



Autonomous Community Outlook

# Balearic Islands



**1,210,000**  
inhabitants  
(2022)



**€29,603**  
GDP per capita  
(2022)



**2.6%**  
of Spanish GDP  
(2022)



**2.0%**  
anticipated growth  
in GDP (2024)

## Regional economic structure and position

- The Balearic Islands, with **1.21 million inhabitants**, 2.5% of the national total, is the twelfth-largest region in demographic terms. It is the second youngest region, as only 16.5% of its population is over 65 years old (national average of 20.1%).
- With a GDP of 35.465 billion euros, it also ranks 12th among the autonomous communities, and makes up **2.6% of Spain's GDP**.
- The total **GDP per capita** is 29,603 euros, putting it in sixth position and 5.1% higher than the Spanish average. Despite strong economic growth, over recent years this has dropped below the average due to the sharp increase in its population.
- The Balearic Islands' **productive sectors** are notable for the higher relative importance of trade, transportation, hotels

and restaurants, and leisure (40.8% of the region's GDP, 12 points higher than in Spain) and construction (6.9% vs. 5.4%). In contrast, it is the region with the lowest proportion of the manufacturing industry (2.7% vs. 12.5%).

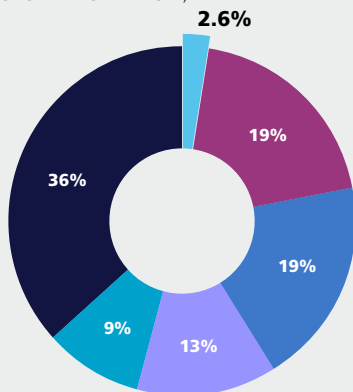
- In line with the less prominent role played by industry, the proportion of exports of goods in the Balearic Islands' GDP (73%) is the second lowest of all regions, the **main exports** being chemical products (41% of the total) and energy products (19%): fuel for aircraft and ships. However, exports of **tourism services** are especially notable: in 2022, foreign tourists spent a total of 15.222 billion euros in the Balearic Islands, 17.5% of their total spending throughout Spain. Moreover, the direct and indirect average contribution of tourism to the Balearic Islands' GDP stood at over 40% during 2016-2019 (it dropped to 14% in 2020).

## Table of structural indicators

		1992	2002	2012	2022
<b>GDP per capita</b>	Euros	12,038	21,793	23,523	<b>29,603</b>
	100 = Spain	123.0	120.4	106.7	<b>105.1</b>
<b>Population</b>	Thousands of inhabitants	732	883	1,105	<b>1,207</b>
	Average annual growth over the decade (%)	0.9	1.9	2.3	<b>0.9</b>
	% of total in Spain	1.9	2.1	2.4	<b>2.5</b>
	% of population > 65 years old	14.2	14.3	14.6	<b>16.5</b>
<b>Exports of goods as a proportion of GDP</b>	%	...	6.4	3.9	<b>7.3</b>

### GDP by Autonomous Community

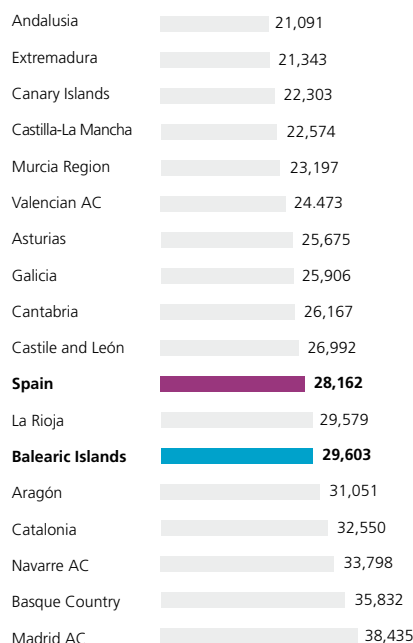
(% OF SPAIN AS A WHOLE)



- Balearic Islands
- Community of Madrid
- Catalonia
- Andalusia
- Valencian Community
- Others

