

Economic activity

In Q3 2025, French GDP gained momentum (+0.5% after +0.3%; ► [Figure 1](#)). Domestic demand picked up slightly (contributing +0.3 points to Q3 GDP growth, after +0.2 points in Q2), driven by buoyant corporate investment (+0.8% after +0.2%) and by the still sustained pace of government consumption (+0.5%, as in the spring). Household consumption, however, remained sluggish once again (+0.1%, as in the previous quarter): it has not increased over the past year. Household investment was almost flat (-0.1% after -0.2%). Foreign trade picked up significantly (contributing +0.6 points to GDP growth; ► [Figure 2](#)) after hampering activity in H1 2025. Exports surged (+3.2% after +0.3%), boosted by record-breaking aeronautical deliveries, while imports remained robust (+1.3% after +1.5%). This positive contribution was offset by a destocking trend (contribution of -0.4 points).

On the supply side, activity was buoyed by manufacturing industry (+0.8% in Q3, after +0.2%). Value added accelerated in “other industrial branches” (+0.9% after +0.2%) and maintained a sustained pace in transport equipment (+3.2% after +5.2%), driven by aeronautics. In this branch, the easing of supply constraints enabled activity to return to a level close to that of 2019, after being held back for several quarters. Value added rebounded in the energy sector after a particularly mild spring (+4.4% after -3.8%); it was broadly stable in the construction sector (+0.1%, after -0.1% in the previous quarter) and remained buoyant in market services (+0.5%, as in the previous quarter), driven by corporate investment in communication services and services to businesses. Lastly, agricultural value added continued to recover in the summer of 2025: arable crop harvests rebounded after a very poor 2024, while vineyard yields were more disappointing (► [Focus on the heatwaves of 2025, Economic outlook, September 2025](#)).

According to business tendency surveys, the situation is brightening to a certain extent for enterprises. In November, the business climate indicator stood at 98: two points above its summer level, but still two points below its long-term average, following its decline in spring 2024 (► [Figure 3](#)). The climate in services and industry is more promising than it was this summer, but slightly worse in construction. Overall, the improvement is less pronounced on the employment front, reflecting the ongoing restoration of productivity: the employment climate, which has hovered at around 95 since the start of the year, stood at 96 in November – still below its long-term average since July 2024. This cautious resurgence of optimism among enterprises is not, for the moment, shared by households, whose morale has been low since the end of 2024. The confidence indicator stood at 89 in November, the same level as in July. This period of diminished confidence has been characterised by the fact that the balance of opinion on the opportunity to save reached a new all-time high

► 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)

	2024				2025				2026		2024	2025	2026 ovhg
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2			
Gross domestic product	0.1	0.2	0.4	0.0	0.1	0.3	0.5	0.2	0.3	0.3	1.1	0.9	1.0
Imports	-0.6	0.4	0.4	0.8	0.2	1.5	1.3	-1.0	0.4	0.4	-1.3	2.8	0.9
Total resources	0.0	0.3	0.3	0.2	0.2	0.5	0.9	0.0	0.3	0.3	0.6	1.3	1.1
Household consumption expenditure	0.2	0.0	0.9	0.0	-0.3	0.1	0.1	0.2	0.3	0.3	1.0	0.3	0.7
General government consumption expenditure*	0.3	0.2	0.3	0.4	0.3	0.5	0.5	0.3	0.3	0.3	1.4	1.5	1.1
of which individual general government expenditure	0.2	0.2	0.4	0.4	0.2	0.5	0.6	0.3	0.3	0.3	1.3	1.5	1.3
of which collective general government expenditure	0.6	0.2	0.2	0.5	0.4	0.4	0.4	0.4	0.2	0.2	1.6	1.5	0.9
Gross fixed capital formation (GFCF)	-0.6	0.3	-0.9	0.2	-0.1	0.0	0.5	0.7	0.2	0.3	-1.3	0.0	1.2
of which Non-financial enterprises (NFE)	-1.1	0.0	-1.6	0.2	0.0	0.2	0.8	0.5	0.3	0.4	-2.4	0.0	1.4
Households	-2.3	-1.1	-0.4	0.9	0.1	-0.2	-0.1	1.0	0.6	0.6	-5.6	0.4	1.7
General government	1.7	1.8	0.0	-0.6	-0.8	-0.3	0.3	1.1	-0.7	-0.3	4.7	-0.6	0.0
Exports	0.5	1.6	-1.7	1.5	-1.4	0.3	3.2	0.5	-0.7	0.4	2.4	1.2	1.6
Contributions (in points)													
Domestic demand excluding inventory**	0.0	0.1	0.4	0.2	-0.1	0.2	0.3	0.3	0.3	0.3	0.6	0.5	1.1
Changes in inventories**	-0.2	-0.4	0.8	-0.4	0.8	0.6	-0.4	-0.7	0.4	0.0	-0.8	0.9	-0.4
Foreign trade	0.3	0.4	-0.8	0.2	-0.6	-0.4	0.6	0.5	-0.4	0.0	1.3	-0.6	0.3

