

Informations Rapides

■ Quarterly national accounts - First estimate Q3 2016

French GDP increased by 0.2% in Q3 2016

Erratum : this Informations rapides replaces and supersedes the issue published on 28th October 2016 at 7:30 am. Wages paid by the companies to households are revised upwards by 500M€ in the second quarter of 2016. This revision lowers corporation's profit ratio by 0.2 point for the second quarter of 2016, and increases the households' purchasing power by 0.1 point. The overhang of the household's purchasing power is revised upwards by +0.1 point for 2016. However, figures for the third quarter of 2016 are not revised.

In Q3 2016, gross domestic product (GDP) in volume terms* recovered: +0.2%, after -0.1% in Q2.

Household consumption expenditure stagnated for the second quarter in a row, whereas gross fixed capital formation (GFCF) increased slightly (+0.3% after 0.0%). All in all, final domestic demand (excluding inventory changes) was virtually stable: it contributed to GDP growth for +0.1 points in Q3, as in the previous quarter.

Imports sharply bounced back (+2.2% after -1.7%). Exports accelerated to a lesser extent (+0.6% after +0.2%). All in all, foreign trade balance contributed negatively to GDP growth (-0.5 points after +0.6 points). Conversely, changes in inventories contributed positively (+0.6 points after -0.8 points).

Total production recovered

In Q3 2016, production in goods and services moderately bounced back (+0.4% after -0.2%). It increased in services (+0.6% after 0.0%) and it almost levelled off in goods (-0.1% after -0.7%). Production increased anew in construction (+1.0% after -0.4%). Output in manufactured goods recovered (+0.5% after -1.0%). In particular, it bounced back in coke and refined petroleum industry (+13.7% after -12.8%) after industrial action in May and June. However, output in transport equipment significantly fell back (-3.3% after +1.5%). Energy production shrank (-2.7% after +0.7%).

Household consumption remained stable

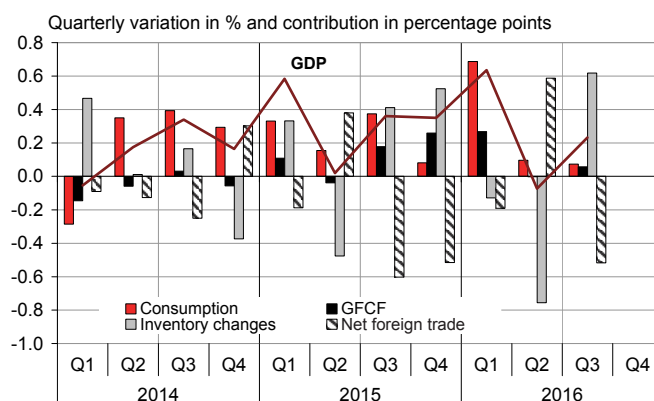
In Q3 2016, household consumption expenditure stagnated again. Expenditures moderately bounced back in services (+0.3% after -0.2%) whereas they declined in goods (-0.5% after +0.1%).

In detail, expenditure on energy fell back in summer after being dynamic in the first half of the year due to temperatures below seasonal norms (-1.9% after +1.4%). Consumption of engineered goods declined (-1.1% after +0.2%), especially household equipment (-5.9%) after two quarters of sharp growth (+7.4% in Q1 and +3.5% in Q2).

By contrast, consumption of food products bounced back (+0.9% after -0.6%).

* 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 Q4	2016 Q1	2016 Q2	2016 Q3	2015	2016 (ovhg)
GDP	0.4	0.6	-0.1	0.2	1.2	1.1
Imports	2.3	0.3	-1.7	2.2	6.4	2.7
Household consumption expenditure	0.0	1.1	0.0	0.0	1.5	1.3
General government's consumption expenditure	0.4	0.4	0.4	0.4	1.4	1.5
GFCF	1.2	1.2	0.0	0.3	0.9	2.6
of which Non-financial corporated and unincorporated enterprises	1.5	1.9	-0.3	-0.3	2.7	3.2
Households	0.4	0.3	0.4	0.8	-0.8	1.3
General government	1.5	0.1	0.4	1.1	-3.9	2.5
Exports	0.7	-0.4	0.2	0.6	6.0	0.8
Contributions :						
Internal demand excluding inventory changes	0.3	1.0	0.1	0.1	1.3	1.6
Inventory changes	0.5	-0.1	-0.8	0.6	0.2	0.1
Net foreign trade	-0.5	-0.2	0.6	-0.5	-0.3	-0.6

