

Quarterly Spanish National Accounts. Base 2008

First quarter of 2012

Quarterly National Accounts (GDP)

Latest data	Year-on-year growth rate	Quarter-on-quarter growth rate
First quarter of 2012	-0.4	-0.3

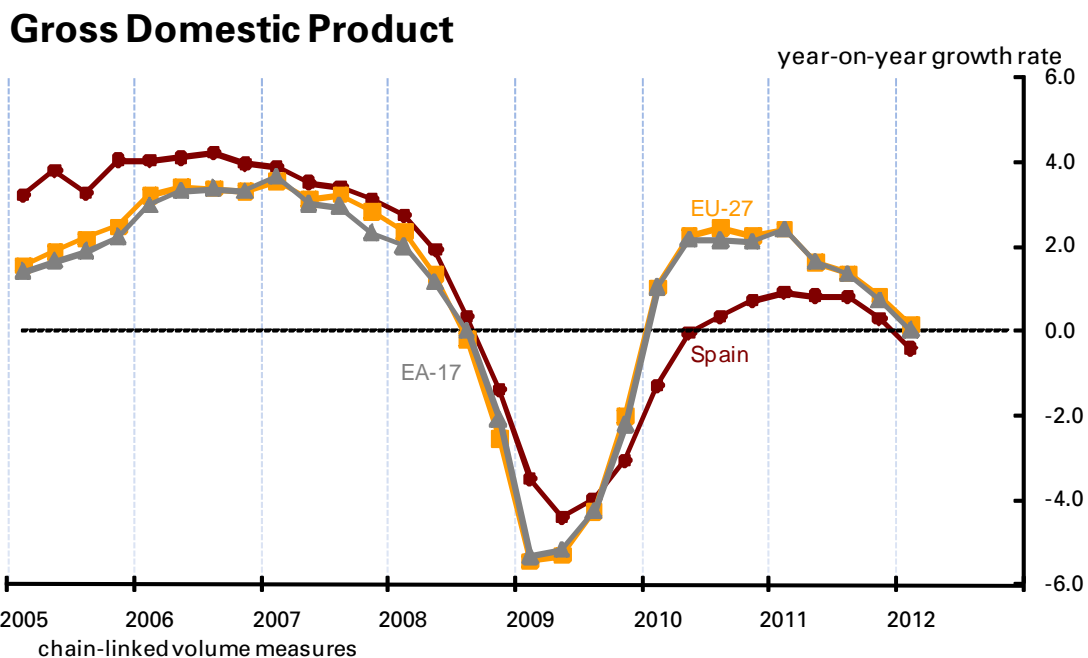
Main results

- The Spanish economy registers a **quarter-on-quarter drop of 0.3%** in the first quarter of 2012, this rate being similar to that recorded the previous period.
- Year-on-year **growth stands at -0.4%**, seven tenths lower than that recorded the previous quarter.
- The annual and quarterly growth data coincides with that of the advance estimate of quarterly GDP published on 30 April.
- The contribution of **national demand** to aggregate growth is three tenths lower than that for the previous quarter, standing at **-3.2 points**, whereas the contribution of **external demand** to quarterly GDP decreases four tenths (from 3.2 to **2.8 points**).
- **Employment** in the economy **decreases at a year-on-year rate of 3.8%**, half-a-point higher than in the fourth quarter of 2011, indicating a net reduction of 655 thousand full-time jobs in one year. In turn, the hours actually worked decrease at a year-on-year rate of 3.4%.
- The growth in the **unit labour cost** remains at **-2.5%** this quarter, three points below the implicit GDP deflator.

Gross Domestic Product ¹ (GDP) generated by the Spanish economy in the first quarter of 2012 registered a 0.3% decrease with regard to the previous quarter², this rate being similar to that estimated for the previous quarter.

In quarter-on-quarter terms, the growth rate of GDP was -0.4%, seven tenths lower than that recorded the previous period, due to the greater contraction of national demand, and to a lesser contribution of external demand.

Within the European scope, both the European Union as a whole and the Eurozone registered zero growth (0.0%), as compared with the previous quarter. Considering the performance of the main European economies, Germany (0.5%) and Austria (0.2%) registered positive growth, France recorded no growth (0.0%), and the rest experienced decreases in GDP, which were more moderate in the cases of the Netherlands (-0.2%), the United Kingdom (-0.2%) or Spain (-0.3%), and more intense in the case of Italy (-0.8%).

