

15 January 2020

FRANCE

2020-2021 SCENARIO

PIERRE BENADJAUD – OLIVIER ÉLUÈRE

“

*In 2020, growth will
continue to rely on
domestic demand.*

”

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Growth is likely to slow to 1.3% in 2019, in line with its potential, after 1.7% in 2018. In 2020 and 2021, the pace of growth is expected to remain similar, at 1.2% and 1.3% respectively, per our initial estimates.

In the first three quarters of 2019, French growth grew at a sustained pace of 0.3% per quarter. Corporate investment has remained particularly strong, and household consumption accelerated in Q3. These are signs of the strength of French domestic demand, even as the global economy continues to slow down.

Foreign trade, meanwhile, hindered growth in Q1 and Q3. Although some geopolitical tensions (Brexit, the trade war) seemed to temporarily abate in late 2019, they will continue to create a drag and generate uncertainty.

In 2020, growth will therefore continue to rely mainly on domestic demand. Although investment growth may slow down, income gains (primarily owing to the reduced tax burden on households) and subdued inflation will support household consumption. The social unrest that has arisen due to pension reform represents a downside risk in our forecasts for Q1 2020 but does not affect the year-long scenario.

Along with the end of the double effect of the employment tax credit (CICE) as it is fully replaced with a cut in payroll contributions, corporate investment and

job creations are expected to slow. Unemployment is nonetheless projected to remain on a downward trend for the foreseeable future.

Main components of the scenario

1. Household consumption is expected to remain the main contributor to growth in 2020 and 2021. The €5 billion tax cut resulting from the revision of the income tax scale, a major part of the 2020 finance bill, marks the continuation of demand supporting fiscal policy, which began in 2019 after the “gilets jaunes” crisis and was reaffirmed in the spring following the Great National Debate. Additionally, inflation will remain tightly contained at an annual average of 1.1% in 2020. Accordingly, we forecast growth in household purchasing power of 1.5% in 2020 after 2.1% in 2019. Household consumption, meanwhile, is expected to slightly accelerate, growing by 1.4% in 2020 and 1.3% in 2021 after 1.2% in 2019. A large share of the gains in purchasing power will therefore remain short-term savings, and the saving rate is likely to remain high, around 15% in 2020, before declining slightly in 2021.

2. Corporate investment is projected to slow in 2020 after having been particularly strong in 2019. Non-financial corporate investment picked up in Q2 and Q3 2019, and is expected to grow by 4.0% in 2019 after 3.9% in 2018. The business climate remains at high levels, particularly in services, and financing

conditions will remain very favourable in the years ahead. Nonetheless, business leaders are less optimistic about their investments for 2020, particularly with the end of the CICE “double benefit”.

Household investment is expected to slow in 2020 (+1.6%) despite very appealing financing conditions in real-estate lending.

3. Foreign trade is likely to continue being a drag on French growth in 2019 and 2020. The slowdown in global trade and particularly the troubles in the manufacturing sector, are hurting exports, while imports will remain strong, due to the robustness of domestic demand. Therefore, foreign trade is forecast to have a negative impact on growth of around 0.2 points of GDP in 2019, and 0.3 points of GDP in 2020. In 2021, we anticipate a near-equal trade balance, which assumes a slight recovery in global trade.

4. Despite a slight rebound in Q3 2019, the **unemployment rate** in mainland France is expected to continue its downward trend, from its current 8.3% to an average of 7.8% in 2021. The employment market was particularly strong in 2019, with more than **260,000 net jobs created**. In 2020 and 2021, the pace of job creation is expected to slow, but the past few years of reforms to reduce the costs of labour, and the resilience of the French economy, will nonetheless enable a gradual decline in unemployment.

SUMMARY

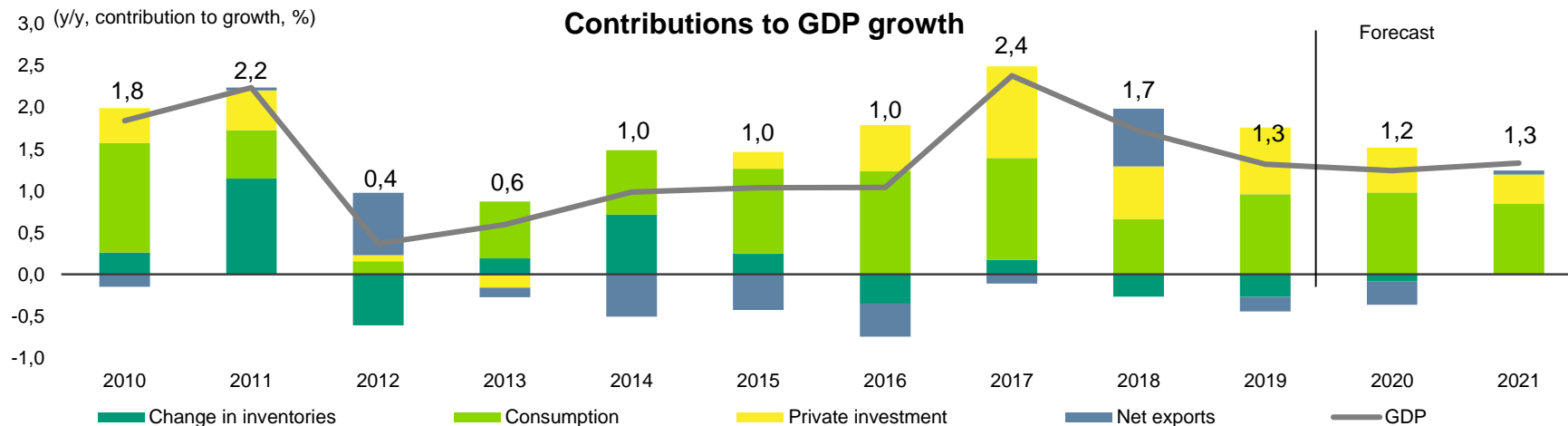
CONSUMPTION COULD SLIGHTLY ACCELERATE AND WILL REMAIN THE PRIMARY CONTRIBUTOR TO GROWTH

France	Annual average (y/y, %)					
	2016	2017	2018	2019	2020	2021
GDP	1,0	2,4	1,7	1,3	1,2	1,3
Household's consumption	1,6	1,6	0,9	1,2	1,4	1,3
Investment	2,5	5,0	2,8	3,5	2,3	1,7
Corporate investment	3,1	5,5	3,2	3,9	2,6	1,9
Change in inventories*	-0,3	0,2	-0,3	-0,3	-0,1	0,0
Net exports*	-0,4	-0,1	0,7	-0,2	-0,3	0,0
Unemployment rate (Insee)	9,7	9,1	8,7	8,3	8,0	7,8
Inflation (y/y) Insee	0,2	1,0	1,9	1,1	1,1	1,0
Public balance (% of GDP)	-3,4	-2,5	-2,5	-3,1	-2,2	-1,8

