

# Q4 2020: The slow path back to recovery

## Executive Summary

*The Spanish economy macro picture in 2021-2022: moving towards the post-pandemic area*

The Spanish economy recorded an historical contraction of the gross domestic product in the second quarter of the year, higher than that of other neighboring countries due to five idiosyncratic factors: a) **the intensity of the pandemic in Spain**, which required stricter confinement measures for the population than those implemented in other countries in the immediate environment; b) **the influence of some structural characteristics of the Spanish economy**: the high specialization in activities that require greater social interaction and particularly in the added value of the commerce, transport and hospitality sector, which contributes to explain 53% of the decline of the economic activity observed in the first three quarters of the year; c) **the greater relative presence of microenterprises and SMEs**, which are more vulnerable to liquidity constraints caused by the paralysis of economic activity; d) **the duality that still persists in the Spanish labor market**, which caused almost a million temporary employees to lose their job in the first days of confinement - in the third quarter, the destruction of temporary employment explains 85% of the difference in employment levels compared to the previous year, according to EPA; and finally, e) the lesser implantation or viability in Spain of teleworking.

The quarterly accounting data for the third

quarter of the year show that the economy's gross domestic product grew at a high rate in that period, at 16.7% q/q, in line with the most optimistic scenario by the Bank of Spain, after the 17.8% drop in the second quarter of the year. This dynamism was generalized to all components of demand, with very large growth in private consumption, gross fixed capital formation and exports of goods and services. This expansion occurred in spite of the restrictions on international mobility that made the influx of tourists during the summer months very moderate. Other economies in our environment also registered notable quarter-on-quarter growth.

However, the economic recovery has been a partial one, as evidenced by the fact that in the period from July to September 2020 **the level of the Spanish GDP was still 9.1% lower than at end-2019, prior to the outbreak of COVID-19**, while in the economies of the euro area this gap was around 4%. The recovery is also very uneven across sectors and autonomous community. The crisis is particularly affecting some segments of the population that were already more vulnerable before the crisis. According to the ECB statistics, almost 40% of Spanish households do not have enough savings to survive two months covering their basic expenses.

Beyond the current quarter, **the economic outlook continues to be highly influenced by epidemiological developments**. Recent experience has shown that for as long as an effective medical solution to the pandemic is

not available, new outbreaks requiring the adoption of containment measures will likely arise. Also, the extension of these measures over a protracted period is being accompanied by an effort by agents to adapt their behavior to the restrictions, with the aim of minimizing the effects of these restrictions on their economic decisions. Estimating in quantitative terms the intensity of this adaptation or learning phenomenon poses, however, significant practical difficulties.

### *The Spanish government's 2021 macro estimates look too optimistic*

The macroeconomic scenario of the State Budget (PGE 2021) incorporates a **GDP contraction of 11.2% in 2020**, as a result of the healthcare crisis and the restrictions on mobility necessary to mitigate it. On the other hand, the government expects a **GDP growth of 7.2% in 2021**, before incorporating the macroeconomic effects associated with the Recovery Plan, Transformation and Resilience (PRTR). If the latter is taken into account, the government's scenario contemplates a **notable recovery in economic activity, with an increase in GDP of 9.8%**. However, in the last two months, global growth prospects have turned towards more pessimistic scenarios as the severity and extension of the second wave of the coronavirus pandemic is verified.

On the other hand, AIReF's base scenario **estimates that the Spanish GDP could decrease by 11.1% in 2020 and that it would recover in 2021 until reaching a GDP growth of 8.2%** (5.5% in the inertial macro scenario excluding the impact of the PRTR funds), almost two points lower than the figure forecast in the 2021 State Budget. AIReF's **central scenario implies a gradual normalization of activity**; in particular, the development of vaccines or treatments for the disease is supposed to reduce contagion, facilitating a recovery of confidence and of

activities that involve greater social interaction in the second half of 2021.

On the other hand, **AIReF's pessimistic scenario assumes that the spread of the pandemic requires strict measures to restrict the mobility of the Spanish population** in the final months of 2020 and that structural damage occurs in the productive activities that hinders subsequent recovery. Throughout 2021 the contagion would remain more controlled, which would allow a gradual recovery of the activity. However, the greater persistence of the pandemic and the deterioration in confidence would make inevitable the appearance of structural damage in the form of corporate bankruptcies and job losses that slow the intensity of the recovery (see Figure 3).

