

15 November 2012

## Quarterly Spanish National Accounts. Base 2008

### Third quarter of 2012

#### Quarterly National Accounts (GDP)

Latest data	Year-on-year growth rate	Quarter-on-quarter growth rate
Third quarter of 2012	-1.6	-0.3

#### Main results

- The Spanish economy registers a **quarter-on-quarter drop of 0.3%** in the third quarter of 2012, this rate is one tenth less negative than that recorded the previous period.
- Year-on-year **growth stands at -1.6%**, two tenths lower than that recorded the second quarter.
- The annual and quarterly growth data coincide with that of the flash estimate of quarterly GDP for the third quarter of 2012, published on 30 October.
- The contribution of **national demand** to aggregate growth is two tenths lower than that for the previous quarter, standing at **-4.0 points**, whereas the contribution of **external demand** to quarterly GDP remains the figure of the previous quarter (**2.4 points**).
- **Employment** in the economy **decreases at a year-on-year rate of 4.6%**, one tenth higher than in the second quarter of 2012, indicating a net reduction of 789 thousand full-time jobs in one year. In turn, the hours actually worked decrease at a year-on-year rate of 4.0%.
- The growth in the **unit labour cost** stands at **-3.0%** this quarter, three-and-a-half points below the implicit GDP deflator.

Gross Domestic Product <sup>1</sup> (GDP) generated by the Spanish economy in the third quarter of 2012 registered a 0.3%<sup>2</sup> decrease with regard to the previous quarter, this rate was one tenth lower than that estimated for the previous quarter.

In year-on-year terms, the growth rate of GDP was -1.6%, two tenths lower than that recorded the previous period, due to the lesser contribution of national demand to aggregate growth.

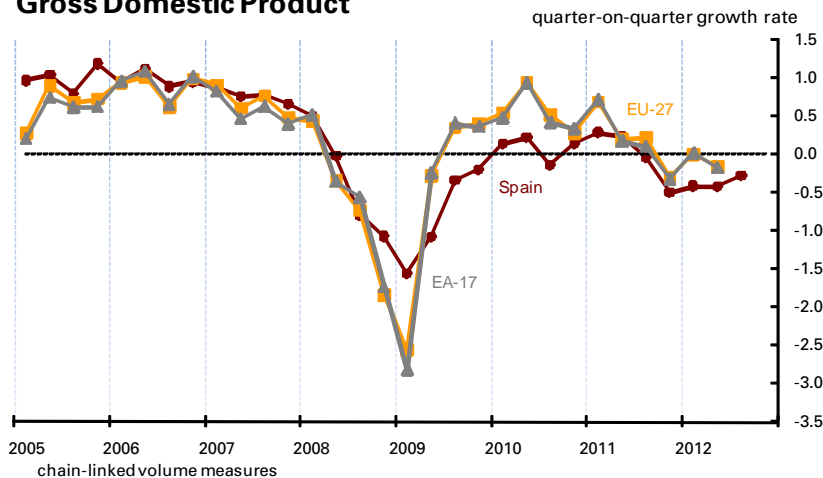
<sup>1</sup> Chain-linked volume measures, referring to the year 2008.

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

The Quarterly National Accounts include the latest short-term information available at the time of compilation, and therefore, the estimates relating to the previous quarters of the current year may be subject to revision.

Regarding the European area, it is not possible to carry out the comparison this quarter, given that the estimate of the preview GDP of the European Union and Economic and Monetary Union countries, compiled by Eurostat (Statistics Office of the European Union) is not available at the time of preparing this press release. Nonetheless, considering the publication calendar of the INE and Eurostat short-term statistics, as of the coming quarter, this information will be available and may be included in this press release as has been done in recent years.

