Executive summary

Spain's economy, expanding across the board

The Spanish economy is currently undergoing a period of buoyant growth. With the effects of the pandemic and the energy crisis now behind it, it is now in a strong expansionary phase, marked by balanced and widespread growth across sectors. This growth has been achieved despite the challenging global landscape, marked by geopolitical tensions, a more protectionist trading environment, subdued foreign demand and persistent bottlenecks in global supply chains. The Spanish economy has been remarkably resilient in the face of these challenges, supported by buoyant domestic demand, lower interest rates, an improved labour market and the disbursement of EU funds. The reasons behind this are examined from different perspectives in the four articles in this edition of the *Sectoral Observatory*.

The first article highlights the breadth of growth across sectors: of the 22 sectors analysed, 16 are in an expansionary phase in 2025, compared to only 2 in 2023. Industry is driving this momentum, especially the extractive, chemical, pharmaceutical and refining industries, which have swiftly adapted to the challenges of the energy and digital transitions, making significant gains in productivity and cementing their roles as drivers of growth.

In 2025 and 2026, projected GDP growth (+2.9% and +2.1%, according to CaixaBank Research forecasts) is expected to follow a broad-based pattern, in contrast to previous cycles. This suggests that the economy will be less vulnerable to specific shocks. Construction, professional activities, ICTs and the pharmaceutical industry are emerging as the best-performing sectors, while others such as tourism, the whole manufacturing industry and trade are seeing average growth. Even structurally weaker sectors, such as the primary sector and the textile industry, are recording positive, albeit more muted, growth.

The fall in the temporary employment rate and the productivity performance in the different sectors are explored in the third article. The 2021 labour reform has dramatically reduced temporary employment across sectors, which should support greater job stability, lead to investment in human capital and lay the foundations for productivity growth. Although GDP per hour worked has grown, productivity per employee has barely improved, which shows that there is still room for improvement and that the challenge of establishing a more efficient production model remains.

Finally, the report takes a closer look at the strong period being enjoyed by the Spanish manufacturing industry, which has grown at the same rate as GDP as a whole, ending two decades of relative decline. This turnaround is partly explained by its new competitive advantage: energy costs in Spain have risen less than in other major European economies, due to lower dependence on Russian gas and greater use of renewable energies. This advantage has been especially marked in energy-intensive industrial sectors (such as chemicals, paper and metal, which have been more resilient to recent shocks).

In short, the Spanish economy is not only growing, this growth is balanced, with a stronger labour market, a revitalised industry and a remarkable resilience to global challenges. The challenge now is to turn this expansionary cycle into a sustainable growth path, based on innovation, improved human capital and business efficiency.