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Economic and Business Outlook

November 2023

Overview

- **The global economy is showing increased signs of weakness, with October's PMI indices suggesting stagnation.**
- **The European Commission cut its growth forecasts for this year and the next.**
- **Commodity prices in general and oil prices in particular declined in October as activity cooled down.**
- **The LFS and GDP numbers in Spain point to a loss of dynamism for the Spanish economy in Q3, albeit at a moderate pace and with some mildly positive surprises in employment.**
- **In Q4, the Spanish economy is likely to continue to decelerate gradually.**
- **Over the course of 2023, there was confirmation of the change of trend in productivity, which turned negative, with a significant increase in Unit Labour Costs and a moderation in the GOS.**
- **Social Security registrations continued to lose momentum in October and recorded the weakest month-on-month increase since 2015 due to the loss of dynamism in the private sector.**
- **Headline inflation remained at 3.5% in October and core inflation slowed down significantly.**
- **The information on budget implementation up to September confirms the lower budget consolidation effort in 2023.**

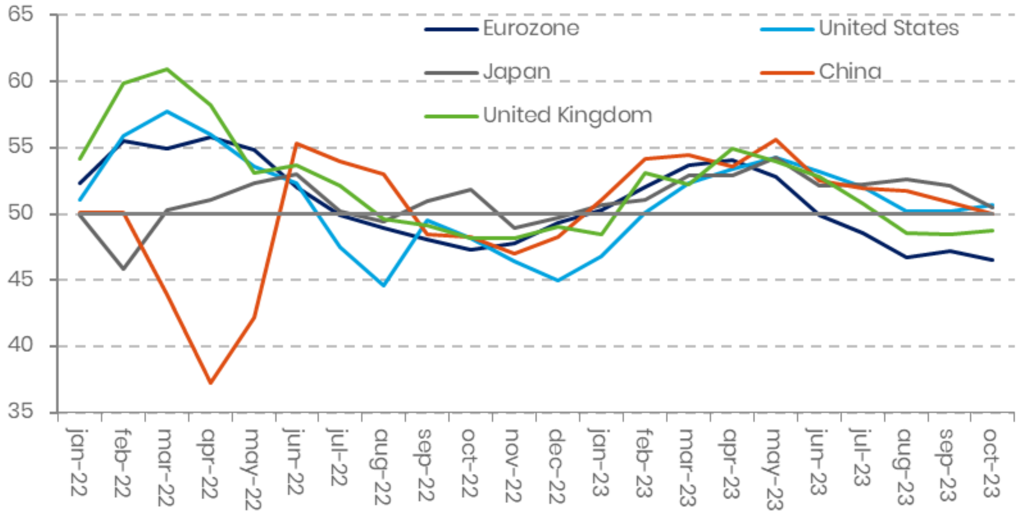
Note: This report includes a section analysing the current state of business activity based on several existing indicators.

The International Scenario

Signs of global economic weakness are spreading, especially in developed economies

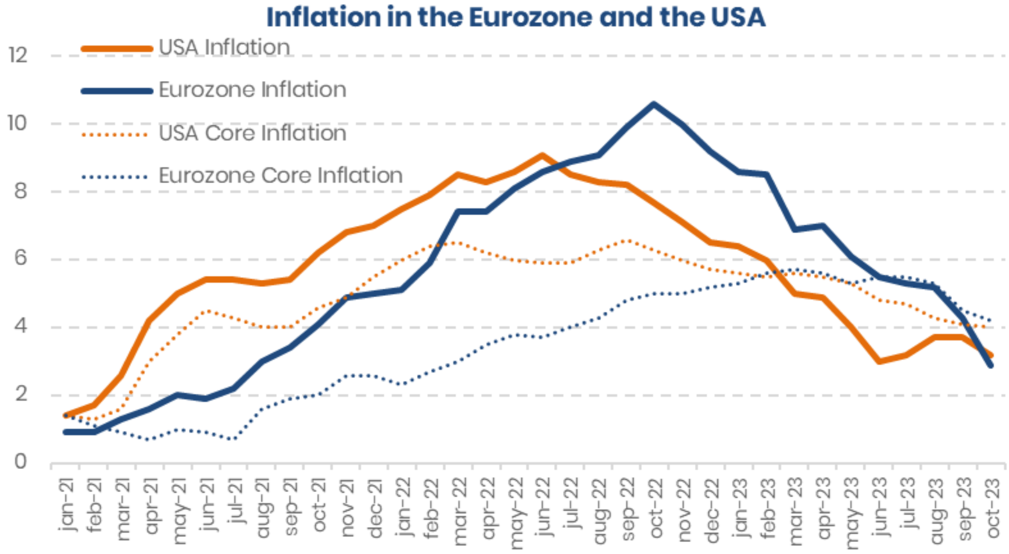
Signs of a weakening global economy are spreading. The PMI indices for October point to stagnant global economic activity, which is suffering from the tightening of monetary policy in many countries and its effects on activity and investment. This is coupled with high uncertainty, aggravated by the current considerable geopolitical tension. Thus, signs of contraction in the manufacturing sectors, mainly in advanced economies, are compounded with the loss of dynamism in the services sectors, especially after the summer season has come to an end. In this context, the Global Composite PMI Index in October posted its lowest level in almost three years, since November 2020, to currently stand at 50 points.

