

Informations Rapides

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Main indicators

■ Quarterly national accounts - Detailed figures Q2 2017

In Q2 2017 households' purchasing power accelerated

In Q2 2017, the gross domestic product (GDP) in volume terms* kept increasing: +0.5%, for the third quarter in a row.

Households' consumption expenditure slightly accelerated (+0.3% after +0.1%) while total gross fixed capital formation (GFCF) slowed down (+0.9% after +1.4%). All in all, final domestic demand excluding inventory changes contributed +0.5 points to GDP growth after +0.4 points in the previous quarter.

Exports bounced back (+2.4% after -0.8%) while imports decelerated sharply (+0.3% after +1.2%). Overall, the foreign trade balance supported GDP growth: +0.6 points after -0.6 points in the previous quarter. Conversely, changes in inventories contributed negatively to GDP growth (-0.5 points after +0.7 points).

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

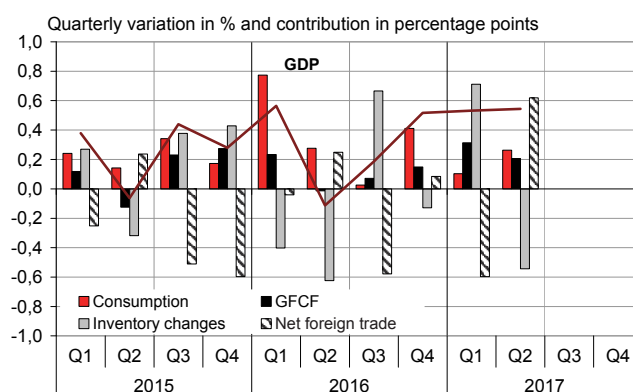
Purchasing power accelerated in Q2 2017

Households' gross disposable income (GDI) decelerated a little in Q2 2017 (+0.6% after +0.7%). Indeed, wages received by households slowed down (+0.8% after +1.1%); in the private sector, employment grew at a slightly slower pace than in the previous quarter and the average wage per capita decelerated. In the public sector, wages also decelerated as a repercussion of a raise in the civil service salary index point on 1st February 2017. Furthermore, taxes on incomes and wealth, which include the general social contribution (CSG) and the income tax, kept increasing, as in the previous quarter (+0.8%).

Social contributions paid by households slowed down (+0.5% after +0.7%), as did the social benefits in cash they receive (+0.3% after +0.4%): the indexation of social benefits (family benefits, RSA and activity premium) on inflation led to a small raise on 1st April.

Households' consumption prices retreated in Q2 2017 (-0.2% after +0.5%), so that households' purchasing power strongly accelerated (+0.8% after +0.2%). Measured per consumption unit to bring it to an individual level, it also sped up (+0.7% after +0.1%).

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	2.7	0.8	1.2	0.3	4.2	3.1
Household consumption expenditure	-0.1	0.6	0.1	0.3	2.1	0.8
General government's consumption expenditure	0.3	0.3	0.3	0.4	1.2	1.1
GFCF	0.3	0.7	1.4	0.9	2.7	2.8
of which Non-financial corporated and unincorporated enterprises	0.1	0.8	2.1	1.0	3.4	3.4
Households	1.1	1.3	1.5	1.2	2.4	4.2
General government	-0.6	-0.6	-0.8	0.2	-0.1	-1.4
Exports	0.9	1.2	-0.8	2.4	1.9	2.3
Contributions :						
Internal demand excluding inventory changes	0.1	0.6	0.4	0.5	2.0	1.3
Inventory changes	0.7	-0.1	0.7	-0.5	-0.1	0.4
Net foreign trade	-0.6	0.1	-0.6	0.6	-0.8	-0.3

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	31.7	31.8	
Households' purchasing power	0.7	0.2	0.2	0.8	1.8	1.3

*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	0.5	0.7	0.9	1.7
Goods	0.3	0.9	-0.1	0.7	0.2	1.1
<i>Manufactured Industry</i>	0.9	0.6	0.0	0.7	0.8	1.2
Construction	0.3	0.9	0.7	1.1	0.1	2.2
Market services	0.3	0.7	0.9	0.8	1.4	2.1
Non-market services	0.2	0.2	0.2	0.4	1.0	0.9
Household consumption	-0.1	0.6	0.1	0.3	2.1	0.8
Food products	0.6	-0.1	0.4	0.6	0.9	1.0
Energy	-1.2	3.2	-3.3	0.6	2.2	-0.8
Engineered goods	-1.7	1.4	0.1	0.5	2.4	0.8
Services	0.4	0.4	0.6	0.2	1.6	1.3
GFCF	0.3	0.7	1.4	0.9	2.7	2.8
Manufactured goods	-1.9	-0.1	1.6	0.6	6.1	0.8
Construction	0.0	0.8	0.6	1.1	0.2	2.1
Market services	2.3	1.0	2.3	1.0	3.9	5.0

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	0.7	0.6	1.7	2.0
Household purchasing power	0.7	0.2	0.2	0.8	1.8	1.3
HDI by cu* (purchasing power)	0.6	0.1	0.1	0.7	1.4	1.0
Adjusted HDI (purchasing power)	0.7	0.2	0.2	0.7	1.7	1.3
Saving rate (level)	14.4	14.0	14.1	14.5	14.0	
Financial saving rate (level)	5.1	4.7	4.5	4.8	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	31.7	31.8
Investment ratio	23.3	23.4	23.7	23.8	23.3
Savings ratio	19.4	19.6	19.9	20.0	19.6
Self-financing ratio	83.3	83.7	83.7	83.9	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	315.2	315.0	316.9	317.9	1256.9
Total receipts	294.8	297.4	299.1	301.8	1181.1
Net lending (+) or borrowing (-)	-20.4	-17.7	-17.9	-16.1	-75.8
<i>In % of GDP</i>					
Net lending (+) or borrowing (-)	-3.7	-3.2	-3.2	-2.8	-3.4

Source: INSEE

In Q2 2017, households' consumption in volume terms did not recover as much as their purchasing power did, thus their saving ratio increased, by 0.4 points: it reached 14.5% of their income, after 14.1%.

Non-financial corporations' profit ratio was virtually stable at 31.7%

In Q2 2017, non-financial corporations' profit ratio was practically stable at 31.7% (after 31.6%). On the one hand, terms of trade sustained corporations' profit; on the other hand, real wages increased more than productivity.

Non-financial corporations' taxes on incomes and wealth rebounded sharply, because of corporate tax. All in all, gross savings of non-financial corporations decelerated. As investment slowed down similarly, their self-financing rate was virtually stable.

General government deficit decreased in Q2

In Q2 2017, general government net borrowing decreased by 0.4 points, to 2.8% of GDP after 3.2%.


General government spending slowed down (+0.3% after +0.6%), after the backlash of the French contribution to the European Union budget coming back to normal. Moreover, general government wage bill and social benefits paid decelerated.

At the same time, receipts sped up (+0.9% after +0.6%) especially because of a significant rebound in corporation tax. Taxes on production as well as social contributions receipts slowed down.

Revisions

Integration of new informations now available has not led to significantly review the estimates of GDP growth of the last three quarters. However, the growth rate overhang for 2017 has been raised by 0.1 points: it now stands at 1.4% at the end of Q2.

More:

- More data (time series since 1949, methodology, etc.) are available on the dedicated web page: <https://www.insee.fr/en/statistiques?debut=0&theme=32>
- Time series are also available in the Macro-economic database: <https://www.insee.fr/en/information/2868584#titre-bloc-1>
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Next release: 31 October 2017 at 7:30 am