

French economy grows slightly better than expected in second quarter

The French economy grew slightly more than expected in the second quarter of the year but remains below where it was before the COVID-19 pandemic struck.

According to [France's official statistics agency, INSEE](#), gross domestic product rose by 1.1% in the three months to late June – slightly higher than the 0.9% initially forecast.

This comes after zero growth in the first quarter.

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INSEE now says that even if growth remains stable in the second half of the year, the French economy should grow by at least 4.8% this year. The agency and the government expect growth to reach 6% by the end of 2021.

- [Coronavirus: France unveils 'historic' €100 billion stimulus plan to kickstart sick economy](#)
- [Vaccination and lifting of restrictions lead to faster-than-expected EU economic recovery](#)

Currently, growth remains 3.2% below where it was in the last quarter of 2019 before the global health crisis erupted, forcing governments worldwide to take unprecedented measures to curb the spread of the disease but which had the consequence of grinding the economy to a screeching halt.

France was not spared, with GDP contracting 8% last year.

External trade continued to be a drag on French growth with imports growing faster (+1.7%) than exports (+1.0%). Both remain significantly below pre-COVID times, currently -5.8%

and -9.5% respectively.

However, domestic demand rebounded 1.2% in the second quarter with household consumption growing 1% after stable growth in the first quarter.

But it is still 5.9% below its pre-crisis level.