

The Spanish Economy in its international context

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The Spanish Economy in its international context

OUTLINE

1. A quick 'macro' picture of the present vs. recent past situation
2. The Spanish development during the last decades:
 - Political and economic milestones
3. The impact of the Great Recession
4. Current situation of the Spanish economy
 - opportunities and threats



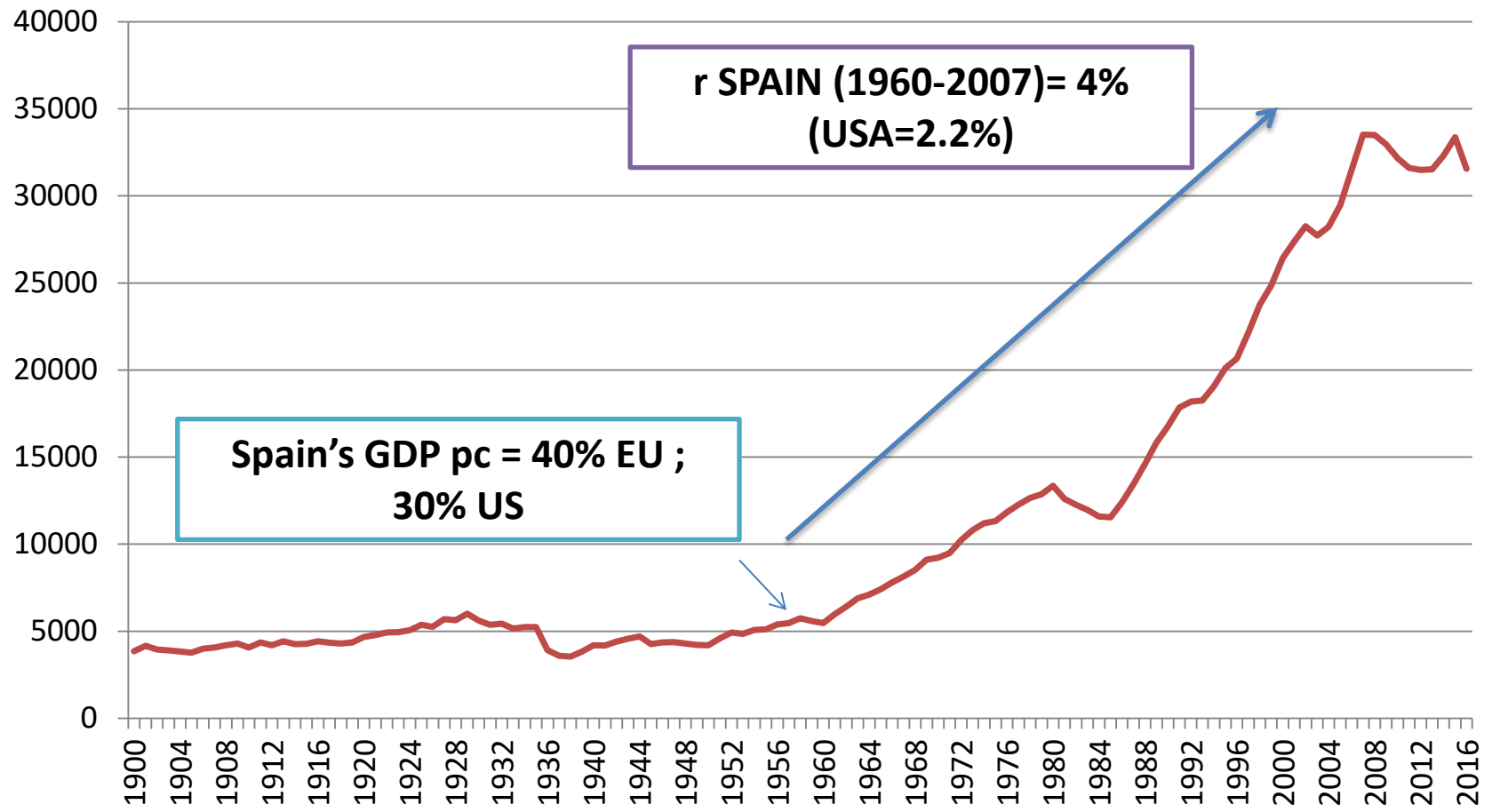
List of countries by GDP

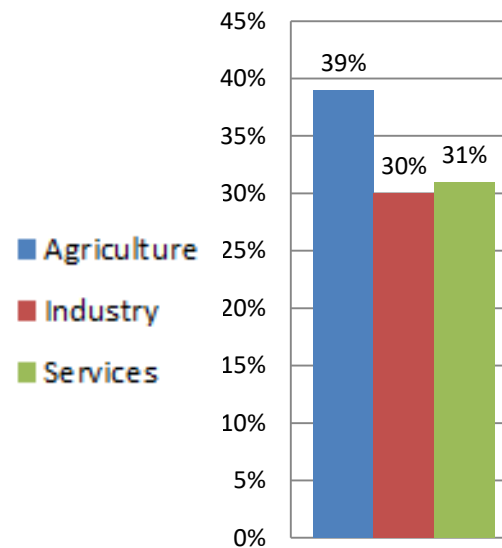
Rank	Country	GDP (current Million US\$)
1	USA	19.390.604
2	China	12.237.700
3	Japan	4.872.136
4	Germany	3.677.439
5	UK	2.622.433
6	India	2.597.491
7	France	2.582.501
8	Brazil	2.055.505
9	Italy	1.934.797
10	Canada	1.653.042
11	Russia	1.577.524
12	South Korea	1.530.750
13	Australia	1.323.421
14	Spain	1.311.320
15	Mexico	1.149.918
16	Indonesia	1.015.539
17	Turkey	851.102