## Gross Domestic Product



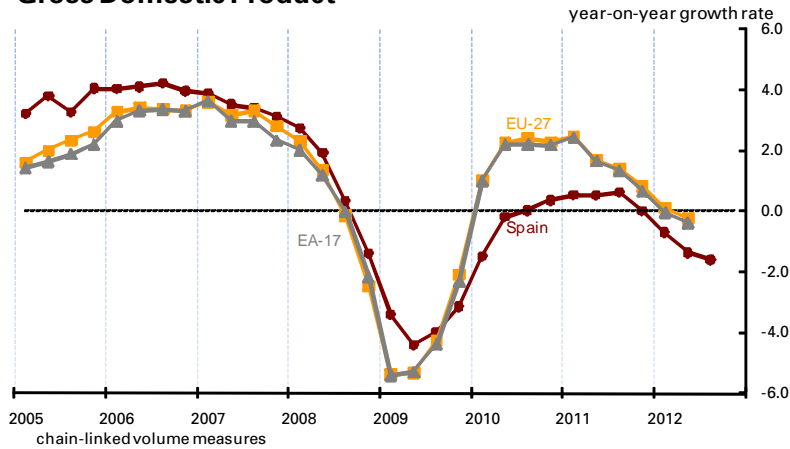
### Demand and supply. Chain-linked volume measures.

#### Quarter-on-Quarter growth rates

	2011				2012		
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III
<b>GROSS DOMESTIC PRODUCT at market prices</b>	<b>0.3</b>	<b>0.2</b>	<b>-0.0</b>	<b>-0.5</b>	<b>-0.4</b>	<b>-0.4</b>	<b>-0.3</b>
Household final consumption expenditure	-0.6	-0.2	-0.6	-1.0	0.5	-1.0	-0.5
Final consumption expenditure of NPISHs	-8.9	1.9	-1.0	-1.5	-0.2	2.3	-1.0
Final consumption expenditure by government	1.7	-1.3	-1.3	-0.1	-1.0	-0.6	-2.4
Gross fixed capital formation	-1.0	-1.2	-0.7	-3.3	-2.5	-3.0	-1.4
- Tangible fixed assets	-1.2	-1.2	-0.8	-3.4	-3.0	-3.2	-1.8
• Construction	-2.7	-1.6	-1.6	-2.9	-3.6	-3.9	-2.8
• Equipment and cultivated assets	2.2	-0.4	1.1	-4.5	-1.6	-1.8	0.6
- Intangible fixed assets	2.5	-0.4	1.0	-1.0	3.5	-0.6	2.8
Exports of goods and services	1.0	1.2	3.5	0.1	-2.3	1.7	4.8
Imports of goods and services	-1.0	-2.0	0.8	-2.8	-1.9	-1.3	2.4
<b>GROSS DOMESTIC PRODUCT at market prices</b>	<b>0.3</b>	<b>0.2</b>	<b>-0.0</b>	<b>-0.5</b>	<b>-0.4</b>	<b>-0.4</b>	<b>-0.3</b>
Agriculture, forestry and fishing	5.6	-0.1	0.8	1.4	0.7	-0.4	0.8
Industry	3.6	-0.5	-1.3	-1.4	-0.2	-0.4	-1.0
- Manufacturing industry	4.5	-0.5	-1.9	-2.0	-0.2	-0.7	-0.8
Construction	0.0	-2.7	-0.8	-1.1	-3.2	-2.3	-3.4
Service activities	-0.1	1.0	0.5	-0.3	-0.4	-0.2	0.4
- Wholesale and retail trade	0.5	0.4	-0.4	-0.6	0.8	-1.1	-0.1
- Information and communication	1.9	0.4	-1.1	2.5	0.0	-0.6	-1.2
- Financial and insurance activities	-2.7	-0.1	1.6	1.7	-0.1	-1.1	-0.6
- Real estate activities	0.8	1.2	0.9	-0.1	0.1	0.8	1.3
- Professional activities	2.8	0.4	1.4	-1.2	-0.1	-1.7	3.6
- Public administration, health and education activities	-2.6	2.6	1.1	-0.7	-2.4	2.1	-0.5
- Arts, entertainment and other services	1.4	0.0	1.6	-0.2	-0.1	-2.3	1.7
Taxes less subsidies on products	-3.7	-0.7	-1.3	-0.3	1.7	-0.6	-1.1

