FRANCE

2026-2027 SCENARIO

Quarterly – April 2026

ECO
ÉTUDES ÉCONOMIQUES GROUPE

France – Growth weakened by rising energy prices and renewed uncertainty

Economic activity slowed in 2025, whilst remaining resilient in a context of high uncertainty and rising trade tensions. The ongoing conflict in the Middle East has already resulted in higher energy prices and renewed geopolitical uncertainty. Under the assumption of a very gradual reopening of the Strait of Hormuz, without a return to normal conditions, consumer prices would accelerate on average in 2026, before inflation falls back below 2% in 2027. As in the previous year, economic activity would increase by 0.9% on average in 2026, benefiting from already solid growth carryover. Growth would remain at a similar level in 2027, caught between the opposing effects of the relative decline in energy prices and the past rise in interest rates.

A rather favourable surprise on growth in 2025, whilst disinflation continued

Gross domestic product (GDP) in real terms continued to grow in the fourth quarter of 2025 (+0.2% quarter-on-quarter), at a slightly higher pace than we had anticipated in our December forecast (+0.1%), following a significant rise in the previous quarter (+0.5%). Growth thus stood at 0.9% on an annual basis in 2025 (wda[1]), slightly down from 2024 (1.1%), but somewhat stronger than we had anticipated (+0.8% in our December forecast, as well as that from one year ago in April 2025), despite high levels of uncertainty last year at both the international and national levels (trade tensions and political instability).

In 2025, final domestic demand excluding inventories accelerated slightly, contributing 0.8 percentage points to growth (up from 0.6 percentage points in 2024). Household consumption expenditure has certainly slowed significantly (+0.4%, after +1.0%), but that of general government remained buoyant (+1.7%, after +1.4%), and, above all, investment has recovered (+0.8%, after -1.3% for GFCF[2]), particularly that of non-financial enterprises (+0.2%, after -2.4%) and households (+0.8%, after -5.6%). Foreign trade, for its part, weighed on growth by 0.6 percentage points (after a contribution of +1.3 percentage points in 2024), as exports slowed (+1.4%, after +2.4%) whilst imports rebounded (+3.0%, after -1.3%). Conversely, changes in inventories contributed positively to growth by 0.7 percentage points (after -0.8 percentage points the previous year).

Inflation, meanwhile, fell significantly in 2025, standing at 0.9% on an annual average (after 2.0% according to the Consumer Price Index – CPI – and 2.3% according to the Harmonised Index of Consumer Prices – HICP – in 2024). This continued disinflation is mainly due to the fall in energy prices and the slowdown in service prices.

Baseline assumption: persistently higher energy prices and a rise in key interest rates

Our international assumptions are based on a very gradual reopening of the Strait of Hormuz from the second quarter of 2026, without a return to normal conditions at the horizon of our forecast (end of 2027). Trade flows in the region would in fact remain 20% lower than they were before the outbreak of the conflict between Israel and the United States on one hand, and Iran on the other, from the fourth quarter of 2026 onwards, and throughout 2027. The price of oil would thus average $110 per barrel for Brent in the second quarter of 2026, before falling to $100 in the third quarter and ending the year at $85, a price at which it would remain throughout 2027. The price of gas (TTF[3]) is expected to reach an average of €68/MWh in the second quarter of 2026, before a gradual decline bringing it to just over €51/MWh in the second half of 2027. The rise in energy prices, whilst certainly significant, would thus be less pronounced and shorter-lived than during the 2022 energy crisis following the outbreak of the war in Ukraine. In terms of monetary policy, our forecasts anticipate three 25-basis-point increases in the European Central Bank's key interest rates between April and July 2026, followed by a 25-basis-point cut in September 2027, bringing the deposit

	2024	2025	2026	2027
Real GDP, sa-wda (y/y, %)	1.1	0.9	0.9	0.9
Domestic demand excl. inventories (contribution to GDP, pps)	0.6	0.8	0.7	0.7
Changes in inventories (contribution to GDP, pps)	-0.8	0.7	-0.6	0.0
Net exports (contribution to GDP, pps)	1.3	-0.6	0.7	0.1
Household consumption (y/y, %)	1.0	0.4	0.5	0.7
Total investment (y/y, %)	-1.3	0.8	0.8	0.7
CPI inflation (y/y, %)	2.0	0.9	2.1	1.5
Unemployment rate, France excl. Mayotte (%)	7.4	7.7	8.0	7.9
Fiscal balance (% of GDP)	-5.8	-5.1	-4.9	-4.7

Sources: Insee, Crédit Agricole S.A./ECO calculations and forecasts, Crédit Agricole CIB inflation forecasts based on the international assumptions of the CASA/ECO scenario

[1] Data adjusted for working-day effects.
[2] Gross fixed capital formation.
[3] The Title Transfer Facility (TTF) is the benchmark for gas prices in Europe.

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rate to 2.75% by the end of 2026 and then to 2.5% by the end of 2027.

Outlook for 2026: rising inflation and stagnant growth

Growth is expected to stand at 0.9% in 2026, as in 2025. Economic activity would be slowed by rising energy prices, particularly from the second quarter onwards. We are therefore revising our annual forecast downwards by 0.3 percentage points compared with our December 2025 scenario, even though the growth carryover[4] for 2026 is ultimately better than expected at the end of 2025 (+0.1 percentage points, to +0.5%). Despite a rise in energy prices on global markets from March onwards, economic activity appears to have started the year on an upward trend in January and February, and available indicators suggest an increase in activity in the first quarter. Our forecast thus anticipates quarterly growth of 0.2% (q/q). Activity is then expected to slow in the second and third quarters (+0.1% per quarter), reflecting the sharp rise in energy prices. It is projected to increase by 0.2% in the fourth quarter, as energy prices are expected to have started to fall and uncertainty would have eased somewhat.

