

30 September 2019

Quarterly National Accounts of Spain: main aggregates Second quarter of 2019.

Main results

- The volume growth of Spanish GDP increased by 0.4% in the second quarter of 2019 compared to the previous quarter. This rate is one tenth lower than that recorded in the first quarter.
- The year-on-year growth of GDP stood at 2.0%, compared with 2.2% in the previous quarter.
- The contribution of domestic demand to year-on-year GDP growth was 1.0 percentage points, nine tenths lower than that of the first quarter. On the other hand, the external demand registered a contribution of 1.0 points, eight tenths higher than in the previous quarter.
- The implicit GDP deflator increased by 1.8% compared to the same quarter in 2018, six tenths higher than in the previous quarter.
- Employment in the economy, in terms of full-time equivalent jobs, recorded a quarter-on-quarter change of 0.5%, one tenth lower than that recorded in the first quarter.
- In year-on-year terms, employment increased at a rate of 2.5%, a rate two tenths lower than that of the first quarter, representing an increase of 446 thousand equivalent full-time jobs in a year.
- The year-on-year variation of the unit labour cost stood at 2.8% this quarter.
- Gross national income and gross national disposable income increased by 1.4% and 1.6% respectively compared to the previous quarter.
- In relation to the second quarter of 2018, national income increased by 4.0% and national disposable income by 3.9%.

Quarter-on-quarter and year-on-year 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 growth of 0.4% in the second quarter of 2019¹. This rate is one tenth lower than that recorded in the first quarter.

¹ All the information presented in this press release corresponds to data adjusted for seasonal and calendar effects, unless expressly mentioned otherwise.

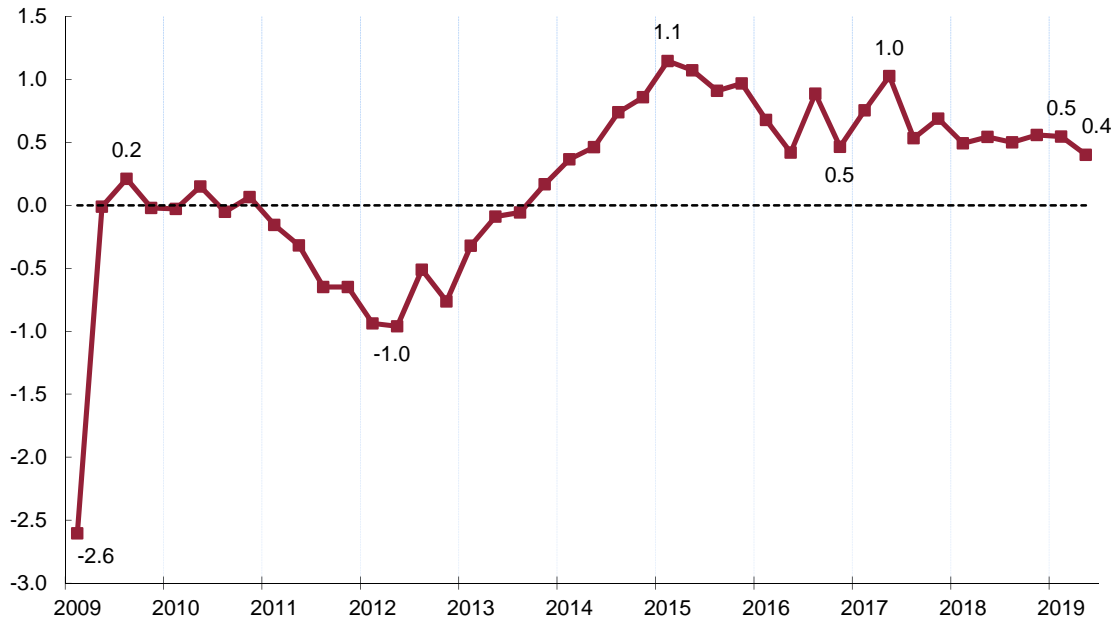
Gross domestic product

Chain-linked volumes. Quarter-to-Quarter growth rates (%)

