Flash Economics

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The United States can no longer count on robust growth

The United States will in all likelihood experience weak growth going forward, for three reasons:

- the decline in employees' purchasing power is weighing on consumption and driving down household residential investment;
- the strong rise in business investment, underpinned by the recovery in corporate profitability, is generating very rapid import growth that neutralises its effect on GDP growth;
- the productivity gains recorded in the sectors that use artificial intelligence are being offset by the strong rise in employment in health and education, so that labour productivity is not accelerating overall.

The United States will therefore be penalised by an income distribution unfavourable to employees, by its dependence on Asian suppliers of IT hardware (semiconductors, memory chips, hard drives) and by weak productivity gains outside the sectors where artificial intelligence is substituting for labour.

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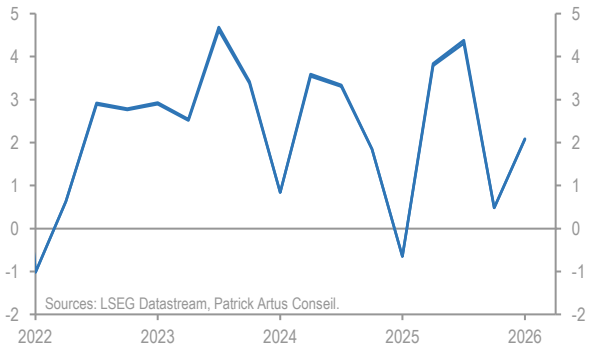
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The prospect of a lasting slowdown in US growth

US growth has been weak since the fourth quarter of 2025 (Chart 1); in our view, **this slowdown is likely to prove lasting**, for three reasons: the fall in real wages, the strong rise in imports and the absence of any acceleration in productivity despite the development of artificial intelligence.

Chart 1
United States: Real GDP growth (Q/Q annualized, %)



The decline in the purchasing power of wages

The purchasing power of wages is declining (Chart 2), which is weighing on household consumption and on residential investment (Charts 3A and 3B).

Chart 2
United States : Real average hourly earnings, private sector (Y/Y, %)



Chart 3A
United States: Household consumption and residential investment (Y/Y, %)

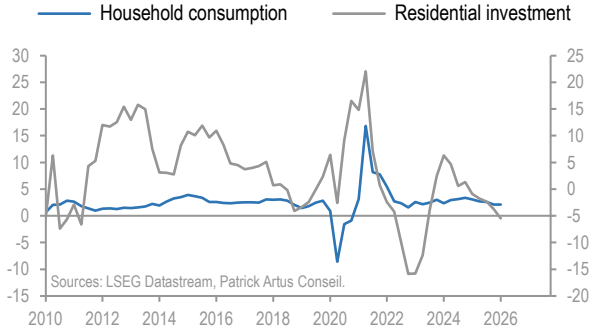
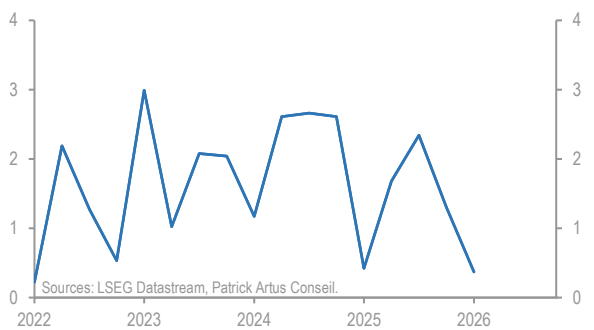


Chart 3B
United States: contribution of houselhold consumption to GDP growth (percentage points)



Buoyant growth in imports

The development of artificial intelligence has spurred **a strong rise in investment**, particularly in equipment and intellectual property products (**Chart 4**), **supported by the high level of corporate profitability** (**Chart 5**).

Chart 4
United States: private investment by component (as % of real GDP, chained 2017 USD)

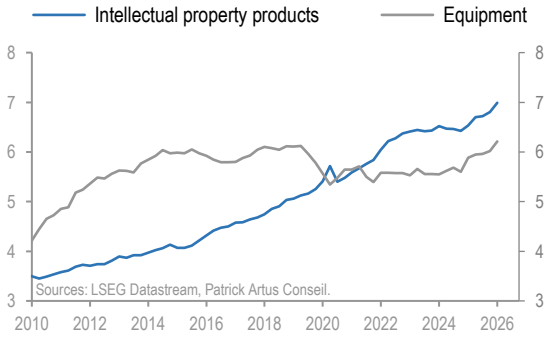
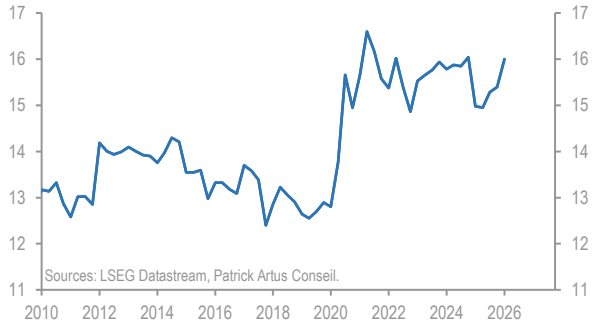


Chart 5
United States: Profits of non-financial corporations, net of interest and taxes (as % of GDP)



This strong growth in investment does not, however, translate into faster GDP growth: this investment **has a high import content**, and the very rapid rise in imports offsets the effect of higher investment on GDP (**Charts 6, 7A** and **7B**).

