

28 September 2018

Quarterly National Accounts of Spain. Base 2010
Second quarter of 2018

Main results

- The volume growth of Spanish GDP increases by 0.6% in the second quarter of 2018 compared to the previous quarter. This rate is similar to that recorded in the first quarter and to the preliminary figure estimated on last July 31.
- Growth compared to the same quarter of the previous year stands at 2.5% compared to 2.8% in the previous quarter. This rate is two tenths below the preliminary figure estimated on July 31.
- The contribution of the *domestic demand* to the year-on-year GDP growth is 3.3 points, two tenths higher than in the first quarter. On the other hand, the *external demand* registers a contribution of -0.8 points, five tenths lower than in the previous quarter.
- The implicit GDP deflator increases by 0.8% compared to the same quarter of the previous year, three tenths less than in the first quarter.
- Employment in the economy, in terms of *full-time equivalent jobs*, registers a variation of 0.8% compared to the previous quarter, three tenths higher than that recorded in the first quarter.
- In annual terms, employment increases at a rate of 2.5%, one tenth less than in the first quarter, representing an increase of 441 thousand full-time equivalent jobs in one year.
- The annual variation of the *unit labour cost* stands at 0.6% this quarter.
- *Gross national income* and *gross national disposable income* increase by 0.8% and 0.9% respectively compared to the previous quarter.
- In relation to the second quarter of 2017, national income increases by 3.4% and national disposable income by 3.5%.

New developments

The *Quarterly National Accounts of Spain* (QNAS) has modified its dissemination calendar and contents as of the publications referring to the second quarter of 2018¹.

The preliminary results—hitherto known as the *Quarterly GDP Flash Estimate*—released on 31 July (t+30 days), contained for the first time preliminary estimates of both the quarterly GDP and of each of its components (supply, demand and income) and of employment, in gross terms and also adjusted for seasonal and calendar effects, and at current prices and in terms of volume (in the case of the supply and demand components). In this way, the information that had been disseminated in t+60 days has been brought forward by one month.

This preview of results is updated today (t+90 days), once the information available since then has been incorporated. Particularly noteworthy is the **incorporation of the results of the accounts of the rest of the world, consistent with the quarterly information of the Balance of Payments published by the Bank of Spain on 24 September (t+86 days), and the Quarterly Accounts of Public Administrations, disseminated yesterday by the General Intervention of the State Administration (t+89 days).**

This new calendar will enable the update of the QNAS to be disseminated simultaneously with the *Quarterly Non-Financial Accounts for the Institutional Sectors*, which will provide a complete and integrated view of the economic performance of the quarter. This also makes it possible, **to add to the main quarterly aggregates of the national economy offered by the QNAS those of gross national income and gross national disposable income**, in a similar way to how the main annual aggregates are disseminated in the *Annual Spanish National Accounts*.

On the other hand, **this publication also includes a review of the series of results of the QNAS since the first quarter of 2015**, consistent with the review of the *Annual Spanish National Accounts*, whose main results were published on September 6.

All this is in line with the requirements for availability of national accounts results established by Regulation (EU) 549/2013 on the European System of National and Regional Accounts 2010.

¹ As was previously announced on the INE website in the space dedicated to this operation, in the annex to the latest press release published on 29 June with the results of the Quarterly Non-Financial Accounts of the Institutional Sectors and in the press release of the Quarterly GDP Flash Estimate of 31 July. The High Council on Statistics was also informed of these new developments at the meeting of its Permanent Commission on 22 March.

Quarter-on-quarter and year-on-year evolution of GDP

The *Gross Domestic Product* (GDP) generated by the Spanish economy, measured in terms of chain-linked volume with reference to the year 2010, has registered a growth of 0.6% in the second quarter of 2018² as compared with the previous quarter. This rate is similar to that estimated for the first quarter of the year and to the preliminary figure estimated on July 31 for this second quarter.

