

Consumer prices

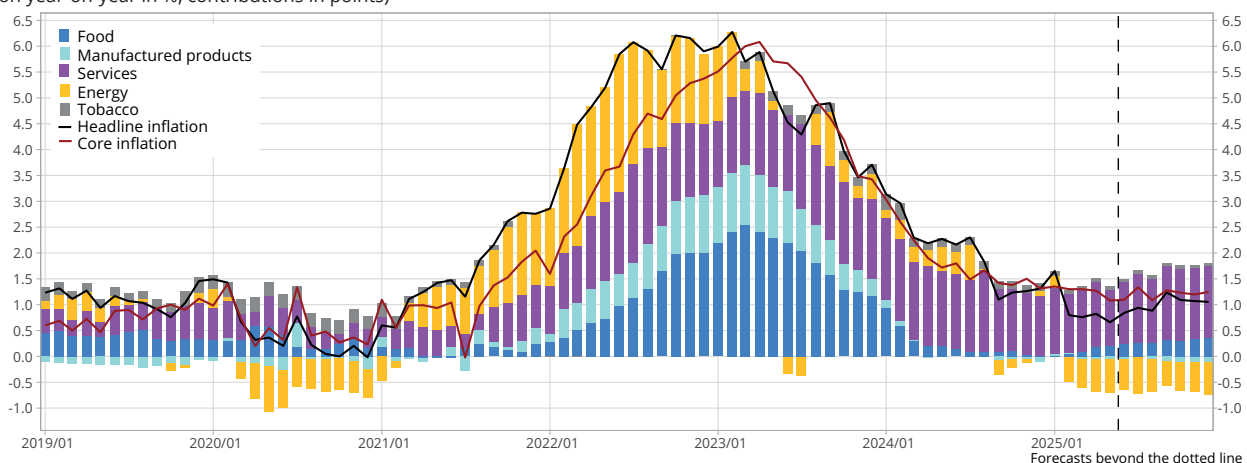
Year-on-year change in consumer prices in France has fallen back sharply over the past two years, from over 6% at the start of 2023 to less than 1% since February 2025 (► [Figure 1](#)). Inflation stood at +0.7% year on year in May. As in all the advanced economies, the drop in the price of oil per barrel (► [Sheet Energy and commodities](#)) has contributed to the decline in the prices of oil products (-9.7% year on year in May). However, inflation is now significantly lower in France than in other European countries. Wages in France have been less buoyant, holding back prices of services. The timing of the setting of administered electricity prices led to a sharp fall starting in February 2025, and competition between operators has caused telecommunication prices to plummet (-15.5% year on year in May). Food inflation, which had been below 1% since the summer of 2024, has nevertheless begun to rise since the start of 2025, and stood at +1.3% year on year in May, driven by the introduction in March of the tax on sugar-sweetened beverages in the financial laws for 2025, and by the passing on of the recent surge in tropical commodity prices to consumer prices.

Over the forecasting period, inflation is set to pick up slightly to +1.1% year on year in December 2025, assuming that the price per barrel of crude oil remains unchanged at €57.50 (i.e. \$65, and assuming an exchange rate of \$1.13/€). This rise should be driven by prices in food and services. In the food sector, advance indicators (producer prices and price outlook in business surveys) suggest that prices will continue to rise in H2 2025. In services, the price war between telephone operators is gradually coming to an end. With regard to manufactured goods, the year-on-year fall in prices is likely to be accentuated slightly by the rise of the euro against the dollar. Finally, energy prices are expected to continue to fall year on year in December, at a rate comparable to that seen in May.

Over the forecasting period, the year-on-year decline in the prices of energy products is likely to continue at a similar pace to that seen in May, i.e. at -8.0% in December (► [Figure 2](#)). The price of oil products is expected to remain stable: after falling throughout H2 2024, its year-on-year decline is expected to ease by December (-6.2% forecast for December 2025, after -9.7% in May). However, this smaller decline is likely to be offset by the stabilisation of gas prices in the summer, with the result that in December, the year-on-year rise in gas prices should fall back to +2.5% after reaching +22.3% in May. Tariffs look set to fall in June 2025 in the wake of the drop in market prices, whereas they had been following a generally upward trend in H2 2024. The forecast incorporates the expected increase in the gas distribution tariff (ATRD) in July, which takes account of the supply, transport and storage costs borne by gas suppliers, and is much lower than last year. Lastly, electricity prices are expected to stabilise at their May level, down 14.3% year on year, in the absence of any planned increase in the regulated sales tariff (TRV) this summer. The effect of the VAT increase on gas and electricity contracts in August (from +5.5% to +20%) is likely to be fully offset by a reduction in excise duty, and should therefore not affect their prices.

