

LA CONJONCTURE IN FRANCE

A bi-annual short-term economic report by INSEE

The outlook for 1993

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French GDP is expected to fall by an average of 0.7% in 1993, with most of the decline already completed by the end of the first half of the year. The September currency crisis dragged France into recession along with the other countries of Western Continental Europe. The substantial weakening of expectations regarding demand, income and employment then triggered off a process which has since spread the recession to virtually all the components of domestic demand. Inflation should remain low.

Exports are not likely to give the same support that they did in 1992 and their contribution to growth could even turn negative, as the consequence of the impact of the European recession and the devaluations of certain European currencies.

Private consumption growth is expected to be weak, reflecting the meagre progress in purchasing power. Households are not likely to modify their consumption behaviour, given that their expectations will be affected by the relentless increase in unemployment, with the rate probably touching 12.5% by the end of the year.

The weakness of demand and the under-utilization of productive capacity will probably mean a continuation of the decline in non-residential investment seen since the middle of 1990. The expected 5 % fall should enable firms to rebuild their financial surpluses, reduce their indebtedness and increase their provisions. But firms will be seeking to bring their labour costs down during the year by means of a wage slowdown and greater productivity gains. The downturn in domestic demand is likely to mean falling imports and hence the maintenance of the surplus on foreign trade. The import penetration ratio seems set to increase, however, notably because of the devaluations in Europe.

The European recession and the resultant easing of inflationary pressures are prompting interest-rate cuts within the EC, in France in particular. At global level, the lower interest rates will stimulate a shift in economic agents' portfolios in favour of material assets and long-term financial ones, at the expense of short-term forms of investment. Another result will be to ease the cash flow problems of small and medium-sized firms and help them to strengthen their balance sheets. But the impact on the real economy will be felt only gradually and be relatively small in 1993.

Recession and adjustment

Growth in the OECD countries is likely to be of the order of 1.3% in 1993, slower than in 1992. The improved outlook for growth in the industrialized English-speaking countries - growth that will be fairly modest, however - will be insufficient to entirely offset the recession affecting the Continental European countries and Japan. The lead taken by the industrialized English-speaking countries in cutting their interest rates has advanced the process of corporate restructuring and this in turn has contributed to the desynchronization between the two blocs. In these countries, one of the prime aims of economic policy has been to avoid the deflationary spiral resulting from agents' excessive indebtedness and to bolster the financial system.

French exports to decline in 1993

The overall consequence of these various tendencies has been to produce a sharp slow-

down in demand on French export markets, to no more than around 1.5% in 1993, compared with almost 4% in 1992 - a reflection of the concentration of French exports on the EC.

Moreover, despite the limited extent of the price-competitiveness losses, export market share losses will be appreciable in 1993. The appreciation of the dollar and the yen, combined with the fall in the prices of French exports, should admittedly cushion the loss of competitiveness due to the devaluations of certain European currencies. But because these devaluations were sudden, substantial and heavily publicized in the media, the loss of market share to the devaluing countries is larger than would be justified by the price cuts themselves. The combination of the export market share losses and the depressed overseas demand is likely to produce a 1% fall in French exports of manufactures in 1993. This means that French exports of goods and services will probably make a negative contribution to growth in 1993, following positive contributions in the two previous years.

German recession favouring interest-rate cuts in the hard-core EMS countries

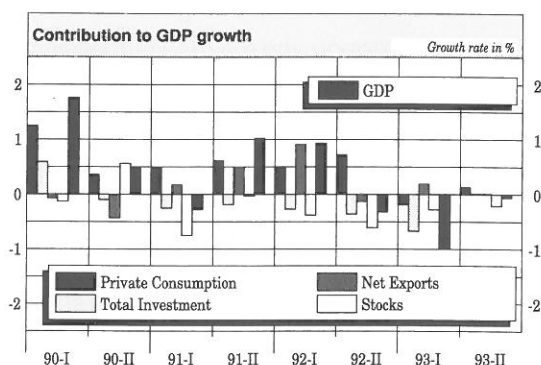
Short-term German interest rates (repurchase rates) fell from 8.75% at the end of December to 7.60% by mid-June.

This fall, which in fact began in the fourth quarter of last year, can be seen as the initial phase of an easing of German monetary policy.

