



Comunidad
de Madrid

Economic Situation in the Community of Madrid

Subdirectorato General for Economic Analysis
Directorate General for Economic Affairs

I /2024

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Disclaimer:

The Community of Madrid does not make its own predictions about the growth of the regional economy. Those included in this report have been published by various independent sources and are cited as such.

Note on the analysis of the evolution of economic indicators in this report.

An assessment of how economic indicators have recovered following the COVID crisis is based on a comparison with the usual levels in the reference months prior to the outbreak of the pandemic. This report, therefore, sheds light on monthly indicator values from March 2019 to February 2020 and the variations in 2023 and 2024 levels relative to pre-pandemic levels, alongside the usual year-on-year rate of change. They are all geared towards spotting possible shifts in activity evolution patterns, which are particularly relevant in the current context in which the performance of the economy is conditioned by multiple factors, some of them non-economic, with a great disruptive capacity.

Close date: 30/05/2024

I. Overview of the economic situation

Once again, the first lines of this report on the recent economic situation must acknowledge a better than expected evolution, in a context by no means free of uncertainty and risks which, as far as geopolitical conflicts are concerned, have been the protagonists of moments of high tension at the beginning of the year.

Activity data in the first quarter exceeded expectations that had been set at the end of 2023. In the U.S., growth remains robust, the European Union has overcome the stagnation of the second half of 2023 with its GDP advancing by 0.3% quarter-on-quarter, the same growth as that estimated for the euro zone which had reduced its activity by 0.1% in the two previous quarters.

The 0.2% increase in German GDP, up from the 0.5% decline in the fourth quarter, together with the slight acceleration of activity in France and Italy (which grew by 0.2% and 0.3% respectively), and the strength of the peripheral economies are the foundations of the slight recovery of GDP in the Eurozone. Spain, which continues to grow by 0.7% quarter-on-quarter, and Ireland, whose GDP is up 1.1%, stand out for their dynamism, after a 2023 marked by significant drops in activity in this unique economy.

The good economic performance of the first quarter looks set to continue in the immediate future, in view of the recently released composite PMI data. This economic sentiment indicator settled at values above 50 in the EU and the Eurozone, a barrier it had not surpassed since June 2023 until last March. The April figure, at 51.7 points, suggests an expansionary profile of activity in the coming months, with France and Germany already above the 50-point mark, and reaching 55.7 points in Spain.

That both the economy and expectations are doing well is especially relevant in the difficult current geopolitical context, with high risks of escalation, and growing bloc confrontation. Polarisation is expanding while the position of plurinational organisations is weakening in what appears to be a silent return to bilateral negotiation and confrontation schemes between the large blocs, which are increasingly more homogeneous internally and more heterogeneous among themselves. With the mediation capacity of supranational organisations greatly diminished, self-restraint in conflicts between blocs is essential to avoiding escalations that could lead to deeply disruptive and undesirable scenarios for all.

But what role can small economies such as Spain, and even less dynamic groupings such as Europe, play in this new framework of forces? How can the defence of national interests be articulated in a context of a growing loss of capacity for action by organisations to which a part of national sovereignty has been ceded, if internal gaps grow and dialogue is parasitized by polarisation? The answer to these questions, which may seem theoretical and verge on the philosophical, have important implications, not only in the long and medium term, but also in the short term.

The shift in the European Central Bank's monetary policy may be a small example of the above, as the first rate cut announced for June does not seem, in view of the April inflation data, to find all European economies with a stable pattern of containing inflationary pressures. This, together with other factors such as differentials in national debt levels, may end up feeding asymmetric pressures in financial markets.

Moreover, given that the Fed's announced position is that it will keep rates high at least until the last quarter of the year, and that their reduction may be much more gradual than previously expected, the question that arises is to what extent the ECB will be able to articulate its own strategy independent of the Fed, given the effect that rate differentials will have on capital flows and the euro/dollar exchange rate.

In conclusion, there is nothing new: national economic progress will be all the better the more its fundamentals are aligned with those that determine supranational policy decisions; and, on the other hand, given the high degree of interdependence between blocs, each country must build its integrated and sustainable growth model, not in the long term but in the short term, because the future is generated in the now.

Thus, the fact that the economy is "doing well" and that we expect activity to continue to be positive in the coming months should be used as an opportunity to adopt the most appropriate economic policy measures for when the economic situation is not so favourable, as well as to address the structural changes that will allow activity to grow in the long term. Otherwise, today's growth will have been wasted to establish tomorrow's well-being.

The objective of this report is to portray the economic evolution of the Community of Madrid in Q1 2024. In this sense, activity has shown signs of high dynamism, in line with the national level, with an increase in regional GDP in the range of 0.6% to 0.8%, which would generate year-on-year increases of 2.35% to 2.6%. Underpinning this expansion

is the strength of the labour market, which has continued to generate employment and reduce unemployment in a quarter where, in other expansionary phases, employment has suffered. The April enrolment figure confirms this positive trend with a new all-time high, in which it is noteworthy, as it is extraordinary, that quarter-on-quarter growth continues to be high, and only moderately slowed at a time when employment levels are at an all-time high.

Never before had 3,750,000 jobholders been reached in the region, which, together with the reduction of unemployment to below 350,000, caused the unemployment rate to fall in the first quarter to 9.2% of the labour force, only one tenth of a percentage point above the relative low of the second quarter of 2023. The current figure is the second-best record in the last fifteen years.

This increase in employment has been possible thanks to a notable slowdown in outflows from employment, especially into unemployment, while inflows into employment remain contained, compatible with a solid and more stable labour market than in previous expansionary phases.

The increase in activity and employment has taken place within a context of normalisation of inflationary patterns towards price growth of around 3% year-on-year, confirming that the feared effects of a second round of price escalation have not occurred. The April data put headline inflation, measured in CPI terms, at 3.2% and core inflation at 2.9% in the region, compared to 3.3% and 2.9%, respectively, in Spain.

Although these rates are far removed from those of a year ago, especially for core inflation (when they reached 5.5% in the Community of Madrid and 6.6% in Spain in April 2023), they nevertheless show a reluctance to slow down to the arbitrary target of 2%. Thus, although core inflation already stood at 3% in January in our region, it rose in the following two months and then fell half a point in April to the aforementioned 2.9%.

In the immediate trajectory of inflation, the behaviour of service prices will be essential, once the occasional fluctuations caused by the calendar variations of Easter Week in 2023 and 2024 have been overcome. It will be key to see if in May the fast deceleration profile of services inflation shown by the data between October and January resumes, or if the downward resistance of February consolidates as its new trajectory, which would hinder and delay the return of core inflation to the 2% target.

Those that are showing a clear process of normalisation are international trade flows, which have been strongly altered in volume and composition in recent years. Here we can note the disruptive effect of the health crisis, which generated, among other changes, historic levels of exports of pharmaceutical products, as certain vaccines against Covid were produced in the Community of Madrid, and were subsequently distributed worldwide from Belgium; the profound alteration of energy flows resulting from the war between Russia and Ukraine and the massive supply of liquefied natural gas (LNG) which, in the national environment, was practically all attributed to Madrid; as well as the distortions that energy prices and the effects on global supply chains generated in the amounts of export and import flows.

The return to trade patterns prior to these shocks is the origin of a major part of the high year-on-year declines that are being recorded in the region's export and import flows in 2023 and in the first quarter of 2024, as well as the reason for the differential between reductions in the national and regional aggregates. The return to the previous table explains the recomposition of the structure by type of goods of these flows and the year-on-year changes in the map of the region's main clients and suppliers. Therefore, no alarm bells should be sounded from the declines in current flows, as they are not related to changes in the competitive capacity of regional companies.

Consistent with the above, current economic forecasts point to a continuation of the positive performance of activity in the region, in a context of upside risks, with growth estimated in the 1.7% - 2.5% range, compared to 1.8% - 2.1% for Spain, according to the usual independent forecasting institutions. As a result, the slowdown profile of activity in 2024 is softening compared to that seen in the waves of forecasts at the end of last year and the beginning of this year.

II. International context

Soft landing with high conflict zones persists

While the global economy is experiencing a softer landing than expected a few months ago, the last few weeks have reminded us that the environment continues to be marked by a high degree of uncertainty. Direct attacks between Israel and Iran led to a point of maximum tension in the conflict. Although the attacks did not escalate and the scenario of an outbreak of a regional conflict seems to have been avoided for the time being, a new escalation that could cause new tensions in the international economy, particularly in the commodities markets, cannot be ruled out.

The latest outlook for the world economy presented by the IMF in April points to a 'less to more' scenario in 2025 for the Eurozone and a recovery in the US. China's economy continues to be weighed down by its real estate crisis and the resulting slowdown in consumption and investment.

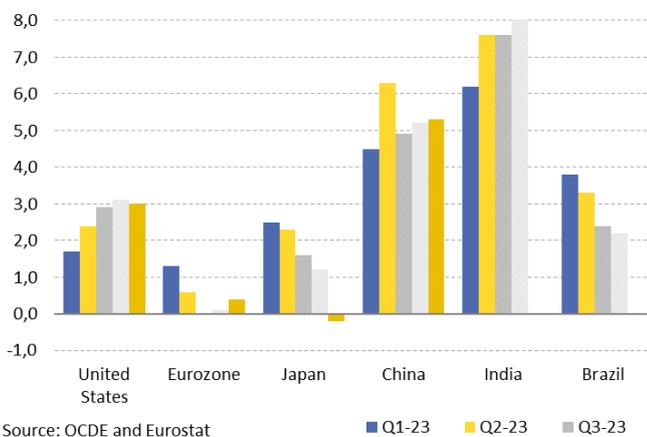
GDPs in advanced economies performed well in the first quarter. In the US, GDP grew quarter-on-quarter by 0.4% in Q1 2024, a rate which, although lower than expected, reflects the positive dynamics of the US economy. A reading by components shows that private consumption grew by a remarkable 0.6% quarter-on-quarter (vs. 0.8% in the previous quarter) and fixed capital investment accelerated (1.3% in Q1 vs. 0.9% in the previous one). The data thus shows robust domestic demand in a context in which external demand is cooling. In the Eurozone, GDP grew quarter-on-quarter by 0.3%, exceeding expectations, after having fallen in the previous two quarters, bringing year-on-year growth to 0.4%. The major economies accelerated with respect to the previous quarter. Germany managed to grow quarter-on-quarter by 0.2% (-0.5% in Q4 2023), France

grew by 0.2% (vs. 0.1% in the previous one), mainly due to a positive acceleration in fixed capital investment, while Italy advanced by 0.3% (0.2% in the previous quarter). Lastly, the Chinese economy delivered a positive surprise in the first quarter, with quarter-on-quarter growth at 1.6% (1.2% in Q4 2023), but it was not all good news. The acceleration observed in the first quarter of the year can be explained mainly by a boost in investment, while consumption continues to show strong signs of weakness, evidence of a growing fragmentation between the dynamism of supply and the fragility of demand.

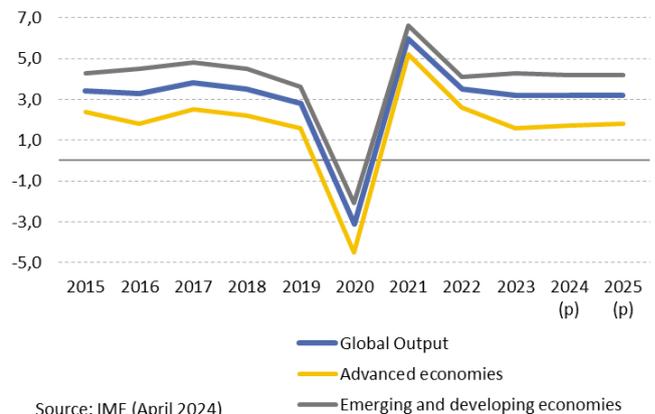
Inflation continues to be a concern and remains on the risk map, mainly in the US. The release of the GDP data not only showed the strength of U.S. consumption, but also the strength of domestic inflationary pressures. In April, headline inflation in the Eurozone stood at 2.4%, while core inflation fell to 2.7% and reached the lowest figure since February 2022. This highlights the deceleration of services to 3.7% and the sustained moderation of industrial goods inflation.

Consumption continued to show strength in the first quarter in the U.S. However, April's decline in the composite PMI business climate index to 50.9 points means that it is now just above the 50 threshold, which marks an expansion in production. In the Eurozone, the composite PMI rose again by more than 1 point in April to 51.7. This greater dynamism is mainly explained by the reactivation of the services sector (53.3 points compared to 51.5 in the previous year), while the industrial sector has still not recovered from the crisis that began after the outbreak of the war in Ukraine (45.7 points vs. 46.1 before). On the other hand, the ESI economic sentiment indicator decreased slightly in the Eurozone (95.6 points vs. 96.2 before).

Evolution of main economies
(Year-on-year rates of change)



World economic growth 2015–2025



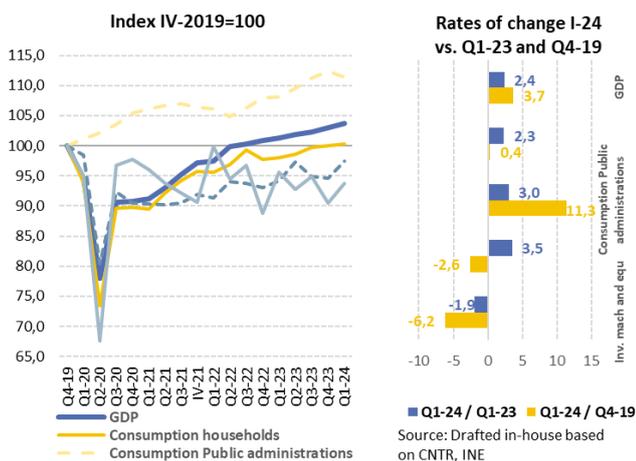
III. National framework

1. Growth

The Spanish economy surprised again in the first quarter with a growth of 0.7%. According to the advance data of the quarterly accounts (QNA) of the INE, this increase in national GDP is similar to that of the previous period, although it differs in its composition, with a lower domestic contribution mainly due to the 1% reduction in consumption by Public Administrations.

Household consumption grew by 0.3%, the same pace as in the fourth quarter; GFCF accelerated its growth to 2.6% and, following the weakness of the previous quarter, progress was observed in construction, machinery and capital goods. However, the biggest boost to GDP growth this quarter came from external demand, which increased its contribution by three-tenths of a point to 0.5 points, favoured by the strength of services exports.

Evolution of GDP, consumption and investment in Spain



In year-on-year terms, GDP growth accelerated by three tenths of a percentage point to 2.4%, thanks to the greater contribution of both domestic and external demand. Consumption grew by 2.6%, two tenths of a percentage point less than in the previous quarter, slowed by that of Public Administrations (3%), although the household segment maintained its growth at 2.3%. Investment, on the other hand, advanced by 1.1%, after stagnating in the previous quarter: investment in construction gained traction and reached a rate of 3.5%, while investment in machinery and equipment lost momentum and fell by 1.9%. However, both remain below their pre-pandemic levels.

