

Flash Note 02/04/2019

Spain · The labour market gains traction in March**Data**

- In seasonally adjusted terms and compared to the previous month:
 - **The number of social security affiliates was up** by 53,036 in March.
 - **Registered unemployment was down** by 12,692 in March.
- The number of **social security affiliates** rose 155,104 (not seasonally adjusted), putting the total affiliation number at **19,043,079**.
- **Registered unemployment** expanded by 33,956 (not seasonally adjusted), meaning a total jobless figure of **3,255,084**.
- In the last 12 months the number of affiliates has increased by 541,000, while the number of unemployed declined by 167,467.

Assessment

- **The labour market gained traction in March**, as evidenced by an uptick in Social Security affiliates of 53,036 individuals in seasonally adjusted terms, similar to the previous month's figure (38,833). Thus, the pace of job creation in seasonally adjusted terms rose to 2.93% yoy (2.86% yoy in February), deferring the anticipated gradual slowdown in employment growth.
- **Social security affiliation regained buoyancy in March**, a month traditionally affected by Easter Week. Affiliation in seasonally adjusted terms (+155,104 individuals) exceeded last year's figure (+138,573 in March 2018), despite Easter Week falling in March 2018. Thus, it seems that the labour market is warming up in preparation for the forthcoming Easter holiday period, which this year falls in April.
- **Looking at the sectors, construction stood out** with affiliate growth of 7.2% yoy (+84,094), a pace 0.5 pp up on the previous month. Likewise, in **services affiliation grew 2.8% yoy** (+387,250), the same pace as in February and 0.1 pp higher than forecast. Meanwhile, affiliation in the **industrial** sector saw continuation of the gradual slowdown seen in recent quarters, posting a growth of 1.6% yoy (+34,773).
- **Registered unemployment shrank in March** by 33,956 individuals **against February, very similar to the forecast** (-34,000), but less than posted last year (-47,697 in March 2018). In yoy terms, the decline in registered unemployment stood at 4.9%, slightly less robust than in February (5.2%). Thus, unemployment has shrunk by 167,467 individuals in the last 12 months.
- Looking ahead to the coming months, the good labour market performance is expected to continue, albeit progressively 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**	Mar-16	Mar-17	Mar-18	Mar-19	
						Data	Forecast
Affiliated to the Social Security	119	20	138	162	139	155	108
Agriculture	-2	-6	-2	-3	-11	-14	-15
Industry	5	-11	4	10	6	4	1
Construction	26	-14	8	21	6	12	10
Services	90	50	129	134	138	131	112
Registered unemployed	-30	36	-58	-49	-48	-34	-34

Annual change (%)

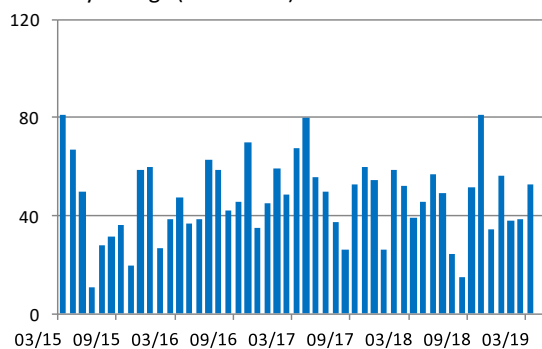
	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	
						Data	Forecast
Affiliated to the Social Security	3.1	2.9	3.1	2.9	2.9	2.9	2.7
Agriculture	1.2	-0.4	1.3	1.5	1.4	1.2	1.0
Industry	2.4	2.0	2.0	1.9	1.7	1.6	1.4
Construction	6.9	6.1	6.5	6.5	6.7	7.2	7.1
Services	3.0	3.0	3.1	2.9	2.8	2.8	2.6
Registered unemployed	-6.1	-6.4	-6.2	-5.5	-5.2	-4.9	-4.9

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

Source: CaixaBank Research, data from MEySS.