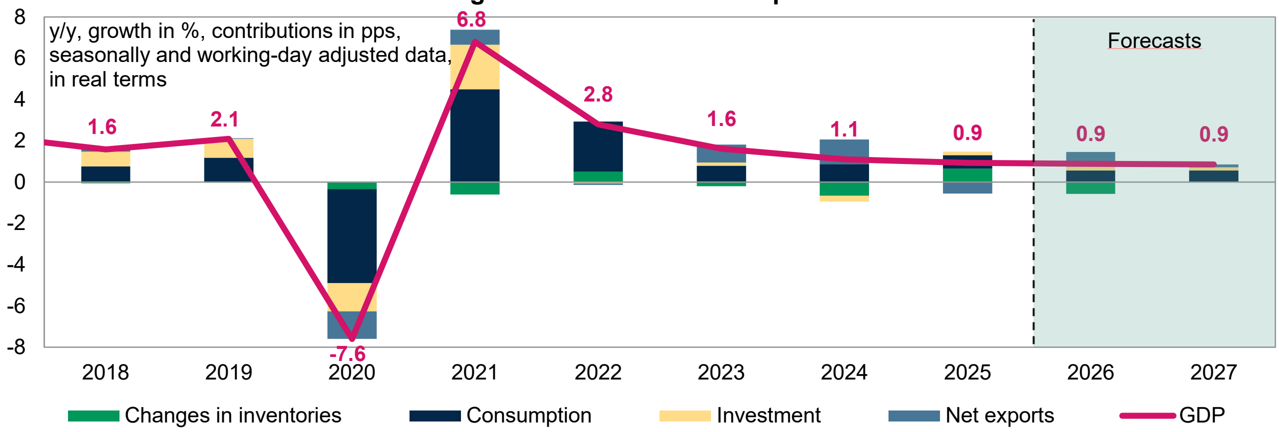
Final domestic demand excluding inventories is thus expected to slow somewhat on average in 2026, contributing just 0.7 percentage points to growth. Household consumption would pick up slightly (to +0.5%) but would be held back by rising inflation and renewed uncertainty. General government consumption is projected to slow slightly (to +1.2%). Investment would grow at a similar pace to the previous year (to +0.8%): it would benefit from significant growth carryover at the end of 2025 but would be held back by rising energy prices and the new wave of uncertainty in 2026. Investment by non-financial enterprises (+0.5%) and households (+0.9%) is expected to accelerate very slightly, whilst investment by the public sector is expected to slow (to +1.5%). Foreign trade would contribute 0.7 percentage points to growth, which would be largely offset by a negative contribution from changes in inventories to growth (-0.6 percentage points). Exports are projected to pick up somewhat (+2.8%), driven by a significant carry-over effect at the end of 2025, whilst imports are expected to slow significantly (to +0.7%).

Inflation would rise significantly in 2026, to 2.1% as measured by the CPI (a revision of +1.1 percentage points compared with our December forecast), driven by its energy component, the prices of which being forecast to rise by 9.8% (following a 5.6% decline the previous year) – an inflation forecast based on the international assumptions of our scenario (notably in terms of oil and gas prices). Food prices would accelerate slightly (+1.8%, after +1.2%), whilst service prices are projected to slow somewhat to +2.0% (after +2.3%). Prices of manufactured products would continue to fall slightly (-0.2%, after -0.3%). According to the HICP[5], inflation would also rise, reaching 2.3% in 2026. It would, however, remain more subdued than the eurozone average (+3.1%).

Stable growth in 2027 despite disinflation, hampered by rising interest rates

Growth is expected to stagnate at 0.9% in 2027, a level slightly below potential growth, which would widen the output gap[6] slightly further. This forecast has therefore been revised downwards by 0.3 percentage points compared with last December's forecast, reflecting both the lingering effect of rising energy prices and the recessionary impact of the monetary policy response. Final domestic demand (excluding inventories) would grow at the same pace as in the previous year, contributing again 0.7 percentage points to annual growth. Lower energy prices and a relative easing of uncertainty compared with the previous year are expected to have a positive impact on economic activity, but rising interest rates would limit the acceleration in business investment and household

GDP growth and demand components



Sources: INSEE, Crédit Agricole S.A./ECO calculations and forecasts

[4] The growth carryover at the end of 2025 corresponds to the average growth of real GDP in 2026 compared to the previous year, assuming zero growth in every quarter of 2026.

[5] The Harmonised Index of Consumer Prices enables for the comparison of inflation rates among European countries thanks to a harmonised methodology.

[6] The output gap is the difference between actual GDP and potential GDP (often expressed as a percentage of potential GDP). Potential GDP corresponds to the output that can be achieved using available factors of production (capital and labour) without generating price pressures.

consumption. Household consumption expenditure is thus projected to rise by 0.7%, whilst that of general government is expected to slow slightly (to +0.8%).

Total investment would slow somewhat (to +0.7%): investment by non-financial enterprises would accelerate slightly (to +0.7%), but household investment (+0.7%) and public investment (+0.8%) would slow. Changes in inventories would make no contribution to growth, whilst the contribution from foreign trade would fall sharply to 0.1 percentage points. Exports would indeed slow (to +1.5%) whilst imports would accelerate slightly (to +1.0%).

