

BANCO DE ESPAÑA

economic bulletin

April 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 ⁹).
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

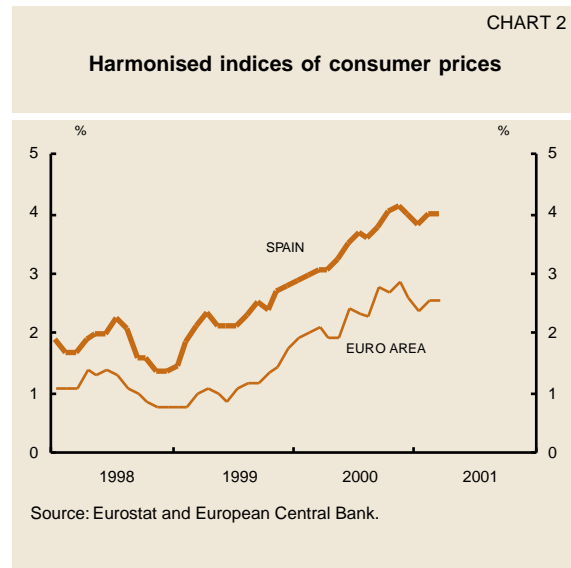
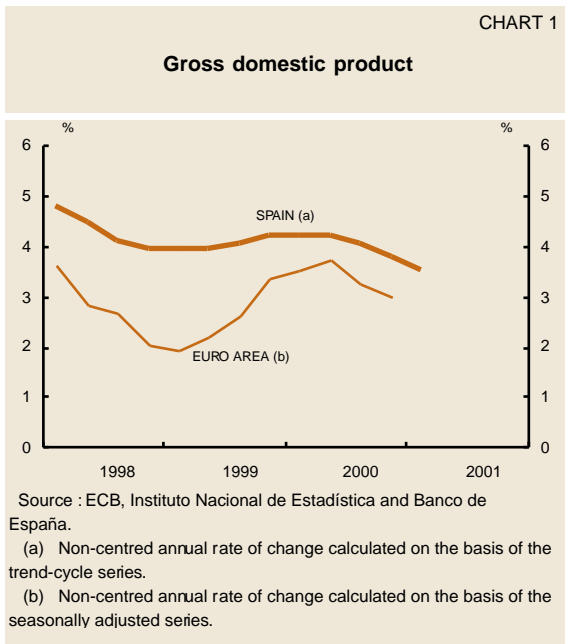
1. Overview

Against an international background of growing uncertainty, marked by doubts over the severity and duration of the US economic slowdown and its impact on other economic areas, the Spanish economy continued to grow vigorously in 2001 Q1. Real GDP growth is estimated to have been about 3.5 % in Q1, 0.3 percentage points down on the provisional figure released by the National Statistics Institute (INE) for the final quarter of last year.

As will be recalled, growth in the Spanish economy followed a moderately declining path during the year 2000. This was a result of the loss of momentum of national demand, which saw a significant fall in its year-on-year growth rate (from 5 % in Q1 to 3.2 % in Q4), and of the change of sign in the contribution of net external demand, which started out negative but ended the year contributing 0.5 percentage points to GDP growth. In 2001 Q1, growth continued to show the same trends, although they were more moderate. In particular, national demand is estimated to have grown by around 3 % (scarcely 0.2 percentage points down on 2000 Q4), while the contribution by net external demand remained positive, although less so than in the latter months of last year.

Inflation held steady in Spain during 2001 Q1. It is expected to begin to slow significantly in the summer. In March, the twelve-month growth rate of the consumer price index (CPI) was 3.9 %, only 0.1 percentage points less than last December, despite the considerable slowdown in the prices of energy products. The growth rates of all the other components of the CPI rose, the largest increase being recorded by unprocessed food prices, with the worsening of the crisis in livestock farming. Underlying inflation, approximated by the index of non-energy processed goods and services prices (IPSEBENE), rose slightly to a twelve-month rate of 3.3 % in March. The inflationary situation in the euro area also worsened somewhat in Q1. This stemmed from the rises in food prices, but also from the delayed effects of the depreciation of the euro and the rise in oil prices during 2000. The inflation differential between Spain and the euro area, in terms of the harmonised index of consumer prices (HICP), held steady in Q1 at around 1.4 percentage points.

As mentioned above, the euro area's external environment showed signs of increasing weakness during the quarter, as the muted tempo of the US economy, the deterioration in the Japanese economy and the first signs of loss of buoyancy in some emerging economies became apparent. The effect of the US slowdown began to be noted in the latter economies, and in the case of the south-east Asian countries



this was amplified by the economic situation in Japan and by the crisis in new technology markets. In the US, the slowdown in GDP growth since the middle of last year – despite 2001 Q1 National Accounts data being better than expected – has led the Federal Reserve to reduce its key interest rate on four occasions and by a total of two percentage points, to stand at 4.5 % on 18 April. US stock markets, which had incurred substantial losses during the first few months of this year (the severest in high-tech indices), reacted positively to the latest move and the dollar appreciated slightly, extending the path it has traced since the beginning of the year.

Though still substantially incomplete, the information available on activity in the euro area in Q1 generally shows a slight loss in pace, furthering the trend evident throughout 2000. Consequently, the year-on-year growth rate of GDP could be moderately below that for the previous quarter. Nonetheless, the consumption indicators remain notably buoyant, underpinned by sustained growth in employment and the positive impact on disposable income of the tax cuts made this year in many Member States. Against this, and in terms of the overall general government balance, progress towards a balanced budget in the year 2001 will be interrupted.

Inflationary pressures in the area are proving somewhat more stubborn than expected some months back. Evidence of this is the downward stickiness of the twelve-month growth rate of the HICP, which was 2.6 % in March. This is partly due to the behaviour of the more volatile

components, as energy goods prices are falling less briskly than expected and unprocessed food prices are quickening, owing to the health problems in the meat sector. However, the prices of the remaining components – which are a proxy for core inflation – are also running at slightly higher growth rates. This is probably because the pass-through of past oil price rises and of the effects of the depreciation of the euro is not complete.

The persistence of inflationary pressures in the euro area in the year to date, against the backdrop of the moderate loss of steam in activity, led the ECB to hold its key rates at the levels agreed on last autumn (4.75 % for its main refinancing operations). The growth rate of M3, which is also an important variable for determining the single monetary policy stance, decelerated moderately, slowly drawing closer to the reference value set by the ECB (4.5 %), and lending to the private sector slowed mildly, although high growth rates persist. Short-term interest rates and euro area credit institutions' lending and deposit rates moved on a falling trend in the opening months of the year, while government debt yields were more stable after the declines posted in the final months of 2000. The downtrend occurring at the international level was reproduced in European stock markets, and the exchange rate of the euro depreciated moderately against the dollar, by 4.5 % since the start of the year, partly correcting its appreciation in the closing months of 2000.

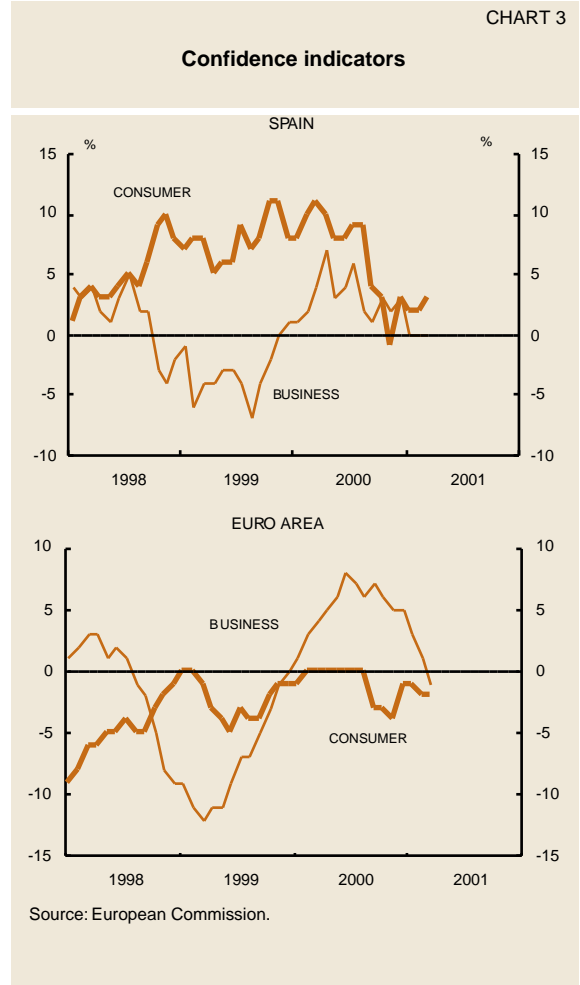
In Spain, the fall in credit institutions' lending and deposit rates were more moderate and the stock market performance somewhat more favourable, with the Madrid Stock Exchange General Index rising 5.5 % since the start of the year and the IBEX New Market Index slipping

9 %. Liquid financial assets continued on the accelerating path they have followed since early 2000, and financing to households and corporations decelerated once more, according to the latest information, though it continues to run at a rate of above 16 %. The monetary and financial conditions resulting from these developments are conducive to the promotion of economic activity in Spain.

General government conduct to date this year has been tailored to meeting the budgetary targets which, as will be recalled, involved achieving a balanced budget in 2001. The government-approved Updated Stability Programme in February integrated this target into a medium-term budgetary consolidation strategy geared to achieving public surpluses as from the year 2002 and to placing public debt as a proportion of GDP at 49.6 % in 2004. The State surplus to March stood at 0.1 % of GDP, the outcome of highly buoyant revenue, where the pick-up in VAT (takings of which had decelerated significantly in the closing months of 2000) and the high growth rates of income and wealth tax were prominent. Expenditure held at a moderate growth rate, in tune with the low growth of final consumption expenditure and of actual interest paid.

The agreement reached by the social partners in April to improve and develop the social protection system will have consequences for future general government conduct as it will introduce changes into the workings of the Social Security System aimed at improving revenue and expenditure management and reducing fraud. Nonetheless, the agreement postpones to 2003 the reforms needed to improve the Social Security financial position in the medium run, and it will involve an increase in public spending, mainly due to the rise in pensions for widows and orphans, the final scale of which is difficult to quantify.

Against the background of the economic policies implemented in the year to date, the slowing profile of national demand has eased, in line with the fresh downward correction to private consumption (albeit weaker than that of the previous quarter) and with the maintenance of moderate rates of increase for gross fixed capital formation, similar to those for the final months of 2000. The behaviour of private consumption was determined by the petering out of the expansionary effect of the rise in financial wealth and, perhaps, by the slowdown in employment. The latter, though modest, might have tempered the growth of disposable income, offsetting –at least in part– the one-off rise in compensation per employee stemming from the application of the inflation-adjustment

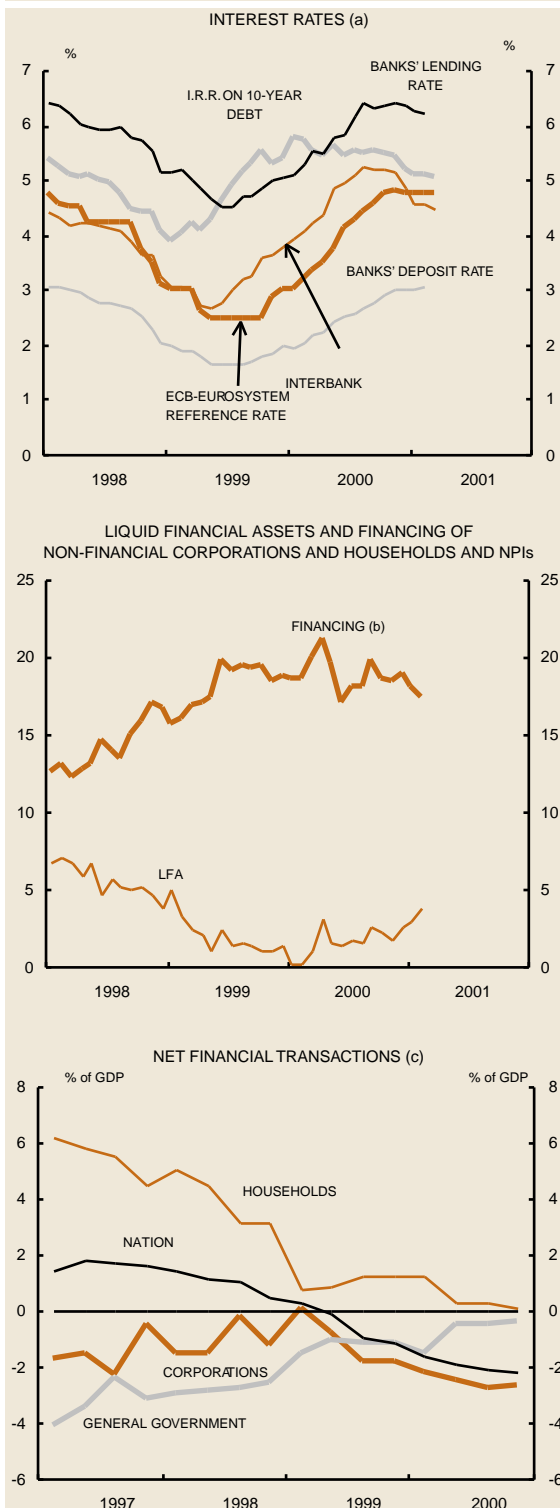


clauses built into collective wage agreements in 2000. This modest adjustment in consumption might mean that the downtrend of the saving ratio in recent years may have ceased.

The stabilising of the year-on-year growth rate of gross fixed capital formation would appear to reflect the continuing pattern of growth in construction, without any relevant changes appreciable in the weakness marking investment in capital goods. The indicators available on capital investment offer somewhat contradictory information, though they do generally show substantial weakness. Conversely, the information on the factors determining corporate investment decisions point to the presence of more favourable conditions. In this respect, mention may be made of the continuing, though diminishing, firmness of final demand and the high degree of capacity utilisation. The financial position of companies remains very sound, and the firming of real interest rates at low levels, by historical standards, would also warrant a better performance by capital investment. Turning to construction, the available indicators signal an extension of the pattern for the final months of

CHART 4

Financial indicators of the Spanish economy



Source: Banco de España.
 (a) The series are averages of daily data.
 (b) Financing includes bank loans extended by resident credit institutions, fixed-income securities, and financing through securitisation funds.
 (c) Cumulative four-quarter data.

2000. The buoyancy of civil engineering works should thus offset the moderation in residential investment caused by the modest slowdown in the rate of increase of real disposable income and by the increase in the user cost of housing.

The contribution of net external demand to growth remained positive throughout the opening months of the year, albeit somewhat lower than in 2000 Q4. According to Customs figures, exports held at a buoyant rate, with the consequences of the ongoing slowdown in world markets not yet discernible. And this in a situation in which the appreciation of the euro embarked upon in the second half of last year has come to a halt. Imports, for their part, picked up significantly. Following the significant adjustment in the final months of last year, this recovery is consistent with the moderate loss of momentum by domestic demand and with the slowdown in imported goods prices.

During the opening months of the year productive activity decelerated moderately as did, in conjunction, the growth rate of employment. Indicative of the latter was the smaller fall in registered unemployment and the reduction in the number of contracts registered with the National Employment Office (INEM), although the figures for new Social Security registrations remained very positive. The outcome of these factors has been very modest growth in apparent labour productivity. The slowing profile of employment may be mitigated in the coming months when the labour market measures approved by the government in March take effect. These broaden the incentives for permanent hiring and make the regulations governing part-time hiring more flexible (see Box 3 in section 4).

As regards price and cost formation, collective bargaining in 2001 Q1 resulted in a significant increase in wage rates negotiated to March, which climbed by a rate of 3.5%. And adding to this was the influence exerted by inflation-adjustment clauses (adjusting for the deviation by inflation from the related target for last year). This wage rise, coupled with the modest increase in apparent productivity, presages something of an acceleration in unit labour costs in the opening months of 2001 (whereby the growth differential with the euro area will have widened) and a squeeze on the overall economy's margins, albeit with differences from sector to sector (most severe in manufacturing and with increases in many services branches). Against this upward momentum of production costs, import prices slowed significantly in the opening months of the year. This deceleration affected all the associated

components and was notably intense in the prices of energy intermediate goods.

In addition to the foregoing factors, final prices indicators were also affected by the spread of the crisis in the livestock sector. As earlier discussed, the CPI stood at 3.9 % in March. This was a result of the unfavourable behaviour of unprocessed food prices and an acceleration in the prices of services and non-energy goods, cancelling out the decelerating impulse stemming from the decline in the growth rate of energy prices, which in any case appears to have halted, according to the latest data. The consumer price differential with the euro area has held unchanged for the third month running at 1.4 percentage points, the highest level posted since the start of Stage Three of EMU. Producer prices performed more favourably, prolonging in February the slowdown begun in the previous quarter and thus widening the differential (in this case negative)

with the euro area owing to the relative fall in the prices of intermediate goods.

In sum, the Spanish economy has sustained a pattern of high growth in the early months of 2001, allowing the process of job creation and the reduction in the unemployment rate in recent years to continue. The correction to the inflationary imbalance generated over the course of the previous year, essentially as a result of the rise in the price of energy imports, against a backdrop of high growth in expenditure, is proving slower than expected. In part, this is because of the influence of certain temporary factors. That said, collective bargaining arrangements and the widespread use of inflation-adjustment clauses are factors which may tend to delay the necessary slowdown in prices. And this, in the medium term, would ultimately affect the competitiveness of the economy at a time when the external environment has become less favourable.

2. The external environment of the euro area

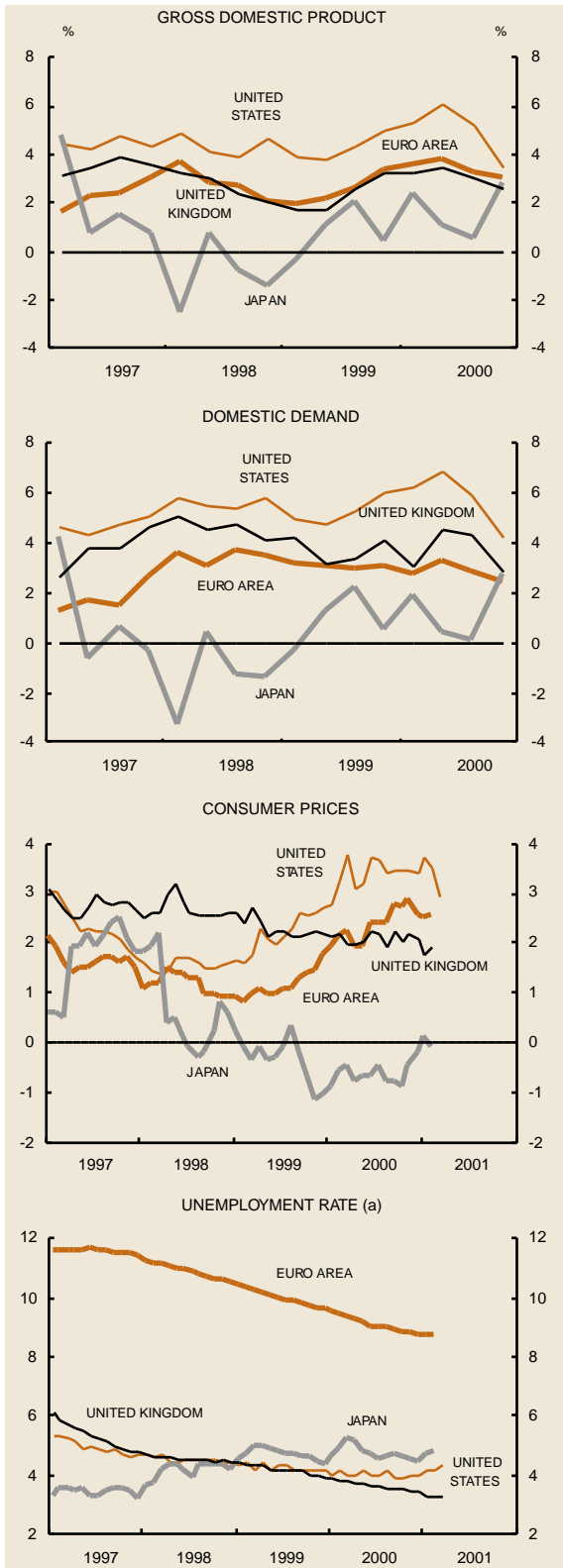
The latest information available on the external environment of the euro area confirms the features of weakness that began to become apparent in late 2000. The main causes are the fall in activity in the US – although first quarter national accounts data were better than expected – and the further worsening of the Japanese economic situation. To this scenario should be added the signs of loss of momentum in certain emerging economies, especially in Asia, where all countries felt the effects of the slowdown in the US economy and revised down their growth projections for 2001. This general deterioration has prompted more expansionary economic policies in many countries, especially in the monetary sphere, but also in the fiscal one. The most notable instances have been, in the US, four interest rate cuts (adding up to 200 basis points) and a clearly expansionary fiscal package, still being debated by the legislature; in Japan, a cut in interest rates, accompanied by a switch in monetary policy strategy to a quantitative target, and a Japanese government plan to nationalise poor quality banking assets; and interest rate reductions in the UK, Canada, Australia and a large number of Asian countries. These expansionary policies and the possibility that they will be strengthened over the year – most countries having some leeway to do so – may be effective in helping to reduce the risks of economic growth deviating from the central scenario. This predicts a significant, but brief, slowdown in the US economy and a moderate reduction in world growth in 2001. The alternative would be a more pessimistic scenario, involving a more severe and prolonged deceleration.

