



Autonomous Community Outlook

Galicia



2,670,000

inhabitants
(2022)



€23,499

GDP per capita
(2021)



5.2%

of Spanish GDP
(2021)



1.6%

GDP growth forecast
(2023)

Regional economic structure and position

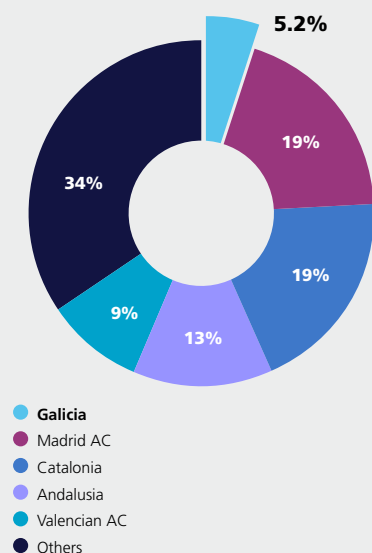
- Galicia's **GDP** is 63.230 billion euros, 5.2% of the national total, so it is sixth in the overall ranking.
- In **demographic** terms, the region has almost 2.7 million inhabitants, 5.7% of Spain's total population. It is among the regions with the oldest populations in the country: 26.3% of the population is over the age of 65 (20.1% on average nationwide).
- GDP per capita** stands at 23,499 euros, almost 8% below the national average, although it has been making up ground in recent years, not so much due to a notable growth in its GDP, but more due to a slight decline in its population.
- As for its **productive sectors**, Galicia stands out for the relative importance of its primary sector (4.3% vs. national average of 2.9%), extractive industry (5.3% vs. 4.2%) and construction (6.4% vs. 5.6%). In contrast, industry-related services account for a far smaller percentage (23.8% vs. 29.2%).
- Galicia is notably **export-oriented**: goods exports represent 40.0% of regional GDP, 14 points above the national average and the country's second highest percentage. In 2022, it exported goods worth 29.886 billion euros, 7.7% of Spanish exports, with the **main export sectors** being textile products (23.3% of the total), the motor vehicle industry (19.1%) and food (13%). The region exports 34% of the country's textile products and half of its fish products.

Table of structural indicators

		1991	2001	2011	2021
GDP per capita	Euros	7,122	13,373	20,121	23,499
	100 = Spain	78.2	77.8	88.4	92.2
Population	Thousands of inhabitants	2,732	2,697	2,772	2,693
	Average annual growth over the decade (%)	-0.3	-0.1	0.3	-0.3
	% of the total in Spain	7.0	6.6	5.9	5.7
	% of population > 65 years old	16.8	21.1	22.8	26.1
Exports of goods as a proportion of GDP	%	...	25.7	30.7	40.0

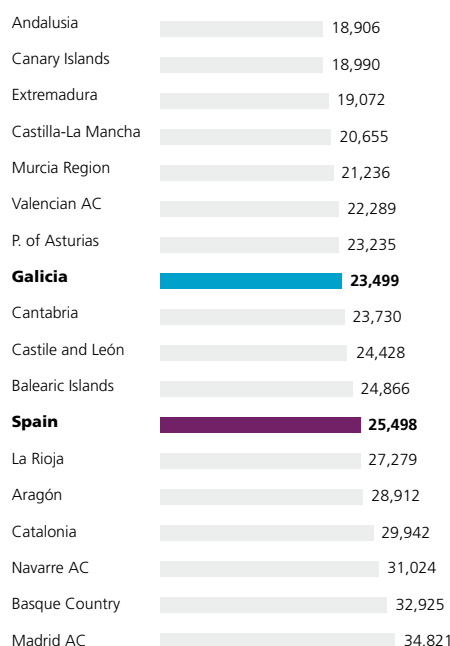
GDP by Autonomous Community

(% OF SPAIN AS A WHOLE)



