

## Quarterly Spanish National Accounts. Base 2000

### Third quarter of 2009

#### Quarterly National Accounts (GDP)

Latest data	Year-on-year growth rate	Quarter-on-quarter growth rate
Third quarter of 2009	-4.0	-0.3

### Main Results

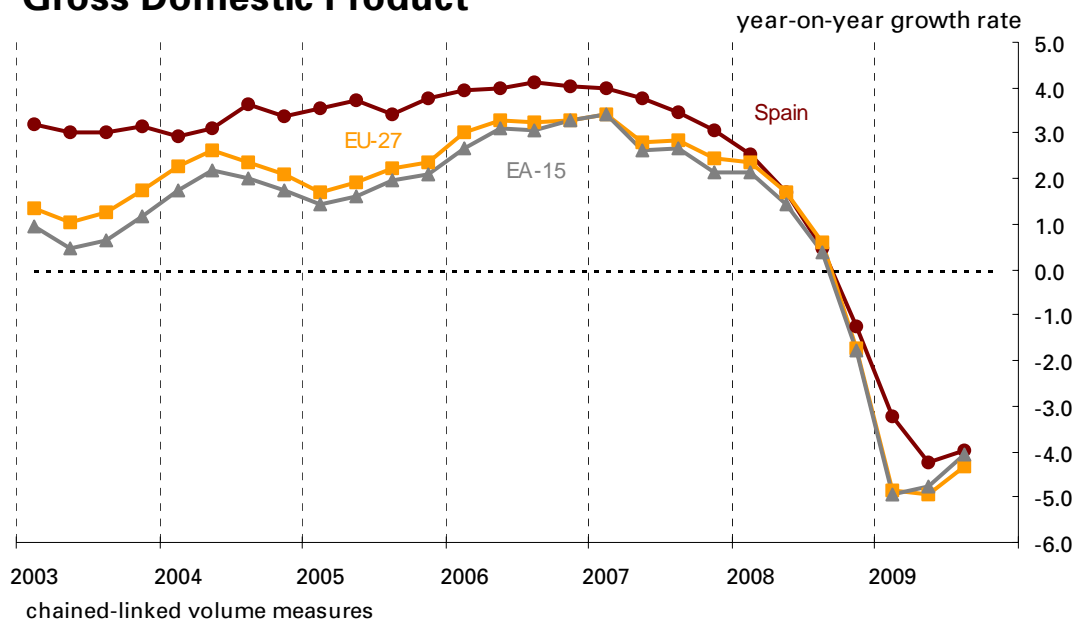
- The Spanish economy registers a year-on-year decrease of 4.0% in the third quarter of 2009, two tenths less than the previous quarter.
- Quarter-on-quarter growth stands at -0.3%, eight tenths less negative than that recorded the previous quarter.
- The annual and quarterly growth data coincide with those published in the Advance Estimate of the Quarterly National Accounts published last 12 November.
- The negative contribution of national demand to aggregate growth decreases nine tenths (from -7.4 to -6.5 points), while external demand lessens its contribution to quarterly GDP seven tenths (from 3.2 to 2.5 points).
- Employment in the economy drops at a rate of 7.2%, indicating a net reduction of 1.36 million full-time jobs in one year.
- Unit labour cost growth slows one point to 0.4%, standing eight tenths above the GDP deflator.

Gross Domestic Product <sup>1</sup> (GDP) generated by the Spanish economy during the third quarter of 2009 registered a 4.0% decrease as compared with the same period the previous year <sup>2</sup>, two tenths less than that estimated for the previous period. Thus, global activity reduced its contraction, changing the decreasing trend exhibited for practically the last three years.

In quarter-on-quarter terms, GDP decreased 0.3%, that is, eight tenths less negative than that from the second quarter.

