

13 October 2020**Business Confidence Indicators (BCI)**
Fourth quarter of 2020

The Harmonized Business Confidence Index (HBCI) increases 10.5% in the fourth quarter of 2020 as compared with the third quarter

8.1% of business establishments foresee a favourable quarter and 49.4% are pessimistic about the performance of their business

Main results

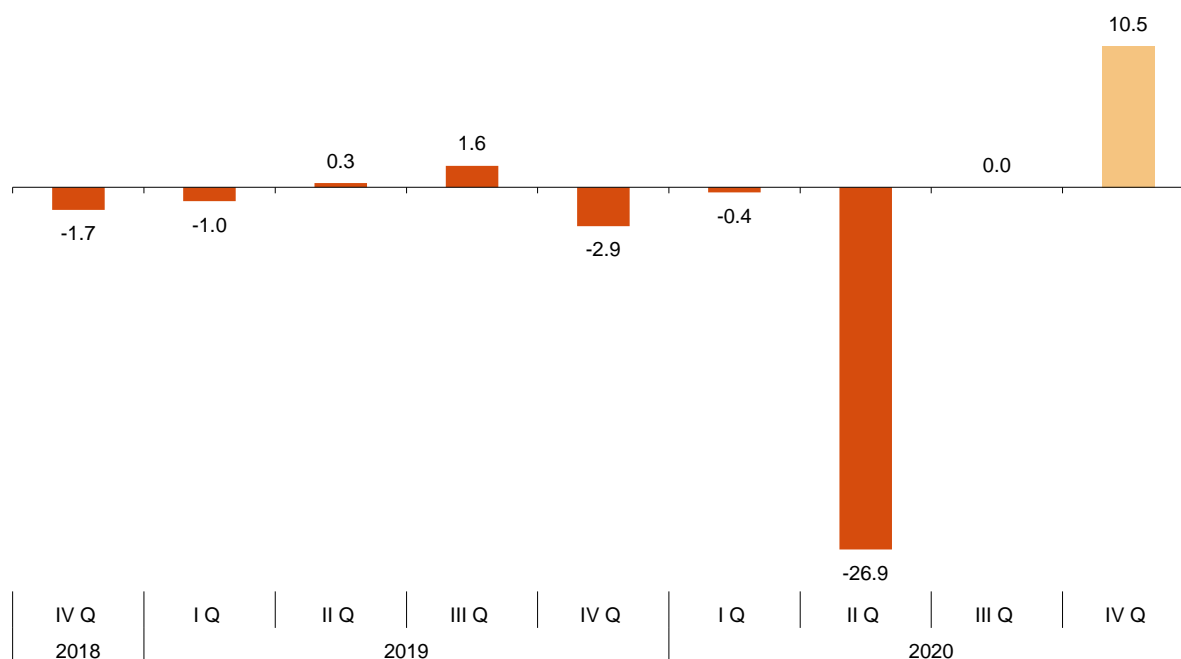
- The Harmonized Business Confidence Index increases 10.5% in the fourth quarter of the year compared to the third. It should be noted that the collection of information for the fourth quarter was carried out from September 15 to October 5, while the third quarter took place at the end of the state of alarm (from June 15 to July 6).
- All sectors increase their confidence compared to the third quarter. Construction presented the highest increase (14.0%). Trust also grows in all sizes of establishments. The one with more than 1000 employees registered the highest increase (15.5%).
- The balance of expectations for the fourth quarter (difference between the optimistic responses of the business managers minus the pessimistic ones) is -41.3 points, with an improvement compared to the third quarter, which was -47.2 points.
- *Transport and Accommodation* continues to be the sector with the worst expectations (-65.5 points for the fourth quarter). By size, businesses with fewer than 10 employees present the worst prospects (-52.1).
- Confidence suffers more in the autonomous communities in which tourism is a fundamental part of their economy. In Illes Balears the balance of expectations is -67.0 points and in the Canary Islands it is -56.8.
- Regarding the situation of the quarter that ended, the balance (-38.8 points) improves the expectations previously expressed (which were -47.2).