The macroeconomic impact associated with the PRTR that is incorporated into the Government's scenario amounts to 2.6 pp of GDP growth in 2021, with a multiplier effect of approximately 1.2x, which would mean closing the gap in economic activity opened by the coronavirus crisis in 2022. According to the information available, this boost comes from the transfers received through the Recovery and Resilience Mechanism (MRR), which in the simulations carried out by the Government are assumed to amount to EUR 25bn euros in 2021. Bank of Spain forecasts also include three type of severity scenarios, **baseline, mild and severe**, that differ on the basis of the assumptions made about the future course of the pandemic, the severity and duration of the containment measures applied, and the time required to successfully implement a medical solution to the disease. Under any of the three scenarios considered, **the sharp contraction of GDP in 2020 would be followed by a relatively strong recovery in the following three years**, although the crisis would have persistent effects on the levels of activity. Specifically, in

2020 GDP would fall by 10.7%, 11.1% and 11.6% in the mild, baseline and severe scenarios, respectively. In 2021 the economy's output would grow by 6.8% in the baseline scenario, rising to 8.6% in the mild scenario and dropping to 4.2% in the most adverse scenario (see Figure 4).

After the sharp drop this year, **the Spanish economy's GDP will grow at a fast pace in 2021.** However, there are very notable differences depending on the epidemiological scenario considered. The path of recovery lasting over the following two-year period would give rise to progressively more modest activity growth, which would enable, under the baseline scenario, **the pre-pandemic GDP level to be reached by mid-2023**, while, under the severe scenario, GDP would still hold some distance from its pre-pandemic level at the end of the projection horizon. Consequently, **the crisis will leave scars on economic activity even after the constraints on its normal course are finally removed.**

All in all, we consider that despite advances in the development of a vaccine and treatments against COVID-19, **it is still very uncertain when they could be available for massive use among the population and the degree of coverage they could achieve**, in such a way that they allowed to solve the health crisis effectively and thus eliminate the measures to contain the pandemic that are weighing on economic growth.

*The regional macro picture shows significant heterogeneity in 2020-2021*

The impact of the crisis has been very uneven by sector, which in turn is reflected in the individual macroeconomic forecasts at the regional level. The almost disappearance of international tourism - the number of tourists between January and October was barely 24%

of those received in the same period last year - and the restrictions on activity and mobility imposed by the authorities to control the expansion of the pandemic, **have meant that the sectors most seriously affected by the crisis are services such as hospitality, transport and culture, as well as, to a lesser extent, commerce.**

Within the industrial sector, **the activities most affected at the beginning of the crisis were the automobile and textiles and clothing sectors**, although after the end of confinement their recovery was very fast. On the contrary, **the primary sector and the agri-food industry have hardly suffered.** The services of the public administrations, health and education have also remained solid despite the consequences of this crisis.

Thus, the regions that have suffered a more intense fall in their economic activity in the first three quarters of the year have been those where the sectors most affected by the crisis have a higher weight, such as the **Balearic and Canary Islands**. They are followed by **Madrid**, where the weight of these sectors is not particularly high, but the one of the least exposed sectors is also very low, so that this community has not benefited from its mitigating effect. The next most affected region has been **Catalonia**, which is characterized both by a higher share than the average of the most affected sectors by the pandemic, and a lower weight of the sectors with no significant damage from the crisis (see Figure 9).

The estimates for 2021 are subject to an **unusually high degree of uncertainty**, due to the persistence of a significant health risk and restrictions on activity until the application of the vaccine, its impact on the behavior of economic agents and the capacity management of the European funds, among

other factors. **The services most affected by the crisis in 2020 will be the sectors that will show the highest growth rate in 2021**, due to the recovery of activity from extraordinarily low levels in 2020, although this level of activity will still be much lower than before the crisis. The number of tourists will also be well below the level of 2019, but in any case, it will represent a very significant growth compared to 2020.

An additional factor of risk is associated with the implementation of the **Recovery, Transformation and Resilience Plan**. As mentioned, the risks of delays in the absorption of these resources and in the execution of these projects are high. To this, it must be added the possibility that some resources may not have the desired impact if the selection of projects is not adequate. On the other hand, if the increase in investment spending was accompanied by structural reforms aimed at increasing the efficiency of the economy, the impact of the Plan could be greater and longer lasting - though probably not in 2021.

