

LA CONJONCTURE IN FRANCE

A bi-annual short term economic report by INSEE

The outlook for 1992

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Mid-1992 finds much uncertainty still hanging over world economic recovery, with growth in the OECD countries expected to remain very limited this year (about 2 % compared with 1 % in 1991). Some signs of improvement have been visible in the United States in the first half. Private consumption in Germany rose in the early part of the year and a further recovery is expected in the second half, following the ending of the unification surtax. Demand growth in French export markets should be on much the same scale as in 1991, but the external contribution to growth is likely to rise sharply, reaching 0.8 of a point, with exports benefiting from the price-competitiveness gains achieved in 1991. This would put French GDP on a slightly more rapid growth path than in our main trading partners, at 2.5% compared with 2.0%. Domestic demand, on the other hand, will probably grow more slowly, as economic agents are still cautious. Firms are again cutting back on their investment plans, as they did last year, while household consumption is expected to go on rising at the same rate as in the second half of 1991, which would give the same annual growth rate as

in 1990. The gradual adjustment of numbers employed in response to the slowdown that began in mid-1989 will probably continue, with manufacturing industry still the most affected sector while tertiary activities are partly benefiting from the employment policy introduced by the government.

A major feature of the French economy in 1992 is likely to be the mastery of rises in wages and prices : inflation is expected to be only very moderate and purchasing power gains of the same order as last year, despite the slowdown in the growth of the total wage bill. The moderation shown by wage costs is one reason to expect an improvement in company results.

These favourable tendencies in the nominal aggregates are having a positive impact on French exports. Meanwhile, the moderate domestic demand means that there should be only a slight acceleration in imports. The current-account balance should improve by some FF 40 billion, thanks to the strong trade performance.

Domestic caution, external succes

GDP can be expected to grow in real terms in both halves of 1992 at the same rate as in the second half of 1991. This would give a growth rate of about 2.5 % for the year as a whole. The external balance is making a major contribution to the improvement, enabling growth to exceed 2 % in France, unlike her main trading partners. The moderation in the growth of domestic demand is a reflection of the cautious attitude of economic agents.

The external sector contributing 0.8 of a point to growth

The very modest growth in world demand in 1992 seems not to be affecting French exports of manufactures, which are expected to grow by an average of around 9 % this year. The early part of 1992 saw export growth continuing at the same rate as at the end of 1991, i.e. at a half-yearly rate of over 5 %. Growth is likely to be slightly slower in the second half but still enough to consolidate the high level being achieved in the middle of the year. The way exports are distributed between the two half-years is partly determined by the calendar for Airbus deliveries. In 1992, exports are likely to feel the full effects of the price-competitiveness gains achieved in 1991, as such gains normally lead to volume increases after a time-lag of six to twelve months. The restraint shown by French wage costs throughout 1991 enabled export prices to be cut to a greater extent than by our principal competitors. This factor, combined with the rise in the dollar against the franc, is the main explanation for the improved price-competitiveness, which has in turn produced the favourable tendency in French exports in 1992.

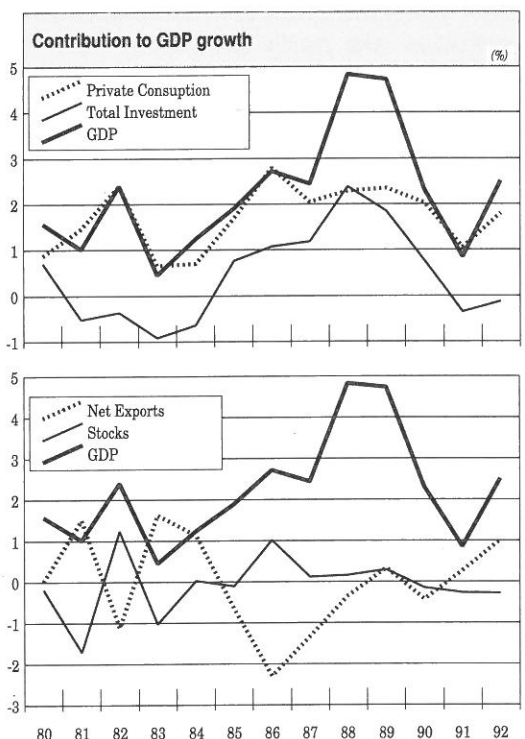
Total demand growth in french export markets remains stable

The growth in total demand in French export markets seems to be remaining virtually unchanged (up 5.9 % in 1992, compared with 6.2 % in 1991), despite the weaker tendency in German demand.

Growth in the OECD countries is thought likely to accelerate slightly this year, to 1.8 % compared with 1 % in 1991. This would mean a continuation of the gradual strengthening of world trade seen since mid-1991 (to 6 % in 1992 from 4.2 % in 1991, according to the OECD).

There have been clear signs of an improvement in United States activity in the early part of the year and also in the European Community countries. The main influence behind this was domestic demand. This tendency could well continue in the second half of the year, but without intensifying. Meanwhile, inflation remains stable. In neither the United States nor the United Kingdom is the renewal of confidence on a sufficient scale, given the persistent attempts to reduce indebtedness, to bring about a more marked acceleration in activity. Meanwhile, tight fiscal policies in most of the EC countries will hold down domestic demand.

