

Spanish National Accounts. Base 2000
Updating of the accounting series 2004 - 2007

Real growth of the Spanish economy was downwardly revised by one tenth in 2007, to 3.7%

The increase in the GDP for the years 2004 to 2006 remained invariable

The Spanish National Accounts, base 2000 (NAS-2000) have updated the estimates from the accounting series 2004 – 2007 in accordance with the normal calendar. Thus, the data corresponding to the years 2004, 2005 and 2006 has been revised. The data was published August last year and the data corresponding to the year 2007 was estimated and disseminated in February this year in terms of the Quarterly National Accounts.

This new annual data will be used in the context of the Spanish Quarterly National Accounts, resulting in the updating of the quarterly accounting series which will be disseminated tomorrow, Wednesday 27 August, with reference to the second quarter of 2008.

As a consequence of the update, growth in real terms of the Gross Domestic Product (GDP) for the years 2004, 2005 and 2006 has remained invariable, whereas GDP corresponding to the year 2007 was upwardly revised by one tenth.

Gross Domestic Product

Annual growth in terms of volume

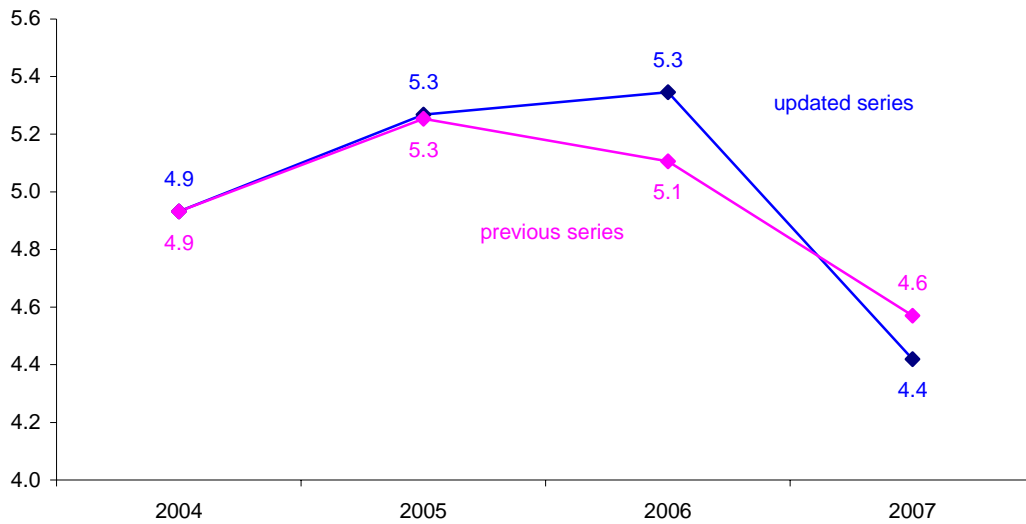
	Previous series	Serie anterior
2004 (definitive)	3.3	3.3
2005 (provisional)	3.6	3.6
2006 (provisional)	3.9	3.9
2007 (preview)	3.7	3.8

The revisions carried out have originated, on the one hand, in the incorporation of statistical sources of a structural nature for the years in which such information was not available (Annual Industrial Companies Survey, Annual Services Survey, Household Budget Survey, Construction Structure Survey, Accounts for Agriculture, etc). On the other hand, in the incorporation of final data in those operations which had previously been estimated using provisional or preview data (Public Administrations Accounts)¹, Foreign Trade of Goods, Balance of Payments, etc).

