

Informations *Rapides*

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Main indicators

Quarterly national accounts – Second estimate Q3 2018

French GDP rose by 0.4% in Q3 2018

In Q3 2018, GDP in volume terms* accelerated slightly: +0.4% after +0.2%. Household consumption expenditures recovered (+0.4% after -0.2%). Total gross fixed capital formation grew almost as quickly as in the previous quarter (GFCF: +0.9% after +0.9%). Overall, final domestic demand excluding inventory changes accelerated: it contributed 0.5 points to GDP growth, after 0.2 points in the previous quarter.

Imports stepped back in Q3 (-0.3% after +0.5%), whereas exports recovered (+0.4% after -0.1%). All in all, foreign trade balance contributed positively to GDP growth, +0.2 points, after -0.2 points in Q2. Conversely, changes in inventories contributed negatively to GDP growth (-0.3 points after +0.2 points).

Total production accelerated

Production in goods and services accelerated in Q3 2018 (+0.6% after +0.3%). It bounced back in goods (+0.6% after -0.3%), and it grew at a slightly faster pace than in the previous quarter in services (+0.6% after +0.4%).

Output in manufactured recovered (+0.7% after -0.1%). Production in refineries bounced back (+11.6% after -9.6%); it had been notably low in Q2 due to maintenance work. Construction was at a standstill (+0.1% after +0.7%).

Household consumption recovered

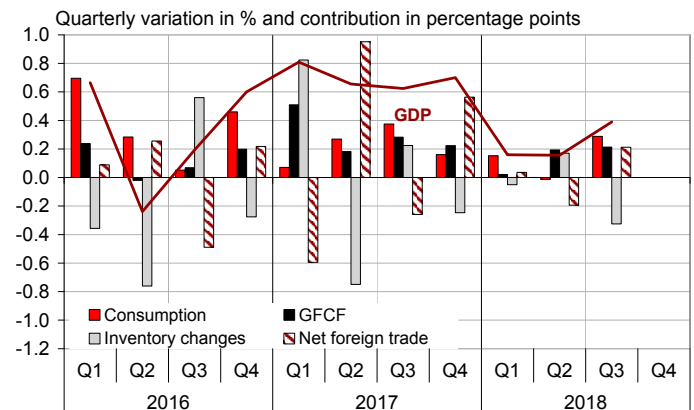
Household consumption expenditure recovered in Q3 2018 (+0.4% after -0.2%): consumption of goods bounced back significantly (+0.4% after -0.4%) while that of services accelerated slightly (+0.4% after +0.1%).

In particular, in services, transport expenses bounced back strongly (+3.4% after -2.9%) after a significant decline in Q2, following strikes in rail transport.

Expenditures on energy were at a standstill, after a decrease due to temperatures higher than seasonal norms in Q2 (+0.1% after -2.3%). Consumption of food products stabilised after two quarters of decline (+0.2% after -1.3% in Q2).

* 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 Q4	2018 Q1	2018 Q2	2018 Q3	2017 Q4	2018 (ovhg)
GDP	0.7	0.2	0.2	0.4	2.3	1.5
Imports	0.4	-0.7	0.5	-0.3	4.1	0.6
Household consumption expenditure	0.2	0.2	-0.2	0.4	1.1	0.8
General government's consumption expenditure	0.3	0.2	0.3	0.2	1.4	1.0
GFCF	1.0	0.1	0.9	0.9	4.7	2.8
of which Non-financial corporated and unincorporated enterprises	1.3	0.1	1.3	1.6	4.4	3.8
Households	0.8	0.2	0.1	-0.1	5.6	1.6
General government	0.2	0.0	0.6	0.0	1.6	0.8
Exports	2.2	-0.6	-0.1	0.4	4.7	2.3
Contributions:						
Internal demand excluding inventory changes	0.4	0.2	0.2	0.5	2.0	1.3
Inventory changes	-0.2	0.0	0.2	-0.3	0.2	-0.3
Net foreign trade	0.6	0.0	-0.2	0.2	0.1	0.5