Evolution of the Harmonized Business Confidence Index

The Harmonized Business Confidence Index (HBCI) increases by 10.5% in the fourth quarter of 2020 as compared with the third quarter.

Harmonized Business Confidence Index

Fourth Quarter 2020. Quarterly rate



Opinions regarding the coming quarter (Expectations)

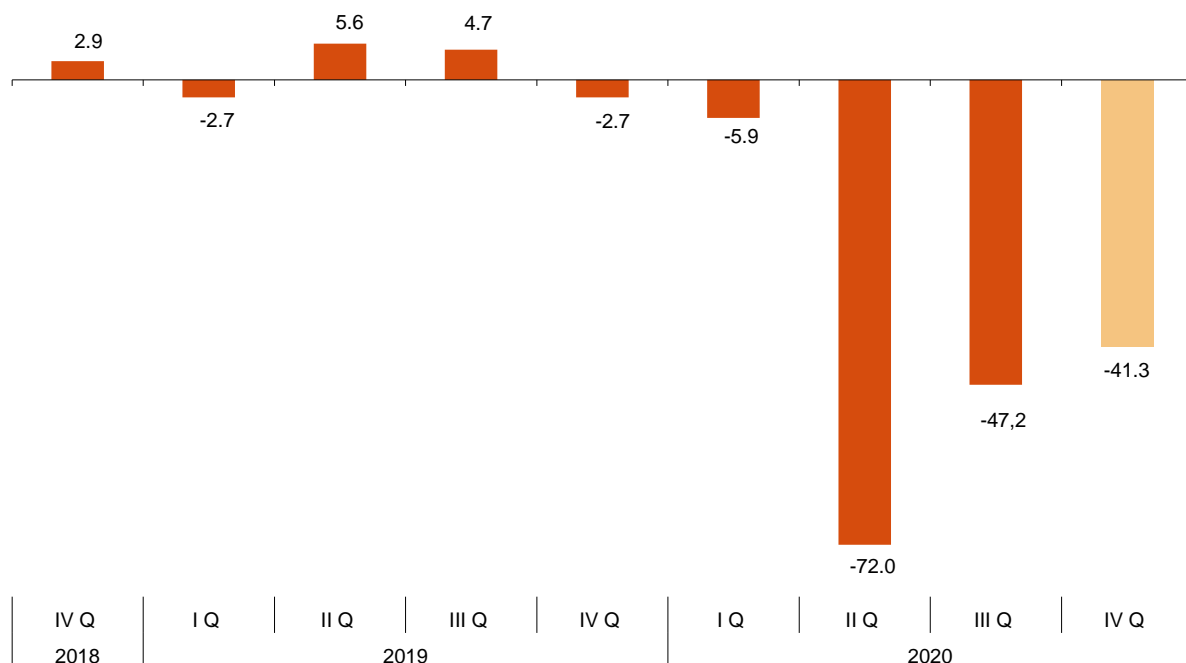
8.1% of business establishments managers considered that the performance of their businesses during the fourth quarter of 2020 would be favourable, while 49.4% thought it would be unfavourable. The remaining 42.5% thought that it would be normal.

The difference between the percentage of favourable and unfavourable responses, known as the Expectations Balance, stood at -41.3 points for Spain as a whole, as compared with the -47.2 in the previous quarter.

Opinions regarding the coming quarter (Expectations)

Year / Quarter	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
2018 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
II	3.1	21.8	75.1	-72.0
III	7.7	37.4	54.9	-47.2
IV	8.1	42.5	49.4	-41.3

Evolution of the Expectations Balance Fourth Quarter 2020



Opinions regarding the ending quarter (Situation)