► 1. Headline inflation and contributions by item

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



Last point: May 2025, final CPI.

How to read it: in May 2025, headline inflation is expected to rise by +0.7%. Energy contributed -0.7 points, while services contributed +1.1 points.

Source: INSEE.

French economic outlook

Food inflation is set to rise over the forecasting period, from +1.3% year on year in May to +2.5% in December. Food prices excluding fresh produce are expected to be more buoyant than last year on a month-on-month basis, with the result that their year-on-year rise should reach +2.4% in December 2025, after +1.3% in May, against a backdrop of the end of trade negotiations in the spring and a rebound in producer prices in the agri-food industries, especially for meat and eggs since the start of 2025 (► **Figure 3**). The balances relating to expected prices in the spring 2025 business tendency surveys for the agri-food industry and food retail trade also remain significantly higher than last year. In addition, the surge in tropical commodity prices, particularly cocoa and coffee, is set to keep working through (► **Focus** on consumer prices for coffee- and cocoa-based products). Prices of fresh produce should also gather pace as a result of the base effect, rising from +1.5% in May to +3.1% in December.

► 2. Headline inflation, past and forecast

(change in %, contributions in points)

CPI groups* (2025 weightings)	April 2025	May 2025	June 2025	September 2025	December 2025	Annual averages		
						2023	2024	2025
Food (14.6%)	1.2	1.3	1.6	2.1	2.5	11.8	1.4	1.5
fresh food (1.7%)	4.0	1.5	1.9	2.9	3.1	9.6	1.9	2.2
other food product (12.9%)	0.9	1.3	1.6	2.0	2.4	12.2	1.3	1.4
Tabacco (1.6%)	4.1	4.1	4.1	4.1	4.0	8.0	10.3	4.3
Manufactured products (22.8%)	-0.2	-0.2	-0.2	-0.4	-0.4	3.5	0.0	-0.2
clothing and footwear (3.3%)	0.1	0.0	0.0	-0.4	-0.4	2.5	0.4	0.1
medical products (4.1%)	-1.2	-0.9	-0.9	-0.9	-0.6	-0.7	-1.2	-1.0
other manufactured products (15.4%)	0.0	-0.1	0.0	-0.2	-0.4	4.7	0.2	-0.1
Energy (8.1%)	-7.8	-8.0	-7.7	-6.2	-8.0	5.6	2.3	-6.5
oil products (3.8%)	-10.4	-9.7	-8.2	-3.7	-6.2	-1.7	-4.7	-6.5
Services (52.8%)	2.4	2.1	2.3	2.7	2.6	3.0	2.7	2.4
rent, water, refuse collection (8.0%)	2.7	2.7	2.6	2.6	2.2	2.8	2.8	2.5
health services (6.4%)	1.4	0.8	1.5	3.7	3.2	-0.2	0.6	2.2
transport (3.1%)	3.9	1.2	1.9	0.2	0.1	6.3	2.5	1.0
communications (1.8%)	-11.8	-15.5	-12.4	-6.6	-5.2	-3.6	-8.1	-10.5
other services (33.5%)	3.2	3.3	3.2	3.3	3.2	3.9	3.9	3.3
including accommodation and catering (9.0%)	1.9	2.0	2.0	2.1	2.4	5.3	3.1	2.3
including social protection (5.0%)	4.5	4.4	4.7	4.8	4.9	4.2	3.5	4.6
including insurance (3.5%)	8.9	10.2	9.5	9.2	7.6	3.4	8.0	9.2
All (100%)	0.8	0.7	0.8	1.2	1.1	4.9	2.0	1.0
All excluding energy (91.9%)	1.6	1.4	1.6	1.9	1.9	4.8	2.0	1.6
All excluding tabacco (98.4%)	0.8	0.6	0.8	1.2	1.0	4.8	1.8	0.9
Core inflation** (61.4%)	1.3	1.1	1.1	1.3	1.2	5.1	1.8	1.2

■ Forecast.

