



STATISTICS IN FOCUS

Economy and finance



1997 36

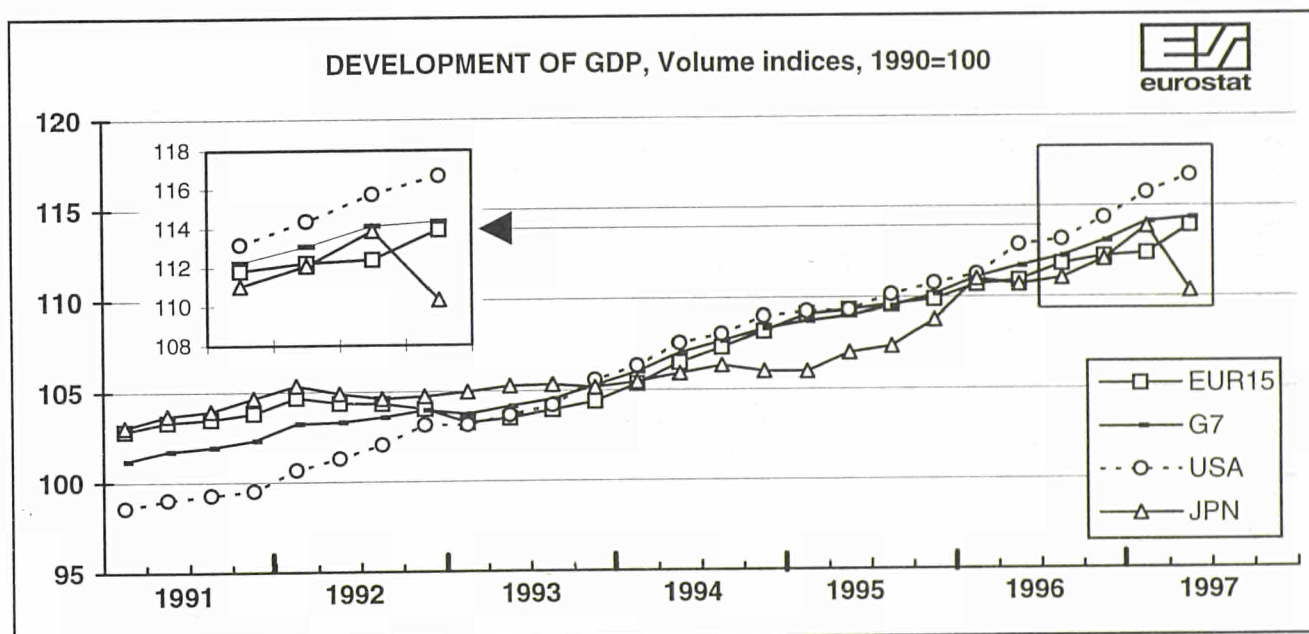
ISSN 1024-4298

QUARTERLY ACCOUNTS – SECOND QUARTER OF 1997

EUROSTAT estimates * show the European Union enjoyed strong economic growth in the second quarter of 1997 (GDP +1.4% higher than in the first quarter). This result is mainly due to a resumption of private consumption (+0.5 of the variation of GDP) and exports (+1.8 of the variation of GDP). Compared to the second quarter of 1996 the GDP of the European Union as a whole grew by 2.7%.

A comparison with the most important economic partners shows, compared to the previous quarter, that the economy of the United States (GDP +0.8%) slows down its growth rate, while Japan declined considerably (GDP -3.1%). The G7 slows down its growth rate (GDP +0.2%).

During the first six months, the growth of the European Union was +2.1% compared with +3.7% in the United States and +1.1% in Japan.



* Methodological Note: Data for the EUR15 are calculated with a coherent and consistent statistical technique using the data available from those Member States which compile quarterly accounts.

Manuscript completed on = 5.11.1997

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Price (excl. VAT) in Luxembourg: Subscription 'Statistics in focus' of all themes: ECU 310
Subscription 'Statistics in focus' of Theme 2 'Economy and Finance': ECU 85
Single copy: ECU 6

Catalogue number: CA-NJ-97-036-EN-C

THE EVOLUTION OF GDP AND ITS COMPONENTS

The European Union and its principal partners

During the second quarter of 1997 the European Union recovered strongly from the deceleration recorded during the first quarter (GDP +1.4% in relation to the previous quarter)*. This result is mainly due to the resumption of private consumption (+0.5 of the variation of GDP) as well as of exports (+1.8 of the variation of GDP). The United States economy slowed (GDP +0.8%) while Japan shows a strong decline (GDP -3.1%). Canada and Australia experienced a weak acceleration of growth (GDP +1.2% and +1.3% respectively). Switzerland, after the stagnation recorded during the first quarter, is in a growth phase (GDP +0.8%). The decline in the Japanese economy results in a slowdown of growth in the G7 (GDP +0.2%) partially offset by European economic recovery.

