Boosted purchasing power in a context of European slowdown

After a gloomy start to the year (+0.2% growth in Q1 and Q2 2018), the French economy rallied this summer (+0.4%). This return to better fortunes was partly achieved through the return to normal of various isolated factors that had put a strain on activity in the spring (especially maintenance work in refineries and strikes in rail transport).

In the Eurozone, meanwhile, where activity did better than in France in H12018, there were signs that it was fading in Q3 (+0.2%). Activity in Italy in particular was at a standstill and the German economy stalled completely. Problems in adapting German automobile production to the new antipollution standard, which came into force in September, certainly had a lot to do with this sudden slowdown. However, business climates have deteriorated constantly since the beginning of the year, suggesting a weakening of European growth which may not be limited to one-off factors.

Activity in the United States has maintained its vigour, boosted by tax reductions although with the risk of macroeconomic imbalances. It is likely to slow a little between now and mid-2019. The US continues to weigh down on world trade with the threat of further increases in customs tariffs. Paradoxically, this is likely to contribute to an acceleration in trade with China at the end of 2018, ahead of further increases whose effects should probably be felt at the beginning of 2019. The engines driving China's growth seem to be gradually losing momentum.

The international context is also marked by the tightening of monetary policy across the Atlantic: some emerging economies could suffer from this. After increasing more or less constantly since mid-2017, the price of oil plummeted in October and November as a result of a market surplus and geopolitical factors. This could limit inflation in the future, provided there is not another turnaround. The exchange rate of the euro against the dollar has remained relatively stable for several months.

In this overcast international climate, Europe is also experiencing internal problems, whether related to the terms of the upcoming Brexit, uncertainties surrounding the budget in Italy or social tension in France. In addition, analyses of economic cycles within the Eurozone suggest that activity in the main countries should be close to its potential, i.e. the buoyancy associated with catch-up following past recessions could be fading. Despite fiscal support in a few countries, activity in the Eurozone looks set to continue to slow, with growth of around 0.3% per quarter through to mid-2019.

Over this period, the French economy is likely to improve at a similar pace (0.2% at the end of 2018, 0.4% in Q1 2019 then +0.3% in Q2). As an annual average, French GDP should increase by 1.5% in 2018, with its carry-over effect for 2019 standing at 1.0% by mid-year. Employment is also likely to maintain its moderate pace (64,000 net job creations in H1 2019, after 107,000 for the whole of 2018), probably resulting in only a slow decline in unemployment (forecast at 9.0% for next spring).

After major aeronautical and shipbuilding deliveries at the end of 2018, the contribution of foreign trade to growth will probably become negative once again in H1 2019. The increase in activity is therefore likely to be driven mainly by domestic demand: corporate investment should still be buoyant at the start of 2019, in response to tensions over production capacity, and sustained by financial conditions that are still accommodating. Household investment, on the other hand, is likely to continue to fall back, as indicated by the decline in the number of building permits. However, household consumption should pick up, mainly as a result of purchasing power support measures, and the annual carry-over effect should already reach 2.0% by mid-2019.

In addition to continuing international uncertainties, the consumption behaviour of French households remains one of the uncertainties likely to affect this scenario, sending it either up or down. There was still a question mark hanging over the duration and the consequences of the social unrest by the "yellow vests" at the time this Conjoncture in France was finalised (13 December 2018). ■

In anticipation of a hardening of protectionist tensions, world trade was buoyant this summer

China and the United States drove the vigorous improvement in world trade in Q3

After a slowdown in Q2 (+0.7% after +1.3% at the beginning of the year), world trade accelerated a little in Q3 (+0.9%). Growth as an annual average is likely to be very much sustained once again in 2018, similar to 2017 (+5.4%). The United States and China made a major contribution to this dynamism, despite the series of announcements on strengthening protectionist barriers indeed. In anticipation of the introduction of higher customs duties, economic actors increased their purchases during the summer, leading to a sharp increase in imports by the US (+2.2%) and China (+3.5%).

United States buoyant, Europe losing momentum

In Q3 2018, economic growth in the United States was vigorous once again (+0.9% after +1.0%), sustained by a strong increase in private consumption while corporate investment was at a standstill and household investment declined further. In contrast, activity in Japan shrank (–0.6%), with a downturn in household consumption as well as in corporate investment and exports. In the Eurozone, gross domestic product (GDP) slowed down (+0.2% after +0.4% in Q2) due to the contraction of the German economy (–0.2% after +0.5%) and stagnation in Italy (–0.1% after +0.2%). In Germany, the new automobile certification standards held back production and sales, while foreign trade also affected activity. Nevertheless, in France (+0.4% after +0.2%) and especially Spain (+0.6% as in Q2), activity increased more sharply, driven mainly by corporate investment.

