

# Informations Rapides

## ■ Quarterly national accounts - Second estimate Q2 2016

### In Q2 2016, French GDP levelled off

In Q2 2016, gross domestic product (GDP) in volume terms\* was stable: 0.0% after +0.7% in Q1.

Household consumption expenditure slowed down sharply (0.0% after +1.2%), while total gross fixed capital formation (GFCF) fell back (-0.2% after +1.3%). All in all, final domestic demand (excluding inventory changes) was virtually stable: it contributed to GDP growth for +0.1 points (after +1.0 point in Q1).

Imports slipped dramatically (-2.0% after +0.5%), while exports were almost flat (-0.1% after -0.4%). Thus, foreign trade balance contributed positively to GDP growth (for +0.6 points after -0.2 points). On the contrary, changes in inventories contributed negatively again (for -0.7 points after -0.1 points).

#### Total production declined slightly

In Q2 2016, production in goods and services slightly decreased (-0.1% after +0.7%). Output in the manufactured goods dropped markedly (-0.9% after +0.1%) primarily due to a slump in refinery output, affected by social movements in May and June. Production in construction also fell back (-0.6% after +0.2%). In market services, it was stable (0.0% after +1.1%) and in energy production, it decelerated (+0.8% after +1.1%).

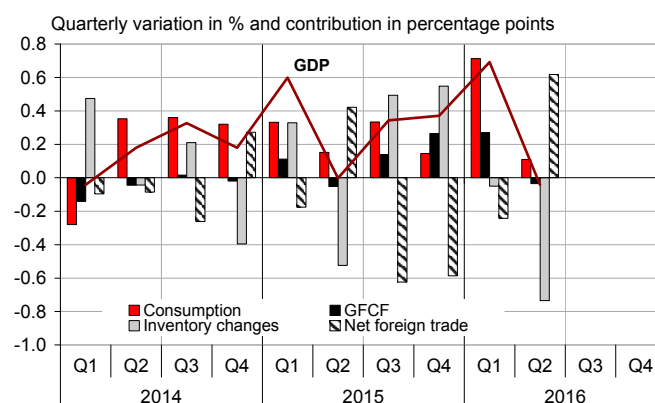
#### Household consumption stagnated

In Q2 2016, household consumption expenditure stagnated after a dynamic first quarter (0.0% after +1.2%). Expenditure slowed down both on goods (+0.1% after +1.5%) and services (-0.1% after +0.7%).

Consumption of engineered goods was virtually stable (+0.1% after +2.3%): expenditure on housing equipment kept increasing while car purchases and expenses on textile-clothing fell back. Consumption of food products declined significantly (-0.7% after +0.4%). The downturn in household consumption of services was mainly due to a backlash against ticket sales for the Euro 2016 football championship in Q1 and to a decline in spending on accommodation and food and on transport services. However, energy consumption increased at the same pace than in the previous quarter (+1.7%).

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

#### GDP and its main components



Source: INSEE

#### Goods and services:

##### supply and uses chain-linked volumes

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

	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2015	2016 (ovhg)
GDP	0.3	0.4	0.7	0.0	1.2	1.1
Imports	1.7	2.5	0.5	-2.0	6.4	1.7
Household consumption expenditure	0.5	0.0	1.2	0.0	1.5	1.5
General government's consumption expenditure	0.3	0.5	0.4	0.4	1.4	1.3
GFCF	0.6	1.2	1.3	-0.2	0.9	2.3
of which Non-financial corporated and unincorporated enterprises	0.4	1.6	2.1	-0.4	2.7	3.4
Households	0.0	0.2	0.1	-0.2	-0.8	0.1
General government	2.7	1.4	0.1	0.7	-3.9	2.1
Exports	-0.3	0.7	-0.4	-0.1	6.0	0.4
Contributions :						
Internal demand excluding inventory changes	0.5	0.4	1.0	0.1	1.3	1.6
Inventory changes	0.5	0.5	-0.1	-0.7	0.2	-0.1
Net foreign trade	-0.6	-0.6	-0.2	0.6	-0.3	-0.4

Source: INSEE

#### Sectoral accounts

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

	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2015	2016 (ovhg)
Profit ratio of NFC* (level)	31.3	31.6	32.2		31.4	
Household purchasing power	0.8	0.5	0.6		1.6	1.4