* Consumer price index (CPI).

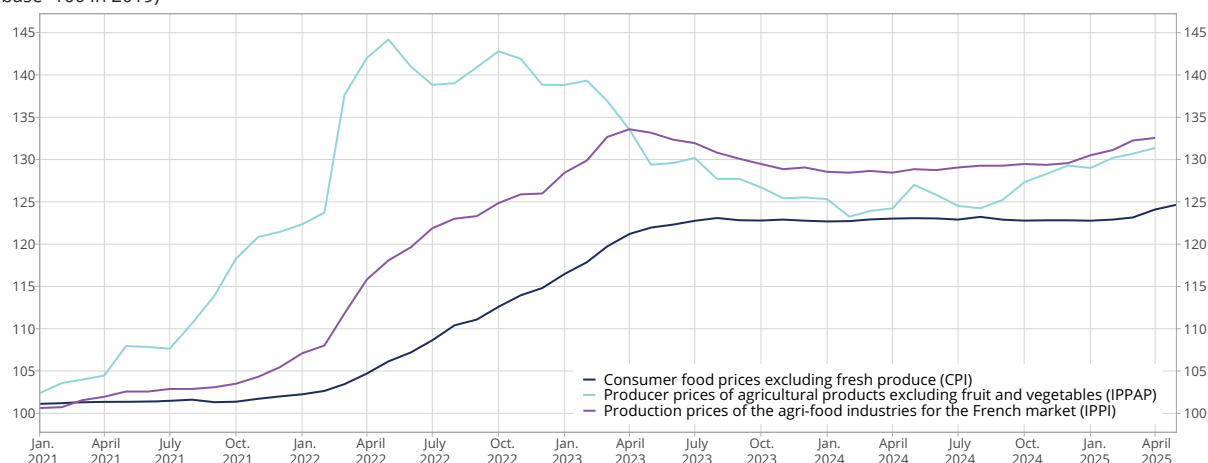
** Index excluding public tariffs and products with volatile prices, corrected for tax measures.

How to read it: in May 2025, headline inflation over the year stood at +0.7%. Year on year, food prices rose by 1.3%.

Source: INSEE.

► 3. Variation in prices along the food production chain

(in level, base=100 in 2019)



Last point: April 2025 for IPPA and IPPI, May 2025 for CPI.

How to read it: in April 2025, compared to their 2019 average, consumer food prices excluding fresh produce increased by 24.1%, agrifood industry producer prices for the French market by 32.6% and agricultural producer prices (excluding fruit and vegetables) by 31.4%.

Source: INSEE.

Prices of manufactured goods are set to continue their slight decline over the forecasting period: their year-on-year fall is expected to reach -0.4% in December 2025, after -0.2% in May. Prices of manufactured goods are likely to be driven down by the rise in the euro against the dollar and Asian currencies, and by the recent drop in sea freight prices.

Prices of services look set to accelerate over the forecasting period, reaching +2.6% in December after +2.1% in May. Services should therefore remain the main contributors to headline inflation throughout the forecasting period, due to their significant weight in total consumption (around half of the basket). This increase in inflation in services has essentially been due to the end of the price reductions in communication services: their year-on-year decline is expected to ease gradually, reaching -5.2% in December after -15.5% in May. Prices of healthcare services should gather pace, rising by 3.2% year on year in December, after +0.8% in May. On the one hand, the drop in the prices of healthcare laboratory analyses in September 2024 is likely to fall outside the year-on-year variation due to a base effect, and on the other hand, an increase in the prices of consultations with paramedical professionals and certain medical specialists is expected in July 2025. Prices of transport services, which are expected to rise by 0.1% year on year in December, after +1.2% in May, should continue their slowdown which began in the winter, particularly in air transport, with the drop in the price of kerosene being passed on to consumers. Inflation in “other services” to households (+3.3% in May) is likely to dip very slightly (+3.2% in December). The slowdown in wages observed since the end of 2023 should be passed on to the prices of market services, albeit slowly (► [Figures 4a](#) and [4b](#)). In addition, social protection prices, which rose sharply with the increases in daycare fees in January and childminders’ fees in April, are set to rise further until the end of the year as a result of the decision to allow certain categories of private nursing homes for elderly dependent people (EHPADs) to adjust their prices.

