

29 August 2013

Quarterly Spanish National Accounts. Base 2008
Second quarter of 2013

Quarterly National Accounts (GDP)

Latest data	Year-on-year growth rate	Quarter-on-quarter growth rate
Second quarter of 2013	-1.6	-0.1

Main results

- The Spanish economy registers a **quarterly drop of -0.1%** in the second quarter of 2013. This rate is three tenths higher than that registered for the first quarter (-0.4%).
- **Year-on-year growth stands at -1.6%**, as compared to that registered for the previous period (-2.0%).
- The quarter-on-quarter growth data coincides with that of the flash estimate of quarterly GDP, published on 30 July, whereas the annual growth is one tenth higher than that estimated on the said date.
- The contribution of **national demand** to aggregate growth is one point higher than that registered the previous quarter, standing at **-3.6 points**. The contribution of external demand to quarterly GDP decreases by six tenths the figure of the previous quarter (2.0 points).
- **Employment** in the economy **decreases at a year-on-year rate of 3.8%**, seven tenths lower than in the first quarter of 2013, indicating an approximate net reduction of 623 thousand full-time jobs in one year. In turn, the hours actually worked decrease at a year-on-year rate of 2.3%.
- The **unit labour cost** growth stands at **-2.3%** this quarter, three points below the implicit GDP deflator.
- The quarterly series being published today incorporates the update to the annual estimates corresponding to the 2009–2012 period for the Spanish National Accounts, base 2008, presented on 27 August.

Gross Domestic Product (GDP)¹ generated by the Spanish economy registered a -0.1% ² variation in the second quarter of 2013. This rate was three tenths higher than that estimated for the first quarter of 2013.

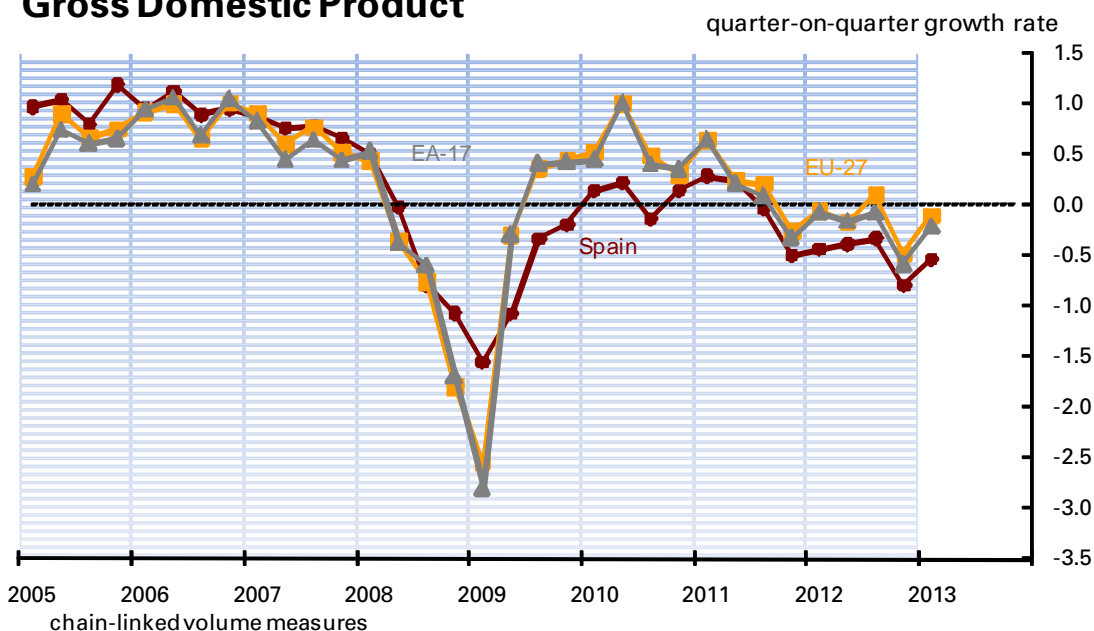
In quarter-on-quarter terms, the growth rate of GDP was -1.6% , four tenths higher than that recorded for the previous quarter, due to a less negative contribution of the national demand.

This quarterly series incorporates the update to the annual estimates corresponding to the 2009–2012 period for the Spanish National Accounts, base 2008, presented on 27 August. **The last section in this press release summarises the revisions made in the GDP growth series.**

Regarding the European setting, both the European Union as a whole and the Euro zone registered positive quarterly growth (0.3% each) in the second quarter of 2013, in contrast with the negative records for the first quarter (-0.1% and -0.3% , respectively).

The improvement observed in quarterly evolution in the second quarter of 2013 was common to the main European economies, albeit with different intensities. Some of these economies stood at positive quarterly growth values, as was the case of Germany (0.7%), France (0.5%) or the United Kingdom (0.6%), whereas others, such as the Netherlands and Italy, registered negative growth (-0.2%).

