

## Foreign trade

In Q4 2021, foreign trade was particularly buoyant (► **Figure 1**). In terms of both exports and imports, this acceleration was the result of the sharp rebound in trade in manufactured products, especially transport equipment on the import side. Trade in services bounced back too, driven by transport services. Despite the deterioration in the health situation at the end of the year, trade relating to tourism (spending by foreign tourists in France and spending by French residents abroad) continued to improve, although more moderately than in the previous quarter, when it had accounted for most of the increase in foreign trade. All in all, due to imports being even more dynamic than exports, in accounting terms foreign trade hampered GDP growth in Q4 2021.

In Q1 2022, foreign trade looks set to continue to grow. The deterioration in the health situation at the very beginning of the year is likely to affect spending linked to tourism, both exports and imports. Imports of manufactured products are expected to slow after their rebound at the end of 2021 but should nevertheless remain relatively dynamic, in line with the rebound in manufacturing activity. Meanwhile, exports of manufactured products are expected to accelerate, driven in particular by naval deliveries. At the end of the quarter, however, the outbreak of war in Ukraine is likely to affect the dynamism of foreign trade, especially in energy and agricultural goods (► **Box**). Concerning imports, however, changes in inventories should not be excluded, if possible shortages of materials or components are to be avoided. The tourist trade is likely to be affected, directly because of the closures of air space, and indirectly, due to the less favourable context for international tourism. Ultimately, in Q1 2022, imports are expected to return to their pre-health crisis level, while exports are likely to be at more than 98% of this level (► **Figure 3**). The contribution of foreign trade to growth in Q1 looks set to be slightly positive.

The disruption of foreign trade following the outbreak of war in Ukraine could continue into Q2, as well as the disruption of global value chains. Regarding commodities, the ability of other producing countries to replace Russia and Ukraine could largely determine the momentum of this trade. ●

### ► 1. After strong growth in Q4 2021, foreign trade is expected to slow in Q1 2022

variation in %, volumes of previous year's chained prices, contributions in points

	quarterly variations								annual variations			
	2020				2021				2022	2020	2021	2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1			ovhg
<b>Exports</b>												
Total	-5.2	-25.1	21.3	4.1	0.8	2.0	1.7	3.1	1.9	-16.1	9.2	5.6
Manufactured products (67%*)	-4.4	-27.9	28.3	5.3	-0.8	2.2	-1.3	1.6	1.8	-15.4	8.2	2.9
<b>Imports</b>												
Total	-5.0	-18.5	17.0	0.8	1.5	2.1	1.0	3.9	1.6	-12.2	7.8	5.6
Manufactured products (69%)	-4.2	-20.4	24.5	1.0	1.6	1.9	-0.4	4.1	1.8	-9.9	9.7	5.1
<b>Contribution of foreign trade to GDP</b>	<b>0.0</b>	<b>-1.8</b>	<b>0.5</b>	<b>0.9</b>	<b>-0.2</b>	<b>-0.1</b>	<b>0.2</b>	<b>-0.3</b>	<b>0.1</b>	<b>-1.1</b>	<b>0.2</b>	<b>-0.1</b>

■ Forecast

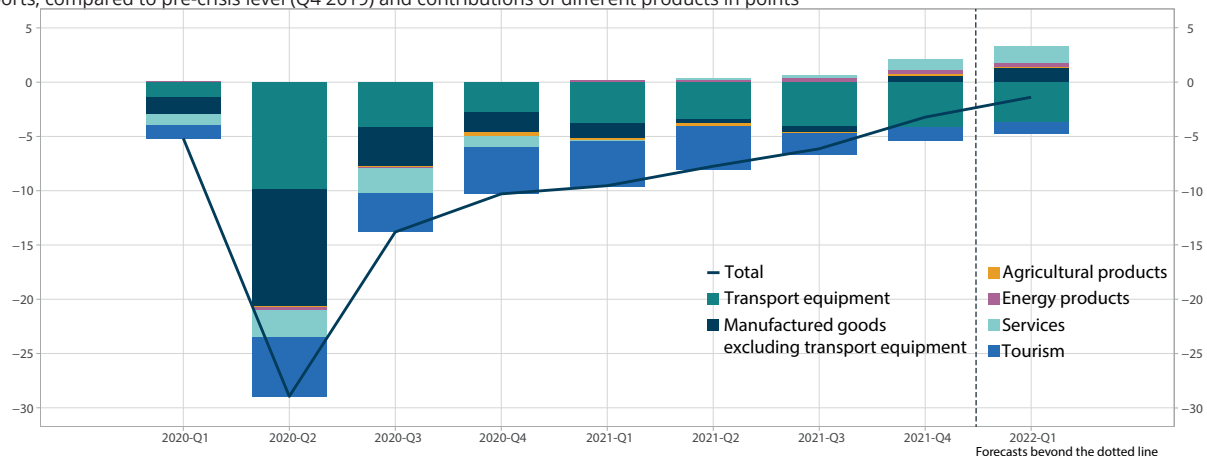
How to read it: French exports are expected to grow by +1.9 % in Q1 2022. In 2021, exports increased by +9.2% compared to 2020. The annual growth overhang in exports coming out of Q1 2022 (i.e. the annual growth that would result if the level in Q2, Q3 and Q4 2022 were stable compared to Q1) is likely to be +5.6%.

