

Flash Note 04/03/2019

Spain · The labour market again performed well in February

Data

- In seasonally adjusted terms and compared to the previous month:
 - **The number of social security affiliates was up** by 38,833 in February.
 - **Registered unemployment was down** by 10,445 in February.
- The number of **social security affiliates** rose 69,172 (not seasonally adjusted), putting the total affiliation number at **18,888,472**.
- **Registered unemployment** expanded by 3,279 (not seasonally adjusted), putting the total number of unemployed at **3,289,040**.
- In the last 12 months the number of affiliates has increased by 524,958, while the number of unemployed declined by 181,208.

Assessment

- **The labour market posted a positive trend in February**, as evidenced by an uptick in Social Security affiliates of 38,833 individuals in seasonally adjusted terms, similar to the figure from the previous month (38,179). However, the pace of job creation in seasonally adjusted terms slowed slightly to 2.86% yoy (2.94% yoy in January), albeit holding at high levels.
- **The labour market recovered buoyancy following January**, which is traditionally a poor month for employment in the wake of the Christmas campaign. Affiliation in non-seasonally adjusted terms (+69,172 individuals) expanded again, following a decline in the previous month (-204,865), although the uptick was somewhat weaker than the previous year (+81,483 in February 2018) and the CaixaBank Research forecast (+91,000).
- **Looking at the breakdown by sectors, affiliation numbers in services stood out, with an increase of 2.8% yoy** (+394,096), a similar pace to January. As for **construction**, affiliate numbers expanded 6.7% yoy (+78,021), a pace 0.2 pp up on the previous month. Meanwhile, affiliation in the **industrial** sector grew 1.7% yoy (+37,425), continuing the gradual deceleration shown over the last few quarters.
- **Registered unemployment was up in February by 3,279 individuals compared to January, which is in line with the anticipated increase** (+5,000), albeit slightly weaker than the previous year (-6,280 in February 2018). In yoy terms, the decline in registered unemployment eased to 5.2%, less vigorous than posted in January (5.5%). Thus, unemployment has shrunk by 181,208 individuals in the last 12 months.
- Looking ahead to the coming months, the good labour market performance is expected to continue, albeit losing some momentum, which would be consistent with an easing pace of Spanish economic growth.
- In the light of these figures, the risks in terms of the 2019 employment growth forecast of 2.5% look balanced.

Spain: labor market (employment records)*

Monthly change (thousands)

	2002-2007**	2008-2013**	Feb-16	Feb-17	Feb-18	Feb-19		mar-19
						Data	Forecast	Forecast
Affiliated to the Social Security	140	-11	63	74	81	69	94	125
Agriculture	-2	-8	-27	-26	-22	-24	-28	-13
Industry	23	-3	15	14	16	12	19	4
Construction	60	1	21	25	24	28	29	11
Services	65	-2	54	61	64	53	73	123
Registered unemployed	6	88	2	-9	-6	3	5	-33

Annual change (%)

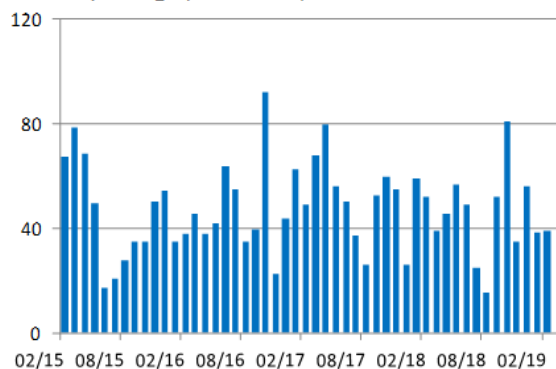
	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19		mar-19
						Data	Forecast	Forecast
Affiliated to the Social Security	2.9	3.1	2.9	3.1	2.9	2.9	3.0	2.9
Agriculture	-1.4	1.2	-0.4	1.3	1.5	1.4	1.0	0.8
Industry	2.5	2.4	2.0	2.0	1.9	1.7	2.0	1.9
Construction	7.1	6.9	6.1	6.5	6.5	6.7	6.9	7.3
Services	2.9	3.0	3.0	3.1	2.9	2.8	3.0	2.9
Registered unemployed	-6.1	-6.1	-6.4	-6.2	-5.5	-5.2	-5.2	-4.8

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

Source: CaixaBank Research, data from MEySS.

