

BANCO DE ESPAÑA

economic bulletin

January 2001

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## Conventions used

M1	Money supply = Notes and coins held by the public + sight deposits.
M2	M1 + savings deposits.
M3	M2 + time deposits.
ALP	Liquid assets held by the public = M3 + other liquid assets.
ALPF	ALP + fixed-income mutual funds.
H1/H2	First/second half
bn	Billions (10 <sup>9</sup> ).
m	Millions.
a	Projection.
p	After a date [January (p)], this means that all the related figures are provisional; after a figure, only said figure is provisional.
pp	Percentage points.
	Annual ( 1970 ) or quarterly data with this symbol are averages of the monthly data of the year or quarter; series of monthly, ten-day or weekly data are averages of the daily data for such periods.
...	Not available.
—	Nil, non-existence of the event considered or insignificance of changes when expressed as rates of growth.
»	Less than half of the last digit indicated in the series.
*	Series of seasonally adjusted data.

## Abbreviations

AIAF	Association of Securities Dealers
BE	Banco de España
BIS	Bank for International Settlements
CNE	Spanish National Accounts
CNMV	National Securities Market Commission
CPI	Consumer price index
DM	Deutsche mark
EAGGF	European Agricultural Guidance and Guarantee Fund
ECB	European Central Bank
ECOFIN	EU Council (Economic and Financial Affairs)

EDP	Excessive Deficit Procedure
EMU	Economic and Monetary Union
EPA	Official Labour Force Survey
ERM	Exchange Rate Mechanism
ERM II	New Exchange Rate Mechanism for currencies of EU Member States outside the euro area
ESA 79	European System of Integrated Economic Accounts (1979)
ESA 95	European System of National and Regional Accounts (1995)
ESCB	European System of Central Banks
ESP	Pesetas
EU	European Union
EU-15	The fifteen current EU Member States
EUR	Euro
EUROSTAT	Statistical Office of the European Community
FIAMMs	Money-market funds
FIMs	Securities funds
GDP	Gross Domestic Product
GDP cp	GDP at constant prices
GNP	Gross National Product
GVA	Gross Value Added
G7	Group of Seven
HICP	Harmonised index of consumer prices
HF	Households and firms
IMF	International Monetary Fund
INE	National Statistics Office
INVERCO	Association of Portfolio Investment Institutions and Pension Funds
IPI	Industrial Production Index
MEFF	Financial Futures and Options Market
MFIs	Monetary financial institutions
MINER	Ministry of Industry and Energy
MMFs	Money-market funds
NBER	National Bureau of Economic Research
OECD	Organisation for Economic Co-operation and Development
PPI	Producer price index
R + D	Research and development
RENFE	National railway company
SEPI	State industrial holding company
SGP	Stability and Growth Pact
SIB	Stock-exchange interconnection system
TARGET	Trans-European Automated Real-Time Gross Settlement Express Transfer system
ULCs	Unit labour costs
VAT	Value Added Tax
WB	World Bank

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# Quarterly report on the Spanish economy

## 1. Overview

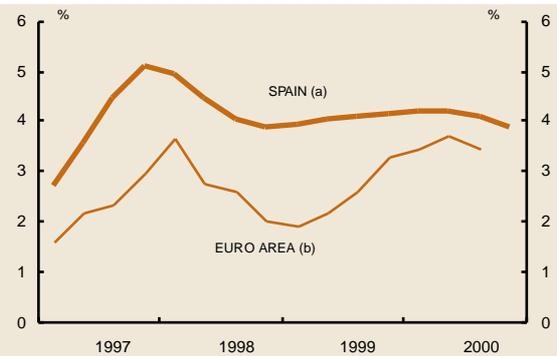
The information available on the performance of the Spanish economy in 2000 Q4 confirms the continuation of the slowdown which began the previous quarter. Preliminary estimates indicate that real GDP growth may have dipped slightly to a rate of 3.9 % year-on-year, compared with 4.1 % in Q3. For the year as a whole, therefore, GDP will have shown a high increase of 4.1 %, albeit moving on a moderately decelerating path in the second half of the year (see Chart 1). This loss of momentum was common to the euro area countries taken as a whole. They posted year-on-year growth of 3.4 % in Q3, a rate likewise below that for the first six months. And, on all signs, this trend extended into the closing months of the year. In both Spain and the euro area the progressive deceleration in activity has originated in the course of domestic demand, and particularly of private consumption. This is the result – among other factors – of the loss of real income inherent to the upsurge in energy prices, the slide in consumer confidence levels and the poor performance of the securities markets. Outside the euro area, the pace of economic growth has also weakened. The main factor here is the greater-than-expected slowdown in the US economy, which is adversely affecting the growth outlook for the world economy in 2001.

The Spanish economy's inflation rate, measured by the consumer price index, climbed above that of Q3 to 4 % on average in the final three months of the year. This result was essentially due to the effects – both direct and those arising from the pass-through via productive processes – of dearer imports, especially of energy products. Food prices also contributed to raising the inflation rate in this period. Only in December could something of a downward correction in the growth rate of consumer prices be discerned, following the movements in the exchange rate of the euro, which began to appreciate significantly as from end-November, and in oil prices, which trended down from the same date. Prices in the euro area showed a similar pattern to that of the Spanish HICP, although the inflation differential between Spain and the area widened marginally in the final quarter, denoting the presence of certain factors of greater inflationary inertia in Spain (see Chart 2).

As indicated, these results have arisen against a backdrop of an external environment marked by growing evidence of a sharper-than-forecast slowdown in the US economy, by the turnaround in the euro and by the downturn in oil prices. These signs of deceleration have affected both investment and consumer spending in the US economy; that said, both the personal saving ratio and the economy's net borrowing requirement have continued to worsen. As a re-

CHART 1

Gross domestic product



Sources: ECB, Instituto Nacional de Estadística and Banco de España.

(a) Non-centred annual rate of change calculated on the basis of the trend-cycle series.

(b) Non-centred annual rate of change calculated on the basis of the seasonally adjusted series.

CHART 2

Harmonised indices of consumer prices



Sources: Eurostat and European Central Bank.

sult, the Federal Reserve, faced with clear indications of an economic slowdown and with prices under control, opted to cut its federal funds target interest rate by half a percentage point on 3rd January. Activity in other economic regions, such as the emerging Asian countries and the Latin American economies, remained most buoyant in the second half of 2000, though this could be affected by expectations of lower US growth, curtailing the expansion of world markets.

In the euro area, where activity and spending have also shown signs of slowing (taking the form of a lower increase in GDP in 2000 Q3), the outlook is for activity being sustained to a greater extent than in the case of the United States. Fiscal policies are exerting a neutral effect on developments in these economies, ensuring compliance with the targets set in the stability programmes for 2000, albeit in a more dynamic environment than initially envisaged. For the year 2001, marginal headway in budgetary consolidation is expected, which in some cases will actually mean an easing of the fiscal impulse. Nonetheless, inflation began to turn in December, prompted by the above-mentioned course of the exchange rate of the euro and of oil prices, and there are prospects of a significant downward correction during the current year. Wage bargaining across the euro area countries generally points, at least in the short run, to moderate wage behaviour, even though there are still risks of upward drift.

In addition to the foregoing the money supply has been slowing, thereby responding to the successive increases in the Eurosystem's offi-

cial rates, which have risen by 225 basis points in the period from November 1999 to October 2000. Conversely, credit extended to the private sector has proven more resilient to the slowdown, although credit developments have been affected by specific operations, which hamper their interpretation. Against this background, the Eurosystem has opted to hold its official interest rates unchanged since 5th October (the date of the last rise), acknowledging the alignment of monetary conditions with the current cyclical position of the euro area economy. The maintenance of the Eurosystem's interest rates has been compatible with a slight downturn in long-term interest rates.

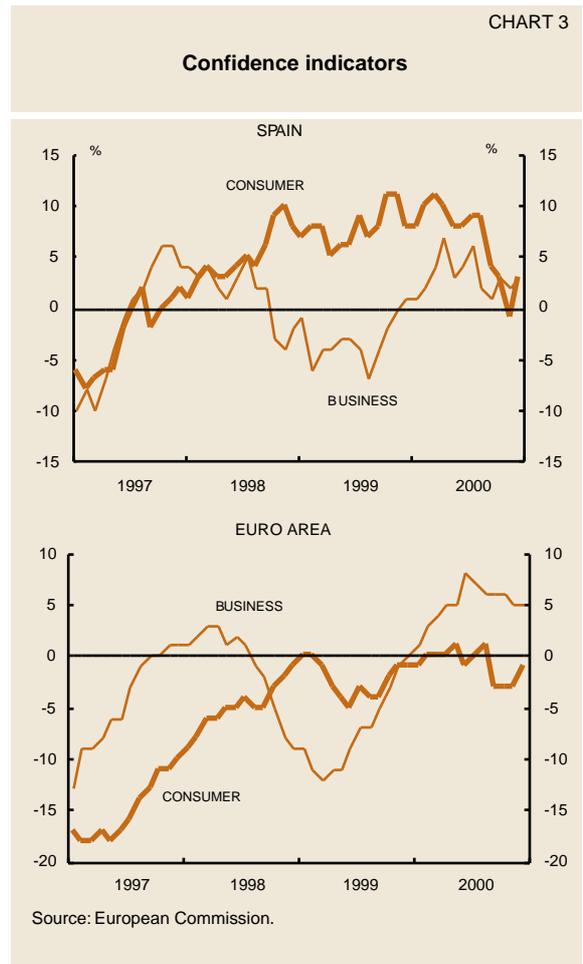
Monetary and financial conditions in Spain reflect a slowdown in corporate and household liquidity similar to that of the euro area as a whole, while credit growth has held at very high rates. Money and debt market interest rates have turned down recently, although bank rates (lending rates in particular), which move with a greater lag, were stable during Q4.

General government conduct in the closing months of the year followed a similar pattern to that of the first three quarters. Although the final data on the State budget outcome are not available yet, the information to November augurs comfortable compliance with the budget deficit target for the year 2000, set at 0.3 % of GDP. As in 1999, this result has been achieved against a background of higher growth than initially envisaged, which has translated in turn into a higher-than-expected increase in revenue, allowing an above-budget increase in expenditure to be financed. However, final general government demand (government consumption and public investment) is estimated to have remained moderate throughout the year.

As earlier indicated, the Spanish economy continued to slow in 2000 Q4, the estimated GDP increase in this period having been 3.9 % year-on-year. Domestic demand determined this performance, its year-on-year rate of change dipping to 3.9 % from 4.1 % the previous quarter, while the contribution of net external demand, according to the information available to date, continued to improve and ceased to be negative. The year 2000 thus closed with annual average growth of 4.1 %, very close to that of 1999 (4 %), though with a different composition: national demand slowed by eight-tenths of a point as a result of the lower growth rates of both private consumption and investment, while the contribution of net external demand to growth was negative of the order of -0.2 percentage points, compared with -1.5 points in 1999.

Combining to detract from the buoyancy of household expenditure during 2000 was the worsening of household expectations (see Chart 3) and the loss of value of financial assets (stock market asserts in particular), against a backdrop of tighter monetary conditions. Notwithstanding, consumer spending growth is estimated to have continued outpacing that of disposable income, giving rise to a fresh fall in the saving ratio. If it is further taken into account that house purchases, despite decelerating, retained a high growth rate throughout the year, the outcome is a notable squeeze on households' lending capacity. As can be seen in Chart 4, which plots sectoral financial saving (the net lending or borrowing of sectors, estimated using financial flows), the stock of household saving reached a trough as a percentage GDP in 2000 Q2. This is a further factor that could be behind the slowing trend of consumption (the need for households to rebuild their saving levels) and one that foreshadows the moderate behaviour of this type of spending in the near future.

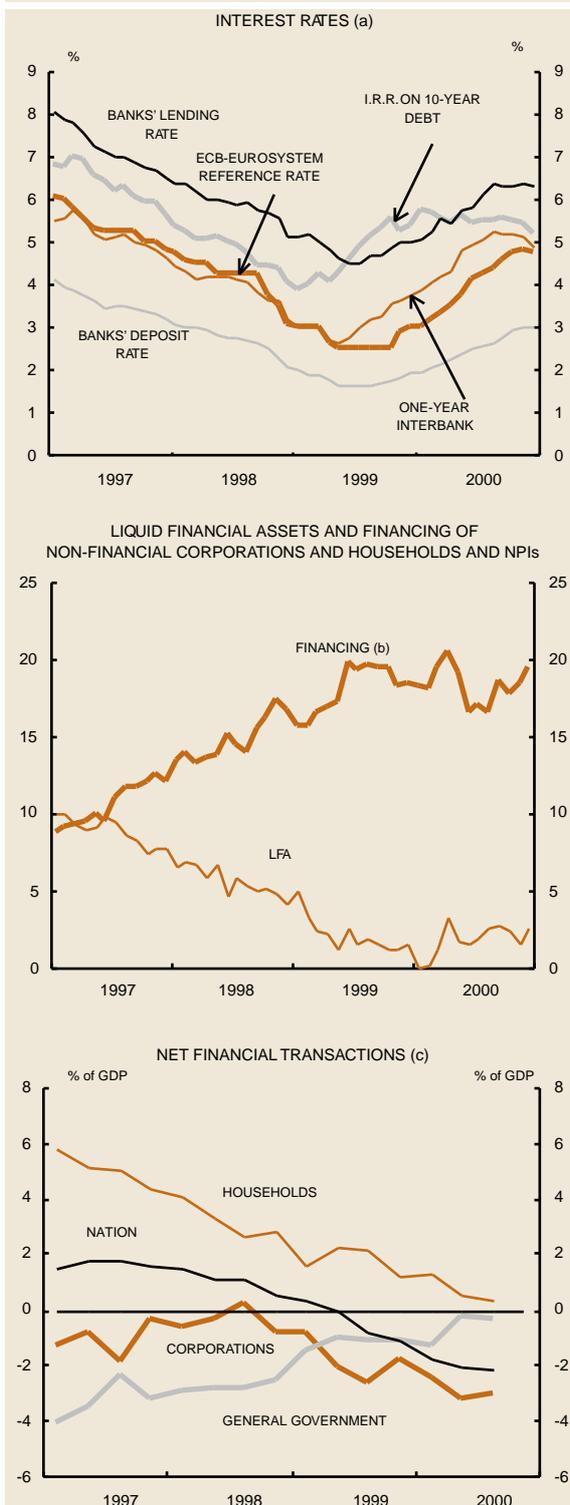
The growth rate of investment in capital goods was progressively cut during the year 2000. It likewise remained moderate in Q4. As elsewhere indicated, this is in contrast to the healthy position companies continue to show and the high return on assets they have achieved. However, the falling profile of corporate expenditure is consistent with the interest rate rises since late 1999 and with demand prospects which may have been revised, to some extent, owing to developments in the US economy (with the ensuing global consequences) and to the positive price and cost differentials building up in certain industries. In any event, the financing of investment both inside and outside Spain has led to a significant increase in companies' borrowing requirements, as reflected in their net financial saving.



The contribution of the external sector to GDP growth turned progressively less negative as the year 2000 unfolded, reaching an equilibrium position in the closing months. Exports benefited from the pick-up in the world economy, which prevailed for most of the year, and from the depreciation of the euro. Exports to non-EU regions were particularly expansionary, while within the EU (and the euro area in particular) they displayed lower growth rates due partly to the lack of exchange rate-induced gains in competitiveness in this market. Indeed, the growth of unit labour costs in Spain is running higher than in the European countries as a whole, eroding the competitive edge of Spanish products over these countries' goods. Imports were influenced by the declining profile of domestic demand, in the second half of the year, and by the effect of the euro's cumulative depreciation, despite its recent recovery. As a result, imports continued to lose steam in Q4. Nonetheless, dearer import prices meant that, despite the trend of real flows, the trade balance deteriorated significantly over the course of the year, contributing to the increase in the nation's net borrowing.

CHART 4

Financial indicators of the Spanish economy



Source: Banco de España.

- (a) The series are averages of daily data.
- (b) Includes bank loans extended by resident and non-resident credit institutions, fixed-income securities and financing through securitisation funds.
- (c) Cumulative four-quarter data.

The slowdown in GDP in the second half of 2000 was accompanied by a similar performance in employment which, it is estimated, ended the year with an increase of 3.3 %, three-tenths of a point down on 1999. As to price formation, there was an upsurge in costs arising both from dearer imports and from the behaviour of labour costs. And this against a background of high demand growth which has, overall, allowed corporate margins to be sustained. Price indicators have reflected these developments in costs. The CPI quickened progressively during the year up to a 12-month growth rate of 4 % in December, after peaking in November at 4.1 %. Although the acceleration was sharper in the energy component, it was also observable in the prices of non-energy industrial goods and of services, owing to the feed-through of greater costs to the final prices of these products. This has distanced Spain somewhat from the results posted in other euro area countries, giving rise to a widening of inflation differentials in most of the HICP components, probably as a consequence of a parallel widening in cost differentials and of a fuller pass-through of such costs to final prices.

In sum, the year 2000 has ended with very favourable results in terms of growth and job creation; but it evidences, in turn, a degree of divergence from the euro area regarding the behaviour of prices and costs. This poses a risk of a loss of competitiveness, a risk that might heighten during the coming year against the background of an appreciating euro. The inflation-adjustment clauses built into wage agreements entered into in 2000 already mean that part of the temporary acceleration in prices, derived from dearer energy, is feeding through to wages, unlike what is happening in other euro area countries. If collective bargaining in the year 2001 is not approached seeking to resume an inflation rate at levels compatible with price stability but rather taking as a basis the current growth rate of the CPI, there will be a greater risk of a further acceleration in costs and of setting even greater distance between Spain and its fellow EU members. The economy is now at a junction. Either it can confront the challenge of returning to the path of income moderation that enabled it to lock into an area of nominal stability and move towards real convergence with the most advanced EMU members. Or it can lapse into behaviour more in keeping with an indexed economy which, given the lack of alternative adjustment mechanisms, would sap the economic and job creation growth potential shown in recent years.

## 2. The external environment of the euro area

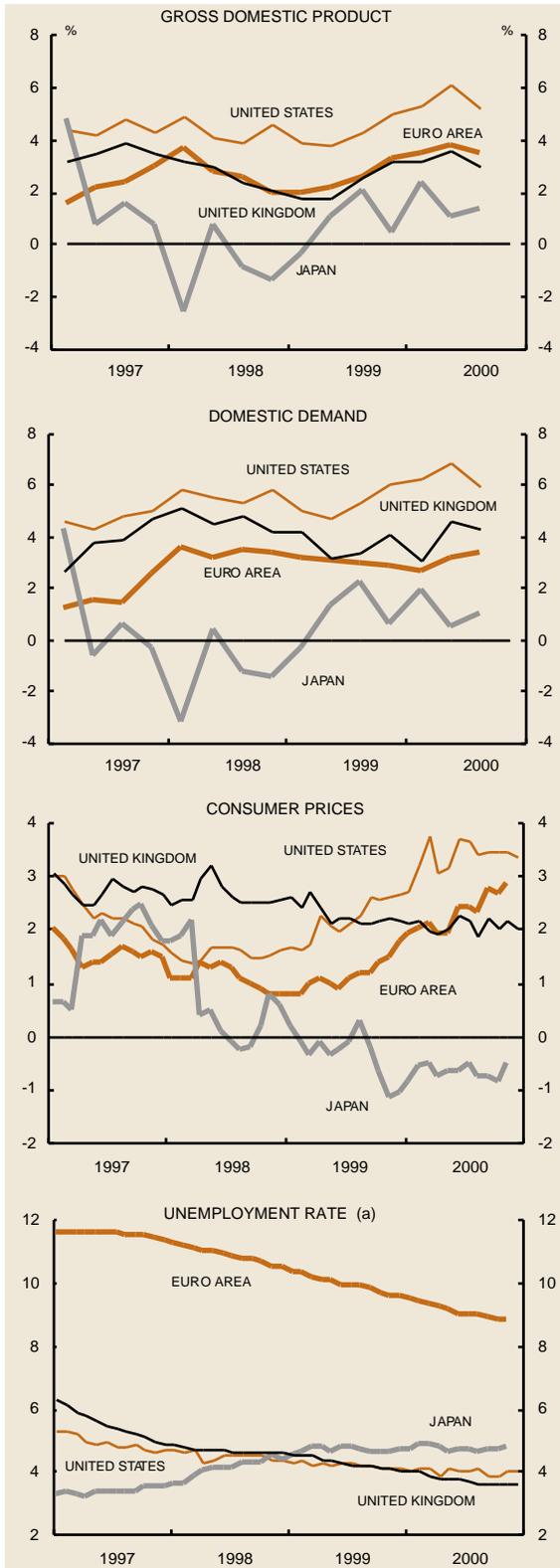
The latest information on economic developments in the external environment of the euro area points to a reduction in the pace of growth during the final months of the year 2000. The basic causes here lie in the signs of a greater than initially envisaged slowdown in economic activity in the United States, in the persisting weakness of the Japanese economy and in the indications of a loss of steam in certain emerging economies. Against this background of economic deceleration, the fall in oil prices on international markets since November has eased somewhat the inflationary pressures prevailing in most industrialised economies. Economic developments in the United States and Japan have determined the recent trajectory of the foreign exchange markets. In particular, the dollar has gradually depreciated against the euro since late November, this being associated with the perceived deterioration in the outlook for the US economy. At the same time, the yen has weakened against the dollar and the euro, largely as a result of the growing fragility of the process of recovery in the Japanese economy. Nonetheless, in effective terms, the final quarter of 2000 has been marked by the notable appreciation of the dollar, the yen and sterling, by 10.5 %, 3.4 % and 1.7 %, respectively. In the closing weeks of the year, as the signs of world growth moderating became progressively clearer, the ongoing reduction of short and medium-term interest rates in the United States and Europe intensified. Lastly, the widespread downward trend of stock market prices continued in 2000 Q4, affecting new technology stocks particularly sharply. Taking average levels, the Nasdaq index fell by 30 % between September and December, while the Dow Jones index slipped back 2.4 % over the same period. In the opening weeks of January, however, there has been something of a rally on most international stock markets.

On the latest revised US National Accounts data for 2000 Q3 (see Chart 5), the annualised quarter-on-quarter growth rate of GDP stood at 2.2 %, far below the figure of 5.6 % posted in Q2. This deceleration in activity reflected, above all, the lesser increase in private fixed investment and in public spending, since private consumption held at a high growth rate and the contribution of external demand to GDP remained relatively stable.

The indicators available for Q4 show economic activity to have lost further momentum, consistent with a quarter-on-quarter rate of change in GDP closer to zero. Of particular note are the rapid slowdown in industrial output, the successive falls in the NAPM index of manufacturing activity, and the diminished buoyancy of the job creation indicators. On the demand

CHART 5

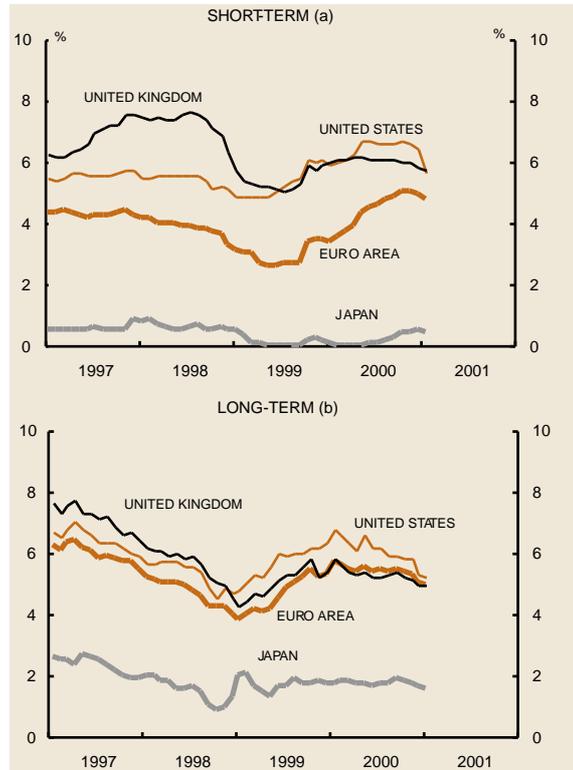
**Main macroeconomic indicators.  
Annual rates of change**



Sources: Banco de España, national statistics and Eurostat.  
(a) As a percentage of the labour force.

CHART 6

**Interest rates**



Source: Banco de España.

(a) Three-month interbank market interest rate. Euro area: until December 1998, weighted average of the eleven euro-area countries; thereafter, three-month EURIBOR.

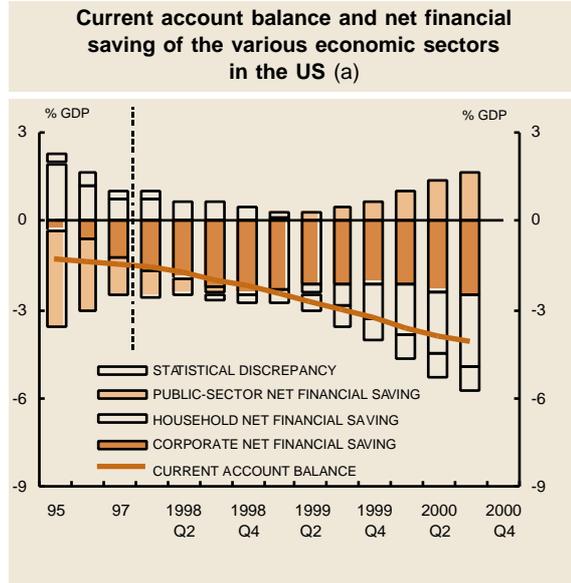
(b) Ten-year government bond yields. Euro area: until December 1998, weighted average of the eleven euro-area countries.

side, virtually all the private consumption indicators worsened in the final months of the year. Nonetheless, despite signs of household spending decelerating, the personal savings ratio reached a new low in November of -0.8 %, a reflection of the moderate growth of personal income.

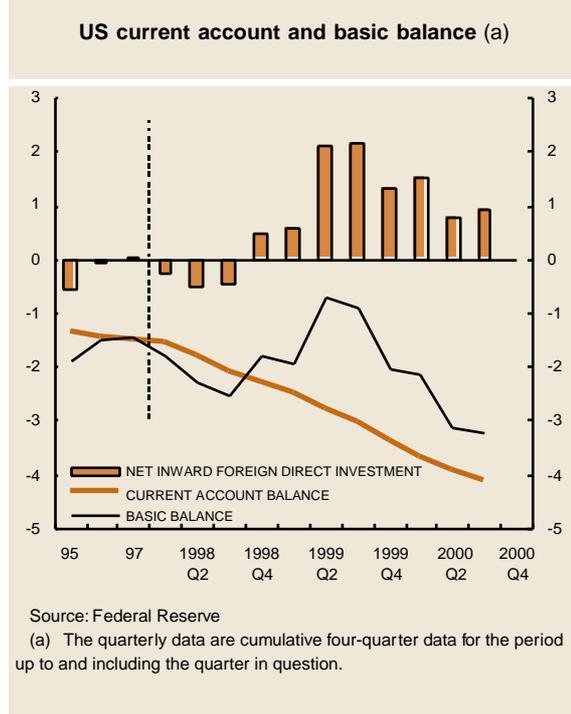
As regards macroeconomic disequilibria, the balance of payments on current account worsened further in Q3, running a deficit of 4.5 % of GDP (see Chart 7). This was due almost in its entirety to the increase in the trade deficit. As Box 1 explains, the progressive deterioration in the current-account balance in recent quarters reflects the need for the US economy to attract foreign saving to finance its strong investment process. If the reduction in oil prices and the improvements in competitiveness arising from the recent depreciation of the dollar take hold and if, as is foreseeable, the growth differential between the US economy and the other industrialised countries narrows, the external imbalance might be corrected in the coming months.

**Deceleration of the US economy and adjustment of sectoral financial balances**

The sharp growth of the US economy in recent years has been accompanied by significant sectoral restructuring in its financial accounts. As can be seen in the upper panel of the accompanying chart, the financial position of the household sector has moved out of surplus to show negative net financial saving which has reached historically low levels in 2000 Q3, accounting for -2.4 % of GDP. This singular household financial position has come about against the background of the prolonged US economic expansion which, on one hand, has enabled levels close to full employment to be attained and, on the other, has been conducive to an extraordinary rise in stock market prices, raising household financial wealth most substantially. Similarly, as regards companies, the financing of the intense investment process (with an annual average growth rate close to 10 % in the last five years) that has accompanied the upturn has led to a progressive increase in this sector's borrowing needs, which exceeded 2.5 % of GDP in 2000 Q3. Overall, net private sector saving has turned around from a positive balance in 1996 to account for close to -5 % of GDP.



The sound performance of public finances, which have run a surplus during the past two years and stood indeed at 2 % of GDP in 2000 Q4, has acted as a counterweight, though one insufficient to prevent a progressive increase in the current-account deficit to 4.5 % of GDP. This deficit largely reflects the ability shown by the US economy to capture foreign capital lured by expectations of growing corporate profits in a highly dynamic economic setting. Foreign capital has thus been channelled in a non-speculative fashion and, particularly, in the form of direct investment in the most promising sectors (see bottom panel). The stability inherent in a large portion of capital inflows has meant that the degree of vulnerability of the US external financial position is much lower than the high current-account deficit would at first sight suggest.



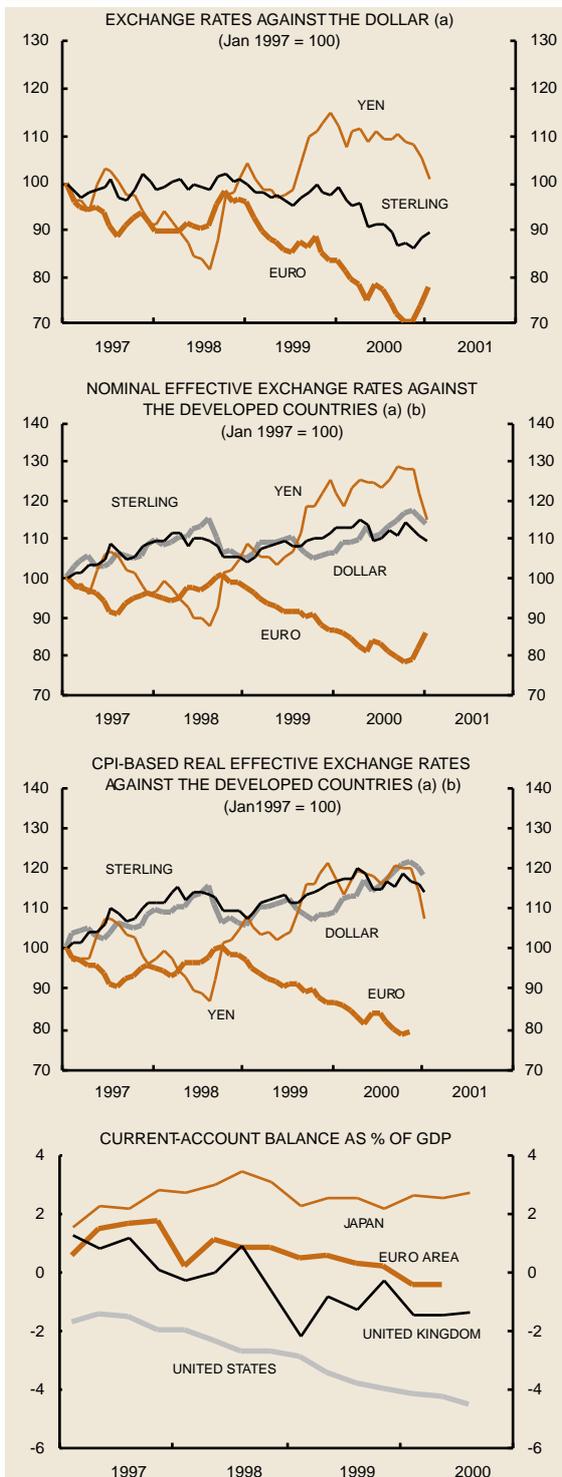
Source: Federal Reserve  
 (a) The quarterly data are cumulative four-quarter data for the period up to and including the quarter in question.

Nonetheless, since mid-2000, the economy has moved into a decelerating phase which appears to have taken root in the final quarter in the light of the latest indicators available. This moderation in the growth rate of economic activity has been accompanied by a significant correction of stock market prices (leading household financial wealth to slip) and by less buoyant corporate profits and diminished expectations as to their future course, thereby prompting a contraction in private consumption and business investment. These adjustments might be propitious to a restructuring of inter-sectoral financial flows: a higher household and corporate saving ratio would enable the economy's financing needs to be lessened, despite the likely reduction in the public-sector surplus. Moreover, the moderation of capital inflows in the wake of the temporary worsening of expectations would also provide for a depreciation of the dollar which would contribute to easing further the current-account deficit position.

Evidently, however, a sudden revision of profit expectations by international investors would lead to far-reaching portfolio shifts that might require more drastic adjustments than expected in US agents' spending decisions so that such agents might respond to the tightening of financing conditions.

CHART 7

Exchange rates and current-account balances



Sources: Banco de España, BIS and national statistics.  
 (a) A fall in the index denotes a depreciation of the currency against the dollar or the rest of the currencies making up the grouping and vice-versa.  
 (b) Before 1999 the euro is represented by an approximate indicator devised by the BIS on the basis of the effective exchange rates of the euro-area countries.

Turning to price and cost developments, the rise in wages during Q4 and an inflation rate holding at marginally over 3 % were both worthy of mention. According to the hourly earnings figures, wages rose by 4 % on the same period a year earlier, three-tenths of a point up on the related figure in the previous quarter. This increase in wages has been prompted by the tightness still present in the labour market, since the unemployment rate stood at 4 % in November, despite the lesser pace of growth of employment. Likewise, the year-on-year rate of change of productivity appears likely to have moderated in the closing months of the year, whereby the course of unit labour costs will contribute, to a lesser extent than in the past, to restraining inflationary pressures. The 12-month growth rate of the CPI stood at 3.4 % in December, one-tenth of a point below the September figure. This marked stability of the general index during Q4 has been the case for most of its components. As a result, the index that strips out fresh food and energy stood at 2.4 % in December, unchanged on September. Against this backdrop, the Federal Reserve decided at its informal meeting on 3rd January unexpectedly to alter the monetary policy stance, agreeing to a cut of 50 basis points in the federal funds target rate to 6 %. The decision was motivated by the weakness of sales, output and confidence indicators, by the pressures in certain financial market segments and by the deterioration in household and corporate purchasing power arising from the increase in oil prices. The measure brought about a substantial and immediate downward revision of short and long-term interest rates both in the United States and in other industrialised countries. However, in the days following the Federal Reserve's decision, long-term interest rates on the US debt market moved progressively upwards and even exceeded their end-December level in mid-January.

The budgetary policy stance has remained moderately restrictive. Despite the slowdown in revenue foreseen for the final quarter, as a result of sluggish economic activity, this stance might provide for a public finances surplus of around 1.5 % of GDP for the year 2000 as a whole.

Japanese GDP in 2000 Q3 grew at a weak rate of 1.4 % on a year earlier (1 % in annualised quarter-on-quarter terms), three-tenths of a point above the rate for the previous quarter. This slight acceleration was the result of the greater buoyancy of domestic demand linked with the strong increase in gross private fixed capital formation. Conversely, private consumption remained as slack as in previous quarters. The contribution of external demand to annual

**Argentina's financial arrangement with the International Monetary Fund**

In the final months of 2000 the Argentine economy was beset by a delicate financial situation, the outcome of a sizeable increase in its public-sector borrowing requirements combined with high interest rates on international markets.

The deterioration in public finances arose mainly from the difficulties in increasing government revenue, given the sluggishness of economic activity, and prompted a failure to meet the budgetary targets agreed upon with the IMF for the first half of the year 2000. This non-compliance, along with the lack of strength shown by the economy, resulted in an investor confidence crisis as to the ability of the Argentine economy to pay. The interest rates on Argentine debt issues on international markets duly rose significantly. Faced with this situation, the government approved a series of ambitious measures in late October aimed at reinforcing investment and economic growth. Then, in early November, it entered into negotiations with the IMF to reach a new agreement.

After more than two months of negotiations, the IMF approved the financial aid package for Argentina on 12th January. The arrangement was very favourably received by the market. And once certain aspects of its content became known, the high interest rates on Argentine debt on international markets declined. The main elements of this agreement are set out below, addressing both the financing conditions and the economic policy commitments entered into by the Argentine authorities.

**Financial package negotiated with the IMF**

USD bn

	Total	2001
International Monetary Fund	13.7	8.8
IDB and World Bank	5.0	2.0
Spanish government	1.0	1.0
Market-makers	10.0	10.0
Argentine institutional investors	3.0	3.0
Administration of liabilities		0.6
Euro	1.0	
Dollars and pesos	3.0	
Coupon reinvestment	3.0	
<b>Total</b>	<b>39.7</b>	<b>25.4</b>

Source: Argentine Ministry of Economy.  
(a) Includes \$2.1 billion paid out in December 2000.

**1. Financing envisaged**

- The IMF raised the financing ceiling to USD 13.7 billion, equivalent to 500 % of Argentina's quota with the IMF. Of this amount, 2.74 billion will be drawn down under the Supplemental Reserve Facility (SRF), while the rest will be under the Stand-By Arrangement (SBA).
- In the year 2001, Argentina may apply for a maximum disbursement of USD 6.7 billion, of which 2.9 billion may be drawn down in the first quarter. In each of the following quarters, disbursements will have a ceiling of USD 1.26 billion.
- The remaining multilateral contributions total USD 5 billion, the World Bank and the Inter-American Development Bank each accounting for 2.5 billion. Of these USD 5 billion, 2 billion would be disbursed in the current year, with a maturity of two years.
- The Spanish government has provided USD 1 billion of bilateral financing. The disbursement and reimbursement terms are identical to those in the IMF SBA programme.
- Argentine banks with market-maker capacity agreed to maintain their bond positions during the year 2001, this entailing an amount of USD 10 billion.
- Argentine pension fund managers have arranged the purchase of new government debt for an amount of USD 3 billion in the year 2001.
- According to official sources, the government has received proposals from some investment banks to: a) exchange euro-denominated bonds maturing before the year 2005 for an amount of USD 1 billion; b) to exchange short and medium-term bonds denominated in pesos and dollars for an amount of USD 3 billion; and c) to reinvest as from the year 2002 the coupon interest held by local institutional investors, which would signify an extra USD 3 billion.

As a result of the foregoing points (see table), in the year 2001 Argentina may draw down USD 25.4 billion of the USD 39.7 billion made available. Included in the amount of 25.4 billion is the figure of 2.1 billion received by the Argentine government at the end of last year.

**2. Economic conditions required of and assumed by the Argentine government**

In its letter of intent to the IMF, the Argentine government presented a macroeconomic scenario involving GDP growth of 2.5 % for the year 2001, an inflation rate of virtually 0 % and a balance of payments deficit on current account standing at close to 3.5 % of GDP. The government has also entered into the following commitments in 2001:

- The federal government fiscal deficit shall not exceed USD 6.5 billion in the year 2001 (2.2 % of GDP). This fiscal deficit target envisages only a modest reduction in the deficit in 2001 compared with the previous year (200 million), so as to avoid a fiscal contraction in the early stages of economic recovery.
- Federal government primary expenditure for the year 2001 shall not exceed USD 53.21 billion, entailing a decline of 0.5 % in terms of GDP compared with the year 2000. As a result, the primary surplus would account for 1.7 % of GDP compared with 1 % in the year 2000.
- Federal government debt shall not increase by more than USD 6.7 billion in the current year (5.7 billion in 2000).
- The targets for provincial deficits continue to be a guide and are non-binding, as they were in previous arrangements with the IMF. The consolidated provincial deficit shall not exceed USD 2.76 billion in the year 2001. It is estimated to have totalled 3.4 billion in the year 2000.
- Regarding structural reform, the government undertakes, among other aspects, to move ahead with the controversial Social Security reforms; to expand domestic tax coverage to 100,000 taxpayers; to publish a quarterly report detailing the provinces' public finances; to table a draft law to improve the process of bank intervention and liquidation; to establish a new regulatory framework for the telecommunications industry; and to enact a Competition Protection Act.
- The government shall likewise guarantee that it shall not promulgate a tax amnesty during the time the arrangement runs. As is known, given the persistent tax difficulties last year, the government repeatedly used tax amnesties as an instrument for increasing tax revenue in the short run.

GDP growth lessened, as there was a sharper slowdown in exports than in imports.

The indicators for 2000 Q4 broadly offer a slightly more unfavourable picture than that for the previous quarter. In fact, the main indicators of activity reflect a loss of momentum in the closing months of the year. This had been largely anticipated by the «Tankan» business survey, whose business confidence indicator in Q4 last year showed a virtual zero increase, breaking the appreciable upward trend witnessed since 1999. On the demand side, the consumption indicators continued in the final months of 2000 to display declines on a year earlier that were similar, on average, to those in the previous quarter. The only positive figure was for employment, which showed a slight increase in the period October-November compared with a year earlier, although the unemployment rate climbed once more up to 4.8 % in the latter month. Deflationary pressures remained patent in consumer prices, the general index for which posted a fall of 0.5 % in November, less than the related figure for September (-0.8 %). The current-account surplus (measured in yen) fell again in 2000 Q3, as it had in the preceding quarter, as a result of the gradual reduction in the trade balance surplus.

Against this background of lacklustre economic activity and deflation, the weakness shown since December by the yen might contribute to bolstering recovery if it manages to offset the adverse effects on spending arising from the poor stock market performance, which has worsened since November. The decline in share prices reflects, in addition to wavering economic activity, the heavy disposals of non-financial corporations' securities by banks during the second half of 2000 in order to restore health to their balance sheets and upgrade their asset portfolios before the start of the coming fiscal year in March 2001.

In south-east Asia, the latest economic data point to the continuation of the phase of buoyant economic growth seen in most economies in the region up to 2000 Q3, despite the contractionary effects of the rapid rise in oil prices. However, as from 2000 Q4, the consequences of the slowdown in the US economy have begun to make themselves felt, especially in those countries (such as Malaysia, South Korea and Thailand) whose export industries are more geared to the US market.

In the closing months of 2000, the economic recovery under way in a good number of South American countries continued. And, at the same time, there has been considerable headway in redressing the main macroeconomic imbalances and in adopting structural reforms in the markets for goods and productive factors, against a backdrop of relative financial stability. For the area as a whole, and on current forecasts, economic growth for the year 2000 will be close to 4 %. Particularly worthy of mention is the dynamism of the Mexican economy, which is forecast to grow by around 7 % in 2000, and the forceful pace of expansion in Brazil and Chile, where average growth rates close to 4 % and 5.5 %, respectively, may be attained. In Argentina, where economic activity remains sluggish, the outlook for the near future has nevertheless improved appreciably following the implementation of the IMF aid package in the second half of 2000 (see Box 2). The package has eased pressures on the public debt market. Into the year 2001, these economies will have to withstand a possible slowdown in external demand as a result of the foreseeable reduction in the US growth rate. But the region as a whole might benefit from more favourable financing conditions, insofar as US monetary policy maintains a less restrictive stance than last year.

Finally, turning to the non-euro area European economies, UK GDP rose by 3 % in 2000 Q3 compared with the same period a year earlier (0.7 % in quarter-on-quarter terms). During Q4, the available indicators pointed to a moderation in the pace of activity, and the preliminary release of the GDP growth figure for Q4 duly reflected this (2.4 % on the same period a year earlier, and 0.3 % on the previous quarter). Although the breakdown of GDP growth by component in 2000 Q4 is not known, the buoyancy of the consumption indicators extended into the closing months of the year, in step with the strong momentum of job creation, as reflected by the stabilisation of the unemployment rate at 3.6 % in December. Consumer prices exhibited moderate increases, since the index excluding mortgage interest payments posted 12-month growth of 2 % in December (0.9 % in harmonised terms with the rest of the EU), two-tenths of a point lower than the September figure. Given the lack of significant inflationary pressures, the Bank of England has kept its official interest rate unchanged at 6 %.

### 3. The euro area and the monetary policy of the European Central bank

#### 3.1. Economic developments

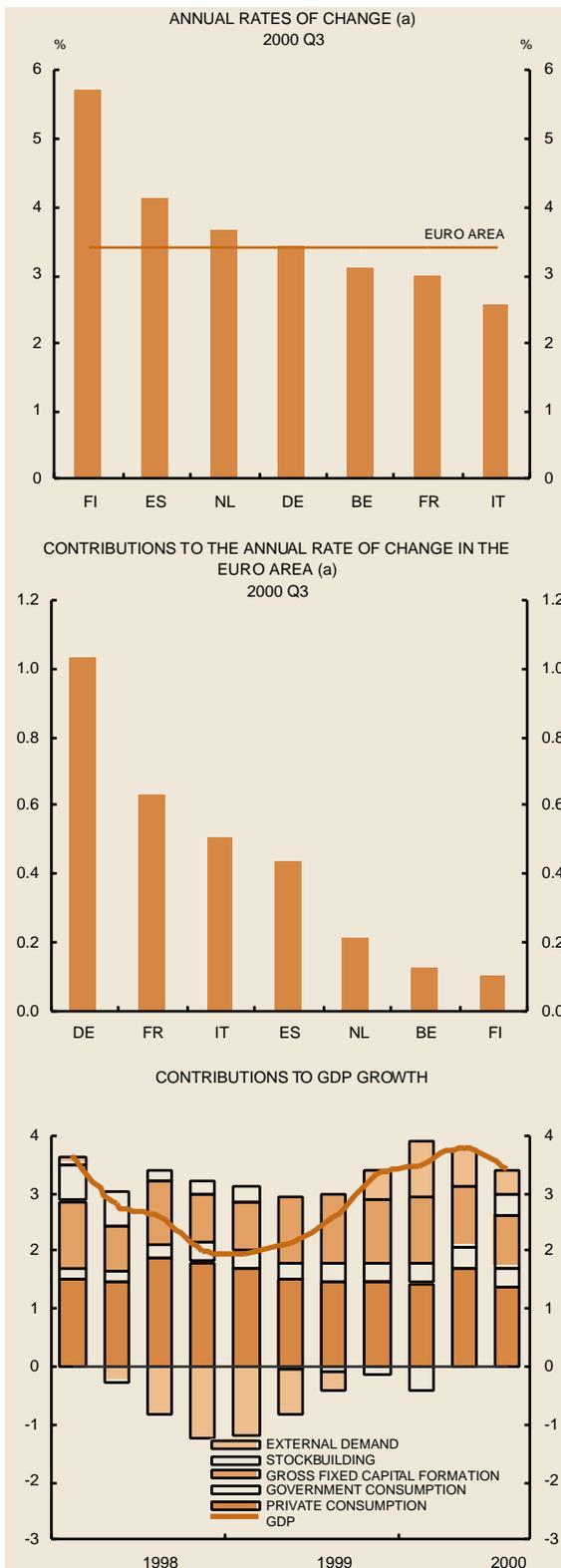
The latest data on economic developments in the euro area point to a slight reduction in the growth rate of productive activity in 2000 Q4, thereby extending the trend signalled in the summer months. The inflationary situation has improved somewhat following the recent fall in oil prices and the appreciation of the euro, against the background of a less buoyant world economy. However, although the inflation outlook has improved, risks associated with the behaviour of wages and public finances remain in place.

According to the second Eurostat euro-area national accounts estimate for 2000 Q3, GDP increased by 0.7 % on the previous quarter, two-tenths of a point below the rate successively recorded since 1999 Q4. In relation to the same period a year earlier, GDP rose by 3.4 %, four-tenths of a point less than in Q2 (see Chart 8). The slowdown in GDP largely reflects the course of domestic demand (excluding changes in stockbuilding), the contribution of which to annual GDP growth has dipped from 3.1 % in Q2 to 2.6 % in Q3. The contribution of net external demand to annual GDP growth fell from 0.7 percentage points in Q2 to 0.5 points in Q3, the outcome of the bigger increase in imports than in exports. Lastly, the contribution of stockbuilding to GDP amounted to 0.3 percentage points, thereby offsetting in part the unfavourable performance of the other components. By sector, the biggest growth in value added in Q3 was in industry and in market services, where annual rates were close to 5 %, while in the primary sector and in construction the associated rates were below 1 %. This deceleration of the growth rate of GDP in Q3 was common to virtually all the Member States. In relation to the same period a year earlier, the slowdown was most pronounced in Belgium and in the Netherlands, while the bigger countries (Germany, France, Italy) saw their growth rates decline by between three and four-tenths of a point.

Most of the as yet substantially incomplete economic indicators for the euro area for Q4 (see Chart 9) tend generally to coincide on the extension of the mildly decelerating profile. Indeed, the main indicators of activity, such as the industrial production index, the European Commission's business confidence indicator and the manufacturing industry purchasing managers' index all advanced to a lesser extent than in the summer months. On the demand side, retail sales in October (which grew at half the rate of the average for Q3), new car registrations in October and November (down 5 % on average in relation to the same period in

CHART 8

GDP in the euro area



Sources: Eurostat and national statistics.  
 (a) Excluding Ireland, Luxembourg, Austria and Portugal, for which no information is available on the quarter concerned

1999), and the lower level of the consumer and retail confidence indices in the closing months of the year compared with the previous quarter point to weaker consumption in Q4. Nonetheless, the December figure for the consumer confidence indicator was more favourable than in the previous months, due possibly to lower oil prices and the appreciation of the euro.

The easing of the growth rate of private consumption would be largely motivated by the deterioration of real disposable income as a result of the impact of dearer oil prices. Likewise, the slowdown in stock market prices during the year and the delayed effects of the tightening of monetary policy may have contributed to a lesser expansion of household spending. It is likely in the coming months that the reduction in oil prices and in the tax burden will lead to real income gains for households, which might be propitious to consumption. Moreover, the recent easing of long-term interest rates, against a background of relatively resilient demand, could have a favourable bearing on corporate investment activity. Conversely, the appreciation of the euro and the lower growth rate of export markets may entail a reduction in the contribution of external demand to GDP in the coming months.

Turning to the labour market, the pace of job creation during the first half of the year in the euro area was stable at around 2 %. Given GDP developments, this meant an increase in the rate of job creation per unit of output of close to 1.5 percentage points, approximately double that in 1999. Although the figures on the change in employment in Q3 are not available, this variable is likely to have sustained its growth rate and thereby provided for the reduction seen in the unemployment rate in this period from 9.1 % in May to 8.9 % in September. In 2000 Q4 there has been an additional improvement in unemployment, which edged down to 8.8 % in November. Notable in the composition of unemployment is the high proportion of the youth (up to 25 years old) cohort, which was 16.9 % in November, compared with a figure of 7.7 % for adults, although the slowdown in the unemployment rate during the year 2000 has been more marked for the former than for the latter.

The recent course of the main price indicators in the euro area signals a slight easing of the upward trend seen in previous quarters. The essentially imported nature of inflation has been reflected in 2000 Q3 in the GDP deflator, which stood at 1.1 % (see Chart 10), far below the related figure for the final demand deflator, which was 2.9 % in this same period. Although full information on the breakdown of the GDP

deflator is not available, it is estimated that the moderation of the growth rate of unit labour costs seen until Q2 (see Chart 10) may have continued or advanced slightly in Q3.

As regards consumer prices, the HICP for the area stood in December at 2.6 %, two-tenths of a point below the September figure. Nonetheless, underlying inflation – proxied by the index of non-energy processed goods and services prices – slipped slightly in 2000 Q4, rising to 1.5 % in December, one-tenth of a point up on September. This was due to the extension of the upward trend in processed food and non-energy industrial goods prices, since services held unchanged at a rate of 1.8 %. Country by country, the spread between the maximum and minimum inflation rates has narrowed by three-tenths of a point between September and December. The key development here was the notable slowdown in the maximum rate, that of Ireland, induced by a stripping out of the effect of the tax measures adopted one year earlier. The 12-month growth rate of the producer price index moderated in November to 6.3 %, one-tenth of a point above the September rate. The relative stability of this price indicator during Q4 is the outcome of the favourable performance of the intermediate goods component, which has partly offset the deterioration in consumer goods.

For inflationary pressures to remain in check during 2001 will largely depend on the behaviour of crude oil prices and on the euro. The expected slowdown in the world economy and the onset of spring in the northern hemisphere may mean that oil prices will firm at around the levels reached during December. That said, a conditioning factor here will be the production decisions adopted by the OPEC countries in the course of the year. The narrowing of the growth differential between the United States and the euro area should be conducive to a sustained recovery of the euro. Nonetheless, continuing wage restraint will prove essential in helping gradually lower the growth rate of prices in the near future.

According to ECB data, the euro area current-account balance ran a deficit of EUR 20.5 billion in the first 10 months of the year 2000, notably wider than in the same period in 1999 when the balance was virtually zero. This was due almost in its entirety to the decline in the surplus on the goods balance, since the services balance deficit held unchanged and the income balance improved almost to the same degree as the current transfers deficit widened. The significant worsening in the goods balance is the outcome of the deterioration in the terms

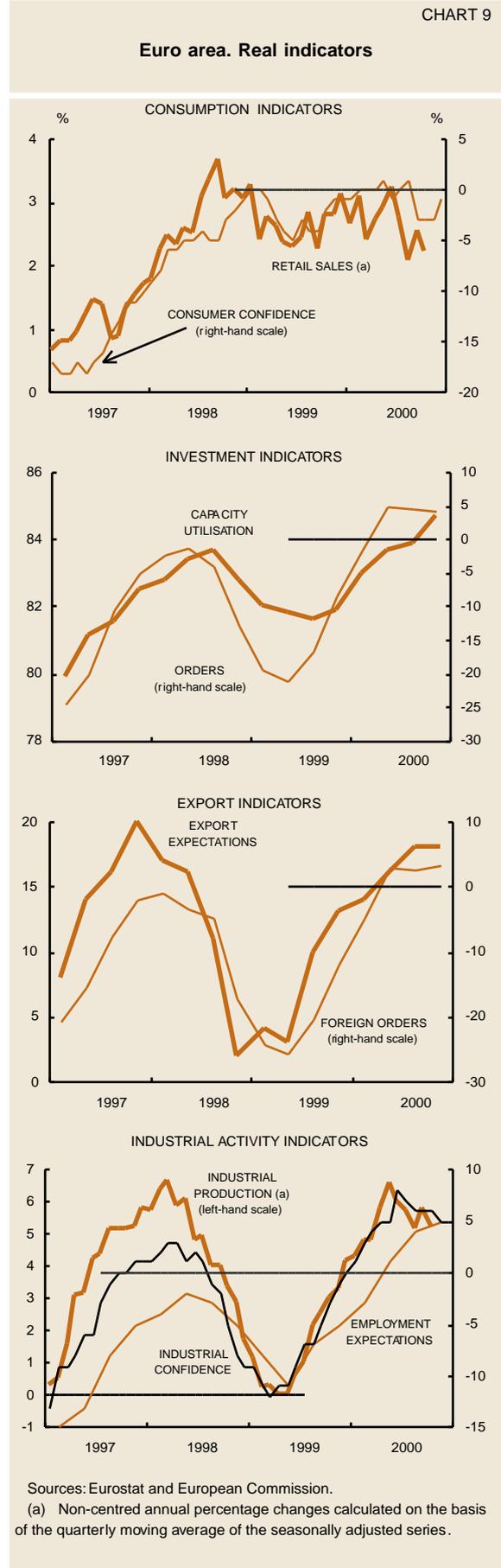
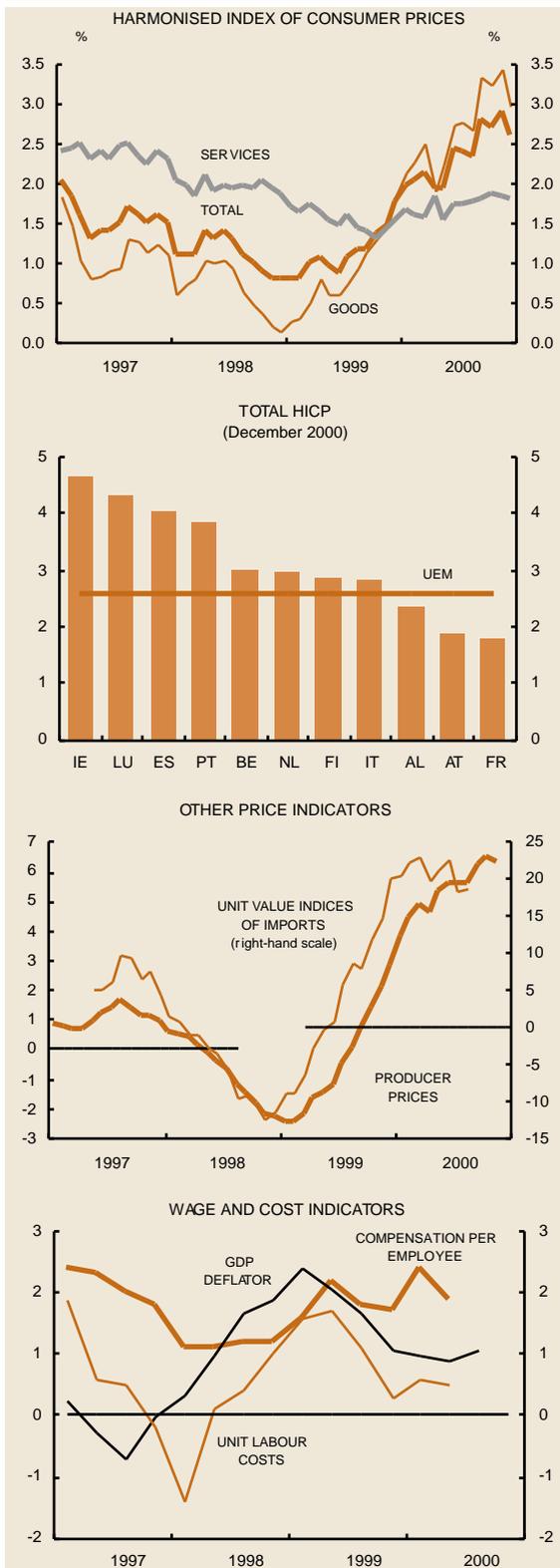


CHART 10

**Euro area. Price, wage and cost indicators  
Twelve-month percentage change**



Sources: Eurostat and ECB.

of trade as a result of dearer oil prices and the depreciation of the euro.

In the fiscal policy realm, most of the Member States will record budgetary balances in 2000 meeting or improving on the targets set before the start of the fiscal year. Generally, these results have come about thanks to the favourable course of government revenue, largely attributable to the vigour of economic growth and to the persistence of high oil prices, which have boosted indirect tax takings. Conversely, the results on the spending side have been more heterogeneous, and in some cases there has been significant upward slippage in relation to forecasts. For the area as a whole, the year 2000 should close (excluding revenue arising on the sale of third-generation mobile telephony licences) with a deficit close to 0.9 % of GDP which, if confirmed, would be an improvement of four-tenths of a point compared to 1999.

All the euro area countries have already submitted the revised versions of their respective stability programmes (see Table 1). Broadly, the documents disclosed confirm the Member States' commitment to arrive at budgetary positions consistent with the attainment of a balance in equilibrium, on average, during the course of the economic cycle. Nonetheless, the rate at which this target is being approached could slow in certain cases as a consequence of programmed reductions in the tax burden, since the resulting loss of revenue may only be partly countered through offsetting measures on the expenditure side. Accordingly, only a marginal reduction in the overall deficit for the area is expected in the year 2001, while for the current year the European Commission forecasts a deterioration in the cyclically adjusted primary balance for the area as a whole of the order of 0.3 % of GDP. That may pose difficulties for the progressive moderation of inflation rates in the near future.

**3.2. Monetary and financial developments**

The recent symptoms of a slowdown in world economic activity and the easing seen in the main short-term inflation determinants (mentioned in the preceding section) have influenced the Eurosystem's monetary policy stance in recent months. The latest rise in ECB intervention rates was on 5th October and placed the marginal rate on the main refinancing operations at 4.75 % (see Chart 11). The progressive tightening of monetary policy (interest rates have risen by 225 basis points since end-1999) and the significant recovery of the euro have helped bring monetary and financial conditions

TABLE 1

## General government financial balances: stability programme targets

	1999	2000	2001	2002	2003	2004
Belgium	-0.7	-0.1	0.2	0.3	0.5	0.6
Germany	-1.4	-1.0	-1.5	-1.0	-0.5	0.0
Greece	-1.8	-0.8	0.5	1.5	2.0	2.0
Spain	-1.1	-0.3	0.0	0.2	0.3	0.3
France	-1.8	-1.4	-1.0	-0.6	-0.4	0.2
Ireland	3.9	4.7	4.3	3.8	4.6	...
Italy	-1.9	-1.3	-0.8	-0.5	0.0	0.3
Luxembourg	4.4	3.0	2.6	2.5	2.5	...
Netherlands	1.0	1.0	0.7	0.3 (a)	0.3 (a)	0.3 / 0.6 (a)
Austria	-2.1	-1.4	-0.75	0.0	0.0	0.0
Portugal	-2.0	-1.5	-1.1	-0.7	-0.3	0.0
Finland	1.9	4.5	4.7	4.4	4.5	4.9

Source: National Stability Programmes.

(a) Lower growth scenario.

in the euro zone into line with the area's current cyclical position. At its meeting on 14th December, the Governing Council decided to confirm the medium-term reference value for the growth of the M3 monetary aggregate at 4.5 % for the year 2001.

As in previous months, monetary and financial conditions in Spain remained more generous than in the euro area as a whole, due basically to the greater strength of demand and the greater intensity of inflationary pressures. Reflecting these conditions were the very low level of real interest rates and the high growth of lending to the private sector. Nonetheless, as indicated in the October «Economic Bulletin», the greater inflationary pressures in the Spanish economy arise largely from supply-side factors associated with continuing rigidity in price determination in certain markets, especially in the labour market. The ability of monetary policy to correct such pressures is duly limited.

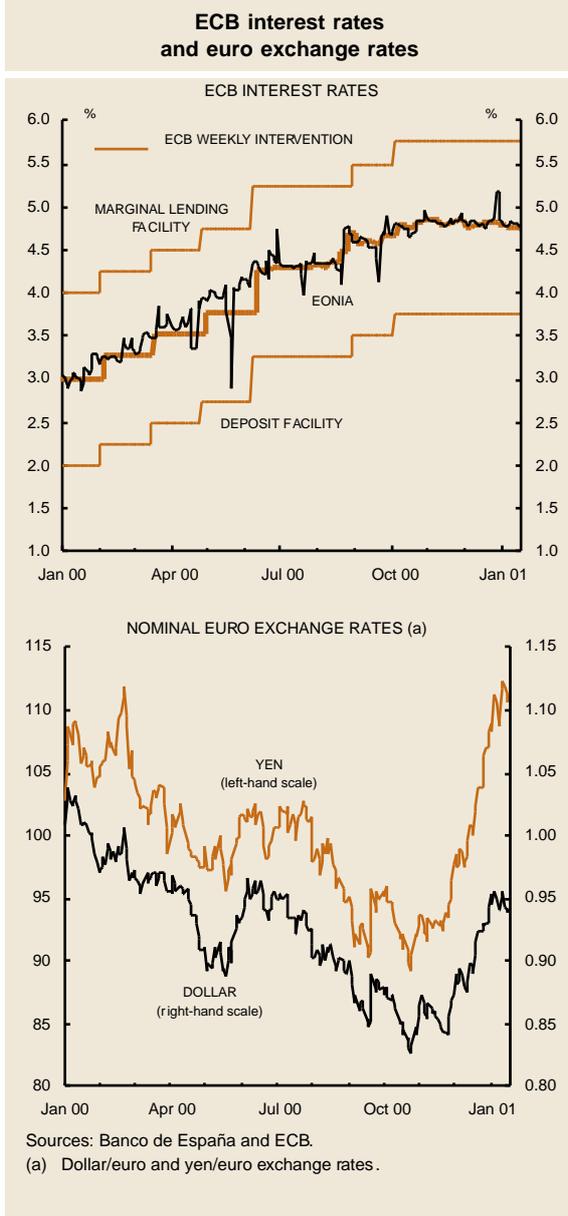
Throughout October and November, the expectations of interest rate rises previously prevailing in the euro area abated, giving way to a change in sign in December when reductions in official interest rates began to be discounted. As can be seen in Chart 12, the term structure of one-month implicit forward rates presupposes a foreseeable scenario of relative stability of ECB intervention rates over the next two years, after a slight decline in the first half of the current year.

Long-term interest rates have also trended downwards since the second half of November. The trend became more marked as from mid-

December, placing 10-year government bond yields in the euro area at around 5 % in the third week of January, a decline of almost 50 basis points on the September level. Initially, this reduction might have been related to the end of the euro's downtrend and to the uncertainty surrounding the future growth of the world economy. Subsequently, a series of factors contributed to this trend taking root. These included most notably the improved inflationary outlook for the euro area (influenced by the fall in oil prices and by the appreciation of the euro); the firming of a more moderate growth outlook following the publication in most euro area countries of lower-than-expected GDP growth rates in Q3; and the loss of momentum in the US economy which, finally, led to a change in monetary policy stance by the Federal Reserve. Nonetheless, the correction on US bond markets was sharper as a result of the increasingly more pronounced expectations of a slowdown in the economy. And this meant that the spread between European interest rates and those on US assets narrowed considerably at all terms.

The cut in interest rates by the Federal Reserve on 3rd January brought about a reduction in European interest rates at all maturities on the yield curve. Nonetheless, this movement was temporary, since in mid-January interest rates had risen to resume similar levels to those prevailing prior to the cut in interest rates in the United States. This points to a possible initial over-reaction by the markets to the US monetary policy measure, caused by something of a knock-on effect spurred by the depth of the cut and the special circumstances in which it was

CHART 11



adopted. Likewise, the subsequent correction may be related to the widespread perception that the cut in US rates was largely in response to financial constraints in the US economy that can not be extrapolated to the euro area.

The lesser pace of US economic growth in Q3 and its foreseeable extension into the following quarter had a bearing on the upward trajectory of the euro against the dollar in mid-November. The euro reached a level close to 0.95 dollars per euro in the second week of January, dipping somewhat in the following days (see Chart 11). The foreseeable narrowing of the growth differential between each side of the Atlantic and a rapid reduction in the short-term interest rate spread should be pro-

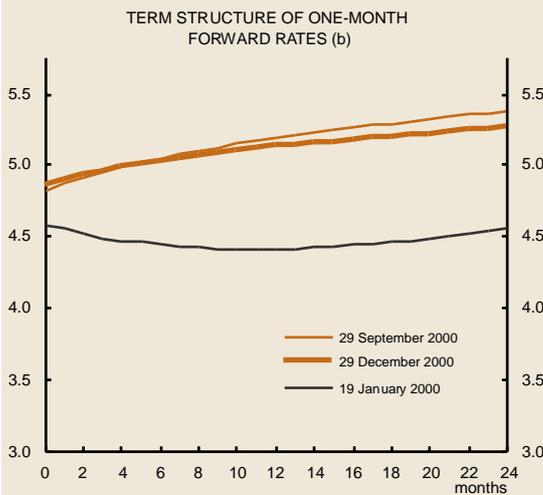
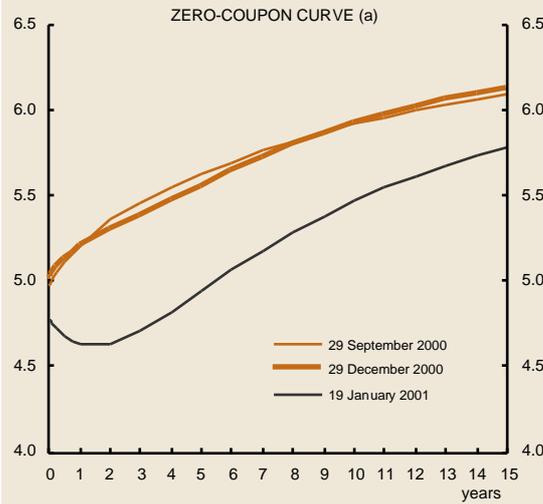
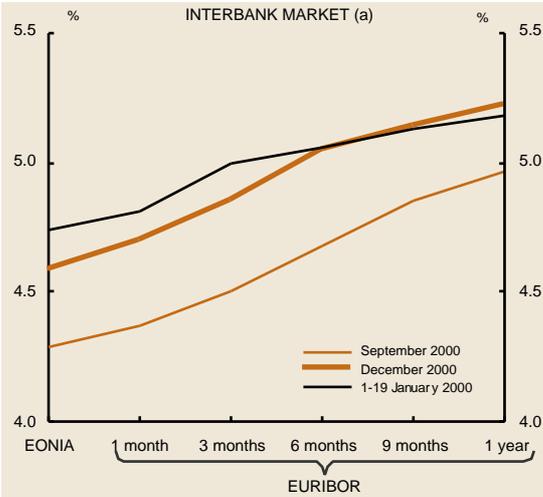
pitious to the consolidation of this rising trend of the euro.

The progressive pass-through of the past rises in official interest rates to the rates charged by credit institutions in the euro area has meant that, despite the cut in the three-month EURIBOR during Q4, bank lending interest rates have not fallen during this period. Thus, both the interest rates on lending intended for house purchases and those on loans to companies at over one year stood at close to 6.6 % in November, a level similar to and somewhat above the related rates in September (see lower panel of Chart 13). The easing of market interest rates was likewise reflected in the prices of bank liabilities, although to highly differing degrees according to the maturity involved. While rates on deposits with an agreed maturity of less than two years rose by 20 basis points between September and November, the rates on euro area bank deposits with an agreed maturity of more than two years remained virtually unchanged over the same period. In Spain, given the importance of floating-rate credit, the reduction in money market interest rates has significantly moderated the upward trend of the synthetic lending rate, to the extent that it stood in December at a level very close to that in September (see Table 2). The greater lag with which credit institutions pass through interest-rate movements to their liabilities has meant that the synthetic interest rates on deposits, for Spain, has continued on an upward course in 2000 Q4, despite the aforementioned behaviour of bank lending rates.

Developments on stock markets in the final months of 2000 reflected the greater pessimism prevailing internationally, accentuating the bearish and volatile trend evident for most of the past year. The broad Euro Stoxx index closed the year 2000 with a cumulative annual return close to -6 %, while the Madrid Stock Exchange General Index was down 13 % in the same period (see Table 2). Across the various sectors, telecommunications companies posted the biggest losses, thereby offsetting in part the strong rises they had shown in past years and reflecting the uncertainty surrounding the viability of projects initiated by these companies under a more favourable economic setting. The Federal Reserve's decision on 3rd January contributed to reducing the volatility marking stock markets, prompting a rally in the shares of certain US companies and in European indices. In this respect, the broad Euro Stoxx index rose by 0.4 % in mid-January on its end-2000 level, while the Madrid Stock Exchange General Index (which, as earlier indicated, had fallen more markedly in 2000) rose by 7.6 % in the same period.

CHART 12

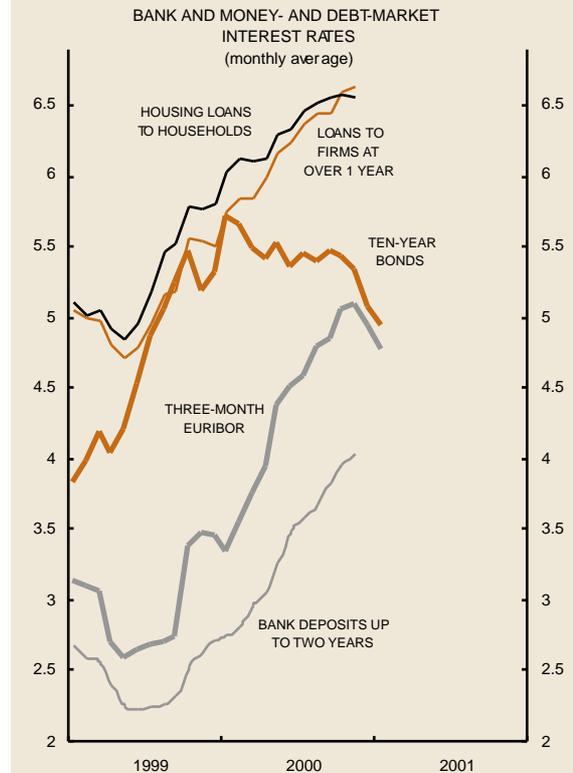
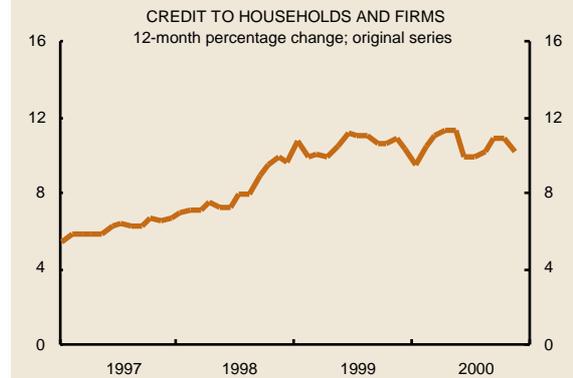
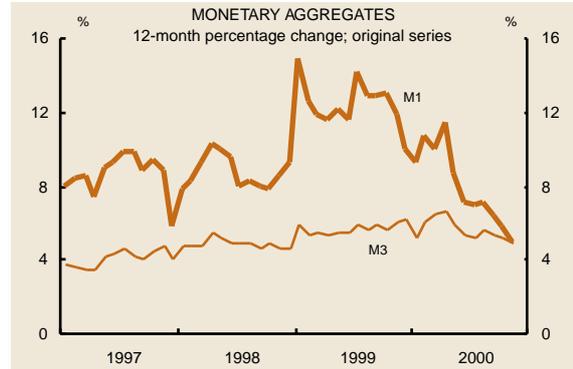
**Euro-area yield curves**



Sources: Banco de España and ECB.  
 (a) Estimation based on swap market data.  
 (b) Estimated using the zero-coupon curve.

CHART 13

**Monetary and credit aggregates and interest rates in the euro area**



Sources: Banco de España and ECB.

TABLE 2

Monetary and financial situation in the euro area and Spain

	1998	1999	2000				2001	
	DEC	DEC	AUG	SEP	OCT	NOV	DEC	JAN (c)
MONETARY VARIABLES (a):								
EURO AREA								
M3	4.8	6.2	5.7	5.3	5.2	5.0	4.9	
M1	9.2	10.1	7.1	6.2	5.8	5.0	5.5	
Loans to private sector	9.8	10.4	10.1	10.9	10.9	10.3	10.3	
SPAIN								
Liquid financial assets	4.0	1.4	1.8	2.8	2.3	1.5	2.6	
Cash and cash equivalents	12.1	12.7	7.0	7.9	5.8	4.4	4.6	
Financing to the private sector	16.8	18.5	16.9	18.6	17.6	18.3	19.5	
FINANCIAL MARKETS (b):								
EONIA	3.25	3.04	4.42	4.59	4.76	4.83	4.83	4.79
Three-month EURIBOR	3.25	3.44	4.78	4.85	5.04	5.09	4.94	4.77
Public debt								
Euro area ten-year bond yields	3.95	5.31	5.40	5.47	5.42	5.34	5.07	4.94
US-euro area ten-year bond spread	0.74	1.06	0.52	0.41	0.41	0.46	0.25	0.23
Spain-Germany ten-year bond spread	0.21	0.22	0.29	0.30	0.28	0.30	0.31	0.27
Spanish bank interest rates								
Synthetic deposit rate	2.06	1.98	2.66	2.77	2.93	3.02	3.04	
Synthetic lending rate	5.15	5.03	6.43	6.33	6.35	6.39	6.35	
US/EUR exchange rate	1.172	1.011	0.904	0.872	0.855	0.856	0.897	0.946
Equities (d)								
Dow Jones EURO STOXX Broad Index	29.8	39.5	4.4	-1.2	-0.6	-2.9	-5.9	0.4
Madrid Stock Exchange General Index	37.2	16.2	0.5	1.0	-3.6	-12.0	-12.7	7.6

Source: European Central Bank and Banco de España.

(a) Annual percentage change.

(b) Monthly averages.

(c) Monthly average to 19 January 2001.

(d) Cumulative percentage change during the year. End-of-month data. Latest month: to 18th January 2001.

The pace of the monetary aggregates in the euro area eased during the final quarter of 2000 as a result of the lesser buoyancy of the economy and of the official interest-rate rises applied to the zone as from November 1999. The growth of M3 in the area continued to slow, standing in December below 5 % for the first time since the creation of Monetary Union (see Chart 13) and drawing closer to the benchmark value of 4.5 % set by the ECB. It is the most liquid components included in the aggregate M1 whose growth rate has most declined, this being the result of their greater sensitivity to interest rates and to the cyclical position of the economy.

In Spain, liquid financial assets held at a very moderate growth rate (2.1 %) in Q4. This moderation is the outcome of a combination of high growth rates of term deposits and repos (27 % and 19 %, respectively) and of heavy cuts in short-term bank securities and in shares in the most liquid mutual funds (-18 % and

-32 %). As in the case of the euro area, the most liquid component of liquid financial assets (the aggregate «cash and cash equivalents») also slowed substantially in 2000 Q4.

As regards the counterpart of the monetary aggregate, the reduction in budgetary imbalances has enabled the rate of change of lending to general government in the euro area to continue to ease. The resulting growth rate in December was -5.8 % year-on-year.

Credit extended to the private sector in the euro area, standing in as it did in December 2000 at a very similar level to that observed at the start of the year (10 %), did not reflect the slowdown in the monetary aggregates or the correction in stock market prices. The resilience of private-sector lending masks the uneven distribution of financing to corporations and that extended to households. Indeed, while the latter variable showed a relatively stable rate of change throughout the first three quarters of

2000, reaching 8 % in Q3, one percentage point down on its end-1999 rate, credit to corporations has grown significantly in the first nine months of 2000, increasing at a year-on-year rate of 12 % in 2000 Q3 compared with an end-1999 rate of 6 %. Nonetheless, this notable acceleration partly reflects one-off operations relating to the financing of the companies awarded the UMTS telephony licences.

In Spain, private-sector financing continues to grow at markedly high levels (19.5 % in December) and shows no signs, for the moment,

of moderating. Certain factors, such as the continuing buoyancy of residential investment spending in Spain or the financing required for the purchase of the UMTS licences, may explain, at least in part, this development. In any event, as a result of its resilience and the prolongation of its recent growth, credit in Spain stands above the levels which, in terms of GDP, were attained during the last cyclical upturn. Moreover, as is discussed in greater detail in section 5, credit developments are proving significant in explaining the deterioration in the nation's net financial saving.

## 4. The Spanish economy

On Quarterly National Accounts (QNA) data, the real GDP of the Spanish economy grew at a year-on-year rate of 4.1 % (1) in 2000 Q3. This was only one percentage point down on the previous quarter, since the slowdown in national demand was largely offset by the diminishing negative contribution to output growth from net external demand. Growth in the Spanish economy is consequently running at a high rate, which exceeds the 3.4 % rate attained by the euro area as a whole in the same period (see Chart 1).

The information available on 2000 Q4 is consistent with a further slowdown in national demand - to a year-on-year growth rate of less than 4 % ( and a virtually zero net contribution from the external sector, which is an improvement on the previous quarter. The rate of growth of real GDP is, accordingly, estimated at around 3.9 %. The slowdown in national demand in the last three months of 2000 appears basically to have stemmed from private consumption, since gross fixed capital formation held at a more steady rate of growth (see Chart 14). Exports showed increasing strength, whereas the increase in imports moderated considerably. From the viewpoint of productive activity, the profile of GDP largely reflects the slowdown in market services. The short-term indicators available for this sector, and for industry as a whole, show signs of a loss of momentum in Q4, which has been passed through – despite its notable strength during the year – to employment creation, against a background of higher growth in wage compensation and unit labour costs than in the euro area as a whole. The main price indicators maintained their upward trend, and the inflation differential with respect to the euro area also widened. The HICP ended the year at an annual rate of growth of 4.0 % (the same rate as the national index), as compared to the 2.6 % rate recorded in the euro area as a whole.

If these estimates are confirmed, the real GDP of the Spanish economy will have grown by 4.1 % on average during 2000, a slightly higher rate than in 1999. A significant slowdown in national demand (to around 4.3 %, 1.2 percentage points less than in 1999), would have been accompanied by a negative contribution from real net external demand of some 0.2 percentage points (as against the one-and-a-half percentage point deduction this aggregate made from output growth in 1999). The growth

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(1) Unless otherwise indicated, the rates of change of the QNA series mentioned in this section refer to the trend-cycle series.

