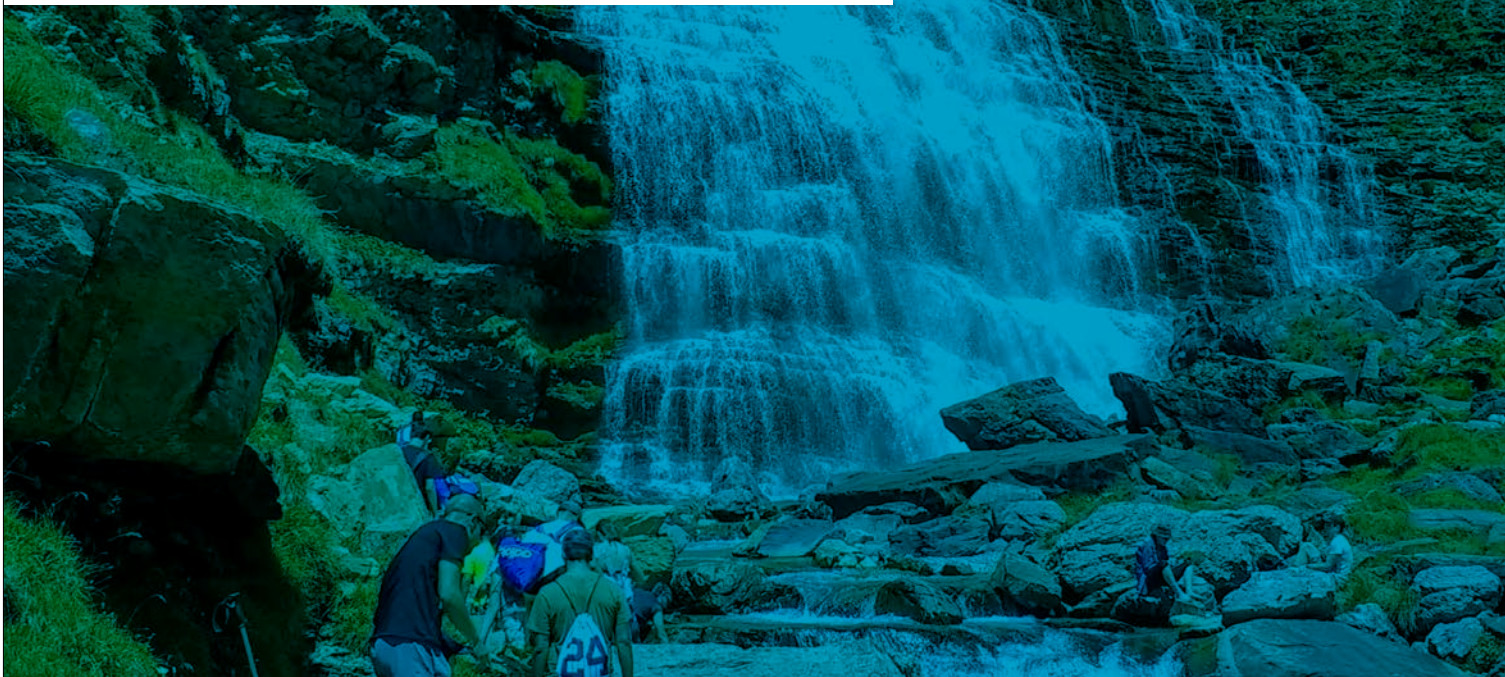Autonomous Community Outlook

Extremadura

1,050,000
inhabitants
(2023)

€21,343
GDP per capita
(2022)

1.7%
of Spanish GDP
(2022)

1.2%
anticipated growth
in GDP (2024)

Regional economic structure and position

- With **just over 1 million inhabitants** (2.2% of the country's total population), Extremadura is the fifth-least populated region.

- Extremadura's **GDP** is 22.531 billion euros, **1.7% of Spanish GDP**, so the region makes the third-smallest contribution to the national total.

- **GDP per capita** is 21,343 euros, the second lowest of all the regions and 24.2% below the national average. The progress made in recent years is mostly due to population decline.

