

Report Overview (updated as of October 2020)

This is an overview of the economy of Spain as of October 2020. This report will summarize the economic state of Spain and changes resulting from the COVID-19 pandemic.

Fast Facts/Statistics¹

- Population: 47,329,981
- GDP (PPP): \$1.78 trillion
- GDP per capita: \$41,592 (2019)
- GDP growth rate: -8.0%
- Projected GDP growth rate: 4.276% (2021)
- Inflation (CPI): -0.301%
- Projected inflation: 0.654% (2021)



Spain Overview and Economic Summary

Spain is a parliamentary constitutional monarchy and a member of the European Union. Its national language is Spanish and national currency is the Euro. Spain is considered a first-world country and has one of the world's largest economies. Prior to the COVID-19 pandemic, the Spanish economy has recently experienced four consecutive years of growth above the EU average after suffering from the 2008 economic recession.²

Spain has a strong international presence and is the second-largest foreign investor in Latin America, with the Spanish language being one of the fastest-growing languages in the world. The economy is especially strong in terms of exports as well as banking.

COVID-19 Impact

COVID-19 has had a substantial impact on the Spanish economy, with a sharp decline in GDP and rise in unemployment rate. The Spanish economy experienced a 34% fall in output in the first two weeks of lockdown between March 16 and 21, with a higher impact on services activity (50% decline). 95% of Spanish businesses are small and medium enterprises, who had a harder time surviving the lockdown than larger ones.³

The Spanish government has enacted a number of ordinances to prevent the spread of COVID-19, including the requirement of masks in public places and local lockdowns in some specific areas. Schools across Spain reopened at the beginning of September 2020, while most businesses are working to some normality with social distancing measures and limited capacities in place.⁴

¹https://www.imf.org/external/pubs/ft/weo/2020/01/weodata/weorept.aspx?pr.x=47&pr.y=15&sy=2017&ey=2021&scsm=1&ssd=1&sort=country&ds=.&br=1&c=184&s=NGDP_RPCH%2CPPPGDP%2CPCPIPCH&grp=0&a=

² <https://www.cia.gov/library/publications/resources/the-world-factbook/geos/sp.html>

³https://english.elpais.com/economy_and_business/2020-06-18/spains-economy-fell-34-in-the-first-two-weeks-of-the-coronavirus-lockdown.html

⁴ <https://www.piccavey.com/safe-travel-to-spain/>

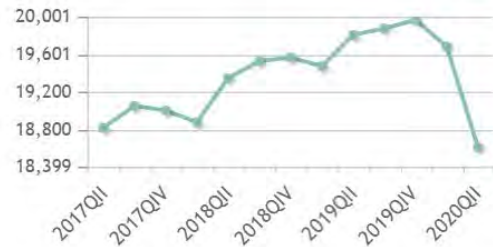
COVID-19 Impact and 2020 Economic Data

Economically Active Population Survey - Quarter 2/2020

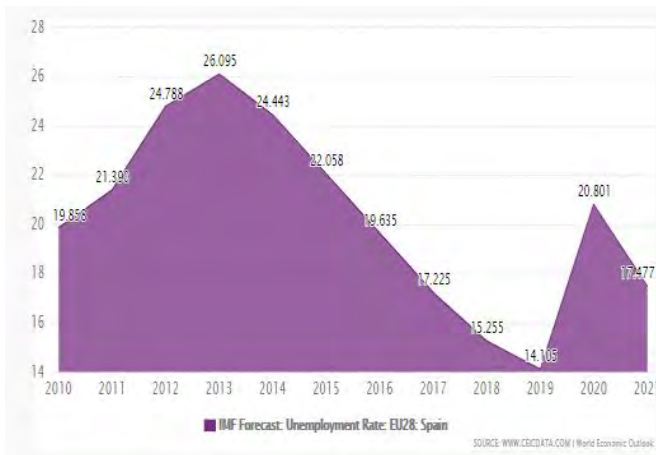
		Value	Variation
Employed	1	18,607.2	-6.05
Unemployed	1	3,368.0	4.25
Economic activity rate	2	55.54	-3.20
Unemployment Rate	2	15.33	1.30

1. Value in thousands. Variation over the same period the previous year
 2. Value as a percentage. Variation: difference with regard to the rate for the same period the previous year

Employed. Value



Unemployment rate and economically active population in Spain in Quarter 2, 2020 (April to June, Instituto Nacional de Estadística).⁵

