

28 November 2013

Quarterly Spanish National Accounts. Base 2008

Third quarter of 2013

Quarterly National Accounts (GDP)

Latest data	Year-on-year growth rate	Quarter-on-quarter growth rate
Third quarter of 2013	-1.1	0.1

Main results

- The Spanish economy registers a **quarter-on-quarter increase of 0.1%** in the third quarter of 2013. This rate is two tenths higher than that recorded the second quarter of the year (-0.1%).
- Year-on-year **growth stands at -1.1%**, as compared with -1.6% registered the previous quarter.
- The quarterly growth data coincides with that of the flash estimate of quarterly GDP for the third quarter of 2013, published on 30 October, whereas the annual growth rate is one tenth higher than the estimated.
- The contribution of **national demand** to aggregate growth is one point and two tenths higher than that for the previous quarter, standing at **-2.5 points**, whereas the contribution of **external demand** to quarterly GDP decreases seven tenths, as compared with the previous quarter (from 2.1 to **1.4 points**).
- **Employment** in the economy **decreases at a year-on-year rate of 3.2%**, seven tenths higher than in the second quarter of 2013, indicating a net reduction of 522 thousand full-time jobs in one year. In turn, the hours actually worked decrease at a year-on-year rate of 3.1%.
- The growth in the **unit labour cost** stands at **-1.9%** two points and three tenths below the implicit GDP deflator.

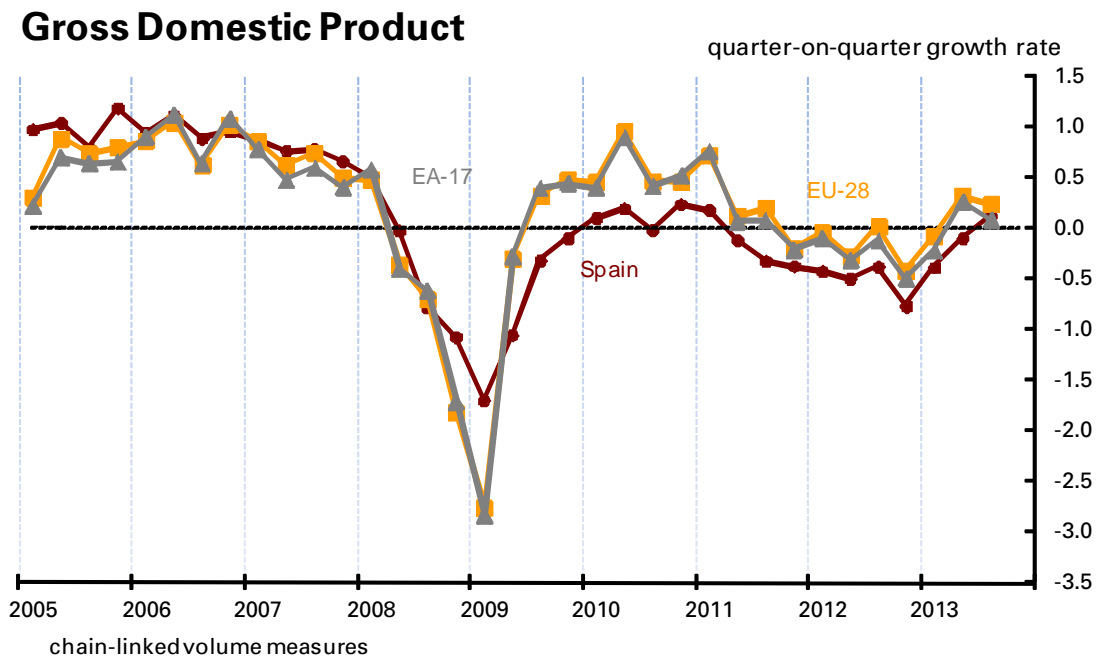
Gross Domestic Product ¹ (GDP) generated by the Spanish economy in the third quarter of 2013 registered an increase of 0.1%². This rate was two tenths higher than that estimated for the previous quarter.

In year-on-year terms, the growth rate of GDP was -1.1%, five tenths higher than that recorded the previous quarter, due to the lesser negative contribution of national demand to aggregate growth.