Quarterly growth (q/q, %)															
2018				2019				2020				2021			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
0,2	0,2	0,3	0,4	0,3	0,3	0,3	0,3	0,2	0,3	0,3	0,4	0,3	0,3	0,3	0,3
0,2	-0,2	0,4	0,4	0,3	0,2	0,4	0,3	0,4	0,4	0,3	0,4	0,3	0,3	0,3	0,3
-0,1	0,8	1,0	0,8	0,5	1,3	1,2	0,4	0,5	0,4	0,4	0,4	0,4	0,4	0,4	0,4
-0,3	0,9	1,3	1,1	0,6	1,1	1,4	0,4	0,6	0,5	0,5	0,4	0,5	0,5	0,4	0,4
0,0	0,1	-0,4	-0,2	0,3	-0,2	-0,1	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
0,1	0,0	0,3	0,2	-0,3	0,0	-0,3	0,0	-0,1	-0,1	0,0	0,1	0,0	0,0	0,0	0,0
8,9	8,8	8,8	8,4	8,4	8,2	8,3	8,1	8,1	8,1	8,0	7,9	7,9	7,8	7,8	7,7
1,4	1,9	2,2	1,9	1,2	1,1	1,0	1,0	1,4	1,0	1,1	1,1	1,0	1,0	1,1	1,0

* Contribution to GDP growth

Source : Crédit Agricole SA, forecasts



Sources: Insee, Crédit Agricole S.A.

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PENSION REFORM BILL

OUTLINE AND PRINCIPLES OF THE REFORM

Unifying the pension systems: going from 42 systems today to one universal system. The new system will still be a pay-as-you-go system in which each euro contributed will give all workers the same rights when they retire. For up to €120,000 in annual income, all French people will have the same contribution level. Income above €120,000, meanwhile, will be subject to a "solidarity contribution" that does not earn any further points for the contributor.

Implementing a points system: going by the same principle as current complementary systems like AGIRC ARRCO, the contributed euros will be converted into points based on their price at the time they were contributed. The points earned will then be converted to a benefit value at the time of retirement. The purchase value and benefit value will fluctuate at the same pace as wages do. During retirement, the benefit value will be indexed on inflation in order to guarantee stable purchasing power for pensioners. In response to protests, the government has announced that the benefit value will not be allowed to decline. In the new system, calculating pensions will be much simpler.

Better accounting for career shifts and long absences from the workforce: points will be earned for periods of unemployment, lengthy illnesses and accidents, and for each child, in order to offset the impact on parents' careers when children arrive and need education. If someone changes careers, which currently could lead to changing their pension plan, this reform is expected to give them better insight into their future pension and how much it could be.

Expected timeline:

- Late January 2020: Presentation to Council of Ministers
- Late February 2020: First review in the National Assembly
- Before summer 2020: Vote of the reform

Calculating average gross pension under the new system

PM: average pension

NP: number of points

VS: benefit value upon retirement

VA_i: purchase value in period i

S_i: annual gross wage in period i

TX_i: contribution rate in period i

n: number of contribution years

$$PM = NP * VS$$

$$\text{Where } NP = \sum_{i=1}^n \left(\frac{TX_i * S_i}{VA_i} \right)$$

Assuming a constant 28.12% contribution rate over the contribution period, and also that the wage rises at the same pace as the average wage, we get $NP = n * \frac{TX * S}{VA}$ because the wage and the purchasing value changed at the same pace, so the ratio between them is constant.

Hence:

$$PM = n * \frac{TX * S}{VA} * VS$$

With a 43-year contribution period, a 28.12% contribution rate of which 90% is expected to grant pension benefits (the solidarity contribution being 2.81% of the wage), a point purchase price of €10 and a benefit value of €0.55 at the start of the career (under assumptions made in the Delevoye report), we get:

$$PM = 0,599 * S$$

The average gross pension would therefore be 59.9% of the wage at the end of the career, i.e. a gross replacement rate of 59.9%.

PENSION REFORM BILL

WHAT ARE THE SPECIFICS? WHO'S AFFECTED?

Who's affected? Those born in 1974 or earlier are considered too close to the retirement age and will not be affected by the reform. People born between 1975 and 2003 will contribute into the universal pension system beginning in 2025, with their pension rights up to 2025 still being calculated under the old system. Only those born in 2004 or later will be directly affected by the system at the time they enter the workforce.

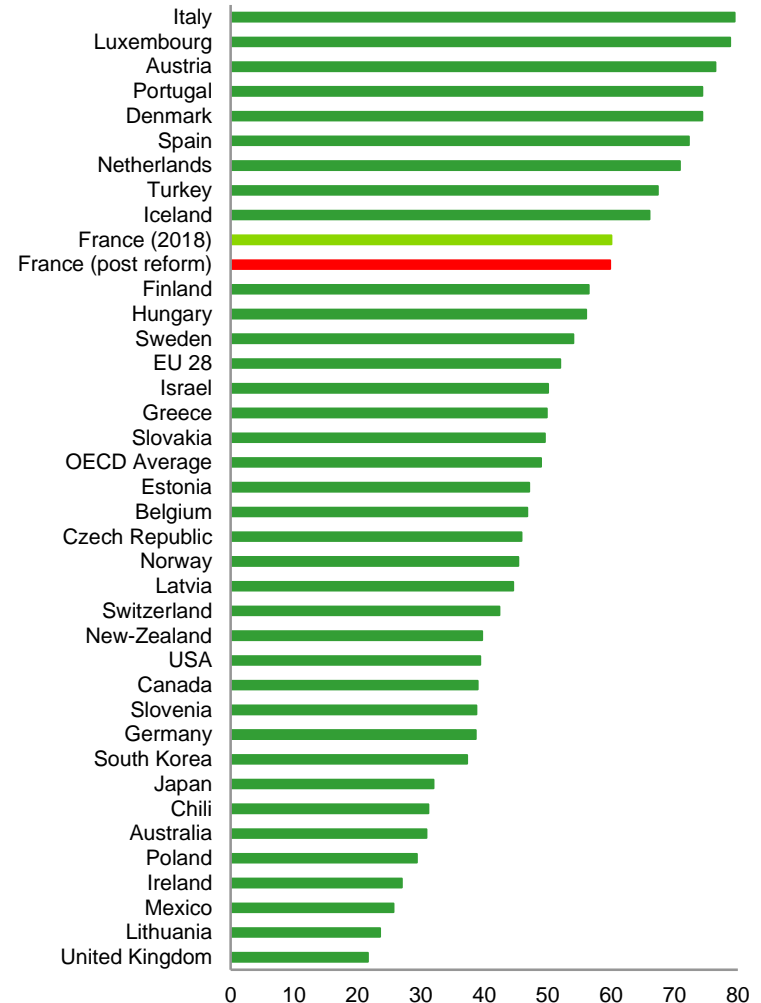
Accounting for hardship. The hardship criteria will be extended to all pension plans as of 2022 so that for a given line of work, the rights will be the same for all workers. For instance, the hardship criteria for night-time work will be more favourable which will mostly benefit private-sector workers, than they do today, according to the presentation of the reform that came out in December 2019. More points will be earned for workers exposed to one or more hardship criteria. Furthermore, the minimum pension for a full career will be set at €1000 a month beginning in 2022.