Economic crisis in Turkey, expansion in Asia

Fortunes are varied in the emerging economies. On the one hand, the Turkish economy and, to a lesser extent, the Russian economy are being affected by the depreciation of their currency and accelerating consumer prices. On the other hand, the economies of India and China are growing at a rate well above 1% per quarter. In Brazil, activity accelerated in Q3 after the strikes by truck drivers in the spring.

In France, activity accelerated, taking advantage of some one-off factors

In Q3 2018, activity in France increased by 0.4% after two quarters of more moderate growth (+0.2% per quarter). While corporate investment kept up its momentum (+1.6% after +1.3% in spring), especially in services, the upswing in household consumption (+0.4% after –0.2%) is the reason for this rebound. The return to normal in the transport sector after the strikes, and in the energy sector after a fairly mild spring, played a part in this catch-up. The temporary rise in new vehicle registrations in August in anticipation of the new antipollution standard on 1st September also contributed to sustaining consumption of manufactured goods and corporate investment temporarily. However, household investment continued to slow (–0.1% after +0.1% in Q2) penalised by the downturn in housing starts and the peak in sales of existing dwellings. Lastly, foreign trade once again supported activity, contributing around +0.2 points to GDP growth (after –0.2 points in Q2). The acceleration in the pace of aeronautical deliveries notably enabled exports to increase (+0.4% after –0.1%), while imports declined (–0.3% after +0.5%).

The price of oil increased substantially before falling fairly drastically; the exchange rate of the euro remained relatively stable

The price of Brent exceeded $85 per barrel at the beginning of October before dropping below $60 the following month

In Q3 2018, the price of Brent crude stood at an average of $75 per barrel, the same as in Q2, whereas it had been about $50 one year earlier. It then reached more than $85 at the beginning of October in a context of production difficulties in Venezuela and Libya and the prospect of the Iranian embargo being applied. However, the announcement of an increase in Saudi production and forecasts of an economic slowdown triggered a drop in price to a little under $60 in

November. Given these production assumptions, the crude oil market is likely to be in surplus by mid-2019 and the rise in prices could be contained, although US stocks are still high.

The euro continued to depreciate slightly in Q3

In the United States, the Federal Reserve (Fed) continued with its policy of gradually increasing base interest rates. The European Central Bank (ECB) for its part announced it would end its asset purchase programme at the end of 2018 and had no plans to increase its base interest rates before autumn 2019. The advance in the tightening of monetary conditions in the United States over the other three major central banks has supported the rise in the dollar for several quarters, weakening the emerging countries in particular. The euro-dollar exchange rate returned to $1.16 for €1 in summer 2018 (after $1.23 on average during the winter). The forecast assumption is $1.14 for one euro.

In early 2019, protectionist tensions are expected to hamper world trade

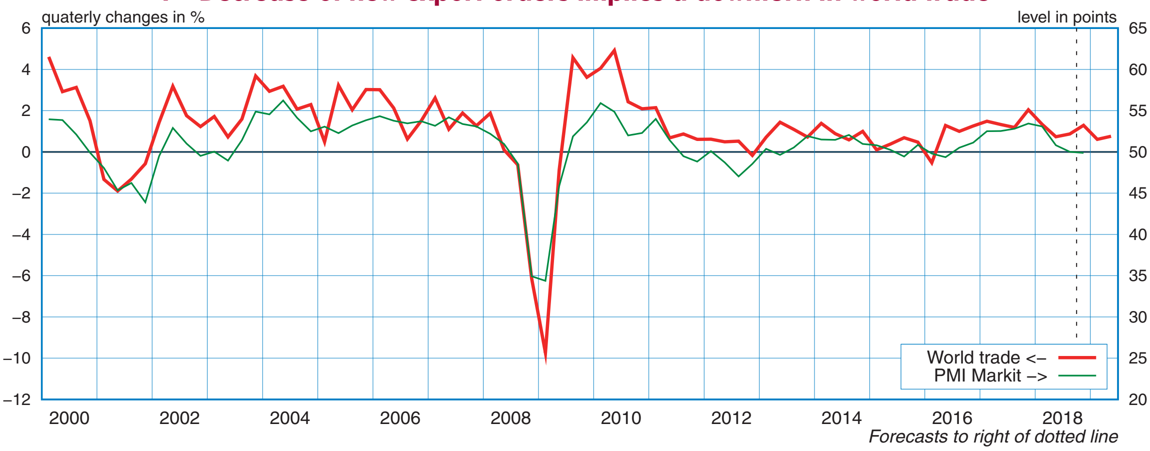
World trade looks set to slow with the escalation in the effects of the trade war

