

France economic outlook: a lasting microclimate?

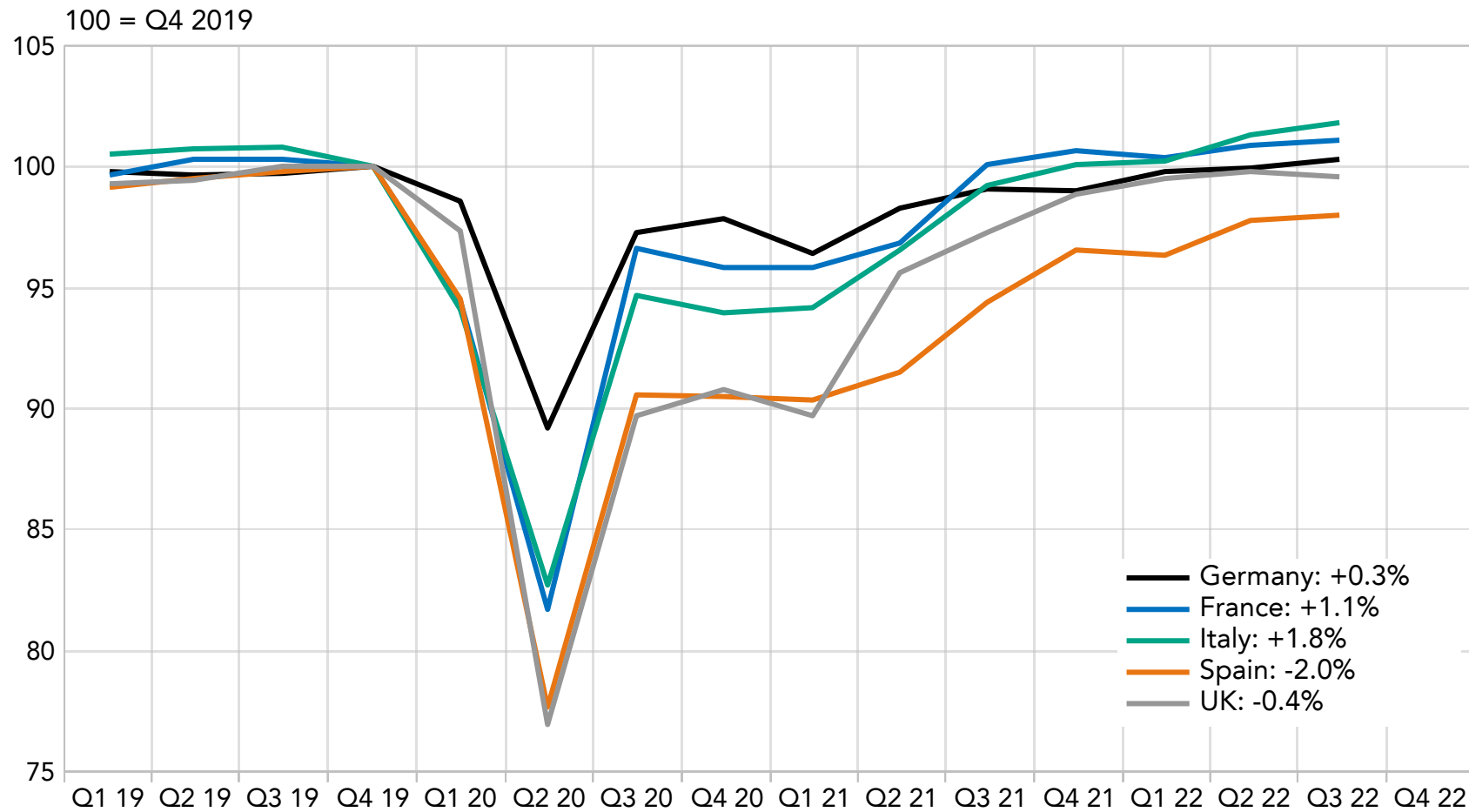
AIECE meeting

29 November 2022

Rexecode

France's GDP has been performing rather well lately compared to its peers

Real GDP since Q4 2019

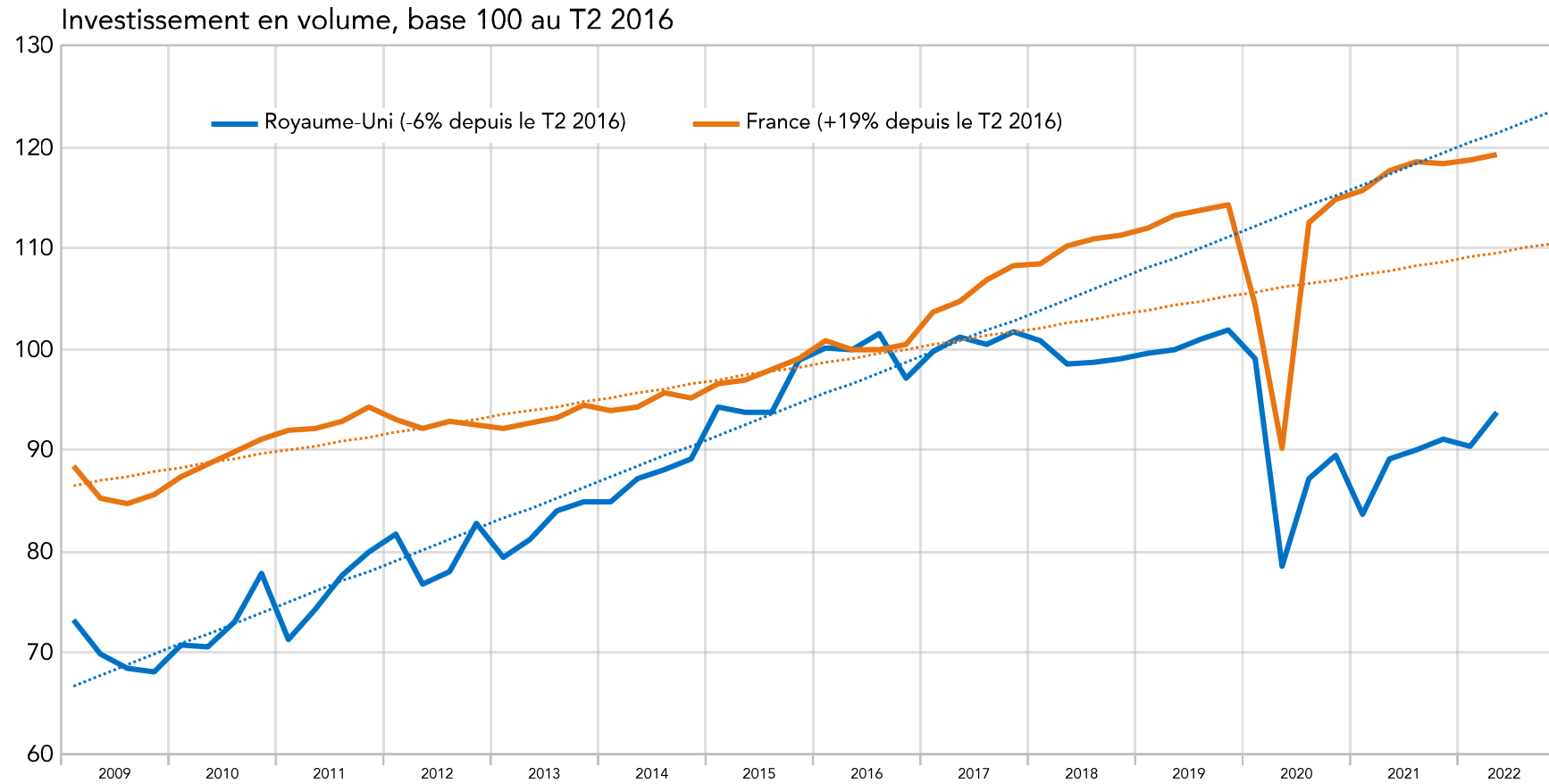


Source : INSEE, Destatis, ONS, Istat, INE

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A positive business investment cycle

