

30 June 2020

## **Quarterly National Spanish Accounts: main aggregates** First quarter of 2020

### **Results in the context of the Covid-19 crisis**

The results released today of the *Quarterly National Spanish Accounts: main aggregates* update those that were provided in the April 30th preview.

In that preview, most of the statistical indicators on recent economic developments offered results through the second month of this quarter (February). The estimation of indicator evolution in the third month was carried out by the INE. Estimation methods were adapted with the incorporation of additional sources (available for all months of the quarter) to complement those habitually used, as well as advanced estimates of indicators based on administrative data, in line with the recommendations of Eurostat and other international statistical agencies.

The results of the QNSA published today incorporate all the statistical indicators marking economic evolution in the first quarter of 2020. In the vast majority of cases, this information already provides full coverage. Specifically, the quarterly results of the Non-Financial Accounts of the General Government and the Balance of Payments are included. When analysing the revisions of the advanced results, the various impacts on the quality and availability of the various sources used arising from the restrictions on people's movement and on some economic activities, as well as on the difficulty inherent in the statistical measurement of a situational change of such magnitude, must be taken into account.

On the other hand, to facilitate and enhance analysis of the pandemic's impact on the growth of the Spanish economy, for the first time<sup>1</sup> contributions to GDP growth in volume are presented for each of the supply components, detailing activity branch and demand, and distinguishing the contribution from each aggregate of national demand. The economic growth impact observed for each activity and aggregate is thus quantified, taking into account its structural weight in the Spanish economy.

Likewise, the situation provoked by COVID-19 may make the analysis of certain variables more relevant than at previous times. This is the case for hours actually worked, when measuring the evolution of employment. This variable, compared to *full-time equivalent jobs*, most clearly reflects the effects on employment caused by the COVID-19 outbreak and the measures subsequently adopted. Equivalent jobs are affected by both the variation in hours worked and by the average working time, making their interpretation in this exceptional situation less direct.

---

<sup>1</sup> The GDP growth rate can be broken down into the sum of the contributions in percentage points of its various components. In simple terms, these are the points of the GDP variation rate shown by each aggregate's variation and the weight in GDP. These are calculated according to the Additive Volume Data (AVD) method, following the current international recommendations.

## Main Results

- The Spanish GDP grew by -5.2% in the first quarter of 2020 with respect to the previous quarter in terms of volume. This rate is 5.6 points lower than that recorded in the first quarter and similar to the preliminary figure estimated on April 30.
- The year-on-year GDP growth stood at -4.1%, compared with 1.8% in the previous quarter. This rate is similar to that published on April 30.
- The contribution of the domestic demand to the year-on-year GDP growth was -3.7 percentage points, 5 points lower than that of the first quarter. On the other hand, the external demand registered a contribution of -0.4 points, nine tenths lower than in the previous quarter.
- The implicit GDP deflator increased by 1.6% compared to the same quarter in 2019, one tenth less than in the previous quarter.
- Employment in the economy, in terms of hours worked, registered a quarter-on-quarter variation of -5.0%. This rate is of lesser magnitude in the case of full-time equivalent jobs (-1.9%, which is 2.8 points less than in the fourth quarter) due to the reduction in average full-time working days (-3.1%).
- In year-on-year terms, hours worked decreased by 4.2%, a rate 5.6 points lower than that of the fourth quarter of 2019. On the other hand, equivalent full-time jobs showed a variation of -0.6%, 2.6 points less than in the fourth quarter, which represents a decrease of 102 thousand full-time equivalent jobs in a year.
- The year-on-year variation of the unit labour cost stood at 5.5% this quarter.
- Gross national income and gross national disposable income varied by -4.7% and -4.9% respectively compared to the previous quarter.
- In relation to the first quarter of 2019, national income and national disposable income decreased by 2.2%.

## Quarter-on-quarter evolution of GDP

The *Gross Domestic Product* (GDP) generated by the Spanish economy, measured in terms of chain-linked volume with reference to 2015, registered a quarter-on-quarter variation of  $-5.2\%$  in the first quarter of 2020<sup>2</sup>. This rate is 5.6 points lower than that recorded for the fourth quarter of 2019.

### Gross Domestic Product

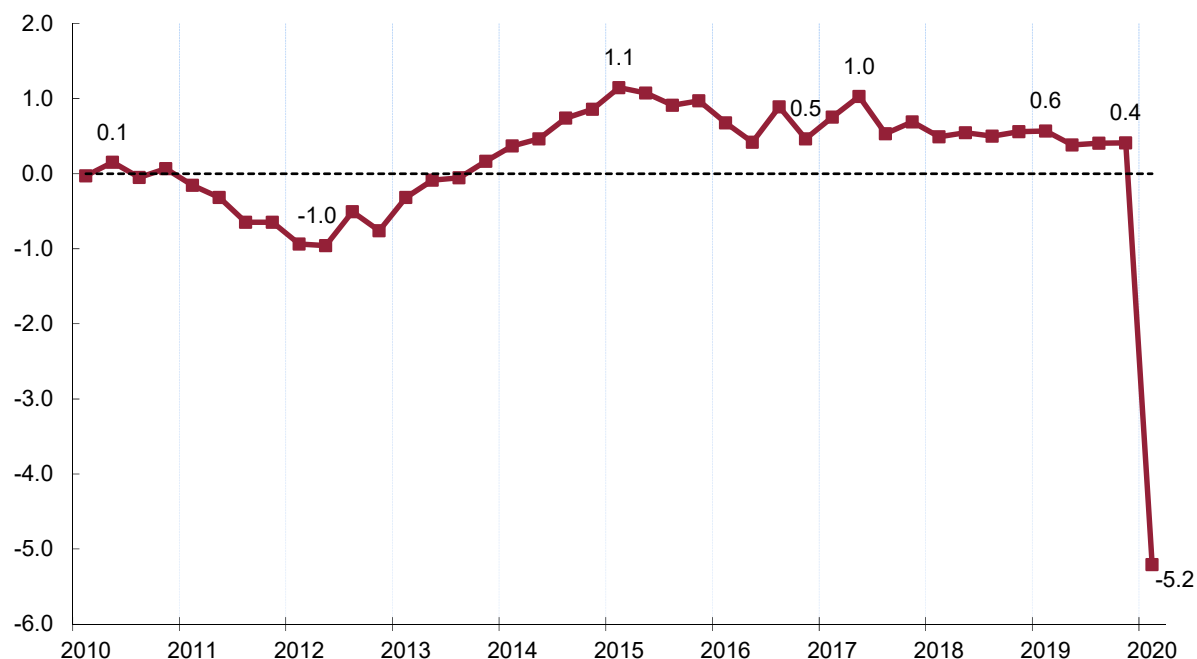
Chain-linked volume. Quarter-on-quarter variation rates (%)