Analysing the year-on-year growth of Spanish GDP in the third quarter of 2012 from the expenditure perspective, a more negative contribution of national demand is observed, reaching -4.0 points, as compared with the -3.8 points recorded the previous quarter, and likewise, a stabilising of the positive contribution of external demand, at 2.4 points.

## Gross Domestic Product



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

	2011				2012		
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III
<b>GROSS DOMESTIC PRODUCT at market prices</b>	<b>0.5</b>	<b>0.5</b>	<b>0.6</b>	<b>0.0</b>	<b>-0.7</b>	<b>-1.4</b>	<b>-1.6</b>
Household final consumption expenditure	0.2	-0.9	-0.2	-2.4	-1.3	-2.1	-2.0
Final consumption expenditure of NPISHs	-8.9	-7.9	-9.2	-9.4	-0.8	-0.4	-0.5
Final consumption expenditure by government	2.2	-0.5	-2.7	-1.1	-3.7	-2.9	-3.9
Gross fixed capital formation	-6.0	-4.9	-4.2	-6.0	-7.5	-9.2	-9.9
- Tangible fixed assets	-6.7	-5.4	-4.7	-6.6	-8.2	-10.1	-10.9
• Construction	-10.8	-8.5	-8.0	-8.6	-9.4	-11.5	-12.6
• Equipment and cultivated assets	4.9	2.9	3.5	-1.7	-5.4	-6.8	-7.2
- Intangible fixed assets	4.1	1.4	4.9	2.0	3.1	2.9	4.7
Changes in inventories and acquisitions less disposals of valuables (*)	0.0	-0.1	-0.1	-0.1	0.0	0.0	0.0
<b>NATIONAL DEMAND (*)</b>	<b>-0.9</b>	<b>-1.8</b>	<b>-1.8</b>	<b>-3.1</b>	<b>-3.1</b>	<b>-3.8</b>	<b>-4.0</b>
Exports of goods and services	10.2	7.1	7.6	5.8	2.4	2.9	4.3
Imports of goods and services	4.5	-1.6	-1.2	-4.9	-5.8	-5.1	-3.5

(\*) Contribution to GDP growth

## National demand

The more negative contribution of national demand to aggregate activity this quarter was due to both the final consumption expenditure of the Public Administration and the investment in fixed capital.

**Household final consumption expenditure** moderated its negative growth, from  $-2.1\%$  to  $-2.0\%$ , although the reduction of compensation per employee, the main household resource for dealing with consumption expenditure, from  $-5.1\%$  to  $-5.5\%$ . This household consumption behaviour may have been influenced by the purchases made in advance, due to the increase in the VAT rates that took place in September.

All of the components of household expenditure, on an aggregated scale, showed a better behaviour than in the previous quarter, except in the case of expenditure on non-durable goods.

In turn, **final consumption expenditure of the Public Administrations** saw an increase of one point in its negative growth, up to  $-3.9\%$ , as a result of the evolution, both of the intermediate expenditures and of the compensation per employee thereof.

**Gross formation of fixed capital** increased its negative growth in seven tenths this quarter, from  $-9.2\%$  to  $-9.9\%$ . Considering the different types of asset, tangible assets registered one point greater decrease than aggregate (from  $-10.1\%$  to  $-10.9\%$ ), with contractions in the investment in construction and in the investment in capital goods, from  $-12.6\%$  to  $-7.3\%$ , respectively. Investment in intangible assets grew at a rate of  $4.7\%$ , registered 1.8 points more than the previous period.