Growth in the European Community is likely to remain modest, with exports and private consumption the main supporting factors. The divergences between the growth tendencies in individual countries seen in 1991 are expected to narrow in 1992. The United Kingdom should emerge from recession in the second half, helped by an expansionary fiscal policy. In Germany, on the other hand, growth is being hampered by the



Gross Domestic Product by Type of Expenditure

Constant 1980 prices - Percentage change, except see (1), Annual rates

	Half-year averages						Year-on-year (H2/H2)			Annual averages		
	90.I	90.II	91.I	91.II	92.I	92.II	1990	1991	1992	1990	1991	1992
PIB	3.0	0.6	0.6	2.8	2.4	2.4	1.5	1.8	2.7	2.2	1.2	2.5
Imports	8.6	4.2	2.2	3.6	3.2	4.4	3.6	1.8	5.5	6.5	3.0	3.6
Available ressources	4.2	1.4	1.0	3.0	2.6	2.8	2.0	1.8	3.3	3.1	1.6	2.8
Households' final consumption	3.6	1.0	1.4	2.2	2.8	2.4	2.3	2.1	2.5	2.9	1.5	2.5
Gross fixed capital formation	4.2	-0.2	-2.2	-0.8	-0.4	-0.2	1.6	-3.4	0.2	2.9	-1.3	-0.5
Of wich : <i>NFCU sector</i> ⁽²⁾	6.6	0.0	-3.2	-5.2	-1.8	-0.8	2.5	-4.5	-0.6	3.8	-2.8	-2.3
<i>Households</i>	-2.8	-4.4	-5.0	4.2	0.4	-0.6	-5.9	-0.1	0.1	-0.6	-2.5	1.1
Exports	8.6	0.8	3.6	8.6	8.4	3.2	3.9	5.6	6.7	5.5	4.2	7.2
Change in stocks	-0.4	0.6	-0.8	-0.0	-0.8	0.8	-0.6	-0.5	0.4	-0.1	-0.2	-0.2
Domestic demand except change in stocks	3.8	0.8	0.6	1.4	2.0	1.8	1.9	1.1	1.9	2.9	0.8	1.8
Domestic demand	3.4	1.4	-0.2	1.4	1.0	2.6	1.3	0.5	2.3	2.7	0.6	1.5

(1) Change in stocks as % of previous period's GDP.

(2) Non financial corporate, quasi-corporate, and unincorporated enterprises.

financing expenditures involved by unification. Even so, the second half of the year should see an upturn in private consumption under the impact of the ending of the unification surtax. German exports should also gather momentum, now that a larger part of production is available for external markets. The main impetus for European recovery is again likely to come from the Southern countries, but even here expansion will be restricted by high interest rates and the tight fiscal policies introduced this year.

In the United States, there are signs that activity is starting to revive. Industrial output has been rising, housing starts and retail sales, especially of durables, are moving up. The second half of the year should see investment making a larger contribution to growth, helped by improved company results and a more favourable outlook for demand. But the movement will be damped down by the debt overhang affecting both the State and the private agents.

Japan is still locked in a financial crisis that is affecting companies' investment beha-

viour. Household consumption is less strong, with purchases of durables particularly badly hit as the result of reduced confidence. There is likely to be an appreciable slowdown in 1992, despite the strong positive external contribution.

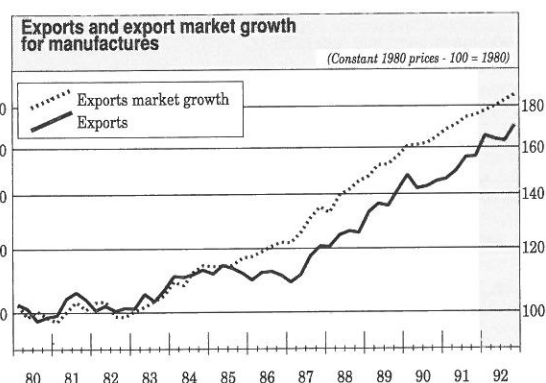
The consumption growth rate is likely to be around 2.5 %

Consumption growth gathered pace in the second half of 1991, making up for a slower first half. In 1992, growth should be steady throughout the year at the same rate as in the second half of last year.

Purchasing power gains look like being only moderate (2.2 %, compared with 2.0 % in 1991) but inflation should remain stable at 3 %. Since the middle of 1991, households have been devoting slightly more of their income to consumption, but job uncertainties have reduced the inclination to borrow and this has held back purchases of durable goods. Growth in this sector, despite the

increase from the abolition of the top VAT rate, seems likely to be only of the order of 0.2 %, following the sharp decline recorded in 1991. The growth rate for the consumption of non-durables should slightly exceed 1.5 %. Once again, the greatest increase in consumption will probably come from the service sectors, at a rate of 3.6 %. In particular, spending on air transport has strongly recovered after the crisis caused by the Gulf War.

Taking into consideration the moderate growth of the real income, the increase in consumption will mean a decrease in the savings ratio (to 12.3 % from 12.6 % in 1991). This decline should be seen in



perspective, however, especially in the light of the heavy precautionary saving that took place in the first half of 1991 during the Gulf War. The ratio should be much the same as in the second half of 1991, but showing no appreciable fall because of the caution shown by consumers at a time when unemployment is still rising.

