

An autumn laden with menace for Europe

Economic outlook

6 October 2022

An autumn laden with menace for Europe

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An autumn laden with menace for Europe

Tensions over production conditions persist throughout the world, although some of the recent supply chain difficulties are easing somewhat. These tensions are fuelling inflation. Although it picked up earlier in the United States, in line with very dynamic domestic demand, inflation has now reached 10% year-on-year in the Eurozone, with strong contributions from energy and food prices, but also a gradually increasing contribution from manufactured goods and services. Within the Eurozone, there are fairly considerable differences between countries: these can be explained in part by the nature of government policies (tariff shields and/or income support) introduced to limit price increases or their effect on household purchasing power.

In this context, the economic landscape has recently darkened, according to the surveys. In Europe in particular, fears over energy supply chains have intensified since mid-August. In addition, in the face of high inflation, the western central banks have embarked on a cycle of monetary tightening reflected mainly in the upturn in sovereign borrowing rates, with wide variations between countries, and in the increased cost of credit, which could impact on corporate and household investment decisions.

Over our forecasting period (end of 2022), world trade is expected to slow but the dynamics within different countries are unlikely to be uniform. The US economy looks set to slow but without dropping back, driven by a labour market that remains particularly robust. The Chinese economy is expected to pick up after the spring lockdowns, but its rebound will probably be mitigated by the persistent weakness of domestic demand. Meanwhile, the United Kingdom and German economies could contract. Spain, France to a lesser extent and even Italy look set to continue to benefit from residual post-health crisis catch-up effects.

In France, despite a certain resilience, the business climate is uncertain in most sectors of activity, no doubt partly due to fears over electricity and gas supplies and future energy prices. This can be seen from the more marked decline in morale among business leaders in the industrial branches that are most dependent on energy for their production (chemicals, metallurgy, paper-cardboard, etc.). These concerns are also weighing on household confidence.

The “hard” data available for July-August for France suggest that the post-health crisis catch-up effects are tending to diminish in services linked to tourism. Meanwhile, household consumption of goods remains skewed, despite the fact that new vehicle registrations (and production) have bounced back. Finally, aeronautical deliveries were buoyant this summer.

All in all, given this mixed short-term information, the French GDP would appear to have improved modestly in Q3 2022 (+0.2% forecast, after +0.5% in Q2). For Q4, the scenario proposed (stability for GDP, i.e. 0.0%) is somewhere between growth that could still be expected given the relative resilience of the business climate and a possible downturn in activity in the event of strong constraints on energy supplies, for example. As an annual average, French GDP is expected to increase by 2.6% in 2022 compared to 2021.

Payroll employment, which continued to be very buoyant in H1, is now expected to slow in a similar way to economic activity. However, the increase in the number of sandwich contracts is likely to continue. Total employment is expected to increase by 0.2% in Q3 then by 0.1% in Q4, bringing net job creations in 2022 to a little over 300,000 (after around 970,000 in 2021). The unemployment rate is expected to remain stable over H2 2022, at 7.4% of the active population, whose numbers are also slowing.

Year-on-year, the consumer price index fell in September for the second consecutive month, to 5.6%, mainly as a result of the downturn in energy prices (oil prices down, reductions at the pump increased, tariff shields on gas and electricity maintained). Inflation looks set to remain at around this level in October, before increasing again at the end of the year (+6.4% forecast for December). The gradual withdrawal of reductions at the pump is certainly likely to push energy prices up, while the prices of food and manufactured goods are also expected to continue to increase due to earlier price increases in commodities and inputs. The abolition of the television and radio licence fee is likely to ease the contribution of services to headline inflation. Meanwhile, core inflation is expected to stand at a little over 5% year-on-year in December.

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After a sharp decline in H1 2022, the purchasing power of households' gross disposable income is expected to bounce back in H2, driven by the dynamism of nominal income (due mainly to support measure put in place: increase in benefits, reduction in contributions) and, to a lesser extent, by the slowdown in prices. Over the whole of 2022, purchasing power should be stable overall, compared to 2021, falling back by around ½% per consumption unit. Households are expected to be able to smooth the effects of quarterly fluctuations in their purchasing power on their consumption, which is likely to be sluggish in H2, resulting in a rebound in the savings ratio.

Companies' margin rate is expected to reach 32% on average during 2022, slightly higher than in 2018, but down sharply compared to 2021 when it was particularly well supported by emergency aid associated with the health crisis. The rise in energy prices could also be detrimental to the gross operating surplus of those companies most dependent on this production factor and thus increase the contrast between branches of activity.

As available data are published, a scenario gradually emerges of modest growth in France for Q3 2022. However, the scenario for the last quarter remains fairly unsettled at this stage, given the many uncertainties likely to affect it, not to mention the actions of economic agents: geopolitical developments, energy supply chains, health situation, consequences of monetary tightening, etc. ●

International economic outlook and detailed forecasts for France

Inflationary tensions persist throughout the world, despite the recent decline in some commodity prices

Imbalances between production capacities and buoyancy in demand after the lockdowns have driven inflation to high levels around the world (► **Figure 1** left). These inflationary tensions were reinforced in particular by the outbreak of war in Ukraine in February, but also by China's continuing "zero-Covid" strategy in the spring and by the intense heat waves which affected some harvests this summer and slowed the river traffic of goods.

While concerns over energy supply chains are keeping gas and electricity spot prices at a high level in Europe, in contrast some world commodity prices have recently fallen considerably (► **Figure 2**), notably cereals and industrial commodities. However, these declines have generally not yet been passed on to consumer prices, except for oil prices, where fluctuations are passed on almost immediately to petrol prices. In general, it takes several quarters for commodity price movements to be transmitted to production prices then ultimately to consumer prices. Contrary to oil prices, gas spot prices reached new heights in August, following the interruptions to gas deliveries to Europe by Russia which exacerbated the risk of shortages.

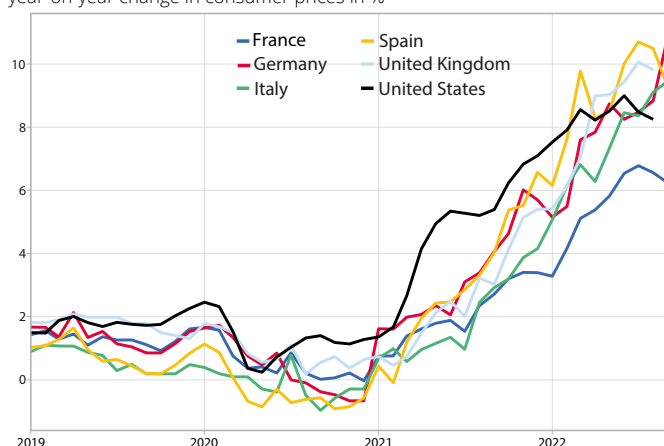
Inflation is not exactly the same in all countries (► **Focus**). In the United States, the general increase in prices, coupled with a dynamic labour market, is now leading to substantial wage rises, which in turn are likely to increase inflation. In the Eurozone, core inflation is not so high at this stage: price rises are still driven partly by energy products, but they are nevertheless gradually spreading to food, manufactured goods and some services.

Monetary policies are tightening, while volatility is increasing in financial markets

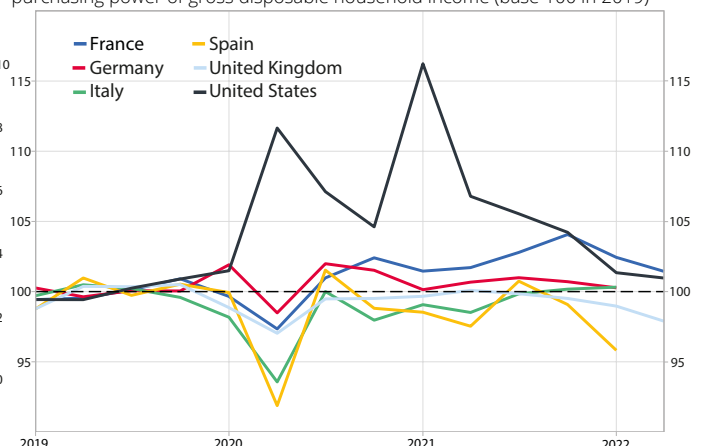
Faced with these increases in inflation, the western central banks have started on a cycle of monetary tightening with the aim of preventing any destabilisation of expectations. Increases in their rates have consequences on the foreign exchange market: the euro has depreciated since the start of monetary tightening by the US Federal Reserve, thus raising the price of European energy imports, which are often quoted in dollars. Over the forecasting period (end of 2022), technical assumptions regarding the €/€ exchange rate and also the price of Brent are close to the values observed at the end of September (i.e. \$0.95 per euro and the price of Brent at around \$90 per barrel).

► 1. Inflation is high around the world and is hampering household purchasing power

year-on-year change in consumer prices in %



purchasing power of gross disposable household income (base 100 in 2019)



Note: Eurostat produces the Harmonised Index of Consumer Prices (HICP) covering countries in the European Union. For the United Kingdom, for which data in the Eurostat databases are available only to the end of 2020, an HICP was estimated from CPI data published by the UK ONS and by adapting them to the scope of the HICP. For the United States, the index shown is the CPI provided by the BLS. Purchasing power is the gross disposable income (GDI) of households and non-profit institutions serving households (NPISH), compared to the deflator of household consumption. For France, it may differ from the figure published on the INSEE website, where the scope is only households.

How to read it: September 2022 for year-on-year consumer prices, except for the United States and the United Kingdom (August 2022); Q1 or Q2 2022 (depending on the country) for the purchasing power of household GDI (depending on the availability of data on the Eurostat website on 4 October 2022).

Source: INSEE, Eurostat, BLS, BEA, ONS, INSEE calculations

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In this context, also marked by increased geopolitical uncertainties in Europe (changes of government in the United Kingdom and Italy), volatility has recently increased on the financial markets and sovereign yield spreads between countries have grown. The real estate market is also exposed to several threats: in China, where the strengthening of prudential measures led to a strong slowdown in the sector, which was nevertheless important for Chinese growth; also in countries where the effect of variable interest loans could become substantially greater, as in Spain, Italy or the United Kingdom, for example.

Residual catch-up effects and budget support measures are probably insufficient to avoid further shrinkage in some European economies

Prospects for growth at the end of 2022 appear somewhat clouded by difficulties in production on a global scale, by inflation which is hampering households' gross disposable income purchasing power (► **Figure 1** right) and by monetary tightening, which is likely to constrain credit and investment. However, with the fiscal support measures put in place, the loss of purchasing power is mitigated. In addition, some sections of western economies, such as consumption of services, are still benefitting from a catch-up effect: in the spring, international tourism had not yet returned to its pre-crisis level and would appear to have made a positive contribution to world growth in the summer. Some countries are expected to benefit more from these effects, like Spain, where household consumption too is still well below its pre-Covid level (► **Figure 3**).

In H2, demand is expected to be fairly sluggish in the main economies, including China, in contrast to the rebound after the 2008 crisis when it was Chinese growth that drove the recovery. As a result, it is likely that

world trade will continue to slow in Q3 (+0.7% forecast in Q3 after +1.6% and +0.8% in Q1 and Q2) despite the improvements observed in global supply chains, reflected in lower freight prices and improved input delivery times.

In China, economic activity would appear to have rebounded in Q3 (+3.0%), after the lockdowns in Q2, especially in Shanghai, and thanks to investment policies in infrastructure and strategic sectors. However, the recovery appears to have been dampened by heat waves disrupting industrial production and by weak domestic consumption. The real estate crisis or possibly another series of strict lockdowns could once again significantly hamper the Chinese economy at the end of the year.

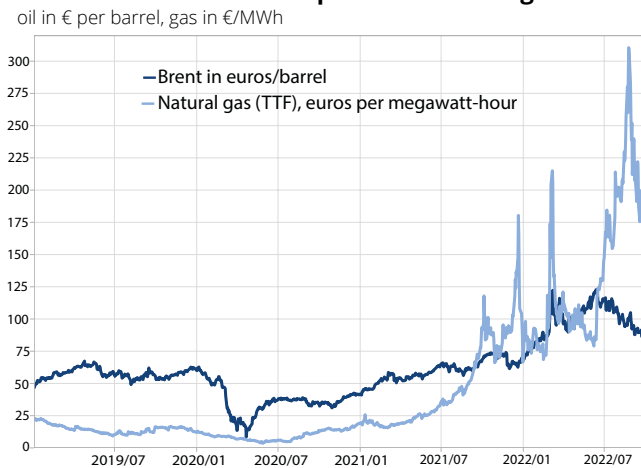
In the United States, the employment market is expected to remain dynamic, enabling the economy to avoid recession. GDP is expected to slow down markedly, however, in Q4 (+0.2% after +0.5% in Q3). In fact, if inflation were to stabilise at a high level this would inhibit household consumption, while the FED's monetary tightening is likely to adversely affect investment, especially residential investment.

In the United Kingdom, inflation has also reached particularly high levels and is expected to continue to increase at the end of the year. However, it is likely to be mitigated by the energy bill freeze decided by the new government. As a result of loss of purchasing power, major strikes and calls for wage increases disrupted the functioning of the UK economy during the summer. Tensions mounted in the financial markets following recent fiscal policy announcements. The United Kingdom is expected to enter recession in H2 (-0.2% forecast per quarter after +0.2% in Q2).

In H2, it is likely that activity in the Eurozone, which is more exposed to the consequences of the war in Ukraine, will suffer the repercussions of this

► 2. Some commodity prices fell back over the summer, while gas spot prices soared

Price of oil and prices of naturel gas



Non-energy commodity prices



Source: Commodity Research Bureau, ICE Futures Europe, Euronext Paris, London Metal Exchange, Chicago Mercantile Exchange

deteriorating economic context. The effects of high inflation are expected to be reflected in economic behaviour, despite the fiscal policies introduced to limit price rises or support incomes. In Germany, a country highly vulnerable to supplies coming from Russia, price rises and energy supply difficulties are likely to hold back household consumption and production by companies with rationing a possibility. All this despite strong fiscal support and a very significant increase in the minimum wage. German GDP is likely to contract in Q3 and in Q4 (-0.2% then -0.5% forecast). Similarly in Italy, also very exposed to Russian gas imports, household consumption is expected to decline in the face of rising inflation. In an uncertain political context following the September elections, investment and exports are no longer expected to be able to drive growth in economic activity: GDP would appear to have slowed in Q3 (+0.2% after +1.1%) then looks set to decline at the end of the year (-0.2%). Economic activity in Spain looks set to be more resilient to international difficulties (+0.3% then +0.2% forecast in Q3 and Q4), due to a greater catch-up potential and the disconnection of the Iberian peninsula from the European gas market, making it possible to mitigate the rise in gas and especially electricity prices. High inflation and the rise in interest rates are nevertheless likely to hamper household consumption and investment, both of which are expected to slow at the end of the year. All in all, economic activity in the Eurozone appears to have increased modestly in Q3, then could slip back at the end of the year.