Gross Domestic Product



¹ Chain-linked volume measures, with reference to year 2008.

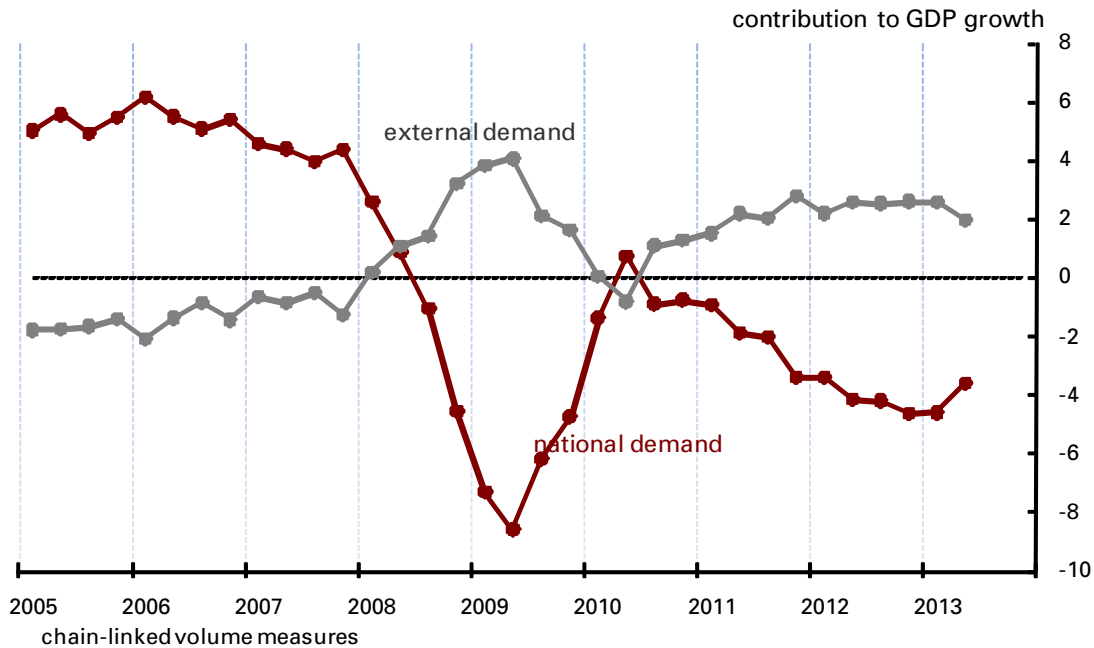
²² Data adjusted for seasonal and calendar effects.

**Demand and supply. Chain-linked volume measures.
Quarter-on-Quarter growth rates**

	2012				2013	
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II
GROSS DOMESTIC PRODUCT at market prices	-0.4	-0.5	-0.4	-0.8	-0.4	-0.1
Household final consumption expenditure	0.3	-1.2	-0.7	-2.0	-0.5	-0.1
Final consumption expenditure of NPISHs	-0.2	1.3	-0.4	-1.0	-1.0	2.1
Final consumption expenditure by government	-1.8	0.0	-3.0	-0.3	0.0	0.9
Gross fixed capital formation	-1.7	-3.3	0.2	-3.0	-1.5	-2.1
- Tangible fixed assets	-2.4	-3.4	-0.2	-2.6	-2.2	-1.9
• Construction	-3.5	-4.2	-1.3	-1.3	-3.7	-4.5
• Equipment and cultivated assets	0.1	-1.8	1.9	-5.0	0.8	2.9
- Intangible fixed assets	6.1	-2.3	4.1	-7.0	5.5	-4.5
Exports of goods and services	-3.1	0.6	6.5	0.6	-3.8	6.0
Imports of goods and services	-3.3	-2.2	4.6	-2.6	-4.5	5.9
GROSS DOMESTIC PRODUCT at market prices	-0.4	-0.5	-0.4	-0.8	-0.4	-0.1
Agriculture, forestry and fishing	-8.4	-6.4	1.7	0.1	-1.5	-1.4
Industry	2.1	0.1	-0.7	-1.1	-1.2	0.0
- Manufacturing industry	3.3	-0.6	-0.4	-2.0	-0.1	0.4
Construction	-2.7	-3.0	-1.8	-0.5	-0.6	-3.1
Service activities	-0.3	-0.1	0.0	-0.7	-0.3	0.2
- Wholesale and retail trade	1.8	-1.0	0.3	-1.5	0.4	-0.3
- Information and communication	1.0	-0.2	-0.8	0.5	-0.6	0.8
- Financial and insurance activities	-1.0	0.1	-6.3	0.3	2.6	-0.5
- Real estate activities	-0.9	1.4	1.3	-0.8	-2.2	1.5
- Professional activities	-1.6	-1.1	1.9	-1.4	-0.2	-0.7
- Public administration, health and education activities	-2.5	1.3	-0.1	0.1	-1.3	1.4
- Arts, entertainment and other services	1.0	-3.0	-0.2	-0.8	2.1	-2.0
Taxes less subsidies on products	-1.9	-0.7	-1.8	-0.8	0.6	0.2

Analysing the year-on-year growth of Spanish GDP in the second quarter of 2013 as compared to the same quarter of 2012 from the expenditure perspective, a less negative contribution of national demand was observed, reaching -3.6 points, as compared with the -4.6 points recorded for the previous quarter, whereas the contribution of external demand decreased six tenths, reaching 2.0 points.