- In terms of **sectoral composition**, Extremadura stands out for its strong agricultural sector, which accounts for 7.7% of its GDP (2.6% of the national average); also of note is the extractive industry (8.6% vs. 4.9% in Spain), as are public

services (26.1% vs. 17.8%). However, of markedly less importance is the manufacturing industry (7.2% vs. 12.5%) and industry-related services (20.9% vs. 28.5%).

- Although **goods exports** as a proportion of regional GDP have increased significantly, they only represent 13.2%, well below the Spanish average (28.9%) and the lowest of the mainland regions. In 2023, it exported goods worth 3.022 billion euros, just 0.8% of all Spanish exports; almost half of exported goods come from the agri-food industry, primarily fruit and pulses (28.3%). Additionally, almost a fifth of the tobacco exported by Spain comes from this region.

Table of structural indicators

		1992	2002	2012	2022
GDP per capita	Euros	6,392	11,592	15,484	**21,343**
	100 = Spain	65.3	64.1	70.2	**75.8**
Population	Thousands of inhabitants	1,064	1,060	1,101	**1,054**
	Average annual growth over the decade (%)	0.0	0.0	0.4	**−0.4**
	% of total in Spain	2.7	2.5	2.4	**2.2**
	% of population > 65 years old	15.8	19.2	19.3	**21.8**
Exports of goods as a proportion of GDP	%	…	9.7	9.8	**13.2**

GDP by Autonomous Community

(% OF SPAIN AS A WHOLE)

- 1.7%
- 19%
- 19%
- 9%
- 13%
- 37%
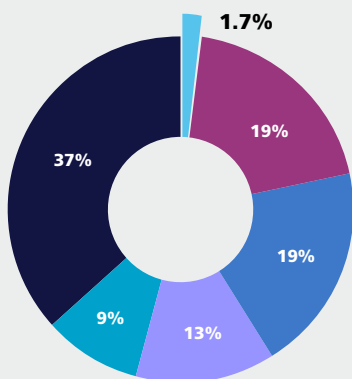
- ● **Extremadura**
- ● Community of Madrid
- ● Catalonia
- ● Andalusia
- ● Valencian Community
- ● Others

GDP per capita

(EUROS)

Andalusia	21,091
Extremadura	**21,343**
Canary Islands	22,303
Castilla-La Mancha	22,574
Murcia Region	23,197
Valencian AC	24,473
Asturias	25,675
Galicia	25,906
Cantabria	26,167
Castile and León	26,992
Spain	**28,162**
La Rioja	29,579
Balearic Islands	29,603
Aragón	31,051
Catalonia	32,550
Navarre AC	33,798
Basque Country	35,832
Madrid AC	38,435
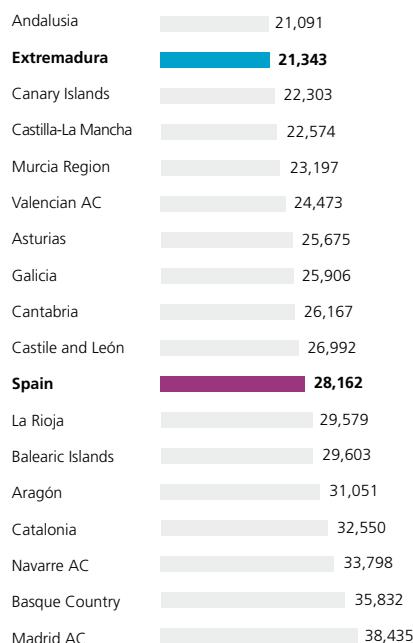
Productive sectors

(AS A % OF GVA)

Extremadura
- 23.0%
- 20.9%
- 26.1%
- 6.6%
- 8.6%
- 7.2%
- 7.7%

Spain
- 28.4%
- 28.5%
- 17.8%
- 5.4%
- 4.9%
- 12.5%
- 2.6%
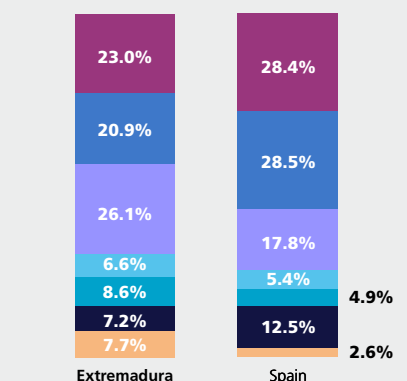
- ● Trade, transportation, accomodation and leisure
- ● Industry-related services
- ● General government and defence
- ● Construction
- ● Extractive industry
- ● Manufacturing industry
- ● Agriculture

