Beat: Business

Spanish Exports grow by 4.9% and deficit falls by 10.1% to April

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USPA NEWS - Spanish goods exports maintain an upward trend in the first four months of 2015 with growth of 4.9%, 3.6 points higher than in the same period of last year (1.4%). Hence, exports amounted to 81.89 billion euros, the highest figure for the period January-April since records began (1971).

The real change was slightly less, 4.4%, since export prices measured using Unit Value Indices (UVIs) grew by 0.5%. The rate of growth for Spanish exports was higher than that of the European Union (4.4%), the Eurozone (3.8%) and Spain's main trading partners, such as Italy (4.6%), France (3.8%) and the United Kingdom (-4.1%), only behind Germany (5.9%). Outside of the EU, Japan posted year-on-year growth of 8.8%, contrasting with a downturn of 4.6% in the United States.

Imports increased by 3.4% to 89.67 billion euros, 1.4 points lower than the increase posted in the same period of last year (4.9%). In real terms the increase was greater, since purchases of goods from overseas actually grew by 4.9% due to a 1.4% drop in prices measured using UVIs. The strength of exports, which grew faster than imports in this period, led to trade deficit improvement. The trade deficit stood at 7.78 billion euros, 10.1% lower than the figure posted in the same period of 2014 (€8.65 billion). The non-energy balance posted a surplus of 1.49 billion euros, while the energy deficit fell by 34.8% due to lower energy prices. In turn, the coverage rate stood at 91.3%, in other words, 1.3 points higher than in January-April 2014.

Exports to the EU accounted for 65% of the total, a higher percentage than the 63.7% recorded in January-April 2014. This increase in the share is due in equal parts to the Eurozone (50.8% in the first four months of 2015, versus 50.3% in the same period 2014) and the rest of the EU (14.2% in January-April 2015 versus 13.5% in the same period last year). The European recovery explains why sales to the EU and the Eurozone were up by 6.9% and 6%, respectively (5% and 4.8% in the same period 2014).

By country, sales to Spain's main customers grew: Germany (up 8.1%), France (4.6%), Italy (13.1%) and the United Kingdom (12.5%), while those to Portugal grew by only 0.1%. Demand from non-EU countries also grew, albeit at more moderate rates, of 1.4% in the first four months of 2015. This contrasts with a downturn of 4.4% in January-April 2014 and accounted for 35% of the total (36.3% in 2014). Especially noteworthy was the growth of exports to Oceania (40.9%) and Asia excluding the Middle East (7.3%). Exports to North America (12.4%), Latin America (6.6%), and the Middle East (11.7%) also improved.

By country, noteworthy export growth in this period was posted to the United States (10%), Canada (33.2%), Saudi Arabia (26.4%), South Korea (17.8%), China (6.1%) and Australia (44.7%). The countries making the greatest positive contributions to the year-on-year export trend in Spain in January-April 2015 (4.9%) were Italy (accounting for 0.9 percentage points of this export growth, mainly due to increased sales of motor vehicles and motorcycles, iron and steel, fruit, vegetables and legumes and clothing); Germany (0.9 points, due to increased exports of motor vehicles and motorcycles, fruit, vegetables and legumes, aircraft and medicines).

United Kingdom (0.9 points, due to increased exports of motor vehicles and motorcycles, other goods, fruit, vegetables and legumes and oil and oil derivatives); and France (0.7 points, due to increased exports of motor vehicles and motorcycles, fruit, vegetables and legumes, aircraft and engines). From a sectoral point of view, this period saw a very positive performance by the automotive sector, whose exports grew by 19.4%, accounting for 16.9% of all exports.

The manufactured consumer goods sector also performed well, with exports growing by 9.5% (accounting for 9.6% of the total), the food, beverage and tobacco sector, with a growth of 9% (accounting for 16.6% of the total), and the chemical products sector, whose exports were up by 6.4% (accounting for 14.6% of the total). The largest positive contributions from exports came from the automotive sector (accounting for 2.9 percentage points of total export growth), food, beverage and tobacco (1.4 points), chemical products (0.9 points) and manufactured consumer goods (0.9 points).