\*NFC: non-financial corporations

Source: INSEE

## Production, consumption and GFCF: main components

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

	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2015	2016 (ovhg)
<b>Production of branches</b>	0.4	0.6	0.7	-0.1	1.3	1.2
Goods	0.3	0.5	0.2	-0.5	1.2	0.2
<b>Manufactured Industry</b>	0.3	0.6	0.1	-0.9	1.5	0.0
Construction	-0.5	0.5	0.2	-0.6	-2.2	-0.2
Market services	0.5	0.7	1.1	0.0	1.8	1.9
Non-market services	0.3	0.4	0.4	0.3	1.0	1.1
<b>Household consumption</b>	0.5	0.0	1.2	0.0	1.5	1.5
Food products	-0.1	0.3	0.4	-0.7	1.2	0.3
Energy	2.1	-2.5	1.7	1.7	1.4	1.5
Engineered goods	0.7	0.1	2.3	0.1	2.6	3.0
Services	0.4	0.3	0.7	-0.1	1.0	1.1
<b>GFCF</b>	0.6	1.2	1.3	-0.2	0.9	2.3
Manufactured goods	3.1	3.7	3.3	0.8	2.1	7.8
Construction	-0.5	0.4	0.3	-0.5	-2.2	-0.1
Market services	0.6	0.8	1.2	-0.4	4.4	2.0

Source: INSEE

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

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

	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2015	2016 (ovhg)
HDI	0.7	0.5	0.5		1.4	1.3
Household purchasing power	0.8	0.5	0.6		1.6	1.4
HDI by cu* (purchasing power)	0.7	0.4	0.4		1.2	1.1
Adjusted HDI (purchasing power)	0.7	0.5	0.5		1.6	1.3
Saving rate (level)	14.5	14.9	14.4		14.5	
Financial saving rate (level)	5.6	5.9	5.6		5.5	

\*cu: consumption unit

Source: INSEE

## Ratios of non-financial corporations' account

level (in percent), data WDA-SA

	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2015
Profit share	31.3	31.6	32.2		31.4
Investment ratio	22.8	23.0	23.2		22.9
Savings ratio	19.9	20.1	21.4		19.7
Self-financing ratio	87.3	87.2	92.3		86.3

Source: INSEE

## Expenditure, receipts and net borrowing of public administrations

level, data WDA-SA

	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2015
<i>In billions of euros</i>					
Total expenditure	311.6	310.6	313.4		1243.4
Total receipts	291.2	294.9	294.4		1165.9
Net lending (+) or borrowing (-)	-20.4	-15.7	-19.0		-77.5
<i>In % of GDP</i>					
Net lending (+) or borrowing (-)	-3.7	-2.9	-3.4		-3.6

Source: INSEE

## Investment expenditure at a standstill

Global GFCF were at a standstill in Q2 (-0.2%), after three consecutive quarters of sharp rise (+1.3% in Q1). Investment decreased in construction (-0.5% after +0.3%), as well as in market services (-0.4% after +1.2%). Expenditure on manufactured goods slowed down notably (+0.8% after +3.3%).

## Foreign trade balance contribution to GDP growth was positive

In Q2 2016, exports did not grow (-0.1% after -0.4%) despite a rebound in transport equipment, prompted by deliveries of major contracts in the shipbuilding sector. At the same time, imports declined significantly (-2.0% after +0.5%), particularly in raw hydrocarbons and, to a lesser extent, in refined petroleum products. All in all, foreign trade balance contributed positively to activity in Q2: +0.6 GDP points after -0.2 points.

## Changes in inventories contributed again negatively to GDP growth


Changes in inventories contributed negatively to GDP growth again: -0.7 points after -0.1 points. They declined mainly in transport equipment and refined petroleum products.

## Revisions

GDP growth stability in Q2 is confirmed. Contributions of GFCF, changes in inventories and foreign trade balance were slightly revised for that quarter.

### 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: [quarterly national accounts on www.insee.fr](http://www.insee.fr)
- Time series are also available in the Macro-economic database: [G1540](#), [G1548](#)
- Press contact: [bureau-de-presse@insee.fr](mailto:bureau-de-presse@insee.fr)
-  Follow us on [Twitter @InseeFr\\_News](#)

Next release : September 23<sup>th</sup> 2016 at 8:45 am