

31 July 2018

**Quarterly GDP Flash Estimate. Base 2010**  
Second quarter of 2018

**Main results**

- The Spanish GDP in terms of volume registers a **0.6% growth in the second quarter of 2018 compared to the previous quarter**. This rate is one tenth lower than that registered in the first quarter of the year.
- **Growth compared to the same quarter of the previous year stands at 2.7%** compared to **3.0%** in the previous quarter.
- The contribution of the **domestic demand** to the year-on-year GDP growth is **2.9 points**, a tenth higher than in the first quarter. On the other hand, the **external demand** registers a contribution of **-0.2 points**, four tenths lower than in the previous quarter.
- The **implicit GDP deflator** increases by **0.7%** compared to the same quarter of the previous year, 6 tenths less than in the previous quarter.
- **Employment** in the economy, in terms of *full-time equivalent jobs*, registers a **variation of 0.8% compared to the previous quarter**, three tenths higher than that recorded in the first quarter.
- **In year-on-year terms, employment increases at a rate of 2.5%**, one tenth less than in the first quarter, representing an increase of 448 thousand full-time equivalent jobs in one year.
- The year-on-year variation of the **unit labour cost** stands at **0.6%** this quarter.

**New developments**

The **Quarterly National Accounts of Spain** (QNAS) has modified its dissemination calendar and contents as of this publication, referring to the second quarter of 2018<sup>1</sup>.

The preliminary results of this operation—until now the **Quarterly GDP Flash Estimate**—which is currently disseminated around 30 days after the end of the quarter (**t+30 days**, being t the reference quarter) **contains for the first time estimates of the quarterly GDP flash estimates as well as for each of its components (supply, demand and income) and for employment. The data is presented in gross and also adjusted for seasonal**

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<sup>1</sup> As was previously announced on the INE website in the space dedicated to this operation and in the annex to the latest press release published on 29 June with the results of the Quarterly Non-Financial Accounts of the Institutional Sectors. The High Council on Statistics was also informed of these new developments at the meeting of its Permanent Commission on 22 March.

and calendar effects. Likewise, GDP and its components from the supply and demand approaches are disseminated valued at current prices and in terms of volume.

These results **bring forward by one month the information that had been disseminated in t+60 days**, and will be updated in around t+90 days, once the information available in the period between these two moments has been incorporated. In particular, it is worth noting the incorporation of quarterly information on the Balance of Payments, which is published around t+85 days. Additionally, this new calendar will enable the update of the QNAS to be disseminated simultaneously with the *Quarterly Non-Financial Accounts for the Institutional Sectors*, which will provide a complete and integrated view of the economic performance of the quarter.

This new calendar is also compatible with the requirements for availability of national accounts results established by Regulation (EU) 549/2013 on the European System of National and Regional Accounts 2010.

### **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, recorded a quarter-on-quarter growth of 0.6% in the second quarter of 2018<sup>2</sup>. This rate is one tenth lower than that estimated in the first quarter of the year.

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<sup>2</sup> 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-on-Quarter growth rates (%)

