EUROZONE
2024-2025 SCENARIO

FOCUS SHIFTS FROM INFLATION TO GROWTH

April 2024

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WORKING EVERY DAY IN YOUR INTEREST AND FOR SOCIETY

GROUP ECONOMIC RESEARCH

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FOCUS SHIFTS FROM INFLATION TO GROWTH OVERVIEW

Scenario highlights

- **Further disinflation confirmed**
- **Expectations of monetary easing are firmly anchored**
- **The labour market is resilient and firms have retained employees in the face of the economic slowdown**

- **Doubts about industry's ability to rebound**
- **Manufacturing engine affected by higher energy prices**
- **Weak global demand and loss of competitiveness limit the contribution of the external engine**

	2022	2023	2024	2025
GDP y/y. %	3.4	0.5	0.8	1.4
Domestic demand contribution to GDP. pps	3.2	0.8	1.2	1.4
Private consumption y/y. %	4.2	0.6	1.1	1.5
Investment y/y. %	2.6	1.4	1.3	2.0
Inventories contribution to GDP. pps	0.4	-0.4	-0.1	0.0
Net exports contribution to GDP. pps	0.0	0.2	-0.2	0.1
Inflation y/y. %	8.4	5.4	2.6	2.1
Unemployment rate %	6.7	6.5	6.7	6.5
Fiscal balance % of GDP	-3.7	-4.0	-3.1	-2.7

Last observations: 2023.
Sources: Eurostat. Crédit Agricole S.A./ECO calculations and forecasts

The disinflationary process is well underway and expectations of monetary loosening are well anchored. so attention is now shifting to the outlook for growth in the Eurozone economy in an environment that should be 'normalised' by the end of our forecast horizon.

It is thanks to the resilience of the labour market and a weaker than usual pass-through from the rise in key rates onto credit conditions that we are forecasting a recovery in spending by private domestic agents. This leads us to build a cautiously optimistic scenario. which translates into **GDP growth of 0.7% in 2024 and 1.5% in 2025.**

While there is relative confidence in the short-term scenario. there are still doubts in the longer term: questions remain about the growth permitted by the new configuration of interest rates and inflation. and about the definitive nature of this new monetary normality. In addition. the negative competitiveness shock linked to the war in Ukraine may have more permanently 'damaged' the region's growth potential. The fact that the German economy is lagging behind the other economies in the zone is a confirmation of such a weakness that will persist over the forecast horizon. The hierarchy between a more dynamic periphery than the centre is not called into question in the medium term.

Completed on 09/04/2024

THE OUTLOOK AT A GLANCE

FOCUS SHIFTS FROM INFLATION TO GROWTH

The disinflationary process is well underway and it is the pillar of the Eurozone economic outlook translating into **GDP growing at the pace of 0.7% in 2024 and 1.5% in 2025.**

Uncertainties on the disinflationary process having been lifted. **expectations of monetary loosening before the summer are well anchored.**

However. the impact of past monetary tightening. cumulated with the cost push generated by the war in Ukraine is weighing on the post-pandemic normalisation of growth bending its trend. Attention is now shifting to the outlook for growth in the Eurozone economy in an environment that should be 'normalised' by the end of our forecast horizon.

GDP growth in the Eurozone slowed sharply from a yearly pace of 5.4% at the end of 2021 to 0% end-2023. We can see the glass half full and note that. since the outbreak of war in Ukraine and the two shocks that followed (inflationary surge and "extraordinary" monetary restriction). the region's economy has not collapsed. In fact. it grew by 1.3%. However. these gains were made mainly before the summer of 2022; since then. spending by private agents has grown little or not at all. Private spending on goods (consumption and investment) has slowed sharply. or even fallen. and given the weakness of the industrial sector. only spending on services has avoided a reversal in growth. We anticipate a rotation in spending from services to goods. which should stimulate trade. manufacturing and investment. It is therefore a **recovery first in consumption and then in investment that will enable GDP growth to recover.**

Although private consumption data for the fourth quarter of 2023 have not confirmed our scenario of a recovery in household consumption. based on growth in purcha-sing power. our scenario nevertheless maintains its assumption of a recovery in **household consumption**. This assumption is based on continued gains in purchasing power. thanks to wage growth per worker at a higher rate (4% in 2024 and 3% in 2025) than inflation (2.6% and 2.1% respectively).

Investment suffered from weaker demand and more expensive financing conditions. The more robust recovery in activity. expected in the second half of 2024. should nevertheless support the recovery in productivity. Investment should remain sluggish throughout the first half of 2024. held back by the housing component. It should then pick up gradually as financial conditions ease and demand improves.

After the trough of 2023. foreign demand addressed to the Eurozone is expected to accelerate : **exports** are nevertheless likely to 'skid' as a result of the Eurozone economy's loss of competitiveness. This is due less to the rise in unit labour costs than to the rise in energy costs.

While the decline in inflation appears to be on a trajectory consistent with the central bank's target. it remains to be seen whether employees and firms will fully recover their wages and profits in real terms. Were that the case there would be a **risk** that this downside trajectory in inflation could be derailed.

The materialisation of this risk is not retained in our central scenario. but the price level itself poses a problem. Prices are much higher than at the start of the decade. particularly for energy inputs. compared with the region's main competitors. It is therefore a permanent price shock that raises serious questions about the potential for recovery in the manufacturing engine. but also about the destruction of production capacity that it could entail.

THE OUTLOOK AT A GLANCE

A LACKLUSTRE INTERNATIONAL ENVIRONMENT. BUT WIDESPREAD MONETARY NORMALISATION

The international environment in which the Eurozone operates is unlikely to be very favourable: a moderate slowdown and very modest reflation in China. with Chinese growth declining from 5.2% in 2023 to 4.4% in 2024; emerging countries on a stable growth trend. at 3.7% in 2024; a decline in growth in the United States between 2024 and 2025. from a rate of 1.8% in 2024 to just 0.4% in 2025. after 2.5% in 2023.

The Fed could begin its cautious monetary easing with an initial cut of 25 basis points in its key rates in July 2024. After a further 25 basis point cut in November. the upper limit would be lowered to 5% by the end of the year. The Fed could step up the pace of its cuts in 2025. lowering the upper limit to 3.50%.

The ECB would begin a gradual monetary loosening from June onwards. cutting rates by 75 basis points in 2024. then doing the same in 2025 and lowering the deposit rate to 2.50%.

Monetary easing in sight. the prospect of a 'mild' recession in the United States at the very end of the year. and the US elections all argue in favour of a slight underperformance by the dollar against the G10 currencies (with the notable exception of the euro). followed by a recovery in the fourth quarter.

Greater control of the oil market by OPEC+ and a gradual rise in the price of oil over the coming quarters would push the price of Brent crude to an annual average of $85 a barrel in 2024 and $88 in 2025.

