

Spanish National Accounts. Base 2000
Updating of the accounting series 2005 - 2008

Real growth of the Spanish economy in 2008 is downwardly revised
by three tenths, from 1.2% to 0.9%

Increases in the GDP for the years 2006 and 2007 are revised by
one tenth, upwards in 2006 and downwards in 2007

The Spanish National Accounts, base 2000 (NAS-2000) have updated the estimates from the accounting series 2005 – 2008 in accordance with the normal calendar. Thus, the data corresponding to the years 2005, 2006 and 2007, published in August last year, and that corresponding to the year 2008, disseminated in February this year in terms of the Quarterly National Accounts, has once again been estimated.

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, Thursday 27 August, with reference to the second quarter of 2009.

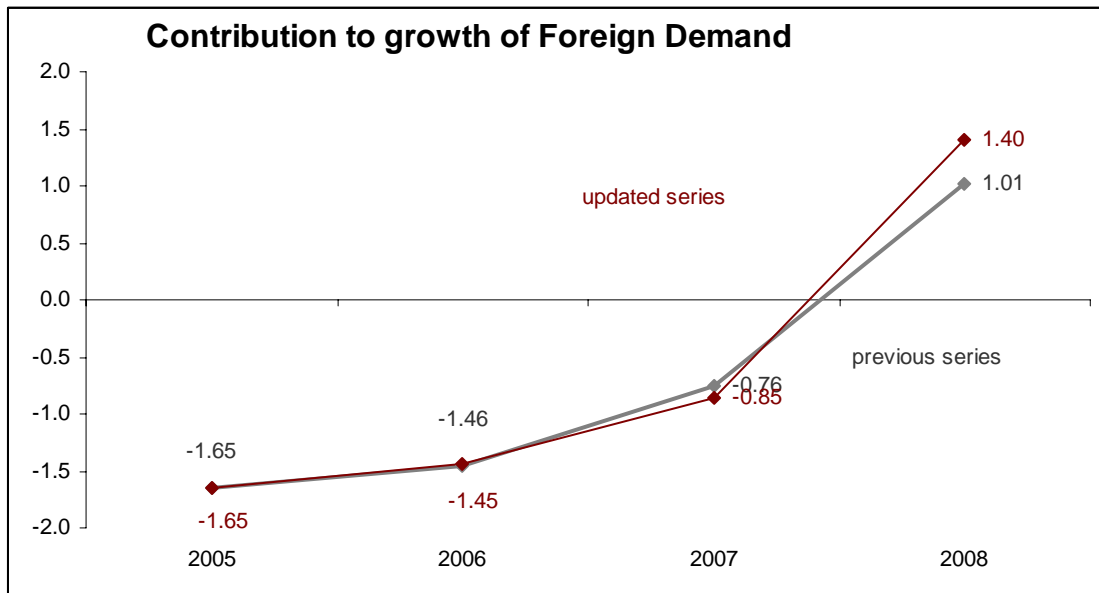
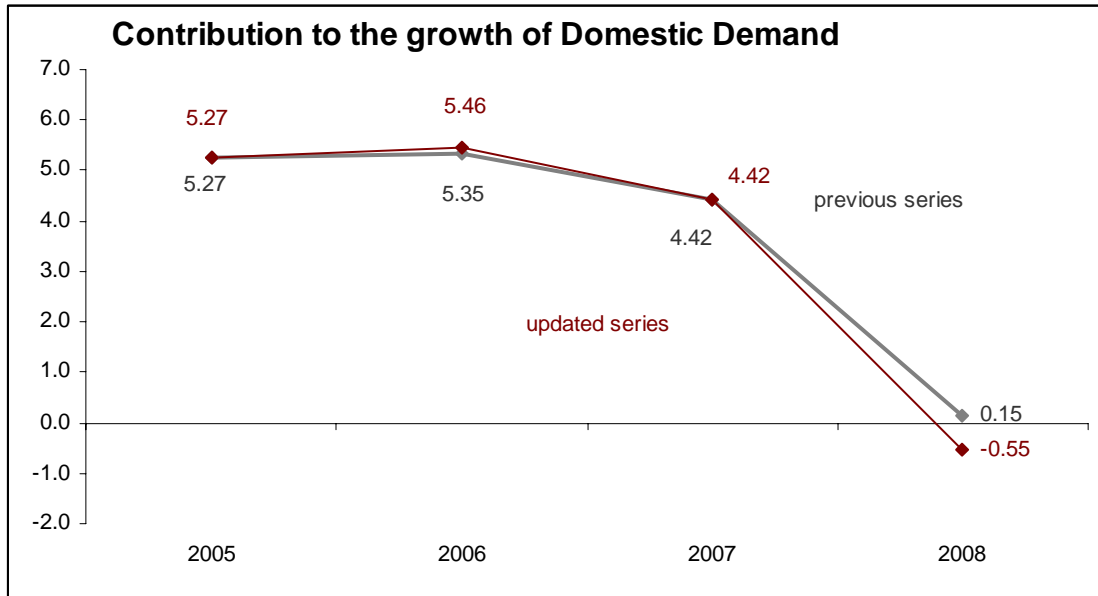
As a result of the updating, growth in real terms of the Gross Domestic Product (GDP) for the year 2006 was upwardly revised by one tenth, for 2007 it was downwardly revised by one tenth, and for 2008 it was three tenths lower than estimated in February. Lastly, growth for the year 2005 remained invariable.