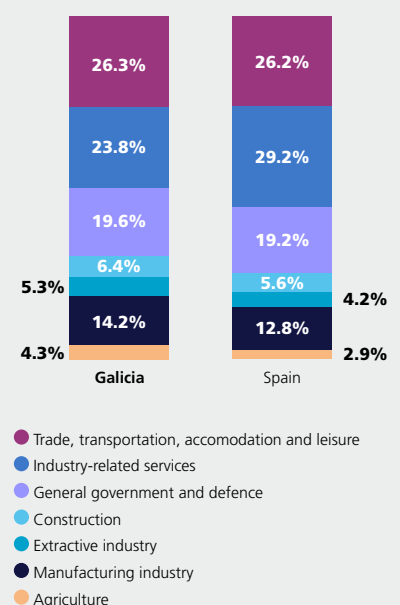
GDP per capita

(EUROS)



Productive sectors

(AS A % OF GVA)



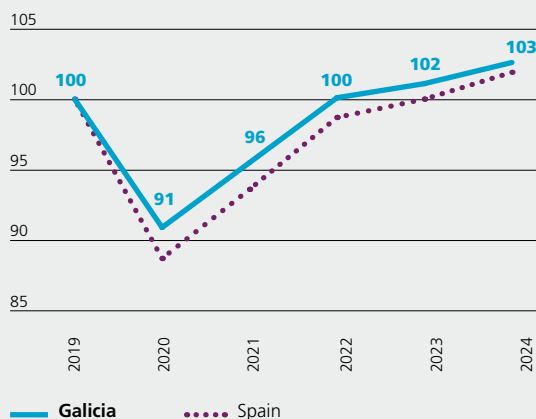
Source: CaixaBank Research, based on data from the National Statistics Institute (INE) and DataComex.

Macroeconomic situation

According to CaixaBank Research estimates, **Galicia's GDP grew by 4.7% in 2022**, slightly less than the Spanish economy as a whole (5.5%). The lesser importance of tourism in its productive sectors prevented greater momentum and this was compounded by the impact of bottlenecks in global supply chains on its powerful motor vehicle industry. Nevertheless, it was one of the few regions that managed to recover its pre-pandemic GDP level.

For 2023, our forecasts indicate GDP growth of 1.6% in Galicia, below the national average (2.0%). Household spending will be hit by rising prices and interest rates and the slowdown in employment growth. As uncertainty eases and the disbursement of European funds is stepped up, we expect activity to accelerate. Although the impact of tourism will not be as significant as in other regions, given its focus on domestic tourism, there is still scope for foreign tourism.

GDP (INDEX 100 = 2019)



Source: CaixaBank Research.



The Galician **labour market** is slightly more sluggish than across the country as a whole. The number of registered workers affiliated to Social Security grew by 2.2% in 2022, compared to 3.9% in Spain, while the start of this year has seen a continued slowdown: after growing by 1.8% year-on-year in May (vs. +2.9% on average), the number of registered workers affiliated to Social Security is 4.0% higher than in March 2019 (vs. +7.1%); in the last year, job creation in education, professional activities and hotels and restaurants has been outstanding, cushioning the blow of the job losses in the agricultural sector. In turn, the unemployment rate in Q1 2023 was 10.9%, below the national average (13.3%) and the Q4 2019 figures (11.7%).



Household spending is being adversely affected by the loss of purchasing power caused by rising inflation. In 2022, there was a steeper decline in the **retail trade index** (in volume) than overall in Spain (-3.5% vs. -1.0%), and it is recovering at a slower rate in 2023: up until April, growth stood at 2.4% year-on-year, 4.4 points

below the average, and 0.7% above the same period in 2019 (+2.2% in Spain).



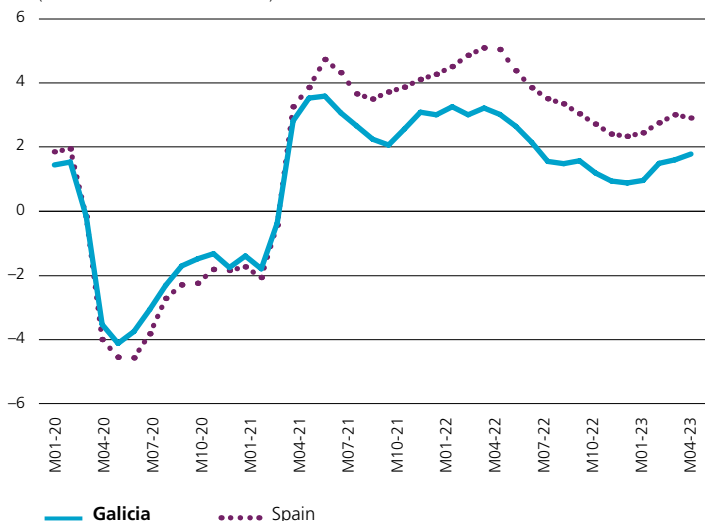
The weakness in Galicia's **industrial production** in 2022 (-1.4% vs. +2.4% nationwide) was partly caused by supply issues in global markets. In the first four months of this year there was an upswing, with growth of 7.2% year-on-year, in contrast to the meagre growth of the country as a whole (+0.7%), so it was 3.3% higher than in 2019 (-1.1% for Spain).



