

Francy to slide into recession in Q3: Central Bank

PARIS, Aug. 8 (Xinhua) -- France is heading back into recession for the second time in three years, the country's central bank warned Wednesday as it forecast a 0.1-percent contraction in national economic output in the third quarter of 2012.

"In July, industrial activity posted a slight contraction mainly due to reduced activity in the automotive and textile sectors," the Bank of France said.

"The outlook for the coming months suggests a slight slowdown in economic activity. GDP is expected to decline by 0.1 percent in the third quarter," it added.

If the grim estimates prove true, the bank said the eurozone's second-largest economy would be in recession.

At the end of July, French business services were stable with dull activity predicted over the short term.

In its monthly business survey, the Bank of France said that sentiment in both the industrial and service sectors lost one point and stood at 90 last month.

The French government hopes to stimulate the French economy, which posted zero growth in the first half of this year, by promoting industry and improving competitiveness.