



Industry consolidates its recovery, with growing activity, and, for the first time since 2001, more jobs

CASTELLS ANNOUNCES THAT THE CATALAN ECONOMY GREW BY 4% IN THE FIRST QUARTER OF 2007

23 May 2007

The Catalan GDP grew by 4% in first quarter of 2007, it was announced today in a speech to the New Economy Forum by the Catalan Minister of the Economy and Finance, Antoni Castells. This figure consolidates the period of constant acceleration seen by the Catalan economy, which, each year since 2001, has grown more than in the previous year. This growth is based on the good current position of the industrial sector, which is continuing the recovery started in 2006. From January to March, industry grew by 3.2% and, for the first time since 2001, industrial employment has increased. Progressive moderation in construction can also be seen, without it harming the overall growth of the economy. This sector grew by 4.5% in the first quarter, a tenth of a point less than the previous quarter and 0.9 points less than the increase shown for the whole of 2006.

Growth of 4%, equalling the rate shown in the last quarter of last year, sees the continuation of the long phase of expansion the Catalan economy is undergoing. The figures also show how the growth pattern of the Catalan economy is increasingly healthy and balanced, as industry gradually takes over from construction as the main growth vector. During this first quarter, industry's contribution to growth (0.64 points) has exceeded that of construction (0.43 points).

Industry is confirming its recovery, growing by 3.2% in the first quarter. This rate is higher than the 2.9% shown for the whole of last year and clearly contrasts with the negative growth of 2005 (-0.1%). The figures show that the industrial sector is not only growing in activity but also in jobs. During February and March 2007, the number of people working in the industrial sector increased by 0.2% and 0.5% respectively. These are modest percentages but especially significant ones if it is taken account that the number of people working in this sector has not recorded a positive change since July 2001.



Alongside the good performance of industry, construction is moderating, without this affecting the economy as a whole. During the first quarter of 2007 it grew by 4.5%, one point less than from October to December. If the quarterly series is analysed, the soft landing being recorded by this sector can clearly be seen: construction is currently growing by 1.6 points less than in the first quarter of 2006. Meanwhile, services are maintaining high growth, with a rate of 3.6%, a tenth of a point more than in the previous quarter. During the first three months of the year, the number working in this sector has grown by 3.3%. Services continue to be one of the driving forces of the economy: they represent around 60% of GNP and explain more than two points of growth.

Development of Catalonia's GDP

Figures corrected for seasonal and calendar effects (% year-on-year change)

	2006					2007
	Total year	I term	II term	III term	IV term	I term (a)
Agricultura	3,8	2,5	4,1	3,2	5,4	4,3
Industry	2,9	2,7	2,1	3,1	3,6	3,2
Construction	5,4	6,3	5,7	5,0	4,6	4,5
Services	3,8	4,2	3,8	3,7	3,5	3,6
GDP	3,9	4,1	3,8	3,8	4,0	4,0

(a) Advance Source: Idescat and the Economy and Finance Department