

## ■ Quarterly national accounts – Detailed figures Q4 2017

### Non financial corporations' profit ratio and households' purchasing power grew slightly

In Q4 2017, GDP in volume terms\* accelerated: +0.7% after +0.5%. On average over the year, GDP increased by +2.0%. Excluding working-day adjustment, the GDP's growth stands at +1.8% in 2017, after +1.2% in 2016.

Household consumption expenditures slowed down in Q4 (+0.2% after +0.5%), whereas total gross fixed capital formation accelerated (GFCF: +1.1% after +0.9%). Overall, final domestic demand excluding inventory changes slowed down slightly and contributed less to GDP growth: +0.5 points after +0.6 points.

Exports accelerated sharply (+2.5% after +1.0%) while imports significantly slowed down (+0.3% after +2.2%). All in all, foreign trade balance contributed positively to GDP growth this quarter: +0.7 points after -0.4 points. Conversely, changes in inventories contributed negatively (-0.4 points after +0.3 points).

#### Purchasing power decelerated in Q4 2017 and in the year as a whole

Households' gross disposable income (GDI) accelerated slightly in Q4 2017 (+0.7% after +0.6%).

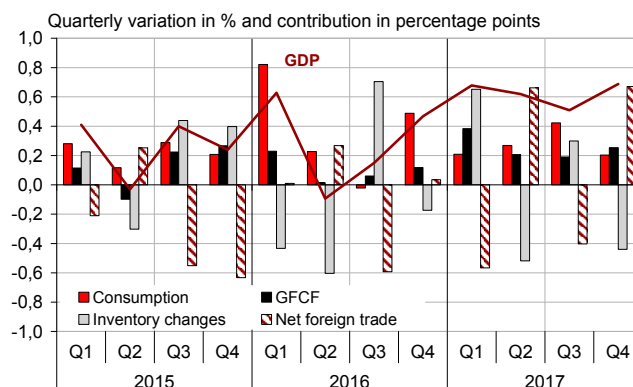
Social benefits in cash perceived by households remained dynamic (+0.6% after +0.5%), carried by the reevaluation of retirement benefits on October 1<sup>st</sup> 2017, and social contribution paid by households decelerated slightly (+0.8% after +0.9%).

Wages received by households kept increasing at a fast pace (+0.7% after +0.6%): in the private sector, the average wage per capita accelerated a little and employment remained dynamic. Households' consumption prices increased at a faster pace this quarter (+0.5% after +0.1%), such that households' purchasing power slowed down (+0.2% after +0.5%). Over the entire year, it decelerated as well (+1.5% after +1.8% in 2016) with the acceleration of prices. When measured per consumption unit, it grew by +1.1% in 2017, after +1.4% in 2016.

Households' consumption grew at the same rate as their purchasing power (+0.2%), such that their savings rate remained stable this quarter: it stands at 14.2% of their income. On average over the year, it increased slightly (14.2% after 14.0% in 2016).

\* 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

	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2016	2017
GDP	0.7	0.6	0.5	0.7	1.1	2.0
Imports	1.2	0.0	2.2	0.3	4.2	4.1
Household consumption expenditure	0.2	0.3	0.5	0.2	2.1	1.3
General government's consumption expenditure	0.3	0.5	0.6	0.3	1.2	1.6
GFCF	1.7	0.9	0.9	1.1	2.7	3.8
of which Non-financial corporated and unincorporated enterprises	2.4	1.0	1.1	1.5	3.4	4.4
Households	1.8	1.4	0.9	0.6	2.4	5.3
General government	-0.6	0.1	-0.2	0.5	-0.1	-1.0
Exports	-0.7	2.2	1.0	2.5	1.9	3.3
Contributions:						
Internal demand excluding inventory changes	0.6	0.5	0.6	0.5	2.0	1.9
Inventory changes	0.7	-0.5	0.3	-0.4	-0.1	0.4
Net foreign trade	-0.6	0.7	-0.4	0.7	-0.8	-0.3

Source: INSEE

#### Sectoral accounts

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

	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2016	2017
Profit ratio of NFCs* (level)	31.5	31.7	31.7	31.8	31.8	31.7
Households' purchasing power	0.2	0.6	0.5	0.2	1.8	1.5