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

Gross Domestic Product

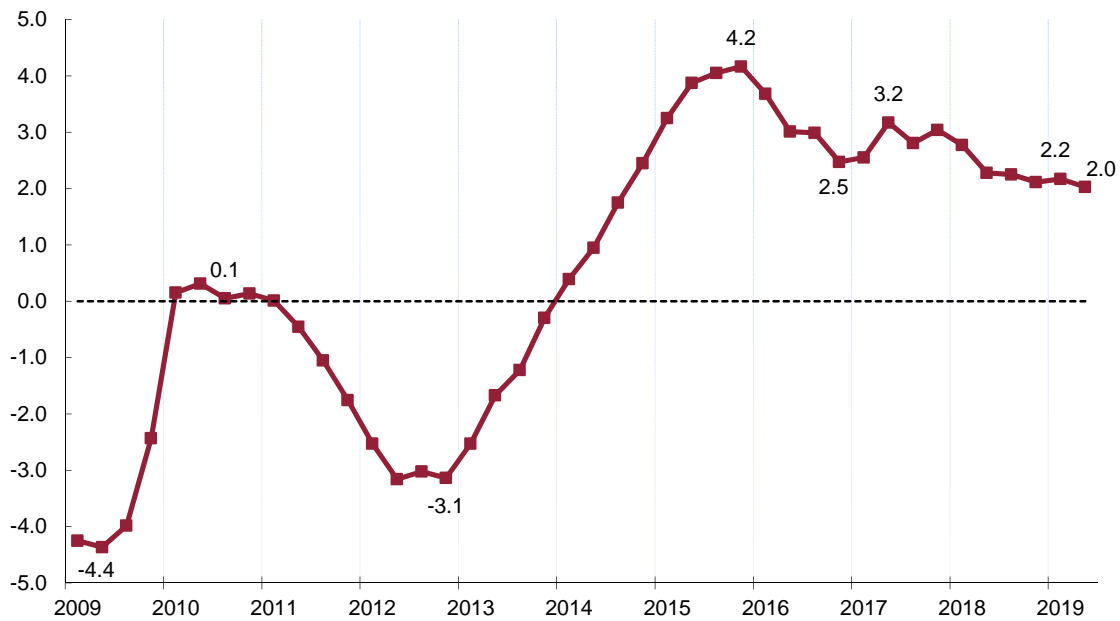
Chain-linked volumes. Quarter-to-quarter growth rate (%)



In year-on-year terms, the GDP growth rate was 2.0%, two tenths lower than in the first quarter of 2019.

