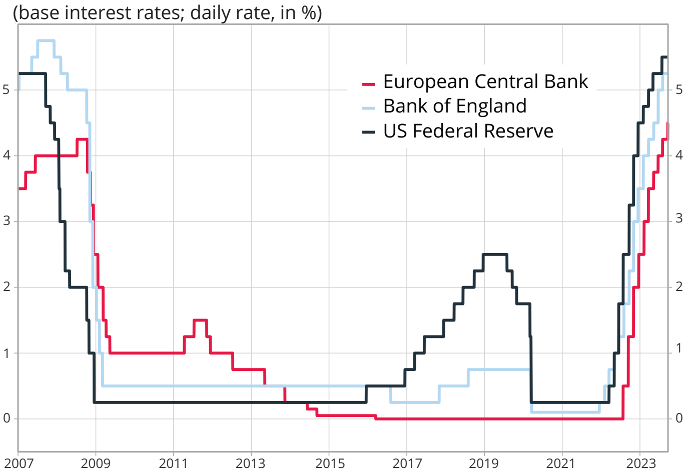
(oil in € per barrel, gas in €/MWh)



Last point: 9 October 2023.
Source: INSEE.

► 2. Base interest rates

(base interest rates; daily rate, in %)



Last point: 29 September 2023.
Source: European Central Bank, Bank of England, Federal Reserve.

over the summer. Year-on-year inflation is still above the target levels identified in monetary policies, and central bankers continue to keep a close eye on wage increases, concerned that they may take over from energy prices as the next driver of inflation, particularly in the prices of services, while also remaining attentive to margin rates.

In the Eurozone, the acceleration of rate hikes since 2022, compared to the situation in the USA, was accompanied by an increase in the Euro-dollar exchange rate until mid-July. The Euro has since depreciated in value, partly due to a growth outlook in the USA which outstrips that for the Eurozone. For the current forecasting period (to end 2023), the technical estimates for the €/$ exchange rate and the price of Brent crude are close to the actual values recorded at the end of September, namely 1.06$/€ and $93 per barrel (€88).

World demand should remain lacklustre, in spite of the easing of supply-side constraints

In this context, the trajectory of economic activity has varied considerably among the world's largest economies. Above and beyond specific national factors, Western economies have found themselves caught between, on the one hand, the gains resulting from the partial normalisation of production conditions and, on the other hand, the losses incurred as a result of tightening monetary policies and persistently high levels of inflation.

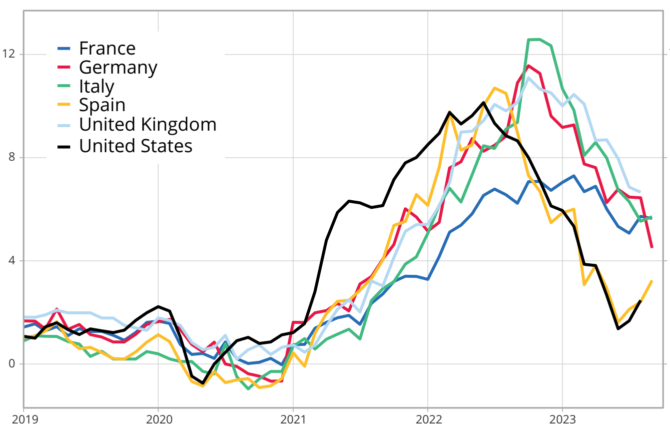
In China, activity slowed sharply in Q2 2023 (+0.8% after +2.2%). This was the logical sequel to a very dynamic first semester, galvanised by the lifting of Covid restrictions in late 2022, but it also reflects consternation over the state of the Chinese economy: weak household consumption, financial difficulties affecting some of the biggest players in the property market, and the risk of a contagion effect spreading to local authorities. Activity is not expected to pick up in H2, and China's annual growth is expected to be +5.0% in 2023 (up from +3.2% in 2022).

In USA, growth has remained relatively robust since the start of the year, buoyed by domestic demand. In spite of the increasing cost of borrowing, private investment has been fairly resilient, particularly investment by businesses on account of the subsidies included in the *Inflation Reduction Act*, while the dynamic performance of both employment and wages has helped to preserve household purchasing power. Nevertheless, in H2 investment by businesses should begin to suffer as a result of higher interest rates, and consumption is expected to slow. The pace of US growth should slacken (+0.3% forecast for Q3 and +0.2% for Q4), resulting in total annual growth of +1.9% for 2023 (after +1.9% in 2022).

In the biggest European economies, activity was more modest in Q2, and in some cases saw a decline. In the Eurozone as a whole, growth remained slightly positive (+0.1%, as in Q1), but circumstances varied from one country to the next: an upswing in activity in France (+0.5%, up from 0.0% in Q1) and resilient performance in Spain (+0.5% after +0.6%), where investment was propped up by the European Covid recovery plan and consumption benefited from the clear slowdown in inflation. In Germany, after declining for two consecutive quarters, economic activity remained sluggish in Q3, as did domestic demand. In Italy activity declined (-0.4%), with investments penalised by the reduction in the value of the "superbonus" (subsidies for renovation work) and delays in implementing the recovery strategy. In the UK, meanwhile, growth has remained positive (+0.2% up from +0.3%, taking into consideration the significant changes made to the British national accounts) as a result of resilient domestic demand.

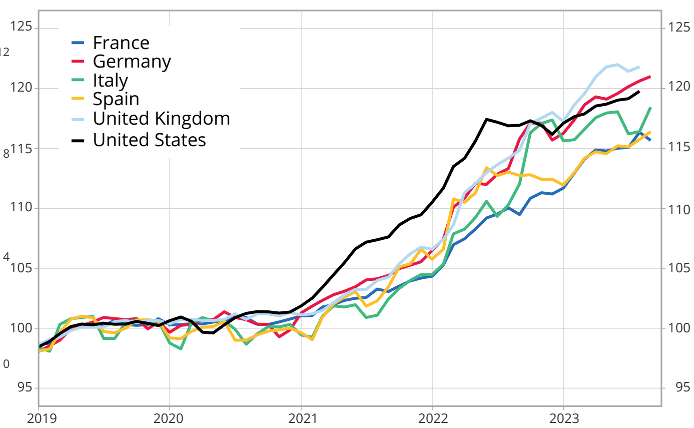
►3. Comparison of inflation levels (as measured by the Harmonised Index of Consumer Prices, HICP)

(year-on-year, in %)



Last point: September 2023 (for France, Germany, Italy and Spain) and August 2023 (for United States and United Kingdom).
Note: Harmonised Index of Consumer Prices (HICP).
Source: INSEE, DESTATIS, ISTAT, INE, ONS, BLS, INSEE calculations.

base 100 in 2019



Last point: September 2023 (for France, Germany, Italy and Spain) and August 2023 (for United States and United Kingdom).
Note: Harmonised Index of Consumer Prices (HICP).
Source: INSEE, DESTATIS, ISTAT, INE, ONS, BLS, INSEE calculations.

Economic outlook

In H2, activity in the major Eurozone economies is expected to show modest growth. Business tendency surveys suggest that activity will slow over the coming months, particularly in the industrial sector in light of the current state of order books (▶**Figure 4**), but also in the service sector given the forecasts for demand (▶**Figure 5**). Consumption might benefit from the slowing rate of inflation and the gradual catching-up of wages, but overall investment will be stifled by rising interest rates. Growth is therefore expected to remain sluggish in Germany (between +0.0% and +0.1% per quarter): supply chain difficulties in industry have eased since the spring, but the business tendency surveys suggest that order books are increasingly empty; consumption should rebound slightly nonetheless, buoyed by the wage increases which have come into effect since the summer. In Italy, activity should grow slightly (+0.2% per quarter), with stronger growth in Spain (+0.4% per quarter). Recent purchasing power gains should prop up consumption in both countries, while investment may benefit from the funds injected by the EU Covid recovery plan, offsetting the impact of rising interest rates.

In the UK, growth should remain slight (+0.1% in Q3 then +0.2% in Q4). The job market should be more favourable, with a continuing decline in the number of posts unfilled, but investment will continue to be hampered by high interest rates.

Finally, primarily as a result of the slowdown in activity in China, but also due to the lethargic performance of the advanced economies, global trade is expected to slow in Q3 (+0.1%) after bouncing back in the spring.

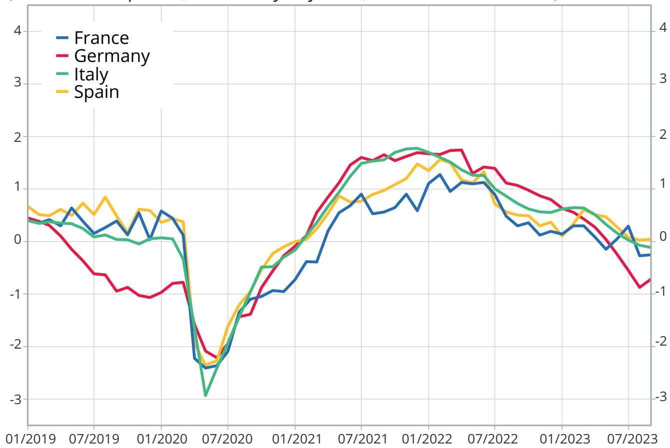
In France, activity should see a moderate increase in H2 2023, with the catch-up effects still being felt in the industrial sector over the summer

Since May this year, the business climate in France has more or less returned to its long-term mean level (100), having remained steadily superior to that average throughout 2022, and particularly in 2021 as the Covid pandemic eased. In the industrial sector in particular, the business climate dipped below its long-term average level in August, while in the service sector it has remained very slightly above average since May. (▶**Figure 6**)

Since the start of 2023, supply-side constraints have eased considerably, although they remain more numerous than the long-term average (▶**Figure 7**): there have been far fewer supply chain difficulties for industry than we saw in 2022, and the pressures affecting input prices have also decreased significantly. However, more difficulties are now arising on the demand side, particularly for industry, although they remain less substantial than those afflicting supply. Business leaders' assessments of the levels of their order books are in decline in several of the manufacturing branches, while an increasing number of industrial enterprises are reporting that their output is being stifled by a lack of demand. Meanwhile, the balances of opinion regarding the evolution of prices over the next three months have been in sharp decline in both industry and services over the past two quarters, which may reflect the easing of supply-side constraints as well as growing concerns over demand. In particular, industrial enterprises are no longer expressing an intention to increase sale prices in response to the state of energy prices (▶**Focus**).

▶4. Balances of opinion regarding the level of order books in the industry

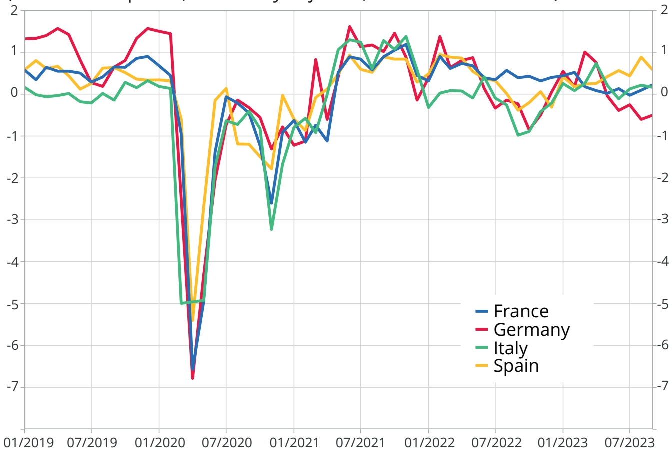
(balances of opinion, seasonally adjusted, centred and reduced)



Last point: September 2023.
Source: DG ECFIN, INSEE calculations.

▶5. Balances of opinion regarding expected demand over the next three months in services

(balances of opinion, seasonally adjusted, centred and reduced)



Last point: September 2023.
Source: DG ECFIN, INSEE calculations.

In this context, activity should grow at a modest rate in H2 2023 (+0.1% in Q3 then +0.2% in Q4, after +0.5% in Q2). This forecast remains unchanged from that included in the *Economic outlook* update published 7 September.

In the different sectors, activity is expected to slow in industry in H2 (+0.3% value added forecast for Q3, then +0.4% in Q4, down from +1.6% in Q2). The noticeable acceleration observed in Q2 was partly the result of catch-up effects at play in branches of activity formerly beset by production difficulties (automobile industry, electricity production and energy-intensive activities affected by rising energy prices). Some of these catch-up effects should continue to apply, but they should also diminish in H2 and lead to an overall slowdown in the industrial sector. In other branches of industry activity should barely increase as a result of sluggish demand, particularly from overseas.

Activity in the construction sector has been down since the start of the year, for both new house building and non-residential construction, penalised by rising interest rates and thus blunting the dynamic results seen in civil engineering for public transport systems (►**Figure 8**). The balances of opinion regarding the activity outlook for the next three months do not suggest that there is any real improvement to come in housing or non-housing construction, whereas renovations/improvement works should remain relatively stable. As the cost of borrowing continues to rise, construction activity should shrink again in H2 (-1.0% in Q3 then -0.6% in Q4).

In the service sector, activity is expected to slow in H2 (+0.2% predicted for Q3 then +0.3% at the end of the year, down from +0.6% in Q2). In the information and communication sector, for example, the outlook has been negative since the summer. The dynamism observed since the end of the pandemic is running out of steam, with firms increasingly concerned about their business prospects. In accommodation and food services, after a downturn at the start of the year linked to the social unrest of March, followed by a rebound in Q2, the monthly activity indicator also dropped in July (►**Figure 9**). Overall, activity is expected to slow in this sector in H2, despite a potential boost in late summer as a result of the Rugby World Cup.

