

Quarterly Spanish National Accounts. Base 2000

First quarter of 2011

Quarterly National Accounts (GDP)

Latest data	Year-on-year growth rate	Quarter-on-quarter growth rate
First quarter of 2011	0.8	0.3

Main Results

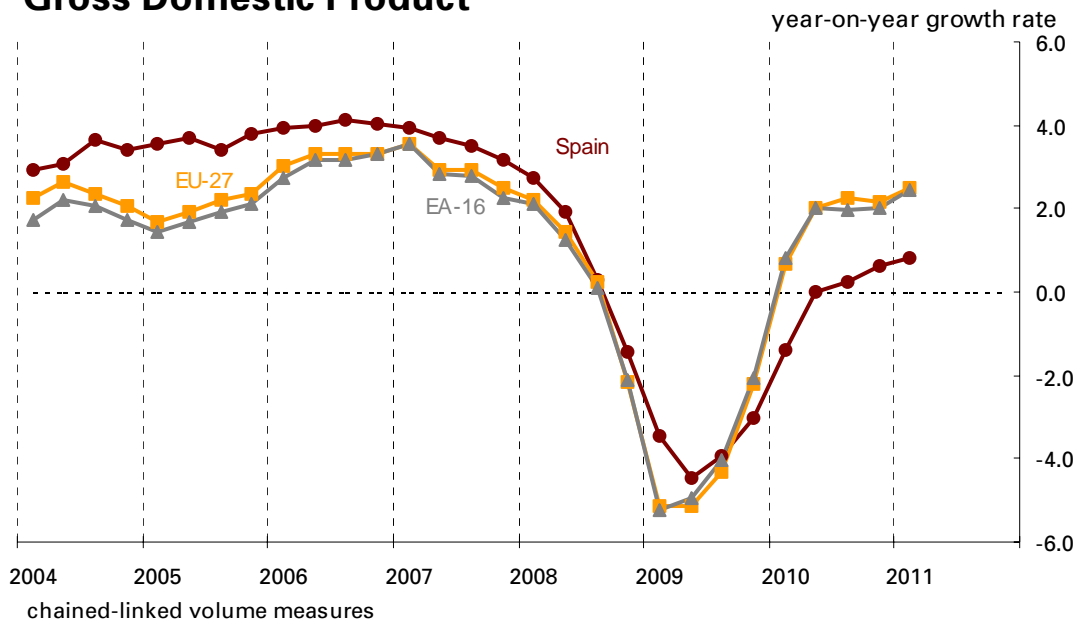
- The Spanish economy registers an **interannual increase of 0.8%** in the first quarter of 2011, two tenths higher than the previous quarter.
- **Quarter-on-quarter growth stands at 0.3%**, two tenths higher than that recorded the previous quarter.
- The annual and quarterly growth data coincides with that published in the Advance Estimate of the Quarterly National Accounts published on 13 May.
- The negative contribution of **national demand** to aggregate growth remains at **-0.6 points** this quarter, whereas **external demand** increases its contribution to quarterly GDP two tenths (**from 1.2 to 1.4 points**).
- **Employment** in the economy **drops at a rate of 1.4%**, indicating a net reduction of more than 240 thousand full-time jobs in one year. In turn, in terms of hours actually worked, the rate of increase stands at 0.3%.
- The **unit labour cost** decrease drops by eight tenths to **-1.2%**, standing at three points below the GDP deflator.

Gross Domestic Product¹ (GDP) generated by the Spanish economy during the first quarter of 2011 registered growth of 0.8%, as compared with the same period the previous year², two tenths higher than that estimated for the previous period. Therefore, the Spanish economy continued on a path of gradual interannual growth, largely supported by the contribution of the external sector.

In quarter-on-quarter terms, GDP grew 0.3%, one tenth more than that recorded the previous quarter.

