Instituto Nacional de Estadística

Press Release

10 July 2020

Business Confidence Indicators (BCI)
Third quarter of 2020

The Harmonized Business Confidence Index (HBCI) varies 0.0% in the third quarter of 2020 as compared with the second quarter

7.7% of business establishments foresee a favourable quarter and 54.9% are pessimistic about the performance of their business

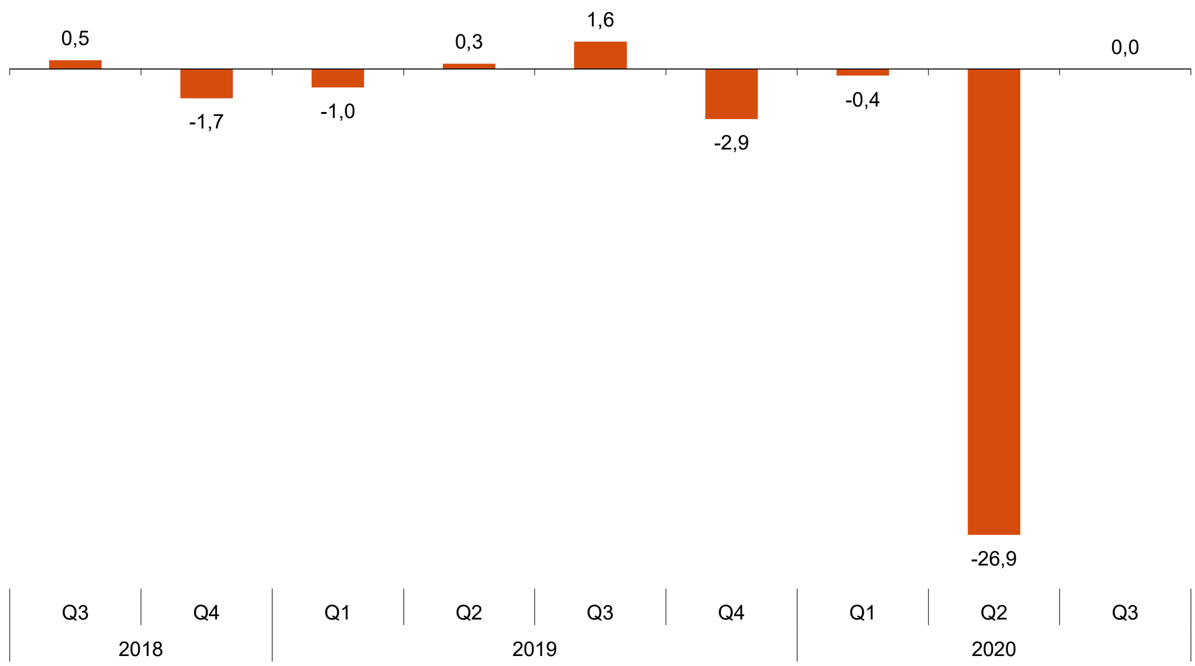
COVID-19´s effects on HBCI in third quarter

- Along with third quarter ICEA collection, the INE conducted a survey in order to obtain opinions from store managers regarding different aspects of their businesses during the state of alarm, along with the measures taken and the impact factors following the Covid-19 crisis. Results can be viewed at the following link https://www.ine.es/covid/ice
- Third quater ICEA collection was carried out from June 15 to July 6. This was the period in which the state of alarm came to an end, unlike the previous quarter, which took place at the beginning of the confinement (from March 15 to 3 April). While it remains negative (−47.2 points), this caused the balance of expectations for the third quarter (difference between optimistic responses from businesspeople minus pessimistic responses) to improve over the second quarter (−72.0).
- Transport and Hospitality continues to be the sector with the worst expectations (−68.3 points for the third quarter). By size, the smallest businesses (less than 10 employees) showed the worst prospects (−53.9).
- Trust suffered more in the autonomous communities where tourism is a fundamental part of the economy. The list is topped by Illes Balears (with an expectation balance of −74.7 points) and Canarias (with −69.5).
- For the quarter that just ended, which was marked by the stay at home order, the balance (−62.8 points) was the lowest in the entire series since it began in the first quarter of 2013. However, the expectations previously expressed for said quarter (−72.0) improved.