Chart 6
United States: Imports (Q/Q annualised, %)

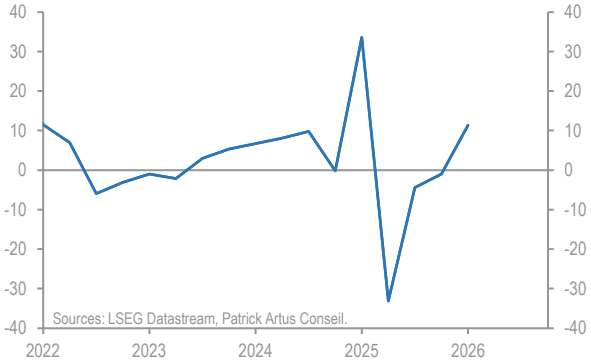


Chart 7A
United States: contribution of household consumption to GDP growth (percentage points)

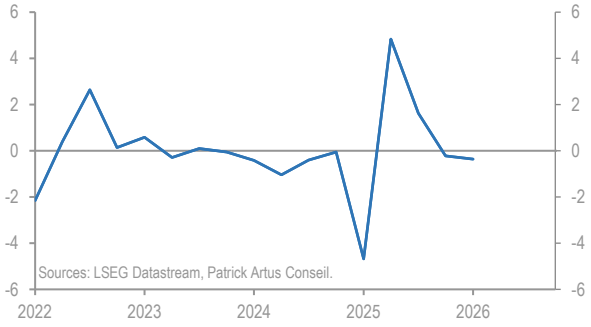
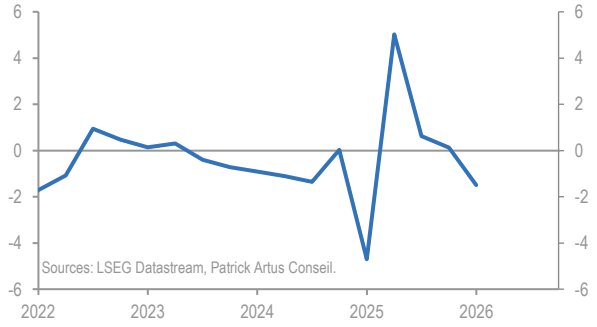


Chart 7B
United States: contribution of imports to GDP growth (percentage points)



Strong growth in low-productivity service jobs

The adoption of artificial intelligence is generating significant productivity gains in the sectors where it can substitute for labour (manufacturing, trade, transport and logistics, financial services). At the same time, **employment has risen sharply in health and education** (**Chart 8**). Overall, **therefore, productivity gains are not accelerating, despite the development of artificial intelligence**, as employment is growing in sectors where average productivity is low and stagnant (**Charts 9A** and **9B**).

Chart 8
United States: Monthly change in education and health sercvices employment (thousands)

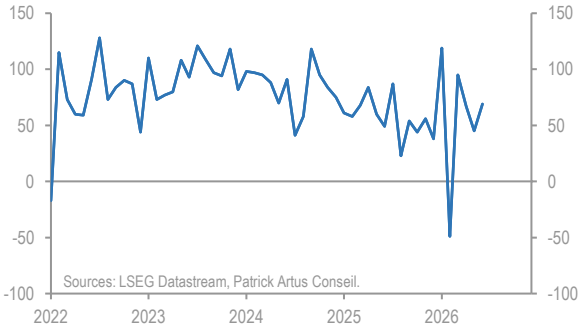


Chart 9A
United States: Labour productivity per worker, private sector (2010 Q1 = 100)

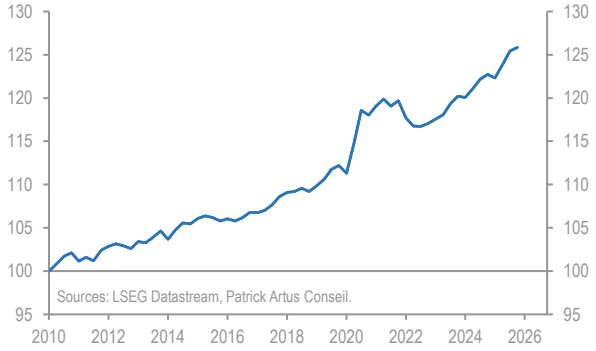
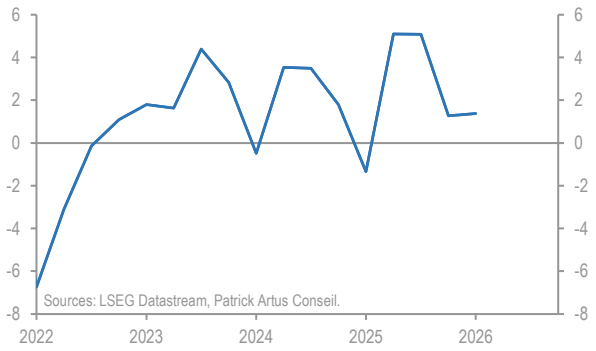


Chart 9B
United States: Labour productivity per worker, private sector (Q/Q annualised, %)



Summary: why US growth will remain weak

Three factors point to persistently weak US growth:

- the weakness of consumption and the decline in household residential investment, as a result of the fall in the purchasing power of wages;
- the high import content of investment in IT hardware linked to artificial intelligence;
- the strong growth in employment in sectors little affected by artificial intelligence (health and education), which is weighing on overall productivity gains.

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