

Quarterly Spanish National Accounts. Base 2008

Fourth quarter of 2011

Quarterly National Accounts (GDP)

Latest data	Year-on-year growth rate	Quarter-on-quarter growth rate
Fourth quarter of 2011	0.3	-0.3
Year 2011	0.7	

Main results

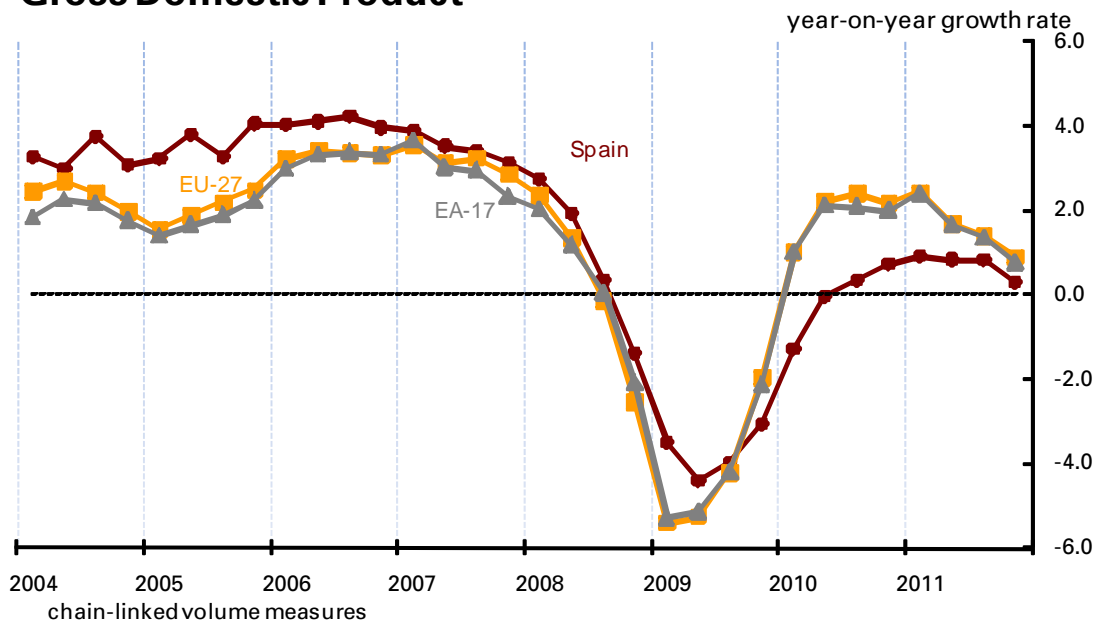
- The Spanish economy registers **year-on-year growth of 0.3%** in the fourth quarter of 2011, half-a-point less than the previous period.
- Quarter-on-quarter **growth stands at -0.3%**, three tenths lower than that recorded the previous quarter.
- The annual and quarter-on-quarter growth data coincides with that published in the preview estimate of quarterly GDP published last 30 January.
- The contribution of **national demand** to aggregate growth is one point and five tenths more negative this quarter, standing at **-2.9 points**, whereas **external demand** increases its contribution to quarterly GDP one point (**from 2.2 to 3.2 points**).
- **Employment** in the economy **decreases at a year-on-year rate of 3.3%**, one point and three tenths higher than in the third quarter, indicating a net reduction of more than 570 thousand full-time jobs in one year. In turn, hours actually worked decrease at a year-on-year rate of 1.7%.
- The decrease in **unit labour cost** increases one point to **-2.5%**, standing more than three-and-a-half points below the implicit GDP deflator.

Gross Domestic Product¹ (GDP) generated by the Spanish economy in the fourth quarter of 2011 registered growth of 0.3%, as compared with the same period the previous year², half-a-point lower than that estimated for the previous period. Thus, the Spanish economy slowed its interannual growth slightly, as a result of a major contraction in national demand.

In quarter-on-quarter terms, the growth rate of GDP was -0.3%, three tenths less than in the previous quarter.

