

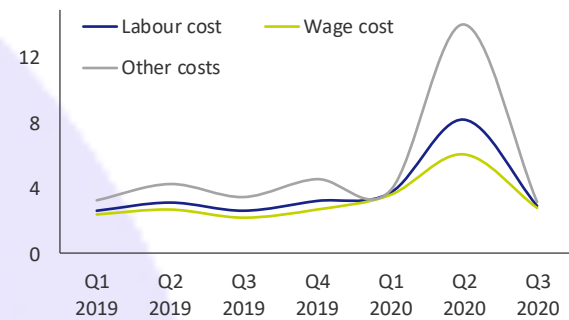
Labour cost, Spain

In Q3 2020, the Harmonized Labor Cost Index, increased 2.9% year-on-year (compared to 8.1% in Q2 2020). This slowdown with respect to the previous quarter can be explained by the smaller decrease in the number of hours worked after the end of the state of alarm (June 21st). Among its components, salary costs increased 2.8% year-on-year, and other related costs by 3.2%.

By activity, the sectors that registered the greatest growth year-on-year were the Arts, Recreation and Entertainment (12.3%), other services (11.4%) and real

estate (10.8%). In contrast, hospitality and financial and insurance activities were the only ones with negative rates (-3.8% and -0.1% year-on-year respectively).

Labour cost, wage cost and other costs, Spain
YoY change (%)



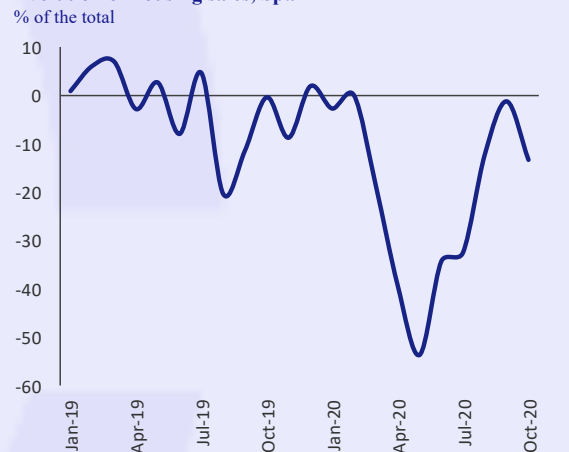
Source: Círculo de Empresarios based on INE, 2020.

Housing sales, Spain

In October, in year-on-year terms, the number of housing sales fell 13.3%, accumulating eight consecutive months of decreases. From January to October, the accumulated decrease was 21.2% year-on-year.

By type, sales of private housing (91.3% of the total) fell 12.9% year-on-year and social housing (8.7% of the total) by 17%. At the same time, sales of new homes (20.5% of the total) fell 5% year-on-year, and existing homes (79.5% of the total) by 15.2%.

Evolution of housing sales, Spain



Source: Círculo de Empresarios based on INE, 2020.

Trading companies, Spain

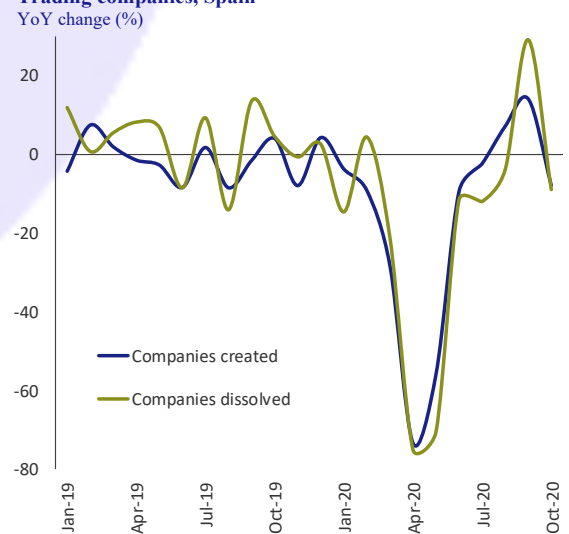
In October, the number of mercantile companies created was 7,391, -7.9% year-on-year (vs. +4% year-on-year in October 2019). The capital subscribed fell by 22.1% (to €398.2 million).

By activity, the new companies were mostly concentrated in retail (24.3% of the total) and real estate, financial and insurance activities (15.3%).

