CÍRCULO DE EMPRESARIOS
ideas for growth

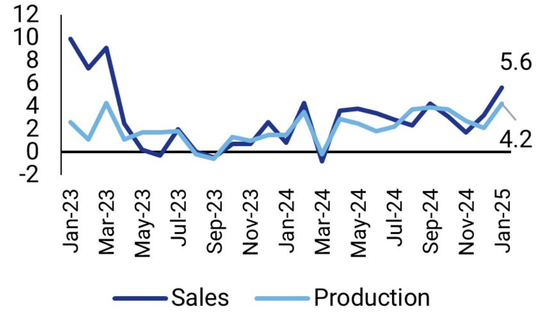
The Economy… *at a glance*

April 2025

Activity in Spain's Service Sector

The sector has continued to show strong growth at the start of 2025, with increases in both sales and output. By segments, real estate, administrative services and transportation have led growth.

Sales and production of the service sector (YoY change, percent)



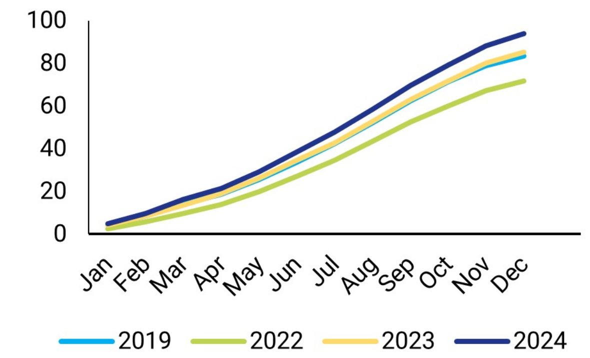
By activity (YoY change, %)	Turnover	Production
1.Trade and vehicle repair	**4.6**	**4.7**
1.1 Motor vehicle sales and repair	5.8	3.6
1.2 Wholesale trade (ex. vehicles)	5.2	6.8
1.3 Retail trade (ex. vehicles)	2.9	2.2
2. Other services	**6.5**	**4.2**
2.1 Transportation and storage	7.1	4.7
2.2 Hospitality	6.4	1.4
2.3 Information and communications	4.4	3.3
2.4 Real estate act.	13.4	11.5
2.5 Professional, scientific and technical act.	3.5	0.8
2.6 Administrative and auxiliary act.	6.6	4.9

Source: INE.

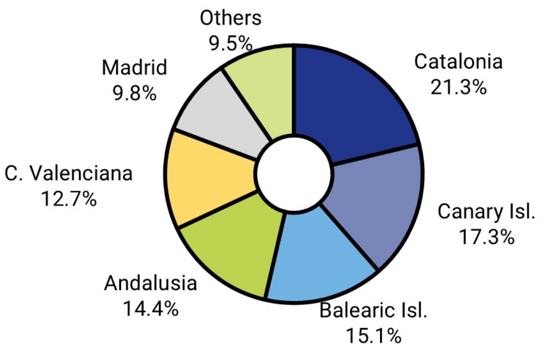
International Tourist Arrivals in Spain

In 2024, international tourist arrivals in Spain reached nearly 94 million—a record high that cements the country's position among the world's top destinations. Notably, six autonomous communities accounted for 90% of arrivals.

Accumulated international tourist arrivals (millions)



International tourist arrivals since Jan-24 (percent)

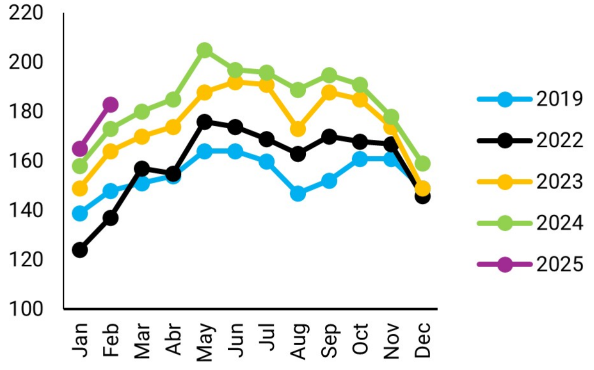


Source: INE & Eurostat.

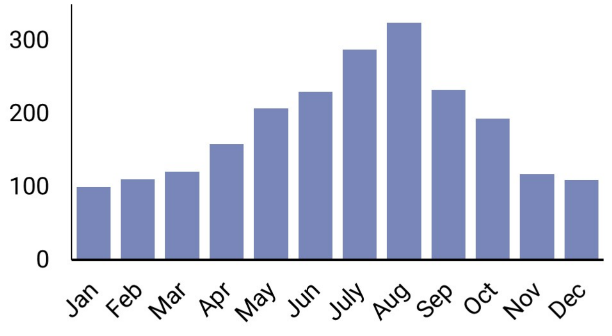
Spending and seasonality in Spain's tourist sector

Tourist spending has increased in recent years, driven by the rising added value of Spain's tourism offering. Going ahead, a key challenge for the sector will be reducing the seasonality of demand.