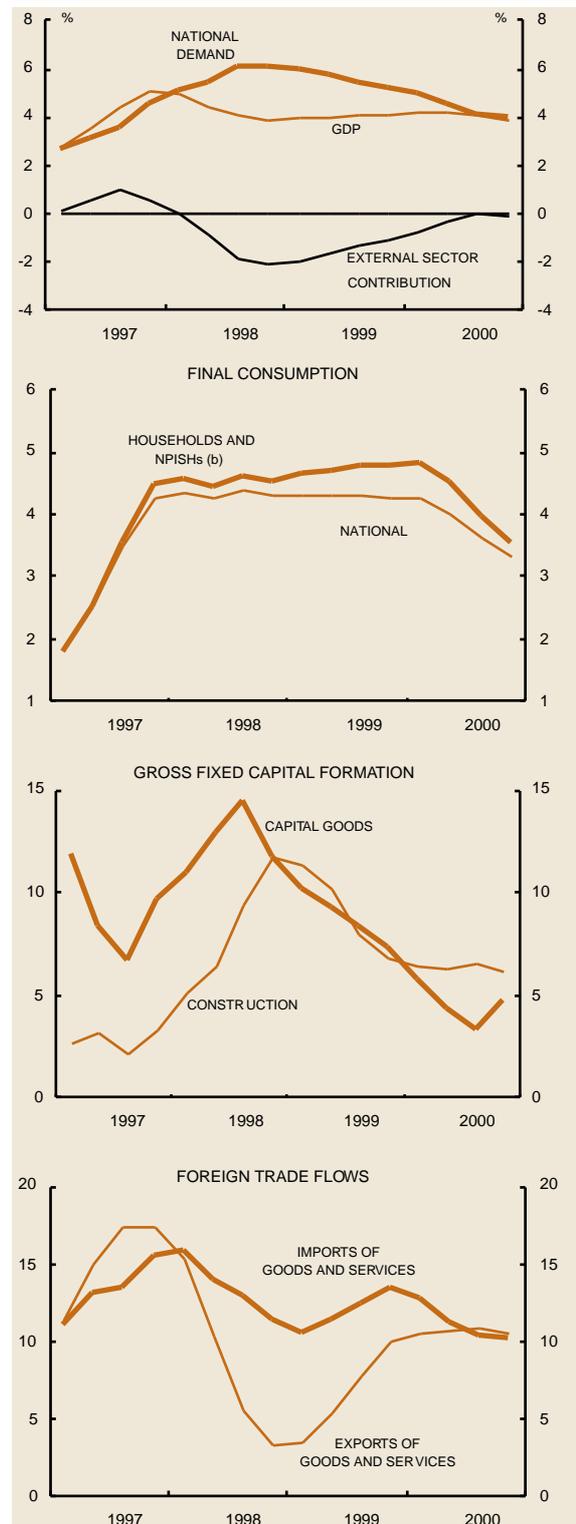
rates of all the components of demand were lower last year, while exports were again notably buoyant. Against this macroeconomic background, the strength of employment growth was one of the more positive notes during the year, which also saw an upsurge in wage growth. If the latter is not offset by higher productivity growth, it will put pressure on unit labour costs. The acceleration in consumer prices, following the rise in the prices of energy products on world markets, led to an average annual increase of 3.4 % (3.5 % in the case of the harmonised index) in this aggregate, as opposed to 2.3 % (2.2 % in the case of the harmonised index) in 1999 and 2.3 % in the euro area as a whole.

#### 4.1. Demand

The slowdown in national demand in the Spanish economy in 2000 broadly matches that recorded by private consumption. On QNA figures, the growth in household spending in Q3 was 4 % in real terms, and most of the available indicators seem to point to a further reduction in the rate of growth of this aggregate in Q4, to around 3.5 %. Almost all its components behaved similarly, with the exception of spending on food, which tended to recover. The moderation in household spending was greater in the case of goods than in that of services and, among the former, the steepening of the deceleration in purchases of durable goods, and especially of cars, was notable.

As stated above, all the available indicators confirm the slowdown in consumption growth. There was a significant decline in the consumer confidence index in the final months of last year, with respect to the levels of previous quarters. A deterioration can be discerned in the assessment of the general economic situation and, to a lesser extent, in that of the situation of households themselves (see Chart 15). Likewise, apparent consumption of goods and services – for which only partial information is available – was on a downward trend in Q4. This deceleration varied from component to component, with only food goods rising slightly and consumer durables slowing sharply. The weakness displayed by consumer durables last year is also apparent in other indicators, such as new car registrations (which fell further in Q4) and in opinion surveys, which show a sharp reduction in the likelihood of making purchases of such goods. The retail sales index, meanwhile, indicates a reduction in buoyancy and the indicator of retail sector confidence held, on average, at around the levels of the previous quarter.

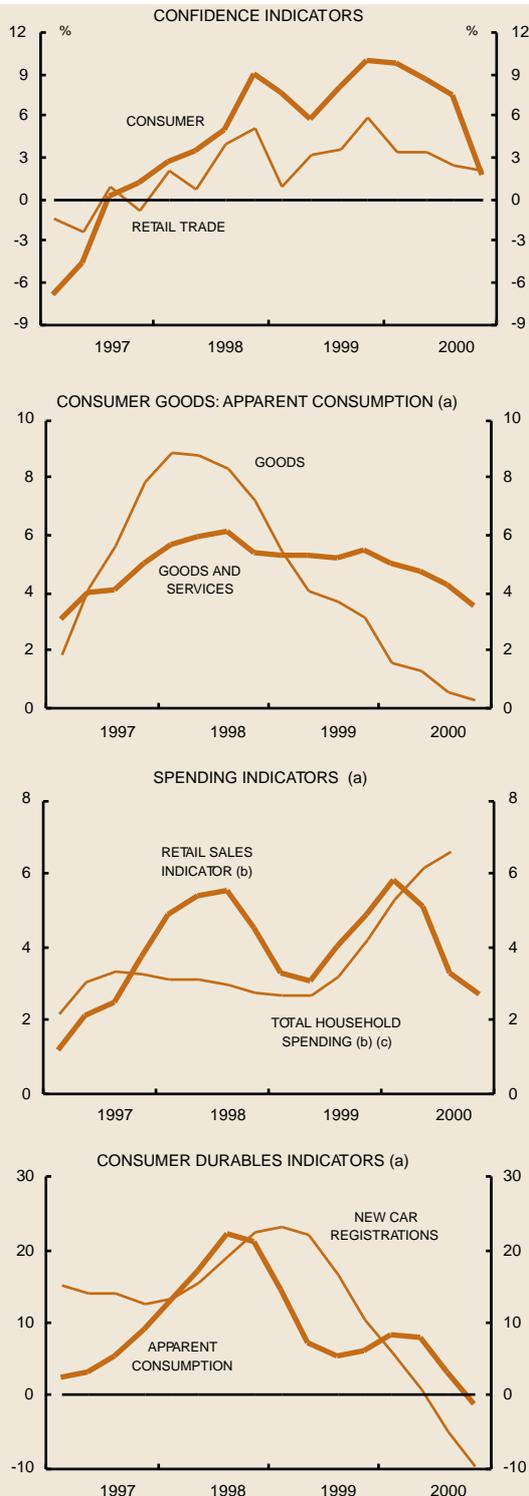
CHART 14  
Main macroeconomic aggregates (a)



Sources: Instituto Nacional de Estadística and Banco de España.  
(a) Non-centred annual percentage change, based on the trend-cycle component.  
(b) Non-profit institutions serving households.

CHART 15

Private consumption indicators



Sources: Instituto Nacional de Estadística, European Commission, Dirección General de Tráfico and Banco de España.

(a) Non-centred annual percentage change, based on the trend of the indicator.

(b) Deflated by the CPI.

(c) Household expenditure survey.

The trend of many of the determinants of consumption is consistent with the lower rate of growth in this aggregate. The disappearance of the expansionary effect of the revaluation of financial wealth on some household spending decisions, against a background of higher interest rates and less favourable consumer expectations, is notable. As regards employee compensation, the slower growth of employment was offset by the rise in wages, although household purchasing power was reduced, in turn, by the rise in consumer prices. The estimated real growth rate of private consumption on average in the year 2000 (4.2 % and half a percentage point down on 1999) entails a further decline in household saving as a proportion of disposable income. If the notable increase in house purchases is added to this, the result is that households ended the year with their financing capacity at historically low levels (see the fifth section of this report).

On QNA estimates, general government final consumption spending grew at a real year-on-year rate of 2.4 % in 2000 Q3, slightly up on the 2.2 % rate recorded in the preceding quarter. The information available on Q4, solely relating to State spending developments, and the budgetary plans of the whole of general government for 2000 are consistent with the moderate behaviour displayed by this aggregate. In particular, the growth in State consumer spending is consistent with an estimated average real increase for the year of 2.4 %.

In 2000 Q3, there was a reduction in the rate of deceleration of gross fixed capital formation from that of previous quarters, with a year-on-year increase of 5.3 %. Investment in capital goods was less forceful, its growth declining to 3.3 %, which extended the downturn that commenced in the second half of 1998. Construction spending, meanwhile, posted a slight rise in momentum of two percentage points, to a rate of 6.5 %. The year-on-year growth rate of gross fixed capital formation is estimated to have tended to stabilise during Q4, with construction investment sustaining a growth rate of over 6 %, while spending on capital goods appears to have been less vigorous.

Among the main short-term indicators of investment in capital goods, the apparent investment indicator, on data to October, continued to slow with respect to previous periods, due to a loss of momentum, which affected both the domestic output and imports of such goods (see Chart 16). Survey data for the industry, provided by the European Commission, also show a certain slowdown in Q4, although some components, such as forecast output, are at very high levels.

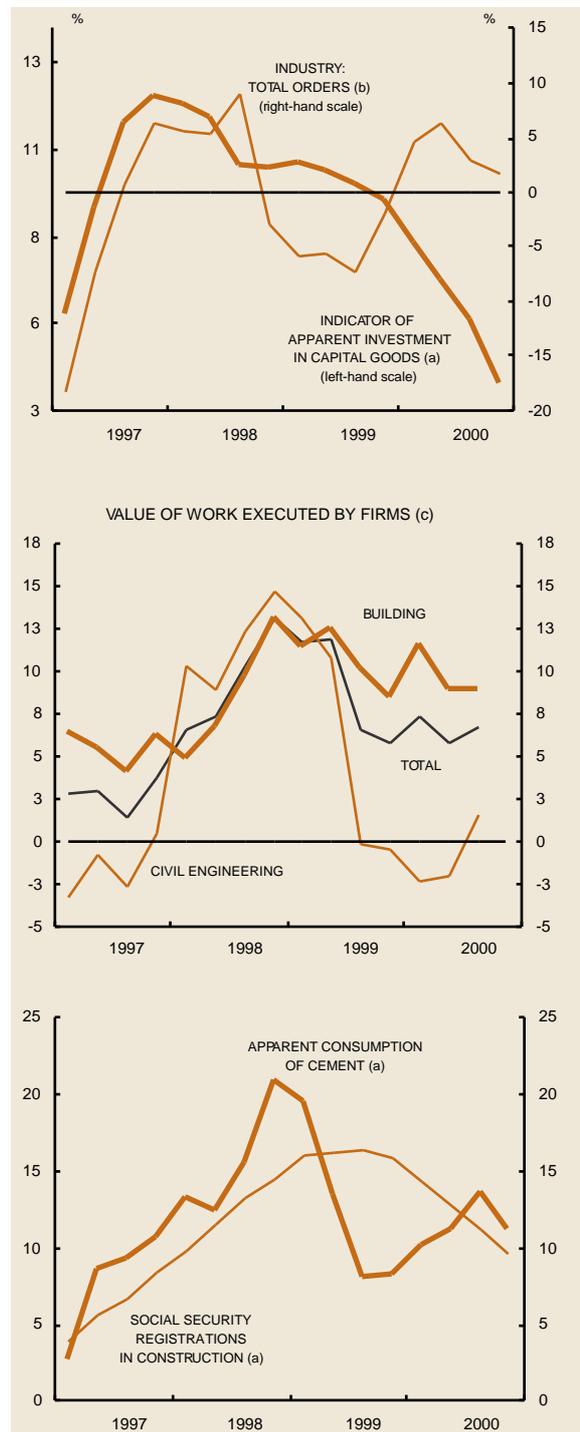
The trends of the main determinants of investment in capital goods are favourable for future investment. Domestic demand and exports are displaying high growth rates, and capacity utilisation is high. Also, as the Central Balance Sheet Office Quarterly Survey (CBQ) data show, firms are reporting high rates of profitability and, despite the rises in interest rates, financial leverage ( which measures the difference between the return on assets and the cost of borrowing ) continues to widen.

The latest information on construction investment indicates sustained growth, although at a rate that may be lower than in Q3. The construction confidence indicator, which held at very high levels until August, has sharply deteriorated since then. As regards the trends in the contemporaneous indicators, those for intermediate consumption have behaved unevenly: apparent consumption of cement rose at a slower rate than in Q3, while the IPI for construction materials has been more buoyant. Indicators of employment in the sector are holding up, although they continue to lose momentum. Social security registrations in construction grew at a slightly lower rate than in Q3, while the rate of decline of registered unemployment in this sector also appears to have moderated. As for the indicators related to building starts, they seem to project a slowdown in spending in the coming quarters, with a slight recovery in spending on civil engineering projects, and a certain slowdown in spending on building. Government civil engineering tenders have declined by less than in 1999, but the leading indicators of private-sector building (permits granted by local councils and approvals by architects' associations) display a profile of marked deceleration from 1999.

The analysis of the available indicators would be consistent with growth of gross fixed capital formation in the Spanish economy during 2000 as a whole of 5.7 %, somewhat more than three percentage points down on the preceding year. The slowdown in Spanish investment last year (which affected all its main components) has, nonetheless, been accompanied by a fresh increase in corporate net borrowing, as analysed in Section 5.

The contribution of stockbuilding to GDP growth in 2000 Q3 was one percentage point, according to QNA estimates, the same as in Q2. The Business Survey information for the final quarter shows an increase in the level of stocks in industry as a whole compared to preceding months. The increases in levels of stocks have taken place in all industries, and especially in the intermediate goods industry.

CHART 16  
Gross fixed capital formation indicators



Sources: Instituto Nacional de Estadística, European Commission, Ministerio de Fomento, OFICEMEN, Instituto Nacional de Empleo and Banco de España.

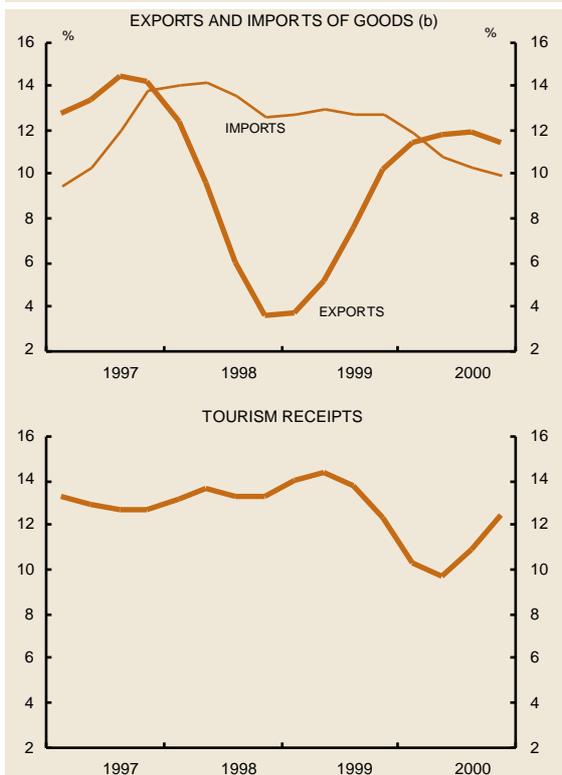
(a) Non-centred percentage change on same quarter a year earlier, based on the trend of the indicator.

(b) Level of original series.

(c) Obtained from the quarterly construction industry survey and deflated by the construction costs indicator. Four-quarter rate of change based on original series.

CHART 17

Foreign trade (a)



Sources: Ministerio de Economía, Ministerio de Hacienda and Banco de España.

- (a) Non-centred percentage change on same quarter a year earlier, based on the trend of the indicator.
- (b) Series deflated by the corresponding unit value indices.

As commented at the beginning of this section, the contribution of real net external demand to GDP growth in the Spanish economy continued to increase during 2000 Q3, since exports maintained the vigour recorded in the first half of the year and imports slowed slightly (see Chart 17). The still incomplete information on Q4 appears to confirm this pattern. Specifically, it is estimated that goods exports continued to post high real rates of growth, which exceeded those of the preceding quarter, driven by the determinants already mentioned: buoyant world markets and the level of the euro, which remained weak until well into December. The slowdown characterising purchases from abroad during the year appears to have become more pronounced as the slowdown in domestic demand firmed. When the figures for services trade are included, the final result for the quarter, as already indicated, would be a nil contribution from net external demand to real GDP growth.

Customs data for the first eleven months of the year show that the growth in goods exports was shared by all groups of goods, although perhaps somewhat less in the case of food goods. As for geographical areas, sales in practically all areas outside the EU were notable. Indeed, results were also positive inside the euro area, especially as growth in these economies has firmed.

On QNA figures, the increase in services exports stabilised in 2000 Q3. The real indicators of foreigners' hotel stays and tourist frontier entries continued to display the reduced vigour that has characterised them since the beginning of the year. However, the latest data of these indicators and the figures for the services balance generally show a certain pick-up, which would contribute to faster growth in goods and services exports in Q4. The relative slowing of tourism growth that has occurred, in any event, in 2000 may indicate a certain waning of comparative advantages. Other factors of a more short-term kind would also have worked in the same direction, such as the strong increase in fuel prices (which has been reflected in the price of transport), and also the notable rise in hotel and domestic tourism service prices, which would be generating competitiveness losses vis-à-vis other destinations. Finally, non-tourism services have displayed notable vigour since the beginning of the year, which should be sustained during the last few months of the year.

Customs data for external trade in the period January-November confirm the slowdown in imports reflected in the QNA figures. According to the estimates mentioned above, this slowdown became sharper in Q4. Almost all groups of goods have been affected by this slowdown but, including in the latest figures, it has been most strongly apparent in consumer goods and in non-energy intermediate goods. Finally, imports of energy intermediate goods, despite the strong increase in their peseta prices (98.5 % in the first ten months of the year), posted a strong real increase (14.9 %), possibly as a consequence of restocking by Spanish refineries.

Services imports continued to slacken during 2000 Q3, albeit from a high rate of growth. The growth of tourism payments moderated slightly, probably influenced by the sustained depreciation of the euro, and non-tourism services decelerated, especially those linked to the transport of merchandise and passengers, although the expansionary behaviour of payments for communication and IT services should be noted. It does not appear that these trends will change significantly in Q4.

Should the final Q4 data confirm the forecasts made in this section, there would have been a marked change last year in the pattern of growth in the Spanish economy. Specifically, less buoyant national demand would have been accompanied by an increasingly favourable contribution to output growth from external demand. This significant improvement in net trade flows has been based, as seen above, on the renewed vigour of goods exports, underpinned in turn by the notable expansion of external markets and the depreciation of the euro. These factors have enabled the competitiveness losses resulting from the differentials between Spanish and foreign, especially euro-area, price and cost growth to be offset in certain areas. The loss of momentum of imports also contributed to this change in the behaviour of the external accounts, even though the latter deteriorated significantly, in nominal terms. As will be seen below, this was a consequence of the strong rise in the prices of goods imports, and in particular of imported oil products.

#### 4.2. Output and employment

As mentioned above, real GDP grew at a rate of 4.1 % year-on-year in 2000 Q3, slightly down on the Q2 rate. From the viewpoint of value-added this performance involved a range of behaviour across industries. Specifically, while energy and construction gained momentum, manufacturing and services lost a little. The further decline in the rate of growth of GDP in Q4 (to around 3.9 % year-on-year) appears to have stemmed from the continued tendency for activity to slow in manufacturing and services. In any event, the relatively high growth meant that job creation continued at a high rate. The number of full-time equivalent jobs rose by 3.3 % during this period, 0.1 percentage points less than in the previous quarter. Apparent labour productivity, meanwhile, held steady (see Chart 18).

Growth in value added was rather subdued in the primary sector in Q3, but less so than in the previous period. Agricultural output was primarily responsible for this relative improvement, although the irregular rainfall prevented all crops from showing improvements. In particular, tubers, fruit and vegetables suffered setbacks, while the output of cereals and pulses rose significantly. Farming of animals was in the midst of a slowdown, which was especially severe in the case of the milk and eggs. Output improvements can be expected to be posted for recent months, on the basis of Ministry of Agriculture, Fishing and Food indicators and considering the abundant rainfall this winter. However, the appearance of the first cases of BSE

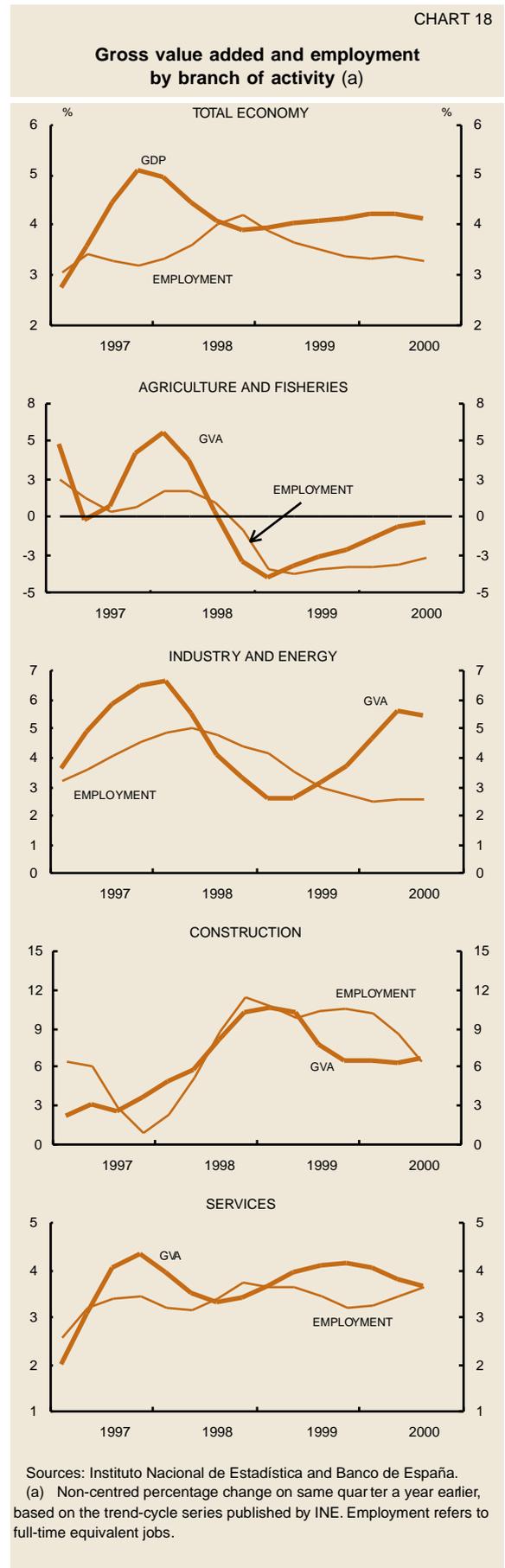
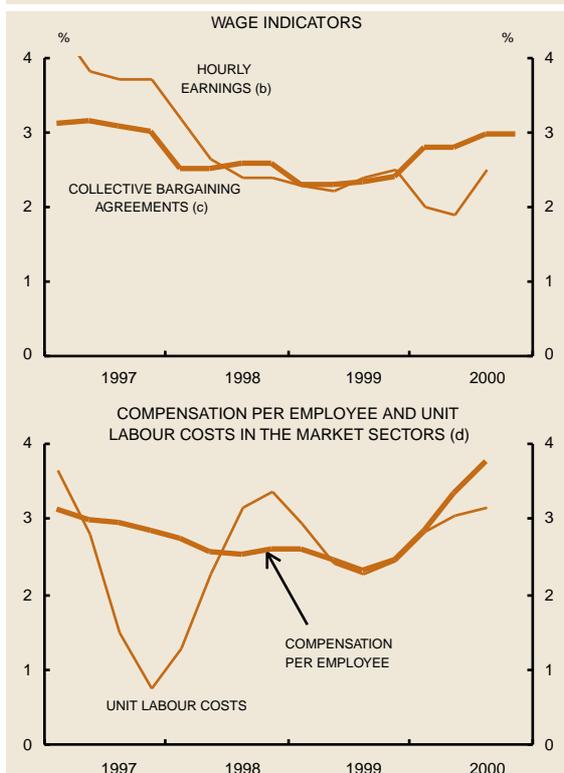


CHART 19

Wages and labour costs (a)



Sources: Instituto Nacional de Estadística and Ministerio de Trabajo y Asuntos Sociales.

- (a) Percentage change on same quarter a year earlier.
- (b) Basic pay.
- (c) Average wage increase for the current year, up to the reference month (excluding the effects of inflation-adjustment clauses).
- (d) Rates based on QNA trend-cycle series.

in Spain will probably have an adverse impact on the output of this industry, of a magnitude that is hard to estimate.

Industrial activity began to show signs of a slowdown in Q3, although its rate of growth remained high, at 5.5 % year-on-year. An economic environment characterised by less vigorous domestic demand and more uncertain expectations over future international developments help to explain this outcome. The slowdown was centred on the non-energy component, while growth in the energy industries (particularly in the hydroelectric and gas industries) accelerated from last spring. According to industrial production index (IPI) data, growth in the metal processing industries and other manufacturing industries declined, whereas the mining and quarrying and chemical industries were somewhat more expansionary. Q4 data confirm the slowdown in industrial activity, within the general scenario of moderation indicated. The

IPI showed a further loss of momentum in October and November, which affected its main components. During the same period Social Security registrations displayed a similar trend. As for the industrial confidence indicator, it held steady in Q4, with a higher level of expected output offsetting the decline in orders. Finally, the level of capacity utilisation in industry rose slightly.

On QNA estimates, construction activity grew slightly in 2000 Q3, to take its year-on-year growth rate to 6.6 %. As mentioned when discussing investment in construction, the pick-up, albeit a weak one, in civil engineering, and the buoyancy of residential building should be highlighted. Q4 data show that this pattern of behaviour continued and project a slight slowdown in the high rate of growth in this industry. Indeed, the confidence of construction employers appears to have diminished significantly, both as regards work contracted and the trend in employment. Social Security registrations seem to show the same trend.

Lastly, on QNA estimates, the year-on-year growth rate in the services sector in 2000 Q3 stood at 3.6 %, 0.2 percentage points less than in Q2. The slowdown basically affected market services (being reflected in almost all its components), with the rise in services provided by general government holding virtually steady. The available indicators for Q4 are tending to indicate an extension of this gradual deceleration to most of the industries that make up the market services sector. The retail sales index, the indicator of the business climate in the retail trade and Social Security registrations would indicate a loss of momentum in the distributive trade. Hotels and restaurants also appear to be growing at a more subdued rate, according to hotel occupancy statistics. Social Security registrations in the transport and communication industries would be consistent with a further slowdown in these activities. Finally, growth in financial intermediation appears to have held at a similar level to the preceding period.

Employment, on QNA estimates, grew by 3.3 % in 2000 Q3, in terms of full-time equivalent jobs, 0.1 percentage points down on Q2, in line with the more subdued performance of the productive activity. There were no gains in apparent labour productivity in the economy as a whole, since the moderation of employment and the weakening of activity were of a similar degree. Events in the final quarter of the year might be expected to have been similar, since the slowdown in activity should have prompted a further modest slowdown in the rate of growth of employment. And this would appear to be the case, at least according to Social Security reg-

istrations, which although significantly higher in Q4, did not rise by as much as they did during the summer. A similar decline was seen in the rate of reduction of registered unemployment; the year-on-year fall of 3.8 % in Q4 was less than in the preceding quarters.

At the industry level, QNA data show notably buoyant employment creation in construction and market services in Q3, with growth of 6.5 % and 4.9 %, respectively. In both cases, however, these figures implied a moderation of the rate of increase of employment in the previous quarter, which was accompanied by a recovery in productivity. Net job creation in industry as a whole held at the same rate as in the previous quarter (2.6 %), although it continued to slow in energy. Consequently, apparent productivity fell further. In agriculture, there continued to be a net shedding of jobs, but this phenomenon was slowing, as in the case of the contraction of GVA. Lastly, employment in non-market services increased by 1 % year-on-year, after nine months of continuous decline, and the pattern in this industry is being passed through to services as a whole, as can be seen in Chart 18. It should be pointed out that during Q3 job creation was concentrated among wage-earners, while the numbers of self-employed declined further.

The foregoing analysis can be completed using the information furnished by the Labour Force Survey (EPA). It should be recalled, as mentioned in previous reports, that the updating of the sample carried out in 2000 Q1 distorts comparisons between 2000 and the previous year. Bearing this in mind, the situation described by this survey may be considered to coincide broadly with that implied by the QNA. The most important difference relates to the trend of industrial employment. According to the EPA, it gradually accelerated throughout 2000, whereas the QNA trend-cycle data shows steady growth. Permanent employment continued to grow at a high rate in Q3 (7.7 % year-on-year), while the growth of temporary employment dropped significantly, to 3 %. Accordingly, the proportion of temporary employment fell considerably, to 32.3 %, one percentage point down on the same quarter of 1999. The growth in permanent employment in the first nine months of 2000 remains significant even when adjusted for the updating of the sample. By contrast, there was a reduction in the number of permanent contracts registered at the National Employment Office (INEM). Meanwhile, part-time employment was more buoyant than full-time employment.

As in previous quarters, the supply of labour continued to be characterised by the buoyancy

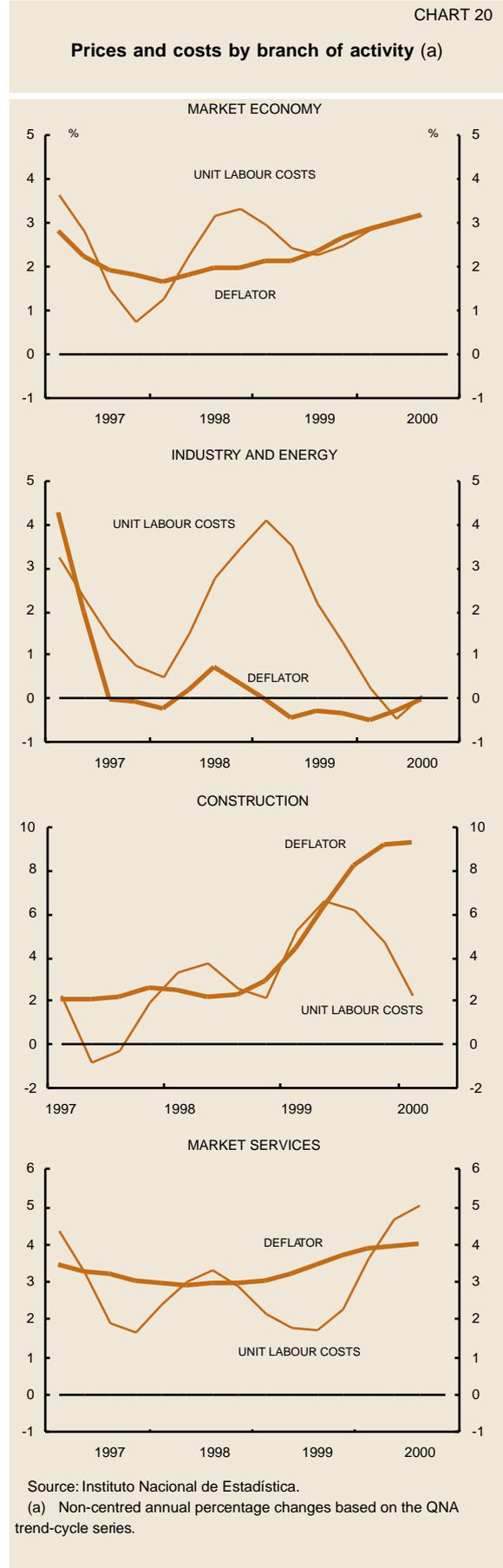
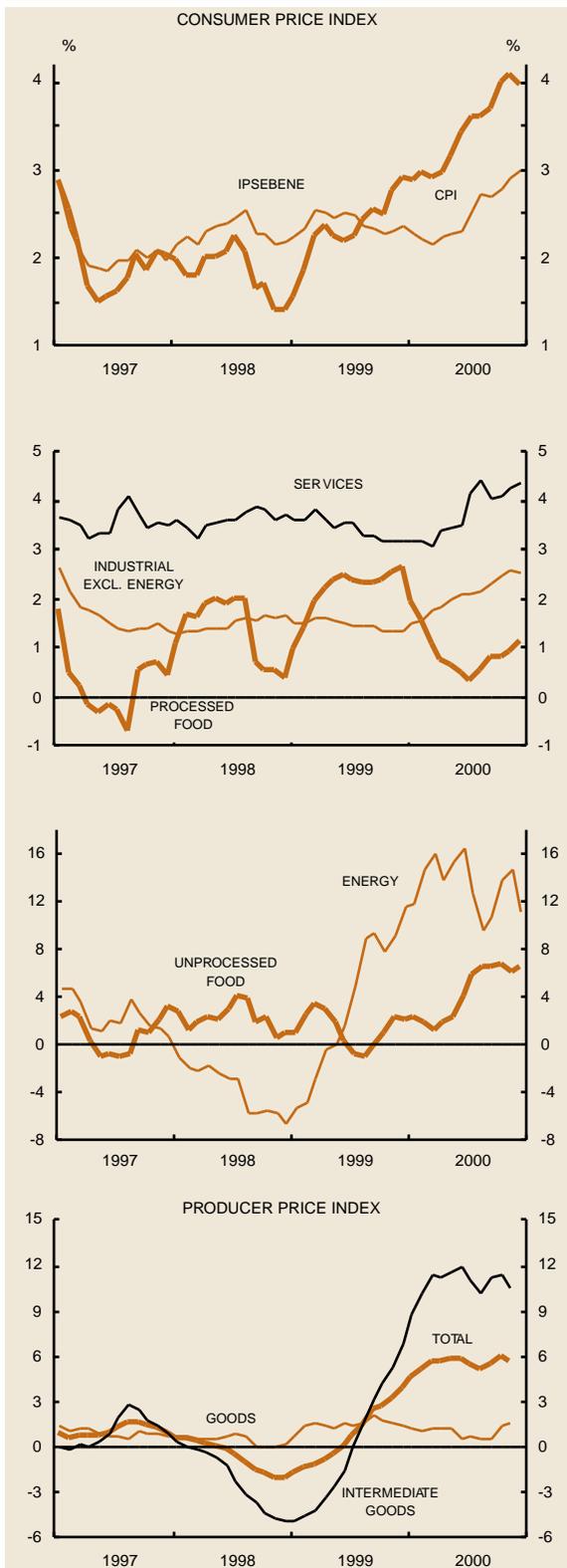


CHART 21

**Price indicators (a)  
Spain**



Source: Instituto Nacional de Estadística.  
(a) Twelve-month percentage change based on the original series.

of the labour force, which increased in Q3 by 2.7 %, albeit slightly down on the rate in the first half of the year. The participation rate rose to 51.6 % of the population aged over 16 years (65.3 % if the over-65s are excluded), although it was offset by the ongoing deceleration in the growth of the population of working age. The rate at which women were entering the labour market fell by more than half a percentage point, to stand at 4 %. As the increase in the labour force was accompanied by a larger increase in employment, the rate of unemployment fell again, to stand at 13.7 % of the labour force. Male unemployment fell more sharply than female, which caused the difference between these two groups to widen: the rate of female unemployment (20.3 %) was twice the male rate (9.3 %). The decline in unemployment was apparent across practically all age groups, and the proportion of long-term unemployment (defined as being without a job for more than one year) fell again.

**4.3. Prices and costs**

The main indicators of prices in the Spanish economy displayed an upward trend during 2000, primarily as a consequence of inflationary pressures originating externally. The indicators which approximate the domestic component of inflation also deteriorated, although much less sharply. The GDP deflator, on provisional QNA estimates, grew by 3.2 % year-on-year in Q3, the same rate as in Q2. Among the components of the deflator, the growth of unit labour costs held steady at 2.9 %. The contribution to the GDP deflator of net taxes per unit of output decelerated, so that the deflator of the economy's gross value added which excludes such taxes rose by 3.1 %, 0.1 percentage point more than in the preceding quarter. As a result, the operating surplus per unit of output, estimated as the difference between the deflator of value added and unit labour costs accelerated slightly, causing the gross operating margin to widen.

According to the Wages Survey (see Chart 19), the increase in average hourly earnings, in terms of total pay, was 2.5 % in Q3, 0.3 percentage points higher than in Q2. The increase in average monthly earnings was lower (2.4 %). As on previous occasions, it should be noted that wage increases in all industries were higher than on aggregate. This is because the partial renewal of the sample at the beginning of the year involved an increase in the weight of industries, such as construction, in which wage levels are lower. In any event, according to the survey, the industries recording the fastest acceleration in wage growth are construction (4 %, in terms of average hourly earnings), fol-

lowed by industry (3.3 %) and lastly, services (2.7 %).

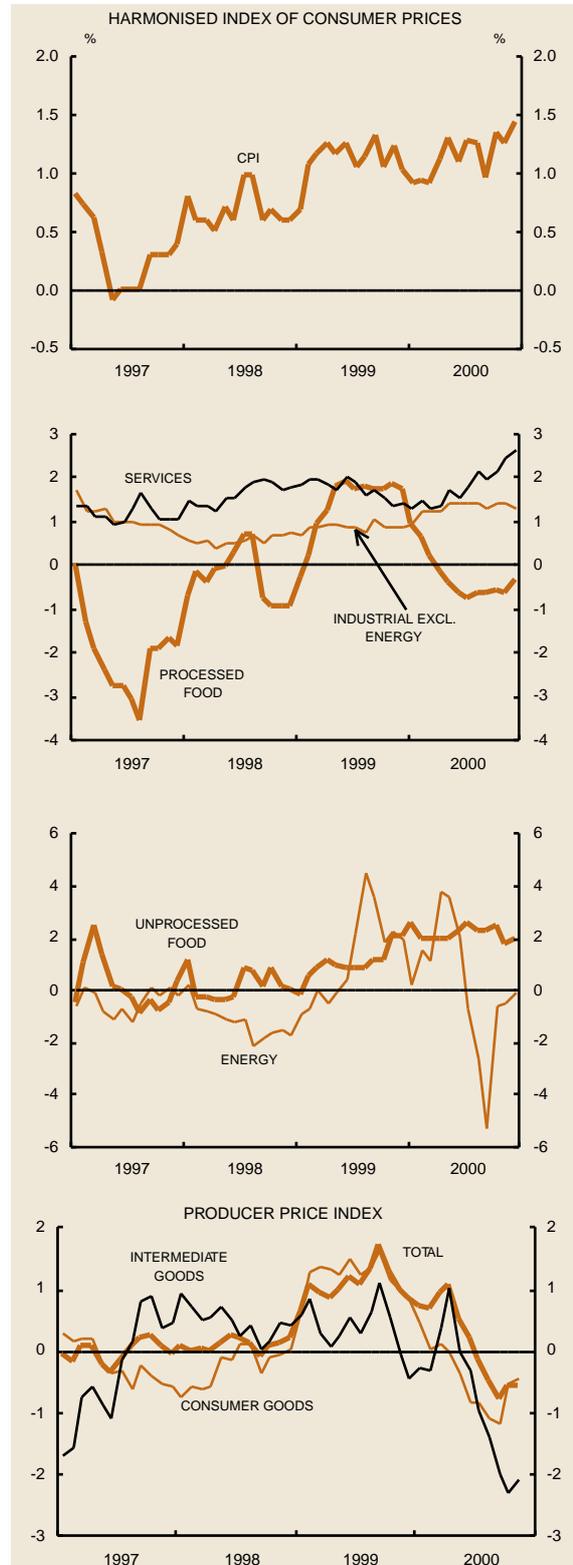
Compared to these results, the wage settlements negotiated in collective bargaining agreements recorded up to 31 December was 3.0 %, 0.5 percentage points higher than in 1999, before taking into account the effect of inflation-adjustment clauses. The settlements in revised agreements were 2.9 %, while in newly signed agreements they were 3.1 %. By industry, the largest settlements were agreed in agriculture and construction (3.4 %), while in industry and services the settlement was 2.9 %.

Analysis of the latest available data for the deflator of value added in the sectors which make up the market economy (see Chart 20) yields similar results to those mentioned for the economy as a whole: a slight acceleration in the growth of the deflator, a steady rate of increase of unit labour costs and, consequently, a slight widening of unit margins. However, a wide range of behaviour is seen across the various industries, the disparities between industry and market services being particularly marked. The deflator of industrial value added continued to fall at high rates (-3.3 %), while industrial unit labour costs accelerated sharply, as a consequence of the combined effect of higher average compensation and lower productivity growth. The result, naturally, was that the industrial gross unit operating margin deteriorated significantly. In any event, these trends should be interpreted with caution, since the available indicators for industrial prices do not display such negative growth rates as the provisional QNA estimates, so that it is possible that the trend for industrial margins to narrow has been much more gentle. As for market services, the widening of margins has been much more sustained, since throughout 2000 the growth of the deflator approximately offset the growth in unit labour costs, which stemmed from the increase in average compensation. Lastly, in the construction industry operating margins widened further, owing to the large increase in the deflator and the significant moderation in unit labour costs associated, in this case, with productivity gains.

The stability of the GDP deflator in 2000 Q3 was accompanied by notable growth in import prices and some moderation in export prices, so that the final demand deflator held steady at 4.8 %. The deflator of goods and services imports rose at a year-on-year rate of 10.1 % in this period, so that the acceleration recorded in previous quarters did not continue. These figures are significantly affected by the trend in the prices of energy imports, driven by the upward path of crude oil prices on interna-

CHART 22

**Price indicators**  
**Differential vis-à-vis the euro area (a)**



Sources: Eurostat and Banco de España.  
(a) Twelve-month percentage change based on the original series.

tional markets. In any case, the unit value indices show that the prices of non-energy imported products were also affected, with a total rise of 6.2 % over the first ten months of the year. These trends will persist for some months to come and should then moderate, when the changes in energy prices, set against a stronger euro, are felt.

The main indicators of final prices in the Spanish economy continued throughout 2000 along the upward path that they had set out on at the beginning of 1999. The CPI rose at a 12-month rate of 4 % in December, the average rate for the year being 3.4 %, which was one percentage point higher than in 1999 (see Chart 21). Underlying inflation, approximated by the IPSEBENE index, which includes the prices of services and non-energy processed goods, accelerated in Q4, to end the year at a 12-month rate of 3 % (2.5 % on average during the year).

Despite recording the highest rate of growth (11.2 % in December), the energy component of the CPI moderated in 2000 Q4, especially in December, with the sharp fall in crude oil prices that month. The rate of growth of unprocessed food prices stabilised during Q4 at above 6 %. The initial price increases following the discovery of the first cases of BSE, which is having repercussions on the market for meat products, had a significant impact during this quarter. Supply problems affecting certain products, caused by the protests of road hauliers and fishermen against diesel price increases, also had an upward impact on prices.

There was a tendency, in 2000 Q4, for the consumer prices that are normally most stable to rise, with the behaviour of service prices being particularly notable. After recording a rate of 4 % in September, these prices accelerated to 4.3 % in the final month of the year. This outcome is basically explained by the notable growth in the prices of tourism and transport services. The other components of the IPSEBENE also accelerated, albeit less sharply. In December, processed food posted growth of 1.1 %, as against 0.8 % in September, as a consequence of increases in the prices of tobacco and meat products. Non-energy industrial goods, meanwhile, recorded 12-month growth of 2.5 % in December, up from 2.3 % in September. Periodicals stand out among the products that have most contributed to the increase in the 12-month rate.

Differentials in consumer price inflation between Spain and the euro area, as measured by the harmonised indices (see Chart 22) widened during 2000. In December, the differ-

ential in terms of the total HICP was 1.4 percentage points, a rise of 0.4 percentage points on the end-1999 differential. The widening was particularly notable in services and non-energy industrial goods. In the case of services, inflation differentials widened by more than one percentage point to stand at 2.6 percentage points in December, while in the case of non-energy industrial goods they widened by almost 0.5 percentage points, to 1.3 percentage points in December. Inflation differentials in the case of energy and food products are less significant, although in the case of food a large positive differential for unprocessed food is offset by a negative one for processed food.

As in the case of consumer prices, the producer price index has deteriorated somewhat in recent months, with the 12-month growth rate rising from 5.1 % in August to 5.7 % in November. This acceleration affected all components of the index although it was particularly strong in the case of food consumer goods. Wholesale agricultural prices also rose, posting a 12-month growth rate of 4.9 % in October.

#### 4.4. State budget

On the basis of National Accounting methodology, the State ran a surplus of ESP 570 billion (0.5 % of GDP) during the period January-November, as compared with a deficit of ESP 145 billion (0.2 % of GDP) during the same period of 1999 (see Table 3). Since the State deficit tends, for seasonal reasons, to rise during December, this significant improvement is in line with the official estimates of the budget deficit for the year, which have been revised successively downwards by the government to 0.3 % of GDP for general government as a whole. This target has recently been confirmed in the Updated Stability Programme 2000-2004. Total revenue was 8.1 % higher in the period January-November 2000 than a year earlier (8 % higher to the end of Q3), slightly above the initial projection in the State budget. The strength of direct taxes was notable, with an increase of 12.3 % (10.1 % to September), to stand well above the official estimate for the year as a whole. By contrast, VAT receipts continued to decelerate and grew by 10 % (11.5 % to September), below the official estimate for the year as a whole. As for expenditure, there was a significant slowdown, to a rate of 4.2 % in November (as against 5.2 % to the end of Q3), slightly below the official rate estimated for the year as a whole, basically due to the significant contraction in capital expenditure. Within current expenditure, the high growth rate of intra-general-government transfers continued to stand out, being well above the forecast in the

TABLE 3

## State Budget outturn

ESP bn and %

	Outturn	Percentage	Initial	Percentage	Outturn	Outturn		
	1999	change	projection	change	JAN-SEP	1999	2000	Percentage
	1	1999/1998	2000	2000/1999	Percentage	JAN-NOV	JAN-NOV	change
				4=3/1	change	6	7	8=7/6
					2000/1999			
<b>1. Revenue</b>	<b>18,364</b>	<b>4.8</b>	<b>19,507</b>	<b>6.2</b>	<b>4.5</b>	<b>17,213</b>	<b>18,272</b>	<b>6.2</b>
Direct taxes	7,817	4.7	8,438	7.9	6.9	7,406	8,078	9.1
<i>Personal income tax</i>	5,098	2.0	5,361	5.2	3.8	4,786	5,088	6.3
<i>Corporate income tax</i>	2,436	9.9	2,772	13.8	10.1	2,358	2,646	12.2
<i>Other (a)</i>	283	15.2	304	7.5	38.2	262	344	31.3
Indirect taxes	7,951	13.4	8,593	8.1	9.4	7,495	8,094	8.0
VAT	5,114	17.1	5,600	9.5	11.3	4,898	5,359	9.4
<i>Excise duties</i>	2,567	7.3	2,689	4.8	5.3	2,352	2,460	4.6
<i>Other (b)</i>	270	5.9	304	12.6	12.5	244	275	12.8
Other net revenue	2,597	-14.6	2,476	-4.6	-19.1	2,313	2,100	-9.2
<b>2. Expenditure</b>	<b>19,421</b>	<b>4.2</b>	<b>20,149</b>	<b>3.7</b>	<b>5.3</b>	<b>17,526</b>	<b>18,150</b>	<b>3.6</b>
Wages and salaries	2,979	-2.4	2,765	-7.2	-8.8	2,620	2,376	-9.3
Goods and services	436	12.3	379	-13.1	-8.5	371	348	-6.0
Interest payments	3,178	-4.7	2,947	-7.3	-0.8	3,107	2,834	-8.8
Current transfers	10,809	9.1	12,126	12.2	12.8	9,682	10,941	13.0
Investment	957	6.6	950	-0.7	2.3	822	873	6.1
Capital transfers	1,063	-0.8	982	-7.6	-3.3	924	779	-15.7
<b>3. Cash-basis balance (3=1-2)</b>	<b>-1,057</b>	<b>-5.1</b>	<b>-642</b>	<b>-39.3</b>	<b>14.4</b>	<b>-313</b>	<b>122</b>	<b>—</b>
MEMORANDUM ITEM: NATIONAL ACCOUNTS:								
Revenue	18,804	8.8	20,160	7.2	8.0	17,226	18,626	8.1
Expenditure	19,901	3.6	20,785	4.4	5.2	17,371	18,108	4.2
<b>Net borrowing (-) or lending (+)</b>	<b>-1,097</b>	<b>-42.9</b>	<b>-625</b>	<b>-43.0</b>	<b>-42.2</b>	<b>-145</b>	<b>517</b>	<b>—</b>

Source: Ministerio de Hacienda.

(a) Includes the revenue from the tax on the income of non-residents.

(b) Includes taxes on insurance premiums and tariffs.

initial projection, while the rate of decline of interest payments has fallen during recent months.

In cash terms, the State recorded a surplus of ESP 122 billion in the period January-November 2000, as against a deficit of ESP 313 billion in the same period of the previous year. This improvement in the cash-basis balance contrasts with the increase of 14.4 % in the deficit to September and is in line with the cut forecast in the initial projection. The favourable trend in the balance of non-financial

transactions to November was attributable both to the acceleration in revenue, which grew by 6.2 % (4.5 % to September), and to the deceleration of expenditure, to a rate of growth of 3.6 % (5.3 % to September). In both cases the growth rates to November practically coincide with those forecast in the initial projection for the whole year. The breakdown of revenue and expenditure is discussed below using cash-basis information.

The acceleration in revenue was mainly attributable to the trend in non-tax revenue,

TABLE 4  
Balance of payments: summary table (a)  
EUR m

	JAN-OCT	
	1999	2000
	Receipts	Receipts
<b>Current account</b>	<b>147,583</b>	<b>172,515</b>
Goods	84,966	101,395
Services	41,951	47,620
<i>Tourism</i>	25,907	28,723
<i>Other services</i>	16,044	18,897
Income	9,680	12,645
Current transfers	10,985	10,856
<b>Capital account</b>	<b>5,536</b>	<b>5,125</b>
	Payments	Payments
<b>Current account</b>	<b>154,210</b>	<b>187,249</b>
Goods	106,830	131,097
Services	23,282	27,222
<i>Tourism</i>	4,294	4,948
<i>Other services</i>	18,988	22,274
Income	16,523	20,197
Current transfers	7,575	8,733
<b>Capital account</b>	<b>819</b>	<b>755</b>
	Balance	Balance
<b>Current account</b>	<b>-6,627</b>	<b>-14,734</b>
Goods	-21,864	-29,703
Services	18,669	20,398
<i>Tourism</i>	21,613	23,775
<i>Other services</i>	-2,943	-3,377
Income	-6,843	-7,552
Current transfers	3,411	2,123
<b>Capital account</b>	<b>4,717</b>	<b>4,370</b>

Source: Banco de España.  
(a) First provisional results.

whose annual rate of decline fell substantially (down from 19.1 % in the period January to September to 9.2 % to November), drawing close to the forecast in the initial projection. This trend is basically explained by profit and dividend income from the Banco de España. In particular, the income on account of current year profits was, unlike in previous months, much higher in November than in the same month of 1999. In addition, the strong increase in capital transfers from the European Union and the decline in fees and charges and other revenue due to lower debt issuance premia continued to be notable.

Tax receipts grew at a similar rate to that during the period January to September and to

that forecast in the initial projection, although the behaviour of their main components differed. Direct taxes continued to accelerate, to a rate of growth above that forecast for the year as a whole and above that recorded by indirect taxes, whose growth rate fell to coincide almost exactly with the initial projection. The acceleration in direct taxes was primarily due to personal income tax. Mainly as a consequence of the different schedule for rebates of negative amounts of net tax payable, its growth rate rose from 3.8 % at the end of Q3 to 6.3 % to November, which exceeded the projection. Corporate income tax receipts also accelerated, with the inclusion of receipts from the October payment on account, although less sharply.

The rate of growth of all the main indirect taxes fell from September (in line with the loss of vigour in consumption and imports), to coincide almost exactly with the forecasts in the initial projection. The slowdown in VAT was notable: receipts rose at an annual rate of 9.4 % in the period January to November, as against 11.3 % to the end of Q3. This rate of growth was affected by the rise in fuel prices since the beginning of the year (2). The rate of growth of excise duties fell to 4.6 % in November, with the slowdown in the duty on new car registrations standing out, in accordance with the trend in this consumption indicator.

As for expenditure, its deceleration from September was primarily due to the trend in interest payments: their decline accelerated notably (8.8 % to November, as against 0.8 % to September), so that by end-November they had fallen by more than forecast in the initial projection for the whole year. The rate of decline of wages and salaries for the period to November also increased, to exceed that in the initial projection. By contrast, the rate of decline of goods and services slowed, drawing away from the forecast for the year as a whole. The trade-off seen in recent years between the trend in State wages and salaries and State current transfers, as a consequence of the transfer of educational powers to the regional (autonomous) governments, meant that, as the counterpart of the deceleration in the former, transfers accelerated slightly. Their growth rate rose from 12.8 % for the period to September to 13 % to November, which is somewhat higher than the forecast for the year. As regards capital transactions, their two components also displayed opposite behaviour during the months of the final quarter of 2000 for which information is available: invest-

(2) The rise in the price of fuel does not affect the hydrocarbon duty, since it is levied at a flat rate. By contrast, VAT (charged at a rate of 16% in this case) is applied to the price.

**Social security budget outturn**

The Social Security System ran a surplus of ESP 1,316 billion to October 2000, ESP 437 billion (49.7 %) higher than in the same period of the preceding year (see table below). This improvement in the balance, larger in absolute terms than that recorded to July, was the result of growth in revenue of 10.5 %, which accelerated slightly, and of the moderate increase in expenditure (7.3 %, against 7.7 % to July).

Receipts from social security contributions rose by 9.9 % to October, a similar rate to that recorded to July and higher than the 6.8 % recorded in the whole of 1999 and the budget forecast of 3 %. The strength of revenue from contributions was attributable, above all, to the buoyancy of registrations, which grew by 5 % during the whole of 2000 (5.5 % during 1999). This compares with a budget forecast of only 3 % for the increase in the number of contributing employees. The other major source of revenue, current transfers from the State, increased by 11.2 % (11.6 % to July), in line with the budget.

As for expenditure, spending on contributory pensions increased by 7.2 % to October (7.4 % to July), a similar rate to the budget forecast (7 %). The number of contributory pensions grew by 1.2 % to November, in line with the budget and with the growth recorded in 1999. Sick pay benefits also slowed somewhat, although their rate of change (13.1 % growth to October) was still well above the budget forecast (4.7 % cut).

As regards INEM (the National Employment Office) expenditure, spending on unemployment benefits slowed during 2000 Q4, rising by 0.8 % to November (5 % to August), compared with a decline of 2.9 % in 1999 as a whole. This outcome was the result of the behaviour of the number of beneficiaries, which fell by 3 % to November, compared with an average decrease of 9.5 % in 1999, reflecting the slower decline in registered unemployment (4.5 % during the whole of 2000, as against 11.7 % in 1999). In line with the trends observed in 1999, the fall in the number of unemployed persons entitled to unemployment benefits to November was smaller than the reduction in registered unemployment. As a result, the replacement rate rose to 64.5 % (63.3 % to November 1999).

Contributions received by INEM rose by 8.9 % in the period to September, despite the 0.25 percentage points cut in the unemployment contribution rate, while concessions on employers' contributions for employment-promoting contracts increased by 10.1 % to August, compared with the 1.9 % reduction forecast in the budget.

(3) However, the draft Social Security System budget for 2001 includes an estimate of 10.2% for the increase in regular contributions to the general regime for the whole of 2000.

**Social Security System (a)  
(Transfers to regional governments allocated) (b)  
(Current and capital transactions, in terms of recognised entitlements and obligations)**

ESP bn and %

	Outturn	Budgeted		Outturn	Outturn JAN-OCT		
	1999 1	2000 2	% change 3=2/1	JAN-JUL % change 4	1999 5	2000 6	% change 7=6/5
<b>1. Revenue</b>	<b>13,832</b>	<b>14,583</b>	<b>5.4</b>	<b>10.4</b>	<b>11,785</b>	<b>13,023</b>	<b>10.5</b>
Social security contributions (c)	9,310	9,589	3.0	9.7	7,722	8,488	9.9
Current transfers	4,349	4,825	10.9	11.6	3,931	4,372	11.2
Other (d)	173	169	-2.3	17.8	132	163	23.2
<b>2. Expenditure</b>	<b>13,582</b>	<b>14,432</b>	<b>6.3</b>	<b>7.7</b>	<b>10,905</b>	<b>11,706</b>	<b>7.3</b>
Wages and salaries	2,129	2,245	5.4	6.6	1,820	1,931	6.1
Goods and services	1,341	1,397	4.2	6.5	1,083	1,152	6.4
Current transfers	9,916	10,570	6.6	8.1	7,892	8,501	7.7
Benefits	9,851	10,502	6.6	8.1	7,831	8,436	7.7
Contributory pensions	7,796	8,342	7.0	7.4	6,122	6,563	7.2
Sickness	555	528	-4.7	15.1	414	468	13.1
Other (e)	1,501	1,631	8.7	9.5	1,295	1,406	8.6
Other current transfers	65	68	4.4	6.1	61	65	6.0
Other (f)	195	220	13.0	9.2	111	122	10.1
<b>3. Balance</b>	<b>250</b>	<b>151</b>	<b>-39.6</b>	<b>54.6</b>	<b>879</b>	<b>1,316</b>	<b>49.7</b>

Sources : Ministerios de Hacienda y de Trabajo y Asuntos Sociales and Banco de España.

(a) Only data relating to the System, not to the entire social security funds sector, are given. This is because the figures for other social security funds for the year 2000 are only available to June 2000.

(b) Transfers to regional (autonomous) governments to finance the health-care and social-services responsibilities they have assumed have been distributed among the various expenditure captions on the basis of the percentages resulting from the general government accounts for 1997.

(c) Including surcharges and fines.

(d) Excluding surcharges and fines, and the contribution from the pharmaceutical industry.

(e) Reduced by the contribution from the pharmaceutical industry.

(f) Reduced by the disposal of investments.

ment accelerated to 6.1 % (2.3 % to September), as compared with the slight fall forecast in the initial projection, while the rate of growth of capital transfers fell to a decline of 15.7 % to November, which was greater than forecast for the whole of the year. In any event, both items are normally strongly influenced by transactions in December.

#### 4.5. The Spanish balance of payments and capital account

During the first ten months of 2000, the current and capital accounts ran a deficit of EUR 10,363 million, an increase of EUR 8,452 million on the same period a year earlier (see Table 4). This outcome basically reflects the large increase in this period in the trade deficit. Other current transactions, with the exception of tourism, also deteriorated, with the result that the current account deficit widened to EUR 14,734 million, an increase of EUR 8,106 million on the same period a year earlier. The surplus on capital account also deteriorated slightly, to stand at EUR 4,370 million during the period January-October, which amounts to a reduction of EUR 346 million on the same period of 1999.

The notable worsening of the trade deficit, which increased by 35.9 % during the first ten months of the year, was primarily attributable to the high cost of purchases of energy products, against a background of significant growth in their prices in pesetas. The slowdown in non-energy imports and the firming of strong exports helped to reduce the deterioration in the trade deficit. The tourism services surplus rose by 10 % during the period January-October, although the fast rate of improvement of the pre-

vious year moderated, as a consequence of more subdued tourism receipts in the first half of the year and of more buoyant payments. As for other services, there was a slight widening in the deficit, with communications and IT services transactions displaying great vigour.

The income balance deteriorated by EUR 709 million during the first ten months of 2000. On the receipts side, direct and portfolio investment receipts remained highly buoyant, in step with the intense foreign investment that has been taking place in recent years, while receipts from other short-term investments rose more moderately. As for payments, all the captions were expansionary, especially those linked to portfolio investment, in line with the forceful growth of foreign investment in mutual funds and bonds. The current transfers surplus fell by EUR 1,287 million during the period analysed, as a consequence of the notable decline in flows from the EU under the European Social Fund, while transfers to the private sector under EAGGF-Guarantee rose slightly. Finally, the surplus on capital account deteriorated by EUR 346 million in relation to the same period a year earlier, as a result of the sharp decline in structural funds received from the EU under EAGGF-Guidance, since the flows corresponding to the Cohesion Fund improved.

The net borrowing of the nation reflected by these data would indicate a weakening of the sectoral balances of households and corporations, during a period in which the household saving ratio continued to decline, while residential investment and, to a lesser extent, private productive investment sustained notable increases. By contrast, the rise in general government saving and the consequent reduction in the budget deficit have been consolidated.

## 5. Financial flows in the Spanish economy

### 5.1. Financial flows in the economy as a whole

The latest National Accounts and financial accounts figures indicate that the deterioration in the net financial saving of the nation (4) continued during 2000 Q3. The net balance of the financial transactions between the Spanish economy and the rest of the world was  $-2.2\%$  of GDP at the end of 2000 Q3, in cumulative four quarter terms, having been  $-1.1\%$  of GDP in 1999 (see Table 5). This decline reflects, above all, a reduction in the net financial saving of households and non-financial corporations, which is at historically low levels. By contrast, the low level of net general government borrowing in the first three quarters of 2000 helped to moderate the deterioration in the net balance of the nation's financial transactions. Likewise, the increase in the credit balance of the financial transactions of financial institutions with other sectors worked in the same direction.

The trends in inter-sectoral flows broadly reflect some of the most significant processes that have been taking place since late 1999. In the case of households, along with the trend decline in their net financial saving, a process of reintermediation of their financial flows by credit institutions is discerned in recent quarters. This follows a period in which households preferred to channel their savings through institutional investors (see the lower part of Table 5). That said, certain instruments issued by the latter continued to attract a high volume of household saving during 2000, such as shares in international mutual funds and unit-linked life assurance.

Another significant trend apparent in recent information on inter-sectoral financial flows is their increasing internationalisation. On one hand, the increase in the net borrowing of non-financial corporations in recent quarters has been covered, as seen in Table 5, with funds from resident credit institutions and the rest of the world. However, these figures do not adequately reflect the magnitude of the gross borrowing of non-financial corporations from non-residents, because, as discussed below, the net balance was the result of large inflows and outflows of funds. General government has also

(4) In ESA 79 terminology, the balance of the financial transactions account was called net financial saving. In the financial accounts according to ESA 95 methodology, this balance is now called net financial transactions. In this report both terms are used without distinction. Likewise, the names non-financial corporations and households (used in previous reports) and non-financial corporations and households and non-profit institutions (the name of the same sectors in ESA 95) are also used without distinction.

TABLE 5

**Net financial transactions and inter-sectoral flows  
(Cumulative data for the last four quarters)**

% of GDP

	NET FINANCIAL TRANSACTIONS							
	1995	1996	1997	1998	1999	2000		
						Q1	Q2	Q3
<b>Total economy</b>	<b>1.0</b>	<b>1.2</b>	<b>1.6</b>	<b>0.5</b>	<b>-1.1</b>	<b>-1.6</b>	<b>-1.9</b>	<b>-2.2</b>
<b>Non-financial corporations and households and NPIs</b>	<b>6.7</b>	<b>5.1</b>	<b>4.0</b>	<b>2.0</b>	<b>-0.6</b>	<b>-1.0</b>	<b>-2.3</b>	<b>-2.6</b>
Non-financial corporations	0.2	0.0	-0.3	-0.7	-1.7	-2.2	-2.6	-3.0
Households and NPIs	6.5	5.1	4.4	2.7	1.1	1.1	0.3	0.3
<b>Financial institutions</b>	<b>1.0</b>	<b>1.0</b>	<b>0.7</b>	<b>1.1</b>	<b>0.5</b>	<b>0.8</b>	<b>0.8</b>	<b>0.9</b>
<b>General government</b>	<b>-6.6</b>	<b>-4.9</b>	<b>-3.2</b>	<b>-2.6</b>	<b>-1.1</b>	<b>-1.4</b>	<b>-0.4</b>	<b>-0.4</b>
	INTER-SECTORAL FLOWS (a)							
	1995	1996	1997	1998	1999	2000		
						Q1	Q2	Q3
<b>Households and NPIs</b>	<b>6.5</b>	<b>5.1</b>	<b>4.4</b>	<b>2.7</b>	<b>1.1</b>	<b>1.1</b>	<b>0.3</b>	<b>0.3</b>
Vis-à-vis:								
Credit institutions (b)	2.2	-2.8	-6.6	-4.6	-0.2	1.7	1.3	1.8
Institutional investors (c)	3.0	8.7	10.8	7.8	0.8	-1.0	-1.8	-1.8
<b>Non-financial corporations</b>	<b>0.2</b>	<b>0.0</b>	<b>-0.3</b>	<b>-0.7</b>	<b>-1.7</b>	<b>-2.2</b>	<b>-2.6</b>	<b>-3.0</b>
Vis-à-vis:								
Credit institutions (b)	-1.6	-0.4	-3.3	-4.1	-3.6	-5.1	-4.5	-5.5
Rest of the world	-0.3	0.3	1.7	0.9	-0.2	0.5	-0.3	-0.6
<b>General government</b>	<b>-6.6</b>	<b>-4.9</b>	<b>-3.2</b>	<b>-2.6</b>	<b>-1.1</b>	<b>-1.4</b>	<b>-0.4</b>	<b>-0.4</b>
Vis-à-vis:								
Credit institutions (b)	-3.1	-0.4	1.4	1.4	1.4	1.3	1.2	1.2
Institutional investors (c)	0.6	-6.0	-3.9	-2.6	1.7	1.7	3.3	3.5
Rest of the world	-3.4	-0.2	-2.0	-1.1	-4.3	-3.8	-3.8	-4.5
<b>Rest of the world</b>	<b>-1.0</b>	<b>-1.2</b>	<b>-1.6</b>	<b>-0.5</b>	<b>1.1</b>	<b>1.6</b>	<b>1.9</b>	<b>2.2</b>
Vis-à-vis:								
Credit institutions (b)	-2.9	0.9	2.8	7.1	2.0	3.6	3.7	3.2
Institutional investors (c)	-0.5	-0.9	-2.6	-6.1	-3.5	-3.6	-3.9	-4.2
Non-financial corporations	0.3	-0.3	-1.7	-0.9	0.2	-0.5	0.3	0.6
General government	3.4	0.2	2.0	1.1	4.3	3.8	3.8	4.5

Source: Banco de España.

(a) A positive sign indicates the extension of financing to the counterpart sector. A negative sign denotes financing received by the counterpart sector.

(b) Defined in accordance with the First Banking Directive.

(c) Insurance corporations and collective investment undertakings.

been obtaining a large volume of financing from the rest of the world, replacing domestic funds with foreign financing. This substitution is evident in the maintenance of and, more recently, in the increase in the positive balance of their financial transactions with resident credit institutions and institutional investors, stemming from the sales of government securities which both sectors have been conducting for some time. Lastly, institutional investors have also been increasing their net credit position vis-à-vis the rest of the world, while credit institutions have been increasing their net debt position vis-à-vis

the external sector, partly in response to the larger gap between deposits received and financing extended to other resident sectors.

Overall, the net financial transactions with the rest of the world of all sectors of the Spanish economy have increased significantly in recent years. These data, which reflect the growing internationalisation of the Spanish economy, show the increase in net external borrowing as a consequence of the two-fold process of declining household saving and increasing foreign investment. These flows are being channelled

mainly through credit institutions and the purchase by non-residents of securities issued by general government.

### 5.2. Financial flows of households and NPIs

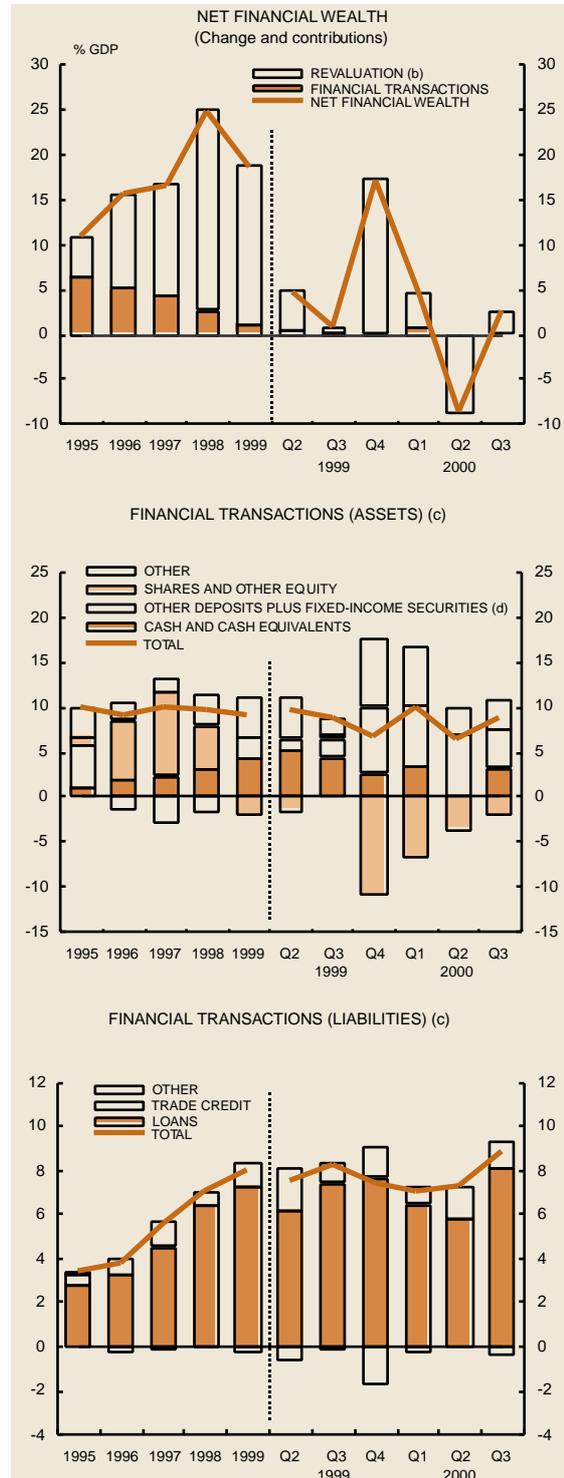
In 2000 Q3, household net financial saving stood at the same level as in the previous quarter, namely 0.3 % of GDP, in cumulative four quarter terms (see Table 5). The continued growth of financing to households and private non-profit institutions (NPIs) and the stability of acquisition of financial assets (and, more recently, their decline, probably in favour of real assets) would explain this sustained deterioration in the sector's saving since 1995. Besides the cyclical position of the Spanish economy and monetary and financial conditions conducive to the expansion of spending and borrowing, this behaviour was underpinned by an intense process of revaluation of financial assets, which led household net financial wealth to increase until 1999, despite the ongoing decline in financial saving (see upper part of Chart 23). The decline in the value of equities and shares in mutual funds that has taken place in 2000 could give rise to a turning point in the trend of the net financial saving of the sector, to enable the decline in non-financial wealth to be mitigated.

Q3 information indicates that the rate of acquisition of financial assets was higher than in the preceding quarter (see Chart 23 and Table 6), owing to the increase in cash and cash equivalents and the more moderate decline in shares and other equity (specifically, mutual funds). The effect of time deposits and repos, which decelerated in this quarter, was in the opposite direction. This trend in financial assets could be a response to the moderation of expectations of rising interest rates that occurred in Q3. Meanwhile payments to pension schemes and insurance policies (included in the item other in the above-mentioned table and chart), although very significant in 2000 as a whole, fell in value in Q2 and Q3 in relation to the previous two quarters, as a result of a certain tailing off of the reallocation of savings from other assets towards unit-linked insurance.

In 2000 Q3, the flow of financing obtained by households was, in seasonally adjusted terms, at one of the highest levels of the last two years (see lower part of Chart 23). As usual, the increase in the flow of financing was attributable to loans granted by resident credit institutions, which are the main source of financing for this sector. Over the last four quarters, however, financing to households

CHART 23

Households and NPIs (a)



Source: Banco de España.

- (a) Seasonally adjusted data
- (b) Changes in the balance that are not explained either by financial transactions or volume changes
- (c) The quarterly data are annualised.
- (d) Not including unpaid accrued interest, which is included under other.

TABLE 6

**Financial assets and liabilities of households, NPIs and non-financial corporations (a)**

% of GDP

	1998	1999	2000 (b)	2000		
				Q1	Q2	Q3
<b>HOUSEHOLDS AND NPIs:</b>						
<b>Financial transactions (assets)</b>	<b>9.6</b>	<b>9.0</b>	<b>6.2</b>	<b>2.5</b>	<b>1.6</b>	<b>2.2</b>
Cash and cash equivalents	3.0	4.2	1.6	0.8	0.0	0.8
Other deposits and fixed-income securities (c)	-1.6	2.4	4.5	1.7	1.7	1.1
Shares and other equity	4.9	-2.1	-3.1	-1.7	-0.9	-0.5
Other	3.3	4.5	3.2	1.6	0.8	0.8
<b>Financial transactions (liabilities)</b>	<b>7.0</b>	<b>8.0</b>	<b>5.8</b>	<b>1.8</b>	<b>1.8</b>	<b>2.2</b>
Credit from resident credit institutions	5.9	6.5	4.9	1.5	1.4	2.0
Other	1.1	1.5	0.9	0.2	0.4	0.2
<b>NON-FINANCIAL CORPORATIONS</b>						
<b>Financial transactions (assets)</b>	<b>15.3</b>	<b>17.4</b>	<b>20.2</b>	<b>5.5</b>	<b>7.0</b>	<b>7.7</b>
Cash and cash equivalents	1.6	0.8	1.3	0.7	0.5	0.2
Other deposits and fixed-income securities (c)	0.3	-0.1	1.8	0.5	0.4	0.9
Shares and other equity	3.6	7.7	6.2	1.0	2.9	2.4
Other	9.8	9.0	10.8	3.4	3.2	4.2
<b>Financial transactions (liabilities)</b>	<b>16.1</b>	<b>19.3</b>	<b>22.9</b>	<b>6.2</b>	<b>7.6</b>	<b>9.1</b>
Credit from resident credit institutions	4.8	5.0	5.5	2.0	1.5	2.0
Foreign loans, fixed-income securities and securitisation funds (c)	1.8	3.7	2.9	0.4	0.9	1.7
Other	9.4	10.6	14.4	3.8	5.1	5.5
<b>MEMORANDUM ITEM: YEAR-ON-YEAR GROWTH RATES (%):</b>						
<b>Liquid financial assets</b>	<b>4.0</b>	<b>1.4</b>		<b>1.3</b>	<b>1.5</b>	<b>2.8</b>
Households and NPIs	4.1	0.4		-0.2	-0.1	0.8
Non-financial corporations	3.8	7.2		9.7	9.8	13.1
<b>Financing (d)</b>	<b>16.8</b>	<b>18.5</b>		<b>19.4</b>	<b>16.5</b>	<b>18.6</b>
Households and NPIs	19.3	19.6		18.2	17.4	17.5
Non-financial corporations	15.0	17.6		20.5	15.9	19.4

Source: Banco de España.

(a) Seasonally adjusted data. Annual GDP has been used to obtain the figures as a % of GDP.

(b) Cumulative data to Q3.

(c) Not including unpaid accrued interest, which is included under "Other".

(d) Including bank credit extended by resident credit institutions, foreign loans, fixed-income securities and financing through securitisation funds.

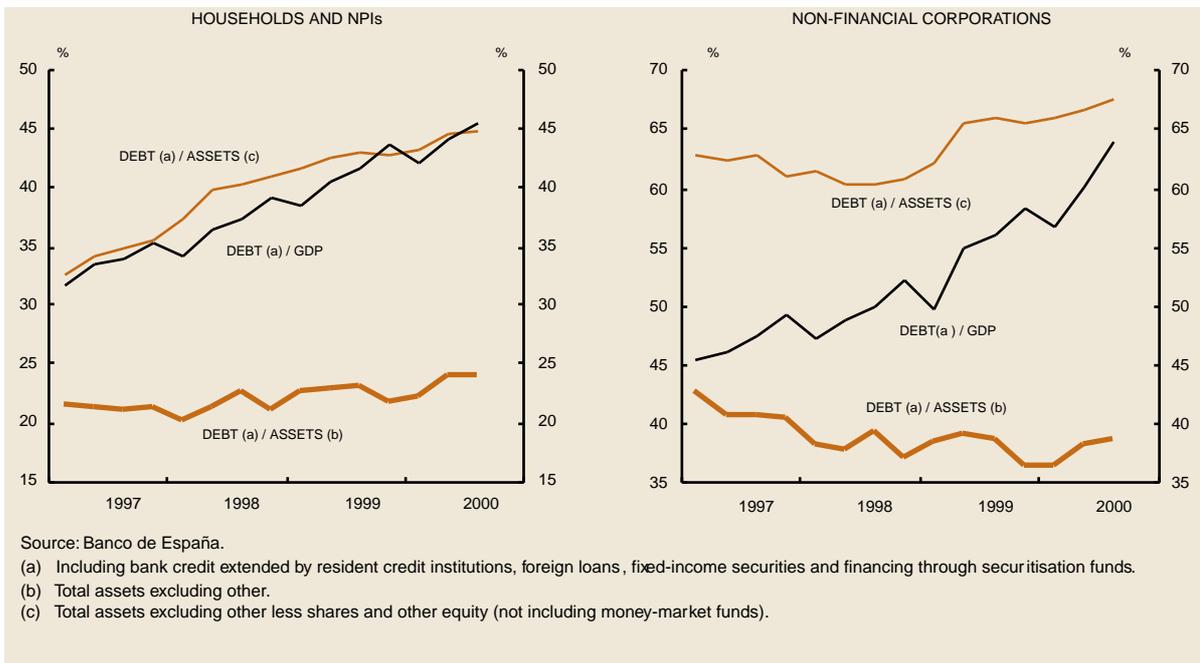
and NPIs has only accelerated slightly (see Table 6). According to the available information on credit by type, this financing continued to be used mainly for house purchases, so that the rate of growth of this component of lending increased in relation to previous quarters. Consumer credit, by contrast, continued to decelerate. The growth in financing for house purchases in 2000 and the parallel decline in the rate of acquisition of financial assets in this period may indicate a certain substitution of real investment for some financial investments. This process would have

been boosted by the rapid rise in the price of housing and the scant revaluation, or even loss of value, of certain financial assets held by households.

The higher volume of financing obtained in Q3 continued to increase household debt ratios (see Chart 24), both in terms of GDP and liquid assets. By contrast, it held steady in relation to the total value of financial assets or gross wealth, as a result of the revaluation in this quarter of equities and shares in capital-market mutual funds.

CHART 24

Debt ratios



5.3. Financial flows of non-financial corporations

In 2000 Q3, the net financial saving of non-financial corporations continued to decline, to stand at -3 % of GDP, in cumulative four quarter terms (see Table 5). This explains the deterioration in the nation's net financial transactions in that quarter, since other sectors either maintained the same level as in the previous quarter or else increased their credit balance. This deterioration indicates that the gap between gross capital formation and gross saving continued to widen in 2000, increasing the sector's indebtedness.

The net borrowing of non-financial corporations also rose as a consequence of acquisitions of foreign enterprises, which took the form of an increase in holdings of shares and other equity. If holdings of foreign equities are added to gross capital formation (considering them to be an approximation to the value of the enterprises acquired and, in most cases, equivalent to a permanent investment in installed capital equipment), then the gap between gross saving and real and permanent financial investment would rise to 9 % of GDP, in cumulative four quarter terms, almost one percentage point higher than in 1999 (see upper part of Chart 25).

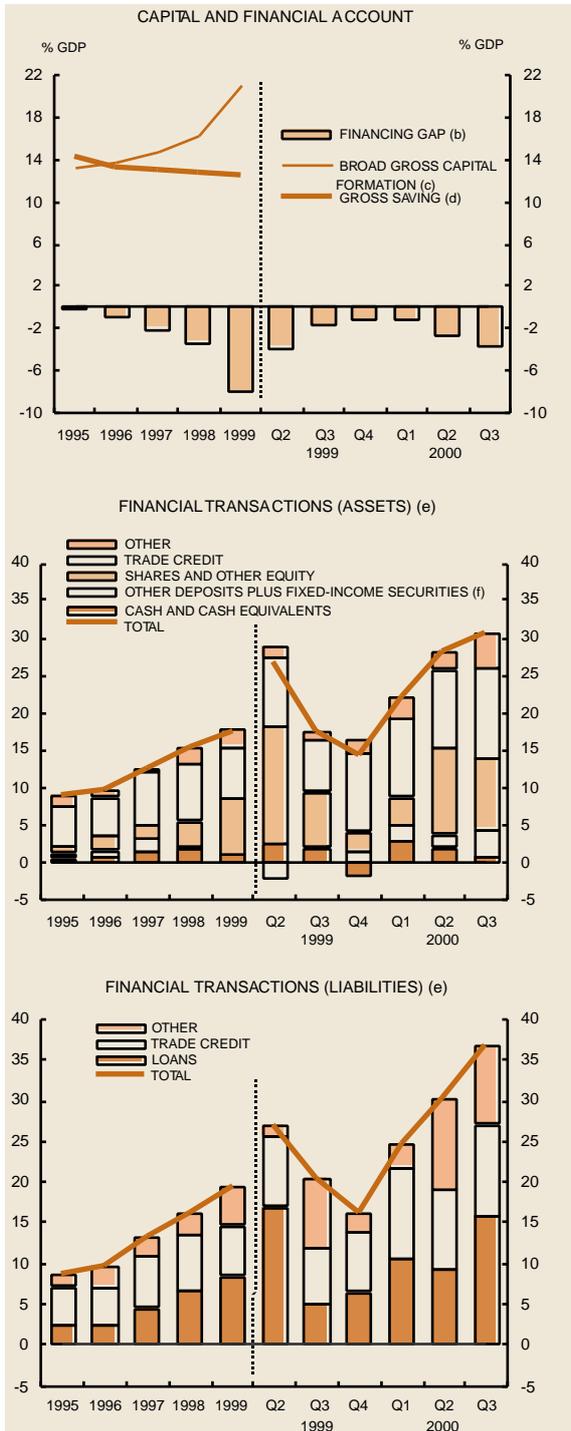
In 2000 Q3, non-financial corporations continued to increase their rate of acquisition of financial assets (see Table 6 and Chart 25), the value of which reached a historic high. A large part of this increase (55 %) is explained by the acquisition of enterprises and the extension of financing to subsidiaries. A small part (15 %) corresponds to cash and cash equivalents, other deposits and fixed-income securities, and the rest (35 %), to financing to customers.

The financing of acquisitions of enterprises by Spanish multinationals, gross capital formation and other financial investment continued to require strong growth in the own funds and borrowing of Spanish firms in 2000 Q3. As a result, there was an increase in both the flow of financing from resident credit institutions and external loans (see Table 6), the need to finance the acquisition of UMTS licenses in Europe having had an impact on both variables. This led to year-on-year growth of 19.4 %, as at end Q3, in funds obtained through bank loans, issuance of fixed-income securities and securitisation funds (Table 6). Also, a significant volume of funds was obtained through increases in capital (25 % of the change in liabilities) which, in the case of Q3, are directly related to the acquisition of enterprises in Latin America.

