

30 April 2021

## **Quarterly National Accounts of Spain: main aggregates**

First quarter of 2021 Preview

### **Results in the context of the Covid-19 crisis**

The economic effects of the COVID-19 pandemic are presented in the aggregates of the Spanish National Accounts from the first quarter of 2020. The impacts on statistical activity and on the economic situation stemming from the measures adopted to combat effects both on public health and on economic activity and employment has posed an unprecedented challenge ever since.

This preview of results for the first quarter of 2021 was prepared using the information currently available on the economic evolution of said quarter. Most of the statistical indicators offer results through the second month of this year (February).

As was the case in the preview for the first four quarters of 2020, on this occasion, the INE has added -in addition to information from its regular informational base- advance results from some of its sources for the month of March, indicator estimates based on administrative data, and other additional sources that complement the usual sources, in line with Eurostat recommendations and other international statistical agencies.

However, the difficulty inherent in the statistical measurement of a situational change such as that experienced since March of last year suggests that future revisions of the results published today may be more extensive than usual.

It should once again be recalled that, in the current context, analysis of certain variables is more relevant than in previous moments. This is the case for hours actually worked, when measuring the evolution of employment. This variable, compared to full-time equivalent jobs, most clearly reflects the effects on employment caused by the COVID-19 pandemic and the measures subsequently adopted to combat its effects. Equivalent jobs are affected by both the variation in hours worked and by the average working time, making their interpretation in this exceptional situation less direct.

## Main results

- The Spanish GDP registered a variation of -0.5% in the first quarter of 2021 compared to the previous quarter. This rate is five tenths lower than that registered in the fourth quarter of 2020.
- Year-on-year GDP variation stood at -4.3%, compared with -8.9% in the previous quarter.
- The contribution of the domestic demand to the year-on-year GDP growth was -2.6 percentage points, 3.6 points higher than that of the fourth quarter. On the other hand, the external demand registered a contribution of -1.6 points, 1.1 higher than in the previous quarter.
- The implicit GDP deflator increased by 1.0% compared to the same quarter in 2020, two tenths higher than in the previous quarter.
- Employment in the economy, in terms of hours worked, fell by 2.0% compared to the previous quarter. The positions equivalent to full-time equivalent jobs grew by 1.4%, which is two tenths less than in the fourth quarter, due to the reduction in average full-time working days (-3.4%).
- In year-on-year terms, hours worked varied by -3.6%, a rate 2.5 points higher than that of the fourth quarter of 2020, and full-time equivalent positions by -1.9%, 3.3 points more than in the fourth quarter, representing a decrease of 343 thousand full-time equivalent jobs in one year.
- The year-on-year variation of the unit labour cost stood at 2.6% this quarter.

## Quarter-on-quarter evolution of GDP

The *Gross Domestic Product* (GDP) generated by the Spanish economy, measured in terms of chain-linked volume with reference to 2015, registered a quarter-on-quarter variation of -0.5% in the first quarter of 2021<sup>1</sup>. This rate is five tenths lower than that recorded for the fourth quarter.

### Gross Domestic Product

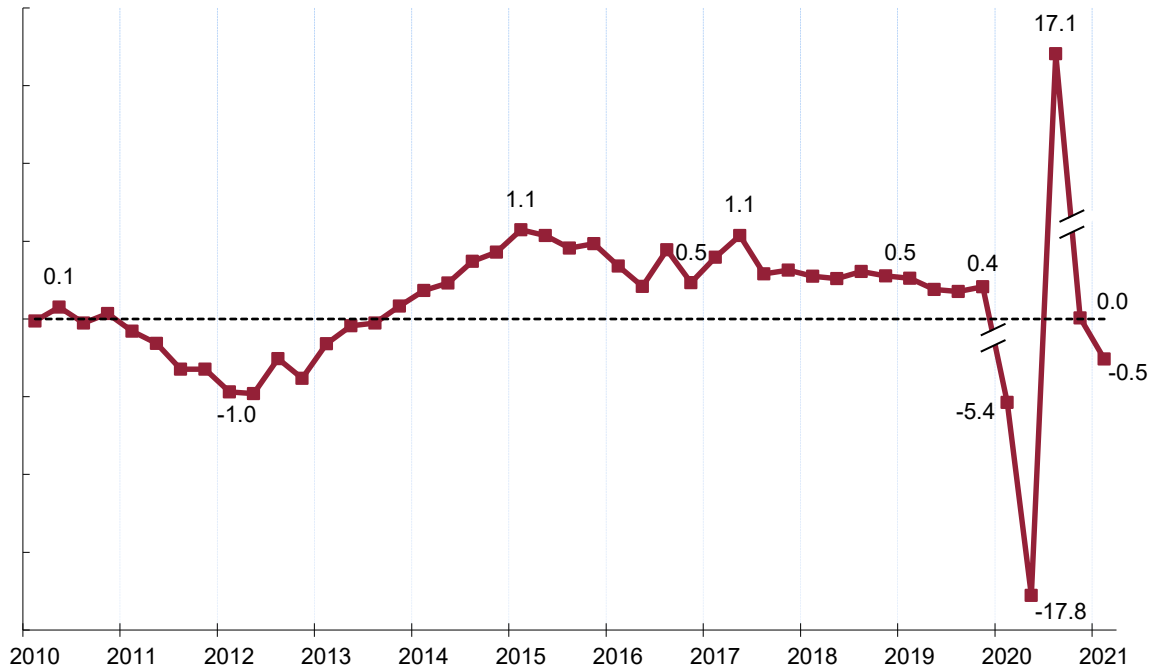
Chain-linked volume. Quarter-on-quarter variation rates (%)