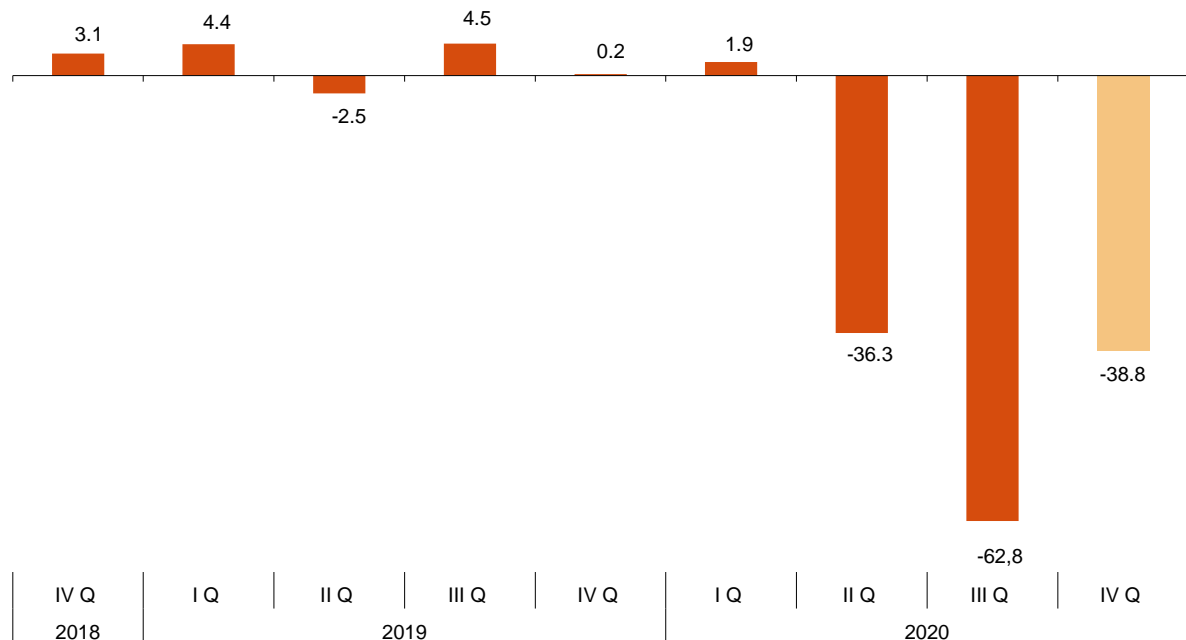
10.0% of business establishment managers expressed a favourable opinion regarding the performance of their businesses in the third quarter of 2020. In turn, 48.8% had an unfavourable opinion.

The difference between the percentage of favourable and unfavourable responses referring to the ending quarter, known as *Situation Balance*, stood at -38.8 points. This figure improves Expectations previously expressed for that quarter, which stood at -47.2 points.

Opinions regarding the ending quarter (Situation)

Year / Quarter	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
2018 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
II	10.2	43.3	46.5	-36.3
III	6.0	25.2	68.8	-62.8
IV	10.0	41.2	48.8	-38.8

Evolution of the Situation Balance Fourth Quarter 2020

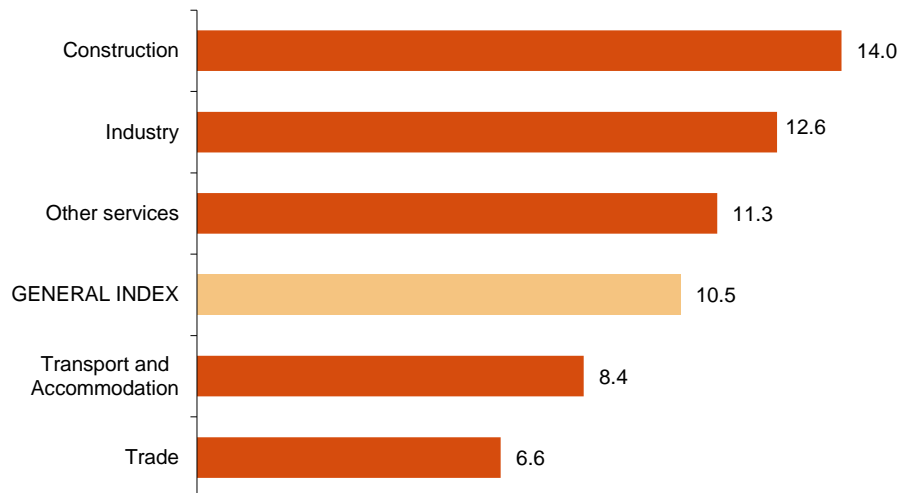


Harmonized Business Confidence Index by activity sector

The five sectors analyzed increased confidence with respect to the previous quarter. *Construction* (14.0%) registered the greatest increase. On the other hand, *Trade* (6.6%) registered the lowest increase.

