

## Quarterly National Accounts of Spain. Base 2010

### Second quarter of 2017

#### Quarterly National Accounts (GDP)

Latest data	Year-on-year growth rate	Quarter-on-quarter growth rate
Second quarter of 2017	3.1	0.9

#### Main results

- The Spanish economy registers a quarterly growth of 0.9% in the second quarter of 2017. This rate was one tenth higher than that registered in the first quarter of the year.
- The **growth compared to the same quarter last year stood at 3.1%** versus **3.0%** of the previous quarter.
- The annual and quarterly growth rates coincide with those published in the advance estimate of quarterly GDP published on last 28 June.
- The contribution of the **domestic demand** on the annual GDP is **2.4 points**, a tenth higher than that of the first quarter (2.3 points). On the other hand, the **external demand** registers a contribution of **0.7points**.
- The **employment** of the economy in terms of jobs equivalent to full-time employment registered a **quarterly variation of 0.9%**, two tenths higher than that registered in the previous quarter.
- **In annual terms, employment increased at a rate of 2.8%**, a rate three tenths higher than that of the first the third quarter, representing an increase of approximately 480 thousand equivalent full-time jobs in a year. This behaviour, along with the variation in the average associated working day, results in a deceleration of one tenth in the annual rate of hours actually worked (from 1.8% to 1.7%).
- The annual variation of **unit labour cost** stands at -0.4% this quarter, seven tenths below the implicit GDP deflator (0.3%).

The Gross Domestic Product (GDP) generated by the Spanish economy, measured in terms of chained volume with reference to 2010, registered a quarterly growth of 0.9% in the second quarter of 2017<sup>1</sup>. This rate was one tenth higher than that estimated in the first quarter of the year.

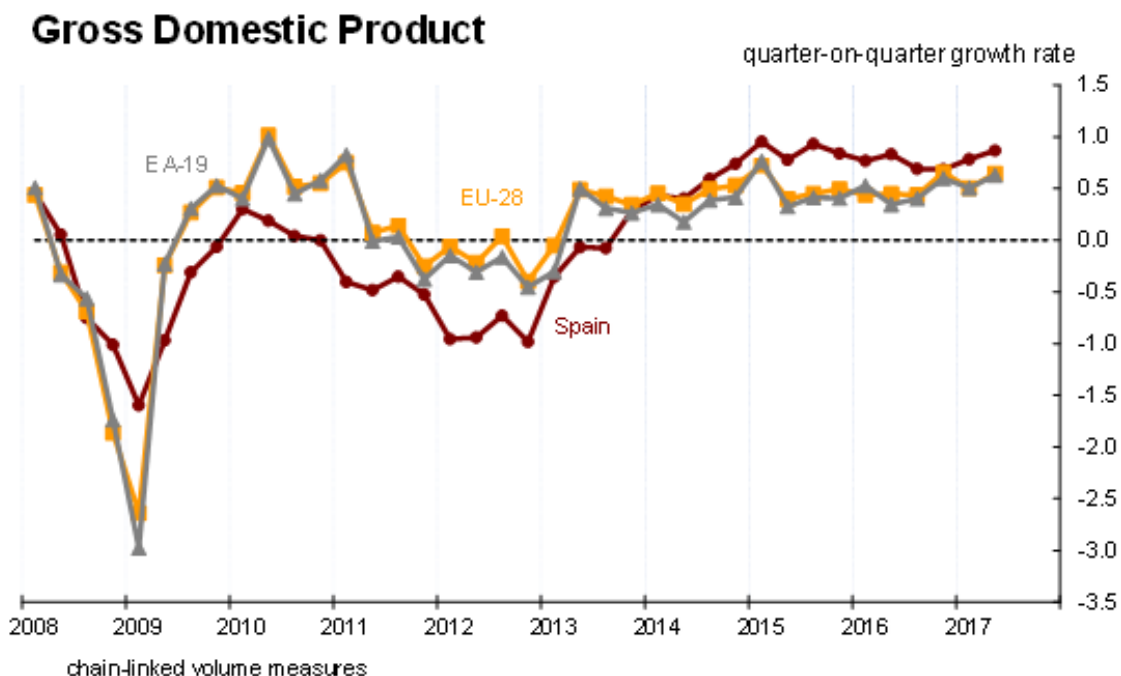
In annual terms, the growth rate of the GDP is 3.1%, one tenth higher than the previous quarter, as a consequence of a similar contribution of the domestic demand and a similar contribution of the external demand.