The **5th-largest**
in Europe behind Germany,
United Kingdom, France and
Italy



GDP per capita (\$1990)



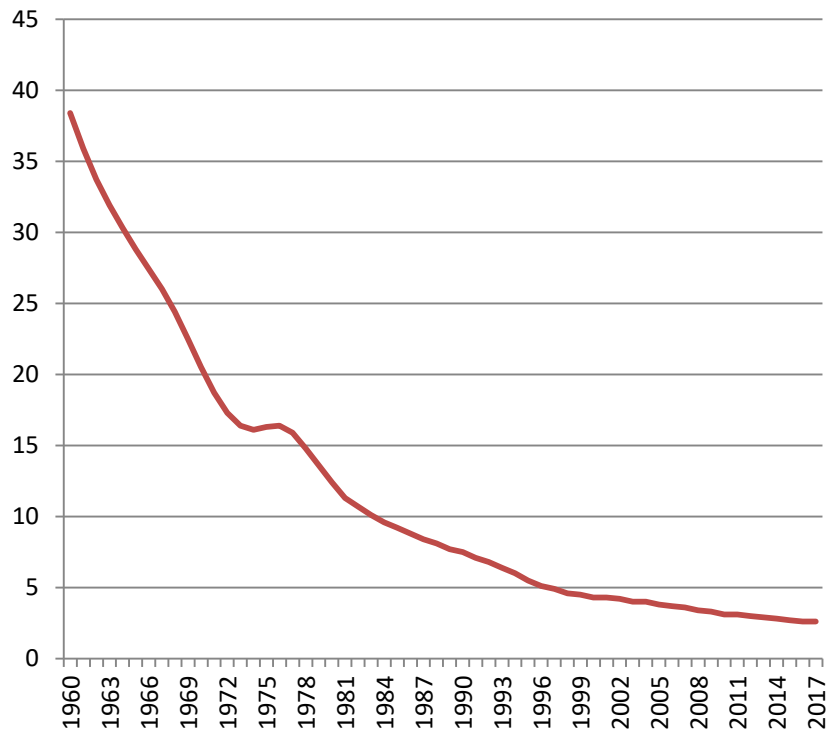


Spain

USA

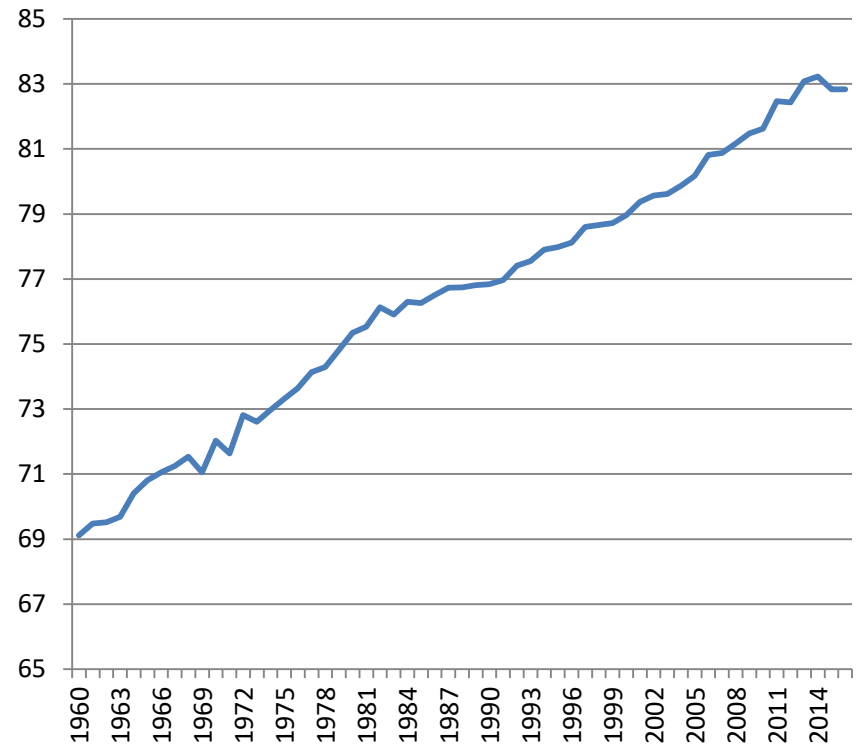


Mortality rate, infant (per 1,000 live births)