General Index and by activity sector

Fourth Quarter 2020. Quarterly rate

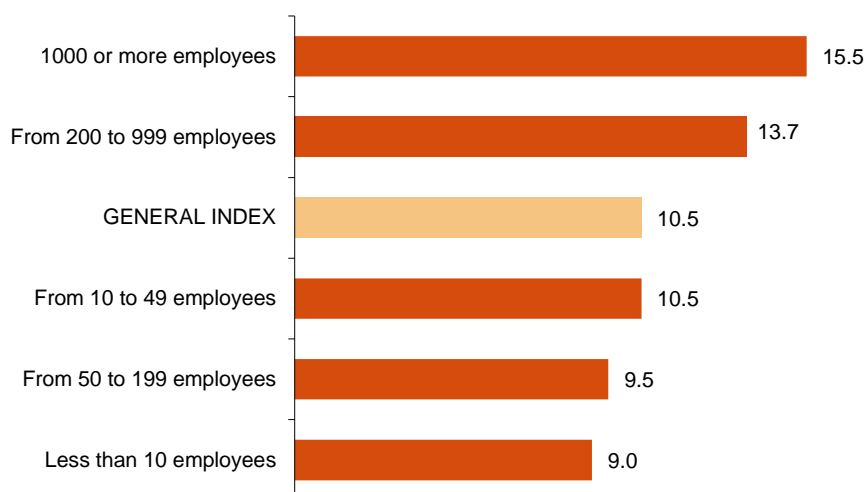


Harmonized Business Confidence Index by size of establishments

The five sizes of establishments analyzed presented an increase in confidence, as compared with the previous quarter. *1000 or more employees* (15.5%) showed the largest increase and *Less than 10 employees* (9.0%) the lowest increase.

General index and by size of establishment

Fourth Quarter 2020. Quarterly rate



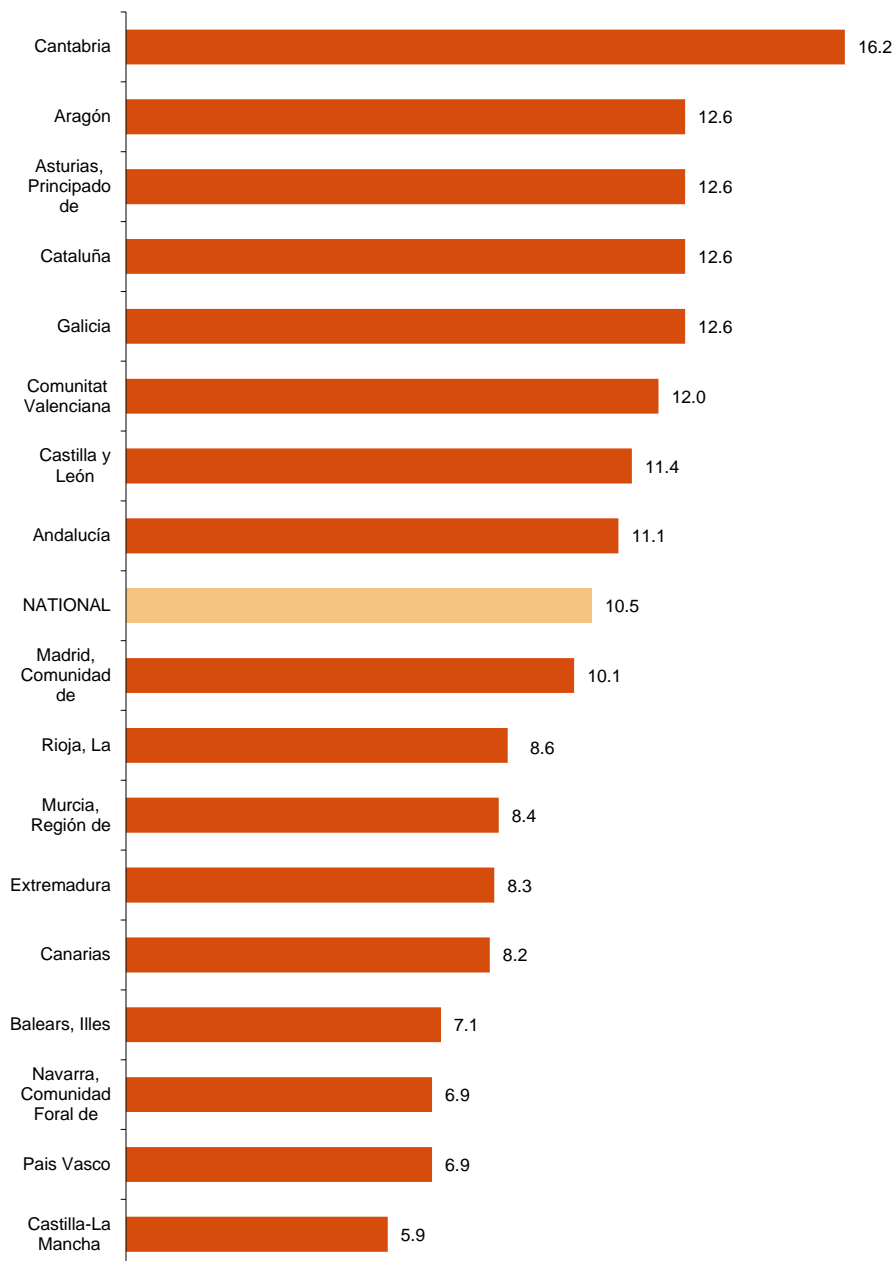
Harmonized Business Confidence Index. Results by Autonomous Communities

