

31 October 2018

Quarterly GDP Flash Estimate. Base 2010 Third Quarter of 2018

Main results

- The Spanish GDP registers a growth of 0.6% in the third quarter of 2018 with respect to the previous quarter in terms of volume. This rate is similar to that recorded in the second quarter of the year.
- The year-on-year growth of GDP stood at 2.5%, a rate similar to that of the previous quarter.
- The contribution of the *domestic demand* to the year-on-year GDP growth was 3.0 points, three tenths higher than in the second quarter. On the other hand, the *external demand* registered a contribution of **-0.5 points**, three tenths higher than in the previous quarter.
- The implicit GDP deflator increased by 1.0% compared to the same quarter of the previous year, two tenths more than in the previous quarter.
- Employment in the economy, in terms of *full-time equivalent jobs*, recorded a quarter-on-quarter variation of 0.7%, one tenth lower than that recorded in the second quarter.
- In year-on-year terms, employment increased at a rate of 2.5%, similar to that of the second quarter, representing an increase of 450 thousand full-time equivalent jobs in a year.
- The year-on-year variation of the *unit labour cost* stood at 1.1% this quarter.

Quarter-on-quarter and year-on-year evolution of GDP

The *Gross Domestic Product* (GDP) generated by the Spanish economy, measured in terms of chained volume with reference to 2010, registered a quarter-on-quarter growth of 0.6% in the third quarter of 2018¹. This rate is similar to that estimated in the second quarter of the year.