Average daily spend per person (euros)



Overnight stays in tourist accommodations in Spain (2024, Index, Jan=100)

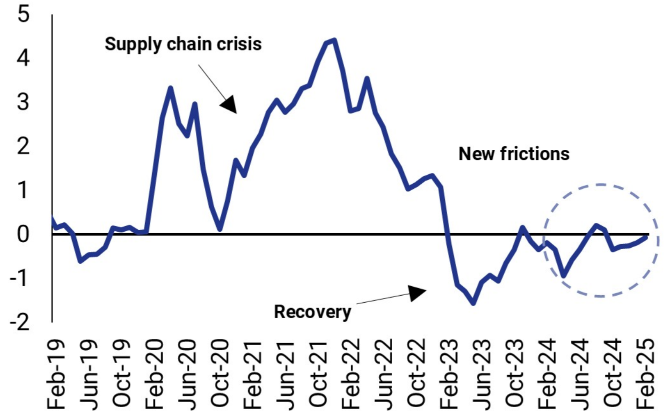


Source: INE.

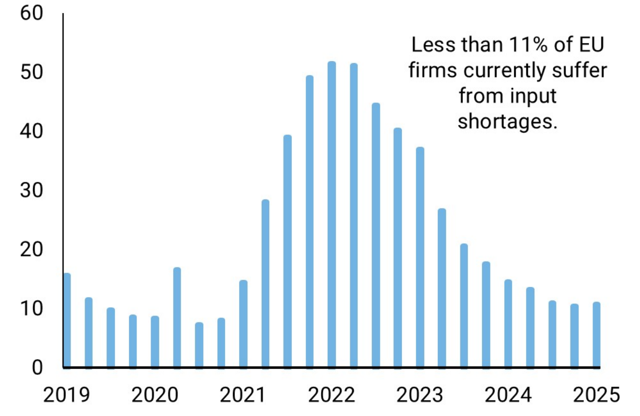
International supply chains

In 2023 and 2024, global supply chain performance improved, despite some disruptions (e.g., the Red Sea crisis). In 2025, increased trade tensions are expected to be the main threat to their stability.

GSCPI Index of global supply chain (deviations from the mean; positive = disruption)



EU firms citing input shortages as a limiting factor of production (percent)

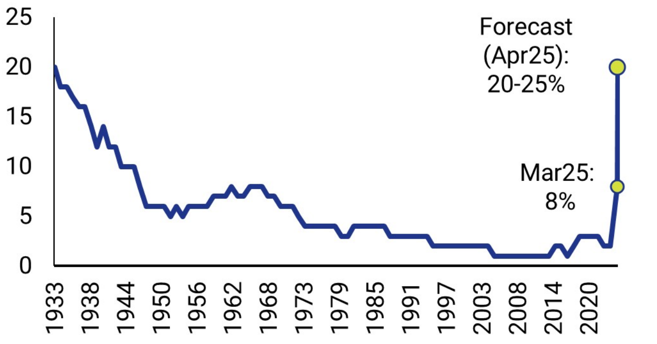


Source: NY Fed & European Commission.

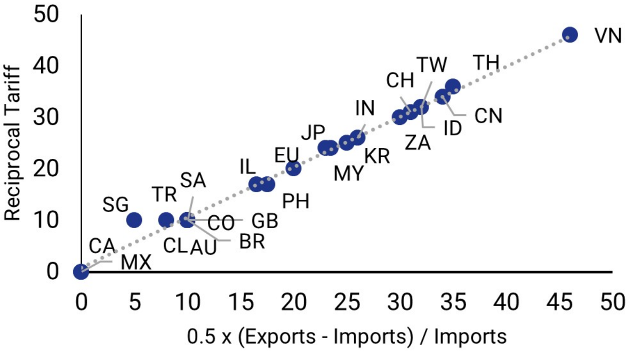
The United States' Tariff Policy

The Trump administration's new policy will raise tariffs to levels unseen since the 1930s. Analysts have pointed out that country-specific "reciprocal tariffs" are based on the US's bilateral trade deficit with each country.

Average tariff rate in the US (percent)



Correlation of announced tariffs and bilateral trade deficits

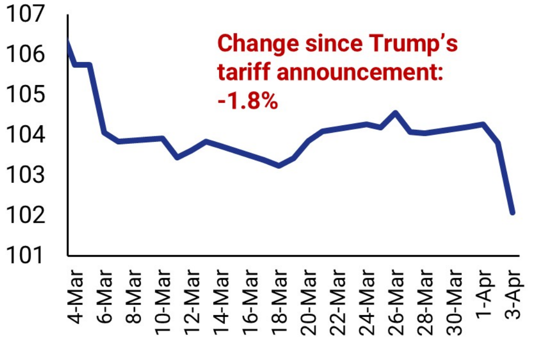


Source: Tax Foundation & US Census Bureeau.

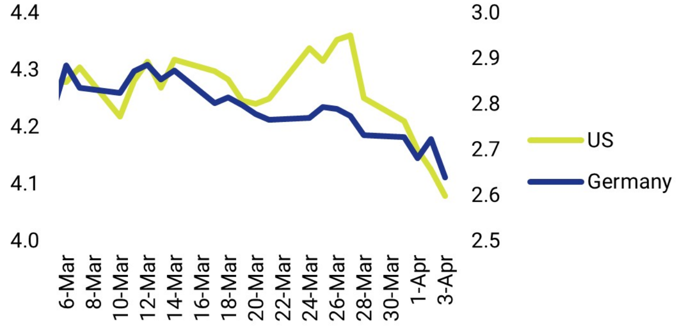
Global Markets' Reaction

Uncertainty around future US trade policy and the Administration's harsher-than-expected tariffs have triggered a sell-off in the US dollar as investors seek out safe-haven assets, such as government bonds.

USD exchange rate (DXY Index against a basket of currencies)



10Y bond yields (percent)



Source: Investing,com.

CÍRCULO DE EMPRESARIOS
ideas for growth