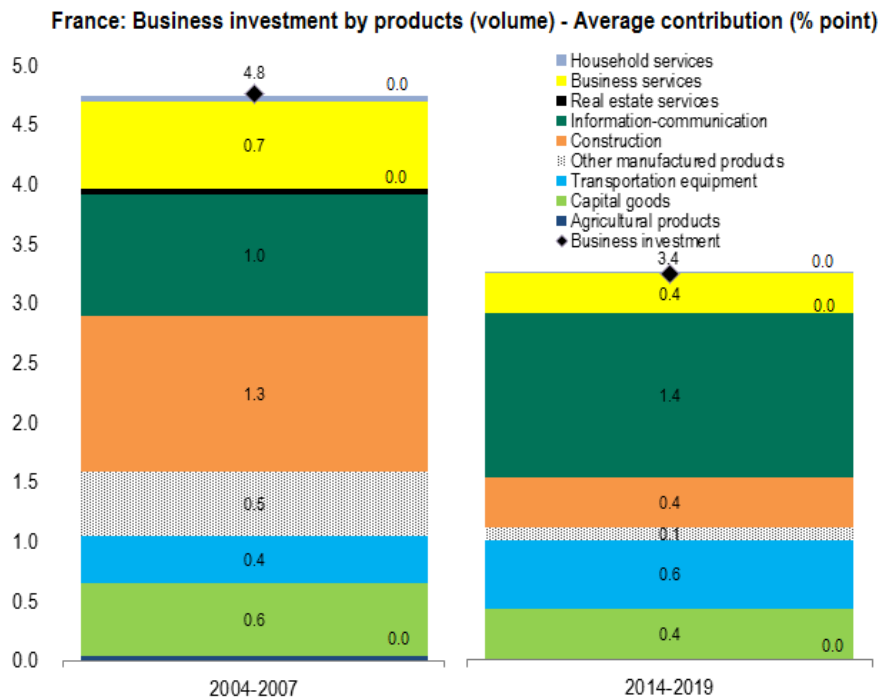




## France: dynamism and composition of business investment

Although not as significant as during the 2004-2007 boom period (+4.8 % per year on average), the dynamism of French business investment has nonetheless been noteworthy since 2014 (+3.4%). In 2018, its contribution to GDP growth (0.5 percentage points) was slightly above the one of household consumption (this latter lacking itself in dynamism) and in 2019, according to our forecasts, it would be barely below. The outcome of business investment being the main engine of French growth is very unusual.

Its breakdown by products and its evolution over the time are also noteworthy: the current dynamism is based up to 40% on investment in information and communication services, far above all other products and twice as much as its share during the 2004-2007 period. Given this composition and the ongoing digital transformation, the business investment dynamism could continue, and even increase if the other types of investment join forces as in the 2004-2007 period.



Source: INSEE, Macrobond, BNP Paribas