Gross domestic product

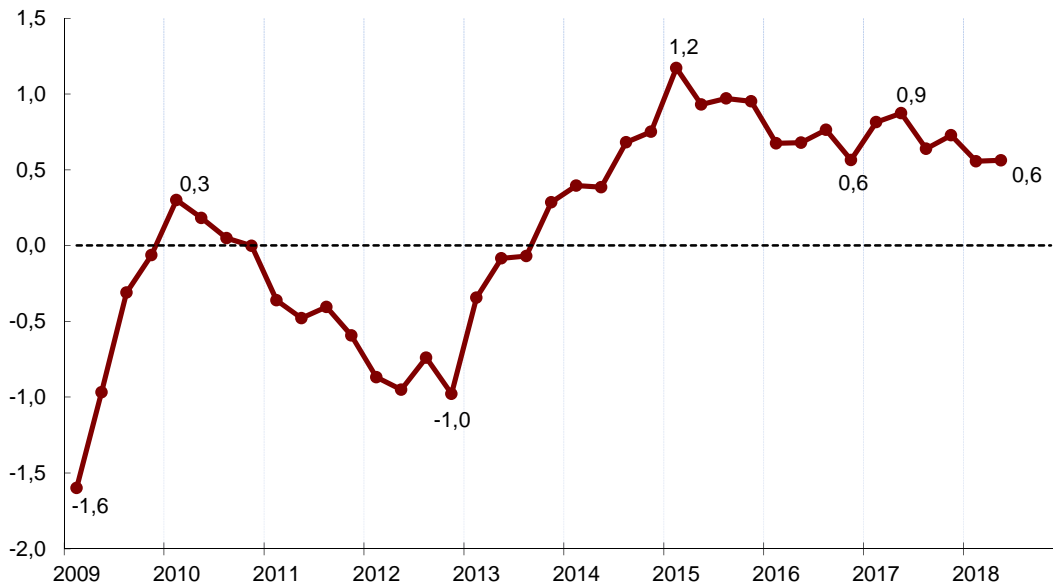
Chain-linked volumes. Quarter-to-Quarter growth rates (%)

	2017				2018	
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II
Gross domestic product at market prices	0.8	0.9	0.6	0.7	0.6	0.6
Household final consumption expenditure	0.5	0.8	0.9	0.4	0.9	0.1
Final consumption expenditure of NPISHs	-0.5	1.3	0.6	0.2	1.4	-0.3
Final consumption expenditure by government	1.1	0.6	0.6	0.3	0.8	0.1
Gross fixed capital formation	2.4	-0.2	2.3	0.6	1.1	3.5
Tangible fixed assets	2.7	-0.3	2.5	0.6	1.2	4.0
Dwellings and other buildings and structures	1.2	1.0	1.7	0.8	2.1	2.2
Machinery, Equipment, weapon system and cultivated biological resources	4.8	-2.2	3.6	0.5	-0.1	6.5
Intellectual property products	1.0	0.9	1.1	0.1	0.9	0.6
Exports of goods and services	1.3	1.3	0.1	1.4	0.6	0.2
Imports of goods and services	2.4	0.5	1.9	0.6	1.7	1.0
Gross domestic product at market prices	0.8	0.9	0.6	0.7	0.6	0.6
Agriculture, forestry and fishing	-0.8	-0.7	1.5	0.5	0.9	0.3
Industry	2.0	0.9	0.6	1.4	-0.3	0.7
Manufacturing industry	2.2	0.8	1.1	1.2	-0.3	1.0
Construction	1.4	2.0	1.3	1.9	2.0	1.8
Service activities	0.6	0.7	0.6	0.5	0.6	0.5
Trade, transport and accommodation and restaurants	0.9	0.9	0.7	0.5	0.7	1.1
Information and communication	0.8	1.0	1.7	0.6	1.5	1.4
Financial and insurance activities	-0.5	0.7	0.5	-1.1	1.5	-0.2
Real estate activities	-0.1	0.0	0.0	0.2	-0.1	0.0
Professional, scientific and technical activities and other	1.5	1.4	1.5	1.4	1.4	1.1
Public administration, education and health activities	0.5	0.7	0.4	0.6	0.5	0.4
Arts, entertainment and other services	0.6	1.1	-0.1	1.0	-0.6	-2.0
Taxes on products less subsidies	0.3	1.7	0.3	0.4	0.5	-0.3

² All the information presented in this press release corresponds to data adjusted for seasonal and calendar effects, unless expressly mentioned otherwise.