The annual and quarterly growth rates for the first quarter coincide with those published in the advance estimate of quarterly GDP published on 28 July.

As regards the European environment, in the second quarter of 2017 both the European Union (EU-28) and the Eurozone (UEM-19) recorded a positive quarterly growth of 0.6%, which is one tenth lower than that registered in the previous quarter in both cases.

Behaviour is uneven among the major European economies. On the one hand, the Netherlands and United Kingdom have higher quarterly growth rates than the previous quarter (Netherlands 1.5% versus 0.6% and 0.3% UK compared with 0.2%). On the other hand, France and Italy maintains its rate at 0.5% and 0.4% respectively, while Germany, Belgium and Denmark have a lower growth than the previous quarter (Germany of 0.6% as compared to 0.7%, Belgium of 0.4% as compared to 0.6% and Denmark 0.5% as compared to 0.6%).

The highest quarterly variation rates were registered in the Check Republic (2.3%), Sweden (1.7%) and the Netherlands (1.5%). In turn, the lowest rates corresponded to Finland (-0.5%), Portugal (0.2%) and the United Kingdom (0.3%).



<sup>1</sup> All the information presented in this press release corresponds to data adjusted for seasonal and calendar effects, unless stated otherwise

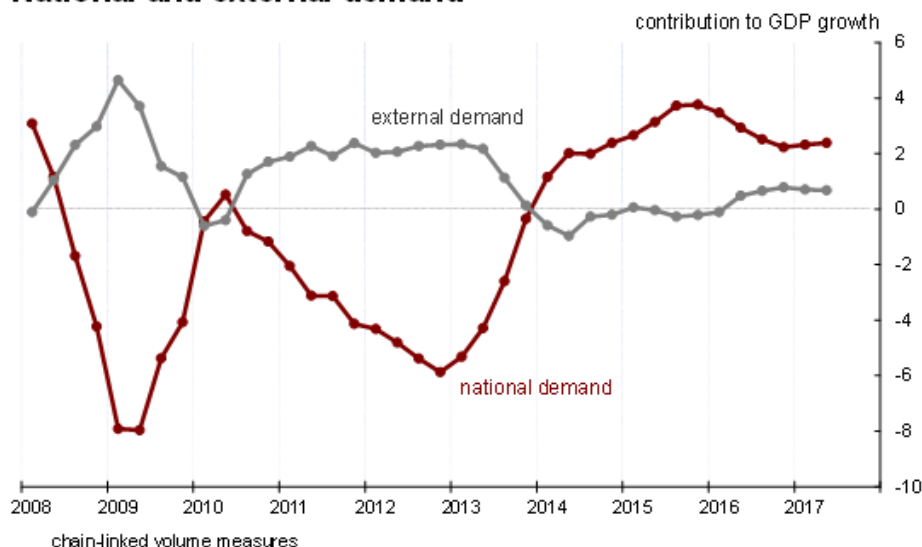
## Demand and supply. Chain-linked volume measures. Base 2010. Quarter-on-Quarter growth rates

	2016				2017	
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II
<b>GROSS DOMESTIC PRODUCT at market prices</b>	<b>0.8</b>	<b>0.8</b>	<b>0.7</b>	<b>0.7</b>	<b>0.8</b>	<b>0.9</b>
Household final consumption expenditure	0.9	0.7	0.6	0.7	0.4	0.7
Final consumption expenditure of NPISHs	1.6	-0.5	1.6	0.8	-0.7	0.2
Final consumption expenditure by government	0.2	-0.6	0.5	-0.2	0.8	0.2
Gross fixed capital formation	0.4	1.4	-0.1	0.5	2.1	0.8
- Tangible fixed assets	0.4	1.4	0.1	0.4	2.1	0.9
• Construction	0.1	1.0	0.1	0.7	1.1	1.1
• Equipment and cultivated assets	0.8	1.8	0.1	0.0	3.5	0.5
- Intellectual property products	0.6	1.3	-1.0	1.5	2.0	0.5
Exports of goods and services	0.2	3.4	-1.2	2.0	3.0	0.7
Imports of goods and services	-0.2	2.6	-2.0	1.8	3.1	-0.2
<b>GROSS DOMESTIC PRODUCT at market prices</b>	<b>0.8</b>	<b>0.8</b>	<b>0.7</b>	<b>0.7</b>	<b>0.8</b>	<b>0.9</b>
Agriculture, forestry and fishing	1.1	-2.4	0.5	3.8	2.5	-2.6
Industry	-0.2	1.0	0.2	1.3	0.4	0.8
- Manufacturing industry	-0.1	1.0	0.3	0.7	0.7	0.8
Construction	1.5	1.1	0.4	0.1	2.9	1.5
Service activities	1.0	0.8	0.8	0.5	0.7	0.8
- Wholesale and retail trade	0.8	1.4	1.1	0.8	0.5	0.9
- Information and communication	1.5	1.8	0.9	0.9	1.3	1.8
- Financial and insurance activities	5.2	-2.8	-1.3	-1.5	3.5	-1.0
- Real estate activities	0.6	0.3	0.5	0.5	0.5	0.4
- Professional activities	1.6	1.8	1.2	1.4	1.2	2.1
- Public administration, health and education activities	0.6	0.6	0.6	0.2	0.3	0.7
- Arts, entertainment and other services	-0.1	0.1	0.7	-0.1	0.2	-0.5
Taxes less subsidies on products	0.2	1.5	1.3	0.5	0.5	2.1

