

SPAIN

National Accounts 4Q 2016 (INE)

In 2016 the Spanish economy grew 3.2% year-on-year, reaching a nominal GDP of 1.113 trillion euros. In the 4Q, the GDP increased 0.7% quarter-on-quarter and 3% year-on-year (vs. 3.2% in the 3Q of 2016).

The contribution of domestic demand to annual GDP growth in the 4Q was 2.2 points, three decimal points less than in the 3Q. The contribution of external demand was 0.8 points, one decimal more than in the previous quarter.

External sector 2016 (Bank of Spain)

In 2016 exports of goods and services grew 3.2% year-on-year to 368 billion euros. Since 2009, the year in which –after 15 consecutive years of advances– they dropped 13.4% (to 244 billion), they have grown by 50.5%.

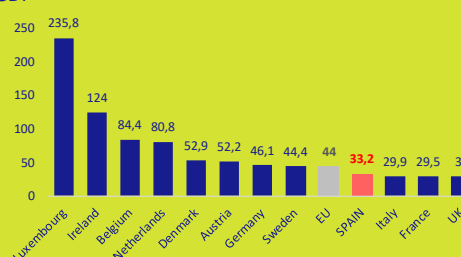
Exports of goods, propelled by greater demand for capital goods, automobiles and food, grew by 59.1%, while demand for services increased 34.5%.

In this same period, the weight of the external sector over GDP increased from 22.7% to

For its part, the creation of employment advanced 0.4% quarterly and 2.7% annually.

33.2%, a percentage higher than that in the UK (30%), Italy (29.9%) and France (29.5%), although still lower than the EU average (44%).

Exports
% GDP



Source: Eurostat, 2017

Employment February 2017 (Ministry of Employment and Social Security)

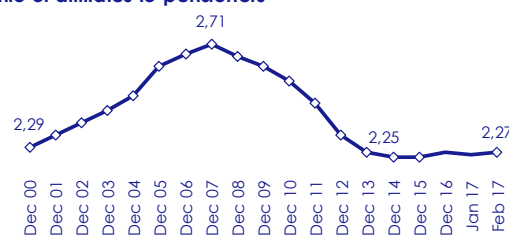
Registered unemployment dropped by 9,355 persons with respect to January, to 3,750,876, its lowest level in the past seven years. On an annual basis, it declined by 402,110 persons (-9.68%), the largest ever drop for a month of February.

In February there were 1,452,528 new contracts, of which 151,072 were permanent (10.4% of the total). Currently, in Spain a 73.5% of contracts are permanent.

The average of Social Security affiliation reached 17,748,255 persons, or 74,080 affiliates

more than the previous month and 580,543 more than in the same period of 2016 (+3.38%). At present the ratio of affiliates to pensioners is 2.27.

Ratio of affiliates to pensioners



Source: Ministry of Employment and SS, 2017

National debt 2016 (Public Treasury)

In 2016 the debt of the Public Administrations was reduced to 99.26% of GDP, from the 99.77% of 2015 and the 100.37% of 2014, although it remains above the 98.98% estimated by the Ministry of the Economy in February. These development are principally due to the growth of the Spanish economy. The total amount of debt increased by 32.4 billion euros, to 1.105 trillion.

PPAA debt
% GDP

PPAA debt

	2014	2015	2016
Central government	95,5	89,7	88,9
State	83,9	85,2	85,4
State bodies	11,6	4,5	3,5
Regional governments	22,9	24,4	24,8
Local governments	3,7	3,3	2,9
Social Security	1,7	1,6	1,5
Consolidations between sub-sectors	-23,4	-19,2	-18,8
Nominal debt (Tn €)	1.040,9	1.073,2	1.105,6
GDP (Tn €)	1.037,0	1.075,6	1.113,9

