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## PRESS RELEASE

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# Economic activity up by 0.5 % in the fourth quarter of 2017

- **Growth was supported by a dynamic external trade**

The National Accounts Institute (NAI) is publishing in this release the main aggregates for the **fourth quarter** and for the **year 2017** as a whole.

### 1. Main aggregates for the fourth quarter of 2017

Economic activity picked up in the fourth quarter of 2017. Seasonally and calendar adjusted gross domestic product (GDP) in volume terms grew by 0.5 % compared with the previous quarter. In comparison to the same quarter of 2016, GDP was up by 1.9 %.

Compared to the previous quarter, value added rose by 0.5 % in industry and 0.6 % in services. In the construction sector, on the other hand, it fell back by 0.3 %.

Household (+0.1 %) and government (+0.7 %) consumption expenditure as well as public investment (+3.0 %) increased. Private investment remained stable, while business investment dropped by 0.4 %. Domestic demand (excluding inventories) grew by an overall 0.3 %.

Foreign demand also improved. Exports of goods and services were up by 2.0 %, while imports of goods and services increased by 1.6 %. As a result, the contribution of net exports to economic growth worked out +0.3 of a percentage point.

During the fourth quarter of 2017, domestic employment expanded by 0.3 % on a quarterly basis. Compared with the corresponding quarter of 2016, the number of people out of work rose by 1.3 % (an increase of 62 700 persons), just as in the third quarter (+59 400 persons).

## 2. Aggregates for the year 2017

On the back of a 1.5 % increase in 2016, GDP in volume terms rose in 2017 with 1.7 %.

In the services sector, value added grew strongly by 2.4 %, after an increase of 1.5 % in 2016. This vigorous growth was shored up by primarily business-related services (+2.6 %) as well as by services to households (+1.8 %). By contrast, a decline (-0.5 %) was observed in industry in 2017, after a positive growth rate of 0.8 % in 2016. The construction industry also recorded a drop in value added: -0.3 % in 2017, against a growth of 0.3 % the year before.

As for domestic consumption expenditure, gross fixed capital formation rose by 1.0 % in 2017. This increase is attributable to higher investment by both companies (+0.9 %) and the public sector (+4.2 %), while investment by households fell back by 0.2 %. In 2017, household consumption expenditure had a positive influence on economic activity, posting a 1.1 % growth rate. Public expenditure also recorded an increase in 2017 (+1.1 %). Domestic demand (excluding inventories) was thus up by 1.1 %.

Over the year 2017 as a whole, the volume of exports (+4.5 %) worked out higher than that for imports (+4.1 %). Consequently, net exports of goods and services made a positive contribution of 0.4 of a percentage point to economic growth.

Domestic employment rose by 65 600 persons on average in 2017, while in 2016 it had increased by 57 700 units.

**QUARTERLY AGGREGATES****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	<b>1.9</b>	<b>0.5</b>

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

2016	1.5
<b>2017</b>	<b>1.7</b>

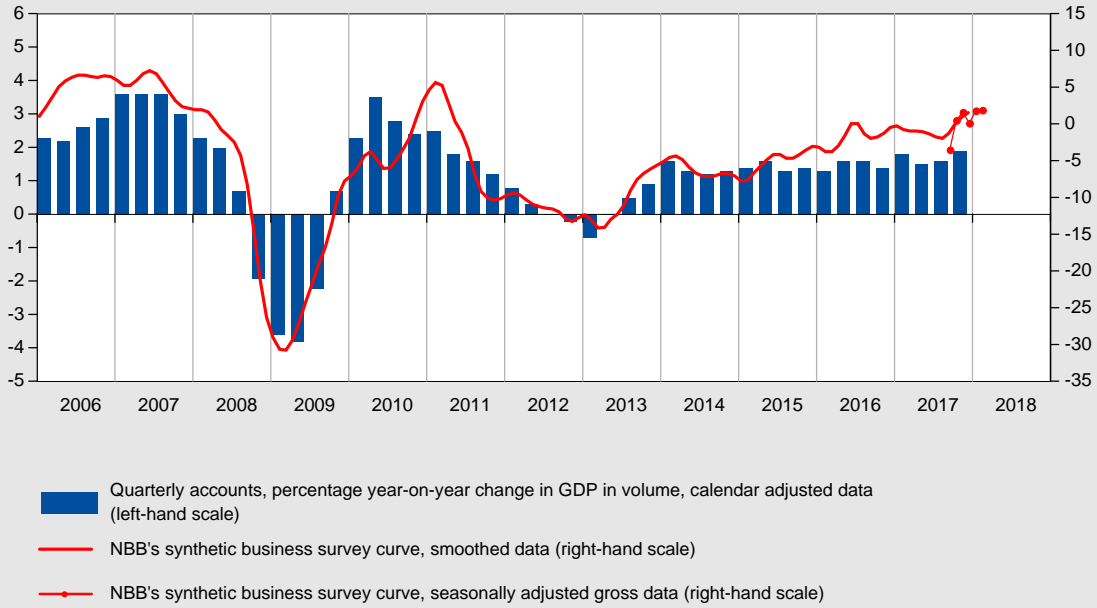
**MAIN COMPONENTS***(percentage change in volume compared to the preceding period, data adjusted for seasonal and calendar effects)*

	2016				2017				
	II	III	IV	jaar	I	II	III	IV	jaar
<b>1. Value added</b>									
Industry	0.3	-0.3	-0.1	0.8	-0.2	0.0	-0.5	0.5	<b>-0.5</b>
Construction	0.1	-0.8	-1.0	0.3	2.4	-1.1	-1.2	-0.3	<b>-0.3</b>
Services	0.9	0.3	0.4	1.5	0.7	0.8	0.5	0.6	<b>2.4</b>
<b>2. Expenditure</b>									
Private consumption expenditure (1)	0.7	0.3	0.0	1.7	0.4	0.4	0.2	0.1	<b>1.1</b>
Final consumption expenditure of general government	-0.3	0.3	0.8	0.5	-0.2	0.3	0.4	0.7	<b>1.1</b>
Total gross fixed capital formation	0.7	7.8	-5.6	3.6	0.2	0.9	1.2	0.0	<b>1.0</b>
Business	0.6	11.6	-8.2	4.9	0.1	1.4	1.5	-0.4	<b>0.9</b>
Housing	2.0	-0.1	-0.4	2.6	0.5	-1.3	0.3	0.0	<b>-0.2</b>
Public administration	-1.6	-0.5	2.8	-3.1	0.2	2.0	0.9	3.0	<b>4.2</b>
Domestic demand (excl. changes in stocks)	0.4	2.1	-1.2	1.8	0.2	0.5	0.5	0.3	<b>1.1</b>
Change in inventories (2)	0.5	-0.1	0.2	0.2	0.2	0.0	-0.4	-0.1	<b>0.2</b>
Exports of goods and services	5.8	0.9	2.9	7.5	-0.1	0.7	-0.6	2.0	<b>4.5</b>
Imports of goods and services	6.1	3.1	1.4	8.4	-0.4	0.8	-0.7	1.6	<b>4.1</b>
Net exports of goods and services (2)	-0.2	-1.8	1.3	-0.6	0.3	-0.1	0.1	0.3	<b>0.4</b>
<b>3. Labour market</b>									
Total number of workers	0.4	0.5	0.2	1.3	0.3	0.5	0.2	0.3	<b>1.4</b>
Number of hours worked by employees	0.3	0.2	0.6	1.2	0.3	0.4	0.2	nb	<b>nb</b>

(1) Including non-profit institutions serving households.

(2) Contribution to the change in GDP.

**GDP and the economic cycle**



Source: NAI