Composite PMI Index



Source: Prepared-in house based on data from Markit Economics

The slowdown in activity is also reflected in the moderation in producer prices, which is contributing to the progressive slowdown in inflation. Nonetheless, in most developed countries, inflation, particularly core inflation, is still far from central banks' targets. However, the cooling of the economy, together with the containment of price trends, has allowed the main monetary authorities to hold back on further rate hikes. In many cases, these rates may have reached the peak of the current upward cycle, currently at a fifteen-year high.



Source: Prepared-in house based on data from Eurostat and Bureau of Labor Statistics

Against this backdrop, the European Commission revised its growth forecasts downwards for this year and the next. The report set global GDP growth at 3.1% in 2023 and 2.9% in 2024, one tenth and three tenths lower, respectively, than in its September estimates. For the Eurozone and the European Union, growth was cut by two tenths for this year, to 0.6% in both cases, and by one tenth for 2024, to 1.2% in the Eurozone and 1.3% in the EU. By contrast, inflation forecasts for 2024 were revised up by three tenths to 3.2% in the Eurozone and 3.5% for the EU average, which will be close to 2% in 2025.

European Commission Forecast (November 2023)

	GDP			Inflation		
(y-o-y rate)	**2023**	**2024**	**2025**	**2023**	**2024**	**2025**
World	3.1	2.9	3.2			
European Union	0.6	1.3	1.7	6.5	3.5	2.4
Eurozone	0.6	1.2	1.6	5.6	3.2	2.2
Germany	-0.3	0.8	1.2	6.2	3.1	2.2
France	1.0	1.2	1.4	5.8	3.0	2.0
Spain	2.4	1.7	2.0	3.6	3.4	2.1
Italy	0.7	0.9	1.2	6.1	2.7	2.3
United States	2.4	1.4	1.8	4.2	3.0	2.2
Japan	1.9	0.8	0.6	3.3	2.7	2.2
United Kingdom	0.6	0.5	1.3	7.3	3.6	2.5
China	5.2	4.6	4.6			

Source: European Commission

The signs of weakness are greater among advanced economies than among emerging ones, although the United States is proving to be an exception. In Q3, the US GDP grew by 1.2% quarter-on-quarter, a notable acceleration from 0.5% in Q2, supported by public and private consumption and residential investment returning to positive ground. However, we also find signs of a certain cooling in activity, such as the slowdown in job creation in October and the increase in the unemployment rate in the same month to 3.9%, still very low, but the highest since January 2022. Hourly earnings are also slowing down, albeit slowly, while inflation in October fell by five tenths to 3.2%. This context will probably allow the Federal Reserve to keep interest rates unchanged in the current range of 5.25% to 5.5% at its December meeting.