Regarding Europe, both European Union GDP and Eurozone GDP showed evolution similar to that of Spanish GDP this third quarter. Hence, the former improved its year-on-year growth six tenths (from -4.9% to -4.3%), while the latter improved seven tenths (from -4.8% to -4.1%). All of the large European economies reduced their contraction during this period, noting, in order of improvement, the Netherlands (from -5.4% to -3.7%), Austria (from -4.9% to -3.4%), Italy (from -5.9% to -4.6%), Portugal (from -3.7% to -2.4%), Germany (from -5.8% to -4.8%) and the United Kingdom (from -5.5% to -5.2%).

## Gross Domestic Product

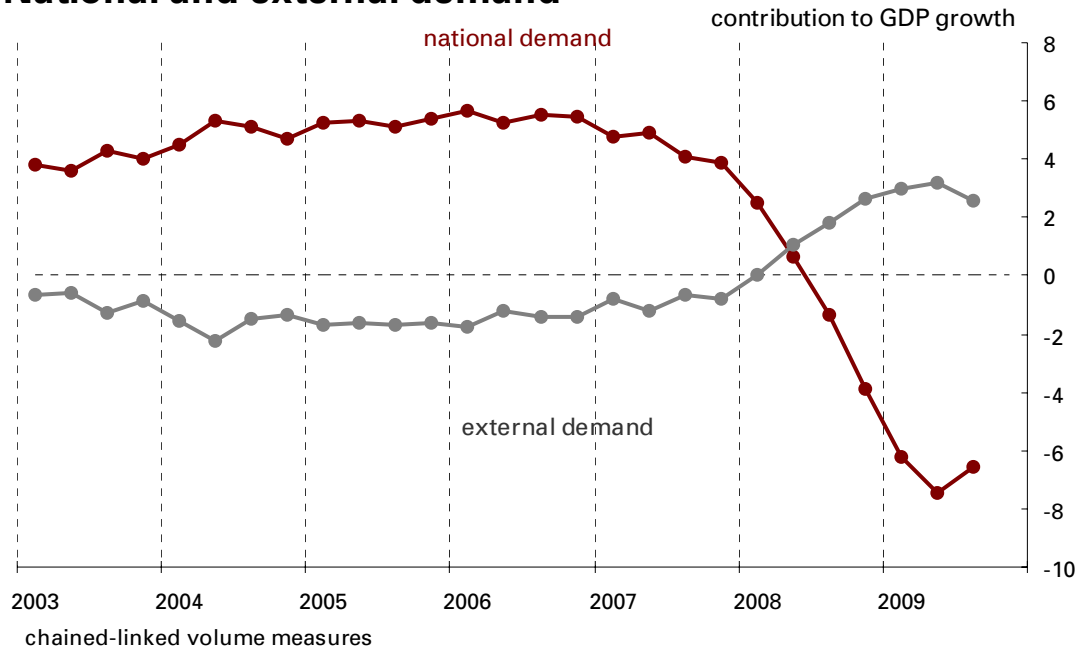


On analysing the two large components of Spanish GDP from the perspective of expenditure, on the one hand, national demand reduced its negative contribution to GDP nine tenths this quarter, from -7.4 to -6.5 points, whereas conversely, external demand reduced its positive contribution to aggregate growth seven points, from 3.2 to 2.5 points.

<sup>1</sup> Chain-linked volume measures, referring to the year 2000.

<sup>2</sup> Data adjusted for seasonal and calendar effects.

