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Trésor-Economics

No. 395 • July 2026

Direction générale du Trésor

Review of the French Government's Economic Forecasts for 2025

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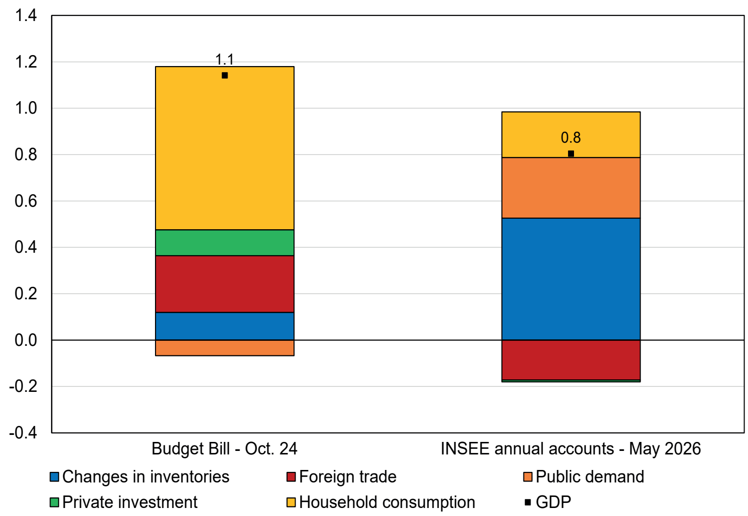
- When drawing up the macroeconomic scenario for the 2025 Budget Bill in October 2024, the environment was generally favourable for the French economy, as the main restrictions that had caused economic slowdown in recent years had loosened (lower inflation and monetary easing, brisker world trade). GDP growth of 1.1% was expected, driven by household consumption and, to a lesser extent, foreign trade. The possibility of Donald Trump winning the US presidential election was nevertheless identified as one of the main hazards adversely affecting this scenario.

- Trump's victory and the subsequent economic decisions made by his administration – particularly in trade matters – have heightened global uncertainty. At the same time, in France, the motion of no confidence launched on 2 December 2024 brought more uncertainty. This double blow was dealt to household consumption, while private investment proved more resilient, remaining stable on the whole. The measures ultimately adopted in the 2025 Initial Budget Act also triggered a surge in public demand.

- Overall, despite the uncertainty, the economy proved resilient. INSEE's annual accounts, published in May 2026, showed France's growth to be up 0.8%, 0.3 pp lower than the French government's forecasts (see chart). Foreign trade's contribution to GDP growth is significantly smaller than forecast in the 2025 Budget Bill, primarily as a result of supply shortages faced by the aerospace sector. However, these shortages have only had a slight impact on growth, with the strong contribution of inventories being attributed to non-delivered in-production aircraft.

Contributions to GDP growth in 2025: Forecast and actual figures



Source: DG Trésor, INSEE.

How to read this chart: In the 2025 Budget Bill presented in October 2024, GDP for 2025 was forecast to increase 1.1%. The contributions constitute the share of total growth attributed to each of the various macroeconomic aggregates. For example, the positive contribution made by household consumption was forecast at 0.7 pp at the time of the 2025 Budget Bill.

1. In October 2024, the French government forecast growth of 1.1% in 2025

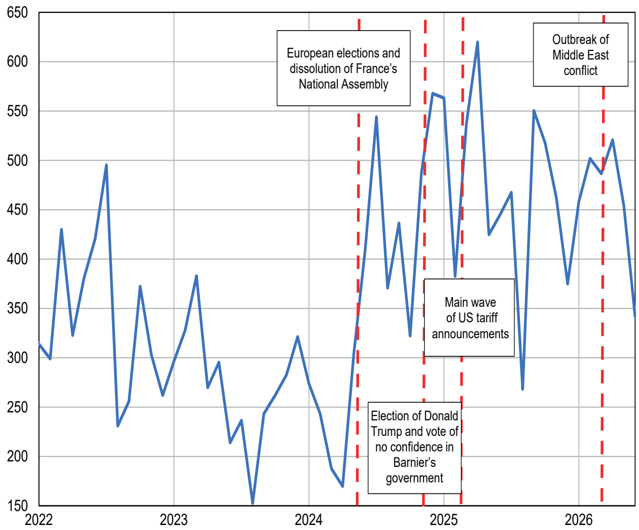
1.1 The 2025 Budget Bill was prepared in a less turbulent macroeconomic environment

