



WEEKLY ECONOMIC REVIEW

July 14, 2023



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Executive summary

Private debt continued to decrease in the first quarter of 2023, reaching its lowest levels since 2003, while household wealth remains above pre-pandemic levels. Business confidence started the third quarter at its highest point since 2018. In May, housing sales rebounded. Additionally, large firm sales moderated their decline and maintained a wage increase close to 5%, higher than the 3.3% agreed upon in collective bargaining agreements for the entire year. The National Institute of Statistics (INE) has confirmed the preliminary inflation data for June (1.9%). The forecast panel published by Funcas has revised upwards its projection for 2023 to 2.1%.

Spanish economy

As announced by the National Institute of Statistics (INE) two weeks ago, inflation decreased to 1.9% year-on-year in June, pushed down by base effects, mainly in energy and food. Core inflation decreased by two tenths to 5.9%.

On the other hand, the agreed wage increase in collective bargaining agreements for 2023 stands at 3.3%, five tenths higher than the one agreed for 2022, reaching 4.2% among agreements signed between January and June.

In May, large firm sales slightly increased their pace of growth, and the workers' average gross earnings increased at 4.8% year-on-year, according to the large firm sales statistics. Housing sales remain at elevated levels but lower than those of a year ago.

The business confidence indicator continues its upward trend in the third quarter of the year, reaching its highest level since late 2018.

Regarding the financial accounts for the first quarter, it is worth mentioning the reduction of consolidated private sector debt to 121.1% of GDP. Net financial wealth of households also decreased to 147% of GDP due to the strong GDP growth, compared to a slight increase in households' net assets minus liabilities.

Finally, the Funcas Panel has revised its GDP growth forecast for Spain upward by 0.4 points to 2.1% in 2023, while maintaining its forecast of 1.8% for 2024.

International economy

Regarding international indicators, this week the inflation in the United States stands out, as it continued its moderation in June, reaching 3% year-on-year, the lowest level since April 2021, while core inflation decreased by 0.5 points to 4.8% year-on-year.

On the other hand, industrial production in the Eurozone declined in May, returning to negative territory after its increase in April.

In the United States, unemployment insurance weekly claims decreased in the first week of July, following the increase in the previous week.



