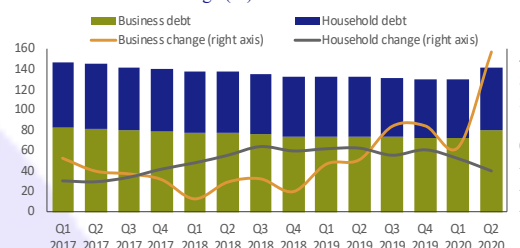


### Private sector debt, Spain

In Q2 2020, combined business and household debt rose 1.9% year-on-year (compared to -0.4% Q2 2019) to 141.2% of GDP (€1,654 billion), the highest level since Q3 2017 (141.9%). This development can be explained as a result of the increase in debt and the decrease in GDP in absolute terms. Company debt grew 4.3% year-on-year (compared to -0.6% Q2 2019) to 80.6% of GDP.

In contrast, household debt fell 1.1% year-on-year (vs. -0.1% Q2 2019) to 60.6% of GDP.

**Private sector debt, Spain**  
% of GDP and YoY change (%)



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

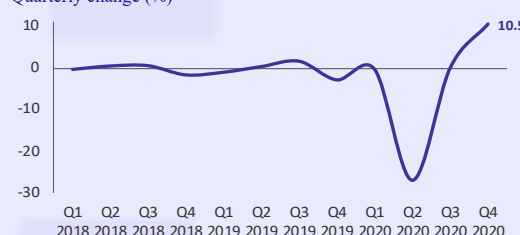
### Business confidence, Spain

In Q4 2020, the Business Confidence Index rose 10.5% quarterly (compared to 0% in Q3 2020).

By sectors, all those analyzed have increased their level of confidence, with construction and industry standing out with increases of 14% and 12.6% respectively. Despite improving their index rate, transport and hospitality (8.4%) and retail trade (6.6%) are those with the poorest expectations. By size, businesses with 1,000 or more salaried employees, haven registered an improvement in expectations of 15.5%, compared to 9% in businesses of less than 10 employees.

Also, 49.4% of businesses managers think that the future development of their companies will be unfavorable, 42.5% think that it will proceed normally and 8.1% think it will be favorable. This data can provide us with a Balance of Expectations<sup>1</sup> of -41.3 pp compared to -47.2 pp from the previous quarter.

**Business confidence, Spain**  
Quarterly change (%)



<sup>1</sup>The difference between the percentages of favorable and unfavorable responses.

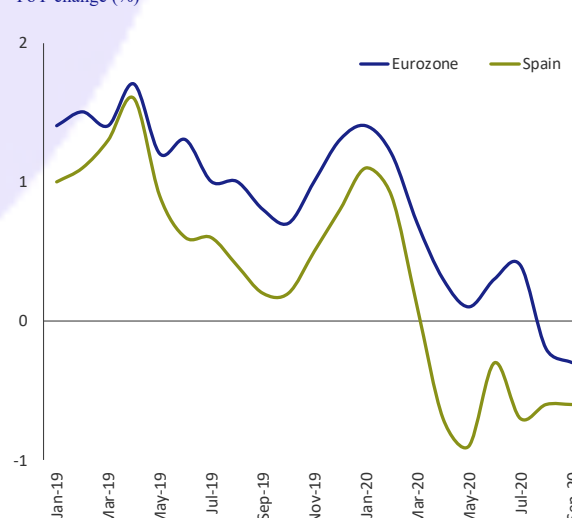
Source: Círculo de Empresarios based on INE, 2020.

### HICP, Spain

In September, the HICP (Harmonized Index of Consumer Prices) stabilized at -0.6% year-on-year, the same rate as the previous month, remaining at 0.8 pp below September 2019 levels. This places it in negative territory for sixth consecutive month. In the Eurozone, the HICP fell 0.3% year-on-year, -0.1 pp with respect to August and -1.1 pp to September 2019.

The positive contribution of the food, beverages and tobacco sector (+0.3 pp) and services (+0.2 pp) stands out, compared to the negative contributions of non-energy industrial goods (-0.1 pp) and energy (-0.8 pp).

**HICP, Spain and Eurozone**  
YoY change (%)



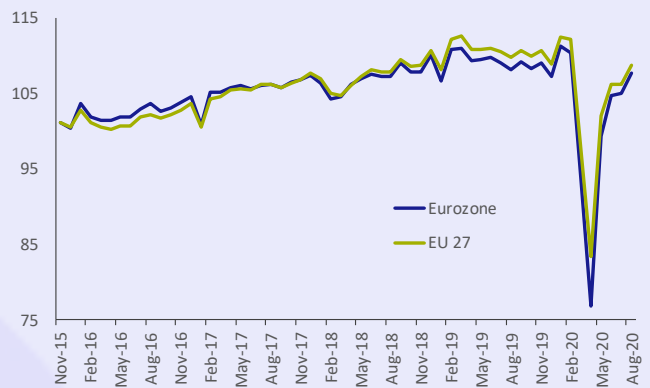
Source: Círculo de Empresarios based on INE and Eurostat, 2020.

