

## Quarterly Spanish National Accounts. Base 2000

### Fourth quarter of 2010

#### Quarterly National Accounts (GDP)

Latest data	Year-on-year growth rate	Quarter-on-quarter growth rate
Fourth quarter of 2010	0.6	0.2
Year 2010	-0.1	

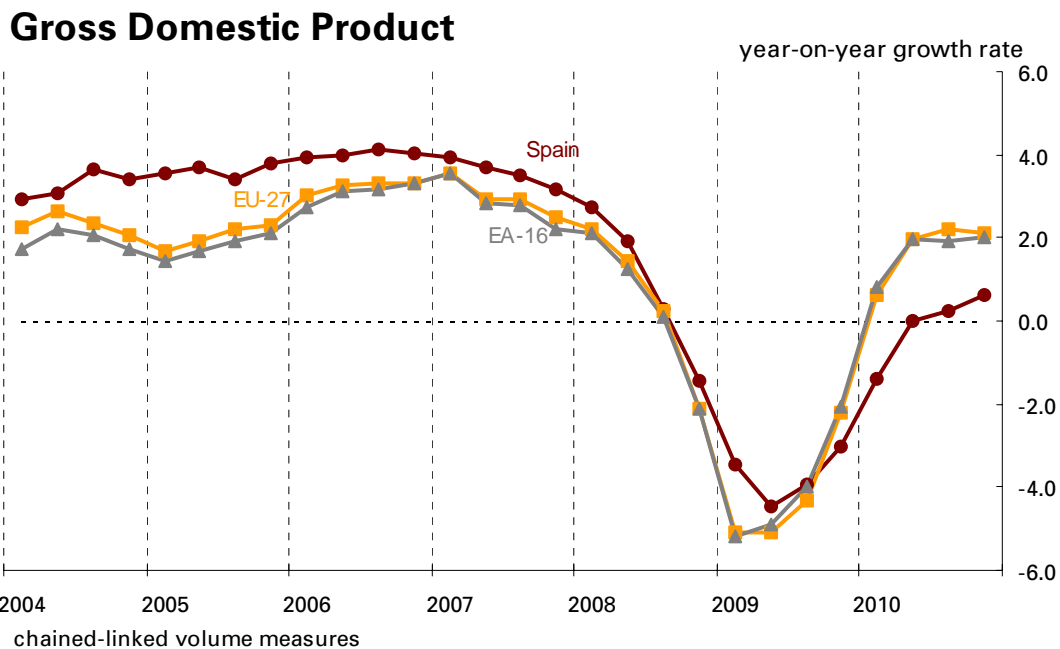
#### Main results

- The Spanish economy registers an **interannual increase of 0.6%** in the fourth quarter of 2010, four tenths more than the previous period.
- **Quarter-on-quarter growth stands at 0.2%**, two tenths higher than that recorded the previous quarter.
- The annual and quarterly growth data coincides with that published in the Advance Estimate of the Quarterly National Accounts, published on 11 February.
- The negative contribution of **domestic demand** to aggregate growth decreases one tenth (**from -0.7 to -0.6 points**), while **foreign demand** increases its contribution to quarterly GDP three tenths (**from 0.9 to 1.2 points**).
- **Employment in the economy drops at a rate of 1.4%**, indicating a net reduction of more than 238 thousand full-time jobs in one year. In terms of hours actually worked, the rate of decrease stands at 1.5%.
- The **unit labour cost** decrease quickens four tenths to **-2.3%**, almost four points below the GDP deflator.

Gross Domestic Product<sup>1</sup> (GDP) generated by the Spanish economy in the fourth quarter of 2010 registered growth of 0.6%, as compared with the same period the previous year<sup>2</sup>, four tenths higher than that estimated for the previous period. Thus, during the second half of the year, the Spanish economy registered slight interannual growth, in contrast with the negative records at the beginning of the year.

In quarter-on-quarter terms, GDP grew at a rate of 0.2%, two tenths higher than that recorded the previous quarter.