By autonomous community, Asturias (8.4%) and Aragón (5.7%) stand out with the highest rates of companies created.

For its part, the number of dissolved companies was 1,589, -8.8% year-on-year (vs. +4.7% in October 2019).

Trading companies, Spain



Source: Círculo de Empresarios based on INE, 2020.

Industrial production, EU-27

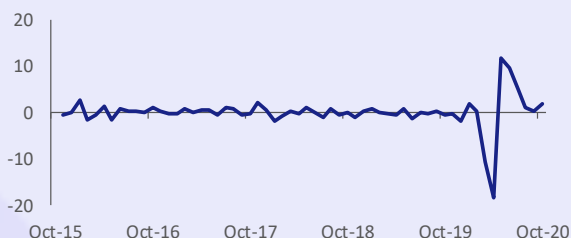
In October, industrial production in the EU and the Eurozone bounced back 2.1% and 1.9% monthly, respectively.

By type of goods, in the EU, the production of capital goods, with a monthly increase of 2.6%, and that of intermediate goods (2.1%), registered the biggest increases.

Although activity increased in comparison to the months of August and September, in year-on-year terms, it is still 3.1% below October 2019 levels in the EU (and -3.8% in the Eurozone).

Among the main economies, Germany with a monthly increase of 3.4% (-4% year-on-year) followed by France (1.7%), Italy (1.3%), and Spain (0.6%) stand out.

Industrial production, EU
MoM change (%)



Source: Círculo de Empresarios based on Eurostat, 2020.

Labour market, UK

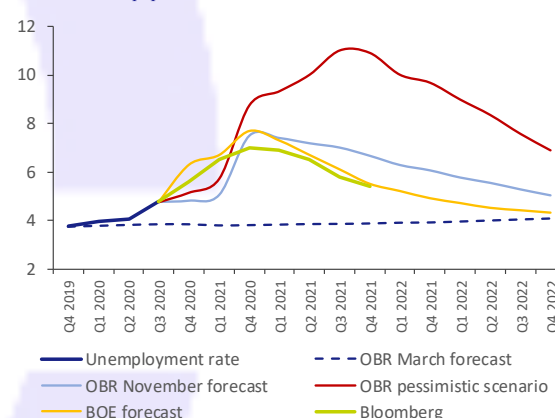
Between August and October, the number of people out of work in the UK rose by 217,124, 142% more than the period May-July.

With this increase, the unemployment rate rose to 4.9%, 1.2 pp above that of the same period in 2019, and 0.7 points greater than that registered in the previous three months, with an accumulated total of 1.69 million unemployed people.

By sectors, the hospitality and leisure industries continue to be the hardest hit by the crisis. Despite announcements on vaccination developments in November having a positive impact on agents' expectations, restrictions on movement and uncertainty surrounding the final Brexit agreement have hampered business activity.

In this context, most scenarios envisage UK unemployment peaking around the middle of 2021 with more than 2.5 million unemployed people, and an unemployment rate of around 7%.

Unemployment rate forecast, UK
% of the active population



Source: Círculo de Empresarios based on OBR (Gov. UK), Bank of England and Bloomberg, 2020.

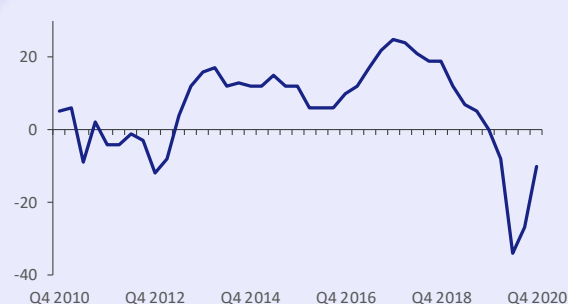
Tankan Index, Japan

In Q4 2020, the Tankan index of Japanese manufacturing activity registered a slight improvement to -10 points (vs. -27 in the previous quarter), although it has remained in negative territory for the third quarter consecutively. This development can be mostly explained as a result of an increase in activity in some sectors, such as the car industry and machinery and equipment.

In the non-manufacturing sector, confidence also improved, reaching -5 points (compared to -12 in Q3 2020).

The sectors hardest hit by the pandemic, such as tourism, transport or leisure, improved significantly, although they are still in negative territory.

Tankan Index
Points



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