In the United States, first quarter indicators continued to show signs of weak activity. Manufacturing (on the production side) and investment in capital goods (on the spending side) were the areas in which this weakness was most clearly evident. In addition, the increase in the ratio of stocks to sales in Q1, despite the sharp decline in levels of stocks, shows that involuntary stockbuilding is continuing.

By contrast, private consumption and construction continued to show positive growth rates. The buoyancy of consumer credit is associated with the ongoing decline in the saving ratio, with spending still outpacing disposable income. The fall in stock markets, which seems to have had an adverse effect on confidence indices, has not, until now at least, had a substantial wealth effect on consumption. Even so, it should be noted that the recent negative employment data, the steady increase in unem-

CHART 5

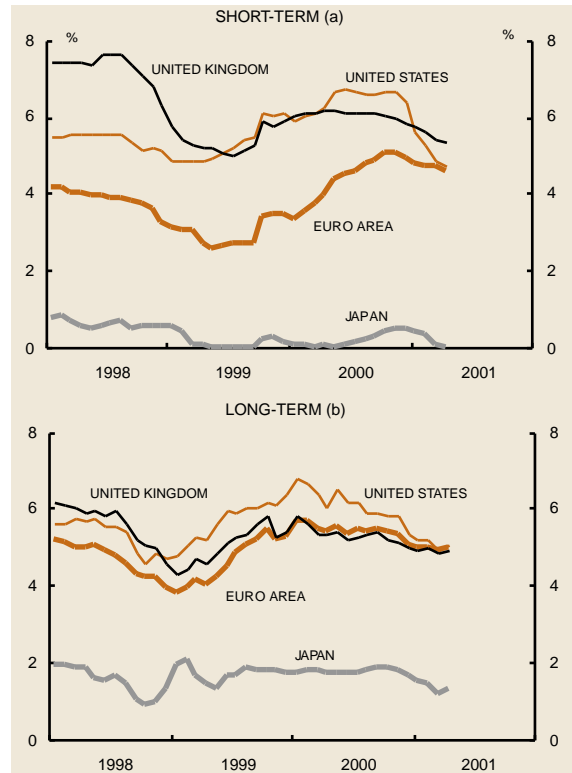
Main macroeconomic indicators.
Annual rates of change



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.

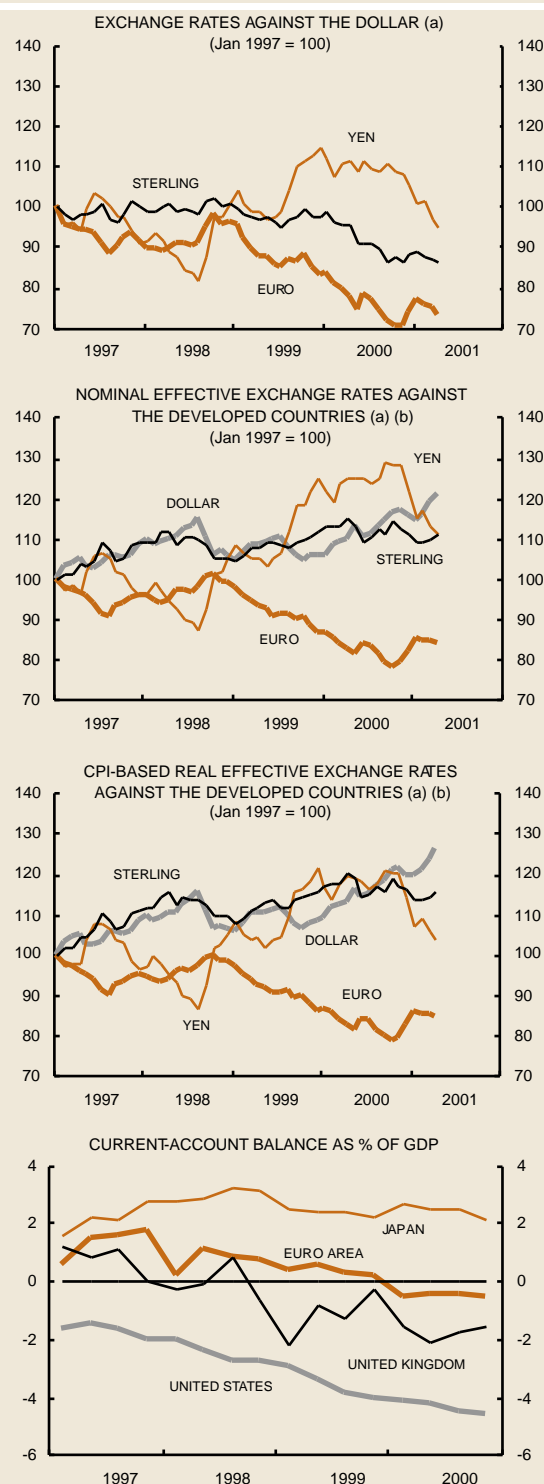
(b) Ten-year government bond yields. Euro area: until December 1998, weighted average of the eleven euro-area countries.

ployment benefit applications and the gradual rise in the rate of unemployment, which reached 4.3 % in March, may affect consumers' income expectations and begin to have an adverse impact on consumption. Construction has proved responsive to mortgage rate cuts and its indicators have shown signs of growth in Q1, following a very poor performance in the second half of 2000.

As regards prices, in recent months there has been a decline in actual inflation and an increase in underlying inflation, to twelve-month rates of 2.9 % and 2.7 %, respectively. This behaviour contrasts with that of the previous year, when these two price indices diverged significantly, by as much as 1.4 percentage points in March. Producer prices, which have accelerated significantly in recent months, moderated in March to a 12-month rate of 3.1 % (4 % in February). Wages continued to grow at rates of around 4.3 %, contributing to a squeeze a busi-

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.

ness margins. Despite certain worrying signs in price developments, the Federal Reserve has, since the beginning of the year, clearly shown that in its view the risks of recession are more significant than those of inflation, reducing official interest rates on four occasions (the latest on 18 April, again one month ahead of the next scheduled meeting), by a total of 200 basis points, to 4.5 %. These decreases have been passed through to all markets (albeit not in full). Yet private bond markets continued to show, through yield spreads with government bonds, signs of tension, possibly related to rising default rates and reductions in expected profits. The reaction of the equity markets to the rate cuts was different. Share prices fell sharply in Q1, the Dow Jones losing 8.5 %, while the NASDAQ fell by 33 %. In the first fortnight of April, however, markets recovered a more upbeat tempo and rose slightly.

The dollar has strengthened against almost all currencies, contrary to what would be expected given the weakness of the US economy, interest rate cuts and falling stock markets. In nominal effective terms, it appreciated by 4.6 % between the beginning of January and mid-April. In principle, this does not assist the correction of the macroeconomic imbalances in the US economy, the main one possibly being an external current account deficit of about 4.5 % of GDP. However, it would seem to indicate that foreign investors are basically confident of a swift recovery in the US economy and, in particular, of an early return to the strong rate of growth of productivity seen in recent years.

In addition to the resolute attitude of the monetary authorities, fiscal policy has been clearly expansionary, as a result of tax reductions, which were accompanied by a rise in spending of 5.4 % (as against 8 % in recent years). The net impact of these measures was a reduction in the budget surplus of some USD 50,000 million. It should be pointed out that this budget incorporates a very optimistic growth projection of 2.4 % in 2001, so that the automatic revenue and spending stabilisers may give rise to an even larger reduction in the budget surplus.

In Japan, the indicators available for 2001 Q1 point to further worsening of the economic situation, following the achievement of positive growth of 0.8 % in 2000 Q4. From the viewpoint of activity, there was a marked slowdown in the growth of industrial production during the first two months of the year and a deterior-

ration in the business confidence index of the Tankan survey for this period, especially as regards plans to reduce investment in the second quarter. The fresh increase in the rate of unemployment, to 4.8 % of the working population in February, has tended to accentuate the stagnation of private consumption, as reflected in the limited spending by households and the persistent signs of deflation (the index of wholesale prices was negative again in March). The data available on the external sector indicate a further slowdown in export growth, owing to the deceleration of the world economy and of the US in particular, despite the depreciation of the yen (in the first half of April, the rate reached more than JPY 125 per US dollar, as against JPY 110 to the US dollar in 2000 Q4).

Against this background, the Japanese authorities have taken various economic policy decisions aimed at reactivating the economy. On the monetary policy side, the Bank of Japan has decided to establish a quantitative target for the increase in the volume of reserves available to banks, set at a clearly expansionary rate. Also, it has increased the ceiling on the acquisition of public debt by the Bank of Japan. This amounts to a change of course in its monetary strategy, towards a quantity policy that is expected to be more effective in combating deflation than the interest-rate-based policy pursued hitherto. The Bank of Japan also announced that it will continue with this policy until the annual rate of inflation is positive. The second economic policy measure concerns the government. This consists of a project to help restructure bank assets, which would require banks, within a two-year period, to eliminate poor quality loans from their portfolios and to reduce (by a still unspecified proportion) the percentage of their capital held in equities. Furthermore, the government has decided to set up a new institution (presumably wholly or partly financed with public funds) that would absorb the poorest quality securities offloaded by the banks in order to comply with the new legal limit.

Turning to the EU countries outside the euro area, activity in the UK in 2000 Q1 continued to display the moderation of the last quarter of 2000, albeit with some buoyancy in consumption, as reflected by the upturn in retail sales and new car registrations in February. The purchasing managers' indicator held at levels indicating moderate growth in manufacturing, while employment developments were positive and the rate of unemployment fell slightly. Given that consumer prices were sub-

dued, their index – relevant for monetary policy – rising by 1.9 % in February (compared to the central target of 2.5 %), the Bank of England decided to reduce interest rates by half a percentage point, anticipating the foreseeable adverse effects of the US and world slowdown. However, continuation of this expansionary monetary policy may be jeopardised by the latest wage data, which show notable acceleration in February (5.9 % year-on-year, as against 4 % in January), clouding somewhat the prospects for continuation of the decline in inflation. Moreover, the government has presented a clearly expansionary budget (albeit in surplus), after several years of sizeable surpluses.

The south-east Asian economies have clearly decelerated in recent months, as was already beginning to become apparent in 2000 Q4 in most of them. The reasons for the slowdown lie, on one hand, in the general fall in external demand, as a consequence of the reduction in economic growth, especially in the US and Japan, and on the other, in the growing crisis in markets for new technologies and semiconductors, which represent on average around half of the exports of some of the main countries in the area (Singapore, Malaysia, China, Hong Kong and South Korea, in particular). Also, most Asian countries have a limited capacity for domestic demand growth, with the notable exception of China, which is estimated to have maintained a growth rate of 8 % in Q1. Against this background, the monetary and fiscal policies of most of these countries are significantly more expansionary than last year, in an attempt to mitigate the projected sharp decline in their levels of growth. Forecasts of output growth in 2001 in the great majority of the Asian countries are almost fifty per cent down on 2000.

The contractionary effect of US economic developments has also been felt in Latin America, although to a different extent and through different channels according to the country concerned. In Mexico, with its strong trade links to the US, there has been a sharp weakening of exports, which will possibly lead to a significant slowdown in the economy in 2001 and an increase in its current account deficit. That said, the prudence of the Bank of Mexico and the favourable reception for proposed fiscal reforms portend a smooth adjustment to the new circumstances. Brazil has been affected by the difficult situation in Argentina, which has entailed a higher risk premium and downward pressure on its real exchange rate, forcing the

central bank to change its monetary policy stance by raising interest rates and thus halting their downward path. This can only have restrictive effects on activity, which will last as long as the present financial pressures remain. As for Argentina, following a period of political turbulence the government has managed to approve an ambitious plan with four main aims, namely

to reactivate the economy, to fulfil its fiscal commitments linked to IMF assistance, to balance the external sector and to recover the confidence of international investors and lenders. The plan includes a special levy on financial transactions, a cut in tariffs on imports of capital goods, to reduce production costs, and an increase in those on consumer goods.

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 continuation of the phase of less buoyant activity begun in 2000 Q3. However, the information at hand does not so far confirm that the economic slowdown is intensifying, despite the uncertainty over the international economic situation. As regards prices, inflationary pressures remain unabated. Here, predominantly temporary factors (such as the impact of the crisis in the meat sector on food prices) have combined with other more persistent factors (such as the delayed feed-through of the exchange rate depreciation and of the rise in oil prices to final prices). Against this backdrop, the ECB has held its key interest rates unchanged at the levels set last October.

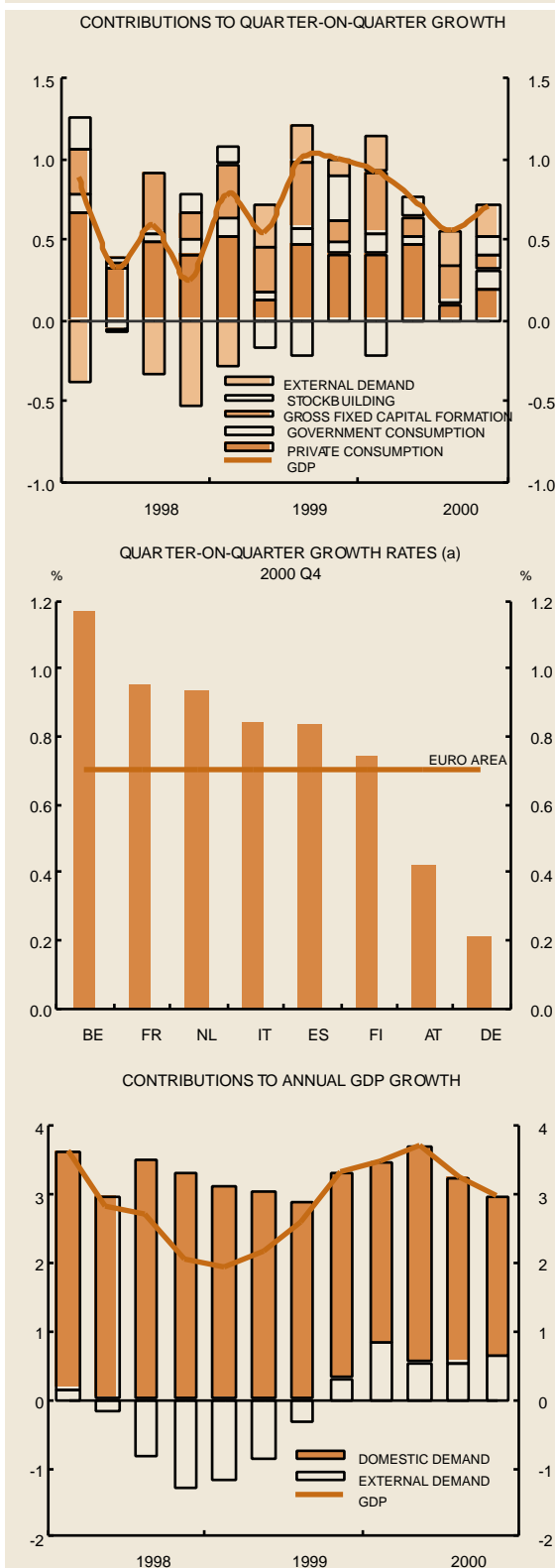
In 2000 Q4, GDP in the euro area grew at a quarter-on-quarter rate of 0.7 % (3 % in annual terms) according to the latest National Accounts estimate by Eurostat (see Chart 8). The increase of one-tenth of a point on the rate recorded in the previous quarter coincides with the rise in the contribution of stockbuilding to GDP, since the contributions of domestic demand and net exports remained unchanged at 0.4 and 0.2 percentage points, respectively. The performance of the external sector is the outcome of an acceleration in both exports and imports, while among the components of domestic demand, the notable slowdown in investment was offset by a slight increase in the pace of private consumption (whose growth remains modest) and by the greater buoyancy of government consumption. Among the various euro area economies, activity expanded notably in Belgium and, to a lesser extent, in France, Italy and the Netherlands. Conversely, activity lost steam in Germany, Spain, Austria and, especially, in Finland.

Taken as a whole, the data on GDP and its components in 2000 Q4 point to a stabilisation of the rate of expansion of economic activity, following the slowdown in the previous quarter. By productive sector, industry – excluding construction – and private services continued to grow in the second half of 2000 at annual rates of above 4 %, whereas the rise in value-added in the construction industry slowed substantially to around 0.5 %.

The indicators available for 2001 Q1 indicate the maintenance of the rate of expansion of activity or a slight quarter-on-quarter deceleration

CHART 8

GDP in the euro area



Sources: Eurostat and national statistics.

which would be more pronounced in year-on-year terms and compatible with a sustained rate of domestic demand. Thus, the business confidence indicator compiled by the European Commission has worsened progressively during Q1 (see the lower panel of Chart 9). Moreover, although all the associated components are affected by this deterioration, it is most pronounced in production expectations for the coming months. Also, the purchasing managers' indices for manufacturing and services (likewise constructed from survey results) have continued to move on the declining trend initiated in spring 2000 during 2001 Q1 down to their lowest levels since the opening months of 1999. Finally, although the industrial output data to February are difficult to interpret, as those for December and January are possibly distorted owing to an incomplete «calendar-effect» adjustment, they also appear to point to a moderate slowdown in activity in this sector. The deterioration in the industrial activity indices, along with the lost momentum of the export indicators, may be reflecting the lesser buoyancy of external demand in the opening months of the year.

As earlier mentioned, the domestic demand indicators allow a more favourable outlook to be discerned, particularly as regards private consumption. The consumer confidence and retail sales indicators stand at a somewhat higher level in Q1 compared with the average for 2000 Q4 (see the upper panel of Chart 9). Moreover, although retail sales to January and new car registrations to February have continued to exhibit the same relative weakness apparent since last summer, they have not worsened further. The fact household expenditure is relatively sustained has been helped by the continuing favourable financial conditions and the behaviour of household disposable income. This latter variable may be benefiting from the strength of job creation and from the application of tax cuts, which might offset the loss of purchasing power derived from the rising consumer prices, and the negative impact on household wealth of the decline in equity market prices. Turning to investment, the outlook is somewhat less favourable: for one thing, capacity utilisation declined, albeit modestly, in Q1; and for another, the half-yearly survey of investment intentions in manufacturing industry (likewise conducted by the European Commission) augurs a moderate loss of momentum in this component this year.

In these conditions, the deterioration of the international environment is the main risk to activity in the euro area in the coming quarters. Evidently, the most direct effect might be channelled through the reduction in the contribution of net external demand to GDP that the deceleration in export markets may bring about. Conceivably, too, net income from abroad may be reduced as a result, first, of stalling profits at the companies to which euro area residents' foreign direct investment is routed; and further, of the possible correction of the prices of international assets held by euro area agents. Nonetheless, as indicated, sustained household expenditure should help prevent unfavourable developments in the external economic environment (provided such developments are not severe and long-lasting) from leading to a sharp slowdown in activity in the euro area.

In the early months of 2001, the information available supports the assumption that labour market developments have remained favourable. Testifying to this, the unemployment rate in the euro area held at 8.7 % in February, unchanged on December, although this confirms the slowdown in the rate of reduction of joblessness seen since 2000 Q4. In this latter quarter, the year-on-year rate of job creation stood at around 2 %, a similar rate to that of the previous quarters. As regards wages, unit labour costs grew by 1.2 % in annual terms in 2000 Q3 (see the lower panel of Chart 10). The increase in this rate from its level of 0.5 % the previous quarter is due, in equal proportions, to the higher growth of compensation per employee and to the slowdown in apparent labour productivity. Hourly labour costs grew by 3.5 % year-on-year in 2000 Q4, three-tenths of a point below the related rate the previous quarter. Although continuing wage moderation is crucial for ensuring the prolongation of sustained employment growth, there is a risk that the loss of purchasing power may, despite the almost wholesale absence of indexing mechanisms in the euro area countries (see Box 1), entail an increase in workers' demands in future negotiations.