By subsectors, the main positive contributors were motor vehicles and motorcycles (2.6 points, mainly due to higher sales to the United Kingdom, Germany, France and Italy); fruit, vegetables and legumes (0.9 points, to Germany, France, the United Kingdom and Italy); clothing (0.5 points, to Italy, Poland, Germany and Saudi Arabia); and aircraft (0.5 points, to Australia, France, Libya and

Malaysia).

With regard to imports, improved industrial activity and the strengthening of consumption continue to drive purchases from abroad. Hence, imports of capital goods grew by 15.3%, especially in the subsectors of industrial machinery (17.5%), transport equipment (20.1%), and other capital goods (15.1%). Other sectors posting significant increases in imports were the automotive sector (20.6% year-on-year), the durable consumer goods sector (also 20.6%), and the manufactured consumer goods (16.4%).

Contribution to import growth

In terms of contribution to import growth, the following sectors performed particularly well this quarter: the capital goods sector (accounting for 2.7 points), the automotive sector (2.4 points), manufactured consumer goods (1.7 points) and the chemical products sector (1.6 points). The autonomous regions making the largest contributions to the year-on-year export trend in January-April were Catalonia (25.6% of the total, 5.8% of export growth, accounting for 1.5 points); the Region of Valencia (11.4% of the total, growth of 13.4% and accounting for 1.4 points); Aragon (4.5% of the total, growth of 26.5%, accounting for 1 point); and the Region of Madrid (11.6% of the total, growth of 6% and accounting for 0.7 points).

In April, Spanish goods exports grew by 6.5% year-on-year to a figure of 20.92 billion euros. This is an all-time high for April since records began (1971). In real terms, export growth was actually higher (6.6%) since export prices measured using Unit Value Indices (UVIs) fell by 0.1%. Imports in April 2015 totalled 23.17 billion euros, 6.3% higher than in April 2014. The increase is considerably greater in real terms (8%) since prices measured using UVIs fell by 1.5%.

The trade balance posted in April 2015 showed a deficit of 2.25 billion euros, 4.6% higher than in the same month of 2014 (2.15 billion euros). The coverage rate stood at 90.3%, 0.2 points higher than in April 2014 (90.1%). The non-energy balance posted a surplus of 128.8 million euros, while the energy deficit fell by 29.9% due to lower energy prices. Exports in April to the European Union and the Eurozone grew at year-on-year rates of 10.5% and 7.9%, respectively, and accounted for 64.1% and 49.5% of the total (versus 61.8% and 48.9% recorded in the same month of 2014).

Exports to Spain's main EU customers grew strongly this month. Exports to France (15.1% of the total) grew by 8.6%; to Germany (10.5% of the total) by 6.3%; and exports to Ireland, Italy and the Netherlands grew by 24.7%, 19.7% and 2.6%, respectively. As regards exports to Portugal, the destination for 7.1% of all Spanish exports, the figure fell by 3.2% this month. Exports to non-EU countries remained stable in April (flat year-on-year). However, there was significant growth in exports to a number of countries: the United States (20.3%), Chile (14.6%), Brazil (11.8%), China (23.1%), Indonesia (43.1%) and Egypt (39.5%).

The largest contributions to export growth came from the automotive sector, accounting for 2.7 percentage points of the total increase in exports. Exports from this sector accounted for 15.9% of the total, having grown by 19.2%. In second place was the chemical products sector, accounting for 2.1 points (its exports accounted for 15.5% of the total and rose by 14.4%). In third place, the food, beverage and tobacco sector contributed 1.8 points (its exports, 16.6% of the total, grew by 11.2%); and, in fourth place, the manufactured consumer goods sector, contributing 0.6 points (its exports, 9.1% of the total, grew by 6.7%).

By subsectors, the main positive contributors were motor vehicles and motorcycles (2.1 points, mainly due to higher sales to the United Kingdom, France, Italy and Germany); medicines (1.1 points, to Hungary, the United States, Mexico and the United Kingdom); fruit, vegetables and legumes (1 point, to Germany, France and, at a distance, Italy and the United Kingdom); and oil and oil derivatives (0.8 points, to the United Kingdom, Italy, Greece and Brazil).

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