CPI inflation is expected to fall to 1.5% on an annual average basis in 2027 (a revision of +0.2 percentage points compared with our December forecast), a decline linked to that of energy prices (-0.8%). Conversely, prices for manufactured goods are expected to rebound (+0.5%) and those for services and food to accelerate slightly (to +2.1%). Measured by the HICP, inflation is expected to fall to 1.6% in 2027, remaining significantly lower than that of the eurozone (+2.1%). France would therefore be less affected by the rise in energy prices and would consequently 'benefit' from a rather favourable trend in its relative competitiveness with the rest of the eurozone.

A growth forecast close to the institutions' most recent forecasts for 2026 and 2027

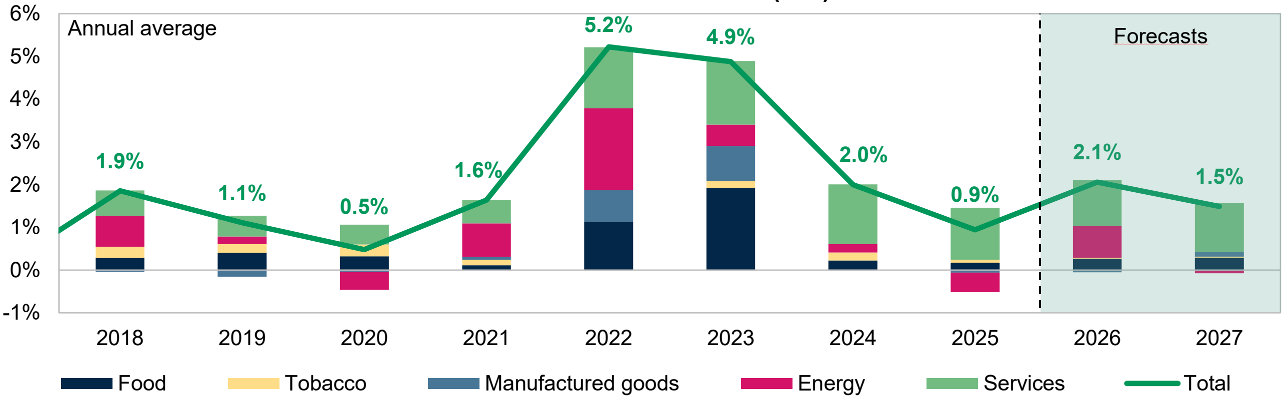
Among the forecasts published following the outbreak of war in the Middle East and that take into account the associated rise in energy prices, our annual growth forecast for 2026 (0.9%) corresponds to that of the *Banque de France*'s 'baseline' scenario published in its Macroeconomic interim projections on 25 March 2026. The *Banque de France*'s baseline scenario is based on the Eurosystem's technical assumptions, which are slightly less unfavourable than ours regarding energy prices (-$15 per barrel of Brent on average in 2026). This explains the more moderate downward revision to growth in the institution's forecasts, even though it starts from an initial growth forecast that is lower than ours (1.0% for the *Banque de France* in its December 2025 Macroeconomic projections, compared with 1.2% in our December scenario). The *Banque de France*'s adverse scenario, which forecasts growth of +0.6% in 2026, is, however, based on more pessimistic assumptions than ours regarding energy prices (with oil prices rising to $119 per barrel in the second quarter).

Our growth forecast for 2026 is slightly higher than that of the Organisation for Economic Co-operation and Development (OECD) published in the Interim Report of its Economic Outlook on 26 March (0.8%, representing a downward revision of 0.2 percentage points compared with its December forecast). The upward revision to energy prices in the assumptions underlying the OECD's forecasts is less pronounced than in ours (+40% for oil and +60% for gas according to the OECD, compared with +50% and +80% respectively in our forecasts, relative to the December 2025 forecasts), but the international organisation's initial forecast was slightly lower than ours (1.0% in its December 2025 Economic Outlook).

Our growth forecast for the first half of 2026 is also slightly lower than that of INSEE published in its Economic Outlook on 24 March 2026. Indeed, the institute, like us, expects growth of 0.2% (quarter-on-quarter) in the first quarter, but its growth forecast for the second quarter is higher, at 0.2% (compared with 0.1% in our forecast). This results in a growth carryover for 2026 at mid-year that is 0.1 percentage points higher in INSEE's forecast, at 0.9%. This difference can be explained, at least partially, by the assumptions made regarding energy prices, with the price of oil frozen at $100 per barrel in INSEE's forecast, compared with an average price of $110 in our scenario for the second quarter.

Our growth forecast for 2027 (0.9%) is slightly lower than that of the *Banque de France* in its baseline scenario and that of the OECD in its March forecasts, both of which stand at 1.0%. This can be explained by energy prices remaining higher over this horizon, as well as by a more restrictive monetary policy response in our scenario (with a delayed impact of the rise in interest rates being less pronounced in the one of the

Inflation and contributions (CPI)



Sources: INSEE, Crédit Agricole S.A. calculations, Crédit Agricole CIB forecasts based on the international assumptions of the Crédit Agricole S.A./ECO scenario

Banque de France, for instance, where rates rise less sharply in 2026 than in our scenario).

The impact of the situation in the Middle East on household and business confidence is limited for now

Business climate remained stable in March 2026, although three-quarters of the responses from business leaders to the business surveys (in terms of turnover) were collected after the outbreak of the conflict in the Middle East on 28 February. The business climate thus stood at 97, slightly below its long-term average (100). It was below its historical average across all major sectors in March. It remained very close to this level in manufacturing industry (at 99, down 3 points from February) and retail trade (up 1 point, to 99). It also remained stable in services (at 96) and rose slightly in building construction (+1 point, to 97), whilst it fell in wholesale trade (-5 points compared with January – a bimonthly indicator – to 95). Perceived economic uncertainty remained slightly above its average (calculated since April 2021) in March, but with varying trends across sectors. The associated balance of opinion[7] rose slightly in services (+1 point compared with February) and construction (+2 points), and fell slightly (-1 point) in manufacturing. The employment climate rose slightly in March (+1 point), but remains at a low level (at 94, compared with a long-term average of 100). The level of business climate observed in the first quarter is, in any case, consistent with moderate growth in activity.