Admittedly, the Bundesbank has frequently stressed the need for a pause in the easing of its monetary policy, invoking the acceleration of M3 growth in April, the supposedly excessive rise in consumer prices and the climb in bond yields. But in the German case the advent of recession and the moderation shown by wage rates are structurally favourable to the easing of the monetary stance that began in Q4 1992. This prudence on the part of the Bundesbank has not prevented the other "hard-core" EMS countries from cutting their own rates even more substantially than Germany.

Falling French interest rates

Making full use of the leeway offered by this general monetary easing, the Banque de France has continued to cut its leading rates, to the point that by mid-June they were back to the nominal levels seen in 1988. The franc's remarkable firmness even allowed French nominal interest rates to be brought below German ones at the beginning of June. The resulting decline in the cost of bank refinancing has been passed on into the prime rates of the leading establishments, bringing them to 8.4%, their lowest level for more than fifteen years. French long rates have also declined, wiping out the differential vis-à-vis German long rates. The persistence of depressive pressures in Europe should enable this easing of long rates to continue. Moreover, the fact that the falls have been unevenly spread has permitted a flattening of the yield curve, and this in turn has en-



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		
	91.I	91.II	92.I	92.II	93.I	93.II	1991	1992	1993	1991	1992	1993
GDP	-0.1	2.0	1.8	-0.2	-1.4	0.4	1.0	0.8	-0.5	0.7	1.4	-0.7
Imports	1.0	5.6	2.2	2.2	-17.4*	0.8	3.3	2.2	-8.3*	2.9	3.0	-8.0*
Available resources	0.2	2.8	1.8	0.5	-5.0*	0.5	1.5	1.1	-2.3*	1.2	1.8	-2.3*
Households' final consumption	1.4	1.6	1.7	2.1	-0.5	0.4	1.5	1.9	0.0	1.4	1.7	0.4
Gross fixed capital formation	-2.0	-1.5	-2.0	-2.8	-5.3	0.1	-1.7	-2.4	-2.6	-1.5	-2.1	-3.3
Of which : <i>NFCU sector</i> ⁽²⁾	-2.5	-5.2	-5.2	-5.4	-7.6	-1.2	-3.8	-5.2	-4.4	-2.4	-5.2	-5.4
<i>Households</i>	-5.6	1.2	-0.4	-1.2	-5.6	2.0	-2.2	-0.8	-1.8	-3.5	-0.2	-2.6
Exports	2.2	9.4	8.1	1.4	-16.9*	0.9	5.9	4.8	-8.0*	3.9	6.8	-7.9*
Change in stocks	1.5	0.8	-0.5	-0.3	-0.3*	-0.5				-1.2	0.2	-0.4*
Domestic demand except change in stocks	-0.8	1.1	0.8	0.8	-1.8	0.3	0.8	0.8	-0.7	0.7	0.9	-0.6
Domestic demand	0.5	1.0	0.1	-0.4	-2.3*	-0.1	0.1	-0.2	-1.2*	0.3	0.2	-1.3*

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

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

(*) These figures have been affected by the introduction of the EC system for measuring trade within the Community (INSTRASTAT) and therefore have to be interpreted with caution.

hanced the attractiveness of long-term forms of saving. The shift in favour of the latter has so far been limited to new saving only but is likely to be stimulated by the tax measures that have been adopted.

France has not been able to avoid the European recession. Since the start of the year, the downturn has spread to affect virtually all the components of domestic demand, which is therefore unlikely to be able to take over from exports in proping up growth.

The decline in activity is likely to add to the domestic debt burden in both the public and private sectors. In addition, the caution being shown by private economic agents, due to the uncertain income expectations, is creating a certain tendency towards cash hoarding. Firms will indeed be seeking to cut their expenditure, both on physical capital and on their work-forces, and to generate surpluses that they can use to pay off their debts and improve their cash situations. This year's interest-rate cuts should tend to attenuate their financial constraints and help in the restructuring of balance sheets. The signal provided by the cuts

should also help to restore private agents' confidence.

Investment still falling

For the third consecutive year, productive investment is expected to fall, this time by around 5 % in real terms. This tendency is visible to differing degrees in virtually all sectors.

Since 1991, industrial firms have reacted to the change in economic conditions by placing the emphasis on modernization investment aimed at improving productivity. In parallel, they have also been devoting an increasing share of their investment to expenditure related to the environment and to safety, especially in the intermediate and capital goods sectors.