Regarding Europe, the European Union as a whole slowed its growth rate, from 2.2% to 2.1%, whereas in the Euro-zone, conversely, growth quickened one tenth, from 1.9% to 2.0%. Regarding the main economies of the area, Germany was the country that continued to register the greatest growth (4.0%), followed by Austria (2.7%), the Netherlands (2.4%), the United Kingdom (1.7%), France (1.5%) and Italy (1.3%). All of them registered greater growth than that of the Spanish economy. Nevertheless, France and, in particular, the United Kingdom slowed their growth as compared with that recorded in the third quarter of the year.

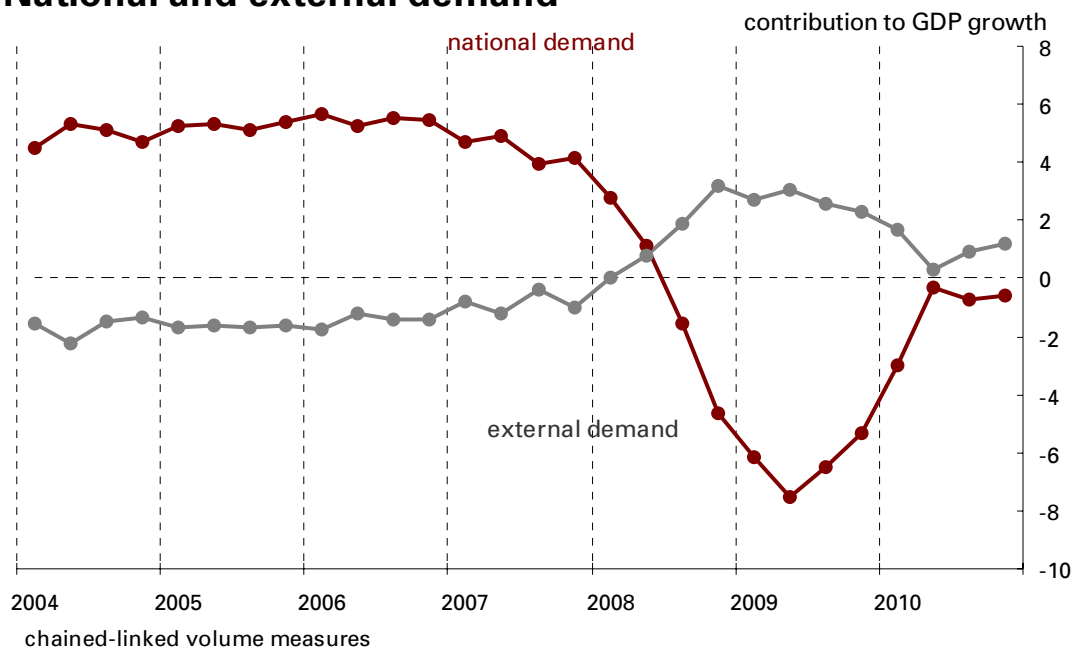


On analysing the two large components of Spanish GDP from the perspective of expenditure, this quarter, a better performance was observed, both by domestic demand and by the foreign sector. Thus, on the one hand, the negative contribution of domestic demand to GDP decreased one tenth, from -0.7 to -0.6 points and, moreover, foreign demand increased its positive contribution three tenths to aggregate growth, from 0.9 to 1.2 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