Gross Domestic Product

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

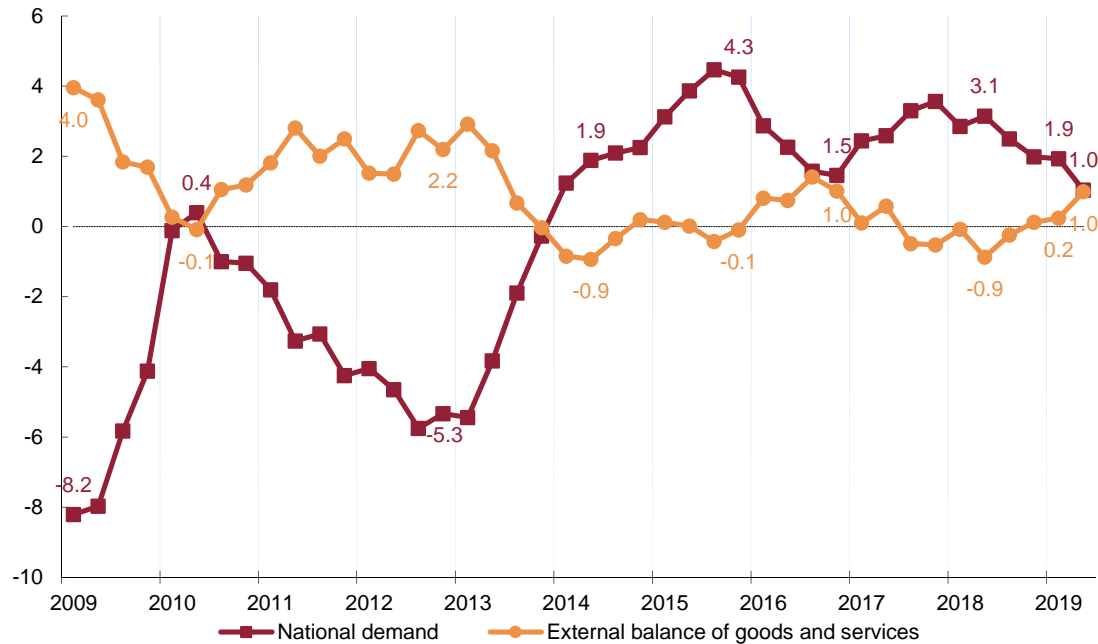


Year-on-year evolution of GDP: demand

The contribution of the *domestic demand* to the year-on-year GDP growth was 1.0 percentage points, nine tenths lower than that of the first quarter. Meanwhile, *external demand* registered a contribution of 1.0 points, eight tenths more than in the previous quarter.

National demand and external balance of goods and services

Contribution to GDP growth in volume terms



Domestic demand

The *final consumption expenditure* increased by 1.0% compared to the same quarter of 2018. This rate is three tenths lower than that of the first quarter.

Household final consumption expenditure experienced a year-on-year growth of 0.6%, five tenths less than in the previous quarter. On the other hand, *Public Administration final consumption expenditure* presented a year-on-year variation of 2.2%, similar to that of the previous quarter.

Gross fixed capital formation grew by 1.2%, 3.4 points lower than in the previous quarter.

Investment² in *tangible fixed assets* grew at a year-on-year rate of 1.0%, which is 4.8 points less than in the previous quarter. By components, investment in *dwellings and other buildings and structures* decreased by 1.3 percentage points, going from 4.2% to 2.9%, and investment in *machinery, equipment and weapon systems* dropped by 10.2 points, showing a year-on-year variation rate of -2.2%, as compared with 8.0% in the previous quarter.

On the other hand, investment in *intellectual property products* experienced a change of 1.1%, with an increase of 1.2 points with respect to the previous quarter.

² Gross fixed capital formation.

Gross domestic product. Demand

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

	2018				2019	
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II
Gross domestic product at market prices	2.8	2.3	2.2	2.1	2.2	2.0
Final consumption expenditure	2.3	2.0	1.7	1.4	1.3	1.0
Household final consumption expenditure	2.5	2.1	1.6	1.2	1.1	0.6
Final consumption expenditure of NPISHs	3.6	2.4	2.4	1.8	-0.4	0.7
Final consumption expenditure by government	1.6	1.7	1.9	2.2	2.2	2.2
Gross capital formation	5.7	8.4	6.1	4.4	4.6	1.2
Gross fixed capital formation	4.5	7.9	5.3	3.5	4.8	1.0
Tangible fixed assets	5.1	9.5	6.3	4.0	5.8	1.0
Dwellings and other buildings and structures	7.1	7.5	6.1	5.7	4.2	2.9
Machinery, Equipment, weapon system and cultivated biological resources	2.4	12.2	6.7	1.6	8.1	-1.7
Machinery, Equipment and weapon system	2.3	12.5	6.8	1.4	8.0	-2.2
Intellectual property products	1.5	1.1	0.7	1.0	-0.1	1.1
Changes in inventories and acquisitions less disposals of valuables ¹	0.3	0.1	0.2	0.2	0.0	0.1
National demand ¹	2.8	3.1	2.5	2.0	1.9	1.0
External balance of goods and services ¹	-0.1	-0.9	-0.2	0.1	0.2	1.0
Exports of goods and services	4.0	3.1	1.6	0.1	0.3	2.2
Imports of goods and services	4.7	6.3	2.5	-0.3	-0.4	-0.7

¹Contribution to GDP growth at market prices

External demand

Exports of goods and services grew by 2.2% compared to the second quarter of 2018, which is 1.9 points more than in the previous quarter. This change was due to an increase in the year-on-year rates of *exports of goods* (from -2.2% to 1.6%) combined with a decrease in *exports of services* (from 6.0% to 3.5%). Among these, *non-resident expenditure in the economic territory* decreased by 1.9 points (from 4.1% to 2.2%).

