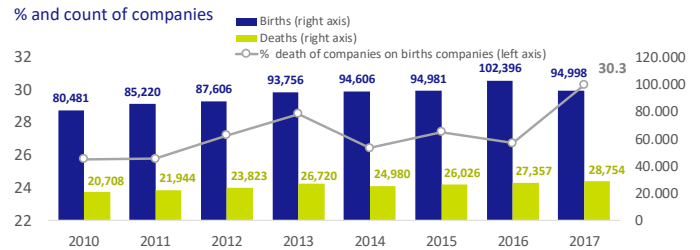


## Business structure

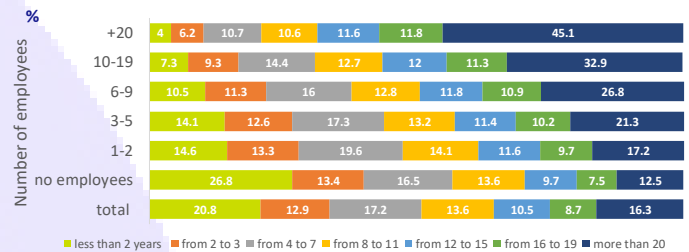
In 2017, 28,754 business deaths occurred, a death rate of 5.1% more than in 2016, representing 30.3% of the 94,998 companies set up throughout the year.

By company size, a positive relationship is observed between its age and size. In the case of Spanish companies, 45.1% of those with more than 20 employees have remained active for more than 20 years, compared to 12.5% of those without salaried employees.

### Business births and deaths



### Active businesses by number of employees & age intervals



Source: Círculo de Empresarios based on Colegio de Registradores, INE and Bankia, 2018

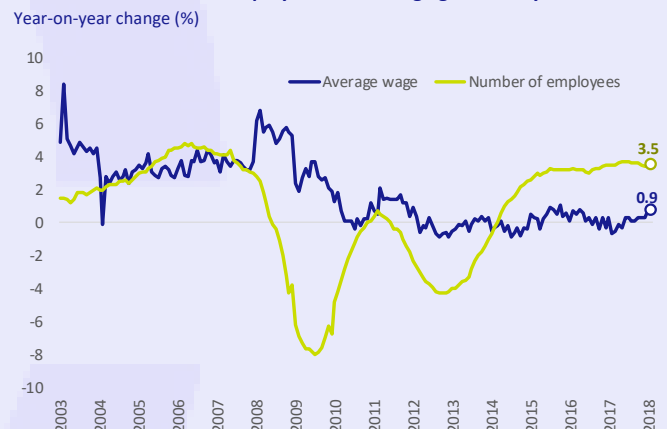
## Wage growth in Spain

According to the Tax Agency, in March, the average gross wage for large enterprises\* grew at a year-on-year rate of 0.9% (0.2 pp more than in February), in a context in which employment grew at a rate of 3.5% year-on-year.

By sector, the wage rise in industry (+1.8%) and in agriculture (+1.4%) stands out, as opposed to the decline in construction and real estate activities (-0.7%).

\*Companies with a volume of sales higher than 6.01 million of € in a calendar year

### Evolution of number of employees and average gross salary



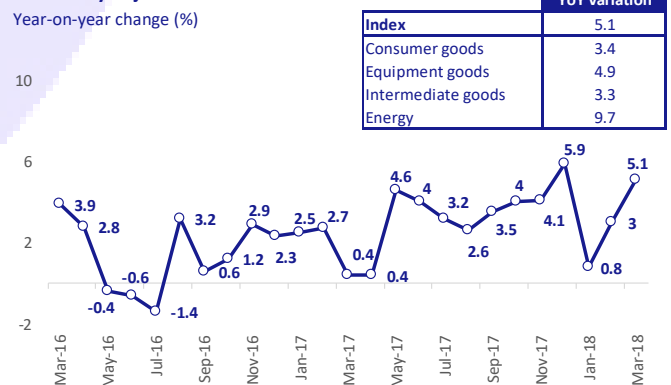
Source: Círculo de Empresarios based on Tax Agency, 2018

## Industrial Production Index

In March, the seasonally adjusted Industrial Production Index (IPI) grew by 5.1% year-on-year, 2.1 pp more than in February, exceeding the growth recorded in the EU28 (3%). By components, the increase in energy (9.7% year-on-year) and equipment goods (4.9%) stands out.

Likewise, the manufacturing PMI continued in expansion as it stood at 54.4 points.

### Seasonally adjusted IPI



Source: Círculo de Empresarios based on INE, 2018

## Trade with the UK

In 2017, the United Kingdom was the fifth largest trading partner of Spain representing 7% of total exports of goods and 9.4% of goods and services.