	2018				2019				2020
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV	Q. I
<b>Gross domestic product at market prices</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.6</b>	<b>0.6</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>-5.2</b>
Final consumption expenditure	0.4	0.4	0.3	0.3	0.4	0.0	0.8	0.3	-4.4
Household final consumption expenditure	0.3	0.4	0.2	0.2	0.4	-0.1	0.8	0.1	-6.6
Final consumption expenditure of NPISHs	1.9	-0.4	0.3	0.0	-0.1	0.8	1.3	0.3	0.8
Final consumption expenditure by government	0.5	0.5	0.6	0.6	0.6	0.5	0.6	0.7	1.8
Gross capital formation	0.7	3.3	0.6	-0.2	0.8	-0.2	1.3	-1.2	-5.1
Gross fixed capital formation	0.2	3.5	0.2	-0.5	1.5	-0.8	1.1	-1.2	-5.7
Tangible fixed assets	0.0	4.4	0.2	-0.6	1.7	-1.1	1.2	-1.8	-6.8
Dwellings and other buildings and structures	2.1	1.8	0.9	0.9	0.4	-0.5	-0.8	-1.3	-5.9
Machinery, Equipment, weapon system and cultivated biological resources	-2.8	8.1	-0.7	-2.7	3.7	-2.1	4.1	-2.5	-8.0
Intellectual property products	1.0	-0.3	0.3	0.1	0.3	1.2	1.0	1.4	-0.2
National demand	0.4	1.0	0.4	0.2	0.5	0.0	0.9	-0.1	-4.6
Exports of goods and services	0.4	-0.2	-1.0	0.9	1.0	1.6	0.1	0.6	-8.2
Imports of goods and services	0.2	1.2	-1.4	-0.2	0.9	0.5	1.4	-0.8	-6.6
<b>Gross domestic product at market prices</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.6</b>	<b>0.6</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>-5.2</b>
Agriculture, forestry and fishing	2.5	2.0	-3.3	5.7	-4.2	-2.5	1.3	0.1	1.6
Industry	-0.4	-0.5	-0.1	-0.5	0.7	0.5	0.4	-0.4	-6.5
Manufacturing industry	-0.2	0.1	-0.3	0.0	0.3	0.0	0.3	0.1	-7.6
Construction	1.1	2.0	1.4	1.3	1.4	0.4	-0.6	-0.3	-6.8
Service activities	0.6	0.6	0.8	0.6	0.8	0.6	0.4	0.6	-4.7
Trade, transport and accommodation and restaurants	0.2	0.9	0.6	0.7	0.9	0.3	0.5	0.5	-11.1
Information and communication	1.2	1.7	0.0	0.4	0.2	-0.3	0.3	0.9	-2.7
Financial and insurance activities	2.1	1.8	1.1	0.7	2.6	3.0	1.1	1.7	3.4
Real estate activities	0.5	0.6	0.7	0.6	0.4	0.5	0.4	0.7	0.0
Professional, scientific and technical activities and other	1.4	0.9	1.6	0.8	1.0	0.8	0.5	0.7	-6.1
Public administration, education and health activities	0.3	0.2	0.8	0.5	0.5	0.5	0.3	0.4	0.4
Arts, entertainment and other services	-0.3	-0.9	0.8	0.2	0.3	0.4	-0.5	0.6	-8.5
Taxes on products less subsidies	0.5	0.1	-0.2	-0.4	-0.1	-0.1	0.6	0.5	-8.1

<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 volume. Quarter-on-quarter variation rates (%)

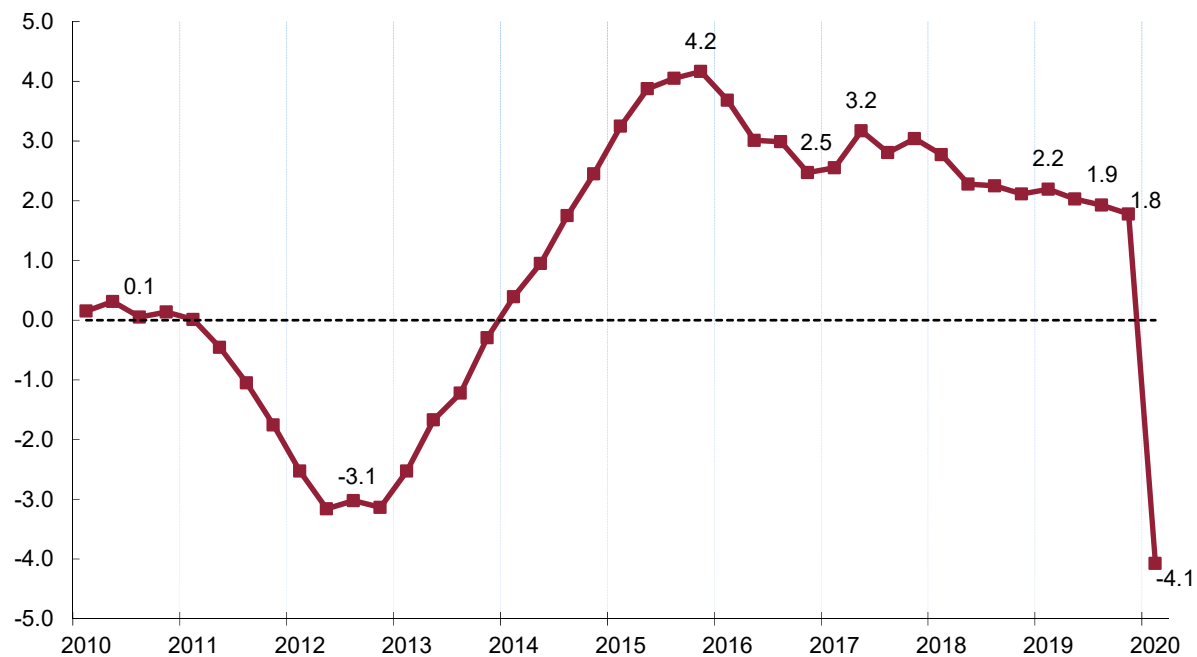


**Year-on-year evolution of GDP**

In year-on-year terms, GDP growth is -4.1%, a rate 5.9 points lower than that of the fourth quarter of 2019.

