Informations Rapides

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Conjoncture

Main indicators

Quarterly national accounts – Second estimate Q1 2018

French GDP slowed down in Q1 2018 (+0.2% after +0.7%)

In Q1 2018, GDP in volume terms* decelerated: +0.2% after +0.7% in Q4 2017. Household consumption expenditures rose at a slower pace as in Q4 2017 (+0,1% after +0.2%). Total gross fixed capital formation (GFCF: +0.2% after +0.9%) significantly slowed down. Overall, final domestic demand excluding inventory changes slowed down and contributed less to GDP growth: +0.2 points after +0.4 points.

Exports slightly fell back (−0.3% after +2.3%) as well as imports (−0.3% after +0.1%). All in all, foreign trade balance didn't contribute to GDP growth in Q1. Similarly, changes in inventories were stable and therefore did not contribute to GDP growth

Total production decelerated

Production in goods and services slowed down in Q1 2018 (+0.1% after +1.0%). It fell back markedly in goods (−0.6% after +1.1%) while it continued to grow at a sustained pace in services (+0.4% after +0.9%).

Output in manufactured goods fell back (−1.0% after +1.3%), mainly owing to a significant decrease in transport equipment and, to a lesser extent, in production of construction. Conversely, production in electricity and gas picked up (+1.4% after +0.1%).

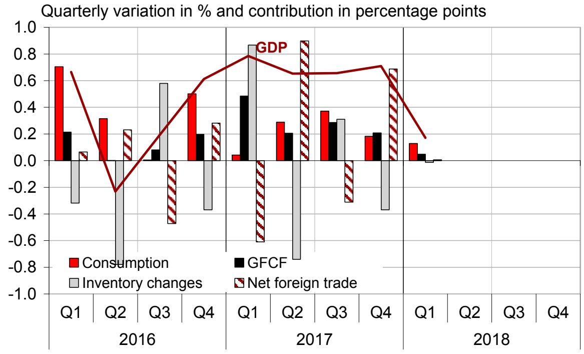
Household consumption remained sluggish

Household consumption expenditure continued to be sluggish in Q1 2018 (+0.1% after +0.2%): consumption of goods slightly diminished for the second consecutive quarter while that of services slowed down slightly (+0.4% after +0.5%).

Particularly, consumption of food products declined (−0.3% after +0.1%) while expenditure on energy bounced back (+0.7% after −0.5%) because of temperatures lower than the seasonal norms in February and March.

** 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 Q2	2017 Q3	2017 Q4	2018 Q1	2017	2018 (ovhg)
GDP	0.7	0.7	0.7	0.2	2.3	1.2
Imports	-0.1	1.8	0.1	-0.3	4.1	0.6
Household consumption expenditure	0.3	0.5	0.2	0.1	1.1	0.6
General government's consumption expenditure	0.5	0.5	0.3	0.3	1.4	0.9
GFCF	0.9	1.3	0.9	0.2	4.7	1.8
of which Non-financial corporated and unincorporated enterprises	0.6	1.5	1.2	0.1	4.4	2.0
Households	1.5	1.0	0.6	0.2	5.6	1.6
General government	0.4	0.3	0.4	0.5	1.6	1.1
Exports	2.8	0.8	2.3	-0.3	4.7	2.5
Contributions:						
Internal demand excluding inventory changes	0.5	0.7	0.4	0.2	2.0	0.9
Inventory changes	-0.7	0.3	-0.4	0.0	0.2	-0.3
Net foreign trade	0.9	-0.3	0.7	0.0	0.1	0.6

Source: INSEE

Sectoral accounts

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

	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2016	2017
Profit ratio of NFCs* (level)	31.9	32.1	32.1		31.8	32.0
Households' purchasing power	0.6	0.4	0.1		1.8	1.4

*NFCs: non-financial corporations

Source: INSEE

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Production, consumption and GFCF: main components

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

	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2017	2018 (ovhg)
Production of branches	0.7	0.8	1.0	0.1	2.6	1.4
Goods	0.7	1.0	1.1	-0.6	2.2	0.9
Manufactured Industry	0.6	1.0	1.3	-1.0	2.4	0.6
Construction	1.1	0.6	0.5	-0.1	3.5	0.8
Market services	0.8	0.8	1.1	0.5	3.2	1.9
Non-market services	0.4	0.5	0.4	0.3	1.1	0.9
Household consumption	0.3	0.5	0.2	0.1	1.1	0.6
Food products	0.7	-0.5	0.1	-0.3	0.3	-0.3
Energy	0.9	1.6	-0.5	0.7	0.1	1.3
Engineered goods	0.7	1.1	-0.1	-0.3	2.6	0.3
Services	0.3	0.5	0.5	0.4	1.6	1.1
GFCF	0.9	1.3	0.9	0.2	4.7	1.8
Manufactured goods	0.3	1.7	1.6	-1.3	3.7	0.8
Construction	1.2	0.7	0.3	0.3	3.5	1.2
Market services	1.0	1.7	1.2	1.0	7.0	3.1

Source: INSEE

Households' disposable income and ratios of households' account

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

	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2016	2017
HDI	0.6	0.6	0.6		1.7	2.7
Household purchasing power	0.6	0.4	0.1		1.8	1.4
HDI by cu* (purchasing power)	0.5	0.3	0.0		1.2	0.9
Adjusted HDI (purchasing power)	0.5	0.5	0.2		1.8	1.5
Saving rate (level)	14.3	14.3	14.2		14.0	14.2
Financial saving rate (level)	4.3	4.4	4.4		4.5	4.4

*cu: consumption unit

Source: INSEE

Ratios of non-financial corporations' account

level (in percent). WDA-SA data

	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2016	2017
Profit share	31.9	32.1	32.1		31.8	32.0
Investment ratio	23.4	23.5	23.6		23.2	23.5
Savings ratio	22.4	23.0	22.5		21.5	22.5
Self-financing ratio	95.9	97.7	95.3		92.5	95.9

Source: INSEE

Expenditure, receipts and net borrowing of public administrations)

level. WDA-SA data

	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2016	2017
In billions of euros						
Total expenditure	321.1	324.6	327.6		1260.7	1292.5
Total receipts	307.2	309.1	314.1		1184.8	1232.8
Net lending (+) or borrowing (–)	-13.9	-15.5	-13.5		-75.9	-59.7
In % of GDP						
Net lending (+) or borrowing (–)	-2.4	-2.7	-2.3		-3.4	-2.6

Source: INSEE

Corporate investment and househould investment slowed down

In Q1 2018, total GFCF increased at a lower pace (+0.2% after +0.9 in Q4 2017), especially because of the slowdown in corporate investment (+0.1% after +1.2%). It was mainly due to the decline in manufactured goods (−1.3% after +1.6%). Household investment decelerated as well (+0.2% after +0.6%) because of the slowdown in construction.

Foreign trade balance contribution on GDP growth was null

Exports slightly diminished in Q1 2018 after the marked dynamism observed in Q4 2017 (−0.3% after +2.3%), especially in transport equipment. At the same time, imports lightly decreased (−0.3% after +0.1%). All in all, foreign trade balance did not contribute to GDP growth, after a contribution of +0.7 points in the previous quarter.

Revisions

The extent of the revisions compared to the previous estimate is typical at this time of year: it results from the benchmarking on the annual accounts revised on years 2015 to 2017 and from the updates of seasonal and working day adjustments as well as revision of indicators. Furthermore, quarterly and annual national accounts switched to “base 2014” which constitutes an other source of revision.

The GDP growth for Q1 2018 is lowered from +0.3% to +0.2%.

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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