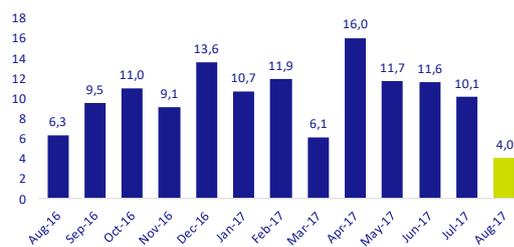


SPAIN

Tourist movements (Frontur)

Spain registered 57.3 million tourists in the first eight months of 2017 (9.9% more than in the same period of 2016). By country, the main countries of origin were the United Kingdom (13 million), France (8.4 million) and Germany (8.2 million).

Arrival of international tourists by months
% annual change



Source: Círculo de Empresarios based on NSI, 2017

Labour (Ministry of Employment)

September ended with 27,858 more unemployed people (44% less than the previous year's rise), reaching 3,410,182 unemployed. In seasonally adjusted terms, unemployment dropped by 16,451 people.

For its part, the Social Security accumulated 18,336,161 affiliates, registering the biggest increase since 2005 (624,141 more affiliates than in September 2016).

Number de affiliates (annual change)
number of people



Source: Círculo de Empresarios based on Ministry of Employment, 2017

Quarterly Government Debt (Sep 2017, BoS)

In June 2017, government debt, according to the Protocol for Excessive Deficit, reached €1.13 trillion, 2.8% more than the previous year. For its part, the debt / GDP ratio stood at 100% (0.7 points less than a year earlier).

The debt of the central government stands at €996,000 million (up by 3.3% year-on-year),

representing 87.6% of GDP. Social Security showed no variation, with its balance remaining at €17,000 million (1.5% of GDP).

The debt of the autonomous regions increased by 4.5%, reaching €28,600 million (25.1% of GDP).

Balance of Payments (Sep 2017, BoS)

The balance of the Current and Capital Accounts registered €3,100 million in July 2017 compared to €3,200 million in 2016, according to the monthly bulletin of the Bank of Spain. Goods and services recorded a surplus of €5,400 million (10% less than the previous year), supported by the travel and tourism subsector, which experienced a surplus of

€5,700 million, compared to €4,900 million in 2016.

Balance of Payments, Current and Capital Accounts (accumulated January-June)
billions

	ACUMULATED JANUARY-JUNE					
	2016			2017		
	Revenues	Expenditures	Balance	Revenues	Expenditures	Balance
Current account	244,8	233,5	11,2	227,6	222,9	4,8
Goods and Services	212,7	192,1	20,5	195,4	182,3	13,2
Goods	128,5	135,9	-7,4	140,2	151,1	-11,0
Services	51,2	29,3	21,9	55,3	31,1	24,1
of which Tourism and travels	22,7	6,9	15,8	25,4	7,9	17,5
Primary and secondary incomes	32,1	41,4	-9,3	32,2	40,6	-8,4
Capital account	1,5	0,1	1,3	1,1	0,3	0,8
CURRENT+CAPITAL ACCOUNT	246,3	233,6	12,5	228,7	223,2	5,6

Source: Círculo de Empresarios based on Bank of Spain, 2017

CPI (Sep 2017, NSI)

The CPI forecast in September estimates an annual inflation of 1.8%, 0.2% greater than the August year-on-year rate (1.6%). Looking at products, the price of food and non-alcoholic beverages have seen an increase.

Consumer Prices Index
% annual change



Source: Círculo de Empresarios based on NSI, 2017

EUROPE

CPI (Eurozone)

In September, the annual inflation rate in the eurozone remained at 1.5%. Looking at individual components, energy prices grew by 3.9%, followed by food, beverage and tobacco (1.9%), services (1.5%) and non-energy industrial goods (0.5%).

Inflation in Eurozone, September 2017



Source: Círculo de Empresarios based on Eurostat, 2017

French labour reform (Caixa)

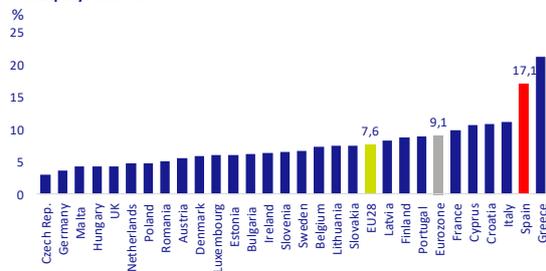
The new labour reforms driven by Emmanuel Macron aim to make the labour market more flexible, focusing on collective bargaining and social dialogue between employers and workers. The employment termination process has been simplified, setting, by law, a minimum and a maximum amount based on workers' seniority in the company.

The reform for businesses employing 50 or more workers will introduce negotiations through a single commission formed by the health and safety work committees. Meanwhile, companies with fewer than 50 workers may negotiate directly with staff without trade union consultation.

Unemployment (Eurostat)

Eurozone in August registered the lowest unemployment rate since 2009 (9.1%). In turn, EU unemployment decreased to 7.6% (the lowest rate since November 2008).

Unemployment rate



Source: Círculo de Empresarios based on Eurostat, 2017

INTERNATIONAL

US Monetary Policy (Federal Reserve)

The Federal Reserve has agreed to begin reducing its balance sheet from October. The central bank will stop investing in mature debt and mortgage-backed securities totalling \$6,000 and \$4,000 million respectively. On the other hand, it will maintain the benchmark interest rate target in the range of 1.00-1.25%, leaving the possibility of future increases in the interest rate open before the end of the year.

Members FOCM: average interest rate



Source: Círculo de Empresarios based on Fed, 2017

Canada

The Canadian economy will maintain its steady growth rate in 2017 of around 1.9%, estimating that by the end of the year:

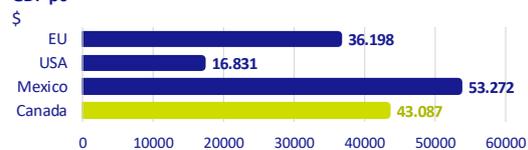
- its GDP per capita will be \$43,600,
- its unemployment rate will be below 7%
- its public deficit will be around 2%.

Looking across the various sectors in the economy, the service sector has stood out, with a great dynamism in the telecommunications, tourism and Internet markets, and high growth potential in renewable energy, particularly wind power.

Unemployment rate



GDP pc



Source: Círculo de Empresarios, 2017

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