The different price indicators for the area continued to show persistent inflationary pressures. The 12-month growth rate of the HICP (including Greece in the baseline period on which the change is calculated) was 2.6 % in March (see the upper panel of Chart 10). Although this rate coincides with that posted in December, all the components have since

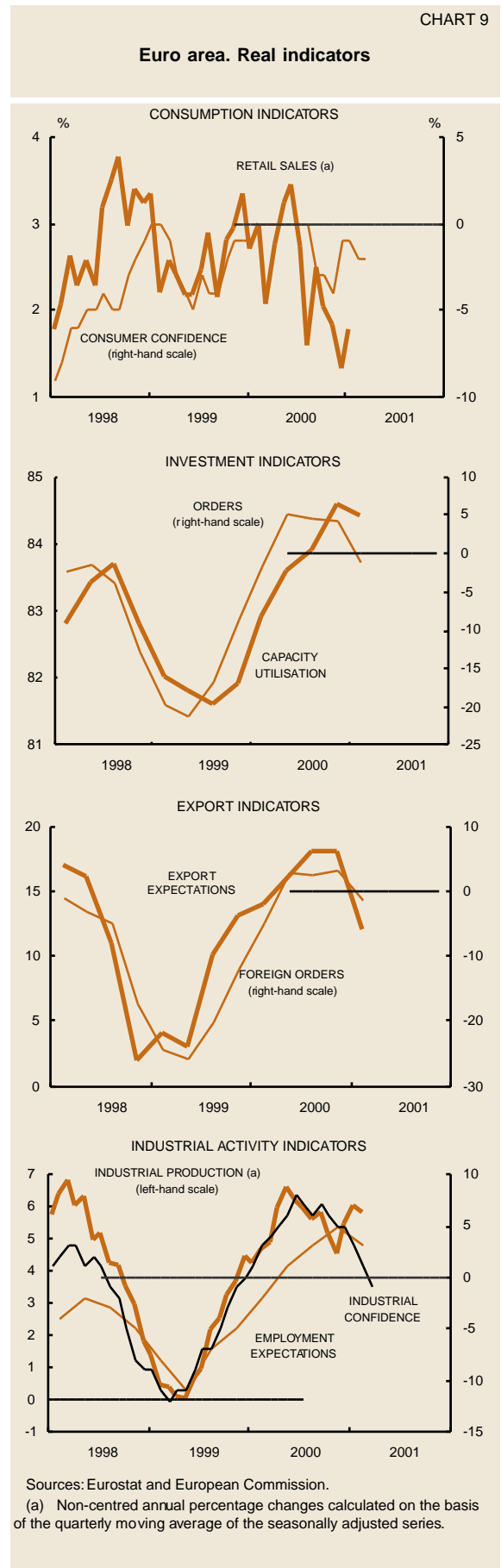
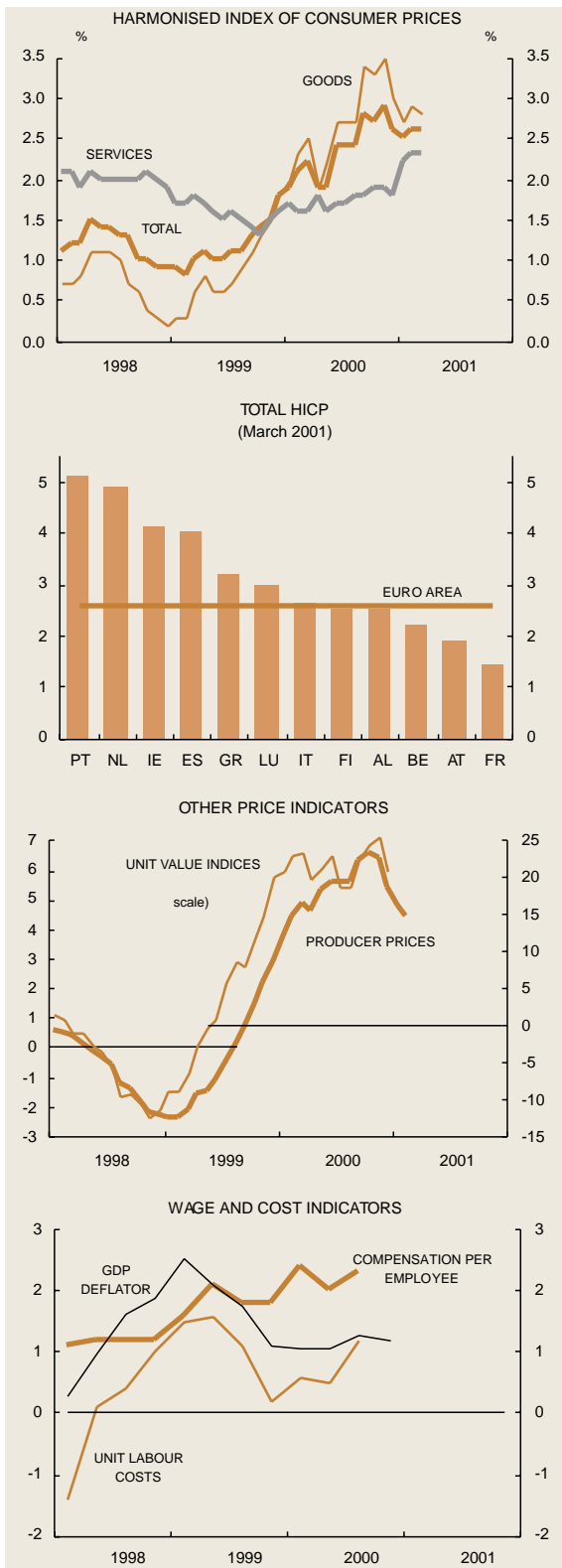


CHART 10

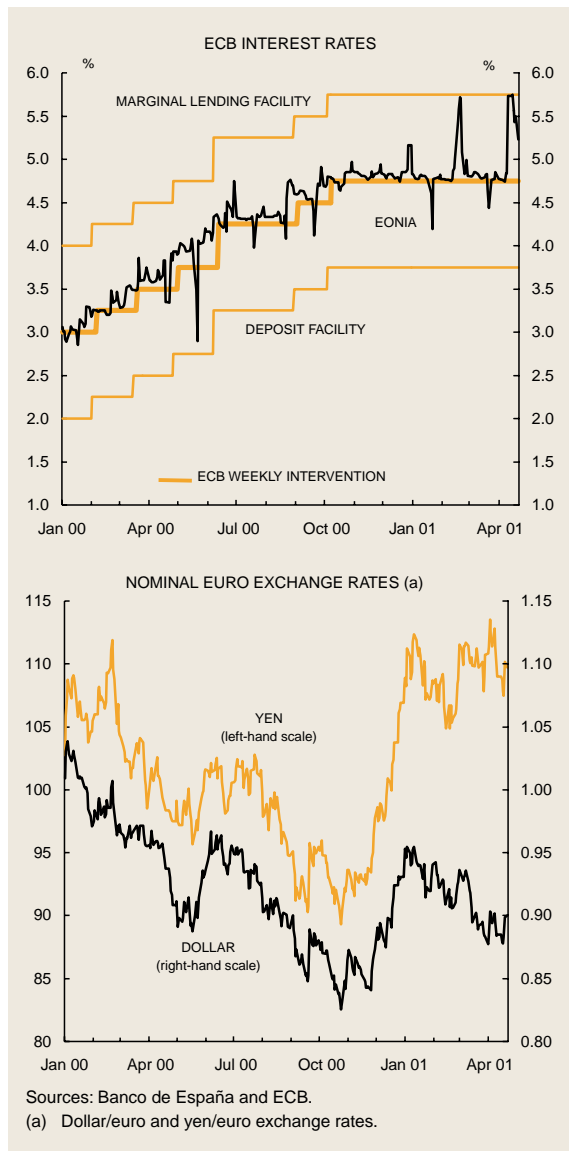
**Euro area. Price, wage and cost indicators
Twelve-month percentage change**



Sources: Eurostat and ECB.

CHART 11

**ECB interest rates
and euro exchange rates**



Sources: Banco de España and ECB.
(a) Dollar/euro and yen/euro exchange rates.

risen, except that of energy goods because of the fall in oil prices. The latter are, admittedly, still very volatile, but far off their peak in 2000 Q3. Prices of the other volatile component in the total index, namely unprocessed food, climbed notably in the opening months of the year. This was largely attributable to the impact of the crises affecting the meat sector. The upward course of the more stable prices can be seen in the performance of the core inflation index (excluding energy and unprocessed food prices), which rose by four-tenths of a point between December and March to 1.9 %. Responsible here were the tax rises at the beginning of the year, the increase in certain administered prices and the gradual pass-through to final

Wage indexing clauses in the euro area

The strong increase in oil prices in 1999 was a supply-side shock that affected all the euro area countries. But it appears to be having different effects in terms of growth and inflation in the various Member States. The factors that may account for a differing impact of dearer energy on the member countries are numerous. These include differing degrees of oil use, the position of economies in the cycle and the institutional features of labour markets, particularly regarding the degree of wage flexibility.

The adaptability of wages to changes in the economic situation depends on a large number of variables relating to the content and degree of centralisation of collective bargaining. Among these, one highly relevant factor in the current circumstances is the extension of wage indexing practices, as this bears notably on the intensity and duration of the effect of the oil shock on inflation and activity.

Indexing mechanisms, especially if automatic and generalised, hinder the workings of the economy's price and wage formation processes. Thus, any temporary shock to consumer prices will trigger indexing clauses involving a generalised wage increase. In the industries most sheltered from international competition, this increase in labour costs will lead, above all, to price rises, amplifying the effect and duration of the initial shock. In the industries most exposed to international trade, the increase in wages, if not accompanied by an increase in productivity, and because it cannot be fed through in the same proportion to prices, will initially squeeze companies' margins. That will hamper corporate profitability and, in this way, lower the economy's growth rate and job creation.

Wage indexing has been a very habitual practice in the second half of the past century in a large number of European countries. Its origins were in the post-war period, when inflation was very high and volatile. As the harmful effects of this system on the level and persistence of inflation were progressively acknowledged, most countries abandoned or altered the mechanism, making it more rational. At present, only Belgium, Luxembourg and Spain retain any form of automatic wage indexing, though there are notable differences in how they put it into practice. In Luxembourg, wages are indexed with a six-month moving average of the consumer price index (CPI). Belgian wages are formally linked to a price index equivalent to the CPI, with the alcohol, tobacco and fuel components stripped out. Indeed, it was decided in Belgium to take this price index so as to avoid the risk of oil price rises potentially triggering a wage-price spiral similar to that experienced during the crises in the seventies. Lastly, in Spain, although there is no formal system for generalised automatic wage indexing, most agreements signed (around two-thirds of the total) have wage-revision clauses built into them which take effect when year-end CPI growth has outpaced the rate taken as a reference for collective bargaining. That leads to wage growth rooting itself in line with actual inflation.

The accompanying chart reveals that only in three euro area countries were increases in compensation per employee above average HICP growth. Finland was notable in this connection, its high productivity growth (over 4 %) last year preventing the growth of compensation per employee from feeding through to unit labour costs. Conversely, this effect was absent in Spain and the Netherlands, since the increases in apparent productivity in both countries stood at around 1 %. In the Netherlands, labour market supply shortages, reflected in an unemployment rate below 3 %, may have contributed to this notable wage increase. In Spain, wage adjustments due to indexing clauses triggered by the deviation by inflation from the target taken for stipulating wage increases in 1999 have borne on the rise in compensation per employee. The bigger mismatch between the inflation expected on signing wage agreements and actual inflation at the end of 2000 will mean that indexing clauses will have a much more significant impact on labour costs this year. Lastly, in the euro area as a whole, and especially in Germany and France, real wages evidenced a negative rate of increase in 2000.

HICP and compensation per employee in 2000

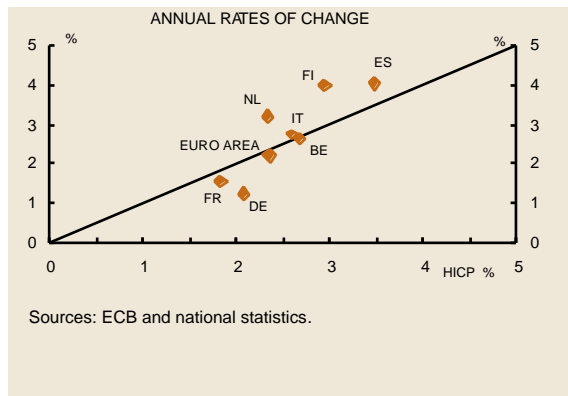


TABLE 1

General government financial balances of euro area countries (a)

	1996	1997	1998	1999	2000 (b)
Belgium	-3.8	-1.9	-0.9	-0.7	0.0
Germany	-3.4	-2.7	-2.1	-1.4	-1.0
Greece	-7.8	-4.6	-3.2	-1.8	-0.9
Spain	-5.0	-3.2	-2.6	-1.2	-0.4
France	-4.1	-3.0	-2.7	-1.6	-1.3
Ireland	-0.2	0.7	2.1	2.1	4.5
Italy	-7.1	-2.7	-2.8	-1.8	-1.5
Luxembourg	2.6	3.6	3.2	4.7	5.3
Netherlands	-1.8	-1.1	-0.7	1.0	1.3
Austria	-3.8	-1.7	-2.3	-2.1	-1.5
Portugal	-4.0	-2.7	-2.2	-2.0	-1.7
Finland	-3.2	-1.5	1.3	1.8	6.7
MEMORANDUM ITEM:					
Euro area					
Primary balance	1.4	2.5	2.5	3.0	3.3
Total balance	-4.3	-2.6	-2.1	-1.2	-0.7
Public debt	75.4	74.8	73.1	72.0	69.7

Sources: European Commission and ECB.
(a) Deficit (-) / surplus (+).
(b) Without including proceeds relating to UMTS licences.

prices of higher imported input prices over the past two years. In terms of individual members, the spread in March between the highest rate (5.1 %, in Portugal) and the lowest rate (1.4 %, in France) was 0.8 percentage points wider than in December.

The decline in the 12-month growth rate of the producer price index over the period from its peak last October to February masks the divergent performances of the intermediate and consumer goods components. While intermediate goods decelerated strongly, as a result of the firmer exchange rate and the fall in oil prices, the rate of increase of industrial consumer goods prices has intensified. Indeed, the consumer durables and non-durables components rose to stand in February at 1.9 % and 3.2 %, respectively. This adversely affects the inflationary outlook for the euro area given that these components are a leading indicator of final consumption prices.

According to ECB data, the current-account deficit of the eleven founding members of the Monetary Union totalled EUR 28.3 billion in the year 2000 as a whole, compared with a deficit of EUR 5.8 billion in 1999. This significant deterioration

is due, above all, to the heavy decline in the surplus on the merchandise balance, since the deficit on the income balance lessened and the deficits on the services and current transfers balances rose but modestly. The decline in the merchandise balance surplus is the outcome of the deterioration in the area's terms of trade, the result in turn of the rise in oil prices and of the depreciation of the euro. This translated into nominal import growth of 25.1 %, compared with a figure of 19.6 % for exports. In January 2001 the current-account deficit for the area (including Greece) fell, however, to EUR 8.5 billion, compared with 10.4 billion in the same period a year earlier, owing to the improvement in the balance of current transfers.

With regard to public finances, the aggregate budget deficit for the area as a whole stood at 0.7 % of GDP in 2000, once the proceeds from the sale of UMTS licences are stripped out (see Table 1). In 2001, this deficit might increase for the first time since 1993. On the forecasts available, the scale of the deterioration would be very small in terms of actual balances. But their size would be bigger in respect of the cyclically-adjusted balance given

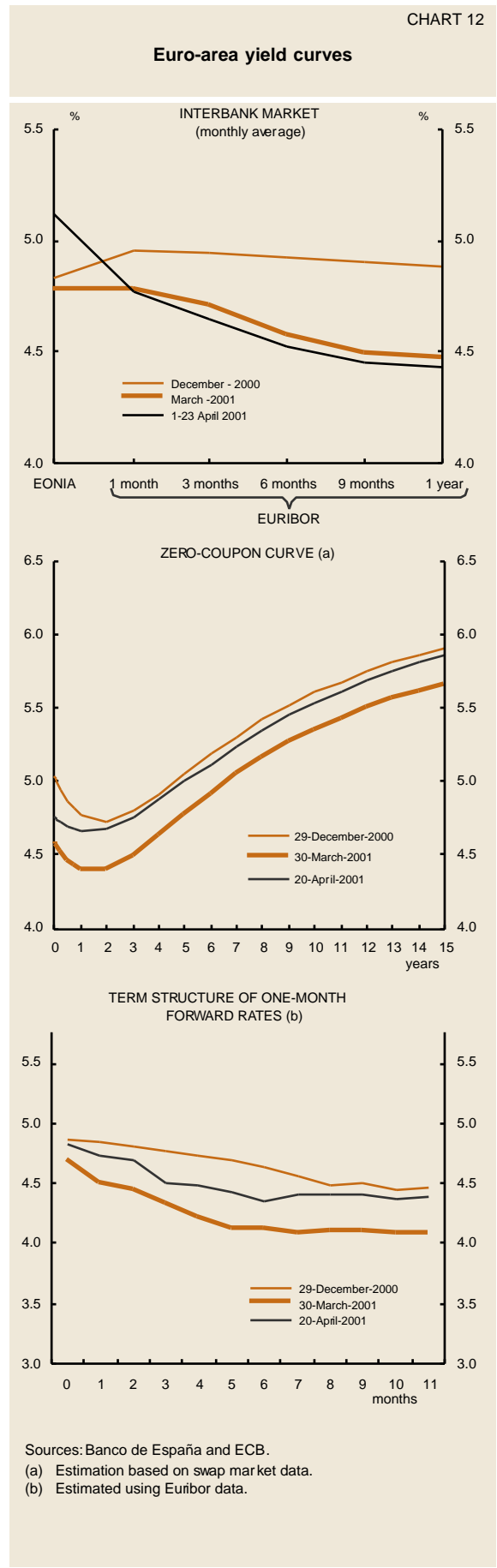
the relatively strong background against which economic activity will foreseeably unfold this year. This budgetary forecast responds to the virtually generalised application of – occasionally ambitious – cuts in taxes and social contributions. True, the introduction of these measures merits a favourable assessment insofar as they are supportive of higher employment and participation in the labour market; but the timing of their adoption might not be ideal in all cases for two different types of reason. First, because they involve a boost to demand that might exacerbate inflationary pressures. And second, because several of the countries that have introduced tax cuts have underlying budgetary positions that are still relatively far from balance.

3.2. Monetary and financial developments

Throughout 2001 Q1, the Governing Council of the ESCB held the minimum bid rate for its main refinancing operations unchanged at 4.75 % (see Chart 11). This decision was the outcome of balancing the persistence of inflationary pressures against the moderate loss of vigour in economic activity, against a background of growing uncertainty in the external environment of the euro area. In any event, monetary and financial conditions, measured by the levels of real interest rates and the exchange rate of the euro, and reflected in the monetary and credit aggregates, remain favourable to the growth of activity in the area as a whole. As has been the case since the outset of Monetary Union, the degree of generosity of monetary and financial conditions is greater in Spain's case, given the greater intensity of inflationary pressures, as the high rates of credit expansion show.

Between the beginning of the year and the end of March, expectations of a decline in interest rates in the euro area became more marked. However, in April these expectations have been easing (see Chart 12). At present, the term structure of implicit one-month forward rates is discounting a foreseeable modest reduction in the ECB's key rates in the period to September, with these rates subsequently holding steady up to the one-year horizon.

Euro area ten-year government bond yields have held stable at around 5 % in 2001 to date, after declining considerably in the closing months of last year (see Table 2). This has been due to the moderation of economic growth



prospects and, foreseeably, of the outlook for inflation. At the same time, the slowdown in the US economy has been a factor conducive to a fall in this country's bond yields, narrowing the spread over the German Bund to the point where it became negative in mid-March.

The interest rates applied by euro area credit institutions to lending and deposit transactions with their customers have been on a declining course since December 2000, reflecting the lower interbank rates during this period (see the lower panel of Chart 13). Among lending rates, the fall has been more pronounced in the case of financing extended to households for house purchases than in that extended to companies. Thus, in February (the latest month for which there is information) both interest rates stood at 40 and 20 basis points, respectively, below the levels prevailing in November last year. Rates on deposits maturing respectively at over and at less than two years had fallen by approximately 40 and 20 basis points over the same period. In Spain, the reduction in the synthetic lending rate between November 2000 and March 2001 was 30 basis points (see Table 2), although credit institutions do not yet appear to have passed through the fall in lending and money market rates to deposits. As a result, in the five months in question, the synthetic deposit rate showed no appreciable changes.

Against a background of high volatility, stock markets in the euro area remained on a downward trend until late March. Something of a recovery followed, and this was spurred by the cut in official US rates. From year-end to 20 April, the broad Dow Jones Euro Stoxx index slid by slightly less than 7 %, compared with the fall of 5.9 % in the year 2000 as a whole. The Spanish stock market performance, where the decline had been greater over the course of the previous year, has been more favourable in the period to date in 2001. The Madrid general stock exchange index is 5.5 % above its end-2000 level. The broadly adverse developments on European bourses, as on other industrialised economies' stock markets, reflects the heightening pessimism about the course of the world economy and the deterioration in corporate profit expectations, which have particularly affected the new technology sectors. High-tech stocks, grouped in the broad Dow Jones Euro Stoxx sectoral indicator, have posted losses of 20 % since the start of the year. Meantime, in the case of Spain, the IBEX New Market index has slipped by almost 9 % since the same date

and by 67 % since its inception in April 2000. Finally, the report by the so-called Committee of Wise Men with suggestions for the integration of euro area financial markets was published in February. The report's guiding principles are offered in Box 2.

The exchange rate of the euro against the dollar has not firmed at the levels attained after its strong appreciation in late 2000 (see the bottom half of Chart 11). To date in 2001, the euro's cumulative depreciation has been approximately 4.5 %. Given the financial difficulties the emerging economies have faced, the relative strength of the dollar may have been because of this currency's safe-haven status. The rising expectations of a slowdown in the United States and the narrowing of the positive spread of interest rates at all terms over the euro area (a trend which heightened following the cut in the Federal Reserve's intervention rates on 18 April) have led the euro recently to appreciate modestly against the dollar. The oscillations of the euro against the yen have been relatively minor since the start of the year, with the European currency appreciating by approximately 1.5 %.

The twelve-month growth rates of the euro area monetary aggregates continued to moderate to February. This was so because of the rise in the opportunity cost of holding very liquid assets, the result of the rises in official interest rates in the area between November 1999 and October 2000. Nonetheless, the twelve-month growth rate of M3 rebounded in March to 5 %, placing the average rate for the last three months for which there is information (and on which compliance with the reference value is assessed) at 4.8 %. The most liquid components of M3 are those which have most slowed, these being the most sensitive to interest rate movements in the area. Thus, the twelve-month increase in M1 in March stood at 2.1 %, compared with rates of over 10 % a year earlier.