### Demand

If we analyse the annual growth of Spanish GDP in the second quarter of 2017 from the perspective of expenditure, we observe a greater contribution from domestic demand (2.4 points as compared to 2.3 in the first quarter) and a similar contribution for the external demand (0.7 points).

### National and external demand



## Demand. Chain-linked volume measures. Base 2010. Year-on-year growth rates

	2016				2017	
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II
<b>GROSS DOMESTIC PRODUCT at market prices</b>	<b>3.4</b>	<b>3.4</b>	<b>3.2</b>	<b>3.0</b>	<b>3.0</b>	<b>3.1</b>
Final consumption expenditure	3.1	2.7	2.4	2.2	2.0	2.2
Household final consumption expenditure	3.6	3.4	3.0	3.0	2.5	2.5
Final consumption expenditure of NPISHs	3.9	2.5	2.9	3.5	1.2	1.9
Final consumption expenditure by government	1.7	0.7	0.8	0.0	0.5	1.3
Gross fixed capital formation	4.3	3.4	2.6	2.2	3.9	3.4
- Tangible fixed assets	4.4	3.4	2.7	2.2	3.9	3.4
• Construction	2.3	1.8	1.6	1.9	2.9	3.0
• Equipment and cultivated assets	7.4	5.7	4.2	2.6	5.4	4.1
- Equipment	7.5	5.8	4.3	2.7	5.5	4.1
- Intellectual property products	4.0	3.2	2.0	2.4	3.8	2.9
Changes in inventories and acquisitions less disposals of valuables (*)	0.2	0.2	0.1	0.0	0.0	0.0
NATIONAL DEMAND (*)	3.5	2.9	2.5	2.2	2.3	2.4
Exports of goods and services	3.8	6.5	2.9	4.4	7.3	4.5
Imports of goods and services	4.5	5.4	1.0	2.3	5.7	2.8
(*) Contribution to GDP growth						

### Domestic demand

Regarding the two main components of the national demand, final consumption expenditure registered a higher annual variation than that registered in the first quarter (2.2% versus 2.0%), while the annual variation rate of investment in fixed capital registered a lower growth, going from 3.9% to 3.4%.

The **final consumption expenditure of households** experienced an annual growth of 2.5%, a similar rate as that of the first quarter, as a result of the joint behaviour of the different type of goods and services comprising it.

On the other hand, the **the final consumption expenditure of the Public Administrations** was 1.3%, eight tenths higher than the previous quarter.

The **gross fixed capital formation** registered a growth rate of 3.4%, indicating a deceleration of five tenths as compared with the previous quarter. Considering the different types of assets, tangible assets registered a rate of 3.4%, which is five tenths less than the previous quarter. In turn, the investment in intellectual property products increased by 2.9%, which represents a decrease of nine tenths as compared with the past quarter.

The annual rate of investment in **Construction** increased by one tenth, going from 2.9% to 3.0% as a result of the aggregate behaviour of housing investment and investment in civil engineering and other buildings.

Growth in **capital goods** investment was 4.1% in the second quarter of 2017, as compared with 5.5% the previous quarter, in line with the overall joint development of the production, industrial turnover and foreign trade indicators for these type of goods. The joint evolution of this group of assets together with cultivated assets also results of 4.1%.

## External demand

The contribution of net foreign demand of the Spanish economy to annual growth of the quarterly GDP was 0.7 points, similar figure to that of the previous quarter. This was due to the deceleration of the growth rate with respect to the previous quarter in both, exports and imports.

