

Foreign trade

Foreign trade was particularly buoyant in Q4 2021, but slowed in Q1 2022 with the worsening of the international environment due to supply chain disruptions and the outbreak of war in Ukraine at the end of February (► **Figure 1**). Exports of manufactured products increased moderately, driven by sizeable aeronautical and naval deliveries, but imports contracted, especially in transport equipment and coke and refined petroleum products. Trade linked with tourism also slowed substantially (spending by foreign tourists in France) and even fell back (spending by French tourists abroad). Trade in energy evolved in different ways, with imports accelerating strongly and exports slipping back. Only trade in services was dynamic, with the result that total imports were 0.6% below their pre-health crisis level (► **Figure 4**).

In Q2 2022, foreign trade is expected to be at a standstill. Exports are likely to fall back, affected both by the slowdown in world demand for French products and by the reduction in aeronautical and naval deliveries compared to the previous quarter. In the business tendency surveys for May, the balances of opinion among companies regarding their foreign order books declined, and since March, the PMI for new export orders has been below its expansion threshold. Meanwhile, imports seem likely to stagnate as a result of sluggish domestic demand and despite the upswing in spending by French tourists abroad. All in all, the contribution of foreign trade to GDP growth in Q2 is expected to be -0.1 points.

In H2 2022, foreign trade is expected to grow modestly. Despite a slight slowdown in trade related to tourism, it is likely to be driven by the gradual recovery in trade in manufactured products excluding transport equipment. Regarding trade in transport equipment, it is likely to be penalised once again by the ongoing supply chain problems in the automobile sector; in addition, it is expected that the trend in exports will automatically suffer in reaction to the naval deliveries in Q2. Across the whole of 2022, foreign trade is expected to make a positive contribution to GDP growth, at +0.1 points, mainly as a result of the buoyancy of services and tourism exports. ●

► 1. Foreign trade is expected to be at a standstill in Q2 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	Q2	Q3	Q4				
Exports																
Total	-6.8	-25.6	24.3	2.4	-0.6	2.6	3.2	2.6	1.2	-0.4	0.4	0.8	-17.0	8.6	5.6	
Manufactured products (65%*)	-6.6	-28.2	32.0	3.1	-2.4	2.6	-0.6	1.8	1.1	-2.0	0.0	0.7	-15.9	7.0	1.4	
Imports																
Total	-5.2	-19.1	18.3	0.3	1.6	2.1	0.7	3.9	0.5	0.0	0.7	0.8	-13.0	7.8	4.9	
Manufactured products (69%)	-4.0	-21.0	25.4	-0.1	1.3	1.0	-2.0	4.9	-1.7	-1.1	0.3	0.3	-10.4	7.4	0.5	
Contribution of foreign trade to GDP	-0.5	-1.8	0.9	0.6	-0.7	0.1	0.7	-0.4	0.2	-0.1	-0.1	0.0	-1.1	0.1	0.1	

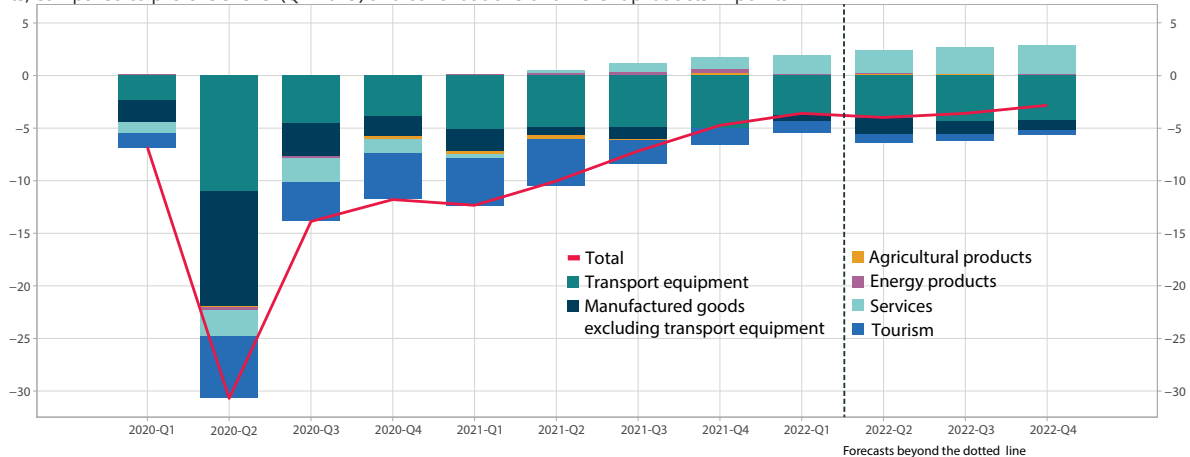
■ Forecast

How to read it: French exports are expected to fall back (-0.4%) in Q2 2022. Across the whole of 2022, exports are likely to increase +5.6% compared to 2021. *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 well 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