In a context of escalating protectionist announcements, export orders declared by purchasing managers have slipped back below their autumn expansion threshold, a long way from the heights achieved at the end of 2017 (*Graph 1*), indicating a coming slowdown in world trade. Although the anticipation of international purchases ahead of the introduction of additional customs duties in the United States and China has maintained strong trade over a few quarters, it is likely that these new customs barriers will eventually hamper world trade flows. The prospect of the United Kingdom leaving the European Union (EU) could also limit trade and activity in the country's main trading partners. Consequently, world trade is unlikely to grow more than 0.6 to 0.8% per quarter in the first half of 2019, whereas the pace of expansion was well above 1% per quarter in 2017 and 2018.

The effect of fiscal support measures on US activity is expected to fade

In the United States, after receiving a boost from the tax cuts introduced in 2018, household consumption and corporate investment will probably return to a more moderate pace of growth. In H1 2019, private consumption is therefore expected to grow at only half the pace (+0.5% per quarter) of that in H2 2018. Residential investment, which has been decreasing since the start of 2018, looks set to continue its decline, in a context where property prices are high and still rising, interest rates are increasing and there is a slowdown in real-estate loans. However, the scale of government spending, forecast to grow by 1.5% per quarter, is expected to make up in part for the slowdown in investment and private consumption. During H1 2019, US activity will probably slow to +0.6% per quarter after +0.9% at the end of 2018.

1 - Decrease of new export orders implies a downturn in world trade



Source : DG Trésor, Markit, calculs et prévisions Insee

After the decline over the summer, Japan is expected to return to growth in Q4 (+0.6%), but this will remain at a moderate pace in H1 2019 (+0.2% to +0.3% per quarter). Assuming that the House of Commons and the European Parliament ratify the agreement between the United Kingdom and the European Union on the subject of *Brexit*, GDP is likely to increase moderately in the United Kingdom (+0.2% then +0.3% at the beginning of 2019) still in a context of great uncertainty around this process.

Growth rates in the different emerging economies are expected to remain very varied

In China, business climates have not been encouraging in industry and services, although they picked up in the autumn and were near the expansion threshold. Protectionist tensions may continue to hold back activity and exports, which could slow significantly in H1 2019. The Russian economy is expected to pick up at the end of 2018 but then slow down at the start of 2019 with the effect of a VAT hike. Turkey is unlikely to get out of the crisis completely over the forecasting period, however.

The economic slowdown in the Eurozone looks set to continue into the start of 2019

The catch-up in activity of the main Eurozone countries is coming to an end

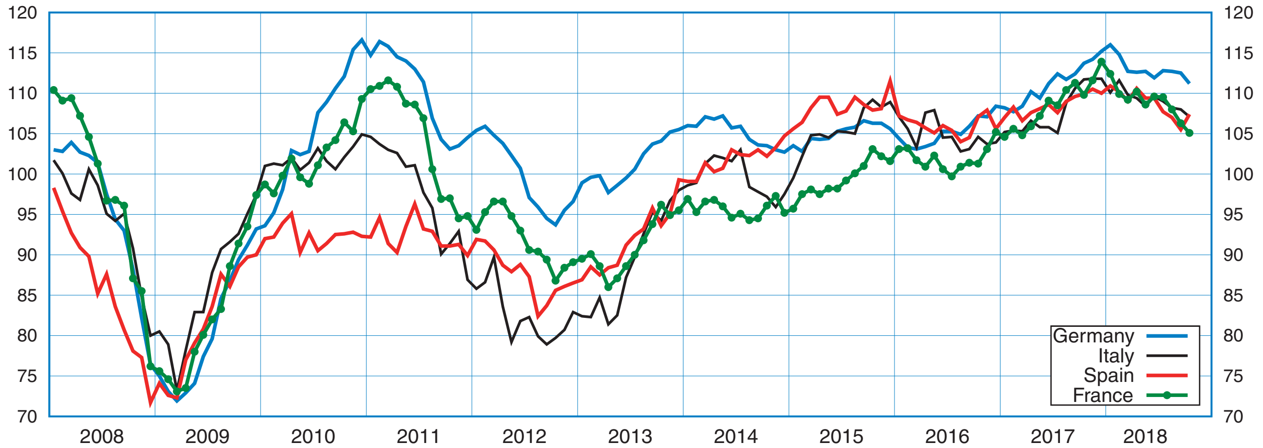
Analysis of the economic cycles of the four main Eurozone economies (*Special report Tensions over supply and the position of the economy in the cycle*) suggests that their activity is close to or slightly above their potential, as far as it is possible to estimate at the moment, as the economic catch-up following earlier recessions has now been or is in the process of being completed. The associated economic dynamism is fading: the growth rate is no longer very much higher than its potential now. In line with the downturn in the business climate (*Graph 2*), this suggests a slowdown in growth in H1 2019 (+0.3% per quarter after +0.4% in Q4 2018) compared with 2018 and even more so with 2017 (when it reached 0.7% per quarter). In Germany, GDP should rebound to +0.5% in Q4 2018, before slowing to +0.3% in Q1 and Q2 2019. Economic activity is likely to increase by 0.5% per quarter in Spain. In Italy, growth is expected to be more moderate once again (+0.1% in Q4, then +0.2% per quarter in H1 2019).

