

Informations Rapides

■ Quarterly national accounts - First estimate Q2 2017

French GDP increased by 0.5% in Q2 2017

In Q2 2017, GDP in volume terms* kept on increasing: +0.5%, for the third quarter in a row. Households' consumption accelerated slightly (+0.3% after +0.1%) whereas total gross fixed capital formation (GFCF) decelerated markedly (+0.5% after +1.4%). All in all, final domestic demand excluding inventory changes contributed +0.4 points to GDP growth, as in the previous quarter. Exports bounced back (+3.1% after -0.7%) while imports significantly slowed down (+0.2% after +1.2%). All in all, foreign trade balance contributed positively to GDP growth: +0.8 points after -0.6 points in the previous quarter. Conversely, changes in inventories contributed negatively (-0.6 points after +0.7 points).

Total production increased slightly faster

Total production of goods and services accelerated slightly in Q2 2017 (+0.8% after +0.6%). It increased anew in goods (+1.0% after 0.0%) while it was a bit less dynamic than in the previous quarter in services (+0.7% after +0.8%).

Manufacturing output recovered (+0.9% after +0.0%), mainly due to the rebound in the coke and refined petroleum branch. Electricity and gas production increased anew. In the construction branch, production accelerated (+1.0% after +0.6%). Conversely, it slowed down very slightly in market services (+0.8% after +0.9%).

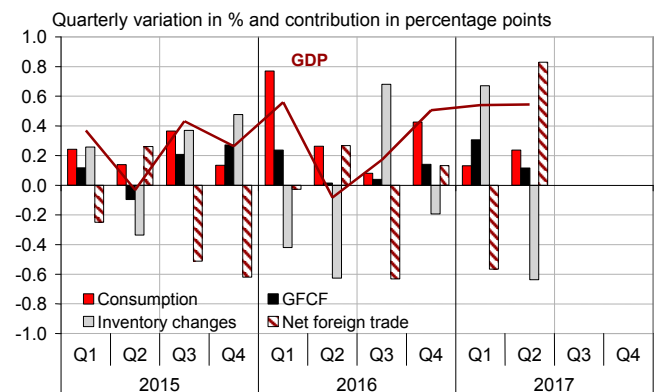
Household consumption accelerated slightly

Household consumption expenditure accelerated slightly in Q2 2017 (+0.3% after +0.1%). Expenditure on goods bounced back (+0.4% after -0.4%) while it decelerated in services (+0.2% after +0.6%).

Expenditure on energy picked up (+0.5% after -3.2%). Consumption of engineered goods accelerated slightly (+0.2% after +0.1%), as well as consumption of food products (+0.6% after +0.4%).

* This growth rate is seasonally and working-day adjusted; volumes are chain-linked previous-year-prices volumes.

GDP and its main components



Source: INSEE

GDP and its main components: chain-linked volumes

percentage change from previous period, working-day and seasonally adjusted data

	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2016	2017 (ovhg)
GDP	0.2	0.5	0.5	0.5	1.1	1.4
Imports	2.8	0.6	1.2	0.2	4.2	3.0
Household consumption expenditure	0.0	0.7	0.1	0.3	2.1	0.9
General government's consumption expenditure	0.3	0.3	0.3	0.4	1.2	1.1
GFCF	0.2	0.6	1.4	0.5	2.7	2.4
of which Non-financial corporated and unincorporated enterprises	0.0	0.7	2.1	0.5	3.4	2.9
Households	1.0	1.1	1.2	1.0	2.4	3.5
General government	-0.6	-0.4	-0.7	-0.1	-0.1	-1.3
Exports	0.9	1.1	-0.7	3.1	1.9	2.9
Contributions :						
Internal demand excluding inventory changes	0.1	0.6	0.4	0.4	2.0	1.2
Inventory changes	0.7	-0.2	0.7	-0.6	-0.1	0.3
Net foreign trade	-0.6	0.1	-0.6	0.8	-0.8	-0.1

Source: INSEE

Sectoral accounts

percentage change from previous period, working-day and seasonally adjusted data

	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2016	2017 (ovhg)
Profit ratio of NFCs* (level)	31.6	31.7	31.6		31.8	
Households' purchasing power	0.7	0.2	0.2		1.8	0.7