The available information on bank financing by productive sector in Q3 indicates that financ-

CHART 25

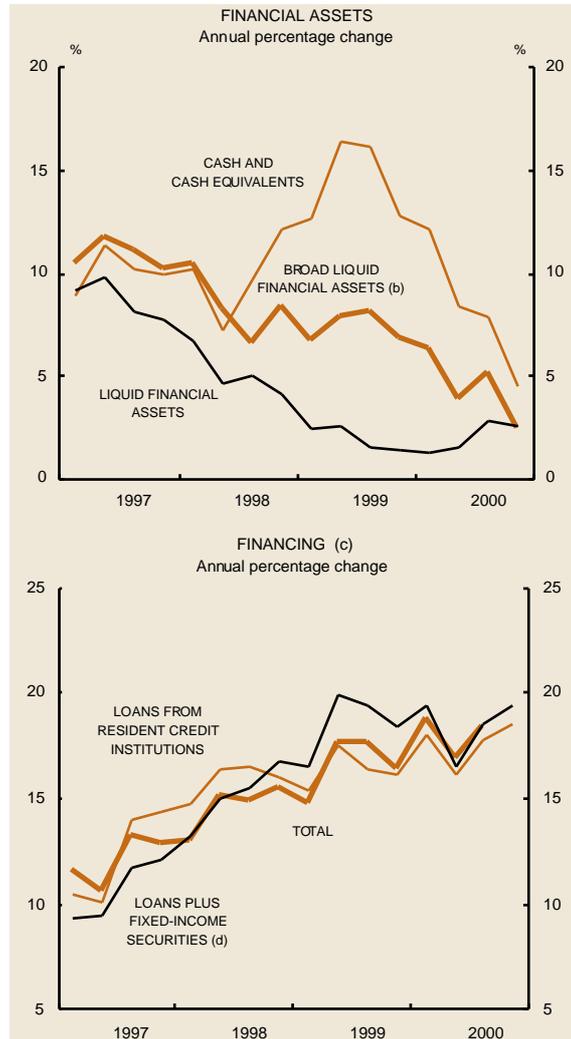
**Non-financial corporations (a)**



Source: Banco de España.  
 (a) Seasonally adjusted data.  
 (b) Financial resources that cover the gap between real and permanent financial investment and gross saving.  
 (c) Including stockbuilding and foreign equities.  
 (d) Including capital transfers.  
 (e) The quarterly data are annualised.  
 (f) Not including unpaid accrued interest, which is included under other.

CHART 26

**Non-financial corporations, households and NPLs (a)**



Source: Banco de España.  
 (a) The data for 2000 Q4 are provisional estimates.  
 (b) Defined as liquid financial assets plus mutual funds other than money-market and fixed-income securities funds.  
 (c) Including credit, securities and other borrowed funds.  
 (d) Including loans from resident and non-resident credit institutions, securities issuance and financing through securitisation funds.

ing to the services sector and construction held at a high rate of growth (17 % and 23 %, respectively). By contrast, loans to industry, excluding construction, tended to decelerate in the second and third quarters, affected by the cancellation of a loan obtained by a large corporation one year earlier.

The sustained growth in the financing of non-financial corporations, referred to above, led the debt ratios of the sector to continue to rise (see Chart 24), especially the ratio of debt to GDP, which has increased by 20 per-

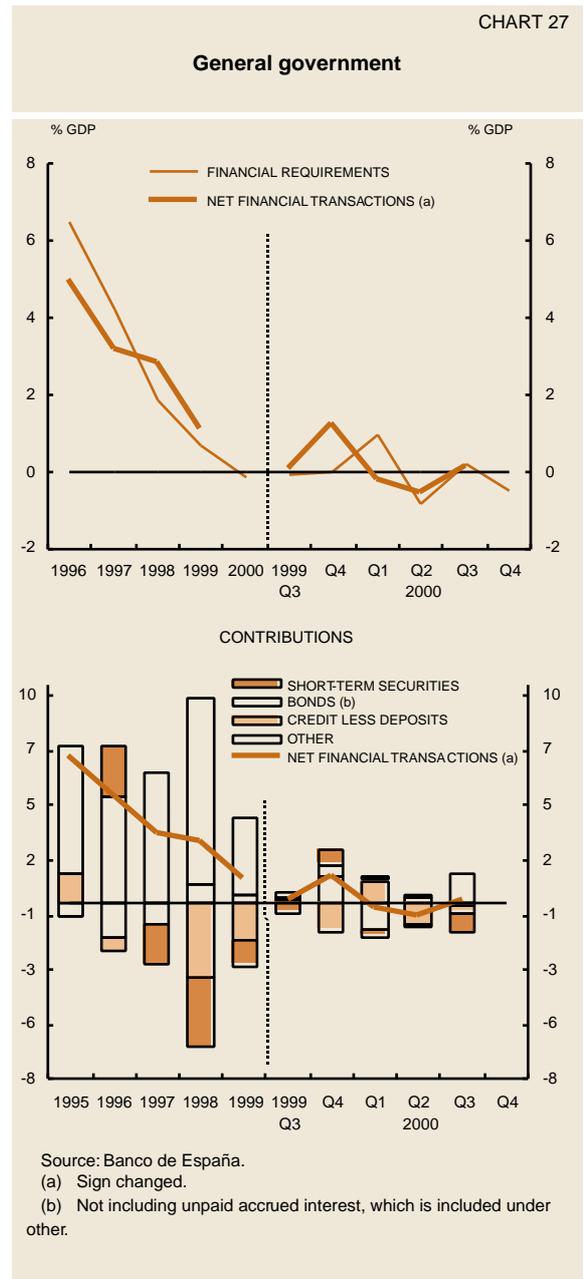
centage points over the last four years. The ratio of debt to the value of gross financial wealth (financial assets), has remained relatively stable over the last two years, as a consequence of the significant growth in the value of equities and the recent acquisitions of enterprises at market prices. It should not be forgotten that, although these acquisitions are stable investments with high expected returns, their level of risk has tended to increase in recent months. Accordingly, these investments need to be closely monitored by managers, supervisory authorities and the investors who have facilitated the international expansion of Spanish firms.

**5.4. Financial assets and liabilities of households and non-financial corporations**

Having examined the information on financial flows provided by the quarterly financial accounts for 2000 Q3, the developments in Q4 in various monthly indicators, providing partial information on investment in financial assets and the financing of non-financial corporations, households and NPIs, shall now be examined (5).

According to this information, which is still incomplete, the rate of growth of the financial assets of these sectors tended to decline in Q4. The deceleration in cash and cash equivalents that began in mid-1999 (see Chart 26) continued, while time deposits and repos continued to grow at high year-on-year rates. The value of shares in mutual funds that are considered to be liquid financial assets (FIAMMs and FIMs) continued to display negative growth rates, owing to the sale of shares and the decline in their net-asset value. As a result, liquid financial assets continued to sustain very moderate growth rates. During this quarter there was a significant slowdown in the net worth of international and equity funds as a result of the performance of stock markets worldwide. This has meant that the aggregate which includes these funds along with liquid financial assets, broad liquid financial assets, slowed notably in Q4.

(5) It should be noted that the growth rates of the indicators referring to financial assets capture the effects of both new transactions and any price changes. For a precise definition of these indicators, in accordance with ESA 95 methodology, see the box "Aplicación de la metodología SEC/95 a los indicadores monetarios y crediticios mensuales" in the September 2000 edition of the Boletín Económico (only available in Spanish)



The increase in the flows of financing obtained by households and non-financial corporations during 2000 Q3 was translated into the Q4 stocks, so that all the financing aggregates saw an increase in their annual growth rate (see Chart 26). The flow of financing obtained by non-financial corporations and households in the final quarter of the year was also high. The growth of bank lending by resident institutions, as at end-2000, stood at 18.5 %, and it is estimated that the aggregate made up of this lending, financing through securitisation funds, foreign loans and the issuance of fixed-income securities grew at a rate of 19.5 %, a rise of one percentage point on the previous quarter.

### 5.5. General government financial flows

General government net financial saving in 2000 Q3 was very close to zero (see Chart 27), with a cumulative four-quarter total of  $-0.4\%$  of GDP. Recourse to the financial markets through the issuance of securities, the obtaining of credit and the use of balances held on deposit (known overall as *financial requirements*, and which is an indicator of the financial saving of the sector) was practically nil in Q3, turning negative in the final quarter of 2000. However, the Q4 data are still provisional since, unlike in previous reports, they do not include the last few days of the year.

During 2000 Q3 the net issuance of bonds rose in relation to the previous quarter, to reach a volume of almost EUR 10 billion. At the same time, there was an increase in the amount of redemptions of short-term securities that was not offset by gross issuance, so that the net issuance of these securities was EUR  $-5.2$  billion. This outcome meant that the proportion of cumulative *financial requirements* covered by bonds continued to rise to stand at close to  $85\%$  at the end of Q3. Lastly, the net flow of loans and deposits was negative owing to the decline in the balance of outstanding loans and to the increase of EUR 2.4 billion in general government deposits at financial institutions.

The partial information available on the volume of funds raised by general government on the markets during the final quarter of the year indicates that the volume of net issuance of long-term securities by the State held at a high level (EUR 8.5 billion). The net issuance of short-term securities remained negative, albeit somewhat smaller than in Q3 (EUR  $-1.3$  billion). Finally, the reduction in the balance of outstanding loans and the high amount of the deposit at the Banco de España in the last few days of the year 2000 would give rise to a reduction in the flow of financing obtained by these means, leading to negative *financial requirements* in Q4, and a value of close to zero for the year 2000 as a whole.

During the last two quarters of the year, to reduce the future cost of its debt, the State took advantage of the room for manoeuvre existing in its finances to make exchanges and early redemptions of securities totalling EUR 6.8 and 4.2 billion, respectively. This meant that liabilities issued in the past at higher interest rates were replaced or cancelled. The total financing obtained by the State through securities issuance during the year 2000 was EUR 20 billion, in the case of bonds, and a negative amount of EUR  $-8.9$  billion, in that of Treasury bills.

### 5.6. Financial flows between the Spanish economy and the rest of the world

The balance of the financial transactions of the Spanish economy with the rest of the world remained negative in 2000 Q3. The cumulative value for the year was  $-1.9\%$  of GDP (see Table 7) and the cumulative four-quarter figure  $-2.2\%$  of GDP (see Table 5). As regards financial transactions, financial accounts information indicates that this negative balance was attributable to a significant increase in the accumulation of both external assets and external liabilities. This sustained growth in the accumulation of assets and liabilities was a consequence, on one hand, of the internationalisation of large Spanish firms, whose flows of financing and investment now take place in a global market and, on the other, of portfolio diversification by institutional investors, which has boosted purchases of external assets.

In relation to external financial assets, there has been a notable and sustained increase in purchases of shares and other equity over the last four years. In the first three quarters of 2000, these purchases (which include most direct investment and that part of portfolio investment in the form of shares and other equity) had already reached a higher volume than in 1999 (see Table 7). A final element that helps to explain the notable increase in external assets in 2000 Q3 was the significant amount of loans granted by the non-credit private sector to subsidiaries and related companies, the volume of which was similar to that of 1998 and slightly below that of 1999.

As already mentioned, during 2000 Q3 the Spanish economy accumulated a significant volume of liabilities vis-à-vis the rest of the world, which is reflected in various items. Credit institutions continued to borrow at a high rate from non-resident intermediaries, so that the cumulative flow during the first three quarters of 2000 was already higher than in 1999 as a whole (see Table 7). The term structure of these new liabilities was again dominated by short-term loans and deposits (70 % of the increase in liabilities in the first three quarters of the year was at a maturity of one year or less, while the equivalent figure in 1999 was 40 %). Purchases by non-residents of securities issued by general government also gained momentum during Q3, thus continuing the trend that began in 1999. There was also a significant inflow of capital into Spain in the form of purchases of shares in Spanish firms, partly related to swap transactions stemming from the acquisition of Latin American enterprises. Finally, the non-

TABLE 7

Financial transactions of the nation (a)

% of GDP

	1998	1999	2000 (b)	2000		
				Q1	Q2	Q3
<b>Net financial transactions</b>	<b>0.5</b>	<b>-1.1</b>	<b>-1.9</b>	<b>-0.7</b>	<b>-0.5</b>	<b>-0.6</b>
<b>Financial transactions (assets)</b>	<b>12.8</b>	<b>15.3</b>	<b>17.1</b>	<b>3.8</b>	<b>4.4</b>	<b>9.0</b>
<b>Gold and SDRs</b>	<b>0.0</b>	<b>-0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Cash and deposits</b>	<b>3.2</b>	<b>1.8</b>	<b>2.3</b>	<b>0.8</b>	<b>-1.0</b>	<b>2.5</b>
Credit system	0.0	3.7	1.7	0.1	-1.0	2.6
Other resident sectors	3.2	-2.0	0.6	0.7	0.0	-0.1
<b>Securities other than shares</b>	<b>3.4</b>	<b>2.8</b>	<b>2.2</b>	<b>-0.4</b>	<b>1.3</b>	<b>1.3</b>
Credit system	-1.4	-0.9	-0.2	-0.4	-0.2	0.4
Other resident sectors	4.8	3.7	2.4	0.0	1.5	0.9
<b>Shares and other equity</b>	<b>4.4</b>	<b>8.8</b>	<b>9.2</b>	<b>2.5</b>	<b>3.3</b>	<b>3.4</b>
Credit system	0.4	0.5	1.6	0.5	0.5	0.6
Other resident sectors	4.0	8.3	7.6	2.0	2.7	2.8
Of which:						
Non-financial corporations	2.5	6.0	4.8	0.5	2.1	2.2
<b>Loans</b>	<b>1.9</b>	<b>2.1</b>	<b>3.4</b>	<b>0.9</b>	<b>0.8</b>	<b>1.7</b>
Credit system	0.2	0.1	0.4	0.2	0.0	0.1
Other resident sectors	1.7	2.0	3.0	0.6	0.8	1.6
<b>Financial transactions (liabilities)</b>	<b>12.3</b>	<b>16.5</b>	<b>18.9</b>	<b>4.5</b>	<b>4.9</b>	<b>9.6</b>
<b>Deposits</b>	<b>5.9</b>	<b>4.2</b>	<b>4.6</b>	<b>1.5</b>	<b>1.5</b>	<b>1.6</b>
Of which:						
Credit system	5.9	4.1	4.6	1.5	1.5	1.6
<b>Securities other than shares</b>	<b>1.0</b>	<b>5.5</b>	<b>4.7</b>	<b>1.4</b>	<b>1.0</b>	<b>2.3</b>
Credit system	0.2	0.9	0.8	0.3	0.3	0.3
General government	1.0	4.3	3.5	0.9	0.6	2.0
Other resident sectors	-0.2	0.3	0.4	0.2	0.1	0.0
<b>Shares and other equity</b>	<b>2.9</b>	<b>2.9</b>	<b>5.5</b>	<b>0.7</b>	<b>1.8</b>	<b>2.9</b>
Credit system	0.1	0.3	1.5	0.3	0.5	0.7
Other resident sectors	2.8	2.7	4.0	0.4	1.4	2.2
<b>Loans</b>	<b>3.1</b>	<b>4.8</b>	<b>4.3</b>	<b>0.7</b>	<b>1.2</b>	<b>2.4</b>
General government	0.1	0.0	0.0	0.0	0.1	-0.1
Other resident sectors	2.9	4.8	4.3	0.8	1.1	2.5
<b>Other, net (c)</b>	<b>-0.6</b>	<b>-1.0</b>	<b>-0.2</b>	<b>0.1</b>	<b>-0.6</b>	<b>0.3</b>

Source: Banco de España.

(a) Annual GDP has been used to obtain the figures as a % of GDP.

(b) Cumulative data to Q3.

(c) Includes the asset-side caption reflecting insurance technical reserves.

financial private sector obtained a significant volume of financing in Q3, part of which enabled the acquisition of mobile telephone licences in Europe to be financed.

The only information available on Q4 is the October balance of payments data. These indicate that the flows of direct and portfolio investment in external assets held at high levels, as did non-residents' purchases of Spanish government debt. There were also capital inflows in the form of some significant stock market acqui-

sitions, as well as in the form of direct investment (other equity).

The negative balance of the financial transactions of the Spanish economy with the rest of the world in the first three quarters of 2000 helped to increase the net external debit position (see Table 8). The sectors that saw an increase in their net debit position in this period were general government (almost 3 GDP percentage points) and credit institutions (almost 4 GDP percentage points). By contrast, institu-

tional investors continued to increase their net holdings of foreign assets.

Some conclusions can be drawn regarding the nature of the process of internationalisation of Spanish financial flows on the basis of the trends in the positions of the various sectors vis-à-vis the rest of the world. Spanish households are channelling a progressively larger part of their savings abroad, through institutional investors. This is occurring while their sav-

ings are declining and the net borrowing of corporations increasing. In these circumstances, the Spanish economy clearly requires a significant flow of financing, which can only come from abroad. This external saving is mainly being channelled through credit institutions and purchases by non-residents of securities issued by general government.

26.1.2001.

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# Results of non-financial corporations in 1999 and the first three quarters of 2000 (1)

## 1. INTRODUCTION

As is customary in late November, the Banco de España presents here the results of the Central Balance Sheet Office Annual Survey (CBA) for the previous year (1999 in this instance), and those of the Central Balance Sheet Office Quarterly Survey (CBQ) for the first three quarters of the current year. The data now available for 1999 broadly confirm the initial results obtained by the CBQ, which were published in the April 2000 *Economic Bulletin*. Specifically, these showed that, during 1999, the companies reporting to the Central Balance Sheet Office continued on the expansionary path they had embarked on in 1996, based on healthy domestic consumption and on the progressive pick-up in exports, which became particularly patent in the final quarter of the year. That said, the decline in prices in those industries progressively opening up to competition, combined with the increase in the prices of certain inputs, led the nominal growth of value added in 1999 to moderate in relation to the previous years. It should be noted that all the Central Balance Sheet Office variables are defined in nominal terms, which prevents distinguishing the price component from the real component. The gradual acceleration in activity observed over the course of the second half of 1999 meant that the year 2000 began against a backdrop of relative confidence, especially in manufacturing in the light of the recovery in foreign activity. There was, however, some uncertainty over the upward course of crude oil prices. As a result, the opening months of 2000 saw notable growth in productive activity, with gross value added (GVA) increasing at a far higher rate than a year earlier owing to the resilience of domestic and foreign demand. Nonetheless, the data for 2000 Q3 show signs of a slowdown in activity compared with the two preceding quarters, though these are not discernible in the nominal change in the GVA of the CBQ corporations taken as a whole, owing

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(1) The information in this article relates to the 6014 corporations which voluntarily sent their data to the Central Balance Sheet Office (the CBA survey) in the ten months to 31 October 2000, and to the 774 corporations which, on average, sent their data to the Central Balance Sheet Office (the CBQ survey) in the period to 17 November 2000. The corporations reporting to the CBA account for 27.1 % of total activity in the sector non-financial corporations (measured in terms of gross value added), while the coverage is 14.7 % in the case of the CBQ. There is a lag of 11 months in the publication of the CBA data (which are prepared on the basis of full, detailed profit and loss accounts and balance sheets) with respect to the cut-off date for the accounts, a lag which falls to three months in the case of the CBQ data (which are prepared on the basis of estimates of the most significant captions).

TABLE 1

**Profit and loss account. Year-on-year performance  
(Growth rates of the corporations on the same period a year earlier/  
% of GVA at factor cost in the case of the net profit)**

Databases	CBA		CBQ		
	1998	1999	99 Q1-Q4/ 98 Q1-Q4 (a)	99 Q1-Q3 (a)	00 Q1-Q3 (a)
Number of corporations / Total national coverage	7646 / 32.2 %	6014 / 27.1 %	877 / 16.5 %	890 / 17.0 %	774 / 14.7 %
1. VALUE OF OUTPUT (including subsidies)	6.4	8.6	9.7	7.8	23.3
Of which:					
1. Net amount of turnover and other operating income	7.2	10.1	10.6	8.8	23.8
2. INPUTS (including taxes)	6.1	11.2	14.9	12.2	33.1
Of which:					
1. Net purchases	3.3	13.3	18.5	14.0	42.3
2. Other operating costs	11.2	10.2	10.7	10.8	11.3
S.1. GROSS VALUE ADDED AT FACTOR COST	7.0	3.7	1.9	1.7	8.0
3. Personnel costs	5.6	5.1	2.3	1.4	5.4
S.2. GROSS OPERATING RESULT	8.6	2.2	1.6	1.9	9.8
4. Financial revenue	9.9	10.2 (b)	32.1 (b)	36.8 (b)	46.9 (b)
5. Financial costs	-7.5	-2.7 (b)	-8.2 (b)	-11.0 (b)	20.1 (b)
6. Corporate income tax	23.4	10.5	19.8 (b)	17.2 (b)	23.3 (b)
S.3. FUNDS GENERATED FROM OPERATIONS	10.7	3.0	5.7	5.6	13.0
7. Depreciation and provisions	20.3	-1.7	6.7	6.0	5.5
S.4. TOTAL NET PROFIT (% of GVA at factor cost)	15.0	15.1	20.9	24.6	32.1
<b>PROFITABILITY RATIOS</b>					
R.1 Ordinary return on net assets (before taxes)	8.3	7.6	8.5	8.7	9.6
R.2 Interest on borrowed funds/ interest-bearing borrowing	5.7	5.1	5.2	5.2	5.5
R.3 Ordinary return on equity (before taxes)	9.7	9.1	10.3	10.7	11.9
R.4 Financial leverage (R.1 - R.2)	2.6	2.5	3.2	3.5	4.1
R.5 Debt ratio	39.9	43.7	42.4	41.8	41.9

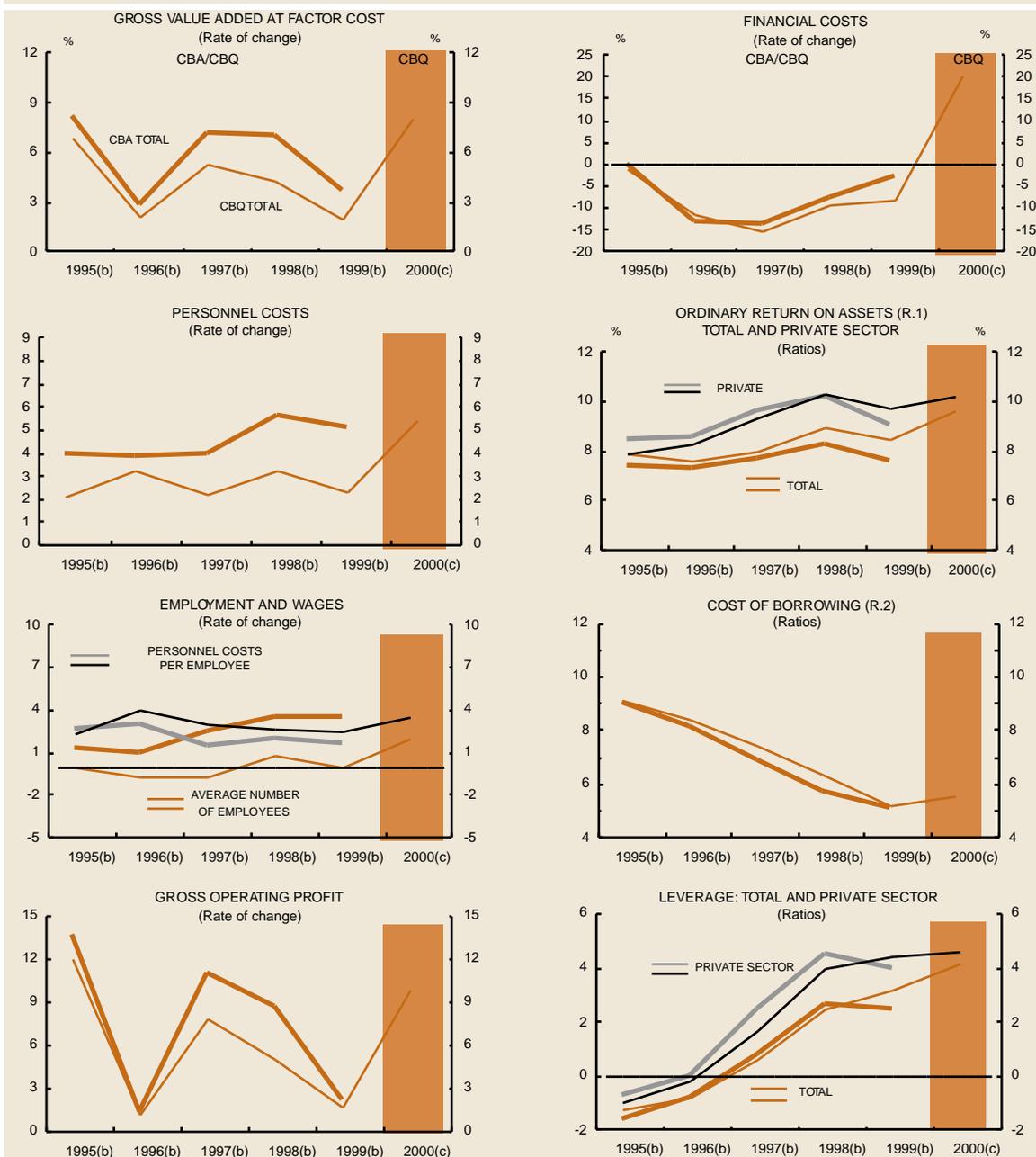
Source: Banco de España.

(a) All the data in this column have been calculated as the arithmetic mean of the quarterly data.

(b) Adjusted for one-off operations.

CHART 1

Non-financial corporations reporting to the Central Balance Sheet Office (a)



NUMBER OF CORPORATIONS

CBA	8,127	8,032	8,049	7,646	6,014	
CBQ	722	725	722	834	877	774
% OF GDP OF THE SECTOR NON-FINANCIAL CORPORATIONS						
CBA	34.4	34.2	33.7	32.2	27.1	
CBQ	19.7	18.2	17.6	15.9	16.5	14.7

NUMBER OF CORPORATIONS

CBA	8,127	8,032	8,049	7,646	6,014	
CBQ	722	725	722	834	877	774
% OF GDP OF THE SECTOR NON-FINANCIAL CORPORATIONS						
CBA	34.4	34.2	33.7	32.2	27.1	
CBQ	19.7	18.2	17.6	15.9	16.5	14.7

— CBA data.

— CBQ data.

Source: Banco de España.

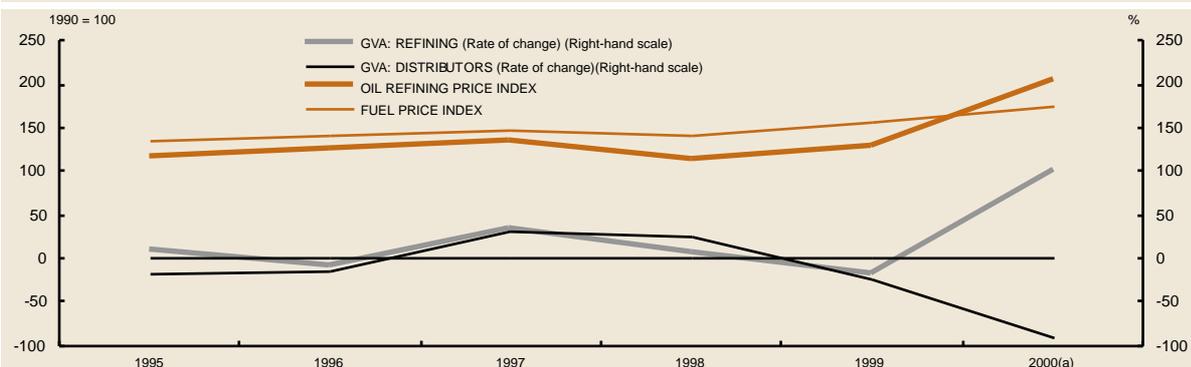
(a) Information available to 17 November 2000 (CBA and CBQ).

(b) The 1995, 1996, 1997, 1998 and 1999 data are based on information from the corporations included in the annual survey (CBA) and the average of the four quarters of each year in relation to the previous year (CBQ).

(c) Average of the first three quarters of 2000 in relation to the same period in 1999.

CHART 2

## Effect of crude oil prices on value added



Sources: Banco de España and INE.

(a) Average of the first three quarters of 2000.

to the influence exerted here by the high growth rate of the oil refining corporations' GVA. Thus, in the first nine months of the year 2000 under analysis, GVA grew by 8 %, six percentage points up on the same period a year earlier (see Table 1). However, if the oil refining industries were stripped out of this total, the quarterly growth for the whole sample would fall by three points and, moreover, it would show a gradual deceleration (the growth rates of this aggregate in relation to the same period in 1999 are 6.2 %, 5.2 % and 4.2 % in Q1, Q2 and Q3, respectively).

The fact that productive activity held at a favourable level both in 1999 and, especially, in the first nine months of 2000, also explains the sizeable and continuous increases in employment throughout the period. Nonetheless, the effects of labour shedding in certain sectors of activity continued to be present in the rates relating to the total aggregate of corporations in the survey, particularly those sectors undergoing far-reaching changes arising from restructuring processes brought about by the liberalisation of markets, which distorts the rate of job creation for the CBQ group of corporations downwards. In step with the growth of employment, personnel costs increased notably in 1999 and 2000. The annual data for 1999 show greater growth than that projected previously by the CBQ survey, owing to the fact that the annual database – which is used to prepare the data for 1999 – includes small and medium-sized corporations, and it is these whose workforces and, in parallel, whose personnel costs are most growing. Average employee compensation in 1999 held at a moderate growth rate of 1.6 %, showing that new staff are paid below-

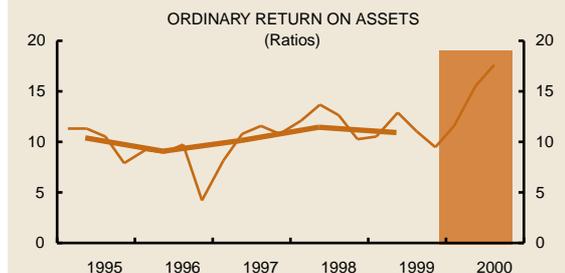
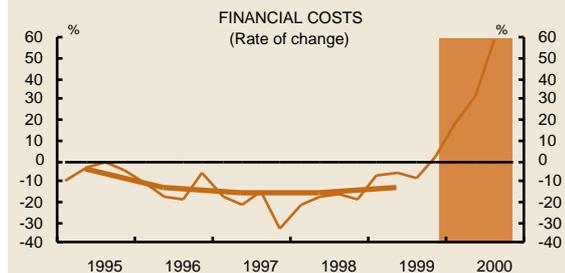
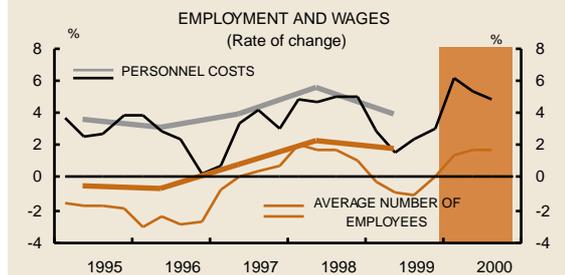
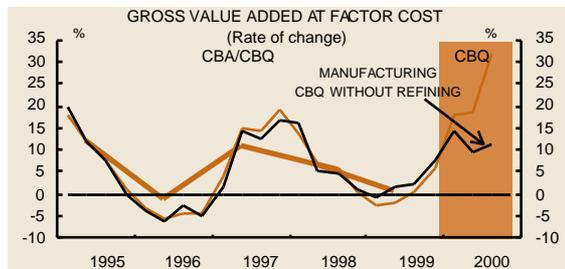
average wages. However, there was a rise in average compensation in the first nine months of 2000, no doubt influenced by wage settlements under collective bargaining agreements against a background of higher inflation. Evidently, this increase in labour costs, together with the possible pass-through of a portion of higher fuel prices, entails a risk for the competitiveness of industries exposed to foreign markets. Job creation in the first three quarters of 2000 was in line with developments in productive activity, although the profile of the employment series reveals something of a slowdown in Q3.

Gross operating profit, or the operating margin, grew by 2.2 % in 1999 and by 9.8 % in the first three quarters of 2000, thanks to the strong recovery in manufacturing and in particular, for the reasons already mentioned, to the growth of the oil refining corporations. The fall in interest rates in previous periods continued to be passed through to the corporations during 1999, which was reflected in an ongoing decline in financial costs. However, the 2000 data show a change in the trend of these costs, with an increase of 20.1 %, basically due to greater recourse by the corporations to the financial markets to obtain funds and to the increase in the cost of borrowing in 2000, which rose from 5.2 % at end-1999 to 5.8 % in Q3. That said, the cost of borrowing remained low, and this, together with the high returns that continued to be earned (9.6 % on net assets and 11.9 % on equity), enabled leverage ratios to hold at high positive levels, both in 1999 and during the first three quarters of 2000, which is very favourable for investment.

Analysis of the manufacturing sector

As is customary in these quarterly articles, this box specifically studies the manufacturing sector, owing to its weight, its representativeness within the sample and its interest from the viewpoint of short-term economic analysis. During 1999, the productive activity of the aggregate of manufacturing corporations was virtually stagnant, with GVA growth of 0.6 %, compared to 6.6 % in 1998. The rate was affected by two factors: the downturn in foreign activity, from which the sector only began to emerge in the latter part of the year; and the sharp contraction of margins among the refining corporations (referred to several times in the article). The result was that GVA, in nominal terms, remained practically unchanged at its 1998 level. In 2000, the situation changed significantly. First, the recovery in foreign activity, which, as seen, began in the second half of 1999, explains why the productive activity of the manufacturing corporations increased in all sub-sectors. Second, in the refining industry gross value added grew strongly (at rates that are completely unprecedented in the time series, which date back to 1993). The main body of the article offers some additional remarks on this phenomenon. Finally, the combination of these two effects produced 22.7 % growth in manufacturing, in the first three quarters of 2000. However, the analysis of the quarterly series, for the various different manufacturing sub-sectors, shows that some of them have seen a slowdown in their output growth, and in the case of manufacture of transport material there was even a reduction in GVA in Q3. In step with these developments, 1999 saw a more moderate rise in employment in manufacturing than in 1998 (1.8 %, as against 2.2 %). The rate of 1.6 % calculated for this aggregate of corporations in the first three quarters of 2000 is highly positive, since it should be compared with that obtained in the same period of 1999 for the CBQ sample of corporations (-0.8 %). As commented, the quarterly sample generates less employment, since it does not include so many small and medium-sized corporations as the annual sample. The average compensation paid in 1999 by manufacturing corporations grew by 1.8 %, against the average rate of 3.6 % recorded in the first three quarters of 2000. There seems to have been an upward correction to the wages in these industries in parallel with the rise in prices. Financial costs, following a number years of continuous decline, began to grow in 2000, at a rate of 35.9 % over the first nine months, basically due to the effect of new investment and not the level of interest rates. Also, given its limited weight in the profit and loss account, the importance of this expenditure in total corporate costs remained very low. This change of trend in financial costs occurred as a result of both the rises in interest rates and the greater recourse by the corporations to external financing, given the favourable conditions still offered on the market, despite the increases in rates. These developments meant that, while funds generated fell by 3.2 % in 1999, in the first three quarters of 2000 the rate became very strongly positive (30.7 %). Likewise, ordinary rates of return held in 1999 at a high level (the rate of return on net assets stood at 10.7 %), albeit below the 1998 level (11.2 %). In the first nine months of 2000, in line with the expansion of activity and the generation of funds and profits (with the short-term impact of the profits of the refining corporations), rates of return grew considerably, with that on net assets reaching 14.6 %. As for the cost of borrowing, despite the rise in 2000, it remained at a very favourable level for the corporations, especially when compared with the rates of return mentioned above (the cost of borrowing rose from 4.4 % in 1999 to 5.7 % in the first nine months of 2000). This enabled the leverage of the manufacturing sector to remain positive and well-above zero, both in 1999 (6.3) and in the first nine months of 2000, when it reached 8.9 (an exceptionally high level, distorted upwards by the special situation of the refining corporations).

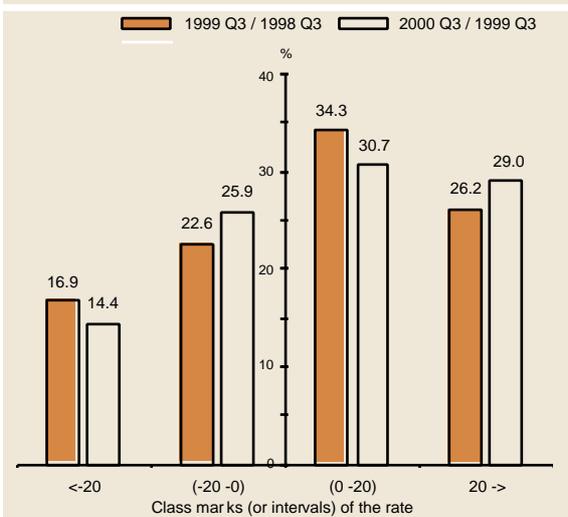
Performance of the manufacturing corporations reporting to the Central Balance Sheet Office (a)



NUMBER OF CORPORATIONS	
CBA	3,264   3,231   3,348   3,091   2,447
CBQ	
% OF GDP OF THE MANUFACTURING SECTOR	
CBA	40.0   38.9   40.3   43.0   30.1
CBQ	

— CBA data.  
 — CBQ data.  
 Source: Banco de España.  
 (a) Information available to 17 November 2000 (CBA and CBQ). The CBQ data are growth rates on the same quarter of the previous year.

CHART 3

**Distribution of corporations by rate of change in GVA at factor cost (99 Q3/98 Q3 and 00 Q3/99 Q3)**

Source: Banco de España.

In short, after 1999, a year of more moderate growth in activity than in the preceding period, and even of some stagnation in manufacturing, the first half of 2000 saw activity resume a strongly expansionary path, which only in Q3 showed signs of falling off somewhat. This change in trend has not affected the rates of return reported by the corporations, which remain high.

## 2. ACTIVITY

Table 1 and Chart 1 indicate that, according to the CBA data for 1999, the GVA of the sample corporations continued to increase, consolidating the path embarked upon in mid-1996, although at a more moderate rate than in previous years. This slowdown was mainly a consequence of the slackness discernible in manufacturing as a whole, which was affected primarily by the negative performance of its foreign activity in the first half of 1999. The pick-up in foreign activity from the final quarter of 1999 and very positive sustained rates of growth of domestic demand explain why the year 2000 opened more favourably, with the CBQ recording GVA growth of 8 % in the first three quarters, compared with a CBA rate of 3.7 % for 1999. However, it should be taken into account that the contribution of the oil-refining industry to this nominal change of 8 % in 2000 amounts to 2.9 percentage points, as a consequence of the strong impact of the increase in prices on the nominal growth of its value added.

As already mentioned, the accounting information available does not enable that part of the increase in the GVA of the refining industries in 2000 which is attributable to the oil price increases being passed through to the firms marketing oil (unlike the policy in 1999) to be clearly distinguished. Chart 2 depicts the GVA and prices (according to Central Balance Sheet Office data) of the corporations refining oil and of those marketing fuels up to and during the year 2000, showing how their behaviour has differed. Notable is the rise in the GVA of the refining corporations in 2000, as a consequence of their passing on of higher crude oil prices, in contrast to the fall in that of the marketing corporations, which have not fully passed on their higher input prices.

Leaving aside the discussion of the fuel refining industries, in the first three quarters of 2000 there was a certain slowdown in activity, comparing with the same period a year earlier, which was most evident in Q3, doubtless attributable to the recent trend in domestic demand. The growth rate of the GVA of all the firms, excluding the refining sector, was 5.2 % in the period since the beginning of 2000, i.e. practically twice the rate in the same period a year earlier. Analysis of the other productive sectors (manufacturing as a whole is analysed in Box 1) shows that the significant growth in activity in the wholesale and retail trade up to end-1999, consistent with the trend in domestic consumption, seems to have been interrupted in 2000, although the performance of this sector is affected by the price of refined oil and fuel, in the same way that activity in the manufacturing sector is affected by crude oil prices. Evidence of this is the fact that, when corporations marketing fuel are excluded from the wholesale and retail trade sector, its rate of growth rises from -1.3 % to 12.3 %. In the first three quarters of 2000, as in 1999, the sectors "electricity, gas and water supply" and "transport and communication" recorded increases in activity, falling prices and narrowing margins. This was the result of their being opened up to competition, which also explains their moderate increases in GVA (5.3 % and 0.5 %, respectively).

Finally, Chart 3 shows the distribution of the corporations by their GVA growth rates, without taking into account their size and weight in the sample. Comparing the annual growth in 2000 Q3 with that of the same period of 1999, there was a reduction in the percentage of firms posting GVA growth. However, there was a certain increase in the segment of corporations with rates above 20 %, reflecting the strength of the expansion in the first half.

## The results of small corporations

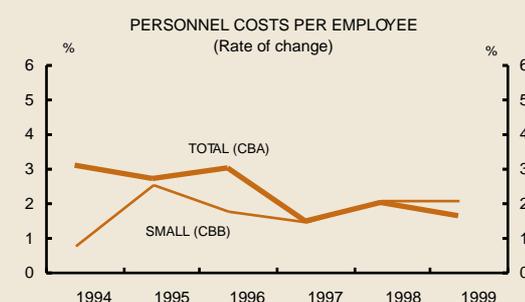
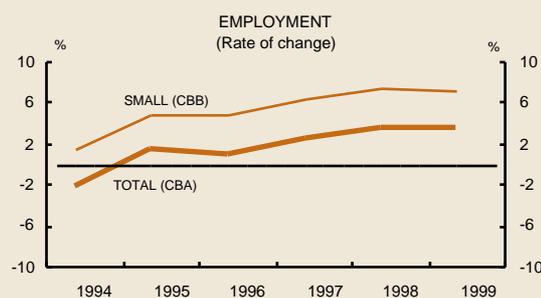
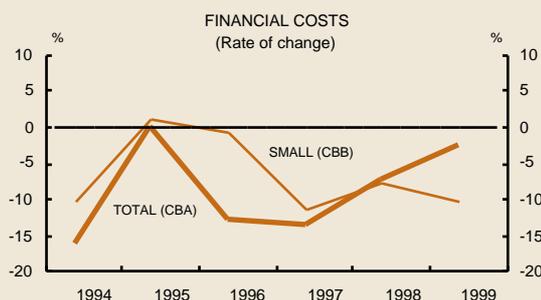
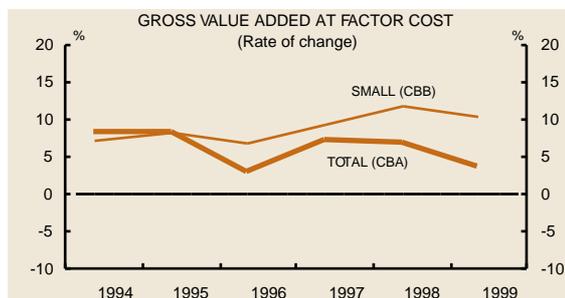
This box summarises the main features characterising the performance of small Spanish corporations in 1999. The analysis is based on the Central Balance Sheet Office database containing the information provided by the Mercantile Registries (CBBE/RM). Although this information is not as detailed as the CBA annual database, the large number of corporations included in the sample means that conclusions can be drawn on the main magnitudes of the aggregate profit and loss account, and also that certain basic details of the balance sheet can be analysed. As at the closing date of this article, in mid-November 2000, 1998 data were available for 238,552 corporations (representing 12 % of the GVA of non-financial corporations) and 1999 data for 40,290 corporations (representing 2.1 % of such GVA). As can be seen in the adjoining charts, the CBB data display similar profiles to the CBA data, although the trends of the main aggregates are more pronounced.

As regards activity, the performance of small corporations was positive in 1999, with GVA growth of 10.2 %. Although slightly down on the 11.8 % rate recorded in 1998, this growth confirms that the economy was also highly buoyant in the sector of small and medium-sized corporations. All the major sectors displayed similar behaviour to the aggregate, i.e. notable growth in GVA in 1999, albeit below 1998 levels. The only exception to this pattern was construction, which posted higher GVA growth in 1999 than in 1998.

In line with the expansion of activity, personnel costs also rose considerably, basically due to the clear increases in employment recorded by small corporations on aggregate since 1994. Employment grew at a rate of 7.1 % in 1999, very similar to the 7.5 % rate recorded in 1998. The across-the-board nature of this process of employment creation, clearly reflected in all sectors, is confirmed by the fact that 35.1 % of the sample corporations analysed created employment, the highest proportion since 1991. Personnel costs in terms of wages and salaries grew by 2.3 %. This was a moderate rate, when the rise in inflation in 1999 is taken into account, probably affected by the lower cost of newly hired staff. As regards sectors, average wages and salaries grew more moderately in those in which employment rose most forcefully, confirming the above comment about the effect of newly hired staff on average personal costs.

As a consequence of the expansion of activity, gross operating profit also increased at a brisk rate, although more moderately than in 1998 (9.7 % in 1999, against 13.8 % in 1998). Meanwhile, financial costs remained on a declining path, falling by 10.5 %. Their relative weight in the profit and loss account dropped to the extent that they only represented 1.6 % of total output, a historic low for this series. The result of all this, as well as of sustained growth in other costs and revenue, was growth of 10.9 % on the previous year in funds generated, and a total net profit in 1999 equal to 13.2 % of GVA, an all-time high in the series for this aggregate studied by the Central Balance Sheet Office. This whole scenario involved the generation of a very satisfactory ordinary return on equity (the only rate of return calculated in a comparable manner as for the CBA). At 11.7 % this was even higher than the 11.2 % obtained in 1998. Hotels and restaurants and the wholesale and retail trade stand out among the various sectors as those in which returns grew most in comparison with 1998, although all sectors without exception obtained very positive rates of return in 1999.

In conclusion, the analysis of small corporations confirms the healthy situation of the Spanish economy. The expansion of productive activity and employment has extended to corporations of all sizes and to all sectors of activity. The healthy overall situation in 1998 of corporations with less than 50 employees was consolidated in 1999.



		NUMBER OF CORPORATIONS (a)					
CBA		7,857	8,127	8,032	8,049	7,646	6,014
CBB (b)		48,499	130,789	173,590	223,506	238,552	40,290
		% OF GDP OF THE SECTOR NON-FINANCIAL CORPORATIONS					
CBA		35.1	34.4	34.2	33.7	32.2	27.1
CBB (b)		3.0	7.0	8.9	10.9	12.0	2.1

— CBA data.  
 — CBBE/RM or CBB data.  
 Corporations with fewer than 50 employees.

Source: Banco de España.

(a) Information available to 17 November 2000 (CBA and CBB).

(b) The data for the Employment and Personnel costs per employee charts relate to the sub-set of corporations with consistent employment data (50% of the total of CBB).

TABLE 2.a

**Value added, employees, personnel costs and compensation per employee  
Breakdown by size, ownership status and main activity of corporations  
(Growth rates of the same corporations on the same period a year earlier)**

	Gross value added at factor cost				Employees (average for period)				Personnel costs				Compensation per employee			
	CBA	CBQ			CBA	CBQ			CBA	CBQ			CBA	CBQ		
	1999	99 Q1- Q4 (a)	99 Q1- Q3 (a)	00 Q1- Q3 (a)	1999	99 Q1- Q4 (a)	99 Q1- Q3 (a)	00 Q1- Q3 (a)	1999	99 Q1- Q4 (a)	99 Q1- Q3 (a)	00 Q1- Q3 (a)	1999	99 Q1- Q4 (a)	00 Q1- Q3 (a)	00 Q1- Q3 (a)
<b>Total</b>	<b>3.7</b>	<b>1.9</b>	<b>1.7</b>	<b>8.0</b>	<b>3.5</b>	<b>-0.1</b>	<b>-0.3</b>	<b>2.0</b>	<b>5.1</b>	<b>2.3</b>	<b>1.4</b>	<b>5.4</b>	<b>1.6</b>	<b>2.4</b>	<b>1.8</b>	<b>3.4</b>
<b>Total, excluding electricity</b>	<b>3.7</b>	<b>1.2</b>	<b>1.0</b>	<b>8.7</b>	<b>3.9</b>	<b>0.6</b>	<b>0.4</b>	<b>2.7</b>	<b>5.7</b>	<b>3.0</b>	<b>2.3</b>	<b>6.6</b>	<b>1.8</b>	<b>2.5</b>	<b>2.0</b>	<b>3.7</b>
SIZE:																
Small	9.9	—	—	—	5.8	—	—	—	7.3	—	—	—	1.4	—	—	—
Medium	10.6	5.9	6.8	11.1	7.9	4.1	3.6	4.5	9.0	5.8	5.3	8.1	1.1	1.7	1.7	3.4
Large	2.7	1.7	1.4	7.7	2.6	-0.5	-0.7	1.7	4.5	2.0	1.1	5.1	1.8	2.6	1.8	3.4
STATUS:																
Public-sector	0.3	0.8	0.3	9.4	0.5	0.7	0.9	0.7	4.6	4.9	4.6	6.5	4.0	4.1	3.6	5.8
Private-sector	4.2	2.2	2.0	7.6	4.3	-0.4	-0.8	2.3	5.2	1.4	0.3	5.0	1.0	1.8	1.1	2.6
BREAKDOWN OF ACTIVITIES BEST REPRESENTED IN THE SAMPLE:																
Manufacturing	0.6	0.4	-1.4	22.7	1.8	-0.6	-0.8	1.6	3.8	2.5	2.3	5.5	2.0	3.0	3.0	3.8
Electricity, gas and water supply	4.0	4.8	4.3	5.7	-5.9	-7.3	-7.9	-6.0	-3.6	-3.4	-5.9	-3.6	2.4	4.2	2.3	2.5
Wholesale and retail trade	11.4	6.9	9.3	-1.3	6.8	6.4	5.9	7.9	9.3	7.7	7.1	9.1	2.3	1.2	1.1	1.1
Transport, storage and communications	0.4	-1.7	-1.4	0.5	-1.8	-4.5	-4.4	-2.9	2.8	0.1	-1.3	3.7	4.7	4.8	3.3	6.8

Source: Banco de España.

(a) All the data in these columns have been calculated as the arithmetic mean of the quarterly data.

### 3. EMPLOYMENT AND PERSONNEL COSTS

Employment continued to grow in the Spanish economy in step with activity during the period analysed, rising by 3.5 % in 1999 and by 2 % in the first three quarters of 2000. The significance of the CBQ figure should be stressed, since the related CBA figures are always better. This is because the CBA sample includes many more smaller corporations which, owing to their dynamism, contribute very positively to employment creation (2). In the case of the annual database, moreover, the 1999 figures show net

employment growth for the fifth year running, with a progressive improvement in permanent employment, which rose by 2.6 %, following a 3.2 % rise in 1998. Temporary employment, meanwhile, continued to grow at a higher rate than permanent in 1999 (6.9 %, against the above-mentioned 2.6 % rate). Developments in the first three quarters of 2000 continued to be affected by the oft-mentioned persistence of certain one-off adjustments in very specific corporations and sectors (undergoing reorganisation or liberalisation) which, being quantitatively very significant, distort the CBQ data downwards. Specifically, the restructuring processes mentioned are concentrated in the electricity, gas and water supply and transport and communication sectors. If the corporations referred to were removed from the sample, employment

(2) Box 2 gives further details of the behaviour of small corporations, obtained from the sample of firms that file their accounts at the Mercantile Registries (CBBE-RM).

growth would be even more notable. Table 2.a shows that merely removing the electricity sector from the sample increases the growth rate to 2.7 % in 2000. Employment in manufacturing, meanwhile, in step with the more muted growth in its activity grew by 1.8 % in 1999, a positive rate but down on 1988. The vigorous expansion of activity in this sector in the first three quarters of 2000 was naturally accompanied by an acceleration in the rate of employment creation. According to the CBQ this rate rose to 1.6 %, from -0.6 % in 1999. Of the sectors shown in Table 2.a, which are the most significant in the CBQ, wholesale and retail trade was the one in which employment grew most vigorously (7.9 % in the first nine months of 2000, as against 5.9 % in the same period of 1999), despite the slowdown in consumption in 2000 Q3 referred to above. Personnel costs rose by 5.1 % in 1999, almost the same rate as in the first three quarters of 2000 (5.4 %). This outturn was strongly governed by the employment creation recorded in the period analysed.

Average compensation (personnel costs per worker) grew by 1.6 % in 1999, slightly down on the 2 % rate of 1998, and also less than the 3.4 % rate recorded in 2000 to date. The greater moderation in 1999 was influenced by the differences in wages between newly hired and existing staff, as can be seen in Table 2.b, and as discussed below. The data for the year 2000 reflect an upward correction, arising from the incorporation of the rise in inflation into the wage settlements under the various collective agreements. By sector, as explained for the whole of the sample, those sectors with the largest increases in employment (wholesale and retail trade and construction in 1999, together with money factoring in 2000) are also the ones that display more moderate growth in average compensation.

Table 2.b confirms the above comments on employment. It can be seen that the 495 corporations that increased their workforces did so at a rate of 11.5 %, with a notable increase in permanent employment (9.4 %). By contrast, among those that destroyed employment (279), the decline was 10.6 %. As for average compensation, it continued to rise more slowly among the corporations creating employment, although the gap with those reducing their workforces narrowed to 0.3 percentage points. This is explained by the upward wage pressures associated with the rises in inflation, which offset the effect on compensation of newly hired workers, and also by the fact that the costs associated with dismissals are largely covered by provi-

TABLE 2.b  
**Employment and personnel costs**  
**Detail according to changes in staff levels**

	Corporations		
	Total CBQ corporations 2000 Q1-Q3	increasing (or not changing) staff levels	Corporations reducing staff levels
<b>No. of corporations</b>	<b>774</b>	<b>495</b>	<b>279</b>
<b>Personnel costs</b>			
Initial situation 1999 Q1-Q3 (EUR million)	13,398.9	6,942.9	6,456.0
Rate 00 Q1-Q3/99 Q1-Q3	5.4	16.3	-6.4
<b>Average compensation</b>			
Initial situation Q1-III 1999 (EUR)	26,369	23,941	29,480
Rate 00 Q1-Q3/99 Q1-Q3	3.4	4.3	4.6
<b>Number of employees</b>			
Initial situation 1999 Q1-Q3 (000s)	509	290	219
Rate 00 Q1-Q3/99 Q1-Q3	2.0	11.5	-10.6
<b>Permanent</b>			
Initial situation 1999 Q1-Q3 (000s)	434	229	205
Rate 00 Q1-Q3/99 Q1-Q3	0.4	9.4	-9.7
<b>Non-permanent</b>			
Initial situation 1999 Q1-Q3 (000s)	75	61	14
Rate 00 Q1-Q3/99 Q1-Q3	11.1	19.3	-23.9

Source: Banco de España.

sions, which means that the rate of compensation for the corporations reducing their workforces is considerably understated.

Finally, Table 4 shows that the percentage of corporations in which employment rose increased in 1999 (almost 77 % of the corporations, as against 74.2 % in 1998), for the third year running. The CBQ results for the first three quarters of 2000 show a very similar situation in 2000 Q3 and in 1999 (around 62 % in both cases), although it should be noted that in the first two quarters of 2000 this same percentage had been close to 65 %. Meanwhile, the percentage of corporations in which the growth of average compensation exceeded inflation increased significantly (52.1 % of the sample corporations in 2000 Q3, as against 45.9 % in the same quarter of 1999), despite the increase in the rate of inflation. This could have an adverse impact on employment creation in the short and medium term.

#### 4. PROFITS, MARGINS AND RATES OF RETURN

As a result of the trends in activity and personnel costs, gross operating profit rose by 2.2 %, significantly down on the 8.6 % rate in

TABLE 3

**Purchases and turnover of corporations reporting data on purchasing sources and sales destinations  
Structure**

	CBA		CBQ	
	1998	1999	99 Q1-Q4 (a)	00 Q1-Q3 (a)
<b>Total corporations</b>	<b>7,646</b>	<b>6,014</b>	<b>877</b>	<b>774</b>
Corporations reporting source/destination	7,646	6,014	823	739
	%	%	%	%
<b>Net purchases</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
SOURCE OF PURCHASES:				
Spain	66.3	64.4	74.2	70.3
Total abroad	33.7	35.6	25.8	29.7
<i>EU countries</i>	23.3	23.4	16.3	14.9
<i>Third countries</i>	10.4	12.2	9.5	14.8
<b>Net turnover</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
SALES DESTINATIONS:				
Spain	80.4	80.8	89.2	85.8
Total abroad	19.6	19.2	10.8	14.2
<i>EU countries</i>	14.6	14.3	7.5	9.3
<i>Third countries</i>	5.0	4.9	3.3	5.0

Source: Banco de España.

(a) All the data in these columns have been calculated as the arithmetic mean of the relevant quarters, including the figure for the total number of corporations.

1998. In the first nine months of 2000, this surplus (which measures the operating margins, i.e. those which remunerate the assets invested and, inter alia, provide funds for internal financing of investment) returned to rates of growth in line with the trend in GVA, reaching 9.8 % for the period mentioned. Financial costs, which continued to fall in 1999 owing to the successive reductions in interest rates (3), began to in-

crease in the first three quarters of 2000, following six years of continuous reductions in the profit and loss accounts of non-financial corporations. The rise in financial costs in the first nine months of 2000 of 20.1 % basically stems from the greater recourse to external sources of financing, since the change owing to the rate of interest is still small. Specifically:

	00 Q1-Q3/99 Q1-Q3
<b>Change in financial costs</b>	<b>+20.1 %</b>
A. <i>Interest on borrowed funds (1+2)</i>	+19.1 %
Due to the cost (interest rate)	+5.8 %
Due to the amount of interest-bearing debt	+13.3 %
B. <i>Commissions and cash discounts</i>	+1.0 %

(3) In the annual monograph of the Central Balance Sheet Office (available in Spanish only), the profit and loss account in absolute terms show an increase in financial costs in 1999. However, this rise was due to the operations of just two large national corporations, which reorganised the structure of their corporate groups, creating new subsidiaries and increasing financial interdependence within the group. The current flows arising from these operations, that are unprecedented in the time series, have been adjusted for the sole purposes of calculating the rates of change, so that they reflect more accurately the behaviour of Spanish corporations as a whole.

This table confirms that the increase in financial costs stems from two sources. On one hand, it is explained by the increase in interest

## Structure of the profit and loss account

The CBQ quarterly questionnaire is made up of 23 different profit and loss account captions, compared with the 94 requested in the annual questionnaire (CBA). A summary presentation of the profit and loss account, like that in Table 1, is appropriate for this article, due to the differences in detail of the information and the need to link the two sources. The object of this box is to show, by presenting the structure of the profit and loss account that, for the 6,014 corporations which had, at the time of writing, responded to the CBA, the weight in this account of the captions which have been omitted (those preceded by the letters a, b, c and d) in order to enable this link to be made is not significant, and that in no case does their absence preclude or distort the analysis and comparisons made.

Although full details of these captions can be found in the Central Balance Sheet Office annual monograph, it is perhaps worth detailing the contents of two of them here. The first is caption "c. Other income included in funds generated", which basically comprises extraordinary profits/losses, capitalised interest and other revaluations, and ordinary provisions for liabilities and charges. The other is caption "d. Other income not included in funds generated", which includes capital gains and losses, income and expenses relating to other years and deferred profits.

## Structure of the profit and loss account

Number of corporations / Total national coverage		6014 / 27.1 %
YEAR		1999
1.	VALUE OF OUTPUT (including subsidies)	100,0
1.	1. Net amount of turnover and other operating income	122,4
a.	a. Other items	-22,4
2.	INPUTS (including taxes)	67,2
1.	1. Net purchases	42,5
2.	2. Other operating costs	25,3
b.	b. Other items	-0,5
S.1.	GROSS VALUE ADDED AT FACTOR COST (1 - 2)	32,8
3.	3. Personnel costs	17,0
S.2.	GROSS OPERATING RESULT (S.1 - 3)	15,8
4.	4. Financial revenue	3,1
5.	5. Financial costs	3,1
6.	6. Corporate income tax	2,0
c.	c. Other income included in funds generated	-0,1
S.3.	FUNDS GENERATED FROM OPERATIONS (S.2 + 4 - 5 - 6 + c)	13,7
7.	7. Depreciation and provisions	11,4
d.	d. Other income not included in funds generated	2,7
S.4.	TOTAL NET RESULT (S.3 - 7 + d)	5,0
e.	e. Proposed distribution of dividends	3,1
f.	f. Retained earnings	1,9
	Memorandum item:	
S.5.	SELF-FINANCING (S.3 - e + f + 7 - d)	10,7

TABLE 4

**Personnel costs, employees and average compensation  
% of corporations in specific situations**

	CBA		CBQ			
	1998	1999	98 Q1-Q4 (a)	99 Q1-Q4 (a)	99 Q3	00 Q3
<b>Number of corporations</b>	<b>7,646</b>	<b>6,014</b>	<b>834</b>	<b>877</b>	<b>869</b>	<b>531</b>
<b>Personnel costs</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Falling	21.3	21.5	27.7	30.1	31.1	24.8
Constant or rising	78.7	78.5	72.3	69.9	68.9	75.2
<b>Average number of employees</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Falling	25.8	23.2	40.3	39.2	38.1	38.0
Constant or rising	74.2	76.8	59.7	60.8	61.9	62.0
<b>Average compensation (relative to inflation) (b)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Lower growth	40.7	52.7	42.7	48.9	54.1	47.9
Higher or same growth	59.3	47.3	57.3	51.1	45.9	52.1

Source: Banco de España.

(a) Arithmetic mean of the relevant quarters for each column.

(b) Twelve-month percentage change in the CPI.

rates, and on the other, by the increase in the recourse to external sources of financing for new investment. Despite the rise in the cost of borrowing, the market continues to offer very favourable financial conditions when the cost incurred is compared with the return on other financial assets.

The increase in financial costs in the first three quarters of 2000 did not affect the growth of funds generated, which rose by 13 % in this period, following more moderate growth in 1999, in line with the trend in activity that year. In any event, it should be noted that, after six years of constant decline, the relative importance of financial costs in the profit and loss account has declined (in 1993 they represented 7.6 % of the value of output and in 2000 Q3 just 3.4 %), so that increases in financial costs have a smaller impact on the funds generated by the corporations. By sector (see Table 5), notable were the sharp increases in funds generated in manufacturing, with growth of 34.1 % in the first

nine months of 2000, and the deterioration in those generated in wholesale and retail trade. After several years of significant growth, funds generated in the latter sector fell in the first three quarters of 2000 by -12.9 %, a rate which, as mentioned in the section on activity, is basically determined by the adverse trend in the operating surplus of corporations marketing fuel.

Ordinary returns (both on net assets and on equity) held at sustained levels in 1999, in line with productive activity, although they were slightly lower than in 1998, rising again in the first nine months of 2000. This rise took place across all sectors of activity, with the exception of wholesale and retail trade, for the reasons mentioned above. In the first three quarters of 2000 the ordinary return on net assets stood at 9.6 %, while the annual figure for 1999 was 7.6 %. The cost of borrowing, after reaching a new low in 1999 of 5.1 %, rose slightly to stand in the first nine months of 2000 at 5.5 %. In

TABLE 5

**Gross operating profit, funds generated, ordinary return on assets and leverage**  
**Breakdown size, ownership status and main activity of corporations**  
**(Ratios and growth rates of the same corporations on the same period a year earlier)**

	Gross operating result				Funds generated				Return on assets (R. 1) (a)				Leverage (a)			
	CBA	CBQ			CBA	CBQ			CBA	CBQ			CBA	CBQ		
	1999	99 Q1-Q4 (a)	99 Q1-Q3 (a)	00 Q1-Q3 (a)	1999	99 Q1-Q4 (a)	99 Q1-Q3 (a)	00 Q1-Q3 (a)	1999	99 Q1-Q4 (a)	99 Q1-Q3 (a)	00 Q1-Q3 (a)	1999	99 Q1-Q4 (a)	99 Q1-Q3 (a)	00 Q1-Q3 (a)
<b>Total</b>	<b>2.2</b>	<b>1.6</b>	<b>1.9</b>	<b>9.8</b>	<b>3.0</b>	<b>5.7</b>	<b>5.6</b>	<b>13.0</b>	<b>7.6</b>	<b>8.5</b>	<b>8.7</b>	<b>9.6</b>	<b>2.5</b>	<b>3.2</b>	<b>3.5</b>	<b>4.1</b>
<b>Total, excluding electricity</b>	<b>1.0</b>	<b>-0.8</b>	<b>-0.3</b>	<b>10.6</b>	<b>2.8</b>	<b>6.8</b>	<b>5.1</b>	<b>15.6</b>	<b>7.7</b>	<b>8.5</b>	<b>8.8</b>	<b>10.7</b>	<b>2.4</b>	<b>3.0</b>	<b>3.3</b>	<b>4.8</b>
<b>SIZE:</b>																
Small	14.4	—	—	—	16.7	—	—	—	10.2	—	—	—	4.7	—	—	—
Medium	12.6	5.9	9.1	15.0	15.9	12.1	9.1	16.3	11.1	10.4	10.9	13.1	6.6	5.8	6.4	7.7
Large	0.9	1.4	1.6	9.6	1.5	5.5	5.5	12.8	7.3	8.4	8.6	9.5	2.2	3.1	3.4	3.9
<b>STATUS:</b>																
Public-sector	-14.3	-7.4	-7.8	14.8	9.4	5.5	4.1	10.7	1.6	3.4	3.7	6.3	-3.9	-1.8	-1.4	1.0
Private-sector	3.4	2.7	3.1	9.3	2.6	5.7	5.8	13.5	9.0	9.7	10.0	10.2	4.0	4.4	4.8	4.6
<b>BREAKDOWN OF ACTIVITIES BEST REPRESENTED IN THE SAMPLE:</b>																
Manufacturing industries	-3.4	-1.8	-5.7	43.8	-3.2	1.3	0.5	34.1	10.7	11.1	11.6	14.9	6.3	6.3	6.9	9.2
Electricity, gas and water supply	6.4	7.5	7.7	8.3	3.6	3.7	7.6	8.0	7.2	8.4	8.6	7.9	2.9	3.7	4.0	2.8
Wholesale and retail trade	14.3	6.6	13.1	-13.7	12.7	10.3	14.9	-12.9	11.9	11.0	11.7	8.4	7.9	6.2	7.0	3.9
Transport, storage and communications	-1.5	-3.0	-1.3	-1.5	2.4	2.4	-1.3	-4.2	6.4	6.4	6.6	10.5	0.1	0.5	0.7	3.9

Source: Banco de España.

(a) All the data in these columns have been calculated as the arithmetic mean of the quarterly data.

view of the high rates of return in the two periods analysed, neither of these rates was an obstacle to high positive levels of leverage being recorded once again. This is the best indication that Spanish corporations are still experiencing a cyclical boom, and that conditions remain conducive to new investment and employment growth, in spite of the slowdown in productive activity discerned in 2000 Q3.

Finally, Table 6 shows the distribution of the corporations by their rates of profitability, irrespective of their size and status. In 2000 Q3 the situation was similar to that existing a year earlier. The only significant difference was a slight shift towards higher levels of profitability (45.3 % of the corporations obtained returns on net assets of over 10 %, as against 44.2 % in

1999). In short, 1999 was a year of sustained growth for the corporations, although it was more moderate than in 1998, with a progressive recovery in manufacturing and rising inflation, as a result of the sharp increase in oil prices. In 2000, the favourable expectations resulted in a strong expansion in all areas (activity, employment and returns), with a resumption of the strong growth in the economy that began in 1996. However, the persistence of rising oil prices, the increase in the inflation rate and the expansion of wage costs may begin to affect the excellent business conditions. In any event, if all the agents involved act prudently when taking decisions, the contraction should not involve more than a slight cyclical slowdown, from which business may even emerge strengthened.

TABLE 6

**Structure of reporting corporations' ordinary returns  
on net assets and on equity**

	CBQ			
	Ordinary return on net assets (R. 1)		Ordinary return on equity (R.3)	
	99 Q3	00 Q3	99 Q3	00 Q3
<b>Total corporations</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
R ≤ 0 %	22.9	22.5	25.5	24.8
0 % < R ≤ 5 %	17.6	16.5	14.3	14.0
5 % < R ≤ 10 %	15.4	15.7	10.8	10.9
10 % < R ≤ 15 %	12.6	14.2	10.3	11.9
15 % < R	31.6	31.1	39.1	38.4
<b>Number of corporations</b>	<b>869</b>	<b>531</b>	<b>869</b>	<b>531</b>
MEMORANDUM ITEM:				
Average return	<b>8.5</b>	<b>11.3</b>	<b>10.7</b>	<b>14.5</b>

Source: Banco de España.

## 5. INVESTMENT AND FINANCING

The above analysis of the 1999 data is based on Chapter II of the annual monograph of the Central Balance Sheet Office (available in Spanish only), supplemented by the CBQ data for the first three quarters of 2000, also based on tables with a particularly business-oriented presentation. However, there is another accounting approach, that of general economic analysis, as set out in Chapter III of the annual monograph, which enables balances and aggregates that are useful for macroeconomic analysis to be obtained. This is what Table 7 offers, with a summary of the capital and financial account, based on the CBA data for 1997 to 1999. Unlike the CBQ, the CBA data is sufficiently detailed to enable these accounts to be prepared.

In 1999, there was positive net lending overall by the corporations included in the CBA sample, for the fifth year running, although the total amount was very small (4). The strong

(4) Box 2 of the Central Balance Sheet Office annual monograph (available in Spanish only) gives some useful data on the number and sector of activity of the corporations created and wound up each year, as well as on the different structure and sign of the current and accumulation accounts of such corporations, with respect to those of existing corporations. This box shows how it is precisely the

generation of funds, with a substantial increase in gross saving, was sufficient to finance the investment made during the year, leaving practically zero net lending (0.2 %). However, it should be taken into account that there was a sharp rise in gross fixed capital formation in 1999, to 25.2 % of GVA, the highest percentage since 1995. As regards net financial transactions, the table shows the importance in 1999 of the acquisition of shares and other equity, a substantial part of which took place in foreign markets. In 1999, the large national corporations undertook concentration and group reorganisation operations without precedent in the time series. This was because the restructuring of the electricity sector, in compliance with the legal requirement to separate the activities of electricity generation, distribution and marketing, coincided with other operations for internal reorganisation and to acquire foreign subsidiaries. The latter, aimed basically at increasing the Spanish presence in Latin American

newly created corporations that record significant net borrowing (as a result of the large investment needed to start up the corporation and the absence of entrepreneurial income and gross saving during the first year of its life). This phenomenon means that the existence of net borrowing for the aggregate obtained by the system of national accounts for the sector non-financial corporations is compatible with the existence of net lending (practically zero in 1999) by the corporations of the CBA sample (mainly generated by the large national corporations).

TABLE 7

**Capital and financial flows**  
**(Structure: GVA at basic prices = 100)**

Databases	% of GVA at basic prices		
	1997	1998	1999
Number of corporations / Total national coverage (a)	8049/33.7%	7646/32.2%	6014/27.1%
Year	1997	1998	1999
1. Capital resources	28.8	31.9	32.2
1. Gross saving	28.1	29.9	30.6
2. Net capital transfers	0.6	2.0	1.6
2. Uses of capital	25.0	25.5	32.0
1. Gross capital formation	23.9	24.1	30.7
1. Gross fixed capital formation	20.2	20.4	25.2
2. Change in stocks	3.7	3.7	5.5
2. Other uses of capital	1.1	1.4	1.3
3. Net lending (+), borrowing (-) (1- 2.1 - 2.2 = -4)	3.8	6.4	0.2
4. Net liabilities incurred minus net financial assets acquired	-3.8	-6.4	-0.2
1. Debt securities issued	-1.4	-2.6	4.0
2. Equity	0.0	-0.6	-24.2
3. Credit from credit institutions	6.4	4.5	3.6
4. Credit from rest of the world	-0.2	4.2	11.1
5. Credit from other resident sectors	-1.1	-5.2	-1.4
6. Insurance technical reserves: pension funds	0.6	-0.1	0.8
7. Trade credit and other liabilities net of other assets	-8.1	-6.6	6.0
<b>MEMORANDUM ITEM:</b>			
Investment in tangible fixed assets (b)	9.9	10.2	11.7
Source: Banco de España.			
(a) Measured in relation to the gross value added at basic prices of the sector Non-financial corporations.			
(b) With respect to net tangible fixed assets at the start of the year. This ratio, calculated within the conceptual scope of business accounting is obtained from the subset of corporations with more than 100 employees.			

markets, mainly affected telecommunications and manufacturing corporations, with those of the refining sector being particularly important, in quantitative terms. At the same time and for the same reason, loans vis-à-vis the rest of the world expanded rapidly in the corporations analysed.

The overall situation described above – even with the slowdown discerned in 2000 Q3 – characterised by strong growth of activity, earnings or funds and employment, together with sustained high levels of profitability and of posi-

tive leverage, explains the phenomenon described above of reorganisation and international expansion of Spanish corporations (in which the former state-owned monopolies and corporations in the deregulated sectors are playing a prominent role). This change of conduct also shows the maturity of the Spanish economy, with patterns of behaviour similar to those of the major economies and the desire of national corporations to exploit their natural advantages in the process of globalisation.

21.11.2000.

## Financial regulation: 2000 Q4

### 1. INTRODUCTION

During the fourth quarter of the year 2000, more financial provisions were issued than in previous periods.

First, a so-called reimbursement scheme has been introduced into TARGET (1) for situations in which some incident prevents complete processing of payment orders introduced by participants, and certain provisions of the law governing the Banco de España Settlement Service (SLBE) have been updated.

As regards credit institutions, the remaining provisions of Directive 97/5/EC of the European Parliament and of the Council (2), relating to bank transfers, have been transposed into Spanish law, with the establishment of minimum publicity obligations that credit institutions making credit transfers between Member States of the European Union (EU) must comply with.

In the field of public debt, the special procedures for paying interest on State debt have been extended to debt issued by the regional (autonomous) governments and local authorities, whenever certain requirements are complied with.

With regard to the National Electronic Clearing System (SNCE) all documents capable of being processed in the System have been incorporated. The only ones excluded, for operational or technical reasons, are specified in its Operating Instructions.

In the Community sphere, the publication of four provisions should be noted. The first two relate to electronic money, extending the definition of credit institutions to include electronic money institutions (EMIs), and establishing a legal framework for these institutions, which specifies their legal status, the conditions for taking up their business and their prudential supervision. The other two provisions have been published as a consequence of the adoption of the euro by Greece. The Council Regulation on the introduction of the euro has been amended to include Greece, and the minimum reserves system has been extended to cover credit institutions located in Greece and the branches in Greece of credit institutions.

(1) Trans-European Automated Real-Time Gross settlement Express Transfer (TARGET) is an EU general inter-bank payments system, which connects the various real time gross settlement systems and the payments mechanism of the ECB via the Interlinking mechanism.

(2) See «Regulación financiera: primer trimestre de 1997», in *Boletín Económico*, Banco de España, April 1997, p. 117.

As for cross-border transactions, three instruments should be noted. The first amends the procedure for reporting to the Banco de España financial or commercial foreign loan transactions and transactions involving the setting off of credits and debits with non-residents, laying down threshold amounts for the reporting obligation. The second revises the information that must be sent to the Banco de España by residents holding accounts with bank branches operating abroad, or who collect receipts from or make payments to non-resident entities that are settled through accounts with non-resident entities. Finally, certain provisions of the law on foreign economic transactions are updated.

Certain aspects of the legal regime for foreign-currency bureaux have been developed and publicity and transparency obligations have been laid down for foreign exchange and travellers cheque sale and purchase transactions carried out by such proprietors, in order to ensure an adequate level of information and customer protection.

Finally, as usual in this period, the State budget is discussed, for the year 2001. It maintains the austerity, the deficit control and the budget discipline initiated in previous years. The budget law, as in previous years, was accompanied by the adoption of a number of fiscal, administrative and social measures to facilitate the achievement of economic policy goals.

## **2. TARGET MODIFIED: REIMBURSEMENT SCHEME AND OTHER CHANGES TO THE LAW GOVERNING THE BANCO DE ESPAÑA SETTLEMENT SERVICE**

One of the consequences of the integration of the Banco de España into the ESCB, was the application of harmonised procedures, together with the national central banks of the euro area countries, in accordance with the operational requirements of the ECB. These new requirements, ranging from the implementation of monetary policy to the operation of the TARGET system, via market opening and closing procedures and related activities, will apply to the activities of the Banco de España carried out within a common framework. Another consequence of this integration was the adaptation, through CBE (Banco de España Circular) 11/1998 of 23 December 1998, of the organisation and operation of the then STMD (Money-Market Telephone Service) to the new obligations assumed by the Banco de España as a result of the implementation of the TARGET system, which are set out in the Guideline of the ECB of 16 November 1998. The name of the STMD was changed to SLBE (Banco de Es-

paña Settlement Service) and any reference to it in then current legislation was to be taken as a reference to the new name.

*CBE 8/2000 of 22 December 2000* has recently been published in order to transpose into Spanish law the Guideline of the ECB of 3 October 2000 (ECB/2000/9), which replaces the Guideline of the ECB of 16 November 1998. The main change made by this Guideline is the establishment of a so-called reimbursement scheme.

This scheme is intended for situations in which there may be a malfunctioning of TARGET preventing complete processing of payment orders entered into the system. In such situations, the ESCB and the other central banks participating in TARGET undertake to reimburse the institutions concerned with certain amounts based on the difference between the interest rate applied for the use of standing facilities and the main refinancing operations rate. Participants may opt at any time to reject the arrangements of the scheme and any reimbursement payment and to seek any other legal means that may be available to them for compensation of damages.

The reimbursement scheme shall be applied when the malfunctioning of TARGET affects domestic and cross-border payments simultaneously. When it only has consequences for domestic payments, the Banco de España shall apply the appropriate rules under current legislation. Also, this scheme only applies to sending and receiving participants, who have had to resort, as a consequence of the malfunctioning of TARGET, to marginal lending or deposit facilities.

Finally, the Circular takes the opportunity to make certain amendments to update CBE 5/1990 of 28 March 1990, with respect to the institutions belonging to the SLBE (formerly, STMD), and also makes certain changes to CBE 11/1998 of 23 December 1998, in relation to intraday credit (3). In particular, credit institutions and the Spanish branches of foreign credit institutions that are not eligible counterparties to the Eurosystem for monetary policy operations or are not authorised to use the marginal lending facility and which fail to repay intraday cre-

3. Intraday credit is granted by the Banco de España to participants, following the provision by the latter of adequate collateral during a particular daily session of the SLBE. Such financing shall necessarily be repaid during the course of the day, whether by payment of sufficient cash or via the marginal lending facility regulated in the general clauses applicable to Banco de España monetary policy operations and implementing provisions.

dit by the end of the day, shall pay interest, calculated in accordance with the terms of CBE 11/1998.

### 3. CROSS-BORDER CREDIT TRANSFERS

Directive 97/5/EC of the European Parliament and of the Council of 27 January 1997 on cross-border credit transfers, laid down the basic rules for individuals and businesses (especially small and medium-sized businesses) to be able to make credit transfers through credit institutions from one part of the Community to another rapidly, reliably and cheaply. It established both the minimum requirements to ensure an adequate level of customer information, and the minimum obligations of institutions when executing such credit transfers in accordance with the customer's instructions. Also, the EU Member States had to transpose into their domestic law the provisions of the Directive by 14 August 1999. Spain partially complied with this mandate by means of Law 9/1999 of 12 April 1999, which regulated the legal system for credit transfers between EU Member States, introducing into Spanish law the provisions of Directive 97/5/EC which required the status of statute. The *Ministerial Order of 16 November 2000* (BOE of 25 November 2000) has recently transposed into Spanish law the other provisions of the Directive and has also developed certain specific aspects of Law 9/1999.

First, the Order lays down some transparency obligations that must be complied with by credit institutions that perform credit transfers between EU Member States. After notification of the Banco de España, a number of general conditions applicable to such transfers must be made public, including notably the following: the maximum time needed in business days for the funds to be credited to the account of the beneficiary; their cost in terms of the commissions and expenses charged to the customer for the transfers ordered and received; in the case of receipt of a transfer the maximum time for the funds credited to the account of the institution to be credited to the account of the customer beneficiary which shall be agreed beforehand with the originator, or otherwise one banking business day; the exchange rates used for conversion in the case of transfers that are to be paid in a different currency from that in which the funds were delivered, and the complaints and redress procedures offered to customers. Such conditions shall be made public in writing, in a readily comprehensible form and shall be included in the tariff brochure. Also, they must be made available to actual and prospective customers in electronic format

(e.g. by Internet) when the institution offers electronic operations.

These obligations are extended to cover the proprietors of currency-exchange bureaux, provided the operation carried out by the latter has the purpose of crediting a sum of money to an account held at a credit institution where it is accessible to the beneficiary. However, such proprietors are exempted from the obligation to set a maximum period within which to make the funds received via a transfer available to the beneficiary. They are also required to maintain exclusive bank accounts for the management of credit transfers and to avoid confusion as to the identity or responsibility of the proprietor with whom the customer contracts the operation when the latter is associated with networks or international organisations.

Both credit institutions and the proprietors of currency exchange establishments shall provide their customers, unless they expressly forgo their rights in this respect, with information on the settlement of all transfer operations ordered or paid to beneficiaries. This information shall be given in writing, be clear, specific and readily comprehensible, and must contain at least the following: a reference number allowing the transfer to be identified; the amount of the transfer; all the expenses and commissions payable by the customer, and if applicable, the valuation date applied.

An obligation is also established to supply customers, at their request when the institution accepts the operation, with a written offer setting out the specific conditions applicable to the transfer. These shall include the time needed to execute the operation, the charges payable by the originator and, where appropriate, by the beneficiary.

The obligations to publish information and deliver the settlement document are extended to cover those cross-border transfers that do not fall under the scope of application of Law 9/1999. Third-party civil liability insurance for currency-exchange bureaux that manage cross-border transfers is also regulated.