## National and external demand



### Demand. Chained-linked volume measures. Year-on-year growth rates

	2008				2009		
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III
<b>GROSS DOMESTIC PRODUCT at market prices</b>	<b>2.5</b>	<b>1.7</b>	<b>0.5</b>	<b>-1.2</b>	<b>-3.2</b>	<b>-4.2</b>	<b>-4.0</b>
Household final consumption expenditure	2.1	0.2	-1.3	-3.3	-5.4	-6.0	-5.1
Final consumption expenditure of NPISHs	1.6	0.6	-0.3	1.1	1.7	3.5	4.0
Final consumption expenditure by government	4.6	5.1	5.8	6.3	6.4	5.2	4.9
Gross fixed capital formation	1.4	-1.9	-6.0	-10.9	-15.1	-17.2	-16.2
- Equipment	5.0	2.9	-3.0	-11.6	-24.4	-28.9	-24.3
- Construction	-0.5	-4.1	-7.2	-10.2	-11.3	-11.8	-11.5
- Other products	2.4	-1.2	-6.1	-11.8	-14.2	-17.5	-19.9
Changes in inventories and acquisitions less disposals of valuables (*)	0.1	0.2	0.2	0.1	0.1	0.0	0.0
<b>NATIONAL DEMAND (*)</b>	<b>2.5</b>	<b>0.6</b>	<b>-1.4</b>	<b>-3.9</b>	<b>-6.2</b>	<b>-7.4</b>	<b>-6.5</b>
Exports of goods and services	3.9	2.4	-2.9	-7.1	-16.9	-15.1	-11.1
Imports of goods and services	3.1	-1.3	-7.6	-13.5	-22.6	-22.0	-17.0

(\*) Contribution to GDP growth

### National demand

The least contracting behaviour of **national demand** this quarter was shared by its two main aggregates. Thus, both household final consumption expenditure and gross formation of fixed capital moderated, though with different intensities, their negative growth rates during this period.

**Household final consumption expenditure** reduced its negative growth nine tenths, from -6.0% to -5.1%, as a result of the improved evolution shown by its follow-up indicators. Therefore, although most of them continued to present negative rates, these had less and less importance (retail trade index, sale of automobiles, industrial production index and imports of consumer goods, etc.), this evolution being accompanied by a less negative perception of the economy by families.

The improvement estimated in household consumption expenditure was shared by all its components, both in goods and in services, and of particular note, due to its intensity, in that corresponding to durable goods (vehicles, household appliances, etc.).

**Final consumption expenditure of the Public Administrations** slowed three tenths in the third quarter, from 5.2% to 4.9%, as a result of the lesser growth rate in both the purchases of goods and services and the employee compensation of the Public Administrations.

The **gross formation of fixed capital** reduced its negative year-on-year growth one point, from -17.2% to -16.2%. This recovery was shared by both the capital goods component and the construction component, though with greater intensity in the former than in the latter. In turn, the demand for investment in other products continued to increase its contraction in the third quarter of the year.

The decrease in the gross formation of fixed capital in **capital goods** slowed this quarter in a manner consistent with its approximation indicators. Thus, both industrial production and turnover and imports of this type of goods registered growth rates that were less negative than those from the previous quarter. Investment in machinery (-28.3%) presented a drop that was more pronounced than that of transport material (-15.0%).

The evolution of the investment in **construction** improved three tenths in the third quarter, reaching a negative growth rate of -11.5%. On analysing the different types of construction, residential building continued its decreasing trend (-25.5% as compared with the -25.3% registered the previous quarter), as a result of the weak launch rate of residential projects, whereas other types of construction continued to present positive growth rates (1.5%), in a way similar to the previous period. Within them, worth noting was the growth in infrastructure building, and particularly that connected to the area of local corporations, and that linked to high-speed railway lines.

Lastly, the gross formation of fixed capital in **other products** decreased 19.9% in the third quarter, almost one-and-a-half points more than in the second quarter.

## External demand

The net contribution of **external demand** of the Spanish economy to quarterly GDP decreased seven tenths, from 3.2 to 2.5 points. Both exports and imports of goods and services slowed their negative growth, for the second consecutive quarter, and more intensely in the case of the latter than in the case of the former.

**Exports** of goods and services recovered their variation rate, which went from -15.1% to -11.1%. This performance was in line with the improved evolution of national demand of the countries to which these exports are sent, that is, fundamentally the European Union. Distinguishing among their three components, exports of goods noticeably moderated their decrease, from -17.1% to -10.2%, according to the data provided by Customs. In the meantime, exports of non-tourist services increased their contraction from -12.2% to -15.7%, and lastly, tourist expenditure of non-residents maintained its variation rate at -9.5%, consistent with the data from the Balance of Payments.