Regarding Europe, the European Union as a whole quickened its growth rate three tenths, from 2.2% to 2.5%, whereas in the Euro-zone, growth quickened five tenths, from 2.0% to 2.5%. This result was supported by the increasingly expansive behaviour of the main economies of the area, with the exception of Italy. Germany was the country presenting the greatest quickening of its growth (from 3.8% to 4.8%), followed by Austria (from 3.2% to 4.0%), the Netherlands (from 2.5% to 3.2%), France (from 1.4% to 2.2%) and the United Kingdom (from 1.5% to 1.8%). Conversely, Italy slowed its growth from 1.5% to 1.0%. All these economies registered greater growth than that of the Spanish economy.

Gross Domestic Product

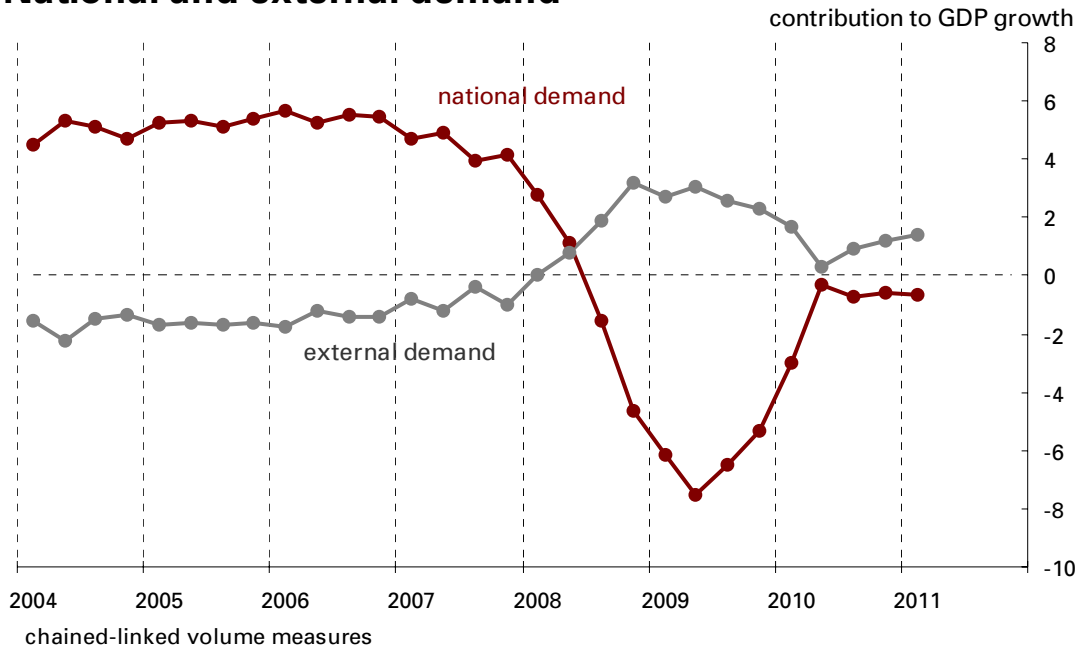


On analysing Spanish GDP from the perspective of expenditure, stability was observed this quarter in the behaviour of national demand, along with a greater contribution of the external sector to aggregate growth. Thus, the negative contribution of national demand to GDP remained identical to that of the previous quarter, -0.6 points, and external demand increased its contribution to growth two tenths, from 1.2 to 1.4 points.

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

² Data adjusted for seasonal and calendar effects.

National and external demand



Demand. Chained-linked volume measures. Year-on-year growth rates

	2009				2010				2011
	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	-4.4	-3.9	-3.0	-1.4	0.0	0.2	0.6	0.8
Household final consumption expenditure	-5.0	-5.5	-4.2	-2.6	-0.3	2.2	1.5	1.7	0.7
Final consumption expenditure of NPISHs	0.9	1.0	1.2	0.8	0.6	1.1	0.4	-0.4	1.0
Final consumption expenditure by government	5.9	4.3	2.7	0.2	-1.1	-0.1	-0.7	-0.9	1.1
Gross fixed capital formation	-15.3	-18.0	-16.4	-14.0	-10.5	-6.7	-6.7	-6.1	-5.8
- Equipment	-24.2	-31.5	-25.5	-16.9	-4.6	8.7	2.4	1.2	0.3
- Construction	-12.2	-12.0	-11.7	-11.9	-11.3	-11.3	-11.2	-10.6	-10.2
- Other products	-12.1	-16.9	-18.7	-17.2	-15.8	-11.0	-3.0	-1.5	-0.1
Changes in inventories and acquisitions less disposals of valuables (*)	0.0	0.0	0.0	-0.1	0.0	0.1	0.1	0.1	0.1
NATIONAL DEMAND (*)	-6.2	-7.5	-6.5	-5.3	-3.0	-0.3	-0.7	-0.6	-0.6
Exports of goods and services	-16.5	-15.8	-11.0	-2.1	9.4	11.9	9.4	10.5	11.2
Imports of goods and services	-21.5	-22.2	-17.2	-9.2	2.0	9.6	5.0	5.3	5.2