In France, activity is expected to be at a standstill at the end of the year, due to a downturn forecast in industry and a slowdown expected in services

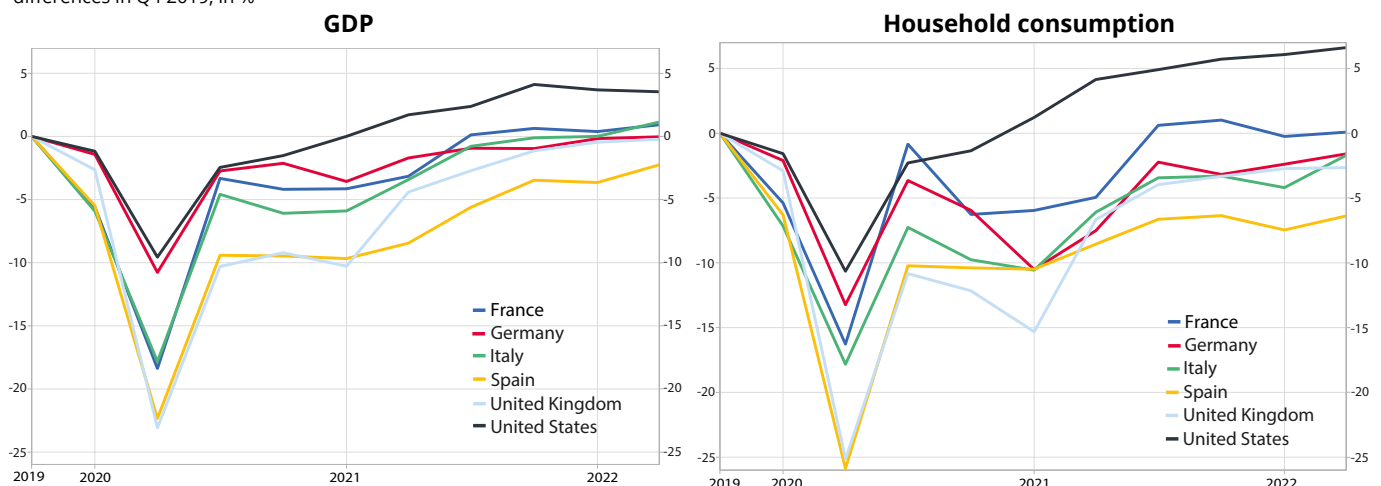
Since the *Economic Outlook* of 7 September, the business tendency surveys published at the end of September have confirmed the darkening of the business climate in France. The forecast of a slowdown in activity in Q3 is thus maintained (+0.2% after the moderate rebound of +0.5% the previous quarter). At the end of the year, in an even more uncertain context, activity is expected to come to a standstill (0.0% forecast in Q4 2022).

The slowdown in activity over the summer would appear to have affected both services and the manufacturing industry, with the major contribution coming from services. In fact, in Q2, the rebound in activity was mainly due to services that had suffered at the beginning of the year from the deteriorating health situation (accommodation-catering, transport services and services to households). In Q3 however, it would appear that activity in services changed only moderately from month to month (the production index for July even suggests a downturn in activity compared to June ► [Figure 4](#)). Its quarterly change would therefore appear to have benefitted above all from the strong “carry-over effect” as a resulting of the catch-up observed in the spring.

Meanwhile, the manufacturing industry would appear to have improved slightly. Although supply constraints remained significant overall, supply chain difficulties

► 3. GDP and household consumption: changes since Q4 2019

differences in Q4 2019, in %



Last point : Q2 2022

Source: INSEE, Destatis, Istat, INE, ONS, BEA

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ceased to deteriorate a few months ago, according to the business tendency surveys, especially problems related to the war in Ukraine (► **Focus**). In this respect, manufacturing output rebounded significantly in August (+2.7% after -1.6% in July) in all branches, reaching its highest point since the start of the health crisis.

In Q4 2022, services are expected to slow once again, and the manufacturing industry looks set for a downturn. In industry, the surveys published at the end of September do indeed indicate a further deterioration in the business climate (► **Figure 5**) and in particular a clouding of the opinion of business leaders as to their order books and their personal expectations for production, probably linked to the mood of uncertainty surrounding the geopolitical and energy situation. In addition, they consider that in the case of inventories of finished products levels still remain high. The associated balance of opinion reached a high point in August (except in agri-food), suggesting reduced production margins for the end of the year. However, the downturn in manufacturing activity is likely to mask sectoral disparities: the decline is expected to affect mainly “other industrial branches” (chemicals, metallurgy, rubber and plastics, etc.), in line with the greater use of energy in these sectors (► **Focus**). Services are less exposed to the uncertainties affecting the industrial branches and should once again improve at the end of the year, but catch-up effects are unlikely to be more than residual.

Employment should continue to grow, although less briskly than in H1

In H1 2022, payroll employment continued to be buoyant, although less so than in the previous half-year (+187,000 payroll jobs created between the end of

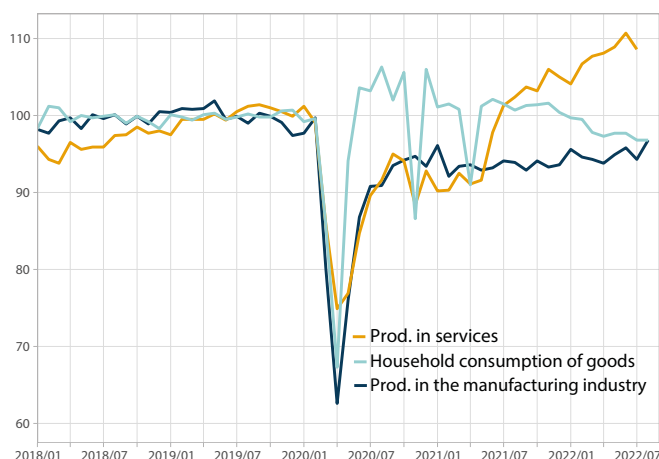
2021 and the end of June 2022, or only half as many as between the end of June and the end of 2021). Hiring difficulties, which are still at a high level in the business tendency surveys, partly reflect this dynamism in employment because a considerable proportion of the companies experiencing these problems also report that they have recently increased their workforce or they expect to do so in the near future (► **Focus**). Thus in mid-2022, payroll employment was substantially higher than at the end of 2019 (+3.2%, and this was when activity in Q2 2022 was 0.9% above its Q4 2019 level). About a third of this increase was due to the dynamism of sandwich contracts, and especially apprenticeship contracts.

In H2 2022, the dynamics of payroll employment are expected to continue to slow (+58,000 net job creations forecast between the end of June and the end of December). The increase in sandwich contracts is expected to continue, while the other types of job creation look set to slow significantly, in line with activity. The majority of job creations are likely to remain concentrated in the market tertiary sector, while payroll employment is expected to remain virtually stable in industry, construction and the non-market tertiary. All in all, and taking into account a slight slowdown in self-employment in 2022, employment (payroll employment and self-employment) is expected to increase by 305,000 jobs in 2022, after the sizeable catch-up in 2021 (+971,000 payroll jobs).

The unemployment rate remained broadly stable in H1 (► **Figure 6**). In addition to the robustness of employment, the active population increased substantially, with the labour force participation rate of 15-64 year-olds reaching a new historic high point

► 4. Monthly production indices in the manufacturing industry and services, and monthly household consumption of goods

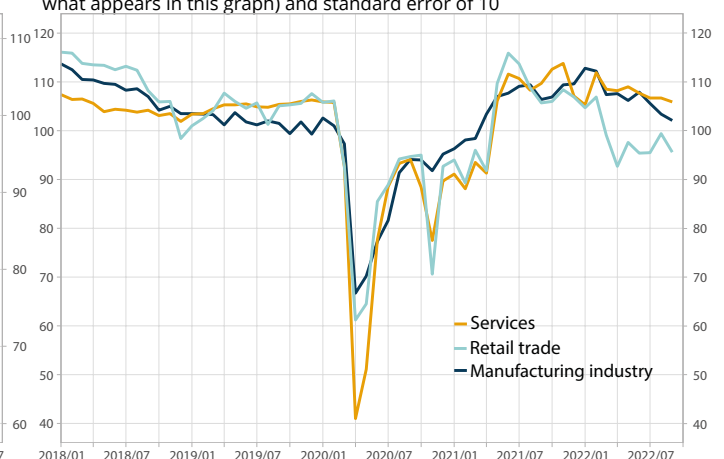
base 100 in 2019



Last point: August 2022 for production indices in industry and household consumption of goods, July 2022 for the production index in services.
Source: INSEE

► 5. Business climate in the manufacturing industry, services and retail trade

normalised to 100 average (across the whole series, which is longer than what appears in this graph) and standard error of 10



Last point : September 2022
Source: INSEE, business surveys

(73.5%). In H2 2022, the active population is expected to slow significantly, returning to a dynamic closer to its trend rate. Given that a slowdown in employment is also expected, the unemployment rate should remain at 7.4% of the active population until the end of 2022.

After a few months of relative stability, inflation is expected to rise again at the end of the year to reach around 6.4% year-on-year at the end of 2022

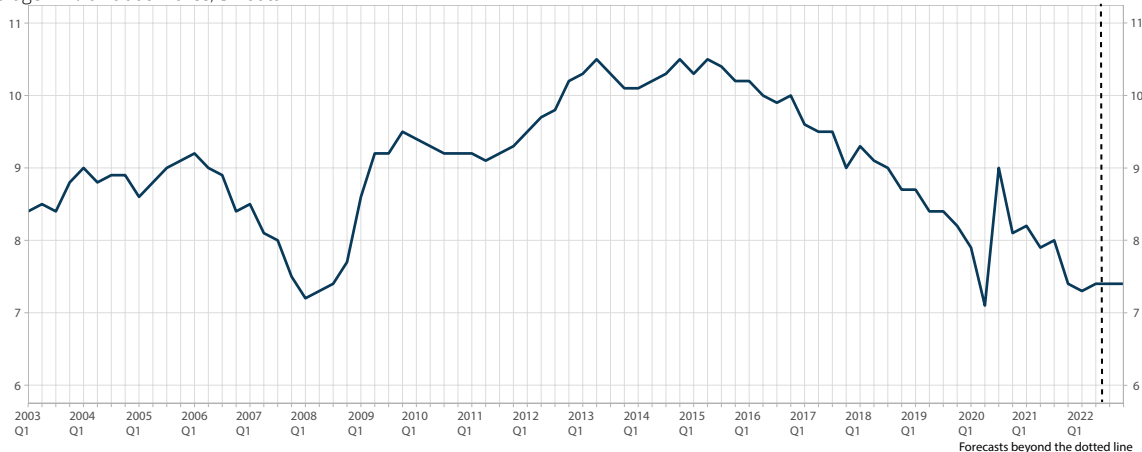
Inflation reached 5.6% year-on-year in September, according to the provisional forecast, after 5.9% in August (► **Figure 7**). This second consecutive monthly drop in inflation contrasts with the sharp and continuing increases in H1. Energy inflation has declined since June: fuel prices fell with the reduction in oil prices (and in September with the increase in the reduction at the pump), while gas and electricity prices were still kept in check by the tariff shield. At the same time inflation

continued to rise in food and manufactured goods, as a result of earlier sharp increases in production prices.

By the end of the year, assuming that the price of oil remains fixed at €95 per barrel, inflation is expected to decline slightly in October then move upwards once again, reaching 6.4% year-on-year in December. It is likely that this profile will mainly reflect that of energy inflation, with the reduction at the pump being cut back from November and a “base effect” driving up the year-on-year increase in energy prices at the end of the year (because oil prices fell at the end of 2021, with the emergence of the Omicron variant). Inflation is expected to continue to increase in food, reaching almost 12% year-on-year by the end of the year, the largest contribution to headline inflation, and in manufactured goods (5% year-on-year in December). In services, inflation is expected to remain contained, with the abolition of the television and radio licence fee bringing prices down under the heading “Television and radio licence fees, subscriptions”.

► 6. Unemployment rate (ILO definition)

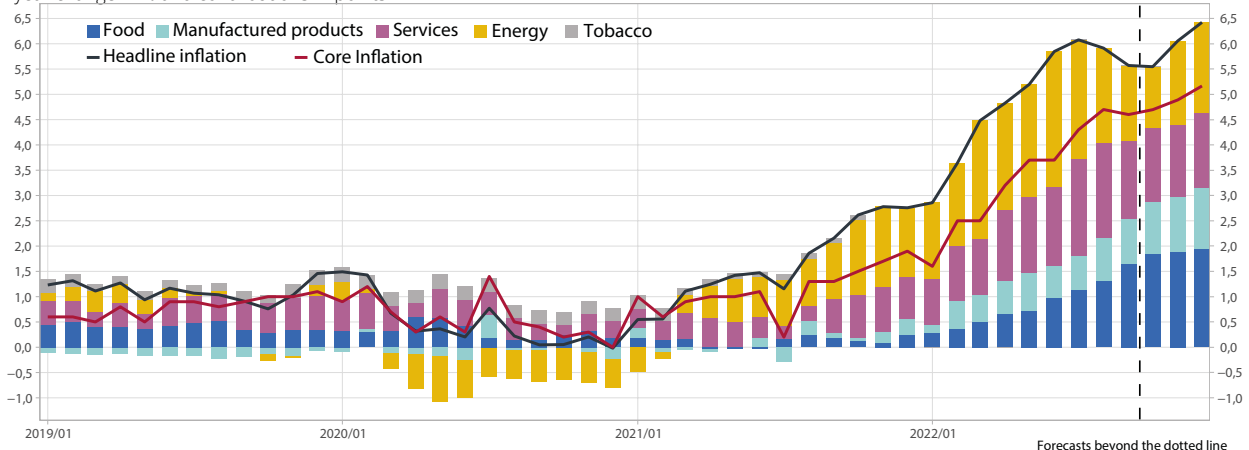
quarterly average in % of labour force, SA data



Scope: France (excluding Mayotte), persons aged 15 or over living in ordinary housing
Source: INSEE

► 7. Headline inflation and contributions by item

year-on-year change in % and contributions in points



Note: for September 2022, headline inflation is a provisional estimate, core inflation a forecast.
Source: INSEE

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Core inflation does not take into account changes in the most volatile prices or tax measures such as the abolition of the TV licence fee, and it is therefore expected to increase slightly at the end of the year, driven mainly by the prices of manufactured products and food (excluding fresh). It is therefore likely to be 5.2% at the end of the year, after 4.7% in August.