	2009				2010			
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV
<b>GROSS DOMESTIC PRODUCT at market prices</b>	<b>-3.5</b>	<b>-4.4</b>	<b>-3.9</b>	<b>-3.0</b>	<b>-1.4</b>	<b>0.0</b>	<b>0.2</b>	<b>0.6</b>
Household final consumption expenditure	-5.0	-5.5	-4.2	-2.6	-0.3	2.2	1.5	1.7
Final consumption expenditure of NPISHs	0.9	1.0	1.2	0.8	0.6	1.1	0.4	-0.4
Final consumption expenditure by government	5.9	4.3	2.7	0.2	-1.1	-0.1	-0.7	-0.9
Gross fixed capital formation	-15.3	-18.0	-16.4	-14.0	-10.5	-6.7	-6.7	-6.1
- Equipment	-24.2	-31.5	-25.5	-16.9	-4.6	8.7	2.4	1.2
- Construction	-12.2	-12.0	-11.7	-11.9	-11.3	-11.3	-11.2	-10.6
- Other products	-12.1	-16.9	-18.7	-17.2	-15.8	-11.0	-3.0	-1.5
Changes in inventories and acquisitions less disposals of valuables (*)	0.0	0.0	0.0	-0.1	0.0	0.1	0.1	0.1
<b>NATIONAL DEMAND (*)</b>	<b>-6.2</b>	<b>-7.5</b>	<b>-6.5</b>	<b>-5.3</b>	<b>-3.0</b>	<b>-0.3</b>	<b>-0.7</b>	<b>-0.6</b>
Exports of goods and services	-16.5	-15.8	-11.0	-2.1	9.4	11.9	9.4	10.5
Imports of goods and services	-21.5	-22.2	-17.2	-9.2	2.0	9.6	5.0	5.3

(\*) Contribution to GDP growth

### Domestic demand

The evolution presented by domestic demand in this quarter was shared by its two main aggregates, final consumption expenditure and investment.

In fact, **household final consumption expenditure** quickened its interannual growth slightly this quarter, from 1.5% to 1.7%. By component, consumption of durable consumer goods continued to present the weakest rate. In contrast, non-durable consumer goods and services registered a more positive performance.

In general terms, the majority of indicators for monitoring this aggregate registered a similar performance, or one slightly more favourable than in the previous quarter. Nevertheless, employee remuneration, the main resource of families for handling consumption, continued to decrease, both due to the decrease in employment, and due to that of average remuneration, which had a negative impact on savings.

In turn, **final consumption expenditure of Public Administrations** increased its interannual drop two tenths, to  $-0.9\%$  in the fourth quarter, in keeping with the evolution of both remuneration of Public Administration employees, and intermediate consumption by these administrations.

**Gross formation of fixed capital** reduced its negative growth six tenths, from  $-6.7\%$  to  $-6.1\%$ . This favourable investment path was not shared by its main components, on an aggregate scale. Thus, investment in capital goods slowed its positive growth, whereas construction and other products improved the rate of negative evolution of previous quarters.

The demand for investment in **capital goods** slowed its growth in this period, from  $2.4\%$  to  $1.2\%$ , in line with the information that we conclude from practically all of its monitoring indicators (industrial production, imports of this type of goods, turnover and industrial new orders received for equipment, etc.). On analysis of the different components, the rate of investment in machinery ( $1.6\%$ ) continued to be better the rate than for transport equipment ( $0.1\%$ ).

In turn, the decrease in gross formation in **construction** reduced its intensity in the fourth quarter, from  $-11.2\%$  to  $-10.6\%$ . Residential investment continued to offer the worst growth results ( $-11.4\%$ ) although during this quarter, in addition, an intense decrease was registered in investment in other constructions ( $-10.1\%$ ), fundamentally due to the significant reduction in investment in public works.

Lastly, gross formation of fixed capital in **other products** continued to gradually reduce its contraction, registering a rate of  $-1.5\%$ , as compared with  $-3.0\%$  for the previous quarter, this evolution being associated with the growth of assets linked to housing sales.

## Foreign demand

The contribution of the net foreign demand of the Spanish economy to quarterly GDP increased three tenths, from 0.9 to 1.2 points. Both imports and exports imports of goods and services quickened their growth this quarter, more intensely in the case of the former.

**Exports** of goods and services increased their growth, from  $9.4\%$  to  $10.5\%$ , in line with the evolution of domestic demand of the countries to which these exports were sent, that is, fundamentally the European Union. In the case of the exports of goods, growth rates reached  $12.3\%$ , and in that of non-tourist services,  $9.5\%$ . Lastly, tourist expenditure by non-residents moderated its growth this quarter, from  $5.8\%$  to  $4.4\%$ .