In the European context, both the European Union as a whole, and the Eurozone, experienced a slowdown in year-on-year growth, dropping from 1.4% to 0.9% in the case of the former, and from 1.3% to 0.7% for the latter. This behaviour marked by less growth was observed in general in the main European economies, with the exception of the United Kingdom, whose growth increased from 0.5% to 0.8%. In the case of Germany (2.0%), France (1.4%) and Austria (1.5%), the year-on-year growth remained positive, while in Italy (-0.5%) and Holland (-0.7%) the year-on-year rates of the fourth quarter of 2011 were negative.

Gross Domestic Product

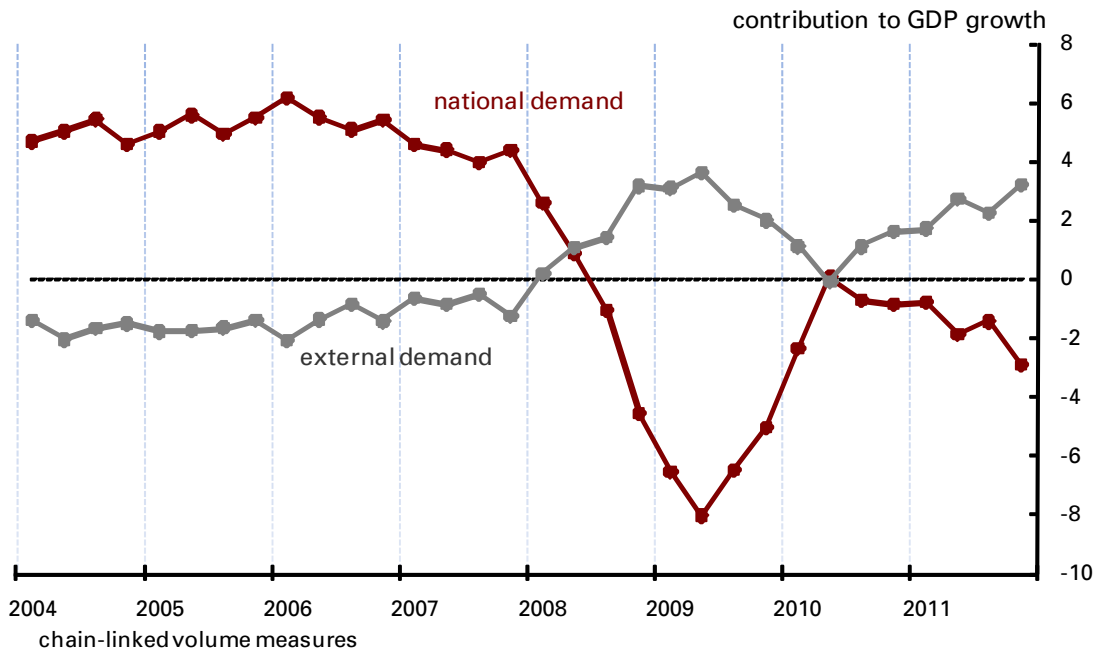


On analysing the Spanish GDP from the perspective of expenditure, a more negative contribution in national demand was observed this quarter, reaching -2.9 points, as compared with the -1.4 points of the previous quarter. Thus, the external demand increased in one point its positive contribution in GDP, reaching 3.2 points, major consequence of the deceleration in imports of goods and services of the economy.

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

² Data adjusted for seasonal and calendar effects.