The 2025 growth forecast underlying the 2025 Budget Bill was finalised in October 2024. There were several factors that were conducive to growth at the time. Inflation, which had hampered household consumption in previous years, was receding. It stood at around 2% year-on-year in October 2024, while remaining close to 3% in early 2024. This drop was much quicker than forecast by the French government in April 2024 in the Stability Programme. Inflation expectations themselves stood at around 2.0%, falling from a peak of 5.8% in October 2022.[1] The leading central banks were undergoing monetary easing after raising their key interest rates to record levels in response to the 2022 inflationary shock. As a result, these high rates had a heavily adverse effect on private investment. In mid-September 2024, the ECB deposit facility rate was 3.50%, after having levelled off at 4.00% for nine months, and this decrease was expected to continue up to late 2025. Lastly, brisker global growth and trade were also forecast: foreign demand for French goods was projected to pick up from –2.1% in 2023 to 0.9% in 2024 and 3.6% in 2025.[2]

However, the fiscal consolidation effort was expected to restrict growth: it was forecast that it would bring the government deficit to 5.0% of GDP, following a forecast deficit of 6.1% for 2024.

The identified hazards affecting this forecast were primarily of a political nature. Growth was particularly likely to be hampered by the lingering effects of uncertainty originating from the dissolution of France's National Assembly in June 2024. The outcome of US presidential elections in November 2024 was also a major international economic policy risk factor (see Chart 1).

Chart 1: Economic policy uncertainty index



Source: S. Baker, N. Bloom and S. Davis.

How to read this chart: The economic policy uncertainty (EPU) index gauges the uncertainty surrounding economic policy through the lens of press coverage, tax provisions and the deviation from economists' forecasts. While the EPU index had been on a downwards trajectory since January 2022, the dissolution of France's National Assembly on 9 June 2024 resulted in the index's sharp increase. The Flash conjoncture France report of 28 November 2025 (in French only), published by the French Treasury, sets out the effects of the uncertainty measured by this index on economic activity.

1.2 The 2025 Budget Bill projected growth of 1.1%, driven by household consumption and, to a lesser extent, foreign trade

The economic scenario in France's 2025 Budget Bill predicted growth of 1.1% in 2025, unchanged from the forecast growth figure for 2024.

Household consumption was expected to pick up the pace in spite of a slowdown in purchasing power, thanks to gross disposable income being less driven by property income – which was saved at higher levels – and more driven by earned income – which was consumed to a greater degree. The savings rate was therefore expected to decline.

Private investment was projected to increase slightly following a sharp decrease the previous year. The ECB's monetary easing was particularly expected to trigger a recovery in construction investment by businesses and mitigate the drop in construction investment by households. Household investment in services, related to property transactions, was also forecast to benefit from the lower borrowing rates and property prices.

Exports were expected to pick up, driven by aerospace deliveries and a more favourable international environment thanks to the easing of conflict in the Red Sea and recovery in Germany. More buoyant domestic

(1) According to the ECB's Consumer Expectations Survey, in September 2024 the median consumer inflation expectations for the following 12 months for France stood at 2.0%.

(2) French Treasury (2024), "World Economic Outlook in Autumn 2024: Monetary Easing and Geopolitical Tensions", *Tresor Economics*, No. 349.

demand was, however, predicted to be partly satisfied by imports. Ultimately, foreign trade was expected to support growth. Changes in inventories were forecast to make no contribution to GDP growth.

Lastly, the contribution of public demand to GDP growth was expected to be slightly negative due to the consolidation effort set forth in the 2025 Budget Bill to achieve a deficit of 5.0% (actual figure: 5.1%) following a forecast of 6.1% in 2024 (actual figure: 5.8%).

This growth forecast sat at the lower range of forecasts published at the time. It matched that of Consensus Forecasts[3] but was lower than the OECD and Banque de France forecasts (1.2%), with all three having been published in September 2024. It was also lower than the European Commission and IMF forecasts of 1.3%, published in May and July respectively.

Inflation was expected to continue to shrink to an annual average of 1.8% in 2025, triggered primarily by falling energy prices following the drop in electricity prices. Food price increases were expected to slow down. Conversely, inflation in services, the main component of inflation, was projected to continue rising, a knock-on effect of wage increases (see Chart 2). This scenario also included a slight upturn in the prices of manufactured goods, assuming that increases in maritime shipping costs are passed on to consumers. This forecast sat in the middle of the range of forecasts made. It matched the Consensus Forecasts but was lower than projections from the French Economic Monitoring Centre (OFCE). The Banque de France's September forecast was particularly low because it expected a 15% drop in regulated electricity prices in February 2025.

