

13 December 2017

Environmental Accounts
Environmental Protection Expenditure Account. Base 2010
2010 – 2016 Accounting Series

National Expenditure on Environmental Protection reached 16,834 million euros in 2016, representing 1.51% of GDP

Waste management services accounted for 59.3% of the National Expenditure on Environmental Protection

Within the framework of the European Union Regulation on environmental accounts, the National Statistics Institute (INE) is publishing today, for the first time, this press release on the environmental protection expenditure account. We are presenting the 2010-2016 accounting series. The estimates for 2016 have preliminary character.

The Environmental Protection Expenditure Account records data on environmental protection expenditure for the whole economy, i. e. the economic resources actually used by resident units to prevent environmental degradation or for its restoration, in a manner compatible with the data reported under the European System of Accounts (ESA).

Estimates are presented broken down by **environmental protection areas**, according to the Classification of Environmental Protection Activities (CEPA-2000).

The main objective of the account is to calculate the aggregate **National Expenditure on Environmental Protection (NEEP)**, which represents the total economic resources a nation devotes to environmental protection. The national expenditure can be compared with the national accounts aggregates.

The account records transactions by **institutional sector** and, according to the European methodology, some sectors are grouped together for simplification: Public Administrations and Non-Profit Institutions Serving Households (NPISHs); Non-financial and Financial Corporations and Households.

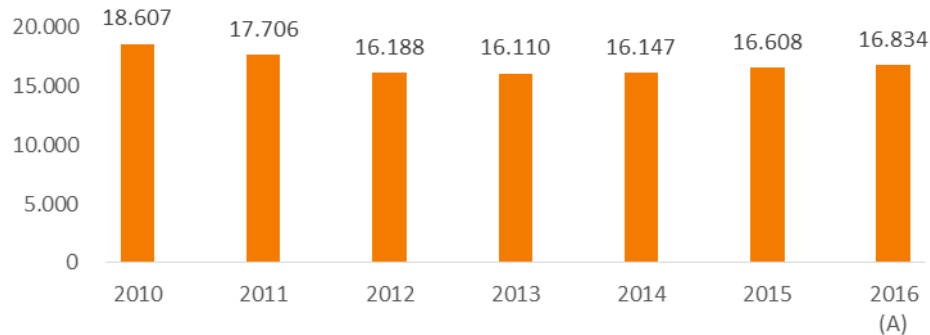
National Expenditure on Environmental Protection

The National Expenditure on Environmental Protection (NEEP) reached 16,834 million euros in 2016, indicating an increase of 1.4% as compared with the previous year.

This figure represents 1.51% of the Gross Domestic Product (GDP) for the year 2016.

National Expenditure on Environmental Protection 2010-2016 Series

Unit: million euros

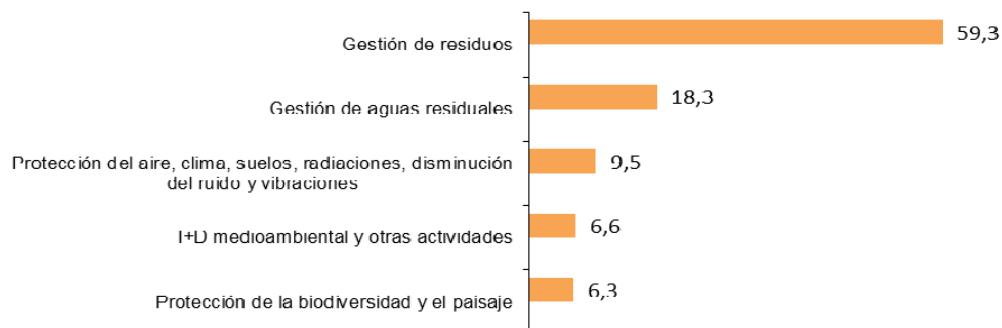


National Expenditure on Environmental Protection by area

The areas with the greatest weight in the NEEP in 2016 were *Waste management services* (59.3% of total expenditure) and *Wastewater management services* (18.3%).

On the other hand, those that had the lowest weight were *Biodiversity and Landscape Protection Services* (6.3%) and *Environmental R&D and other activities* (6.6%).