Productive investment set to fall by more than 2% in real terms

Productive investment is likely to fall again by more than 2% in real terms in 1992, compared with 3.5% in 1991. But the total flow is still high, if slightly below that of 1989, and is still building on the large volumes achieved between 1985 and 1989. For the second consecutive year, the corporate investment ratio (investment as a proportion of value added) is likely to fall, probably back to its 1986 level.

In industry, the adjustment of investment to the volume of activity that began in 1991 is continuing. Firms are expecting an 8% decline in real terms in their productive investment. Movements in investment this year, just as in 1990, seem not to be showing an accelerator-decelerator response to changes in demand. In 1990, firms continued to invest on a large scale, despite the significant slow-

down in demand; in 1992, the recovery in the output prospects has not halted the downward adjustment. Firms remain sceptical, gauging the climate to be not yet sufficiently positive for them to review their investment plans, even though the demand expectations are improving.

It also has to be remembered that investments for the purpose of expanding capacity rose in the period 1987-1990, adding considerably to the production potential. The slowdown in activity that began in 1989 has meant a reduction in capacity utilization rates to the levels of 1986. Installed capacity is therefore regarded as being adequate to respond rapidly to any increase in demand. According to business surveys, firms are tending this year to concentrate on investment aimed at modernization and renovation rather than capacity expansion.

Moderate growth in domestic demand failing to accelerate production growth

Traded output is expected to rise by 3.5% in 1992, compared with 2.1% in 1991. Manufacturing industry is back on a growth path higher than those of the past two years, although services are the fastest-growing sector.

In line with the tendency seen in the second half of 1991, manufacturing industry is expected to grow by around 2.5% on average for the year 1992 as a whole. Growth in the first half should be slightly faster than in the second, mainly because it was the early part of the year which made up for the ground lost in a final part of 1991 that was more depressed than expected. In particular, labour unrest interfered with car production. Excluding this one-off factor, underlying growth would have

been much the same in the two periods, propped up by dynamic exports. The fact that household consumption was firmer than in 1991 is another factor explaining the improvement in the annual average growth of output.

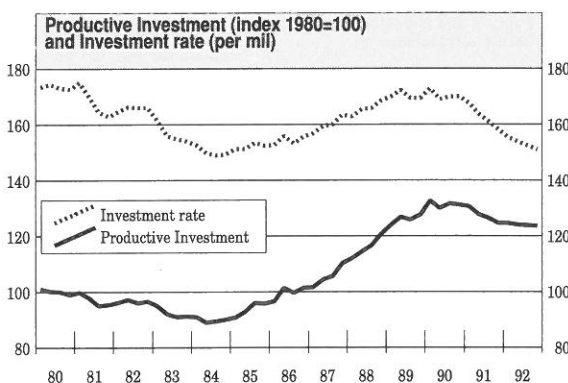
But the scale of the improvement varies with the branch. It is substantial in the car industry, where there was a considerable "catching-up" effect early in the year. This branch has also been benefiting from the strength of the European market. But the capital goods sector is showing virtually no growth at all, because of the decline in investment. Consumer goods are profiting from the surge in exports.

In the traded services sector, output is expected to rise by around 5.5% in 1992. Although this is slower than in the latter part of the 1980s, it still means that services are making a major contribution to overall growth in production. Business surveys seem to be indicating that the slowdown in activity in this sector has in fact ended, especially in business services. The tourism-linked branches are among the most dynamic, as the result of the strength of demand from abroad and the revival of interest in foreign holidays on the part of the French themselves. The transport sector is also in better shape after going through a very difficult period in 1991.

Production in the building and civil engineering industries could possibly increase modestly, at the same rate as last year, in view of the government's support programme.

The slow import growth is the result of weak investment

Even the small recovery in domestic demand for manufactures (an increase of 0.9% in



1992, after a fall of 1.2 % in 1991) can be expected to accelerate import growth.

However, the acceleration would be on a smaller scale this year than in previous upturns. This is because the investment content of imports is substantial and French investment is likely to remain weak in 1992, so that import growth will remain modest despite the slight revival in overall domestic demand.

On the domestic market, price-competitiveness seems to be deteriorating, with firms trying to maintain their margins, whereas their foreign competitors, especially German, seem to be cutting theirs.

Movements in the nominal aggregates favourable to company earnings

The revival in manufacturing activity can be expected to be accompanied by a slight increase in producer prices. On the other hand, unit operating costs should fall, as the combined result of falls in input costs and unit wage costs. The fall in input costs has in fact already occurred in the first half, mainly in the form of cheaper imported energy and lower prices for industrial raw materials.

The decline in unit wage costs would be the simultaneous result of an improvement in apparent labour productivity and a slowdown in wage rates. The continued tendency to cut back the labour force in 1992, combined with an increase in output, should produce substantial productivity gains. Ever since the middle of 1991, firms have accordingly found themselves well placed to rebuild their margins.

