

Quarterly national accounts - first estimate - fourth quarter 2018

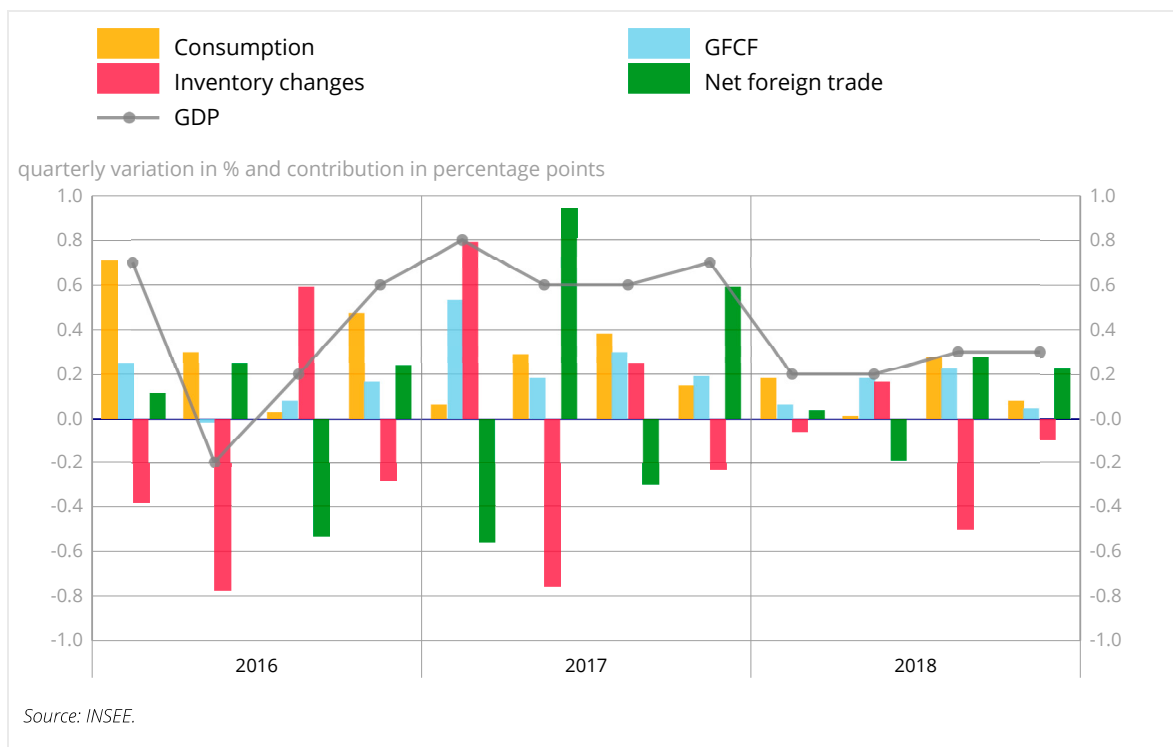
French GDP rose by 0.3% in Q4 2018

In Q4 2018, GDP in volume terms grew at the same pace as in Q3: +0.3%. On average over the year, GDP growth slowed down in 2018: +1.5% after +2.3% in 2017.

Household consumption expenditures decelerated (0.0% after +0.4%), likewise total gross fixed capital formation slowed down (GFCF: +0.2% after +1.0%). Overall, final domestic demand excluding inventory changes decelerated: it contributed 0.1 points to GDP growth, after 0.5 points in the previous quarter.

Imports bounced back in Q4 (+1.6% after -0.7%) and exports accelerated significantly (+2.4% after +0.2%). All in all, foreign trade balance contributed positively to GDP growth again: +0.2 points, after +0.3 points in Q3. Conversely, changes in inventories contributed negatively to GDP growth (-0.1 points after -0.5 points).

GDP and its main components



GDP and its main components

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

	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2017	2018
GDP	0.2	0.2	0.3	0.3	2.3	1.5
Imports	-0.5	0.6	-0.7	1.6	4.1	1.1
Household consumption expenditure	0.3	-0.1	0.4	0.0	1.1	0.8
General government's consumption expenditure	0.1	0.3	0.2	0.3	1.4	1.0
GFCF	0.3	0.8	1.0	0.2	4.7	2.9
<i>Of which non-financial corporations and unincorporated enterprises</i>	0.3	1.2	1.7	0.3	4.4	3.9
<i>Households</i>	0.5	0.2	-0.1	-0.4	5.6	2.0
<i>General government</i>	0.0	0.4	0.0	0.7	1.6	0.7
Exports	-0.4	0.0	0.2	2.4	4.7	3.1
Contributions:						
Internal demand excluding inventory changes	0.2	0.2	0.5	0.1	2.0	1.4
Inventory changes	-0.1	0.2	-0.5	-0.1	0.2	-0.4
Net foreign trade	0.0	-0.2	0.3	0.2	0.1	0.6

This growth rate is seasonally and working-day adjusted; volumes are chain-linked previous-year-prices volumes.

Source: Insee

Total production decelerated slightly

Production of goods and services grew once more in Q4 2018 (+0.4% after +0.5%). It slowed down in goods (+0.2% after +0.5%), while it remained dynamic in services (+0.5% after +0.5%). Output in manufactured goods halted this quarter (+0.1% after +0.6%). Production of refineries drew back (-5.5% after +11.1%) due to social movements in November; production of gas and electricity remained lacklustre (+0.3% after +0.3%). Furthermore, construction remained virtually stable (-0.1% after +0.1%).