ANNEX. Summary of Indicators

annual % change and balances in Confidence Surveys, except as indicated

Activity											
<i>Q-on-Q percentage change</i>	2020	2021	2022	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	Latest data	next
GDP chain-linked volume	-11.3	5.5	5.5	2.6	0.4	0.5	0.6	-	-	23Q1	28-Jul
- National demand contribution	-9.1	5.2	3.1	1.6	1.3	-0.7	-0.9	-	-	23Q1	28-Jul
- External demand contribution	-2.2	0.3	2.4	1.1	-0.9	1.2	1.5	-	-	23Q1	28-Jul
Business confidence Indicator	-19.6	13.2	4.9	-4	7.5	-2.9	1.4	2.7	2.6	23Q3	19-Oct
<i>Monthly</i>	2020	2021	2022	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Latest data	next
Industrial production index	-9.6	7.3	2.9	-0.5	-0.5	5.7	-1.8	-0.5	-	May.23	4-Aug
Electricity consumption	-4.8	2.2	-3.8	-4.6	-1.2	-2.5	-5.6	-4.6	-6.1	Jun.23	1-Aug
Vehicles production	-19.7	-7.4	5.2	8.1	19.7	30.8	3.2	35.9	-	May.23	20-Jul
Trading companies	-15.7	27.8	-2.1	15.6	9.9	8.9	1.7	13.9	-	May.23	11-Aug
Industry turnover index	-12.1	16.3	21.5	9.4	8.3	9.9	-5.4	-	-	Apr.23	18-Jul
Services turnover index	-15.8	16	20.3	11.8	7.6	10.1	2	-	-	Apr.23	18-Jul
Retail sales index	-6.9	3.5	0.9	6.1	3.7	10.1	6.5	6	-	May.23	27-Jul
Large firms Sales	-8.9	6.2	5.9	2.2	2	7.9	1	1.1	-	May.23	9-Aug
Car registrations	-32.3	1	-5.4	51.1	19.2	66.1	8.2	8.3	13.3	Jun.23	1-Aug
Consumer confidence CIS	60	83.7	67.6	73	71.6	67.4	73	81.5	-	May.23	-
Economic sentiment (2000-22=100)	89.8	105.1	101.3	101.7	99.8	99.9	103.6	100.5	99.6	Jun.23	28-Jul
Composite PMI	41.5	55.3	51.8	51.6	55.7	58.2	56.3	55.2	52.6	Jun.23	3-Aug
Manufacturing PMI	47.5	57	51	48.4	50.7	51.3	49	48.4	48	Jun.23	1-Aug
Services PMI	40.3	55	52.5	52.7	56.7	59.4	57.9	56.7	53.4	Jun.23	3-Aug
CLI composite leading indicator	95	101.2	99.1	98.9	99.1	99.2	99.2	99.3	99.3	Jun.23	4-Aug
Hotel overnight stays	-73.1	87.4	85.6	46.4	23.6	17.1	11.5	8.8	-	May.23	24-Jul
Tourists arrivals	-77.3	64.7	129.8	65.8	35.9	30.1	18.5	17.6	-	May.23	2-Aug
International Tourists spending	-78.5	76.4	149.7	71.7	41.1	31.1	22.7	20.8	-	May.23	2-Aug
Foreign tourists by air	-78.2	65.5	136.2	77.9	41	30	16.9	13.9	-	May.23	18-Jul
Housing sales	-16.9	34.8	14.6	6.6	-6.6	-5.7	-8.1	-6.4	-	May.23	4-Aug
Cement consumption	-8.8	11.8	-0.6	3.6	-6.6	22.5	-11.5	0.7	-	May.23	20-Jul
Non performing loans	-11.8	-5.4	-10.2	-18.1	-18.4	-18	-16.9	-	-	Apr.23	24-Jul
New loans	0.1	-9.5	16.5	6	-15.9	-7.1	-15.5	-5.9	-	May.23	2-Aug
External demand											
<i>Quarterly(% GDP)</i>	2020	2021	2022	21Q4	22Q1	22Q2	22Q3	22Q4	23Q1	Latest data	next
Net lending(+)/net borrowing(-)(BP)	1.1	1.9	1.4	3.1	-0.9	1.3	1.8	3.3	3.8	23Q1	31-Jul
Trade balance (goods)	-1.2	-2.2	-5.1	-3.9	-5	-5	-6.5	-4.1	-1.9	23Q1	20-Jul
<i>Monthly</i>	2020	2021	2022	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	Latest data	next
Export of goods	-9.3	11.6	3.9	4	1.4	3	-3.6	10.7	-10.6	Apr.23	20-Jul
Import of goods	-12	11.5	7.4	-2.5	-3.2	-5.2	-1.5	-3	-7.9	Apr.23	20-Jul
Labour											
<i>Quarterly</i>	2020	2021	2022	21Q4	22Q1	22Q2	22Q3	22Q4	23Q1	Latest data	next
Employment	-2.9	3	3.1	4.3	4.6	4	2.6	1.4	1.8	23Q1	27-Jul
Unemployment	8.7	-2.9	-11.8	-16.6	-13.1	-17.6	-12.8	-2.6	-1.5	23Q1	27-Jul
Labour force	-1.3	2.1	0.9	1	1.7	0.7	0.3	0.9	1.4	23Q1	27-Jul
Unemployment rate	15.5	14.8	12.9	13.3	13.6	12.5	12.7	12.9	13.3	23Q1	27-Jul
<i>Monthly</i>	2020	2021	2022	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Latest data	next
Social security affiliated employment	-2.1	2.5	3.9	2.3	2.4	2.7	3	2.9	2.6	Jun.23	2-Aug
Workers in job-retention schemes (Thousands)	-	448	47	19.3	18.5	17.4	14.5	15	13.2	Jun.23	2-Aug
Affiliations net of job-retention schemes	-8.4	7.1	6.1	2.9	2.9	3.2	3.1	3	2.6	Jun.23	2-Aug
Registered unemployed	17.8	-3.9	-16.9	-6.9	-6.4	-7.9	-7.7	-6.3	-6.7	Jun.23	2-Aug



Public sector (% GDP)