In Spain, the rate of expansion of liquid financial assets (LFA) has been rising since 2000 Q4, standing in March at a rate of 4.7 % year-on-year. This acceleration is the result of the slowing year-on-year decline in placements in money-market and fixed-income funds. The growth rate of cash and cash equivalents, i.e. the most liquid financial assets included under the definition of LFA, has continued to moderate, standing in March at 2 % compared with a rate above 12 % a year earlier.

Report of the Committee of Wise Men on the regulation of European securities markets

Compared with the degree of integration attained by euro area money markets, that achieved by European securities markets is still insufficient. Against this background, a Committee of Wise Men comprising seven independent individuals of acknowledged professional prestige was created further to the mandate of the ECOFIN of 17 July 2000, under the chairmanship of Alexandre Lamfalussy. The remit of the Committee was to analyse the problem and propose solutions. On 15 February 2001, the Committee submitted its Final Report on the Regulation of European Securities Markets.

The Report begins highlighting the benefits that would be reaped from the greater integration of European financial markets. In the microeconomic field, reference is made to the advantages associated with the more efficient allocation of capital, the greater liquidity of financial assets (which would benefit companies, especially SMEs), the lower cost of capital and the higher investor returns that would ensue were cross-border clearing and settlement costs lower. In the macroeconomic realm, the rise in capital and labour productivity and the higher growth of output potential and employment are underscored.

The Report also describes the current situation of and salient trends on European securities markets, concluding that they are insufficiently developed and at a level far below their US counterparts. Among the factors hampering the growth and integration of European financial markets are the differences in the countries' legal and tax systems, and the presence of trade, political and cultural barriers across the Member States. A series of more specific factors are also indicated: the lack of a regulatory framework ensuring uniform implementation of Community rules in the different countries and of an effective decision-making process; the fact a large number of clearing and settlement systems remain in place, increasing transaction costs; and the scant expansion of pension funds in most EU countries. In any event, the Report concludes that the main problem slowing greater integration lies in how securities market legislation is produced and enacted in Europe. Indeed, it claims that the regulatory system as a whole is «too slow, too rigid, produces too much ambiguity and fails to distinguish between core principles and detail».

Having identified the problems, the Report sets out a series of recommendations to improve EU securities market integration. These can be grouped under two main headings. First, it is recommended that the lead time be shortened and new priorities set for the European Commission's Financial Services Action Plan (FSAP), including most notably: single securities issuance/admission prospectuses for issuers; modernisation of admission to listing requirements; home country control of major investors and definition of the profile of professional investors; modernisation of investment rules for Community investment funds and pension funds; adoption of International Accounting Standards; and a single passport for recognised stock markets.

The Report further proposes a new framework for establishing and implementing the European financial markets regulation based on a four-level approach. At the first level the general basic principles of the new regulatory directives on securities markets would be designed by the European Parliament and the Council of Ministers, on proposals by the Commission. These basic principles would contain the more political aspects and the conceptual guidelines of the new regulations. Moreover, it is recommended at this level that new open and transparent consultation mechanisms be set in place between the European Commission, the European Parliament, the Member States and their regulators, market participants and consumers and users. At the second level, the new regulations would be drafted on the basis of the general principles established at the previous level. To do this, two new committees would be created: the «European Securities Committee» and the «European Securities Regulators Committee». Both committees would keep the European Parliament informed at all times. At the third level, the European Committee of Securities Regulators would formulate administrative guidelines, draw up joint interpretation recommendations and would compare and examine national regulatory practices, all with a view to ensuring consistency in the transposition of Community legislation to national practices and its specific application across the various countries. Finally, at the fourth level, co-operation would be strengthened between the European Commission, the Member States, their regulators and the private sector so as to ensure tighter compliance with Community rules.

In the opinion of the Committee of Wise Men, this new framework should be operational before the end of 2001, with mechanisms in place to provide for the periodical review of its functioning in practice

TABLE 2

Monetary and financial situation in the euro area and Spain

	1998	1999	2000		2001			
	DEC	DEC	NOV	DEC	JAN	FEB	MAR	APR (c)
MONETARY VARIABLES (a):								
EURO AREA								
M3	4.8	6.2	5.0	5.1	4.7	4.7	5.0	
M1	9.2	10.1	5.1	5.7	1.3	2.0	2.1	
Loans to private sector	9.8	10.4	10.2	10.2	10.0	9.6	9.2	
SPAIN								
Liquid financial assets	3.8	1.5	1.9	2.6	3.0	4.0	4.7	
Cash and cash equivalents	12.1	12.7	4.4	4.5	3.3	2.9	2.0	
Financing to the private sector	16.9	18.8	18.5	18.9	18.0	17.7	16.7	
FINANCIAL MARKETS (b):								
EONIA	3.25	3.04	4.83	4.83	4.76	4.99	4.78	5.12
Three-month EURIBOR	3.25	3.44	5.09	4.94	4.77	4.76	4.71	4.65
Public debt								
Euro area ten-year bond yields	3.95	5.32	5.34	5.07	5.01	5.02	4.94	5.06
US-euro area ten-year bond spread	0.74	1.04	0.46	0.25	0.21	0.15	0.00	0.08
Spain-Germany ten-year bond spread	0.21	0.22	0.30	0.31	0.28	0.34	0.37	0.32
Spanish bank interest rates								
Synthetic deposit rate	2.06	1.98	3.01	3.02	3.03	3.04	3.02	
Synthetic lending rate	5.15	5.03	6.39	6.35	6.27	6.22	6.08	
US/EUR exchange rate	1.172	1.011	0.856	0.897	0.938	0.922	0.910	0.890
Equities (d)								
Dow Jones EURO STOXX Broad Index	29.8	39.5	-2.9	-5.9	1.3	-7.7	-11.2	-7.3
Madrid Stock Exchange General Index	37.2	16.2	-12.0	-12.7	9.3	3.0	0.9	1.2

Sources: European Central Bank and Banco de España.

(a) Annual percentage change.

(b) Monthly averages.

(c) Monthly average to 23 April 2001.

(d) Cumulative percentage change during the year. End-of-month data. Latest month: to 20 April 2001.

As regards the counterparts of the monetary aggregates, the rate of expansion of lending to the private sector in the euro area has remained very high in recent months, though it has slowed slightly to 9.2 % in March in relation to twelve months earlier. The moderation of the raising of finance may have come about due to the lesser significance of specific large-scale operations, relating to the financing of mobile telephony corporations, whereas unfavourable stock market developments must have borne adversely on euro area companies going to the equity markets. In any event, the slowdown in the momentum of economic activity has so far

had scant impact on the financing extended to households and companies in the area. In the case of bank lending, this might be the outcome of the above-mentioned decline in interest rates on banks' lending operations. The slowdown in Spain in financing extended to the private sector has been more discernible than in the euro area as a whole, though it continues to expand at substantially higher rates (16.7 % in March compared with 18.9 % in December). Lending from resident institutions (the main component of the financing received by the non-financial private sector) has grown at a rate of 14.3 % in March, against 18 % last December.

4. The Spanish economy

According to the National Institute for Statistics (INE), Spanish real GDP grew by 4.1 % in 2000, up 0.1 percentage points on the previous year. The increase in national demand was similar in magnitude to that of GDP, and the contribution of the net external balance was practically nil. During the year, the rate of increase of national demand fell significantly, but as the contribution of net external demand rose the slowdown in the rate of change of output was much more moderate. Specifically, in 2000 Q4 real GDP grew year-on-year by 3.8 % (0.4 percentage points less than in Q1), national demand by 3.2 % (1.8 percentage points less) and the net external balance contributed half a percentage point in Q4 (against -0.8 percentage points in Q1).

As already mentioned in Chapter one of this report, the data available for the first few months of 2001 point to continuation of these same trends (slowing demand and a positive contribution from the external balance), albeit with greater moderation. Indeed, estimates for growth of national demand and the contribution of net external demand in Q1 are around 3 % and slightly under 0.5 percentage points, respectively, which would make for real GDP growth of around 3.5 %. The modest reduction in the rate of growth of national demand, in comparison with its end-2000 levels, extends to most of its components. Exports and imports of goods and services remain notably buoyant; the slowdown in external markets has not yet significantly dented the former and the latter show no signs of demand being weaker than estimated. From the viewpoint of activity, all productive sectors have seen lower growth, with the sole exception of agriculture. As this has translated into a larger deceleration in employment, apparent labour productivity has increased slightly. The indicators available show a notable upturn in compensation per employee – of greater magnitude in the market economy – which will lead to a slight acceleration of unit labour costs. Against this background, the CPI continued to increase at high rates in Q1, without any reduction in the inflation differential vis-à-vis the other euro area countries.

4.1. Demand

On Quarterly National Accounts (QNA) estimates (1), the slowdown in national demand during 2000 was particularly severe in the case

(1) The QNA data presented in this article are trend-cycle data.

of private consumption and capital goods investment, while government consumption and investment in construction held steadier. The loss of momentum by consumer spending extended to almost all its components, although goods and, in particular, food and car purchases were affected to a greater extent.

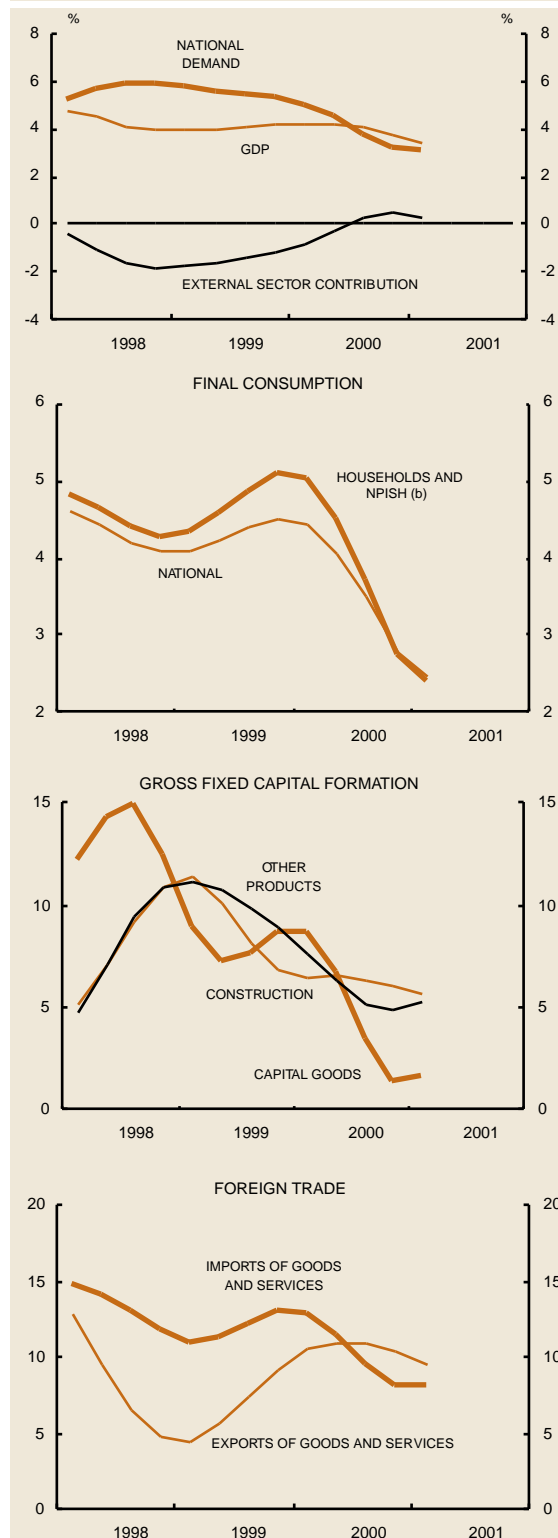
The still incomplete information from indicators available for 2001 Q1 points to a clear levelling out of the slowdown in private consumption. The consumer confidence indicator improved slightly in March, so that on average in Q1 it was unchanged on 2000 Q4, although the assessment of the general economic situation tended to worsen. The index of apparent consumption of consumer goods, for which only fragmentary information is available, has partially recovered, following the significant falls recorded in the second half of 2000. Of its various items, the food component was less contractionary in February, while apparent consumption of consumer durables worsened in the same month, in contrast to the recent trend in new car registrations which, according to the March figure, seem to have recovered from the sharp falls at the end of 2000. Finally, the index of retail sales increased at a real rate of 5 % in January, although the February figure shows a resumption of its mild downward trend, in line with the retail confidence indicator.

Analysis of the determinants of private consumption tends to confirm the trend discerned from the available indicators. The petering out of the expansionary effect of the revaluation of financial wealth, against a background of stable interest rates and relatively high inflation rates, is one factor explaining the reduced buoyancy of consumer spending in the latest quarters. The slowdown in employment would also tend to restrain consumer spending. Although very modest, it augurs a smaller reduction in unemployment than in recent years. However, the application of inflation-adjustment clauses in the collective agreements signed in 2000, as a consequence of the deviation by actual inflation from the official forecast, may have temporarily increased disposable income and, in consequence, held up private consumption in the first few months of the year.

On QNA estimates, in 2000 Q4, final consumption spending by general government rose year-on-year by 2.9 % in real terms, with a profile of progressive acceleration over the year. The information available for the first few months of 2001 and the budget plans for the whole year mean that a correction in this trend

CHART 14

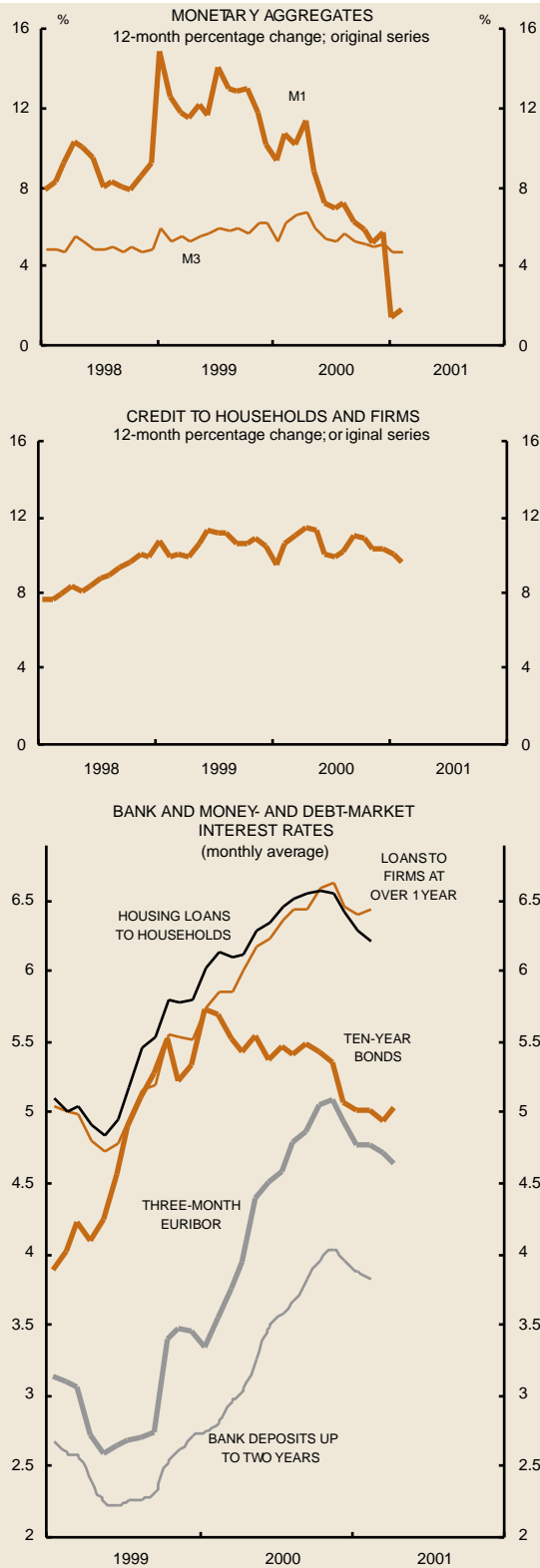
Main macroeconomic aggregates (a)



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

CHART 15

Private consumption indicators



Sources: Banco de España and ECB.

is expected, which will be reflected in the results for the whole year and is possibly apparent already in the Q1 magnitudes. This greater moderation would affect both compensation of employees and the other items of final consumption.

The slowdown in gross fixed capital formation, which dates back to the beginning of 1999, continued throughout 2000. In the final quarter the annual rate of change was 4.4 %, almost three percentage points down from Q1. This loss of buoyancy basically stems from the behaviour of investment in capital goods, which ended the year with a year-on-year growth rate of 1.4 %, seven percentage points lower than at the beginning of the year. The loss of momentum in the other components – construction and other products – was much more moderate, and they displayed increasing stability as the year elapsed.

The main indicators of investment in capital goods have extended this downward path during the first few months of 2001. Specifically, on data to February, apparent investment in capital goods continued its decline, the improvement that seemed discernible in the domestic production of such goods at the end of 2000 having been cut short, according to the latest data received. However, the main factor explaining the sharp decline in the indicator of apparent investment in capital goods continues to be the combination of strong export growth and the fall in that of imports, associated in turn with the differences in the rates of change of their related deflators. By type of product, the worsening in apparent investment in transport equipment is notable, following the rise in the first half of 2000. Meanwhile, the indicators provided by the Ministry of Science and Technology's business survey, on data to January, generally show a downward trend, especially those relating to the current trend in order books and to their future trend. By contrast, the business climate indicator of the capital goods industry, which summarises sentiment in the sector, is still holding at relatively high levels. Finally, according to the latest data of the Ministry of Science and Technology's semi-annual survey of investment in industry, the sample firms estimate that in 2001 investment will grow at a nominal rate of 8 %, a somewhat higher rate than in 2000. The main reasons for this investment were to increase productive capacity and improve performance.

The trends in the main determinants of investment in capital goods would support a more favourable path for investment than that augured by the short-term indicators, which is re-

flected in QNA estimates. In fact, albeit with a declining profile, domestic demand is holding at a significant growth rate, exports remain notably buoyant and capacity utilisation is very high (above 80 % in 2001 Q1, according to European Commission data). The information provided by the Banco de España Central Balance Sheet Office quarterly survey confirms the healthy financial situation of Spanish firms. Analysis of profitability ratios shows that operating profits, relative to both net assets and equity, increased from the already high levels reached in 1999. Thus, despite the upturn in financial costs (owing to the rise in interest rates and the greater recourse by firms to external financing), financial leverage increased again during 2000, to reach a new peak. It is possible that the uncertainty prompted by the international environment has delayed some investment decisions by firms, which are, moreover, allocating a significant proportion of their financial resources to investment in international markets. An overall assessment of all these factors would anticipate stronger investment in capital goods, but the indicators currently available provide no basis for estimating a recovery by this variable in 2001 Q1. Even so, its annual rate of change should not differ significantly from 2000 Q4.

The short-term information on investment in construction continues to show steady growth, set against a declining trend that commenced in the second half of last year. According to the survey of the sector conducted by the Ministry for Public Works (the ECIC), the upturn in construction in 2000 Q4 was based on a stronger performance by civil engineering works, which partially offset the weaker performance of residential building, while non-residential building held fairly steady. According to the latest data, these trends are continuing, so that the year-on-year growth of this aggregate in 2001 Q1 will not be significantly different from at the end of last year.

The construction confidence indicator, following the decline in 2000 Q4, improved somewhat in 2001 Q1. The coincident indicators of activity in the construction industry do not, however, give an unambiguous message. As regards the indicators of intermediate consumption, on data to February, apparent consumption of cement remained on the downward path that commenced in the second half of 2000, while the production of construction materials picked up significantly in January. According to the figures for Social Security registrations, employment growth held steady in the first two

CHART 16

Gross fixed capital formation indicators

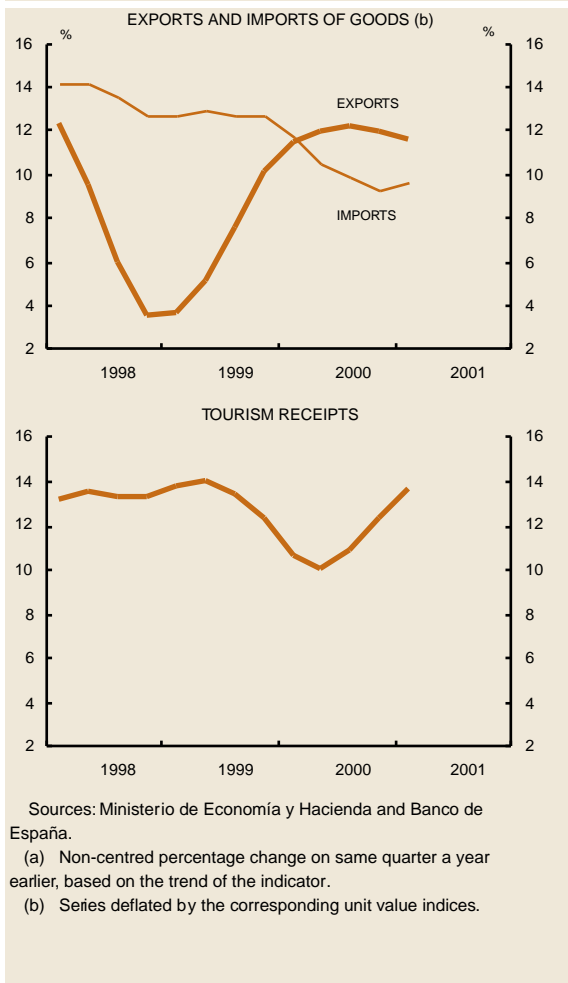


Sources: Instituto Nacional de Estadística, European Commission, Ministerio de Fomento, OFICEMEN, Instituto Nacional de Empleo and Banco de España.

