

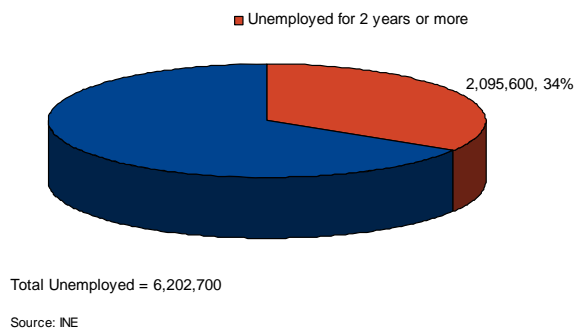
Spain

Spanish unemployment breaks 6 million mark

- Unemployment rate up to 27.2%
- Youth unemployment at 57.2%
- Spaniards leave labour market at record rate

A further illustration of the crisis engulfing the Spanish economy was provided today by the latest quarterly labour market statistics release by the Instituto Nacional de Estadística (INE). Unemployment broke through the 6 million barrier, just over a year after breaching the 5 million mark. More than one-third of these have been unemployed for two years or more, making it ever more difficult for them to get back into work should any job opportunities arise.

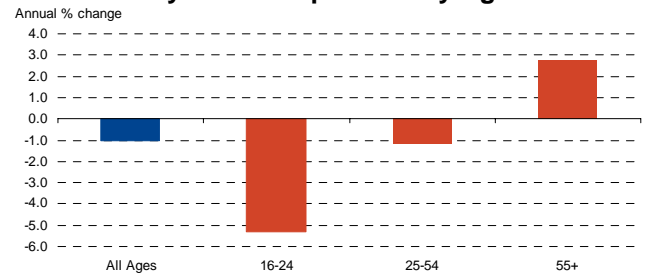
Unemployment by Duration



Picture particularly bleak for the young

The under-25s in Spain continue to suffer, with the youth unemployment rate climbing yet again to 57.2%. With the prospects of employment so bleak, more and more young Spaniards are dropping out of the labour market altogether. The economically active population among the under-25s fell 5.3% in the year to Q1 2013, helping to push the total economically active population down at the fastest annual pace since records began in 1976.

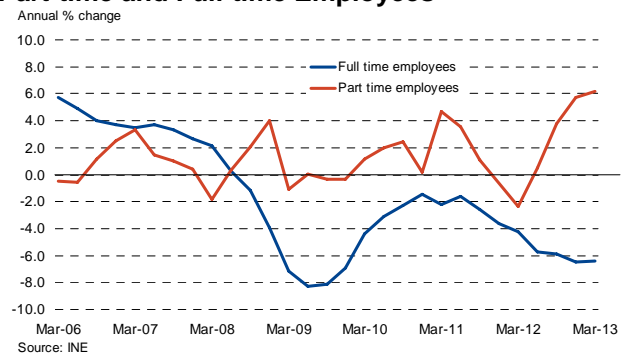
Economically Active Population by Age



Fall in employment centred around full-time jobs

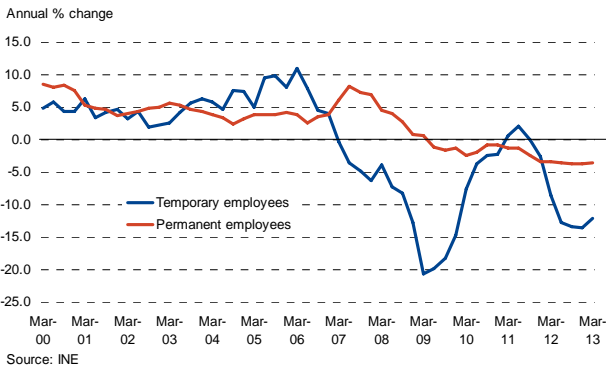
An overall fall in employment was driven by a 6.4% reduction in full-time jobs, while the number of part-time employees actually increased. The number of employees in full-time work has now dropped to the lowest since the first quarter of 2000.

Part-time and Full-time Employees



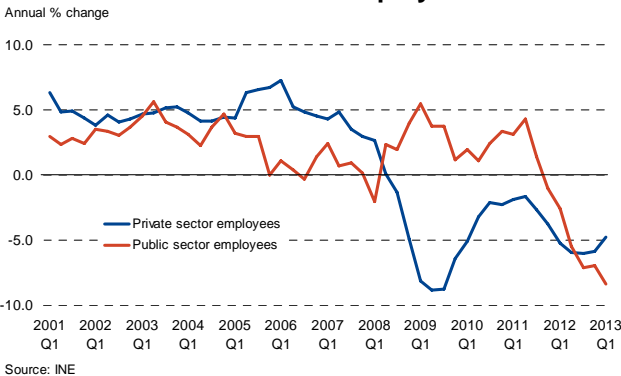
The scourge of temporary contracts in Spain continues to contribute to the sharp rise in unemployment. At the start of the crisis in 2008, rapid job shedding was evident among those workers on temporary contracts, who are less costly for companies to offload. This trend has re-emerged over the past year, with a 12.1% year-on-year fall in Q1. Employment among those on permanent contracts also decreased, but to a much lesser extent.

Employees on Permanent and Temporary Contracts



Job shedding was evident across both the private and public sectors. Falling consumer demand means that private companies are unable to justify holding on to staff, while austerity in the public sector has led to sharp job cuts there. The reduction in employment over the past year has been particularly steep in the public sector.

Public and Private Sector Employees



Andrew Harker Senior Economist

Markit

Tel: +44 1491 461 016

Email: andrew.harker@markit.com

<http://twitter.com/MarkitEconomics>

For further information, please visit www.markit.com

The intellectual property rights to the report provided herein is owned by Markit Economics Limited. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without Markit's prior consent. Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. *Purchasing Managers' Index™* and *PMI™* are trade marks of Markit Economics Limited. Markit and the Markit logo are registered trade marks of Markit Group Limited.

These numbers are a sobering reminder of the effects that the economic crisis is having on Spanish society, with the prospects of employment for the youth of Spain and the ranks of the long-term unemployed looking increasingly bleak. Moreover, these figures are likely to get worse before they get better while the economic malaise and austerity measures in Spain and across Europe continue. PMI data for Spain, currently available until March, showed ongoing declines in manufacturing and services activity in Q1 and the Bank of Spain has estimated that GDP fell 0.5% over the quarter.

Spain PMI v GDP*