Gross Domestic Product

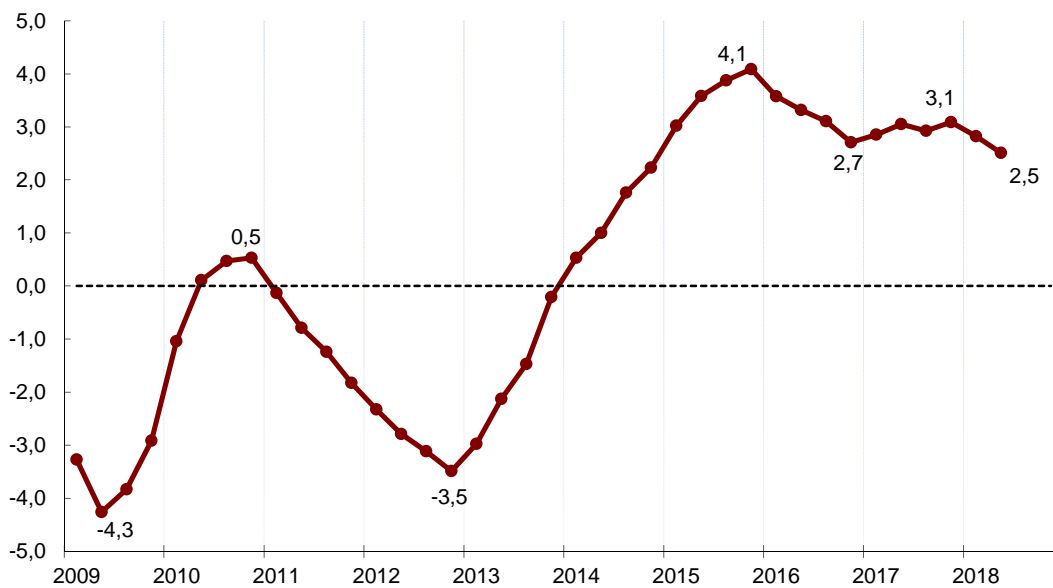
Chain-linked volumes. Quarter-to-quarter growth rate (%)



In year-on-year terms, the GDP growth rate was 2.5%, three tenths lower than in the first quarter of 2018. This rate is, at the same time, two tenths lower than the preliminary figure estimated on 31 July for this second quarter (which was 2.7%).

Gross Domestic Product

Chain-linked volumes. Year-to-year growth rate (%)

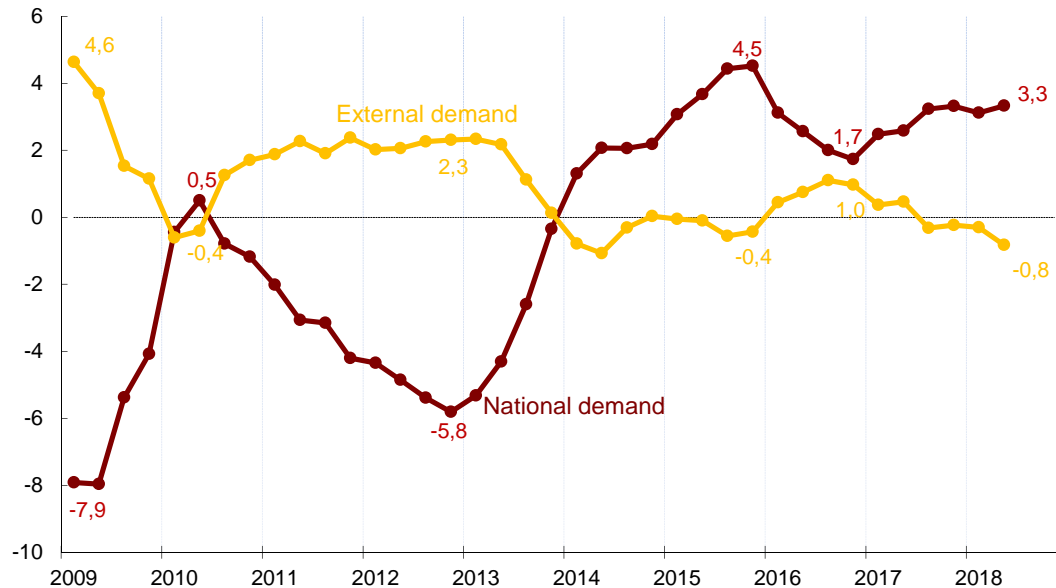


Year-on-year evolution of GDP: demand

The contribution of the *domestic demand* to the year-on-year GDP growth was 3.3 points, two tenths higher than in the first quarter. On the other hand, the *external demand* registered a contribution of -0.8 points, five tenths less than in the previous quarter.

