

16 January 2020

Business Confidence Indicators (BCI)
First quarter of 2020

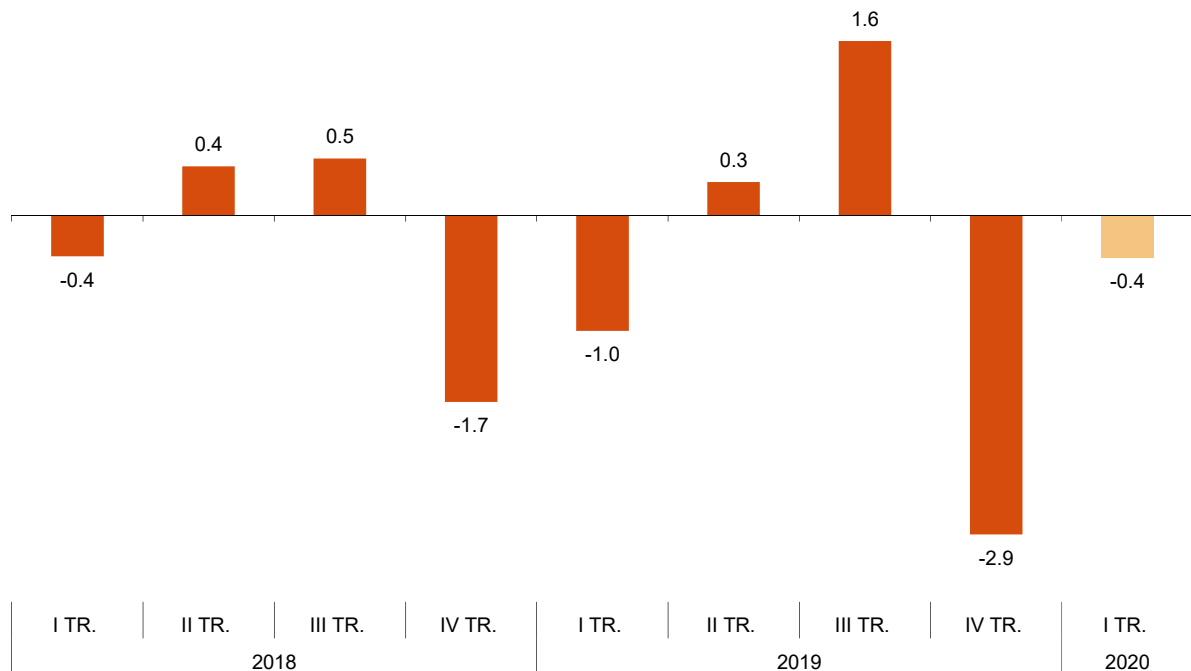
The Harmonized Business Confidence Index (HBCI) decreases 0.4% in the first quarter of 2020 as compared with the fourth quarter of last year

15.2% of business establishments foresee a favourable quarter and 21.1% is pessimistic about the performance of their businesses

Evolution of the Harmonized Business Confidence Index

The Harmonized Business Confidence Index (HBCI) decreases by 0.4% in the first quarter of 2020 as compared with the fourth quarter.

Harmonized Business Confidence Index
First Quarter 2020. Quarterly rate



Opinions regarding the coming quarter (Expectations)

