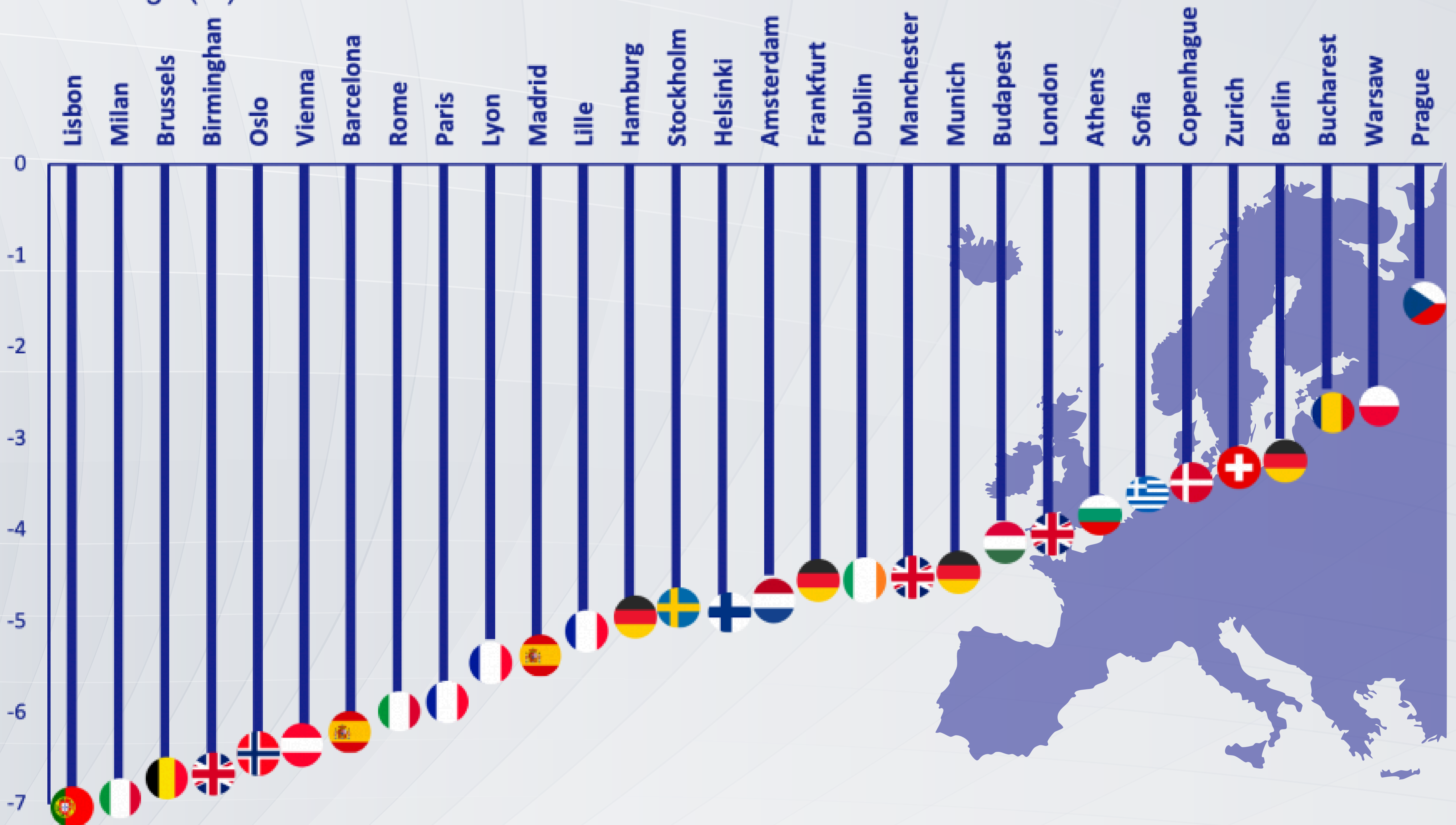


THE IMPACT OF COVID-19 ON EUROPEAN CITIES

In 2020, GDP of the main European cities will plunge due to the impact of Covid-19. The contraction will be conditioned by the structural characteristics of each city.