The non-financial companies should therefore benefit both from the more vigorous activity

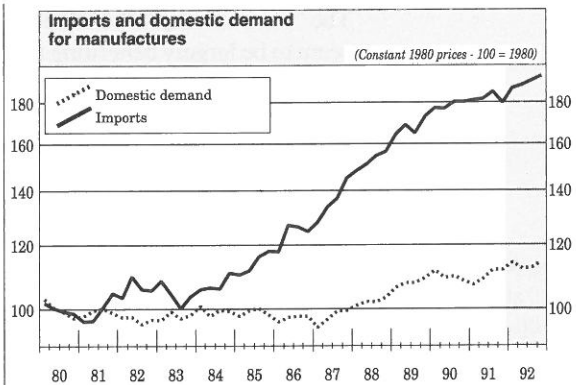
in 1992 and from the productivity gains, so that their results are likely to improve. The slowdown in labour costs, combined with the restraint in other operating costs, should produce an increase in the gross profit ratio (from 41.1 % to 41.5 %). Lower tax charges, as the result of the low level of activity in 1991, mean that the corporate savings ratio should increase slightly (to 16.9 % from 16.2 % in 1991). Finally, the low level of investment expenditure should bring the self-financing ratio close to 100 %, roughly 10 points up on 1991.

A lagged adjustment in the work force to the slowdown in activity, producing an increase in unemployment

In the traded non-farm sector, the number of wage-earners employed fell by 0.1 % in the fourth quarter of 1991 and the first quarter of 1992. Restructuring affected long-term jobs, while the use of temporary personnel levelled off.

In 1992, the total number of people employed is expected to fall by 0.2 %, after remaining stable in 1991, as the result of a gradual adjustment in the work force to the slowdown in activity. The numbers employed in the traded non-farm sector taken on its own would be down by about the same percentage.

In manufacturing industry, the use of temporary personnel rose in the early part of the year, especially in the car sector, with firms remaining cautious pending confirmation of the revival in production. Job losses continue in 1992 at much the same rate as in 1991 (amounting to around 2.5 % of employment), making a total for the year of around 100,000. This explains why firms now find themselves



achieving productivity gains of over 5 %, placing them at the high point of the productivity cycle.

Job losses seem to be particularly numerous in the capital goods sector, reflecting the fall in investment, whereas they should tend to slow down in the intermediate and consumption goods sectors towards the end of the year, in response to the improvement in activity.

In the building sector, the outlook for new recruitment remains bleak. The traded tertiary sector is expected to go on providing new jobs but not at the same rate as in 1991, due to reduced use of temporary personnel. The non-traded tertiary sector should also continue to create jobs, through the continued use of "contrats emploi-solidarité"^{1/}.

The unemployment rate on the ILO definition was 10 % in April and is expected to be 0.3 to 0.4 of a point higher by December, despite the active government policy in favour of employment. Not only are the numbers employed falling, but the rise in the labour force is as strong as ever, with the combination of the two tendencies producing this rise in the unemployment rate.

The proportion of the total unemployed accounted for by young people who have completed short fixed-term contracts seems to have declined, but that of adults who have lost their long-term jobs has increased.

^{1/} These are fixed-time part-time contracts designed to encourage the insertion or reinsertion into working life of young people in the 16-25 year age group, long-term job-seekers and those aged over 50. Remuneration is on the basis of the hourly SMIC (minimum wage) and is partly or totally met out of public funds.

The "contrats emploi-solidarité" seem to be largely benefiting the long-term unemployed in 1992, but the other measures in favour of the unemployed mainly involve training and the insertion into working life of young people, with an increase in the supply of training places. The measures taken to ease the impact of restructuring are likely to be extended in 1992.

The slowdown in the total wage bill has not prevented a slight increase in purchasing power

In 1992, hourly wage rates are expected to rise by close to 4 %, compared with 4.6 % in 1991 and 5 % in 1990. Wage growth seems to be slowing down in the private sector, while in the public sector measures in favour of particular categories, combined with the across-the-board adjustment, will mean a growth rate in the remuneration index of 3.3 % (annual average) compared with 2.6 % in 1991.

The easing in the growth of hourly wages and the fall in the numbers employed will between them produce a slowdown in the growth of gross remuneration received by households in 1992.

The operating surplus in the household sector is likely to increase strongly in 1992, due to the upturn in activity. However, the balance on "income from property and entrepreneurship" can be expected to slow down considerably because of last year's low level of activity. Social insurance contributions should level off and taxes even slow down because of the slower growth of household income in 1991.

This would add up to a slight acceleration in the growth of the purchasing power of gross disposable household income (to 2.2 % from 2 % in 1991). The financial savings ratio would come down by 0.3 of a point, to 3.5 %, indicating the reduced lending capacity of households.

Inflation still low

In April 1992, the year-on-year rise in the retail price index was 3.1 %. It is likely to remain stable at around 3 % for the rest of the year, with falls in gas tariffs and the VAT rate compensating for higher tobacco prices.

On the assumption^{1/}, for the sake of illustration, of an oil price of \$ 19.5/barrel and an exchange rate of FF 5.60 to the dollar in the second half of the year, energy costs would rise slightly. But food prices are more likely to slow down. Excluding energy and food, inflation should stay at around 3.6 % this year, as in 1991.

The greatest slowdown is likely to occur in prices of manufactures, in part because of the abolition of the top rate of VAT. Prices of services will probably continue to grow at the same rate as in previous years, i.e. by around 5 %.

Marked improvement in the current-account balance, thanks to the trade surplus

The trade balance (customs basis, fob-fob) is likely to improve by around FF 40 billion compared with 1991, giving a surplus of about FF 8 billion.

Most of the improvement comes from the favourable tendency in the balance on manufactures, which will show a surplus in 1992. Exports of capital goods, boosted by high Airbus deliveries, and of transport equipment are turning out to be particularly vigorous this year.