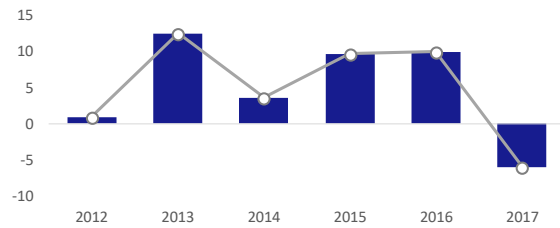
A quarter of the Spanish export companies have the United Kingdom as their main commercial destination. In addition, between 2012 and 2017, their count increased by 8% to 11,695 companies, of which 14% are regular\* exporters.

However, since the Brexit, the number of exporting companies has fallen by 0.8% and the value of its exports of goods by 6%.

\*Companies that have exported over the past four years in a row

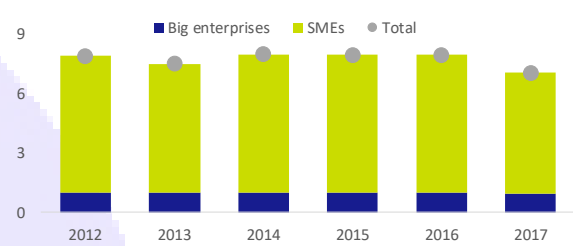
### Value of exports of goods to the United Kingdom

Year-on-year change (%)



### Companies that export to the United Kingdom

% over the total number of companies



Source: Círculo de Empresarios based on Bank of Spain and ICEX, 2018

## S&P 500

In Q1 2018, S&P 500 companies recorded a year-on-year increase in profits of 24.9% (the highest level since Q3 2010).

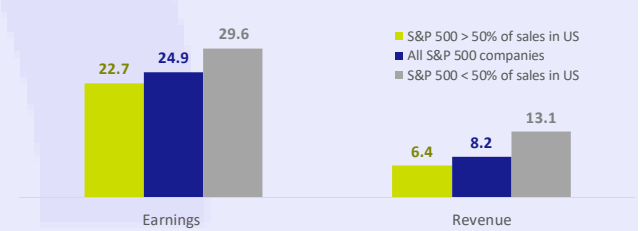
By sectors, the greatest increase was recorded in energy (+95% year-on-year), raw materials (+44.1%), information technology (+33%), and in the financial sector (+29.6%).

This development took place in an environment in which the S&P 500's annualised volatility in the first 90 days of the year was 18.6%, 12.1 pp higher than in the same period of 2017.

Note: with 91% of companies in the S&P 500 reporting results

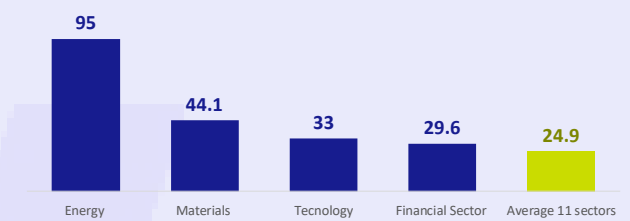
### S&P 500 Earnings and Revenues, Q1 2018

Year-on-year change (%)



### S&P 500 Earnings Q1 2018

Year-on-year change (%)



Source: Círculo de Empresarios based on Factsset, 2018

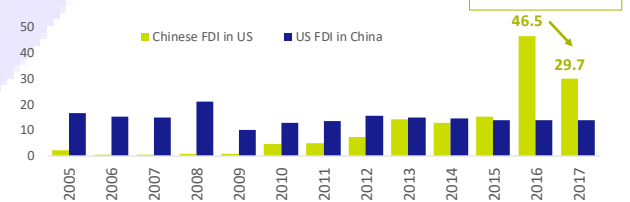
## Chinese FDI in the US

In 2017, China's foreign direct investment (FDI) in the US, after reaching its record high in 2016, dropped by 36% to \$ 29.7 billion (0.15% of US GDP), due in part to restrictions imposed by the Chinese authorities on the outflow of capital.

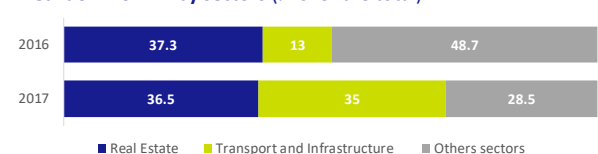
Currently, the lion's share of Chinese FDI is primarily concentrated in the real estate sector and the US infrastructure sector.

### Foreign Direct Investment (FDI)

Billions of \$



### Breakdown of FDI by sectors (% over the total)



Note: 'Other sectors' includes consumer and product services and electronic equipment

Source: Círculo de Empresarios based on Caixabank Research and Rodium Group, 2018

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