



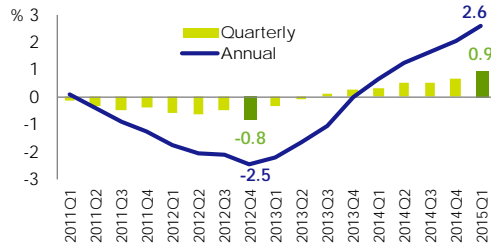
SPAIN

Growth

Quarterly National Accounts (INE)

In the IQ of 2015 the Spanish economy experienced its greatest annual advance since 2007: 2.6% (2% IQ 2014), thus linking six positive quarters. The quarter-on-quarter rate rose 0.9% (0.7% 4Q 2014).

Evolution of GDP



Source: INE (2015)

This recover is based on greater private consumption, improved expectations and better financial conditions, and the drop in the price of raw materials.

Employment

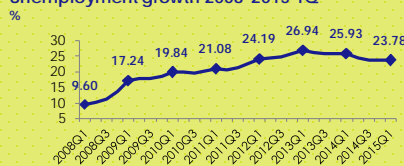
Employment IQ 2015 (EPA - INE)

In the IQ of 2015 employment grew, in annual terms, by 504,200 persons (+2.97%), some 468,000 of them in the private sector and 36,200 in the public sphere. In addition, permanent employment rose by 289,700 persons and temporary work by 174,800.

By sectors, employment grew in services (334,900 more workers), industry (142,500) and construction (118,500), but dropped in agriculture (-91,700). By Autonomous Communities, they all increased employment, especially Madrid (150,500), Valencia (83,700) and Andalusia (71,100).

With regard to unemployment, it was reduced over the past year by 488,700 persons, or 2.15 points, to 23.78%, especially in Valencia (-94,300), Catalonia (-82,100) and Madrid (-74,100).

Unemployment growth 2008-2015 1Q



Source EPA (2015)

Macroeconomic scene 2015-2018

The new macroeconomic scene foresees growth for 2015 of 2.9%, greater than the prediction of the IMF (2.5%) and in line with that of the European Commission (2.8%).

New macroeconomic scene, 2015-2018

Annual rate of variation, unless otherwise indicated

	2014	2015	2016	2017	2018
Real GDP	1.4	2.9	2.9	3.0	3.0
Private consumption	2.4	3.3	2.9	2.7	2.5
Public consumption	0.1	0.1	0.1	1.0	1.5
GFCF	3.4	6.3	5.8	5.9	5.9
Domestic demand*	2.2	5.4	2.9	3.0	2.9
Exports goods/services	4.2	5.4	6.0	5.8	5.7
Imports goods/services	7.6	6.7	6.4	6.3	6.2
External balance*	-0.8	-0.2	0.1	0.0	0.1

* Contribution to GDP

Source: Ministry of Economy and Competitiveness (2015)

Likewise, the unemployment rate will be 19.8% in 2016. It is hoped that the economy will create more than half a million new jobs in 2015 to reach 20 million during the next legislature.

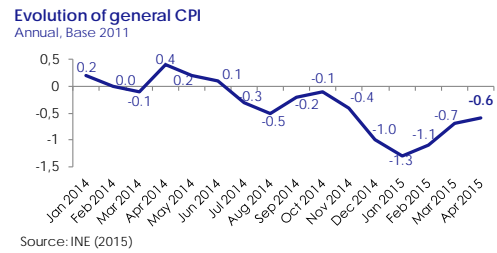
Unemployment and Social Security in April 2015

Data from the Ministry of Employment reflect the greatest annual drop in unemployment since statistics have been kept, -7.5% (-351,285 unemployed), to reach 4,333,016 persons. In the month of April, unemployment dropped by 118,923 persons, and across all sectors: services (-2.5%; -72,284 persons), construction (-3.8%; -19,449), industry (-2,6%; -11,555) and agriculture (-6,8%; -15,219). Among people with no previous work, unemployment rose by 184 persons. It also dropped in Spain's 17 Autonomous Communities, principally in Catalonia (-18,681), Andalusia (-14,425) and Madrid (-12,160).