Gradual transitions for special plans. In order to ensure a gradual transition to the new pension system, arrangements are also being made for people whose statutory retirement age is currently 52 or 57.

For freelancers and liberal professions, the pension contribution rate will be aligned with that of employees up to €40,000 of income. The new pension contributions will be offset by a proportionate cut in the CSG tax, so that their total social-security contributions will not increase, and to allow them to earn more pension points.

The contributions will be calculated on all compensation including bonuses. The increase in contributions will be gradual. Some government employees, like schoolteachers, who currently earn few bonuses, will benefit from a gradual increase in their bonuses in order to ensure that their pensions do not decrease.

Gross replacement rate* in OECD countries in 2018 (%)



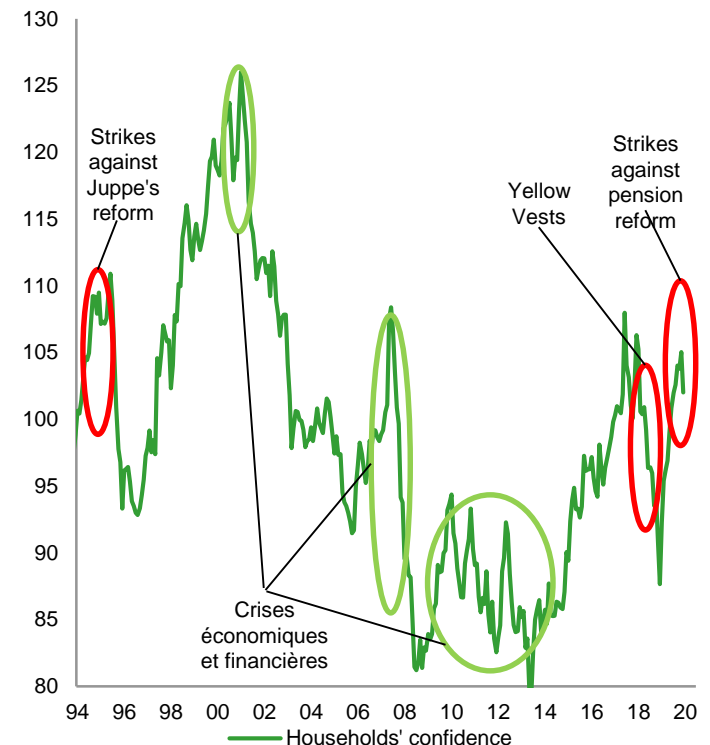
* The gross replacement rate corresponds to the ratio between gross pension at retirement and gross salary at end of career.

Sources: OCDE, Crédit Agricole S.A.

Criticism focused on the “pivotal age”. Although some unions, such as the CFDT or CTFC are in favour of a points-based universal system, the setting of a “pivotal age” of 64 has unified the opposition. This refers to the enactment of a financial incentive/disincentive for people to retire after/before age 64, respectively. Furthermore, the age of the cancellation of the haircut for people retiring without having worked long, currently set at 67, would be gradually dropped down to the pivotal age (over a timeframe yet to be determined). This would help those with short or uneven careers. Conversely, people who began work at a fairly young age and earned an acceptable pension by age 62 (which would still be the statutory retirement age) would be penalized. After more than a month of strikes, the “pivotal age” designed to guarantee the financial equilibrium of the system in 2027 has been temporarily withdrawn from the draft law. A financing conference will take place to try and find alternative solutions to reach the equilibrium. Still, an equilibrium age working like the pivotal age will remain in place for people contributing in the new system and retiring from 2037. Unions are also fighting against the reform in order to secure more assurances about the hardship criteria in certain lines of work, and further concessions about special pension plans. On these matters, negotiations between the government, trade unions and management are still underway.

The impact of the protests on growth is generally limited. Although hard data is not yet available to accurately assess the impact of the strikes in opposition to the pension reform, comparisons to earlier protests can still be made. In December 1995, a three-week nationwide strike cut GDP growth by about 0.2 points in Q4 1995. The yellow vests movement in 2018, meanwhile, reduced GDP by 0.1 point in Q4 2018. Thus, estimates show that social crises have a limited impact on growth. Additionally, some purchasing decisions may have simply been delayed in such times. Although durable goods consumption may have been hurt by the yellow vests movement in December 2018, a sizeable upturn was observed in January 2019. Still, the impact is much larger in certain sectors more directly affected by the protests. Leisure consumption and the tourism sector will be impacted for the second year in a row (the yellow vests movement had reduced tourism visits in late 2018), particularly in Paris. The production and consumption of transportation services is also set to be particularly affected by the strike in Q4 2019. In 2018, during the alternating-day strike from April to June, the consumption of transportation services dropped 3%, and as much as 21% for rail services, according to INSEE.

Household confidence and protest actions: impact still limited in December



Sources: Insee, Crédit Agricole S.A.

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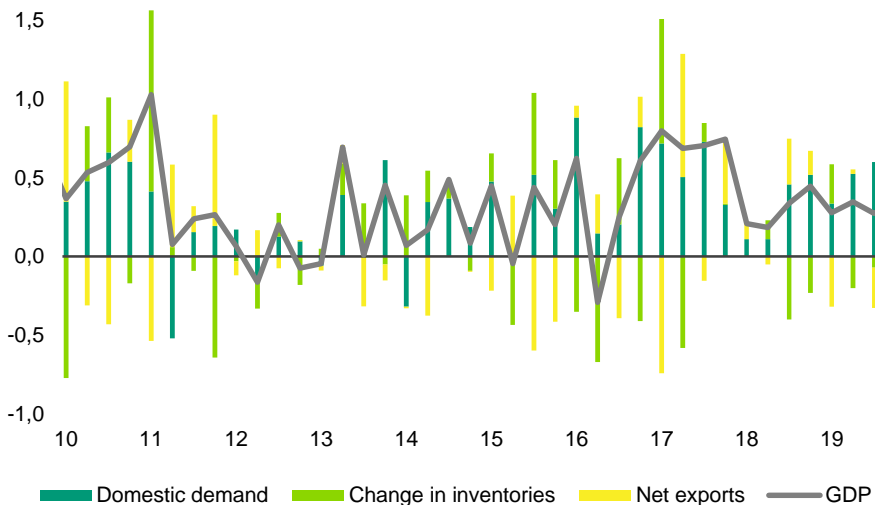
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RECENT TRENDS IN ACTIVITY

CORPORATE INVESTMENT REMAINS BUOYANT

Quarterly growth and contributions

2,0 (contribution to quarterly growth, pp)



Sources: Insee, Crédit Agricole S.A.

