

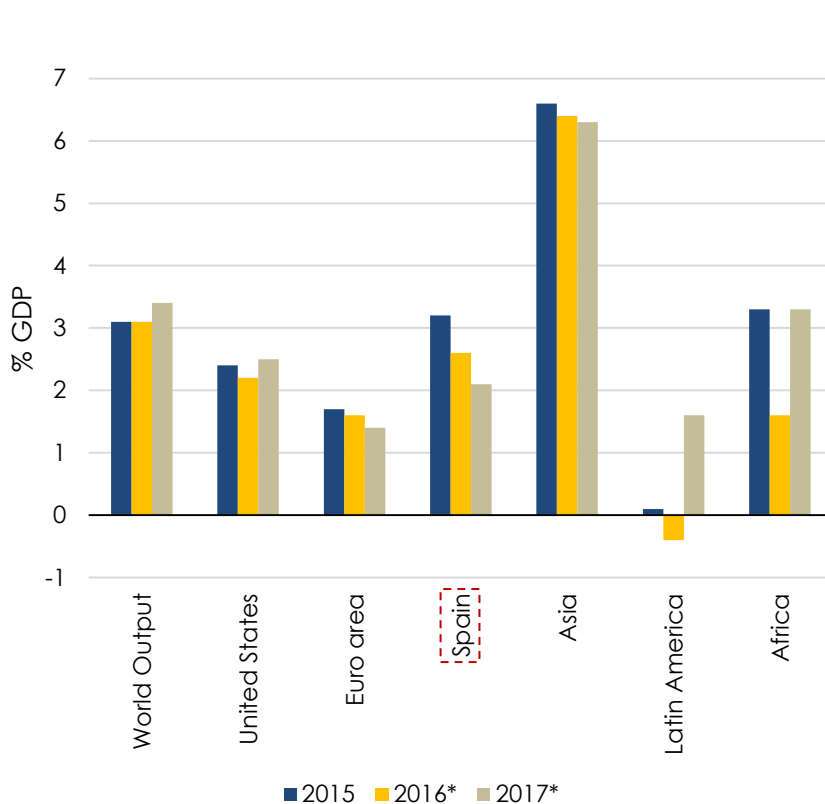


THE SPANISH ECONOMY IN THE GLOBAL CONTEXT

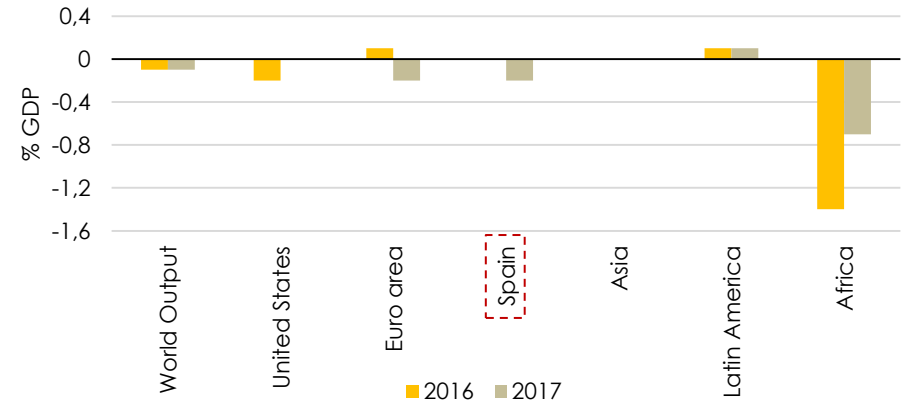
Selected Ideas

Global economy recovery is progressing, but growth is weaker than desirable

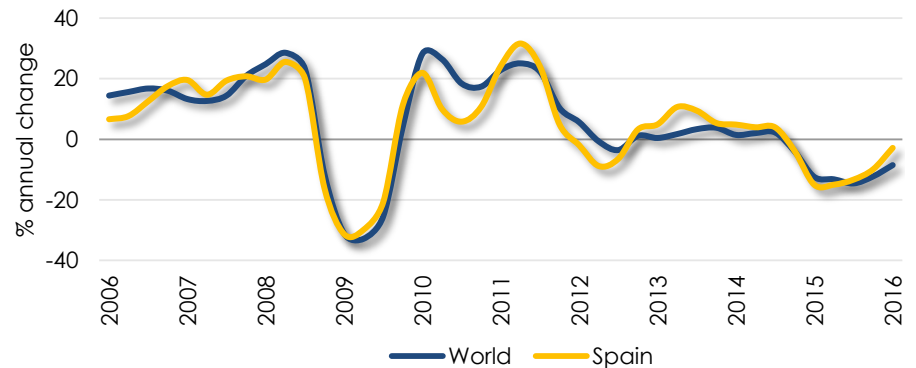
Global economic forecasts 2016 and 2017



Changes in IMF forecasts for 2016 GDP growth since last autumn



Performance of global exports by origin**



Source: International Monetary Fund (IMF), * Forecast, ** Performance of global exports in \$ dollars (World Trade Organization).