National and external demand



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

	2012				2013	
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II
GROSS DOMESTIC PRODUCT at market prices	-1.2	-1.6	-1.7	-2.1	-2.0	-1.6
Household final consumption expenditure	-1.8	-3.1	-2.8	-3.6	-4.3	-3.2
Final consumption expenditure of NPISHs	-0.1	-0.4	0.0	-0.2	-1.0	-0.3
Final consumption expenditure by government	-4.9	-4.4	-4.9	-5.0	-3.3	-2.4
Gross fixed capital formation	-6.0	-6.9	-7.5	-7.7	-7.5	-6.4
- Tangible fixed assets	-6.8	-7.6	-8.6	-8.3	-8.2	-6.7
• Construction	-8.6	-9.3	-10.9	-10.0	-10.2	-10.5
• Equipment and cultivated assets	-2.9	-4.3	-3.8	-4.8	-4.1	0.4
- Intangible fixed assets	3.6	2.6	4.8	0.4	-0.1	-2.4
Changes in inventories and acquisitions less disposals of valuables (*)	-0.1	0.0	0.0	0.1	0.0	0.0
NATIONAL DEMAND (*)	-3.4	-4.2	-4.2	-4.7	-4.6	-3.6
Exports of goods and services	0.1	0.5	3.3	4.4	3.6	9.2
Imports of goods and services	-6.9	-7.7	-4.6	-3.5	-4.8	3.1

(*) Contribution to GDP growth

National demand

The two main components of the national demand, final consumption expenditure and fixed capital investment, registered less negative variations in the second quarter of 2013.

Household final consumption expenditure reduced its decrease by one and one tenth, from -4.3% in the first quarter of 2013 to -3.2% in the second, as a result of an improvement in the performance of consumption of goods, more pronounced in the case of durable goods, and in keeping with the less negative evolution of remuneration of employees, the main resource of households when facing consumption expenditure. Said remuneration decreased at a rate of -5.0% in the second quarter, as compared with -5.9% registered in the first quarter.

In turn, **final consumption expenditure of the Public Administrations** decreased its negative growth by nine tenths, reaching -2.4% . This result was influenced specially by the drop in the total purchases in goods and services by the administrations.

Gross formation of fixed capital decreased its negative growth by one point and one tenth this quarter, from -7.5% to -6.4% . Considering the different types of assets, tangible assets registered a decrease of its annual rate, higher than the aggregate (-6.7% versus -8.2%), due to the evolution of equipment goods. Investment in intangible assets decreased by 2.4% , as compared with -0.1% in the previous period.

Demand for **capital goods assets and grown assets** registered a growth of 0.4% in the second quarter, as compared with the 4.1% of the previous quarter, in line with the performance of industrial production indicators, value of its turnover and imports for goods of this type. The rate of increase of investment in transport equipment assets (-9.2%) was more intense than in the case of machinery (-2.8%).

Investment in construction assets increased its decrease by ten tenths, from -10.2% to -10.5% , due to the evolution of infrastructural investment and other constructions.

External demand

The contribution of the net external demand of the Spanish economy to quarterly GDP was lower than that of the previous quarter, standing at 2.0 points. This result was due to a greater growth in exports, despite the positive behaviour in exports.

Exports of goods and services registered a growth increase of 5.6 points, from 3.6% in the first quarter to 9.2% in the second quarter. In the case of goods, the growth was 7.5 points (from 5.2% to 12.7%). In turn, the exports of non-tourism services (from 2.1% to -0.5%) and the purchases of households of non-residents of the economic territory (from 1.9% to 1.1%) registered an increase in their positive growth in the second quarter of 2013, as compared with the previous quarter.

Growth of **imports** of goods and services was 3.1% in the second quarter, compared with -4.8% in the first quarter, largely due to the acceleration registered by imports of goods (from -5.0% to 4.6%). Imports of services moderated their decrease, from -3.9% in the first quarter to -2.0% in the second. On analysis of these imports of services, both imports of non-tourist services and purchases by those resident elsewhere in the world moderated their decrease in the second quarter in comparison with the previous quarter (-1.9% as compared with -3.8% in the case of the former, and -3.0% as compared with -4.4% in the case of the latter).