National and external demand



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

	2010				2011			
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV
GROSS DOMESTIC PRODUCT at market prices	-1.3	0.0	0.4	0.7	0.9	0.8	0.8	0.3
Household final consumption expenditure	-0.1	1.5	0.8	0.8	0.4	-0.3	0.5	-1.1
Final consumption expenditure of NPISHs	2.4	3.1	2.7	2.1	0.6	1.1	-0.4	-0.8
Final consumption expenditure by government	0.6	1.0	0.2	-0.9	0.6	-2.1	-3.6	-3.6
Gross fixed capital formation	-9.8	-4.3	-5.5	-5.4	-4.9	-5.4	-4.0	-6.2
- Tangible fixed assets	-10.0	-4.5	-5.4	-5.4	-5.3	-5.6	-4.3	-6.5
• Construction	-12.2	-9.4	-9.5	-9.3	-9.2	-8.1	-7.0	-8.2
• Equipment and cultivated assets	-3.4	11.7	7.3	5.4	5.5	1.0	2.2	-2.7
- Intangible fixed assets	-5.4	-0.5	-7.8	-5.4	1.5	-3.1	2.0	-0.3
Changes in inventories and acquisitions less disposals of valuables (*)	0.0	0.0	0.0	0.1	0.0	0.0	-0.1	-0.1
NATIONAL DEMAND (*)	-2.4	0.1	-0.7	-0.9	-0.8	-1.9	-1.4	-2.9
Exports of goods and services	11.9	15.3	11.8	14.9	13.1	8.8	9.2	5.2
Imports of goods and services	6.3	14.5	7.0	8.0	6.0	-1.3	0.9	-5.9

(*) Contribution to GDP growth

National demand

The general decrease of all the components of the national demand has resulted in a more negative contribution in the aggregate activity. Thus, final consumption expenditure and gross formation of capital present a higher decrease than the previous quarter.

Final household consumption expenditure decreases more than one-and-a-half point its level reaching -1.1% and returning to negative growth rates after momentarily registering a year-on-year increase the previous quarter. The remuneration of employees, main resource of household, rises its decrease in a similar magnitude, from -0.6% to -2.1%.

The contracting behaviour of household consumption is, likewise, consistent with the evolution of consumer trust, whose indicator worsens that registered the previous quarter.

Regarding the different components of expenditure, consumption of goods and services worsens the estimations of the previous period, more in the case of the former than in the latter.

Final consumption expenditure of the Public Administrations stabilizes its interannual decrease at -3.6%. As with the previous quarter, this reduction in expenditure was observed in both the remuneration of Public Administration employees, and especially, the purchases of goods and services by these administrations.

The **gross formation of fixed capital** decreases two points and two tenths in the fourth quarter, from -4.0% to -6.2%. By type of asset, tangible fixed assets presented a decrease almost similar to that of the aggregate (from -4.3% to -6.5%), with bigger drops in construction than in capital goods. Finally, investment in intangible fixed assets decreased from 2.0% to -0.3%.

Demand for **capital goods** assets decreases its growth by almost five points, from 2.2% to -2.7%, in line with the evolution of the indicators for industrial production, turnover and imports of this type of goods. The rate of investment in machinery (-3.7%) is much more dynamic than that of assets linked to transport assets (-0.1%).

Investment in **construction** assets experienced a decrease in one point and two tenths, from -7.0% to -8.2%. Both dwellings and infrastructures and other buildings saw a decrease in their negative growth this quarter, though the contraction was much more intense in the latter case (-11.9%) than in the former (-8.0%).

External demand

The contribution of the net external demand of the Spanish economy to quarterly GDP increased one point this period, from 2.2 to 3.2 points, as a result of the slowdown experienced by imports, compensated, in part, by a decrease in export.

Exports of goods and services saw a reduction in growth, from 9.2% to 5.2%, in line with the slowed evolution of the economies of the countries to which these exports are intended, mainly those of the European Union. By component, a higher deceleration of exports of goods (from 9.5% to 2.9%) was observed, more than non-residents purchases within the territory (from 6.3% to 5.1%). In turn, services exports increased from 8.2% to 10.1%.

Lastly, **imports** of goods and services once again registered negative growth this quarter, almost seven points (from 0.9% to -5.9%), consistent with the lower level of activity. All its components present decreases, in greater amounts in the case of goods (-6.6%) than in services (-3.3%). In last place, resident purchases in the rest of the world decrease 4.3%.

Supply

In the analysis of the macroeconomic table, from the supply perspective, worth noting was the decreasing slope in the growth rhythm of all the activity branches on an aggregate scale.

