

Economic Situation in the Community of Madrid

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Q4
2024

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Disclaimer:

The Community of Madrid does not make its own predictions about the growth of the regional economy. Those included in this report have been published by various independent sources and are cited as such.

Note on the analysis of the evolution of economic indicators in this report.

An assessment of how economic indicators have recovered following the COVID crisis is based on a comparison with the usual levels in the reference months prior to the outbreak of the pandemic. This report, therefore, sheds light on monthly indicator values from March 2019 to February 2020 and the variations in 2024 levels relative to 2024 and 2025 levels, alongside the usual year-on-year rate of change.

Close date: 26/3/2025

I. Overview of the economic situation

In the fourth quarter of 2024, the economy of the Community of Madrid once again showed particularly dynamic behaviour, which once again exceeded analysts' expectations, helping to make 2024 a year of renewed growth with an upward trend in the second half of the year, a far cry from the initially forecast slowdown.

Without doubt, the evolution of the national economic situation, and especially the regional one, has been the most positive development in recent months, during which uncertainty has only increased in an international context heavily influenced by Trump's initial actions at the start of his new presidential term.

Two highly disruptive factors have taken centre stage: the escalation of the trade war, which increasingly relies on tariffs as the main pressure tool for purposes not solely economic; and the necessary increase in military spending by the EU, and consequently its member states, in response to the weakening of intercontinental supranational organisations in a context of growing confrontation between geopolitical blocs.

Both trends have serious consequences in terms of the efficient allocation of inherently scarce resources, with results that remain largely unseen but will undoubtedly have significant impacts.

Respect for and adherence to agreements signed in multilateral treaties had established a stable framework for the expansion of intercontinental value chains, bringing well-known competitive gains, as highlighted by Professor Porter's teachings.

A surge in protectionism could undermine the economic viability of transnational production structures, while also severely impacting foreign investment flows. This, in turn, would jeopardise economic convergence dynamics between countries, an issue that extends beyond economics, as such convergence serves as one of the key pillars supporting international socio-political stability.

The prioritisation of increased defence spending in EU countries has the immediate consequence of reducing financial allocations to other investment initiatives aimed at achieving strategic objectives for transforming Europe's productive fabric, objectives that will now be relegated to the background. However, this new alignment, due to the characteristics of the defence sector, does not necessarily have to be detrimental to economic and industrial development.

In this regard, it is Professor Samuelson's teachings that caution us about the opportunity cost of an arms race, a lesson the world seemed to have learned, yet one that has now been overshadowed by fear, recklessness, and a lack of appreciation for multilateral structures that took decades to build and strengthen as guarantors of the ever-precarious global stability. These lessons, however, must be nuanced in light of technological progress; what we mean by this is that rearmament in the second quarter of the 21st century is not comparable to that of three-quarters of a century ago.

Against this backdrop, the most recent decisions by the ECB and the Federal Reserve, though different, are coherent within their respective territorial contexts. The new cut in reference interest rates in the Eurozone, despite inflation still being far from the (former?) target levels, is driven by the need to stimulate economic activity in Germany and France, whose growth in 2024 has been, at best, anaemic. Meanwhile, across the Atlantic, the decision to maintain interest rates is seen as a precautionary measure against a potential resurgence of inflation, which may now have an additional driver: the rising cost of imported goods due to increased tariff rates.

Therefore, it is clear that 2025 has begun with high levels of uncertainty and risks to growth in the short and medium term, following a 2024 that was once again surprisingly positive, though this outcome should not obscure the fragility of economic balances and the exceptional nature of the foundations upon which it has been built.

Our focus will now turn to summarising the region's economic performance in Q4 2024, as a starting point for what is to come in 2025.

Regional growth figures for the fourth quarter, recently published, show that Madrid's GDP grew by 1% quarter-on-quarter and 3.5% year-on-year, compared to 0.8% and 3.4%, respectively, at the national level. These results place the region's GDP 10.1% above pre-pandemic levels, 2.6 percentage points higher than Spain as a whole.

Over the full year, Madrid's growth outpaced the national average by one-tenth of a percentage point, reaching 3.3%. According to AIREF estimates, Madrid's economy was among the most dynamic in the country and, alongside Catalonia, a key pillar of national growth.

The cornerstone of the region's economic activity and consumption is, without a doubt, its labour market. This triumvirate underpins the socioeconomic success of Madrid. The LFS for the fourth quarter recorded a new all-time high in both in labour force participation and jobholders once again standing out for its dynamism, something rare when these indicators reach peak levels. Furthermore, unemployment fell significantly, which is unusual for a fourth quarter, with 36,900 fewer jobseekers—a drop only surpassed in the fourth quarter of 2019.

The number of employed people has surpassed 3.5 million for the first time in history, while the number of unemployed has fallen below 330,000. The regional unemployment rate has dropped by 1.1 percentage points to 8.6% of the labour force, marking the second-best figure since 2009. The regional labour force participation rate has risen by four-tenths of a point to 63.5% of the population over 16 years old, five points above the national average. The year-on-year growth of the working-age population continues to be very noticeable and differential, reaching 2.9% in the region compared to 0.8% nationally, which, given the current demographic profile, highlights the position of the Community of Madrid as a centre of attraction for talent and the generation of activity.

Regarding price trends, the latest data show an increase in inflation to 3.1% at the start of 2025, continuing an upward trend that began in October, after inflation in September reached its lowest point of the year at 1.5%. The year 2024 has been characterised by high inflation variability, with a 1.9-point fluctuation, well above the fluctuations observed in the years prior to the health crisis. In contrast to general inflation, the evolution of core inflation throughout the year has been less volatile, as expected given the more stable nature of its components. However, it shows clear resistance to falling below 2.4%, which remains a concerning signal following the sharp increases of previous years.

In this regard, it is important to highlight that it is the price levels which are determining the behaviour of economic agents, guided by perceived inflation. The recent fluctuations in its evolution, partly driven by the different seasonal behaviour of energy components, are further complicating consumers' understanding of this indicator, which, after the adoption of the single currency and until the price shock of 2021, had shown stable and predictable patterns. Indeed, the perception that consumers have of the inflation they are experiencing differs from what this indicator reflects. A good example of this disassociation is the downward impact of food prices in the last two months of 2024, not due to price reductions, but because of more moderate increases compared to those recorded a year earlier. However, household behaviour does not depend on their expense items growing at a slower pace, but rather on them continuing to rise, given the current resistance of prices to falling.

If we compare the annual average prices in 2024 and 2020, we observe an increase in the cost of the shopping basket, measured in terms of the CPI, of 16.9% in the region (18.9% in Spain). In the case of the food subgroup this increase rises to 32%. However, food is not the component that has seen the highest price increase during this period. Instead, two tertiary categories —accommodation services and package holidays— have experienced the largest price hikes, with accumulated increases of 41.8% and 35.6%, respectively. Since Spain's entry into the Eurozone, there has never been such a large and sustained episode of price increases. It is worth noting that the composition of inflation by components has changed significantly throughout this inflationary period. Initially driven by rising food and energy prices, inflation later spread to non-energy industrial goods and services. By 2024, this effect has subsided for goods, but its persistence in the services sector continues to prevent core inflation from returning to the 2% target.

It is precisely the base effect caused by price fluctuations in nominal variables that explains the evolution of foreign trade flows once the post-Covid supply chain issues were resolved. It should be borne in mind that there are no deflated series for international trade by region.

Thus, the rising cost of industrial goods in 2022 had the immediate effect of increasing the value of traded goods, which then reached historic highs that persist to this day. The double-digit reductions recorded in 2023 reflected the normalisation of prices, particularly in energy goods and those for which energy is a key input. These price adjustments had, and continue to have, a significant impact on trade flows in the Community of Madrid, given the region's role in the national allocation of a portion of these goods. In 2024, the year-on-year evolution of trade in goods returns to single-digit rates, now that the variation in industrial goods prices has been contained within pre-COVID historical ranges.

The growth of exports and imports was 3.8% and 2.4% in the fourth quarter, with declines of 4.4% and 2.8%, respectively, over the year as a whole. These declines do not prevent transaction values from reaching the highest levels for a fourth quarter, second only to those recorded in 2022. In 2024, the process of returning to pre-crisis trends continued, both in terms of the composition of these flows and the map of the main trade partners.

This is the picture of the last quarter of 2024 and of the year as a whole. Expectations for 2025 once again point to a downturn in the global economy, with strong asymmetries by territory and particularly weak EU economies, which would however continue to avoid recession, with very slow growth. As for Spain, analysts estimate an increase in activity considerably above the European average, in a range between 2.3% and 2.8%. In the regional context, the independent forecasting bodies point to a generalised slowdown, but one that is contained in magnitude and quite homogeneous by territory, once again highlighting the Community of Madrid as one of the most dynamic regions. Current estimates put Madrid's GDP growth at between 2.5% and 2.8%. As for 2026, the initial forecasts indicate a moderately contained growth profile, both at the national level and for the Community of Madrid, with these early estimates ranging between [1.8% - 2.6%] and [2.2% - 2.7%], respectively.

II. International context

Global growth will remain stable, although slow and with a great deal of uncertainty.

In 2024, the global economy resisted an environment of restrictive financial conditions, and, in general, the major international economies managed to grow more than expected. The most notable surprise was the United States, where domestic demand and the labour market propelled GDP growth to nearly 3%, double the rate anticipated at the start of 2024. China also managed to grow more than expected, and after the first part of 2024 was hindered by the real estate crisis and weak domestic demand, it gained momentum thanks to a combination of fiscal and monetary stimulus measures and support for the real estate sector. Meanwhile, the Eurozone recovered slightly more than expected, with GDP growth in 2024 at 0.8% (a year ago, the consensus predicted 0.5%). However, internal disparity was notable, and only Spain showed a clear surprise, while Germany once again disappointed.

The latest IMF report forecasts, "global growth will remain stable but slow". An intensification of protectionist policies, through a new wave of tariffs, could exacerbate trade tensions, reduce investment, lower market efficiency, and distort trade flows, once again disrupting supply chains. The latest IMF outlook, in January, points to a better 2025 for the Eurozone with GDP growth of 1% compared to 0.8% in 2024 and a slowdown in the US. (2.7% in 2025 compared to 2.8% in 2024) while China's economy continues with its real estate crisis and the consequent brake on consumption and investment, (4.6% in 2025 compared to 4.8% in 2024).

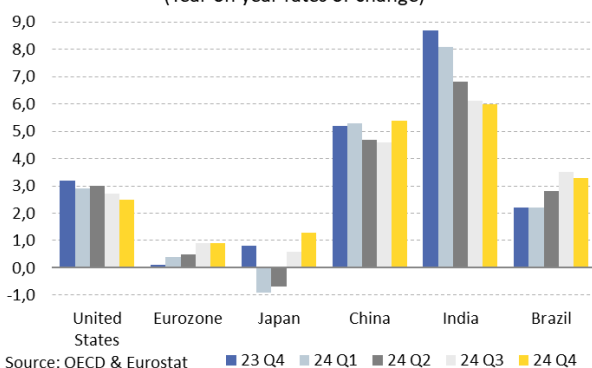
In the US, GDP grew by 0.6% quarter-on-quarter in the fourth quarter of 2024, showing a slight moderation compared to the figure recorded in the third quarter (0.7%). For its part, the Eurozone has recorded a complete stagnation of its GDP, with no growth in the fourth quarter of the year, below the 0.4% growth of the third quarter. Of the large Eurozone economies, the Spanish economy shows one of the best performances

in the EU. It is the third fastest-growing economy in the fourth quarter of the year, with 0.8%, while France recorded a decline of 0.1%, Italy stagnated for the third consecutive quarter, and Germany shrank by 0.2% quarter-on-quarter. Finally, China's GDP growth accelerated to 1.6% in the fourth quarter, a pace higher than the 1.3% observed in the third quarter.

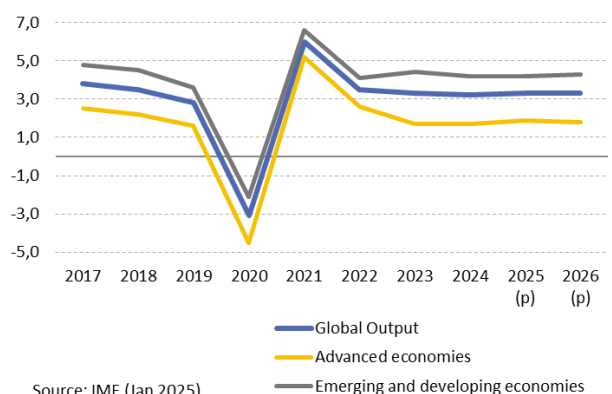
Although there has been a recent increase in headline inflation, both in the US and the Eurozone, this is primarily due to the volatility of energy prices. The most notable aspect is that the data continues to show a moderation in underlying price pressures. This disinflation is more visible in the Eurozone, where core inflation was 2.7% in January, and although it has remained at this level for the fifth consecutive month, more real-time indicators point to lower rates. Furthermore, the indicators also reflect a slowdown in wage growth and a compression of business margins across the Eurozone, which strengthens the medium-term disinflationary outlook.

The first activity data for 2025 continues to show dynamic growth in the US economy. The manufacturing ISM, with 50.9 points in January, moved out of the contraction zone for the first time since 2022, and the services ISM remained comfortably in the expansionary territory (52.8). In the Eurozone, the PMIs slightly recovered in January, with a composite index at 50.2 points, the best result in five months. However, this figure is just above the boundary between expansion and contraction, and the breakdown by sector still shows a decline in manufacturing activity (46.6) compared to modest growth in services (51.3). Meanwhile, the labour market in the Eurozone remains strong, with an unemployment rate of 6.3% in December (the second lowest rate in the historical series) and an initial improvement in the employment expectations indicator.

Evolution of main economies
(Year on year rates of change)



World economic growth 2017-2026



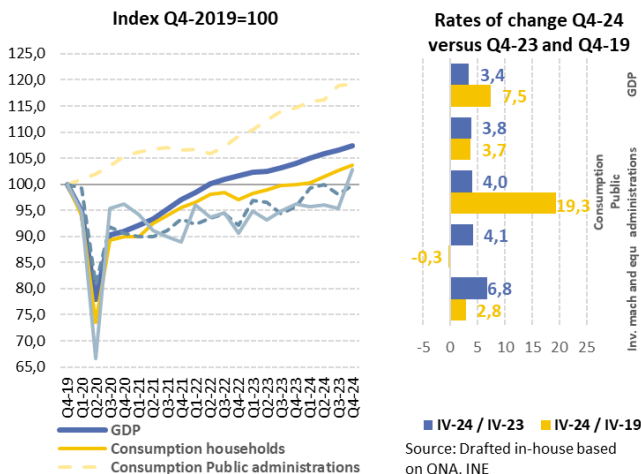
III. National framework

1. Growth

Once again, in the fourth quarter, the quarterly national accounts data from the INE exceeded expectations, with a quarter-on-quarter GDP growth of 0.8%. This rate remains the same as the previous quarter, thanks to the boost in domestic contribution driven by a significant rebound in investment, while consumption moderates its pace of growth.

Gross fixed capital formation (GFCF) grew by 3.5%, following the contraction in the previous quarter, stimulated by the strength of investment in machinery and equipment (7.8%) and the recovery in construction investment (1.7%). Consumption slowed by seven-tenths, with a rate of 0.8%, with public administration consumption falling by two points, while household consumption continued to show solid growth, maintaining a 1% increase. The contribution of external demand was once again negative this quarter, due to the increase in imports and the decline in exports, which subtracted five-tenths from the overall growth.

Evolution of GDP, consumption and investment in Spain



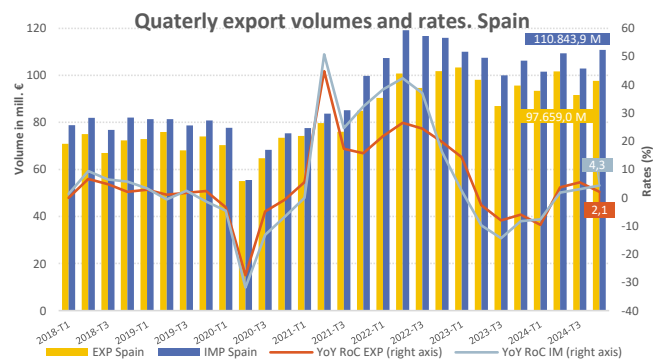
Year-on-year GDP growth accelerated by two tenths of a percentage point to 3.4%, driven by domestic demand, which increased its contribution from 2.8 to 3.6 points. Consumption accelerated by six tenths, supported by the household segment, which grew by 3.8%. GFCF experienced a notable boost, increasing by 4.5%, driven by a 6.8% rise in machinery and equipment investment and a 4.1% increase in construction investment. This positive trend allowed machinery and equipment investment to return to its pre-pandemic levels that quarter. External demand, however, performed more poorly, subtracting 0.2 points.

With these figures, Spain's overall economic growth for 2024 remained at 3.2%, the same rate initially forecasted by the INE in January, displaying a dynamism that none of the initial forecasts had predicted.

2. Foreign sector

In the fourth quarter of the year, Spain's trade balance recorded a deficit of €13.185 billion. Spanish exports of goods increased by 2.1% in the fourth quarter of 2024 compared to the same period in 2023, and posted a volume of €97.659 billion. Meanwhile, imports grew by 4.3% year-on-year to €110.843 billion. This negative trade balance is the highest since the fourth quarter of 2022, with a coverage rate of 88.1%.

The greater dynamism observed in the second half of 2024, especially in the fourth quarter, managed to offset the decline in the volume of trade flows recorded during the first two quarters. Thus, in 2024, the value of goods exports increased by 0.1%, reaching €384.465 billion, while imports grew by 0.2% year-on-year, standing at €424.741 billion. The annual trade deficit was €40.276 billion, with a coverage rate of 90.5%.



In the fourth quarter of 2024, the categories that most contributed to the increase in exports were Pharmaceuticals, with a contribution of 3.3 percentage points (pp), followed by Aircraft and spacecraft, and Stone, precious metals, and jewellery, both contributing 2.3 pp. Regarding negative contributions, Fuels and mineral oils stood out, subtracting 1.3 pp, followed by Other products with -1.0 pp, and Machinery and mechanical appliances with -0.9 pp.

For imports, Pharmaceuticals led the positive contributions with 2.3 pp, followed by Aircraft and spacecraft with 2.1 pp, and Stone, precious metals, and jewellery with 0.7 pp. On the negative side, Fuels and mineral oils subtracted 3.2 pp, Aircraft and spacecraft contributed -1.7 pp, and Motor vehicles and tractors contributed -0.7 pp.

