

23 September 2020

Quarterly National Accounts of Spain: main aggregates Second quarter of 2020

Results in the context of the COVID-19 crisis

The results released today of the *Quarterly National Spanish Accounts: main aggregates* update those that were provided in the July 31st preview.

In that preview, most of the statistical indicators on recent economic developments offered results through the month of May. In estimating its evolution for the quarter as a whole, additional sources were incorporated to complement those normally used, along with advanced estimates of indicators based on administrative data, in line with the recommendations of Eurostat and other international statistical organizations.

The results published today incorporate all the statistical indicators marking economic evolution in the first quarter of 2020. In the vast majority of cases, this information already provides full coverage. Specifically, the quarterly results of the Non-Financial Accounts of the General Government and the Balance of Payments are included. They also include the series updated since the first quarter of 2017, in line with the main results of the Annual National Accounts of Spain released on September 16.

When analysing the revisions of the advanced results, the various impacts on the quality and availability of the various sources used arising from the restrictions on people's movement and on some economic activities during the first semester, as well as on the difficulty inherent in the statistical measurement of a situational change of such magnitude, must be taken into account.

On the other hand, to facilitate and enhance the analysis of the impact of the pandemic on economic growth, since last quarter's publication, the contributions to the growth in GDP volume of each of its supply and demand components were presented.

Likewise, the situation provoked by COVID-19 may make the analysis of certain variables more relevant than at previous times. 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 outbreak and the measures subsequently adopted. 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 -17.8% in the second quarter of 2020 compared to the previous quarter. This rate is 12.6 points lower than that registered in the first quarter and seven tenths higher than the preliminary figure estimated on July 31.
- Year-on-year GDP variation stood at -22.5%, compared with -4.2% in the previous quarter. This rate is six tenths above the preliminary figure estimated on July 31.
- The contribution of the domestic demand to the year-on-year GDP growth was -18.8 percentage points, 14.9 points lower than that of the fourth quarter. On the other hand, the external demand registered a contribution of -2.7 points, 2.5 lower than in the previous quarter.
- The implicit GDP deflator increased by 1.0% compared to the same quarter in 2019, two tenths less than in the previous quarter.
- Employment in the economy, in terms of hours worked, registered a quarter-on-quarter variation of -21.7%. This rate is of lesser magnitude in the case of full-time equivalent jobs (-17.7%, which is 15.8 points less than in the first quarter) due to the reduction in average full-time working days (-5.0%).
- In year-on-year terms, hours worked decreased by 24.9%, a rate 20.7 points lower than that of the first quarter of 2020, and full-time equivalent positions decreased by 18.4%, which is 17.9 points less than in the first trimester. This represents a decrease of 3,383 thousand full-time equivalent jobs in one year.
- The year-on-year variation of the unit labour cost stood at 7.0% 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 -17.8% in the second quarter of 2020¹. This rate is 12.6 points lower than that recorded for the first quarter.

Gross domestic product

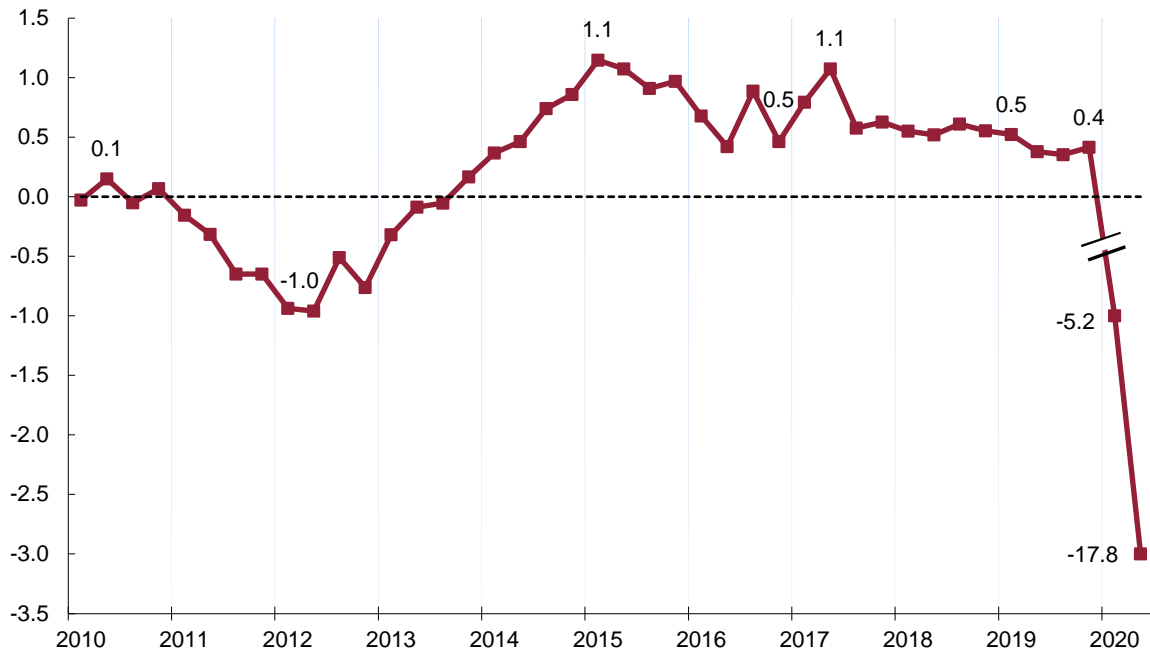
Chain-linked volumes. Quarter-to-Quarter growth rates (%)