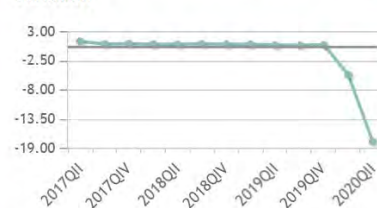


QNA - Quarter 2/2020

		Quarterly variation	Annual change
GDP at market prices	1	-17.8	-21.5
Full-time equivalent employment		-17.7	-18.4

Seasonally and calendar adjusted data.
 1. Chained-linked volume index reference 2015

GDP at market prices. Quarterly variation



(Left) According to the International Monetary Fund, Spain's unemployment rate for 2020 is estimated to be 20.801%, rising from 14.105% in 2019 and forecasted to drop to 17.477% in 2021.⁶

(Right) GDP experienced a -17.82% decline from Quarter 1 of 2020 to Quarter 2 of 2020, and a -21.5% from 2019 to Quarter 2 of 2020.⁷

⁵https://www.ine.es/dyngs/INEbase/en/operacion.htm?c=Estadistica_C&cid=1254736176918&idp=1254735976595&menu=ultiDatos

⁶<https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020#Statistical%20Appendix>

<https://www.ceicdata.com/en/indicator/spain/forecast-unemployment-rate>

⁷https://www.ine.es/dyngs/INEbase/en/operacion.htm?c=Estadistica_C&cid=1254736164439&menu=ultiDatos&idp=1254735576581

Annex Table 1.1.1. European Economies: Real GDP, Consumer Prices, Current Account Balance, and Unemployment
(Annual percent change, unless noted otherwise)

	Real GDP			Consumer Prices ¹			Current Account Balance ²			Unemployment ³		
	2019	Projections		2019	Projections		2019	Projections		2019	Projections	
		2020	2021		2020	2021		2020	2021		2020	2021
Europe	1.6	-6.6	4.5	3.0	2.0	2.4	2.3	1.6	1.8
Advanced Europe	1.3	-7.3	4.7	1.3	0.5	1.1	2.5	2.0	2.2	6.6	9.2	7.9
Euro Area ^{4,5}	1.2	-7.5	4.7	1.2	0.2	1.0	2.7	2.6	2.7	7.6	10.4	8.9
Germany	0.6	-7.0	5.2	1.3	0.3	1.2	7.1	6.6	6.7	3.2	3.9	3.5
France	1.3	-7.2	4.5	1.3	0.3	0.7	-0.8	-0.7	-0.6	8.5	10.4	10.4
Italy	0.3	-9.1	4.8	0.6	0.2	0.7	3.0	3.1	3.0	10.0	12.7	10.5
Spain	2.0	-8.0	4.3	0.7	-0.3	0.7	2.0	2.2	2.4	14.1	20.8	17.5

Real GDP in Spain is projected to have a -8.0% growth rate for the entirety of 2020, and is projected to grow 4.3% in 2021.⁸
 Government debt (in terms of budget deficit) increased from 2.8% of the GDP in 2019 to 13.9% in 2020.⁹

The GDP recorded for the second quarter of 2020 was \$269,708 million (14thth highest in the world) and GDP per capita was \$5,174 (28th highest in the world).¹⁰

⁸ <https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020#Statistical%20Appendix>

⁹ <https://www.imf.org/en/Publications/WEO/Issues/2020/06/24/WEOUpdateJune2020>

¹⁰ <https://countryeconomy.com/gdp/spain>

Major Industries and Trends

Spain's principal industries are machinery, pharmaceuticals, metallurgy, chemicals, shipbuilding, automobiles, medical equipment, textiles/apparel, food/beverage, and tourism. Tourism is an especially strong part of the economy; Spain's tourism industry is the second-largest in the world.¹¹ Spain's main exported goods are machinery, motor vehicles, foodstuffs, pharmaceuticals, medicines, and other consumer goods.¹²

Agriculture contributes to around 2.8% of Spanish GDP and employs 4% of the workforce (World Bank, 2019). The country is home to almost one million agricultural and livestock businesses, covering 30 million hectares of land. Spain is the world's largest producer of olive oil and the world's third largest producer of wine. The country is also one of the largest producers of oranges and strawberries in the world. The main crops are wheat, sugar beet, barley, tomatoes, olives, citrus fruits, grapes and cork. Livestock is also important, especially for pigs and cattle.

The industrial sector accounts for 20% of GDP and of total employment. Manufacturing is the most important industry as it accounts alone for around 11% of GDP (World Bank). The industrial sector is dominated by textiles, industrial food processing, iron and steel, naval machines, and engineering. New sectors such as outsourcing of electronic components production, information technology, and telecommunications provide high growth potential.