(*) Contribution to GDP growth

National Demand

The operations comprising the macroeconomic chart from the perspective of demand did not show a common pattern this quarter in their interannual evolution. Thus, final consumption expenditure of households reduced its (positive) growth, investment decreased its contraction by a few tenths and, lastly, expenditure by public administrations recovered with positive rates, something that had not happened since the fourth quarter of 2009.

In fact, **final consumption expenditure of households** quickened its interannual growth slightly this quarter, from 1.7% to 0.7%. On analysis of the different components, consumption of goods showed a more slowed rate, specially in the case of durable goods. In the meantime, consumption expenditure of services maintained a stable evolution at positive growth rates.

Furthermore, compensation of employees, the main resource of families for handling consumption, decreased slightly this quarter (-0.2%), therefore the incidence of these two facts on saving by families was negative.

By expenditure incurred in economic territory, the slow-down registered by consumption is smaller (from 1.8% to 1.0%), due to the increase in tourist activity, which translated into an increase in expenditure by non-residents.

On the other hand, **final consumption expenditure of Public Administrations** recovered this quarter from -0.9% to 1.1% interannually. This behaviour was observed both in evolution of the remuneration of Public Administration employees, and particularly in that of intermediate consumption.

Gross formation of fixed capital slowed its negative growth three tenths, from -6.1% to -5.8%. This favourable investment path was not shared by its main components, on an aggregate scale. Thus, investment in capital goods slowed its positive growth, whereas construction and other products improved the rate of negative evolution of previous quarters.

The demand for investment in **capital goods** slowed their growth almost one point in this period, from 1.2% to 0.3%. This result was due to the unfavourable evolution both of turnover and of imports of this type of goods, partly compensated by the good performance of the Industrial Production Index. On analysis of the different components, the rate of investment in metallic products and machinery continued to be more dynamic than that corresponding to transport equipment.

Conversely, the decrease in the gross formation in **construction** reduced its intensity four tenths in the first quarter, from -10.6% to -10.2%. In this quarter, and for the first time in the whole period of contraction of construction activity, investment in non-residential projects showed worse growth (-10.9%) than investment in residential construction (-8.9%), fundamentally due to the significant reduction in activity of construction in infrastructures.

Lastly, the gross formation of fixed capital in **other products** continued to gradually reduce its contraction, registering a rate of -0.1% as compared with -1.5% for the previous quarter, this evolution being associated with the growth of assets linked to housing sales.

External demand

The contribution of the net external demand of the Spanish economy to quarterly GDP increased two tenths, from 1.2 to 1.4 points. This result was due to a significant quickening of exports, together with a slight moderation of imports.

Exports of goods and services increased their growth, from 10.5% to 11.2%, completely in line with the evolution of national demand of the countries to which these exports are sent, that is, fundamentally the European Union. In the case of goods, quickening has been much more intense (from 12.3% to 15.9%). Conversely, exports of non-tourist services fell more than 10 points (from 9.5% to -0.7%). Lastly, the greatest tourist activity in the quarter led to an increase in the expenditure of non-residents in economic territory, which registered an year-on-year growth of 4.6%.