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

	2010				2011			
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV
GROSS DOMESTIC PRODUCT at market prices	-1.3	0.0	0.4	0.7	0.9	0.8	0.8	0.3
Agriculture, forestry and fishing	-1.1	-1.3	-1.5	-0.3	1.1	0.5	0.4	0.3
Industry	-1.6	2.3	0.6	1.3	3.0	2.3	2.8	-0.4
- Manufacturing industry	-2.0	2.5	0.5	1.3	3.4	3.0	3.4	-0.1
Construction	-8.9	-8.7	-7.6	-5.9	-4.9	-3.2	-3.2	-3.7
Service activities	0.3	1.2	2.0	2.2	1.4	1.0	1.0	0.9
- Wholesale and retail trade	-0.5	1.1	1.5	1.4	2.7	2.0	0.9	0.3
- Information and communication	-0.9	2.7	2.2	0.7	1.2	-0.4	0.9	1.1
- Financial and insurance activities	1.8	6.4	10.0	8.9	-4.7	-2.3	-0.1	3.5
- Real estate activities	0.0	0.6	0.9	4.4	2.6	1.0	1.3	-0.3
- Professional activities	-0.2	0.0	0.7	1.3	3.1	1.7	2.8	2.6
- Public administration, health and education activities	1.4	0.6	2.0	2.6	1.2	1.4	1.0	0.3
- Arts, entertainment and other services	-1.9	-2.6	-3.4	-4.8	-3.1	-3.8	-1.1	0.7
Taxes less subsidies on products	-1.1	-0.6	-0.9	-2.2	1.2	2.5	1.3	2.0

In fact, after six periods of positive growth, gross added value for the **Industry** experienced a negative growth this quarter, from 2.8% to -0.4%, related to the negative evolution of the domestic demand and industrial goods export. Regarding the **manufacturing industry**, the decrease is higher (from 3.4% to -0.1%).

In line with the demand for assets linked to the activity, gross added value for **construction** saw its negative growth increased by five tenths, from -3.2% to -3.7%. As commented previously in the section on demand, the more unfavourable behaviour of both construction of buildings and other construction led to this result.

The added value of the **services branches** slowed its growth slightly this quarter, from 1.0% to 0.9%. Within these branches, those presenting the greatest growth were professional and real estate activities and those linked to information technologies and communications. At the opposite end of the spectrum, tourism activities registered the least growth.

Lastly, the primary branches experienced a slowdown of one tenth in the growth of added value, standing at 0.3%, in line with the evolution of the agricultural and livestock activity indicators.

Employment

Employment, measured in terms of full-time equivalent jobs, experienced a decrease of one point and three tenths in its year-on-year decrease, reaching -3.3%. This result implied the reduction of nearly 570 thousand net full-time jobs in one year.

On an aggregate scale, with exception of primary industries, the results in all industries of activity were worse than those of the previous quarter. Thus, in year-on-year terms, construction lost more than two percentage points (more than 287 thousand jobs), services one point and three tenths (more than 187 thousand jobs), and industry two points and seven tenths (almost 88 thousand).