| | 2019 | | | | 2020 | |
|---|------------|------------|------------|------------|-------------|--------------|
| | Q. I | Q. II | Q. III | Q. IV | Q. I | Q. II |
| Gross domestic product at market prices | 0.5 | 0.4 | 0.4 | 0.4 | -5.2 | -17.8 |
| Final consumption expenditure | 0.4 | 0.0 | 0.7 | 0.3 | -4.7 | -14.6 |
| Household final consumption expenditure | 0.4 | -0.3 | 0.8 | 0.1 | -6.8 | -20.4 |
| Final consumption expenditure of NPISHs | 1.5 | 1.4 | 1.6 | -0.4 | -0.9 | 0.2 |
| Final consumption expenditure by government | 0.2 | 0.9 | 0.6 | 0.9 | 1.3 | 0.3 |
| Gross capital formation | 0.5 | -0.3 | 0.7 | -1.2 | -4.6 | -21.5 |
| Gross fixed capital formation | 1.2 | -0.3 | 1.1 | -1.0 | -4.8 | -22.1 |
| Tangible fixed assets | 1.2 | -0.7 | 1.0 | -1.4 | -5.9 | -24.9 |
| Dwellings and other buildings and structures | 0.0 | -0.4 | -0.6 | -1.3 | -4.8 | -22.6 |
| Machinery, Equipment, weapon system and cultivated biological resources | 3.0 | -1.1 | 3.4 | -1.7 | -7.4 | -28.6 |
| Intellectual property products | 0.9 | 1.4 | 1.2 | 1.4 | 0.5 | -8.6 |
| National demand | 0.4 | -0.1 | 0.7 | 0.0 | -4.7 | -16.1 |
| Exports of goods and services | 0.3 | 1.5 | 0.2 | 0.2 | -7.4 | -33.4 |
| Imports of goods and services | -0.2 | 0.3 | 1.3 | -1.1 | -5.8 | -29.5 |
| Gross domestic product at market prices | 0.5 | 0.4 | 0.4 | 0.4 | -5.2 | -17.8 |
| Agriculture, forestry and fishing | -4.0 | -2.7 | 1.4 | 0.1 | 1.1 | 3.6 |
| Industry | 0.7 | 0.7 | 0.7 | -0.1 | -6.4 | -19.1 |
| Manufacturing industry | 0.6 | 0.3 | 0.7 | 0.4 | -7.2 | -22.5 |
| Construction | 1.4 | 0.6 | -0.3 | -0.1 | -6.9 | -21.9 |
| Service activities | 0.7 | 0.5 | 0.3 | 0.7 | -4.7 | -18.3 |
| Trade, transport and accommodation and restaurants | 1.0 | 0.3 | 0.7 | 0.7 | -10.1 | -39.6 |
| Information and communication | 0.7 | 0.1 | 0.6 | 1.1 | -3.6 | -11.2 |
| Financial and insurance activities | -0.8 | 0.0 | -0.5 | 0.0 | 0.5 | 0.9 |
| Real estate activities | 0.6 | 0.5 | 0.6 | 0.8 | -0.9 | -5.7 |
| Professional, scientific and technical activities and other | 1.3 | 1.0 | 0.8 | 1.0 | -5.2 | -24.2 |
| Public administration, education and health activities | 0.4 | 0.6 | 0.0 | 0.4 | -0.1 | -0.5 |
| Arts, entertainment and other services | 0.3 | 0.5 | -1.2 | 0.6 | -8.1 | -31.6 |
| Taxes on products less subsidies | 0.1 | -0.2 | -0.1 | -0.2 | -8.4 | -16.2 |

¹ 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 volumes. Quarter-to-quarter growth rate (%)

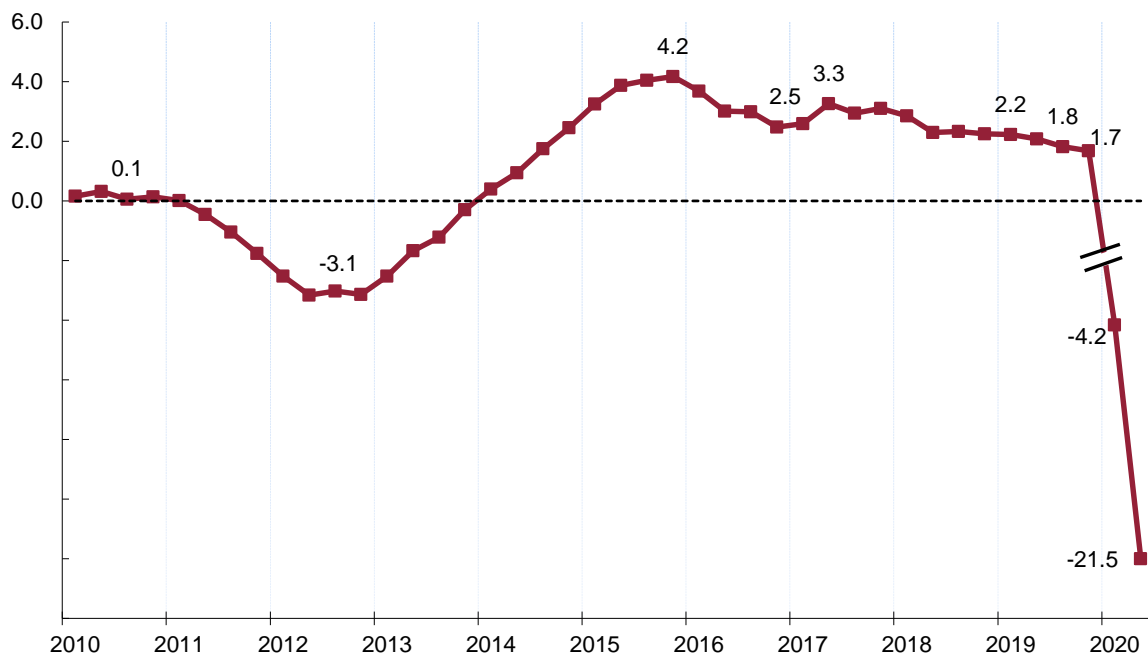


Year-on-year evolution of GDP

In year-on-year terms, the variation in GDP is -22.5%, a rate 17.3 points lower than that of the first quarter of 2020.