*NFCs: non-financial corporations

Source: INSEE

Production, consumption and GFCF: main components

percentage change from previous period, working-day and seasonally adjusted data

	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2016	2017 (ovhg)
Production of branches	0.3	0.7	0.6	0.8	0.9	1.8
Goods	0.2	1.0	0.0	1.0	0.2	1.4
<i>Manufactured Industry</i>	0.8	0.7	0.0	0.9	0.8	1.4
Construction	0.2	0.9	0.6	1.0	0.1	2.1
Market services	0.4	0.7	0.9	0.8	1.4	2.1
Non-market services	0.2	0.2	0.3	0.4	1.0	0.9
Household consumption	0.0	0.7	0.1	0.3	2.1	0.9
Food products	0.7	-0.2	0.4	0.6	0.9	1.0
Energy	-1.3	3.4	-3.2	0.5	2.2	-0.7
Engineered goods	-1.4	1.1	0.1	0.2	2.4	0.5
Services	0.4	0.4	0.6	0.2	1.6	1.3
GFCF	0.2	0.6	1.4	0.5	2.7	2.4
Manufactured goods	-2.2	0.1	2.0	-0.8	6.1	0.2
Construction	-0.1	0.8	0.6	0.8	0.2	1.8
Market services	2.1	0.8	2.0	1.0	3.9	4.5

Source: INSEE

Households' disposable income and ratios of households' account

percentage change from previous period, working-day and seasonally adjusted data

	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2016	2017 (ovhg)
HDI	0.8	0.5	0.8		1.7	1.6
Household purchasing power	0.7	0.2	0.2		1.8	0.7
HDI by cu* (purchasing power)	0.6	0.1	0.1		1.4	0.5
Adjusted HDI (purchasing power)	0.7	0.2	0.2		1.7	0.8
Saving rate (level)	14.4	14.0	14.0		14.0	
Financial saving rate (level)	5.1	4.6	4.5		4.7	

*cu: consumption unit

Source: INSEE

Ratios of non-financial corporations' account

level (in percent), WDA-SA data

	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2016
Profit share	31.6	31.7	31.6		31.8
Investment ratio	23.3	23.4	23.7		23.3
Savings ratio	19.5	19.6	20.0		19.7
Self-financing ratio	83.4	84.1	84.3		84.2

Source: INSEE

Expenditure, receipts and net borrowing of public administrations

level, WDA-SA data

	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2016
<i>In billions of euros</i>					
Total expenditure	315.3	315.1	317.4		1257.0
Total receipts	294.8	297.1	298.7		1181.2
Net lending (+) or borrowing (-)	-20.4	-18.1	-18.7		-75.8
<i>In % of GDP</i>					
Net lending (+) or borrowing (-)	-3.7	-3.2	-3.3		-3.4

Source: INSEE

Expenditure on services decelerated (+0.2 % after +0.6 %), notably on accommodation and catering.

Corporate investment decelerated significantly

In Q2 2017, total GFCF decelerated sharply (+0.5% after +1.4%), especially that of enterprises (+0.5% after +2.1%). Investment of households remained sustained (+1.0% after +2.1%). Investment in construction accelerated slightly (+0.8% after +0.6%) thanks to a renewed vigour in civil engineering. Conversely investment in manufactured goods fell back markedly (-0.8% after +2.0%), notably due to a decline in equipment goods and, to a lesser extent, to a stronger decrease in transport equipment. GFCF in market services sharply decelerated (+1.0% after +2.0%), mainly owing to a downturn in corporate services.

Foreign trade balance contributed positively to GDP growth

Exports bounced back in Q2 2017 (+3.1% after -0.7%), especially in transport equipment and "other manufactured goods". At the same time, imports significantly decelerated (+0.2% after +1.2%): in particular, purchases of refined petroleum products decreased, so did those in transport equipment. All in all, foreign trade balance contributed positively to GDP growth this quarter: +0.8 points (after -0.6 points).


Changes in inventories slowed down

In Q2 2017, the contribution of changes in inventories to GDP growth amounted to -0.6 points (after +0.7 points in the beginning of 2017). In particular, they decreased steeply in transport equipment.

The GDP profile has been revised over the past

GDP growth estimate in Q1 2017 is confirmed: +0.5%. Revisions about different aggregates make up for one another; they are mainly due to the revision of indicators.

More:

- More data (time series since 1949, methodology, etc.) are available on the dedicated web page: [quarterly national accounts on www.insee.fr](http://www.insee.fr)
- Time series are also available in the Macro-economic database: <https://www.insee.fr/en/information/2868584#titre-bloc-1>
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