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

Macroeconomic situation

Extremadura is one of the least dynamic regions in the country. **In 2023, we estimate GDP growth of 1.6%** (2.5% in Spain). Household spending was hit by rising prices and interest rates, uncertainty and the slowdown in employment growth. Furthermore, drought and high energy costs hit the agricultural sector, which is vital for the region.

At CaixaBank Research we forecast 1.2% GDP growth in Extremadura in 2024, lower than in the country as a whole (1.9%), making it the only region that is yet to return to pre-pandemic levels. While the drought may continue to hamper agricultural production, we expect employment and consumption to improve on the back of easing prices and a more relaxed monetary policy . Activity may also benefit from further disbursement of NGEU funds.

GDP (INDEX 100 = 2019)
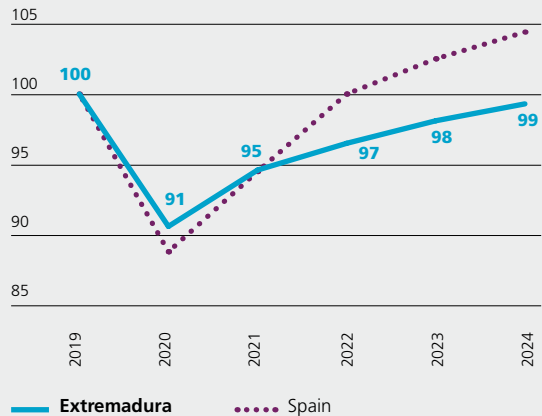
Source: CaixaBank Research.

Extremadura is one of the least dynamic regions in terms of employment. In 2023, the **number of registered workers affiliated to Social Security** grew at a far slower rate than the national average (1.1% vs. 2.7%) and 0.9% year-on-year in March this year (vs. 2.6%): although employment has risen in hotels and restaurants and healthcare, there have been severe job losses in general government. Therefore, the current levels are 3.9% higher than they were in the same month in 2019 (+9.8% across Spain). Meanwhile, the region has the second-highest unemployment rate in the country: 16.3% in Q4 2023, almost 4.5 points above the Spanish average, although it has improved significantly on pre-pandemic figures (23.5% in Q4 2019).

The consumption indicators show that Extremadura's performance is weaker than in Spain as a whole. After falling sharply in 2022, the volume of sales of **retail and consumer goods**, which were hit by rising inflation,

failed to pick up last year (–0.3% vs. +2.9% in Spain) and grew by just 1.9% year-on-year in the first two months of 2024, below average growth (3.2%), so they remain lower than in 2019 (–3.3% vs. +3.5%).

Industrial production, of little importance in the region, recorded one of the highest growth rates in the country in 2023, 4.7%, whereas it fell by 1.4% in Spain. In January this year, the rate picked up to 5.3% year-on-year (vs. 3.6%), far exceeding the levels in 2019 (8.4% vs. –2.4%).