Better health, nutrition and sanitary conditions

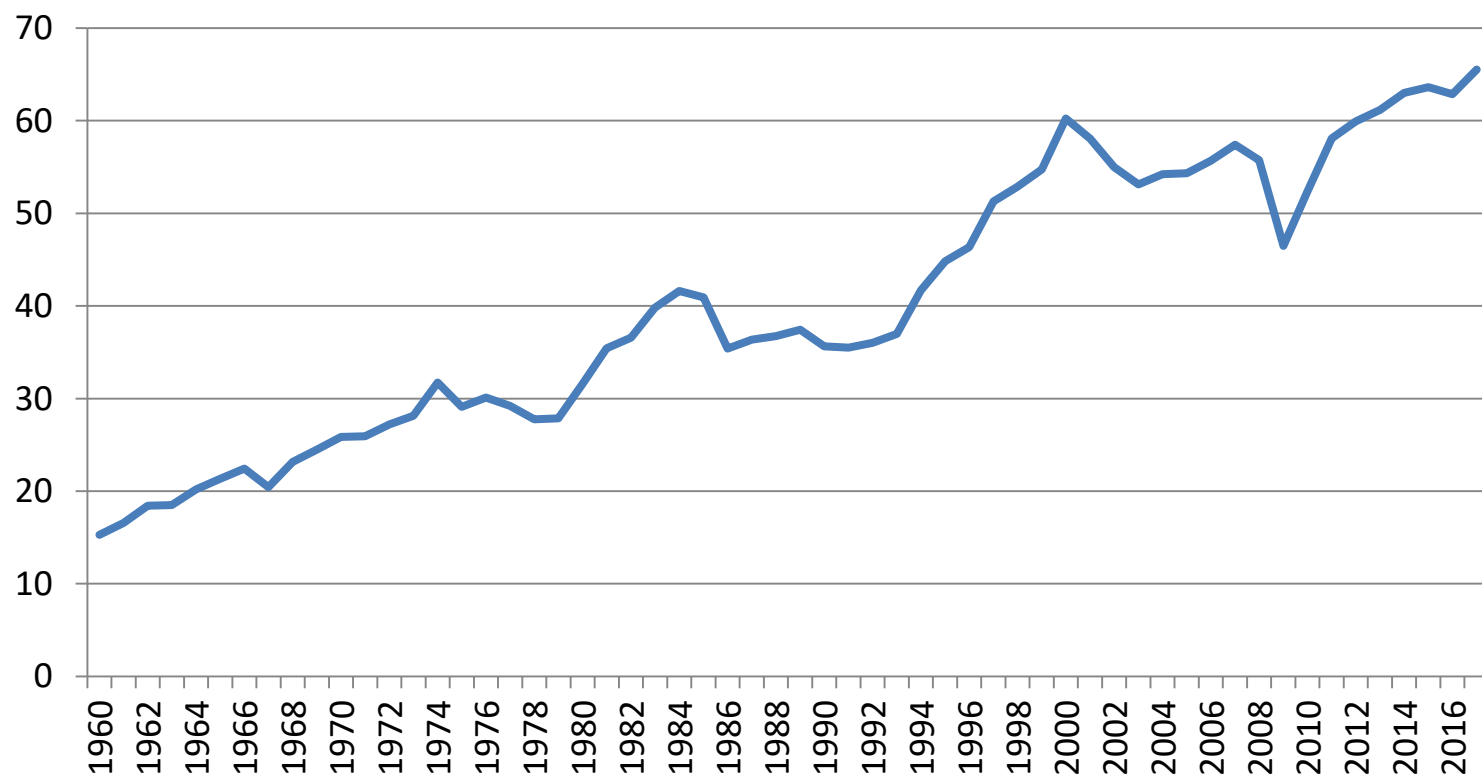
Life Expectancy at Birth



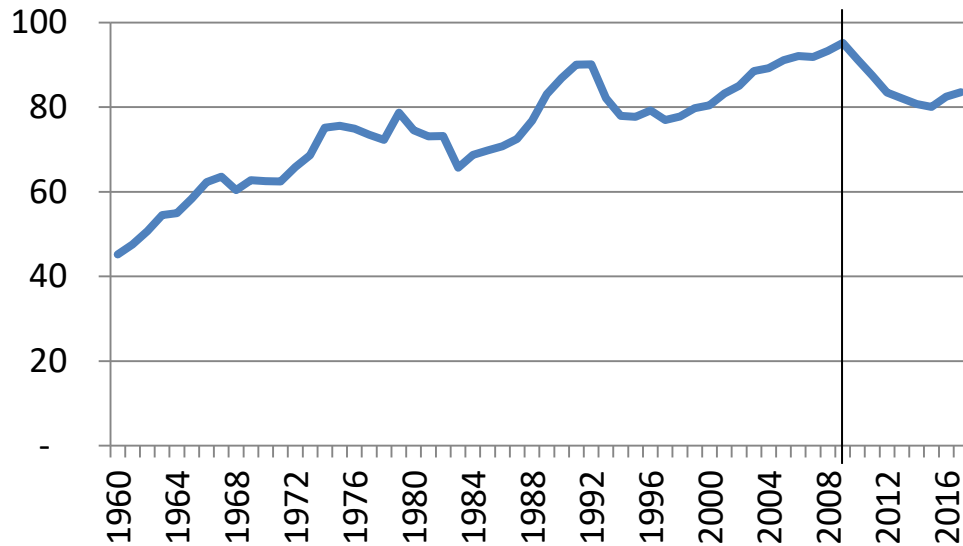
We live longer



Openness: X+M shares in GDP (%)

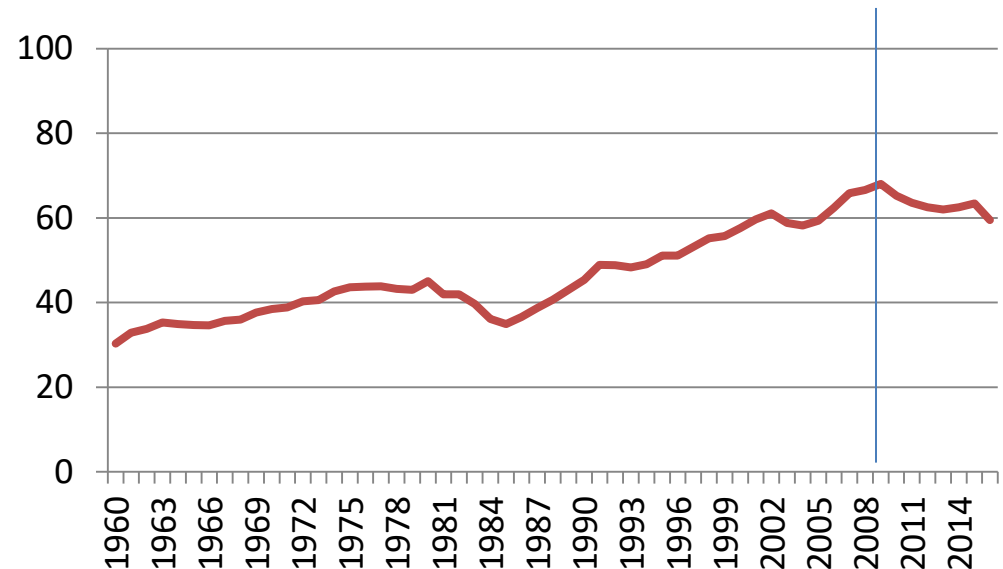


GDP per capita at current market prices (EUR 28=100)