International environment assumptions

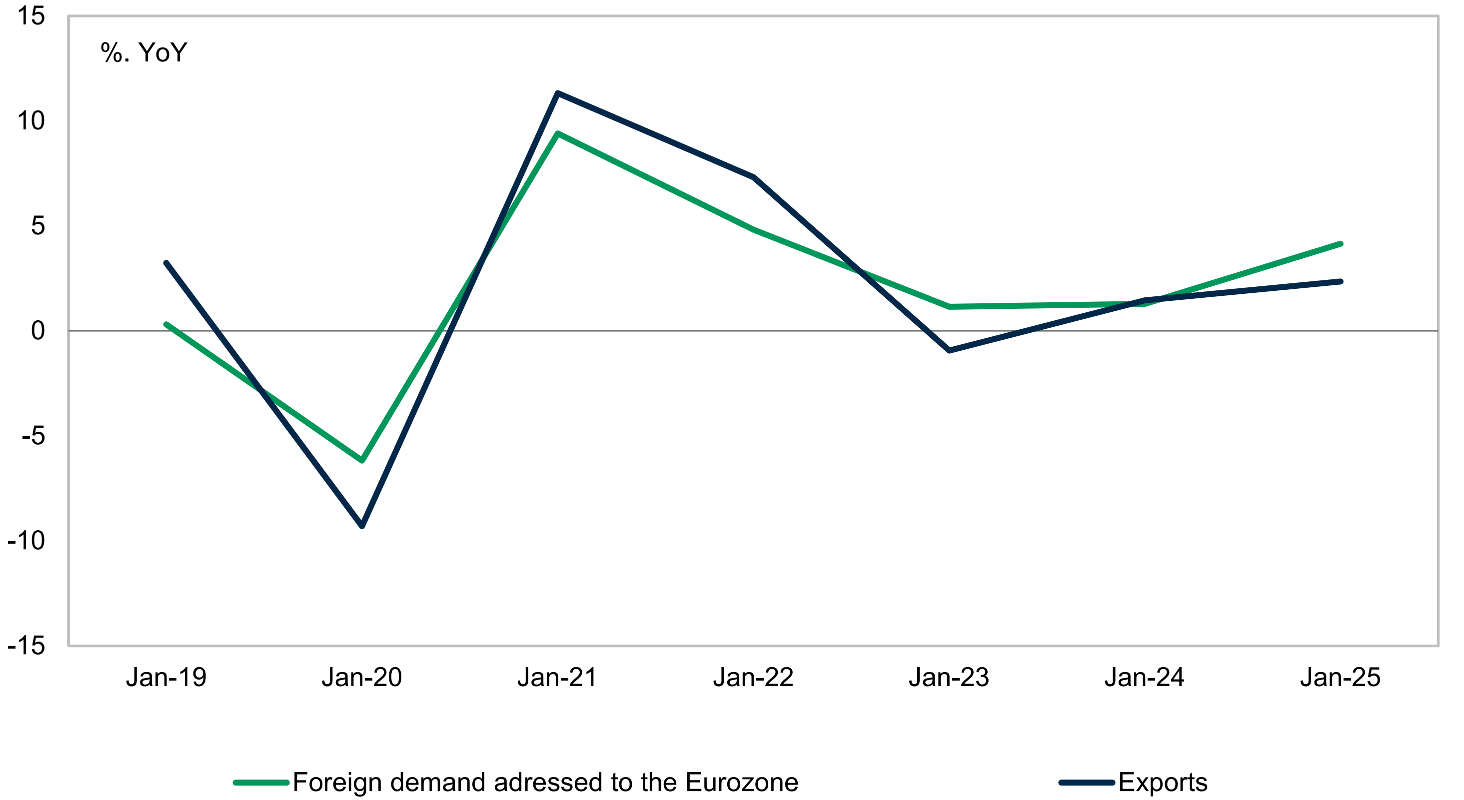
	2022	2023	2024	2025	2022				2023				2024				2025			
					T1	T2	T3	T4	T1	T2	T3	T4	T1	T2	T3	T4	T1	T2	T3	T4
World GDP y/y. q/q. %	3.5	2.8	2.6	2.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
United States GDP y/y. q/q. %	1.9	2.5	1.8	0.4	-2.0	-0.6	2.7	2.6	2.2	2.1	4.9	3.2	1.5	1.1	0.5	-0.8	-0.5	1.1	1.4	2.0
China GDP y/y. q/q. %	3.0	5.2	4.4	4.2	0.6	-2.1	4.0	0.6	0.0	0.1	-0.1	-0.1	0.2	0.3	0.4	0.4	0.3	0.4	0.3	0.3
ECB refinancing rate end of period. %	2.50	4.50	3.40	2.65	0.00	0.00	1.25	2.50	3.50	4.00	4.50	4.50	4.50	4.25	3.65	3.40	3.15	2.90	2.65	2.65
Federal Reserve Funds rate end of period. %	4.50	5.50	5.00	3.50	0.50	2.50	3.25	4.50	5.00	5.50	5.50	5.50	5.50	5.50	5.25	5.00	4.50	4.00	3.50	3.50
Exchange rate average. EUR/USD	1.05	1.08	1.07	1.10	1.12	1.06	1.01	1.02	1.07	1.09	1.09	1.08	1.08	1.07	1.06	1.05	1.07	1.09	1.10	1.12
Brent average. USD/barrel	99	82	85	88	98	112	98	89	82	78	86	83	83	85	85	87	85	87	90	90

Last observations : Q4 2023
Sources: BAE.ECB. Eurostat. IMF. Refinitiv. Federal Reserve. forecast Crédit Agricole S.A./ECO

RECOVERY IN FOREIGN DEMAND

WITH SLOWER GROWTH IN EXPORTS THAN FOREIGN DEMAND

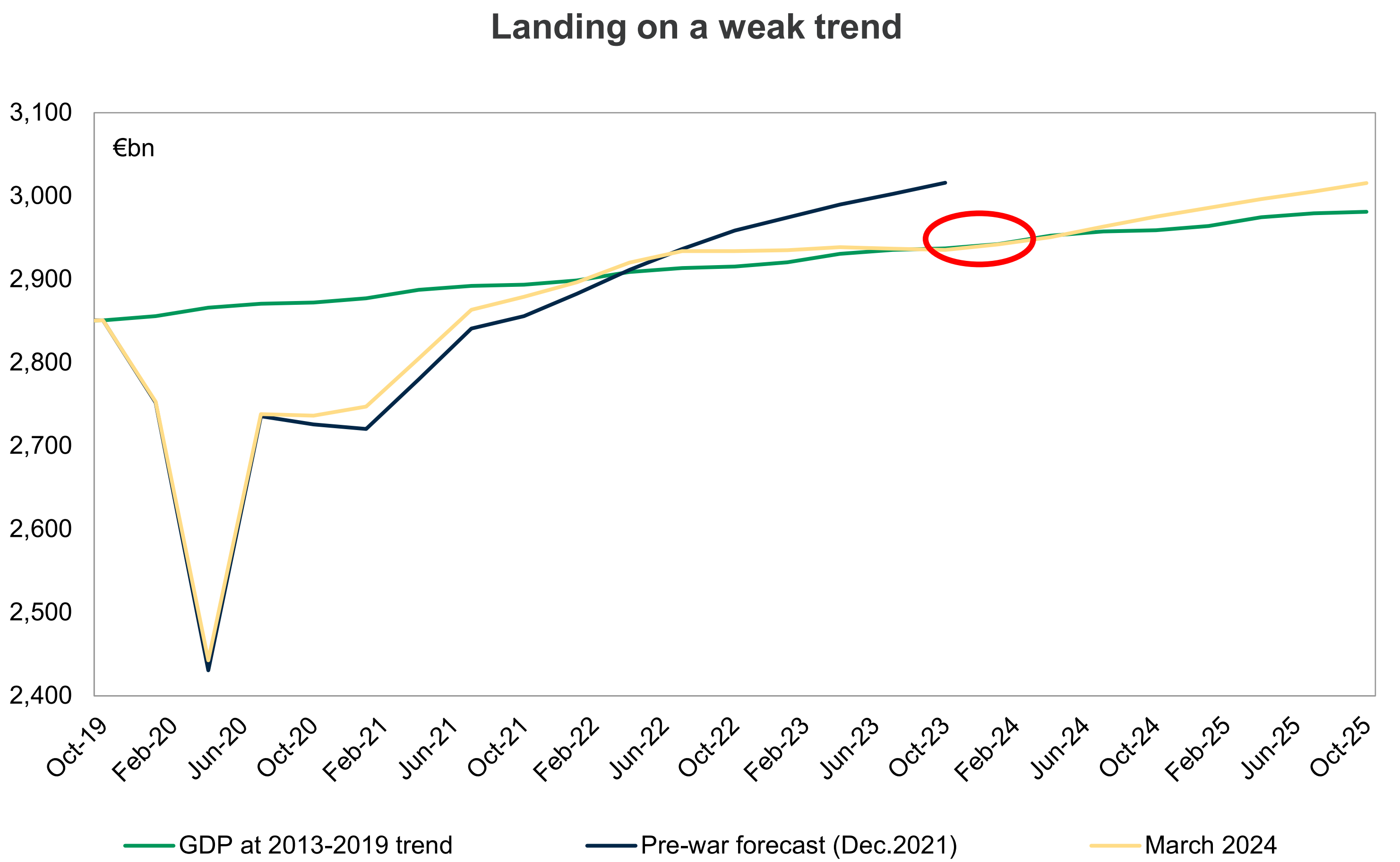
Loss of competitiveness and of market shares



Sources: Eurostat. Crédit Agricole S.A.

FOCUS SHIFTS FROM INFLATION TO GROWTH PROSPECTS

POTENTIAL GROWTH PERMANENTLY DETERIORATED?

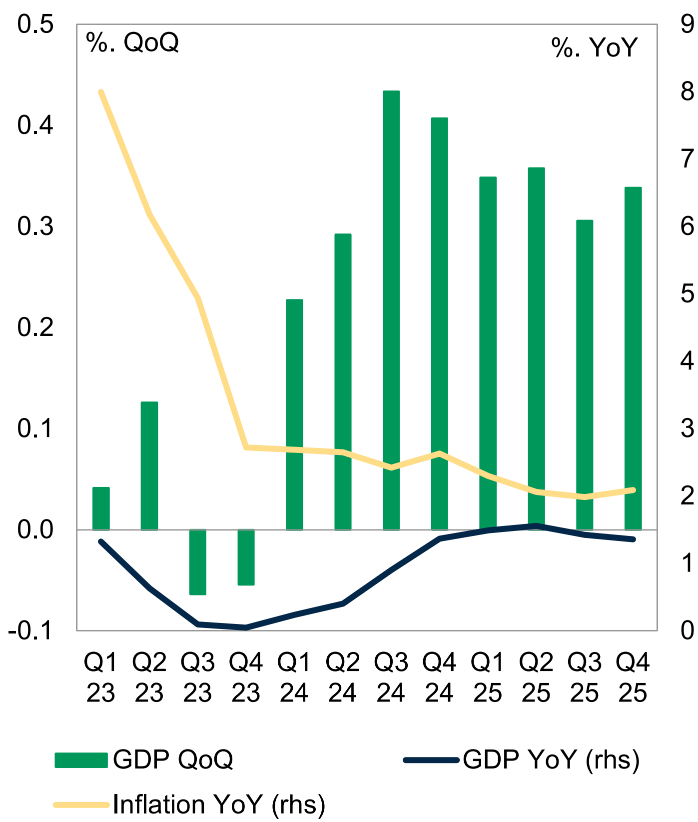


Sources: Eurostat. Crédit Agricole S.A.