Despite the dynamics of consumer prices, household purchasing power is likely to rebound sharply in H2, sustained by measures voted during the summer

Household purchasing power fell back during H1 2022 (-1.8% per consumption unit in Q1 then -1.2% in Q2), penalised by the brisk acceleration in consumer prices (► Figure 8). It is expected to pick up significantly in H2, due to the dynamism of nominal income and, to a lesser degree, to the slowdown in prices.

It is likely that earned income will be driven by a significant acceleration in wages, linked to the recent increases in the minimum wage and the fact that inflation is taken into account in wage negotiations. Also because of the value sharing bonus (PPV, successor to the extraordinary purchasing power bonus), and the increase in the civil service index point in Q3. Meanwhile, social benefits and other income transfers are expected to increase substantially in Q3 then in Q4, sustained by the measures voted during the summer (increases in many social benefits and the back-to-school bonus in Q3, exceptional energy cheque at the end of the year). Lastly, taxes and social contributions should fall in Q4, notably due to the continuing reduction in the housing tax and the abolition of the television and radio licence fee (in the national accounts this abolition is not counted in the household consumption deflator but instead in their income).

All in all for 2022, households' gross disposable income (GDI) is expected to increase by 4.7%, of which about 1.3 points is due to support measures voted during the summer or announced since then. The purchasing power of GDI is likely to remain stable overall in 2022 and decline by 0.6% per consumption unit (► Figure 9).

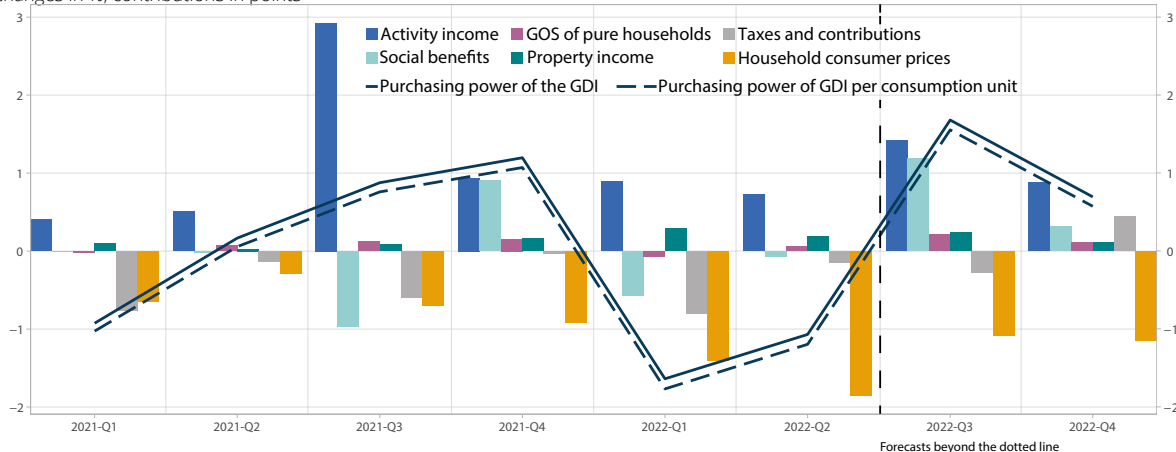
Household consumption is expected to be sluggish in H2, leading to an upturn in their savings ratio

In Q2, household consumption rebounded slightly, driven by an upswing in services (► Figure 10). Spending on accommodation-catering, transport services and leisure activities benefitted from the improved health situation. However, inflation hampered the consumption of goods: spending on agri-food products and on fuel declined once again, also purchases of vehicles.

Consumption would appear to have continued to improve in Q3, driven by the ongoing recovery in services, albeit reduced compared to the previous quarter, especially in accommodation-catering. After their marked downturn in July, purchases of goods stabilised in August (► Figure 4): they would appear to have fallen back once again across the quarter as a whole, although less markedly than in the previous quarter. The inflationary context would appear to have affected spending on food products in particular. Spending on fuel would seem to have continued to fall, according to bank card transaction data, but less significantly than in H1, probably in line with the fall in the price of oil and the increase in the reduction at the pump in September (► Focus). Car purchases would appear to have increased. Purchases of capital goods, which have been above their pre-crisis level since H2 2020, would appear to have continued their return to trend.

► 8. Purchasing power of households gross disposable income

quarterly changes in %, contributions in points



Note: the contribution of social benefits also includes other transfers.
Source: INSEE

In Q4, household consumption is expected to increase only very moderately. The latest economic indicators point to a downturn in household confidence in September, reaching a historic low point, as was the case in July, while the business climate in retail trade deteriorated (► **Figure 5**). The consumption of goods is therefore unlikely to improve, as the context of high inflation continues to temper households' purchasing decisions. In services, the catch-up effects in play in Q2 and Q3 are expected to fade out, giving way to a more trend-based rate of increase.

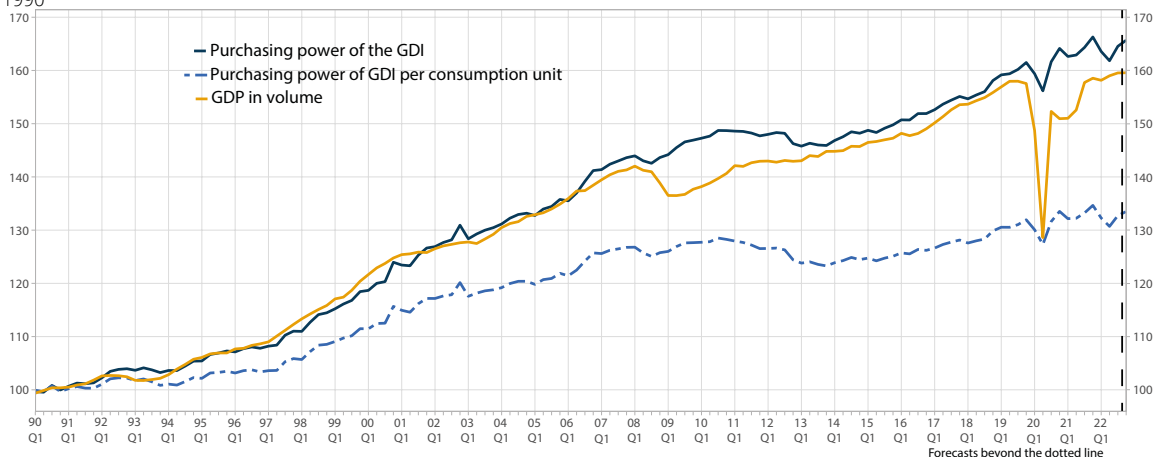
Given the momentum forecast for household purchasing power in H2, their savings ratio should pick up considerably, exceeding 17% at the end of the year, despite having reached a low point in Q2 (15.5%, slightly higher than the 2019 level nevertheless ► **Figure 11**). This increase in households' savings ratio would probably reflect a smoothing behaviour on their part regarding purchasing decisions in a context of quarterly variations in their purchasing power.

Corporate investment is likely to slow by the end of the year

There was a moderate increase in corporate investment in H1, held back notably by a continuing decline in investment in manufactured goods (and more particularly in transport equipment, which has been falling for five consecutive quarters). The rebound in new vehicle registrations in July and August suggests a turnaround in purchases of transport equipment by companies in Q3, leading to a marked acceleration in their investment this quarter in our scenario. At the end of the year, however, the expected decline in manufacturing activity, the slowdown of activity in services and, more generally, the context of both geopolitical and energy uncertainty and the rise in interest rates are expected to result in a marked slowdown in corporate investment.

► 9. Change in purchasing power of household gross disposable income and of GDP since 1990

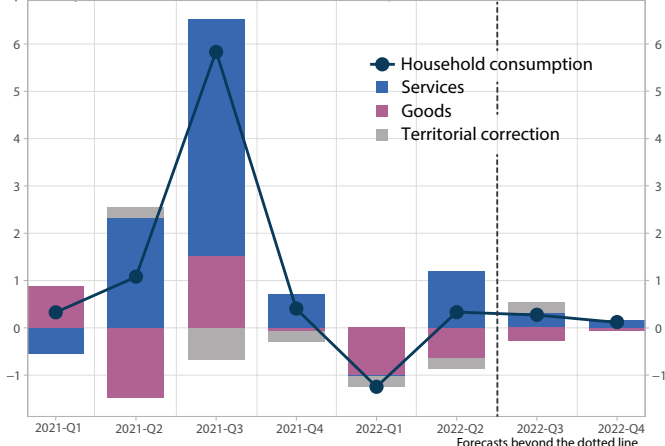
base 100 in 1990



Source: INSEE

► 10. Household consumption

quarterly variations in % and contributions in points



Source: INSEE

6 October 2022

► 11. Household saving rate

in % du revenu disponible brut des ménages



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The buoyancy of wages in H2, combined with a slightly stronger increase in employment than in activity, is likely to affect companies' margin rate, despite the support it is expected to receive through subsidies paid as part of the economic and social resilience plan. Thus the margin rate of non-financial corporations is expected to reach 32.0% of their value added in Q4 2022. On average over the year, it is also expected to be 32.0%, down considerably compared to 2021 when it had been particularly well supported by emergency aid linked to the health crisis, but higher than in 2018 (31.5%). The rise in energy prices could also damage the gross operating surplus of those companies that depend most on this factor of production and thus increase diversity between branches.

The reopening of tourism is stimulating exports and also imports of services

In Q2 2022, foreign trade supported GDP growth: exports continued to grow (+0.9%), driven mainly by the continued return of foreign tourists to France, whereas imports were at a standstill.

Exports are likely to be less dynamic in H2 (+0.6% forecast in Q3 then +0.5% at the end of the year). The slowdown in world trade is expected to affect world demand for French products and the catch-up effects associated with the return of foreign tourists is likely to be less than in the previous half-year. However, some major aeronautical deliveries should sustain exports, especially at the end of the year.

Meanwhile, imports would appear to have been vigorous in Q3, due to the significant catch-up in purchases by French tourists abroad. However, they are likely to slow

considerably at the end of the year, in line with these diminishing catch-up effects and the sluggishness of domestic demand.

Domestic demand appears to have accelerated slightly in Q3, but was accompanied by dynamic imports, and is expected to come to a virtual standstill at the end of the year

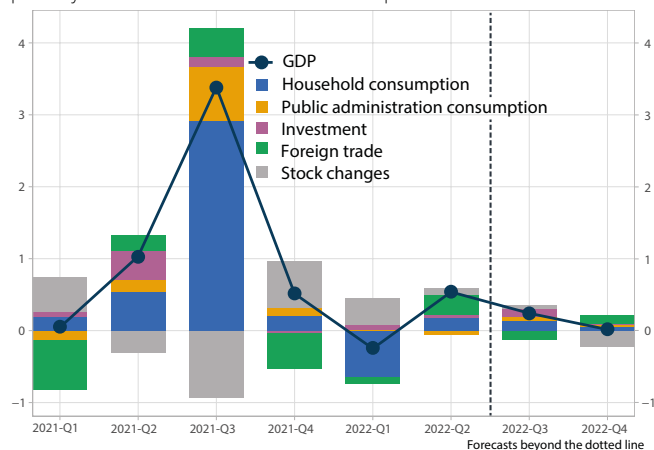
All in all, activity in Q3 would appear to have been sustained by a slight acceleration in domestic demand compared to the spring, mainly as a result of corporate investment, but tempered by dynamic imports, and as a result foreign trade hampered quarterly change in GDP. At the end of the year, domestic demand is expected to slow significantly. However, this slowdown is likely to be less than that in activity itself, resulting in a destocking movement heightened by exports of aeronautical equipment.

Across 2022 as a whole, growth is expected to be 2.6%. The growth overhang for 2023 (i.e. annual growth that year if quarterly GDP remained at the level reached at the end of 2022, in each quarter) is likely to be modest, at around +0.2%.

There are several uncertainties that could affect this scenario. A possible worsening of the energy crisis in Europe could cause activity to fall back at the end of the year, due to the economic consequences of this crisis on France's main partners but also the possible introduction of restrictions on energy consumption. A deterioration in the health situation could also affect activity, like the Omicron wave right at the beginning of 2022. Finally, the volatility of the financial markets remains a point to be watched. ●

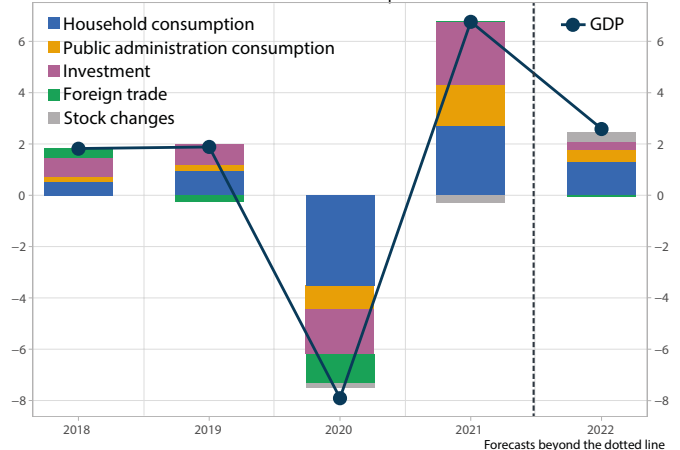
► 12. GDP and its main contributions

quarterly variations in % and contributions in points



Source: INSEE

annual variations in % and contributions in points



Recent trends in inflation in the 4 main Eurozone economies and the United Kingdom

Consumer price trends are both high and contrasting between European countries. Inflation differentials are partly the result of price-fixing methods, especially for energy, but they are also the result of government policies introduced to support household purchasing power (from measures to limit price hikes to aid paid to households) and consumption structures, which may vary from one country to another.¹

In August 2022, the year-on-year Harmonised Index of Consumer Prices (HICP) fell slightly in France, Spain and the United Kingdom, whereas in Germany and Italy it rose (► [Figure 1](#)). These contrasting dynamics are partly due to government policies put in place in these countries to limit inflation, especially energy inflation.

