

Consumer prices

Since the start of the year, against a backdrop of rebounding energy prices that are much higher than the year before, as well as sharply rising prices for agricultural and mineral commodities, inflation has risen considerably, from 0.0% year-on-year in December 2020 to 2.1% in September 2021, according to this month's provisional estimate. Core inflation, which by definition is less affected by the increase in energy prices and agricultural commodities, rose more moderately than headline inflation: in September it would appear to have reached +1.3% year-on-year, after peaking at +1.5% in August due to the delay in the start of the summer sales compared to 2020.

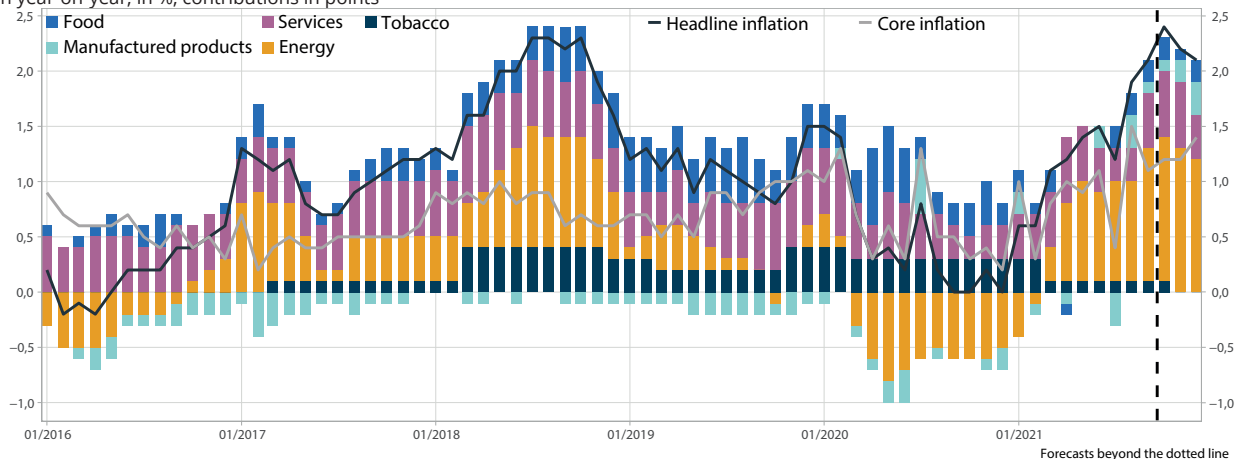
By the end of the year, it is expected that headline inflation will still be above 2%: it will probably reach 2.3% in October then fall back slightly (2.1% forecast for December), under the conventional assumption that the price of oil is fixed at \$75 for a barrel of Brent and there is stability in other commodity prices. This profile is mainly the result of energy prices: their contribution is likely to remain strong until the end of the year, but should decline automatically ("base effect") after the rise in oil prices seen at the end of 2020.

Food inflation should remain broadly stable until December: prices of food products excluding fresh produce are expected to rise, due to the recent increase in agricultural commodities, but conversely, the price of fresh food is likely to decelerate year-on-year, having increased sharply towards the end of 2020 as a result of the second lockdown. Prices of manufactured products are expected to be driven up by recent increases in industrial production costs. However, the prices of services are likely to slow slightly until December, with the expected deceleration in transport services, which should return to a more normal seasonality than that observed last year.

Meanwhile, core inflation looks set to increase gradually over the coming months, reaching 1.5% year-on-year in December, driven by the price of manufactured goods. ●

► 1. Headline inflation and contributions by item

inflation year-on-year, in %, contributions in points



Source: INSEE

6 October 2021 - Consumer prices

French economic outlook

► 2. Consumer prices

change in %

Regroupements IPC* (pondérations 2021)	February 2021		July 2021		August 2021		September 2021		December 2021		Annual averages		
	yoy	cyoy	yoy	cyoy	yoy	cyoy	yoy	cyoy	yoy	cyoy	2019	2020	2021
Food (17.9%)	0.8	0.1	0.9	0.2	1.3	0.2	1.0	0.2	1.0	0.2	2.5	1.9	0.6
<i>including: fresh food (2.6%)</i>	3.7	0.1	3.8	0.1	6.8	0.2	4.6	0.1	2.2	0.1	4.3	7.3	1.9
<i>excluding: fresh food (15.2%)</i>	0.3	0.1	0.4	0.1	0.4	0.1	0.3	0.1	0.8	0.1	2.1	1.0	0.4
Tabacco (2.4%)	12.8	0.3	5.1	0.1	5.1	0.1	4.8	0.1	0.0	0.0	10.6	13.7	5.5
Manufactured products (25.0%)	-0.4	-0.1	-1.1	-0.3	1.1	0.3	0.4	0.1	1.2	0.3	-0.6	-0.2	0.3
<i>including: clothing and footwear (3.5%)</i>	-3.0	-0.1	-7.1	-0.3	4.6	0.2	0.9	0.0	1.4	0.0	-0.3	-0.5	-0.1
<i>medical products (4.4%)</i>	-0.7	0.0	-0.8	0.0	-1.0	0.0	-1.4	-0.1	-1.7	-0.1	-2.8	-2.0	-1.2
<i>other manufactured products (17.1%)</i>	0.2	0.0	0.0	0.0	1.0	0.2	0.8	0.1	2.0	0.3	-0.1	0.3	0.7
Energy (7.5%)	-1.6	-0.1	12.3	0.9	12.7	0.9	14.4	1.1	13.9	1.0	1.9	-6.1	9.3
<i>including: oil products (3.4%)</i>	-4.6	-0.2	16.5	0.6	16.9	0.6	18.4	0.6	16.0	0.5	0.6	-11.8	11.5
Services (47.3%)	0.8	0.4	0.6	0.3	0.7	0.3	1.5	0.7	1.3	0.6	1.0	0.9	1.1
<i>including: rent-water (8.5%)</i>	0.8	0.1	1.1	0.1	1.3	0.1	1.3	0.1	1.4	0.1	0.4	0.3	1.1
<i>health services (6.5%)</i>	0.0	0.0	-0.8	-0.1	-0.7	0.0	-0.6	0.0	-1.3	-0.1	-0.1	0.4	-0.6
<i>transport (1.7%)</i>	-0.7	0.0	2.0	0.0	3.7	0.1	7.4	0.1	3.1	0.1	0.7	-1.7	3.0
<i>communications (2.4%)</i>	1.3	0.0	3.0	0.1	2.8	0.1	2.3	0.1	3.6	0.1	-1.1	1.0	2.9
<i>other services (28.1%)</i>	0.9	0.2	0.8	0.2	0.6	0.2	1.3	0.4	1.5	0.4	1.6	1.4	1.1
All (100%)	0.6	0.6	1.2	1.2	1.9	1.9	2.1	2.1	2.1	2.1	1.1	0.5	1.5
<i>All excluding energy (92.5%)</i>	0.9	0.8	0.4	0.4	1.1	1.0	1.4	1.3	1.2	1.1	1.1	1.1	1.0
<i>All excluding tobacco (97.6%)</i>	0.3	0.3	1.1	1.1	1.8	1.8	2.1	2.1	2.1	2.1	0.9	0.2	1.5
Core inflation (60.1%)**	0.6	0.4	0.4	0.2	1.5	0.9	1.3	0.8	1.5	0.9	0.8	0.6	1.0

■ Provisional

■ Forecast

yoy: year-on-year

cyoy: contribution to the year-on-year value of the overall index

* Consumer price index (CPI)

** Index excluding public tariffs and products with volatile prices, corrected for tax measures

Source: INSEE