

**Spanish National Accounts. Base 2008
Update of accounting series 2008-2011**

The Spanish economy registers real growth of 0.4% in the year 2011

GDP for 2011 is downwardly revised by three tenths, and GDP for 2010 is reduced by two tenths

The Spanish National Accounts, base 2008 (SNA-2008), has updated the estimates from accounting series 2008 – 2011 in accordance with the normal calendar. The balances corresponding to the years 2008, 2009 and 2010, published in the month of October 2011, were thus newly estimated, as was that corresponding to the year 2011, disseminated last February, in terms of the Quarterly National Accounts.

This new annual data will be included in the estimation process of the Quarterly Spanish National Accounts, subsequently updating the quarterly accounting series which will be disseminated tomorrow, Tuesday, 28 August, and referring to the second quarter of 2012.

As a result of the update, the growth of Gross Domestic Product (GDP) in real terms for the year 2011 was revised with a drop of three tenths (from 0.7% to 0.4%), and for the year 2010, it was corrected with a reduction of two tenths (from -0.1% to -0.3%).

In turn, the annual growth of GDP corresponding to the years 2008 and 2009 remained unaltered at -3.7% and 0.9%, respectively.

Gross Domestic Product

Annual growth in terms of volume

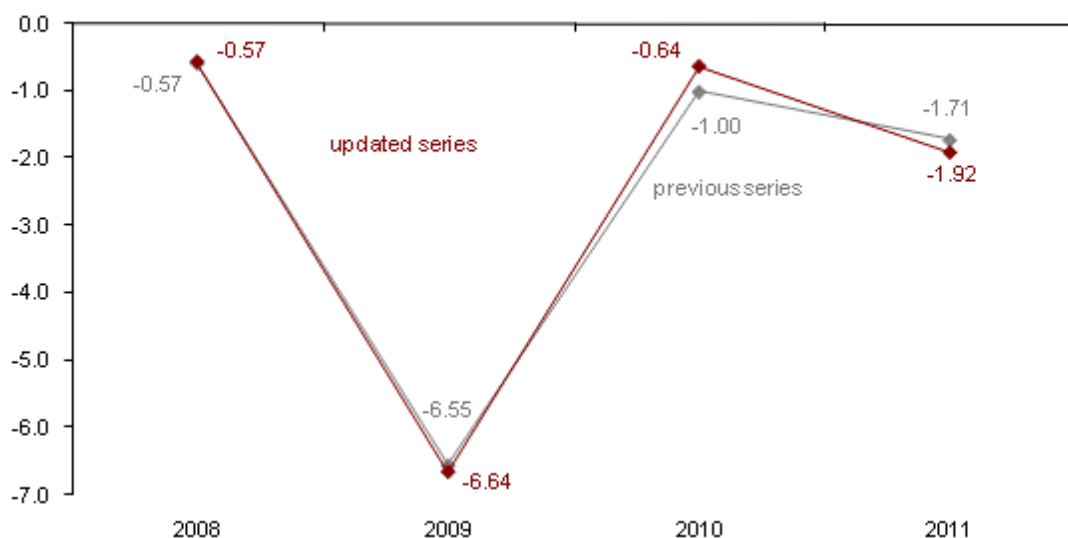
	Updated series	Previous series
2008 (definitive)	0.9	0.9
2009 (provisional)	-3.7	-3.7
2010 (provisional)	-0.3	-0.1
2011 (preview)	0.4	0.7

The revisions carried out on the level and growth rate of GDP and its components for supply, demand and income were born, on the one hand, out of the incorporation of statistical sources of a structural nature for the years in which such information was not forthcoming (Annual Industrial Companies Survey, Annual Services Survey, Household Budget Survey, Construction Structure Survey, Accounts for Agriculture, Annual Balance Centre, etc.). On the other hand, out of the incorporation of final data in those operations which had previously

