

Industry and Services, Spain

In April, the General Industrial Turnover Index fell 40.8% year-on-year as a result of the impact of the Covid-19 lockdown measures. This setback is the biggest since reporting began. By sectors, the car industry was the hardest hit (-90.4% year-on-year), followed by the clothing industry (-80%). On the other hand, the only sector to increase turnover was the pharmaceutical industry (4.9% year-on-year).

In the service sector, the General Business Turnover Index fell 41.4% year-on-year. Decreases in the hospitality industry (-94.4%) and the sale and repair of motor vehicles-motorcycles sector (-83.0%) particularly stand out.

In terms of employment, occupation in this sector fell 5.5% year-on-year after the declaration of the state of emergency.

Government debt, Spain

The General Government debt increased 4.6% year-on-year in April (2.2 pp more than in April 2019), to €1,234,694 million (99.2% of GDP), a new historic maximum. By Administrations, State debt increased 5.5% year-on-year, to €1,098,937 million, and that of the Autonomous Communities by 1.2% (to €300,857 million).

For its part, Social Security increased its indebtedness by 22.4% year-on-year (€55,023 million).

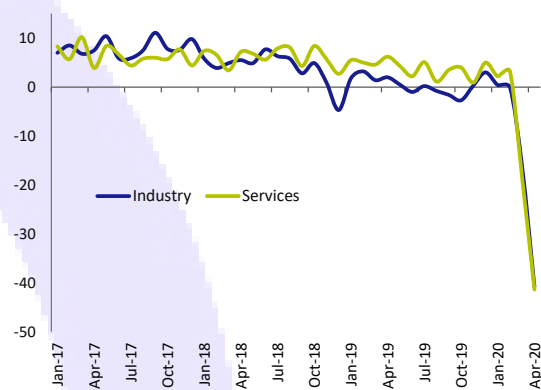
Hotel Sector, Spain

In light of the travel restrictions as a result of the coronavirus, overnight hotel stays in May fell 99.2% year-on-year (vs. -0.1% in May 2019) with 259,217 in total.

Hotel occupancy fell 78.9% year-on-year (vs. -1.2% in May 2019), covering just 12.1% of available places. Madrid was the Autonomous Community with the highest level of occupancy (18.1% of the total). Between January and May, overnight hotel stays fell 62.4% year-on-year (to a total of 42,298,121).

The sectors most affected were the hospitality industry (-14.9% year-on-year) and the administrative and support service activities sector (-8.3%). The fall would have been greater if companies had not applied to Temporary Workforce Reduction Scheme (ERTE).

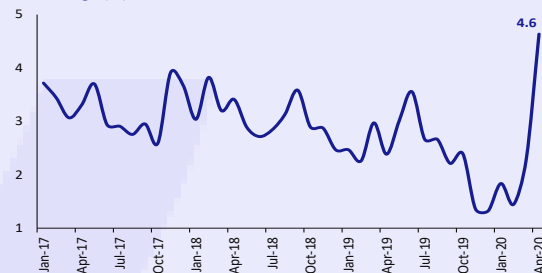
General Industrial and Services Turnover, Spain
YoY change (%)



Source: Círculo de Empresarios based on INE, 2020.

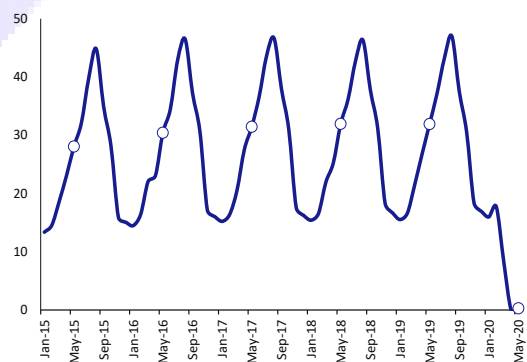
On the other hand, Local Government debt fell 8% year-on-year, reaching €24,228 million.

Government debt, Spain
YoY change (%)



Source: Círculo de Empresarios based on Bank of Spain, 2020.

Overnight hotel stays, Spain
Millions of overnight hotel stays



Source: Círculo de Empresarios based on INE, 2020.