Evolution of the Harmonized Business Confidence Index

The Harmonized Business Confidence Index (HBCI) varies 0.0% in the third quarter of 2020 as compared with the second quarter.

Harmonized Business Confidence Index
Third Quarter 2020. Quarterly rate



Opinions regarding the coming quarter (Expectations)

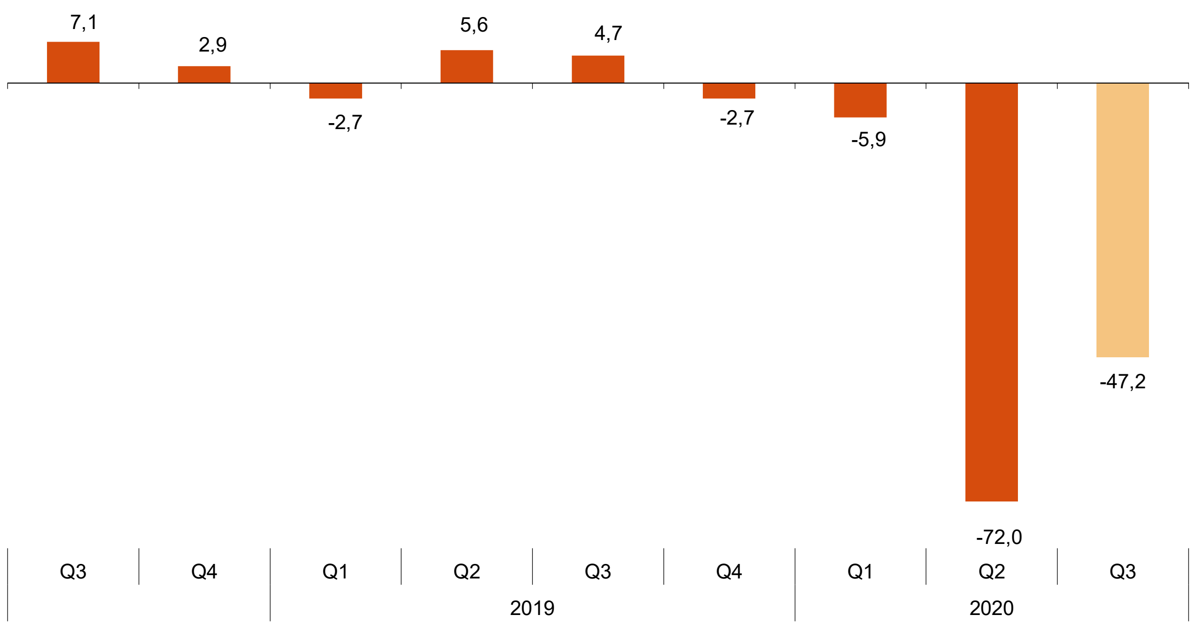
7.7% of business establishment managers considered that the performance of their businesses during the third quarter of 2020 would be favourable, while 54.9% thought it would be unfavourable. The remaining 37.4% thought that it would be normal.

The difference between the percentage of favourable and unfavourable responses, known as Expectations Balance, stood at −47.2 points for Spain as a whole, as compared with the −72.0 in the previous quarter.

