

Weekly Economic Review

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Preparation and coordination: State Secretariat for Economy and Business Support

Directorate General of Macroeconomic Analysis

Sub-directorate General of Economic Forecasts



Weekly Economic Review¹

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I. Executive summary

In the second quarter, the GDP maintained a pace of 0.4%, consistent with the previous three quarters, and the Active Population Survey (EPA) employment surpassed 21 million for the first time, recording its highest growth in the historical series. In June, retail sales maintained some momentum, while hotel overnight stays moderated their growth. In the eurozone, the PMI slightly accentuated its signal of contraction in July, while in the United States, it remained in the expansion zone. The IMF has revised its forecast for the Spanish economy's growth for 2023 upward by one percentage point, reaching 2.5%.

In the second quarter of 2023, the Spanish economy grew by 0.4%, which was 0.1 points lower than the growth recorded in the previous quarter, according to the advance estimate of the Quarterly National Accounts (CNTR). This growth was driven by a rebound in consumption and an acceleration in investment, particularly in the construction sector, which compensated for the negative external demand contribution. As a result, the real GDP is now 0.4% above pre-pandemic levels.

Employment reached 21,056,700 people in the second quarter of 2023, according to the Active Population Survey (EPA). The employment rate accelerated to 1.4% on a seasonally adjusted basis, and there was a continued shift in favor of indefinite contracts. Unemployment experienced its largest decline on record, and the unemployment rate decreased to 11.6%, the lowest rate in a second quarter since 2009.

The preliminary estimate of Spain's Consumer Price Index (IPC) increased to 2.3% year-on-year in July, influenced by base effects in energy and a rebound in the underlying inflation, which reached 6.2% year-on-year.

In June, retail trade maintained its momentum, industrial prices continued to moderate, and the growth of hotel overnight stays weakened. Meanwhile, the ratio of non-performing loans remained stable in May.

Regarding international indicators, this week's highlights include the publication of the Eurozone's economic sentiment for July, which worsened for the third consecutive month. Additionally, the flash Composite PMI of the Eurozone declined again in July, reaching its lowest level in the past eight months, and remained in the contraction zone for the second consecutive month, indicating a slowdown in economic activity. Germany's business confidence also decreased in July, along with consumer confidence.

In terms of quantitative indicators, world trade in goods rebounded in May following a decline in April.

In the second quarter, France's GDP accelerated to 0.5%, driven by external demand. In the United States, the GDP accelerated by one-tenth in the second quarter, reaching 0.6% on a quarterly basis, supported by private consumption and investment. Meanwhile, unemployment insurance weekly claims decreased in the third week of July, following a rise in the early weeks of June. The IMF has significantly revised upward the growth forecast for Spain to 2.5% in 2023, and slightly revised the outlook for the Eurozone to +0.9%. This indicates a more optimistic outlook for economic growth in both Spain and the Eurozone.



