

Quarterly National Accounts of Spain. Base 2010

Third quarter of 2017

Quarterly National Accounts (GDP)

Latest data	Year-on-year growth rate	Quarter-on-quarter growth rate
Third quarter of 2017	3.1	0.8

Main results

- The Spanish economy registers a **quarterly growth of 0.8%** in the third quarter of 2017. This rate is one tenth lower than that registered in the second quarter of the year.
- The **growth compared to the same quarter last year stands at 3.1%**, the same rate as that recorded the previous quarter.
- The annual and quarterly growth rates coincide with those published in the advance estimate of quarterly GDP published on last 30 October.
- The contribution of the **domestic demand** to the annual GDP growth is **2.7 points**, four tenths higher than that of the second quarter (2.3 points). On the other hand, the **external demand** registers a contribution of **0.4 points**, four tenths lower than in the previous quarter (0.8 points).
- **Employment** in the economy in terms of full-time equivalent jobs registers a **quarterly variation of 0.8%**, one tenth lower than that registered in the previous quarter.
- **In annual terms, employment increases in the third quarter at a rate of 2.9%**, the same rate as that of the second quarter, representing an increase of 501 thousand full-time equivalent jobs in a year. This behaviour, along with the variation in the associated part-time working day, results in an increase of two tenths in the annual rate of hours actually worked (from 1.6% to 1.8%).
- The annual variation of **unit labour cost** stands at **-0.2%** this quarter, 1.2 points below the implicit GDP deflator (1.0%).

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 0.8% in the third quarter of 2017¹. This rate is one tenth lower than the rate estimated in the second quarter of the year.

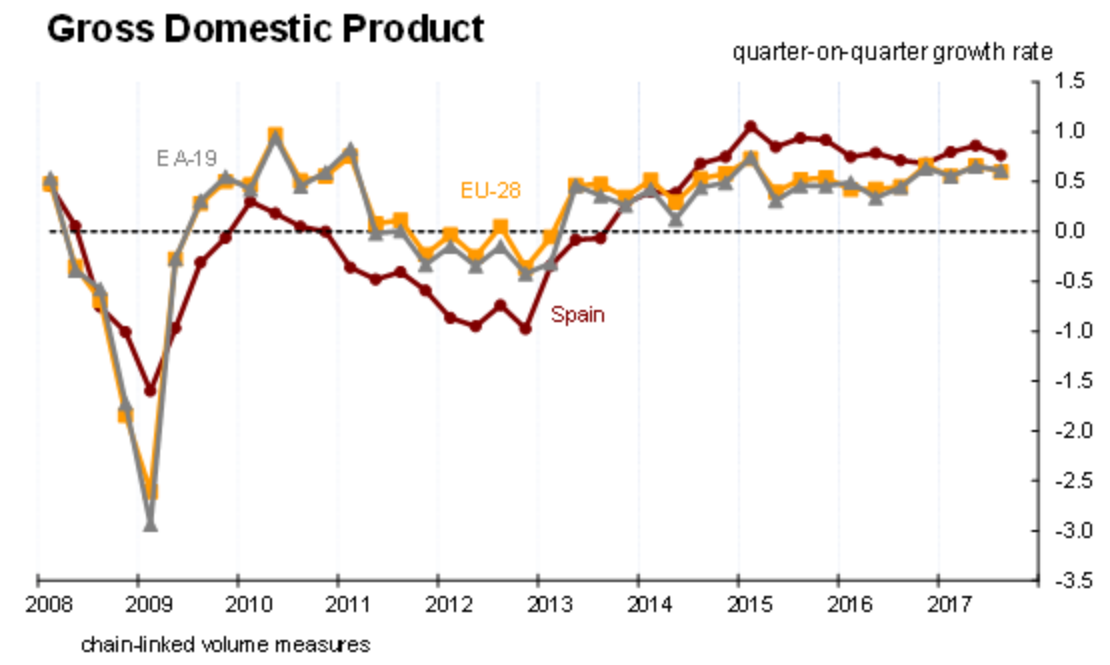
In annual terms, the growth rate of the GDP was 3.1%, similar to that of the second quarter, as a result of a higher contribution of the domestic demand and a lower contribution of the external demand.