For its part, the number of affiliates to the Social Security system grew, in annual terms, by 3.52% (578,243 persona), to 17,008,296. In April the increase was 1.04% (175,494 more affiliates), the greatest for a month of April. With regard to March, affiliation increased by 154,616 persons (1.13%), to a total of 13,791,850, especially in the hotel and restaurant sector (70,509 persons), business (13,168) and administrative activities and auxiliary services (10,799).

Leading indicator CPI April 2015

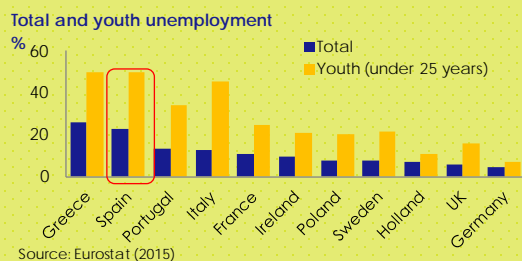
The CPI leading indicator shows an annual drop of -0.6% in April, a tenth of a point more than in March. The improvement comes from an advance in the price of energy (both fuel and electricity).



EUROPEAN UNION

Unemployment March 2015

In March, the Eurozone had an unemployment rate of 11.3% (18,105 million people), as against the 11.7% of a year earlier, while in the UE it was 9.8%, or 23,748 million people (vs. 10.4% in March of 2014). The lowest rate was in Germany (4.7%) and the highest in Greece (25.7%), followed by Spain (23%).



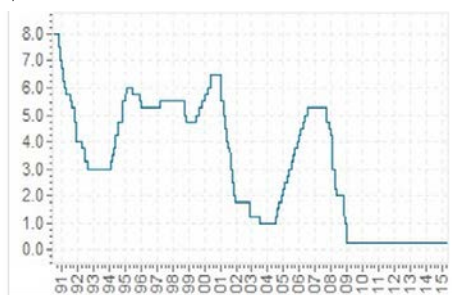
In year-on-year terms, unemployment dropped in 22 EU countries, increased in five, and remained constant in Austria. The greatest drops came in Ireland (from 12% to 9.8%), Spain (from 25.1% to 23%) and Poland (from 9.6% to 7.7%), while the greatest increases were in Croatia (from 17.3% to 18.2%), Finland (from 8.4% to 9.1%) and Italy (from 12.4% to 13%).

The unemployment rate among people younger than 25 rose to 22.7% in the Eurozone and to 20.9% in the EU (vs. 24.2% and 22.8% in March of 2014). Spain and Greece had the highest rate (50.1%).

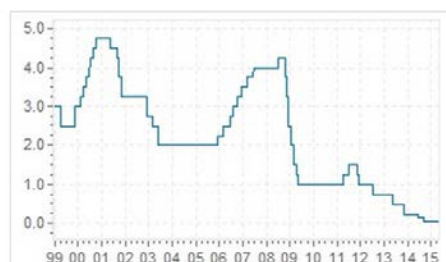
INTERNATIONAL

US monetary policy

Given the uncertainty of the US economy, the Fed decided to maintain the interest rate at 0.25%.

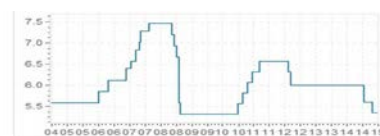


The ECB set it at 0.05%.

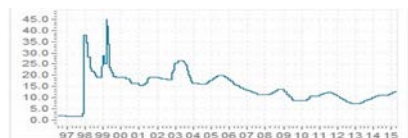


Monetary policy in emerging economies

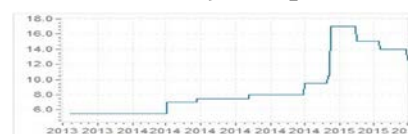
China is relaxing its monetary and financial conditions. It is considering easier credit so as to support the demand for bonds issued by local Chinese city halls. It maintains its basic rate at 5.35%.



Brazil increased its rate by 50 bp to 13.25% due to inflationary pressures.



For its part, the stabilization of financial conditions in Russia has made it possible to lower the official rate by 150 bp, to 12.5%.



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