



Autonomous Community Outlook

# Valencian AC



**5,220,000**  
inhabitants  
(2022)



**€22,289**  
GDP per capita  
(2021)



**9.3%**  
of Spanish GDP  
(2021)



**2.4%**  
anticipated growth  
in GDP (2023)

## Regional economic structure and position

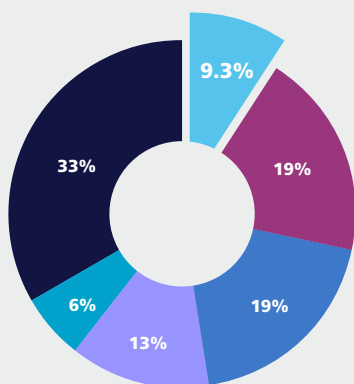
- The Valencian Autonomous Community is the fourth largest Spanish region, accounting for **9.3% of Spain's GDP**.
- It has a **population** of just over 5.2 million inhabitants (2022), 10.9% of the total population, and is also the fourth-largest region in demographic terms.
- The total **GDP per capita** stands at 22,289 euros, which is 12.6% below the Spanish average. Its decline in terms of positions over recent years is partly due to higher population growth.
- In terms of **sectoral composition**, the region is notable for the relative importance of its manufacturing industry (15.8% vs. the Spanish average of 12.8%), construction (6.1% vs. 5.6%) and trade, transportation, hotels and restaurants, and leisure (27.5% vs. 26.2%). In contrast, there is a lower proportion in the public administration (18.3% vs. 19.2%) and industry-related services (26.5% vs. 29.2%).
- The region is highly **export-oriented**, with goods exports accounting for 28.8% of regional GDP, 2.6 points above the Spanish average. It is the fourth region by volume of goods exports, with 39.622 billion euros in 2022, 10.2% of all Spanish exports. The **main exported products** are food (19.5% of the total), products of the motor vehicle industry (14.6%), and ceramic products (11.3%). The Valencian Autonomous Community accounts for 52% of Spanish exports of construction materials, 42% of footwear, 25% of furniture and 24% of fruit and pulses.

## Table of structural indicators

		1991	2001	2011	2021
<b>GDP per capita</b>	Euros	8,998	16,504	19,933	<b>22,289</b>
	100 = Spain	98.8	96.0	87.6	<b>87.4</b>
<b>Population</b>	Thousands of inhabitants	3,883	4,192	5,010	<b>5,108</b>
	Average annual growth over the decade (%)	0.6	0.8	1.8	<b>0.2</b>
	% of the total in Spain	9.9	10.2	10.7	<b>10.8</b>
	% of population > 65 years old	13.9	16.4	17.2	<b>19.9</b>
<b>Exports of goods as a proportion of GDP</b>	%	...	23.2	20.3	<b>28.8</b>

### GDP by Autonomous Community

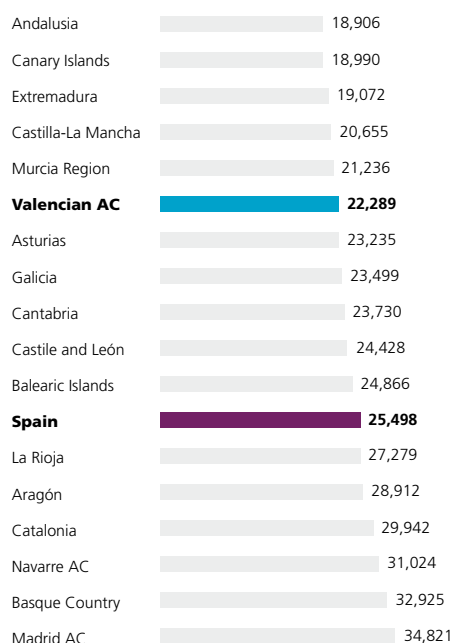
(% OF SPAIN AS A WHOLE)



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

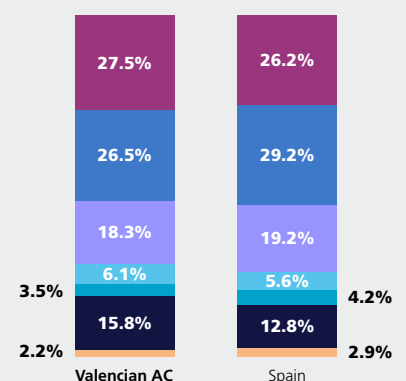
### GDP per capita

(EUROS)