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 setting, both the European Union as a whole and the Euro zone registered positive quarterly growth (0.2% and 0.1%, respectively) in the third quarter of 2013, although this growth was lesser than that registered the previous quarter (0.3% each).

The main European economies registered an heterogeneous behaviour. Some of these economies registering a lesser increase, as compared with the second quarter, were Germany (0.3%, compared with 0.7%) and France (-0.1%, as compared with 0.5%). In turn, among the economies registering higher growth rates, worth noting were Italy (-0.1%, as compared with -0.3%), the Netherlands (0.1%, as compared with 0.0%) and United Kingdom (0.8%, as compared with 0.7%).

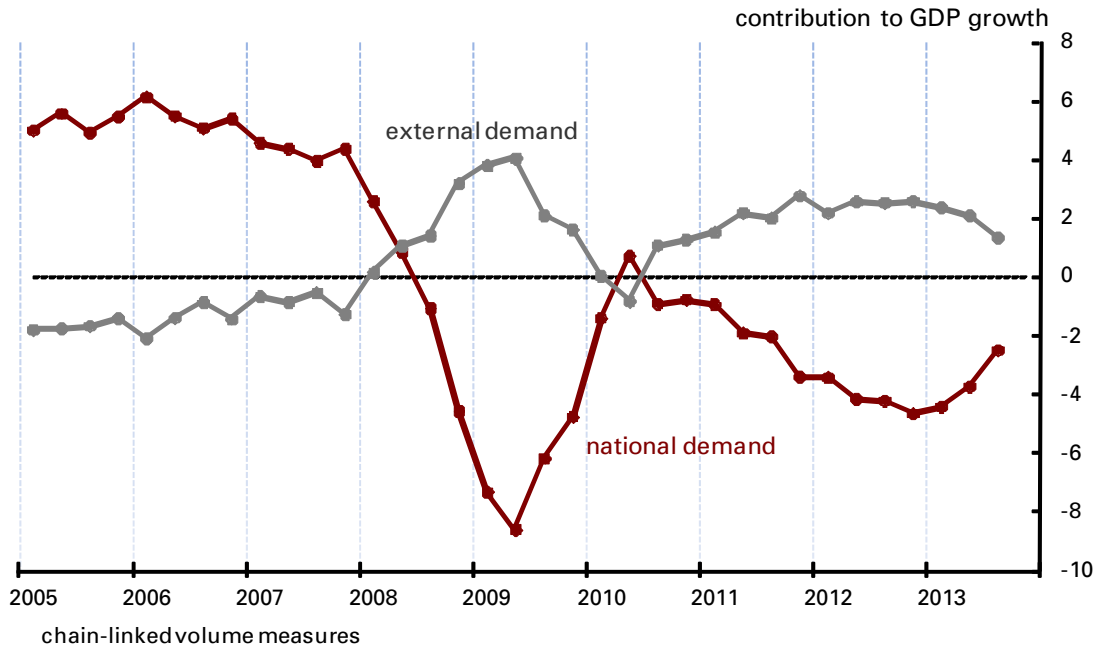


¹ Chain-linked volume measures, referring to the year 2008.

² Data adjusted for seasonal and calendar effects.

Analysing the year-on-year growth of Spanish GDP in the third quarter of 2013 as compared to the same quarter of 2012 from the expenditure perspective, a less negative contribution of national demand was observed (reaching -2.5 points, as compared with -3.7 points recorded for the previous quarter) and a lesser positive contribution of external demand (1.4 points, as compared with 2.1).