Source: Insee

Sectoral accounts

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

	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2015	2016 (ovhg)
Profit ratio of NFC* (level)	31.5	32.0	31.6		31.4	
Household purchasing power	0.5	0.6	0.2		1.6	1.5

*NFC: non-financial corporations

Source: INSEE

Production, consumption and GFCF: main components

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

	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2015	2016 (ovhg)
Production of branches	0.5	0.6	-0.2	0.4	1.3	1.2
Goods	0.4	0.1	-0.7	-0.1	1.2	-0.1
Manufactured Industry	0.7	0.0	-1.0	0.5	1.5	0.1
Construction	0.6	0.3	-0.4	1.0	-2.2	0.6
Market services	0.6	1.0	-0.1	0.6	1.8	2.0
Non-market services	0.3	0.4	0.3	0.3	1.0	1.2
Household consumption	0.0	1.1	0.0	0.0	1.5	1.3
Food products	0.3	0.4	-0.6	0.9	1.2	0.9
Energy	-2.6	1.7	1.4	-1.9	1.4	0.3
Engineered goods	-0.1	2.2	0.2	-1.1	2.6	2.3
Services	0.3	0.7	-0.2	0.3	1.0	1.2
GFCF	1.2	1.2	0.0	0.3	0.9	2.6
Manufactured goods	3.3	2.9	0.3	-2.3	2.1	5.9
Construction	0.6	0.5	-0.1	0.9	-2.2	1.0
Market services	0.7	1.1	0.0	1.1	4.4	2.8

Source: INSEE

Households' disposable income and ratios of households' account

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

	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2015	2016 (ovhg)
HDI	0.5	0.4	0.3		1.4	1.4
Household purchasing power	0.5	0.6	0.2		1.6	1.5
HDI by cu* (purchasing power)	0.4	0.4	0.1		1.2	1.1
Adjusted HDI (purchasing power)	0.5	0.5	0.3		1.6	1.5
Saving rate (level)	14.9	14.5	14.7		14.5	
Financial saving rate (level)	5.9	5.7	5.6		5.5	

*cu: consumption unit

Source: INSEE

Ratios of non-financial corporations' account

level (in percent), data WDA-SA

	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2015
Profit share	31.5	32.0	31.6		31.4
Investment ratio	23.0	23.2	23.3		22.9
Savings ratio	19.9	21.2	20.5		19.7
Self-financing ratio	86.5	91.3	87.8		86.3

Source: INSEE

Expenditure, receipts and net borrowing of public administrations

level, data WDA-SA

	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2015
<i>In billions of euros</i>					
Total expenditure	310.4	313.4	314.0		1242.8
Total receipts	295.2	295.2	297.2		1166.3
Net lending (+) or borrowing (-)	-15.1	-18.2	-16.8		-76.5
<i>In % of GDP</i>					
Net lending (+) or borrowing (-)	-2.8	-3.3	-3.0		-3.5

Source: INSEE

Household investment accelerated, corporate investment fell again

Global GFCF rose anew in Q3 (+0.3% after 0.0%). Investment in construction increased by 0.9% (after -0.1%), especially in civil engineering. Investment in market services also recovered (+1.1% after 0.0%), particularly in software. Conversely, GFCF in manufactured goods fell back sharply (-2.3% after +0.3%), especially in transport equipment and capital goods.

Foreign trade balance weighed down on GDP growth

In Q3 2016, imports recovered sharply (+2.2% after -1.7%), particularly due to purchases of raw hydrocarbons and transport equipment. At the same time, exports accelerated moderately (+0.6% after +0.2%). Sales in food products, refined petroleum products and other industrial goods increased but those in agricultural products tumbled. All in all, foreign trade balance weighed down on GDP growth in Q3: -0.5 points after +0.6 points in the previous quarter.

The contribution of changes in inventories to GDP growth was positive

In Q3, changes in inventories contributed to GDP growth by +0.6 points, after -0.8 points in Q2. In particular, they increased in transport equipment, raw hydrocarbons and equipment goods.

Revisions

GDP growth estimate for Q2 2016 is confirmed, at -0.1%. For the past quarters, crop product has been lowered, in connection with the preliminary information available on crops, affected by unfavourable weather conditions. Conversely, households' investment is raised, due to a significant revision in the indicator of new housing production.

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...) 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](#)

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Next release : 29 November 2016 at 8:45 am