A CAUTIOSLY OPTIMISTIC OUTLOOK

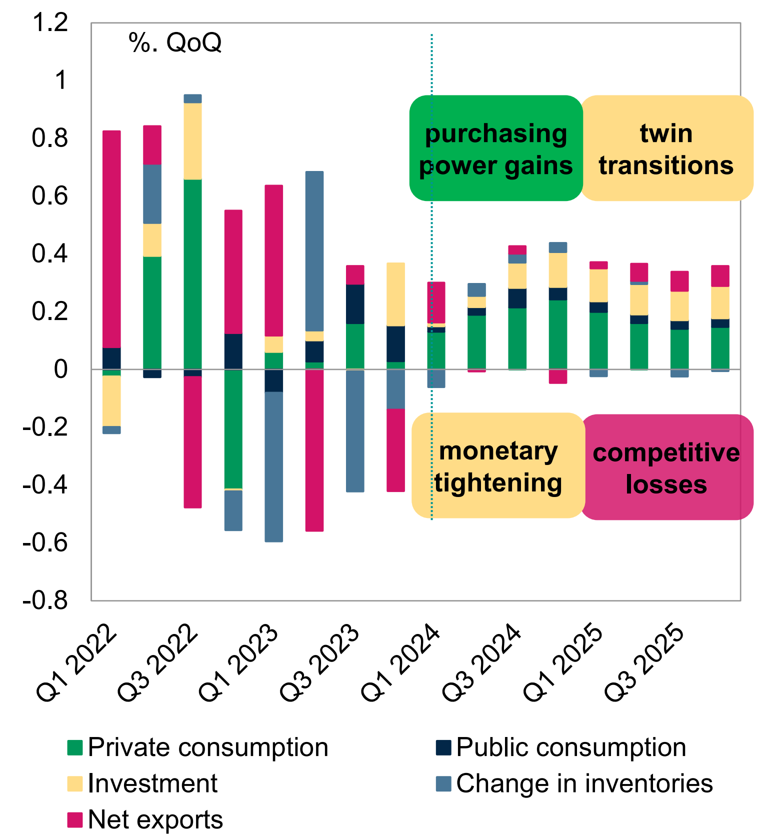
GDP GROWTH AT 0.7% IN 2024 AND 1.5% IN 2025

Recovery at H1 2024. then acceleration



Sources: Eurostat. Crédit Agricole S.A.

Contributions to GDP growth



Sources: Eurostat. Crédit Agricole S.A.

LATEST ECONOMIC NEWS

LANDING ON SLUGGISH GROWTH IN 2023

GDP growth in the Eurozone slowed sharply during 2022. putting the economy on a stagnation path from the end of 2022. **Growth was then sluggish throughout 2023**. with the average annual growth rate falling from 3.4% in 2022 to 0.5% in 2023. **In 2023. the contribution of domestic demand was divided by four compared with 2022**; firms responded to weak demand by destocking rather than producing. so that changes in inventories further dampened growth. from which they subtracted 0.4 percentage points. Foreign demand fell. but domestic demand for foreign goods receded even more: net exports therefore supported growth slightly.

After two quarters of slightly negative growth (-0.1% in Q3 and Q4 2024). this leaves a zero carry-over effect to average growth in 2024.

Short-term outlook clouded by industrial debacles

While the data from the various surveys over the last few months have provided us with positive surprises in the three major economies (the United States. China and the Eurozone) and sent out weak signals of a recovery in activity. the global manufacturing cycle remains fragile. In the Eurozone. the value added in the industrial sector fell sharply in 2023. making a negative contribution to GDP growth. This drag on growth was offset by the construction sector. which continued to post a sustained rate of growth. and by the continued expansion of services. despite the marked slowdown in retail trade. transport and accommodation and food services.

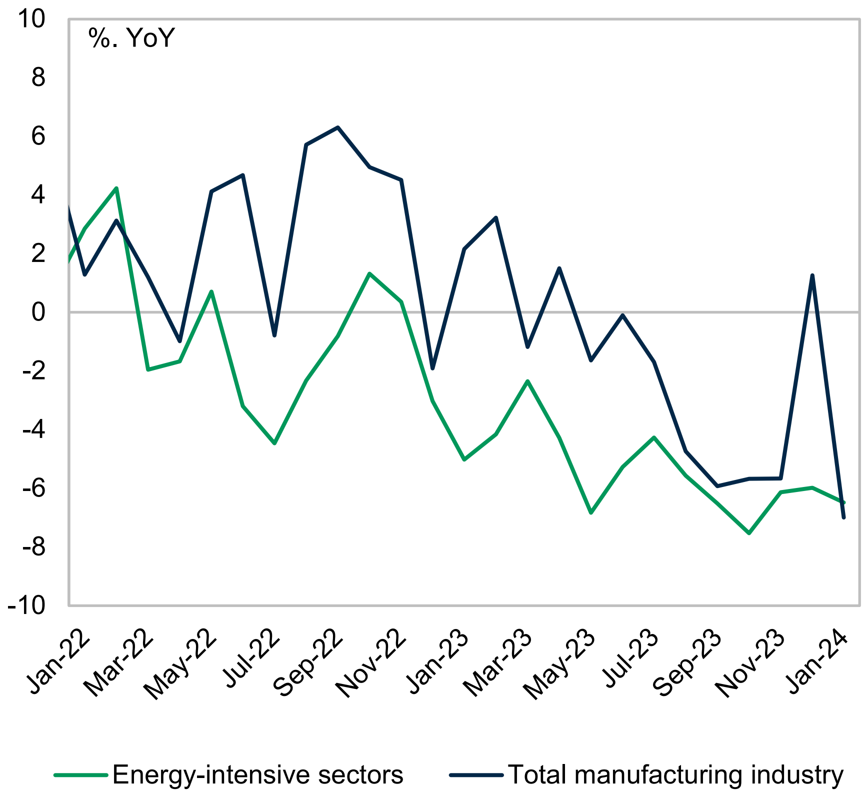
According to the European Commission's business survey. while confidence in industry has remained on a weakening trend since the summer of 2023. it recovered in March. While the PMI surveys of purchasing managers still show no expansion in manufacturing activity. they do point to a smaller fall in production levels. The two surveys also point to a better alignment between orders and inventories. which is likely to herald a recovery in production. The visibility conveyed by January's industrial production index is poor: its sharp fall (-3.2% over the month) comes after a rebound in December 2023. and it is particularly affected by the volatility of the Irish index. Lastly. down by 1.3% over the year in January. production in energy-intensive industries is not showing sign of recovery.

In the services sector. on the other hand. according to the PMI survey. activity increased in March for a second consecutive month. at the fastest pace since June 2023. The Commission's surveys confirm that. after deteriorating at the turn of the year. confidence is recovering and remains at a level above its long-term average. Moreover. the deterioration in confidence in the construction sector. which has been underway since the end of 2023. is said to have come to a halt in March. Weak demand is nevertheless increasingly perceived as a constraining factor by construction firms.

A PERMANENT SHOCK ON PRICES

WHICH POTENTIAL FOR RECOVERY OF THE MANUFACTURING ENGINE?

Industrial production weakened by energy-intensive sectors



Sources: Eurostat. Crédit Agricole S.A.