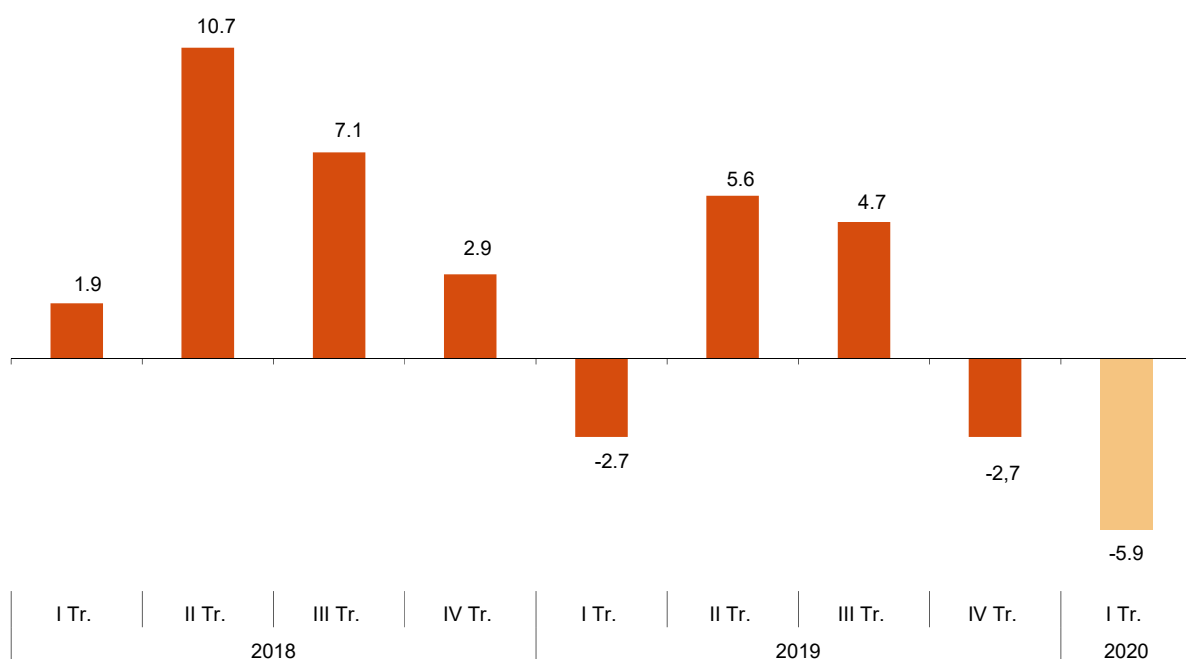
15.2% of business establishment managers considered that the performance of their businesses during the first quarter of 2020 would be favourable, while 21.1% thought it would be unfavourable. The remaining 63.7% thought that it would be normal.

The difference between the percentage of favourable and unfavourable responses, known as Expectations Balance, stood at -5.9 points for Spain as a whole, as compared with the -2.7 in the previous quarter.

Opinions regarding the coming quarter (Expectations)

Year / Quarter	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
2018 I	19,6	62,7	17,7	1,9
II	23,5	63,7	12,8	10,7
III	22,8	61,5	15,7	7,1
IV	19,0	64,9	16,1	2,9
2019 I	16,6	64,1	19,3	-2,7
II	20,8	64,0	15,2	5,6
III	21,4	61,9	16,7	4,7
IV	16,7	63,9	19,4	-2,7
2020 I	15,2	63,7	21,1	-5,9

Evolution of the Expectations Balance First Quarter 2020



Opinions regarding the ending quarter (Situation)

20.8% of business establishment managers expressed a favourable opinion regarding the performance of their businesses in the fourth quarter 2019. In turn, 18.9% had an unfavourable opinion.

The difference between the percentage of favourable and unfavourable responses referring to the ending quarter, known as *Situation Balance*, stood at 1.9 points. This figure improves Expectations previously expressed for that quarter, which stood at -2.7 points.

Opinions regarding the ending quarter (Situation)

Year / Quarter	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
2018 I	23,9	59,3	16,8	7,1
II	19,5	61,4	19,1	0,4
III	21,7	62,5	15,8	5,9
IV	20,7	61,7	17,6	3,1
2019 I	21,6	61,2	17,2	4,4
II	17,3	62,9	19,8	-2,5
III	20,9	62,7	16,4	4,5
IV	19,0	62,2	18,8	0,2
2020 I	20,8	60,3	18,9	1,9