|  | 2019       |            |            |            | 2020        |              |             |            | 2021        |
|--|------------|------------|------------|------------|-------------|--------------|-------------|------------|-------------|
|  | Q. I       | Q. II      | Q. III     | Q. IV      | Q. I        | Q. II        | Q. III      | Q. IV      | Q. I        |
| <b>Gross domestic product at market prices</b>                             | <b>0.5</b> | <b>0.4</b> | <b>0.4</b> | <b>0.4</b> | <b>-5.4</b> | <b>-17.8</b> | <b>17.1</b> | <b>0.0</b> | <b>-0.5</b> |
| Final consumption expenditure  | 0.4        | 0.0        | 0.7        | 0.3        | -4.6        | -14.3        | 14.8        | 0.4        | -0.6        |
| Household final consumption expenditure                                    | 0.4        | -0.3       | 0.8        | 0.1        | -6.6        | -20.1        | 21.4        | 0.0        | -1.0        |
| Final consumption expenditure of NPISHs                                    | 1.5        | 1.4        | 1.6        | -0.4       | -1.2        | 0.0          | 0.0         | 0.6        | -2.1        |
| Final consumption expenditure by government                                | 0.2        | 0.9        | 0.6        | 0.9        | 1.1         | 0.6          | 1.3         | 1.3        | 0.5         |
| Gross capital formation  | 0.5        | -0.3       | 0.7        | -1.2       | -5.1        | -20.5        | 20.2        | 0.6        | -2.2        |
| Gross fixed capital formation  | 1.2        | -0.3       | 1.1        | -1.0       | -4.9        | -20.5        | 21.5        | 1.0        | -1.9        |
| Tangible fixed assets  | 1.2        | -0.7       | 1.0        | -1.4       | -5.8        | -23.2        | 26.2        | 0.4        | -2.6        |
| Dwellings and other buildings and structures                               | 0.0        | -0.4       | -0.6       | -1.3       | -4.2        | -20.7        | 16.7        | -0.2       | -5.2        |
| Machinery, Equipment,<br>weapon system and cultivated biological resources | 3.0        | -1.1       | 3.4        | -1.7       | -8.1        | -27.0        | 42.2        | 1.1        | 0.9         |
| Intellectual property products   | 0.9        | 1.4        | 1.2        | 1.4        | -0.4        | -7.6         | 3.2         | 4.1        | 1.4         |
| National demand  | 0.4        | -0.1       | 0.7        | 0.0        | -4.7        | -15.6        | 15.9        | 0.4        | -0.9        |
| Exports of goods and services  | 0.3        | 1.5        | 0.2        | 0.2        | -7.5        | -34.0        | 31.1        | 4.6        | -0.1        |
| Imports of goods and services  | -0.2       | 0.3        | 1.3        | -1.1       | -5.8        | -28.6        | 26.8        | 6.2        | -1.3        |
| <b>Gross domestic product at market prices</b>                             | <b>0.5</b> | <b>0.4</b> | <b>0.4</b> | <b>0.4</b> | <b>-5.4</b> | <b>-17.8</b> | <b>17.1</b> | <b>0.0</b> | <b>-0.5</b> |
| Agriculture, forestry and fishing  | -4.0       | -2.7       | 1.4        | 0.1        | 2.3         | 3.7          | -1.4        | 3.4        | -2.0        |
| Industry   | 0.7        | 0.7        | 0.7        | -0.1       | -6.6        | -19.4        | 26.4        | 1.3        | -2.1        |
| Manufacturing industry   | 0.6        | 0.3        | 0.7        | 0.4        | -7.5        | -22.8        | 31.9        | 2.2        | -2.8        |
| Construction   | 1.4        | 0.6        | -0.3       | -0.1       | -7.0        | -22.6        | 24.8        | -2.8       | -4.2        |
| Service activities   | 0.7        | 0.5        | 0.3        | 0.7        | -4.8        | -18.3        | 15.5        | 0.3        | 0.2         |
| Trade, transport and accommodation and restaurants                         | 1.0        | 0.3        | 0.7        | 0.7        | -10.2       | -39.3        | 42.3        | 0.1        | 1.4         |
| Information and communication  | 0.7        | 0.1        | 0.6        | 1.1        | -3.8        | -11.0        | 6.5         | 1.1        | 0.3         |
| Financial and insurance activities   | -0.8       | 0.0        | -0.5       | 0.0        | 0.5         | 1.1          | 3.9         | 0.9        | 1.2         |
| Real estate activities   | 0.6        | 0.5        | 0.6        | 0.8        | -1.3        | -6.3         | 6.4         | -0.4       | -0.5        |
| Professional, scientific and technical activities and other                | 1.3        | 1.0        | 0.8        | 1.0        | -5.4        | -25.1        | 21.3        | 3.8        | -2.8        |
| Public administration, education and health activities                     | 0.4        | 0.6        | 0.0        | 0.4        | -0.2        | -0.1         | 1.1         | 2.6        | 0.5         |
| Arts, entertainment and other services                                     | 0.3        | 0.5        | -1.2       | 0.6        | -8.5        | -32.7        | 30.5        | -16.7      | 0.3         |
| Taxes on products less subsidies   | 0.1        | -0.2       | -0.1       | -0.2       | -8.4        | -14.8        | 16.9        | -3.2       | -0.2        |

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

**Gross Domestic Product**

Chain-linked volume. Quarter-on-quarter variation rates (%)