Gloomy expectations for demand, combined with the under-utilization of existing capacity, seem to be the predominant considerations in the investment decisions by firms in manufacturing industry. In addition, the forecast returns on capital investment are being

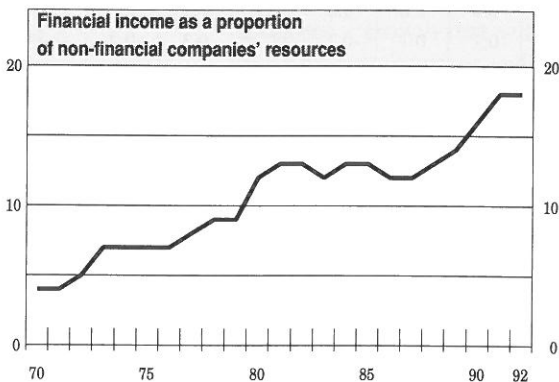
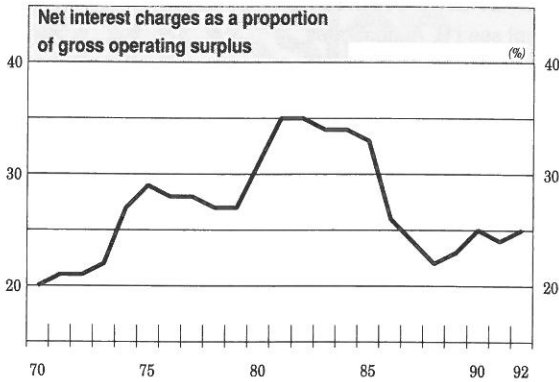
reduced by expectations of falling prices.

The lower interest rates are not likely to have a significant impact in the short term on non-residential investment, and even at present levels they still constitute an obstacle to the small and medium-sized firms.

Firms seeking to restore profitability

The low level of investment should help to keep the self-financing ratio above 100% for the second consecutive year. This will mean the generation of cash surpluses that can be used for reducing debt or for provisioning against declines in asset values and other risks.

Firms will see their financial situation improved through the impact of the lower rates on their net interest payments. This positive effect is estimated to amount to 18 billion francs for each one-percentage-point reduction in rates, given the structure of companies' debt and assuming that the reduction is extensively passed on by the



banking system. This substantial decline in financial charges, combined with the easing of corporation tax, should enable firms to maintain a relatively high saving ratio, despite the narrowing of profit ratios. This latter tendency is largely due to the time-lag between the downturn in activity and the related adjustment in employment. Firms will nevertheless continue during the year to try to restore their profitability, by restraining wage growth and by intensifying the search for productivity gains.

Slower purchasing power gains bringing weak growth in household consumption

The adjustments being made by firms have serious implications for household incomes. The slowdown in the growth of total wage income seen since 1991 is likely to continue in 1993, with gross wage payments growing by only 1.8%, compared with 3.5% in 1992. This tendency is mainly due to the fall in total numbers employed and to the slowdown in hourly wage rates in the private sector (an average increase of 2.7% in 1993, as against 3.9% in 1992 and 4.5% in 1991). Despite a slowdown since 1990, the purchasing power of households' gross disposable income was still growing by 1.7% in 1992. Growth this year will be no more than 0.3%, reflecting both the easing of the total wage income and the increase in taxes (up by 4% in 1993, compared with 3% in 1992).

The marked slowdown in consumption seen since the second half of 1990 can be expected to continue in 1993, the respective growth rates being 3% in 1990, 1.5% in both 1991 and 1992, but probably only 0.4% in 1993. For the most part, this latter figure is explained by the sharp (0.6%) fall in the first quarter attributable to the slump in car purchases. The remaining three quarters of the year are not likely to see any major change. The continuance of negative expectations regarding employment and future living standards will lead households to maintain their efforts to reduce expenditure and pay off their debts.

The saving ratio likely to remain stable this year

The first quarter of 1993 saw no major change in households' expectations, which remain generally morose. There is therefore no reason to expect a change in the basic determinants of saving behaviour. After being relatively high in the first half of the year, at 13%, the saving ratio is likely to fall by 0.6 of a point in the second half, largely as the result of the increase in the "contribution sociale généralisée" (a special levy on total personal income) taking effect on 1st July, which will mean households' having to save less in order to maintain a certain level of consumption.