Against a backdrop of widespread decline across the regions, **exports** of Extremadura's goods are performing very well. In 2023 they grew by 1.5% (–1.4% in Spain), thanks to rising sales of chemical and agri-food products, especially fruit, pulses and processed foods, while in January this year they rose sharply, growing by 28.7% year-on-year (vs. –2.5%) and 58.1% compared to 2019 (vs. +29.5%).
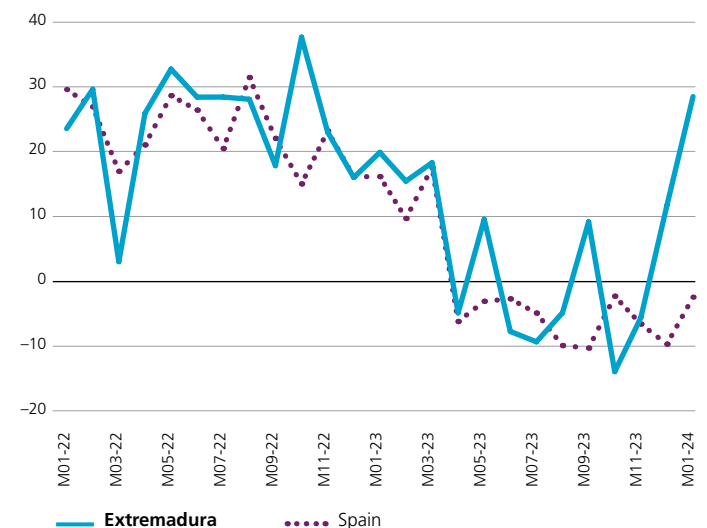
Registered workers affiliated to Social Security
(% YEAR-ON-YEAR CHANGE)
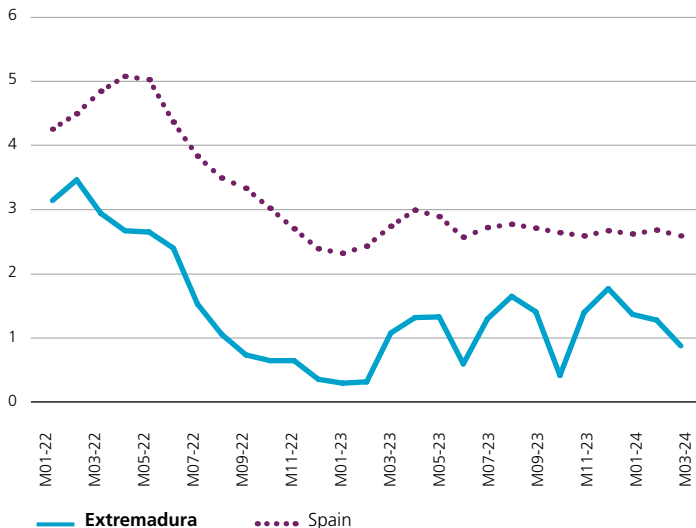
Exports of goods
(% YEAR-ON-YEAR CHANGE)