Business confidence increased in the fourth quarter of 2020 as compared with previous quarter in all autonomous communities.

The largest increases were recorded in Cantabria (16.2%) and Aragón, Principado de Asturias, Cataluña and Galicia (all of them 12.6%).

National index and by Autonomous Communities

Fourth Quarter 2020. Quarterly rate



Review and update of data

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 included, except for division 70), R (only divisions 92 and 93) and S (only divisions 95 and 96).

Geographical scope: the entire national territory except Ceuta and Melilla.

Sample size: The sample is representative both nationally and by Autonomous Community and is made up of around 8000 establishments.

Reference period: the reference period 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 Fourth quarter of 2020

1. Harmonized Business Confidence Index by sectors

Year / Quarter	TOTAL	Industry	Construction	Trade	Transport and accommodation	Other Services
2018 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
II	95.5	94.7	101.1	98.0	91.5	93.8
III	95.5	91.3	105.3	104.9	87.2	92.4
IV	105.5	102.8	120.0	111.8	94.5	102.8

2. Harmonized Business Confidence Index by size

Year / Quarter	TOTAL	Less than 10 employees	From 10 to 49 employees	From 50 to 199 employees	From 200 to 999 employees	1000 or more employees
2018 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
II	95.5	94.0	95.9	95.6	90.8	94.5
III	95.5	98.3	97.5	93.2	88.5	84.6
IV	105.5	107.1	107.7	102.1	100.6	97.7

3. Harmonized Business Confidence Index by Autonomous Communities

Year / Quarter	NATIONAL	Andalucía	Aragón	Asturias, Principado de	Balears, Illes	Canarias
2018 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
II	95.5	96.2	95.0	96.7	90.1	85.7
III	95.5	96.9	97.3	102.0	86.9	86.4
IV	105.5	107.7	109.6	114.9	93.1	93.5

Year / Trimester	Cantabria	Castilla y León	Castilla- La Mancha	Cataluña	Comunitat Valenciana	Extremadura
2018 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
II	100.9	99.9	103.0	93.9	90.2	94.5
III	104.6	100.6	106.7	94.9	89.9	103.5
IV	121.5	112.1	113.0	106.9	100.7	112.1

Year / Trimester	Galicia	Madrid, Comunidad de	Murcia, Región de	Navarra, Comunidad Foral	País Vasco	Rioja, La
2018 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
II	97.0	94.1	95.8	100.8	98.4	91.9
III	93.1	90.3	94.0	98.3	95.3	94.8
IV	104.8	99.4	101.9	105.1	101.9	103.0