### Productive sectors

(AS A % OF GVA)



- Trade, transportation, accommodation and leisure
- Industry-related services
- General government and defence
- Construction
- Manufacturing industry
- Agriculture

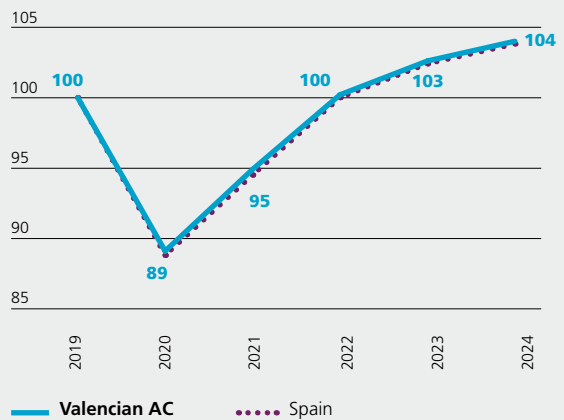
Source: CaixaBank Research, based on data from the National Statistics Institute (INE) and DataComex.

## Macroeconomic situation

The Valencian economy is performing at a similar level to that of the country as a whole. According to CaixaBank Research estimates, **Valencian GDP grew by 5.7% in 2022** (5.8% on average), thanks mainly to the recovery of domestic tourism and the upturn in consumption, supported by a well-performing labour market. Additionally, the economy was less affected than expected by supply problems in global markets.

**For 2023, our forecasts indicate GDP growth of 2.4%**, the same rate as the Spanish economy as a whole. After showing remarkable resilience during the first part of the year, the outlook in the second half of the year is being overshadowed by weakening foreign demand, which is affecting industrial activity and exports. On the plus side, employment is still being created at a good rate and the tourism sector is returning to pre-pandemic figures.

## GDP (INDEX 100 = 2019)



Source: CaixaBank Research.



**Employment** is performing better than on average in Spain as a whole, with a 4.7% increase in registered workers affiliated to Social Security in 2022 (vs. 3.9%). Growth was more subdued in October this year (2.8% vs. 2.6% in Spain), but the number of registered workers affiliated to Social Security was 9.8% higher than it was in October 2019 (+7.1% in Spain): hotels and restaurants, healthcare and, above all, education have been the most dynamic sectors in terms of employment over the last year. In turn, the unemployment rate stood at 11.8% in Q3 2023, which is equal to the Spanish average and an improvement on the 2019 year-end figures (14.1%).



**Consumption** is performing better than in Spain as a whole. Also, the volume of retail and consumer goods sales only grew by 0.1% in 2022, although they performed better than across Spain (-1.0%), while from January to September this year, they grew by 9.2% year-on-year (vs. 8.0%); this means that they are 6.4% above 2019 levels (+3.0% on average in Spain).



However, **industrial production** is performing somewhat worse than it is in Spain as a whole. After growing by 2.3%

in 2022, just 1% below the average, the IPI fell by 3.0% year-on-year in January to September 2023 (vs. -1.0%), hit by weakening foreign demand; in any event, it is 0.5% above 2019 levels (-1.1% nationwide).



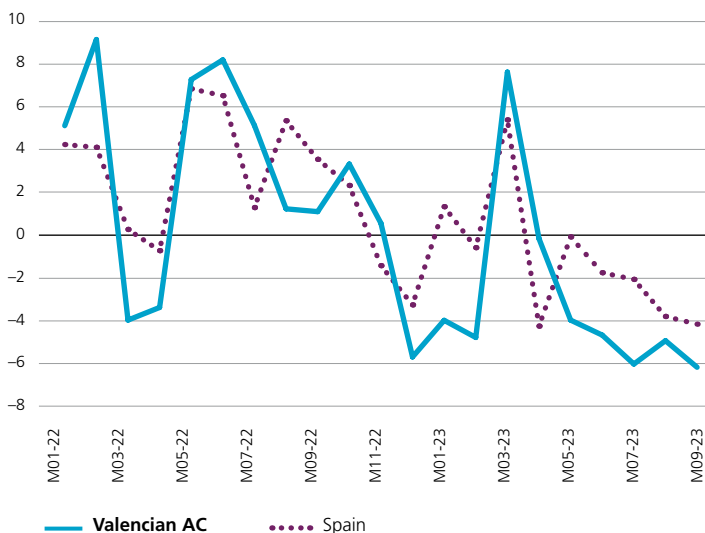
**Exports** of goods performed well in 2022, following modest growth in the previous year: they grew by 22.2%, slightly below the national average (22.9%): in an overall positive context, sales of semi-finished goods –above all, chemical and automotive products– stood out. This year they are performing more weakly and there was a 3.6% decline year-on-year up to September (vs. +0.3%), although they were 22.3% higher than in 2019 (vs. +32.6%).