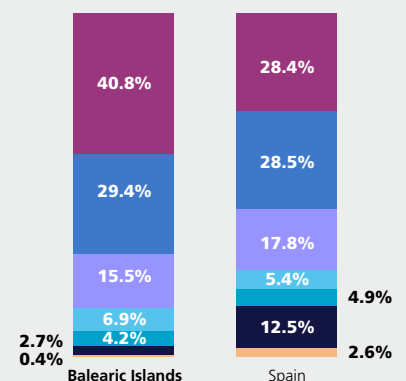
### GDP per capita

(EUROS)



### Productive sectors

(AS A % OF GVA)



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

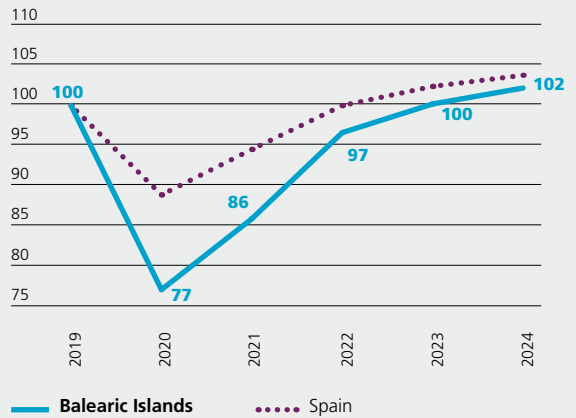
Source: CaixaBank Research, based on data from the National Statistics Institute (INE) and DataComex.

## Macroeconomic situation

The Balearic Islands is the most dynamic region in Spain, in step with the complete reopening after the pandemic. **According to CaixaBank Research, the Balearic Islands' GDP grew by 3.8% in 2023, above the Spanish average (2.5%)** and recovered pre-crisis levels. The boom in tourism drove job creation and consumer spending.

Although **our forecasts indicate a sharp slowdown in 2024, with an increase in GDP of 2.0%**, it will continue to be well above the Spanish average (1.4%). The less buoyant level of activity that we expect is mainly explained by economic contraction across the euro area, the waning of the tourism sector's recovery and the decline in activity of the construction sector.

### GDP (INDEX 100 = 2019)



Source: CaixaBank Research.



The Balearic Islands is the region with the best **labour market** performance. In December 2023, the number of **registered workers affiliated to Social Security** increased by 3.3% year-on-year (2.7% average in Spain), thanks to the upturn in employment in healthcare, transportation, and hotels and restaurants; therefore, the total volume of registered workers affiliated to Social Security is well above the January 2019 level (8.5% vs. 7.4% in Spain). In terms of the unemployment rate, which is characterised by its high seasonality, it stood at 11.4% in Q4 2023, 4 points below the Spanish average, but 1.5 points above that recorded in Q4 2019.



Now that the pandemic is over, **tourism** is seeing a huge boost. In 2023, according to the figures up to November, total overnight stays (national and foreign tourists) and, above all, the number of foreign tourists arriving on the islands, exceeded 2019 levels by 0.9% and 5.1%, respectively (1.9% and 0.8% in Spain). The number of foreign tourists hit a record high: 14.2 million, spending 17.500 billion euros,

representing a growth of 19.1% compared to 2019 (16.9% nationwide).



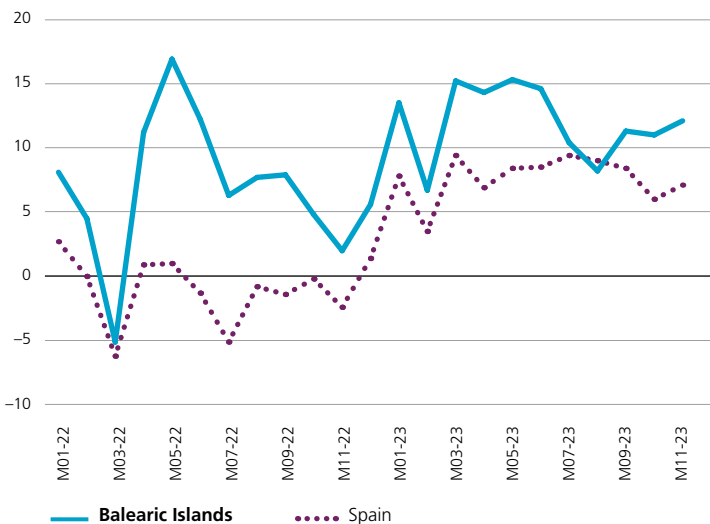
Thanks to the renewed momentum in tourism, consumption on the islands was barely affected by inflationary pressures in 2022, while in 2023, it was the region with the biggest increase in the **retail trade index** (in volume), standing at 12.0% year-on-year until November (7.7% in Spain); therefore, it far exceeds the levels in 2019 (9.7% vs. the national average of 3.0%).