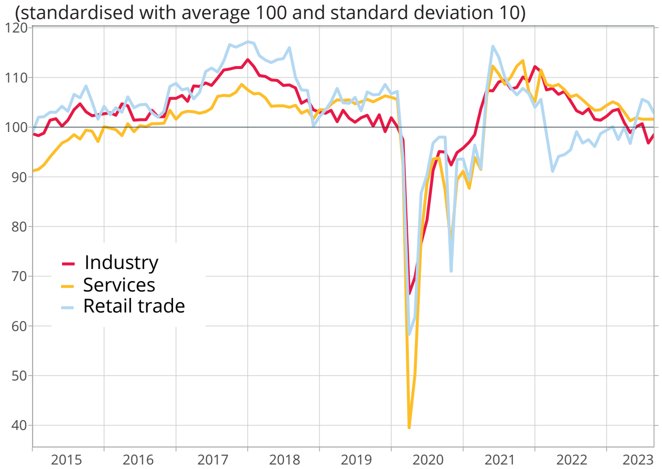
After slowing in Q2, employment should remain broadly stable between the end of June and late December

In light of the moderate growth in activity forecast for H2, job creation is expected to stall, having already slowed considerably in Q2. Payroll employment grew by 0.1% between the end of March and the end of June 2023, equivalent to net job creation of 21,000 jobs, down from +102,000 in Q1 and after sizeable increases in the preceding quarters. In total, between the end of 2019 and mid-2023 around 1.3 million salaried positions were created, around a third of which correspond to work-study programmes. The slight increase in payroll employment in Q2 coincides with a slight rebound in per capita productivity, although this indicator remains well below its pre-pandemic level.

Productivity should see another slight increase in H2, with the number of people on work-study contracts stabilising after three years of significant growth: as a result, employment should remain broadly stable between the end of June and the end of December.

►6. Business climate in manufacturing industry, services and retail trade

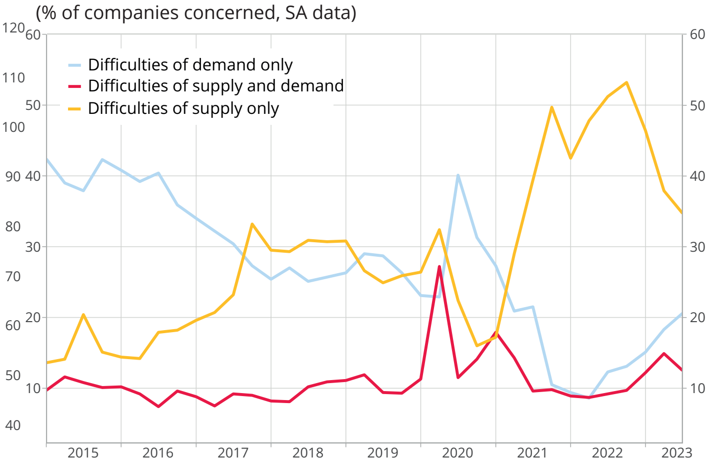
(standardised with average 100 and standard deviation 10)



Last point: September 2023.
Source: INSEE.

►7. Proportion of manufacturing industry companies experiencing difficulties of demand and/or supply

(% of companies concerned, SA data)



Last point : July 2023.
Source: INSEE.

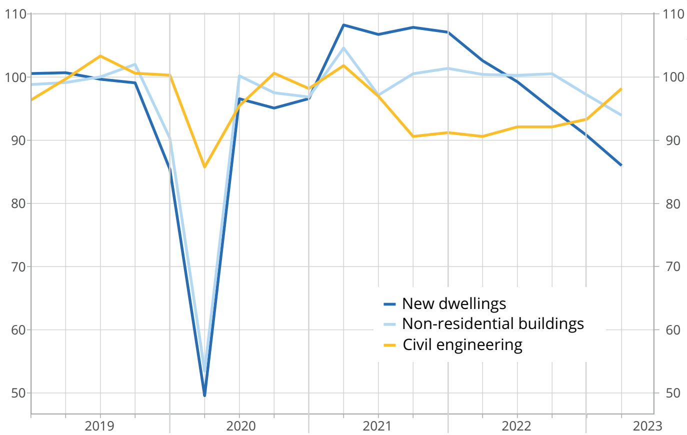
In the meantime the active population should continue to grow, albeit moderately, bolstered in the final months of the year by the first effects of the recent pension reform. In H2 2023, the rate of unemployment should thus rise slightly to affect 7.3% of the active population, having remained stable at 7.1-7.2% for almost a year, the lowest level seen since 1982 (with the exception of the deceptive decrease witnessed during the first lockdown in 2020) (▶**Figure 10**).

Inflation should abate slightly by the end of the year, but energy inflation should remain high

In September, the year-on-year increase in consumer prices stood at +4.9%, according to the provisional estimates. This was the same rate recorded for August (▶**Figure 11**). On average, the disparities in the impact of inflation on different categories of household have decreased, since the spring and even more so since the start of the year (▶**Focus**). Inflation in energy prices, which was substantial in 2022 before falling back sharply in the spring of 2023, has made a reappearance as a result of rising fuel prices, due to increasing oil prices but also to a base effect (a year ago, in September 2022, the "discount at the pump" was increased). Between now and the end of the year, based on the technical hypothesis that oil prices will remain stable at their September level (€88 or $93 for a barrel of Brent crude, with an exchange rate of 1.06$/€), fuel prices should remain just above the level recorded this time last year, reined in by the "discount at the pump" and subsequently by the sharp decrease in oil prices in late 2022. Electricity prices, meanwhile, should also remain higher than last year as a result of successive revisions to the retail price cap (in

▶8. Output of new dwellings, non-residential buildings and civil engineering

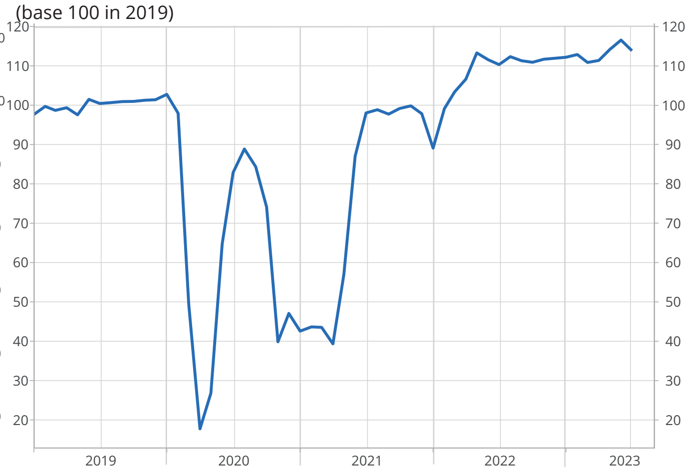
(base 100 in 2019)



Last point: Q2 2023.
Note: The output of new dwellings and non-residential buildings is calculated based on the surface area of building starts, using lead time coefficients to account for building time. Output in civil engineering is constructed using the turnover index for the sector (NAF 42), deflated by the civil engineering production cost index.
Source: SDES, INSEE, INSEE calculations.

▶9. Monthly production index for accommodation and food services

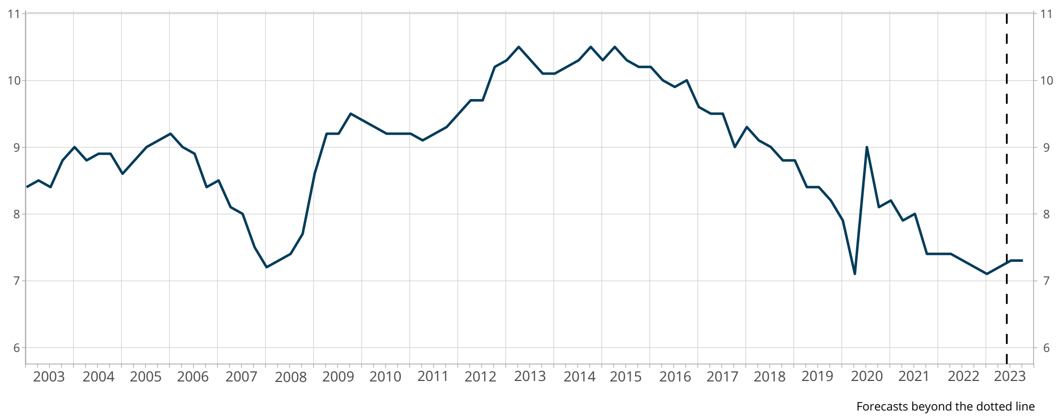
(base 100 in 2019)



Last point : July 2023.
Source: INSEE.

▶10. Unemployment rate (ILO definition)

(quarterly average in % of labour force, SA data)



Scope: France (excluding Mayotte), persons aged 15 or over living in ordinary housing.
Source: INSEE.

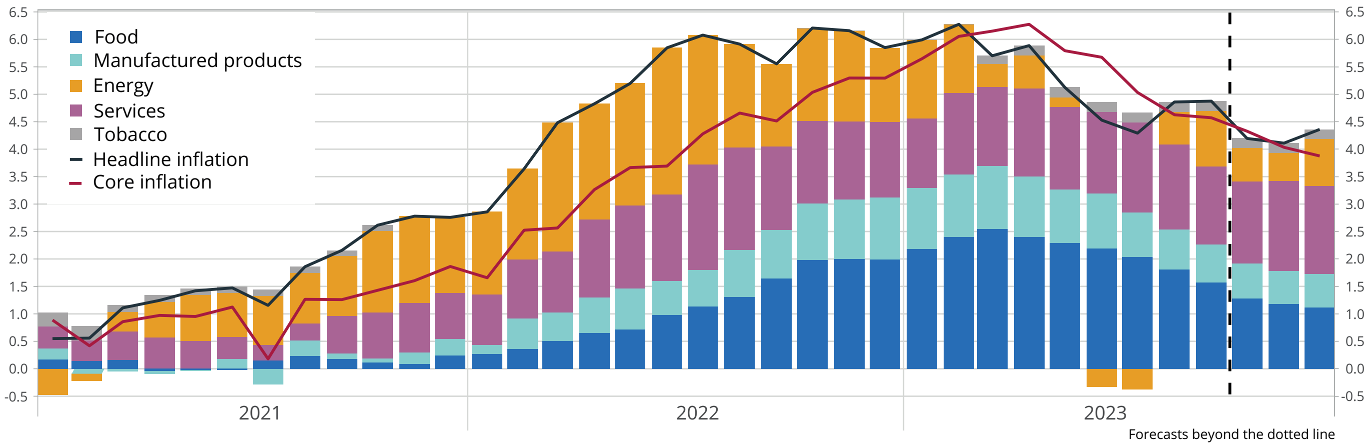
February and August 2023). All in all, energy inflation should remain clearly positive, at a year-on-year rate of almost 10% in December, once again outstripping inflation in food prices.

Indeed, food price inflation has slowed sharply since the spring and average prices actually dropped in September, particularly prices for food other than fresh produce, reflecting the recent downturn in production prices in the food industry, and the more sizeable the drop in agricultural production prices (▶ **Figure 12 left**). As for manufactured goods, production prices began to fall over the summer, after plateauing for a year at a level well above that recorded in early 2022 (▶ **Figure 12 right**). The prices of imported industrial products, meanwhile, have remained broadly stable since late 2022. As a result, and for both food and manufactured goods, the year-on-year increase in consumer prices should continue to slow, to stand at +6.9% for food and +2.6% for manufactured products by the end of the year.

In the service sector, excluding communication services, consumer prices broadly increased year-on-year to September, a trend which is expected to continue over the coming months, driven by buoyant wages and a base effect linked to the abolition of the TV license fee in late 2022. Nevertheless this price acceleration should remain limited in scale: in the recent business tendency surveys for the service sector, the balance of opinion regarding the expected trajectory of retail prices indicates a slight rebound post-August, but the rate of increase remains well below the peak seen in early

▶ 11. Headline inflation and contributions by item

(year-on-year change in %, contributions in points)

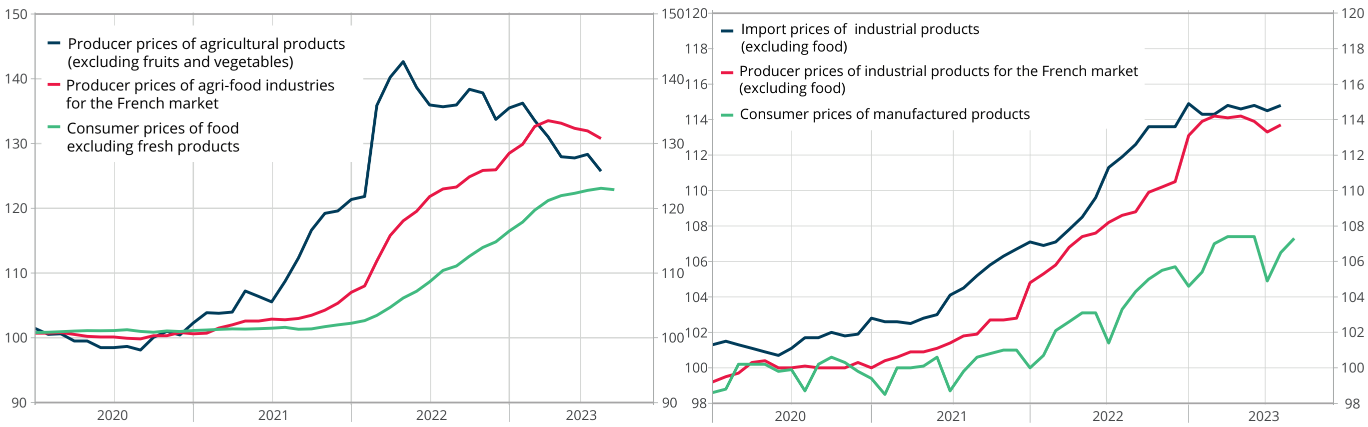


Note: for September 2023, headline inflation constitutes a provisional estimate, while core inflation is a forecast.
How to read it: in September 2023, the headline inflation was 4.9%, according to the provisional estimate. Food prices contributed 1.6 points of this increase, while manufactured products contributed 0.7 points.
Source: INSEE.

▶ 12. Variation in prices throughout the production chains for food and manufactured products

(level, base 100 in 2019)

Food products | **Manufactured products**



Last point: August 2023 for production prices of agricultural and food products, September 2023 for consumer prices (provisional estimate).
Source: INSEE.