	2017				2018	
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II
<b>Gross domestic product at market prices</b>	<b>0.8</b>	<b>0.9</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>0.6</b>
Household final consumption expenditure	0.5	0.8	0.7	0.6	0.7	0.2
Final consumption expenditure of NPISHs	-0.3	0.9	0.8	0.5	1.9	0.6
Final consumption expenditure by government	1.1	0.5	0.4	0.4	0.5	0.7
Gross fixed capital formation	2.8	0.6	1.4	0.7	0.8	2.6
Tangible fixed assets	3.0	0.6	1.3	0.9	0.7	2.9
Dwellings and other buildings and structures	2.5	1.0	0.2	1.0	2.4	1.1
Machinery, Equipment, weapon system and cultivated biological resources	3.7	0.1	2.8	0.9	-1.6	5.5
Intellectual property products	1.5	0.6	1.7	-0.5	1.0	1.3
Exports of goods and services	2.4	1.0	0.6	0.3	1.3	-1.0
Imports of goods and services	3.7	0.5	1.0	0.0	1.3	-0.3
<b>Gross domestic product at market prices</b>	<b>0.8</b>	<b>0.9</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>0.6</b>
Agriculture, forestry and fishing	2.4	-0.3	1.1	-1.1	3.7	1.9
Industry	0.8	1.2	0.6	1.8	-0.9	1.4
Manufacturing industry	0.8	1.2	1.0	1.7	-1.0	1.8
Construction	1.6	1.1	1.1	1.5	2.1	1.6
Service activities	0.7	0.7	0.7	0.4	0.8	0.3
Trade, transport and accommodation and restaurants	0.8	0.9	0.8	0.3	0.6	0.6
Information and communication	1.2	1.4	1.9	0.5	1.9	-1.0
Financial and insurance activities	-0.1	-0.3	-0.1	-1.7	1.5	-1.1
Real estate activities	0.3	0.4	0.2	0.3	0.1	0.4
Professional, scientific and technical activities and other	1.5	1.8	1.3	1.3	2.0	1.1
Public administration, education and health activities	0.4	0.3	0.4	0.5	0.5	0.4
Arts, entertainment and other services	0.6	0.3	0.7	0.6	0.3	-1.7
Taxes on products less subsidies	0.7	1.7	0.6	0.6	1.5	0.3

**Gross Domestic Product**

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



Year-on-year GDP growth was 2.7%, three tenths lower than in the first quarter of 2018.

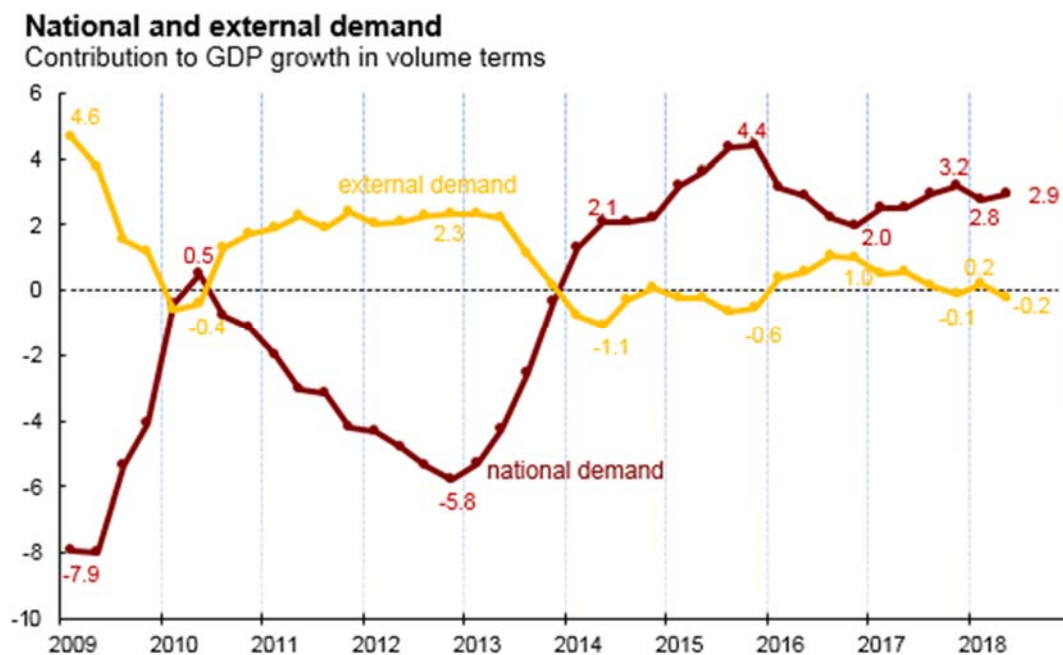
**Gross Domestic Product**

Chain-linked volumes. Year-on-year growth rate (%)



## Year-on-year evolution of GDP: demand

The contribution of *domestic demand* to the year-on-year GDP growth was 2.9 percentage points, one tenth higher than in the first quarter. On the other hand, the *external demand* registered a contribution of -0.2 points, four tenths lower than in the previous quarter.