For the purposes of Law 9/1999 a banking business day is defined as a twenty-four hour period during which the institution is open for business. For this definition the locality or localities in which the various different periods set by the Law must be calculated are taken into account, as well as the working calendar.

Finally, the Banco de España is enabled to issue specific regulations for the implementation and enforcement of this Order.

#### 4. PROCEDURES FOR THE PAYMENT OF INTEREST ON STATE DEBT EXTENDED TO DEBT ISSUED BY REGIONAL (AUTONOMOUS) AND LOCAL GOVERNMENTS

Special procedures have been established in recent years for the payment of interest on State debt registered in the Book-Entry System. Legislation waived the obligation to withhold interest on public debt for particular categories of investor and certain yields, but similar procedures were not established for debt issued by regional (autonomous) and local governments, despite the fact that this debt enjoys the same benefits and conditions as State debt.

Law 31/1990 of 27 December 1990 on the State budget for 1991 and Law 17/1991 of 27 May 1991 on urgent fiscal measures, exempted interest received by non-residents without a permanent establishment in Spain from taxation, except where it is obtained through countries or territories classified as tax havens, and Royal Decree 1285/1991 of 2 August 1991 established the appropriate special procedure for the payment of interest. Likewise, Royal Decree 537/1997 of 14 April 1997, which approved the Corporate Income Tax Regulation, exempted interest on public debt received by certain categories of resident institutions from withholding tax, and the Ministerial Order of 20 April 1988 established the relevant procedure for paying interest for the said institutions, following a similar system to that established for non-residents. Finally, Royal Decree 326/1999 of 26 February 1999, which approved the Regulation on the Income Tax for non-residents, submitted the income obtained by non-residents through a permanent establishment to the same withholding system as applicable to payers of corporate income tax.

*Royal Decree 1948/2000 of 1 December 2000* (BOE of 19 December 2000) now extends the special procedures for payment of interest on State debt to the debt issued by regional (autonomous) and local governments (4), provided that this debt fulfils the following requirements:

- a) It is registered in the Book-Entry System.
- b) The issuing regional (autonomous) or local government has signed an agreement with the Banco de España whereby the service

(4) Notwithstanding the special tax arrangements in force in the Basque Country and Navarre.

of refunding amounts withheld from coupon payments shall be provided by the Banco de España.

#### 5. NATIONAL ELECTRONIC CLEARING SYSTEM: NEW DOCUMENTS INCORPORATED

Royal Decree 1369/1987 of 18 September 1987 (5), the Ministerial Order of 29 February 1988 (6) and CBE 8/1988 of 14 June 1988 (7), regulated the structure and operation of the National Electronic Clearing System (SNCE), consisting of the National Exchange System (SNI) and the National Settlement System (SNL). Later, the CBE 11/1990 of 6 November 1990 (8) laid down the operating rules for the general subsystem for current-account cheques and promissory notes, regulated in SNCE Rule-004 (hereinafter SNCE-004), incorporated in the SNI. Subsequently, CBE 1/1998 of 27 January 1998 (9), published the operating rules for the new general subsystem for commercial bills, also incorporated in the SNI (regulated in SNCE Rule-07).

Specifically, CBE 11/1990 and CBE 1/1998 excluded the presentation through these subsystems of documents whose maturity date was more than 90 calendar days before their clearing date. Also, CBE 1/1998 excluded from the general subsystem for commercial bills, *inter alia*, bills issued before 1 January 1986 that might be subject to a protest before a Notary Public.

Having overcome the technical and operating difficulties that prevented their processing in the SNCE, *CBE 9/2000 of 22 December 2000* (BOE of 29 December 2000) has incorporated all the documents capable of being processed in the SNCE. The only documents excluded are those which, for operational or technical reasons, are specified in the Operating Instructions.

(5) See «Regulación financiera: cuarto trimestre de 1987», in *Boletín Económico*, Banco de España, January 1988, p. 51

(6) See «Regulación financiera: primer trimestre de 1988», in *Boletín Económico*, Banco de España, April 1988, p. 65.

(7) See «Regulación financiera: segundo trimestre de 1988», in *Boletín Económico*, Banco de España, July-August 1988, p. 79.

(8) This Circular was amended by CBE 5/1991 of 26 July 1991, CBE 1/1995 of 30 June 1995, CBE 2/1998 of 27 January 1998 and CBE 9/1998 of 30 October 1998, so as to incorporate the clearing of new documents and means of payment into this subsystem.

(9) See «Financial regulation: first quarter of 1998», in *Economic Bulletin*, Banco de España, April 1998, p. 104.

## 6. EUROPEAN DIRECTIVE RELATING TO THE TAKING UP AND PURSUIT OF THE BUSINESS OF ELECTRONIC MONEY INSTITUTIONS

Directive 2000/12/EC of the European Parliament and of the Council, of 20 March 2000 (OJ of 26 May 2000) combined in a single text a number of directives relating to credit institutions, for reasons of clarity and rationality.

Meanwhile, the electronic money disseminated by credit institutions has rapidly gained broad acceptance in Spain as a retail payment instrument, since it enables monetary value to be stored on an electronic device in the hands of the consumer. Against this background, the European Community has considered it desirable to provide a regulatory framework that assists electronic money in delivering its full potential benefits and that avoids hampering technological innovation in particular.

To this end, *Directive 2000/28/EC of the European Parliament and of the Council of 18 September 2000* (OJ of 27 October 2000) has been published. It amends Directive 2000/12/EC in order to promote harmonious development of the activities of credit institutions, in particular as regards the issuance of electronic money, widening the definition of credit institutions to include electronic money institutions (EMIs).

*Directive 2000/46/EC of the European Parliament and of the Council of 18 September 2000* (OJ of 27 October 2000) was published at the same time. This directive provides the appropriate measures necessary to coordinate and harmonise Member States' laws, regulations and administrative provisions relating to the taking up, pursuit and prudential supervision of the business of electronic money institutions (10).

For the purposes of this Directive, electronic money can be considered an electronic surrogate for coins and banknotes, representing a claim on the issuer, stored on an electronic device, issued on receipt of funds of an amount not less in value than the monetary value is-

(10) The approach adopted is appropriate to achieve only the essential harmonisation necessary and sufficient to secure the mutual recognition of authorisation and prudential supervision of electronic money institutions, making possible the granting of a single licence recognised throughout the Community and designed to ensure bearer confidence and the application of the principle of home Member State prudential supervision.

sued, and accepted as means of payment by undertakings other than the issuer. A distinctive feature of transactions carried out with electronic money is that it does not necessarily involve the existence of a bank account, since it operates as a prepaid bearer instrument.

The main features of the new legal regime for EMIs are as follows:

### 6.1. Initial capital and ongoing own funds requirements

EMIs shall have an initial capital of not less than EUR 1 million and, at all times, own funds which are equal to or above 2 % of the higher of the current amount or the average of the preceding six months' total amount of their financial liabilities related to outstanding electronic money.

### 6.2. Restriction of activities and investments

Besides the issuing of electronic money, EMIs may carry on other activities which are restricted in this Directive to the following:

- a) The provision of closely related financial and non-financial services such as the administering of electronic money by the performance of operational and other ancillary functions related to its issuance, and the issuing and administering of other means of payment but excluding the granting of any form of credit;
- b) The storing of data on the electronic device on behalf of other undertakings or public institutions.

As regards their investments, EMIs shall not have any holdings in other undertakings except where these undertakings perform operational or other ancillary functions related to electronic money issued or distributed by the institution concerned.

At the same time, EMIs shall have investments of an amount of no less than their financial liabilities related to outstanding electronic money in the following assets only: asset items which are sufficiently liquid and attract a zero credit risk weighting pursuant to Articles 43 and 44 of Directive 2000/12/EC (e.g. public debt); sight deposits held with zone A credit institutions (as defined in Directive 2000/12/EC); and debt instruments which are sufficiently liquid and fulfil certain other requirements set out in Directive 2000/46/EC. Sight deposits and debt

instruments shall not exceed 20 times the own funds of the EMI concerned.

### 6.3. Other requirements

EMIs shall have sound and prudent management, administrative and accounting procedures and adequate internal control mechanisms. These should respond to the financial and non-financial risks to which the institution is exposed including technical and procedural risks as well as risks connected to its cooperation with any undertaking performing operational or other ancillary functions related to its business activities.

The competent authorities shall, at least twice a year, check compliance with the initial capital and ongoing own funds requirements, as well as with the limits for investments. Also, Member States shall prohibit persons or undertakings that are not credit institutions from carrying on the business of issuing electronic money.

### 6.4. Redeemability

A bearer of electronic money may, during the period of validity, ask the issuer to redeem it at par value in coins and bank notes or by a transfer to an account free of charges other than those strictly necessary to carry out that operation. The conditions of redemption shall be clearly stated in the contract between the issuer and the bearer, which may stipulate a minimum threshold for redemption. The threshold may not exceed EUR 10.

### 6.5. Waiver

Member States may allow their competent authorities to waive the application of some or all of the provisions of this Directive and the application of Directive 2000/12/EC to electronic money institutions when the electronic storage device is subject to a maximum storage amount of not more than EUR 150 and one of the following conditions is met: a) the total amount of financial liabilities relating to outstanding electronic money does not normally exceed EUR 5 million and never exceeds EUR 6 million; b) the electronic money is accepted as a means of payment only by the corporate group to which the EMI belongs; or c) the electronic money is accepted in limited local areas or only by a limited number of undertakings that have a close financial or business relationship with the EMI, such as a common marketing or distribution scheme. EMIs that are granted a waiver shall not benefit from the mutual recognition arrangements.

Member States shall require that all electronic money institutions granted a waiver report periodically on their activities including the total amount of financial liabilities related to electronic money.

Finally, the Member States shall transpose the provisions of Directive 2000/28/EC and Directive 2000/46/EC into their national law by 27 April 2002, immediately informing the Commission thereof.

## 7. COUNCIL REGULATION ON THE INTRODUCTION OF THE EURO AMENDED FOLLOWING THE ADOPTION OF THE EURO BY GREECE

Council Regulation 974/98 of 3 May 1998 provided for the substitution of the euro for the currencies of the Member States which fulfilled the necessary conditions for the adoption of the single currency at the time when the Community entered the third stage of economic and monetary union, on 1 January 1999. This Regulation also envisaged the possibility of other Member States adopting the euro at a later date.

Greece has now fulfilled the necessary conditions for the adoption of the single currency. Consequently, *Council Regulation (EC) No 2596/2000 of 27 November 2000* (OJ of 29 November 2000) has been published in order to amend Regulation 974/98 so as to make its provisions on the introduction of the euro applicable to Greece as from 1 January 2001.

## 8. EUROPEAN CENTRAL BANK: APPLICATION OF THE RESERVE RATIO FOLLOWING THE ADOPTION OF THE EURO BY GREECE

The Statute of the ESCB and of the ECB empowered the Governing Council of the ECB to define the mandatory reserve ratio applicable to the credit institutions of the Member States as from January 1999. The ECB submitted Recommendation 98/C 246/06 of 7 July 1998 for a Council Regulation concerning the application of minimum reserves to the Council of the European Union, which responded by adopting Council Regulation 2531/98 of 23 November 1998 (11). This Regulation laid down the general principles, the basic aspects and the limits to the ratio, which were subsequently implemen-

(11) See «Financial regulation: fourth quarter of 1998», in Economic Bulletin, Banco de España, January 1999, p. 78.

ted by Regulation 2818/1998 of the ECB of 1 December 1998 (12), amended by Regulation 1921/2000 of 31 August 2000, on the application of minimum reserves, to enter into force on 1 January 1999, coinciding with the start of the third stage of economic and monetary union.

The Statute of the ESCB and of the ECB likewise enabled the Council of the European Union to define various powers that the ECB must assume at the start of the new stage of EMU, which were developed by Council Regulation 2532/98 of 23 November 1998 concerning the powers of the ECB to impose sanctions, by Council Regulation 2533/98 of 23 November 1998 concerning the collection of statistical information by the ECB, and by ECB Regulation 2819/98 of 1 December 1998, amended by Regulation 1921/2000 of 31 August 2000 concerning the consolidated balance sheet of the monetary financial institutions sector.

With the introduction of the euro in Greece as of 1 January 2001, the minimum reserve system has been extended, by ECB Regulation 2548/2000 of 2 November 2000 (OJ of 18 November 2000), to cover credit institutions located in Greece and the branches in Greece of credit institutions. As of 1 January 2001 these institutions shall be obliged to hold minimum reserves, subject to a transitional maintenance period running from 1 to 23 January 2001.

## 9. FOREIGN LOANS, CREDIT AND SET-OFFS

A Ministerial Order of 27 December 1991 implementing Royal Decree 1816/1991 of 20 December 1991 laid down the obligation to report to the Banco de España both financial and commercial foreign loans received or extended by residents. The reporting procedure for trade credit on goods and services imports was stipulated by CBE 2/1992 of 15 January 1992, while CBE 23/1992 of 18 December 1992 regulated the procedure for reporting to the Banco de España operations involving obtaining and extending financial or commercial foreign loans, and the setting off of credits and debits with non-residents.

Since the entry into force of this latter Circular and in view of the time elapsed, there has been a notable increase in both the number and value of such transactions and it was deemed advisable to update its provisions by means of the publication of *CBE 6/2000 of 31 October 2000* (BOE of 17 November 2000). This Circu-

lar basically retains the same precepts as in CBE 23/1992, but sets certain quantitative limits below which it is not necessary to submit the declaration. Likewise, the Circular adapts the forms of and instructions for the declaration to current statistical reporting requirements. The following differences are detailed hereafter.

### 9.1. Loans and credit from non-residents to residents

As regards *financial loans and credit*, natural or legal persons resident in Spain (other than registered entities) obtaining financing from a non-resident, in whatever form, are obliged to report it whenever the amount of such financing is equal to or above EUR 3 million or the equivalent value in other currencies (previously all loans and credit had to be declared as there was no threshold amount).

The Banco de España will generally continue to assign a specific financial operation number (NOF by its Spanish name) (13) to each declaration. Likewise, registered entities, duly authorised by the Banco de España, may continue to assign the NOF for loans from non-residents whose amount is less than EUR 6 million or the equivalent value in other currencies (the previous limit was EUR 1.5 million) and provided that the lender is not a resident of territories or countries deemed to be tax havens under the terms of Royal Decree 1080/1991 of 5 July 1991.

As to *commercial credit*, residents obtaining credit facilities from a non-resident shall declare these to the Banco de España within one month from the date of receiving the credit, provided the amount thereof is equal to or greater than EUR 600,000 or the equivalent value in other currencies and the maturity is greater than one year in the case of goods and services import transactions (the amount was previously unlimited).

### 9.2. Loans and credit from residents to non-residents

This is similar to the previous case and the same thresholds below which there is no obligation to submit a declaration are established. Hence, as regards financial loans and credit, natural or legal persons resident in Spain (other than registered entities) that extend financing to

(12) See previous note.

(13) The financial transaction number (NOF) is used to record the consideration given and may act as a reference for any matter relating thereto.

non-residents, in whatever form, are obliged to declare it whenever the amount of such financing is equal to or greater than EUR 3 million or the equivalent value in other currencies (previously there was no threshold amount for the purposes of declaration).

Registered entities, duly authorised by the Banco de España, may continue to assign the NOF for loans to non-residents whose amount is less than EUR 6 million or the equivalent value in other currencies (the previous limit was EUR 1.5 million) and provided that the borrower is not a resident of territories or countries deemed to be tax havens under the terms of Royal Decree 1080/1991 of 5 July 1991.

As to *commercial credit*, residents extending credit facilities to a non-resident shall declare these to the Banco de España within one month from the date of the credit being received, provided the amount thereof is equal to or greater than EUR 600,000 or the equivalent value in other currencies and the maturity greater than one year in goods and services import transactions (the amount was previously unlimited).

### 9.3. Setting off of foreign receipts and payments

Natural or legal persons resident in Spain setting off receipts and payments with non-residents originating from transactions of whatsoever nature (whether financial or of goods or services) are obliged to declare them to the Banco de España within one month (previously there was no time limit).

Notwithstanding the foregoing, the Banco de España may require those natural or legal persons who had remained exempt from declaration, owing to the fact that the value of their operations did not exceed the above-mentioned amounts, to declare them if the aggregate amount of the operations exceeds the established limits.

## 10. RESIDENTS HOLDING BANK ACCOUNTS ABROAD

The above-mentioned Ministerial Order of 27 December 1991, which implemented Royal Decree 1816/1991 of 20 December 1991, allowed residents, inter alia, to open and hold accounts denominated in foreign currency and pesetas in bank branches operating abroad and to collect from and make payments to non-residents through crediting and debiting such accounts, but it obliged them to inform the Banco de España of the opening of and movements in such ac-

counts. Subsequently, CBE 24/1992 of 18 December 1992, regulated the information to be reported to the Banco de España by residents holding accounts opened in the branches of both registered entities and foreign credit institutions operating abroad, or conducting receipt or payment transactions and clearing mutual credits and debits with non-resident institutions settled via accounts with non-resident entities that are not credit institutions.

For the same reasons as CBE 6/2000, discussed in the previous section, CBE 7/2000 (BOE of 17 November) amending CBE 24/1992 has been enacted to raise the amounts below which declarations of transactions are not necessary or, if appropriate, where such declarations may be simplified, with the information retaining a sufficient degree of quality. The Circular also adapts the declaration forms and rules of procedure to current statistical reporting requirements.

In this respect, the amount above which holders of accounts abroad must submit a declaration to the Banco de España for receipts and payments via credits and debits in the accounts has been raised from EUR 300,506 (PTA 50 million) to EUR 3 million (PTA 499.2 million) or the equivalent value in other currencies. This shall continue to be done monthly. If in any one month, in the credits or debits in question, the aforementioned figure of EUR 3 million is reached (the previous limit was PTA 50 million or EUR 300,506), the monthly declaration submitted shall encompass the declarations not reported in the previous month or months.

Account holders exempt from reporting in a particular month in the year or in every month shall submit an annual declaration in the last month of the year containing the undeclared operations. Nonetheless, a change introduced here is that if neither the sum of debits or credits should have exceeded EUR 600,000 or the equivalent value in foreign currency during the year, the declaration shall only be sent to the Banco de España on the express requirement of the latter.

## 11. AMENDMENTS TO THE REGULATIONS ON FOREIGN ECONOMIC TRANSACTIONS

The Resolution dated 9 July 1996 issued by the Directorate General of Trade Policy and Foreign Investment implemented specific articles of the Ministerial Order of 27 December 1991 -amended by the Ministerial Order of 9 July 1996- on foreign economic transactions. There have since been regulatory

changes making it necessary to amend this Resolution, as has duly been the case with the *Resolution of 31 October 2000* (BOE of 22 November).

Firstly, the Resolution partly implements Law 9/1999, of 12 April 1999, on the legal regime for credit transfers between EU Member States, determining the procedure to be followed for credit transfers from EU Member States whose amount is between EUR 12,500 and EUR 50,000 (both inclusive). In this case, the resident recipient shall submit the declaration within fifteen calendar days from the date on which the account was credited. To this end, the registered entity shall communicate this crediting of account to the resident beneficiary forthwith, including the amount under a temporary heading and requiring of the beneficiary the related declaration of receipt. The beneficiary is warned that failure to submit this declaration within the period established shall entail disclosure thereof to the Directorate General of the Treasury and Financial Policy (formerly the Directorate General of Trade Policy and Foreign Investment).

Secondly, the Resolution provides for a procedure to formulate the declaration in the event of payments and receipts between residents and non-residents via the endorsement of commercial bills. To date, receipts and payments between residents and non-residents, along with transfers between them via registered entities, were subject to declaration by the resident collecting the receipts or making the payment or transfer. Specifically, if the receipts and payments were made via commercial bills or cheques, declaration was obligatory for the paying resident to whose account the bills or cheques were charged. But the same obligation was not envisaged for the resident when the initial draft was made out to another resident and the latter, in turn, endorsed it in favour of a non-resident. And nor was it foreseen were a non-resident to draw the bill in favour of another non-resident and if the same non-resident were to endorse it on account of a resident. However, in both cases the regulation obliges the endorsers of the trade bills or the cheques to submit the related declaration in the form and within the period envisaged in the Resolution, and this irrespective of whether the registered entities submit the appropriate notifications.

Finally, the threshold for the declaration of receipts, payments or credit transfers is obligatory has been raised, with the exemption ceiling set at EUR 12,500 or the equivalent value in pesetas, provided that partial payments are not involved.

## 12. IMPLEMENTATION OF THE LEGAL REGIME FOR CURRENCY-EXCHANGE BUREAUX

Law 13/1996, of 30 December 1996, on fiscal, administrative and social measures, which accompanied the 1997 Budget Law, pointed to the need to complete the regulation of establishments other than credit institutions open to the public for currency exchange (hereafter, currency-exchange bureaux) with more comprehensive legislation, similar to that in other European countries, regarding the persons who perform such operations, enabling the government to implement such legislation subsequently. This was done by Royal Decree 2660/1998 of 14 December 1998 (BOE of 15 December 1998), which regulates the activity of these establishments while giving due regard to free competition and proper safeguards for customers. As regards its scope of application, the activity of these currency-exchange bureaux, or whatever they may be called, was widened to include not only the exchange of currency (the purchase and sale of foreign banknotes) but also the management of credit transfers received from or sent abroad through credit institutions.

Recently, the Ministry of Economy and Finance, having been enabled by the above-mentioned Royal Decree, has enacted *Ministerial Order of 16 November 2000* (BOE of 25 November), regulating specific aspects of the regime for currency-exchange bureaux and implementing obligations as to the advertising and transparency of foreign currency and traveller's cheque sale/purchase transactions by these establishments, so as to ensure proper information and safeguards for customers.

With regard to own funds, the Ministerial Order states that the minimum capitalisation requirements detailed in Royal Decree 2660/1998 shall be deemed met if net worth reaches at all times the minimum amounts established. As to the registration of currency-exchange bureaux envisaged in the aforementioned Royal Decree, the Ministerial Order adds that, once establishment-proprietors receive certification from the Banco de España of the operations they are authorised to conduct, this should be made perfectly visible to the public in all premises where they engage in their activity. Moreover, the Order addresses the principle of freedom for authorised establishment-proprietors to open premises with the sole requirement that this be communicated to the Banco de España, following the procedure laid down by the latter. Also, in addition to the authorised operations, they may engage in those others which, in the

opinion of the Banco de España, supplement or complement the former operations.

Regarding the rules governing the advertising and transparency of operations, establishment-proprietors shall publicise, in the manner determined by the Banco de España, the exchange rates, commissions and expenses (minimum charges included) applicable to the sale and purchase of foreign currency notes and traveller's cheques. Likewise, they shall adopt the appropriate organisational measures when, in a single establishment, other activities are engaged in, so that customers may clearly identify the service-provider.

Certain special rules of conduct are also included for the proprietors of these establishments for the purposes of statistical and fiscal monitoring. Thus, the consignment and receipt of domestic and/or foreign currency coins must be routed via credit institutions or via other proprietors of currency-exchange bureaux abroad, in accordance with the procedure established by the Banco de España. Moreover, customers buying or selling foreign banknotes or traveller's cheques for an amount exceeding ESP 1 million (EUR 6,010) shall provide a signed statement, following the format established by the Banco de España, with data identifying the resident customer and, where appropriate, those of the non-resident from/to whom the funds in question were received/sent.

In addition, clarification is given of the powers of control and inspection assigned to the Banco de España by Royal Decree 2660/1998, regarding the activity of authorised establishments and the verification of the requirements made of them to obtain and retain such authorisation. These powers shall be exercised without prejudice to those attributed to the authorities responsible for money laundering or those powers which, in particular, in respect of proprietors authorised exclusively to purchase foreign banknotes, might correspond to other State or regional authorities entrusted with consumer protection responsibilities. It is likewise stipulated that the Banco de España Complaints Service shall be entrusted with receiving and processing complaints from customers of currency-exchange bureaux. The latter shall in turn inform the public, in the manner established, of the existence and functions of the aforementioned Service, and of the rules governing the transparency of operations with customers.

Lastly, regulations have been enacted governing the agents of currency-exchange bureau proprietors who act as legal representatives or proxies, habitually acting in the name or on the behalf of the bureau proprietor vis-à-vis cus-

tomers. Specifically, a list of agents and the scope of their representation shall be available to the general public in each establishment; agency contracts should be written agreements and the powers conferred legalised before a notary public and registered with the Mercantile Registry. Currency-exchange bureaux are forbidden to entrust agents with engaging in the buying/selling of foreign banknotes or traveller's cheques, or the direct depositing by customers in their accounts, although they are allowed to use these accounts to deposit temporarily the funds received in cash from customers or to obtain the funds to be paid to beneficiaries.

### 13. STATE BUDGET FOR THE YEAR 2001

As usual in December, the State budget for the year 2001 has been approved by *Law 13/2000 of 28 December 2000* (BOE of 29 December 2000).

There are no significant changes in this budget on a year earlier. The austerity, control of the deficit and budgetary discipline initiated in previous years are a continuing feature.

Owing to their importance or novelty, the following aspects may be highlighted.

As regards financial regulation, the prevailing legal interest rate and the late-payment interest rate for tax debts rise from 4.25% to 5.5% and from 5.5% to 6.5%, respectively. Further, the ceiling for the increase in the outstanding stock of State debt during the year is set at ESP 972.66 billion. This limit, which may be revised if certain circumstances envisaged in the Law arise, shall be effective at the end of the year, and may be exceeded, upon authorisation from the Ministry of the Economy, in a limited number of cases.

In the fiscal realm, and with specific regard to personal income tax, the amendments affect the adjustment of the coefficients to correct acquisition values (to 2%, the inflation percentage rate forecast for the year 2001). Also, mechanisms are established to compensate those taxpayers for whom the new regulation is less advantageous than the deductions previously enjoyed for investment and rental of their habitual residence. Moreover, the rates for the general and regional tax schedules are maintained for the year 2001.

In relation to corporate income tax, the coefficients adjusting for the monetary depreciation since 1983 have been updated by means of the application of a uniform coefficient to the indices included in the table approved for the pre-

vious year. This reflects the change in prices forecast for this year, and is aimed at eliminating the taxation of monetary gains. As in 1999 and 2000, these coefficients shall be applied only to real estate assets. Further, the amount of the payments on account that entities subject to this tax are required to make is determined in a similar way to the previous year.

As regards transfer and legal documents tax, the schedule applicable in the case of the transfer and restitution of titles has been updated (2%).

Turning to public spending, the suspension of the possibility of making appropriations, except in certain cases, and the prohibition on transferring appropriations from capital to current operations have both been maintained, with the same qualifications applying as last year.

In relation to the regional (autonomous) governments, their percentage shares in State revenue for the five-year period 1997-2001, applicable on 1 January 2001, have been set, distinguishing between the final percentage shares in the State's territorial revenue under personal income tax and those of the regional (autonomous) governments in general State revenue. Also, as regards financing for the year 2001 via shares in State revenue, a distinction is drawn between those regional governments to which the financing arrangements for the five-year period are applicable and those that have not adopted the agreement on these arrangements.

## 14. FISCAL, ADMINISTRATIVE AND SOCIAL MEASURES

As usual in recent years, to facilitate fulfilment of the economic policy objectives set out in the State budget for the year 2001, a number of fiscal, administrative and social measures have been adopted. These are contained in *Law 14/2000 of 29 December 2000* (BOE of 30 December 2000).

The Law introduces certain reforms affecting taxation and the rules regulating general government employees, and it responds to specific needs in relation to government management, organisation and action in various spheres.

### 14.1. Fiscal sphere

In the fiscal area, certain sections of the current personal income tax provisions in *Law 40/1998 of 9 December 1998* are amended.

First, under exempt income, new cases of exemption are added, namely: compensation as a result of liability for personal injuries for the legal or judicially acknowledged amount, benefits received in connection with burial or interment limited to the total amount of the expenses incurred, and the raising from ESP 1 million to 2 million of the exemption ceiling for unemployment benefits recognised by the respective management entity if received in the form of a one-off payment. Also, the cases of taxpayers not obliged to submit a personal income tax return will be extended to encompass those obtaining income exclusively from movable capital returns not subject to withholding taxes arising on Treasury bills and subsidies for the purchase of housing subject to official protection or appraisal-value housing, with a joint gross annual limit of ESP 100,000.

Under corporate income tax, certain aspects of merger regulations have been amended, while as regards tax rates on non-resident income, these have been brought onto an equal footing with the withholding rates applicable to residents (18%).

As regards the Economic and Fiscal Regime for the Canary Islands, it is made clear that purchased or imported investment goods should be operational immediately, and the lower of a period of five years or the useful life of the goods is specified for maintaining the investment.

As to VAT, Community rules are adapted to the special procedure for the refund of tax borne prior to the start of the operations constituting the corporate purpose of the taxpayer.

### 14.2. Government action in the financial sphere

The Law contains significant forecasts relating to various aspects of sectoral government action, most notably in the financial field.

First, in the monetary realm, *Law 46/1998 of 17 December 1998* on the introduction of the euro is amended in order to shorten the period for the exchange of peseta-denominated notes and coins for notes and coins in euro. The date from which peseta-denominated notes and coins will cease to be legal tender (retaining only exchange value) is brought forward from 30 June to 28 February 2002. Exchange will be possible from 1 January to 30 June 2002 at credit institutions and at the Banco de España, in accordance with the conversion rate (166.386 pesetas per euro) and applying, where necessary, the rounding rules stipulated in *Law 46/1998*. As from 1 July 2002, exchange will be

carried out exclusively by the Banco de España. The distribution of limited amounts of money in euro will be permitted before the year 2002 so as to smooth the transition to the new currency.

Second, Law 24/1988 of 24 July 1998 on the Securities Market is amended to lift the requirement that Stock Exchange members should participate as shareholders in the Management Company of said Exchange, thereby making it easier for other entities or individuals to gain member status, and thus heightening competition. This measure will, inter alia, allow the stock-market listing of the shares of these Management Companies of the various securities markets. It will also ease the way for Spanish stock markets to enter into European or global alliances.

Turning to insurance, Law 30/1995 of 8 November 1995 on the Regulation and Supervision of Private Insurance is amended, establishing new procedures for complaints to the Directorate General of Insurance. Such com-

plaints shall be formulated first before the Ombudsman of the insurance company or, in the absence of such a figure, the service or department responsible for resolving complaints by insurance policy-holders, beneficiaries, injured third parties or the right-holding representatives of any of these parties.

### **14.3. Government action in other sectoral spheres**

Notable among organisational amendments is the transformation of the state-owned postal services enterprise Correos y Telégrafos into a state-owned public limited company. The aim is to modernise the public postal service, so as to address, among other challenges, the process of liberalisation initiated by the European Union in 1997. The postal operator is thus endowed with the appropriate structure and legal framework to allow it to operate with sufficient flexibility in a progressively more liberalised market.

11.1.2001.

## ECONOMIC INDICATORS

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These indicators are continuously updated in the Banco de España's "web site". For those statistics whose source is the Banco de España, a data dissemination calendar giving the exact or approximate release date over the following three months is updated on the last day of every week (<http://www.bde.es/infoest/calenda.htm>). Approximate dissemination dates shown in the calendar are made specific one week before the data are released.

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## ECONOMIC INDICATORS

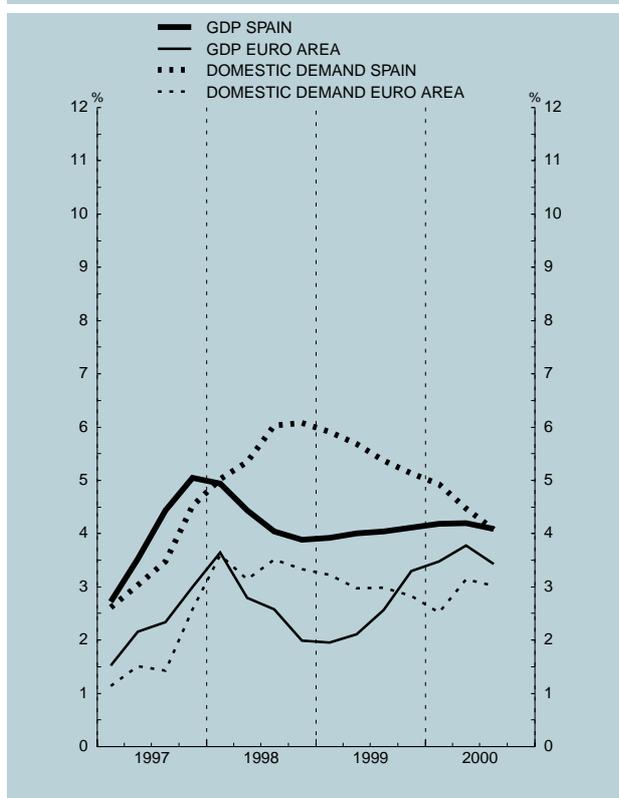
## 1.1. Gross domestic product. Constant 1995 prices. Demand components. Spain and Euro area (a)

■ Series depicted in chart.

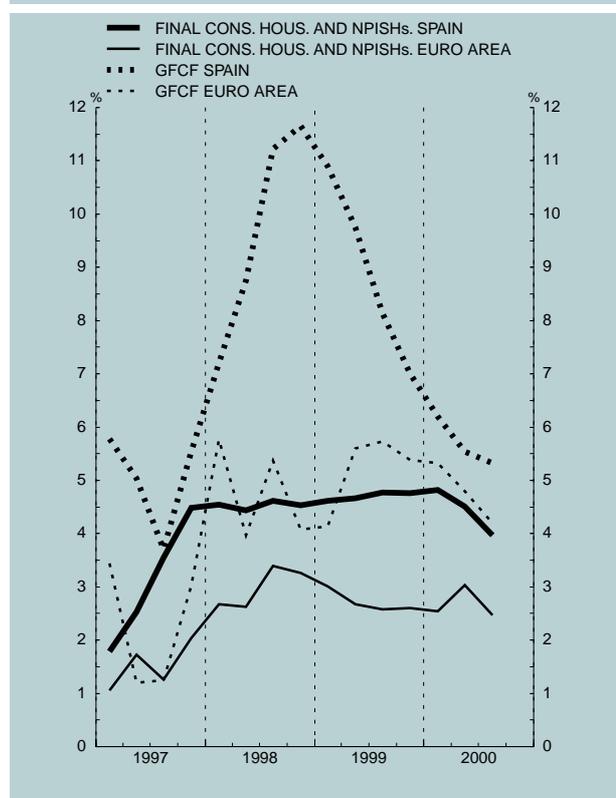
Annual percentage changes

		GDP		Final consumption of households and NPISHs		Government final consumption		Gross fixed capital formation		Domestic demand		Exports of goods and services		Imports of goods and services		Memorandum item: GDPmp (current prices) (e)	
		Spain	Euro area	Spain	Euro area (b)	Spain	Euro area (c)	Spain	Euro area	Spain	Euro area	Spain	Euro area (d)	Spain	Euro area (d)	Spain	Euro area
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
<b>97</b>	P	3.9	2.3	3.1	1.5	2.9	0.9	5.0	2.2	3.4	1.7	15.3	10.4	13.3	9.0	493	5 648
<b>98</b>	P	4.3	2.7	4.5	3.0	3.7	1.1	9.7	4.8	5.6	3.4	8.3	7.0	13.4	9.5	526	5 874
<b>99</b>	P	4.0	2.5	4.7	2.7	2.9	1.5	8.9	5.2	5.5	3.0	6.6	4.7	11.9	6.4	563	6 127
<b>97</b>	Q3	4.4	2.3	3.5	1.3	3.3	0.5	3.7	1.3	3.5	1.4	17.3	13.1	13.5	10.8	124	1 416
	Q4	5.1	3.0	4.5	2.0	3.6	0.3	5.5	3.0	4.5	2.6	17.4	11.3	15.5	10.6	127	1 435
<b>98</b>	Q1	4.9	3.6	4.5	2.7	3.7	0.9	7.2	5.8	5.0	3.6	15.3	12.3	15.8	12.8	128	1 445
	Q2	4.4	2.8	4.4	2.6	3.7	0.8	8.8	4.0	5.3	3.1	10.2	9.0	13.9	10.7	130	1 460
	Q3	4.0	2.6	4.6	3.4	3.6	1.0	11.2	5.4	6.0	3.5	5.5	4.9	13.0	8.1	133	1 477
	Q4	3.9	2.0	4.5	3.3	3.5	1.6	11.7	4.1	6.1	3.3	3.2	2.3	11.3	6.5	135	1 492
<b>99</b>	Q1	3.9	1.9	4.6	3.0	3.3	1.5	10.9	4.1	5.9	3.2	3.4	0.3	10.5	4.1	137	1 509
	Q2	4.0	2.1	4.7	2.7	3.1	1.5	9.8	5.6	5.7	3.0	5.3	2.5	11.3	5.2	139	1 522
	Q3	4.0	2.6	4.8	2.6	2.7	1.7	8.1	5.7	5.4	3.0	7.8	5.6	12.3	7.1	142	1 540
	Q4	4.1	3.3	4.8	2.6	2.6	1.5	7.0	5.4	5.1	2.8	10.0	10.3	13.3	9.2	145	1 557
<b>00</b>	Q1	4.2	3.5	4.8	2.5	2.3	1.8	6.2	5.3	4.9	2.5	10.5	13.2	12.7	10.7	147	1 576
	Q2	4.2	3.8	4.5	3.0	2.2	1.9	5.5	4.8	4.5	3.1	10.6	12.1	11.2	10.6	150	1 593
	Q3	4.1	3.4	4.0	2.5	2.4	1.6	5.3	4.2	4.1	3.0	10.9	12.1	10.4	11.4	153	1 609

GDP. DEMAND COMPONENTS. SPAIN AND EURO AREA  
Annual percentage changes



GDP. DEMAND COMPONENTS. SPAIN AND EURO AREA  
Annual percentage changes



Sources: INE (Contabilidad Nacional Trimestral de España) and Eurostat.

(a) Spain: prepared in accordance with ESA 95, trend-cycle series; Euro area, prepared in accordance with ESA 95.

(b) National private consumption.

(c) Government consumption.

(d) Exports and imports comprise goods and services and include internal cross-border trade within the euro area.

(e) Billions of euro.

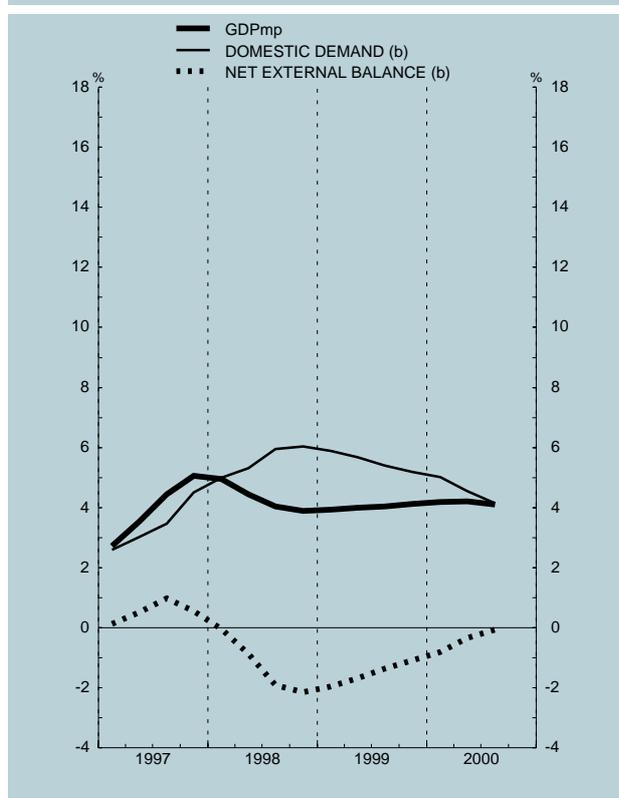
## 1.2. Gross domestic product. Constant 1995 prices. Demand components. Spain: details (a)

■ Series depicted in chart.

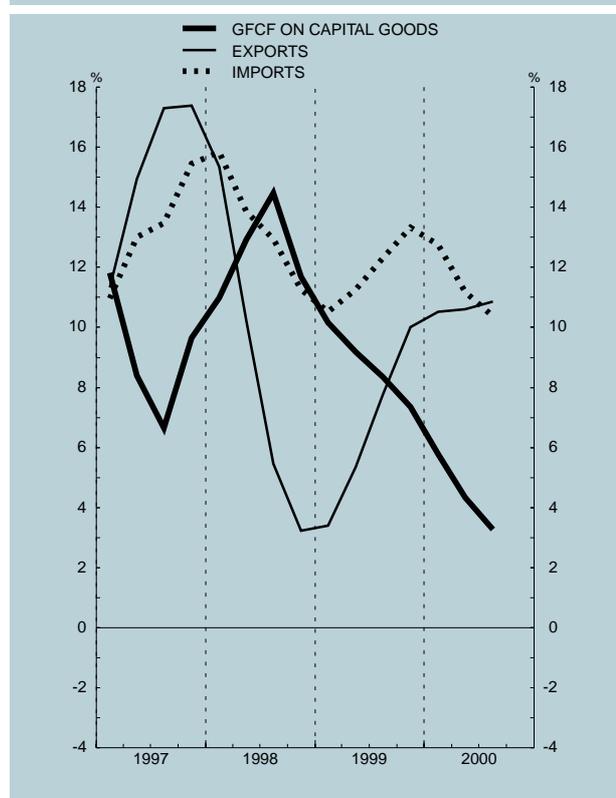
Annual percentage changes

		Gross fixed capital formation			Change in Stocks (b)	Exports of goods and services				Imports of goods and services				Memorandum items:		
		Total	Capital goods	Construction		Total	Goods	Tourism	Services	Total	Goods	Tourism	Services	External balance of goods and services (b)	Domestic demand (b)	GDP
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>97</b>	P	5.0	9.1	2.8	-0.1	15.3	16.8	9.7	15.2	13.3	13.7	-1.4	14.2	0.5	3.4	3.9
<b>98</b>	P	9.7	12.5	8.2	0.1	8.3	7.1	10.3	13.3	13.4	13.5	10.5	13.3	-1.3	5.6	4.3
<b>99</b>	P	8.9	8.7	9.0	0.2	6.6	5.0	10.0	11.4	11.9	11.7	14.3	12.3	-1.5	5.5	4.0
<b>97</b>	Q3	3.7	6.6	2.1	-0.1	17.3	19.5	8.9	17.5	13.5	13.7	-1.9	16.2	1.0	3.5	4.4
	Q4	5.5	9.6	3.3	-0.0	17.4	19.5	9.1	17.9	15.5	15.6	1.4	18.0	0.5	4.5	5.1
<b>98</b>	Q1	7.2	11.0	5.1	0.0	15.3	15.8	11.1	19.5	15.8	15.8	6.2	18.2	-0.1	5.0	4.9
	Q2	8.8	12.9	6.4	0.1	10.2	9.3	11.0	15.4	13.9	14.0	10.3	13.6	-0.9	5.3	4.4
	Q3	11.2	14.5	9.4	0.1	5.5	3.7	9.6	10.4	13.0	13.0	12.2	12.5	-1.9	6.0	4.0
	Q4	11.7	11.7	11.6	0.1	3.2	0.8	9.8	9.0	11.3	11.5	13.1	9.5	-2.1	6.0	3.9
<b>99</b>	Q1	10.9	10.2	11.3	0.1	3.4	0.5	10.7	10.2	10.5	10.6	14.9	9.2	-2.0	5.9	3.9
	Q2	9.8	9.2	10.1	0.1	5.3	3.2	10.7	10.4	11.3	11.2	15.0	10.9	-1.7	5.7	4.0
	Q3	8.1	8.4	8.0	0.2	7.8	6.6	10.3	11.1	12.3	12.0	14.2	14.0	-1.4	5.4	4.0
	Q4	7.0	7.3	6.8	0.2	10.0	9.8	8.6	13.8	13.3	13.1	13.1	14.8	-1.1	5.2	4.1
<b>00</b>	Q1	6.2	5.8	6.4	0.2	10.5	11.3	5.5	14.2	12.7	12.6	10.6	14.4	-0.8	5.0	4.2
	Q2	5.5	4.3	6.3	0.1	10.6	11.8	4.2	14.1	11.2	11.1	9.0	12.4	-0.3	4.5	4.2
	Q3	5.3	3.3	6.5	0.1	10.9	12.2	4.2	13.5	10.4	10.5	7.9	10.0	-0.1	4.2	4.1

**GDP. DOMESTIC DEMAND AND NET EXTERNAL BALANCE**  
Annual percentage changes



**GDP. DEMAND COMPONENTS**  
Annual percentage changes



Source: INE (Contabilidad Nacional Trimestral de España).

(a) Prepared in accordance with ESA 95, trend-cycle series.

(b) Contribution to GDPmp growth rate.

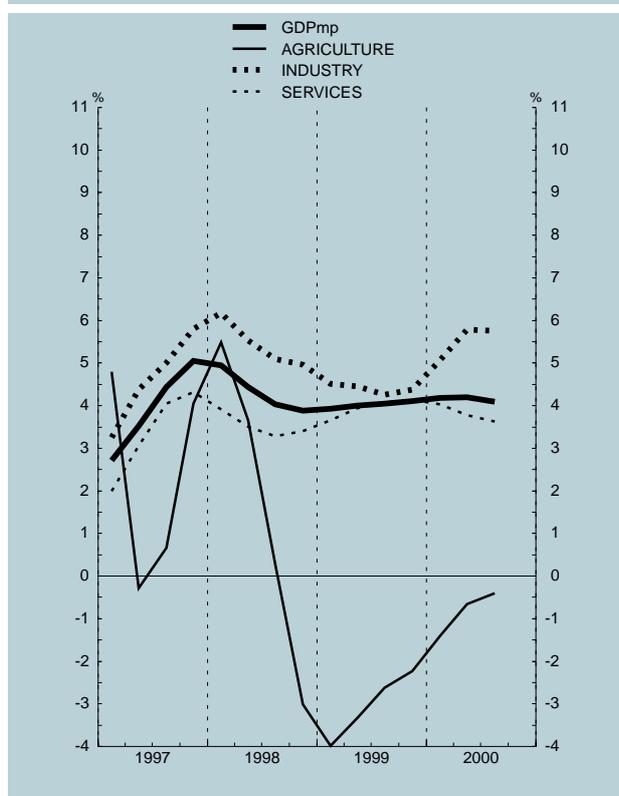
### 1.3. Gross domestic product. Constant 1995 prices. Branches of activity. Spain (a)

■ Series depicted in chart.

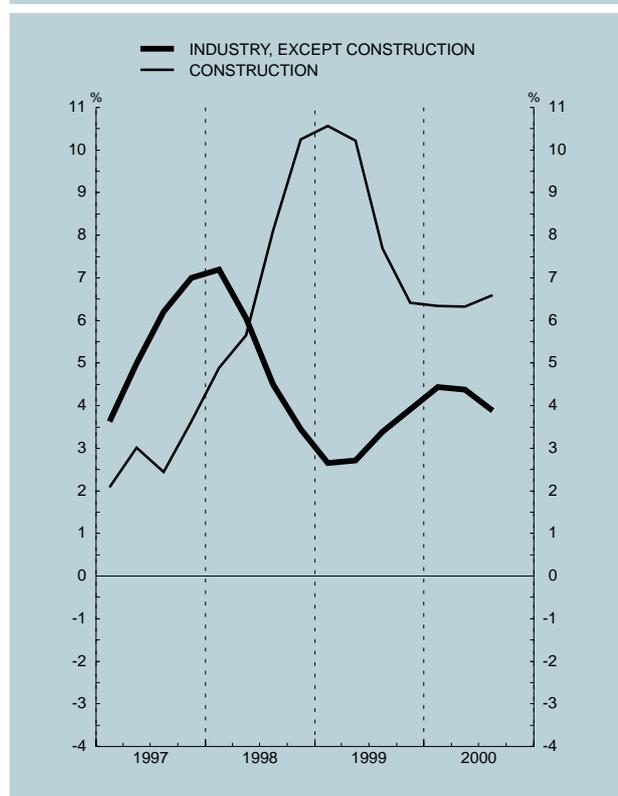
Annual percentage changes

		1	2	3	4	5	Services			9	10	11
							6	7	8			
		Gross domestic product at market prices	Agriculture and fisheries	Energy	Industry	Construction	Total	Market services	Non-market services	VAT on products	Net taxes linked to imports	Other net taxes on products
<b>97</b>	P	3.9	2.3	4.1	5.5	2.8	3.4	3.7	2.2	4.5	6.4	12.3
<b>98</b>	P	4.3	1.5	2.9	5.3	7.3	3.5	3.9	2.4	4.6	6.5	14.7
<b>99</b>	P	4.0	-3.1	2.2	3.2	8.7	4.0	4.5	2.0	7.7	8.9	5.9
<b>97</b>	Q3	4.4	0.7	4.3	6.2	2.4	4.0	4.6	2.4	5.3	10.4	12.8
	Q4	5.1	4.0	4.3	7.0	3.6	4.3	4.9	2.6	5.7	11.7	14.4
<b>98</b>	Q1	4.9	5.5	4.0	7.2	4.9	3.9	4.3	2.6	4.3	9.7	15.4
	Q2	4.4	3.7	3.0	6.0	5.7	3.5	3.8	2.5	4.2	6.7	15.6
	Q3	4.0	0.3	2.4	4.5	8.1	3.3	3.6	2.4	4.7	4.9	15.0
	Q4	3.9	-3.0	2.4	3.5	10.3	3.4	3.8	2.2	5.1	5.1	13.0
<b>99</b>	Q1	3.9	-4.0	2.2	2.7	10.6	3.7	4.1	2.1	7.5	7.2	10.0
	Q2	4.0	-3.3	1.9	2.7	10.2	3.9	4.5	2.1	7.1	9.1	6.8
	Q3	4.0	-2.6	1.9	3.4	7.7	4.1	4.7	2.0	7.9	9.9	4.3
	Q4	4.1	-2.2	2.6	3.9	6.4	4.1	4.8	1.9	8.3	9.3	2.7
<b>00</b>	Q1	4.2	-1.4	5.5	4.4	6.3	4.0	4.7	1.9	6.6	7.1	2.4
	Q2	4.2	-0.7	11.3	4.4	6.3	3.8	4.3	1.9	5.1	6.6	2.2
	Q3	4.1	-0.4	12.9	3.9	6.6	3.6	4.1	2.0	4.3	6.8	2.9

**GDP. BRANCHES OF ACTIVITY**  
Annual percentage changes



**GDP. BRANCHES OF ACTIVITY**  
Annual percentage changes



Source: INE (Contabilidad Nacional Trimestral de España).  
 (a) Prepared in accordance with ESA 95, trend-cycle series.

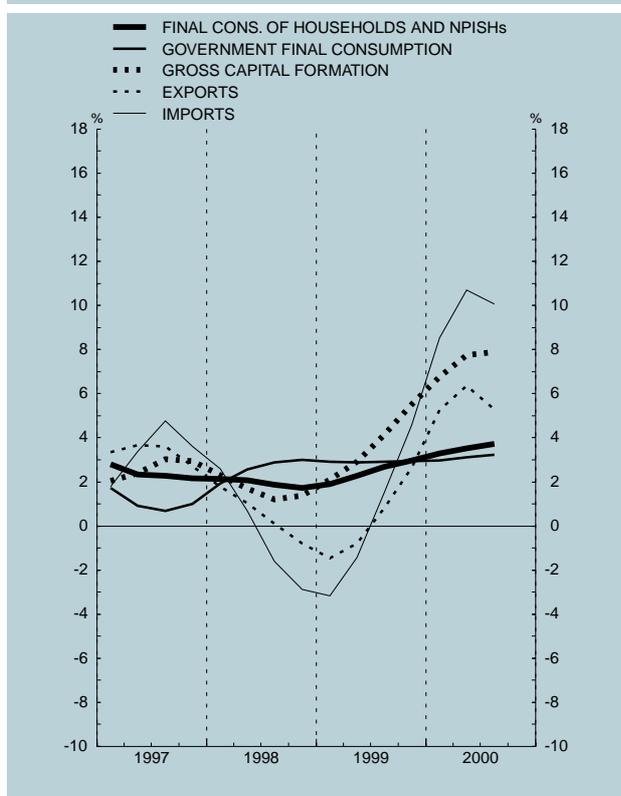
## 1.4. Gross domestic product. Implicit deflators. Spain (a)

■ Series depicted in chart.

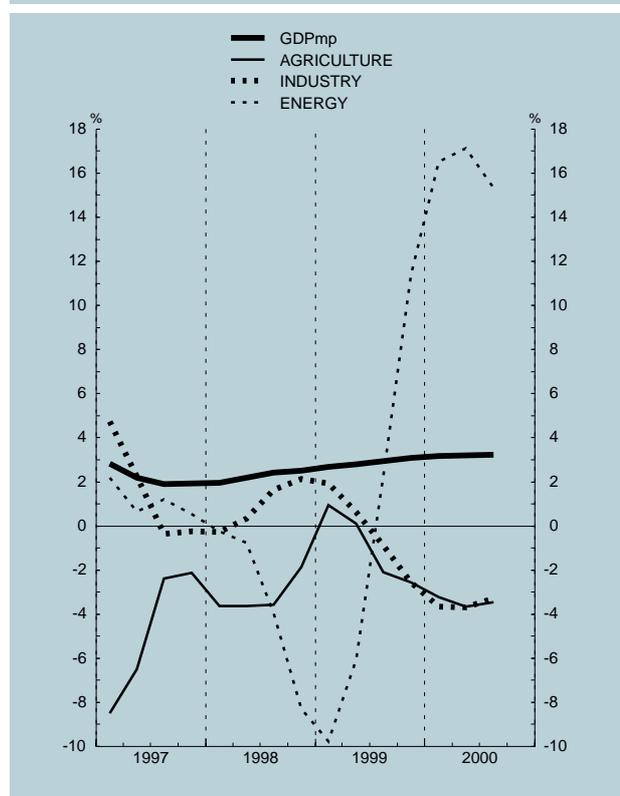
Annual percentage changes

		Demand components							Gross domestic product at market prices	Branches of activity					
		Final consumption of households and NPISHs	Government final consumption	Gross capital formation			Exports of goods and services	Imports of goods and services		Agriculture and fisheries	Energy	Industry	Construction	Of which	
				Total	Of which									Services	Market services
					Capital goods	Construction									
1	2	3	4	5	6	7	8	9	10	11	12	13	14		
<b>97</b>	P	2.4	1.1	2.6	2.5	2.7	3.3	3.4	2.2	-4.9	1.1	1.5	1.9	2.7	3.2
<b>98</b>	P	2.0	2.6	1.6	1.0	2.0	0.5	-0.4	2.3	-3.2	-3.3	1.0	2.3	2.9	2.9
<b>99</b>	P	2.5	2.9	3.7	1.8	4.8	0.3	0.4	2.9	-0.9	-0.7	-0.2	4.0	3.3	3.3
<b>97 Q3</b>	P	2.3	0.7	3.0	3.5	2.8	3.6	4.8	1.9	-2.4	1.2	-0.3	2.0	2.6	3.2
<b>Q4</b>	P	2.2	1.0	2.9	4.5	2.1	2.7	3.6	1.9	-2.1	0.5	-0.2	2.0	2.6	3.0
<b>98 Q1</b>	P	2.1	1.9	2.3	3.5	1.7	1.8	2.6	2.0	-3.6	-0.2	-0.3	2.1	2.8	2.9
<b>Q2</b>	P	2.1	2.6	1.7	1.3	1.9	1.0	0.7	2.2	-3.6	-0.8	0.3	2.5	2.9	2.9
<b>Q3</b>	P	1.9	2.9	1.2	-0.2	2.0	0.1	-1.6	2.4	-3.6	-4.0	1.6	2.4	3.0	2.9
<b>Q4</b>	P	1.7	3.0	1.4	-0.2	2.3	-0.8	-2.9	2.5	-1.9	-8.3	2.1	2.2	3.0	2.9
<b>99 Q1</b>	P	1.9	2.9	2.1	0.7	2.9	-1.5	-3.2	2.7	0.9	-9.8	1.9	2.3	3.1	3.0
<b>Q2</b>	P	2.3	2.9	2.9	1.3	3.8	-0.8	-1.4	2.8	0.1	-6.1	0.6	2.9	3.2	3.2
<b>Q3</b>	P	2.7	2.9	4.1	2.1	5.3	0.8	1.5	3.0	-2.1	2.3	-0.9	4.3	3.4	3.5
<b>Q4</b>	P	3.0	2.9	5.5	2.9	7.0	2.6	4.6	3.1	-2.6	11.4	-2.5	6.3	3.6	3.7
<b>00 Q1</b>	P	3.3	3.0	6.8	3.4	8.7	5.3	8.5	3.2	-3.2	16.5	-3.7	8.2	3.7	3.8
<b>Q2</b>	P	3.5	3.1	7.8	4.2	9.8	6.4	10.7	3.2	-3.7	17.1	-3.7	9.1	3.7	3.9
<b>Q3</b>	P	3.7	3.2	7.9	4.4	9.8	5.3	10.1	3.2	-3.4	15.3	-3.3	9.2	3.7	4.0

**GDP. IMPLICIT DEFLATORS**  
Annual percentage changes



**GDP. IMPLICIT DEFLATORS**  
Annual percentage changes



Source: INE (Contabilidad Nacional Trimestral de España).  
(a) Prepared in accordance with ESA 95, trend-cycle series.

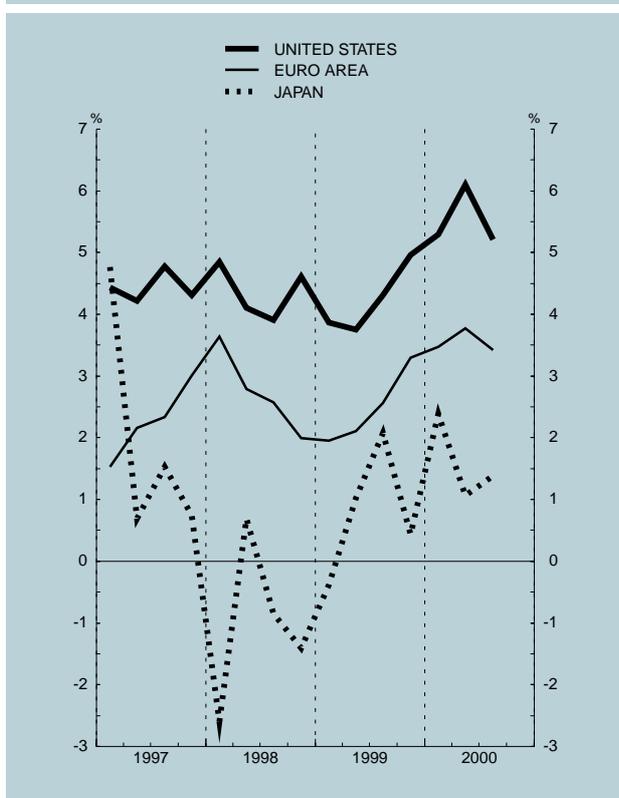
## 2.1. International comparison. Gross domestic product at constant prices

■ Series depicted in chart.

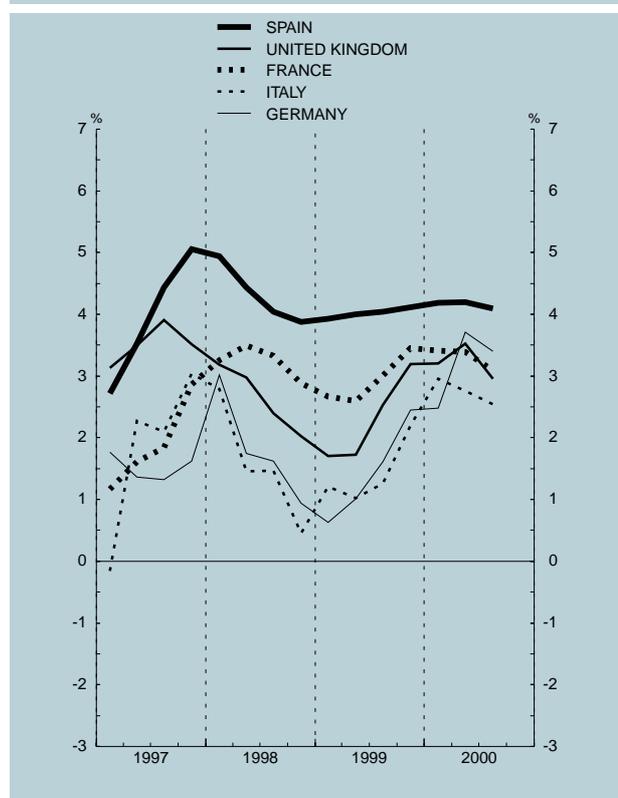
Annual percentage changes

	OECD 1	EU 2	Euro area 3	Germany 4	Spain 5	United States 6	France 7	Italy 8	Japan 9	United Kingdom 10
<b>97</b>	3.6	2.6	2.3	1.5	3.9	4.4	1.9	1.8	1.9	3.5
<b>98</b>	2.6	2.7	2.7	1.8	4.3	4.4	3.2	1.5	-1.1	2.6
<b>99</b>	3.1	2.5	2.5	1.4	4.0	4.2	2.9	1.4	0.8	2.3
<b>97 Q3</b>	3.7	2.7	2.3	1.3	4.4	4.8	1.8	2.1	1.5	3.9
<b>Q4</b>	3.5	3.2	3.0	1.6	5.1	4.3	2.9	3.0	0.7	3.5
<b>98 Q1</b>	3.1	3.5	3.6	3.0	4.9	4.8	3.3	2.8	-2.6	3.2
<b>Q2</b>	2.8	2.8	2.8	1.7	4.4	4.1	3.5	1.5	0.7	3.0
<b>Q3</b>	2.4	2.6	2.6	1.6	4.0	3.9	3.3	1.5	-0.9	2.4
<b>Q4</b>	2.4	2.1	2.0	0.9	3.9	4.6	2.9	0.4	-1.4	2.0
<b>99 Q1</b>	2.5	2.0	1.9	0.6	3.9	3.9	2.7	1.2	-0.4	1.7
<b>Q2</b>	2.8	2.1	2.1	1.0	4.0	3.8	2.6	1.0	1.0	1.7
<b>Q3</b>	3.5	2.6	2.6	1.6	4.0	4.3	3.0	1.3	2.1	2.5
<b>Q4</b>	3.9	3.2	3.3	2.4	4.1	5.0	3.5	2.2	0.4	3.2
<b>00 Q1</b>	4.4	3.4	3.5	2.5	4.2	5.3	3.4	3.0	2.4	3.2
<b>Q2</b>	4.7	3.7	3.8	3.7	4.2	6.1	3.4	2.8	1.1	3.5
<b>Q3</b>	...	...	3.4	3.4	4.1	5.2	3.1	2.5	1.4	3.0

**GROSS DOMESTIC PRODUCT**  
Annual percentage changes



**GROSS DOMESTIC PRODUCT**  
Annual percentage changes



Sources: ECB, INE and OECD.

Note: The underlying series for this indicator are in Table 26.2 of the BE Boletín estadístico.

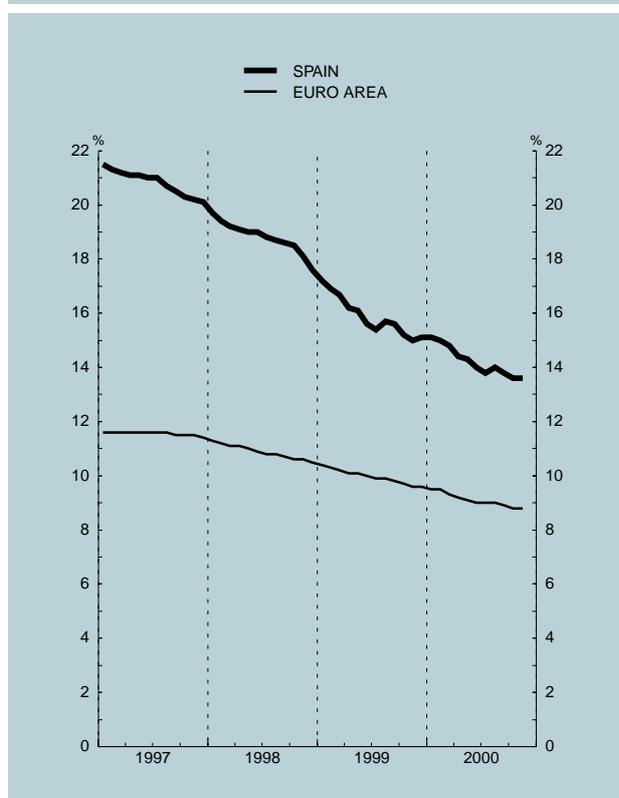
## 2.2. International comparison. Unemployment rates

■ Series depicted in chart.

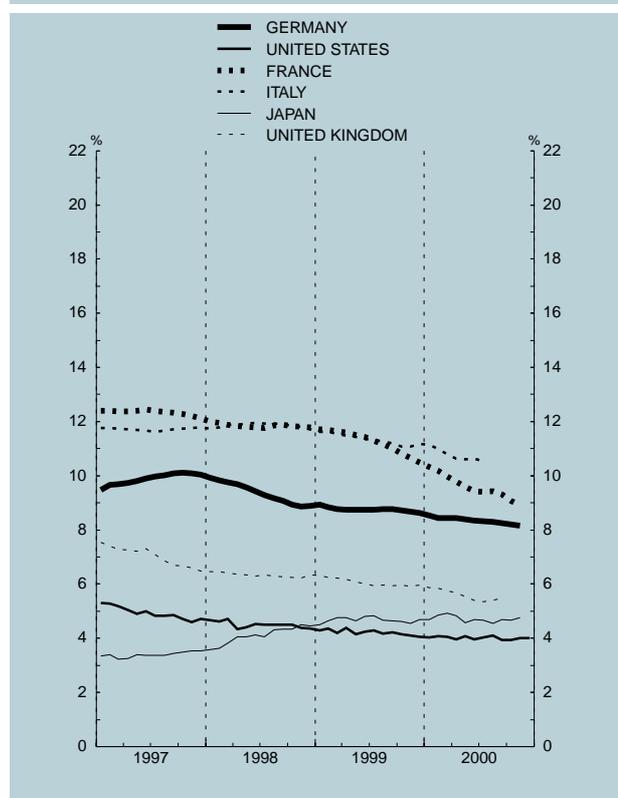
Percentages

	OECD	EU	Euro area	Germany	Spain	United States	France	Italy	Japan	United Kingdom
	1	2	3	4	5	6	7	8	9	10
<b>97</b>	7.4	10.6	11.6	9.9	20.8	4.9	12.3	11.7	3.4	7.0
<b>98</b>	7.1	9.9	10.9	9.4	18.8	4.5	11.8	11.9	4.1	6.3
<b>99</b>	6.8	9.2	10.0	8.8	15.9	4.2	11.2	11.3	4.7	6.1
<b>99 Jun</b>	6.9	9.2	10.0	8.8	15.6	4.3	11.4	11.4	4.8	6.0
<b>Jul</b>	6.9	9.1	9.9	8.8	15.4	4.3	11.3	11.3	4.8	6.0
<b>Aug</b>	6.8	9.1	9.9	8.8	15.7	4.2	11.2	11.3	4.7	6.0
<b>Sep</b>	6.8	9.1	9.8	8.8	15.6	4.2	11.0	11.2	4.6	6.0
<b>Oct</b>	6.8	9.0	9.7	8.7	15.2	4.1	10.8	11.1	4.6	6.0
<b>Nov</b>	6.7	8.9	9.6	8.7	15.0	4.1	10.7	11.1	4.6	5.9
<b>Dec</b>	6.7	8.9	9.6	8.6	15.1	4.1	10.5	11.2	4.7	6.0
<b>00 Jan</b>	6.7	8.8	9.5	8.5	15.1	4.0	10.3	11.2	4.7	5.9
<b>Feb</b>	6.7	8.8	9.5	8.5	15.0	4.1	10.2	11.0	4.9	5.9
<b>Mar</b>	6.7	8.6	9.3	8.4	14.8	4.1	10.0	10.8	4.9	5.7
<b>Apr</b>	6.6	8.5	9.2	8.5	14.4	4.0	9.8	10.6	4.8	5.7
<b>May</b>	6.6	8.4	9.1	8.4	14.3	4.1	9.6	10.6	4.6	5.5
<b>Jun</b>	6.5	8.4	9.0	8.3	14.0	4.0	9.4	10.6	4.7	5.4
<b>Jul</b>	6.5	8.3	9.0	8.3	13.8	4.0	9.4	10.5	4.7	5.4
<b>Aug</b>	6.5	8.3	9.0	8.3	14.0	4.1	9.4	...	4.6	5.4
<b>Sep</b>	6.4	8.2	8.9	8.3	13.8	3.9	9.3	...	4.7	5.5
<b>Oct</b>	6.4	8.2	8.8	8.2	13.6	3.9	9.1	...	4.7	...
<b>Nov</b>	6.4	8.1	8.8	8.2	13.6	4.0	8.9	...	4.8	...

UNEMPLOYMENT RATES



UNEMPLOYMENT RATES



Sources: ECB and OECD.

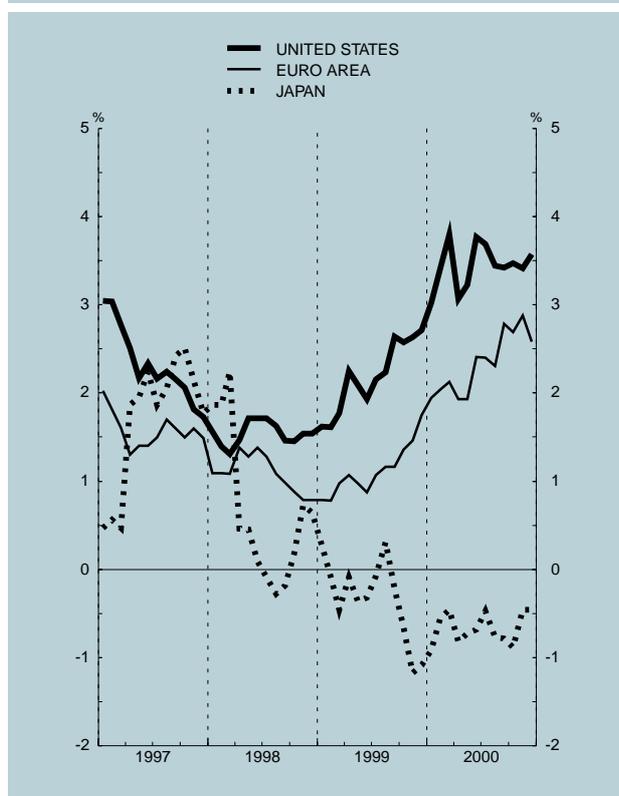
### 2.3. International comparison. Consumer prices (a)

■ Series depicted in chart.

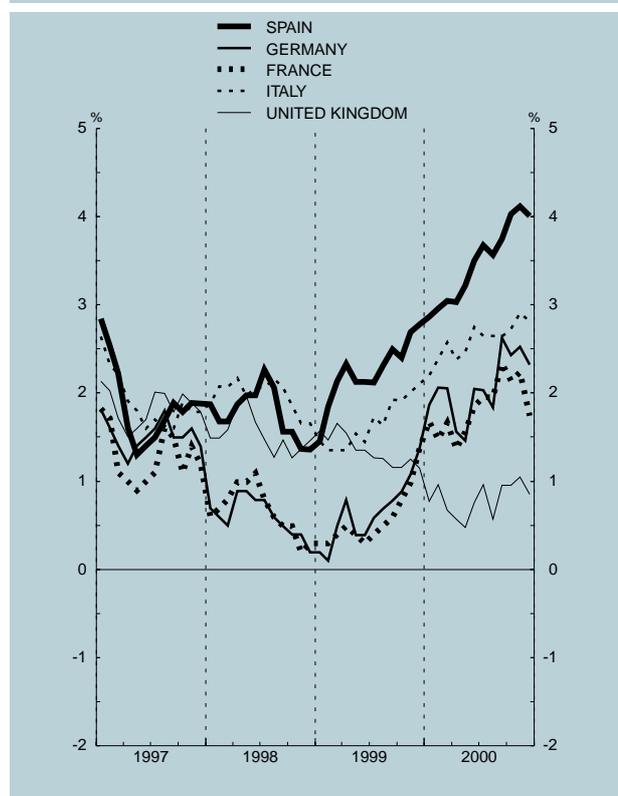
Annual percentage changes

	OECD 1	EU 2	Euro area 3	Germany 4	Spain 5	United States 6	France 7	Italy 8	Japan 9	United Kingdom 10
<b>97</b>	2.8	1.7	1.6	1.5	1.9	2.3	1.3	1.9	1.7	1.8
<b>98</b>	2.0	1.3	1.1	0.6	1.8	1.5	0.7	2.0	0.7	1.5
<b>99</b>	1.7	1.2	1.1	0.6	2.2	2.2	0.6	1.7	-0.3	1.3
<b>99 Jun</b>	1.3	1.0	0.9	0.4	2.1	1.9	0.3	1.4	-0.3	1.4
<b>Jul</b>	1.4	1.1	1.1	0.6	2.1	2.2	0.4	1.7	-0.1	1.3
<b>Aug</b>	1.6	1.2	1.2	0.7	2.3	2.2	0.5	1.6	0.3	1.3
<b>Sep</b>	1.7	1.3	1.2	0.8	2.5	2.6	0.6	1.9	-0.2	1.2
<b>Oct</b>	1.7	1.3	1.4	0.9	2.4	2.6	0.8	1.9	-0.7	1.2
<b>Nov</b>	1.7	1.5	1.5	1.1	2.7	2.6	1.0	2.0	-1.2	1.3
<b>Dec</b>	1.9	1.6	1.7	1.4	2.8	2.7	1.4	2.1	-1.1	1.2
<b>00 Jan</b>	2.1	1.7	1.9	1.9	2.9	3.0	1.7	2.2	-0.9	0.8
<b>Feb</b>	2.3	1.8	2.0	2.1	3.0	3.4	1.5	2.4	-0.6	1.0
<b>Mar</b>	2.5	1.9	2.1	2.1	3.0	3.8	1.7	2.6	-0.5	0.7
<b>Apr</b>	2.1	1.7	1.9	1.6	3.0	3.1	1.4	2.4	-0.8	0.6
<b>May</b>	2.2	1.7	1.9	1.5	3.2	3.2	1.6	2.5	-0.7	0.5
<b>Jun</b>	2.6	2.1	2.4	2.0	3.5	3.8	1.9	2.7	-0.7	0.8
<b>Jul</b>	2.8	2.1	2.4	2.0	3.7	3.7	2.0	2.6	-0.5	1.0
<b>Aug</b>	2.5	2.0	2.3	1.8	3.6	3.4	2.0	2.6	-0.8	0.6
<b>Sep</b>	2.7	2.4	2.8	2.6	3.7	3.4	2.3	2.6	-0.8	1.0
<b>Oct</b>	2.7	2.5	2.7	2.4	4.0	3.5	2.1	2.7	-0.9	1.0
<b>Nov</b>	2.8	2.6	2.9	2.5	4.1	3.4	2.2	2.9	-0.5	1.0

CONSUMER PRICES  
Annual percentage changes



CONSUMER PRICES  
Annual percentage changes



Sources: OECD, INE and Eurostat.

Note: The underlying series for this indicator are in Tables 26.11 and 26.15 of the BE Boletín estadístico.

(a) Harmonised Index of Consumer Prices for the EU countries.

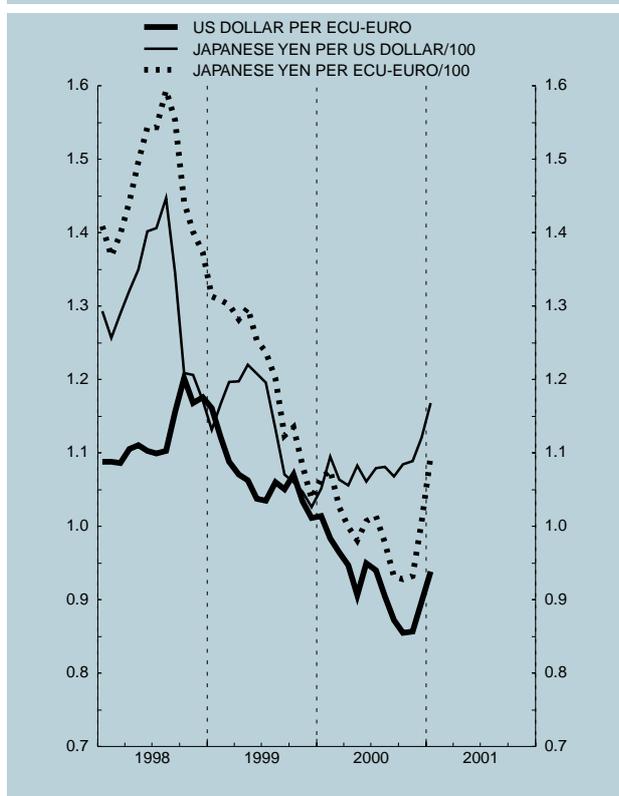
## 2.4. Bilateral exchange rates and nominal and real effective exchange rate indices for the the euro, US dollar and Japanese yen

■ Series depicted in chart.

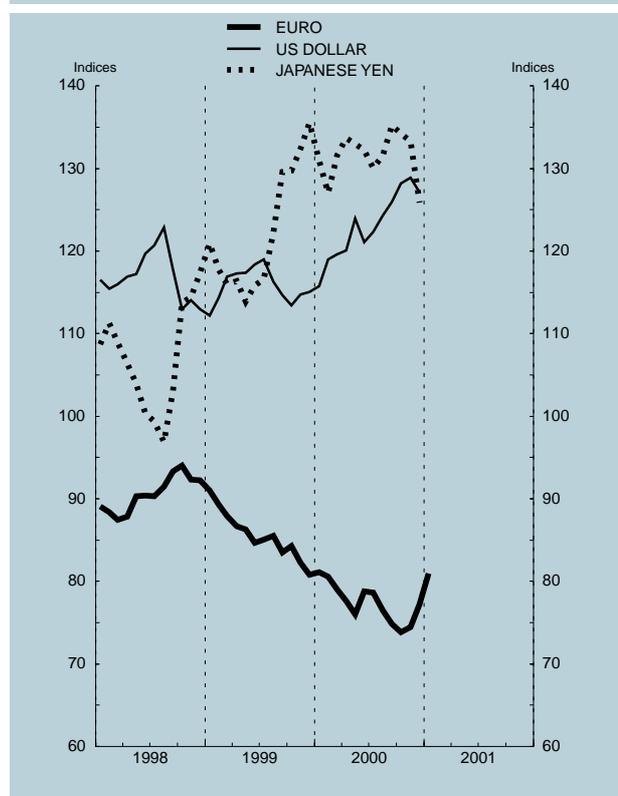
Average of daily data

	Exchange rates			Indices of the nominal effective exchange rate vis-à-vis the developed countries. 1990=100 (a)			Indices of the real effective exchange rate vis-à-vis the developed countries (b) 1990=100					
	US dollar per ECU/euro	Japanese yen per ECU/euro	Japanese yen per US dollar	Euro (c)	US dollar	Japanese yen	Based on consumer prices			Based on producer prices		
							Euro (c)	US dollar	Japanese yen	Euro (c)	US dollar	Japanese yen
1	2	3	4	5	6	7	8	9	10	11	12	
<b>98</b>	1.1206	146.42	130.84	92.6	110.6	120.4	90.6	116.9	107.0	92.6	113.1	102.1
<b>99</b>	1.0666	121.39	113.75	87.4	108.2	140.4	85.6	115.8	122.3	87.2	112.5	116.2
<b>00</b>	0.9239	99.52	107.76	78.3	113.0	157.0	77.4	123.0	131.6	79.3	117.8	124.8
<b>00 J-J</b>	1.0137	106.53	105.10	82.4	106.9	153.4	81.1	115.7	131.0	83.0	111.4	124.4
<b>01 J-J</b>	0.9383	109.57	116.78	81.4	115.7	144.8	80.9	...	...	83.1	...	...
<b>99 Nov</b>	1.0338	108.25	104.70	84.0	106.5	153.5	82.2	114.7	132.4	84.1	111.2	125.3
<b>99 Dec</b>	1.0110	103.72	102.59	82.3	106.9	157.9	80.8	115.0	135.6	82.4	111.4	128.5
<b>00 Jan</b>	1.0137	106.53	105.10	82.4	106.9	153.4	81.1	115.7	131.0	83.0	111.4	124.4
<b>Feb</b>	0.9834	107.64	109.45	81.4	109.6	149.6	80.6	119.0	127.0	82.0	114.8	120.3
<b>Mar</b>	0.9643	102.59	106.38	80.0	109.9	155.5	79.0	119.6	131.6	80.8	115.1	124.5
<b>Apr</b>	0.9470	99.92	105.53	78.6	110.4	157.8	77.6	120.1	133.7	79.8	115.3	126.5
<b>May</b>	0.9060	98.09	108.28	77.1	114.1	157.2	76.0	123.9	133.0	78.7	119.1	125.1
<b>Jun</b>	0.9492	100.71	106.11	79.8	111.1	157.5	78.8	121.1	132.2	80.5	116.8	124.7
<b>Jul</b>	0.9397	101.39	107.90	79.4	112.1	155.5	78.7	122.3	130.1	80.2	117.4	122.9
<b>Aug</b>	0.9041	97.76	108.12	77.2	114.0	157.6	76.5	124.3	131.6	78.3	118.7	124.7
<b>Sep</b>	0.8721	93.11	106.76	75.6	115.5	162.5	74.8	126.0	135.2	76.5	120.8	127.4
<b>Oct</b>	0.8552	92.75	108.45	74.5	117.4	161.7	73.8	128.2	134.2	75.4	122.6	126.4
<b>Nov</b>	0.8564	93.26	108.91	75.2	118.4	161.5	74.4	128.9	133.3	76.7	123.3	125.8
<b>Dec</b>	0.8973	100.61	112.11	77.9	116.6	153.5	77.3	127.1	125.9	79.4	...	...
<b>01 Jan</b>	0.9383	109.57	116.78	81.4	115.7	144.8	80.9	...	...	83.1	...	...