Gross Domestic Product

Chain-linked volumes. Year-to-year growth rate (%)

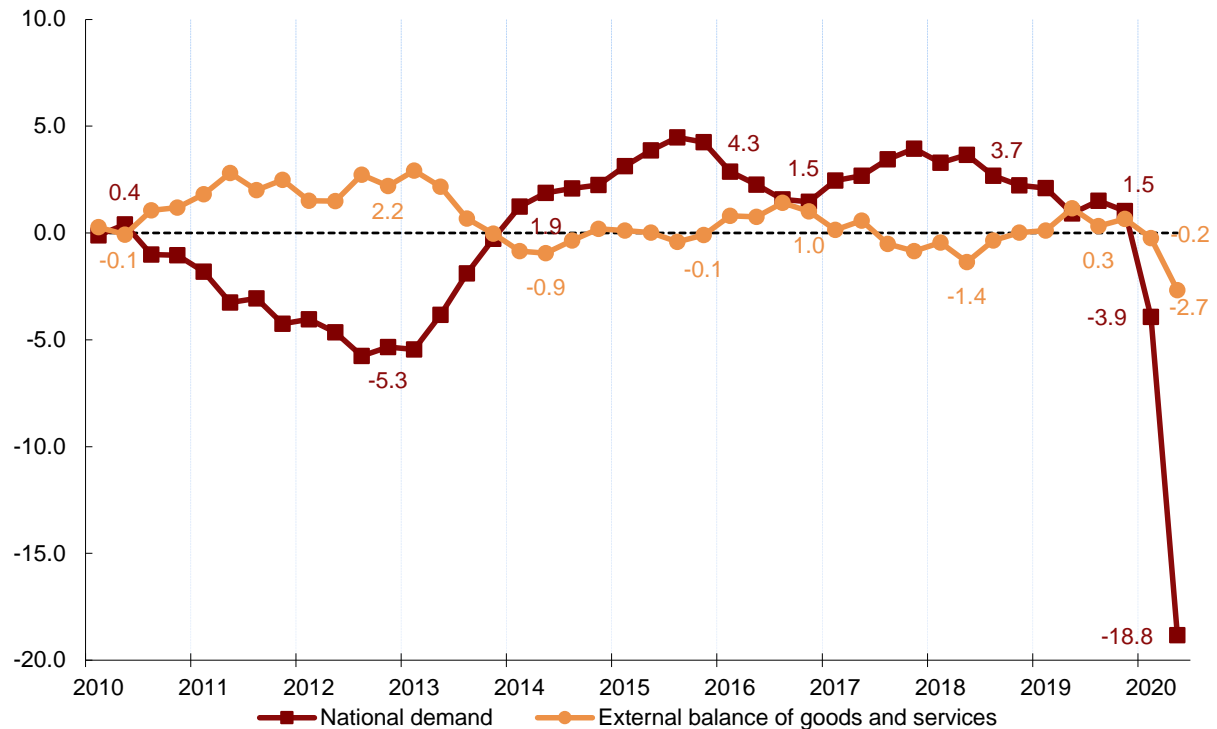


Year-on-year evolution of GDP: demand

The contribution of the *domestic demand* to the year-on-year GDP growth was -3.7 percentage points, 14.9 points lower than that of the first quarter. Meanwhile, the *external demand* registered a contribution of -2.7 points, 2.5 points less than in the previous quarter.

National demand and external balance of goods and services

Contribution to GDP growth in volume terms



In terms of national demand, *final consumption expenditure of households and NPISHs*² contributed most negatively to the year-on-year volume change in GDP, with -14.1 points, followed by *gross capital formation*³, with -5.3 . The evolution of these aggregates is offset by a positive contribution (0.6 points) of *final consumption expenditure of the General Government*.