GDP growth forecasts 2020

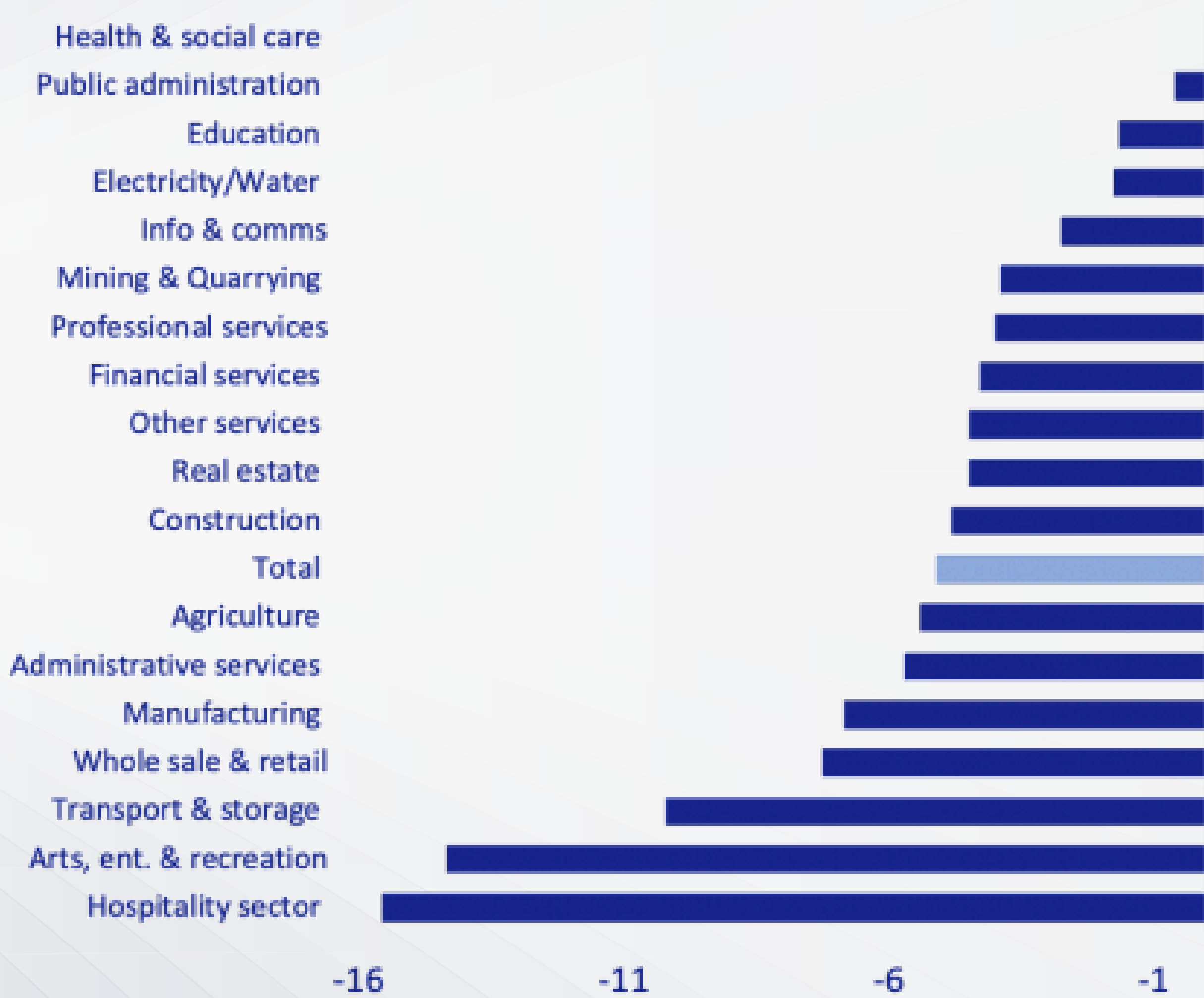
YoY change (%)



By sectors, the service sector, and in particular the hospitality industry, will be hardest hit economically.