**Activity in the residential market** saw a sharp decline in 2023: after the upturn in housing sales in 2022 (26%), the biggest regional decline was in the Balearic Islands (-20% year-on-year until October), which would have been greater had it not been for foreign purchasers (responsible for just over 30% of the total). Prices also dropped (4.5% year-on-year in Q3 2023 vs. 10% in the first half of 2022), although the shortage in supply prevented an even bigger drop.

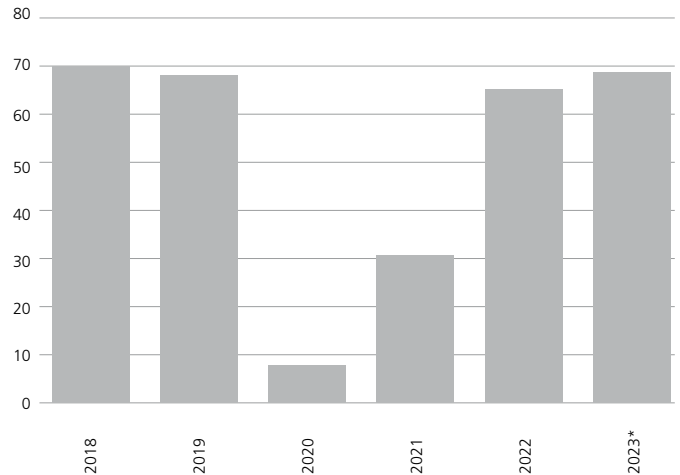
## Retail trade

(% YEAR-ON-YEAR CHANGE)



## Overnight stays

(MILLION)








Note: \* Cumulative, 12 months up to November.

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

## Table of indicators

Balearic Islands  
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)	-1.4 -1.8	3.2 2.8	-23.1 -11.2	11.6 6.4	12.5 5.8	3.8 2.5	0.2 2.5	2023
	<b>Retail trade</b> (% cumulative annual change)	-3.4 -4.6	3.5 2.3	-14.1 -5.6	7.0 2.6	6.9 -1.0	12.0 7.7	12.3 4.8	November-23
	<b>Industrial production index</b> (% cumulative annual change)	-8.0 -5.3	-1.6 1.8	-20.9 -9.2	11.2 7.1	13.5 2.4	-0.7 -0.6	10.3 2.9	November-23
	<b>Service activity index</b> (% cumulative annual change)	-2.3 -4.6	5.6 5.1	-37.8 -15.6	21.8 15.8	42.5 19.9	13.6 2.7	27.1 24.5	November-23
	<b>Consumer price index</b> (% year-on-year change)	1.7 1.7	0.8 0.7	-0.3 -0.3	3.3 3.1	8.1 8.4	3.3 3.1	15.6 15.5	December-23
 Labour market	<b>Registered workers affiliated to Social Security</b> (% year-on-year change)	-2.5 -3.1	4.5 3.2	-9.3 -2.1	2.5 2.5	10.7 3.9	3.3 2.7	8.5 7.4	December-23
	<b>Registered workers affiliated to Social Security not affected by furlough</b> (% year-on-year change)	-2.5 -3.1	4.5 3.2	-25.0 -9.2	14.7 7.3	19.0 7.3	3.6 3.2	8.8 8.4	December-23
	<b>Unemployment rate</b> (% working population)	19.3 20.2	14.6 18.8	16.2 15.5	14.9 14.8	11.0 12.9	11.4 11.8	— —	Q4 2023
	<b>Unemployment rate for under 25s</b> (% working population < 25)	39.3 42.5	36.5 42.5	42.0 38.3	33.7 44.7	24.1 23.9	24.1 28.4	— —	Q4 2023
 Public sector	<b>Public deficit</b> (% of GDP)	-3.3 -2.7	-0.8 -0.9	0.2 -0.2	1.0 0.0	0.1 -1.1	1.0 -0.1	— —	Q3 2023
	<b>Autonomous Communities public debt</b> (% of GDP)	16.9 12.3	28.8 24.1	34.8 27.2	29.3 25.6	26.2 23.6	24.6 22.3	— —	Q3 2023
 Real estate market	<b>Housing prices</b> (% year-on-year change)	-7.5 -8.1	6.8 5.3	4.1 2.1	5.8 3.7	9.2 7.4	4.5 4.5	24.9 19.1	Q3 2023
	<b>Housing sales</b> (% cumulative annual change)	-8.7 -10.8	8.5 9.7	-23.3 -16.9	32.6 34.8	25.7 14.8	-19.6 -9.3	-16.7 20.5	November-23
 Foreign sector and tourism	<b>Exports of goods</b> (% cumulative annual change)	-10.8 4.6	14.8 3.9	-11.8 -9.4	10.4 20.1	45.3 22.9	-8.8 -0.7	3.7 40.9	November-23
	<b>Tourist overnight stays</b> (% cumulative annual change)	1.5 0.7	1.6 3.0	-88.8 -69.2	301.7 78.3	111.9 73.3	5.5 7.1	5.7 4.4	November-23

