



PRESS RELEASE

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Economic activity picked up by 0.4 % in the third quarter of 2019

- **GDP rose by 0.3 % in the second quarter of 2019**
- **Domestic employment grew at the same pace**
- **The household saving ratio was up and government financing balance fell slightly**

In this publication, the National Accounts Institute (NAI) is releasing the results of the flash estimate for economic growth in the third quarter of 2019.

At the same time, the NAI is publishing the quarterly series which have been updated on the basis of the national accounts just released on 18 October following the [methodological revision](#), as well as a fuller version of the accounts for the second quarter of 2019.

Economic growth

In **the second quarter of 2019**, seasonally and calendar adjusted gross domestic product (GDP) rose by 0.3 % in **volume** terms compared with the previous quarter. On an annual basis, that works out at a GDP growth rate of 1.3 %.

Value added was up in the services sector (+0.5 %) and in construction (+0.3 %). But it fell by 0.4 % in industry.

Regarding the expenditure side, households and government alike raised their consumption expenditure by respectively 0.4 % and 0.7 %. Households also stepped up their investment in fixed assets (+1.9 %) and business investment was up as well (+1.9 %). Public investment, on the other hand, fell back by 2.0 %.

Exports of goods and services rose by 0.4 %; import growth was even stronger (+0.7 %), so net exports made a negative contribution to growth (-0.3 of a percentage point).

According to the **flash estimate** of (GDP), economic activity picked up in the **third quarter of 2019**. Seasonally and calendar adjusted GDP rose by 0.4 % in **volume** terms in comparison to the previous quarter and points to a growth of 1.6 % on an annual basis.

Employment

Domestic employment expanded by 13 200 persons (+0.3 %) in the second quarter of 2019 compared with the previous quarter. This increase was primarily attributable to the increase in employment in services, in particular in the trade, transport and catering, business services and health and care branches of activity.

Non-financial accounts of institutional sectors

The sectoral accounts are drawn up at **current prices**.

During the second quarter of 2019, household disposable income was up by 1.4 % and grew at a faster rate than final consumption (+0.7 %). Consequently, the gross saving ratio rose even further, by 0.6 of a percentage point, to 13.4 %. The household investment ratio remained almost unchanged at 9.7 %.

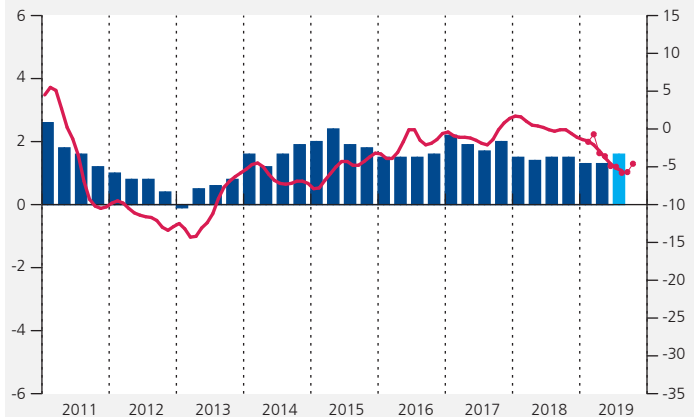
The profit margin of non-financial corporations remained nearly stable (41.4 %). Wage growth (+1.0 %) in particular stayed close to that of value added (+0.9 %). Conversely, the investment ratio of non-financial corporations was up from 27.1 % to 27.4 % on the back of a 2.0 % growth rate in investment.

In the course of the second quarter of 2019, the general government balance worked out at -1.9 % of GDP, compared with -2.2 % of GDP in the previous quarter. Revenue totalled 50.3 % of GDP, compared with 50.1 % of GDP in the quarter before, while public expenditure stabilised at 52.2 % of GDP.

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

	Percentage change compared to	
	corresponding quarter of the previous year	previous quarter
2017 I	2.2	0.8
II	1.9	0.3
III	1.7	0.1
IV	2.0	0.8
2018 I	1.5	0.2
II	1.4	0.3
III	1.5	0.2
IV	1.5	0.8
2019 I	1.3	0.0
II	1.3	0.3
III	1.6	0.4

GDP AND THE ECONOMIC CYCLE



- Quarterly accounts, percentage year-on-year change in GDP in volume, calendar adjusted data (left-hand scale)
- "Flash" estimate, idem (left-hand scale)
- NBB's synthetic business survey curve, smoothed data (right-hand scale)
- NBB's synthetic business survey curve, seasonally adjusted gross data (right-hand scale)

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

	2017		2018				2019	
	III	IV	I	II	III	IV	I	II
1. Value added								
Industry	0.0	1.0	-1.6	-1.1	-0.2	0.7	0.4	-0.4
Construction	-1.4	1.5	1.8	0.7	1.2	1.6	1.0	0.3
Services	0.2	0.9	0.5	0.6	0.3	0.9	0.0	0.5
P.m. GDP	0.1	0.8	0.2	0.3	0.2	0.8	0.0	0.3
2. Expenditure								
Private consumption expenditure (1)	0.1	0.0	0.9	0.4	0.0	0.2	0.3	0.4
Final consumption expenditure of general government	0.5	0.0	0.0	0.8	-0.4	0.6	0.7	0.7
Total gross fixed capital formation	-0.3	2.2	0.6	0.8	0.3	3.2	-0.3	1.5
Business	-0.8	3.2	-0.2	0.8	0.2	3.8	-1.0	1.9
Housing	0.1	-1.5	1.3	0.3	0.3	2.8	2.5	1.9
Public administration	2.1	2.5	4.7	2.0	0.9	0.1	-1.2	-2.0
Domestic demand (excluding changes in inventories)	0.1	0.5	0.6	0.6	0.0	1.0	0.2	0.8
Change in inventories (2)	-0.4	0.1	0.1	0.3	0.4	-0.2	-0.5	-0.1
Exports of goods and services	-0.3	3.0	-0.6	-1.3	0.8	1.6	-0.5	0.4
Imports of goods and services	-0.8	2.9	0.0	-0.6	1.0	1.6	-0.8	0.7
Net exports of goods and services (2)	0.4	0.1	-0.4	-0.6	-0.2	0.0	0.3	-0.3
3. Labour market								
Total number of workers	0.3	0.3	0.3	0.4	0.5	0.3	0.4	0.3

(1) Including non-profit institutions serving households.

(2) Contribution to the change in GDP.

KEY INDICATORS FROM SECTOR ACCOUNTS*(data in value adjusted for seasonal and calendar effects)*

	Households (1)		Non-financial corporations		Government	
	Saving rate (in %)	Investment rate (in %)	Profit share (in %)	Investment rate (in %)	Budget balance (in %)	
2017	I	11.8	9.3	42.7	26.1	-0.7
	II	12.0	9.2	42.0	26.4	-0.7
	III	12.1	9.2	41.7	26.2	-1.0
	IV	12.3	9.1	41.7	26.8	-0.4
2018	I	11.2	9.3	41.8	26.6	-0.2
	II	11.7	9.3	41.3	26.8	0.0
	III	11.6	9.3	41.5	26.7	-0.8
	IV	12.6	9.5	42.1	27.4	-1.9
2019	I	12.8	9.6	41.5	27.1	-2.2
	II	13.4	9.7	41.4	27.4	-1.9

(1) Including non-profit institutions (NPIs) serving households.