Lastly, in the wake of inflation changes, a slowdown in the GDP deflator was expected, resulting in a sharp slowdown in nominal GDP (to 2.9%, compared to 3.5% in 2024), despite real GDP being forecast to be stable.

2. The French economy proved resilient in the face of national and international shocks in 2025

2.1 Adversely impacted by two main shocks, the forecast was revised downwards in 2025

On 2 December 2024, a motion of no confidence was launched for the first time since 1962 which prompted the French government to revise its growth forecast downwards by 0.2 pp (to 0.9%). Increasing uncertainty causes agents to increasingly adopt a "wait-and-see" attitude, adversely impacting private domestic demand. As a result, household consumption was revised downwards with precautionary savings being set aside, and both household and business investment were also revised downwards.

In addition, the emergence of the risk of a trade war, triggered by the election of Trump, and the consequent slowdown in the economies of France's partners, prompted a downwards revision to the contribution of foreign trade to GDP growth. These revisions were only partly offset by an increase in the contribution of public demand as a result of a smaller fiscal adjustment, with the measures adopted by the 2025 Initial Budget Act leading to a forecast government deficit of 5.4% of GDP (versus 5.0% in the 2025 Budget Bill).

In April 2025, growth was once again lowered (by 0.2 pp to 0.7%) in the macroeconomic scenario of the 2025 Annual Progress Report (APR), primarily as a result of the international environment deteriorating with the US tariff hikes announced on 2 April of that year. This shock further raised uncertainty, and this growth forecast was kept as is in the 2026 Budget Bill.

2.2 Ultimately, growth was weaker than initially forecast in the 2025 Budget Bill, but stronger than predicted in the 2025 APR and 2026 Budget Bill

Growth ultimately totalled 0.8% in 2025, falling 0.3 pp short of the French government's forecast in the 2025 Budget Bill (1.1%).[4]

(3) The forecast prepared by Consensus Forecasts takes the average of a panel of forecasters (banks, rating agencies, public bodies, etc.).

(4) The data from INSEE's annual accounts is given in gross terms, whereas the French government forecasts are expressed as adjusted for business days in line with the quarterly national accounts. The adjustment had a positive impact in 2024 (a 0.1 pp increase in GDP) and a negative one in 2025 (down 0.1 pp).

Household consumption was considerably less strong than forecast (up 0.4% versus 1.3%), hampered by a resurgence in uncertainty both on the international and domestic stages. However, the savings rate fell slightly more than what was forecast in the 2025 Budget Bill (down 0.6 pp compared to 0.5 pp) – to 17.9% – due to an unexpected drop in purchasing power (down 0.4% compared to the forecast 0.8% increase). This drop was in particular due to the sharp reduction in dividends received following an increase in late 2024 ahead of the introduction of the differential contribution on high incomes.

In contrast, public demand contributed to GDP growth (0.3 pp, versus the forecast negative contribution of 0.1 pp). More specifically, public investment turned out to be stronger than forecast (see section 3.4).

The contribution of foreign trade net of changes in inventories and of private investment were generally in line with the forecasts.

2.3 After several very strong years, employment continued to rise but at a slower pace than forecast in the 2025 Budget Bill

The employment environment returned to normal in late 2023 after faring considerably better than the business environment for nearly two years. Following a strong upturn in 2021 and 2022, the pace of job creation had sharply fallen in 2023. This slowdown had already been observed at the time when the 2025 Budget Bill's macroeconomic scenario was being developed, and was expected to continue into the second quarter of 2024. This scenario therefore factored in another slowdown in salaried jobs in the non-agricultural market sector in 2025 (an annual average increase of 0.1% forecast, following an actual increase of 0.3% in 2024 according to data available at the time of the forecasts). This occurred despite the continued ramp-up of certain measures to support employment such as the expansion of apprenticeships, the countercyclical unemployment insurance reform and the pension reform. Strong employment was expected to be mitigated by the end of the apprenticeship drive and partial and gradual catch-up on productivity losses as certain temporary factors hampering productivity dissipate (e.g. high staff retention levels in specific business sectors).