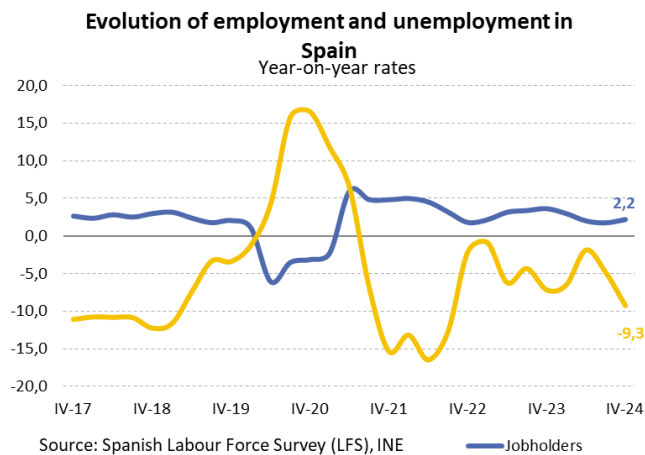
3. Labour market

Excellent performance of the labour market in the last quarter of the year, closing 2024 with very satisfactory results. The labour market has continued to be the cornerstone of national economic development.

LFS data shows that for the last quarter of the year the number of employed people has never been higher, at over 21.8 million, and a further reduction in unemployment bringing the number of unemployed down to 2.6 million. The reduction in the labour force in the fourth quarter, following the historical peak in the third quarter, is counterbalanced by a record increase in inactive persons for a fourth quarter. Only in the second quarter of 2020 were there more than the 17.4 million inactive individuals recorded currently, a figure influenced by the statistical distortion caused by the lockdown, which affected the classification of unemployed and inactive individuals.

As a result, in the fourth quarter, the labour force participation rate loses some momentum, while the unemployment rate experiences a further decline, standing at 58.5% and 10.6%, respectively.

Over the year as a whole, employment increased by 2.2%, and the number of unemployed decreased by 5.7%, in a context where the dynamics of the labour force population and the working-age population were very similar, leading to the stability of the labour force while allowing for a 0.9 percentage point reduction in the unemployment rate.



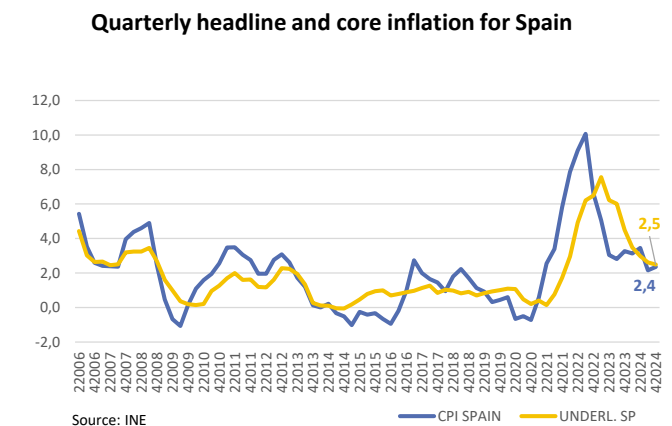
Registration data points in the same direction and the trend shows no signs of exhaustion. The number of Social Security registrations increased in the fourth quarter, with a 2.4% year-on-year rise, one-tenth higher than the previous quarter, allowing the year to end with a 2.4% growth and an increase of half a million contributors compared to 2023. The decline in registered unemployment continued to accelerate in the fourth quarter, with a reduction of 5.5%, resulting in a fall

of 5% for the year as a whole. Both of these trends were maintained in the first two months of 2025.

4. Prices

Inflation in Spain rose slightly in the fourth quarter, although a slowdown in rates in the second half of the year is evident. Inflation, as measured by the CPI, reached an average rate of 2.4% in the fourth quarter of 2024, two-tenths higher than the previous quarter, though it contrasts with values above 3% in the first half of the year. The more contained price growth in 2024 was recorded in September, 1.5%, which then saw a notable increase in the last two months of the year. Inflation in December rose to 2.8%, and the average growth for 2024 was also 2.8%.

Core inflation, which in this post-pandemic inflationary period has shown a lag of about six months in its turning points –linked to the time it takes for price alterations in the more volatile items to spread to the rest of the goods and services in the shopping basket– showed a clear downward trend in 2024. Core inflation was 3.5% in the first quarter and decreased to 2.5% in the fourth quarter. However, it should note that it appeared to encounter some resistance in the second half of the year, falling below thresholds around 2.5%. The figure for February 2025, at 2.2%, provides some clarity in this regard.



With regard to the analysis of the average inflation in 2024 for the twelve groups that make up the shopping basket, none of them saw a reduction in their prices, with the annual price increases ranging from 0.1% for “Communications” to 4.8% for “Restaurants and Hotels”. Among the most inflationary groups, “Alcoholic beverages and tobacco” stands out at 4%, and “Food and non-alcoholic beverages” and “Housing, water, electricity, gas and fuels” both saw inflation of 3.6%.

In the international context, according to Eurostat, the Eurozone indicator remained at 2.2% in the fourth quarter (2.5% in the first half of 2024), and stood at 2.3% in February 2025, the most recent published data.

IV. Economic growth and forecasts

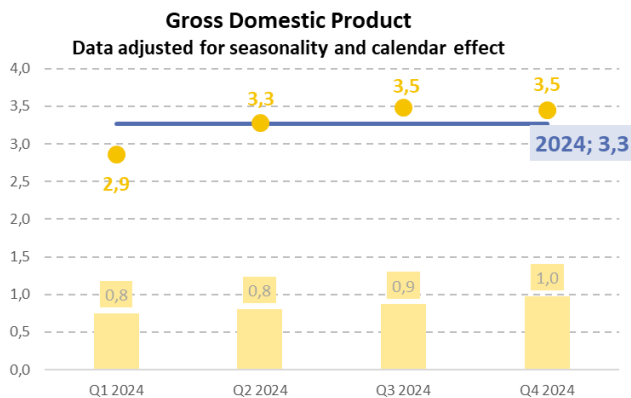
Q4 1 Economic growth

Madrid's economy closes 2024 maintaining the momentum it began to show in the fourth quarter of last year, in a national context where growth figures have consistently exceeded all expectations.

Thus, according to the latest data from the Regional Quarterly Accounts of the Community of Madrid —first published under the new 2020 base— the pace of GDP growth in the fourth quarter accelerated by one tenth, reaching 1%, thanks to an improvement in external demand during the quarter, which complemented a sustained vigour in regional demand.

Expansionary profile of Madrid's economy in 2024, with year-on-year growth of 3.5% in the fourth quarter and 3.3% for the year as a whole. The fourth-quarter data indicates a continuation of the dynamic year-on-year growth recorded in the third quarter, which was 3.5%. Activity in the region gained momentum in the second half of the year compared to the first part, closing 2024 with a global growth rate of 3.3%, four-tenths higher than in 2023.

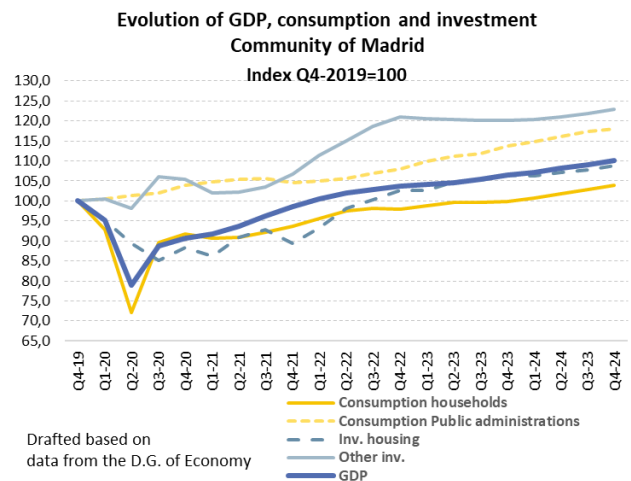
This revitalisation of the Madrid economy is taking place in a national context that, according to data from the INE's QNA, is more favourable than initially expected: the final quarter concludes with a year-on-year growth of 3.4%, and the first official growth figure for the whole of 2024 stands at 3.2%.



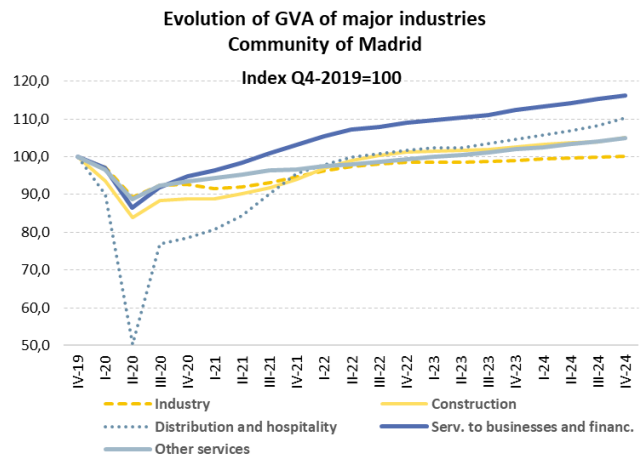
Source: QRA (IECM) ■ Quarter-on-quarter rates ● Year-on-year rates — 2024

Private consumption and non-residential investment were invigorated and sustained, despite the lower contribution from external demand, maintaining the year-on-year GDP growth in the fourth quarter. Consumption increased by 4% year-on-year, driven by household spending, which also grew by 4% (eight-tenths above the third quarter), while public sector spending decelerated by one percentage point, to 3.8%. As a result, private consumption exceeded the

pre-covid level by 3.9%, while that of Public Administrations was 18.1%. The GFCF, although with a more modest growth of 2.3%, was boosted by non-residential investment, which accelerated by eight-tenths to 2.3%, while investment in housing rose by 2.2%, one-tenth lower than the previous quarter. Residential investment at the end of 2024 was 8.9% above the level of the fourth quarter of 2019, and other forms of investment now exceeded it by 22.9%.



From the supply side, the continued strength of the services sector stands out, contributing nearly 93% to year-on-year GDP growth in the fourth quarter. In this way, the tertiary sector continued to show distinct



dynamism, with a year-on-year growth of 3.8% in the fourth quarter. Although this was slightly slower than the previous period, it still outperformed the other sectors, which displayed uneven trends. On one hand, the construction sector continued its accelerated trend throughout the year, posting a 2.6% increase in the last quarter. Meanwhile, the industrial sector remained sluggish —its quarterly growth rates have not exceeded 0.3% over the past two years— showing only a modest year-on-year increase of 1.1% during this period.

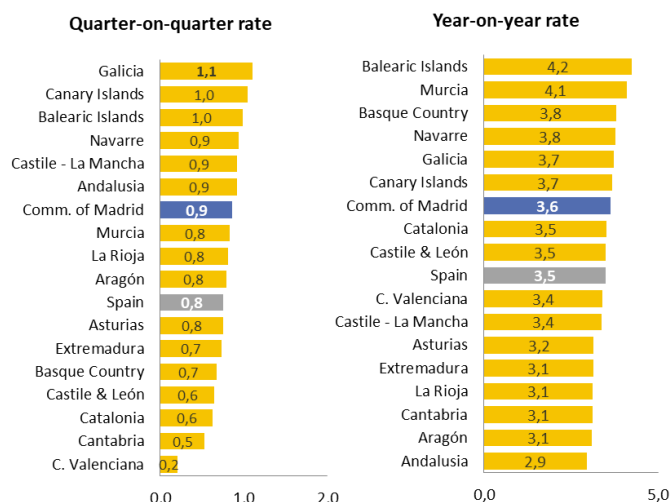
In fact, among the major sectors, the industrial sector is the one that has fared the worst compared to its pre-COVID level. It was only in this last quarter that it returned, for the first time, to the level of the fourth quarter of 2019, lagging behind construction, which was 5.2% higher, and the services sector, which surpassed it by 12%.

Among the tertiary activities, distribution and hospitality services were the most dynamic, with a year-on-year growth of 5.4% in the fourth quarter. Business and financial services grew by 3.4% and other services, the branch with the least intense growth, by 2.8%.

In the same vein, AIReF's estimates by Autonomous Community, based on the advance data from the QNA published in January, show that the rate of GDP growth in the Community of Madrid is higher than the national average and among the most dynamic of the Spanish regions, reaching 3.6% in year-on-year terms. This figure would lead to a total growth of 3.3% in 2024,

with rates ranging from 3.8% in Murcia to 2.5% in Asturias.

AIReF quarterly estimates GDP actual rates of change



QUARTERLY ACCOUNTS OF THE COMMUNITY OF MADRID BASE 2020										
(Volume indices, seasonally and calendar-adjusted data)										
			Quarter-on-quarter rate of change (%)							
	2023	2024	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Agriculture	-	-	3,4	2,1	0,8	0,0	-1,0	-0,1	0,1	1,4
Industry	-	-	0,0	0,1	0,2	0,3	0,3	0,3	0,2	0,2
Construction	-	-	0,3	0,1	0,2	0,6	0,7	0,4	0,3	1,1
Services	-	-	0,7	0,4	0,8	1,1	0,8	0,9	1,0	1,1
GVA	-	-	0,6	0,4	0,7	1,0	0,7	0,8	0,9	1,0
GDP	-	-	0,6	0,4	0,7	1,0	0,8	0,8	0,9	1,0
Final Consumption Expenditure	-	-	1,1	0,8	0,3	0,5	0,9	1,1	1,0	0,9
- households	-	-	0,9	0,7	0,1	0,1	0,9	1,1	1,0	0,9
- Public sector and NPISH	-	-	1,7	1,2	0,6	1,6	1,0	1,1	1,0	0,7
Gross Capital Formation	-	-	-0,3	0,3	-0,1	0,3	0,1	0,6	0,7	0,9
- Investment in housing	-	-	0,1	2,0	0,6	1,2	-0,3	0,9	0,5	1,1
- Rest of investment	-	-	-0,4	-0,1	-0,2	0,0	0,3	0,5	0,7	0,8
Regional demand	-	-	0,7	0,7	0,2	0,5	0,7	0,9	0,9	0,9
External demand ⁽¹⁾	-	-	-0,1	-0,3	0,5	0,6	0,1	0,0	0,0	0,2
GDP COMMUNITY OF MADRID	-	-	0,6	0,4	0,7	1,0	0,8	0,8	0,9	1,0
SPAIN GDP	-	-	0,7	0,2	0,7	0,7	1,0	0,8	0,8	0,8
			Year-on-year rates of change (%)							
	2023	2024	I 2023	II 2023	III 2023	IV 2023	I 2024	II 2024	III 2024	IV 2024
Agriculture	-0,3	0,2	-10,8	-0,6	5,4	6,4	1,8	-0,4	-1,0	0,3
Industry	1,1	1,1	2,3	1,1	0,6	0,6	0,9	1,2	1,2	1,1
Construction	2,5	2,1	4,7	2,7	1,5	1,2	1,7	2,0	2,1	2,6
Services	3,1	3,6	3,8	2,7	2,7	3,0	3,1	3,6	3,9	3,8
GVA	2,8	3,3	3,7	2,6	2,4	2,7	2,8	3,3	3,5	3,4
GDP	2,9	3,3	3,8	2,6	2,5	2,7	2,9	3,3	3,5	3,5
Final Consumption Expenditure	2,9	3,3	3,7	2,9	2,3	2,8	2,6	2,8	3,6	4,0
- households	2,2	2,9	3,4	2,0	1,5	1,9	2,0	2,3	3,2	4,0
- Public sector and NPISH	4,9	4,4	4,5	5,3	4,6	5,3	4,6	4,4	4,8	3,8
Gross Capital Formation	3,8	1,4	8,5	5,1	1,9	0,2	0,7	0,9	1,7	2,3
- Investment in housing	6,3	2,6	9,9	6,7	4,9	3,9	3,5	2,4	2,3	2,2
- Rest of investment	3,2	1,1	8,1	4,7	1,1	-0,7	0,0	0,5	1,5	2,3
Regional demand	3,1	2,8	4,9	3,4	2,2	2,1	2,1	2,3	3,1	3,5
External demand ⁽¹⁾	0,0	0,8	-0,7	-0,5	0,4	0,7	0,9	1,2	0,6	0,2
GDP COMMUNITY OF MADRID	2,9	3,3	3,8	2,6	2,5	2,7	2,9	3,3	3,5	3,5
SPAIN GDP	2,7	3,2	3,9	2,4	2,2	2,3	2,6	3,2	3,3	3,4

(1) Contribution to GDP growth

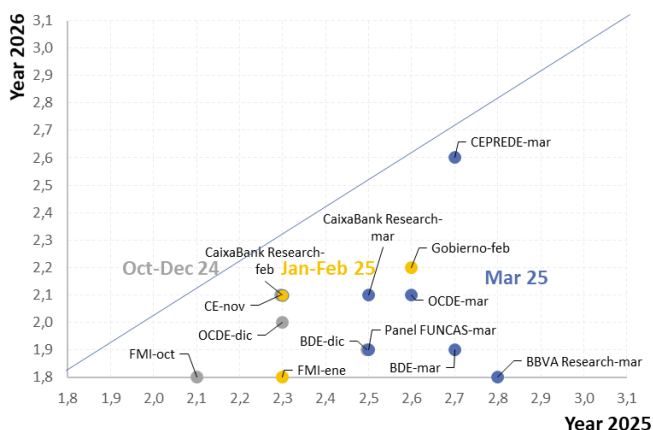
Source: D.G. of Economy and INE

Q4 2 Forecasts

2025 begins with a bit more optimism than the previous year, though all precautions are in place given the international uncertainty. No analyst foresaw, in the early months of 2024, when initial forecasts anticipated a clear slowdown of the Spanish economy, the expansion that would later unfold throughout the year, ultimately culminating in a 3.2% annual growth. With this starting point, expectations for 2025 are more optimistic, and while they also indicate a slowdown, it is expected to be much more modest, with no forecasts of a sharp halt to the economy.

However, two main risks call for caution: American protectionism and European stagnation. In the global context, the main source of uncertainty comes from the final realisation of the Trump administration's trade policy, following the various announcements about the modification of tariffs, and the subsequent reaction of the countries affected. The direct impact on the Spanish economy is expected to be limited, although it could be significant for a European Union that has yet to recover fully.

Evolution of national GDP growth forecasts 2025 and 2026



Despite the risks, the projections for 2025 at the beginning of the year indicate that Spain's economy will maintain solid growth, at rates of between 2.3% and 2.8%, with most recent updates suggesting it will not drop below 2.5%. There are already some initial upward revisions to the forecasts for this year. Meanwhile, 2026 is initially expected to see a slowdown.