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

	2010				2011			
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV
Total	4.9	3.2	10.8	12.5	-1.7	-0.9	-3.9	-0.5
Agriculture, forestry and fishing	0.5	0.1	2.3	5.2	-3.1	-2.0	-3.1	-1.0
Industry	-9.5	-6.2	-4.3	-2.5	-2.6	-1.8	-1.2	-3.9
- Manufacturing industry	-9.9	-6.2	-4.4	-2.5	-2.9	-2.4	-2.2	-4.5
Construction	-15.9	-12.0	-10.1	-11.7	-10.0	-13.7	-16.3	-18.5
Service activities	-1.7	-1.2	-0.7	-0.2	-0.3	0.4	-0.2	-1.5
- Wholesale and retail trade	-3.5	-2.1	-1.8	0.3	-0.3	1.2	0.6	-2.3
- Information and communication	-3.3	-3.4	0.7	-2.4	-2.8	1.8	-1.3	1.5
- Financial and insurance activities	-0.3	-1.9	-2.9	-4.1	-2.9	-3.1	-1.5	-3.0
- Real estate activities	-6.4	-5.4	-2.0	-2.9	7.4	9.2	-5.5	3.9
- Professional activities	-1.7	-1.2	1.3	0.5	1.2	0.6	-2.4	-2.2
- Public administration, health and education activities	0.9	0.8	0.6	0.9	0.8	0.2	0.8	-0.5
- Arts, entertainment and other services	-0.7	-1.6	-3.0	-4.3	-5.2	-3.2	-1.4	-1.0
Employees	-4.3	-2.8	-1.7	-1.3	-1.3	-1.1	-1.8	-3.2
Agriculture, forestry and fishing	4.9	3.2	10.8	12.5	-1.7	-0.9	-3.9	-0.5
Industry	-9.6	-5.5	-3.9	-1.9	-2.2	-1.8	-1.0	-4.1
- Manufacturing industry	-10.1	-5.5	-4.0	-2.0	-2.5	-2.4	-2.0	-4.7
Construction	-16.9	-13.4	-11.7	-12.9	-9.8	-13.6	-16.2	-18.6
Service activities	-1.6	-0.9	-0.3	-0.1	0.0	0.7	-0.1	-1.2
- Wholesale and retail trade	-3.4	-2.1	-2.0	-0.3	-0.2	0.8	0.8	-2.1
- Information and communication	-2.0	-2.1	1.0	-2.0	-2.8	3.1	-0.3	2.4
- Financial and insurance activities	-0.4	-2.2	-3.3	-4.6	-3.4	-3.7	-2.0	-3.6
- Real estate activities	-9.9	-2.1	2.2	1.0	8.0	11.2	-6.1	6.4
- Professional activities	-2.6	-1.0	3.1	2.0	2.8	3.2	-2.5	-1.6
- Public administration, health and education activities	0.9	0.9	0.7	0.7	0.7	0.1	0.8	-0.5
- Arts, entertainment and other services	-0.2	-1.6	-2.4	-3.1	-4.6	-2.3	-1.7	-1.3

The number of hours actually worked by employed persons in the economy went from -0.9% to -1.7% this quarter. The difference between this evolution and that of full-time equivalent jobs was due to the increase in the average full-time working day, from 1.1% to 1.6%.

It may be concluded, from the joint consideration of quarterly GDP growth and the employed job data, that the year-on-year variation of **apparent productivity by equivalent job posts** increased by nine tenths, from 2.8% to 3.7%, whereas growth of **apparent productivity by hour actually worked** increased two tenths, from 1.8% to 2.0%.

GDP at current prices and implicit deflator

GDP valued at current prices experienced a decrease of seven tenths in year-on-year growth, from 2.2% to 1.5%, in the fourth quarter of 2011. As a result, the growth of the implicit **deflator** of the economy reached 1.2%, two tenths less than in the previous quarter.