During the first six months of 1997, the European Union growth was +2.1% compared with +3.7% in the United States and +1.1% in Japan. Canada grew by +3.3%, Australia +2.0% while Switzerland recorded a drop of 0.3%. The private consumption of the European Union, after the declines in the three previous quarters, increased +0.9% in relation to the previous quarter. The United States slowed to only + 0.2% and Japan declined 5.9%. The private consumption growth rate remains stable in Canada (+1.1%) and in Australia (+0.8%). In Switzerland, after three quarters of stagnation, private consumption resumed (+1.3%). European Union gross fixed capital formation records an increase (+1.3%), reversing the decline recorded during the previous quarter. Capital formation in the United States accelerated (+2.7%) while in Japan it declined (-1.9%) however less than in the previous quarter. In Canada and Australia capital formation also slowed (+2.2% and +1.7% respectively) while Switzerland (-0.7%) continues on a negative phase started in the fourth quarter of 1996.

The European Union trade surplus improved slightly in relation to the previous quarter (+2.6%) with exports (+5.4%) and imports (+5.0%) both growing. The United States continue a slight increase in the deficit (-2.3%). In Japan, the sharp increase in exports (+6.4%), and the decline of imports (-1.7%), generates an increase in the trade surplus (+1.8%). Australia and Switzerland trade surplus increases (+1.3% and +0.6% respectively) thanks to exports increase (+11.3% and +7.8% respectively), and imports deceleration (+6.3% and +4.1% respectively). Canada's trade surplus, recorded slower growth (+0.2%) due mainly to exports (+0.7%).

The Member States

Among the Member States, a tendency to resumption of growth is observed. Finland (+2.8%), the Netherlands (+2.1%), Germany (+1.8%) and Italy (+1.6%) enjoyed GDP growth, after falls recorded during the first quarter. In Denmark (+1.4%) and France (+1.0%) the economy accelerated. The United Kingdom (+1.0%) and Spain (+0.9%) show similar results to the previous quarter. Only Sweden recorded a negative rate (-0.1%).

Among components of the domestic demand, private consumption showed a fairly general resumption reversing the tendency in the previous quarter in Sweden (+1.4%), in Germany (+1.2%) and in Finland (+0.7%). It accelerated in Denmark (+2.5%) and showed similar results to the previous quarter in Spain (+0.9%), in Italy (+0.5%) and in France (0.0%). Concerning gross fixed capital formation, France (0.0%) and Italy (0.0%) show stagnation after the declines in the two previous quarters, Spain continued its growth at the same rhythm as in the previous quarter (+1.5%), and the United Kingdom accelerated (+2.0%). A reversal of the previous trend characterised by a resumption during the last quarter occurred in Germany (+1.3%), but particularly in Finland (+7.3%), in Denmark (+7.0%) and in Sweden (+6.8%). The accumulation of stocks remains at the same level as in the previous quarter in almost all Member States, except for Sweden where stocks were run down compared to the previous quarter (-0.4% of GDP).

The majority of Member States, except the United Kingdom (-1.0% of GDP), consolidate their trade surplus. An increasing trend in Sweden (+8.3% of GDP), in France (+3.9% of GDP), in Germany (+1.5% of GDP) and in Spain is recorded (+1.4% of GDP). Slight decelerations are recorded in Finland (+7.5% of GDP), in Italy (+4.3% of GDP) and in Denmark (+3.4% of GDP). In general, except for Denmark (-1.7%) exports increase, particularly in Italy (+9.5%). In the same way, a general tendency for imports to increase is recorded; and once again Italy records the highest rate (+12.7%).

* The EU growth rates in this publication have been revised since the "Statistics in Focus" No. 31 of 18.9.1997. The previous publication was based on a more limited data set than the one used for this publication, and used first estimates for some countries which have now been revised. The size of the revisions, however, is quite small (eg. GDP was revised by 0.1%).