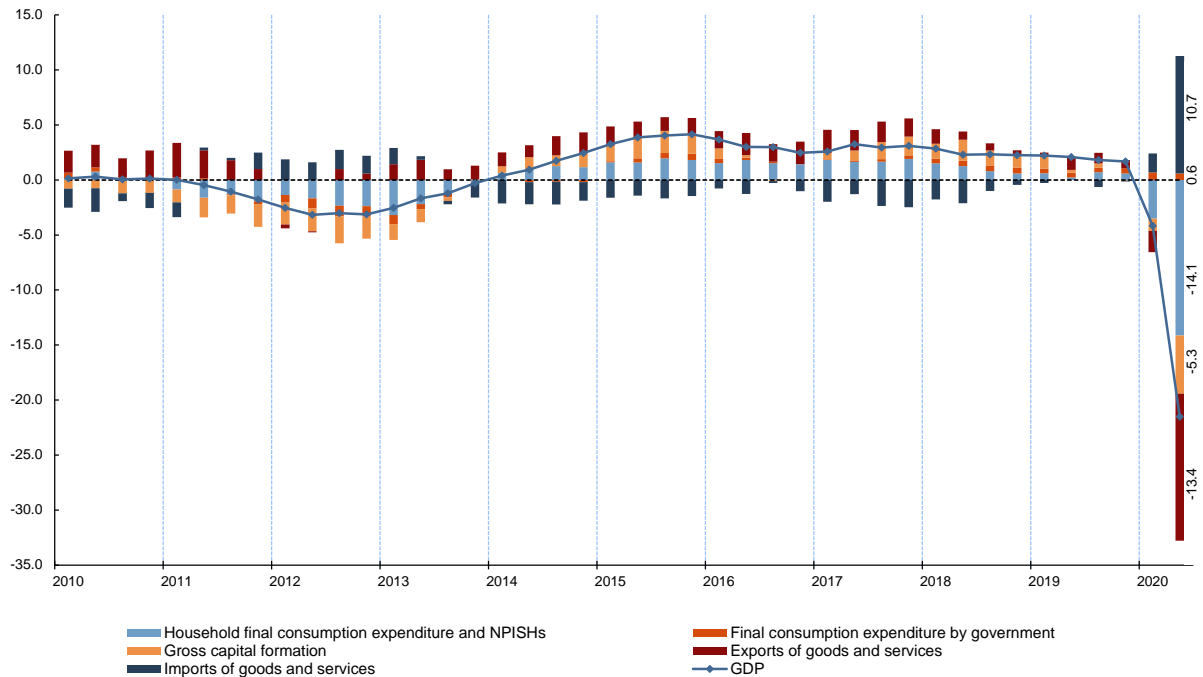
As for external demand, *exports of goods and services* contributed -13.4 points to year-on-year GDP evolution. This negative contribution was partially offset by the positive contribution (10.7) of *imports of goods and services*.

² Non-Profit Institutions Serving Households.

³ Includes gross fixed capital formation and changes in inventories.

Contributions to year-on-year GDP growth. Demand

Chain-linked volume. Percentage points



Domestic demand

The *final consumption expenditure* decreased by 17.8% compared to the same quarter of 2019. This rate is 14.1 points lower than that of the first quarter.

Household final consumption expenditure experienced a year-on-year variation of -25.2%, 19.0 points less than in the previous quarter. On the other hand, *General Government final consumption expenditure* presented a growth of 3.1%, five tenths lower than in the previous quarter.

Gross fixed capital formation registered a variation of -25.4%, 20.1 points lower than in the previous quarter.

Investment⁴ in *Tangible fixed assets* had a year-on-year rate of -29.7%, which is 22.8 points less than in the previous quarter. By components, investment in *dwellings and other buildings and structures* decreased by 20.7 percentage points, going from -7.0% to -27.7%, and investment in *machinery, equipment and weapon systems* dropped by 26.9 points, showing a variation of -34.2%, as compared with -7.3% in the previous quarter.

On the other hand, investment in *intellectual property products* registered a variation of -5.8%, a decrease of 10.3 points compared to the previous quarter.

⁴ Gross fixed capital formation.

Gross domestic product. Demand

Chain-linked volumes. Year-to-year growth rates (%)

| | 2019 | | | | 2020 | |
|--|------------|------------|------------|------------|-------------|--------------|
| | Q. I | Q. II | Q. III | Q. IV | Q. I | Q. II |
| Gross domestic product at market prices | 2.2 | 2.1 | 1.8 | 1.7 | -4.2 | -21.5 |
| Final consumption expenditure | 1.3 | 0.9 | 1.4 | 1.4 | -3.7 | -17.8 |
| Household final consumption expenditure | 1.0 | 0.3 | 1.1 | 1.0 | -6.2 | -25.2 |
| Final consumption expenditure of NPISHs | 1.6 | 3.8 | 5.9 | 4.2 | 1.7 | 0.5 |
| Final consumption expenditure by government | 2.2 | 2.4 | 2.2 | 2.6 | 3.7 | 3.1 |
| Gross capital formation | 5.4 | 1.2 | 1.9 | -0.3 | -5.3 | -25.4 |
| Gross fixed capital formation | 5.7 | 1.3 | 2.8 | 0.9 | -5.1 | -25.8 |
| Tangible fixed assets | 7.0 | 1.2 | 2.6 | 0.1 | -6.9 | -29.7 |
| Dwellings and other buildings and structures | 5.3 | 2.7 | 0.9 | -2.2 | -7.0 | -27.7 |
| Machinery, Equipment, weapon system and cultivated biological resources | 9.6 | -0.9 | 5.2 | 3.6 | -6.8 | -32.7 |
| Machinery, Equipment and weapon system | 10.1 | -0.9 | 5.4 | 3.6 | -7.3 | -34.2 |
| Intellectual property products | -0.2 | 2.1 | 3.7 | 5.0 | 4.5 | -5.8 |
| Changes in inventories and acquisitions less disposals of valuables ¹ | 0.0 | 0.0 | -0.1 | -0.2 | -0.1 | -0.2 |
| National demand ¹ | 2.1 | 0.9 | 1.5 | 1.0 | -3.9 | -18.8 |
| External balance of goods and services ¹ | 0.1 | 1.2 | 0.3 | 0.7 | -0.2 | -2.7 |
| Exports of goods and services | 1.1 | 3.2 | 2.7 | 2.1 | -5.6 | -38.1 |
| Imports of goods and services | 0.8 | -0.1 | 2.0 | 0.3 | -5.4 | -33.5 |

¹Contribution to GDP growth at market prices

External Demand

Exports of goods and services showed a variation of -38.1% compared to the second quarter of 2019, which represents 32.5 points less than in the previous quarter. This slowdown was due to a decrease in the year-on-year rates of *exports of goods* (from -3.0% to -27.3%) and of *exports of services* (from -11.1% to -61.3%). Among these, non-resident expenditure in the economic territory decreased by 73.9 points (from -25.3% to -99.2%).

