

Quarterly Spanish National Accounts. Base 2000

First quarter of 2009

Quarterly National Accounts (GDP)

Latest Data	Interannual Variation	Quarter-on-quarter Variation
First quarter 2009	-3.0	-1.9

Main results

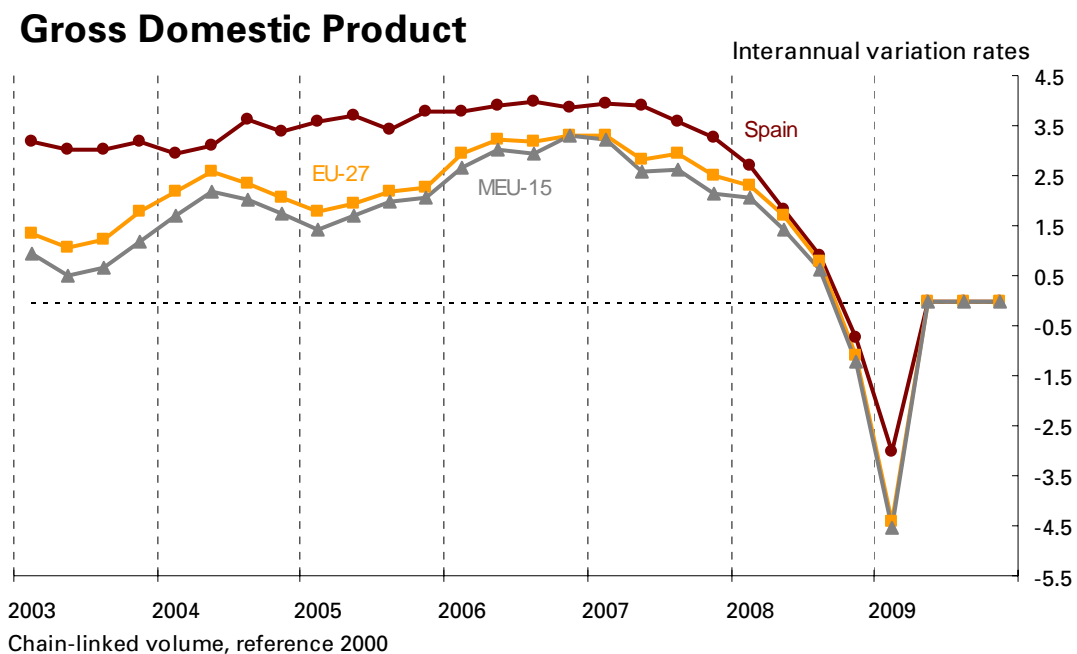
- The Spanish economy registers a decrease of 3.0% in the first quarter of 2009, as compared with the same period of 2008.
- Quarter-on-quarter growth stands at -1.9%, nine tenths lower than that recorded the previous quarter.
- The annual and quarterly growth data is one tenth below that published in the Advance Estimate of the Quarterly National Accounts published last 14 May.
- The contribution of domestic demand to aggregate growth decreases 2.3 points (from -3.0 to -5.3 points), while foreign demand maintains its contribution to quarterly GDP (2.3 points).
- Employment in the economy drops at a rate of 6.0%, indicating a net decrease of almost 1,147 million full-time jobs in one year.
- Unit labour cost growth slows two points to 0.8%, standing five tenths below the GDP deflator.

Gross Domestic Product¹ (GDP) generated by the Spanish economy in the first quarter of 2009 registered a 3.0% decrease, as compared with the same period the previous year², a result 2.3 points lower than that estimated for the previous period.

In quarter-on-quarter terms, GDP decreased its level by 1.9%, this figure being nine tenths lower than that of the fourth quarter of 2008.

Regarding Europe, all countries that published results from the first quarter, presented a decreasing pattern for GDP that was more pronounced than that recorded in the previous period. Thus, with the exception of Austria, which reduced GDP one tenth less than Spain (-2.9%), the main economies of the continent registered more negative results: Germany (-6.9%), Italy (-5.9%), the United Kingdom (-4.9%), the Netherlands (-4.5%) and France (-3.2%).