MAIN ECONOMIC AREAS, PARTNERS AND EU MEMBER STATES

EVOLUTION OF GDP AND COMPONENTS

PERCENTAGE CHANGE OVER PREVIOUS PERIOD



IN VOLUME

	GDP				Private consumption				Government consumption				Gross fixed cap. format.				Change in stocks ¹				Domestic demand				Exports				Imports				External balance ¹			
	96		97		96		97		96		97		96		97		96		97		96		97		96		97		96		97					
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2				
I) ECONOMIC AREAS																																				
EUR15 ⁽²⁾	0.8	0.4	0.2	1.4	0.7	0.4	0.1	0.9	0.4	-0.2	0.4	-0.1	0.4	0.2	-0.8	1.3	0.2	0.4	0.5	0.8	0.6	0.5	0.0	1.1	2.6	1.6	0.4	5.4	2.2	2.1	0.0	5.0	2.4	2.2	2.4	2.6
G7	0.5	0.8	0.9	0.2	0.3	0.8	1.5	-0.8	0.2	-0.1	0.4	0.0	1.0	0.4	-1.0	0.8	0.4	0.4	0.6	0.9	0.6	0.6	1.0	0.0	1.9	2.8	1.3	5.1	2.3	1.9	1.6	3.9	-0.2	0.0	-0.1	0.2
II) MAIN ECONOMIC PARTNERS																																				
USA	0.3	1.1	1.2	0.8	0.1	0.8	1.3	0.2	-0.1	-0.1	0.2	0.7	1.8	0.7	0.5	2.7	0.6	0.5	1.0	1.2	0.7	0.8	1.5	1.0	0.5	5.8	2.4	4.3	3.2	1.7	4.2	4.8	-2.4	-1.8	-2.1	-2.3
JPN	0.3	0.8	1.6	-3.1	-0.2	1.2	4.6	-5.9	1.3	0.6	0.1	-1.3	0.3	-0.4	-3.8	-1.9	0.2	0.1	0.1	0.3	0.1	0.5	1.6	-4.2	1.6	5.0	0.7	6.4	-0.3	1.8	0.2	-1.7	0.3	0.7	0.7	1.8
CAN	0.8	0.7	0.9	1.2	0.5	1.4	1.2	1.1	-1.0	-0.4	-0.4	-0.1	4.5	4.9	3.6	2.2	-0.4	0.2	-0.4	0.2	1.6	2.4	0.8	1.8	2.1	-2.6	5.4	0.7	4.4	1.8	5.2	2.1	2.2	0.6	0.7	0.2
AUS	0.6	-0.2	0.7	1.3	-0.1	0.9	0.6	0.8	-1.7	2.5	-0.2	1.2	1.2	1.8	4.6	1.7	0.8	0.1	-1.1	-2.0	0.1	0.9	0.5	0.4	1.3	1.6	2.6	11.3	0.0	5.3	0.3	6.3	0.4	-0.4	0.1	1.3
III) MEMBER STATES																																				
D	1.0	0.1	-0.1	1.8	0.8	0.2	-0.7	1.2	-0.2	-2.1	3.0	-1.8	1.0	-0.2	-1.5	1.3	0.7	0.9	1.1	1.2	0.4	0.0	-0.2	0.9	3.7	2.2	0.6	6.5	1.7	2.0	0.5	3.4	0.6	0.6	0.7	1.5
F	0.8	0.2	0.3	1.0	0.9	-0.5	0.2	0.0	0.5	0.5	0.4	0.3	1.8	-0.1	-1.2	0.0	-0.4	-0.1	-0.4	0.0	0.6	0.1	-0.3	0.4	3.6	1.9	2.0	4.8	3.0	1.3	-0.2	3.1	2.6	2.8	3.4	3.9
I	0.7	-0.2	-0.3	1.6	0.2	0.9	0.5	0.5	0.4	0.0	-0.2	0.1	-0.5	-0.5	-0.4	0.0	-0.2	0.3	0.0	1.6	0.7	1.0	-0.1	2.0	2.7	-1.7	-3.8	9.5	2.9	3.2	-3.8	12.7	6.0	4.8	4.7	4.3
UK ⁽³⁾	0.6	1.1	0.9	1.0	0.7	1.3	0.8	1.5	0.3	0.4	-0.1	0.2	-2.4	2.5	0.5	2.0	0.7	0.5	0.6	0.8	0.7	1.1	0.7	1.4	0.6	2.4	1.2	2.8	1.2	2.5	0.6	4.2	-0.7	-0.8	-0.6	-1.0
DK	0.8	0.7	0.2	1.4	1.2	0.4	1.3	2.5	0.9	0.0	1.0	0.8	4.2	0.1	-1.0	7.0	0.7	1.0	0.5	0.6	2.3	0.6	0.2	2.9	-1.8	1.9	1.9	-1.7	1.9	1.9	2.2	1.9	4.8	4.8	4.8	3.4
E	0.5	0.7	1.0	0.9	0.4	0.6	1.1	0.9	-0.4	0.3	0.2	-0.2	-0.3	0.4	1.7	1.5	0.1	0.0	-0.2	-0.3	0.1	0.4	0.9	0.7	2.9	2.1	2.9	3.2	1.4	0.9	2.5	2.8	0.8	1.1	1.2	1.4
NL	0.7	0.5	-0.5	2.1	0.6	0.3	0.7	;	0.6	-0.1	0.3	;	2.8	1.7	-0.2	;	0.1	-0.7	-1.1	;	1.2	-0.9	-0.4	;	2.0	1.2	0.4	;	1.7	-0.1	1.2	;	6.5	7.3	6.9	;
P	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;		
A	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;		
S	0.8	0.8	-0.2	-0.1	1.6	0.0	-0.1	1.4	2.8	-1.5	-3.1	-1.0	1.1	-2.0	-3.3	6.8	-1.3	-0.1	1.4	-0.4	0.9	0.5	0.1	-0.4	2.4	2.5	1.0	5.5	3.1	2.3	2.1	6.0	8.1	8.3	8.0	8.3
FIN	2.6	1.2	-0.4	2.8	1.1	1.2	-0.1	0.7	0.3	0.5	-1.1	0.7	6.5	0.0	-2.6	7.3	3.3	3.2	3.8	4.9	2.6	0.6	-0.1	3.2	1.2	4.9	-0.2	2.5	1.0	3.8	0.9	4.0	7.7	8.3	8.0	7.5
III) EFTA																																				
CH	-0.2	-0.4	0.0	0.8	-0.1	0.0	0.0	1.3	0.0	-0.2	-0.6	0.4	0.7	-1.2	-0.2	-0.7	0.1	0.0	1.1	-0.2	0.3	-0.4	1.0	-0.6	0.9	0.5	-0.9	7.8	2.1	0.4	1.4	4.1	0.2	0.2	-0.8	0.6
N	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;	;		