National and external demand

Contribution to GDP growth in volume terms



Domestic demand

Final consumption expenditure increased by 2.2% as compared to the same quarter of the previous year, seven tenths less than in the first quarter.

Household final consumption expenditure experienced a year-on-year growth of 2.3%, eight tenths less than in the previous quarter. On the other hand, *General Government final consumption expenditure* presented a variation rate of 1.9%, five tenths lower than in the previous quarter.

Gross fixed capital formation grew by 7.8%, 3.5 points higher than in the previous quarter.

Investment³ in *tangible fixed assets* grew at a year-on-year rate of 8.5%, which is 4.5 points more than in the previous quarter. As part of this, investment in *housing and other buildings and constructions* increased by 1.3 points, from 5.7% to 7.0%. On the other hand, investment in *machinery, capital goods and armament systems* showed a growth of 11.1% in the second quarter of 2018, compared to 1.9% in the previous quarter.

On the other hand, investment in *intellectual property products* experienced a variation of 2.8%, moderating its growth by three tenths with respect to the previous quarter.

³ Gross fixed capital formation.

Gross domestic product. Demand

Chain-linked volumes. Year-to-year growth rates (%)

	2017				2018	
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II
Gross domestic product at market prices	2.9	3.1	2.9	3.1	2.8	2.5
Final consumption expenditure	2.0	2.3	2.4	2.7	2.9	2.2
Household final consumption expenditure	2.3	2.5	2.6	2.7	3.1	2.3
Final consumption expenditure of NPISHs	2.2	3.1	2.2	1.7	3.6	2.0
Final consumption expenditure by government	1.2	1.7	2.0	2.6	2.4	1.9
Gross fixed capital formation	4.7	3.6	5.8	5.2	3.9	7.7
Tangible fixed assets	5.0	3.6	6.0	5.6	4.0	8.5
Dwellings and other buildings and structures	3.9	4.1	5.7	4.8	5.7	7.0
Machinery, Equipment, weapon system and cultivated biological resources	6.6	3.0	6.4	6.7	1.8	10.8
Machinery, Equipment and weapon system	7.0	3.3	6.8	7.0	1.9	11.1
Intellectual property products	3.1	3.5	4.5	3.1	3.1	2.8
Changes in inventories and acquisitions less disposals of valuables ¹	0.0	0.1	0.2	0.3	0.1	0.1
National demand ¹	2.5	2.6	3.2	3.3	3.1	3.3
Exports of goods and services	6.1	5.4	5.4	4.2	3.4	2.3
Imports of goods and services	5.5	4.4	7.0	5.4	4.7	5.2

¹Contribution to GDP growth

External demand

Exports of goods and services grew by 2.3% compared to the second quarter of 2017, which is 1.1 points less than in the previous quarter. This slower growth was due to a decrease in the variation rate of *exports of goods* (from 2.6% to 2.0%) and of *exports of services* (from 5.2% to 3.1%). Among these, *non-resident expenditure in the economic territory* decreased by 2.7 points (from 4.9% to 2.2%).

Imports of goods and services increased by 5.2% with respect to the same quarter of the previous year, five tenths more than in the first quarter. This higher growth was partly due to a growth in the year-on-year rate of imports of goods (from 3.4% to 4.4%). However, *imports of services* slowed down their growth rate by 1.7 points (from 10.4% to 8.7%). Of the latter, *expenditure by residents in the rest of the world* fell by 0.8 points this quarter (from 10.2% to 9.4%).

Year-on-year evolution of GDP: supply

The gross value added of the industrial branches increased by 2.5% with respect to the same quarter of 2017, representing a decrease of one tenth over the year-on-year variation recorded in the previous quarter. Within them, the manufacturing industry presented a rate of 3.1%, three tenths higher than that of the previous quarter.

The gross value added of *Construction* increased by 7.1% with respect to the same quarter of 2017, three tenths less than in the previous quarter.

The year-on-year variation in the gross value added of *Services* in the second quarter was 2.3%, two tenths less than in the previous quarter.

Finally, the primary branches recorded a variation of 3.2% this quarter compared to 2.2% in the previous quarter.