Evolution of the Situation Balance First Quarter 2020

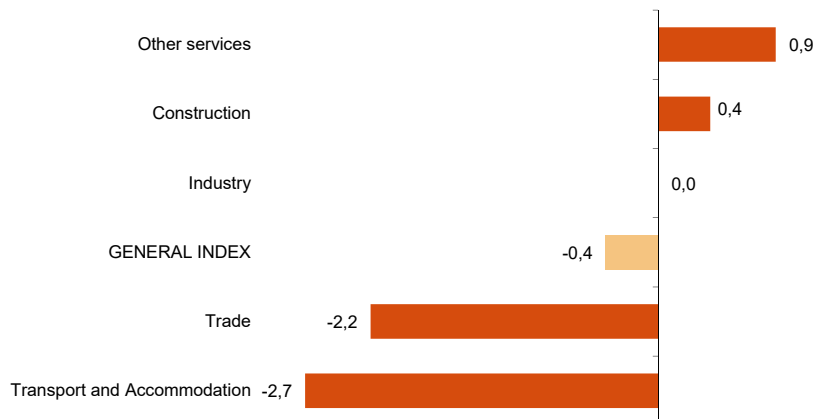


Harmonized Business Confidence Index by activity sector

Two of the five sectors analyzed decreased confidence with respect to the previous quarter. *Transport and Accommodation* (-2.7%) registered the greatest decrease. On the other hand, *Other services* (0.9%) registered the greatest increase.

General Index and by activity sector

First Quarter 2020. Quarterly rate



Harmonized Business Confidence Index by size of establishments

Three of the five sizes of establishments analyzed presented an increase in confidence, as compared with the previous quarter. *More than 1,000 employees* (2.8%) registered the greatest increase. On the other hand, *Less than 10 employees* (-1.9%) registered the greatest decrease.

General index and by size of establishment

First Quarter 2020. Quarterly rate



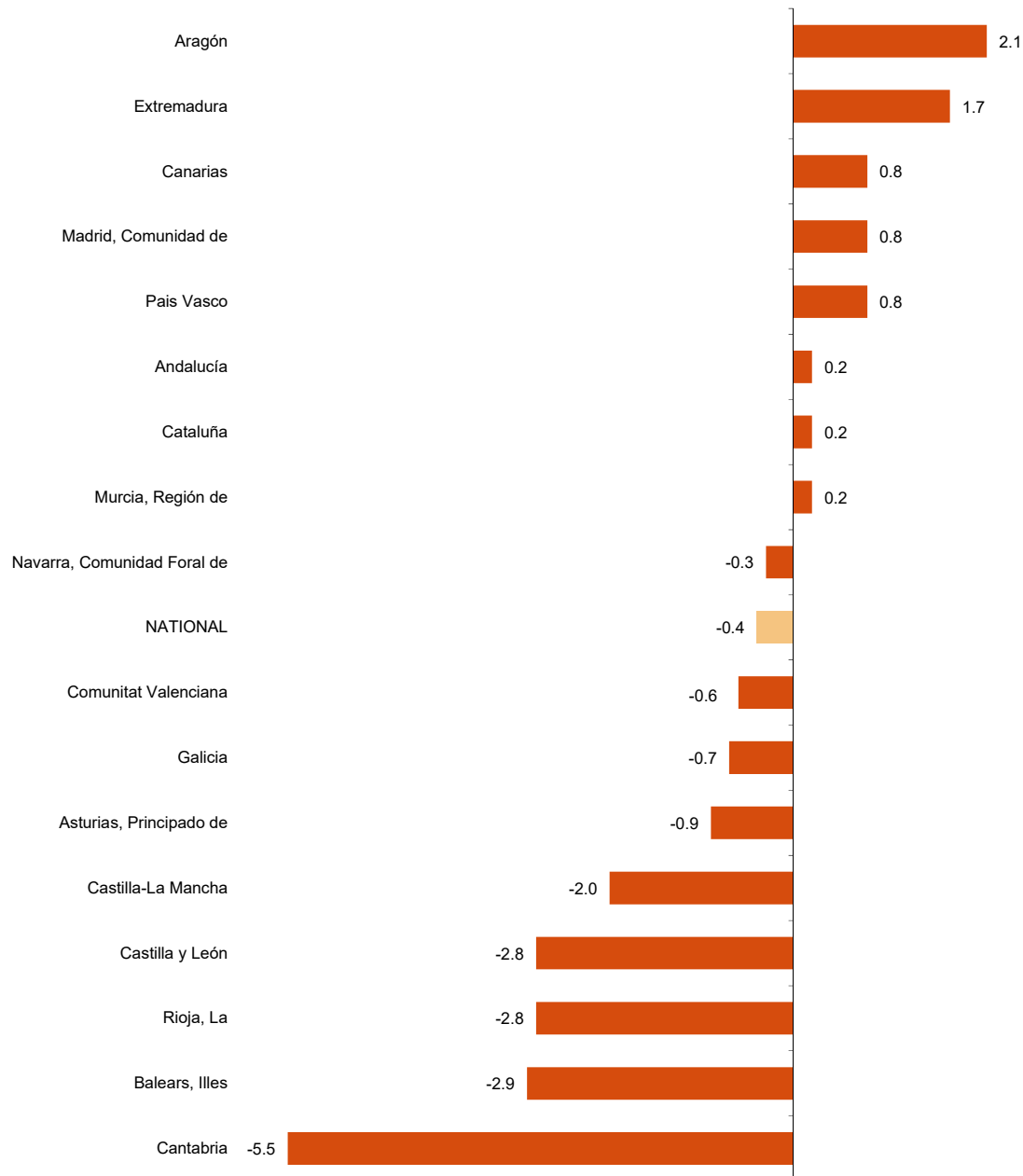
Harmonized Business Confidence Index. Results by Autonomous Communities