Last point: August 2023 for import and producer prices, September 2023 for consumer prices (provisional estimate).
Source: INSEE.

2023. The year-on-year increase in consumer prices for services should thus stand at +3.2% in December. Services should thus be the largest contributor to headline inflation, reflecting their importance as a proportion of total household consumption.

All in all, year-on-year headline inflation is expected to stand at +4.4% in December, a forecast which has been revised upwards since the publication of the last *Economic outlook* update on 7 September, on account of the recent spike in oil prices. Core inflation, i.e. inflation stripped of its most volatile components, should be lower than total inflation at the end of this year (+3.9% year-on-year), having outstripped total inflation in H1. Calculated as an annual average, total inflation should thus be +5.0% in 2023, while core inflation should be +5.2%. In theory, this inflation forecast should not lead to a further increase in the minimum wage in H2, ahead of the increase scheduled for 1st January.

After falling in H1 2023, real wages should bounce back in H2

In spite of the recent slowdown in consumer prices, the average wage per capita (AWPC) should continue to increase at a steady rate, with past inflation being taken into account in wage negotiations and the payment, mostly at the end of the year, of profit-sharing bonuses. As such, whereas the year-on-year increase of AWPC in the non-agricultural market sectors remained below inflation in H1 2023, it should outstrip inflation over the rest of the year. Over 2023 as a whole, the increase of AWPC in the non-agricultural market sectors should be broadly similar to the increase in consumer prices.

Earned income should thus be dynamic in 2023, buoyed by wage increases and, to a lesser extent, by an increase in payroll employment (►Figure 13). Property income is also expected to increased sharply, driven by high dividends and the upswing in interest earned (on bank deposits, life insurance contracts etc.) as interbank rates continue to rise. The increase in property income can be partly attributed to accounting factors, with its counterpart being the household consumption deflator –by means of the rising price of financial services to households– meaning that the impact on purchasing power is, ultimately, limited.

Moreover, social benefits are expected to be up in 2023: most of them (pensions, benefit payments etc.) have risen in line with inflation in 2023, due to index-linking mechanisms. They should also be bolstered by specific support measures, such as the payment of the fuel bonus at the start of this year.

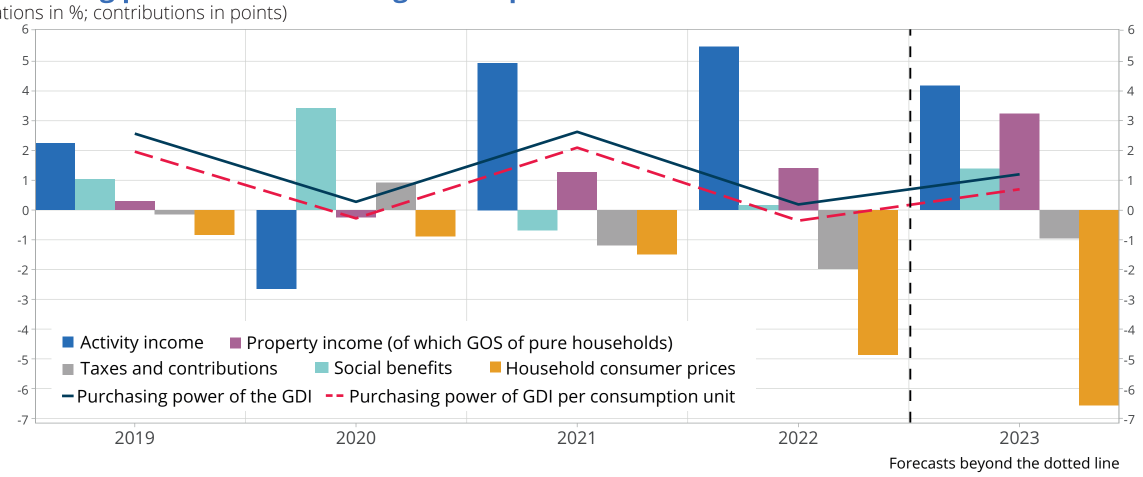
Overall, household income is expected to grow more rapidly than the consumption deflator in 2023 (+7.8% compared with +6.6%). Purchasing power should thus increase (+1.2%), including purchasing power per consumption unit (+0.7%, after shrinking by 0.4% in 2022). On a quarter-by-quarter basis, and particularly as the end of the year approaches, it should be helped by the buoyant performance of wages and social benefits.

Household consumption should bounce back in H2, as price increases slow and purchasing power recovers

After a slight rebound at the start of this year, household consumption shrunk again in Q2 (-0.5%). In a period of high inflation in food prices, households have continued to rein in their purchases, switch to alternative products and diversify their food shopping: in the national

►13. Purchasing power of household gross disposable income

(annual variations in %; contributions in points)



Source: INSEE.

accounts, consumption of food products has declined in volume terms for six consecutive quarters, a downturn which has serious consequences for total consumption (▶Figure 14). Spending by French tourists overseas also fell in the spring, whereas household consumption of services was more dynamic than it had been in Q1. Spending on accommodation and food services in particular saw a sharp increase, after suffering as a result of the social unrest in Q1.

In Q3, consumption appears to have rebounded (+0.4%) and is expected to continue in this direction until the end of the year, albeit at a more modest rate (+0.2%). The upswing in consumption in Q3 appears to have been largely driven by the consumption of goods. As consumer food prices continue to slow, purchases of food products increased substantially in June, engendering a strong overhang effect for Q3. The proportion of households who reported that they had changed their eating habits as a result of inflation also stopped growing in September (▶Focus). Purchases of durable goods have also been buoyant, for both vehicles (in July and August) and household durables other than cars (in July, perhaps helped by the summer sales). As for services, household consumption appears to have slowed in Q3, particularly spending on accommodation and food services, which was lacklustre in July, and despite a potential boost in September as a result of the Rugby World Cup. Spending by French tourists overseas also seems to have bounced back over the summer, still benefiting from the catch-up effect when compared with pre-pandemic levels.

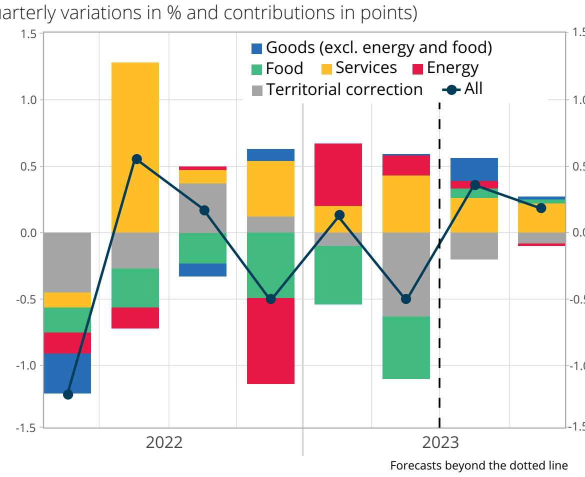
Consumption should continue to grow in the final months of the year, with the increase in consumer prices slowing down while purchasing power rises. Spending on goods, and particularly on food, should return to growth. However, this moderate increase in consumption spending should see the household savings ratio remain broadly stable in H2 (▶Figure 15), albeit at a level far above its pre-pandemic figure (18.9% forecast for the end of this year).

The average margin rate of businesses should remain slightly above its pre-pandemic level, but the rising cost of borrowing should have an impact on their investment decisions

In Q2 2023, the margin rate of non-financial corporations (NFCs) bounced back to reach 33.2% of their value added, up from 31.7% at the start of the year (▶Figure 16). This increase can be primarily attributed to the decline in imported inflation, leading to an upturn in the "domestic" terms of trade (the ratio of the value added deflator to the household consumption deflator). It is also a consequence, albeit to a lesser extent, of the productivity gains made in Q2 and the fact that the cost of labour has been slightly less dynamic than consumer prices. Although the initial estimates are obviously not entirely reliable, there are clear differences from one sector to the next: the margin rate remained stable in the manufacturing industry, after increasing substantially in 2022, while it increased more significantly in the market services sector, where it nonetheless remains

▶14. Household consumption

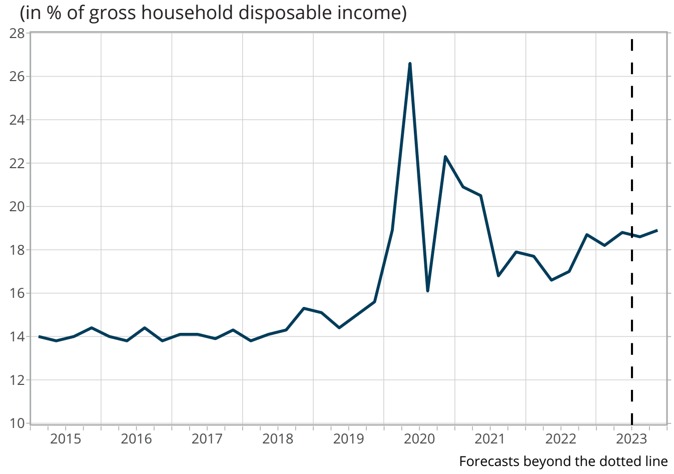
(quarterly variations in % and contributions in points)



Note: territorial correction represents purchases made by French residents abroad (also counted in imports) minus purchases by non-residents made in France (counted in exports). The other contributions to household consumption (food, energy, etc.) refer exclusively to consumption in France.
Source: INSEE.

▶15. Household saving ratio

(in % of gross household disposable income)



Source: INSEE.

inferior to its pre-pandemic level. In H2, the margin rate of NFCs should increase slightly in Q3 before dropping off towards the end of the year, as a result of resurgent payroll costs. It should reach 33.1% in Q4, giving a mean rate of 33% for 2023 as a whole, clearly superior to the pre-pandemic rate of 31.6% recorded in 2018.

In spite of these relatively high margin rates, businesses are obliged to compete with the rising cost of borrowing, driven by rising interest rates, which is weighing upon investment decisions. As such, investment in construction has been in decline since late 2022. This downturn is expected to continue in H2 2023. Businesses should also slightly reduce their spending on services, which was particularly high in 2021 and 2022, and even in H1 2023. Nevertheless, on account of a significant rate of company car fleet renewals over the summer, corporate investment appears to have seen a noticeable increase in Q3. Without this boost in the final months of the year, it should fall in Q4. Household investment, meanwhile, should continue on the downward trend which began in the summer of 2022, with a decline in construction of new homes and fewer property transactions involving both existing and new-build homes, in spite of a moderate increase in home improvement work.

Export figures should once again be impacted by the delivery schedules of the aeronautical and naval sectors, while imports should see a moderate increase

Exports were particularly dynamic in Q2 2023, boosted by significant deliveries in the aeronautical and naval sectors, but also by vehicle exports and a sharp increase in the spending of overseas tourists in France. These factors were largely short-term in nature, and should thus be followed by a shrink in exports in Q3, in a global trading context which remains sluggish. However, further deliveries in the aeronautical and naval sectors are scheduled for the end of the year, and these transactions should inspire a clear rebound in exports in Q4.

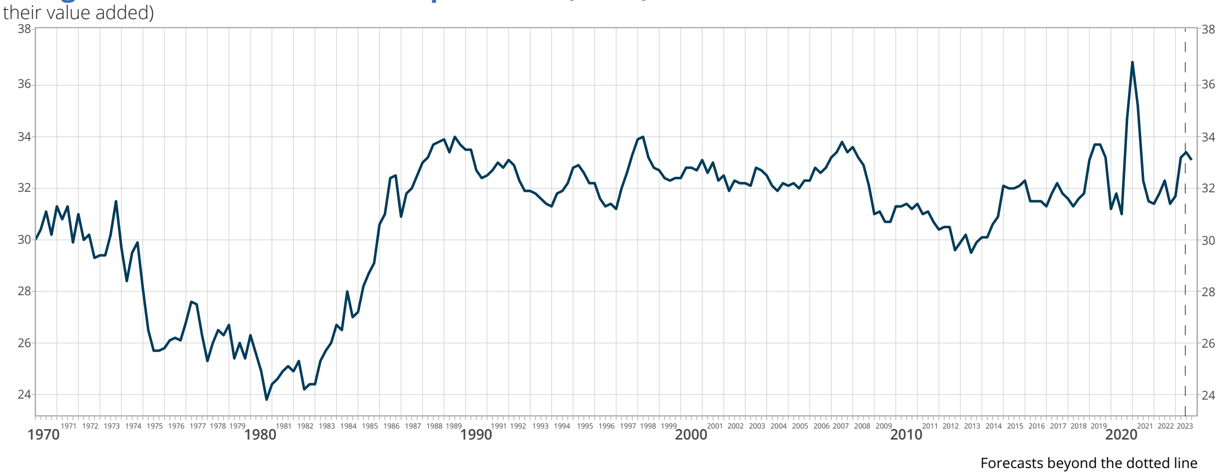
Imports, meanwhile, should see a moderate increase in H2 in line with domestic demand. Spending by French tourists overseas, still well below its pre-pandemic level, should also increase.