Europe continues to grow, at a slow pace; but it is already having to face up to the Brexit



Main figures – European economies

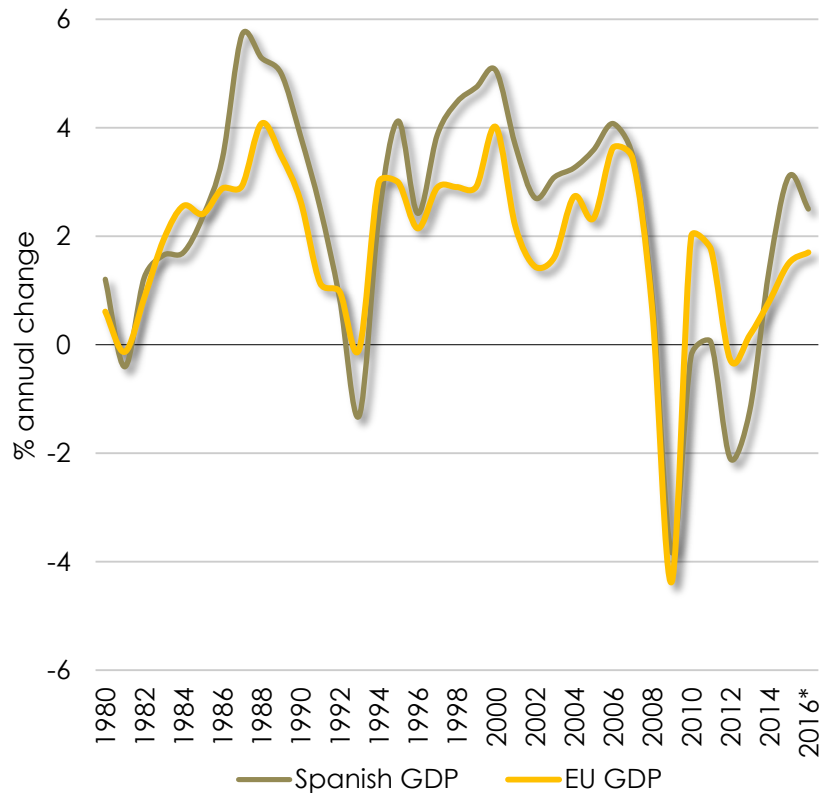
	2013	2014	2015	2016*	2017*	2016*			
	GDP					Inflation	Unemployment rate	General government net lending/borrowing	Current account balance
France	0.3	0.1	1.1	1.5	1.2	1.0	10.1	-3.3	0.6
Germany	0.2	1.5	1.5	1.6	1.2	1.2	4.6	0.0	8.4
Greece	-3.9	0.6	-0.2	-0.5	2.6	0.1	25.0	-	-0.2
Italy	-1.7	-0.4	0.8	0.9	1.0	0.5	11.4	-2.6	2.2
Portugal	-1.6	0.9	1.4	1.0	1.0	0.8	11.6	-2.9	0.9
Spain	-1.2	1.4	3.2	2.6	2.1	0.6	19.7	-3.3	1.9
United Kingdom	1.7	2.9	2.2	1.5	1.2	1.3	5.0	-3.2	-4.3
Sweden	1.3	2.1	4.0	3.6	2.8	1.4	6.8	-0.8	5.7
Ireland	0.2	3.6	7.8	4.9	3.6	0.4	8.3	-0.4	3.9

Source: IMF, * Forecast.

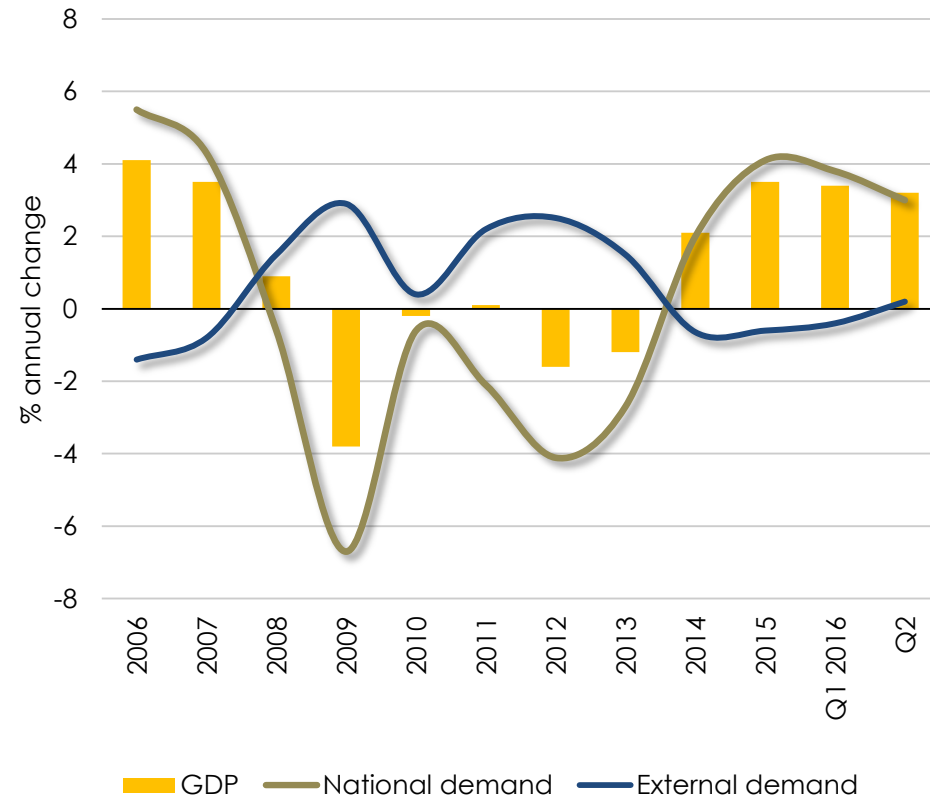
After a double-dip recession, the Spanish economy has been growing well above the EU average last 3 years