**Gross Domestic Product**

Chain-linked volume. Year-on-year variation rates (%)

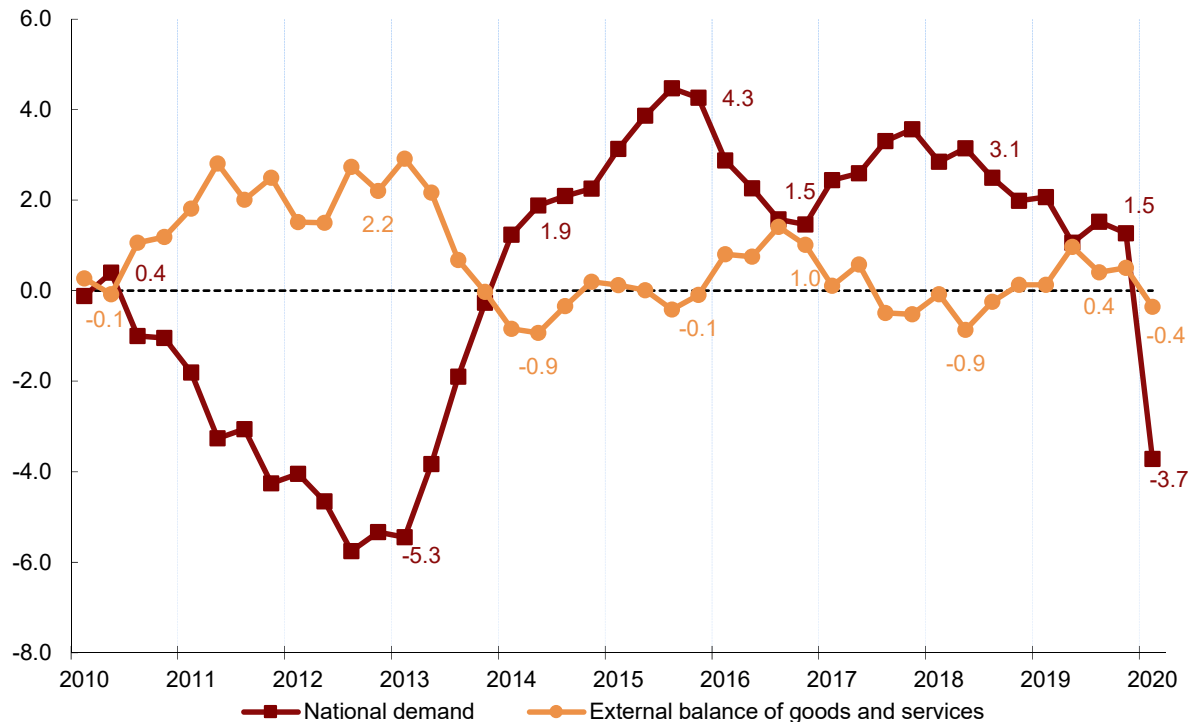


## Year-on-year evolution of GDP: demand

The contribution of domestic demand to the year-on-year GDP variation was  $-3.7\%$  percentage points, 5.0 points lower than that of the fourth quarter. Meanwhile, the *external demand* registered a contribution of  $-0.4$  points, nine tenths less than in the previous quarter.

### National and External Demand

Contributions to annual growth in GDP volume



In terms of national demand, *final consumption expenditure of households and NPISHs*<sup>3</sup> contributed most negatively to the year-on-year volume change in GDP, with  $-3.3$  percentage points, followed by *gross capital formation*<sup>4</sup>, with  $-1.1$ . The evolution of these aggregates is partially offset by a positive contribution (of 0.7 points) of *final consumption expenditure of the General Government*.

As for external demand, *exports of goods and services* contributed  $-2.1$  points to year-on-year GDP evolution. This negative contribution was partially offset by the positive contribution (1.8 points) of *imports of goods and services*.

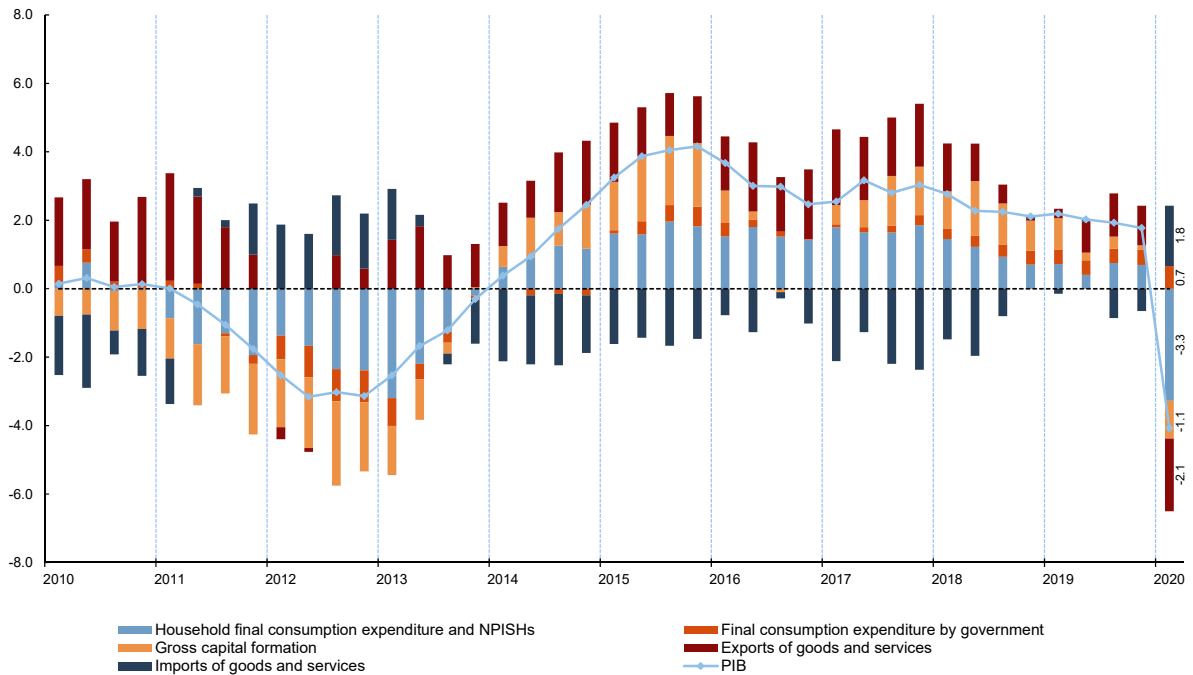
As for external demand, *exports of goods and services* contributed  $-2.1$  points to year-on-year GDP evolution. This negative contribution was partially offset by the positive contribution (1.8 points) of *imports of goods and services*.

<sup>3</sup> Non-Profit Institutions Serving Households.

<sup>4</sup> Includes gross fixed capital formation and changes in inventories.

**Contributions to year-on-year GDP growth. Demand**

Chain-linked volume. Percentage points



**Domestic demand**

The *final consumption expenditure* decreased by 3.4% compared to the first quarter of 2019. This rate is 4.9 points lower than that of the fourth quarter.

*Household final consumption expenditure* experienced a year-on-year rate of -5.8%, 7.0 points less than in the previous quarter. On the other hand, *General Government final consumption expenditure* presented a growth of 3.6%, which is 1.2 points more than the previous quarter.