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

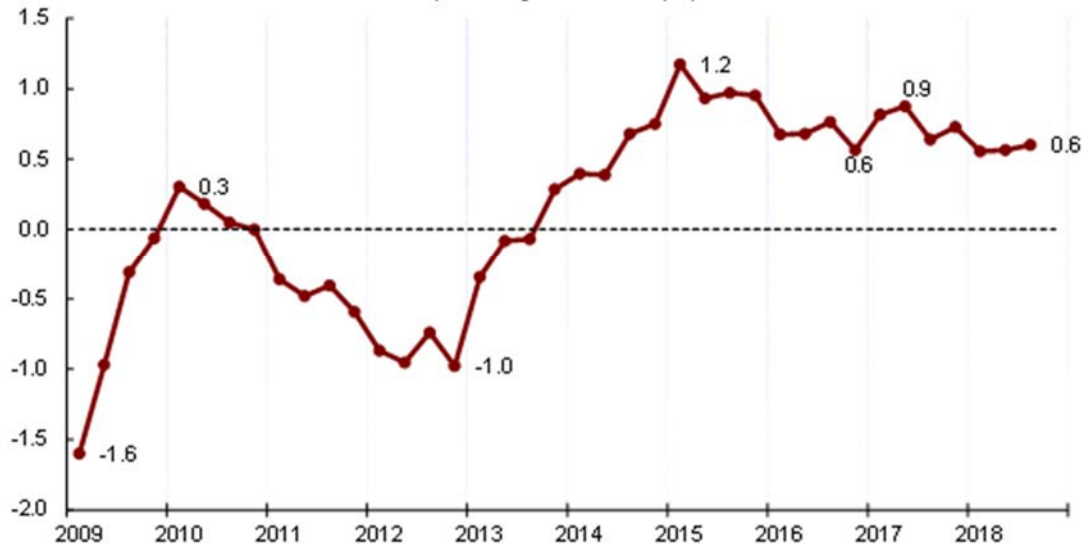
Gross domestic product

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

	2017				2018		
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III
Gross domestic product at market prices	0.8	0.9	0.6	0.7	0.6	0.6	0.6
Household final consumption expenditure	0.5	0.8	0.9	0.4	0.9	0.1	0.6
Final consumption expenditure of NPISHs	-0.5	1.3	0.6	0.2	1.4	-0.3	0.1
Final consumption expenditure by government	1.1	0.6	0.6	0.3	0.8	0.1	0.8
Gross fixed capital formation	2.4	-0.2	2.3	0.6	1.1	3.5	1.0
Tangible fixed assets	2.7	-0.3	2.5	0.6	1.2	4.0	1.2
Dwellings and other buildings and structures	1.2	1.0	1.7	0.8	2.1	2.2	0.5
Machinery, Equipment, weapon system and cultivated biological resources	4.8	-2.2	3.6	0.5	-0.1	6.5	2.2
Intellectual property products	1.0	0.9	1.1	0.1	0.9	0.6	-0.2
Exports of goods and services	1.3	1.3	0.1	1.4	0.6	0.2	-1.8
Imports of goods and services	2.4	0.5	1.9	0.6	1.7	1.0	-1.2
Gross domestic product at market prices	0.8	0.9	0.6	0.7	0.6	0.6	0.6
Agriculture, forestry and fishing	-0.8	-0.7	1.5	0.5	0.9	0.3	-2.3
Industry	2.0	0.9	0.6	1.4	-0.3	0.7	-0.5
Manufacturing industry	2.2	0.8	1.1	1.2	-0.3	1.0	-0.4
Construction	1.4	2.0	1.3	1.9	2.0	1.8	1.4
Service activities	0.6	0.7	0.6	0.5	0.6	0.5	0.9
Trade, transport and accommodation and restaurants	0.9	0.9	0.7	0.5	0.7	1.1	0.8
Information and communication	0.8	1.0	1.7	0.6	1.5	1.4	0.7
Financial and insurance activities	-0.5	0.7	0.5	-1.1	1.5	-0.2	1.1
Real estate activities	-0.1	0.0	0.0	0.2	-0.1	0.0	0.8
Professional, scientific and technical activities and other	1.5	1.4	1.5	1.4	1.4	1.1	2.1
Public administration, education and health activities	0.5	0.7	0.4	0.6	0.5	0.4	0.7
Arts, entertainment and other services	0.6	1.1	-0.1	1.0	-0.6	-2.0	0.3
Taxes on products less subsidies	0.3	1.7	0.3	0.4	0.5	-0.3	0.6

Gross Domestic Product

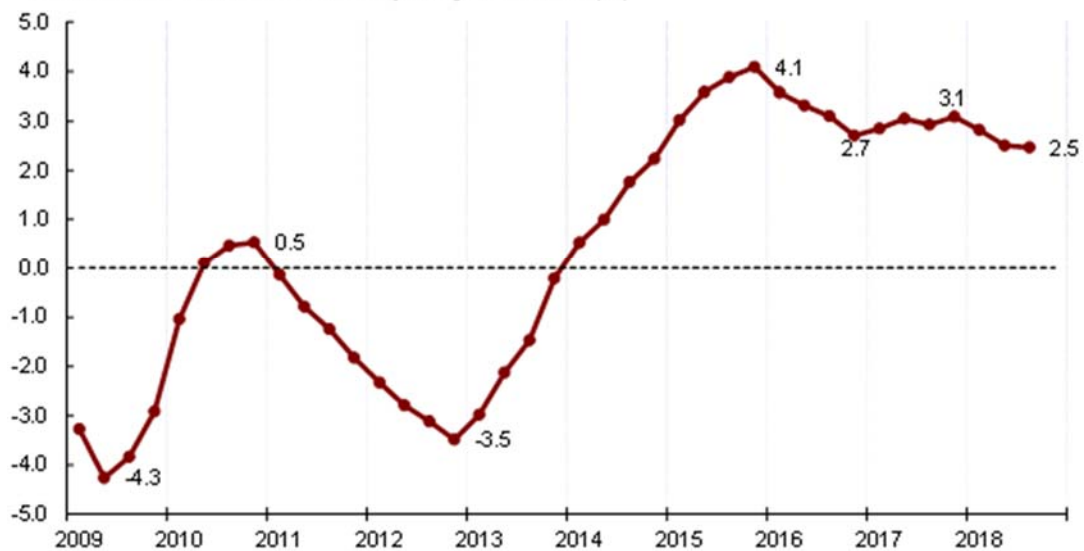
Chain-linked volumes. Quarter-to-quarter growth rate (%)



In year-on-year terms, the GDP growth was 2.5%, a rate similar to that of the second quarter of 2018.

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 3.0 points, three tenths lower than in the second quarter. On the other hand, the *external demand* registered a contribution of -0.5 points, three tenths more than in the previous quarter.



Domestic demand

Final consumption expenditure increased by 2.1% as compared to the same quarter of the previous year, one tenth less than in the second quarter.

Household final consumption expenditure experienced a year-on-year growth of 2.1%, two tenths less than in the previous quarter. On the other hand, *General Government final consumption expenditure* also presented a year-on-year variation of 2.1%, two tenths higher than in the previous quarter.

Gross fixed capital formation grew by 6.6%, 1.2 points lower than in the previous quarter.

Investment² in *tangible fixed assets* grew at a rate of 7.2%, which is 1.3 points less than in the previous quarter. As part of this, investment in *dwelling and other buildings and structures* decreased by 1.3 points its year-on-year rate from 7.0% to 5.7%. On the other hand, investment in *investment in machinery, equipment and weapon systems* showed a growth of 9.5%, compared to 11.1% in the previous quarter.

² Gross fixed capital formation.

