

Foreign trade

In Q4 2023, imports dropped sharply (-2.3%) while exports remained stable (0.0%), with the result that foreign trade made a major positive contribution to GDP growth (+0.9 points ► [Figure 1](#)), mirroring a pronounced destocking phenomenon (contribution of -0.7 points by inventory change to growth). There was a general decline in imports, but particularly in the area of manufactured goods (-2.7%), and this concerned most products (► [Figure 3](#)). On the export side, foreign sales of manufactured products declined to a lesser extent (-0.4%) but this decline was offset by the sharp increase in electricity exports (► [Figure 2](#)).

After the one-off destocking movement in Q4, imports in Q1 2024, particularly of manufactured products, are expected to return to a level more in line with domestic demand and should bounce back (+1.4% forecast). In Q2, they are expected to improve moderately (+0.7%), bolstered somewhat by the recovery of consumption and exports but held back by sluggish business demand.

In the business surveys of industry, the balance of opinion on the level of foreign order books is much higher than its long-term average (► [Figure 4](#)). In addition, companies believe that their competitiveness is improving on foreign markets (► [Figure 5](#)). However, this positive assessment is based mainly on transport equipment, with foreign order books not as full in the rest of industry. Thus, excluding transport equipment, exports of manufactured goods are expected to increase moderately in H1 2024, at a similar pace to that of world demand for French goods, but this is unlikely to make up for the losses in market share recorded since the health crisis. Aeronautics, on the other hand, looks set to boost French exports, driven by the sharp increase in Airbus delivery targets for 2024 (+9%, i.e. a target of 800 aircraft compared to 735 delivered in 2023, ► [Focus aeronautics](#)). The profile of large naval contracts is expected to be rather uneven: decline in Q1 after a major delivery in late 2023, then improvement in the spring with a new delivery planned. Exports of services are also expected to follow a relatively upward trend. All in all, the export profile is likely to be uneven because of the major naval contracts (+0.3% forecast in Q1 2024 then +1.4% in Q2) but exports should be more dynamic on average than world demand for French goods in H1, reflecting the gradual catch-up of aeronautical exports.

Foreign trade is therefore expected to make a negative contribution to GDP growth in Q1 2024 (-0.4 points forecast), as a result of the rebound in imports, then a positive contribution 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	1.7	-1.1	3.3	0.3	-1.8	2.7	-0.7	0.0	0.3	1.4	7.4	1.5	1.7
Manufactured products (66%*)	1.9	-3.1	4.4	-0.7	-2.2	3.8	-1.0	-0.4	0.2	2.0	3.2	0.8	1.8
Imports													
Total	1.5	0.4	4.7	-0.5	-3.1	2.5	-0.4	-2.3	1.4	0.7	8.8	-0.1	0.6
Manufactured products (70%*)	0.2	-0.9	4.5	0.0	-3.2	2.4	-1.6	-2.7	2.3	0.5	4.9	-1.0	0.4
Contribution of foreign trade to GDP	0.0	-0.5	-0.5	0.2	0.6	0.0	-0.1	0.9	-0.4	0.3	-0.6	0.5	0.4

■ Forecast.

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

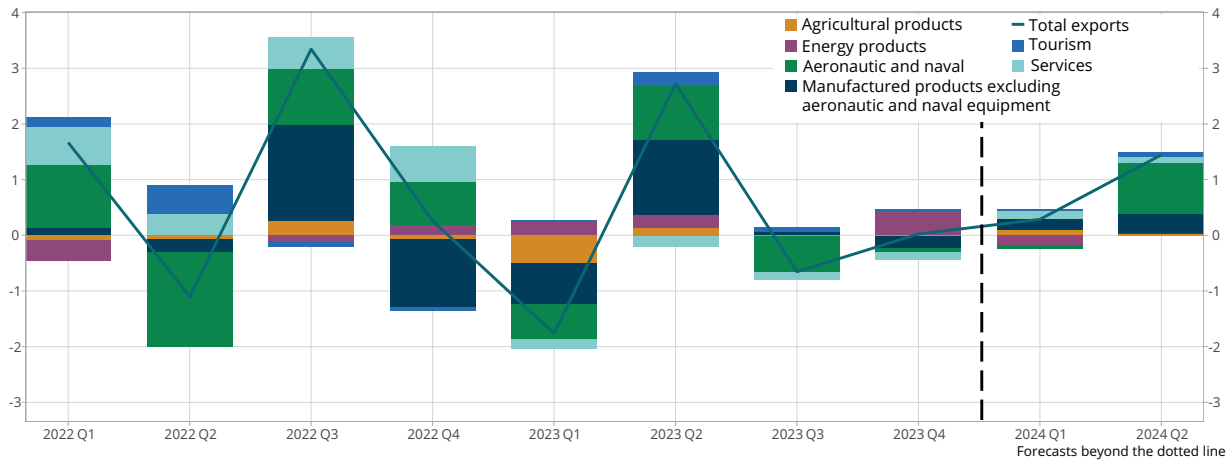
How to read it: in Q4 2023, French imports were down by 2.3%.

