

Flash Note 04/02/2019

Spain · A modest start to the year for the labour market**Data**

- In seasonally adjusted terms:
 - **The number of social security affiliates was up** by 38,179 in January.
 - **Registered unemployment climbed** 3,292 in January.
- The number of **social security affiliates** declined by 204,865 (not seasonally adjusted), putting total affiliate numbers at **18,819,300**.
- **Registered unemployment** was up by 83,464 (not seasonally adjusted), putting the total number of unemployed at **3,285,761**.
- In the last 12 months the number of affiliates has increased by 537,269, while the number of unemployed declined by 190,767.

Assessment

- **The labour market posted a moderate performance in January**, as evidenced by an uptick in Social Security affiliates of 38,179 individuals in seasonally adjusted terms, less than the January 2018 number (58,758). The pace of job creation in seasonally adjusted terms slowed to 2.94% YoY, following slight acceleration in December (3.06%), albeit sustaining a good pace.
- **January is traditionally a weak month for employment following the Christmas campaign**. Therefore, the dip in non-seasonally adjusted affiliation (-204,865) is not unusual, but was more pronounced than the two previous years (-178,170 in January 2018 and -174,880 in January 2017) as well as the CaixaBank Research forecast (-184,000).
- **In terms of sectors, affiliation in services climbed 2.9% YoY** (+404,925), 0.2 p.p. down on the December figure due to a MoM dip in this sector employment (-182,036). Affiliation in **construction** was up 6.3% YoY (+73,694), sustaining the positive trend. Meanwhile, affiliation in the **industrial** sector grew 1.6% YoY (+41,382), continuing the gradual deceleration recorded over 2018.
- **Registered unemployment expanded by 83,464 in January against December, in line with the anticipated increase** (95,000), albeit more robust growth than the two preceding years (63,747 in January 2018 and 57,257 in January 2017). In YoY terms, the decline in registered unemployment eased to 5.25%, less vigorous than posted in December (6.2%). Thus, unemployment has shrunk by 190,767 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 this data, the risks in terms of our 2019 employment growth forecast, of 2.6%, look balanced.

Spain: labor market (employment records)*

Monthly change (thousands)

	2002-2007**	2008-2013**	Jan-16	Jan-17	Jan-18	Jan-19	
						Data	Forecast
Affiliated to the Social Security	-10	-51	-204	-175	-178	-205	-184
Agriculture	5	25	-17	-3	-4	-7	-4
Industry	-16	-19	-15	-9	-9	-18	-14
Construction	-48	-54	-24	-9	-8	-11	-18
Services	49	-3	-148	-154	-157	-182	-148
Registered unemployed	14	3	57	57	64	83	95

Annual change (%)

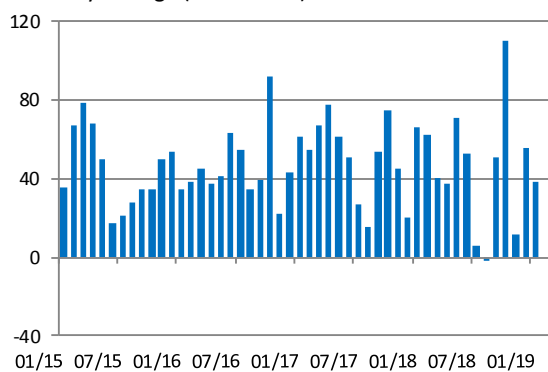
	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	
						Data	Forecast
Affiliated to the Social Security	2.9	2.9	3.1	2.9	3.1	2.9	3.1
Agriculture	-0.8	-1.4	1.2	-0.4	1.3	1.0	1.3
Industry	2.5	2.5	2.4	2.0	2.0	1.6	1.8
Construction	6.8	7.1	6.9	6.1	6.5	6.3	5.7
Services	2.9	2.9	3.0	3.0	3.1	2.9	3.2
Registered unemployed	-5.9	-6.1	-6.1	-6.4	-6.2	-5.5	-5.2

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

Source: CaixaBank Research, data from MEySS.