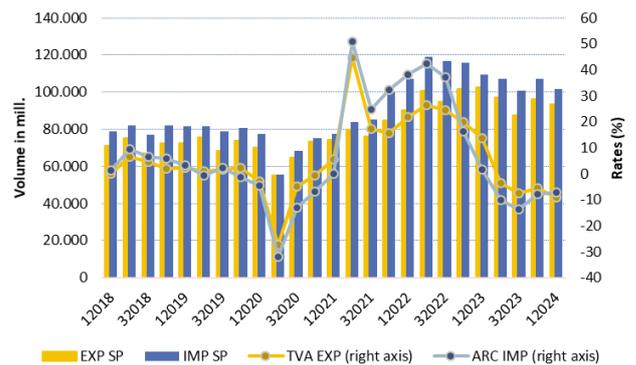
The contribution of external demand continues to be contained, at 0.2 points, although it improved with respect to the previous quarter, with year-on-year declines in exports (-1.1%) and imports (-1.7%).

2. Foreign sector

In the first quarter of the year, the trade balance in Spain continues to show reductions in both exchanges, aggravated by a comparison with the best first quarter of the series.

Spanish exports of goods fell by 9% in the first quarter of 2024 compared to the same period in 2023, and posted a volume of 93,429.5 million euros. On the other hand, imports fell in the first quarter to 101,534.6 million euros, which is 7.1% less than in the same period of 2023. The trade balance recorded a deficit of €8,105.1 million (€6,156.8 million in the same period of 2023); mainly responsible for this increase is the reduction of the non-energy surplus from €1,639 million in the first quarter of 2023 to €8.8 million in the same period of 2024. On the other hand, the coverage rate stood at 92%, 2 percentage points (p.p.) lower than that recorded in the January-March 2023 period.

Quarterly export volumes and rates. Spain



In the first quarter of 2024, the subsectors that contributed most to the increase in the export rate of change were *aircraft* (with a contribution of 0.6 points), *automobiles and motorcycles* (0.6), *oils and fats* (0.6) and *essential and perfumed oils* (0.3). The main negative contributions came from the following subsectors: *medicines* (-3.4 points), *petroleum and petroleum products* (-1.2), and *organic chemicals* (-1.1). Regarding imports, the main subsectors with positive contributions are: *road transport equipment* (0.3 points), *aircraft* (0.2), *fruits, vegetables and legumes* (0.2), and *engines* (0.1). In terms of negative contributions, the following stood out: *gas* (contribution of -1.8 points), *medicines* (-0.7), *organic chemicals* (-0.7), as well as *coal and electricity* (-0.5).

3. Labour market

A better-than-expected first quarter underpinned the strength of the labour market.

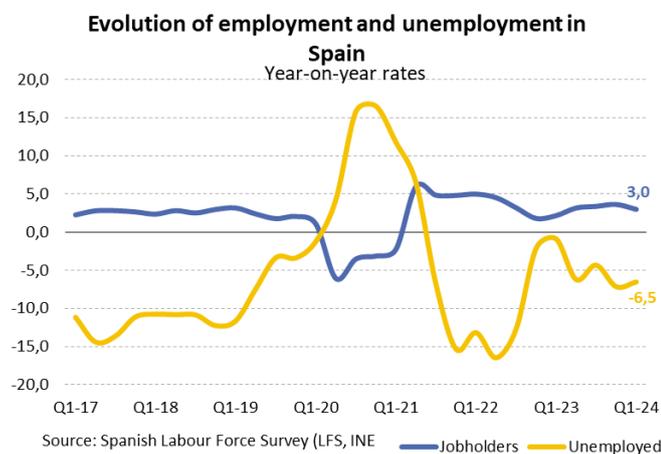
The LFS results for the first quarter followed the expected seasonal pattern, with quarter-on-quarter reductions in the number of jobholders of 137,900, and increases of 117,000 in the number of unemployed, thus slightly reducing labour force numbers in the quarter. Nevertheless, employment grew and unemployment decreased in seasonally-adjusted terms.

With 21,250,000 jobholders and 2,977,900 unemployed at the national level, the participation rate fell by two tenths of a point to 58.6%, and the unemployment rate increased by half a point to 12.3%.

These results take place in a context of very stable growth of the working-age population, while the labour force, with greater seasonal oscillations, stands out for its greater year-on-year dynamism than that of the population over 16 years of age, a fact that has been repeated since the beginning of 2023.

The year-on-year increase in employment, which had shown an acceleration in the previous five quarters, was interrupted in the first quarter of 2024, falling six tenths of a percentage point to 3%. Along the same lines, the number of actual hours worked fell by 0.3%, for the first time since the second quarter of 2021.

The year-on-year evolution of unemployment, which has a more volatile profile, slowed its fall this quarter to 6.5%.



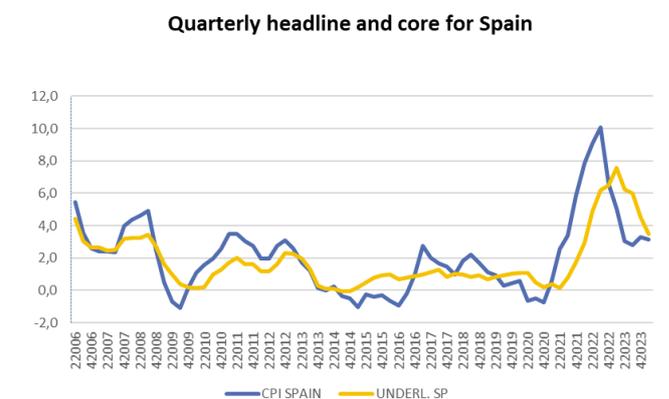
Registration data followed the same trend. Strong volume and dynamics of enrolments in the first quarter, which, following the usual seasonal pattern declined moderately from the highs of the fourth quarter of 2023. The April figure again set a new record, with more than 21 million new enrolments. We saw similar behaviour in registered unemployment, which grew during the quarter but fell significantly in April, standing at 2.67 million people.

4. Prices

In the first quarter of 2024, inflation for the country as a whole had yet to show a clear trend; core inflation, on the other hand, continued on the containment path that began in August 2023.

CPI inflation reached an average rate of 3.1% in the first quarter of 2024 (3.3% in the previous quarter), although over these three months it showed an uneven trajectory. In January, it rose to 3.4%, fell to 2.8% in February and recovered four tenths of a percentage point to 3.2% in March. The latest figure, for the month of April, stands at 3.3%. However, the core rate was 3.5% in the first quarter of the year, compared to 4.5% in the previous quarter, with a clear downward trend throughout the quarter. In April, the latest data published, the trend continued with a decrease of four tenths of a percentage point with respect to the March rate, which placed it at 2.9%.

The evolution experienced throughout the first quarter was marked by a reduction in inflation in the 'Food and non-alcoholic beverages' group, which fell by more than three points during the quarter, reaching a rate of 4.3% in March; thus, average inflation for the first quarter of this year stood at 5.7%, compared to 16.2% for the same period in 2023. However, the April figure shows a new increase, rising to 4.7%. Alternatively, the 'Housing' group has gone from an average year-on-year rate in the last quarter of last year of -6.4%, to 0.1% in the first quarter of 2024; the reason is to be found in year-on-year comparisons with months of great moderation in electricity prices. The latest figure, affected by the rise in gas prices compared to the decline a year ago, raises the group's rate in April to 4% (1.5% in March). On the other hand, 'Transportation' increased its inflation by three points over the quarter to 2.9%; however, the average rate for the quarter is similar to the previous quarter, at 1.7%. The April figure maintains the group's inflation at 2.9%.



In an international context, as published by Eurostat, the Eurozone indicator slightly reduced its value in the first quarter to 2.6% (2.7% in the fourth quarter of 2023). In April, the latest data published, inflation was one tenth of a percentage point lower than in March and registered a year-on-year rate of 2.3%.

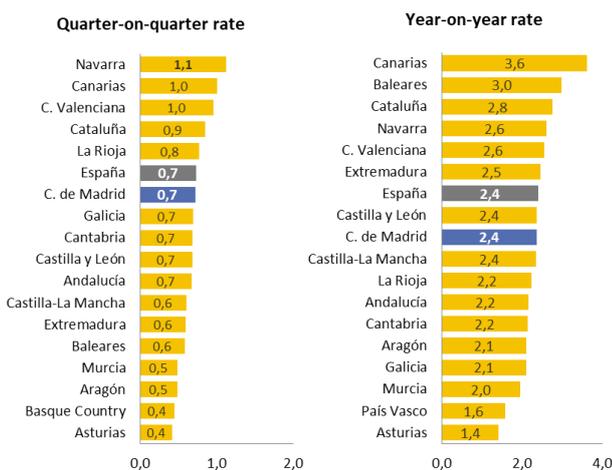
IV. Economic growth and forecasts

After a 2023 that closed well above expectations, the Community of Madrid has maintained its dynamism at the start of 2024. In the absence of official data by Autonomous Community (the INE's Regional Accounts will not be published until December with the first estimates for the year 2023), the growth of the Madrid economy last year would have registered an advance of between 2.7% and 3.3%, according to the estimates of various analysts, standing at an average of 3%. This would be the third highest growth among Spanish regions after the Canary Islands and the Balearic Islands, which continued to show very particular dynamics in their recovery after the pandemic.

The beginning of 2024 seems to be extending the positive trend experienced in the fourth quarter, in a national context for which new growth data is once again better than expected. The sustained strength of the labour market, as well as the positive evolution of the economic indicators, allow us to manage expectations of a sustained rate of growth of the Madrid economy in the first quarter of 2024. Preliminary estimates by the regional government put it at around 0.7% quarter-on-quarter, which would be around 2.4% year-on-year.

Fully in line with these, AIREF's regional estimates are congruent with the Q1 QNA data, and point to growth in Madrid of 0.7%, one tenth of a percentage point higher than in the previous quarter and similar to that of the national economy as a whole. In year-on-year terms, the growth rate was 2.4%, which also coincides with the growth rate published by the INE for Spain.

AIREF quarterly estimates

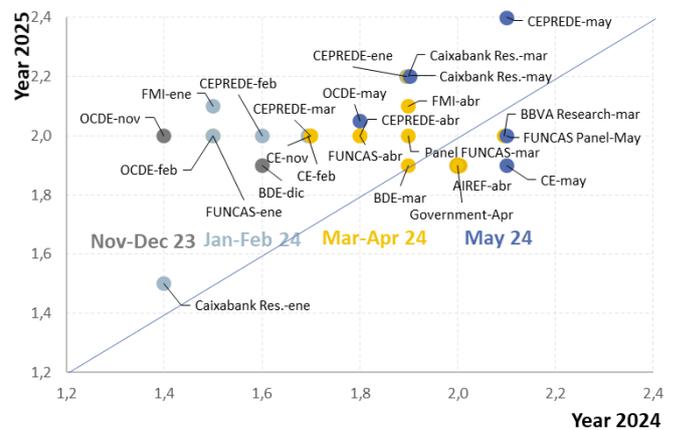


The performance of the Spanish economy in the first quarter was surprising because not only it exceeded previous expectations, but also because it took place in a European context that, despite a slight improvement, continues to show great weakness. In fact, Eurostat data for the first quarter places Spain

among the countries with the highest growth, well above other large Eurozone economies such as Germany and France (both 0.2%), or Italy (0.3%). This good performance is translating into a gradual improvement in Spain's growth prospects for 2024 as a whole.

It appears that the slowdown expected across the board for the national economy in 2024 is likely to turn out to be less intense than anticipated a few months ago. Thus, the progressive improvement in expectations has taken the forecasts of various analysts from between 1.4% and 1.6% at the beginning of the year to above 2% in the last month, mostly.

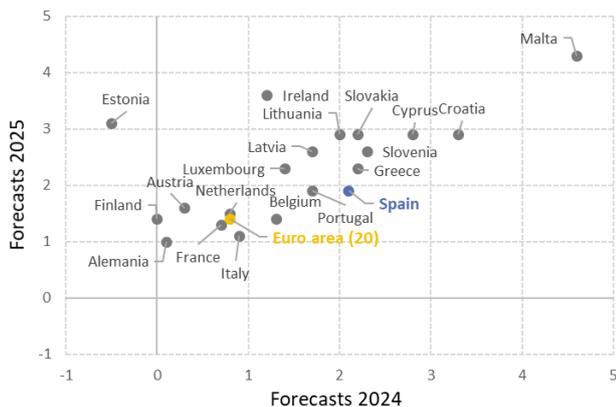
Evolution of national GDP growth forecasts 2024 and 2025



Among the organisations that have revised their projections for Spain upwards is the European Commission, which, compared to its winter forecasts, raised its forecast for 2024 by four tenths of a percentage point to 2.1% in May, and by one tenth of a percentage point for 2025 to 1.9%, thanks to the momentum of domestic demand and a resilient labour market. These figures are well above those expected for the Eurozone as a whole, whose expectations have remained in the range of those stated in February, at 0.8% in 2024 and 1.4% (one tenth of a percentage point lower) for next year. Despite limited progress, the Commission stresses that a return to growth is expected for almost all Member States by 2024.

However, in this scenario, asymmetries in growth are expected to continue, with greater dynamism in the southern countries of the EU compared to those in the north and west, although these differences will tend to disappear over the coming years.

Growth projections in Eurozone countries



Source: European Commission Spring Forecasts, May 2024

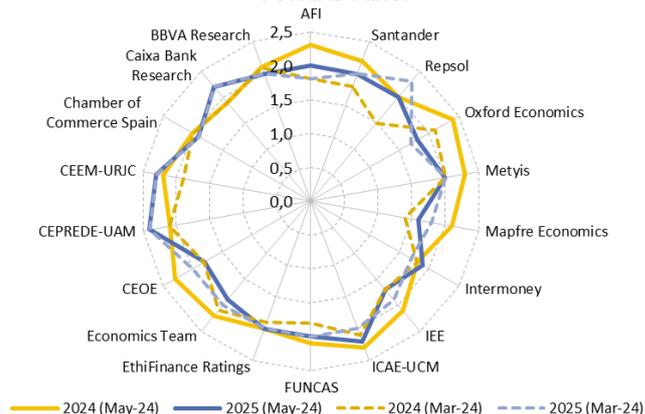
Likewise, in the recent update of its forecasts, the OECD raises the growth of the Spanish economy this year by three tenths of a percentage point compared to its January projection, to 1.8%, in a European context for which it also anticipates a slow recovery (with an increase of 0.7%) in which the consequences of geopolitical tensions still weigh heavily. Among the risks, a worsening of the conflict in the Middle East could again compromise growth by causing disruptions in the energy and financial markets, which in turn could dampen the disinflationary process, with subsequent effects on the return to lower interest rates.

For the coming year, the OECD's outlook points to a recovery in the Eurozone, with growth around 1.5%, in which Spain could also participate, with an acceleration in its growth rate to 2%.

Focusing on the national scenario, the latest edition of the Funcas Panel for the month of May evidences this generalised improvement in 2024 expectations: thirteen of the nineteen panellists have revised their forecasts upwards, and none downwards. The figures range from 1.8% to 2.4%, although sixteen of them are equal to or above 2%, so that on average they stand at 2.1%, two tenths of a percentage point above the March forecast.

Looking ahead to 2025, a change in expectations has also been observed, with a greater number of panellists now anticipating a slowdown in the Spanish economy next year, of between one and six tenths of a percentage point. The forecasts range from 1.5% to 2.4%, with the consensus figure at 2%, unchanged from the results of the panel prepared two months ago.