### *Fiscal consolidation will be even more challenging for the Spanish public administrations*

In terms of fiscal consolidation, AIReF's baseline scenario considers a deficit of the Spanish Public Administrations of **8% of GDP in 2021, after reaching 11.6% in 2020**, higher in both cases than the figures included in the State Budget: 11.3% in 2020 and 7.7% in 2021. The economic recovery, the progressive withdrawal of the measures implemented to alleviate the effects of the COVID-19 crisis and the tax modifications included in the State Budget will drive this deficit reduction (see Figure 10).

The Central Administration will continue to assume part of the deficit of the Social Security Funds and Autonomous Communities through direct transfers. On the other hand, the implementation of the PRTR will affect all administrations, although it is also neutral for each one of the administrations. Regarding the reference deficit rates included in the State Budget, AIReF estimates deviations in the case of the central administration and the Social Security, partially offset by a lower deficit in the Autonomous Communities.

**The deficit of the Autonomous Communities would grow in 2021 to 0.8% from an expected deficit figure of 0.6% in 2020**. This evolution is more positive than the one foreseen by the 2021 State Budget, which places the regional deficit at 1.1% of GDP in 2021. The difference in these figures is mainly due to the assumptions about the degree of consolidation of the spending associated with the pandemic, since AIReF considers that part of the 2020 increase would be temporary. In addition to implementing the Recovery and Resilience Mechanisms projects financed by conditional transfers from the central administration, the Autonomous Communities should also implement the REACT-EU programs for an amount of EUR 8,000 mn in 2021, which will significantly increase their spending in parallel with their income.

At an individual level, **nine Autonomous Communities would have a deficit lower than the reference target in 2021, four other regions would have a deficit close to the -1.1% area and another four regions would have deficits above the 1.1% target**. With the available information and according to AIReF's estimates of the individual spending dynamics and the distribution of the State transfers to cover the regional deficit in proportion to the regional GDPs, **it is likely that nine Autonomous Communities** (Andalusia,

Asturias, the Balearic Islands, the Canary Islands, Catalonia, Galicia, Madrid, the Basque Country and La Rioja) **would post deficits in 2021 below the reference set for the subsector**; in fact, Asturias, the Canary Islands and Galicia have budgeted deficit targets below the 1.1% reference target. Aragon, Cantabria, Castile-Leon and Navarre would stand around the 1.1% deficit target in 2021, while Castile - La Mancha, Extremadura, Murcia and Valencia would post regional deficits in 2021 above the 1.1% reference rate (see Figure 15).

**Local Corporations would incur a deficit in 2021 of 0.1% of GDP, after closing in equilibrium in 2020.** This subsector will also play a role in the implementation of the PRTR, although less than the one of other subsectors in quantitative terms.

#### *Long-term debt sustainability assessment has worsened as a result of the pandemic*

The high initial indebtedness of the Spanish economy, with a debt-to-GDP ratio of 95.5% at the end of 2019 represents an added difficulty when facing the challenges that will arise from the economic crisis caused by the pandemic. One of the main legacies of economic crises is the rapid increase in public debt, the reduction of which usually takes a much longer period to achieve. This has been the case in the Great Recession. **The 2008 crisis caused a 65-point increase in the debt-to-GDP ratio in just seven years, of which only 5 points have been reduced in the last five.** If the annual debt reduction requirements set forth in the Organic Law on Budgetary Stability and Financial Sustainability had been met, the debt-to-GDP ratio in 2019 would have been around 90% instead of the indicated value. The slow reduction in the debt ratio despite favorable growth conditions and historically low interest rates has limited the fiscal space to face a new crisis.

The paralysis of economic activity registered in the first half of 2020 and the increase in financing needs derived from the COVID-19 crisis have placed the debt-to-GDP ratio at around 110%, the highest value in the last one hundred years. In the first six months of the year, public debt totaled more than one hundred billion euros to reach 1.3 trillion euros, raising the debt-to-GDP ratio to 110.2%, which represents an increase of 14, 7 points compared to the end of last year.