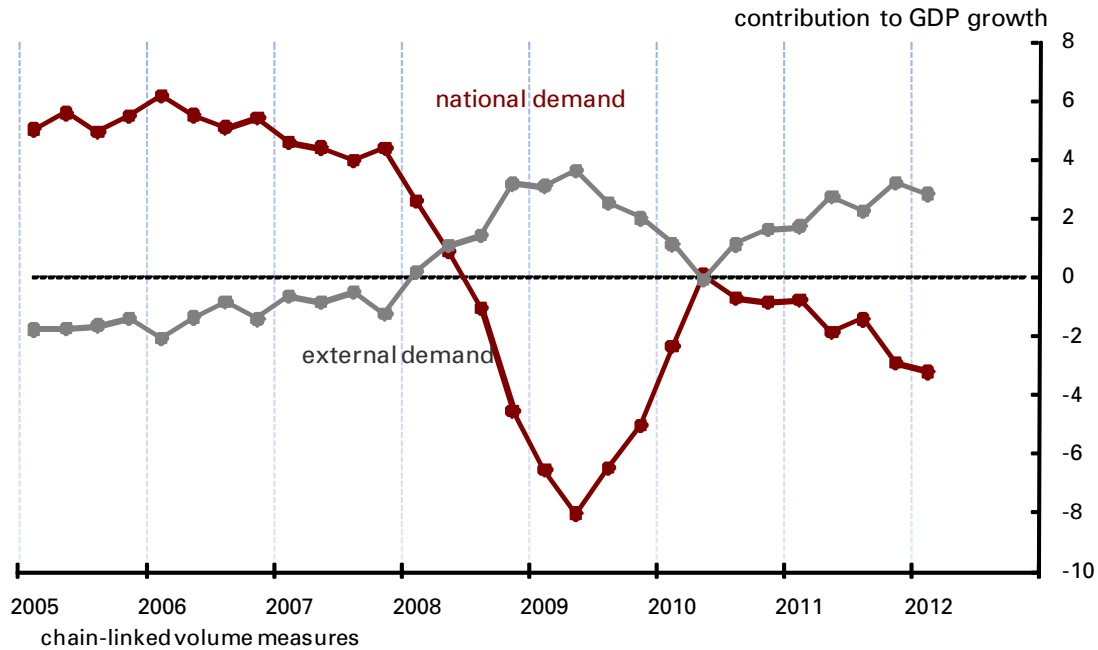


The quarter-on-quarter growth of Spanish GDP in the first quarter of 2012, analysed from the expenditure perspective, reflected a more negative contribution of national demand, which reached -3.2 points, as compared with the -2.9 points from the previous quarter, and likewise, a positive contribution with regard to external demand, which reached 2.8 points, four tenths lower than that registered the previous quarter.

¹ Chain-linked volume measures, referring to the year 2008.

² Data adjusted for seasonal and calendar effects.

National and external demand



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

	2010				2011				2012
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV	Q. I
GROSS DOMESTIC PRODUCT at market prices	-1.3	0.0	0.4	0.7	0.9	0.8	0.8	0.3	-0.4
Household final consumption expenditure	-0.1	1.5	0.8	0.8	0.4	-0.3	0.5	-1.1	-0.6
Final consumption expenditure of NPISHs	2.4	3.1	2.7	2.1	0.6	1.1	-0.4	-0.8	0.0
Final consumption expenditure by government	0.6	1.0	0.2	-0.9	0.6	-2.1	-3.6	-3.6	-5.2
Gross fixed capital formation	-9.8	-4.3	-5.5	-5.4	-4.9	-5.4	-4.0	-6.2	-8.2
- Tangible fixed assets	-10.0	-4.5	-5.4	-5.4	-5.3	-5.6	-4.3	-6.5	-8.8
• Construction	-12.2	-9.4	-9.5	-9.3	-9.2	-8.1	-7.0	-8.2	-10.2
• Equipment and cultivated assets	-3.4	11.7	7.3	5.4	5.5	1.0	2.2	-2.7	-5.9
- Intangible fixed assets	-5.4	-0.5	-7.8	-5.4	1.5	-3.1	2.0	-0.3	2.2
Changes in inventories and acquisitions less disposals of valuables (*)	0.0	0.0	0.0	0.1	0.0	0.0	-0.1	-0.1	0.0
NATIONAL DEMAND (*)	-2.4	0.1	-0.7	-0.9	-0.8	-1.9	-1.4	-2.9	-3.2
Exports of goods and services	11.9	15.3	11.8	14.9	13.1	8.8	9.2	5.2	2.2
Imports of goods and services	6.3	14.5	7.0	8.0	6.0	-1.3	0.9	-5.9	-7.2

(*) Contribution to GDP growth

National demand

The more negative contribution of national demand to aggregate activity this quarter was the sole result of the intensification of the contraction of investment in fixed capital, given that final consumption expenditure, aggregated, registered the same growth rate as that recorded the previous quarter.