Consumption should be sustained by gains in purchasing power

In Germany, the momentum in real wages combined with the increase in employment (+0.2% per quarter) is expected to push gains in purchasing power to +0.6% per quarter in H1 2019. In Italy, the citizen's income planned for Q2 2019 could support household income; in addition, the ramping up of the government investment plan is expected to contribute to boosting the construction sector.

In Spain, the raising of the minimum wage by 20% should support real wages at the start of 2019. Meanwhile, French households should benefit from measures to support purchasing power announced in December. Throughout the Eurozone, household consumption is expected to increase by around +0.4% per

2 - The economic sentiment clearly withdrew



Source : commission européenne (DG EcFIN) quarter until mid-2019. Employment will probably slow (+0.2% per quarter in H1, after +0.3% at the end of 2018), resulting in a slower decline than before in the unemployment rate (–0.1 point per quarter, 7.8% in spring 2019).

Investment expected to remain dynamic in H1 2019

Tensions over production capacity in the Eurozone have declined a little recently, although they remain significant (*Special report Tensions over supply and the position of the economy in the cycle*) and are supporting investment which is expected to remain dynamic (+0.5% per quarter). However, exports from Eurozone countries are likely to fluctuate even more. After the dramatic fall in German exports in the summer, the last quarter of 2018 should see a rebound, especially in transport equipment. In H1 2019, however, exports are likely to grow less quickly than imports and foreign trade could hold back activity.

After the vigour forecast for the end of 2018, French exports will probably be at a standstill in H1 2019

After some major aeronautical and shipbuilding deliveries at the end of 2018, manufacturing exports are likely to slip back at the start of 2019

In Q4 2018, French exports are expected to accelerate (+2.1%), driven by manufacturing deliveries and the rebound in sales of agricultural products and energy. The increase in the pace of aeronautical deliveries and the delivery of a cruise liner probably account for the dynamism in exports of transport equipment. However, their return to a more moderate pace in H1 is likely to contribute to a downturn in manufacturing exports and even in goods and services overall. Concerning imports, they should grow in H1 2019 by +0.7% to +0.8% per quarter after a catch-up at the end of the 2018 (+1.4%).

The contribution of foreign trade to growth is likely to become negative once again in H1 2019

All in all in 2018, exports should grow once again, but a little more slowly (+2.9%) than world demand for French goods (+4.2%). Their slowdown in 2019 is likely to result in a carry-over effect of +1.4% for the year, against +2.7% for world demand. After making a positive contribution to GDP growth on average in 2018 (+0.6 point), the contribution to activity evolution of foreign trade will probably be negative in H1 2019 (contribution of –0.3 points carry-over effect by mid-year).

The French economy should progress at a moderate pace

Since the beginning of 2018, the business climate has slipped back almost continuously

In November 2018, the business climate in France paused at 104 in its almost continuous decline since December 2017, when it reached its highest point for 10 years (at 111). This fall since the start of the year concerns all the major sectors of activity, with the exception of building where the morale of entrepreneurs remains high, especially driven by the strong performance of employment in this sector.

The annual carry-over effect of French economy is expected to reach 1.0% by mid-2019

In the absence of a temporary support factor as there was during the summer, and affected by the “yellow vests” social unrest (*Focus on Production sheet*), economic activity is likely to slow in Q4 2018 (+0.2%). It should then pick up again at the beginning of 2019 (+0.4%) and increase by +0.3% by spring. Manufacturing production is unlikely to improve before mid-2019, in a context where the business climate in industry is deteriorating. Energy production looks set to slip back at the end of the year as a result of temperatures that were once again mild for the season, before increasing moderately in H1 2019. Construction activity will probably drop by 0.1% to 0.2% per quarter through to mid-2019 due to the continuing decline in residential construction.