To add to this new-found surplus on manufactures there is still the well-established food and agriculture surplus. This is likely to be below the record level attained in 1990 but higher than in 1991, with a particularly large contribution from processed foods. The easing of the oil bill is likely to be limited and would be entirely due to the low price of crude oil in the first quarter.

The sharp improvement in the merchandise balance should mean an appreciable narrowing of the current-account deficit in 1992. The various categories of services seem in general to be in a favourable situation. The travel balance is likely to go on improving, as France is attracting foreign tourists in increasing numbers, thanks to strong price-competitiveness and to the quality of what it has to offer. But French visits abroad are also increasing, attracted by the major events in Spain and relieved of the worries associated with the Gulf War. The improvement in the balance on air transport should mean a reduction in the deficit on trade-related services. The only factor marring this generally satisfactory picture is the balance on investment income, which could be large enough to cancel out all the improvement expected from services.

^{1/} With an alternative assumption of an oil price of \$ 20/barrel and an exchange rate of FF 5.40 to the dollar in the second half of the year, the year-on-year rise in the retail price index would be 2.9 %.


STATISTICAL SECTION
TABLE 1 : GROSS DOMESTIC PRODUCT BY TYPE OF EXPENDITURE

Period	Gross domestic product	Imports of goods and services	Households' final consumption	Government final consumption	Gross fixed capital formation		Exports of goods and services	Change in stocks
					Total	NFCU sector ⁽¹⁾		
(Billions of francs - current prices, s.a.)								
1980.....	2,808.29	638.79	1,645.07	517.51	645.75	334.20	604.42	34.33
1981.....	3,164.80	744.75	1,897.90	604.34	700.53	360.89	714.28	- 7.50
1982.....	3,626.02	859.53	2,190.33	711.78	774.28	404.89	790.35	18.81
1983.....	4,006.49	907.39	2,424.14	793.54	809.60	421.21	900.66	- 14.06
1984.....	4,361.91	1,024.97	2,639.17	866.43	840.36	436.61	1,053.33	- 12.42
1985.....	4,700.14	1,092.62	2,858.39	923.02	905.29	477.42	1,123.93	- 17.87
1986.....	5,069.29	1,021.79	3,049.51	972.80	977.52	525.50	1,074.09	17.15
1987.....	5,336.63	1,094.35	3,235.58	1,018.59	1,054.77	571.08	1,101.38	20.67
1988.....	5,735.07	1,217.63	3,429.50	1,073.30	1,188.31	641.27	1,221.30	40.30
1989.....	6,159.06	1,403.16	3,664.47	1,124.55	1,305.26	712.51	1,411.15	56.81
1990.....	6,491.96	1,470.33	3,882.55	1,178.97	1,379.00	756.34	1,468.47	53.30
1991.....	6,749.16	1,513.81	4,064.42	1,252.79	1,389.00	745.49	1,537.75	19.02
1991 : 1.....	1,655.43	375.17	997.62	306.82	346.43	189.08	369.84	9.90
1991 : 2.....	1,674.62	372.84	1,007.69	310.40	345.79	186.70	380.43	3.15
1991 : 3.....	1,700.47	386.78	1,021.62	314.10	348.89	185.82	392.44	10.20
1991 : 4.....	1,718.64	379.02	1,037.50	321.47	347.89	183.90	395.04	- 4.23
1992 : 1.....	1,749.96	381.95	1,049.59	325.43	350.93	184.36	402.92	3.02

(1) Non financial corporate, quasi-corporate, and unincorporated enterprises.

(Constant 1980 prices s.a., percentage change from previous period, except last column, see ⁽²⁾)								
1980.....	1.6	2.5	1.2	2.5	2.6	4.8	2.7	- 0.1
1981.....	1.2	- 2.1	2.1	3.1	- 1.9	- 2.9	3.7	- 1.4
1982.....	2.5	2.6	3.5	3.7	- 1.4	- 0.1	- 1.7	1.0
1983.....	0.7	- 2.7	0.9	2.1	- 3.6	- 4.4	3.7	- 0.9
1984.....	1.3	2.7	1.1	1.1	- 2.6	- 2.8	7.0	0.0
1985.....	1.9	4.5	2.4	2.3	3.2	4.3	1.9	- 0.1
1986.....	2.5	7.1	3.9	1.7	4.5	6.3	- 1.4	0.9
1987.....	2.3	7.7	2.9	2.8	4.8	5.9	3.1	0.1
1988.....	4.5	8.6	3.3	3.4	9.6	9.5	8.1	0.1
1989.....	4.1	8.2	3.3	0.3	7.0	8.2	10.2	0.2
1990.....	2.2	6.5	2.9	1.9	2.9	3.8	5.5	- 0.1
1991.....	1.2	3.0	1.5	2.9	- 1.3	- 2.8	4.2	- 0.2
1991 : 1.....	0.1	1.3	0.4	0.8	- 0.4	- 0.4	- 0.5	0.3
1991 : 2.....	0.5	- 1.1	0.2	0.7	- 1.0	- 2.0	2.3	- 0.4
1991 : 3.....	1.1	3.2	0.5	0.9	0.4	- 1.0	2.6	0.7
1991 : 4.....	0.1	- 1.5	0.9	0.3	- 0.7	- 1.3	1.1	- 1.1
1992 : 1.....	1.0	2.4	0.6	0.7	0.2	- 0.1	2.9	0.4

(2) Change in stocks as % of previous period's GDP.