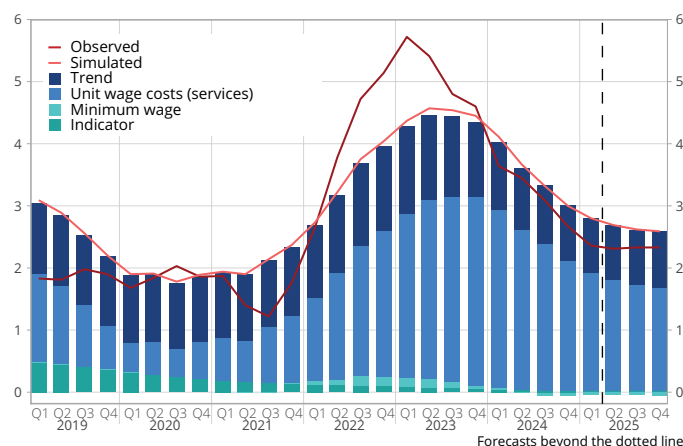
The year-on-year rise in tobacco prices, which reached +4.1% in May, is expected to remain virtually stable until December, at +4.0%.

Underlying inflation, which does not include volatile prices such as energy, tropical foodstuffs, meat, eggs, or administered medical and social tariffs, is expected to rise only slightly to +1.2% in December year on year, after +1.1% in May. Headline inflation excluding energy looks set to rise more sharply to +1.9% in December, after +1.4% in May, due to the expected increases in the prices of food and healthcare services. Inflation within the meaning of the Harmonised Index of Consumer Prices, (HICP), which differs in its method of accounting for prices of goods and healthcare services, was slightly lower than inflation within the meaning of the Consumer Price Index (CPI) in May (+0.6% year on year versus +0.7%), and the gap is expected to widen slightly by December (+0.7% versus +1.1%) (► [Box](#) on differences between the CPI and HICP). ●

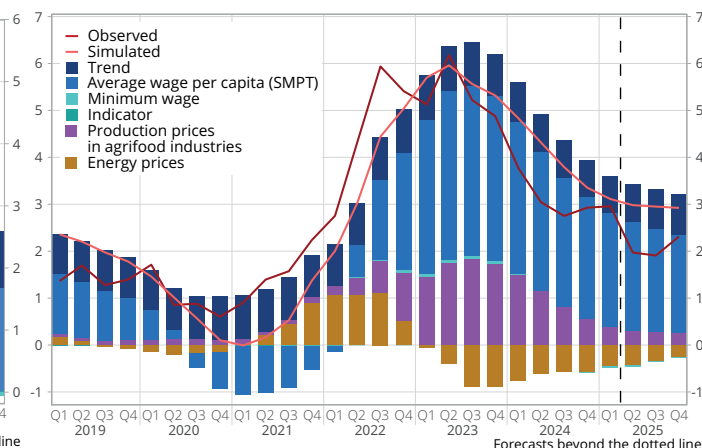
►4. Modelling of prices for other market services and accommodation and food services

(year-on-year, % change)

a. Other market services excluding administered tariffs, and excluding accommodation and food services¹



b. Accommodation and food



¹ “other market services” includes the “other services” item, subtracted from the prices of accommodation and food services, which are modelled separately, as well as administered, regulated or excessively volatile prices. For more details on modelling, see ► [Benckekara and Roulleau, 2023](#).

Last point: Q4 2025 (forecast from Q2 2025).

How to read it: in Q1 2025, The simulated year-on-year change in the prices of accommodation and food services stands at +3.1%, with a contribution of +2.4 points from the average wage per capita (SMPT) in market services. The year-on-year change in these prices stood at +3.0%.

Source: INSEE.