Employment slowed down in 2025 particularly as a result of the recovery in productivity, weaker growth and fewer people taking up subsidised jobs. Total employment rose 0.2% on an annual average basis and was primarily driven by unwaged job creation (up 2.3%) and salaried job creation in the non-market sector (up 0.3%). Salaried employment in the non-agricultural market sector decreased, whereas the 2025 Budget Bill scenario forecast the indicator to be virtually stable (down 0.3% on an annual average basis compared to the forecast increase of 0.1%).

2.4 Inflation fell much more sharply than forecast

Inflation stood at 0.9% on an annual average basis, a lot lower than forecast in the 2025 Budget Bill (a 0.9 pp difference). This revision was chiefly attributed to a quicker-than-expected fall in energy prices, particularly prices for electricity and oil products, and to a slowdown that was even more severe than forecast for service prices following the wage slowdown. The prices of manufactured goods also fell – albeit to a lesser extent – as a consequence of euro appreciation against the dollar. Conversely, food prices were slightly more robust than forecast due to the surge in tropical foodstuffs.

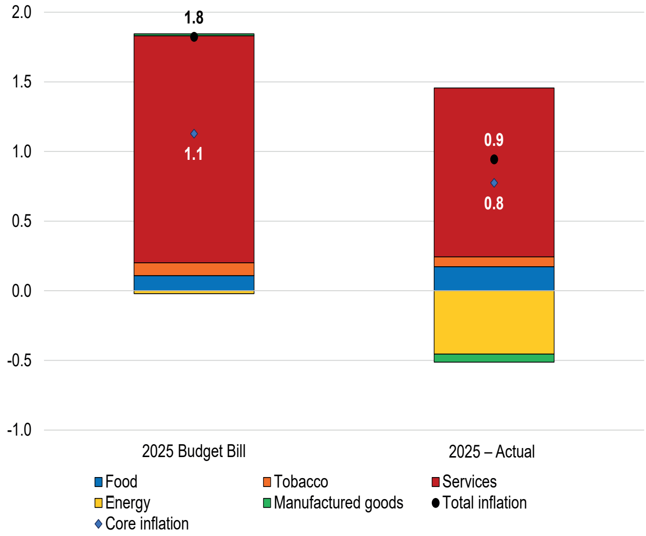
More specifically, energy prices declined more sharply than expected (a 6.8% decrease compared to a 0.3% drop forecast in the 2025 Budget Bill) primarily because the fall in electricity prices was steeper than projected: regulated electricity prices fell 15% in February 2025 following the scrapping of the plan to raise the excise duty on electricity (formerly the domestic consumption tax on electricity for end-users – TICFE). Oil product prices also dropped as a result of the fall in Brent prices in the wake of the US tariff hike announcements: on an annual average basis, a barrel stood at US$69 compared to the US$80 forecast in the 2025 Budget Bill.

In addition, inflation in services decreased quicker than forecast (2.3%, compared to 3.2%), which is partially attributed to the more severe slowdown in wages. The ongoing telecom price wars also contributed to the slowdown in service price increases.

Lastly, the drop in manufactured goods prices was a lesser factor that brought down inflation faster than forecast. This drop is primarily the result of falling import prices triggered by the appreciation of the euro against the dollar amid worsening market perception of US economic policy. The annual average for the euro-dollar exchange rate stood at US$1.13, compared to the forecast figure of US$1.09 in the 2025 Budget Bill.

The GDP deflator followed inflation's downward trajectory to ultimately stand at 1.1% compared to the forecast 1.7%. Nominal GDP growth thus totalled 2.0% in 2025 (forecast figure: 2.9%).

Chart 2: Contributions to inflation in 2025 – forecast and actual figures



Source: DG Trésor, INSEE.

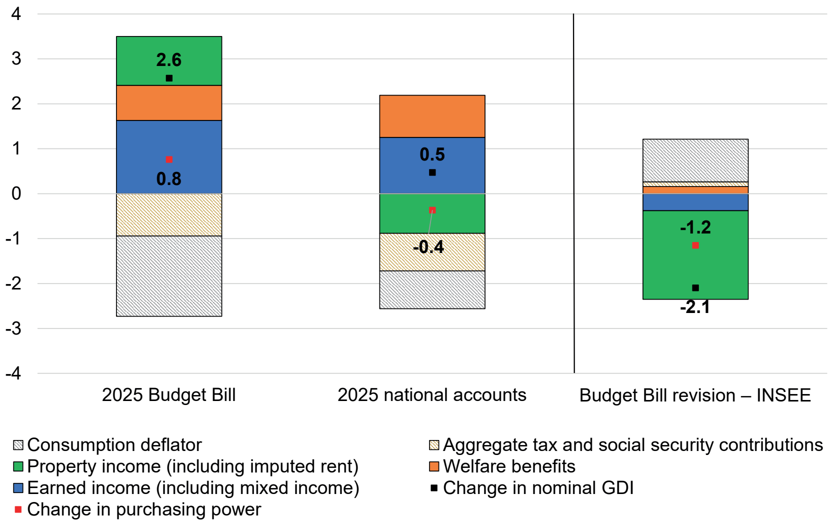
3. The breakdown of growth differed considerably from the forecast

