



Autonomous Community Outlook

Madrid AC



6,850,000
inhabitants
(2022)



€34,821
GDP per capita
(2021)



19.4%
of Spanish GDP
(2021)



2.2%
GDP growth forecast
(2023)

Regional economic structure and position

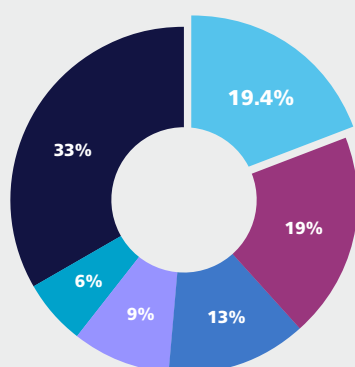
- The Madrid Autonomous Community has the largest **GDP**. Furthermore, its higher relative growth has allowed the region to gain importance over the last two decades and it has increased its share of Spanish GDP to 19.4% (17.7% in 2000).
- The region has had great demographic dynamism in recent decades, thanks to migration flows both from abroad and from other Autonomous Communities. With a **population** of 6.85 million inhabitants, 14.3% of the total, it is the third most highly populated region.
- GDP per capita** stands at 34,821 euros, the highest in the country and 36.6% above the Spanish average. In recent years, it has shown a slightly upward trend in its position relative to the average.
- In terms of **sectoral composition**, the region is notable for the relative importance of professional and industry-related services (41.5% vs. 29.2% on average in Spain), whereas agricultural activities (0.1% vs. 2.9%) and manufacturing (6.2% vs. 12.8%).
- Madrid is not a highly **export-oriented** region, with exports of goods making up 17.0% of regional GDP, 9 points below the Spanish average; despite this, it is the region with the second highest volume of exports, totalling 59.079 billion euros in 2022 (15.2% of all exports). The **main export sectors** are pharmaceutical products (29.0% of the total), energy products (17.5%) and transport equipment (7.7%). Madrid exports 47% of the whole of Spain's engines, 38% of its office and telecommunications equipment and 28% of its chemical products.

Table of structural indicators

		1991	2001	2011	2021
GDP per capita	Euros	11,800	23,049	30,966	34,821
	100 = Spain	129.6	134.0	136.0	136.6
Population	Thousands of inhabitants	4,985	5,478	6,426	6,769
	Average annual growth over the decade (%)	0.5	0.9	1.6	0.5
	% of the total in Spain	12.8	13.4	13.7	14.3
	% of population > 65 years old	12.1	14.5	15.4	18.4
Exports of goods as a proportion of GDP	%	...	11.4	13.5	17.0

GDP by Autonomous Community

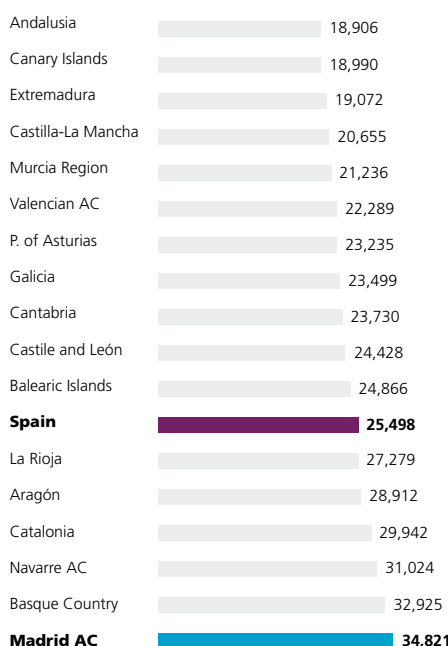
(% OF SPAIN AS A WHOLE)



- Madrid AC
- Catalonia
- Andalusia
- Valencian AC
- Basque Country
- Others

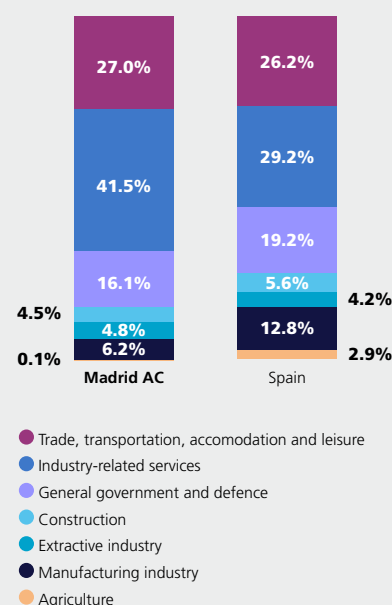
GDP per capita

(EUROS)