Supply

Analysis of the macroeconomic chart from the perspective of supply shows that both primary branches and manufacturing industry and the majority of service branches registered less negative variation rates than those registered in the previous quarter. The branch of Construction, the whole of Industry and Financial and insurance activities, however, registered more negative growth rates than for the first quarter.

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

	2012				2013	
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II
GROSS DOMESTIC PRODUCT at market prices	-1.2	-1.6	-1.7	-2.1	-2.0	-1.6
Agriculture, forestry and fishing	-6.9	-12.6	-11.2	-12.7	-6.2	-1.2
Industry	-1.7	-0.7	0.2	0.4	-3.0	-3.1
- Manufacturing industry	-2.8	-1.8	0.1	0.1	-3.2	-2.2
Construction	-9.1	-8.6	-8.7	-7.7	-5.8	-5.9
Service activities	0.7	-0.1	-0.4	-1.1	-1.1	-0.8
- Wholesale and retail trade	1.3	0.2	1.0	-0.5	-1.8	-1.1
- Information and communication	0.9	1.3	1.0	0.5	-1.1	-0.1
- Financial and insurance activities	0.8	1.0	-6.1	-6.9	-3.5	-4.1
- Real estate activities	0.9	0.8	1.6	1.1	-0.3	-0.2
- Profesional activities	-1.2	-2.6	-1.5	-2.2	-0.8	-0.5
- Public administration, health and education activities	0.4	-0.1	-1.3	-1.1	0.0	0.1
- Arts, entertainment and other services	0.7	-2.2	-2.5	-3.0	-2.0	-1.0
Taxes less subsidies on products	-5.0	-4.7	-4.9	-5.1	-2.6	-1.7

The gross added value of the **industrial branches** increased its negative growth by one tenth in the second quarter, from -3.0% to -3.1% . Nonetheless, in the case of **Manufacturing industry**, the annual decrease registered in the second quarter was significantly lower than that registered in the first quarter (from -3.2% to -2.2%), in line with the improvement observed in the evolution of the national demand for manufactured goods (especially of durable goods).

In line with the evolution of the demand for assets linked to *Construction activity* and of employment in this activity, the gross added value of the sector increased its decrease by one tenth, from -5.8% to -5.9% .

In turn, the added value of the **services branches** moderated its slowdown, as compared with the first quarter, from -1.1% to -0.8% . This evolution has been mainly influenced by the branches of *Trade, transport and accommodation* (-1.1% versus -1.8%), *Information and telecommunications* (-0.1% versus -1.1%) and *Arts, entertainment and other services* (-1.0% versus -2.0%)

Lastly, added value of primary branches decreased their negative growth of their added value from -6.2% to -1.2% in accordance with the evolution of the agricultural and livestock activity indicators.

Employment

Employment, measured in terms of full-time equivalent job posts, decreased its negative growth by seven tenths, reaching -3.8% . This result indicated a net reduction of approximately 623 thousand full-time jobs in one year.

On an aggregate scale, all branches except Construction moderated their decrease, and this behaviour was of particular significance in the case of Services and primary branches.

Thus, the annual variation of primary branches was 0.3%, almost six points higher than for the previous quarter. In turn, Industry registered a variation of -5.5% as compared with -5.9% for the first quarter. In the case of Construction activity, said rate was -15.0%, one point and seven tenths lower than for the previous quarter. Lastly, employment for Services improved its previous record by seven tenths, standing at -2.7%.

The lowest decrease in occupied employment was also maintained in paid employment, although variation rates were lower in this case (going from -5.6% to -4.9%). In turn, unpaid employment recorded growth of 3.2% in the second quarter, one point more than in the previous quarter.