Household final consumption expenditure saw a half-point reduction in its negative growth, from -1.1% to -0.6%. Considering the different components of expenditure, consumption of services presented positive growth rates, albeit lower than those from the previous period. Conversely, the consumption of goods continued to register negative rates,

though in the case of durable and semi-durable goods, a certain recovery was observed this quarter, which determined the global performance of the aggregate.

Moreover, employee remuneration, the main household resource, experienced an increased contraction, reaching -3.3%, which resulted in a reduction in the savings rate thereof.

Final consumption expenditure of the Public Administrations contracted 1.6 points, reaching -5.2%. The decrease in the total purchases of goods and services by these administrations (approximately 13%) contributed particularly to this result. In turn, employee remuneration also decreased, but much more moderately (approximately 1%).

The **gross formation of fixed capital** experienced a two-point decrease this quarter, dropping from -6.2% to -8.2%. Considering the different types of assets, tangible assets presented a more pronounced drop than that for the aggregate (from -6.5% to -8.8%), with more significant decreases in the case of capital goods than in construction. Lastly, investment in intangible assets recovered from -0.3% to 2.2%.

Demand for **capital goods** recorded a 3.3-point contraction, from -2.7% to -6.0%, in line with the evolution of the industrial production indicators, turnover and imports for this type of good. The rate of the decrease in investment in machinery (-5.5%) was less intense than in the case of transport equipment assets (-7.3%).

Investment in **construction** assets experienced a decrease of two points, dropping from -8.2% to -10.2%. Both dwellings and infrastructures and other construction presented decreasing profiles, which were more intense in the case of the latter (-14.3%) than in the case of the dwellings (-5.8%).

External demand

The contribution of the net external demand of the Spanish economy to quarterly GDP dropped four tenths this period, decreasing from 3.2 to 2.8 points. This result occurred as the joint consequence of a deceleration of exports, linked to a greater contraction of imports, though the latter to a lesser extent.

Exports of goods and services saw a three-point slowdown in growth, from 5.2% to 2.2%, in line with the slowed evolution of the economies of the countries to which these exports were sent, mainly in the European Union. By component, a less intense slowdown was observed in the case of goods (from 2.9% to 1.7%) than in the case of services (from 13.9% to 6.5%). In turn, purchases by persons resident in Spain, customary with a more moderate tourist activity, registered a 1.0% decrease, this being the first negative rate recorded since the first quarter of 2010.

Lastly, **imports** of goods and services experienced a decrease of 1.3 points in its growth rate (from -5.9% to -7.2%), in line with the lower activity level. All of its components presented drops, of a greater amount in the case of services (-6.9%) than in the case of goods (-7.2%). Finally, purchases of persons resident in the rest of the world registered a decrease of 8.7%.

Supply

The analysis of the macroeconomic table, from the supply perspective, presented similar features to those published the previous quarter. Thus, moderate growth was recorded in the added value of the primary branches and of services, and more intense decreases in the added value of the manufacturing and construction activities.

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

	2010				2011				2012
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV	Q. I
GROSS DOMESTIC PRODUCT at market prices	-1.3	0.0	0.4	0.7	0.9	0.8	0.8	0.3	-0.4
Agriculture, forestry and fishing	-1.1	-1.3	-1.5	-0.3	1.1	0.5	0.4	0.3	0.8
Industry	-1.6	2.3	0.6	1.3	3.0	2.3	2.8	-0.4	-3.0
- Manufacturing industry	-2.0	2.5	0.5	1.3	3.4	3.0	3.4	-0.1	-3.9
Construction	-8.9	-8.7	-7.6	-5.9	-4.9	-3.2	-3.2	-3.7	-5.3
Service activities	0.3	1.2	2.0	2.2	1.4	1.0	1.0	0.9	0.8
- Wholesale and retail trade	-0.5	1.1	1.5	1.4	2.7	2.0	0.9	0.3	1.2
- Information and communication	-0.9	2.7	2.2	0.7	1.2	-0.4	0.9	1.1	1.5
- Financial and insurance activities	1.8	6.4	10.0	8.9	-4.7	-2.3	-0.1	3.5	3.8
- Real estate activities	0.0	0.6	0.9	4.4	2.6	1.0	1.3	-0.3	0.1
- Professional activities	-0.2	0.0	0.7	1.3	3.1	1.7	2.8	2.6	0.0
- Public administration, health and education activities	1.4	0.6	2.0	2.6	1.2	1.4	1.0	0.3	0.0
- Arts, entertainment and other services	-1.9	-2.6	-3.4	-4.8	-3.1	-3.8	-1.1	0.7	0.5
Taxes less subsidies on products	-1.1	-0.6	-0.9	-2.2	1.2	2.5	1.3	2.0	1.5