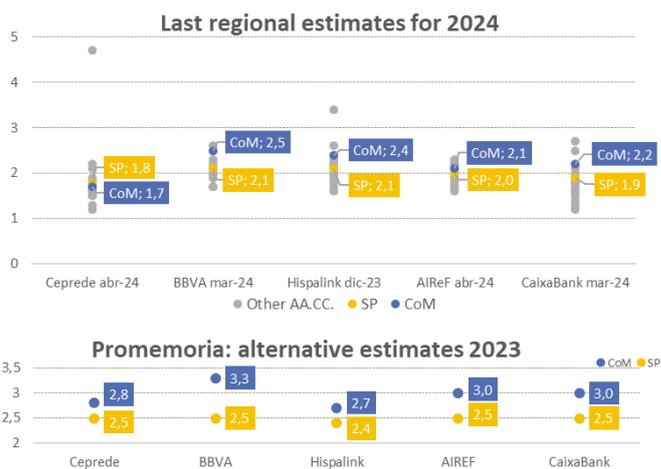
Growth forecasts for Spain FUNCAS Panel



The FUNCAS panel consensus is in line with the Spanish Government's projections, as well as those of AIREF, which point to a scenario of moderate deceleration in 2024 and relative stability in 2025. Thus, according to both, growth could reach 2% this year and 1.9% next year.

Estimates by Autonomous Community reflect a generalised moderation in the rate of regional growth in 2024, with projections for the Community of Madrid in a range between 1.7% and 2.5%, and with an average of 2.2%, slightly above the national average of 2%, and an improvement compared to the expectations from three months ago (1.8% on average).

Madrid is once again among the regions with the best growth forecasts for this year, second only to the archipelagos, and also for the following year, when an average increase of 2.2% is expected, slightly above the national average, which these analysts put at 2.1%.



However, the high degree of uncertainty on a global scale keeps all these figures under constant review, so it would not be surprising to see further upward changes in the coming months, especially for 2024.

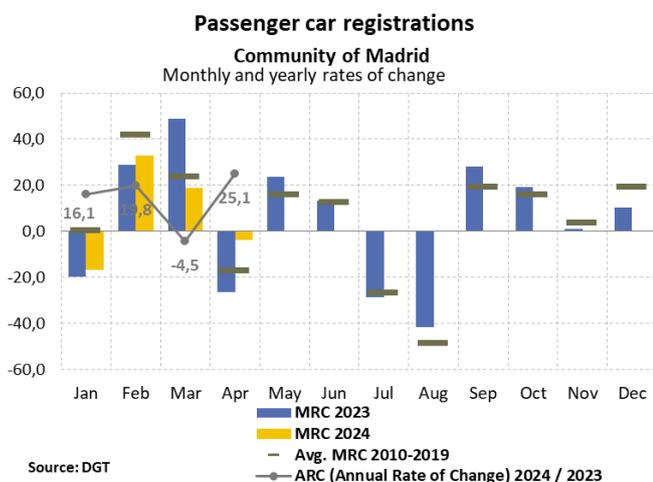
V. Recent developments in Madrid's economy

V.1. Demand and production

V.1.A. Domestic demand

The figures for passenger car registrations in the first quarter of 2024 continue to be very dynamic.

According to the DGT, passenger car registrations in the first quarter of 2024 amounted to 113,857 units, the highest number for this quarter in the series (data since 2004), which represents 8,297 units and 7.9% more than a year ago, adding up to five consecutive quarters of growth. The latest data published by the DGT (corresponding to the month of April 2024) returns to positive year-on-year rates after the fall in March, which broke five consecutive months of upward growth, with this month growing to 25.1% year-on-year; it should be noted that, with 44,227 units registered, April has reached the highest amount for this month in the series, with 8,880 units more than a year ago. According to ANFAC, the Easter Week effect caused fewer sales days last year; this year, on the other hand, we had an April with three more working days; the employers' association also points out the good performance of the rental companies channel, which are preparing their summer campaign

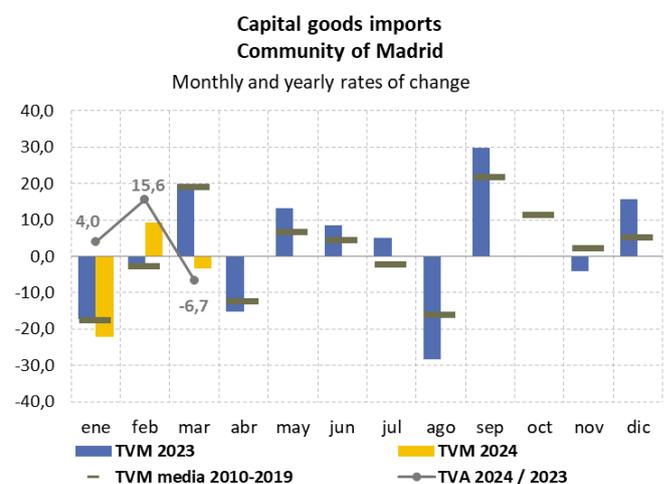


Lorry and van registrations in the first quarter of 2024, at 20,931 units, reached the highest figure for this period since 2007 and were up 13.3% year-on-year, but slowed in the fourth quarter of 2023, rising 26.6% and 23.3% in the third quarter. The latest data, pertaining to the month of April 2024, presents the fourth month in positive rates, after December's fall of 4.9% which broke twelve months of upward growth; April, with 8,231 units of vehicles registered, presents the second highest volume in the series for this month, and grows and accelerates to 33.4% year-on-year. According to some manufacturers in this sector, these high figures are the result of the delivery backlog that occurred in the

previous year, coupled with fairly favourable market activity.

Gasoline consumption reached its highest volume for a first quarter since 2006, and accelerated the increase from the previous quarter; this quarter is 6% higher than in the same quarter of 2023, compared to 2.5% in the fourth quarter of 2023. The latest figure, for March, reflects the second highest consumption for this month since 2007, even though it fell by 1.6% after two months of growth, and taking into account that the comparison is established with the highest volume for a March since 2007. On the other hand, diesel consumption in this quarter continued to decline, with a drop of 1.4%, although it slowed down from the previous quarter, when it fell by 5.5%; the consumption of this fuel has now fallen for eight quarters. The latest data, for March, shows the lowest consumption for this month (data since 1997) in the last four years, falling to 9.3% year-on-year; in February it fell 7.6%. The escalation of prices, together with the *demonization* of diesel, has led to a downward trend in the consumption of these fuels.

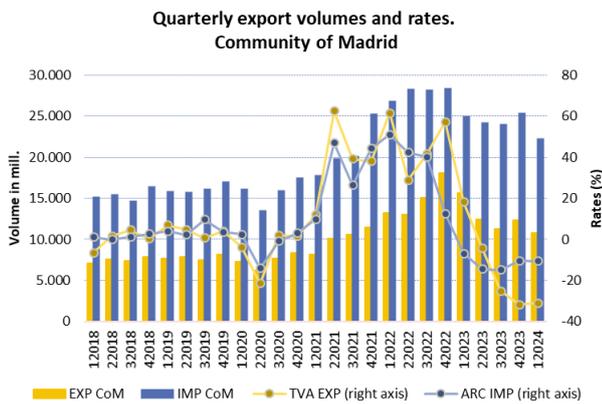
Imports of capital goods reached the highest value for a first quarter in 2024, €7,402 million, 3.6% higher than in the same period of the previous year. This is remarkable, given that imports of this type of goods reached unprecedented levels in 2022 and then in 2023. Compared to the first quarter of 2019, the volume is 36.5% higher. Imports in March, the latest available data, were close to 2,500 million euros, down 6.7% year-on-year, interrupting the upward trend of the previous three months.



V.1.B. External demand

In the first quarter of 2024, the trade balance of the Community of Madrid maintained the pace of year-on-year declines recorded in the last quarter of 2023. The normalisation of sales of the most demanded categories in the two previous years, together with the year-on-year comparison with the best quarter in the history of exports, after the last one in 2022, results in the lowest rates of the series together with those of the previous quarter. Thus, exports from the Community of Madrid fell year-on-year by 31% in the January-March period, a drop very similar to that of the previous quarter (-31.8%), with an amount of €10,782 million, a figure only surpassed by that of 2022 and 2023 in the same period.

In the first quarter of 2024, the Community of Madrid imported 10.7% less than a year ago, compared to -10.5% in the previous quarter. The €22,258 million purchased is the best figure in the series through 2022 for that period.



The coverage rate for the first quarter was 48.4%.

In the analysis by TARIC and their contributions to the variation in exports, Madrid sales of *Pharmaceuticals*, the leader, subtracted 20.3 p.p. from the first quarter rate; €1,384 million euros were exported, slightly lower than in the previous quarter, and 70% lower than a year ago, when the second highest figure in the quarterly series was observed, after that of the last quarter of 2022. Thus, the weight in the quarter of this category is reduced from 20% of the total in 2023 to 13% in 2024. This is followed by *Fuels; mineral oils*, which drains the rate by 6.7 p.p. in the first quarter; 859.4 million were exported, 55% less than what was sold a year ago and 35.5% less than what was sold in

the previous quarter. Lastly, we have *Organic Chemical Products*, which subtracts 3.4 p.p. from the rate, with a decrease in sales of 87% in that period, since, once again, we can compare the 82 million sold this year with the 605 million euros in the first quarter of 2023, a record in the history of that TARIC. *Aircraft; spacecraft*, which added 1.2 percentage points to the rate with shipments valued at 537 million euros; and *Other products*, which contributed 0.5 percentage points to the variation in sales, varied in a positive direction, with much less relevant contributions.

Exports of the top 5 TARIC of the Comm. of Madrid				
CUMULATIVE MAR 2024	Volume	Rate of	Contrib.	%total
30 PHARMACEUTICAL PRODUCTS	1.384,1	-69,7	-20,3	12,8
87 MOTOR VEHICLES; TRACTORS	1.203,2	-17,3	-1,6	11,2
84 MACHINERY AND MECHANICAL APPLIAN	1.164,0	-12,1	-1,0	10,8
27 FUELS, MINERAL OILS	859,4	-54,9	-6,7	8,0
85 ELECTRIC APPLIANCES AND MATERIAL	839,2	9,5	0,5	7,8
TOTAL TARIC	10.782,2	-31,0		

Imports of the top 5 TARIC of the Comm. of Madrid				
CUMULATIVE MAR 2024	Volume	Rate of Chai	Contrib.	%total
85 ELECTRIC APPLIANCES AND MATERIAL	2.998,8	8,4	0,9	13,5
30 PHARMACEUTICAL PRODUCTS	2.650,7	-22,3	-3,1	11,9
84 MACHINERY AND MECHANICAL APPLIAN	2.640,4	-3,4	-0,4	11,9
87 MOTOR VEHICLES; TRACTORS	2.599,6	10,0	0,9	11,7
27 FUELS, MINERAL OILS	2.006,2	-47,7	-7,4	9,0
TOTALS TARIC	22.257,9	-10,7		

Source: AEAT

As for Madrid's **imports**, the category that most decreased the rate in the first quarter was *mineral fuels and oils*, which subtracted 7.4 p.p.; the 2,006 million purchased in this period reduced the figure from one year ago by 48%. It was followed by *Pharmaceuticals*, subtracting 3.1 percentage points from the first quarter rate, and falling 22.3% compared to the first quarter of 2023. Lastly, *Stone, precious metals; jewellery* contributed -1.7 p.p. to the variation of imports. On the positive side, *Motor vehicles; tractors* added 0.9 percentage points to the first quarter rate, up 10% from a year ago. *Aircraft* also added 0.9 p.p. to the variation in imports. Lastly, *Electrical appliances and equipment* also contributed 0.9 p.p., confirming its leading position in 2024, overtaking *Pharmaceuticals*.

Regarding the performance of countries in the first quarter of 2024, similar to the previous quarter, Belgium is the most significant drag on exports with -20.2 p.p. Turkey and Germany, on the other hand, are the main drivers, together adding 1.7 p.p. Leading reductions in imports are the United States, France, and the Netherlands, which significantly decrease the rate by 6.5 p.p. Conversely, Sweden and Ireland are the top contributors, jointly adding 1.3 p.p.

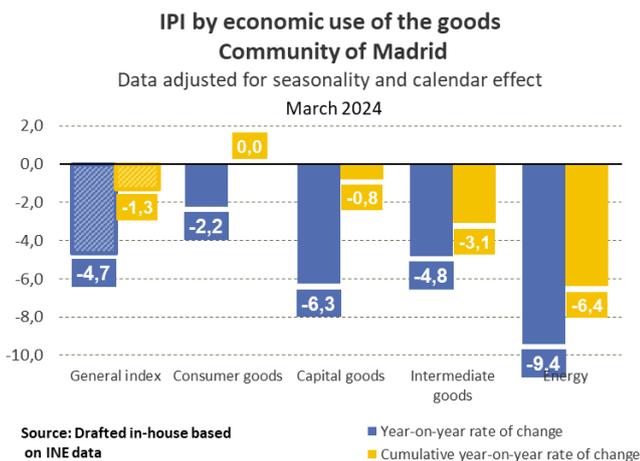
V.1.C. Manufacturing

1. Industry

The Industrial Production Index contracted in the first quarter.

In 2023, as a whole and in year-on-year terms, the seasonally and calendar-adjusted IPI¹ grew by an annual average of 2.3% in the Community of Madrid, 3.5 percentage points higher than in Spain as a whole, which fell by 1.2%. By quarters, the IPI of the Community of Madrid grew in all four quarters of the year, with year-on-year rates of change higher than those of the Spanish indicator, which showed negative year-on-year rates in all four quarters.

In the annual average up to March 2024, the IPI in the Community of Madrid shows a year-on-year decrease of 1.3%, in contrast with the positive behaviour shown in the last thirty-six months. In the same accumulated period, the IPI for Spain as a whole showed a year-on-year variation of 0%.



By components, the year-on-year IPI of the Community of Madrid in non-durable consumer goods presents a year-on-year variation rate of 1% in the average of the first quarter of 2024, while it stagnates in consumer goods (0%). Consumer durables fell sharply by 14.5%, and energy by 6.4%; and more moderately, intermediate goods by 3.1%, and capital goods by another 0.8%.

The Turnover Index seemed to slow down in the first quarter of the year, after a favourable performance in 2023.

The Industrial Turnover Index of the Community of Madrid, which presented positive year-on-year rates of variation since November 2021 and for 19 consecutive months, truncated this favourable progression in June 2023, with negative year-on-year rates of variation in the months of June, July, August, November and December, closing the year 2023 as a whole with year-on-year growth of 3.5%, thirteen and a half points less than the previous year.

The negative monthly performance seemed to be corrected in January and February 2024, with positive rates of 4.6% and 2.2%, respectively, but was abruptly cut short in March with a year-on-year contraction of 16.8%, the largest decline since May 2020.

The Industrial Turnover Index for the Community of Madrid, after nine consecutive quarters of growth since the second quarter of 2021, showed, in the third quarter of 2023, a negative year-on-year rate of change of 2%, returning to growth of 1.2% in the fourth quarter of 2023. Once again, the ITI returned to the contractionary path in the first quarter of 2024, with a year-on-year decline of 4.5%.



Madrid's industry continued the slowdown that began in 2022, although it maintained a good performance in the labour market.

In the first quarter of 2024, enrolment in Madrid's industry grew by 1.9% year-on-year, while registered unemployment in the sector fell by 7.1% in the cumulative January-April period.

