

United States

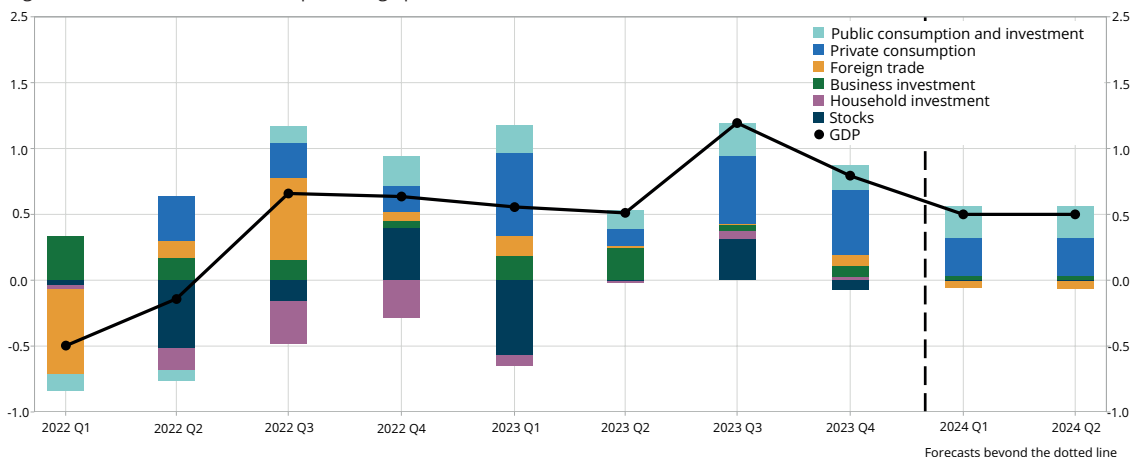
Despite the monetary tightening imposed by the Federal Reserve since the start of 2022, the American economy remained solid throughout 2023. GDP increased by 0.8% in the course of Q4 2023, after +1.2% in Q3 (► [Figure 1](#)) with growth at +2.5% across the whole year. Private consumption was particularly strong (+0.7% in Q4 and +2.2% for the year), with households benefitting from strong job creations and once again reducing their savings ratio in H2. In addition, activity continued to receive substantial public support, with government consumption and investment increasing by 1.0% in Q4 and 4.0% across the year. Only home investment was badly affected by the monetary tightening and fell back sharply (-10.6% in 2023 after -9.0% in 2022).

Inflation declined significantly from mid-2022 to mid-2023 and has remained at around 3% since then: it was +3.1% year-on-year in January (► [Figure 2](#)). Energy prices are down year-on-year (-4.6%), in the wake of oil prices. Food prices continue to decelerate (+2.6% in January 2024 after +2.7% in December 2023 and +10.1% a year earlier in January 2023). Core inflation still remains fairly high (+3.9%), boosted by the momentum of wages and housing costs, but it is coming down gradually.

Business tendency surveys picked up at the start of 2024 indicating that activity is still sustained. Job creations are expected to remain strong and wages dynamic, enabling households to reap the benefits of increased purchasing power. Private consumption is expected to increase once again in H1 2024, albeit at a slower pace than at the end of 2023, as the margins for downward adjustments of the savings ratio are diminishing. Home investment is expected to remain sluggish, due to the real estate market situation: mortgage rates remain high, and so are likely to continue to hinder purchase plans. Public consumption and investment should continue to increase vigorously. Exports, which were up 1.6% in Q4 2023, are expected to improve but at a slower pace in H1 2024, in line with demand for products. Because domestic demand is so buoyant, imports are expected to increase a little faster, and thus the contribution of foreign trade to growth is likely to be slightly negative. All in all, GDP should grow by 0.5% per quarter in Q1 and Q2 2024, with the mid-year growth overhang for 2024 standing at +2.2%. ●

► 1. Contributions of United States GDP components to growth

(quarterly change in GDP in %, contributions in percentage points)

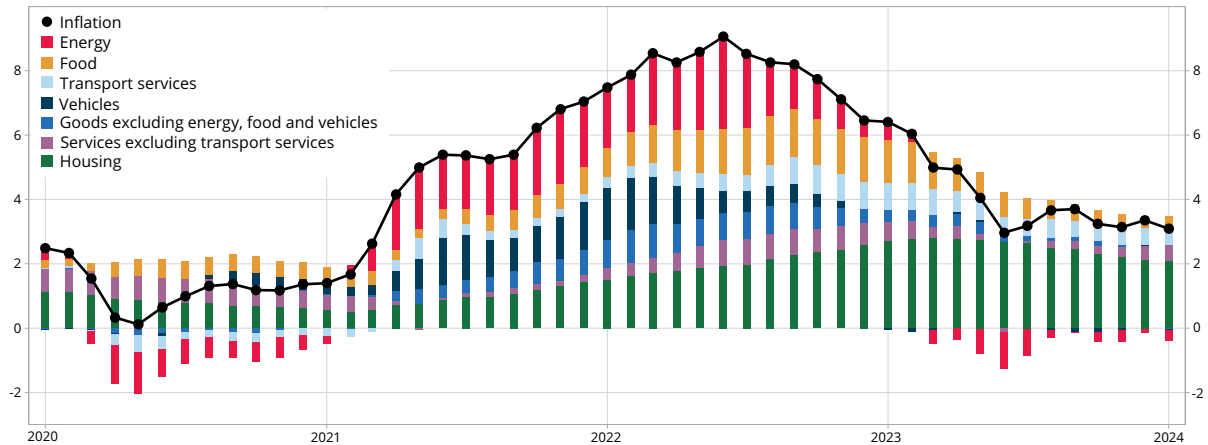


How to read it: in Q4 2023, US GDP increased by 0.8% and private consumption contributed +0.5 points to this growth.

Source: Bureau of Economic Analysis and INSEE forecast.

► 2. Year-on-year variation in the consumer price index

(year-on-year change in the CPI in %, contributions in percentage points)



Last point: January 2024.

Note: the "Housing" item in the consumer price index (CPI) in the United States includes the price of rents, particularly imputed rents (which is not the case in the French CPI, where only actual rents are taken into account). This is not the case in the French CPI, where only actual rents are taken into account). The Harmonised Indices of Consumer Prices (HICPs) presented in the The Harmonised Indices of Consumer Prices (HICPs) presented in the inflation section of this Economic Outlook Report cover only actual rents, allowing comparisons to be made between countries.

How to read it: in January 2024, private consumption rose by 3.1% year-on-year in US, with housing prices accounting for +2.1 percentage points of this increase.

Source: Bureau of Labor Statistics.