The **exportation** of goods and services decreased 2.8 points its growth rate, going from 7.3% to 4.5%. In the case of goods, a decrease of 5.1 points in the variation rate is observed (from 8.3% to 3.2%). Exports of non-tourism services grew by 5.9%, which is 3.2 points over the rate of the previous quarter (2.7%). Finally, the annual variation rate of spending by non-residents in the economic territory increased by nine tenths (from 8.9% to 9.8%).

**Imports** of goods and services experienced a decrease of 2.9 points in its growth, from 5.7% to 2.8%. If we analyse all their components, imports of goods grew at a rate of 1.3%, which is 4.1 points less than that of the previous quarter (5.4%). Meanwhile, imports of non-tourism services registered a variation rate of 8.5%, which places it 4.2 points above the rate of the previous quarter (4.3%). Finally, the variation rate of spending by residents in the rest of the world decreased by 2.3 points this quarter, going from 13.9% to 11.6%.

## Supply

The analysis of the macroeconomic table, from the supply perspective, showed that at an aggregated level, branches of the *primary sector* and *Industry* registered lower growth rates than in the first quarter. In turn, *Services* had a similar increase, while *Construction* showed a higher increase than in the first quarter.

### Supply. Chain-linked volume measures. Base 2010. Year-on-year growth rates

	2016				2017	
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II
<b>GROSS DOMESTIC PRODUCT at market prices</b>	<b>3.4</b>	<b>3.4</b>	<b>3.2</b>	<b>3.0</b>	<b>3.0</b>	<b>3.1</b>
Agriculture, forestry and fishing	5.0	2.7	3.1	2.9	4.4	4.1
Industry	2.7	2.8	1.7	2.2	2.8	2.6
- Manufacturing industry	4.4	3.8	2.4	2.0	2.7	2.6
Construction	2.1	2.0	2.9	3.0	4.4	4.8
Service activities	3.4	3.6	3.4	3.1	2.8	2.8
- Wholesale and retail trade	4.5	4.8	4.3	4.2	3.9	3.3
- Information and communication	5.7	6.1	5.2	5.2	5.0	5.0
- Financial and insurance activities	0.1	-1.7	-0.3	-0.6	-2.2	-0.4
- Real estate activities	0.4	1.2	1.9	1.9	1.8	1.9
- Professional activities	7.5	7.4	6.6	6.2	5.8	6.1
- Public administration, health and education activities	2.5	2.8	2.5	2.1	1.7	1.8
- Arts, entertainment and other services	1.3	1.5	1.1	0.5	0.8	0.3
Taxes less subsidies on products	4.8	4.3	4.2	3.6	3.9	4.5

The gross added value of the **industrial branches** evolved at a rate of 2.6%, indicating a decrease of two tenths compared to that recorded in the first quarter. The **manufacturing industry** grew at a rate of 2.6%, which is one tenth lower than that of the previous quarter.

In a consistent way with the evolution of the demand for assets and employment in the **Construction branch**, the gross added value of this activity accelerated its pace up to a rate of 4.8% compared with 4.4% the previous quarter.

On its part, the gross added value of the **Services branches** maintained its growth rate at 2.8%, as a consequence of the joint behaviour of the activities comprising this sector.

Finally, **primary branches** recorded an annual variation of 4.1% this quarter compared to 4.4% in the previous quarter.

## **Employment**

The employment of the economy in terms of jobs equivalent to full-time employment registered a quarterly variation of 0.9%, two tenths higher than that registered in the first quarter.

In annual terms, employment presented a growth rate of 2.8%, three tenths higher than that registered in the previous quarter. This evolution signifies a net increase of 480 thousand full-time jobs in one year.

At an aggregated scale, all the branches had higher growth rates as compared to those of the previous quarter. Annual variation of Agriculture was 5.5%, compared to 4.9% in the third quarter. *Industry* registered a growth of 2.9%, compared to 2.5% in the third quarter. In the case of *Construction*, the rate accelerated five tenths and stood at 5.1%. Finally, employment for *Services* increased its previous record by one tenths, up to 2.4%.