**EXCHANGE RATES**



**INDICES OF THE REAL EFFECTIVE EXCHANGE RATE BASED ON CONSUMER PRICES VIS-À-VIS THE DEVELOPED COUNTRIES**



Sources: ECB and BE.

(a) Geometric mean -calculated using a double weighting system based on 1995-97 manufacturing trade for the euro, and 1991 total trade for the US dollar and Japanese yen- of changes in the spot price of each currency against the currencies of the other developed countries. A fall in the index denotes a depreciation of the currency against those of the other developed countries.

(b) Obtained by multiplying the relative prices of each area/country (relation between its price index and the price index of the group) by the nominal effective exchange rate.

A decline in the index denotes a depreciation of the real effective exchange rate and, therefore, may be interpreted as an improvement in that area/country's competitiveness.

(c) The methodology used to compile these indices is explained in Box 5 of the October 1999 ECB Monthly Bulletin.

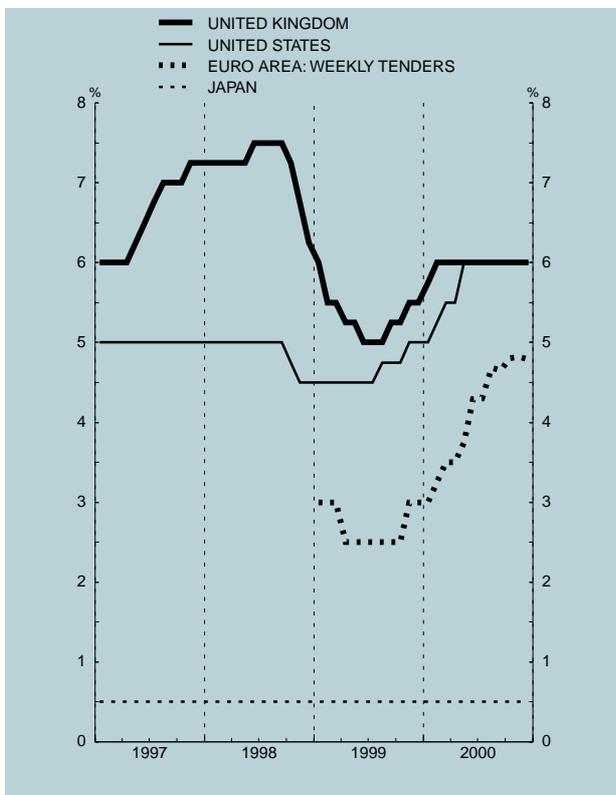
## 2.5. Official intervention interest rates and short-term interest rates

■ Series depicted in chart.

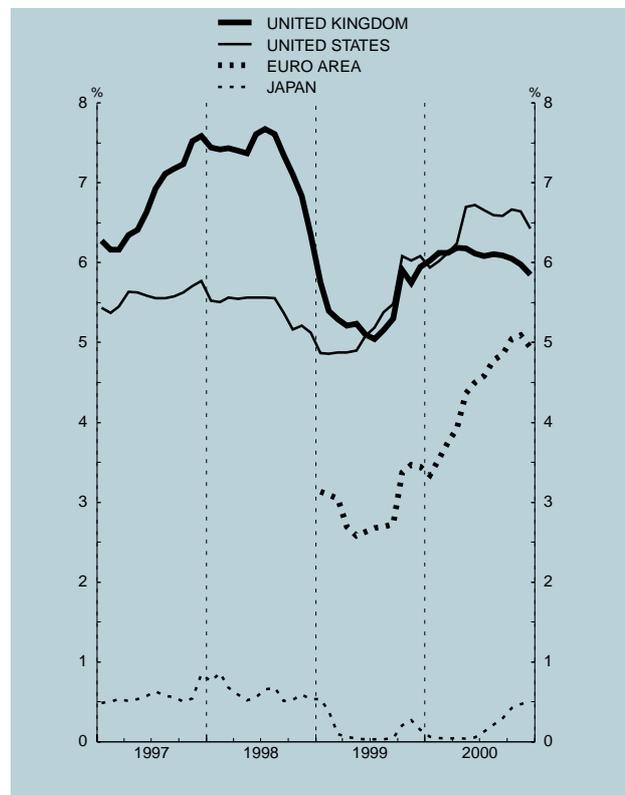
Percentages

	Official intervention interest rates				3-month interbank rates									
	Euro area	United States	Japan	United Kingdom	OECD	EU	Euro area	Germany	Spain	United States	France	Italy	Japan	United Kingdom
	(a)	(b)	(c)	(d)	5	6	7	8	9	10	11	12	13	14
<b>97</b>	-	5.00	0.50	7.25	4.35	4.80	-	3.25	5.37	5.58	3.33	6.85	0.57	6.80
<b>98</b>	-	4.50	0.50	6.25	4.25	4.56	-	3.47	4.24	5.44	3.42	4.95	0.62	7.30
<b>99</b>	3.00	5.00	0.50	5.50	3.69	3.42	2.96	-	-	5.31	-	-	0.16	5.42
<b>99 Jul</b>	2.50	4.50	0.50	5.00	3.48	3.13	2.68	-	-	5.19	-	-	0.03	5.04
<i>Aug</i>	2.50	4.75	0.50	5.00	3.61	3.16	2.70	-	-	5.38	-	-	0.03	5.15
<i>Sep</i>	2.50	4.75	0.50	5.25	3.68	3.20	2.73	-	-	5.48	-	-	0.04	5.30
<i>Oct</i>	2.50	4.75	0.50	5.25	4.21	3.82	3.38	-	-	6.08	-	-	0.21	5.90
<i>Nov</i>	3.00	5.00	0.50	5.50	4.22	3.88	3.47	-	-	6.02	-	-	0.28	5.75
<i>Dec</i>	3.00	5.00	0.50	5.50	4.22	3.89	3.45	-	-	6.08	-	-	0.16	5.94
<b>00 Jan</b>	3.00	5.00	0.50	5.75	4.13	3.82	3.34	-	-	5.94	-	-	0.06	6.03
<i>Feb</i>	3.25	5.25	0.50	6.00	4.23	3.97	3.54	-	-	6.02	-	-	0.05	6.12
<i>Mar</i>	3.50	5.50	0.50	6.00	4.35	4.17	3.75	-	-	6.12	-	-	0.04	6.12
<i>Apr</i>	3.50	5.50	0.50	6.00	4.46	4.29	3.93	-	-	6.25	-	-	0.05	6.19
<i>May</i>	3.75	6.00	0.50	6.00	4.80	4.65	4.36	-	-	6.70	-	-	0.04	6.18
<i>Jun</i>	4.29	6.00	0.50	6.00	4.85	4.75	4.50	-	-	6.72	-	-	0.06	6.11
<i>Jul</i>	4.30	6.00	0.50	6.00	4.86	4.82	4.58	-	-	6.66	-	-	0.13	6.08
<i>Aug</i>	4.68	6.00	0.50	6.00	4.92	4.97	4.78	-	-	6.59	-	-	0.22	6.11
<i>Sep</i>	4.65	6.00	0.50	6.00	4.95	5.02	4.85	-	-	6.59	-	-	0.30	6.09
<i>Oct</i>	4.80	6.00	0.50	6.00	5.05	5.15	5.04	-	-	6.66	-	-	0.42	6.05
<i>Nov</i>	4.82	6.00	0.50	6.00	5.05	5.16	5.09	-	-	6.64	-	-	0.47	5.98
<i>Dec</i>	4.79	6.00	0.50	6.00	4.90	5.00	4.94	-	-	6.42	-	-	0.51	5.85

OFFICIAL INTERVENTION INTEREST RATES



3-MONTH INTERBANK RATES



Sources: ECB, Reuters and BE.

- (a) Main refinancing operations.
- (b) Discount rate.
- (c) Discount rate.
- (d) Retail bank base rate.

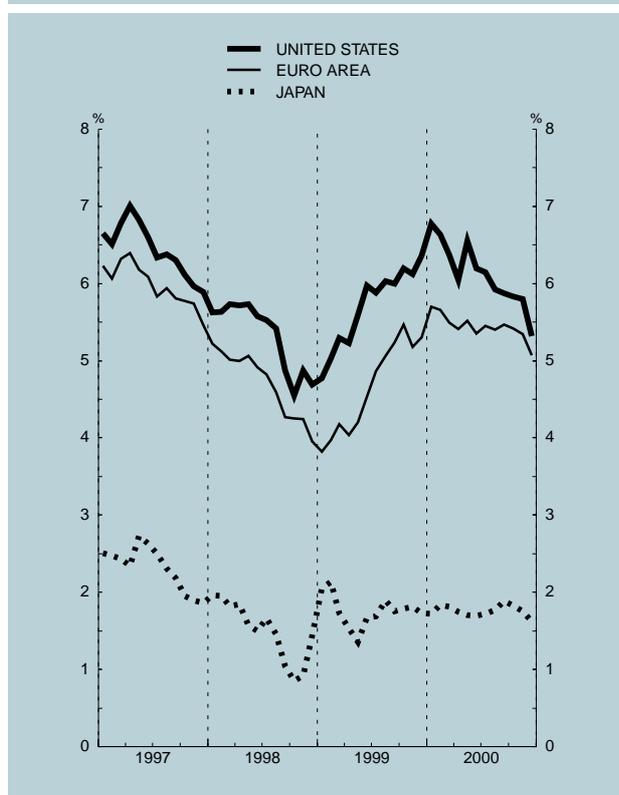
## 2.6. 10-year government bond yields

■ Series depicted in chart.

Percentages

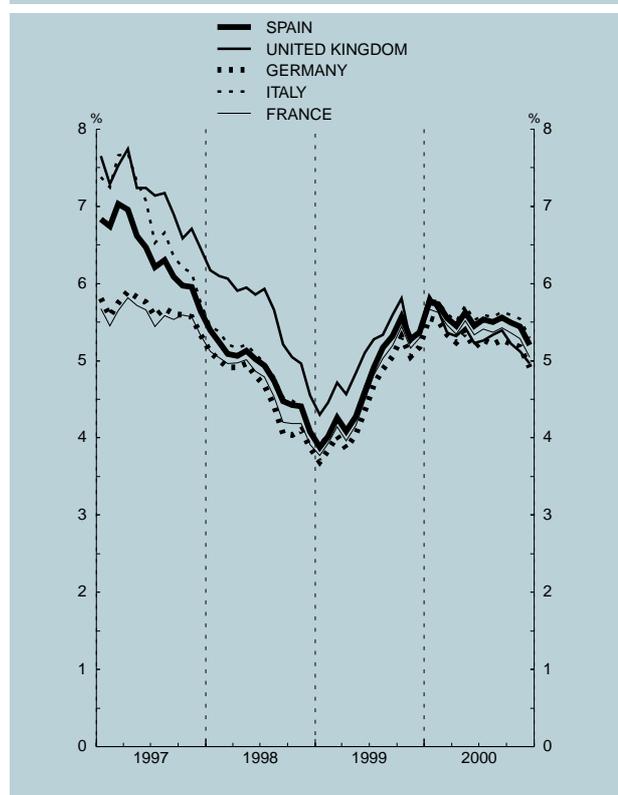
	OECD 1	EU 2	Euro area 3	Germany 4	Spain 5	United States 6	France 7	Italy 8	Japan 9	United Kingdom 10
<b>97</b>	5.71	6.28	5.98	5.67	6.40	6.45	5.58	6.83	2.32	7.13
<b>98</b>	4.61	4.99	4.70	4.57	4.83	5.33	4.65	4.89	1.50	5.61
<b>99</b>	4.72	4.79	4.66	4.50	4.73	5.71	4.62	4.75	1.76	5.06
<b>99 Jul</b>	4.85	4.99	4.86	4.69	4.91	5.88	4.82	4.94	1.69	5.27
<i>Aug</i>	5.03	5.18	5.06	4.89	5.17	6.03	5.03	5.16	1.89	5.34
<i>Sep</i>	5.07	5.35	5.24	5.05	5.31	6.00	5.19	5.31	1.75	5.59
<i>Oct</i>	5.26	5.59	5.47	5.31	5.57	6.19	5.44	5.56	1.79	5.81
<i>Nov</i>	5.11	5.28	5.18	5.05	5.28	6.12	5.16	5.28	1.81	5.25
<i>Dec</i>	5.25	5.39	5.30	5.18	5.37	6.36	5.29	5.40	1.73	5.38
<b>00 Jan</b>	5.58	5.77	5.70	5.55	5.76	6.78	5.67	5.79	1.72	5.84
<i>Feb</i>	5.50	5.68	5.66	5.52	5.73	6.63	5.63	5.76	1.83	5.65
<i>Mar</i>	5.35	5.64	5.49	5.34	5.55	6.37	5.46	5.61	1.81	5.36
<i>Apr</i>	5.11	5.39	5.41	5.24	5.45	6.05	5.35	5.51	1.75	5.32
<i>May</i>	5.38	5.54	5.52	5.36	5.63	6.55	5.52	5.71	1.71	5.43
<i>Jun</i>	5.15	5.36	5.35	5.17	5.46	6.20	5.33	5.53	1.69	5.22
<i>Jul</i>	5.16	5.43	5.45	5.27	5.53	6.14	5.41	5.59	1.72	5.26
<i>Aug</i>	5.07	5.40	5.40	5.21	5.50	5.92	5.37	5.56	1.77	5.34
<i>Sep</i>	5.08	5.45	5.47	5.27	5.56	5.87	5.42	5.63	1.89	5.39
<i>Oct</i>	5.02	5.38	5.42	5.22	5.49	5.83	5.36	5.59	1.83	5.22
<i>Nov</i>	4.97	5.31	5.34	5.17	5.45	5.80	5.29	5.54	1.75	5.12
<i>Dec</i>	4.65	5.07	5.07	4.91	5.20	5.32	5.05	5.30	1.62	4.96

10-YEAR GOVERNMENT BOND YIELDS



Sources: ECB, Reuters and BE.

10-YEAR GOVERNMENT BOND YIELDS



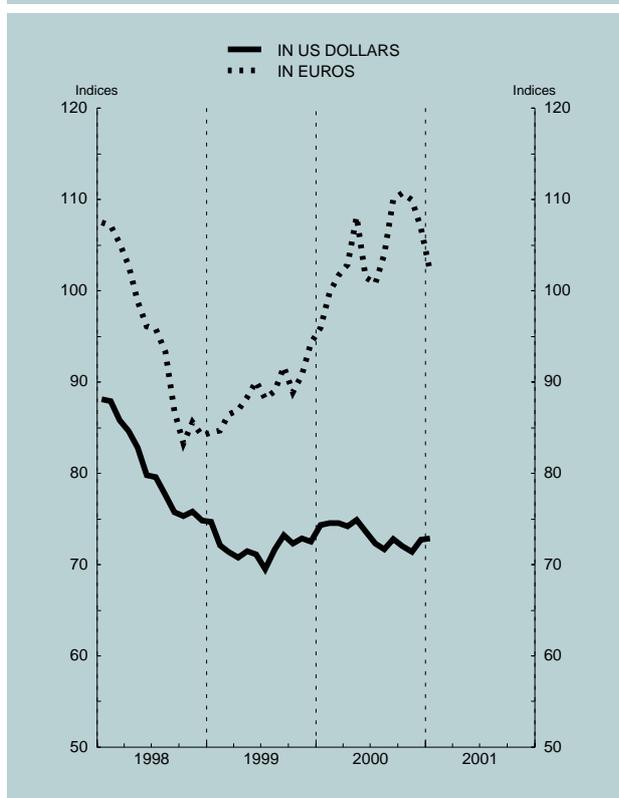
## 2.7 International markets: Price indices for non-energy commodities (a). Oil and gold

■ Series depicted in chart.

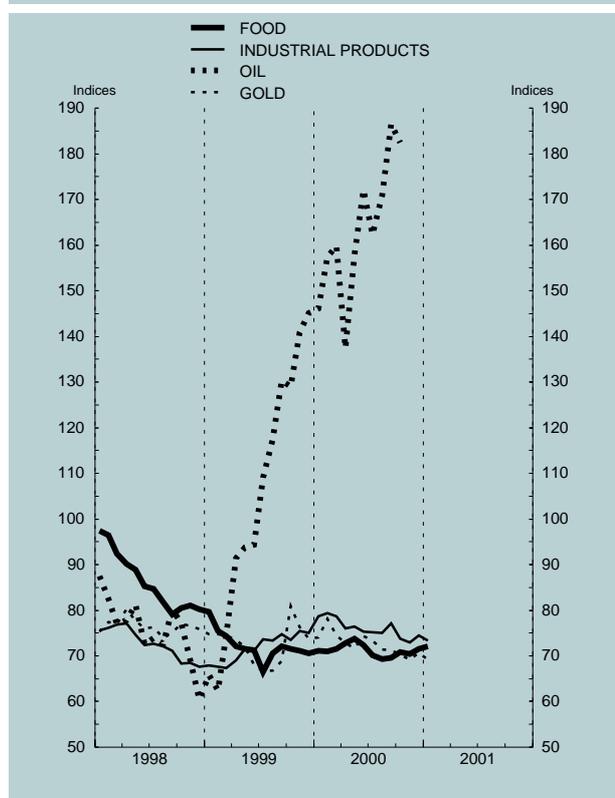
1995 = 100

	Non-energy commodity price index								Oil		Gold		
	Euro index			US dollar index					Index (b)	Brent North sea	Index (c)	US dollars per troy ounce	Euro per gram (d)
	General	Food	Industrial products	General	Food	Industrial products				US dollars per barrel			
						Total	Non-food agricultural products	Metals					
	1	2	3	4	5	6	7	8	9	10	11	12	13
<b>98</b>	95.5	102.3	86.1	80.6	86.4	72.7	76.2	69.8	75.9	13.4	76.5	294.0	8.49
<b>99</b>	88.7	88.8	88.5	72.0	72.2	71.7	73.0	70.6	104.8	18.1	72.6	278.8	8.41
<b>00</b>	104.4	101.5	108.3	73.3	71.2	76.1	70.3	80.9	...	28.5	72.6	279.0	9.72
<b>00 J-J</b>	96.0	91.9	101.5	74.4	71.2	78.7	71.8	84.5	146.1	25.3	74.0	284.3	9.02
<b>01 J-J</b>	102.2	101.1	103.7	72.9	72.1	73.4	66.7	80.2	...	25.4	69.1	265.5	9.10
<b>99 Oct</b>	88.9	87.8	90.3	72.3	71.5	73.5	69.4	76.9	129.0	22.3	80.9	310.7	9.33
<b>Nov</b>	90.8	88.6	93.9	72.9	71.1	75.4	72.3	78.0	140.9	24.1	76.3	293.1	9.12
<b>Dec</b>	94.3	91.4	97.7	72.5	70.5	75.1	68.8	80.5	145.1	25.4	73.7	283.2	9.01
<b>00 Jan</b>	96.0	91.9	101.5	74.4	71.2	78.7	71.8	84.5	146.1	25.3	74.0	284.3	9.02
<b>Feb</b>	99.8	95.0	106.3	74.6	70.9	79.4	73.9	84.1	157.3	27.4	78.1	300.0	9.81
<b>Mar</b>	101.7	97.6	107.3	74.6	71.6	78.7	74.1	82.5	159.8	27.9	74.5	286.4	9.55
<b>Apr</b>	102.9	101.0	105.5	74.2	72.8	76.1	73.8	77.9	137.4	23.0	72.8	279.7	9.50
<b>May</b>	108.1	106.4	110.4	74.9	73.8	76.5	72.5	79.8	157.9	27.4	71.6	275.2	9.77
<b>Jun</b>	101.5	99.8	103.7	73.6	72.4	75.3	71.0	78.8	172.2	29.9	74.4	285.8	9.68
<b>Jul</b>	100.8	97.8	104.7	72.3	70.2	75.1	68.3	81.0	162.3	28.8	73.3	281.6	9.63
<b>Aug</b>	104.0	100.5	108.7	71.7	69.3	75.0	68.2	80.7	170.8	29.9	71.4	274.5	9.76
<b>Sep</b>	110.0	105.3	116.6	72.8	69.7	77.1	68.1	84.7	186.5	32.5	71.3	273.8	10.09
<b>Oct</b>	110.7	108.8	113.3	72.0	70.8	73.7	67.0	79.4	182.5	31.3	70.3	270.0	10.15
<b>Nov</b>	109.9	108.3	112.2	71.4	70.4	72.9	67.9	77.1	...	32.7	69.2	265.9	9.98
<b>Dec</b>	106.9	105.0	109.5	72.8	71.5	74.5	67.9	80.1	...	26.4	70.7	271.5	9.73
<b>01 Jan</b>	102.2	101.1	103.7	72.9	72.1	73.4	66.7	80.2	...	25.4	69.1	265.5	9.10

NON-ENERGY COMMODITY PRICE INDEX



PRICE INDICES FOR NON-ENERGY COMMODITIES, OIL AND GOLD



Sources: The Economist (non-energy commodity price index), IMF (oil) and BE (gold).

(a) The weights are based on the value of the commodity imports of the OECD countries during the period 1994-1996.

(b) Index of the average price in US dollars of various medium, light and heavy crudes.

(c) Index of the London market's 15.30 fixing in dollars.

(d) As of January 1999, data in US dollars have been converted into euro using the average monthly exchange rate. Before that date, data in pesetas have been converted into euro using the irrevocable exchange rate.

### 3.1. Indicators of private consumption. Spain and euro area

■ Series depicted in chart.

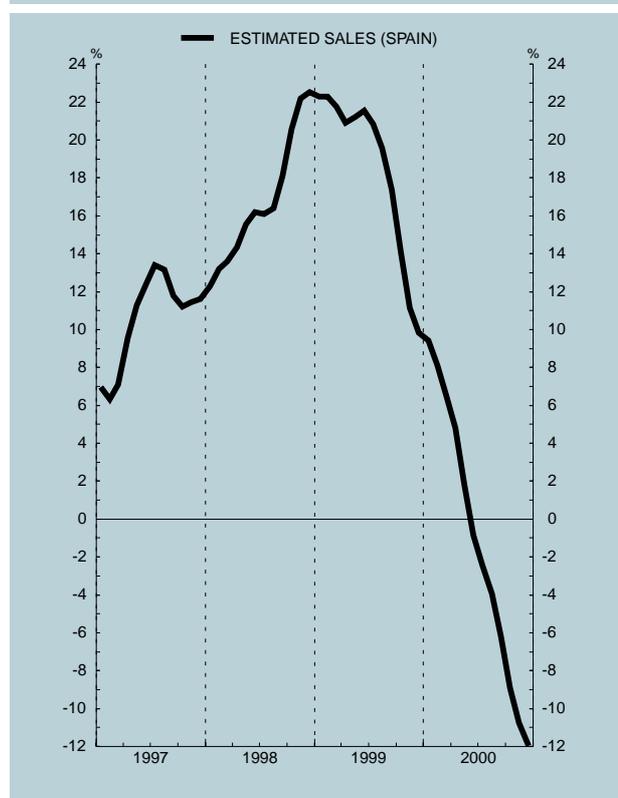
Annual percentage changes

	Opinion surveys (net percentages)						New car registrations and sales			Retail trade: sales index								
	Consumers			Retail trade confidence index	Memorandum item: euro area		of which			Memorandum item: euro area	General index			By type of product (deflated indices)				Memorandum item: euro area deflated index
	Confidence index	General economic situation: anticipated trend	Household economic situation: anticipated trend		Consumer confidence index	Retail trade confidence index	Registrations	Private use	Estimated sales		Registrations	Nominal	Deflated (a)	Large retail outlets (a)	Food (b)	Personal items (c)	Household items (d)	
				1						2								3
<b>97</b>	-3	6	4	-1	-15	-9	12.7	17.4	11.5	4.2	3.2	2.2	4.0	0.2	2.9	2.6	5.8	1.2
<b>98</b>	5	7	6	3	-5	-3	17.6	19.8	17.4	7.2	7.1	5.4	7.2	3.4	2.9	9.9	8.7	2.9
<b>99</b>	8	6	7	3	-3	-5	17.1	18.1	17.9	5.4	5.2	3.4	10.0	0.6	3.6	5.6	7.1	2.6
<b>99 J-D</b>	8	6	7	3	-3	-5	17.1	18.1	17.9	...	5.2	3.4	10.0	0.6	3.6	5.6	7.1	...
<b>00 J-D</b>	A	7	5	7	3	-1	...	-4.6	-5.7	-1.8	...	...	...	...	...	...	...	...
<b>00 Jan</b>	P	8	7	7	2	-1	-2	15.7	13.2	16.2	0.8	6.4	4.5	6.2	1.8	...	...	2.6
<b>Feb</b>	P	10	8	8	3	-	-3	11.8	17.4	11.5	5.3	13.2	11.4	10.0	7.0	...	...	3.7
<b>Mar</b>	P	11	10	9	5	-	5	-1.0	4.9	-0.5	-0.9	7.9	6.4	5.7	4.9	...	...	1.0
<b>Apr</b>	P	10	8	8	-2	-	-3	8.2	-3.4	10.0	-1.7	8.5	7.0	12.6	8.0	...	...	3.6
<b>May</b>	P	8	6	8	3	1	4	3.1	2.4	3.5	1.4	8.6	7.1	9.4	6.9	...	...	4.3
<b>Jun</b>	P	8	6	8	10	-1	7	-1.6	-2.4	-1.8	1.1	7.1	5.2	9.4	4.5	...	...	2.0
<b>Jul</b>	P	9	5	9	3	-	-3	-7.0	-10.1	-6.0	-14.4	2.4	0.1	2.9	-0.5	...	...	2.4
<b>Aug</b>	P	9	6	7	3	1	-3	0.9	1.1	1.6	-4.3	6.6	4.0	10.3	2.5	...	...	2.5
<b>Sep</b>	P	4	-	5	1	-3	-1	-6.1	-9.2	-4.6	-1.6	5.0	2.3	8.4	-0.8	...	...	3.4
<b>Oct</b>	P	3	-1	6	1	-3	-1	-11.9	-13.1	-11.5	-7.0	3.3	0.5	-1.0	-1.2	...	...	...
<b>Nov</b>	P	-1	-1	5	-	-3	-3	-12.0	-11.0	-10.5	-3.2	5.9	3.1	2.8	1.6	...	...	...
<b>Dec</b>	A	3	-	6	4	-1	...	-45.7	-46.9	-20.6	...	...	...	...	...	...	...	...

CONSUMER CONFIDENCE INDEX



CAR SALES  
Trend obtained with TRAMO-SEATS



Sources: European Commission, European Economy, Supplement B, INE, Dirección General de Tráfico, Asociación Nacional de Fabricantes de Automóviles y Camiones and ECB.

(a) Deflated by the price index obtained from the CPI components detailed in the following notes. Repairs are not included in any of the components mentioned.

(b) Deflated by the food component of the CPI.

(c) Deflated by the clothing and footwear (excluding repairs) components of the CPI.

(d) Deflated by the household items (excluding repairs and domestic services) components of the CPI.

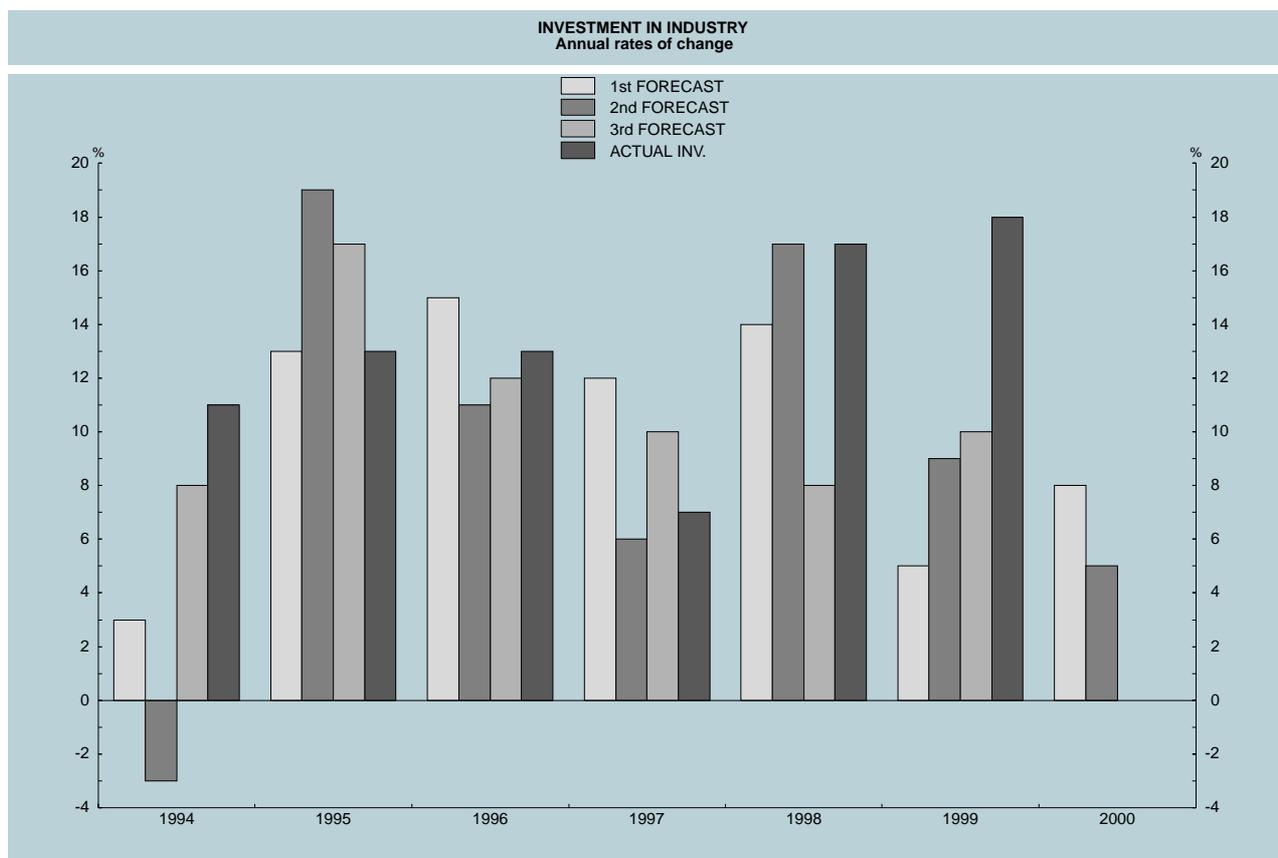
(e) Deflated by the recreational goods, publications and other goods and services (excluding tourism, hotel and catering services, financial and other services) components of the CPI.

### 3.2. Investment in industry (excluding construction): opinion surveys. Spain

■ Series depicted in chart.

Annual percentage changes at current prices

	1	2	3	4				
	ACTUAL INV.		1st FORECAST		2nd FORECAST		3rd FORECAST	
94		11	3		-3		8	
95		13	13		19		17	
96		13	15		11		12	
97		7	12		6		10	
98		17	14		17		8	
99		18	5		9		10	
00		...	8		5		...	



Source: Ministerio de Ciencia y Tecnología

Note: The first forecast is made in the autumn of the previous year and the second and third ones in the spring and autumn of the current year, respectively; the information relating to actual investment for the year t is obtained in the spring of the year t+1.

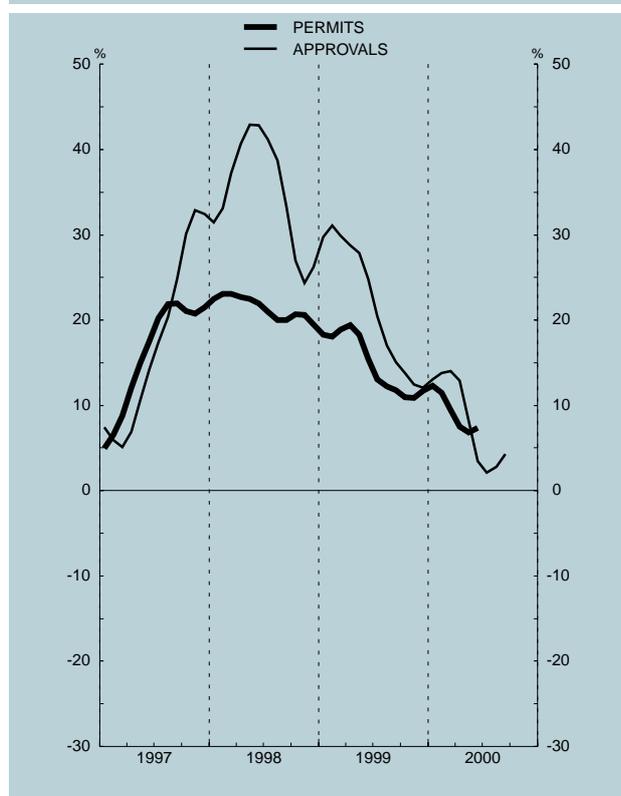
### 3.3. Construction. Indicators of building starts and consumption of cement. Spain

■ Series depicted in chart.

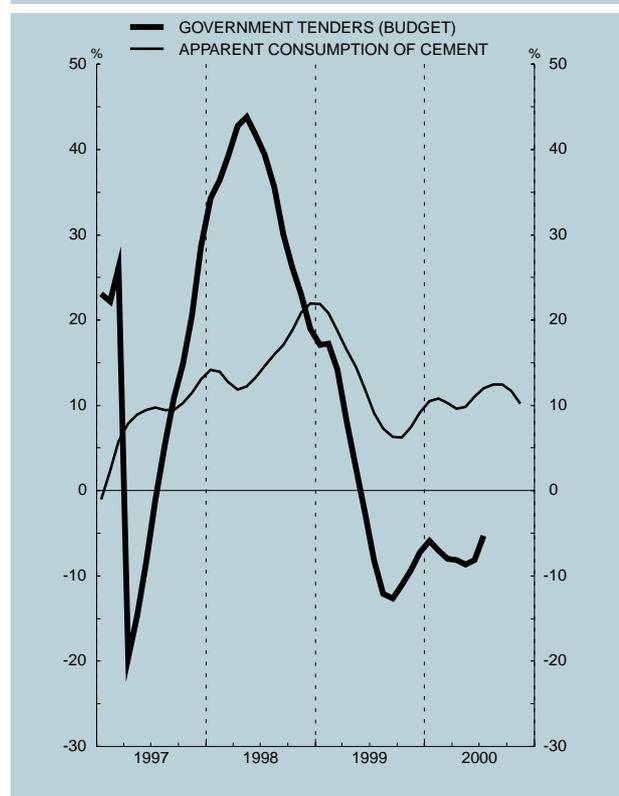
Annual percentage changes

	Permits: buildable floorage				Approvals: buildable floorage		Government tenders (budget)							Apparent consumption of cement
	Total	of which		Non-residential	Total	of which		Total		Building			Civil engineering	
		Residential	Housing			Housing	For the month	Year to date	Total	of which		Non-residential		
										Residential	Housing			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
<b>97</b>	16.6	13.6	13.8	34.4	17.5	19.3	2.2	2.2	47.4	51.0	37.5	46.2	-10.4	8.4
<b>98</b>	23.7	22.5	21.8	29.7	32.5	29.0	46.8	46.8	29.0	27.7	-13.0	29.5	55.0	15.7
<b>99</b>	12.8	13.1	12.8	11.2	22.0	20.0	-9.7	-9.7	-1.2	15.4	-26.0	-6.5	-13.0	11.7
<b>99 J-N</b>	12.2	12.1	11.6	12.6	23.4	21.0	-11.7	-11.7	-4.1	-9.1	-21.2	-2.5	-14.7	11.9
<b>00 J-N</b>	...	...	...	...	...	...	...	...	...	...	...	...	...	11.7
<b>99 Aug</b>	22.4	24.1	22.8	14.3	20.2	14.4	-36.3	-11.3	-28.5	-45.9	-70.5	-19.8	-39.6	9.1
<b>99 Sep</b>	19.4	16.9	15.1	31.0	13.1	19.6	-6.5	-10.9	11.3	-16.4	-18.5	19.9	-12.8	8.5
<b>99 Oct</b>	-0.6	3.0	3.8	-14.1	8.9	3.6	-19.9	-11.8	-13.0	-11.1	-53.9	-13.6	-23.5	-3.0
<b>99 Nov</b>	2.2	4.7	5.1	-10.3	15.8	15.2	-10.3	-11.7	30.8	20.9	5.3	33.2	-23.5	11.1
<b>99 Dec</b>	18.4	22.9	23.4	-	8.1	9.5	4.4	-9.7	30.3	339.1	-70.7	-46.9	-1.9	10.3
<b>00 Jan</b>	22.3	24.1	23.3	15.2	14.0	14.1	-21.9	-21.9	-48.0	-76.1	-19.9	-20.9	-9.9	12.3
<b>00 Feb</b>	36.0	32.2	30.1	53.2	20.6	21.7	24.6	-0.5	26.2	4.4	120.3	29.6	24.1	16.3
<b>00 Mar</b>	3.4	3.2	2.7	4.3	9.0	13.7	43.7	15.8	-4.1	-43.2	-50.2	5.7	74.3	14.6
<b>00 Apr</b>	-10.6	-7.5	-5.1	-24.2	15.9	21.2	-38.4	-2.1	-33.7	-44.2	-31.3	-30.6	-40.8	-4.6
<b>00 May</b>	2.1	-0.7	0.6	16.9	21.8	23.3	-10.8	-4.4	-1.9	-13.5	-47.9	1.0	-13.6	13.5
<b>00 Jun</b>	9.2	6.5	7.3	21.3	-6.5	-8.8	-22.9	-8.2	31.6	143.2	-19.6	-5.7	-43.8	13.7
<b>00 Jul</b>	...	...	...	...	-6.1	-6.2	-5.1	-7.7	35.7	1.3	-3.4	46.1	-20.2	10.9
<b>00 Aug</b>	...	...	...	...	8.3	10.5	...	...	...	...	...	...	...	13.7
<b>00 Sep</b>	...	...	...	...	-4.2	-9.7	...	...	...	...	...	...	...	11.9
<b>00 Oct</b>	...	...	...	...	...	...	...	...	...	...	...	...	...	15.5
<b>00 Nov</b>	...	...	...	...	...	...	...	...	...	...	...	...	...	10.9

CONSTRUCTION  
Trend obtained with TRAMO-SEATS



CONSTRUCTION  
Trend obtained with TRAMO-SEATS



Sources: Ministerio de Fomento and Asociación de Fabricantes de Cemento de España.

Note: The underlying series for this indicator are in Tables 23.7, 23.8, and 23.9 of the BE Boletín estadístico.

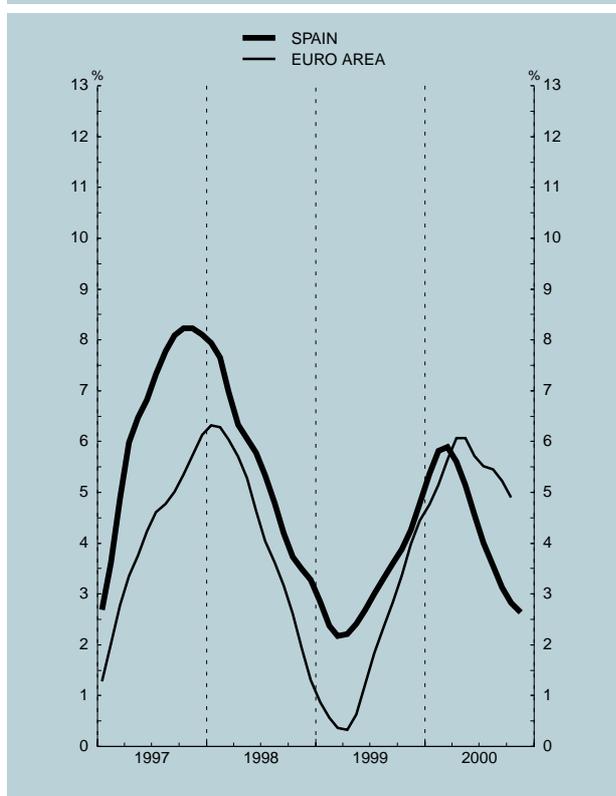
### 3.4. Industrial production index. Spain and euro area

■ Series depicted in chart.

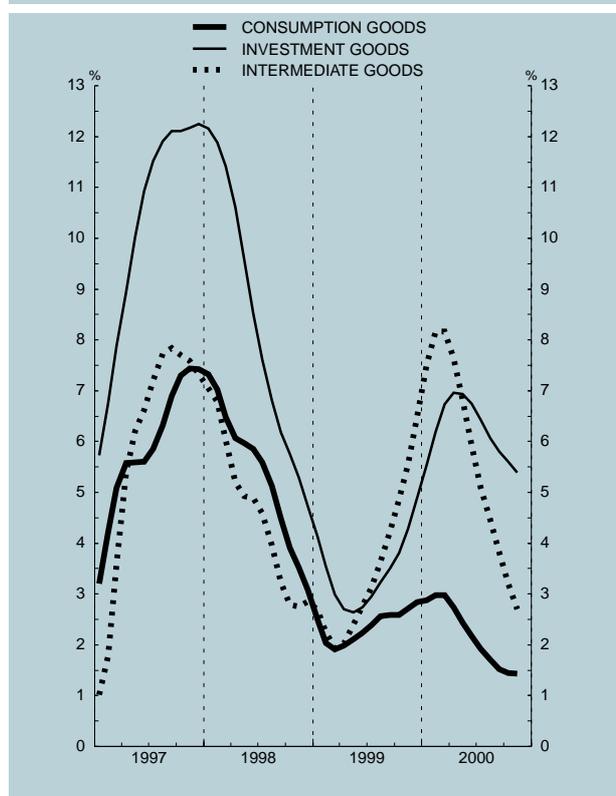
Annual percentage changes

		Overall Index			By end-use of goods			By branch of activity				Memorandum item: euro area					
		Total		of which	Consumption	Investment	Inter- mediate goods	Energy	Minerals	Process- ing	Others	of which		By end-use of goods			
		Original series	12-month % change	Manufacturing								Total	Manufacturing	Consumption	Investment	Inter- mediate goods	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
97	MP	109.2	6.9	7.3	6.7	10.4	5.9	5.1	6.1	8.8	6.6	4.2	4.8	3.3	4.8	5.3	
98	MP	115.1	5.4	6.2	5.5	8.4	4.2	1.1	5.5	8.2	4.7	4.2	4.7	5.6	6.5	4.0	
99	MP	118.1	2.6	2.3	1.9	3.2	3.1	4.0	4.1	0.5	3.1	1.9	1.9	3.0	1.5	2.3	
99	J-N	MP	118.1	2.4	2.0	1.6	3.3	2.8	4.2	3.5	0.4	2.7	1.6	1.5	...	1.3	1.9
00	J-N	MP	123.8	4.8	4.1	2.2	6.3	6.3	8.0	4.3	6.6	1.9	5.3	5.6	...	8.6	5.3
99	Aug	P	81.1	6.0	6.3	8.0	4.2	3.4	6.1	0.7	10.8	3.7	3.6	6.5	3.3	4.1	
	Sep	P	125.0	4.2	3.4	3.0	7.2	4.1	8.9	2.8	4.3	2.6	2.6	2.5	2.4	3.5	
	Oct	P	123.4	-0.2	-1.3	-2.7	-1.4	2.2	4.9	3.2	-4.9	2.9	3.3	3.2	1.9	4.0	
	Nov	P	128.4	5.2	4.7	5.5	3.5	5.8	6.9	7.9	1.1	7.0	4.3	4.8	3.1	5.3	
	Dec	P	118.0	5.4	5.7	5.6	2.6	6.3	2.2	10.9	1.8	7.2	5.5	6.1	7.8	3.2	7.6
00	Jan	P	118.5	5.0	3.5	-0.2	5.1	9.1	10.6	8.2	4.2	0.7	3.2	3.2	3.7	4.7	4.4
	Feb	P	125.2	9.9	9.3	5.5	13.1	12.3	12.4	14.2	11.1	4.9	5.8	6.5	8.6	7.3	6.6
	Mar	P	136.3	10.2	8.9	7.8	11.1	11.8	16.2	7.8	11.1	8.2	5.4	5.5	7.1	7.9	6.0
	Apr	P	114.8	-0.1	-2.0	-4.0	-1.3	3.5	11.7	-3.2	-0.5	-2.8	6.2	6.6	9.0	8.1	6.0
	May	P	133.1	9.5	9.4	6.4	17.4	9.5	9.8	6.4	14.9	6.6	8.2	8.4	9.7	11.6	8.8
	Jun	P	132.7	5.2	4.4	2.2	7.5	6.9	9.1	2.1	8.8	2.1	3.8	4.2	6.4	4.1	
	Jul	P	128.5	0.2	-0.8	-0.4	-1.9	1.4	4.5	-0.8	0.1	-1.2	5.3	5.6	6.5	8.1	4.9
	Aug	P	86.9	7.2	7.3	4.2	17.0	7.2	7.1	7.3	19.0	0.8	6.4	7.1	8.4	11.7	6.5
	Sep	P	125.1	0.1	-0.2	-1.2	-3.5	2.3	1.1	4.5	-2.4	-0.8	5.7	6.2	5.4	10.4	4.4
	Oct	P	126.7	2.7	2.7	1.6	6.0	2.5	2.9	0.2	5.9	1.3	3.9	4.1	1.4	8.9	3.2
	Nov	P	133.6	4.0	4.1	3.2	6.5	3.8	4.0	2.9	7.7	1.3	4.4	4.8	...	9.5	3.5

INDUSTRIAL PRODUCTION INDEX  
Trend obtained with TRAMO-SEATS



INDUSTRIAL PRODUCTION INDEX  
Trend obtained with TRAMO-SEATS



Sources: INE and BCE.

Note: The underlying series for this indicator are in Table 23.1 of the BE Boletín estadístico.

### 3.5. Monthly business survey: industry and construction. Spain and euro area

■ Series depicted in chart.

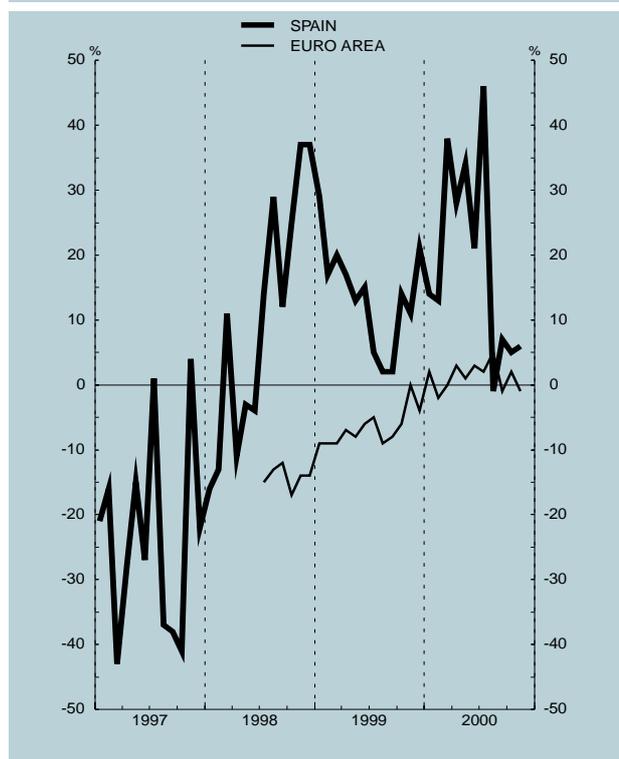
Balance

		Industry, excluding construction									Construction					Memorandum item: euro area (b)			
		Business climate indicator (a)	Production over the last three months	Trend in production	Total orders	Foreign orders	Stocks of finished products	Business climate indicator			Business climate indicator	Production	Orders	Trend		Industry, excluding construction		Construction business climate indicator	
								Consumption	Investment	Intermediate goods				Production	Construction	Business climate indicator	Order book		
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
97	M	0	12	11	-2	-7	8	2	0	-1	-24	-19	-23	7	3	-4	-15	-33	
98	M	0	11	7	2	-7	8	1	3	-2	10	22	18	17	8	-1	-5	-19	
99	M	-2	6	6	-4	-16	9	-0	-2	-4	14	20	18	40	26	-7	-17	-7	
99	J-N	M	-2	6	7	-4	-17	9	-0	-2	13	21	16	41	27	-8	-18	-7	
00	J-N	M	3	9	11	4	-4	7	2	1	19	12	19	42	36	5	3	1	
99	Aug		-1	5	11	-5	-17	9	-1	-0	2	17	9	79	60	-7	-17	-9	
	Sep		-0	5	10	-3	-14	8	1	6	-4	2	15	12	26	35	-5	-15	-8
	Oct		0	6	4	1	-8	4	2	5	-5	14	19	24	56	-18	-3	-11	-6
	Nov		-2	12	-5	7	-9	8	-5	3	-2	11	28	27	11	35	-1	-9	-
	Dec		-0	8	4	1	-8	6	1	-7	4	21	14	37	31	22	-	-6	-4
00	Jan		2	2	14	-2	-10	7	-0	-0	4	14	-27	16	14	17	1	-4	2
	Feb		3	3	16	2	-7	8	4	-5	7	13	-15	4	27	69	3	-2	-2
	Mar		9	12	20	10	-3	4	7	-1	13	38	6	30	58	75	4	1	-
	Apr		4	9	15	4	-5	6	6	-6	8	28	29	28	55	23	5	3	3
	May		3	11	14	3	-6	8	4	-1	5	34	18	29	30	-2	5	4	1
	Jun		5	21	11	9	-1	6	4	8	5	21	29	26	66	43	8	8	3
	Jul		2	14	5	7	-3	7	-1	6	3	46	36	40	54	55	7	5	2
	Aug		2	8	11	-1	-4	5	3	3	1	-1	32	-5	42	7	6	4	5
	Sep		3	9	9	4	1	4	4	3	3	7	34	27	34	58	6	5	-1
	Oct		-	6	6	4	-1	10	-1	2	-1	5	11	8	32	-1	6	5	2
	Nov		-2	5	4	-1	-3	8	-3	1	-1	6	-22	8	52	54	5	4	-1

INDUSTRIAL BUSINESS CLIMATE  
Net percentages



CONSTRUCTION BUSINESS CLIMATE  
Net percentages



Sources: Ministerio de Ciencia y Tecnología, Encuesta de coyuntura industrial, and ECB.

(a) 1= mean of (4-6+3).

(b) The period referred to is different, so that the value of the indicator for month n corresponds to the data published by the MCYT for month n-1.

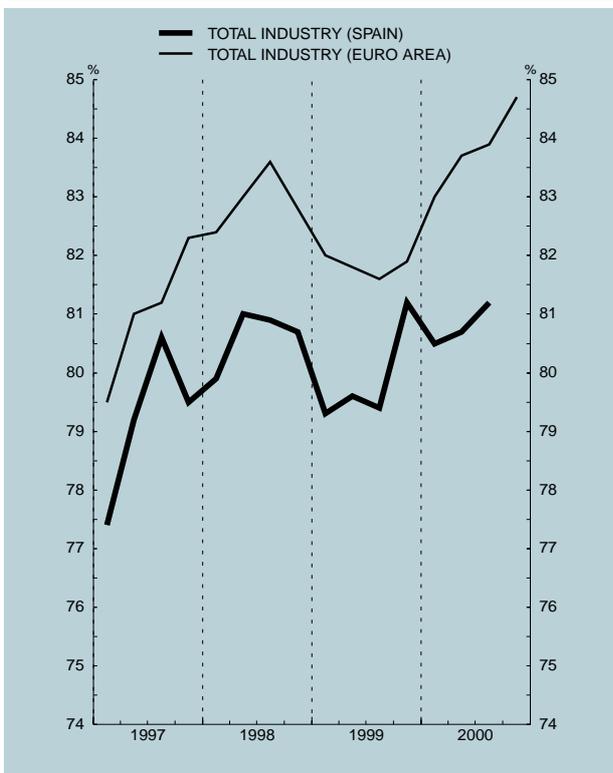
### 3.6. Business survey: capacity utilisation. Spain and euro area

■ Series depicted in chart.

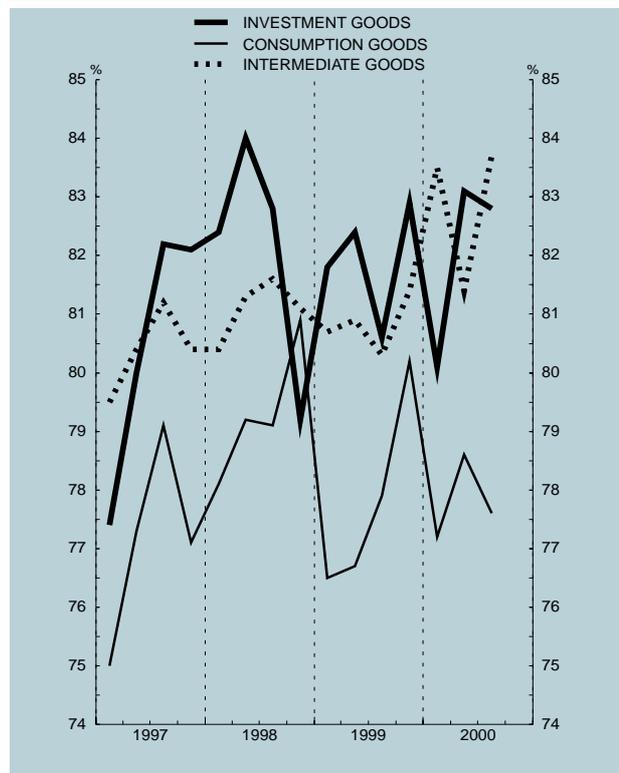
Percentages and balances

	Total industry			Consumer goods			Investment goods			Intermediate goods			Memorandum item: euro area capacity utilisation (%)
	Capacity utilisation		Installed capacity (balances)										
	Over last three months (%)	Forecast (%)		Over last three months (%)	Forecast (%)		Over last three months (%)	Forecast (%)		Over last three months (%)	Forecast (%)		
1	2	3	4	5	6	7	8	9	10	11	12	13	
97	79.2	80.0	2	77.1	77.7	1	80.4	82.0	5	80.4	81.3	2	81.0
98	80.6	81.5	3	79.3	79.9	3	82.1	83.4	1	81.1	82.2	1	83.0
99	79.9	80.9	2	77.8	79.4	3	81.9	81.9	2	80.8	82.1	1	81.8
99 Q1Q4	79.9	80.9	2	77.8	79.4	3	81.9	81.9	2	80.8	82.1	1	81.8
00 Q1Q4	...	...	...	...	...	...	...	...	...	...	...	...	83.8
98 Q2	81.0	81.9	1	79.2	80.7	4	84.0	84.2	4	81.3	82.0	-3	83.0
Q3	80.9	81.8	2	79.1	80.8	4	82.8	83.2	-	81.6	82.0	-	83.6
Q4	80.7	80.5	2	80.9	78.1	2	79.2	81.8	-4	81.1	82.0	6	82.8
99 Q1	79.3	81.3	3	76.5	79.3	3	81.8	83.0	3	80.7	82.3	2	82.0
Q2	79.6	80.2	1	76.7	80.2	1	82.4	81.4	-	80.9	81.2	1	81.8
Q3	79.4	81.2	2	77.9	79.7	2	80.6	81.9	2	80.3	82.1	-	81.6
Q4	81.2	80.9	1	80.2	78.5	4	82.9	81.2	3	81.4	82.8	-1	81.9
00 Q1	80.5	82.1	-1	77.2	78.5	-	80.1	80.7	1	83.5	85.8	-3	83.0
Q2	80.7	81.1	-	78.6	78.3	2	83.1	84.2	2	81.4	82.2	-2	83.7
Q3	81.2	82.1	-1	77.6	78.5	-1	82.8	84.3	-4	83.7	84.3	-	83.9
Q4	...	...	...	...	...	...	...	...	...	...	...	...	84.7

CAPACITY UTILISATION. TOTAL INDUSTRY  
Percentages



CAPACITY UTILISATION. BY TYPES OF GOODS  
Percentages



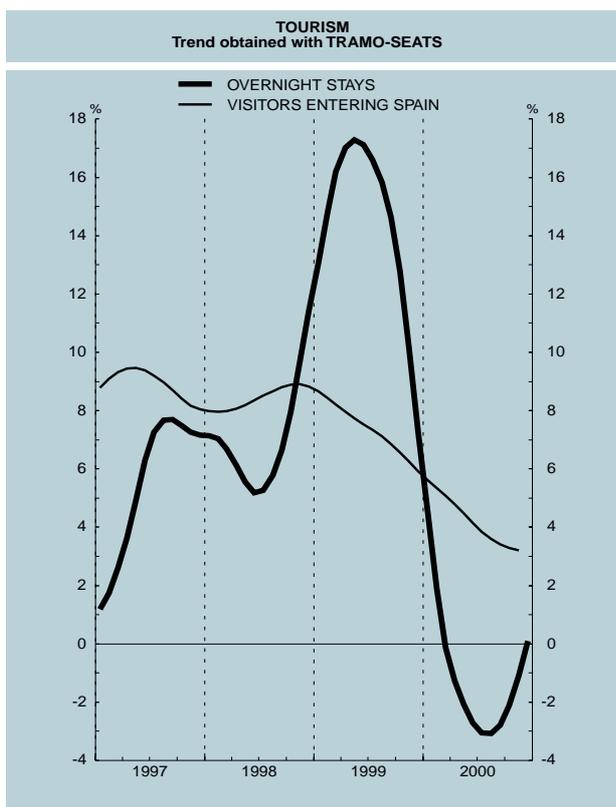
Sources: Ministerio de Ciencia y Tecnología and ECB

### 3.7. Tourism and transport statistics. Spain

■ Series depicted in chart.

Annual percentage changes

	Hotel stays (a)		Overnight stays		Visitors entering Spain			Air transport				Maritime transport		Rail transport	
	Total	Foreigners	Total	Foreigners	Total	Tourists	Day-trip-pers	Passengers			Freight	Passengers	Freight	Passengers	Freight
								Total	Domestic flights	International flights					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
97	7.4	7.3	5.4	5.2	9.0	9.2	8.6	7.9	7.6	8.1	10.2	5.1	2.5	6.2	12.6
98	10.3	10.8	6.9	6.1	8.6	9.7	6.6	7.1	2.5	10.4	0.7	8.3	4.6	5.4	2.6
99	13.0	20.4	14.9	21.5	6.8	8.3	4.0	9.0	7.0	10.3	6.8	7.9	5.2	3.8	1.5
99 J-N	13.2	20.8	15.1	22.1	7.0	8.9	3.7	9.0	6.9	10.4	6.0	8.3	5.5	3.4	1.2
00 J-N	1.2	1.3	-1.5	-3.6	2.8	2.4	3.5	...	...	...	...	...	...	2.1	1.5
99 Aug	10.7	17.7	9.9	17.5	0.0	3.9	-6.3	7.6	8.7	7.0	3.3	5.5	5.0	3.1	5.6
99 Sep	11.7	19.8	13.8	20.6	8.4	9.1	6.9	10.1	11.2	9.4	12.7	9.4	0.1	1.8	-1.3
99 Oct	13.9	21.5	17.9	23.6	11.6	14.5	5.3	12.0	10.0	13.2	9.1	2.3	-6.3	0.3	-8.5
99 Nov	12.5	29.3	16.2	26.3	9.7	8.3	11.8	9.8	10.4	9.2	8.2	6.0	2.8	7.4	3.0
99 Dec	9.7	11.0	9.2	7.6	2.6	-0.6	6.6	8.2	8.5	7.9	14.6	2.3	2.7	8.5	5.6
00 Jan	2.3	0.8	-4.1	-9.2	1.5	6.6	-4.6	3.3	7.5	-0.2	2.7	14.2	7.0	4.4	5.0
00 Feb	5.7	4.5	0.6	-2.9	3.4	3.2	3.5	8.2	11.8	5.1	13.8	16.5	7.5	6.7	0.2
00 Mar	3.1	10.7	3.0	6.3	1.9	2.6	0.8	11.3	14.8	8.5	8.5	8.7	-0.2	-6.4	-13.2
00 Apr	8.2	8.9	2.3	1.0	17.8	29.1	0.5	17.9	18.1	17.8	11.2	17.3	3.1	2.7	-5.9
00 May	-2.4	-2.8	-4.7	-6.7	-9.7	-13.2	-1.6	7.7	21.4	0.1	1.8	7.5	5.7	1.3	10.8
00 Jun	-0.5	-1.5	-1.1	-3.1	5.6	7.0	2.4	12.1	19.6	7.8	1.6	3.2	14.8	2.8	0.4
00 Jul	-0.9	2.5	-1.4	-1.9	-1.0	-4.5	7.4	11.3	14.8	9.3	2.6	6.3	10.2	1.5	-4.0
00 Aug	0.6	-0.7	-1.9	-5.3	0.4	-3.9	7.8	8.8	13.5	6.3	12.5	7.7	5.3	-1.4	5.5
00 Sep	-0.2	0.4	-2.1	-3.7	7.9	7.6	8.3	10.2	10.7	9.9	2.1	5.4	7.5	6.0	-4.2
00 Oct	-0.9	-0.8	-4.5	-6.8	4.5	4.1	5.4	6.2	9.4	4.3	2.2	1.9	9.6	6.0	19.8
00 Nov	3.6	-2.1	-0.3	-4.6	3.7	5.3	1.5	...	...	...	...	...	...	0.8	4.9



Sources: INE and Instituto de Estudios Turísticos, Estadística de Movimientos Turísticos en Frontera.

Note: The underlying series for this indicator are in Table 23.15 of the BE Boletín estadístico.

(a) From January 1999 the survey includes one-star and similar establishments. To calculate the annual percentage changes the 1998 data have been increased in order to reflect the new guideline.

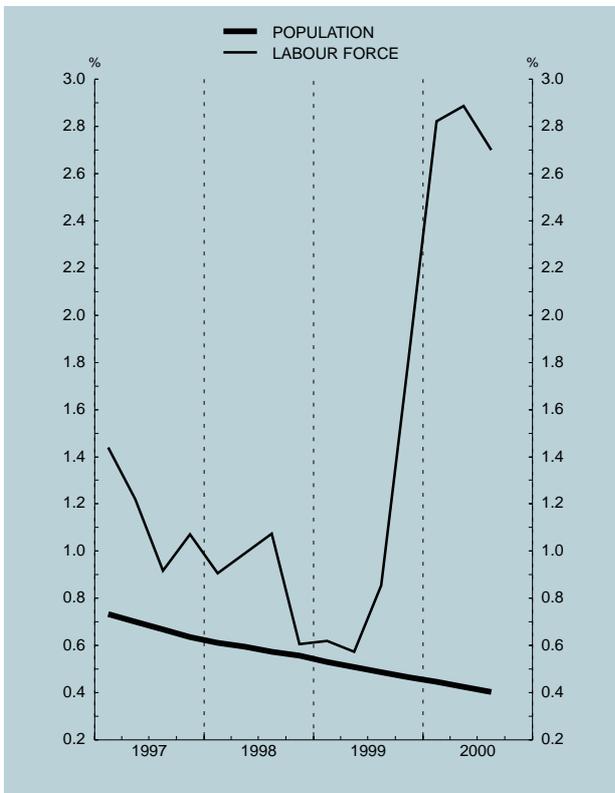
#### 4.1. Labour force. Spain (a)

■ Series depicted in chart.

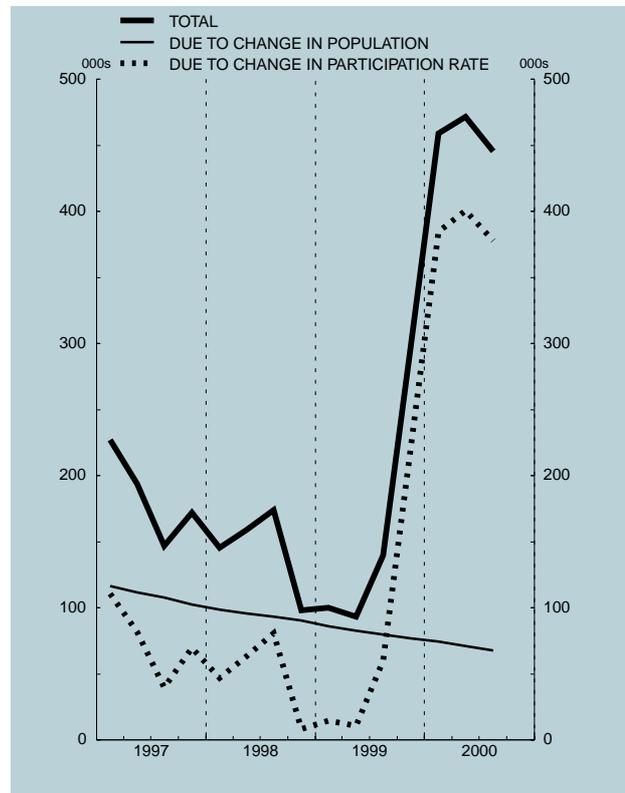
Thousands and annual percentage changes

		Population over 16 years of age			Participation rate (%)	Labour force				
		Thousands	Annual change	4-quarter % change		Thousands	Annual change (b)			4-quarter % change
							Total	Due to change in population over 16 years of age	Due to change in participation rate	
1	2	3	4	5	6	7	8	9		
97	M	32 345	220	0.7	49.84	16 121	185	110	75	1.2
98	M	32 534	189	0.6	50.00	16 265	144	94	50	0.9
99	M	32 696	162	0.5	50.23	16 423	158	81	76	1.0
99	Q1-Q3M	32 677	165	0.5	50.07	16 363	111	83	28	0.7
00	Q1-Q3M	32 816	139	0.4	51.26	16 821	459	71	388	2.8
98	Q1	32 468	198	0.6	49.79	16 164	145	98	47	0.9
	Q2	32 512	192	0.6	49.92	16 231	159	96	63	1.0
	Q3	32 556	186	0.6	50.25	16 361	174	93	81	1.1
	Q4	32 601	180	0.6	50.02	16 305	98	90	8	0.6
99	Q1	32 640	172	0.5	49.83	16 264	100	86	14	0.6
	Q2	32 677	165	0.5	49.95	16 324	93	83	11	0.6
	Q3	32 715	158	0.5	50.44	16 500	140	80	60	0.9
	Q4	32 752	152	0.5	50.69	16 603	298	77	221	1.8
00	Q1	32 786	146	0.4	51.01	16 723	459	74	385	2.8
	Q2	32 816	139	0.4	51.18	16 795	471	71	400	2.9
	Q3	32 846	131	0.4	51.59	16 946	445	68	378	2.7

LABOUR FORCE SURVEY  
Annual percentage change



LABOUR FORCE  
Annual changes



Source: INE, Encuesta de Población Activa (1987 survey series chained by INE with the 1976 series).

(a) The year-on-year changes are affected by the updating of the census sample in 2000 Q1. Year-on year changes without the effects of the sample updating can be found on the INE pages entitled "Variaciones sobre igual trimestre del año anterior".

(b) Col.7 = (col.5/col.1) x annual change in col.1.

Col.8 = (annual change in col.4/100) x col.1(t-4).

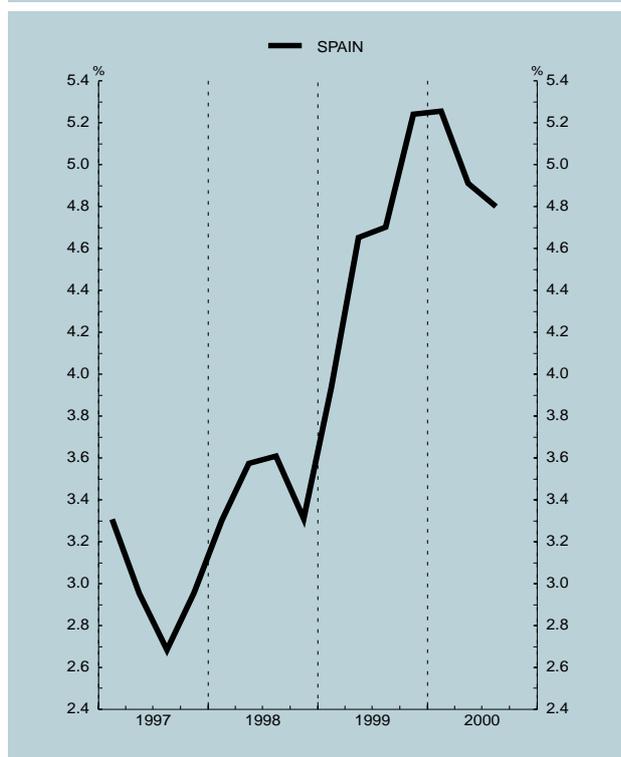
## 4.2. Employment and wage-earners. Spain and euro area (a)

■ Series depicted in chart.

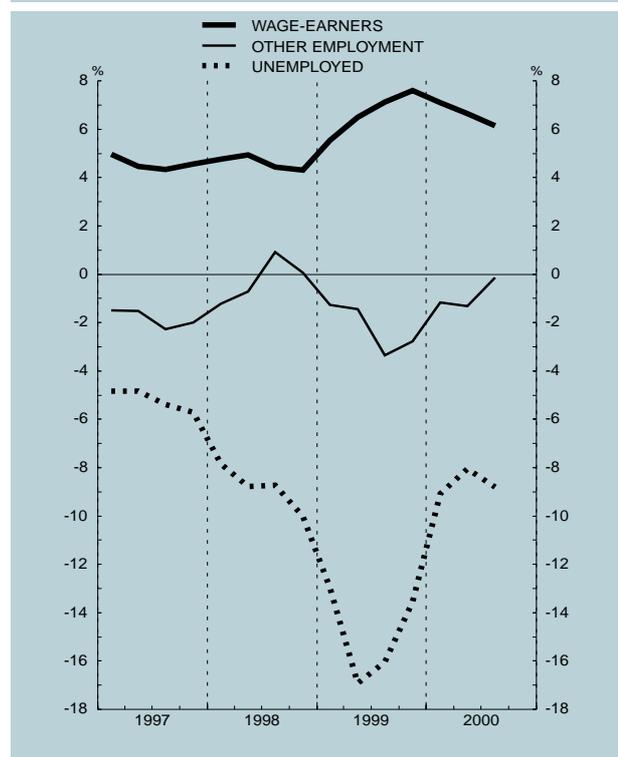
Thousands and annual percentage changes

		Employment									Unemployment			Memorandum item: euro area		
		Total			Wage-earners			Other			Thousands	Annual change	4-quarter % change	Unemployment rate	Employment 4-quarter % change	Unemployment rate
		Thousands	Annual change	4-quarter % change	Thousands	Annual change	4-quarter % change	Thousands	Annual change	4-quarter % change						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15		
<b>97</b>	M	12 765	369	3.0	9 709	425	4.6	3 056	-56	-1.8	3 356	-184	-5.2	20.83	0.8	11.56
<b>98</b>	M	13 205	440	3.4	10 157	448	4.6	3 048	-7	-0.2	3 060	-296	-8.8	18.82	1.6	10.88
<b>99</b>	M	13 817	613	4.6	10 837	680	6.7	2 981	-67	-2.2	2 605	-455	-14.9	15.87	1.7	9.97
<b>99</b>	Q1-Q3M	13 743	584	4.4	10 750	646	6.4	2 993	-62	-2.0	2 620	-473	-15.3	16.02	...	10.08
<b>00</b>	Q1-Q3M	14 428	685	5.0	11 462	711	6.6	2 966	-26	-0.9	2 393	-227	-8.6	14.23	...	9.17
<b>98</b>	Q1	12 992	415	3.3	9 950	453	4.8	3 042	-37	-1.2	3 172	-270	-7.8	19.63	...	11.20
	Q2	13 161	454	3.6	10 115	476	4.9	3 045	-22	-0.7	3 070	-295	-8.8	18.91	...	11.00
	Q3	13 325	464	3.6	10 249	437	4.4	3 076	28	0.9	3 035	-290	-8.7	18.55	...	10.77
	Q4	13 342	427	3.3	10 312	425	4.3	3 030	2	0.1	2 963	-329	-10.0	18.17	...	10.57
<b>99</b>	Q1	13 503	512	3.9	10 500	550	5.5	3 003	-39	-1.3	2 761	-412	-13.0	16.98	...	10.30
	Q2	13 773	612	4.7	10 771	656	6.5	3 002	-44	-1.4	2 551	-519	-16.9	15.63	1.6	10.07
	Q3	13 952	627	4.7	10 979	730	7.1	2 973	-103	-3.4	2 549	-487	-16.0	15.45	1.7	9.87
	Q4	14 041	699	5.2	11 096	783	7.6	2 946	-84	-2.8	2 562	-401	-13.5	15.43	1.7	9.63
<b>00</b>	Q1	14 213	710	5.3	11 245	745	7.1	2 968	-35	-1.2	2 510	-251	-9.1	15.01	1.9	9.43
	Q2	14 450	677	4.9	11 487	716	6.6	2 962	-39	-1.3	2 346	-205	-8.0	13.97	2.2	9.10
	Q3	14 622	670	4.8	11 653	674	6.1	2 969	-4	-0.1	2 324	-224	-8.8	13.72	...	8.97

**EMPLOYMENT**  
Annual percentage changes



**LABOUR FORCE: COMPONENTS**  
Annual percentage changes



Source: INE, Encuesta de Población Activa (1987 survey series chained by INE with the 1976 series), and ECB.

(a) The year-on-year changes are affected by the updating of the census sample in 2000 Q1. Year-on year changes without the effects o of the sample updating can be found on the INE pages entitled "Variaciones sobre igual trimestre del año anterior".

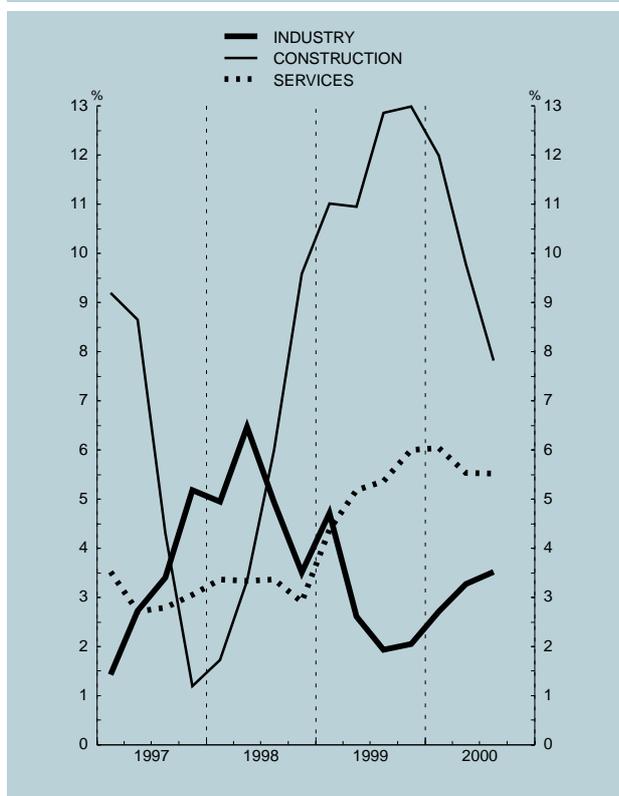
### 4.3. Employment by branch of activity. Spain (a)

■ Series depicted in chart.

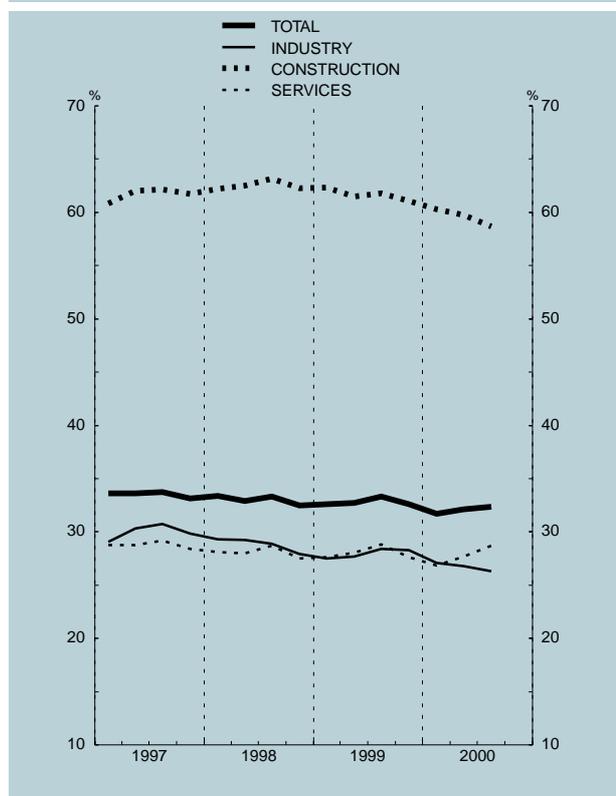
Annual percentage changes

		Total			Agriculture			Industry			Construction			Services			Memorandum item: employment in		
		Employment	Wage-earners	Proportion of temporary employment	Employment	Wage-earners	Proportion of temporary employment	Employment	Wage-earners	Proportion of temporary employment	Employment	Wage-earners	Proportion of temporary employment	Employment	Wage-earners	Proportion of temporary employment	Branches other than agriculture	Branches other than agriculture excluding general government	Services excluding general government
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
97	M	3.0	4.6	33.5	-0.8	11.9	60.0	3.2	4.3	30.0	5.7	6.3	61.7	3.0	4.0	28.8	3.3	3.1	2.5
98	M	3.4	4.6	33.0	-0.6	1.7	60.6	4.9	5.6	28.9	5.2	8.4	62.5	3.2	3.8	28.1	3.8	4.4	4.0
99	M	4.6	6.7	32.8	-4.3	-1.1	60.7	2.8	3.4	28.0	12.0	13.8	61.7	5.2	7.3	28.0	5.4	6.0	6.1
99	Q1-Q3M	4.4	6.4	32.9	-4.9	-2.1	61.1	3.1	3.7	27.9	11.6	13.5	61.9	5.0	6.8	28.2	5.4	5.8	5.8
00	Q1-Q3M	5.0	6.6	32.1	-2.8	-1.9	58.4	3.2	3.6	26.7	9.8	10.6	59.6	5.7	7.5	27.7	5.4	6.1	6.5
98	Q1	3.3	4.8	33.4	1.0	3.7	64.6	4.9	5.8	29.3	1.7	4.1	62.2	3.4	4.6	28.1	3.5	3.5	3.3
	Q2	3.6	4.9	32.9	-1.3	2.5	58.9	6.5	7.2	29.3	3.3	6.5	62.5	3.3	4.0	28.0	4.0	4.7	4.2
	Q3	3.6	4.4	33.3	-0.7	1.4	58.1	4.9	5.4	28.9	6.0	9.7	63.1	3.4	3.5	28.7	4.0	4.8	4.5
	Q4	3.3	4.3	32.5	-1.6	-1.0	60.8	3.5	4.3	28.0	9.6	13.1	62.2	2.9	3.3	27.5	3.7	4.6	4.1
99	Q1	3.9	5.5	32.6	-8.6	-9.1	63.3	4.7	5.0	27.5	11.0	13.5	62.3	4.4	5.6	27.6	5.1	5.9	5.4
	Q2	4.7	6.5	32.7	-2.0	3.7	61.3	2.6	3.1	27.7	10.9	12.4	61.5	5.2	7.0	28.1	5.2	5.8	6.1
	Q3	4.7	7.1	33.3	-3.7	0.4	58.7	1.9	3.0	28.4	12.9	14.6	61.8	5.4	7.8	28.8	5.4	5.7	5.8
	Q4	5.2	7.6	32.6	-2.5	2.3	59.4	2.1	2.7	28.3	13.0	14.8	61.1	6.0	8.6	27.6	5.9	6.5	7.0
00	Q1	5.3	7.1	31.7	-3.3	-3.1	59.2	2.7	3.7	27.1	12.0	12.8	60.3	6.0	8.1	26.9	6.0	6.5	7.0
	Q2	4.9	6.6	32.1	-2.7	-0.4	60.0	3.3	3.6	26.8	9.8	11.0	59.8	5.5	7.4	27.7	5.5	5.9	6.2
	Q3	4.8	6.1	32.3	-2.4	-2.1	55.9	3.5	3.7	26.3	7.8	8.2	58.7	5.5	7.1	28.7	5.4	5.8	6.3

EMPLOYMENT  
Annual percentage changes



TEMPORARY EMPLOYMENT  
Percentages



Source: INE, Encuesta de Población Activa (1987 survey series chained by INE with the 1976 series).

Note: The underlying series of this indicator are in Tables 24.4 and 24.6 of the BE Boletín estadístico.

(a) Branches of activity in accordance with NACE-93.

The year-on-year changes are affected by the updating of the census sample in 2000 Q1. Year-on-year changes without the effects of the sample updating can be found on the INE pages entitled "Variaciones sobre igual trimestre del año anterior".

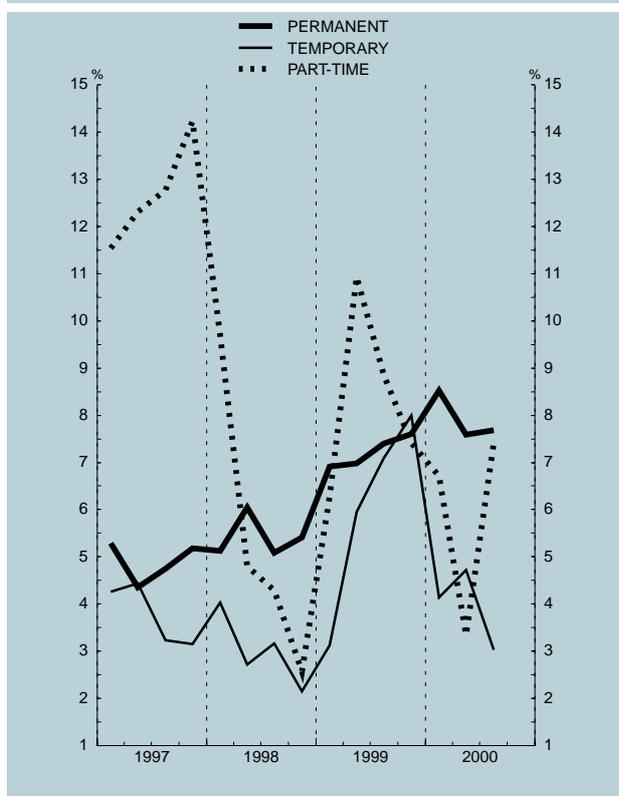
#### 4.4. Wage-earners by type of contract and unemployment by duration. Spain. (a)

■ Series depicted in chart.