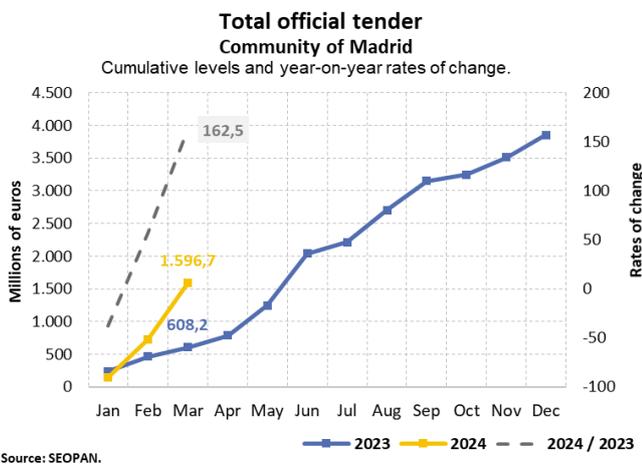
¹ The SCA (seasonally and calendar adjusted) rate is provided, as usual.

2. Construction

Total bidding grew strongly in the first quarter of 2024 after a significant decline in 2023.

After the magnificent performance of public tenders in construction in 2021 and 2022, when, in the latter, this reached €4,344.4 million (the highest level of activity since 2009); in 2023 total tenders contracted by 11.3% year-to-date to €3,852.2 million.

The poor performance of total tenders in 2023 was due to the 41.1% year-on-year decline in civil works, which was not offset by the 54.5% growth in building tenders. The first quarter of 2024 shows year-on-year growth in total tenders of 162.5%, which is due to both building tenders, up 181.1%, and civil works, up 130.6%



All leading indicators contracted sharply in the four quarters of 2023.

The leading indicators, with data through December 2023, all contracted year-on-year in the year to date. Thus, in 2023, building approvals fell by 52.1%, the number of housing approvals fell by 22.8%, the total surface area approved by 22.7% and the total amount of surface area approved by 16.5%. In the same annual period, completion certifications, a lagging indicator, fell by 17.8%. This negative performance of the leading indicators was recorded for all four quarters of the year. Thus, building permits fell 52.9% year-on-year in the first quarter of the year, 51% in the second quarter, 45.3% in the third quarter and 58.7% in the fourth quarter.

In 2023, the residential market contracted significantly, clearly moderating in the first quarter of 2024

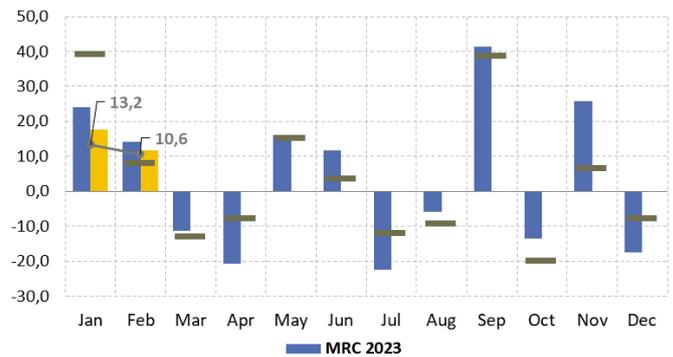
According to INE data, home sales and purchases slowed significantly in 2022, growing 35.1 p.p. less than in the previous year to 3.2% year-on-year. In 2023, as a whole, home sales and purchases fell by 16%, a year-on-year contraction caused both by the 14.8% decline in new home sales and, to a greater extent, by the 16.5% decline in used homes. This downward trend in

the sale and purchase of homes in the Community of Madrid continued quarter by quarter throughout 2023, with year-on-year falls of 11.5% in the first quarter, 13.8% in the second, 21.2% in the third and 18.8% in the fourth. In the first quarter of 2024, home sales and purchases fell for the seventh consecutive quarter, albeit less sharply, by 8% year-on-year.

Mortgages on housing (number)

Community of Madrid

Monthly and yearly rates of change



The housing mortgage statistics, both in terms of the number of mortgages and in terms of equity, showed a very positive performance in 2021 and 2022. This excellent performance was cut short in 2023 as a whole, with negative year-on-year rates of change of 20.7% in the number of residential mortgages and 22.5% in equity, decreases that were slightly more intense than those recorded by the Spanish mortgage market as a whole, which were 17.9% in the number of mortgages and 19.5% in equity. This behaviour was interrupted in the region in terms of the number of mortgages after the first two months of 2024, with year-on-year increases of 11.8%, although the capital is reduced by 5.5%. In Spain, both figures continued to fall, by 3.4% and 7.2%, respectively.

Construction in Madrid showed signs of moderating its contraction in the first months of 2024, while the labour market remained strong.

In the accumulated January-April 2024, enrolment in the Madrid construction sector grew by 3.6%, while registered unemployment fell by 2.3%

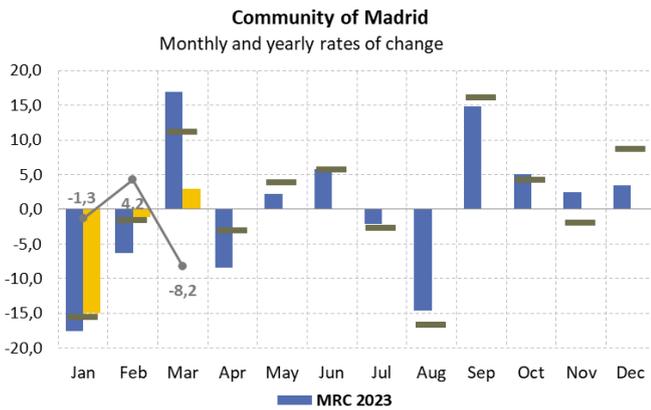
3. Services

Services Sector Activity Indicator (SSAI) fell again in the first quarter². In the first quarter of 2024, SSAI turnover fell year-on-year by 2.1% in the Community of Madrid, the fourth consecutive quarter in negative after growing uninterruptedly since the second quarter of 2021, while it advanced slightly in Spain by 0.5%. Please note that this indicator is not deflated.

The latest available data, corresponding to the month of March, shows a year-on-year decrease of 8.2% in the Community of Madrid and 5.8% in Spain.

The SSAI employment index shows, both in the Community of Madrid and in Spain, a different evolution from that of the business index, since it continues to grow, albeit at a slower rate. In the Community of Madrid, year-on-year growth of 2.2% was maintained in the first quarter of 2024, while in Spain, as a whole, it stood at 2.1%, extending the growth path that began in the second quarter of 2021.

Services Sector Activity Indicators. Turnover.



Source: INE (NATIONAL STATISTICS INSTITUTE)

The latest available data for March reveal a year-on-year growth of 1.8% in the Community of Madrid and 2.2% in Spain.

Air passenger and cargo traffic, and metro and city bus transport improved their performance. The number of passengers at Adolfo Suárez Madrid-Barajas Airport increased in the first quarter of 2024 to 14,839,080 passengers, compared to 13,420,241 in the first quarter of 2023, surpassing the number of passengers in the first quarter of 2019. This figure marks the highest number for a first quarter since 2005.

On the other hand, cargo traffic at Madrid airport increased by 19.2% year-on-year in the first quarter of 2024, and remained stable with respect to the previous

quarter, when the highest volume in the series of goods transported by this means was reached.

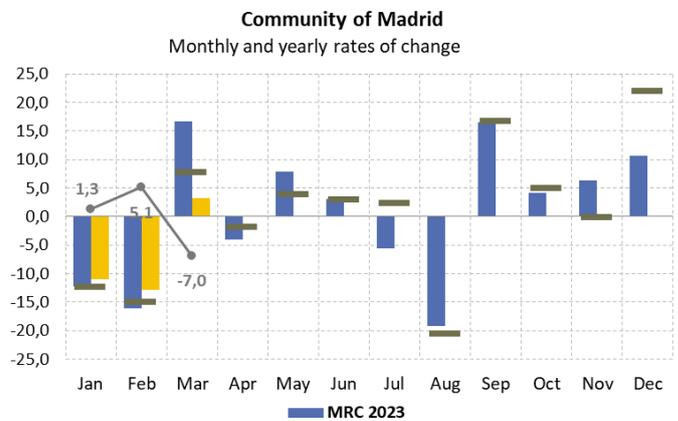
In the first quarter of 2024, urban transport in Madrid's Metro and urban bus line showed the highest passenger volumes for a first quarter since 2009, with year-on-year increases of 4.8% in the metro and a greater increase in urban bus transport, growing year-on-year by 9.8%.

In the first quarter of 2024, a slight drop in turnover was recorded, while the employment in the Retail Trade Index (RTI) was consolidated². In the first quarter of 2024, the deflated RTI turnover index in the Community of Madrid fell slightly by 0.5% year-on-year, thus breaking with the progress started in the third quarter of 2020, although it should be taken into account that the comparison is made with one of the highest indexes of the series for a quarter since 2009, and the calendar effect that Easter Week had on the quarter.

The latest figure, for March 2024, represents a 7% year-on-year fall, which returns to negative rates after two consecutive months of growth, which was also affected by both the Easter Week effect and the comparison with the highest index for a month of March since 2007.

In Spain, the index in the first quarter of 2024 advanced 1.7% year-on-year.

Retail Trade Index. Turnover.



Source: INE (NATIONAL STATISTICS INSTITUTE)

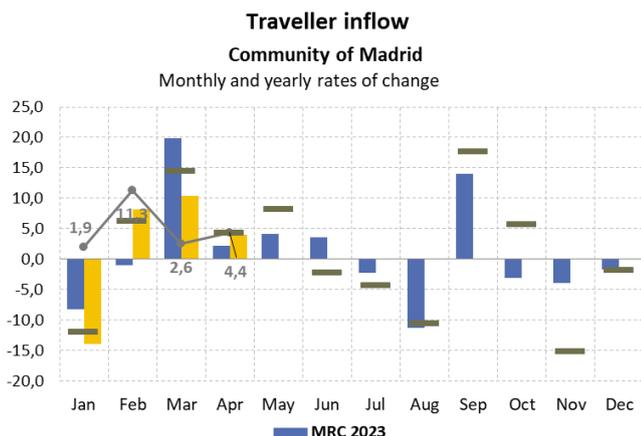
In turn, the employment rate in the region continues to be positive in the first quarter of 2024, extending the growth path that began in the second quarter of 2021, and which was only interrupted by stagnation in the last quarter of 2022; it grew by 5.6% year-on-year in the region and by 2.1% in Spain.

The latest figure published, for March 2024, is up 5.7% year-on-year, consolidating five months of increases of

² In 2024, the INE has published the SSAI and RTI data based on 2021, and has updated the data since 2000.

more than 5%. In Spain, it increased by 2.2% year-on-year.

Hotel activity in the Community of Madrid improved in the first quarter of 2024, and its post-pandemic recovery strengthened. In Q1 2024, slightly more than 2,964,623 passengers were welcomed compared to 2,821,122 in the same quarter of the previous year, continuing the upward trend that began in Q2 2021. The current level exceeds the pre-pandemic level, with 3.1% more tourists than in the same period of 2019, when it surpassed 2.8 million travellers and reached the all-time series high for a first quarter since 2006.



Source: INE (NATIONAL STATISTICS INSTITUTE)

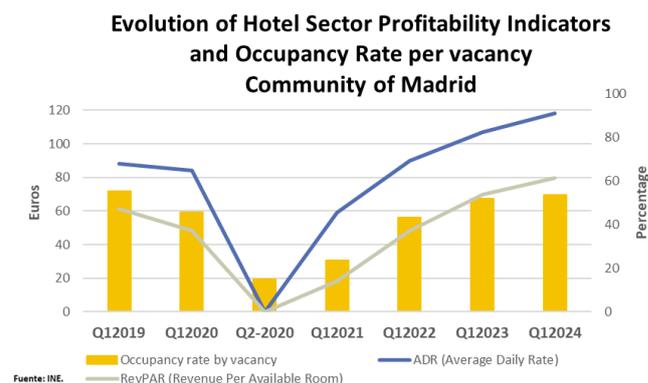
Overnight stays paralleled the behaviour of incoming travellers. In the first quarter they reached 6,001,009, surpassing those of the same period of the previous year by slightly more than 518,000, and far exceeding the value of 2019, when they reached 5,708,864, which marked the record in the series for this quarter since 2004. In April 2024 (the latest data published) overnight stays were again at exceptional levels with 2,304,918, the highest figure for an April since 2007.

By market, the largest number of travellers to the Community of Madrid this quarter again corresponded to Spanish residents, with 54.5%, a slightly lower weight than the 56.1% of the pre-pandemic period. The number of national and non-resident travellers has reached levels that surpass those prior to the pandemic. This quarter, overnight stays by non-residents exceed those by nationals, representing 52% of the total.

Consequently, they are 5.1% higher than those in the same quarter of 2019, reaching pre-pandemic levels.

The latest published data from April 2024 shows year-on-year growth of 4.4% in the number of travellers and 2.5% in overnight stays. It is necessary to take into account the different calendar of Easter Week in the years of comparison

In relation to the occupancy rate, the average of 53.4% for the first quarter of 2024 improves on the 51.6% of the same quarter in 2023, and is close to the levels of 2019 when it reached 55.4%. The April 2024 figure puts the occupancy rate at 61.5%, with a very strong forecast for May.



With regard to profitability indicators for the hotel sector, in the first quarter of 2024 the average daily rate per occupied room (ADR) stood at €118.20 in the Community of Madrid. The figure published in April 2024 puts it at €139.70.

Average daily revenue per available room (RevPAR) stood at €79.60 in the first quarter of 2024, reaching €107.70 in April.

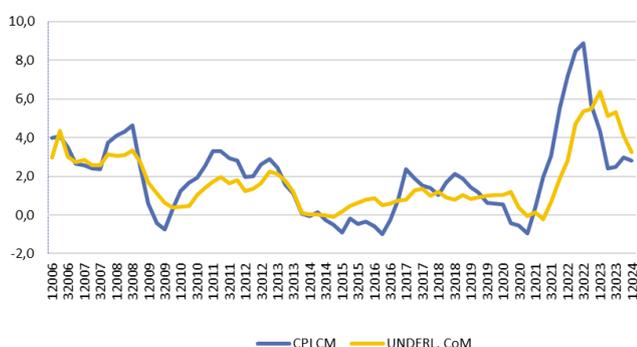
In the first quarter of 2024, an overall analysis of service sector indicators showed signs of gradual consolidation. By branches of activity, there is a generalised solidity in the indicators. It is important to take into account the calendar effect caused by Easter Week, which in 2024 coincided with the last month of the quarter.

Similarly, there was also a recovery in service sector indicators as a whole, and pre-pandemic levels were surpassed.

V.2. Prices and wages

Headline inflation started 2024 with a slight cut in its average rate in the first quarter, compared to the last quarter of 2023; core inflation, on the other hand, continues its downward trend. Headline inflation, measured in terms of CPI, reached 2.8% in the first quarter of the year, compared to 3% in the previous quarter, although in March it interrupted five months of containment with an increase of five tenths of a percentage point to 3.1%. In April, the rate reaches 3.2%, marking a new, albeit modest, increase. However, the May figure shows a significant deterioration, up to 3.6%. On the other hand, **core inflation**, in which only the most structural and less volatile components are included, recorded an inflation rate of 3.2% in the first quarter of the year, compared to 4.1% in the previous quarter; although in February it broke the series of declines recorded since August and rose by three tenths of a percentage point, in March it added a further tenth of a percentage point to the rate, recording 3.4%. In April, it cut its rate to 2.9%, which would appear to be a return to the path initiated in August 2023, a situation that was interrupted in May with a rise of 3%. Thus, headline and core inflation have converged, and headline inflation is once again above core inflation, an event that has not occurred since November 2022.