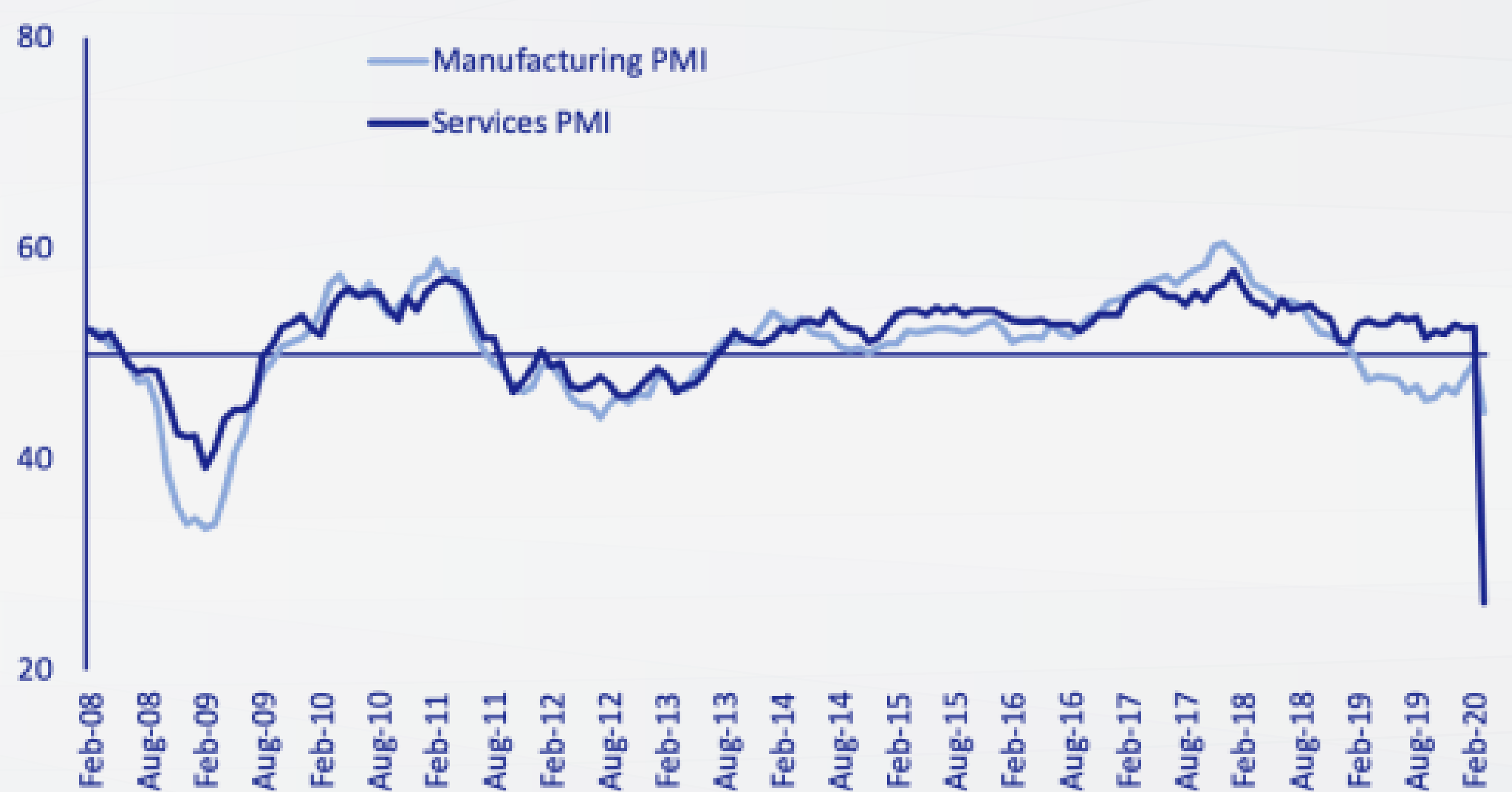
Impact on GDP by sector, 2020

YoY change (%)