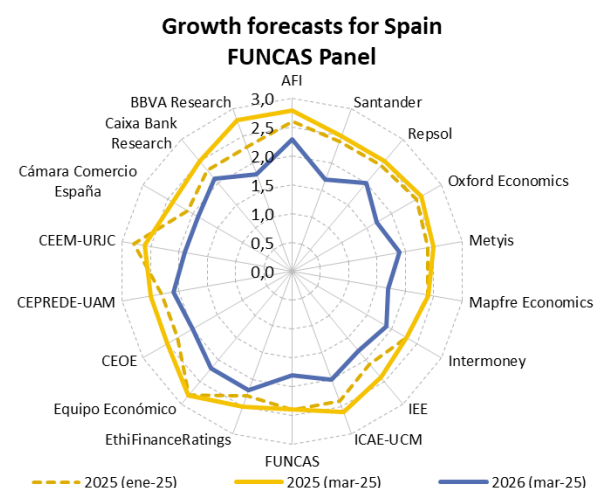
Among the upward revisions is the latest forecast from the OECD in March, which is set against a European context where expectations are deteriorating. This organisation expects the national economy to grow by 2.6% this year and 2.1% in 2026, three and one-tenth percentage points higher, respectively, than the forecasts made in December, while it lowers its projections for the Eurozone by three-tenths in both years, to 1% and 1.2%, respectively.

Spain's growth will be the most dynamic among the major economies of the Eurozone, with anaemic growth in Germany (0.4%), Italy (0.7%), and France (0.8%) in 2025, which could hover around 1% in 2026.

The Bank of Spain joins in the improved forecasts, with an upward revision of growth in 2025 of two tenths. Thus, the new figures published in March forecast a national GDP growth rate of 2.7%, one-tenth higher than the Government's forecast in February. This growth will be supported by the dynamism of domestic demand, with private consumption driven by the favourable evolution of disposable income and employment, and an investment recovery thanks to the deployment of the NGEU funds and the expected improvement in financing conditions. However, in 2026, the economy will lose some momentum, with growth remaining at 1.9%, in line with the projections from December.

The latest edition of the Funcas Panel from March also shows an improvement in the outlook for 2025: thirteen of the nineteen panellists have revised their forecasts upwards, influenced by the carry-over effect of stronger GDP growth in the fourth quarter. The estimates now range between 2.3% and 2.8%, with an average of 2.5%, one-tenth above the January consensus.

This edition also offers the first forecast for 2026, with analysts placing it between 1.7% and 2.3%, averaging 1.9%, which would represent a slowdown of six-tenths compared to 2025.



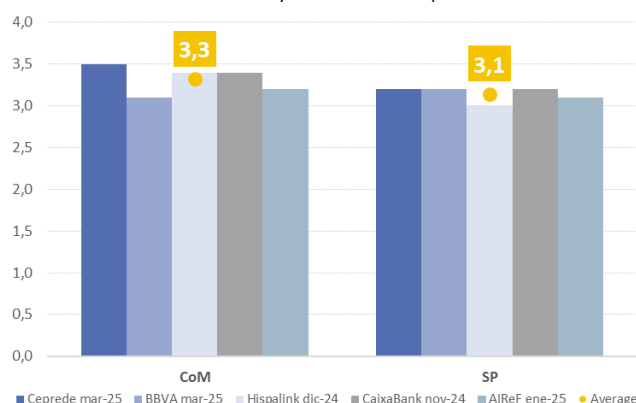
The as yet unofficial close to regional growth in 2024 reflects a revitalisation of the economy of the Community of Madrid, which is key to national progress. The INE will not publish the figures of the

Spanish Regional Accounts for 2024 until the end of 2025, which makes it necessary to rely on the estimates from independent analysts to get an approximation of the economic evolution of the Autonomous Communities.

Therefore, based on the available estimates, prepared by BBVA Research, CaixaBank Research, CEPREDE, Hispalink, and the AIReF between November and March, the growth rate in Madrid for 2024 is expected to range between 3.1% and 3.5%, which would represent an acceleration of between six-tenths and one percentage point compared to the 2023 growth figure of 2.5%, according to the INE.

GDP growth forecasts in 2024

Community of Madrid and Spain

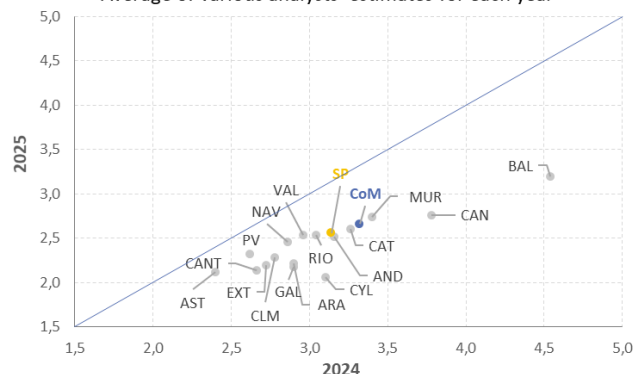


Taking the average of these estimates, growth in 2024 would be 3.3% (the same figure derived from the Regional Quarterly Accounts of the Regional Department of the Economy of the Community of Madrid), which is above the national average of 3.1%, according to these same analysts (some of these estimates were made before the INE published the preliminary QNA for Spain, explaining the discrepancy with the official data of 3.2%). The average estimate for Madrid ranks as the fourth most dynamic, after the Balearic Islands, Canary Islands, and Murcia.

The outlook for the Madrid economy for 2025 is in line with the national outlook: maintaining vigorous growth, albeit with a degree of moderation. The available forecasts for this year range within a narrow interval between 2.5% and 2.8%, with an average of 2.7%, compared to the national figure of 2.6%. The gap in regional dynamics is narrowing (1.1 points between the highest and lowest growth rates, 0.7 points if excluding the island regions), which would once again allow Madrid to position itself among the Autonomous Communities that will drive national growth, surpassed only by the Balearic Islands, Canary Islands, and Murcia.

GDP growth forecasts by Autonomous Community.

Average of various analysts' estimates for each year

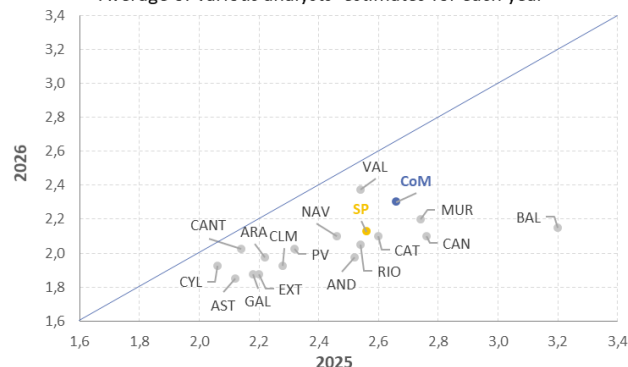


* Source: Based on the latest forecasts by Autonomous Community by CEPREDE, BBVA Research, CaixaBank Research, Hispalink and AIReF.

For 2026, the Madrid economy is projected to slow down, in line with forecasts for the regions as a whole, with growth for the Community of Madrid estimated to be between 1.8% and 2.6%, averaging 2.3%. This would represent the second-highest growth rate, after the Valencian Community, and two-tenths above the national average for Spain.

GDP growth forecasts by Autonomous Community.

Average of various analysts' estimates for each year

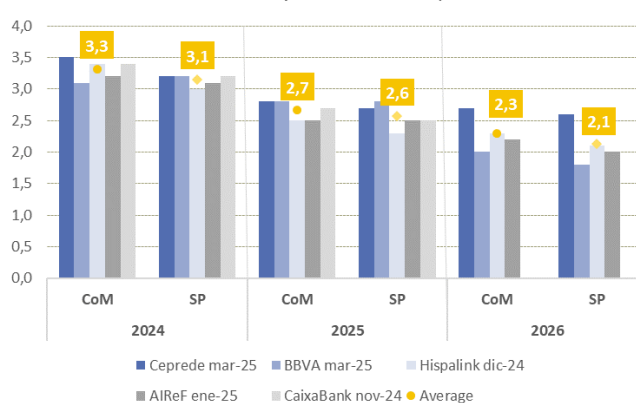


* Source: Based on the latest forecasts by Autonomous Community by CEPREDE, BBVA Research, CaixaBank Research, Hispalink and AIReF.

These regional outlooks continue to position the Community of Madrid as a driving force for the country's economic activity, both in 2024 and for the next two years, within a national scenario where a gradual moderation of the dynamism from previous years is initially anticipated.

GDP growth forecasts

Community of Madrid and Spain



Box I. GDP and GDP per capita

The Spanish and Madrid economies have shown remarkable dynamism during 2023, according to the latest data published by Eurostat. Growth has been particularly vigorous, surpassing initial expectations and solidifying the post-pandemic economic recovery.

At the national level, Spain closed 2023 with a GDP of €1.5 trillion, recording a solid growth rate of 9.1% compared to the previous year. This momentum is even more pronounced when considering real purchasing power, reaching €1.67 trillion in PPP, with an increase of 10.4%. The per capita income of Spaniards stood at 31,000 euros, an 8% increase from 2022, while in terms of purchasing power, it reached €34,500. This progress has allowed Spain to narrow the gap with Europe, now reaching 91% of the EU's average income, three percentage points higher than the previous year.

The Community of Madrid has stood out especially in this context of recovery. The capital region achieved a GDP of €293.069 billion, growing 10% compared to 2022, even surpassing the national growth rate. In terms of purchasing power, Madrid's GDP rose to 326.604 billion, an increase of 10.9%. This outstanding performance has consolidated Madrid as one of Europe's major regional economic powers, ranking as the fourth-largest regional economy in the EU in nominal terms, just behind giants like Île-de-France, Lombardy, and Upper Bavaria. Moreover, when purchasing power is considered, Madrid surpasses the German region, taking third place. These figures also mean that the per capita income of the Community of Madrid is 23% higher than the EU average.

The well-being of Madrid's residents has also improved significantly. GDP per capita reached 42,200 euros, 7.7% increase from 2022, while in terms of purchasing power, it rose to €47,000, 8.3% higher than the previous year. This progress allowed Madrid to climb seven positions in the European prosperity ranking, moving from 49th to 42nd place among the most prosperous regions in the EU.

In aggregate terms, the EU's GDP is heavily concentrated in its four largest economies. Germany leads with a nominal GDP of €4.19 trillion (€3.73 trillion in PPP), followed by France with €2.82 trillion (€2.58 trillion in PPP), Italy with €2.13 trillion (€2.21 trillion in PPP), and Spain with €1.50 trillion (€1.67 trillion in PPP). These four economies form the core of Europe's economic activity, although their GDP per capita displays significant disparities. On the other hand, the smallest EU economies are found in less-populated countries, such as Malta, Cyprus, and Estonia.

An analysis of GDP per capita in PPP at the state level reveals that in 2023, only ten countries in the EU27 surpassed the EU's average of €38,100, highlighting a clear north-south divide across the continent.

GDP FOR EUROPEAN REGIONS ⁽¹⁾					
Year 2023					
Region	GDP	PIBpc	GDP PPP	GDPbp PPP	GDPbp PPP
	(millions of €)	(€)	(millions of €)	(€)	(EU27=100)
European Union - 27 countries	17.193.780	38.100	17.193.780	38.100	100
10 initial GDP	Paris Region	860.067	69.300	787.355	63.400
	Lombardy	490.132	49.000	509.572	51.000
	Upper Bavaria	349.686	72.700	312.415	64.900
	Community of Madrid	293.069	42.200	326.604	47.000
	Eastern and Midland	291.168	110.600	245.585	93.300
	Rhône-Alpes	284.847	41.600	260.766	38.100
	Catalonia	281.845	35.300	314.095	39.400
	Düsseldorf	263.031	49.900	234.996	44.600
	Stuttgart	261.692	62.100	233.800	55.500
	Darmstadt	255.724	62.400	228.468	55.700
Spain (sorted from GDPbp PPP)	Spain	1.498.324	55.000	205.501	49.500
	Community of Madrid	293.069	42.200	326.604	47.000
	Catalonia	281.845	35.300	314.095	39.400
	Andalusia	199.952	23.200	222.831	25.900
	Valencian Community	139.420	26.500	155.373	29.500
	Basque Country	87.858	39.500	97.911	44.100
	Galicia	77.356	28.600	86.208	31.900
	Castile-León	70.876	29.700	78.986	33.100
	Canary Islands	54.194	24.300	60.395	27.100
	Castile-La Mancha	53.929	25.800	60.100	28.700
	Aragon	46.674	34.700	52.014	38.600
	Balearic Islands	42.084	34.400	46.899	38.300
	Region of Murcia	40.386	25.900	45.007	28.800
	Principality of Asturias	28.326	28.100	31.567	31.300
	Chartered Community of Navarre	25.041	37.100	27.907	41.300
	Extremadura	24.870	23.600	27.716	26.300
	Cantabria	16.777	28.500	18.696	31.700
	La Rioja	10.618	32.800	11.833	36.600
	City of Ceuta	1.889	22.800	2.105	25.400
	City of Melilla	1.750	20.500	1.950	22.800

(1) European system of accounts 2010 (ESA 2010)

Source: Eurostat

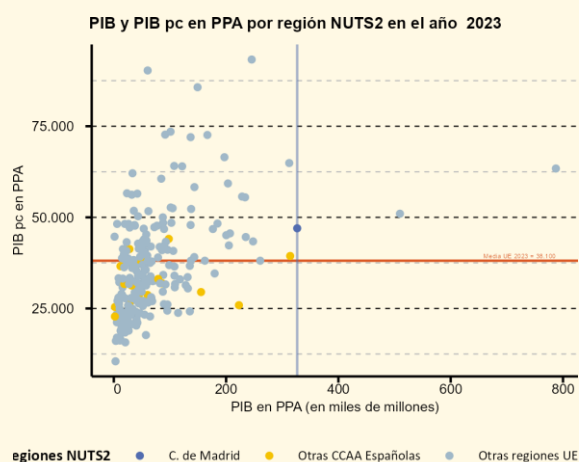
Luxembourg tops this group with €90,300, followed by Ireland with €81,200, the latter driven by its strategy to attract technology companies. Among the founding members of the European Economic Community, the Netherlands (€56,800), Belgium (€44,800), and Germany (€44,200) maintain prominent positions above the average, while France (€37,800) and Italy (€37,500) have lagged behind.

The Nordic countries confirm the strength of their economic model, with Denmark (€47,800), Sweden, and Finland (both €43,400) comfortably surpassing the average. Austria (€45,700) and Malta (€40,900) complete the group of economies that raise the EU's average.

At the opposite end, several Eastern European countries have the lowest GDP per capita in the EU:

Bulgaria (€24,300), Latvia (€26,900), Greece (€26,400), Croatia (€29,000) and Romania (€29,700). **This significant gap between northern and eastern European countries reflects the persistent economic disparities within the European Union.**

At the national level, after the Community of Madrid, Catalonia stands out as the second-largest regional economy with €281,845 million (€314,095 million in PPP), followed by Andalusia with €199,952 million (€222,831 million in PPP) and the Valencian Community with €139,420 million (€155,373 million in PPP). The rest of the regions are below €100,000 million, from the Basque Country with €87,858 million (€97,911 million in PPP) to the autonomous cities of Ceuta and Melilla, each with less than €2,000 million.



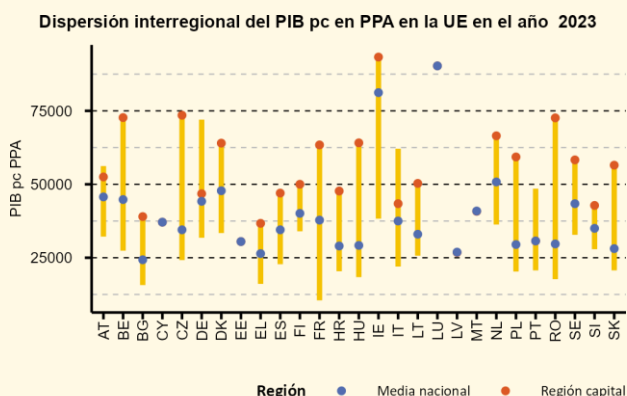
[See animated graph 2005-2023.](#)

In terms of per capita income in PPP, the European economic map reveals a distinct polarisation. At the top of the prosperity scale are the Irish regions of East and Midland (€93,300) and South (€85,700), alongside Luxembourg (€90,300), which form the leading trio in Europe. The next tier includes major urban centres and highly industrialised areas such as Prague (€73,500), Brussels (€72,700), Hamburg (€72,000), and North Holland (€66,500), which benefit from their roles as financial, technological, and administrative hubs.

In contrast, at the lower end of the distribution, regions barely reach a sixth of the income of the wealthiest areas. The most extreme case is Mayotte, a French overseas department, with just €10,500, followed closely by the Bulgarian regions of South Central (€15,700), Northwest (€16,200), and North Central (€16,700). The Greek region of North Aegean (€16,100) and French Guiana (€16,200) also rank among the most disadvantaged.

These pronounced differences, which exceed €80,000 in PPP between the richest and poorest regions, highlight several concerning aspects of European territorial cohesion. In the first instance, they underscore the persistence of the east-west divide,

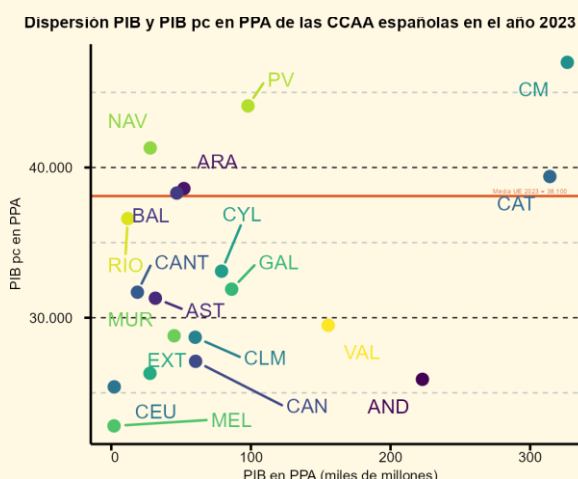
where regions in countries that joined the EU more recently remain significantly behind. Moreover, they reveal the growing concentration of wealth in specific development hubs, primarily capitals and financial centres, contrasting with the situation of peripheral and ultra-peripheral regions, such as the notable case of the French overseas departments.