Imports of goods and services had a variation of -33.5% with respect to the same quarter of the previous year, 28.1 points less than in the first quarter. This deceleration is explained by the decrease in goods imports (from -4.9% to -30.7%), and the decrease in the year-on-year variation of services imports (from -7.7% to -45.4%). For its part, year-on-year variation of *resident expenditure in the rest of the world* fell by 84.6 points this quarter (from -11.7% to -96.3%).

Year-on-year evolution of GDP: supply

The gross value added of industrial branches decreased by 23.8% with respect to the same quarter of 2019, representing a decrease of 18.6 points as compared with the year-on-year variation recorded in the previous quarter. Within them, the manufacturing industry presented a rate of -27.3% , which is 21.4 points less than that of the previous quarter.

The gross value added of *Construction* decreased by 27.5% compared to the same quarter of 2019, which is 20.9 points less than in the previous quarter.

The year-on-year variation of the gross added value of *Services* in the second quarter is –21.3%, a rate 18.1 points lower than that of the previous quarter.

Finally, the primary branches recorded a year-on-year variation of 6.3% this quarter compared to -0.2% in the previous quarter.

Gross domestic product. Supply

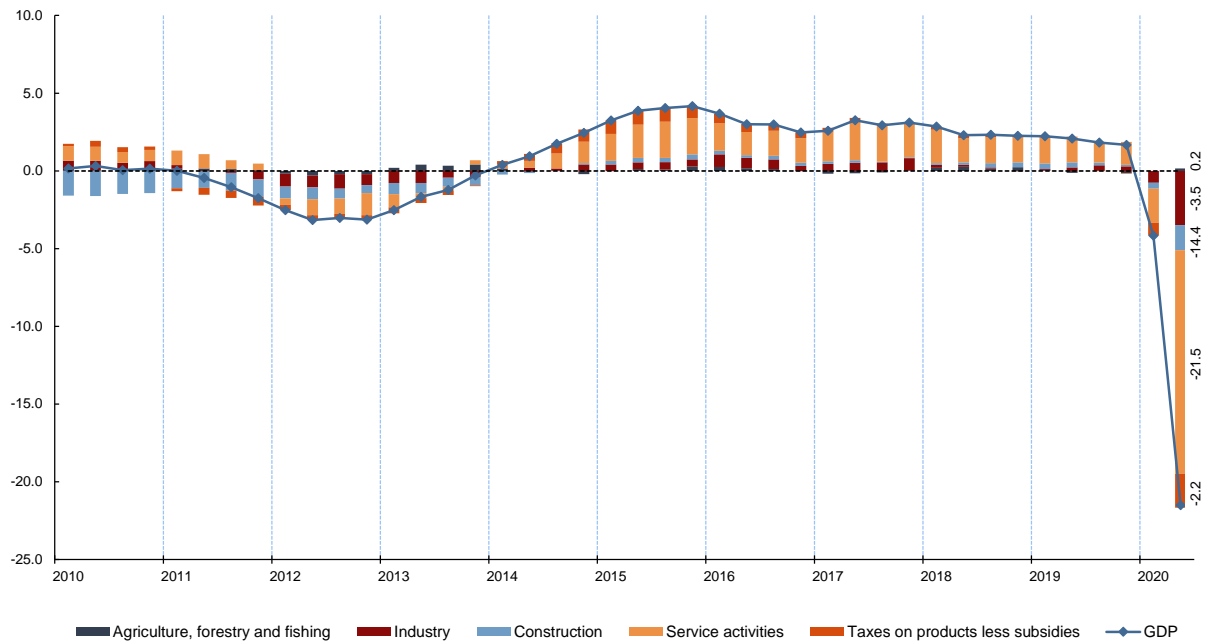
Chain-linked volumes. Year-to-year growth rates (%)

| | 2019 | | | | 2020 | |
|---|------------|------------|------------|------------|-------------|--------------|
| | Q. I | Q. II | Q. III | Q. IV | Q. I | Q. II |
| Gross domestic product at market prices | 2.2 | 2.1 | 1.8 | 1.7 | -4.2 | -21.5 |
| Agriculture, forestry and fishing | 0.7 | -4.4 | 0.0 | -5.3 | -0.2 | 6.3 |
| Industry | 0.7 | 1.6 | 2.4 | 2.1 | -5.2 | -23.8 |
| Manufacturing industry | 0.3 | 0.7 | 1.9 | 2.0 | -5.9 | -27.3 |
| Construction | 6.8 | 5.8 | 3.2 | 1.7 | -6.6 | -27.5 |
| Service activities | 2.5 | 2.4 | 1.9 | 2.2 | -3.2 | -21.3 |
| Trade, transport and accommodation and restaurants | 3.0 | 2.6 | 2.7 | 2.8 | -8.6 | -44.9 |
| Information and communication | 3.6 | 1.8 | 1.9 | 2.6 | -1.8 | -12.8 |
| Financial and insurance activities | 2.3 | 0.1 | -1.2 | -1.3 | -0.1 | 0.8 |
| Real estate activities | 2.8 | 2.7 | 2.4 | 2.6 | 1.1 | -5.2 |
| Professional, scientific and technical activities and other | 5.1 | 5.3 | 4.1 | 4.1 | -2.5 | -26.8 |
| Public administration, education and health activities | 0.8 | 1.5 | 1.0 | 1.5 | 0.9 | -0.2 |
| Arts, entertainment and other services | -0.3 | 1.8 | -1.2 | 0.2 | -8.2 | -37.6 |
| Taxes on products less subsidies | 0.7 | 0.2 | 0.0 | -0.3 | -8.8 | -23.4 |

With these results, all the major economic sectors contributed negatively to year-on-year GDP evolution.