The slowdown in economic activity and the increase in financing needs derived from the COVID-19 crisis **will cause a sharp increase, in principle temporary, in the public deficit** which in turn will lead to a permanent increase in the level of public debt over GDP. Thus, **an increase in the debt-to-GDP ratio of around 23 points in 2020, and a reduction of up to 2.4 points in 2021** under the scenario of full implementation of the Recovery, Transformation and Resilience Plan in 2021 **is expected.** As a result, **the Spanish public debt to GDP ratios would increase up to 118.4 and 116% in 2020 and 2021 respectively**, in line with the projection in the 2021 State Budget, which places the public debt ratio at 118.7% of GDP in 2020 and 117.4% in 2021.

The containment of the health crisis and the normalization of economic activity will be necessary elements for the stabilization of the debt-to-GDP ratio in the coming years. Growth above trend for several years, as the world economy emerges from the recession caused by COVID-19, **would stabilize the debt ratio at around 120% of GDP.**

**The risks and challenges for the medium and long-term sustainability of public accounts are high.** In this sense, one of the main risks of the current situation is that the recession will mutate into a depression so that in the future it will be necessary to face **not only a higher**



public debt ratio, but also a larger and more persistent structural deficit and a higher materialization of contingent liabilities of loans guaranteed by the State. It is also important to highlight that **there is a risk that spending linked to the pandemic, once the latter is resolved, will become a structural one.** Spanish autonomous communities' regional debt to GDP will hover at around 26% of GDP, a 1.4 pp decline from the 27.4% expected for 2020, but still 1.6 percentage points above the level of 2019, therefore further worsening the pre-crisis situation. The estimated GDP growth recovery in 2021 would offset the expected 2021 deficit from the Spanish public administrations, resulting in a decrease of the regional debt /GDP ratio. The increase in the debt ratio will be uneven in the different Autonomous Communities: Valencia, **the Balearic Islands and Murcia, would be the territories that would see their debt grow the most in 2021 in relation to 2019**, from pre-pandemic levels that were also quite elevated. In 2021, no Spanish region will comply with the reference debt limit of 13%, with the **Canary Islands, Madrid and the Basque Country** being the autonomies that would be closest to the legal reference.

One important issue of concern is the impact of the lower availability of revenues in 2022 and 2023 due to the impact of the negative settlements of the regional financing system, the lower amount of funds linked to the PRTR and the absence of extraordinary transfers from the State, especially in a context of suspension of fiscal rules.

**The settlements of the normal-status regions financing system are estimated at 0.4% of GDP in 2022 and 0.3% of GDP in 2023. This foreseeable deterioration in the budget balance of the Autonomous Communities in 2022 and 2023 may be behind the**

**announcements by the government to consider the reform of the financing regime of the normal-status autonomous communities, which will likely include a certain fiscal harmonization of regional taxes. Lastly, the funds linked to the PRTR also show a decreasing profile in 2022 and 2023, which could further aggravate the regional deficits in the latter period with the consolidation of a significant part of the expenditure incurred in 2020 and 2021.**

**The extraordinary financing mechanisms will cover more than 90% of the debt needs for 2020, providing liquidity to the regions at a very low cost and avoiding the payment of higher financial spreads in the case of the most indebted communities. The dependence on financing through these mechanisms, already very high for certain regions (currently representing more than 70% of the debt of eight Autonomous Communities, and more than 80% for four of them), will continue to deepen** (see Figure 20).

#### *Local entities will also suffer the impact of the pandemic*

At the local entities level, **the fiscal reference targets are 0% of GDP for 2020 and - 0.1% of GDP for 2021**, with no further disclosure about how the target is distributed among the different local entities that make up the local public sector. **The only local entities with individualized reference rate in terms of fiscal stability are the Provincial Councils (DD.FF.) of the Basque Country**, since, by agreement of the Mixed Commission of the Economic Agreement between the State and the Basque Country of September 30, 2020, the *Diputaciones Forales* were granted a deficit reference target of -0.9% of GDP in 2020 and - 0.8% of GDP in 2021. Subsequently, the Basque Finance Council, of October 15, disaggregated

between the three *Diputaciones Forales* the reference rate to be applied to each one of them.

**The data available from the 24 largest local entities shows, given their revenues and expenditure structures, a more stable budgetary dynamics than the rest of the local entities, both in times of economic growth and during recessions.** This is so given that these large entities have very stable and cyclical income structures and, in addition, their spending structures are highly optimized so that the execution of the expenditure that allows compliance with the guarantees required by the legal regulations is carried out to the maximum possible, thus reducing the percentage of non-executions vs other smaller entities.

