

Quick Note 25/5/2017

Spain · GDP grew 3.0% YoY in Q1 2017

Data

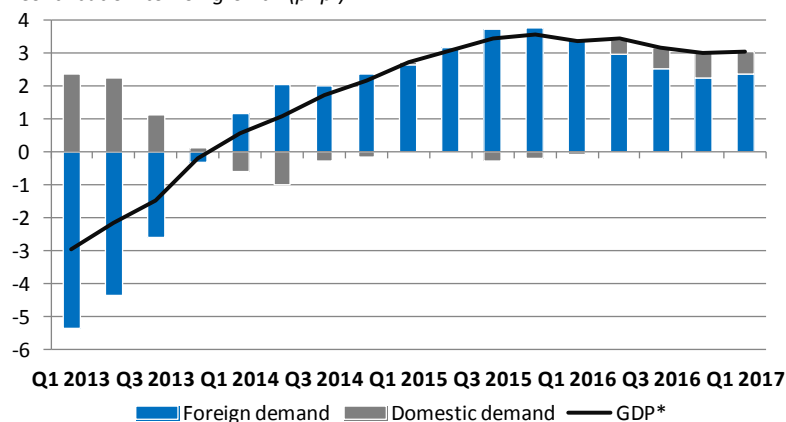
- GDP growth was confirmed at **0.8% QoQ** and **3.0% YoY** in Q1 2017.
- Domestic demand contributed 2.2 p.p. of YoY GDP growth, with foreign demand contributing 0.8 p.p.

Valuation

- Spanish economic growth accelerated** to 0.8% QoQ in Q1, one tenth faster than the growth posted in Q4 2016.
- The **contribution made by domestic demand** to YoY GDP growth stood at 2.2 p.p., matching the Q4 figure. However, the various components of domestic demand showed somewhat different performances compared to previous quarters. On the one hand, the pace of growth in private consumption eased to 0.4% QoQ (0.7% in Q4). On the other, investment gained traction, with growth standing at a robust 3.0% QoQ (0.5% in Q4). Investment in equipment and construction accelerated significantly compared to figures in the previous year.
- Foreign demand contributed 0.8 p.p. to growth** in Q1 (0.8 p.p. in Q4). Both exports and imports showed stronger than anticipated growth, driven by a recovery in international trade flows during the first three months of the year.
- Employment in terms of full-time equivalent (FTE) jobs was up 0.7% QoQ in Q1 (0.4% in Q4), putting the YoY rate at 2.5%. In the last 12 months 435,000 jobs have been created (ETC).
- Leading indicators for April suggest that the pace of growth is again accelerating in Q2 2017. Thus, the risks to our **GDP growth forecast for 2017, of 2.8%, are slightly on the upside.**

Spain: GDP

Contribution to YoY growth (p. p.)



Note: * YoY change (%).

Source: CaixaBank Research, based on INE data.

Spain: GDP breakdown

	Q2 2016	Q3 2016	Q4 2016	Q1 2017	
				Data	Forecast
<i>QoQ change (%)</i>					
Private consumption	0.7	0.6	0.7	0.4	0.7
Public consumption	-0.6	0.5	-0.2	0.3	0.4
Investments (GFCF)	1.4	-0.1	0.5	2.0	1.5
GFCF - equipment	1.8	0.1	0.0	3.0	2.2
GFCF - construction	1.0	0.1	0.7	1.1	1.0
Exports	3.4	-1.2	2.0	4.0	1.2
Imports	2.6	-2.0	1.8	3.8	1.1
GDP	0.8	0.7	0.7	0.8	0.8
<i>YoY change (%)</i>					
Private consumption	3.4	3.0	3.0	2.5	2.8
Public consumption	0.7	0.8	0.0	0.1	0.2
Investments (GFCF)	3.4	2.6	2.2	3.8	3.3
GFCF - equipment	5.8	4.3	2.7	5.0	4.1
GFCF - construction	1.8	1.6	1.9	3.0	2.8
Exports	6.5	2.9	4.4	8.4	5.4
Imports	5.4	1.0	2.3	6.4	3.6
Domestic demand (contribution)	3.0	2.5	2.2	2.2	2.3
Foreign demand (contribution)	0.4	0.6	0.8	0.8	0.7
GDP	3.4	3.2	3.0	3.0	3.0
Employment (full-time equivalent)	2.7	2.9	2.7	2.5	2.6
UCL	-0.5	-0.3	-0.2	-0.1	0.0

Source: CaixaBank Research, based on National Statistics Institute data.

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