On average over the year, total production was less dynamic than in 2017 (+2.0% after +2.6%), notably in construction (+1.1% after +3.5%). Output in manufactured goods slowed down (+0.8% after +2.4%). In services production also decelerated, less markedly (+2.3% after +2.8%), particularly in transport.

Production, consumption and GFCF: main components

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

	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2017	2018
Production of branches	0.2	0.3	0.5	0.4	2.6	2.0
Goods	-0.7	-0.3	0.5	0.2	2.2	0.9
<i>Manufactured industry</i>	-1.0	-0.1	0.6	0.1	2.4	0.8
Construction	-0.2	0.6	0.1	-0.1	3.5	1.1
Market services	0.6	0.5	0.6	0.6	3.2	2.9
Non-market services	0.1	0.3	0.2	0.3	1.1	1.0
Household consumption	0.3	-0.1	0.4	0.0	1.1	0.8
Food products	-0.3	-1.3	0.1	-0.1	0.3	-1.2
Energy	0.7	-2.3	-0.1	-0.4	0.1	-0.8
Engineered goods	-0.1	0.9	0.6	-1.2	2.6	1.1
Services	0.4	0.1	0.4	0.5	1.6	1.5
GFCF	0.3	0.8	1.0	0.2	4.7	2.9
Manufactured goods	-1.3	1.3	2.0	-1.4	3.7	2.4
Construction	0.2	0.6	-0.2	0.0	3.5	1.3
Market services	1.4	0.7	1.8	1.5	7.0	5.3

Source: Insee

Household consumption halted

Household consumption slowed down significantly in Q4 2018 (+0.0% after +0.4%): consumption of goods folded once more (-0.7% after +0.3%), while consumption of services remained dynamic (+0.5% after +0.4%). In particular, the strong downturn in engineered goods (-1.2% after +0.6%) is linked to a decrease in automotive purchases following the surge in Q3. Expenditures on energy declined again (-0.4% after -0.1%) due to low fuel consumption and temperatures higher than seasonal averages. In services, consumption accelerated very slightly (+0.5% after +0.4%).

On average over the year, household consumption decelerated in 2018 (+0.8% after +1.1%), notably consumption of goods.

Sectoral accounts

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

	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2017	2018 (ovhg)
Profit ration of NFCs* (level)	32.1	31.7	31.9		32.0	
Purchasing power of the HDI**	-0.5	0.8	0.3		1.4	0.9

* NFC: Non-financial corporations

**HDI: Households' disposable income

Source : Insee

Households' disposable income and ratios of households' account

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

	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2017	2018 (ovhg)
HDI	0.1	1.2	0.7		2.7	2.5
HDI (purchasing power)	-0.5	0.8	0.3		1.4	0.9
HDI by cu* (purchasing power)	-0.6	0.7	0.2		0.9	0.5
Adjusted HDI (purchasing power)	-0.3	0.7	0.3		1.5	1.0
Saving rate (level)	13.7	14.4	14.4		14.2	
Financial saving rate (level)	3.5	4.1	3.9		4.4	

* cu: consumption unit

Source: Insee

Corporate investment slowed down, household investment kept decreasing

In Q4 2018, total GFCF was flat (+0.2% after +1.0%). Corporate investment decelerated (+0.3% after +1.7%), notably because of the decline in businesses' purchases of cars. Meanwhile, household investment decreased again (-0.4% after -0.1%), particularly in housing.

Over 2018, GFCF slowed down significantly (+2.9% after +4.7%) particularly that of households.

Ratios of non-financial corporations's account

level (in percent), WDA-SA data

	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2017
Profit share	32.1	31.7	31.9		32.0
Investment ratio	23.5	23.9	24.2		23.5
Savings ratio	23.0	22.9	23.6		22.7
Self-financing ratio	97.9	95.9	97.4		96.6

Source: Insee

Imports recovered markedly in Q4 2018 after having faltered in Q3 (+1.6% after -0.7%). Exports accelerated significantly (+2.4% after +0.2%) because of dynamic aeronautic and naval equipment deliveries. All in all, foreign trade contributed positively to GDP growth: +0.2 points after +0.3 points in Q3.

On average over the year, exports decelerated (+3.1% after +4.7%) but less markedly so than imports (+1.1 % after +4.1%). As such, foreign trade contributed more to growth in 2018 than it did in 2017 (+0.6% after +0.1%).

Changes in inventories weighed down GDP growth

In Q4 2018, changes in inventories contributed negatively to GDP growth: -0.1 points after -0.5 points. This negative contribution was mostly attributed to transport equipment.

On average over the year, changes in inventories' contribution to growth was -0.4% (after +0.2%).

Expenditure, receipts and net borrowing of public administrations

level, WDA-SA data

	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2017
<i>In billions of euros</i>					
Total expenditure	329.3	328.7	329.6		1294.3
Total receipts	314.8	312.9	311.5		1232.7
Net lending (+) or borrowing (-)	-14.5	-15.8	-18.1		-61.6
<i>In % of GDP</i>					
Net lending (+) or borrowing (-)	-2.5	-2.7	-3.1		-2.7

Source: Insee

Revisions

The GDP growth estimate for Q3 2018 is confirmed at +0.3%. 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.

For further information

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