The gross added value of the **industrial branches** experienced an intensified drop in the first quarter of 2012, going from -0.4% to -3.0%, in line with the contracting evolution of national demand, and the moderation of the exports of industrial goods. In particular, regarding the **manufacturing industry**, the decrease was somewhat more intense (from -0.1% to -3.9%).

In the same way as the demand for assets linked to construction activity, the gross added value of **construction** saw a 1.6-point increase in its negative growth, from -3.7% to -5.3%. As commented in the section dedicated to demand, the more unfavourable performance of both buildings under construction and other construction yielded this result.

The added value of the **services branches** saw a slight decrease in growth this quarter, from 0.9% to 0.8%. Within these branches, those with the best results were those linked to information and communications technologies and to trade, in line with the recovery of household expenditure on consumer goods. At the opposite end of the spectrum, a lesser rate of progress was observed in those activities related to tourism and real estate.

Lastly, the primary branches saw a half-point acceleration in the growth of their added values, reaching 0.8%, in accordance with the evolution of the agricultural and livestock activity indicators.

Employment

Employment, measured in terms of full-time equivalent jobs, experienced a year-on-year decrease of five tenths, standing at -3.8%. This result indicated a reduction of more than 655 thousand net full-time jobs in one year. On an aggregated scale, the results of all of the branches activity were worse than those from the previous quarter.

In year-on-year terms, construction lost more than 310 thousand jobs, services almost 245 thousand, industry almost 87 thousand, and finally, the primary branches lost more than 13 thousand.

The contraction of occupied employment was registered with greater intensity in wage-earning employment (dropping from -3.2% to -4.2%). In turn, non-wage-earning employment presented a less negative growth rate this quarter (going from -3.9% to -0.9%).

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

	2010				2011				2012
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV	Q. I
Total	4.9	3.2	10.8	12.5	-1.7	-0.9	-3.9	-0.5	-3.7
Agriculture, forestry and fishing	0.5	0.1	2.3	5.2	-3.1	-2.0	-3.1	-1.0	-1.8
Industry	-9.5	-6.2	-4.3	-2.5	-2.6	-1.8	-1.2	-3.9	-3.9
- Manufacturing industry	-9.9	-6.2	-4.4	-2.5	-2.9	-2.4	-2.2	-4.5	-4.7
Construction	-15.9	-12.0	-10.1	-11.7	-10.0	-13.7	-16.3	-18.5	-21.1
Service activities	-1.7	-1.2	-0.7	-0.2	-0.3	0.4	-0.2	-1.5	-1.9
- Wholesale and retail trade	-3.5	-2.1	-1.8	0.3	-0.3	1.2	0.6	-2.3	-2.6
- Information and communication	-3.3	-3.4	0.7	-2.4	-2.8	1.8	-1.3	1.5	2.8
- Financial and insurance activities	-0.3	-1.9	-2.9	-4.1	-2.9	-3.1	-1.5	-3.0	-3.3
- Real estate activities	-6.4	-5.4	-2.0	-2.9	7.4	9.2	-5.5	3.9	-1.0
- Professional activities	-1.7	-1.2	1.3	0.5	1.2	0.6	-2.4	-2.2	-3.4
- Public administration, health and education activities	0.9	0.8	0.6	0.9	0.8	0.2	0.8	-0.5	-1.1
- Arts, entertainment and other services	-0.7	-1.6	-3.0	-4.3	-5.2	-3.2	-1.4	-1.0	-0.4
Employees	-4.3	-2.8	-1.7	-1.3	-1.3	-1.1	-1.8	-3.2	-4.2
Agriculture, forestry and fishing	4.9	3.2	10.8	12.5	-1.7	-0.9	-3.9	-0.5	-3.7
Industry	-9.6	-5.5	-3.9	-1.9	-2.2	-1.8	-1.0	-4.1	-4.3
- Manufacturing industry	-10.1	-5.5	-4.0	-2.0	-2.5	-2.4	-2.0	-4.7	-5.2
Construction	-16.9	-13.4	-11.7	-12.9	-9.8	-13.6	-16.2	-18.6	-22.9
Service activities	-1.6	-0.9	-0.3	-0.1	0.0	0.7	-0.1	-1.2	-2.1
- Wholesale and retail trade	-3.4	-2.1	-2.0	-0.3	-0.2	0.8	0.8	-2.1	-3.0
- Information and communication	-2.0	-2.1	1.0	-2.0	-2.8	3.1	-0.3	2.4	3.4
- Financial and insurance activities	-0.4	-2.2	-3.3	-4.6	-3.4	-3.7	-2.0	-3.6	-3.4
- Real estate activities	-9.9	-2.1	2.2	1.0	8.0	11.2	-6.1	6.4	-0.8
- Professional activities	-2.6	-1.0	3.1	2.0	2.8	3.2	-2.5	-1.6	-4.0
- Public administration, health and education activities	0.9	0.9	0.7	0.7	0.7	0.1	0.8	-0.5	-1.2
- Arts, entertainment and other services	-0.2	-1.6	-2.4	-3.1	-4.6	-2.3	-1.7	-1.3	-0.7