Affiliated to the Social Security*

Monthly change (thousands)

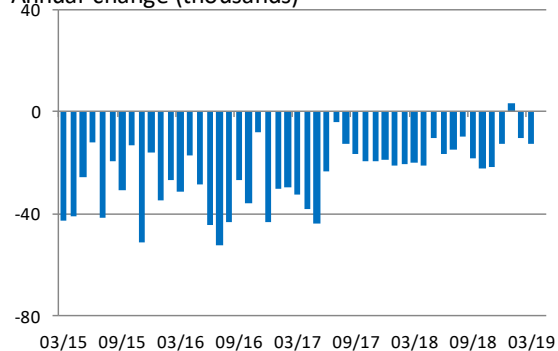


Note: *Seasonally adjusted.

Source: CaixaBank Research, data from MEySS.

Unemployed registered*

Annual change (thousands)

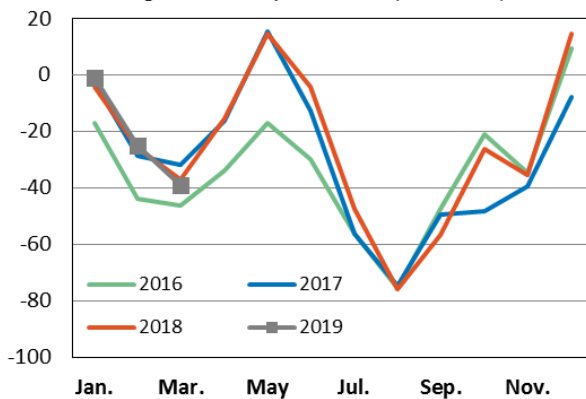


Note: *Seasonally adjusted.

Source: CaixaBank Research, data from MEySS.

Affiliated: Agriculture

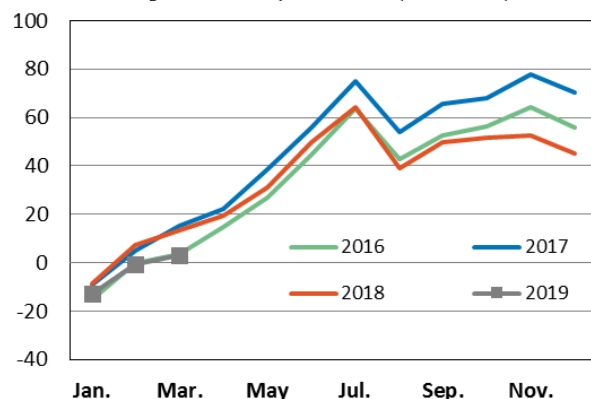
Cumulated figures for the year to date (thousands)



Source: CaixaBank Research, data from MEySS.

Affiliated: Industry

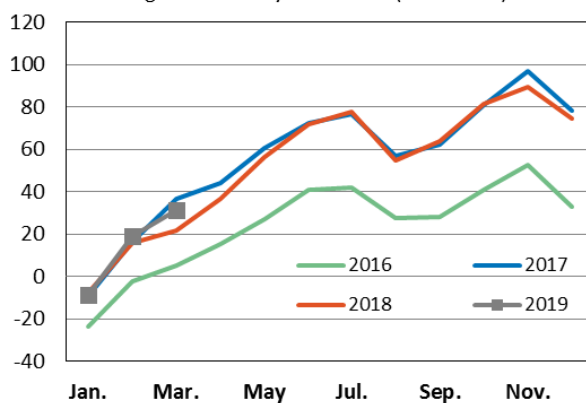
Cumulated figures for the year to date (thousands)



Source: CaixaBank Research, data from MEySS.

Affiliated: Construction

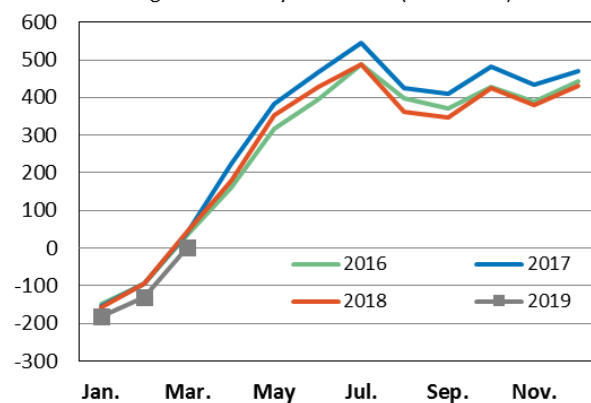
Cumulated figures for the year to date (thousands)



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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