

# United States

Over the last few quarters, activity in the United States has been moving at an irregular pace, characterised by movements in foreign trade and the gradual slowdown in household consumption after the post-pandemic upswing. After a deceptive H1 2022, when the drop in GDP could be primarily explained by the decline in exports in Q1 and by strong variations in inventories in Q2 (► **Figure 1**), GDP rebounded in Q3 (+0.7%), driven once again by foreign trade.

Exports did indeed increase substantially (+3.6% in Q3), sustained by petroleum products (► **Figure 2 left-hand side**), especially those destined for Europe, substituting for Russian products. Imports, on the other hand, fell back (-1.9%), especially imports of consumer goods (► **Figure 2 right-hand side**). Since the beginning of 2022, consumption of goods by US households has slipped back, while consumption of services has increased (+0.7% in Q3), but at a more moderate pace than in Q2 (+1.1%).

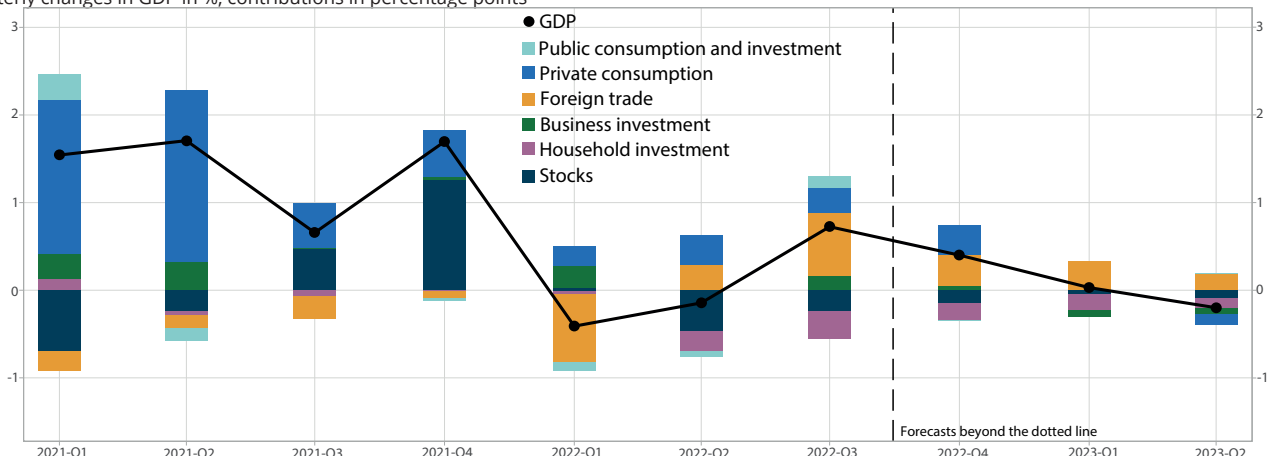
Domestic demand has also been affected because household investment was down sharply (-7.5% in Q3 after -4.8%). As a result of the rise in base interest rates decided by the Federal Reserve, borrowing rates have increased sharply since the beginning of the year (► **Figure 3 left-hand side**), limiting households' access to credit. The real estate market expanded considerably after the pandemic, but has been particularly affected by the tightening of monetary policy (► **Figure 3 right-hand side**).

In addition, inflation is still reaching high levels in the United States, although it has been falling for a few months (+7.1% year-on-year in November, against +9.1% in June). However, the rise in prices now concerns all consumer items: core inflation (+6.0% year-on-year in November) is now much higher for services (+6.8%) than for goods (+3.7%) (at the start of the year, on the contrary, it was 7 points below). This increase in the price of services is partly due to wage growth in a labour market that remains brisk: the wage component in the labour cost index increased by 5.1% year-on-year in Q3.

Given this context, household consumption is expected to slow towards the end of the year then fall back in H1 2023, affected by inflation that is admittedly declining year-on-year but at levels that nevertheless remain high. The tightening of access to credit could also affect household consumption, via consumer credit, but above all it is likely to continue to hamper residential investment considerably, and corporate investment to a lesser extent. Meanwhile, exports are expected to lose some of their momentum, with imports continuing their decline. As a result, the US GDP looks set to slow in Q4, bringing annual growth in 2022 to 2.0%, before weakening slightly in H1 2023. ●