- (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)



months of the year, at an annual rate of change of around 8.5 %, while the figures for registered unemployment, to March, indicate a less vigorous pace of employment creation in the sector. Perhaps the most significant information is provided by the leading indicators (official tenders and approvals by architects' associations). These project continued buoyancy for civil engineering work in the coming quarters, while the outlook for residential building is for greater moderation and that for non-residential building one of stability.

According to the QNA, in 2000 Q4 stock-building contributed 0.1 percentage points to GDP growth, as against a deduction of 0.2 percentage points in the previous quarter. The latest information available from the business survey, relating to January, shows stocks in line with desired levels for industry as a whole. However, the breakdown by type of product shows an increase in the level of stocks in the interme-

diate goods industry, while there were falls in the consumer and capital goods industries.

As already mentioned at the beginning of this chapter, the contribution of net external demand to real GDP growth changed sign in 2000. Goods exports, against a background of notable expansion of foreign markets and with the assistance of depreciation of the euro, remained notably buoyant, while imports gradually lost their momentum, in line with domestic demand. The information on the first quarter of this year generally points to continuation of these trends, although the contribution of net external demand to GDP growth in that period would have been somewhat less than at the end of last year.

On customs data for the first two months of the year, goods exports grew at a real rate of 12.3 %, slightly up on 2000 Q4, while the 11.1 % increase in imports was significantly higher than in the last few months of 2000 (when the figures were possibly distorted downwards). The recovery in imports of consumer goods and non-energy intermediate goods was notable. Imports of capital goods, however, remained particularly sluggish in real terms, partly due to the surprising increases still being recorded in their prices (unit value). As for export growth by group of product, the buoyancy was considerably widespread, as was its distribution across geographical and economic areas. In the latter case, the nominal rate of growth in EU markets remained high, with rates of change of more than 14 %, as it did in markets outside the EU, where the increases almost reached 25 %. Only the growth rates of sales to the US have fallen drastically in the first two months of 2001.

The foreign trade data for the first months of the year also show a significant deceleration in the rates of change of the prices (unit values) of exports and imports. In the former case, the average growth in January and February (4.4 %) contrasts with the rate of 6.9 % in 2000 Q4. As for import prices, their slowdown has been more pronounced, not only due to developments in energy product prices, but also due to the significant fall in the rates of increase of the prices of non-energy goods, from 9.5 % at end-2000 to 2.9 %, according to the latest data released.

Finally, the indicators of developments in tourism during the first two months of this year (hotel stays and nights spent in Spain by foreigners) point to an ongoing recovery in tourism

receipts that was already apparent at the end of 2000, and which is confirmed by the January balance of payments data. There was also a large increase in tourism payments that month, and although no recent information is available on receipts and payments for other services, the trends of previous years should continue this year.

4.2. Output and employment

The slowdown in economic activity in 2000 Q4 affected all branches of production, with the exception of agriculture, which accelerated slightly, and non-market services, which held at a steady rate. The data available for the first few months of this year generally entail an extension of these trends, although a moderate loss of momentum is also discerned in non-market services, accelerated growth only being recorded in the primary sector. The moderation in productive activity during 2000 translated into a reduction in the rate of growth of employment, which rose by 3 % in year-on-year terms in Q4, 0.3 percentage points down on the increase in Q3, a trend which may have continued during the first few months of 2001. These developments in output and employment would have led to a slight rise in apparent labour productivity in Q1.

Activity in the primary sector in 2000 Q4, as during the rest of the year, was expansionary, reaching a year-on-year growth rate of 2.5 %, according to QNA estimates. As in previous quarters, the higher growth of this branch was based on crop production, while animal production continued to lose momentum. Overall, the outlook for production in 2001 in this branch is positive. The heavy rainfall in the latter winter months more than made up for the dry start to the year and means that a significant expansion in crop production can be forecast for 2001. However, the aggravation of the problems in livestock production, with the consequences arising from the existence of cases of BSE in Spain, and the decline in fish production caused by the breakdown of negotiations between Morocco and the EU are factors that will tend to reduce the aggregate growth of primary activities.

The reduced vigour of domestic demand and the expectations of a less favourable international setting are two of the main factors explaining the slowdown in industrial activity in the second half of 2000, which ended with a year-on-year growth rate of 4.9 %, according to the QNA. Energy production slowed more sharply,

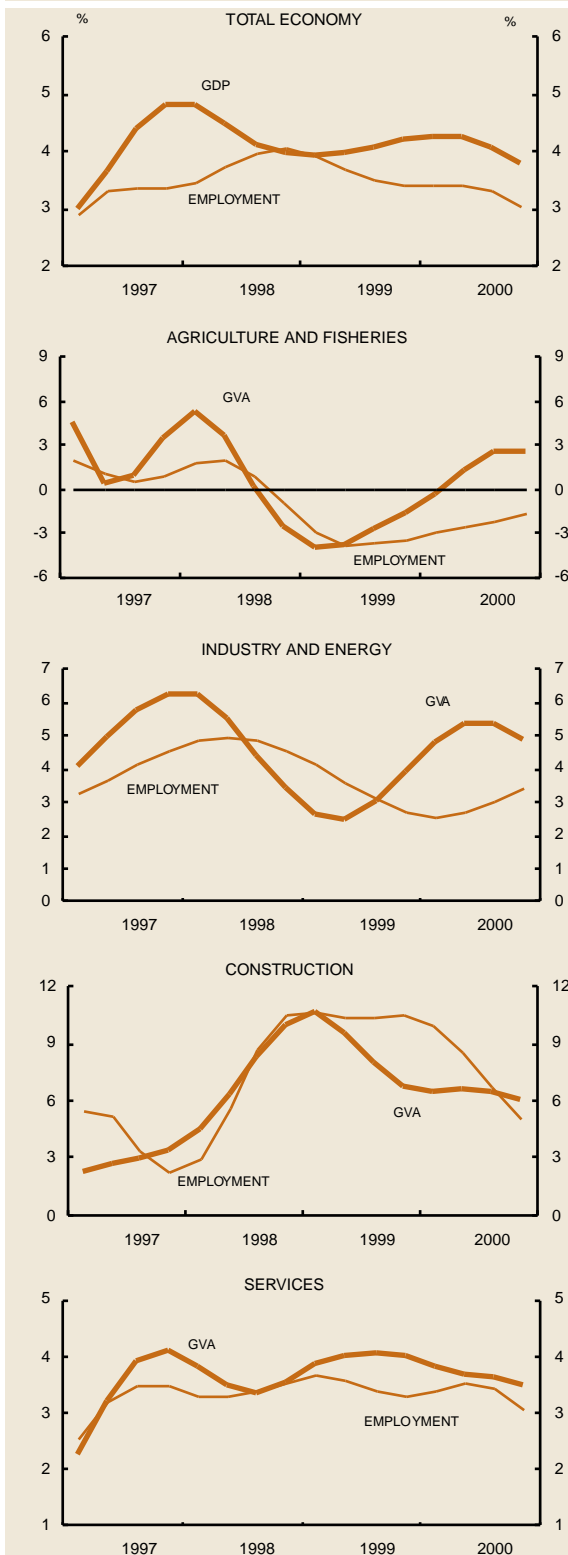
although it remained highly dynamic, with a notable deceleration in the manufacture and distribution of gas. The performance of the other industrial branches was rather varied. In mining and quarrying and the chemicals industry, the incipient recovery in the first few months of the year came to a halt. Notable at the other extreme was the expansionary profile of the metal processing industries in the final quarter of the year, and in particular the strong growth in products with a high technological content (office machinery and electronic equipment). The latest information confirms the ongoing loss of momentum in industrial activity. The index of industrial production recorded a further downturn in February, taking its trend growth rate to 0.9 % (1.7 % in December 2000), while the business confidence indicator in February seems to show an improvement in the projected trend of output.

The slightly decelerating trend which had been marking activity in construction since the beginning of 1999 continued in 2000 Q4 when, according to QNA data, the year-on-year growth rate was 6 %, 0.3 percentage points down on the previous quarter. The significant acceleration in civil engineering work in the latter months of 2000 was insufficient to offset the loss of momentum in building, which had until then been the most dynamic component. As mentioned when analysing the course of investment, the most up-to-date indicators of activity in the sector point to continuation of these trends in 2001 Q1.

The diminished buoyancy of the Spanish economy in 2000 Q4 was also reflected in services. The loss of vigour in domestic consumption and the lower growth of industrial production prompted a slight fall in the year-on-year growth rate of tertiary activities to 3.5 %, on QNA data, which extended the smooth deceleration observed during the rest of the year. The slowdown only affected market services, while the growth of services provided by general government held steady. The information relating to the first few months of 2001 points to continuation of this process in most of the activities of this branch. In particular, both the retail business climate indicator and Social Security registrations show less buoyancy, in line with the trend in private consumption. Meanwhile, the reduction in the rate of growth of Social Security registrations in the first few months of 2001 signals a further downturn in the transport, storage and communication sector. Against this, the recovery that appears to be occurring in hotels and catering, according to the behaviour of the

CHART 18

Gross value added and employment by branch of activity (a)



Source: Instituto Nacional de Estadística.

(a) Non-centred percentage change on same quarter a year earlier, based on the trend-cycle series published by INE. Employment refers to full-time equivalent jobs.

employment indicators in this sector during the first two months of the year is notable.

As mentioned at the beginning of this section, the moderation in productive activity in 2000 Q4 translated into a slowdown in employment growth of similar magnitude, entailing steady growth of apparent labour productivity, at around 0.7 %. The tendency for employment to increase more slowly seems to have continued in 2001 Q1, with a moderate recovery in productivity growth expected. Among the data available, notable was the large increase in the number of Social Security registrations in March, which made the year-on-year growth rate in Q1 similar to that in 2000 Q4 (4.6 %). It is not possible to know whether this very favourable figure may have been affected by the regulation processes that have recently taken place in relation to the employment situation of certain groups of immigrants. Meanwhile, the latest figures on the number of contracts registered with the National Employment Office (INEM) reflect a decline in comparison with the same period of the previous year (of 1.1 %). Also, the year-on-year rate of decline of registered unemployment fell from 3.8 % in 2000 Q4 to 3.2 % in 2001 Q1.

On QNA data, the deceleration of employment in 2000 Q4 was especially severe in construction and market services, where, up until then, the process of job creation had been strongest, with year-end annual growth rates of 5 % and 3.9 % respectively. In both cases the slowdown in employment over the year was steeper than that in GVA, so that apparent labour productivity showed a recovery. In industry, despite the loss of momentum of activity, employment growth continued to accelerate to Q4, when the annual rate reached 3.4 %, halting the path of recovery in productivity over the previous months. In terms of employment creation, the poorest performing sectors in 2000 were agriculture and services provided by general government. In the former there was a net loss of jobs and in the latter a stagnant level of employment. However, the growth profile of these two sectors showed gradual improvement over the year, in line with the more expansionary behaviour of GVA, and, as seen above, this trend seems to have continued during the first few months of 2001.

The foregoing analysis, based on QNA estimates of full-time equivalent employment, broadly coincides with Labour Force Survey (EPA) information, once the effect of renewal of the sample in Q1 is taken into consideration (2).

According to the EPA, in 2000 Q4 there was a loss of momentum both in the growth of workers with permanent contracts and temporary workers, although the former continues at a high rate (6.4 % year-on-year). In consequence, the ratio of temporary to total employment fell significantly, to 31.7 %, one percentage point lower than in 1999 Q4. With regard to the duration of the working day, in the final quarter of last year there was a significant deceleration in part-time employees, which increased by 2.2 %, while full-time workers increased by 4.2 %, a modest slowdown on the previous quarter.

From the viewpoint of the supply of labour, EPA data show a notable rise in the participation rate during 2000, to 51.4 % of the population over the age of 16 in Q4 (65.4 % if the over 65s are excluded). The female activity rate showed the larger increase, to 39.8 %, yet, given its past stability, the rise of 0.6 percentage points in the male rate (to 63.9 % in 2000 Q4) is more notable. The strength of job creation during the year more than made up for new entrants into the labour force, so that the rate of unemployment fell by almost two percentage points to stand at 13.6 % at end-2000. Finally, long-term unemployment (persons unemployed for more than one year) continued to fall as a proportion of total unemployment, to stand at 45.1 % in Q4.

4.3. Prices and costs

QNA data show, in 2000 Q4, a year-on-year increase in the GDP deflator of 3.4 %, down 0.1 percentage points on Q3. This slight deceleration was compatible with an expansion in the gross surplus per unit of output, since the increase in unit labour costs (of 3 %) was down 0.3 percentage points on the preceding quarter. The modest decline in the growth of unit labour costs was the result of a reduction in the growth of compensation per employee (in terms of full time equivalent jobs), since the growth rate of apparent labour productivity was unchanged.

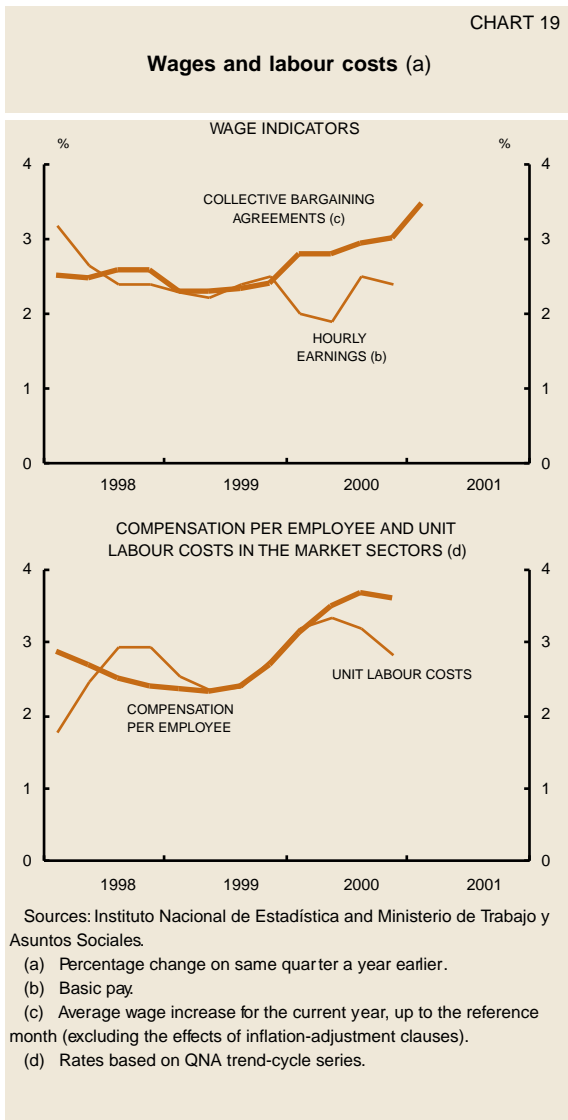
According to the Wages Survey, during 2000 Q4 the year-on-year rate of increase in average hourly earnings, in terms of total pay, was 2.5 %, similar to the Q3 rate. The increase in average monthly earnings was smaller (2.3 %), this being a slight deceleration on the summer

months. To assess these figures properly it needs to be taken into account that, owing to the partial renewal of the sample at the beginning of last year, certain industries that pay lower wages, in particular construction, now have a higher weight in the sample. This has pulled down aggregate wage growth. A more accurate view of wage dynamics last year may be obtained by analysing uniform data for the various industries. The high growth of wages in construction stands out, with a rise in average hourly earnings of 4.8 %, 0.8 percentage points more than in Q3, while in services there was an increase of 2.9 %, 0.2 percentage points up on Q3. At the other extreme was the slowdown in wages in industry, where average hourly earnings rose by 2.5 %, 0.8 percentage points less than in Q3.

The information available on collective bargaining during 2001 shows a significant pick-up in wages during Q1. The increase in wage rates negotiated in the collective agreements registered to 31 March was 3.5 %, significantly higher than last year's settlement, before taking into account the impact of the inflation-adjustment clauses that have been activated as a consequence of the deviation during 2000 of actual inflation from the projections established in that year's negotiations. The settlement in multi-year agreements was 3.4 %, and the notable acceleration seen in the first quarter of this year is due in part to the fact that the impact of the aforementioned clauses is reflected in this year's figures, their effect being assigned to 2001 as they are not retroactive. However, most of the inflation-adjustment clauses are retroactive, and therefore they are recorded in the statistics in 2000, although their economic impact and their effect on wage dynamics occurs in 2001. In accordance with the data released up until now, the impact of these clauses so far is 0.6 percentage points. Finally the increase in wages negotiated in newly signed agreements, still insignificant in number, is 4.1 % as at the end of March.

On QNA estimates, in 2000 Q4 the GVA deflator of the market economy grew at a similar rate to that of the economy as a whole, namely 3.4 %, the same rate as in Q3. The slowdown in unit labour costs was somewhat greater, down from 3.2 % in Q3 to 2.8 % in Q4, since the effect of the smaller increase in compensation per employee was reinforced by more dynamic productivity in the market economy. The development of collective bargaining in 2000 Q1 and the modest recovery that may be taking place in

(2) See the article in Spanish, «La evolución del empleo y del paro en el primer trimestre de 2000», published in the May 2000 edition of the Boletín Económico.



apparent productivity portend a further pick up in unit labour costs in this quarter.

The data available to 2000 Q4 show that the behaviour of prices and margins varied widely across branches of activity that year. In industry, the value-added deflator decreased substantially, while unit labour costs accelerated, mainly as a consequence of the sharp reduction in apparent labour productivity referred to earlier. As a result, the gross unit operating margin fell. However, these trends must be interpreted with some caution since the indicators available on price developments in industry did not show such negative rates as the provisional QNA estimates. The deflator of market services, meanwhile, accelerated mildly in the final quarter of the year, while unit labour costs fell sharply, as a result of a certain moderation in compensation per employee and of a less sharp fall in productivity. There was thus a recovery in unit

margins, following the deterioration seen in the preceding quarters. Finally, in construction, unit labour costs moderated significantly, while the deflator held at rates above 8.5 %. Accordingly, the unit surplus continued to widen throughout the year.

It would be rash to predict the behaviour of unit margins in the different productive branches during 2001 Q1. However, the data available on prices, wages, output and employment do permit a squeeze in margins to be predicted for the economy as a whole, which may have been distributed among the various industries rather unevenly. Specifically, it is in services that the impact of inflation-adjustment clauses tends to be smallest, so that, given the sharp increase in services prices, margins will foreseeably not have narrowed. The opposite may be the case in the industrial sectors.

The slight reduction in the GDP deflator in 2000 Q4 reflects the mild decline in the final demand deflator. The latter, nonetheless, continued to grow at a high rate (5 %), as a consequence of the continuing surge in import prices in the latter months of last year. The deflator of imports of goods and services increased at a year-on-year rate of 10.2 %, which meant that the accelerating path it had followed during the year until then, largely determined by the rising prices of energy imports, came to an end. The opening months of 2001 already show a significant slowdown in the prices of imported goods. According to the unit value index for imports estimated by the Ministry of Economy, on average in January and February the prices of all imports rose by 3.2 %, in contrast to the rate of 14.6 % in 2000 Q4. As analysed in section one of this chapter, this significant slowdown in the prices of imported goods also extends to non-energy products.

Two other factors – besides the recent moderation in import prices – determined the course of the main price indicators in the Spanish economy during 2001 Q1, namely the partial recovery in the euro/US dollar exchange rate and the worsening of the crisis in the livestock industry. The annual rate of increase in the CPI (the main indicator of final prices) stood at 3.9 % in March, only 0.1 percentage points down on December 2000 (see Chart 21). Meanwhile, the underlying rate of inflation, as approximated by the index of non-energy processed goods and services prices (IPSEBENE), continued to accelerate, its year-on-year rate of change reaching 3.3 % in March, 0.3 percentage points up on end-2000.

Urgent labour market reform measures contained in Royal Legislative Decree 5/2001

On 2 March 2001, Royal Legislative Decree 5/2001, on urgent measures to reform the labour market in order to increase employment and improve its quality, was approved. It now remains for its parliamentary stage to be completed. This decree introduces measures in the area of contract types, with other aspects of the labour market, notably collective bargaining still to be reviewed.

In the area of permanent contracts, the line of action commenced in 1997 has been continued, with an indefinite extension of the validity of the permanent employment-promoting contract, which was initially introduced on a temporary basis and ceased to be valid on 16 May 2001. The new permanent employment-promoting contract is aimed at a wider group of workers than that initially established in 1997. In particular, opportunities for gaining access to this type of contract are notably larger now that temporary contracts can be converted into this type of contract. Specifically, permanent employment-promoting contracts may be entered into with young unemployed persons aged from 16 to 30, unemployed women in professions with a low rate of female employment, the over 45s, unemployed persons registered as seeking employment for at least 6 months, the disabled and workers who, as at the date of execution of the permanent employment-promoting contract, have been employed by the same firm under a temporary contract entered into before 31 December 2003. The inclusion of the latter group means that practically any worker who has previously been hired by the firm with a temporary contract is now eligible for a permanent employment-promoting contract. In all cases, if the contract is terminated for objective reasons that are found to be unjustified, the amount of severance pay is 33 days of wages per year worked, up to a maximum of 24 months of wages. When contracts are terminated on disciplinary grounds found to be unjustified – a relatively normal practice, owing to the fact that tribunals continue to interpret the grounds justifying objective dismissals very narrowly – the severance pay is still 45 days of wages per year worked, up to a maximum of 42 months of wages, as in the case of ordinary permanent contracts.