In fact, in the three countries where inflation fell in August, this was due to a decline in energy inflation² (► [Figure 2](#)). The prices of fuel and other combustible liquids (fuel oil) declined, in the wake of the drop in world oil prices. Inflation for other energy products (mainly gas and electricity) remained relatively stable, as these three countries currently have mechanisms in place to contain gas and/or electricity prices (tariff shield in France, half-yearly increases in electricity price caps in the United Kingdom and price caps on gas used for electricity generation in Spain). In Italy and Germany, however, the fall in fuel prices was cancelled out by the rise in gas and electricity prices.

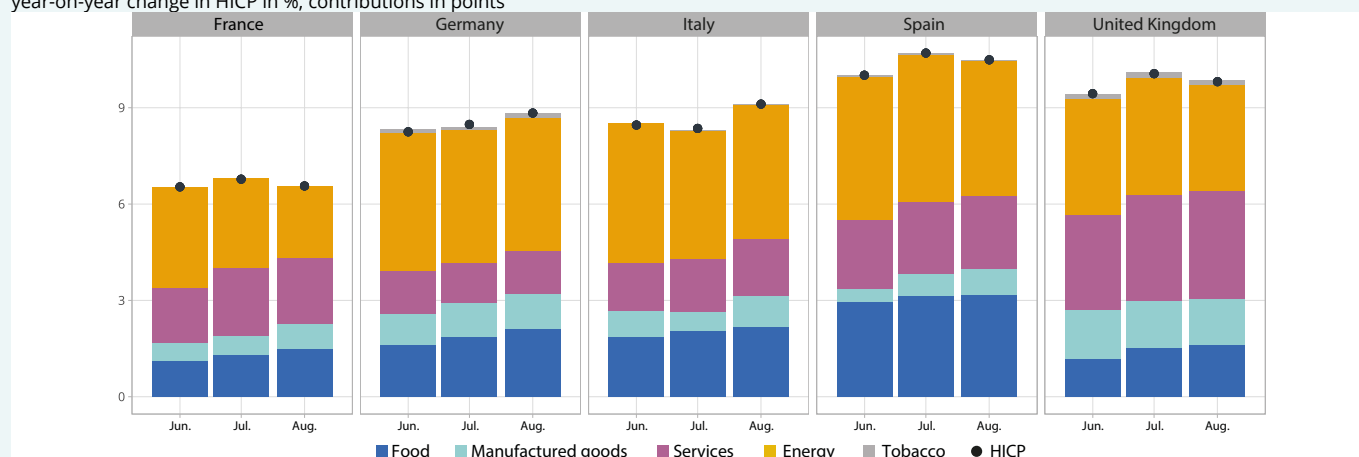
At the same time, in August, food inflation (► [Figure 3](#)) increased in all the countries considered, although in France it remains significantly lower than elsewhere. In particular, the contribution of food products (excluding fresh) increased in the four main Eurozone countries, in line mainly with past increases in agricultural commodities, while the contribution of fresh produce stabilised. Regarding manufactured goods, their contribution to headline inflation remains more moderate.

¹ "In the main Eurozone economies, energy remains the primary factor of inflation, but with differences between countries", focus in the June 2022 *Economic outlook*.

² The detailed price index data, available up to August, can be used to break down inflation by consumption item. Data for September are non-aggregated flash estimates which will be clarified later by the national statistical institutes.

► 1. Breakdown of year-on-year change in the HICP in the countries of Europe

year-on-year change in HICP in %, contributions in points



How to read it: Eurostat publishes the Harmonised Index of Consumer Prices (HICP), an indicator for countries of the European Union. For the United Kingdom, for which available data in the Eurostat databases stops at the end of 2020, an HICP was estimated from CPI data published by the UK ONS and aligned with the scope of the HICP.

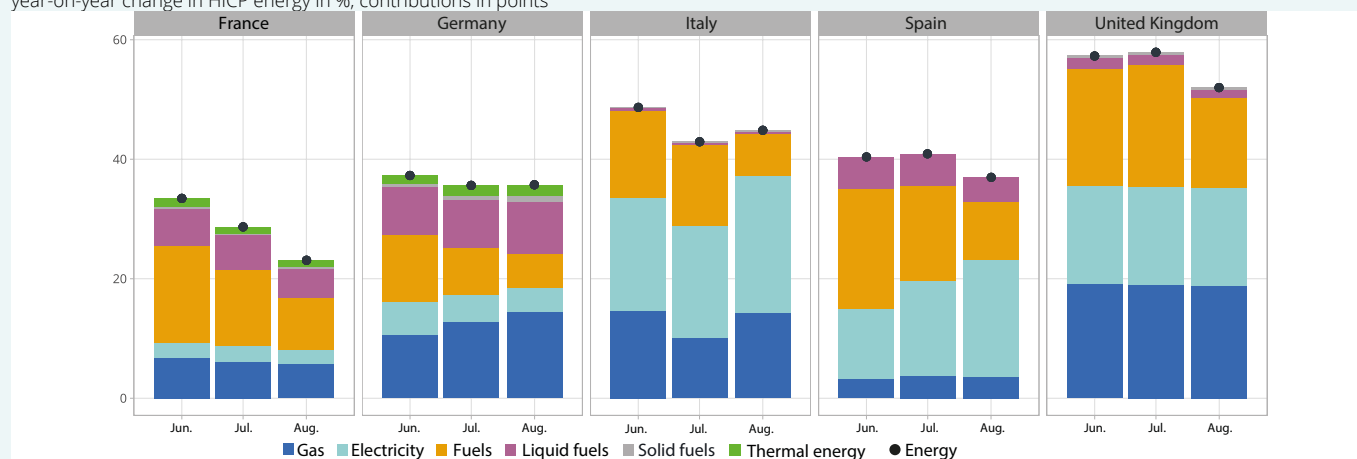
Source: Eurostat, ONS, INSEE calculations

Economic outlook

In services, prices accelerated year-on-year in August in all five of the countries considered, continuing the momentum of the previous months. In the United Kingdom, services contributed 3.3 points to inflation, i.e. as much as energy, and considerably more than in the other countries considered. This can be explained both by the greater weight of services in the estimated HICP for the United Kingdom (56% against about 53% in France and Germany and 45% in Italy and Spain) and because their prices were more dynamic (+5.9% year-on-year in August against +4.8% in Spain, about +3.8% in France and Italy and +2.5% in Germany), probably linked to the strong acceleration in nominal wages in this country. With a relatively small variation year-on-year in the HICP for services, partly due to a one-off reduction in public transport fares (monthly ticket at 9 euros), the contribution of services to inflation remained contained in Germany, at 1.3 points in August.

► 2. Breakdown of year-on-year change in the energy HICP in the countries of Europe

year-on-year change in HICP energy in %, contributions in points



How to read it: Eurostat publishes the Harmonised Index of Consumer Prices (HICP), an indicator for countries of the European Union. For the United Kingdom, for which available data in the Eurostat databases stops at the end of 2020, an HICP was estimated from CPI data published by the UK ONS and aligned with the scope of the HICP.

Source: Eurostat, ONS, INSEE calculations

► 3. Headline inflation (year-on-year change in the HICP) in the four main Eurozone economies in August 2022 and contributions by consumption item

year-on-year change in HICP in %, contributions in points

	France		Germany		Italy		Spain	
	yoy (in %)	Contribution (in points)	yoy (in %)	Contribution (in points)	yoy (in %)	Contribution (in points)	yoy (in %)	Contribution (in points)
Food	7.9	1.5	14.2	2.1	10.3	2.2	13.5	3.2
Fresh food	3.7	0.1	6.7	0.1	10.2	0.4	12.1	0.6
Non-fresh food	7.8	0.7	14.2	1.2	9.8	0.9	13.4	1.4
Tobacco	0.1	0.0	5.1	0.1	0.2	0.0	2.7	0.1
Manufactured goods	5.0	0.8	6.2	1.1	5.1	1.0	5.0	0.8
Vehicle purchases	6.4	0.2	9.1	0.4	6.5	0.3	8.9	0.3
Energy	23.1	2.2	35.7	4.2	44.9	4.2	36.9	4.2
Gas	34.6	0.5	59.1	1.7	59.1	1.3	24.8	0.4
Electricity	7.7	0.3	16.6	0.5	102.9	2.2	60.6	2.3
Fuel and lubricant for personal vehicles	21.8	0.8	16.2	0.7	14.1	0.7	18.9	1.1
Services	3.9	2.1	2.5	1.3	3.8	1.8	4.8	2.3
Housing	1.8	0.2	3.0	0.5	1.6	0.1	2.3	0.2
Transport services	16.4	0.3	-28.8	-0.7	22.6	0.4	3.7	0.1
Recreation and culture	3.4	0.3	6.4	0.6	2.5	0.2	5.6	0.3
Communications	0.2	0.0	-0.3	0.0	-3.6	-0.1	-2.2	-0.1
Restaurants and hotels	5.9	0.5	8.0	0.3	6.6	0.7	8.9	1.3
Total inflation (in %)	6.6		8.8		9.1		10.5	

How to read it: in France, in August 2022, food inflation stood at 7.9% at an annual pace and the contribution of food to harmonised inflation was 1.5 points. Source: Eurostat, INSEE calculations

In September 2022, in the four main Eurozone economies,³ the year-on-year flash HICP evolved along the same lines as in August, falling in France (+6.2% after +6.6%) and Spain (+9.3% after +10.5%) but rising in Germany (+10.9% after +8.8%) and Italy (+9.5% after +9.1%). Details of the HICP by consumption item are not yet available, but the analysis elements provided by the national statistical institutes show the main factors at work. In France, the decline in inflation is mainly due to the drop in fuel prices, with in particular a greater reduction at the pump in September. In Germany, however, the reduction at the pump came to an end at the beginning of September, as did the reductions on travel cards. Energy inflation has therefore risen sharply in Germany, and likewise transport services. In Italy, the year-on-year variation in the energy HICP declined slightly, probably due to base effects. These base effects were also present in Spain, to a much greater extent, and largely explain the decline in headline inflation even though prices remain very high. Finally, food inflation and more generally manufactured goods inflation increased in the main Eurozone economies. ●

³ Inflation figures for September were not available for the United Kingdom on the date of publication.

Hugues Ravier, Meryam Zaiem

► 4. Weight in the HICP of the different aggregates and some of their components in the four main Eurozone economies in 2022

weight in % of household consumption

	France	Allemagne	Italie	Espagne
Food	19	15	21	23
Fresh food	3	2	4	5
Non-fresh food	16	13	17	18
Tobacco	2	2	2	2
Manufactured goods	16	18	23	18
Vehicle purchases	4	4	4	3
Energy	10	12	10	12
Gas	2	3	2	2
Electricity	3	3	2	4
Fuel and lubricant for personal vehicles	4	4	5	6
Services	53	53	45	46
Housing	11	17	7	8
Transport services	2	2	2	1
Recreation and culture	8	10	6	5
Communications	3	3	3	3
Restaurants and hotels	7	4	10	14
HICP	100	100	100	100

Source: Eurostat, INSEE calculations

Which are the branches of activity where production is most dependent on energy?

Across all branches of activity in the French economy, intermediate energy consumption (hydrocarbons, refined oil products, gas, electricity) represented about 4% of production in 2019,¹ and 2% if branches that are themselves energy producers are not counted.² However, this global figure masks some wide disparities. ► **Figure 1** shows the branches (excluding those producing energy) where intermediate energy consumption represents more than 5% of own production. These branches cover 8% of production for the whole of the economy. In industry, the most energy-consuming branches (with intermediate consumption greater than 5% of their production) account for around 12% of industrial production.³

In industry (excluding energy-producing branches), the chemicals branch is by far the most dependent on intermediate energy consumption, accounting for more than a quarter of production in this branch. Next are metallurgy (9%), the paper and cardboard industry (8%), the manufacture of non-metallic mineral products (7%, which importantly includes the glass industry) and the extraction of metallic minerals (6%). In the chemicals industry, the energy consumed consists mainly of refined petroleum products but the proportions of gas and electricity are also significant. In metallurgy or the paper industry or the non-metallic mineral products industry, electricity is the major source of energy, although a considerable amount of gas is used too (2 to 3% of own production in these branches). In this respect, and according to the business tendency surveys, the business climates in these branches in September had deteriorated most out of all the industrial branches (► **Figure 2**), below their long-term averages for the chemicals industry, the timber, paper and printing industries, and also for metallurgy. This deterioration in business climate is probably a reflection of concerns over supply chains and gas and electricity prices.

Some services are also high energy consumers. This is obviously the case for air transport and water transport, where intermediate consumption of energy (mainly fuel) represents 23% and 13% respectively of the branch's production. The other types of transport service (other land transport, which notably includes road transport and rail transport) are less energy-intensive, at around 10% of their production (mainly refined petroleum products for road transport, electricity for rail transport). The motion picture, video and television programme production sector also uses a considerable amount of energy, especially electricity, almost 7% of its production.