After being more vigorous since 2021, HIPC inflation should be slightly lower than CPI inflation in 2025

Paul Aventin et Gaston Vermersch

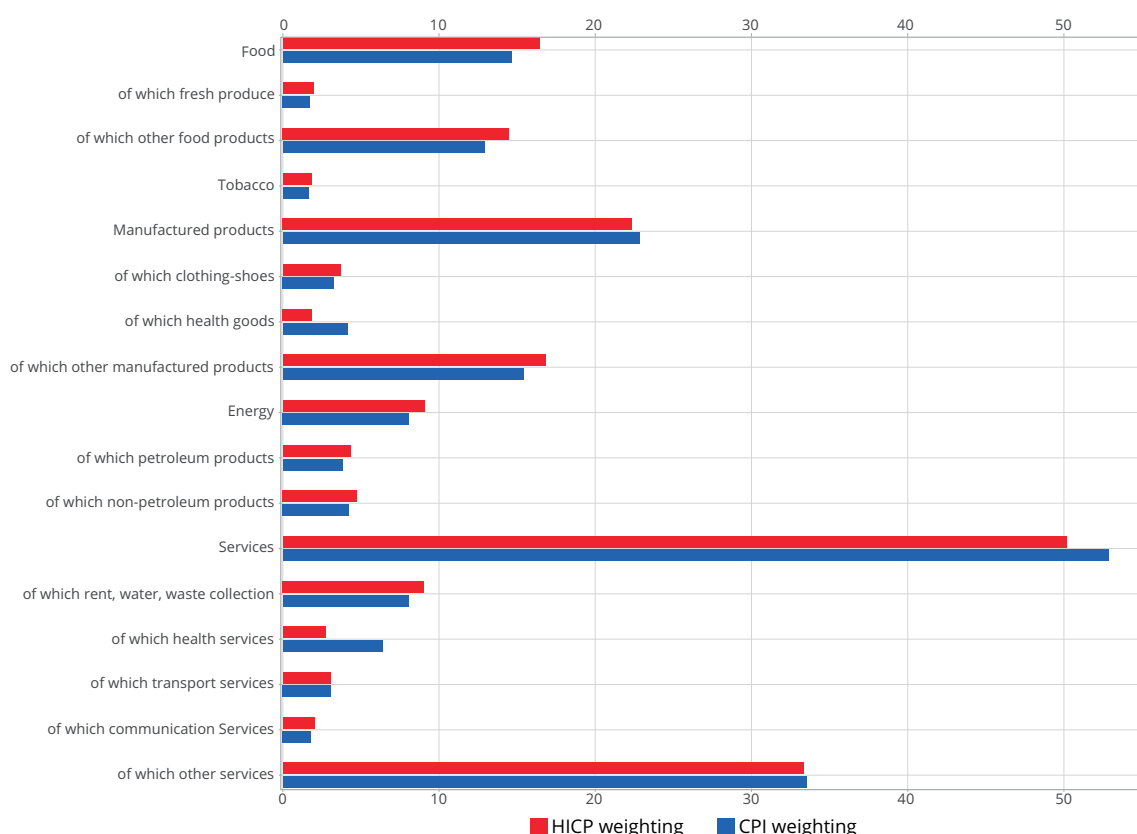
Since its creation, INSEE has been calculating the monthly consumer price index (CPI), which is used as the basis for measuring inflation. In the 1990s, with a view to monetary integration, the European countries defined a harmonised index, with the same scope and concepts for all countries. Consequently, INSEE also calculates the “harmonised” consumer price index (HIPC) on a monthly basis, which is used as a benchmark for comparing inflation in Eurozone member countries (► [Daubaire, 2022](#)).

The scope of the Consumer Price Index (CPI) is based on actual household consumption, paid either directly by households or indirectly by general government on behalf of households: the prices considered in this index are “gross prices”, corresponding to the total prices of goods and services consumed. In contrast, the scope of the Harmonised Index of Consumer Prices (HIPC) is based solely on household consumption expenditure, i.e. on the out-of-pocket expenditure of households after any general government reimbursements have been taken into account. The prices considered in this index are “net prices” in the health, social protection and education sectors.

For example, the CPI and HIPC weightings differ for consumption items that include general government reimbursements, such as healthcare goods and services. For these products, the CPI uses the “gross price”, i.e. before social security reimbursements, while the HIPC uses the own contribution of households, net of social security reimbursements (but before any reimbursements by mutual insurance companies). The weighting of healthcare goods and services is therefore higher in the CPI (10.5% in 2025) than in the HIPC (4.7%; ► [Figure A](#)), and the weighting of other consumption items is lower: for example, energy is weighted at 8.1% in the CPI compared with 9.1% in the HIPC in 2025.