The reduction in the Gross Value Added (GVA) of *Industry* contributed –3.5 points, while the GVA of *Construction* and *Services* contributed –1.6 and –14.4 points, respectively. For their part, the contribution of the primary branches to GDP growth is close to zero (0.2 points) .

Contributions to year-on-year GDP growth. Supply
Chain-linked volume. Percentage points



GDP at current prices and implicit deflator

GDP at current prices decreased at a year-on-year rate of -20.7%. This decrease was 17.7 points below that recorded for the first quarter.

Gross domestic product

Current prices. Year-to-year growth rates (%)

| | 2019 | | | | 2020 | |
|---|------------|------------|------------|------------|-------------|--------------|
| | Q. I | Q. II | Q. III | Q. IV | Q. I | Q. II |
| Gross domestic product at market prices | 3.5 | 3.5 | 3.2 | 3.3 | -3.0 | -20.7 |
| Final consumption expenditure | 2.7 | 2.6 | 2.4 | 2.5 | -2.5 | -17.3 |
| Household final consumption expenditure | 2.0 | 1.8 | 1.8 | 1.8 | -5.3 | -25.1 |
| Final consumption expenditure of NPISHs | 3.8 | 5.2 | 7.9 | 6.5 | 5.7 | 4.7 |
| Final consumption expenditure by government | 4.7 | 4.9 | 4.0 | 4.6 | 5.5 | 5.0 |
| Gross capital formation | 9.8 | 4.3 | 4.4 | 1.5 | -4.0 | -24.6 |
| Gross fixed capital formation | 10.0 | 4.4 | 5.2 | 2.8 | -3.8 | -24.9 |
| Tangible fixed assets | 11.9 | 4.9 | 5.8 | 2.8 | -4.8 | -28.3 |
| Dwellings and other buildings and structures | 11.6 | 7.4 | 4.5 | 0.7 | -4.7 | -26.4 |
| Machinery, Equipment, weapon system and cultivated biological resources | 12.4 | 1.3 | 7.8 | 6.1 | -5.0 | -31.1 |
| Intellectual property products | 1.3 | 2.2 | 2.3 | 2.8 | 1.4 | -7.5 |
| Changes in inventories and acquisitions less disposals of valuables ¹ | 0.1 | 0.0 | -0.1 | -0.2 | -0.1 | -0.2 |
| National demand ¹ | 4.1 | 2.9 | 2.8 | 2.2 | -2.7 | -18.3 |
| Exports of goods and services | 2.5 | 3.6 | 2.2 | 2.3 | -5.6 | -38.6 |
| Imports of goods and services | 4.5 | 2.0 | 1.1 | -0.9 | -5.2 | -34.6 |
| Gross domestic product at market prices | 3.5 | 3.5 | 3.2 | 3.3 | -3.0 | -20.7 |
| Agriculture, forestry and fishing | -5.7 | -9.4 | 5.1 | 2.1 | 5.7 | 21.0 |
| Industry | 2.9 | 4.4 | 3.3 | 4.4 | -6.3 | -22.3 |
| Manufacturing industry | 2.1 | 2.9 | 3.6 | 5.8 | -6.1 | -25.7 |
| Construction | 10.5 | 10.7 | 7.8 | 7.1 | -6.7 | -21.7 |
| Service activities | 3.3 | 3.6 | 3.1 | 3.4 | -2.3 | -20.1 |
| Trade, transport and accommodation and restaurants | 2.6 | 3.5 | 3.3 | 4.8 | -9.3 | -43.9 |
| Information and communication | 2.6 | 1.9 | 2.1 | 4.0 | -3.6 | -10.3 |
| Financial and insurance activities | 11.1 | -0.3 | 1.5 | -17.2 | 9.4 | -6.5 |
| Real estate activities | 2.8 | 3.4 | 3.0 | 4.6 | 1.7 | -3.8 |
| Professional, scientific and technical activities and other | 5.7 | 5.5 | 4.9 | 5.9 | -2.2 | -25.2 |
| Public administration, education and health activities | 2.7 | 4.5 | 3.5 | 5.0 | 3.3 | 2.5 |
| Arts, entertainment and other services | -0.2 | 3.0 | -0.3 | 2.5 | -7.7 | -36.5 |
| Taxes on products less subsidies | 4.7 | 0.9 | 0.3 | -1.2 | -2.9 | -33.6 |

¹Contribution 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 lower than in the previous quarter.

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

Compensation of employees recorded a year-on-year decrease of 13.9% in the second quarter, which represented a 16.0 point decrease compared to the previous quarter.

This result was due to a 16.4% decrease in the number of salaried employees, 17.2 points lower than in the previous quarter, and to the fact that the average compensation per employee varied by 2.9%, compared with 1.3% in the first quarter.

On the other hand, the *gross operating surplus / gross mixed income* generated in the economy fell by 22.4% the year-on-year rate, which represented a rate 14.3 points lower than that of the first quarter.

Finally, the amount accrued in *taxes on production and net imports of subsidies* showed a rate of -44.3%, compared to -4.0% in the previous quarter.