The energy consumption considered here consists of direct inputs, i.e. consumed directly in the production process. However, it is not the only energy on which the activity of the branches depends: in addition to these direct inputs is indirect energy consumption, resulting from intermediate consumption (of energy or not) which also requires energy in order to be produced, and so on. ●

Olivier Simon

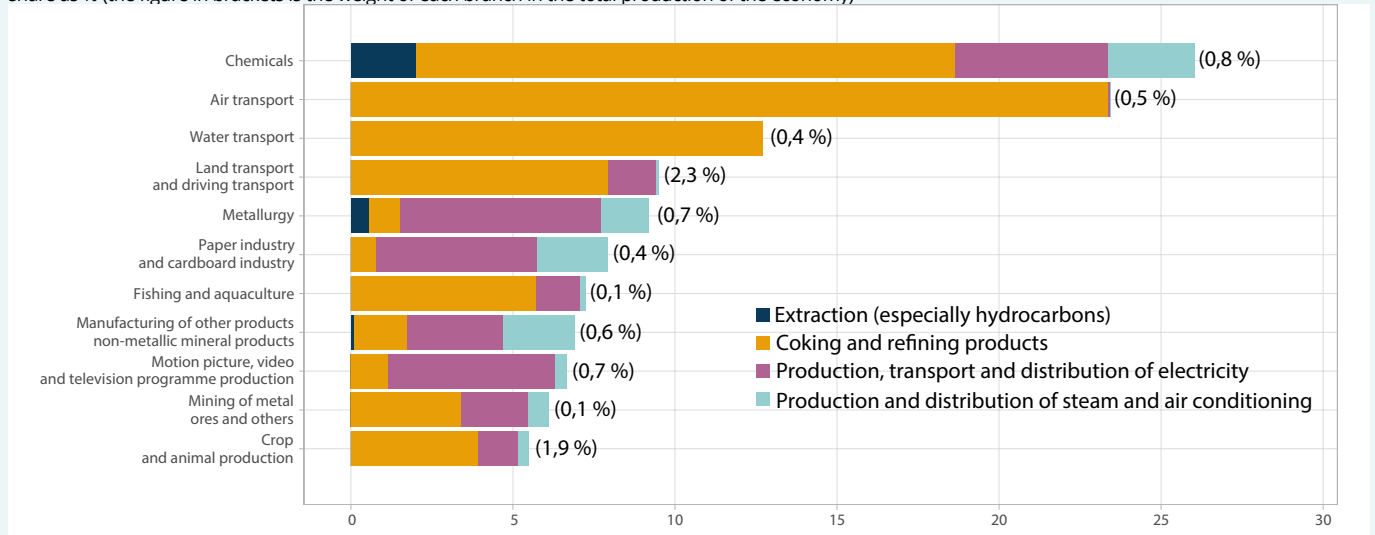
¹ This Box was produced from an input-output table (IOT) for 2019, level A64 of NACE. For the purposes of the analysis, since we are dealing with intermediate energy consumption, it was estimated at a finer level.

² Branches which themselves produce energy (coke manufacture and refining industry, production and distribution of gas or electricity) are heavy consumers of energy, much more so than the other branches.

³ These indicative proportions nevertheless depend on the granularity of the analysis. Even at a relatively detailed level, NACE level A64 can mask variations between activities where intermediate consumption is different. This is the case, for example, with the manufacture of non-metallic mineral products: this branch includes glass production, which is highly energy-intensive, whereas the other activities in this branch are less so.

► 1. Share of intermediate energy consumption (extractions, refined products, gas, electricity) in production by the branches (excluding those producing energy)

share as % (the figure in brackets is the weight of each branch in the total production of the economy)

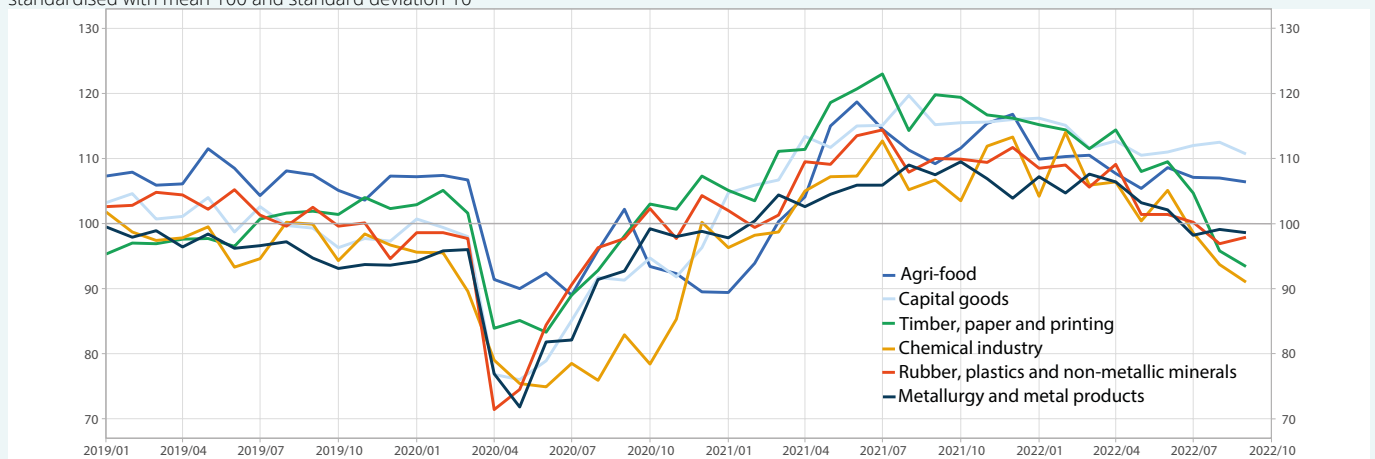


Note: this graph represents branches (excluding those producing energy) where intermediate energy consumption represents more than 5% of production. These branches represent 8% of the total output of the economy (the weight of each branch is given in brackets on the graph). The intermediate consumption considered is that in the extraction of hydrocarbons, coal and lignite, in coke production and refining, in the production, transport and distribution of electricity and the production, transport and distribution of gas, steam and air conditioning. The share of this intermediate consumption in production in the branches is calculated using an input-output table for 2019 (in current euros), at NACE level A64. For the purposes of the analysis, since we are dealing with intermediate energy consumption, it was estimated at a finer level.

Source: INSEE calculations

► 2. Business climate in some branches of the manufacturing industry

standardised with mean 100 and standard deviation 10



Note: the business climates are 100 average with standard deviation of 10 across the entire calculation period, which is longer than that shown on this graph (see the methodological details published by INSEE in *Informations Rapides*). The manufacture of rubber and plastic products and other non-metallic mineral products includes, among others, the glass industry.

Source: INSEE, business surveys

Economic outlook

In September 2022, considerable supply chain difficulties remain, although those associated with the war in Ukraine are decreasing in most sectors

In September 2022, according to the business surveys, the share of companies in the manufacturing industry that say their production is limited by supply chain difficulties declined further but was still overall, at 42% (► [Figure 1](#)), fairly close to its highest level. In the building construction industry, the share of companies concerned continued to decline, standing at 31% after a record 40% in April. However, it remained well above its long-term average.

After the outbreak of the war in Ukraine, a specific question on its possible impacts in terms of supply chains was added to the INSEE business tendency surveys (► [Method](#)). Companies could be affected by supply chain difficulties because they are supplied directly by Ukraine, Russia or Belarus (direct link), or because some of their suppliers obtain their supplies there (indirect link). In both instances, these supply chain difficulties are not necessarily the only ones affecting these companies: in other words, they may also be experiencing other disruptions in their supply chains at the same time. The context of the war in Ukraine may simply be exacerbating already existing problems.

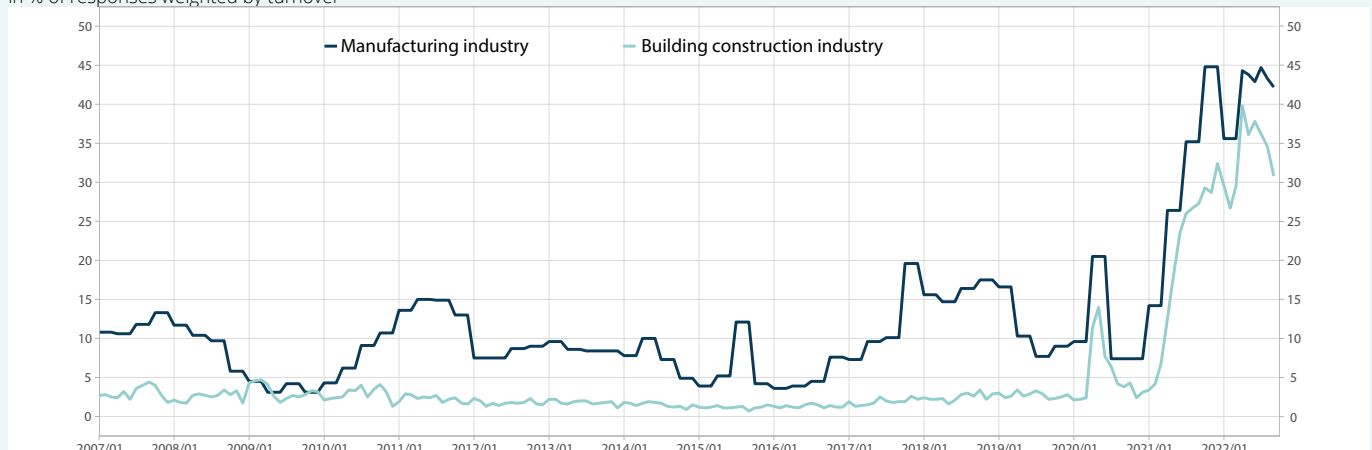
In September 2022, the proportion of companies reporting that their production was limited by supply chain difficulties linked (directly or indirectly) to the war in Ukraine tended to have declined compared to June in most sectors. It was 25% in the manufacturing industry and 21% in building construction (► [Figure 2](#)). This proportion represents two-thirds of companies affected by supply chain problems in the building industry, and six out of ten in the manufacturing industry. Of the companies saying they were affected by the war in Ukraine, most were only affected indirectly. Those who said their production was restricted by supply chain problems linked directly to the war –i.e. those who were supplied directly from Ukraine, Russia or Belarus– were still very much in the minority: 6% of companies in manufacturing, fewer than 1% of those in construction.

In September 2022, in the manufacturing industry, the proportion of companies affected by supply chain difficulties related to the war in Ukraine varied according to sector, from 7% in textiles-clothing to almost 55% in transport equipment (► [Figure 2](#)). This proportion fell in all sectors between June and September 2022, except for “repair and installation of machinery and equipment”, and especially for transport equipment. More precisely, problems linked to the war have decreased in the automobile sector (although this sector nevertheless remains vulnerable to disruptions in supplies arriving from Asia), but they have increased substantially for other transport equipment. Such problems have declined significantly in textiles-clothing, chemicals and metallurgy, however. ●

Julien Valentino

► 1. Share of companies limited in their production by supply chain difficulties

in % of responses weighted by turnover



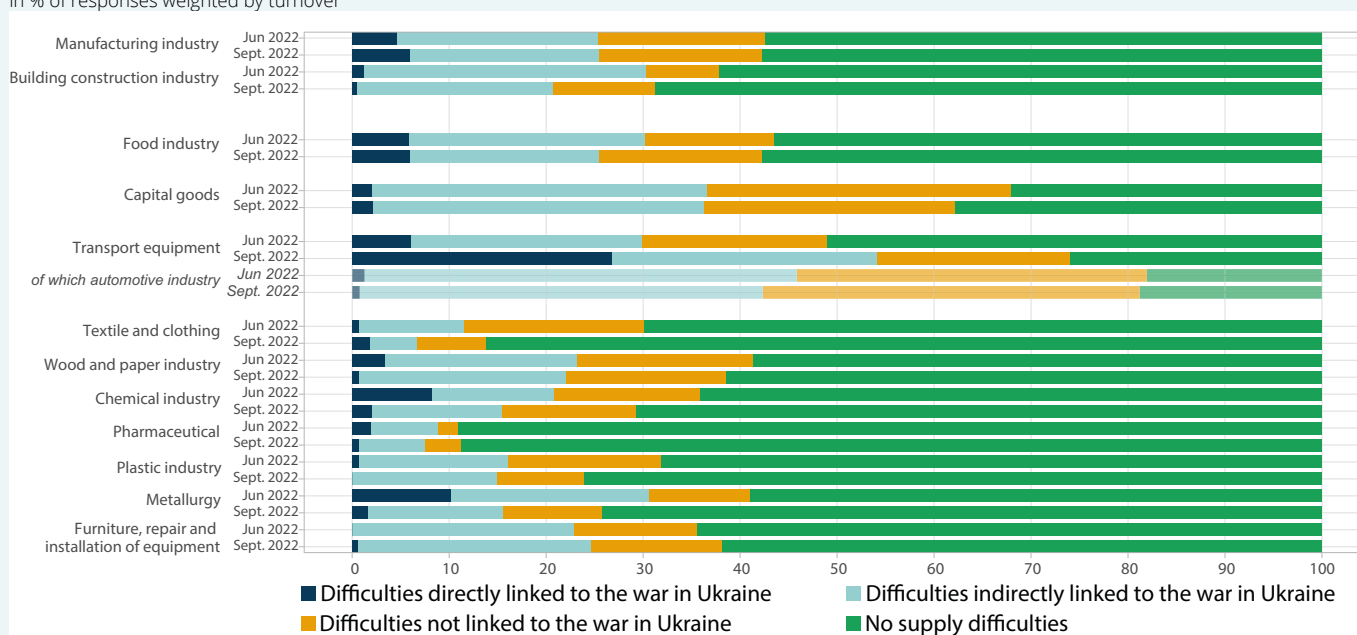
Note: responses weighted by turnover. Seasonally adjusted data.

Last point: September 2022.

Source: INSEE, business surveys

► 2. Share of companies reporting supply chain difficulties in June and September 2022, and degree of possible link to the war in Ukraine

in % of responses weighted by turnover



Note: when a company reports that its production is limited as a result of supply chain difficulties but does not answer the question on the link between these difficulties and the war in Ukraine, then we consider that the difficulties are not linked to the war in Ukraine. This scenario concerns only 1% of companies questioned. Companies that say their supply chain difficulties are linked both directly and indirectly to the war in Ukraine are grouped above with those that say their difficulties are directly linked to the war. Data not seasonally adjusted. Source: INSEE, business surveys

Method

The economic surveys of the manufacturing industry and the building construction industry (building companies with ten or more employees) regularly question businesses about factors that limit their production.

Since May 2022 (see Focus in *Economic Outlook* June 2022), an additional question has been introduced about a possible link between any supply chain difficulties they may be experiencing and Russia's war in Ukraine (► Figure 3). This Focus presents the results of the July and September surveys.