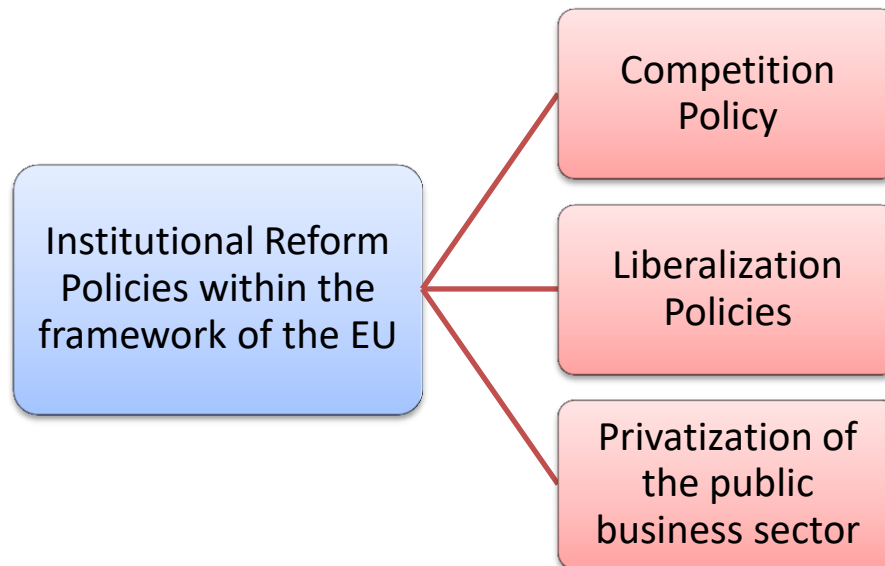
US=100

**Falling behind, catching up
... and falling back again?**



The Spanish development during the last decades: political and economic milestones

- **The Stabilization Plan** of 1959
- **Transition to Democracy** : 1975-1978
- **Spain's accession to the EEC**: 1986
- **Monetary Union** 1999: Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain.