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

Table of indicators

<div align="right">**Extremadura**
Average in Spain</div>

		2008-2013 average	2014-2019 average	2020	2021	2022	2023	2024	Latest figure
Activity and prices	**Real GDP*** (% year-on-year change)	−1.3 / −1.8	2.3 / 2.8	−9.4 / −11.2	4.3 / 6.4	2.1 / 5.8	1.6 / 2.5		2023
	Retail trade (% cumulative annual change)	−3.1 / −5.2	0.4 / 2.3	−5.3 / −5.2	0.8 / 3.6	−0.3 / 0.8	−0.3 / 2.9	1.9 / 3.2	February-24
	Industrial production index (% cumulative annual change)	−5.7 / −5.3	0.5 / 1.8	−2.3 / −9.2	6.6 / 7.1	1.2 / 2.5	4.7 / −1.4	5.3 / 3.6	January-24
	Service activity index (% cumulative annual change)	−5.0 / −4.6	4.9 / 5.1	−5.5 / −15.6	15.0 / 22.0	9.4 / 18.3	5.7 / 2.2	7.5 / 2.8	January-24
	Consumer price index (% year-on-year change)	1.6 / 1.7	0.5 / 0.7	−0.2 / −0.3	3.4 / 3.1	8.9 / 8.4	3.2 / 3.5	3.3 / 2.8	February-24
Labour market	**Registered workers affiliated to Social Security** (% year-on-year change)	−2.2 / −3.1	1.9 / 3.2	−1.9 / −2.1	2.4 / 2.5	1.8 / 3.9	1.1 / 2.7	0.9 / 2.6	March-24
	Registered workers affiliated to Social Security not affected by furlough (ERTE in Spanish) (% year-on-year change)	−2.2 / −3.1	1.9 / 3.2	−5.7 / −9.2	5.1 / 7.3	3.5 / 7.3	1.7 / 3.4	1.0 / 3.0	March-24
	Unemployment rate (% working population)	25.2 / 20.2	26.3 / 18.8	21.8 / 15.5	19.6 / 14.8	17.3 / 12.9	17.3 / 12.1	— / —	Q4 2023
	Unemployment rate for under 25s (% working population < 25)	48.1 / 42.5	50.4 / 42.5	47.3 / 38.3	46.9 / 44.7	39.6 / 23.9	36.9 / 27.2	— / —	Q4 2023
Public sector	**Public deficit** (% of GDP)	−3.0 / −2.7	−1.5 / −0.9	−0.3 / −0.2	0.2 / 0.0	−1.3 / −1.1	−1.0 / −0.9	— / —	2023
	Autonomous Communities public debt (% of GDP)	9.4 / 12.3	20.6 / 24.1	25.9 / 27.2	24.4 / 25.6	22.8 / 23.6	21.8 / 22.2	— / —	Q4 2023
Real estate market	**Housing prices** (% year-on-year change)	-5.5 / −8.1	1.5 / 5.3	0.5 / 2.1	2.3 / 3.7	5.4 / 7.4	1.5 / 4.0	— / —	Q4 2023
	Housing sales (% cumulative annual change)	−17.0 / −10.8	7.4 / 9.7	−4.3 / −16.9	27.5 / 34.8	10.9 / 14.8	−8.0 / −9.9	−1.2 / −2.1	January-24
Foreign sector and tourism	**Exports of goods** (% cumulative annual change)	5.9 / 4.6	4.8 / 3.9	3.0 / −9.4	9.4 / 20.1	24.7 / 22.9	1.5 / −1.4	28.7 / −2.5	January-24
	Tourist overnight stays (% cumulative annual change)	−0.8 / 0.7	5.6 / 3.0	−54.9 / −69.2	63.0 / 78.3	37.2 / 73.3	4.7 / 7.2	2.5 / 7.6	February-24

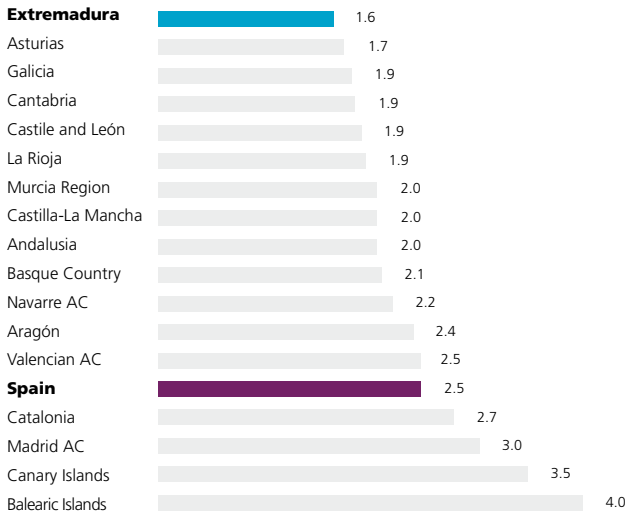**Note:** *The 2023 GDP figure for Autonomous Communities is an estimate made by CaixaBank Research.