Finally, it is in market services that activity is expected to increase most significantly (+0.6% per quarter in H1), supported by household consumption. All in all, the carry-over effect of GDP for 2019 (+1.0% by mid-year) should reflect this economic slowdown in relation to the growth forecast in 2018 (+1.5%) and that measured in 2017 (+2.3%).

The moderate pace of job creations will probably result in only a slow reduction in unemployment

The pace of market-sector job creations should be maintained in H1 2019

In a context of slowing activity, total employment is expected to decelerate in 2018: after 341,000 jobs created in 2017, it should grow by 107,000 in 2018 then by 64,000 in H1 2019 (Graph 4). Employment in services should increase by around 50,000 jobs in H1 2019, but temporary employment started to lose jobs in Q2 and this decline is set to continue until mid-2019.

The decline in non-market sector subsidised employment is expected to have less effect on total employment

Non-market employment was penalised by the drop in the number of beneficiaries of subsidised jobs up to mid-2018 (the effect on employment is likely to be around –50,000 in H2 2017 and H1 2018), however, this negative contribution should be reduced at the end of 2018 and the beginning of 2019 with the ramp-up of the "Employment skills pathway" system. As a result, non-market employment should grow a little from H1 2019 onwards.

The drop in the unemployment rate is likely to be less rapid

The unemployment rate stood at 9.1% in Q2 and Q3 2018. The slowdown in employment makes it unlikely that there will be such a rapid decline in the unemployment rate as in previous years. It is expected to stand at 9.0% in spring 2019.

The annual carry-over effect of household purchasing power is expected to hit 2% by mid-2019.

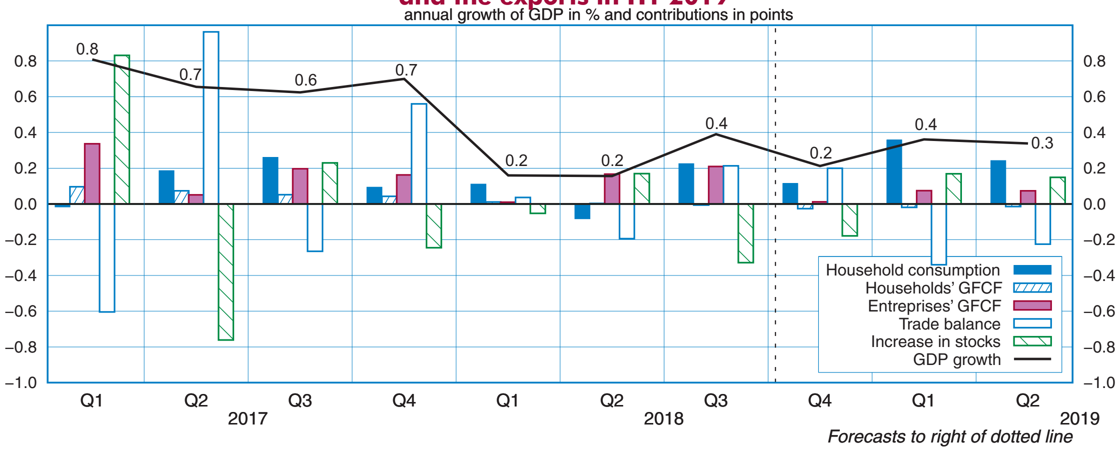
Core inflation should exceed 1% but overall inflation should flow back

Year on year, prices increased by 2.2% in October 2018, which was twice the rate one year earlier. The prices of energy, fresh produce and tobacco were the reason for this rise in inflation. By mid-2019, assuming that the price of Brent stabilises at $60 per barrel and that gas and electricity tariffs also stabilise, inflation should move back to +1.0%, as a result of the slowdown in energy and fresh food prices. For tobacco, price rises scheduled for March 2019 are virtually half those applied in March 2018, and it is expected that this will also contribute to the fall in inflation. Core inflation is likely to rise to 1.2% in June 2019, higher than the level in October 2018 (+0.8%).