Lastly, **imports** of goods and services also quickened their interannual growth, albeit more slightly, from  $5.0\%$  to  $5.3\%$ . As with exports, the goods component was the most dynamic ( $5.6\%$ ), whereas imports of non-tourist services grew  $5.0\%$ , and expenditure by residents in the rest of the world increased  $3.2\%$ .

## Supply

The common pattern that stood out from the analysis from the perspective of supply, was the common pattern of positive growth in all activity branches, on an aggregate scale, with the exception of construction.

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

	2009				2010			
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV
<b>GROSS DOMESTIC PRODUCT at market prices</b>	<b>-3.5</b>	<b>-4.4</b>	<b>-3.9</b>	<b>-3.0</b>	<b>-1.4</b>	<b>0.0</b>	<b>0.2</b>	<b>0.6</b>
Agriculture and fishing	0.4	0.7	1.6	1.5	-1.2	-2.1	-2.2	0.3
Energy and industry	-11.5	-14.3	-13.5	-10.2	-1.6	2.2	2.3	2.4
- Energy	-5.5	-6.5	-7.3	-6.3	0.1	0.6	4.6	6.6
- Industry	-12.7	-15.9	-14.8	-11.0	-2.0	2.5	1.7	1.4
Construction	-6.1	-6.3	-7.1	-5.4	-6.4	-6.5	-6.6	-5.8
Service activities	-0.8	-1.6	-0.9	-0.9	-0.6	0.4	0.8	1.1
- Market services	-1.8	-2.6	-1.7	-1.6	-1.0	0.3	0.9	1.3
- Non-market services	2.5	2.2	2.0	1.6	0.8	0.9	0.7	0.7
Taxes less subsidies on products	-5.7	-6.8	-6.5	-4.8	-1.0	1.7	0.8	1.0

Gross added value of the **industrial branches** quickened its growth slightly this quarter, from 2.3% to 2.4%, in the context of slowed evolution both of production and of intermediate consumption of these activities. On analysis of the different industrial branches, the **manufacturing industry** moderated its growth three tenths (from 1.7% to 1.4%), whereas the **energy branches**, in turn, increased their growth, coming to stand at 6.6%, two points higher than that recorded the previous quarter.

Along the lines of the evolution of production and of intermediate consumption of activity, the gross added value of **construction** reduced its contraction eight tenths, from -6.6% to -5.8%, although it continued to be the activity with the most intense decrease records in the macroeconomic chart. The main factors leading to this performance were the same as those mentioned above in the section on demand, that is, the more unfavourable situation of public works and the intense contraction of construction of buildings, particularly residential construction.

The added value of the **service branches** quickened its growth slightly this quarter, from 0.8% to 1.1%. By its two components, **market services** increased their added value four tenths (from 0.9% to 1.3%), whereas **non-market services** stabilised it at 0.7%.

In line with domestic demand and with indicators for these branches of activity, trade (with the exception of the sale of the motor vehicles), personal and property services were the activities that registered the highest growth rates during the quarter, whereas accommodation and transport, in line with reduced tourist demand, registered slowed patterns in their added value.

Lastly, the primary branches experienced a recovery in their added value this quarter, from -2.2% to 0.3%, in line with the improved evolution of both agricultural and livestock activity.

## Employment

**Employment**, measured in terms of full-time equivalent job posts, reduced its decrease two tenths, from  $-1.6\%$  to  $-1.4\%$ . This result indicated a decrease of more than 238 thousand net full-time jobs in one year.

Performance by branch of activity was very similar to that for the previous quarter. Industry, market services, and particularly construction, continued to shed jobs, whereas, in contrast, the number of full-time equivalent job posts increased in agriculture and in non-market services.