■ 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 2025, the imports increased by 1.3%.

Source: INSEE.

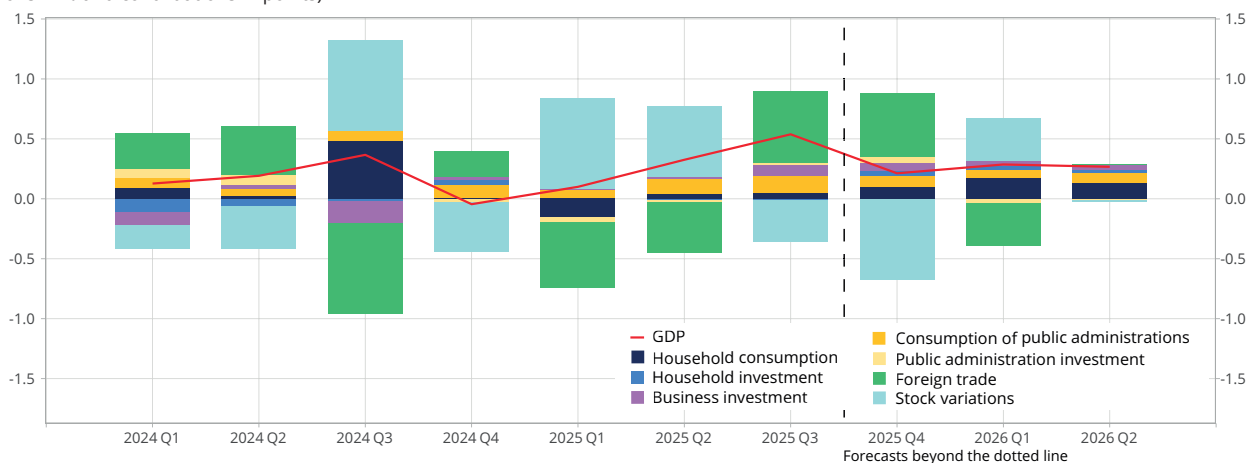
in November. Since the end of the 2010s, French households' opinion of their personal situation has not changed, while their opinion of the country's general economic situation has clearly deteriorated, which is atypical among the major European economies (► **Focus** on household pessimism).

In this context, economic activity is likely to slow automatically towards the end of the year, following the strong momentum observed over the summer, although only moderately (+0.2% GDP growth forecast for Q4). Manufacturing activity should remain stable, marking the consolidation of the gains made in the summer (► **Figure 4**). Output in the automotive industry is likely to have been hampered by the temporary stoppages observed in October. Aircraft production is not expected to falter: Airbus may have revised its aircraft delivery targets downwards, but French engine manufacturers should still be operating at full capacity. Value added in the energy sector is expected to edge down slightly (-1.1% after +4.4%) due to the mild temperatures observed in December, which held back electricity demand and production. Activity is likely to slacken in market services (+0.3% after +0.5%) and to surge in construction (+0.5% after +0.1%).