Productive sectors

(AS A % OF GVA)



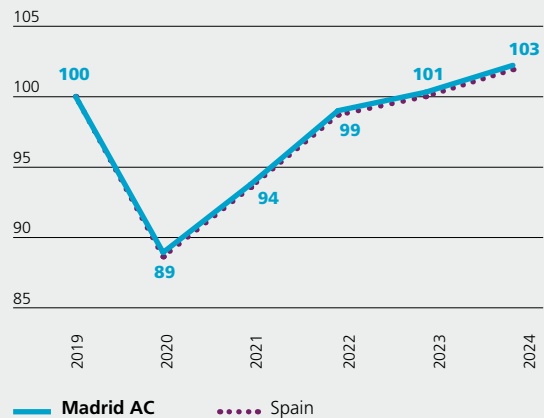
Source: CaixaBank Research, based on data from the National Statistics Institute (INE) and DataComex.

Macroeconomic situation

Madrid's economy is performing at a very similar level to that of the country as a whole. **The robust performance of GDP in 2022, with estimated growth of 5.7%**, was supported by a buoyant tertiary sector and an upturn in exports, especially pharmaceutical products. Given its productive sectors, its economy was less hard hit by the rising energy and commodity prices.

Due to the uncertainty, against a backdrop of rising prices and interest rates, in 2023 **we expect the economy to slow down, with a GDP growth of 2.2%**, a rate that is slightly higher than the Spanish average (2.0%). Due to its strong focus on high value-added business services, it is among the regions that are best positioned to capitalise on the boost in investment being provided by European funds. There is also room for improvement in foreign tourism.

GDP (INDEX 100 = 2019)



Source: CaixaBank Research.



It has been among the most buoyant regions in terms of **employment**. In 2022, the number of registered workers affiliated to Social Security grew by 4.7% (3.9% in Spain), while so far in 2023 a modest slowdown has been observed, although growth remains above average (4.0% year-on-year in May vs. 2.9%), thus far exceeding pre-pandemic levels (10.2% higher than in May 2019 vs. 7.1%): in the last year, job creation in professional activities, information and communications, and hotels and restaurants, has been outstanding. In terms of the unemployment rate, it stood at 11.0% in Q1 2023, below the average (13.3%), but 1 point above pre-pandemic levels (Q4 2019).



Consumption and the tertiary sector are also performing well. Firstly, **retail trade** (in volume) withstood the inflationary pressures and recorded 0.4% growth in 2022 (-1.0% across Spain) and,

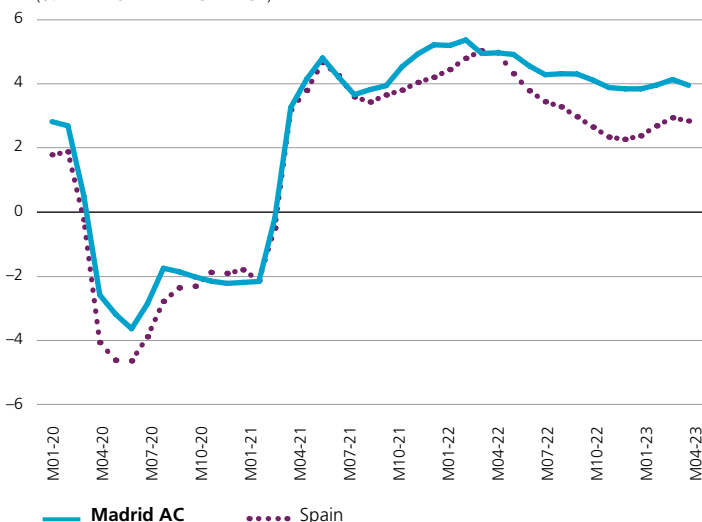
after growing by 9.3% year-on-year in the first four months of 2022 (vs. +6.9%), it far exceeds the levels in 2019 (13.4% vs. 2.2%). As regards the **turnover of the services sector**, this grew by 23.1% in 2022 (+19.9% in Spain) and by 6.2% year-on-year in January-March this year (vs. +10.1%), making it 18.0% higher than it was in 2019 (vs. 22.4%).