Royaume-Uni et France Investissement productif privé en volume



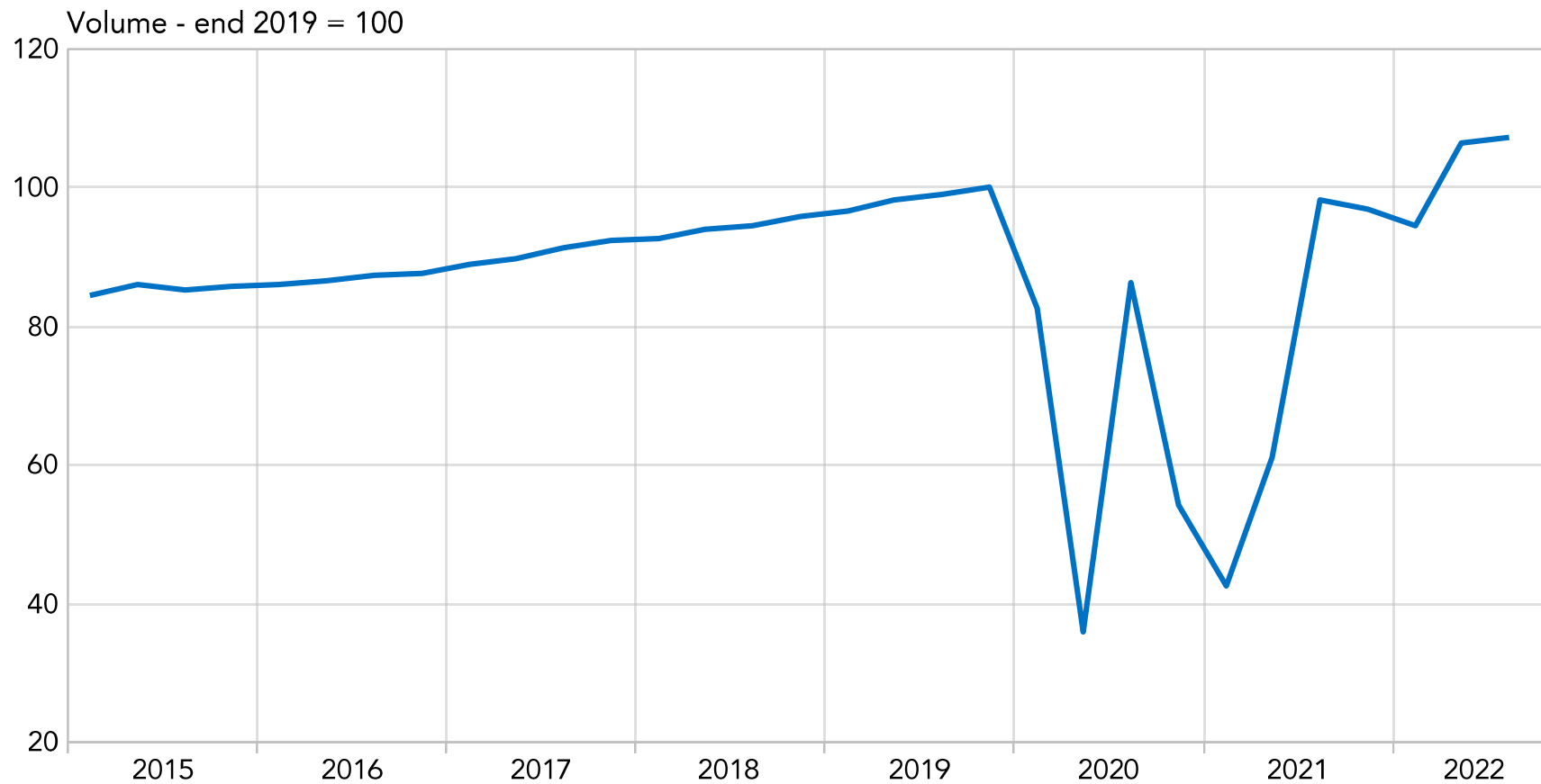
Sources : ONS, INSEE

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The rebound in services consumption has driven growth (but is now over)

France

Household consumption in hospitality services ("hôtellerie-restauration")



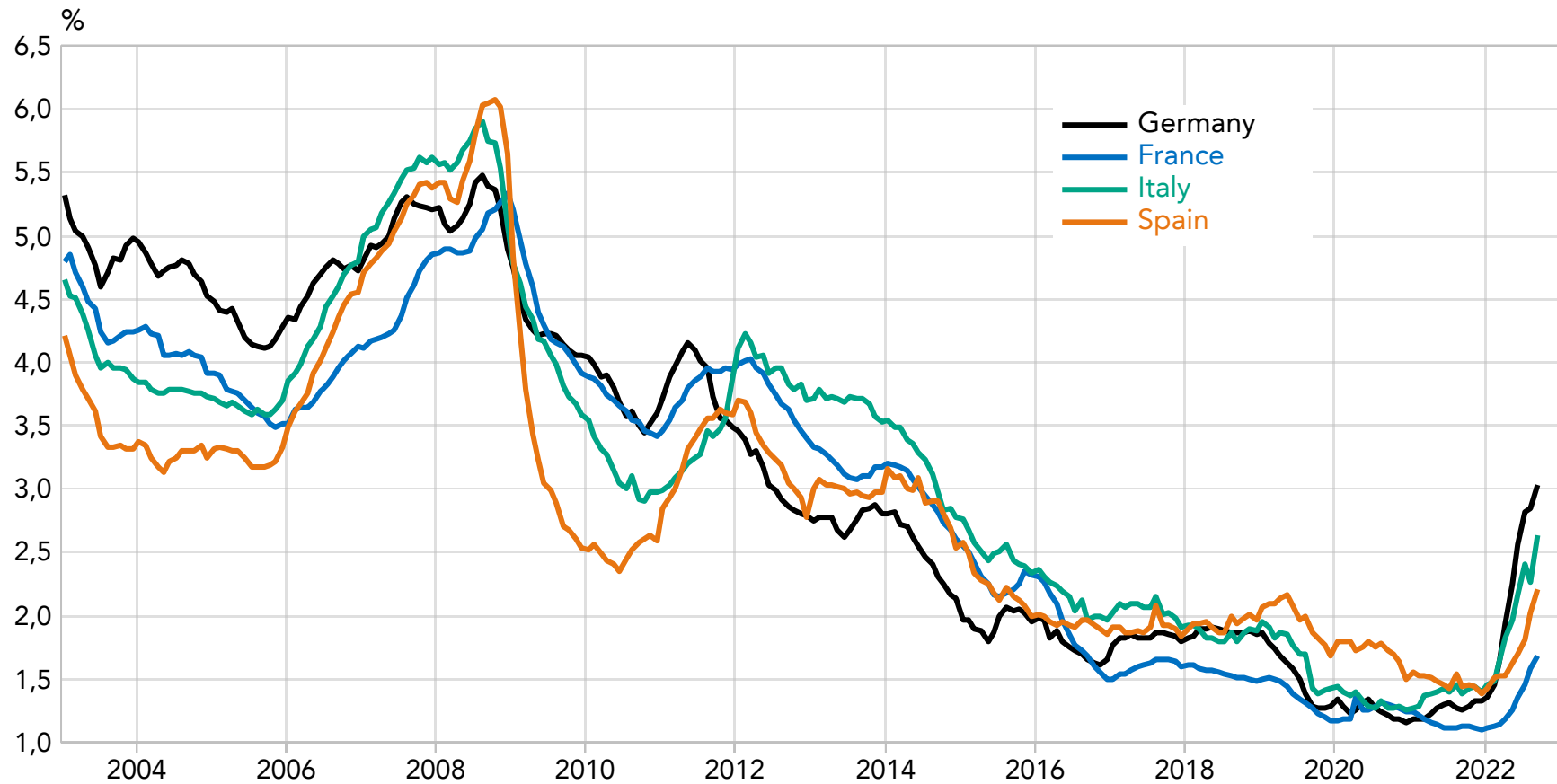
Source : Insee

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The rise in housing credit interest rates has been slower than elsewhere in Europe