Imports of goods and services decreased by 0.7% with respect to the same quarter of the previous year, three tenths more than in the first quarter. This slowdown is explained by the decrease in imports of goods (from -1.7% to -2.5%) offset by an increase in the year-on-year variation rate of services imports (from 5.5% to 7.5%). For its part, the year-on-year growth of *expenditure by residents in the rest of the world* accelerated one tenth this quarter (from 6.5% to 6.6%).

Year-on-year evolution of GDP: supply

The gross value added of industrial branches increased by 0.2% compared to the same quarter of 2018, representing an increase of 9 tenths compared with the year-on-year variation recorded in the previous quarter. Within them, the manufacturing industry presented a rate of -0.3%, which is two tenths lower than that of the previous quarter.

The gross value added of *Construction* increased by 5.2% compared to the same quarter of 2018, 1.2 points less than in the previous quarter.

The year-on-year variation in the gross value added of *Services* in the second quarter was 2.8%, one tenth less than in the previous quarter.

Finally, the primary branches recorded a year-on-year variation of -4.6% this quarter compared to 0.0% in the previous quarter.

Gross domestic product. Supply

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

	2018				2019	
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II
Gross domestic product at market prices	2.8	2.3	2.2	2.1	2.2	2.0
Agriculture, forestry and fishing	5.9	7.8	3.0	6.9	0.0	-4.6
Industry	0.4	-0.3	-0.2	-1.5	-0.7	0.2
Manufacturing industry	1.7	1.2	0.2	-0.3	-0.1	-0.3
Construction	5.0	5.5	6.2	5.9	6.4	5.2
Service activities	3.0	2.5	2.6	2.7	2.9	2.8
Trade, transport and accommodation and restaurants	2.5	2.1	2.2	2.5	3.2	2.5
Information and communication	6.7	6.3	3.9	3.3	2.3	0.3
Financial and insurance activities	7.3	8.1	5.7	5.8	6.2	7.5
Real estate activities	2.3	2.1	2.4	2.5	2.5	2.3
Professional, scientific and technical activities and other	5.5	4.3	5.2	4.8	4.3	4.3
Public administration, education and health activities	1.9	1.2	1.8	2.0	2.1	2.3
Arts, entertainment and other services	1.2	-0.9	0.1	-0.2	0.5	2.0
Taxes on products less subsidies	2.4	1.5	0.8	0.0	-0.5	-0.4

GDP at current prices and implicit deflator

GDP at current prices grew at a year-on-year rate of 3.9%. This growth is five tenths higher than that recorded in the first quarter.