3.1 Purchasing power and household consumption were weaker than forecast despite falling inflation

Household gross disposable income (GDI) fell considerably short of the forecast in the 2025 Budget Bill (up 0.5% vs 2.6%). Net property income fell sharply despite expectations of an increase. On the one hand, dividends received by households significantly dropped following a sharp rise in 2024 because of the frontloading resulting from the introduction of the differential contribution on high incomes. This frontloading was possible thanks to the motion of no confidence launched against Michel Barnier's government and the final adoption of the Budget Act in February 2025. On the other hand, the drop in net interest accruing to households was greater than forecast, the result of a sharper cut in key interest rates than expected. Gross operating surplus for households excluding sole proprietorships, which covers actual and imputed rent in particular, also fell. Earned income also fell slightly short of expectations, impacted by weaker-than-forecast employment and average wage per capita. Conversely, welfare benefits received by households provided a greater contribution to supporting gross disposable income, as the benefit freeze set forth in the Budget Bill had not been factored into the Initial Budget Act.

Consequently, while a 0.8% increase had been forecast, purchasing power ended up decreasing by 0.4% in 2025 despite the drop in inflation being greater than expected. This decrease triggered a slump in the household savings rate similar to the decrease forecast in the 2025 Budget Bill (0.6 pp vs 0.5 pp), falling to 17.9%, despite weaker consumption which was hindered by a resurgence in uncertainty.

Chart 3: Difference between actual figures and 2025 Budget Bill projections regarding contributions to purchasing power growth



Source: DG Trésor, INSEE.

3.2 World trade was more buoyant than forecast thanks to the rise of AI, with France only mildly benefitting

In 2025, despite the tariff shock (see Box 1), world trade in goods was up 4.8%, outpacing the 4.0% growth forecast in the 2025 Budget Bill. However, the sectoral exposure of French exports meant that they were not able to fully reap the benefits of this upswing.

The strong upwards trend in world trade was attributed to ICT goods particularly in the AI segment. However, France still holds a weak position in this sub-sector: ICT accounted for only 3.0% of French exports in 2024, a similar figure to that of other major advanced economies in Europe, but considerably lower than the figure for the United States or advanced economies in Asia.[5] This structural weakness in Europe is even expected to worsen: EU growth in industrial production in the computer and electronics industry totalled 2.4% from Q1 2024 to Q2 2025, compared to 3.8% at global level.[6]

Box 1: The global economy's resilience in coping with US trade measures

The risk of growing trade tensions, identified in the 2025 Budget Bill's macroeconomic scenario, materialised when US trade policy was tightened. Between February and July 2025, the US government carried out a series of tariff hikes on Chinese, Canadian and Mexican imports, introduced additional sector-specific tariffs, and on 2 April 2025 announced a suite of tariff measures targeting a breadth of trading partners. At the time of the most brutal tariff announcements, before tariffs targeting China were lowered from 125% to 10% on 14 May 2025, the US average effective tariff rate on imports stood at 21.6% compared to 2.4% in late 2024 according to the World Trade Organization (WTO).[a]

This US tariff shock prompted all international organisations to revise their economic growth and world trade outlook downwards in the first half of 2025 (see Table 1). However, according to the OECD,[b] global growth was stable in 2025 (3.4%) while world trade in goods and services picked up the pace.

a. WTO-IMF Tariff Tracker (2026).
b. OECD Economic Outlook (2026), "Resilient Growth but with Increasing Fragilities", Volume 2025 Issue 2. This publication takes into consideration the quarterly macroeconomic estimates for the entirety of 2025 for countries accounting for almost all of world trade. However, these estimates are still likely to change.