Lastly, **imports** of goods and services reduced their decrease five points (from -22.0% to -17.0%). The performance of their components was similar to that of exports. Hence, those corresponding to goods improved their negative evolution substantially, from -24.1% to -17.6%, services increased their contraction from -14.1% to -15.2% and purchases by residents in the rest of the world stood at rates similar to those from the previous quarter (-12.4%).

## Supply

From the perspective of supply, all branches of activity, on an aggregate level, registered behaviour that was similar to, or more favourable than, the previous quarter.

### Supply. Chained-linked volume measures. Year-on-year growth rates

	2008				2009		
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III
<b>GROSS DOMESTIC PRODUCT at market prices</b>	<b>2.5</b>	<b>1.7</b>	<b>0.5</b>	<b>-1.2</b>	<b>-3.2</b>	<b>-4.2</b>	<b>-4.0</b>
Agriculture and fishing	-0.1	-0.1	-0.1	-3.0	-2.1	-0.9	-0.6
Energy and industry	2.3	0.0	-2.2	-6.2	-14.3	-15.8	-14.5
- Energy	3.8	4.0	2.4	-2.4	-7.6	-9.6	-7.9
- Industry	2.1	-0.7	-3.0	-6.9	-15.5	-17.0	-15.7
Construction	0.6	-0.2	-1.5	-4.3	-5.8	-6.6	-6.6
Service activities	3.5	2.9	1.8	0.7	-0.2	-1.3	-1.3
- Market services	3.2	2.3	1.2	-0.1	-1.0	-2.5	-2.4
- Non-market services	4.5	5.1	4.2	3.6	2.9	3.2	2.6
Taxes less subsidies on products	0.1	-0.4	-1.8	-2.0	-1.7	-2.6	-2.7

Consistent with the evolution of industrial production, as well as with the intermediate consumption of these activities, the gross added value of the **industrial branches** reduced its decrease by more than one point this quarter, from -15.8% to -14.5%. This improvement took place in both the manufacturing industry and the energy branches, both on an aggregate scale. In the case of the **manufacturing industry**, the improved growth rate of turnover, in addition to that of the production of durable consumer goods and capital goods, caused the added value of these activities to recover, from -17.0% to -15.7%. In the case of the **energy branches**, the added value recovered from -9.6% to -7.9%.

The gross added value of **construction** decreased at a rate of -6.6%, this rate being identical to that from the previous quarter, in accordance with the evolution of the production and the intermediate consumption of the activity. The main factors that determined this result were the same as those mentioned for demand, that is, the greater contraction, at the production level, of the construction of dwellings, and the stabilising, at a positive rate, of the other types of construction.

Regarding the **services branches**, the decrease in their gross added value stabilised at 1.3%. Their two large components presented opposing trends. Thus, market services recovered one tenth, from -2.5% to -2.4%, whereas non-market services decreased their growth rate six tenths, from 3.2% to 2.6%.

Considering the different activities in market services, and as with the previous quarter, a better behaviour was observed in the trade branches, especially regarding sales of automobiles, in line with the final consumption expenditure of this type of good. Conversely, the activities of services to companies, and in particular, those of real estate agencies, continued to record the most negative registers.

Lastly, the primary branches moderated the decrease in added value three tenths (from -0.9% to -0.6%), in line with the evolution of agricultural activities.

## Employment

**Employment**, measured in terms of full-time equivalent job posts, stabilised its fall at 7.2%. This result indicated a reduction of 1.36 million net full-time jobs in one year. As with the previous two quarters, the level of employment decreased in all activities, on an aggregate scale, with the exception of the branches of non-market services.