AIReF foresees that the city councils of Barcelona, Palma, Bilbao, Valladolid, Gijón and l'Hospitalet de Llobregat and the 3 *Diputaciones Forales* will close 2020 with deficit and that the city councils of Barcelona, Bilbao and Vigo and the 3 *Diputaciones Forales* would also post a deficit in 2021, although in the latter case these results are highly conditioned by the effect on the fiscal position of the decline in income in the concerted taxes as a result of the pandemic.

#### *State support in preventing a sharp increase in the average payment time to suppliers (PMP/ATS)*

On the back of the unprecedented financing support from the State in 2020, no significant deterioration of the average payment time to suppliers has been registered both in the autonomous communities and among the largest local entities, in contrast with the

significant deterioration seen in the past in recessionary periods.

In fact, **no autonomous community shows an average time to suppliers higher than the 60-day period**, the limit from which the Ministry of Finance begins to apply the measures provided for in the stability regulations (see Figure 23).

**The amount of commercial debt amounts to EUR 4,486.08 mn**, equivalent to 0.41% of the national GDP, a figure like the one before the pandemic. Of course, commercial operations of healthcare nature generated between March and October have increased with respect to the same period of 2019 by 12.04%. Considering the increase in the volume of transactions processed to contain the commercial debt and the ATS, the increase in the volume of payments made by the Autonomous Communities has been essential. In this way, the payments made in the last eight months have amounted to EUR 39,020.43 min (EUR 25,945.09 mn in the health field), which represents an increase of 6.99% (12.82% in the health field) with respect to the same period of the previous year.

In addition, the liquidity measures adopted by the State to face the impact of the health crisis generated by COVID-19 have been decisive. In this regard, for the normal-status Autonomous Communities, both the payment in the months of March and April of a global amount of EUR 2,862.55 mn should be highlighted, which correspond to the update of the State transfers from the regional financing system, and the higher amount advanced in relation to the liquidation of the 2018 financing system that took place in July, reaching an amount of EUR 3,657.02 mn.

## Tables and figures

Figure 3 AIReF macro scenarios in 2020-2021 vs government forecasts. Comparative.

Interannual variation rate	2019	2020				2021			
		Optimistic	Central	Pesimistic	Government	Optimistic	Central	Pesimistic	Government
Private national final consumption expenditure	0,9	-13,0	-13,5	-13,8	-12,6	8,3	7,0	5,3	8,3
Final consumption expenditure of public administrations	2,3	6,0	6,0	6,0	6,3	-0,8	-0,8	-0,8	0,5
Gross fixed capital formation. Capital goods and cultivated assets	4,3	-15,4	-16,5	-17,6	-21,2	10,9	5,4	3,7	8,7
Gross fixed capital formation. Construction and intellectual property	1,9	-13,5	-14,0	-14,5	-16,9	7,8	4,0	3,3	6,6
National demand *	1,4	-9,1	-9,6	-9,9	-10,0	6,1	4,5	3,4	6,2
Export of goods and services	2,3	-19,8	-20,0	-20,1	-22,7	11,7	9,5	5,8	11,7
Import of goods and services	0,7	-16,6	-16,9	-17,2	-20,0	8,5	7,0	4,9	8,6
External balance*	0,6	-1,6	-1,6	-1,5	-1,5	1,1	0,9	0,4	1,1
Gross domestic product	2,0	-10,8	-11,2	-11,4	-11,2	7,3	5,5	3,8	7,2
Nominal gross domestic product	3,4	-10,1	-10,5	-10,8	-11,2	8,5	6,5	4,6	8,1
Gross domestic product deflator	1,4	0,8	0,8	0,8	0,0	1,1	1,0	0,8	0,9
Full-time equivalent employment	2,3	-8,4	-8,7	-9,0	-8,4	6,2	3,9	1,9	5,6

