

## Warning

This sheet was modified on 23/04/2025 to correct Figure 1 (correction of contributions to annual growth in 2024).

# Economic activity

In Q4 2024, activity declined slightly in France (-0.1% after +0.4%; ► [Figure 1](#)), the result of a backlash effect after the one-off boost from the Paris Olympic and Paralympic Games in the summer. Domestic demand increased once again, still driven by household consumption (+0.3% after +0.6% in Q3) and government consumption (+0.4% after +0.5%), while investment was virtually stable (-0.1% after -0.7%). However, companies met this additional demand, in particular the one-off upturn in vehicle registrations, by drawing on their inventories: the contribution of changes in inventories (-0.3 points) thus cancels out that of domestic demand (+0.2 points) (► [Figure 2](#)). Foreign trade made zero contribution this quarter: exports rebounded (+0.4% after -0.8%), as did imports (+0.4% after -0.3%), but this apparent overall equality masks some significant divergences by product: exports of services declined after exceptional sales of Olympic Games tickets and broadcasting rights, while exports of manufactured goods increased sharply.

On the supply side, activity continued to decline in the manufacturing industry: value added decreased by 0.7%, after -0.3% in Q3 (► [Figure 3](#)). Activity in the manufacturing of transport equipment remained depressed (-0.7% after -1.5%) and edged down in the manufacture of "other industrial products" (-1.6% after being stable) and capital goods (-0.6% after +0.1%). In construction, activity declined for the sixth consecutive quarter and more sharply than in Q3 (-0.8% after -0.2%). Meanwhile, activity in market services fell back slightly in reaction to the one-off boost from the Olympic Games in Q3 (-0.2% after +0.6%). Only non-market branches ensured that activity was able to hold up (+0.2% after +0.5%).

On average throughout 2024, GDP increased by 1.1%, as in 2023, but its composition changed. Private domestic demand stagnated: penalised because financing conditions remained difficult, both corporate investment (-1.6% after +3.1%) and household investment (-6.0% after -8.2%) fell back, while household consumption increased at the same rate as the previous year (+0.9%). However, activity benefitted from the acceleration in government consumption (+2.0% after +0.8%) and support from foreign trade (contribution of +0.9 points to growth, after +0.6 points; ► [Figure 4](#)), although partly offset by changes in inventories (-0.4 points). On the supply side, manufacturing value added weakened in 2024 (-0.4%) after a year of dynamic growth in 2023 (+2.5%). The decline was even sharper in construction: -2.8% in 2024 after +2.2%. Activity was further penalised by poor harvests in 2024 which hampered agricultural value added (-11.9% after +4.9% in 2023), but was supported by a further increase in value added in the energy branch (+8.3% after +23.5%) following the restarting of nuclear power plants. Finally, value added in market services accelerated slightly (+1.9% after +1.4%), driven by the Paris Olympic and Paralympic Games.

## ► 1. Goods and services: resources-uses balance at chain-linked prices for the previous year, in quarterly and annual change

(quarterly and annual changes, in %; seasonally adjusted data - YTD)

