11 July 2019

Business Confidence Indicators (BCI)
Third quarter of 2019

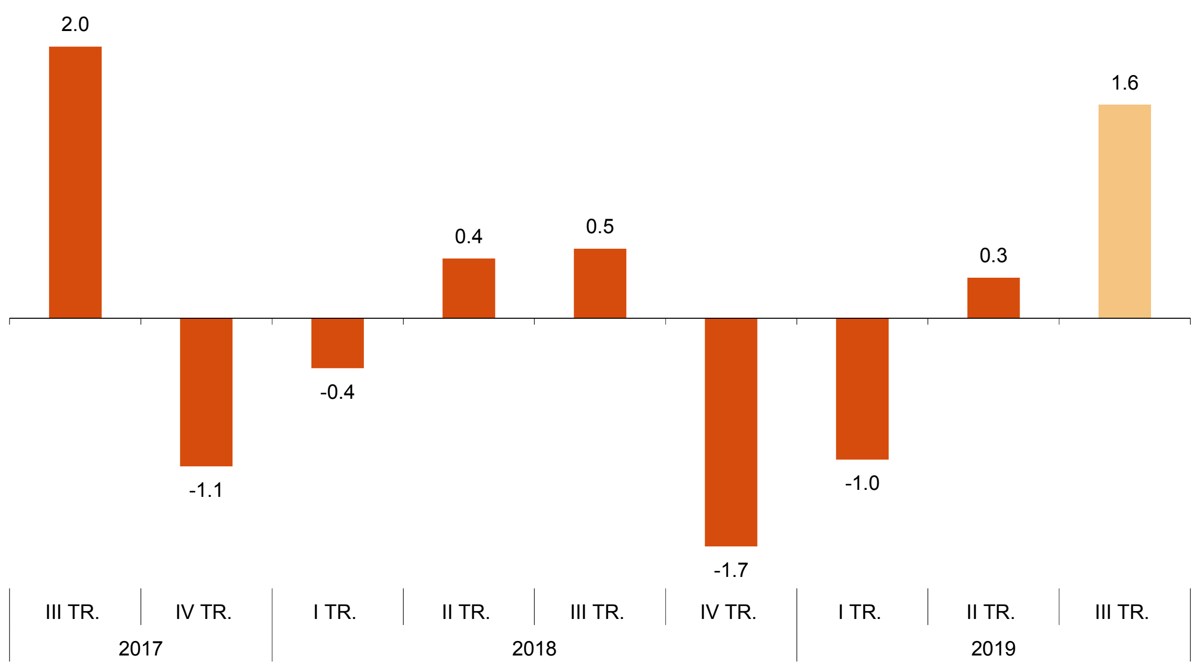
The Harmonized Business Confidence Index (HBCI) increases by 1.6% in the third quarter of 2019 as compared with the second quarter

21.4% of business establishments foresee a favourable quarter and 16.7% are pessimistic about the performance of their business

Evolution of the Harmonized Business Confidence Index

The Harmonized Business Confidence Index (HBCI) increases by 1.6% in the third quarter of 2019 as compared with the second quarter.

Harmonized Business Confidence Index
Third Quarter 2019. Quarterly rate



Opinions regarding the coming quarter (Expectations)

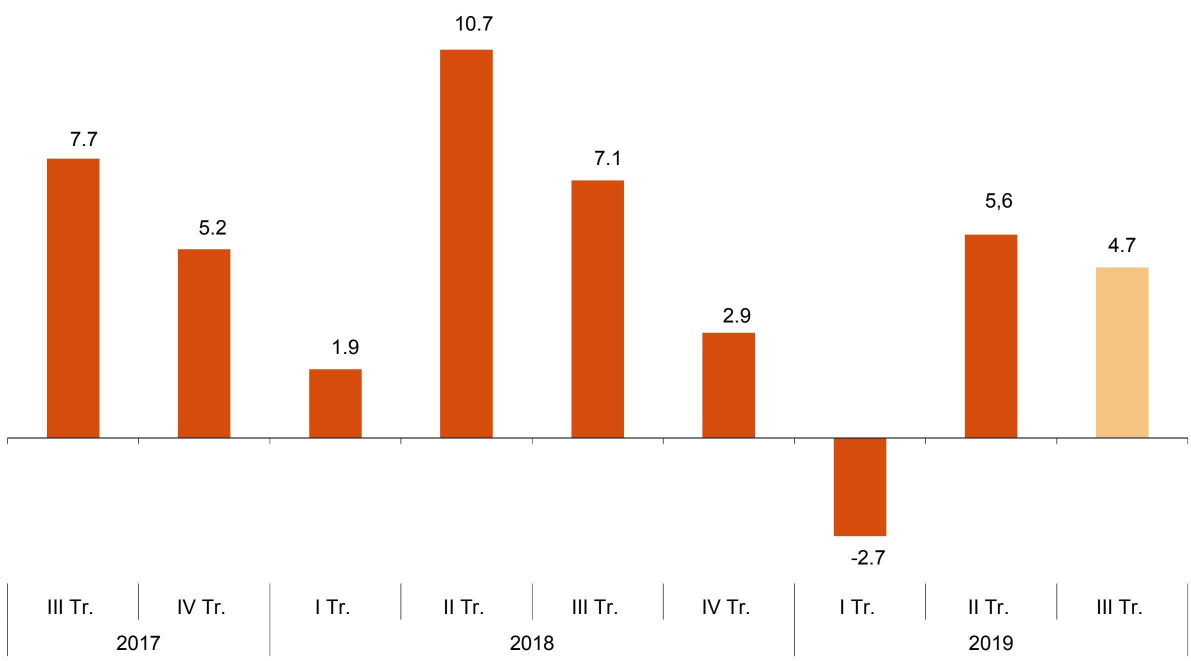
21.4% of business establishments managers considered that the performance of their business during the third quarter of 2019 would be favourable, while 16.7% thought it would be unfavourable. The remaining 61.9% thought that it would be normal.