\* contribution to GDP growth

Source: AIReF 2020

Figure 4 Slump in activity in 2020 and subsequent recovery

	2019	September 2020 Projections						June 2020 Projections		
		Stage 1			Stage 2			Gradual recovery		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
GDP	2.0	-10,5	7,3	1,9	-12,6	4,1	3,3	-11,6	9,1	2,1
Harmonised Index of Consumer Prices (HICP)	0.8	-0,2	1,0	1,2	-0,3	0,8	1,1	-0,2	1,2	1,5
Harmonised Index of Consumer Prices excluding energy and food	1.1	0,7	0,8	1,0	0,6	0,5	0,8	0,8	1,0	1,1
Unemployment rate (% labour force). Annual average	14.1	17,1	19,4	18,2	18,6	22,1	20,2	19,6	18,8	17,4
General government net lending (+)/ net borrowing (-) (% GDP)	-2,8	-10,8	-7,0	-5,8	-12,1	-9,9	-8,2	-11,2	-6,8	-6,1
General government debt (% of GDP)	95.5	116,8	115,4	118,0	120,6	125,6	128,7	119,3	115,9	118,7

Source: Bank of Spain and INE. Projections cut-off date: 10 September 2020



Figure 9 Spanish regions GDP growth estimates in 2020-2021

<b>Autonomous Communities</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Andalusia	2,6	2,7	2,2	2,1	-11,3	6,3
Aragon	2,9	2,6	3,0	1,7	-8,2	4,2
Asturias	1,7	2,2	1,9	1,3	-10,4	4
Balearic Islands	4,4	3,1	2,4	1,7	-22,0	11,7
Canary Islands	2,8	3,6	2,4	1,8	-17,9	9,9
Cantabria	2,7	2,8	2,8	1,5	-8,5	4,1
Castile-Leon	2,5	1,2	2,0	1,1	-9,6	4,7
Castile-La Mancha	3,4	1,9	2,5	1,3	-7,5	5,7
Catalonia	3,4	2,5	2,2	1,8	-13,5	7,6
Extremadura	1,5	3,7	1,9	1,4	-7,9	4,4
Galicia	2,8	2,7	2,2	1,9	-11,1	6
Madrid	3,6	3,9	3,1	2,5	-13,6	7,9
Murcia	3,7	3,1	1,0	2,3	-7,3	3,8
Navarre	2,7	3,6	2,6	2,8	-8,7	5,8
Basque Country	2,8	2,4	2,0	1,9	-9,7	6,1
La Rioja	2,0	0,5	1,5	1,5	-9	4,9
Valencia	2,6	3,4	1,9	2,3	-10,7	6,2
Spain	3,0	2,9	2,4	2,0	-12	6,5

Source: INE 2020

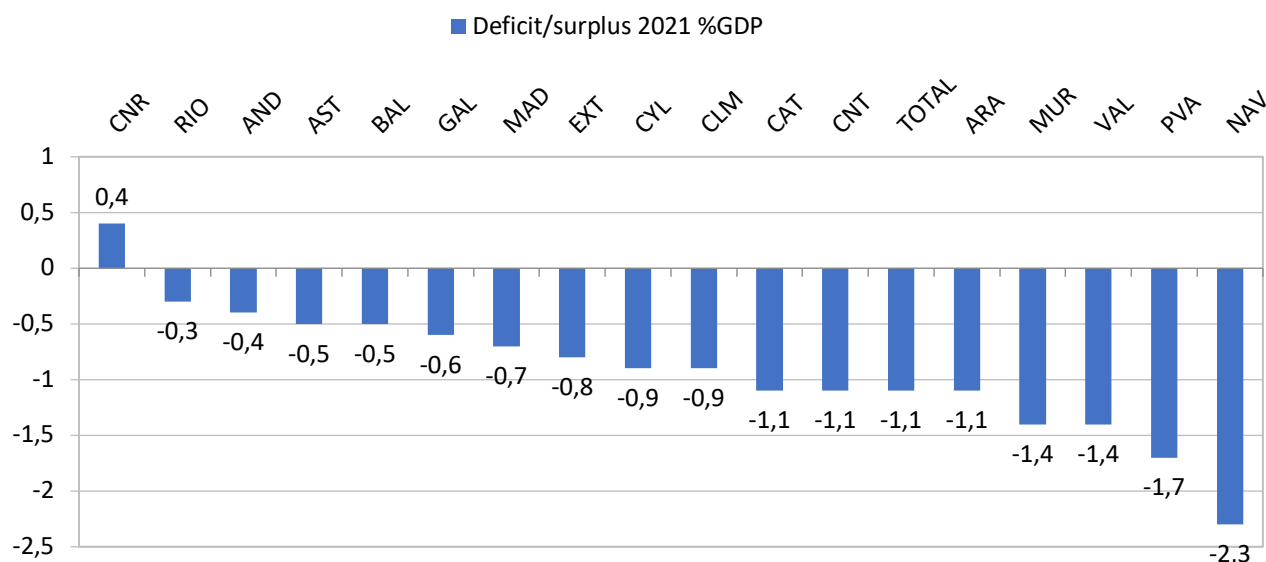
Figure 10 Spanish public administrations estimated deficit by component: AIReF vs central government (% GDP)