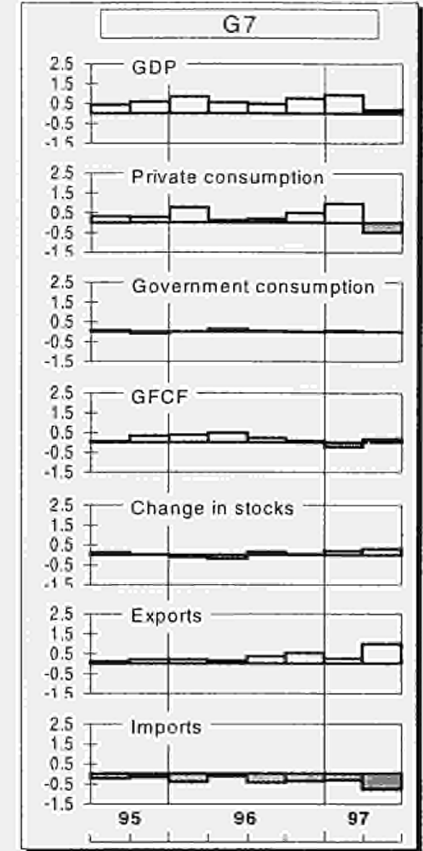
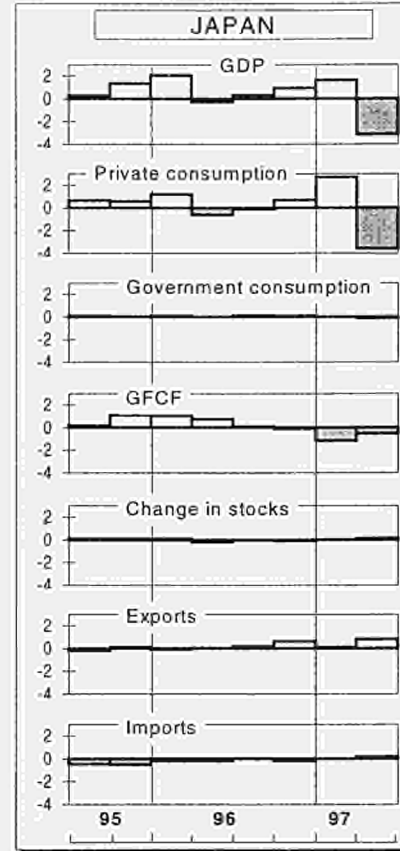
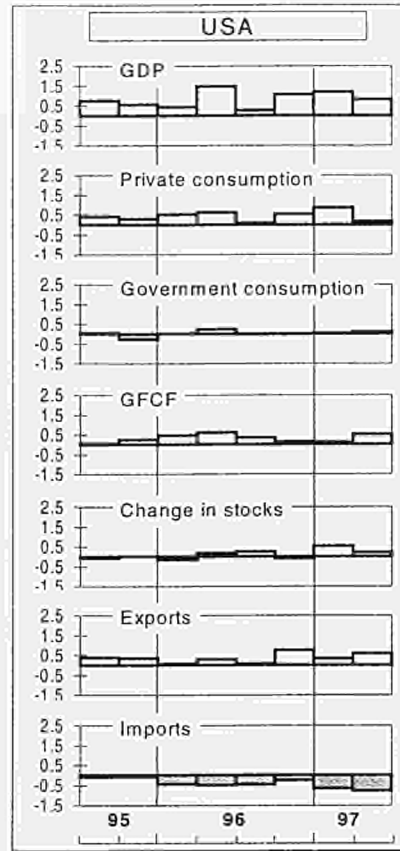
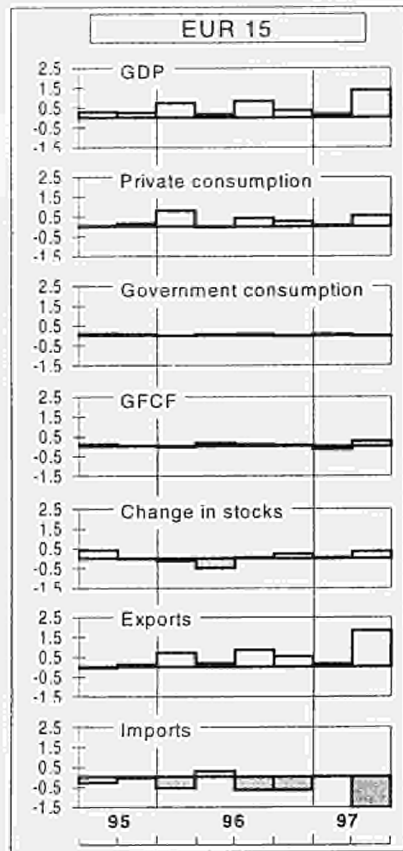
¹ Percentage of GDP (seasonally adjusted.).