On the other hand, investment in *intellectual property products* experienced a variation of 1.5%, with a decrease of 1.3 points with respect to the previous quarter.

Gross domestic product. Demand

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

	2017				2018		
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III
Gross domestic product at market prices	2.9	3.1	2.9	3.1	2.8	2.5	2.5
Final consumption expenditure	2.0	2.3	2.4	2.7	2.9	2.2	2.1
Household final consumption expenditure	2.3	2.5	2.6	2.7	3.1	2.3	2.1
Final consumption expenditure of NPISHs	2.2	3.1	2.2	1.7	3.6	2.0	1.4
Final consumption expenditure by government	1.2	1.7	2.0	2.6	2.4	1.9	2.1
Gross fixed capital formation	4.7	3.6	5.8	5.2	3.9	7.7	6.3
Tangible fixed assets	5.0	3.6	6.0	5.6	4.0	8.5	7.2
Dwellings and other buildings and structures	3.9	4.1	5.7	4.8	5.7	7.0	5.7
Machinery, Equipment, weapon system and cultivated biological resources	6.6	3.0	6.4	6.7	1.8	10.8	9.2
Machinery, Equipment and weapon system	7.0	3.3	6.8	7.0	1.9	11.1	9.5
Intellectual property products	3.1	3.5	4.5	3.1	3.1	2.8	1.5
Changes in inventories and acquisitions less disposals of valuables ¹	0.0	0.1	0.2	0.3	0.1	0.1	0.1
National demand ¹	2.5	2.6	3.2	3.3	3.1	3.3	3.0
Exports of goods and services	6.1	5.4	5.4	4.2	3.4	2.3	0.4
Imports of goods and services	5.5	4.4	7.0	5.4	4.7	5.2	2.0

¹Contribution to GDP growth

External demand

Exports of goods and services grew by 0.4% compared to the third quarter of 2017, representing 1.9 points less than in the previous quarter. This slower growth was due to a decrease in the year-on-year variation rate of *exports of goods* (from 2.0% to 0.9%) and of *exports of services* (from 3.1% to -0.7%). Among these, *non-resident expenditure in the economic territory* decreased 1.8 points (from 2.2% to 0.4%).

Imports of goods and services increased by 2.0% with respect to the same quarter of the previous year, 3.2 points less than in the second quarter. This lower growth was due to a decrease in the year-on-year variation rate of *imports of goods* (from 4.4% to 1.3%) and of *imports of services* (from 8.7% to 5.2%). Of the latter, however, *expenditure by residents in the rest of the world* accelerated its growth this quarter by 1.3 percentage points (from 9.4% to 10.7%).

Year-on-year evolution of GDP: supply

The gross value added of industrial branches increased by 1.3% with respect to the same quarter of 2017, representing a decrease of 1.2 points as compared with the year-on-year variation recorded in the previous quarter. Within them, the manufacturing industry presented a rate of 1.6%, which is 1.5 points less than that of the previous quarter.

The gross value added of *Construction* increased by 7.2% with respect to the same quarter of 2017, one tenth more than in the previous quarter.

The year-on-year variation in the gross value added of *Services* in the third quarter was 2.6%, three tenths more than in the previous quarter.

Finally, the primary branches recorded a year-on-year variation of -0.6% this quarter compared to 3.2% in the previous quarter.

Gross domestic product. Supply

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

	2017				2018		
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III
Gross domestic product at market prices	2.9	3.1	2.9	3.1	2.8	2.5	2.5
Agriculture, forestry and fishing	-0.7	-2.5	-0.8	0.4	2.2	3.2	-0.6
Industry	4.6	4.2	4.0	4.9	2.6	2.5	1.3
Manufacturing industry	3.7	3.7	4.6	5.4	2.8	3.1	1.6
Construction	5.3	6.5	6.0	6.8	7.4	7.1	7.2
Service activities	2.3	2.6	2.5	2.5	2.5	2.3	2.6
Trade, transport and accommodation and restaurants	3.8	3.6	3.4	2.9	2.8	3.0	3.1
Information and communication	4.3	3.6	4.3	4.1	4.9	5.3	4.3
Financial and insurance activities	-1.8	1.5	2.2	-0.5	1.5	0.6	1.2
Real estate activities	0.4	0.1	-0.3	0.0	0.0	0.1	0.9
Professional, scientific and technical activities and other	4.3	5.2	5.9	5.9	5.8	5.5	6.2
Public administration, education and health activities	1.3	1.8	1.6	2.2	2.2	1.9	2.2
Arts, entertainment and other services	0.8	1.7	1.4	2.6	1.4	-1.7	-1.3
Taxes on products less subsidies	3.4	4.2	3.1	2.7	2.9	1.0	1.3

GDP at current prices and implicit deflator

GDP at current prices grew at a year-on-year rate of 3.5%. This growth is two tenths higher than that recorded in the second quarter of the year (3.3%).