II. Summary of Indicators

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

Activity								
<i>Q-on-Q percentage change</i>	2021	2022	22Q4	23Q1	23Q2	23Q3	Latest data	next
GDP chain-linked volume	5.5	5.5	0.4	0.5	0.4	-	23Q2	22-Sep
- National demand contribution	5.2	3.1	-0.7	-0.9	1.8	-	23Q2	22-Sep
- External demand contribution	0.3	2.4	1.1	1.4	-1.4	-	23Q2	22-Sep
Business confidence Indicator	13.2	4.9	-2.9	1.4	2.7	2.6	23Q3	19-Oct
<i>Monthly</i>	2021	2022	Apr-23	May-23	Jun-23	Jul-23	Latest data	next
Industrial production index	7.3	2.9	-1.8	-0.5	-	-	May.23	4-Aug
Electricity consumption	2.2	-3.8	-5.6	-4.6	-6.1	-	Jun.23	1-Aug
Vehicles production	-7.4	5.2	3.2	35.9	1.4	-	Jun.23	20-Sep
Trading companies	27.8	-2.1	1.7	13.9	-	-	May.23	11-Aug
Industry turnover index	16.3	21.5	-5.4	-3.7	-	-	May.23	17-Aug
Services turnover index	16	20.3	1.9	0.9	-	-	May.23	17-Aug
Retail sales index	3.5	0.9	6.5	6.1	6.4	-	Jun.23	29-Aug
Large firms Sales	6.2	5.9	1	1.1	-	-	May.23	9-Aug
Car registrations	1	-5.4	8.2	8.3	13.3	-	Jun.23	1-Aug
Consumer confidence CIS	83.7	67.6	73	81.5	92.4	-	Jun.23	-
Economic sentiment (2000-22=100)	105.1	101.3	103.6	100.6	99.6	100.9	Jul.23	30-Aug
Composite PMI	55.3	51.8	56.3	55.2	52.6	-	Jun.23	3-Aug
Manufacturing PMI	57	51	49	48.4	48	-	Jun.23	1-Aug
Services PMI	55	52.5	57.9	56.7	53.4	-	Jun.23	3-Aug
CLI composite leading indicator	101.2	99.1	99.2	99.3	99.3	-	Jun.23	4-Aug
Hotel overnight stays	87.4	85.6	11.5	8.8	3.3	-	Jun.23	23-Aug
Tourists arrivals	64.7	129.8	18.5	17.6	-	-	May.23	2-Aug
International Tourists spending	76.4	149.7	22.7	20.8	-	-	May.23	2-Aug
Foreign tourists by air	65.5	136.2	16.9	13.9	10	-	Jun.23	18-Aug
Housing sales	34.8	14.6	-8.1	-6.4	-	-	May.23	4-Aug
Cement consumption	11.8	-0.7	-11	0.8	-4.3	-	Jun.23	20-Sep
Non performing loans	-5.4	-10.2	-16.9	-16.2	-	-	May.23	25-Aug
New loans	-9.5	16.5	-15.5	-5.9	-	-	May.23	2-Aug
External demand								
<i>Quarterly(% GDP)</i>	2021	2022	22Q2	22Q3	22Q4	23Q1	Latest data	next
Net lending(+)/net borrowing(-)(BP)	1.9	1.4	1.3	1.8	3.3	3.8	23Q1	31-Jul
Trade balance (goods)	-2.2	-5.1	-5	-6.5	-4.1	-1.9	23Q1	17-Aug
<i>Monthly</i>	2021	2022	Feb-23	Mar-23	Apr-23	May-23	Latest data	next
Export of goods	11.6	3.9	-3.3	10.9	-10.5	-7.6	May.23	17-Aug
Import of goods	11.5	7.4	-0.6	-2.8	-7.3	-7	May.23	17-Aug
Labour								
<i>Quarterly</i>	2021	2022	22Q3	22Q4	23Q1	23Q2	Latest data	next
Employment	3	3.1	2.6	1.4	1.8	2.9	23Q2	26-Oct
Unemployment	-2.9	-11.8	-12.8	-2.6	-1.5	-5.4	23Q2	26-Oct
Labour force	2.1	0.9	0.3	0.9	1.4	1.8	23Q2	26-Oct
Unemployment rate	14.8	12.9	12.7	12.9	13.3	11.6	23Q2	26-Oct
<i>Monthly</i>	2021	2022	Mar-23	Apr-23	May-23	Jun-23	Latest data	next
Social security affiliated employment	2.5	3.9	2.7	3	2.9	2.6	Jun.23	2-Aug
Workers in job-retention schemes (Thousands)	448	47	17.4	14.5	15	14	Jun.23	2-Aug
Affiliations net of job-retention schemes	7.1	6.1	3.2	3.1	3	2.6	Jun.23	2-Aug
Registered unemployed	-3.9	-16.9	-7.9	-7.7	-6.3	-6.7	Jun.23	2-Aug



Public sector (% GDP)