Continuing the policy of promoting employment amongst groups that have the greatest difficulty finding work, incentives, in the form of reductions in social security contributions, for new permanent contracts (full or part time; ordinary or employment-promoting) entered into during 2001 with certain groups of worker have been raised. The groups most favourably treated are older and female workers, while the amount of the reductions, in comparison with the 2000 plan to promote permanent employment, has been decreased very significantly for young workers, being removed completely in the case of males.

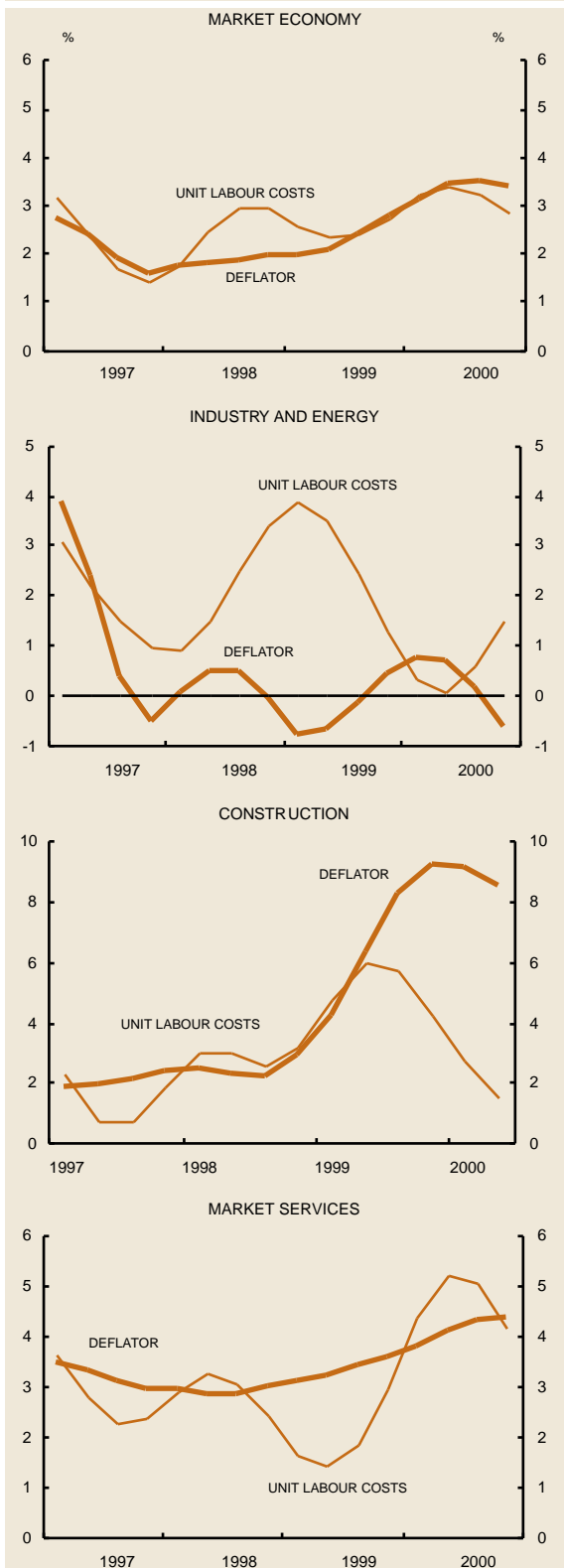
In relation to temporary employment, the possibility is envisaged of introducing limits through collective bargaining, in order to avoid the rolling over of temporary contracts and the abuse of temporary hiring. In addition, severance pay of 8 days of wages per year worked has been established for temporary contracts, except in cases of substitution, insertion and training contracts. As regards other forms of temporary contract, it should be pointed out that the maximum term of casual contracts is limited to one year and the training contract is widened to include workers over the age of 21 who belong to certain groups. In addition, an insertion contract has been established, which involves the hiring of a job seeker by general government to perform a task or service of general interest. Finally, other measures aiming to clarify permanent discontinuous contracts and to permit greater control over the subcontracting of tasks and services should be noted.

A number of measures have been introduced to promote part-time employment, which incorporate greater flexibility into part-time contracts. They should enable this type of contract to recover and regain the upward trend followed from the early nineties. In particular, the maximum limit of 77 % of normal working hours is removed for part-time contracts, the distribution of working hours is made more flexible and working hours are to be calculated on the basis of total hours worked, irrespective of their distribution. Also, the use of complementary hours (extra hours paid at the normal rate) is simplified. Together with this greater flexibility, the main elements introduced in the 1998 regulations, which tended to make this kind of contract more attractive to workers, are maintained. In particular, higher levels of social protection are guaranteed, overtime disappears, and complementary hours must have been specified and agreed in the contract.

The measures adopted amount to further progress in making the labour market more flexible, both by facilitating part-time hiring and by widening the group of workers eligible for permanent employment-promoting contracts, which at end-2000 represented about 20 % of employees with permanent contracts. With the changes introduced, the cost of a permanent employment-promoting contract during its first year of effectiveness approaches that of a temporary contract of similar duration – especially when the contract is for older workers, but big differences remain when the term of the contract is lengthened, especially from two years, when the subsidies disappear and severance pay mounts. That said, although the new regulations significantly broaden the group eligible for permanent employment-promoting contracts, certain problems remain that may limit the scope of these measures. In particular, the structure of incentives continues to be relatively complex. In addition to their revenue cost, this reduces transparency in hiring conditions and may distort employment decisions.

CHART 20

Prices and costs by branch of activity (a)



Source: Instituto Nacional de Estadística.
 (a) Non-centred annual percentage changes based on the QNA trend-cycles series.

The annual rate of increase in the energy component fell steeply to 2.1 % at the end of Q1, down from 11.2 % in December 2000. This was a consequence of the reduction in electricity tariffs for domestic consumers and the favourable behaviour of vehicle and heating fuels, which considerably outweighed the sharp increases in calor and natural gas. In any event, the uncertainty over how far the deceleration in the prices of imported oil-related products will go has still not been completely dispelled. The component of the CPI that accelerated most in Q1 was unprocessed food prices. It reached a year-on-year rate of increase of 10 % (6.5 % in December 2000) as a consequence of the crisis in the livestock sector. This has led to large increases in most meat prices, with the exception of beef, which has seen only a moderate fall in price.

The generally more stable consumer prices (IPSEBENE) are continuing to display an upward trend that dates back to mid-2000. The acceleration of processed food, with a rate of increase of 2 % in March (1.1 % in December 2000), was notable, with the decreases in oil and wine prices only partially offsetting the increases in milk and meat prices. The annual rate of increase in the prices of non-energy industrial goods rose by 0.2 percentage points between December and March, to 2.7 %. Finally, the prices of services continued to accelerate, reaching an annual rate of increase of 4.6 % in March. Transport, medical insurance and home maintenance contributed to this acceleration.

In the first quarter, final prices in Spain and in the euro area as a whole, as measured by the HICP, behaved fairly similarly, so that the differential in the total HICP held steady at the December level of 1.4 percentage points. However, food and especially unprocessed food prices increased at higher rates in Spain than in the euro area, while the prices of industrial goods, specifically energy goods, decelerated faster. Finally, the differential in services prices narrowed only slightly, to 2.5 percentage points in February.

Of the other price indicators, the significant slowdown in recent months in import prices, in line with the prices of goods exports, has already been analysed. As for the producer price index, the reduction in its rate of increase from 5.7 % in November 2000 to 3.6 % in February should also be noted.

4.4. The State budget

The Updated Stability and Growth Programme has confirmed the target, established in the State budget, of balanced public finances in 2001, compared to a deficit of 0.3 % of GDP in 2000. The balanced budget target for general government as a whole in 2001 involves a State deficit of 0.3 % of GDP (0.6 % in 2000), offset by a Social Security surplus of the same size, while territorial government finances are planned to be in balance.

The first data available for the year 2001 in the National Accounts framework, to March, are favourable for meeting this target. In Q1 the State surplus was ESP 107 billion (0.1 % of GDP), as against a deficit of ESP 54 billion (0.1 % of GDP) in the same period a year earlier (see Table 3). Receipts increased by 6.5 %, basically owing to the strength of direct taxes and to the larger receipts of Banco de España ordinary profits. The buoyancy of VAT receipts is also notable, while other taxes on products declined slightly, owing to the lower receipts from tobacco taxes (which rose sharply at the beginning of 2000 because of the rise in tobacco prices) and on hydrocarbons. Meanwhile, expenditure grew by 3.2 % to March, as against 4.7 % during 2000 as a whole. The moderate rate of growth of spending in 2001 Q1 was mainly attributable to final consumption expenditure and accrued interest, while the growth of capital expenditure cannot be considered significant. On the other hand, the growth of 6.1 % in transfers within general government, as against 15 % in the whole of 2000, is notable. However, both the trend in these transfers and that in final consumption expenditure were affected by the ongoing transfer of responsibilities to the regional (autonomous) governments.

The available cash-basis data show a State deficit of ESP 927 billion to March 2001, as against a deficit of ESP 1,000 billion in the same period of 2000. The reduction in the cash-basis deficit in 2001 Q1 was attributable to an increase of 6 % in revenue, well above that projected in the budget and to the 3.8 % growth in expenditure. The details of receipts and expenditure are discussed below, using cash-basis information.

As regards receipts, total tax revenues increased by more than projected in the budget. However, there was divergent behaviour among the various taxes. Direct taxes increased at a notable rate, similar to that seen during 2000 as a whole, while indirect taxes recorded a more

CHART 21

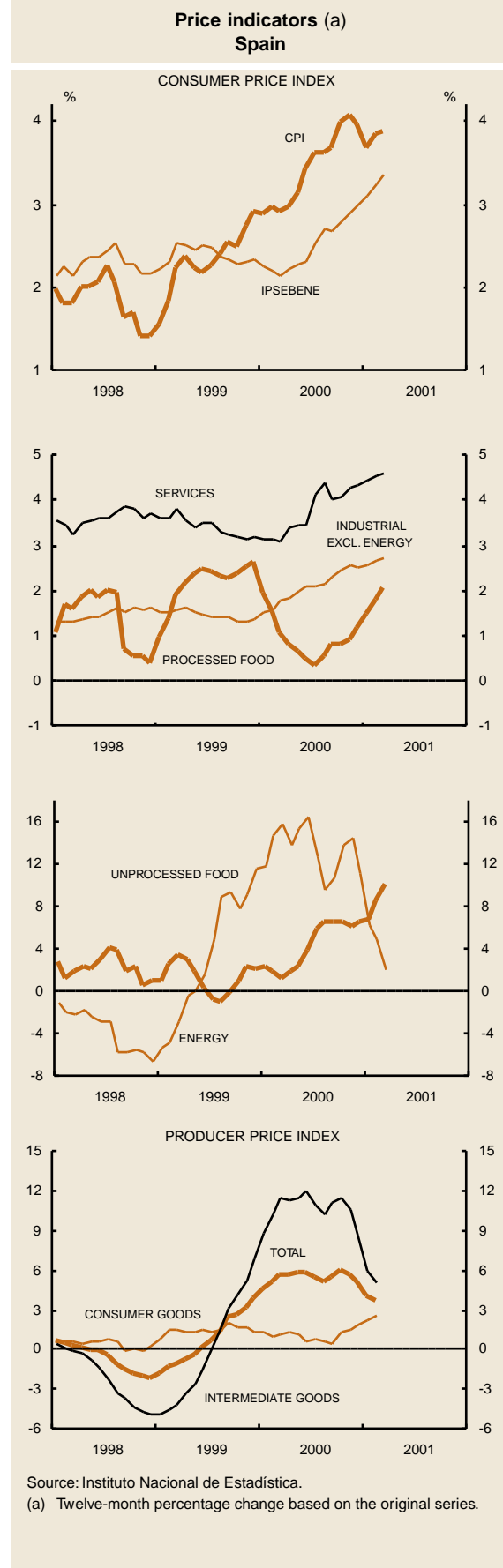
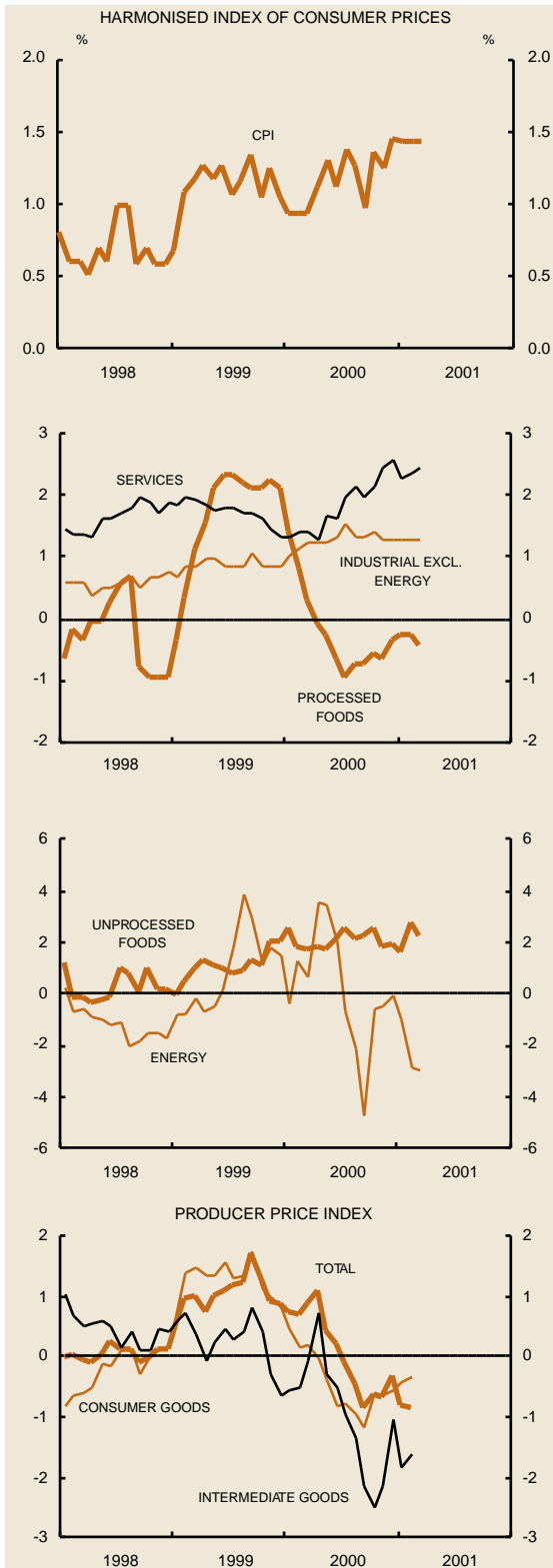


CHART 22

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.

moderate increase, which in Q1 was less than projected in the budget. The large increase in personal income tax revenues was notable. This was due, in part, to the larger receipts of withholdings on earned income from the regional (autonomous) governments relating to previous years. As for the corporate income tax, its trend in Q1 is of little significance for the year as a whole and may have been mainly determined by lower rebates than in the same period of 2000.

As for indirect taxes, their low rate of growth to March was primarily attributable to the decline in receipts from excise duties. Notable, as mentioned earlier, was the fall in revenues from tobacco and hydrocarbons, although receipts from duties on electricity and on certain means of transport also decreased. On the other hand, VAT grew in Q1 at a very similar rate to in 2000 as a whole, and in line with the budget projection.

Non-tax receipts fell slightly to March, owing to lower capital transfers, most of which arise from transactions with the EU. However, as a consequence of the increase in profits from the Banco de España, the fall in total non-tax receipts in Q1 was very much smaller than projected in the budget.

As regards expenditure, its growth to March was greater than budgeted, owing to the increases in transfers (both current and capital), while goods and services and interest payments declined at a somewhat faster rate than projected in the budget. However, the rate of growth of expenditure in Q1 matched that for the whole of 2000, as the higher rates of change of capital spending, interest payments and wages and salaries was offset by the slower growth of current transfers. The latter two items have been affected by the aforementioned process of transfer of responsibilities to the regional (autonomous) governments. Payments to the latter in respect of their share in State revenues rose by 15 % to March (more than 30 % in 2000), while the contribution to INSALUD to finance health care rose by 6.5 % in 2001 Q1, slightly more than budgeted.

Finally, there follow a few comments on the first social security budget outturn data for 2001. Receipts of contributions (without including surcharges and fines) rose by 9.1 % in January, somewhat more than projected in the budget. The growth of these receipts continued to be driven by the buoyancy of registrations. On

TABLE 3

State Budget outturn

ESP bn and %

	Outturn		Budget		Outturn		
	2000	Percentage change 2000/1999	2001	Percentage change 2001/2000	2000 JAN-MAR	2001 JAN-MAR	Percentage change
	1	2	3	4=3/1	5	6	7=6/5
1. Revenue	19,749	7.5	20,421	3.4	4,866	5,159	6.0
Direct taxes	8,557	9.5	9,013	5.3	1,738	1,893	8.9
<i>Personal income tax</i>	5,350	4.9	5,675	6.1	1,589	1,767	11.2
<i>Corporate income tax</i>	2,863	17.5	3,022	5.6	43	88	104.8
<i>Other (a)</i>	345	21.8	316	-8.4	106	38	-64.5
Indirect taxes	8,532	7.3	9,117	6.9	2,505	2,649	5.7
<i>VAT</i>	5,557	8.7	6,022	8.4	1,777	1,928	8.5
<i>Excise duties</i>	2,672	4.1	2,778	4.0	657	646	-1.7
<i>Other (b)</i>	304	12.4	317	4.4	71	75	4.6
Other net revenue	2,659	2.4	2,291	-13.8	622	617	-0.8
2. Expenditure (c)	20,153	3.8	20,662	2.5	5,866	6,086	3.8
Wages and salaries	2,706	-9.2	2,770	2.4	628	644	2.6
Goods and services	395	-9.5	351	-11.1	133	116	-12.8
Interest payments	2,948	-7.3	2,836	-3.8	1,564	1,495	-4.4
Current transfers	12,117	12.1	12,533	3.4	2,930	3,150	7.5
Investment	1,004	4.9	1,097	9.3	373	386	3.5
Capital transfers	985	-7.4	1,075	9.2	238	295	23.6
3. Cash-basis balance (3 = 1 - 2)	-404	-61.7	-241	-40.5	-1,000	-927	-7.3
MEMORANDUM ITEM: NATIONAL ACCOUNTS:							
Revenue	19,835	7.6	—	—	4,842	5,157	6.5
Expenditure	20,461	4.7	—	—	4,896	5,050	3.2
Net borrowing (-) or net lending (+) (d)	-626	-43.3	-320	-48.9	-54	107	•

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.

(c) Includes unclassified expenditure.

(d) The annual figures (columns 1 and 3) are from the Spanish Finance Ministry's reply to the Excessive Deficit Protocol questionnaire.

the expenditure side, spending on contributory pensions grew by 6 % in January, in line with the budget, although had the compensation for the inflation deviation in 2000 been recorded in 2001, an acceleration in this item would have been expected. The number of contributory pensions rose by 1.3 % to March, in line with the budget projection and the increase in 2000. With respect to expenditure by INEM, that on unemployment benefits increased by 8 % to February. The increase in the number of beneficiaries of benefit for complete unemployment (3.1 % to February) and the decline in registered unemployment led to a further increase in

the eligibility ratio, which stood at 68.3 % to February.

4.5. The Spanish balance of payments and capital account

In January 2001, the current and capital accounts ran an overall deficit of EUR 926 million, down EUR 132 million on the same month a year earlier. This outturn reflects a more favourable performance by the current account in January; its deficit was EUR 344 million lower than in the same period a year earlier, owing to

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

	JAN-JAN	
	2000	2001
	Receipts	Receipts
Current account	14,491	18,243
Goods	8,402	10,167
Services	3,446	4,443
<i>Tourism</i>	1,816	2,290
<i>Other services</i>	1,630	2,153
Income	1,266	1,993
Current transfers	1,377	1,641
Capital account	717	505
	Payments	Payments
Current account	16,177	19,585
Goods	10,606	12,395
Services	2,367	2,867
<i>Tourism</i>	353	468
<i>Other services</i>	2,015	2,399
Income	1,868	3,122
Current transfers	1,335	1,201
Capital account	90	90
	Balance	Balance
Current account	-1,686	-1,342
Goods	-2,204	-2,228
Services	1,079	1,576
<i>Tourism</i>	1,464	1,822
<i>Other services</i>	-385	-246
Income	-602	-1,129
Current transfers	41	439
Capital account	627	415

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

the healthy performance of the tourism and current transfers balances, as well as the smaller deterioration in the trade balance, while the income deficit widened notably. However, the surplus on capital account moved adversely, to stand at EUR 415 million in January, down EUR 212 million from the same period a year earlier.

The drastic moderation in the rate of growth of the trade deficit, which rose by only 1.1 % in January, as against 30.3 % on average in 2000, was basically a consequence of the improvement in the terms of trade at the beginning of the current year, due to the moderation in the rate of increase of the prices of imported energy products and, to a lesser extent, the more subdued behaviour of the prices of non-energy im-

ports. Also, real goods exports remained highly dynamic in January, although the volume of imports also accelerated that month. The tourism surplus rose by 24.5 % in the first month of the year, with a strengthening of the upward trend seen in recent months, following the moderation in mid-2000. Tourism receipts were highly vigorous, with a rate of growth of 26.1 % in January, reflecting the improved behaviour of real indicators of tourist arrivals since the beginning of this year. Tourism payments, sustaining last year's buoyancy, also grew strongly, rising by 32.8 %. As for other non-tourism services, their deficit showed a mild improvement, as receipts grew at a higher rate than payments.