Domestic demand appears to have picked up in Q3, but is expected to grow only modestly between now and the end of the year

In Q3, economic activity was primarily propped up by the rebound in household consumption, as well as the acceleration of corporate investment (►**Figure 17**). Household investment, on the other hand, seems to have continued its downward trend, against a backdrop of rising interest rates which is driving down demand for housing. Foreign trade also appears to have had a negative impact on overall activity, a backlash from the positive trend recorded in the preceding quarter. In the final months of the year, the contribution of domestic demand should be more modest, largely restricted to household consumption and, to a lesser extent, public-sector consumption. Investment is expected to have a negative impact on the activity levels of both businesses and households. The contribution of foreign trade, however, is expected to be clearly positive, largely as a result of

►16. Margin rate of non-financial corporations (NFCs)

(in % of their value added)

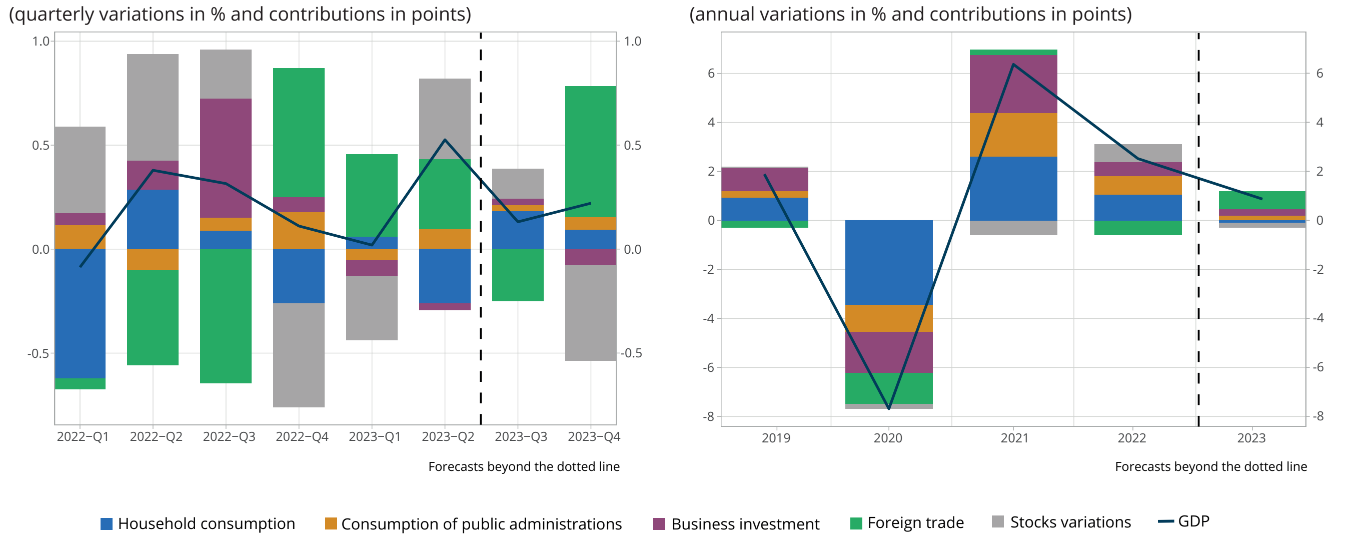


Source: INSEE.

the deliveries scheduled in the aeronautic and naval sectors at the end of the year, despite the fact that some of these transactions represent destocking operations.

Over 2023 as a whole, GDP growth is expected to be 0.9% (after +2.5% in 2022). The “growth overhang” for 2024 (i.e. annual growth for that year if quarterly GDP were to remain identical to the rate recorded at the end of 2023) should be modest, somewhere in the range of +0.4%.

►17. GDP and its contributions



Source: INSEE.

Inflation in the major European economies: points of comparison

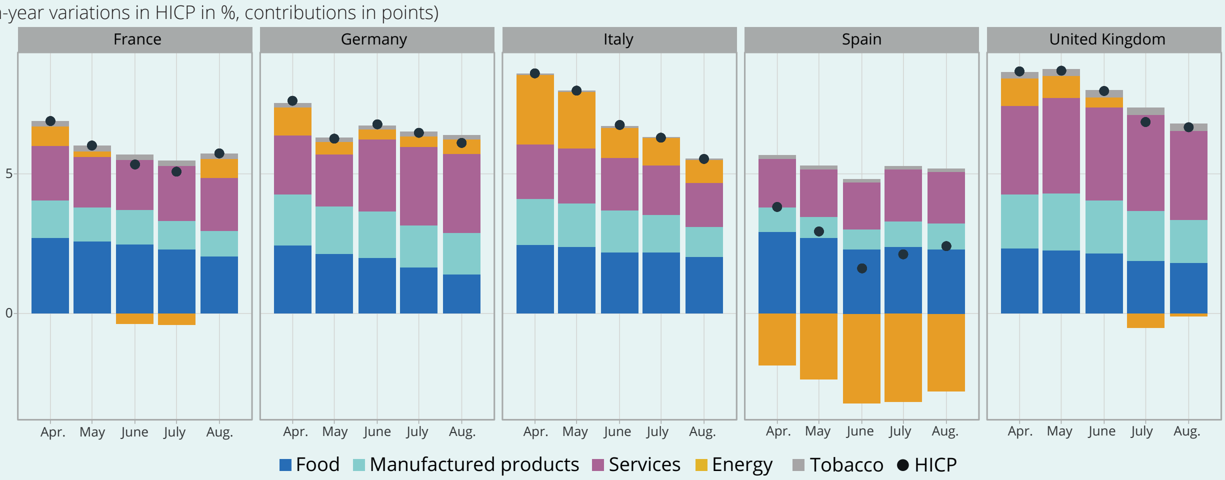
Gabriele Carboni, Mathilde Niay, Olivier Simon

Since Q2 2023, inflation (as measured using the HIPC) has broadly continued to slow in Europe's leading economies, although it remained virtually stable in Germany between June and August and bounced back slightly in Spain and France over the summer (►Figure 1). These recent developments have been primarily caused by energy inflation. Fuel prices in particular contributed to the slowdown in energy inflation during the spring, primarily by means of a base effect owing to the very sharp increases seen one year previously (►Figure 2). Since July, however, fuel prices have been on the rise again, led by oil prices, leading energy inflation to increase again, all the more so because oil prices were actually beginning to subside this time last year.

In recent months, electricity and gas prices have also contributed to the decline in energy inflation in most European countries. In Italy, these prices have subsided significantly since the start of the year, in line with falling prices on the energy market and rapid adjustments to the electricity contracts of Italian households. In Germany, consumer gas prices are slowing steadily while electricity prices are also on a downward trend. In United Kingdom, gas and electricity prices dropped significantly in July (when the energy regulator reduced the level of the cap on household energy bills, in order to reflect falling market prices), leading to a palpable reduction in energy inflation. In France, consumer prices for gas and electricity met contrasting fates this summer, with gas prices falling noticeably in July (transition from regulated prices to benchmark prices) and electricity prices jumping in August (revision of regulated prices, relaxing of the price cap): these developments largely cancelled each other out, meaning that energy inflation in August (not including oil products) remained at the same level recorded in the spring.

►1. Inflation (as measured by the HICP) in European countries and contributions by item

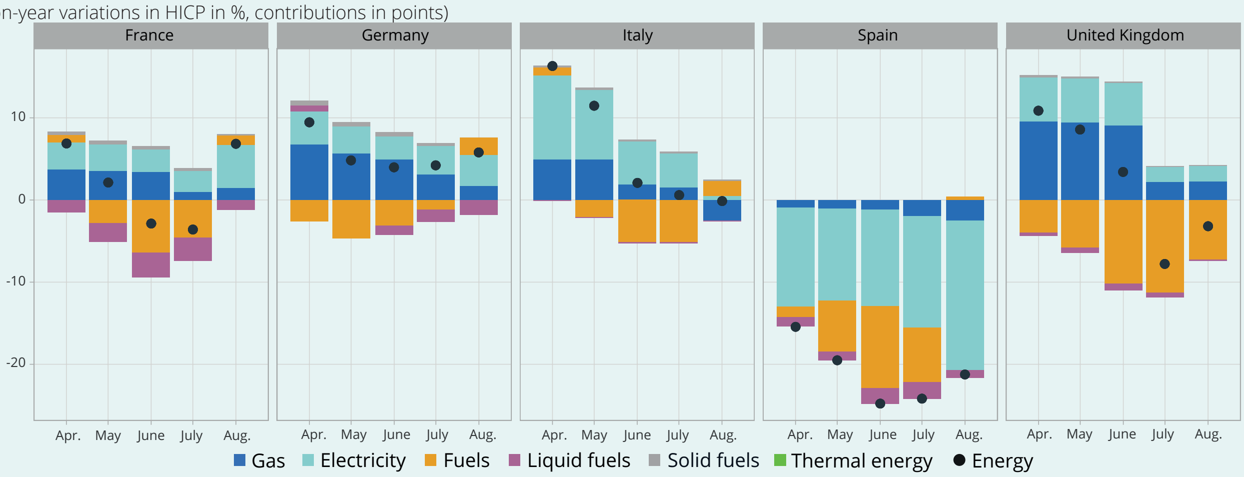
(year-on-year variations in HICP in %, contributions in points)



Last point: August 2023.
How to read it: in France, in August 2023, the harmonised index of consumer prices grew by 5.7% year-on-year, with food prices contributing 2.0 points.
Source: INSEE, DESTATIS, ISTAT, INE, ONS, INSEE calculations.

►2. Energy inflation (as measured by the HICP) in European countries and contributions by item

(year-on-year variations in HICP in %, contributions in points)



Last point: August 2023.
How to read it: in France, in August 2023,energy inflation as measured by the HICP stood at 6.8% year-on-year, with electricity prices contributing 5.2 points of this rise.
Source: INSEE, DESTATIS, ISTAT, INE, ONS, INSEE calculations.

Food inflation also fell in Europe's leading economies, contributing to the downward trend in headline inflation. Consumer food prices continued to rise, but at a slower rate than last year. This reflects the recent slowdown, or even downturn, in production prices in the food industry, thanks to the slowdown in agricultural commodities and energy prices since summer 2022 (►**Figure 3**).

►3. Producer prices in agri-food industries and consumer prices (as measured by the HICP) of food products

(base 100 in 2019)

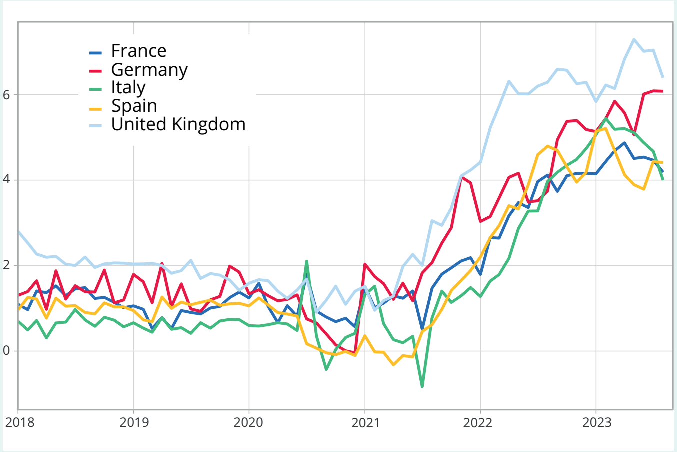
Last point: August 2023 (July 2023 for producer prices in the United Kingdom).
Note: in the Eurozone, these producer prices are applicable to the food and beverage industries; the figures for the United Kingdom also include tobacco production.
How to read it: in August 2023, in France, producer prices in agri-food industries are currently 31.4% higher than they were in 2019 (with a +23.8% increase in the consumer prices of food products as measured by the HICP).
Source: INSEE, DESTATIS, ISTAT, INE, ONS, INSEE calcuations.

Excluding energy and food, inflation has varied from one country to the next over recent months (►**Figure 4**): rising in Germany, where it hit a new year-on-year high of 6% in July; rising in Spain since July, after falling throughout the spring; falling slightly in the United Kingdom after reaching a year-on-year peak of over 7% in May; generally falling in France and falling more noticeably in Italy. In both Germany and Spain, the recent increase in non-energy and non-food inflation has been driven by the prices of services. This was also true of the United Kingdom in the spring, as a result of buoyant wages. In France, inflation in the service sector has remained relatively stable for some months now (at around 4% year-on-year, as measured by the HICP), while it has fallen in Italy after peaking in April.

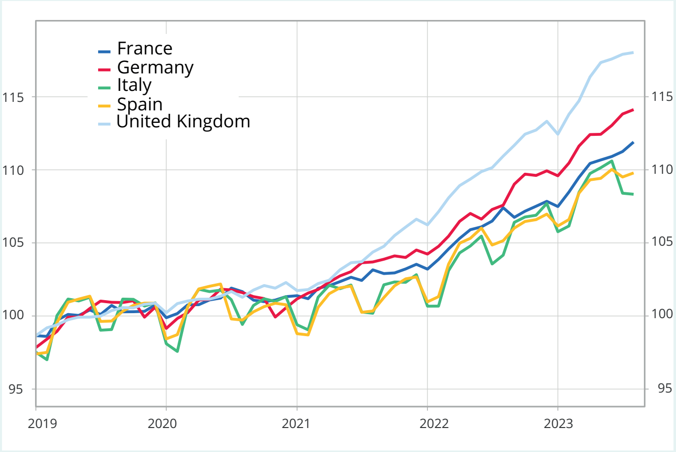
In September, according to the provisional estimate, inflation remained stable in France and Italy, while increasing noticeably in Spain (base effect linked to the fall in electricity prices at the same time last year). Inflation also slowed markedly in Germany, since September 2022 saw the wrapping up of measures introduced to curb price rises (cuts in fuel duty and temporary discounts on local public transport tickets), which thus no longer have an impact on the year-on-year figures for consumer price inflation as of September 2023. ●

►4. Consumer price index excluding energy and food (as measured by the HICP) in the major European economies

(year-on-year change, in %)



(base 100 in 2019)



Last point: August 2023.
Source: INSEE, DESTATIS, ISTAT, INE, ONS, INSEE calculations.

In light of the current energy situation, in September 2023 industrial enterprises reported that they had responded by squeezing their margins rather than increasing their prices

Charles-Marie Chevalier

In September 2023, as in March and June of this year, the INSEE business tendency surveys questioned industrial enterprises about their response to the current energy situation. Business were asked whether, in light of the cost increases induced by rising energy bills, in the previous three months they had been inclined to raise prices, reduce their margins, dip into their cash reserves and/or reduce or halt their activities. Respondents were also able to indicate whether they had plans to adapt their production methods, make specific investments, introduce other new measures, change contracts or suppliers, or continue as before.