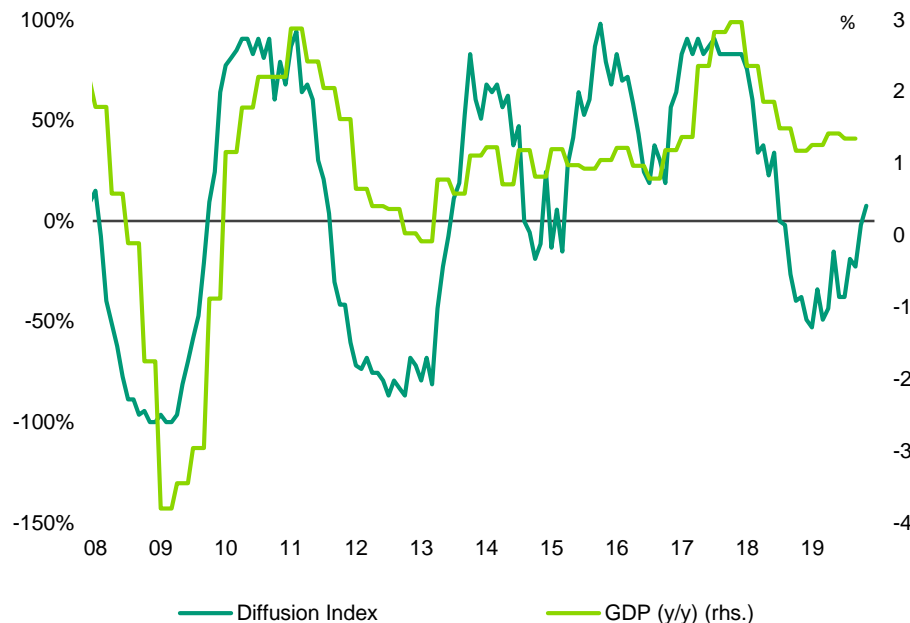
In Q3 2019, GDP grew by 0.3% in volume terms quarter-on-quarter, a similar pace to the previous two quarters.

Corporate investment was particularly buoyant at +1.4% (after +1.1% in Q2) and the main contributor to growth in Q3, equal to that of household consumption.

Household consumption accelerated to +0.4% in Q3, after +0.2% in Q2, in connection with the recovery of purchasing power gains over the quarter. The saving rate also rose to 14.8% after 14.6%.

Imports saw a big upturn (+0.7% in Q3 after -0.3% in Q2) while exports shrank slightly for the second quarter in a row, due to the recession in the

Growth and diffusion index



Sources: Insee, Crédit Agricole S.A.

manufacturing sector. Trade therefore cut 0.4 points from Q3 growth.

The diffusion index* grew over the past few months and returned to positive territory. It reaffirmed its renewed growth after the low point reached in early 2019. Moreover, in November, only 47% of the variables that make up our diffusion index are at lower levels than last year, compared to 57% three months earlier.

* This index aggregates the direction of change (positive or negative) over one year of a set of survey data (INSEE, BdF, European Commission, PMI) and hard data (GDP, consumption, unemployment, etc.). It ranges between -100% and +100% and provides an indication of the overall direction of the economy. For instance, at +100%, all the variables are trending in a positive direction.

RECENT TRENDS IN ACTIVITY

THE BUSINESS CLIMATE REMAINS FAVOURABLE

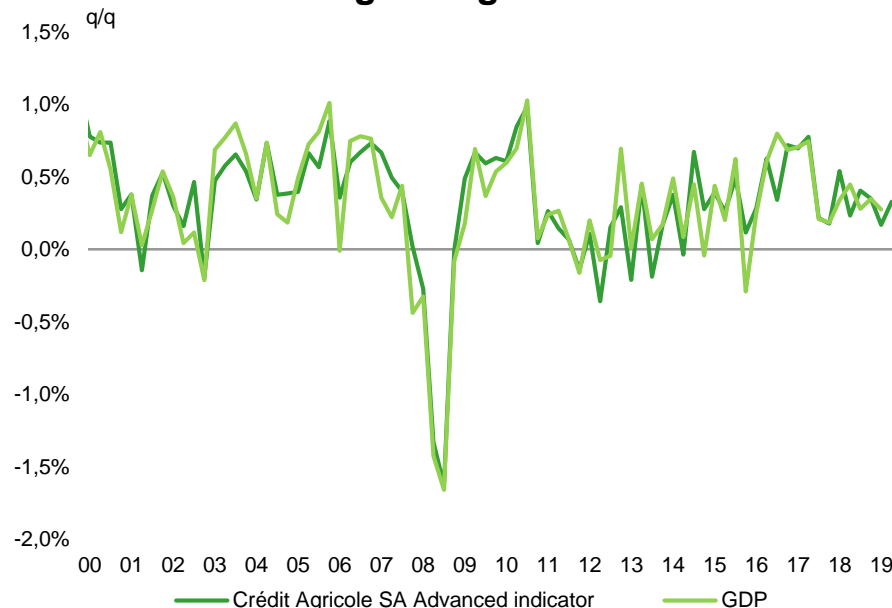
Insee Business Climate Index



Sources: Insee, Crédit Agricole S.A.

The business climate has been generally stable since April. It stands at 106 in December. Much like the economy, business climate is supported by domestic demand. Looking at each sector, the business climate is particularly high in services (107), retail trade (108), and construction, where it now has been over 110 for a year. In the industrial sector, which is more affected by global demand, the business climate is at 102. This level remains higher than its long-term average, and the disconnect between industry and services seems to have stabilized. Additionally, the contraction in industrial activity in Q2 and Q3 has not spread to other sectors. The business climate in industry also remains higher than in other European countries, especially Germany. Although the smaller role of industry in the French economy and its reduced openness to global value chains hurt the

Leading GDP growth indicator



Sources: Insee, Crédit Agricole S.A.

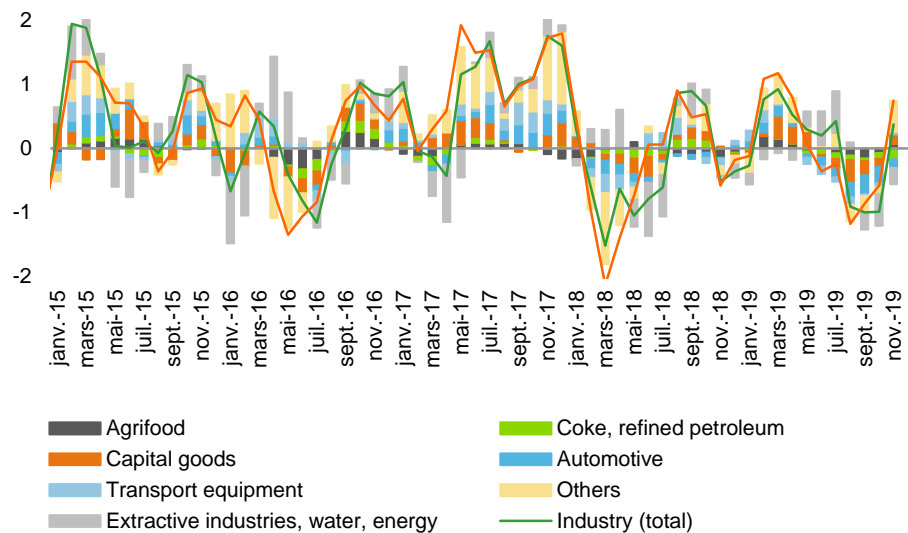
economy during an economic expansion, they allow it to be more resilient than that of our neighbours during a slowdown.