Eurozone

Average borrowing cost for new household purchase loans

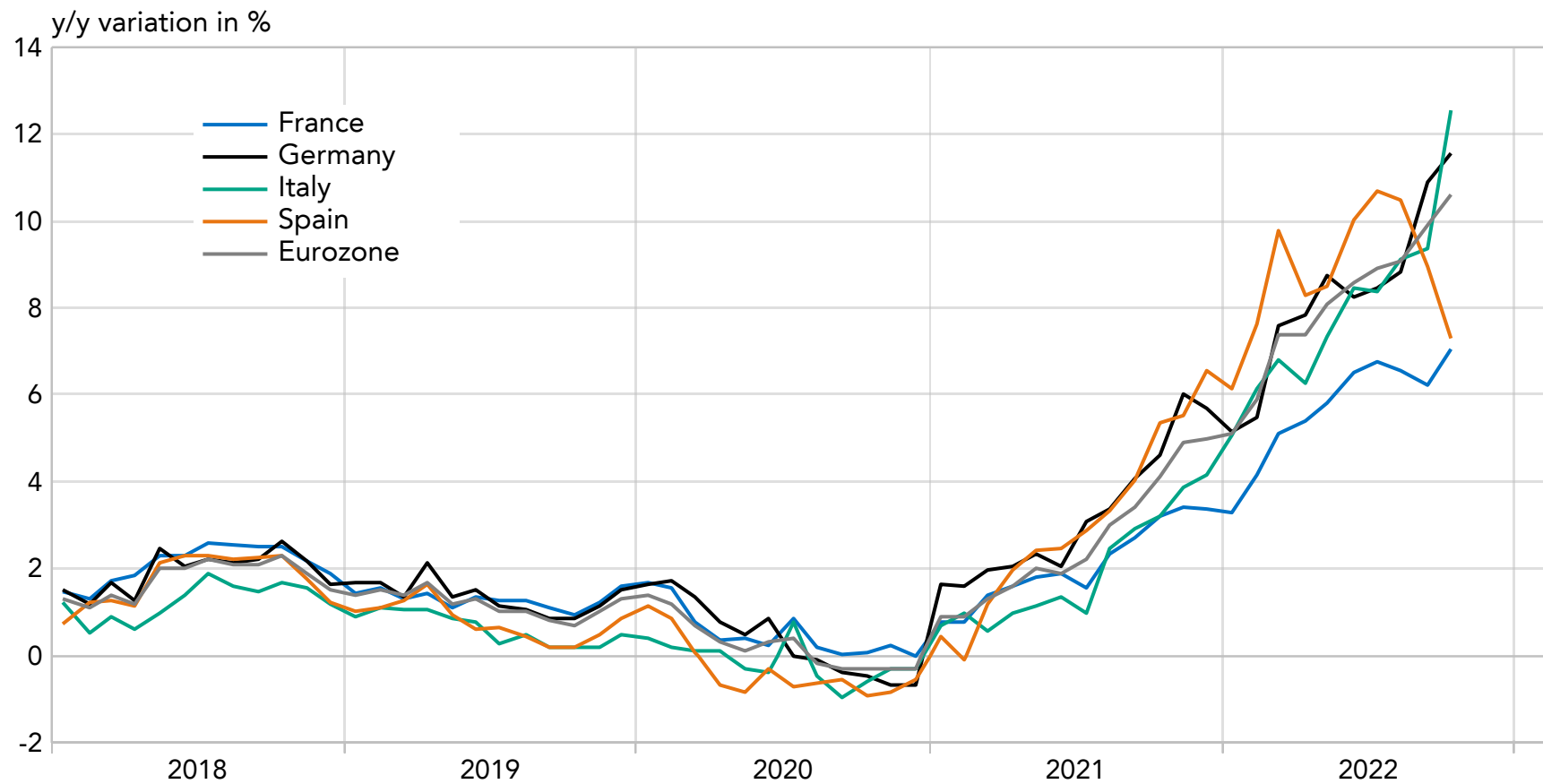


Source : ECB

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Above all, French households have benefited from milder inflation rates

Eurozone HICP



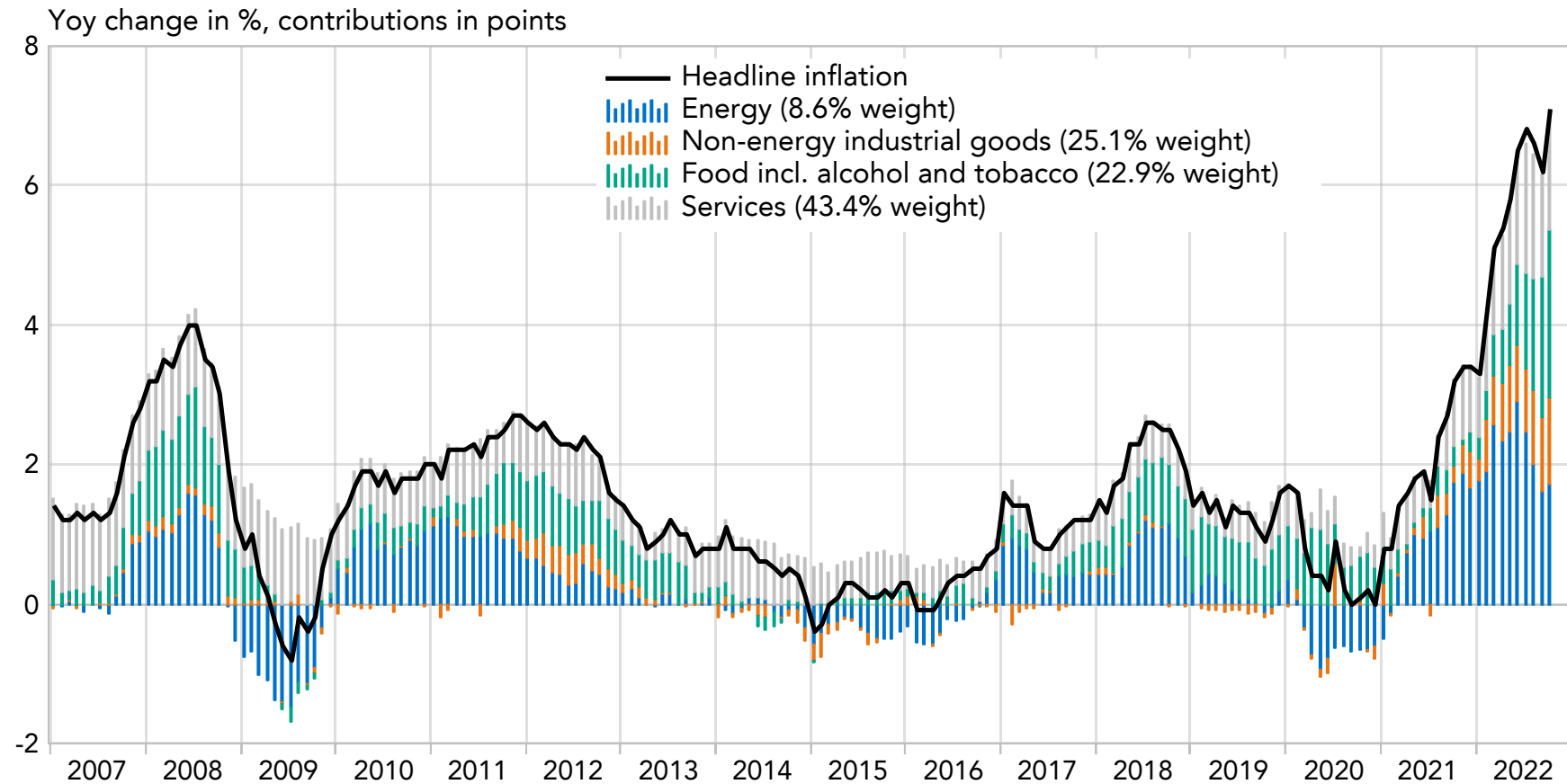
Source : Eurostat

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Energy inflation has temporarily decreased, but food and core inflation keep strengthening

