

Weekly Economic Review

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I. Executive summary

According to the latest revision, GDP completed its recovery in the third quarter of 2022, growing since then at rates between 0.5% and 0.6%. The financing capacity of the Spanish economy reached 3% of GDP in the second quarter. In the third quarter, the contractionary tone of housing sales and the trade balance of goods registered in July continued, as well as that of cement consumption in August, while in the same period, overnight stays evolved normally. The Bank of Spain and the OECD have revised upwards their macroeconomic scenarios for Spain, placing GDP growth in 2023 at 2.3%. In the euro zone, inflation stood at 5.2% year-on-year in August and the PMI remained in the recessionary zone in September.

The Spanish economy grew by 0.5% in the second quarter of 2023 following the 0.6% advance in the first quarter, driven by domestic demand, particularly private consumption and investment. The Spanish's National Statistic Institute (INE) has revised upwards growth for 2021, 2022 and the first half of 2023, so that the level of real GDP regained pre-COVID levels in the third quarter of 2022 and stands 2% above according to the latest available data.

As for the external sector, the balance of payments reflected a financing capacity in the second quarter of 2023 equivalent to 3.0% of GDP in rolling sum of the last four quarters, which breaks down into a current account surplus of 2.0% of GDP and a capital account surplus of 1.0%. The international investment position stood at -56.6% of GDP, significantly reducing its debit position with respect to a year earlier (-63.2%) and reaching its lowest ratio since December 2004. The goods trade balance worsened in July and competitiveness with respect to developed countries continued to show a year-on-year gain in August, thanks to the price component.

Regarding the construction sector, housing sales and purchases intensified their decline in July, and cement consumption reflected the same trend with information up to August. Meanwhile, the appraised value of housing continued to decelerate in the second quarter. In the tourism sector, hotel overnight stays and the passengers arriving from international airports evolved normally in August, both at levels similar to those prior to the pandemic. Additionally, in July, the industrial turnover index and the services sector turnover index remained somewhat sluggish and, with information up to August, vehicle production contracted in year-on-year terms. For its part, total general government debt decelerated by 1.6 points to 4.8% year-on-year.

In terms of forecasts, the Bank of Spain maintained its growth forecast for the Spanish economy for 2023 at 2.3%, but revised downwards its forecasts for 2024 and 2025, to 1.8% and 2.0%, respectively.

Regarding international indicators, Euro zone inflation in August stood at 5.2% year-on-year and Euro zone construction output rebounded in July, with Spain posting the strongest advance among the major Euro zone economies. In the United States, unemployment insurance weekly claims fell sharply in the second week of September, to the lowest level since January.



Finally, the OECD has revised upwards its growth forecast for the Spanish economy by two tenths of a percentage point to 2.3% in 2023 and has maintained its forecast for 2024 at 1.9%. It has also substantially revised down its CPI forecast to 3.5% in 2023 and 3.4% for 2024.



