

Paris, 27 July 2023



EcoBrief

Spain: strong job creations to support growth

The rise in interest rates and the slowdown in activity in the eurozone are still not leading to a turnaround on the job creation front in Spain, quite the contrary. Hiring jumped by 603,900 (+3.0% q/q, unadjusted data) in the second quarter of 2023, according to the quarterly survey published by INE on Thursday July 27; this is the largest increase over a quarter since the beginning of the current statistics in 1976. The unemployment rate has fallen from 13.3% to 11.6%, to its lowest since the third quarter of 2008. This fall is all the more solid given that the active population has increased by 238,700 (+1.0% q/q) over the same period.

Behind these headline numbers, there is a clear catch-up in job creations in the accommodation and food services (+270,900), which is supported by the start of the tourist season. In addition, and this is certainly the most striking fact, the sectors of "professional, scientific and technical services" (+103,600), industry (+51,660) and transport/logistics (+41,400) made significant gains. This attests to the persistence of significant labour needs in growth sectors, despite a more difficult economic context.

These results corroborate the evolution of the monthly data communicated by the Spanish employment agency (SEPE) on the number of workers affiliated with the social security system, which has also shown a sharp upturn in job creations since the end of the pandemic period in 2021.

In this context, growth prospects for 2023 remain well oriented and the recent upward revision of the country's growth forecasts by the IMF, to 2.5% in 2023 (+1 percentage point compared to April's forecasts), underlines the point. Preliminary Q2 GDP figures, released on Friday July 28, will offer a new element of assessment. We put Spanish growth at 0.4% q/q, against an estimate for the eurozone as a whole at 0.2% q/q.

Guillaume Derrien
guillaume.a.derrien@bnpparibas.com
Senior Economist

*Feel free to contact us should you like an issue to be covered or developed further in our publications.
For any information about your personal data processing and your rights, please see our [Data Protection Notice](#).*

*If you wish to unsubscribe, please send the following email to
group.rightmanagementeconomicresearch@bnpparibas.com :*

"please cancel my subscription to EcoBrief."