\*NFCs: non-financial corporations

Source: INSEE

## Production, consumption and GFCF: main components

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

	2016 Q1	2017 Q2	2017 Q3	2017 Q4	2016	2017
<b>Production of branches</b>	0.7	0.8	0.7	1.0	0.9	2.4
Goods	0.2	0.7	0.9	1.3	0.2	2.0
<b>Manufactured Industry</b>	0.2	0.8	0.8	1.5	0.8	2.0
Construction	0.7	1.0	0.4	0.5	0.1	2.6
Market services	1.1	0.8	0.7	1.0	1.4	2.8
Non-market services	0.3	0.5	0.6	0.4	1.0	1.4
<b>Household consumption</b>	0.2	0.3	0.5	0.2	2.1	1.3
Food products	0.3	0.5	-0.5	0.3	0.9	0.8
Energy	-2.3	-0.3	1.3	-0.2	2.1	0.0
Engineered goods	0.4	0.3	1.2	-0.2	2.4	1.7
Services	0.6	0.3	0.6	0.5	1.6	1.8
<b>GFCF</b>	1.7	0.9	0.9	1.1	2.7	3.8
Manufactured goods	2.0	0.2	1.3	1.7	6.1	1.8
Construction	0.7	1.1	0.5	0.5	0.2	2.6
Market services	2.9	1.2	1.1	1.6	3.9	6.5

Source: INSEE

## Households' disposable income and ratios of households' account

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

	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2016	2017
HDI	0.7	0.5	0.6	0.7	1.7	2.4
Household purchasing power	0.2	0.6	0.5	0.2	1.8	1.5
HDI by cu* (purchasing power)	0.1	0.5	0.4	0.1	1.4	1.1
Adjusted HDI (purchasing power)	0.3	0.6	0.5	0.2	1.7	1.6
Saving rate (level)	14.0	14.3	14.2	14.2	14.0	14.2
Financial saving rate (level)	4.3	4.4	4.4	4.5	4.7	4.4

\*cu: consumption unit

Source: INSEE

## Ratios of non-financial corporations' account

level (in percent), WDA-SA data

	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2016	2017
Profit share	31.5	31.7	31.7	31.8	31.8	31.7
Investment ratio	23.7	23.8	23.9	24.0	23.3	23.8
Savings ratio	19.7	19.7	19.9	19.1	19.7	19.6
Self-financing ratio	82.9	82.8	83.2	79.5	84.3	82.1

Source: INSEE

## Expenditure, receipts and net borrowing of public administrations)

level, WDA-SA data

	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2016	2017
<i>In billions of euros</i>						
Total expenditure	319.4	321.3	324.5	326.9	1260.7	1292.2
Total receipts	302.5	306.7	308.5	314.8	1184.8	1232.6
Net lending (+) or borrowing (-)	-17.0	-14.6	-16.0	-12.0	-75.8	-59.6
<i>In % of GDP</i>						
Net lending (+) or borrowing (-)	-3.0	-2.6	-2.8	-2.1	-3.4	-2.6

Source: INSEE

## Non-financial corporations' profit ratio was virtually stable at 31.8% in Q4 2017

In Q4 2017, non-financial corporations' profit ratio remained almost stable at 31.8% (after 31.7%). The rise of energy prices was compensated by an increase in productivity.

On average over the year, non-financial corporations' profit ratio took a slight step back, at 31.7% in 2017 after 31.8% in 2016. Real wages grew faster than productivity. Moreover, after sustaining the profit ratio in 2016, the terms of trade weighed it down slightly in 2017 with the rise of energy prices.

## General government deficit decreased in Q4 2017

General government deficit decreased by 0.7 points of GDP in Q4 2017: 2.1% of GDP after 2.8%. Over the year, it accounted for 2.6% of GDP (an estimation in line with the first annual account estimate notified to the European Commission).

Spending stepped back slightly in Q4 2017 (+0.7 in current euros % after +1.0%). The decrease of France's contribution to European budget mitigated the spendings related to refunding businesses for the 3% tax on dividends. Meanwhile, revenue accelerated (+2.0% after +0.6%), mainly because of the exceptional contribution paid by big businesses at the end of the year to finance the refund of the tax on dividends.

## Revisions

The estimation of GDP growth for this quarter increased slightly to reach +0.7%. This mostly owes to indicators revising and to the update of the working-day adjustment. GDP growth is confirmed at +2.0% in 2017.

## More

The **statistical overhang** of a variable is the annual growth rate which would be obtained if this variable was to remain at its level of the last known quarter.

- 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>
- Press contact: [bureau-de-presse@insee.fr](mailto:bureau-de-presse@insee.fr)
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