The performance of **exports** of goods is slightly weaker than average. In 2022, they grew by 18.3% (vs. +22.9%); the decline in automobile sales was offset by the buoyancy of consumer goods (mainly textile products) and energy products (thanks to the refinery in A Coruña and the regasification plant in Mugardos). In January-March 2023, growth slowed down (+8.2% year-on-year vs. +14.6%), due to the prolonged weakness in the motor vehicle industry, so the figures are 37.8% higher than in 2019 (+40.9% in Spain).

Registered workers affiliated to Social Security

(% YEAR-ON-YEAR CHANGE)



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

Industrial production

(% YEAR-ON-YEAR CHANGE)

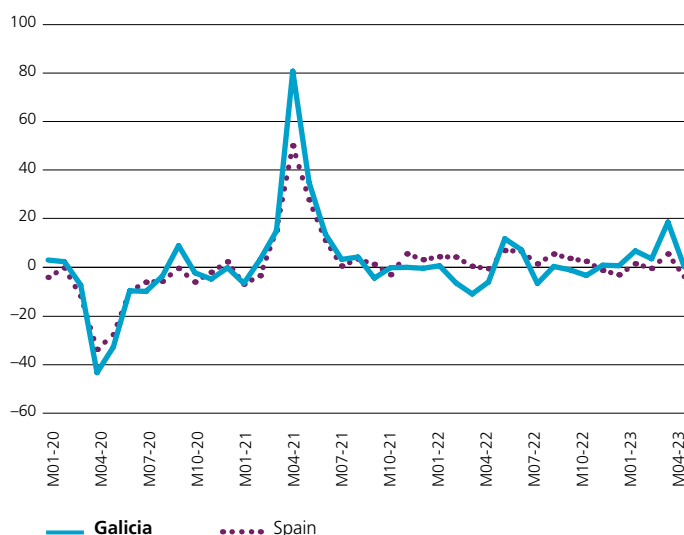







Table of indicators

Galicia
Average in Spain

		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)	-1.8 -1.8	2.6 2.8	-9.1 -11.3	5.1 5.5	4.7 5.5	— —	0.0 -1.3	2022
	Retail trade (% cumulative annual change)	-3.5 -4.6	2.1 2.3	-0.8 -5.6	1.2 2.6	-3.5 -1.0	3.0 6.9	2.0 3.1	April-23
	Industrial production index (% cumulative annual change)	-5.3 -5.3	1.8 1.8	-8.5 -9.2	8.3 7.1	-1.4 2.4	7.2 0.7	-4.3 -5.6	April-23
	Service activity index (% cumulative annual change)	-2.9 -4.6	6.2 5.1	-13.6 -15.6	17.8 15.8	26.0 19.9	13.7 10.1	45.1 26.6	March-23
	Consumer price index (% year-on-year change)	1.7 1.7	0.7 0.7	-0.3 -0.3	3.5 3.1	9.0 8.4	4.1 4.1	15.6 14.5	April-23
 Labour market	Registered workers affiliated to Social Security (% year-on-year change)	-3.2 -3.1	2.1 3.2	-1.7 -2.1	1.8 2.5	2.2 3.9	1.8 2.9	4.0 7.1	May-23
	Registered workers affiliated to Social Security not affected by furlough (% year-on-year change)	-3.2 -3.1	2.1 3.2	-7.7 -9.2	6.0 7.3	5.4 7.3	2.7 3.6	5.8 8.1	May-23
	Unemployment rate (% working population)	16.0 20.2	16.5 18.8	12.0 15.5	11.7 14.8	11.0 12.9	10.9 13.3		Q1 2023
	Unemployment rate for under 25s (% working population < 25)	36.0 42.5	38.4 42.5	33.2 38.3	32.7 44.7	32.4 23.9	28.7 30.0		Q1 2023
 Public sector	Public deficit (% of GDP)	-2.1 -2.7	-0.5 -0.9	-0.1 -0.2	-0.1 -0.1	-0.6 -1.1	— —		2022
	Autonomous Communities public debt (% of GDP)	11.3 12.3	18.7 24.1	19.7 27.2	18.5 25.9	17.2 23.9	— —		Q4 2022
 Real estate market	Housing prices (% year-on-year change)	-6.4 -8.1	2.6 5.3	2.2 2.1	4.6 3.7	6.6 7.4	3.4 3.5	18.2 17.0	Q1 2023
	Housing sales (% cumulative annual change)	-13.9 -10.8	7.4 9.7	-11.1 -16.9	30.2 34.8	9.1 14.7	-8.1 -2.2	32.2 30.4	March-23
 Foreign sector and tourism	Exports of goods (% cumulative annual change)	3.6 4.6	4.6 3.9	-5.9 -9.4	20.6 20.1	18.3 22.9	8.2 14.6	58.7 49.1	March-23
	Tourist overnight stays (% cumulative annual change)	-2.6 0.7	5.1 3.0	-56.1 -69.2	75.2 78.3	34.2 73.3	16.2 19.6	17.5 7.8	April-23