Gross domestic product. Income

Current prices. Year-to-year growth rates (%)

| | 2019 | | | | 2020 | |
|--|------------|------------|------------|------------|-------------|--------------|
| | Q. I | Q. II | Q. III | Q. IV | Q. I | Q. II |
| Gross domestic product at market prices | 3.5 | 3.5 | 3.2 | 3.3 | -3.0 | -20.7 |
| Compensation of employees | 5.1 | 5.2 | 4.5 | 4.4 | 2.1 | -13.9 |
| Gross operating surplus / Gross mixed income | 1.7 | 2.6 | 2.5 | 3.2 | -8.1 | -22.4 |
| Net taxes on production and imports | 4.2 | 0.3 | 0.4 | -1.2 | -4.0 | -44.3 |

Employment

The number of hours actually worked decreased by 21.7% in comparison with the fourth quarter, 17.2 points less than in the previous quarter. In year-on-year terms, the number of hours actually worked decreased by 20.7 percentage points, to -24.9%.

The year-on-year variation rate of hours worked at industrial branches stood at -20.8%, or 18.0 points less than in the previous quarter.

In the case of *Construction*, the year-on-year variation was -31.1%, with a decrease of 23.8 points compared to the previous quarter.

The change for hours worked in the *Services* sector decreased 22.0 points in the year-on-year variation with respect to the previous quarter, to -25.5%.

Finally, the primary branches presented a variation of -8.5%, with a decrease of 1.1 points compared with the previous quarter.

Employment

Hours worked. Year-to-year growth rates (%)

| | 2019 | | | | 2020 | |
|---|------------|------------|------------|------------|-------------|--------------|
| | Q. I | Q. II | Q. III | Q. IV | Q. I | Q. II |
| Total | 2.8 | 1.3 | 0.7 | 1.4 | -4.2 | -24.9 |
| Agriculture, forestry and fishing | 3.0 | -1.8 | -2.8 | -3.6 | -9.6 | -8.5 |
| Industry | 1.4 | 0.9 | 1.5 | 1.6 | -2.8 | -20.8 |
| Manufacturing industry | 1.7 | 0.8 | 1.5 | 1.5 | -3.1 | -22.0 |
| Construction | 10.7 | 5.8 | 1.7 | -0.6 | -7.3 | -31.1 |
| Service activities | 2.2 | 1.2 | 0.6 | 1.8 | -3.8 | -25.8 |
| Trade, transport and accommodation and restaurants | 1.2 | 0.5 | 0.1 | 1.4 | -6.8 | -41.8 |
| Information and communication | 5.3 | 5.8 | 4.9 | 3.3 | 3.2 | -4.5 |
| Financial and insurance activities | -0.9 | -1.2 | -0.1 | 0.2 | -1.4 | -6.8 |
| Real estate activities | 7.1 | 3.6 | 3.5 | 3.4 | -6.8 | -23.7 |
| Professional, scientific and technical activities and other | 4.0 | 3.0 | 2.5 | 2.7 | -0.8 | -19.9 |
| Public administration, education and health activities | 3.4 | 1.7 | 0.7 | 1.9 | -0.2 | -3.7 |
| Arts, entertainment and other services | -0.5 | -1.9 | -1.7 | 1.5 | -8.8 | -40.5 |
| Employees | 3.1 | 1.6 | 1.1 | 2.3 | -2.9 | -22.3 |
| Agriculture, forestry and fishing | 4.7 | -3.2 | -3.4 | -1.5 | -7.5 | -4.3 |
| Industry | 1.2 | 0.8 | 2.0 | 2.3 | -4.1 | -20.4 |
| Manufacturing industry | 1.5 | 0.6 | 2.1 | 2.3 | -4.5 | -21.6 |
| Construction | 9.9 | 5.6 | 3.7 | 2.1 | -6.5 | -27.1 |
| Service activities | 2.7 | 1.5 | 0.9 | 2.5 | -2.1 | -22.9 |
| Trade, transport and accommodation and restaurants | 2.8 | 1.3 | 0.9 | 2.8 | -4.2 | -40.7 |
| Information and communication | 5.8 | 6.5 | 5.9 | 4.9 | 4.8 | -3.9 |
| Financial and insurance activities | -0.7 | -1.1 | -0.1 | 0.1 | -0.8 | -4.3 |
| Real estate activities | 7.0 | 4.2 | 5.3 | 6.7 | -15.3 | -21.1 |
| Professional, scientific and technical activities and other | 3.3 | 3.3 | 2.7 | 4.1 | 1.8 | -18.1 |
| Public administration, education and health activities | 3.4 | 1.7 | 0.4 | 1.6 | -0.4 | -3.3 |
| Arts, entertainment and other services | -1.5 | -2.7 | -3.0 | 0.8 | -7.7 | -39.0 |

Equivalent full-time jobs, defined as the number of hours worked between the average day spent in full-time jobs, decreased by 17.7% compared to the previous quarter. This variation is 15.8 points lower than that of the first 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 -2.7 to -5.0).

In year-on-year terms, employment shows a rate of -18.4%, with a decrease of 17.9 points compared to the previous quarter, which represents a decrease of 3,383 thousand full-time equivalent jobs in one year

The year-on-year variation rate of employment in industrial branches stood at -14.8%, which is 15.4 points less than in the previous quarter.

In the case of *Construction*, the year-on-year variation of employment was -20.3%, showing a decrease of 16.6 points compared to the previous quarter.

Employment in *Services* increased its year-on-year slow-down by 19.3 points compared to the previous quarter, to -19.4%.

Finally, employment in the primary branches presented a variation of -7.0%, with a decrease of one tenth compared with the previous quarter.