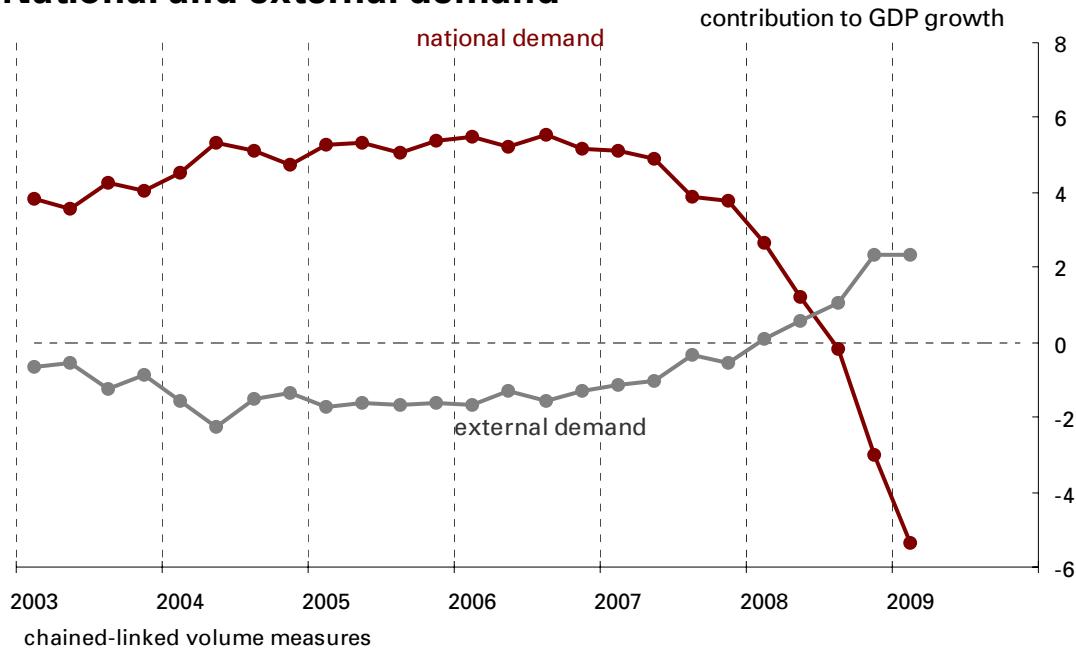
Lastly, total aggregate GDP of the European Union decreased 4.4%, and in the case of the Eurozone, 4.6%.



On analysing the two large components of GDP from the perspective of expenditure, on the one hand, domestic demand increased its negative contribution to GDP during this first quarter, from -3.0 to -5.3 points, and in contrast, foreign demand stabilised its positive contribution to aggregate growth at 2.3 points.

¹Chain-linked volume measures, referring to the year 2000.

National and external demand



Demand. Chain-linked volume reference 2000. Interannual Variation Rates

Operations	2007				2008				2009
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV	Q. I
GROSS DOMESTIC PRODUCT at market prices	4.0	3.9	3.6	3.3	2.7	1.8	0.9	-0.7	-3.0
Household final consumption expenditure	3.8	4.1	3.0	2.9	2.0	0.8	-0.2	-2.3	-4.1
Final consumption expenditure of NPISHs	5.1	4.4	4.6	4.2	3.8	3.7	3.1	3.7	4.3
Final consumption expenditure by government	5.3	5.0	4.8	4.4	3.7	5.0	6.1	6.3	5.4
Gross fixed capital formation	6.6	5.8	4.6	4.5	2.4	-0.8	-4.1	-9.3	-13.1
- Capital goods	13.3	11.3	8.5	7.1	5.2	1.8	-1.3	-9.7	-18.6
- Construction	5.1	4.2	3.3	2.9	0.2	-3.1	-7.3	-10.9	-12.4
- Other products	2.4	3.7	3.6	6.0	5.9	3.2	2.5	-3.7	-7.4
Changes in inventories and acquisitions less disposals of valuables (*)	-0.1	-0.1	-0.1	0.0	0.1	0.1	0.0	0.0	-0.1
National demand (*)	5.1	4.9	3.9	3.8	2.6	1.2	-0.2	-3.0	-5.3
Exports of goods and services	3.3	3.9	8.2	4.0	4.8	4.4	1.5	-7.9	-19.0
Imports of goods and services	6.1	6.2	7.6	4.9	3.6	1.8	-2.0	-13.2	-22.3

(*) Contribution to the growth of the GDP at market prices

National demand

The increase in the negative contribution of national demand this quarter was due to the greater contraction of final household consumption expenditure and of investment in fixed capital, both in capital goods and in construction. In turn, the expenditure of Public Administrations slowed this quarter, although it continued to register positive growth rates.

Final household consumption expenditure quickened its decrease, from -2.3% to -4.1%, in a way that was coherent with the reduction of household disposable income. Employee remuneration therefore presented now negative rates this quarter (-2.1% nominally), as a result of the reduction in the level of paid employment (-5.9%).