Real wages set to accelerate through to mid-2019

Nominal wages per capita in the non-agricultural market sector are likely to accelerate a little in 2018 (+2.0%, after 1.7% in 2017); their carry-over effect should already be at +2.1% by mid-2019. Hiring difficulties reported by employers, which increased significantly in the course of 2018, will probably sustain this momentum as well as the payment of an exceptional bonus by some firms. In real terms, after an increase by +0.4% in 2018 as well as in 2017, the carry-over effect of average wage should rise by +1.2% at mid-2019.

3 - The support given to private consumption is expected to compensate the investment slowdown and the exports in H1 2019



Source : Insee

After its buoyancy at the end of 2018, purchasing power should level benefit from support measures in H1 2019

As the acceleration in wages made up for the slowdown in employment, payroll in 2018 should retain the same momentum as in 2017 (+3.0% after +3.1%). Social and tax contributions look set to slow down (+2.0% after +2.7% in 2017) and property income is likely to be very dynamic (+10.9% after, +4.9%), driven by the vigour of paid dividends. Households' gross disposable income therefore looks set to accelerate in 2018 (+3.1% after +2.7% in 2017). However, this acceleration will probably be the same as that in consumer prices, with the result that household purchasing power in 2018 is likely to increase by +1.4%, the same as in 2017. After increasing briskly at the end of 2018, mainly as a result of the reductions in contributions for salaried employees and in housing tax and despite the peak in oil prices reached at the start of October, households' gross disposable income should benefit from the measures announced in December to support purchasing power. In addition, given the increase in inflation, the carry-over effect of purchasing power for 2019 should already be at +2.0% by mid-year.

Household consumption is likely to rebound at the beginning of 2019

The one-off factors that sustained consumption in the summer are unlikely to still be effective in Q4 2018: despite the clear increase in purchasing power this quarter, at the end of 2018 consumption is expected to return to a pace that will be all the more moderate as it is likely to be affected by the social unrest of the "yellow vests".

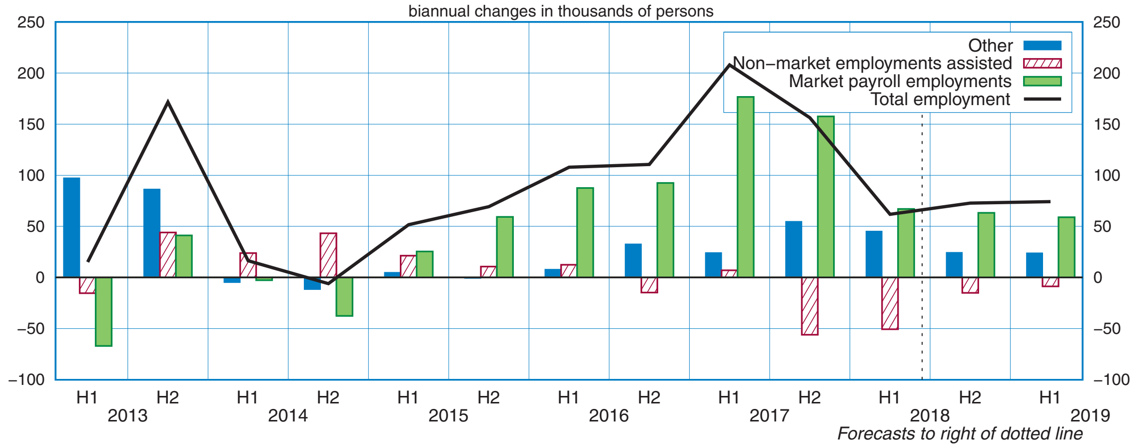
According to the business tendency survey of households in November 2018, the opportunity to make major purchases has decreased substantially (*Focus on Consumption sheet*). Household consumption should then accelerate at the beginning of 2019 as a backlash and as a result of the support measures. On average in 2018, the household savings ratio is expected to remain similar to the 2017 level (14.7% after 14.2%), and should stay a little above this level in the course of H1 2019 (15.2% in carry-over effect by mid-2019).

Corporate investment in service sector should remain dynamic

Corporate investment is likely to be sustained in H1 2019

Corporate investment is likely to remain stable at the end of 2018, due to a downturn in spending on manufactured goods as a result of a backlash effect after the massive number of new vehicle registrations in August. However, it should increase again during H1 2019 (+0.6% per quarter), still sustained by spending in the service sector. The transformation of the Competitiveness and Employment Tax Credit (CICE) into a permanent reduction in employers' social contributions in 2019 should give short-term support to companies' margin rate (which is expected to increase by almost 1.5 points and reach 33.5% at the

4 - Market-sector employment is expected to keep a moderate growth while supported employment is likely to weigh in less on total employment



Source : Insee

beginning of 2019) and notably this should benefit employment (*Focus on Employment sheet*) and investment.