Performance of GDP in Spain and the EU



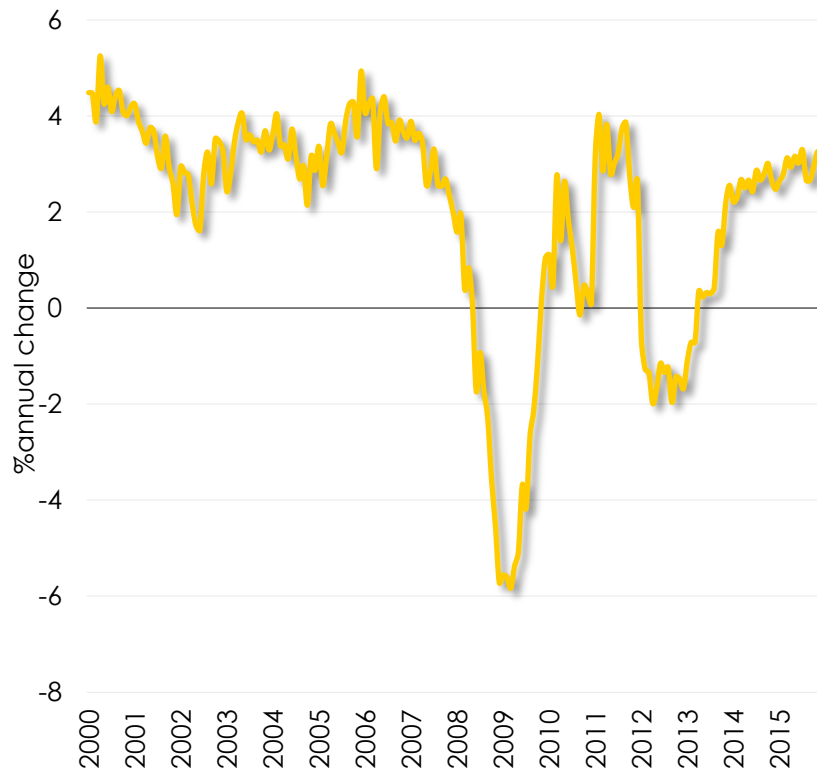
Main components of Spanish GDP



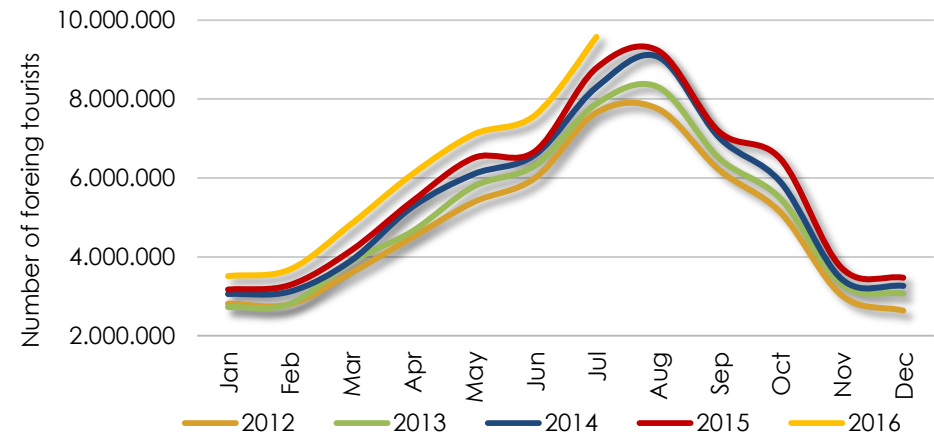
Source: IMF, Bank of Spain; * Equipo Economico forecasts for Spain.

Synthetic activity indicators confirmed the consolidation of the recovery of the Spanish economy. Good performance in sectoral indicators as tourism and housing deals

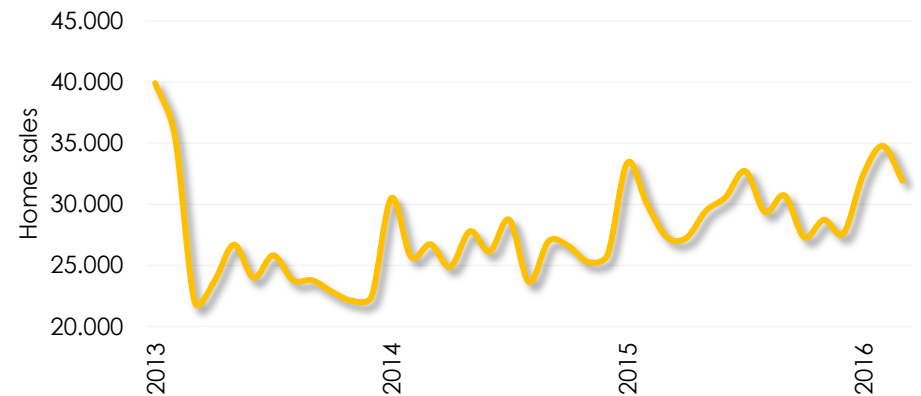
Performance of the synthetic activity indicator