Opinions regarding the coming quarter (Expectations)

Year / Quarter	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
2018 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
II	3,1	21,8	75,1	-72,0
III	7,7	37,4	54,9	-47,2

Evolution of the Expectations Balance
Third Quarter 2020



Opinions regarding the ending quarter (Situation)

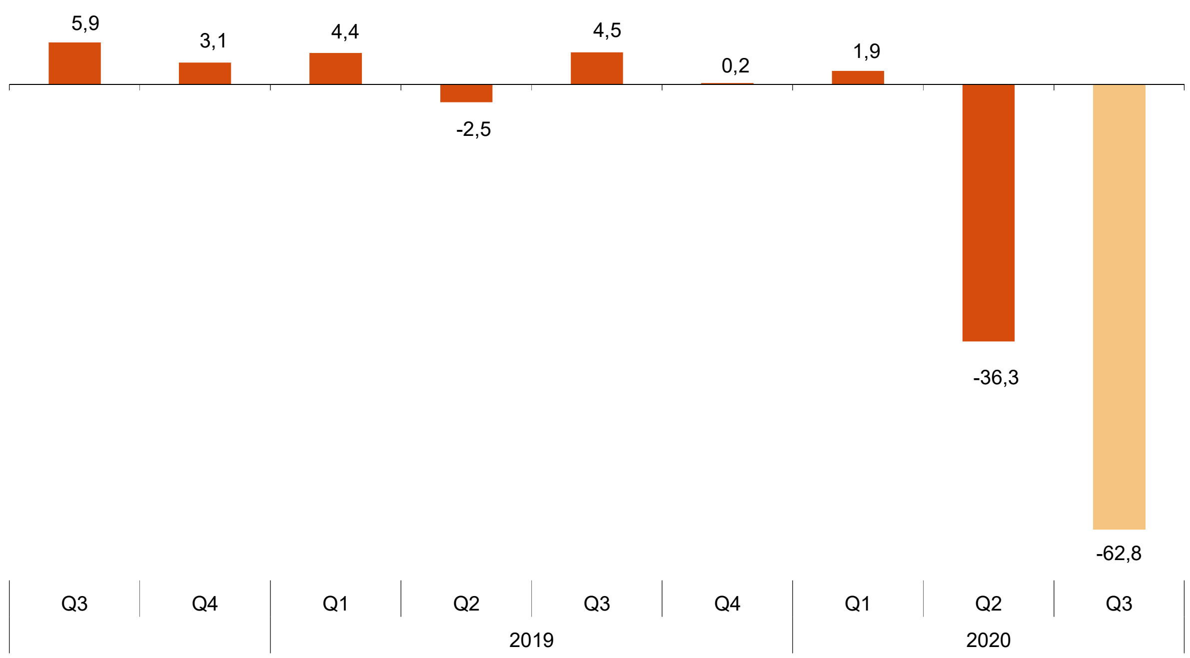
6.0% of business establishment managers expressed a favourable opinion regarding the performance of their business in the second quarter 2020. In turn, 68.8% had an unfavourable opinion.

The difference between the percentage of favourable and unfavourable responses referring to the ending quarter, known as *Situation Balance*, stood at −62.8 points. This figure improves Expectations previously expressed for that quarter, which stood at −72.0 points.

Opinions regarding the ending quarter (Situation)

Year / Quarter	Favourable (%) (optimistic)	Normal (%)	Unfavoruable (%) (pessimistic)	Balance (optimistic - pessimistic)
2018 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
II	10,2	43,3	46,5	-36,3
III	6,0	25,2	68,8	-62,8

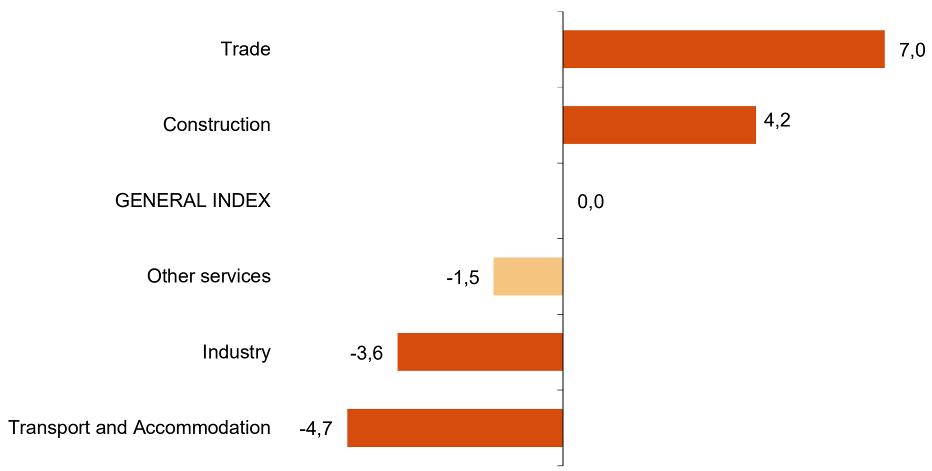
Evolution of the Situation Balance
Third Quarter 2020