Electricity prices for firms

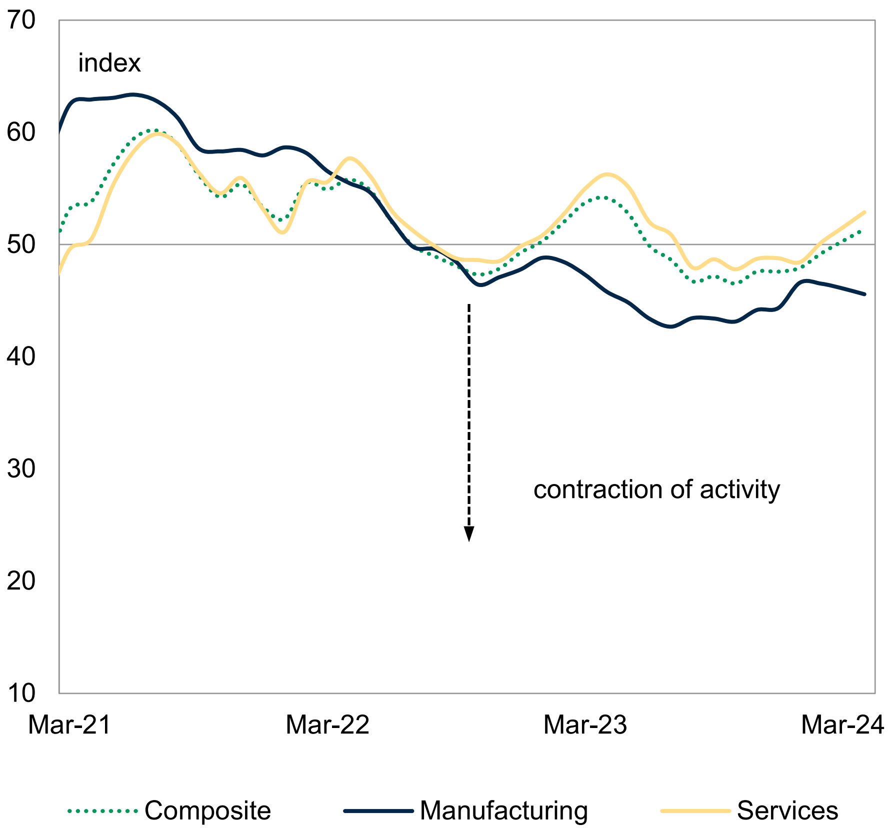
Consumption	Lower than 20 MWh		Higher than 150KMWh	
	2015-2021	H1 2023	2015-2021	H1 2023
Eurozone	0.25	0.36	0.08	0.17
Germany	0.28	0.39	0.12	0.21
France	0.19	0.31	0.06	0.10
Italy	0.32	0.42	0.09	0.20
Spain	0.30	0.28	0.08	0.13

Sources: Eurostat. Crédit Agricole S.A.

WEAK SIGNS OF RECOVERY OF ACTIVITY

BUT STILL NO EXPANSION IN INDUSTRY

PMI index of activity



Sources: S&P Global. Crédit Agricole S.A.

Industry: a more appropriate order-to-inventory ratio

Sources: S&P Global. Crédit Agricole S.A.

THE RECOVERY IN HOUSEHOLD CONSUMPTION HAS YET TO BE CONFIRMED. BUT REMAINS THE BASIS OF THE SCENARIO

The fourth quarter of 2023 failed to confirm our scenario of a recovery in household consumption. based on growth in purchasing power. Consumption barely grew by 0.1%. slowing compared with the third quarter of 2023 (+0.3%). However. the recovery in purchasing power has accelerated: the wage bill in real terms rose by 0.8% over the quarter (after 0.5% in Q3 2023); wages per head grew faster than inflation. and employment growth held steady at 0.3% over the quarter despite the weakening in activity.

Employment resilient to weakening activity

While the **unemployment rate has stabilized at 6.5%** since March 2023 and employment has held steady. growth in the total number of hours worked has remained moderate. Average hours worked since the end of 2022 are now 2% below their pre-pandemic level. *Post*-pandemic tensions in the labour market are likely to have led companies to hoard more labour than usual. resulting in unusually low average hours. Labour hoarding signalled by surveys is higher than pre-pandemic levels. As a result. the fall in the vacancy rate has not so far been accompanied by an increase in unemployment. Intuitively. firms would probably initially prefer to eliminate vacant positions. rather than make redundancies. when finding workers proves difficult. This behaviour of job demand justifies a very **limited and temporary rise in the unemployment rate to 6.7% in 2024. followed by a fall to 6.5% in 2025.**

Inflation down but in services

The fall in inflation continued to surprise on account of its speed (2.4% in March 2024). Disinflation was faster than expected in the energy (-1.8%). food (2.6%) and non-energy industrial goods (1.1%) sectors. Disinflation in the upstream sectors is now being rapidly transmitted to the downstream sectors and to retail prices. Energy. food and basic goods account for 55% of the HICP basket. and should continue to play a decisive downward role. The sectors furthest up the goods production chains are now experiencing less severe disinflation than a few months ago (the PPI producer price index for intermediate goods has stagnated on average over the past three months). but the repercussions of the previous falls on the downstream sectors will further reduce goods inflation. **Inflation in services remains high (4% since November 2023) and stronger than expected.** Apart from one-off price adjustments in January-February (insurance costs. regulated health services). the strength in leisure and hospitality services continues.

The expected end to the rotation of consumption from goods to services should result in a slowdown in demand for services and a reduction in pricing power. However. spending on services remains well above pre-pandemic levels. While the initial data for 2024 do not indicate a slowdown in demand for these services. wage dynamics in the leisure and accommodation/restaurant sectors have weakened considerably and should allow service inflation to fall very gradually in 2025 (to 2.7% after 3.4% in 2024). **We expect inflation to fall to 2.6% in 2024 and 2.1% in 2025.**

HOUSEHOLDS

THE RECOVERY IN HOUSEHOLD CONSUMPTION HAS YET TO BE CONFIRMED. BUT REMAINS THE BASIS OF THE SCENARIO

Household disposable income accelerated from 0.8% in Q3 2023 to 1.2% in Q4 2024. This rate is well above that of the HICP consumer price index. which rose by just 0.2% over the quarter. and that of the household consumption deflator. which fell by 0.5%. In real terms. household disposable income accelerated more. **As a result. the savings rate rose once again to 14.6%.** after 13.9% in Q3 2023. It remains well above the pre-pandemic average. Over the year. all the main components of household disposable income have reduced their contribution. including the wage bill. net property income and transfers. and mixed income. But the negative impact of taxes has also diminished. allowing income growth to remain sustained.

Our scenario nevertheless retains its assumption of a recovery in household consumption: an assumption that assumes continued gains in purchasing power thanks to wage-per-worker growth at a higher rate (4% in 2024 and 3% in 2025) than inflation (2.6% and 2.1% respectively). Growth in real disposable income and a fall in the savings rate would therefore support household spending. Consumers' confidence continues to recover. thanks to more favourable opinions about their past and future financial situation. less pessimistic expectations about the zone's economic situation. and better hiring prospects. Although consumers do not anticipate an increase in their main purchases. their savings intentions have stabilized.

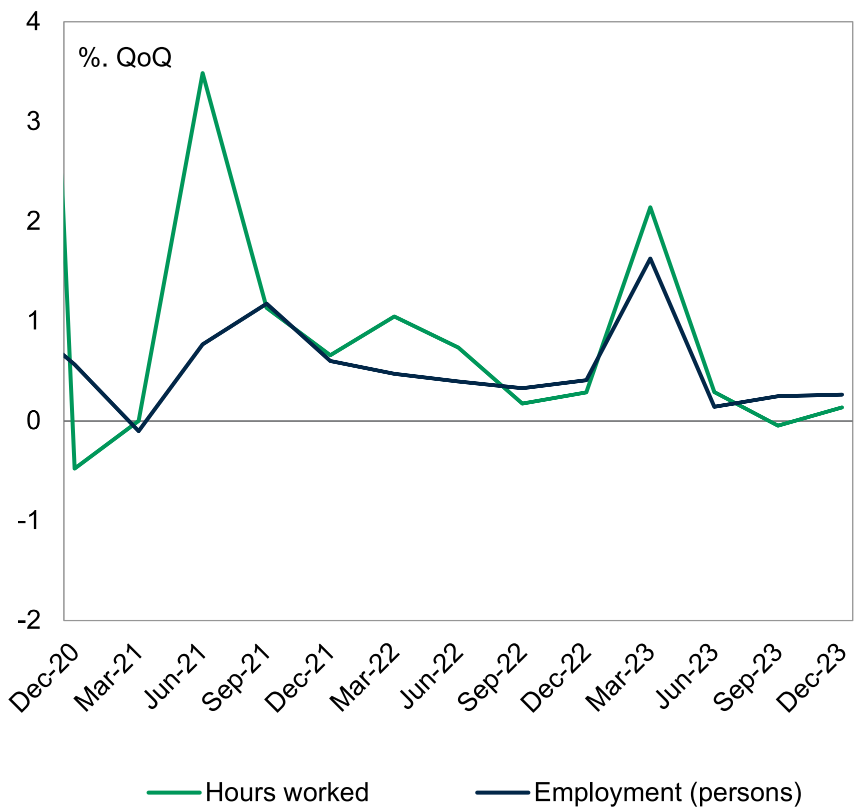
Household net lending (financial savings) improved further. rising from 4.4% of gross disposable income in Q3 2023 to 5% in Q4. This is the result of both the increase in savings and the fall in household investment. Household investment fell by 0.3% in value terms. pushing the investment rate further down to 9.7%. Household financial investment therefore continued to grow at the same rate. while household financing slowed sharply as a result of a lower rate of loan growth. Also supported by valuation gains. the rise in household financial wealth offset the increasingly marked fall in non-financial wealth (-2.5% year-on-year). and the increase in financial liabilities. enabling the growth rate of household net wealth to be maintained. Their debt ratio nevertheless fell over the year as a percentage of GDP. from 56.7% to 53.6%.