France

Contributions to HICP headline inflation



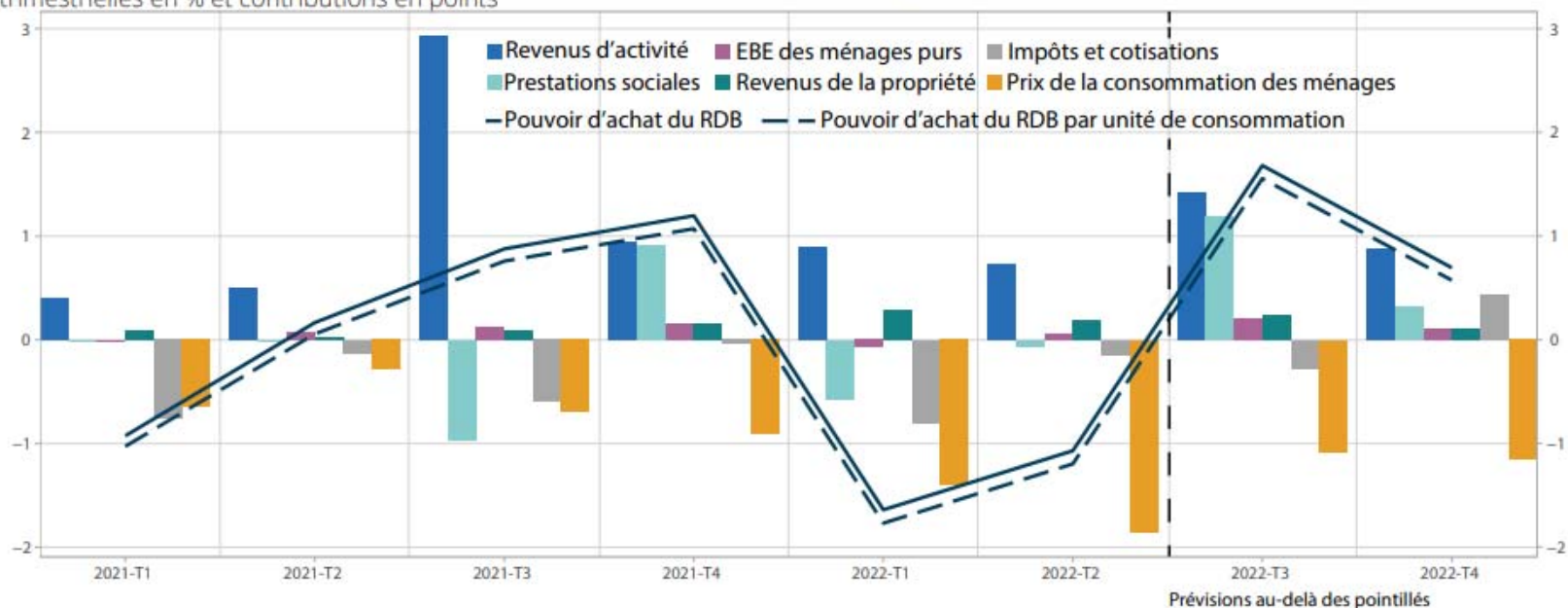
Source : Eurostat, calculs Rexecode

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Households' purchasing power is anticipated to post a surprising but short-lived growth in the second semester

► 8. Pouvoir d'achat du revenu disponible brut des ménages

variations trimestrielles en % et contributions en points



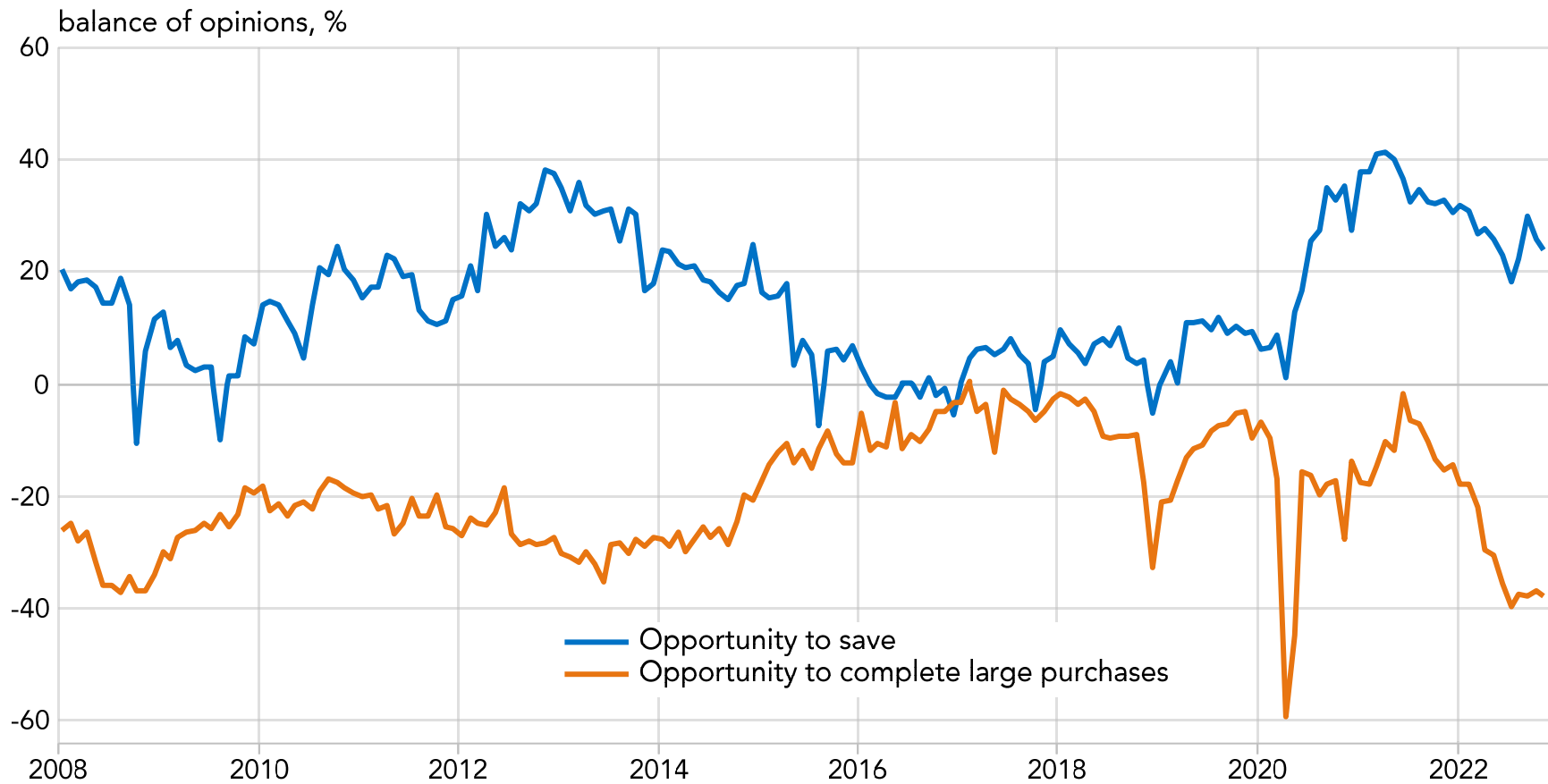
Note : la contribution des prestations sociales inclut également les autres transferts.

Source : Insee

But surveys suggest that households are willing to save much and consume little going forward