Gross domestic product

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

	2018				2019	
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II
Gross domestic product at market prices	4.0	3.3	3.2	3.4	3.4	3.9
Final consumption expenditure	3.4	3.1	3.6	3.3	3.0	3.1
Household final consumption expenditure	3.7	3.1	3.6	3.0	2.4	2.4
Final consumption expenditure of NPISHs	3.1	2.9	3.2	3.1	2.3	3.1
Final consumption expenditure by government	2.5	3.1	3.9	4.3	4.8	5.2
Gross capital formation	7.4	10.4	7.6	8.7	9.7	5.9
Gross fixed capital formation	6.4	9.7	6.8	7.9	9.8	5.9
Tangible fixed assets	7.3	11.4	7.9	9.0	11.4	6.5
Dwellings and other buildings and structures	9.8	10.5	8.5	11.9	11.4	10.2
Machinery, Equipment, weapon system and cultivated biological resources	3.7	12.7	7.0	4.9	11.5	1.3
Intellectual property products	2.6	2.0	1.9	2.6	2.2	2.9
Changes in inventories and acquisitions less disposals of valuables ¹	0.3	0.2	0.2	0.2	0.1	0.1
National demand ¹	4.0	4.4	4.3	4.2	4.2	3.6
Exports of goods and services	4.4	3.7	3.6	1.5	0.3	3.0
Imports of goods and services	5.1	7.5	7.6	4.3	2.7	2.4
Gross domestic product at market prices	4.0	3.3	3.2	3.4	3.4	3.9
Agriculture, forestry and fishing	6.4	8.7	-0.9	-0.7	-1.6	-2.9
Industry	1.6	1.1	2.1	-1.0	1.6	3.8
Manufacturing industry	3.1	2.9	1.6	-0.5	1.3	1.6
Construction	6.9	6.4	7.5	8.0	9.7	10.3
Service activities	4.2	2.9	2.9	4.0	3.4	4.1
Trade, transport and accommodation and restaurants	3.7	2.1	2.3	2.0	3.4	3.7
Information and communication	5.8	5.1	3.0	1.8	1.1	0.2
Financial and insurance activities	10.9	3.7	-4.1	29.3	-1.0	4.8
Real estate activities	3.5	3.3	3.6	3.3	3.6	3.8
Professional, scientific and technical activities and other	5.8	5.8	6.2	5.4	5.8	5.3
Public administration, education and health activities	2.8	2.9	3.8	3.0	4.2	4.9
Arts, entertainment and other services	3.7	-0.9	1.5	-0.4	0.6	3.8
Taxes on products less subsidies	4.1	6.4	5.1	4.8	4.4	0.8

¹ Contribution to GDP growth at market prices

As a result, the implicit deflator of the economy presented a year-on-year variation of 1.8%, six tenths higher than in the previous quarter.

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

Compensation of employees recorded a year-on-year growth of 5.2% in the second quarter, two tenths higher than in the previous quarter.

This result was due to a 2.7% increase in the number of *salaried employees*, four tenths lower than in the previous quarter, combined with a 2.4% change in the *average compensation per employee*, compared with 1.9% in the first quarter.

On the other hand, the *gross operating surplus / gross mixed income* generated in the economy grew by 3.3% year-on-year, 1.7 points more than in the first quarter.

Finally, the amount accrued in taxes on production and net imports of subsidies grew by 1.0% in the year-on-year rate, compared to 4.4% in the previous quarter.

Gross domestic product. Income

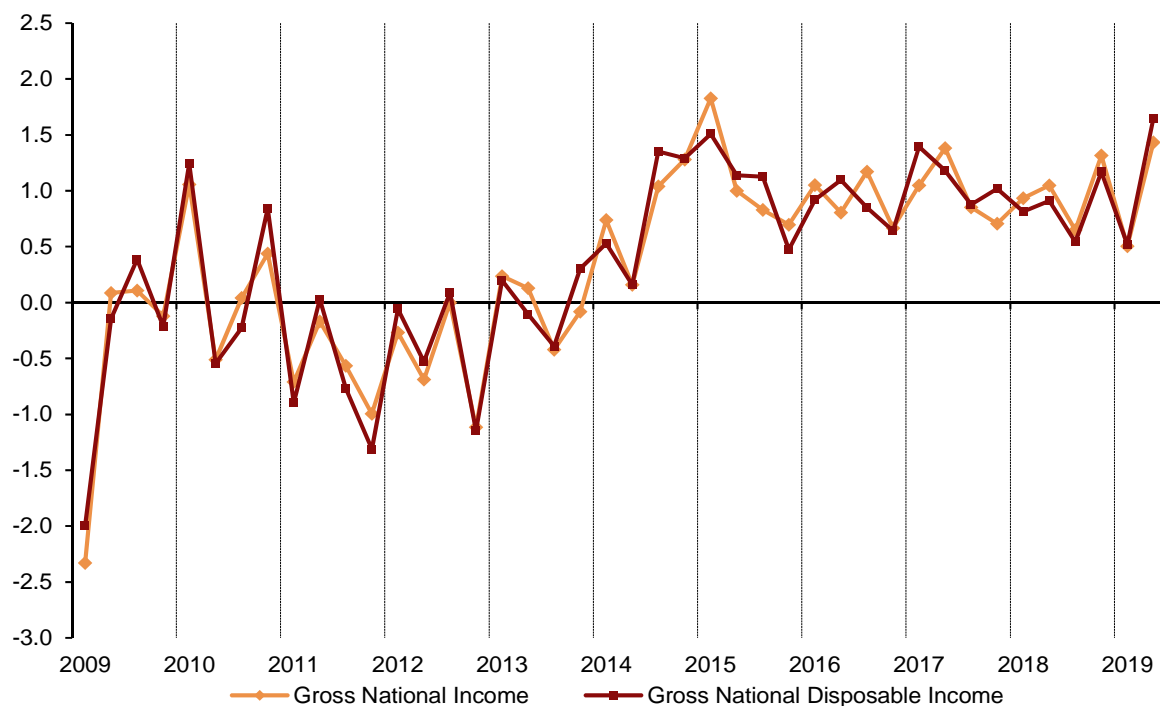
Current prices. Year-to-year growth rates (%)