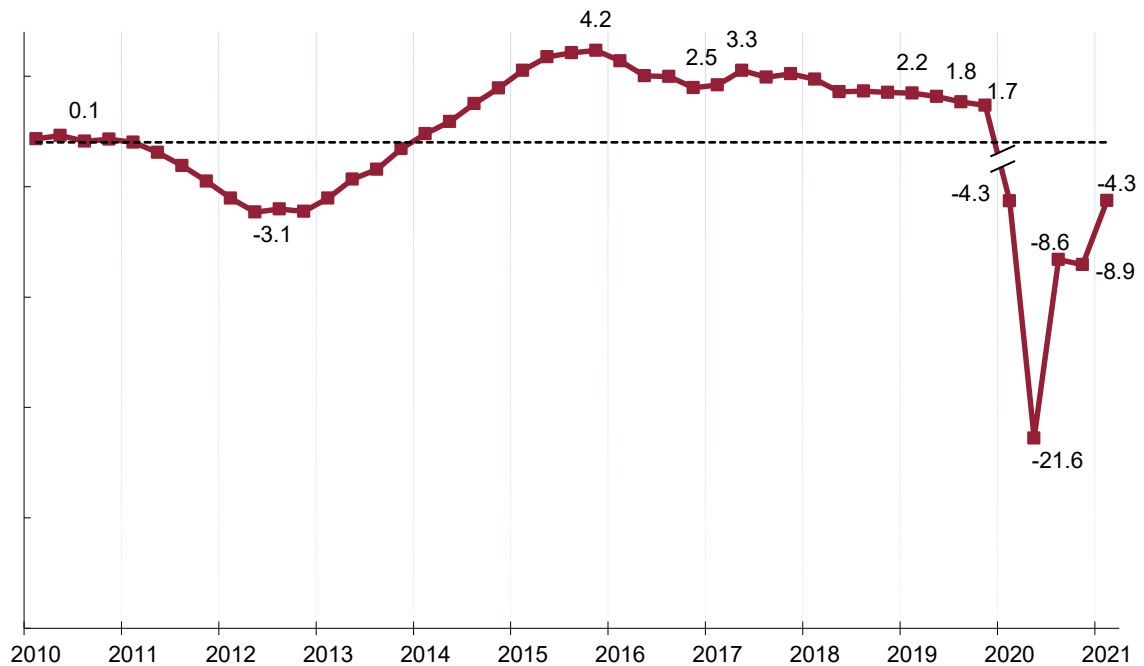


**Year-on-year evolution of GDP**

In year-on-year terms, the variation in GDP is -4.3%, a rate 4.6 points higher than that of the fourth quarter of 2020.

**Gross Domestic Product**

Chain-linked volume. Year-on-year variation rates (%)

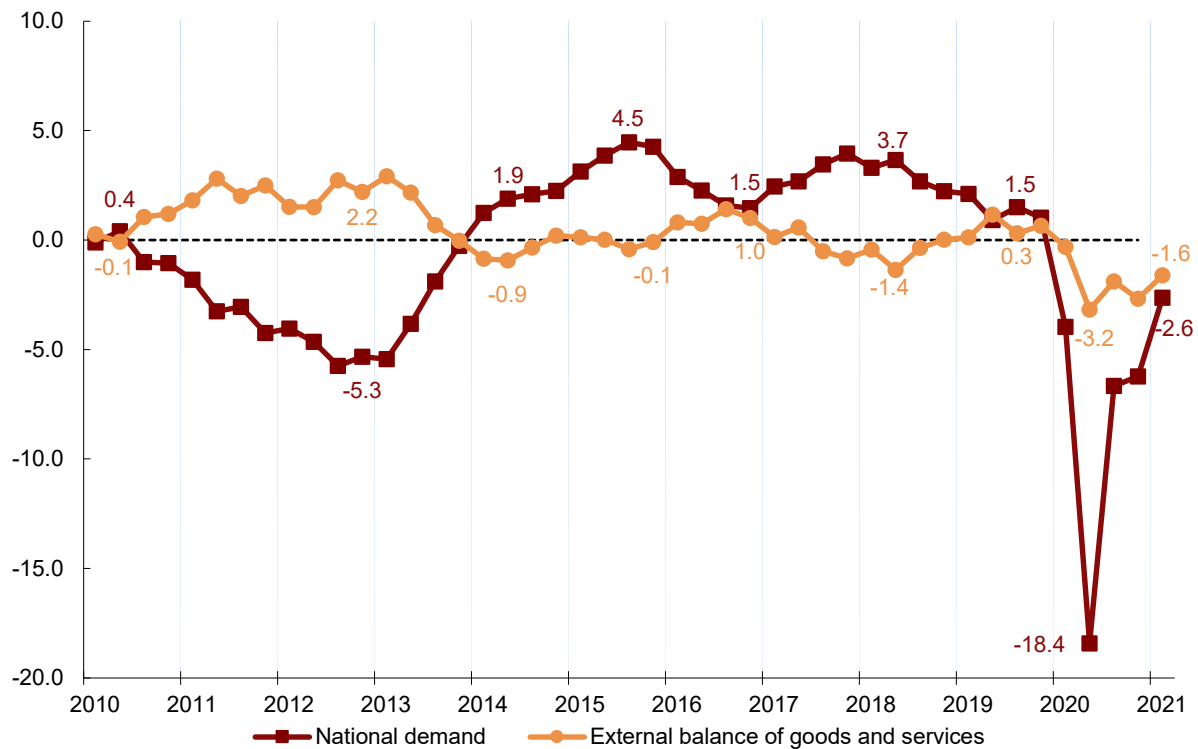


## Year-on-year evolution of GDP: demand

The contribution of the domestic demand to the year-on-year GDP growth was -2.6 percentage points, 3.6 points higher than that of the fourth quarter. Meanwhile, the *external demand* registered a contribution of -1.6 points, 1.1 points more than in the previous quarter.

### National and External Demand

Contributions to annual growth in GDP volume



### Domestic demand

The *final consumption expenditure* decreased by 1.9% compared to the same quarter of 2020. This rate is 3.9 points higher than that of the fourth quarter.

*Household final consumption expenditure* experienced a year-on-year rate of -4.0%, 5.4 points more than in the previous quarter. On the other hand, *General Government final consumption expenditure* presented a growth of 3.8%, seven tenths lower than in the previous quarter.

*Gross fixed capital formation* had a variation of -5.9%, 2.9 points higher than that of the previous quarter.

Investment<sup>2</sup> in *Tangible fixed assets* had a year-on-year rate of -5.2%, which is 3.1 points more than in the previous quarter. By components, investment in *dwelling and other buildings and structures* decreased by 1.0 percentage points, going from -11.5% to -12.5%, and investment in *machinery, equipment and weapon systems* rose by 9.8 points, showing a variation of 5.6%, as compared with -4.2% in the previous quarter.

<sup>2</sup> Gross fixed capital formation.

On the other hand, investment in *intellectual property products* registered a variation of 0.6%, an increase of 1.8 points compared to the previous quarter.