Fuente: Eurostat. En amarillo el recorrido de la renta

[See animated graph 2005-2023.](#)

When narrowing the geographic analysis to the national level, we also find significant disparities between the different autonomous communities and cities. The Community of Madrid, ranked 42nd in the European ranking with €47,000 per capita in PPP, clearly leads the national landscape. It is followed at a considerable distance by the Basque Country (€44,100), the Chartered Community of Navarre (€41,300), and Catalonia (€39,400). At the opposite end, regions such as Extremadura (€26,300), Andalusia (€25,900), and the autonomous cities of Ceuta (€25,400) and Melilla (€22,800) highlight the significant territorial imbalances that persist in the Spanish economy. [See animated graph for the period 2005-2023.](#)

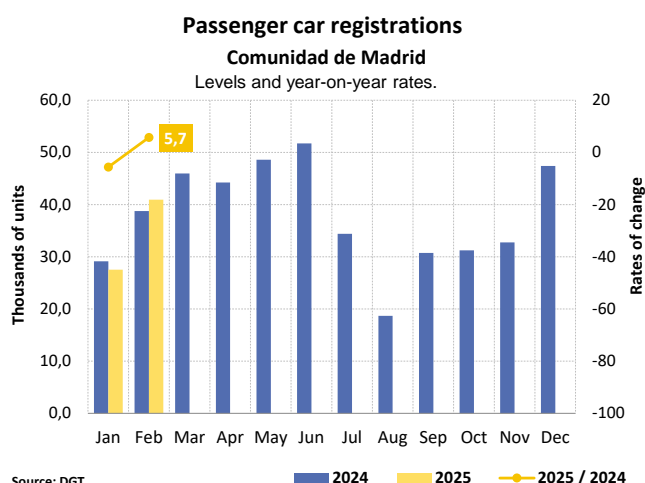


V. Recent developments in Madrid's economy

V.1. Demand and production

V.1.A. Domestic demand

The figures for passenger car registrations in 2024 set a historic record. This indicator showed growth in all quarters of the previous year, with the second and fourth quarters standing out due to double-digit increases, completing a strong year for passenger car registrations. In the total for 2024, 453,546 passenger cars were registered, 39,060 more than in 2023, reaching the highest point in the entire series and growing by 9.4% year-on-year, considering that 2023 had also already set a historic record in the total number of vehicles registered. However, the beginning of 2025 has been hesitant, with a poor January that was corrected by a 5.7% increase in February, leading to a growth of 0.8% in the cumulative January-February period.



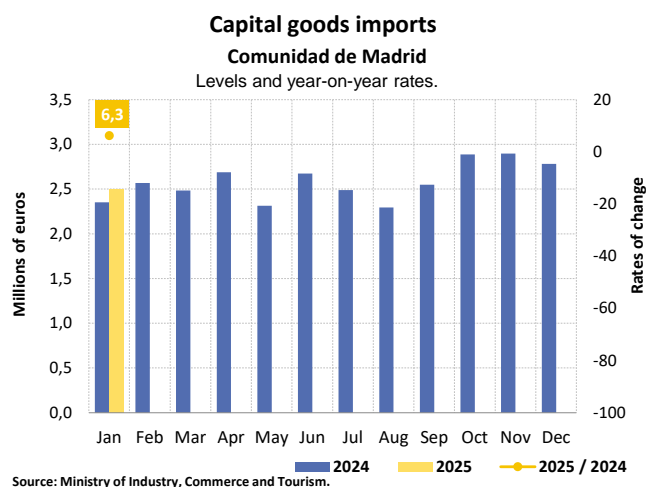
Lorry and van registrations closed the year with increases in all four quarters, very strong in the first two, with double-digit figures, and more moderate in the last two, smoothing the growth rate. In the total for the year, 88,403 lorries and vans were registered, 6,953 more than in 2023, at a rate of 8.5%. However, the start of the year is not showing positive signs, with two consecutive declines of 12.6%.

Petrol consumption reached the highest volume for a fourth quarter since 2004, accelerating the increase from the previous quarter, which was 6%, growing by 9.6% year-on-year. This marks a strong year for gasoline consumption, with notable increases in all quarters. For the full year, it achieved the third-best record in the entire series, only surpassed by the figures in 2004 and 2005, with a growth of 7.6% compared to 2023. Diesel consumption in this quarter accelerated its downward trend with a fall of 3.4%. For the year as a whole, the trend of this indicator confirms the decline in recent years, falling by 1.5% compared to 2023. In

January 2025, the latest available data, gasoline consumption continues to grow at a good pace, 9%, while diesel consumption continues to decline significantly, by 9%.

Deflated loans to the private sector ended the year with negative rates, although the pace of decline slowed throughout 2024. With a 0.8% reduction in the last quarter, there have now been seven consecutive quarters of falling loans. For the total of 2024, the decline is 2.6%, intensifying the reduction from 2023 by seven-tenths, as a result of tighter monetary conditions and higher inflation rates. In contrast, deflated deposits increased in the last three quarters of the year, breaking a negative trend that had lasted six consecutive quarters. Thus, they ended the year with a 1.3% increase, recovering from the 9.4% decline of the previous year.

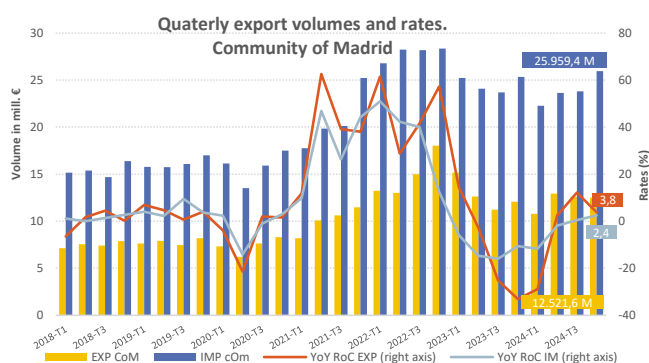
The import of capital goods begins the year 2025 showing a dynamism that was already reflected in the 2024 total. The year 2024 again marked a historic high in the volume of capital goods imports, with a 0.6% increase, surpassing the record set in 2023. However, it is important to note that this indicator is not deflated, and its magnitude is heavily influenced by price increases in recent years. Thus, imports have been consistently growing robustly, marking historic records year after year, especially in the last three years, doubling in the last two and a half years. In January 2025, the growth trend continues, advancing by 6.3%.



V.1.B. External demand

In the fourth quarter of 2024, the monetary volume shows an upward trend for both flows of foreign trade. Exports in the third quarter continued the positive trend from the previous quarter, although at a slower pace, recording a year-on-year growth rate of 3.8%, compared to 12.1% in the third quarter. A total of €12,521.6 million in sales was recorded, a figure only surpassed by that of 2022 for the same period.

In the fourth quarter of 2024, the Community of Madrid imported 2.4% more than a year ago, compared to 0.4% in the previous quarter. The €25,959.4 billion purchased is the best figure in the series through 2022 for that period. During this quarter, the region's trade deficit was €13,437.8 million, with a coverage rate of 48.2%.



Total exports from the region in 2024 amounted to €48,828.3 million, representing a decrease of 4.4% compared to 2023. As for imports, total purchases from abroad fell by 2.8%, reaching €95,648.4 million. The trade deficit stood at €46,820.1 million, with a coverage rate of 51%.

In the analysis by TARIC and their contributions to the variation of exports, the most important sales drivers in this quarter were: *"pharmaceutical products"*, contributing 3.3 pp due to a 23.2% increase in sales. They are followed by *"aircraft and spacecraft"* (2.3 pp) and *"stone, marble, and granite"* (2.3 pp). The categories that most drain the rate are: *"fuels and mineral oils"*, *"other products"*, and *"machinery and mechanical appliances"*, which subtracted -1.3 pp, -1 pp, and -0.9 pp, respectively. These are followed by *"toys and leisure goods"* (-0.6 pp due to a 44.6% decrease in sales) and *"plastics and plastic products"* (-0.4 pp).

Exports of the top 5 TARIC of the Comm. of Madrid				
4T 2024	Volume	ARC (Annual Rate of Change)	Contrib.	%total
30 PHARMACEUTICAL PRODUCTS	2.092	23,2	3,3	16,7
87 VEHICLES OTHER THAN RAILWAY OR TI	1.484	-1,4	-0,2	11,8
84 MACHINERY AND MECHANICAL APPLI/	1.292	-7,5	-0,9	10,3
27 FUELS, MINERAL OILS	1.176	-11,8	-1,3	9,4
85 ELECTRIC APPLIANCES AND MATERIAL	976	0,3	0,0	7,8
TOTALES	12.521,6	3,8		

Imports of the top 5 TARIC of the Comm. of Madrid				
4T 2024	Volume	ARC (Annual Rate of Change)	Contrib.	%total
30 PHARMACEUTICAL PRODUCTS	3.761	18,4	2,3	14,5
85 ELECTRIC APPLIANCES AND MATERIAL	3.704	3,8	0,5	14,3
84 MACHINERY AND MECHANICAL APPLI/	3.264	19,7	2,1	12,6
87 VEHICLES OTHER THAN RAILWAY OR TI	2.630	-5,9	-0,7	10,1
27 FUELS, MINERAL OILS	1.992	-28,7	-3,2	7,7
TOTALES	25.959,4	2,4		

Source: AEAT

In the case of imports, the category that contributed most to the rise in imports in the fourth quarter of 2024 was *"pharmaceutical products"*, which contributed 2.3 pp thanks to an 18.4% increase in purchases from abroad. This was followed by *"machinery and mechanical appliances"* (2.1 pp), *"stone, marble and granite"* (0.7 pp), and *"tobacco and tobacco products"* (0.7 pp). Notably, the latter category saw a 70.3% increase compared to the fourth quarter of 2023. On the other hand, the categories that most contributed to the decrease in the year-on-year rate were: *"fuels and mineral oils"* and *"aircraft and spacecraft"*, which subtracted 3.2 pp and 1.7 pp, respectively, and *"motor vehicles and tractors"*, which subtracted 0.7 pp due to a 5.9% decrease in purchases.

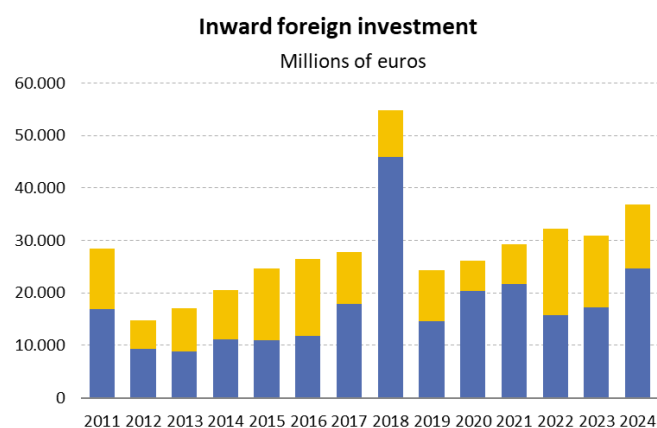
In the fourth quarter of 2024, the contribution by country to the variation in exports shows that the United Arab Emirates, Portugal, and the United Kingdom were the main drivers of the rate, contributing 2.2 pp, 1.8 pp, and 1.6 pp, respectively. On the other hand, the destination that most negatively affected exports was France, our largest customer, with a contribution of -2.1 pp, due to a year-on-year decrease in the sales volume of €248.9 million (-13.8%). They were followed by Third-Party Provisions with a contribution of -1.8 pp and the United States with an impact of -1.4 pp.

With regard to imports, the main countries driving the rate upwards in this quarter were China (1.8 pp), Italy (1.3 pp), the United Kingdom (0.8 pp), and Thailand, which, with a 105.6% increase in sales, contributed 0.4 pp. Conversely, the suppliers that most negatively affected the rate were, in order of intensity, the United States (-1.1 pp), the Netherlands (-0.8 pp), and Libya (-0.5 pp), which recorded a significant reduction in sales to Madrid of 73.7%.

V.1.C. Foreign direct investment

Foreign investment received in the fourth quarter exceeds the figures for the same period in 2023.

Foreign direct investment (FDI) received in Madrid, excluding Foreign Securities Holding Entities (ETVE), increased significantly in the fourth quarter of 2024 reaching €7.690 billion, which was 368.5% higher than the third quarter, due to a downward revision of the latter. Similarly, compared to the fourth quarter of last year, investment increased by €1.842 billion euros (31.5%). In 2024, investment reached €24.705 billion, 43.6% more than in 2023. In the country as a whole, there was also a strong 170.4% increase compared to the first third of 2024, amounting to €11.746 billion, and in year-on-year terms there was a more moderate increase of 6.5%. Total investment in 2024 was 36.813, 18.9% higher than in 2023. Madrid continues to be the preferred destination for investment in Spain, accounting for 65.5% of the national total in the fourth quarter and 67.1 for the whole of 2024.



Source: Ministry of Industry, Commerce and Tourism ■ Comm. of Madrid ■ Rest of Spain

Fourth-quarter investment by sector in the Community of Madrid was mainly directed towards three branches: *Information services*, which accounted for 32.7% of FDI received, *Education*, with 18.3%, and *Real estate activities*, with 8.8%. For the whole of 2024, the main sectors were *Telecommunications*, with 20.7%, *Electricity, gas, steam and air conditioning supply* with 15%, and *Information Services*, with 10.7% of the total. It is worth noting that in 2024 the Community of Madrid received almost 100% of the FDI received in Spain in the *Telecommunications* and *Information Services* sectors, with €5.1218 billion and €2.6366 billion respectively.

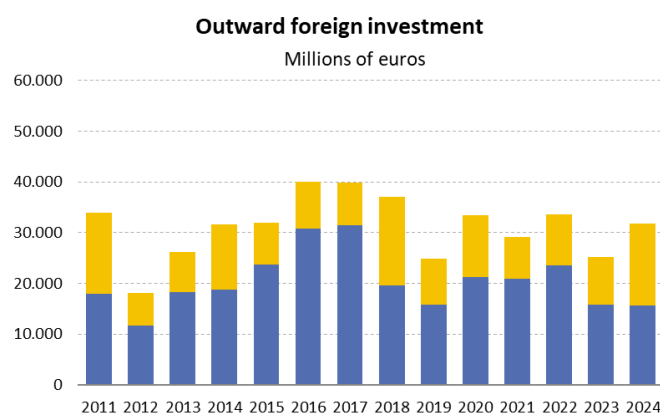
By country, there is a high concentration in terms of the origin of the investment received in the fourth quarter of 2024, with the United Kingdom accounting for 36.8% of the total, followed by Sweden (13.9%) and the USA (12.8%). In 2024, the United Kingdom remained the

largest source of investment received, at 39.5%, followed by the USA at 13.1%, and Norway at 6.5%.

Increase in investment abroad in the fourth quarter.

The gross investment made by the Community of Madrid abroad (excluding that made in ETVE) experienced a significant increase in the fourth quarter of 2024 of 114.8% quarter-on-quarter, with €3.982 billion euros. In relation to the fourth quarter of the previous year, it fell by €2.652 billion euros, 40% less year-on-year. In 2024, the figure stands at €15.648 billion, 0.8% lower than in 2023. Meanwhile, investment undertaken by the country as a whole experienced a 137.5% quarter-on-quarter increase, reaching €9.482 billion, a 3.5% increase year-on-year. In 2024, the total national investment amounted to €31.843 billion, a 26.6% rise compared to 2023. The Community of Madrid accounted for 42% of the national investment abroad in the fourth quarter and 49.1% for the entire year of 2024.

The two leading destinations for FIF issued from the Community of Madrid in the last quarter of 2024 were France, with 46% of the total, and Peru, with 12.8%. In 2024, investment was mainly directed to the United Kingdom (21.3%), the US (16.3%), France (11.8%), and Germany (11.7%).



Source: Ministry of Industry, Commerce and Tourism ■ Comm. of Madrid ■ Rest of Spain

In sectoral terms, the leading investment sector for Madrid abroad in the fourth quarter was *Manufacture of other non-metallic mineral products* (45.8%), followed by *Financial services, except insurance and pension funding* (42.8% of the total). Throughout 2024, the most prominent sectors were *Financial services, except insurance and pension funding* (32.5%), *Telecommunications* (20.3%), and *Electricity, gas, steam and air conditioning supply* (16%).

Main countries of origin of foreign investment in the Community of Madrid. Sectoral flow breakdown

	Investment origin	Investment sector	Volume (millions of €)	Total weight of each country	Weight over total of CoM
Q4 2024					
1	UNITED KINGDOM	Sector totals	2.833,2	100,0	36,8
		63 INFORMATION SERVICES	2.514,9	88,8	32,7
		41 CONSTRUCTION OF BUILDINGS	61,3	2,2	0,8
		17 PAPER INDUSTRY	50,0	1,8	0,7
2	SWEDEN	Sector totals	1.071,1	100,0	13,9
		85 EDUCATION	1.067,3	99,6	13,9
		41 CONSTRUCTION OF BUILDINGS	3,8	0,4	0,0
		68 REAL ESTATE ACTIVITIES	0,0	0,0	0,0
3	UNITED STATES	Sector totals	987,5	100,0	12,8
		68 REAL ESTATE ACTIVITIES	297,6	30,1	3,9
		24 MANUFACTURE OF BASIC METALS	266,7	27,0	3,5
		93 SPORTS ACTIVITIES AND AMUSEMENT AND RECREATION	117,0	11,8	1,5
Subtotal FDI Received Top 3 countries			4.891,8	-	63,6
Total FDI Received			7.689,7	-	100,0
CUMULATIVE Q1 - Q4 2024					
1	UNITED KINGDOM	Sector totals	9.746,9	100,0	39,5
		61 TELECOMMUNICATIONS	5.039,0	51,7	20,4
		63 INFORMATION SERVICES	2.514,9	25,8	10,2
		71 ARCHITECTURAL AND ENGINEERING TECHNICAL SERVICES	647,1	6,6	2,6
2	UNITED STATES	Sector totals	3.230,8	100,0	13,1
		71 ARCHITECTURAL AND ENGINEERING TECHNICAL SERVICES	965,3	29,9	3,9
		68 REAL ESTATE ACTIVITIES	635,3	19,7	2,6
		24 MANUFACTURE OF BASIC METALS	266,7	8,3	1,1
3	NORWAY	Sector totals	1.594,2	100,0	6,5
		35 ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	1.581,2	99,2	6,4
		52 WAREHOUSING & SUPPORT ACTIVITIES FOR TRANSPORTATION	12,2	0,8	0,0
		77 RENTAL AND LEASING ACT	0,7	0,0	0,0
Subtotal FDI Received Top 3 countries			14.571,8	-	59,0
Total FDI Received			24.704,7	-	100,0

Source: Compilation based on data from the Ministry of Industry, Trade and Tourism

Main countries of destination of outward foreign investment from the Community of Madrid. Sectoral flow breakdown.