TABLE 2 : IMPLICIT GDP PRICE DEFLATORS

Period	Gross domestic product	Imports of goods and services	Households' final consumption	(pro.mem.) consumer price index ⁽¹⁾	Gross fixed capital formation NFCU sector ⁽²⁾	Exports of goods and services
(s.a., except column 4, change from previous period)						
1980.....	11.4	21.9	13.3	13.6	12.8	11.8
1981.....	11.3	19.0	13.0	13.4	11.2	13.9
1982.....	11.8	12.6	11.6	11.8	12.2	12.6
1983.....	9.7	8.5	9.7	9.6	8.8	9.8
1984.....	7.5	9.9	7.7	7.4	6.6	9.4
1985.....	5.8	2.0	5.7	5.8	4.8	4.7
1986.....	5.2	-12.7	2.7	2.7	3.6	-3.0
1987.....	3.0	-0.7	3.2	3.1	2.6	-0.5
1988.....	2.8	2.5	2.6	2.7	2.5	2.6
1989.....	3.2	6.5	3.5	3.6	2.7	4.8
1990.....	3.1	-1.6	3.0	3.4	2.3	-1.4
1991.....	2.8	-0.1	3.1	3.2	1.4	0.5
1991 : 1.....	1.1	-2.1	0.6	0.5	0.3	-0.1
1991 : 2.....	0.6	0.5	0.8	0.7	0.7	0.5
1991 : 3.....	0.5	0.5	0.9	0.8	0.5	0.6
1991 : 4.....	1.0	-0.5	0.7	0.8	0.2	-0.4
1992 : 1.....	0.8	-1.6	0.6	0.7	0.3	-0.9

(1) Consumer price index for urban households of headed by either a wage - or a salary-earner (Chain index).

(2) Non financial corporate, quasi-corporate and unincorporated enterprises.

TABLE 3 : PRICES, COSTS AND PRODUCTIVITY, BUSINESS SECTOR ⁽³⁾

Period	Producer prices	Total unit costs	Intermediate consumption costs	Unit labour costs	Compensation per employee	Labour productivity
(s.a., percentage change from previous period)						
1980.....	14.0	15.9	17.4	14.2	15.6	1.3
1981.....	12.7	12.9	13.1	13.5	14.3	0.7
1982.....	11.6	11.4	11.1	12.0	13.4	1.3
1983.....	9.2	8.6	7.7	9.7	10.5	0.7
1984.....	7.8	7.5	8.6	5.1	8.4	3.2
1985.....	5.3	4.6	4.4	4.4	7.6	3.1
1986.....	1.2	-0.8	-2.6	1.7	4.6	2.9
1987.....	1.9	1.8	1.9	1.5	4.3	2.8
1988.....	2.9	1.9	2.5	0.8	4.9	4.1
1989.....	3.9	3.4	4.8	1.6	4.5	2.9
1990.....	2.4	2.2	1.0	4.2	5.4	1.2
1991.....	2.0	1.9	0.9	3.6	4.3	0.7
1991 : 1.....	0.5	0.1	-0.6	1.1	1.2	0.1
1991 : 2.....	0.5	0.1	0.1	0.3	0.8	0.5
1991 : 3.....	0.2	-0.0	0.4	-0.6	0.7	1.3
1991 : 4.....	0.7	1.1	0.4	2.0	1.7	-0.3
1992 : 1.....	0.3	-0.3	-0.6	-0.1	0.9	1.1

(3) Non financial corporate, quasi-corporate and unincorporated enterprises.

TABLE 4 : INCOME OF NON FINANCIAL ENTERPRISES

CORPORATE AND UNINCORPORATED SECTOR					CORPORATE SECTOR ONLY					
Period	Gross value added	Compensation of employees	Taxes linked to production (1)	Gross operating surplus	Current taxes on income and wealth	Gross disposable income	Compensation of employees	Gross operating surplus as % of Gross value added	Gross fixed capital formation	Saving as % of gross capital formation
(s.a., percentage change from previous period)										
1980.....	12.5	15.6	11.6	7.7	19.7	-0.2	68.3	25.8	19.4	61.7
1981.....	11.5	12.9	9.0	10.9	11.5	-1.4	68.7	25.8	18.7	56.1
1982.....	13.7	13.2	14.3	13.9	4.1	15.1	68.8	25.6	18.4	57.6
1983.....	10.2	9.4	13.4	10.7	4.3	16.0	68.1	26.1	17.3	64.1
1984.....	8.1	6.5	13.6	10.1	10.6	21.2	66.6	27.5	16.6	74.4
1985.....	7.9	6.1	11.3	9.5	17.7	12.0	65.2	28.4	16.9	75.7
1986.....	8.5	4.4	8.4	14.0	16.9	35.8	62.6	31.0	16.9	94.0
1987.....	4.9	4.7	5.9	5.8	14.0	11.3	62.0	31.9	17.6	94.5
1988.....	8.4	6.1	7.1	9.9	10.9	24.8	60.2	33.2	18.2	104.2
1989.....	8.1	6.8	5.2	9.6	12.2	2.0	59.8	33.4	18.8	96.0
1990.....	6.0	7.3	6.9	4.0	0.9	-0.1	60.4	32.6	18.8	90.1
1991.....	3.3	4.8	5.4	1.2	-8.2	-0.7	61.0	31.9	17.8	90.8
1991 : 1...	1.4	1.3	1.6	1.5	-2.7	3.7	61.2	31.7	18.4	85.7
1991 : 2...	1.0	0.8	0.4	1.6	-6.5	4.8	60.9	32.0	18.0	91.0
1991 : 3...	1.3	0.7	0.7	2.1	-0.2	4.3	60.5	32.5	17.6	95.4
1991 : 4...	0.7	1.7	3.5	-1.3	-5.2	-5.8	61.2	31.5	17.3	90.9
1992 : 1...	2.0	0.7	2.8	3.4	-6.7	9.2	60.3	32.3	17.0	99.1