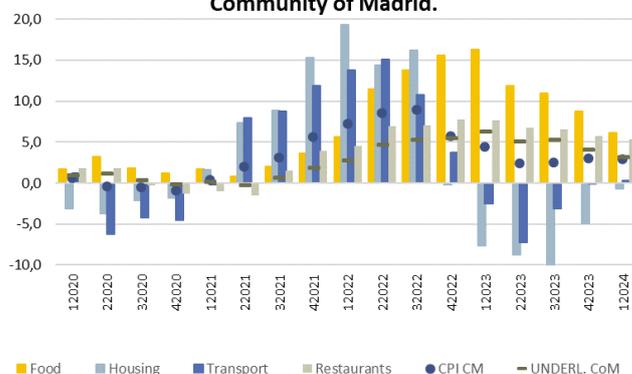
Headline and core for Community of Madrid. Quarterly



The analysis by group shows that 'Food and non-alcoholic beverages' stands out for its downward contribution to the variation of inflation in the first quarter. This group, which during 2023 was the most inflationary, has been on a downward trajectory since September 2023; however, for the first time since June 2021, the months of February and March have actually seen a monthly drop in prices, as the previous year-on-year rate cuts were due to a lower price increase than what occurred a year earlier. In March it rose 4.6%, giving up the lead as the most inflationary group. However, April's data shows a new price increase, the

second strongest in the last twelve months, raising inflation to 5.1%. 'Communications', 'Other goods and services' and 'Furniture, household goods' are three other groups with a subtle downward influence on the variation of inflation in the quarter.

Quarterly inflation of the 4 most important groups. Community of Madrid.



Conversely, the groups that have exerted the greatest upward influence on the first quarter are 'Housing', the most notable, although its average rate in the first quarter was -0.7%, compared to -5% in the previous quarter. The latest data shows a further increase in the group to 2.7%, due to the rise in gas prices, compared to the sharp decline of a year ago. It is followed by the two groups directly affected by the celebration of Easter Week in March (in April in 2023). We have, on the one hand, 'Restaurants and hotels', which, despite seeing an average quarterly rate of 5.4%, four tenths lower than that of the last quarter, shows an upward trend throughout the quarter, rising to 6.2% in March, making it the most inflationary this month, although it moderated in April to 5.3%. On the other hand, 'Leisure and culture' shows an average quarterly rate of 4.1% (six tenths above the previous quarter) due to the effect of Easter Week, compared to the previous year in April, resulting in a containment of the rate in April of 3.4%.

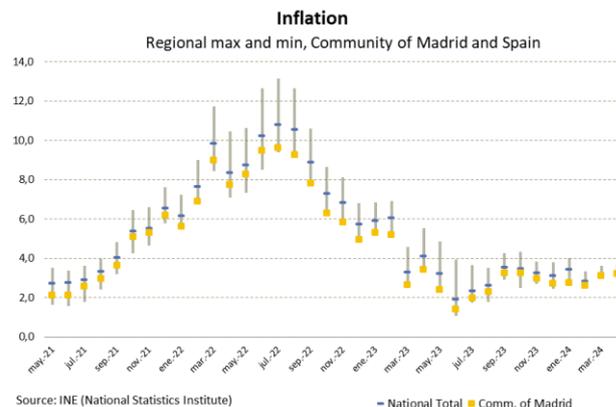
In the analysis of the Food subgroup, the monthly increase recorded at the start of 2024 was offset by a decrease in prices in February and March. Thus, its year-on-year rate fell in March to 4.6%, the lowest since November 2021; a year ago the rate was 16.5%. However, the latest figure published raises it again to 5.1%. In the subgroup's breakdown by heading, the most notable price declines in the quarter were *Sheep meat* (-17.5%; March inflation, 2.3%), *Pulses and fresh vegetables* (-4.5%, -8.2%) and *Fresh fruit* (-1.4%, 9.2%). On the other hand, the most bullish headings in the quarter were *Oils and fats* (+8.2%; March inflation 51%), *Potatoes and their preparations* (+3.9%, 10.2%) and *Canned and dried fruits and nuts* (2.8%, 2.2%). Inflation in April was negative in only three headings, namely

Pulses and fresh vegetables (-3.1%), *Milk* (-1.5%) and *Grains and derivatives* (-1.4%). The year-on-year variation of the rest of the food items is in single digits, except for *Oils and fats* (+51.3%) and *Fresh fruits* (+17.9%).

In the analysis by special groups, we note that both *Processed Foods* and *Unprocessed Foods* have contributed to the downward trend so far this year; although year-on-year rates are still high, cumulative inflation so far this year is considerably lower, showing the moderation in the rise in food prices compared to a year ago. *Industrial goods without energy products* have also had a negative influence. On the other hand, the most relevant upward contributions came from *Energy products*, largely due to the granting of state assistance and the normalisation of VAT, both for electricity and gas, accumulating an inflation rate of 8.6% in the first four months of the year. *Services* is the other special group yielding a positive contribution on the rate, with hospitality and package tours being the most inflationary sectors, against the backdrop of an Easter Week with different celebration months in 2023 and 2024.

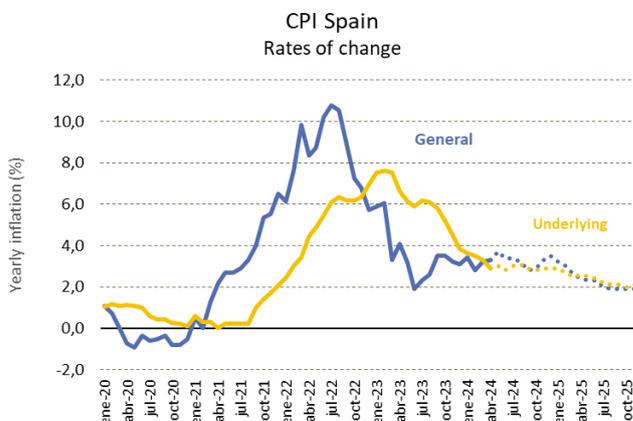
Influence of Special Groups on Inflation Variation between JAN 24 and APR 24			
Special groups	Influence on inflation variation	Rate of change: JAN 24/APR 24	TVA APR 24
Unprocessed food	-0,2	0,4	5,5
Energy products	0,7	8,6	4,2
Processed food	-0,2	1,2	4,7
Services	0,4	1,7	3,4
Non-energy industrial goods without energy products	-0,2	-0,6	0,1

Regarding the comparison with the rest of the Autonomous Regions, headline inflation in the Community of Madrid has been below the rate observed in the country as a whole, with a wider differential when the rate is located in more inflationary areas and when the divergences between regions become more notable, as can be seen in the following graph.



The highest differential between regions is in June 2022 with 4.2 p.p., followed by July 2022 with 3.8 p.p. The Spain-Community of Madrid differential is more than 1 p.p. in July, reaching its maximum in August with 1.3 p.p.

The new Funcas forecasts for CPI in Spain have barely been modified with respect to those made in April, despite the deviation observed in the most volatile components with respect to expectations. This foundation forecasts an average annual headline inflation rate of 3.2% this year and 2.3% in 2025, unchanged from previous forecasts. The core will move around the current level for the rest of the year, and will only start a clear downward trajectory from the beginning of 2025. The expected average annual rates are 3.1% in 2024 and 2.3% in 2025.



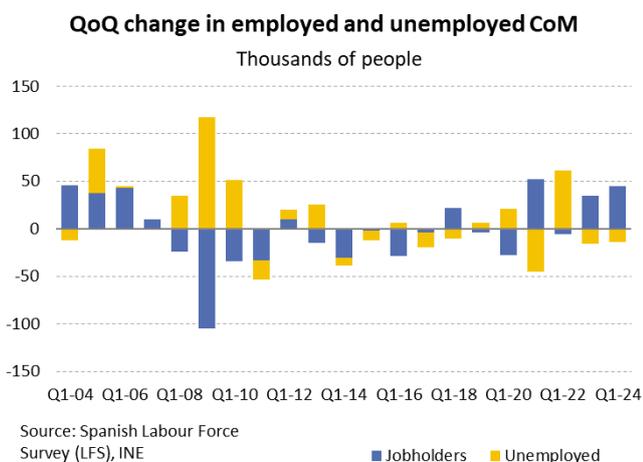
Source: Historical data INE; *FUNCAS Forecast

V.3. Labour market

1. LFS

The performance of the labour market in the first quarter has been outstanding. The regional labour market has shown increases in employment and reductions in unemployment both in the quarter and over the year. These improvements have resulted in record highs in the labour force and the number of jobholders. Additionally, the unemployment rate has notably reduced to 9.2%, which is very close to its lowest level in the last fifteen years. The year-on-year increase in the number of jobholders accelerated and the rate of year-on-year falls in unemployment remained very high, in a context of a solid increase in the labour force and in the working-age population. These results contain the changes in the population base, which have affected the data since 2021.

The **number of jobholders** increased by 44,700 in the first quarter of 2024, a quarter-on-quarter increase of 1.3%, bringing the total number of jobholders to 3,406,200. Only in one third of the first quarters of the historical series has employment growth been observed in the region. With this increase in 2024, the number of jobholders marks a new all-time high, which is unusual for a first quarter since the onset of the 2008 financial crisis, although it was observed in the years of the previous expansionary phase. Moreover, the aforementioned 1.3% quarterly increase in employment in 2024 is only surpassed in a first quarter in the 2008-2023 period by that recorded in 2021, an unusual year as it was still very much affected by the evolution of the pandemic. This exceptional quarter-on-quarter performance led to an acceleration in year-on-year employment growth, which reached 2.3%.



The **number of unemployed** in the region fell quarter-on-quarter by 14,100 (or 3.9%) to 344,600. This

performance is very positive, similar to that of a year ago, also 3.9%. These are the largest reductions in unemployment in a first quarter since 2004, second only to 2021. In absolute values, the decline in the number of unemployed in a first quarter was only surpassed by those observed in 2023, 2021 and 2011. The year-on-year decline in the number of unemployed was therefore maintained at 13.2%, an outstanding result given that it occurred in a context of an unemployment rate very close to the series minimum.

As the increase in jobholders exceeds the decline in the unemployed in the quarter, **the labour force** rose to an all-time high of 3,750,800. This represents a labour force increase of 0.8% (or 30,600) for the quarter. This increase is greater than that observed a year ago and, as a result, the year-on-year rise in the labour force accelerated by three-tenths of a percentage point to the current 2.3%.

It is the dynamism of the **working-age population** that is holding down the evolution of the participation rate in the region, despite the positive performance of the labour force. The **participation rate** increased by one tenth of a percentage point in the quarter and remained unchanged over the year, standing at 63.3% of the population over 16 years of age. This is a consequence of the fact that both components, working-age population and labour force, have shown a very similar evolution in the quarter and in the year.

As a result, the **unemployment rate** fell four tenths of a percentage point from the previous quarter to 9.2% of the labour force, 1.6 percentage points lower than a year ago. The regional and national unemployment rate differential widened to 3.1 percentage points, after the national unemployment rate rose by half a point to 12.3%.

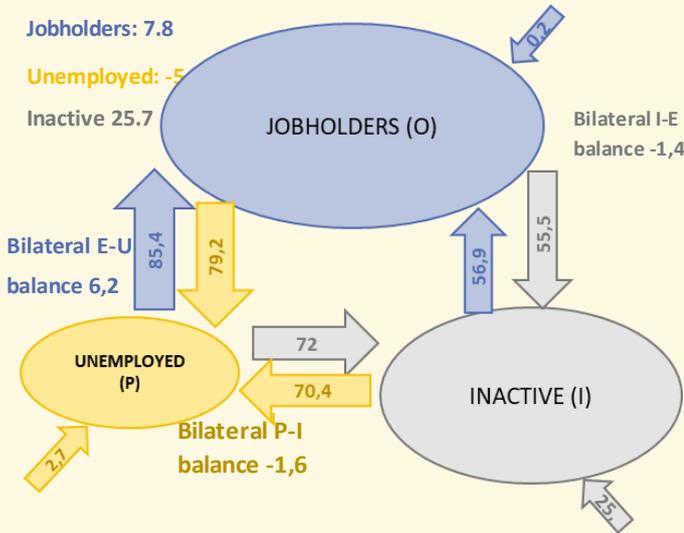
In the **regional context**, Madrid (with 6.75 million inhabitants) is the third region in terms of the labour force and number of unemployed, behind Catalonia (7.8 million) and Andalusia (8.5 million). It regained second place in the number of jobholders, overtaking Andalusia. This quarter again recorded the highest participation rate in the national context, and the fifth lowest unemployment rate, behind only the Autonomous Regions with notably smaller labour markets.

Thus, in absolute terms, it shows the largest increase in the number of jobholders in the quarter, and the second largest in the year. It has also played a leading role in the fall in unemployment, being the region with the greatest reduction in the number of unemployed in the year and the second in the quarter. Only four regions saw an increase in employment and an overall decrease in unemployment during the quarter, one of them being the Community of Madrid.

Box I. Labour force flows in the first quarter of 2024.

The results of the LFFS (Labour Force Flows Survey) in the first quarter show, like those derived from the LFS, an increase in employment and a reduction in unemployment.

Flow diagram between quarters Q4-23 and Q1-24



The complete graphical analysis of these results from a historical perspective and at the maximum level of breakdown that the statistical operation allows is available [here](#).

However, the magnitude of the changes in employment and unemployment differed notably this quarter between the two calculations, as different values were taken as a starting point for the fourth quarter. As a result, the composition of flows (LFFS), which is the subject of analysis in this box, explains only part of the

changes in the stock (LFS). From this clarification of the data alignment of the LFS and LFFS, it should by no means be inferred that, the LFFS results do not shed light on the underlying behaviour of the regional labour market.