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

	2008				2009		
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III
<b>Total</b>	<b>1.5</b>	<b>0.3</b>	<b>-1.0</b>	<b>-3.2</b>	<b>-6.3</b>	<b>-7.2</b>	<b>-7.2</b>
Agriculture and fishing	-4.1	-3.1	-2.5	-3.3	-3.3	-3.7	-4.5
Energy and industry	0.7	0.8	-0.8	-4.9	-10.1	-12.2	-12.7
Construction	-1.0	-6.4	-12.3	-20.2	-25.2	-25.0	-24.3
Service activities	2.6	1.8	1.4	0.7	-1.7	-2.9	-3.0
- Market services	3.4	2.2	1.9	0.3	-3.1	-4.6	-5.0
- Non-market services	0.3	0.7	0.3	1.6	2.2	1.9	2.3
<b>Employees</b>	<b>1.5</b>	<b>0.2</b>	<b>-1.1</b>	<b>-3.6</b>	<b>-6.2</b>	<b>-7.1</b>	<b>-7.0</b>
Agriculture and fishing	-3.8	-1.3	-1.5	0.6	0.6	-1.0	-2.7
Energy and industry	0.8	1.0	-0.7	-5.0	-10.1	-12.3	-12.8
Construction	-1.0	-7.1	-12.9	-22.1	-27.2	-26.3	-25.2
Service activities	2.4	1.6	1.2	0.4	-1.1	-2.4	-2.5
- Market services	3.4	2.0	1.7	-0.1	-2.6	-4.3	-4.6
- Non-market services	0.3	0.7	0.3	1.6	2.2	1.9	2.3

From the joint analysis of quarterly GDP growth and full-time employment, the year-on-year variation in apparent **productivity** from the work factor obtained was 3.4%, two tenths higher than the rate for the previous period.

## GDP at current prices and implicit deflator

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

	2008				2009		
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III
<b>GROSS DOMESTIC PRODUCT at market prices</b>	<b>5.6</b>	<b>4.6</b>	<b>3.1</b>	<b>0.5</b>	<b>-1.9</b>	<b>-4.0</b>	<b>-4.4</b>
Household final consumption expenditure	6.3	4.3	2.6	-0.7	-5.2	-7.3	-6.4
Final consumption expenditure of NPISHs	5.7	4.2	3.2	4.6	4.6	6.1	5.9
Final consumption expenditure by government	9.5	9.6	9.0	8.4	7.9	7.3	5.9
Gross fixed capital formation	3.6	0.3	-4.5	-10.8	-16.9	-20.6	-20.2
- Equipment	7.6	5.0	-1.4	-10.6	-24.3	-29.6	-25.6
- Construction	1.9	-1.8	-5.8	-10.9	-14.4	-16.8	-17.2
- Other products	3.8	0.4	-4.5	-11.0	-14.2	-19.8	-22.5
Changes in inventories and acquisitions less disposals of valuables (*)	0.1	0.2	0.2	0.2	0.1	0.0	0.0
<b>NATIONAL DEMAND (*)</b>	<b>6.6</b>	<b>4.5</b>	<b>2.0</b>	<b>-2.0</b>	<b>-6.4</b>	<b>-8.7</b>	<b>-8.3</b>
Exports of goods and services	6.3	5.5	1.1	-4.3	-17.0	-16.7	-15.7
Imports of goods and services	7.9	4.1	-2.5	-10.6	-27.0	-27.7	-24.8
<b>GROSS DOMESTIC PRODUCT at market prices</b>	<b>5.6</b>	<b>4.6</b>	<b>3.1</b>	<b>0.5</b>	<b>-1.9</b>	<b>-4.0</b>	<b>-4.4</b>
Agriculture and fishing	6.7	7.7	-5.4	-10.3	-2.0	-4.1	-3.9
Energy and industry	7.5	5.6	2.9	-2.2	-11.8	-14.4	-14.8
Construction	4.2	3.0	3.0	-3.1	-4.9	-7.5	-9.4
Service activities	8.3	7.8	6.8	5.3	4.0	2.2	1.0
- Market services	8.1	7.5	6.5	4.7	3.5	1.1	0.1
- Non-market services	9.1	9.0	7.9	7.4	5.7	6.2	4.3
Taxes less subsidies on products	-11.2	-14.3	-16.7	-18.9	-20.8	-26.0	-20.4

(\*) Contribution to GDP growth

GDP valued at current prices registered a year-on-year decrease of 4.4% in the third quarter of 2009, increasing its contraction four tenths. As a result, the growth of the implicit **deflator** of the economy reached -0.4%, six tenths lower than that registered the previous quarter. This was the first negative rate recorded in the historical series of the Quarterly National Accounts.