Growth in real disposable income and a fall in the savings ratio should therefore support household spending at a rate of 1.1% in 2024 and 1.5% in 2025. after 0.5% in 2023.

A RESILIENT LABOR MARKET

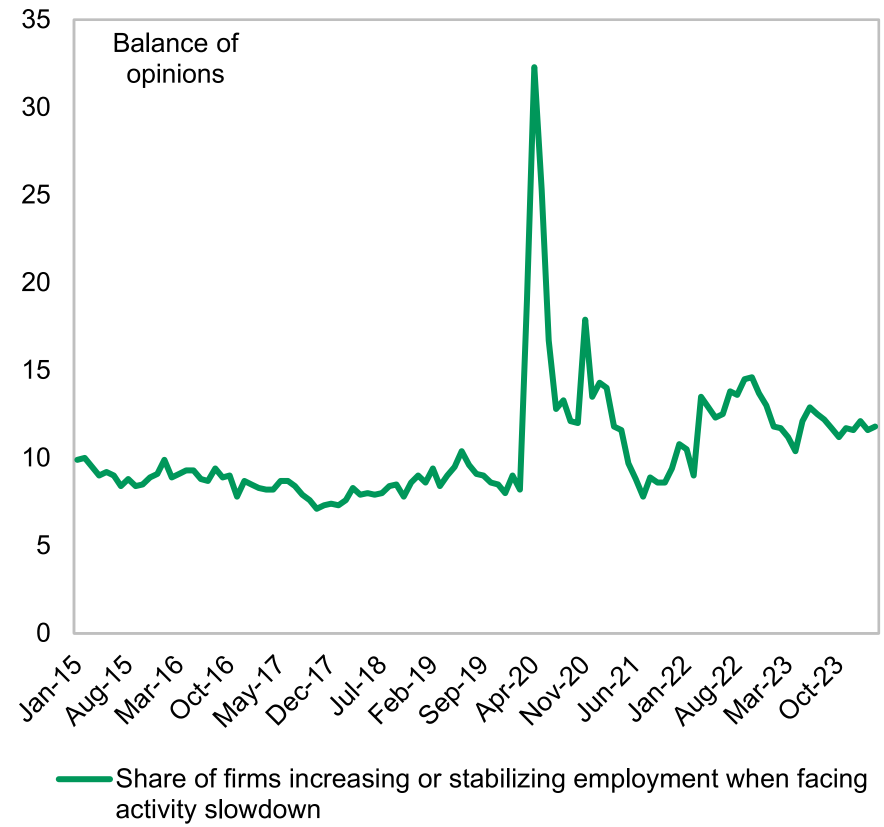
SUPPORTED BY LABOR HOARDING

Less hours worked but job creation still positive



Sources: Eurostat. Crédit Agricole S.A.

Survey on labor hoarding

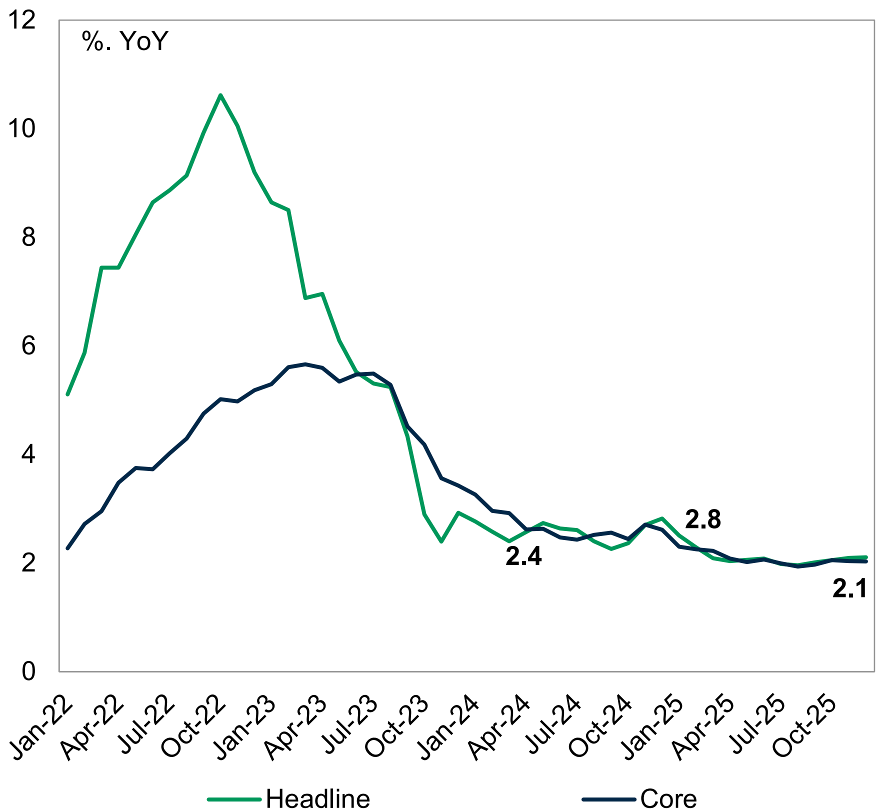


Sources: Eurostat. Crédit Agricole S.A.

A DISINFLATIONARY PROCESS WELL UNDERWAY

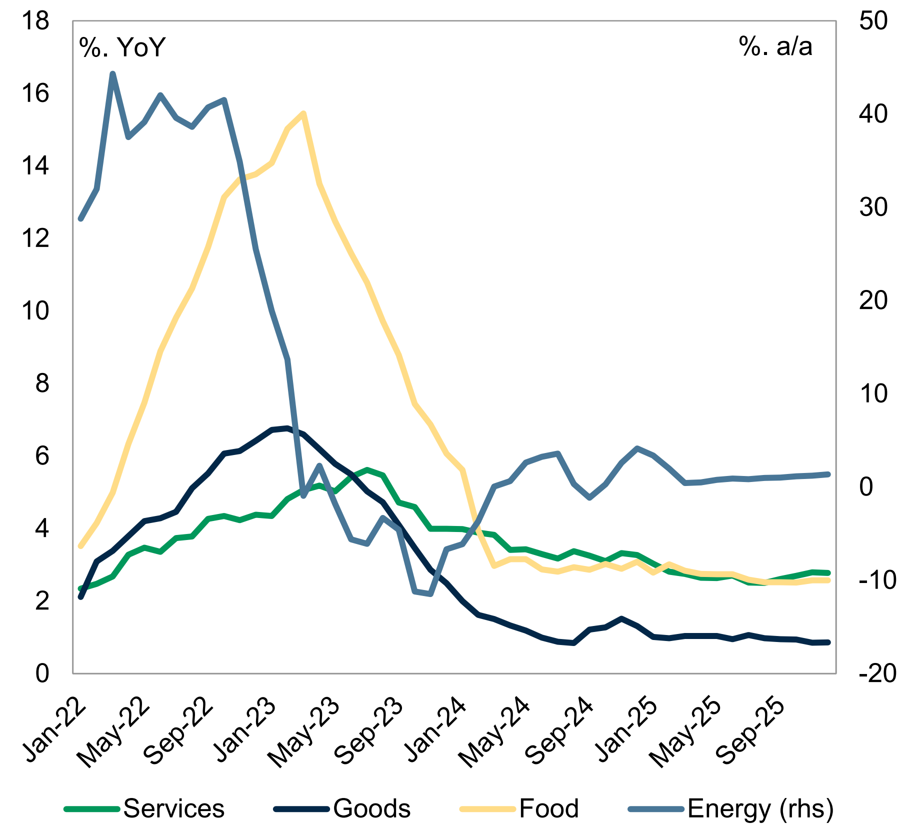
ANCHORING MONETARY EASING EXPECTATIONS

A rapid fall of inflation to target



Sources: Eurostat. CACIB. Crédit Agricole S.A.