Business confidence decreased in the first quarter of 2020 as compared with previous quarter in nine autonomous communities and increased in eight of them.

The largest decreases were recorded in Cantabria (-5.5%), Illes Balears (-2.9%) and La Rioja (-2.8%). The largest increases were recorded in Aragón (2.1%), Extremadura (1.7%) and Canarias, Comunidad de Madrid and País Vasco (0.8%).

National index and by Autonomous Communities

First Quarter 2020. Quarterly rate



Review and update of data

The data published today are final and will not be subject to further revision. There have been no updates to previous publications. All results are available on INEBase.

Methodological note

The objective of this survey is to find out, at a given time, the vision that establishment managers have about their situation.

The BCI survey collects opinions from establishment managers regarding the performance of their businesses for each last quarter and on their expectations for each coming quarter.

The methodology is based on the Japanese TANKAN index, that is, there is no weighting or elevation depending on the characteristics of the establishment since the opinion of each informant counts equally

The survey methodology enables the integration of analogous data compiled by the statistics services of the Autonomous Communities, once their consistency is checked so they can be incorporated into the general process of the survey. There are currently agreements signed to this effect with Andalucía, Illes Balears, Canarias, Castilla y León, Cataluña, la Rioja, Extremadura and Comunitat Valenciana.

Type of survey: quarterly continuous survey.

Base period: First quarter of 2013.

Population scope: all establishments whose main activity is included in the following sections of CNAE-2009: B to N (both inclusive, except for division 70), R (only divisions 92 and 93) and S (only divisions 95 and 96).

Geographical scope: the entire national territory.

Sample size: The sample is representative both nationally and by Autonomous Community and is made up of approximately 8,000 establishments.

Reference period: the reference is quarterly and questions are asked about the quarter ending and about the coming quarter.

Collection method: completion of the questionnaire by establishment managers themselves using one of the following methods: internet (IRIA system), e-mail, fax, telephone or by postal mail.

For more information you can access the methodology at:

https://www.ine.es/en/metodologia/t37/t3730199_en.pdf

And the standardized methodological report at:

<https://www.ine.es/dynt3/metadatos/es/RespuestaDatos.html?oe=30199>

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Business Confidence Indicators First quarter of 2020

1. Harmonized Business Confidence Index by sectors

Year / Quarter	TOTAL	Industry	Construction	Trade	Transport and accommodation	Other Services
2018 I	134,9	129,4	145,8	138,0	139,7	131,1
II	135,5	130,8	144,9	137,6	141,3	132,1
III	136,2	130,6	147,8	138,0	143,4	132,4
IV	133,9	127,3	146,3	135,8	139,5	130,9
2019 I	132,5	126,2	146,4	134,8	134,9	129,8
II	132,9	125,7	146,8	134,3	138,8	130,0
III	135,0	127,2	147,8	136,5	143,3	131,7
IV	131,1	123,5	142,3	134,3	139,1	127,4
2020 I	130,6	123,5	142,9	131,3	135,3	128,5