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

	2010				2011			
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV
GROSS DOMESTIC PRODUCT at market prices	-1.5	0.1	1.0	1.7	2.2	2.4	2.2	1.5
Household final consumption expenditure	1.4	3.6	3.3	4.4	3.8	3.2	3.7	1.5
Final consumption expenditure of NPISHs	3.9	5.1	4.4	4.1	3.3	3.4	3.1	1.5
Final consumption expenditure by government	0.3	0.3	-1.4	-2.6	0.7	-2.6	-3.1	-2.2
Gross fixed capital formation	-10.0	-2.3	-2.7	-2.2	-2.4	-3.2	-2.1	-5.4
- Tangible fixed assets	-10.4	-2.5	-2.5	-2.2	-2.7	-3.3	-2.4	-5.8
• Construction	-13.2	-8.2	-7.7	-7.2	-7.9	-7.2	-6.4	-9.1
• Equipment and cultivated assets	-1.7	16.3	13.3	11.9	11.6	6.8	7.3	1.7
- Intangible fixed assets	-3.2	1.4	-6.0	-3.3	2.7	-1.1	3.4	1.7
Changes in inventories and acquisitions less disposals of valuables (*)	0.0	0.0	0.1	0.1	0.0	0.0	-0.1	-0.1
NATIONAL DEMAND (*)	-1.7	1.6	1.0	1.5	1.8	0.5	0.9	-0.9
Exports of goods and services	8.9	14.8	13.4	16.9	19.2	13.7	13.6	9.4
Imports of goods and services	7.4	20.0	12.3	14.7	16.1	6.0	8.5	0.9
GROSS DOMESTIC PRODUCT at market prices	-1.5	0.1	1.0	1.7	2.2	2.4	2.2	1.5
Agriculture, forestry and fishing	1.8	1.6	5.8	10.2	1.2	0.0	2.8	3.7
Industry	-0.5	-1.9	3.0	6.4	7.5	10.2	6.7	5.0
- Manufacturing industry	0.0	-2.0	3.7	7.4	6.4	10.6	5.8	4.3
Construction	-9.0	-12.6	-9.6	-5.9	-2.8	1.4	-1.9	-2.6
Service activities	-0.8	-1.6	-0.7	0.9	1.9	3.0	2.0	1.9
- Wholesale and retail trade	0.7	0.1	1.6	4.1	5.3	6.9	4.1	2.8
- Information and communication	-6.5	-5.9	-5.9	-3.9	-0.2	0.2	-0.2	-0.3
- Financial and insurance activities	-26.2	-24.6	-24.7	-23.3	-17.3	-8.2	-1.3	2.5
- Real estate activities	14.6	11.1	14.4	19.5	7.2	9.8	3.6	2.8
- Professional activities	-1.0	-2.5	0.9	3.1	5.0	4.8	2.4	2.5
- Public administration, health and education activities	2.1	1.1	-0.1	-1.5	0.0	-1.0	0.0	0.0
- Arts, entertainment and other services	0.1	-2.9	-4.1	-2.0	-1.3	-1.4	0.4	3.4
Taxes less subsidies on products	1.8	39.6	32.9	9.3	3.0	-10.4	1.3	-3.6

(*) Contribution to GDP growth

Income

Regarding the primary distribution of income, compensation of employees saw an increase of one point and five tenths in its contraction, from -0.6% to -2.1%. This was the result of the negative trend of the number of employees (from -1.8% to -3.2%) and the one tenth decrease in average compensation of employee (from 1.2% to 1.1%).

In this way, unit labour cost (ULC) decreased to -2.5%, standing more than three-and-a-half points below the implicit deflator of the economy.

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

	2010				2011			
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV
GROSS DOMESTIC PRODUCT at market prices	-1.5	0.1	1.0	1.7	2.2	2.4	2.2	1.5
Compensation of employees	-3.5	-2.3	-2.3	-2.1	-0.8	-0.6	-0.6	-2.1
Unit Labor Cost (ULC)	-2.1	-2.4	-2.9	-2.9	-2.0	-1.7	-1.5	-2.5
Compensation per employee	0.8	0.5	-0.6	-0.7	0.6	0.5	1.2	1.1
Productivity per worker	3.0	3.0	2.4	2.2	2.6	2.2	2.8	3.7
Salary rate	-0.1	0.1	0.3	0.1	0.3	0.2	0.1	0.1
Gross operating surplus / Gross mixed income	0.0	-3.7	0.3	4.4	5.3	8.8	4.7	6.6
Net taxes on production and imports	2.8	38.1	31.3	11.4	3.6	-8.7	5.8	-5.1

In turn, the operating surplus and mixed income experienced a decrease of more than two points in growth, from 4.7% to 6.6%. Lastly, net taxes on production and imports decreased their growth, from 5.8% to -5.1%.

In terms of the contributions of these operations to the growth of the implicit GDP deflator, the operating surplus and mixed income contributed 2.8 points to the growth of said index, whereas compensation of employees contributed negatively to the growth of the deflator, by 1.2 points. Net taxes on production and imports decreased four tenths.