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

	2012				2013	
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II
Total	-4.3	-5.1	-4.7	-5.0	-4.5	-3.8
Agriculture, forestry and fishing	-1.6	-0.3	1.2	-3.5	-5.3	0.3
Industry	-4.2	-5.9	-5.6	-5.5	-5.9	-5.5
- Manufacturing industry	-4.9	-6.5	-6.3	-6.3	-5.8	-5.2
Construction	-21.1	-18.1	-18.9	-17.8	-13.3	-15.0
Service activities	-2.5	-3.8	-3.4	-3.8	-3.4	-2.7
- Wholesale and retail trade	-4.0	-5.5	-5.4	-6.2	-5.1	-3.4
- Information and communication	2.6	0.7	-4.0	-4.4	-5.1	-5.7
- Financial and insurance activities	-1.4	-4.6	-4.7	-1.9	-1.8	0.1
- Real estate activities	0.8	3.1	-1.5	-5.7	-11.5	-14.7
- Professional activities	-3.3	-3.2	1.5	-0.6	-2.5	-4.0
- Public administration, health and education activities	-1.9	-3.4	-4.2	-3.2	-2.2	-1.5
- Arts, entertainment and other services	0.6	-1.5	-0.5	-1.2	-0.9	0.7
Employees	-4.9	-5.9	-6.0	-6.3	-5.6	-4.9
Agriculture, forestry and fishing	-4.9	-1.7	-0.5	-5.8	-9.7	-0.7
Industry	-5.1	-6.6	-6.3	-5.6	-5.6	-5.2
- Manufacturing industry	-5.7	-7.3	-7.1	-6.6	-5.7	-4.7
Construction	-23.0	-20.0	-21.4	-20.2	-14.7	-16.8
Service activities	-2.8	-4.3	-4.6	-5.1	-4.6	-3.9
- Wholesale and retail trade	-4.3	-6.1	-6.9	-7.7	-6.9	-5.3
- Information and communication	2.0	2.0	-4.6	-5.0	-5.4	-6.6
- Financial and insurance activities	-1.5	-4.9	-5.3	-2.4	-2.4	-0.5
- Real estate activities	5.0	8.7	0.5	-3.1	-10.9	-19.9
- Professional activities	-4.7	-5.3	-0.4	-3.7	-5.3	-6.8
- Public administration, health and education activities	-1.9	-3.4	-4.5	-3.6	-2.4	-1.8
- Arts, entertainment and other services	-0.3	-3.3	-2.7	-3.9	-2.9	-0.7

The number of hours actually worked by the persons employed in the economy decreased from -5.6% to -2.3% this quarter. In turn, the annual variation of the part-time jobs to full-time jobs was 1.5%, 2.6 points higher than that registered the previous quarter.

Using the joint consideration of the growth of quarterly GDP and the occupied employment data, it was possible to deduce that the annual variation of the **apparent productivity by equivalent job post** decreased from 2.6% to 2.2% in the second quarter, whereas the

growth of the **apparent productivity per hour actually worked** stands at 0.7% (as compared with the 3.8% of the previous quarter).

GDP at current prices and implicit deflator

GDP valued at current prices decelerated its contraction by a tenth, from -1.1% to -1.0% in the second quarter of 2013. Therefore, as a result of the evolution of GDP both at current prices and in volume terms, growth of the implicit **deflator** of the economy stood at 0.7%, two tenths below that registered in the first quarter.

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

	2012				2013	
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II
GROSS DOMESTIC PRODUCT at market prices	-1.3	-1.7	-1.5	-2.1	-1.1	-1.0
Household final consumption expenditure	0.3	-0.7	-0.5	-0.7	-2.6	-1.8
Final consumption expenditure of NPISHs	1.1	0.2	0.9	0.8	-0.1	0.3
Final consumption expenditure by government	-5.4	-5.3	-5.4	-10.2	-3.2	-2.7
Gross fixed capital formation	-7.5	-8.5	-9.7	-9.8	-10.9	-9.9
- Tangible fixed assets	-8.5	-9.5	-11.0	-10.8	-12.0	-10.5
• Construction	-10.7	-11.5	-14.0	-13.1	-14.7	-14.8
• Equipment and cultivated assets	-3.7	-5.5	-4.9	-6.0	-6.6	-2.2
- Intangible fixed assets	4.1	4.0	6.4	2.0	0.0	-2.7
Changes in inventories and acquisitions less disposals of valuables (*)	-0.1	0.0	0.1	0.1	0.0	0.0
NATIONAL DEMAND (*)	-2.6	-3.3	-3.4	-4.5	-4.3	-3.5
Exports of goods and services	2.5	2.1	5.4	6.4	4.3	8.7
Imports of goods and services	-1.8	-2.9	-0.6	-1.1	-5.7	0.9
GROSS DOMESTIC PRODUCT at market prices	-1.3	-1.7	-1.5	-2.1	-1.1	-1.0
Agriculture, forestry and fishing	-3.3	-6.0	-2.4	0.2	5.6	6.9
Industry	-1.2	-0.7	-0.5	0.8	-0.6	-1.6
- Manufacturing industry	-3.0	-2.6	-1.5	0.4	-0.5	-0.8
Construction	-11.8	-10.8	-11.9	-10.6	-6.7	-8.1
Service activities	0.7	0.4	-0.5	-2.8	0.4	-0.4
- Wholesale and retail trade	1.2	0.9	1.7	1.2	1.1	0.4
- Information and communication	-1.2	-1.6	-2.0	-1.7	-2.2	-2.9
- Financial and insurance activities	4.7	9.9	-3.4	-4.5	-0.7	-3.0
- Real estate activities	2.8	3.4	2.4	2.5	1.4	0.6
- Professional activities	-2.0	-3.7	-2.5	-1.9	-0.2	-0.9
- Public administration, health and education activities	-0.6	-1.3	-2.5	-11.0	0.2	-0.8
- Arts, entertainment and other services	1.6	-1.5	-1.6	-1.0	0.7	1.3
Taxes less subsidies on products	-4.4	-8.5	-0.7	7.3	-11.0	0.1

(*) Contribution to GDP growth

Income

Regarding the primary distribution of income, compensation per employee decreased from -5.9% from -5.0% . This was the result of an increase of seven tenths in the variation of the number of wage-earners (from -5.6% to -4.9%) and a decrease of two tenths in the negative growth of the average compensation per employee (from -0.3% to -0.1%).