France

Opportunity to save or consume according to households

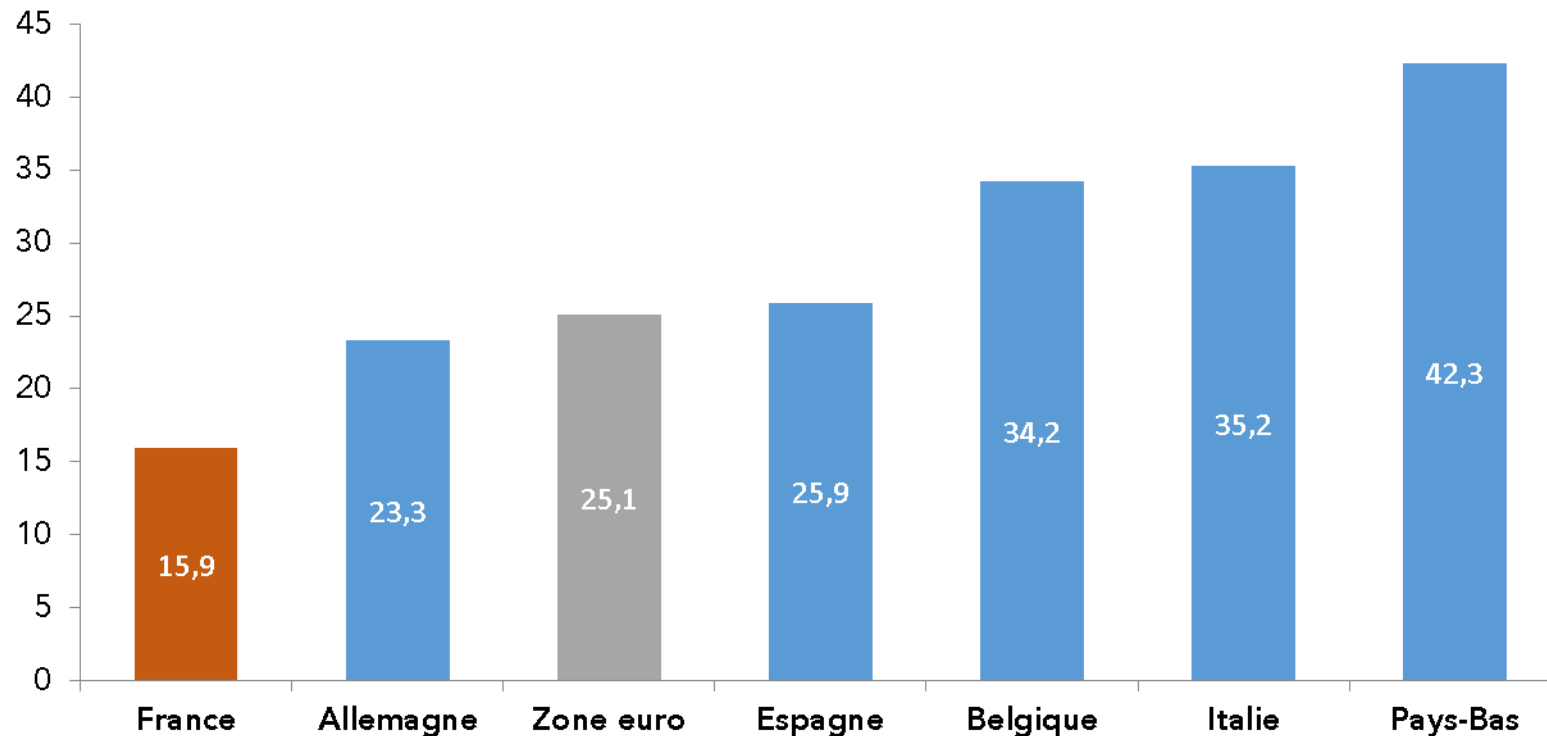


Source : Enquête mensuelle de conjoncture auprès des ménages, INSEE

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The natural gas intensity of GDP is much lower than elsewhere

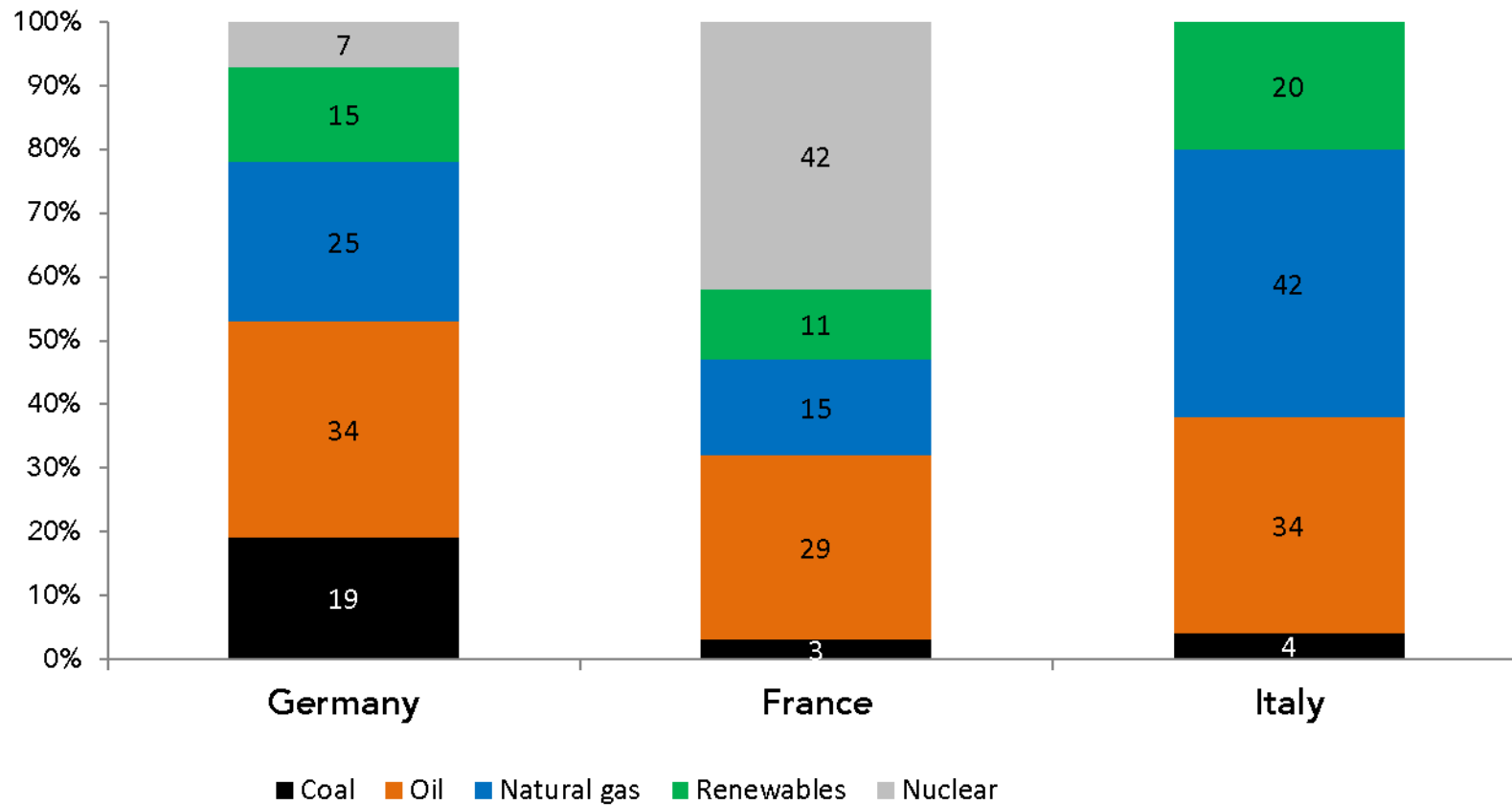
Intensité du PIB en gaz naturel
(en 2019, en ktoe par Md€ de PIB en volume)



Source : Calculs Rexecode à partir d'Eurostat et Ameco

To a certain extent, France has leveraged a more favourable energy mix

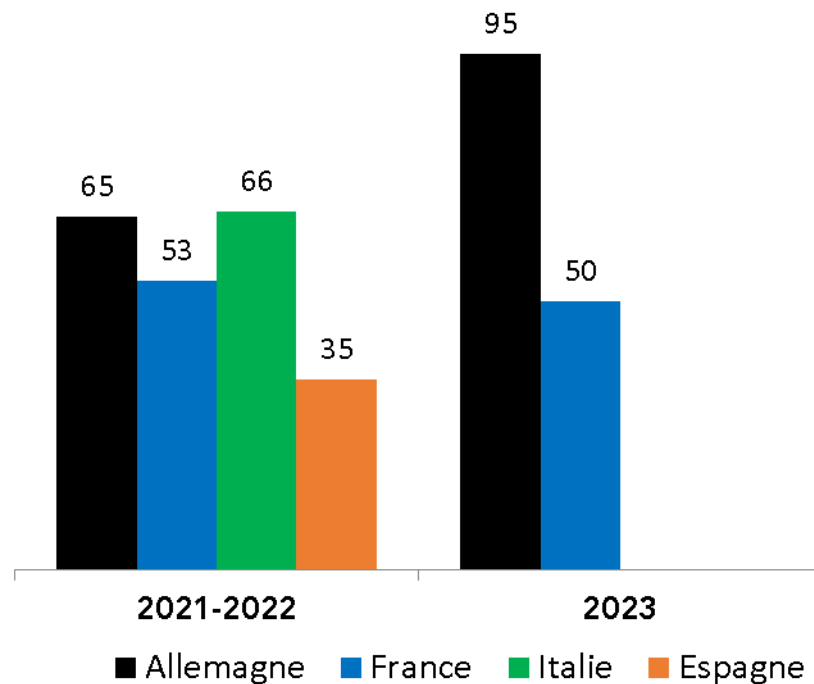
Breakdown of total national energy supply
(in 2019, based on ktoe)



