

Foreign trade

Foreign trade has increased moderately since the start of 2023, reflecting sluggish world demand and relatively modest growth in final domestic demand. In Q3 2023, foreign trade hampered GDP growth (-0.4 points, ► **Figure 1**), as the decrease in exports was much more pronounced than that in imports. To a large extent, this decline in exports (-1.0% after +2.5% in Q2) reflects a backlash effect after the significant deliveries in the aeronautical and naval sectors in Q2 (► **Figure 2**). The decline in imports was more moderate (+0.1% after +2.4%), and mainly driven by manufactured goods; meanwhile, imports of energy products and services, and spending by French tourists overseas, were relatively dynamic (► **Figure 3**).

In Q4 2023, exports are expected to bounce back (+1.6% forecast), although this will mask a less vigorous underlying trend, linked to the moderate growth in world demand for French products over the forecasting period. This rebound is likely to be driven mainly by the aeronautical and naval sector, notably the delivery of a cruise liner, and the improvement in the external balance for electricity. All in all, foreign trade should boost GDP in Q4, by +0.5 points.

In H1 2024, it is likely that the quarterly export figures will once again be affected by aeronautical and naval deliveries: after a backlash effect expected in Q1 2024, there will probably be a strong rebound in the spring. Imports are expected to pick up (+0.6% forecast in Q1 then +0.5% in Q2) as a result of domestic demand. Purchases by French tourists overseas should increase, especially in H1, returning gradually to their pre-Covid levels (in Q3 2023, imports from tourism were 13.4% below their Q4 2019 level). All in all, foreign trade is likely to impact on GDP growth a little in Q1 (-0.2 points) then contribute positively in Q2 (+0.3 points). ●

► 1. French foreign trade

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

	Quarterly variations										Annual variations			
	2022				2023				2024		2022	2023	2024 ovhg	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2				
Exports														
Total	1.8	-1.3	3.1	0.6	-1.7	2.5	-1.0	1.6	0.3	1.4	7.4	1.7	2.7	
Manufactured products (66%*)	2.1	-3.2	4.4	-0.9	-1.8	3.9	-1.0	1.7	0.0	1.8	3.2	1.6	3.1	
Imports														
Total	1.6	0.3	4.8	-0.8	-3.1	2.4	0.1	0.2	0.6	0.5	8.8	0.5	1.8	
Manufactured products (70%*)	0.3	-0.8	4.6	-0.5	-3.1	2.6	-1.7	-0.7	0.6	0.6	4.9	-0.6	0.3	
Contribution of foreign trade to GDP	0.0	-0.5	-0.6	0.5	0.6	0.0	-0.4	0.5	-0.2	0.3	-0.6	0.4	0.2	

■ Forecast.

* Share of exports (or imports) of manufactured products in total exports (or imports), in 2021.

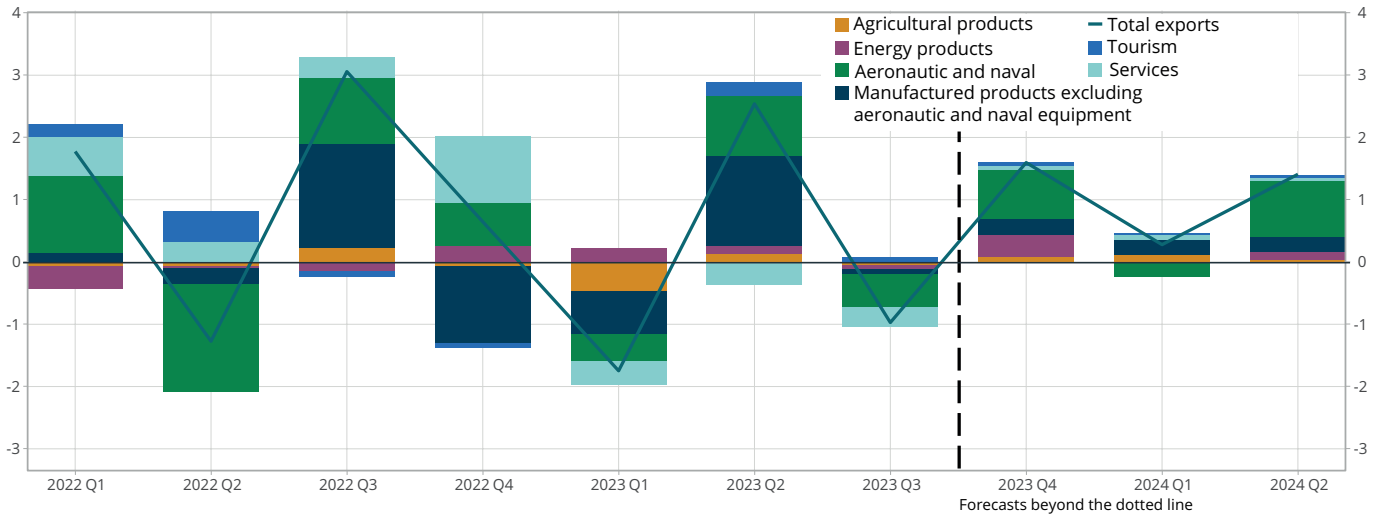
How to read it: in Q4 2023, French exports are expected to rise by 1.6%.

