

# Informations Rapides

21 septembre 2018 - n° 247



## Main indicators

### ■ Quarterly national accounts – Detailed figures Q2 2018

## Households' purchasing power went up in Q2 (+0.7% after -0.5%)

In Q2 2018, GDP in volume terms\* grew at the same rate as in Q1: +0.2%. Household consumption expenditures faltered slightly (-0.1% after +0.2%), whereas total gross fixed capital recovered sharply (GFCF: +0.8% after +0.1%). Overall, final domestic demand excluding inventory contributed as much to GDP growth as in Q1 (+0.2 points).

Imports bounced back during this quarter (+0.7% after -0.6%), as did exports to a lesser extent (+0.1% after -0.4%). All in all, foreign trade balance contributed negatively to GDP growth: -0.2 points after +0.1 points. Conversely, changes in inventory drove GDP on (+0.2 points after -0.1 points).

#### Purchasing power bounced back in Q2 2018

Households' gross disposable income (HDI) grew in current euros in Q2 2018 (+1.1% after +0.1%). The gross payroll growth slowed down slightly (+0.7% after +0.9%), but was balanced by a decrease in the taxes on income and wealth. This decrease has been due to the substitution of the wealth tax (ISF), by the property tax (IFI). Households' social benefits growth has remained constant (+0.5% during both quarters).

Households' consumption prices slowed down slightly in Q2 (+0.4% after +0.6%), mainly because the energy prices increased slowly, so that the purchasing power bounced back clearly in Q2 (+0.7% after -0.5%). When measured per consumption unit, it has also recovered (+0.6% after -0.6%). Households' consumption decreased a bit (-0.1% after +0.2%), while purchasing power grew. As a result, the saving rate went up: it stood at 14.3% after 13.7% in Q2 2018.

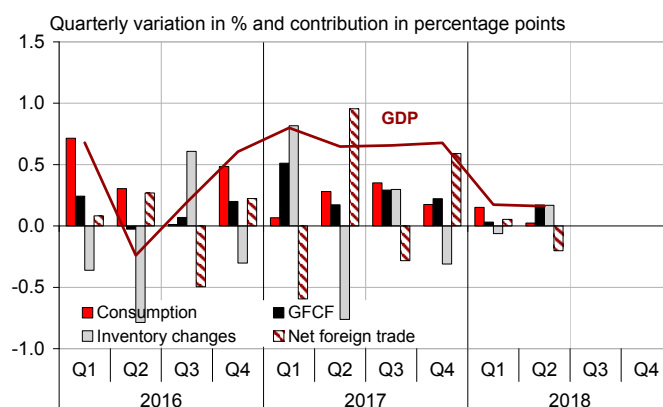
#### Non-financial corporations' profit ratio decreased

In Q2 2018, non-financial corporations' profit ratio decreased at 31.5% (after 32.0%). It is due to the decline of productivity gains, the slight rebound of real wages and the further deterioration of the terms of trade.

\* 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 Q3	2017 Q4	2018 Q1	2018 Q2	2017	2018 (ovhg)
GDP	0.7	0.7	0.2	0.2	2.3	1.3
Imports	1.9	0.3	-0.6	0.7	4.1	1.0
Household consumption expenditure	0.4	0.2	0.2	-0.1	1.1	0.6
General government's consumption expenditure	0.6	0.2	0.1	0.2	1.4	0.8
GFCF	1.3	1.0	0.1	0.8	4.7	2.3
of which Non-financial corporated and unincorporated enterprises	1.6	1.3	0.1	1.2	4.4	2.9
Households	1.1	0.7	0.3	-0.1	5.6	1.6
General government	0.3	0.3	0.1	0.5	1.6	1.0
Exports	1.0	2.2	-0.4	0.1	4.7	2.5
Contributions:						
Internal demand excluding inventory changes	0.6	0.4	0.2	0.2	2.0	1.1
Inventory changes	0.3	-0.3	-0.1	0.2	0.2	-0.2
Net foreign trade	-0.3	0.6	0.1	-0.2	0.1	0.4