Services inflation inertia

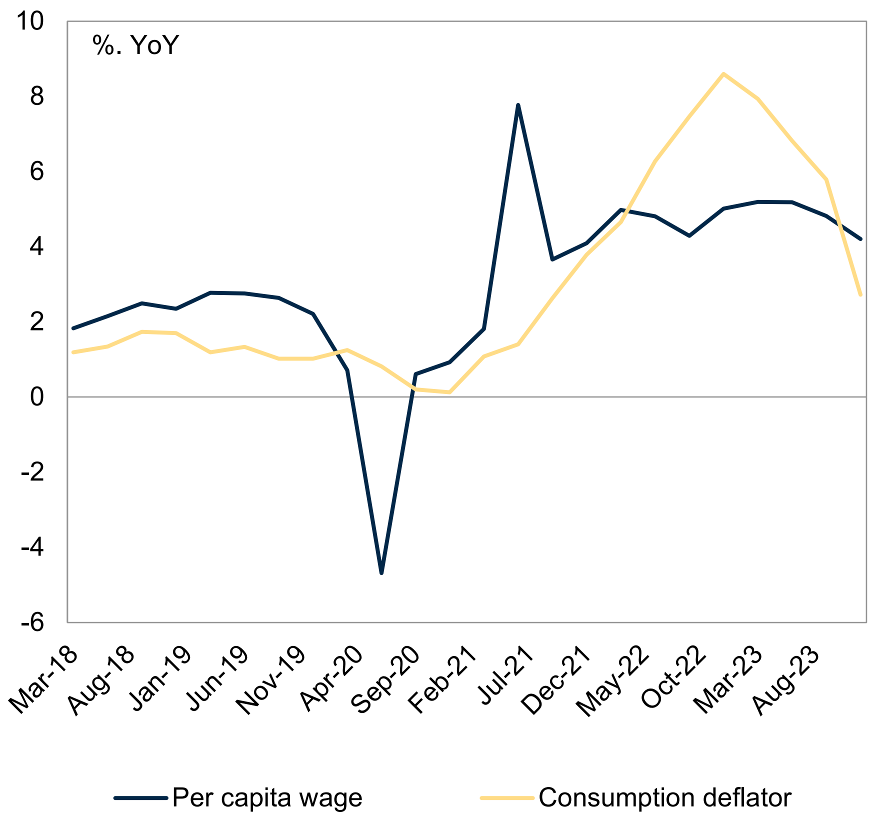


Sources: Eurostat. CACIB. Crédit Agricole SA/ECO

PURCHASING POWER GAINS

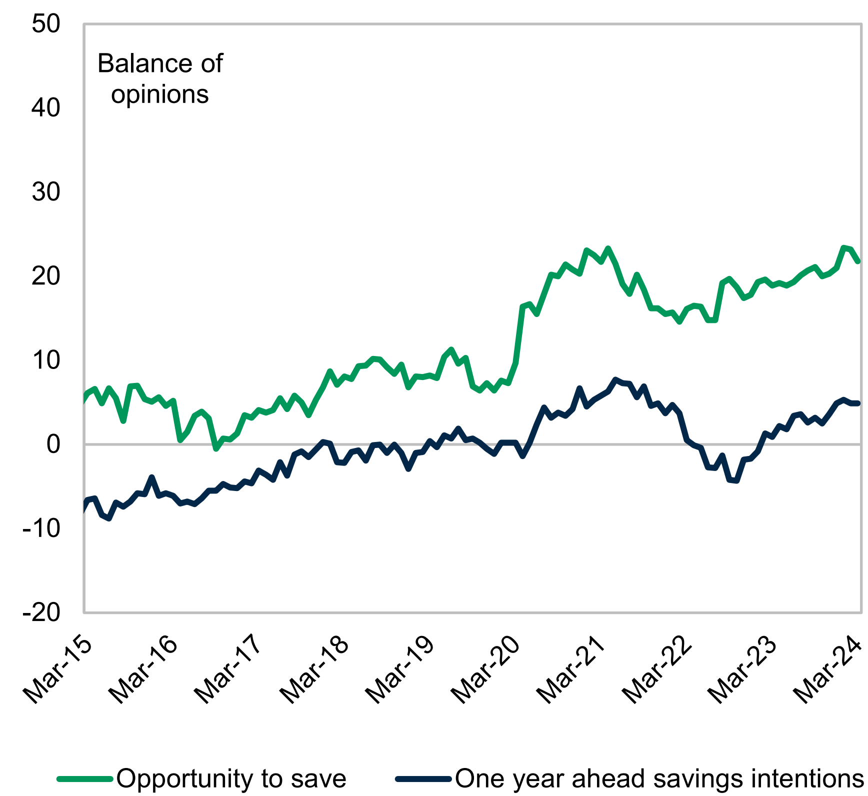
WAITING FOR THE SAVINGS RATE TO FALL

Growth in real wages



Sources: Eurostat. Crédit Agricole S.A.

Consumer survey: a recent decline in intentions to save



Sources: ESI. Commission européenne. Crédit Agricole S.A.

BUSINESSES

RESILIENT PROFITS AND HEALING DEMAND WILL SUPPORT INVESTMENT RECOVERY

A lower share of value added to profits

Growth in compensation of employees slowed in Q4 2023 in nominal terms. but compensation plus taxes net of production subsidies continued to grow at a faster rate than value added (1.6%). Combined with the fall in productivity. this has led to a slight **acceleration in unit labour costs** and increased the share of value added in favour of wages. with a **slight fall in the margin rate for non-financial companies (to 40.3%).** This is the lowest level since Q3 2020. but it remains fairly high compared with the pre-pandemic average. This remains a point of strength for companies in the face of the expected erosion in profitability. itself the result of the anticipated deterioration in productivity. The more robust recovery in activity. expected in the second half of 2024. should nevertheless support the recovery in productivity. The more robust recovery in activity. expected in the second half of 2024. should nevertheless support the recovery in productivity. Net entrepreneurial income (cash flow) slowed more than gross entrepreneurial income. however. as a result of the smaller positive contribution from property income and higher interest charges.

Investment by NFCs in value terms nevertheless picked up (+0.7%). after -0.2% in Q3 2023). but not enough to prevent a further **fall in the investment rate (to 22.5%).** which has now been falling for three quarters and is low compared with its historical average. Net lending fell slightly to 2.4% of value added. but enabled financial investment to be maintained at an unchanged rate (+1.4%). Financing also increased at an unchanged rate. due to an acceleration in bank debt (1.2%. after 0.7% over the year) and bond financing (2.2%. after 1.9%). and slower growth in equity financing. The debt/GDP ratio of Eurozone NFCs has nevertheless fallen over the year. from 71.7% at the end of 2022 to 67.6% in Q4 2023.

All components of investment have weakened

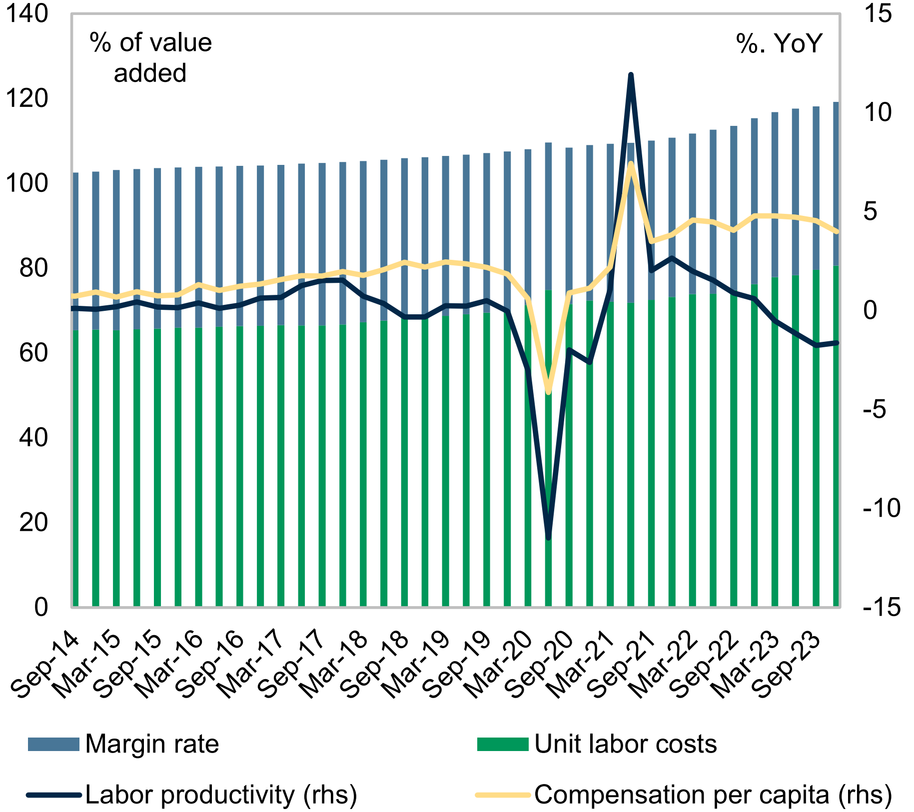
Investment suffered from weakening demand and more expensive financing conditions. Households once again opted out of housing. which continued to fall (-0.6% over the quarter) in Q4 2023. Investment in construction and public works recorded its second quarter of negative growth (-0.3%) and productive investment turned sharply downwards. Without taking into account the erratic behaviour of investment in Ireland and the sharp fall in Belgium linked to specific transactions relating to the sale of ships abroad. investment would have fallen by 0.7% (compared with +1% recorded by Eurostat).