Gross domestic product. Supply

Chain-linked volumes. Year-to-year growth rates (%)

	2017				2018	
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II
Gross domestic product at market prices	2.9	3.1	2.9	3.1	2.8	2.5
Agriculture, forestry and fishing	-0.7	-2.5	-0.8	0.4	2.2	3.2
Industry	4.6	4.2	4.0	4.9	2.6	2.5
Manufacturing industry	3.7	3.7	4.6	5.4	2.8	3.1
Construction	5.3	6.5	6.0	6.8	7.4	7.1
Service activities	2.3	2.6	2.5	2.5	2.5	2.3
Trade, transport and accommodation and restaurants	3.8	3.6	3.4	2.9	2.8	3.0
Information and communication	4.3	3.6	4.3	4.1	4.9	5.3
Financial and insurance activities	-1.8	1.5	2.2	-0.5	1.5	0.6
Real estate activities	0.4	0.1	-0.3	0.0	0.0	0.1
Professional, scientific and technical activities and other	4.3	5.2	5.9	5.9	5.8	5.5
Public administration, education and health activities	1.3	1.8	1.6	2.2	2.2	1.9
Arts, entertainment and other services	0.8	1.7	1.4	2.6	1.4	-1.7
Taxes on products less subsidies	3.4	4.2	3.1	2.7	2.9	1.0

GDP at current prices and implicit deflator

GDP at current prices grew at a rate of 3.3%. This growth is seven tenths lower than that recorded in the first quarter of the year (4.0%) and one tenth lower than the preliminary figure estimated on last July 31.

Gross domestic product

Current prices. Year-to-year growth rates (%)

	2017				2018	
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II
Gross domestic product at market prices	3.6	4.4	4.1	4.9	4.0	3.3
Household final consumption expenditure	4.3	4.5	4.0	4.1	4.1	3.8
Final consumption expenditure of NPISHs	0.7	2.3	1.4	3.0	4.5	4.0
Final consumption expenditure by government	1.6	1.7	2.3	2.8	2.4	2.3
Gross fixed capital formation	6.2	6.0	8.2	7.9	5.8	8.9
Tangible fixed assets	6.7	6.4	8.7	8.3	6.4	10.1
Dwellings and other buildings and structures	7.2	7.9	10.0	9.0	8.6	9.0
Machinery, Equipment, weapon system and cultivated biological resources	6.1	4.4	6.9	7.2	3.4	11.6
Intellectual property products	3.0	4.0	5.3	6.1	2.4	1.7
Changes in inventories and acquisitions less disposals of valuables ¹	0.0	0.1	0.3	0.3	0.1	0.1
National demand ¹	4.0	4.2	4.6	4.7	4.1	4.5
Exports of goods and services	9.7	8.7	7.4	6.4	3.7	3.4
Imports of goods and services	12.0	9.1	9.8	6.4	4.6	7.7
Gross domestic product at market prices	3.6	4.4	4.1	4.9	4.0	3.3
Agriculture, forestry and fishing	1.7	1.5	3.9	9.4	4.4	5.6
Industry	5.9	7.7	6.1	7.0	3.2	2.7
Manufacturing industry	5.5	7.3	6.9	7.3	4.2	3.9
Construction	7.0	8.9	8.9	10.1	10.1	8.8
Service activities	2.6	3.2	3.2	4.0	3.4	2.5
Trade, transport and accommodation and restaurants	4.1	5.9	5.0	4.4	4.0	2.6
Information and communication	0.8	1.7	2.5	3.2	4.3	2.1
Financial and insurance activities	8.3	-2.5	0.9	11.2	1.9	2.5
Real estate activities	0.1	0.8	0.9	1.7	1.9	1.6
Professional, scientific and technical activities and other	4.0	6.6	6.7	6.8	6.5	5.6
Public administration, education and health activities	1.4	1.6	1.7	2.5	2.5	2.4
Arts, entertainment and other services	-0.6	2.5	2.3	3.4	2.5	-1.9
Taxes on products less subsidies	5.6	5.0	4.4	4.1	5.3	6.5

¹Contribution to GDP growth

As a result, the implicit deflator of the economy presented a year-on-year variation of 0.8%, three tenths lower than that of the previous quarter (1.1%) and one tenth higher than the preliminary figure estimated on 31 July.

Year-on-year evolution of GDP at current prices (income) and national income

Compensation of employees recorded a year-on-year growth of 3.9% in the second quarter, three tenths higher than in the previous quarter.

This result was due to the 3.2% increase in the number of *employees*, in terms of full-time equivalent jobs, similar to the previous quarter, and to the fact that the *average compensation per employee* varied by 0.7%, as compared with 0.4% in the first quarter.