## ► 1. Foreign trade drove GDP growth in Q3 2022

quarterly changes in GDP in %, contributions in percentage points



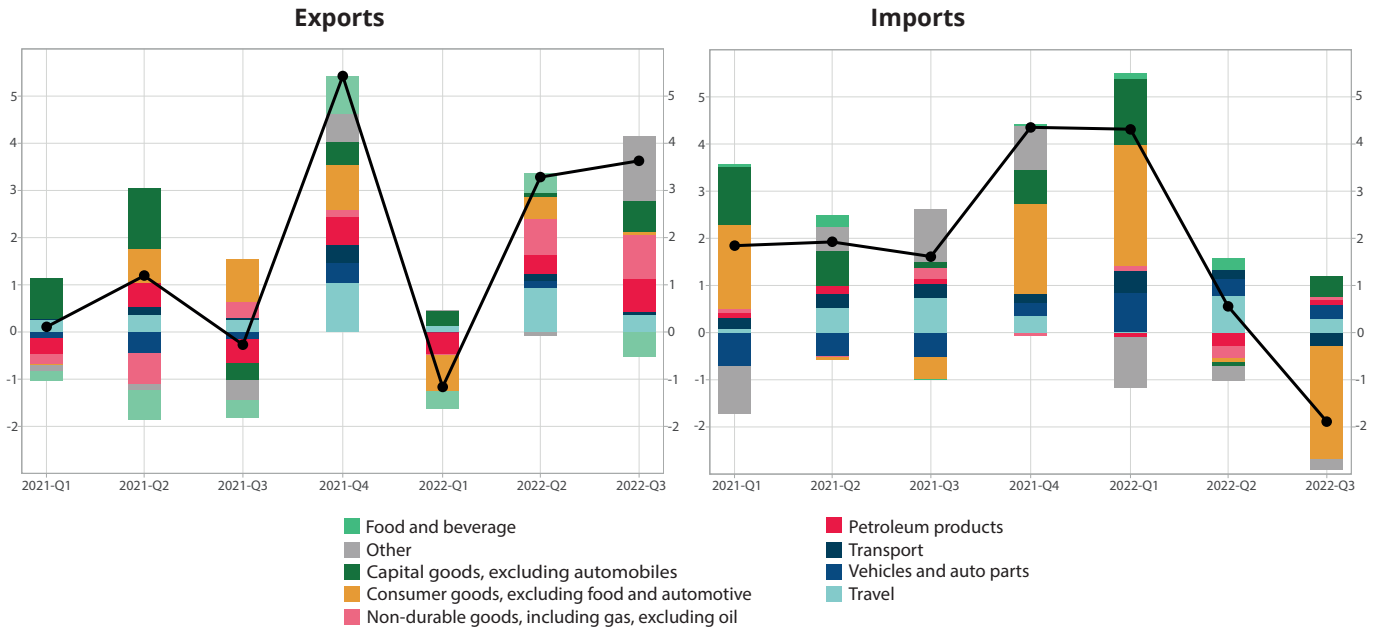
How to read it: in Q3 2022, GDP increased by 0.7% and private consumption contributed +0.3 points to this shift.

Source: Bureau of Economic Analysis

# International economic outlook

## ► 2. The rise in exports in Q3 2022 is partly due to exports of energy products to Europe, while the drop in imports mainly concerns consumer goods

quarterly changes in imports and exports in %, contributions in percentage points

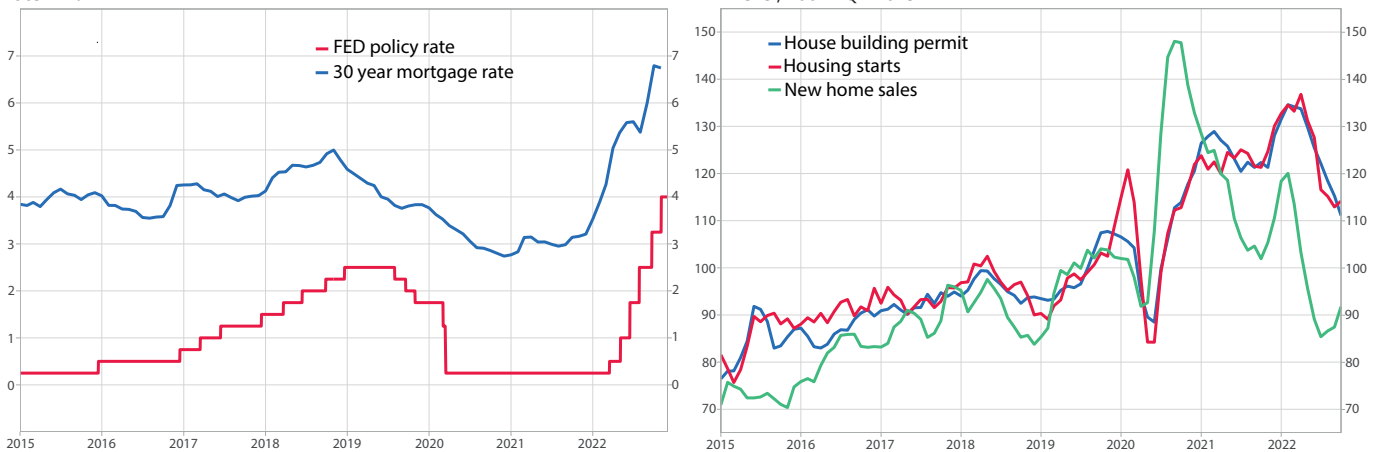


How to read it: in Q3 2022, exports increased by 3.6% and the contribution of petroleum products to this change is +0.7 points.

Source: Bureau of Economic Analysis

## ► 3. The increase in rates has caused a turnaround in the US real estate market

rate in %



Last point : 2 December 2022 for the Fed's base interest rate, November 2022 for the mortgage rate, October 2022 for real estate indicators.

How to read it: in October 2022, the number of new building permits was 11% above its 2019 average.

Source: Fed, Freddie Mac, Census Bureau