

Flash Note 04/06/2019

**Spain · The labour market remains buoyant in May****Data**

- In seasonally adjusted terms and compared to the previous month:
  - **The number of social security affiliates was up** by 26,549 in May.
  - **Registered unemployment declined** by 20,073 in May.
- The number of **social security affiliates** rose 211,752 (not seasonally adjusted), putting the total affiliation number at **19,442,113**.
- **Registered unemployment** expanded by 84,075 (not seasonally adjusted), meaning a total jobless figure of **3,079,491**.
- In the last 12 months the number of affiliates has risen by 526,446, while the number of unemployed declined by 172,639.

**Assessment**

- **The labour market secured a good performance in May**, as evidenced by an uptick in Social Security affiliates of 211,752 in non-seasonally adjusted terms, very close to the CaixaBank Research forecast (212,000). Thus, employment growth in non-seasonally adjusted terms stood at 2.8% yoy, representing robust expansion, albeit easing compared to the previous month (3.0% yoy in April).
- **May tends to be one of the best months of the year** in terms of employment. Social Security affiliation in non-seasonally adjusted terms expanded sharply during the month (+211,752 individuals), albeit less than last year (+237,207 in May 2018). The total affiliates number (19,442,113) stands very close to the record high posted in July 2007 (19,493,050), a level that may be reached over the coming months.
- **Looking at the sectors in detail, services stood out** with affiliate growth of 2.9% yoy (+417,633), a similar pace to previous months. In particular, affiliation in tourism services climbed 3.4% yoy during May, matching the pace of expansion recorded in the previous month. Meanwhile, **affiliation growth in construction eased to 5.8% yoy** (+68,936 individuals), a buoyant rate but below the average for the first four months of the year (7.0%). Meanwhile, affiliation in the **industrial** sector continued the gradual slowdown seen in recent months, posting growth of 1.6% yoy (+34,853).
- **Registered unemployment was down in May by 84,075 compared to April**, a very similar figure to that posted last year (-83,738 in May 2018). In yoy terms, the decline in registered unemployment stood at 5.3%, slightly higher than in April (5.2%). Thus, unemployment has shrunk by 172,639 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 this data, the risks in terms of our 2019 employment growth forecast, of 2.8%, look balanced.

Spain: labor market (employment records)\*

Monthly change (thousands)

	2002-2007**	2008-2013**	May-16	May-17	May-18	May-19	
						Data	Forecast
Affiliated to the Social Security	162	94	198	223	237	212	212
Agriculture	2	11	17	32	30	28	26
Industry	10	0	12	16	12	7	11
Construction	23	-6	12	17	20	8	12
Services	128	90	157	159	176	168	163
Registered unemployed	-68	-49	-120	-112	-84	-84	-100

Annual change (%)

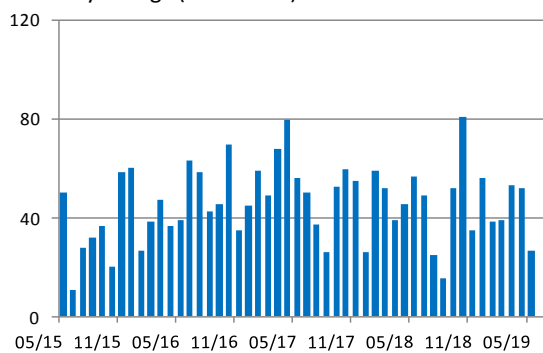
	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	
						Data	Forecast
Affiliated to the Social Security	3.1	2.9	2.9	2.9	3.0	2.8	2.8
Agriculture	1.3	1.5	1.4	1.8	0.6	0.4	0.3
Industry	2.0	1.9	1.7	1.7	1.8	1.6	1.7
Construction	6.5	6.5	6.7	7.7	6.8	5.8	6.1
Services	3.1	2.9	2.8	2.8	3.0	2.9	2.9
Registered unemployed	-6.2	-5.5	-5.2	-4.9	-5.2	-5.3	-5.8

Note: \*Not seasonally adjusted series. \*\* May average.

Source: CaixaBank Research, data from MEySS.