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	6.4	5.8	0.5	0.6	0.5	-	23Q2	27-Oct
- National demand contribution	6.6	2.9	-0.3	0.2	1	-	23Q2	27-Oct
- External demand contribution	-0.2	2.9	0.8	0.4	-0.5	-	23Q2	27-Oct
Business confidence Indicator	13.2	4.9	-2.9	1.4	2.7	2.6	23Q3	19-Oct
<i>Monthly</i>	2021	2022	May-23	Jun-23	Jul-23	Aug-23	Latest data	next
Industrial production index	7.3	2.9	-0.8	-3.1	-1.9	-	Jul.23	5-Oct
Electricity consumption	2.2	-3.8	-4.5	-6.9	-2.5	-1.4	Aug.23	2-Oct
Vehicles production	-7.4	5.2	35.9	1.4	34	-17.9	Aug.23	24-Oct
Trading companies	27.8	-2.1	13.9	14.5	15.4	-	Jul.23	10-Oct
Industry turnover index	16.3	21.5	-3.8	-8.9	-5.3	-	Jul.23	18-Oct
Services turnover index	16	20.3	0.9	-1.4	1.2	-	Jul.23	18-Oct
Retail sales index	3.5	0.9	6.1	6.5	7.5	-	Jul.23	28-Sep
Large firms Sales	6.2	5.9	1.1	2.5	2	-	Jul.23	8-Sep
Car registrations	1	-5.4	8.3	13.3	10.7	7.8	Aug.23	2-Oct
Consumer confidence CIS	83.7	67.6	81.5	92.4	94.4	-	Jul.23	-
Economic sentiment (2000-22=100)	105.1	101.3	100.6	99.7	100.9	102.4	Aug.23	28-Sep
Composite PMI	55.3	51.8	55.2	52.6	51.7	48.6	Aug.23	4-Oct
Manufacturing PMI	57	51	48.4	48	47.8	46.5	Aug.23	2-Oct
Services PMI	55	52.5	56.7	53.4	52.8	49.3	Aug.23	4-Oct
CLI composite leading indicator	101.1	99	99.5	99.6	99.7	99.8	Aug.23	4-Oct
Hotel overnight stays	87.4	85.4	8.8	3.3	2.5	1.1	Aug.23	23-Oct
Tourists arrivals	64.7	129.8	17.6	10.9	11.4	-	Jul.23	3-Oct
International Tourists spending	76.4	149.7	20.8	17.5	16.4	-	Jul.23	3-Oct
Foreign tourists by air	65.5	136.2	13.9	10	11.5	12.3	Aug.23	18-Oct
Housing sales	34.8	14.8	-6.4	-6.4	-10.5	-	Jul.23	24-Oct
Cement consumption	11.8	-0.7	1.7	-5	-1.3	-7.9	Aug.23	20-Sep
Non performing loans	-5.4	-10.2	-16.1	-12	-	-	Jun.23	25-Sep
New loans	-9.5	16.5	-5.9	-3.1	-12.8	-	Jul.23	4-Oct
External demand								
<i>Quarterly(% GDP)</i>	2021	2022	22Q3	22Q4	23Q1	23Q2	Latest data	next
Net lending(+)/net borrowing(-)(BP)	1.6	1.5	1.9	3.4	3.7	3.1	23Q2	29-Sep
Trade balance (goods)	-2.1	-5.1	-6.4	-4.1	-1.9	-2.7	23Q2	19-Oct
<i>Monthly</i>	2021	2022	Apr-23	May-23	Jun-23	Jul-23	Latest data	next
Export of goods	11.6	3.9	-10.5	-7.6	-4.5	-4.3	Jul.23	19-Oct
Import of goods	11.5	7.4	-7.3	-7	-7.3	-5.9	Jul.23	19-Oct
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	May-23	Jun-23	Jul-23	Aug-23	Latest data	next
Social security affiliated employment	2.5	3.9	2.9	2.6	2.7	2.8	Aug.23	3-Oct
Workers in job-retention schemes (Thousands)	448	47	15	14	12.6	12	Aug.23	3-Oct
Affiliations net of job-retention schemes	7.1	6.1	3	2.6	2.8	2.8	Aug.23	3-Oct
Registered unemployed	-3.9	-16.9	-6.3	-6.7	-7.1	-7.6	Aug.23	3-Oct



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	160.5	145.5	149.9	143.5	145.5	144.8	23Q1	10-Oct
<i>Monthly</i>	2021	2022	Apr-23	May-23	Jun-23	Jul-23	Latest data	next
State balance	-6.16	-3.31	-0.14	-0.89	-1.72	-2.68	Jul.23	29-Sep
Social Security balance	-1	-0.45	-0.07	-0.07	0.22	-	Jun.23	29-Sep
Government balance excluding local government	-7.16	-4.68	-0.36	-1.26	-2.17	-	Jun.23	29-Sep

Prices and Wages

<i>Quarterly</i>	2021	2022	22Q3	22Q4	23Q1	23Q2	Latest data	next
GDP deflator	2.6	4.2	3.9	4.5	6.6	6.4	23Q2	27-Oct
Harmonised labour cost index per hour	0	2.8	2.8	3.7	4.3	5.6	23Q2	11-Dec
Labour cost per worker	5.9	4.2	4	4.2	6.2	5.8	23Q2	18-Dec
Housing price index	3.7	7.4	7.6	5.5	3.5	3.6	23Q2	5-Dec
Housing assessed value	2.1	5	4.7	3.3	3.1	3	23Q2	23-Nov
<i>Monthly</i>	2021	2022	May-23	Jun-23	Jul-23	Aug-23	Latest data	next
CPI (consumer price index)	3.1	8.4	3.2	1.9	2.3	2.6	Aug.23	28-Sep
Core CPI	0.8	5.2	6.1	5.9	6.2	6.1	Aug.23	28-Sep
CPI differential Spain-EA	0.4	-0.1	-3.2	-3.9	-3.2	-2.8	Aug.23	29-Sep
Competitiveness index	0.4	-0.8	-2	-3	-1.5	-0.9	Aug.23	23-Oct

Interest rates and Exchanges

<i>Daily data</i>	2021	2022	Aug-23	18-Sep	19-Sep	20-Sep	21-Sep	next
Eurozone intervention rate	0	2.5	4.25	4.25	4.25	4.5	4.5	25-Sep
3M Interbank rate. Euribor	-0.55	0.34	3.78	3.9	3.93	3.93	3.96	25-Sep
1Y Interbank rate. Euribor	-0.49	1.09	4.07	4.19	4.22	4.22	4.22	25-Sep
Differential Spain - Germany	0.36	2.23	3.61	3.79	3.8	3.75	3.81	25-Sep
10Y Gov.Bond yield Spain	67	104	104	107	106	105	106	25-Sep
Exchange rate (\$/€)	1.18	1.05	1.09	1.07	1.07	1.07	1.06	25-Sep
Stock exchange Madrid IBEX-35 (%)	7.93	-5.56	15.52	15.23	15.77	17.22	16.04	25-Sep
EE.UU Intervention rate	0.25	4.5	5.5	5.5	5.5	5.5	5.5	25-Sep
Brent oil (future ICE, \$)	70.77	98.93	85.1	94.43	94.34	93.53	93.3	25-Sep



