

Informations *Rapides*

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Conjoncture

Main indicators

Quarterly national accounts - First estimate Q3 2017

French GDP increased by 0.5% in Q3 2017

In Q3 2017, gross domestic product (GDP) in volume terms* kept increasing: +0.5%, after +0.6% in Q2.

Household consumption expenditure slightly accelerated (+0.5% after +0.3%) while total gross fixed capital formation (GFCF) remained dynamic (+0.8% after +1.0%). All in all, final domestic demand excluding changes in inventories increased: it contributed by +0.6 points to GDP growth in Q3 2017.

The foreign trade balance contributed negatively to GDP growth (-0.6 points after +0.6 points): imports accelerated sharply (+2.5% after +0.2%) while exports decelerated significantly (+0.7% after +2.3%). Conversely, changes in inventories contributed positively to GDP growth (+0.5 points after -0.5 points).

In comparison with Q3 2016, GDP rose by 2.2%; such a growth rate had not been observed since 2011.

Total production slightly decelerated

Production in goods and services slightly decelerated in Q3 2017 (+0.6% after +0.8%). Indeed, it rose practically at the same pace than in the previous quarter in goods (+0.8% after +0.7%), but slightly slowed down in services (+0.6% after +0.8%). In detail, output in manufactured goods kept on rising (+0.6% after +0.7%), mainly because of transport equipment (+3.1% after 0.0%), while production braked in construction (+0.3% after +1.2%).

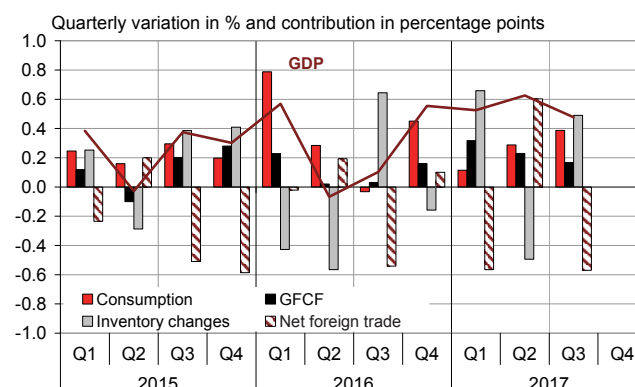
Household consumption accelerated in Q3 2017

Household consumption expenditure accelerated a little in Q3 2017 (+0.5% after +0.3%). Consumption of services regained some momentum (+0.4% after +0.2%) and consumption of goods remained dynamic (+0.7% after +0.6%).

In detail, expenditure on energy rose (+1.6% after +0.5%), notably because the temperatures in September were lower than the normal seasonal levels. Expenditure on manufactured goods accelerated (+1.3% after +0.5%), in particular with purchases of textile-clothing and furniture. In 2017, the sale season started a little bit later than in the previous years, which presumably bolstered the consumption in Q3 2017. In the accommodation and catering sector, consumption rose by +1.1% in Q3 2017.

**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

	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2016 Q4	2017 (ovhg)
GDP	0.6	0.5	0.6	0.5	1.1	1.7
Imports	0.8	1.2	0.2	2.5	4.2	4.3
Household consumption expenditure	0.7	0.1	0.3	0.5	2.1	1.1
General government's consumption expenditure	0.3	0.3	0.4	0.4	1.2	1.3
GFCF	0.7	1.4	1.0	0.8	2.7	3.3
of which Non-financial corporated and unincorporated enterprises	0.9	2.1	1.1	0.9	3.4	3.9
Households	1.3	1.6	1.4	1.1	2.4	4.9
General government	-0.6	-0.8	0.2	-0.2	-0.1	-1.5
Exports	1.2	-0.7	2.3	0.7	1.9	2.7
Contributions:						
Internal demand excluding inventory changes	0.6	0.4	0.5	0.6	2.0	1.6
Inventory changes	-0.2	0.7	-0.5	0.5	-0.1	0.6
Net foreign trade	0.1	-0.6	0.6	-0.6	-0.8	-0.6