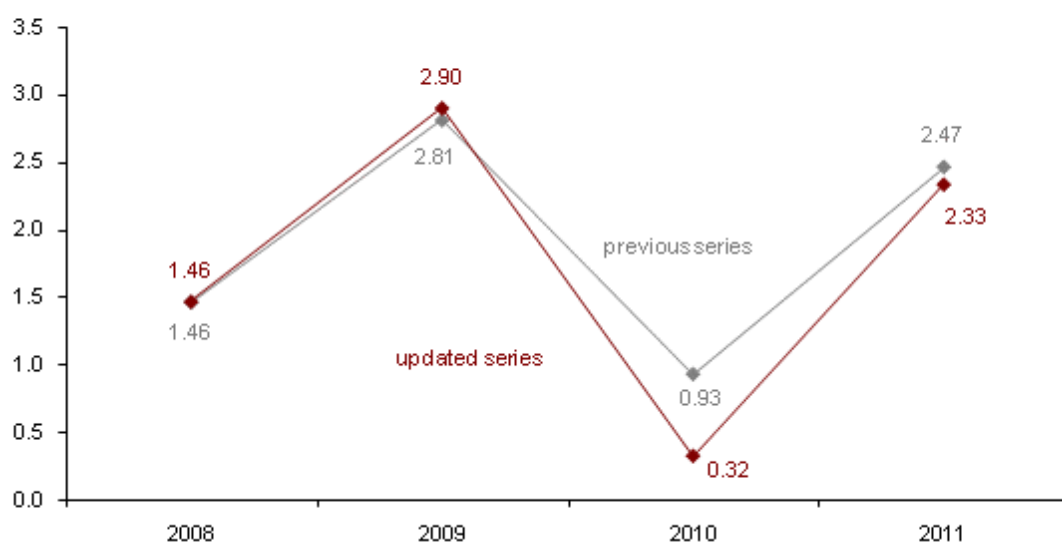
been estimated using provisional or preview data (Public Administration Accounts¹, Foreign Trade of Goods, Balance of Payments, etc.). Lastly, it should be borne in mind that the change in the composition of GDP each year has an effect on the estimation of growth in subsequent years.

As a result of the revisions carried out, **the contributions of domestic demand and of foreign demand**, in accordance with these new real growth figures, are illustrated in the following graphs:

Contribution to growth of Domestic Demand

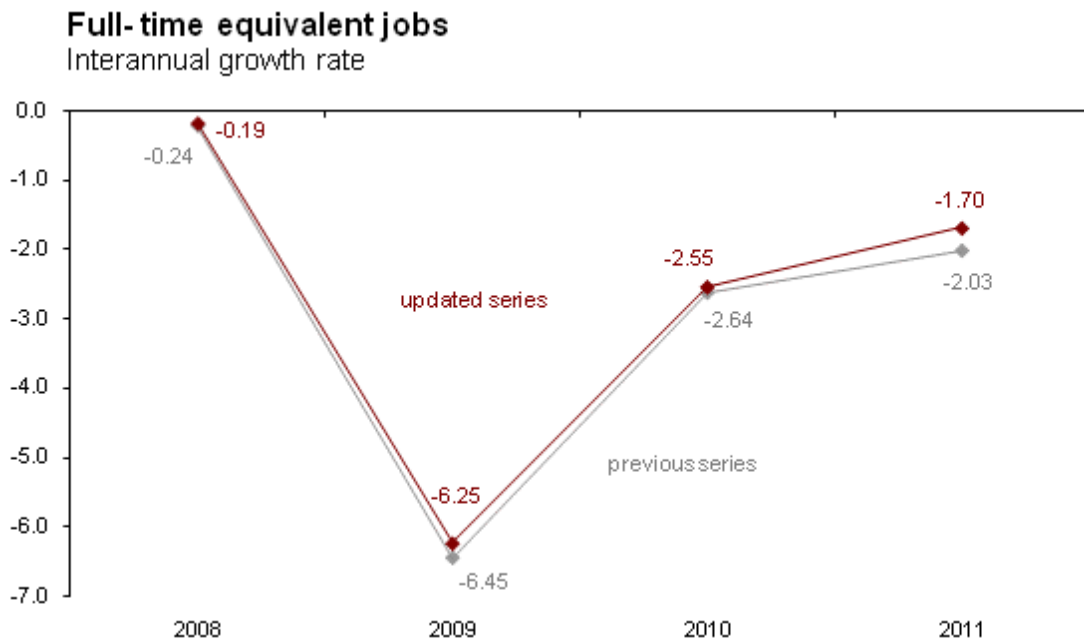


Contribution to growth of Foreign Demand

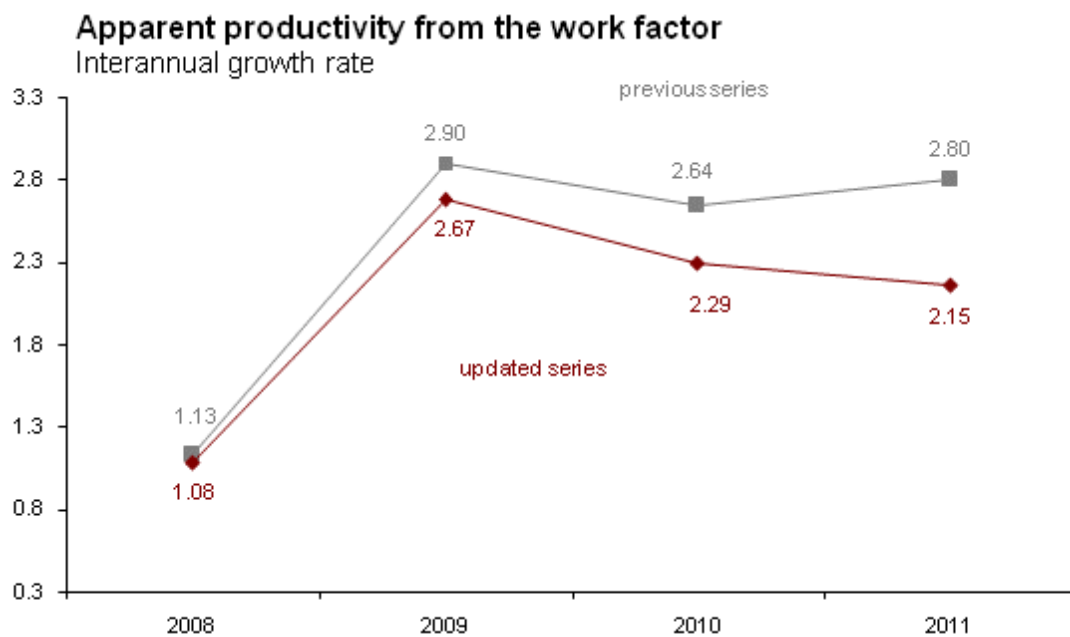


¹ The estimates of Public Administration aggregates presented here are completely coherent with those of the Accounts of the aforementioned administrations, which will be transmitted in September to the European Commission in the framework of the Procedure on Excessive Deficit (PDE)

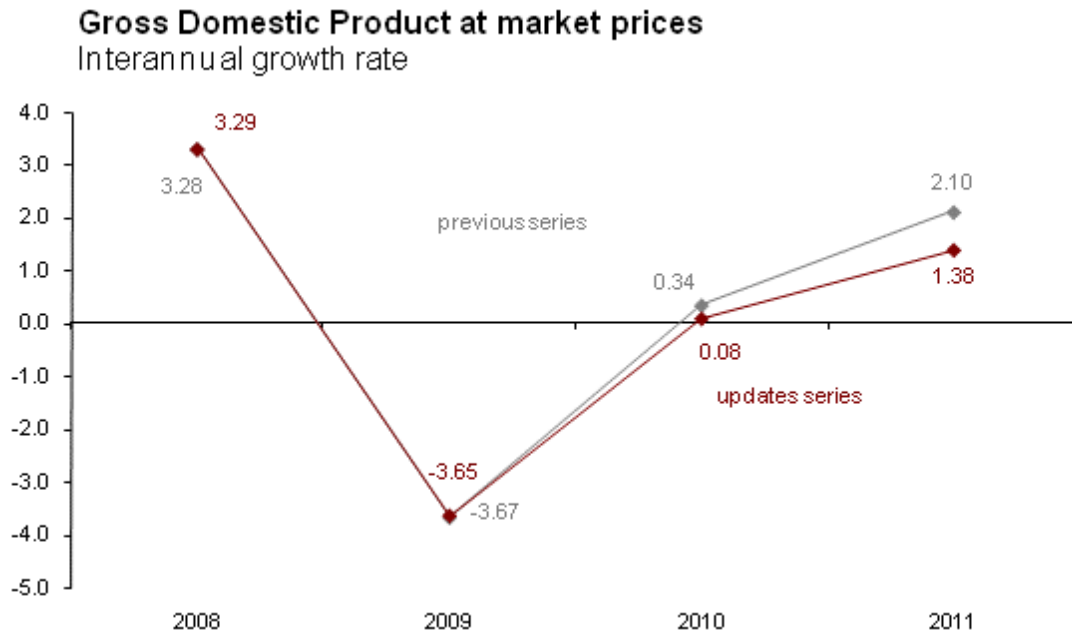
Estimates have also been updated for **employment** in the economy. The results of the revisions carried out, in terms of full-time equivalent jobs filled, are illustrated in the following graph:



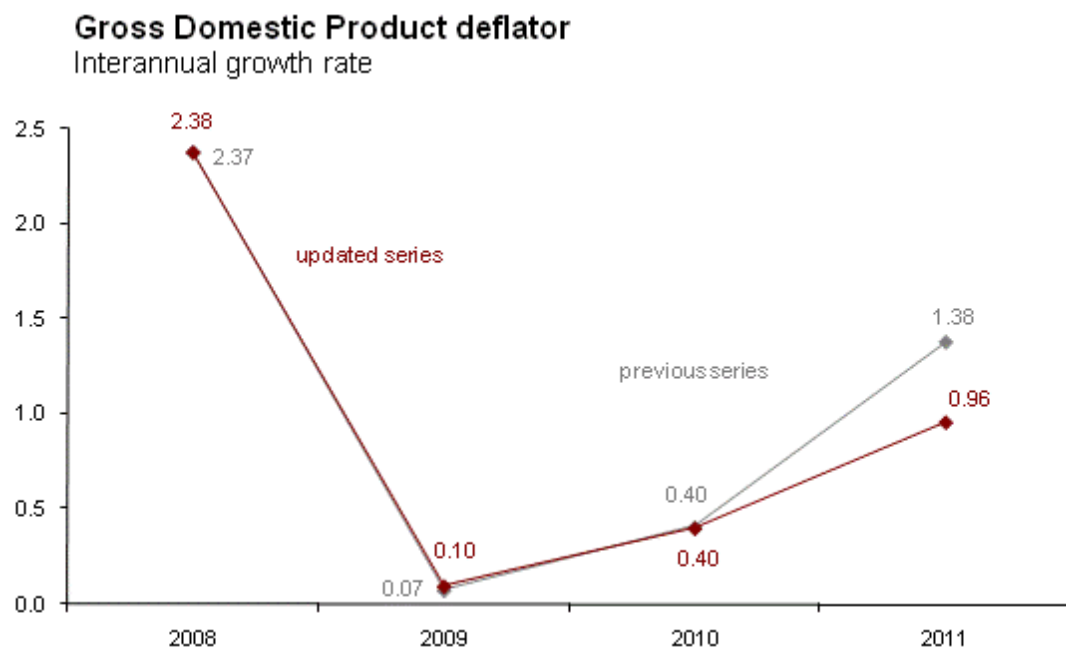
The new GDP and employment growth figures resulted in the variation in **apparent productivity from the work factor** illustrated in the graph below:



In **nominal terms**, the updating of the accounting series specified upward revisions for the years 2008 and 2009, and downward revisions for 2010 and 2011. The updated profile is as follows:



As a result, the **implicit GDP deflator** now shows the following evolution:



Changes in the composition of GDP growth in 2011

The real growth rate of Spanish GDP for the year 2011 was revised for a three-tenth drop as a result of the **lesser contribution of foreign demand (from 2.5 to 2.3 points), and a more negative contribution of domestic demand to aggregate growth (from -1.7 to -1.9).**

The structure of foreign demand has been modified by the inclusion, in the update process, of the final 2010 foreign trade of goods data and data for the new estimates of the Balance of Payments for 2010 and 2011. Thus, real growth of exports in 2011 was revised with a drop of 1.4 points (from 9.0% to 7.6%), whereas the drop in imports increased by eight tenths (from -0.1% to -0.9%). As a result, the contribution of foreign demand to the growth of GDP was reduced by two tenths.

Regarding domestic demand, the growth of final consumption expenditure was revised to a one-tenth drop (from -0.7% to -0.8%), and gross capital formation was updated from -5.2% to -5.5%. Both revisions entailed that the contribution of domestic demand to aggregate growth had decreased by two tenths.

The reduction in household consumption expenditure in 2011 was greater than that estimated this past February, being -0.8% rather than -0.1%. In turn, the decrease in Public Administration expenditure was lower than initially estimated (-0.5% rather than -2.2%).

The decrease in investment recorded by the revision was mainly caused by the drop in construction assets (-9.0% instead of -8.1%), partially compensated by the upward revision both of capital goods and assets cultivated (from 1.4% to 2.3%), and of intangible fixed assets (from 0.0% to 3.1%).

Gross Domestic Product. Demand. Year 2011

Annual growth in terms of volume

	Updated series	Previous series
Final Consumption Expenditure	-0.8	-0.7
- From Households and NPISHs	-1.0	-0.1
- From General Government	-0.5	-2.2
Gross Fixed Capital Formation	-5.5	-5.1
- Tangible fixed assets	-5.8	-5.4
- Construction	-9.0	-8.1
- Capital goods and cultivated assets	2.3	1.4
- Intangible fixed assets	3.1	0.0
Changes in inventories and acquisitions less disposals of valuables (contribution to GDP growth)	-0.1	0.0
Exports of goods and services	7.6	9.0
Imports of goods and services	-0.9	-0.1

The interannual variation of the total employment in the economy, measured in terms of full-time equivalent job posts, **was revised to a three-tenth increase in 2011, from -2.0%**

to **-1.7%**. Thus, the apparent productivity of the job factor experienced a six-tenth reduction in growth, reaching 2.2%.

In nominal terms, the decrease in GDP for 2011 was estimated at 1.4%, reaching a level of 1,063,355 million euros.

As a result of the update of real and nominal Gross Domestic Product for the year 2011, the growth of the implicit GDP deflator decreased four tenths as compared with that estimated in February (from 1.4% to 1.0%).

Lastly, taking the analysis of the accounts revised for the Rest of the World sector for the year 2011, it could be observed that, on the one hand, Spanish Gross National Income reached 1,041,900 million euros in the said year, and on the other hand, **the Spanish economy exhibited a financing need, as compared with the rest of the world, of 33,943 million euros, which accounted for 3.2% of GDP.**

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