² Data adjusted for seasonal and calendar effects.

On analysing the different component of expenditure, all of them presented, on a aggregate level, negative growth rates, including the expenditure on food and services, components that, until the last quarter, had still evolved positively. As with the previous periods, the most intense negative rates were observed in the expenditure on durable goods, though during this first quarter, they did not worsen as compared with those reached the previous quarter.

Final consumption expenditure of Public Administrations slowed during the first quarter, from 6.3% to 5.4%, in tune with the growth of purchases of goods and services and the employee remuneration of Public Administrations.

Gross formation of fixed capital increased its drop during the first quarter, from -9.3% to -13.1%. All of its components quickened their negative pattern on an aggregate level, with the reduction being more significant in the case of capital goods than in construction or other products.

Gross formation of fixed capital in capital goods almost doubled its contraction in this first quarter, from -9.7% to -18.6%, in tune with the weak pulse of both industrial production and turnover and imports of this type of goods. Investment in machinery (-19.7%) presented a drop that was more pronounced than that of transport material (-16.2%).

Investment in construction decreased 12.4% in the first quarter, a rate one-and-a-half points more negative than the previous period. By type of construction, a slight recovery was observed in infrastructure building (from -1.4% to -0.6%), especially in that linked to the area of local corporations and that linked to high-speed railway lines. In turn, investment in housing continued to register increasingly more negative rates (-23.8% as compared with -19.6% the previous quarter), as a result of the increasingly weaker rhythm of the beginning of residential projects.

External demand

Net external demand of the Spanish economy maintained its positive contribution to the aggregate growth of the first quarter of the year, by 2.3 points. Both exports and imports increased their rate of contraction during this period.

Exports of goods and services increased their drop from -7.9% to -19.0%, consistently with the negative evolution of the domestic demand of the target countries, especially those of the European Union. Thus, in the case of exports of goods, the reduction reached -20.5% this quarter, in tourist expenditure of non-residents, 18.7%, and lastly, in exports of non-tourist services, -13.6%.

Similarly, **imports** of goods and services intensified their contraction, which reached -22.3% in the first quarter, in tune with the reduction of final consumption expenditure and investment in fixed capital. By component, imports of goods reduced their level -23.9%, those of non-tourist services, -14.7%, and lastly, purchases of residents in the rest of the world did so by -21.7%.

Supply

From the perspective of supply, and with the exception of the primary branches, all branches of activity, on an aggregate level, registered more negative growth than the previous quarter.

Hence, bearing in mind the evolution of both the industrial production and the intermediate consumption of these activities, gross added value of the **industrial branches** intensified its drop to -10.2% during the first quarter. In the case of the manufacturing industry, the drop was steepest (-11.0%), with the most adverse results corresponding to the durable consumer

goods and capital goods industry, as occurred the previous quarter. In turn, the **energy branches** presented negative rates for the first time, reaching -5.7%.

Gross added value of **construction** activity stabilised its decreasing growth this quarter at a rate of -8.0%, in tune with the registers reached by the production value and that of intermediate consumption (production of construction materials, apparent consumption of cement and sub-hired construction), both in residential building and non-residential and civil construction.

As regards the **services branches**, gross added value decreased almost two points in its growth rate, from 1.7% to -0.6%, in the first quarter. Market services presented a negative growth rate for the first time (-1.7% as compared with 0.7% from the previous period), while non-market services slowed their growth rate from 5.5% to 3.5%.

In tune with the result of the services sector activity indicator, practically all of the market services activity branches showed slowing profiles. As had been occurring the previous quarters, the activities linked to information and communications technologies were the activities that presented the least unfavourable performance, while the trade of vehicles and fuel, as well as labour recruitment and provision of personnel and services linked to travel agencies proved to be the activities that presented the greatest contraction.

Lastly, the added value of the **primary branches** registered a less negative growth rate this quarter (-0.7% as compared with -2.7% from the previous quarter), in line with the evolution estimated for agricultural and livestock production.