	2023				2024				2025		2023	2024	2025 ovhg
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2			
<b>Gross domestic product</b>	<b>-0.1</b>	<b>0.7</b>	<b>0.1</b>	<b>0.5</b>	<b>0.1</b>	<b>0.3</b>	<b>0.4</b>	<b>-0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>1.1</b>	<b>1.1</b>	<b>0.4</b>
Imports	-2.0	1.8	-0.8	-1.8	-0.2	0.2	-0.3	0.4	0.1	0.4	0.7	-1.4	0.6
Total resources	-0.3	0.9	0.0	0.2	0.1	0.4	0.3	0.1	0.0	0.2	1.3	0.9	0.5
Household consumption expenditure	0.2	0.0	0.5	0.2	0.1	0.0	0.6	0.3	0.4	0.2	0.9	0.9	1.0
General government consumption expenditure*	-0.3	0.1	0.5	0.5	0.7	0.4	0.5	0.4	0.0	0.2	0.8	2.0	0.8
of which individual general government expenditure	-0.3	-0.1	0.5	0.3	0.5	0.2	0.5	0.4	0.3	0.3	0.5	1.4	1.1
of which collective general government expenditure	-0.3	0.5	0.6	0.9	1.1	0.8	0.6	0.5	-0.7	0.0	1.2	3.4	0.2
Gross fixed capital formation (GFCF)	-0.3	0.5	-0.1	-0.7	-0.7	0.1	-0.7	-0.1	0.2	-0.1	0.7	-1.5	-0.4
of which Non-financial enterprises (NFE)	0.1	0.8	0.4	-0.7	-0.9	0.0	-1.1	-0.2	0.2	-0.4	3.1	-1.6	-0.8
Households	-3.0	-1.4	-2.3	-1.8	-2.2	-0.9	-0.6	-0.3	-0.3	0.0	-8.2	-6.0	-1.1
General government	2.3	2.1	0.8	0.4	1.1	1.3	-0.1	-0.1	0.5	0.4	7.1	3.2	1.0
Exports	-1.6	3.2	-0.7	0.6	-0.1	0.8	-0.8	0.4	0.0	0.4	2.5	1.1	0.4
Contributions (in points)													
Domestic demand excluding inventory**	-0.1	0.2	0.4	0.1	0.1	0.1	0.3	0.2	0.2	0.1	0.9	0.6	0.6
Changes in inventories**	-0.2	0.1	-0.3	-0.5	0.0	-0.1	0.3	-0.3	-0.1	0.1	-0.4	-0.4	-0.2
Foreign trade	0.2	0.5	0.0	0.9	0.0	0.2	-0.2	0.0	0.0	0.0	0.6	0.9	-0.1

■ Forecast.

\* Consumption expenditure of general government and non-profit institutions serving households (NPISH).

\*\* Changes in inventories include acquisitions net of valuable items.

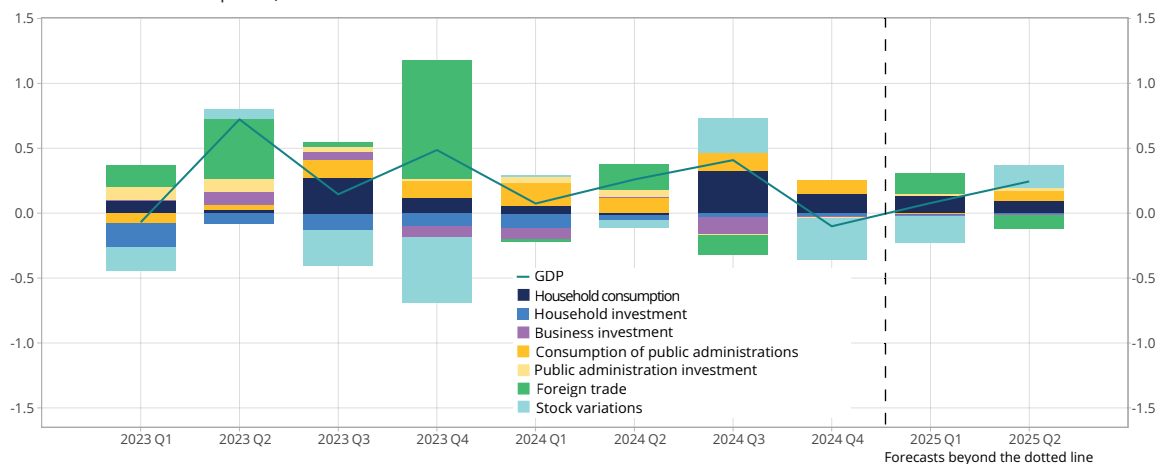
**How to read it:** in Q4 2024, the imports increased by 0.4%.

**Source:** INSEE.

According to business tendency surveys, the situation at the beginning of 2025 remains gloomy. The business climate indicator, which stood at 96 in February, has remained below its long-term average since the summer (► [Figure 5](#)). The employment climate returned to normal in 2024, while still remaining slightly more positive than the business climate, but then deteriorated significantly in February. It reached 94, its lowest level since March 2015 (excluding the health crisis). Lastly, household confidence, which picked up briefly in early autumn 2024, edged down in December then rallied at the start of the year to reach 93 in February, one of its highest levels since the invasion of Ukraine, but still below its long-term average.

## ► 2. Quarterly variations in GDP and contributions of main demand items

(variations in % and contributions in points)



**How to read it:** in Q1 2025, GDP is expected to increase on the first quarter (+0.4%); the contribution of household consumption contributing around +0.1 points.  
**Source:** INSEE.