In this way, the growth of the product unit labour cost (ULC) stood at -2.3% , three points under the value of the implicit deflator of the economy.

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

	2012				2013	
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II
GROSS DOMESTIC PRODUCT at market prices	-1.3	-1.7	-1.5	-2.1	-1.1	-1.0
Compensation of employees	-3.3	-5.1	-5.3	-8.5	-5.9	-5.0
Unit Labor Cost (ULC)	-1.4	-2.8	-2.4	-5.3	-2.9	-2.3
Compensation per employee	1.7	0.8	0.7	-2.3	-0.3	-0.1
Productivity per worker	3.2	3.7	3.2	3.1	2.6	2.2
Salary rate	-0.7	-0.8	-1.4	-1.3	-1.1	-1.2
Gross operating surplus / Gross mixed income	-0.4	2.7	1.8	2.5	5.7	3.0
Net taxes on production and imports	5.7	-3.7	3.8	12.3	-7.6	1.0

Gross operating surplus and mixed income experienced a decrease in its growth as compared with the previous quarter, reaching 3.0%. Lastly, net taxes on production and imports of subsidies registered growth at a 1.0% rate.

Regarding the contributions of these operations to the growth of the implicit GDP deflator, the operating surplus and the mixed income contributed by 2.0 points to the growth of said index, whereas the compensation of employees contributed negatively by 1.7 points. The net taxes production and imports contributed two positive tenths.

Income. Components of the GDP deflator. Contributions

	2012				2013	
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II
GROSS DOMESTIC PRODUCT at market prices	-0.1	-0.1	0.2	0.0	0.9	0.7
Compensation of employees	-1.1	-1.8	-1.9	-3.3	-2.0	-1.7
Unit Labor Cost (ULC)	-0.7	-1.4	-1.2	-2.6	-1.4	-1.1
Compensation per employee	0.8	0.4	0.4	-1.1	-0.2	0.0
Productivity per worker	-1.5	-1.8	-1.6	-1.5	-1.3	-1.1
Salary rate	-0.3	-0.4	-0.7	-0.6	-0.5	-0.6
Gross operating surplus / Gross mixed income	0.3	1.8	1.5	2.1	3.3	2.0
Net taxes on production and imports	0.6	-0.2	0.5	1.1	-0.5	0.2

Updates to the Quarterly National Accounts series

The quarterly GDP series being published today incorporates the update to the annual estimates corresponding to the 2009–2012 period for the Spanish National Accounts (SNA), base 2008, disseminated on 27 August.

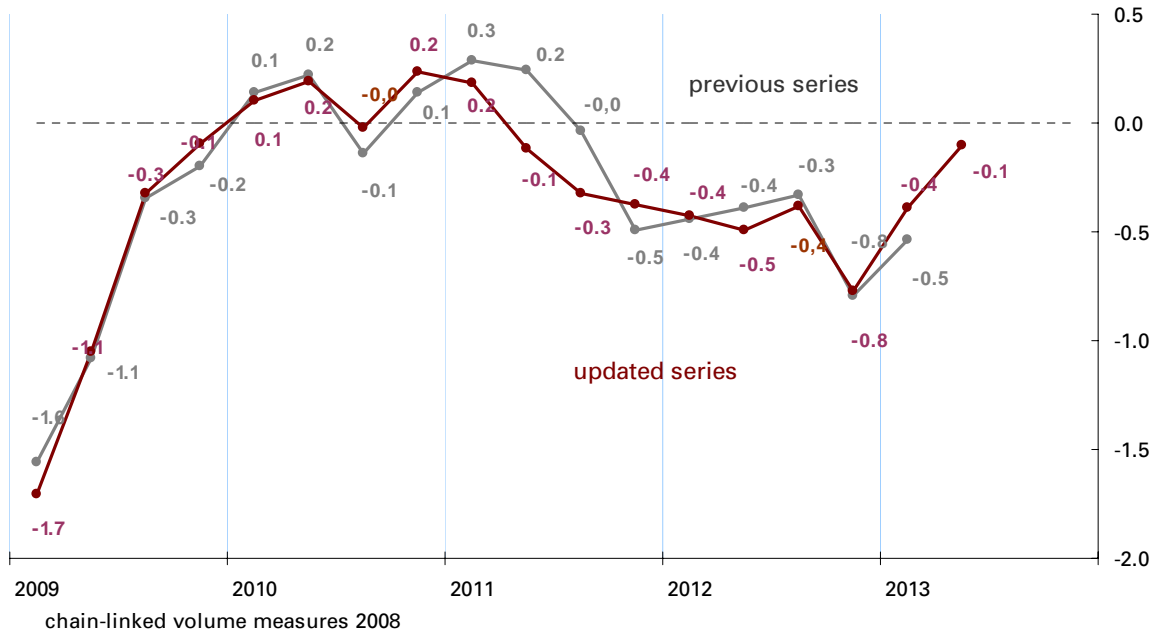
As a result of this update, the growth of Gross Domestic Product (GDP) turnover for the year 2012 was revised with a drop of two tenths, from -1.4% to -1.6%, whereas for the year 2011, it experienced a decrease of three tenths, from 0.4% to 0.1%. In turn, the variation of the GDP volume corresponding to the year 2009 was downwardly revised by one tenth (-3.8% as compared with -3.7%) and that of the year 2010 was upwardly revised (-0.2% and compared with -0.3%).

