

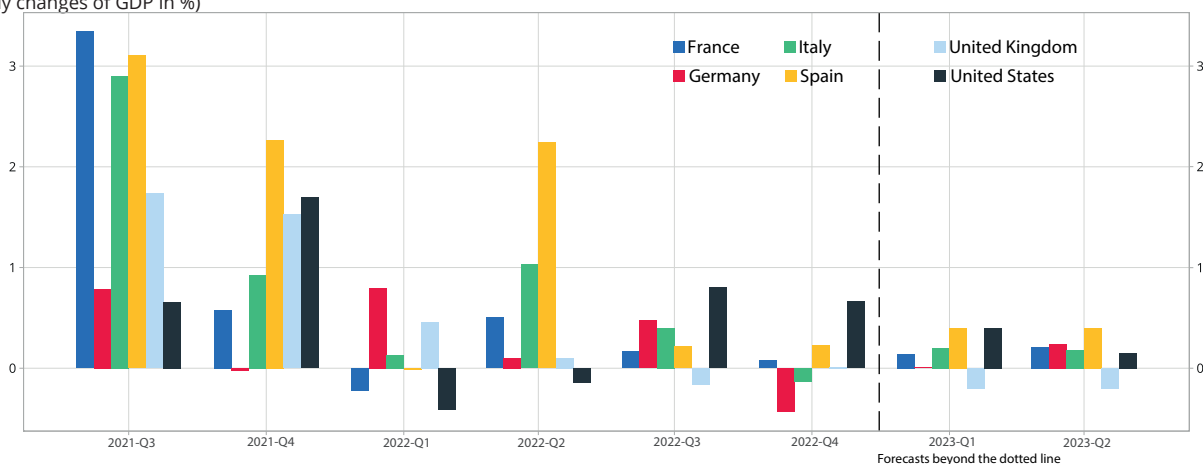
# International synthesis

In 2022, the global economy slowed considerably, but without really declining (► **Figure 1** for western economies), despite the shocks it was experiencing (war in Ukraine, lockdowns in China, inflationary tensions, etc.). The substantial growth in GDPs recorded throughout 2022 (between +1.9% in Germany and +5.5% in Spain for the main European economies, +2.1% in the United States and +3.0% in China) are largely explained by the high growth overhangs at the end of 2021, the result of the post-Covid catch-up during 2021 (► **Figure 2**). Gains in activity in 2022 thus appear limited, especially in the United States, France and the United Kingdom, reflecting activity that only increased moderately on average in each quarter. As a result, growth overhangs at the end of 2022 appear to be much lower than they were a year previously: in 2023, the figures for annual GDP growth will not have such an advantage with the “carry-over effect”, and to this has to be added sluggish growth in H1 2023.

The European economies are certainly starting 2023 with no great impetus: household consumption in particular suffered at the end of 2022 with the high level of inflation. Despite this, European manufacturing output has resisted the rise in the price of energy inputs quite well, with the decline limited to the most energy-intensive branches (► **Box** on manufacturing output in the Eurozone sheet). In addition, in the United States, despite dynamic activity in H2 2022, signs of a slowdown in domestic demand have appeared, while in China, the economy found itself faced with a resurgence of the epidemic

## ► 1. The main European economies are expected to remain sluggish in H1 2023

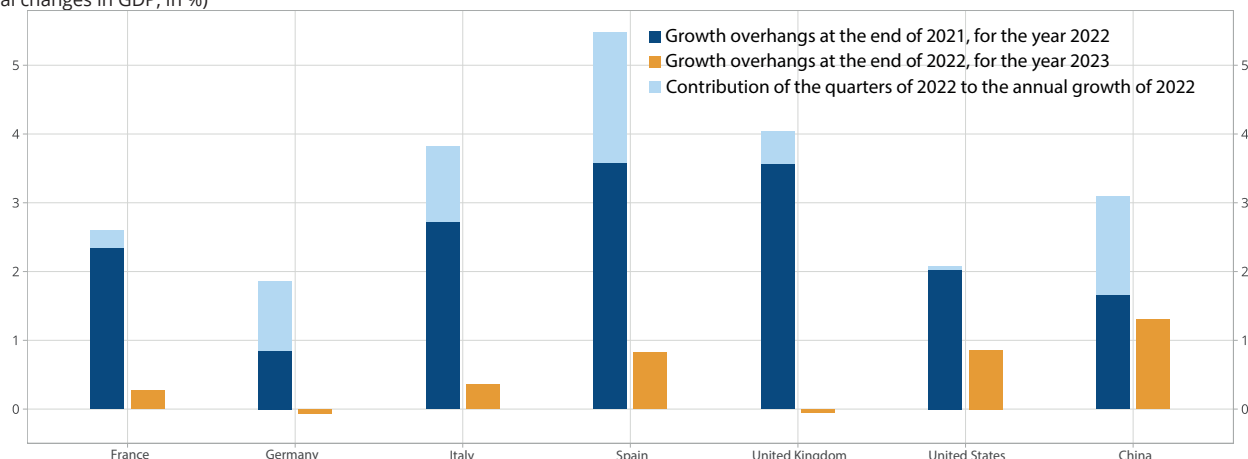
(quarterly changes of GDP in %)