Gross fixed capital formation registered a variation of -5.3%, 5.9 points lower than in the previous quarter.

Investment<sup>5</sup> in *Tangible fixed assets* grew at a year-on-year variation of -8.4%, which is 8.3 points less than in the previous quarter. By components, investment in *dwellings and other buildings and structures* decreased by 6.1 percentage points, going from -2.2% to -8.3%, and investment in *machinery, equipment and weapon systems* dropped by 11.9 points, showing a variation of -9.3%, as compared with 2.6% in the previous quarter.

On the other hand, investment in *intellectual property products* registered a variation of 3.5%, an increase of five tenths over the previous quarter.

<sup>5</sup> Gross fixed capital formation.

## Gross Domestic Product. Demand

Chain-linked volume. Year-on-year variation rates (%)

	2018				2019				2020
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV	Q. I
<b>Gross domestic product at market prices</b>	<b>2.8</b>	<b>2.3</b>	<b>2.2</b>	<b>2.1</b>	<b>2.2</b>	<b>2.0</b>	<b>1.9</b>	<b>1.8</b>	<b>-4.1</b>
Final consumption expenditure	2.3	2.0	1.7	1.4	1.5	1.1	1.5	1.5	-3.4
Household final consumption expenditure	2.5	2.1	1.6	1.2	1.3	0.7	1.3	1.2	-5.8
Final consumption expenditure of NPISHs	3.6	2.4	2.4	1.8	-0.2	1.1	2.0	2.4	3.3
Final consumption expenditure by government	1.6	1.7	1.9	2.2	2.3	2.3	2.2	2.4	3.6
Gross capital formation	5.7	8.4	6.1	4.4	4.6	1.1	1.7	0.6	-5.3
Gross fixed capital formation	4.5	7.9	5.3	3.5	4.8	0.5	1.4	0.6	-6.5
Tangible fixed assets	5.1	9.5	6.3	4.0	5.8	0.2	1.1	-0.1	-8.4
Dwellings and other buildings and structures	7.1	7.5	6.1	5.7	4.0	1.7	0.0	-2.2	-8.3
Machinery, Equipment, weapon system and cultivated biological resources	2.4	12.2	6.7	1.6	8.4	-1.9	2.8	3.0	-8.6
Machinery, Equipment and weapon system	2.3	12.5	6.8	1.4	8.3	-2.5	2.4	2.6	-9.3
Intellectual property products	1.5	1.1	0.7	1.0	0.4	1.9	2.6	4.0	3.5
Changes in inventories and acquisitions less disposals of valuables <sup>1</sup>	0.3	0.1	0.2	0.2	0.0	0.1	0.1	0.0	0.2
National demand <sup>1</sup>	2.8	3.1	2.5	2.0	2.1	1.1	1.5	1.3	-3.7
External balance of goods and services <sup>1</sup>	-0.1	-0.9	-0.2	0.1	0.1	1.0	0.4	0.5	-0.4
Exports of goods and services	4.0	3.1	1.6	0.1	0.8	2.6	3.6	3.3	-6.1
Imports of goods and services	4.7	6.3	2.5	-0.3	0.4	-0.2	2.7	2.1	-5.5

<sup>1</sup> Contribution to GDP growth at market prices

## External Demand

*Exports of goods and services* showed a variation of  $-6.1\%$  compared to the first quarter of 2019, which represents 9.4 points less than in the previous quarter. This variation was due to a decrease in the year-on-year rates of *exports of goods* (from 2.0 to  $-3.7\%$ ) and of *exports of services* (from 6.0% to  $-11.2\%$ ). Among these, non-resident expenditure in the economic territory decreased by 26.6 points (from 1.2% to  $-25.4\%$ ).

*Imports of goods and services* had a variation of  $-5.5\%$  with respect to the same quarter of the previous year, 7.6 points less than in the fourth quarter. This decrease is explained by the decrease in imports of goods (from 0.9% to  $-5.2\%$ ) and of imports of services (from 7.0% to  $-6.6\%$ ). For their part, year-on-year variation of *resident expenditure in the rest of the world* fell by 17 points this quarter (from 8.8% to  $-8.2\%$ ).

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

The gross value added of industrial branches fell by 6.0% with respect to the same quarter of 2019, representing a decrease of 7.2 points as compared with the year-on-year variation recorded in the previous quarter. Within them, the manufacturing industry presented a rate of  $-7.2\%$ , which is 7.9 points less than that of the previous quarter.

The gross value added of *Construction* varied by  $-7.3\%$  compared to the same quarter of 2019, 8.2 points less than in the previous quarter.

The year-on-year variation of the gross added value of *Services* in the first quarter is  $-3.1\%$ , a rate 5.5 points lower than that of the previous quarter.

Finally, the primary branches recorded a year-on-year variation of 0.3% this quarter compared to  $-5.4\%$  in the previous quarter.

## Gross Domestic Product. Supply

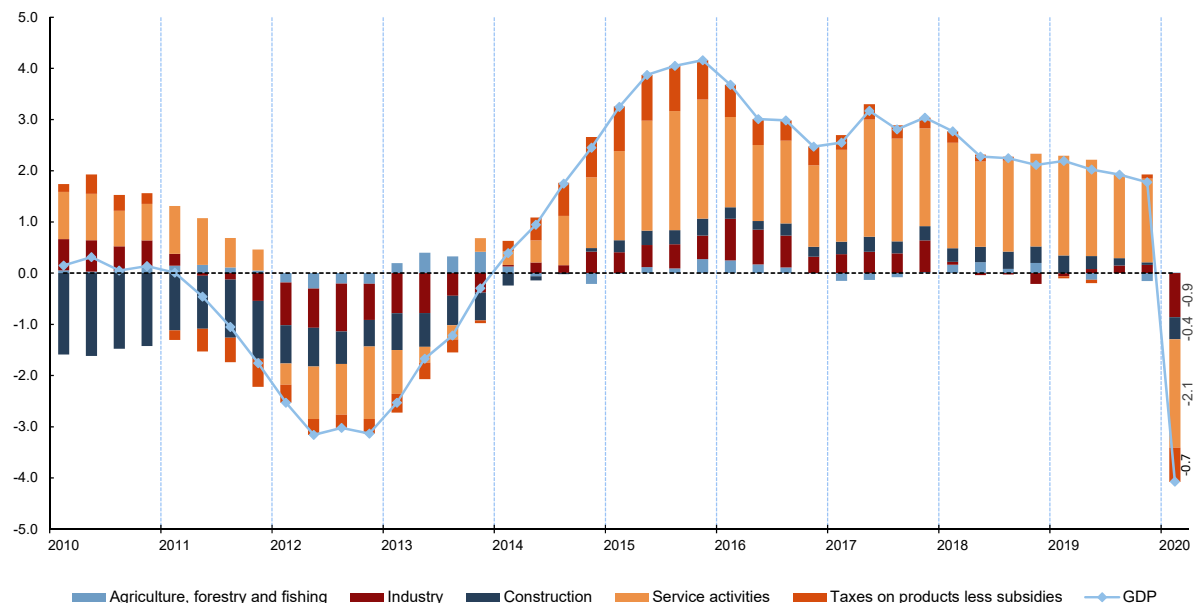
Chain-linked volume. Year-on-year variation rates (%)