Source : Eurostat

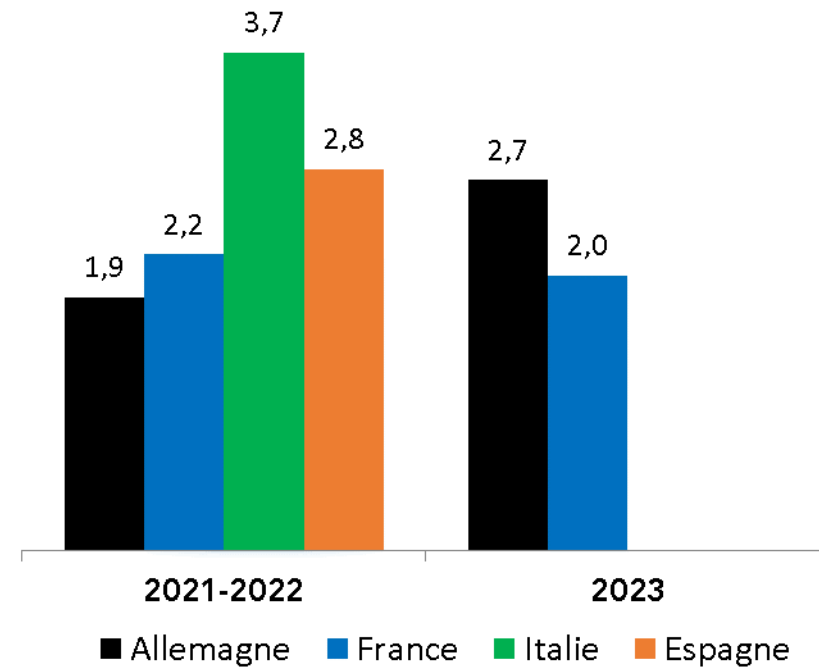
Support measures in France have not cost more than in other countries (mi-October estimates)

Coût des réponses budgétaires (en Md€ courants)



Source : Calculs Rexecode

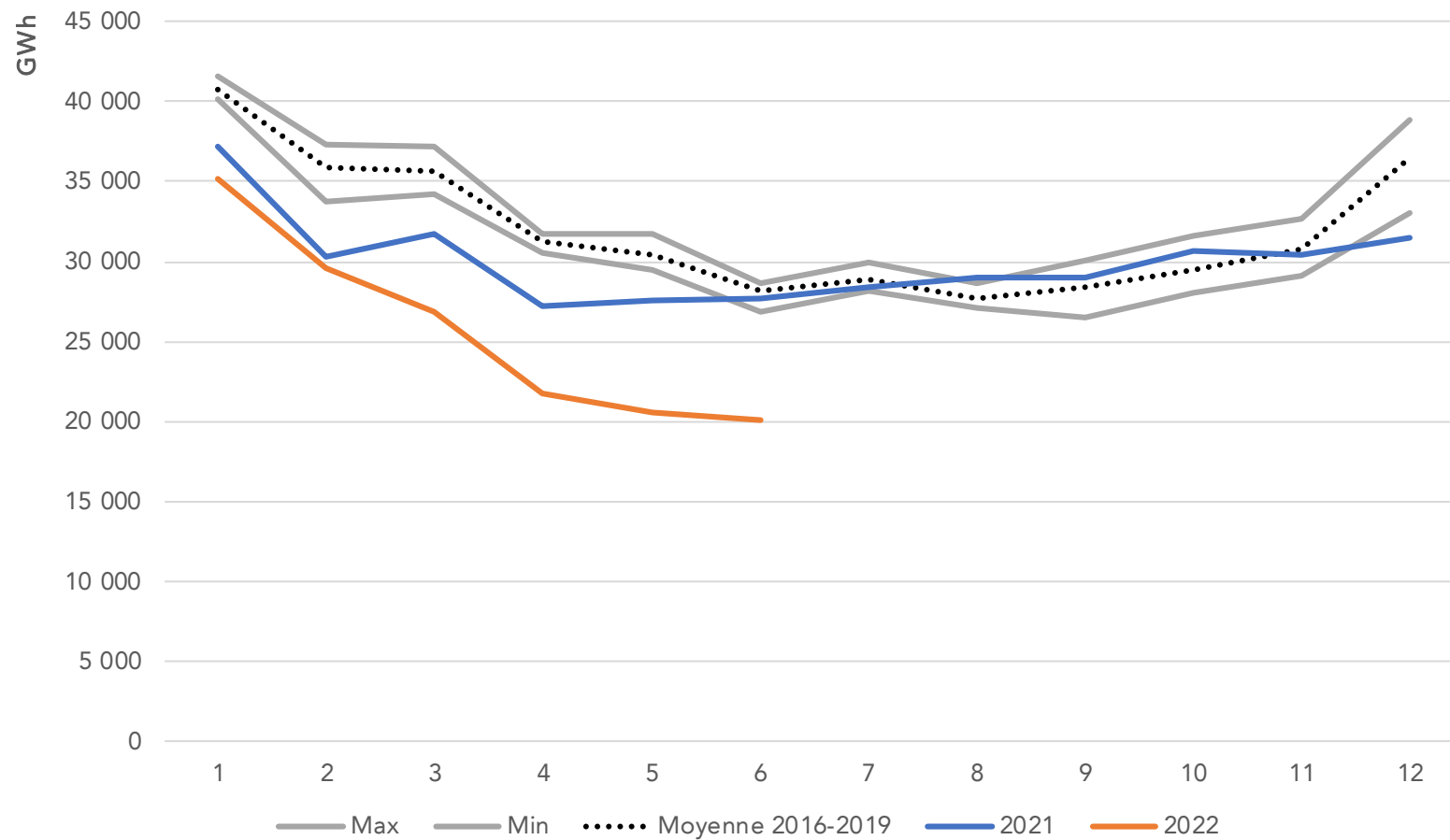
Coût des réponses budgétaires (en % du PIB 2019)