PMIs evolution, Eurozone

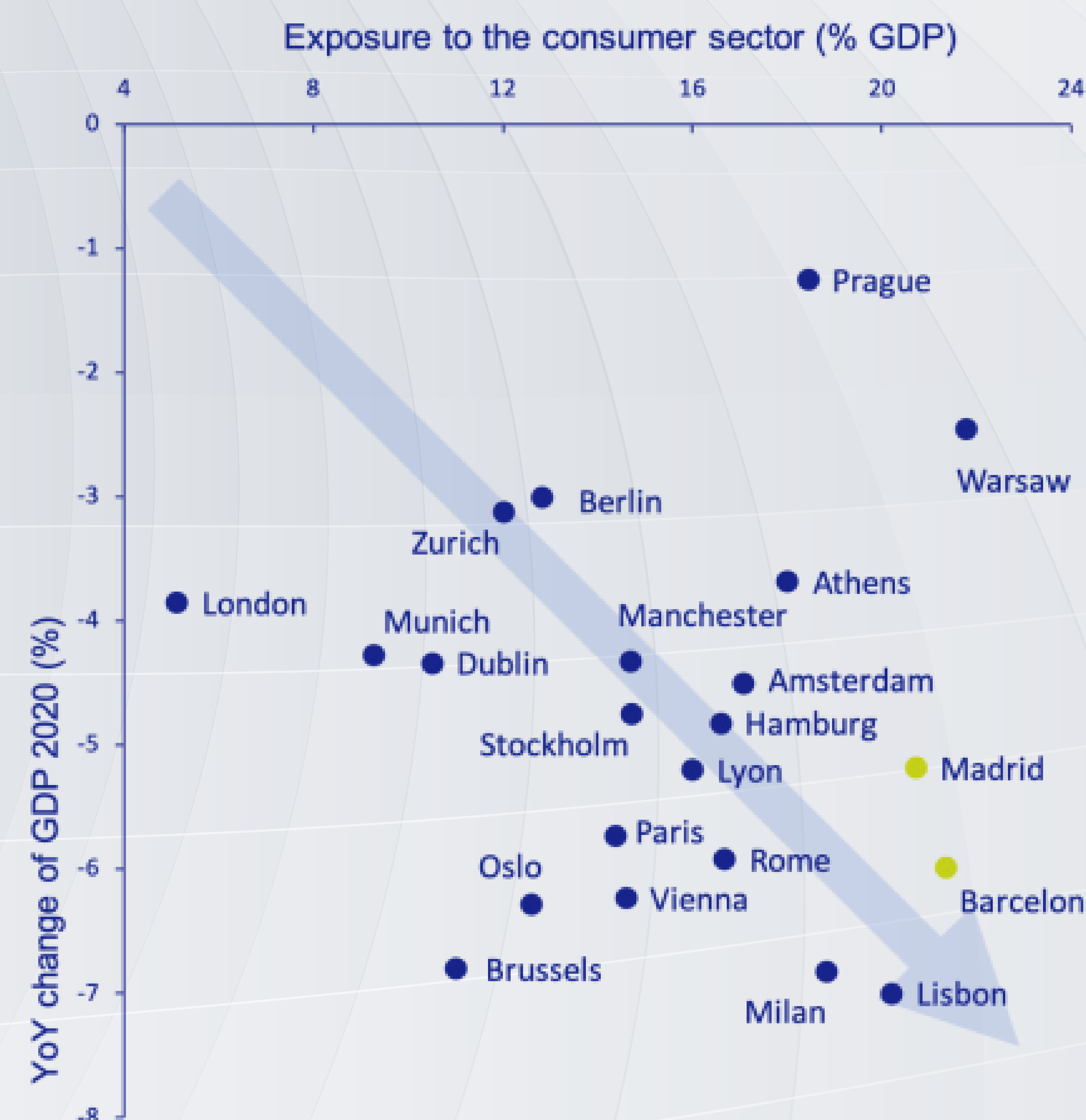
Points



Leading indicators confirm that the lockdown measures to halt the spread of the pandemic are having a huge impact on the **service sector**.