In the Eurozone, Q3 recorded negative growth of -0.1%. The weakness of activity was also reflected in a slight increase in the unemployment rate, which rose by one tenth to 6.5%, although it remains very close to historical lows. Inflation, meanwhile, declined notably by 1.4 to 2.9% in October, the lowest rate since July 2021. However, core inflation, excluding food and energy, declined more modestly to 4.2%. This situation will also allow the ECB to leave rates unchanged in December at the current levels: 4.5% for the main rate, 4.75% for the marginal lending facility and 4% for the deposit facility.

In China, Q3 GDP rose by 1.3% quarter-on-quarter, significantly better than the 0.5% in Q2, although year-on-year the economy continues to slow. The signs were mixed, with private consumption improving while investment continued to decelerate, reflecting the fragile situation of its real estate market. In Q4, weakness signs continued, with October's composite PMI index at 50 points, the weakest reading since December 2022, while inflation for the same month was negative again (-0.2%).

The cooling of the economy is also reflected in the decline of most commodity prices. Oil prices, despite tensions in Israel, also fell in October, with Brent crude averaging 93 $/barrel. This price fall has followed through into the first half of November as global activity has proven less buoyant. Moreover, although both OPEC and the International Energy Agency have revised their estimates for crude oil demand growth slightly upwards for this year, the deficits expected for the final part of the year are being significantly reduced. This is mainly due to the increase in production in the United States and Brazil, which takes off some of the pressure on prices.

The Spanish Economy

A slight slowdown in Q3 is confirmed

The LFS and GDP data confirm the loss of dynamism of the Spanish economy in Q3, albeit at a moderate pace and with some positive surprises in employment. Thus, quarterly GDP stood at 0.3%, after having posted 0.4% in Q2 and 0.6% in Q1. In the LFS, employment slowed down in quarter-on-quarter and seasonally adjusted terms, posting 0.8% versus 1.3% in the previous quarter.

Although the slowdown is expected to continue into Q4, the Spanish economy could close 2023 with growth of around 2.4%, job creation in LFS terms of 2.9% and an unemployment rate of 12.1% for the year. All these CEOE forecasts are in line with the consensus of the November Funcas Panel and the European Commission.

One of the most noteworthy features of 2023 is the shift in productivity, which has turned negative, and, in contrast, there is a notable increase in unit labour costs (ULCs). If this progression in ULCs continues, and if the change to a positive differential of the Spanish CPI compared to the European CPI also persists, we could start to see a decline in the competitiveness of the Spanish economy. It should be borne in mind that the October CPI was set at 3.5%, versus 2.9% in Europe.

Another aspect that should also be highlighted is the moderation of the Gross Operating Surplus for the third consecutive quarter, following the normalisation that took place in 2022. In fact, in Q3 2023, it is -4.3% lower than in Q4 2022 and the GOS over GVA (a measure close to business margins) has slowed down over the course of this year.

Looking ahead to early 2024, the balance of risks remains skewed to the downside. The impact of rising interest rates on household and business consumption and investment and the state of public finances, together with the geopolitical outlook (including the domestic situation), among other factors, are contributing to a context that could continue to weigh on activity and employment in the first few months of 2024. From then on, the economy is expected to pick up momentum throughout 2024, as some of the factors limiting growth are corrected, inflation approaches the ECB's targets, and the global economy recovers. Even so, it is highly unlikely that the economy will reach 2% growth (the Government's estimate) and it will, instead, foreseeably end at around 1.5%, as suggested by most of the analysts of the November Funcas Panel. The European Commission estimates 1.7% and CEOE 1.4%.

Demand and Activity

The economy lost dynamism in Q3 due to the decline in external demand

The preliminary data published by the National Statistics Institute (INE) on the Quarterly National Accounts for Q3 confirms the slight slowdown suggested by the previously available indicators, with a quarterly rate of 0.3%. The year-on-year change slowed to 1.8%, compared with 2.0% in Q2.

A key factor in domestic demand was the strength of private consumption, which increased by 1.4% quarter-on-quarter. This result could be explained by the increase in disposable income and the resilience of the labour market. On the other hand, the effect of higher mortgage financing is still not being felt in household spending. Public consumption is also increasing, but more subdued than in Q2 (0.6%, versus the previous 1.6%). However, investment deteriorated during the quarter, mainly due to the decline in construction investment and despite the improvement in capital goods investment, which grew by 2% quarter-on-quarter after the decline in Q2.