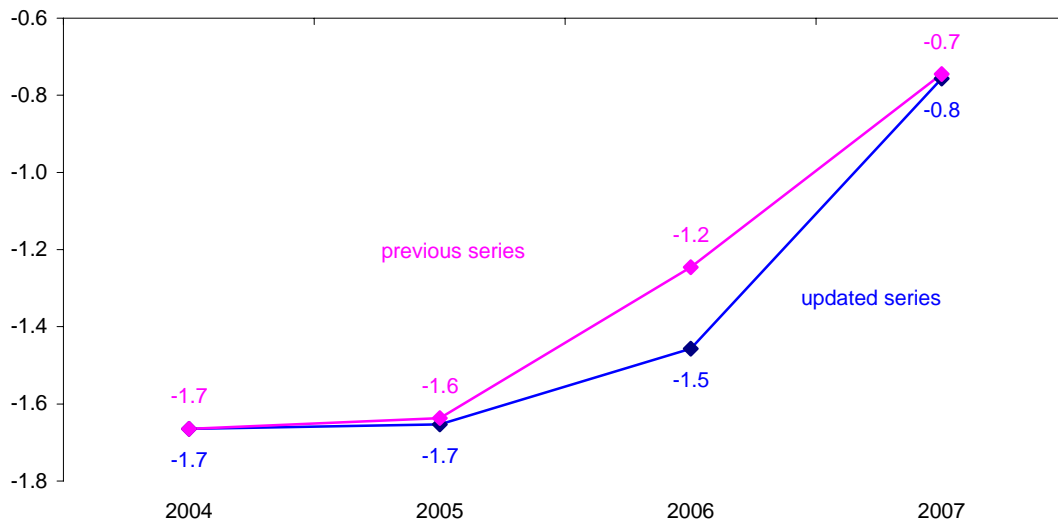
¹The estimates of Public Administrations aggregates presented here are completely coherent with those of the Accounts of the aforementioned administrations which will be transmitted in September to the European Commission in the framework of the Procedure on Excessive Deficit (PED)

As a result of the revisions carried out, **the contributions of National Demand and of Foreign Demand** in accordance with these new real growth figures are illustrated in the following graphs:

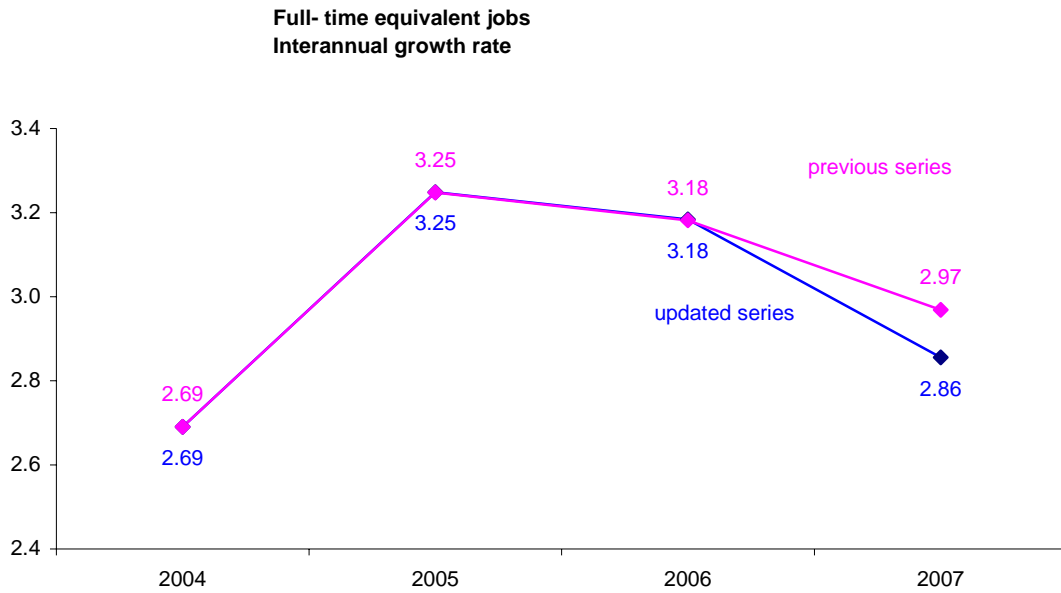
Contribution to the growth of Domestic Demand