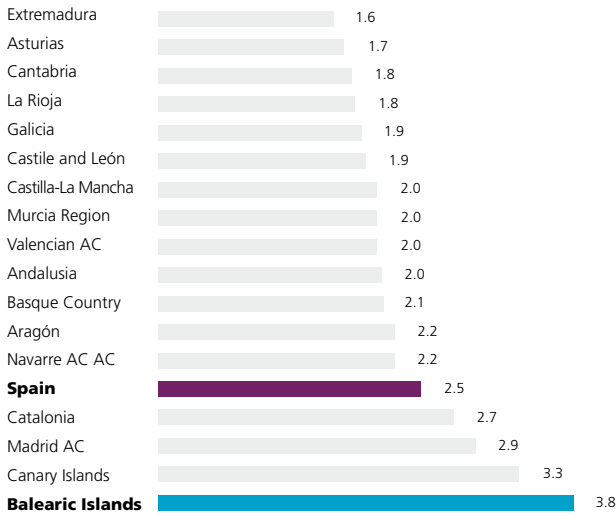
Note: \*The 2023 GDP figure for Autonomous Communities is an estimate made by CaixaBank Research.

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

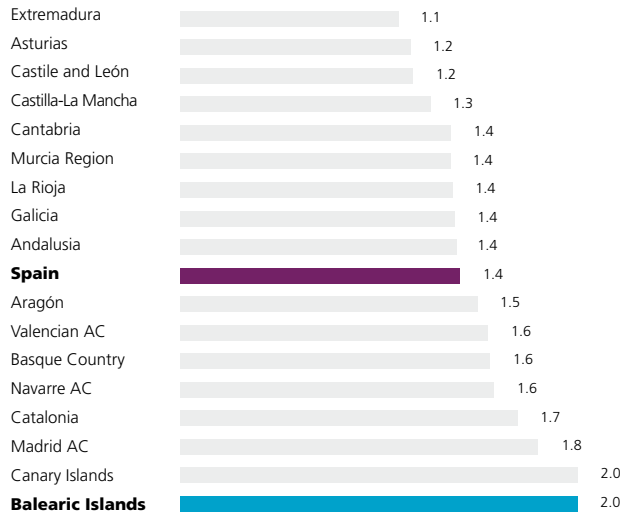
### GDP (2023)

(ANNUAL CHANGE)



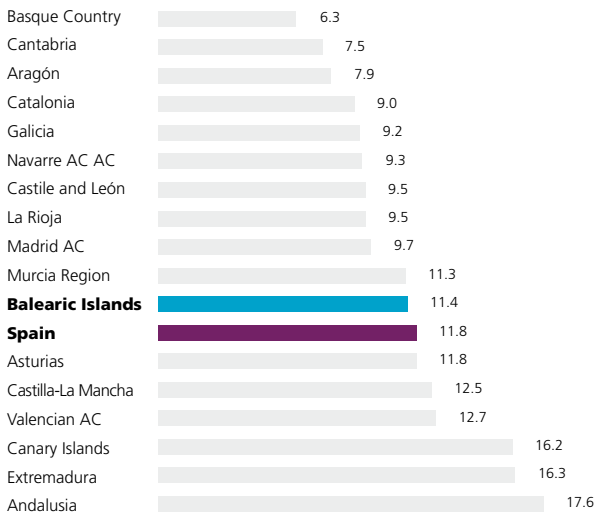
### GDP growth forecast (2024)