From the point of view of the external sector, both exports and imports have fallen significantly, accumulating two consecutive quarters of decline. This reflects the weakness of global demand and, in particular, of our European partners.

There is great heterogeneity across sectors. The strength of the services sector is noteworthy, especially in areas linked to leisure, finance, and telecommunications. It is worth highlighting the recovery in the manufacturing industry, whose activity increased quarter-on-quarter even though confidence indicators, the IPI, and turnover data have shown greater weakness this quarter. Real estate activities are also being negatively affected by higher interest rates and increased uncertainty, which is slowing down purchase and sale transactions. Finally, the primary sector is suffering a notable setback, due to both the drought and the rise in the cost of inputs.

The outlook for Q4 and the initial indicators available point to a continuation of this gradual slowdown, with still notable growth in private consumption and a more subdued performance from the foreign sector.

The confidence indicators published by the European Commission for October show similar levels to those recorded in Q3, and in some cases even a slight improvement. Thus, the consumer confidence and retail trade indicators, which had shown signs of deterioration during Q3, have reversed this trend in October.

Consumption is expected to continue to show fairly dynamic behaviour in Q4 and over the coming quarters, supported by the slowdown in inflation and the increase in disposable income. The latter is a result of the resilience of the labour market, higher wages, and the savings accumulated over the last few quarters, although the greater financial burden could also start to weigh on households that are in debt.

By industries, the services sector is likely to continue to show greater dynamism in the coming months, while the industrial sectors could be more sluggish. The PMIs for the manufacturing industry are still in negative territory and fell more sharply in October, as a result of the drop in new orders and the international slowdown. Meanwhile, the PMIs for services, after hitting a low in August, are back to positive territory and improved in October, helped by a demand that is resisting the slowdown and despite the increase in operating costs.

International tourist arrivals continue to show a positive trend, although they are not as buoyant as July, when they surpassed the 2019 visitor arrivals figures. However, in August and September, the latest available data, they were slightly lower. In terms of tourist expenditure, it is estimated to have increased 15.5% in comparison to September 2019, before the pandemic, but once deflation is applied to this increase, the result if also slightly lower.

From the point of view of the foreign sector, the information available for the month of August points to a decline in both exports and imports of goods, although more intense in the case of imports, thus maintaining the trend started in Q2 and advanced by the preliminary data from the National Accounts. The trade balance recorded a deficit of €25.758 billion in the January-August period, compared with a deficit of €46.461 billion in the same period of 2022, showing a notable containment in the first half of 2023. Similarly, according to the Balance of Payments data published by the Bank of Spain, in the 12 months to August 2023, the current account surplus was 27.6 billion, compared with 1.5 billion in the same period of 2022.

The Labour Market

Positive surprise in Q3 employment as measured by the LFS, in contrast to the slower pace of Social Security registrations in October

It is worth noting the resilience of the labour market, with the Spanish economy continuing to generate employment, even though economic growth is lower and there are plenty of uncertainties. Nonetheless, we find mixed signals if we analyse the Labour Force Survey (LFS) and the number of people registered with the Social Security. On the one hand, the LFS shows notable dynamism in job creation in Q3. On the other hand, however, Social Security registrations posted a slight slowdown for that same quarter, and this slower trend continued in October. However, in both cases, the LFS and the number of Social Security registrations, we should highlight that the seasonally adjusted data point to a significant slowdown in employment in recent months.