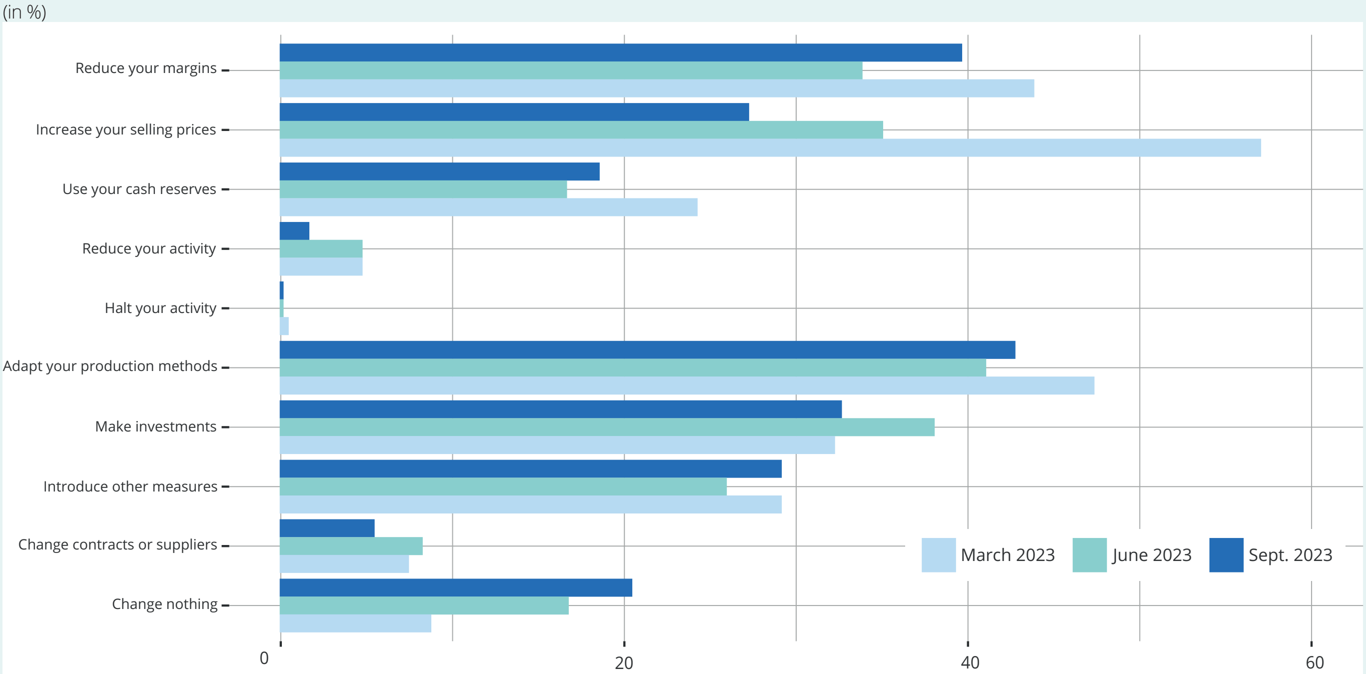
After a period of easing in the energy market in the spring, albeit in an atmosphere affected by greater tension on oil prices, more than a third (40%) of industrial enterprises surveyed in the business tendency surveys in September reported that they had reduced their margins in response to the energy situation (►**Figure 1**), slightly fewer than in March (44%), but more so than in June (34%). Shrinking margins were frequently reported in September by two particularly energy-intensive sub-sectors of industry, namely metallurgy (50%) and wood, paper and printing (47%) (►**Figure 2**). Compared with the figures for June, it is in the textile and pharmaceutical industries that the proportion has seen the greatest increase.

Furthermore, in the most energy-intensive sectors of activity, far fewer businesses in September than in March declared that they had reduced their activity levels (3% in metallurgy and 5% in the chemical sector, for example, compared with 16% and 13% respectively in March).

Finally, while in March 57% of respondents reported that they had increased their sale prices over the past three months as a result of the energy situation, only 27% of industrial enterprises reported price increases in September. This decrease was observed in all sub-sectors of industry. Nonetheless, price rises were still more frequently reported in the agrifood, textile and chemical sectors (38%, 33% and 33% respectively). This appears to be a continuation of the trend observed in Q2 2023, when production prices subsided in the manufacturing industry.

►1. Responses of industrial enterprises in the current energy context, regarding the last three months

(in %)



Note: Data as at 27 September 2023. Proportions are calculated by weighting companies' responses by their turnover.
Source: industry business survey, INSEE.

The risks weighing upon demand, as well as the relative easing of the commodity markets, could account for this lessened appetite for price rises. At the same time, businesses might continue to express a readiness to reduce their margins since these margins currently stand at a relatively high level: since Q3 2022 the margin rate in the manufacturing industry, for example, has remained at least 2 points above its 2018 average. The presence of upward pressure on wages may also prompt companies to adopt a degree of moderation with regard to their margins. ●

►2. Proportion of companies declaring, given the current energy situation, an intention to increase prices or reduce margins, by industrial sub-sector

(in %)

Sub-sector		March 2023	June 2023	September 2023
Increase your selling prices				
CA	Food and beverages	75	63	38
CB	Textile, clothing, footwear	61	41	33
CC	Woodworking, paper, printing industries	42	33	25
CE	Chemical industry	58	42	33
CF	Pharmaceutical industry	21	14	19
CG	Rubber and plastic products	74	45	31
CH	Metallurgy and metal productss	56	36	29
CI	Computer, electronic and optical products	35	34	11
CJ	Electrical equipment	65	49	47
CK	Machinery and equipment n.e.c.	46	34	29
CM	Other manufacturing industries	39	29	23
Reduce your margin				
CA	Food and beverages	52	44	42
CB	Textile, clothing, footwear	29	26	41
CC	Woodworking, paper, printing industries	47	50	47
CE	Chemical industry	33	33	36
CF	Pharmaceutical industry	29	29	37
CG	Rubber and plastic products	47	44	41
CH	Metallurgy and metal productss	53	48	50
CI	Computer, electronic and optical products	54	34	41
CJ	Electrical equipment	53	25	30
CK	Machinery and equipment n.e.c.	49	42	37
CM	Other manufacturing industries	34	30	25

Note: Data as at 27 September 2023. Proportions are calculated by weighting companies' responses by their turnover.
Scope: manufacturing industry excluding coking and refining.
Source: industrial Business Survey, INSEE.

Compared with the situation at the start of this year, inflation disparities between households have diminished significantly, although the cumulative price rises accrued vary considerably

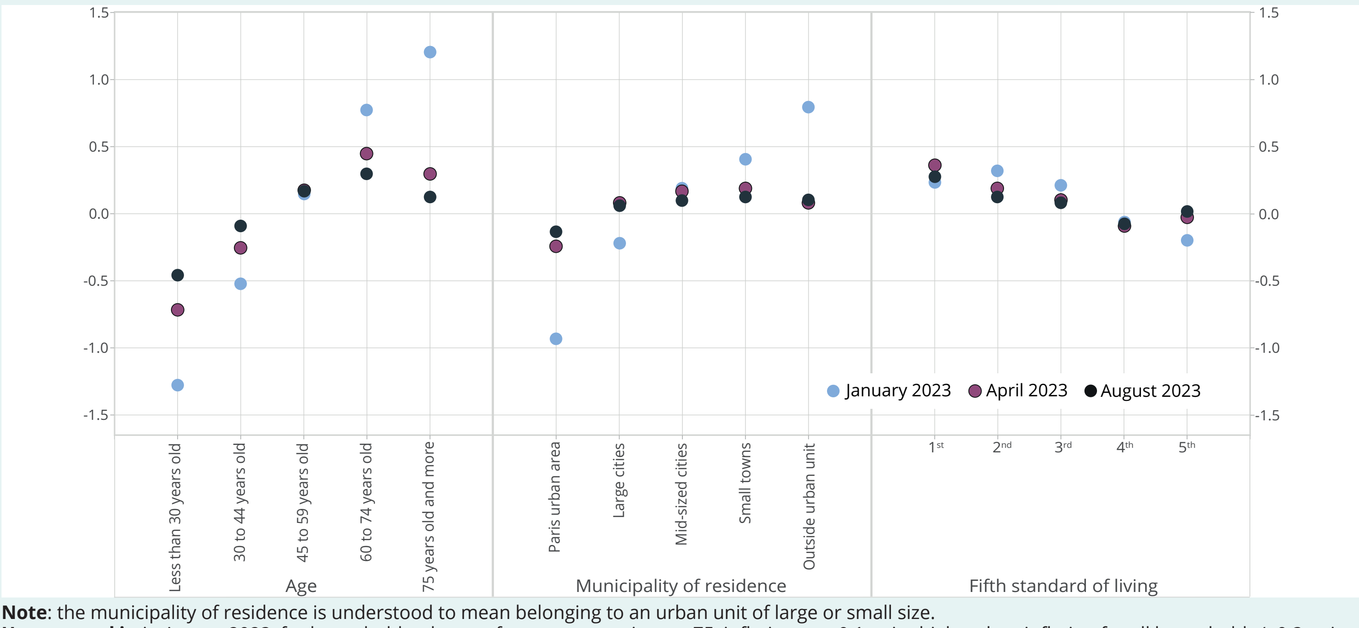
Charles-Marie Chevalier, Émilie Cupillard

Since June 2022, INSEE's *Economic outlook* reports have included regular analyses of the disparities in inflation experienced by different categories of households, taking into account the differences in the structure of consumption from one household to the next. In August 2023, the year-on-year variation in consumer prices was less substantial than in the spring. The disparities in inflation experienced by different categories of households have eased since April, particularly differences related to household age, and even more so since the start of the year (►**Figure 1**). In August, the youngest households (under-30s) experienced inflation 0.6 points below that experienced by the oldest households (over-75s), a gap which stood at 1.1 points in April and 2.5 points in January. Between the lowest-income and highest-income households, inflation disparities have also diminished and now appear to be limited in scale: for those on the lowest incomes (in the first quintile of the standard of living scale), inflation in August was 0.2 points higher, on average, than it was for the most well-off. This gap has halved in size since April and January. Inflation inequalities are also now less pronounced between different categories of town of residence, which had been a major source of disparity at the start of the year, on account of the very high level of energy inflation at that time (+16.4% year-on-year to January in Metropolitan France, falling to +6.9% in August).

Since the start of the year the easing of energy inflation and, to a lesser extent, food inflation has been the primary factor in the attenuation of inflation disparities between different categories of household. In August 2023, energy thus had a very modest impact on inflation inequality (►**Figure 2**). Food remains the biggest contributor to inflation disparities, as the year-on-year increase in food prices remains high (+11.2% over the past year in Metropolitan France). In particular, food inflation is aggravating inflation inequalities between the youngest and oldest households, increasing inflation for the latter since food accounts for a larger proportion of their consumption expenditure. It also has the effect of increasing the inflation borne by lower-income households, compared with more well-off households. Once again, this is primarily because food spending accounts for a larger share of the budget of lower-income households.

►1. Deviation from mean inflation for different categories of households in January, April and August 2023 (Metropolitan France)

(percentage points)



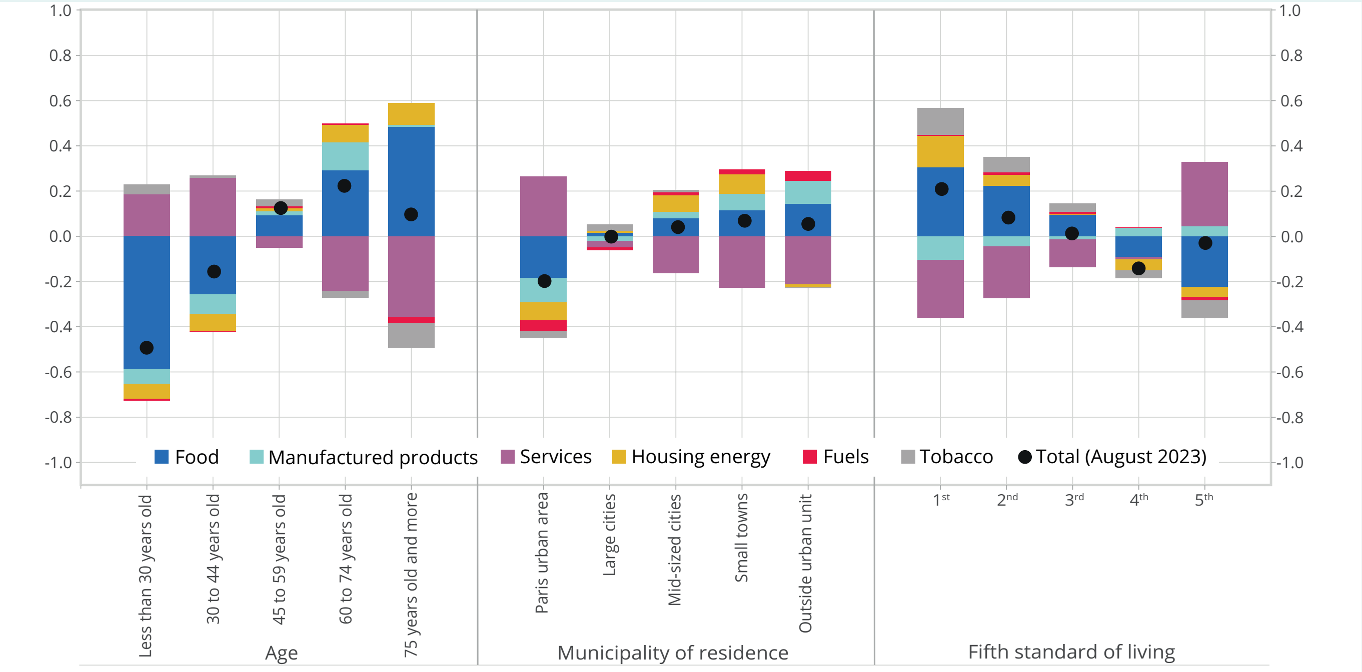
Note: the municipality of residence is understood to mean belonging to an urban unit of large or small size.
How to read it: in August 2023, for households whose reference person is over 75, inflation was 0.1 point higher than inflation for all households (+0.3 points in April 2023 and +1.2 points in January 2023).
Scope: households living in ordinary housing in Metropolitan France.
Source: Consumer price indices, Family Budget Survey 2017, INSEE calculations.