<i>Quarterly</i>	2020	2021	2022	21Q4	22Q1	22Q2	22Q3	22Q4	23Q1	Latest data	next
General government balance	-10.1	-6.9	-4.8	-6.9	-0.5	-2.6	-2	-4.8	-0.2	23Q1	29-Sep
Public debt	120.4	118.3	113.2	118.3	117.4	116.1	115.6	113.2	113	23Q1	29-Sep
Private sector debt	148.1	139.4	125.4	139.4	135.3	132.4	129.1	125.4	121.1	23Q1	10-Oct
Net household financial wealth	164.4	162.6	147.7	162.6	156.9	152.1	145.5	147.7	147	23Q1	10-Oct
<i>Monthly</i>	2020	2021	2022	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Latest data	next
State balance	-7.55	-6.16	-3.31	-3.31	-0.27	-0.65	-0.05	-0.13	-0.9	May.23	31-Jul
Social Security balance	-2.53	-1	-0.45	-0.45	-0.04	-0.06	-0.1	-0.06	-	Apr.23	31-Jul
Government balance excluding local government	-10.37	-7.16	-4.68	-4.68	-0.39	-0.67	-0.19	-0.32	-	Apr.23	31-Jul

Prices and Wages

<i>Quarterly</i>	2020	2021	2022	21Q4	22Q1	22Q2	22Q3	22Q4	23Q1	Latest data	next
GDP deflator	1.2	2.3	4.3	3.8	3.6	4.1	4.3	5.1	6.2	23Q1	28-Jul
Harmonised labour cost index per hour	4.5	0	2.8	0.6	2.1	2.5	2.8	3.6	4.1	23Q1	8-Sep
Labour cost per worker	-2.2	5.9	4.2	4.4	4.7	3.8	4	4.2	6.2	23Q1	15-Sep
Housing price index	2.1	3.7	7.4	6.4	8.5	8	7.6	5.5	3.5	23Q1	7-Sep
Housing assessed value	-1.1	2.1	5	4.4	6.7	5.5	4.7	3.3	3.1	23Q1	20-Sep
<i>Monthly</i>	2020	2021	2022	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Latest data	next
CPI (consumer price index)	-0.3	3.1	8.4	5.9	6	3.3	4.1	3.2	1.9	Jun.23	28-Jul
Core CPI	0.7	0.8	5.2	7.5	7.6	7.5	6.6	6.1	5.9	Jun.23	28-Jul
CPI differential Spain-EA	-0.6	0.4	-0.1	-2.7	-2.5	-3.8	-3.2	-3.2	-3.9	Jun.23	19-Jul
Competitvity index	-0.6	0.4	-0.8	-1.7	-1.6	-2.8	-1.5	-2	-	May.23	21-Jul