The number of hours actually worked by the persons employed in the economy dropped from -1.7% to -3.4% this quarter. The difference between this evolution and that of full-time equivalent jobs was due to the lesser increase in the average full-time working day, which went from 1.6% to 0.4%.

Using the joint consideration of the growth of quarterly GDP and the occupied employment data, it was possible to deduce that the year-on-year variation of the **apparent productivity by equivalent job post** decreased two tenths, from 3.7% to 3.5%, whereas the growth of the **apparent productivity per hour actually worked** increased 1.1 points, from 2.0% to 3.1%.

GDP at current prices and implicit deflator

GDP valued at current prices experienced a 1.4-point decrease in year-on-year growth, from 1.5% to 0.1% in the first quarter of 2012. As a result, the growth of the implicit **deflator** for the economy reached 0.5%, seven tenths lower than that recorded the previous quarter.

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

	2010				2011				2012
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV	Q. I
GROSS DOMESTIC PRODUCT at market prices	-1.5	0.1	1.0	1.7	2.2	2.4	2.2	1.5	0.1
Household final consumption expenditure	1.4	3.6	3.3	4.4	3.8	3.2	3.7	1.5	2.0
Final consumption expenditure of NPISHs	3.9	5.1	4.4	4.1	3.3	3.4	3.1	1.5	1.8
Final consumption expenditure by government	0.3	0.3	-1.4	-2.6	0.7	-2.6	-3.1	-2.2	-4.9
Gross fixed capital formation	-10.0	-2.3	-2.7	-2.2	-2.4	-3.2	-2.1	-5.4	-8.1
- Tangible fixed assets	-10.4	-2.5	-2.5	-2.2	-2.7	-3.3	-2.4	-5.8	-8.9
• Construction	-13.2	-8.2	-7.7	-7.2	-7.9	-7.2	-6.4	-9.1	-11.9
• Equipment and cultivated assets	-1.7	16.3	13.3	11.9	11.6	6.8	7.3	1.7	-1.9
- Intangible fixed assets	-3.2	1.4	-6.0	-3.3	2.7	-1.1	3.4	1.7	3.9
Changes in inventories and acquisitions less disposals of valuables (*)	0.0	0.0	0.1	0.1	0.0	0.0	-0.1	-0.1	0.0
NATIONAL DEMAND (*)	-1.7	1.6	1.0	1.5	1.8	0.5	0.9	-0.9	-1.6
Exports of goods and services	8.9	14.8	13.4	16.9	19.2	13.7	13.6	9.4	4.5
Imports of goods and services	7.4	20.0	12.3	14.7	16.1	6.0	8.5	0.9	-1.5
GROSS DOMESTIC PRODUCT at market prices	-1.5	0.1	1.0	1.7	2.2	2.4	2.2	1.5	0.1
Agriculture, forestry and fishing	1.8	1.6	5.8	10.2	1.2	0.0	2.8	3.7	5.6
Industry	-0.5	-1.9	3.0	6.4	7.5	10.2	6.7	5.0	0.8
- Manufacturing industry	0.0	-2.0	3.7	7.4	6.4	10.6	5.8	4.3	-0.6
Construction	-9.0	-12.6	-9.6	-5.9	-2.8	1.4	-1.9	-2.6	-6.3
Service activities	-0.8	-1.6	-0.7	0.9	1.9	3.0	2.0	1.9	1.7
- Wholesale and retail trade	0.7	0.1	1.6	4.1	5.3	6.9	4.1	2.8	3.3
- Information and communication	-6.5	-5.9	-5.9	-3.9	-0.2	0.2	-0.2	-0.3	-1.0
- Financial and insurance activities	-26.2	-24.6	-24.7	-23.3	-17.3	-8.2	-1.3	2.5	5.5
- Real estate activities	14.6	11.1	14.4	19.5	7.2	9.8	3.6	2.8	2.0
- Professional activities	-1.0	-2.5	0.9	3.1	5.0	4.8	2.4	2.5	0.1
- Public administration, health and education activities	2.1	1.1	-0.1	-1.5	0.0	-1.0	0.0	0.0	-0.3
- Arts, entertainment and other services	0.1	-2.9	-4.1	-2.0	-1.3	-1.4	0.4	3.4	2.4
Taxes less subsidies on products	1.8	39.6	32.9	9.3	3.0	-10.4	1.3	-3.6	-6.7