At 106, the INSEE indicator suggests GDP growth in Q4 of 0.5% and is therefore particularly optimistic. Meanwhile, our leading indicator (calculated using hard and survey data on the business climate) is in line with GDP growth of 0.3% in Q4, a steady pace compared to the previous quarters. Our growth forecast for Q4 (0.3%) is therefore aligned with the level of our leading indicator. A downward risk on growth in Q4 and potentially Q1 nonetheless exists. As mentioned in our focus, the protests against pension reform could drag down consumption.

RECENT TRENDS IN ACTIVITY

FAIRLY POSITIVE DATA FOR Q4

Manufacturing production, growth and contributions (3m/3m, pp and %)

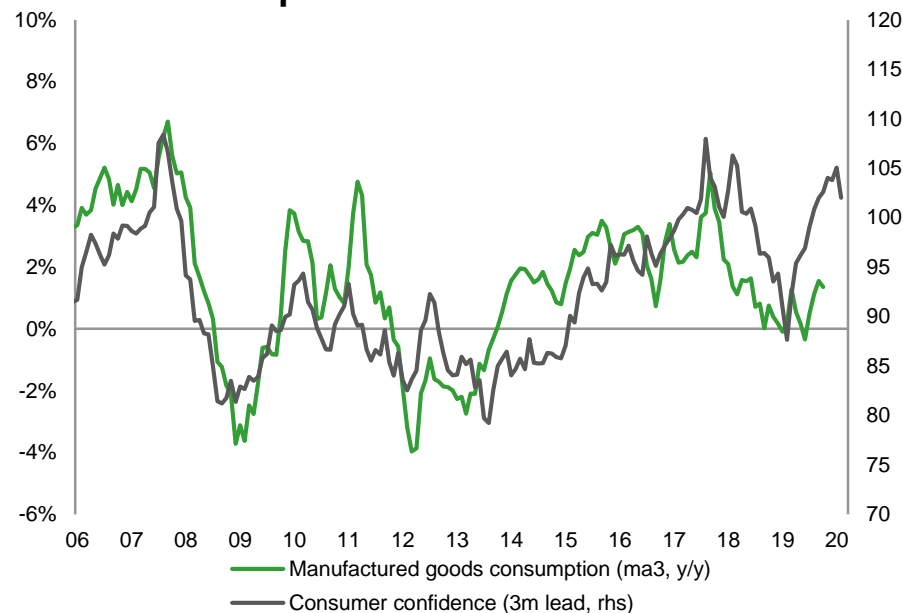


Sources: Insee, Crédit Agricole S.A.

Data are in chained volumes and weights are fixed, the sum of contributions can slightly differ from aggregate growth.

Manufacturing output contracted for the second quarter in a row in Q3 (-1%) but shows signs of improvement. It substantially grew during September (+0.8% month-to-month) and October (+0.6%) before nearly holding steady in November (-0.1%). The carry-over for Q4 is therefore at 0.8% in the manufacturing industry and 0.7% across all industry based on October and November data. Unless December shows an unlikely decline of more than 2.5% in production, manufacturing production will therefore have grown in Q4. Current levels of business cycle surveys in industry, however, are more cautious, and seem in line with stable activity. Production level changes over the months ahead will therefore need to be monitored before we can confirm a lasting recovery in the sector.

Consumption and consumer confidence



Sources: Insee, Crédit Agricole S.A.

Household goods consumption rose slightly in Q4. In October and November, household consumption grew by 0.2% and 0.1%, respectively, resulting in 0.2% growth for Q4. After growing by 0.4% in Q3, household goods consumption seems to have slowed. Drilling down, however, we notice that this decline is mostly due to decreased energy consumption, while growth in the consumption of manufactured goods (which is less volatile than energy and food consumption) is more favourable, at 0.4%. Furthermore, the current level of household confidence shows a potential for accelerating growth in consumption. However, a temporary negative effect due to the strikes against the pension reform could hurt consumption in December/January. Indeed, household confidence declined in December for the first time since the yellow vests unrest.

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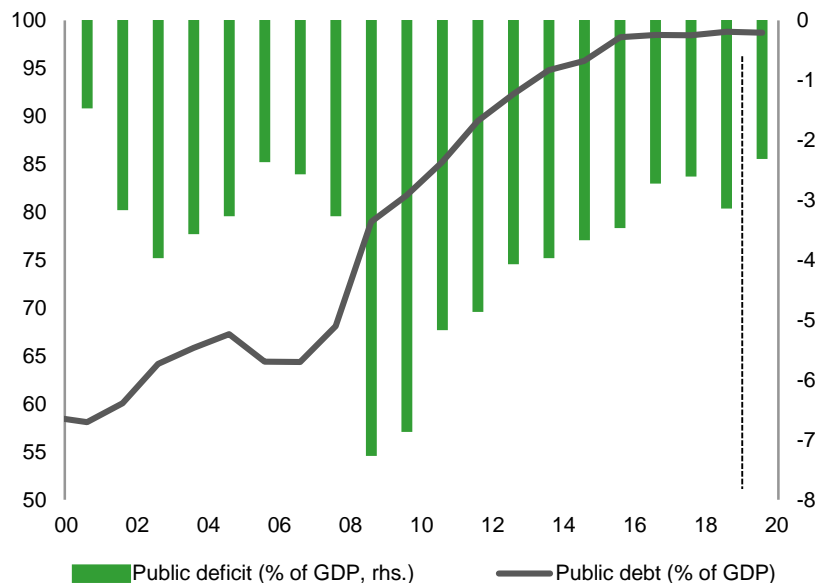
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OUR SCENARIO FOR 2020-2021

PUBLIC FINANCES

Public finances



Sources: INSEE, PLF 2020, Crédit agricole SA / ECO

The public deficit is expected to be much smaller in 2020, dropping from 3.1% to 2.2% of GDP. This reduction can be attributed largely to the disappearance of the effect of the switch-over from the CICE tax credit to a reduction in payroll charges (recorded in “one-off and temporary measures”). Excluding this effect, there is projected to be a very slight reduction in the public deficit, of 0.1% of GDP. The public debt to GDP ratio is expected to be slightly down in 2020, to 98.6% compared to 98.8% at the end of 2019.

For the second year in a row, tax measures will mostly benefit consumers in 2020. The revision of the income tax scale and the second phase of the housing tax cancellation represent savings of about €9 billion for households.

The measures to help businesses are more limited and represent savings of only €1 billion. This is because some household support measures were

Main measures of the 2020 Finance Bill (€bn)

For households:

Cut in income tax	-5
Abolition of housing tax	-3.7
Tax exemption on overtime	-0.8
Other measures (including an increase in the tax on tobacco)	0.2
Total	-9.3

For companies:

Decline in the corporate tax rate	-2.5
Other measures (closing of tax loopholes, etc.)	1.5
Total	-1

Sources: PLF 2020, Crédit agricole SA / ECO

financed by lower measures in favour of businesses, with one example being the partial postponement of the corporate income tax cut, which will be enacted more gradually. Nonetheless, supply-boosting measures remain on the agenda, as the government is expected to unveil its “2025 Production Pact” in early 2020.

Overall, fiscal supports for households and businesses will account for about €10 billion in 2020, or 0.4 points of GDP.