► A. CPI and HIPC consumer product weightings in 2025

(in %)



How to read it: in 2025, health services are weighted at 2.7% within the meaning of the HIPC, compared with 6.4% in the CPI.

Source : INSEE.

Therefore, even in the absence of changes in methods of reimbursement of healthcare products by general government, this difference in weighting may explain the difference between HICP and CPI inflation. For example, an energy inflation shock, such as that observed in 2021-2022, has a greater impact on the year-on-year variation in the HICP, in which energy has a higher weighting than in the CPI. In addition, given the different weighting of healthcare goods, a drop in the prices of medicines makes a much more negative contribution to the CPI than to the HICP.

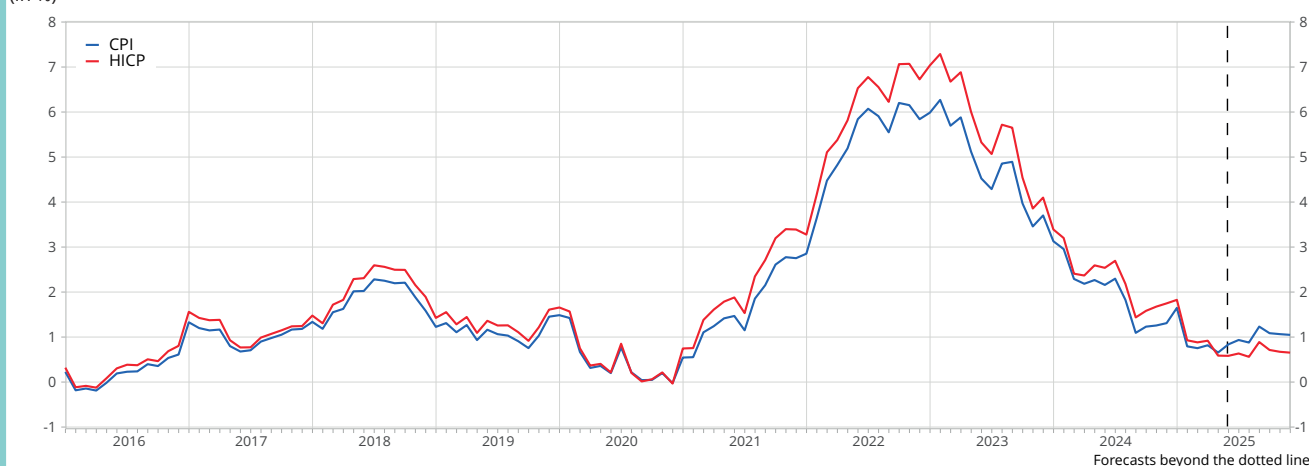
In addition to this first source of divergence, changes in the reimbursement of healthcare products by general government affect the CPI and the HICP differently, and therefore constitute a second potential source of divergence between these two indices. For example, the increase in medical deductibles in spring 2024 had no effect on the CPI but contributed to the increase in the HICP.

A downward trend has been observed in the prices of medicines measured by the CPI since the end of the 2000s, and a number of measures to increase the own contribution have been introduced over time. The HICP is therefore slightly more dynamic than the CPI, with an average annual difference of around +0.2 points per year between 2008 and 2024 (► **Figure B**). In December 2024, the difference between the two indices amounted to 0.4 points: the drop in the gross price of healthcare laboratory analyses in September 2024 had a greater downward impact on the CPI than on the HICP, and the increase in medical deductibles in spring 2024 contributed to raising the HICP but not the CPI.

Conversely, since the start of 2025, the inflation differential between the HICP and the CPI initially narrowed, before being reversed in May (CPI inflation at +0.7% year on year compared with +0.6% within the meaning of the HICP). Over the forecasting period, CPI inflation is likely to remain more dynamic than HICP inflation. A number of factors explain this turnaround in 2025:

- in January 2025, the increase in the gross fees of general practitioners and certain medical specialists affected the year-on-year variation in the CPI more than the HICP (► **Figure C**);
- the increase in medical deductibles in spring 2024 dropped out of the year-on-year variation in the HICP in spring 2025;
- in July 2025, the increase in the tariffs of certain specialists and paramedics should have a stronger impact on the CPI than on the HICP;
- the fall in the prices of healthcare laboratory analyses prices in the summer of 2024 will gradually drop out of the year-on-year variation in the CPI in the summer of 2025;
- the decline in energy prices has had a greater impact on the HICP than on the CPI.