Harmonized Business Confidence Index by activity sector

Three of the five sectors analyzed reduced confidence with respect to the previous quarter. *Transport and Accommodation* (−4.7%) registered the greatest decrease. On the other hand, *Trade* (7.0%) registered the greatest increase.

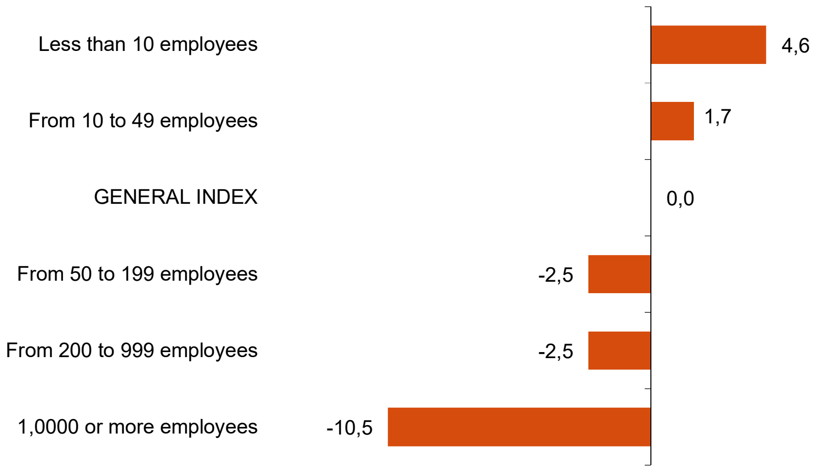
General Index and by activity sector
Third Quarter 2020. Quarterly rate



Harmonized Business Confidence Index by size of establishments

Three of the five sizes of establishments analyzed presented a decrease in confidence, as compared with the previous quarter. *1,0000 or more employees* (−10.5%) registered the greatest decrease. On the other hand, *Less than 10 employees* (4.6%) registered the greatest increase.