## Gross Domestic Product. Demand

Chain-linked volume. Year-on-year variation rates (%)

|  | 2019       |            |            |            | 2020        |              |             |             | 2021        |
|--|------------|------------|------------|------------|-------------|--------------|-------------|-------------|-------------|
|  | Q. I       | Q. II      | Q. III     | Q. IV      | Q. I        | Q. II        | Q. III      | Q. IV       | Q. I        |
| <b>Gross domestic product at market prices</b>                                   | <b>2.2</b> | <b>2.1</b> | <b>1.8</b> | <b>1.7</b> | <b>-4.3</b> | <b>-21.6</b> | <b>-8.6</b> | <b>-8.9</b> | <b>-4.3</b> |
| Final consumption expenditure  | 1.3        | 0.9        | 1.4        | 1.4        | -3.6        | -17.4        | -5.9        | -5.8        | -1.9        |
| Household final consumption expenditure  | 1.0        | 0.3        | 1.1        | 1.0        | -6.1        | -24.7        | -9.3        | -9.4        | -4.0        |
| Final consumption expenditure of NPISHs  | 1.6        | 3.8        | 5.9        | 4.2        | 1.4         | 0.0          | -1.6        | -0.7        | -1.5        |
| Final consumption expenditure by government                                      | 2.2        | 2.4        | 2.2        | 2.6        | 3.5         | 3.3          | 4.0         | 4.5         | 3.8         |
| Gross capital formation  | 5.4        | 1.2        | 1.9        | -0.3       | -5.8        | -24.9        | -10.4       | -8.8        | -5.9        |
| Gross fixed capital formation  | 5.7        | 1.3        | 2.8        | 0.9        | -5.1        | -24.3        | -9.0        | -7.2        | -4.2        |
| Tangible fixed assets  | 7.0        | 1.2        | 2.6        | 0.1        | -6.8        | -27.9        | -10.0       | -8.3        | -5.2        |
| Dwellings and other buildings and structures                                     | 5.3        | 2.7        | 0.9        | -2.2       | -6.3        | -25.4        | -12.5       | -11.5       | -12.5       |
| Machinery, Equipment, weapon system and cultivated biological resources          | 9.6        | -0.9       | 5.2        | 3.6        | -7.6        | -31.8        | -6.2        | -3.6        | 5.9         |
| Machinery, Equipment and weapon system   | 10.1       | -0.9       | 5.4        | 3.6        | -8.0        | -33.3        | -6.9        | -4.2        | 5.6         |
| Intellectual property products   | -0.2       | 2.1        | 3.7        | 5.0        | 3.6         | -5.5         | -3.7        | -1.2        | 0.6         |
| Changes in inventories and acquisitions less disposals of valuables <sup>1</sup> | 0.0        | 0.0        | -0.1       | -0.2       | -0.2        | -0.4         | -0.4        | -0.4        | -0.4        |
| National demand <sup>1</sup>   | 2.1        | 0.9        | 1.5        | 1.0        | -4.0        | -18.4        | -6.7        | -6.2        | -2.6        |
| External balance of goods and services <sup>1</sup>                              | 0.1        | 1.2        | 0.3        | 0.7        | -0.3        | -3.2         | -1.9        | -2.7        | -1.6        |
| Exports of goods and services  | 1.1        | 3.2        | 2.7        | 2.1        | -5.8        | -38.7        | -19.8       | -16.3       | -9.5        |
| Imports of goods and services  | 0.8        | -0.1       | 2.0        | 0.3        | -5.3        | -32.6        | -15.7       | -9.4        | -5.2        |

<sup>1</sup>Contribution to GDP growth at market prices

## External Demand

*Exports of goods and services* showed a variation of -9.5% compared to the first quarter of 2020, which represents 6.8 points more than in the previous quarter. This acceleration was due to an increase in the year-on-year rates of *exports of goods* (from -0.6 to 3.5%) and of *exports of services* (from -48.5% to -39.5%). Among these, non-resident expenditure in the economic territory decreased by 4.3 points (from -90.2% to -94.5%).

*Imports of goods and services* varied by -5.2% with respect to the same quarter of the previous year, 4.2 points more than in the fourth quarter. This lower decline is explained by the increase in imports of goods (from -4.3% to -0.8%) accompanied by a rise in the year-on-year variation rate of imports of services (from -30.5% to -24.6%). For its part, year-on-year variation of *resident expenditure in the rest of the world* fell by 2.8 points this quarter (from -81.5% to -84.3%).

## Year-on-year evolution of GDP: supply

The gross value added of industrial branches increased by 1.1% with respect to the same quarter of 2020, representing an increase of 4.7 points as compared with the year-on-year variation recorded in the previous quarter. Within them, the manufacturing industry likewise presented a rate of 1.1%, which is 4.8 points more than that of the previous quarter.

The gross value added of *Construction* varied by -10.1% in the year-on-year rate, 2.6 points more than in the previous quarter.

The year-on-year variation in the gross value added of *Services* in the first quarter was -5.3%, 4.7 points more than in the previous quarter.

Finally, the primary branches recorded a year-on-year variation of 3.7% this quarter compared to 8.2% in the previous quarter.

## Gross Domestic Product. Supply

Chain-linked volume. Year-on-year variation rates (%)

|   | 2019       |            |            |            | 2020        |              |             |             | 2021        |
|---|------------|------------|------------|------------|-------------|--------------|-------------|-------------|-------------|
|   | Q. I       | Q. II      | Q. III     | Q. IV      | Q. I        | Q. II        | Q. III      | Q. IV       | Q. I        |
| <b>Gross domestic product at market prices</b>              | <b>2.2</b> | <b>2.1</b> | <b>1.8</b> | <b>1.7</b> | <b>-4.3</b> | <b>-21.6</b> | <b>-8.6</b> | <b>-8.9</b> | <b>-4.3</b> |
| Agriculture, forestry and fishing                           | 0.7        | -4.4       | 0.0        | -5.3       | 1.0         | 7.6          | 4.6         | 8.2         | 3.7         |
| Industry  | 0.7        | 1.6        | 2.4        | 2.1        | -5.4        | -24.3        | -5.0        | -3.6        | 1.1         |
| Manufacturing industry                                      | 0.3        | 0.7        | 1.9        | 2.0        | -6.2        | -27.8        | -5.4        | -3.7        | 1.1         |
| Construction  | 6.8        | 5.8        | 3.2        | 1.7        | -6.8        | -28.3        | -10.2       | -12.7       | -10.1       |
| Service activities  | 2.5        | 2.4        | 1.9        | 2.2        | -3.4        | -21.5        | -9.6        | -10.0       | -5.3        |
| Trade, transport and accommodation and restaurants          | 3.0        | 2.6        | 2.7        | 2.8        | -8.6        | -44.7        | -21.8       | -22.3       | -12.3       |
| Information and communication                               | 3.6        | 1.8        | 1.9        | 2.6        | -2.0        | -12.9        | -7.8        | -7.8        | -3.9        |
| Financial and insurance activities                          | 2.3        | 0.1        | -1.2       | -1.3       | -0.1        | 1.0          | 5.6         | 6.6         | 7.4         |
| Real estate activities                                      | 2.8        | 2.7        | 2.4        | 2.6        | 0.7         | -6.1         | -0.7        | -2.0        | -1.2        |
| Professional, scientific and technical activities and other | 5.1        | 5.3        | 4.1        | 4.1        | -2.7        | -27.9        | -13.2       | -10.8       | -8.4        |
| Public administration, education and health activities      | 0.8        | 1.5        | 1.0        | 1.5        | 0.9         | 0.1          | 1.3         | 3.5         | 4.2         |
| Arts, entertainment and other services                      | -0.3       | 1.8        | -1.2       | 0.2        | -8.6        | -38.8        | -19.1       | -33.0       | -26.5       |
| Taxes on products less subsidies                            | 0.7        | 0.2        | 0.0        | -0.3       | -8.9        | -22.2        | -9.0        | -11.7       | -3.8        |