Held back by the housing component. investment should remain sluggish throughout the first half of 2024. It should then pick up gradually as financial conditions ease and business demand improves. Investment growth should remain weak (1.3% after 1.4% in 2023). but positive in 2024. gaining strength in 2025 (2%).

A STILL HIGH LEVEL OF PROFITABILITY DESPITE ITS REDUCTION

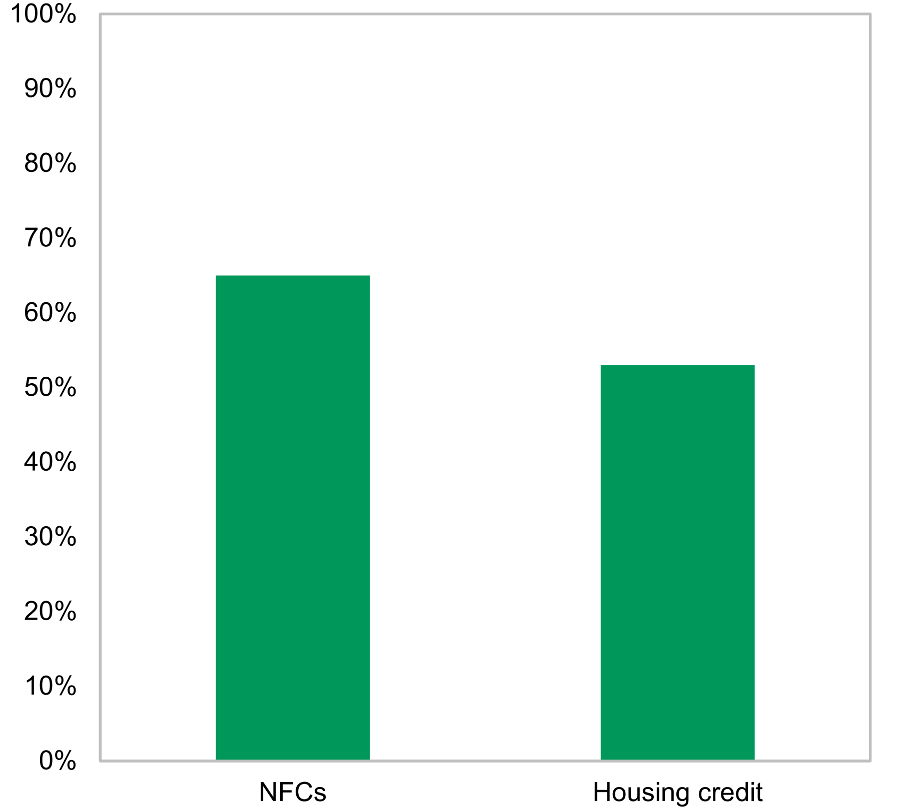
A WEAKER PASS-THROUGH OF MONETARY TIGHTENING

Slowdown in wages. but fall in productivity: margin rate is decreasing



Sources: Eurostat. Crédit Agricole S.A.

Pass-through of the last tightening cycle compared to the average of preceding cycles



Sources: FMI. Crédit Agricole S.A.

MONETARY POLICY

MORE CONFIDENT IN DISINFLATION. THE ECB IS READY TO ACT

Monetary tightening has tamed domestic demand in the Eurozone. and new lending to households and non-financial companies remains sluggish. despite the fall in rates on new loans since November 2023. The inertia of inflation in services and the uncertainties surrounding wage negotiations in the first half of 2024 are fueling the more hawkish positions in favour of a later rate cut. However. most measures of core inflation have fallen. confirming the picture of a gradual reduction in price pressures. Wage growth slowed in the fourth quarter of 2023 and. although growth in unit labour costs remained high. partly reflecting weak productivity growth. firms are absorbing some of the rise in labour costs into their profits.

The annual growth rate of negotiated wages fell to 4.5% in Q4 2023. from 4.7% in Q3 2023. Forward-looking wage indicators point to continued high. but more moderate. wage pressures. Information on wage settlements available since the end of last year indicates that average negotiated wage growth in 2024 has been increasingly moderate across all contracts. rising from 4.4% in January to 4.1% in April.

Long-term inflation expectations are well anchored to the ECB's target. having stabilized at around 2%.

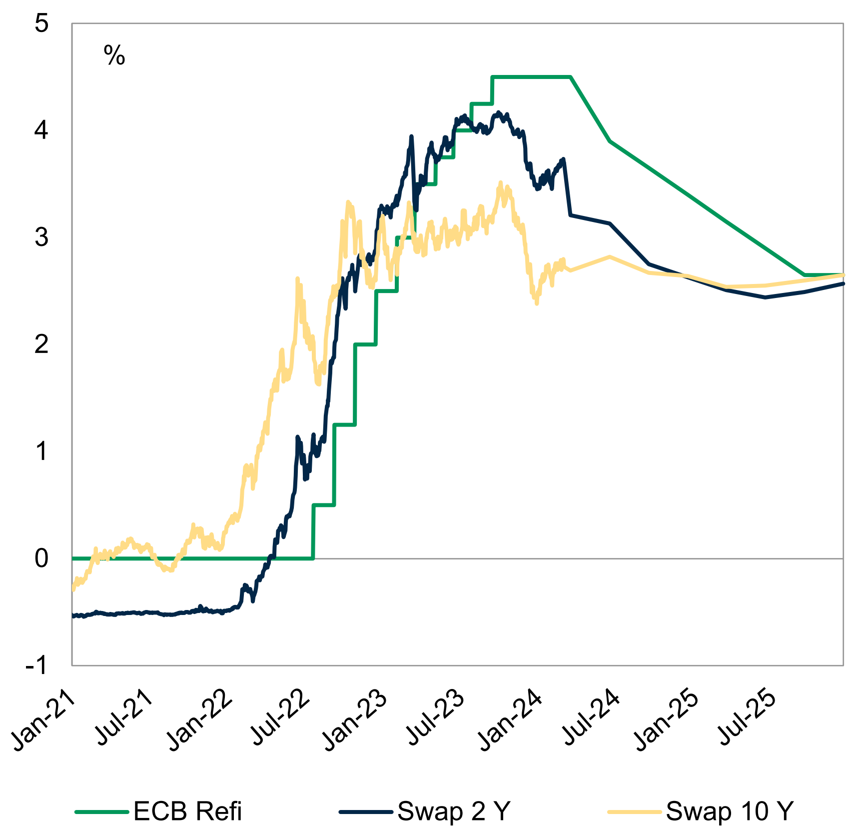
Despite the rise in real rates linked to disinflation. the financial conditions index (calculated by the European Stability Mechanism) points to an easing in financing conditions with the resumption of activity on the primary bond market and the fall in risk and term premiums. This has enabled borrowers to reprice and refinance fixed-rate debt on cheaper terms.

Long rates have already largely anticipated **the ECB rate cut.** which we expect **would take place from June 2024 at a rate of three cuts of 25 basis points in 2024. followed by three further cuts of the same magnitude in the first half of 2025. The deposit rate would thus fall to 2.5% at the end of June 2025** and the refinancing rate to 2.65%. with a restricted corridor from September 2024.