2. Harmonized Business Confidence Index by size

Year / Quarter	TOTAL	Less than 10 wage earners	From 10 to 49 wage earners	From 50 to 199 wage earners	From 200 to 999 wage earners	Over 1000 wage earners
2018 I	134,9	135,6	139,9	133,0	127,3	125,8
II	135,5	137,6	139,7	134,2	126,3	123,5
III	136,2	139,4	140,1	133,7	127,1	121,4
IV	133,9	137,1	137,7	130,9	124,7	120,8
2019 I	132,5	134,2	136,9	130,1	123,6	121,5
II	132,9	136,5	136,0	129,2	123,6	121,6
III	135,0	138,5	139,2	131,1	125,1	119,1
IV	131,1	134,4	134,5	127,4	121,6	117,9
2020 I	130,6	131,8	133,3	127,7	123,8	121,2

3. Harmonized Business Confidence Index by Autonomous Communities

Year / Quarter	NATIONAL	Andalucía	Aragón	Asturias, Principado de	Balears, Illes	Canarias
2018 I	134,9	134,4	140,9	135,7	131,5	136,5
II	135,5	135,0	138,5	137,4	142,3	132,1
III	136,2	136,5	138,2	135,8	142,8	128,8
IV	133,9	132,5	138,2	134,3	136,1	129,2
2019 I	132,5	131,9	136,3	133,6	130,8	125,4
II	132,9	131,7	134,9	131,7	137,9	123,4
III	135,0	135,3	135,3	134,3	139,4	122,6
IV	131,1	130,8	131,2	133,1	132,8	121,2
2020 I	130,6	131,1	134,0	131,9	128,9	122,2

Year / Quarter	Cantabria	Castilla y León	Castilla- La Mancha	Cataluña	Comunitat Valenciana	Extremadura
2018 I	142,7	138,2	143,0	137,5	128,1	137,2
II	141,9	139,3	141,7	140,0	131,6	137,9
III	146,0	141,4	147,9	140,5	131,3	140,2
IV	144,6	138,2	145,0	137,7	128,7	136,4
2019 I	139,4	136,3	144,0	137,4	126,9	132,4
II	139,5	133,7	142,1	137,1	126,9	136,8
III	145,2	140,2	146,0	138,2	128,2	141,3
IV	142,9	135,1	141,5	134,3	126,4	132,1
2020 I	135,1	131,3	138,7	134,6	125,7	134,4

Year / Quarter	Galicia	Madrid, Comunidad de	Murcia, Región de	Navarra, Comunidad Foral	País Vasco	Rioja, La
2018 I	129,5	130,5	131,3	135,1	135,0	132,5
II	125,5	129,9	129,6	139,2	136,3	132,6
III	129,2	127,8	131,0	140,5	137,4	131,4
IV	130,6	127,0	126,7	134,4	135,2	132,9
2019 I	127,1	128,3	128,6	134,9	132,2	130,1
II	128,7	130,4	128,2	135,4	132,0	130,8
III	131,9	129,7	128,0	137,4	137,2	131,8
IV	129,0	126,3	123,8	133,5	130,3	130,0
2020 I	128,1	127,3	124,1	133,1	131,4	126,3

4. Opinions regarding the coming quarter (Expectations) by sectors

Activity sectors	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
TOTAL	15.2	63.7	21.1	-5.9
Industry	16.3	63.2	20.5	-4.2
Construction	17.3	60.5	22.2	-4.9
Trade	11.0	63.5	25.5	-14.5
Transport and accommodation	13.9	61.9	24.2	-10.3
Other services	16.8	65.8	17.4	-0.6

5. Opinions regarding the coming quarter (Expectations) by size

Size of the establishment	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
TOTAL	15.2	63.7	21.1	-5.9
Less than 10 wage earners	11.1	60.7	28.2	-17.1
From 10 to 49 wage earners	16.0	62.9	21.1	-5.1
From 50 to 199 wage earners	17.6	66.9	15.5	2.1
From 200 to 999 wage earners	19.2	67.7	13.1	6.1
Over 1000 wage earners	22.9	68.2	8.9	14.0