TABLE 5 : APPROPRIATION ACCOUNT FOR HOUSEHOLDS (2)

Period	Gross operating surplus	Net wages and salaries (3)	Other current transfers (4)		Current taxes on inc. and wealth	Gross disposable income	Real disposable income (5)	Savings ratio (6)	Financial savings ratio (7)
			received	paid					
(s.a., percentage change from previous period)									
1980.....	10.2	15.6	16.3	18.0	21.0	13.0	-0.3	17.6	5.1
1981.....	11.6	13.8	19.0	12.9	15.7	15.9	2.6	18.0	6.7
1982.....	15.2	14.6	19.5	17.9	16.5	14.4	2.7	17.3	6.3
1983.....	10.2	9.9	12.1	13.3	15.9	9.0	-0.7	16.0	5.5
1984.....	7.8	7.3	10.1	10.5	13.1	6.9	-0.6	14.5	4.9
1985.....	7.8	6.4	9.3	8.0	3.9	7.6	1.8	14.0	4.8
1986.....	8.1	5.0	7.1	6.1	6.5	5.3	2.6	12.9	3.5
1987.....	4.1	4.3	3.7	6.5	4.6	3.7	0.5	10.8	1.6
1988.....	6.1	5.5	6.8	6.3	0.4	6.2	3.4	11.0	2.0
1989.....	11.0	6.5	5.8	8.2	5.7	7.7	4.1	11.7	2.1
1990.....	5.6	6.6	6.3	6.2	6.1	6.6	3.5	12.2	2.9
1991.....	3.5	5.0	6.9	4.3	18.0	5.1	2.0	12.6	3.7
1991 : 1.....	0.8	1.5	1.8	0.6	4.0	1.7	1.1	12.6	3.8
1991 : 2.....	1.3	0.7	1.7	0.3	3.2	1.4	0.6	13.0	4.2
1991 : 3.....	1.0	0.8	1.7	1.8	6.2	0.5	-0.4	12.2	3.2
1991 : 4.....	1.8	2.0	1.6	2.5	-1.6	2.1	1.4	12.6	3.8
1992 : 1.....	1.5	0.8	1.3	1.0	3.0	0.9	0.3	12.4	3.4

(2) Unincorporated enterprises included.

(3) Gross wages and salaries less social contributions.

(4) Received : social benefits; paid : actual and imputed social contributions.

(5) Gross disposable income deflated by households' final consumption deflator.

(6) Gross saving as % of gross disposable income.

(7) Net lending as % of gross disposable income.

TABLE 6 : INCOME OF GENERAL GOVERNEMENT

Period	Current resources				Current uses				Net borrowing requirement	
	Total	Of which :			Of which :			Fixed capital formation	as % of GDP	
		Direct taxes (1)	Indirect taxes (2)	Social security contributions	Current transfers to households	to enterprises	Final consumption			
(Billions of francs - current prices, s.a.)										
1980.....	1,294.72	236.24	410.61	550.43	537.91	54.41	517.51	86.60	0.50	0.0
1981.....	1,480.08	273.40	457.25	620.45	641.88	70.42	604.34	98.73	60.78	1.9
1982.....	1,726.63	320.17	531.08	732.09	769.88	79.52	711.78	114.87	100.40	2.8
1983.....	1,934.44	358.74	586.92	829.45	862.26	87.42	793.54	119.35	126.36	3.2
1984.....	2,147.98	407.43	653.82	918.17	949.56	107.25	866.43	126.13	120.17	2.8
1985.....	2,319.26	429.32	705.10	992.93	1,037.38	109.85	923.02	144.28	134.67	2.9
1986.....	2,467.36	469.77	736.49	1,051.10	1,110.88	118.62	972.80	152.43	138.40	2.7
1987.....	2,617.90	499.11	781.94	1,118.00	1,151.22	117.68	1,018.59	161.76	100.40	1.9
1988.....	2,773.86	514.22	829.42	1,190.47	1,228.43	101.99	1,073.30	188.56	94.89	1.7
1989.....	2,953.82	554.30	872.84	1,285.87	1,300.08	101.97	1,124.55	200.83	69.05	1.1
1990.....	3,127.59	579.14	915.26	1,364.59	1,383.18	94.90	1,178.97	213.81	90.38	1.4
1991.....	3,260.56	626.56	926.74	1,423.17	1,479.69	96.90	1,252.79	223.99	129.85	1.9

(1) Current taxes on income and wealth.

(2) Taxes linked to production and imports, including V.A.T.

