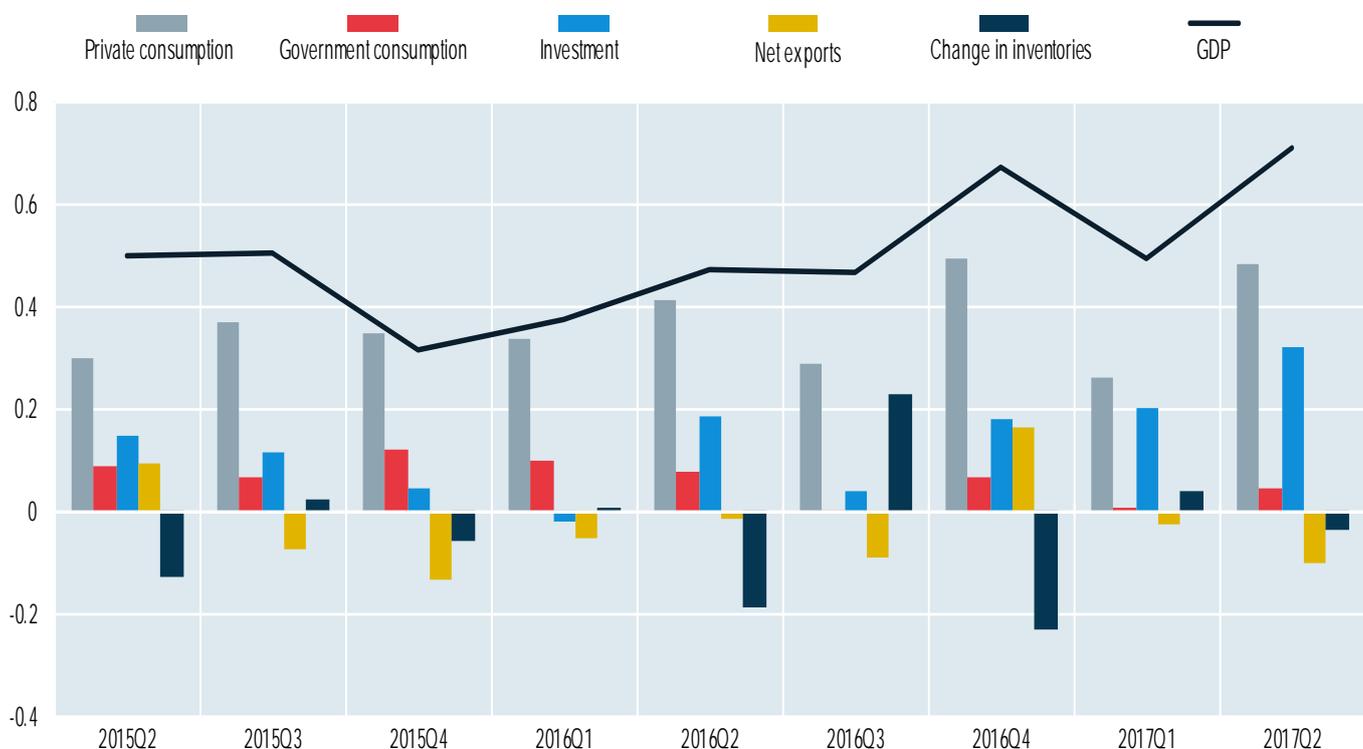


Pick-up in private consumption and investment drives higher OECD GDP growth in second quarter of 2017

Real GDP in the **OECD area** increased by 0.7% in the second quarter of 2017, compared with 0.5% in the previous quarter, according to provisional estimates. Contributions from **private consumption** and **investment** increased to 0.5 and 0.3 percentage point, respectively (up from 0.3 and 0.2 in the previous quarter) while the contraction in **net exports** pulled OECD growth down by 0.1 percentage point. Contributions from **government consumption** and **stockbuilding** remained negligible.

Contributions to OECD real GDP growth
Percentage points



Note: Contributions data presented in this chart are based on data with more than one decimal.

Contributions to OECD real GDP growth (in percentage points)	2015	2016	2015			2016				2017	
			Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Private consumption	1.6	1.5	0.3	0.4	0.3	0.3	0.4	0.3	0.5	0.3	0.5
Government consumption	0.3	0.3	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.0	0.0
Gross fixed capital formation	0.6	0.3	0.2	0.1	0.0	0.0	0.2	0.0	0.2	0.2	0.3
Net exports	-0.1	-0.2	0.1	-0.1	-0.1	-0.1	0.0	-0.1	0.2	0.0	-0.1
Changes in inventories	0.1	-0.1	-0.1	0.0	-0.1	0.0	-0.2	0.2	-0.2	0.0	0.0
GDP growth (%)	2.5	1.8	0.5	0.5	0.3	0.4	0.5	0.5	0.7	0.5	0.7

Note: Contributions may not sum to GDP growth due to rounding.

Drivers of GDP growth varied across the **Major Seven** economies.