Income. Components of the GDP deflator. Contributions

	2010				2011			
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV
GROSS DOMESTIC PRODUCT at market prices	-0.2	0.1	0.7	1.0	1.3	1.6	1.4	1.2
Compensation of employees	-1.1	-1.2	-1.3	-1.4	-0.8	-0.7	-0.7	-1.2
Unit Labor Cost (ULC)	-1.1	-1.2	-1.5	-1.4	-1.0	-0.8	-0.8	-1.2
Compensation per employee	0.4	0.3	-0.3	-0.4	0.3	0.2	0.6	0.5
Productivity per worker	-1.5	-1.5	-1.2	-1.1	-1.2	-1.1	-1.3	-1.7
Salary rate	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.0
Gross operating surplus / Gross mixed income	0.6	-1.6	0.0	1.6	1.9	3.2	1.7	2.8
Net taxes on production and imports	0.3	2.9	2.0	0.8	0.2	-1.0	0.4	-0.4

Annual estimates. Year 2011

By aggregation of the four quarterly estimates of the year, the following table shows the result of growth of the aggregates of demand, supply and income, as well as of full-time equivalent employment and hours worked for the year 2011:

Quarterly Spanish National Accounts. Base 2008 Year 2011

Gross Domestic Product at market prices and components

Demand, Supply, Income

growth rates: percentages

values in millions of euros

	growth rates			value 2010 current prices
	Volume	Prices	Value	
GROSS DOMESTIC PRODUCT at market prices	0.7	1.4	2.1	1,073,383
Final consumption expenditure	-0.7	2.4	1.7	843,038
- Household final consumption expenditure	-0.1	3.2	3.0	614,475
- Final consumption expenditure of the NPISH	0.1	2.7	2.8	10,888
- Final consumption expenditure of the Public Administrations	-2.2	0.4	-1.8	217,675
Gross formation of fixed capital	-5.1	2.0	-3.3	232,429
- Material fixed assets	-5.4	2.0	-3.6	218,736
- Construction	-8.1	0.6	-7.6	150,144
- Capital goods and cultivated assets	1.4	5.2	6.7	68,592
- Immaterial fixed assets	0.0	1.6	1.6	13,693
Variation in stocks and acquisitions, less disposals of valuables (*)	0.0	-	-	4,315
DOMESTIC DEMAND (*)	-1.8	-	-	1,079,782
FOREIGN DEMAND (*)	2.5	-	-	-6,399
Exports of goods and services	9.0	4.5	13.8	323,198
Imports of goods and services	-0.1	7.8	7.6	329,597
GROSS DOMESTIC PRODUCT at market prices	0.7	1.4	2.1	1,073,383
Agriculture, livestock and fishing	0.6	1.4	1.9	25,944
Industry	1.9	5.2	7.3	166,490
- Manufacture industry	2.4	4.2	6.7	132,220
Construction	-3.8	2.3	-1.5	113,029
Services	1.1	1.1	2.2	680,767
- Commerce, transport and hotel business	1.5	3.2	4.8	242,582
- Information and communication	0.7	-0.8	-0.1	37,935
- Financing and insurance activities	-1.0	-5.4	-6.3	40,396
- Housing activities	1.1	4.5	5.7	75,221
- Professional activities	2.5	1.1	3.7	73,710
- Public administration, health and education	1.0	-1.2	-0.2	176,956
- Artistic, recreative activities and other services	-1.8	2.2	0.3	33,967
Net taxes on products	1.7	-4.6	-2.9	87,153
GROSS DOMESTIC PRODUCT at market prices	0.7	1.4	2.1	1,073,383
Compensation of employees	-	-	-1.0	501,573
Gross operating surplus / Gross mixed income	-	-	6.3	480,540
Net taxes on production and imports	-	-	-1.5	91,270
(*) contribution to the growth of GDP				
memorandum:				
Full-time equivalent jobs (thousands)	-2.0	-	-	17,165
Hours actually worked (millions)	-1.0	-	-	31,147

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

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