How to read it: in Q4 2022, the United States GDP increased by 0.7%.  
Source: INSEE, Destatis, Istat, INE, ONS, BEA.

## ► 2. The GDP of western economies will not benefit as much from the “carry-over effect” in 2023 as in 2022

(annual changes in GDP, in %)



How to read it: at the end of 2021, the growth overhang of GDP in France for 2022 was 2.3%, i.e. if GDP had maintained the Q4 2021 level during all four quarters of 2022, then GDP in 2022 would have been 2.3% higher than in 2021. However, the annual variation of GDP in 2022 was 2.6%: the growth resulting from the four quarters of 2022 thus contributed 0.3 points of growth to the annual variation. For 2023, the growth overhang at the end of 2022 was 0.3%.  
Source: INSEE, Destatis, Istat, INE, ONS, BEA.

## International economic outlook

and then the sudden lifting of health restrictions at the end of 2022. All in all, world trade weakened in Q4, with imports declining in the advanced economies and slowing down significantly in the emerging economies (► [Figure 3](#)).

Linked with this economic slowdown and the drop in demand, the prices of energy and other commodities slipped back generally in H2 2022 (► [Energy and commodities](#)). Year-on-year consumer prices have therefore fallen in recent months in several western economies, mainly due to the drop in oil prices, but also to “base effects” (► [Focus](#)), however, price levels remain high and core inflation has not fallen as much as headline inflation (► [Figure 4](#)). In some countries, it even continued to grow slightly, testifying to the persistence of inflationary pressures. In the course of 2023, the reopening of the Chinese economy could also accentuate these pressures, in the event of an excessively vigorous recovery in Chinese demand, especially for energy products.

High prices are expected to continue to affect household consumption in the western economies: it should nevertheless improve slightly, supported in particular by wage revisions and public policies. In addition, although the continuing monetary tightening by the central western banks should slow in H1, it is still likely to hamper household and corporate investment, especially in the United States and the United Kingdom.

In H1 2023, activity is expected to improve moderately overall. In the Eurozone, the fall in energy prices on the markets and the timid recovery in consumption expected in Q1 should enable activity to grow slightly in Spain and to a lesser extent in Italy and France (► [Figure 5](#)). Meanwhile, the German economy is expected to remain at a standstill in Q1 before rebounding slightly in Q2. Domestic demand is likely to hamper economic activity in the USA and the United Kingdom: the United Kingdom looks set to be in recession in H1 2023, while the US economy is expected to slow substantially. As for China, if its economy were to reopen, this would result in a gradual but vigorous recovery in its economic activity, bringing with it a rebound in world trade. ●

### ► 3. World trade is expected to bounce back in H1 2023

(levels, quarterly variations in %; annual variations in % for the last three columns)

	2021				2022				2023		2021	2022	2023 ovhg
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2			
Euro-dollar exchange rate	1.20	1.21	1.18	1.14	1.12	1.06	1.01	1.02	1.07	1.06	1.18	1.05	
Barrel of Brent (in dollars)	61.0	68.9	73.5	79.5	100.8	113.6	100.6	88.6	82.9	83.0	70.9	100.9	
Barrel of Brent (in euros)	50.7	57.1	62.4	69.6	89.8	106.7	99.9	86.8	77.6	78.3	59.9	95.8	
World trade (variations)	2.3	1.8	1.1	3.5	1.2	0.4	1.7	-0.5	0.3	0.7	10.8	5.9	1.4
Imports by advanced economies	0.9	2.3	1.4	3.6	2.1	1.3	1.1	-1.0	0.1	0.3	10.1	7.5	0.4
Imports by emerging economies	5.8	0.5	0.3	3.2	-1.3	-1.6	3.3	0.6	0.9	1.5	12.4	1.9	3.8
World demand for French products (variations)	0.8	2.4	1.8	3.3	1.6	0.7	1.3	-0.5	0.2	0.4	10.3	6.7	0.9