National and external demand



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

	2012				2013		
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III
GROSS DOMESTIC PRODUCT at market prices	-1.2	-1.6	-1.7	-2.1	-2.0	-1.6	-1.1
Household final consumption expenditure	-1.8	-3.1	-2.8	-3.6	-4.4	-3.3	-2.2
Final consumption expenditure of NPISHs	-0.1	-0.4	0.0	-0.2	-1.1	-0.3	0.2
Final consumption expenditure by government	-4.9	-4.4	-4.9	-5.0	-2.0	-2.8	0.3
Gross fixed capital formation	-6.0	-6.9	-7.5	-7.7	-7.5	-6.3	-6.3
- Tangible fixed assets	-6.8	-7.6	-8.6	-8.3	-8.2	-6.6	-6.6
• Construction	-8.6	-9.3	-10.9	-10.0	-10.2	-10.7	-10.3
• Equipment and cultivated assets	-2.9	-4.3	-3.8	-4.8	-4.3	1.0	0.2
- Intangible fixed assets	3.6	2.6	4.8	0.4	-0.3	-2.7	-2.5
Changes in inventories and acquisitions less disposals of valuables (*)	-0.1	0.0	0.0	0.1	0.0	0.0	0.0
NATIONAL DEMAND (*)	-3.4	-4.2	-4.2	-4.7	-4.4	-3.7	-2.5
Exports of goods and services	0.1	0.5	3.3	4.4	3.1	9.1	4.7
Imports of goods and services	-6.9	-7.7	-4.6	-3.5	-4.7	2.5	0.7

(*) Contribution to GDP growth

National demand

Regarding the two main components of national demand, final consumption expenditure registered a less negative annual variation during the third quarter 2013, whereas the investment in fixed capital remained stable.

Household final consumption expenditure moderated its decrease by 1.1 points, from -3.3% in the second quarter 2013 to -2.2% in the third quarter, due to the general improvement of the behaviour of all the components, both goods and services. This drop was in line with a less negative evolution of the employee remuneration, the main household resource to face household consumption. The employee remuneration decreased at a rate of -3.6% in the third quarter, as compared with -5.2% registered in the second quarter.

In turn, **final consumption expenditure of the Public Administrations** saw a positive variation of 0.3%, three points and one tenth higher than that recorded the previous quarter. The lesser decrease recorded in the employee remuneration and the increase in intermediate consumption contributed particularly to this result.

Gross formation of fixed capital remained stable, standing at -6.3%. Considering the different types of asset, tangible assets registered a -6.6% rate, similar to the variation registered the previous quarter. On the one hand, this behaviour was due to the investment in capital goods, that remained registering positive variations, and, on the other hand, due to construction, which remained with considerable negative variation rates. Investment in intangible assets registered a variation of -2.5%.

Demand for **capital goods assets and grown assets** registered a growth of 0.2% in the third quarter, as compared with the 1.0% of the previous quarter, in line with the evolution of industrial production indicators, value of its turnover and imports for this type of goods. The rate of increase of investment in transport equipment assets (8.4%) was more intense than in the case of machinery (-2.7%).

Investment in **construction** assets moderated its decrease by four tenths, from -10.7% to -10.3%, due to the evolution of both investment in dwellings and civil engineering and other constructions.

External demand

The contribution of the net external demand of the Spanish economy to quarterly GDP decreased seven tenths, as compared to that recorded the previous quarter, from 2.1% to 1.4%. Both exports and imports of goods and services registered a lower increase, as compared with the previous quarter.

Exports of goods and services moderated its decrease by 4.4 points, from 9.1% to 4.7%. In the case of goods, the deceleration was 5.2 points (from 12.7% to 7.5%), resulting from the deceleration of the flow of goods to countries not belonging to the European Union. Exports of non-tourism services registered a decrease of -4.2%, that was 5.6 points less than in the previous quarter (1.4%), whereas purchases by non-residents in Spain increased its growth by nine tenths (from 1.9% to 2.8%)

Imports of goods and services observed a reduction of 1.8 points of their growth rate (from 2.5% to 0.7%). An analysis of all of their components showed that imports of goods presented a slight decrease in the growth rate, as compared with the previous quarter, showing an annual variation of 2.6%, as compared with 3.4%. Imports of non-tourist services registered a rate of -8.3%, eight points below the variation registered the previous quarter (-0.3%). Nevertheless, purchases by those resident elsewhere in the world increased this quarter, from -3.0% to 5.3%.

Supply

The analysis of the macroeconomic table, from the supply perspective, showed that most of the activity branches registered a better behaviour, as compared with the previous quarter.