The region has a high proportion of **tourism activities**, but is less dependent on international tourism than Spain: in 2019, 52% of overnight stays in tourist establishments were by foreigners (vs. 64%). The recovery has been more muted in the region: in 2022, overnight stays rose by 55.5% (+73.3% in Spain), while in January to September this year they were 3.1% higher than they were in 2019 (vs. +1.0%).

## Industrial production

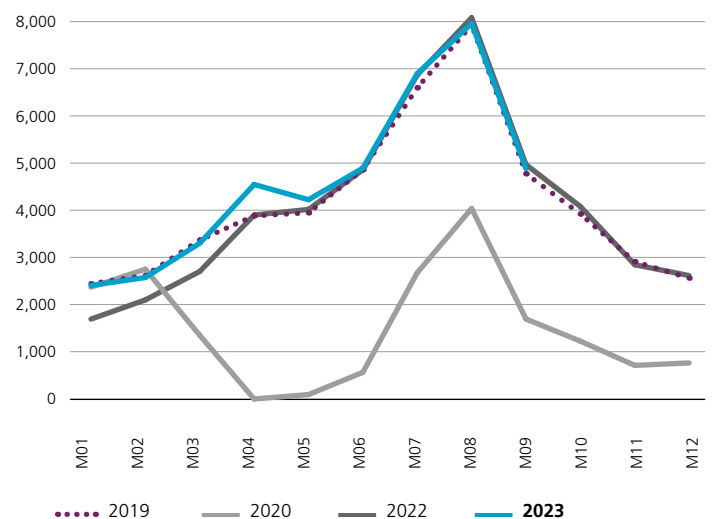
(% YEAR-ON-YEAR CHANGE)



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


## Overnight stays

(THOUSANDS)



## Table of indicators

Valencian Autonomous Community  
Average in Spain

		2008-2013 average	2014-2019 average	2020	2021	2022	2023	Gap with 2019 (latest figure)	Latest figure
 Activity and prices	<b>Real GDP*</b> (% year-on-year change)	-2.6 -1.8	2.7 2.8	-10.9 -11.2	5.6 6.4	5.7 5.8	— —	-0.6 0.0	2022
	<b>Retail trade</b> (% cumulative annual change)	-5.2 -4.6	2.7 2.3	-4.5 -5.6	2.3 2.6	0.1 -1.0	9.2 8.0	8.5 5.0	September-23
	<b>Industrial production index</b> (% cumulative annual change)	-4.7 -5.3	2.4 1.8	-5.8 -9.2	7.1 7.1	2.3 2.4	-3.0 -1.0	-0.5 -0.1	September-23
	<b>Service activity index</b> (% cumulative annual change)	-4.3 -4.6	5.1 5.1	-11.0 -15.6	16.0 15.8	15.3 19.9	3.1 3.7	23.6 21.0	August-23
	<b>Consumer price index</b> (% year-on-year change)	1.6 1.7	0.7 0.7	-0.4 -0.3	3.3 3.1	8.5 8.4	3.5 3.5	16.2 16.0	October-23
 Labour market	<b>Registered workers affiliated to Social Security</b> (% year-on-year change)	-4.3 -3.1	3.8 3.2	-1.5 -2.1	3.2 2.5	4.7 3.9	2.8 2.6	9.8 7.1	October-23
	<b>Registered workers affiliated to Social Security not affected by furlough (ERTE in Spanish)</b> (% year-on-year change)	-4.3 -3.1	3.8 3.2	-8.2 -9.2	8.0 7.3	8.0 7.3	3.3 3.2	11.0 8.1	October-23
	<b>Unemployment rate</b> (% working population)	22.5 20.2	19.5 18.8	16.2 15.5	15.9 14.8	13.2 12.9	11.8 11.8		Q3 2023
	<b>Unemployment rate for under 25s</b> (% working population < 25)	44.1 42.5	43.6 42.5	36.6 38.3	37.3 44.7	28.6 23.9	23.1 27.8		Q3 2023
 Public sector	<b>Public deficit</b> (% of GDP)	-3.9 -2.7	-1.8 -0.9	-1.1 -0.2	-1.0 0.0	-3.1 -1.1	-1.4 -0.8		Q2 2023
	<b>Autonomous Communities public debt</b> (% of GDP)	21.1 12.3	40.8 24.1	48.5 27.2	47.2 25.6	43.8 23.6	43.5 23.2		Q2 2023
 Real estate market	<b>Housing prices</b> (% year-on-year change)	-7.7 -8.1	3.3 5.3	2.2 2.1	4.3 3.7	7.2 7.4	3.5 3.6	18.4 18.0	Q2 2023
	<b>Housing sales</b> (% cumulative annual change)	-9.0 -10.8	10.2 9.7	-21.3 -16.9	35.2 34.8	25.2 14.8	-0.6 -8.5	27.5 15.2	September-23
 Foreign sector and tourism	<b>Exports of goods</b> (% cumulative annual change)	4.1 4.6	4.6 3.9	-7.1 -9.4	11.3 20.1	22.2 22.9	-3.6 0.3	26.1 32.4	September-23
	<b>Tourist overnight stays</b> (% cumulative annual change)	0.5 0.7	4.4 3.0	-63.4 -69.2	71.7 78.3	55.5 73.3	6.4 7.0	2.3 1.9	September-23

