

SAVING TELEGRAM

UNCLASSIFIED

FRAME ECONOMIC

FROM PARIS SAVING TELNO 49 OF 12 DECEMBER 1985

TO FCO

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FRANCE : ECONOMIC REPORT FOR NOVEMBER 1985

SUMMARY

1. The improvement of the economy, evident since the beginning of the autumn, continues, sustained by increases in consumer spending and investment. The trend of industrial production is still rising, and company bankruptcies and unemployment (s.a.) have fallen. The annual rate of inflation continues to decrease, and the purchasing power of hourly wages has risen.
2. Although a survey of industrialists shows that the rate of increase in production has slowed, they forecast that in most sectors it will continue during coming months.
3. Company bankruptcies decreased for a fourth consecutive month but this trend may soon be reversed, and this year's total will probably be higher than last year's. Unemployment has fallen for the second consecutive month, on a seasonally adjusted basis, and since January there has been a decrease on both s.a. and non-s.a. basis. Job losses in 85HI were far fewer than in 84 HI. There was a small balance of trade surplus in October, but the deficit for January to October is almost F20 billion.
4. France's large external debt decreased by F44 billion between the end of June and the end of September, partly because of debt repayments but mostly because of the depreciation of the dollar against the franc.

/DETAIL

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