Performance of the foreign tourists



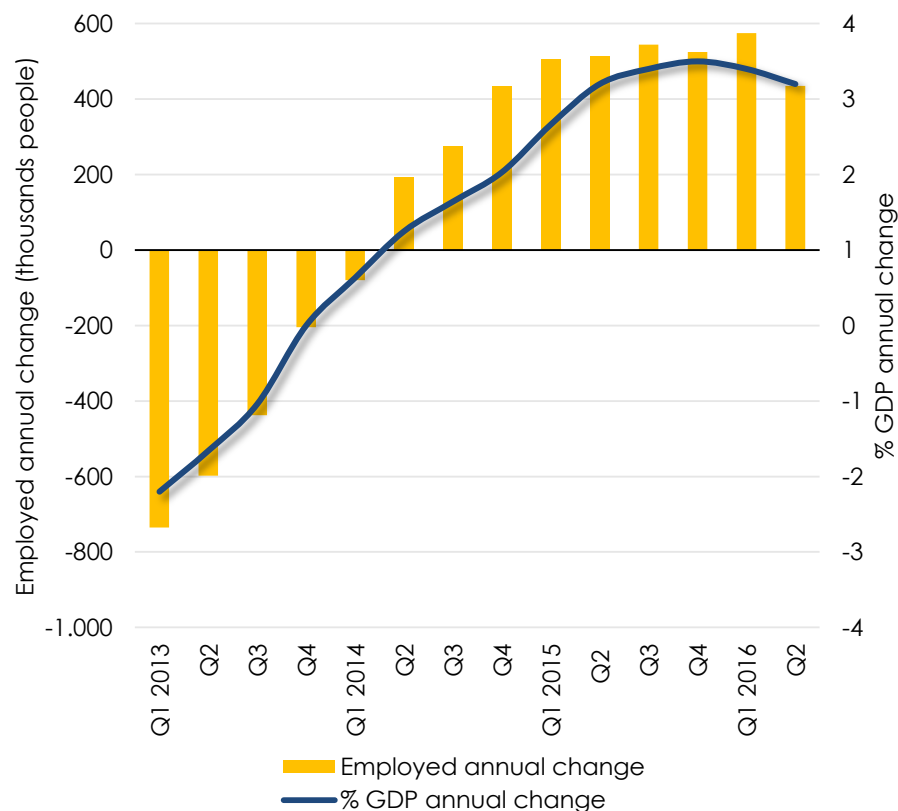
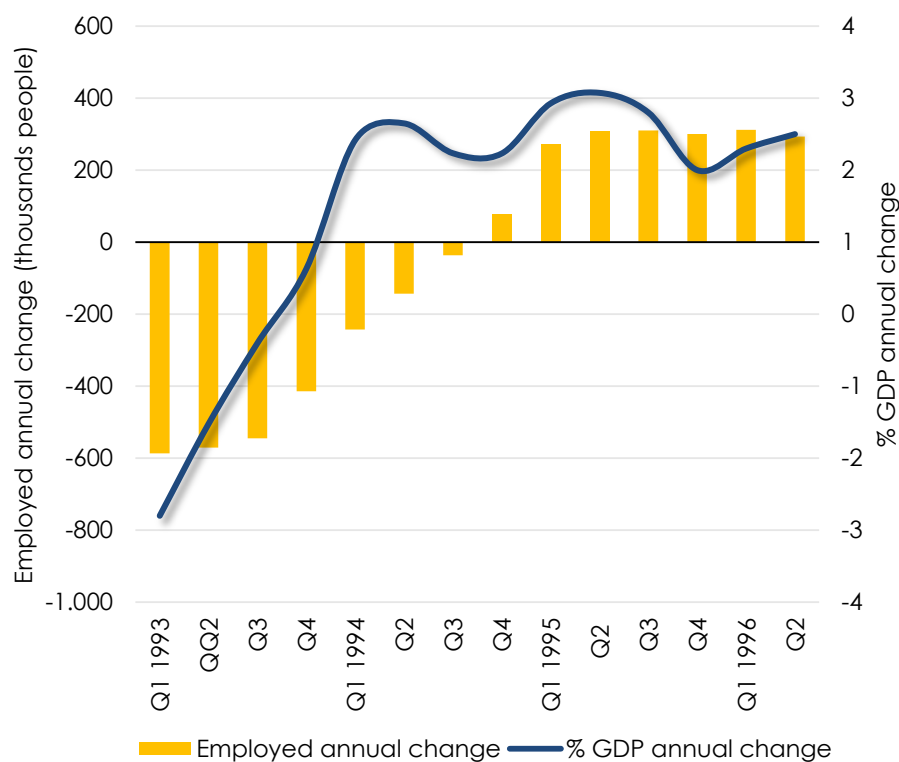
Performance of homes sales



Source: Spanish Ministry of Economy and Competitiveness, INE, Equipo Economico.

Very positive effect on employment rates over the period 2013-2016 thanks to the labor market reform