International Economy

Q-on-Q percentage change	2020	2021	2022	21Q4	22Q1	22Q2	22Q3	22Q4	23Q1	Latest data	next
GDP Euro Area	-6.2	5.3	3.5	0.5	0.7	0.8	0.4	-0.1	-0.1	23Q1	31-Jul
GDP Germany	-4.1	2.6	1.9	0	1	-0.1	0.5	-0.5	-0.3	23Q1	31-Jul
GDP France	-7.7	6.4	2.5	0.5	-0.1	0.5	0.2	0	0.2	23Q1	28-Jul
GDP Italy	-9	7	3.8	0.9	0.1	1	0.4	-0.1	0.6	23Q1	31-Jul
Monthly	2020	2021	2022	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Latest data	next
Industrial production index EA	-7.7	8.9	2.3	1	2	-1.2	0.1	-2.2	-	May.23	16-Aug
Production in construction index EA	-5.2	6.1	2.4	0.5	2.1	-0.7	0.2	-	-	Apr.23	19-Jul
Car registrations EA	-24.2	-3	-4.3	12.1	11.5	30.7	19.2	20	-	May.23	19-Jul
World trade in goods	-5.1	10.4	3.2	-1.2	-2.4	0.8	-0.8	-	-	Apr.23	25-Jul
Imports EA	-10.9	22	38	7.3	1.7	-8.6	-9.8	-11.5	-	May.23	15-Sep
Exports EA	-9.5	14	18.2	7.3	7.6	7.5	0.2	-0.7	-	May.23	15-Sep
Consumer confidence indicator EA	-14.2	-7.5	-21.9	-20.6	-19	-19.1	-17.5	-17.4	-16.1	Jun.23	20-Jul
Composite PMI Euro Area	44	54.9	51.4	50.3	52	53.7	54.1	52.8	49.9	Jun.23	24-Jul
Composite PMI Germany	46.4	55.3	50.4	49.9	50.7	52.6	54.2	53.9	50.6	Jun.23	24-Jul
Composite PMI France	43.5	53.8	52.7	49.1	51.7	52.7	52.4	51.2	47.2	Jun.23	24-Jul
Composite PMI Italy	41.8	54.7	50.3	51.2	52.2	55.2	55.3	52	49.7	Jun.23	3-Aug
Composite PMI USA	48.8	59.7	50.7	46.8	50.1	52.3	53.4	54.3	53.2	Jun.23	24-Jul
Composite PMI China	51.4	52	48.2	51.1	54.2	54.5	53.6	55.6	52.5	Jun.23	3-Aug
Services PMI Euro Area	42.5	53.6	52.1	50.8	52.7	55	56.2	55.1	52	Jun.23	24-Jul
Services PMI Germany	44.6	53.1	51.1	50.7	50.9	53.7	56	57.2	54.1	Jun.23	24-Jul
Services PMI France	42.8	53.8	53.7	49.4	53.1	53.9	54.6	52.5	48	Jun.23	24-Jul
Services PMI Italy	40	52.7	50.7	51.2	51.6	55.7	57.6	54	52.2	Jun.23	3-Aug
Services PMI USA	48.7	60.2	50.5	46.8	50.6	52.6	53.6	54.9	54.4	Jun.23	24-Jul
Services PMI China	51.1	52.8	48.2	52.9	55	57.8	56.4	57.1	53.9	Jun.23	3-Aug
Manufacturing PMI EA	48.6	60.2	52.1	48.8	48.5	47.3	45.8	44.8	43.4	Jun.23	24-Jul
Manufacturing PMI Germany	49.1	61.6	51.8	47.3	46.3	44.7	44.5	43.2	40.6	Jun.23	24-Jul
Manufacturing PMI France	47.8	56.7	51.8	50.5	47.4	47.3	45.6	45.7	46	Jun.23	24-Jul
Manufacturing PMI Italy	48.2	60.3	51.5	50.4	52	51.1	46.8	45.9	43.8	Jun.23	1-Aug
Manufacturing PMI USA	50.1	60.1	53.4	46.9	47.3	49.2	50.2	48.4	46.3	Jun.23	24-Jul
Manufacturing PMI China	51.1	50.8	49.1	49.2	51.6	50	49.5	50.9	50.5	Jun.23	1-Aug
CLI France	97.3	100.8	99.7	98.6	98.5	98.4	98.2	98.1	98	Jun.23	4-Aug
CLI Germany	97.6	101.9	99.9	99.1	99.3	99.5	99.6	99.5	99.5	Jun.23	4-Aug
CLI Italy	97.3	102.5	99.2	98.1	98.3	98.4	98.4	98.4	98.3	Jun.23	4-Aug
CLI USA	97.7	101.1	99.8	98.8	98.7	98.7	98.7	98.8	98.9	Jun.23	4-Aug
Economic Sentiment Indicator Euro Area	88	110.7	101.9	99.6	99.3	98.9	98.9	96.4	95.3	Jun.23	28-Jul
Economic Sentiment Indicator Germany	91.2	110	101.6	97.8	97.7	97.5	98.3	95.3	93.4	Jun.23	28-Jul
Economic Sentiment Indicator France	89.3	107.7	101.7	98.4	97.2	97.5	93.3	95.6	96.4	Jun.23	28-Jul
Economic Sentiment Indicator Italy	-	110.7	102.7	102.6	102.6	104.4	104.6	102.3	101.2	Jun.23	28-Jul
Unemployment insurance weekly claims(thous.)	1378	457.3	213.9	199.5	218.5	239.2	239.3	229.8	255.2	Jun.23	20-Jul
HICP Euro Area	0.3	2.6	8.4	8.6	8.5	6.9	6.9	6.1	5.5	Jun.23	19-Jul
CPI USA	1.2	4.7	8	6.4	6	5	4.9	4	3	Jun.23	10-Aug

Sources: **Producción y demanda:** INE, MAETD, Agencia Tributaria, OCDE, Comisión Europea, REE, ANFAC, CIS, BdE, Markit. **Sector exterior:** Agencia Tributaria, BdE. **Mercado laboral:** INE, Seguridad Social, SEPE. **Precios y salarios:** INE, Eurostat, MTES. **Sector público:** BdE, IGAE y Seguridad Social. **Economía Internacional:** Reuters, IHS Markit, OCDE, Eurostat, DOL, BLS, IFO, GFK, INSEE y DESTATIS.