The annual and quarterly growth rates for the third quarter coincide with those published in the advance estimate of quarterly GDP on 30 October.

As regards the European environment, in the third quarter of 2017 both the European Union (EU-28) and the Eurozone (EMU-19) experienced a 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, Germany, Italy and the United Kingdom registered higher quarterly growth rates than the previous quarter (Germany 0.8% versus 0.6%, Italy 0.5% versus 0.3% and the United Kingdom 0.4% versus 0.3%). On the other hand, France and the Netherlands registered lower growth rates than the previous quarter (France 0.5% versus 0.6% and the Netherlands 0.4% versus 1.5%).

The highest quarterly variation rates were registered in Romania (2.6%), Latvia (1.5%) and Finland and Poland (both with 1.1%). In turn, the lowest rates corresponded to Denmark (-0.3%), Lithuania (0.1%) and Belgium (0.3%).



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

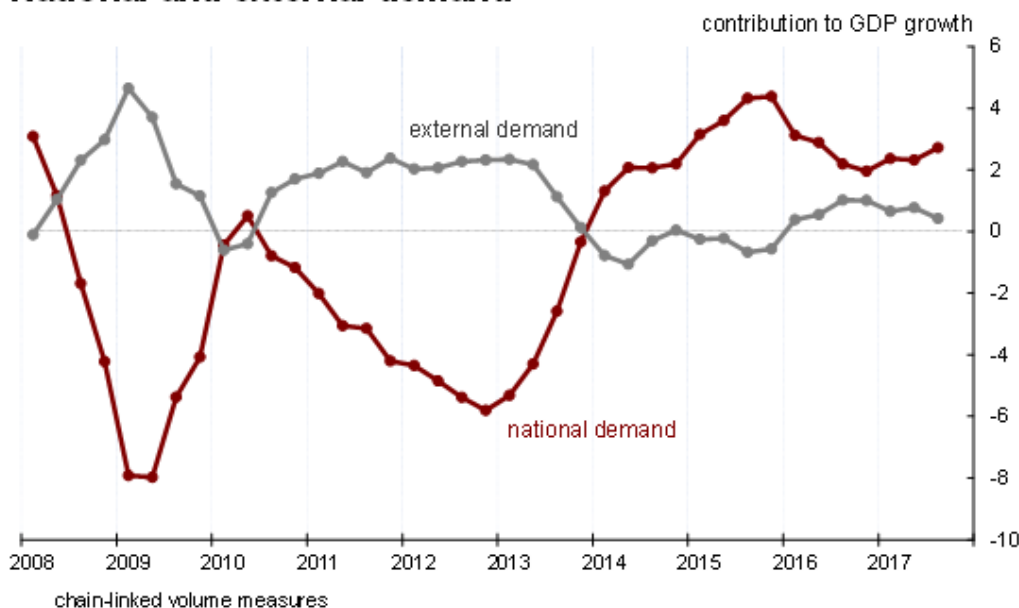
Demand and supply. Chain-linked volume measures. Base 2010. Quarter-on-Quarter growth rates