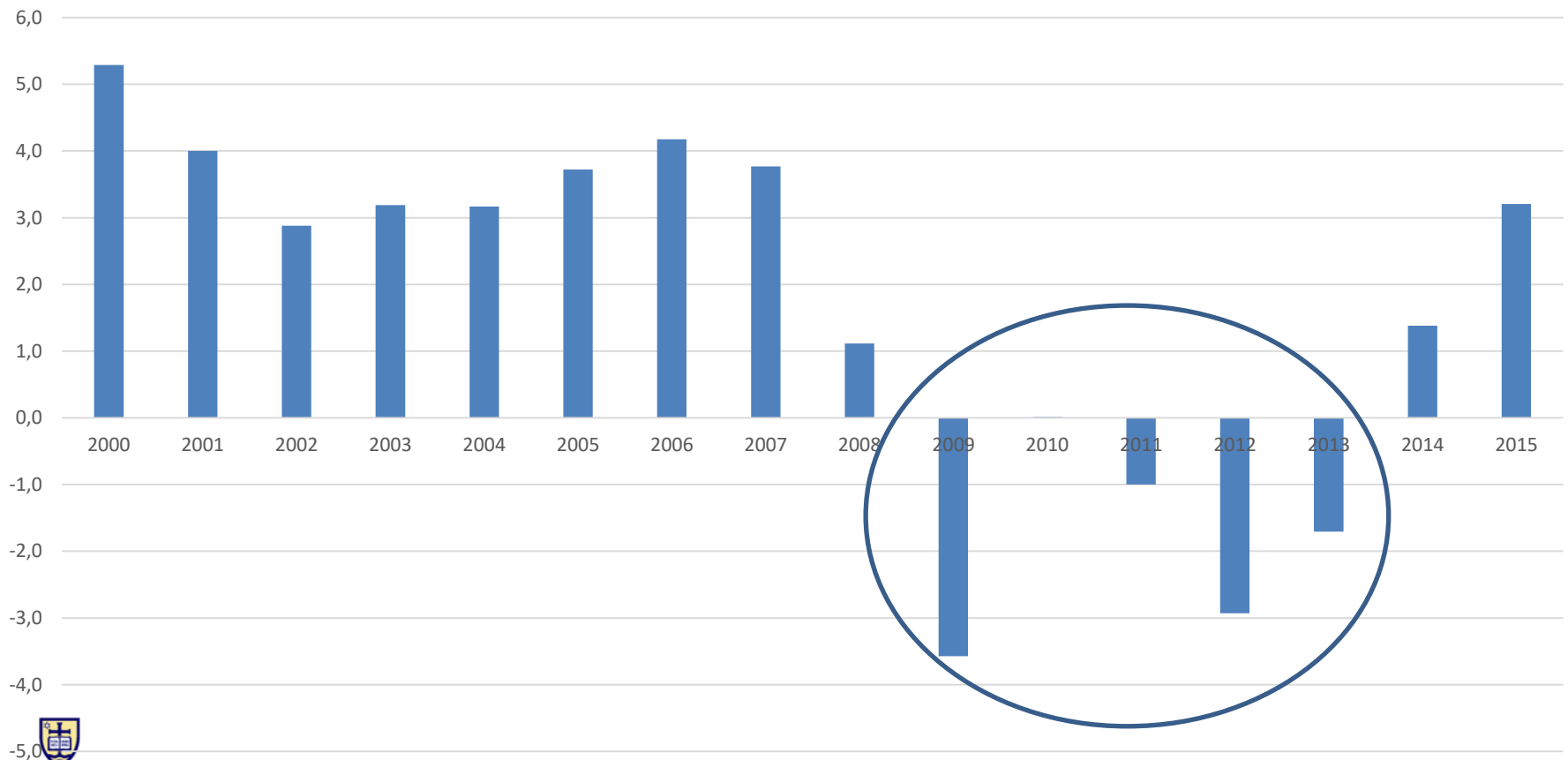


The crisis and economic reforms

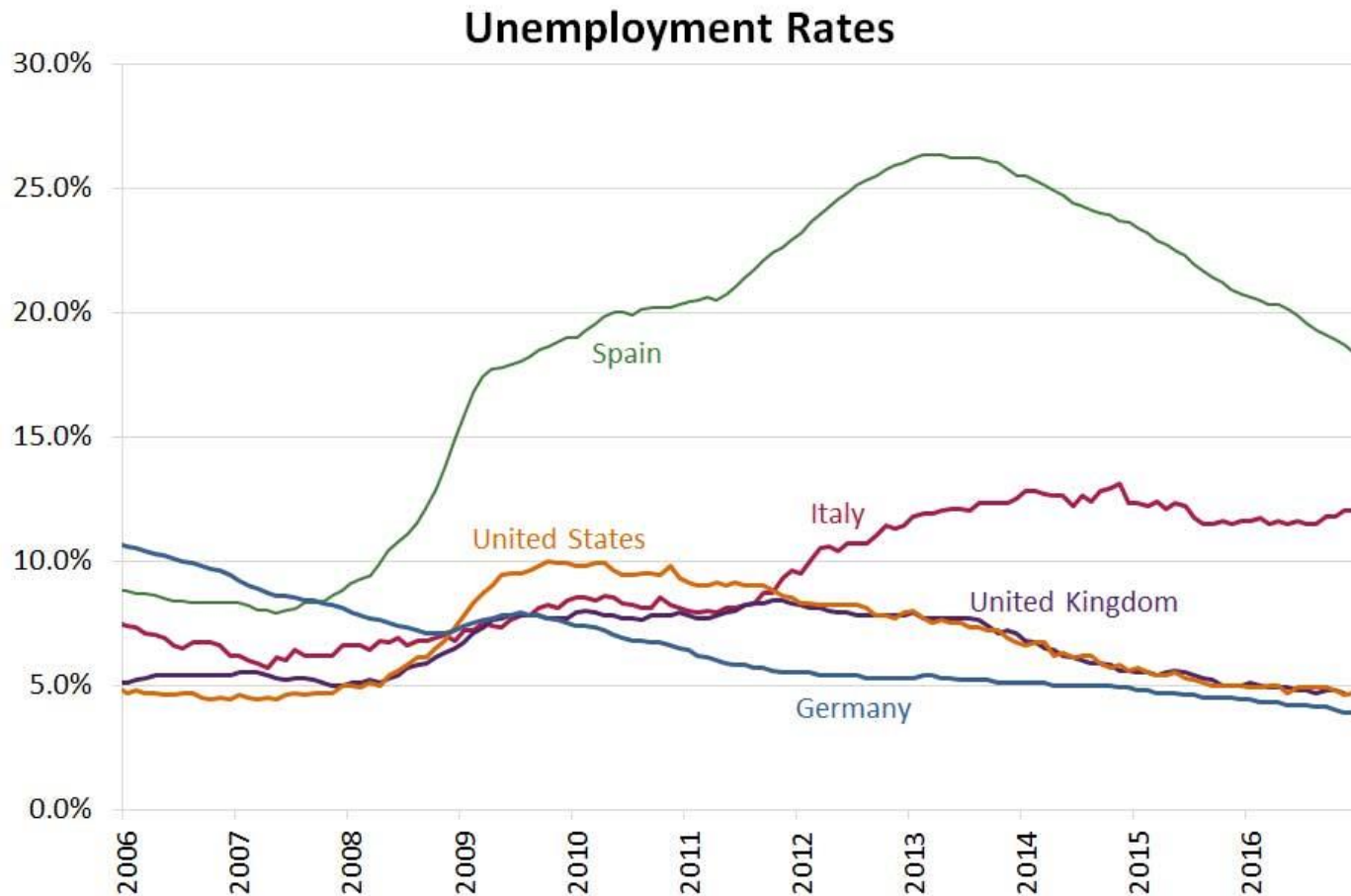


The crisis and economic reforms

GDP growth at market prices, Spain (2000-2015)



The crisis and economic reforms



SOURCES: Statistical Office of the European Communities and the U.S. Bureau of Labor Statistics.