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

	2016				2017	
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II
<b>Total</b>	<b>3.1</b>	<b>2.7</b>	<b>2.9</b>	<b>2.7</b>	<b>2.5</b>	<b>2.8</b>
Agriculture, forestry and fishing	5.6	2.1	2.8	2.8	4.9	5.5
Industry	1.8	1.3	1.8	2.7	2.5	2.9
- Manufacturing industry	2.5	1.9	2.2	2.9	2.6	2.9
Construction	1.5	1.6	2.9	2.9	4.6	5.1
Service activities	3.3	3.1	3.1	2.7	2.3	2.4
- Wholesale and retail trade	3.4	3.4	3.8	3.2	2.2	2.7
- Information and communication	5.3	3.8	1.4	3.7	2.9	4.5
- Financial and insurance activities	-2.3	-3.9	-0.7	3.1	-0.5	-0.3
- Real estate activities	2.7	1.7	5.6	6.6	6.7	8.5
- Professional activities	4.7	4.9	3.8	3.2	4.7	4.0
- Public administration, health and education activities	2.4	2.6	2.5	2.0	1.7	1.4
- Arts, entertainment and other services	3.8	2.2	2.1	0.9	0.1	1.0
<b>Employees</b>	<b>3.3</b>	<b>3.0</b>	<b>3.1</b>	<b>2.9</b>	<b>2.7</b>	<b>3.0</b>
Agriculture, forestry and fishing	10.8	3.1	3.5	2.3	5.3	6.5
Industry	1.8	1.3	1.8	2.7	2.6	2.9
- Manufacturing industry	2.4	1.8	2.2	2.9	2.6	2.9
Construction	1.7	2.2	3.8	4.0	5.6	6.2
Service activities	3.5	3.3	3.3	2.9	2.4	2.6
- Wholesale and retail trade	4.2	4.4	4.8	4.1	2.9	3.3
- Information and communication	5.4	3.8	1.2	3.2	2.6	4.2
- Financial and insurance activities	-2.7	-4.2	-0.7	3.2	-0.6	-0.6
- Real estate activities	3.5	3.5	7.5	7.4	9.2	9.6
- Professional activities	5.2	5.0	3.5	2.9	4.2	3.7
- Public administration, health and education activities	2.2	2.4	2.3	1.9	1.6	1.4
- Arts, entertainment and other services	3.8	1.9	1.6	0.7	-0.3	1.4

There was an increase of three tenths in the annual rate of full-time equivalent employment, together with the greatest decrease of the associated part-time working day (from -0.8% to -1.0%), resulted in a decrease of one tenth in the annual rate of the number of hours actually worked in this quarter (going from 1.8% to 1.7%).

The joint consideration of the quarterly GDP growth in terms of volume and the data on employed persons, infers that the annual variation of the apparent productivity by equivalent job post decreased two tenths, from 0.5% to 0.3%.

In turn, the growth of the apparent productivity per hour actually worked reached a 1.3% rate, one tenth higher than that registered in the first quarter of the year (1.2%).



### GDP at current prices and implicit deflator

The annual variation of the GDP valued at current prices in the second quarter of 2017 reached 3.4%. This rate was six tenths lower than that registered in the first quarter of the year (4.0%).

As a result of the evolution of GDP, in terms of both current prices and volume, the implicit deflator of the economy presented an annual variation rate of 0.3%, six tenths lower than that of the previous quarter (0.9%).

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

	2016				2017	
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II
<b>GROSS DOMESTIC PRODUCT at market prices</b>	<b>3.3</b>	<b>3.8</b>	<b>3.3</b>	<b>3.7</b>	<b>4.0</b>	<b>3.4</b>
Household final consumption expenditure	3.0	2.5	2.8	3.8	5.0	4.4
Final consumption expenditure of NPISHs	2.5	1.7	1.6	2.9	0.7	1.8
Final consumption expenditure by government	1.5	1.1	1.0	-0.2	1.3	1.1
Gross fixed capital formation	5.9	5.0	3.9	3.9	5.2	4.2
- Tangible fixed assets	6.2	5.4	4.5	4.5	5.7	4.6
• Construction	4.1	4.3	4.0	5.0	5.6	4.9
• Equipment and cultivated assets	9.3	7.0	5.3	4.0	5.9	4.1
- Intellectual property products	4.6	2.5	0.3	0.3	2.0	2.1
Changes in inventories and acquisitions less disposals of valuables (*)	0.2	0.2	0.1	0.1	0.0	0.1
NATIONAL DEMAND (*)	3.4	2.8	2.7	3.0	4.1	3.6
Exports of goods and services	2.1	4.4	1.5	4.8	11.1	7.3
Imports of goods and services	2.4	1.4	-0.4	3.1	12.6	8.6
<b>GROSS DOMESTIC PRODUCT at market prices</b>	<b>3.3</b>	<b>3.8</b>	<b>3.3</b>	<b>3.7</b>	<b>4.0</b>	<b>3.4</b>
Agriculture, forestry and fishing	5.9	6.8	2.0	2.1	4.8	4.1
Industry	1.4	1.7	0.9	3.8	5.5	4.7
- Manufacturing industry	3.7	3.4	2.0	2.6	3.8	3.9
Construction	2.4	3.5	4.2	4.5	5.5	5.2
Service activities	3.7	4.5	3.8	4.0	3.3	2.7
- Wholesale and retail trade	3.7	4.7	4.2	4.8	4.1	3.8
- Information and communication	3.4	4.2	3.4	3.5	2.1	1.3
- Financial and insurance activities	4.5	5.1	-0.3	4.7	2.5	1.9
- Real estate activities	0.2	1.3	2.0	2.3	2.0	2.0
- Professional activities	8.6	8.2	7.1	7.0	6.8	6.5
- Public administration, health and education activities	3.9	4.9	4.0	2.9	2.2	0.7
- Arts, entertainment and other services	2.6	3.0	2.5	1.9	1.9	1.4
Taxes less subsidies on products	4.1	2.3	4.4	1.3	4.9	5.3