The decline in household investment is set to escalate

The decline in household investment (around –0.4% per quarter) looks set to continue through to mid-2019. The pace of building permits continues to decline and the volume of transactions on existing dwellings remains high but is no longer increasing. Household investment is expected to rise by only 1.5% in 2018 after +5.6% in 2017 and its carry-over effect for 2019 should be –1.0% by mid-year. General government investment is likely to be stable at the start of 2019.

International uncertainties persist, both political and financial

The negative consequences of US protectionist measures could come to fruition

Until now, world trade has resisted the trade war started by the United States, with economic actors accelerating their trade in the expectation of additional hikes in customs duties. However, the effects on world trade and inflation could be more marked at the beginning of 2019. The tightening of monetary policies across the Atlantic could further hamper not only US growth, but also world growth, next year.

Political and budgetary uncertainties persist in Europe

The risks in Europe relate mainly to the outcome of negotiations on the terms of *Brexit* and on the implementation of the Italian budget and the European procedure to limit its deficit. In both cases, the associated uncertainty could slow investments or generate anxiety in the financial markets.

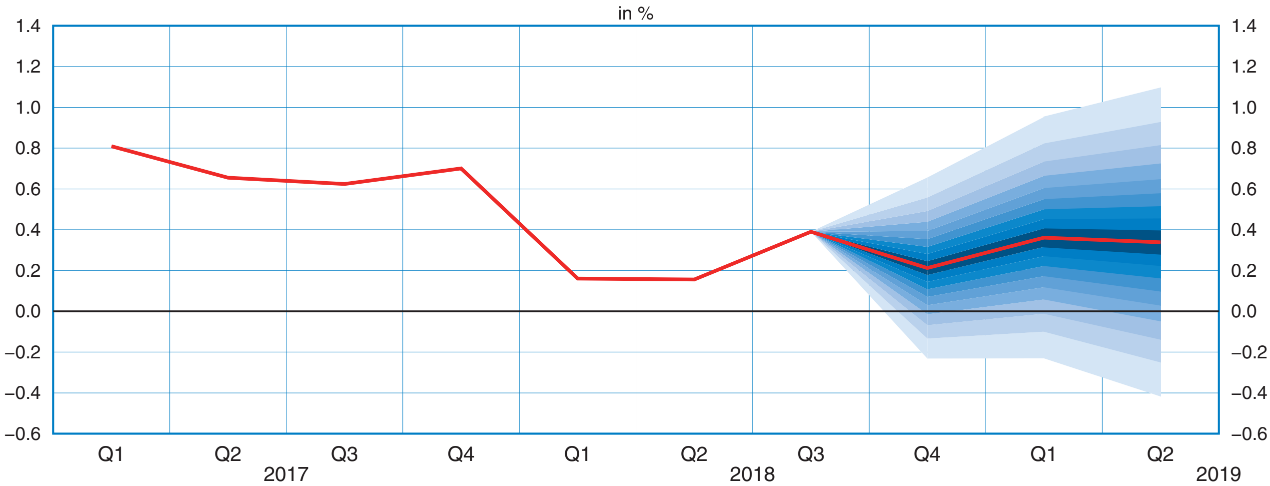
The reaction of household consumption to the new measures and to budget expenditure in the Eurozone is uncertain

Household income and corporate income are likely to be fairly irregular until mid-2019 in France and neighbouring countries (CICE and measures to support purchasing power in France, increase in minimum wage in Spain, citizen's income in Italy, etc.). The reactions of household consumption and corporate investment will be determining factors for change in activity in the Eurozone when confronted with these ongoing international risks.

In France, the uncertainty is accentuated by the ongoing social unrest

In France in particular, the duration and the consequences of the social unrest provoked by the "yellow vests" are still uncertain as this edition of *Conjoncture in France* goes to press (13 December 2018). The arrangements for implementing the purchasing power support measures announced on 10 December are not yet known exactly. Finally, the changes to the calendar for collecting income tax could also affect household consumption behaviour, causing it to go up or down. ■

5 - Fan chart for *Conjoncture in France*



How to read it: the fan chart plots 90% of the likely scenarios around the baseline forecast (red line). The first and darkest band covers the likeliest scenarios around the baseline, which have a combined probability of 10%. The second band, which is a shade lighter, comprises two sub-bands just above and just below the central band. It contains the next most likely scenarios, raising the total probability of the first two bands to 20%. We can repeat the process, moving from the centre outwards and from the darkest band to the lightest, up to a 90% probability (see *INSEE Conjoncture in France* for June 2008, pages 15 to 18). It can therefore be estimated that the first estimate that will be published in the quarterly accounts for Q4 2018 has a 50% chance of being between +0.0% and +0.4% ; for Q1 2019, up to a 90% probability the estimate will be between –0.2% and +0.7% .