It should be noted that fears over energy supply chains are not specifically mentioned in the questions. However, given the comments sometimes found in their responses, it is quite possible that some companies consider the present and future energy context as a supply chain difficulty. ●

► 3. Wording of the question on the link between supply chain difficulties that companies have encountered and the war in Ukraine

2. Are the supply chain difficulties you have encountered linked directly or indirectly to the war in Ukraine?

Several responses possible

- Yes, directly as you usually source from Russia, Ukraine or Belarus
- Yes, indirectly as some of your suppliers located in other countries (including France) are directly affected
- No, your supply chain difficulties are not linked to the war

Economic outlook

Hiring difficulties that companies report are linked in part to the dynamism in employment

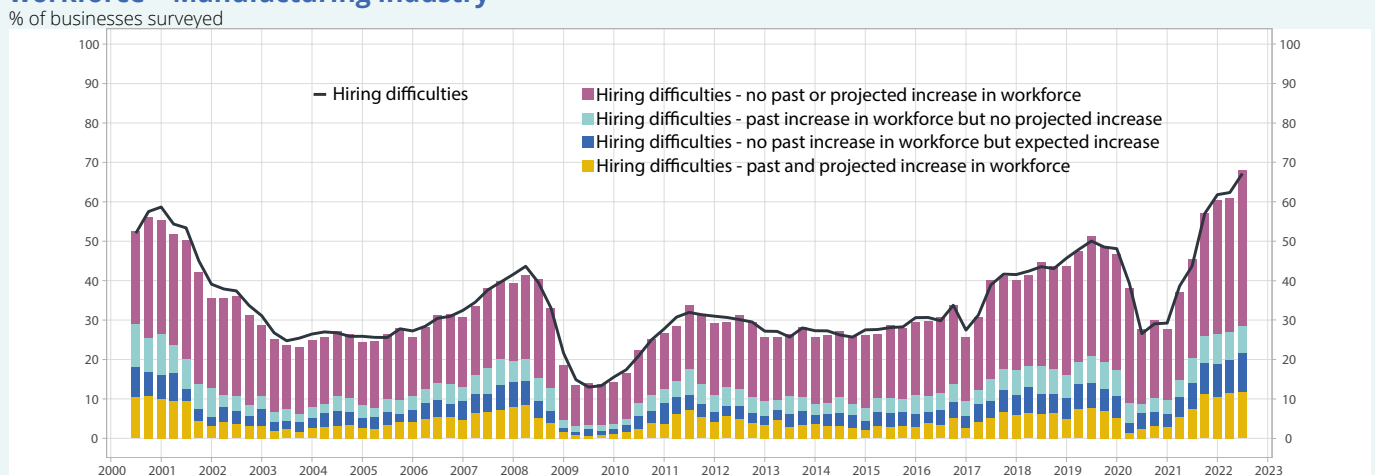
In July 2022, the proportion of companies reporting hiring difficulties reached unprecedented levels in the manufacturing industry (67% of the companies concerned) and in services (60%) and it reached its highest levels in building construction (82%). These difficulties are emerging in a context where payroll employment is robust, a situation that is also reflected in the opinions of business leaders on change in their workforce size. In manufacturing and construction, balances of opinion on change in workforce in the past (over the last 3 months) and in the future (over the next 3 months) have stayed well above their long-term average over the last year. In services, opinions have experienced more fluctuations over the last year but overall have remained above or close to their long-term average.

Hiring difficulties may be due to structural problems of matching labour supply to the demand for work (skills, attractiveness, etc.). Such difficulties can arise at any time, even when the labour market is sluggish, but they become much more acute when more hiring is taking place. One way of illustrating this is to look at companies reporting hiring difficulties, and identify which of these have also declared an increase in their past or future workforce: any hiring difficulties experienced by these companies could in fact stem more from their need for additional manpower (excess labour demand) than a shortage of labour.

In the manufacturing industry, the share of companies reporting hiring difficulties as well as an increase in their past and/or future workforce has increased substantially since mid-2021 (► **Figure 1**): in July 2022, it reached 28%, in other words about 4 out of every 10 companies declaring hiring difficulties. A similar trend can be seen in services (► **Figure 2**): the proportion of companies reporting both hiring difficulties and an increase in past and/or future workforce has risen significantly since the beginning of 2021, and in July 2022 affected 26% of companies questioned (again 4 out of every 10 companies declaring hiring difficulties). Finally, in the building construction sector, which has the highest proportion of companies reporting hiring difficulties, only 1 in 3 companies out of those declaring hiring difficulties in July also reported an increase in their future and/or past workforce (► **Figure 3**). ●

Hugues Genin

► 1. Hiring difficulties declared by companies according to reported change in their past and future workforce – Manufacturing industry

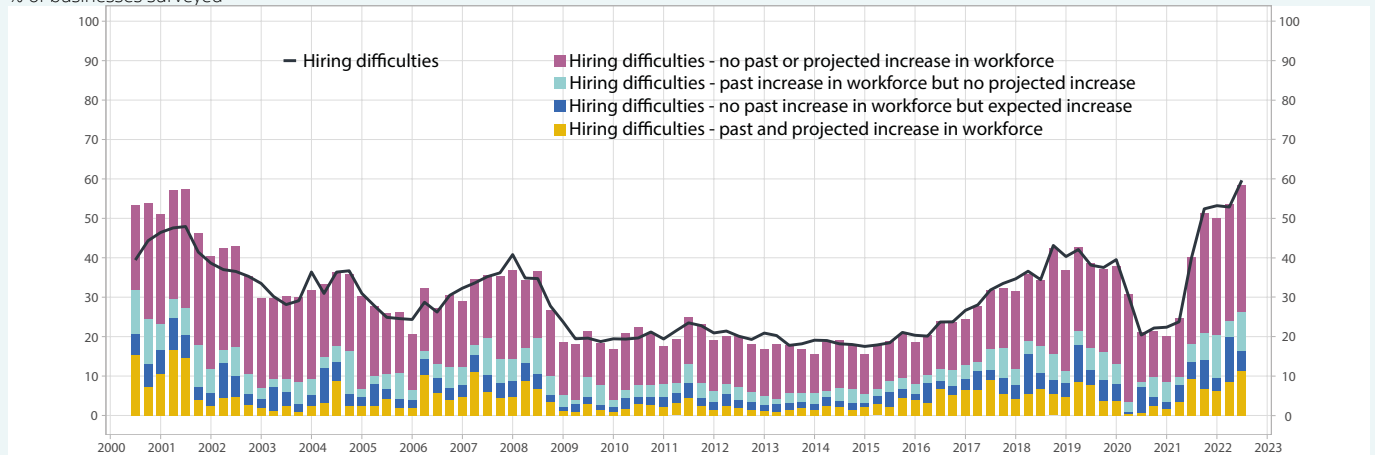


How to read it: in July 2022, 67% of industrial companies reported experiencing hiring difficulties. The black curve represents this total, as published quarterly in *Informations Rapides*. For several reasons it may differ slightly from the sum of its component parts (bars stacked on the graph): partial non-response to some survey questions, SA.

Source: INSEE, business surveys

► 2. Hiring difficulties declared by companies according to reported change in their past and future workforce - Services

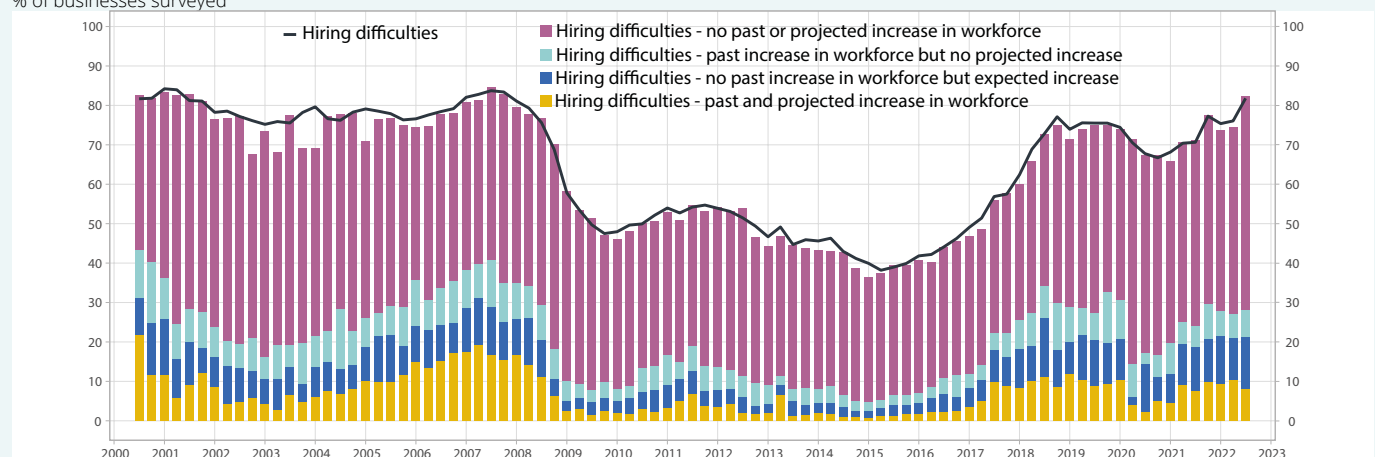
% of businesses surveyed



Source: INSEE, business surveys

► 3. Hiring difficulties declared by companies according to reported change in their past and future workforce - Building construction

% of businesses surveyed



Source: INSEE, business surveys

The scheduling of the reduction at the pump has impacted on fuel purchases

CB Bank card transactions can be used to monitor changes in certain areas of household consumption on a weekly or even daily basis. These data have been exploited by INSEE since mid-March 2020 to refine their consumption forecasts. Thus, in accommodation-catering in July-August 2022 (► **Figure 1**, left) they show a weaker momentum than in the spring (even though this is not an indication of foreign tourists' purchasing behaviour, as they are not included in these CB bank card transaction statistics). Purchases of household goods by CB bank card would appear to have remained relatively stable compared to their level in June, with a slight upswing during September. Concerning fuel, CB bank card transactions have been below their pre-health crisis level since March 2022. Data on household consumption published monthly by INSEE confirm that purchases of petroleum products¹ by volume between March and August were lower than their pre-crisis level by around 2%.

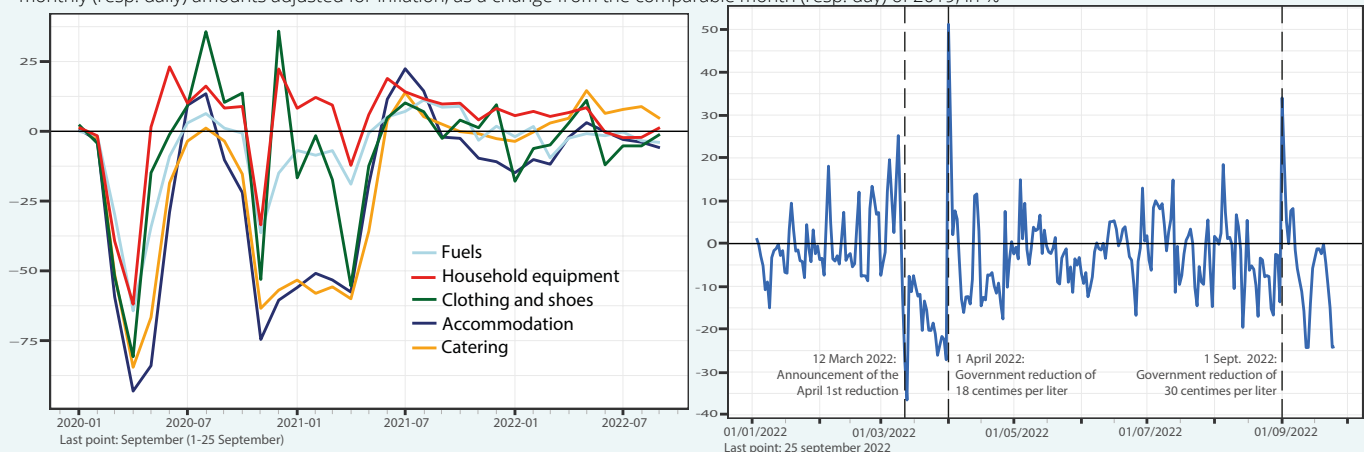
The pace of spending on fuel by CB bank card, adjusted for price changes, also reflects daily shocks linked to government announcements on reductions at the pump, a measure in place since Q2 2022 to limit fuel price increases (► **Figure 1**, right). In March, spending on fuel plummeted after the announcement of the reduction by 18 centimes per litre incl. tax as from 1st April, with the result that between 12 and 31 March it was about a quarter below its level at the beginning of the month. On 1st April, spending on fuel increased sharply, by around +50% compared to the equivalent day in 2019.² This was a very temporary rise, however, and did not make up for the drop that had occurred in March. On 1st September, the first data on CB bank card transactions suggest that the increase in the reduction at the pump, which was now 30 centimes per litre incl. tax, also resulted in a very sharp increase in spending on fuel, more than a third higher than the equivalent day in 2019,³ although this time the rise was not preceded at the end of August by such a sharp drop as at the end of March. ●

Émilie Cupillard

- 1 These petroleum products have a wider scope than fuel alone, and notably include spending on fuel oil.
- 2 The last Friday in March, i.e. 29 March 2019.
- 3 The last Thursday in August, i.e. 29 August 2019.

► 1. Real amounts of CB bank card transactions, monthly spending for various points of sale (left), daily spending on fuel (right)

monthly (resp. daily) amounts adjusted for inflation, as a change from the comparable month (resp. day) of 2019, in %



Note: amounts are adjusted for inflation using monthly consumer price indices specific to each item. In the left-hand graph, as each amount is compared to that of the same month in 2019, the differences shown for December 2021 and January 2022 therefore include a break in the month used as a reference (December 2019 then January 2019). In addition, the momentum of the actual transaction amounts from March 2020 may reflect a greater use of CB bank cards as payment method.