Employment

Full-time equivalent jobs. Year-to-year growth rates (%)

| | 2019 | | | | 2020 | |
|---|------------|------------|------------|------------|-------------|--------------|
| | Q. I | Q. II | Q. III | Q. IV | Q. I | Q. II |
| Total | 2.8 | 2.5 | 1.8 | 2.1 | -0.5 | -18.4 |
| Agriculture, forestry and fishing | -0.4 | -1.7 | -2.0 | -3.6 | -6.9 | -7.0 |
| Industry | 1.5 | 1.9 | 2.9 | 1.9 | 0.6 | -14.8 |
| Manufacturing industry | 1.6 | 2.0 | 3.1 | 1.9 | 0.4 | -15.7 |
| Construction | 10.6 | 5.8 | 3.1 | 1.4 | -3.7 | -20.3 |
| Service activities | 2.5 | 2.5 | 1.7 | 2.4 | -0.1 | -19.4 |
| Trade, transport and accommodation and restaurants | 2.6 | 2.5 | 1.6 | 2.7 | -1.3 | -32.7 |
| Information and communication | 4.5 | 6.9 | 4.8 | 3.9 | 3.7 | -1.7 |
| Financial and insurance activities | 0.1 | -0.4 | -0.4 | -0.6 | 0.7 | -4.9 |
| Real estate activities | 10.7 | 6.0 | 2.1 | 0.3 | -8.8 | -27.6 |
| Professional, scientific and technical activities and other | 4.3 | 2.8 | 2.6 | 3.4 | 2.2 | -12.3 |
| Public administration, education and health activities | 2.4 | 2.7 | 1.9 | 2.1 | 1.4 | -4.0 |
| Arts, entertainment and other services | -1.4 | 0.4 | -0.9 | 1.5 | -3.8 | -34.6 |
| Employees | 3.1 | 2.8 | 2.2 | 2.5 | 0.8 | -16.4 |
| Agriculture, forestry and fishing | -0.6 | -2.8 | -3.0 | -2.3 | -3.8 | -2.2 |
| Industry | 2.0 | 2.0 | 2.8 | 1.9 | 0.4 | -14.2 |
| Manufacturing industry | 2.1 | 2.1 | 3.0 | 2.0 | 0.3 | -14.9 |
| Construction | 10.9 | 6.2 | 4.2 | 1.9 | -1.0 | -15.6 |
| Service activities | 2.8 | 2.8 | 2.1 | 2.8 | 1.2 | -17.3 |
| Trade, transport and accommodation and restaurants | 3.7 | 3.2 | 2.4 | 3.4 | 0.6 | -31.9 |
| Information and communication | 5.2 | 7.7 | 5.6 | 5.6 | 5.5 | -1.6 |
| Financial and insurance activities | 0.7 | 0.1 | -0.2 | -0.4 | 1.1 | -3.5 |
| Real estate activities | 12.2 | 7.8 | 6.2 | 5.4 | -13.6 | -25.1 |
| Professional, scientific and technical activities and other | 3.9 | 3.0 | 3.0 | 4.0 | 4.3 | -11.2 |
| Public administration, education and health activities | 2.0 | 2.5 | 2.0 | 1.9 | 1.2 | -3.8 |
| Arts, entertainment and other services | -0.8 | 0.1 | -1.3 | 1.1 | -2.3 | -31.9 |

The number of hours actually worked decreased by -21.4% in comparison with the first quarter, 17.2 points less than in the previous quarter. In year-on-year terms, the number of hours actually worked decreased by 20.7 percentage points, to -24.9%.

With this, the year-on-year variation of *productivity per full-time equivalent job* stood at -3.8%. And the *productivity per hour actually worked* was at 4.5%.

Productivity

Year-to-year growth rate (%).

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

The unit labour cost (ULC) increased by 7.0% compared to the second quarter of 2019. This rate is 6.0 points higher than the variation experienced by the implicit deflator of the economy (1.0%).

Labour costs

Year-to-year growth rates (%)

| | 2019 | | | | 2020 | |
|---------------------------|------|-------|--------|-------|------|-------|
| | Q. I | Q. II | Q. III | Q. IV | Q. I | Q. II |
| Unit Labor Cost (ULC) | 2.5 | 2.8 | 2.2 | 2.3 | 5.1 | 7.0 |
| Compensation per employee | 1.9 | 2.3 | 2.3 | 1.9 | 1.3 | 2.9 |

Data Review and Update

Updated results from the first quarter of 2017 are released today, in conjunction with the review of the main aggregates of the Annual National Accounts of Spain, published on September 16.

The usual contents related to national income are not included in this publication, since the necessary basic information was not available at cut-off time for primary data entry for compilation. These results will be added on September 30, coinciding with the publication of the *Quarterly Non-Financial Accounts of the Institutional Sectors*.

The results published today also incorporate all the current information available since last July 31 (date of dissemination of the advance results of the second quarter of 2020) on the quarterly economic evolution. In particular, they include quarterly information on the Balance of Payments published by the Bank of Spain today, September 23, and on the General Government Accounts, which will be reported on September 30 by the General Intervention of the State Administration.

On the other hand, coinciding with the review of results from the first quarter of 2017 and in accordance with the announced operation review policy, a review of the seasonal and calendar adjustment models has been carried out for each of the series. Related to that, 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 second quarter of 2020, in order to model the effect of COVID-19 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*.

This operation provides, one month after the end of the quarter (t+30 days, with t being the reference quarter), a preview of the *Gross Domestic Product* generated in the economy during the quarter, but also 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.

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), as well as access the standardised methodological report on the operation ([Standardised metadata report](#)).

For further information see **INEbase:** www.ine.es/en/ Twitter: [@es_ine](https://twitter.com/es_ine)

All press releases at: www.ine.es/en/prensa/prensa_en.htm

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