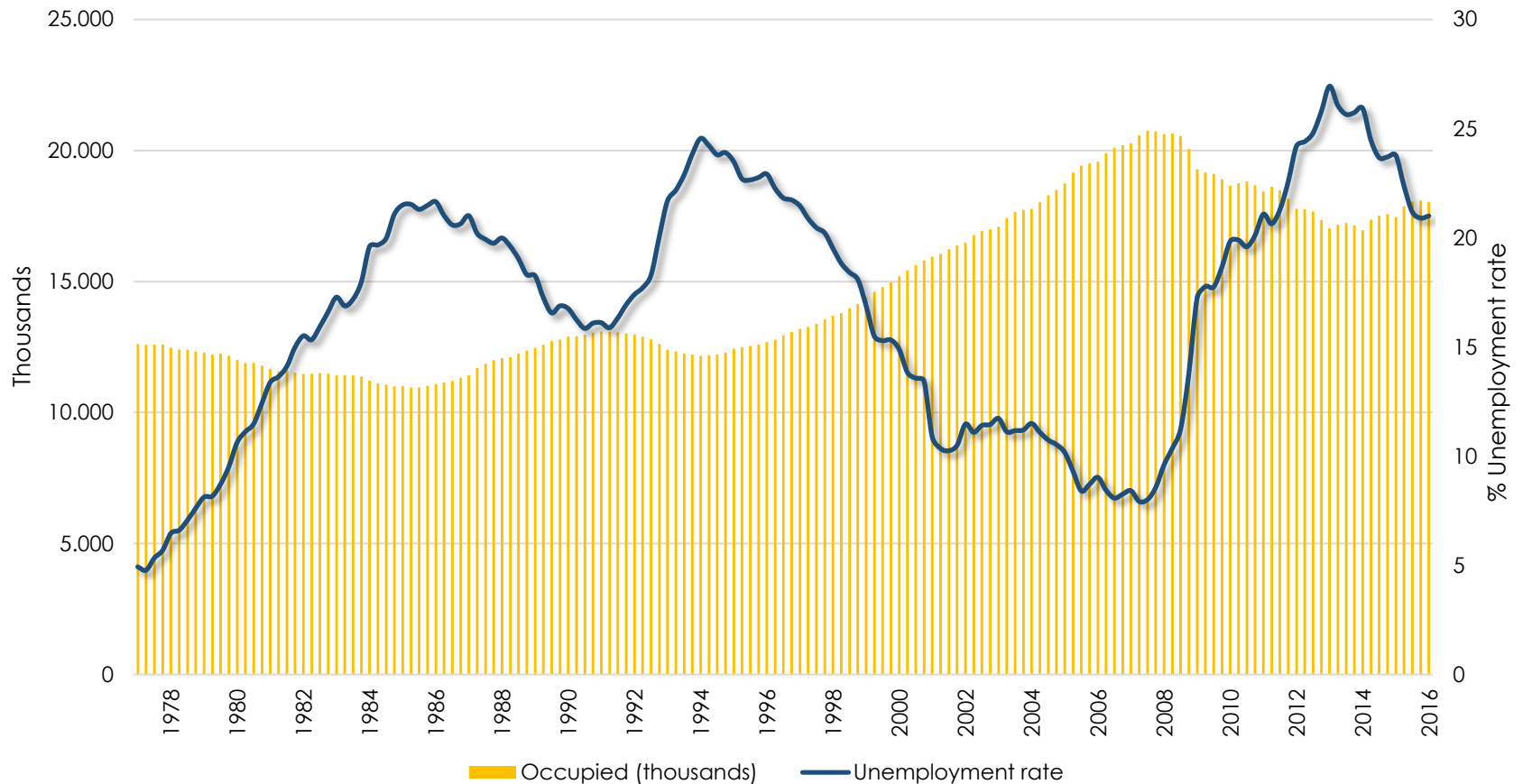
Performance of the number of employed and GDP over the period 1993-1996 and 2013-2016



Source: INE, Equipo Economico.

Spain still has a strong employment base, but unemployment remains very high

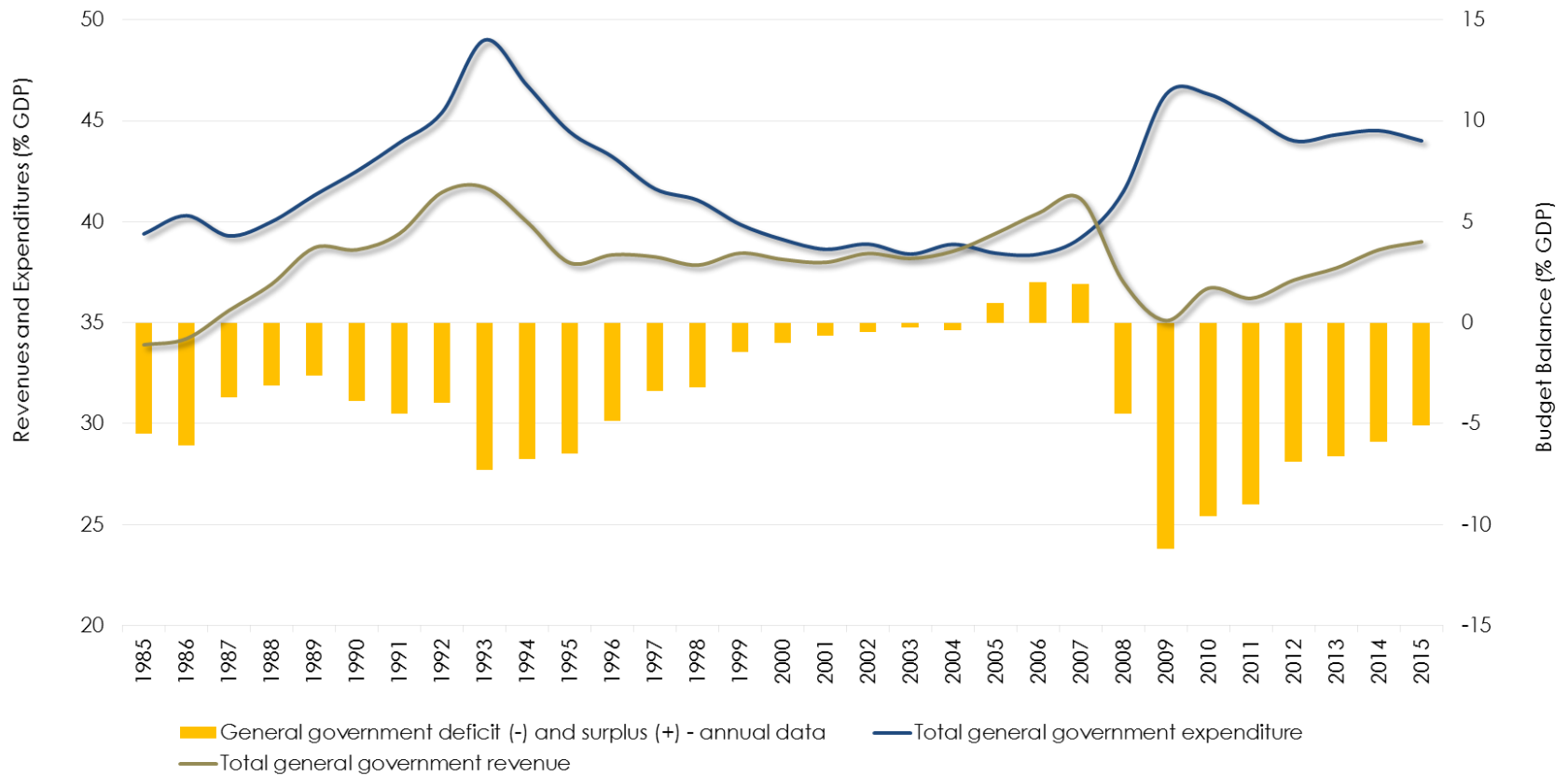
Number of employees in the Spanish economy