Source: Cartes Bancaires CB data, sample on a daily basis, INSEE calculations

Statistical appendix

► 1. Goods and services: sources and uses at chain-linked previous year prices, in quarterly and annual changes

quarterly and annual changes (in %), seasonally adjusted data - YTD

	2020				2021				2022				2020	2021	2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Gross domestic product	-5.6	-13.5	18.4	-0.9	0.0	1.0	3.4	0.5	-0.2	0.5	0.2	0.0	-7.9	6.8	2.6
Imports	-5.4	-19.4	18.2	0.4	1.6	1.8	1.1	4.4	1.9	0.0	1.0	0.1	-13.0	7.8	6.8
Total resources	-5.4	-14.7	18.1	-0.1	0.4	1.3	2.8	1.2	0.4	0.6	0.3	0.0	-8.8	7.4	3.6
Household consumption expenditure	-5.4	-11.5	18.4	-5.5	0.3	1.1	5.8	0.4	-1.2	0.3	0.3	0.1	-6.8	5.2	2.5
General government consumption expenditure*	-3.3	-11.8	17.2	-0.2	-0.5	0.6	3.3	0.6	0.1	-0.2	0.2	0.1	-4.2	6.4	2.3
<i>of which individual general government expenditure</i>	-4.5	-12.8	18.7	-0.2	0.0	1.0	4.7	0.6	0.2	-0.5	0.2	0.1	-5.8	8.3	2.9
<i>of which collective general government expenditure</i>	-1.1	-9.8	15.4	0.2	-1.7	-0.1	-0.2	0.1	-0.2	0.3	0.2	0.1	-0.8	2.8	0.1
Gross fixed capital formation (GFCF)	-9.4	-14.6	24.3	2.6	0.9	1.7	0.5	0.0	0.4	0.2	0.5	0.2	-8.4	11.4	1.5
<i>of which Non-financial enterprises (NFE)</i>	-8.6	-13.6	24.6	2.0	0.8	1.6	0.7	-0.1	0.2	0.5	0.8	0.2	-6.9	11.4	1.7
Households	-14.0	-16.9	29.7	6.2	0.3	3.3	1.6	-0.3	0.1	-0.1	0.0	0.0	-11.9	17.0	1.5
General government	-4.8	-12.8	17.3	0.5	-1.2	0.1	-1.7	-0.2	1.1	-0.2	0.3	-0.1	-5.4	2.7	0.1
Exports	-6.9	-25.4	23.0	3.3	-0.7	2.7	2.6	2.8	1.8	0.9	0.6	0.5	-17.0	8.6	7.1
Contributions (in points)															
Domestic demand excluding inventory**	-5.8	-12.3	19.8	-2.3	0.3	1.1	3.9	0.4	-0.5	0.2	0.3	0.1	-6.6	7.0	2.3
Changes in inventories**	0.7	0.4	-2.0	0.7	0.5	-0.3	-0.9	0.7	0.4	0.1	0.1	-0.2	-0.2	-0.3	0.4
Foreign trade	-0.4	-1.5	0.6	0.8	-0.7	0.2	0.4	-0.5	-0.1	0.3	-0.1	0.1	-1.1	0.1	-0.1

■ Forecast

* Consumption expenditure of general government and non-profit institutions serving households (NPISH)

** Changes in inventories include acquisitions net of valuable items

How to read it: in Q3 2022, exports would increase by 0.6% compared to the second quarter of 2022; the contribution of foreign trade to quarterly GDP growth would be slightly negative at -0.1 points.

Source: INSEE

► 2. Goods and services: resources-uses balance at chain-linked prices for the previous year, compared to the pre-health crisis level

difference in Q4 2019, in %, seasonally adjusted data - YTD

	2020				2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross domestic product	-5.6	-18.4	-3.3	-4.2	-4.1	-3.2	0.1	0.6	0.4	0.9	1.2	1.2
Imports	-5.4	-23.7	-9.8	-9.4	-8.0	-6.3	-5.3	-1.2	0.8	0.8	1.8	1.8
Total resources	-5.4	-19.3	-4.7	-4.8	-4.4	-3.2	-0.4	0.8	1.1	1.8	2.1	2.0
Household consumption expenditure	-5.4	-16.3	-0.8	-6.3	-6.0	-4.9	0.6	1.0	-0.2	0.1	0.4	0.5
General government consumption expenditure*	-3.3	-14.7	-0.1	-0.3	-0.8	-0.2	3.1	3.7	3.8	3.6	3.8	3.9
<i>of which individual general government expenditure</i>	-4.5	-16.8	-1.2	-1.4	-1.4	-0.4	4.3	4.9	5.1	4.5	4.7	4.8
<i>of which collective general government expenditure</i>	-1.1	-10.8	3.0	3.2	1.5	1.4	1.2	1.3	1.1	1.4	1.6	1.7
Gross fixed capital formation (GFCF)	-9.4	-22.6	-3.9	-1.4	-0.5	1.2	1.7	1.6	2.1	2.3	2.8	3.0
<i>of which Non-financial enterprises (NFE)</i>	-8.6	-21.0	-1.5	0.5	1.3	2.9	3.7	3.6	3.8	4.3	5.1	5.3
Households	-14.0	-28.5	-7.3	-1.6	-1.3	2.0	3.7	3.4	3.5	3.4	3.4	3.4
General government	-4.8	-17.0	-2.7	-2.2	-3.4	-3.3	-4.9	-5.1	-4.1	-4.2	-4.0	-4.1
Exports	-6.9	-30.5	-14.5	-11.6	-12.3	-9.9	-7.5	-4.9	-3.2	-2.3	-1.7	-1.3

■ forecast

* Consumption expenditure of general government and non-profit institutions serving households (NPISH)

How to read it: in Q3 2022, exports are expected to be around -1,7% below its Q4 2019 level.

Source : Insee

Economic outlook

► 3. Quarterly changes in economic activity by industry

quarterly and annual changes in %, seasonally adjusted data - YTD

Branch	weight	2020				2021				2022			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Agriculture, forestry and fishing	2	-2.4	-2.0	-0.6	-0.3	0.2	0.2	0.2	-0.3	-0.4	-0.3	-0.6	-0.2
Industry	14	-5.8	-17.7	20.0	2.6	-0.9	-0.6	-0.1	-0.5	-0.3	-0.6	0.0	-0.8
Manufacturing industry	11	-6.8	-19.8	22.7	2.7	-0.2	-1.0	-0.4	-0.3	1.4	0.3	0.2	-0.5
Manufacture of food products, beverages and tobacco-based products	2	-1.6	-8.5	7.0	-0.7	1.1	0.8	0.3	0.3	0.2	-1.2	0.2	-0.2
Coke and refined petroleum	0	0.9	9.4	15.4	8.6	-30.7	-3.3	-12.1	3.1	22.4	3.9	1.5	1.0
Manufacture of electrical, electronic, computer equipment; manufacture of machinery	2	-7.0	-18.5	22.2	3.7	1.5	-0.4	0.9	0.0	1.4	0.4	0.5	0.3
Manufacture of transport equipment	2	-19.6	-50.4	71.3	4.5	-4.1	-5.8	0.0	-0.4	-3.6	4.4	2.9	0.0
Manufacture of other industrial products	6	-5.6	-18.6	23.5	3.3	0.0	-0.9	-0.9	-0.7	2.1	0.2	-0.2	-1.0
Extractive industries, energy, water, waste treatment and decontamination	3	-1.7	-9.4	10.7	2.2	-3.5	0.8	1.2	-1.2	-5.7	-3.7	-0.7	-1.5
Construction	6	-12.2	-22.9	39.1	-0.3	2.5	1.7	0.2	0.2	0.1	-1.2	0.3	0.2
Mainly market services	57	-4.8	-12.6	15.5	-1.8	-0.1	1.8	5.1	1.0	-0.3	1.3	0.4	0.2
Trade; repair of automobiles and motorcycles	10	-6.2	-11.8	21.7	-1.6	-0.1	-0.6	2.4	0.2	-1.2	0.1	-0.1	-0.2
Transport and storage	5	-7.3	-22.9	23.3	-2.8	3.3	2.8	8.1	3.3	0.7	3.1	0.7	0.6
Accommodation and catering	3	-17.9	-48.0	88.1	-29.1	-12.5	30.8	42.5	-0.4	-2.4	9.9	0.3	-0.4
Information and communication	5	-1.7	-6.0	7.8	1.9	2.2	1.2	2.9	1.3	0.5	1.1	0.8	0.6
Financial and insurance activities	4	-3.4	-8.4	12.6	0.7	1.8	1.7	2.9	0.6	-0.1	0.5	0.4	0.2
Real estate activities	13	-1.2	-2.4	2.8	0.1	-0.1	0.4	0.8	0.3	0.3	0.5	0.3	0.2
Scientific and technical activities; administrative and support services	14	-3.7	-13.1	15.3	0.5	-0.4	1.5	2.9	0.6	-0.3	0.9	0.4	0.2
Other service activities	3	-11.7	-34.3	40.3	-10.9	-2.0	4.3	25.5	6.6	-0.4	1.8	1.1	0.5
Mainly non-market services	22	-5.0	-12.3	20.2	-0.7	0.3	-0.1	1.7	0.1	0.0	-0.3	0.2	0.1
Total VA	100	-5.4	-13.6	17.9	-0.9	0.1	1.0	3.3	0.6	-0.2	0.6	0.3	0.0
<i>Taxes and subsidies</i>		-7.5	-13.1	22.6	-1.2	0.0	1.1	4.2	0.2	-0.8	0.4	0.0	-0.2
GDP		-5.6	-13.5	18.4	-0.9	0.0	1.0	3.4	0.5	-0.2	0.5	0.2	0.0

■ Forecast

How to read it: in Q2 2022, the value added of the manufacture of transport equipment branch increased by 4.4%. It is expected to increase by 2.9% in Q3 2022.

Source: INSEE calculations from various sources

► 4. Economic activity gaps by industry, compared to the pre-health crisis level

difference in Q4 2019, in %

Branch	weight in %	2020				2021				2022			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Agriculture, forestry and fishing	2	-2.4	-4.3	-4.9	-5.2	-5.0	-4.8	-4.6	-4.9	-5.2	-5.5	-6.1	-6.3
Industry	14	-5.8	-22.5	-7.0	-4.6	-5.5	-6.1	-6.1	-6.6	-6.8	-7.4	-7.4	-8.1
Manufacturing branch	11	-6.8	-25.3	-8.3	-5.9	-6.1	-7.0	-7.4	-7.7	-6.4	-6.1	-5.9	-6.4
Manufacture of food products, beverages and tobacco-based products	2	-1.6	-9.9	-3.6	-4.3	-3.3	-2.5	-2.2	-2.0	-1.8	-3.0	-2.8	-3.0
Coke and refined petroleum	0	0.9	10.4	27.4	38.4	-4.2	-7.3	-18.6	-16.1	2.7	6.7	8.3	9.4
Manufacture of electrical, electronic, computer equipment; manufacture of machinery	2	-7.0	-24.2	-7.3	-3.9	-2.4	-2.8	-1.9	-1.9	-0.5	-0.2	0.3	0.6
Manufacture of transport equipment	2	-19.6	-60.1	-31.7	-28.6	-31.6	-35.5	-35.5	-35.8	-38.1	-35.3	-33.5	-33.5
Manufacture of other industrial products	6	-5.6	-23.2	-5.1	-2.0	-2.0	-2.9	-3.8	-4.5	-2.4	-2.2	-2.4	-3.4
Extractive industries, energy, water, waste treatment and decontamination	3	-1.7	-11.0	-1.5	0.7	-2.8	-2.0	-0.9	-2.0	-7.6	-11.0	-11.6	-12.9
Construction	6	-12.2	-32.3	-5.8	-6.1	-3.7	-2.1	-1.9	-1.7	-1.6	-2.7	-2.5	-2.3
Mainly market services	57	-4.8	-16.7	-3.9	-5.6	-5.7	-4.0	1.0	2.0	1.7	3.1	3.5	3.7
Trade; repair of automobiles and motorcycles	10	-6.2	-17.2	0.8	-0.9	-1.0	-1.5	0.8	1.0	-0.2	0.0	-0.1	-0.3
Transport and storage	5	-7.3	-28.6	-11.9	-14.4	-11.6	-9.1	-1.8	1.5	2.2	5.4	6.1	6.7
Accommodation and catering	3	-17.9	-57.3	-19.7	-43.0	-50.1	-34.8	-7.1	-7.4	-9.6	-0.7	-0.3	-0.8
Information and communication	5	-1.7	-7.6	-0.3	1.6	3.8	5.1	8.1	9.5	10.0	11.2	12.1	12.8
Financial and insurance activities	4	-3.4	-11.5	-0.4	0.2	2.0	3.7	6.7	7.3	7.2	7.8	8.2	8.5
Real estate activities	13	-1.2	-3.6	-0.9	-0.8	-1.0	-0.6	0.2	0.5	0.8	1.4	1.6	1.8
Scientific and technical activities; administrative and support services	14	-3.7	-16.3	-3.5	-3.0	-3.4	-2.0	0.8	1.4	1.2	2.1	2.5	2.8
Other service activities	3	-11.7	-42.0	-18.6	-27.5	-28.9	-25.9	-7.0	-0.8	-1.2	0.6	1.7	2.3
Mainly non-market services	22	-5.0	-16.7	0.1	-0.6	-0.2	-0.3	1.4	1.5	1.6	1.3	1.4	1.6
Total VA	100	-5.4	-18.2	-3.6	-4.4	-4.3	-3.3	-0.2	0.4	0.2	0.8	1.0	1.1
<i>Taxes and subsidies</i>		-7.5	-19.7	-1.5	-2.6	-2.6	-1.6	2.6	2.8	1.9	2.3	2.4	2.1
GDP		-5.6	-18.4	-3.3	-4.2	-4.1	-3.2	0.1	0.6	0.4	0.9	1.2	1.2

■ Forecast

How to read it: in Q2 2022, the value added of the manufacture of transport equipment branch was -35.3% below its Q4 2019 level. In Q3 2022, it would have recovered to -33.5%.

Source: INSEE calculations from various sources

► 5. Change in total employment

in thousand, SA, at the end of the period

	Evolution over 3 months												Evolution over 1 year			Evolution since end of 2019	
	2020				2021				2022				2020	2021	2022	End of Dec. 2021	End of Dec. 2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4					
Wage employment	-530	-141	454	2	176	311	209	165	92	95	44	14	-216	861	245	645	890
	-2.1%	-0.6%	1.8%	0.0%	0.7%	1.2%	0.8%	0.6%	0.3%	0.4%	0.2%	0.1%	-0.8%	3.4%	0.9%	2.5%	3.4%
Agriculture	-7	-4	0	14	1	4	2	0	-2	0	1	1	3	7	1	10	11
Industry	-14	-19	-10	-8	10	8	12	8	4	10	1	0	-51	38	15	-13	2
Construction	-7	10	22	15	21	9	13	6	4	0	4	2	40	49	10	89	99
Commercial tertiary sector	-488	-53	341	-84	119	260	195	126	71	73	36	8	-284	700	188	416	604
Tertiary non-trading	-15	-74	101	64	25	29	-12	25	15	12	2	2	75	68	32	143	174
Self-employment	10	10	10	10	28	28	28	28	15	15	15	15	42	110	60	152	182
All	-520	-130	464	12	203	338	237	192	107	110	59	29	-174	971	305	797	1 072
	-1.8%	-0.5%	1.6%	0.0%	0.7%	1.2%	0.8%	0.7%	0.4%	0.4%	0.2%	0.1%	-0.6%	3.4%	1.0%	2.8%	3.8%

■ Forecast

How to read it: between the end of March and the end of June 2022, payroll employment increased by 0.4%, i.e. 95,000 net job creations.