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

Activity sectors	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
TOTAL	8.1	42.5	49.4	-41.3
Industry	10.8	45.4	43.8	-33.0
Construction	9.3	46.8	43.9	-34.6
Trade	8.7	40.1	51.2	-42.5
Transport and accommodation	3.5	27.5	69.0	-65.5
Other services	7.6	46.5	45.9	-38.3

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

Size of the establishment	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
TOTAL	8.1	42.5	49.4	-41.3
Less than 10 employees	5.4	37.1	57.5	-52.1
From 10 to 49 employees	9.1	41.6	49.3	-40.2
From 50 to 199 employees	9.7	46.1	44.2	-34.5
From 200 to 999 employees	11.9	49.6	38.5	-26.6
1000 or more employees	9.7	57.3	33.0	-23.3

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

	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
NATIONAL	8.1	42.5	49.4	-41.3
Andalucía	8.5	42.5	49.0	-40.5
Aragón	8.9	42.2	48.9	-40.0
Asturias, Principado de	9.7	45.4	44.9	-35.2
Balears, Illes	3.0	27.0	70.0	-67.0
Canarias	5.1	33.0	61.9	-56.8
Cantabria	9.3	48.6	42.1	-32.8
Castilla y León	8.8	38.9	52.3	-43.5
Castilla- La Mancha	6.9	42.4	50.7	-43.8
Cataluña	10.1	44.5	45.4	-35.3
Comunitat Valenciana	9.3	46.1	44.6	-35.3
Extremadura	12.1	39.7	48.2	-36.1
Galicia	6.0	45.2	48.8	-42.8
Madrid, Comunidad de	6.7	45.3	48.0	-41.3
Murcia, Región de	9.2	43.5	47.3	-38.1
Navarra, Comunidad Foral de	8.0	41.6	50.4	-42.4
País Vasco	7.3	44.4	48.3	-41.0
Rioja, La	6.8	40.0	53.2	-46.4

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

Activity sectors	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
TOTAL	10.0	41.2	48.8	-38.8
Industry	11.6	41.5	46.9	-35.3
Construction	10.5	48.5	41.0	-30.5
Trade	12.9	40.0	47.1	-34.2
Transport and accommodation	5.9	27.5	66.6	-60.7
Other services	8.6	44.6	46.8	-38.2

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

Size of the establishment	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
TOTAL	10.0	41.2	48.8	-38.8
Less than 10 employees	8.6	38.1	53.3	-44.7
From 10 to 49 employees	10.8	42.7	46.5	-35.7
From 50 to 199 employees	11.0	41.6	47.4	-36.4
From 200 to 999 employees	11.1	43.9	45.0	-33.9
1000 or more employees	10.1	49.3	40.6	-30.5

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

	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
NATIONAL	10.0	41.2	48.8	-38.8
Andalucía	10.4	41.4	48.2	-37.8
Aragón	10.6	42.2	47.2	-36.6
Asturias, Principado de	11.6	47.2	41.2	-29.6
Balears, Illes	4.5	32.5	63.0	-58.5
Canarias	9.0	33.5	57.5	-48.5
Cantabria	13.8	46.9	39.3	-25.5
Castilla y León	14.6	37.7	47.7	-33.1
Castilla- La Mancha	8.6	40.0	51.4	-42.8
Cataluña	10.9	40.7	48.4	-37.5
Comunitat Valenciana	9.6	42.1	48.3	-38.7
Extremadura	14.0	40.8	45.2	-31.2
Galicia	10.4	45.2	44.4	-34.0
Madrid, Comunidad de	7.7	42.7	49.6	-41.9
Murcia, Región de	8.5	45.7	45.8	-37.3
Navarra, Comunidad Foral de	8.4	42.3	49.3	-40.9
País Vasco	9.3	35.7	55.0	-45.7
Rioja, La	8.5	40.1	51.4	-42.9

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)	6.6	69.2	24.2	-17.6
Price level	3.2	80.8	16.0	-12.8

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)	11.8	64.3	23.9	-12.1
Price level	3.9	79.0	17.1	-13.2