² The EUR15 aggregates are calculated statistically using data available from Member States which compile quarterly national accounts.

³ The United Kingdom aggregates are not completely compatible with ESA 79 definitions.

CONTRIBUTION OF THE COMPONENTS TO VARIATIONS IN GDP* - CONSTANT PRICES - T/T-1

eurostat	GDP				Private consumption				Government consumption				Gross fixed cap. formation				Change in stocks				Exports				Imports			
	96		97		96		97		96		97		96		97		96		97		96		97		96		97	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
EUR15	0.83	0.35	0.15	1.37	0.43	0.26	0.07	0.54	0.06	-0.04	0.07	-0.02	0.08	0.04	-0.16	0.25	0.05	0.21	0.03	0.34	0.86	0.53	0.14	1.80	-0.66	-0.65	0.01	-1.54
USA	0.26	1.06	1.20	0.82	0.09	0.55	0.87	0.16	-0.01	-0.02	0.03	0.10	0.34	0.14	0.10	0.51	0.25	-0.11	0.52	0.21	0.06	0.76	0.32	0.59	-0.47	-0.25	-0.65	-0.76
JPN	0.31	0.93	1.61	-3.13	-0.10	0.69	2.70	-3.60	0.13	0.06	0.01	-0.12	0.11	-0.12	-1.17	-0.55	-0.04	-0.10	0.02	0.13	0.19	0.61	0.09	0.80	0.03	-0.21	-0.02	0.20
G7	0.47	0.75	0.92	0.19	0.17	0.49	0.97	-0.50	0.03	-0.01	0.05	0.00	0.21	0.09	-0.23	0.17	0.14	0.03	0.19	0.29	0.36	0.52	0.25	0.98	-0.43	-0.37	-0.31	-0.76



* Contributions to change in GDP are calculated by expressing changes in the components, compared with the previous quarter, as a percent of GDP in the reference period