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

	2009				2010			
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV
<b>Total</b>	<b>-6.2</b>	<b>-7.1</b>	<b>-7.2</b>	<b>-6.0</b>	<b>-3.9</b>	<b>-2.4</b>	<b>-1.6</b>	<b>-1.4</b>
Agriculture and fishing	-2.6	-2.8	-3.8	-2.7	-0.3	-0.6	1.3	4.7
Energy and industry	-11.0	-13.4	-14.5	-11.1	-8.2	-4.8	-3.6	-2.1
Construction	-23.8	-24.2	-23.5	-18.9	-16.6	-12.0	-9.6	-11.0
Service activities	-1.6	-2.5	-2.8	-2.9	-1.3	-0.6	-0.2	-0.2
- Market services	-2.7	-4.0	-4.5	-4.5	-2.3	-1.6	-0.9	-0.6
- Non-market services	1.2	1.4	1.5	1.4	1.5	1.8	1.4	0.8
<b>Employees</b>	<b>-6.1</b>	<b>-7.2</b>	<b>-7.3</b>	<b>-5.6</b>	<b>-3.9</b>	<b>-2.3</b>	<b>-1.3</b>	<b>-1.3</b>
Agriculture and fishing	2.0	0.9	-1.2	-3.7	2.7	1.8	8.3	9.6
Energy and industry	-11.1	-13.8	-14.8	-10.9	-8.4	-4.1	-3.1	-1.4
Construction	-25.6	-25.4	-24.6	-19.5	-17.4	-13.5	-11.1	-12.1
Service activities	-1.2	-2.3	-2.5	-2.2	-1.1	-0.4	0.1	-0.2
- Market services	-2.3	-4.0	-4.4	-3.8	-2.3	-1.5	-0.5	-0.7
- Non-market services	1.2	1.4	1.5	1.4	1.5	1.8	1.4	0.8

Additionally, the rate of decrease in the number of hours actually worked by employed persons in the economy was greatest ( $-1.5\%$ ), three tenths more negative than the previous quarter.

The joint consideration of the growth of quarterly GDP, and the data on employed persons, yielded that the interannual variation of **apparent productivity per equivalent job post** increased one tenth, from  $1.9\%$  to  $2.0\%$ , whereas growth of **apparent productivity per hour actually worked** increased eight tenths, from  $1.4\%$  to  $2.2\%$ . This difference is explained by the reduction, this quarter, of the average full-time working day ( $-0.2\%$ ).

## GDP at current prices and implicit deflator

GDP valued at current prices quickened its interannual growth half-a-point, from 1.5% to 2.0% in the fourth quarter of 2010. As a result, growth of the implicit **deflator** of the economy reached 1.4%, one tenth higher than in the previous quarter.

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

	2009				2010			
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV
<b>GROSS DOMESTIC PRODUCT at market prices</b>	<b>-2.3</b>	<b>-3.7</b>	<b>-3.8</b>	<b>-2.7</b>	<b>-0.8</b>	<b>0.5</b>	<b>1.5</b>	<b>2.0</b>
Household final consumption expenditure	-4.2	-5.8	-4.7	-2.0	1.6	4.7	4.7	5.3
Final consumption expenditure of NPISHs	1.3	1.2	0.7	0.3	2.0	2.3	1.9	1.4
Final consumption expenditure by government	8.3	6.6	4.2	1.0	-0.1	0.6	-1.6	-2.5
Gross fixed capital formation	-17.0	-21.4	-20.2	-16.7	-10.3	-4.8	-3.9	-3.1
- Equipment	-24.2	-32.2	-26.5	-17.6	-3.5	10.7	5.2	4.8
- Construction	-14.6	-17.0	-16.9	-15.8	-11.8	-10.1	-9.3	-8.7
- Other products	-14.3	-19.7	-21.9	-18.8	-14.2	-6.9	2.8	4.8
Changes in inventories and acquisitions less disposals of valuables (*)	0.0	0.0	0.0	-0.1	0.0	0.2	0.2	0.1
NATIONAL DEMAND (*)	-5.8	-8.3	-7.6	-5.5	-1.7	1.8	1.5	1.9
Exports of goods and services	-18.1	-18.0	-15.2	-5.8	10.1	14.0	13.6	15.1
Imports of goods and services	-25.0	-28.3	-24.3	-14.3	5.3	17.7	12.7	13.7
<b>GROSS DOMESTIC PRODUCT at market prices</b>	<b>-2.3</b>	<b>-3.7</b>	<b>-3.8</b>	<b>-2.7</b>	<b>-0.8</b>	<b>0.5</b>	<b>1.5</b>	<b>2.0</b>
Agriculture and fishing	-2.0	-1.8	-2.8	-1.5	-2.9	-1.1	0.3	5.7
Energy and industry	-10.1	-12.9	-13.3	-9.7	-2.0	0.3	0.7	5.6
Construction	-5.9	-6.1	-9.2	-7.0	-7.7	-8.3	-7.5	-5.7
Service activities	2.5	2.0	1.4	0.9	0.0	-0.9	-0.5	0.7
- Market services	1.9	0.9	0.5	0.1	-0.5	-1.6	-0.5	1.4
- Non-market services	4.8	5.7	4.8	3.7	1.7	1.2	-0.7	-1.7
Taxes less subsidies on products	-18.2	-26.3	-19.5	-13.3	5.2	30.1	36.9	16.7