Demand for **capital goods** assets increased its negative growth, from  $-6.9\%$  to  $-7.3\%$ , in line with the evolution of import indicators for goods of this type. The rate of decrease of investment in machinery ( $-5.8\%$ ) was less intense than in the case of transport equipment assets ( $-11.6\%$ ), increasing both items their negative growths, as compared with the previous quarter in five and four tenths, respectively.

Investment in **construction** assets accelerate its negative growth in 1.1 points, from  $-11.5\%$  to  $-12.6\%$ . Both demand for investment in dwellings and demand for investment in infrastructures and other construction presented decreasing rates, with greater intensity in the latter case ( $-16.7\%$ ) than in the case of dwellings ( $-8.0\%$ ).

## External demand

The contribution of the net external demand of the Spanish economy to quarterly GDP was similar to that recorded the previous quarter, remaining at 2.4 points. This occurred as a joint result of a moderate acceleration of exports and a decrease of the negative growth in imports.

**Exports** of goods and services experienced an increase of 1.4 points its growth, from  $2.9\%$  to  $4.3\%$ . In the case of goods, the acceleration was four tenths (from  $3.3\%$  to  $3.7\%$ ), resulting from the greater flow of goods to countries not belonging to the European Union. Exports of non-tourism services registered an increase of 3.5 points (from  $5.4\%$  to  $8.9\%$ ), and lastly, purchases by non-residents in Spain registered an increase of  $0.8\%$ .

**Imports** of goods and services observed a reduction of 1.6 points of their negative growth rate (from  $-5.1\%$  to  $-3.5\%$ ). On analysis of all of their components, imports of non-tourism services presented a rate of  $-1.4\%$ , four tenths more than the previous quarter. Nevertheless, purchases by residents in the rest of the world saw a high decrease this quarter, from  $-2.2\%$  to  $-8.3\%$ . In turn, imports of goods registered a slightly more intense decrease this quarter, from  $-5.9\%$  to  $-3.8\%$ .

## Supply

The analysis of the macroeconomic table, from the supply perspective, presented similar features to those published the previous quarter in the case of primary, industrial and services branches, while was accentuate the negative growth in the case of the added value of *Construction* branch.

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

	2011				2012		
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III
<b>GROSS DOMESTIC PRODUCT at market prices</b>	<b>0.5</b>	<b>0.5</b>	<b>0.6</b>	<b>0.0</b>	<b>-0.7</b>	<b>-1.4</b>	<b>-1.6</b>
Agriculture, forestry and fishing	8.1	8.2	8.7	7.8	2.8	2.5	2.6
Industry	5.8	2.4	2.5	0.2	-3.4	-3.3	-3.0
- Manufacturing industry	6.1	2.7	2.7	0.1	-4.5	-4.7	-3.7
Construction	-8.6	-6.1	-4.3	-4.5	-7.5	-7.2	-9.6
Service activities	1.3	1.6	1.6	1.1	0.8	-0.3	-0.5
- Wholesale and retail trade	1.8	2.0	1.0	-0.2	0.2	-1.3	-1.0
- Information and communication	4.1	3.6	4.3	3.7	1.8	0.8	0.8
- Financial and insurance activities	-6.5	-4.9	-3.4	0.4	3.0	2.1	-0.2
- Real estate activities	2.8	2.3	2.9	2.8	2.1	1.7	2.1
- Profesional activities	2.9	3.1	3.6	3.4	0.5	-1.6	0.5
- Public administration, health and education activities	1.1	1.8	1.3	0.3	0.5	0.0	-1.5
- Arts, entertainment and other services	-0.3	0.1	3.1	2.9	1.3	-1.0	-0.9
Taxes less subsidies on products	-4.7	-5.3	-6.0	-5.9	-0.6	-0.5	-0.2

The gross added value of the **industrial branches** experienced a slower decrease in the third quarter, from -3.3% to -3.0%. The **Manufacturing industry**, moderated its negative growth (from -4.7% to -3.7%), in line with the smallest contracting evolution of the national demand for manufactured goods.