In contrast, this August services contributed to a reduction in the inflation borne by older households compared to households as a whole, and particularly younger households, while also reducing the inflation borne by lower-income households compared with the most well-off households. This effect can be partly attributed to spending on accommodation and food services, where inflation in August was above the average recorded for services as a whole (+4.7% year-on-year in Metropolitan France for accommodation and food, compared with +3.0% for services in general) and which account for a smaller proportion of the spending of older and lower-income households.

In spite of the attenuation of inflation inequalities between different categories of households, the cumulative price rises experienced over the past few years vary considerably from one category to the next (► **Figure 3**). In August, for example, consumer prices were 12% above their 2019 level for households aged under 30, compared with an average of 14% for all households, and 15% for the over-75s. The town in which households reside can also be a source of considerable disparity, with a cumulative increase of 13% in the Greater Paris area since 2019, compared with 15% in rural areas.

Moreover, although inflation inequality may appear limited, on average, between one category of households and the next, inflation may in fact vary considerably within each category. For all households, the "interquartile" variation for August was almost 2 points (► **Figure 4**). This gap has closed somewhat since April (2.7 points) and, generally speaking, inflation within each category of households appears less heterogeneous in August than it did in April, and particularly in January. The youngest households represent the group for whom inflation is least heterogeneous (interquartile variation of 1.5 points among the under-30s). Inflation inequality is much more pronounced among older households (interquartile variation of 2.5 points) and lower-income households (2.3 points), reflecting the significant heterogeneity of individual structures of consumption within these categories. ●

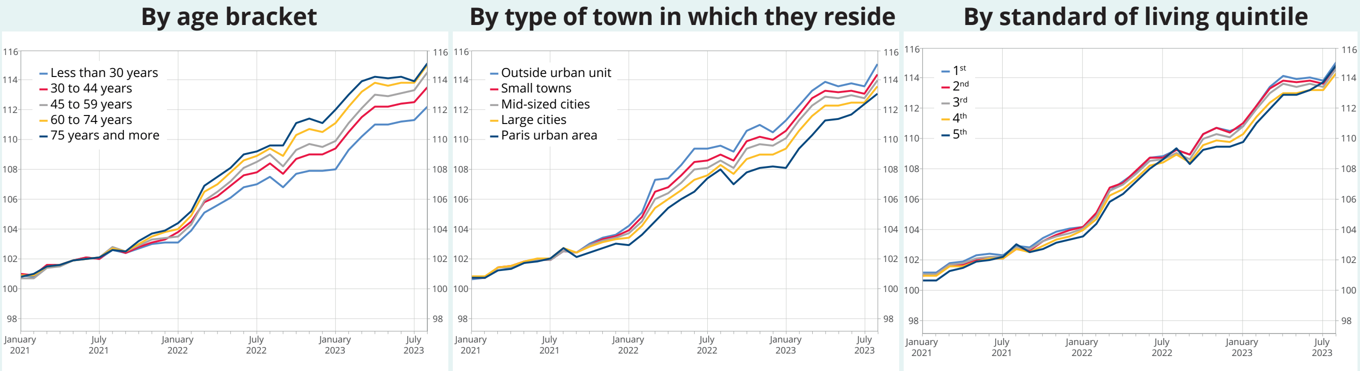
► 2. Breakdown of variation from mean inflation in Metropolitan France, and contribution by post
(percentage points)



Note: whose reference person is over 75
How to read it: in August 2023, for households whose reference person is over 75, inflation was 0.1 point higher than inflation for all households. Food contributed +0.5 points to this gap, and services -0.4 points.
Scope: households living in ordinary housing in Metropolitan France.
Source: Consumer price indices, Family Budget Survey 2017, INSEE calculations.

►3. Variation of consumer price indices for different categories of households between January 2021 and August 2023

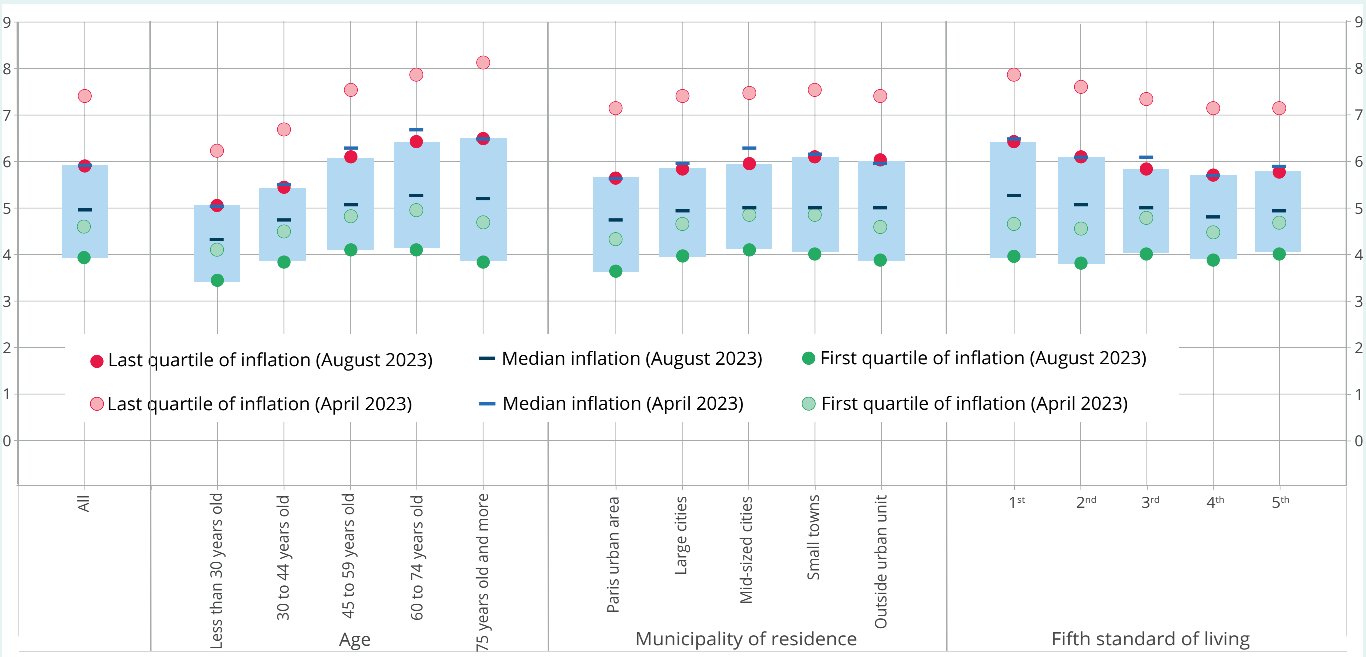
(base 100 = average index in 2019)



Last point: August 2023.
Note: the municipality of residence is understood to mean belonging to an urban unit of large or small size.
Scope: households living in ordinary housing in Metropolitan France.
Source: Consumer price indices, Family Budget Survey 2017, INSEE calculations.

►4. Distribution of inflation within categories of households in August 2023

(year-on-year change of consumer price index, in %)



Note: the municipality of residence is understood to mean belonging to an urban unit of large or small size.
How to read it: in August 2023, for households whose reference person is over 75, median inflation stood at 4.3% (5.1% in April 2023). 25% faced inflation of below 3.6% (4.1% in January 2023), while 25% faced inflation of more than 5.1% (6.3% in January 2023).
Scope: households living in ordinary housing in Metropolitan France.
Source: Consumer price indices, Family Budget Survey 2017, INSEE calculations.

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Almost three quarters of households say that they have changed their consumption habits over the past year as a result of inflation

Émilie Cupillard, Nicolas Palomé, Olivier Simon

In September 2023, for the fourth time since late 2022, INSEE surveyed households on how their consumer habits have changed as a result of inflation. Almost three quarters of households (73%) surveyed in September reported that they had adapted their consumption behaviour as a result of inflation (►**Figure 1**) over the past twelve months. That figure was higher than the response for December 2022 (68%), but has remained relatively stable since March 2023.

Household energy spending (for heating, cooking, lighting etc.) remains, as in previous months, the form of consumption for which the greatest number of households reported a change in their habits compared with last year[1]: 51% of households felt affected in this area, a higher proportion than that concerned about food spending, and far superior to clothing and transport. Nevertheless, this proportion has fallen from the peak recorded in March of this year (54%). This decrease may indicate that, for some households, consumption adjustments were already made a year previously, particularly during the winter.

Food is second on the list of categories in which households report that their spending habits have changed as a result of inflation: 47% in September, unchanged since June and more so than in December 2022 (37%). In the majority of cases, these changing habits corresponded to buying less expensive options or shopping around (►**Figure 2**): all in all, 27% of households surveyed in September 2023 reported that they had made one or both of these changes. That still represents a decrease on the figures from June of this year. Conversely, in September more households reported that they had reduced the quantities they consumed (17%, up from 14% in June).

With regard to travel and clothing, households were less likely to report changes in their consumption habits compared with household energy and food bills. 31% reported changes to their travel habits in September, a proportion which has remained relatively stable since late 2022, possibly on account of the unavoidable nature of certain journeys (commuting, for example). With regard to clothing in particular, just over 30% of households surveyed in September reported that they had modified their consumption habits as a result of inflation: this represents an increase on the figures from December 2022 (27%), but a moderate increase which reflects the relatively modest rate of inflation observed for products in this category.

Finally, this September households were also questioned about their consumption during the 2023 summer holidays. 30% of households reported that they had modified their holiday habits in relation to summer 2022 as a result of inflation (►**Figure 1**), for example by taking less holiday time or by changing their form of transportation or type of accommodation. This is very close to the proportion of households who reported, in late 2022, that their spending during the festive season had changed as a result of inflation (27%). ●

1 For example, they may have turned the heating on less often or used electrical appliances less frequently, or been more attentive to “off-peak hours” etc.

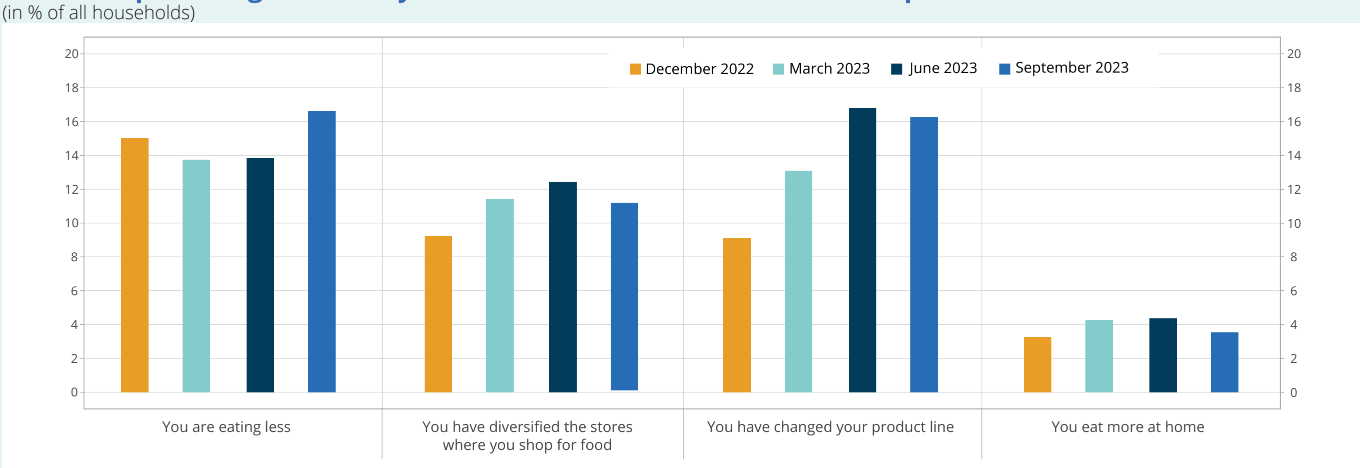
►1. Proportion of households reporting changes in their consumption habits over the past 12 months, as a result of inflation

(in %)

Note: households declaring changes to their general consumption habits as a result of inflation were then asked more specific questions about their consumption in different categories.
The question about spending during the 2022 festive period was asked between late November and mid-December 2022; the question about 2023 summer holidays was asked in September 2023.
How to read it: in September 2023, 73% of households reported that they had adapted their consumption habits over the past year as a result of inflation; 30% of households reported changing their consumption habits for the summer holidays as a result of inflation, compared with the summer of 2022.
Scope: households living in ordinary housing in Metropolitan France.
Source: INSEE, monthly business survey of households.

►2. Principal changes made by households in terms of food consumption

(in % of all households)



Note: Households declaring changes to their food consumption habits as a result of inflation were then asked more specific questions about the types of changes they had made.
How to read it: in September 2023, 17% of households reported consuming fewer food products over the past 12 months, as a result of inflation.
Scope: households living in ordinary housing in Metropolitan France.
Source: Insee, monthly business survey of households.

