

## National Accounts, Spain

The lockdown and economic hibernation measures adopted to halt the spread of Covid-19 have contracted GDP by 4.1% in Q1 2020, the worst figure since Q2 2009 (-4.4%).

In the domestic demand, the fall in private consumption (-6.7% year-on-year) and investment (-5.5%) stand out against the increase of public spending by 3.6%.

Foreign sector exports of goods and services fell by 6.43% year-on-year (vs +3.3% Q4 2019) and imports by 7.4% (vs +2.1% Q4 2019).

## Labour market, Spain

In April, unemployment rose by 8% compared to March (+282,891 people), reaching a total of 3,831,203 unemployed people. In year-on-year terms, the increase was 21.1%, a figure similar to January 2010.

In this context, provisional data on unemployment benefits registered in April have been a total of 5,197,451, the highest amount in the historical series. This implies a volume of resources of €4,512 million.

The average number of workers affiliated to the Social Security System in April fell by 2.88% compared to the previous month (548,093 people), reaching 18,458,667 workers. In comparison to the same month of 2019, the fall was 4.01%, the biggest since January 2013.

## CPI, Spain

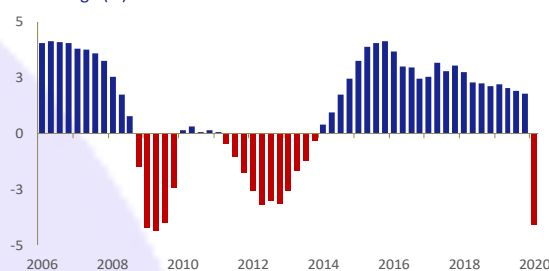
In April, the forecasted CPI rate was -0.7% year-on-year, compared to +1.5% in the same month of the previous year. This development can be explained by the fall in prices of petroleum and fuel.

By type, prices for goods in the “special Covid-19 goods group” increased 3.2%, while those in the “special Covid-19 services group” fell by 4.3% year-on-year.

On the supply side, the sectors most affected were construction (-8.6% year-on-year) and the service sector (-4.1%). Agriculture fell by 2.5% and industry by 2.2%.

### GDP Quarterly Evolution, Spain

YoY change (%)

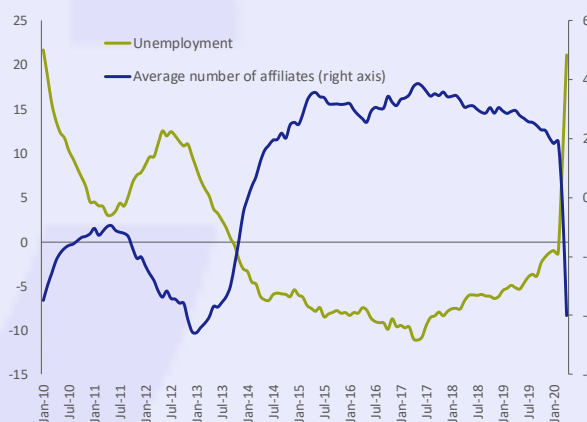


Source: Círculo de Empresarios based on INE, 2020.

By sectors, the biggest year-on-year decrease was in construction (-10.4%), followed by the service sector (-3.7%), industry (-3.4%) and agriculture (-2.1%).

### Labour market evolution, Spain

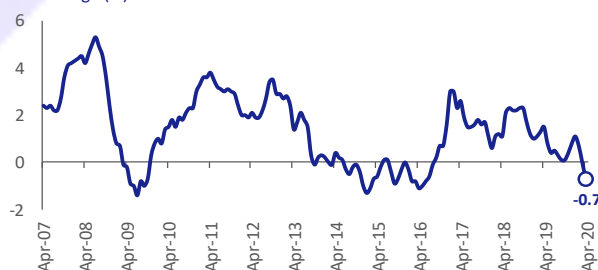
YoY change (%)



Source: Círculo de Empresarios based on Ministry of Labour, Migrations & Social Security, 2020.

### CPI, Spain

YoY change (%)



<sup>1</sup> Food, drinks, tobacco, household cleaning, pet food or personal care.

<sup>2</sup> Rent, water distribution, garbage collection, electricity or telephone services.

Source: Círculo de Empresarios based on INE, 2020.

