

### Labour Cost Index, Spain

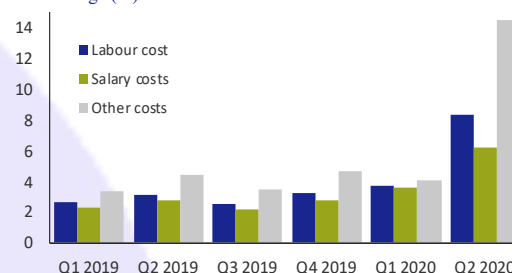
In Q2 2020, labour costs per hour worked grew 8.3% year-on-year (against 3.1% in Q2 2019), the biggest increase on record. This development is explained by a fall in the number of hours worked greater than that of salary costs as a result of the state of alarm and the lockdown to prevent the spread of the pandemic.

By components, wage costs increased 6.2% year-on-year (against 2.7% in Q2 2019) and other costs by 14.4% (against 4.4% in Q2 2019).

By type of activity, those that registered the biggest increases were arts, entertainment

and recreation (30.2% year-on-year) and real estate (21%). The supply of electrical energy (2%) and financial and insurance activities (1.4%) were those that grew the least.

**Labour cost, salary and other costs, España**  
YoY change (%)



Source: Círculo de Empresarios based on INE, 2020.

### Real estate transactions, Spain

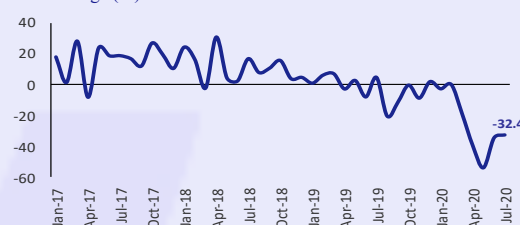
In July, real estate transactions increased 20% with respect to June (21.6%), reaching 32,654 operations. This figure is the highest in the month of July on record. This represents two consecutive months of month-on-month increases since the start of lockdown.

In year-on-year terms, the downward trend of previous months is moderated, with a decrease of 32.4%, although this is sharper than the -7.9% of July 2019. Transactions for second-hand homes fell 34.9% and those for new homes by 21.2% year-on-year.

For its part, the only Autonomous Community with an increase in the number of transactions per 100,000 inhabitants was the Basque Country with 14.7% year-on-year. The sharpest falls were in the Canary Islands (-54.8% year-on-year), the Balearic Islands (-42.9%) and Madrid (-41.1%).

**Real estate transactions, Spain**

YoY change (%)



Source: Círculo de Empresarios based on INE, 2020.

### Stock market, Spain

In August, the negotiation of variable income securities in the Spanish stock market was €19.9 billion, with a year-on-year decrease of 29%. So far this year, the decrease is 5.7%. For its part, the volume of fixed income bonds negotiated was €11.3 billion, representing a year-on-year fall of 58.9% and an accumulated one of 17.4%.

With regard to financial derivatives, in August, 393,900 future contracts were negotiated, which represents a fall of 30.6% annually (+1.6% yearly in the accumulated period January-August).

At the same time, options contract operations reached 47,100, registering a fall of 84.5% year-on-year (-40.3% in the accumulated period).

**Stock market, Spain**

YoY change (%)

	August	Accumulated variation
<b>Variable income</b>	-29%	-5.7%
<b>Fixed income</b>	-58.9%	-17.4%
<b>Financial derivatives</b>		
Futures	-30.6%	1.6%
Options	-84.5%	-40.3%

Source: Círculo de Empresarios based on BME, 2020.

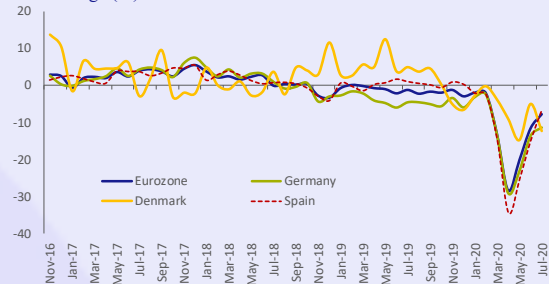
## Industrial production, Eurozone

In July, industrial production in both the Eurozone and the EU increased by 4.1% monthly, representing 3 months of consecutive increases. The increase in activity can be mostly explained by the easing of some of the Covid-19 lockdown measures. In spite of these increases, industrial production remains below the levels of July 2019: 7.7% in the Eurozone and 7.3% in the EU.

By countries, the biggest year-on-year falls were in Denmark (-13.6%), Germany (-11.6%) and Portugal (-9.6%).

By contrast, industrial production increased significantly in Ireland (+15.6%) and at moderate rates in Poland (+0.9%) and Latvia (+0.1%).

**Industrial production, Eurozone**  
YoY change (%)



Source: Círculo de Empresarios based on Eurostat, 2020.

## Air transport, Europe

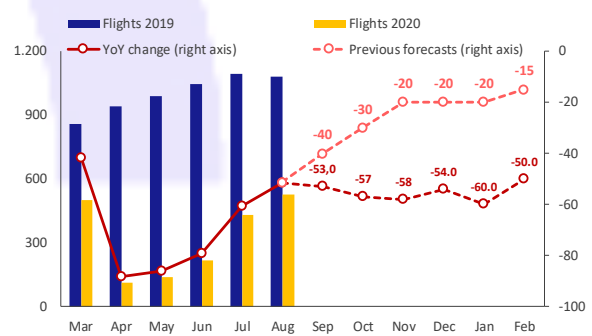
Eurocontrol has lowered its forecasts for growth in the European air transport industry due to a surge in numbers of Covid-19 cases and the lack of coordination between EU states.

According to the new forecasted scenario, air traffic in Europe will be reduced by 55% yearly until February 2021, with estimated losses of 6 million flights (compared to the 5 million estimate in April).

Between March and August 2020, 4 million fewer flights were registered compared to the same period in 2019, a fall of over 65%.

With this development, a loss of income for the sector in the region of €140 billion is expected for 2020 (compared to the -€110 billion originally forecast).

**Air transport, Europe**  
Thousands of flights and YoY change (%)



Source: Círculo de Empresarios based on Eurocontrol, 2020.

## Labour market, UK

Between March and August, due to the Covid-19 crisis, the number of salaried employees in the UK fell by 695,000, reaching a total of 28.3 million. With this development, employment has accumulated a fall of 2.4%, placing the rate of unemployment at 4.1%, according to the Office for National Statistics (ONS).

Between May and July, the destruction of employment mostly affected those between the ages of 16 and 24, with a decrease of 156,000 jobs. Employment in this age range is concentrated in sectors that have been most affected by the crisis, such as the leisure and hospitality industries.

**Variation in employment compared to the previous period, UK**  
Thousands of jobs



Source: Círculo de Empresarios based on ONS, 2020.