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Spain Sees Services Surge as UK Reshapes Wage Policy

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Spain’s services sector delivered its strongest performance since February, according to fresh economic data from S&P Global. The HCOB Spain Services PMI climbed to 55.1 in July, up from 51.9 the previous month, signalling a marked improvement in activity. The growth is largely attributed to robust domestic demand.

Jonas Feldhusen, an economist at Hamburg Commercial Bank, said this trend “reinforces expectations that the current growth trajectory could persist.” With Spain recording 0.7% GDP growth in the second quarter and solid manufacturing indicators, the country could outpace the broader eurozone by the end of the year.

This economic resilience stands in contrast to the mixed signals from other European markets, where sluggish consumer spending and weak industrial output have raised questions about broader regional stability.

Meanwhile, in the United Kingdom, the Labour-led government has announced intentions to scrap age-based bands in the national minimum wage structure. The proposed change would move towards a single adult rate across all age groups.

Business Secretary Jonathan Reynolds stated that the update aims to provide “a fair deal for our lowest paid workers” as part of what the government calls its “Plan for Change.” However, the decision is raising eyebrows among business leaders and economists, many of whom warn that increasing labour costs across the board could strain small firms and damage youth employment prospects.

The UK already faces significant economic headwinds, including high tax burdens and declining productivity. Critics argue that rather than supporting business growth and job creation, the government’s wage reforms may introduce further complexity and cost to struggling employers.

In a separate European business development, South Korean technology giant Naver has taken full ownership of Spain’s largest second-hand marketplace, Wallapop, in a deal worth €377 million. Announced on August 5, the acquisition marks a strategic move to strengthen Naver’s presence in the European consumer-to-consumer market.

Wallapop, which attracts over 19 million monthly users, is one of Spain’s most visited online platforms. Rob Cassidy, CEO of Wallapop, told *Business Korea*, “We will strengthen our position in the European market by securing differentiated service competitiveness.”

The acquisition comes as major Asian tech firms continue to invest aggressively across Europe, expanding digital influence and consumer reach. With Naver now holding full control, the competitive landscape of second-hand retail in Europe may face significant disruption.