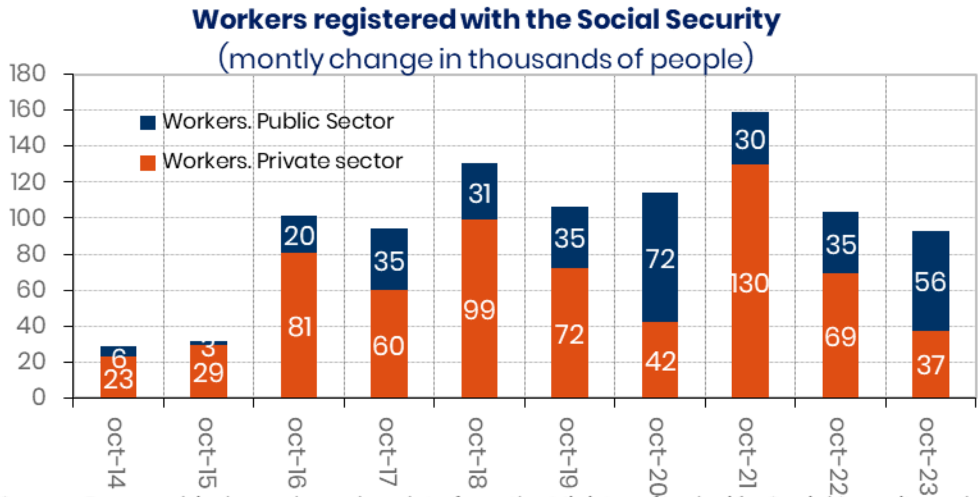
For 2024, CEOE forecasts point to less intense job creation than in 2023, while GDP growth will also be slower. Specifically, employment in LFS terms is expected to increase by 1.8% next year, while the unemployment rate is expected to fall to 11.7%.

In 2023, the LFS results for Q3 surprised on the upside once again. In a seasonally favourable quarter for the labour market, there was notable growth in employment, with 209,100 new jobs. This is a higher figure than usual, and it is worth noting that a large part of this increase was due to the dynamism of the private sector, with 192,200 new jobs. In year-on-year terms, employment continued to rise significantly and was set at 3.5%.

This positive employment performance was tempered by the evolution of the seasonally adjusted data. Thus, the quarter-on-quarter rate of seasonally adjusted employed workers according to the LFS slowed from 1.3% in Q2 to 0.8% in Q3, although this slowdown is less intense than the one seen in Social Security registrations over the same period (from 1.4% to 0.2%). In this regard, hours worked in National Accounting terms also slowed its quarterly growth, from 1.5% to 0.1%.

Going back to the LFS, another noteworthy result has been the strong increase in the active population in Q3, with 301,900 people joining the labour market, which brings the activity rate to 59.41%, the highest since 2016. In fact, the increase in the active population has led to an increase in unemployment, by 92,700 people, despite the notable job creation recorded. Thus, the unemployment rate rose by two tenths to 11.8%.

Among the National Accounting results for Q3, we should highlight the decline, for the second consecutive quarter, of productivity per full-time equivalent job in year-on-year terms, which was set at -1.6%. Meanwhile, productivity per hour also fell, albeit more modestly, by -0.1%. Unit labour costs continued to rise significantly, with a year-on-year rate of 5.9%. Compared to pre-pandemic rates, they are 17.4% higher than in Q4 2019.



Source: Prepared-in-house based on data from the Ministry of Inclusión, Social Security and Migrations

In October, the number of Social Security registrations rose by 92,862, which may be considered a moderate increase, given that it is the lowest for this month since 2015. Moreover, it should be noted that, this time, most of the new jobs came from the public sector, which added 55,501 workers, compared with 37,361 new registrations in the private sector. In seasonally adjusted terms, there was an increase of 5,077 workers, the least favourable figure so far this year, with the exception of June. This suggests that the declining trend in seasonally adjusted job creation is likely to continue in the last quarter of the year. Turning to the gross data, in year-on-year terms, Social Security registrations slowed again in October to 2.6%, below the peak of 3.0% reached in April. Registered unemployment rose for the third consecutive month by 36,936 people in October, as opposed to the declines recorded in the same month in 2021 and 2022, but which is almost half the average increase of close to 70,000 people in 2014-2019.

Inflation

Headline inflation remains at 3.5% in October and core inflation slows down considerably

In October, headline inflation remained at 3.5% and core inflation slowed down sharply to 5.2%, six tenths lower than in September. This figure puts a halt to the upward trend seen in headline inflation since July.

