

Flash Note 02/10/2018

Spain · Employment creation remains robust in September**Data**

- In seasonally adjusted terms:
 - **The number of social security affiliates was up** by 50,811 in September.
 - **Registered unemployment declined** by 19,398 in September.
- The number of **social security affiliates** increased by 22,899 (not seasonally adjusted), putting total affiliate numbers at **18,862,713**.
- **Registered unemployment** expanded by 20,441 (not seasonally adjusted), meaning a total jobless figure of **3,202,509**.
- In the last 12 months the number of affiliates has increased by 526,551, while the number of unemployed declined by 207,673.

Assessment

- **Employment grew during September**, with an increase in the number of Social Security affiliates of 22,899. This represents a **good figure and stronger than the CaixaBank Research forecast** (-10,000). Thus, **the YoY growth in employment held unchanged against the previous month at 2.9%**.
- **In seasonally adjusted terms, the uptick in affiliates (50,811) was sizeable for the month of September**, and similar to the monthly expansion observed in September 2017 (53,441).
- **Looking at the breakdown by sectors, the growth in affiliates was similar to the previous month.** The services sector was up a solid 2.9% YoY (+407,800), matching the previous month growth but slightly short of the 2Q figure (+3.1%). Likewise, affiliation in the industrial sector sustained growth at 2.5% YoY (+54,230). There was a good performance from the construction sector, with affiliation growth gaining traction to 7.1% YoY (an uptick of 79,680 affiliates in the last 12 months), +0.2 p.p. stronger than the August figure.
- **The MoM increase in registered unemployment during September amounted to 20,441 individuals, somewhat less than anticipated** by CaixaBank Research (+24,000). In YoY terms, the decline in registered unemployment was slightly stronger, at -6.1% (-5.9% in July). Thus, unemployment has shrunk by around 208,000 individuals in the last 12 months.
- Looking ahead to the coming months, the labour market is expected to perform well, albeit losing some momentum, which would be consistent with an easing pace of Spanish economic growth.
- In the light of these figures, **the risks for the full-year affiliate growth forecast, of 3.0%**, look balanced.

Spain: labor market (employment records)*

Monthly change (thousands)

	2002-2007**	2008-2013**	Sep-15	Sep-16	Sep-17	Sep-18	
						Data	Forecast
Affiliated to the Social Security	-3	-67	9	12	26	23	-10
Agriculture	-3	21	37	28	25	19	19
Industry	16	-2	8	10	12	11	15
Construction	27	-18	-2	0	6	9	5
Services	-43	-69	-35	-26	-17	-16	-49
Registered unemployed	2	71	26	23	28	20	24

Annual change (%)

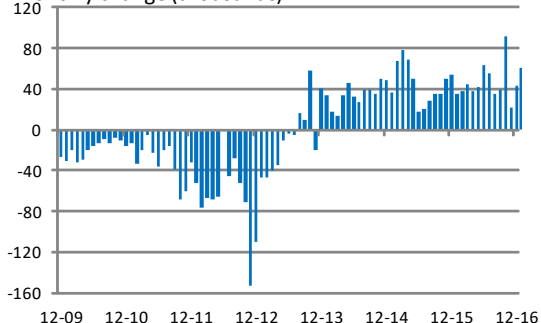
	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	
						Data	Forecast
Affiliated to the Social Security	3,1	3,1	3,1	3,0	2,9	2,9	2,8
Agriculture	-0,6	-0,7	0,1	0,1	-0,8	-1,4	0,1
Industry	3,1	2,9	2,9	2,7	2,5	2,5	2,5
Construction	6,4	6,6	6,8	7,0	6,8	7,1	6,5
Services	3,1	3,2	3,1	2,9	2,9	2,9	2,8
Registered unemployed	-6,6	-6,0	-6,0	-6,0	-5,9	-6,1	-6,4

Note: *Not seasonally adjusted series. ** July average.

Source: CaixaBank Research, data from MEySS.

Affiliated to the Social Security*

Monthly change (thousands)

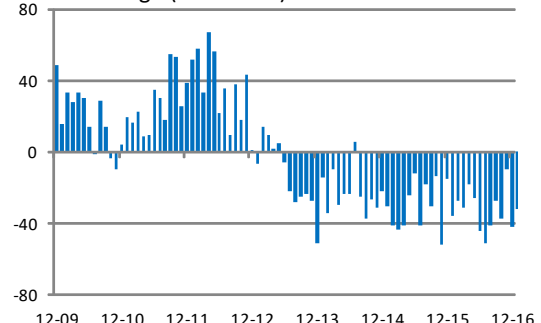


Note: *Seasonally adjusted.