The impact of the fall in interest rates on households' saving behaviour will be felt only very gradually. They will probably continue to reduce their debts and are not likely to make any significant changes in the allocation of their existing savings between different forms of investment.

Moderate inflation

The end-1993 year-on-year retail price rise is likely to be 2.7%, but this slight acceleration compared with the 1992 outturn of 1.9% is not due to any rekindling of inflationary pressures. It is mainly the result of tax changes, especially the fact that the rise in tobacco and fuels taxes has been greater this year. The tax measures introduced in 1992 resulted in a fall of 0.2 of a point in the year-on-year rise in the overall index; by contrast, the measures introduced this year are likely to add 0.5 of a point to the underlying increase. Excluding food, fuels, tobacco and tax changes, annual inflation is expected to stand at

2.3% by the end of 1993, compared with 2.1% for 1992.

Excluding tax changes, the prices of manufactured goods are expected to rise by 1.5% in 1993, slightly more slowly than in 1992. The slowdown in prices of private services, seen in virtually all sectors, is likely to be especially marked this year, to 4% from 4.7% in 1992. Food prices, which had remained unchanged in 1992, are expected to show a renewed rise of 1.8%.

GDP flat in the second half

With supply adjusting to match the sluggishness of demand, overall gross domestic product is expected to fall by an average of 0.7% in 1993, with traded GDP dropping by as much as 1.2%. This latter fall is mainly due to the carryover of the decline at the end of 1992 into a very poor first half of 1993, with the second half remaining relatively flat.

A fall in manufacturing production in the first half

Manufacturing production is expected to show a 4% fall on average in 1993, after remaining stable in 1992. The changes on a half-yearly basis indicate a less marked slowdown, however, with falls of 3.1% in the second half of 1992 and 1.9% in the first half of 1993 followed by a rise of 0.1% in the second half. The fall has affected all sectors, but has been particularly noticeable in cars, hit by the slump on the European and French markets, and intermediate goods, which are especially sensitive to the levels of activity in industry and construction. According to the

latest business surveys, the balance of opinions regarding own-firm prospects is currently stable at a very low level.

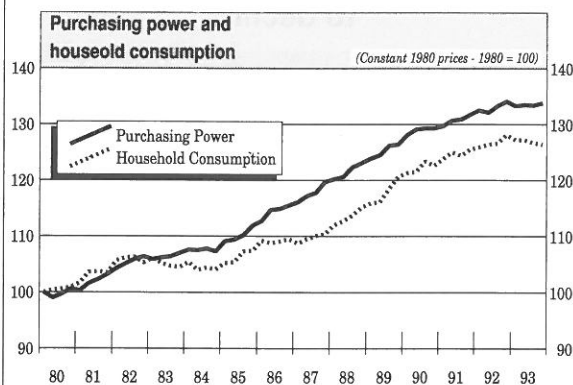
Building activity to decline further, but government support for public works

Activity in the building and public works sector seems likely to fall by 1.9% in 1993, much the same rate as in 1992. The impact of the government's plans to bolster the sector will start to be felt towards the end of the year, in public works especially.

In the building sector, the decline is likely to be greater than in 1992, at 3%, compared with 1.8%. Output of new housing is expected to show a decline of 7.5% in volume terms. In 1993, the support package as a whole should produce the fall in the housing stock - in Q4 1992, there were around 80,000 units available for sale - which is the essential first step towards reversing the negative expectations of promoters and allow starts to pick up again in 1994.

Non-residential building, because of the adverse economic climate, the decline in the volume of starts in 1992 and the early part of 1993 and the large overhang of unoccupied property, is also likely to record a fall, in this case of around 3%.

In the public works sector, the prospects for 1993 are good as the result of the measures taken by the government. A sum of more than 5 billion francs is being earmarked for this purpose and this should generate a total of more than 18 billion francs' worth of orders. This substantial effort should start to have an effect on activity before the end of the year, thanks to the existence of road and motorway projects that



are merely awaiting the release of the necessary finance. All in all, the public works sector should return to positive growth in 1993, by around 2%, after declining by 1.4% in 1992.

Decline in the tertiary sector

After growing by an annual average of 1.3% in 1992, activity in the distribution sector is headed for a decline in 1993. The early part of the year saw activity slack in both the retail and wholesale branches.