The tertiary sector contributes to 67.7% of GDP and employs 76% of the active population. The tourism sector is pivotal for the country's economy, being Spain's main source of income, as the country is the second most popular tourist destination in the world (around 82 million tourists every year). The banking sector is also important and is composed of twelve banking groups which include 52 private banks, 2 saving banks and 62 cooperative banks.¹³

¹¹ <https://web.archive.org/web/20110106210622/http://www.theglobalguru.com/article.php?id=60&offer=GURU001>

¹² <https://www.cia.gov/library/publications/resources/the-world-factbook/geos/sp.html>

¹³ <https://www.nordeatrade.com/fin/explore-new-market/spain/economical-context>

Major Cities and Housing

Major cities and their populations¹⁴

- Madrid (5,263,000)
- Barcelona (4,251,000)
- Valencia (1,499,000)
- Seville (1,262,000)
- Bilbao (947,000)
- Málaga (844,000)

Madrid

The capital of Spain, Madrid is the center of French economy, government, and culture. It is home to a number of historical and cultural sites, including the Royal Palace of Spain. Alongside 17 universities and 30 research centers, Madrid holds the headquarters of many multinationals. It is the second largest industrial center in the country and one of the highest populated cities in Europe. Students living in the center of the city can expect to pay around 550-650€ per month for a shared flat, or around 700-1350€ per month for a one bedroom apartment/studio.

Barcelona

Barcelona is a city located on the coast of northeastern Spain. While it is the second most populated municipality in Spain, it is also the capital city of the autonomous community of Catalonia. Barcelona is a popular tourist destination, having a rich cultural heritage and architectural works. It is a transport and biotech hub, and hosts world-class conferences, expositions, and sports tournaments. Barcelona housing can cost anywhere from 350-850€ per month depending on the size and location of a rented apartment. Students may be able to find student housing from around 400-600€, a shared flat for 300-400€, or a flat for 600-800€.

Valencia

Valencia is the capital city of the autonomous region of Valencia. It is home to El Grao, one of the most used ports in the world, and handles around 20% of the country's exports. Valencia is a large metropolitan area, and also has one of the largest historic centers in Spain with many traditions and festivals. Housing in Valencia for students is around 400-600€ per month.



(Left to right:) Madrid, Barcelona, Valencia

¹⁴ <https://www.worldatlas.com/articles/the-biggest-cities-in-spain.html>

Internships and Co-ops

Biggest sectors employing in Spain:¹⁵

- Aerospace
- Pharma
- ICT
- Energy
- Tourism
- Agriculture
- Automotive
- web tech
- Defense
- English language teaching.

Websites posting job listing in Spain:¹⁶

- Infojobs
- European Language Jobs
- Thelocal.es
- Glassdoor

Top start-ups to work for in Spain¹⁷

- Globo
- Cabify
- Letgo
- TravelPerk
- Spotahome
- Coverfy
- Jobandtalent
- fintonic
- Red Points
- ID Finance
- Typeform
- 21 Buttons

¹⁵ <https://www.spainvisa.eu/sectors-spain-best-employment-prospects/>

¹⁶ <https://www.spainvisa.eu/sectors-spain-best-employment-prospects/>

¹⁷ <https://sifted.eu/spanish-startups-top-rankings/>

Resources for NU Students

GoinGlobal

GoinGlobal helps new and experienced job seekers find opportunities both at home and abroad. As the market leader in online career and employment resources for more than 16 years, our website has helped millions of new and experienced professionals expand their horizons.

We are committed to providing “grassroots employment intelligence” through our team of local career experts. These globally-minded individuals are in place around the world, personally monitoring and updating the career information and resources that we deliver to you.

GoinGlobal’s Internship database features millions of opportunities around the globe—all updated daily. Our proprietary search engine has the unique ability to identify internships that have been posted in the local language, as well as in English. Each internship opportunity lists the position title and description, company name, location and date of posting.

GoinGlobal makes it easy to search for internship positions in the nonprofit and international development fields, as well as opportunities with public and private organizations of every size and focus.

Link: <http://www.goinglobal.com/>

GlobeSmart

With over 25 years of experience, Aperian Global provides organizations with scalable, blended solutions that enable them to conduct business effectively across boundaries. Our consulting, training, and online learning tools help employees at all levels to engage global and local counterparts in a fully inclusive way, bringing out their best ideas while serving as a catalyst for innovative new solutions.

Prepare for trips or relocation abroad with guidance on over 50 cultural business topics, including travel, attitudes towards women, safety, manners and etiquette, and more.

Link: <https://www.globesmart.com/>