Source: INE, Equipo Economico.

Significant effort made by Spain in terms of fiscal consolidation in recent years

Performance of the Public expenditure vs. revenue in Spain



Source: Ministry of the Finance and Public Administrations, Equipo Económico.

In 2015 the Spanish General Government budget outturn was still a deficit of 5.00% of GDP, particularly due to Social Security and regional deficits

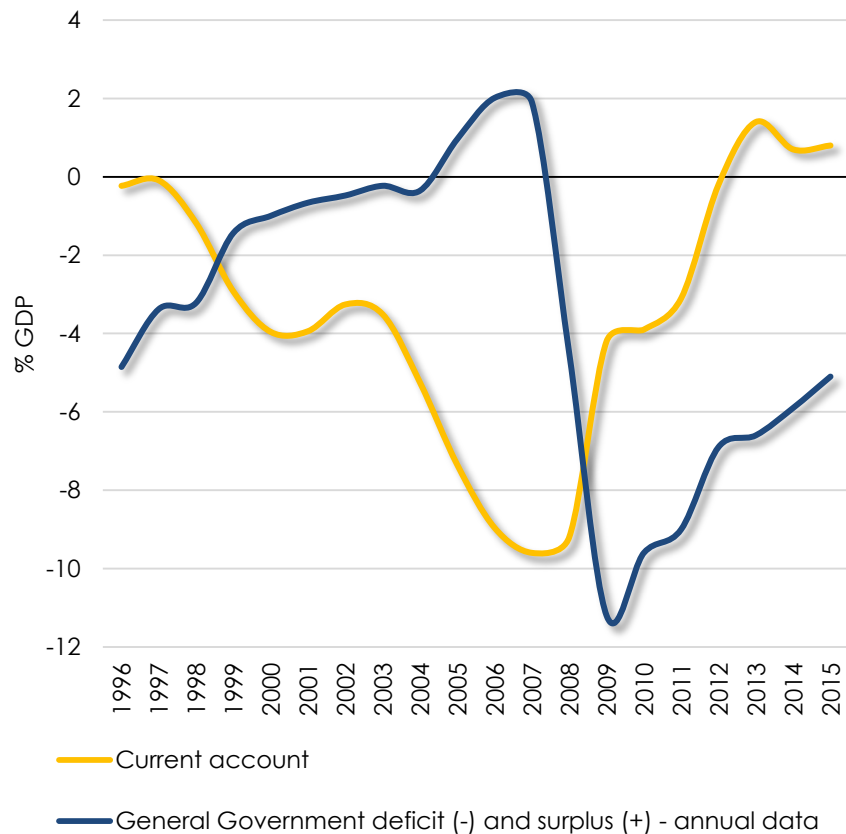
Net lending (+) /net borrowing (-) of the General Government in Spain
Breakdown by subsectors

	Deficit 2015	Target 2015	Target 2016	Target 2017	Target 2018	Target 2019
Central Government	-2.53	-2.90	-1.8	-1.5	-1.1	-0.9
Regional Government	-1.66	-0.70	-0.7	-0.5	-0.3	0.0
Local Government	0.44	0.00	0.0	0.0	0.0	0.0
Social Security	-1.26	-0.60	-1.1	-0.9	-0.8	-0.7
General Government	-5.00	-4.20	-3.6	-2.9	-2.2	-1.6