	2016				2017		
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III
GROSS DOMESTIC PRODUCT at market prices	0.7	0.8	0.7	0.7	0.8	0.9	0.8
Household final consumption expenditure	0.9	0.6	0.7	0.4	0.6	0.7	0.7
Final consumption expenditure of NPISHs	3.2	0.8	1.8	0.8	-0.2	1.0	1.0
Final consumption expenditure by government	0.1	0.0	0.5	-0.6	0.8	0.4	0.4
Gross fixed capital formation	0.6	1.6	-0.3	0.8	2.7	0.6	1.3
- Tangible fixed assets	0.7	1.6	-0.2	0.7	2.9	0.6	1.2
• Construction	1.1	1.2	-0.5	1.3	2.2	1.0	0.3
• Equipment and cultivated assets	0.2	2.3	0.2	-0.2	3.8	-0.1	2.5
- Intellectual property products	0.1	1.2	-0.4	1.1	1.6	0.8	1.9
Exports of goods and services	1.4	2.1	-0.5	1.5	3.2	0.1	0.0
Imports of goods and services	0.8	1.9	-1.7	0.6	4.1	-0.7	0.0
GROSS DOMESTIC PRODUCT at market prices	0.7	0.8	0.7	0.7	0.8	0.9	0.8
Agriculture, forestry and fishing	2.6	0.9	0.6	0.9	2.8	0.0	1.2
Industry	0.9	0.7	0.2	1.2	1.0	0.9	0.4
- Manufacturing industry	0.5	0.4	0.1	1.3	0.8	0.9	0.9
Construction	0.0	0.7	1.1	1.0	1.6	1.1	1.1
Service activities	0.8	0.8	0.8	0.5	0.6	0.8	0.8
- Wholesale and retail trade	0.6	1.2	1.1	0.5	0.8	1.0	1.0
- Information and communication	0.7	2.1	1.4	0.6	1.1	1.5	2.7
- Financial and insurance activities	2.3	-2.5	0.1	-0.2	0.2	-0.2	0.3
- Real estate activities	0.4	0.7	0.5	0.2	0.2	0.6	0.5
- Professional activities	2.1	1.5	1.5	1.6	1.5	1.7	1.1
- Public administration, health and education activities	0.5	0.3	0.3	0.2	0.3	0.4	0.2
- Arts, entertainment and other services	0.1	0.4	0.3	0.1	0.4	0.3	0.6
Taxes less subsidies on products	0.2	1.1	1.1	1.1	0.7	1.5	1.0

Demand

If we analyse the annual growth of Spanish GDP in the third quarter of 2017 from the perspective of expenditure, we observe a greater contribution from domestic demand (2.7 points as compared with 2.3 in the second quarter) and a lower contribution from the external demand (0.4 points as compared with 0.8).

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	Q. III
GROSS DOMESTIC PRODUCT at market prices	3.5	3.4	3.2	3.0	3.0	3.1	3.1
Final consumption expenditure	2.8	2.7	2.3	2.1	1.9	2.1	2.0
Household final consumption expenditure	3.2	3.2	2.7	2.7	2.3	2.4	2.4
Final consumption expenditure of NPISHs	8.3	7.1	7.4	6.7	3.3	3.6	2.7
Final consumption expenditure by government	1.6	0.9	0.8	0.0	0.7	1.1	1.0
Gross fixed capital formation	4.3	3.6	2.7	2.7	4.8	3.8	5.4
- Tangible fixed assets	4.4	3.6	2.9	2.8	5.0	3.9	5.4
• Construction	2.2	2.3	2.1	3.1	4.1	4.0	4.9
• Equipment and cultivated assets	7.6	5.5	4.1	2.5	6.3	3.8	6.1
• Equipment	7.7	5.7	4.3	2.6	6.5	3.9	6.3
- Intellectual property products	3.8	3.4	1.6	2.1	3.7	3.2	5.5
Changes in inventories and acquisitions less disposals of valuables (*)	0.1	0.1	-0.1	-0.1	-0.1	-0.1	0.1
NATIONAL DEMAND (*)	3.1	2.9	2.2	2.0	2.4	2.3	2.7
Exports of goods and services	4.5	6.2	3.8	4.5	6.5	4.4	4.9
Imports of goods and services	3.6	4.8	0.8	1.6	4.9	2.3	4.0

(*) Contribution to GDP growth

Domestic demand

Regarding the two main components of the national demand, final consumption expenditure registered a lower annual variation than that registered in the second quarter (2.0% versus 2.1%), while investment in fixed capital registered a higher growth, going from 3.8% to 5.4%.

The **final consumption expenditure of households** experienced an annual growth of 2.4%, a similar rate as that of the second quarter, as a result of the joint behaviour of the different type of goods and services comprising it.

On the other hand, the annual variation rate of **final consumption expenditure of the Public Administrations** was 1.0%, one tenth lower than that of the previous quarter.

Gross fixed capital formation registered a growth rate of 5.4%, indicating an increase of 1.6 points as compared with the previous quarter. Considering the different types of assets, tangible assets registered a rate of 5.4%, which is 1.5 points more than the previous quarter. In turn, investment in intellectual property products increased by 5.5%, representing an increase of 2.3 points as compared with the past quarter.

The annual rate of investment in **Construction** increased by nine tenths, going from 4.0% to 4.9% as a result of the aggregate behaviour of housing investment and investment in civil engineering and other buildings.