Source: INSEE

Sectoral accounts

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

	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2016 Q4	2017 (ovhg)
Profit ratio of NFCs* (level)	31.7	31.6	31.8		31.8	
Households' purchasing power	0.2	0.1	0.7		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 Q4	2017 Q1	2017 Q2	2017 Q3	2016	2017 (ovhg)
Production of branches	0.7	0.6	0.8	0.6	0.9	2.1
Goods	0.9	-0.1	0.7	0.8	0.2	1.5
<i>Manufactured Industry</i>	0.7	-0.1	0.7	0.6	0.8	1.4
Construction	0.9	0.7	1.2	0.3	0.1	2.5
Market services	0.8	0.9	0.9	0.7	1.4	2.6
Non-market services	0.3	0.3	0.4	0.4	1.0	1.1
Household consumption	0.7	0.1	0.3	0.5	2.1	1.1
Food products	-0.1	0.4	0.6	-0.5	0.9	0.7
Energy	3.0	-3.2	0.5	1.6	2.2	-0.1
Engineered goods	1.6	0.0	0.5	1.3	2.4	1.5
Services	0.5	0.6	0.2	0.4	1.6	1.5
GFCF	0.7	1.4	1.0	0.8	2.7	3.3
Manufactured goods	0.0	1.8	0.5	0.8	6.1	1.3
Construction	0.8	0.6	1.2	0.5	0.2	2.4
Market services	1.1	2.2	1.2	1.0	3.9	5.7

Source: INSEE

Households' disposable income and ratios of households' account

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

	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2016	2017 (ovhg)
HDI	0.5	0.7	0.6		1.7	2.0
Household purchasing power	0.2	0.1	0.7		1.8	1.3
HDI by cu* (purchasing power)	0.1	0.0	0.6		1.4	0.9
Adjusted HDI (purchasing power)	0.2	0.2	0.7		1.7	1.3
Saving rate (level)	14.0	14.1	14.4		14.0	
Financial saving rate (level)	4.7	4.5	4.7		4.7	

*cu: consumption unit

Source: INSEE

Ratios of non-financial corporations' account

level (in percent), WDA-SA data

	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2016
Profit share	31.7	31.6	31.8		31.8
Investment ratio	23.4	23.7	23.8		23.3
Savings ratio	19.6	19.9	20.0		19.6
Self-financing ratio	83.7	83.7	84.1		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	315.1	317.0	317.9		1256.9
Total receipts	297.5	299.4	302.4		1181.1
Net lending (+) or borrowing (-)	-17.6	-17.6	-15.5		-75.8
<i>In % of GDP</i>					
Net lending (+) or borrowing (-)	-3.1	-3.1	-2.7		-3.4

Source: INSEE

Corporate and household investment kept on increasing

Total GFCF rose again in Q3 2017 (+0.8% after +1.0%). Investment in construction slowed down (+0.5% after +1.2%); it is mainly due to the downturn in civil engineering, as a consequence of the sharp increase in Q2 2017. Investment in buildings decreased a little over the past quarter.

GFCF in manufactured goods accelerated slightly (+0.8% after +0.5%), particularly in equipment goods. Investment in services remained dynamic, notably in information and communication (software publishing).

All in all, non-financial corporations investment rose again over the past quarter (+0.9% after +1.1%), as well as household investment (+1.1% after +1.4%).

In overhang for 2017, total investment accelerates (+3.3% after +2.7%).

Foreign trade balance weighed down on GDP growth

In Q3 2017, imports recovered (+2.5% after +0.2%), in particular with purchases of transport equipment. At the same time, exports braked (+0.7% after +2.3%) as a result of a sharp deceleration in sales of manufactured goods (+0.5% after +2.9%). In particular, it fell back in transport equipment (-0.5% after +6.2%). All in all, foreign trade balance weighed down on GDP growth by -0.6 points after a contribution of +0.6 points in the previous quarter.

The contribution of changes in inventories to GDP growth was positive

In Q3 2017, changes in inventories contributed positively to GDP growth, by +0.5 points after -0.5 points. This increase is mainly due to transport equipment (notably aeronautic). Excluding this product, changes in inventories did not globally contribute to GDP growth in Q3 2017 (after -0.1 points in Q2 2017).

Revisions

GDP growth estimate for Q2 2017 is slightly revised upward (+0.1 points), in particular with the update of seasonal adjustment coefficients. The growth rate overhang in Q3 2017 now stands at +1.7%.

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>

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