	Investment destination	Investment origin sector	Volume (millions of €)	Total weight of each country	Weight over total of CoM
Q4 2024					
1	FRANCE	Sector totals	1.831,8	100,0	46,0
		23 MANUFACTURE OF OTHER NON-METALLIC MINERAL PRODUCTS	1.800,0	98,3	45,2
		65 INSURANCE, REINSURANCE & PENSION FUNDING, EXCEPT SS	20,5	1,1	0,5
		64 FINANCIAL SERV ACTIVITIES, EXCEPT INSURANCE & PENSION FUNDING	10,1	0,5	0,3
2	PERU	Sector totals	507,9	100,0	12,8
		64 FINANCIAL SERV ACTIVITIES, EXCEPT INSURANCE & PENSION FUNDING	507,9	100,0	12,8
		99 ACTIV. OF EXTRATERRITORIAL ORGANISATIONS AND BODIES	0,0	0,0	0,0
		98 UNDIFF. GOODS-& SERVICES-PRODUCING ACTIVITIES	0,0	0,0	0,0
3	BELGIUM	Sector totals	247,9	100,0	6,2
		64 FINANCIAL SERV ACTIVITIES, EXCEPT INSURANCE & PENSION FUNDING	247,9	100,0	6,2
		99 ACTIV. OF EXTRATERRITORIAL ORGANISATIONS AND BODIES	0,0	0,0	0,0
		98 UNDIFF. GOODS-& SERVICES-PRODUCING ACTIVITIES	0,0	0,0	0,0
Subtotal FDI ISSUED Top 3 countries			2.587,6	-	65,0
Total FDI ISSUED			3.981,6	-	100,0
CUMULATIVE Q1 - Q4 2024					
1	UNITED KINGDOM	Sector totals	3.340,2	100,0	21,3
		61 TELECOMMUNICATIONS	2.839,1	85,0	18,1
		64 FINANCIAL SERV ACTIVITIES, EXCEPT INSURANCE & PENSION FUNDING	471,3	14,1	3,0
		68 REAL ESTATE ACTIVITIES	15,0	0,4	0,1
2	UNITED STATES	Sector totals	2.556,8	100,0	16,3
		35 ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	2.110,2	82,6	13,5
		45 SALE AND REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	166,9	6,5	1,1
		49 LAND TRANSPORT AND TRANSPORT VIA PIPELINES	136,9	5,4	0,9
3	FRANCE	Sector totals	1.853,3	100,0	11,8
		23 MANUFACTURE OF OTHER NON-METALLIC MINERAL PRODUCTS	1.800,0	97,1	11,5
		64 FINANCIAL SERV ACTIVITIES, EXCEPT INSURANCE & PENSION FUNDING	26,3	1,4	0,2
		65 INSURANCE, REINSURANCE & PENSION FUNDING, EXCEPT SS	20,5	1,1	0,1
Total FDI ISSUED			15.647,8	-	100,0
Subtotal FDI ISSUED Top 3 countries			7.750,2	-	49,5

Source: Compilation based on data from the Ministry of Industry, Trade and Tourism

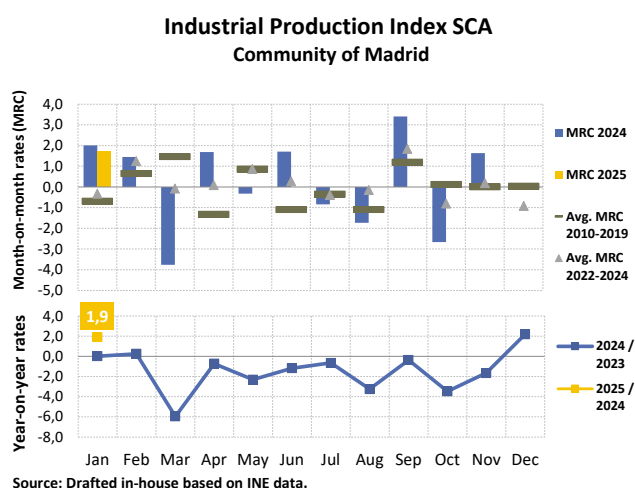
V.1.D. Manufacturing

1. Industry

The GVA of Madrid industrial sector continued its positive performance.

According to data from the Regional Quarterly Accounts of the Community of Madrid (base 2020), a steady growth trend in the industrial sector's GVA is observed. This sector experienced significant dynamism in 2022, with an annual growth rate of 5.1%, followed by a more moderate growth of 1.1% in both 2023 and 2024. This year-on-year growth remained stable across all four quarters of 2024, with quarterly growth rates of 0.9%, 1.2%, 1.2%, and 1.1%, respectively. As a result, there have been fifteen consecutive quarters of growth since the second quarter of 2021.

The Industrial Production Index contracted 2024. In the annual average for 2024, the IPI in the Community of Madrid, with seasonally and calendar adjusted data (SCA), showed a year-on-year decrease of -1.4%, in contrast to the 2.3% growth observed in 2023. The IPI (SCA) for Spain as a whole showed year-on-year growth of 0.4% in 2024 (-1.6% in 2023). Throughout the four quarters of 2024, Madrid's IPI showed negative year-on-year rates of -1.9%, -1.4%, -1.4%, and -1%, while the most recent data available, from January 2025, shows a year-on-year variation of 1.9%, moderating the downward trend.



By components, the IPI for Madrid (SCA) showed negative year-on-year variations for the accumulated 2024 data. The consumer goods sector saw a decline of -2.2%, with durable goods falling by -14.7% and non-durable goods decreasing by -1.3%. Meanwhile, capital goods contracted by -0.9%, intermediate goods by -1.4%, and energy dropped by -2%.

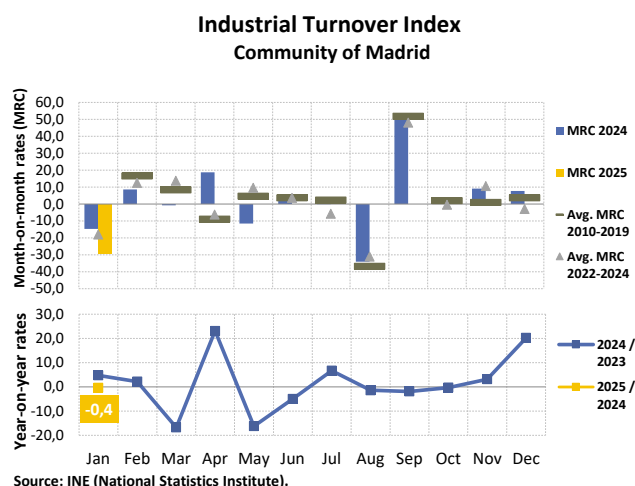
The Industrial Turnover Index showed a favourable evolution in the second half of 2024, which contrasts with the poor performance of the first half of the year.

The Industrial Turnover Index for the Community of Madrid closed 2024 with a year-on-year growth of 0.9%, lower than the previous year, which had recorded a 3.5% year-on-year increase.

In the first quarter of 2024, the index contracted by -4.5% year-on-year, while in the second quarter, the decline moderated to -1.1%. This negative trend in the first two quarters was broken in the third quarter, when the index grew by 1.3%, and gained further strength in the last quarter, with a 7.5% year-on-year increase.

In six out of twelve months of 2024, the index showed negative year-on-year growth, with notable declines in March (-16.8%), May (-16.3%), and June (-5%). In the remaining six months, the index posted positive year-on-year growth, with significant increases in April (23.1%) and December (20.2%).

The latest data, corresponding to January 2025, shows a year-on-year decrease of -0.4%.



The labour market in Madrid's industrial sector continued its positive performance.

In 2024, employment in Madrid's industrial sector grew by 2.9% year-on-year, and by 2.6% in the accumulated figures for January-February 2025. Registered unemployment in the sector decreased by 6.6% in 2024 and by 7.2% in the January-February 2025 period.

2. Construction

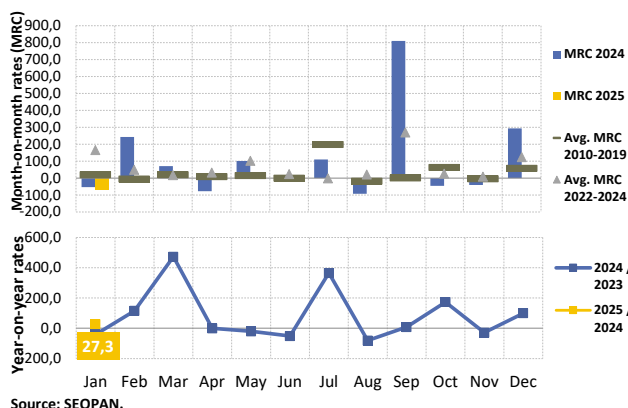
The sector's GVA continues to perform well.

The data from the Regional Quarterly Accounts (Base 2020) shows a consistent growth pattern in the sector's GVA for the fifteenth consecutive quarter since the second quarter of 2021. After the recovery in 2021 with a 2.9% year-on-year increase, 2022 showed an excellent performance, with an 8.9% growth. This growth moderated to 2.5% in 2023. In 2024, it further eased to 2.1%, with positive and increasing year-on-year growth rates of 1.7%, 2%, 2.1%, and 2.6% over the four quarters.

Total tendering increased significantly in Madrid in 2024.

Tendering volumes reached very high levels in 2024, with over €4.7 billion tendered in the region, representing a year-on-year increase of 33.2%, the highest volume since 2006. However, before the financial crisis, civil engineering projects were the leading segment, but now there is a more balanced distribution. Building construction now represents 54.4% of the total, with civil works making up the remaining 45.6%. Building construction recorded the highest tender volume since 2005, while civil works has only reached this tender value again since 2009.

Total official tender
Community of Madrid



By quarters, only the second quarter of 2024 shows a negative year-on-year variation rate of -34.8%, driven by civil works at -77.7%. The remaining three quarters show positive rates of 138.5% in the first quarter, and 46.1% and 65.5% in the third and fourth quarters, respectively. The year-on-year growth in January 2025 stands at 27.3%.

All leading indicators grew in 2024 except for building tenders, which fell slightly. Certificates of completion increased significantly, confirming the post-COVID recovery in activity.

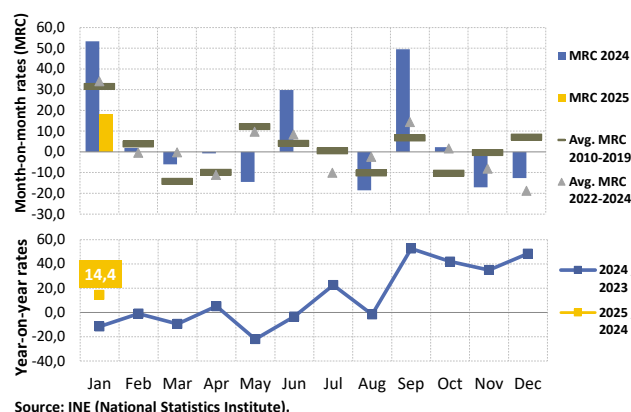
The permits issued for buildings in 2024 decreased by 1.1% year-on-year, while permits for residential

properties grew by 14.7%. In terms of value and area, the year-on-year growth was 13.9% and 9.1%, respectively. It is worth noting that in 2024, the number of building permits issued (1,767) was the lowest figure since 2014, a trend that does not apply to the number of residential permits, the total area permitted, or their value. The certificates of completion, a lagging indicator, showed a year-on-year growth of 60.4% in 2024. The number of signatures now exceeds 23,400, a figure that has not been reached since 2010, a far cry, however, from the average of 50,000 certifications in the 2000-2010 period.

In the residential market, quantity adjustments have ended while prices continue to rise, and the mortgage market is growing.

The strong post-COVID rebound in property sales pushed annual levels above 80,000 transactions in 2021 and 2022, a figure only surpassed in 2007, the year the series began. In 2023, the figure moderated to 70,095, but in 2024, it rebounded to 77,332, marking a growth of 10.3%.

Home sales
Community of Madrid



Eight consecutive quarters of adjustments in quantity (from the third quarter of 2022 to the second quarter of 2024) have not led to a moderation in prices, which, on the contrary, have accelerated in 2024 with annual growth rates of 5.9%, 7.2%, 7.2%, and 10.3%, respectively.

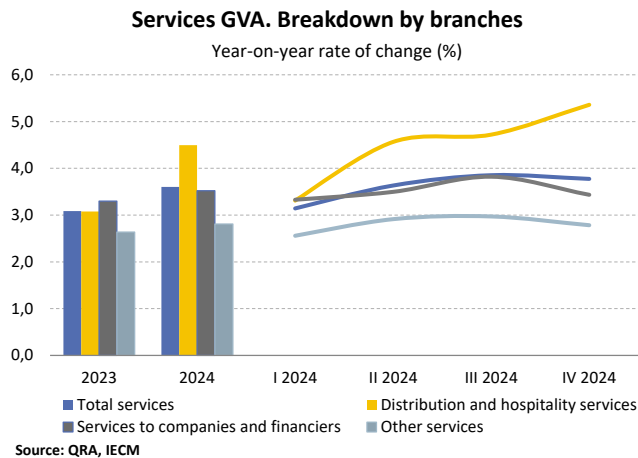
Mortgages grew in 2024, with an annual increase of 11.9% in number and 13.3% in capital. By quarters, they showed uneven performance, both in number (13.9%, -2.2%, 17.8%, and 17.2%) and in capital (-10.5%, -2.8%, 31.8%, and 38.8%).

The labour market in Madrid's construction sector continued its positive performance.

In 2024, employment grew by 3% year-on-year, and by 1.7% in the accumulated figures for January-February 2025. Registered unemployment decreased by -3.6% in 2024 and more sharply by -7.4% in the January-February 2025 period.

3. Services

Annual service sector GVA growth was consolidated in the fourth quarter of 2024 in the region. The real GVA of services (SCA) grew 1.1% in Q4 2024 from the previous quarter, or 3.8% year-on-year. In 2024 it increased by 3.6%, 0.5% more than in 2023.

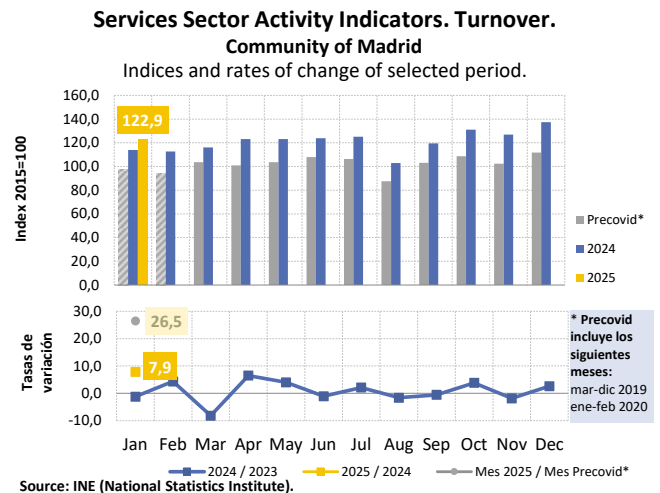


All the branches that make up the services aggregate show increases in real GVA (SCA) with respect to the previous quarter; of note is the 1.7% increase in *Distribution and hospitality services*; with a 0.9% increase in *Business and financial services*; while *Other services* increased by 0.7%. All branches grew year-on-year in 2024: *Distribution and hospitality services* by 4.5%, *Business and financial services* by 3.5%, and *Other services* by 2.8%.

The Services Sector Activity Indicators (SSAI) grew in the fourth quarter. In the fourth quarter of 2024, the SSAI turnover increased by 1.5% compared to the fourth quarter of 2023, following a 0.1% rise in the previous quarter. From the second quarter of 2024, year-on-year increases have been observed, after the declines that started in the second quarter of 2023. The figure for Spain grew by 3.9% year-on-year in the fourth quarter of 2024. It should be noted that this indicator is not deflated.

The latest available data, corresponding to January, shows a year-on-year improvement of 7.9% in the region, while Spain saw an increase of 5.5%.

The SSAI employment index points to a different evolution to the business index in both the Community of Madrid and Spain, growing at a very steady pace throughout 2024. In the Community of Madrid, year-on-year growth in the fourth quarter of 2025 was 2%, compared to 1.6% in Spain, consolidating the growth trend initiated in the second quarter of 2021.



In January 2025, a year-on-year growth of 2.2% is shown in Madrid, compared to 1.6% in Spain.

Air freight traffic, metro transport, and bus transport record highs for the series, while air passenger traffic records the highest figure for a fourth quarter.

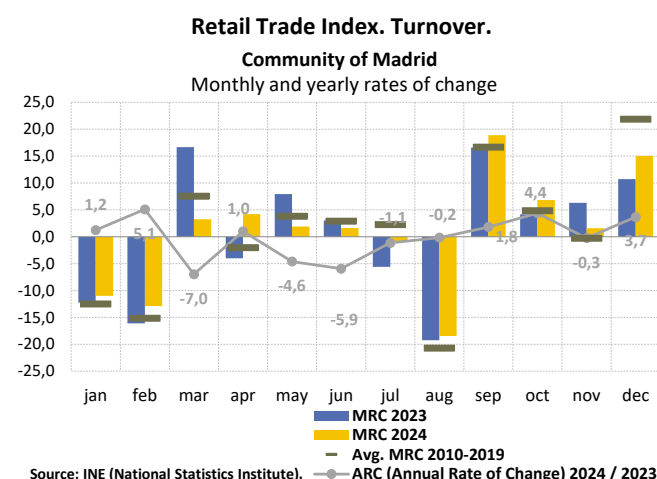
Passenger movements at Adolfo Suarez Madrid Barajas Airport increased in the fourth quarter of 2024 to 16,408,569 passengers, a 7.8% year-on-year rise, setting a record for the series for a fourth quarter. The latest figure, from January 2025, shows year-on-year growth of 8.3%.

Freight traffic at Madrid airport increased by 16.2% year-on-year in the fourth quarter of 2024, also rising compared to the previous quarter, which saw the highest volumes in the series for a single quarter. In January 2025, there was a year-on-year increase of 6.9%.

In the fourth quarter of 2024, urban transport on the Madrid Metro showed a year-on-year increase of 8.9%, reaching a record number of passengers for a quarter in the historical series. In January 2025, it rose by 5.5% year-on-year. Meanwhile, the number of urban bus passengers in the fourth quarter of 2024 saw a 3.9% year-on-year increase, registering the highest volume of passengers in the historical series. January 2025 marked a 1.7% year-on-year rise.

Turnover and employment figures in the Retail Trade Index (RTI) increased in the fourth quarter of 2024. In the fourth quarter of 2024, the deflated RTI turnover in the Community of Madrid increased by 2.6%, reaching the highest figure for a quarter in the historical series. It thus marks an increase compared to the stabilization and declines observed in the previous three quarters. The latest data, from January 2025, shows a 0.6% year-on-year rise, reflecting a slowdown after the significant increase in December 2024.