Affiliated to the Social Security*

Monthly change (thousands)

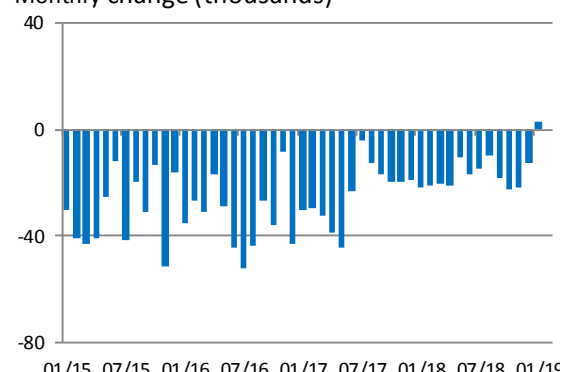


Note: *Seasonally adjusted.

Source: CaixaBank Research, data from MEySS.

Unemployed registered*

Monthly change (thousands)

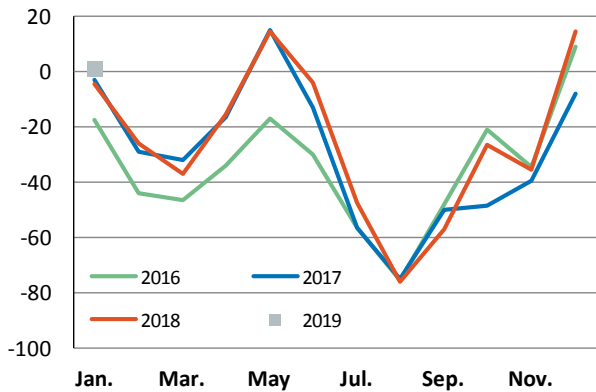


Note: *Seasonally adjusted.

Source: CaixaBank Research, data from MEySS.

Affiliated: Agriculture

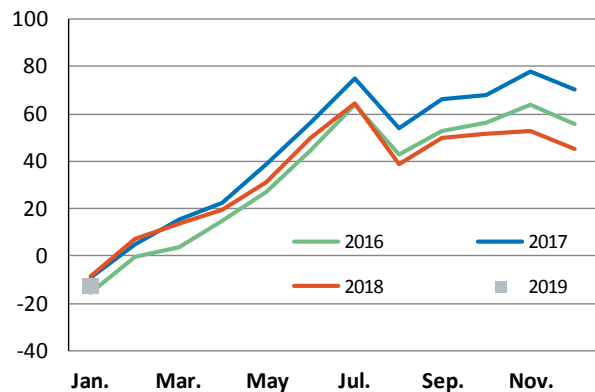
Cumulated figures for the year to date (thousands)



Source: CaixaBank Research, data from MEySS.

Affiliated: Industry

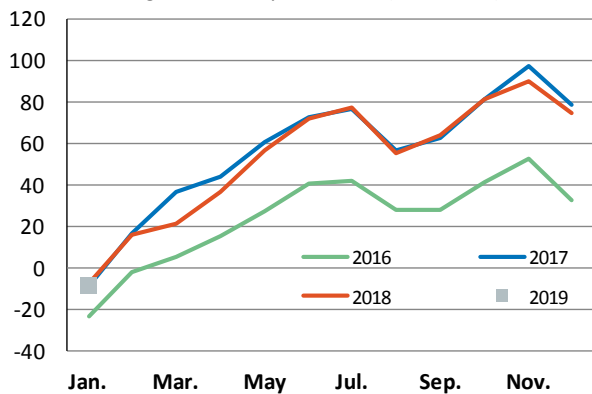
Cumulated figures for the year to date (thousands)



Source: CaixaBank Research, data from MEySS.

Affiliated: Construction

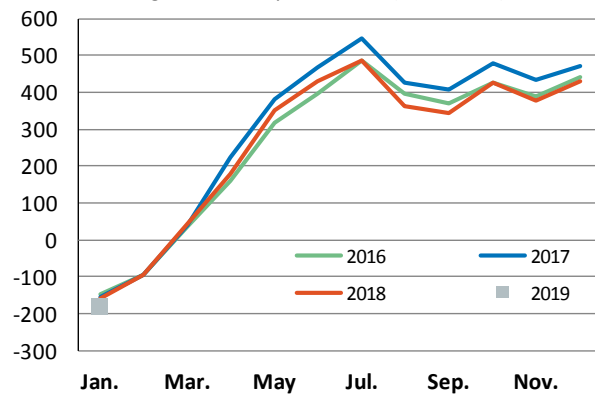
Cumulated figures for the year to date (thousands)



Source: CaixaBank Research, data from MEySS.

Affiliated: Services

Cumulated figures for the year to date (thousands)



Source: CaixaBank Research, data from MEySS.

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