(ANNUAL CHANGE)



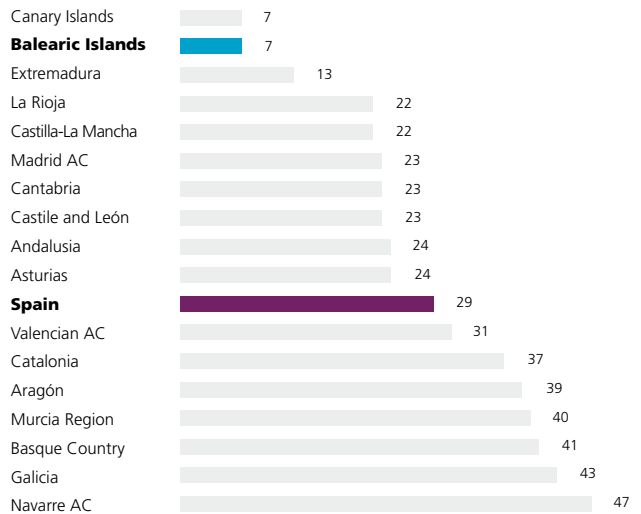
### Unemployment rate (Q4 2023)

(% OF WORKING POPULATION)



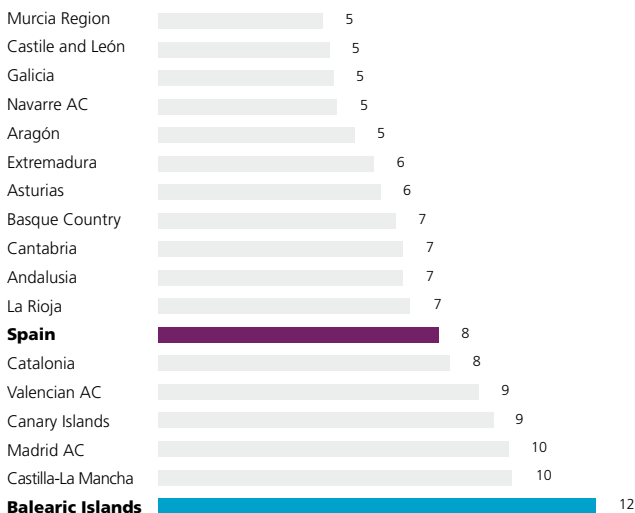
### Weight of exports of goods (2022)

(% OF GDP)



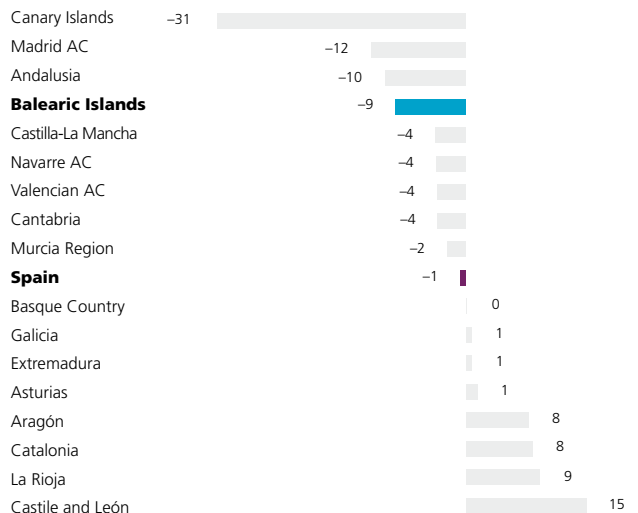
### Retail trade\* (January-November 2023)

(CHANGE FROM THE SAME PERIOD IN 2022)



### Exports of goods (January-November 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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**Closing date of this edition: 30 January 2024**