International Economy

<i>Q-on-Q percentage change</i>	2021	2022	22Q3	22Q4	23Q1	23Q2	<i>Latest data</i>	<i>next</i>
GDP Euro Area	5.6	3.4	0.3	-0.1	0.1	0.1	23Q2	31-Oct
GDP Germany	3.1	1.9	0.4	-0.4	-0.1	0	23Q2	31-Oct
GDP France	6.4	2.5	0.3	0.1	0	0.5	23Q2	31-Oct
GDP Italy	7	3.8	0.3	-0.2	0.6	-0.4	23Q2	4-Oct
<i>Monthly</i>	2021	2022	Jun-23	Jul-23	Aug-23	Sep-23	<i>Latest data</i>	<i>next</i>
Industrial production index EA	8.9	2.2	-1	-2.2	-	-	Jul.23	13-Oct
Production in construction index EA	6.2	2.4	-0.8	1	-	-	Jul.23	18-Oct
Car registrations EA	-3	-4.3	18.9	16.6	23.7	-	Aug.23	20-Oct
World trade in goods	10.4	3.2	-2.5	-	-	-	Jun.23	25-Sep
Imports EA	22	38	-17.4	0.7	-	-	Jul.23	16-Oct
Exports EA	14	18.2	-2	-1.7	-	-	Jul.23	16-Oct
Consumer confidence indicator EA	-7.5	-21.9	-16.1	-15.1	-16	-17.8	Sep.23	28-Sep
Composite PMI Euro Area	54.9	51.4	49.9	48.6	46.7	47.1	Sep.23	4-Oct
Composite PMI Germany	55.3	50.4	50.6	48.5	44.6	46.2	Sep.23	4-Oct
Composite PMI France	53.8	52.7	47.2	46.6	46	43.5	Sep.23	4-Oct
Composite PMI Italy	54.7	50.3	49.7	48.9	48.2	-	Aug.23	4-Oct
Composite PMI USA	59.7	50.7	53.2	52	50.2	-	Aug.23	4-Oct
Composite PMI China	52	48.2	52.5	51.9	51.7	-	Aug.23	29-Sep
Services PMI Euro Area	53.6	52.1	52	50.9	47.9	48.4	Sep.23	4-Oct
Services PMI Germany	53.1	51.1	54.1	52.3	47.3	49.8	Sep.23	4-Oct
Services PMI France	53.8	53.7	48	47.1	46	43.9	Sep.23	4-Oct
Services PMI Italy	52.7	50.7	52.2	51.5	49.8	-	Aug.23	4-Oct
Services PMI USA	60.2	50.5	54.4	52.3	50.5	-	Aug.23	4-Oct
Services PMI China	52.8	48.2	53.9	54.1	51.8	-	Aug.23	29-Sep
Manufacturing PMI EA	60.2	52.1	43.4	42.7	43.5	43.4	Sep.23	2-Oct
Manufacturing PMI Germany	61.6	51.8	40.6	38.8	39.1	39.8	Sep.23	2-Oct
Manufacturing PMI France	56.7	51.8	46	45.1	46	43.6	Sep.23	2-Oct
Manufacturing PMI Italy	60.3	51.5	43.8	44.5	45.4	-	Aug.23	2-Oct
Manufacturing PMI USA	60.1	53.4	46.3	49	47.9	-	Aug.23	2-Oct
Manufacturing PMI China	50.8	49.1	50.5	49.2	51	-	Aug.23	29-Sep
CLI France	100.8	99.7	98.5	98.5	98.5	-	Aug.23	4-Oct
CLI Germany	102	100.1	99.4	99.3	99.2	-	Aug.23	4-Oct
CLI Italy	102.7	99.4	98.3	98.3	98.2	-	Aug.23	4-Oct
CLI USA	101	99.8	99.1	99.2	99.3	-	Aug.23	4-Oct
Economic Sentiment Indicator Euro Area	110.7	101.9	95.2	94.5	93.3	-	Aug.23	28-Sep
Economic Sentiment Indicator Germany	110	101.6	93.1	91	88.6	-	Aug.23	28-Sep
Economic Sentiment Indicator France	107.7	101.7	96.4	93.9	91.4	-	Aug.23	28-Sep
Economic Sentiment Indicator Italy	110.7	102.7	101.2	101.4	100.3	-	Aug.23	28-Sep
Unemployment insurance weekly claims(thous.)	457.3	213.9	255.2	228.3	237.8	-	Aug.23	28-Sep
HICP Euro Area	2.6	8.4	5.5	5.3	5.2	-	Aug.23	29-Sep
CPI USA	4.7	8	3	3.2	3.7	-	Aug.23	12-Oct

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.