FEDERAL RESERVE BANK of ST. LOUIS

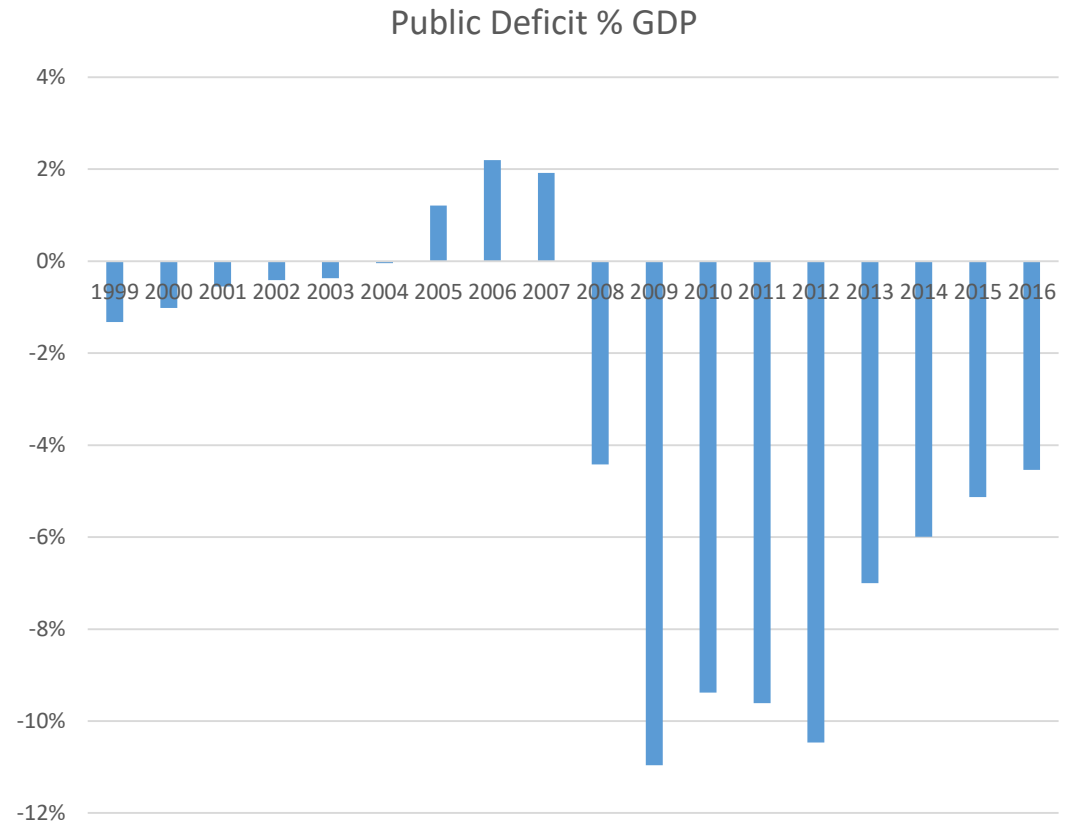
The crisis and economic reforms

- **With the onset of the crisis:**

- **Fall in revenues** related to the paralysis of economic activity
- **Increase in Public Expenditure**, unemployment benefits, higher risk premium, more interest on national debt...



- **Increase in Public Deficit**
 - **Public Spending cuts**

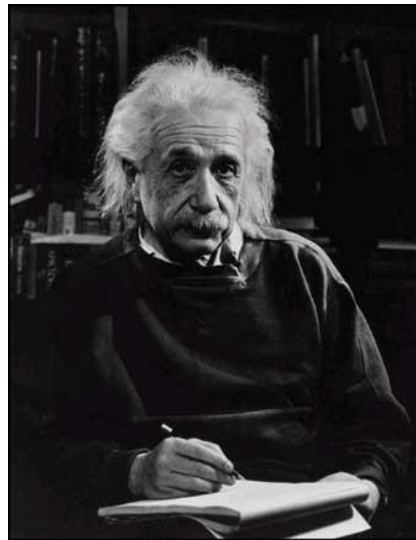


Source: INE (2017)



Do not pretend that things will change if we always do the same. The crisis is the best blessing that can happen to people and countries, because the crisis brings progress. Creativity is born from the distress, as the day is born from the dark night. It is in crisis that invention, discovery and large strategies are born.

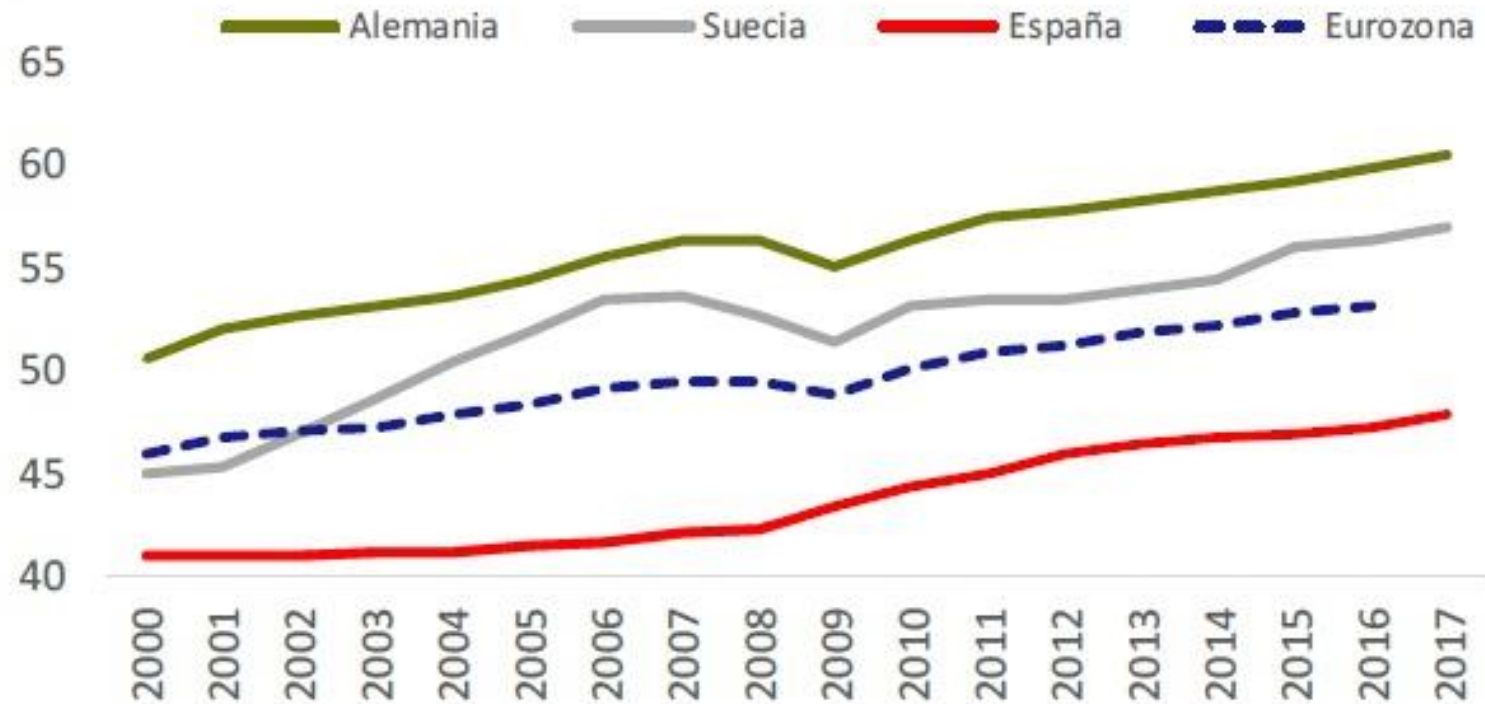
Albert Einstein.