► B. Year-on-year variation in the CPI and HICP (in %)



Last point: December 2025 (forecast from June 2025).

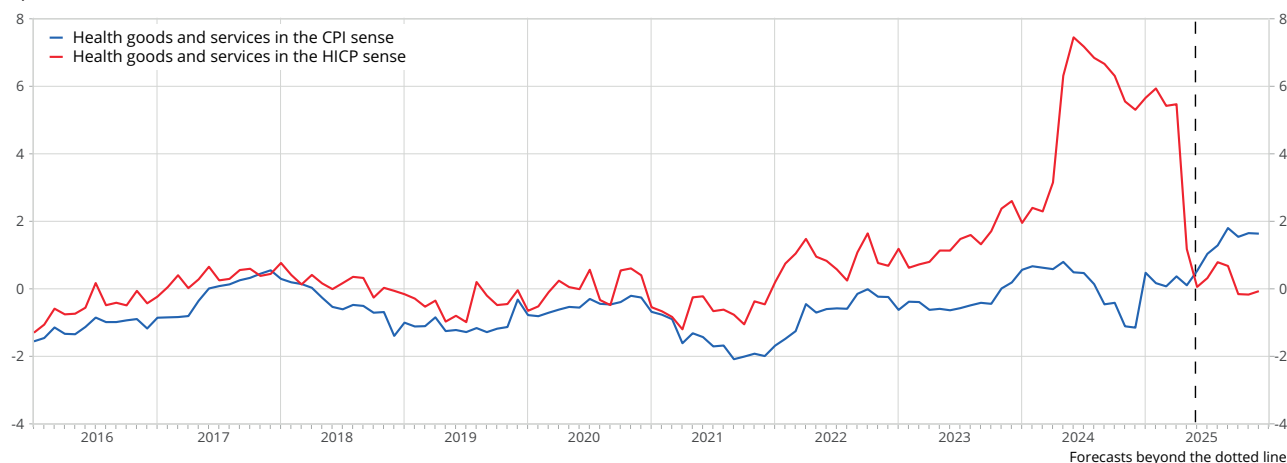
How to read it: in May 2025, year-on-year inflation within the meaning of the CPI stands at +0.7%, compared with +0.6% for the HICP.

Source: INSEE.

By the end of 2025, HICP inflation (+0.7%) should therefore be lower than CPI inflation (+1.1%). As an annual average, HICP inflation is likely to stand at +0.8% in 2025, compared with +1.0% for the CPI. However, in cumulative terms from end 2019 to end 2025, the HICP is likely to remain more vigorous than the CPI: cumulative inflation within the meaning of the HICP is expected to rise to +17.6% compared with +15.5% within the meaning of the CPI, for a difference of +2.2 points (► **Figure D**). ●

► C. Year-on-year variation in the prices of healthcare goods and services within the meaning of the CPI and the HICP

(in %)



Last point: December 2025 (forecast from June 2025).

How to read it: in May 2025, the year-on-year variation in healthcare prices within the meaning of the CPI was +0.1%, compared with +1.2% for the HICP.

Source: INSEE.

► D. CPI and HICP inflation since the end of 2019

(year-on-year at the end of the year in %; cumulative in % for the last column)

	December 2020	December 2021	December 2022	December 2023	December 2024	December 2025	Cumulative from end 2019 to end 2025
HICP	0.0	3.4	6.7	4.1	1.8	0.7	17.6
CPI	0.0	2.8	5.9	3.7	1.3	1.1	15.5
HICP-CPI differential	+0.0	+0.6	+0.9	+0.4	+0.4	-0.4	+2.2

■ Forecast.

How to read it: in December 2023, HICP inflation rose to +4.1% year on year, compared with +3.7% for the CPI: a four-point difference. Between December 2019 and December 2025, the harmonised consumer price index is expected to have risen by 17.6%. Over the same period, the consumer price index is likely to have risen by only 15.5%: a difference of +2.2 points.

Source: INSEE.