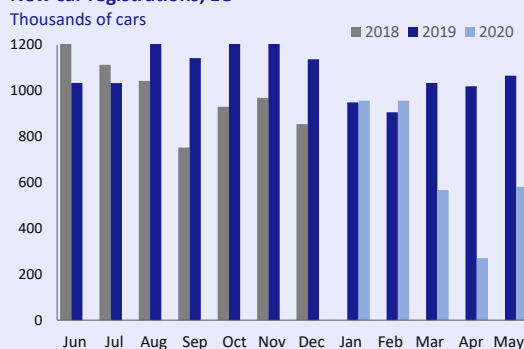
Car sales, EU

In spite of the easing of the lockdown measures, EU vehicle sales in May remained at significantly low levels (581,161 vehicles). The registration of new cars fell 52.2% year-on-year after plummeting 76.3% in April.

Among the main economies of the region, Spain registered the biggest fall at 72.7% year-on-year (to 34,337 vehicles). In other countries, the decreases were not so sharp, around 50% year-on-year.

- In Germany there were 168,148 new car registrations (28.9% of the total).
- In Italy 96,310 (16.5% of the total).
- In France 99,711 (5.9% of the total).

New car registrations, EU



New car registrations, EU

YoY change (%)

	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20
EU	5.2	24.7	-7.5	-7.4	-55.1	-76.3	-52.2
Germany	9.7	19.5	-7.3	-10.8	-37.7	-61.1	-49.5
France	0.7	27.7	-13.4	-2.7	-72.2	-88.8	-50.3
Italy	2.2	12.5	-5.9	-8.8	-85.4	-97.5	-49.5
Spain	2.3	6.6	-7.6	-6.0	-69.3	-96.5	-72.7

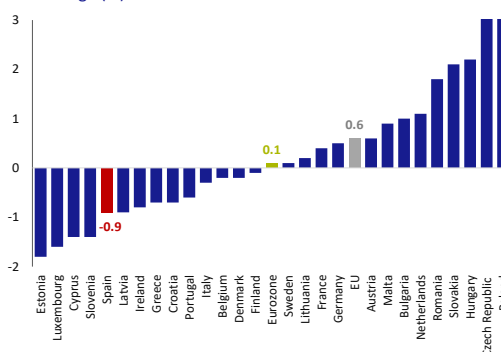
Source: Círculo de Empresarios based on ACEA, 2020.

CPI, EU

In May, EU CPI increased 0.6% year-on-year (vs. 1.6% in May 2019) and the Eurozone remained at 0.1% (vs. 1.2% in May 2019). Low inflation is largely due to the economic standstill as a result of Covid-19 and the fall in energy prices. Countries which showed the biggest decreases year-on-year were Estonia (-1.8%), Luxemburg (-1.6%) and Cyprus (-1.4%); on the other hand, Poland and the Czech Republic exceeded 3% year-on-year.

CPI, EU

YoY change (%)



Source: Círculo de Empresarios based on Eurostat, 2020.

Competitiveness Index (IMD), 2020

The World Competitiveness Ranking 2020, drawn up by IMD, which measures the degree of competitiveness and ability to generate prosperity of 69 economies, placed Singapore in first position for the second year running, followed by Denmark and Switzerland.

The drop from 3rd to 10th place by the United States for the first time in its history is particularly notable. This development is fundamentally explained by management of the pandemic, the deterioration of the health service, social fracture within the political framework, and the trade war (that started in 2018) with China, which fell from 14th position to 20th.

Spain remained at its previous position of 36th, with unemployment regulation (59th position) and political instability (53rd position) standing out for negative reasons.

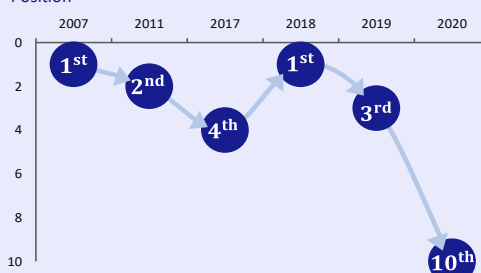
Top10 World Competitiveness Ranking 2020, IMD

Position



Evolution of US World Competitiveness Ranking, IMD

Position



Source: Círculo de Empresarios based on IMD, 2020.