Growth in **capital goods** investment was 6.3% in the third quarter, compared with 3.9% the previous quarter, in line with the overall development of the production, industrial turnover and foreign trade indicators for these goods. The joint evolution of this group of assets together with cultivated assets was 6.1%.

External demand

The contribution of net foreign demand of the Spanish economy to GDP annual growth was 0.4 points, which is four tenths lower than the previous quarter.

Growth of **exports** of goods and services experienced an increase of five tenths, going from 4.4% to 4.9%. In the case of goods, the variation rate increased by 1.9 points (from 2.8% to 4.7%). Exports of non-tourism services grew by 1.8%, which is 5.6 points less than in the previous quarter. Finally, the annual variation rate of expenditure by non-residents in the economic territory increased by 1.5 points (from 8.8% to 10.3%).

Imports of goods and services experienced an increase of 1.7 points, from 2.3% to 4.0%. Imports of goods grew at a rate of 5.6%, which is 3.8 points more than in the previous quarter (1.8%). In turn, imports of non-tourism services registered a variation rate of -7.7%, with a decrease of 9.4 points as compared with the previous quarter (1.7%). Finally, the variation rate of expenditure by residents in the rest of the world decreased by 0.3 points, going from 13.4% to 13.1%.

Supply

The analysis of the macroeconomic table, from the supply perspective, shows that at an aggregated level, branches of the *primary sector* and *Industry* registered higher growth rates than in the second quarter. In turn, *Services* and *Construction* presented similar growth to the previous 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	Q. III
GROSS DOMESTIC PRODUCT at market prices	3.5	3.4	3.2	3.0	3.0	3.1	3.1
Agriculture, forestry and fishing	7.9	7.3	7.4	5.2	5.3	4.3	5.0
Industry	4.0	4.1	3.1	3.0	3.1	3.3	3.5
- Manufacturing industry	5.2	4.0	2.7	2.3	2.6	3.2	4.1
Construction	1.2	1.2	2.3	2.8	4.5	4.9	4.9
Service activities	3.0	3.2	3.1	2.8	2.6	2.7	2.7
- Wholesale and retail trade	3.8	4.2	3.7	3.5	3.7	3.3	3.3
- Information and communication	4.1	5.3	5.3	5.0	5.4	4.7	6.0
- Financial and insurance activities	-0.1	-2.2	-0.7	-0.3	-2.4	0.0	0.1
- Real estate activities	0.7	1.4	2.0	1.8	1.6	1.5	1.5
- Professional activities	7.2	6.9	7.0	6.8	6.2	6.4	5.9
- Public administration, health and education activities	2.4	2.3	2.0	1.3	1.2	1.3	1.2
- Arts, entertainment and other services	1.9	2.0	1.2	0.9	1.2	1.2	1.5
Taxes less subsidies on products	5.9	4.5	3.7	3.6	4.1	4.5	4.4

The gross value added of **industrial branches** evolved at a rate of 3.5%, indicating an increase of two tenths compared to that registered in the second quarter. The

manufacturing industry grew at a rate of 4.1%, which is nine tenths higher than that of the previous quarter.

In the **Construction sector**, gross value added maintained its growth rate at 4.9%.

The same is true for the **branches of the Services sector**, whose gross value added grew by 2.7%, as in the second quarter of the year.

Finally, **primary branches** recorded an annual variation of 5.0% this quarter compared to 4.3% in the previous quarter.

Employment

The employment in the economy, in terms of full-time equivalent jobs, registered a quarterly variation of 0.8%, one tenth lower than that registered in the second quarter.

In annual terms, employment presented a growth rate of 2.9%, similar to that registered in the previous quarter. This evolution signifies a net increase of 501 thousand full-time jobs in one year.

At an aggregated scale, all the branches, except for *Services*, presented lower growth rates than those registered in the previous quarter. Annual variation of *Agriculture* was 3.7%, compared to 5.2% in the previous quarter. *Industry* registered a growth of 3.2%, compared to 3.4% in the previous quarter. In the case of *Construction*, the rate decreased four tenths standing at 4.6%. Finally, employment for *Services* increased its previous record by one tenth, up to 2.6%.