6. Opinions regarding the coming quarter (Expectations) By Autonomous Communities

	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
NATIONAL	15.2	63.7	21.1	-5.9
Andalucía	14.5	62.2	23.3	-8.8
Aragón	16.4	62.1	21.5	-5.1
Asturias, Principado de	12.9	62.5	24.6	-11.7
Balears, Illes	11.0	64.7	24.3	-13.3
Canarias	14.3	61.1	24.6	-10.3
Cantabria	15.0	57.3	27.7	-12.7
Castilla y León	10.2	59.2	30.6	-20.4
Castilla- La Mancha	13.0	62.8	24.2	-11.2
Cataluña	17.8	67.8	14.4	3.4
Comunitat Valenciana	17.4	63.6	19.0	-1.6
Extremadura	17.0	59.1	23.9	-6.9
Galicia	13.5	67.2	19.3	-5.8
Madrid, Comunidad de	16.4	67.0	16.6	-0.2
Murcia, Región de	16.5	60.6	22.9	-6.4
Navarra, Comunidad Foral de	13.8	67.2	19.0	-5.2
País Vasco	21.6	59.6	18.8	2.8
Rioja, La	10.2	64.7	25.1	-14.9

7. Opinions regarding the last quarter (Situation) by sectors

Activity sectors	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
TOTAL	20.8	60.3	18.9	1.9
Industry	23.3	56.1	20.6	2.7
Construction	22.4	59.0	18.6	3.8
Trade	17.7	58.8	23.5	-5.8
Transport and accommodation	20.0	62.2	17.8	2.2
Other services	20.9	63.1	16.0	4.9

8. Opinions regarding the last quarter (Situation) by size

Size of the establishment	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
TOTAL	20.8	60.3	18.9	1.9
Less than 10 wage earners	14.8	60.7	24.5	-9.7
From 10 to 49 wage earners	23.8	58.8	17.4	6.4
From 50 to 199 wage earners	24.7	60.1	15.2	9.5
From 200 to 999 wage earners	25.3	60.9	13.8	11.5
Over 1000 wage earners	26.1	63.1	10.8	15.3

9. Opinions regarding the last quarter (Situation) by Autonomous Communities

	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
NATIONAL	20.8	60.3	18.9	1.9
Andalucía	20.4	59.9	19.7	0.7
Aragón	23.5	53.3	23.2	0.3
Asturias, Principado de	17.6	61.3	21.1	-3.5
Balears, Illes	14.9	63.2	21.9	-7.0
Canarias	18.0	59.5	22.5	-4.5
Cantabria	15.5	61.5	23.0	-7.5
Castilla y León	20.0	59.4	20.6	-0.6
Castilla- La Mancha	17.7	60.6	21.7	-4.0
Cataluña	23.8	61.2	15.0	8.8
Comunitat Valenciana	25.3	58.1	16.6	8.7
Extremadura	23.9	58.0	18.1	5.8
Galicia	17.7	65.4	16.9	0.8
Madrid, Comunidad de	21.4	63.2	15.4	6.0
Murcia, Región de	22.1	57.6	20.3	1.8
Navarra, Comunidad Foral de	22.8	60.8	16.4	6.4
País Vasco	22.9	55.2	21.9	1.0
Rioja, La	17.6	60.8	21.6	-4.0

10. Other economic variables. Opinions with regard to the quarter that is beginning

Economic variables	It will increase	It will remain the same	It will decrease	Balance (increase - decrease)
Employment (hired personnel)	7.1	78.8	14.1	-7.0
Price level	11.0	80.2	8.8	2.2

11. Other economic variables. Opinions with regard to the quarter that has ended

Economic variables	It increased	It remained the same	It decreased	Balance (increase - decrease)
Employment (hired personnel)	12.8	72.0	15.2	-2.4
Price level	5.2	85.3	9.5	-4.3