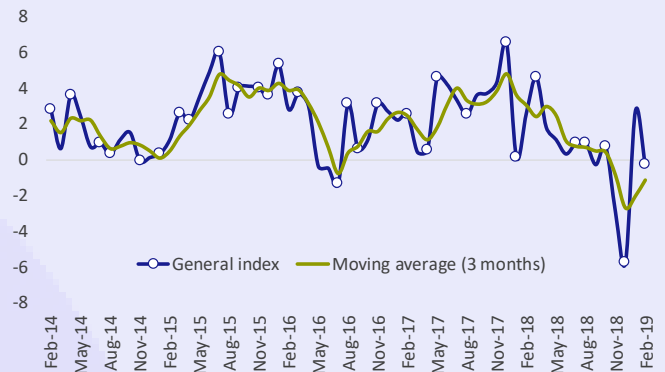


## Industrial production Spain

The Industrial Production Index, after rising by 2.7% in January year-on-year, declined by 0.3% in February, due to the contraction of the production of the energy sector (-6.15%), of the durable consumer goods (-2.4%) and intermediate goods (-0.5%). By Autonomous Community, the industrial production increased in Castilla-La Mancha (5.1%), Aragon (3.4%) and Canary Islands (2.5%), while it declined in Extremadura (-6.8%), Galicia (-5.8%) and the Balearic Islands (-5.2%).

**Industrial Production Index, Spain**  
YoY change (%)



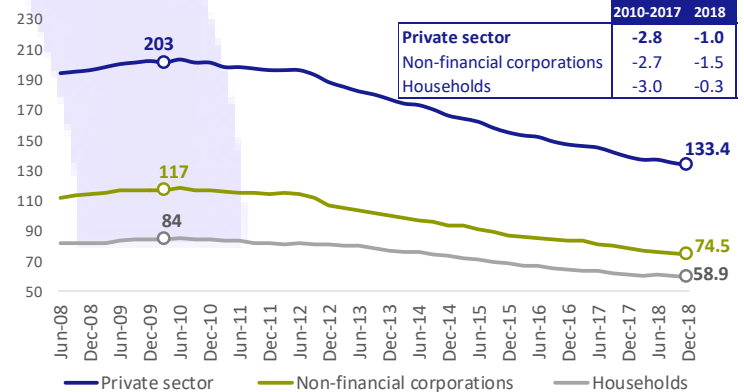
Source: Círculo de Empresarios based on INE, 2019

## Debt of non-financial sectors

In Spain, Q4 of 2018, total non-financial debt amounted to €3.4 trillion, representing 280.7% of GDP.

The indebtedness of the private sector stood at 133.4%, almost 70 pp below its 2010 record high. However, in 2018, its annual average annual rate of reduction moderated to -1%, as opposed to -2.8% recorded between 2010 and 2017, as there were no new advances in the deleveraging of households (-0.3% annual average vs -3% between 2010 and 2017).

**Non-financial private debt**  
% of GDP



Source: Círculo de Empresarios based on Bank of Spain, 2019

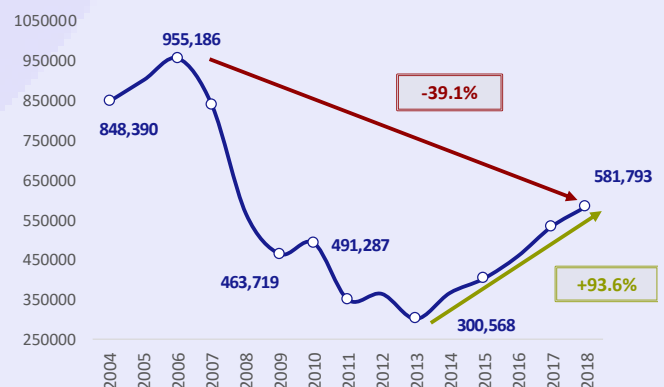
## Housing sector Spain

In Spain, after the recovery of the real estate sector began in 2014, investment in housing accounted for 5.2% of GDP in 2018, around the EU average (5.7%), but 57% lower than the maximum recorded in 2006 (12.1% of GDP).

Home purchase transactions have flourished by 93.6% from their record low in 2013, amounting to 518,793 transactions, although they remain 39.1% below their record high in 2006. By Autonomous Community, it is observed that the rhythm of growth is very heterogeneous since 2013, with Cantabria, Asturias and the Basque Country standing out as the top 3 regions that have recorded cumulative increases above the national

average, compared with the Canary Islands and Galicia, with increases of less than 70%.