TABLE 7 : FOREIGN TRADE

CURRENT ACCOUNT

Period	Exports (FOB)	Imports (CIF)	Trade balance				Total (FOB-FOB)	Net trade (B.O.P. basis)	Net exports of services	Balance on current account	as % of GDP
			Agricultural and agro-industry products (FOB-CIF)	Energy (FOB CIF)	Manufactured products (FOB CIF)						
(Customs basis - billions of francs, s.a.)											
1980.....	490.1	573.8	11.5	- 131.7	34.9	- 60.4	- 55.1	37.0	- 17.6	- 0.6	
1981.....	576.6	660.0	21.1	- 161.9	57.4	- 50.7	- 55.0	32.3	- 25.8	- 0.8	
1982.....	632.8	764.3	14.5	- 178.4	32.3	- 93.6	- 102.1	31.4	- 79.3	- 2.2	
1983.....	722.5	805.9	20.9	- 168.2	63.9	- 49.1	- 62.6	32.2	- 35.7	- 0.9	
1984.....	850.0	909.1	24.6	- 186.9	103.1	- 24.8	- 35.9	24.7	- 7.3	- 0.2	
1985.....	906.2	967.6	30.0	- 180.4	89.1	- 30.5	- 48.2	38.8	- 3.1	- 0.1	
1986.....	863.7	891.8	26.0	- 89.5	35.4	- 0.6	- 19.1	34.4	16.2	0.3	
1987.....	889.0	949.8	29.2	- 82.1	- 8.0	- 31.5	- 55.5	28.5	- 26.7	- 0.5	
1988.....	997.6	1,063.0	39.3	- 66.5	- 38.2	- 32.7	- 50.4	27.4	- 28.8	- 0.5	
1989.....	1,142.3	1,230.3	48.3	- 83.3	- 51.3	- 45.9	- 64.3	45.5	- 29.8	- 0.5	
1990.....	1,177.2	1,277.5	51.2	- 93.1	- 58.4	49.6	- 70.3	23.1	- 52.7	- 0.8	
1991.....	1,221.0	1,303.0	44.5	- 94.6	- 31.9	- 30.1	- 49.8	17.6	- 33.4	- 0.5	
1991 : 1..	295.0	322.1	9.8	- 23.6	- 23.4	- 14.3					
1991 : 2..	301.4	323.1	11.9	- 21.7	- 11.9	- 8.9					
1991 : 3..	312.0	334.2	10.6	- 25.7	- 7.2	- 8.9					
1991 : 4..	312.7	323.6	12.1	- 23.6	- 0.5	2.0					
1992 : 1..	314.5	322.3	11.8	- 19.1	0.3	5.8					

TABLE 8 : MONEY, INTEREST RATES, EXCHANGE RATES

Period	Money supply				Interest rates			Exchange rate		
	M2	M3	M4	Debt of domestic non financial sectors	Interbank Call rate	3-month Pibor	Long term public sector bonds	\$/FF	DM/FF	Effective (Decembre 1979 =100)
	(Billions of francs, last day of period)				(average value for each period, n.s.a.)					
1980.....	1,482.4	1,973.5	1,973.5	2,579.4	11.84	12.21	13.69	4.226	2.325	97.0
1981.....	1,685.1	2,193.1	2,193.1	2,948.4	15.30	15.26	16.26	5.434	2.404	85.9
1982.....	1,887.2	2,464.5	2,464.5	3,427.5	14.87	14.62	16.03	6.572	2.705	78.6
1983.....	2,138.5	2,788.1	2,788.1	3,933.8	12.55	12.47	14.41	7.622	2.982	71.5
1984.....	2,335.9	3,093.6	3,093.6	4,427.1	11.74	11.70	13.45	8.740	3.071	67.2
1985.....	2,473.4	3,322.1	3,325.2	4,926.1	9.94	9.95	11.91	8.985	3.052	67.2
1986.....	2,587.7	3,547.4	3,570.2	5,329.6	7.74	7.71	9.17	6.926	3.195	70.2
1987.....	2,699.1	3,894.7	3,934.3	5,905.0	7.98	8.27	10.22	6.011	3.345	71.5
1988.....	2,798.9	4,223.3	4,263.8	6,604.1	7.52	7.96	9.27	5.955	3.392	69.4
1989.....	2,930.5	4,627.6	4,690.4	7,375.7	9.07	9.40	9.11	6.380	3.393	68.3
1990.....	2,956.2	5,037.4	5,087.0	8,162.2	9.95	10.32	9.92	5.449	3.370	74.1
1991.....	2,857.0	5,155.2	5,204.3	8,661.8	9.49	9.61	9.03	5.641	3.401	71.8
1991 : 1...	2,770.0	4,995.1	5,049.7	8,319.8	9.57	9.83	9.33	5.209	3.401	73.9
1991 : 2...	2,800.2	5,045.6	5,099.0	8,454.0	9.55	9.43	8.96	5.878	3.388	70.9
1991 : 3...	2,756.2	5,070.1	5,124.2	8,593.6	9.28	9.54	9.03	5.927	3.399	70.5
1991 : 4...	2,857.0	5,155.2	5,204.3	8,661.8	9.56	9.66	8.80	5.551	3.414	71.7
1992 : 1...	2,716.0	5,169.4	5,218.6	8,845.6	9.97	10.05	8.54	5.511	3.403	72.1

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