(5) According to the United Nations Conference on Trade and Development (UNCTAD), in 2024 the share of ICT in overall exports totalled 4.6% in Germany, 3.4% in the United Kingdom, 2.3% in Italy and 1.6% in Spain. On the other hand the figure was 9.1% in the United States, 7.6% in Japan, 28.3% in South Korea, 34.7% in Singapore, 64.3% in Taiwan and 61.5% in Hong Kong.
(6) OECD Economic Outlook (2026), "Resilient Growth but with Increasing Fragilities", Volume 2025 Issue 2. According to the OECD, from Q1 2024 to Q2 2025, the manufacture of computers and electronics was up 2.4% in the EU, slightly lagging behind the global average (3.8%) and completely outpaced by the United States (15.2%), China (16.1%) and Asia (17.4%). The Asia figure is a weighted average of the Japan, South Korea, Taiwan and Singapore figures.

Table 1: Change in world trade forecasts before and after 2 April 2025

IMF (goods and services)		OECD (goods and services)		WTO (goods)[c]	
January 2025	April 2025	December 2024	June 2025	April 2025 Baseline scenario	April 2025 Adjusted scenario
+3.2%	+1.7%	+3.6%	+2.8%	+2.7%	–0.2%

Source: International Monetary Fund: World Economic Outlook Update, January 2025, World Economic Outlook, April 2025; OECD: Economic Outlook, December 2024, Economic Outlook, June 2025; WTO: Global Trade Outlook and Statistics – April 2025.

The global economy showed resilience primarily because the April 2025 tariff shock was less extensive than expected. Firstly, the series of trade agreements signed by the United States and their main partners lowered the average tariff rate from 21.6%, constituting a tariff peak, to 13.6% in late 2025. Businesses then quickly adapted to limit their exposure, bringing forward their imports before the implementation of new measures (11% increase in US imports in Q1 2026) or minimising the tariffs payable on their products (e.g. raising the rate of compliance with the North American Free Trade Agreement).[d] Lastly, some value chains were quickly restructured to include third-party intermediary countries, particularly Southeast Asian countries, in order to circumvent a number of the trade measures such as those relating to Chinese goods headed for the United States. These circumvention strategies bolstered world trade while mitigating the negative impact of trade measures on certain direct flows,[e] and, more artificially, doubling the number of the goods involved in these flows.[f]

The global economy was especially supported by robust investment in AI, chiefly from the United States. The AI sector alone contributed approximately a third of the 2025 growth in world trade,[g] driven in particular by trade in electronic chips and servers for data centres.

c. The April 2025 issue of "Global Trade Outlook and Statistics" of the WTO sets out a baseline scenario on the basis of low tariffs and limited trade uncertainty, as well as an adjusted scenario, which factors in the measures in force as at 14 April 2025 following the temporary lifting of reciprocal tariffs.
d. OECD Economic Outlook, op. cit.
e. McKinsey Global Institute (2026), "Geopolitics and the geometry of global trade: 2026 update", March 2026. According to the report, the United States replaced nearly two-thirds of the gap in their Chinese imports with purchases from other Asian countries, while China found new sales opportunities for just under half of the exports concerned, particularly in Asia and the Middle East.
f. INSEE (2026), "Industry holds steady, while households feel the strain", *Economic Outlook.* The circumvention of US tariffs, by transporting Chinese goods through third-party Asian countries, helped drive up world trade, estimated to amount to between 0.2 pp and 0.6 pp.
g. INSEE (2026), op. cit.

3.3 Foreign trade was also hampered by the appreciation of the euro

The Trump administration's policies have resulted in an unexpected depreciation of the dollar[7] and consequently an appreciation of the euro, hindering French exports in real terms and driving up imports. Imports were up 2.8%, 0.2 pp higher than the 2025 Budget Bill forecast, despite domestic demand net of inventories being more sluggish than forecast.

Aerospace deliveries also fell short of the 2025 target set by Airbus due to supply shortages. Overall, exports were up 2.3% compared to the 3.4% increase forecast in the 2025 Budget Bill. However, the aerospace industry's poor performance was offset by a larger contribution from changes in inventories (up 0.5 pp, versus 0.1 pp), with planes awaiting parts being stored for future delivery.

Overall, the contribution of foreign trade to GDP growth was negative at 0.2 pp, compared to a positive contribution of 0.2 pp forecast in the 2025 Budget Bill. However, the contribution of foreign trade net of changes in inventories was consistent with the 2025 Budget Bill forecast (see Box 2).

(7) According to economic theory, the US tariff hike should have appreciated the dollar, all else being equal.