In line with the demand for assets linked to Construction activity, the gross added value of said activity experienced a more pronounced drop, from -7.2% to -9.6%. As mentioned in the demand section, the less favourable behaviour of both building construction and other construction led to this result.

In turn, the drop in the added value of the services branches increased, from -0.3% to -0.5%, in line with the drop in the activity of the public administration, health and education (from 0.0% to -1.5%) and in the activity of financial and insurance activities (which decreased from 2.1% to -0.2%).

Trade, transport and accommodation, and artistic and recreational activities and other services, experienced a lesser decrease, in keeping with the less negative performance of household expenditure on consumer goods. In turn, the activities related to information and communications technologies recorded a growth rate that remained unaltered, standing at 0.8%, whereas professional activities experienced a noteworthy improvement, rising from -1.6% to 0.5%.

Lastly, the primary branches increased one tenth the growth of their added value, up to 2.6%, in accordance with the evolution of the agricultural and livestock activity indicators.

## Employment

**Employment**, measured in terms of full-time equivalent job posts, decrease its negative growth in one tenth, up to -4.6%. This result indicated a reduction of 789 thousand net full-time jobs in one year.

On an aggregate scale, the rates registered in *Agriculture* and in *Industry* were more negative than those registered the previous quarter. In *Services* the rate remained and in *Construction* was worst.

In year-on-year terms, *Services* lost 389 thousand jobs, *Construction* lost almost 265 thousand jobs, *Industry* lost almost 132 thousand, and the primary branches lost three thousand.

The contraction of employed personnel was registered most intensely in wage-earning employment (from  $-5.2\%$  to  $-5.5\%$ ). In turn, non-wage-earning employment presented a positive growth rate this quarter (from  $-1.1\%$  to  $-1.5\%$ ).

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

	2011				2012		
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III
<b>Total</b>	<b>-3.4</b>	<b>-2.6</b>	<b>-5.1</b>	<b>-1.1</b>	<b>-4.1</b>	<b>-1.3</b>	<b>-0.9</b>
Agriculture, forestry and fishing	-3.9	-3.3	-4.4	-1.7	-1.8	-1.5	-0.4
Industry	-1.4	-0.4	0.2	-2.3	-4.0	-5.8	-5.7
- Manufacturing industry	-1.3	-0.5	0.0	-2.2	-4.6	-6.4	-6.3
Construction	-10.9	-14.6	-17.4	-20.0	-21.1	-19.4	-19.6
Service activities	0.0	0.9	0.2	-0.9	-1.8	-3.0	-3.0
- Wholesale and retail trade	0.3	1.8	1.3	-1.4	-2.9	-4.5	-4.6
- Information and communication	-0.7	4.7	1.1	4.3	4.4	3.0	-1.8
- Financial and insurance activities	-4.2	-4.1	-2.7	-3.2	-3.4	-6.9	-8.0
- Real estate activities	11.8	12.4	1.7	6.7	3.1	4.6	2.6
- Professional activities	-0.7	-1.0	-3.8	-3.0	-3.4	-3.4	0.5
- Public administration, health and education activities	1.2	1.2	1.0	-0.2	-0.9	-2.0	-3.2
- Arts, entertainment and other services	-3.6	-2.0	-0.4	-0.3	0.7	-1.9	-1.4
<b>Employees</b>	<b>-1.2</b>	<b>-0.7</b>	<b>-1.4</b>	<b>-2.6</b>	<b>-4.1</b>	<b>-5.2</b>	<b>-5.5</b>
Agriculture, forestry and fishing	-3.4	-2.6	-5.1	-1.1	-4.1	-1.3	-0.9
Industry	-0.7	-0.4	0.4	-2.4	-4.7	-6.4	-6.2
- Manufacturing industry	-0.6	-0.4	0.3	-2.2	-5.4	-7.0	-6.8
Construction	-10.4	-14.2	-17.2	-20.3	-22.9	-21.4	-22.1
Service activities	0.0	1.0	0.3	-0.6	-1.8	-3.4	-3.8
- Wholesale and retail trade	0.3	1.8	1.8	-0.6	-3.2	-5.4	-6.2
- Information and communication	-2.7	3.2	0.8	3.7	4.6	4.2	-1.8
- Financial and insurance activities	-4.5	-4.5	-2.9	-3.3	-3.4	-6.8	-8.1
- Real estate activities	10.5	12.9	4.7	9.5	9.4	10.5	2.3
- Professional activities	0.2	0.3	-4.1	-2.7	-3.8	-4.3	-0.2
- Public administration, health and education activities	1.0	1.0	1.0	-0.3	-1.1	-2.0	-3.1
- Arts, entertainment and other services	-2.7	-0.7	-0.1	-0.3	0.5	-2.4	-2.0