## Domestic demand

**Final consumption expenditure** increased by 2.2% compared to the same quarter of the previous year, four tenths less than in the first quarter.

**Household final consumption expenditure** experienced a year-on-year growth of 2.2%, six tenths less than in the previous quarter. On the other hand, **General Government final consumption expenditure** presented a year-on-year variation of 2.1%, two tenths higher than in the previous quarter.

**Gross fixed capital formation** grew by 5.9%, 2.2 points higher than in the previous quarter.

Investment<sup>3</sup> in **tangible fixed assets** grew at a rate of 6.0%, 2.3 points more than in the previous quarter. As part of this, investment in **housing and other buildings and constructions** increased by one tenth its year-on-year rate from 4.7% to 4.8%. On the other hand, investment in **machinery, capital goods and armament systems** showed a growth of 7.9% in the second quarter of 2018, compared to 2.3% in the previous quarter.

On the other hand, investment in **intellectual property products** increased by 3.5%, an increase of six tenths over the previous quarter.

<sup>3</sup> Gross fixed capital formation.



## Gross domestic product. Demand

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

	2017				2018	
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II
<b>Gross domestic product at market prices</b>	<b>3.0</b>	<b>3.1</b>	<b>3.1</b>	<b>3.1</b>	<b>3.0</b>	<b>2.7</b>
Final consumption expenditure	1.9	2.2	2.1	2.5	2.6	2.2
Household final consumption expenditure	2.2	2.4	2.4	2.5	2.8	2.2
Final consumption expenditure of NPISHs	3.2	3.3	2.3	2.0	4.2	3.9
Final consumption expenditure by government	1.0	1.5	1.4	2.4	1.9	2.1
Gross fixed capital formation	4.9	3.9	5.6	5.6	3.5	5.6
Tangible fixed assets	5.2	4.1	5.7	6.0	3.7	6.0
Dwellings and other buildings and structures	4.5	4.3	5.1	4.8	4.7	4.8
Machinery, Equipment, weapon system and cultivated biological resources	6.1	3.9	6.6	7.7	2.2	7.7
Machinery, Equipment and weapon system	6.3	4.0	6.8	7.9	2.3	7.9
Intellectual property products	3.5	2.9	5.0	3.3	2.9	3.5
Changes in inventories and acquisitions less disposals of valuables <sup>1</sup>	0.1	0.0	0.2	0.1	0.1	0.1
National demand <sup>1</sup>	2.5	2.5	3.0	3.2	2.8	2.9
Exports of goods and services	5.6	4.5	5.6	4.4	3.2	1.2
Imports of goods and services	4.5	3.1	5.9	5.2	2.8	2.1

<sup>1</sup>Contribution to GDP growth

## External demand

**Exports of goods and services** grew by 1.2% compared to the second quarter of 2017, which is 2.0 points less than in the previous quarter. This slower growth was due to a decrease in the year-on-year rate of **exports of goods** (from 1.9% to 1.0%) and of **exports of services** (from 6.2% to 1.6%). Among these, **non-resident expenditure in the economic territory** decreased 2.6 points (from 5.2% to 2.6%).

**Imports of goods and services** increased by 2.1% with respect to the same quarter of the previous year, seven tenths less than in the first quarter. This lower growth was partly due to a decline in the annual rate of **imports of goods** (from 2.3% to 0.8%). However, **imports of services** accelerated their growth rate by 2.6 points (from 5.0% to 7.6%). Of the latter, year-on-year growth of **resident expenditure in the rest of the world** fell by 2.6 points this quarter (from 11.9% to 9.3%).