## ► 3. Quarterly changes in economic activity by industry

(quarterly changes in value added in %)

Branch	weight in %	2023				2024				2025		2023	2024	2025 ovhg
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2			
<b>Agriculture, forestry and fishing</b>	<b>1.6</b>	<b>1.9</b>	<b>0.9</b>	<b>-1.6</b>	<b>-3.7</b>	<b>-4.8</b>	<b>-4.2</b>	<b>-2.3</b>	<b>-0.2</b>	<b>3.6</b>	<b>3.2</b>	<b>4.9</b>	<b>-11.9</b>	<b>3.5</b>
<b>Industry</b>	<b>13.4</b>	<b>2.6</b>	<b>3.2</b>	<b>0.9</b>	<b>1.9</b>	<b>-0.9</b>	<b>0.1</b>	<b>0.7</b>	<b>-0.5</b>	<b>-0.5</b>	<b>-0.2</b>	<b>5.8</b>	<b>2.0</b>	<b>-0.6</b>
Manufacturing industry	11.2	1.3	1.7	-0.1	0.5	-0.2	-0.8	-0.3	-0.7	-0.4	-0.1	2.5	-0.4	-1.3
Manufacture of food products, beverages and tobacco-based products	1.9	-1.1	0.8	-1.6	-0.7	3.6	-1.6	-0.6	0.9	0.0	-	-4.7	1.2	-
Coke and refined petroleum	0.1	-2.9	8.6	10.7	0.1	-1.8	6.0	2.5	10.5	0.0	-	31.5	14.4	-
Manufacture of electrical, electronic, computer equipment; manufacture of machinery	1.5	3.4	1.6	-1.1	-0.8	-1.1	-0.8	0.1	-0.6	-0.8	-	4.8	-2.6	-
Manufacture of transport equipment	1.7	6.5	5.3	-0.9	1.7	-5.8	-1.8	-1.5	-0.7	0.5	-	14.0	-5.9	-
Manufacture of other industrial products	6.1	-0.1	0.7	0.4	0.9	0.4	-0.4	0.0	-1.6	-1.0	-	0.5	0.7	-
Extractive industries, energy, water, waste treatment and decontamination	2.2	9.1	10.6	5.3	7.6	-5.5	2.4	3.1	0.1	-0.8	-0.4	23.5	8.3	-
<b>Construction</b>	<b>5.7</b>	<b>1.4</b>	<b>0.9</b>	<b>-0.3</b>	<b>-0.7</b>	<b>-1.5</b>	<b>-0.7</b>	<b>-0.2</b>	<b>-0.8</b>	<b>-0.3</b>	<b>-0.1</b>	<b>2.2</b>	<b>-2.8</b>	<b>-1.3</b>
<b>Mainly market services</b>	<b>57.5</b>	<b>-0.5</b>	<b>0.8</b>	<b>0.2</b>	<b>0.6</b>	<b>0.5</b>	<b>0.4</b>	<b>0.6</b>	<b>-0.2</b>	<b>0.1</b>	<b>0.3</b>	<b>1.4</b>	<b>1.9</b>	<b>0.6</b>
Trade; repair of automobiles and motorcycles	10.2	-1.2	0.5	-0.1	-0.1	0.4	-0.3	-0.6	0.4	-0.3	-	-1.1	0.1	-
Transport and storage	4.4	-3.7	0.9	-1.5	0.1	0.9	0.4	0.1	0.3	0.3	-	-3.9	0.9	-
Financial and insurance activities	3.6	-1.5	-1.4	-1.6	-0.3	0.6	2.1	0.1	-1.3	0.3	-	-2.3	0.4	-
Real estate activities	14.0	0.0	0.2	0.1	0.2	0.3	0.3	0.2	0.2	0.2	-	0.6	0.9	-
Accommodation and catering	2.4	2.3	3.9	1.0	0.6	0.6	0.8	0.4	0.4	0.2	-	12.8	3.5	-
Information and communication	5.5	1.1	1.7	1.3	1.4	1.0	0.8	2.0	-0.3	0.8	-	6.3	4.7	-
Scientific and technical activities; administrative and support services	14.5	0.1	1.5	1.1	1.6	0.4	0.5	0.8	-0.3	0.3	-	3.3	3.4	-
Other service activities	3.0	0.4	0.7	-0.1	0.1	0.6	0.3	3.4	-3.2	0.0	-	3.3	1.9	-
<b>Mainly non-market services</b>	<b>21.7</b>	<b>-0.4</b>	<b>-0.4</b>	<b>0.1</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>-0.7</b>	<b>1.5</b>	<b>0.9</b>
<b>Total VA</b>	<b>100</b>	<b>0.1</b>	<b>0.9</b>	<b>0.2</b>	<b>0.6</b>	<b>0.1</b>	<b>0.3</b>	<b>0.5</b>	<b>-0.2</b>	<b>0.1</b>	<b>0.2</b>	<b>1.6</b>	<b>1.3</b>	<b>0.4</b>

■ Forecast.