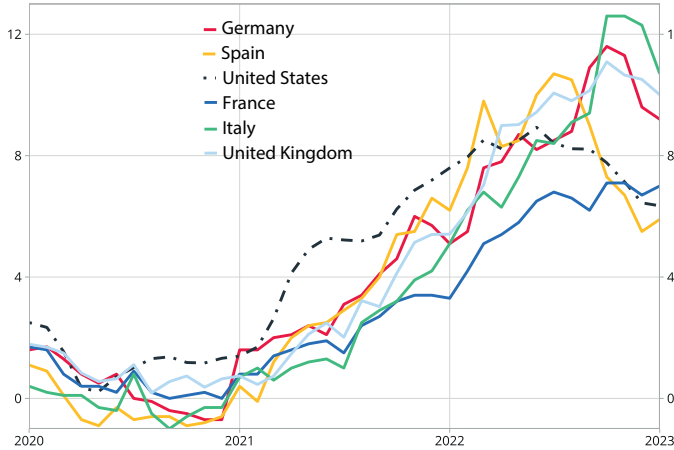
■ Forecast.

Note: the scope considered here is that of goods and services. The “advanced economies” category consists of the main Eurozone countries, the United Kingdom, Switzerland, Japan, the United States, Canada and South Korea. The “emerging economies” category consists of China, India, Turkey, the OPEC countries, Russia, Poland, Brazil and Mexico.

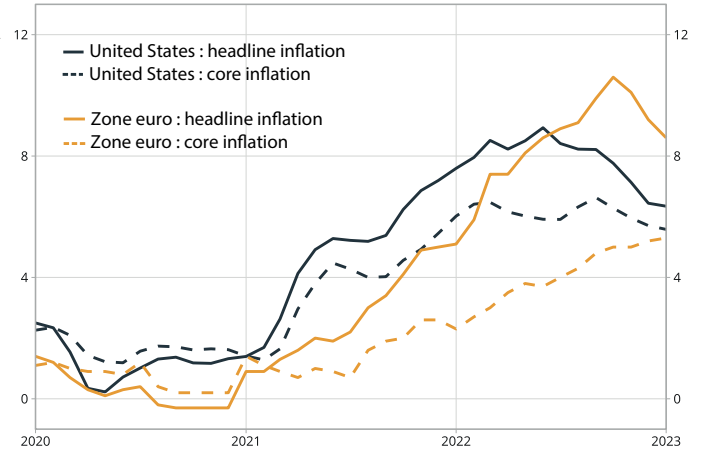
Source : Commodity Research Bureau, IHS Markit, Statistiques.

## ► 4. Despite the fall in headline inflation in some countries, core inflation (excluding energy and food) remains high

(inflation year-on-year in %)



(headline and core inflation year-on-year in %)



Last point: January 2023.

Note: here core inflation represents inflation excluding energy and food. For the Eurozone countries and the United Kingdom, inflation is calculated as the year-on-year variation in the Harmonised Index of Consumer Prices (HICP). For the United States, inflation is calculated as the year-on-year variation in the CPI provided by the BLS.

How to read it: in January 2023, in the United States, inflation was 6.4% year-on-year, whereas core inflation (excluding energy and food) was 5.6%.

Source: Eurostat, ONS, BLS, INSEE calculations.

## ► 5. Past and forecast GDP growth in the main economies

(in %)

	2021				2022				2023		2020	2021	2022	mid-2023 ovhg	Difference between Q4 2022 and Q4 2019
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2					
France	0.1	1.1	3.3	0.6	-0.2	0.5	0.2	0.1	0.1	0.2	-7.9	6.8	2.6	0.6	1.2
Germany	-1.5	1.9	0.8	0.0	0.8	0.1	0.5	-0.4	0.0	0.2	-4.1	2.6	1.9	0.1	0.0
Italy	0.5	2.4	2.9	0.9	0.1	1.0	0.4	-0.1	0.2	0.2	-9.0	7.0	3.8	0.7	1.9
Spain	-0.2	1.4	3.1	2.3	0.0	2.2	0.2	0.2	0.4	0.4	-11.3	5.5	5.5	1.5	-0.9
United Kingdom	-1.1	6.5	1.7	1.5	0.5	0.1	-0.2	0.0	-0.2	-0.2	-11.0	7.6	4.0	-0.4	-0.8
United States	1.5	1.7	0.7	1.7	-0.4	-0.1	0.8	0.7	0.4	0.2	-2.8	5.9	2.1	1.4	5.1
China	0.9	1.6	0.3	1.5	1.3	-2.4	3.9	0.0	1.0	2.0	2.2	8.1	3.0	3.8	13.7

■ Forecast.

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