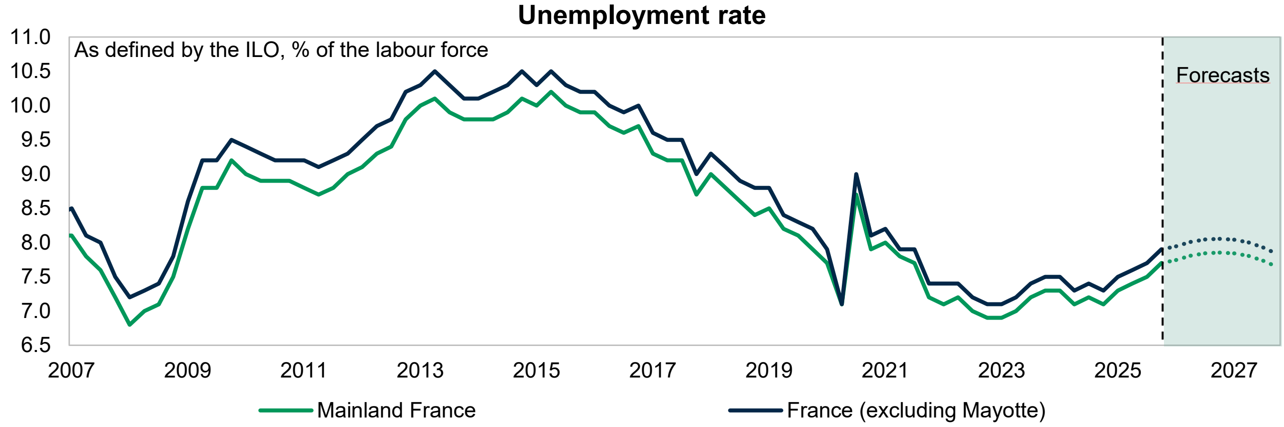
Household confidence fell slightly in March to 89 (-2 points), whilst just over half of the survey responses were collected after the start of the war in the Middle East. It thus stood at a lower level than its historical average (100) but remained well above its low point of the summer of 2022 (80). The proportion of households anticipating that prices will accelerate over the next twelve months increased significantly in March. Households were therefore more pessimistic about their future personal situation and the future standard of living in France. Furthermore, the balance of opinion regarding their ability to save (both current and future) and the opportunity to save in the current situation remained at very high levels by historical standards. Households' concerns regarding the trend in unemployment have eased since April 2025 but have remained above their long-term average.

The unemployment rate is expected to continue to rise slightly through the end of 2026

Total employment remained relatively resilient in 2025: according to national accounts, it rose slightly on average (+0.1%, after +0.8% in 2024). It was driven in particular by self-employment, whilst private-sector salaried employment fell slightly (-0.3%, after +0.3%). The total number of hours worked, meanwhile, fell slightly in 2025 (-0.2%, after +0.8%). Given the growth in GDP, labour productivity continued to rise in 2025, both on a per-job basis and on a per-hour basis. This trend is expected to strengthen in 2026, notably due to the decline in the number of work-study positions[8] against a backdrop of reduced public funding. Nevertheless, we estimate that total employment is likely to remain virtually stable in 2026, before rising slightly in 2027.

The unemployment rate in France (excluding Mayotte) rose in the course of 2025, reaching 7.9% of the labour force in the fourth quarter according to the International Labour Organisation (ILO) standards, an increase of 0.2 percentage points compared with the previous quarter and of 0.6 percentage points compared with the same quarter of the previous year. It thus reached its highest level since the third quarter of 2021. The recent rise in the unemployment rate in France, which runs counter to the slight decline observed in the eurozone, must nevertheless be put into perspective. Indeed, the unemployment rate remains low by historical standards, well below its average of the 2010s (9.6%),

Unemployment rate



Latest observations: Q4 2025
Sources: INSEE, Crédit Agricole S.A./ECO forecasts

[7] The balance of opinion is the difference between the percentage of positive responses and the percentage of negative responses.

[8] This automatically boosts apparent labour productivity measures. Work-study students are in fact, on average, regarded as less productive than other employees, mainly due to fewer hours worked (although by convention they are considered in full-time employment). Their presence at work may also generate additional costs in terms of time spent by other employees on their supervision.

and relatively closer to its low point of the turn of 2022 and 2023 (7.1%). Furthermore, the rise in the unemployment rate largely mirrors that of the labour force participation rate[9]. At the end of 2025, it is in fact attributable to the rise in the unemployment rate among 15–24-year-olds, that is linked to a notable increase in their labour force participation rate: it is mainly people who were previously not in in the labour force who have entered it as unemployed (an increase in the number of young people in initial training who want to have a job while studying). The labour force participation rate for 15–64-year-olds thus reached a new high since INSEE began measuring it (1975), standing at 75.4% in the fourth quarter of 2025 (+0.2 percentage points quarter-on-quarter and +0.8 percentage points year-on-year). Furthermore, the rise in the unemployment rate is accentuated year-on-year by a legislative effect, with a slightly upward impact of the implementation of the law '*pour le plein emploi*'[10] (in the fourth quarter of 2025, recipients of the RSA would thus have contributed +0.1 percentage points to the year-on-year increase). Finally, despite the size of the sample in the Labour Force Survey, INSEE considers that the level of the unemployment rate and its quarter-on-quarter change are only accurate to within +/- 0.3 percentage points, due to a certain degree of sampling error.