Percentage distribution of the NEEP by area. Year 2016



National Expenditure by Environmental Protection area Year 2016

Unit: million euros

	2016	Interannual variation rate	% of the total	% of GDP
TOTAL	16,834	1.4	100.0	1.51
Waste management	9,988	3.9	59.3	0.89
Wastewater management	3,082	0.5	18.3	0.28
Protection of air, climate and soil; radiation, noise and vibration reduction	1,600	1.1	9.5	0.15
Environmental R&D and other activities	1,107	-7.8	6.6	0.10
Biodiversity and landscape protection	1,057	-7.4	6.3	0.09

The greatest expenditure increases in 2016 compared to the previous year were recorded in *Waste Management Services* (3.9%) and *Wastewater Management Services* (0.5%).

In turn, the greatest decreases occurred in *Environmental R&D and Other Activities* (-7.8%) and *Biodiversity and Landscape Protection Services* (-7.4%).

National Expenditure on Environmental Protection by institutional sector

The *Corporations* sector accounted for 50.8% of total expenditure in 2016, with 8,545 million euros, 5.1% more than in the previous year.

The expenditure of the *Public Administrations* and *NPISHs* sector represented 33.0% of the total. It reached 5,554 million, 4.5% less than in 2015.

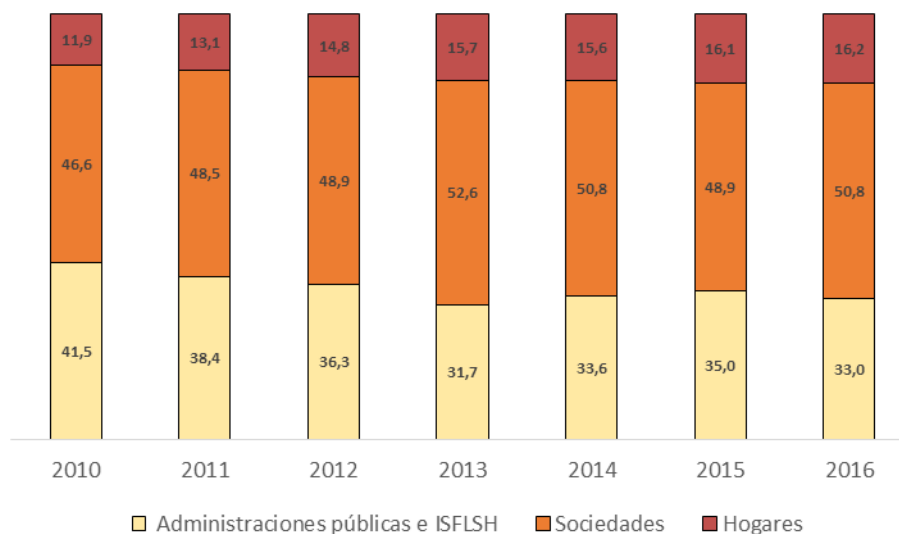
On the other hand, *Households* increased their expenditure by 2.6% up to 2,735 million, representing 16.2% of the total in 2016.

National Expenditure on Environmental Protection by institutional sector

Unit: million euros

	2016	Interannual variation rate	% of the total
TOTAL	16,834	1.4	100.0
Public Administrations and NPISHs	5,554	-4.5	33.0
Corporations	8,545	5.1	50.8
Households	2,735	2.6	16.2

Percentage distribution of the NEEP by institutional sector. 2010-2016 Series.



National expenditure components by institutional sector

The main items of the national expenditure, intermediate consumption and final consumption, reached 7,481 and 7,496 million euros in 2016, respectively. Similarly, gross fixed capital formation amounted to 2,051 million.

Expenditure in the Public Administrations and NPISHs sector amounted to 5,554 million euros, with 4,762 million euros spent on final consumption and 931 million euros on gross fixed capital formation.

The Corporations sector reached 8,545 million euros of expenditure, of which 7,481 million corresponded to intermediate consumption and 1,120 million to gross fixed capital formation.

Households made an expenditure of 2,735 million euros in final consumption.

National expenditure components. Year 2016

Unit: million euros

	Total economy	Public Administrations and NPISHs	Corporations	Households
NEEP	16,834	5,554	8,545	2,735
Intermediate consumption ²	7,481	-	7,481	-
Gross fixed capital formation	2,051	931	1,120	-
Final consumption	7,496	4,762	-	2,735
Net current transfers and net capital transfers from the rest of the world ³	-195	-139	-56	-

² Intermediate consumption does not include environmental protection services by specialized producers of such services.