Affiliated to the Social Security*

Monthly change (thousands)

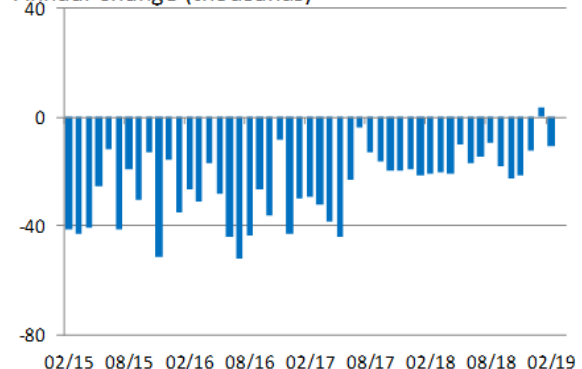


Note: *Seasonally adjusted.

Source: CaixaBank Research, data from MEySS.

Unemployed registered*

Annual change (thousands)

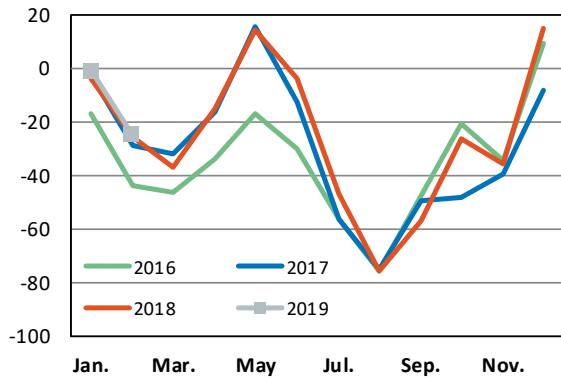


Note: *Seasonally adjusted.

Source: CaixaBank Research, data from MEySS.

Affiliated: Agriculture

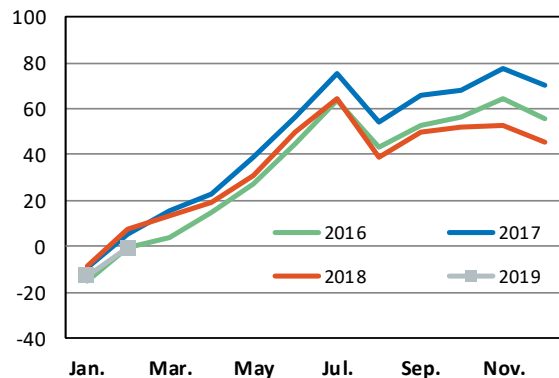
Cumulated figures for the year to date (thousands)



Source: CaixaBank Research, data from MEySS.

Affiliated: Industry

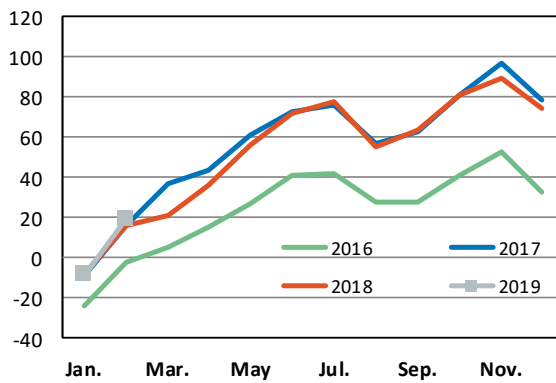
Cumulated figures for the year to date (thousands)



Source: CaixaBank Research, data from MEySS.

Affiliated: Construction

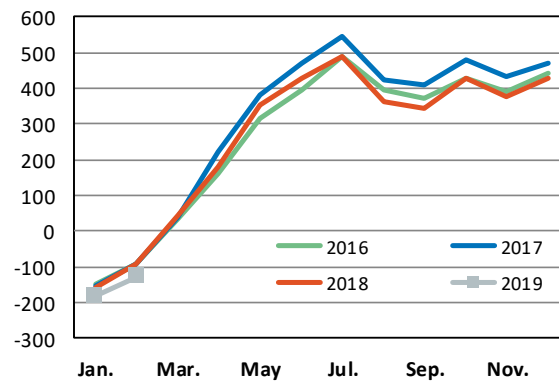
Cumulated figures for the year to date (thousands)



Source: CaixaBank Research, data from MEySS.

Affiliated: Services

Cumulated figures for the year to date (thousands)



Source: CaixaBank Research, data from MEySS.

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