Output in the traded services sector as a whole is likely to level off in 1993, following 3% growth in both 1991 and 1992. The first half of 1993 is thought to have seen a fall, in line with the tendency in the final part of 1992, but activity is expected to pick up slightly in the second. The currency depreciations in the autumn of 1992 had an impact on tourism-related activity at the beginning of the year, but surveys now show business leaders in the services sector expecting output to stabilize.

The half-yearly movements in industrial output and construction are directly reflected in the transport sector. The major decline in goods traffic that occurred in the first half of 1993 is therefore likely to be followed by stabilization in the second.

Imports likely to decline

The remaining principal component of supply, namely imports of manufactures, is likely to fall in both volume and value, after two years of marked deceleration. For the most part, this decline is explained by the 3.6% fall in domestic demand for these products, the third fall in three years. However, the breakdown between domestic supply and imports continues to move in favour of the latter. This increase in the import penetration ratio, quite apart from the effects of the general internationalization of the French economy, reflects the loss of price-competitiveness vis-à-vis imports provoked by the devaluations and depreciations following last autumn's ERM crisis. In the latter part of this year, imports are likely to grow at a moderate rate, reflecting the reduced slackness of domestic demand.

As far as agricultural products are concerned, the application of the reform of the Common Agricultural Policy (CAP) has brought about sharp falls in prices. Imports of processed foods are also likely to fall, in line with the downward tendency in domestic demand.

Trade to remain in surplus

In 1992, the divergent movements in French domestic demand and demand on French export markets had encouraged the emergence of a surplus on merchandise trade. This divergence still persists in 1993, although it is not quite as marked, with the result that the expected fall in exports should not prevent a further trade surplus (of around FRF 20 billion for the year), given the distinct

fall in imports. The product breakdown of the surplus is likely to change, however. The energy bill is expected to fall by FRF 6 billion (taking the conventional assumptions of 5.5 francs to the dollar and \$18.5 per barrel of crude), in view of the decline in overall activity. The reform of the CAP implies a transfer of part of the agricultural surplus to the current account, through the operations of the European Agricultural Guidance and Guarantee Fund (EAGGF). Trade in manufactures should be roughly in balance.

Deterioration on current account

The current-account surplus is therefore expected to deteriorate appreciably this year, following the improvement recorded in 1992, especially as the balance on invisibles is also likely to weaken. This is because, despite the probable weakness of spending by French travellers abroad, the stagnation of consumption in France's principal customer countries and the price-competitiveness gains recorded in the two main competitor countries, Italy and Spain, are likely to produce a certain erosion of the tourism balance, which had in any case received a special boost in 1992 from the Winter Olympics in Albertville. The initial figures provide confirmation of this tendency. The balance on investment income could well continue to deteriorate, although not as steeply as in 1992.

The unemployment rate to touch 12.5% by end-1993

The general slowdown in activity in 1993 is inducing firms to persist in an active pol-

icy of holding down wage costs. This will lead to substantial job losses and a worsening of the unemployment rate.

Substantial cuts in the workforce have already in fact been occurring in the manufacturing workforce in the early part of 1993 and there are no signs of any real improvement in the other traded sectors. This means that the fall in numbers employed can be expected to have gathered speed in the first half of 1993, before easing slightly in the latter part of the year as the result of the relative improvement in the building, civil engineering and agricultural sectors and in the traded tertiary sector. All in all, the fall in numbers employed in the non-farm traded sectors is likely to amount to 1.5% in 1993.

In 1993, excluding the "Contrats Emploi-Solidarité" (1), the numbers employed in the non-traded tertiary sector seem to be growing only very slowly, with the result that employment growth in the sector as a whole is expected to be around 0.5%.

Total numbers employed are likely to see a substantial fall of around 1.2% in 1993, representing the loss of 270,000 jobs, compared with 125,000 in 1992.

These large-scale job losses, combined with the arrival of newcomers on the labour market and the ending of a large number of training contracts, is likely to mean an exceptionally sharp increase in unemployment in the second quarter, with a slight easing occurring towards the end of the year. The number of job-seekers in France is therefore likely to increase by more than 400,000 (ILO definition) in the course of the year, bringing the unemployment rate to 12.5%, one and half points up on end-1992. ■

(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 aged group, long-term job-seekers and those age over 50. Remuneration is on the basis of hourly *smic* (minimum wage) and is partly or totally met out of public funds.