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

	2012				2013		
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III
GROSS DOMESTIC PRODUCT at market prices	-1.2	-1.6	-1.7	-2.1	-2.0	-1.6	-1.1
Agriculture, forestry and fishing	-6.9	-12.6	-11.2	-12.7	-6.3	0.5	-2.1
Industry	-1.7	-0.7	0.2	0.4	-3.0	-2.6	-1.0
- Manufacturing industry	-2.8	-1.8	0.1	0.1	-3.1	-1.9	-1.5
Construction	-9.1	-8.6	-8.7	-7.7	-6.0	-6.5	-6.2
Service activities	0.7	-0.1	-0.4	-1.1	-1.1	-0.9	-0.5
- Wholesale and retail trade	1.3	0.2	1.0	-0.5	-1.7	-0.4	0.0
- Information and communication	0.9	1.3	1.0	0.5	-1.0	0.4	-2.0
- Financial and insurance activities	0.8	1.0	-6.1	-6.9	-3.8	-4.0	-2.7
- Real estate activities	0.9	0.8	1.6	1.1	-0.3	-0.5	-0.4
- Professional activities	-1.2	-2.6	-1.5	-2.2	-0.9	-0.5	-0.4
- Public administration, health and education activities	0.4	-0.1	-1.3	-1.1	0.1	-1.8	-0.7
- Arts, entertainment and other services	0.7	-2.2	-2.5	-3.0	-2.3	-0.4	1.3
Taxes less subsidies on products	-5.0	-4.7	-4.9	-5.1	-2.4	-1.3	-1.6

The gross added value of the **industrial branches** tempered its decrease by one point and six tenths in the third quarter, from -2.6% to -1.0%. Regarding **Manufacturing industry**, the annual decrease registered during the third quarter was four tenths lower than that recorded during the second (from -1.9% to -1.5%), in line with the improvement observed in the evolution of the national demand of manufactured goods.

In line with the evolution of the demand for assets linked to **Construction** and employment in this activity, the gross added value of said activity experienced an increase of three tenths in its evolution, from -6.5% to -6.2%.

In turn, the added value of the **services branches** moderated its decrease as compared with the second quarter, from -0.9% to -0.5%. This evolution can be observed in all the activity branches except in information and communication (0.4% as compared with -0.2%). In addition, the branches of *Trade, transport and accommodation* and *Arts, entertainment and other services* registered a positive variation.

Lastly, the primary branches decreased by -2.1% as compared with 0.5% registered the previous quarter, in accordance with the evolution of the agricultural and livestock activity indicators.

Employment

Employment, measured in terms of full-time equivalent job posts, moderated its annual decrease by seven tenths, standing at -3.2% . This annual rate indicated a reduction of 522 thousand net full-time jobs in one year.

On an aggregate scale, the branches of *Services* and *Construction* registered the best behaviours in terms of employment.

Thus, the annual variation of primary branches was -1.3% , two points and three tenths lower than that of the previous quarter. In turn, *Industry* registered a variation of -6.0% , as compared with -5.3% registered during the second quarter. In the case of *Construction* activity, said rate was -11.6% , two points and eight tenths higher than that of the previous quarter. Lastly, employment for *Services* improved its previous record by nine tenths, standing at -2.1% .

The lowest decrease in occupied employment was also maintained in paid employment, although variation rates were lower in this case (going from -5.0% to -3.8%). In turn, unpaid employment recorded a growth of 0.2% in the third quarter, two points and six tenths below that registered in the previous quarter.

