

Labor costs, Spain

In Q4 2020, labor costs per worker and month fell -0.1% year-on-year to €2,752.26, a slight decrease against the 8.3% of Q2 2020.

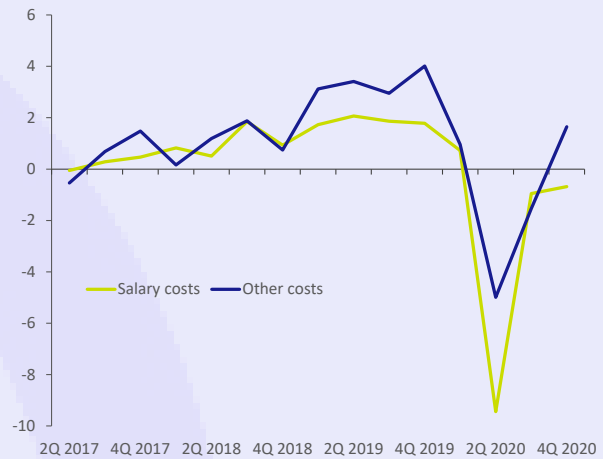
By components, salary costs fell 0.7% year-on-year to €2,061.30. "Other costs" grew 1.7%, as a result of the increases in Social Security contributions (1.4% year-on-year to €634.57) and non-wage payments (3.2% to €72.76). By contrast, subsidies and allowances fell 2.2% year-on-year to €16.38.

By sectors, salary costs only increased in construction (+1.5% year-on-year). In industry, they fell 1%, although other costs grew 3.2%, due to the increase in severance payments. In services, salary

costs fell 0.8%, while other costs increased 1.4%, mainly due to social security contribution increases.

Labor costs (ETCL), Spain

Annual (%) change



Source: Círculo de Empresarios based on INE, 2021.

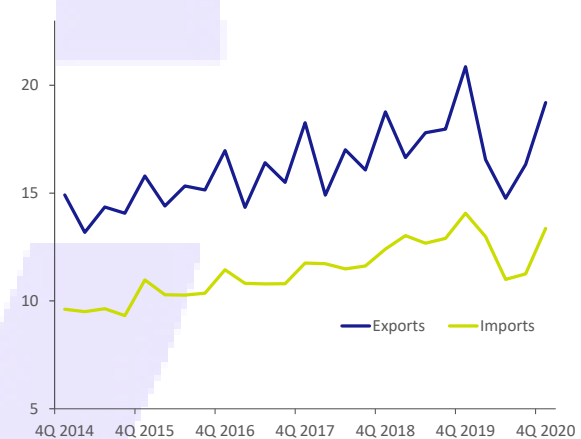
International services trade

In Q4 2020, services exports fell 8% year-on-year to €19.2 billion, and imports decreased 5% to €13.4 billion. The balance was €5.8 billion, 14.1% lower in year-on-year terms.

By type of service, the sectors that contributed most to the fall in exports were telecommunications, with a year-on-year decrease of 24.2% (to €2.8 billion) and transport with -6% (€4.7 billion). By contrast, exports of financial services, and insurance and pensions increased 7.5% and 4.6%, respectively.

International services trade, Spain

Billions €



Source: Círculo de Empresarios based on INE, 2021.

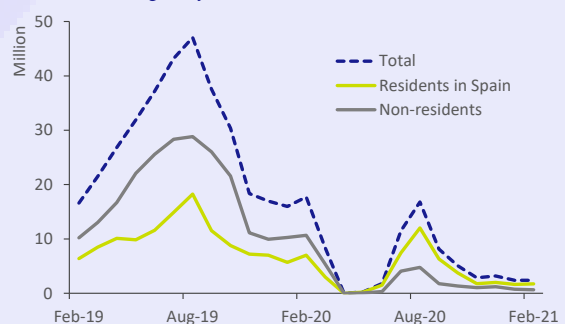
Overnight hotel stays, Spain

In February 2021, overnight hotel stays fell 86% year-on-year to 2.3 million (with figures similar to December 2020 and January 2021). This decrease represents 12 consecutive months of losses in the sector.

By country of origin, overnight traveler stays by residents in Spain, 72.9% of the total in February, fell 75.2% year-on-year, while those of non-residents fell 93.9%.