(\*) Contribution to GDP growth

## Income

Considering the primary distribution of income, employee remuneration increased its negative growth rate four tenths, from -1.3% to -1.7%, as a result of the stabilisation in the decrease in the number of wage-earners (-1.3%) and the greater decrease in average remuneration (from -0.1% to -0.4%). Thus, the unit labour cost per product grew at a rate of -2.3%, four tenths more negative than the previous period, and almost four points below the implicit deflator of the economy .

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

	2009				2010			
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV
<b>GROSS DOMESTIC PRODUCT at market prices</b>	<b>-2.3</b>	<b>-3.7</b>	<b>-3.8</b>	<b>-2.7</b>	<b>-0.8</b>	<b>0.5</b>	<b>1.5</b>	<b>2.0</b>
<b>Compensation of employees</b>	<b>-1.6</b>	<b>-3.0</b>	<b>-3.7</b>	<b>-2.7</b>	<b>-2.3</b>	<b>-0.8</b>	<b>-1.3</b>	<b>-1.7</b>
Unit Labor Cost (ULC)	1.9	1.7	0.3	0.0	-0.9	-0.9	-1.9	-2.3
Compensation per employee	4.8	4.5	3.9	3.2	1.7	1.5	-0.1	-0.4
Productivity per worker	2.9	2.8	3.6	3.1	2.7	2.5	1.9	2.0
Salary rate	0.0	-0.1	0.0	0.4	0.0	0.2	0.3	0.1
Gross operating surplus / Gross mixed income	0.2	0.1	-1.5	-1.0	-0.2	-2.6	-0.5	4.1
Net taxes on production and imports	-17.7	-26.5	-16.9	-11.8	6.0	30.7	34.2	14.1

Gross operating surplus and mixed income recovered this period to 4.1% and, lastly, taxes on production and net imports of subsidies slowed their growth to 14.1%.

Regarding the contributions of these operations to the growth of the implicit GDP deflator, and as can be seen in the following table, operating surplus and mixed income contributed 1.5 points to the growth of said index and net taxes on productions and net imports, one point. Lastly, employee remuneration contributed negatively to the growth of the deflator by 1.1 point.