	2018				2019				2020
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV	Q. I
<b>Gross domestic product at market prices</b>	<b>2.8</b>	<b>2.3</b>	<b>2.2</b>	<b>2.1</b>	<b>2.2</b>	<b>2.0</b>	<b>1.9</b>	<b>1.8</b>	<b>-4.1</b>
Agriculture, forestry and fishing	5.9	7.8	3.0	6.9	-0.1	-4.5	0.0	-5.4	0.3
Industry	0.4	-0.3	-0.2	-1.5	-0.4	0.5	1.0	1.2	-6.0
Manufacturing industry	1.7	1.2	0.2	-0.3	0.1	0.0	0.7	0.7	-7.2
Construction	5.0	5.5	6.2	5.9	6.3	4.5	2.5	0.9	-7.3
Service activities	3.0	2.5	2.6	2.7	2.9	2.8	2.4	2.4	-3.1
Trade, transport and accommodation and restaurants	2.5	2.1	2.2	2.5	3.2	2.7	2.6	2.3	-9.9
Information and communication	6.7	6.3	3.9	3.3	2.3	0.2	0.5	1.1	-1.9
Financial and insurance activities	7.3	8.1	5.7	5.8	6.3	7.5	7.5	8.6	9.4
Real estate activities	2.3	2.1	2.4	2.5	2.3	2.2	2.0	2.1	1.6
Professional, scientific and technical activities and other	5.5	4.3	5.2	4.8	4.3	4.2	3.1	3.0	-4.2
Public administration, education and health activities	1.9	1.2	1.8	2.0	2.2	2.4	1.9	1.7	1.6
Arts, entertainment and other services	1.2	-0.9	0.1	-0.2	0.4	1.7	0.4	0.8	-8.0
Taxes on products less subsidies	2.4	1.5	0.8	0.0	-0.5	-0.7	0.1	0.9	-7.2

Service sector activities explain most of the year-on-year decrease in GDP, with a contribution of -2.1 points. This is followed by *industrial activities* (-0.9) and *Construction* (-0.4). These contributions are only barely offset by the evolution of the primary activity branches (0.0).

## Contributions to year-on-year GDP growth. Supply

Chain-linked volume. Percentage points





## GDP at current prices and implicit deflator

GDP at current prices registered a year-on-year rate of  $-2.5\%$  in the first quarter. This variation is 6.0 points lower than that recorded for the fourth quarter.

### Gross Domestic Product

Current prices Year-on-year variation rates (%)

	2018				2019				2020
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV	Q. I
<b>Gross domestic product at market prices</b>	<b>4.0</b>	<b>3.3</b>	<b>3.2</b>	<b>3.4</b>	<b>3.7</b>	<b>3.6</b>	<b>3.5</b>	<b>3.5</b>	<b>-2.5</b>
Final consumption expenditure	3.4	3.1	3.6	3.3	3.1	3.0	2.6	2.6	-2.3
Household final consumption expenditure	3.7	3.1	3.6	3.0	2.6	2.5	2.1	2.2	-4.8
Final consumption expenditure of NPISHs	3.1	2.9	3.2	3.1	2.9	3.7	5.1	5.3	5.4
Final consumption expenditure by government	2.5	3.1	3.9	4.3	4.6	4.6	3.9	3.8	5.1
Gross capital formation	7.4	10.4	7.6	8.7	10.0	4.9	5.7	3.6	-2.4
Gross fixed capital formation	6.4	9.7	6.8	7.9	10.4	5.3	6.5	4.8	-2.9
Tangible fixed assets	7.3	11.4	7.9	9.0	11.9	5.5	6.9	4.8	-4.1
Dwellings and other buildings and structures	9.8	10.5	8.5	11.9	11.6	8.5	7.1	3.9	-3.0
Machinery, Equipment, weapon system and cultivated biological resources	3.7	12.7	7.0	4.9	12.2	1.3	6.6	6.0	-5.6
Intellectual property products	2.6	2.0	1.9	2.6	3.4	4.3	4.7	5.1	3.1
Changes in inventories and acquisitions less disposals of valuables <sup>1</sup>	0.3	0.2	0.2	0.2	0.0	0.0	-0.1	-0.2	0.1
National demand <sup>1</sup>	4.0	4.4	4.3	4.2	4.4	3.3	3.1	2.7	-2.2
Exports of goods and services	4.4	3.7	3.6	1.5	0.7	3.4	3.7	3.7	-5.8
Imports of goods and services	5.1	7.5	7.6	4.3	2.8	2.7	2.8	1.4	-5.4
<b>Gross domestic product at market prices</b>	<b>4.0</b>	<b>3.3</b>	<b>3.2</b>	<b>3.4</b>	<b>3.7</b>	<b>3.6</b>	<b>3.5</b>	<b>3.5</b>	<b>-2.5</b>
Agriculture, forestry and fishing	6.4	8.7	-0.9	-0.7	-4.2	-6.7	3.3	0.7	5.4
Industry	1.6	1.1	2.1	-1.0	2.3	3.7	2.9	3.7	-6.5
Manufacturing industry	3.1	2.9	1.6	-0.5	1.7	1.7	2.4	3.8	-6.8
Construction	6.9	6.4	7.5	8.0	9.8	9.9	7.8	6.5	-6.4
Service activities	4.2	2.9	2.9	4.0	3.7	4.0	3.7	3.9	-1.7
Trade, transport and accommodation and restaurants	3.7	2.1	2.3	2.0	3.8	3.6	3.8	4.3	-9.7
Information and communication	5.8	5.1	3.0	1.8	1.7	0.9	1.4	2.4	-2.4
Financial and insurance activities	10.9	3.7	-4.1	29.3	2.6	7.1	6.2	-2.0	20.4
Real estate activities	3.5	3.3	3.6	3.3	3.6	3.7	3.7	4.3	2.6
Professional, scientific and technical activities and other	5.8	5.8	6.2	5.4	6.1	5.1	4.9	5.4	-3.2
Public administration, education and health activities	2.8	2.9	3.8	3.0	4.1	4.3	3.8	4.4	4.0
Arts, entertainment and other services	3.7	-0.9	1.5	-0.4	0.4	3.2	0.3	2.4	-7.4
Taxes on products less subsidies	4.1	6.4	5.1	4.8	4.0	0.3	0.7	-0.1	-2.3

<sup>1</sup>Contribution to GDP growth at market prices

As a result, the implicit deflator of the economy presented a year-on-year variation of  $1.6\%$ , one tenth lower than in the previous quarter.