Source : Calculs Rexecode

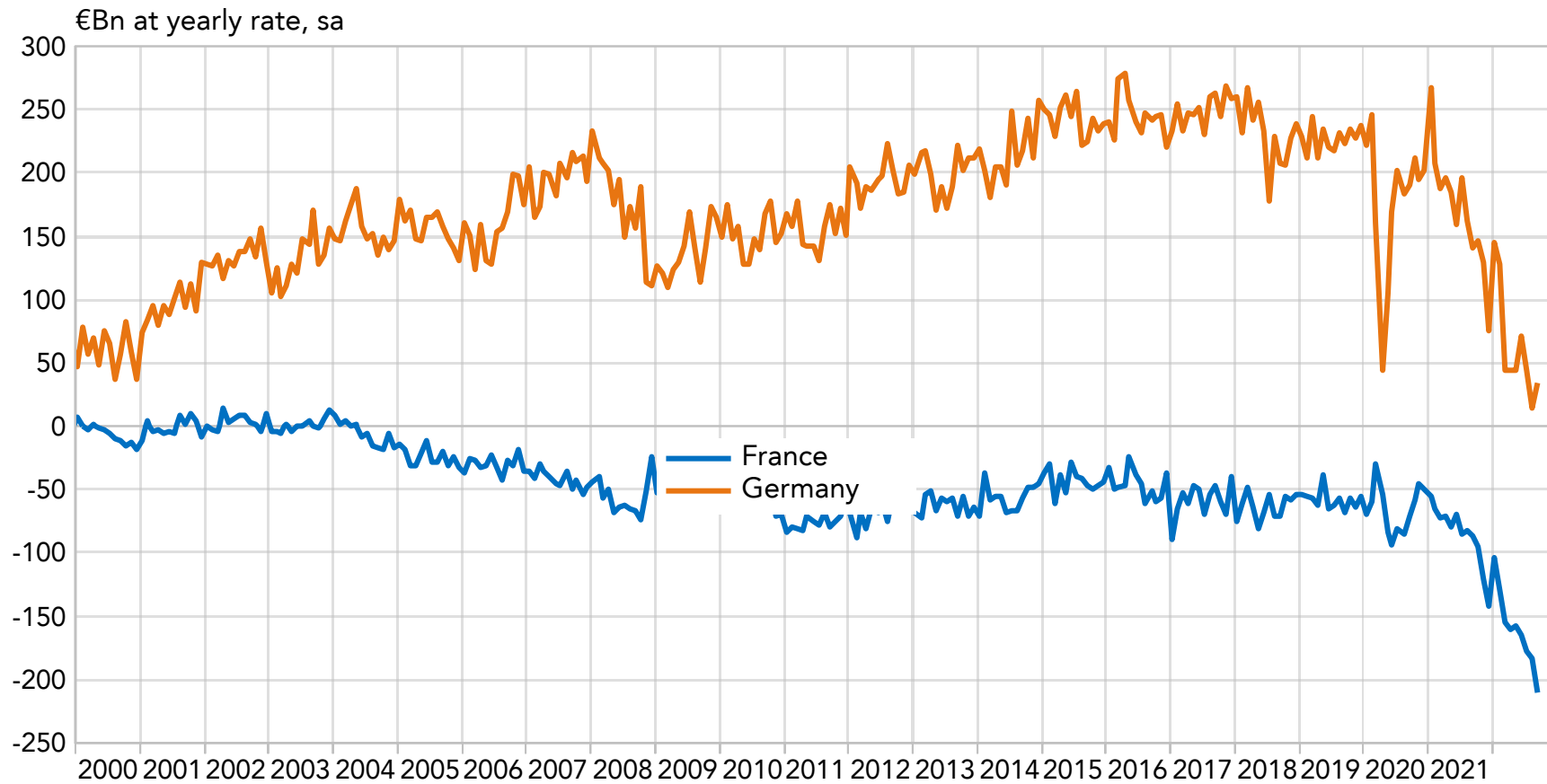
A specific French problem arising from lost nuclear production due to unplanned maintenance operations

France Monthly nuclear electricity production



Lower than average inflation does not mean the energy shock does not pose serious problems

France vs Germany Balance of trade in goods

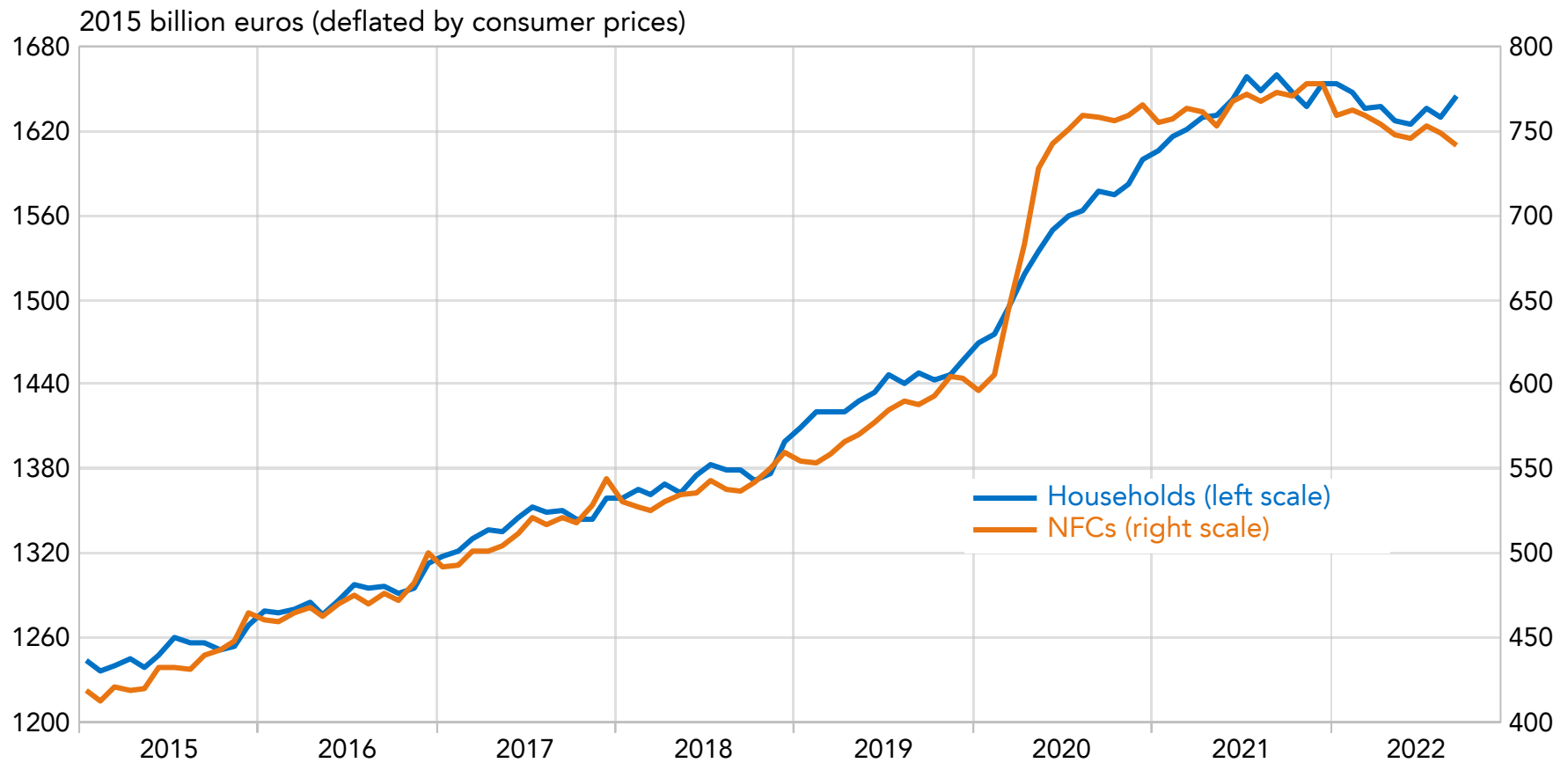


Source : Bundesbank, Douanes

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French households and corporates are drawing down on accumulated bank savings