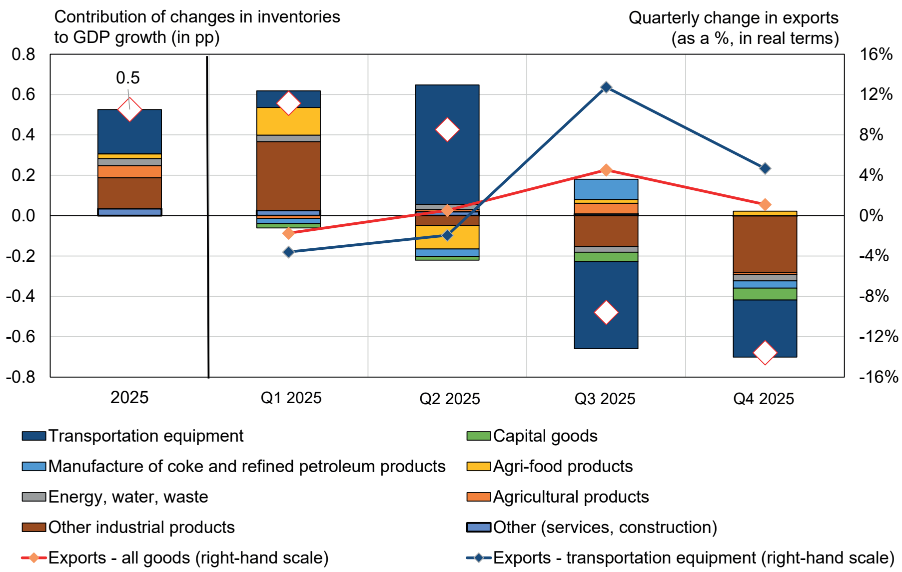
Box 2: The contribution of changes in inventories to growth in 2025

In 2025, disappointing export figures (see section 3.3) were fully offset by a larger contribution from inventories: the contribution of changes in inventories to growth was 0.4 pp above the forecast figure, while the contribution of foreign trade fell below the forecast by 0.4 pp.

This counterbalancing dynamic encourages a cross analysis of these two indicators. Inventory movements often change to reflect shifts in the foreign trade balance. This pattern is clearly noticeable in the quarterly accounts at the time of major trade export operations (deliveries of liners and/or high-capacity aircraft) resulting in a peak in exports and inventory reduction occurring at the same time, with production having been recorded in inventories pending delivery. However, this "mirror effect" is also apparent on the import side too: when businesses exceptionally increase their purchases of intermediate or finished goods in preparation for a possible supply shortage or an increase in demand, imports may outpace the production ramp-up and the increase in sales, resulting in an accumulation of inventories. A strong contribution from inventories is therefore not necessarily a sign of a self-sustaining economy but it should be assessed with other components of demand and its product breakdown in mind.

Over 2025, changes in inventories were the biggest positive contributor to GDP growth (0.5 pp). This uplift is particularly a reflection of the reversal in inventory reductions observed in 2024. Changes in inventories went from –€4.4bn in 2024 to €9.4bn in 2025, a difference of €13.8bn representing 0.5 pp of GDP. This reversal is especially pronounced in industry, more specifically for transportation equipment (which also covers aviation) and, to a lesser extent, for other industrial products (see Chart 4).

Chart 4: Contribution of changes in inventories to GDP growth, by product



Source: INSEE, DG Trésor calculations.

The quarterly analysis illustrates this mirror effect between inventories and exports, which is particularly apparent in the aerospace industry. In the first half of 2025, lingering supply shortages, particularly for engines and toilets, resulted in a delay in Airbus deliveries. The Airbus Group delivered 306 planes over the first half of 2025, down from 323 in the first half of 2024. These delays reduced exports and increased inventories. In the second half of 2025, the gradual lifting of a number of supply-chain restrictions triggered a sharp upturn in deliveries, bolstering exports and – symmetrically – causing inventories to make a negative contribution to growth. However, this negative contribution did not wipe out the previous accumulation of inventories, which is why changes in inventories of transportation equipment made a positive contribution to the change in GDP (annual average).

3.4 Public demand rose, emerging as one of the main contributors to GDP growth

The government deficit forecast by the French government in the 2025 Budget Bill stood at 5.0% of GDP, following a 2024 estimate of 6.1%. The government deficit narrowed thanks to the French government's announcement of savings of €60bn compared to its change in the absence of measures, two-thirds of which relate to expenditure.