| | Updated series | Previous series |
|--------------------|----------------|-----------------|
| 2005 (definitive) | 3,6 | 3,6 |
| 2006 (provisional) | 4,0 | 3,9 |
| 2007 (provisional) | 3,6 | 3,7 |
| 2008 (preview) | 0,9 | 1,2 |

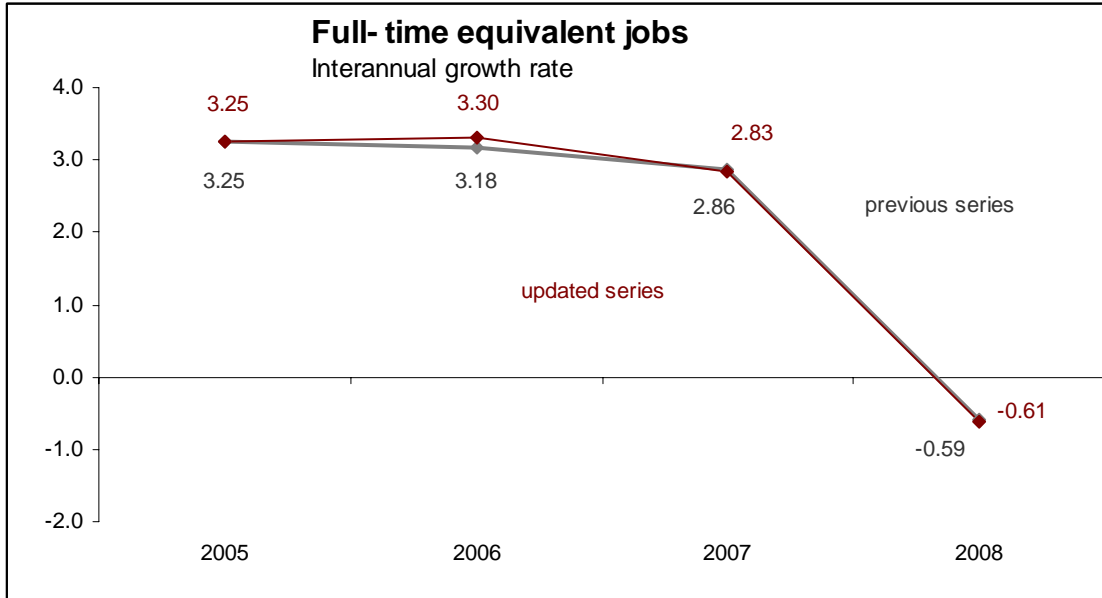
The revisions carried out were born, on the one hand, out of the incorporation of statistical sources of a structural nature for the years in which such information was not forthcoming (Annual Industrial Companies Survey, Annual Services Survey, Household Budget Survey, Construction Structure Survey, Accounts for Agriculture, etc). On the other hand, out of 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). Similarly, it should be borne in mind that the change in composition of the GDP each year has an effect on the estimation of growth for subsequent years.

¹ The 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 (PDE)