There was a general slowdown in the price increase of the groups of products that make up the CPI basket, especially with regard to food and non-energy industrial goods. Thus, food has gone from contributing almost 4 percentage points (p.p.) to the overall CPI in Q1 to just over 2 p.p. in October and, in the case of industrial goods, its contribution has also been reduced by less than half since the start of the year (from 1.5 p.p. to 0.6 p.p.). However, the negative contribution of energy prices, which came to subtract practically 3 p.p. in the central months of the year, is rapidly diminishing (1.1 p.p. in October) and could turn around by the end of the year.

Specifically, in October, unprocessed food prices decreased by 1.5 points year-on-year to 7.3%. Within core inflation, prices of industrial goods (excluding energy products) fell by nine tenths to 2.7%, as international markets were less stressed. Services and processed foods, beverages and tobacco prices also fell, albeit more modestly. Energy product prices continued to slow their pace of decline to -10.4% year-on-year, compared to -14.0% in the previous month, due to the base effect over the previous year and the rebound in the price of electricity and gas.

Forecasts suggest that headline inflation could show a slight rebound in November and December, before falling again from January onwards. Nevertheless, the average inflation rate in 2023 will be much lower than in 2022. In fact, the European Commission estimates 3.6% for 2023 while CEOE is forecasting 3.7%.

Although inflation's behaviour can be seen as positive, in terms of comparison with Europe, the HICP in October reached 3.5%, while in the Monetary Union this rate stood at 2.9%, which turns the differential positive by six tenths of a percentage point, after having been negative in the past thirteen months.

The Public Sector

Less budgetary consolidation effort in 2023

From the information provided by the Comptroller General of the State Administration (IGAE) on the National Accounts of the public sector up to August, we can infer a lower fiscal consolidation effort in 2023, as shown by the scant containment of the general government deficit, without taking local governments into account. Thus, the deficit-to-GDP ratio was -2.05%, barely below the one recorded in the same period in 2022 (-2.14% of GDP).

With more preliminary information from the State up to the end of September, the balance in national accounting terms increased by 39.8% year-on-year. In terms of GDP, the deficit to September is set at -1.78%, higher than the -1.38% of GDP in the same period of 2022. This result is explained by the final settlements of the 2021 financing system of the autonomous communities and local corporations, which had a negative net result for the State, contrary to what happened in 2022 with the 2020 settlement.

Beyond this effect, expenditure continued to increase by 2.9%, while there was a loss of dynamism in resources which, as a whole, were 0.6% lower than in 2022, the year in which a new all-time high was reached.

Within resources, tax collection continued its positive trend up to September, albeit more moderate than in previous years (3.1%). Particularly noteworthy was the increase in revenue from corporate income tax (11.1%), while VAT (-1.2%) and personal income tax (-3.5%) fell. The new taxes introduced this year raised a total of €3.892 billion, of which €3.528 billion came from the temporary energy and financial levies and the Temporary Solidarity Tax on Large Estates. The remaining 364 million came from the excise tax on non-reusable plastic packaging.

There is considerable heterogeneity in the behaviour of the different uses. Among the items with the highest figures, there was an increase in the transfers between Public Administrations (6.7%), especially those that the State allocates to the SEPES (public land agency), the Social Security and the local corporations; social benefits increased by +12.8%, mainly due to the appreciation of the civil servants' pensions; and interests increased by 3.4%.

On the other hand, subsidies fell (-42.2%), due to the elimination of subsidies for the purchase of fuel, gross fixed capital formation (-9.4%), as did the EU's own resources, due to the reduction in the contribution to the GNI resource, to mention the most important ones.

Business Activity

In light of the current context of political instability and uncertainty, Spanish companies have expressed their concern through the statement issued by the CEOE on November 13 [1], in which they highlight, among other issues, the negative impact that this could have on Spain's business climate, market unity and its image abroad.

Indicators related to business activity show that, since the summer, there has been a fall in revenues and a certain containment of business confidence and momentum. Financing conditions remain tight, although a certain ceiling is discernible. There are still large differences across sectors.

According to the National Statistics Institute (INE), **turnover** (in nominal terms) in August intensified its year-on-year rate of decline, accumulating five months of falling rates. Specifically, the year-on-year rate stood at -6.7% in both the original and the calendar-adjusted series. A fall was observed in the sectors linked to industry and, to a greater extent, in energy, water and sanitation (38.6% year-on-year). The non-financial market services sector is the only one to record positive rates, but retail sales also recorded a drop with respect to August 2022 (-2.1%).