Affiliated to the Social Security\*

Monthly change (thousands)

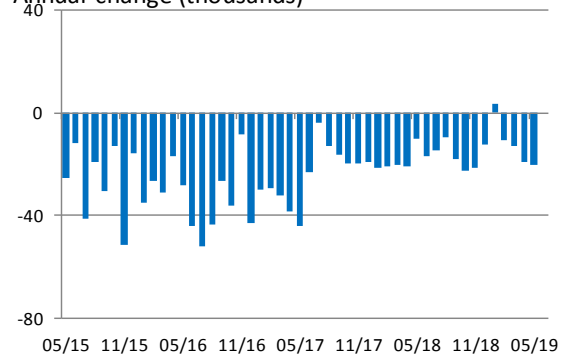


Note: \*Seasonally adjusted.

Source: CaixaBank Research, data from MEySS.

Unemployed registered\*

Annual change (thousands)

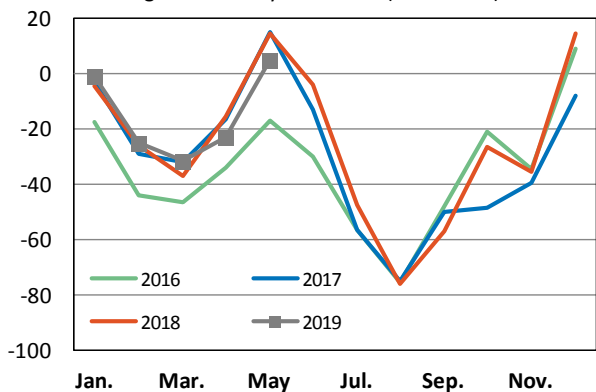


Note: \*Seasonally adjusted.

Source: CaixaBank Research, data from MEySS.

### Affiliated: Agriculture

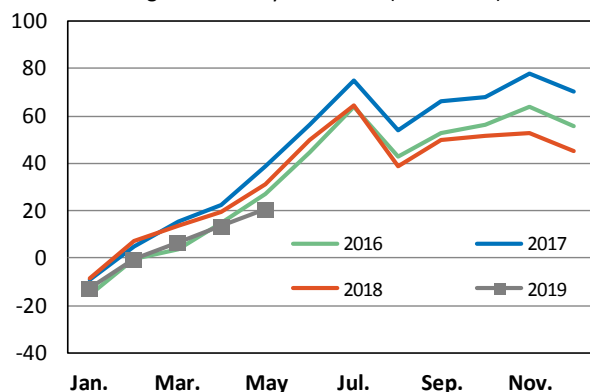
Cumulated figures for the year to date (thousands)



Source: CaixaBank Research, data from MEySS.

### Affiliated: Industry

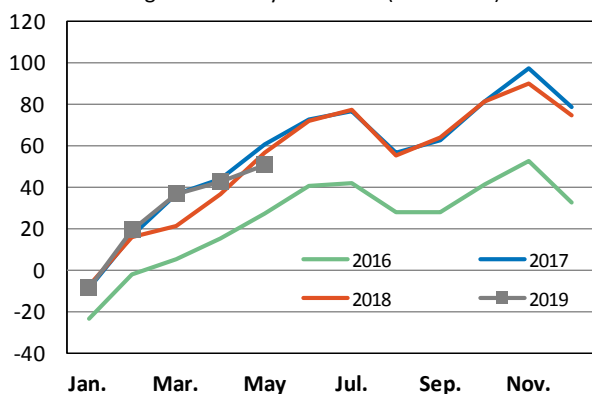
Cumulated figures for the year to date (thousands)



Source: CaixaBank Research, data from MEySS.

### Affiliated: Construction

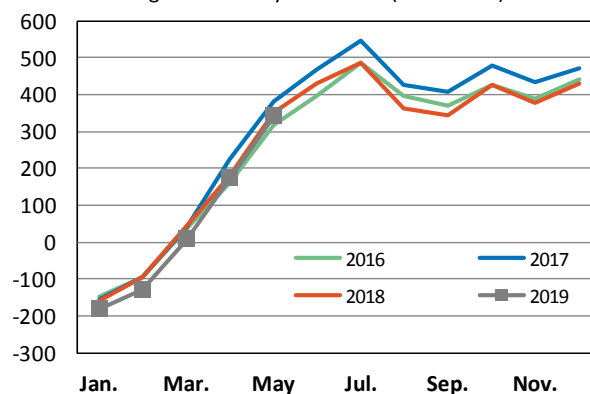
Cumulated figures for the year to date (thousands)



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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