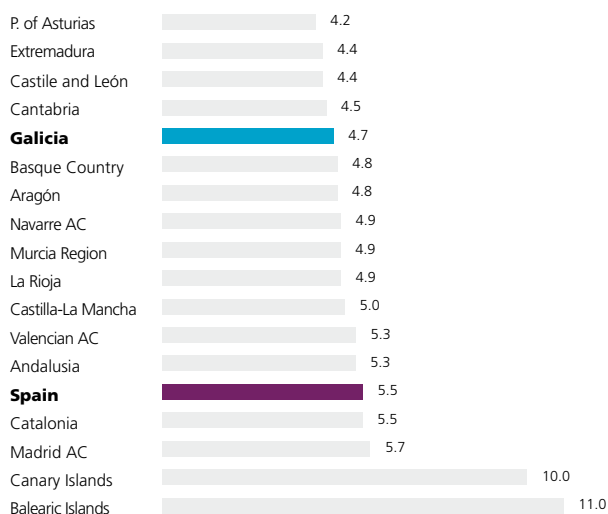
Note: *The 2022 GDP figure for Autonomous Communities is an estimate made by CaixaBank Research.

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

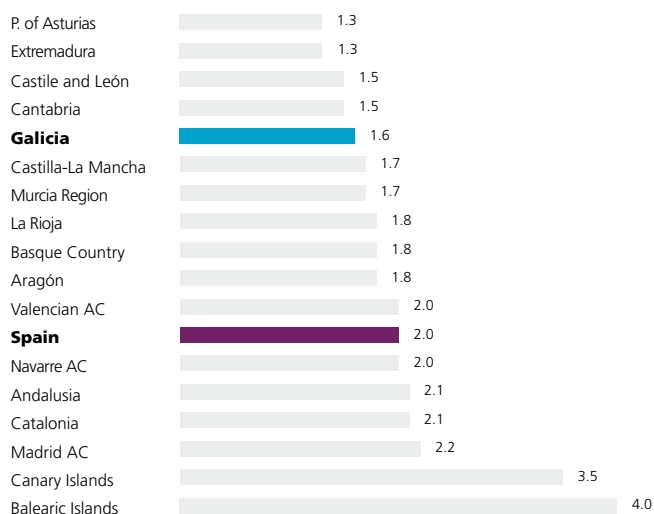
GDP (2022)

(ANNUAL CHANGE)