(\*) Contribution to GDP growth



## Income

Regarding the primary distribution of income, compensation of employees increased from 3.1% to 2.9% in the annual rate in the second quarter of 2017. This was the result of the behaviour of both, the number of employees (which increased 3.0% versus 2.7% in the previous quarter) and the evolution of the average compensation per employee (that registered a rate of -0.1% versus 0.4% in the first quarter).

In this way, the growth of the product unit labour cost (ULC) stood at -0.4%, which is seven tenths below the variation of the implicit deflator of the economy (0.3%).

The annual variation in gross operating surplus / gross mixed income of the economy decreased from 4.9% to 3.6%. Finally, taxes on production and imports net of subsidies increased their growth by 1.1 points (going from 3.9% to 5.0%).

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

	2016				2017	
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II
<b>GROSS DOMESTIC PRODUCT at market prices</b>	<b>3.3</b>	<b>3.8</b>	<b>3.3</b>	<b>3.7</b>	<b>4.0</b>	<b>3.4</b>
Compensation of employees	3.2	3.2	3.1	2.9	3.1	2.9
Unit Labor Cost (ULC)	-0.4	-0.5	-0.3	-0.2	0.0	-0.4
Compensation per employee	-0.1	0.2	0.0	0.1	0.4	-0.1
Productivity per worker	0.3	0.7	0.3	0.3	0.5	0.3
Salary rate	0.3	0.2	0.2	0.2	0.1	0.2
Gross operating surplus / Gross mixed income	3.6	5.1	3.7	5.3	4.9	3.6
Net taxes on production and imports	3.1	1.9	3.1	0.6	3.9	5.0

In regards to the contributions of these operations to the growth of the implicit GDP deflator, compensation of employees contributed by -0.1 points to the variation of that index, while the gross operating surplus / gross mixed income and the net taxes on production and imports did so by 0.2 points each.

### Income. Components of the GDP deflator. Contributions

	2016				2017	
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II
<b>GROSS DOMESTIC PRODUCT at market prices</b>	<b>0.0</b>	<b>0.4</b>	<b>0.2</b>	<b>0.6</b>	<b>0.9</b>	<b>0.3</b>
Compensation of employees	-0.1	-0.1	0.0	0.0	0.0	-0.1
Unit Labor Cost (ULC)	-0.2	-0.2	-0.1	-0.1	0.0	-0.2
Compensation per employee	-0.1	0.1	0.0	0.0	0.2	0.0
Productivity per worker	-0.1	-0.3	-0.1	-0.1	-0.2	-0.1
Salary rate	0.1	0.1	0.1	0.1	0.1	0.1
Gross operating surplus / Gross mixed income	0.1	0.7	0.2	0.9	0.8	0.2
Net taxes on production and imports	0.0	-0.2	0.0	-0.2	0.1	0.2

**Update of the series of the Quarterly National Accounting (CNTR acronym in Spanish for Contabilidad Nacional Trimestral)**

According to the available diffusion calendar of the statistical operations on the web page of the INE, the main results for the updated series of the Annual National Accounting (1995-2016) will be published on the next 12 September.

The resulting quarterly results of the incorporation of this update of the annual series will be published on 2 October in coincidence with the next diffusion of the quarterly data of the national accounts planned for on the calendar of available short-term statistics in the INE calendar.