Exports of goods are performing better than the national average. In 2022, thanks to the rise in sales of energy products (especially electricity - which are recorded by the electricity companies) and chemicals (mainly medicines), they grew by 48.2% (+22.9% in Spain); in January-March this year, after rising by 19.0% year-on-year (vs. +14.6%), they are now 105.1% higher than in the same period of 2019 (+40.9% nationwide).

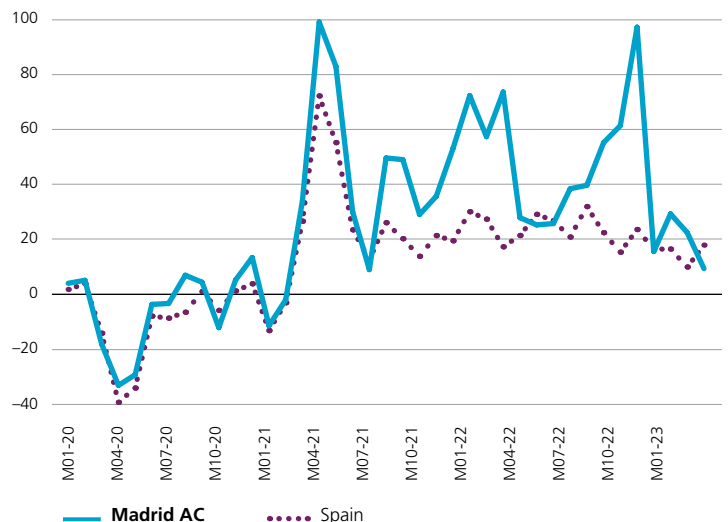
Registered workers affiliated to Social Security

(% YEAR-ON-YEAR CHANGE)



Exports of goods






(% YEAR-ON-YEAR CHANGE)



Source: CaixaBank Research, based on data from the Ministry of Labour, Migration and Social Security (MITRAMISS), the National Statistics Institute (INE) and Datacomex.

Table of indicators

Madrid AC
Spanish Average

		2008-2013 average	2014-2019 average	2020	2021	2022	2023	Gap with 2019 (latest figure)	Latest figure
 Activity and prices	Real GDP * (% year-on-year change)	-0.9 -1.8	3.6 2.8	-11.0 -11.3	5.4 5.5	5.7 5.5	— —	-0.9 -1.3	2022
	Retail trade (% cumulative annual change)	-4.8 -4.6	4.1 2.3	-2.6 -5.6	6.4 2.6	0.4 -1.0	9.3 6.9	16.4 3.1	April-23
	Industrial production index (% cumulative annual change)	-7.3 -5.3	2.4 1.8	-6.6 -9.2	5.4 7.1	5.6 2.4	5.5 0.7	1.3 -5.6	April-23
	Service activity index (% cumulative annual change)	-5.2 -4.6	6.1 5.1	-18.3 -15.6	17.5 15.8	23.1 19.9	6.2 10.1	18.2 26.6	March-23
	Consumer price index (% year-on-year change)	1.7 1.7	0.7 0.7	-0.4 -0.3	2.7 3.1	7.5 8.4	3.4 4.1	12.7 14.5	April-23
 Labour market	Registered workers affiliated to Social Security (% year-on-year change)	-2.5 -3.1	3.7 3.2	-1.3 -2.1	2.7 2.5	4.7 3.9	4.0 2.9	10.2 7.1	May-23
	Registered workers affiliated to Social Security not affected by furlough (% year-on-year change)	-2.5 -3.1	3.7 3.2	-8.5 -9.2	7.9 7.3	7.6 7.3	4.7 3.6	11.0 8.1	May-23
	Unemployment rate (% working population)	15.5 20.2	14.6 18.8	12.5 15.5	11.6 14.8	11.2 12.9	11.0 13.3		Q1 2023
	Unemployment rate for under 25s (% working population < 25)	37.7 42.5	38.0 42.5	31.8 38.3	29.3 44.7	29.3 23.9	32.3 30.0		Q1 2023
 Public sector	Public deficit (% of GDP)	-1.2 -2.7	-0.8 -0.9	0.0 -0.2	0.3 -0.1	-0.7 -1.1	— —		2022
	Autonomous Communities public debt (% of GDP)	8.0 12.3	14.1 24.1	15.8 27.2	14.7 25.9	13.5 23.9	— —		Q4 2022
 Real estate market	Housing prices (% year-on-year change)	-9.2 -8.1	8.4 5.3	1.7 2.1	2.5 3.7	6.8 7.4	3.1 3.5	13.5 17.0	Q1 2023
	Housing sales (% cumulative annual change)	-6.9 -10.8	10.0 9.7	-18.5 -16.9	38.3 34.8	2.8 14.7	-11.3 -2.2	4.9 30.4	March-23
 Foreign sector and tourism	Exports of goods (% cumulative annual change)	7.1 4.6	2.4 3.9	-5.5 -9.4	35.3 20.1	48.2 22.9	19.0 14.6	109.3 49.1	March-23
	Tourist overnight stays (% cumulative annual change)	0.9 0.7	5.7 3.0	-68.6 -69.2	68.5 78.3	68.0 73.3	20.6 19.6	5.9 7.8	April-23