## GDP at current prices and implicit deflator

GDP at current prices showed a year-on-year rate of -3.3%. This decline was 4.9 points below that recorded for the fourth quarter.

## Gross Domestic Product

Current prices Year-on-year variation rates (%)

|   | 2019       |            |            |            | 2020        |              |             |             | 2021        |
|---|------------|------------|------------|------------|-------------|--------------|-------------|-------------|-------------|
|   | Q. I       | Q. II      | Q. III     | Q. IV      | Q. I        | Q. II        | Q. III      | Q. IV       | Q. I        |
| <b>Gross domestic product at market prices</b>                                      | <b>3.5</b> | <b>3.5</b> | <b>3.2</b> | <b>3.3</b> | <b>-3.2</b> | <b>-20.8</b> | <b>-7.4</b> | <b>-8.2</b> | <b>-3.3</b> |
| Final consumption expenditure   | 2.7        | 2.6        | 2.4        | 2.5        | -2.5        | -17.0        | -5.6        | -5.8        | -0.9        |
| Household final consumption expenditure   | 2.0        | 1.8        | 1.8        | 1.8        | -5.2        | -24.7        | -9.5        | -9.8        | -3.2        |
| Final consumption expenditure of NPISHs   | 3.8        | 5.2        | 7.9        | 6.5        | 5.6         | 4.4          | 2.9         | 3.1         | 2.5         |
| Final consumption expenditure by government   | 4.7        | 4.9        | 4.0        | 4.6        | 5.1         | 4.8          | 5.5         | 5.7         | 5.1         |
| Gross capital formation   | 9.8        | 4.3        | 4.4        | 1.5        | -5.0        | -24.1        | -8.4        | -7.5        | -7.4        |
| Gross fixed capital formation   | 10.0       | 4.4        | 5.2        | 2.8        | -4.1        | -23.3        | -6.8        | -5.8        | -2.5        |
| Tangible fixed assets   | 11.9       | 4.9        | 5.8        | 2.8        | -4.9        | -26.5        | -7.1        | -6.5        | -3.3        |
| Dwellings and other buildings and structures  | 11.6       | 7.4        | 4.5        | 0.7        | -4.4        | -24.2        | -8.8        | -9.6        | -9.5        |
| Machinery, Equipment,<br>weapon system and cultivated biological resources          | 12.4       | 1.3        | 7.8        | 6.1        | -5.8        | -29.9        | -4.8        | -2.0        | 6.1         |
| Intellectual property products  | 1.3        | 2.2        | 2.3        | 2.8        | 0.4         | -7.4         | -5.2        | -2.2        | 1.4         |
| Changes in inventories and<br>acquisitions less disposals of valuables <sup>1</sup> | 0.1        | 0.0        | -0.1       | -0.2       | -0.2        | -0.4         | -0.4        | -0.4        | -0.8        |
| National demand <sup>1</sup>  | 4.1        | 2.9        | 2.8        | 2.2        | -3.0        | -18.0        | -6.0        | -6.0        | -2.3        |
| Exports of goods and services   | 2.5        | 3.6        | 2.2        | 2.3        | -5.8        | -39.6        | -20.9       | -17.1       | -9.0        |
| Imports of goods and services   | 4.5        | 2.0        | 1.1        | -0.9       | -5.3        | -34.7        | -18.6       | -11.9       | -6.5        |
| <b>Gross domestic product at market prices</b>                                      | <b>3.5</b> | <b>3.5</b> | <b>3.2</b> | <b>3.3</b> | <b>-3.2</b> | <b>-20.8</b> | <b>-7.4</b> | <b>-8.2</b> | <b>-3.3</b> |
| Agriculture, forestry and fishing   | -5.7       | -9.4       | 5.1        | 2.1        | 3.8         | 19.6         | 5.0         | 7.3         | -1.2        |
| Industry  | 2.9        | 4.4        | 3.3        | 4.4        | -6.5        | -22.6        | -3.5        | -1.5        | 5.0         |
| Manufacturing industry  | 2.1        | 2.9        | 3.6        | 5.8        | -5.9        | -25.9        | -4.7        | -3.0        | 3.6         |
| Construction  | 10.5       | 10.7       | 7.8        | 7.1        | -6.3        | -22.9        | -7.4        | -10.4       | -7.0        |
| Service activities  | 3.3        | 3.6        | 3.1        | 3.4        | -2.3        | -19.6        | -8.3        | -9.7        | -4.4        |
| Trade, transport and accommodation and restaurants                                  | 2.6        | 3.5        | 3.3        | 4.8        | -9.4        | -43.2        | -20.9       | -21.6       | -12.8       |
| Information and communication   | 2.6        | 1.9        | 2.1        | 4.0        | -4.5        | -9.5         | -7.5        | -7.3        | -3.9        |
| Financial and insurance activities  | 11.1       | -0.3       | 1.5        | -17.2      | 15.0        | 0.1          | 4.1         | 0.5         | 10.0        |
| Real estate activities  | 2.8        | 3.4        | 3.0        | 4.6        | 1.0         | -4.7         | 0.2         | -1.5        | -0.7        |
| Professional, scientific and technical activities and other                         | 5.7        | 5.5        | 4.9        | 5.9        | -2.9        | -25.2        | -11.5       | -9.1        | -6.9        |
| Public administration, education and health activities                              | 2.7        | 4.5        | 3.5        | 5.0        | 3.3         | 2.9          | 4.0         | 4.0         | 5.7         |
| Arts, entertainment and other services  | -0.2       | 3.0        | -0.3       | 2.5        | -7.9        | -36.7        | -17.8       | -32.4       | -26.2       |
| Taxes on products less subsidies  | 4.7        | 0.9        | 0.3        | -1.2       | -5.2        | -35.8        | -10.0       | -11.0       | -6.0        |

<sup>1</sup>Contribution to GDP growth at market prices

As a result, the implicit deflator of the economy presented a year-on-year variation of 1.0%, two tenths higher than that of the previous quarter.