Source: INSEE.

French economic outlook

► 2. Contributions of different products to exports

(quarterly changes in total exports, in %, and contributions of individual products, in points)

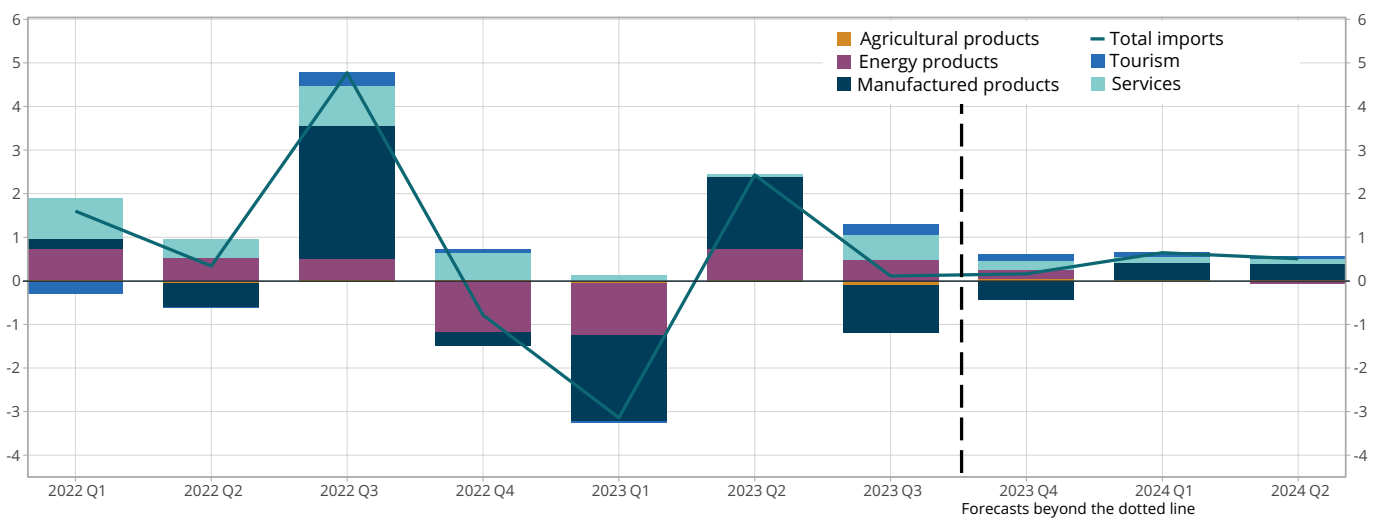


How to read it: French exports fell by 1.0% in Q3 2023. Exports of aeronautical and naval equipment contributed by -0.5 points.

Source: INSEE.

► 3. Contributions of different products to imports

(quarterly changes in total imports, in %, and contributions of individual products, in points)



How to read it: French imports rose slightly (+0.1%) in Q3 2023. Imports of manufactured goods contributed -1.1 percentage points.

Source: INSEE.