The data on foreign trade developments in February, show a very moderate increase in the trade deficit in relation to last year's outturn. Given the vigour displayed by the tourism indicators, this means that a further correction in the external imbalance in goods and services trade can be expected when the February balance of payments figures are released.

The income balance worsened in January by EUR 527 million, compared with the same month a year earlier. Receipts continued to grow at a very high rate (57.4 %), in line with the heavy investment abroad in recent years, while payments grew at an even higher rate (67.1 %), reflecting the vigorous growth in foreign investment in mutual funds and bonds and notes throughout the year 2000 and the greater buoyancy of short-term investment in deposits.

In January, the current transfers surplus rose by EUR 398 million from a year earlier, as a consequence of the notable growth in transfers to the private sector through EAGGF-Guarantee, while the flows from the EU under the European Social Fund fell slightly. Finally, the capital account surplus showed a deterioration of EUR 212 million in relation to January 2000, owing to the decline in structural funds from the EU under the ERDF and the Cohesion Fund, caused by the delays in the receipt of these flows, which take place at the beginning of the year, until the projects to be funded have been presented and finally approved.

The nation's lower net borrowing reflected by these data would be consistent with an improvement in the sectoral balances of households and corporations. This is, in turn, a consequence of the progressive slowdown in residential investment and private productive investment in recent months, against a background of more moderate economic growth.

5. Financial flows in the Spanish economy

5.1. Financial flows in the economy as a whole

During 2000 Q4 the balance of net financial transactions (3) of the nation was once again negative, at -0.4% of GDP. In terms of the institutional sectors, net household financial saving held at low levels, while the other resident sectors followed the pattern of the previous quarters. Over the year as a whole, the balance of the nation's financial transactions fell to -2.2% of GDP, compared with -1.1% in 1999 (see Table 5). This was due to the deterioration in net household financial saving and to the growing borrowing requirements of non-financial corporations, against a background in which general government net borrowing declined notably and in which financial corporations slightly increased their saving.

The greater dependence on foreign saving to finance domestic investment was, however, no obstacle to the continuing internationalisation of the Spanish economy's financial flows, a phenomenon affecting all resident sectors to a greater or lesser degree. Inter-sectoral flows (see the lower part of Table 5) show that general government continued reducing sharply the financing received from resident sectors, replacing it with financing from the rest of the world. This process, which began in 1999, moved onto a higher plane in the year 2000 when the financing extended by non-residents to general government rose to levels close to 6% of GDP. Institutional investors continue to increase their holdings of foreign financial assets; indeed, the volume of their transactions in 2000 amounted to 5.5% of GDP, in net terms. This internationalisation of institutional investors' holdings is ultimately the main channel through which part of Spanish household saving is being routed abroad.

Credit institutions have continued channelling saving from abroad to finance the gap between domestic investment and saving. Over the past year, this sector received net foreign financing amounting to 5.2% of GDP, and was thus able to meet the strong growth of the resident sectors' demand for credit, which stood at an annual rate of 18% in December 2000. Significantly, however, the monthly indicators of monetary and financial conditions in the Span-

(3) 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 (as 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.

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

TABLE 5

% of GDP

	NET FINANCIAL TRANSACTIONS								
	1995	1996	1997	1998	1999	2000			
						Q1	Q2	Q3	Q4
Total economy	1.0	1.2	1.6	0.5	-1.1	-1.6	-1.9	-2.1	-2.2
Non-financial corporations and households and NPIs	6.7	5.1	4.0	2.0	-0.5	-0.9	-2.1	-2.4	-2.5
Non-financial corporations	0.5	-0.1	-0.4	-1.2	-1.8	-2.2	-2.5	-2.7	-2.7
Households and NPIs	6.2	5.3	4.5	3.2	1.3	1.3	0.3	0.3	0.1
Financial institutions	1.0	1.0	0.7	1.1	0.5	0.7	0.7	0.8	0.7
General government	-6.6	-4.9	-3.2	-2.6	-1.2	-1.5	-0.4	-0.5	-0.3
	INTER-SECTORAL FLOWS (a)								
	1995	1996	1997	1998	1999	2000			
						Q1	Q2	Q3	Q4
Households and NPIs	6.2	5.3	4.5	3.2	1.3	1.3	0.3	0.3	0.1
Vis-à-vis:									
Credit institutions (b)	2.0	-2.6	-6.7	-4.4	0.3	2.2	1.5	1.6	-0.4
Institutional investors (c)	3.0	8.8	10.8	7.6	1.0	-0.9	-1.7	-1.3	0.0
Non-financial corporations	0.5	-0.1	-0.4	-1.2	-1.8	-2.2	-2.5	-2.7	-2.7
Vis-à-vis:									
Credit institutions (b)	-1.4	-0.4	-3.1	-4.2	-3.7	-5.1	-4.5	-5.4	-6.4
Rest of the world	-0.3	0.4	1.7	0.5	-0.4	0.3	-0.7	-0.7	1.1
General government	-6.6	-4.9	-3.2	-2.6	-1.2	-1.5	-0.4	-0.5	-0.3
Vis-à-vis:									
Credit institutions (b)	-3.1	-0.4	1.4	1.4	1.4	1.3	1.2	1.3	2.2
Institutional investors (c)	0.5	-5.9	-3.9	-2.6	1.7	1.7	3.3	3.5	3.5
Rest of the world	-3.4	-0.2	-2.0	-1.1	-4.3	-3.8	-3.8	-4.5	-5.9
Rest of the world	-1.0	-1.2	-1.6	-0.5	1.1	1.6	1.9	2.1	2.2
Vis-à-vis:									
Credit institutions (b)	-2.8	0.9	2.8	7.2	2.2	3.8	3.8	3.3	5.2
Institutional investors (c)	-0.5	-0.9	-2.6	-6.3	-3.5	-3.6	-3.9	-4.2	-5.5
Non-financial corporations	0.3	-0.4	-1.7	-0.5	0.4	-0.3	0.7	0.7	-1.1
General government	3.4	0.2	2.0	1.1	4.3	3.8	3.8	4.5	5.9

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.

ish economy show a moderate slowdown in the growth rate of credit extended to the private sector in the opening months of 2001 (see Chart 23). In particular, the annual growth rate of loans granted by resident credit institutions to the non-financial resident private sector, the main component of this sector's financing, has fallen to 14.3 % in March. The financing raised by the non-financial private sector via the issuance of fixed-income securities and securitisation funds continues to be scant and notably volatile.

The information for 2000 Q4 also shows that the process of banking reintermediation of household financial transactions witnessed over the course of 2000 may have come to a halt. This is because household net financing to credit institutions declined and, at the same time, there was an easing of the intensity with which the saving channeled towards institutional investors had been falling. In fact, there were fewer sales of mutual fund shares than in previous quarters and acquisitions of assets via pension funds and insurance corporations remained high.

5.2. Financial flows of households

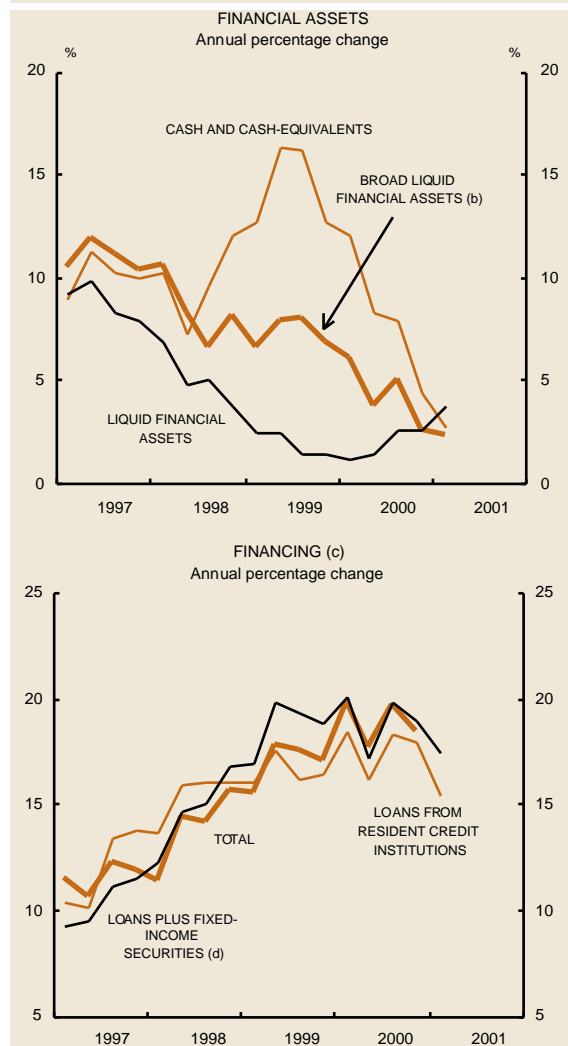
During 2000 Q4 the net financial saving of households and NPIs stood at 0.8 % of GDP. Nonetheless, it should be borne in mind that saving traditionally rises in this sector in the final quarter of the year. Indeed, in cumulative terms for the year as a whole, household financial saving stood at 0.1 % of GDP, compared with 1.3 % in 1999. The declining trend of saving evident since the mid-nineties has been against a backdrop of improved financing conditions, highly buoyant economic activity (accompanied by strong job creation), greater macroeconomic stability, rising property and financial asset values, and low real interest rates, by historical standards. Thus, households have been able to sustain relatively expansionary spending decisions and increase their debt without having to reduce their net wealth accordingly below the desired level. Nonetheless, since the start of the year 2000 there has been a series of events which might ultimately prompt a turnaround in household financial saving. Among these is the loss of impetus of the expansionary phase of the business cycle, the decline in wealth associated with the recent trend of share prices (markedly so as from 2000 Q2 — see Chart 24) and the rise in the cost of financing related to the change in the single monetary policy stance. On the as yet provisional information currently available, there are however no signs that these factors have begun to affect household saving decisions significantly.

Analysis of the components of net financial saving shows that household purchases of financial assets (see Chart 24 and Table 6) were less intense in 2000 Q4. In particular, there was significant disinvestment (in seasonally adjusted terms) in the most liquid financial assets or *cash and cash equivalents* (which include cash, overnight deposits and savings deposits), which is part of the downtrend in the demand for these instruments which began after the rise in short-term interest rates as from mid-1999. Investment also eased in *other deposits and fixed-income securities* (which include time deposits and repos); in the year as a whole, however, this amounted to 5.9 % of GDP, compared with 2.6 % in 1999. Lastly, payments to pensions schemes and insurance policies (included under other) remained high, while net investment in *shares and other equity* ceased to be negative as a result of the moderation of sales of shares in mutual funds, especially those with lower levels of risk (money market funds and national fixed-income funds).

The provisional monthly indicators available on monetary and financial conditions in the

CHART 23

Non-financial corporations, households and NPIs (a)



Source: Banco de España.

- (a) The data for 2001 Q1 are those for February.
- (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.

Spanish economy point to the possible continuation of the above-mentioned trends during the opening months of 2001 (4) (see Chart 23). Thus, according to the latest information for March, liquid financial assets (LFA) have quickened to a growth rate of 4.7 % as a result of the

(4) It should be clarified, however, that these indicators do not enable the components of households and non-financial corporations to be separately identified. Accordingly, the conclusions on household transactions should be interpreted with due caution.

TABLE 6

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

% of GDP

	1998	1999	2000	2000		
				Q2	Q3	Q4
HOUSEHOLDS AND NPIs:						
Financial transactions (assets)	10.3	9.8	8.0	1.6	2.2	1.5
Cash and cash equivalents	3.3	4.4	0.8	0.0	0.6	-0.6
Other deposits and fixed-income securities (b)	-1.7	2.6	5.9	1.8	1.3	1.1
Shares and other equity	5.3	-2.0	-3.0	-0.8	-0.8	0.0
Other	3.4	4.9	4.2	0.6	1.0	1.0
Financial transactions (liabilities)	7.0	8.6	8.0	2.1	2.2	1.8
Credit from resident credit institutions	5.9	6.4	6.9	1.5	1.9	2.0
Other	1.1	2.2	1.1	0.6	0.3	-0.2
NON-FINANCIAL CORPORATIONS:						
Financial transactions (assets)	14.3	18.0	28.8	7.0	10.3	6.6
Cash and cash equivalents	1.5	0.7	0.8	0.3	0.3	-0.2
Other deposits and fixed-income securities (b)	0.2	-0.2	1.1	0.4	1.0	-0.6
Shares and other equity	3.0	7.9	13.6	3.1	4.9	4.9
Other	9.7	9.5	13.3	3.2	4.2	2.6
Financial transactions (liabilities)	15.5	19.8	31.6	7.9	11.4	6.6
Credit from resident credit institutions	4.7	4.9	6.7	1.8	1.9	1.1
Foreign loans, fixed-income securities and securitisation funds (b)	1.7	3.9	3.0	0.9	1.7	0.2
Other	9.2	11.1	21.8	5.1	7.8	5.3
MEMORANDUM ITEM: YEAR-ON-YEAR GROWTH RATES (%):						
Liquid financial assets	3.8	1.5		1.5	2.6	2.6
Households and NPIs	4.0	0.7		0.0	0.7	0.9
Non-financial corporations	2.5	5.8		9.1	13.1	11.7
Financing (c)	16.9	18.8		17.2	19.9	19.0
Households and NPIs	19.3	19.6		17.4	17.5	17.3
Non-financial corporations	15.1	18.3		17.1	21.8	20.2

Source: Banco de España.

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

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

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

uneven performance of the growth rates of its two components: *cash and cash equivalents and other liquid assets*. The growth rate of *cash and cash equivalents* continued to decline, standing at 2 % in March, with the deceleration evident in all its components. Conversely, *other financial assets* continued to accelerate, with its growth rate standing at 7.2 % in March compared with 1 % in December 2000. Under these instruments, the growth of time deposits and repos held steady, and fewer capital losses in money market and domestic fixed-income funds were recorded. The remaining mutual funds -international and equity funds- saw a sizeable de-

pletion in their net worth, which accounts for the deceleration in the broad monetary aggregate *broad liquid financial assets*.

In 2000 Q4, total financing received by households was also more moderate, in seasonally adjusted terms, than in previous quarters (see the lower panel of Chart 23). However, the financing received via resident credit institutions grew once more (in seasonally adjusted terms), standing at 2 % of GDP in Q4 compared with 1.9 % in Q3. According to the information available on credit by type, financing for house purchases continued to be the main end-

use. However, in Q4 consumer credit also rose somewhat, reversing its downward trend since the beginning of the year.

During 2000 Q4, the wealth position of households, measured via their debt ratios (see Chart 25), worsened. Household debt – approximated by the sum of bank credit and financing intermediated by securitisation funds – held on a rising trend, climbing to 45 % of GDP. Although, as discussed, this sustained growth in household debt in recent years can be partly accounted for by greater macroeconomic stability and the favourable cyclical juncture, it has entailed a rapid, sharp increase in the sector’s degree of exposure to the risks associated with future financial and real asset prices.

5.3. Financial flows of non-financial corporations

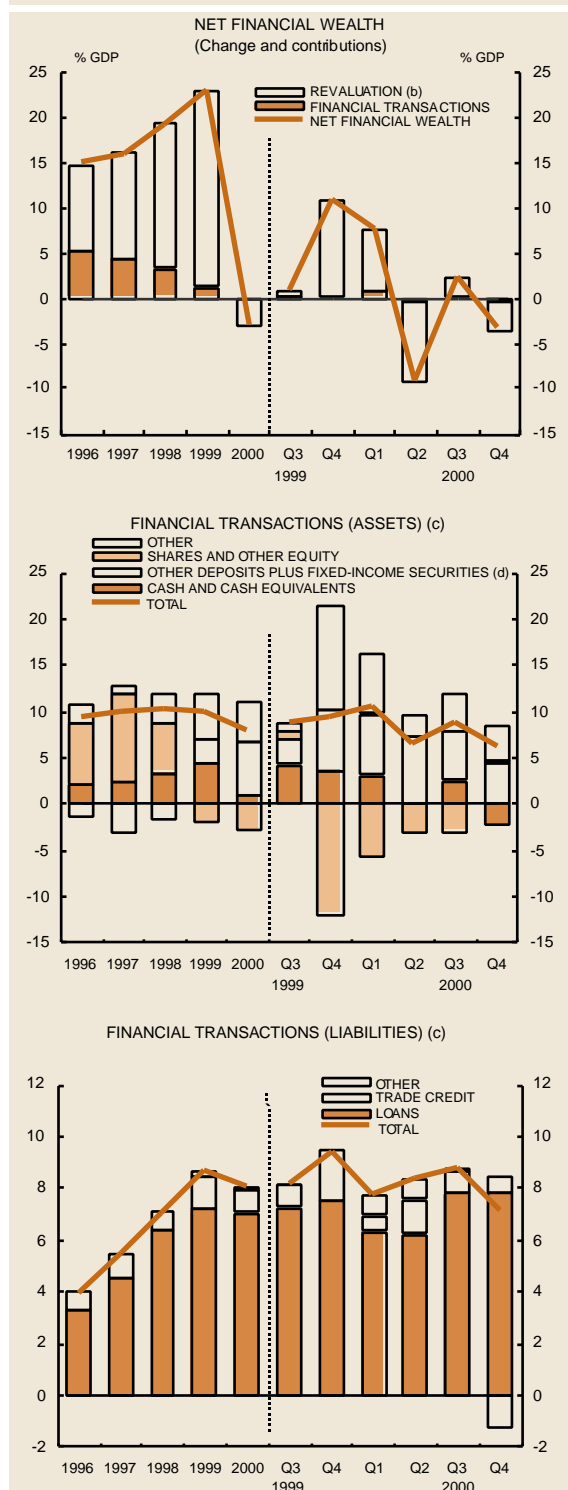
In 2000 Q4, the net financial saving of non-financial corporations stood at 0.1 %, although in cumulative four-quarter terms the level of net borrowing of previous quarters was maintained (see Table 5). Over the year as a whole, the net financing received by this sector amounted to 2.7 % of GDP, compared with 1.8 % in 1999. As a result of the growing internationalisation of this sector, the funds needed to finance gross capital formation (domestic investment) and foreign share purchases nevertheless increased during Q4, as had been the case in the preceding quarters (see Table 6 and Chart 26). On this occasion, a significant portion of the acquisition of shares issued by non-residents was related to a share-exchange operation between a resident company and a foreign company which did thus not entail greater indebtedness for the resident sector.

In terms of components, it should be pointed out that, although the volume of acquired financial assets and liabilities was less than the previous quarter (see Table 6), these volumes remain high and continue to hinge on the particular financial decisions of certain large resident corporations. During the final quarter of the year, the net increase in liabilities was substantially in the form of share issues which, on this occasion, were predominantly (over 80 %) unquoted shares (5). Financing obtained via bank loans was more moderate than in previous

(5) The data for both the third and fourth quarters of 2000 include a significant transaction involving the transfer of a credit institution’s industrial portfolio to a non-financial holding company. The creation of this holding company is recorded in the financial accounts as an increase in unquoted shares issued by non-financial corporations.

CHART 24

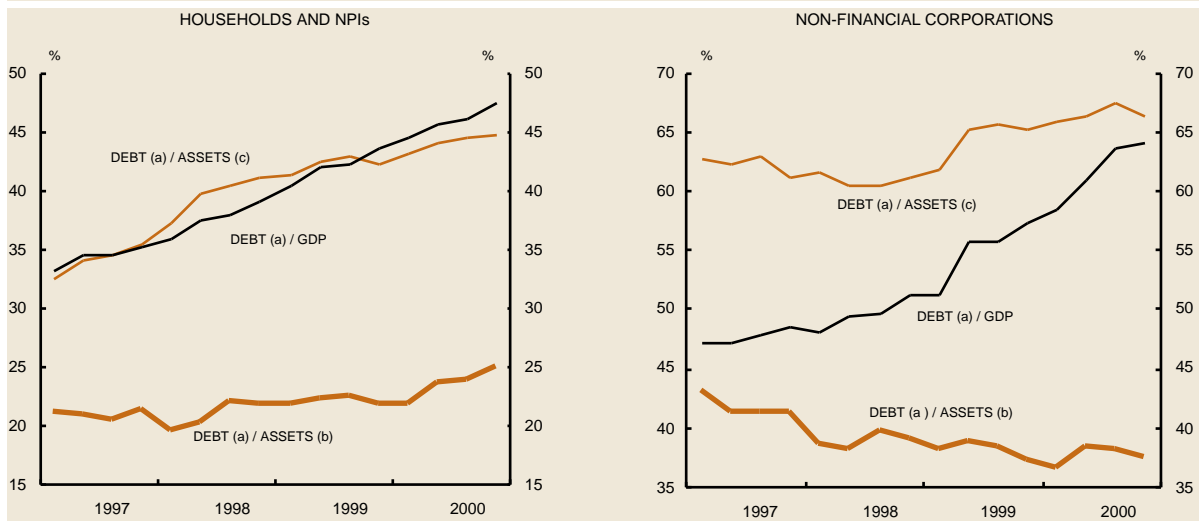
Households and NPIs (a)



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.

CHART 25

Debt ratios



Source: Banco de España.

- (a) Including bank credit extended by resident credit institutions, foreign loans, fixed-income securities and financing through securitisation funds.
- (b) Total assets excluding other.
- (c) Total assets excluding other less shares and other equity (not including money-market funds).

quarters, although it should be recalled that the flow of financing in the preceding quarter was influenced by investment in UMTS mobile telephony licences. Overall, the year-on-year growth of financing obtained via bank loans, fixed-income securities issuance and securitisation funds was 20.2 %, compared with 21.8 % the previous quarter (see Table 6). On the information available on the breakdown of credit by productive sector for Q4, the services sector was again the main recipient of bank financing.