## Year-on-year evolution of GDP at current prices: income

*Compensation of employees* recorded a year-on-year growth of -3.0% in the first quarter, four points higher than in the previous quarter.

This result was due to a year-on-year evolution of -3.1% in the number of *salaried employees*, 2.2 points higher than in the previous quarter, and to the fact that the *average compensation per employee* varied by 0.1%, compared with 0.8% in the fourth quarter.

For its part, the *gross operating surplus / gross mixed income* generated in the economy declined by 1.9% year-on-year, 9.7 points more than in the fourth quarter.

Finally, the amount accrued in taxes on production and net imports of subsidies fell by 10.6%, compared to the 9.9% decline in the previous quarter.



## Gross Domestic Product. Income

Current prices Year-on-year variation rates (%)

|  | 2019       |            |            |            | 2020        |              |             |             | 2021        |
|--|------------|------------|------------|------------|-------------|--------------|-------------|-------------|-------------|
|  | Q. I       | Q. II      | Q. III     | Q. IV      | Q. I        | Q. II        | Q. III      | Q. IV       | Q. I        |
| <b>Gross domestic product at market prices</b> | <b>3.5</b> | <b>3.5</b> | <b>3.2</b> | <b>3.3</b> | <b>-3.2</b> | <b>-20.8</b> | <b>-7.4</b> | <b>-8.2</b> | <b>-3.3</b> |
| Compensation of employees                      | 5.1        | 5.2        | 4.5        | 4.4        | 1.8         | -13.9        | -4.9        | -4.5        | -3.0        |
| Gross operating surplus / Gross mixed income   | 1.7        | 2.6        | 2.5        | 3.2        | -7.4        | -21.8        | -7.6        | -11.6       | -1.9        |
| Net taxes on production and imports            | 4.2        | 0.3        | 0.4        | -1.2       | -8.1        | -46.9        | -17.4       | -9.9        | -10.6       |

## Employment

The number of hours actually worked decreased by 2.0% in comparison with the fourth quarter, 3.0 points less than in the previous quarter. In year-on-year terms, the number of hours actually worked increased by 2.5 percentage points, to -3.6%.

The year-on-year variation rate of hours worked at industrial branches stood at -6.5%, which is four tenths more than in the previous quarter.

In the case of *Construction*, the year-on-year variation was 0.8%, with a increase of 5.4 points compared to the previous quarter.

The year-on-year change for hours worked in the *Services* sector increased 2.4 points with respect to the previous quarter, to -3.9%.

Finally, the primary branches presented a variation of 1.3%, with an increase of 2.7 points compared with the previous quarter.

## Employment

Hours worked. Year-on-year variation rate (%)

|   | 2019       |            |            |            | 2020        |              |             |             | 2021        |
|---|------------|------------|------------|------------|-------------|--------------|-------------|-------------|-------------|
|   | Q. I       | Q. II      | Q. III     | Q. IV      | Q. I        | Q. II        | Q. III      | Q. IV       | Q. I        |
| <b>Total</b>  | <b>2.8</b> | <b>1.3</b> | <b>0.7</b> | <b>1.4</b> | <b>-4.3</b> | <b>-25.0</b> | <b>-6.4</b> | <b>-6.1</b> | <b>-3.6</b> |
| Agriculture, forestry and fishing                           | 3.0        | -1.8       | -2.8       | -3.6       | -9.6        | -8.6         | -1.3        | -1.4        | 1.3         |
| Industry  | 1.4        | 0.9        | 1.5        | 1.6        | -2.9        | -21.1        | -8.9        | -6.9        | -6.5        |
| Manufacturing industry                                      | 1.7        | 0.8        | 1.5        | 1.5        | -3.3        | -22.3        | -9.8        | -7.0        | -6.7        |
| Construction  | 10.7       | 5.8        | 1.7        | -0.6       | -6.2        | -31.8        | -3.9        | -4.6        | 0.8         |
| Service activities  | 2.2        | 1.2        | 0.6        | 1.8        | -3.9        | -25.9        | -6.5        | -6.3        | -3.9        |
| Trade, transport and accommodation and restaurants          | 1.2        | 0.5        | 0.1        | 1.4        | -6.8        | -41.8        | -12.4       | -16.0       | -12.2       |
| Information and communication                               | 5.3        | 5.8        | 4.9        | 3.3        | 3.0         | -4.6         | -4.1        | 2.2         | 1.2         |
| Financial and insurance activities                          | -0.9       | -1.2       | -0.1       | 0.2        | -1.4        | -6.9         | -0.1        | 0.3         | 1.7         |
| Real estate activities                                      | 7.1        | 3.6        | 3.5        | 3.4        | -3.0        | -23.9        | -1.6        | 7.5         | 9.2         |
| Professional, scientific and technical activities and other | 4.0        | 3.0        | 2.5        | 2.7        | -1.5        | -20.0        | -3.9        | -2.6        | 1.9         |
| Public administration, education and health activities      | 3.4        | 1.7        | 0.7        | 1.9        | -0.3        | -3.7         | 0.7         | 5.3         | 2.8         |
| Arts, entertainment and other services                      | -0.5       | -1.9       | -1.7       | 1.5        | -8.9        | -40.7        | -8.7        | -10.1       | -4.4        |
| <b>Employees</b>  | <b>3.1</b> | <b>1.6</b> | <b>1.1</b> | <b>2.3</b> | <b>-3.0</b> | <b>-22.5</b> | <b>-6.2</b> | <b>-5.4</b> | <b>-4.6</b> |
| Agriculture, forestry and fishing                           | 4.7        | -3.2       | -3.4       | -1.5       | -7.3        | -4.0         | 0.7         | -0.8        | 0.4         |
| Industry  | 1.2        | 0.8        | 2.0        | 2.3        | -4.3        | -20.5        | -8.4        | -6.0        | -6.3        |
| Manufacturing industry                                      | 1.5        | 0.6        | 2.1        | 2.3        | -4.6        | -21.7        | -9.2        | -6.2        | -6.7        |
| Construction  | 9.9        | 5.6        | 3.7        | 2.1        | -6.6        | -27.7        | 0.6         | -1.6        | 3.2         |
| Service activities  | 2.7        | 1.5        | 0.9        | 2.5        | -2.3        | -23.1        | -6.8        | -5.9        | -5.2        |
| Trade, transport and accommodation and restaurants          | 2.8        | 1.3        | 0.9        | 2.8        | -4.4        | -41.3        | -13.8       | -16.8       | -15.2       |
| Information and communication                               | 5.8        | 6.5        | 5.9        | 4.9        | 4.6         | -3.9         | -1.5        | 4.2         | 2.5         |
| Financial and insurance activities                          | -0.7       | -1.1       | -0.1       | 0.1        | -0.8        | -4.4         | -0.1        | -0.3        | 0.7         |
| Real estate activities                                      | 7.0        | 4.2        | 5.3        | 6.7        | -16.2       | -21.2        | -16.4       | -12.4       | -4.6        |
| Professional, scientific and technical activities and other | 3.3        | 3.3        | 2.7        | 4.1        | 1.1         | -18.1        | -3.6        | -2.7        | 0.4         |
| Public administration, education and health activities      | 3.4        | 1.7        | 0.4        | 1.6        | -0.5        | -3.3         | 0.6         | 5.7         | 2.5         |
| Arts, entertainment and other services                      | -1.5       | -2.7       | -3.0       | 0.8        | -7.8        | -39.1        | -11.5       | -10.6       | -7.9        |