Finally, **imports** of goods and services experienced a slight decrease in growth from 5.3% to 5.2%. Nevertheless, the goods component continued to be the most dynamic, growing from 5.6% to 6.9%, whereas the non-tourist services component fell more than six points, from 5.0% to -1.1%. Lastly, expenditure of residents in the rest of the world registered a null interannual growth rate.

Supply

The common pattern observed in the analysis of the macroeconomic chart from the perspective of supply was that all branches of activity, on an aggregated scale, presented greater interannual growth than the previous quarter (a smaller decrease in the case of construction).

Supply. Chained-linked volume measures. Year-on-year growth rates

	2009				2010				2011
	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	-4.4	-3.9	-3.0	-1.4	0.0	0.2	0.6	0.8
Agriculture and fishing	0.4	0.7	1.6	1.5	-1.2	-2.1	-2.2	0.3	0.3
Energy and industry	-11.5	-14.3	-13.5	-10.2	-1.6	2.2	2.3	2.4	3.9
- Energy	-5.5	-6.5	-7.3	-6.3	0.1	0.6	4.6	6.6	3.6
- Industry	-12.7	-15.9	-14.8	-11.0	-2.0	2.5	1.7	1.4	3.9
Construction	-6.1	-6.3	-7.1	-5.4	-6.4	-6.5	-6.6	-5.8	-5.4
Service activities	-0.8	-1.6	-0.9	-0.9	-0.6	0.4	0.8	1.1	1.2
- Market services	-1.8	-2.6	-1.7	-1.6	-1.0	0.3	0.9	1.3	1.5
- Non-market services	2.5	2.2	2.0	1.6	0.8	0.9	0.7	0.7	0.2
Taxes less subsidies on products	-5.7	-6.8	-6.5	-4.8	-1.0	1.7	0.8	1.0	-0.6

In fact, the gross added value of the **energy and industry branches** quickened its growth this quarter, from 2.4% to 3.9%, in which the considerable increase in production of these activities was of note, in line with the Industrial Production Index and exports of goods. On analysis of the different branches comprising the aggregate, the interannual increase in the **manufacturing industry** was even greater (from 1.4% to 3.9%), whereas, conversely, the **energy branches** moderated their growth, coming to stand at 3.6%, three points lower than the previous quarter.

Along the lines of the evolution of production and of intermediate consumption of activity, the gross added value of **construction** reduced its contraction four tenths, from -5.8% to -5.4%, although it continued to be the activity with the most intense decrease records in the macroeconomic chart. The main factors leading to this performance were the same as those mentioned above in the section on demand, that is, the more unfavourable situation of residential construction, together with the intense decrease in construction in infrastructures this quarter.

The added value of the **services branches** quickened its growth slightly this quarter, from 1.1% to 1.2%. By its two components, **market services** increased their added value two tenths (from 1.3% to 1.5%) whereas **non-market services** moderated theirs by five tenths (from 0.7% to 0.2%).

In line with the evolution of national demand, commercial activity recorded a less dynamic behaviour than in the previous quarter, which could be seen more clearly in retail trade. Nevertheless, and pursuant to the evolution of the services sector activity indices, the remainder of activity branches, particularly those linked to tourism, showed a more favourable performance than the previous period.

Lastly, the primary branches stabilised growth of added value at 0.3%, in accordance with the evolution of both agricultural and livestock indicators.

Employment

Employment, measured in terms of full-time equivalent jobs, stabilised its year-on-year growth at -1.4%. This result indicated a decrease of more than 240 thousand net full-time jobs in one year.

All branches of activity, on an aggregate scale, presented decreases in the level of employment, as could be seen in the table. Less employment was lost in construction and in market services, and more was lost in the primary branches and in non-market services, as compared with the previous quarter.