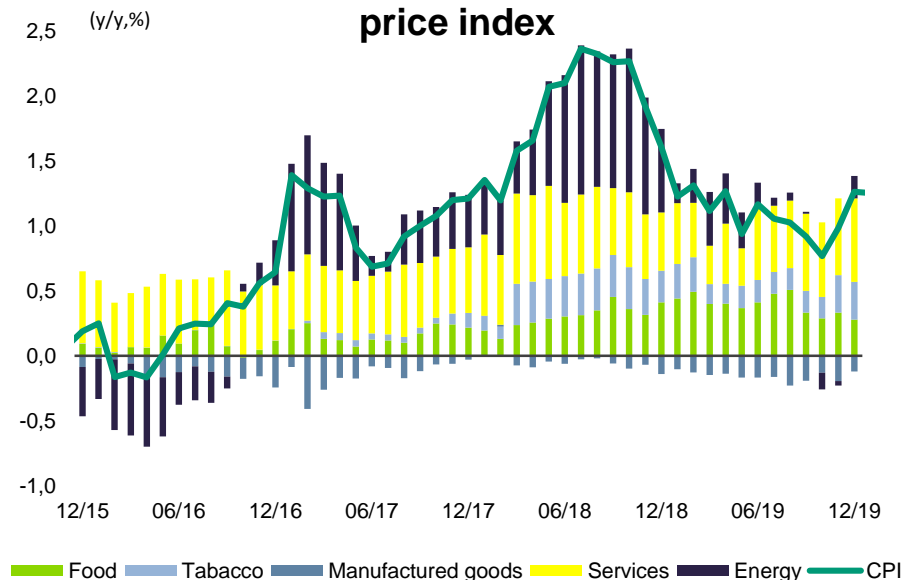
Savings on spending will be facilitated by the decrease in debt load due to the decline in interest rates. Efforts to control health insurance spending growth and public action reforms undertaken in recent years (calculation of housing benefit, public audiovisual sector, etc.) will supplement these savings.

OUR SCENARIO FOR 2020-2021

CONSUMER PRICES

Inflation should remain subdued. After averaging +1.1% in 2019, it is expected to remain stable in 2020 (+1.1%) and drop a little in 2021 (+1.0%) (Insee definition, headline inflation).

Contributions to changes in the consumer price index

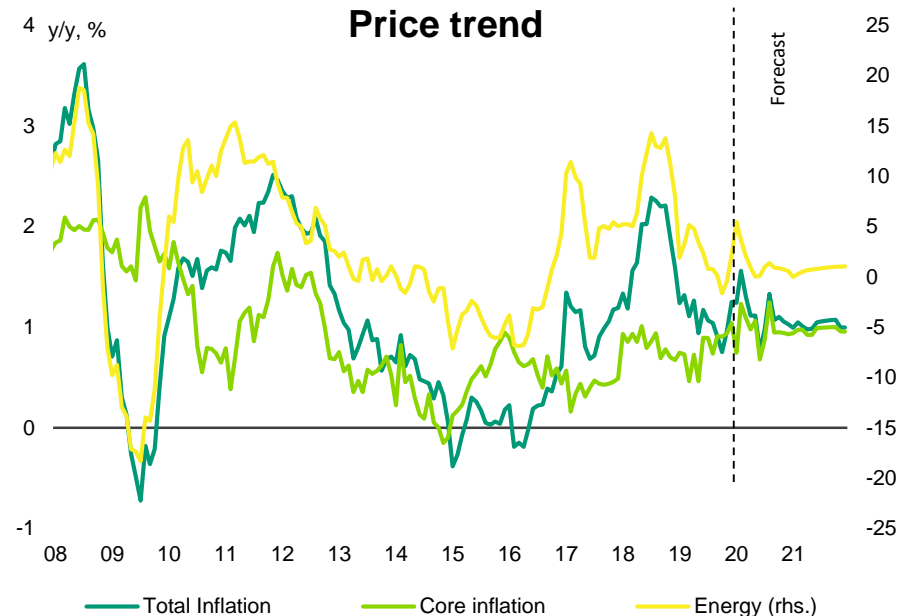


Sources: Insee, Crédit Agricole S.A.

Inflation was up again in late 2019, driven by base effects on energy prices. The price of a barrel of Brent crude approached the \$70 mark in late December, whereas it fell to \$56 in late 2018. According to our estimates, a lasting 10% increase in oil prices leads to a 0.3point increase in inflation and may affect energy consumption. Inflation therefore hit 1.4% in December but could fall back down to around 1.1% year-on-year by the end of winter.

Year-on-year inflation in 2020 is expected to be stable at 1.1%. Additionally, although volatility in energy prices may cause a temporary uptick in inflation, core inflation (which excludes food and energy prices) remains low

Price trend



Sources: Insee, Crédit Agricole S.A.

at around 1.0%, a pace expected to be stable on average in 2020.

Drilling down, price increases in services are expected to bolster core inflation, while the price of manufactured products should continue its decline although at a slower pace. In particular, in health care, the full reimbursement of eyeglasses and dentures is likely to lead to lower prices for health goods.

The lasting effects of the reforms to lower labour costs, and a moderate increase in wages despite significant job creation, have also mitigated the effects on prices of the increase in demand enabled by the recent purchasing power gains .

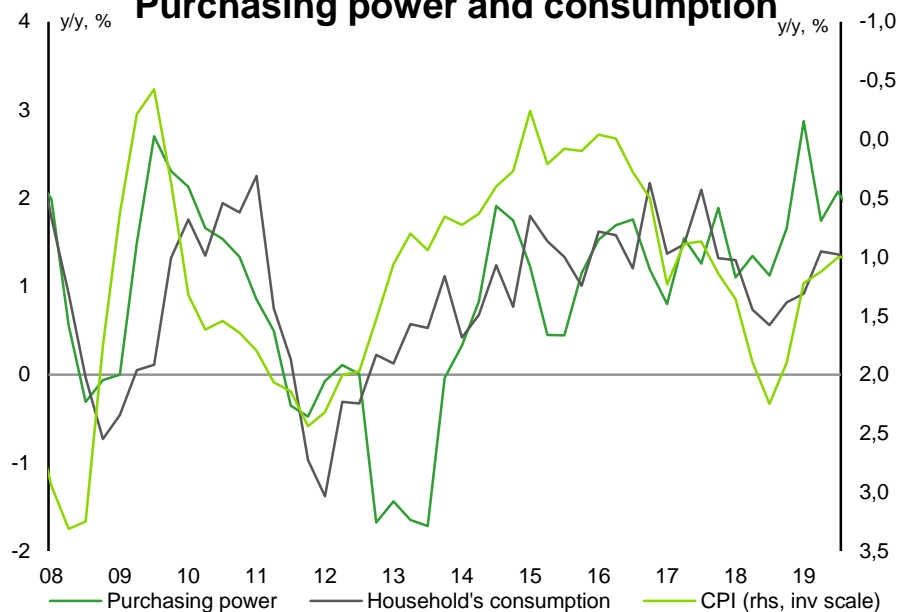
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OUR SCENARIO FOR 2020-2021

HOUSEHOLD CONSUMPTION

Supported by greater purchasing power, growth in household consumption looks set to accelerate in 2020 and 2021 (+1.4% and +1.3%, respectively) after +1.2% in 2019.