The indicator for **sales in large companies**, after deflation and adjusted for seasonal and calendar variations, remained stable in September (0.0% year-on-year), after the negative rate recorded in August. According to the Tax Agency, Q3 ended with growth of 0.6%, compared with 1.7% in the previous quarter. This loss of strength is explained by the fall in exports throughout the quarter, while domestic sales picked up slightly (1.9%, compared with 1.7% in Q2).

Financing conditions for companies are starting to ease after several months of persistent rises, **although they are still at high levels**. Thus, **the interest rates applied to new credit transactions** for companies are beginning to show a slight improvement, specifically in transactions between 250,000 and one million euros and with maturities between 1 and 5 years and over 5 years, after 12 months of continuous rises. In addition, there was a notable fall in interest rates on transactions of more than one million euros and with maturities between 1 and 5 years, with rates standing at 2.8% in September, compared with 4.4% in August.

According to the results of the **Bank Lending Survey,** published by the Bank of Spain, in Q3 2023, both the granting criteria and the general conditions applied to new corporate loans continued to tighten at similar rates to those of the previous quarter, accounting for a total of six consecutive quarters of such restrictive behaviour.

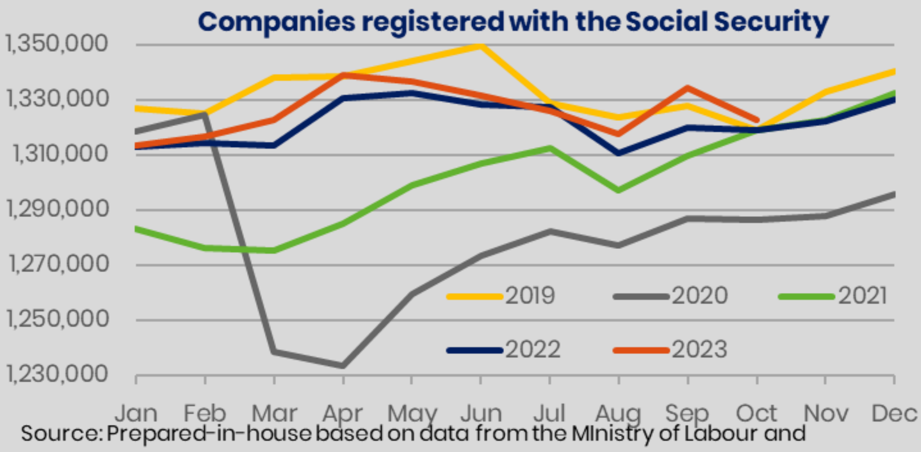
[1] https://www.ceoe.es/es/ceoe-news/empresa/comunicado-ceoe-cepyme-ata-comite-extraordinario-tras-los-acuerdos-de-investidura

In September (the latest available data), the tightening of financial conditions caused a fall of -5% in **new corporate loans** of up to 250,000 euros and -1% in loans of between 250,000 and one million euros, in year-on-year terms, accumulating two months of consecutive falls. Loans of more than one million euros are the only ones to show positive rates after nine consecutive months of sharp falls.

In this context, the **Business Confidence Indicators** show diverging signals, with a sharp contrast in behaviour by sector. The European Commission's **Economic Sentiment Indicator** improved moderately with respect to the previous month (100.3 in October versus 99.1 in September). Industrial activity remained in contractionary territory, which was offset by the good performance of construction, retail sales and the services sector. The **composite PMI** stood at a no-change level (50), in line with September's reading. This result is a consequence of the positive performance of the services sector, which improved from the previous month (51.1 in October versus 50.5 in September) but was more than offset by the decline in manufacturing production, which fell to 45.1 in October from 47.7 in September, the worst drop in a year. **The business confidence indicator published by the National Statistics Institute** (INE) worsened in Q4 versus Q3, with the companies believing that their business will do better dropping to 19.2% versus 22% in the previous quarter.