As a result of the incorporation of this revision in the annual series of the SNA and with regard to the year 2011, the first of these quarters to register negative quarterly growth was the second one, rather than the third, as had been estimated at first. As regards the last quarters published, the incorporating of revisions, both of annual series of the SNA and direct quarterly information, as well as of newly available short-term indicators, determined an increase of one tenth in the quarterly rate in the first quarter of 2013, from -0.5% to -0.4%, and the quarterly variation remained unchanged from the second quarter (-0.1%). In the case of annual variation, this remained unchanged in the first quarter (-2.0%), whereas in the second quarter it was one tenth less negative, going from -1.7% to -1.6%

Revisions to quarterly and annual GDP growth since the first quarter of 2009 could be seen in the following graphs, as could updates resulting from contributions from domestic and foreign demand:

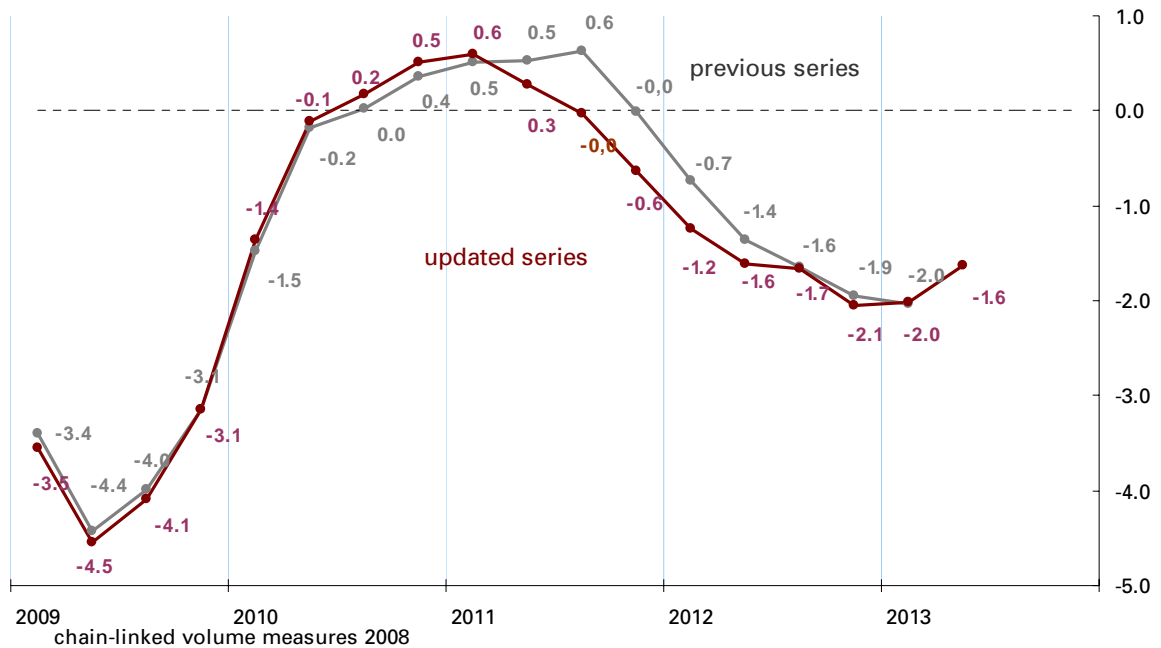
Gross Domestic Product

Quarter-on-quarter rates



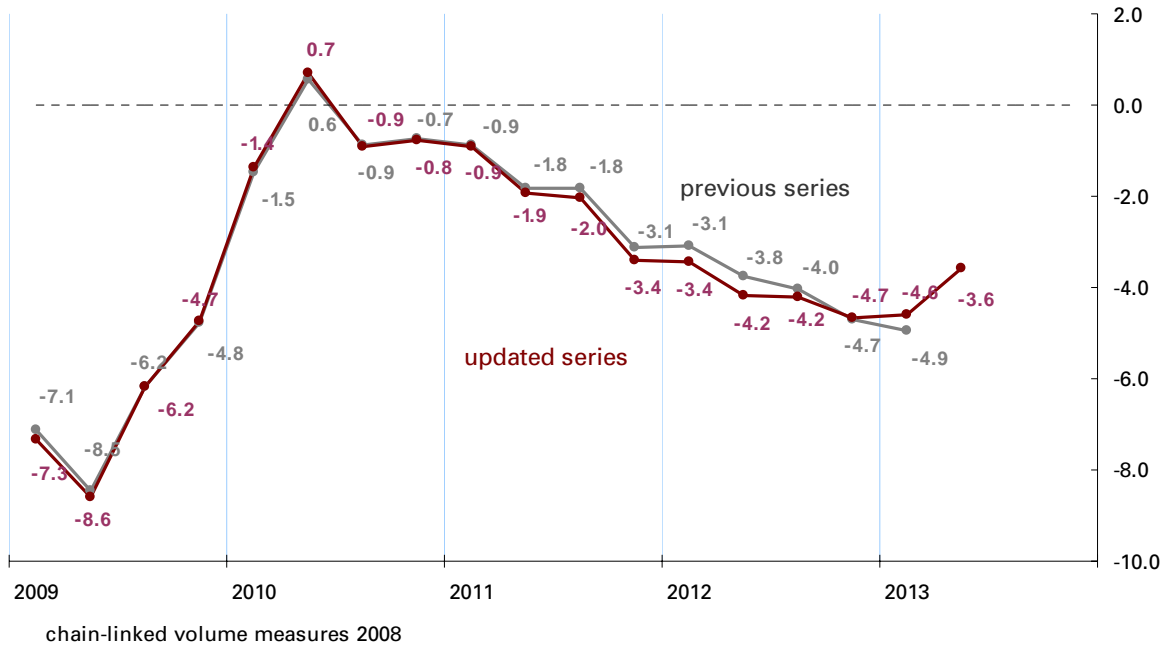
Gross Domestic Product

Year-on-year growth rates



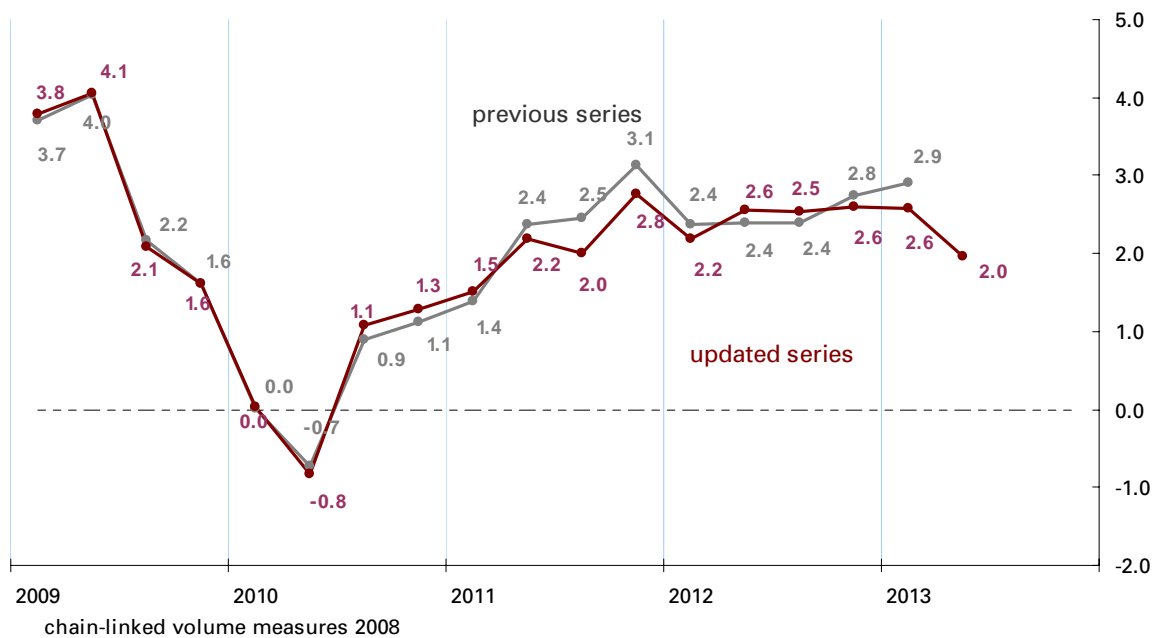
National Demand

Contribution to GDP growth



External demand

Contribution to GDP growth



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