Gross domestic product

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

	2017				2018		
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III
Gross domestic product at market prices	3.6	4.4	4.1	4.9	4.0	3.3	3.5
Household final consumption expenditure	4.3	4.5	4.0	4.1	4.1	3.8	4.1
Final consumption expenditure of NPISHs	0.7	2.3	1.4	3.0	4.5	4.0	3.8
Final consumption expenditure by government	1.6	1.7	2.3	2.8	2.4	2.3	3.7
Gross fixed capital formation	6.2	6.0	8.2	7.9	5.8	8.9	8.2
Tangible fixed assets	6.7	6.4	8.7	8.3	6.4	10.1	9.4
Dwellings and other buildings and structures	7.2	7.9	10.0	9.0	8.6	9.0	7.7
Machinery, Equipment, weapon system and cultivated biological resources	6.1	4.4	6.9	7.2	3.4	11.6	11.8
Intellectual property products	3.0	4.0	5.3	6.1	2.4	1.7	1.0
Changes in inventories and acquisitions less disposals of valuables ¹	0.0	0.1	0.3	0.3	0.1	0.1	0.1
National demand ¹	4.0	4.2	4.6	4.7	4.1	4.5	4.9
Exports of goods and services	9.7	8.7	7.4	6.4	3.7	3.4	2.6
Imports of goods and services	12.0	9.1	9.8	6.4	4.6	7.7	7.2
Gross domestic product at market prices	3.6	4.4	4.1	4.9	4.0	3.3	3.5
Agriculture, forestry and fishing	1.7	1.5	3.9	9.4	4.4	5.6	-2.2
Industry	5.9	7.7	6.1	7.0	3.2	2.7	2.9
Manufacturing industry	5.5	7.3	6.9	7.3	4.2	3.9	2.6
Construction	7.0	8.9	8.9	10.1	10.1	8.8	8.2
Service activities	2.6	3.2	3.2	4.0	3.4	2.5	3.4
Trade, transport and accommodation and restaurants	4.1	5.9	5.0	4.4	4.0	2.6	2.9
Information and communication	0.8	1.7	2.5	3.2	4.3	2.1	0.8
Financial and insurance activities	8.3	-2.5	0.9	11.2	1.9	2.5	6.3
Real estate activities	0.1	0.8	0.9	1.7	1.9	1.6	2.4
Professional, scientific and technical activities and other	4.0	6.6	6.7	6.8	6.5	5.6	6.6
Public administration, education and health activities	1.4	1.6	1.7	2.5	2.5	2.4	4.2
Arts, entertainment and other services	-0.6	2.5	2.3	3.4	2.5	-1.9	-1.4
Taxes on products less subsidies	5.6	5.0	4.4	4.1	5.3	6.5	4.3

¹Contribution to GDP growth

As a result, the implicit deflator of the economy presented a year-on-year variation of 1.0%, two tenths higher than in the previous quarter (0.8%).

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

Compensation of employees recorded a year-on-year growth of 4.4% in the third quarter, five tenths higher than in the previous quarter.

This result was due to a 3.3% increase in the number of *employees*, one tenth higher than in the previous quarter, and to the fact that the *average compensation per employee* rose by 1.1%, compared with 0.7% in the second quarter.

The *gross operating surplus / gross mixed income* generated in the economy grew 2.0% year-on-year, two tenths more than in the second quarter.

Finally, the amount accrued in taxes on production and imports net of subsidies slowed its growth to 5.3%, compared to 6.5% in the previous quarter.

Gross domestic product. Income

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

	2017				2018		
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III
Gross domestic product at market prices	3.6	4.4	4.1	4.9	4.0	3.3	3.5
Compensation of employees	3.3	3.3	3.7	3.9	3.6	3.9	4.4
Gross operating surplus / Gross mixed income	3.6	5.4	4.8	6.2	3.9	1.8	2.0
Net taxes on production and imports	4.9	4.9	3.4	4.4	5.7	6.5	5.3

Employment

Employment in the economy, in terms of *full-time equivalent jobs*, increased by 0.7% with respect to the previous quarter. This rate is one tenth lower than that registered in the second quarter.

In year-on-year terms, employment grew by 2.5%, similar to that recorded in the previous quarter, representing an increase of about 450 thousand full-time equivalent jobs in one year.

Employment in industrial branches increased by 0.6%, 1.5 points less than in the previous quarter.