In 2025, the government deficit totalled 5.1% of GDP in the INSEE's provisional account, down 0.7 pp from 5.8% in 2024. The decrease was forecast to be 1.1 pp in the 2025 Budget Bill. In line with this smaller fiscal adjustment, the contribution of public demand to GDP growth stood at 0.3 pp (compared to a negative contribution of 0.1 pp forecast in the 2025 Budget Bill). In particular, public investment surged (up 2.8% in real terms, versus the forecast 0.8%), even if it suffered a slight slowdown in the second half of 2025.

3.5 Amid uncertainty, private investment rose thanks to lower key interest rates

Uncertainty caused by the motion of no confidence and US economic policy may have pushed businesses to reassess their investment opportunities and delay or cancel some investment projects. In addition, a knock-on effect may have caused the deteriorating French macroeconomic outlook to also drive businesses to reconsider their investment decisions.

Nevertheless, business investment benefited from monetary easing initiated in mid-2024, the extent of which was much larger than expected, allowing business investment to recover in 2025 after a slight decline in 2024 (down 0.1%). However, this upturn was slightly weaker than forecast (up 0.4% versus 0.6% in the 2025 Budget Bill). Concurrently, household investment fell slightly in 2025 (down 0.2% compared to a 0.4% increase forecast in the 2025 Budget Bill), nevertheless confirming its stabilisation after two years of sharp decline (down 8.2% in 2023, down 9.8% in 2024).

Table 2: Economic forecasts for France

	Oct. 24 Budget Bill	2025 provisional	Difference
Transactions in goods and services in real terms			
Gross domestic product	1.1	**0.8**	**(–0.3)**
GDP (not adjusted for business days)	1.0	*0.8*	*(–0.2)*
Final household consumption	1.3	0.4	(–0.9)
Final government consumption	–0.2	0.6	(0.8)
Gross fixed capital formation (GFCF)	0.4	0.5	(0.1)
Of which: non-financial corporations	0.6	*0.4*	*(–0.2)*
general government	–0.7	*2.6*	*(3.3)*
households excl. sole proprietorships	0.4	*–0.2*	*(–0.6)*
Imports	2.6	2.8	(0.2)
Exports	3.4	2.3	(–1.1)
Contributions to GDP growth in real terms			
Private domestic demand excl. inventories	0.8	0.2	(–0.6)
Public demand	–0.1	0.3	(0.4)
Changes in inventories and net acquisition of valuables	0.1	0.5	(0.4)
Foreign trade	0.2	–0.2	(–0.4)
Foreign trade net of inventories	0.4	0.4	(0.0)
Price and value			
Consumer price index (CPI)	1.8	0.9	(–0.9)
Core inflation index, gross	1.8	1.2	(–0.6)
GDP deflator	1.7	1.1	(–0.6)
Nominal GDP (adjusted for business days)	2.9	2.0	(–0.9)
Productivity, employment and wages			
Non-agricultural market sectors:			
− Labour productivity (in FTEs)	1.2	1.2	(0.0)
− Salaried employment (yearly average, as a %)*	0.1	–0.3	(–0.4)
− Average wage per capita (SMPT) (individuals)	2.7	2.0	(–0.7)
− Purchasing power of SMPT (CPI)	0.8	1.1	(0.3)
− Total payroll	2.8	1.7	(–1.1)
Total employment (yearly average)	0.3	0.2	(–0.1)
Non-financial corporations			
Value added (VA)	2.3	1.0	(–1.3)
Gross operating surplus (GOS)	0.2	–0.6	(–0.8)
Profit margin (GOS/VA)	30.7	32.2	(1.5)
Households			
Total payroll	2.3	1.8	(0.5)
Gross disposable income (GDI)	2.6	0.5	(–2.1)
Purchasing power of GDI	0.8	–0.4	(–1.2)
Savings rate (savings/GDI)	17.6	17.9	(-0.3)
Change in savings rate	–0.5	–0.6	(–0.1)
International environment			
Foreign demand for French goods	3.6	4.7	(1.1)
Euro-dollar exchange rate	1.09	1.13	(0.04)
Brent barrel price (US$)	79.8	68.9	(–10.9)

Source: DG Trésor, INSEE.

Data adjusted for business days for the forecast figures, gross data for actual figures.

* Employment as defined by INSEE employment estimates.

Publisher:

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des Finances et de
la Souveraineté industrielle,
énergétique et numérique

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English translation:

Centre de traduction
des ministères économique
et financier

Layout:

Mimose Mellia
ISSN 1962-400X
eISSN 2417-9698

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