In **Canada**, GDP growth accelerated to 1.1% in the second quarter of 2017 (up from 0.9% in the previous quarter), on the back of a rebound in foreign trade which contributed 0.1 percentage point, (up from minus 1.1 in the previous quarter), however the contribution from investment fell to 0.1 percentage point, following the previous quarter (0.6 percentage point contribution). The contribution from private consumption also slowed marginally to 0.6 percentage point.

In the **United States**, GDP growth picked up to 0.8%, compared with 0.3% in the previous quarter, mainly reflecting a stronger contribution from private consumption and stockbuilding (0.6 and 0.0 percentage point respectively, up from 0.3 and minus 0.4). Investment and net exports added another 0.1 percentage point each.

In **Japan**, real GDP picked up to 0.6% compared with 0.3% in the previous quarter. Private consumption and investment (contributing 0.5 and 0.4 percentage point, respectively, compared with 0.2 and 0.1 in the previous quarter) were the main drivers for the upturn but these were partially offset by deterioration in the trade balance (minus 0.3 percentage point from 0.1).

In **Germany**, real GDP slowed slightly, to 0.6% in the second quarter of 2017 (down from 0.7% in the previous quarter). The higher contribution from private consumption (0.4 percentage point, up from 0.2) and the strong rebound in stockbuilding (0.2 percentage point from minus 0.7) were counterbalanced by a negative contribution from net exports (minus 0.3 percentage point, down from 0.6) and a marked slowdown in investment.

GDP growth was stable in **France** (at 0.5%), as the strong rebound in net exports (0.6 percentage point, up from minus 0.6 in the previous quarter) and an increasing contribution from private consumption (0.2, up from 0.0), were largely offset by significant destocking (which contributed minus 0.5 percentage point, compared with 0.7 percentage point in the previous quarter).

In the **United Kingdom**, GDP growth was unchanged (0.3%) in the second quarter, as the strong rebound in net exports (which contributed 0.4 percentage point, compared with minus 0.4 in the previous quarter) was partially offset by destocking (minus 0.4 from 0.3).

In **Italy**, GDP growth slowed to 0.3%, down from 0.5% in the previous quarter, mainly as a result of deteriorating contributions from net exports (minus 0.3 percentage point, down from 0.3), private consumption (0.1 percentage point, down from 0.4) and government consumption (0.0 percentage point, down from 0.1). These effects were partially counterbalanced by higher contributions from stockbuilding (0.4 percentage point, up from 0.1) and investment (0.1 percentage point, up from minus 0.4 in the previous quarter).

Contributions to GDP growth, G7 (in percentage points)		Private consumption	Government consumption	Gross fixed capital formation	Net exports	Changes in inventories	GDP growth (%)
Canada	Q1 17	0.7	0.1	0.6	-1.1	0.8	0.9
	Q2 17	0.6	0.1	0.1	0.1	0.0	1.1
France	Q1 17	0.0	0.1	0.3	-0.6	0.7	0.5
	Q2 17	0.2	0.1	0.2	0.6	-0.5	0.5
Germany	Q1 17	0.2	0.0	0.6	0.6	-0.7	0.7
	Q2 17	0.4	0.1	0.2	-0.3	0.2	0.6
Italy	Q1 17	0.4	0.1	-0.4	0.3	0.1	0.5
	Q2 17	0.1	0.0	0.1	-0.3	0.4	0.3
Japan	Q1 17	0.2	0.0	0.1	0.1	-0.1	0.3
	Q2 17	0.5	0.1	0.4	-0.3	0.0	0.6
United Kingdom	Q1 17	0.2	0.0	0.1	-0.4	0.3	0.3
	Q2 17	0.1	0.0	0.1	0.4	-0.4	0.3
United States	Q1 17	0.3	-0.1	0.3	0.1	-0.4	0.3
	Q2 17	0.6	0.0	0.1	0.1	0.0	0.8

Note: Contributions may not sum to GDP growth due to rounding.

Methodological Notes:

Further methodological information can be downloaded from

http://www.oecd.org/std/na/ContributionsOECDQuarterlyGDPGrowth_Methodology_EN.pdf

Access data:

Quarterly growth rates for real GDP and its components for all OECD countries and geographic groupings, as well as historical data, are available for download from the OECD online data dissemination facility OECD.Stat at: <http://stats.oecd.org/index.aspx?queryid=350>

Contributions to real GDP growth for Major Seven countries and the OECD area are available at: <http://stats.oecd.org/index.aspx?queryid=25673>. Additional charts for Major Seven countries are available at: http://www.oecd.org/std/nationalaccounts/G7_country_charts_E_Q217.pdf.

Underlying nominal and real data are available at: <http://stats.oecd.org/index.aspx?queryid=218>

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Next QNA releases:

OECD GDP growth – Q3 2017: 20 November 2017

G20 GDP growth – Q3 2017: 14 December 2017

Contributions to OECD GDP growth – Q3 2017: mid-January 2018