

# Informations Rapides

23 septembre 2016 - n° 252

Main indicators



## ■ Quarterly national accounts - Detailed figures Q2 2016

### In Q2 2016, households' purchasing power increased slightly and corporations' profit ratio decreased

In Q2 2016, gross domestic product (GDP) in volume terms\* declined slightly: -0.1% after +0.7% in the first quarter.

Household final consumption expenditure edged down in Q2 2016 (-0.1% after +1.1%), as well as total gross fixed capital formation (GFCF) (-0.2% after +1.3%). With public expenditures, final domestic demand (excluding inventory changes) made a zero contribution to GDP growth in Q2 2016 (after +0.9 points in Q1 2016). Imports decreased sharply (-1.8% after 0.2%) while exports increased slightly (+0.2% after -0.4%). Thus, foreign trade balance contributed positively to GDP growth (+0.6 points after -0.2 points). Conversely, changes in inventories contributed negatively to GDP growth: -0.7 points after -0.1 points in Q1.

#### Households' purchasing power slowed down

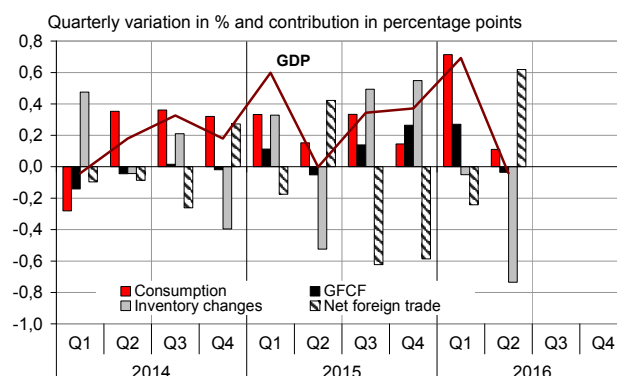
In nominal terms, households' gross disposable income (GDI) slowed down in Q2 (+0.3% after +0.5%), mainly due to the deceleration in wages received by households (+0.4% after +0.8%). Besides, social benefits in cash slowed down slightly (+0.3% after +0.4%). However, taxes on income and wealth were less dynamic (+0.4% after +0.7%), as well as social contributions paid (0.0% after +0.9%), which moderated slightly the GDI overall deceleration.

Household consumption prices accelerated slightly in Q2 (+0.1% after -0.1%), hence households' purchasing power kept on increasing, but slowed down more sharply than GDI (+0.2% after +0.6% in Q1). Measured per consumption unit, it slowed down to the same extent (+0.1% after +0.5%).

In Q2 2016, household consumption declined while their purchasing power improved, so that their savings ratio increased: 14.8% after 14.5%.

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

#### GDP and its main components



Source: INSEE

#### Goods and services:

##### supply and uses chain-linked volumes

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

	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2015 (ovhg)	2016 (ovhg)
GDP	0.4	0.4	0.7	-0.1	1.2	1.1
Imports	1.7	2.2	0.2	-1.8	6.4	1.5
Household consumption expenditure	0.5	0.0	1.1	-0.1	1.5	1.3
General government's consumption expenditure	0.3	0.4	0.4	0.4	1.4	1.3
GFCF	0.7	1.2	1.3	-0.2	0.9	2.3
of which Non-financial corporated and unincorporated enterprises	0.4	1.6	2.1	-0.4	2.7	3.4
Households	0.0	0.2	0.1	-0.3	-0.8	0.1
General government	2.7	1.5	0.1	0.7	-3.9	2.2
Exports	-0.2	0.6	-0.4	0.2	6.0	0.5
Contributions :						
Internal demand excluding inventory changes	0.5	0.4	0.9	0.0	1.3	1.5
Inventory changes	0.5	0.5	-0.1	-0.7	0.2	-0.1
Net foreign trade	-0.6	-0.5	-0.2	0.6	-0.3	-0.3

Source: Insee

#### Sectoral accounts

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

	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2015 (ovhg)	2016 (ovhg)
Profit ratio of NFC*(level)	31.4	31.6	32.1	31.7	31.4	
Household purchasing power	0.8	0.5	0.6	0.2	1.6	1.6