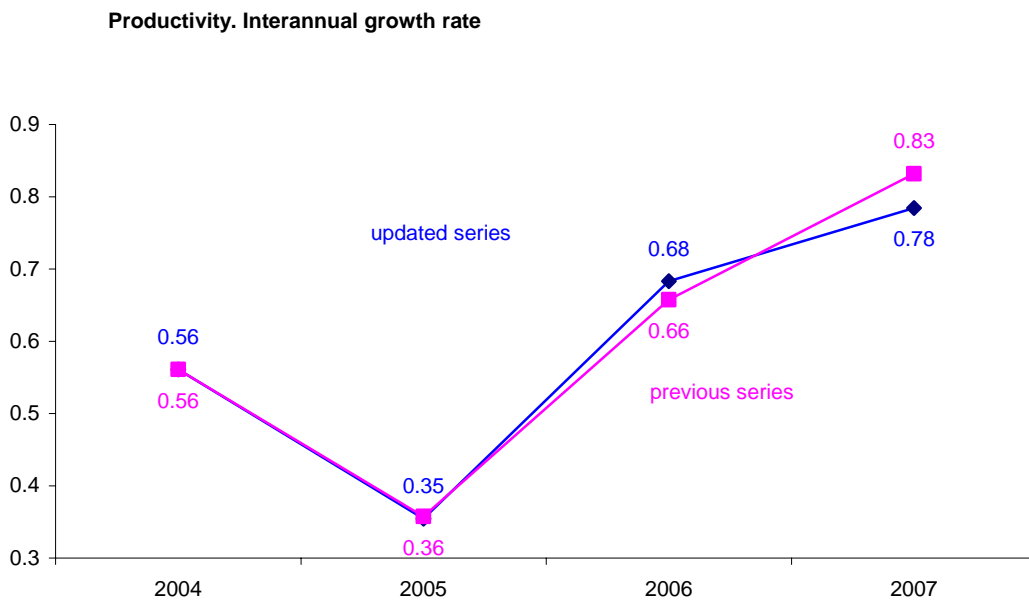
Contribution to growth of Foreign Demand



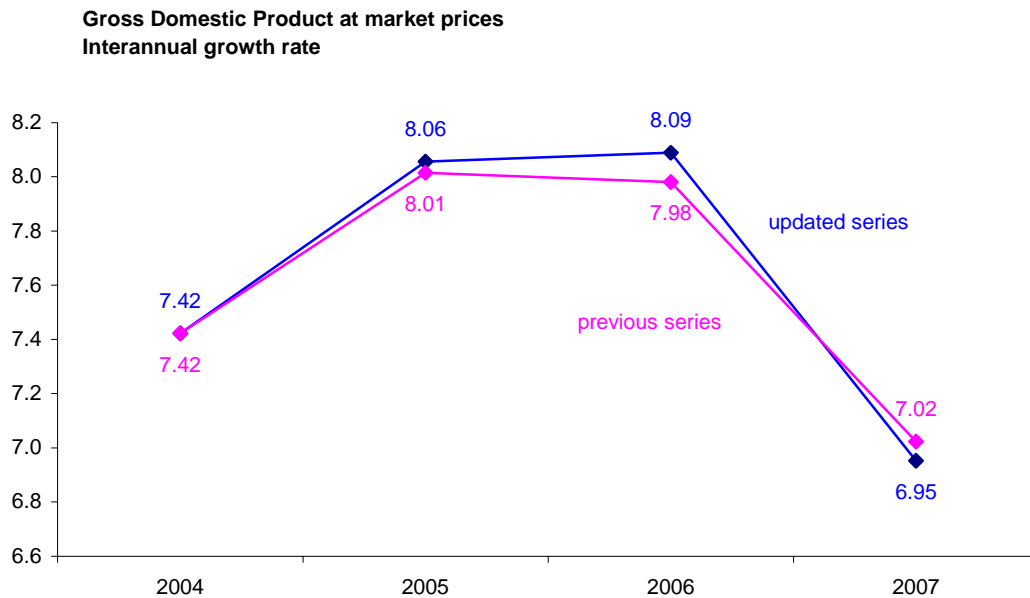
As a result, estimates have also been updated for **employment** in the economy. The results of revisions carried out, in terms of full-time equivalent jobs filled, are illustrated in the following graph:



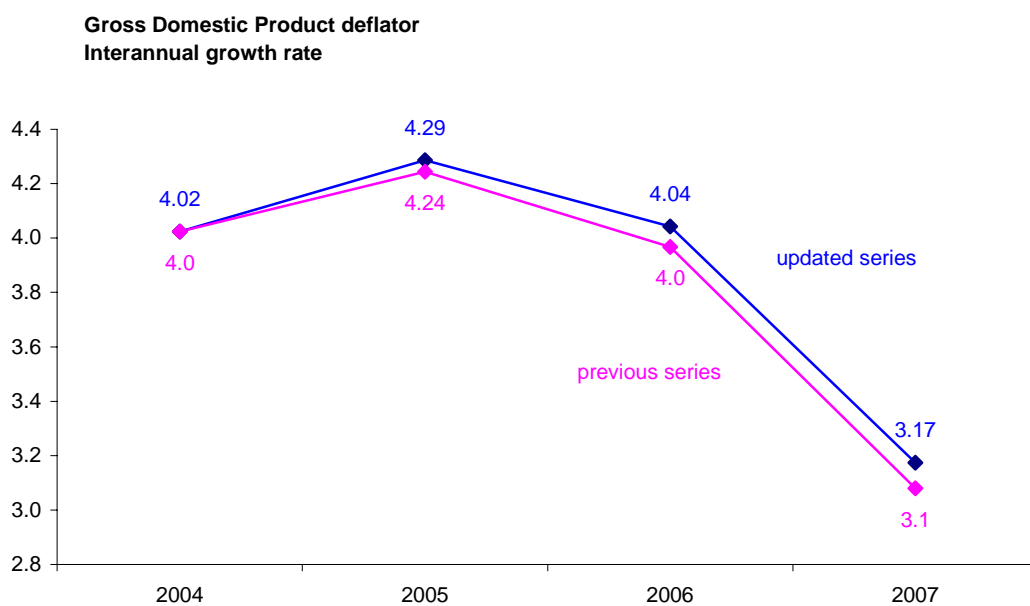
The new growth figures for GDP and employment show as a result the variation of **apparent productivity from the work factor**, shown in the in the following graph:



In **nominal terms**, the updating of the accounting series has specified upward revisions in the years 2005 and 2006 and downward ones in 2007, with growth for 2004 remaining invariable. The updated profile is as follows:



As a result, the **implicit GDP deflator** now shows the following evolution:



Changes in the composition of GDP growth in 2007

Real growth rate in GDP in 2007 was downwardly revised by one tenth, to 3.7%, with the contribution to aggregate growth of its two main components modified. Thus, **National Demand has reduced its contribution to the GDP (from 4.57 to 4.42 points) and Foreign Demand has slightly increased its negative contribution (from -0.74 to -0.76 points).**

The lesser contribution of National Demand originated in the downward revision of growth, both of the gross formation of fixed capital, and of the final consumption expense of Public Administrations.

In effect, the investment demand has been downwardly revised by six tenths (from 5.9% to 5.3%), with greater intensity in capital goods than in construction and in other products. Likewise, the updating of Public Administrations Accounts has determined lesser expenditure in final consumption by these administrations in 2007 (from 5.1% to 4.9%).

Conversely, growth in final household consumption expenditure increased three tenths (from 3.1% to 3.4%), in keeping with the preliminary estimates of the 2007 Household Budget Survey.

The structure of the Foreign Demand has been modified by the inclusion in the update process of the final 2006 foreign trade of goods data and data for the new estimates of the Balance of Payments for 2006 and 2007. Thus, the 2007 real growth estimates have been downwardly revised by four tenths for exports (from 5.3% to 4.9%) and by the same amount for imports (from 6.6% to 6.2%).

Gross Domestic Product. Demand. Year 2007

Annual growth in terms of volume

	Updated series	Previous series
Final consumption expenditure	3.8	3.6
From households and ISFLSH	3.5	3.2
From Public Administrations	4.9	5.1
Gross Fixed Capital Formation	5.3	5.9
Capital goods	10.0	11.6
Construction	3.8	4.0
Other products	3.9	4.2
Variation in Stocks and adquisiciones acquisitions less disposals of valuables ² (contribution to the GDP growth)	-0.1	0.0
Exportation of Goods and Services	4.9	5.3
Importation of Goods and Services	6.2	6.6

² In the disposal of valuables operation, sales of non-monetary gold made by the Bank of Spain in 2005, 2006 and 2007 were recorded in the framework of its adjustment of its assets portfolio. These transactions, directly estimated by the Balance of Payments, do not affect either the GDP level or its growth, although they do modify its composition between national demand (disposal of valuables) and foreign demand (export of goods).

In nominal terms, **the 2007 GDP growth has been estimated at 7.0%**, reaching a level of 1,050,595 million euros.

As a consequence of the updating of the real and nominal Gross Domestic Product in 2007, **growth of the implicit GDP deflator increased one tenth** as compared to the growth initially estimated in February (**from 3.1% to 3.2%**).

Lastly, taking the analysis of the accounts revised for the Rest of the World sector for the year 2007, it can be observed that, on the one hand, **Spain's Gross National Income rose to 1,025,079 million euros in the aforementioned year**, and on the other hand, that **the Spanish economy showed a need for financing, as compared with the rest of the world, of 101,412 million euros, which implied 9.7% of the GDP for 2007.**

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