



## Foreword by Miriam Cruz, Country Manager - Iberia & Latam

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A record number of employment contracts were signed in Spain last year, around 22 million. Unemployment is now ten percent lower than it was at the height of the recession, with December 2017 marking the end of a four-month period of incremental gains in jobless figures. Overall, 1.6 million more people are now working compared to 2013 when things were at their worst.

An unemployment rate of 16.4% remains one of the worst in the developing world, though, and temporary employment contracts have increased by 7% compared to 2016. But this has been a long and difficult recovery after all and part of the solution has been creating 'stepping stones' into employment for those most impacted – i.e. young people – during the recession.

While there may have only been two million permanent contracts signed last year, that figure has increased by almost 13% during the last 12 months. If things continue as they are, we should expect these numbers to enjoy year-on-year growth.

Spanish GDP grew by 0.8% at the end of 2017 thanks to strong exports, signalling a fourth consecutive year of foreign trade surplus. Government is confident that annual growth of over 2% is possible until 2020, and balancing the budget is also achievable within three years. Similarly, The Bank of Spain expects GDP data for 2018-2020 to move between 2.4% and 2.1%.

The uncertainty in Catalonia, however, will inevitably impact progress. Government has already reduced its growth forecasts from 2.4% to 2.3% in light of the ongoing impasse. Brexit, too, hangs like a guillotine over Spain's economy with tourism, finance and agriculture likely to suffer in a 'no deal' scenario.

While the minimum wage will rise by 2020, overall remuneration remains static, with some analysts suggesting Spain could experience negative wage growth, although albeit by only 0.1%, in 2018.

We hope you enjoy reading the report and find the perspectives offered to be useful. Should you have further questions, please do not hesitate to contact a member of our team who would be more than happy to clarify any of the information presented.