**How to read it:** in Q4 2024, value added in the transport equipment manufacturing branch fell by 0.7%. It is expected to rise by 0.5% in Q1 2025.  
**Source:** INSEE.

## French economic outlook

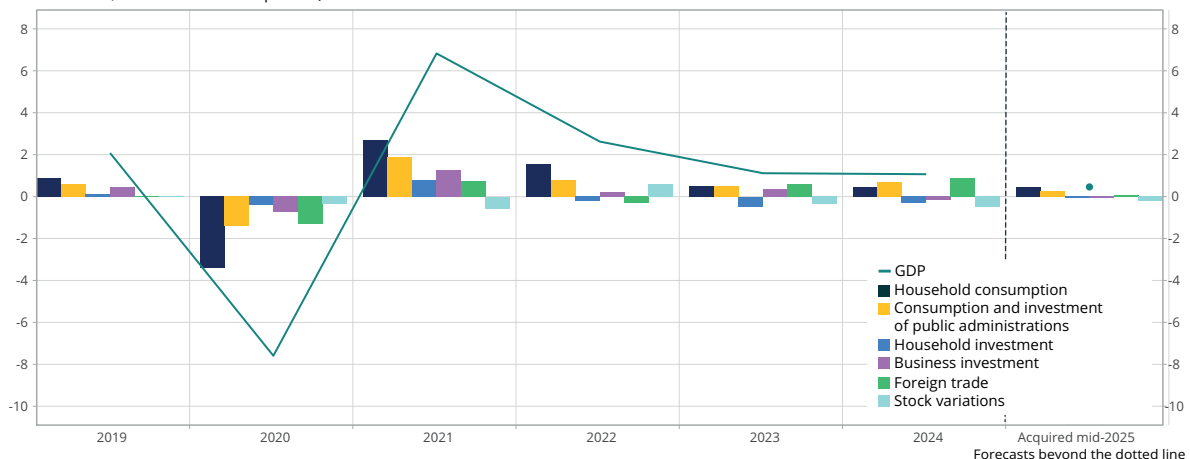
In this unfavourable climate, GDP is not expected to increase much at all in Q1 (+0.1%). Activity in the manufacturing industry is unlikely to get going straight away (-0.4% in Q1): although a slight rebound is expected in automobile production after it plummeted in 2024 (-14% in 2024 compared to 2023), activity in the manufacture of capital goods, and also in “other manufacturing industries” – which notably include the energy-intensive industries – is likely to deteriorate considerably. This weak industrial activity is also likely to hamper that of market services (+0.1%), even though final jobs are more dynamic in relative terms: in particular, household consumption of market services is expected to increase by +0.4% and corporate investment by +0.5%. Activity in construction is likely to see a decline, although a little less pronounced than at the end of 2024 (-0.3% after -0.8%). Finally, activity is expected to be particularly dynamic in agriculture, as a reaction to the poor harvests in 2024 (+3.6% growth in Q1).

In Q1, no support can be expected from foreign trade and only domestic demand is likely to make a positive contribution to growth. With the State operating under special law before the 2025 budget was adopted, it is likely that government consumption will come to a standstill (► **Focus** on the effects of the consolidation of the 2025 budget on growth). In particular, collective expenditure, which boosted growth especially well in 2024, is expected to edge down significantly (-0.7% after seven consecutive quarters of increase). Household consumption is likely to accelerate slightly (+0.4%), but household investment looks set to continue its decline (-0.3%): investment in construction is also expected to continue to decline, although less sharply than previously (-0.5% after -1.7% in Q4 2024), and investment in services looks set to increase in the wake of real estate transactions (+0.5% after +4.5%). Regarding businesses, investment in manufactured goods is expected to be given a short-term boost by automobile purchases (+0.5% after +0.1%), due to advance purchases before the tightening of the ecological penalty came into effect on 1<sup>st</sup> March, while the decline in construction investment is expected to continue (-0.5% after -1.1%), reflecting the small numbers of construction starts for business premises. Only investment in services looks set to continue to increase a little (+0.5% after +0.2%), leading overall to a slight improvement in corporate investment in Q1 (+0.2% after -0.2%).