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

	2008				2009		
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III
<b>GROSS DOMESTIC PRODUCT at market prices</b>	<b>5.6</b>	<b>4.6</b>	<b>3.1</b>	<b>0.5</b>	<b>-1.9</b>	<b>-4.0</b>	<b>-4.4</b>
<b>Compensation of employees</b>	<b>7.6</b>	<b>6.6</b>	<b>5.0</b>	<b>2.1</b>	<b>-2.0</b>	<b>-2.8</b>	<b>-3.4</b>
Unit Labor Cost (ULC)	4.9	5.0	4.7	3.8	1.2	1.4	0.4
Compensation per employee	6.0	6.4	6.2	6.0	4.5	4.7	3.9
Productivity per worker	1.1	1.4	1.4	2.1	3.2	3.2	3.4
Salary rate	0.0	-0.1	-0.1	-0.4	0.1	0.1	0.2
Gross operating surplus / Gross mixed income	7.5	6.8	5.8	2.9	2.1	-1.3	-3.3
Net taxes on production and imports	-10.6	-13.0	-16.8	-18.4	-19.1	-23.8	-16.1

## Income

Considering the primary distribution of income, employee compensation decreased its growth rate six tenths, to -3.4%, as a result of the drop in average compensation per employee (from 4.7% to 3.9%), slightly compensated by the recovery in the number of employees (from -7.1% to -7.0%). In this way, product unit labour cost slowed one point to 0.4%, this figure being eight tenths higher than the implicit deflator of the economy.

Gross operating surplus and mixed income increased their contraction two points to -3.3%, and, lastly, the taxes on production and net imports of subsidies decreased 16.1%.

As regards the contributions of these operations to the growth of the implicit GDP deflator, operating surplus and employee compensation contributed positively to the growth of the inflation rate of the economy with similar amounts (0.3 points each), whereas the contribution of the net taxes on production and imports was negative (-1.0 points).

### Income. Components of the GDP deflator. Contributions

	2008				2009		
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III
<b>GROSS DOMESTIC PRODUCT at market prices</b>	<b>3.0</b>	<b>2.8</b>	<b>2.6</b>	<b>1.7</b>	<b>1.4</b>	<b>0.2</b>	<b>-0.4</b>
<b>Compensation of employees</b>	2.3	2.3	2.2	1.7	0.6	0.8	0.3
Unit Labor Cost (ULC)	2.3	2.4	2.3	1.9	0.6	0.7	0.2
Compensation per employee	2.8	3.0	2.9	2.8	2.2	2.3	1.9
Productivity per worker	-0.5	-0.7	-0.7	-1.0	-1.6	-1.6	-1.7
Salary rate	0.0	-0.1	-0.1	-0.2	0.0	0.1	0.1
Gross operating surplus / Gross mixed income	2.0	2.1	2.2	1.8	2.3	1.3	0.3
Net taxes on production and imports	-1.4	-1.6	-1.8	-1.7	-1.5	-1.8	-1.0

For further information see [INEbase-www.ine.es/en/welcome\\_en.htm](http://www.ine.es/en/welcome_en.htm) All press releases at: [www.ine.es/en/prensa/prensa\\_en.htm](http://www.ine.es/en/prensa/prensa_en.htm)

**Press office:** Telephones: 91 583 93 63 / 94 08 – Fax: 91 583 90 87 - [gprensa@ine.es](mailto:gprensa@ine.es)

**Information Area:** Telephone: 91 583 91 00 – Fax: 91 583 91 58 – [www.ine.es/infoine](http://www.ine.es/infoine)