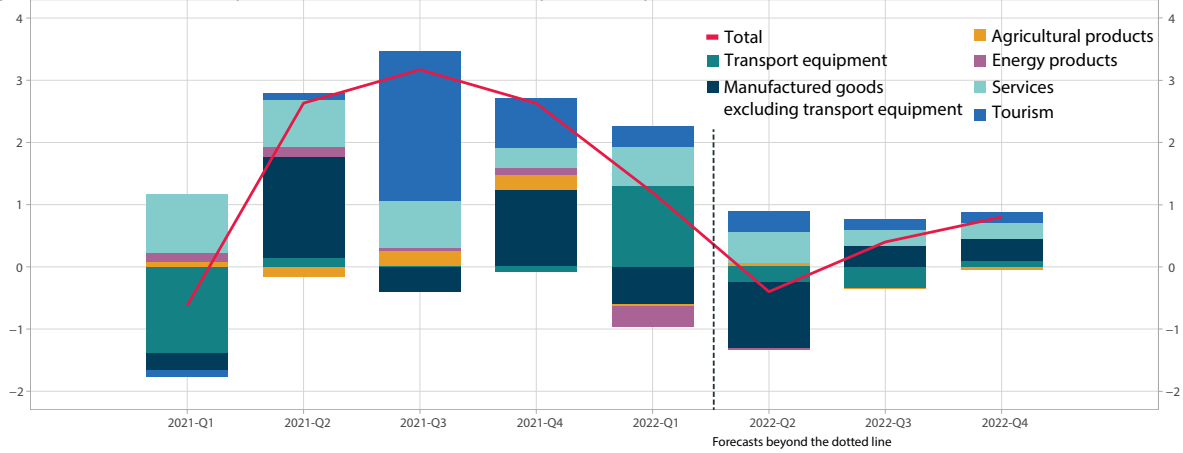


How to read it: in Q1 2022, French exports were 3.6% below their Q4 2019 level. Exports of transport materials contributed -3.8 points

Source: INSEE

► 3. In Q2 2022, the decline in exports of manufactured products is expected to continue but they should rally in H2

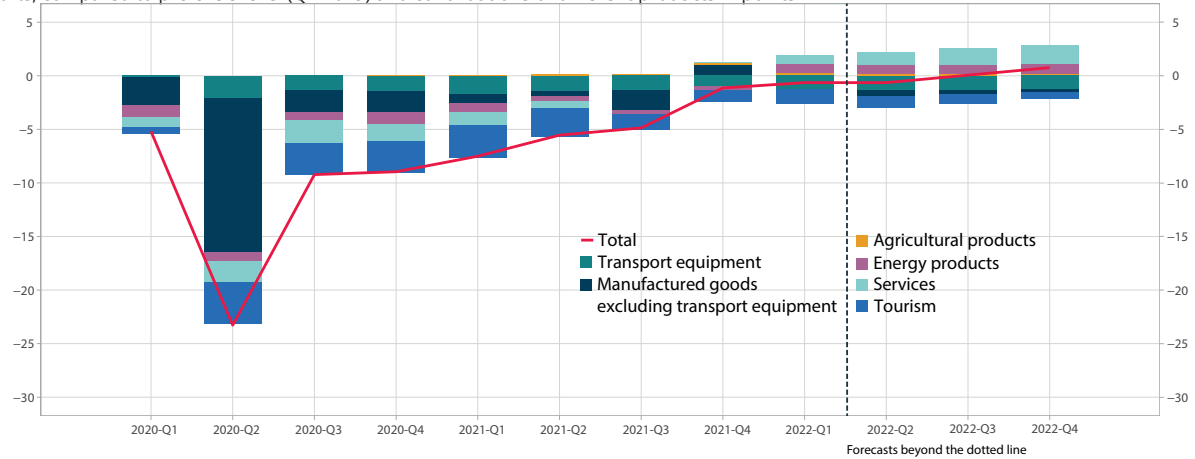
quarterly variations as % of total exports and contribution of different products in points



How to read it: in Q1 2022, French exports increased by 1.2%. Exports of transport equipment contributed 1.3 points.
Source: INSEE

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

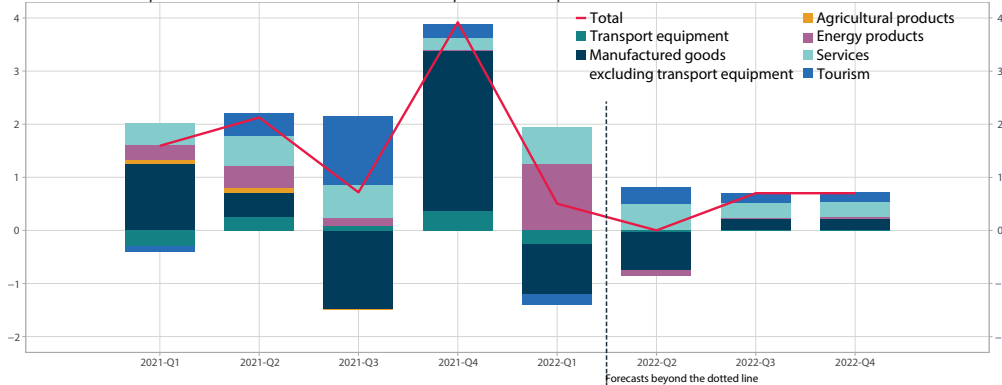
total imports, compared to pre-crisis level (Q4 2019) and contributions of different products in points



How to read it: in Q1 2022, French imports were 0.6% below their Q4 2019 level. Imports from tourism contributed -1.4 points.
Source: INSEE

► 5. Imports are expected to stagnate in Q2 2022, then increase in H2

quarterly variations as % of total exports and contribution of different products in points



How to read it: in Q1 2022, French imports increased by 0.5%. Imports of energy products contributed 1.2 points.
Source: INSEE