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

	2016				2017		
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III
Total	3.4	2.8	3.1	2.7	2.6	2.9	2.9
Agriculture, forestry and fishing	5.7	2.8	3.6	3.3	4.6	5.2	3.7
Industry	3.1	2.5	3.0	3.7	3.1	3.4	3.2
- Manufacturing industry	3.5	2.8	3.1	3.8	3.1	3.3	3.2
Construction	1.1	1.0	2.3	2.2	4.6	5.0	4.6
Service activities	3.5	3.0	3.1	2.6	2.3	2.5	2.6
- Wholesale and retail trade	3.7	3.1	3.4	2.9	2.3	2.8	2.6
- Information and communication	6.7	5.3	3.7	4.7	3.5	5.4	6.9
- Financial and insurance activities	-0.8	-3.4	4.2	5.4	-0.8	1.4	1.8
- Real estate activities	5.8	5.7	7.5	8.2	8.4	9.8	7.1
- Professional activities	4.0	4.3	3.3	2.6	4.8	4.1	4.3
- Public administration, health and education activities	2.3	2.5	2.3	1.7	1.4	1.1	1.2
- Arts, entertainment and other services	4.7	2.9	2.9	1.3	0.2	1.1	2.5
Employees	3.8	3.1	3.2	2.9	2.8	3.1	3.2
Agriculture, forestry and fishing	11.2	4.1	4.6	2.8	4.9	6.0	4.3
Industry	3.1	2.5	2.8	3.6	3.0	3.2	3.1
- Manufacturing industry	3.5	2.7	2.9	3.7	3.0	3.1	3.1
Construction	1.2	1.6	3.0	3.3	5.6	6.0	5.4
Service activities	3.8	3.3	3.3	2.8	2.5	2.8	3.0
- Wholesale and retail trade	4.7	4.1	4.4	3.9	3.1	3.5	3.4
- Information and communication	6.7	5.2	3.3	4.2	3.2	5.2	6.6
- Financial and insurance activities	-1.2	-3.7	4.4	5.5	-1.2	0.9	1.2
- Real estate activities	6.1	6.4	8.8	9.2	11.6	11.8	8.0
- Professional activities	4.4	4.5	2.8	2.2	4.5	3.8	4.4
- Public administration, health and education activities	2.2	2.3	2.2	1.6	1.3	1.2	1.3
- Arts, entertainment and other services	5.1	2.7	2.4	1.4	0.1	2.1	3.0

The stability in the annual rate of full-time equivalent employment at 2.9%, together with the lower decrease of the associated part-time working day (from -1.2% to -1.1%), resulted in an acceleration of two tenths in the annual rate of the number of hours actually worked in this quarter (going from 1.6% to 1.8%).

The joint consideration of quarterly GDP growth in volume terms and data on employed persons, results in an annual variation rate of the apparent productivity per equivalent job of 0.3%, one tenth higher than in the previous quarter.

In turn, the growth of the apparent productivity per hour actually worked reached a 1.4% rate, similar to that registered in the second quarter of the year.

GDP at current prices and implicit deflator

The annual variation of the GDP valued at current prices in the third quarter of 2017 reached 4.2%. This rate is four tenths higher than that registered in the second quarter of the year (3.8%).

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 1.0%, three tenths higher than that of the previous quarter.