Source: INSEE

Sectoral accounts

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

	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2017 Q4	2018 (ovhg)
Profit ratio of NFCs* (level)	32.0	32.0	31.5		32.0	
Households' purchasing power	0.4	-0.4	0.8		1.4	0.8

*NFCs: non-financial corporations

Source: INSEE

Production, consumption and GFCF: main components

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

	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2017	2018 (ovhg)
Production of branches	0.9	0.1	0.3	0.6	2.6	1.9
Goods	1.2	-0.7	-0.3	0.6	2.2	0.9
Manufactured Industry	1.4	-1.0	-0.1	0.7	2.4	0.9
Construction	0.5	-0.4	0.7	0.1	3.5	1.0
Market services	1.1	0.5	0.4	0.8	3.2	2.7
Non-market services	0.3	0.2	0.3	0.2	1.1	1.0
Household consumption	0.2	0.2	-0.2	0.4	1.1	0.8
Food products	0.1	-0.3	-1.3	0.2	0.3	-1.1
Energy	-1.1	0.6	-2.3	0.1	0.1	-0.8
Engineered goods	-0.2	-0.3	1.0	0.7	2.6	1.5
Services	0.5	0.4	0.1	0.4	1.6	1.4
GFCF	1.0	0.1	0.9	0.9	4.7	2.8
Manufactured goods	1.7	-1.3	1.3	2.1	3.7	3.0
Construction	0.3	0.0	0.7	-0.3	3.5	1.2
Market services	1.4	1.0	0.8	1.7	7.0	4.6

Source: INSEE

Households' disposable income and ratios of households' account

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

	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2017	2018 (ovhg)
HDI	0.8	0.2	1.3		2.7	2.2
Household purchasing power	0.4	-0.4	0.8		1.4	0.8
HDI by cu* (purchasing power)	0.3	-0.5	0.7		0.9	0.5
Adjusted HDI (purchasing power)	0.4	-0.3	0.7		1.5	0.9
Saving rate (level)	14.4	13.8	14.6		14.2	
Financial saving rate (level)	4.4	3.6	4.3		4.4	

*cu: consumption unit

Source: INSEE

Ratios of non-financial corporations' account

level (in percent), WDA-SA data

	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2017
Profit share	32.0	32.0	31.5		32.0
Investment ratio	23.6	23.6	23.9		23.5
Savings ratio	22.5	22.9	22.7		22.7
Self-financing ratio	95.3	97.0	94.8		96.6

Source: INSEE

Expenditure, receipts and net borrowing of public administrations

level, WDA-SA data

	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2017
<i>In billions of euros</i>					
Total expenditure	327.1	329.2	328.6		1294.3
Total receipts	314.4	314.7	312.9		1232.7
Net lending (+) or borrowing (-)	-12.8	-14.5	-15.7		-61.6
<i>In % of GDP</i>					
Net lending (+) or borrowing (-)	-2.2	-2.5	-2.7		-2.7

Source: INSEE

Corporate investment remained dynamic, household investment faltered slightly

In Q3 2018, total GFCF grew at the same pace as in the previous quarter (+0.9% after +0.9%). It was sustained by corporate investment (+1.6% after +1.3%), notably investment in IT activities and information services, as well as in automotive. Conversely, household investment faltered slightly (-0.1% after +0.1%), in connection with the decline in housing starts since late 2017.

Foreign trade balance contributed positively to GDP this quarter

In Q3, exports recovered (+0.4% after -0.1%), while imports stepped back (-0.3% after +0.5%). All in all, foreign trade balance contributed positively to GDP growth: +0.2 points, after -0.2 points in Q2 2018.

Stock variations weighed down GDP growth

In Q3 2018, stock variations contributed negatively to GDP growth: -0.3 points (after +0.2 points). In particular, they decreased significantly in transport equipment.

Revisions

The GDP growth estimate for Q2 2018 is confirmed at +0.4%. 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>
- Press contact: bureau-de-presse@insee.fr
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