The *gross operating surplus / gross mixed income* generated in the economy grew by 1.8% with respect to the same quarter of the previous year, 2.1 points less than in the first quarter.

Finally, the amount accrued in taxes on production and imports net of subsidies increased by 6.5%, compared to 5.7% in the previous quarter.

Gross domestic product. Income

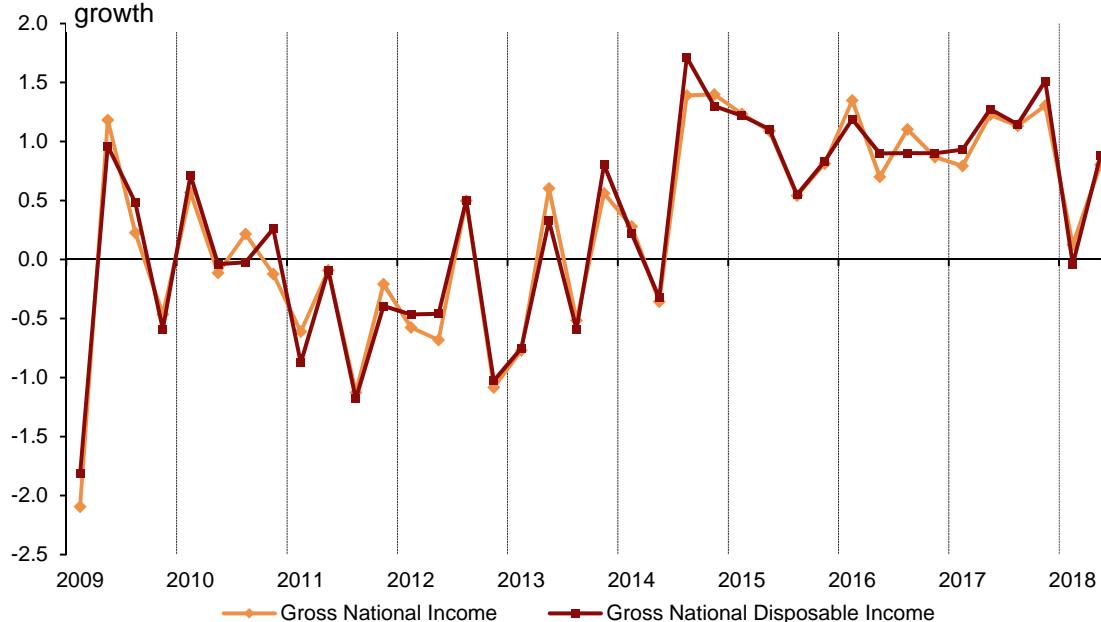
Current prices. Year-to-year growth rates (%)

	2017				2018	
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II
Gross domestic product at market prices	3.6	4.4	4.1	4.9	4.0	3.3
Compensation of employees	3.3	3.3	3.7	3.9	3.6	3.9
Gross operating surplus / Gross mixed income	3.6	5.4	4.8	6.2	3.9	1.8
Net taxes on production and imports	4.9	4.9	3.4	4.4	5.7	6.5

If we add to the evolution of quarterly GDP at current prices that of the balance of primary income with the rest of the world, we obtain that *gross national income* grew by 0.8% with respect to the first quarter of 2018, seven tenths more than in the previous quarter. If we add to this the evolution of the balance of current transfers with the rest of the world, we obtain that the *gross national disposable income* increased by 0.9% with respect to the previous quarter, nine tenths more than in the first quarter.

