

Informations Rapides

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Main Indicators

Quarterly national accounts – First estimate Q2 2018

French GDP rose by 0.2% in Q2 2018

In Q2 2018, GDP in volume terms* rose at the same pace as in Q1: +0.2%. Household consumption expenditures faltered slightly (-0.1% after +0.2%), whereas total gross fixed capital formation recovered sharply (GFCF: +0.7% after +0.1%). Overall, final domestic demand excluding inventory changes contributed as much to GDP growth as in Q1 (+0.2 points).

Imports bounced back this quarter (+1.7% after -0.3%) as did exports to a lesser extent (+0.6% after -0.4%). All in all, foreign trade balance contributed negatively to GDP growth, -0.3 points, after a neutral contribution in Q1. Conversely, changes in inventories drove GDP on (+0.3 points after 0.0 points).

Total production slightly increased

Production in goods and services barely accelerated in Q2 2018 (+0.2% after +0.1%). It fell back again in goods (-0.3% after -0.6%) while it continued to grow in services (+0.4% after +0.3%).

Output in manufactured goods fell back again (-0.2% after -1.0%). Production in refinery stepped back (-9.9% after -1.6%) due to technical maintenance; production in electricity and gas dropped too (-1.7% after +1.9%). However, construction bounced back (+0.6% after -0.3%).

Household consumption faltered

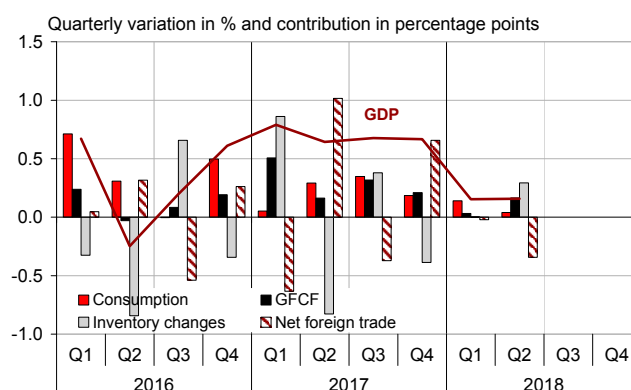
Household consumption expenditure faltered slightly in Q1 2018 (-0.1% after +0.2%): consumption of goods declined again (-0.3% after -0.1%) and that of services slowed down sharply (+0.1% after +0.4%).

In particular, consumption of food products braked (-1.3% after -0.3%), as expenditures on energy (-1.7% after +0.8%) because of temperatures higher than the seasonal norms in April.

In services, the slow down was notably driven by the downturn in transport expenses (-3.2% after +1.0%), mainly in rail transport as a result of strikes.

* 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	2.0	0.3	-0.3	1.7	4.1	2.0
Household consumption expenditure	0.4	0.2	0.2	-0.1	1.1	0.5
General government's consumption expenditure	0.6	0.3	0.2	0.4	1.4	1.1
GFCF	1.4	0.9	0.1	0.7	4.7	2.3
of which Non-financial corporated and unincorporated enterprises	1.8	1.2	0.1	1.1	4.4	2.8
Households	1.0	0.7	0.2	-0.1	5.6	1.6
General government	0.3	0.3	0.2	0.7	1.6	1.3
Exports	0.8	2.5	-0.4	0.6	4.7	3.0
Contributions:						
Internal demand excluding inventory changes	0.7	0.4	0.2	0.2	2.0	1.1
Inventory changes	0.4	-0.4	0.0	0.3	0.2	-0.1
Net foreign trade	-0.4	0.7	0.0	-0.3	0.1	0.3

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	31.9		32.0	
Households' purchasing power	0.4	0.1	-0.6		1.4	-0.1

*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)
Production of branches	0.8	0.9	0.1	0.2	2.6	1.5
Goods	0.9	1.1	-0.6	-0.3	2.2	0.6
Manufactured Industry	0.9	1.3	-1.0	-0.2	2.4	0.4
Construction	0.5	0.5	-0.3	0.6	3.5	1.0
Market services	0.9	1.0	0.5	0.4	3.2	2.2
Non-market services	0.5	0.4	0.2	0.4	1.1	1.2
Household consumption	0.4	0.2	0.2	-0.1	1.1	0.5
Food products	-0.5	0.1	-0.3	-1.3	0.3	-1.2
Energy	1.1	-0.6	0.8	-1.7	0.1	0.0
Engineered goods	1.2	0.0	-0.3	1.2	2.6	1.2
Services	0.5	0.5	0.4	0.1	1.6	1.1
GFCF	1.4	0.9	0.1	0.7	4.7	2.3
Manufactured goods	2.0	1.7	-1.1	1.2	3.7	2.0
Construction	0.7	0.3	0.1	0.7	3.5	1.5
Market services	2.0	1.3	1.0	0.5	7.0	3.5

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	0.6	0.0		2.7	0.9
Household purchasing power	0.4	0.1	-0.6		1.4	-0.1
HDI by cu* (purchasing power)	0.3	0.0	-0.7		0.9	-0.4
Adjusted HDI (purchasing power)	0.5	0.2	-0.4		1.5	0.1
Saving rate (level)	14.3	14.3	13.6		14.2	
Financial saving rate (level)	4.4	4.5	3.5		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	31.9		32.0
Investment ratio	23.5	23.6	23.6		23.5
Savings ratio	23.0	22.4	22.8		22.5
Self-financing ratio	97.7	94.7	96.6		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	324.6	327.5	329.2		1292.5
Total receipts	309.0	314.2	315.1		1232.8
Net lending (+) or borrowing (-)	-15.6	-13.4	-14.0		-59.7
<i>In % of GDP</i>					
Net lending (+) or borrowing (-)	-2.7	-2.3	-2.4		-2.6

Source: INSEE

Corporate investment accelerated, household investment was almost stable

In Q2 2018, total GFCF recovered sharply (+0.7% after +0.1% in Q1 2018), especially because of the upsurge in corporate investment (+1.1% after +0.1%). It was mainly due to the upswing in manufactured goods (+1.2% after -1.1%). Conversely, household investment weakened slightly (-0.1% after +0.2%).

Foreign trade balance contributed negatively to GDP this quarter

Imports recovered sharply in Q2 2018 (+1.7% after -0.3%) after the decrease observed in Q1. Exports also bounced back but to a lesser extent (+0.6% after -0.4%). All in all, foreign trade balance contributed negatively to GDP growth: -0.3 points after a neutral contribution in the previous quarter.

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.

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>
- Press contact: bureau-de-presse@insee.fr
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