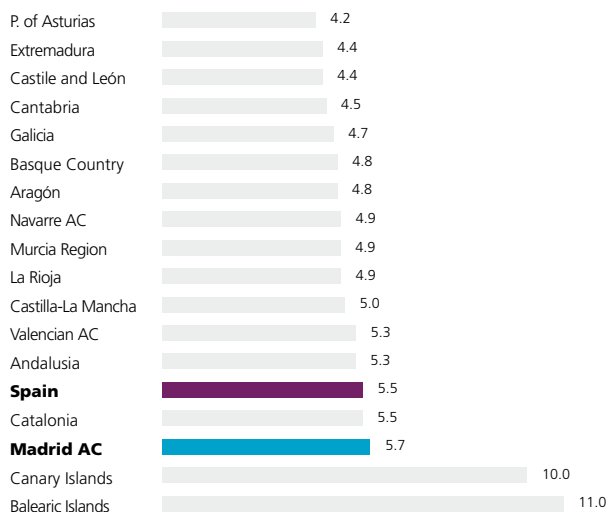
Note: *The 2022 GDP figure for Autonomous Communities is an estimate made by CaixaBank Research.

Source: CaixaBank Research, based on data from the National Statistics Institute (INE), the Bank of Spain, the Ministry of Labour, Migration and Social Security (MITRAMISS), the Ministry of Finance and DataComex.

Regional comparison

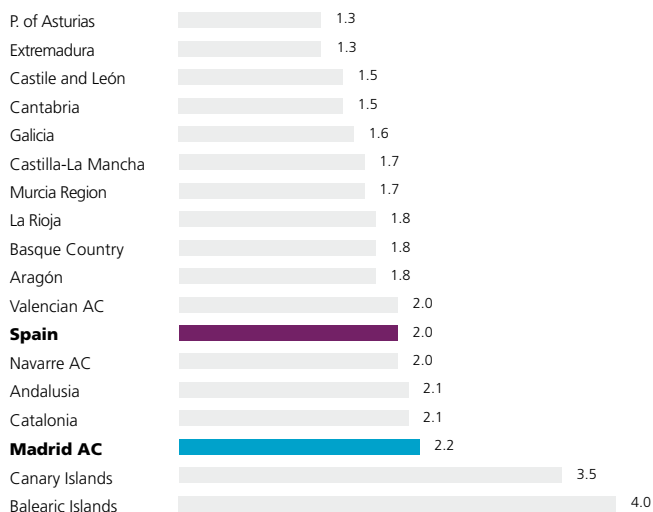
GDP (2022)

(ANNUAL CHANGE)