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.
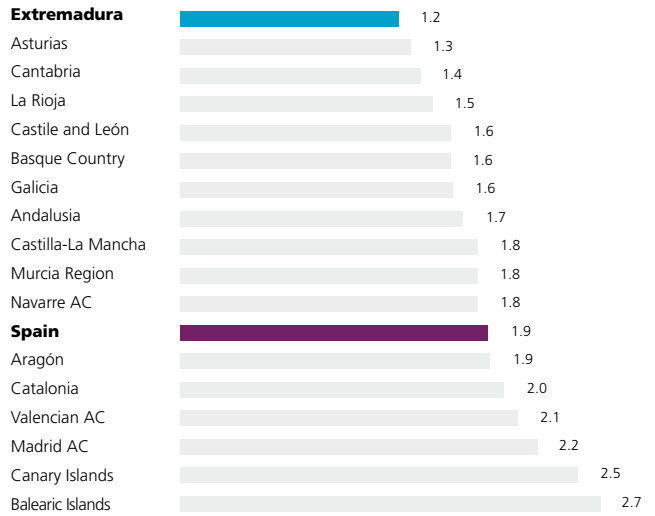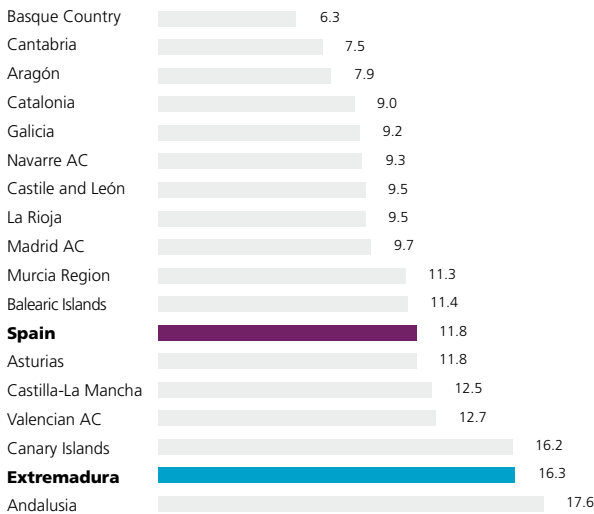
Regional comparison

GDP (2023)
(ANNUAL CHANGE)

Extremadura	1.6
Asturias	1.7
Galicia	1.9
Cantabria	1.9
Castile and León	1.9
La Rioja	1.9
Murcia Region	2.0
Castilla-La Mancha	2.0
Andalusia	2.0
Basque Country	2.1
Navarre AC	2.2
Aragón	2.4
Valencian AC	2.5
Spain	2.5
Catalonia	2.7
Madrid AC	3.0
Canary Islands	3.5
Balearic Islands	4.0

GDP growth forecast (2024)
(ANNUAL CHANGE)

Extremadura	1.2
Asturias	1.3
Cantabria	1.4
La Rioja	1.5
Castile and León	1.6
Basque Country	1.6
Galicia	1.6
Andalusia	1.7
Castilla-La Mancha	1.8
Murcia Region	1.8
Navarre AC	1.8
Spain	1.9
Aragón	1.9
Catalonia	2.0
Valencian AC	2.1
Madrid AC	2.2
Canary Islands	2.5
Balearic Islands	2.7

Unemployment rate (Q4 2023)
(% OF WORKING POPULATION)

Basque Country	6.3
Cantabria	7.5
Aragón	7.9
Catalonia	9.0
Galicia	9.2
Navarre AC	9.3
Castile and León	9.5
La Rioja	9.5
Madrid AC	9.7
Murcia Region	11.3
Balearic Islands	11.4
Spain	11.8
Asturias	11.8
Castilla-La Mancha	12.5
Valencian AC	12.7
Canary Islands	16.2
Extremadura	16.3
Andalusia	17.6

Weight of exports of goods (2022)
(% OF GDP)

Canary Islands	6.7
Balearic Islands	7.3
Extremadura	13.2
La Rioja	21.9
Castilla-La Mancha	22.0
Madrid AC	22.6
Cantabria	22.9
Castile and León	23.1
Andalusia	23.8
Asturias	23.9
Spain	28.9
Valencian AC	31.3
Catalonia	37.2
Aragón	39.3
Murcia Region	40.2
Basque Country	41.0
Galicia	42.8
Navarre AC	47.4
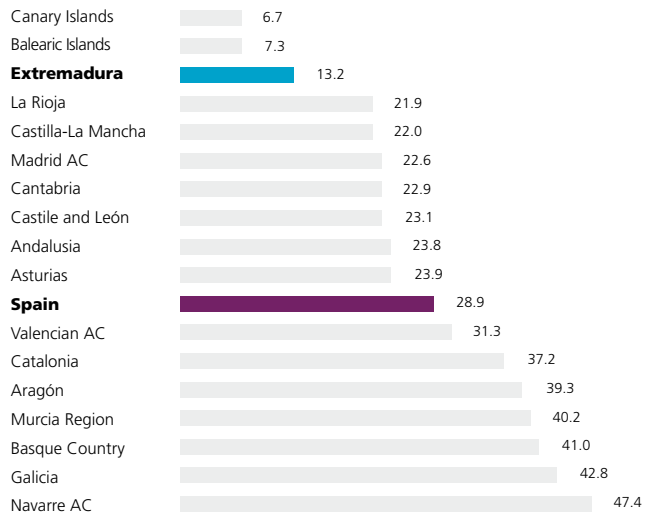
Retail trade* (January-February 2024)
(CHANGE FROM THE SAME PERIOD IN 2023)