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)

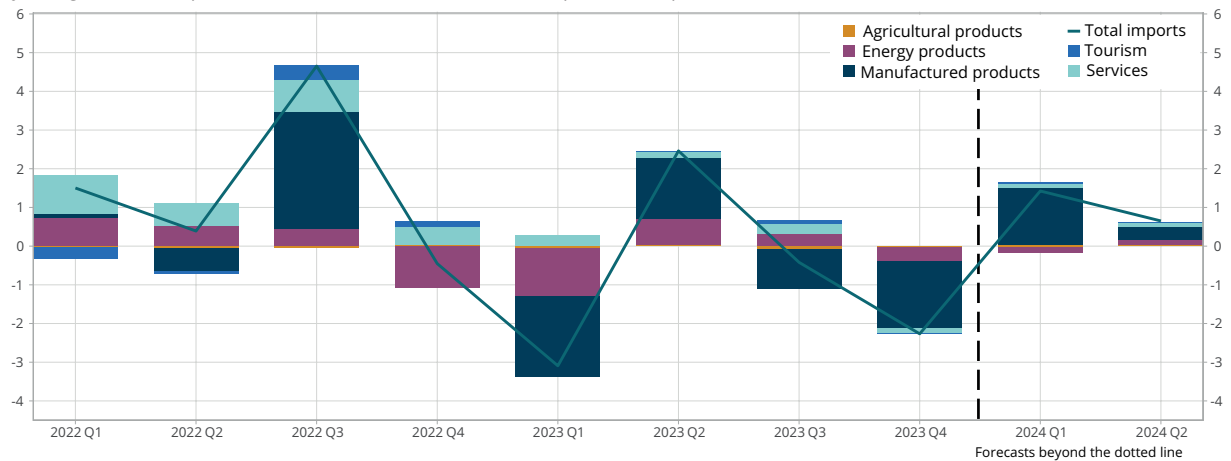


How to read it: French exports stagnated in Q4 2023 (0.0%). Exports of aeronautical and naval equipment contributed by -0.1 points.

Source: INSEE.

► 3. Contributions of different products to imports

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

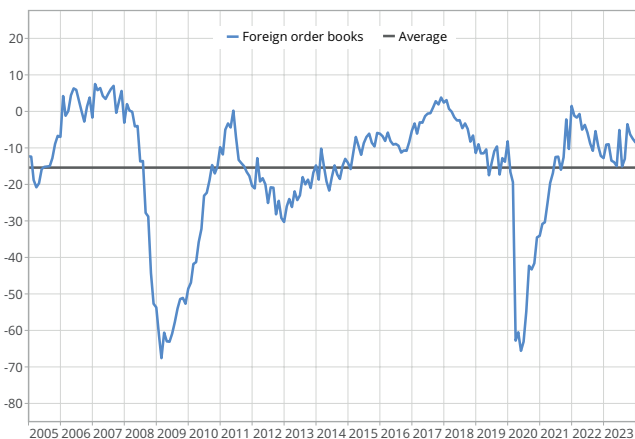


How to read it: French imports fell by 2.3% in Q4 2023. Imports of manufactured goods contributed by -1.7 points.

Source: INSEE.

► 4. Balance of opinion on foreign order books

(balance of opinion, in points, SA data)

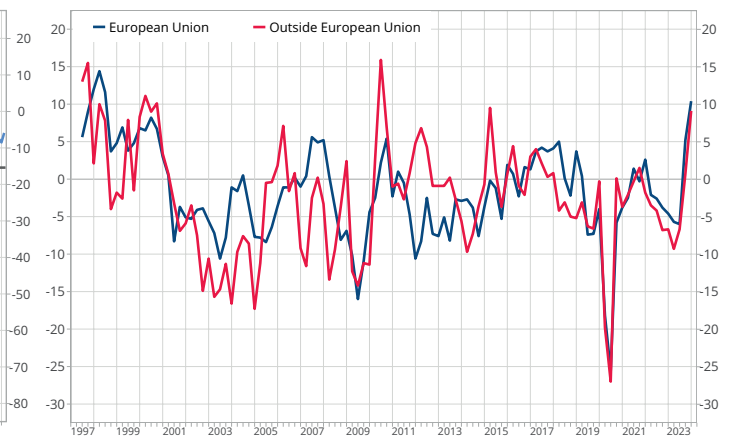


Last point: February 2024.

Source: monthly business survey in industry, INSEE.

► 5. Competitiveness on the European Union market and outside the European Union

(balance of opinion, in points, SA data)



Last point: Q1 2024.

Source: quarterly business survey in industry, INSEE.