In Q2 2025, activity is expected to accelerate slightly (+0.2%), but manufacturing output looks set to be sluggish (-0.1%), penalised by planned shutdowns in the metallurgy industry, while construction activity should stabilise gradually (-0.1%). The value added of market services is expected to accelerate slightly (+0.3%), with agricultural activity remaining dynamic (+3.2%).

### ► 4. Annual variations in GDP and contributions of main demand items

(annual variations in %; contributions in points)



**Note:** general government consumption also includes consumption by non-profit institutions serving households (NPISH).

**How to read it:** in 2023, GDP would increase by 1.1%; the contribution of household consumption amounted to +0.9 points.

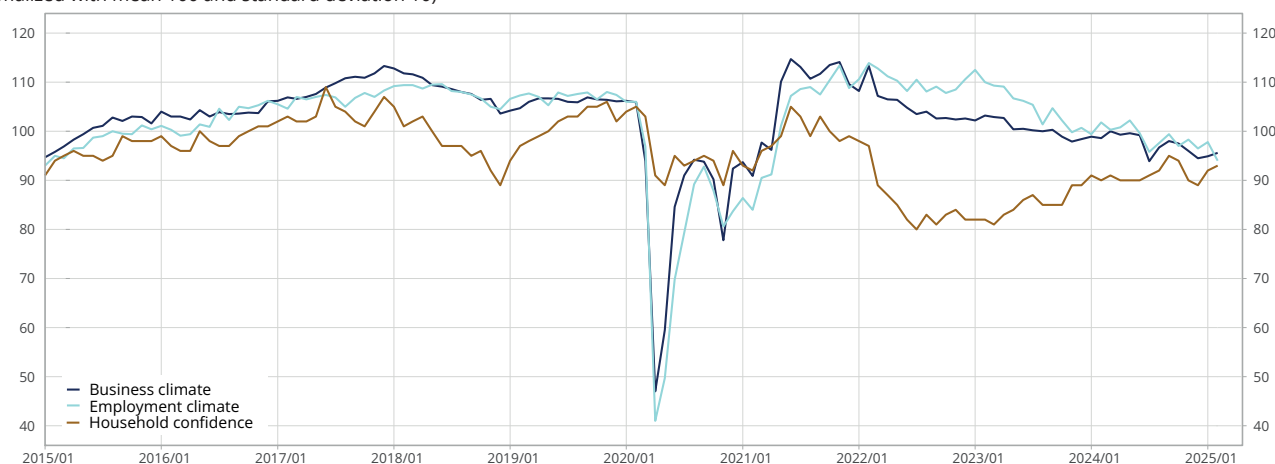
**Source:** INSEE.

As in Q1, growth is expected to be driven solely by domestic demand. Corporate investment is expected to edge down (-0.4%); investment in services and construction should maintain the same pace as in the previous quarter, while investment in manufactured goods is no longer expected to benefit from advance automobile purchases (-1.5%). Household investment should finally stop its decline and household consumption is expected to continue its moderate growth (+0.2%). Finally, after the standstill linked to the institutional situation at the beginning of the year, government consumption is likely to increase a little in Q2 (+0.2%), but at a significantly slower pace than in 2024, reflecting the budgetary guidelines adopted at the beginning of the year.

The mid-year growth overhang for 2025 is expected to be modest, at +0.4%. This forecast remains surrounded by uncertainty, however, especially with regard to the effects of fiscal consolidation ([► Focus](#) on the effects of the consolidation of the 2025 budget on growth), the continuing decline in interest rates ([► Focus](#) on the transmission of base interest rate cuts to corporate lending rates) and US customs measures ([► Box in the International synthesis sheet](#) on the impact of US tariffs). ●

## ► 5. Business climate, employment climate and household confidence in France

(normalized with mean 100 and standard deviation 10)



**Last point:** February 2025.

**How to read it:** in February 2025, business climate in France stands at 96, below its long-term average of 100.

**Source:** business and consumer surveys, INSEE.