Employment. Full-time equivalent jobs. Year-on-year growth rates

	2009				2010				2011
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV	Q. I
Total	-6.2	-7.1	-7.2	-6.0	-3.9	-2.4	-1.6	-1.4	-1.4
Agriculture and fishing	-2.6	-2.8	-3.8	-2.7	-0.3	-0.6	1.3	4.7	-1.4
Energy and industry	-11.0	-13.4	-14.5	-11.1	-8.2	-4.8	-3.6	-2.1	-2.1
Construction	-23.8	-24.2	-23.5	-18.9	-16.6	-12.0	-9.6	-11.0	-8.7
Service activities	-1.6	-2.5	-2.8	-2.9	-1.3	-0.6	-0.2	-0.2	-0.3
- Market services	-2.7	-4.0	-4.5	-4.5	-2.3	-1.6	-0.9	-0.6	-0.3
- Non-market services	1.2	1.4	1.5	1.4	1.5	1.8	1.4	0.8	-0.3
Employees	-6.1	-7.2	-7.3	-5.6	-3.9	-2.3	-1.3	-1.3	-1.2
Agriculture and fishing	2.0	0.9	-1.2	-3.7	2.7	1.8	8.3	9.6	0.4
Energy and industry	-11.1	-13.8	-14.8	-10.9	-8.4	-4.1	-3.1	-1.4	-1.6
Construction	-25.6	-25.4	-24.6	-19.5	-17.4	-13.5	-11.1	-12.1	-9.0
Service activities	-1.2	-2.3	-2.5	-2.2	-1.1	-0.4	0.1	-0.2	-0.1
- Market services	-2.3	-4.0	-4.4	-3.8	-2.3	-1.5	-0.5	-0.7	-0.1
- Non-market services	1.2	1.4	1.5	1.4	1.5	1.8	1.4	0.8	-0.3

In contrast, the number of hours actually worked by persons employed in the economy increased 0.3% this quarter. The difference was due to the 1.7% increase in the average full-time working day.

The joint consideration of the growth of quarterly GDP, and the data on employed persons, yielded that the year-on-year growth of **apparent productivity per equivalent job post** increased two tenths, from 2.0% to 2.2%, whereas growth of **apparent productivity per hour actually worked** decreased more than one-and-a-half points, from 2.2% to 0.5%.

GDP at current prices and implicit deflator

GDP valued at current prices quickened its interannual growth six tenths, from 2.0% to 2.6% in the first quarter of 2011. As a result, growth of the implicit **deflator** of the economy reached 1.8%, four tenths higher than the previous quarter.

Demand and supply. Current prices. Year-on-year growth rates

	2009				2010				2011
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV	Q. I
GROSS DOMESTIC PRODUCT at market prices	-2.3	-3.7	-3.8	-2.7	-0.8	0.5	1.5	2.0	2.6
Household final consumption expenditure	-4.2	-5.8	-4.7	-2.0	1.6	4.7	4.7	5.3	5.1
Final consumption expenditure of NPISHs	1.3	1.2	0.7	0.3	2.0	2.3	1.9	1.4	3.3
Final consumption expenditure by government	8.3	6.6	4.2	1.0	-0.1	0.6	-1.6	-2.5	0.4
Gross fixed capital formation	-17.0	-21.4	-20.2	-16.7	-10.3	-4.8	-3.9	-3.1	-2.8
- Equipment	-24.2	-32.2	-26.5	-17.6	-3.5	10.7	5.2	4.8	4.3
- Construction	-14.6	-17.0	-16.9	-15.8	-11.8	-10.1	-9.3	-8.7	-8.7
- Other products	-14.3	-19.7	-21.9	-18.8	-14.2	-6.9	2.8	4.8	6.9
Changes in inventories and acquisitions less disposals of valuables (*)	0.0	0.0	0.0	-0.1	0.0	0.2	0.2	0.1	0.1
NATIONAL DEMAND (*)	-5.8	-8.3	-7.6	-5.5	-1.7	1.8	1.5	1.9	2.4
Exports of goods and services	-18.1	-18.0	-15.2	-5.8	10.1	14.0	13.6	15.1	17.3
Imports of goods and services	-25.0	-28.3	-24.3	-14.3	5.3	17.7	12.7	13.7	15.1
GROSS DOMESTIC PRODUCT at market prices	-2.3	-3.7	-3.8	-2.7	-0.8	0.5	1.5	2.0	2.6
Agriculture and fishing	-2.0	-1.8	-2.8	-1.5	-2.9	-1.1	0.3	5.7	3.4
Energy and industry	-10.1	-12.9	-13.3	-9.7	-2.0	0.3	0.7	5.6	9.1
Construction	-5.9	-6.1	-9.2	-7.0	-7.7	-8.3	-7.5	-5.7	-5.2
Service activities	2.5	2.0	1.4	0.9	0.0	-0.9	-0.5	0.7	2.5
- Market services	1.9	0.9	0.5	0.1	-0.5	-1.6	-0.5	1.4	3.5
- Non-market services	4.8	5.7	4.8	3.7	1.7	1.2	-0.7	-1.7	-0.8
Taxes less subsidies on products	-18.2	-26.3	-19.5	-13.3	5.2	30.1	36.9	16.7	1.4