The difference between the percentage of favourable and unfavourable responses, known as Expectations Balance, stood at 4.7 points for Spain as a whole, as compared with the 5.6 in the previous quarter.

Opinions regarding the coming quarter (Expectations)

Year / Trimester	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
2017 III	24,4	58,9	16,7	7,7
IV	21,1	63,0	15,9	5,2
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

Evolution of the Expectations Balance
Third Quarter 2019



Opinions regarding the ending quarter (Situation)

20.9% of business establishment managers expressed a favourable opinion regarding the performance of their business in the second quarter 2019. In turn, 16.4% 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 4.5 points. This figure worsens Expectations previously expressed for that quarter, which stood at 5.6 points.

Opinions regarding the ending quarter (Situation)

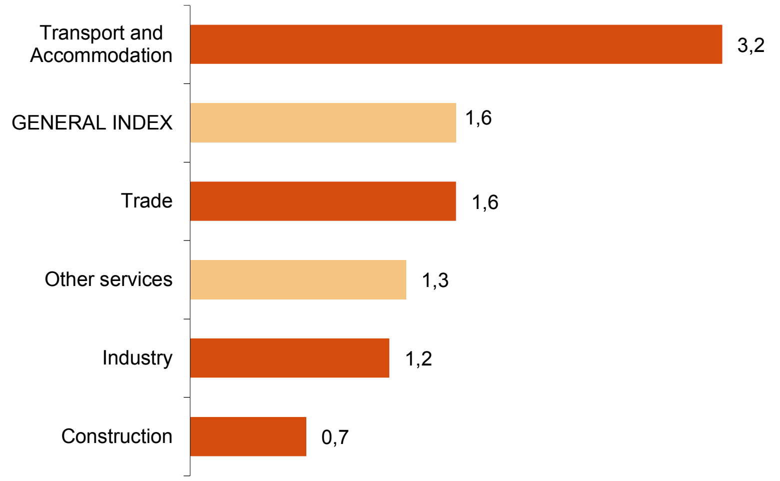
Year / Trimester	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
2017 III	23,5	60,5	16,0	7,5
IV	22,4	60,5	17,1	5,3
2018 I	23,9	59,3	16,8	7,1
II	19,5	61,4	19,1	0,4
III	21,7	62,5	15,8	5,9
IV	20,7	61,7	17,6	3,1
2019 I	21,6	61,2	17,2	4,4
II	17,3	62,9	19,8	-2,5
III	20,9	62,7	16,4	4,5

Evolution of the Situation Balance
Third Quarter 2019

Harmonized Business Confidence Index by activity sector

The five sectors analyzed increased confidence with respect to the previous quarter. *Transport and Accommodation* (3.2%) registered the greatest increases. On the other hand, *Construction* (0.7%) registered the lowest increases.

General Index and by activity sector
Third Quarter 2019. Quarterly rate



Harmonized Business Confidence Index by size of establishments

Four of the five sizes of establishments analyzed presented an increase in confidence, as compared with the previous quarter. From 10 to 49 employees (2.4%) showed the largest increases. On the other hand, More than 1,000 employees (−2.1%) showed the only decrease.