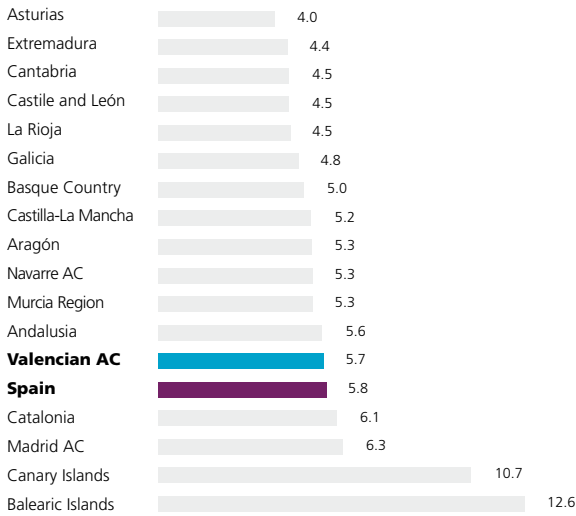
Note: \*The 2022 GDP figure for Autonomous Communities is an estimate made by CaixaBank Research.

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

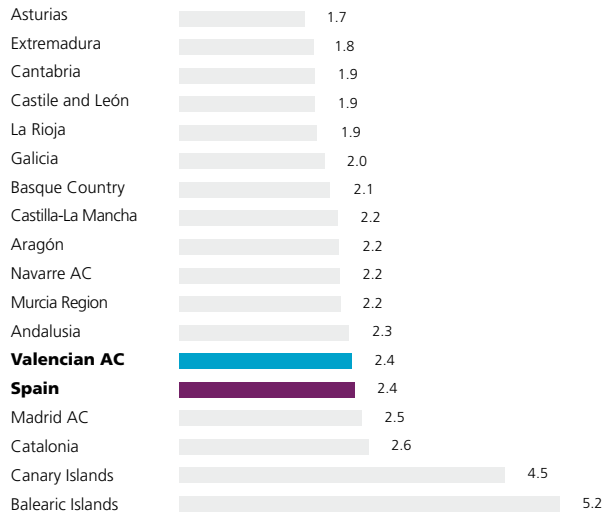
### GDP (2022)

(ANNUAL CHANGE)