Supply. Chain-linked volume measures. Year-to-year rates of growth

Operations	2007				2008				2009
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV	Q. I
GROSS DOMESTIC PRODUCT at market prices	4.0	3.9	3.6	3.3	2.7	1.8	0.9	-0.7	-3.0
Agricultural and Fishing	4.6	2.5	2.8	2.1	1.1	-0.1	-0.5	-2.7	-0.7
Energy and Industry	3.5	2.8	2.5	1.1	0.3	-1.4	-2.2	-4.7	-10.2
- Energy	0.2	1.1	0.2	1.7	1.6	3.5	2.5	0.0	-5.7
- Industry	4.1	3.1	2.9	1.0	0.0	-2.2	-2.9	-5.5	-11.0
Construction	3.8	4.3	3.1	2.8	1.5	-2.0	-4.6	-8.0	-8.0
Services activities	4.5	4.6	4.3	4.8	4.0	3.7	2.9	1.7	-0.6
- Market services	4.6	4.7	4.3	4.8	4.0	3.4	2.3	0.7	-1.7
- Non-market services	4.2	4.3	4.3	4.7	4.1	4.7	5.1	5.5	3.5
Taxes less subsidies on products	1.6	1.4	1.5	-1.5	0.5	0.3	-0.1	-0.9	-1.4

Employment

Employment, measured in terms of full-time equivalent job posts, decreased 6.0% during the first quarter of the year, 2.9 points more than that previous quarter. This result indicated a decrease of almost 1,147 million net full-time jobs in one year.

On analysis by branch of activity, it was observed that all market activities, on an aggregate level, presented negative growth rates. The most pronounced rates continued to appear in construction, and for the first time, as with added value, the market services branches saw a decrease in employment this quarter.

From the joint consideration of the growth of quarterly GDP and of full-time employment, we deduced that the interannual variation of the apparent **productivity** of the work factor was 3.1%, six tenths higher than the figure from the previous period.

Employment. Full-time equivalent jobs. Year-to-year rates of growth

	2007				2008				2009
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV	Q. I
Total	3.2	3.2	2.8	2.2	1.6	0.1	-0.9	-3.1	-6.0
Agricultural and Fishing	0.4	-3.1	-2.5	-1.6	-5.4	-4.7	-4.2	-4.1	-3.0
Energy and Industry	0.9	-0.1	-0.2	0.0	-0.4	1.2	0.5	-5.2	-10.4
Construction	6.8	6.5	4.2	1.7	-1.7	-7.3	-13.1	-20.8	-25.9
Services activities	3.5	3.8	3.7	3.2	3.0	1.9	1.9	1.1	-1.1
- Market services	4.2	4.5	4.3	3.7	3.3	1.9	1.9	0.7	-2.3
- Non-market services	1.8	1.9	2.0	2.0	2.2	1.9	2.0	2.1	2.1
Employees	3.8	3.8	3.1	2.5	1.8	0.2	-0.9	-3.4	-5.9
Agricultural and Fishing	8.2	1.4	-0.9	0.0	-7.1	-5.5	-5.5	-0.4	0.7
Energy and Industry	0.7	-0.3	-0.2	0.1	-0.3	1.4	0.4	-5.7	-10.3
Construction	7.5	7.2	4.4	2.5	-2.1	-8.1	-13.7	-22.8	-28.1
Services activities	3.9	4.3	3.7	3.3	3.2	2.1	2.2	1.1	-0.6
- Market services	5.0	5.5	4.6	4.0	3.6	2.2	2.2	0.7	-1.8
- Non-market services	1.8	1.9	2.0	2.0	2.2	1.9	2.0	2.1	2.1

GDP valued at current prices contracted -1.7% the first quarter of 2009, slowing its growth rate three-and-a-half points. Therefore, a growth of 1.3% is estimated for the implicit **deflator** of the economy, 1.2 points lower than that for the previous quarter.