General index and by size of establishment
Third Quarter 2019. Quarterly rate

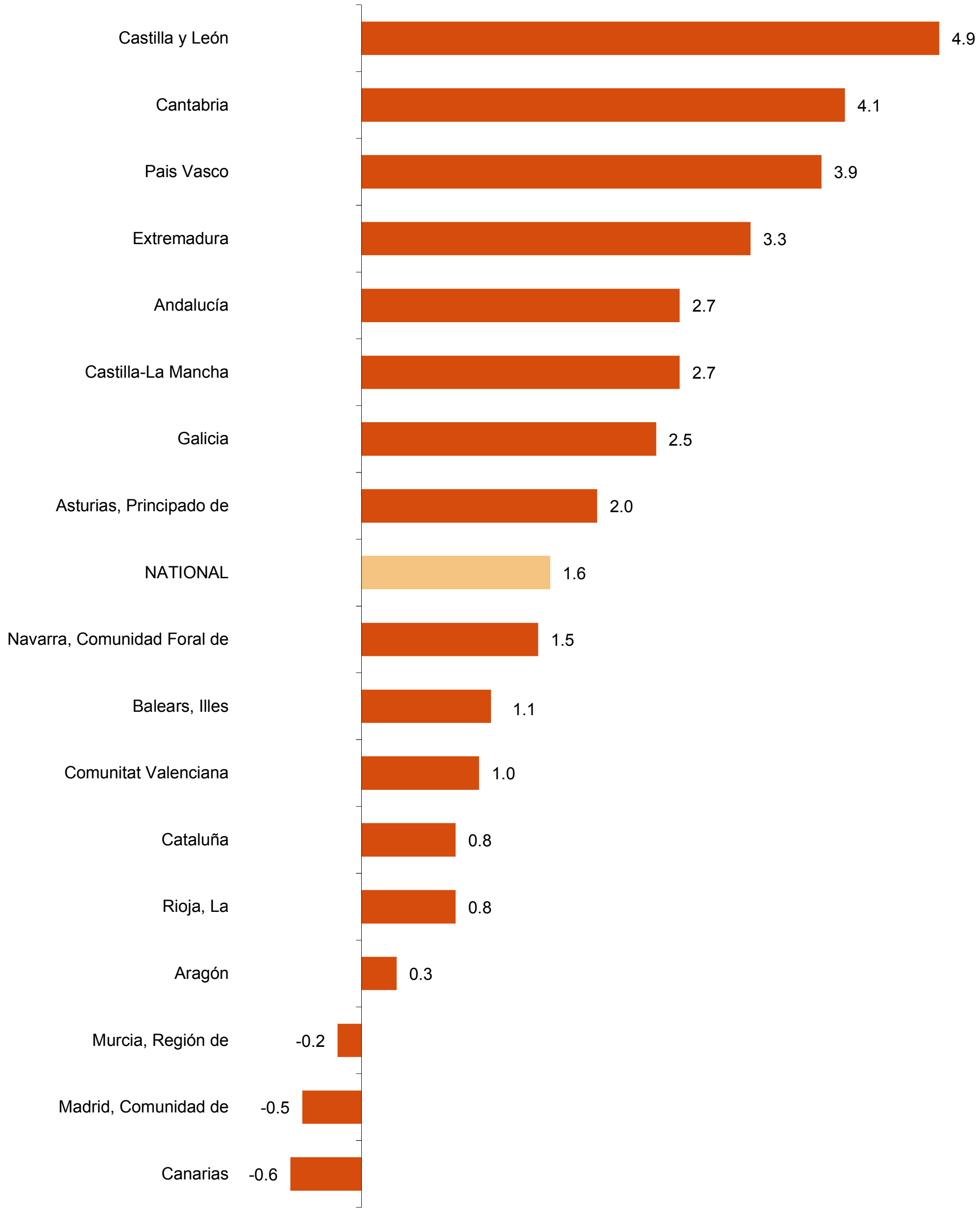
Harmonized Business Confidence Index. Results by Autonomous Communities

Business confidence increased in the third quarter of 2019 as compared with previous quarter in 14 autonomous communities and decreased in the other three.

The largest increases were recorded in Castilla y León (4.9%), Cantabria (4.1%) and País Vasco (3.9%). The largest decreases were recorded in Canarias (−0.6%), Comunidad de Madrid (−0.5) and Región de Murcia (−0.2%).

National index and by Autonomous Communities

Third Quarter 2019. 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 business 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 up so they can be incorporated into the general process of the survey. There are currently agreements signed to this effect with Andalucia, 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 NACE-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 8,000 establishments approximately.