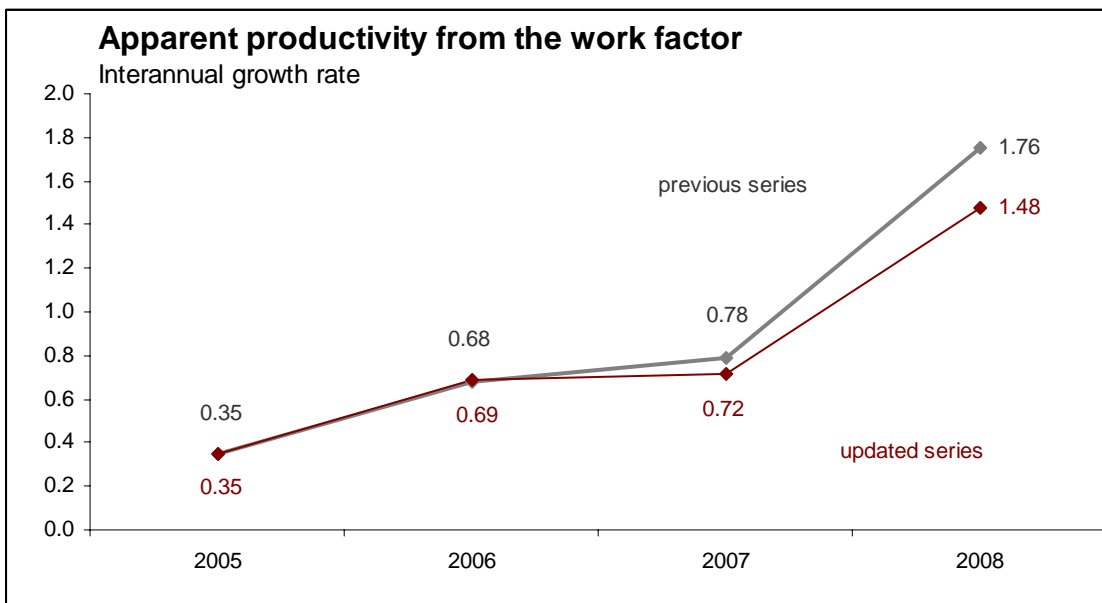
As a result of the revisions carried out, the contributions of National Demand and of Foreign Demand in accordance with these new real growth figures are illustrated in the following graphs:



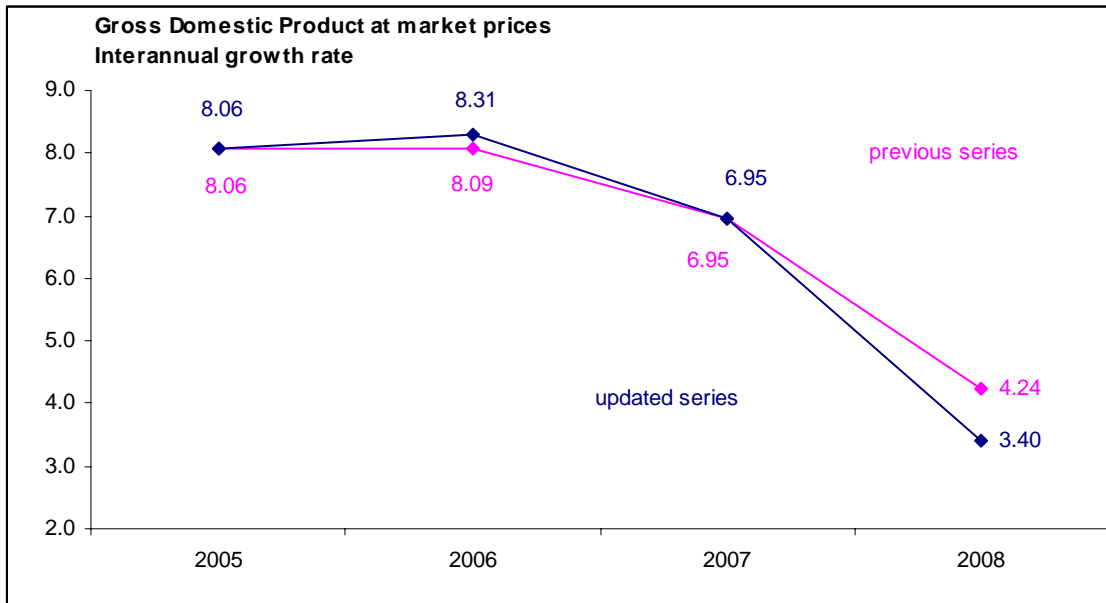
As a result, estimates have also been updated for **employment** in the economy. The results of revisions carried out, in terms of full-time equivalent jobs filled, are illustrated in the following graph:



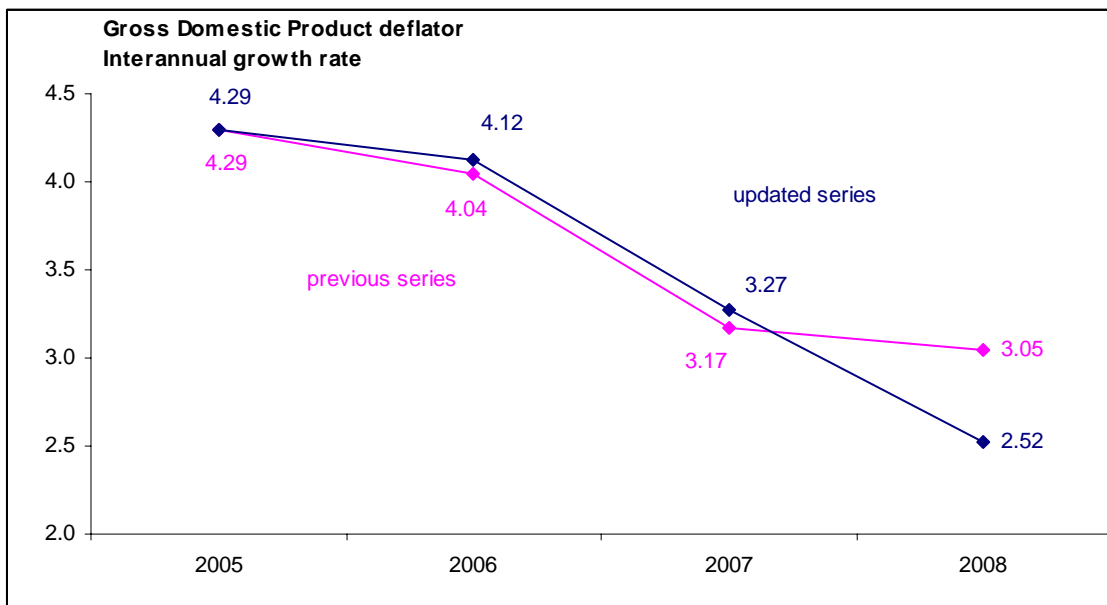
The new GDP and employment growth figures resulted in the variation in **apparent productivity from the work factor** illustrated in the graph below:



In **nominal terms**, the updating of the accounting series has specified upward revisions in the year 2006 and downward ones in 2008, with growth for 2005 and 2007 remaining invariable. The updated profile is as follows:



Thus, the **implicit GDP deflator** now shows the following evolution:



Changes in the composition of GDP growth in 2008

The real growth rate in GDP in 2008 was downwardly revised by three tenths, to 0.9%, modifying the contribution to aggregate growth of its two main components. Thus, **National Demand has reduced its contribution to the GDP (from 0.15 to -0.55 points) and Foreign Demand has slightly increased its contribution (from 1.01 to 1.40 points).**

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

Thus, the investment demand has been downwardly revised by 1.4 points (from -3.0% to -4.4%), with the revision being more significant in the case of capital goods than in construction.

Similarly, growth in final household and NPISH consumption expenditure has decreased by seven tenths (from 0.1% to -0.6%), in tune with the preliminary estimates of the 2008 Household Budget Survey.

Lastly, in updating the Public Administrations Accounts a greater final consumption expenditure was registered by these administrations in 2008 (from 5.3% to 5.5%).

The structure of Foreign Demand has been modified by the inclusion in the update process of the final 2007 foreign trade of goods data and data for the new estimates of the Balance of Payments for 2007 and 2008. Thus, real growth in 2008 was downwardly revised by 1.7 points for exports (from 0.7% to -1.0%) and by 2.4 points for imports (from -2.5% to -4.9%).

Gross Domestic Product. Demand. Year 2008

Annual growth in terms of volume

| | Updated series | Previous series |
|-----------------------------------------------------------------------------------------------------------|----------------|-----------------|
| Final Consumption Expenditure | 0.9 | 1.4 |
| - From Households and NPISHs | -0.6 | 0.1 |
| - From General Government | 5.5 | 5.3 |
| Gross Fixed Capital Formation | -4.4 | -3.0 |
| - Capital goods | -1.8 | -1.1 |
| - Construction | -5.5 | -5.3 |
| - Other Products | -4.3 | 1.9 |
| Changes in inventories and acquisitions less disposals of valuables (<i>contribution to GDP growth</i>) | 0.1 | 0.0 |
| Exports of goods and services | -1.0 | 0.7 |
| Imports of goods and services | -4.9 | -2.5 |

Total employment in the economy, measured in terms of full-time equivalent jobs, **remained virtually invariable in 2008, with an interannual variation of -0.6%**. Thus, **the apparent productivity for the work factor reduced its growth to 1.5%**.

In nominal terms, **the 2008 GDP growth was estimated at 3.4%**, reaching a level of 1,088,502 million euros.

As a result of the updating of the real Gross Domestic Product and nominal GDP in 2008, **growth of the implicit GDP deflator decreased half-a-point** as compared to the growth initially estimated in February **(from 3.0% to 2.5%)**.

Lastly, taking the analysis of the accounts revised for the Rest of the World sector for the year 2008, it can be observed that, on the one hand, **Spain's Gross National Income rose to 1,060,554 million euros in the aforementioned year**, and on the other hand, that **the Spanish economy exhibited a need for financing, as compared with the rest of the world, of 98,950 million euros, which implied 9.1% of the GDP**.

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