Domestic demand is expected to make a similar contribution to growth as during the summer (+0.3 points), with household consumption picking up very slightly (+0.2% at the end of the year, after +0.1%): consumption of manufactured goods is set to rebound (+0.5% after -0.5%), driven by car purchases and food consumption, while energy consumption should fall at the end of the year (-2.0% after +4.0%) due to the mild temperatures observed in December. Household purchasing power is expected to keep declining (-0.5% after -0.3%) due to the timing of income tax collection, which should hold back their income at the end of the year (► **Focus** on income tax dynamics). As a result, the household savings ratio is expected to fall back significantly in Q4 (17.8% after 18.4% in the summer).

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

(variations in % and contributions in points)



How to read it: in Q3 2025, GDP is expected to increase on the first quarter (+0.5%); general government consumption contributed around +0.1 points.
Source: INSEE.

► 3. Business climate, employment climate and household confidence in France

(normalised with mean 100 and standard deviation 10)



Last point: November 2025.

How to read it: in November 2024, business climate in France stands at 98, below its long-term average of 100.

Source: business and consumer surveys, INSEE.

French economic outlook

Household investment should regain momentum (+1.0% in Q4, after -0.1% in Q3). On the one hand, household investment in construction is expected to accelerate (+1.0% after +0.4%), reflecting the recovery in new housing starts but with a certain delay. On the other hand, their investment in services is likely to rebound (+1.0% after -1.8%), as transactions in existing property are expected to improve after being penalised in Q3 by the rise in the duty on transfer for valuable consideration ("DMTO") in the spring.

On the corporate side, investment in goods should remain dynamic (+0.6% after +0.8%). Corporate investment in construction is likely to remain broadly stable (-0.1%), in a context that remains unpromising for commercial property, while corporate investment in services is set to continue rising (+0.8% after +1.5%) following the exceptional momentum built up over the summer.

Finally, in Q4 2025, foreign trade should once again drive growth (+0.5 percentage points). Exports are expected to slacken (+0.5%), but imports are likely to fall back substantially (-1.0%) after two quarters of strong growth. At the same time, the year-end should see a further quarter of destocking (-0.7 points), notably due to the delivery of a major cruise liner.

Overall, annual growth for 2025 is expected to stand at +0.9% adjusted for working days (and +0.7% gross), slightly down in relation to 2024 (+1.1% adjusted for working days). Domestic demand is likely to contribute 0.5 points and is expected to be driven mainly by public consumption (+1.5%), while household consumption should be sluggish (+0.3%) and private investment starts to recover (+0.4% for households and stable for enterprises). Foreign trade is expected to make a negative contribution to growth (-0.6 points), which should be more than offset by a stock-building trend (+0.9 points).

In H1 2026, activity is likely to accelerate slightly (+0.3% per quarter). Manufacturing output is expected to increase slightly, while construction activity is set to decline moderately as a result of the downturn in local public investment due to the electoral cycle. Meanwhile, output in services should maintain its trend rate, in line with household consumption.

Domestic demand is likely to keep driving growth, contributing +0.3 points per quarter. Household consumption is expected to accelerate slightly in Q1 (+0.3%), notably due to the rebound in energy consumption, assuming a return to seasonal temperatures, before maintaining this pace in Q2 (+0.3%). The household savings ratio should pick up automatically at the beginning of 2026 – to 18.2%, after 17.8% at the end of 2025 – before slowly resuming a gradual decline in the spring (+18.0%). By mid-2026 it is still expected to be more than 3 points above its pre-pandemic level, but 0.7 points below its spring 2025 peak.