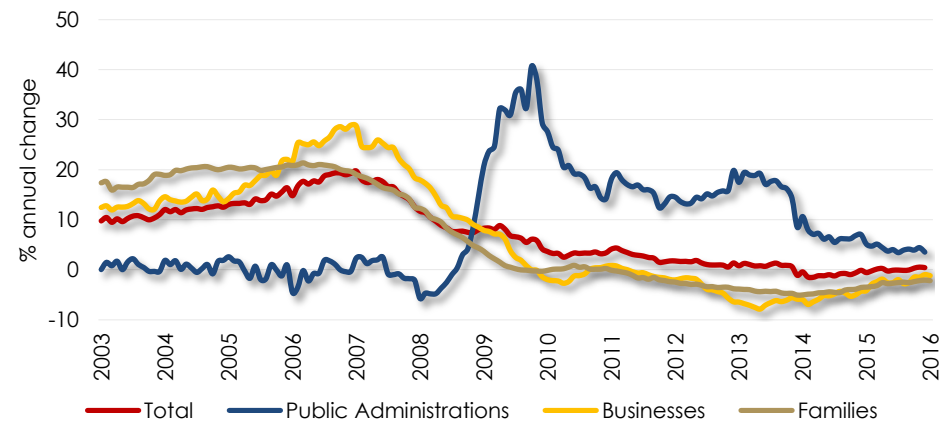
Source: Ministry of the Finance and Public Administrations, Equipo Económico.

The fiscal consolidation has helped the Spanish economy to recover the financing of private sector activities

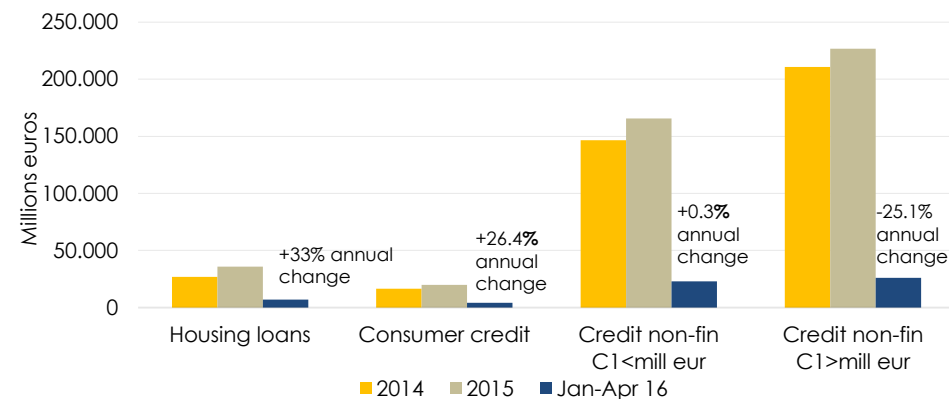
Performance of the current account balance and deficit