The number of hours actually worked by the persons employed in the economy increased from  $-4.2\%$  to  $-4.0\%$  this quarter. In turn, the full-time working day increased one tenth, from  $0.5\%$  to  $0.6\%$ .

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 four tenths, from  $3.5\%$  to  $3.1\%$ , whereas the growth of the **apparent productivity per hour actually worked** decreased five tenths, from  $3.0\%$  to  $2.5\%$ .

#### GDP at current prices and implicit deflator

GDP valued at current prices remained its contraction level at  $-1.1\%$  in the third quarter of 2012. As a result of the growth of GDP, both at current prices and at volume, the implicit **deflator** of the economy hastened four tenths, reaching  $0.5\%$ .

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

	2011				2012		
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III
<b>GROSS DOMESTIC PRODUCT at market prices</b>	<b>1.6</b>	<b>1.7</b>	<b>1.5</b>	<b>0.7</b>	<b>-0.3</b>	<b>-1.2</b>	<b>-1.1</b>
Household final consumption expenditure	3.4	2.6	2.3	0.1	1.2	0.3	0.7
Final consumption expenditure of NPISHs	-4.8	-4.3	-5.2	-6.2	1.5	0.9	1.0
Final consumption expenditure by government	2.0	-1.8	-2.7	-0.7	-4.0	-3.3	-4.2
Gross fixed capital formation	-3.8	-3.5	-3.4	-5.8	-7.6	-10.1	-11.9
- Tangible fixed assets	-4.3	-3.9	-4.0	-6.4	-8.4	-11.1	-13.2
• Construction	-9.4	-7.8	-7.5	-8.7	-10.9	-13.8	-16.6
• Equipment and cultivated assets	9.8	6.1	5.1	-0.9	-2.6	-4.8	-5.5
- Intangible fixed assets	5.2	3.1	5.8	3.5	3.6	3.3	5.7
Changes in inventories and acquisitions less disposals of valuables (*)	0.0	0.0	-0.1	-0.1	0.0	0.0	0.0
NATIONAL DEMAND (*)	1.5	0.2	-0.1	-1.5	-1.8	-2.7	-3.0
Exports of goods and services	16.4	12.3	12.8	10.3	4.8	4.6	6.4
Imports of goods and services	14.7	6.1	6.5	2.1	-0.1	-0.1	0.4
<b>GROSS DOMESTIC PRODUCT at market prices</b>	<b>1.6</b>	<b>1.7</b>	<b>1.5</b>	<b>0.7</b>	<b>-0.3</b>	<b>-1.2</b>	<b>-1.1</b>
Agriculture, forestry and fishing	-1.0	-2.4	1.1	-0.4	4.0	2.7	3.8
Industry	10.3	6.0	6.9	3.6	-1.2	-1.6	-2.2
- Manufacturing industry	10.2	5.9	6.6	3.0	-2.9	-3.6	-3.6
Construction	-9.4	-5.5	-3.7	-4.8	-8.8	-9.2	-12.9
Service activities	1.4	3.0	2.2	2.0	1.8	0.8	0.4
- Wholesale and retail trade	3.9	5.0	3.1	2.2	2.2	0.8	1.2
- Information and communication	2.5	2.1	2.8	2.0	-1.3	-2.5	-4.8
- Financial and insurance activities	-16.0	-7.9	-6.1	0.9	7.4	10.3	6.3
- Real estate activities	6.0	11.7	7.1	5.5	3.5	3.6	2.3
- Professional activities	3.9	5.0	2.7	2.8	0.7	-1.6	0.8
- Public administration, health and education activities	0.3	-0.1	0.7	0.2	0.2	-0.5	-1.9
- Arts, entertainment and other services	-0.4	-0.2	2.8	2.6	2.9	0.2	0.4
Taxes less subsidies on products	2.2	-5.0	-6.7	-7.7	-7.2	-8.4	1.0

