

Quick Note 27/07/2017

Spain · Employment grew 2.8% QoQ in 2Q 2017

Data

- In seasonally adjusted terms, the **QoQ change to employment in 2Q 2017 stood at 0.9%** (0.7% in 1Q 2017).
- In the last 4 quarters:
 - **Employment:** increased by 512,300 to 18,813,300.
 - **Active population:** decreased by 148,100 to 22,727,600.
 - **Unemployment:** declined by 660,400 to 3,914,300.
 - The **unemployment rate stood at 17.2% (-2.8 p. p. in the last year).**

Valuation

- **Employment performed very positively** in 2Q 2017. In seasonally adjusted terms, job creation accelerated to 0.9% QoQ (0.7% in 1Q 2017), indicating that the **labour market continues its very robust trend**.
- The number of employed was up by 512,300 (accumulated over 4 quarters), a better figure than anticipated by CaixaBank Research (452,000). The **year-on-year change** in employment was up to **2.8%**.
- During the last year the **active population** has declined by 148,100. For the time being, therefore, economic improvements have not driven individuals to join the labour market. This was reflected by a **drop in the activity rate, which stood at 58.9%** in 2Q 2017, down 0.5 p.p. compared to 2Q 2016.
- The number of unemployed has declined sharply (-660,400 in the last 4 quarters), seeing the **unemployment rate slide to 17.2%**. In the last year the unemployment rate has dropped by 2.8 p.p.
- In the light of these figures, the risks surrounding the **employment growth forecast of 2.5% for 2017 look to be on the upside**.

Spain: labor market

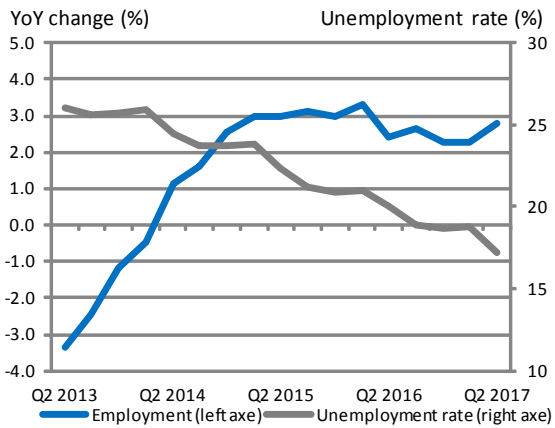
Annual change (thousands)

| | 2002-2007* | 2008-2013* | Q2 2014 | Q2 2015 | Q2 2016 | Q2 2017 | |
|-----------------------|------------|------------|---------|---------|---------|---------|----------|
| | | | | | | Data | Forecast |
| Employment | 763 | -570 | 192 | 514 | 435 | 512 | 452 |
| Active population | 697 | 142 | -232 | 40 | -140 | -148 | -92 |
| Unemployed | -66 | 712 | -424 | -474 | -574 | -660 | -545 |
| Unemployment rate (%) | 9.9 | 19.9 | 24.5 | 22.4 | 20.0 | 17.2 | 17.7 |

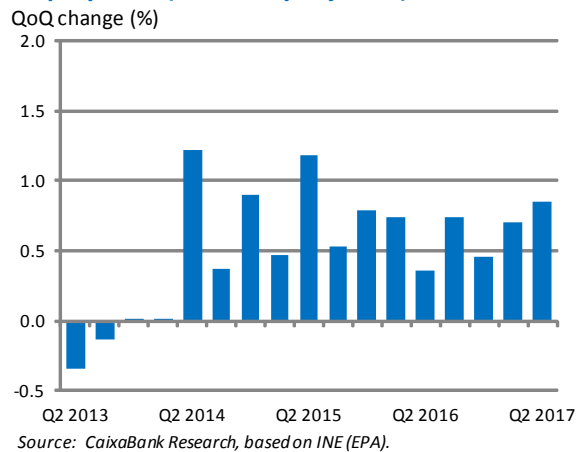
Note: *Q2 average of 4 quarters accumulated data.

Source: CaixaBank Research, based on INE (EPA) data.

Labor market



Employment (seasonally adjusted)



Alessio Micozzi Ferri, Economist, Macroeconomics Dept., Strategy Planning and Research Division, CaixaBank
e-mail: research@caixabank.com

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