Productivity is going up...

PIB por hora trabajada

\$



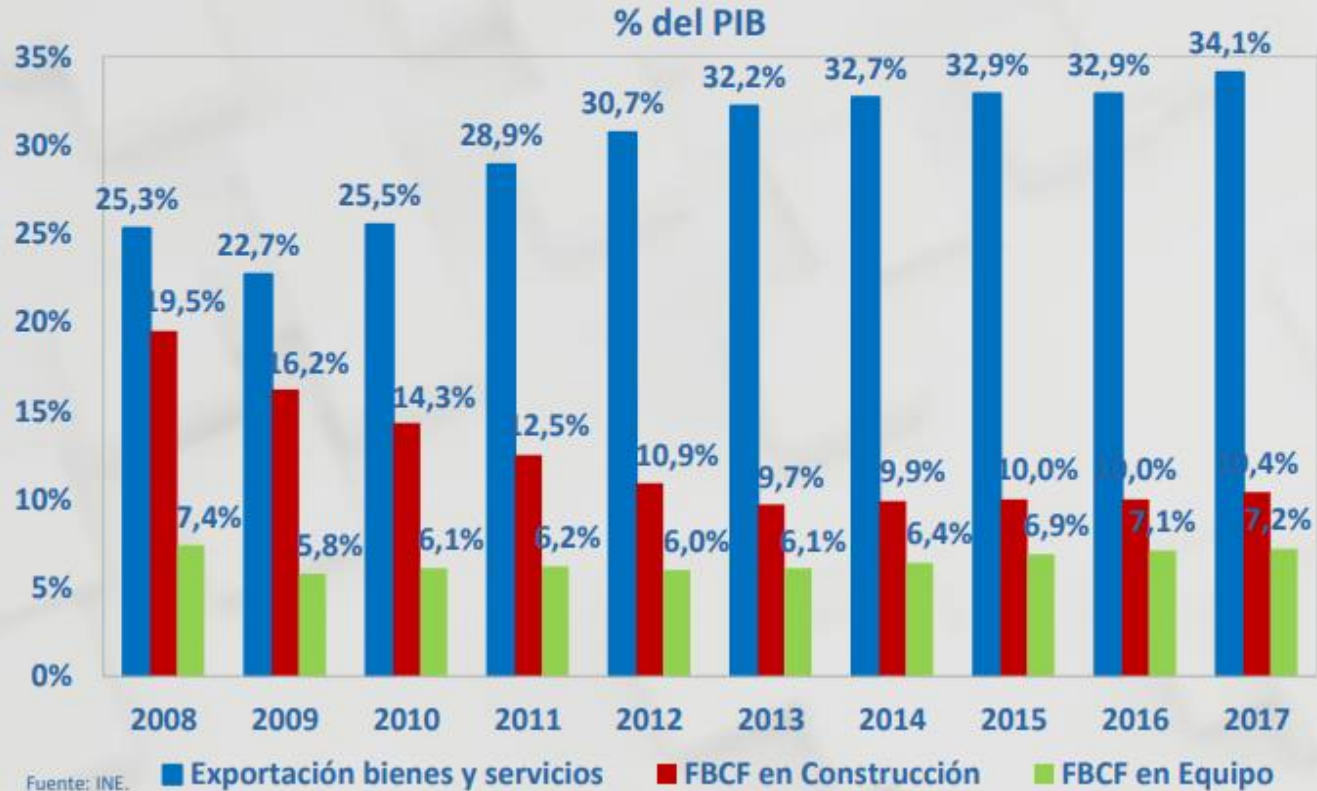
Fuente: Círculo de Empresarios a partir de OCDE, 2018