Note: in this table, temporary workers are counted in the sector tertiary non-trading.

Scope: France (excluding Mayotte)

Source: INSEE

► 6. Consumer prices

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

CPI groups* (2022 weightings)	Aug. 2022		Sept. 2022		Oct. 2022		Nov. 2022		Dec. 2022		Moyennes annuelles		
	yoy	cyoy	yoy	cyoy	yoy	cyoy	yoy	cyoy	yoy	cyoy	2020	2021	2022
Food (16.5%)	7.9	1.3	9.9	1.6	11.1	1.8	11.4	1.9	11.7	1.9	1.9	0.6	6.6
including: fresh food (2.5%)	3.5	0.1	11.0	0.3	14.4	0.4	14.1	0.3	15.5	0.4	7.3	1.9	8.0
excluding: fresh food (14.0%)	8.6	1.2	9.7	1.4	10.5	1.5	10.9	1.5	11.1	1.5	1.0	0.4	6.4
Tabacco (2.2%)	0.0	0.0	0.3	0.0	0.3	0.0	0.3	0.0	0.3	0.0	13.7	5.5	0.1
Manufactured products (24.5%)	3.5	0.9	3.6	0.9	4.2	1.0	4.4	1.1	5.0	1.2	-0.2	0.3	3.1
of which: clothing and footwear (3.4%)	2.7	0.1	2.6	0.1	4.2	0.1	3.9	0.1	4.2	0.1	-0.5	0.1	3.0
medical products (3.9%)	-1.3	-0.1	-0.9	0.0	-0.8	0.0	-0.7	0.0	-0.9	0.0	-2.0	-1.2	-1.2
other manufactured products (17.1%)	4.7	0.8	4.8	0.8	5.4	0.9	5.7	1.0	6.5	1.1	0.2	0.7	4.1
Energy (8.9%)	22.7	1.9	17.8	1.5	13.7	1.2	18.6	1.7	20.2	1.8	-6.1	10.5	23.1
of which: oil products (4.3%)	28.7	1.2	18.6	0.8	13.5	0.6	22.3	1.0	25.0	1.1	-11.8	13.5	29.8
Services (48.0%)	3.9	1.9	3.2	1.5	3.1	1.5	3.0	1.4	3.1	1.5	0.9	1.2	3.0
of which: rent-water (8.0%)	1.8	0.1	2.2	0.2	2.3	0.2	3.6	0.3	3.8	0.3	0.3	1.1	2.2
health services (7.0%)	0.0	0.0	0.3	0.0	0.1	0.0	-0.2	0.0	-0.2	0.0	0.3	-0.5	-0.2
transport (2.0%)	15.3	0.3	8.7	0.2	8.5	0.2	5.0	0.1	6.2	0.1	-1.7	3.8	9.7
communications (2.3%)	0.7	0.0	0.7	0.0	0.1	0.0	0.4	0.0	0.3	0.0	1.0	2.9	1.0
other services (28.8%)	4.8	1.4	4.1	1.2	3.9	1.1	3.7	1.0	3.7	1.1	1.4	1.2	3.7
All (100%)	5.9	5.9	5.6	5.6	5.5	5.5	6.1	6.1	6.4	6.4	0.5	1.6	5.2
All excluding energy (91.1%)	4.4	4.0	4.5	4.1	4.8	4.3	4.8	4.4	5.1	4.6	1.0	0.9	3.6
All excluding tabacco (97.8%)	6.0	5.9	5.7	5.6	5.7	5.5	6.2	6.1	6.6	6.4	0.2	1.6	5.3
Core inflation (59.2%)*	4.7	2.8	4.6	2.7	4.7	2.8	4.9	2.9	5.2	3.1	0.6	1.1	3.8

■ provisionnal

■ 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

How to read it: in September 2022, consumer prices rose by 5.6% year-on-year, according to the provisional estimate. They are expected to rise by 6.6% year-on-year in December 2022.

Source: INSEE

► 7. Changes in the average wage per capita and the basic monthly wage

quarterly and annual changes in %

	Quarterly growth rates								Average annual change			
	2021				2022				2019	2020	2021	2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Average wage per capita (SMPT) in non-agricultural market branches	0.1	-0.1	4.8	0.6	1.0	0.8	1.3	1.5	2.3	-4.4	5.5	5.6
Basic monthly wage (SMB)	0.3	0.3	0.4	0.7	0.9	1.0	1.1	1.1	1.7	1.5	1.5	3.3
SMPT in general government (GG)									1.4	2.6	2.2	3.9
Household consumer prices (national quarterly accounts)	0.6	0.3	0.7	0.9	1.4	1.9	1.1	1.2	0.8	0.9	1.6	4.8
Real WPS in the non-agricultural market branches	-0.6	-0.4	4.1	-0.3	-0.4	-1.0	0.3	0.4	1.5	-5.3	3.9	0.7
Real WPS	-0.3	0.0	-0.3	-0.2	-0.5	-0.8	0.0	-0.1	0.9	0.6	-0.1	-1.5
Real WPS in GG									0.5	1.7	0.6	-0.9

■ Forecast

Source: DARES, INSEE

Economic outlook

► 8. Components of household gross disposable income

quarterly and annual changes in %

	Quarterly changes								Annual changes			
	2021				2022				2019	2020	2021	2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Gross disposable income (100%)	-0.3	0.5	1.6	2.1	-0.3	0.8	2.8	1.9	3.4	1.1	4.0	4.7
of which:												
Earned income (72%)	0.6	0.7	4.2	1.3	1.2	1.0	2.0	1.2	3.1	-3.8	7.2	6.7
Gross wages and salaries (64%)	0.7	0.9	5.0	1.5	1.3	1.2	2.1	1.3	3.2	-3.9	7.4	7.6
GOS of sole proprietors* (8%)	-0.1	-0.3	-2.3	-0.4	0.7	-0.3	0.4	0.3	2.4	-2.9	6.0	-0.8
Social benefits in cash and other transfers (35%)	-0.1	0.0	-2.6	2.5	-1.6	-0.2	3.5	0.9	2.9	9.1	-1.3	0.7
GOS of "pure" households (14%)	-0.1	0.5	0.9	1.2	-0.5	0.4	1.6	0.8	3.2	0.8	2.2	2.3
Property income (6%)	1.8	0.5	1.7	2.9	5.4	3.3	4.1	1.8	-2.3	-7.8	6.9	14.2
Social contributions and taxes (-27%)	3.1	0.5	2.3	0.1	3.1	0.5	1.0	-1.7	0.5	-3.5	4.6	5.1
Household consumer prices	0.6	0.3	0.7	0.9	1.4	1.9	1.1	1.2	0.8	0.9	1.6	4.8
Purchasing power of gross disposable income	-0.9	0.2	0.9	1.2	-1.6	-1.1	1.7	0.7	2.6	0.2	2.3	-0.1
Household purchasing power by consumption	-1.0	0.1	0.8	1.1	-1.8	-1.2	1.6	0.6	2.0	-0.3	1.9	-0.6

■ Forecast

Note: figures in brackets give the structure for 2019.

* the gross operating surplus (GOS) of sole proprietors is the balance of the operating account of sole proprietorships. This is mixed income as it remunerates work carried out by the owner of the sole proprietorship, and possibly members of their family, but it also contains profit made as a sole proprietor.

How to read it: household disposable income grew by 0.8% in the second quarter of 2022. It is estimated to have increased by 2.8% in the third quarter.

Source: INSEE

► 9. Household consumption and household savings rate

household consumption in quarterly and annual variations in %, household savings rate in % of gross disposable income

	Share in consumption*	2020				2021				2022				2020	2021	2022
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Consumption:																
agricultural products	3.0	4.3	-6.0	2.6	-0.2	0.5	-3.5	-0.7	1.3	-1.5	-0.1	-1.3	0.0	2.2	-2.6	-2.5
Industry	44.4	-6.2	-6.8	18.6	-4.6	1.8	-2.9	3.4	-0.2	-2.1	-1.4	-0.6	-0.2	-3.8	4.4	-2.7
Construction	1.6	-10.2	-16.3	33.0	0.9	-2.6	7.9	0.2	-0.5	-3.2	-3.2	-1.2	0.0	-8.7	13.8	-3.4
Market services	47.0	-5.6	-16.4	19.3	-8.3	-1.5	5.0	11.2	1.3	0.1	2.7	0.7	0.3	-11.0	5.8	10.2
Non-market services	5.3	-8.0	-20.8	33.0	-1.3	2.6	0.8	1.2	2.2	0.0	-0.5	0.1	0.2	-10.4	11.8	2.2
<i>Territorial correction</i>	-1.2	-36.8	-82.1	487.1	-48.9	-0.3	-55.5	345.8	30.4	21.3	18.3	-15.5	0.0	-54.6	16.5	118.2
Total	100%	-5.4	-11.5	18.4	-5.5	0.3	1.1	5.8	0.4	-1.2	0.3	0.3	0.1	-6.8	5.2	2.5
Savings ratio, in % of gross income		18.9	26.8	16.2	22.0	21.0	20.3	16.4	17.0	16.7	15.5	16.7	17.2	21.0	18.7	16.6

■ Forecast

* weight in household final consumption expenditure in current euros in Q4 2019.

How to read it: In Q3 2022, household consumption of agricultural products would have decreased by 1.3% compared to the second quarter. Their savings rate would have stood at 16.7% of their gross disposable income.

Source: INSEE calculations from various sources

► 10. Decomposition of margin rate of non-financial corporations (NFC)

Margin rate as % of NFC value added, changes and contributions in points

	2021				2022				2019	2020	2021	2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Margin rate	36.4	36.0	32.6	32.0	31.7	32.2	32.0	32.0	33.4	31.8	34.2	32.0
Variation in margin rate*	2.0	-0.3	-3.4	-0.5	-0.4	0.6	-0.2	0.0	1.9	-1.6	2.4	-2.2
Contributions to variation in margin rate:												
productivity gains	-0.3	0.1	1.2	-0.5	-0.4	0.1	0.0	-0.1	0.8	-5.4	2.4	-0.1
real cost of labour per capita	0.3	0.4	-2.4	0.2	0.0	0.6	-0.2	-0.2	0.9	3.3	-2.5	-0.5
ratio of price of value added to consumer prices	0.0	0.2	-0.1	-0.1	0.1	0.0	0.0	-0.1	0.7	0.7	0.5	0.0
other factors (including subsidies and taxes on production)	2.0	-1.1	-2.2	-0.1	-0.1	-0.1	0.0	0.3	-0.4	-0.3	2.0	-1.5

■ Forecast

* the variation indicated here is the result of a difference calculated before rounding.

Note: the margin rate (MR) measures the share of value added that remunerates the capital.

This variation can be broken down additionally into:

- changes in productivity (Y/L), where Y is value added and L is employment, and in the ratio of the price of value added to consumer prices, or terms of trade (P_{va}/P_c), which have a positive effect;
- changes in the real cost of labour (W/P_c , where W represents the cost of labour per capita), which have a negative effect on the margin rate.
- other factors: these are mainly taxes on production net of subsidies, including the Solidarity Fund.

This breakdown can be synthesised in the equation:

$$TM = \frac{EBE}{VA} \approx 1 - \frac{WL}{Y P_{va}} + other\ factors = 1 - \frac{L}{Y} \frac{W}{P_c} \frac{P_c}{P_{va}} + other\ factors$$

How to read it: in Q2 2022, the margin rate of non-financial corporations stood at 32.2% of their value added. It would have decreased slightly in the third quarter of 2022 to 32.0%.

Source: INSEE

► 11. International environment

levels; quarterly and annual changes in %

	Quarterly changes												Annuals changes		
	2020				2021				2022				2020	2021	2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Euro-dollar exchange rate	1.10	1.10	1.17	1.19	1.20	1.21	1.18	1.14	1.12	1.07	1.01	0.95	1.14	1.18	1.04
Brent crude oil barrel (in dollars)	50.5	26.7	42.9	44.4	60.9	68.8	73.5	79.7	100.8	113.6	100.6	90.0	41.8	70.9	101.3
Barrel of Brent (in euros)	45.8	26.7	36.8	37.2	50.5	57.1	62.3	69.6	89.9	106.6	99.8	94.7	36.7	60.1	97.8
World trade	-3.6	-15.5	13.0	4.8	2.1	2.7	1.4	3.0	1.6	0.8	0.7	0.4	-8.7	11.3	6.4
Imports by advanced economies	-3.2	-16.4	13.7	5.0	-0.1	2.7	1.9	2.8	2.9	1.0	0.2	0.0	-9.2	9.3	7.6
Imports by emerging economies	-4.6	-13.3	11.3	4.2	8.3	2.6	0.2	3.6	-1.8	0.1	1.9	1.5	-7.5	16.9	2.9
World demand for French products	-3.3	-16.6	13.4	5.2	0.7	3.0	1.9	2.8	2.0	1.0	0.4	0.3	-9.2	10.4	7.0
Gross domestic product (changes)															
Germany	-1.4	-9.5	9.0	0.6	-1.5	1.9	0.8	0.0	0.8	0.1	-0.2	-0.5	-4.1	2.6	1.5
Spain	-5.4	-17.7	16.8	0.2	-0.5	1.1	2.6	2.2	0.2	1.1	0.3	0.2	-10.8	5.1	4.5
Italy	-5.9	-12.7	16.1	-1.6	0.2	2.6	2.7	0.7	0.1	1.1	0.2	-0.2	-9.1	6.6	3.5
United Kingdom	-2.6	-21.0	16.6	1.2	-1.2	6.5	1.8	1.6	0.7	0.2	-0.2	-0.2	-11.0	7.5	4.4
United States	-1.2	-8.5	7.9	1.0	1.5	1.7	0.7	1.7	-0.4	-0.1	0.5	0.2	-2.8	5.9	1.8
China	-9.9	11.6	3.5	1.8	0.8	1.4	1.0	1.0	1.3	-3.0	3.0	2.0	2.0	8.5	2.7

■ Forecast

Source: Commodity Research Bureau, Statistiques équilibrées du commerce (OCDE), CHELEM – Commerce international (CEPII), INSEE, Destatis, Istat, INE, ONS, BEA, NBSC, INSEE calculations