\*Share of exports (or imports) of manufactured products in total exports (or imports), in 2020.

Source: INSEE

### ► 2. Over the forecasting period, exports of transport equipment are expected to remain rather markedly below their level before the health crisis

total exports, compared to pre-crisis level (Q4 2019) and contributions of different products in points

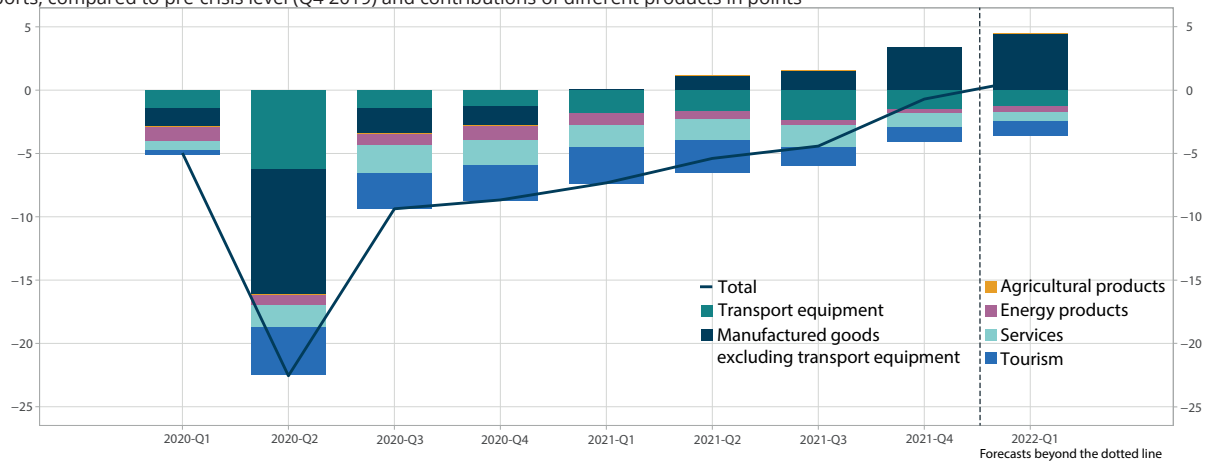


How to read it: in Q4 2021, French exports were 3.2% below their Q4 2019 level. Exports of transport materials contributed -4.1 points

Source: INSEE

## ► 3. In Q1 2021, imports are expected to exceed their pre-health crisis level

total imports, compared to pre-crisis level (Q4 2019) and contributions of different products in points



How to read it: in Q4 2021, French imports were 0.7% below their Q4 2019 level. Imports from tourism contributed -1.3 points.

Source: INSEE

## France's trade with Russia, Ukraine and Belarus

In France's foreign trade as a whole, the weight of Russia, Ukraine and Belarus is fairly limited, even though a significant proportion of energy imports come from Russia (► Figure 4). More specifically, 33% of French imports of coal, 17% of imports of coke and refined petroleum products and 10% of French imports of hydrocarbons come from Russia. On the export side, it is mainly manufactured products (transport equipment, capital goods and other manufactured products), and also agricultural products that are exported to Russia, Ukraine or Belarus. ●

## ► 4. Weight of Russia, Ukraine and Belarus in French foreign trade in 2021

Products	Share of Russia, Ukraine and Belarus in French imports	Contribution to total French imports (in points)	Share of Russia, Ukraine and Belarus in French exports	Contribution to total French exports (in points)
<b>Total</b>	1.7%	1.7	1.2%	1.2
Agri-food products	0.6%	0.0	0.7%	0.1
Man. of coke and refined petroleum products	17.1%	0.7	0.3%	0.0
Machinery and equipment goods	0.2%	0.0	1.8%	0.2
Man. of transport equipment	0.1%	0.0	2.0%	0.3
Other manufacturing	0.9%	0.3	1.5%	0.5
Agricultural products	1.4%	0.0	1.7%	0.0
Energy products <sup>1</sup>	7.7%	0.4	0.1%	0.0
Services <sup>2</sup>	1.0%	0.2	0.5%	0.1
Tourism <sup>3</sup>	0.4%	0.0	1.1%	0.1

1. Note added on 23 March 2022: imports of natural gas by pipeline are considered here as coming from the last country they cross before arriving in France, which tends to underestimate the share of Russian energy products in French imports.

2. trade in services refers to 2019.

3. tourist trade refers only to Russia and to 2019.

How to read it: among French imports of coke and refined petroleum products, 17.1% were from Russia, Ukraine or Belarus in 2021. They contributed 0.7 points to total French imports in this year.

Source: Customs (national statistics for foreign trade), Banque de France (balance of payments), INSEE calculations