GOBIERNO
DE ESPAÑA

MINISTERIO
DE ECONOMÍA, INDUSTRIA
Y COMPETITIVIDAD

Spanish Exports



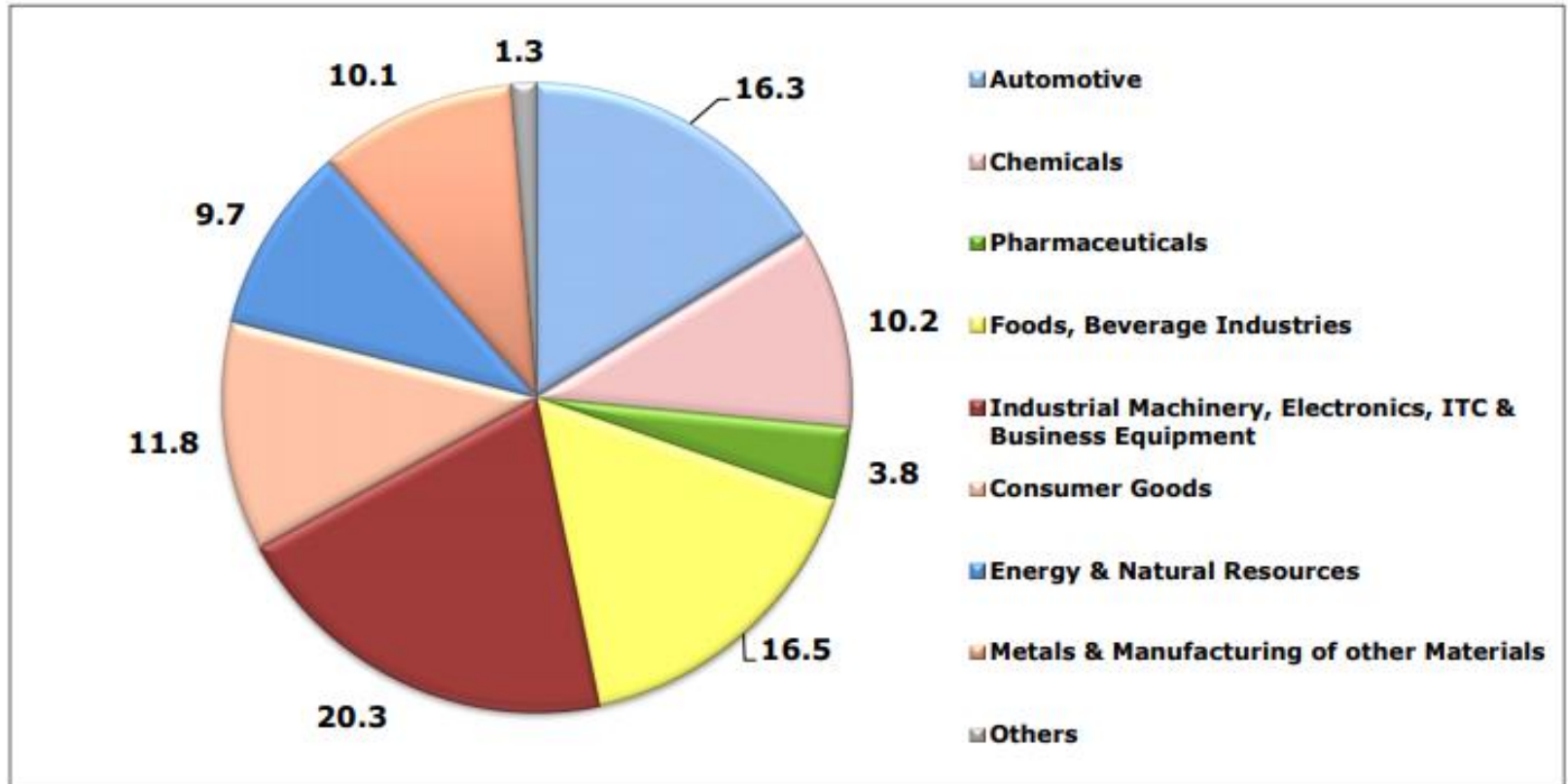
1. France (15.1%)
2. Germany (11.3%)
3. Italy (7.8%)
4. Portugal (7.1%)
5. UK (6.9%)

6. US (4.4%)
7. Netherlands (3.4%)
8. Belgium (3%)
9. Morocco (2.8%)
10. China (2.2%)



Increasing exports with High Value Added and Technological content

2017: Exports of Goods. Sector breakdown in %



Source: Secretariate of State for Trade 2018

Spanish Auto-Parts industry ranks 6th in the world in terms of turnover

- Spain is the 2nd country worldwide in revenues and the 1st in Europe.
- Spain ranks 2nd in tourist arrivals worldwide and 2nd in Europe.

INTERNATIONAL TOURISM GENERATED REVENUE (Billion \$) *	
Country	2017
1. USA	210,7
2. Spain	68,0
3. France	60,7
4. Thailand	57,5
5. United Kingdom	51,2
6. Italy	44,2
7. Australia	41,7
8. Hong Kong	33,3
9. China	32,6
10. Mexico	21,3

INTERNATIONAL TOURIST ARRIVALS (Million) *	
Country	2017
1. France	86.9
2. Spain	81,8
3. USA	76.9
4. China	60,7
5. Italy	58,2
6. Mexico	39,3
7. United Kingdom	37,6
8. Turkey	37,6
9. Thailand	35,4
10. Austria	29.5

Source: UNWTO Tourism Highlights, 2018.

* Data as collected by UNWTO September 2018

Spain received 82 million tourists in 2017.

Conclusion

- We have emerged from recession
 - Impressive export performance
 - Growing competitiveness
 - Keeping openness (9th country worldwide with more open regulations regarding FDI)
 - Cheap credit



Conclusion

- We have emerged from recession
 - Impressive export performance
 - Growing competitiveness
 - Keeping openness (9th country worldwide with more open regulations regarding FDI)
 - Cheap credit
- But
 - Unemployment is still the most pressing problem
 - Aging population
 - Need to improve human capital and R&D
 - Relatively low productivity
 - Inequality
 - Large (but diminishing) budget deficits



THANK YOU FOR YOUR
ATTENTION

Q&A?

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