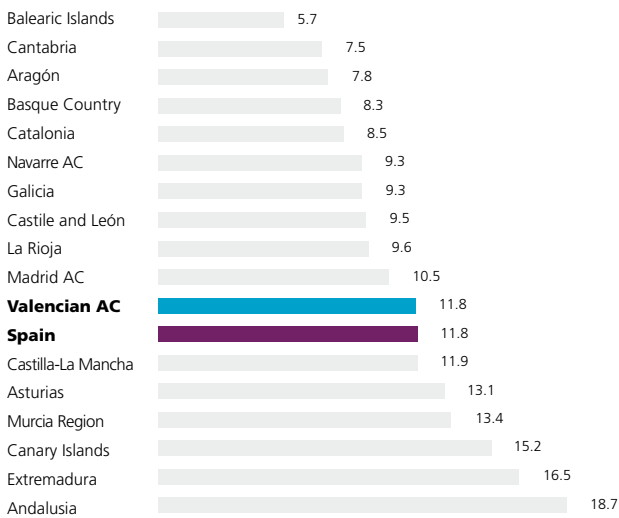
### GDP growth forecast (2023)

(ANNUAL CHANGE)



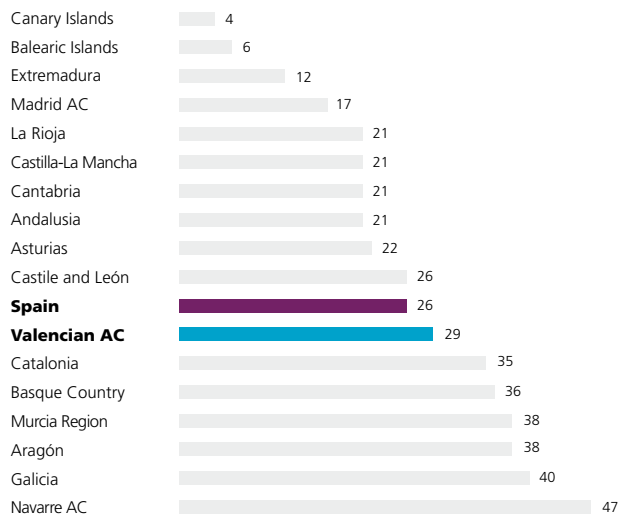
### Unemployment rate (Q3 2023)

(% OF WORKING POPULATION)



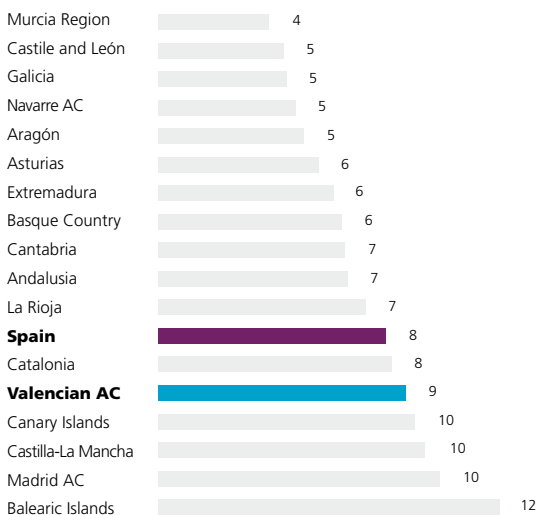
### Weight of exports of goods (2021)

(% OF GDP)



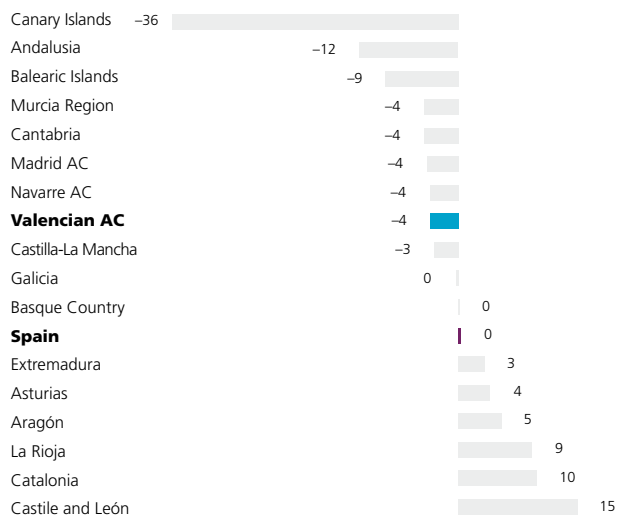
### Retail trade\* (January-September 2023)

(CHANGE FROM THE SAME PERIOD IN 2022)



### Exports of goods (January-September 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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