In Spain, the index grew by 3.6% year-on-year in the fourth quarter, reaching the highest figure since the fourth quarter of 2009.



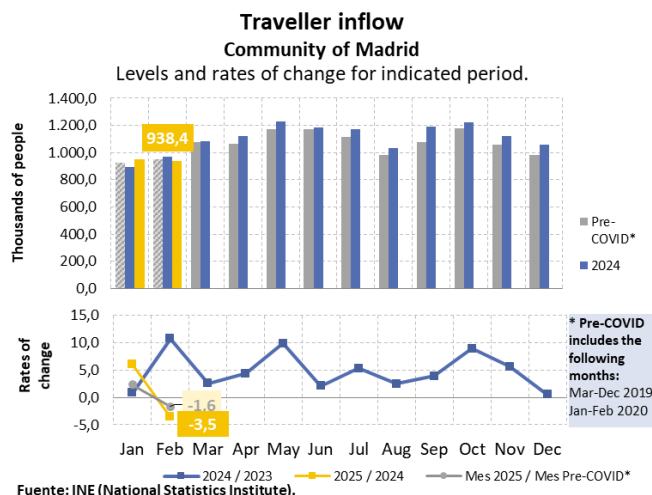
The employment index, both in the region and in Spain, continues to show positive growth. In Madrid, the year-on-year growth was 3.3% in the fourth quarter of 2024, consolidating the growth trend that started in the first quarter of 2021. This is the second-best figure since the fourth quarter of 2007.

In Spain as a whole, the index grew by 1.8%, a similar growth rate to the previous two quarters, achieving the best figure for a fourth quarter in the historical series.

The latest available data, corresponding to the month of January, show year-on-year growth of 2% in the Community of Madrid, which is more contained.

Record hotel activity in the Community of Madrid in the fourth quarter of 2024, consolidating its recovery after the pre-pandemic period. In the fourth quarter of 2024, nearly 3.4 million travellers were welcomed compared to 3.24 in the same quarter of the previous year, continuing the upward trend that began in the second quarter of 2021, marking the best figure for a fourth quarter in the historical series. When compared to pre-pandemic levels, the number of tourists has increased by 6% compared to the last quarter of 2019.

Overnight stays paralleled the behaviour of incoming travellers. In the fourth quarter of 2024, they reached 6.95 million, more than 362,000 overnight stays above the same period in 2024 and significantly surpassing the 2019 figure, which stood at 6,511,255 overnight stays. In January 2025, overnight stays reached 1,960,674, setting a new record for January in the historical series. However, February 2025, the latest published data, with 1,904,664 overnight stays, did not improve upon the February 2024 figure.



By market, the influx of travellers to the Community of Madrid in this quarter is mainly from residents of Spain (51.8%), which is one percentage point below pre-pandemic levels. At the same time, the number of domestic and international travellers exceeded pre-pandemic values, by 4% and 8.2% respectively. Overnight stays by non-residents exceed those by residents this quarter, accounting for 54% of the total, one percentage point below the fourth quarter of 2019.

In January 2025, the number of travellers increased by 6.1% year-on-year, and overnight stays rose by 8%. February 2025 shows a year-on-year decrease of 3.5% in travellers and 0.8% in overnight stays.

In relation to the occupancy rate, the average of 60.5% for the fourth quarter of 2024 exceeds the level of the same quarter in 2023 (59.2%), and shows an upward trend towards the levels of the fourth quarter of 2019 (61%). The figure for January 2025 stands at 51%, and for February at 55%, both improving compared to the same months in 2024.

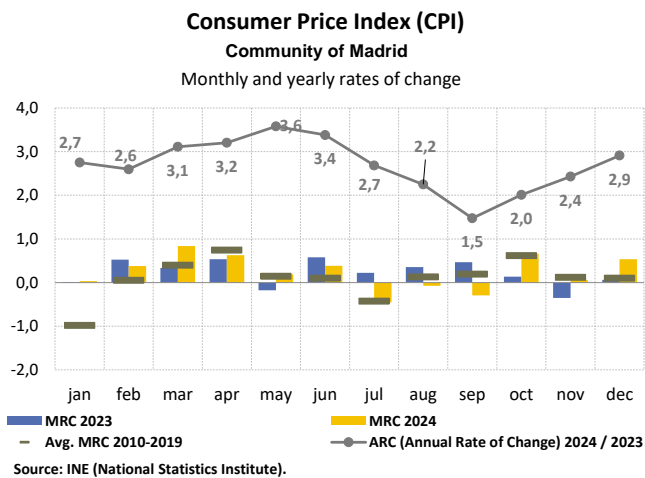
In terms of profitability indicators for the hotel sector, in the fourth quarter of 2024 the average daily rate per occupied room (ADR) stood at €146.3 in Madrid. The latest published figure for February 2025 is €129.2, which is €14 higher than the figures from February 2024. As for the revenue per available room (RevPAR), in the fourth quarter of 2024 it stands at €111.2, while in February 2025 it is €89.2, €10 higher than the same month in 2024.

In the fourth quarter, the combined analysis of service sector indicators shows growth across the board. By branches of activity, growth is observed in all of them.

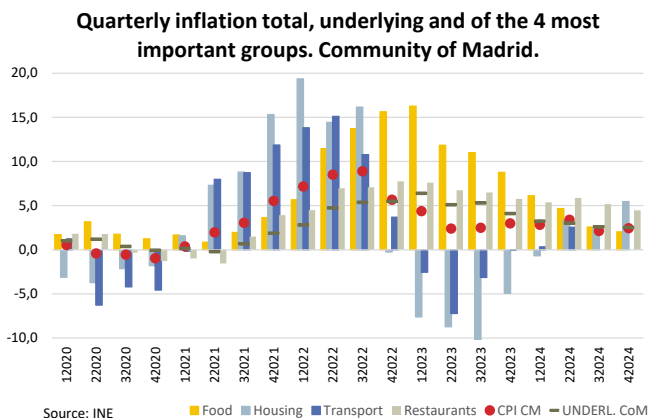
Similarly, there was also a full recovery in service sector indicators as a whole, with most surpassing pre-pandemic levels, except for the hotel occupancy rate, which has yet to achieve this.

V.2. Prices and wages

The moderation of price growth loses momentum in the fourth quarter, with headline and headline inflation showing very similar increases. **Headline inflation**, measured in terms of the CPI, reached 2.4% in the fourth quarter of the year, three tenths higher than in the third quarter, when the lowest increase since the second quarter of 2021 was recorded. However, the rate of price increases has slowed in the second half of the year, keeping the overall price increase for the year at 2.7% in 2024, three tenths below the average inflation rate of 2023. Inflation in the first two months of 2025, however, has risen to 3.1%.



Meanwhile, **core inflation**, which only includes components traditionally less volatile, stands at 2.5% in the fourth quarter of the year, in line with the previous quarter's 2.6%, and ends the year with an average increase of 2.8% for the whole of 2024, one tenth higher than overall headline inflation. Core inflation remained at levels not lower than headline inflation from August to November, only to show values below it again in the last three months, responding to the recent reactivation of price pressures in the energy component.

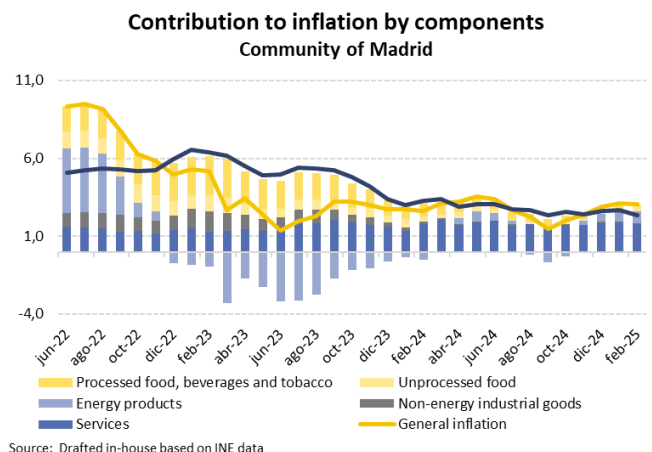


Before moving on to the behaviour of the main components and groups of inflation, it is worth noting that the seasonal behaviour of prices in 2024, although

it has followed the historical pattern of the pre-pandemic decade in 9 of its 12 months, has shown, as observed in 2023, fluctuations of greater intensity than in that reference period. The combined effect of these fluctuations has resulted in a wider variation in inflation throughout the year, significantly surpassing the levels observed before the global health crisis (2.2 pp in 2024, compared to an average of 1.5 pp in 2017, 2018, and 2019). This has led to the perception among citizens of a somewhat erratic recent evolution of this indicator, contrasting with the previous experience of relative stability and predictability.

Recent evolution of headline and headline inflation by main components. When analysing which components contribute the most to inflation each month, *Services* stands out as the key group that has kept both headline and core inflation at elevated levels since June 2023, with average contributions of 1.8 pp to headline inflation and 2.1 pp to core inflation.

Although in 2023 other components, such as food or non-energy industrial goods (BINE), also contributed to the increase, it is in 2024 that the reduction in the contribution from other components highlights the persistent upward contribution of *Services* to inflation, a pattern that remains evident in the first two months of 2025.

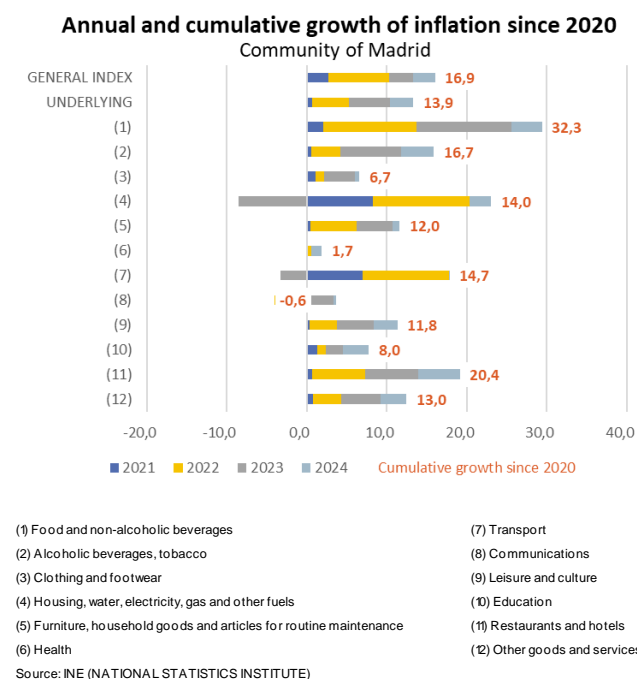


The loss of prominence of food-related components in the recent shaping of inflation is notable (despite the fact that no falls in their prices have been observed). In the case of *Unprocessed foods*, their contribution is almost negligible in the second half of 2024, with an average contribution of just one tenth, compared to the one percentage point they added to headline inflation between April 2022 and March 2023. The contribution of *Processed foods, beverages and tobacco*, which in the second half of 2022 and the first half of 2023 added more than 2 points on average to inflation, has since

seen a continuous decline, reaching only three tenths in the fourth quarter of 2024 and the start of 2025.

Energy products, which contributed negatively to inflation in 2023, has lost significance in 2024, with its impact alternating between positive and negative due to the volatility of electricity prices and year-on-year comparisons. Finally, *Non-energy industrial goods*, which made a significant contribution in 2023, have no upward influence on inflation in 2024 or early 2025.

In the analysis by groups of the evolution of prices throughout the year 2024, substantial differences are observed in the intensity of the price increases, ranging from the near stability of prices in "Communications" compared to the previous year (0.1%) to the 5.2% increase in "Restaurants and Hotels," which, after two years of consecutive 6.6% increases, has seen its price level rise by 20.4% compared to the average price level of 2020.



This post-pandemic accumulated growth is only surpassed by the "Food and alcoholic beverages" group, whose prices have risen by 32.3%, driven by increases that approached 12% in both 2022 and 2023. In 2024, it is the third most inflationary group, with an average annual increase of 3.8%.

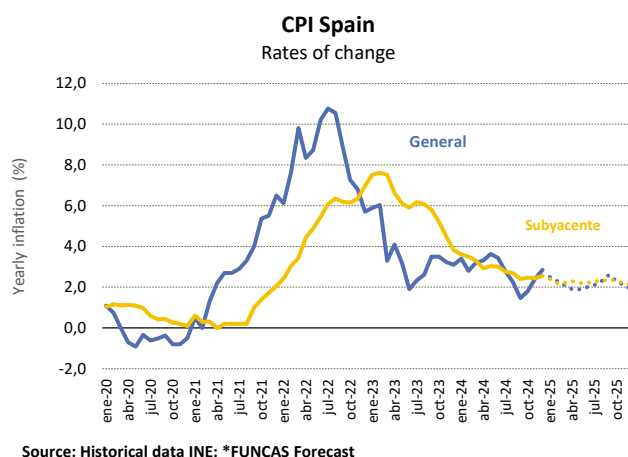
"Alcoholic beverages and tobacco" saw a price increase of 4.1% in 2024, the second most intense that year, and

registered the third-largest rise in the cost of the shopping basket compared to 2020, with an increase of 16.7%.

The two groups that include energy products, "Transport" and "Housing," while accumulating an increase of around 14% compared to 2020, showed non-synchronous developments in 2024: the near stability of prices in "Transport" contrasted with the 2.7% increase in "Housing."

In this inflationary context, it was noteworthy that "Communications" showed price levels 0.6% lower than those of 2020 in 2024.

The new Funcas forecasts for the CPI in Spain have raised inflation expectations for 2025. These new estimates foresee a gradual decline in the price of oil from \$80 per barrel to \$75 per barrel, whereas in the previous estimate, the price of oil was set at \$75 for the entire forecast period.



In addition, inflation in December exceeded expectations, due to the persistence of inflationary pressures from non-energy components, especially services.

As a result, in the baseline scenario, the forecasts raise the expected average annual headline inflation rate for 2025 by three tenths, to 2.2%, and inflation for December 2025 is expected to be 1.6%. Core inflation is expected to remain above 2% throughout the year, with the projected average annual rate being 2.3%, one tenth higher than previously estimated.

V.3. Labour market

1. Social Security Registration

Social Security registrations ended 2024 with an average of 3,689,236 registrations, marking an all-time annual high. In 2024, the average Social Security registration was up by 124,882 people compared to the end of 2023, representing a year-on-year increase of 3.5%. This figure indicates a slight deceleration that began last year when there was a loss of eight-tenths compared to 2022, which marked the strongest growth since 2006, at 5.7%.

The Community of Madrid was the region with the highest growth in absolute terms in 2024 and the second highest in year-on-year growth, only behind the Canary Islands. It is also the second region with the highest number of registrations, after Catalonia.

The all-time high is repeated for both genders, although the year-on-year growth rate was slightly more dynamic among women (3.7%) than among men (3.4%). The differences compared to last year were quite similar for both genders: 62,547 more men and 62,333 more women.

Record figures were also observed in the general scheme, with a 3.7% increase, and more moderately in the self-employed scheme, which saw a softer rise of 2.2%, but showed a recovery after the stagnation of 2023.

Moreover, analysis of average registration by activity sectors in the general scheme, excluding special agricultural and domestic workers' schemes, shows that the services sector accounts for 87.7% of total registrations and recorded a 4% increase compared to 2023. Construction grew by 3.3%, industry by 3.1%, and the slight contribution of the primary sector was 0.3%, which together caused total registration to rise by 3.9% in the region. In Spain, the growth was 3.1%. All activity sections grew except for *Other services*, which decreased by 0.8%. Notable growth was observed in the following sectors: *Public administration, defence and social security* (7.8%), *Transport and storage* (5.2%), and *Education* (4.9%). Madrid's registrations in tertiary activities represents 20.6% of the national total.

As for the self-employment scheme, it also recorded a historic high for the accumulated total in 2024, with 429,701 registrations. Women increased by 1.5 pp more than men in the year-on-year growth rate. By sector, *Public administration, defence, and social security* saw the largest increase, 9.1%, followed by *Real estate activities*, 6.6%, and *healthcare activities and social services*, 4.4%.

The most recent data from February shows that the number of registrations in Madrid reached 3,750,758, the highest figure for a February, recording a year-on-year growth of 2.9%, one tenth lower than in January and six tenths lower than the overall growth for 2024. This continues the trend of the slowing growth rate seen at the end of 2024.

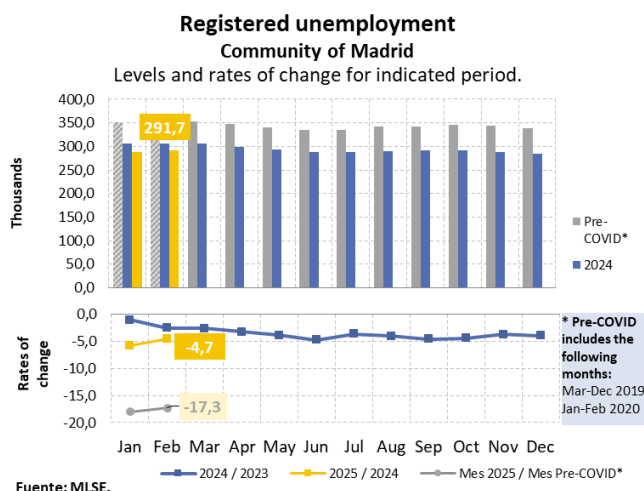
Both schemes again reached the highest volume of the series for a February, with a 3% year-on-year increase in the general scheme and a 2.5% increase in the self-employed scheme. *Transport and storage* and *Arts activities* are the sectors that grew the most, although when considering their significance, the largest contributions to the increase in the general scheme came from *Transport and storage* and *Public administration and defence*. As for the self-employed scheme, *Education and Information and communications* were the sectors with the highest growths; in terms of the largest contributors, *Professional, scientific and technical activities* was the most important, followed by *Information and communications*, *Construction* and *Arts activities*.

The data from this strong start to 2025 places the Community of Madrid at the top of the regional rankings, second in terms of total number of registrations in the January-February average. It leads the ranking for year-on-year differences in absolute terms, with 107,792 more registrations than a year ago, and also ranks as the first mainland region with the highest year-on-year growth rate at 3%, just behind the Canary Islands and the Balearic Islands.