	2018				2019	
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II
Gross domestic product at market prices	4.0	3.3	3.2	3.4	3.4	3.9
Compensation of employees	3.7	3.8	4.3	4.4	5.0	5.2
Gross operating surplus / Gross mixed income	4.3	2.2	1.6	2.1	1.6	3.3
Net taxes on production and imports	4.2	6.3	5.0	4.5	4.4	1.0

If we add the balance of primary income with the rest of the world, to the evolution of quarterly GDP at current prices, we can see that *gross national income* grew by 1.4% compared to the first quarter of 2019, nine tenths more than in the previous quarter. If we add the evolution of the balance of current transfers with the rest of the world to this, we can see that the gross national disposable income increased by 1.6% compared to the previous quarter, 1.1 points more than in the first quarter.

Gross National Income and Gross National Disposable Income

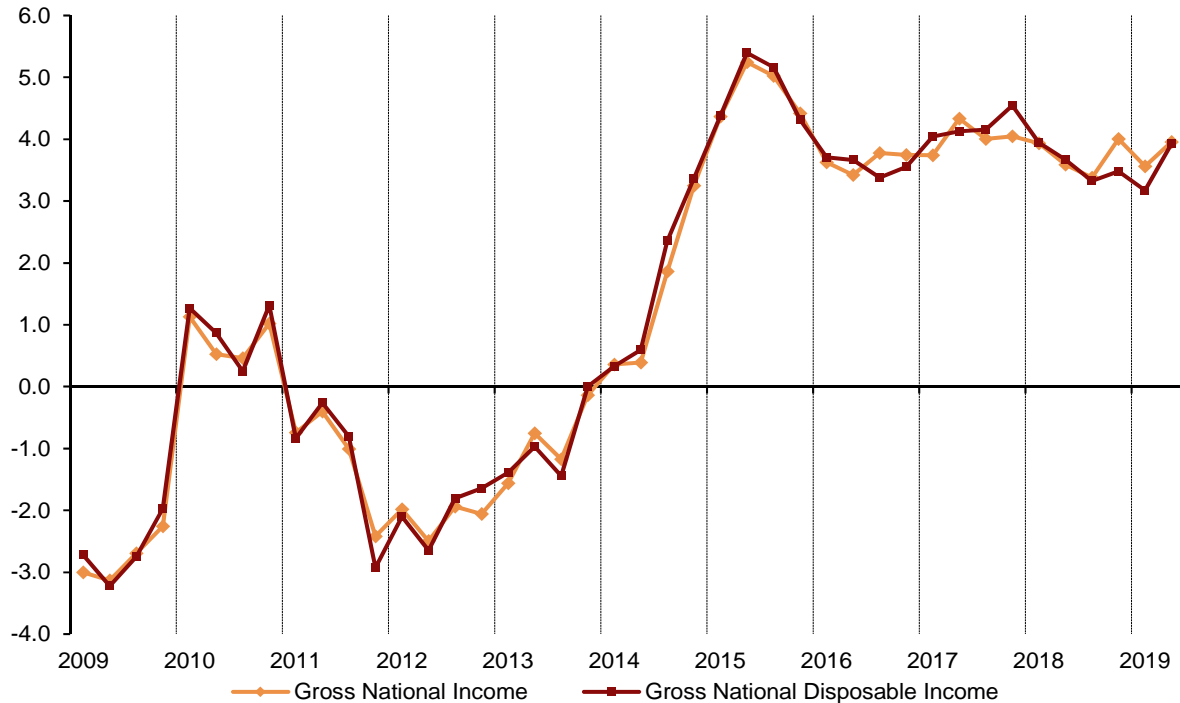
Seasonally and calendar effects adjusted series. Quarter-to-quarter rates of growth (%)