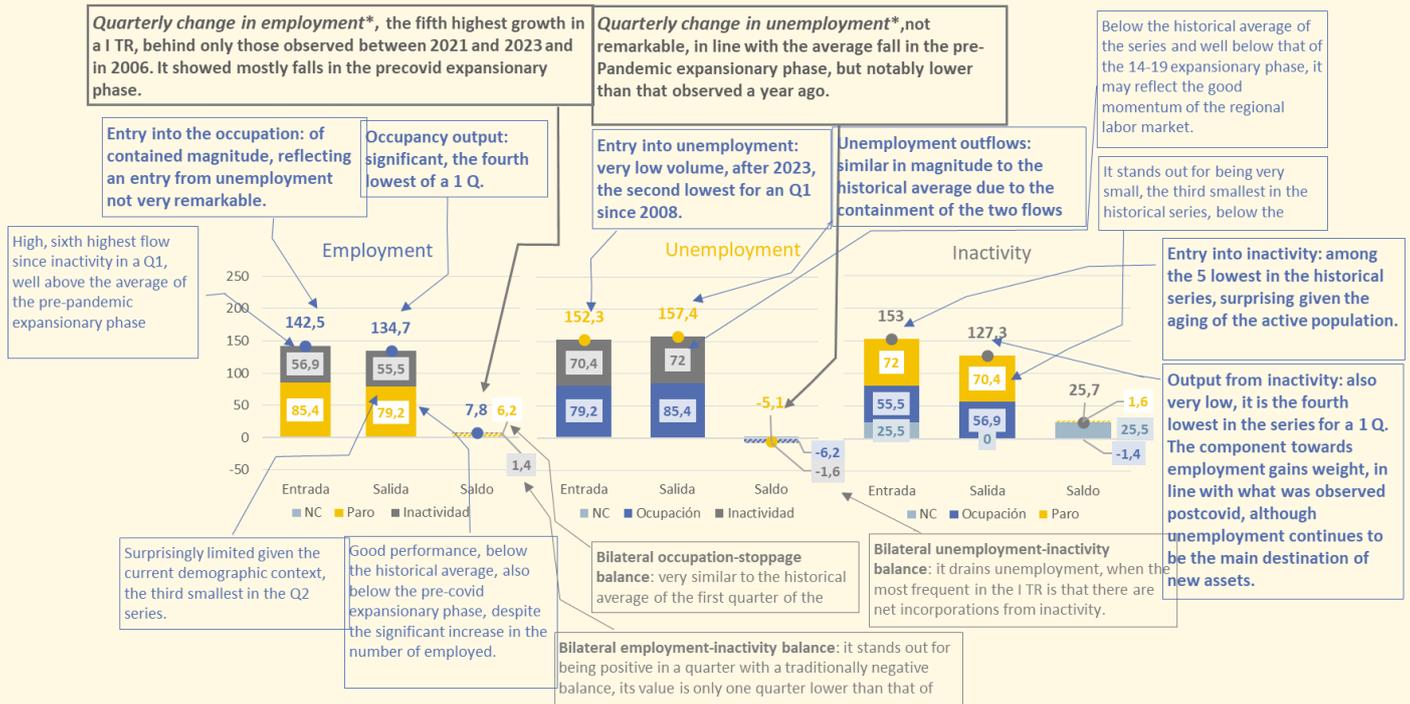
	Thousands of people		
	Jobholders	Jnemployee	Inactive
Q1--24 (EPA=EFPA)	3.406,2	344,6	2.177,1
Q4-23 (LMSF)	3.398,5	349,7	2.151,4
Quarterly difference per LMSF (A)	7,7	-5,1	25,7
Q4-23 (LFS)	3.361,5	358,7	2.166,8
Quarterly difference per LFS (B)	44,7	-14,1	10,3
(B) - (A)	36,9	-9,0	15,3
Difference between EFPA-EPA data in Q4	37,0	-9,0	15,4
Unexplained difference	0,1	0,0	-0,1

Source: Drafted in-house based on LMFS data (INE)

The flows show that the strength of employment is not based on the dynamism of inflows from unemployment, as had been usual in the first quarters of the pre-Covid expansionary phase, but rather on the small amount of outflows. This could be related to greater job stability, which would limit employment-unemployment transitions.

The containment of the incorporation of both unemployed and employed people into inactivity also plays a role, an aspect to be looked at in a context of an aging labour force, and which could be related to the preservation of current and future incomes of those of retirement age.

A summary table with the conclusions of the main flows and aggregations is provided below.



2. Social Security Enrolment

Social Security enrolment in the first quarter of 2024 reached an all-time high for the quarterly series, with 3,645,369 average enrolments. These high volumes are evidence of strong year-on-year growth, up 3.8%, in line with the growth of the previous quarter.

Both genders and the general and self-employment schemes have the highest number of employees for the quarterly series. Once again, the performance of female enrolment and of the general scheme continued to be more dynamic, both with year-on-year increases in the first quarter of 4.1%. The self-employed scheme grew more modestly, by 1.7%, but continued to accelerate, this time by more than half a point above the increase of 1.1% in the fourth quarter of 2023.

The stability of seasonal behaviour, typical of each of the first quarter months, with a drop in January below the average of the January series and the month-on-month increases in February and March (above their averages), have favoured the high volumes of contributors recorded in these months of the first quarter, reaching record highs in March and exceeding 3.6 million contributors in each.

The analysis of the general scheme, excluding the special agricultural and domestic workers' schemes, is decisive in determining the distribution by activity of total enrolment. In the first quarter of the year, it accounted for 88.2% of the total, with 87.7% of enrolment in the services sector in this regime. It should be noted that all sections of this sector in this period experienced year-on-year increases in enrolment compared to the same quarter of 2023, with the exception of *Rest of services*, which fell by 0.7%.

The latest available data, corresponding to April 2024, shows a seasonal month-on-month increase of 0.4%, equal to April 2023, in line with the increases of the expansionary phase of the previous cycle (2014-2019) and higher than the average of 0.1% of all the April months of the series to date, leading to a new all-time high of 3.6 million new enrolments for another month, growing by 3.6%, the same rate as in March. This same pattern of behaviour is observed in the breakdown by gender and in the general scheme, which have the highest records in the series. Men increased by 3.4% and women by 3.9%, the same year-on-year rates as in March, and the general scheme grew by 3.8%, just one tenth of a percentage point less than in the previous month. However, the self-employment scheme began to accelerate in July and has continued to do so month after month; in April it grew by 2.1% year-on-year, compared to 1.9% in March.

The analysis of average monthly enrolment in April, by activity sections in the general scheme and excluding the special agricultural and domestic workers' schemes, shows maximum enrolment volumes in the services sector, with record highs in eight sections that represent, in volume, 53.2% of enrolment in this sector. The sections with the highest contribution are *Professional scientific and technical activities* with 9.4%; *Information and communications*, 8.9%; and *Health care and social work activities*, another 8.7%.

As for the self-employment scheme, and like the general scheme, it reached its historical maximum in the month of April. The tertiary sector also peaked this month in eight of its sections, with the highest figures within this peak being *Professional scientific and technical activities*, at 14.9%; *Other services*, 7.1%; and *Health care and social work activities*, 5.7%.

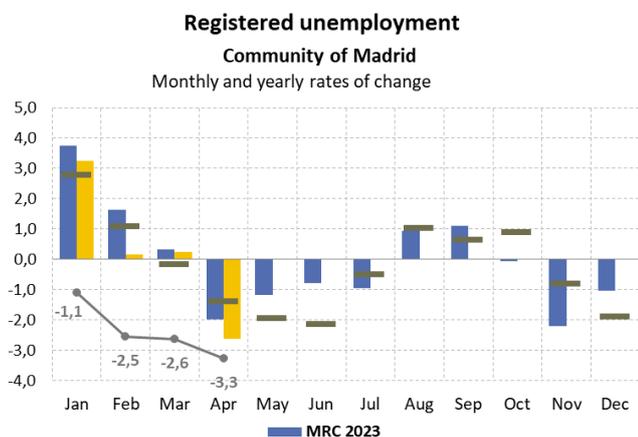
Average quarterly affiliation to the General Scheme (not farm/domestic) by sections. Structure and changes. Community of Madrid.													
CNAE Sections 2009	Q1 2024			Year-on-year comparison					Pre-pandemic comparison Q1- 24 - Q1- 19				
	Level No.	Weight (%)	COM/SP ATN (%)	Difference		Rate of change			Difference			Rate of change	
				CoM No.	Spain No.	CoM ATN (%)	CoM	Spain	CoM No.	Spain No.	CoM/SP ATN (%)	CoM	Spain
A - Agric. Livest. Fore. Ar	2.426	0,1	3,1	-25	2.550	-1,0	-1,0	3,3	-63	11.218	-0,6	-2,5	16,4
B ... E - Industry	212.920	6,8	9,8	7.674	45.221	17,0	3,7	2,1	20.887	138.077	15,1	10,9	6,8
F - Construction	166.267	5,3	16,8	7.373	25.437	29,0	4,6	2,6	24.724	133.462	18,5	17,5	15,6
G - Comm. Rep. Vehicles	437.442	14,1	17,1	11.275	59.069	19,1	2,6	2,4	25.030	144.729	17,3	6,1	6,0
H - Transport. Storage	173.550	5,6	20,8	7.945	36.271	21,9	4,8	4,5	29.937	120.030	24,9	20,8	16,8
I - Hospitality	207.816	6,7	15,3	10.550	78.055	13,5	5,3	6,1	18.002	151.752	11,9	9,5	12,6
J - Inform. Commun.	278.325	8,9	43,1	12.454	29.570	42,1	4,7	4,8	63.177	160.290	39,4	29,4	33,0
K - Act. Finance & Insur	121.457	3,9	37,7	5.173	8.478	61,0	4,4	2,7	12.358	-248	-	11,3	-0,1
L - Act. Real Estate	28.582	0,9	26,6	911	3.709	24,5	3,3	3,6	4.050	11.178	36,2	16,5	11,6
M - Actv. Prof. Tech. Sci.	293.497	9,4	32,1	14.298	40.620	35,2	5,1	4,6	57.460	172.683	33,3	24,3	23,2
N - Actv. Admt. Serv. Auxil.	333.742	10,7	24,0	8.230	32.367	25,4	2,5	2,4	28.106	113.355	24,8	9,2	8,9
O - Public Adm Defen., SS	224.329	7,2	19,6	12.969	-72.699	-17,8	6,1	-6,0	61.403	48.791	125,9	37,7	4,5
P - Education	227.831	7,3	18,2	11.945	150.828	7,9	5,5	13,7	39.732	288.999	13,7	21,1	30,0
Q - Actv. Health Serv. Social	271.895	8,7	14,7	13.162	73.930	17,8	5,1	4,2	43.612	343.125	12,7	19,1	22,7
R - Actv. Artis. Rec. & Ent	54.585	1,8	18,0	2.220	12.730	17,4	4,2	4,4	6.657	43.156	15,4	13,9	16,6
S ... U - Rest of Serv.	77.277	2,5	20,7	-547	3.814	-14,4	-0,7	1,0	-1.533	551	-278,1	-1,9	0,1
Total services	2.730.327	87,7	19,1	110.584	456.743	24,2	4,2	3,6	387.988	1.598.391	24,3	16,6	13,9
Total	3.111.940	100,0	20,9	125.605	529.950	23,7	4,2	3,4	433.537	1.881.148	23,0	16,2	13,1

(*) The average quarterly data are calculated on the basis of the average monthly data.

Source: Ministry of Inclusion, Social Security and Migration.

3. Registered unemployment

In the first quarter of the year we observed an improvement in the rate of reduction of the number of unemployed. The recent performance of registered unemployment is once again very positive in the first quarter of the year. Unemployment has gone from 312,627 in the first quarter of 2023 to 306,055 in the same quarter of 2024, and is now far from 2020 figures, when 355,802 unemployed were recorded.



Source: MLSE

Registered unemployment data for the region reflects a greater intensity in the rate of decline of unemployment, showing a 2.1% year-on-year decrease in the first quarter of 2024 compared to 1.5% in the fourth quarter of 2023. However, since the third quarter of 2002, it has shown a gradual loss of dynamism in its evolution, falling by 9.4% in the first quarter of 2023. On average for the year 2023, the decline in registered unemployment stood at 4.5%.

In the latest published data from April 2024, there was once again a 3.3% year-on-year decrease in registered unemployment.

Both genders participated in the declines in unemployment in the region and improve on pre-pandemic data. Male unemployment continues to show the smallest year-on-year drop, reaching 2% in the first quarter of 2024, while female unemployment fell by 2.2%. The latest published data from April 2024 maintains the pattern, with a decrease in the year-on-year rates of male unemployment lower than that of female unemployment, 2.8% for the former compared to 3.6% for the latter.

The year-on-year declines seen in the first quarter of 2024 also occurred in all sectors of activity. The greatest decrease was in agriculture (8.1%), followed by industry (6.5%), construction (2.2%) and services (2%); on the other hand, the 'without previous employment' group recorded an increase of 1%.

This decrease is much more pronounced in comparison with the first quarter of 2020 in all sectors, although with a different intensity, and where the group 'without previous employment', unlike now, recorded a decrease in registered unemployment of 5.6%.

In April 2024, regional unemployment decreases uniformly across all sectors. In year-on-year terms, it decreases by 9.1% in agriculture; 6.7% in industry; 3.2% in services; and 2.6% in construction. The 'without previous employment' group recorded a more moderate reduction of 1.8% for the second consecutive month since April 2023.

REGISTERED UNEMPLOYMENT BY SECTIONS Community of Madrid										
CNAE Sections 2009	Q124					Malimo pandemic		Pre-pandemic variation: Q120		
	Level	Weight (%)	Diff Annual	ARC (%)	Rep. (1)	Level	Date	Difference	RC (%)	Rep. (1)
A - Agric. Livest. Fore. And Fish	2.238	0,7	-198	-8,1	-0,1	3.470	Q121	-599	-21,1	-0,2
B ... E - Industry	16.630	5,4	-1.153	-6,5	-0,4	24.732	Q121	-4.832	-22,5	-1,4
F - Construction	22.292	7,3	-493	-2,2	-0,2	33.085	Q121	-5.772	-20,6	-1,6
G - Comm. Rep. Vehicles	41.325	13,5	-2.013	-4,6	-0,6	59.641	Q121	-6.719	-14,0	-1,9
H - Transport. Storage	12.347	4,0	306	2,5	0,1	17.971	2Q20	-1.963	-13,7	-0,6
I - Hospitality	27.200	8,9	206	0,8	0,1	43.980	Q121	-5.398	-16,6	-1,5
J - Inform. Commun.	12.318	4,0	559	4,8	0,2	16.165	2Q20	-656	-5,1	-0,2
K - Act. Finance & Insur	4.648	1,5	-888	-16,0	-0,3	6.028	3Q21	-714	-13,3	-0,2
L - Act. Real Estate	2.695	0,9	-21	-0,8	0,0	3.582	Q121	-169	-5,9	0,0
M - Actv. Prof. Tech. Sci.	31.643	10,3	312	1,0	0,1	47.878	Q121	-7.287	-18,7	-2,0
N - Actv. Admt. Serv. Aulil.	49.090	16,0	-2.829	-5,4	-0,9	74.986	Q121	-11.101	-18,4	-3,1
O - Public Adm Defen., SS	11.689	3,8	-671	-5,4	-0,2	15.366	3Q21	-296	-2,5	-0,1
P - Education	9.856	3,2	-400	-3,9	-0,1	16.956	3Q21	-546	-5,2	-0,2
Q - Actv. Health Serv. Social	15.237	5,0	-369	-2,4	-0,1	20.185	Q121	-894	-5,5	-0,3
R - Actv. Artis. Rec. & Ent	6.185	2,0	112	1,8	0,0	9.458	3Q20	-1.057	-14,6	-0,3
S ... U - Rest of Serv.	19.154	6,3	752	4,1	0,2	26.142	Q121	-458	-2,3	-0,1
Total services	243.387	79,5	-4.943	-2,0	-1,6	350.569	Q121	-37.258	-13,3	-10,5
No previous employment	21.507	7,0	215	1,0	0,1	31.547	Q221	-1.286	-5,6	-0,4
Total	306.055	100,0	-6.572	-2,1	-2,1	442.805	Q121	-49.747	-14,0	-14,0

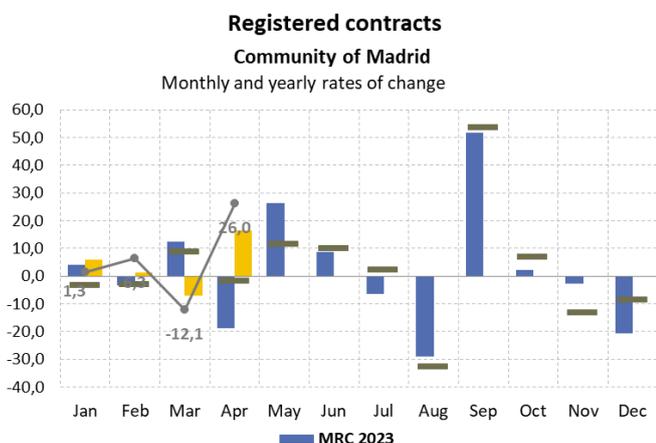
(1) Impact is the contribution of each section to total growth

Source: Directorate General of the Public Employment Service. Regional Department of Economy, Taxation and Employment

The breakdown of the services sector by activity sections (CNAE 2009) shows that, in year-on-year terms, unemployment does not decrease in all of them in the first quarter of 2024. The greatest decrease in registered unemployment, in relative terms, occurred in *Financial and insurance activities* with a drop of 16%; *Administrative activities and auxiliary services* and *Public administration, defence and social security* by 5.4% respectively; *Trade and repair of vehicles* by 4.6%, and *Education* by 3.9%.