*Equivalent full-time jobs*, defined as the number of hours worked between the average day spent in full-time jobs, grew by 1.4% compared to the previous quarter. This variation is two tenths higher than that of the fourth quarter. This is explained by the combined effect of the variation in hours worked and the reduction in the average work day in full-time jobs (from -0.2 to -3.4%).

In year-on-year terms, employment presented a variation of -1.9% this quarter, 3.3 points higher than that registered in the previous quarter, which represents a decrease of 343 thousand full-time equivalent jobs in one year.

The year-on-year variation rate of employment in industrial branches stood at -5.5%, or one tenth more than in the previous quarter.

In the case of *Construction*, the year-on-year variation of employment was 1.1%, showing an increase of 2.6 points compared to the previous quarter.

Employment in *Services* increased its year-on-year growth by 3.8 points compared to the previous quarter, to -1.8%.

Finally, employment in the primary branches presented a variation of -2.2%, increasing by 3.7 points compared with the previous quarter.

## Employment

Equivalent full-time jobs. Year-on-year variation rates (%)

|   | 2019       |            |            |            | 2020        |              |             |             | 2021        |
|---|------------|------------|------------|------------|-------------|--------------|-------------|-------------|-------------|
|   | Q. I       | Q. II      | Q. III     | Q. IV      | Q. I        | Q. II        | Q. III      | Q. IV       | Q. I        |
| <b>Total</b>  | <b>2.8</b> | <b>2.5</b> | <b>1.8</b> | <b>2.1</b> | <b>-0.6</b> | <b>-18.5</b> | <b>-5.6</b> | <b>-5.2</b> | <b>-1.9</b> |
| Agriculture, forestry and fishing                           | -0.4       | -1.7       | -2.0       | -3.6       | -6.9        | -7.0         | -2.5        | -1.5        | 2.2         |
| Industry  | 1.5        | 1.9        | 2.9        | 1.9        | 0.5         | -14.9        | -7.5        | -5.6        | -5.5        |
| Manufacturing industry                                      | 1.6        | 2.0        | 3.1        | 1.9        | 0.3         | -15.8        | -8.6        | -6.1        | -6.3        |
| Construction  | 10.6       | 5.8        | 3.1        | 1.4        | -3.7        | -20.3        | -2.7        | -1.5        | 1.1         |
| Service activities  | 2.5        | 2.5        | 1.7        | 2.4        | -0.2        | -19.5        | -5.7        | -5.6        | -1.8        |
| Trade, transport and accommodation and restaurants          | 2.6        | 2.5        | 1.6        | 2.7        | -1.3        | -33.0        | -10.6       | -13.7       | -9.1        |
| Information and communication                               | 4.5        | 6.9        | 4.8        | 3.9        | 3.2         | -1.8         | 0.8         | 0.2         | 3.3         |
| Financial and insurance activities                          | 0.1        | -0.4       | -0.4       | -0.6       | 0.5         | -4.8         | 0.1         | 1.0         | 3.5         |
| Real estate activities                                      | 10.7       | 6.0        | 2.1        | 0.3        | -9.1        | -27.3        | -3.2        | -0.4        | 7.9         |
| Professional, scientific and technical activities and other | 4.3        | 2.8        | 2.6        | 3.4        | 1.9         | -12.4        | -4.8        | -2.2        | 1.6         |
| Public administration, education and health activities      | 2.4        | 2.7        | 1.9        | 2.1        | 1.2         | -4.0         | -0.1        | 2.8         | 5.2         |
| Arts, entertainment and other services                      | -1.4       | 0.4        | -0.9       | 1.5        | -3.8        | -34.7        | -9.0        | -9.8        | -5.8        |
| <b>Employees</b>  | <b>3.1</b> | <b>2.8</b> | <b>2.2</b> | <b>2.5</b> | <b>0.6</b>  | <b>-16.5</b> | <b>-5.6</b> | <b>-5.3</b> | <b>-3.1</b> |
| Agriculture, forestry and fishing                           | -0.6       | -2.8       | -3.0       | -2.3       | -3.7        | -2.0         | -0.4        | -0.4        | 2.0         |
| Industry  | 2.0        | 2.0        | 2.8        | 1.9        | 0.3         | -14.3        | -7.7        | -5.6        | -5.7        |
| Manufacturing industry                                      | 2.1        | 2.1        | 3.0        | 2.0        | 0.2         | -15.0        | -8.8        | -6.1        | -6.6        |
| Construction  | 10.9       | 6.2        | 4.3        | 1.9        | -1.1        | -15.5        | -1.2        | -1.7        | -0.8        |
| Service activities  | 2.8        | 2.8        | 2.1        | 2.8        | 1.0         | -17.5        | -5.8        | -5.7        | -3.0        |
| Trade, transport and accommodation and restaurants          | 3.7        | 3.2        | 2.4        | 3.4        | 0.5         | -32.2        | -11.8       | -14.9       | -12.0       |
| Information and communication                               | 5.2        | 7.7        | 5.6        | 5.6        | 5.2         | -1.7         | 2.8         | 0.8         | 2.9         |
| Financial and insurance activities                          | 0.7        | 0.1        | -0.2       | -0.4       | 0.8         | -3.4         | 0.4         | 1.1         | 2.8         |
| Real estate activities                                      | 12.2       | 7.8        | 6.2        | 5.4        | -14.2       | -24.7        | -14.9       | -21.1       | -9.3        |
| Professional, scientific and technical activities and other | 3.9        | 3.0        | 3.0        | 4.0        | 4.0         | -11.3        | -3.9        | -2.5        | 0.7         |
| Public administration, education and health activities      | 2.0        | 2.5        | 2.0        | 1.9        | 1.0         | -3.9         | -0.3        | 3.0         | 5.3         |
| Arts, entertainment and other services                      | -0.8       | 0.1        | -1.3       | 1.1        | -2.3        | -32.0        | -11.2       | -10.6       | -9.8        |