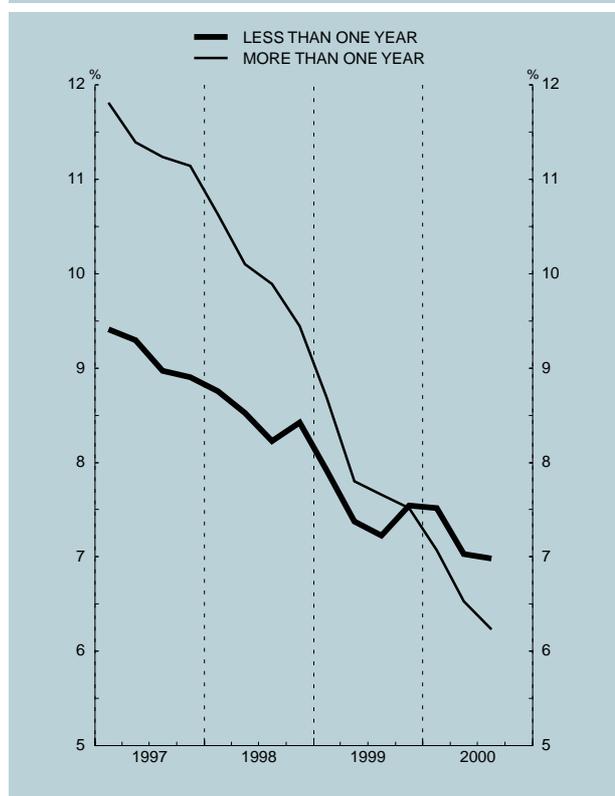
Thousands, annual percentage changes and %

		Wage-earners								Unemployment								
		By type of contract				By duration of working day				By duration				% of unemployed that would accept a job				
		Permanent		Temporary		Full-time		Part-time		Less than one year		More than one year						
		Annual change	4-quarter % change	Annual change	4-quarter % change	Proportion of temporary employment	Annual change	4-quarter % change	Annual change	4-quarter % change	As % for wage earners	Unemployment rate	4-quarter % change	Unemployment rate	4-quarter % change	Entailing a change of residence	Whith a lower wage	Requiring fewer skills
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
97	M	300	4.9	118	3.8	33.52	337	3.9	88	12.7	8.03	9.15	-5.2	11.40	-6.0	27.58	61.39	66.25
98	M	349	5.4	98	3.0	33.01	406	4.5	41	5.3	8.09	8.48	-6.4	10.02	-11.3	25.87	58.97	63.70
99	M	491	7.2	203	6.0	32.80	611	6.5	69	8.4	8.22	7.51	-10.6	7.91	-20.2	23.07	54.53	60.43
99	Q1-Q3M	478	7.1	181	5.4	32.87	574	6.2	71	8.7	8.29	7.51	-11.1	8.05	-20.6	23.16	54.48	60.26
00	Q1-Q3M	572	7.9	140	3.9	32.05	660	6.7	51	5.8	8.22	7.18	-1.7	6.61	-15.5	23.01	53.16	59.28
98	Q1	323	5.1	129	4.0	33.35	379	4.3	73	9.7	8.32	8.75	-6.2	10.63	-9.2	26.05	60.53	65.71
	Q2	387	6.1	88	2.7	32.89	437	4.9	38	4.8	8.23	8.52	-7.4	10.10	-10.5	26.01	59.18	63.84
	Q3	330	5.1	105	3.2	33.33	404	4.5	33	4.3	7.78	8.23	-7.3	9.89	-11.0	26.04	58.23	62.75
	Q4	357	5.4	70	2.1	32.47	404	4.5	21	2.6	8.01	8.43	-4.8	9.44	-14.7	25.40	57.96	62.51
99	Q1	457	6.9	104	3.1	32.59	498	5.5	52	6.3	8.38	7.92	-9.0	8.69	-17.7	23.74	54.88	60.22
	Q2	473	7.0	198	5.9	32.72	565	6.1	91	10.9	8.58	7.38	-12.9	7.80	-22.3	22.72	53.93	59.87
	Q3	504	7.4	242	7.1	33.31	660	7.0	71	8.9	7.91	7.22	-11.5	7.66	-22.0	23.01	54.62	60.69
	Q4	528	7.6	268	8.0	32.59	722	7.6	61	7.4	7.99	7.54	-8.8	7.51	-19.0	22.80	54.69	60.93
00	Q1	603	8.5	141	4.1	31.69	686	7.1	59	6.7	8.35	7.52	-2.4	7.07	-16.3	22.86	52.54	58.67
	Q2	550	7.6	167	4.7	32.13	685	7.0	31	3.3	8.31	7.03	-2.0	6.53	-13.9	22.49	54.52	61.03
	Q3	563	7.7	111	3.0	32.34	609	6.0	64	7.4	8.00	6.98	-0.8	6.23	-16.4	23.68	52.42	58.14

WAGE-EARNERS  
Annual percentage changes



UNEMPLOYMENT  
Unemployment rate



Source: INE, Encuesta de Población Activa (1987 survey series chained by INE with the 1976 series).

Nota: The underlying series of this indicator are in Tables 24.1, 24.7, 24.9 and 24.10 of the BE Boletín estadístico.

(a) The year-on-year changes are affected by the updating of the census sample in 2000 Q1. Year-on year changes without the effects of the sample updating can be found on the INE pages entitled "Variaciones sobre igual trimestre del año anterior".

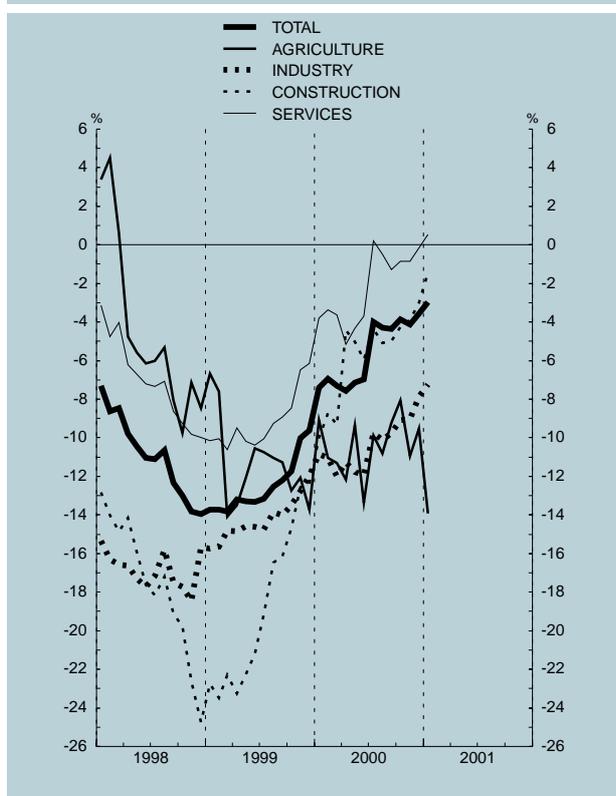
#### 4.5. Registered unemployment by branch of activity. Contracts and placements. Spain

■ Series depicted in chart.

Thousands, annual percentage changes and %

		Registered unemployment										Contracts					Placements		
		Total			First time job-seekers	Previously employed					Total		Percentage of total			Total			
		Thousands	Annual change Thousands	12 month % change	12 month % change	12-month % change					Thousands	12 month % change	Permanent	Part time	Temporary	Thousands	12 month % change		
						Total	Agriculture	Branches other than agriculture										Total	12 month % change
								Total	Industry	Construction									
Year	Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
98	M	1 890	-229	-10.8	-11.5	-10.7	-4.4	-10.9	-16.8	-17.4	-7.0	972	15.6	8.34	20.15	91.66	947	15.9	
99	M	1 652	-238	-12.6	-16.5	-11.7	-11.3	-11.7	-14.3	-19.2	-9.2	1 103	13.5	9.19	18.17	90.81	1 069	12.9	
00	M	1 558	-94	-5.7	-10.1	-4.7	-10.4	-4.5	-10.4	-5.9	-2.3	1 152	4.5	8.73	18.12	91.27	1 135	6.2	
00	J-J	M	1 671	-134	-7.4	-12.9	-6.2	-9.1	-6.1	-10.9	-10.0	-3.8	1 128	6.6	7.32	16.36	92.68	1 113	6.9
01	J-J	MP	1 621	-50	-3.0	-9.4	-1.7	-13.9	-1.3	-7.3	-1.4	0.5	1 198	6.2	8.95	16.18	91.05	...	...
99	Dec		1 614	-172	-9.6	-15.0	-8.5	-13.7	-8.3	-12.0	-12.3	-6.2	1 079	21.4	9.34	17.89	90.66	1 045	19.7
00	Jan		1 671	-134	-7.4	-12.9	-6.2	-9.1	-6.1	-10.9	-10.0	-3.8	1 128	6.6	7.32	16.36	92.68	1 113	6.9
	Feb		1 660	-124	-7.0	-11.9	-5.9	-11.0	-5.7	-11.0	-8.7	-3.4	1 114	11.7	10.27	16.94	89.73	1 094	12.8
	Mar		1 629	-129	-7.3	-11.8	-6.3	-11.3	-6.2	-12.0	-9.3	-3.6	1 204	9.0	9.77	17.19	90.23	1 180	11.3
	Apr		1 579	-129	-7.6	-11.8	-6.6	-12.2	-6.4	-11.3	-4.4	-5.2	958	-8.2	9.82	17.95	90.18	946	-6.0
	May		1 531	-118	-7.2	-11.5	-6.2	-9.4	-6.1	-11.8	-5.0	-4.3	1 223	8.3	8.77	17.28	91.23	1 207	13.1
	Jun		1 500	-112	-7.0	-10.9	-6.1	-13.4	-5.8	-11.9	-5.9	-3.7	1 199	6.2	8.09	17.70	91.91	1 180	8.7
	Jul		1 489	-62	-4.0	-9.2	-2.9	-9.9	-2.6	-9.7	-4.3	0.2	1 172	0.7	7.54	18.72	92.46	1 158	2.4
	Aug		1 488	-67	-4.3	-7.8	-3.6	-10.8	-3.3	-10.1	-5.1	-0.5	1 013	8.9	7.31	17.39	92.69	1 001	9.7
	Sep		1 501	-69	-4.4	-7.0	-3.8	-9.2	-3.6	-9.8	-5.0	-1.3	1 215	1.3	8.81	18.64	91.19	1 200	2.3
	Oct		1 530	-62	-3.9	-7.1	-3.2	-8.1	-3.0	-9.1	-4.3	-0.9	1 360	10.4	9.06	21.26	90.94	1 340	11.2
	Nov		1 557	-67	-4.1	-8.6	-3.2	-10.9	-2.9	-9.0	-3.9	-0.8	1 266	8.3	9.03	19.62	90.97	1 243	9.2
	Dec		1 556	-57	-3.6	-9.3	-2.4	-9.5	-2.2	-7.9	-3.0	-0.1	977	-9.5	8.92	18.41	91.08	963	-7.8
01	Jan	P	1 621	-50	-3.0	-9.4	-1.7	-13.9	-1.3	-7.3	-1.4	0.5	1 198	6.2	8.95	16.18	91.05	...	...

REGISTERED UNEMPLOYMENT  
Annual percentage changes



PLACEMENTS  
Annual percentage changes (Trend obtained with TRAMO-SEATS)



Source: Instituto Nacional de Empleo, Estadística de Empleo.

Nota: The underlying series for this indicator are in Tables 24.16 and 24.17 of the BE Boletín estadístico.

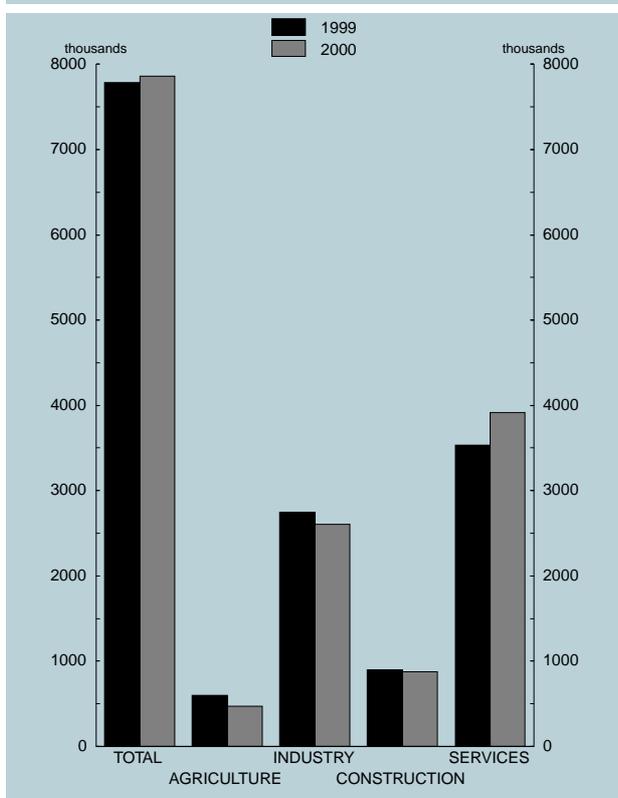
#### 4.6. Collective bargaining agreements

■ Series depicted in chart.

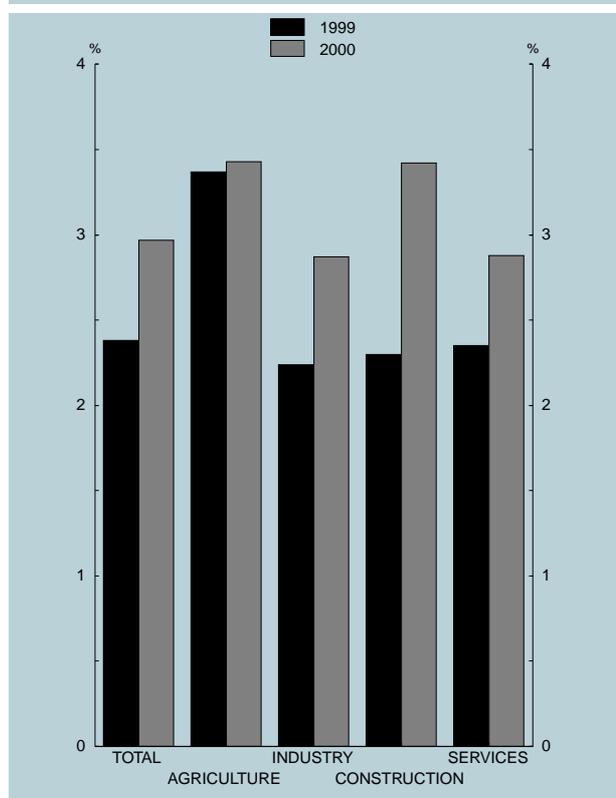
Thousands and %

	As per month economic effects come into force(a)		As per month recorded														
	Employees affected	Average wage settlement	Employees affected (a)								Average wage settlement (%)						
			Automatic adjustment	Newly-signed agreements	Total	Annual change	Agriculture	Industry	Construction	Services	Automatic adjustment	Newly signed agreements	Total	Agriculture	Industry	Construction	Services
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
<b>97</b>	8 361	2.87	3 581	3 646	7 227	1 106	657	2 564	627	3 379	3.04	2.93	2.98	3.33	2.93	2.78	2.99
<b>98</b>	8 751	2.56	4 240	2 732	6 972	-255	500	2 406	827	3 240	2.43	2.77	2.56	2.90	2.40	2.35	2.69
<b>99</b>	8 927	2.73	4 120	3 663	7 783	811	602	2 748	901	3 532	2.29	2.49	2.38	3.37	2.24	2.30	2.35
<b>99 Jul</b>	8 718	2.68	3 917	1 435	5 351	301	396	1 969	374	2 612	2.29	2.30	2.30	2.58	2.20	2.29	2.32
<b>Aug</b>	8 741	2.68	4 091	2 434	6 524	1 275	471	2 563	591	2 899	2.29	2.37	2.32	2.62	2.23	2.29	2.35
<b>Sep</b>	8 808	2.68	4 100	2 704	6 804	891	495	2 623	658	3 028	2.29	2.37	2.32	2.64	2.23	2.29	2.35
<b>Oct</b>	8 918	2.73	4 120	2 912	7 032	682	497	2 672	737	3 126	2.29	2.37	2.32	2.64	2.23	2.30	2.35
<b>Nov</b>	8 918	2.73	4 120	3 436	7 556	928	502	2 719	901	3 434	2.29	2.36	2.32	2.64	2.24	2.30	2.35
<b>Dec</b>	8 927	2.73	4 120	3 663	7 783	811	602	2 748	901	3 532	2.29	2.49	2.38	3.37	2.24	2.30	2.35
<b>00 Jan</b>	7 301	2.95	1 606	2 1 609	-328	3	269	138	1 198	2.82	2.07	2.82	2.57	2.58	2.40	2.92	
<b>Feb</b>	7 333	2.95	2 220	74	2 294	-629	85	507	186	1 516	2.71	4.75	2.77	3.59	2.52	2.43	2.85
<b>Mar</b>	7 396	2.95	4 255	91	4 347	760	305	1 327	497	2 218	2.74	4.48	2.77	3.46	2.68	2.48	2.80
<b>Apr</b>	7 653	2.97	4 425	239	4 664	531	309	1 360	650	2 345	2.75	3.21	2.77	3.46	2.71	2.52	2.78
<b>May</b>	7 824	2.96	4 445	336	4 781	518	310	1 406	673	2 393	2.74	3.12	2.77	3.46	2.71	2.52	2.78
<b>Jun</b>	7 845	2.96	4 445	518	4 963	123	360	1 449	709	2 445	2.74	3.04	2.77	3.39	2.72	2.51	2.79
<b>Jul</b>	7 858	2.97	4 614	1 095	5 709	358	361	1 912	768	2 668	2.79	3.09	2.85	3.39	2.80	2.60	2.88
<b>Aug</b>	7 858	2.97	4 779	1 688	6 468	-57	395	2 364	806	2 903	2.90	3.14	2.96	3.37	2.84	3.42	2.88
<b>Sep</b>	7 859	2.97	4 788	2 397	7 185	381	405	2 436	838	3 506	2.90	3.04	2.94	3.39	2.85	3.39	2.85
<b>Oct</b>	7 862	2.97	4 853	2 684	7 536	505	413	2 520	875	3 729	2.90	3.06	2.96	3.37	2.86	3.42	2.87
<b>Nov</b>	7 862	2.97	4 886	2 821	7 707	151	413	2 573	875	3 847	2.90	3.07	2.96	3.37	2.87	3.42	2.88
<b>Dec</b>	7 863	2.97	4 886	2 977	7 863	80	470	2 603	875	3 915	2.90	3.09	2.97	3.43	2.87	3.42	2.88

EMPLOYEES AFFECTED  
January-december



AVERAGE WAGE SETTLEMENT  
January-december



Source: Ministerio de Trabajo y Asuntos Sociales (MTAS), Encuesta de Convenios Colectivos. Avance mensual.

(a) Cumulative data.

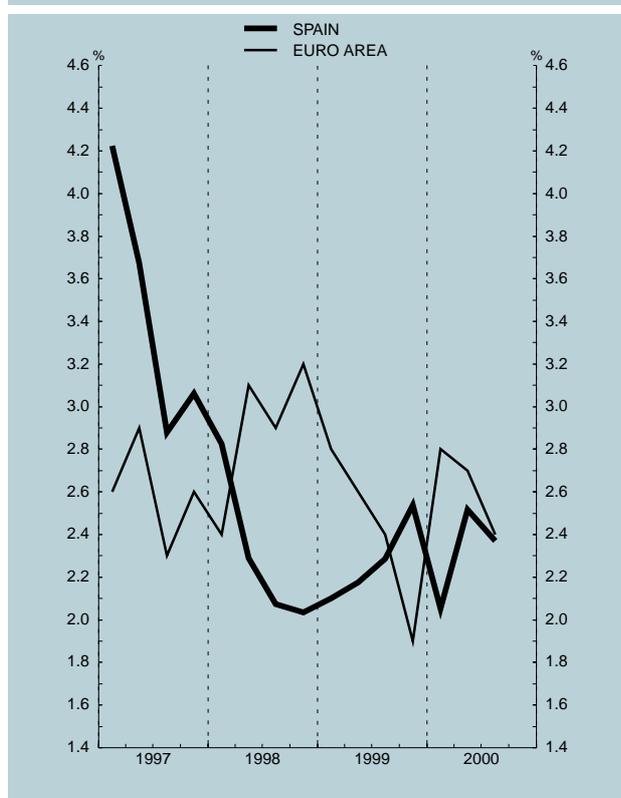
## 4.7. Wage earnings survey in industry and services. Spain and euro area

■ Series depicted in chart.

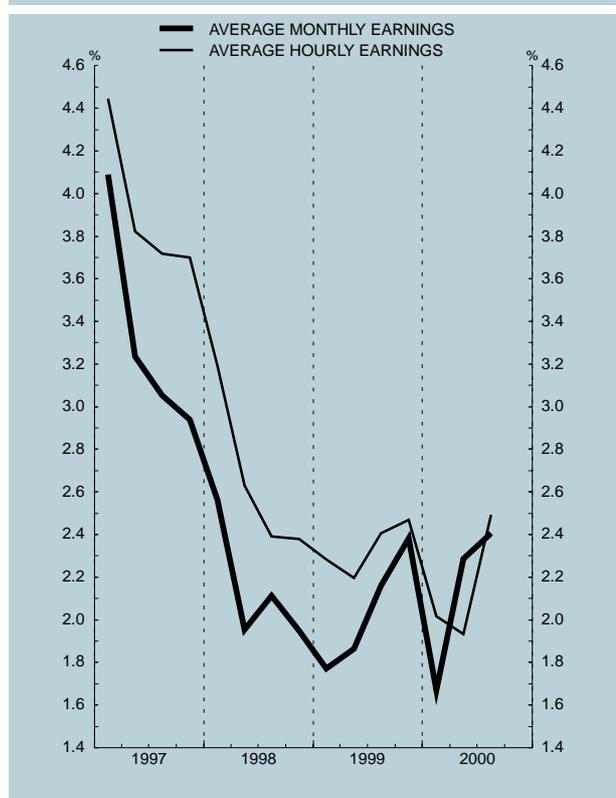
Annual percentage changes, Euros and number of hours

		Average monthly earnings						Average hourly earnings						Average number of hours worked		Memorandum item: wages in the euro area		
		Basic pay		Basic pay and overtime				Basic pay		Basic pay and overtime				Number of hours	4-quarter % change			
		Euros	4-quarter % change	Total	Industry	Construction	Services	Euros	4-quarter % change	Total	Industry	Construction	Services					
				Euros	4-quarter % change	4-quarter % change	4-quarter % change			4-quarter % change	Euros	4-quarter % change	4-quarter % change	4-quarter % change	4-quarter % change			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		
<b>97</b>	M	1 148	3.3	1 293	3.4	4.6	4.3	2.8	8.01	3.9	9.02	4.1	4.5	4.4	4.0	143	-0.6	2.6
<b>98</b>	M	1 173	2.1	1 323	2.3	3.1	3.3	2.0	8.22	2.6	9.28	2.8	3.3	3.3	143	-0.5	2.9	
<b>99</b>	M	1 197	2.0	1 353	2.3	2.5	3.8	1.9	8.41	2.3	9.51	2.5	2.7	4.0	142	-0.3	2.4	
<b>99</b>	Q1-Q3M	1 193	1.9	1 310	2.2	2.6	3.9	1.8	8.39	2.3	9.21	2.5	2.7	4.0	142	-0.3	...	
<b>00</b>	Q1-Q3M	1 219	2.1	1 340	2.3	2.6	3.6	3.0	8.57	2.1	9.43	2.3	3.0	4.2	142	-0.0	...	
<b>98</b>	Q1	1 165	2.6	1 247	2.8	3.2	2.3	3.4	8.16	3.2	8.74	3.5	3.4	2.4	143	-0.7	2.4	
	Q2	1 167	2.0	1 266	2.3	2.9	4.1	1.8	8.21	2.6	8.91	3.0	3.1	4.2	142	-0.7	3.1	
	Q3	1 180	2.1	1 331	2.1	3.6	3.2	1.3	8.24	2.4	9.30	2.4	3.7	3.3	143	-0.3	2.9	
	Q4	1 180	1.9	1 447	2.0	2.8	3.6	1.6	8.28	2.4	10.15	2.4	3.1	3.4	143	-0.4	3.2	
<b>99</b>	Q1	1 186	1.8	1 274	2.1	2.8	3.7	1.7	8.35	2.3	8.97	2.6	2.7	3.8	142	-0.5	2.8	
	Q2	1 189	1.9	1 294	2.2	2.9	3.9	1.4	8.39	2.2	9.13	2.5	3.2	4.0	142	-0.3	2.6	
	Q3	1 205	2.2	1 362	2.3	2.0	4.0	2.1	8.44	2.4	9.53	2.5	2.3	4.1	143	-0.2	2.4	
	Q4	1 208	2.4	1 483	2.5	2.4	3.8	2.4	8.48	2.5	10.42	2.6	2.6	4.0	142	-0.1	1.9	
<b>00</b>	Q1	1 206	1.7	1 300	2.1	2.5	3.6	2.6	8.52	2.0	9.18	2.4	3.0	4.4	142	-0.4	2.8	
	Q2	1 216	2.3	1 326	2.5	2.3	3.9	3.4	8.55	1.9	9.33	2.2	2.6	4.2	142	0.3	2.7	
	Q3	1 234	2.4	1 394	2.4	2.9	3.4	3.0	8.65	2.5	9.77	2.5	3.3	4.0	143	-0.1	2.4	

**WAGES**  
Annual percentage changes



**BASIC PAY**  
Annual percentage changes



Sources: INE (Encuesta de Salarios en la Industria y los Servicios) and ECB.

Note: The data in pesetas have been converted into euro applying the irrevocable conversion rate of EUR1 =ESP 166.386.

The underlying series for this indicator, for Spain, are in Tables 24.26, 24.27 and 24.28 of the BE Boletín estadístico.

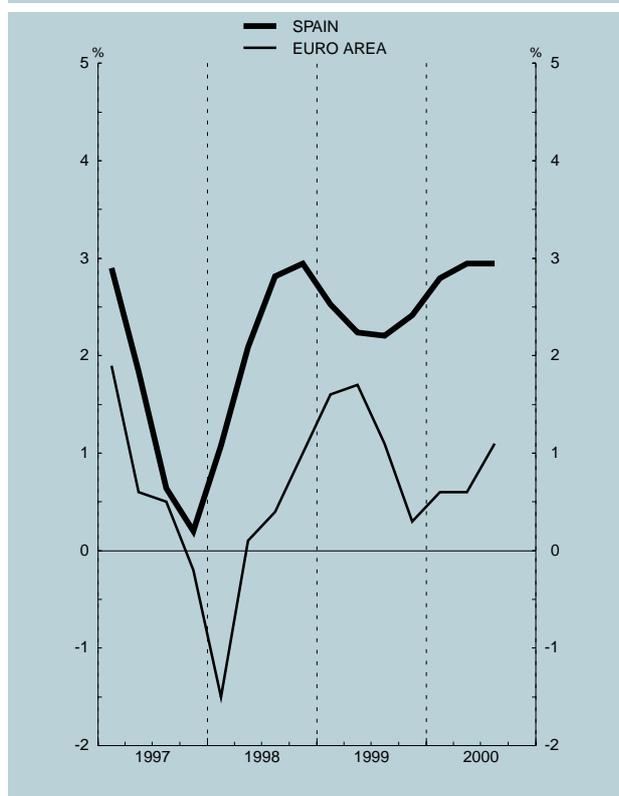
#### 4.8. Unit labour costs. Spain and euro area (a)

■ Series depicted in chart.

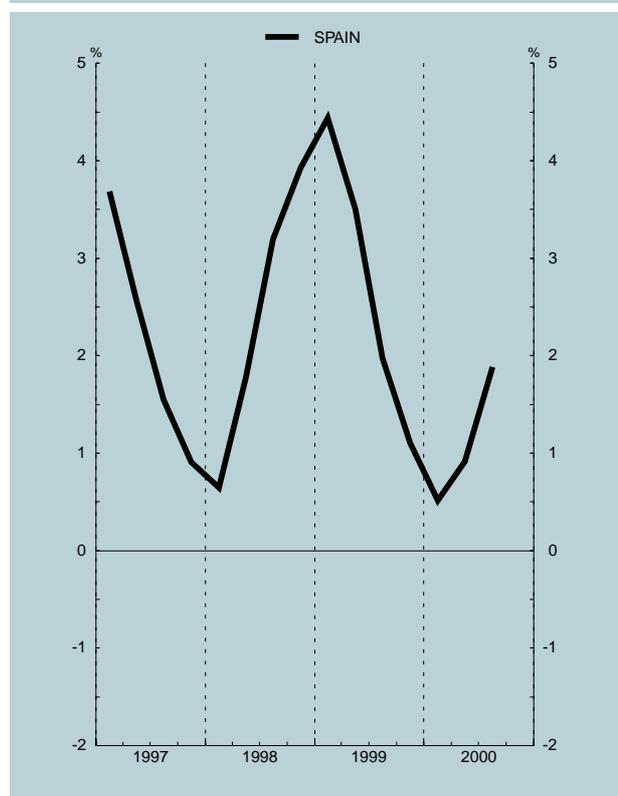
Annual percentage changes

		Whole-economy unit labour costs		Compensation per employee		Productivity						Memorandum item: unit labour costs in manufacturing	
		Spain	Euro area	Spain (b)	Euro area	Spain	Euro area	Output		Employment		Spain (c)	Euro area
								Spain	Euro area	Spain (b)	Euro area		
		1	2	3	4	5	6	7	8	9	10	11	12
<b>97</b>	P	1.4	0.7	2.1	2.3	0.7	1.5	3.9	2.3	3.2	0.8	2.2	...
<b>98</b>	P	2.2	0.2	2.8	1.4	0.5	1.2	4.3	2.7	3.8	1.6	2.4	...
<b>99</b>	P	2.3	1.3	2.8	2.0	0.4	0.7	4.0	2.5	3.6	1.7	2.7	...
<b>97</b>	Q3	0.6	0.5	1.8	2.0	1.1	1.5	4.4	2.3	3.3	...	1.6	...
	Q4	0.2	-0.2	2.0	1.8	1.8	2.0	5.1	3.0	3.2	...	0.9	...
<b>98</b>	Q1	1.1	-1.5	2.7	1.0	1.6	2.5	4.9	3.6	3.3	...	0.6	...
	Q2	2.1	0.1	2.9	1.1	0.8	1.0	4.4	2.8	3.6	...	1.8	...
	Q3	2.8	0.4	2.9	1.2	0.0	0.8	4.0	2.6	4.0	...	3.2	...
	Q4	2.9	1.0	2.6	1.2	-0.3	0.2	3.9	2.0	4.2	...	3.9	...
<b>99</b>	Q1	2.5	1.6	2.6	1.6	0.1	-	3.9	1.9	3.9	...	4.4	...
	Q2	2.2	1.7	2.6	2.1	0.3	0.5	4.0	2.1	3.7	1.6	3.5	...
	Q3	2.2	1.1	2.7	1.8	0.5	0.7	4.0	2.6	3.5	1.7	2.0	...
	Q4	2.4	0.3	3.2	1.7	0.7	1.4	4.1	3.3	3.4	1.7	1.1	...
<b>00</b>	Q1	2.8	0.6	3.6	2.4	0.8	1.8	4.2	3.5	3.3	1.9	0.5	...
	Q2	2.9	0.6	3.8	1.9	0.8	1.4	4.2	3.8	3.4	2.2	0.9	...
	Q3	2.9	1.1	3.7	2.2	0.8	1.1	4.1	3.4	3.3	...	1.9	...

UNIT LABOUR COSTS: TOTAL  
Annual percentage changes



UNIT LABOUR COSTS: MANUFACTURING  
Annual percentage changes



Sources: INE (Contabilidad Nacional Trimestral de España) and ECB.

(a) Spain: prepared in accordance with ESA95. Trend-cycle series.

(b) Full-time equivalent employment.

(c) Industry.

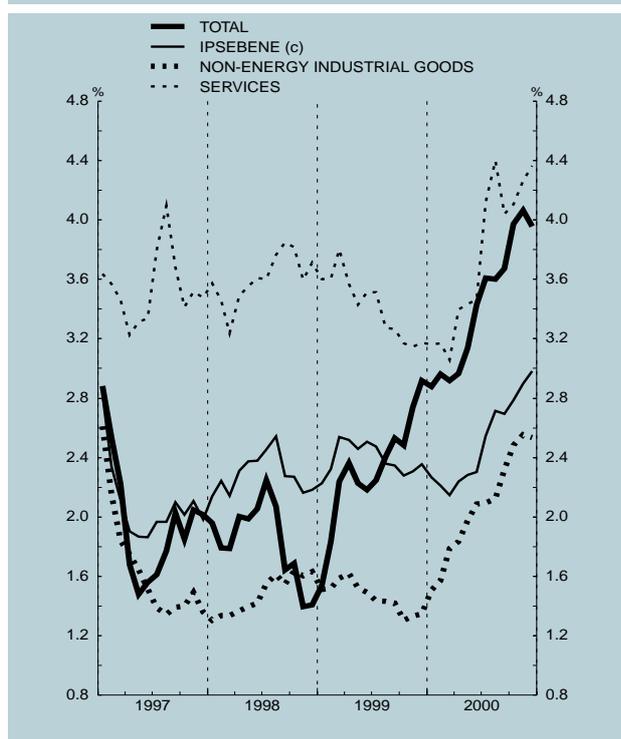
## 5.1. Consumer price index. Spain (1992=100)

■ Series depicted in chart.

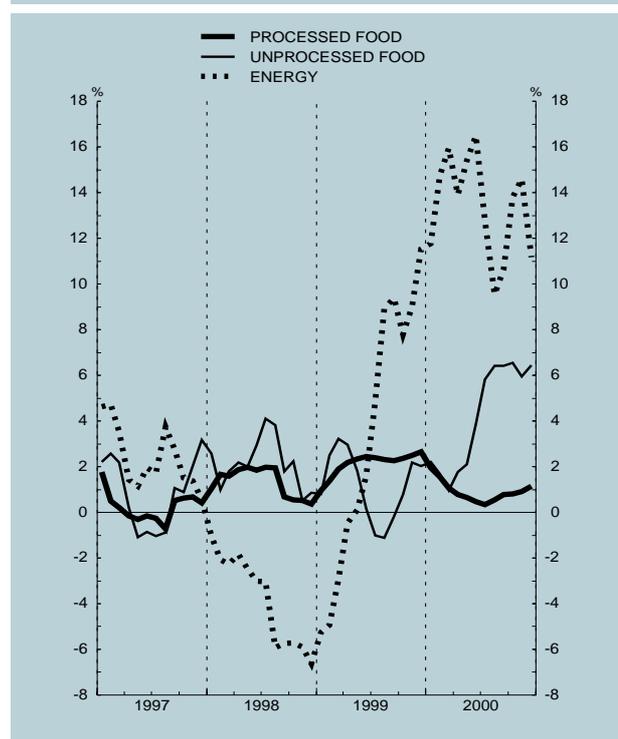
Indices and annual percentage changes

		Total (100%)				Annual percentage change (12-month % change)						Memorandum item: prices for agricultural products (1990=100)	
		Original series	Month-on-month % change	12-month % change (a)	Cumulative % change during year (b)	Unprocessed food	Processed food	Non-energy industrial goods	Energy	Services	IPSEBENE (c)	Original series	12-month % change (a)
		1	2	3	4	5	6	7	8	9	10	11	12
97	M	121.6	—	2.0	2.0	0.9	0.3	1.7	2.4	3.5	2.1	115.0	-4.2
98	M	123.8	—	1.8	1.4	2.1	1.3	1.5	-3.8	3.6	2.3	113.1	-1.6
99	M	126.7	—	2.3	2.9	1.2	2.1	1.5	3.2	3.4	2.4	111.9	-1.1
99 J-D	M	126.7	0.2	2.3	1.6	1.2	2.1	1.5	3.4	3.4	2.4	113.5	-0.8
00 J-D	MP	131.0	0.3	3.4	2.1	4.2	0.9	2.1	13.4	3.8	2.5	...	...
99 Sep		127.6	0.2	2.5	2.3	-0.2	2.3	1.4	9.4	3.3	2.3	97.6	-0.8
Oct		127.5	-0.0	2.5	2.3	0.8	2.4	1.3	7.8	3.2	2.3	109.0	-1.6
Nov		127.7	0.2	2.7	2.5	2.2	2.5	1.3	9.0	3.1	2.3	113.1	-1.5
Dec		128.3	0.5	2.9	2.9	2.0	2.6	1.3	11.5	3.2	2.4	119.2	-5.6
00 Jan		128.7	0.3	2.9	0.3	2.2	1.9	1.5	11.8	3.2	2.3	124.6	1.3
Feb		128.9	0.1	3.0	0.5	1.7	1.5	1.6	14.7	3.2	2.2	126.0	-2.6
Mar		129.4	0.4	2.9	0.9	1.0	1.1	1.8	15.9	3.1	2.1	132.5	-0.2
Apr		129.9	0.4	3.0	1.3	1.8	0.8	1.8	13.9	3.4	2.2	124.2	-2.3
May		130.2	0.2	3.1	1.5	2.1	0.6	2.0	15.4	3.4	2.3	110.9	-1.7
Jun		130.6	0.3	3.4	1.8	3.9	0.5	2.1	16.5	3.5	2.3	110.4	2.2
Jul		131.3	0.6	3.6	2.4	5.8	0.3	2.1	12.8	4.1	2.5	106.9	6.4
Aug		131.9	0.4	3.6	2.8	6.4	0.5	2.1	9.5	4.4	2.7	94.4	3.3
Sep	P	132.2	0.3	3.7	3.1	6.4	0.8	2.3	10.6	4.0	2.7	99.8	2.3
Oct	P	132.6	0.3	4.0	3.3	6.5	0.8	2.5	13.8	4.1	2.8	114.3	4.9
Nov	P	132.9	0.2	4.1	3.6	6.0	0.9	2.6	14.6	4.3	2.9	124.1	9.7
Dec	P	133.4	0.3	4.0	4.0	6.5	1.1	2.5	11.2	4.4	3.0	...	...

CONSUMER PRICE INDEX. TOTAL AND COMPONENTS  
Annual percentage changes



CONSUMER PRICE INDEX. COMPONENTS  
Annual percentage changes



Sources: INE and Ministerio de Agricultura, Pesca y Alimentación.

Note: The underlying series for this indicator are in Tables 25.2 and 25.8 of the BE Boletín estadístico.

(a) For annual periods: average growth for each year on the previous year.

(b) For annual periods: December-on-December growth rate.

(c) Index of non-energy processed goods and service prices.

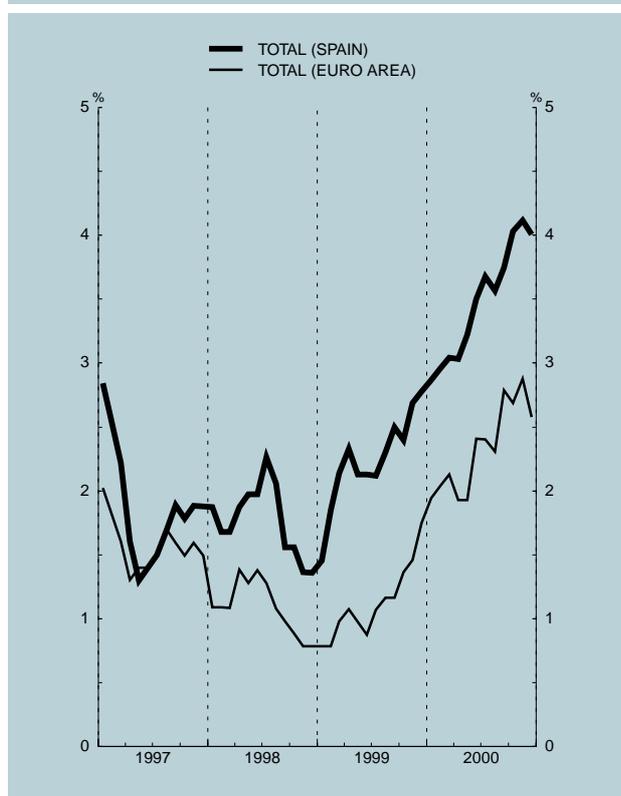
## 5.2. Harmonised index of consumer prices. Spain and euro area (1996=100)(a)

■ Series depicted in chart.

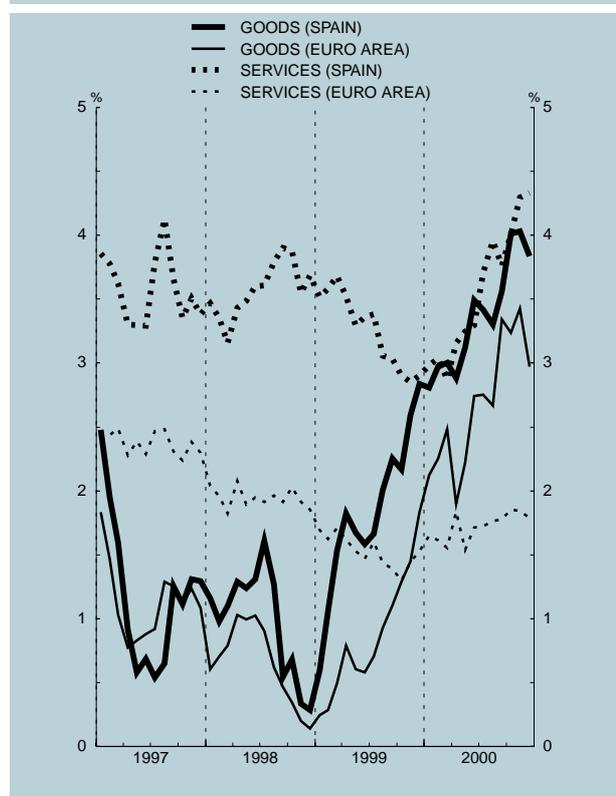
Annual percentage changes

		Total		Goods												Services			
		Spain	Euro area	Spain	Euro area	Food						Industrial						Spain	Euro area
						Total		Processed		Unprocessed		Spain	Euro area	Non-energy		Energy			
						Spain	Euro area	Spain	Euro area	Spain	Euro area			Spain	Euro area	Spain	Euro area		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18		
97	M	1.9	1.6	1.2	1.1	0.5	1.4	-0.7	1.4	1.5	1.4	1.8	1.0	1.6	0.5	2.4	2.7	3.6	2.4
98	M	1.8	1.1	1.0	0.7	1.7	1.6	1.1	1.4	2.2	1.9	0.4	0.1	1.4	0.9	-3.8	-2.6	3.6	1.9
99	M	2.2	1.1	1.8	0.9	1.8	0.6	2.6	0.9	1.1	0.0	1.8	1.0	1.5	0.6	3.2	2.4	3.3	1.5
99	J-D	2.2	1.1	1.8	0.9	1.8	0.6	2.6	0.9	1.1	0.0	1.8	1.0	1.5	0.6	3.2	2.4	3.3	1.5
00	J-D	3.5	2.3	3.4	2.7	2.4	1.4	0.9	1.1	3.8	1.7	4.1	3.4	2.0	0.7	13.4	13.3	3.6	1.7
99	Sep	2.5	1.2	2.3	1.1	1.3	-0.1	2.8	0.7	0.1	-1.2	3.0	1.7	1.6	0.5	9.4	6.4	3.0	1.4
	Oct	2.4	1.4	2.2	1.3	1.7	0.4	3.0	0.9	0.7	-0.4	2.5	1.8	1.3	0.5	7.8	6.5	2.9	1.3
	Nov	2.7	1.5	2.6	1.4	2.4	0.5	3.1	0.9	1.8	-0.2	2.7	2.0	1.4	0.6	9.0	7.3	2.9	1.4
	Dec	2.8	1.7	2.8	1.8	2.4	0.5	3.2	1.0	1.7	-0.3	3.2	2.5	1.4	0.6	11.5	10.1	2.9	1.5
00	Jan	2.9	1.9	2.8	2.1	2.1	0.4	2.3	1.0	1.9	-0.6	3.3	3.1	1.5	0.7	11.8	12.1	3.0	1.6
	Feb	3.0	2.0	3.0	2.3	1.8	0.6	1.8	1.0	1.7	-0.1	3.9	3.2	1.6	0.5	14.8	13.6	3.0	1.6
	Mar	3.0	2.1	3.0	2.5	1.2	0.4	1.2	1.0	1.3	-0.5	4.4	3.6	1.9	0.6	16.0	15.3	2.9	1.6
	Apr	3.0	1.9	2.9	1.9	1.4	0.6	0.8	0.9	1.9	0.1	4.0	2.6	1.9	0.5	13.9	10.2	3.2	1.8
	May	3.2	1.9	3.1	2.2	1.5	0.8	0.6	1.0	2.2	0.5	4.4	3.0	2.0	0.6	15.5	12.0	3.2	1.5
	Jun	3.5	2.4	3.5	2.7	2.0	1.2	0.3	1.0	3.6	1.5	4.6	3.6	2.0	0.6	16.6	14.5	3.3	1.7
	Jul	3.7	2.4	3.4	2.8	2.7	1.6	0.1	1.0	5.0	2.6	4.0	3.3	1.9	0.6	12.9	13.4	3.7	1.7
	Aug	3.6	2.3	3.3	2.7	3.1	2.0	0.4	1.1	5.5	3.3	3.4	3.0	2.0	0.6	9.7	11.9	4.0	1.8
	Sep	3.7	2.8	3.6	3.3	3.2	2.1	0.6	1.3	5.5	3.3	3.8	4.0	2.2	0.8	10.7	15.5	3.8	1.8
	Oct	4.0	2.7	4.0	3.2	3.3	2.0	0.6	1.2	5.7	3.2	4.5	3.8	2.4	0.9	13.8	14.6	4.0	1.9
	Nov	4.1	2.9	4.0	3.4	3.1	2.2	0.7	1.4	5.2	3.5	4.7	4.0	2.4	1.0	14.7	15.2	4.3	1.8
	Dec	4.0	2.6	3.8	3.0	3.6	2.4	1.1	1.4	5.7	3.8	4.0	3.3	2.4	1.1	11.2	11.3	4.3	1.8

HARMONISED INDEX OF CONSUMER PRICES. TOTAL  
Annual percentage changes



HARMONISED INDEX OF CONSUMER PRICES. COMPONENTS  
Annual percentage changes



Source: Eurostat.

(a) As from January 2000 the coverage of goods and services, geographical area and population has been widened.

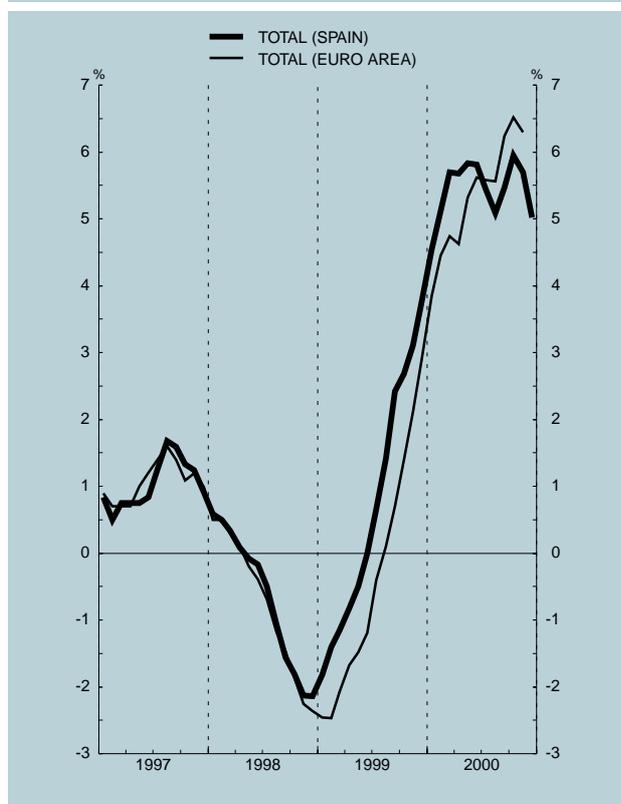
### 5.3. Producer price index. Spain and euro area (a)

■ Series depicted in chart.

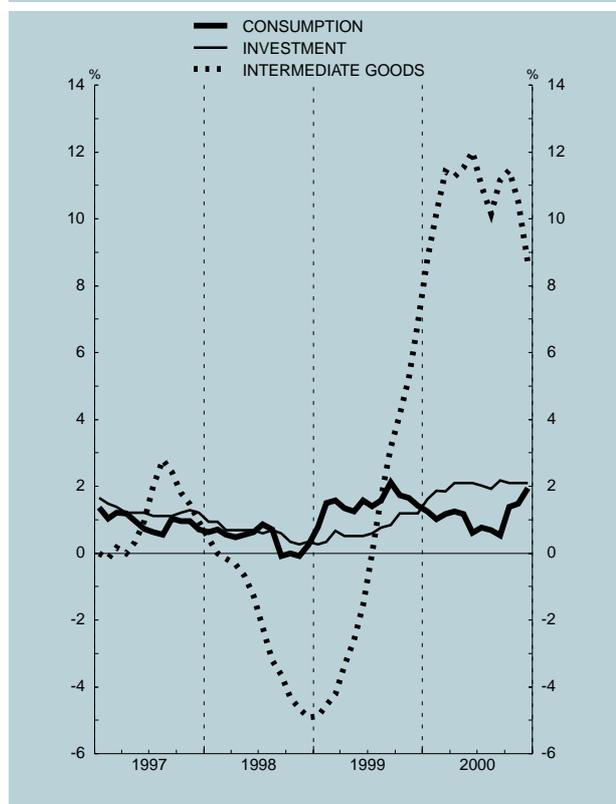
Annual percentage changes

		Total (100%)			Consumption (39,6%)		Investment (13,8%)		Intermediate goods(46,5%)		Memorandum item: euro area				
		Original series	Month-on-month % change	12-month % change	Month-on-month % change	12-month % change	Month-on-month % change	12-month % change	Month-on-month % change	12-month % change	Total	Consumption	Investment	Intermediate goods	
											12-month % change	12-month % change	12-month % change	12-month % change	
1	2	3	4	5	6	7	8	9	10	11	12	13			
97	MP	121.0	-	1.0	-	0.9	-	1.3	-	1.1	1.1	1.1	0.3	1.4	
98	MP	120.2	-	-0.7	-	0.4	-	0.6	-	-2.1	-0.8	0.6	0.6	-2.6	
99	MP	121.0	-	0.7	-	1.5	-	0.7	-	-0.1	-0.4	0.2	0.2	-0.5	
99	J-D	MP	121.0	-	0.7	-	1.5	-	0.7	-	-0.1	-0.4	0.2	0.2	-0.5
00	J-D	MP	127.6	-	5.4	-	1.1	-	2.0	-	10.7	...	...	...	
99	Sep	P	122.6	0.7	2.4	0.4	2.1	-	0.8	1.0	3.2	0.7	0.4	-	2.2
	Oct	P	122.7	0.1	2.7	-0.5	1.7	0.3	1.2	0.5	4.2	1.4	0.5	0.2	3.6
	Nov	P	122.9	0.2	3.1	-0.2	1.7	-	1.2	0.7	5.2	2.1	0.6	0.2	5.3
	Dec	P	123.4	0.4	3.8	-	1.4	-	1.2	0.8	6.9	2.9	0.5	0.3	7.3
00	Jan	P	124.3	0.7	4.5	0.3	1.3	0.5	1.6	1.2	8.8	3.8	0.9	0.5	9.2
	Feb	P	125.3	0.8	5.1	0.5	1.0	0.5	1.9	1.1	10.2	4.4	0.9	0.6	10.5
	Mar	P	126.2	0.7	5.7	0.2	1.2	0.4	1.8	1.3	11.4	4.7	1.1	0.6	11.2
	Apr	P	126.5	0.2	5.7	-	1.2	0.1	2.1	0.5	11.3	4.6	1.2	0.6	10.3
	May	P	127.0	0.4	5.8	-0.1	1.2	0.1	2.1	0.9	11.5	5.3	1.5	0.6	11.6
	Jun	P	127.4	0.3	5.8	-0.2	0.6	-	2.1	1.0	12.0	5.6	1.4	0.7	12.3
	Jul	P	127.7	0.2	5.5	0.2	0.8	-	2.0	0.3	11.0	5.6	1.6	0.8	11.8
	Aug	P	128.0	0.2	5.1	0.1	0.7	0.1	1.9	0.5	10.2	5.6	1.6	0.7	11.6
	Sep	P	129.3	1.0	5.5	0.2	0.5	0.2	2.2	2.0	11.2	6.2	1.7	0.8	13.2
	Oct	P	130.0	0.5	5.9	0.4	1.4	0.2	2.1	0.8	11.5	6.5	1.9	0.6	13.8
	Nov	P	129.9	-0.1	5.7	-0.1	1.5	-	2.1	-0.2	10.5	6.3	2.0	0.7	12.6
	Dec	P	129.6	-0.2	5.0	0.5	1.9	-	2.1	-0.8	8.7	...	...	...	...

PRODUCER PRICE INDEX. TOTAL  
Annual percentage changes



PRODUCER PRICE INDEX. COMPONENTS  
Annual percentage changes



Sources: INE and ECB.

Note: The underlying series for this indicator, for Spain, are in Table 25.3 of the BE Boletín estadístico.

(a) Spain: 1990=100; euro area: 1995=100.

## 5.4 Unit value indices for Spanish foreign trade

■ Series depicted in chart.

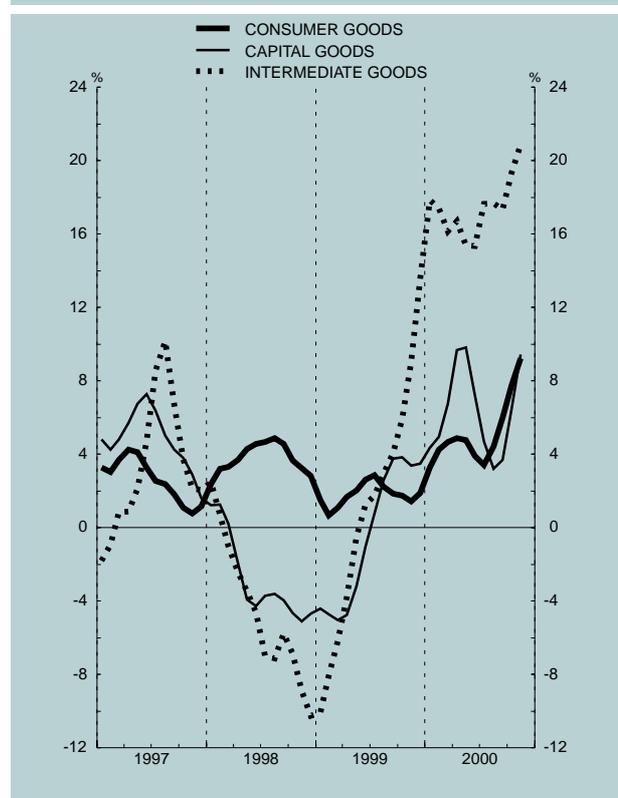
Annual percentage changes

	Exports/dispatches						Imports/arrivals					
	Total	Consumer goods	Capital goods	Intermediate goods			Total	Consumer goods	Capital goods	Intermediate goods		
				Total	Energy	Non-energy				Total	Energy	Non-energy
1	2	3	4	5	6	7	8	9	10	11	12	
<b>97</b>	3.2	2.0	3.4	4.6	8.2	5.7	3.7	4.6	4.8	3.1	10.8	1.3
<b>98</b>	0.1	3.8	-3.9	-1.5	-20.1	0.0	-2.3	2.9	-2.8	-4.4	-29.5	0.6
<b>99</b>	-0.9	2.0	-9.5	0.1	18.0	-1.1	0.0	1.0	-0.6	-0.3	36.1	-2.7
<b>99 J-N</b>	-1.1	2.0	-9.9	-0.2	11.2	-1.4	-0.5	1.2	-0.6	-1.4	26.0	-2.9
<b>00 J-N</b>	6.0	5.7	-0.8	8.8	82.0	6.5	13.1	5.5	6.8	19.1	99.3	7.9
<b>99 Jun</b>	-2.3	1.6	-14.0	-0.3	12.8	-1.3	2.8	2.7	2.8	2.5	22.7	0.9
<b>Jul</b>	-0.2	3.7	-11.6	1.3	12.8	0.3	1.1	5.3	-2.3	0.2	38.6	-3.1
<b>Aug</b>	-4.1	0.4	-27.5	2.5	32.8	-0.7	3.8	1.2	5.4	4.1	62.2	-2.2
<b>Sep</b>	1.6	1.3	-0.8	2.3	31.8	-0.1	3.0	0.4	5.1	3.4	63.0	-1.7
<b>Oct</b>	1.5	3.3	-8.0	4.4	55.7	2.1	4.9	4.1	4.9	5.3	72.5	0.5
<b>Nov</b>	4.6	8.2	3.7	1.2	49.0	-1.0	5.4	-0.6	3.2	9.6	103.3	1.9
<b>Dec</b>	1.5	2.0	-5.8	4.4	91.3	1.8	5.9	-0.7	-0.7	11.7	145.3	-0.4
<b>00 Jan</b>	5.0	2.6	-5.8	11.9	91.8	8.9	14.7	5.8	8.9	21.4	155.2	6.7
<b>Feb</b>	8.0	3.4	20.0	7.2	99.7	3.9	10.4	4.1	1.8	16.8	148.9	3.1
<b>Mar</b>	3.6	0.9	-3.8	8.4	102.9	6.1	9.5	5.5	1.7	14.4	165.3	0.1
<b>Apr</b>	2.9	4.1	-10.7	7.7	92.2	5.6	14.6	4.3	17.3	18.8	113.8	8.8
<b>May</b>	8.5	7.5	6.9	12.3	91.6	10.0	21.4	6.9	17.6	30.2	74.9	20.9
<b>Jun</b>	8.2	7.1	4.0	8.7	66.8	6.8	8.9	4.6	2.2	13.5	97.6	3.3
<b>Jul</b>	3.6	2.8	-3.4	5.8	67.4	4.3	11.6	-1.6	6.9	19.8	77.1	10.2
<b>Aug</b>	7.2	7.7	7.8	5.9	66.8	4.2	10.6	6.3	-1.8	17.4	69.6	4.5
<b>Sep</b>	6.5	10.4	-5.6	7.4	70.0	5.1	9.7	4.3	-0.1	16.0	68.7	8.2
<b>Oct</b>	5.4	7.8	-8.4	9.0	69.6	7.3	13.9	7.8	5.5	20.0	66.7	9.2
<b>Nov</b>	6.9	8.5	-8.8	12.1	84.2	8.9	17.9	12.1	15.0	21.5	55.5	11.9

EXPORT AND IMPORT UNIT VALUE INDICES (a)



IMPORT UNIT VALUE INDICES BY PRODUCT GROUP (a)



Sources: ME and BE.

Note: The underlying series for this indicator are in the Tables 17.6 and 17.7 of the BEBoletín estadístico.

(a) Annual percentage changes (trend obtained with TRAMO-SEATS).

## 6.1p. State resources and uses according to the National Accounts (ESA 95). Spain

ESP billions

	Net lending (+) or borrowing (-)	Current and capital resources						Current and capital uses						Memorandum item: cash-basis deficit		
		Total	Value added tax (VAT)	Other taxes on products and imports	Interest and other income on property	Income and wealth taxes	Other	Total	Compensation of employees	Interest	Current and capital transfers within general government	Investment grants and other capital transfers	Other	Cash-basis deficit	Revenue	Expenditure
<b>97</b>	-2 182	15 897	3 635	2 208	955	7 151	1 948	18 080	2 879	3 253	8 007	693	3 249	-2 057	16 637	18 694
<b>98</b>	P -1 973	16 944	4 017	2 561	928	7 307	2 131	18 917	2 959	3 183	8 627	696	3 452	-1 114	17 519	18 633
<b>99</b>	A -1 097	18 435	4 754	2 731	978	7 802	2 170	19 532	2 884	2 823	9 592	813	3 419	-1 057	18 365	19 422
<b>99 J-N</b>	A -145	16 796	4 576	2 490	893	7 377	1 459	16 942	2 535	2 585	9 126	275	2 421	-313	17 214	17 527
<b>00 J-N</b>	A 517	18 186	5 033	2 629	730	8 283	1 510	17 668	2 290	2 548	10 117	283	2 431	122	18 272	18 150
<b>00 Jan</b>	A -276	1 398	-44	275	42	1 012	114	1 674	183	239	1 117	1	135	-723	1 538	2 261
<b>Feb</b>	A 973	2 448	1 456	214	152	488	137	1 475	191	219	853	33	180	535	2 509	1 974
<b>Mar</b>	A -754	970	289	207	18	294	163	1 725	227	229	952	32	284	-812	819	1 631
<b>Apr</b>	A 1 093	2 554	821	236	30	1 313	155	1 462	207	230	873	29	122	1 042	2 589	1 546
<b>May</b>	A -561	953	131	215	21	426	161	1 514	178	227	857	31	221	-538	986	1 524
<b>Jun</b>	A -604	1 261	209	245	36	575	196	1 865	336	224	1 000	6	299	-493	1 121	1 614
<b>Jul</b>	A 154	1 846	771	257	24	669	124	1 692	191	235	990	24	253	90	1 852	1 762
<b>Aug</b>	A -235	1 144	-173	238	48	950	81	1 379	197	237	724	28	193	-399	1 168	1 566
<b>Sep</b>	A -242	1 343	470	285	22	427	139	1 586	197	231	908	24	226	-53	1 267	1 320
<b>Oct</b>	A 1 226	2 859	871	222	25	1 593	149	1 633	191	241	912	53	236	1 305	2 860	1 555
<b>Nov</b>	A -257	1 406	233	234	312	536	91	1 663	193	235	931	23	281	167	1 565	1 398

## 6.1e. State resources and uses according to the National Accounts (ESA 95). Spain

EUR millions

	Net lending (+) or borrowing (-)	Current and capital resources						Current and capital uses						Memorandum item: cash-basis deficit		
		Total	Value added tax (VAT)	Other taxes on products and imports	Interest and other income on property	Income and wealth taxes	Other	Total	Compensation of employees	Interest	Current and capital transfers within general government	Investment grants and other capital transfers	Other	Cash-basis deficit	Revenue	Expenditure
<b>97</b>	-13 117	95 544	21 847	13 269	5 742	42 978	11 708	108 661	17 301	19 549	48 121	4 163	19 526	-12 364	99 988	112 353
<b>98</b>	P -11 860	101 836	24 140	15 391	5 577	43 918	12 810	113 696	17 786	19 129	51 851	4 184	20 746	-6 698	105 291	111 989
<b>99</b>	A -6 591	110 796	28 574	16 413	5 877	46 891	13 041	117 387	17 331	16 967	57 651	4 887	20 550	-6 355	110 376	116 731
<b>99 J-N</b>	A -874	100 948	27 504	14 966	5 370	44 338	8 769	101 822	15 236	15 535	54 846	1 655	14 549	-1 881	103 461	105 342
<b>00 J-N</b>	A 3 110	109 298	30 251	15 802	4 389	49 781	9 075	106 189	13 764	15 311	60 802	1 703	14 609	731	109 818	109 086
<b>00 Jan</b>	A -1 658	8 405	-266	1 651	254	6 081	685	10 063	1 100	1 434	6 713	3	814	-4 344	9 244	13 588
<b>Feb</b>	A 5 851	14 714	8 752	1 288	916	2 935	823	8 863	1 145	1 317	5 125	197	1 079	3 214	15 078	11 864
<b>Mar</b>	A -4 533	5 832	1 738	1 244	105	1 764	980	10 366	1 365	1 379	5 720	192	1 710	-4 881	4 922	9 803
<b>Apr</b>	A 6 568	15 352	4 933	1 416	179	7 891	932	8 784	1 243	1 384	5 247	175	735	6 265	15 558	9 293
<b>May</b>	A -3 371	5 730	786	1 290	127	2 561	966	9 101	1 068	1 365	5 149	188	1 331	-3 231	5 926	9 158
<b>Jun</b>	A -3 631	7 581	1 256	1 474	217	3 454	1 179	11 212	2 019	1 345	6 012	38	1 797	-2 965	6 735	9 699
<b>Jul</b>	A 925	11 096	4 633	1 547	147	4 023	747	10 172	1 147	1 413	5 952	142	1 518	542	11 131	10 589
<b>Aug</b>	A -1 412	6 877	-1 040	1 432	288	5 711	486	8 289	1 186	1 427	4 350	166	1 161	-2 396	7 018	9 413
<b>Sep</b>	A -1 456	8 073	2 825	1 715	131	2 568	835	9 529	1 183	1 387	5 459	144	1 358	-319	7 612	7 931
<b>Oct</b>	A 7 370	17 185	5 232	1 336	148	9 575	894	9 816	1 149	1 448	5 481	319	1 419	7 845	17 190	9 345
<b>Nov</b>	A -1 542	8 452	1 401	1 409	1 876	3 219	548	9 994	1 159	1 412	5 596	138	1 689	1 001	9 405	8 404

Sources: Ministerio de Hacienda (IGAE)

## 6.2p. State financial transactions (ESA 95). Spain

ESP billions

	Net lending (+) or net borrowing(-)	Net acquisition of financial assets			Net incurrence of liabilities										Net incurrence of liabilities (excluding other accounts payable)	
		Total	Of which		Of which							By counterpart sector				
			Total	Deposits at the Banco de España	Total	In currencies other than the peseta/euro	Short-term securities	Government bonds and assumed debt	Banco de España loans	Other marketable liabilities (a)	Other accounts payable	Held by resident sectors				Rest of the world
												Total	Monetary financial institutions	Other resident sectors		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15		
<b>97</b>	P	-2 182	-534	-893	1 649	378	-1 505	4 661	-39	-1 424	-43	182	-2 082	2 264	1 467	1 692
<b>98</b>	P	-1 973	401	74	2 375	1 102	-1 802	4 352	-39	-410	273	1 739	-1 297	3 035	636	2 101
<b>99</b>	A	-1 097	945	761	2 041	-96	-1 103	3 258	-83	-74	44	-1 623	-1 067	-557	3 665	1 998
<b>99 J-N</b>	A	-145	1 304	1 197	1 449	-107	-1 433	2 647	-	-59	295	-1 584	-1 531	-53	3 033	1 154
<b>00 J-N</b>	A	517	1 914	1 308	1 396	-79	-1 433	2 458	-	73	299	-2 934	-1 895	-1 039	4 331	1 098
<b>00 Jan</b>	A	-276	-544	-556	-268	-227	-203	-366	-	-26	327	-239	-164	-74	-29	-595
<b>Feb</b>	A	973	780	820	-193	-6	-157	248	-	-10	-273	-569	-365	-204	376	80
<b>Mar</b>	A	-754	-1 186	-1 244	-432	-22	48	-426	-	-37	-18	-1 027	-581	-445	595	-414
<b>Apr</b>	A	1 093	796	683	-297	6	-15	-688	-	170	236	-122	72	-195	-174	-533
<b>May</b>	A	-561	-344	-360	217	6	-92	532	-	14	-237	360	89	271	-143	454
<b>Jun</b>	A	-604	182	133	786	-2	35	550	-	1	200	-66	-36	-30	852	586
<b>Jul</b>	A	154	443	396	289	237	-193	554	-	-13	-59	-513	-352	-161	802	348
<b>Aug</b>	A	-235	-514	-563	-279	-51	-461	331	-	1	-150	-589	-268	-321	309	-129
<b>Sep</b>	A	-242	129	69	371	-22	-207	547	-	-19	50	-355	12	-367	726	321
<b>Oct</b>	A	1 226	1 644	1 547	418	3	-58	495	-	-0	-19	-533	-583	50	951	437
<b>Nov</b>	A	-257	527	383	784	-2	-131	682	-	-8	242	719	281	438	65	542

## 6.2e. State financial transactions (ESA 95). Spain

EUR billions

	Net lending (+) or net borrowing(-)	Net acquisition of financial assets			Net incurrence of liabilities										Net incurrence of liabilities (excluding other accounts payable)	
		Total	Of which		Of which							By counterpart sector				
			Total	Deposits at the Banco de España	Total	In currencies other than the peseta/euro	Short-term securities	Government bonds and assumed debt	Banco de España loans	Other marketable liabilities (a)	Other accounts payable	Held by resident sectors				Rest of the world
												Total	Monetary financial institutions	Other resident sectors		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15		
<b>97</b>	P	-13 117	-3 208	-5 365	9 909	2 274	-9 046	28 012	-236	-8 561	-260	1 092	-12 516	13 608	8 817	10 169
<b>98</b>	P	-11 860	2 411	444	14 271	6 624	-10 829	26 157	-236	-2 464	1 643	10 449	-7 793	18 242	3 822	12 628
<b>99</b>	A	-6 591	5 678	4 574	12 270	-577	-6 629	19 581	-499	-447	264	-9 756	-6 411	-3 345	22 026	12 006
<b>99 J-N</b>	A	-874	7 837	7 195	8 711	-641	-8 615	15 908	-	-354	1 772	-9 517	-9 200	-317	18 228	6 938
<b>00 J-N</b>	A	3 110	11 502	7 863	8 393	-473	-8 615	14 775	-	437	1 796	-17 634	-11 389	-6 245	26 027	6 597
<b>00 Jan</b>	A	-1 658	-3 267	-3 340	-1 609	-1 367	-1 218	-2 198	-	-158	1 965	-1 435	-988	-447	-174	-3 573
<b>Feb</b>	A	5 851	4 691	4 930	-1 160	-36	-944	1 489	-	-63	-1 642	-3 420	-2 194	-1 226	2 260	482
<b>Mar</b>	A	-4 533	-7 130	-7 478	-2 597	-131	288	-2 558	-	-220	-107	-6 171	-3 494	-2 677	3 574	-2 490
<b>Apr</b>	A	6 568	4 786	4 105	-1 782	38	-89	-4 135	-	1 022	1 420	-736	435	-1 171	-1 047	-3 202
<b>May</b>	A	-3 371	-2 066	-2 164	1 305	38	-552	3 196	-	85	-1 424	2 165	535	1 630	-860	2 729
<b>Jun</b>	A	-3 631	1 095	800	4 725	-15	213	3 306	-	6	1 201	-394	-214	-180	5 120	3 525
<b>Jul</b>	A	925	2 662	2 378	1 737	1 423	-1 158	3 329	-	-80	-354	-3 082	-2 115	-967	4 819	2 091
<b>Aug</b>	A	-1 412	-3 092	-3 383	-1 680	-304	-2 773	1 988	-	9	-903	-3 540	-1 609	-1 931	1 860	-777
<b>Sep</b>	A	-1 456	773	416	2 229	-130	-1 245	3 288	-	-113	299	-2 137	70	-2 206	4 366	1 931
<b>Oct</b>	A	7 370	9 883	9 296	2 513	21	-349	2 973	-	-0	-111	-3 204	-3 504	299	5 718	2 624
<b>Nov</b>	A	-1 542	3 169	2 302	4 711	-10	-789	4 097	-	-50	1 453	4 319	1 688	2 630	393	3 258

Source: BE.

(a) Includes other loans, non-negotiable securities, coined money and Caja General de Depósitos (General Deposit Fund)

### 6.3p. State: Liabilities outstanding. Spain

ESP billions

Liabilities outstanding (excluding other accounts payable)											Memorandum item:		
State debt according to the methodology of the excessive deficit procedure	of which	By instrument				By counterpart sector					Deposits at the Banco de España	Guarantees given (contingent liabilities). Outstanding level	
		In currencies other than the peseta/euro	Short-term securities	Government bonds and assumed debt	Banco de España loans	Other marketable liabilities (a)	Held by resident sectors			Rest of the world			
							Total	General government	Other resident sectors				
1	2	3	4	5	6	7	8	9	10	11	12		
<b>95</b>		38 678	3 174	11 825	21 991	1 839	3 023	30 016	64	29 952	8 726	1 561	1 008
<b>96</b>		43 922	3 402	13 491	25 342	1 799	3 290	35 022	88	34 934	8 988	2 528	1 362
<b>97</b>	P	45 617	3 871	11 935	30 041	1 760	1 881	35 196	74	35 122	10 495	1 635	1 206
<b>98</b>	P	47 243	4 964	9 973	34 103	1 721	1 446	35 807	51	35 756	11 487	1 709	1 067
<b>99</b>	A	49 713	4 061	8 842	37 861	1 638	1 371	34 514	25	34 489	15 223	2 470	884
<b>99 Sep</b>	A	48 244	3 933	8 140	36 991	1 721	1 393	33 714	51	33 664	14 581	1 655	1 021
<b>99 Oct</b>	A	48 187	3 972	8 300	36 773	1 721	1 394	33 847	51	33 847	14 340	3 393	1 021
<b>99 Nov</b>	A	49 007	4 054	8 500	37 397	1 721	1 389	34 453	51	34 453	14 554	2 906	1 013
<b>99 Dec</b>	A	49 713	4 061	8 842	37 861	1 638	1 371	34 514	25	34 489	15 223	2 470	884
<b>00 Jan</b>	A	49 792	3 829	8 644	38 164	1 638	1 347	34 089	25	34 064	15 728	1 914	885
<b>00 Feb</b>	A	50 057	3 799	8 490	38 593	1 638	1 335	34 402	25	34 377	15 680	2 735	940
<b>00 Mar</b>	A	49 801	3 891	8 565	38 304	1 638	1 294	33 193	25	33 168	16 633	1 490	938
<b>00 Apr</b>	A	49 376	3 939	8 559	37 711	1 638	1 468	32 757	25	32 732	16 644	2 173	938
<b>00 May</b>	A	49 684	3 889	8 468	38 110	1 638	1 469	33 524	25	33 499	16 185	1 813	931
<b>00 Jun</b>	A	50 145	3 854	8 509	38 530	1 638	1 468	33 174	25	33 149	16 996	1 947	930
<b>00 Jul</b>	A	50 659	4 098	8 317	39 276	1 638	1 428	32 587	25	32 562	18 096	2 342	914
<b>00 Aug</b>	A	50 581	4 180	7 852	39 628	1 638	1 464	32 180	25	32 155	18 427	1 779	915
<b>00 Sep</b>	A	50 770	4 175	7 654	40 032	1 638	1 447	31 835	25	31 810	18 960	1 849	881
<b>00 Oct</b>	A	51 190	4 251	7 591	40 509	1 638	1 452	31 113	25	31 088	20 101	3 395	876
<b>00 Nov</b>	A	51 452	4 148	7 451	40 925	1 638	1 438	31 552	25	31 527	19 925	3 778	984
<b>00 Dec</b>	A	51 372	3 953	7 422	40 973	1 555	1 423	...	116	...	...	3 417	970

### 6.3e. State: Liabilities outstanding. Spain

EUR millions

Liabilities outstanding (excluding other accounts payable)											Memorandum item:		
State debt according to the methodology of the excessive deficit procedure	of which	By instrument				By counterpart sector					Deposits at the Banco de España	Guarantees given (contingent liabilities). Outstanding level	
		In currencies other than the peseta/euro	Short-term securities	Government bonds and assumed debt	Banco de España loans	Other marketable liabilities (a)	Held by resident sectors			Rest of the world			
							Total	General government	Other resident sectors				
1	2	3	4	5	6	7	8	9	10	11	12		
<b>95</b>		232 460	19 077	71 070	132 169	11 050	18 171	180 399	385	180 014	52 446	9 379	6 059
<b>96</b>		263 976	20 447	81 084	152 306	10 814	19 772	210 489	529	209 960	54 016	15 195	8 185
<b>97</b>	P	274 161	23 263	71 730	180 551	10 578	11 303	211 530	445	211 085	63 076	9 829	7 251
<b>98</b>	P	283 938	29 832	59 939	204 965	10 341	8 692	215 203	305	214 899	69 040	10 273	6 412
<b>99</b>	A	298 779	24 410	53 142	227 552	9 843	8 243	207 436	150	207 286	91 493	14 846	5 310
<b>99 Sep</b>	A	289 954	23 635	48 921	222 320	10 341	8 372	202 627	305	202 322	87 632	9 944	6 139
<b>99 Oct</b>	A	289 611	23 870	49 884	221 009	10 341	8 377	203 428	305	203 428	86 184	20 395	6 135
<b>99 Nov</b>	A	294 539	24 367	51 087	224 762	10 341	8 349	207 065	305	207 065	87 474	17 468	6 090
<b>99 Dec</b>	A	298 779	24 410	53 142	227 552	9 843	8 243	207 436	150	207 286	91 493	14 846	5 310
<b>00 Jan</b>	A	299 256	23 012	51 951	229 368	9 843	8 095	204 877	150	204 727	94 530	11 506	5 321
<b>00 Feb</b>	A	300 848	22 835	51 028	231 951	9 843	8 026	206 760	150	206 609	94 239	16 436	5 650
<b>00 Mar</b>	A	299 310	23 388	51 477	230 211	9 843	7 780	199 496	150	199 346	99 964	8 958	5 637
<b>00 Apr</b>	A	296 756	23 674	51 438	226 650	9 843	8 826	196 875	150	196 725	100 031	13 063	5 639
<b>00 May</b>	A	298 606	23 371	50 892	229 044	9 843	8 828	201 484	150	201 334	97 272	10 899	5 596
<b>00 Jun</b>	A	301 376	23 166	51 138	231 572	9 843	8 824	199 380	150	199 229	102 147	11 699	5 590
<b>00 Jul</b>	A	304 464	24 627	49 987	236 052	9 843	8 583	195 855	150	195 704	108 760	14 077	5 495
<b>00 Aug</b>	A	304 000	25 125	47 191	238 167	9 843	8 799	193 404	150	193 253	110 746	10 695	5 500
<b>00 Sep</b>	A	305 133	25 093	46 001	240 595	9 843	8 695	191 331	150	191 181	113 952	11 111	5 292
<b>00 Oct</b>	A	307 657	25 551	45 624	243 465	9 843	8 725	186 995	150	186 845	120 812	20 407	5 263
<b>00 Nov</b>	A	309 232	24 930	44 784	245 963	9 843	8 642	189 630	150	189 480	119 752	22 709	5 914
<b>00 Dec</b>	A	308 754	23 759	44 605	246 253	9 344	8 552	...	695	...	...	20 536	5 830

Source: BE.

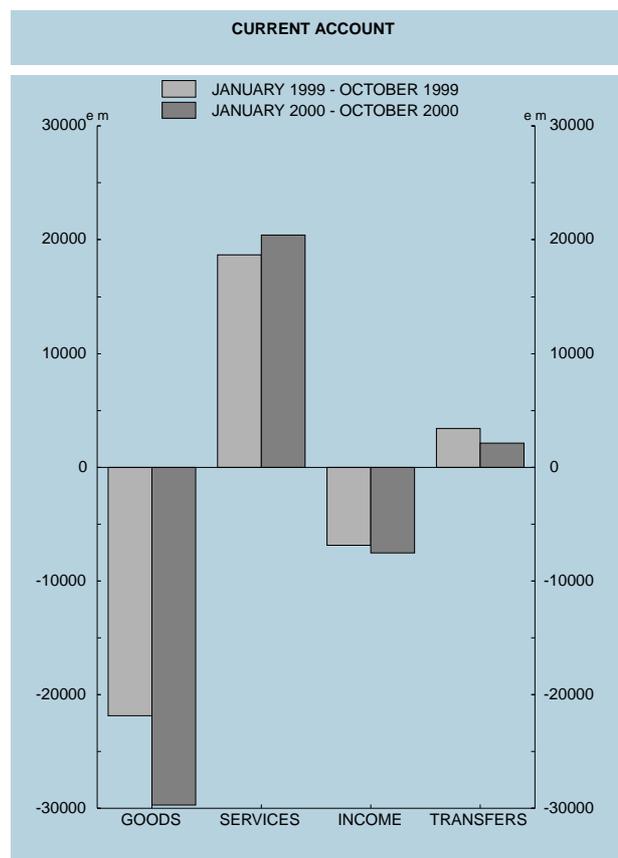
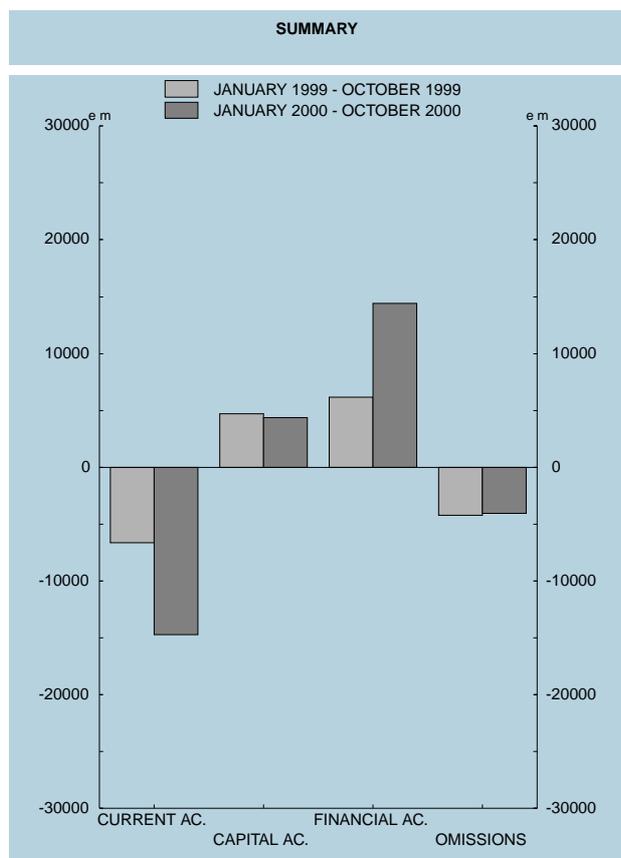
(a) Includes other loans, non-negotiable securities, coined money and Caja General de Depósitos (General Deposit Fund)

## 7.1. The Spanish balance of payments vis-à-vis other euro area residents and the rest of the world. Summary and breakdown of the current account.