In April 2024, the latest published data, the regional comparison in year-on-year terms shows a generalised decrease in registered unemployment in all the Autonomous Communities, with the exception of the Basque Country, where it increased by 1.4%, with a wide range of oscillation from a 9.3% reduction in Galicia to a 0.5% reduction in Catalonia. The Community of Madrid has the fourth highest registered unemployment rate in Spain. Similarly, all regions show current levels of registered unemployment below pre-pandemic levels, with the Community of Madrid being the region with the second largest drop in absolute terms.

There was a slight decline in hiring data during the quarter. Hiring continues the downward trend that began in the third quarter of 2022, with a lesser intensity. It fell by 1.8% in the first quarter of 2024, compared to 18.4% in the first quarter of 2023. However, the latest data for April 2024 put the number of contracts registered at 184,857, a year-on-year increase of 26%.



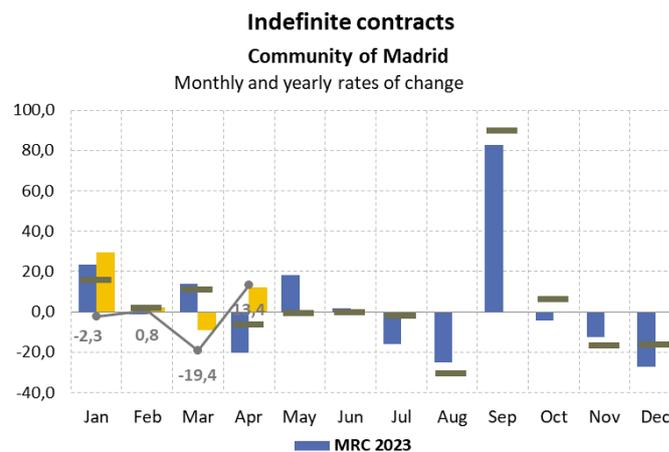
Source: MLSE

With the entry into force of the labour reform in 2022, permanent hiring broke records and temporary hiring has showed year-on-year declines since April 2022. In 2023, the labour reform is fully integrated into the labour market.

Thus, in the first quarter of 2024, year-on-year levels of permanent contracts fell by 7.5%, compared to an already subdued increase in the first quarter of 2023, when year-on-year growth reached 34.7%, and continued on a downward trajectory in 2023, with -8.2%

in the last quarter. On average for the year 2023, the decline reached 4%. By contrast, the latest data for April 2024 showed a 13.4% year-on-year increase in permanent contracts.

On the other hand, temporary hiring experienced a significant setback in its recovery since the second quarter of 2022, followed by notable declines in 2023. However, these declines are gradually diminishing. In the first quarter of 2023, the decrease was 43.9%, while in the fourth quarter, it reached 1.5%. In the first quarter of 2024, there was a year-on-year increase of 4.6%. The latest data, from April 2024, showed a year-on-year increase in temporary contracts of 40.2%.



Source: MLSE

The reclassification of contracts established by the labour reform has led to discontinuous fixed-term contracts that were merely residual becoming more prevalent in the labour market.

Accordingly, the number of discontinuous fixed contracts has risen from 2,261 in January 2022 to 13,318 in April 2024, of which 12,338 were in the services sector.

V.4. Business environment

The first quarter of 2024 recorded the highest number of company hirings for this period since 2007, with 7,254 entities, 0.2% more than the same quarter of 2023; this minimal increase is a consequence of the high volume of the quarter with which the comparison is made, the second highest since 2007 after 2024; it is just 17 companies more than one year ago.

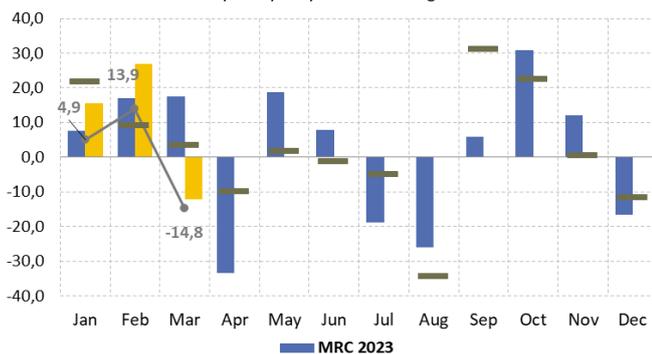
Company start-ups totalled 2,391 companies in March (the latest known figure), 12.1% lower than in February; this month-on-month rate represents the third largest drop for a March month in the series to date since 2004, surpassed only in 2008 and 2020 with declines of 19.3% and 12.3%, respectively. It is important to bear in mind the seasonal uncertainty of the month of March, in which month-on-month increases of varying magnitude have also been occurring. In year-on-year terms, this fell by 14.8%, after two months of growth. It is important to consider two factors: on the one hand, the lower number of working days in the month of March 2024 due to the celebration of Easter Week; on the other, the comparison is made with the highest volume of hirings for this month in the series since 2007.

The Community of Madrid topped the regional ranking in terms of hiring for the month of March and for the first quarter of 2024. The relative figures for the creation of companies are very significant; 22.4% of the total number of companies created in Spain in March were created in the region, as in the first quarter of the year.

Trading companies created

Community of Madrid

Monthly and yearly rates of change



Source: INE (NATIONAL STATISTICS INSTITUTE)

Subscribed capital in the months of the first quarter of 2024 showed three-digit year-on-year growth in January, up 107.8%, and double-digit growth in February, up 51.4%, enough to neutralise the March drop of 36.3%. Thus, the quarter ended with an increase of 26%. In view of this data, the investment made by new companies amounted to €459.8 million, the third highest volume for this quarter in the last eight years and 26% higher than in the first quarter of 2023

Investment in March amounted to €112.9 million, 2.2% lower than in February and 36.3% lower than in the same month of 2023. Madrid is the region with the second largest amount of subscribed capital in March and the first in the total for the first quarter of 2024, with 23.9% of the total national investment in this month and 24% for the quarter as a whole. The average capitalisation per company in March was 6.8% higher than the national average and 7.2% higher in the year to date.

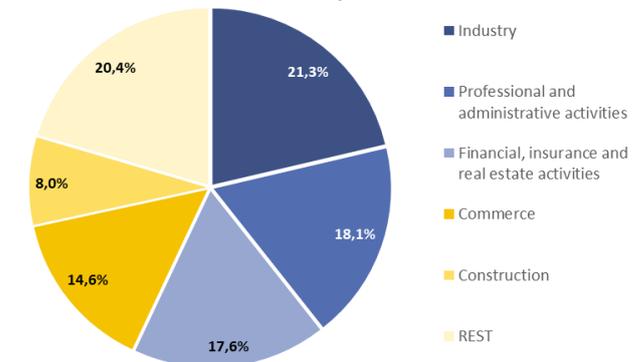
In the first three months of 2024, the number of dissolved companies has been decreasing month by month. In the first quarter, dissolutions fell 26.8% from 2023, the largest decline for a first quarter since 2005. In March, company closures fell by 25.2% month-on-month and by 33% compared to March 2023. Caution must be exercised in this analysis, taking into account the various labour disputes that have been occurring over the past year in the judicial administration, which have paralysed it for a large part of 2023.

The Community of Madrid is once again the pole of attraction for companies from other regions.

According to data from Experian, a total of 774 entities changed their registered office to the region during this period; the most represented sector was, once again, *Industry* with 21.3%, followed by *Professional and Administrative Activities*, with 18.1%; the predominant origin was Catalonia, with 22.1%, followed by Andalusia, with 20.2%. The net balance for the region in the first four months of the year was once again positive, with 197 more companies moving to the Community of Madrid.

Companies that relocated their registered address to the Community of Madrid by activity sector.

Cum. Jan-Apr 2024



Source: Experian

Box II. Demographic keys 2024.

The National Statistics Institute (INE) published its Continuous Population Statistics, provisional data as of 1 April.

The Community of Madrid is the Spanish region with the highest population growth in the last quarter.

According to the data published by the INE, the Community of Madrid had 7,033,087 inhabitants on that date, 30,724 more people than the previous quarter, which represents 37.3% of the total national increase of 82,346 people, and a growth of 0.4%, the highest of all the Spanish autonomous communities.

Relative population growth. Jan24-April24

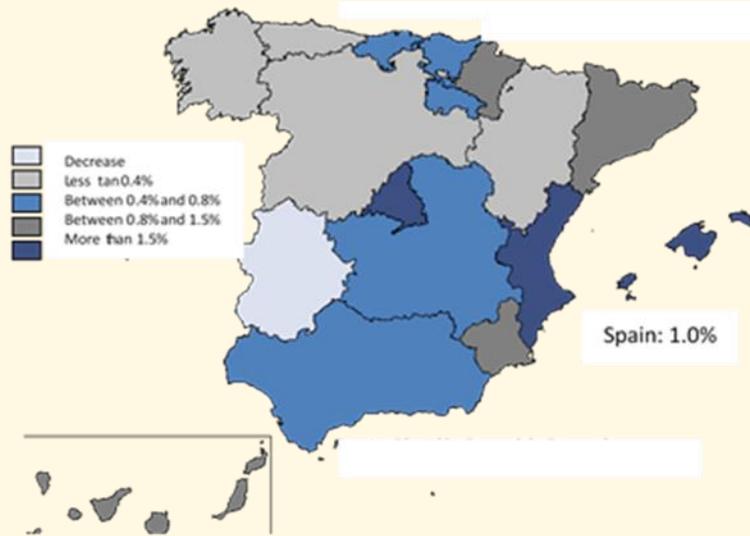


Source: Continuous Population Statistics. INE (NATIONAL)

The foreign population plays a key role in this demographic increase, accounting for 62.9% of the aforementioned increase, with 19,330 people. Moreover, the group of foreign-born individuals increased by 27,538, meaning some 8,200 people who were foreigners acquired Spanish nationality during the period.

The Community of Valencia and the Community of Madrid, which rose by 1.8 and 1.7 percentage points, respectively, significantly higher than the 1% increase in Spain, led the annual increase. Once again, the trend of the foreign population stands out in the Madrid region, absorbing 47.5% of the total increase, with 56,389 foreigners out of a total of 118,722.

YoY population growth April 2023 – April 2024



During this last year, the number of foreign-born individuals increased by 104,379, a figure which, if we subtract the aforementioned foreign nationals, will give us an approximate number of naturalisations in the period, of almost 47,990.

In analysing the annual differences by gender, nationality and broad age groups, we can observe very interesting aspects of the growth components.

Firstly, it is clear that the foreign population is mainly responsible for the demographic increase, especially in the working-age groups, although all the major groups are represented.

Secondly, there is a decrease in the age group of infants of Spanish nationality, linked to the trend of a progressive decrease in the number of births that has been occurring for several years.

Thirdly, the steady increase continues in the number of people over 65 years of age, especially Spaniards. The steady increase in life expectancy means that there are more and more elderly people who are living longer and longer.

As a result of the above, Madrid's society is characterised by an increasingly aging population, although to a lesser extent than that of Spain.

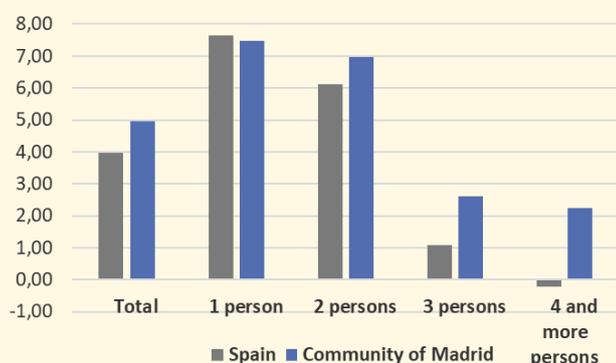
DIFFERENCES IN POPULATION 1/4/2023-1/4/2024. COMMUNITY OF MADRID

	TOTAL			SPANISH			FOREIGNERS		
	Both sexes	Men	Women	Both sexes	Men	Women	Both sexes	Men	Women
Total	118.722	59.744	58.978	62.333	29.593	32.740	56.389	30.151	26.238
Aged 0-14	-13.168	-6.871	-6.297	-16.575	-8.506	-8.069	3.407	1.635	1.772
15-64	93.231	49.229	44.002	45.654	22.727	22.927	47.577	26.502	21.075
over 65	38.659	17.386	21.273	33.254	15.372	17.882	5.405	2.014	3.391

Source: Continuous Population Statistics. INE (NATIONAL STATISTICS INSTITUTE)

As for Madrid households, it should be noted that they increased by 4,237 in the last quarter, and by 22,511 in the last year.

Growth in the number of people per household
April 2021-April 2024 (%)



Single-family households have grown the most, both in the Community of Madrid and in Spain, followed by 2-person households. The larger the household size, the lower the growth, and, in the case of households of 4 or more individuals, the decrease was very contained at the national level.

Lastly, we present a table with a summary of the main data published by the INE for the first quarter in its Continuous Population Survey.

