

# Así está...

## The economy

### SPAIN

#### Macroeconomic scenario (M. Economy)

The macroeconomic scenario in the 2017 Draft State Budget shows a growth in the Spanish economy for the fourth consecutive year, of 2.5% in 2016, although this was 3 decimal points below the prediction by the Bank of Spain. Domestic demand will drop to 2.1 points (2.8 in 2016), with growth of 2.6% in both private consumption and investment, principally in capital goods (3.5%). External demand will contribute 0.4 points to growth, thanks to an increase in exports (5.1%), as against increased imports of 4.3%. Thus for the

fifth consecutive year the Spanish economy will have a surplus in the balance on current account, of 1.9% in 2017.

Employment will increase 2.5% and the unemployment rate will be 17.5% of the active population.

Macroeconomic scenario  
% annual change

	2016	Forecast 2017
<b>Real GDP</b>	3,2	2,5
Private consumption	3,2	2,6
PPAA consumption	0,8	0,8
GFCF	3,1	2,6
Capital goods and others	5,0	3,5
Construction	1,9	1,9
Domestic demand (contribution to growth)	2,8	2,1
Exports goods and services	4,4	5,1
Imports goods and services	3,3	4,3
<b>External balance (contribution to growth)</b>	<b>0,5</b>	<b>0,4</b>
Private consumption deflator	-0,2	1,5
Nominal GDP	3,6	4,1
<b>Employment</b>	<b>2,9</b>	<b>2,5</b>
<b>Unemployment (% labour force)</b>	<b>19,6</b>	<b>17,5</b>
<b>Current account balance (% GDP)</b>	<b>2,0</b>	<b>1,9</b>
Net lending (+) / Net borrowing (-) (% GDP)	2,4	2,3

Source: Ministry of Economy and Competitiveness, 2017

#### Employment March 2017 (M. Employment)

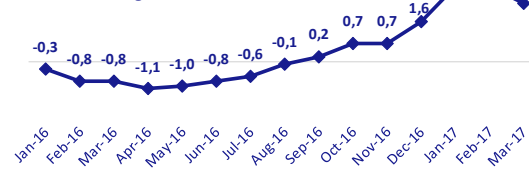
In March registered unemployment dropped to 3,702,317 persons, its lowest level in seven years. In year-on-year terms, it dropped by 9.6% (392,453 few persons unemployed), the greatest decline ever in a month of March.

The average affiliation to Social Security was 17,910,007 active workers. In year-on-year terms, March ended with an average 604,209 affiliates more (+3.49%), the best figure since 2007.

#### Projected CPI March 2017 (INE)

The CPI showed an annual variation of 2.3%, or seven decimal points less than in February (3%), and above the inflation rate in the Eurozone. (1.5% vs. 2% in February). There was a notable drop in the price of fuels (gasoil and gasoline), contrasting with the rise last year, and of electricity.

Projected CPI March 2017  
% annual change



Source: INE, 2017

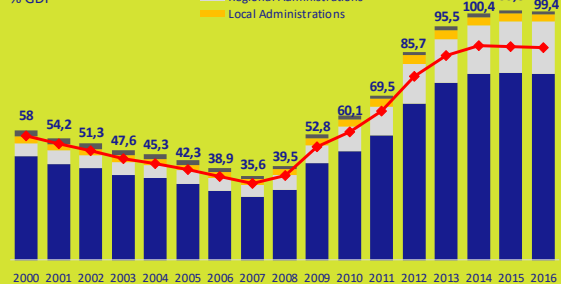
#### Public debt 2016 (Treasury Department)

The debt of the Public Administrations grew 3.1% annually, to 1.107 trillion euros, equivalent to 99.4% of GDP, but some 0.5 percentage points less than in 2015, which is explained by the increase in nominal GDP (3.6%).

By different levels of the Administrations:

- Central = 970 billion euros (87% of GDP).
- Social Security = 17 billion (1.5%).
- Regional = 277 billion (24.9%)
- Local = 32 billion (2.9%).

Public debt  
% GDP



Source: Bank of Spain, 2017

#### Public deficit (Treasury Department)

2016 ended with a public deficit of 4.33% of GDP (4.5% counting aid to the financial sector), thus complying with stabilization aim of 4.6% agreed upon with Brussels.