<i>Quarterly</i>	2021	2022	22Q2	22Q3	22Q4	23Q1	Latest data	next
General government balance	-6.9	-4.8	-2.6	-2	-4.8	-0.2	23Q1	29-Sep
Public debt	118.3	113.2	116.1	115.6	113.2	112.8	23Q1	29-Sep
Private sector debt	139.4	125.4	132.4	129.1	125.4	121.1	23Q1	10-Oct
Net household financial wealth	162.6	147.7	152.1	145.5	147.7	147	23Q1	10-Oct
<i>Monthly</i>	2021	2022	Feb-23	Mar-23	Apr-23	May-23	Latest data	next
State balance	-6.16	-3.31	-0.65	-0.05	-0.13	-0.9	May.23	31-Jul
Social Security balance	-1	-0.45	-0.06	-0.1	-0.06	-	Apr.23	31-Jul
Government balance excluding local government	-7.16	-4.68	-0.67	-0.19	-0.32	-	Apr.23	31-Jul

Prices and Wages

<i>Quarterly</i>	2021	2022	22Q3	22Q4	23Q1	23Q2	Latest data	next
GDP deflator	2.3	4.3	4.3	5.1	6.3	6	23Q2	22-Sep
Harmonised labour cost index per hour	0	2.8	2.8	3.6	4.1	-	23Q1	8-Sep
Labour cost per worker	5.9	4.2	4	4.2	6.2	-	23Q1	15-Sep
Housing price index	3.7	7.4	7.6	5.5	3.5	-	23Q1	7-Sep
Housing assessed value	2.1	5	4.7	3.3	3.1	-	23Q1	20-Sep
<i>Monthly</i>	2021	2022	Apr-23	May-23	Jun-23	Jul-23	Latest data	next
CPI (consumer price index)	3.1	8.4	4.1	3.2	1.9	2.3	Jul.23	11-Aug
Core CPI	0.8	5.2	6.6	6.1	5.9	6.2	Jul.23	11-Aug
CPI differential Spain-EA	0.4	-0.1	-3.2	-3.2	-3.9	-	Jun.23	31-Jul
Competitiveness index	0.4	-0.8	-1.5	-2	-3	-	Jun.23	21-Aug

Interest rates and Exchanges

<i>Daily data</i>	2021	2022	Jun-23	24-Jul	25-Jul	26-Jul	27-Jul	next
Eurozone intervention rate	0	2.5	4	4	4	4	4	31-Jul
3M Interbank rate.Euribor	-0.55	0.34	3.54	3.72	3.71	3.71	3.71	31-Jul
1Y Interbank rate. Euribor	-0.49	1.09	4.01	4.16	4.11	4.11	4.14	31-Jul
Differential Spain - Germany	0.36	2.23	3.37	3.43	3.45	3.51	3.47	31-Jul
10Y Gov.Bond yield Spain	67	104	97	105	105	105	104	31-Jul
Exchange rate (\$/€)	1.18	1.05	1.08	1.11	1.11	1.11	1.11	31-Jul
Stock exchange Madrid IBEX-35 (%)	7.93	-5.56	16.57	15.97	15.68	16.67	17.81	31-Jul
EE.UU Intervention rate	0.25	4.5	5.25	5.25	5.25	5.25	5.5	31-Jul
Brent oil (future ICE, \$)	70.77	98.93	74.98	82.74	83.64	82.92	84.24	31-Jul