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

	2016				2017		
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III
GROSS DOMESTIC PRODUCT at market prices	3.5	3.8	3.5	3.5	3.9	3.8	4.2
Household final consumption expenditure	2.9	2.2	2.7	3.8	4.7	4.4	3.8
Final consumption expenditure of NPISHs	4.5	3.2	4.2	5.1	3.6	4.6	3.8
Final consumption expenditure by government	1.5	1.2	1.0	0.1	1.1	1.0	1.1
Gross fixed capital formation	5.0	4.8	3.6	4.2	6.6	5.4	7.4
- Tangible fixed assets	5.2	5.1	4.1	4.7	7.2	6.0	7.7
• Construction	2.4	3.7	3.5	5.3	7.5	7.0	8.9
• Equipment and cultivated assets	9.4	7.1	4.9	3.8	6.9	4.5	6.0
- Intellectual property products	3.9	3.3	1.1	1.5	2.8	2.4	5.5
Changes in inventories and acquisitions less disposals of valuables (*)	0.1	0.1	-0.2	-0.1	-0.1	-0.1	0.1
NATIONAL DEMAND (*)	3.0	2.6	2.4	2.9	4.2	3.7	4.0
Exports of goods and services	2.4	4.3	2.8	4.8	9.5	7.2	7.4
Imports of goods and services	1.2	0.9	-0.8	3.1	11.3	7.5	7.4
GROSS DOMESTIC PRODUCT at market prices	3.5	3.8	3.5	3.5	3.9	3.8	4.2
Agriculture, forestry and fishing	4.5	6.9	0.2	0.9	5.3	5.0	10.8
Industry	1.9	2.5	2.6	3.6	5.1	5.3	5.0
- Manufacturing industry	4.0	3.5	2.9	3.2	4.3	5.1	5.7
Construction	3.0	3.6	4.1	4.5	5.6	5.8	6.2
Service activities	3.9	4.0	3.7	3.6	3.2	3.2	3.4
- Wholesale and retail trade	3.9	5.0	5.0	5.0	4.3	4.7	4.2
- Information and communication	3.4	4.5	3.7	3.6	2.9	2.8	4.5
- Financial and insurance activities	12.5	-0.5	-2.8	3.6	5.1	4.0	6.9
- Real estate activities	0.3	1.4	2.3	2.1	1.6	1.8	2.0
- Professional activities	7.4	7.0	7.0	6.9	6.3	6.8	6.5
- Public administration, health and education activities	3.4	4.1	3.5	1.6	1.2	0.7	1.1
- Arts, entertainment and other services	2.9	2.7	2.1	1.9	2.2	2.4	2.6
Taxes less subsidies on products	2.8	3.7	4.3	3.1	5.9	4.3	5.6

(*) Contribution to GDP growth

Income

Regarding the primary distribution of income, compensation of employees increased from 2.9% to 3.3% in the annual rate in the third quarter of 2017. This behaviour was the result of both, the number of employees (which increased 3.2% versus 3.1% in the previous quarter) and the evolution of the average compensation per employee (that registered a rate of 0.1% versus -0.2% in the second quarter).

In this way, the growth of the product unit labour cost (ULC) stood at -0.2%, which is 1.2 points below the variation of the implicit deflator of the economy (1.0%).

The annual variation in gross operating surplus / gross mixed income of the economy increased from 4.7% to 5.1%. Finally, taxes on production and imports net of subsidies increased their growth by four tenths (going from 4.3% to 4.7%).

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

	2016				2017		
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III
GROSS DOMESTIC PRODUCT at market prices	3.5	3.8	3.5	3.5	3.9	3.8	4.2
Compensation of employees	3.4	3.0	2.8	2.5	3.0	2.9	3.3
Unit Labor Cost (ULC)	-0.5	-0.6	-0.6	-0.7	-0.1	-0.4	-0.2
Compensation per employee	-0.4	-0.1	-0.4	-0.5	0.2	-0.2	0.1
Productivity per worker	0.1	0.6	0.1	0.2	0.4	0.2	0.3
Salary rate	0.4	0.3	0.2	0.2	0.2	0.2	0.3
Gross operating surplus / Gross mixed income	4.2	5.0	4.8	5.5	4.5	4.7	5.1
Net taxes on production and imports	0.9	1.9	2.2	0.5	5.4	4.3	4.7

As regards 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 gross operating surplus / gross mixed income and net taxes on production and imports did so by 0.8 and 0.1 points respectively.

Income. Components of the GDP deflator. Contributions

	2016				2017		
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III
GROSS DOMESTIC PRODUCT at market prices	0.0	0.3	0.3	0.5	0.9	0.7	1.0
Compensation of employees	-0.1	-0.2	-0.2	-0.2	0.0	-0.1	0.1
Unit Labor Cost (ULC)	-0.2	-0.3	-0.3	-0.3	-0.1	-0.2	-0.1
Compensation per employee	-0.2	0.0	-0.2	-0.2	0.1	-0.1	0.0
Productivity per worker	-0.1	-0.3	-0.1	-0.1	-0.2	-0.1	-0.1
Salary rate	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Gross operating surplus / Gross mixed income	0.3	0.6	0.6	1.0	0.6	0.7	0.8
Net taxes on production and imports	-0.3	-0.2	-0.1	-0.2	0.2	0.1	0.1