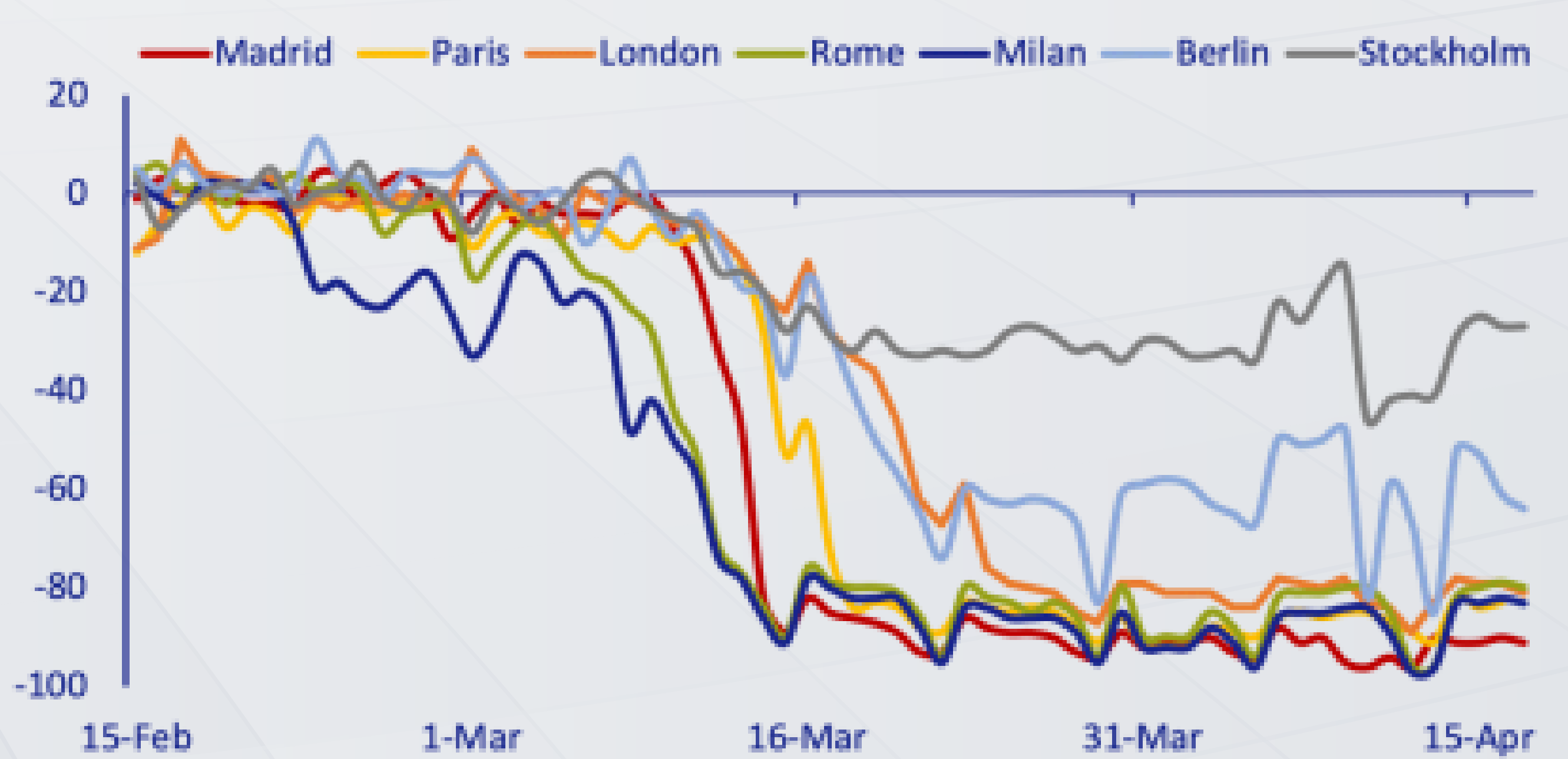
In cities, GDP growth will be conditioned by their exposure to consumer sectors.

Correlation between GDP growth and the weight of consumer sector¹



Economic activity of consumer sector¹

% change from baseline (Jan 3rd – Feb 6th 2020)



Forecasts for main European cities²

YoY change (%)



In 2020, restrictions on economic activity will result in a drop in GDP and employment above those of 2009, with recovery later in 2021.

¹ Comprising retail, leisure and hospitality sectors.

² Includes the 30 main European cities.

Source: Círculo de Empresarios based on Oxford Economics, Eurostat & Google LLC, 2020.