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

*Compensation of employees* recorded a year-on-year variation of  $2.6\%$  in the second quarter, 1.9 points lower than in the previous quarter.

This result was due to a  $0.8\%$  increase in the number of *salaried employees*, 1.7 points lower than in the previous quarter, and to the fact that the *average compensation per employee* varied by  $1.8\%$ , compared with  $1.9\%$  in the fourth quarter.

On the other hand, the year-on-year variation of the *gross operating surplus / gross mixed income* generated in the economy stood at  $-8.1\%$ , with a decrease of 11.5 points compared to the fourth quarter rate.

Finally, the amount accrued in *taxes on production and net imports of subsidies* showed a year-on-year variation rate of  $-1.4\%$ , compared to  $0.2\%$  in the previous quarter.

## Gross Domestic Product. Income

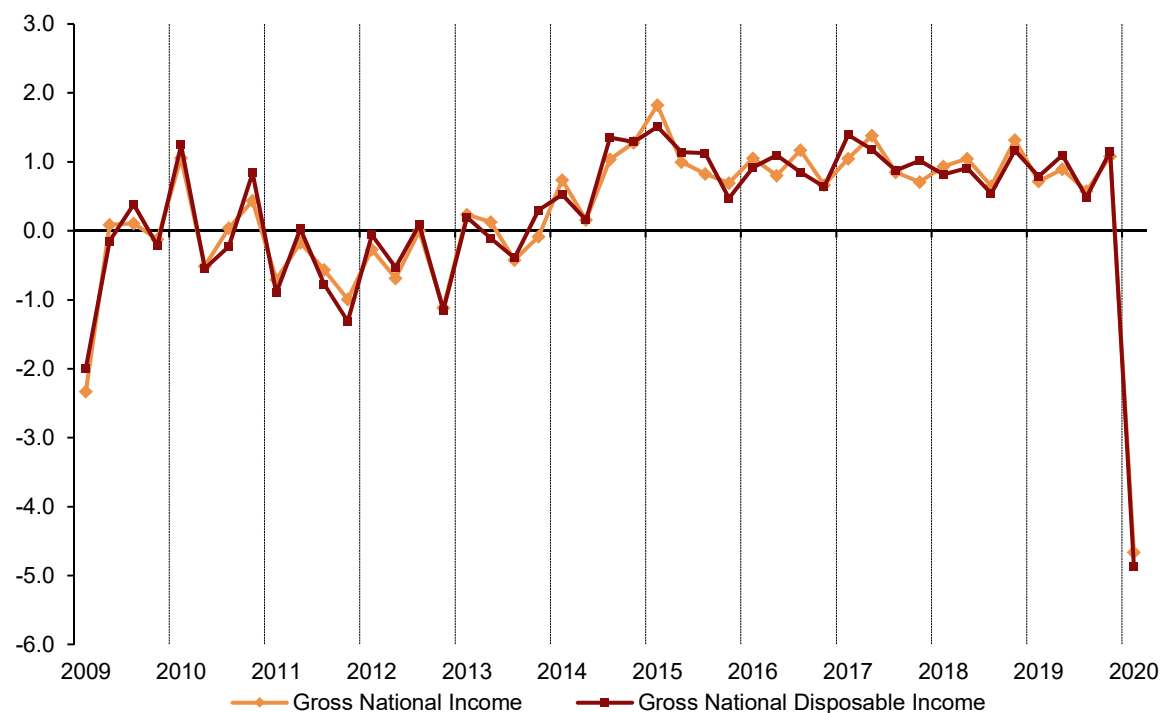
Current prices Year-on-year variation rates (%)

	2018				2019				2020
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV	Q. I
<b>Gross domestic product at market prices</b>	<b>4.0</b>	<b>3.3</b>	<b>3.2</b>	<b>3.4</b>	<b>3.7</b>	<b>3.6</b>	<b>3.5</b>	<b>3.5</b>	<b>-2.5</b>
Compensation of employees	3.7	3.8	4.3	4.4	5.0	5.0	4.5	4.5	2.6
Gross operating surplus / Gross mixed income	4.3	2.2	1.6	2.1	2.5	3.2	3.1	3.4	-8.1
Net taxes on production and imports	4.2	6.3	5.0	4.5	3.1	-0.4	0.9	0.2	-1.4

If we add the balance of primary income with the rest of the world to the evolution of quarterly GDP at current prices, we obtain that *gross national income* varied by  $-4.7\%$  with respect to the fourth quarter of 2019, 5.8 points less than in the previous quarter. If we add to this the evolution of the balance of current transfers with the rest of the world, we obtain that the *gross national disposable income* decreased by  $4.9\%$  with respect to the previous quarter, 6.1 points less than in the fourth quarter.

## Gross national income and Gross national disposable income.

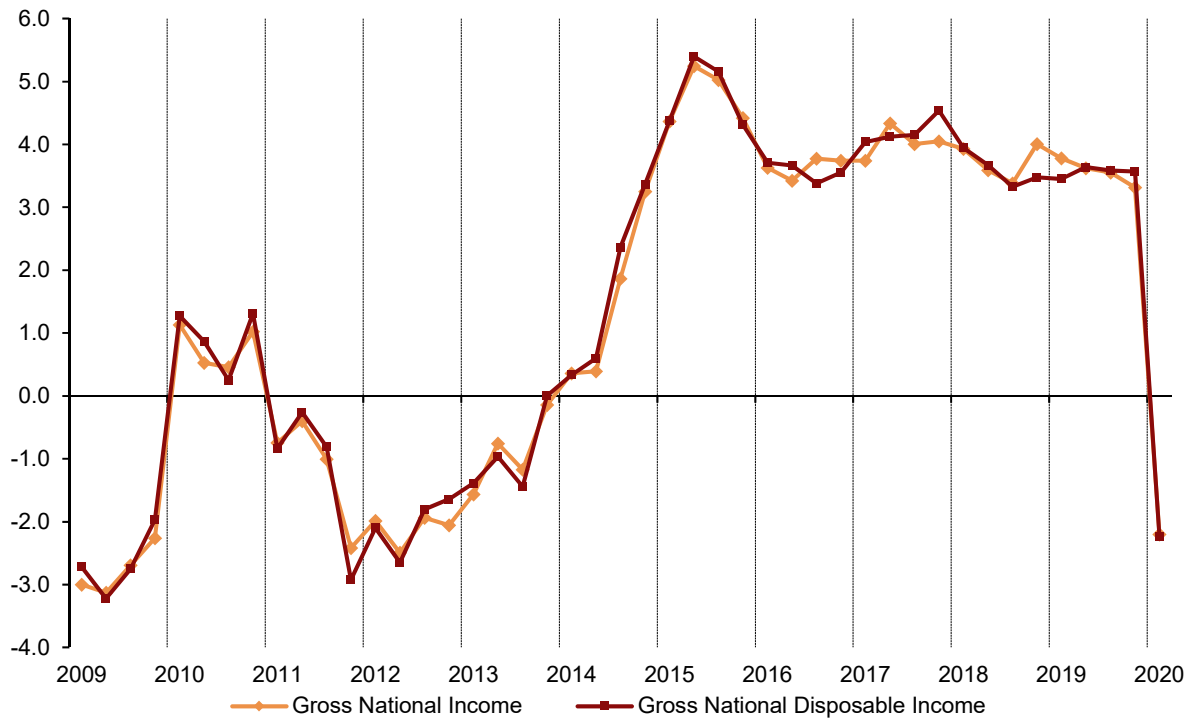
Adjusted for seasonal and calendar effects. Quarter-on-quarter variation rates (%)