Purchasing power and consumption

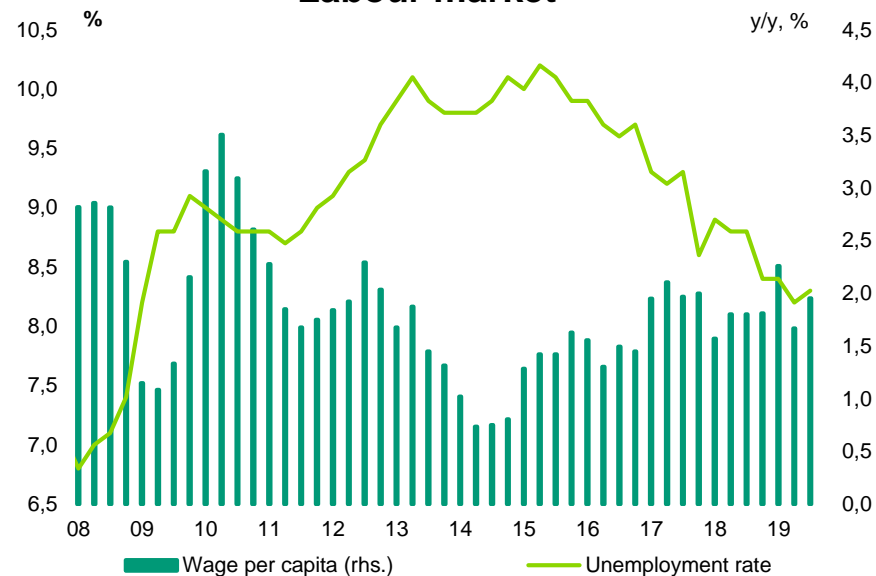


Sources: Insee, Crédit Agricole S.A.

Purchasing power should remain dynamic while slowing to +1,5% in 2020 after +2,1% in 2019. For the second year in a row, household purchasing power will be supported by fiscal policy and subdued inflation. In 2020, the tax cuts for households will amount to more than €9 billion with, first and foremost, a decline of €5 billion due to the review of the income tax schedule. Meanwhile, the second phase of the abolition of the housing tax will generate savings of €3.7 billion for households.

Thus, the potential for household consumption to accelerate appears obvious. Household confidence is very high, and has been on an upward trend in recent months. The share of households that believe the time is right to make significant purchases is also growing, confirming the current

Labour market



Sources: Insee, Crédit Agricole S.A.

optimism of consumers. The saving rate is expected to stabilize at high levels around 15% in the first half of 2020 and could slightly decrease at the end of the year.

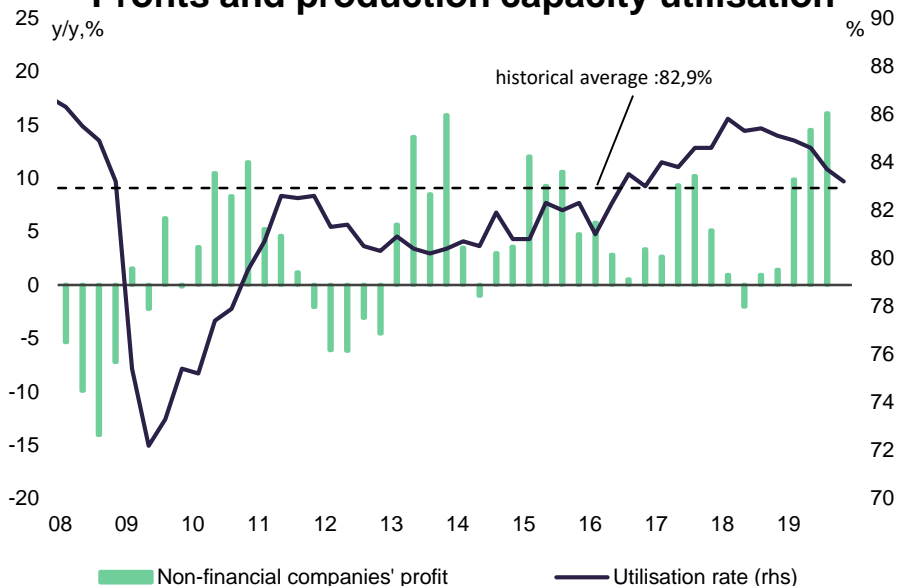
On the other hand, job creations are likely slow down after more than 260,000 net jobs created in 2019, but should remain strong enough for the unemployment rate to continue to drop. It is expected to reach 8.0% on average in 2020 after 8.3% in 2019. Without any boost from the revaluation of the minimum wage, but supported by the special tax-free bonus (for businesses with a profit-sharing agreement), the average nominal wage per capita is expected to grow by 1.8% in 2020 after 2.0% in 2019.

OUR SCENARIO FOR 2020-2021

CORPORATE INVESTMENT

Corporate investment is expected to greatly increase in 2019 (+3.9%); it could slow down but should remain dynamic at +2.6% in 2020.

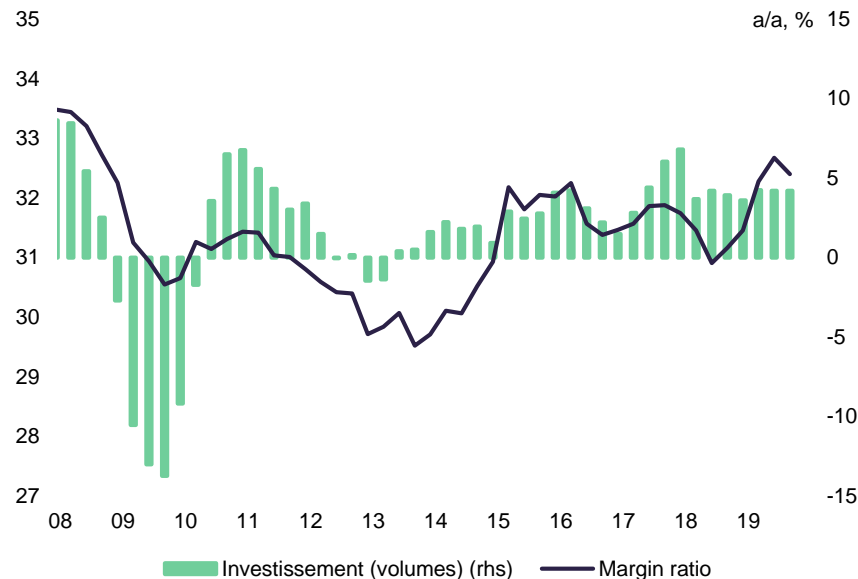
Profits and production capacity utilisation



Sources: Insee, Crédit Agricole S.A.

The productive capacity utilization rate continues to fall but was still above its historical average in the third quarter of 2019. This decline is logical, given the contraction in activity within the sector. Nonetheless, although pressures in productive capacity are slightly down, they remain present. Business leaders continue to face supply difficulties, while the consensus regarding demand difficulties remains stable and much lower than its historical average owing to the strength of consumption. Strong profits (partially due to the dual accounting effect of the conversion of the CICE tax credit to a cut in payroll contributions) also helped corporate investment in 2019.