Source: INSEESource:

Key figures: France and its international environment

	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	2019 Q2	2017	2018	2019
International environment													
Advanced economy GDP	0.6	0.7	0.7	0.5	0.4	0.7	0.4	0.6	0.4	0.5	2.3	2.3	1.7
Eurozone GDP	0.7	0.7	0.7	0.7	0.4	0.4	0.2	0.4	0.3	0.3	2.5	1.9	1.1
Barrel of Brent oil (in dollars)	55	51	52	62	67	74	75	69	60	60	55	71	60
Euro-dollar exchange rate	1.06	1.10	1.17	1.18	1.23	1.19	1.16	1.14	1.14	1.14	1.13	1.18	1.14
World demand for French products	1.5	1.4	1.0	1.9	0.6	0.9	0.5	1.0	0.7	0.9	5.3	4.2	2.7
France - supply and uses													
GDP	**0.8**	**0.7**	**0.6**	**0.7**	**0.2**	**0.2**	**0.4**	**0.2**	**0.4**	**0.3**	**2.3**	**1.5**	**1.0**
Imports	1.9	–0.5	2.0	0.4	–0.7	0.5	–0.3	1.4	0.8	0.7	4.1	1.0	2.3
Household consumption	0.0	0.4	0.5	0.2	0.2	–0.2	0.4	0.2	0.7	0.5	1.1	0.8	1.4
GG and NPISHs consumption	0.3	0.3	0.4	0.3	0.2	0.3	0.3	0.3	0.4	0.4	1.4	1.1	1.2
Total GFCF	2.3	0.8	1.3	1.0	0.1	0.9	0.9	0.0	0.3	0.3	4.7	2.8	1.2
of which: NFEs	*2.7*	*0.4*	*1.6*	*1.3*	*0.1*	*1.3*	*1.6*	*0.1*	*0.6*	*0.6*	*4.4*	*3.8*	*2.2*
Households	*1.9*	*1.4*	*1.0*	*0.8*	*0.2*	*0.1*	*–0.1*	*–0.5*	*–0.4*	*–0.3*	*5.6*	*1.5*	*–1.0*
Exports	0.0	2.6	1.2	2.2	–0.6	–0.1	0.4	2.1	–0.3	0.0	4.7	2.9	1.4
Contributions (in point)													
Domestic demand excluding changes in inventories[1]	0.6	0.5	0.7	0.4	0.2	0.2	0.5	0.2	0.5	0.4	2.0	1.3	1.3
Changes in inventories[1]	0.8	–0.7	0.2	–0.2	–0.1	0.2	–0.3	–0.2	0.2	0.1	0.2	–0.4	0.0
Net foreign trade	–0.6	1.0	–0.3	0.6	0.0	–0.2	0.2	0.2	–0.3	–0.2	0.1	0.6	–0.3
France - situation of households													
Total employment	101	94	46	100	50	18	16	23	33	31	341	107	64
Non-farm market sector employment	86	87	47	102	42	28	20	24	26	23	321	114	49
ILO unemployment rate France[2] (excluding Mayotte)	9.6	9.4	9.6	8.9	9.2	9.1	9.1	9.1	9.1	9.0	8.9	9.1	9.0
Consumer price index[3]	1.1	0.7	1.0	1.2	1.6	2.0	2.2	1.6	1.3	1.0	1.0	1.9	-
Core inflation[3]	0.4	0.4	0.5	0.6	0.9	0.8	0.7	0.8	1.0	1.2	0.5	0.8	-
Household purchasing power	0.2	0.7	0.4	0.4	–0.4	0.8	0.4	1.3	0.5	0.2	1.4	1.4	2.0

Forecast

1. Changes in inventories include acquisitions net of sales of valuable
2. For annual data, unemployment rate is that of the last quarter of the year
3. Year-on-year on the last month of the quarter and annual averages

GDP: gross domestic product
GFCF: gross fixed capital formation
GG: general government
NFEs: non-financial enterprises
NPISHs: non-profit institutions serving households
ILO unemployment: unemployment as defined by the International Labour Organisation

How to read it: the volumes are calculated at the previous year's chain-linked prices, seasonally and working-day adjusted, quarterly and annual averages, as a %.

Source: INSEE