CNAE Sections 2009	Q4-2024			Q4-19			Rates of change Q4				Overview year 2024				
	Level CM	Weight CM	COM/S	Level CM	Weight CM	COM/SPAIN	24/23		24/19		Level CM	Weight CM	COM/SPAIN	RC 24/23	
	No.	(%)	(%)	No.	(%)	(%)	COM	Spain	COM	Spain	No.	(%)	(%)	COM	Spain
A - Agric. Livest. Fore. A	2.508	0,1	3,0	2.546	0,1	3,5	2,5	5,3	-1,5	16,6	2.571	0,1	3,1	0,3	3,6
B ... E - Industry	218.184	6,8	9,9	195.448	7,1	9,4	2,7	1,8	11,6	6,6	216.085	6,9	9,9	3,1	1,9
F - Construction	169.720	5,3	16,8	145.199	5,2	16,6	2,3	2,2	16,9	14,9	168.737	5,4	16,9	3,3	2,2
G - Comm. Rep. Vehicles	450.125	14,0	17,1	421.655	15,2	17,1	2,4	2,0	6,8	6,5	443.472	14,1	17,0	2,5	2,1
H - Transport. Storage	184.452	5,7	20,9	149.816	5,4	20,2	6,1	5,1	23,1	18,9	178.516	5,7	20,8	5,2	4,5
I - Hospitality	215.575	6,7	14,6	198.229	7,2	15,2	3,8	4,2	8,8	12,9	208.312	6,6	13,8	4,5	4,5
J - Inform. Commun.	284.060	8,8	43,0	222.901	8,0	44,1	2,6	2,8	27,4	30,6	280.867	8,9	43,0	3,7	3,6
K - Act. Finance & Insur	124.441	3,9	37,9	110.565	4,0	34,5	3,5	2,3	12,6	2,3	122.912	3,9	37,8	4,0	2,5
L - Act. Real Estate	29.381	0,9	26,6	25.153	0,9	25,6	3,5	3,2	16,8	12,7	29.092	0,9	26,5	3,9	3,6
M - Actv. Prof. Tech. Sci.	303.587	9,4	32,1	245.346	8,9	31,9	3,8	3,7	23,7	22,8	298.101	9,5	32,0	4,3	3,9
N - Actv. Admt. Serv. Auxil.	350.055	10,9	23,8	320.616	11,6	23,9	2,1	3,0	9,2	9,6	343.747	10,9	23,8	2,7	2,8
O - Public Adm Defen., SS	237.648	7,4	20,3	173.414	6,3	15,6	8,7	1,9	37,0	5,2	230.743	7,3	19,8	7,8	-3,4
P - Education	231.264	7,2	18,2	191.817	6,9	19,7	4,3	4,9	20,6	30,5	220.303	7,0	18,2	4,9	11,2
Q - Actv. Health Serv. Social	278.966	8,7	14,5	236.812	8,6	14,7	3,6	3,4	17,8	19,3	277.451	8,8	14,6	4,6	3,9
R - Actv. Artis. Rec. & Ent	57.546	1,8	18,1	50.321	1,8	18,5	4,9	4,9	14,4	16,9	55.135	1,7	17,7	4,5	4,4
S ... U - Rest of Serv.	77.838	2,4	22,9	79.564	2,9	20,9	-0,5	1,0	-2,2	1,1	77.787	2,5	20,5	-0,8	0,6
Total services	2.824.938	87,9	20,9	2.426.209	87,6	20,4	3,7	3,2	16,4	14,0	2.766.439	87,7	20,6	4,0	3,3
Total	3.215.350	100,0	19,1	2.769.402	100,0	18,6	3,6	3,0	16,1	13,0	3.153.832	100,0	18,9	3,9	3,1

2. Registered unemployment

The number of unemployed continued to fall in the fourth quarter of the year. The registered unemployment trend in the last quarter remains positive, with declines observed since the second quarter of 2021. Unemployment fell from 300,174 in the fourth quarter of 2023 to 287,909 in the same period of 2024. This is the lowest figure for a quarter since 2008 and is already a far cry from the 2020 figures, when 430,907 unemployed people were registered in the fourth quarter.



The decline in unemployment in the region has stabilised, with a year-on-year decrease of 4.1% in the fourth quarter of 2024, similar to the third quarter but much higher than the 1.5% drop in the fourth quarter of 2023. Thus, the gradual loss of momentum observed between the second quarter of 2022 and the fourth quarter of 2023 has been reversed. On average for the

year 2024, the decline in registered unemployment stood at 3.6%, compared to 4.5% in 2023. In January and February of 2025, the most recent data published, year-on-year declines in registered unemployment were again observed, at 5.9% and 4.7%, respectively.

Both genders participated in the declines in unemployment in the region and improve on pre-pandemic data. Male unemployment continues to show the smallest year-on-year drop, reaching 3.7% in the fourth quarter of 2024, while female unemployment fell by 4.4%. In January 2025, a similar year-on-year decrease of 5.9% was recorded for both men and women. In February, the declines were 4.7% for men and 4.6% for women.

The year-on-year decreases observed in the fourth quarter also occurred across all sectors of activity: 7.9% in agriculture, 6.4% in industry, 5.7% in the "without previous employment" group, 5.2% in construction, and 3.6% in services, which recorded the smallest decline. This drop, likewise, is evidenced in its comparison with the fourth quarter of 2019 in all sectors, although with different intensity.

In January 2025, regional unemployment decreased year-on-year in all sectors: 10.4% in the "without previous employment" group, 9.6% in agriculture, 7.8% in construction, 7.5% in industry, and 4.2% in services. In February, the decline continued in all sectors: the "without previous employment" group fell by 8.4%, construction by 7.1%, industry by 6.8%, agriculture by 6.7%, and services by 3.9%.

REGISTERED UNEMPLOYMENT BY SECTIONS Community of Madrid										
CNAE Sections 2009	4Q24					Pandemic maximum		Pre-pandemic variation 4Q19		
	Level	Weight (%)	Diff Annual	ARC (%)	Rep. (1)	Level	Date	Difference	RC (%)	Rep. (1)
A - Agric. Livest. Fore. And Fish	2.132	0,7	-184	-7,9	-0,1	3.470	1Q21	-651	-23,4	-0,2
B ... E - Industry	15.506	5,4	-1.057	-6,4	-0,4	24.732	1Q21	-5.475	-26,1	-1,6
F - Construction	20.692	7,2	-1.126	-5,2	-0,4	33.085	1Q21	-6.566	-24,1	-1,9
G - Comm. Rep. Vehicles	38.610	13,4	-1.341	-3,4	-0,4	59.641	1Q21	-7.091	-15,5	-2,1
H - Transport. Storage	10.783	3,7	-752	-6,5	-0,3	17.971	2Q20	-1.825	-14,5	-0,5
I - Hospitality	24.702	8,6	-1.478	-5,6	-0,5	43.980	1Q21	-6.012	-19,6	-1,8
J - Inform. Commun.	13.172	4,6	1.331	11,2	0,4	16.165	2Q20	714	5,7	0,2
K - Act. Finance & Insur	4.201	1,5	-826	-16,4	-0,3	6.028	3Q21	-939	-18,3	-0,3
L - Act. Real Estate	2.527	0,9	-144	-5,4	0,0	3.582	1Q21	-235	-8,5	-0,1
M - Actv. Prof. Tech. Sci.	30.520	10,6	-409	-1,3	-0,1	47.878	1Q21	-7.940	-20,6	-2,3
N - Actv. Admt. Serv. Aulil.	44.042	15,3	-3.133	-6,6	-1,0	74.986	1Q21	-12.139	-21,6	-3,5
O - Public Adm Defen., SS	11.827	4,1	-1.090	-8,4	-0,4	15.366	3Q21	148	1,3	0,0
P - Education	9.864	3,4	-513	-4,9	-0,2	16.956	3Q21	-499	-4,8	-0,1
Q - Actv. Health Serv. Social	15.105	5,2	-288	-1,9	-0,1	20.185	1Q21	-1.278	-7,8	-0,4
R - Actv. Artis. Rec. & Ent	5.573	1,9	-384	-6,4	-0,1	9.458	3Q20	-1.237	-18,2	-0,4
S ... U - Rest of Serv.	18.632	6,5	333	1,8	0,1	26.142	1Q21	-536	-2,8	-0,2
Total services	229.558	79,7	-8.694	-3,6	-2,9	350.569	1Q21	-38.871	-14,5	-11,3
No previous employment	20.021	7,0	-1.204	-5,7	-0,4	31.547	2Q21	-3.345	-14,3	-1,0
Total	287.909	100,0	-12.265	-4,1	-4,1	442.805	1Q21	-54.908	-16,0	-16,0

(1) Impact is the contribution of each section to total growth

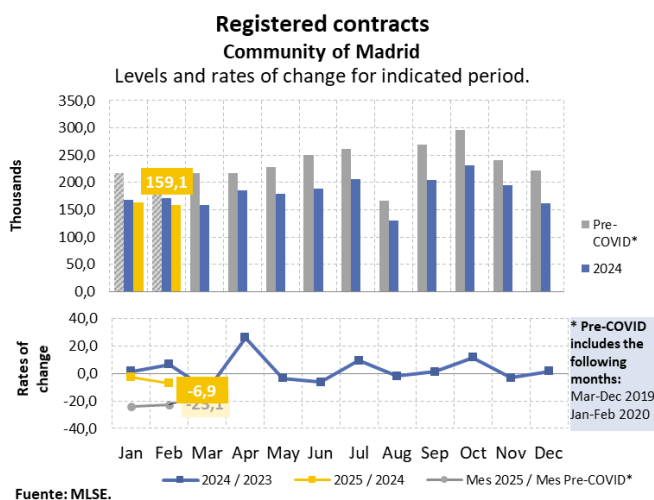
Source: Directorate General of the Public Employment Service. Regional Department of Economy, Taxation and Employment

The breakdown of the services sector by activity sections (CNAE 2009) shows that in the fourth quarter of 2024 in year-on-year terms, unemployment has not decreased in all areas, with *Financial and insurance activities* being the one seeing the greatest drop in registered unemployed in relative terms, with a fall of 16.4%; followed by *Public administration, defence and social security* with a fall of 8.4%, *Administrative activities and Auxiliary services* with a 6.6% drop, and *Transport and storage* with a 6.5% decline. The number of registered unemployed increased year-on-year by 11.2% in *Information and communications* and by 1.8% in *Other services*.

In the most recent data published for January and February 2025, the regional year-on-year comparison shows a widespread decrease in registered unemployment across all Autonomous Communities, except for Navarra, where it increased by 0.04% in January. The range of changes is wide, with Andalusia experiencing the largest decrease and Navarra the smallest. The Community of Madrid has the fourth highest registered unemployment rate in Spain, despite having the second-largest labour force measured in terms of social security contributors.

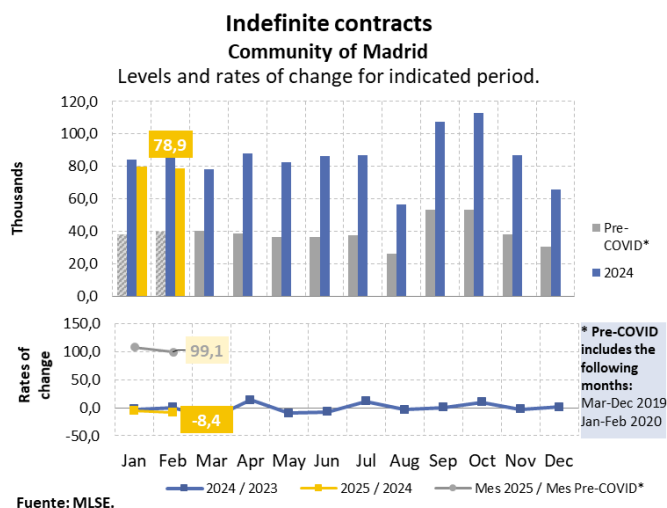
All regions show current levels of registered unemployment below pre-pandemic levels, with the Community of Madrid being the region with the second largest drop in absolute terms.

Third consecutive quarter of year-on-year growth in the number of contracts. Hiring grew at a good pace in the fourth quarter of 2024, just like in the previous two quarters, following the declining trend that began in the third quarter of 2022. In the fourth quarter of 2024, registered contracts increased by 3.4% year-on-year. However, the latest data from January show a year-on-year decline of 2.6% in registered contracts, with a total of 164,250, of which 48.5% were permanent contracts.



With the entry into force of the labour reform in 2022 and the implementation of stimulus measures and methodological changes, the proportion of new permanent contracts compared to temporary ones reached record levels.

In the fourth quarter of 2024, year-on-year levels of permanent hiring showed an increase of 3.4%, marking the second consecutive quarter of growth after the declining trend that began in the second quarter of 2023. However, the latest data for January and February show a year-on-year decline in permanent contracts, of 5.6% and 8.4%, respectively.



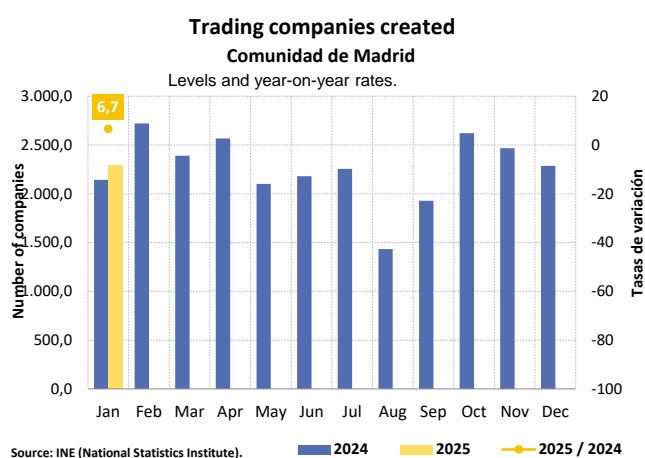
Meanwhile, temporary hiring saw a sharp cutback from the second quarter of 2022, followed by notable declines in 2023, which, however, are gradually easing; thus, in the first quarter of 2023, the decline was 43.9% while in the fourth quarter it was limited to 1.5%. In 2024, temporary hiring has seen consecutive year-on-year increases, reaching 3.5% in the fourth quarter. The latest data for January also show a year-on-year increase in temporary hiring, though more modest, at 0.4%, while in February it decreased by 5.4%.

Meanwhile, permanent discontinuous contracts, residual until the entry into force of the labour reform in 2022, reached 16,942 in the fourth quarter of 2024.

V.4. Business environment

Entrepreneurship began 2024 on an upward trend, with moderate growth in the first quarter, accelerating in the second quarter, and remaining strong in the last two, with double-digit growth. The fourth quarter recorded the highest number of company incorporations since early 2007, marking the second strongest year-on-year increase in the entire series, with a 21.5% rise for a fourth quarter. The total number of company incorporations in 2024 reached 27,093 entities, the third-highest figure in the historical series, surpassed only by 2006 and 2007, and 9.8% higher than in 2023, representing 2,422 more companies than the previous year.

The creation of companies reached 2,286 in January, the latest available data, making it the third-largest volume for this month since 2006, almost identical to December's figure. In year-on-year terms, it grew by 6.7%, moderating the strong advances of the previous four months. Madrid is the leading region for company incorporations, both in January 2025 and for the entire year of 2024. The relative figures for the creation of new companies are very significant; 21.4% of the total number of companies created in Spain in January did so in the region, and 23% of those set up throughout 2024.



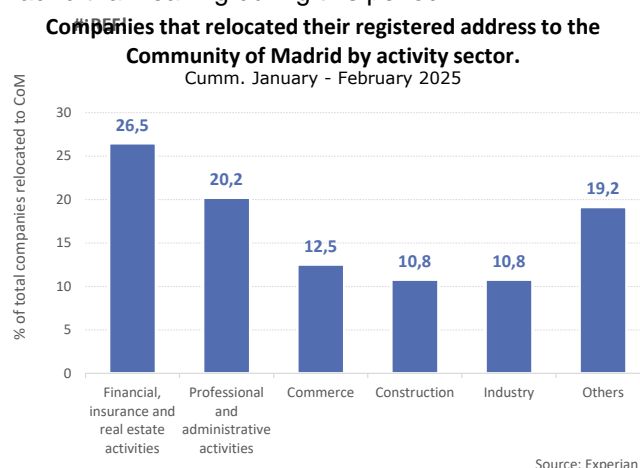
Subscribed capital started 2024 with significant year-on-year increases in the first half of the year, although it notably slowed down in the third quarter and recorded a sharp year-on-year decline of 31.3% in the fourth quarter, amounting to €322 million. This was the third-largest figure for a fourth quarter in the last eight years. Despite this decline, the accumulated total for 2024 saw a year-on-year growth of 2.3%, reaching €1.3978 billion, securing the top position in the regional ranking for subscribed capital. In January, investment amounted to €85.6 million, which is 6.1% lower than in December and 63% lower compared to the same month last year. Nevertheless, the Community of Madrid is the third region with the highest subscribed capital at the start of this year, accounting for 16.9% of the total national

investment in this month. The average capitalisation per company in January was 20.7% lower than the national average.

As for company dissolutions, these increased in six of the twelve months of 2024. In the fourth quarter of 2024, dissolutions grew by 9.1% compared to the same quarter in 2023. The latest data for January shows that company closures increased by 14.8% month-on-month and 14.6% year-on-year.

The number of companies relocating to the Community of Madrid during 2024 was positive, confirming the region as a hub of attraction for businesses. According to data from Experian, 215 more companies moved to the Community of Madrid than left it in 2024. Of the new relocations, 20% were in the *Professional and administrative activities* category, followed by the *Financial, insurance, and real estate activities*, 17%, and *Commercial*, 14%, categories. As for the origins of the companies that arrived during the year, Catalonia contributed 23.6% of the total, and Andalusia 16.5%.

In the first two months of 2025, 287 companies relocated their headquarters to the Community of Madrid. The most represented sector was *Financial, insurance, and real estate activities*, with 26.5%, followed by *Professional and administrative activities* at 20.2%. The main Autonomous Communities of origin during these months were Catalonia (19.9%) and Andalusia (13.2%), with a net balance of 29 more companies moving to Madrid than leaving during this period.



As for business forecasts for the year 2025, according to the report "Perspectivas España 2025" (Outlook for Spain 2025), recently published by KPMG and the CEOE, business powers in the Community of Madrid, Aragon and the Balearic Islands are the ones with the most positive view of the current economic situation in their regions. Likewise, the outlook for job creation among Madrid's executives is among the most positive.