## Year-on-year evolution of GDP: supply

The gross value added of the **industrial branches** increased by 3.0% with respect to the same quarter of 2017, representing an increase of two tenths over the year-on-year variation recorded in the previous quarter. Within them, the **manufacturing industry** presented a rate of 3.5%, six tenths higher than that of the previous quarter.

The gross value added of **Construction** grew 6.6% with respect to the same quarter of 2017, six tenths more than in the previous quarter.

The year-on-year variation in the gross value added of **Services** in the second quarter was 2.1%, four tenths less than in the previous quarter.

Finally, the **primary branches** recorded a year-on-year variation of 5.6% this quarter compared to 3.3% in the previous quarter.

## Gross domestic product. Supply

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

	2017				2018	
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II
<b>Gross domestic product at market prices</b>	<b>3.0</b>	<b>3.1</b>	<b>3.1</b>	<b>3.1</b>	<b>3.0</b>	<b>2.7</b>
Agriculture, forestry and fishing	5.0	3.7	4.2	2.0	3.3	5.6
Industry	3.0	3.4	3.9	4.6	2.8	3.0
Manufacturing industry	2.6	3.5	4.3	4.7	2.9	3.5
Construction	4.5	4.9	4.9	5.4	6.0	6.6
Service activities	2.7	2.6	2.5	2.5	2.5	2.1
Trade, transport and accommodation and restaurants	3.7	3.3	3.1	2.9	2.6	2.3
Information and communication	5.5	4.7	5.3	5.1	5.9	3.4
Financial and insurance activities	-2.6	-0.4	-0.6	-2.2	-0.6	-1.4
Real estate activities	1.7	1.3	1.1	1.1	1.0	1.0
Professional, scientific and technical activities and other	6.2	6.4	6.2	5.9	6.5	5.8
Public administration, education and health activities	1.3	1.2	1.3	1.6	1.7	1.8
Arts, entertainment and other services	1.5	1.4	1.8	2.2	1.9	-0.2
Taxes on products less subsidies	4.1	4.6	4.2	3.7	4.5	3.1

## GDP at current prices and implicit deflator

GDP at current prices grew at a rate of 3.4%. This growth is nine tenths lower than that recorded in the first quarter of the year (4.3%).

## Gross domestic product

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

	2017				2018	
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II
<b>Gross domestic product at market prices</b>	<b>3.8</b>	<b>4.1</b>	<b>4.1</b>	<b>4.3</b>	<b>4.3</b>	<b>3.4</b>
Household final consumption expenditure	4.5	4.4	3.9	4.0	4.0	3.9
Final consumption expenditure of NPISHs	3.6	4.6	3.7	4.2	4.5	5.1
Final consumption expenditure by government	1.5	1.6	1.7	2.7	2.2	2.7
Gross fixed capital formation	6.6	5.5	7.5	8.1	5.3	7.2
Tangible fixed assets	7.3	6.0	7.8	8.2	5.7	7.9
Dwellings and other buildings and structures	7.8	7.1	8.7	8.8	7.2	6.8
Machinery, Equipment, weapon system and cultivated biological resources	6.6	4.4	6.5	7.3	3.4	9.6
Intellectual property products	2.9	2.7	6.2	7.2	3.0	2.8
Changes in inventories and acquisitions less disposals of valuables <sup>1</sup>	0.1	0.0	0.2	0.1	0.1	0.1
National demand <sup>1</sup>	4.2	4.0	4.3	4.6	3.8	4.3
Exports of goods and services	8.7	7.6	8.0	6.4	3.8	2.1
Imports of goods and services	11.2	8.1	9.6	8.1	2.7	5.2
<b>Gross domestic product at market prices</b>	<b>3.8</b>	<b>4.1</b>	<b>4.1</b>	<b>4.3</b>	<b>4.3</b>	<b>3.4</b>
Agriculture, forestry and fishing	5.4	6.1	8.4	9.6	10.1	9.0
Industry	5.0	5.9	4.9	5.4	3.2	3.2
Manufacturing industry	4.5	5.7	5.8	6.3	4.1	4.1
Construction	5.4	5.9	6.7	7.8	8.8	8.5
Service activities	3.0	3.3	3.4	3.5	3.8	2.5
Trade, transport and accommodation and restaurants	3.8	4.7	3.9	3.4	3.5	2.4
Information and communication	2.6	3.0	4.1	5.0	6.0	2.8
Financial and insurance activities	4.2	1.2	8.4	8.0	8.8	-1.5
Real estate activities	1.6	1.8	1.6	2.1	2.6	2.5
Professional, scientific and technical activities and other	6.2	7.3	6.2	5.9	6.6	5.8
Public administration, education and health activities	1.4	1.2	1.5	2.0	2.4	2.6
Arts, entertainment and other services	2.3	2.7	3.0	3.4	3.1	0.2
Taxes on products less subsidies	5.7	4.9	4.8	4.7	5.4	5.1