General index and by size of establishment
Third Quarter 2020. Quarterly rate

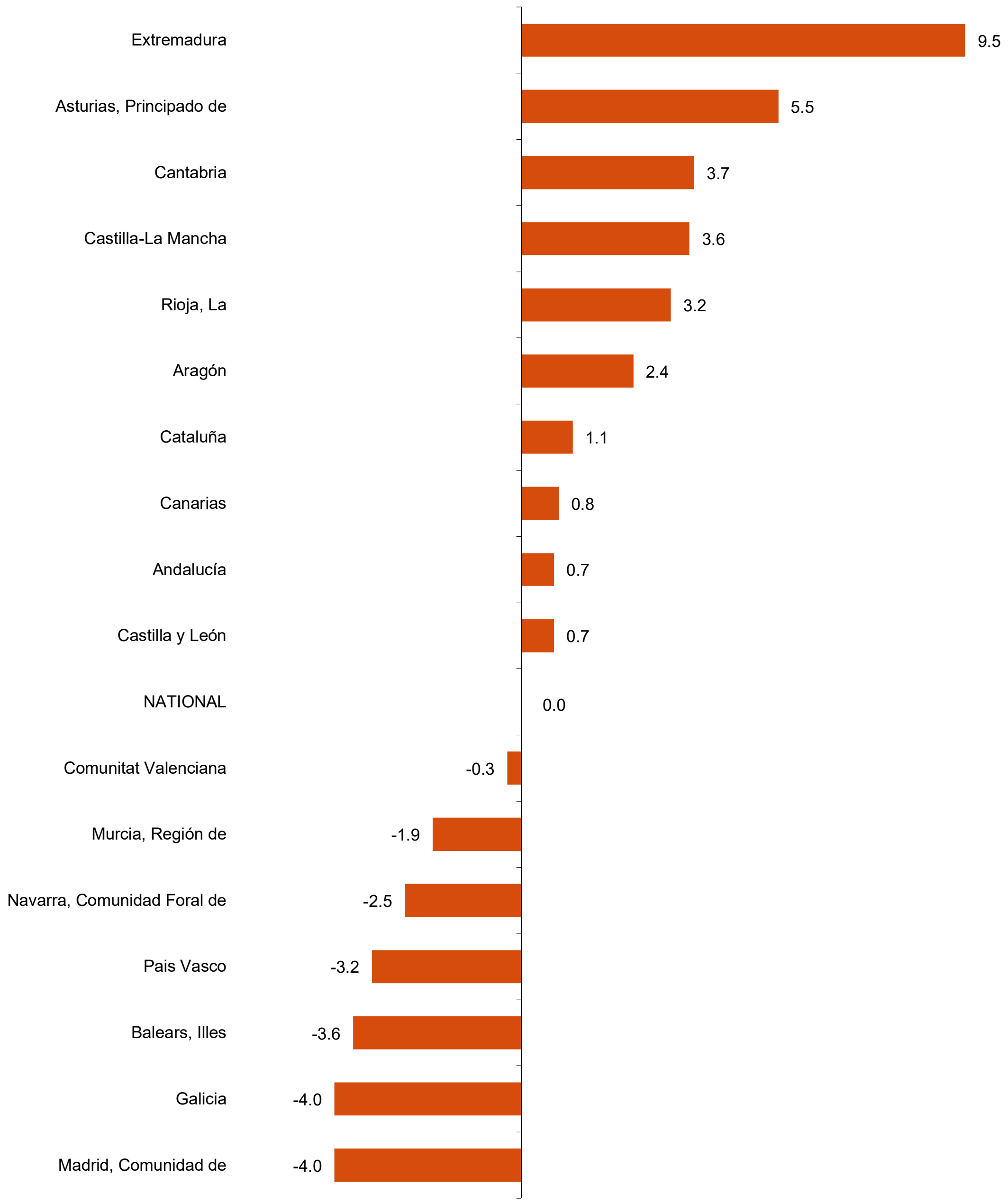


Harmonized Business Confidence Index. Results by Autonomous Communities

Business confidence increased in the third quarter of 2020 as compared with previous quarter in ten autonomous communities and decreased in the other seven.

The largest increases were recorded in Extremadura (9.5%), Principado de Asturias (5.5%) and Cantabria (3.7%). The largest decreases were recorded in Comunidad de Madrid and Galicia (−4.0%) and Illes Balears (−3.6%).

National index and by Autonomous Communities
Third 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 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 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 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, except for Ceuta and Melilla.

Sample size: The sample is representative both nationally and by Autonomous Community and is made up of some 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
Third quarter of 2020

1. Harmonized Business Confidence Index by sectors

Year / Quarter		TOTAL	Industry	Construction	Trade	Transport and accommodation	Other Services
2018	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
	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

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	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
	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

3. Harmonized Business Confidence Index by Autonomous Communities

Year / Quarter		NATIONAL	Andalucía	Aragón	Asturias, Principado de	Balears, Illes	Canarias
2018	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
	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

Year / Quarter		Cantabria	Castilla y León	Castilla-La Mancha	Cataluña	Comunitat Valenciana	Extremadura
2018	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
	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

Year / Quarter		Galicia	Madrid, Comunidad de	Murcia, Región de	Navarra, Comunidad Foral	País Vasco	Rioja, La
2018	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
	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