Economic outlook

Statistical appendix

►1. Goods and services: sources and uses at chain-linked previous year prices, in quarterly and annual changes

(quarterly and annual changes in %, seasonally and working-day adjusted SA-WDA data)

	2021				2022				2023				2021	2022	2023
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Gross domestic product	**0.1**	**0.9**	**3.0**	**0.6**	**-0.1**	**0.4**	**0.3**	**0.1**	**0.0**	**0.5**	**0.1**	**0.2**	**6.4**	**2.5**	**0.9**
Imports	2.2	2.2	1.2	4.5	1.8	0.3	4.7	-1.3	-2.5	1.6	0.2	0.2	9.1	8.8	0.2
Total resources	0.6	1.5	2.7	1.4	0.6	0.6	1.1	-0.1	-0.1	0.9	0.2	0.2	7.7	4.3	1.3
Household consumption expenditure	0.6	1.3	4.9	0.3	-1.2	0.6	0.2	-0.5	0.1	-0.5	0.4	0.2	5.1	2.1	-0.2
General government consumption expenditure*	-0.4	0.5	3.3	0.9	0.4	-0.4	0.2	0.7	-0.2	0.4	0.1	0.2	6.5	2.9	0.7
of which individual general government expenditure	*0.1*	*0.7*	*4.5*	*0.9*	*0.4*	*-1.1*	*0.3*	*0.7*	*-0.5*	*0.2*	*0.1*	*0.1*	*8.4*	*2.9*	*0.2*
of which collective general government expenditure	*-1.6*	*0.1*	*0.0*	*0.6*	*0.6*	*0.8*	*0.0*	*0.8*	*0.1*	*0.6*	*0.0*	*0.4*	*3.0*	*1.8*	*1.5*
Gross fixed capital formation (GFCF)	0.4	1.7	0.1	-0.2	0.3	0.6	2.4	0.3	-0.3	-0.1	0.1	-0.3	10.2	2.3	1.1
of which Non-financial enterprises (NFE)	1.0	1.2	0.7	-0.2	0.6	0.5	4.2	0.7	0.0	0.5	0.8	-0.1	9.8	3.8	3.5
Households	*-2.3*	*3.2*	*0.3*	*-0.5*	*-1.7*	*1.3*	*-1.4*	*-1.1*	*-1.5*	*-2.3*	*-1.9*	*-1.1*	*15.4*	*-1.2*	*-5.5*
General government	*-0.5*	*0.5*	*-1.9*	*-0.1*	*1.6*	*-0.2*	*1.5*	*0.8*	*0.2*	*0.5*	*0.4*	*0.0*	*2.3*	*1.5*	*2.1*
Exports	0.6	1.5	3.4	3.5	1.7	-1.1	3.0	0.6	-1.7	2.7	-0.5	2.0	10.7	7.4	2.2
Contributions (in points)															
Domestic demand excluding inventory**	0.3	1.2	3.4	0.3	-0.4	0.3	0.7	0.0	-0.1	-0.2	0.2	0.1	6.7	2.4	0.4
Changes in inventories**	0.2	0.0	-1.0	0.6	0.4	0.5	0.2	-0.5	-0.3	0.4	0.1	-0.5	-0.6	0.8	-0.2
Foreign trade	-0.5	-0.3	0.6	-0.3	-0.1	-0.5	-0.6	0.6	0.4	0.3	-0.2	0.6	0.2	-0.6	0.7

Forecast.
* Consumption expenditure of general government and non-profit institutions serving households (NPISH).
** Changes in inventories include acquisitions net of valuable items.
How to read it: in Q3 2023, exports would have decreased by 0.5% compared to the second quarter of 2023; the contribution of foreign trade to quarterly GDP growth would be slightly negative at –0.2 points.
Source: INSEE.

►2. Goods and services: resources-uses balance – evolution of chain-linked price indices

(quarterly and annual changes in %, SA-WDA data)

	2021				2022				2023				2021	2022	2023
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Gross domestic product	**0.9**	**0.4**	**0.0**	**0.2**	**0.9**	**1.0**	**1.4**	**1.0**	**1.8**	**1.8**	**1.1**	**0.9**	**1.4**	**3.0**	**5.8**
Imports	2.1	2.3	3.1	5.0	5.7	5.8	2.3	-1.8	-1.5	-3.7	-1.2	0.8	6.9	17.4	-3.5
Total resources	1.4	1.3	1.4	2.3	3.2	2.6	1.9	0.2	0.9	-1.0	-0.2	0.4	3.7	9.3	1.9
Household consumption expenditure	0.6	0.4	0.7	0.7	1.1	1.8	1.7	1.8	2.0	1.4	0.9	1.1	1.5	4.8	6.6
General government consumption expenditure*	1.7	0.7	-2.2	0.0	0.9	0.4	1.6	0.5	0.4	0.2	0.6	0.7	-0.4	1.2	2.3
Gross fixed capital formation (GFCF)	0.7	0.8	1.2	1.5	2.0	2.0	1.2	0.9	1.1	1.1	0.6	0.5	2.9	6.3	4.1
of which Non-financial enterprises (NFE)	*0.5*	*0.5*	*1.0*	*1.3*	*1.7*	*1.6*	*1.0*	*0.9*	*1.0*	*0.9*	*0.6*	*0.4*	*2.1*	*5.3*	*3.6*
Households	*1.2*	*1.5*	*1.4*	*1.5*	*2.6*	*2.6*	*2.2*	*1.3*	*1.6*	*1.8*	*0.7*	*0.7*	*4.4*	*8.5*	*6.3*
Exports	2.1	2.3	3.1	3.4	4.0	5.3	2.1	-1.8	-0.2	-2.0	-0.7	0.9	6.8	13.7	-0.9
Domestic final demand excluding stocks	0.9	0.6	0.0	0.7	1.3	1.5	1.6	1.2	1.4	1.0	0.8	0.8	1.2	4.3	4.9

Forecast.
* Consumption expenditure of general government and non-profit institutions serving households (NPISH).
How to read it: in Q3 2023, the GDP deflator would have increased by 1.1% compared with the second quarter of 2023. The annual average growth rate would be 5.8% in 2023, compared with 2022.
Source: INSEE.

►3. Quarterly changes in economic activity by branch

(quarterly changes in %, SA-WDA data)

Branch	Weight	2021				2022				2023			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Agriculture, forestry and fishing	**2**	**-1.8**	**-0.8**	**1.0**	**2.0**	**2.9**	**2.1**	**1.4**	**0.6**	**-0.4**	**0.1**	**0.2**	**0.1**
Industry	**14**	**-1.3**	**-0.7**	**-0.4**	**-0.1**	**-0.6**	**-0.9**	**0.1**	**0.5**	**0.6**	**1.6**	**0.3**	**0.4**
Manufacturing industry	11	-1.2	-1.3	-0.9	0.0	1.1	0.3	0.7	-0.4	0.7	1.2	0.3	0.5
Extractive industries, energy. water, waste treatment and decontamination	3	-1.7	1.4	1.3	-0.6	-7.0	-5.6	-2.1	4.5	0.1	3.5	0.4	0.3
Construction	**6**	**-0.5**	**0.4**	**-1.1**	**0.2**	**-0.1**	**0.2**	**-0.2**	**0.1**	**-0.4**	**-1.2**	**-1.0**	**-0.6**
Mainly market services	**57**	**0.3**	**1.8**	**4.6**	**1.0**	**0.0**	**1.0**	**0.6**	**0.2**	**-0.1**	**0.6**	**0.2**	**0.3**
Mainly non-market services	**22**	**0.3**	**-0.2**	**1.6**	**0.2**	**0.5**	**-0.4**	**0.0**	**0.0**	**0.3**	**0.3**	**0.1**	**0.1**
Total VA	**100**	**0.0**	**0.8**	**2.9**	**0.6**	**0.1**	**0.4**	**0.4**	**0.2**	**0.1**	**0.6**	**0.1**	**0.2**
Taxes and subsidies		*0.5*	*1.5*	*3.9*	*-0.1*	*-1.4*	*0.1*	*0.0*	*-0.7*	*-0.3*	*0.0*	*0.4*	*0.1*
GDP		**0.1**	**0.9**	**3.0**	**0.6**	**-0.1**	**0.4**	**0.3**	**0.1**	**0.0**	**0.5**	**0.1**	**0.2**

Forecast.
How to read it: in Q3 2023, the value added of the manufacture of transport equipment branch would have increased by 0.3% compared with the second quarter of 2023.
Source: INSEE calculations from various sources.

►4. Change in total employment

(in thousand, SA, at the end of the period)

	Evolution over a quarter												Evolution over a year			
	2021				2022				2023				2020	2021	2022	2023
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Payroll employment	**154**	**319**	**243**	**158**	**82**	**116**	**103**	**54**	**102**	**21**	**-10**	**0**	**-67**	**873**	**354**	**113**
	0.6%	*1.2%*	*0.9%*	*0.6%*	*0.3%*	*0.4%*	*0.4%*	*0.2%*	*0.4%*	*0.1%*	*0.0%*	*0.0%*	*-0.3%*	*3.4%*	*1.3%*	*0.4%*
Agriculture	-1	5	6	-3	2	-6	-6	13	1	-3	0	0	6	7	3	-1
Industry	10	9	11	11	6	11	12	8	10	6	0	0	-29	41	38	15
Construction	21	11	13	7	4	4	3	3	-1	-7	-15	-10	53	51	14	-33
Commercial tertiary sector	115	278	183	146	63	105	83	24	76	18	5	10	-168	722	275	109
Tertiary non-trading	10	16	30	-4	7	1	11	6	16	7	0	0	71	52	26	23
Self-employment	**56**	**56**	**56**	**56**	**25**	**25**	**25**	**25**	**5**	**5**	**5**	**5**	**60**	**225**	**100**	**20**
All employment	**210**	**375**	**300**	**214**	**107**	**141**	**128**	**79**	**107**	**26**	**-5**	**5**	**-6**	**1 098**	**454**	**133**
	0.7%	*1.3%*	*1.0%*	*0.7%*	*0.4%*	*0.5%*	*0.4%*	*0.3%*	*0.4%*	*0.1%*	*0.0%*	*0.0%*	*0.0%*	*3.8%*	*1.5%*	*0.4%*

Forecast.
Note: in this table, temporary workers are included in the commercial services sector.
How to read it: between the end of March and the end of June 2023, payroll employment rose by 0.1%, representing 21,000 net new jobs.
Scope: France (excluding Mayotte).
Source: INSEE.

►5. Changes in employment, unemployment and the active population

(change in quarterly and annual averages in thousands, seasonally adjusted data)

	2022				2023				2020	2021	2022	2023
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Employment (1)	**160**	**124**	**135**	**104**	**93**	**66**	**11**	**15**	44	1,000	523	185
reminder: employment at the end of the period	*107*	*141*	*128*	*79*	*107*	*26*	*-5*	*5*	*-6*	*1,098*	*454*	*133*
Unemployment (2)	**-17**	**3**	**-11**	**-48**	**-9**	**20**	**36**	**28**	**-46**	**-155**	**-73**	**75**
Active population= (1) + (2)	**143**	**127**	**124**	**56**	**84**	**86**	**46**	**43**	**-3**	**846**	**450**	**259**
Adjusted trend labour force (a)	*7*	*8*	*9*	*11*	*9*	*8*	*22*	*41*	*24*	*27*	*35*	*80*
Downturn effect (b)	*16*	*12*	*13*	*10*	*9*	*7*	*1*	*2*	*4*	*100*	*51*	*19*
Effect of work-study schemes on youth activity levels (c)	*12*	*18*	*33*	*23*	*7*	*12*	*8*	*0*	*41*	*130*	*86*	*27*
Residual (d)	*109*	*88*	*68*	*12*	*58*	*60*	*15*	*0*	*-73*	*588*	*277*	*133*
Variation in unemployment rate	**0.0**	**0.0**	**-0.1**	**-0.1**	**-0.1**	**0.1**	**0.1**	**0.0**	**-0.1**	**-0.7**	**-0.2**	**0.1**
Unemployment rate	7.4	7.4	7.3	7.2	7.1	7.2	7.3	7.3				

Forecast.
(a) Trend based on adjusted forecasts for the active population in 2022, integrating the effect of the 2023 pension reform and the 2023 reform to unemployment benefits.
(b) This downturn effect reflects the fact that new workers enter the labour market when the employment outlook improves.
(c) Effect based on DARES numbers for the stock of work-study contracts, INSEE calculations.
(d) In 2020 and 2021, the residual concealed the immediate impact of the Covid crisis on activity levels.
Note: In this case employment corresponds to total employment (salaried and non-salaried), measured as a quarterly average.
How to read it: in Q2 2023, employment increased by 66,000 on average, unemployment by 20,000 and the active population by 86,000. The unemployment rate remained virtually unchanged at 7.2%.
Scope: France (excluding Mayotte), persons aged 15 or over.
Source: INSEE, Employment survey, Quarterly Employment Estimates.