As far as the evolution of the business fabric is concerned, after the improved performance recorded in September, in October **the number of companies registered with the Social Security** fell in comparison to the previous month by more than 11,000, to stand at a total of 1,322,573 companies. In year-on-year terms, the rate of growth reverted to more modest figures, standing at 0.3%. In any case, the less favourable evolution in October has not prevented the number of companies from being above pre-pandemic levels for the second consecutive month (3,658 more companies than in October 2019). However, it should also be noted that this recovery to pre-crisis levels is delayed in comparison to other variables, such as GDP, which did so in 2022.

The evolution of the business fabric has been uneven, both by sector and by size. In this regard, the number of small firms is growing at a much more subdued year-on-year rate than the number of large firms. Moreover, the number of smaller companies (specifically between 1 and 2 workers) is lower than in 2022 and is still below pre-crisis levels. Meanwhile, by economic sector, both agriculture and industry have fewer firms than last year and have yet to return to 2019 levels.



Source: Prepared-in-house based on data from the MInistry of Labour and Social Economy

As we mentioned in previous reports, the number of companies registered with the Social Security can be used as an indicator of the evolution of economic activity. The year-on-year change in the number of registered companies shows a very high positive correlation with GDP growth, specifically by a factor of 0.92. In this regard, it should be noted that, by company size, the highest correlation is obtained in the case of the smallest companies, specifically those with 1 to 2 workers, which account for more than half of the total number of registered companies.

Forecasts

Economic forecasts for Spain

(last update: November 2023)

Annual rates of change, unless otherwise indicated

	2019	2020	2021	2022	2023	2024
GDP	2.0	-11.2	6.4	5.8	2.4	1.4
Private consumption expenditure	0.9	-12.4	7.2	4.8	2.0	1.7
Government consumption expenditure	1.9	3.6	3.4	-0.2	2.5	1.1
Gross fixed capital formation	4.5	-9.0	2.8	2.4	1.0	2.1
-Tangible fixed assets	5.3	-10.3	1.7	2.1	1.0	0.9
Construction	7.2	-9.2	0.4	2.6	2.6	0.7
Equipment and cultivated assets	2.4	-11.9	3.9	1.2	-1.9	1.2
-Intangible fixed assets	0.6	-2.7	7.7	3.8	1.3	7.8
Domestic demand (*)	1.6	-9.0	6.7	2.9	1.6	1.6
Exports	2.2	-20.1	13.5	15.2	0.8	2.2
Imports	1.3	-15.0	14.9	7.0	-1.3	2.6
External demand (*)	0.4	-2.2	-0.3	2.8	0.8	-0.2
GDP current prices	3.5	-10.2	9.2	10.2	7.9	5.4
GDP deflator	1.5	1.0	2.8	4.4	5.5	4.0
CPI (average annual rate)	0.7	-0.3	3.1	8.4	3.7	3.6
CPI (Dec/Dec)	0.8	-0.5	6.5	5.7	4.4	3.4
Core CPI (average annual rate)	0.9	0.7	0.8	5.2	6.1	3.9
Employment (Quarterly National Accounts)(**)	3.3	-6.5	7.1	3.7	2.7	1.3
Employment (LFS)	2.3	-2.9	3.0	3.1	2.9	1.8
Unemployment rate (LFS) (% active population)	14.1	15.5	14.8	12.9	12.1	11.7
Productivity	-1.3	-5.0	-0.6	2.0	-0.3	0.0
Compensation per employee	2.5	2.8	0.3	2.9	4.9	3.6
Unit labour cost (ULC)	3.8	8.3	1.0	0.9	5.2	3.5
Current Account Balance (% of GDP)	2.1	0.6	0.9	0.6	2.2	0.8
General government net lending (+) / net borrowing (–) (% of GDP)	-2.9	-11.0	-6.9	-4.8	-4.2	-3.7
Interest rates USA (Dec)	1.75	0.25	0.25	4.50	5.50	4.50
Interest rates Eurozone (Dec)	0.00	0.00	0.00	2.50	4.50	4.00
Brent Oil ($)	64.8	41.5	71.1	103.7	85.1	86.2

Source: CEOE, INE (National Statistics Institute), Banco de España, Eurostat

(*) Contribution to GDP growth

(**) Full-time equivalent jobs