■ Series depicted in chart.

EUR millions

	Current account(a)													Capital account (balance) (a)	Financial account (balance) (b)	Net errors and omissions			
	Total	Goods			Services				Income			Current transfers (balance)							
		Balance	Receipts	Payments	Balance	Receipts		Payments		Balance	Receipts		Payments						
	1	2	3	4	5	Of which		Of which		10	11	12	13				14	15	16
						Total	Tourism	Total	Tourism										
<b>97</b>	2 240	-11 802	94 056	105 858	17 583	39 009	23 668	21 426	3 973	-5 949	11 578	17 526	2 408	5 609	-2 783	-5 066			
<b>98</b>	-2 598	-18 480	100 444	118 923	19 626	44 189	26 806	24 563	4 491	-6 751	13 092	19 843	3 006	5 680	-105	-2 977			
<b>99</b>	-12 042	-27 547	104 244	131 791	21 591	50 191	30 482	28 600	5 181	-8 965	11 675	20 640	2 879	6 628	11 046	-5 631			
<b>99 J-O</b>	-6 627	-21 864	84 966	106 830	18 669	41 951	25 907	23 282	4 294	-6 843	9 680	16 523	3 411	4 717	6 154	-4 244			
<b>00 J-O</b>	A -14 734	-29 703	101 395	131 097	20 398	47 620	28 723	27 222	4 948	-7 552	12 645	20 197	2 123	4 370	14 402	-4 039			
<b>99 Jul</b>	-967	-2 253	8 843	11 096	2 410	5 306	3 490	2 896	563	-1 337	760	2 097	213	498	1 296	-828			
<i>Aug</i>	22	-2 510	6 038	8 548	2 731	5 000	3 373	2 269	520	-315	1 011	1 326	116	360	-317	-64			
<i>Sep</i>	-1 709	-3 220	8 723	11 943	2 045	4 604	2 958	2 559	517	-935	786	1 721	401	333	1 506	-130			
<i>Oct</i>	-1 190	-2 469	10 229	12 698	1 786	4 201	2 616	2 415	470	-623	855	1 478	116	777	1 084	-671			
<i>Nov</i>	-1 141	-2 290	9 999	12 290	1 859	4 338	2 627	2 479	444	-555	994	1 549	-155	309	2 122	-1 290			
<i>Dec</i>	-4 274	-3 392	9 279	12 671	1 062	3 902	1 948	2 839	444	-1 567	1 001	2 567	-377	1 602	2 770	-98			
<b>00 Jan</b>	P -1 823	-2 265	8 383	10 649	1 065	3 431	1 807	2 367	352	-650	1 116	1 766	27	646	2 377	-1 200			
<i>Feb</i>	P 484	-2 323	9 625	11 949	922	3 370	1 863	2 448	376	57	1 317	1 260	1 829	84	26	-595			
<i>Mar</i>	P -2 134	-2 864	11 076	13 940	1 498	4 275	2 373	2 776	432	-1 114	1 118	2 231	344	473	1 850	-188			
<i>Apr</i>	P -1 998	-2 969	9 491	12 460	1 607	4 123	2 303	2 517	425	-509	1 018	1 527	-126	1 142	713	142			
<i>May</i>	P -1 445	-3 463	10 945	14 408	2 359	5 084	3 158	2 726	468	-418	1 629	2 047	78	475	1 037	-67			
<i>Jun</i>	P -1 284	-2 644	11 520	14 164	2 317	4 961	3 020	2 644	508	-1 065	1 206	2 271	108	298	1 938	-952			
<i>Jul</i>	P -1 825	-3 115	10 279	13 394	3 019	5 975	3 845	2 956	584	-1 613	1 324	2 937	-116	327	1 553	-55			
<i>Aug</i>	P -934	-3 366	7 749	11 115	3 031	5 799	3 936	2 768	633	-516	1 148	1 664	-84	399	407	128			
<i>Sep</i>	P -1 845	-3 411	10 261	13 672	2 369	5 289	3 194	2 920	587	-951	1 366	2 317	148	329	2 269	-753			
<i>Oct</i>	A -1 930	-3 282	12 065	15 347	2 212	5 312	3 224	3 100	583	-775	1 402	2 177	-85	198	2 233	-501			



Source: BE. Data computed according to the edition of the IMF Balance of Payments Manual (Fifth edition, 1993).

(a) A positive sign for the current and capital account balances indicates a surplus (receipts greater than payments) and, thus, a Spanish net loan abroad (increase in the creditor position or decrease in the debtor position).

(b) A positive sign for the financial account balance (the net change in liabilities exceeds the net change in financial assets) means a net credit inflow, i.e. a net foreign loan to Spain (increase in the debtor position or decrease in the creditor position)

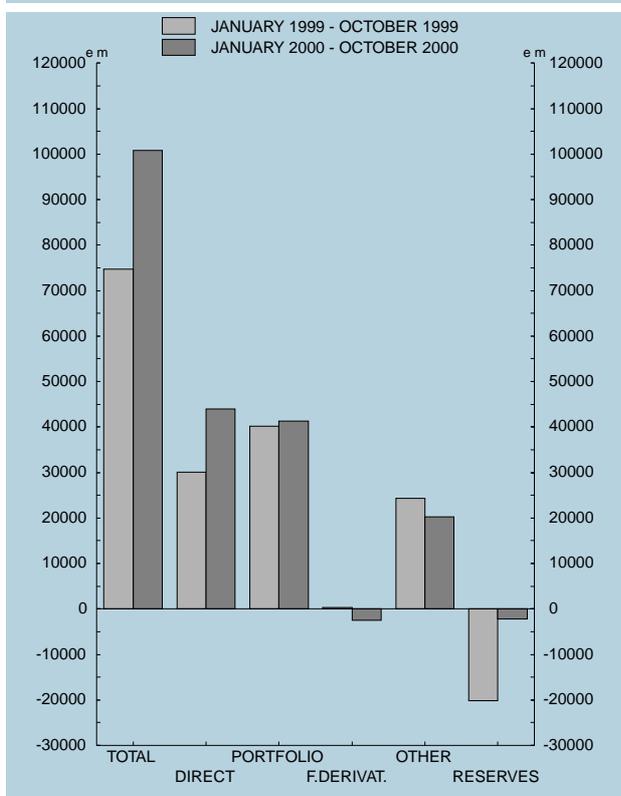
## 7.2 The Spanish balance of payments vis-à-vis other euro area residents and the rest of the world Breakdown of the financial account

■ Series depicted in chart.

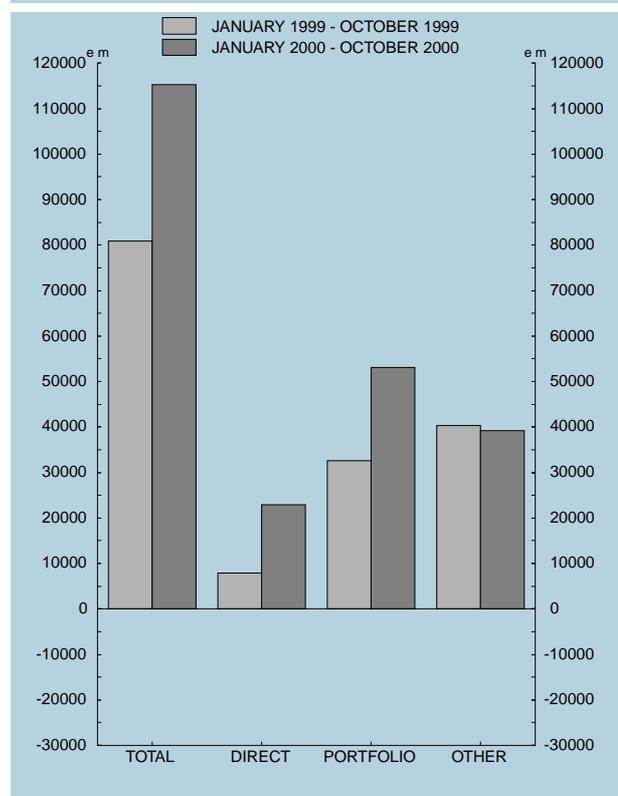
EUR millions

	Balance (net change in liabilities-net change in financial assets) (a)	Net change in financial assets						Net change in liabilities				
		Total	Spanish investment abroad			Other investment (b)	Reserve assets	Total	Foreign investment in Spain		Other investment (b)	
			Direct	Portfolio	Financial derivatives (NCA-NCL)				Direct (c)	Portfolio (d)		
1	2	3	4	5	6	7	8	9	10	11		
<b>97</b>	-2 783	37 299	11 041	14 401	6	1 498	10 352	34 516	5 621	11 067	17 828	
<b>98</b>	-105	67 162	17 002	39 071	2 450	20 887	-12 248	67 057	10 592	15 400	41 065	
<b>99</b>	11 046	79 855	33 240	44 040	-132	23 677	-20 970	90 901	8 781	43 403	38 717	
<b>99 J-O</b>	6 154	74 694	30 113	40 136	251	24 383	-20 188	80 848	7 947	32 623	40 278	
<b>00 J-O A</b>	14 402	100 855	43 911	41 348	-2 499	20 258	-2 163	115 257	22 960	53 066	39 231	
<b>99 Jul</b>	1 296	2 938	2 710	2 114	23	-1 718	-192	4 234	1 581	3 501	-848	
<b>Aug</b>	-317	576	522	1 727	-236	-1 270	-167	259	200	2 395	-2 336	
<b>Sep</b>	1 506	7 581	2 073	1 278	-31	5 717	-1 455	9 087	835	8 244	8	
<b>Oct</b>	1 084	9 618	1 019	988	-43	7 361	294	10 703	693	993	9 016	
<b>Nov</b>	2 122	8 170	1 363	1 174	-341	6 343	-370	10 291	471	6 286	3 535	
<b>Dec</b>	2 770	-3 009	1 765	2 729	-42	-7 049	-412	-239	364	4 493	-5 096	
<b>00 Jan P</b>	2 377	7 523	337	2 799	340	3 029	1 018	9 900	1 122	-418	9 197	
<b>Feb P</b>	26	2 148	1 231	4 988	315	-3 898	-487	2 175	1 057	5 932	-4 815	
<b>Mar P</b>	1 850	7 561	2 612	4 448	-229	1 028	-298	9 411	412	4 081	4 918	
<b>Apr P</b>	713	3 454	2 108	2 935	-618	-561	-409	4 168	2 165	-627	2 631	
<b>May P</b>	1 037	17 156	9 087	5 917	-516	3 053	-385	18 193	8 317	664	9 211	
<b>Jun P</b>	1 938	1 252	1 286	5 223	-234	-5 166	143	3 190	966	5 500	-3 277	
<b>Jul P</b>	1 553	18 969	13 741	2 206	116	1 149	1 757	20 522	3 014	16 238	1 270	
<b>Aug P</b>	407	1 375	1 940	1 563	-939	305	-1 495	1 782	1 225	3 937	-3 380	
<b>Sep P</b>	2 269	25 949	6 507	6 351	-615	14 020	-314	28 218	942	8 973	18 302	
<b>Oct A</b>	2 233	15 466	5 061	4 916	-119	7 301	-1 692	17 699	3 739	8 786	5 175	

NET CHANGE IN FINANCIAL ASSETS



NET CHANGE IN LIABILITIES



Source: BE. Data computed according to the IMF Balance of Payments Manual (Fifth edition, 1993).

(a) Changes in financial assets and liabilities are both net of repayments. Financial derivatives have been included in the change in financial assets although they are obtained as the balance of assets less liabilities. A positive sign for the financial account balance means a net credit inflow, i.e. a net foreign loan to Spain (increase in the debtor position or decrease in the creditor position).

(b) Mainly, loans, deposits and repo operations.

(c) Does not include direct investment in listed shares but includes portfolio investment in non-listed shares.

(d) Includes direct investment in listed shares but does not include portfolio investment in non-listed shares.

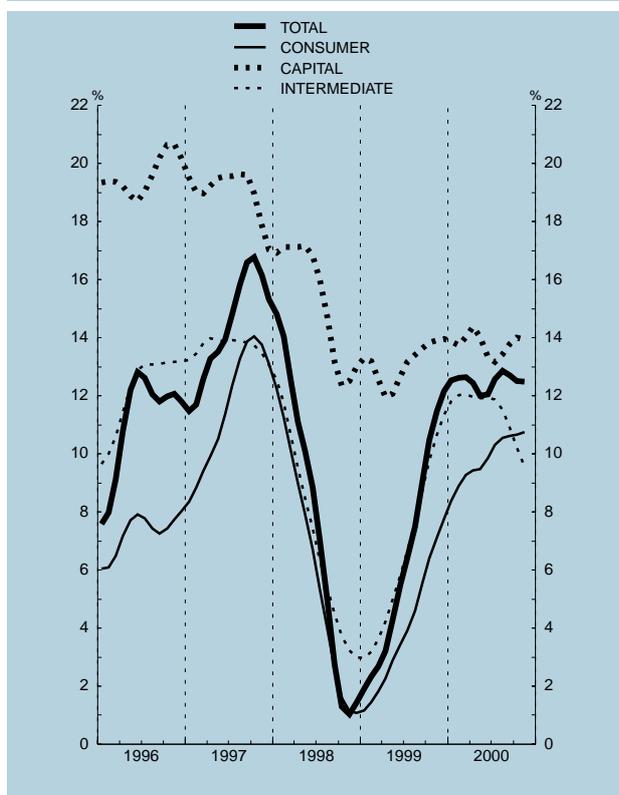
### 7.3 Spanish foreign trade with other euro area countries and with the rest of the world. Exports and dispatches

■ Series depicted in chart.

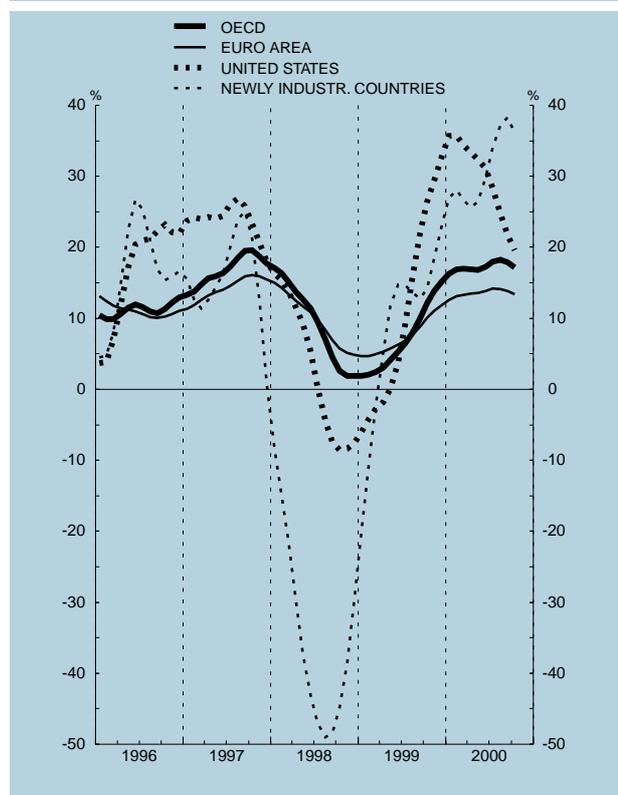
EUR millions and annual percentage changes

	Total			By product (deflated data)(a)					By geographical area (nominal data)									
	EUR millions	Nominal	De-flated	Consumer	Capital	Intermediate			O E C D						OPEC	Other American countries	Newly industrialised countries	Other
						Total	Energy	Non-energy	Total	Euro- pean Union	of which: Euro area	United States of America	Other OECD members					
														9				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		
<b>95</b>	69 962	19.4	12.3	12.0	16.4	11.4	22.3	11.0	18.2	20.8	21.4	0.7	18.7	11.9	37.6	4.7	29.4	
<b>96</b>	78 212	11.8	10.6	6.1	24.5	10.8	11.2	10.8	11.1	9.9	9.8	13.5	11.4	5.1	24.3	17.6	12.3	
<b>97</b>	93 419	19.4	15.8	13.8	21.8	15.6	12.2	15.8	18.9	8.5	16.2	25.2	22.2	16.4	17.7	14.6	27.1	
<b>98</b>	99 849	6.9	6.8	5.2	8.2	7.5	-0.2	7.8	8.4	13.9	9.2	2.5	7.2	8.2	7.1	-35.2	2.1	
<b>99</b>	P 103 343	5.5	6.4	3.6	14.2	6.0	-1.6	6.2	6.6	5.3	6.0	10.7	6.7	-4.3	-2.6	9.1	3.2	
<b>99 Oct</b>	10 108	13.9	12.2	6.5	30.0	10.6	3.1	10.6	14.2	15.7	13.3	29.2	12.7	-1.7	26.9	-3.8	9.8	
<b>99 Nov</b>	9 878	20.4	15.1	12.2	7.3	21.0	22.0	20.7	18.4	17.4	18.6	26.7	18.3	-10.3	54.7	39.8	28.4	
<b>99 Dec</b>	9 210	15.0	13.3	5.8	19.3	18.2	-28.6	21.0	14.0	14.0	12.1	33.7	12.8	2.8	14.6	12.9	27.8	
<b>00 Jan</b>	8 263	21.1	15.3	10.2	25.0	16.1	-1.0	16.8	20.3	22.0	17.7	51.4	17.7	6.8	9.0	38.0	37.2	
<b>00 Feb</b>	9 540	22.5	13.5	13.7	-5.3	21.8	10.7	22.2	22.7	25.8	20.7	46.7	20.0	34.6	9.7	41.9	22.7	
<b>00 Mar</b>	10 946	15.0	10.9	11.9	6.6	11.6	8.2	11.7	14.5	17.4	13.0	22.7	13.0	4.3	17.0	15.5	20.9	
<b>00 Apr</b>	9 369	15.3	12.1	11.0	39.7	4.5	2.3	4.6	14.5	18.3	10.1	32.9	11.9	10.2	30.7	18.8	17.2	
<b>00 May</b>	10 789	21.3	11.7	-0.2	36.9	13.7	15.8	13.6	14.1	11.5	10.5	29.8	13.9	31.0	99.6	26.1	52.1	
<b>00 Jun</b>	11 399	19.1	10.1	13.2	-10.7	16.7	19.0	16.6	17.6	13.2	15.8	54.1	16.6	45.2	9.5	33.1	29.7	
<b>00 Jul</b>	10 148	15.6	11.6	11.0	4.1	15.2	20.7	14.9	16.3	16.9	16.8	16.1	16.1	19.8	-4.9	32.2	17.9	
<b>00 Aug</b>	7 704	28.8	20.2	17.9	12.6	25.0	-4.0	26.8	30.3	30.2	29.6	33.2	30.1	2.2	16.6	40.2	32.2	
<b>00 Sep</b>	10 155	17.1	10.0	6.9	17.6	10.0	-9.1	10.8	13.9	17.1	9.0	10.4	13.1	42.8	6.7	41.5	45.4	
<b>00 Oct</b>	11 957	18.3	12.2	12.0	20.5	9.1	2.7	9.3	18.9	21.7	17.1	24.4	17.4	16.9	-12.2	48.9	31.2	
<b>00 Nov</b>	12 206	23.6	15.6	12.9	29.5	12.7	-1.2	13.3	24.2	22.1	18.5	52.7	22.8	47.4	-8.0	30.3	31.6	

**BY PRODUCT**  
Annual percentage changes (trend obtained with TRAMO-SEATS method)



**BY GEOGRAPHICAL AREA**  
Annual percentage changes (trend obtained with TRAMO-SEATS method)



Sources: ME and BE.

Note: The underlying series for this indicator are in Tables 17.4 and 17.5 of the Boletín estadístico.

(a) Series deflated by unit value indices.

## 7.4 Spanish foreign trade with other euro area countries and with the rest of the world.

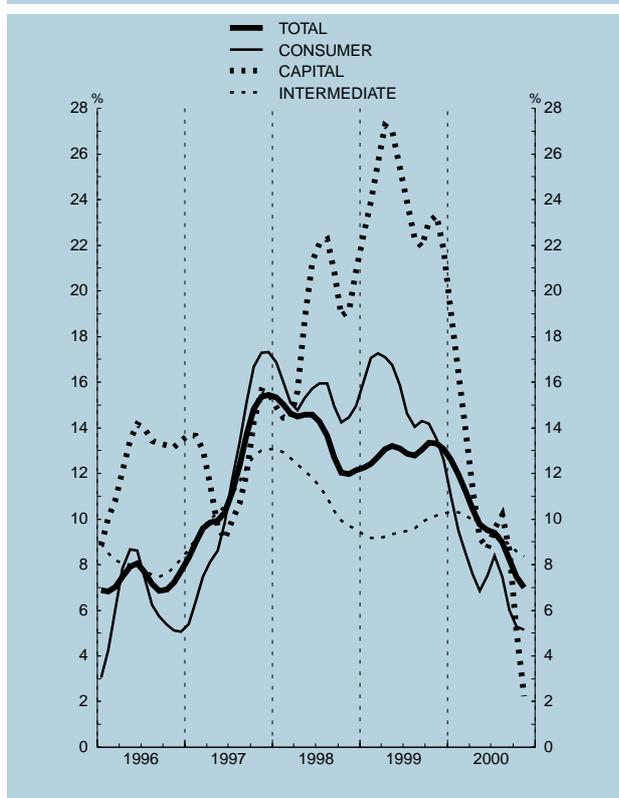
### Imports and arrivals

■ Series depicted in chart.

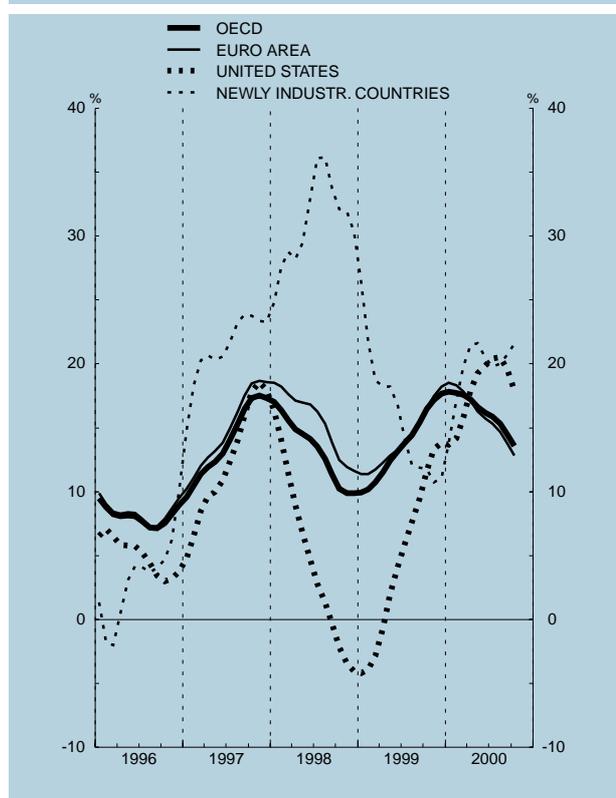
EUR millions and annual percentage changes

	Total			By product (deflated data)(a)					By geographical area (nominal data)										
	EUR millions	Nominal	De-flated	Consumer	Capital	Intermediate			O E C D							OPEC	Other American countries	Newly industrialised countries	Other
						Total	Energy	Non-energy	Total	Euro-pean Union	of which: Euro area	United States of America	Other OECD member						
														11	12				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17			
<b>95</b>	87 142	17.8	12.8	6.6	14.9	15.0	0.4	18.0	18.5	15.7	21.8	2.9	21.4	8.3	16.6	13.6	19.8		
<b>96</b>	94 179	8.1	7.8	7.0	14.4	6.3	2.9	6.8	7.9	11.9	8.1	7.1	6.8	23.9	4.0	0.5	3.3		
<b>97</b>	109 469	16.2	12.2	12.0	12.0	12.4	1.7	14.1	14.9	14.6	15.6	15.5	15.0	21.5	19.9	24.2	21.1		
<b>98</b>	122 856	12.2	15.0	16.3	21.9	12.5	13.8	12.2	14.7	17.4	17.5	2.6	15.2	-15.2	3.6	30.6	10.3		
<b>99</b>	135 866	13.7	14.0	16.7	27.0	9.0	-6.3	11.0	13.8	13.4	13.7	7.6	14.8	12.6	14.7	11.2	16.0		
<b>99 Oct</b>	13 114	24.4	18.5	17.2	30.1	15.5	-24.7	21.0	25.1	21.9	25.0	16.2	27.0	25.2	5.1	22.2	23.7		
<b>99 Nov</b>	12 696	19.2	13.0	9.7	30.7	8.8	-18.1	12.3	16.6	15.7	14.0	43.3	14.2	48.2	43.6	0.0	25.3		
<b>99 Dec</b>	13 079	27.8	20.7	25.1	35.0	13.8	-20.1	19.1	26.7	24.5	29.5	34.6	26.7	77.3	12.1	8.2	22.9		
<b>00 Jan</b>	10 944	27.1	10.8	5.4	11.1	12.6	20.2	11.6	17.7	26.4	22.9	-6.8	17.6	155.2	21.7	3.5	50.3		
<b>00 Feb</b>	12 298	29.5	17.2	11.1	23.6	17.9	1.1	20.4	22.7	29.1	23.4	5.1	22.4	105.0	13.1	35.0	53.1		
<b>00 Mar</b>	14 416	21.4	10.8	5.4	6.3	14.7	-10.0	18.3	15.8	13.0	16.4	-5.6	19.0	153.2	-2.6	19.8	23.2		
<b>00 Apr</b>	12 850	21.3	5.9	5.0	15.1	3.1	-10.0	4.9	18.7	22.5	18.3	41.9	15.4	66.7	-10.3	17.2	30.2		
<b>00 May</b>	14 887	25.6	3.5	2.8	-3.4	6.4	43.5	3.0	16.0	15.7	12.2	35.2	13.9	130.2	55.5	35.7	53.9		
<b>00 Jun</b>	14 680	22.3	12.3	3.6	9.3	17.1	37.7	15.1	14.5	18.0	15.9	20.8	12.9	150.9	4.7	19.1	40.4		
<b>00 Jul</b>	13 889	21.7	9.0	23.4	1.2	5.7	28.5	3.3	15.5	6.1	15.6	14.2	18.9	108.9	-2.5	10.7	41.5		
<b>00 Aug</b>	11 505	31.0	18.4	9.1	30.9	19.2	23.5	18.6	25.6	22.4	23.3	58.9	23.6	95.1	12.3	23.1	36.4		
<b>00 Sep</b>	14 183	14.9	4.7	-0.8	20.3	2.5	-5.1	3.4	10.9	8.3	10.3	18.4	11.1	70.2	1.1	18.3	19.0		
<b>00 Oct</b>	15 885	21.1	6.3	5.6	1.8	8.2	42.8	5.3	12.6	10.3	10.4	31.6	11.8	116.8	30.9	20.6	42.7		
<b>00 Nov</b>	15 708	23.7	4.9	6.4	-9.1	9.5	39.6	6.6	16.0	13.0	16.0	-0.7	19.1	95.5	8.4	46.3	44.4		

**BY PRODUCT**  
Annual percentage changes (trend obtained with TRAMO-SEATS)



**BY GEOGRAPHICAL AREA**  
Annual percentage changes (trend obtained with TRAMO-SEATS)



Sources: ME and BE.

Note: The underlying series for this indicator are in Tables 17.2 and 17.3 of the Boletín estadístico.

(a) Series deflated by unit value indices.

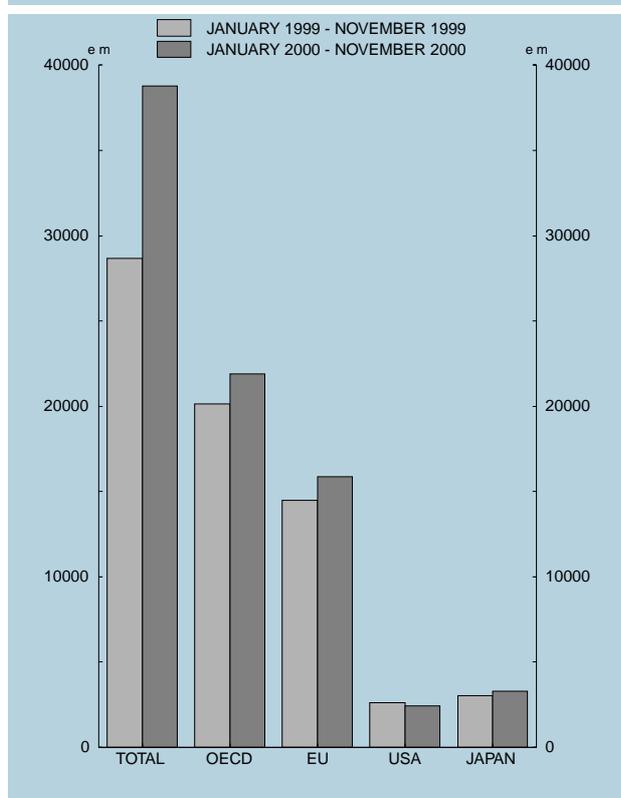
## 7.5 Spanish foreign trade with other euro area countries and with the rest of the world. Trade balance: geographical distribution

■ Series depicted in chart.

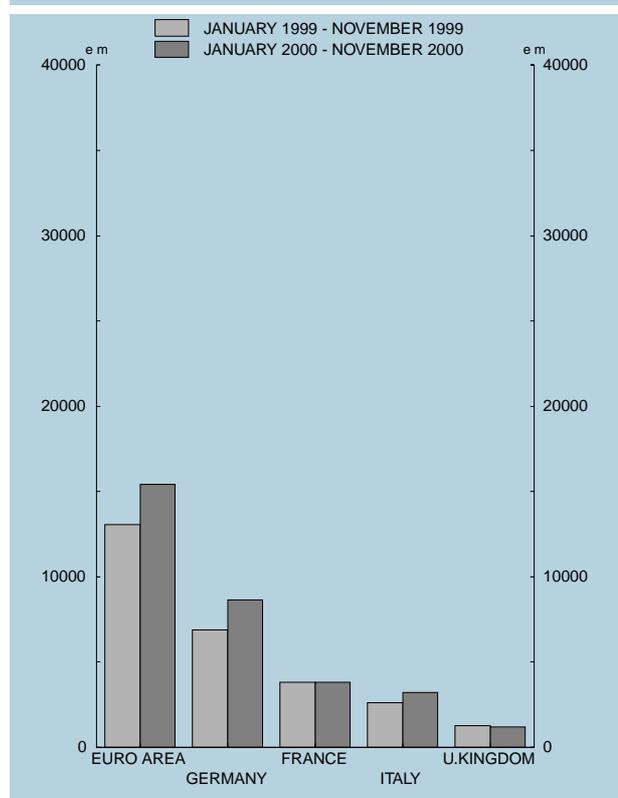
EUR millions

	O E C D															
	World total	European Union											OPEC	Other American countries	Newly industrialised countries	Other
		Total	Total	Euro area			United Kingdom	Other EU members	United States of America	Japan	Other OECD members					
				Total	Germany	France						Italy				
<b>97</b>	-16 049	-11 020	-5 973	-5 680	-3 680	-2 151	-1 377	-718	426	-2 763	-1 997	-287	-4 753	1 367	-258	-1 384
<b>98</b>	-23 007	-17 316	-11 974	-11 247	-5 398	-3 138	-2 952	-1 053	325	-2 839	-2 773	270	-3 447	1 589	-1 542	-2 291
<b>99</b> P	-32 523	-23 218	-17 207	-15 403	-7 729	-4 446	-3 160	-1 521	-284	-2 872	-3 181	43	-4 260	867	-1 875	-4 037
<b>99 J-N</b>	-28 654	-20 127	-14 495	-13 046	-6 889	-3 800	-2 623	-1 281	-169	-2 609	-3 018	-5	-3 670	699	-1 716	-3 841
<b>00 J-N</b>	-38 769	-21 894	-15 875	-15 415	-8 642	-3 831	-3 233	-1 194	734	-2 432	-3 301	-285	-9 640	817	-1 988	-6 065
<b>99 Nov</b>	-2 818	-2 086	-1 281	-1 212	-644	-402	-268	-124	55	-460	-307	-39	-524	192	-124	-276
<b>Dec</b>	-3 869	-3 091	-2 712	-2 357	-840	-646	-537	-240	-115	-263	-164	48	-591	168	-160	-196
<b>00 Jan</b>	-2 681	-1 128	-743	-839	-552	-308	-179	0	96	-90	-193	-102	-863	4	-152	-542
<b>Feb</b>	-2 758	-1 422	-1 016	-966	-523	-327	-255	-51	2	-96	-252	-58	-660	86	-191	-571
<b>Mar</b>	-3 469	-2 136	-1 585	-1 448	-731	-441	-364	-176	40	-195	-331	-26	-890	161	-173	-430
<b>Apr</b>	-3 481	-2 228	-1 819	-1 685	-893	-485	-254	-169	34	-276	-283	150	-695	95	-174	-480
<b>May</b>	-4 098	-2 654	-1 633	-1 481	-679	-544	-301	-178	26	-567	-325	-129	-757	131	-223	-596
<b>Jun</b>	-3 281	-1 680	-1 243	-1 320	-618	-264	-338	46	31	-84	-361	8	-938	-8	-171	-484
<b>Jul</b>	-3 740	-2 244	-1 731	-1 711	-1 145	-261	-355	-76	55	-172	-321	-20	-803	74	-180	-587
<b>Aug</b>	-3 801	-2 083	-1 465	-1 424	-717	-298	-187	-110	69	-245	-262	-111	-867	65	-156	-759
<b>Sep</b>	-4 028	-2 377	-1 792	-1 809	-1 100	-371	-375	-80	98	-252	-295	-38	-936	-29	-178	-508
<b>Oct</b>	-3 928	-2 176	-1 587	-1 469	-862	-245	-337	-200	82	-219	-385	15	-1 104	126	-188	-585
<b>Nov</b>	-3 502	-1 767	-1 260	-1 262	-823	-286	-289	-200	201	-238	-294	25	-1 126	113	-202	-521

CUMULATIVE TRADE DEFICIT



CUMULATIVE TRADE DEFICIT



Source: ME.

Note: The underlying series for this indicator are in Tables 17.3 and 17.5 of the Boletín estadístico.

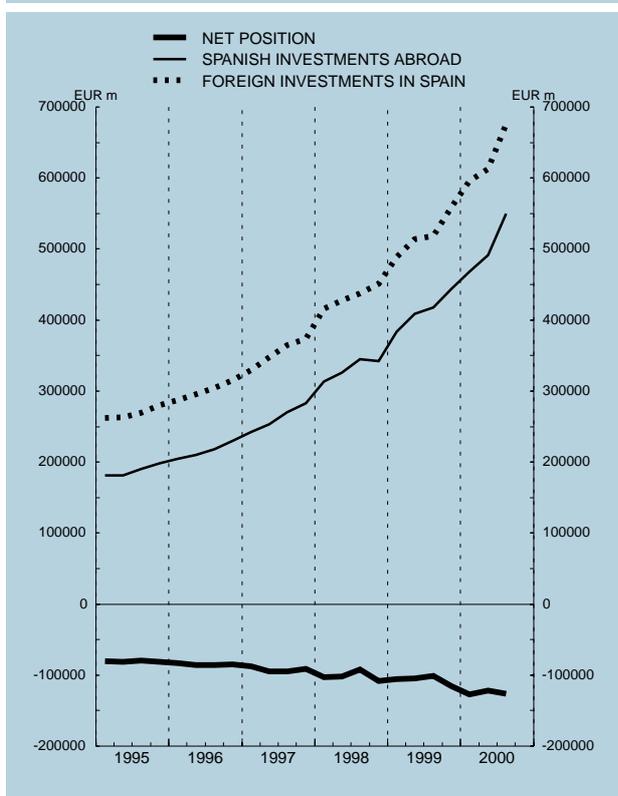
## 7.6 The international investment position of Spain vis-à-vis other euro area residents and the rest of the world. Summary

■ Series depicted in chart.

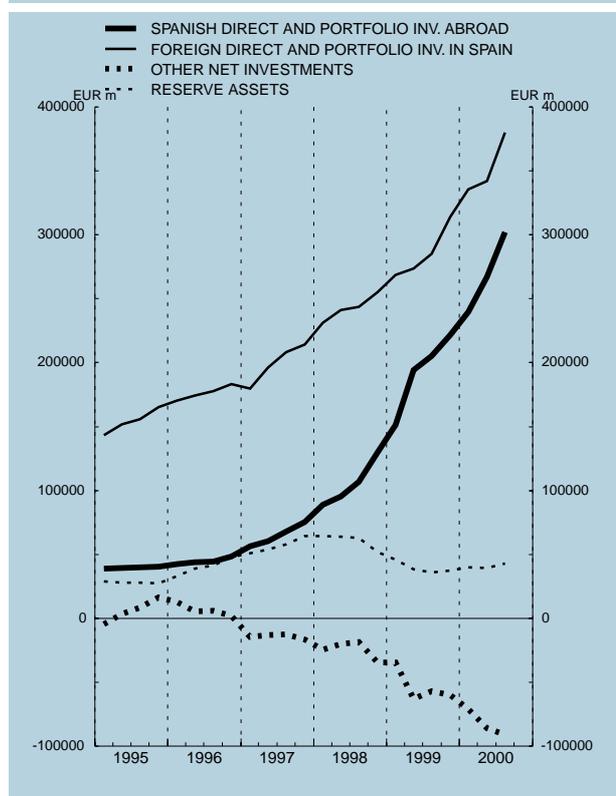
EUR millions

		1	Spanish investment abroad (financial assets)						Foreign investments in Spain (liabilities)						
			2	3	Portfolio investment			7	8	9	10	Portfolio investment			14
					4	5	6					11	12	13	
<b>92</b>	P	-63 768	114 136	15 185	6 689	1 358	5 331	58 696	33 566	177 904	59 322	37 313	12 798	24 515	81 269
<b>93</b>	P	-80 396	183 172	20 478	12 631	1 934	10 698	113 220	36 843	263 568	68 405	88 717	19 502	69 215	106 445
<b>94</b>	P	-79 169	176 970	23 917	13 890	2 756	11 134	104 456	34 708	256 140	76 085	66 549	19 114	47 435	113 505
<b>95</b>	P	-81 373	198 363	26 786	13 739	2 805	10 934	130 575	27 263	279 736	81 166	84 226	21 748	62 478	114 344
<b>96</b>	P	-85 080	229 795	31 672	16 927	3 523	13 404	133 537	47 658	314 875	86 094	97 304	28 545	68 759	131 477
<b>97</b>	P	-94 774	270 133	39 342	28 441	7 181	21 261	144 529	57 822	364 907	90 266	117 770	37 827	79 944	156 871
<b>Q3</b>	P	-90 971	282 534	43 677	31 787	8 330	23 457	142 895	64 174	373 505	91 332	122 786	40 554	82 231	159 387
<b>98</b>	P	-102 674	313 437	47 294	41 357	10 575	30 782	160 561	64 225	416 111	93 619	137 475	58 934	78 541	185 016
<b>Q1</b>	P	-101 618	325 887	49 793	45 747	13 730	32 017	166 557	63 791	427 505	95 731	145 387	60 117	85 270	186 387
<b>Q2</b>	P	-92 389	345 187	54 669	52 159	14 651	37 509	175 505	62 854	437 576	98 140	145 292	49 083	96 209	194 144
<b>Q3</b>	P	-107 942	342 585	59 342	70 321	17 228	53 093	160 827	52 095	450 528	101 818	153 086	60 519	92 567	195 624
<b>Q4</b>	P														
<b>99</b>	P	-105 996	383 139	63 916	87 499	20 169	67 329	185 851	45 874	489 135	103 312	165 218	63 230	101 988	220 605
<b>Q1</b>	P	-104 636	408 963	85 220	108 758	24 659	84 099	176 832	38 153	513 599	106 797	167 010	64 031	102 979	239 791
<b>Q2</b>	P	-100 912	417 783	91 918	113 397	29 199	84 198	176 565	35 903	518 695	110 475	174 566	61 360	113 206	233 654
<b>Q3</b>	P	-115 227	444 027	102 663	118 850	34 210	84 640	185 226	37 288	559 254	117 316	196 751	78 755	117 995	245 187
<b>Q4</b>	P														
<b>00</b>	P	-127 602	468 372	107 749	131 856	46 226	85 630	189 004	39 763	595 975	117 567	218 161	87 456	130 706	260 247
<b>Q1</b>	P	-121 782	491 035	122 348	144 688	53 084	91 604	184 646	39 354	612 817	129 951	212 121	78 436	133 685	270 745
<b>Q2</b>	P	-125 932	550 182	146 759	155 593	57 106	98 487	205 080	42 750	676 114	135 805	244 444	95 079	149 365	295 865
<b>Q3</b>	P														

### INTERNATIONAL INVESTMENT POSITION



### COMPONENTS OF THE POSITION



Source: BE.

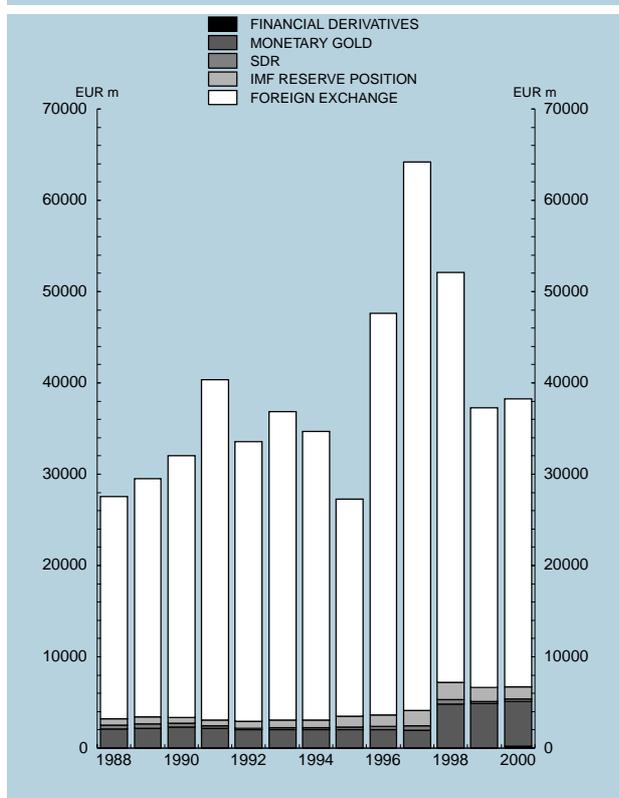
## 7.7. Spanish reserve assets.

■ Series depicted in chart.

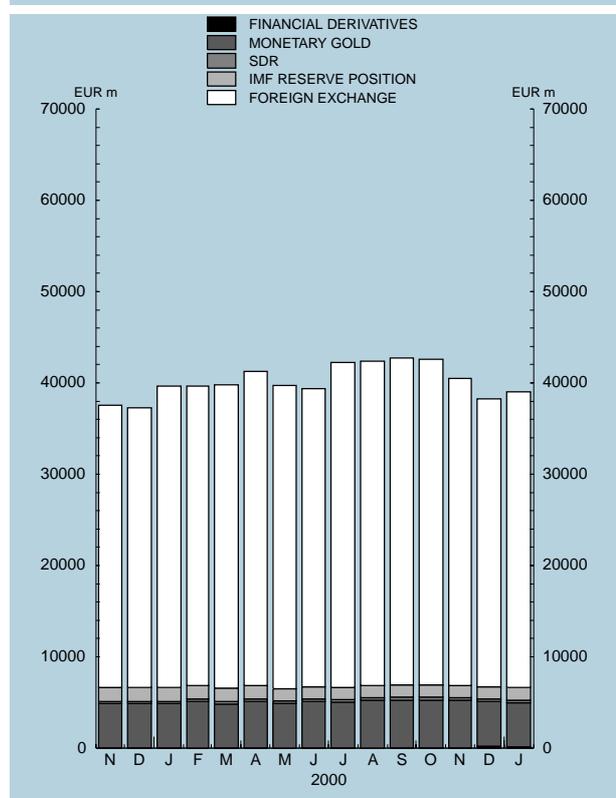
EUR millions

	Reserve assets						Memorandum item: gold
	Total	Foreign exchange	Reserve position in the IMF	SDRs	Monetary gold	Financial derivatives	Millions of troy ounces
	1	2	3	4	5	6	7
<b>98</b>	52 095	44 914	1 876	492	4 814	...	19.5
<b>99</b>	37 288	30 639	1 517	259	4 873	...	16.8
<b>00</b>	38 234	31 546	1 271	312	4 931	175	16.8
<b>99 Aug</b>	36 831	30 971	1 562	236	4 063	...	16.8
<b>Sep</b>	35 903	29 415	1 457	237	4 794	...	16.8
<b>Oct</b>	36 831	30 308	1 479	240	4 804	...	16.8
<b>Nov</b>	37 522	30 897	1 489	257	4 878	...	16.8
<b>Dec</b>	37 288	30 639	1 517	259	4 873	...	16.8
<b>00 Jan</b>	39 637	32 971	1 535	262	4 869	-0	16.8
<b>Feb</b>	39 637	32 777	1 486	273	5 108	-7	16.8
<b>Mar</b>	39 763	33 203	1 422	280	4 861	-2	16.8
<b>Apr</b>	41 253	34 389	1 491	288	5 087	-1	16.8
<b>May</b>	39 710	33 178	1 347	293	4 908	-16	16.8
<b>Jun</b>	39 354	32 645	1 327	288	5 092	2	16.8
<b>Jul</b>	42 243	35 573	1 349	293	5 029	-1	16.8
<b>Aug</b>	42 393	35 516	1 344	314	5 229	-11	16.8
<b>Sep</b>	42 750	35 811	1 356	317	5 263	4	16.8
<b>Oct</b>	42 568	35 653	1 343	326	5 252	-7	16.8
<b>Nov</b>	40 503	33 651	1 304	329	5 202	17	16.8
<b>Dec</b>	38 234	31 546	1 271	312	4 931	175	16.8
<b>01 Jan</b>	39 001	32 339	1 383	347	4 775	157	16.8

RESERVE ASSETS  
END-OF-YEAR POSITIONS



RESERVE ASSETS  
END-OF-MONTH POSITIONS



Source: BE.

Note: From January 1999 the assets denominated in euro and other currencies vis-à-vis residents of other euro area countries are not considered reserve assets. To December 1998, data in pesetas have been converted to euro using the irrevocable euro conversion rate. Since January 1999, all reserve assets are valued at market prices. As of January 2000 reserve assets data have been compiled in accordance with the IMF's new methodological guidelines published in the document 'Data Template on International Reserves and Foreign Currency Liquidity, Operational Guidelines', October 1999 (<http://dsbb.imf.org/guide.htm>). Using this new definition, total reserve assets as at 31.12.99 would have been EUR 37835 million instead of the amount of EUR 37288 million published in this table.

## 8.1.a Consolidated balance sheet of the Eurosystem. Net lending to credit institutions and its counterparts

Average of daily data, EUR millions

	Net lending							Counterparts							
	Open market operations				Standing facilities			Autonomous factors					Other liabilities (net) in euro	Actual reserves of credit institutions	Debt certificates
	Main refinancing operations	Longer-term refinancing operations	Fine-tuning and structural reverse operations (net)	Other	Marginal lending facility	Deposit facility	Total	Bank-notes	Net liabilities to General Government	Gold and net assets in foreign currency	Other (net)				
1=2+3+4 +5+6-7	2	3	4	5	6	7	8=9+10 -11+12	9	10	11	12	13	14	15	
<b>99 Jul</b>	195 266	150 355	44 997	-	68	529	682	77 618	343 144	-10 270	343 068	87 813	3 078	104 412	10 158
<i>Aug</i>	194 490	149 978	45 000	-	59	206	753	76 492	343 880	-13 053	343 410	89 075	3 062	104 778	10 158
<i>Sep</i>	193 100	148 800	44 995	-	64	154	914	77 800	341 848	-9 413	343 488	88 852	2 716	102 496	10 087
<i>Oct</i>	184 506	138 818	45 946	-	-23	335	570	71 050	342 533	-16 434	351 622	96 574	2 295	102 554	8 606
<i>Nov</i>	199 202	142 247	56 814	1	13	287	160	84 302	343 361	-5 113	351 860	97 914	1 817	105 107	7 976
<i>Dec</i>	220 978	152 743	68 042	-	102	1 264	1 172	104 535	361 554	-3 690	351 788	98 459	2 094	106 473	7 876
<b>00 Jan</b>	204 599	133 490	74 282	-3 433	131	321	192	86 462	355 921	-17 980	366 878	115 400	2 330	107 931	7 876
<i>Feb</i>	197 336	127 482	69 996	-	53	121	315	81 237	346 830	-9 248	368 476	112 131	2 531	105 693	7 876
<i>Mar</i>	204 217	139 491	64 780	-	86	165	306	81 271	347 333	-9 309	369 315	112 563	2 629	112 510	7 806
<i>Apr</i>	196 507	137 496	60 000	-	55	381	1 424	77 114	351 691	-15 944	380 145	121 512	2 607	110 521	6 265
<i>May</i>	201 476	142 572	59 998	-	19	351	1 464	79 634	352 966	-17 091	378 624	122 383	2 481	113 096	6 265
<i>Jun</i>	204 045	144 629	59 905	319	50	312	1 170	80 917	354 516	-18 030	377 911	122 343	2 668	114 194	6 265
<i>Jul</i>	219 147	159 998	59 193	-	36	178	257	95 957	357 923	-8 299	382 268	128 602	3 132	113 793	6 265
<i>Aug</i>	219 301	164 697	54 697	-	31	206	330	96 967	357 866	-8 729	381 909	129 740	3 369	112 700	6 265
<i>Sep</i>	224 314	174 667	49 523	-	86	259	221	101 026	354 492	-3 929	380 427	130 890	3 700	113 403	6 184
<i>Oct</i>	222 895	177 500	44 999	-	38	469	110	97 550	354 053	-12 414	402 844	158 756	5 425	115 345	4 574
<i>Nov</i>	233 215	188 182	45 001	-	24	232	224	107 249	352 259	-5 446	396 723	157 159	6 951	115 159	3 856
<i>Dec</i>	260 769	215 427	45 000	-	77	560	294	131 026	365 743	325	393 893	158 851	7 529	118 430	3 784

## 8.1.b Balance sheet of the Banco de España. Net lending to credit institutions and its counterparts

Average of daily data, EUR millions

	Net lending							Counterparts									
	Open market operations				Standing facilities			Autonomous factors					Other liabilities (net) in euro			Actual reserves of credit institutions	Banco de España. Certificates
	Main refinancing operations	Longer-term refinancing operations	Fine-tuning and structural reverse operations (net)	Other	Marginal lending facility	Deposit facility	Total	Bank-notes	Net liabilities to General Government	Gold and net assets in foreign currency	Other (net)	Total	Of euro area residents	Rest			
1=2+3+4 +5+6-7	2	3	4	5	6	7	8=9+10 -11+12	9	10	11	12	13=14+ +15	14	15	16	17	
<b>99 Jul</b>	14 332	11 106	3 320	-	-13	-	81	25 504	53 060	1 577	41 797	12 663	-24 590	-22 786	-1 803	8 564	4 854
<i>Aug</i>	13 182	10 628	2 587	-	-15	14	32	26 378	53 093	2 401	41 874	12 758	-26 215	-23 464	-2 752	8 165	4 854
<i>Sep</i>	14 611	12 400	2 283	-	-8	0	64	26 267	52 936	2 198	41 415	12 547	-24 675	-15 358	-9 317	8 235	4 783
<i>Oct</i>	13 071	10 562	2 539	-	-13	-	17	30 172	53 105	4 497	39 961	12 531	-29 006	-27 867	-1 139	8 603	3 302
<i>Nov</i>	16 302	12 917	3 374	-	5	7	-	36 441	52 828	10 631	39 956	12 939	-32 094	-31 893	-202	8 654	3 302
<i>Dec</i>	18 163	14 666	3 480	-	3	21	8	36 583	55 385	8 729	39 395	11 864	-30 466	-26 167	-4 299	8 744	3 302
<b>00 Jan</b>	17 798	14 958	3 303	-435	-28	-	1	33 221	54 943	6 788	41 396	12 886	-27 122	-22 477	-4 645	8 396	3 302
<i>Feb</i>	13 150	10 306	2 845	-	-1	-	-	32 705	53 335	9 394	41 344	11 320	-31 410	-23 750	-7 660	8 553	3 302
<i>Mar</i>	14 648	11 608	3 037	-	7	0	4	34 352	53 585	9 809	40 689	11 647	-31 830	-21 966	-9 864	8 894	3 232
<i>Apr</i>	12 483	8 777	3 702	-	6	-	2	31 786	54 617	5 910	42 229	13 488	-29 972	-20 976	-8 996	8 978	1 691
<i>May</i>	15 440	10 703	4 874	-	1	-	138	35 286	54 362	9 464	42 254	13 715	-30 058	-24 712	-5 346	8 521	1 691
<i>Jun</i>	17 687	12 145	5 508	24	4	5	-	35 919	54 671	9 484	42 197	13 960	-29 158	-24 355	-4 803	9 235	1 691
<i>Jul</i>	17 202	12 255	4 952	-	-	-	5	33 558	56 029	6 144	43 217	14 602	-27 586	-23 955	-3 631	9 538	1 691
<i>Aug</i>	14 310	10 804	3 510	-	1	-	5	37 330	55 879	9 892	43 188	14 748	-33 929	-24 482	-9 447	9 218	1 691
<i>Sep</i>	12 370	10 285	2 087	-	1	-	3	35 716	55 407	8 285	42 797	14 821	-34 195	-30 173	-4 021	9 238	1 610
<i>Oct</i>	11 619	9 443	2 178	-	1	0	4	39 571	55 218	10 789	44 887	18 451	-37 256	-33 855	-3 401	9 304	-
<i>Nov</i>	13 248	11 175	2 066	-	6	-	0	50 524	54 429	23 221	43 399	16 272	-46 643	-38 553	-8 090	9 367	-
<i>Dec</i>	14 053	12 563	1 475	-	12	4	1	47 160	55 989	17 561	42 842	16 453	-42 747	-42 739	-8	9 640	-

Sources: ECB for table 8.1.a and BE for table 8.1.b.

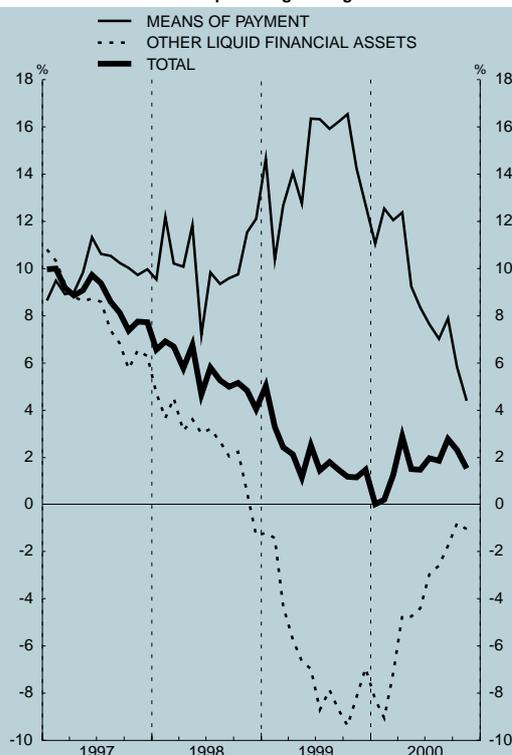
## 8.2 Liquid financial assets (a) of non-financial corporations, households and NPISH, resident in Spain

■ Series depicted in chart.

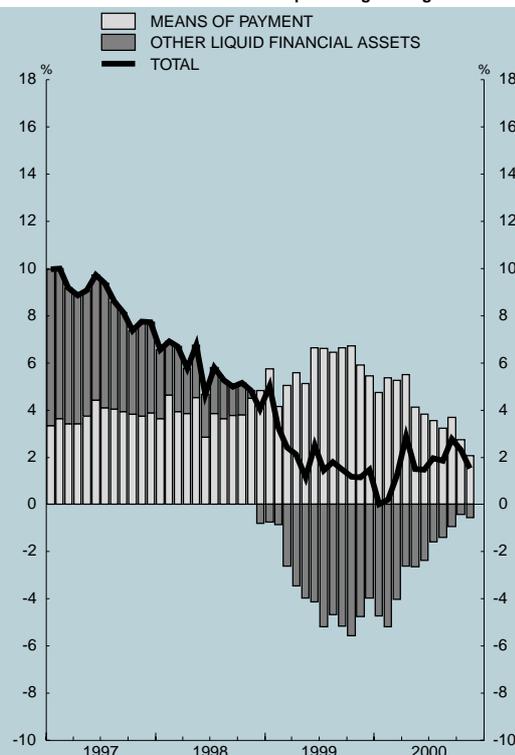
EUR millions and %

	Total		Means of payment						Other liquid financial assets						Memorandum items		
	Stocks	12-month % change	Stocks	12-month % change	Contribution to col.2	12-month % change			Stocks	12-month % change	Contribution to col.2	12-month % change				Liquid financial assets enlarged (d)	12-month % change
						Cash	Sight deposits	Savings deposits (b)				Other deposits (c)	Repos	Credit institutions securities	Money-market and fixed-income mutual fund shares		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
<b>97</b>	519 235	7.7	206 713	10.0	3.9	5.5	15.1	8.4	312 523	6.3	3.8	-11.9	-5.3	-14.3	34.5	537 483	10.2
<b>98</b>	540 167	4.0	231 738	12.1	4.8	0.7	19.5	12.4	308 429	-1.3	-0.8	-7.1	-25.0	-7.8	11.1	582 347	8.3
<b>99</b>	548 185	1.5	261 185	12.7	5.5	8.3	14.1	13.8	287 000	-6.9	-4.0	11.9	-16.5	54.5	-22.9	622 880	7.0
<b>99 Aug</b>	534 838	1.8	247 070	15.9	6.5	4.7	21.6	17.1	287 769	-7.9	-4.7	4.3	-32.2	14.8	-13.4	598 500	8.2
<b>Sep</b>	536 095	1.5	251 081	16.2	6.6	6.1	21.2	17.2	285 014	-8.7	-5.1	5.3	-31.7	14.5	-15.9	600 353	8.1
<b>Oct</b>	532 303	1.2	249 575	16.5	6.7	6.4	23.3	16.2	282 728	-9.4	-5.6	8.5	-31.6	27.8	-20.2	596 917	5.7
<b>Nov</b>	538 245	1.2	252 816	14.2	5.9	6.5	15.9	16.9	285 429	-8.2	-4.8	9.1	-22.7	40.9	-21.2	607 471	6.1
<b>Dec</b>	548 185	1.5	261 185	12.7	5.5	8.3	14.1	13.8	287 000	-6.9	-4.0	11.9	-16.5	54.5	-22.9	622 880	7.0
<b>00 Jan</b>	536 104	0.0	255 089	11.1	4.7	6.9	11.8	12.6	281 015	-8.3	-4.7	13.0	-9.0	41.8	-27.6	606 474	4.2
<b>Feb</b>	534 332	0.2	256 855	12.5	5.4	6.8	16.4	11.9	277 476	-9.0	-5.2	17.1	-6.6	31.1	-31.8	613 344	5.7
<b>Mar</b>	539 113	1.3	260 674	12.1	5.3	6.0	14.9	12.6	278 439	-7.1	-4.0	19.9	5.3	20.3	-32.2	621 509	6.3
<b>Apr</b>	539 539	2.9	261 660	12.4	5.5	7.0	17.1	10.8	277 879	-4.7	-2.6	23.0	10.8	13.8	-31.4	617 953	5.6
<b>May</b>	535 880	1.5	258 173	9.2	4.1	5.4	11.0	9.5	277 707	-4.8	-2.6	24.1	9.3	7.4	-32.1	612 292	3.8
<b>Jun</b>	545 629	1.5	268 448	8.3	3.8	6.2	10.0	7.8	277 181	-4.4	-2.4	24.7	12.2	1.5	-32.9	624 538	3.9
<b>Jul</b>	548 032	2.0	269 120	7.6	3.6	4.4	9.7	7.3	278 911	-3.0	-1.6	25.2	20.0	3.0	-32.6	627 268	4.5
<b>Aug</b>	544 726	1.8	264 417	7.0	3.2	4.4	8.7	6.8	280 309	-2.6	-1.4	26.5	20.9	4.5	-33.5	627 549	4.9
<b>Sep</b>	550 904	2.8	270 908	7.9	3.7	4.2	12.0	5.8	279 997	-1.8	-0.9	27.2	27.6	6.0	-34.6	631 660	5.2
<b>Oct</b>	P 544 591	2.3	264 150	5.8	2.7	2.7	9.4	4.0	280 441	-0.8	-0.4	27.0	22.6	-9.8	-32.4	625 296	4.8
<b>Nov</b>	P 546 398	1.5	263 929	4.4	2.1	2.2	8.5	1.6	282 469	-1.0	-0.5	26.2	16.4	-18.3	-32.0	621 873	2.4

LIQUID FINANCIAL ASSETS OF NON-FINANCIAL CORPORATIONS, HOUSEHOLDS AND NPISH  
Annual percentage change



LIQUID FINANCIAL ASSETS OF NON-FINANCIAL CORPORATIONS, HOUSEHOLDS AND NPISH  
Contributions to the annual percentage change



Source: BE.

GENERAL NOTE: Tables 8.2 to 8.6 have been revised in September 2000, to take into account the criteria of the Financial Accounts of the Spanish economy revised according to ESA/95 (see the box appearing in the article "Recent Evolution of the Spanish Economy" in the Economic Bulletin of October 2000).

(a) This concept refers to the instruments included in the headings of the table, issued by resident credit institutions and mutual funds. As full information is not available, the quarter-on-quarter data are estimates. This means these figures are revised when final quarterly data are available.

(b) Deposits redeemable at up to and including 3 months' notice.

(c) Deposits redeemable at over 3 months' notice and time deposits.

(d) Defined as liquid financial assets plus shares in mutual funds other than money-market and fixed-income funds.

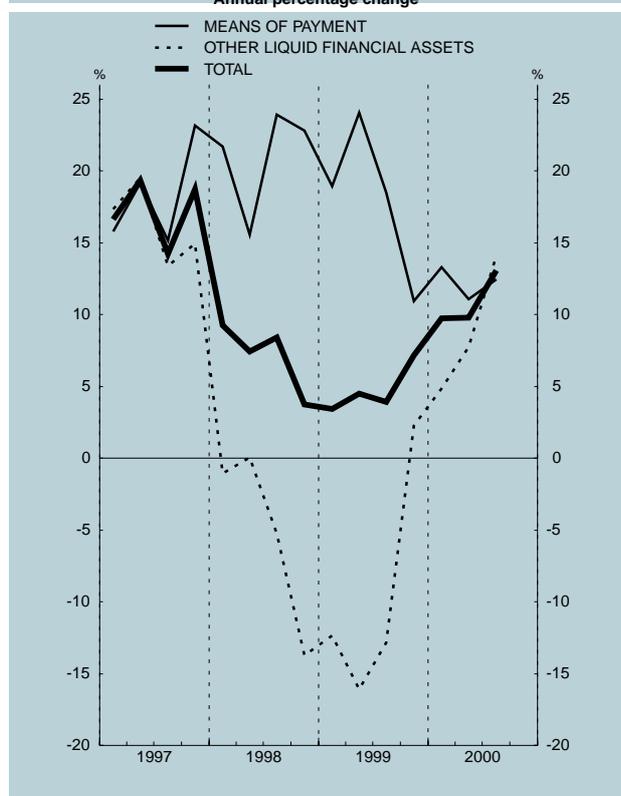
### 8.3 Liquid financial assets (a) of non-financial corporations resident in Spain

■ Series depicted in chart.

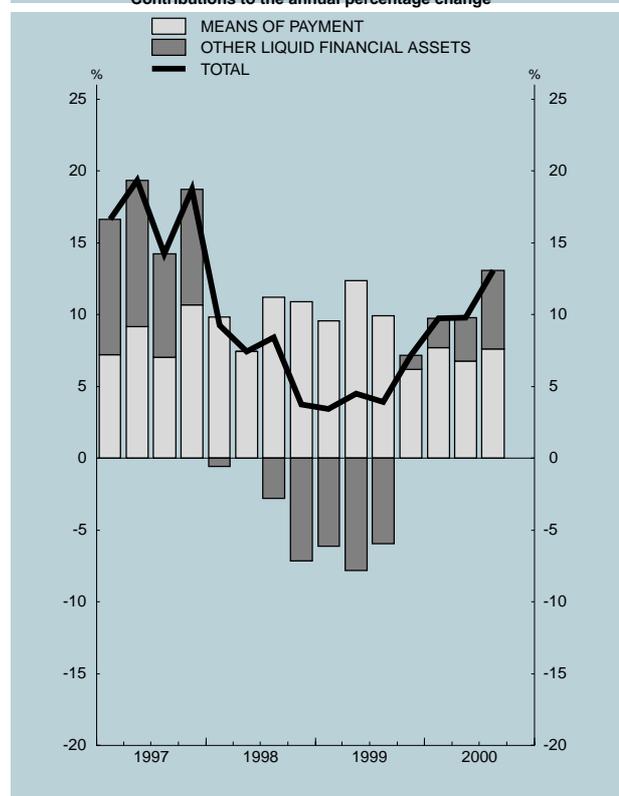
EUR millions and %

	Total		Cash and cash equivalents				Other liquid financial assets						Memorandum items		
	Stocks	4-quarter % change	Stocks	4-quarter % change	Contribution to col. 2	4-quarter % change		Stocks	4-quarter % change	Contribution to col. 2	4-quarter % change			Liquid financial assets broadly defines (d)	
						Cash and sight deposits	Savings deposits (b)				Other deposits (c)	Repos	Credit institutions' securities & mutual funds shares	Stocks	4-quarter % change
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
<b>97</b>	80 691	18.7	38 589	23.2	10.7	24.7	-4.9	42 102	14.9	8.0	0.8	17.0	19.8	82 170	20.1
<b>98</b>	83 715	3.7	47 393	22.8	10.9	23.5	5.2	36 323	-13.7	-7.2	6.7	-33.7	13.1	87 198	6.1
<b>99</b>	89 714	7.2	52 570	10.9	6.2	11.1	5.2	37 144	2.3	1.0	30.8	-8.1	-0.3	96 362	10.5
<b>97 Q3</b>	74 894	14.2	35 044	15.2	7.0	16.6	-10.2	39 851	13.4	7.2	-20.3	22.4	22.3	76 362	15.8
<b>Q4</b>	80 691	18.7	38 589	23.2	10.7	24.7	-4.9	42 102	14.9	8.0	0.8	17.0	19.8	82 170	20.1
<b>98 Q1</b>	78 569	9.2	39 592	21.7	9.8	23.0	-2.9	38 977	-1.0	-0.6	-10.9	-9.2	20.9	80 893	11.3
<b>Q2</b>	82 752	7.4	42 424	15.6	7.4	15.8	11.4	40 327	0.0	0.0	0.6	-10.0	19.1	85 385	9.3
<b>Q3</b>	81 185	8.4	43 420	23.9	11.2	23.4	35.2	37 765	-5.2	-2.8	1.9	-19.5	17.6	83 380	9.2
<b>Q4</b>	83 715	3.7	47 393	22.8	10.9	23.5	5.2	36 323	-13.7	-7.2	6.7	-33.7	13.1	87 198	6.1
<b>99 Q1</b>	81 252	3.4	47 091	18.9	9.5	19.6	4.2	34 160	-12.4	-6.1	19.9	-36.7	7.8	85 654	5.9
<b>Q2</b>	86 480	4.5	52 636	24.1	12.3	25.3	-3.5	33 844	-16.1	-7.8	13.3	-36.5	-0.5	91 943	7.7
<b>Q3</b>	84 376	3.9	51 457	18.5	9.9	19.9	-12.2	32 919	-12.8	-6.0	30.4	-32.1	-7.0	90 030	8.0
<b>Q4</b>	89 714	7.2	52 570	10.9	6.2	11.1	5.2	37 144	2.3	1.0	30.8	-8.1	-0.3	96 362	10.5
<b>00 Q1</b>	89 153	9.7	53 343	13.3	7.7	13.5	6.3	35 810	4.8	2.0	37.8	7.8	-15.0	97 354	13.7
<b>Q2</b>	94 932	9.8	58 468	11.1	6.7	11.2	6.3	36 465	7.7	3.0	55.0	7.5	-18.3	103 573	12.6
<b>Q3</b>	95 418	13.1	57 860	12.4	7.6	12.6	7.6	37 558	14.1	5.5	58.7	19.5	-17.6	104 301	15.9

LIQUID FINANCIAL ASSETS OF NON-FINANCIAL CORPORATIONS  
Annual percentage change



LIQUID FINANCIAL ASSETS OF NON-FINANCIAL CORPORATIONS  
Contributions to the annual percentage change



Source: BE.

GENERAL NOTE: Tables 8.2 to 8.6 were revised in September 2000, to take into account the criteria used to compile the Financial Accounts of the Spanish economy in accordance with ESA 95 (see the box appearing in the article "Evolución reciente de la economía española" in the September 2000 edition of the Boletín Económico).

- (a) This concept refers to the instruments included in the headings of the table, issued by resident credit institutions and mutual funds.  
 (b) Deposits redeemable at up to and including 3 months' notice.  
 (c) Deposits redeemable at over 3 months' notice and time deposits.  
 (d) Defined as liquid financial assets plus shares in mutual funds other than money-market and fixed\_income funds.

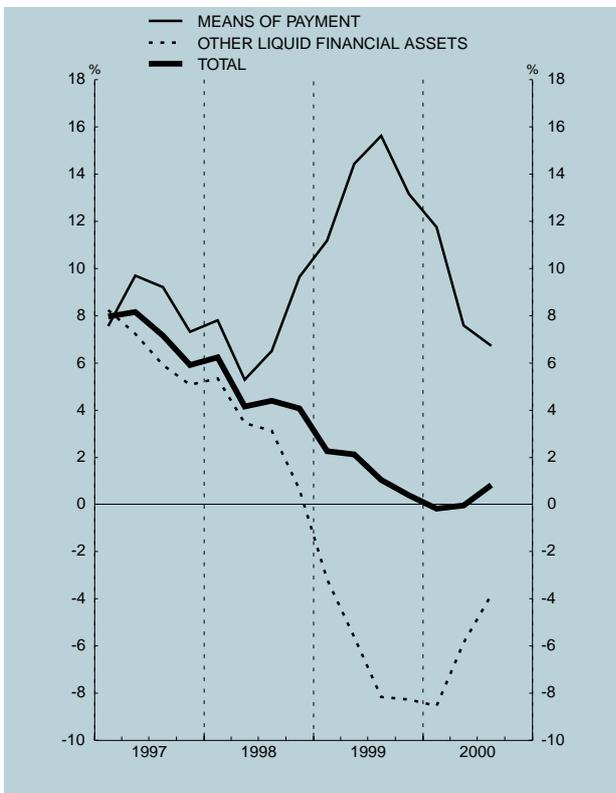
## 8.4 Liquid financial assets (a) of households and NPISHs resident in Spain

■ Series depicted in chart.

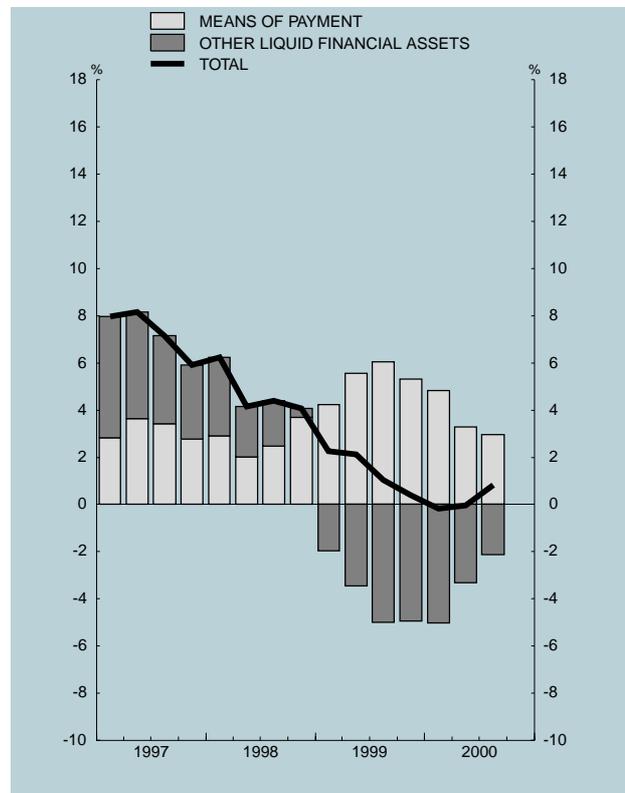
EUR millions and %

	Total		Cash and cash equivalents						Other liquid financial assets						Memorandum items		
	Stocks	4-quarter % change	Stocks	4-quarter % change	Contribution to col. 2	4-quarter % change			Stocks	4-quarter % change	Contribution to col. 2	4-quarter % change				Liquid financial assets broadly defines (d)	
						Cash	Sight deposits	Savings deposits (b)				Other deposits (c)	Repos	Credit institutions' securities	Money-market and fixed-income mutual fund shares (d)	Stocks	4-quarter % change
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
<b>97</b>	438 544	5.9	168 123	7.3	2.8	4.4	8.1	8.7	270 421	5.1	3.2	-12.5	-8.5	-7.9	34.5	455 313	8.6
<b>98</b>	456 452	4.1	184 345	9.6	3.7	-1.1	16.8	12.6	272 106	0.6	0.4	-7.8	-11.7	-10.8	10.8	495 149	8.7
<b>99</b>	458 197	0.4	208 614	13.2	5.3	6.0	19.0	13.9	249 582	-8.3	-4.9	10.7	-26.1	36.2	-23.7	525 409	6.1
<b>97 Q3</b>	428 240	7.1	162 085	9.2	3.4	5.1	12.0	10.4	266 154	5.9	3.7	-12.6	-8.7	-11.5	41.9	444 905	10.3
<b>Q4</b>	438 544	5.9	168 123	7.3	2.8	4.4	8.1	8.7	270 421	5.1	3.2	-12.5	-8.5	-7.9	34.5	455 313	8.6
<b>98 Q1</b>	441 210	6.2	166 859	7.8	2.9	1.8	10.8	10.0	274 351	5.3	3.3	-11.8	-7.3	2.7	28.8	467 630	10.3
<b>Q2</b>	441 861	4.2	170 557	5.3	2.0	0.7	5.4	8.0	271 304	3.5	2.1	-11.7	-14.6	-4.3	23.7	471 799	8.1
<b>Q3</b>	447 088	4.4	172 634	6.5	2.5	-0.8	10.5	8.9	274 455	3.1	1.9	-10.4	-11.2	-11.8	20.0	472 030	6.1
<b>Q4</b>	456 452	4.1	184 345	9.6	3.7	-1.1	16.8	12.6	272 106	0.6	0.4	-7.8	-11.7	-10.8	10.8	495 149	8.7
<b>99 Q1</b>	451 160	2.3	185 521	11.2	4.2	0.8	19.1	13.2	265 639	-3.2	-2.0	-4.4	-27.9	-7.4	0.7	499 180	6.7
<b>Q2</b>	451 230	2.1	195 165	14.4	5.6	2.6	20.6	18.0	256 065	-5.6	-3.4	0.5	-29.2	16.8	-9.3	509 308	8.0
<b>Q3</b>	451 719	1.0	199 625	15.6	6.0	4.1	23.8	17.9	252 095	-8.1	-5.0	4.0	-31.1	19.4	-16.6	510 324	8.1
<b>Q4</b>	458 197	0.4	208 614	13.2	5.3	6.0	19.0	13.9	249 582	-8.3	-4.9	10.7	-26.1	36.2	-23.7	525 409	6.1
<b>00 Q1</b>	450 298	-0.2	207 331	11.8	4.8	4.4	17.1	12.7	242 966	-8.5	-5.0	18.7	2.3	11.6	-32.6	524 109	5.0
<b>Q2</b>	451 023	-0.0	209 980	7.6	3.3	4.8	9.7	7.8	241 043	-5.9	-3.3	22.7	18.5	-0.6	-33.7	520 933	2.3
<b>Q3</b>	455 486	0.8	213 048	6.7	3.0	3.6	11.4	5.8	242 438	-3.8	-2.1	25.1	38.1	-3.2	-35.3	527 359	3.3

LIQUID FINANCIAL ASSETS OF HOUSEHOLDS AND NPISH  
Annual percentage change



LIQUID FINANCIAL ASSETS OF HOUSEHOLDS AND NPISH  
Contributions to the annual percentage change



Source: BE.

GENERAL NOTE: Tables 8.2 to 8.6 were revised in September 2000, to take into account the criteria used to compile the Financial Accounts of the Spanish economy in accordance with ESA 95 (see the box appearing in the article "Evolución reciente de la economía española" in the September 2000 edition of the Boletín Económico).

(a) This concept refers to the instruments included in the headings of the table, issued by resident credit institutions and mutual funds.

(b) Deposits redeemable at up to and including 3 months' notice.

(c) Deposits redeemable at over 3 months' notice and time deposits.

(d) Defined as liquid financial assets plus shares in mutual funds other than money-market and fixed\_income funds.

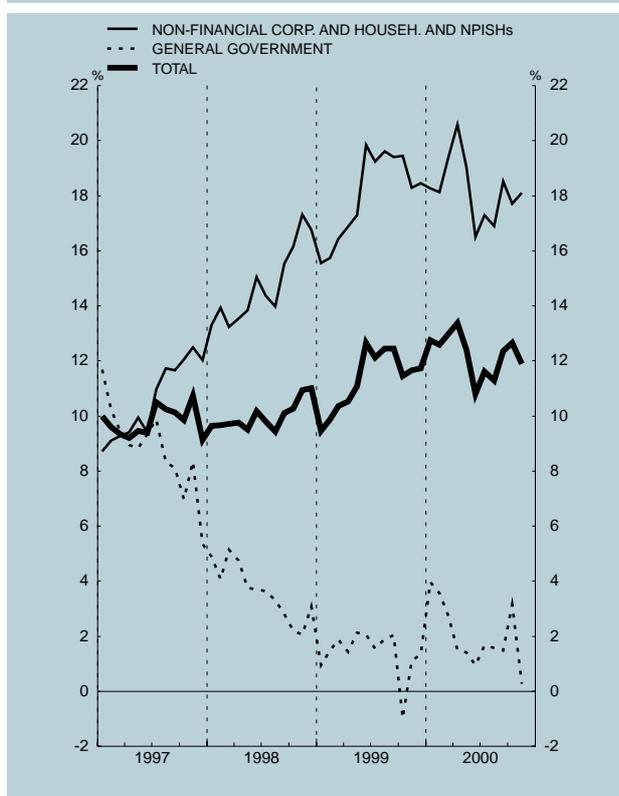
## 8.5 Financing of non-financial sectors resident in Spain (a)

■ Series depicted in chart.

