

Informations Rapides

29 août 2018 - n° 223



Main Indicators

Quarterly national accounts – Second 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: +0.8% after +0.2%). Overall, final domestic demand excluding inventory changes contributed as much to GDP growth as in Q1 (+0.2 points).

Imports bounced back this quarter (+1.0% after -0.4%) as did exports to a lesser extent (+0.2% 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 (+0.2 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 this quarter (-0.2% after -1.0%). Production in refinery stepped back (-10.2% after -1.6%) due to technical maintenance; production in electricity and gas dropped too (-1.7% after +1.8%). However, construction bounced back (+0.5% after -0.4%).

Household consumption faltered

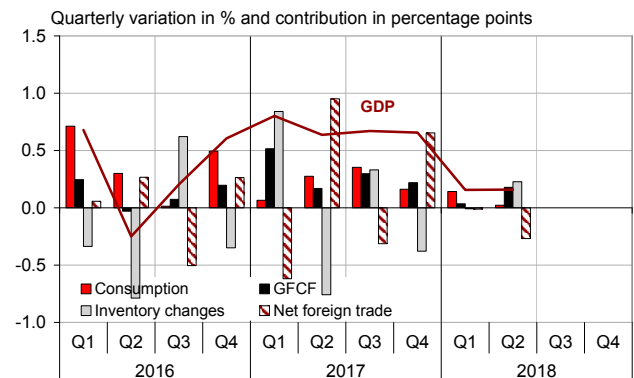
Household consumption expenditure faltered slightly in Q2 2018 (-0.1% after +0.2%): consumption of goods declined again (-0.3% after -0.1%) and that of services slowed down sharply (+0.1% after +0.5%).

In particular, decline in consumption of food products was stronger than in the previous quarter (-1.3% after -0.3%), whereas expenditures on energy dropped (-1.9% after +0.8%) because of temperatures higher than the seasonal norms in April.

In services, the slow down was notably driven by the significant downturn in transport expenses (-2.7% after +1.1%), 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	1.9	0.3	-0.4	1.0	4.1	1.4
Household consumption expenditure	0.4	0.2	0.2	-0.1	1.1	0.6
General government's consumption expenditure	0.5	0.2	0.1	0.3	1.4	0.9
GFCF	1.3	1.0	0.2	0.8	4.7	2.3
of which Non-financial incorporated and unincorporated enterprises	1.6	1.3	0.1	1.3	4.4	2.9
Households	1.1	0.7	0.3	-0.1	5.6	1.6
General government	0.3	0.3	0.1	0.6	1.6	1.1
Exports	0.9	2.4	-0.4	0.2	4.7	2.6
Contributions:						
Internal demand excluding inventory changes	0.7	0.4	0.2	0.2	2.0	1.0
Inventory changes	0.3	-0.4	0.0	0.2	0.2	-0.1
Net foreign trade	-0.3	0.7	0.0	-0.3	0.1	0.4

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	0.5	0.2	-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	1.0	1.1	-0.6	-0.3	2.2	0.6
Manufactured Industry	0.9	1.3	-1.0	-0.2	2.4	0.5
Construction	0.5	0.5	-0.4	0.5	3.5	0.9
Market services	0.9	1.0	0.5	0.4	3.2	2.2
Non-market services	0.5	0.3	0.2	0.3	1.1	1.0
Household consumption	0.4	0.2	0.2	-0.1	1.1	0.6
Food products	-0.5	0.2	-0.3	-1.3	0.3	-1.2
Energy	1.3	-0.6	0.8	-1.9	0.1	-0.1
Engineered goods	1.2	-0.1	-0.3	1.1	2.6	1.3
Services	0.5	0.5	0.5	0.1	1.6	1.3
GFCF	1.3	1.0	0.2	0.8	4.7	2.3
Manufactured goods	1.8	1.7	-1.0	1.6	3.7	2.4
Construction	0.7	0.3	0.1	0.5	3.5	1.3
Market services	1.8	1.3	1.0	0.6	7.0	3.6

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	0.7	0.0		2.7	1.0
Household purchasing power	0.5	0.2	-0.6		1.4	-0.1
HDI by cu* (purchasing power)	0.4	0.1	-0.7		0.9	-0.3
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	4.3	3.6		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	22.3	22.9		22.5
Self-financing ratio	97.8	94.6	96.9		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	327.3	329.0		1292.5
Total receipts	309.0	314.7	315.0		1232.8
Net lending (+) or borrowing (-)	-15.6	-12.6	-14.1		-59.7
<i>In % of GDP</i>					
Net lending (+) or borrowing (-)	-2.7	-2.2	-2.4		-2.6

Source: INSEE

Corporate investment accelerated, household investment was almost stable

In Q2 2018, total GFCF recovered sharply (+0.8% after +0.2% in Q1 2018), especially because of the upsurge in corporate investment (+1.3% after +0.1%). It was mainly due to the upswing in manufactured goods (+1.6% after -1.0%). Conversely, household investment weakened slightly (-0.1% after +0.3%).

Foreign trade balance contributed negatively to GDP this quarter

Imports recovered sharply in Q2 2018 after the decrease observed in Q1 (+1.0% after -0.4%). Exports also bounced back but to a lesser extent (+0.2% 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 Q2 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 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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