<sup>1</sup>Contribution to GDP growth

As a result, the **implicit deflator** of the economy presented a year-on-year variation of 0.7%, six tenths lower than that of the previous quarter (1.3%).

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

**Compensation of employees** recorded a year-on-year growth of 4.0% in the second quarter, four tenths higher than in the previous quarter.

This was due to a 3.2% increase in the number of **employees**, similar to the previous quarter, and to the fact that the **average compensation per employee** rose by 0.7%, compared with 0.4% in the first quarter.

The **gross operating surplus / gross mixed income** generated in the economy grew by 2.3% with respect to the same quarter of the previous year, 2.5 points less than in the first quarter.



Finally, the amount accrued in **taxes on production and imports net of subsidies** increased by 5.1%, compared to 5.4% in the previous quarter.

## Gross domestic product. Income

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

	2017				2018	
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II
<b>Gross domestic product at market prices</b>	<b>3.8</b>	<b>4.1</b>	<b>4.1</b>	<b>4.3</b>	<b>4.3</b>	<b>3.4</b>
Compensation of employees	3.2	3.0	3.4	3.5	3.6	4.0
Gross operating surplus / Gross mixed income	4.1	5.1	4.8	5.2	4.8	2.3
Net taxes on production and imports	5.2	4.8	3.7	4.2	5.4	5.1

## Employment

Employment in the economy, in terms of *full-time equivalent jobs*, increased by 0.8% with respect to the previous quarter, a variation three tenths higher than that recorded in the first quarter.

In year-on-year terms, employment grew by 2.5%, one tenth less than in the previous quarter, representing an increase of 448 thousand full-time equivalent jobs in one year.

Employment in the **industrial branches** increased by 2.1%, eight tenths less than in the previous quarter.

In the case of **Construction**, the year-on-year variation in employment was 7.5%, three tenths more than in the previous quarter.

Employment in **Services** decreased by one tenth its year-on-year growth with respect to the previous quarter, standing at 2.3%.

Finally, employment in the **primary branches** presented a variation of -0.1%, compared to 0.7% in the previous quarter.

## Empleo

Puestos de trabajo equivalentes a tiempo completo. Tasas de variación interanual (%)