France : deposits of households and NFCs with the banking system in real terms



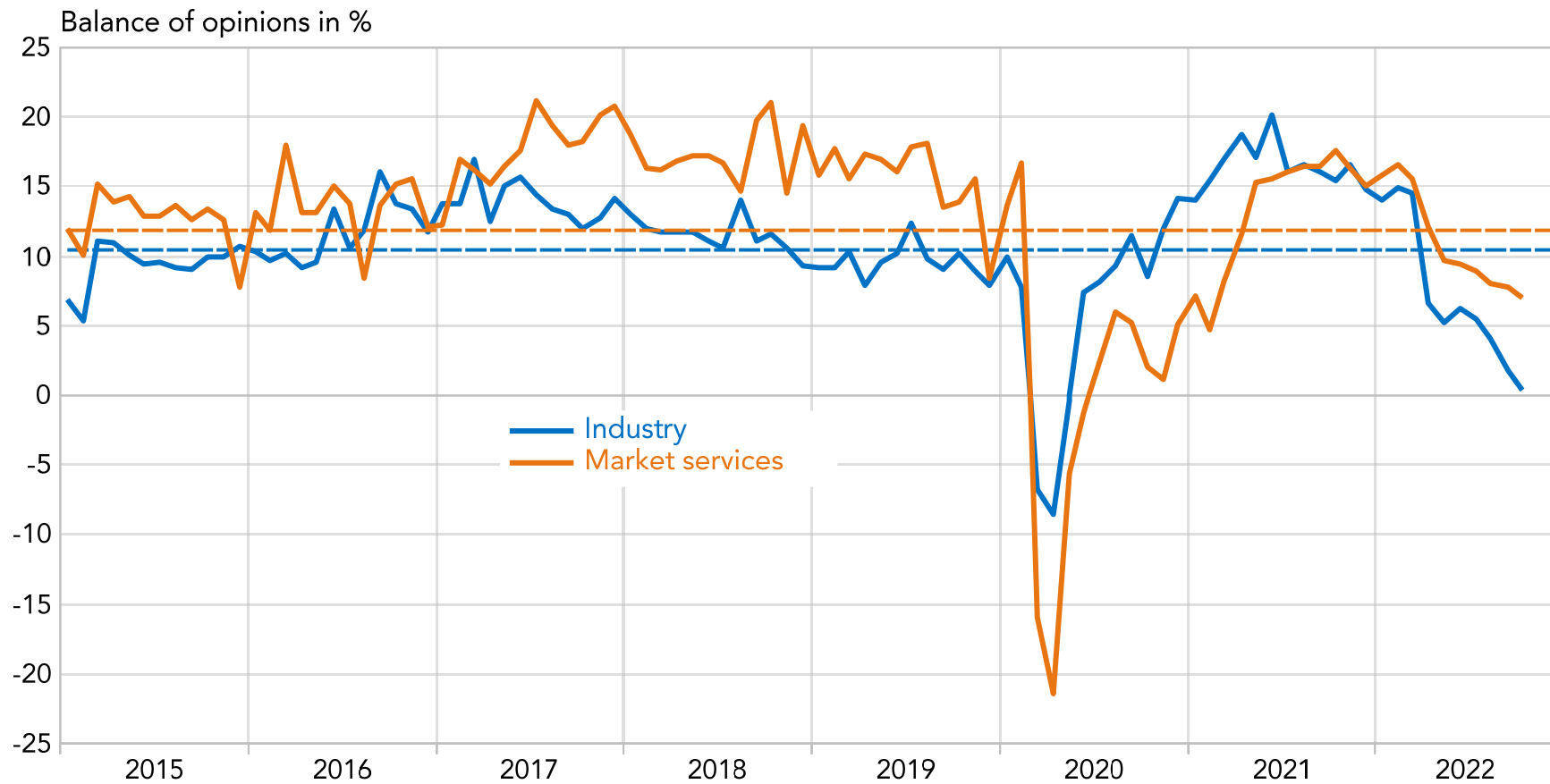
Source : Banque de France, Rexecode calculations

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The cash position of companies is now deteriorating, particularly in industry

France

Opinions on the cash position in industry and services



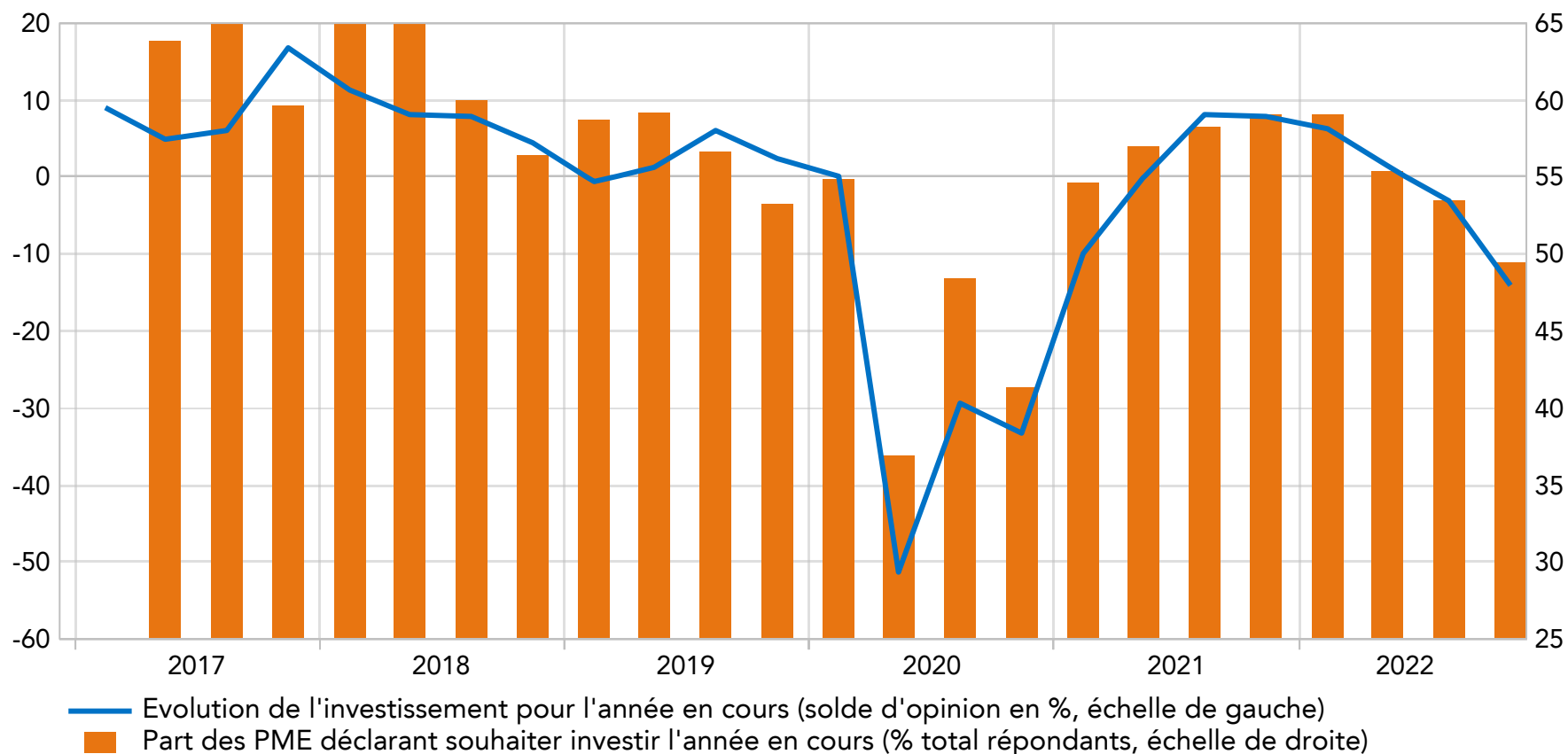
Source : Banque de France, enquête de conjoncture

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Investment and employment decisions will sooner or later blink

Signs that investment perspectives are decreasing

France : Opinions sur l'investissement des entreprises Enquêtes Rexecode avec BPIFrance



Source : Rexecode, BPIFrance Le Lab

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Thank you for your attention!
Questions?

Our September macroeconomic scenario for France

Presented on September 14th

<i>Annual % change</i>	2020	2021	2022	2023
GDP	-7,9	6,8	2,6	0,0
Household consumption	-6,8	5,2	2,6	-0,1
Productive investment	-6,9	11,4	1,5	-0,8
Employment	-1,8	3,0	2,9	0,0
Unemployment rate (ILO)	8,0	7,9	7,3	7,5
CPI	0,4	1,7	5,3	4,9
Wages	1,5	1,5	3,0	4,5
Public accounts balance (% GDP)	-8,9	-6,4	-4,5	-5,5
Current account balance (% GDP)	-1,8	0,3	-1,2	-2,0

L'incidence du plan de résilience sur le solde public

(source : PLF 2023)

En Md€	2021	2022	2023
Gaz, dont	0,4	9,5	9,8
Compensation aux fournisseurs de gaz	0,4	8,1	11,1
Electricité, dont		18,7	33,8
Baisse TICFE et TCCFE		7,4	9,4
Compensation aux fournisseurs d'électricité		11,3	24,4
Remise à la pompe		7,6	0
Mesures ménages, dont	4,3	10,2	2
Indemnité inflation	3,8		
Chèque énergie exceptionnel	0,5	1,8	
Revalorisations anticipées de prestations		6,7	1,6
Autres	0	1,7	0,4
Mesures entreprises, dont	0	2,8	2,3
Subventions aux énérgo-intensifs		1,5	1,5
Autres	0	1,1	0,8
Autre : provision	0	0	1,6
Total brut	4,7	48,6	49,5
À déduire: moindres charges SPE et redevances hydrau.	-2,0	-18,7	-29
Total net	2,7	29,9	20,6 ²⁰