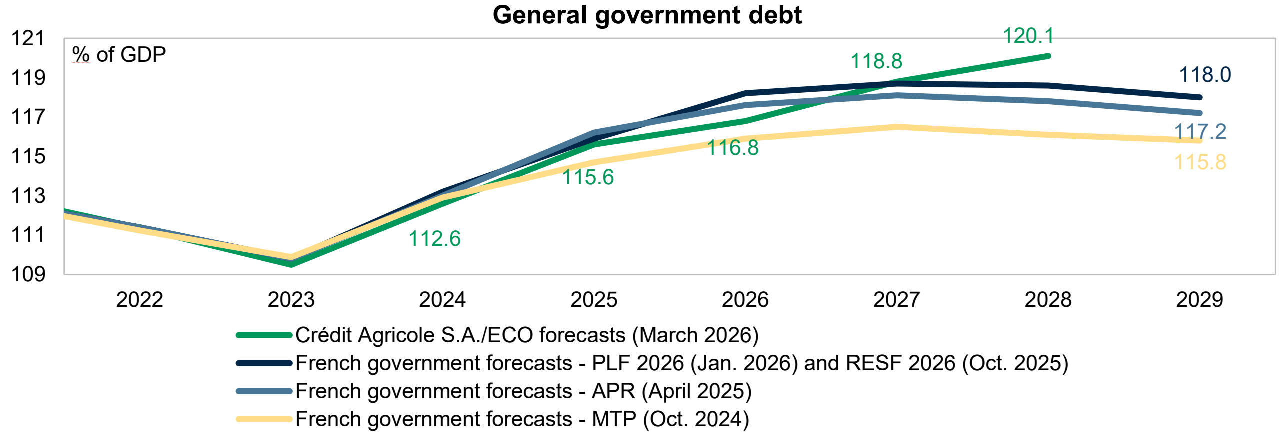
Looking ahead, given the slight growth in the labour force and stagnant employment, the unemployment rate is projected to rise slightly by the end of 2026. It would thus reach 8.0% in the second quarter and 8.1% by the end of the year. It would then fall slightly in 2027. On an annual average, it is therefore expected to stand at 8.0% in 2026 (after 7.7% in 2025), before falling to 7.9% in 2027.

A sharp reduction in the public deficit in 2025, which makes it easier to meet the 2026 target

The public deficit ultimately fell to 5.1% of GDP (€152.5 billion) in 2025 (after 5.8% in 2024) according to preliminary results from INSEE, representing a larger reduction than previously forecast by the Government (5.4% of GDP). Public expenditure did indeed slow in 2025 (+2.5%, after +4.0%), but it continued to grow faster than nominal GDP (+2.0%, after +3.6%). As a percentage of GDP, expenditure therefore rose again, to 57.2% (after 57.0% the previous year). Operating expenditure slowed significantly (+1.4%, after +4.2%), but social benefits remained robust (+3.2%, after +5.4%), particularly their largest item: pension expenditure. Unemployment expenditure remained stable, as the latest reforms to unemployment insurance offset the deterioration in the labour market. In terms of healthcare expenditure, reimbursements for healthcare professional fees and drugs accelerated (+4.6%, after +4.3%), whilst other items (including daily sickness allowances) slowed. The year 2025 marked the end of support measures for businesses and households designed to cushion the rise in energy prices between 2022 and 2024. Another notable development was the decline in expenditure on vocational training, particularly for apprenticeships. Interest expenditure continued to increase sharply (+11.2%, after +13.9%), reaching 2.2% of GDP.

Given the rise in taxes, public revenue was particularly robust in 2025 (+3.9%, after +3.2%), far outpacing nominal GDP, and this enabled the deficit ratio to be reduced. Public expenditure thus reached 52.1% of GDP (up from 51.2%), and the compulsory tax rate – complulsory levies exclude imputed social security contributions and tax credits, and include taxes from the European Union – therefore rose to 43.6% of GDP (up from 42.8% in 2024). In particular, three new taxes introduced in 2025 alone generated €8.4 billion (the one-off levy on large corporations, the tax on share buybacks and the differential levy on high-income households), accounting for nearly 15% of the increase in public revenue. Income tax revenue also rebounded significantly, and corporate tax revenue accelerated. The growth rate of actual social security contributions exceeded that of the total payroll, given the reduction in contribution relief, the rise in employer contribution

General government debt



Sources: INSEE, Economic, Social and Financial Report 2026, Annual Progress Report 2025, Medium-Term Budgetary and Structural Plan 2025–2029, Crédit Agricole S.A./ECO

[9] The labour force participation rate measures the proportion of people either in employment or unemployed in a given population.

[10] This law (literally 'For Full Employment' Act) provides for the systematic registration with *France Travail*, from the start of 2025, of RSA recipients (and their spouses), of young people supported by local missions, and of people with disabilities supported by *Cap Emploi*.

rates for local government and hospital staff, and more generally the observed decompression of the pay scale. The increase in excise duties on electricity and the rebound in property transaction duties boosted the growth of taxes on goods and services. By contrast, VAT revenue remained very disappointing in 2025 (+0.5%, after +0.7%), in line with the sluggish growth in household consumption.

General government debt as defined by the Maastricht criteria reached 115.6% of GDP at the end of 2025, at €3,460.5 billion, following 112.6% of GDP the previous year. The debt ratio for 2024 has therefore been revised downwards by 0.6 percentage points, which explains why the ratio for 2025 remains below the Government's forecast of the finance bill for 2026.