Supply and demand. Current prices. Interannual variation rates

Operations	2007				2008				2009
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV	Q. I
GROSS DOMESTIC PRODUCT at market prices	7.6	7.3	6.6	6.3	6.0	5.0	4.3	1.8	-1.7
Household final consumption expenditure	6.7	6.7	6.2	7.2	6.2	5.1	4.3	0.0	-3.5
Final consumption expenditure of NPISHs	9.2	8.5	8.4	8.1	7.8	7.6	7.1	7.6	7.5
Final consumption expenditure of government	8.7	8.3	7.9	7.7	7.5	9.1	10.0	9.3	6.3
Gross fixed capital formation	10.1	8.3	7.0	7.5	4.9	1.3	-2.0	-9.1	-13.4
- Equipment	15.5	13.2	9.9	9.4	7.6	3.6	0.9	-9.1	-18.1
- Construction	9.0	6.9	5.9	6.1	2.7	-0.7	-4.9	-10.9	-13.2
- Other Products	6.2	6.5	6.4	9.7	8.5	4.7	3.7	-3.2	-7.0
Changes in inventories and acquisitions less disposals of valuables (*)	-0.1	-0.1	-0.1	0.0	0.1	0.1	0.0	0.0	-0.1
National demand (*)	8.5	7.8	7.1	7.8	6.6	5.1	3.7	-1.1	-4.9
Exports of goods and services	6.4	6.8	10.5	5.8	7.7	7.7	6.0	-5.3	-19.9
Imports of goods and services	8.0	6.9	9.8	9.2	7.8	6.4	3.1	-12.6	-25.4
GROSS DOMESTIC PRODUCT at market prices	7.6	7.3	6.6	6.3	6.0	5.0	4.3	1.8	-1.7
Agricultural and Fishing	1.0	3.2	10.6	14.2	9.6	9.9	3.0	-10.6	-1.5
Energy and Industry	6.5	5.7	5.9	5.7	7.3	6.8	6.3	1.4	-6.8
Construction	9.4	9.2	7.8	8.1	6.7	2.4	-0.6	-6.7	-7.4
Services activities	7.6	7.6	7.8	8.9	8.7	8.7	8.0	6.5	2.7
- Market services	7.5	7.5	7.6	8.9	9.0	8.8	7.8	5.9	1.9
- Non-market services	8.2	8.1	8.3	8.8	7.9	8.5	8.6	8.9	5.4
Taxes less subsidies on products	8.5	7.1	-0.7	-9.9	-12.0	-17.2	-15.1	-15.0	-15.6

(*) Contribution to the GDP growth

Income

As regards the primary distribution of income, employee remuneration contracted to -2.1%, as a result of the reduction in paid employment (-5.9%) and the slowing of average remuneration (4.0%). Thus, product unit labour cost slowed one point and eight tenths to 0.8%, remaining five tenths below the implicit deflator of the economy.

Gross operating surplus and gross mixed income slowed their growth more than three points to 1.6% this quarter, and lastly, taxes on production and net imports of subsidies decreased 14.9%.

Income. Current prices. Year-to-year rates of growth

Operations	2007				2008				2009
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV	Q. I
GROSS DOMESTIC PRODUCT at market prices	7.6	7.3	6.6	6.3	6.0	5.0	4.3	1.8	-1.7
Employee remuneration	7.3	7.4	7.0	6.7	7.2	5.5	4.4	1.6	-2.1
Unitary Labour Cost (ULC)	2.7	2.7	3.1	3.0	4.2	3.6	3.4	2.6	0.8
Remuneration per employee	3.4	3.5	3.8	4.1	5.2	5.4	5.3	5.2	4.0
Productivity per worker	0.7	0.7	0.7	1.0	1.0	1.7	1.8	2.5	3.1
Salary rate	0.5	0.6	0.2	0.3	0.2	0.1	0.0	-0.3	0.1
Operation surplus, gross / Mixed income, gross	7.9	7.5	8.6	11.0	9.7	10.0	9.2	4.8	1.6
Net taxes on production and imports	7.2	6.6	-2.2	-12.5	-12.4	-16.8	-16.4	-11.6	-14.9

In terms of the contributions of these transactions to the growth of the implicit deflator of GDP, operating surplus continued to be the operation that most contributed to the inflation rate of the economy (2.0 points), followed by employee remuneration (0.4 points). Conversely, net taxes on production and imports contributed negatively to the growth of the deflator, at -1.1 points.

Income. Components of the GDP deflator. Contributions

Operations	2007				2008				2009
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV	Q. I
GROSS DOMESTIC PRODUCT at market prices	3.5	3.3	3.0	3.0	3.2	3.1	3.4	2.5	1.3
Employee remuneration	1.5	1.6	1.6	1.6	2.1	1.8	1.7	1.1	0.4
Unitary Labour Cost (ULC)	1.3	1.3	1.5	1.4	2.0	1.7	1.6	1.3	0.4
Remuneration per employee	1.6	1.6	1.8	1.9	2.5	2.5	2.5	2.5	1.9
Productivity per worker	-0.3	-0.3	-0.3	-0.5	-0.5	-0.8	-0.9	-1.2	-1.5
Salary rate	0.3	0.3	0.1	0.1	0.1	0.0	0.0	-0.1	0.0
Operation surplus, gross / Mixed income, gross	1.6	1.4	2.0	3.1	2.8	3.4	3.5	2.4	2.0
Net taxes on production and imports	0.4	0.3	-0.6	-1.7	-1.7	-2.0	-1.8	-1.0	-1.1

For further information see INEbase-www.ine.es All press releases at: www.ine.es/prensa/prensa_en.htm

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