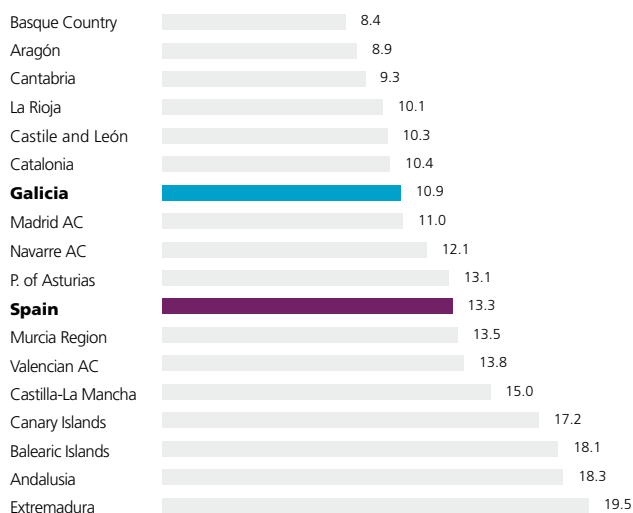
GDP growth forecast (2023)

(ANNUAL CHANGE)



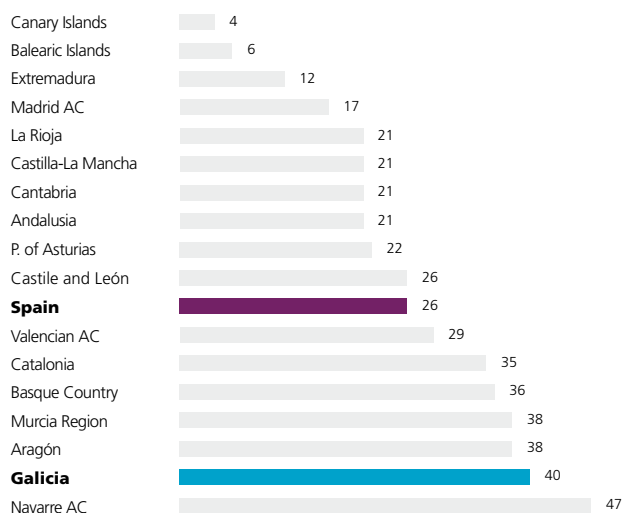
Unemployment rate (Q1 2023)

(% OF WORKING POPULATION)



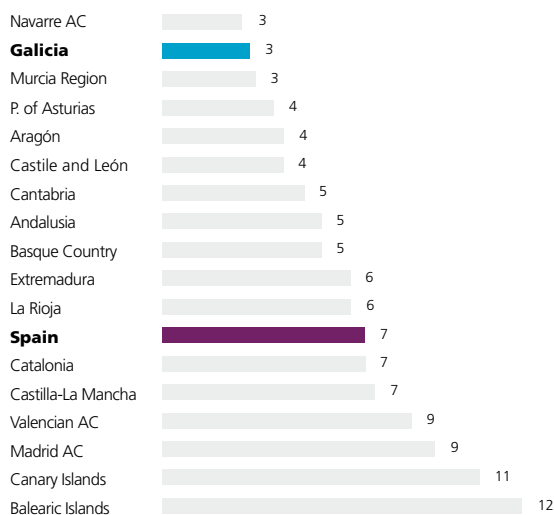
Proportion of exports of goods (2021)

(% OF GDP)



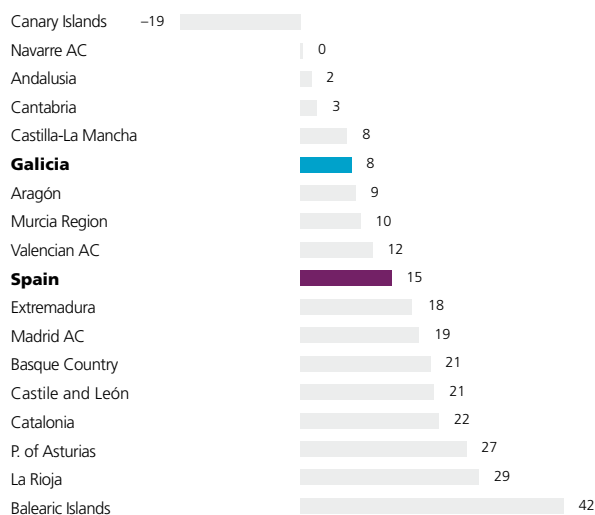
Retail trade* (January-April 2023)

(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.



Autonomous Community Outlook is a publication by CaixaBank Research, which contains information and opinions from sources that we consider reliable. This document is for information purposes only. Therefore, CaixaBank does not take any responsibility for whatever use is made of it. The opinions and estimates are those of CaixaBank and may be subject to change without notice.

Closing date of this edition: 7 June 2023