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

Activity sectors	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
TOTAL	7.7	37.4	54.9	-47.2
Industry	8.3	39.7	52.0	-43.7
Construction	8.2	41.8	50.0	-41.8
Trade	10.4	37.9	51.7	-41.3
Transport and accommodation	5.7	24.8	69.5	-63.8
Other services	6.3	38.9	54.8	-48.5

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

Size of the establishment	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
TOTAL	7,7	37,4	54,9	-47,2
Less than 10 employees	6,3	33,5	60,2	-53,9
From 10 to 49 employees	8,7	37,8	53,5	-44,8
From 50 to 199 employees	9,6	38,4	52,0	-42,4
From 200 to 999 employees	8,5	41,8	49,7	-41,2
1000 or more employees	6,0	48,1	45,9	-39,9

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

	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
NATIONAL	7.7	37.4	54.9	-47.2
Andalucía	7.1	37.3	55.6	-48.5
Aragón	8.4	35.0	56.6	-48.2
Asturias, Principado de	11.5	35.0	53.5	-42.0
Balears, Illes	3.5	23.8	72.7	-69.2
Canarias	6.5	29.0	64.5	-58.0
Cantabria	9.9	38.2	51.9	-42.0
Castilla y León	10.3	33.6	56.1	-45.8
Castilla- La Mancha	9.1	39.3	51.6	-42.5
Cataluña	7.0	39.9	53.1	-46.1
Comunitat Valenciana	8.6	37.5	53.9	-45.3
Extremadura	13.1	40.1	46.8	-33.7
Galicia	6.8	39.4	53.8	-47.0
Madrid, Comunidad de	6.0	39.7	54.3	-48.3
Murcia, Región de	7.6	40.3	52.1	-44.5
Navarra, Comunidad Foral de	6.8	40.5	52.7	-45.9
País Vasco	5.8	39.3	54.9	-49.1
Rioja, La	6.3	38.1	55.6	-49.3

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

Activity sectors	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
TOTAL	6.0	25.2	68.8	-62.8
Industry	6.3	26.3	67.4	-61.1
Construction	3.8	28.8	67.4	-63.6
Trade	10.1	24.7	65.2	-55.1
Transport and accommodation	2.1	12.7	85.2	-83.1
Other services	5.6	28.3	66.1	-60.5

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

Size of the establishment	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
TOTAL	6,0	25,2	68,8	-62,8
Less than 10 employees	4,3	23,9	71,8	-67,5
From 10 to 49 employees	6,7	25,3	68,0	-61,3
From 50 to 199 employees	7,6	28,1	64,3	-56,7
From 200 to 999 employees	7,5	25,1	67,4	-59,9
1000 or more employees	7,7	24,9	67,4	-59,7

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

	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
NATIONAL	6.0	25.2	68.8	-62.8
Andalucía	6.4	25.4	68.2	-61.8
Aragón	4.4	26.9	68.7	-64.3
Asturias, Principado de	6.6	26.7	66.7	-60.1
Balears, Illes	2.7	19.9	77.4	-74.7
Canarias	4.8	20.9	74.3	-69.5
Cantabria	5.2	26.4	68.4	-63.2
Castilla y León	6.5	23.4	70.1	-63.6
Castilla- La Mancha	5.1	28.7	66.2	-61.1
Cataluña	6.7	23.7	69.6	-62.9
Comunitat Valenciana	6.2	24.6	69.2	-63.0
Extremadura	9.3	23.1	67.6	-58.3
Galicia	4.8	25.2	70.0	-65.2
Madrid, Comunidad de	4.6	27.3	68.1	-63.5
Murcia, Región de	6.8	30.5	62.7	-55.9
Navarra, Comunidad Foral de	6.3	29.6	64.1	-57.8
País Vasco	11.2	19.8	69.0	-57.8
Rioja, La	5.7	24.4	69.9	-64.2

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)	2.6	47.6	49.8	-47.2
Price level	3.9	67.3	28.8	-24.9

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)	4.4	54.9	40.7	-36.3
Price level	3.5	74.1	22.4	-18.9