In year-on-year terms, the gross national income variation rate was  $-2.2\%$ , a rate three 5.5 points lower than in the fourth quarter of 2019. Gross national disposable income decreased  $2.2\%$  this quarter, 5.8 points less than in the previous quarter.

**Gross national income and Gross national disposable income**

Adjusted for seasonal and calendar effects. Year-on-year variation rates (%)



**Employment**

The number of hours actually worked varied by  $-5.0\%$  in comparison with the fourth quarter, 5.8 points less than in the previous quarter.

In year-on-year terms, the number of hours actually worked decreased by 5.6 percentage points, to  $-4.2\%$ .

The year-on-year variation rate of hours worked at industrial branches stood at  $-2.8\%$ , or 4.5 points more than in the previous quarter.

In the case of *Construction*, the year-on-year variation was  $-9.8\%$ , with a decrease of 8.1 points compared to the previous quarter.

The year-on-year change for hours worked in the *Services* sector decreased 5.5 points with respect to the previous quarter, to  $-3.5\%$ .

Finally, the primary branches presented a variation of  $-9.9\%$ , with a decrease of 5.7 points compared with the previous quarter.

## Employment

Hours worked. Year-on-year variation rates (%)

	2018				2019				2020
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV	Q. I
<b>Total</b>	<b>2.1</b>	<b>2.9</b>	<b>2.7</b>	<b>2.6</b>	<b>2.5</b>	<b>1.3</b>	<b>0.8</b>	<b>1.4</b>	<b>-4.2</b>
Agriculture, forestry and fishing	-2.0	1.1	-0.3	0.8	3.6	-1.0	-1.6	-4.2	-9.9
Industry	2.6	2.0	1.3	-0.1	-0.3	-0.1	1.6	1.7	-2.8
Manufacturing industry	2.8	2.3	1.2	-0.2	-0.1	-0.3	1.8	1.6	-3.1
Construction	7.3	9.0	9.0	10.3	8.9	5.4	1.5	-1.7	-9.8
Service activities	1.9	2.6	2.5	2.4	2.3	1.3	0.8	2.0	-3.5
Trade, transport and accommodation and restaurants	1.0	1.1	1.2	1.3	1.4	0.4	-0.2	1.7	-6.5
Information and communication	4.9	4.9	3.9	5.1	3.0	3.4	2.6	0.9	2.0
Financial and insurance activities	0.6	2.2	-4.1	2.0	-1.2	-1.5	-0.2	-0.4	-1.5
Real estate activities	5.5	6.8	12.5	7.5	6.9	3.0	2.8	3.1	-6.9
Professional, scientific and technical activities and other	1.7	3.7	4.8	5.3	4.5	3.9	3.6	3.6	-0.1
Public administration, education and health activities	2.4	3.5	2.7	3.0	2.8	1.5	0.7	1.6	0.0
Arts, entertainment and other services	3.0	3.5	3.2	-0.6	1.0	-0.2	-0.2	2.7	-8.2
<b>Employees</b>	<b>2.8</b>	<b>3.7</b>	<b>3.4</b>	<b>3.1</b>	<b>3.1</b>	<b>1.7</b>	<b>1.3</b>	<b>2.1</b>	<b>-2.4</b>
Agriculture, forestry and fishing	-1.0	3.6	1.0	0.7	5.5	-2.2	-1.6	-1.4	-6.9
Industry	2.8	2.3	1.8	0.1	-0.1	0.0	1.6	1.8	-2.9
Manufacturing industry	3.0	2.6	1.8	0.1	0.2	-0.2	1.8	1.8	-3.2
Construction	8.9	10.7	10.5	11.8	10.0	5.8	2.8	-0.5	-4.4
Service activities	2.4	3.3	3.1	2.9	2.9	1.8	1.3	2.6	-1.9
Trade, transport and accommodation and restaurants	2.2	2.8	2.7	2.7	3.1	1.5	1.1	2.8	-3.9
Information and communication	5.5	5.7	4.4	5.3	3.9	4.5	3.9	2.5	3.2
Financial and insurance activities	-0.5	1.7	-4.3	2.0	-0.7	-0.9	0.1	-0.2	-0.9
Real estate activities	3.6	5.4	10.1	5.1	8.5	3.0	5.1	7.7	-15.2
Professional, scientific and technical activities and other	1.9	4.3	5.5	5.5	4.0	4.2	3.7	4.8	2.1
Public administration, education and health activities	2.5	3.3	2.5	2.7	2.8	1.5	0.4	1.2	-0.2
Arts, entertainment and other services	3.6	3.3	3.3	-0.5	0.6	-0.3	-0.8	2.3	-7.3

*Equivalent full-time jobs*, defined as the number of hours worked between the average day spent in full-time jobs, decreased by 1.9% compared to the previous quarter. This variation is 2.8 points lower than that of the fourth quarter. This is explained by the combined effect of the variation in hours worked and the reduction in the average work day in full-time jobs (-3.1).

In year-on-year terms, employment presented a rate of -0.6% this quarter, 2.6 points lower than that registered in the previous quarter, which represents a decrease of 102 thousand full-time equivalent jobs in one year.

The year-on-year variation rate of employment in industrial branches stood at 0.8%, which is 1.1 points less than in the previous quarter.

In the case of *Construction*, the year-on-year variation of employment was -3.9%, showing an decrease of 4.8 points compared to the previous quarter.

Employment in *Services* decreased its year-on-year growth by 2.3 points with respect to the previous quarter, to -0.1%.

Finally, employment in the primary branches presented a variation of -7.2%, with a decrease of 2.7 points compared with the previous quarter.

