

Quick Note 30/11/2017

Spain · Internal demand underpins GDP growth in 3Q

Data

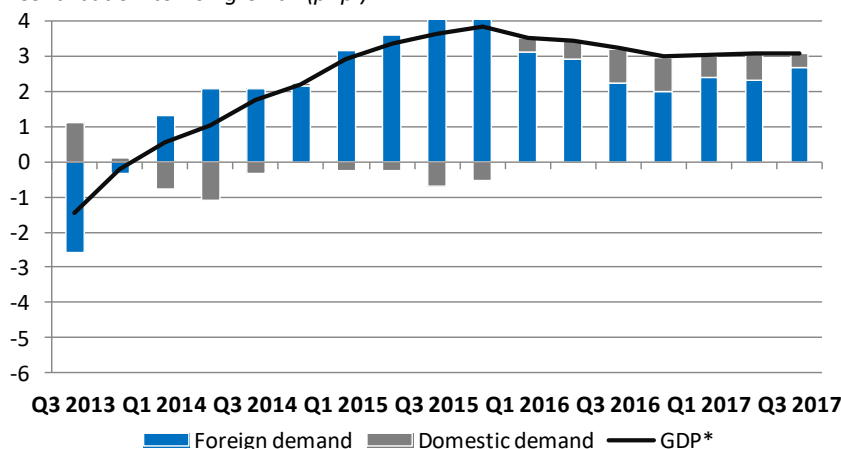
- GDP growth was confirmed at **0.8% QoQ** and **3.1% YoY** in 3Q 2017.
- Domestic demand contributed 2.7 p.p. YoY to GDP growth, with foreign demand contributing 0.4 p.p.

Assessment

- GDP grew 0.8% QoQ in 3Q, 1 tenth short of the growth posted in 2Q 2017, and matching the national statistics institute estimate from a month ago.
- **Domestic demand contributed 2.7 p.p. to YoY growth**, 4 tenths higher than the 2Q figure and in line with the CaixaBank Research forecast. The standout figure was investment in capital goods, which was more buoyant than anticipated (up 2.5% QoQ). In contrast, the growth in construction investment eased (0.3% QoQ) due to a slowdown in housing construction (0.7% QoQ), and a slight decline in investment in civil engineering and other constructions (−0.2% QoQ). Meanwhile, private consumption moved in line with expectations, sustaining the same pace of growth as in 2Q (0.7% QoQ).
- **The growth contributions made by foreign demand stood at 0.4 p.p., slightly less than anticipated.** The growth in exports and imports was nil in QoQ terms. These weaker than expected figures are part of the significant fluctuations seen in the series, and do not alter the positive prospects for the foreign sector.
- **Employment, in terms of full-time equivalent (FTE) Jobs, was up 2.9% YoY**, matching the figure from the previous quarter. In the last 12 months 501,000 jobs have been created (FTE).
- In the light of this data, **the risks in terms of our full-year 2017 GDP growth forecast of 3.1% look balanced.**

Spain: GDP

Contribution to YoY growth (p. p.)



Note: * YoY change (%).

Source: CaixaBank Research, based on INE data.

Spain: GDP breakdown

	4Q 16	1Q 17	2Q 17	3Q 2017	
				Data	Forecast
<i>QoQ change (%)</i>					
Private consumption	0.4	0.6	0.7	0.7	0.7
Public consumption	-0.6	0.8	0.4	0.4	0.2
Investment (FBKF)	0.8	2.7	0.6	1.3	1.1
Investment in capital goods	-0.2	3.8	-0.1	2.5	1.3
Investment in construction	1.3	2.2	1.0	0.3	1.0
Exports	1.5	3.2	0.1	0.0	1.2
Imports	0.6	4.1	-0.7	0.0	1.0
GDP	0.7	0.8	0.9	0.8	0.8
<i>YoY change (%)</i>					
Private consumption	2.7	2.3	2.4	2.4	2.5
Public consumption	0.0	0.7	1.1	1.0	0.8
Investment (FBKF)	2.7	4.8	3.8	5.4	4.9
Investment in capital goods	2.5	6.3	3.8	6.1	4.9
Investment in construction	3.1	4.1	4.0	4.9	5.2
Exports	4.5	6.5	4.4	4.9	6.2
Imports	1.6	4.9	2.3	4.0	5.1
Domestic demand (contribution)	2.0	2.4	2.3	2.7	2.6
Foreign demand (contribution)	1.0	0.6	0.8	0.4	0.5
GDP	3.0	3.0	3.1	3.1	3.1
Employment (full time equivalent)	2.7	2.6	2.9	2.9	2.4
ULC	-0.7	-0.1	-0.4	-0.2	-0.4

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

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