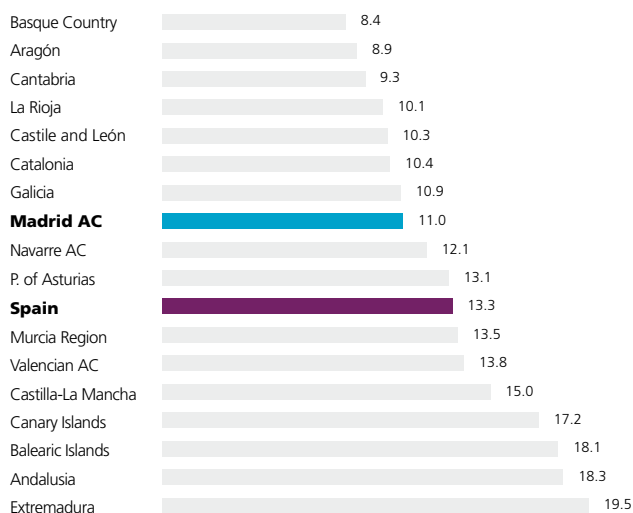
GDP growth forecast (2023)

(ANNUAL CHANGE)



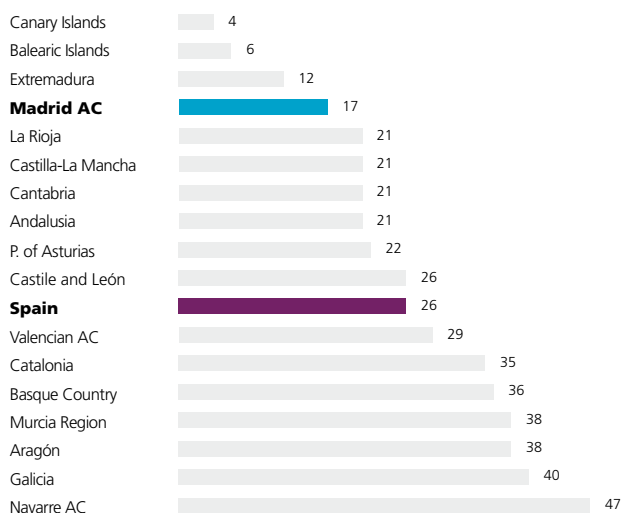
Unemployment rate (Q1 2023)

(% OF WORKING POPULATION)



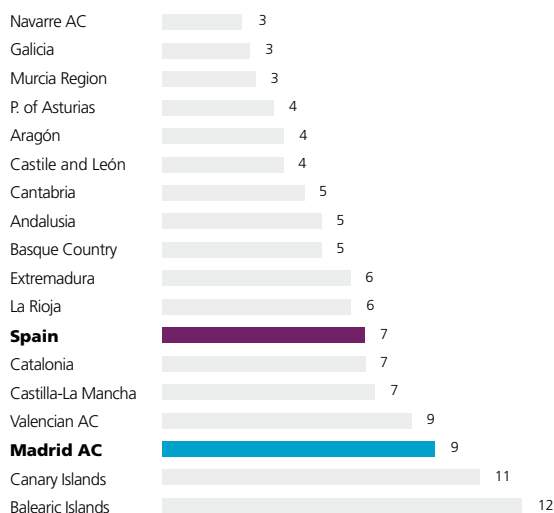
Weight of exports of goods (2021)

(% OF GDP)



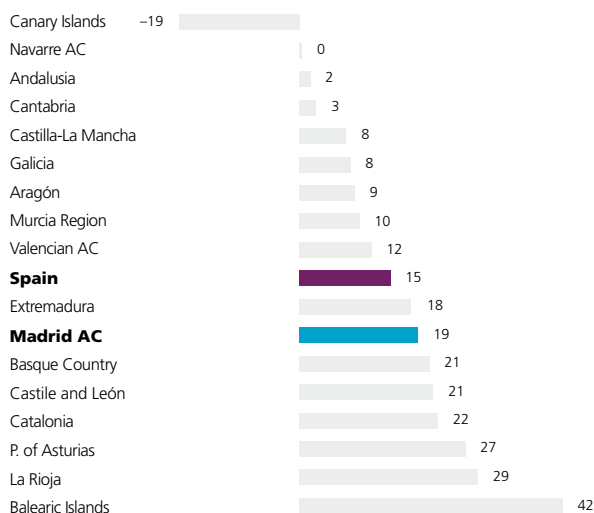
Retail trade* (January-April 2023)

(CHANGE FROM THE SAME PERIOD IN 2022)



Exports of goods (January-March 2023)

(CHANGE FROM THE SAME PERIOD IN 2022)



Note: *Figures adjusted, excluding service stations.

Source: CaixaBank Research, based on our own estimates and data from the National Statistics Institute (INE) and DataComex.



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