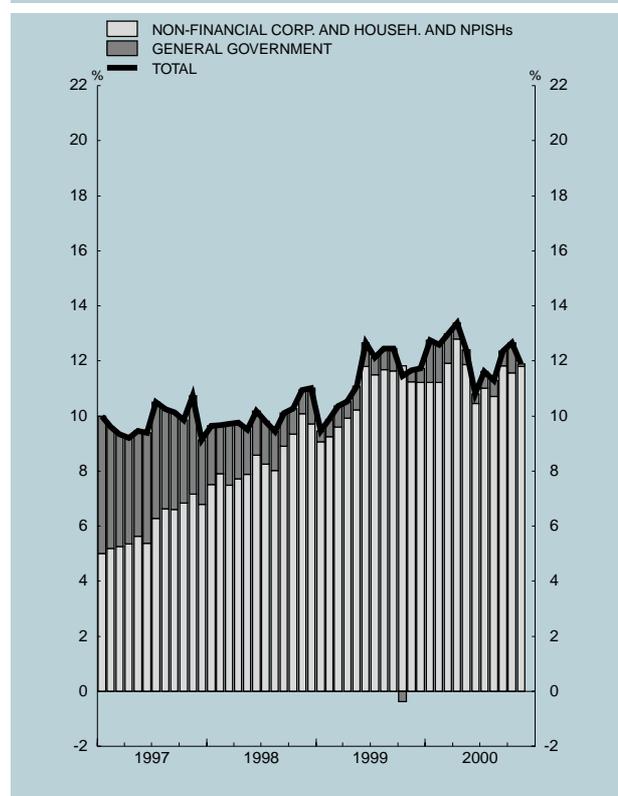
EUR millions and %

	Total			12-month % change						Contributions to col. 3					
	Stocks	Effecti- ve flow	12- month % chan- ge	General govern- ment (b)	Non-financial corporations and households and NPISHs				General govern- ment (b)	Non-financial corporations and households and NPISHs					
					Resident credit insti- tutions' loans	Securi- tiza- tion funds	Securi- ties other than shares	External loans		Resident credit insti- tutions' loans	Securi- tiza- tion funds	Securi- ties other than shares	External loans		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
<b>97</b>	709 835	12 678	9.1	5.3	12.0	14.4	4.2	-3.7	2.0	2.3	6.8	6.8	0.0	-0.1	0.1
<b>98</b>	785 239	14 496	11.0	3.1	16.8	16.0	61.2	5.4	22.8	1.3	9.7	7.9	0.5	0.1	1.2
<b>99</b>	881 422	16 712	11.7	1.3	18.4	16.1	60.0	9.8	34.4	0.5	11.2	8.2	0.7	0.3	2.1
<b>99 Aug</b>	844 675	-446	12.4	1.9	19.6	16.6	136.0	9.8	34.4	0.8	11.7	8.3	1.1	0.3	2.0
<b>Sep</b>	853 472	8 509	12.4	2.0	19.4	16.4	136.1	11.2	34.0	0.8	11.6	8.3	1.0	0.3	2.0
<b>Oct</b>	850 948	-2 877	11.4	-1.0	19.5	17.2	97.1	5.3	33.6	-0.4	11.8	8.8	0.9	0.1	2.0
<b>Nov</b>	863 474	11 952	11.7	1.1	18.3	15.1	96.2	8.5	37.6	0.4	11.2	7.8	0.9	0.2	2.3
<b>Dec</b>	881 422	16 712	11.7	1.3	18.4	16.1	60.0	9.8	34.4	0.5	11.2	8.2	0.7	0.3	2.1
<b>00 Jan</b>	892 094	10 539	12.7	4.0	18.3	16.6	58.5	2.5	31.2	1.5	11.2	8.5	0.7	0.1	1.9
<b>Feb</b>	892 721	-82	12.6	3.6	18.1	16.0	73.9	1.9	31.5	1.4	11.2	8.3	0.9	0.0	2.0
<b>Mar</b>	910 437	15 885	13.0	2.7	19.4	18.1	60.9	4.5	27.7	1.0	11.9	9.2	0.8	0.1	1.8
<b>Apr</b>	916 917	4 847	13.4	1.5	20.6	19.8	50.8	3.4	27.1	0.6	12.8	10.2	0.7	0.1	1.8
<b>May</b>	921 915	5 388	12.4	1.4	19.0	17.9	50.4	5.5	25.9	0.5	11.9	9.3	0.7	0.1	1.8
<b>Jun</b>	937 172	15 210	10.8	0.9	16.5	16.1	65.9	9.2	12.6	0.3	10.4	8.4	0.9	0.2	0.9
<b>Jul</b>	950 712	12 528	11.6	1.7	17.3	17.1	48.1	-0.7	18.8	0.6	11.0	8.9	0.7	-0.0	1.4
<b>Aug</b>	948 727	-3 288	11.3	1.6	16.9	16.7	38.9	-0.9	19.5	0.6	10.7	8.7	0.6	-0.0	1.4
<b>Sep</b>	967 816	18 599	12.4	1.5	18.5	17.7	36.5	-9.7	30.2	0.5	11.8	9.3	0.6	-0.3	2.2
<b>Oct</b>	P 967 005	-552	12.7	3.1	17.7	16.7	33.7	-8.4	30.6	1.1	11.6	8.9	0.6	-0.2	2.3
<b>Nov</b>	P 973 706	6 962	11.9	0.3	18.1	17.8	27.5	-11.8	28.0	0.1	11.8	9.4	0.5	-0.3	2.2

FINANCING OF NON-FINANCIAL SECTORS  
Annual percentage change



FINANCING OF NON-FINANCIAL SECTORS  
Contributions to the annual percentage change



Source: BE.

GENERAL NOTE: Tables 8.2 to 8.6 have been revised in September 2000, to take into account the criteria of the Financial Accounts of the Spanish economy revised according to ESA/95 (see the box appearing in the article "Recent Evolution of the Spanish Economy" in the Economic Bulletin of October 2000).

(a) The intra-quarter month's date are partially estimated, lacking full information. Thus, they are revised when such information is available.

(b) Total liabilities less deposits.

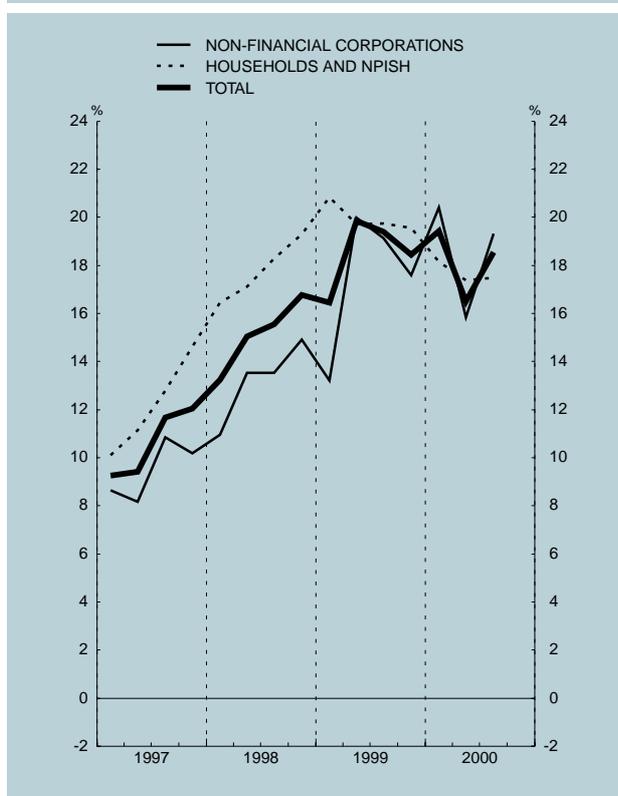
## 8.6. Financing of non-financial corporations, households and NPISH, resident in Spain (a)

■ Series depicted in chart.

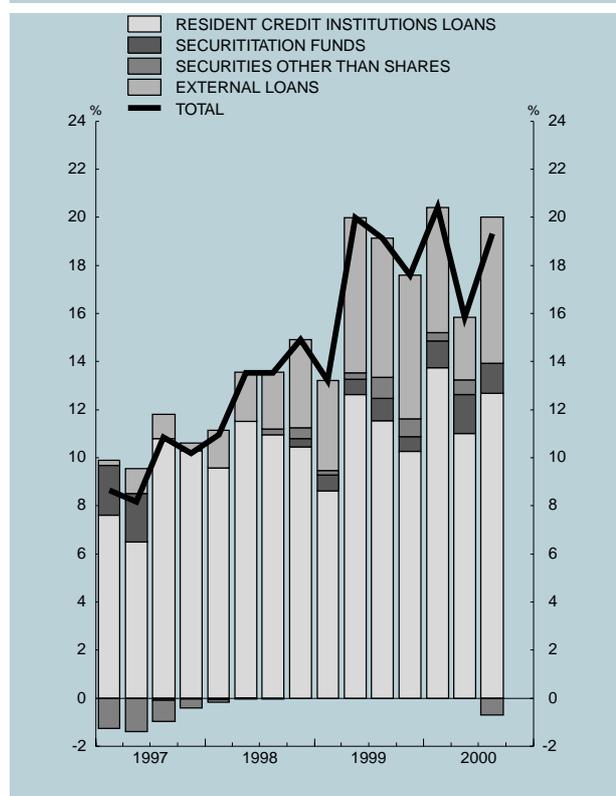
EUR millions and %

	Non-financial corporations													Households and NPISH			
	Total			Resident credit institutions loans			Financing by securitization funds		Securities other than shares			External loans			Stocks	Effective flow	1 T 4
	Stocks	Effective flow	1 T 4	Stocks	1 T 4	Contribution to col.3	Stocks (b)	1 T 4	Stocks	1 T 4	Contribution to col.3	Stocks	1 T 4	Contribution to col.3			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
<b>97</b>	237 296	21 866	10.2	175 297	14.3	10.3	4 442	-2.0	19 658	-3.7	-0.4	37 899	1.9	0.3	173 724	22 316	14.6
<b>98</b>	271 325	35 397	14.9	198 530	14.1	10.4	5 294	19.2	20 719	5.4	0.4	46 782	23.0	3.7	205 909	33 509	19.3
<b>99</b>	323 862	47 733	17.6	225 521	14.0	10.3	6 961	31.5	22 744	9.8	0.7	68 636	34.6	6.0	245 453	40 289	19.6
<b>97 Q3</b>	228 837	6 479	10.8	166 601	15.2	10.8	4 454	-4.0	19 334	-8.5	-0.9	38 449	6.1	1.0	167 077	2 772	12.8
<b>Q4</b>	237 296	8 517	10.2	175 297	14.3	10.3	4 442	-2.0	19 658	-3.7	-0.4	37 899	1.9	0.3	173 724	7 046	14.6
<b>98 Q1</b>	243 380	6 086	11.0	177 951	13.2	9.6	4 359	-3.2	19 874	-1.2	-0.1	41 195	9.5	1.6	180 237	6 738	16.4
<b>Q2</b>	252 117	9 014	13.5	185 003	15.9	11.5	4 466	-0.5	19 564	-0.2	-0.0	43 085	12.1	2.0	191 610	11 577	17.1
<b>Q3</b>	257 947	7 353	13.5	190 007	15.0	11.0	4 389	-1.5	19 867	2.8	0.2	43 685	14.2	2.4	196 227	5 202	18.3
<b>Q4</b>	271 325	12 943	14.9	198 530	14.1	10.4	5 294	19.2	20 719	5.4	0.4	46 782	23.0	3.7	205 909	9 991	19.3
<b>99 Q1</b>	275 171	2 847	13.2	197 460	11.8	8.6	5 959	36.7	20 331	2.3	0.2	51 420	22.2	3.8	216 509	10 751	20.8
<b>Q2</b>	304 050	27 213	20.0	215 444	17.2	12.6	6 095	36.5	20 205	3.3	0.3	62 307	37.8	6.5	228 186	11 810	19.7
<b>Q3</b>	310 099	6 345	19.1	218 861	15.7	11.5	6 788	54.7	22 087	11.2	0.9	62 364	34.2	5.8	234 203	6 208	19.8
<b>Q4</b>	323 862	11 329	17.6	225 521	14.0	10.3	6 961	31.5	22 744	9.8	0.7	68 636	34.6	6.0	245 453	11 521	19.6
<b>00 Q1</b>	337 878	11 252	20.4	234 502	19.2	13.8	9 023	51.4	21 238	4.5	0.3	73 116	27.9	5.2	255 138	9 776	18.2
<b>Q2</b>	358 575	19 222	15.8	248 085	15.5	11.0	11 015	80.7	22 064	9.2	0.6	77 412	12.6	2.6	267 120	12 167	17.4
<b>Q3</b>	379 630	18 107	19.3	257 377	18.0	12.7	10 630	56.6	19 941	-9.7	-0.7	91 683	30.3	6.1	274 480	7 503	17.5

FINANCING OF NON-FINANCIAL CORP. HOUSEHOLDS AND NPISH  
Annual percentage change



FINANCING OF NON-FINANCIAL CORPORATIONS  
Contributions to the annual percentage change



Source: BE.

GENERAL NOTE: Tables 8.2 to 8.6 have been revised in September 2000, to take into account the criteria of the Financial Accounts of the Spanish economy revised according to ESA/95 (see the box appearing in the article "Recent Evolution of the Spanish Economy" in the Economic Bulletin of October 2000).

(a) The intra-quarter month's data are partially estimated, lacking full information. Thus, they are revised when such information is available

(b) Provisionals dates.

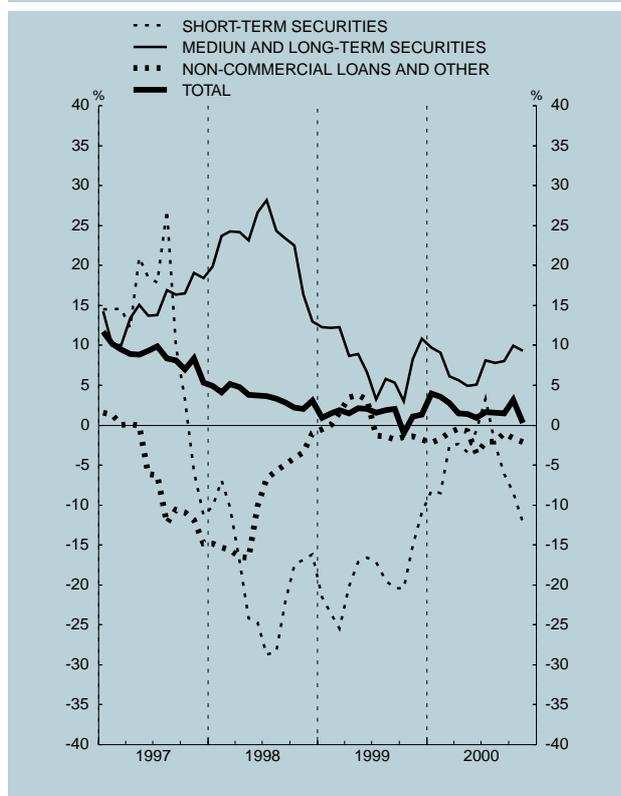
## 8.8. Net financing of Spain's general government

■ Series depicted in chart.

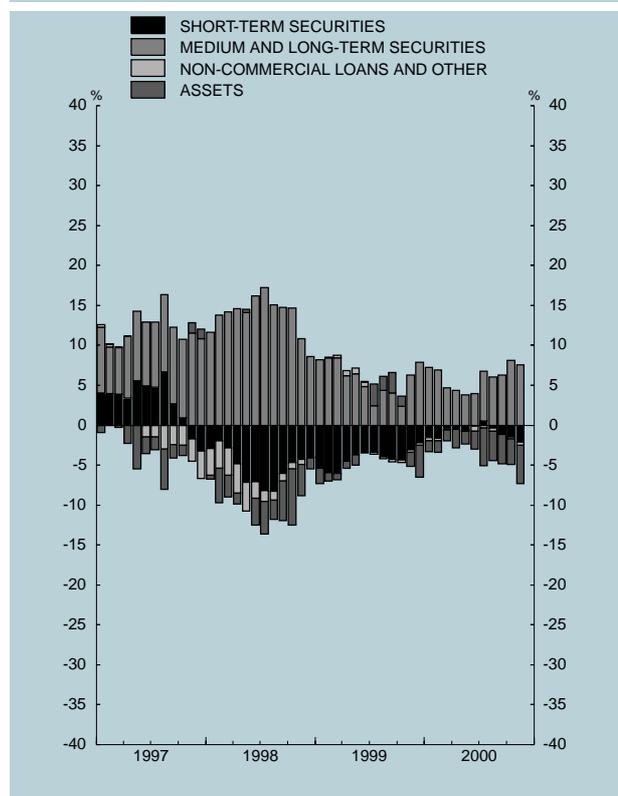
EUR millions and %

	Net financing			Monthly change in stocks						12-month % change in stocks				Contribution to 12-month % change in net stocks of liabilities				
				Liabilities			Assets			Liabilities			Assets	Liabilities		Assets		
	Net stock of liabilities	Monthly change (columns 4-8-9)	12-month % change of col. 1	Total	Securities		Non-commercial loans and other (a)	Deposits at the Banco de España	Other deposits (b)	Total	Securities		Non-commercial loans and other (a)	Assets	Securities		Non-commercial loans and other (a)	Assets
					Short-term	Medium and long-term					Short-term	Medium and long-term			Short-term	Medium and long-term		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
<b>97</b>	298 816	15 159	5.3	11 844	-9 273	30 694	-9 576	-5 126	1 811	3.8	-11.3	18.4	-14.9	-11.3	-3.3	10.8	-3.4	1.2
<b>98</b>	P 308 005	9 189	3.1	13 275	-11 786	25 601	-540	1 433	2 653	4.1	-16.2	13.0	-1.0	15.6	-3.9	8.6	-0.2	-1.4
<b>99</b>	P 312 107	4 102	1.3	16 505	-6 700	24 202	-997	8 020	4 383	4.9	-11.0	10.9	-1.8	41.1	-2.2	7.9	-0.3	-4.0
<b>99 Jun</b>	P 308 554	2 353	2.1	1 159	-1 282	2 072	369	-222	-972	1.8	-16.6	6.6	3.2	-0.7	-3.4	4.9	0.6	0.1
<b>Jul</b>	P 307 811	-743	1.5	-5 699	-3 159	-1 947	-593	-5 678	722	-1.0	-17.2	3.3	-1.3	-19.8	-3.4	2.5	-0.2	2.7
<b>Aug</b>	P 309 455	1 643	1.9	2 089	13	2 762	-687	-8	454	0.1	-19.5	5.8	-1.4	-13.8	-3.9	4.3	-0.3	1.8
<b>Sep</b>	P 309 169	-285	2.0	1 806	709	1 937	-839	2 311	-219	-0.5	-20.4	5.3	-1.8	-17.9	-4.2	4.0	-0.3	2.5
<b>Oct</b>	P 295 567	-13 602	-1.0	-187	937	-1 429	306	12 133	1 282	-2.0	-20.4	3.0	-1.5	-7.6	-4.4	2.3	-0.3	1.3
<b>Nov</b>	P 300 632	5 064	1.1	5 003	1 191	4 011	-199	-2 443	2 382	2.6	-15.1	8.3	-1.4	12.4	-3.1	6.3	-0.3	-1.8
<b>Dec</b>	P 312 107	11 475	1.3	5 237	2 089	2 793	355	-4 298	-1 940	4.9	-11.0	10.9	-1.8	41.1	-2.2	7.9	-0.3	-4.0
<b>00 Jan</b>	A 315 752	3 645	4.0	176	-1 272	1 550	-102	-2 790	-679	4.8	-8.2	9.7	-2.2	11.8	-1.6	7.3	-0.4	-1.4
<b>Feb</b>	A 311 487	-4 266	3.6	1 801	-925	2 591	134	5 015	1 051	4.4	-8.5	9.0	-1.7	10.6	-1.6	6.9	-0.3	-1.4
<b>Mar</b>	A 317 421	5 934	2.7	-884	409	-1 607	313	-6 751	-67	3.7	-2.5	6.1	-1.0	12.0	-0.4	4.7	-0.2	-1.3
<b>Apr</b>	A 307 634	-9 787	1.5	-2 900	23	-3 551	628	5 514	1 373	3.4	-2.3	5.7	-0.4	18.8	-0.4	4.4	-0.1	-2.4
<b>May</b>	A 310 536	2 901	1.4	1 776	-576	2 463	-111	-891	-234	2.7	-3.4	4.9	-0.8	12.9	-0.6	3.8	-0.1	-1.6
<b>Jun</b>	A 311 477	941	0.9	1 711	254	2 627	-1 171	1 709	-940	2.9	-0.6	5.1	-3.6	18.5	-0.1	4.0	-0.6	-2.3
<b>Jul</b>	A 312 964	1 487	1.7	4 055	-1 200	5 040	215	438	2 130	5.8	3.3	8.1	-2.1	44.1	0.5	6.2	-0.4	-4.7
<b>Aug</b>	A 314 329	1 365	1.6	-1 293	-2 836	2 176	-632	-2 477	-181	4.8	-2.4	7.8	-2.1	34.2	-0.4	6.0	-0.4	-3.7
<b>Sep</b>	A 313 706	-623	1.5	1 314	-1 149	2 720	-258	1 507	430	4.6	-6.1	8.0	-1.0	31.8	-1.0	6.3	-0.2	-3.6
<b>Oct</b>	A 304 878	-8 828	3.1	2 755	-321	3 101	-25	10 590	993	5.4	-8.4	10.0	-1.6	19.3	-1.5	8.1	-0.3	-3.2
<b>Nov</b>	A 301 418	-3 460	0.3	1 464	-885	2 828	-478	3 025	1 899	4.4	-12.2	9.3	-2.1	29.5	-2.1	7.6	-0.4	-4.8

**NET FINANCING OF GENERAL GOVERNMENT**  
Annual percentage changes



**NET FINANCING OF GENERAL GOVERNMENT**  
Contributions to the annual percentage change



Source: BE.

- (a) Including coined money and Caja General de Depositos.
- (b) Tax collection accounts are not included.

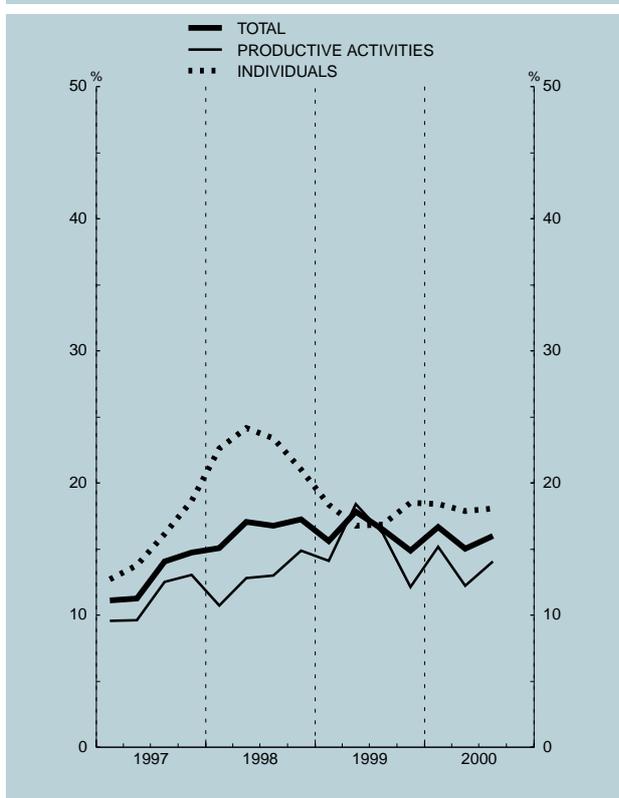
## 8.9 Credit by end-use of banks, savings banks and credit co-operatives resident in Spain

■ Series depicted in chart.

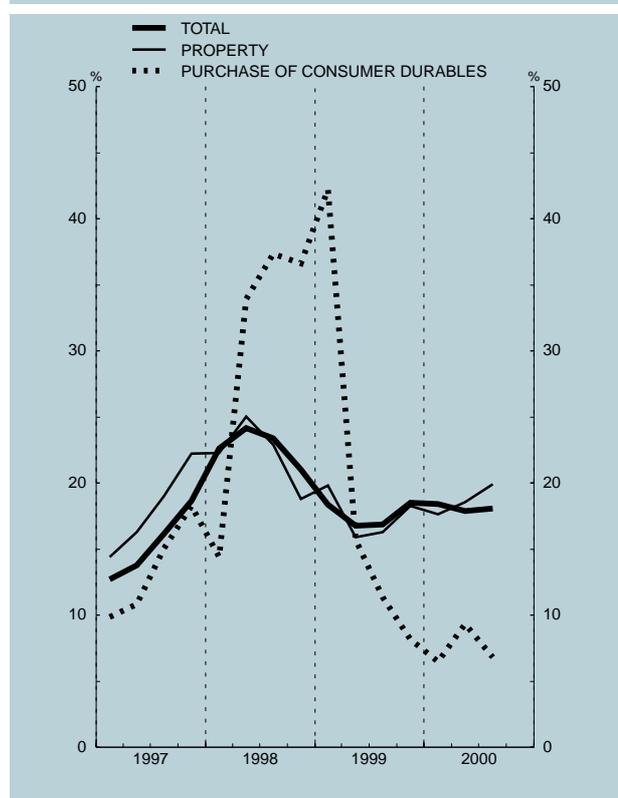
EUR millions and percentages

	Financing of productive activities						Financing of individuals					Financing of non profit private institutions	Unclassified (banks, savings banks and Official Credit Entities (a))	Unclassified: credit co-operatives	
	Total (b)	Total	Agriculture, and fisheries	Industry excluding construction	Construction	Services	Total	Home purchases	Home improvements	Real-state purchases	Purchases of consumer durables				Other
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>97</b>	332 717	178 404	6 746	52 460	22 824	96 374	129 626	91 204	4 378	1 381	11 756	20 908	1 218	8 007	15 462
<b>98</b>	390 146	204 942	7 587	58 094	26 673	112 589	156 868	108 333	5 116	1 717	16 064	25 638	1 553	8 200	18 583
<b>99</b>	448 139	229 823	8 758	63 803	31 901	125 361	185 868	128 126	5 726	3 141	17 379	31 496	2 279	8 104	22 065
<b>97 Q3</b>	318 783	171 773	6 788	50 443	23 215	91 327	122 861	85 941	4 184	1 238	11 224	20 273	775	8 734	14 638
<b>Q4</b>	332 717	178 404	6 746	52 460	22 824	96 374	129 626	91 204	4 378	1 381	11 756	20 908	1 218	8 007	15 462
<b>98 Q1</b>	343 846	180 444	6 843	50 906	24 270	98 425	137 436	94 297	4 474	1 307	11 613	25 745	1 242	8 704	16 020
<b>Q2</b>	360 612	187 794	7 197	55 422	25 871	99 303	146 540	101 965	4 851	1 412	14 353	23 959	1 493	7 843	16 943
<b>Q3</b>	372 192	194 116	7 407	55 549	26 431	104 729	151 563	105 632	4 927	1 576	15 417	24 011	1 506	7 251	17 756
<b>Q4</b>	390 146	204 942	7 587	58 094	26 673	112 589	156 868	108 333	5 116	1 717	16 064	25 638	1 553	8 200	18 583
<b>99 Q1</b>	397 581	205 929	7 819	56 496	27 122	114 491	162 698	112 981	5 109	1 962	16 518	26 128	1 667	8 221	19 086
<b>Q2</b>	424 911	222 323	8 328	65 785	29 592	118 618	171 129	118 150	5 335	2 835	16 609	28 200	1 880	9 479	20 100
<b>Q3</b>	433 569	225 503	8 415	64 096	30 411	122 581	177 118	122 842	5 507	2 966	17 164	28 639	1 954	8 060	20 934
<b>Q4</b>	448 139	229 823	8 758	63 803	31 901	125 361	185 868	128 126	5 726	3 141	17 379	31 496	2 279	8 104	22 065
<b>00 Q1</b>	463 929	237 208	8 700	65 469	33 640	129 399	192 618	132 891	6 012	3 122	17 590	33 004	2 386	9 000	22 718
<b>Q2</b>	488 802	249 516	9 083	65 235	35 704	139 495	201 753	140 062	6 021	3 253	18 161	34 257	2 416	11 085	24 032
<b>Q3</b>	502 957	257 195	9 364	67 056	37 371	143 405	209 144	147 315	6 228	3 560	18 334	33 707	2 457	9 275	24 885

**CREDIT BY END-USE**  
Annual percentage changes



**CREDIT TO INDIVIDUALS BY END-USE**  
Annual percentage changes



Source: BE.

(a) Official Credit Entities are included from 1992.

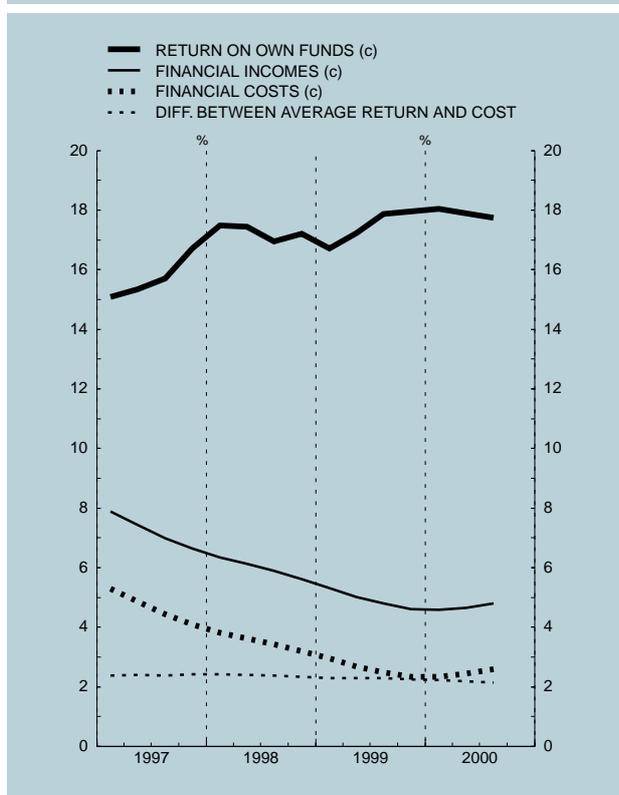
(b) Credit data obtained from the accounting statements established for supervision of resident institutions.

## 8.10. Profit and loss account of banks, savings banks and credit co-operatives resident in Spain

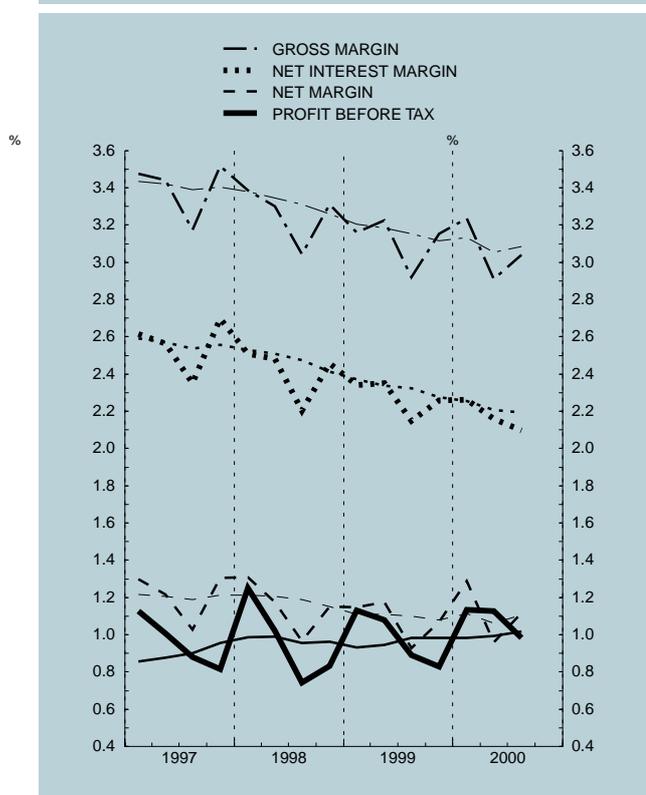
■ Series depicted in chart.

	As a percentage of the adjusted average balance sheet										Percentages				
	1	2	3	4	5	6	7		8	9	10	11	12	13	14
							Of which:	Staff costs							
Interest income	Interest expenses	Net interest income	Adjusted non interest income	Adjusted gross income	Operating expenses:		Adjusted net income	Provisions and other income and expenses	Profit before tax	Return on own funds (a)	Average return on lending operations (b)	Average cost of borrowing operations (b)	Difference (12-13)		
<b>97</b>	6.5	3.8	2.7	0.8	3.5	2.2	1.3	1.3	-1.0	0.8	14.6	7.1	4.7	2.4	
<b>98</b>	5.4	2.9	2.5	0.9	3.3	2.2	1.3	1.2	-0.8	0.8	15.6	6.0	3.7	2.3	
<b>99</b>	4.6	2.3	2.3	0.9	3.2	2.1	1.2	1.1	-0.4	0.8	15.9	4.9	2.7	2.3	
<b>97 Q3</b>	6.2	3.8	2.4	0.8	3.2	2.1	1.3	1.0	-0.1	0.9	15.4	7.5	5.1	2.4	
<b>Q4</b>	6.5	3.8	2.7	0.8	3.5	2.2	1.3	1.3	-0.5	0.8	14.6	7.1	4.7	2.4	
<b>98 Q1</b>	6.0	3.5	2.5	0.9	3.4	2.1	1.3	1.3	-0.1	1.3	22.7	6.8	4.4	2.4	
<b>Q2</b>	5.8	3.4	2.5	0.8	3.3	2.1	1.3	1.2	-0.2	1.0	17.1	6.5	4.1	2.4	
<b>Q3</b>	5.3	3.1	2.2	0.8	3.0	2.1	1.3	1.0	-0.2	0.7	13.4	6.3	3.9	2.4	
<b>Q4</b>	5.4	2.9	2.5	0.9	3.3	2.2	1.3	1.2	-0.3	0.8	15.6	6.0	3.7	2.3	
<b>99 Q1</b>	4.8	2.5	2.3	0.8	3.2	2.0	1.2	1.1	-0.0	1.1	20.8	5.7	3.4	2.3	
<b>Q2</b>	4.6	2.3	2.4	0.9	3.2	2.1	1.3	1.2	-0.1	1.1	19.1	5.4	3.1	2.3	
<b>Q3</b>	4.4	2.3	2.1	0.8	2.9	2.0	1.2	0.9	-0.0	0.9	16.0	5.1	2.9	2.3	
<b>Q4</b>	4.6	2.3	2.3	0.9	3.2	2.1	1.2	1.1	-0.2	0.8	15.9	4.9	2.7	2.3	
<b>00 Q1</b>	4.7	2.5	2.3	1.0	3.2	1.9	1.2	1.3	-0.2	1.1	21.2	4.9	2.7	2.2	
<b>Q2</b>	4.9	2.7	2.2	0.7	2.9	2.0	1.2	1.0	0.2	1.1	18.5	5.0	2.8	2.2	
<b>Q3</b>	5.0	2.9	2.1	0.9	3.0	1.9	1.2	1.1	-0.1	1.0	15.4	5.2	3.0	2.1	

**PROFIT AND LOSS ACCOUNT**  
Percentages of the adjusted average balance sheet and returns



**PROFIT AND LOSS ACCOUNT**  
Percentages of the adjusted average balance sheet



Source: BE.

(a) Profit before tax divided by own funds (capital, reserves, general risk fund less losses from previous financial years and intangible assets).

(b) Only those financial assets and liabilities which respectively give rise to financial income and costs have been considered to calculate the average return and cost.

(c) Average of last 4 quarters.

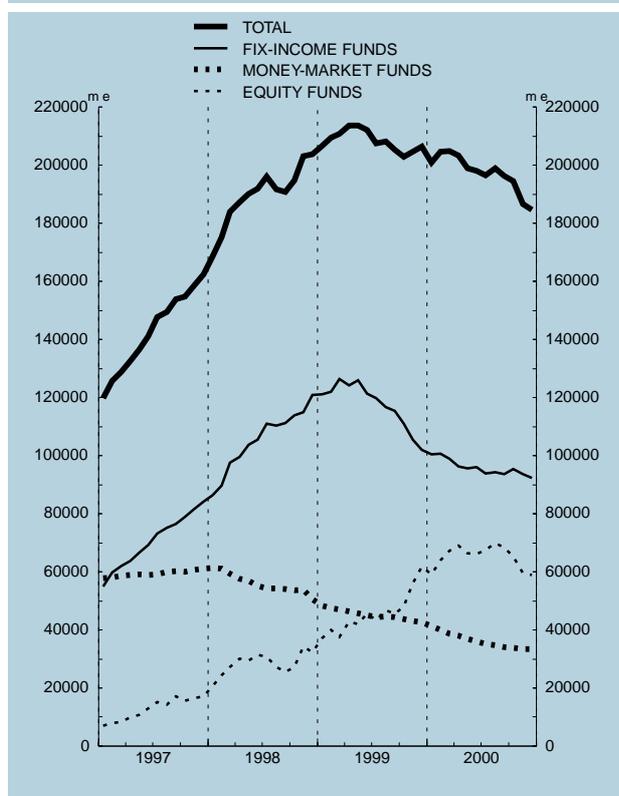
## 8.11. Mutual funds resident in Spain

■ Series depicted in chart.

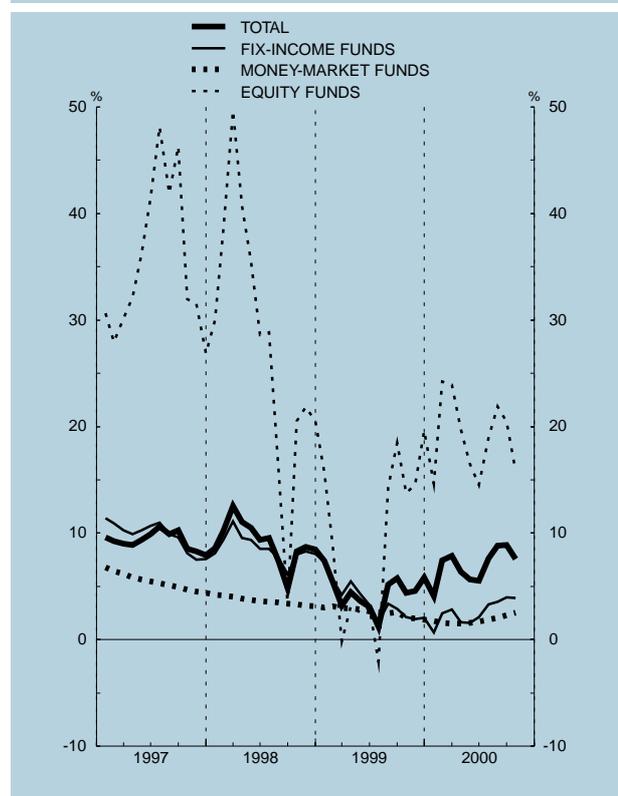
EUR millions

	Total				Money-market funds				Fix-income funds				Equity funds			
	Net asset value	Monthly change	Of which		Net asset value	Monthly change	Of which		Net asset value	Monthly change	Of which		Net asset value	Monthly change	Of which	
			Net funds invested	Return over last 12 months			Net funds invested	Return over last 12 months			Net funds invested	Return over last 12 months			Net funds invested	Return over last 12 months
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
<b>97</b>	162 450	50 010	...	8.0	61 097	4 023	...	4.4	84 268	34 176	...	7.6	17 084	11 812	...	26.9
<b>98</b>	203 774	41 324	28 165	8.5	50 643	-10 454	-12 268	3.1	120 791	36 522	26 086	8.1	32 340	15 256	14 347	20.5
<b>99</b>	206 292	2 518	-8 496	5.8	42 596	-8 047	-8 645	1.8	102 042	-18 748	-19 642	2.0	61 653	29 313	19 791	19.6
<b>99 Sep</b>	205 195	-2 979	-1 787	5.8	44 313	-213	-263	2.6	115 317	-1 495	-970	2.9	45 564	-1 271	-554	18.5
<b>Oct</b>	202 772	-2 423	-3 856	4.4	43 668	-645	-648	2.1	111 002	-4 315	-4 588	2.1	48 101	2 537	1 380	13.7
<b>Nov</b>	204 576	1 804	-3 094	4.6	43 055	-614	-690	2.0	105 578	-5 424	-6 967	1.9	55 944	7 842	4 563	14.6
<b>Dec</b>	206 292	1 716	-2 884	5.8	42 596	-458	-516	1.8	102 042	-3 536	-4 435	2.0	61 653	5 710	2 067	19.6
<b>00 Jan</b>	200 928	-5 364	-3 419	4.1	41 316	-1 281	-1 350	1.8	100 507	-1 535	-1 001	0.7	59 105	-2 548	-1 068	14.6
<b>Feb</b>	204 633	3 706	-2 030	7.5	39 982	-1 333	-1 288	1.5	100 659	152	-2 979	2.5	63 992	4 887	2 237	24.2
<b>Mar</b>	204 750	117	477	7.9	38 695	-1 287	-1 482	1.5	98 837	-1 822	-2 226	2.8	67 218	3 226	4 185	24.0
<b>Apr</b>	203 390	-1 361	-245	6.4	37 999	-696	-759	1.5	96 371	-2 466	-1 094	1.6	69 020	1 802	1 608	19.7
<b>May</b>	198 870	-4 520	-1 244	5.7	36 946	-1 053	-1 072	1.5	95 596	-774	-1 758	1.6	66 328	-2 692	1 585	16.5
<b>Jun</b>	198 074	-796	-948	5.5	35 997	-949	-975	1.7	95 972	376	-547	2.1	66 104	-224	574	14.5
<b>Jul</b>	196 568	-1 506	-1 939	7.6	35 154	-843	-1 013	1.9	93 860	-2 112	-1 369	3.3	67 554	1 450	444	19.0
<b>Aug</b>	198 995	2 427	-735	8.8	34 822	-332	-400	2.1	94 191	331	-690	3.5	69 982	2 428	355	21.9
<b>Sep</b>	196 159	-2 836	-676	8.9	34 027	-796	-690	2.3	93 722	-469	-828	4.0	68 410	-1 572	842	20.4
<b>Oct</b>	194 509	-1 650	-1 370	7.6	33 741	-286	-530	2.5	95 443	1 720	-1 038	3.9	65 325	-3 085	197	15.9
<b>Nov</b>	P 186 502	-8 006	...	...	33 316	-425	...	...	93 616	-1 827	...	...	59 570	-5 755	...	...
<b>Dec</b>	P 184 618	-1 884	...	...	33 325	9	...	...	92 289	-1 328	...	...	59 004	-566	...	...

NET ASSET VALUE



RETURN OVER LAST 12 MONTHS



Sources: CNMV and Inverco.

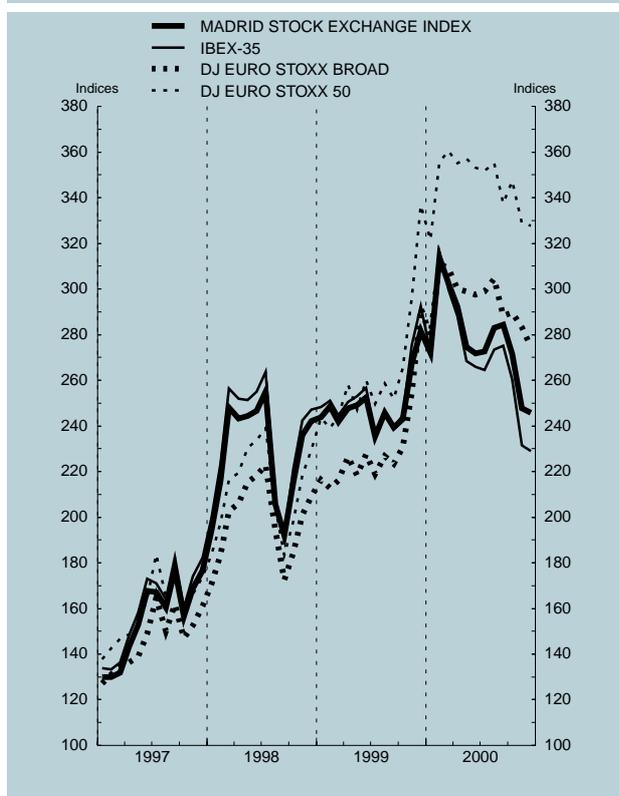
## 8.12. Share price indices and turnover on securities markets. Spain and euro area

■ Series depicted in chart.

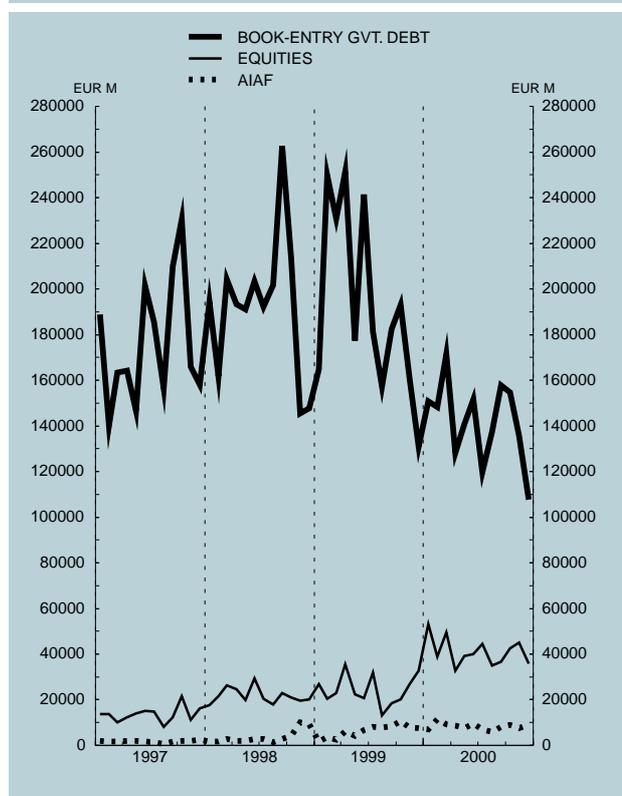
Indices, EUR millions and thousands of contracts

	Share price indices				Turnover on securities markets							
	General Madrid Stock Exchange	IBEX 35	Dow Jones EURO STOXX indices		Stock market		Book-entry government debt	AIAF fixed-income market	Financial options (thousands of contracts)		Financial futures (thousands of contracts)	
			Broad	50	Equities	Bonds			Fixed-income	Shares and other equities	Fixed-income	Shares and other equities
	1	2	3	4	5	6	7	8	9	10	11	12
<b>97</b>	556.43	6 365.48	208.77	2 330.94	163 261	54 216	2 110 187	21 174	2 340	1 321	23 351	5 792
<b>98</b>	817.97	9 333.30	283.45	3 102.16	261 276	53 148	2 311 155	43 120	843	1 676	17 390	8 417
<b>99</b>	894.36	10 078.64	328.85	3 827.45	291 975	44 718	2 320 769	75 121	16	7 281	3 600	5 066
<b>99 Sep</b>	857.34	9 525.40	318.69	3 669.71	18 366	3 652	182 398	8 270	0	1 939	278	405
<b>Oct</b>	870.27	9 741.50	329.30	3 866.75	20 089	3 485	193 114	10 645	-	358	226	358
<b>Nov</b>	957.65	10 958.10	363.23	4 314.38	26 970	4 053	160 626	7 761	7	554	216	414
<b>Dec</b>	1 008.57	11 641.40	416.23	4 904.46	32 776	4 729	130 951	7 455	7	634	142	390
<b>00 Jan</b>	974.66	10 835.10	399.28	4 684.48	53 201	4 279	150 765	6 997	-	651	157	440
<b>Feb</b>	1 123.75	12 585.80	444.35	5 182.62	38 971	3 723	148 154	11 370	-	836	147	422
<b>Mar</b>	1 083.99	11 935.00	441.07	5 249.55	49 564	3 698	171 552	9 252	-	1 882	133	401
<b>Apr</b>	1 046.96	11 467.90	428.42	5 171.96	32 614	2 735	128 083	8 668	-	608	66	315
<b>May</b>	983.61	10 688.50	426.62	5 200.89	39 211	3 514	140 767	7 514	-	982	107	378
<b>Jun</b>	974.06	10 581.30	424.57	5 145.35	39 898	4 162	151 545	9 618	-	2 297	114	320
<b>Jul</b>	976.96	10 531.60	426.47	5 122.80	44 591	3 663	119 633	6 901	-	1 180	55	260
<b>Aug</b>	1 013.79	10 884.70	434.68	5 175.12	34 906	2 678	137 366	5 800	-	640	54	270
<b>Sep</b>	1 018.89	10 950.00	411.30	4 915.18	36 642	2 594	157 902	8 075	-	2 241	91	331
<b>Oct</b>	972.81	10 363.10	413.65	5 057.46	42 493	2 873	154 809	8 865	-	928	47	350
<b>Nov</b>	887.10	9 214.50	404.20	4 790.08	45 111	3 108	135 564	7 591	-	2 129	47	376
<b>Dec</b>	880.71	9 109.80	391.80	4 772.39	35 779	2 665	107 564	9 175	-	2 794	-	305

SHARE PRICE INDICES  
JAN 1994 = 100



TURNOVER ON SECURITIES MARKETS



Source: Madrid, Barcelona, Bilbao and Valencia Stock Exchanges (columns 1, 2, 5 and 6); Reuters (columns 3 and 4); AIAF (column 8) and Spanish Financial Futures Market (MEFFSA) (columns 9 to 12)

## 9.1. Interest rates. Eurosystem and money market. Euro area and Spain

■ Series depicted in chart.

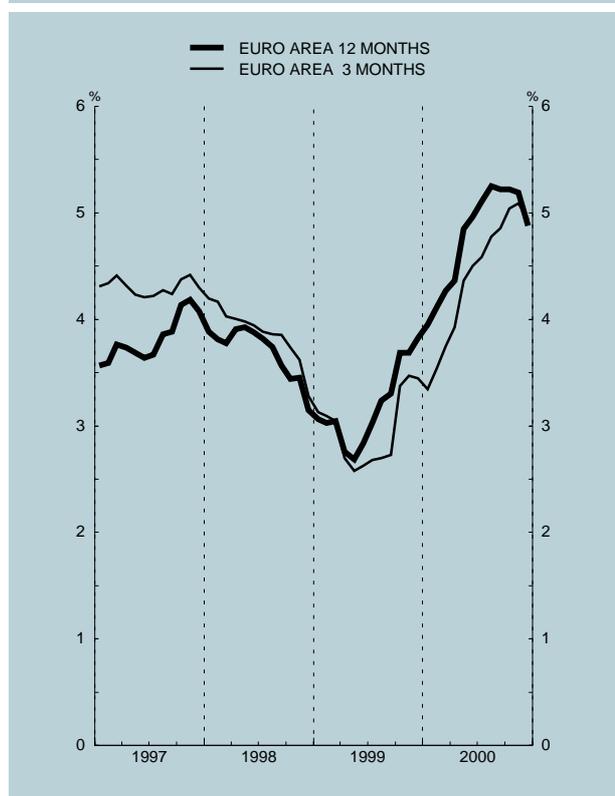
Averages of daily data. Percentages

	Eurosystem monetary policy operations				Money market											
	Main refinancing operations: weekly tenders 1	Longer term refinancing operations: monthly tenders 2	Standing facilities		Euro area: deposits (Euribor) (a)				Spain							
			Marginal lending 3	Deposit 4	Over-night (EONIA) 5	1-month 6	3-month 7	1-year 8	Non-transferable deposits				Government-securities repos			
									Over-night 9	1-month 10	3-month 11	1-year 12	Over-night 13	1-month 14	3-month 15	1-year 16
<b>97</b>	-	-	-	-	4.16	4.28	4.30	4.08	5.48	5.46	5.37	5.20	5.33	5.27	5.20	5.15
<b>98</b>	-	-	-	-	3.09	3.34	3.88	3.15	4.33	4.33	4.24	4.00	4.08	4.04	3.97	3.86
<b>99</b>	3.00	3.26	4.00	2.00	3.04	3.51	2.96	3.83	2.72	2.84	2.94	3.16	2.66	2.70	2.76	2.76
<b>99 Sep</b>	2.50	2.66	3.50	1.50	2.43	2.58	2.73	3.30	2.42	2.56	2.69	3.26	2.38	2.48	2.54	-
<b>99 Oct</b>	2.50	3.19	3.50	1.50	2.50	2.76	3.38	3.68	2.48	2.73	3.32	3.61	2.45	2.65	3.02	-
<b>99 Nov</b>	3.00	3.18	4.00	2.00	2.94	3.06	3.47	3.69	2.92	3.00	3.44	3.66	2.91	2.94	3.08	-
<b>99 Dec</b>	3.00	3.26	4.00	2.00	3.04	3.51	3.45	3.83	3.02	3.49	3.45	3.81	3.02	3.12	3.14	-
<b>00 Jan</b>	3.00	3.28	4.00	2.00	3.04	3.15	3.34	3.95	3.02	3.12	3.31	3.92	2.97	3.04	3.24	3.90
<b>00 Feb</b>	3.25	-	4.25	2.25	3.28	3.36	3.54	4.11	3.25	3.34	3.52	4.09	3.17	3.26	3.42	3.96
<b>00 Mar</b>	3.50	3.78	4.50	2.50	3.51	3.59	3.75	4.27	3.50	3.57	3.74	4.24	3.43	3.48	3.65	4.10
<b>00 Apr</b>	3.50	4.00	4.75	2.75	3.69	3.79	3.93	4.36	3.69	3.77	3.92	4.36	3.56	3.68	3.82	-
<b>00 May</b>	3.75	-	4.75	2.75	3.92	4.16	4.36	4.85	3.92	4.16	4.36	4.85	3.85	4.05	4.25	4.65
<b>00 Jun</b>	4.29	4.49	5.25	3.25	4.29	4.37	4.50	4.96	4.27	4.34	4.50	4.95	4.20	4.26	4.41	4.78
<b>00 Jul</b>	4.30	4.59	5.25	3.25	4.31	4.41	4.58	5.11	4.30	4.38	4.57	5.10	4.27	4.32	4.48	4.99
<b>00 Aug</b>	4.68	4.84	5.25	3.25	4.42	4.57	4.78	5.25	4.41	4.55	4.78	5.27	4.33	4.46	4.67	5.02
<b>00 Sep</b>	4.65	4.84	5.50	3.50	4.59	4.70	4.85	5.22	4.58	4.68	4.85	5.19	4.53	4.60	4.74	5.12
<b>00 Oct</b>	4.80	5.06	5.75	3.75	4.76	4.85	5.04	5.22	4.74	4.83	5.03	5.19	4.69	4.75	4.91	-
<b>00 Nov</b>	4.82	5.03	5.75	3.75	4.83	4.92	5.09	5.19	4.83	4.91	5.08	5.16	4.80	4.84	4.92	5.10
<b>00 Dec</b>	4.79	4.75	5.75	3.75	4.83	4.95	4.94	4.88	4.83	4.93	4.93	4.86	4.78	4.79	4.76	-

EUROSYSTEM: MONETARY POLICY OPERATIONS AND EURO AREA OVERNIGHT DEPOSITS



INTERBANK MARKET: EURO AREA 3-MONTH AND 1-YEAR RATES



Source: ECB (columns 1 to 8).

(a) To December 1998, synthetic euro area rates have been calculated on the basis of national rates weighted by GDP

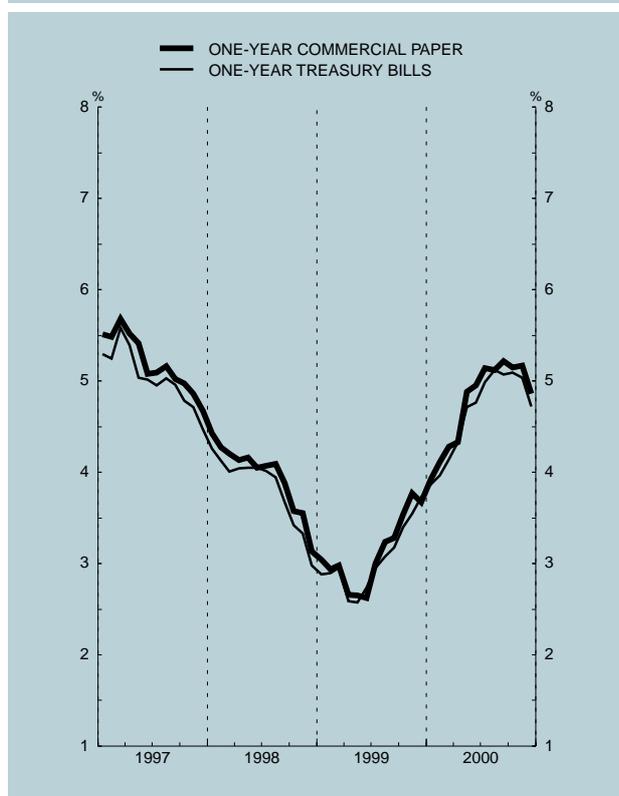
## 9.2. Interest rates: Spanish short-term and long-term securities markets

■ Series depicted in chart.

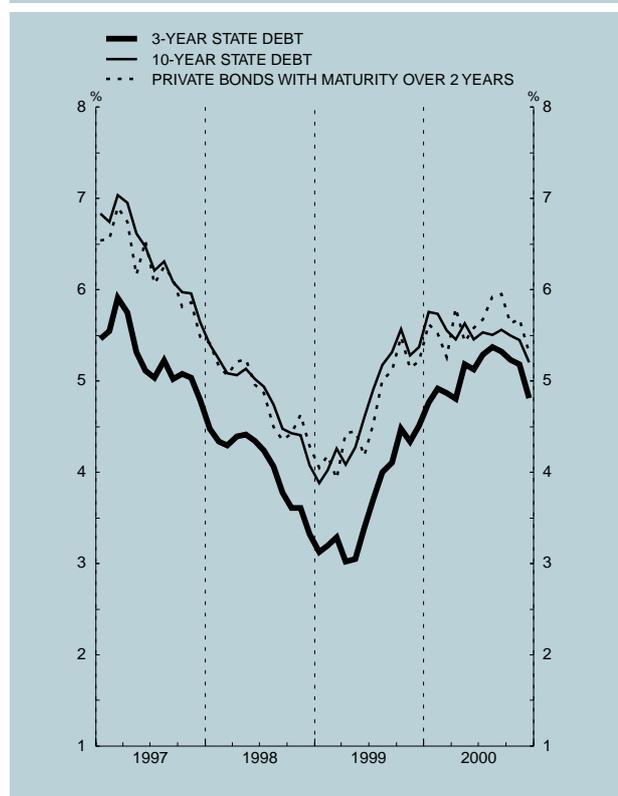
Percentages

	Short-term securities				Long-term securities							
	One-year Treasury bills		One-year commercial paper		State debt							Private bonds with a maturity of over two years traded on the AIAF
	Marginal rate at issue	Secondary market: outright spot purchases between market members	Rate at issue	Secondary market: outright spot purchases	Marginal rate at issue					Secondary market Book-entry debt Outright spot purchases between market members		
					3-year bonds	5-year bonds	10-year bonds	15-year bonds	30-year bonds	At 3-years	At 10-years	
1	2	3	4	5	6	7	8	9	10	11	12	
<b>97</b>	5.04	5.02	5.20	5.23	5.41	5.82	6.52	6.76	-	5.27	6.40	6.24
<b>98</b>	3.82	3.79	3.96	3.99	4.15	4.48	4.93	5.22	5.59	4.07	4.83	4.84
<b>99</b>	3.04	3.01	3.12	3.14	3.79	4.12	4.77	5.08	5.43	3.69	4.73	4.65
<b>99 Sep</b>	3.17	3.13	3.28	3.19	4.28	4.70	5.27	5.60	5.94	4.11	5.31	5.11
<b>Oct</b>	3.40	3.41	3.54	3.57	4.59	5.01	5.50	5.84	-	4.47	5.57	5.48
<b>Nov</b>	3.54	3.49	3.77	3.69	4.55	4.96	5.36	5.63	5.89	4.34	5.28	5.14
<b>Dec</b>	3.73	3.66	3.67	3.77	4.56	4.93	5.38	5.67	-	4.51	5.37	5.22
<b>00 Jan</b>	3.87	3.80	3.92	3.91	4.83	5.26	5.79	6.05	6.28	4.76	5.76	5.62
<b>Feb</b>	3.96	3.97	4.11	4.10	5.04	5.38	5.77	5.85	-	4.92	5.73	5.52
<b>Mar</b>	4.14	4.10	4.28	4.17	5.02	5.32	5.73	-	6.03	4.86	5.55	5.26
<b>Apr</b>	4.33	4.22	4.33	4.32	4.81	5.08	5.42	5.56	-	4.80	5.45	5.80
<b>May</b>	4.71	4.68	4.88	4.84	5.20	5.35	5.71	-	5.85	5.18	5.63	5.43
<b>Jun</b>	4.76	4.82	4.95	5.06	5.10	5.18	5.43	5.58	-	5.13	5.46	5.58
<b>Jul</b>	4.99	4.96	5.14	5.05	5.20	5.40	5.54	-	5.82	5.29	5.53	5.67
<b>Aug</b>	5.12	5.06	5.12	5.25	5.31	5.35	5.47	5.55	-	5.37	5.50	5.92
<b>Sep</b>	5.07	5.05	5.22	5.19	5.42	5.42	5.58	-	5.68	5.32	5.56	5.95
<b>Oct</b>	5.09	5.05	5.15	5.30	5.24	5.33	5.58	5.70	-	5.23	5.49	5.63
<b>Nov</b>	5.04	5.01	5.17	5.25	5.19	5.36	5.53	-	5.91	5.18	5.45	5.68
<b>Dec</b>	4.72	4.65	4.86	5.04	4.81	4.99	5.24	5.50	-	4.81	5.20	5.31

PRIMARY MARKET



SECONDARY MARKET



Sources: Main issuers (column 3); AIAF (columns 4 and 12).

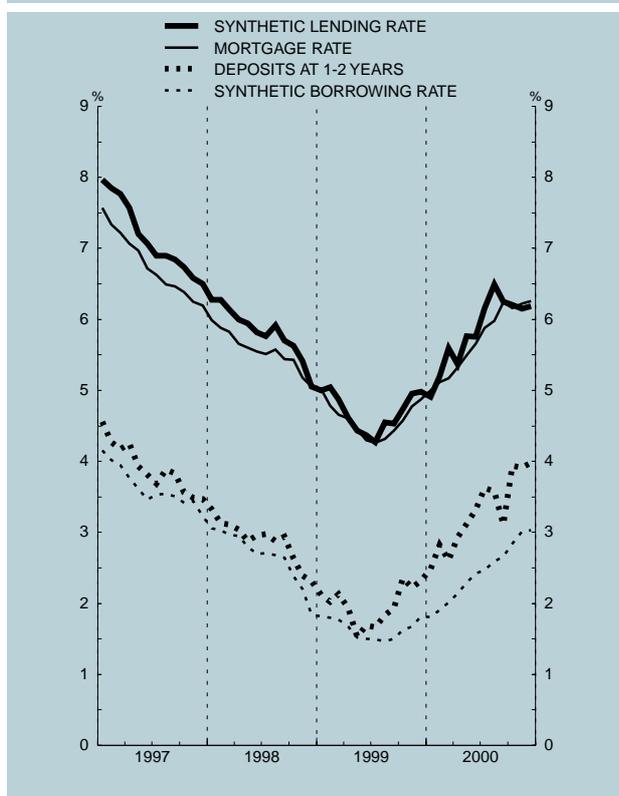
### 9.3 Interest rates: banks and savings banks resident in Spain

■ Series depicted in chart.

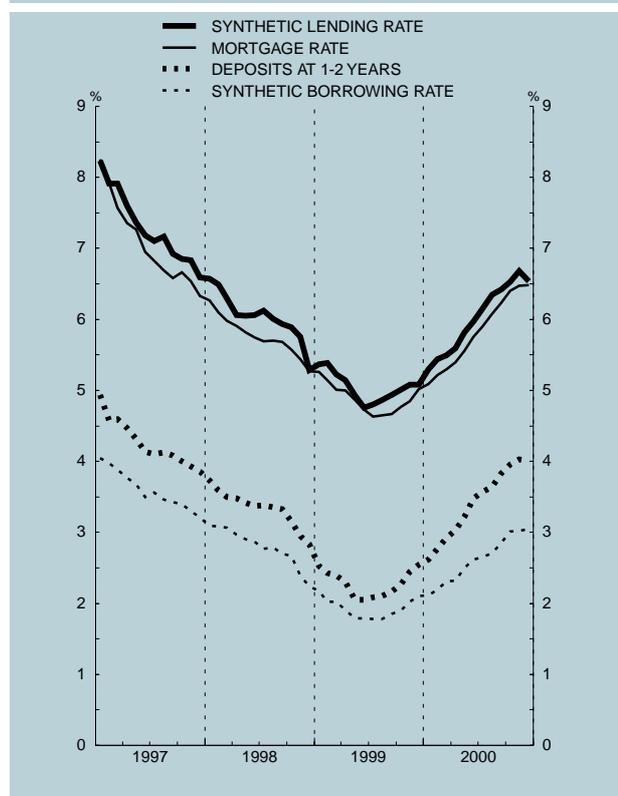
Percentages

		Banks								Savings banks								
		Lending rates				Borrowing rates				Lending rates				Borrowing rates				
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
		Synthetic rate	Commercial discount up to three months	Credit accounts at 1-3 years	Loans at 3 years and over	Mortgage loans over 3 years	Synthetic rate	Current accounts	Repos on bills up to three months	Deposits at 1-2 years	Synthetic rate	Credit accounts at 1-3 years	Loans at 3 years and over	Mortgage loans over 3 years	Synthetic rate	Current accounts	Repos on bills up to three months	Deposits at 1-2 years
97	M	7.15	7.56	7.28	8.53	6.77	3.63	3.23	5.28	3.91	7.30	8.20	9.50	7.07	3.60	2.86	5.21	4.26
98	M	5.82	6.31	5.99	7.37	5.56	2.66	2.49	4.02	2.88	6.04	7.02	8.29	5.76	2.79	2.21	3.99	3.34
99	M	4.69	5.25	4.66	6.13	4.59	1.64	1.54	2.63	1.98	5.05	6.22	7.48	4.88	1.93	1.64	2.56	2.28
99	Sep	4.53	5.04	4.36	6.45	4.44	1.50	1.38	2.37	1.93	4.94	6.02	7.53	4.67	1.85	1.47	2.38	2.17
	Oct	4.74	5.01	4.95	6.33	4.58	1.63	1.54	2.49	2.36	5.01	6.41	7.43	4.76	1.90	1.49	2.38	2.27
	Nov	4.95	5.76	4.94	6.69	4.77	1.67	1.47	2.91	2.22	5.08	6.38	7.52	4.85	2.02	1.61	2.76	2.45
	Dec	4.98	5.52	4.91	6.57	4.88	1.82	1.63	3.01	2.32	5.08	6.28	7.61	5.02	2.10	1.67	2.91	2.54
00	Jan	4.91	5.64	4.81	6.75	5.00	1.81	1.61	2.92	2.48	5.30	6.64	7.78	5.09	2.11	1.67	2.96	2.62
	Feb	5.20	5.72	4.96	6.77	5.12	1.91	1.76	3.13	2.82	5.44	6.72	7.68	5.22	2.19	1.73	3.17	2.77
	Mar	5.59	5.88	5.29	6.79	5.17	2.01	1.71	3.38	2.61	5.49	6.74	7.69	5.30	2.31	1.81	3.35	2.92
	Apr	5.37	6.05	5.41	7.05	5.32	2.14	1.87	3.53	2.93	5.59	6.69	7.74	5.39	2.32	1.85	3.42	3.03
	May	5.76	6.29	5.43	7.16	5.49	2.29	1.94	3.80	3.12	5.82	6.90	8.03	5.56	2.50	1.96	3.69	3.22
	Jun	5.75	6.57	5.49	7.24	5.65	2.42	1.97	4.17	3.32	5.97	7.21	8.16	5.75	2.62	2.10	4.02	3.48
	Jul	6.16	6.55	5.82	7.18	5.88	2.47	2.03	4.26	3.62	6.15	7.29	8.46	5.90	2.65	2.20	4.15	3.57
	Aug	6.49	6.65	6.15	7.30	5.98	2.59	2.23	4.33	3.58	6.35	7.50	8.52	6.08	2.71	2.22	4.21	3.64
	Sep	6.25	6.77	6.19	7.81	6.24	2.66	2.27	4.55	3.11	6.42	7.50	8.67	6.23	2.85	2.30	4.37	3.83
	Oct	6.20	6.95	6.13	7.74	6.16	2.84	2.40	4.71	3.94	6.53	7.80	8.79	6.40	3.01	2.41	4.55	3.96
	Nov	6.15	7.01	6.70	7.63	6.22	3.01	2.49	4.83	3.91	6.68	7.86	8.79	6.47	3.02	2.46	4.64	4.03
	Dec	6.19	6.94	6.11	7.45	6.26	3.03	2.50	4.82	3.98	6.54	7.66	8.60	6.49	3.05	2.46	4.70	4.01

BANKS



SAVINGS BANKS



Source: BE.

Note: The underlying series for this indicator are in Tables 18.3 and 18.4 of the BE Boletín estadístico.

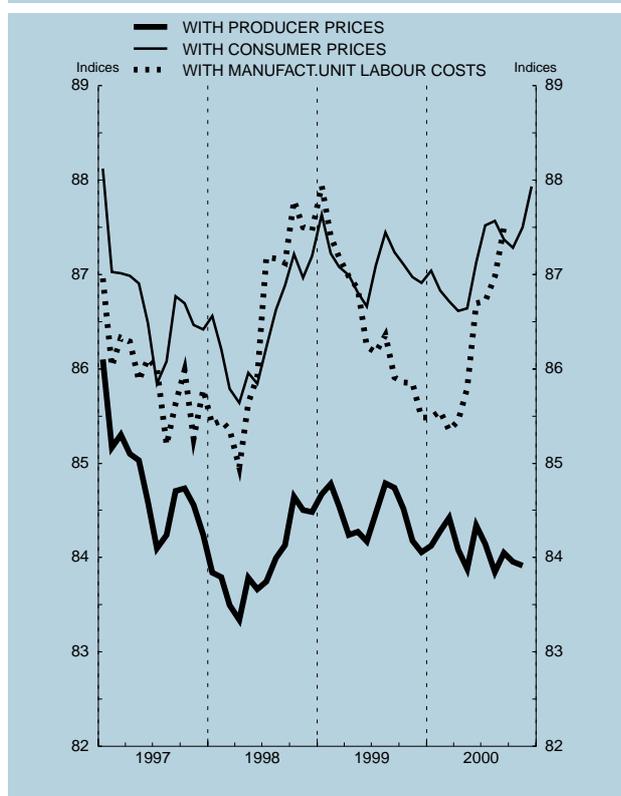
## 9.4 Indices of Spanish competitiveness vis-à-vis the EU and the euro area.

■ Series depicted in chart.

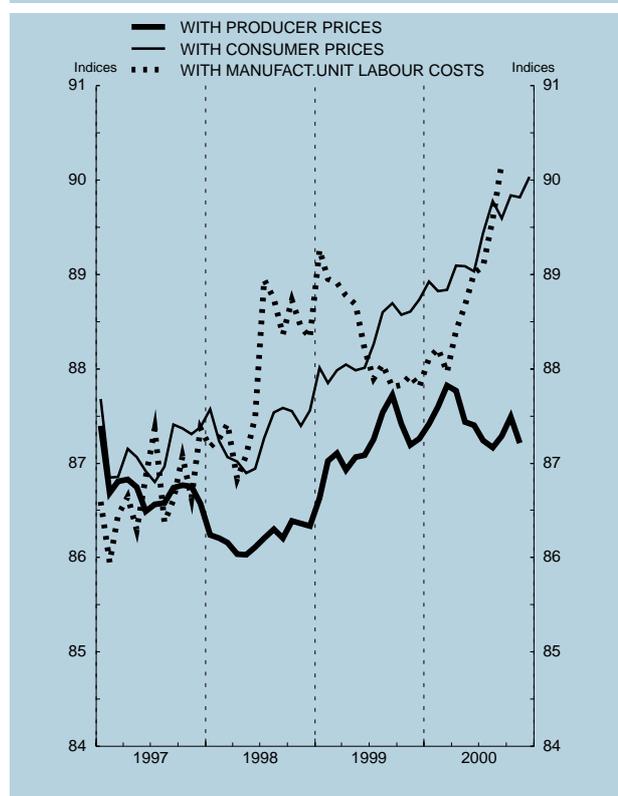
1990 = 100

	Vis-à-vis EU							Vis-à-vis euro area (a)			Memorandum item: (d) Based on export prices			
	Total (a)			Nominal component (b)	Cost/Price component(c)			Based on producer prices	Based on consumer prices	Based on manufacturing unit labour costs	Vis-à-vis EU		Vis-à-vis euro area	
	Based on producer prices	Based on consumer prices	Based on manufacturing unit labour costs		Based on producer prices	Based on consumer prices	Based on manufacturing unit labour costs				Total (a)	Price component (c)	Total (a)	Price component (c)
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
<b>98</b>	84.0	86.4	86.4	78.7	106.7	109.9	109.9	86.2	87.3	87.9	90.1	114.0	91.5	115.7
<b>99</b>	84.5	87.1	86.5	78.4	107.8	111.2	110.4	87.2	88.3	88.3	89.3	113.5	90.9	115.1
<b>00</b>	...	87.2	...	77.5	...	112.4	...	...	89.4	...	...	...	...	...
<b>00 J-J</b>	84.1	87.0	85.5	77.7	108.3	112.0	110.0	87.4	88.9	88.1	90.6	116.1	93.1	117.9
<b>01 J-J</b>	...	...	...	78.0	...	...	...	...	...	...	...	...	...	...
<b>99 Oct</b>	84.5	87.1	85.9	78.2	108.1	111.5	109.8	87.4	88.6	87.8	89.5	114.0	91.5	115.9
<b>Nov</b>	84.2	87.0	85.9	78.0	107.9	111.5	110.1	87.2	88.6	87.9	91.3	116.7	93.6	118.5
<b>Dec</b>	84.1	86.9	85.5	77.8	108.0	111.7	109.8	87.3	88.7	87.8	90.3	115.5	92.7	117.4
<b>00 Jan</b>	84.1	87.0	85.5	77.7	108.3	112.0	110.0	87.4	88.9	88.1	90.6	116.1	93.1	117.9
<b>Feb</b>	84.3	86.8	85.6	77.6	108.6	111.8	110.2	87.6	88.8	88.2	90.1	115.6	92.7	117.4
<b>Mar</b>	84.4	86.7	85.3	77.5	108.9	111.8	110.1	87.8	88.8	88.0	90.8	116.6	93.7	118.7
<b>Apr</b>	84.1	86.6	85.5	77.3	108.7	112.0	110.5	87.8	89.1	88.4	91.1	117.3	94.1	119.1
<b>May</b>	83.9	86.6	85.8	77.4	108.4	112.0	110.9	87.4	89.1	88.7	91.9	118.3	95.0	120.3
<b>Jun</b>	84.3	87.1	86.7	77.8	108.4	111.9	111.4	87.4	89.0	89.0	92.9	118.9	95.8	121.3
<b>Jul</b>	84.1	87.5	86.7	77.8	108.2	112.6	111.5	87.2	89.4	89.1	93.0	119.1	95.9	121.4
<b>Aug</b>	83.8	87.6	87.0	77.5	108.2	113.0	112.2	87.2	89.8	89.6	91.4	117.4	94.6	119.8
<b>Sep</b>	84.0	87.4	87.5	77.5	108.4	112.7	112.9	87.3	89.6	90.2	92.4	118.7	95.7	121.2
<b>Oct</b>	84.0	87.3	...	77.2	108.7	113.0	...	87.5	89.8	...	92.8	119.7	96.5	122.2
<b>Nov</b>	83.9	87.5	...	77.4	108.4	113.0	...	87.2	89.8	...	95.5	122.8	99.0	125.4
<b>Dec</b>	...	87.9	...	77.7	...	113.2	...	...	90.0	...	...	...	...	...
<b>01 Jan</b>	...	...	...	78.0	...	...	...	...	...	...	...	...	...	...

INDICES OF COMPETITIVENESS VIS-À-VIS THE EUROPEAN UNION



INDICES OF COMPETITIVENESS VIS-À-VIS THE EURO AREA



Source: BE.

- (a) Outcome of multiplying nominal and cost/price components. A decline in the index denotes an improvement in the competitiveness of Spanish products.
- (b) Geometric mean calculated using a double weighting system based on 1991 foreign trade figures.
- (c) Relationship between the cost/price indices of Spain and of the group.
- (d) The nominal and price components are weighted by Spanish exports.

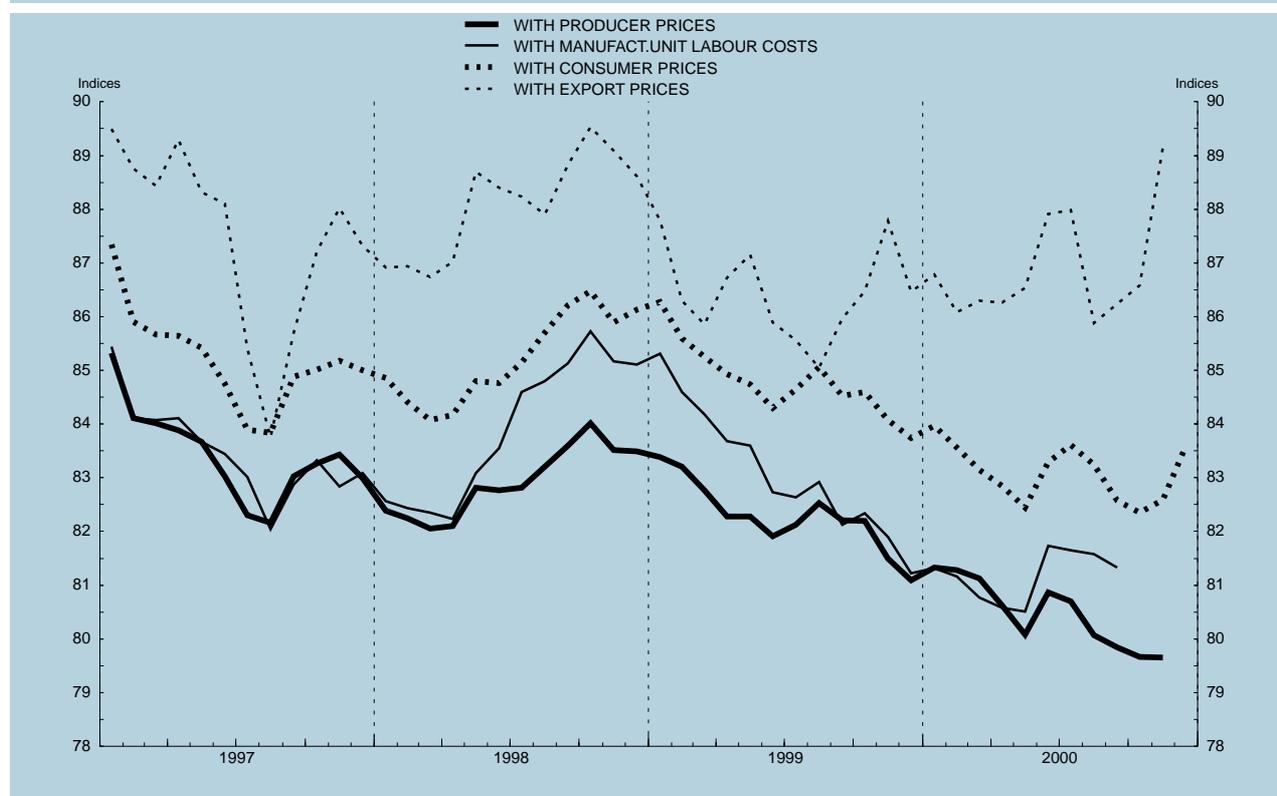
## 9.5 Indices of Spanish competitiveness vis-à-vis the developed countries.

■ Series depicted in chart.

1990 = 100

	Total (a)			Nominal component (b)	Cost/Price component (c)			Memorandum item: (d) Based on export prices	
	Based on producer prices 1	Based on consumer prices 2	Based on manufacturing unit labour costs 3		Based on producer prices 5	Based on consumer prices 6	Based on manufacturing unit labour costs 7	Total (a) 8	Price component (c) 9
<b>98</b>	82.9	85.2	83.9	76.9	107.9	110.9	110.7	88.1	114.3
<b>99</b>	82.3	84.8	83.1	75.6	108.8	112.1	111.5	86.4	114.1
<b>00</b>	...	83.1	...	73.3	...	113.4	...	...	...
<b>00 J-J</b>	81.3	84.0	81.3	74.3	109.4	113.0	112.9	86.8	116.8
<b>01 J-J</b>	...	...	...	74.1	...	...	...	...	...
<b>99 Oct</b>	82.2	84.6	82.3	75.3	109.2	112.3	111.9	86.5	114.7
<b>Nov</b>	81.5	84.1	81.9	74.8	109.0	112.4	112.1	87.8	117.4
<b>Dec</b>	81.1	83.7	81.2	74.3	109.1	112.7	112.5	86.5	116.3
<b>00 Jan</b>	81.3	84.0	81.3	74.3	109.4	113.0	112.9	86.8	116.8
<b>Feb</b>	81.3	83.6	81.2	74.1	109.7	112.8	113.3	86.1	116.2
<b>Mar</b>	81.1	83.1	80.8	73.7	110.0	112.8	113.6	86.3	117.1
<b>Apr</b>	80.6	82.8	80.6	73.3	110.0	113.0	114.0	86.3	117.7
<b>May</b>	80.1	82.4	80.5	73.0	109.7	113.0	114.3	86.5	118.7
<b>Jun</b>	80.9	83.3	81.7	73.7	109.7	112.9	114.6	87.9	119.3
<b>Jul</b>	80.7	83.6	81.6	73.6	109.6	113.6	115.0	88.0	119.6
<b>Aug</b>	80.1	83.2	81.6	73.0	109.7	114.0	115.3	85.9	117.8
<b>Sep</b>	79.8	82.6	81.3	72.6	110.0	113.7	115.7	86.2	119.0
<b>Oct</b>	79.7	82.4	...	72.3	110.2	114.0	...	86.6	120.1
<b>Nov</b>	79.6	82.6	...	72.5	109.9	114.0	...	89.2	123.3
<b>Dec</b>	...	83.6	...	73.2	...	114.2	...	...	...
<b>01 Jan</b>	...	...	...	74.1	...	...	...	...	...

### INDICES OF COMPETITIVENESS VIS-À-VIS THE DEVELOPED COUNTRIES



Source: BE.

- (a) Outcome of multiplying nominal and cost/price components. A decline in the index denotes an improvement in the competitiveness of Spanish products.  
 (b) Geometric mean calculated using a double weighting system based on 1991 foreign trade figures.  
 (c) Relationship between the cost/price indices of Spain and of the group.  
 (d) The nominal and price components are weighted by Spanish exports to the developed countries.

ARTICLES IN ENGLISH AND PUBLICATIONS  
OF THE BANCO DE ESPAÑA

## ARTICLES PUBLISHED IN THE ECONOMIC BULLETIN IN RECENT YEARS

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Monetary policy objectives and implementation in 1996	Jan	57	Quarterly report on the Spanish economy	Jul	5
Forecasts of financial flows in 1996	Jan	61	Results of non-financial firms in the first quarter of 1997	Jul	51
Non-financial firms in 1994 and to the third quarter of 1995	Jan	67	The use of monetary conditions indices from a central bank's viewpoint	Jul	63
Unemployment duration in Spain: the effects of benefit duration and of the business cycle	Jan	79	Net bank and savings-bank indebtedness vis-à-vis the Banco de España and intermediation activity	Jul	73
Monetary Union. Speech by Mr. Luis Ángel Rojo, Governor of the Banco de España, at the APD Working Lunch	Apr	5	Address by the Governor of the Banco de España to the Spanish Parliamentary Budget Committee	Oct	5
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Results of non-financial firms in the fourth quarter of 1995 and summary year-end data	Apr	55	Results of non-financial firms in the second quarter of 1997	Oct	53
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Results of non-financial firms in the first quarter of 1999	Jul	51			
Financial regulation: second quarter of 1999	Jul	61			
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