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.)								
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.....	6,159.66	1,403.05	3,655.79	1,122.03	1,314.55	717.83	1,411.08	59.26
1990.....	6,505.45	1,469.80	3,872.28	1,183.21	1,390.81	762.86	1,467.97	60.99
1991.....	6,746.89	1,511.44	4,043.87	1,249.54	1,408.99	764.14	1,532.36	23.59
1992.....	6,998.89	1,525.03	4,210.66	1,322.97	1,400.40	738.65	1615.97	-26.16
1992 : 1.....	1,738.18	385.04	1,038.94	325.03	353.29	188.01	404.47	1.49
1992 : 2.....	1,746.76	378.33	1,044.03	328.70	350.33	185.33	407.18	- 5.14
1992 : 3.....	1,755.38	382.49	1,058.13	332.27	349.23	183.55	404.90	- 6.66
1992 : 4.....	1,758.57	379.17	1,069.56	336.97	347.64	181.76	399.42	- 15.85

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

(Constant 1980 prices s.a., percentage change from previous period, except last column, see ⁽²⁾)								
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.....	4.9	8.1	3.1	0.5	7.9	9.0	10.2	1.4
1990.....	2.7	6.3	3	2	2.9	4.0	5.3	1.5
1991.....	0.5	2.9	1.4	2.5	- 1.5	- 2.4	3.9	1
1992.....	1.3	3	1.7	2.7	- 2.1	- 5.2	6.8	0.3
1992 : 1.....	0.9	2.7	- 0.6	0.8	0.1	- 0.7	3.5	0.8
1992 : 2.....	0.0	- 2.4	- 0.3	0.6	- 1.2	- 2.1	0.3	0.3
1992 : 3.....	- 0.1	2.5	0.9	0.8	- 0.5	- 1.0	1.1	0.2
1992 : 4.....	- 0.5	- 0.2	0.5	0.2	- 0.6	- 1.3	- 1.0	- 0.2
1993 : 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)						
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.....	3.0	6.6	3.4	3.6	2.7	4.9
1990.....	3.0	-1.4	2.9	3.4	2.2	-1.2
1991.....	3.0	-0.1	3.0	3.2	2.6	0.5
1992.....	2.3	-2.1	2.4	2.4	1.9	-1.3
1992 : 1.....	0.5	-1.5	0.4	0.5	0.3	-0.8
1992 : 2.....	0.4	0.7	0.7	0.8	0.7	0.4
1992 : 3.....	0.4	-1.3	0.4	0.0	0.1	-1.7
1992 : 4.....	0.5	-0.6	0.5	0.6	0.3	-0.3
1993 : 1.....	0.5	-0.8	0.6	0.8	0.1	-0.4

(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)						
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	3.5	5.1	1.2	4.2	2.9
1990.....	2.3	1.9	0.8	4.1	5.3	1.2
1991.....	2.2	2.0	1.5	3.7	4.8	1.0
1992.....	1.0	0.1	-0.9	2.0	3.8	1.8
1992 : 1.....	0.0	-0.7	-0.7	-0.5	0.6	1.1
1992 : 2.....	0.7	0.6	0.3	1.0	0.8	-0.2
1992 : 3.....	-0.1	-0.2	-0.7	1.0	1.2	0.1
1992 : 4.....	0.5	0.9	0.2	1.7	1.0	-0.7
1993 : 1.....	0.1	-0.8	-1.0	-0.1	0.6	0.7

(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)										
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.....	8.3	6.8	5.2	10	11.4	2.7	59.7	33.5	18.7	96.9
1990.....	6.0	7.5	8.6	3.6	2.3	-1.6	60.5	32.4	18.9	88.9
1991.....	3.2	4.7	2.8	1.6	-6.6	7.1	61	32.1	18.3	94.6
1992.....	3.3	2.8	3	4.1	-25.1	9.4	60.5	32.5	17.1	106.9
1992 : 1...	1.3	0.3	-0.6	3.1	-12.6	8.0	60.1	33.2	17.4	108
1992 : 2...	0.4	0.6	2.2	-0.1	-10.8	-0.9	60.2	32.8	17.1	108.6
1992 : 3...	0.4	1	-0.3	-0.2	5.8	-1.9	60.5	32.5	16.9	107.6
1992 : 4...	-0.2	0.6	3	-1.8	-0.6	-4.9	61.0	31.7	16.7	103.4

(1) Excluding V.A.T.