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
Third quarter of 2019

1. Harmonized Business Confidence Index by sectors

Year / Trimester	TOTAL	Industry	Construction	Trade	Transport and accommodation	Other Services
2017 III	136,9	130,6	144,4	140,9	148,2	132,1
IV	135,4	128,8	143,9	139,2	145,2	130,8
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

2. Harmonized Business Confidence Index by size

2. Harmonized Business Confidence Index by size

Year / Trimester	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
2017 III	136.9	141.0	140.2	134.2	127.0	123.0
IV	135.4	138.0	139.8	133.5	125.9	122.2
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

3. Harmonized Business Confidence Index by Autonomous Communities

Year / Trimester	NATIONAL	Andalucía	Aragón	Asturias, Principado de	Balears, Illes	Canarias
2017 III	136.9	136.3	137.4	139.2	149.2	132.6
IV	135.4	134.1	134.7	136.3	140.8	136.7
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

Year / Trimester	Cantabria	Castilla y León	Castilla-La Mancha	Cataluña	Comunitat Valenciana	Extremadura
2017 III	149.5	142.7	146.9	143.8	128.3	137.0
IV	143.5	142.1	145.6	140.6	129.3	138.0
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

Year / Trimester	Galicia	Madrid, Comunidad de	Murcia, Región de	Navarra, Comunidad Foral	País Vasco	Rioja, La
2017 III	132.4	128.4	128.8	137.7	136.1	132.9
IV	131.2	127.7	129.7	135.6	132.7	131.9
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

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

Activity sectors	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
TOTAL	21.4	61.9	16.7	4.7
Industry	21.2	62.0	16.8	4.4
Construction	21.7	61.4	16.9	4.8
Trade	19.9	60.5	19.6	0.3
Transport and accommodation	25.9	55.9	18.2	7.7
Other services	20.7	65.0	14.3	6.4

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

Size of the establishment	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
TOTAL	21.4	61.9	16.7	4.7
Less than 10 wage earners	19.1	59.6	21.3	-2.2
From 10 to 49 wage earners	23.3	62.3	14.4	8.9
From 50 to 199 wage earners	24.7	60.7	14.6	10.1
From 200 to 999 wage earners	22.2	65.8	12.0	10.2
Over 1000 wage earners	18.8	70.6	10.6	8.2

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

	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
NATIONAL	21.4	61.9	16.7	4.7
Andalucía	20.3	59.8	19.9	0.4
Aragón	18.8	63.1	18.1	0.7
Asturias, Principado de	19.1	57.6	23.3	-4.2
Balears, Illes	20.4	65.1	14.5	5.9
Canarias	17.3	61.3	21.4	-4.1
Cantabria	24.8	60.1	15.1	9.7
Castilla y León	22.0	60.2	17.8	4.2
Castilla- La Mancha	19.7	64.4	15.9	3.8
Cataluña	23.8	64.1	12.1	11.7
Comunitat Valenciana	22.7	59.4	17.9	4.8
Extremadura	28.0	55.3	16.7	11.3
Galicia	21.5	63.6	14.9	6.6
Madrid, Comunidad de	19.6	64.9	15.5	4.1
Murcia, Región de	23.5	56.6	19.9	3.6
Navarra, Comunidad Foral de	19.6	65.7	14.7	4.9
País Vasco	25.3	58.8	15.9	9.4
Rioja, La	17.6	64.6	17.8	-0.2

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

Activity sectors	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
TOTAL	20.9	62.7	16.4	4.5
Industry	22.8	60.4	16.8	6.0
Construction	23.1	61.5	15.4	7.7
Trade	16.2	61.8	22.0	-5.8
Transport and accommodation	22.8	61.5	15.7	7.1
Other services	21.3	65.4	13.3	8.0

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

Size of the establishment	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
TOTAL	20.9	62.7	16.4	4.5
Less than 10 wage earners	15.9	62.6	21.5	-5.6
From 10 to 49 wage earners	23.5	63.0	13.5	10.0
From 50 to 199 wage earners	26.4	59.9	13.7	12.7
From 200 to 999 wage earners	23.6	64.4	12.0	11.6
Over 1000 wage earners	23.4	67.0	9.6	13.8

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

	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
NATIONAL	20.9	62.7	16.4	4.5
Andalucía	21.7	60.5	17.8	3.9
Aragón	17.2	64.0	18.8	-1.6
Asturias, Principado de	16.7	62.5	20.8	-4.1
Balears, Illes	21.8	61.3	16.9	4.9
Canarias	14.8	61.0	24.2	-9.4
Cantabria	17.4	64.0	18.6	-1.2
Castilla y León	19.3	61.2	19.5	-0.2
Castilla- La Mancha	17.1	67.0	15.9	1.2
Cataluña	24.0	63.6	12.4	11.6
Comunitat Valenciana	26.0	58.3	15.7	10.3
Extremadura	23.9	60.1	16.0	7.9
Galicia	16.4	67.4	16.2	0.2
Madrid, Comunidad de	23.0	63.4	13.6	9.4
Murcia, Región de	19.9	64.2	15.9	4.0
Navarra, Comunidad Foral de	23.2	62.7	14.1	9.1
País Vasco	25.9	60.7	13.4	12.5
Rioja, La	16.3	65.3	18.4	-2.1

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)	12.4	77.5	10.1	2.3
Price level	5.1	87.7	7.2	-2.1

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)	14.3	75.2	10.5	3.8
Price level	6.0	86.1	7.9	-1.9