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

	2012				2013		
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III
Total	-4.3	-5.1	-4.7	-5.0	-4.6	-3.9	-3.2
Agriculture, forestry and fishing	-1.6	-0.3	1.2	-3.5	-5.4	1.0	-1.3
Industry	-4.2	-5.9	-5.6	-5.5	-5.8	-5.3	-6.0
- Manufacturing industry	-4.9	-6.5	-6.3	-6.3	-5.8	-5.1	-5.5
Construction	-21.1	-18.1	-18.9	-17.8	-13.7	-14.4	-11.6
Service activities	-2.5	-3.8	-3.4	-3.8	-3.5	-3.0	-2.1
- Wholesale and retail trade	-4.0	-5.5	-5.4	-6.2	-4.9	-2.6	-1.4
- Information and communication	2.6	0.7	-4.0	-4.4	-5.0	-5.6	-3.6
- Financial and insurance activities	-1.4	-4.6	-4.7	-1.9	-1.5	1.4	2.2
- Real estate activities	0.8	3.1	-1.5	-5.7	-8.9	-11.4	-4.6
- Professional activities	-3.3	-3.2	1.5	-0.6	-2.6	-3.7	-3.6
- Public administration, health and education activities	-1.9	-3.4	-4.2	-3.2	-2.7	-4.1	-2.6
- Arts, entertainment and other services	0.6	-1.5	-0.5	-1.2	-0.9	0.9	-1.1
Employees	-5.0	-5.9	-6.0	-6.2	-5.7	-5.0	-3.8
Agriculture, forestry and fishing	-4.9	-1.7	-0.5	-5.8	-9.8	0.1	-2.4
Industry	-5.1	-6.6	-6.3	-5.6	-5.6	-5.0	-6.0
- Manufacturing industry	-5.7	-7.3	-7.1	-6.6	-5.7	-4.6	-5.6
Construction	-23.0	-20.0	-21.4	-20.2	-15.2	-15.9	-12.7
Service activities	-2.8	-4.4	-4.5	-5.0	-4.6	-4.2	-2.6
- Wholesale and retail trade	-4.3	-6.1	-6.9	-7.7	-6.7	-4.1	-1.7
- Information and communication	2.0	2.0	-4.6	-5.0	-5.5	-6.5	-3.8
- Financial and insurance activities	-1.5	-4.9	-5.3	-2.4	-2.0	1.0	2.1
- Real estate activities	5.0	8.7	0.5	-3.1	-7.9	-14.7	-8.2
- Professional activities	-4.7	-5.3	-0.4	-3.7	-5.5	-6.5	-5.4
- Public administration, health and education activities	-2.1	-3.6	-4.3	-3.4	-2.7	-4.3	-2.8
- Arts, entertainment and other services	-0.3	-3.3	-2.7	-3.9	-2.9	-0.6	-1.4

The number of hours actually worked by the persons employed in the economy dropped from -2.4% to -3.1% in this quarter. In turn, the average full-time working day decreased 1.5 points, from 1.6% to 0.1%.

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 three tenths, from 2.4% to 2.1%, whereas the growth of the apparent productivity per hour actually worked increased one point and three tenths, from 0.7% to 2.0%.

GDP at current prices and implicit deflator

GDP valued at current prices decreased its contraction level by two tenths, standing at -0.7% in the third quarter of 2013. As a result of the evolution of GDP, both at current prices and in terms of volume, the implicit deflator of the economy registered a deceleration of three tenths, reaching 0.4%.

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

	2012				2013		
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III
GROSS DOMESTIC PRODUCT at market prices	-1.3	-1.7	-1.5	-2.1	-0.8	-0.9	-0.7
Household final consumption expenditure	0.3	-0.7	-0.5	-0.7	-2.4	-1.6	-1.1
Final consumption expenditure of NPISHs	1.1	0.2	0.9	0.8	-0.3	0.3	0.6
Final consumption expenditure by government	-5.4	-5.3	-5.4	-10.2	-1.6	-3.4	0.6
Gross fixed capital formation	-7.5	-8.5	-9.7	-9.8	-10.8	-9.8	-9.4
- Tangible fixed assets	-8.5	-9.5	-11.0	-10.8	-11.8	-10.5	-10.2
• Construction	-10.7	-11.5	-14.0	-13.1	-14.3	-15.1	-14.1
• Equipment and cultivated assets	-3.7	-5.5	-4.9	-6.0	-6.8	-1.8	-2.9
- Intangible fixed assets	4.1	4.0	6.4	2.0	0.0	-2.6	-1.6
Changes in inventories and acquisitions less disposals of valuables (*)	-0.1	0.0	0.1	0.1	0.0	0.0	0.0
NATIONAL DEMAND (*)	-2.6	-3.3	-3.4	-4.5	-3.8	-3.5	-2.4
Exports of goods and services	2.5	2.1	5.4	6.4	3.7	8.5	3.3
Imports of goods and services	-1.8	-2.9	-0.6	-1.1	-5.7	0.4	-1.7
GROSS DOMESTIC PRODUCT at market prices	-1.3	-1.7	-1.5	-2.1	-0.8	-0.9	-0.7
Agriculture, forestry and fishing	-3.3	-6.0	-2.4	0.2	0.4	7.0	-3.6
Industry	-1.2	-0.7	-0.5	0.8	-1.6	-2.0	0.0
- Manufacturing industry	-3.0	-2.6	-1.5	0.4	-1.6	-1.5	-1.0
Construction	-11.8	-10.8	-11.9	-10.6	-7.6	-8.9	-7.9
Service activities	0.7	0.4	-0.5	-2.8	-0.2	-1.6	-0.3
- Wholesale and retail trade	1.2	0.9	1.7	1.2	1.1	0.7	1.0
- Information and communication	-1.2	-1.6	-2.0	-1.7	-3.8	-4.4	-6.7
- Financial and insurance activities	4.7	9.9	-3.4	-4.5	-6.4	-13.7	-4.1
- Real estate activities	2.8	3.4	2.4	2.5	1.4	0.2	0.6
- Professional activities	-2.0	-3.7	-2.5	-1.9	-0.6	-0.3	0.0
- Public administration, health and education activities	-0.6	-1.3	-2.5	-11.0	-0.3	-3.1	-1.0
- Arts, entertainment and other services	1.6	-1.5	-1.6	-1.0	0.5	2.3	3.9
Taxes less subsidies on products	-4.4	-8.5	-0.7	7.3	1.9	11.7	2.0