	<b>2019</b>	<b>2020</b>		<b>2021</b>	
		<b>State Budget</b>	<b>AIReF</b>	<b>State Budget</b>	<b>AIReF</b>
Public Administrations (AAPP)	-2,9	-11,3	-11,6	-7,7	-8,0
Central Administrations (AC)	-1,3	-6,6	-7,2	-5,2	-5,6
Social Security Fund (FSS)	-1,3	-4,1	-3,8	-1,3	-1,5
Autonomous Communities (CCAA)	-0,6	-0,6	-0,6	-1,1	-0,8
Local Entities (CCLL)	0,3	0,0	0,0	-0,1	-0,1

Source: AIReF 2020

**Figure 15** Evolution of the fiscal situation of the Autonomous Communities in 2020-2021 by AIReF (% of GDP)

AIReF's estimate of the surplus/deficit of the regions % GDP



Source: AIReF 2020

**Figure 20** Extraordinary liquidity fund (FFCA) disbursement to Spanish regions in 2020 (EURmn)

Autonomous Communities	1Q	2Q	3Q	4Q	Extra Fla I (75%)	Tranche III 0,2%GDP	Extra Fla II	Total FFCCAA
Aragon	372,46	87,11	131,70	317,14	243,75	68,13	82,25	1.302,54
Asturias	0,00	0,00	0,00	0,00	55,50		11,50	67,00
Balearic Islands	798,73	86,95	288,19	70,86	81,00	59,83	52,00	1.437,56
Canary Islands	802,74	217,46	212,87	53,45		83,78		1.370,30
Cantabria	167,57	42,49	147,04	43,43	90,75	25,36	32,25	548,89
Castile-La Mancha	1.197,54	191,22	574,05	482,47	243,75	75,52	62,25	2.826,80
Castile Leon	222,46	291,38	378,94	287,50	231,00	105,56	64,00	1.582,84
Catalonia	5.620,02	550,63	2.412,60	1.594,82	819,00	420,08	401,00	11.769,03
Extremadura	226,12	116,43	110,96	89,46	156,75	36,65	42,25	778,62
Galicia	375,74	42,21	32,50	50,71	42,75	115,10	54,25	713,26
Rioja	154,00	0,00	0,00	18,13	22,50	15,59	7,50	218,32
Andalusia	2.984,22	329,99	1.301,15	702,16	210,00	294,69	186,00	6.008,21
Murcia	760,53	71,37	432,09	163,6	396,00	57,98	141,00	2.022,57
Valencia	3.120,24	338,51	1.880,46	759,09	1.559,25	204,87	567,75	8.430,17
<b>Total</b>	<b>16.804,37</b>	<b>2.365,75</b>	<b>7.902,55</b>	<b>4.663,42</b>	<b>4.152,00</b>	<b>1.563,14</b>	<b>1.704,00</b>	<b>39.076,11</b>

EUR millions

Source: Ministry of Finance 2020

Figure 23 Average Payment Time (PMP) by Autonomous Communities (days)

Autonomous Communities	Ratio of paid operations	Ratio of operations pending payment	Global Average payment period (PMP)
Andalusia	18,96	30,95	24,49
Aragon	28,11	49,49	39,01
Asturias	24,93	35,54	30,84
Balearic Islands	47,77	48,49	48,12
Canary Islands	11,28	35,56	22,48
Cantabria	17,23	16,11	16,65
Castile-Leon	31,60	37,51	34,53
Castile-La Mancha	15,08	33,73	23,01
Catalonia	40,76	52,17	46,90
Extremadura	27,67	44,89	33,80
Galicia	13,29	17,27	14,47
Madrid	28,50	58,08	43,69
Murcia	2,66	13,31	3,49
Navarre	30,20	39,61	34,57
Basque Country	24,21	22,01	23,46
Rioja	27,52	27,06	27,26
Valencia	20,43	44,49	29,91
<b>Total Autonomous Communities</b>	26,39	44,39	34,77

Source: Ministry of Finance 2020