Thanks to this positive surprise regarding the public deficit for 2025 – the starting point for our forecast – we believe that the government would be able to meet its deficit target in 2026 (5.0%), or even do slightly better: we now forecast a public deficit of 4.9% of GDP. In 2027, the public deficit is expected to fall slightly again, to 4.7% of GDP. The political leeway for adopting a budget bill for 2027 at the end of 2026 does not appear to be any greater than that for adopting the 2026 budget bill, and it will thus be just as difficult to reach a compromise under the constraint of budgetary savings. The reduction in the public deficit would therefore be 0.2 percentage points of GDP each year in 2026 and 2027, an effort that we have revised downwards by 0.1 percentage points of GDP per year compared with our previous scenario (December), because of the downward revision of the growth forecast for these two years. Given our public deficit forecasts and the gradual rise in the interest burden, we expect public debt to reach 116.8% of GDP in 2026 (after 115.6% in 2025) and 118.8% in 2027.

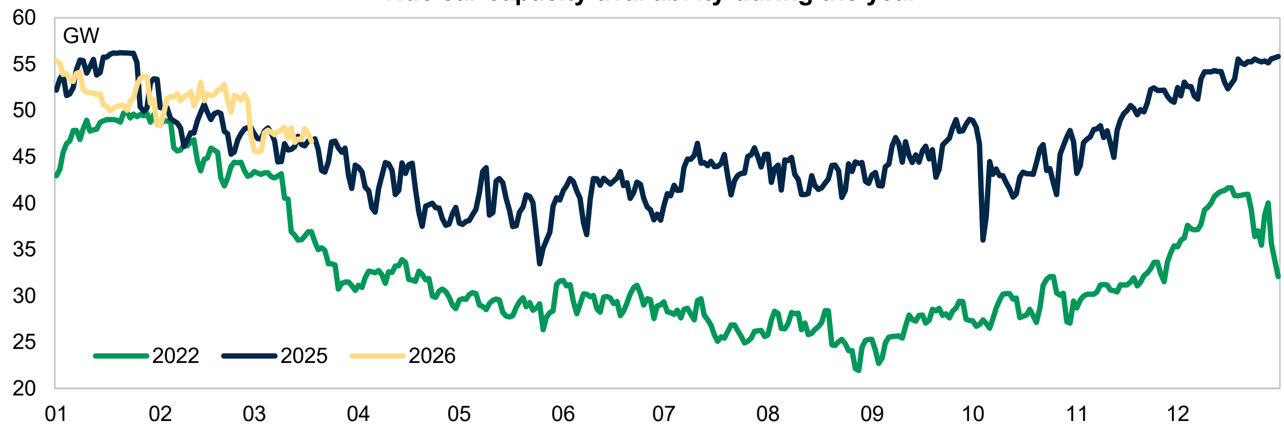
A very high uncertainty, but also a very different situation from that of the previous energy crisis in 2022

The uncertainty surrounding our baseline scenario is obviously very high, as the extent of the recessionary impact of the conflict in the Middle East will depend largely on its duration and intensity, which will in particular determine the effects on energy prices.

Apart from the fact that, in our baseline scenario, we expect energy prices to rise less sharply than they did following the outbreak of the war in Ukraine (particularly for gas), the situation at the start of 2026 is very different from that of 2022. Indeed, inflation was already above the Central Bank's target at the start of 2022 (2.9% year-on-year in January and 3.6% in February according to the CPI), whereas it was particularly moderate before the outbreak of the recent conflict (at 0.9% in February 2026), which leaves more room for further increases before reaching levels that would actually be detrimental to economic activity. This reflects the fact that in 2022, in addition to the supply shock of rising energy prices, a demand shock—with inflationary consequences—was in action, linked to the post-Covid catch-up phase. Furthermore, the energy situation in France is more favourable at the start of 2026. Since the war in Ukraine, France has indeed diversified the sources of its gas imports and reduced its dependence on fossil fuels. The improved availability of nuclear capacity is also crucial, as it should significantly limit the pass-through of gas prices to electricity prices[11]. These factors should limit the impact of rising energy prices on economic activity in France compared with 2022. Conversely, the fiscal leeway to cope with the rise in energy prices is more limited this time. This justifies the assumptions made in our baseline scenario regarding public intervention being limited to targeted and temporary measures (specific aids for the hardest-hit sectors, measures to support the purchasing power of low-income households, etc.). These assumptions are corroborated by recent government announcements (aids to the transport, agriculture and fisheries sectors; early and automatic dispatch of the 2026 energy voucher to 3.8 million households from 1 April, and to a further 700,000 households from 1 May).

Forecasts finalised on 27/03/2026
Article completed on 01/04/2026

Nuclear capacity availability during the year



Sources: RTE, Crédit Agricole S.A./ECO

[11] The price of electricity is determined by the marginal cost of production and thus depends on the marginal source of production.

ECONOMIC & FINANCIAL FORECASTS

MACROECONOMIC SCENARIO

International forecasts

	2024	2025	2026	2027	2025				2026				2027			
					T1	T2	T3	T4	T1	T2	T3	T4	T1	T2	T3	T4
Eurozone GDP (y/y, q/q, %)	0.9	1.5	0.8	1.1	0.6	0.1	0.3	0.2	0.2	0.1	0.2	0.3	0.3	0.3	0.4	0.4
United States GDP (y/y, q/q, annualised, %)	2.8	2.1	2.2	1.9	-0.6	3.8	4.4	0.7	3.0	1.8	2.1	2.1	2.0	2.1	1.9	1.8
China GDP (y/y, q/q, %)	5.0	5.0	4.7	4.5	-	-	-	-	-	-	-	-	-	-	-	-
ECB deposit rate (end of period, %)	3.00	2.00	2.75	2.50	2.50	2.00	2.00	2.00	2.00	2.00	2.50	2.75	2.75	2.75	2.50	2.50
Federal Reserve funds rate (end of period, %)	4.50	3.75	3.75	3.50	4.50	4.50	4.25	3.75	3.75	3.75	3.75	3.75	3.75	3.50	3.50	3.50
Exchange rate (average, EUR/USD)	1.08	1.13	1.14	1.15	1.05	1.13	1.17	1.16	1.16	1.14	1.12	1.13	1.13	1.14	1.16	1.17
Brent (average, USD/barrel)	81.2	69.3	96.0	85.0	76.0	68.0	69.0	64.0	89.0	110.0	100.0	85.0	85.0	85.0	85.0	85.0