(\*) Contribution to GDP growth

**Income**

Regarding the primary distribution of income, compensation per employee dropped from – 5.1% to –5.5%. This was the result of the decrease of three tenths in the number of wage earners (from –5.2% to -5.5%) and of the one-tenth slowdown in average compensation per employee (from 0.1% to 0.0%).

In this way, the growth of the product unit labour cost (ULC) stood at –3.0%, three-and-a-half points below the implicit deflator of the economy.

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

	2011				2012		
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III
<b>GROSS DOMESTIC PRODUCT at market prices</b>	<b>1.6</b>	<b>1.7</b>	<b>1.5</b>	<b>0.7</b>	<b>-0.3</b>	<b>-1.2</b>	<b>-1.1</b>
Compensation of employees	-0.6	-0.7	-0.8	-1.3	-2.8	-5.1	-5.5
Unit Labor Cost (ULC)	-1.3	-1.4	-1.6	-1.5	-1.7	-3.3	-3.0
Compensation per employee	0.6	0.1	0.7	1.4	1.4	0.1	0.0
Productivity per worker	1.9	1.5	2.3	2.9	3.1	3.5	3.1
Salary rate	0.2	0.2	0.2	0.2	-0.4	-0.6	-1.0
Gross operating surplus / Gross mixed income	4.0	6.3	5.5	4.5	2.9	4.0	2.7
Net taxes on production and imports	1.5	-5.2	-4.7	-6.6	-3.7	-5.4	3.6

Operating surplus and mixed income experienced a 1.3-point slowdown in growth, from 4.0% to 2.7%. Lastly, taxes on production and net imports of subsidies registered an increase to a rate of 3.6%.

Regarding the contributions of these operations to the growth of the implicit GDP deflator, operating surplus and mixed income contributed 1.9 points to the growth of said index, while compensation per employee was -1.9 points, and net taxes on production was five tenths.

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

	2011				2012		
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III
<b>GROSS DOMESTIC PRODUCT at market prices</b>	<b>1.0</b>	<b>1.2</b>	<b>0.8</b>	<b>0.8</b>	<b>0.4</b>	<b>0.1</b>	<b>0.5</b>
Compensation of employees	-0.5	-0.6	-0.7	-0.6	-1.0	-1.9	-1.9
Unit Labor Cost (ULC)	-0.6	-0.7	-0.8	-0.7	-0.8	-1.6	-1.5
Compensation per employee	0.3	0.0	0.3	0.7	0.7	0.1	0.0
Productivity per worker	-0.9	-0.7	-1.1	-1.4	-1.5	-1.7	-1.5
Salary rate	0.1	0.1	0.1	0.1	-0.2	-0.3	-0.5
Gross operating surplus / Gross mixed income	1.5	2.3	2.0	1.9	1.6	2.3	1.9
Net taxes on production and imports	0.1	-0.6	-0.5	-0.6	-0.2	-0.4	0.5