(*) Contribution to GDP growth

Income

Regarding the primary distribution of income, compensation of employees decreased its contraction one-and-a-half points, from -1.7% to -0.2%, as a result of the virtual stabilisation in the fall in the number of employees (-1.2%) and of the recovery of average compensation (from -0.4% to 1.0%).

Considering the market or non-market nature of these branches of activity, average remuneration per employee recovered from 0.9% to 2.2%, whereas in the case of non-market activities, said indicator registered a less negative decrease (from -4.1% to -2.4%).

Thus, the unit labour cost (ULC) decreased at a rate of -1.2%, one point and one tenth less negative than the previous period and three points below the implicit deflator of the economy.

Income. Current prices. Year-on-year growth rates

	2009				2010				2011
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV	Q. I
GROSS DOMESTIC PRODUCT at market prices	-2.3	-3.7	-3.8	-2.7	-0.8	0.5	1.5	2.0	2.6
Compensation of employees	-1.6	-3.0	-3.7	-2.7	-2.3	-0.8	-1.3	-1.7	-0.2
Unit Labor Cost (ULC)	1.9	1.7	0.3	0.0	-0.9	-0.9	-1.9	-2.3	-1.2
Compensation per employee	4.8	4.5	3.9	3.2	1.7	1.5	-0.1	-0.4	1.0
Productivity per worker	2.9	2.8	3.6	3.1	2.7	2.5	1.9	2.0	2.2
Salary rate	0.0	-0.1	0.0	0.4	0.0	0.2	0.3	0.1	0.2
Gross operating surplus / Gross mixed income	0.2	0.1	-1.5	-1.0	-0.2	-2.6	-0.5	4.1	5.9
Net taxes on production and imports	-17.7	-26.5	-16.9	-11.8	6.0	30.7	34.2	14.1	2.4

Moreover, the gross operating surplus and mixed income recovered in this period to 5.9% and, lastly, taxes on production and net imports of subsidies slowed their growth to 2.4%.

Regarding the contributions of these operations to the growth of the implicit GDP deflator, and as could be seen in the following table, operating surplus and mixed income contributed 2.2 points to the growth of said index and net taxes on production and net imports, one point. Lastly, compensation of employees contributed negatively to the growth of the deflator by 0.5 points.

Income. Components of the GDP deflator. Contributions

	2009				2010				2011
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV	Q. I
GROSS DOMESTIC PRODUCT at market prices	1.2	0.8	0.1	0.3	0.6	0.5	1.3	1.4	1.8
Compensation of employees	1.0	0.8	0.1	0.2	-0.5	-0.4	-0.8	-1.1	-0.5
Unit Labor Cost (ULC)	1.0	0.8	0.1	0.0	-0.5	-0.5	-0.9	-1.2	-0.6
Compensation per employee	2.4	2.2	1.9	1.5	0.8	0.8	0.0	-0.2	0.5
Productivity per worker	-1.4	-1.4	-1.8	-1.5	-1.3	-1.2	-0.9	-1.0	-1.1
Salary rate	0.0	-0.1	0.0	0.2	0.0	0.1	0.2	0.0	0.1
Gross operating surplus / Gross mixed income	1.6	2.0	1.1	0.9	0.5	-1.1	-0.3	1.5	2.2
Net taxes on production and imports	-1.4	-2.0	-1.1	-0.7	0.6	2.0	2.4	1.0	0.1

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