Source: CaixaBank Research, data from MEySS.

Unemployed registered*

Annual change (thousands)

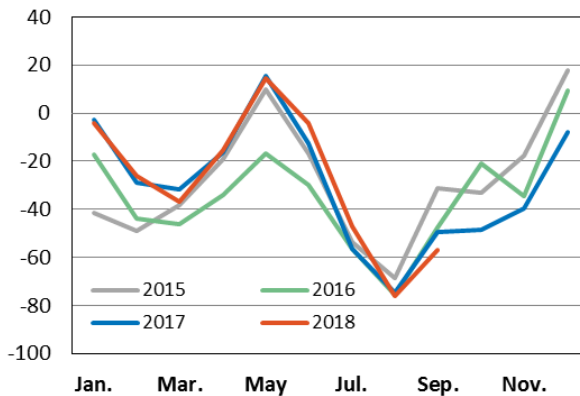


Note: *Seasonally adjusted.

Source: CaixaBank Research, data from MEySS.

Affiliated: Agriculture

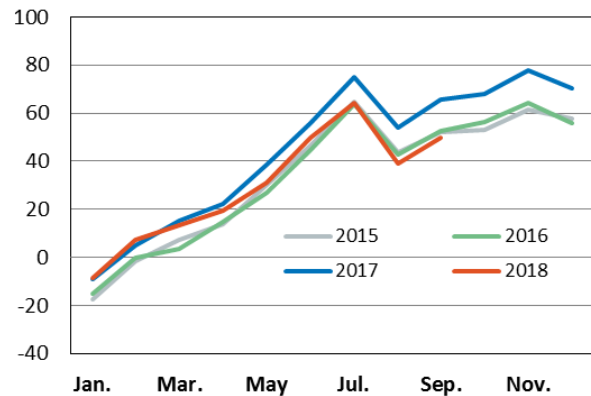
Cumulated figures for the year to date (thousands)



Source: CaixaBank Research, data from MEySS.

Affiliated: Industry

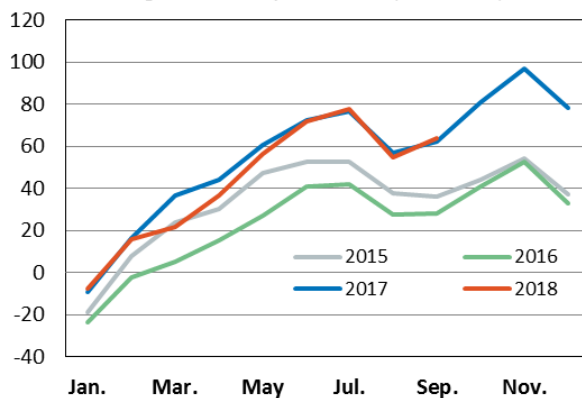
Cumulated figures for the year to date (thousands)



Source: CaixaBank Research, data from MEySS.

Affiliated: Construction

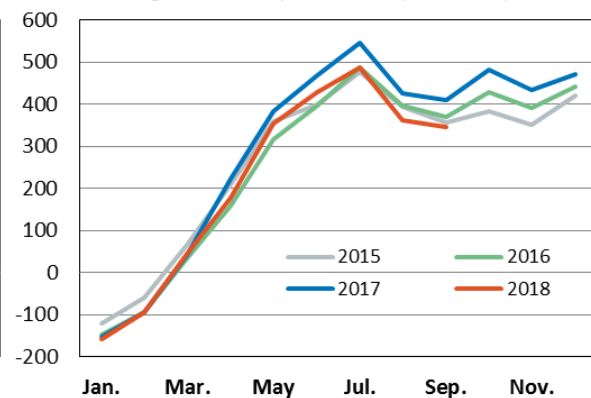
Cumulated figures for the year to date (thousands)



Source: CaixaBank Research, data from MEySS.

Affiliated: Services

Cumulated figures for the year to date (thousands)



Source: CaixaBank Research, data from MEySS.

Josep Mestres Domènech, Economist, CaixaBank Research, e-mail: research@caixabank.com

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