## GDP, Eurozone (Eurostat)

In Q1 2020, Eurozone GDP fell 3.8% compared to the previous quarter (-3.3% year-on-year), its biggest fall since quarterly reporting began in 1995. This data is due to the impact of the lockdown measures imposed by many countries in March due to the spread of the coronavirus.

Preliminary GDP data from the main economies in the region shows the biggest decline took place in France (-5.8% quarter on quarter), followed by Spain (-5.2%), Italy (-4.7%) and Germany (between -1% and -1.5%).

## Foreign trade, US

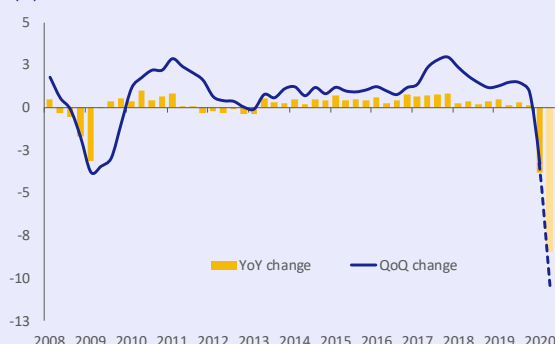
In March, exports of American goods and services fell 9.6% compared to the previous month, reaching \$187.7 billion.

Imports fell 6.2% monthly to \$232.2 billion. As a result, the American trade deficit in March increased 11.6%, reaching \$44.4 billion (0.2% of GDP). Although the impact of Covid-19 on American foreign trade has been significant, it is likely to get even worse in the coming months.

The reason for this is the fact that the measures adopted to deal with Covid-19 and the closing of businesses started to be

applied around the middle of March, and it is expected that this situation will continue into May.

Quaterly GDP evolution, Eurozone (%)

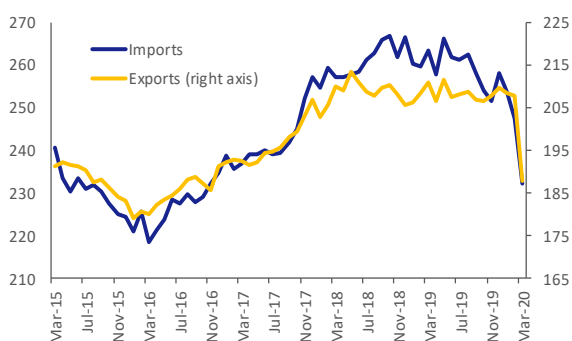


Note: Q2 2020 Oxford Economics forecasts.

Source: Círculo de Empresarios based on Eurostat, 2020.

Foreign trade of goods and services, US

Billions of \$



Source: Círculo de Empresarios based on US Dept. of Commerce, 2020.

## GDP, Hong Kong

In Hong Kong, social protests against the Chinese government, as well as the recent impact of Covid-19 have caused the Asian economy to contract for the third consecutive quarter.

In Q1 2020, GDP shrank by 8.9% year-on-year, its biggest fall since quarterly reporting began in 1974.

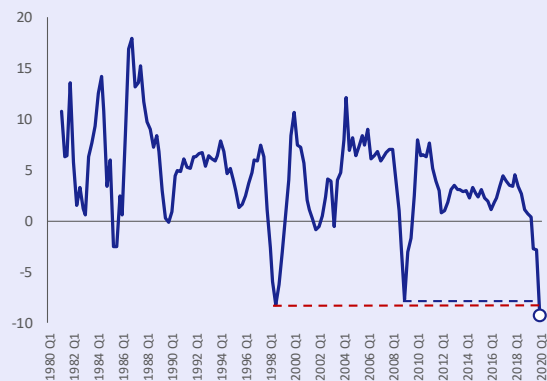
By sectors, foreign trade was the hardest hit with significant falls in goods exported (-9.7% year-on-year) and services (-37.8%).

With regard to domestic demand, private consumption shrank by 10.2% year-on-year, a fall that was partly compensated for by an increase in public spending of 8.3% year-on-year.

In the second half of 2020, a certain improvement of the economic situation is forecast, dependent on a relaxing of the lockdown and trade tensions between the USA and China.

GDP evolution, Hong Kong

YoY change (%)



Source: Círculo de Empresarios based on Census and Statistics Dept. Hong Kong, 2020.