In year-on-year terms, the gross national income growth rate was 4.0%, four tenths higher than in the first quarter of 2019. Gross national disposable income increased by 3.9%, seven tenths more than in the previous quarter.

Gross National Income and Gross National Disposable Income

Seasonally and calendar effects adjusted series. Year-to-year rates of growth (%)



Employment

Employment in the economy, in terms of *full-time equivalent jobs*, increased by 0.5% with respect to the previous quarter. This change is one tenth lower than that of the first quarter.

In year-on-year terms, employment grew by 2.5%, two tenths less than in the previous quarter, representing an increase of 446 thousand full-time equivalent jobs in one year.

The year-on-year variation rate of employment in industrial branches stood at 1.4%, four tenths more than in the previous quarter.

In the case of *Construction*, the year-on-year variation of employment was 5.0%, showing a decrease of 5.2 points compared to the previous quarter.

Employment in *Services* increased its year-on-year growth by one tenth compared to the previous quarter, up to 2.7%.

Finally, employment in the primary branches presented a variation of -1.6%, with a decrease of 1.2 points compared with the previous quarter.

Employment

Full-time equivalent jobs. Year-to-year growth rates (%)

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

The number of hours actually worked increased by 0.1% compared to the first quarter, five tenths less than in the previous quarter. In year-on-year terms, the number of hours actually worked decreased by 1.2 percentage points, to 1.3%.

With this, the year-on-year variation of *productivity per full-time equivalent job* stood at -0.5%. And *productivity per hour actually worked* was at 0.7%.

Productivity

Year-to-year growth rate (%)

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

The unit labour cost (ULC) increased by 2.8% compared to the second quarter of 2018. This rate is one point higher than the variation experienced by the implicit deflator of the economy (1.8%).

Labour costs

Year-to-year growth rates (%)

	2018				2019	
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II
Unit Labor Cost (ULC)	0.4	1.0	1.5	1.9	2.5	2.8
Compensation per employee	0.6	0.9	1.3	1.3	1.9	2.4

Data review and update

The results released today from the first quarter of 1995 correspond to the results of the statistical review of the series of the National Accounts (2019 Statistical Review)³.

The revised series of annual main aggregates of the national economy (*Annual Spanish National Accounts: Main Aggregates*) were released on the past 16 September, along with an update of the quarterly main aggregates (*Quarterly Spanish National Accounts: Main Aggregates, QSNA*) consistent with the revised annual series.

The results released today also include all short-term information available from the past 31 July (date of dissemination of the advance results of the second quarter of 2019) on economic quarterly developments. In particular, these results include quarterly information on the Balance of Payments published by the Bank of Spain on 26 September, and on the Public Administration Accounts, disseminated today by the General Intervention of the State Administration.

³ A regular extraordinary review of national accounts, which answers the need to regularly update the sources and estimation methods used for its compilation (at least every five years, according to European-level international recommendations). This type of review affects the complete series of results from the reference year 1995.

More information at http://www.ine.es/normativa/leyes/cse/cambio_meto_Revisi%C3%B3nContabilidad2019.pdf

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*. Furthermore, all estimates are adjusted for seasonal and calendar effects. This is, as mentioned above, a provisional estimate based on all the information available to date for the reference quarter.

The results of each quarter are reviewed around t+90 Days, incorporating all of the information available from the forecasted 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), as well as access the standardised methodological report on the operation ([Standardised metadata report](#)).

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