MONETARY POLICY

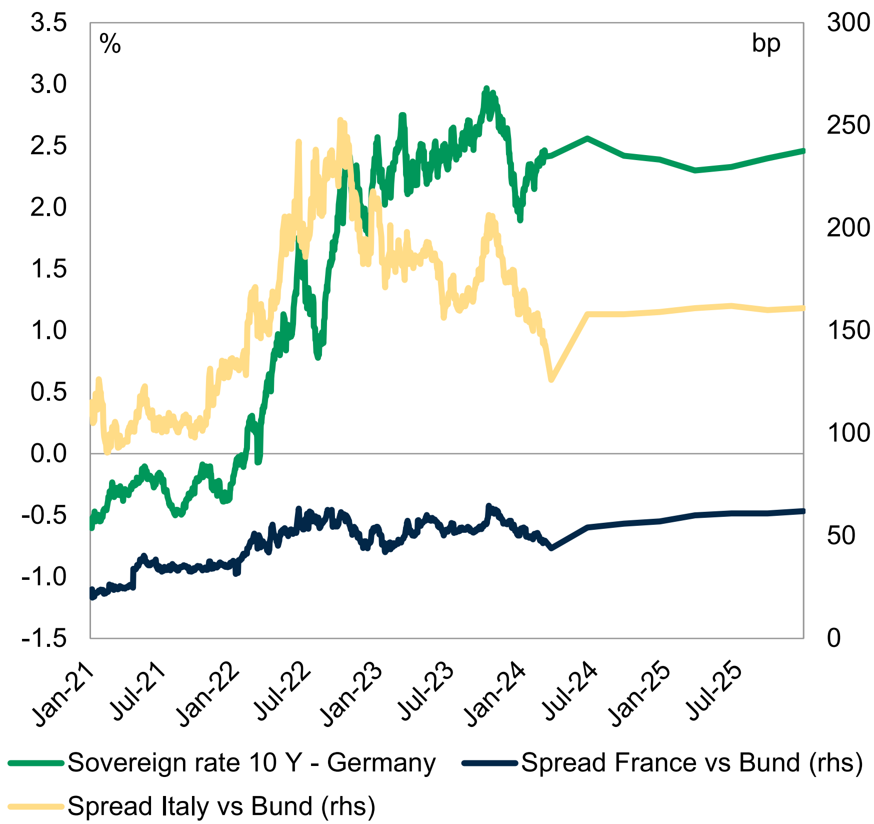
MORE CONFIDENT IN DISINFLATION. THE ECB IS READY TO ACT

ECB : easing to normal



Sources: Eurostat. CACIB. Crédit Agricole S.A.

Limited downside potential for long-term rates



Sources: Eurostat. CACIB. Crédit Agricole S.A.

BALANCE OF RISKS

DOWNSIDE RISKS TO GROWTH GREATER THAN UPSIDE RISKS TO INFLATION

While the pace of disinflation appears to be on a trajectory consistent with the central bank's target. it remains to be seen whether employees and companies will fully recover their wages and profits in real terms: should they full recover there **is an upside risk to the disinflationary trajectory**. The materialization of this risk is not retained in our central scenario. but the price level itself poses a problem. Prices are much higher than at the start of the decade. particularly for energy inputs. compared with the region's main competitors. It is therefore a **permanent shock to the price level** that raises serious questions about the **potential for recovery in the manufacturing engine**. but also about the **destruction of production capacity** that it could entail.

Upside risks to activity

Further disinflation

Positive activity and employment growth

Gains in purchasing power of wages and strong fall in savings rate

More rapid easing of financing conditions

Downside risks to activity

Delayed impact of monetary tightening

Permanent shock to price levels

No recovery in the industrial engine

Destruction of production capacity and employment

THE SCENARIO IN FIGURES

	2022	2023	2024	2025	2022				2023				2024				2025			
					T1	T2	T3	T4	T1	T2	T3	T4	T1	T2	T3	T4	T1	T2	T3	T4
GDP y/y, q/q, %	3.4	0.5	0.8	1.4	0.6	0.8	0.5	0.0	0.0	0.1	-0.1	-0.1	0.3	0.2	0.4	0.4	0.3	0.4	0.3	0.3
Domestic demand contribution to GDP, pps	3.1	0.8	1.1	1.3	-0.1	0.5	0.9	-0.3	0.1	0.1	0.3	0.3	0.2	0.3	0.4	0.4	0.4	0.3	0.3	0.3
Private consumption y/y, q/q, %	4.2	0.6	1.1	1.5	0.0	0.8	1.3	-0.8	0.1	0.1	0.3	0.1	0.2	0.4	0.4	0.5	0.4	0.3	0.3	0.3
Public consumption y/y, q/q, %	1.6	0.8	1.2	0.7	0.4	-0.1	-0.1	0.6	-0.3	0.3	0.7	0.5	0.1	0.1	0.3	0.2	0.2	0.1	0.1	0.1
Investment y/y, q/q, %	2.6	1.4	1.3	2.0	-0.8	0.5	1.2	0.0	0.3	0.2	0.0	1.0	0.1	0.2	0.4	0.6	0.5	0.5	0.5	0.5
Stockbuilding contribution to GDP, pps	0.4	-0.4	-0.1	0.0	0.0	0.2	0.0	-0.2	-0.5	0.5	-0.4	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net exports contribution to GDP, pps	0.0	0.2	-0.2	0.1	0.7	0.1	-0.5	0.4	0.5	-0.6	0.0	-0.3	0.1	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Exports y/y, q/q, %	7.3	-0.9	1.4	2.4	1.5	1.9	1.3	-0.2	-0.5	-1.1	-1.2	0.0	0.5	0.9	1.3	1.9	0.4	-0.1	-0.3	-0.8
Imports y/y, q/q, %	8.0	-1.4	2.0	2.4	0.1	1.8	2.4	-1.1	-1.6	-0.1	-1.4	0.6	0.3	0.9	1.4	2.2	0.4	-0.2	-0.5	-1.0
Inflation y/y, q/q, %	8.4	5.4	2.6	2.1	6.1	8.0	9.3	10.0	8.0	6.2	5.0	2.7	2.7	2.7	2.4	2.6	2.3	2.1	2.0	2.1
Core inflation y/y, q/q, %	3.9	4.9	2.7	2.1	2.6	3.7	4.4	5.1	5.5	5.5	5.1	3.7	3.1	2.6	2.5	2.6	2.3	2.1	2.0	2.0
Unemployment rate %	6.7	6.5	6.7	6.5	6.8	6.7	6.7	6.6	6.6	6.5	6.5	6.5	6.7	6.7	6.6	6.6	6.6	6.6	6.5	6.4
Current account balance % of GDP	-0.8	1.6	2.3	2.3	0.3	-1.2	-3.1	0.8	0.8	1.7	2.1	2.0	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Fiscal balance % of GDP	-3.7	-4.0	-3.1	-2.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public debt % of GDP	94.9	92.8	92.7	92.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Last observations : Q4 2023
Sources: Eurostat. calculs et prévisions Crédit Agricole S.A./ECO

THE SCENARIO IN FIGURES

	Quarterly rate (QoQ, %)												Annual rate (YoY, %)			
Eurozone	2023				2024				2025				2022	2023	2024	2025
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Eurozone	**0.0**	**0.1**	**-0.1**	**-0.1**	**0.3**	**0.2**	**0.4**	**0.4**	**0.3**	**0.4**	**0.3**	**0.3**	**3.4**	**0.5**	**0.8**	**1.4**
Germany	0.1	-0.1	0.1	-0.5	0.2	-0.1	0.3	0.3	0.3	0.3	0.3	0.2	1.9	-0.2	0.0	1.0
France	0.0	0.6	0.1	0.1	0.2	0.3	0.4	0.4	0.3	0.2	0.2	0.4	2.5	0.9	1.1	1.3
Italy	0.4	-0.2	0.4	0.1	0.3	0.2	0.2	0.3	0.1	0.4	0.1	0.2	4.1	1.0	0.9	0.9
Spain	0.5	0.5	0.4	0.6	0.7	0.1	0.6	0.5	0.6	0.5	0.4	0.2	5.8	2.5	2.0	2.0
Netherlands	-0.5	-0.4	-0.2	0.4	0.3	0.2	0.2	0.3	0.2	0.3	0.3	0.4	4.4	0.2	0.7	1.1
Belgium	0.4	0.3	0.3	0.3	0.3	0.2	0.3	0.4	0.4	0.2	0.2	0.4	3.0	1.4	1.2	1.3
Ireland	-3.4	-0.1	-2.5	-3.4	1.1	1.3	1.5	1.5	1.6	1.6	1.7	1.7	9.6	-3.3	-0.7	6.4
Portugal	1.5	0.1	-0.2	0.7	0.7	-0.1	0.9	0.6	0.5	0.6	0.4	0.3	6.8	2.3	1.7	2.1
Greece	0.0	1.1	-0.1	0.2	0.4	0.6	1.1	0.6	0.5	0.5	0.3	0.2	5.7	2.0	1.9	2.3
Finland	-0.1	0.4	-1.1	-0.7	0.2	0.3	0.4	0.4	0.4	0.3	0.4	0.4	1.3	-0.9	-0.2	1.5
Luxembourg	0.6	0.2	-1.4	0.0	0.4	0.6	0.6	0.6	0.5	0.5	0.5	0.6	1.4	-1.1	0.7	2.3
Austria	0.1	-1.3	-0.3	0.0	0.2	0.8	0.6	0.5	0.1	0.1	0.3	0.3	4.8	-0.7	0.8	1.3
Slovenia	0.3	1.1	0.0	1.1	0.6	0.8	0.7	0.6	0.3	0.3	0.6	0.6	2.9	1.9	2.9	2.1
Malta	0.9	0.8	2.3	0.3	0.5	0.6	0.6	0.7	0.3	0.7	1.1	0.9	8.1	5.6	2.9	2.5

Last observations : Q4 2023
Sources: Eurostat. calculs et prévisions Crédit Agricole S.A./ECO

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