Economic outlook

►6. Consumer prices

(year-on-year change in %, contributions in points)

CPI groups* (2023 weightings)	July 2023		Augt. 2023		Sept. 2023		Oct. 2023		Nov. 2023		Dec. 2023		Annual average
	yoy	cyoy	yoy	cyoy	yoy	cyoy	yoy	cyoy	yoy	cyoy	yoy	cyoy	2023
Food (16.2%)	**12.7**	**2.0**	**11.2**	**1.8**	**9.6**	**1.6**	**7.9**	**1.3**	**7.2**	**1.2**	**6.9**	**1.1**	**11.8**
including: fresh food (2.4%)	10.6	0.3	9.4	0.2	4.1	0.1	-0.2	0.0	1.8	0.0	3.3	0.1	8.5
excluding: fresh food (13.9%)	13.0	1.8	11.5	1.6	10.6	1.5	9.3	1.3	8.2	1.1	7.5	1.0	12.3
Tabacco (1.9%)	**9.8**	**0.2**	**9.9**	**0.2**	**9.9**	**0.2**	**9.9**	**0.2**	**9.8**	**0.2**	**9.8**	**0.2**	**8.0**
Manufactured products (23.2%)	**3.4**	**0.8**	**3.1**	**0.7**	**2.9**	**0.7**	**2.7**	**0.6**	**2.6**	**0.6**	**2.6**	**0.6**	**3.7**
of which: clothing and footwear (3.4%)	3.4	0.1	2.2	0.1	2.9	0.1	2.9	0.1	2.9	0.1	2.9	0.1	2.9
medical products (3.8%)	-0.8	0.0	-0.9	0.0	-0.9	0.0	-1.0	0.0	-0.8	0.0	-0.9	0.0	-0.7
other manufactured products (16.0%)	4.6	0.8	4.3	0.7	3.8	0.6	3.5	0.6	3.3	0.5	3.3	0.5	4.9
Energy (8.6%)	**-3.7**	**-0.4**	**6.8**	**0.6**	**11.5**	**1.0**	**7.2**	**0.6**	**6.2**	**0.5**	**9.9**	**0.9**	**6.4**
of which: oil products (4.3%)	-13.9	-0.8	-0.3	0.0	10.7	0.5	4.0	0.2	3.4	0.1	9.0	0.4	-0.5
Services (50.1%)	**3.1**	**1.6**	**3.0**	**1.6**	**2.8**	**1.4**	**3.0**	**1.5**	**3.3**	**1.6**	**3.2**	**1.6**	**3.0**
of which: rent-water (7.4%)	3.1	0.2	3.0	0.2	2.9	0.2	2.5	0.2	2.5	0.2	2.8	0.2	2.8
health services (6.4%)	-0.4	0.0	-0.4	0.0	-0.4	0.0	-0.8	-0.1	1.3	0.1	1.4	0.1	-0.1
transport (3.0%)	5.4	0.3	4.8	0.2	4.9	0.1	5.7	0.1	4.1	0.1	1.8	0.1	6.7
communications (2.1%)	-6.1	-0.1	-6.1	-0.1	-6.8	-0.1	-4.7	-0.1	-4.7	-0.1	-4.7	-0.1	-3.7
other services (31.2%)	3.9	1.3	3.8	1.3	4.1	1.3	4.3	1.3	4.4	1.4	4.3	1.4	3.9
All (100%)	**4.3**	**4.3**	**4.9**	**4.9**	**4.9**	**4.9**	**4.2**	**4.2**	**4.1**	**4.1**	**4.4**	**4.4**	**5.0**
All excluding energy (91.4%)	*5.2*	*4.7*	*4.7*	*4.3*	*4.2*	*3.9*	*3.9*	*3.6*	4.0	3.6	*3.8*	*3.5*	*4.9*
All excluding tabacco (98.2%)	4.2	4.1	*4.8*	*4.7*	*4.8*	*4.7*	*4.1*	*4.0*	4.0	3.9	*4.3*	*4.2*	*5.0*
Core inflation (60.6%)**	**5.0**	**2.9**	**4.6**	**2.7**	**4.6**	**2.7**	**4.3**	**2.5**	**4.0**	**2.4**	**3.9**	**2.3**	**5.2**

Provisionnal.
Forecast.
yoy: year-on-year; cyoy: contribution to the year-on-year value of the overall index.
* Consumer price index (CPI).
How to read it: in September 2023, consumer prices rose by 4.9% year-on-year, according to the provisional estimate. They are expected to rise by 4.4% year-on-year in December 2023.
Source: INSEE.

►7. Changes in the average wage per capita and the basic monthly wage

(changes in %, SA data)

	Quarterly change								Annual change								Average annual change		
	2022				2023				2022				2023						
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2021	2022	2023
Average wage per capita (SMPT) in non-agricultural market branches	1.2	1.2	1.0	1.8	1.2	1.0	1.0	1.6	6.7	6.6	4.2	5.2	5.2	5.0	5.0	4.8	5.7	5.7	5.0
Basic monthly wage (SMB)	0.9	1.1	1.0	0.9	1.6	0.9	1.0	0.9	2.3	3.1	3.7	3.9	4.7	4.5	4.5	4.5	1.5	3.2	4.5
SMPT in general govemment (GG)																	2.5	4.3	4.9
Real SMPT* in the non-agricultural market sectors	0.0	-0.7	-0.7	0.0	-0.8	-0.4	0.1	0.5	3.7	2.1	-1.2	-1.3	-2.2	-1.9	-1.1	-0.7	4.1	0.8	-1.5
Real SMB*	-0.3	-0.8	-0.7	-0.9	-0.4	-0.4	0.1	-0.2	-0.6	-1.3	-1.7	-2.6	-2.7	-2.4	-1.6	-1.0	0.0	-1.5	-1.9
Real SMPT* in general government																	0.9	-0.6	-1.6
Real SMPT** in the non-agricultural market sectors	-0.3	-0.7	-0.4	0.6	-0.3	-0.1	0.1	0.8	3.0	1.3	-1.6	-0.8	-0.8	-0.2	0.3	0.6	4.0	0.4	0.0
Real SMB**	-0.7	-0.8	-0.3	-0.3	0.2	-0.1	0.1	0.1	-1.3	-2.1	-2.0	-2.1	-1.3	-0.6	-0.2	0.3	-0.1	-1.9	-0.5
Real SMPT** in general government																	0.8	-0.9	-0.1

Forecast.
* as measured by the household consumption deflator (quarterly national accounts).
** as measured by the CPI - consumer price index.
How to read: in Q4 2023, the basic monthly wage (SMB) should grow by 0.9% compared with Q3.
Source: DARES, INSEE.

►8. Components of household gross disposable income

(quarterly and annual changes in %)

	Quarterly changes								Annual changes			
	2022				2023				2020	2021	2022	2023
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Gross disposable income (100%)	**-0.4**	**1.1**	**2.4**	**3.3**	**1.6**	**1.6**	**1.1**	**1.6**	**1.2**	**4.2**	**5.1**	**7.8**
of which:												
Earned income (72%)	1.9	1.4	2.1	1.7	1.2	1.0	1.2	1.9	-3.7	7.2	7.7	5.7
Gross wages and salaries (64%)	1.7	1.5	2.0	1.8	1.3	1.0	1.3	2.1	-4.0	7.7	8.3	6.1
GOS of sole proprietors* (8%)	3.0	0.0	2.5	0.5	0.4	0.8	0.2	0.2	-0.9	3.1	3.3	2.8
Social benefits in cash and other transfers (35%)	-2.0	-0.1	3.1	0.8	1.0	0.3	0.6	1.2	9.7	-1.8	0.4	4.0
GOS of “pure” households (20%)	0.2	1.4	3.9	5.5	4.2	3.2	3.6	2.7	-1.2	6.8	7.3	16.4
Social contributions and taxes (-27%)	4.2	0.5	3.7	-2.7	1.9	-0.4	2.8	2.9	-3.4	4.6	7.7	3.6
Household consumer prices	**1.1**	**1.8**	**1.7**	**1.8**	**2.0**	**1.4**	**0.9**	**1.1**	**0.9**	**1.5**	**4.9**	**6.6**
Purchasing power of gross disposable income	**-1.5**	**-0.7**	**0.7**	**1.5**	**-0.4**	**0.2**	**0.2**	**0.5**	**0.3**	**2.6**	**0.2**	**1.2**
Household purchasing power by consumption	**-1.6**	**-0.8**	**0.5**	**1.4**	**-0.6**	**0.1**	**0.1**	**0.3**	**-0.3**	**2.1**	**-0.4**	**0.7**

Forecast.

Note: the figures in brackets give the structure for 2019 The gross operating surplus (GOS) of sole proprietors is the operating surplus generated by self-employed workers. It is classified as mixed income because it represents the remuneration received by the sole proprietor, and potentially their family members, for their work, but it also incorporates the profit generated by their entrepreneurial activities.

How to read it: household disposable income grew by 1.6% in Q2 2023. It is estimated to have increased by 1.1% in Q3.

Source: INSEE.

►9. Household consumption and household savings ratio

(household consumption in quarterly and annual variations in %, household savings ratio in % of their gross disposable income)

	Share in consump-tion*	2022				2023				2021	2022	2023
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Household consumption												
Agricultural products	3.0	-2.3	-1.4	-1.5	-4.2	-1.6	0.5	0.3	0.2	-2.8	-6.2	-5.3
Manufactured products	39.8	-1.3	-0.9	-0.6	-0.9	-0.8	-1.3	0.7	0.1	4.1	-1.9	-2.6
Energy, water, waste	4.6	-1.4	-1.2	-0.3	-12.7	10.0	3.5	0.7	-0.1	4.6	-6.5	1.6
Construction	1.6	0.0	2.2	-1.5	0.0	-0.8	-3.0	0.0	0.0	14.7	2.4	-3.2
Trade (1)	1.3	-1.1	-0.6	-1.1	2.1	-0.3	0.3	0.3	0.1	10.6	-0.1	0.9
Market services excluding trade	45.7	-0.2	2.6	0.3	0.8	0.5	1.0	0.5	0.4	5.9	9.7	3.0
Non-market services	5.3	0.0	0.6	0.0	0.7	0.2	0.2	0.1	0.2	9.9	2.8	1.1
Territorial correction	*-1.2*	*33.2*	*14.8*	*-18.0*	*-7.2*	*6.6*	*36.8*	*8.4*	*3.0*	*16.3*	*149.0*	*26.3*
Total	**100.0**	**-1.2**	**0.6**	**0.2**	**-0.5**	**0.1**	**-0.5**	**0.4**	**0.2**	**5.1**	**2.1**	**-0.2**
Savings ratio, *in % of gross income*		**17.7**	**16.6**	**17.0**	**18.7**	**18.2**	**18.8**	**18.6**	**18.9**	**19.0**	**17.5**	**18.6**

Forecast.

* Weight in household final consumption expenditure in current euros in Q4 2019.

(1) this item corresponds to sale and repair of motor vehicles and motorbikes.

How to read it: in Q3 2022, household consumption of agricultural products would have risen by 0.3% compared with Q2.

Source: INSEE.

►10. Decomposition of margin rate of non-financial corporations (NFC)

(margin rate in % of NFC value added, changes and contributions in points)

	2021				2022				2023				2020	2021	2022	2023
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Margin rate	**36.9**	**35.2**	**32.3**	**31.5**	**31.4**	**31.8**	**32.3**	**31.4**	**31.7**	**33.2**	**33.4**	**33.1**	**32.2**	**33.9**	**31.7**	**32.9**
Variation in margin rate*	**2.2**	**-1.7**	**-2.9**	**-0.7**	**-0.2**	**0.4**	**0.6**	**-1.0**	**0.4**	**1.5**	**0.1**	**-0.2**	**-1.2**	**1.7**	**-2.2**	**1.2**
Contributions to variation in margin rate:																
productivity gains	-0.3	0.0	0.8	-0.3	-0.1	0.0	0.0	-0.3	-0.5	0.2	0.0	0.2	-5.8	1.9	-0.1	-0.5
real cost of labour per capita	0.3	-0.4	-1.6	0.0	-0.2	0.7	0.9	-0.3	0.5	0.3	0.0	-0.3	4.1	-2.7	-0.2	1.0
ratio of price of value added to consumer prices	0.1	-0.1	0.0	-0.3	0.3	0.2	-0.2	-0.4	0.2	1.2	0.1	-0.1	0.7	0.5	0.0	0.8
other factors (including subsidies and taxes on production)	2.1	-1.2	-2.1	-0.1	-0.1	-0.4	-0.1	0.0	0.2	-0.2	0.0	0.0	-0.2	1.9	-1.9	-0.1

Forecast

* the variation indicated here is the result of a difference calculated before rounding.

Note: the margin rate (*MR*) measures the share of value added that remunerates the capital.

This variation can be broken down additionally into:

- changes in productivity (*Y/L*), where *Y* is value added and *L* is employment, and in the ratio of the price of value added to consumer prices, or terms of trade *(Pva/Pc*), which have a positive effect;
- changes in the real cost of labour (*W/Pc*, where *W* represents the cost of labour per capita), which have a negative effect on the margin rate.
- other factors: these are mainly taxes on production net of subsidies, including the Solidarity Fund.

This breakdown can be synthesised in the equation:

$$TM=\frac{GOS}{VA}\approx 1-\frac{WL}{Y\,P_{VA}}+other\ factors=1-\frac{L}{Y}\frac{W}{P_C}\frac{P_C}{P_{VA}}+other\ factors$$

How to read it: in Q2 2023, the margin rate of non-financial corporations stood at 33.2% of their value added. It would have decreased slightly in the third quarter of 2023 to 33.4%.

Source: INSEE.

►11. International environment

(levels; quarterly changes –annual changes for the last three columns– in %)

	2022				2023				2021	2022	2023
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Euro-dollar exchange rate	1.12	1.06	1.01	1.02	1.07	1.09	1.09	1.06	1.18	1.05	1.08
Brent crude oil barrel (in dollars)	101	114	101	89	81	78	87	93	71	101	85
Barrel of Brent (in euros)	90	107	100	87	76	72	80	88	60	96	79
World trade	1.2	1.1	1.5	-1.1	-0.2	0.8	0.1	0.1	11.1	6.3	0.7
Imports by advanced economies	2.4	1.2	1.0	-1.3	-0.4	-0.7	0.2	0.1	10.2	7.6	-1.0
Imports by emerging economies	-2.0	0.9	2.9	-0.4	0.2	4.6	-0.2	0.0	12.9	2.8	4.9
World demand for French products	1.4	1.1	1.3	-1.3	-0.3	0.5	0.2	0.3	10.7	6.7	0.2
Gross domestic product (changes)											
France	-0.1	0.4	0.3	0.1	0.0	0.5	0.1	0.2	6.4	2.5	0.9
Germany	1.0	-0.1	0.4	-0.4	-0.1	0.0	0.0	0.1	3.1	1.9	-0.2
Spain	0.1	1.2	0.3	-0.2	0.6	-0.4	0.2	0.2	7.0	3.8	0.8
Italy	0.3	2.5	0.5	0.5	0.6	0.5	0.4	0.4	6.4	5.8	2.6
United Kingdom	0.5	0.1	-0.1	0.1	0.3	0.2	0.1	0.2	8.7	4.3	0.6
United States	-0.5	-0.1	0.7	0.6	0.6	0.5	0.3	0.2	5.8	1.9	1.9
China	1.0	-1.9	3.2	0.5	2.2	0.8	0.8	0.8	8.7	3.2	5.0

Forecast.

Source: Commodity Research Bureau, OECD Balanced Trade Statistics, CHELEM – Trade (CEPII), INSEE, DESTATIS, ISTAT, INE, ONS, BEA, NBSC, INSEE calculations.

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