► 4. Quarterly changes in economic activity by industry

(quarterly changes in %)

Branch	weight in %	2024				2025				2026		2024	2025	2026 ovhg
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2			
Agriculture, forestry and fishing	1,9	-6,8	-4,7	-1,7	1,6	3,6	3,5	2,3	0,0	0,0	0,0	-14,8	6,5	2,0
Industry	12,1	-0,3	0,3	0,2	-0,6	-0,5	-0,6	1,5	-0,2	0,2	0,1	3,4	-0,5	0,7
Manufacturing industry	10,4	0,8	-0,3	-0,1	-0,4	0,5	0,2	0,8	0,0	0,1	0,1	2,2	0,6	0,8
Manufacture of food products, beverages and tobacco-based products	1,7	4,9	0,4	1,1	-0,2	1,3	-2,8	-0,8	0,3	-	-	6,8	-0,7	-
Coke and refined petroleum	0,1	61,3	28,7	8,4	11,1	76,6	-4,0	21,8	1,1	-	-	144,2	125,7	-
Manufacture of electrical, electronic, computer equipment; manufacture of machinery	1,4	-0,4	-0,4	-0,4	0,0	-0,5	-0,2	0,0	-0,2	-	-	-1,4	-1,0	-
Manufacture of transport equipment	1,3	-5,4	-3,1	-2,1	1,0	1,3	5,2	3,2	-0,1	-	-	-5,4	5,7	-
Manufacture of other industrial products	5,9	1,2	-0,1	0,0	-1,0	0,3	0,2	0,9	-0,2	-	-	2,8	0,1	-
Extractive industries, energy, water, waste treatment and decontamination	1,7	-5,7	2,1	1,1	-0,9	-3,8	-3,8	4,4	-1,1	0,6	-0,3	7,1	-4,5	0,7
Construction	5,5	-0,8	-0,5	-0,1	-0,5	-0,8	-0,1	0,1	0,5	-0,2	0,0	-0,8	-1,3	0,2
Mainly market services	58,4	0,5	0,3	0,5	-0,1	0,1	0,5	0,5	0,3	0,4	0,4	1,7	1,1	1,2
Trade; repair of automobiles and motorcycles	9,8	0,2	-0,4	-1,0	0,1	-0,8	0,5	0,5	0,1	-	-	-0,1	-0,7	-
Transport and storage	5,7	0,9	0,0	0,8	0,2	-0,6	0,0	-0,9	0,3	-	-	0,5	-0,5	-
Financial and insurance activities	3,7	1,8	0,9	0,4	0,9	0,4	0,6	0,8	0,4	-	-	2,1	2,5	-
Real estate activities	13,7	0,3	0,2	0,2	0,3	0,3	0,3	0,3	0,3	-	-	0,5	1,1	-
Accommodation and catering	2,3	1,9	1,3	1,3	0,4	-0,5	1,6	-0,6	-0,2	-	-	4,9	1,6	-
Information and communication	5,6	0,7	0,6	1,3	-0,2	0,5	0,3	1,5	0,5	-	-	3,2	2,2	-
Scientific and technical activities; administrative and support services	14,5	0,2	0,6	0,5	-0,2	0,6	0,8	1,1	0,5	-	-	2,7	2,1	-
Other service activities	3,0	1,1	0,8	4,8	-3,6	0,4	0,4	0,3	0,1	-	-	3,6	0,6	-
Mainly non-market services	22,0	0,3	0,6	0,4	0,1	0,1	0,1	0,2	0,2	0,3	0,3	1,5	0,8	0,8
Total VA	100,0	0,2	0,3	0,4	-0,1	0,0	0,3	0,6	0,2	0,3	0,3	1,5	0,8	1,0

■ Forecast

How to read it: in Q3 2025, value added in the transport equipment manufacturing branch increase by 3.2%.

Source: INSEE.

Household investment is set to remain buoyant (+0.6% per quarter): construction investment is likely to continue benefiting from the delivery of building projects launched during the ECB's monetary easing cycle, while investment in services should tend to stabilise (+0.5% per quarter). Corporate investment is expected to keep growing (+0.3% in Q1 followed by +0.4% in Q2). The non-residential property trend should be slightly less negative in the spring and investment in services is likely to maintain a degree of buoyancy, while investment in goods is set to grow only slightly. Consumption by general government should slow slightly (+0.3% per quarter) with public spending remaining sluggish, whether in the case of the adoption of the Finance Law for 2026 or of a special budget law (► [Box](#) on public policy measures for 2026).