Annex 1: Relocation of companies to the Community of Madrid

Year 2024¹: January - December

Companies that relocated their registered address to the Community of Madrid														
By autonomous community of origin and sector of activity. Cumulative. Jan-Dec 2024														
Aut.Com./Sector	01	02	03	04	05	06	07	08	09	10	11	s/d	Total	%
Andalusia	4	57	29	43	12	14	22	45	57	5	11	1	300	16,5
Aragon		12	7	11	2		2	7	12	4	1		58	3,2
Asturias		10	3	7		1	1	8	7		1		38	2,1
Balearic Islands		5	8		1	11	2	15	5	1			48	2,6
Canary Islands	1	2	4	2	1	2		6	10	2	7		37	2,0
Cantabria		3	3	3		1		1	3	1	2		17	0,9
Castile-La Mancha	13	27	27	27	5	12	12	26	40	9	10		208	11,5
Castile Leon	4	20	18	27	3	8	5	21	28	7	9		150	8,3
Catalonia	5	40	38	58	10	18	24	109	107	12	8		429	23,6
Extremadura	1	5	3	3		3	2	4	8				29	1,6
Galicia		7	3	9	4	3	4	4	9	4	4		51	2,8
La Rioja		1	1	1	1		1	1	1				7	0,4
Murcia	1	8	6	13	2	1	4	4	6	1	2	1	49	2,7
Navarre		16	6	6	1		2	10	5		1		47	2,6
Basque Country	1	32	6	15	1	15	4	33	27	1	4		139	7,7
Valencia		65	19	29	7	11	15	16	37	5	3		207	11,4
Others														
Total	30	310	181	254	50	##	100	310	362	52	63	2	1.814	100,0
%	1,7	17,1	10,0	14,0	2,8	5,5	5,5	17,1	20,0	2,9	3,5	0,1	100,0	
Balance. Inputs - Outputs													215	

01: Agriculture; 02: Industry; 03: Construction; 04: Commerce; 05: Transport and storage; 06: Hospitality; 07: Information and communications; 08: Financial, insurance and real estate activities; 09: Professional and administrative activities; 10: Public administrations, health and education; 11: Artistic activities and other services; n/d: no data.

Companies that move their registered office outside the Community of Madrid														
By autonomous community of origin and sector of activity. Cumulative. Jan-Dec 2024														
Aut.Com./Sector	01	02	03	04	05	06	07	08	09	10	11	s/d	Total	%
Andalusia	7	24	26	53	7	9	20	59	58	9	20		292	18,3
Aragon	1	8	5	13	2		1	12	5	5	1		53	3,3
Asturias		2	4	9		2	1	9	5				32	2,0
Balearic Islands	1	2	3	10	1	6	1	13	11		2		50	3,1
Canary Islands	1	5	4	4		1	3	11	8		3		40	2,5
Cantabria	1		2	1	4	2		5	6		1		22	1,4
Castile-La Mancha	2	30	8	15	3	2	4	17	18	4	8		111	6,9
Castile Leon	9	37	38	32	6	12	8	22	35	8	9		216	13,5
Catalonia	2	14	14	57	9	14	25	70	56	13	19		293	18,3
Extremadura	4	3	2	10	2		1	4	3		1		30	1,9
Galicia	3	3	9	19	2	1	6	8	20	1	4		76	4,8
La Rioja		1	1				2	1	2	1		1	9	0,6
Murcia	1	4	1	9	2		1	8	7		3		36	2,3
Navarre		2	1	3	1		4	5	5				21	1,3
Basque Country		17	6	3	2	1	16	14	26		13		98	6,1
Valencia		24	16	38	9	7	20	54	37	3	9		217	13,6
Ceuta				1				1					2	0,1
Melilla												1	1	0,1
Total	32	176	140	277	50	57	113	313	302	44	94	1	1.599	100,0
%	2,0	11,0	8,8	17,3	3,1	3,6	7,1	19,6	18,9	2,8	5,9	0,1	100,0	

01: Agriculture; 02: Industry; 03: Construction; 04: Commerce; 05: Transport and storage; 06: Hospitality; 07: Information and communications; 08: Financial, insurance and real estate activities; 09: Professional and administrative activities; 10: Public administrations, health and education; 11: Artistic activities and other services; n/d: no data.

¹ Source: Experian, with information from the Official Gazette of the Companies Registry (in Spanish: Boletín Oficial del Registro Mercantil, or BORME).

Latest data: January-February 2025²

Companies that relocated their registered address to the Community of Madrid														
By autonomous community of origin and sector of activity. Cumulative January - February 2025														
Aut.Com./Sector	01	02	03	04	05	06	07	08	09	10	11	s/d	Total	%
Andalusia	1	7	9	3		2	3	7	4	1	1		38	13,2
Aragon		1	1	4				2	3				11	3,8
Asturias		2	1					3	2				8	2,8
Balearic Islands			2			2	1		3				8	2,8
Canary Islands		1	2	2		1			4				10	3,5
Cantabria		1						4					5	1,7
Castile-La Mancha		2	6	4	3		2	2	4	1	1		25	8,7
Castile Leon		1	2	6	1			5	5	2	2		24	8,4
Catalonia		5	3	10	3	2	1	16	13	2	2		57	19,9
Extremadura		2					1	2	2		1		8	2,8
Galicia		1	2	1				2	5		1		12	4,2
La Rioja					1	1		3	1				6	2,1
Murcia				3			3	3	2				11	3,8
Navarre						1		1	2				4	1,4
Basque Country		3	1	1	2		2	8	6	2	2		27	9,4
Valencia		5	2	2		1	1	17	2		1		31	10,8
Others					1			1					2	0,7
Total	1	31	31	36	11	10	14	76	58	8	11		287	100,0
%	0,3	10,8	10,8	12,5	3,8	3,5	4,9	26,5	20,2	2,8	3,8		100,0	
Balance. Inputs - Outputs													29	

01: Agriculture; 02: Industry; 03: Construction; 04: Commerce; 05: Transport and storage; 06: Hospitality; 07: Information and communications; 08: Financial, insurance and real estate activities; 09: Professional and administrative activities; 10: Public administrations, health and education; 11: Artistic activities and other services; n/d: no data.

Companies that move their registered office outside the Community of Madrid														
By autonomous community of destination and sector of activity. Cumulative January - February 2025														
Aut.Com./Sector	01	02	03	04	05	06	07	08	09	10	11	s/d	Total	%
Andalusia	3	5	9	5	1	4	3	10	8	4			52	20,2
Aragon				2	1	1	2	2				2	10	3,9
Asturias		5			1			2	2				10	3,9
Balearic Islands		1				1		1					3	1,2
Canary Islands							1		3				4	1,6
Cantabria		1	2	1									4	1,6
Castile-La Mancha	2	3	2	2			2	4	2			1	18	7,0
Castile Leon		4	1	6	1	1	3	2	1	1	1		21	8,1
Catalonia		6	5	8	5	4	4	11	18		1		62	24,0
Extremadura					1			1		1			3	1,2
Galicia				2			2	1	2				7	2,7
La Rioja			1					2	1				4	1,6
Murcia		2	1	2				3	3	1	2		14	5,4
Navarre		1		1			1	1	1				5	1,9
Basque Country		1	2	3	2	1		6	5	2			22	8,5
Valencia		1	1	7		2	1	5	1		1		19	7,4
Ceuta														
Melilla														
Total	5	30	24	39	12	14	19	51	47	9	8		258	100,0
%	1,9	11,6	9,3	15,1	4,7	5,4	7,4	19,8	18,2	3,5	3,1		100,0	

01: Agriculture; 02: Industry; 03: Construction; 04: Commerce; 05: Transport and storage; 06: Hospitality; 07: Information and communications; 08: Financial, insurance and real estate activities; 09: Professional and administrative activities; 10: Public administrations, health and education; 11: Artistic activities and other services; n/d: no data.

² Source: Experian, with information from the Official Gazette of the Companies Registry (in Spanish: Boletín Oficial del Registro Mercantil, or BORME).

Annex 2: Population figures

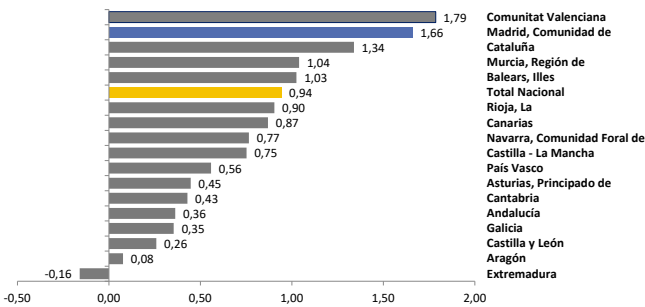
REGIONAL POPULATION RANKING (01/01/2025)					
TOTAL POPULATION		(SPANISH POPULATION)	POPULATION BORN ABROAD	POPULATION BETWEEN 0-15 YEARS OLD	POPULATION 65 YEARS OLD AND OVER
People		People	People	(%)	(%)
Spain	49.077.984	Spain	6.852.348	Spain	9.379.972
Andalusia	8.663.175	Catalonia	1.518.767	Catalonia	2.028.315
Catalonia	8.119.550	Comm. of Madrid	1.190.994	Comm. of Madrid	1.773.869
Comm. of Madrid	7.125.583	C. Valenciana	1.045.804	C. Valenciana	1.293.449
C. Valenciana	5.414.296	Andalusia	883.469	Andalusia	1.119.236
Galicia	2.715.424	Canary Islands	338.705	Canary Islands	524.728
Castile-León	2.397.889	Balearic Islands	264.910	Balearic Islands	352.221
Canary Islands	2.258.219	Castile-La Mancha	252.227	Galicia	329.505
Basque Country	2.240.113	Region of Murcia	250.745	Region of Murcia	320.983
Castile-La Mancha	2.120.261	Basque Country	225.465	Basque Country	316.942
Region of Murcia	1.584.801	Castile-León	200.468	Castile-La Mancha	315.764
Aragon	1.352.630	Aragon	190.762	Castile-León	278.961
Balearic Islands	1.244.934	Galicia	172.523	Aragon	244.954
Extremadura	1.052.998	Navarre	89.778	Navarre	135.105
Asturias	1.014.112	Asturias	67.620	Asturias	114.656
Navarre	683.525	La Rioja	48.656	Cantabria	74.415
Cantabria	593.386	Cantabria	48.114	Extremadura	62.840
La Rioja	327.115	Extremadura	46.101	La Rioja	61.594
Asturias				Asturias	10,7
TOTAL POPULATION		TOTAL POPULATION	(SPANISH POPULATION)	TOTAL POPULATION	(SPANISH POPULATION)
(Quarterly difference)		(Year-on-year difference)		(Year-on-year rate)	
Spain	115.612	Spain	458.289	Spain	350.066
Comm. of Madrid	31.525	Comm. of Madrid	116.315	C. Valenciana	76.202
Catalonia	27.845	Catalonia	107.319	Catalonia	74.575
C. Valenciana	25.462	C. Valenciana	95.011	Comm. of Madrid	67.263
Region of Murcia	4.429	Andalusia	31.313	Andalusia	30.678
Galicia	3.821	Canary Islands	19.465	Galicia	17.242
Castile-La Mancha	3.539	Region of Murcia	16.309	Castile-León	16.333
Castile-León	3.365	Castile-La Mancha	15.828	Castile-La Mancha	14.323
Canary Islands	3.176	Balearic Islands	12.626	Basque Country	10.880
Andalusia	3.065	Basque Country	12.429	Canary Islands	9.353
Basque Country	2.688	Galicia	9.591	Region of Murcia	9.251
Asturias	1.523	Castile-León	6.207	Asturias	7.290
Navarre	1.402	Navarre	5.192	Balearic Islands	4.183
La Rioja	940	Asturias	4.513	Navarre	3.887
Balearic Islands	932	La Rioja	2.931	Cantabria	3.354
Cantabria	751	Cantabria	2.535	Extremadura	2.873
Aragon	394	Aragon	1.039	La Rioja	1.922
Extremadura	223	Extremadura	-1.683	Aragon	-0,2

Source: Continuous Population Statistics. INE (NATIONAL STATISTICS INSTITUTE)

DIFFERENCES IN POPULATION 1/01/2025-1/01/2024. COMMUNITY OF MADRID									
	TOTAL			SPANISH			FOREIGNERS		
	Both sexes	Men	Women	Both sexes	Men	Women	Both sexes	Men	Women
Total	117.040	59.124	57.916	60.427	27.666	32.761	56.613	31.458	25.155
Aged 0-14	-10.562	-5.499	-5.063	-11.643	-5.988	-5.655	1.081	489	592
15-64	89.396	47.277	42.119	39.665	18.637	21.028	49.731	28.640	21.091
over 65	38.206	17.346	20.860	32.405	15.017	17.388	5.801	2.329	3.472

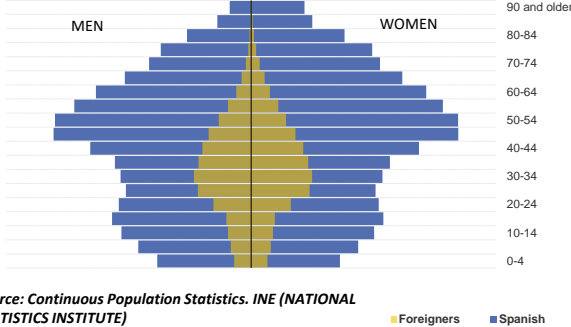
Source: Continuous Population Statistics. INE (NATIONAL STATISTICS INSTITUTE)

Relative population growth. January 25-January 24



Source: Continuous Population Statistics. INE (NATIONAL STATISTICS INSTITUTE)

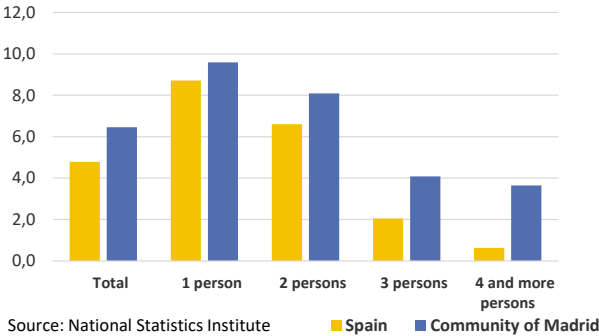
POPULATION IN THE COMMUNITY OF MADRID. 1/01/2025



Source: Continuous Population Statistics. INE (NATIONAL STATISTICS INSTITUTE)

Foreigners Spanish

Growth in the number of people per household January 2021-January 2025 (%)



Source: National Statistics Institute

Spain Community of Madrid

Concepts, sources and abbreviations used

Frequently used abbreviations and acronyms

P. A.	Public Administrations	ETVE	Foreign Securities Holding Entities
Tax Authority	State Tax Administration Agency	IMF	International Monetary Fund
H&MHT	High and Medium High Tech	FUNCAS	Foundation of the Federated Savings Banks
ECB	European Central Bank	IECM	Institute of Statistics of the Community of Madrid
BDE	Bank of Spain	INE (National Statistics Institute)	National Statistics Institute
AA. CC	Autonomous Communities	MAEYTD	Ministry of Economic Affairs and Digital Transformation
EC	European Commission	MISSYM	Ministry of Inclusion, Social Security and Migration
CoM	Community of Madrid	MITMA	Ministry of Transport Mobility and Urban Agenda
QSNA	Quarterly Spanish National Accounts	OECD	Organisation for Economic Cooperation and Development
QRACM	Quarterly Regional Accounts of the Community of Madrid	OPEC	Organisation of Petroleum Exporting Countries
SPRC	Strategic Petroleum Products Reserves Corporation	GDP	Gross Domestic Product
RAS	Regional Accounts of Spain	SEOPAN	Association of Construction Companies at a National Scale
SCA	Seasonal and calendar adjustment	TARIC	Code for the integrated tariff of the European Union
TC	Trend-cycle component	EU	European Union
DGT	Directorate-General for Traffic	EMU	Economic and Monetary Union
EUROSTAT	Statistical Office of the European Union	GVA	Gross value added

Non-centred moving average of order 12 (MM12).

Series constructed from the original by means of successive arithmetic averages, where each data point is obtained from the average of the last twelve months of the original series. The purpose of constructing a series of moving averages is to eliminate possible seasonal or erratic variations in a series, so that an estimate of the trend-cycle component of the variable in question is obtained.

Trend-Cycle (TC)

A trend is one of the unobservable components into which a variable can be broken down, according to classic time series analysis. It can be extracted or estimated using a variety of techniques and represents the solid evolution underlying the observed evolution of the variable, once seasonal variations and irregular or short-term disruptions are removed. It therefore reflects the long-term evolution of the series. Normally, the trend includes another component, the cyclical component, which includes oscillations that occur in the series over periods of between three and five years, but due to the difficulty of separating them, they usually appear in the so-called trend-cycle component.

Seasonal and calendar adjustment (SCA)

A high-frequency time series analysis technique applied to remove both seasonality (movements that form a pattern and are repeated approximately every year) and calendar effects (representing the impact on the time series due to the different structure of the months or quarters in each year, both in length and composition). The aim of adjusting a variable for seasonality and calendar is to eliminate the effect of these fluctuations on the variable, and thus facilitate the interpretation of the economic phenomenon.

Surveys

These aim to measure the attitude of the subjects to whom the survey is addressed (consumers, the business world, etc.) towards a variable (consumption, production or employment, etc.) in order to anticipate whether in the following months this variable will increase, decrease or remain stable.

Balance of responses

In surveys, the results for the variables under investigation are basically obtained through the differences or balances between the positive and negative responses, although depending on the survey, there are different calculation methods.

Rate of change

A rate of change compares the value of a variable at one point in time with its value at another point in time. Various types of rates of change can be calculated. Among the most common are the following:

- *Month-on-month (quarter-on-quarter, etc.) rate*: Compares the value of a period (shorter than a year: month, quarter, etc.) with that of the immediately preceding period (month, quarter, etc.).
- *Year-on-year rate*: Compares the value of a period with that of the same period in the previous year (same month for monthly data, similar quarter for quarterly data, etc.).
- *Year-to-date cumulative rate of change*: Compares the cumulative value of a period (sum or average, depending on the type of data, of the elapsed months, quarters, etc. of a year) with the same cumulative period of the previous year.

Other periodical publications of the Economics Area

- Notes on the Economic Situation in the Community of Madrid (monthly)
- Foreign Trade Report (monthly)
- Note on EU regional GDP (annual)
- Individual monitoring notes on the main economic indicators of the Community of Madrid (monthly or quarterly depending on the nature of the data):

Social Security Registration, Registered Unemployment, Industrial Production Index (IPI), Consumer Price Index (CPI), Mercantile Companies, Retail Trade Indices (RTI), Services Sector Activity Indices (SSAI), Mortgages on homes, Hotel Tourism Situation (HTS), Labour Force Survey (LFS), Foreign Direct Investment (FDI) and Quarterly Regional Accounts (QRA).

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