In the case of *Construction*, the year-on-year variation in employment was 8.7%, one tenth of a point more than in the previous quarter.

Employment in *Services* increased by three tenths its year-on-year growth with respect to the previous quarter, up to 2.5%.

Finally, employment in the primary branches presented a variation of -1.4%, with a decrease of three tenths as compared with the previous quarter.

Employment

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

	2017				2018		
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III
Total	2.7	2.9	2.9	2.9	2.6	2.5	2.5
Agriculture, forestry and fishing	3.5	3.8	2.0	0.6	-0.4	-1.1	-1.4
Industry	3.7	3.8	3.4	3.2	2.8	2.1	0.6
Manufacturing industry	3.9	4.0	3.7	3.6	3.1	2.3	0.6
Construction	5.9	6.4	6.0	7.7	8.3	8.6	8.7
Service activities	2.2	2.5	2.6	2.6	2.2	2.2	2.5
Trade, transport and accommodation and restaurants	2.2	2.6	2.4	2.0	2.2	2.3	2.6
Information and communication	3.5	5.5	7.0	5.8	5.6	2.6	1.7
Financial and insurance activities	-0.9	0.5	0.6	-2.5	0.3	-0.9	-2.4
Real estate activities	7.4	7.5	4.8	4.4	1.6	4.1	6.7
Professional, scientific and technical activities and other	3.8	3.0	3.4	3.3	0.5	1.9	2.4
Public administration, education and health activities	2.1	2.0	2.1	2.5	2.7	2.8	3.2
Arts, entertainment and other services	0.0	1.3	2.5	3.7	3.3	1.5	1.8
Employees	2.9	3.3	3.3	3.4	3.2	3.2	3.3
Agriculture, forestry and fishing	2.7	4.5	2.8	3.5	1.8	0.4	0.8
Industry	3.7	3.8	3.5	3.3	3.0	2.4	1.1
Manufacturing industry	4.0	4.1	3.8	3.7	3.3	2.8	1.2
Construction	6.8	7.4	6.7	8.7	9.7	9.9	9.6
Service activities	2.5	2.8	3.0	3.0	2.8	3.0	3.3
Trade, transport and accommodation and restaurants	3.0	3.2	3.1	2.7	2.9	3.6	3.9
Information and communication	3.2	5.2	6.7	5.8	6.1	3.2	2.2
Financial and insurance activities	-0.9	0.3	0.3	-2.9	-0.1	-1.1	-2.6
Real estate activities	9.9	9.3	5.4	3.2	-1.1	2.1	4.5
Professional, scientific and technical activities and other	3.2	2.6	3.5	3.8	1.0	2.6	3.5
Public administration, education and health activities	2.1	2.2	2.4	2.8	3.0	3.0	3.2
Arts, entertainment and other services	-0.1	2.4	3.0	4.4	4.3	2.2	3.0

At the same time, the number of hours actually worked increased by 0.7% over the second quarter, four tenths less than in the previous quarter. In year-on-year terms, the number of hours actually worked increased by 2.9%, one tenth less than in the previous quarter.

With this, the year-on-year variation of *productivity per full-time equivalent job* remained at 0.0%. And *productivity per hour actually worked* also remained at -0.4%.

Productivity

Year-to-year growth rate (%)

	2017				2018		
	Tr. I	Tr. II	Tr. III	Tr. IV	Tr. I	Tr. II	Tr. III
Labour productivity per full time equivalent employment	0.2	0.1	0.0	0.2	0.3	0.0	0.0
Labour productivity per hour worked	1.2	1.2	0.9	1.0	0.5	-0.4	-0.4

Finally, the *unit labour cost* (CLU) increased by 1.1% with respect to the third quarter of 2017. This rate is one tenth higher than the variation experienced by the implicit deflator of the economy (1.0%).

Labour costs

Year-to-year growth rates (%)

	2017				2018		
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III
Unit Labor Cost (ULC)	0.2	-0.1	0.4	0.3	0.2	0.6	1.1
Compensation per employee	0.4	0.0	0.4	0.5	0.4	0.7	1.1

Review and update of data

These preliminary results are based on the information available today on the economic performance of the quarter. They are provisional and will be updated on 28 December with all the information available at that time (in particular, the results of the quarterly Balance of Payments and the Quarterly Non-Financial Accounts of the General Government). The results are available at INEBase.

Methodological note

The *Quarterly Spanish National Accounts* (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), an advance estimate 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 presented in both raw data and adjusted for seasonal and calendar effects.

This is, as mentioned above, a provisional estimate based on all the information available to date for the reference quarter. The results for each quarter will be reviewed at around t+90.

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](#)).

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