	2017				2018	
	Tr. I	Tr. II	Tr. III	Tr. IV	Tr. I	Tr. II
<b>Ocupados</b>	<b>2,6</b>	<b>2,9</b>	<b>2,9</b>	<b>2,9</b>	<b>2,6</b>	<b>2,5</b>
Agricultura, ganadería, silvicultura y pesca	4,5	5,0	3,4	2,0	0,7	-0,1
Industria	3,1	3,4	3,3	3,2	2,9	2,1
Industria manufacturera	3,1	3,4	3,3	3,3	2,9	2,2
Construcción	4,5	4,9	4,7	6,6	7,2	7,5
Servicios	2,3	2,5	2,6	2,6	2,4	2,3
Comercio, transporte y hostelería	2,3	2,8	2,5	2,1	2,4	2,3
Información y comunicaciones	3,7	5,5	7,1	6,1	6,0	3,0
Actividades financieras y de seguros	-0,8	1,3	1,7	-2,1	0,8	-0,5
Actividades inmobiliarias	8,4	9,5	7,1	6,3	3,3	5,5
Actividades profesionales, científicas y técnicas y otras	4,8	4,0	4,2	4,3	1,3	2,7
Administración pública, educación y sanidad	1,5	1,2	1,3	1,7	2,0	2,2
Actividades artísticas, recreativas y otros servicios	0,1	1,2	2,5	3,9	3,8	2,0
<b>Asalariados</b>	<b>2,8</b>	<b>3,2</b>	<b>3,2</b>	<b>3,3</b>	<b>3,2</b>	<b>3,2</b>
Agricultura, ganadería, silvicultura y pesca	4,8	5,9	4,1	4,8	2,9	1,2
Industria	3,0	3,3	3,2	3,1	2,8	2,2
Industria manufacturera	3,0	3,2	3,2	3,2	2,9	2,3
Construcción	5,3	5,8	5,4	7,4	8,6	8,8
Servicios	2,5	2,8	3,0	3,0	2,8	3,0
Comercio, transporte y hostelería	3,2	3,6	3,2	2,9	3,0	3,7
Información y comunicaciones	3,4	5,2	6,8	6,1	6,2	3,4
Actividades financieras y de seguros	-1,1	1,0	1,2	-2,6	0,2	-0,8
Actividades inmobiliarias	11,7	11,6	7,7	5,8	1,3	3,7
Actividades profesionales, científicas y técnicas y otras	4,5	3,8	4,4	4,8	2,0	3,5
Administración pública, educación y sanidad	1,4	1,3	1,4	1,9	2,3	2,4
Actividades artísticas, recreativas y otros servicios	0,0	2,2	3,3	4,7	5,0	2,7

At the same time, the number of hours actually worked increased by 1.3% over the first quarter, six tenths more than in the previous quarter. In year-on-year terms, the number of hours actually worked increased by 2.7%, seven tenths more than in the previous quarter.

As a result, the year-on-year variation in **productivity per full-time equivalent job** decreased by two tenths compared to the first quarter of the year, from 0.3% to 0.1%, while **productivity per hour actually worked** varied one point less than in the previous quarter (0.0%).

## Productivity

Year-on-year growth rate (%)

	2017				2018	
	Tr. I	Tr. II	Tr. III	Tr. IV	Tr. I	Tr. II
Labour productivity per full time equivalent employment	0.4	0.2	0.2	0.2	0.3	0.1
Labour productivity per hour worked	1.5	1.5	1.3	1.2	1.0	0.0

Finally, the **unit labour cost** (ULC) grew by 0.6% compared to the second quarter of 2017, one tenth below the variation experienced by the implicit deflator of the economy (0.7%).

## Labour costs

Year-on-year growth rates (%)

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

## 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*.

Starting from this publication, this operation provides, one month after the end of the quarter (**t+30** days, with t being the reference quarter), not only 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 worked*. All estimates are also presented in both raw data and adjusted for seasonal and calendar effects.

As mentioned above, this is a **preliminary** estimate based on all the **information available to date relating to the second quarter of 2018**. The results for each quarter will be reviewed at around t+90.

In the case of publications relating to the second quarters of each year, the update of results for t+90 shall also include the revision of results from the first quarter of year T-3 (T being the current year). Thus, the update for the second quarter of 2018 will be disseminated on **28 September** and will include revised data from the first quarter of 2015<sup>4</sup>.

**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](http://www.ine.es)), as well as access the standardised methodological report on the operation ([Standardised metadata report](#)).

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<sup>4</sup> Consistent also with the review of the results for the period 2015-2017 of the Annual Spanish National Accounts, the main results of which will be released on 6 September.