\*NFC: non-financial corporations

Source: INSEE

## Production, consumption and GFCF: main components

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

	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2015	2016 (ovhg)
<b>Production of branches</b>	0.4	0.5	0.7	-0.2	1.3	1.1
Goods	0.5	0.4	0.2	-0.5	1.2	0.2
<i>Manufactured Industry</i>	0.5	0.6	0.1	-0.9	1.5	0.0
Construction	-0.5	0.5	0.2	-0.7	-2.2	-0.3
Market services	0.5	0.7	1.0	-0.1	1.8	1.7
Non-market services	0.3	0.4	0.4	0.3	1.0	1.1
<b>Household consumption</b>	0.5	0.0	1.1	-0.1	1.5	1.3
Food products	-0.1	0.4	0.4	-0.8	1.2	0.2
Energy	2.1	-2.5	1.8	1.6	1.4	1.5
Engineered goods	1.0	0.0	2.2	0.1	2.6	2.8
Services	0.4	0.3	0.8	-0.2	1.0	1.1
<b>GFCF</b>	0.7	1.2	1.3	-0.2	0.9	2.3
Manufactured goods	3.1	3.7	3.3	0.8	2.1	7.8
Construction	-0.4	0.4	0.3	-0.6	-2.2	-0.2
Market services	0.6	0.8	1.2	-0.4	4.4	2.1

Source: INSEE

## Households' disposable income and ratios of households' account

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

	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2015	2016 (ovhg)
HDI	0.7	0.6	0.5	0.3	1.4	1.6
Household purchasing power	0.8	0.5	0.6	0.2	1.6	1.6
HDI by cu* (purchasing power)	0.7	0.4	0.5	0.1	1.2	1.2
Adjusted HDI (purchasing power)	0.7	0.5	0.6	0.3	1.6	1.5
Saving rate (level)	14.5	15.0	14.5	14.8	14.5	
Financial saving rate (level)	5.6	5.9	5.7	5.8	5.5	

\*cu: consumption unit

Source: INSEE

## Ratios of non-financial corporations' account

level (in percent), data WDA-SA

	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2015
Profit share	31.4	31.6	32.1	31.7	31.4
Investment ratio	22.8	23.0	23.2	23.3	22.9
Savings ratio	20.0	20.0	21.3	20.6	19.7
Self-financing ratio	87.6	86.9	92.0	88.8	86.3

Source: INSEE

## Expenditure, receipts and net borrowing of public administrations

level, data WDA-SA

	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2015
<i>In billions of euros</i>					
Total expenditure	311.4	310.5	313.3	313.9	1242.9
Total receipts	291.3	295.0	294.6	296.4	1166.4
Net lending (+) or borrowing (-)	-20.1	-15.4	-18.6	-17.5	-76.5
<i>In % of GDP</i>					
Net lending (+) or borrowing (-)	-3.7	-2.8	-3.4	-3.2	-3.5

Source: INSEE

## Non-financial corporations' profit ratio decreased by 0.4 points in Q2

In Q2 2016, non-financial corporations' profit ratio decreased slightly, from 32.1% to 31.7%. Indeed, apparent labour productivity stepped back in line with added value, and the rebound in the oil price deteriorated the terms of trade. Meanwhile, the decrease in the contributions for family allowance since April within the framework of the *Pacte de responsabilité et de solidarité* limited the overall decrease.

## In Q2, general government deficit decreased

In Q2 2016, general government net borrowing decreased by 0.2 GDP points and reached 3.2% of GDP (after 3.4%). Sales of 4G frequencies contributed for 0.1 GDP points to the decrease in the general government deficit.

Receipts bounced back in Q2 (+0.6% after -0.1%) thanks to dynamic corporation taxes. However, this rebound was moderated by the downturn in social contributions.

Expenditure slowed down in Q2 (+0.2% after +0.9%) after a dynamic first quarter when the French contribution to the European Union budget went back to normal.

## Revisions

The estimate of the GDP growth in Q2 2016 has been revised downwards, at -0.1% instead of 0.0% initially. This revision is mainly due to the integration of indicators not available for the second estimate, and to the updating of the seasonal adjustment parameters.

### 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...) are available on the dedicated web page: [quarterly national accounts on www.insee.fr](http://www.insee.fr)
- Time series are also available in the Macro-economic database: [G1540](#), [G1548](#)
- Press contact: [bureau-de-presse@insee.fr](mailto:bureau-de-presse@insee.fr)
- Follow us on [Twitter @InseeFr\\_News](#)

Next release: October 28<sup>th</sup> 2016 at 7:30 am