Castile and León	1.1
Murcia Region	1.4
La Rioja	1.5
Basque Country	1.8
Extremadura	1.9
Galicia	1.9
Madrid AC	2.6
Balearic Islands	2.7
Valencian AC	2.9
Asturias	2.9
Aragón	3.2
Spain	3.2
Catalonia	3.3
Cantabria	4.0
Navarre AC	4.2
Castilla-La Mancha	4.9
Andalusia	5.2
Canary Islands	5.4
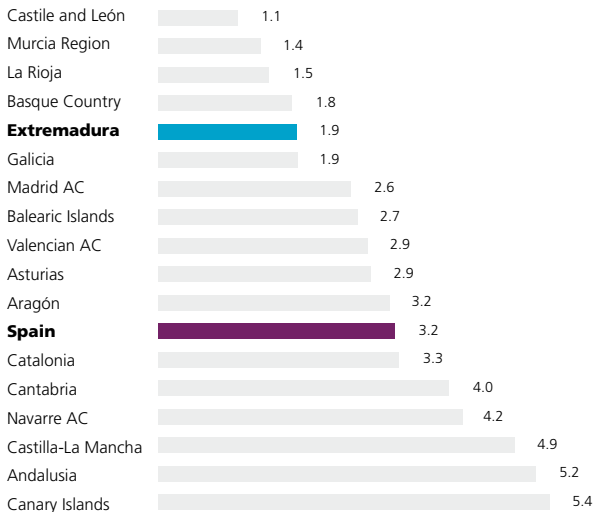
Exports of goods (January 2024)
(CHANGE FROM THE SAME PERIOD IN 2023)

Balearic Islands	−47.1
Madrid AC	−23.6
Asturias	−15.2
Basque Country	−12.7
Cantabria	−6.5
Valencian AC	−5.7
Spain	−2.5
Murcia Region	−1.7
Catalonia	−1.3
Castilla-La Mancha	0.3
La Rioja	1.4
Aragón	6.3
Galicia	8.9
Andalusia	12.9
Castile and León	16.3
Navarre AC	16.9
Canary Islands	24.2
Extremadura	28.7
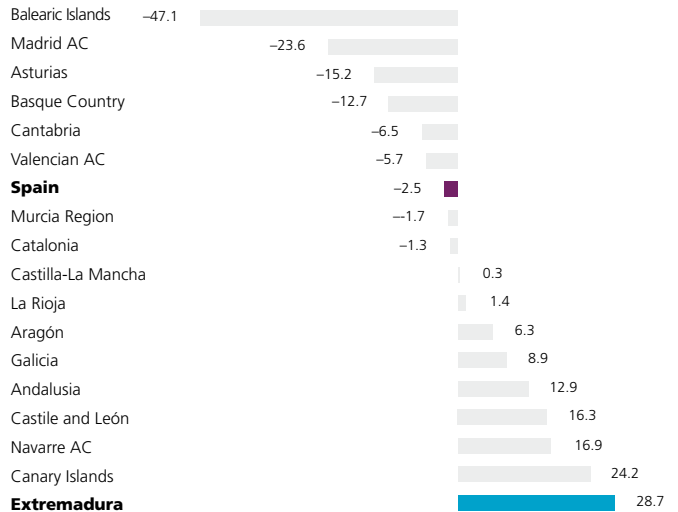
Note: *Figures adjusted, excluding service stations.
Source: CaixaBank Research, based on our own estimates and data from the National Statistics Institute (INE) and DataComex.