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

	2009				2010			
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV
<b>GROSS DOMESTIC PRODUCT at market prices</b>	<b>1.2</b>	<b>0.8</b>	<b>0.1</b>	<b>0.3</b>	<b>0.6</b>	<b>0.5</b>	<b>1.3</b>	<b>1.4</b>
<b>Compensation of employees</b>	1.0	0.8	0.1	0.2	-0.5	-0.4	-0.8	-1.1
Unit Labor Cost (ULC)	1.0	0.8	0.1	0.0	-0.5	-0.5	-0.9	-1.2
Compensation per employee	2.4	2.2	1.9	1.5	0.8	0.8	0.0	-0.2
Productivity per worker	-1.4	-1.4	-1.8	-1.5	-1.3	-1.2	-0.9	-1.0
Salary rate	0.0	-0.1	0.0	0.2	0.0	0.1	0.2	0.0
Gross operating surplus / Gross mixed income	1.6	2.0	1.1	0.9	0.5	-1.1	-0.3	1.5
Net taxes on production and imports	-1.4	-2.0	-1.1	-0.7	0.6	2.0	2.4	1.0



## Annual estimates

By aggregation of the four quarterly estimates of the year, the following table shows the result of growth of the aggregates of demand, supply and income, as well as of full-time equivalent employment and hours worked for the year 2010:

### Quarterly Spanish National Accounts. Base 2000 Year 2010

#### Gross Domestic Product at market prices and components

Demand, Supply, Income

growth rates: percentages

values in millions of euros

	growth rates			value
	Volume	Prices	Value	2010 current prices
Final consumption expenditure	0.7	2.0	2.7	841,291
- Household final consumption expenditure	1.3	2.8	4.1	610,459
- Final consumption expenditure of the NPISH	0.5	1.4	1.9	10,057
- Final consumption expenditure of the Public Administrations	-0.7	-0.2	-0.9	220,775
Gross formation of fixed capital	-7.6	2.1	-5.7	238,667
- Capital goods	1.8	2.3	4.1	62,203
- Construction	-11.1	1.2	-10.0	135,296
- Other products	-8.2	4.7	-3.9	41,168
Variation in stocks and acquisitions, less disposals of valuables (*)	0.1	-	-	5,627
DOMESTIC DEMAND (*)	-1.2	-	-	1,085,585
FOREIGN DEMAND (*)	1.1	-	-	22,994
Exports of goods and services	10.3	2.7	13.2	279,001
- Exports of goods	13.6	3.3	17.3	188,111
- Exports of services	4.2	1.4	5.6	90,890
Imports of goods and services	5.4	6.5	12.3	301,995
- Imports of goods	6.2	7.8	14.5	234,721
- Imports of services	3.0	2.0	5.1	67,274
<b>GROSS DOMESTIC PRODUCT at market prices</b>	<b>-0.1</b>	<b>1.0</b>	<b>0.8</b>	<b>1,062,591</b>
Agriculture, livestock and fishing	-1.3	1.7	0.4	26,062
Energy	3.0	2.2	5.2	29,684
Industry	0.9	-0.7	0.2	122,132
Construction	-6.3	-1.1	-7.3	97,791
Services	0.5	-0.6	-0.2	696,734
- Market services	0.4	-0.6	-0.3	538,609
- Non-market services	0.8	-0.7	0.1	158,125
Net taxes on products	0.6	20.8	21.5	90,188
- VAT levied on products	-0.7	36.1	35.1	58,635
- Net taxes on imported products	14.4	-1.3	13.0	1,639
- Other net taxes on products	1.9	0.0	1.9	29,914
<b>GROSS DOMESTIC PRODUCT at market prices</b>	<b>-0.1</b>	<b>1.0</b>	<b>0.8</b>	<b>1,062,591</b>
Compensation of employees	-	-	-1.5	508,878
Gross operating surplus / Gross mixed income	-	-	0.2	461,539
Net taxes on production and imports	-	-	20.6	92,174
<b>GROSS DOMESTIC PRODUCT at market prices</b>	<b>-0.1</b>	<b>1.0</b>	<b>0.8</b>	<b>1,062,591</b>
(*) contribution to the growth of GDP				
memorandum:				
Full-time equivalent jobs (thousands)	-2.4	-	-	17,315.9
Hours actually worked (millions)	-1.7	-	-	31,169.3

For further information see [INEbase-www.ine.es/en/welcome\\_en.htm](http://inebase-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)

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