Source: INSEE

#### Sectoral accounts

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

	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2017	2018 (ovhg)
Profit ratio of NFCs* (level)	32.1	32.0	32.0	31.5	32.0	
Households' purchasing power	0.5	0.2	-0.5	0.7	1.4	0.6

\*NFCs: non-financial corporations

Source: INSEE

## Production, consumption and GFCF: main components

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

	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2017	2018 (ovhg)
<b>Production of branches</b>	0.8	0.9	0.1	0.3	2.6	1.6
Goods	0.8	1.1	-0.6	-0.2	2.2	0.7
<i>Manufactured Industry</i>	0.7	1.4	-1.0	-0.1	2.4	0.6
Construction	0.5	0.5	-0.4	0.5	3.5	0.9
Market services	0.9	1.1	0.5	0.4	3.2	2.3
Non-market services	0.5	0.3	0.2	0.3	1.1	0.9
<b>Household consumption</b>	0.4	0.2	0.2	-0.1	1.1	0.6
Food products	-0.5	0.2	-0.3	-1.3	0.3	-1.2
Energy	1.3	-0.7	0.8	-1.8	0.1	-0.1
Engineered goods	1.1	-0.1	-0.2	1.2	2.6	1.3
Services	0.5	0.4	0.5	0.1	1.6	1.2
<b>GFCF</b>	1.3	1.0	0.1	0.8	4.7	2.3
Manufactured goods	1.7	1.8	-1.0	1.5	3.7	2.4
Construction	0.7	0.3	0.0	0.4	3.5	1.3
Market services	1.8	1.3	1.0	0.6	7.0	3.6

Source: INSEE

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

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

	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2017	2018 (ovhg)
HDI	0.6	0.7	0.1	1.1	2.7	2.0
Household purchasing power	0.5	0.2	-0.5	0.7	1.4	0.6
HDI by cu* (purchasing power)	0.4	0.1	-0.6	0.6	0.9	0.2
Adjusted HDI (purchasing power)	0.5	0.2	-0.3	0.6	1.5	0.7
Saving rate (level)	14.3	14.3	13.7	14.3	14.2	
Financial saving rate (level)	4.4	4.4	3.7	4.2	4.4	

\*cu: consumption unit

Source: INSEE

## Ratios of non-financial corporations' account

level (in percent), WDA-SA data

	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2017
Profit share	32.1	32.0	32.0	31.5	32.0
Investment ratio	23.5	23.6	23.6	23.9	23.5
Savings ratio	23.0	22.3	22.8	22.4	22.5
Self-financing ratio	97.7	94.4	96.5	93.8	95.9

Source: INSEE

## Expenditure, receipts and net borrowing of public administrations

level, WDA-SA data

	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2017
<i>In billions of euros</i>					
Total expenditure	326.8	327.1	329.1	328.3	1294.3
Total receipts	309.0	314.6	314.8	313.8	1232.7
Net lending (+) or borrowing (-)	-17.8	-12.4	-14.3	-14.5	-61.6
<i>In % of GDP</i>					
Net lending (+) or borrowing (-)	-3.1	-2.1	-2.4	-2.5	-2.7

Source: INSEE

## General government deficit increased slightly in Q2 2018

In Q2 2018, general government net borrowing increased a little (+0.1 points): the public deficit stands at 2.5% of the GDP after 2.4% in Q1 2018.

General government expenditure declined slightly in Q2 (-0.2% after +0.6%). Indeed, the amounts paid to businesses to refund the 3% tax on dividends still decreased. Moreover, both the French contribution to the European budget and subsidies slowed down after a dynamic Q1, mainly due for the latter to the increase in CICE regarding wages paid in 2017.

Government receipts declined (-0.3% after +0.1%), mostly because of the decrease in the taxes on income and wealth. This decrease is due to a cut of the corporate income tax rate for income up to 500,000€ and the substitution of the wealth tax (ISF) by the property tax (IFI).

## Revisions

GDP growth estimate for Q1 2018 is confirmed at +0.2%. Slight revisions in different aggregates offset each other; they are mainly due to the revision of indicators and to the update of seasonal adjustment coefficients. The purchasing power growth for Q1 is revised by +0.1 points, mainly due to an increase in dividends received by households.

## 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 1980, 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: 30 October 2018 at 7:30 am