Investment and margins



Sources: Insee, Crédit Agricole S.A.

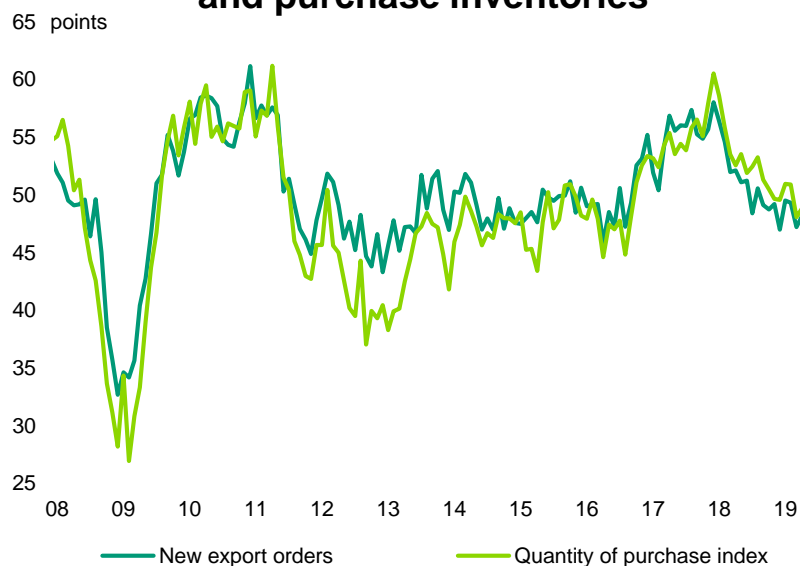
Profit margins are expected to decline in early 2020 with the end of the CICE transition. Investment is also expected to slow after having been particularly strong in 2018 (+3.9% for non-financial companies) and 2019 (+4.0% for those companies, per our latest forecasts). Nonetheless, companies are still expected to profit from low interest rates, and corporate investment is likely to grow 2.6% in 2020, driven by investment and services, while investment in construction is likely to be disrupted by the municipal elections in the first half of the year.

OUR SCENARIO FOR 2020-2021

FOREIGN TRADE

The contribution of foreign trade is expected to be negative in 2019 and 2020, neutral in 2021.

PMIs: export orders and purchase inventories

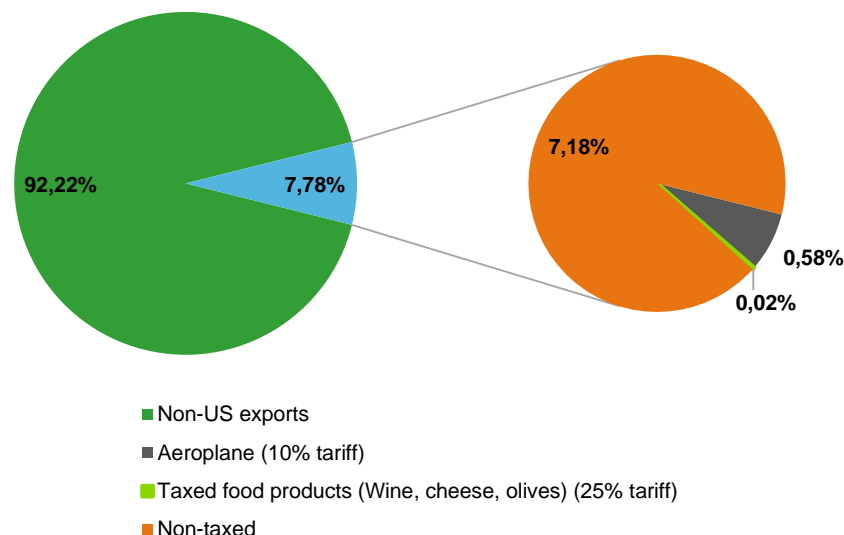


Sources: Insee, Crédit Agricole S.A.

Although deliveries of large contracts late in the year marked a one-time positive contribution of foreign trade to growth in 2018, France's trade balance is expected to drag down growth by 0.2 points of GDP in 2019. In 2020, the negative impact of foreign trade on GDP growth is expected to be 0.3 points. Indeed, strong internal demand will support imports, which are likely to grow 2.3% in 2020 after 2.5% in 2019, while the slowdown in global demand is hurting exports (+1.6% in 2020 and +2.0% in 2019). However, France remains less affected than its neighbours by international uncertainties, as shown by the relative stability of export orders in recent months.

Despite a phase one deal between China and the United States, and less

**French exports to the US
(% of french total exports in 2018)**



Sources: Direction générale des douanes, Crédit Agricole S.A.

uncertainty (at least initially) regarding Brexit due to the landslide victory of the Conservatives in December's elections, global demand is not expected to substantially rebound. France's market share in global trade is likely to remain stable, with exports increasing at a similar pace to that of world demand for French products.

Furthermore, the impact of the tariffs imposed by the United States on European exports in October is still low, although major sectors like aeronautics were targeted.

If there is an escalation, certain sectors which export a large share of their production to the United States could be more deeply affected.

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Un équilibre délicat

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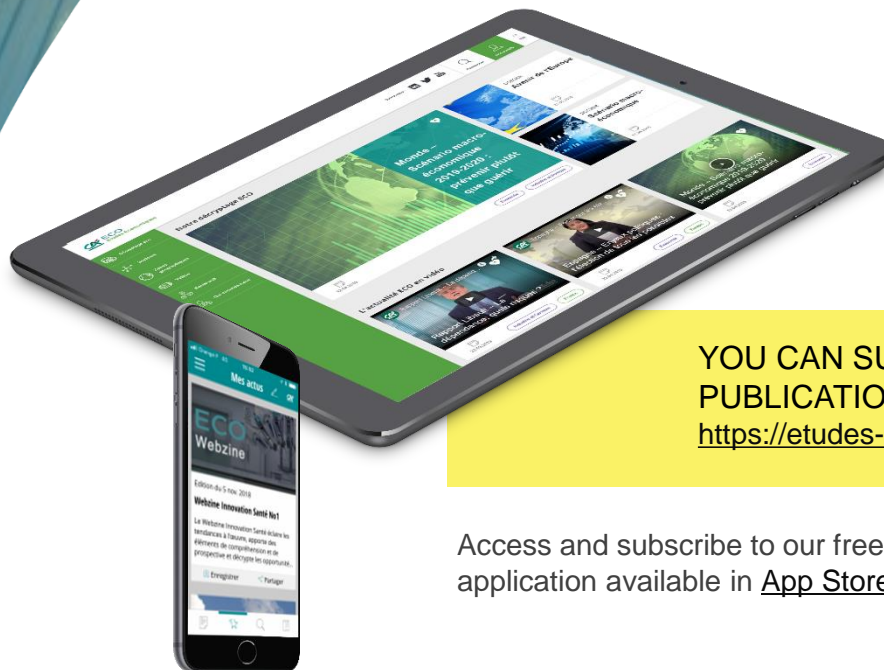
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