Gross national income and Gross national disposable income

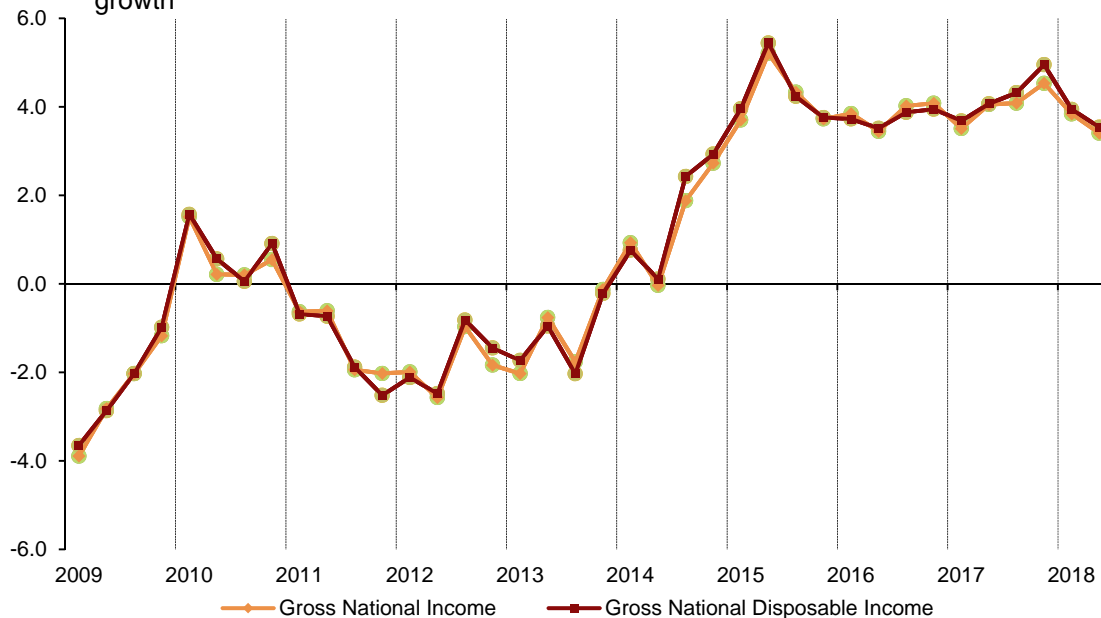
Seasonally and calendar effects adjusted series. Quarter-to-quarter rates of growth



In year-on-year terms, the gross national income growth rate was 3.4%, four tenths lower than in the first quarter of 2018. And that of the *gross national disposable income* was 3.5%, also four tenths lower than the previous quarter.

Gross national income and Gross national disposable income

Seasonally and calendar effects adjusted series. Year-to-year rates of growth



Employment

Employment in the economy, in terms of *full-time equivalent jobs*, increased by 0.8% with respect to the previous quarter, a variation three tenths higher than that recorded in the first quarter.

In year-on-year terms, employment grew by 2.5%, one tenth less than in the previous quarter, representing an increase of 441 thousand full-time equivalent jobs in one year.

Employment in the industrial branches increased by 2.1%, seven tenths less than in the previous quarter.

In the case of *Construction*, the variation in employment was 8.6%, three tenths more than in the previous quarter.

The year-on-year growth of employment in Services with respect to the previous quarter remained at 2.2%..

Finally, employment in the primary branches presented a variation of -1.1%, compared to -0.4% in the previous quarter.

Employment

Full-time equivalent jobs. Year-to-year growth rates (%)

	2017				2018	
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II
Total	2.7	2.9	2.9	2.9	2.6	2.5
Agriculture, forestry and fishing	3.5	3.8	2.0	0.6	-0.4	-1.1
Industry	3.7	3.8	3.4	3.2	2.8	2.1
Manufacturing industry	3.9	4.0	3.7	3.6	3.1	2.3
Construction	5.9	6.4	6.0	7.7	8.3	8.6
Service activities	2.2	2.5	2.6	2.6	2.2	2.2
Trade, transport and accommodation and restaurants	2.2	2.6	2.4	2.0	2.2	2.3
Information and communication	3.5	5.5	7.0	5.8	5.6	2.6
Financial and insurance activities	-0.9	0.5	0.6	-2.5	0.3	-0.9
Real estate activities	7.4	7.5	4.8	4.4	1.6	4.1
Professional, scientific and technical activities and other	3.8	3.0	3.4	3.3	0.5	1.9
Public administration, education and health activities	2.1	2.0	2.1	2.5	2.7	2.8
Arts, entertainment and other services	0.0	1.3	2.5	3.7	3.3	1.5
Employees	2.9	3.3	3.3	3.4	3.2	3.2
Agriculture, forestry and fishing	2.7	4.5	2.8	3.5	1.8	0.4
Industry	3.7	3.8	3.5	3.3	3.0	2.4
Manufacturing industry	4.0	4.1	3.8	3.7	3.3	2.8
Construction	6.8	7.4	6.7	8.7	9.7	9.9
Service activities	2.5	2.8	3.0	3.0	2.8	3.0
Trade, transport and accommodation and restaurants	3.0	3.2	3.1	2.7	2.9	3.6
Information and communication	3.2	5.2	6.7	5.8	6.1	3.2
Financial and insurance activities	-0.9	0.3	0.3	-2.9	-0.1	-1.1
Real estate activities	9.9	9.3	5.4	3.2	-1.1	2.1
Professional, scientific and technical activities and other	3.2	2.6	3.5	3.8	1.0	2.6
Public administration, education and health activities	2.1	2.2	2.4	2.8	3.0	3.0
Arts, entertainment and other services	-0.1	2.4	3.0	4.4	4.3	2.2

The number of hours actually worked increased by 1.1% over the first quarter, three tenths more than in the previous quarter. In year-on-year terms, the number of hours actually worked increased by 3.0%, seven tenths more than in the previous quarter.

