

BRIEF OVERVIEW OF THE SPANISH AND PORTUGUESE ECONOMY

NOVEMBER 23RD, 2020

Oliver Idem
Director Spain/Portugal
www.gtai.de



Brief overview of the Spanish and Portuguese economy

Agenda

1. GTAI`s tasks
2. Economic indicators for Portugal and Spain
3. Challenges regarding the Covid-19 crisis
4. Economic recovery strategies
5. Future challenges
6. Future opportunities
7. Contact data



1. GTAI'S TASKS



Germany Trade & Invest (GTAI) is the economic development agency of the Federal Republic of Germany.



2. ECONOMIC INDICATORS FOR PORTUGAL AND SPAIN

Real GDP change

	2018	2019	2020	2021	2022
Portugal	+2,8	+2,2	-9,3	+5,4	+3,5
Spain	+2,4	+2,0	-12,4	+5,4	+4,8

Source: European Commission, Autumn Forecast 2020

Total investment change (gross fixed capital formation)

	2018	2019	2020	2021	2022
Portugal	+6,2	+5,4	-10,2	+6,3	+5,2
Spain	+6,1	+2,7	-17,3	+3,8	+8,5

Source: European Commission, Autumn Forecast 2020



3. CHALLENGES REGARDING THE COVID-19 CRISIS

Spain

Health system capacities
and coordination

Spain

Spring 2020: supply
problems, comprehensive
lockdown, weak interior
and exterior demand

Spain

Autumn 2020: figures
improving, especially in
the industry; critical
situation of tourism, parts
of trade and hospitality

Portugal

Management of the huge
amount of Covid-19 cases
since October

Portugal

Support for especially
smaller companies and
securing jobs

Portugal

Handling a situation with
reduced demand



4. ECONOMIC RECOVERY STRATEGIES

Recovery Plan Spain

Spain is expecting 72 billion Euros as a grant from the European Union. The government needs to negotiate the budget with additional partners.

Energy

Renewables,
mobility

SMEs

Modernization,
digitalization

Health

Expansion of the
public health
system

R&D

Support for R&D,
science and
education

Recovery Plan Portugal

The Portuguese system is less decentralized. The government can decide easier how to use the more than 15 billion EU grants.

Industry

Expansion, digital transformation, decarbonization

H

Push for the hydrogen strategy

Housing

More public housing, more efficient buildings

Traffic

Better road network, metro projects



5. FUTURE CHALLENGES

Future challenges

Portugal

- Managing debt challenges
- Strengthening the education system
- Raising the productivity of smaller companies
- Spending more on R&D

Spain

- Overcoming various splits and conflicts
- Efficient use of EU funds
- Managing the Brexit challenge
- Solving long-term financial problems

Both countries are hit by the financial consequences of the pandemic. The EU funds enable them to invest in closing some gaps.



6. FUTURE OPPORTUNITIES

Future opportunities

Portugal

- High renewable energy potential
- Attracting more companies and clients
- Good basis for hydrogen projects
- Expansion of the maritime economy

Spain

- High renewable energy potential
- Smart mobility and smart city projects
- Equipment needs of the leading industrial companies
- Usage of the high-quality infrastructure

Each country has its specific profile. Both can use their renewable energy potential.



7. CONTACT DATA

IF YOU HAVE FURTHER QUESTIONS

Oliver Idem

oliver.idem@gtai.de

+34 913 50 97 66

www.gtai.de