³ Net transfers register the balance of transfers paid by the economy to the rest of the world minus those received from the rest of the world.

Production of environmental protection services

Total production of environmental protection services reached 18,005 million euros in 2016.

Market production accounted for 66.9% of the total (12,041 million euros), non-market production for 28.7% (5,167 million euros) and auxiliary production for 4.4% (797 million euros).

The Corporations sector accounted for 52.1% of total production, amounting to 9,382 million euros. The remaining 47.9% corresponded to the Public Administrations and NPISHs sector, with 8,623 million euros.

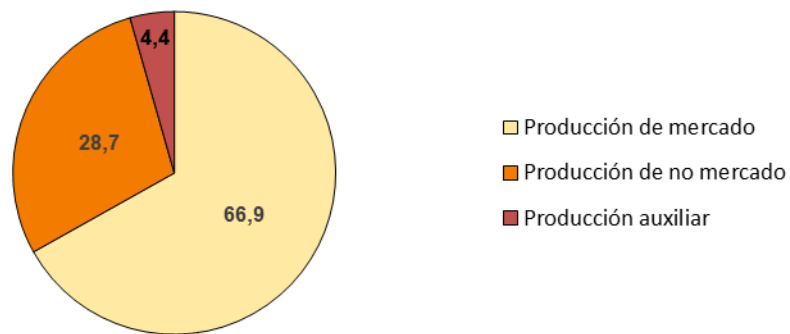
Production by institutional sectors. Year 2016

Unit: million euros

	TOTAL	% of the total	Public Administrations and NPISHs	% by type of production	Corporations	% by type of production
Total production	18,005	100	8,623	47.9	9,382	52.1
Market production	12,041	66.9	3,456	28.7	8,585	71.3
Non-market production	5,167	28.7	5,167	100.0	-	-
Auxiliary production ⁴	797	4.4	-	-	797	100

⁴ Auxiliary production includes environmental protection services for internal use within the company.

Percentage distribution of the production of environmental protection services by type. Year 2016



In addition to the 2016 results, the INE is also publishing today the complete estimates of the Environmental Protection Expenditure Accounts for the 2010-2015 series.

Methodological note

The **Environmental Accounts** (EA) is a synthesis statistical operation whose general objective is to integrate environmental information in a coherent way into the central system of National Accounts, following the methodology of the System of Environmental-Economic Accounting (SEEA) developed by the United Nations, which constitutes the conceptual framework of the EA.

Regulation (EU) No 538/2014 of the European Parliament and of the Council of 16 April 2014 amending Regulation (EU) No 691/2011 on European environmental economic accounts, constitutes the reference framework for concepts, definitions, classifications and common accounting standards for processing the Environmental Accounts and includes a section of this account, for annual submission to the European Union.

The **Environmental Protection Expenditure Account** (EPEA) presents the expenditure on environmental protection made by the total economy, that is, the economic resources actually used to prevent environmental degradation or for its restoration. Other objectives of the account are to measure the financing of the use of these resources and the consequences in terms of production, exports and imports.

Environmental protection includes all actions or activities whose main purpose is the prevention, reduction and elimination of pollution or any other degradation of the environment. Those actions or activities with a positive or beneficial impact on the environment, but which respond to technical needs or for health or safety reasons, do not fall within the scope of protection.

The main objective of the EPEA is to calculate the aggregate **National Expenditure on Environmental Protection (NEEP)**, which represents the total economic resources a nation devotes to environmental protection. The NEEP is prepared in a way that avoids double counting and it is comparable with national accounts aggregates.

In the European methodological model followed for the estimations, the NEEP is defined as the sum of the uses of environmental protection services by resident units (final consumption, intermediate consumption) plus gross fixed capital formation (GFCF) minus financing from the rest of the world.

According to the European methodology used, the expenditure of the **Corporations sector** includes intermediate consumption, gross fixed capital formation and net transfers from the rest of the world. The expenditure of the **Public administrations and NPISHs sector** is obtained as the sum of final consumption expenditure, gross fixed capital formation and net transfers from the rest of the world. In the case of the **Households sector**, the final consumption expenditure is considered.

The complete methodology of this operation is published on the INE website www.ine.es.