Overnight hotel stays, Spain

Millions of overnight stays

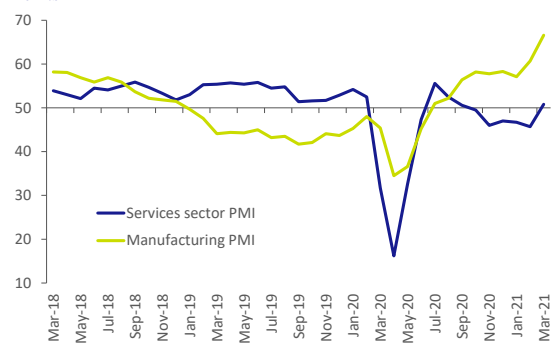


Source: Círculo de Empresarios based on INE, 2021.

PMI, Germany

In March 2021, Germany's PMI registered a substantial upturn in business activity, marking a Q1 evolution that is better than initially expected. The manufacturing PMI rose 5.8 points compared to February to 66.6 points, the highest level since recording began. The services sector PMI rose to 50.8 points (compared to 45.7 in February), its highest level in seven months.

PMI, Germany
Points



Source: Círculo de Empresarios based on Markit, 2021.

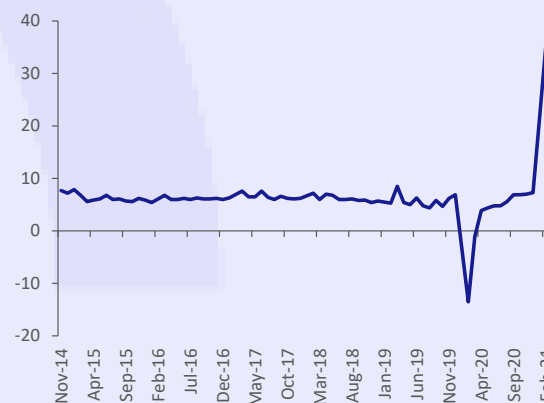
Industrial production, China

In January and February 2021, China's industrial production grew 35.1% year-on-year, 5.1pp higher than initially forecast by analysts. This development can be mostly explained by the increase in external demand and because movement restrictions imposed during the Chinese New Year brought about by Covid-19 flare-ups allowed the pace of manufacturing to continue for longer than usual during this period. By comparison, in the same period of 2020, production fell 13.5% as a result of pandemic.

By goods type, increases in production centered on the manufacturing sector

(+39.5%), followed by energy supply, heating and water (+19.8%), and mining (+17.5%).

Industrial production index, China
Year-on-year (%) change



Source: Círculo de Empresarios based on the National Bureau Statistics, 2021.

Raw materials prices

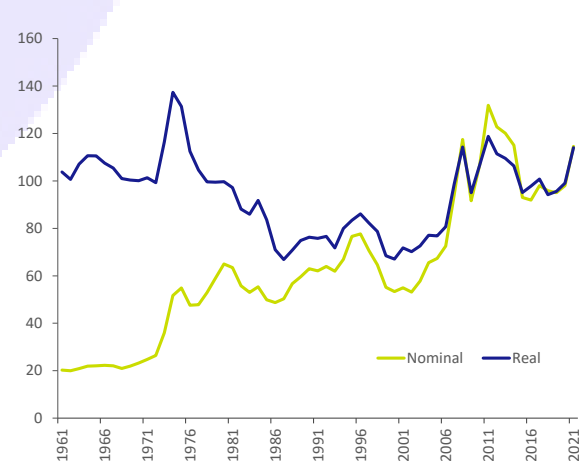
Global economic recovery and with it the increase in demand and the supply side decoupling as a result of economic hibernation could generate an upward "super cycle" in the prices of raw materials, according to some analysts. In this context, a prolonged upturn in prices could affect the future of global economic recovery, hampering company operating margins.

The price of copper is at the maximum levels of 2011, and cereals and other key crops have reached their highest level since 2014, according to the United Nations index.

At the same time, the price of a barrel of Brent, the international reference price in energy markets, has increased 82% since the end of October, although the

International Energy Agency has forecast that world demand for crude will not reach levels prior to the pandemic until 2023.

Food Prices Index (FAO)
2014-2016 index =100



Source: Círculo de Empresarios based on Bloomberg and United Nations, 2021.