The year-on-year variation of *productivity per full-time equivalent job* stood at -2.4%. And the *productivity per hour actually worked* was at -0.7%.

## Productivity

Year-on-year variation rates (%)

|   | 2019  |        |         |        | 2020  |        |         |        | 2021  |
|---|-------|--------|---------|--------|-------|--------|---------|--------|-------|
|   | Tr. I | Tr. II | Tr. III | Tr. IV | Tr. I | Tr. II | Tr. III | Tr. IV | Tr. I |
| Labour productivity per full time equivalent employment | -0.6  | -0.4   | 0.1     | -0.4   | -3.7  | -3.8   | -3.2    | -3.9   | -2.4  |
| Labour productivity per hour worked                     | -0.5  | 0.7    | 1.1     | 0.3    | 0.0   | 4.5    | -2.3    | -3.0   | -0.7  |

The unit labour cost (CLU) increased by 2.6% compared to the first quarter of 2020. This rate is 1.6 points higher than the variation experienced by the implicit deflator of the economy (1.0%).

## Labour Expenses

Year-on-year variation rates (%)

|                           | 2019 |       |        |       | 2020 |       |        |       | 2021 |
|---------------------------|------|-------|--------|-------|------|-------|--------|-------|------|
|                           | Q. I | Q. II | Q. III | Q. IV | Q. I | Q. II | Q. III | Q. IV | Q. I |
| Unit Labor Cost (ULC)     | 2.5  | 2.8   | 2.2    | 2.3   | 5.0  | 7.1   | 4.0    | 4.9   | 2.6  |
| Compensation per employee | 1.9  | 2.3   | 2.3    | 1.9   | 1.2  | 3.0   | 0.7    | 0.8   | 0.1  |

## Data Review and Update

These preliminary results are based on the information available today on the economic performance of the quarter. This information is provisional and will be updated in the next planned publication of the Quarterly National Accounts of Spain: main aggregates, on the 24th of June, with all information available at that time.

On the other hand, the operation review policy foresees merely a review of the seasonal and calendar adjustment models for each series in the publication of results referring to the 2nd quarter of each year  $t$ , in the month of September, coinciding with their revision from the first quarter of year  $t-3$ . Exceptionally on this occasion, and following Eurostat recommendations and the practice followed in all the INE short-term statistics, an atypical type of impulse (AO) has been introduced into the series whose importance has been verified in the data referring to the first quarter of 2021, in order to model COVID-19's effect on the series.

When the data for subsequent quarters is available, we will analyse whether this impulse should be modified by another type of intervention. This initial approach is consistent since, in the modelling of disturbances that occur in the last observation in a series, there is no difference in the adjusted seasonal and calendar series if this modelling is performed using an impulse, a step, a temporary change or a ramp. The difference between these types of interventions is reduced to assigning the effect to the cycle-trend component in some cases, or to the irregular one in others, but the adjusted series for seasonal and calendar effect includes both components and, therefore, it will not be affected by the type of initial intervention

## Methodological note

The *Quarterly Spanish National Accounts: main aggregates* (QSNA) is a short-term summary statistic whose main objective is to carry out a systematic and coherent measurement of the recent evolution of the national economy, in accordance with the conceptual and regulatory framework established by the *European System of National and Regional Accounts* (ESA 2010), approved by *Regulation (EU) 549/2013 of the European Parliament and of the Council of 21 May*.

One month following the end of the quarter (t+30 days, with t being the reference quarter), this operation provides a preview of the *Gross Domestic Product* generated in the economy during the quarter, as well as of each of its components, based on its three approaches of supply, demand and income (both in terms of volume and current prices in the case of the first two, and current prices, in the case of the income approach). It also provides a measurement of the evolution of employment in the economy in terms of persons employed, jobs, full-time equivalent jobs and hours actually worked. All estimates are also offered as both raw data and as data corrected for seasonal and calendar effects. It is, as noted, an estimate that serves as an advance and it is prepared from all the information thus far available regarding the quarter in question.

The results of each quarter are reviewed around t+90 days, incorporating all available information from the advance estimate.

INE statistics are produced in accordance with the Code of Good Practice for European Statistics, which is the basis for the institution's quality policy and strategy. For more information see the section on Quality at INE and the Code of Best Practices on the INE website.

**Type of operation:** quarterly continuous survey.

**Geographical scope:** *national economic territory*.

**Reference period of the results:** the quarter.

**Collection method:** summary statistics.

For more detailed information, please consult the INE website ([www.ine.es](http://www.ine.es)), as well as access the standardised methodological report on the operation (Standardised metadata report).

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