

**EXECUTIVE
BOARD
MEETING**

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Supplement 3

January 14, 2022

To: Members of the Executive Board

From: The Secretary

Subject: **France—Staff Report for the 2021 Article IV Consultation—Further Supplementary Information**

Board Action:	Executive Directors' consideration (Formal)
Tentative Board Date:	Wednesday, January 19, 2022
Publication:	Yes*
Questions:	Mr. Franks, EUR (ext. 36347) Ms. Patnam, EUR (ext. 30485) Mr. Gruss, AFR (ext. 37516) Mr. Weber, MCM (ext. 39639)
Document Transmittal in the Absence of an Objection and in accordance with Board policy:	Forthwith—European Central Bank, European Commission After Board Consideration—Food and Agriculture Organization, Organisation for Economic Cooperation and Development, World Food Programme, World Trade Organization

***Unless an objection from the authorities is received prior to the conclusion of the Board's consideration, the document will be published.**



FRANCE

STAFF REPORT FOR THE 2021 ARTICLE IV CONSULTATION—FURTHER SUPPLEMENTARY INFORMATION

January 14, 2022

Prepared By

European Department

This statement provides the detailed selected economic indicator table for the years 2019-2022, expanding on the abbreviated table presented in staff's previously issued supplement. The thrust of the staff appraisal remains unchanged.

Table 1. France: Selected Economic Indicators, 2019-22

	2019	2020	Projections	
			2021	2022
Real economy (change in percent)				
Real GDP	1.8	-8.0	6.7	3.5
Domestic demand	2.1	-6.8	6.1	2.5
Foreign balance (contr. to GDP growth)	-0.3	-1.1	0.4	0.9
CPI (year average)	1.3	0.5	2.1	2.4
GDP deflator	1.3	2.7	0.2	2.0
Public finance (percent of GDP)				
General government balance	-3.1	-9.2	-8.3	-5.2
Revenue	52.3	52.6	52.0	51.2
Expenditure	55.4	61.8	60.3	56.4
Primary balance	-1.7	-8.0	-7.1	-4.2
Structural balance (percent of pot. GDP)	-2.1	-6.0	-7.0	-5.0
General government gross debt	97.5	115.0	114.6	113.5
Labor market (percent change)				
Employment	0.8	-0.7	1.2	0.2
Labor force	0.2	-1.1	1.2	0.3
Unemployment rate (percent)	8.4	8.0	8.0	8.1
Credit and interest rates (percent)				
Growth of credit to the private non-financial sector	5.3	8.1	2.5	3.8
Money market rate (Euro area)	-0.4	...	...	...
Government bond yield, 10-year	0.1	...	...	...
Balance of payments (percent of GDP)				
Current account	-0.3	-1.9	-1.4	-1.4
Trade balance of goods and services	-0.9	-1.9	-1.6	-1.4
Exports of goods and services	32.7	28.8	31.7	33.8
Imports of goods and services	-33.7	-30.7	-33.3	-35.2
FDI (net)	0.2	1.6	0.8	0.9
Official reserves (US\$ billion)	69.7	...	...	...
Exchange rates				
Euro per U.S. dollar, period average	0.89	...	...	...
NEER, ULC-styled (2005=100, +=appreciation)	97.1	...	...	...
REER, ULC-based (2005=100, +=appreciation)	90.2	...	...	...
Potential output and output gap				
Potential output (change in percent)	1.0	-3.3	3.7	1.7
<i>Memo: per working age person</i>	1.2	-3.2	3.8	1.7
Output gap	0.0	-4.8	-2.1	-0.4
<i>Sources: Haver Analytics, INSEE, Banque de France, and IMF Staff calculations.</i>				