International Economy								
<i>Q-on-Q percentage change</i>	2021	2022	22Q3	22Q4	23Q1	23Q2	Latest data	next
GDP Euro Area	5.3	3.5	0.4	-0.1	-0.1	-	23Q1	31-Jul
GDP Germany	2.6	1.9	0.5	-0.5	-0.3	-	23Q1	31-Jul
GDP France	6.4	2.5	0.2	0.1	0.1	0.5	23Q2	31-Aug
GDP Italy	7	3.8	0.4	-0.1	0.6	-	23Q1	31-Jul
<i>Monthly</i>	2021	2022	Apr-23	May-23	Jun-23	Jul-23	Latest data	next
Industrial production index EA	8.9	2.3	0.1	-2.2	-	-	May.23	16-Aug
Production in construction index EA	6.2	2.3	0.4	0.1	-	-	May.23	18-Aug
Car registrations EA	-3	-4.3	19.2	20	18.9	-	Jun.23	30-Aug
World trade in goods	10.4	3.2	-1	-2.4	-	-	May.23	25-Aug
Imports EA	22	38	-9.8	-11.5	-	-	May.23	15-Sep
Exports EA	14	18.2	0.2	-0.7	-	-	May.23	15-Sep
Consumer confidence indicator EA	-7.5	-21.9	-17.5	-17.3	-16.1	-15.1	Jul.23	23-Aug
Composite PMI Euro Area	54.9	51.4	54.1	52.8	49.9	48.9	Jul.23	3-Aug
Composite PMI Germany	55.3	50.4	54.2	53.9	50.6	48.3	Jul.23	3-Aug
Composite PMI France	53.8	52.7	52.4	51.2	47.2	46.6	Jul.23	3-Aug
Composite PMI Italy	54.7	50.3	55.3	52	49.7	-	Jun.23	3-Aug
Composite PMI USA	59.7	50.7	53.4	54.3	53.2	52	Jul.23	3-Aug
Composite PMI China	52	48.2	53.6	55.6	52.5	-	Jun.23	3-Aug
Services PMI Euro Area	53.6	52.1	56.2	55.1	52	51.1	Jul.23	3-Aug
Services PMI Germany	53.1	51.1	56	57.2	54.1	52	Jul.23	3-Aug
Services PMI France	53.8	53.7	54.6	52.5	48	47.4	Jul.23	3-Aug
Services PMI Italy	52.7	50.7	57.6	54	52.2	-	Jun.23	3-Aug
Services PMI USA	60.2	50.5	53.6	54.9	54.4	52.4	Jul.23	3-Aug
Services PMI China	52.8	48.2	56.4	57.1	53.9	-	Jun.23	3-Aug
Manufacturing PMI EA	60.2	52.1	45.8	44.8	43.4	42.7	Jul.23	1-Aug
Manufacturing PMI Germany	61.6	51.8	44.5	43.2	40.6	38.8	Jul.23	1-Aug
Manufacturing PMI France	56.7	51.8	45.6	45.7	46	44.5	Jul.23	1-Aug
Manufacturing PMI Italy	60.3	51.5	46.8	45.9	43.8	-	Jun.23	1-Aug
Manufacturing PMI USA	60.1	53.4	50.2	48.4	46.3	49	Jul.23	1-Aug
Manufacturing PMI China	50.8	49.1	49.5	50.9	50.5	-	Jun.23	1-Aug
CLI France	100.8	99.7	98.2	98.1	98	-	Jun.23	4-Aug
CLI Germany	101.9	99.9	99.6	99.5	99.5	-	Jun.23	4-Aug
CLI Italy	102.5	99.2	98.4	98.4	98.3	-	Jun.23	4-Aug
CLI USA	101.1	99.8	98.7	98.8	98.9	-	Jun.23	4-Aug
Economic Sentiment Indicator Euro Area	110.7	101.9	98.9	96.4	95.3	94.5	Jul.23	30-Aug
Economic Sentiment Indicator Germany	110	101.6	98.2	95.3	93.3	91.2	Jul.23	30-Aug
Economic Sentiment Indicator France	107.7	101.7	93.2	95.5	96.6	94.3	Jul.23	30-Aug
Economic Sentiment Indicator Italy	110.7	102.7	104.7	102.4	101.3	101.4	Jul.23	30-Aug
Unemployment insurance weekly claims(thous.)	457.3	213.9	239.3	229.8	255.2	-	Jun.23	3-Aug
HICP Euro Area	2.6	8.4	6.9	6.1	5.5	-	Jun.23	31-Jul
CPI USA	4.7	8	4.9	4	3	-	Jun.23	10-Aug

Sources: **Producción y demanda:** INE, MICT, Agencia Tributaria, Comisión Europea, REE, ANFAC, CIS, OCDE, BdE and Markit. **Sector exterior:** Agencia Tributaria and BdE. **Mercado laboral:** INE, Seguridad Social and SEPE. **Precios y salarios:** INE, Eurostat, BdE and MTMA. **Sector público:** BdE, IGAE and Seguridad Social. **Tipos de interés y Cotizaciones:** BdE, BCE, Financial Times, Bolsa de Madrid, Reserva Federal EE.UU. and Refinitiv. **Economía Internacional:** Reuters, IHS Markit, Eurostat, OCDE, DOL, BLS, INSEE and DESTATIS.