(*) Contribution to GDP growth

Income

Regarding the primary distribution of income, employee remuneration dropped from -2.1% to -3.3%. This was as a result of the one-point decrease in the number of wage earners (from -3.2% to -4.2%), and the two-tenth slowdown in the average remuneration per wage earner (from 1.1% to 0.9%).

The product unit labour cost (ULC) thus remained stable at -2.5%, three points below the implicit deflator of the economy.

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

	2010				2011				2012
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV	Q. I
GROSS DOMESTIC PRODUCT at market prices	-1.5	0.1	1.0	1.7	2.2	2.4	2.2	1.5	0.1
Compensation of employees	-3.5	-2.3	-2.3	-2.1	-0.8	-0.6	-0.6	-2.1	-3.3
Unit Labor Cost (ULC)	-2.1	-2.4	-2.9	-2.9	-2.0	-1.7	-1.5	-2.5	-2.5
Compensation per employee	0.8	0.5	-0.6	-0.7	0.6	0.5	1.2	1.1	0.9
Productivity per worker	3.0	3.0	2.4	2.2	2.6	2.2	2.8	3.7	3.5
Salary rate	-0.1	0.1	0.3	0.1	0.3	0.2	0.1	0.1	-0.5
Gross operating surplus / Gross mixed income	0.0	-3.7	0.3	4.4	5.3	8.8	4.7	6.6	4.8
Net taxes on production and imports	2.8	38.1	31.3	11.4	3.6	-8.7	5.8	-5.1	-5.3

In turn, the operating surplus and mixed income saw a decrease of almost two points in growth, dropping from 6.6% to 4.8%. Lastly, the taxes and production and net imports of subsidies decreased to a rate of -5.3%, two tenths more than the previous quarter.

Regarding the contributions of these operations to the growth of the implicit deflator of GDP, operating surplus and mixed income contributed 2.3 points to the growth of said index, whereas employee remuneration contributed negatively, by 1.4 points, and net taxes on production did so by four tenths.

Income. Components of the GDP deflator. Contributions

	2010				2011				2012
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV	Q. I
GROSS DOMESTIC PRODUCT at market prices	-0.2	0.1	0.7	1.0	1.3	1.6	1.4	1.2	0.5
Compensation of employees	-1.1	-1.2	-1.3	-1.4	-0.8	-0.7	-0.7	-1.2	-1.4
Unit Labor Cost (ULC)	-1.1	-1.2	-1.5	-1.4	-1.0	-0.8	-0.8	-1.2	-1.2
Compensation per employee	0.4	0.3	-0.3	-0.4	0.3	0.2	0.6	0.5	0.4
Productivity per worker	-1.5	-1.5	-1.2	-1.1	-1.2	-1.1	-1.3	-1.7	-1.7
Salary rate	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.0	-0.2
Gross operating surplus / Gross mixed income	0.6	-1.6	0.0	1.6	1.9	3.2	1.7	2.8	2.3
Net taxes on production and imports	0.3	2.9	2.0	0.8	0.2	-1.0	0.4	-0.4	-0.4

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