Thus, the year-on-year variation of *productivity per full-time equivalent job* decreased by three tenths compared to the first quarter of the year, from 0.3% to 0.0%, while *productivity per hour actually worked* is nine tenths lower than in the previous quarter (-0.4% compared to 0.5%).

Productivity

Year-to-year growth rate (%)

	2017				2018	
	Tr. I	Tr. II	Tr. III	Tr. IV	Tr. I	Tr. II
Labour productivity per full time equivalent employment	0.2	0.1	0.0	0.2	0.3	0.0
Labour productivity per hour worked	1.2	1.2	0.9	1.0	0.5	-0.4

Finally, the *Unit Labour Cost* (ULC) grew by 0.6% compared to the second quarter of 2017, two tenths below the variation experienced by the implicit deflator of the economy (0.8%).

Labour costs

Year-to-year growth rates (%)

	2017				2018	
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II
Unit Labor Cost (ULC)	0.2	-0.1	0.4	0.3	0.2	0.6
Compensation per employee	0.4	0.0	0.4	0.5	0.4	0.7

Revision and updating of data

Coinciding with today's publication, the INE has updated the results of the QNAS since the first quarter of the year T-3 (T being the current year), in line with the review of the results of the *Annual Spanish National Accounts* which took place on 6 September and affected the years 2015, 2016 and 2017.

In addition, the results for the first and second quarters of 2018 have been revised, based on the latest information available.

Methodological note

The *Quarterly Spanish National Accounts* (QSNA) is a short-term summary statistic whose main objective is to carry out a systematic and coherent measurement of the recent evolution of the national economy, in accordance with the conceptual and regulatory framework established by the *European System of National and Regional Accounts* (ESA 2010), approved by *Regulation (EU) 549/2013 of the European Parliament and of the Council of 21 May*.

As of the second quarter of 2018, this operation provides, one month after the end of the quarter (t+30 days, being t the reference quarter), not only a preliminary estimate of the Gross Domestic Product generated in the economy during the quarter, but also of each of its components, based on its three approaches of supply, demand and income (both in terms of volume and at current prices in the case of the first two and at current prices in the case of the income approach). It also provides a measurement of the evolution of employment in the economy in terms of *persons employed, jobs, full-time equivalent jobs and hours actually worked*. All estimates are also presented in both raw data and adjusted for seasonal and calendar effects.

This estimation has a preliminary character and is elaborated from all the information available up to that moment on the reference quarter. This preview of results is updated around t+90 days, with all the information available since then, in particular, the results of the *accounts with the rest of the world*, consistent with the quarterly information of the Balance of Payments published by the Bank of Spain around t+85 days, and the *Quarterly Accounts of Public Administrations*, disseminated by the General Intervention of the State Administration around t+90 days.

This update is published simultaneously with the results of the *Non-Financial Quarterly Accounts for the Institutional Sectors*, offering a complete and integrated view of the economic evolution of the quarter.

In addition, in the publications relating to the second quarters of each year, as is the case with this publication, the update of results in t+90 also includes the revision of results from the first quarter of the year T-3 (T being the current year), in line also with the revision of results from year T-3 of the *Annual Spanish National Accounts* (whose main results have been previously disseminated).

This calendar is compatible with the requirements for availability of national accounts results established by Regulation (EU) 549/2013 on the European System of National and Regional Accounts 2010.

Type of operation: quarterly continuous survey.

Geographical scope: *national economic territory*.

Reference period of the results: the quarter.

Collection method: summary statistics.

For more detailed information, please consult the INE website (www.ine.es), as well as access the standardised methodological report on the operation ([Standardised metadata report](#)).

For further information see **INEbase:** www.ine.es/en/ Twitter: [@es_ine](https://twitter.com/es_ine)

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