(*) Contribution to GDP growth

Income

Regarding the primary distribution of income, compensation per employee increased from – 5.2% to –3.6%. This was the result of the increase of one point and two tenths in the variation rate of the number of wage earners (from –5.0% to –3.8%) and of the increase of three tenths in average compensation per employee (from –0.2% to 0.1%).

In this way, the growth of the product unit labour cost (ULC) stood at –1.9%, two points and three tenths below the implicit deflator of the economy.

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

	2012				2013		
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III
GROSS DOMESTIC PRODUCT at market prices	-1.3	-1.7	-1.5	-2.1	-0.8	-0.9	-0.7
Compensation of employees	-3.3	-5.1	-5.3	-8.5	-6.1	-5.2	-3.6
Unit Labor Cost (ULC)	-1.4	-2.7	-2.4	-5.3	-3.1	-2.5	-1.9
Compensation per employee	1.7	0.8	0.7	-2.4	-0.5	-0.2	0.1
Productivity per worker	3.2	3.7	3.2	3.1	2.7	2.4	2.1
Salary rate	-0.7	-0.8	-1.3	-1.3	-1.1	-1.1	-0.6
Gross operating surplus / Gross mixed income	-0.4	2.7	1.8	2.5	3.9	1.0	1.8
Net taxes on production and imports	5.7	-3.7	3.8	12.3	4.3	12.0	2.1

Operating surplus and mixed income experienced an increase of eight tenths, from 1.0% to 1.8%. Lastly, net taxes on production and imports of subsidies registered an increase to a rate of 2.1%.

Regarding the contributions of these operations to the growth of the implicit GDP deflator, operating surplus and mixed income contributed 1.3 points to the growth of said index, while the contribution of the compensation per employee was -1.2 points, and that of net taxes on production was three tenths.

Income. Components of the GDP deflator. Contributions

	2012				2013		
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III
GROSS DOMESTIC PRODUCT at market prices	-0.1	-0.1	0.2	0.0	1.2	0.7	0.4
Compensation of employees	-1.1	-1.8	-1.9	-3.3	-2.0	-1.8	-1.2
Unit Labor Cost (ULC)	-0.7	-1.4	-1.2	-2.7	-1.5	-1.2	-0.9
Compensation per employee	0.8	0.4	0.3	-1.2	-0.2	-0.1	0.1
Productivity per worker	-1.5	-1.8	-1.6	-1.5	-1.3	-1.1	-1.0
Salary rate	-0.4	-0.4	-0.7	-0.6	-0.5	-0.5	-0.3
Gross operating surplus / Gross mixed income	0.3	1.8	1.5	2.1	2.6	1.2	1.3
Net taxes on production and imports	0.6	-0.2	0.5	1.1	0.6	1.3	0.3