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PRESS RELEASE

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Economic activity improves by 0.5 % in the fourth quarter of 2017

- **First estimate of GDP over the year 2017 indicates a growth of 1.7 %**

1. Flash estimate¹ of economic growth in the fourth quarter of 2017

According to the National Accounts Institute (NAI), seasonally and calendar adjusted gross domestic product (GDP) grew by 0.5 % in volume terms **in the fourth quarter of 2017** compared with the previous quarter. In comparison to the same quarter of 2016, GDP grew by 1.9 %.

Over the year **2017 as a whole**, GDP is estimated to have risen by 1.7 %.

2. Accounts for the third quarter of 2017

In the third quarter of 2017, seasonally and calendar adjusted GDP by volume increased by 0.2 % compared with the previous quarter. Value added was down in both industry (-0.5 %) and construction (-1.2 %), but rose in the services sector (+0.5 %).

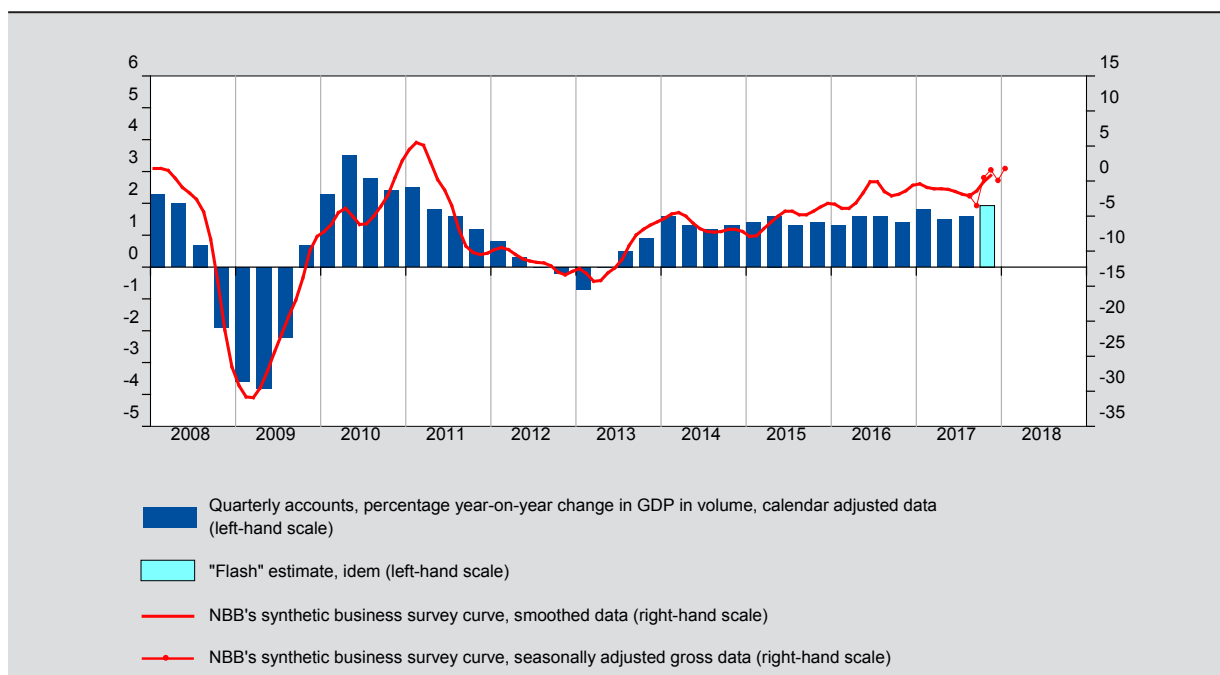
Domestic demand grew by 0.5 %, excluding changes in inventories. Households raised their consumption expenditure (+0.2 %) and their investment in housing (+0.3 %). Government expenditure was up too, in terms of consumption (+0.4 %) as well as investment (+0.9 %). In addition, companies also stepped up their gross fixed capital formation by 1.5 %.

By contrast, foreign demand fell back. Exports of goods and services were down by 0.6 %. Imports of goods and services dropped however by 0.7 %, so net exports made a positive contribution to growth (+0.1 percentage point).

In the third quarter of 2017, domestic employment expanded by 0.2 % on a quarterly basis. It worked out 1.3 % higher than in the corresponding quarter of the previous year. The volume of labour among employees rose by 0.2 % against the previous quarter and by 1.5% compared with the same quarter of the year before.

¹ The flash estimate of economic growth is made 30 days after the end of the quarter and makes use of preliminary indicators. This figure is revised 60 and 120 days after the end of the quarter on the basis of more comprehensive information that is made available in between.

CHART 1 GDP AND THE ECONOMIC CYCLE



Source: NAI.

GDP, QUARTERLY GROWTH IN VOLUME*(data adjusted for seasonal and calendar effects)*

	Percentage change compared to	
	corresponding quarter of the previous year	previous quarter
2015 I	1.4	0.4
II	1.6	0.5
III	1.3	0.1
IV	1.4	0.5
2016 I	1.3	0.3
II	1.6	0.7
III	1.6	0.1
IV	1.4	0.3
2017 I	1.8	0.7
II	1.5	0.5
III	1.6	0.2
IV	1.9	0.5

GDP, ANNUAL GROWTH IN VOLUME*(percentage changes, data adjusted for seasonal and calendar effects)*

2014	1.4
2015	1.4
2016	1.5
2017	1.7

MAIN COMPONENTS*(percentage change in volume compared to the preceding period, data adjusted for seasonal and calendar effects)*

	2015		2016				2017		
	IV	I	II	III	IV	I	II	III	
1. Value added									
Industry	0.5	0.0	0.3	-0.3	-0.1	-0.2	0.0	-0.5	
Construction	-0.7	1.0	0.1	-0.8	-1.0	2.4	-1.1	-1.2	
Services	0.5	0.1	0.9	0.3	0.4	0.7	0.8	0.5	
2. Expenditure									
Private consumption expenditure (1)	0.4	0.6	0.7	0.3	0.0	0.3	0.4	0.2	
Final consumption expenditure of general government	0.3	0.3	-0.3	0.3	0.8	-0.2	0.3	0.4	
Total gross fixed capital formation	0.9	1.5	0.7	7.8	-5.6	0.2	0.9	1.2	
Business	1.0	2.4	0.6	11.6	-8.2	0.1	1.4	1.5	
Housing	2.7	-0.2	2.0	-0.1	-0.4	0.5	-1.3	0.3	
Public administration	-3.3	-0.1	-1.6	-0.5	2.8	0.2	2.0	0.9	
Domestic demand (excl. changes in stocks)	0.5	0.7	0.4	2.1	-1.2	0.2	0.5	0.5	
Changes in stocks (2)	0.1	-0.2	0.5	-0.1	0.2	0.2	0.0	-0.4	
Exports of goods and services	3.6	-0.8	5.8	0.9	2.9	-0.1	0.7	-0.6	
Imports of goods and services	3.7	-0.6	6.1	3.1	1.4	-0.4	0.8	-0.7	
Net exports of goods and services (2)	-0.1	-0.2	-0.2	-1.8	1.3	0.3	-0.1	0.1	
3. Labour market									
Total number of workers	0.3	0.2	0.4	0.5	0.2	0.3	0.5	0.2	
Number of hours worked by employees	0.4	0.4	0.3	0.2	0.6	0.3	0.4	0.2	

(1) Including non-profit institutions serving households.

(2) Contribution to the change in GDP.