RANKING REGIONAL POBLACIÓN (1/Apr/2024)					
TOTAL POPULATION	(SPANISH POPULATION)	POPULATION BORN ABROAD	POPULATION BETWEEN 0-15 YEARS OLD	POPULATION 65 YEARS OLD AND OVER	
People	People	People	(%)	(%)	
National Total 48.692.804	National Total 6.581.028	National Total 8.915.831	National Total 13,4	National Total 20,2	
Andalusia 8.630.049	Catalonia 1.475.056	Catalonia 1.938.385	Murcia (region) 15,9	Principality of Asturias 27,7	
Catalonia 8.044.095	Madrid, Community of 1.130.184	Madrid, Community of 1.679.403	Chartered Community of N 14,4	Castile-León 26,6	
Madrid, Community of 7.033.087	Comunitat Valenciana 990.140	Comunitat Valenciana 1.213.528	Andalusia 14,2	Galicia 26,3	
Comunitat Valenciana 5.338.333	Andalusia 857.461	Andalusia 1.075.573	Castile-La Mancha 14,0	Cantabria 23,7	
Galicia 2.706.125	Canary Islands 328.585	Canary Islands 504.544	Catalonia 13,8	Basque Country 23,6	
Castile-León 2.389.109	Balearic Islands 261.464	Balearic Islands 341.150	Madrid, Community of 13,8	Aragon 22,2	
Canary Islands 2.240.626	Murcia (region) 245.470	Murcia (region) 309.278	Balearic Islands 13,7	Extremadura 22,1	
Basque Country 2.229.924	Castile-La Mancha 240.473	Galicia 308.629	Comunitat Valenciana 13,6	La Rioja 21,8	
Castile-La Mancha 2.103.588	Basque Country 217.637	Basque Country 300.100	La Rioja 13,6	Chartered Community of Nava 20,5	
Murcia (region) 1.572.511	Aragon 187.625	Castile-La Mancha 297.146	Aragon 13,2	Comunitat Valenciana 19,9	
Aragon 1.346.806	Castile-León 187.221	Castile-León 259.455	Extremadura 12,7	Castile-La Mancha 19,5	
Balearic Islands 1.234.106	Galicia 158.644	Aragon 234.972	Basque Country 12,6	Catalonia 19,3	
Extremadura 1.052.190	Chartered Community of N 86.877	Chartered Community of N 129.374	Cantabria 11,9	Andalusia 18,5	
Principality of Asturias 1.008.328	Principality of Asturias 61.196	Principality of Asturias 105.128	Canary Islands 11,6	Madrid, Community of 18,4	
Chartered Community of N 679.181	La Rioja 47.238	Cantabria 70.709	Castile-León 11,2	Canary Islands 17,7	
Cantabria 591.004	Cantabria 46.034	Extremadura 58.934	Galicia 11,1	Balearic Islands 16,5	
La Rioja 324.319	Extremadura 43.270	La Rioja 58.509	Principality of Asturias 10,1	Murcia (region) 16,4	
TOTAL POPULATION (Quarterly difference)	TOTAL POPULATION (Year-on-year difference)	(SPANISH POPULATION) (Year-on-year difference)	TOTAL POPULATION (Year-on-year rate)	(SPANISH POPULATION) (Year-on-year rate)	
National Total 82.346	National Total 459.615	National Total 339.247	Comunitat Valenciana 1,8	Galicia 10,6	
Madrid, Community of 30.724	Madrid, Community of 118.722	Catalonia 78.587	Madrid, Community of 1,7	Principality of Asturias 9,6	
Catalonia 22.942	Catalonia 104.661	Comunitat Valenciana 73.928	Balearic Islands 1,6	Castile-León 8,6	
Comunitat Valenciana 18.885	Comunitat Valenciana 93.753	Madrid, Community of 56.389	Catalonia 1,3	Comunitat Valenciana 8,1	
Murcia (region) 2.805	Andalusia 33.230	Andalusia 27.712	Murcia (region) 1,1	Cantabria 7,3	
Canary Islands 2.290	Canary Islands 20.501	Galicia 15.237	National Total 1,0	Extremadura 6,8	
Castile-La Mancha 2.184	Balearic Islands 19.729	Castile-León 14.875	Canary Islands 0,9	Castile-La Mancha 6,4	
Basque Country 2.178	Murcia (region) 16.650	Castile-La Mancha 14.537	Chartered Community of N 0,8	Basque Country 6,2	
Balearic Islands 2.092	Castile-La Mancha 14.946	Basque Country 12.671	Castile-La Mancha 0,7	Catalonia 5,6	
Andalusia 2.023	Basque Country 11.313	Balearic Islands 9.584	Basque Country 0,5	National Total 5,4	
Chartered Community of N 1.088	Galicia 7.545	Canary Islands 7.870	La Rioja 0,5	Madrid, Community of 5,3	
Galicia 384	Chartered Community of N 5.653	Murcia (region) 6.723	Andalusia 0,4	Chartered Community of Nava 5,2	
La Rioja 310	Castile-León 4.885	Principality of Asturias 5.336	Cantabria 0,4	La Rioja 4,8	
Cantabria -160	Aragon 2.725	Chartered Community of N 4.318	Galicia 0,3	Balearic Islands 3,8	
Principality of Asturias -546	Cantabria 2.233	Aragon 3.276	Castile-León 0,2	Andalusia 3,3	
Extremadura -1.268	Principality of Asturias 1.771	Cantabria 3.136	Aragon 0,2	Murcia (region) 2,8	
Castile-León -1.343	La Rioja 1.540	Extremadura 2.773	Principality of Asturias 0,2	Canary Islands 2,5	
Aragon -2.566	Extremadura -1.324	La Rioja 2.175	Extremadura -0,1	Aragon 1,8	

Source: Continuous Population Statistics. INE (NATIONAL STATISTICS INSTITUTE)

Annex Company relocations to the Community of Madrid

Year 2024³ : January - April

Companies that relocated their registered address to the Community of Madrid														
By autonomous community of origin and sector of activity. Cumulative. Jan-Apr 2023														
Aut.Com./Sector	01	02	03	04	05	06	07	08	09	10	11	s/d	Total	%
Andalusia	3	43	9	20	3	6	13	16	33	3	6	1	156	20,2
Aragon		7	3	2	1		2	3	7				25	3,2
Asturias		5		6				3	2		1		17	2,2
Balearic Islands		1	3			2	1	4	3	1			15	1,9
Canary Islands		1	2					1	3	1	6		14	1,8
Cantabria		1	1	3				1	3		2		11	1,4
Castile-La Mancha	3	8	11	13	2	6	3	6	14	2	2		70	9,0
Castile Leon	1	10	4	8	1	5	3	4	9	1	1		47	6,1
Catalonia	2	18	15	27	1	5	10	58	25	6	4		171	22,1
Extremadura	1	1	1	1		2	2	1	2				11	1,4
Galicia		3	1	2	1	1	2	2	5		1		18	2,3
La Rioja				1			1		1				3	0,4
Murcia		2		8		1	2	1	2			1	17	2,2
Navarre		11		3	1		2	8	4				29	3,7
Basque Country		14	5	5	1	13	2	24	17	1	1		83	10,7
Valencia		40	7	14	2	1	5	4	10	2	2		87	11,2
Others														
Total	10	165	62	113	13	42	48	136	140	17	26	2	774	100,0
%	1,3	21,3	8,0	14,6	1,7	5,4	6,2	17,6	18,1	2,2	3,4	0,3	100,0	
Balance. Inputs - Outputs													197	

01: Agriculture; 02: Industry; 03: Construction; 04: Commerce; 05: Transport and storage; 06: Hospitality; 07: Information and communications; 08: Financial, insurance and real estate activities; 09: Professional and administrative activities; 10: Public administrations, health and education; 11: Artistic activities and other services; n/d: no data.

Companies that move their registered office outside the Community of Madrid														
By autonomous community of origin and sector of activity. Cumulative. Jan-Apr 2023														
Aut.Com./Sector	01	02	03	04	05	06	07	08	09	10	11	s/d	Total	%
Andalusia	1	7	6	19	4	3	7	18	21	1	5		92	15,9
Aragon		4	2	6	1		1	5	1	1	1		22	3,8
Asturias			1	2		1		2	1				7	1,2
Balearic Islands	1		2	2		4		5	5				19	3,3
Canary Islands			2	1		1	1	4	3		1		13	2,3
Cantabria				1				2	3		1		7	1,2
Castile-La Mancha		10	2	8	2		2	5	8	1	2		40	6,9
Castile Leon	2	11	15	11	2	6	5	7	12	3	2		76	13,2
Catalonia		7	5	18	2	2	7	31	21	7	9		109	18,9
Extremadura	3	1	1	4	1			1	1				12	2,1
Galicia	1		4	9	2		1	1	9	1	2		30	5,2
La Rioja							1	1				1	3	0,5
Murcia	1	2		4			1	4	4		1		17	2,9
Navarre		1					1	3	2				7	1,2
Basque Country		3	2			1	5	7	12		6		36	6,2
Valencia		16	8	15	7		7	19	10	1	2		85	14,7
Ceuta								1					1	0,2
Melilla												1	1	0,2
Total	9	62	50	100	21	18	39	116	113	15	33	1	577	100,0
%	1,6	10,7	8,7	17,3	3,6	3,1	6,8	20,1	19,6	2,6	5,7	0,2	100,0	

01: Agriculture; 02: Industry; 03: Construction; 04: Commerce; 05: Transport and storage; 06: Hospitality; 07: Information and communications; 08: Financial, insurance and real estate activities; 09: Professional and administrative activities; 10: Public administrations, health and education; 11: Artistic activities and other services; n/d: no data.

³ Source: Experian, with information from the Official Gazette of the Companies Registry (in Spanish: Boletín Oficial del Registro Mercantil, or BORME).

Most recent data: April 2024⁴

Companies that relocated their registered address to the Community of Madrid														
By autonomous community of origin and sector of activity. April 2023														
Aut.Com./Sector	01	02	03	04	05	06	07	08	09	10	11	s/d	Total	%
Andalusia	1	4		4	1	2	3	4	14		1		34	17,9
Aragon				1	1		1	1	2				6	3,2
Asturias		4		2				1	1				8	4,2
Balearic Islands						1		1	2				4	2,1
Canary Islands		1											1	0,5
Cantabria			1										1	0,5
Castile-La Mancha	2	2	1	3		2	2	1	3				16	8,4
Castile Leon		4	1	2		2	2		3		1		15	7,9
Catalonia		4	3	4		3	4	13	4	2	2		39	20,5
Extremadura									1				1	0,5
Galicia		2		1			1	1	2				7	3,7
La Rioja							1						1	0,5
Murcia		1		3									4	2,1
Navarre								1	1				2	1,1
Basque Country		5	1	1		3	2	2	8				22	11,6
Valencia		17	1	3			2	2	4				29	15,3
Others														
Total	3	44	8	24	2	13	18	27	45	2	4		190	100,0
%	1,6	23,2	4,2	12,6	1,1	6,8	9,5	14,2	23,7	1,1	2,1		100,0	
Balance. Inputs - Outputs													16	

01: Agriculture; 02: Industry; 03: Construction; 04: Commerce; 05: Transport and storage; 06: Hospitality; 07: Information and communications; 08: Financial, insurance and real estate activities; 09: Professional and administrative activities; 10: Public administrations, health and education; 11: Artistic activities and other services; n/d: no data.

Companies that move their registered office outside the Com. of Madrid														
By autonomous community of origin and sector of activity. April 2023														
Aut.Com./Sector	01	02	03	04	05	06	07	08	09	10	11	s/d	Total	%
Andalusia		3	3	6		2	5	4	3		4		30	17,2
Aragon		1		1			1		1		1		5	2,9
Asturias				2				1	1				4	2,3
Balearic Islands				1		2			2				5	2,9
Canary Islands			1						2		1		4	2,3
Cantabria				1				1	3				5	2,9
Castile-La Mancha					2			2	4				8	4,6
Castile Leon	1	3	7	4	1	1	1	3	9	2	2		34	19,5
Catalonia		4		2		1	1	10	4	1			23	13,2
Extremadura	1			1				1					3	1,7
Galicia	1		1	4				1	4	1			12	6,9
La Rioja							1						1	0,6
Murcia	1	1		2			1	1	1		1		8	4,6
Navarre														
Basque Country		1	1				3	1	4				10	5,7
Valencia		1	3	3	2			9	2		2		22	12,6
Ceuta														
Melilla														
Total	4	14	16	27	5	6	13	34	40	4	11		174	100,0
%	2,3	8,0	9,2	15,5	2,9	3,4	7,5	19,5	23,0	2,3	6,3		100,0	

01: Agriculture; 02: Industry; 03: Construction; 04: Commerce; 05: Transport and storage; 06: Hospitality; 07: Information and communications; 08: Financial, insurance and real estate activities; 09: Professional and administrative activities; 10: Public administrations, health and education; 11: Artistic activities and other services; n/d: no data.

⁴ Source: Experian, with information from the Official Gazette of the Companies Registry (in Spanish: Boletín Oficial del Registro Mercantil, or BORME).

Concepts, sources and abbreviations used

Frequently used abbreviations and acronyms

P. A	Public Administrations	ETVE	Foreign Securities Holding Entities
Tax Authority	State Tax Administration Agency	IMF	International Monetary Fund
H&MHT	High and Medium High Tech	FUNCAS	Foundation of the Federated Savings Banks
ECB	European Central Bank	IECM	Institute of Statistics of the Community of Madrid
BDE	Bank of Spain	INE (National Statistics Institute)	National Statistics Institute
AA. CC	Autonomous Communities	MAEYTD	Ministry of Economic Affairs and Digital Transformation
EC	European Commission	MISSYM	Ministry of Inclusion, Social Security and Migration
CoM	Community of Madrid	MITMA	Ministry of Transport Mobility and Urban Agenda
QSNA	Quarterly Spanish National Accounts	OECD	Organisation for Economic Cooperation and Development
QRACM	Quarterly Regional Accounts of the Community of Madrid	OPEC	Organisation of Petroleum Exporting Countries
SPRC	Strategic Petroleum Products Reserves Corporation	GDP	Gross Domestic Product
RAS	Regional Accounts of Spain	SEOPAN	Association of Construction Companies at a National Scale
SCA	Seasonal and calendar adjustment	TARIC	Code for the integrated tariff of the European Union
TC	Trend-cycle component	EU	European Union
DGT	Directorate-General for Traffic	EMU	Economic and Monetary Union
EUROSTAT	Statistical Office of the European Union	GVA	Gross value added

Non-centred moving average of order 12 (MM12).

Series constructed from the original by means of successive arithmetic averages, where each data point is obtained from the average of the last twelve months of the original series. The purpose of constructing a series of moving averages is to eliminate possible seasonal or erratic variations in a series, so that an estimate of the trend-cycle component of the variable in question is obtained.

Trend-Cycle (TC)

A trend is one of the unobservable components into which a variable can be broken down, according to classic time series analysis. It can be extracted or estimated using a variety of techniques and represents the solid evolution underlying the observed evolution of the variable, once seasonal variations and irregular or short-term disruptions are removed. It therefore reflects the long-term evolution of the series. Normally, the trend includes another component, the cyclical component, which includes oscillations that occur in the series over periods of between three and five years, but due to the difficulty of separating them, they usually appear in the so-called trend-cycle component.

Seasonal and calendar adjustment (SCA)

A high-frequency time series analysis technique applied to remove both seasonality (movements that form a pattern and are repeated approximately every year) and calendar effects (representing the impact on the time series due to the different structure of the months or quarters in each year, both in length and composition). The aim of adjusting a variable for seasonality and calendar is to eliminate the effect of these fluctuations on the variable, and thus facilitate the interpretation of the economic phenomenon.

Surveys

These aim to measure the attitude of the subjects to whom the survey is addressed (consumers, the business world, etc.) towards a variable (consumption, production or employment, etc.) in order to anticipate whether in the following months this variable will increase, decrease or remain stable.

Balance of responses

In surveys, the results for the variables under investigation are basically obtained through the differences or balances between the positive and negative responses, although depending on the survey, there are different calculation methods.

Rate of change

A rate of change compares the value of a variable at one point in time with its value at another point in time. Various types of rates of change can be calculated. Among the most common are the following:

- *Month-on-month (quarter-on-quarter, etc.) rate*: Compares the value of a period (shorter than a year: month, quarter, etc.) with that of the immediately preceding period (month, quarter, etc.).

- *Year-on-year rate*: Compares the value of a period with that of the same period in the previous year (same month for monthly data, similar quarter for quarterly data, etc.).

- *Year-to-date cumulative rate of change*: Compares the cumulative value of a period (sum or average, depending on the type of data, of the elapsed months, quarters, etc. of a year) with the same cumulative period of the previous year.

Other periodical publications of the Economics Area

- Notes on the Economic Situation in the Community of Madrid (monthly)
- Foreign Trade Report (monthly)
- Note on EU regional GDP (annual)
- Individual monitoring notes on the main economic indicators of the Community of Madrid (monthly or quarterly depending on the nature of the data):

Social Security Enrolment, Registered Unemployment, Industrial Production Index (IPI), Consumer Price Index (CPI), Mercantile Companies, Retail Trade Indices (RTI), Services Sector Activity Indices (SSAI), Mortgages on homes, Hotel Tourism Situation (HTS), Labour Force Survey (LFS), Foreign Direct Investment (FDI) and Quarterly Regional Accounts (QRA).

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