Performance of total credit



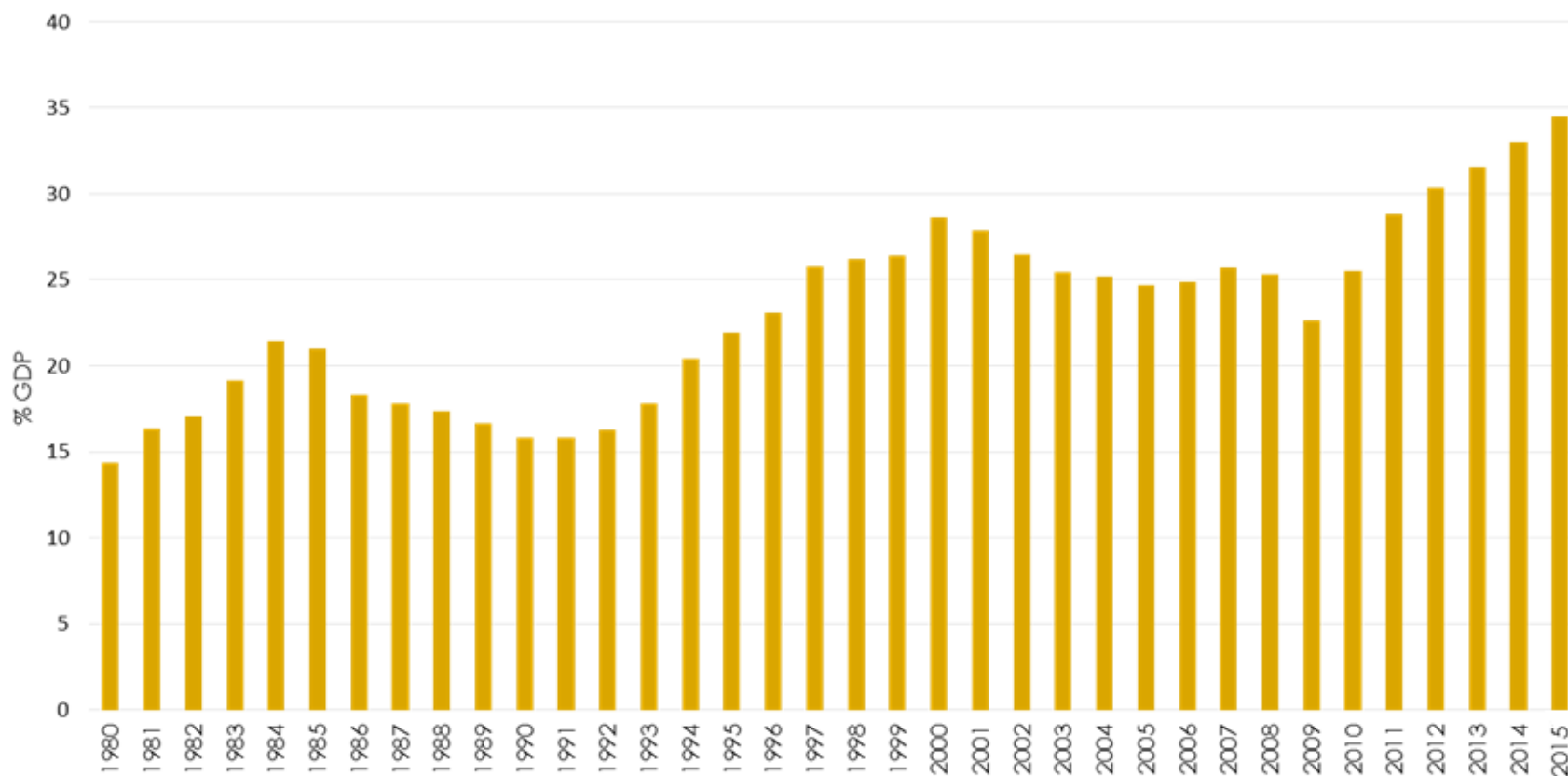
Performance of new credit



Source: Eurostat, Bank of Spain, Equipo Economico.

The opening up of the Spanish economy in recent years is enabling a growing contribution of the external sector to GDP

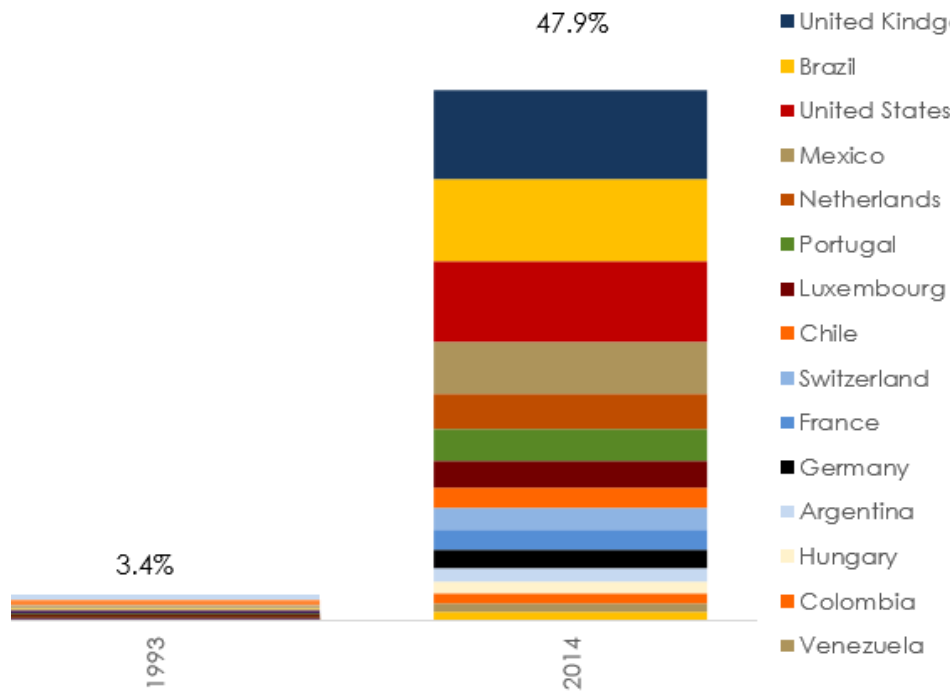
Weight of goods and services exports



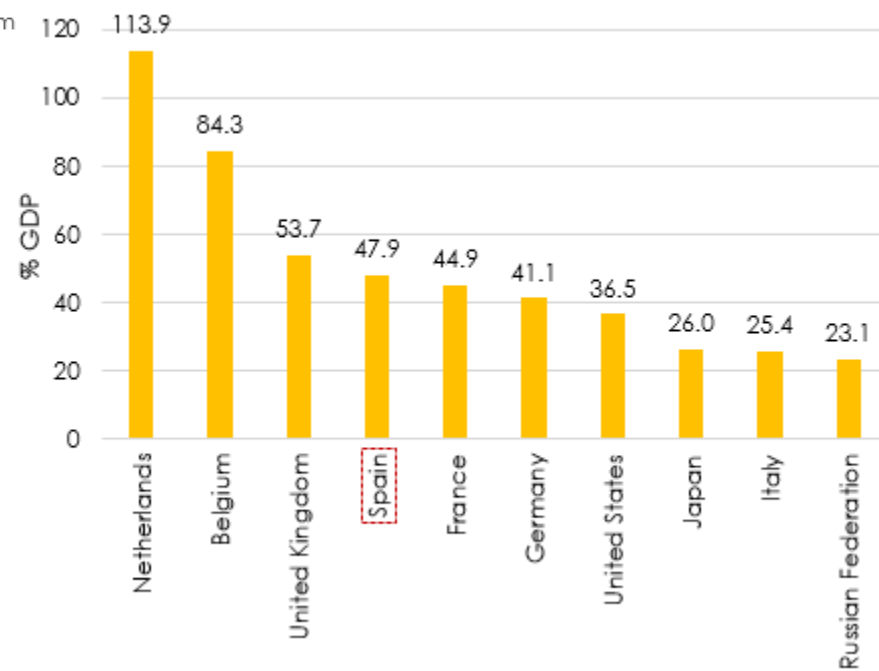
Source: World Bank, Equipo Economico.

Spain has dramatically increased its investments abroad since the mid 90s

Outward FDI stock



Outward FDI stock as % GDP in 2014 by country of origin



Source: UNCTAD, Spanish Ministry of Economy and Competitiveness, Equipo Economico.



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