## Construction sector, EU

In August, construction sector production increased 2.6% monthly in the Eurozone and 2.4% across the EU27.

In both cases, the increase in activity was focused primarily on the construction of buildings (+2.8% in the Eurozone and +2.7% in the EU27). Despite these advances, and its solid performance in June and July, production is still 3% below levels registered at the start of the year. Among the main EU economies\*, the increase in production in France (4.9% monthly) stands out. On the other hand, in Spain there was a rise of just 0.1%, and in the Netherlands and Germany, it fell 0.6% and 0.3% respectively.

**Production in construction, EU**  
Index 2015=100



**Production in construction, EU**  
MoM change (%)

	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20
Germany	0.7	-5.2	0.1	2.3	-4.4	-0.3
France	-38.8	-42.9	131.5	12	4	4.9
Spain	-2.7	-23.1	25.7	1.3	-0.1	0.1
Netherlands	1.7	-1.2	-1.2	1.4	-1	-0.6
Italy	-36	-53.1	171.3	:	:	:

\*Eurostat has not included August data from Italy.

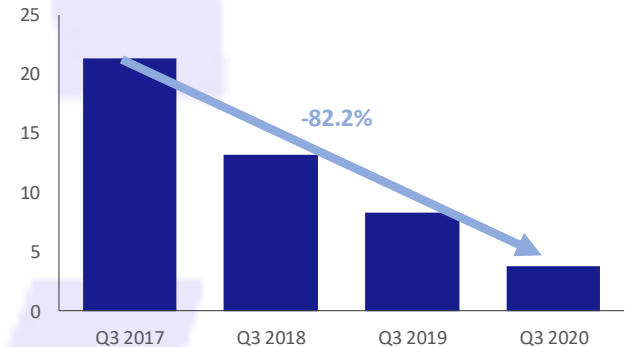
Source: Circulo de Empresarios based on Eurostat, 2020.

## Employment creation, UK

In Q3 2020, job creation in London's financial sector plummeted 54% year-on-year, according to Morgan McKinley.

This is the third consecutive year of decreases in employment opportunities. The uncertainty surrounding Brexit and the second wave of infections caused by Covid-19, together with deteriorating bank results has been hampering the creation of jobs in the sector since 2017.

**Job offers in the financial sector, London**  
Thousands of jobs



Source: Circulo de Empresarios based on Morgan Mckinley, 2020.

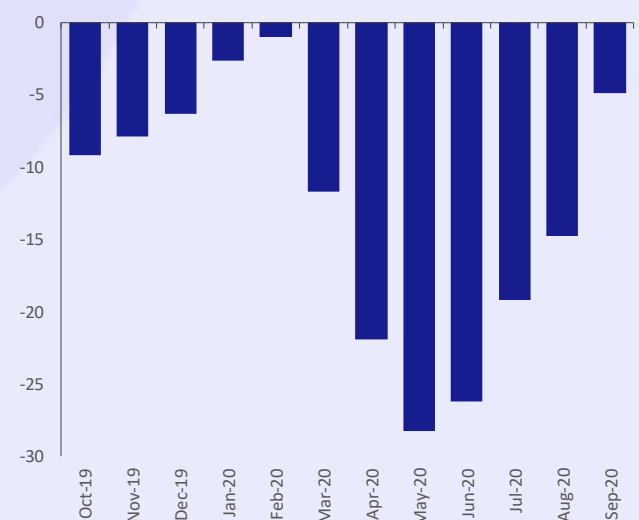
## Exports, Japan

Japan's foreign sector is recovering as international demand increases.

In September, Japanese goods exports fell less than in previous months, 4.9% year-on-year, to \$57.5 billion. This decrease was almost 10 pp lower than that registered in August, and 23.4 pp less than the one in May.

By destination, the upturn in exports to China stands out at 14% yearly, followed by those destined for the US (0.7%). On the other hand, there was a fall in exports to western Europe (-6.4%), South Korea (-1.1%), Hong Kong (-9.8%) and Taiwan (-1.7%).

**Exports, Japan**  
YoY change (%)



Source: Circulo de Empresarios based on Ministry of Finance in Japan, 2020.