Source: Tesoro Público, 2017

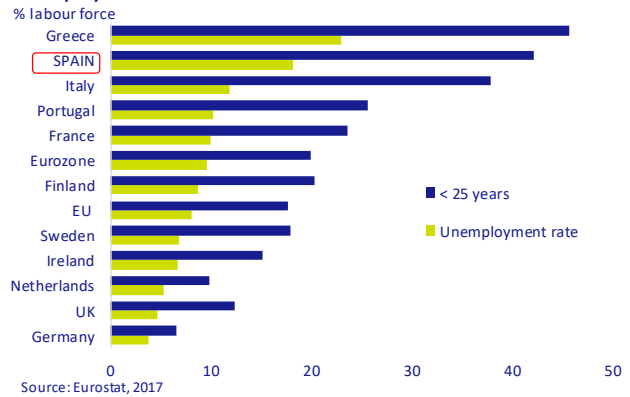
EUROPE

Unemployment January 2017 (Eurostat)

In January unemployment in the Eurozone remained steady at 9.6% of the working population (10.4% in January 2016), the lowest rate since May of 2009. In the EU28 there was 8.1% unemployment (vs. 8.9% a year earlier), the lowest level since January of 2009.

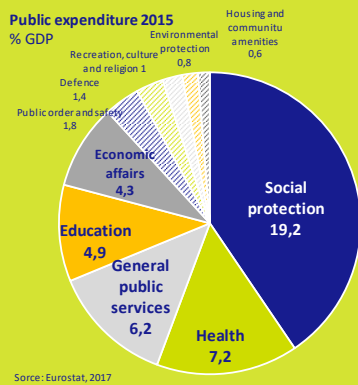
The lowest rates of unemployment were in the Czech Republic (3.4%) and Germany (3.8%), while the highest ones were in Greece (23%) and Spain (18.2%).

Unemployment rate



EU distribution of public expenditure (Eurostat)

Public spending in the EU rose to 47.2% of its GDP in 2015. The largest consignments were for social protection (19.2% of GDP), of which 53.6% goes to retirement pensions (10.3% del GDP) and health care (7.2%).



The countries that spend the highest percentage of their GDP on social protection are Finland (25.6%), France (24.6%) and Denmark (23.6%), and those that spend the least are Ireland (9.6%) and Lithuania (11.1%). Spain spends 17.1% of its GDP, of which 53.8% goes to retirement pensions (9.2% of GDP).

Total expenditure on social protection and on old age pensions 2015



INTERNATIONAL

Predictions for world growth (OECD)

According to the latest OECD report on economic outlook, the global economy will grow 3.3% in 2017 and 3.6% in 2018, while at the same time facing possibly greater protectionism and financial instability, and volatile interest rates.

Interim Economic Outlook

	2016	2017*	2018*
World	3,0	3,3	3,6
USA	1,6	2,4	2,8
Eurozone	1,7	1,6	1,6
Germany	1,8	1,8	1,7
France	1,1	1,4	1,4
Italy	1,0	1,0	1,0
Japan	1,0	1,2	0,8
Canada	1,4	2,4	2,2
UK	1,8	1,6	1,0
China	6,7	6,5	6,3
India	7,0	7,3	7,7
Brazil	-3,5	0,0	1,5
G20	3,1	3,5	3,8
Rest of the world	2,3	2,7	3,2

* Forecasts
Source: OECD, 2017

The Inclusive Development Index (WEF)

In January the World Economic Forum presented a new Inclusive Development Index (IDI) to give a broader vision of economic development, including an analysis of positive effects on society as a whole. In this Index, Spain occupied 26th position out of 30 advanced countries (of a total of 109 countries analyzed).

The Inclusive Development Index 2017

	TOP 5 Advanced ecs.	TOP 5 Developing ecs.
1	Noeway	lithuania
2	Luxembourg	Azerbaijan
3	Switzerland	Hungary
4	Iceland	Poland
5	Denmark	Romania
26	SPAIN	

Source: WEF, 2017

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