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)									
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.....	11.1	6.4	5.7	8.8	5.8	7.4	3.9	11.7	1.9
1990.....	5.7	6.7	6.4	6.2	6.2	6.7	3.8	12.4	2.8
1991.....	2.6	5.5	6.8	4.2	17.7	5.0	2.0	12.8	4.1
1992.....	5.0	4.1	5.9	4.3	2.9	4.0	1.7	12.8	3.9
1992 : 1.....	1.3	1.0	1.2	0.9	-1.4	0.8	0.3	12.5	3.6
1992 : 2.....	1.6	1.0	1.4	0.1	2.4	1.2	0.4	13.1	4.2
1992 : 3.....	0.7	1.1	1.9	1.7	2.4	0.5	0.1	12.4	3.5
1992 : 4.....	0.7	0.5	1.4	1.1	-9.4	1.8	1.2	13.0	4.3

(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 :			Current transfers to households	to enterprises	Final consumption	Fixed capital formation		as % of GDP
		Direct taxes (1)	Indirect taxes (2)	Social security contributions						
(Billions of francs - current prices, s.a.)										
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	102.04	1,073.30	188.56	94.89	1.7
1989.....	2,948.58	549.86	873.12	1,285.92	1,298.89	102.65	1,122.03	205.08	78.58	1.3
1990.....	3,141.17	581.74	923.06	1,364.04	1,382.02	100.89	1,183.21	215.40	98.73	1.5
1991.....	3,273.32	633.82	925.77	1,423.66	1,477.68	98.02	1,249.54	228.50	141.41	2.1
1992.....	3,356.20	617.87	946.38	1,488.29	1,565.58	107.14	1,322.96	238.46	273.59	3.9

(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				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)	Total (FOB-FOB)				
(Customs basis - billions of francs, s.a.)										
(Billions of francs, n.s.a.)										
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	- 94.1	- 31.9	- 29.6	- 49.8	17.6	- 33.4	- 0.5
1992.....	1,249.1	1,270.5	53.2	- 79.5	5.0	31.2	14.8	11.4	19.3	0.3
1992 : 1..	315.5	323.0	12.0	- 19.3	- 0.2	5.4	0.6	- 6.5	- 9.4	- 0.5
1992 : 2..	319.5	321.6	14.9	- 21.7	4.7	10.8	7.3	6.3	10.9	0.6
1992 : 3..	308.3	315.4	13.3	- 20.5	0.6	6.0	- 0.4	6.2	3.1	0.2
1992 : 4..	305.3	310.5	13.0	- 18.0	- 0.2	9.0	7.3	5.5	14.6	0.8
1993 : 1..										

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.)					
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	4,427.2	11.74	11.70	13.45	8.740	3.071	67.2
1985	2,473.4	3,322.1	3,325.2	4,926.2	9.94	9.95	11.91	8.985	3.052	67.2
1986	2,587.7	3,547.4	3,570.2	5,329.7	7.74	7.71	9.17	6.926	3.195	70.2
1987	2,699.1	3,893.4	3,933.0	5,905.2	7.98	8.27	10.22	6.011	3.345	71.5
1988	2,798.9	4,219.1	4,259.5	6,604.4	7.52	7.96	9.27	5.955	3.392	69.4
1989	2,930.5	4,623.6	4,686.3	7,376.2	9.07	9.40	9.11	6.380	3.393	68.3
1990	2,956.3	5,034.3	5,083.9	8,164.1	9.95	10.32	9.92	5.445	3.370	74.1
1991	2,858.0	5,160.3	5,209.4	8,660.1	9.49	9.61	9.03	5.642	3.401	71.8
1992	2,821.4	5,414.9	5,470.5	9,150.3	10.35	10.34	8.60	5.294	3.390	
1992 : 1 ...	2,710.0	5,189.6	5,238.0	8,831.6	9.97	10.05	8.52	5.511	3.403	72.1
1992 : 2 ...	2,736.5	5,295.1	5,342.7	8,986.4	9.90	10.04	8.69	5.429	3.402	
1992 : 3 ...	2,711.2	5,307.9	5,359.3	9,087.4	11.16	10.55	8.87	4.960	3.379	
1992 : 4 ...	2,821.4	5,414.9	5,470.5	9,150.3	10.37	10.74	8.31	5.264	3.370	
1993 : 1 ...	2,676.2	5,438.2	5,494.3		11.49	11.82	7.68	5.546	3.395	

Principal Editors :
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