Net lending (+) / Net borrowing (-)

% GDP

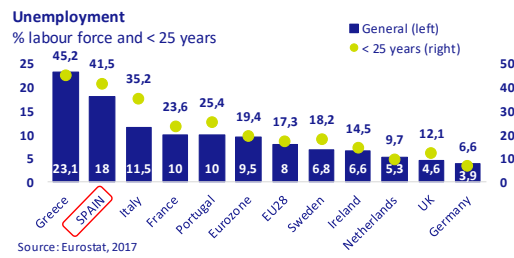
	2016	Forecast 2017
Central	-2,52	-1,10
Regional Administrations	-0,82	-0,60
Local Administrations	0,64	0,00
Social Security	-1,62	-1,40
<b>TOTAL</b>	<b>-4,33</b>	<b>-3,10</b>

Source: Treasury Department, 2017

## EUROPE

### Unemployment February 2017 (Eurostat)

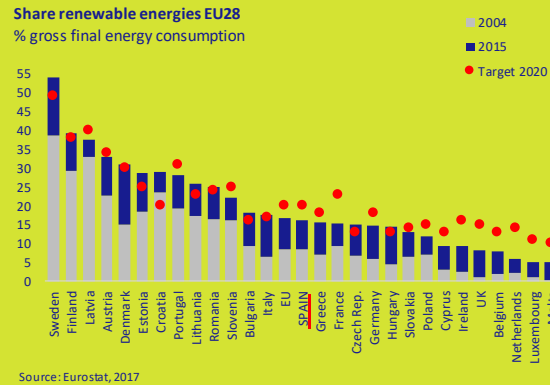
In february, the unemployment rate dropped to 9.5% in the Eurozone and to 8% in the EU28, as against 9.6% and 8.1% in March, respectively. These were the lowest rates since 2009.



### Renewable energies (Eurostat)

The share of renewable energies used in the EU28 has doubled since 2004, and in 2015 constituted 17% of the total energy production, approaching the objective of 20% for 2020 set by the "Europe 2020" strategy.

Spain has also doubled its use of renewable energies from 8.3% in 2004 to 16.2% in 2015, and is now just 3.8 points short of the aim of 20% by 2020. It is worth noting that the objective for Sweden, Finland and Latvia is greater than 35%.

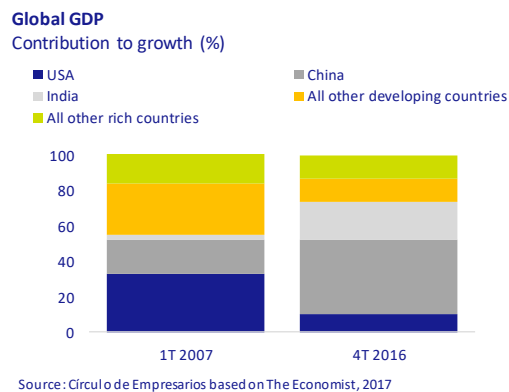


## INTERNATIONAL

### World growth (The Economist)

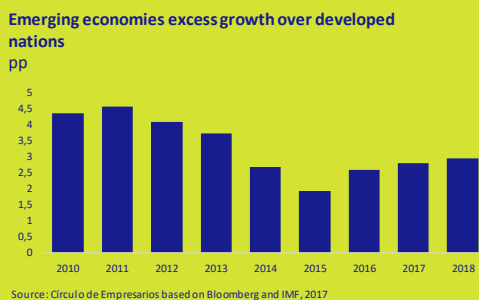
In the 4Q of 2016, the world economy grew 2.8% year-on-year.

Over the past 20 years regional contributions to this growth have varied considerably. At present, the Chinese economy accounts for two-fifths of the total, although during the last quarter growth in China was below 7%. The United States is today behind China and India in growth, accounting for 11% of world total as against the 30% of two decades ago.

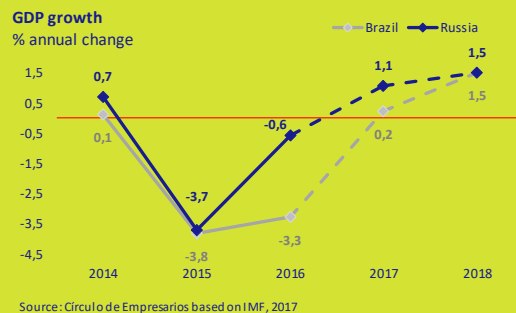


### Emerging economies

In coming years there is expected to be a larger gap in growth between the emerging countries and the advanced ones.



Brazil and Russia will again have positive growth following two years of recession.



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