**Home purchase transactions in Spain**  
Units

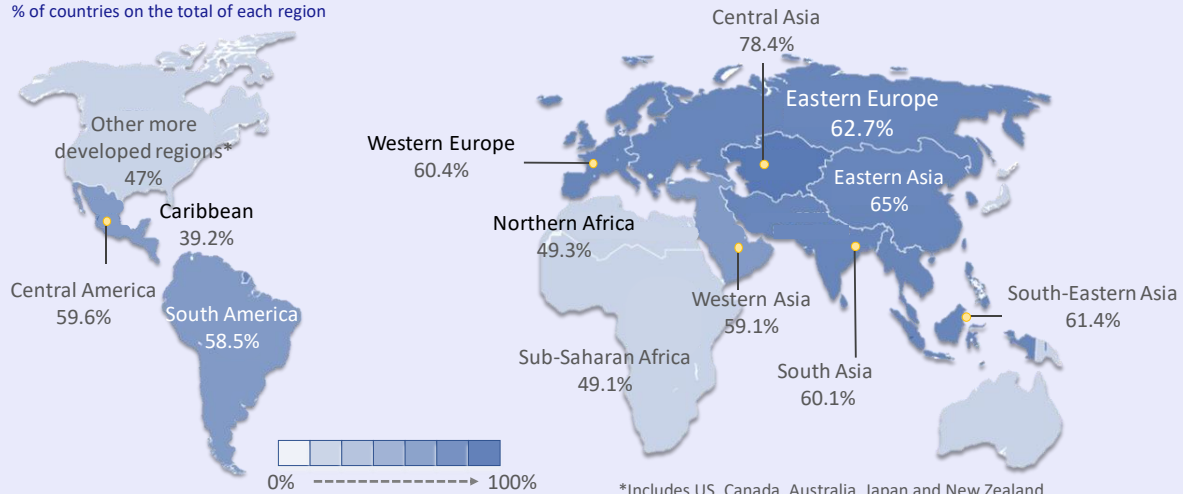


Source: Círculo de Empresarios based on Bank of Spain, 2019

## IMF Forecasts

The International Monetary Fund has forecasted a 3.3% growth of the world economy this year, 0.2% below its January forecast (3.5%), its lowest growth since 2009. This downward revision occurs against the backdrop of soaring risks, alluding to the possible collapse of the negotiations between the United States and China, in its attempt to end the trade war, and the uncertainty associated with the withdrawal of the United Kingdom from the EU, inter alia.

**Underestimated growth, by region**  
% of countries on the total of each region



\*Includes US, Canada, Australia, Japan and New Zealand.

Source: Círculo de Empresarios based on OECD, 2019

The world economy evinces a trend change. Currently, 70% of the advanced and emerging economies have embarked on a synchronised deceleration, while in 2017, 75% of them exhibited a synchronised expansion.

Among the main economies, the biggest downward revision of their growth was in Italy (-0.5 pp), Germany (-0.5 pp), Canada (-0.4 pp) and the United Kingdom (-0.3 pp).

## Industrial production Eurozone

In February, the industrial production of the Eurozone declined by 0.3% year-on-year for the fourth consecutive month, mainly explained by the decline of 2% year-on-year in the production of the German industry, which currently represents 37.9% of the total EMU. Specifically, in the absence of external demand, orders for new industrial

orders in Germany fell by 8.4% year-to-year, their biggest drop since 2009.

As for other main economies of the Eurozone, industrial production in Spain fell by 0.4% year-on-year, that of France stagnated (0%), and Italy recovers by 0.9%.

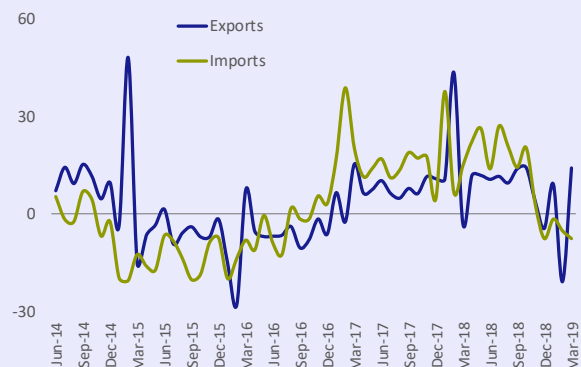
## China trade

In March, exports of goods from China, after plunging by 20.8% year-on-year in February mainly due to the brief hiatus in activity for the Chinese New Year celebrations, recorded a surge of 14.2% year-on-year, to \$198.7 billion.

However, the fragility of domestic demand persists, as imports continued to decline for the fourth consecutive month by 7.6% year-on-year (to \$166 billion).

Note: In 2018, China's nominal GDP reached \$13.4 trillion

**Trade in China**  
YoY change (%)



Source: Círculo de Empresarios based on Bloomberg and China Customs, 2019

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