Sources: Bloomberg, calculations and forecasts by Crédit Agricole S.A./ECO and Crédit Agricole CIB

Real GDP growth in the eurozone

	2024	2025	2026	2027	2025				2026				2027			
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Eurozone	0.9	1.5	0.8	1.1	0.6	0.1	0.3	0.2	0.2	0.1	0.2	0.3	0.3	0.3	0.4	0.4
Germany	-0.5	0.4	0.5	0.8	0.4	-0.2	0.0	0.3	0.2	0.1	0.1	0.2	0.2	0.2	0.2	0.3
France	1.1	0.9	0.9	0.9	0.1	0.3	0.5	0.2	0.2	0.1	0.1	0.2	0.2	0.3	0.3	0.3
Italy	0.6	0.7	0.3	0.6	0.3	0.0	0.2	0.3	0.0	-0.1	0.1	0.1	0.1	0.3	0.3	0.3
Spain	3.5	2.8	2.0	1.6	0.5	0.7	0.6	0.8	0.5	0.3	0.3	0.5	0.4	0.4	0.4	0.4
Netherlands	1.1	1.9	1.3	1.0	0.3	0.3	0.5	0.5	0.3	0.2	0.2	0.2	0.3	0.3	0.4	0.4
Belgium	1.1	1.0	0.4	0.5	0.4	0.2	0.3	0.1	0.2	0.0	0.0	0.1	0.1	0.2	0.3	0.3
Ireland	2.5	12.4	-0.6	2.5	7.7	-0.6	0.0	-3.8	1.4	0.7	0.7	0.7	0.5	0.6	0.6	0.6
Portugal	2.2	1.9	1.8	1.6	-0.3	0.7	0.6	0.9	0.1	0.3	0.4	0.5	0.4	0.4	0.4	0.2
Greece	2.1	2.2	1.9	1.5	0.4	0.5	0.7	0.8	0.4	0.2	0.4	0.4	0.4	0.4	0.4	0.3
Finland	0.4	0.1	0.7	0.9	0.0	-0.3	-0.3	0.6	0.3	0.1	0.2	0.2	0.2	0.3	0.3	0.3
Luxembourg	0.3	0.6	1.6	1.2	0.6	0.6	1.2	-0.1	0.5	0.2	0.3	0.4	0.1	0.3	0.4	0.4
Austria	-0.8	0.7	0.5	0.6	0.3	0.0	0.3	0.0	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2
Slovenia	1.7	0.9	1.6	0.6	-0.6	0.9	0.9	0.4	0.3	0.3	0.2	0.2	0.1	0.1	0.1	0.1
Malta	6.2	4.0	3.7	1.7	1.4	1.7	1.1	2.1	1.2	-0.2	-0.2	0.6	0.6	0.6	0.6	0.6

Sources: Eurostat, calculations and forecasts by Crédit Agricole S.A./ECO

France

	2024	2025	2026	2027	2024				2025				2026				2027			
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Real GDP, sa-wda (y/y, q/q, %)	1.1	0.9	0.9	0.9	0.1	0.2	0.4	0.0	0.1	0.3	0.5	0.2	0.2	0.1	0.1	0.2	0.2	0.3	0.3	0.3
Domestic final demand (contribution to GDP, pps) excl. inventories	0.6	0.8	0.7	0.7	0.0	0.1	0.3	0.2	0.0	0.2	0.4	0.3	0.2	0.0	0.0	0.2	0.2	0.2	0.3	0.3
Household consumption (y/y, q/q, %)	1.0	0.4	0.5	0.7	0.2	0.0	0.9	0.1	-0.3	0.0	0.1	0.4	0.2	-0.1	-0.1	0.2	0.2	0.3	0.3	0.3
Public consumption (y/y, q/q, %)	1.4	1.7	1.2	0.8	0.3	0.1	0.4	0.5	0.3	0.5	0.7	0.2	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2
Total investment (y/y, q/q, %)	-1.3	0.8	0.8	0.7	-0.7	0.4	-0.9	0.2	0.2	0.4	0.8	0.3	0.2	-0.1	-0.1	0.1	0.2	0.3	0.4	0.4
Changes in inventories (contribution to GDP, pps)	-0.8	0.7	-0.6	0.0	-0.2	-0.4	0.7	-0.3	0.6	0.5	-0.4	-0.8	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net exports (contribution to GDP, pps)	1.3	-0.6	0.7	0.1	0.3	0.5	-0.6	0.0	-0.5	-0.4	0.5	0.7	-0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Exports (y/y, q/q, %)	2.4	1.4	2.8	1.5	0.5	1.7	-1.3	1.1	-1.3	0.4	3.1	1.0	0.2	0.1	0.2	0.3	0.4	0.5	0.5	0.5
Imports (y/y, q/q, %)	-1.3	3.0	0.7	1.0	-0.6	0.4	0.4	1.1	0.2	1.7	1.4	-1.1	0.5	-0.1	-0.2	0.2	0.3	0.4	0.5	0.5
CPI inflation (y/y, %)	2.0	0.9	2.1	1.5	2.8	2.2	1.7	1.3	1.1	0.8	1.0	1.0	0.9	2.3	2.5	2.5	2.3	1.3	1.1	1.2
HICP inflation (y/y, %)	2.3	0.9	2.3	1.6	3.0	2.5	2.1	1.7	1.2	0.8	0.9	0.8	1.1	2.6	2.8	2.7	2.6	1.4	1.2	1.3
Core HICP inflation (y/y, %) HICP excl. food, alcohol and tobacco	2.3	1.6	1.6	1.8	2.5	2.4	2.3	2.1	1.9	1.6	1.6	1.2	1.3	1.5	1.7	1.9	2.1	1.9	1.7	1.6
Unemployment rate, France excl. Mayotte (%)	7.4	7.7	8.0	7.9	7.5	7.3	7.4	7.3	7.5	7.6	7.7	7.9	7.9	8.0	8.0	8.1	8.0	8.0	7.9	7.8
Unemployment rate, Mainland France (%)	7.2	7.5	7.8	7.8	7.3	7.1	7.2	7.1	7.3	7.4	7.5	7.7	7.7	7.8	7.8	7.9	7.8	7.8	7.7	7.6
General government net lending (% of GDP)	-5.8	-5.1	-4.9	-4.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public debt (% of GDP)	112.6	115.6	116.8	118.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sources: INSEE, calculations and forecasts by Crédit Agricole S.A./ECO, Crédit Agricole CIB inflation forecasts based on the international assumptions of the Crédit Agricole S.A./ECO scenario