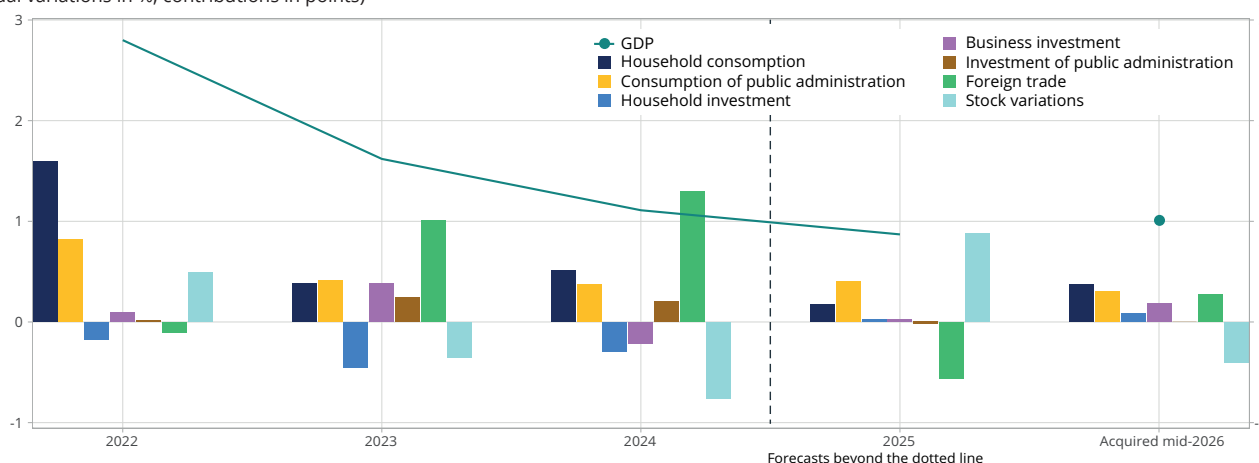
Finally, the contribution of foreign trade to growth is expected to be negative in Q1 2026 (-0.4 points after +0.5 points): while imports should return to a pace in line with domestic demand (+0.4%), exports are likely to contract (-0.7%) due to the decline in aerospace and shipbuilding exports after their exceptional performances in H2 2025. Meanwhile, a stock-building trend is expected to begin (+0.4 points). The contribution of foreign trade to growth is set to be zero in Q2 2026. Imports should maintain the moderate pace set in Q1, whereas exports are likely to grow more slowly than demand, signalling further losses of market shares for French exporters.

The mid-year growth overhang for 2026 is already expected to stand at +1.0% (► [Figure 5](#)), accelerating relative to 2025 as a whole. Private domestic demand should surge: household consumption is set to pick up slightly (mid-year overhang of +0.7%), with households very cautiously consuming a proportion of past gains in purchasing power. Investment is expected to accelerate more strongly (overhang of +1.7% for household investment and +1.4% for corporate investment). Private demand should thus take over from public demand: public consumption is likely to slacken (mid-year overhang of +1.1%) and public investment is expected to be stable at mid-year, with the downturn due to the municipal electoral cycle offsetting the expected rise in defence equipment purchases. The contribution of foreign trade is set to become positive again (+0.3 points), offset by a decline in inventories (-0.4 points).

This forecast is based on an analysis of economic outlook indicators, the most recent of which concern October, and on responses to surveys of economic players in November. It therefore remains shrouded in uncertainties, notably concerning the political situation in France and the ensuing wait-and-see attitude of households and enterprises. ●

► 5. 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 2024, GDP rose by 1.1% adjusted for working days, with household consumption contributing +0.5 points.

Source: INSEE.