## Employment

Equivalent full-time jobs. Year-on-year variation rates (%)

	2018				2019				2020
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV	Q. I
<b>Total</b>	<b>2.6</b>	<b>2.4</b>	<b>2.5</b>	<b>2.7</b>	<b>2.7</b>	<b>2.5</b>	<b>1.8</b>	<b>2.0</b>	<b>-0.6</b>
Agriculture, forestry and fishing	0.6	0.0	-0.7	0.0	-0.4	-1.6	-1.7	-4.5	-7.2
Industry	3.2	2.6	1.5	0.4	1.0	1.4	2.6	1.9	0.8
Manufacturing industry	3.6	2.9	1.5	0.2	1.0	1.4	2.7	1.8	0.6
Construction	7.1	7.6	7.8	10.4	10.2	5.0	2.2	0.9	-3.9
Service activities	2.2	2.1	2.3	2.5	2.6	2.7	1.9	2.4	-0.1
Trade, transport and accommodation and restaurants	1.7	1.3	1.5	2.1	2.6	2.5	1.7	2.6	-1.3
Information and communication	6.7	3.4	2.4	2.7	2.9	5.0	3.2	1.5	2.3
Financial and insurance activities	1.1	-1.1	-2.9	0.9	1.0	0.7	0.7	-0.1	0.9
Real estate activities	2.5	5.7	8.2	8.0	10.3	5.4	1.5	-1.7	-9.3
Professional, scientific and technical activities and other	2.2	3.7	4.0	4.9	5.2	3.8	3.6	4.1	2.1
Public administration, education and health activities	2.1	2.2	2.7	2.7	1.7	2.3	1.7	1.8	1.6
Arts, entertainment and other services	3.5	1.7	2.2	-0.4	-0.1	1.8	0.3	2.4	-3.7
<b>Employees</b>	<b>3.0</b>	<b>2.9</b>	<b>3.0</b>	<b>3.1</b>	<b>3.1</b>	<b>2.7</b>	<b>2.3</b>	<b>2.5</b>	<b>0.8</b>
Agriculture, forestry and fishing	2.0	0.9	1.2	0.2	-0.5	-2.5	-2.2	-2.7	-3.4
Industry	3.3	2.9	1.9	0.5	1.3	1.5	2.6	1.8	0.5
Manufacturing industry	3.8	3.3	1.9	0.4	1.3	1.4	2.7	1.8	0.3
Construction	8.6	9.0	8.9	11.5	11.1	5.4	3.4	1.9	-1.2
Service activities	2.6	2.5	2.8	2.9	2.9	2.9	2.3	2.9	1.2
Trade, transport and accommodation and restaurants	2.4	2.4	2.5	3.2	3.7	3.3	2.5	3.4	0.7
Information and communication	7.4	4.1	3.1	3.5	3.6	6.0	4.2	4.0	4.4
Financial and insurance activities	0.5	-1.3	-3.0	1.3	1.9	1.6	1.3	0.2	1.3
Real estate activities	0.6	4.7	7.2	9.5	12.9	8.2	6.3	5.7	-13.5
Professional, scientific and technical activities and other	2.5	4.1	4.9	5.3	5.1	4.4	4.2	4.9	4.2
Public administration, education and health activities	2.2	2.1	2.4	2.3	1.3	1.9	1.7	1.7	1.4
Arts, entertainment and other services	3.7	1.6	2.6	-0.4	0.2	1.4	-0.1	2.1	-2.4

The year-on-year variation of *productivity per full-time equivalent job* stood at -3.5%. For its part, the *productivity per hour actually worked* was at 0.2%.

## Productivity

Year-on-year variation rates (%)

	2018				2019				2020
	Tr. I	Tr. II	Tr. III	Tr. IV	Tr. I	Tr. II	Tr. III	Tr. IV	Tr. I
Labour productivity per full time equivalent employment	0.2	-0.1	-0.2	-0.6	-0.5	-0.5	0.1	-0.2	-3.5
Labour productivity per hour worked	0.6	-0.6	-0.4	-0.5	-0.3	0.7	1.1	0.4	0.2

The unit labour cost (CLU) increased by 5.5% compared to the first quarter of 2019. This rate is 3.9 points higher than the variation experienced by the implicit deflator of the economy (1.6%).

## Labour Expenses

Year-on-year variation rates (%)

	2018				2019				2020
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV	Q. I
Unit Labor Cost (ULC)	0.4	1.0	1.5	1.9	2.4	2.7	2.1	2.1	5.5
Compensation per employee	0.6	0.9	1.3	1.3	1.8	2.2	2.2	1.9	1.8

## Data Review and Updates

The results published today incorporate all the current information available since April 30 (the date for releasing 2020 first quarter results) related to quarterly economic evolution. In particular, these results include quarterly information on the Balance of Payments published by the Bank of Spain on June 24, and on the Accounts of General Government, which will be reported today by the General Intervention of the State Administration.

On the other hand, the operation review policy foresees merely a review of the seasonal and calendar adjustment models for each series in the publication of results referring to the 2nd quarter of each year  $t$ , in the month of September, coinciding with their revision from the first quarter of year  $t-3$ . Exceptionally on this occasion, and following Eurostat recommendations and the practice followed in all the INE short-term statistics, an atypical type of impulse (AO) has been introduced into the series whose importance has been verified in the data referring to the first quarter of 2020, in order to model the effect of COVID-19 on the series.

When the data for subsequent quarters is available, we will analyse whether this impulse should be modified by another type of intervention. This initial approach is consistent since, in the modelling of disturbances that occur in the last observation in a series, there is no difference in the adjusted seasonal and calendar series if this modelling is performed using an impulse, a step, a temporary change or a ramp. The difference between these types of interventions is reduced to assigning the effect to the cycle-trend component in some cases, or to the irregular one in others, but the adjusted series for seasonal and calendar effect includes both components and, therefore, it will not be affected by the type of initial intervention

## Methodological note

The *Quarterly Spanish National Accounts: main aggregates* (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*.

This operation provides, one month after the end of the quarter (t+30 days, with t being the reference quarter), a preview 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 actually worked. All estimates are also offered as both raw data and as data corrected for seasonal and calendar effects. It is, as noted, an estimate that serves as an advance and it is prepared from all the information thus far available regarding the quarter in question.

The results of each quarter are reviewed around t+90 days, incorporating all available information from the advance estimate.

**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](#)).

---

For further information see **INEbase:** [www.ine.es/en/](http://www.ine.es/en/) Twitter: [@es\\_ine](https://twitter.com/es_ine)

All press releases at: [www.ine.es/en/prensa/prensa\\_en.htm](http://www.ine.es/en/prensa/prensa_en.htm)

**Press office:** Telephone numbers: (+34) 91 583 93 63 /94 08 – [gprensa@ine.es](mailto:gprensa@ine.es)

**Information Area:** Telephone number: (+34) 91 583 91 00 – [www.ine.es/infoine/?L=1](http://www.ine.es/infoine/?L=1)

---