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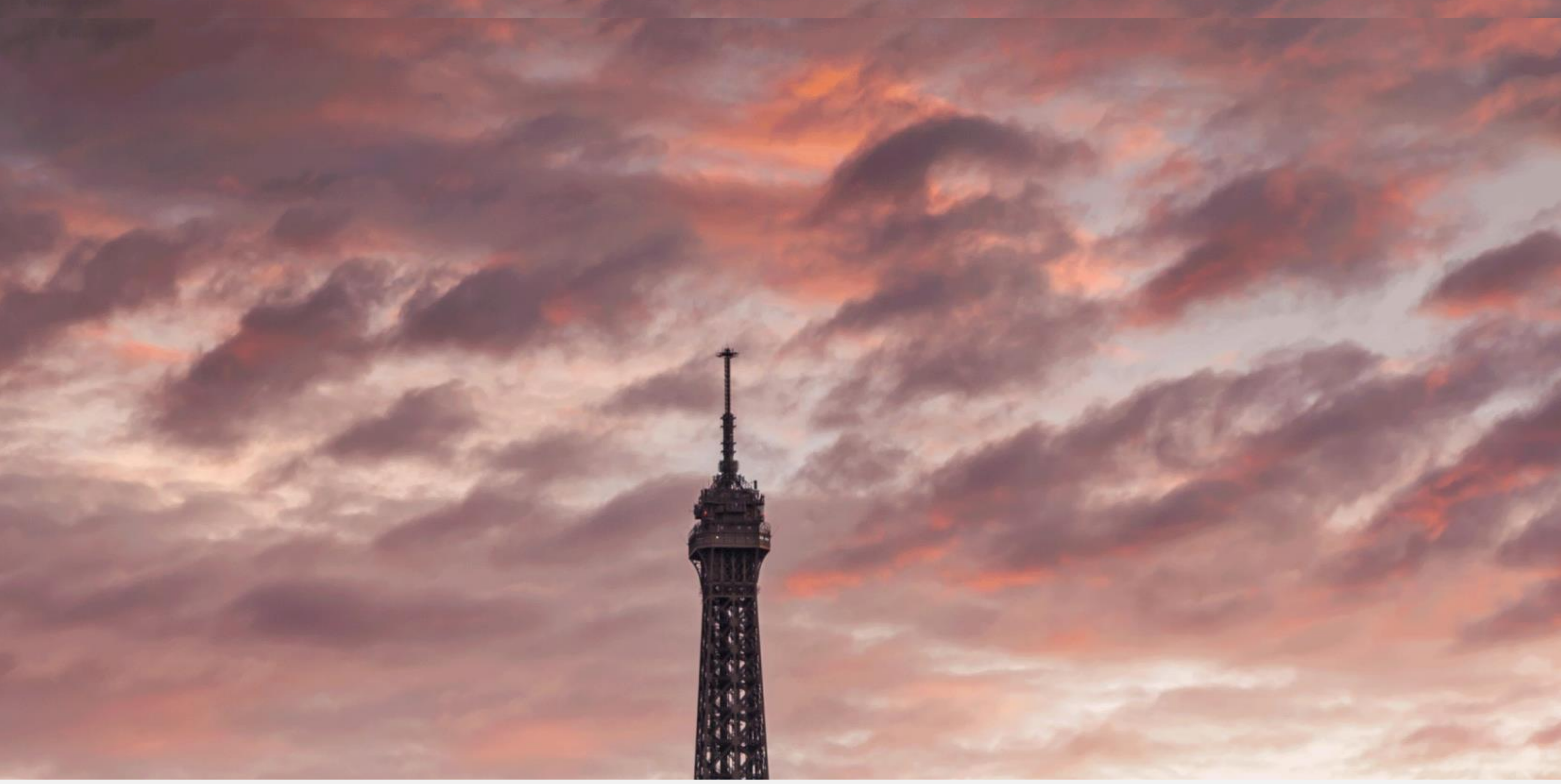

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