The initial and as yet provisional data available on the financing received by non-financial corporations from resident credit institutions in the opening months of 2001 appear to confirm the moderate slowdown recorded in 2000 Q4.

The debt of non-financial corporations as a proportion of GDP increased again in 2000 Q4 to a level of close to 65 % (see Chart 25). Although this level of debt is similar to that of other European countries, it is nonetheless high in historical terms.

5.4. General government financial flows

During the year 2000, general government net financial transactions remained on the de-

clining trend marking their course in recent years. The balance of these transactions thus stood at -0.3 % of GDP, compared with -1.2 % in 1999.

Financial requirements, which include the net resources obtained via the resort to markets through the issuance of securities, the obtaining of credit and use of balances held on deposit, were negative during 2000 Q4 (see Chart 27). Issues of medium- and long-term bonds were once more high, at a volume of around EUR 10 billion. These issues enabled general government to raise resources to pursue the redemption of short-term securities, the outcome for the final quarter of the year being net redemptions amounting to about EUR 1.2 billion. The resources obtained also translated into an increase in deposits by an amount exceeding EUR 8 billion.

One of the most salient phenomena of the past two years, which intensified in the second half of the year 2000, has been the replacement of financing from resident sectors by financing from the rest of the world. During 2000 Q4, the value of bonds taken up by non-residents amounted to over EUR 13 billion, in net terms. Taking stock for the year, net bond issues were somewhat over EUR 18 billion and bond purchases by non-residents amounted to EUR 33 billion.

CHART 26

Non-financial corporations (a)

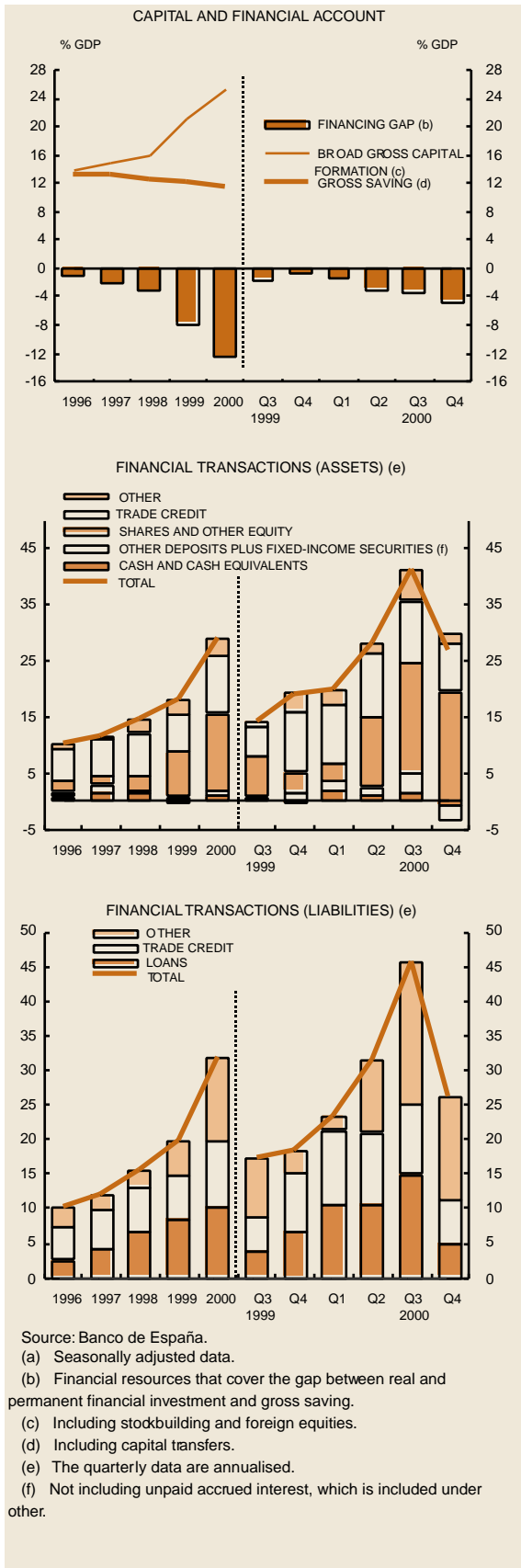
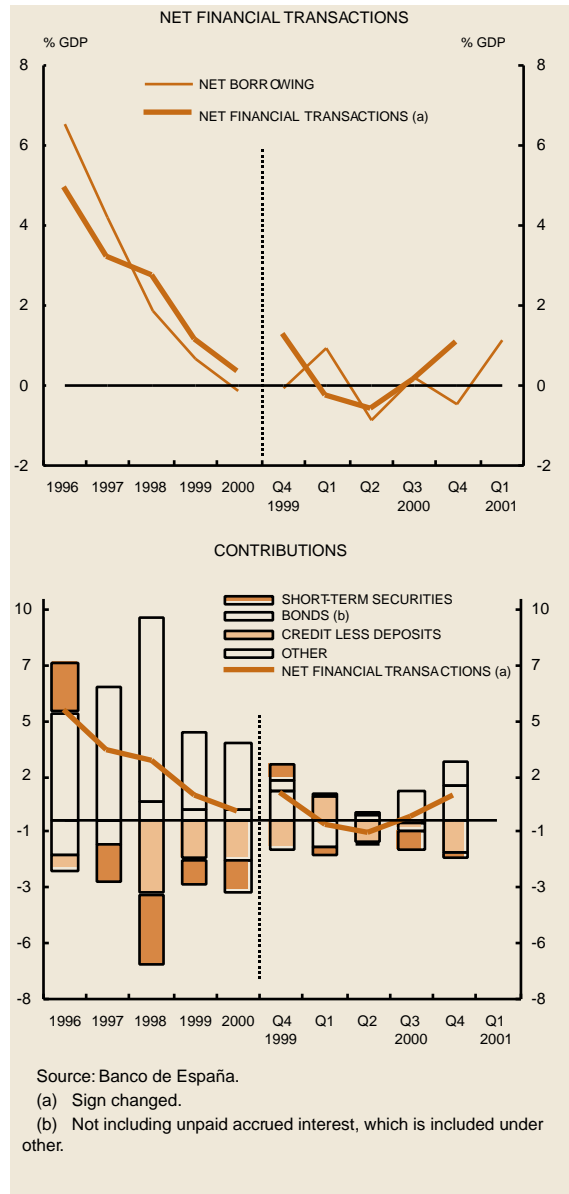


CHART 27

General government



The provisional information for 2001 Q1 indicates general government financial requirements to be practically nil. During this quarter there have been net redemptions of long-term securities, while net issues of short-term instruments were virtually nil. These net redemptions and higher interest payments during 2001 Q1 have been financed through a reduction in deposits.

5.5. Financial flows between the Spanish economy and the rest of the world

As indicated, the balance of the nation's net financial transactions stood at -2.2 % of GDP in the year 2000, against -1.1 % in 1999 (see

TABLE 7

Financial transactions of the nation (a)

% of GDP

	1998	1999	2000	2000		
				Q2	Q3	Q4
Net financial transactions	0.5	-1.1	-2.2	-0.5	-0.6	-0.4
Financial transactions (assets)	12.8	14.9	25.0	4.3	8.9	8.1
Gold and SDRs	0.0	-0.2	0.0	0.0	0.0	0.0
Cash and deposits	3.2	1.8	2.6	-1.0	2.6	0.2
Credit system	0.0	3.7	2.6	-1.0	2.6	0.9
Other resident sectors	3.2	-1.9	0.0	0.0	0.0	-0.7
Securities other than shares	3.4	2.8	3.6	1.3	1.3	1.4
Credit system	-1.4	-0.9	-0.3	-0.2	0.4	-0.1
Other resident sectors	4.8	3.7	3.9	1.5	0.9	1.5
Shares and other equity	4.4	8.8	14.8	3.3	3.4	5.7
Credit system	0.4	0.5	2.0	0.5	0.6	0.4
Other resident sectors	4.0	8.3	12.8	2.7	2.8	5.3
Of which:						
Non-financial corporations	2.2	6.1	9.7	2.1	2.4	4.8
Loans	1.9	1.7	4.0	0.8	1.6	0.8
Credit system	0.2	-0.1	0.5	0.1	0.1	0.3
Other resident sectors	1.7	1.8	3.4	0.7	1.5	0.6
Financial transactions (liabilities)	12.3	16.1	27.3	4.9	9.5	8.5
Deposits	6.0	4.2	7.4	1.5	1.7	2.7
Of which:						
Credit system	5.9	4.1	7.3	1.5	1.7	2.7
Securities other than shares	1.0	5.5	6.8	1.0	2.3	2.2
Credit system	0.2	0.9	0.8	0.3	0.2	0.0
General government	1.0	4.3	5.6	0.6	2.0	2.1
Other resident sectors	-0.2	0.3	0.4	0.1	0.0	0.1
Shares and other equity	2.9	2.9	8.9	1.8	2.9	3.5
Credit system	0.1	0.3	1.6	0.5	0.7	0.1
Other resident sectors	2.8	2.7	7.4	1.4	2.2	3.4
Loans	3.0	4.9	5.1	1.2	2.4	0.6
General government	0.1	0.0	0.1	0.1	-0.1	0.0
Other resident sectors	2.9	4.8	5.0	1.2	2.5	0.6
Other, net (b)	-0.6	-1.5	-0.9	-0.6	0.2	-0.4

Source: Banco de España.

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

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

Table 7). The information for the fourth quarter does thus not reveal any changes in the trends observed over the course of the year. The volume of purchases of external financial assets and liabilities were high, reflecting the growing internationalisation of the Spanish economy. During the year 2000, therefore, net acquisitions of foreign financial assets held by resident sectors accounted for 25 % of GDP, compared with 14.8 % in 1999. The net rise in the nation's liabilities vis-à-vis the rest of the world amounted to 27.3 % of GDP, compared with 16.1 % in 1999.

Financial asset acquisitions were directed particularly at *shares and other equity* (5.7 % of GDP) during the quarter. This investment was mainly by non-financial corporations (4.8 %), although behind them may be credit institutions, which occasionally invest abroad through non-financial holding companies.

The cumulative volume of foreign liabilities was, as in the previous quarter, very high, standing at 8.5 % of GDP. Liabilities transactions were particularly sizeable in the case of non-financial corporations. During Q4, the rest

TABLE 8

**Net financial assets vis-à-vis the rest of the world (a)
(Q4 data)**

% of GDP

	1995	1996	1997	1998	1999	2000
Total economy	-19.5	-19.7	-20.7	-21.7	-23.3	-24.8
Non-financial corporations and households and NPIs	-13.9	-13.3	-10.9	-9.0	-9.1	-4.8
Non-financial corporations	-17.9	-18.3	-17.3	-15.3	-16.5	-12.8
Households and NPIs	4.0	5.0	6.4	6.3	7.3	8.0
Financial institutions	9.2	8.8	7.2	5.2	6.5	4.9
Credit institutions (b)	8.0	6.7	2.4	-5.4	-7.9	-12.6
Institutional investors (c)	1.3	2.2	4.9	11.0	15.0	18.3
Other financial institutions	0.0	-0.1	-0.1	-0.4	-0.6	-0.8
General Government	-14.9	-15.2	-17.0	-17.9	-20.6	-24.8

Source: Banco de España.

(a) Calculated as the difference between the stock of financial assets and financial liabilities vis-à-vis the rest of the world according to quarterly financial accounts data.

(b) Defined according to the First Banking Directive.

(c) Insurance corporations and collective investment undertakings.

of the world acquired shares in this sector for a value accounting for approximately 3 % of GDP. The general government sector built up net foreign liabilities valued at 2.1 % of GDP. Lastly, funds raised abroad by resident credit institutions increased notably, especially those in the form of deposits. It is these resources which have ultimately enabled the shortfall in national saving in financing domestic investment to be made up.

As a result of these transactions in 2000 Q4, general government and, above all, credit institutions increased their debit position vis-à-vis the rest of the world as they had in previous quarters (see Table 8). Nonetheless, institutional investors continued to increase their net external assets and non-financial corporations reduced their liability position.

19.4.2001.

Results of non-financial corporations in 2000 Q4 and summary year-end data (1)

1. INTRODUCTION

In March each year the data compiled for the Central Balance Sheet Office Quarterly Survey (CBQ) for the four quarters of the year, concluded three months earlier (on this occasion the year 2000), allow conclusions to be put forward about the performance of corporations during the year in question. The main features of this performance are confirmed in November, once the data for the Central Balance Sheet Office Annual Survey (CBA) for the year concerned become available. The CBA data are more complete and relate to a considerably greater number of corporations. On the information to 2000 Q4 now available, the CBT confirms what was put forward at the time of the analysis of the results to 2000 Q3. Namely, that following more moderate economic growth in 1999 than in the previous year, and given, indeed, a degree of stagnation in manufacturing, in the first half of the year 2000 an expansionary path was forcefully resumed which began to show signs of a loss of momentum in Q3, this being confirmed in Q4. This turnaround in the second half of the year 2000 has not affected corporate profitability ratios, which remain high.

Despite the profile of diminishing momentum over the year, it should not be forgotten that 2000 was a year of high growth in activity (the GVA of CBQ corporations as a whole grew by 8.6 % in nominal terms over the year). This was underpinned by both the sound behaviour of domestic demand and the pick-up in external demand, and was most clearly patent in the favourable performance of manufacturing corporations. For a clearer view of this performance in the aggregate data, the bias introduced into the accounts of oil refining corporations (which are strongly represented in the CBQ survey) by the rise in international oil prices during 2000 should first be stripped out. As discussed in earlier articles, the high growth rate of the GVA of refining operations overstates the growth of the total aggregate and distorts the performance over the course of the year. The nominal growth during 2000 of the sampled corporations' GVA, excluding refining companies, was 5.3 % (compared with 8.6 % for the total aggregate), and, quarter by quarter, compared with the same period a

(1) This article is based on data provided to 15th March 2001 by the corporations that report to the CBQ (an average of 800 corporations over the four quarters of 2000). In all, the GVA of this aggregate of corporations accounts for approximately 15 % of the GVA of the sector Non-financial corporations.

CHART 1

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



		NUMBER OF CORPORATIONS					
CBA		8,127	8,032	8,049	8,112	7,075	
CBQ		722	724	721	834	880	800

		% OF GDP OF SECTOR NON-FINANCIAL CORPORATIONS					
CBA		34.4	34.2	33.7	34.3	29.0	
CBQ		19.5	19.1	18.7	18.1	17.0	14.8

— CBA data

		NUMBER OF CORPORATIONS					
CBA		8,127	8,032	8,049	8,112	7,075	
CBQ		722	724	721	834	880	800

		% OF GDP OF THE SECTOR NON-FINANCIAL CORPORATIONS					
CBA		34.4	34.2	33.7	34.3	29.0	
CBQ		19.5	19.1	18.7	18.1	17.0	14.8

— CBQ data

Source: Banco de España.

(a) Information available to 15 March 2001 (CBA and CBQ).

(b) The 1995, 1996, 1997, 1998, 1999 and 2000 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).

TABLE 1

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

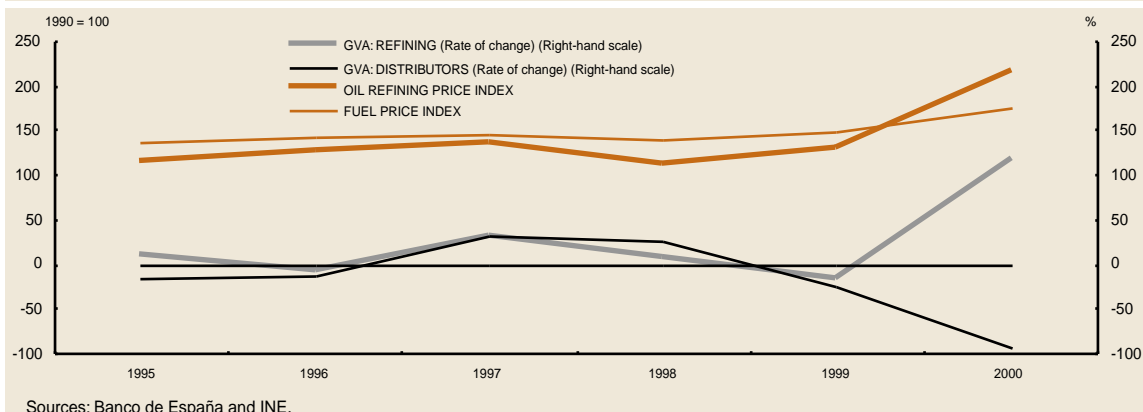
Databases	CBA			CBQ			
	1997	1998	1999	97 Q1-Q4 / 96 Q1-Q4 (a)	98 Q1-Q4 / 97 Q1-Q4 (a)	99 Q1-Q4 / 98 Q1-Q4 (a)	00 Q1-Q4 / 99 Q1-Q4 (a)
Number of corporations / Total national coverage	8049/33.7%	8112/34.3%	7075/29.0%	721 / 18.7%	834 / 18.1%	880 / 17.0%	800 / 14.8%
1. VALUE OF OUTPUT (including subsidies)	10.2	6.3	8.1	8.0	1.5	9.5	23.0
Of which:							
1. Net amount of turnover and other operating income	10.0	7.3	10.4	7.7	3.4	10.5	23.4
2. INPUTS (including taxes)	11.8	6.1	10.1	6.2	-0.2	14.8	26.9
Of which:							
1. Net purchases	12.2	3.1	13.1	9.6	-2.6	18.1	40.1
2. Other operating costs	10.8	11.1	10.6	9.3	7.0	10.6	10.6
S.1. GROSS VALUE ADDED AT FACTOR COST	7.1	6.8	4.3	5.1	4.1	1.9	8.6
3. Personnel costs	4.0	5.7	5.3	2.1	3.2	2.3	5.2
S.2. GROSS OPERATING RESULT	11.0	8.1	3.2	7.8	4.9	1.6	11.2
4. Financial revenue	10.8	9.8	9.8	20.1	14.4	31.7	13.3
5. Financial costs	-13.6	-7.0	-3.0	-15.8	-9.3	-8.2	27.1
6. Corporate income tax	22.9	16.2	12.3	21.2	12.4	18.3	9.8
S.3. FUNDS GENERATED FROM OPERATIONS	17.2	10.7	3.3	14.9	8.3	5.6	7.3
7. Depreciation and provisions	25.6	19.6	-1.4	16.4	-5.3	6.6	6.4
S.4. TOTAL NET PROFIT (% of GVA at factor cost)	14.8	16.6	17.0	15.8	18.9	21.0	22.7
PROFITABILITY RATIOS							
R.1 Ordinary return on net assets (before taxes)	7.7	8.9	8.2	8.0	8.9	8.5	9.6
R.2 Interest on borrowed funds/ interest-bearing borrowing	6.9	5.7	5.0	7.4	6.3	5.2	5.9
R.3 Ordinary return on equity (before taxes)	8.1	10.5	10.1	8.3	10.0	10.3	11.9
R.4 Financial leverage (R.1 - R.2)	0.8	3.1	3.1	0.6	2.5	3.2	3.8
R.5 Debt ratio	39.0	39.9	43.6	37.2	37.4	42.4	42.6

Source: Banco de España.

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

CHART 2

Effect of crude oil prices on value added



year earlier, the respective figures were 6.1 %, 5.6 %, 4.7 % and 4.5 %. These figures highlight the above-mentioned slowdown in productive activity as the year unfolded.

Against this background, employment continued to grow strongly in the year 2000 (2.2 %); like activity, however, it lost steam in the closing months of the year. The employment figures were likewise affected by certain staffing adjustments (discussed in earlier articles), essentially at large corporations in industries undergoing liberalisation and deregulation, which have a substantial weight in the CBQ survey (Electricity, gas and water supply, and Transport, storage and communications). Although temporary employment increased with greater force in the year 2000, the behaviour of permanent employment was significant, exhibiting a slightly positive growth rate of 0.6 % for the year as a whole. This figure is notable insofar as it denotes a turnaround, since it is the first year in the entire series in which the labour forces of the corporations analysed in the CBQ have increased, both in terms of total employees and permanent employees. As regards average compensation, the rise in inflation in the year 2000 influenced wage demands. As a result, average personnel costs underwent a greater increase than in previous years. Both effects (greater employment and the increase in personnel costs per employee) account for the significant rise in personnel costs. Notwithstanding, as productive activity grew more than personnel costs, gross operating profit trended at an appreciably higher rate in 2000 than in 1999. Financial costs grew substantially, a marked contrast to the continuous declines posted in recent years. This growth in financial

costs is the outcome first, of the increases in borrowing costs, i.e. in interest rates; and, further, of the growth of cost-bearing debt, owing to the greater resort by non-financial corporations to external sources of financing. In any event, the low starting level, i.e. the limited amount of financial costs following seven years of continuous decline (financial costs account for little more than 3 % of the total for output), means that the impact on corporations' profits is still limited. Funds generated from operations grew at a rate of 7.3 %, and net profit as a percentage of GVA rose to 22.7 % in the year 2000, down on the figure reported in the preceding article presenting the results for 2000 Q3, obtained as an average of the first three quarters. The fall was due to the fact that certain large corporations in the sample made substantial extraordinary provisions for early retirement and for depreciation of their investment portfolio during 2000 Q4. The effect of these extraordinary provisions on total profits has not been offset by extraordinary revenue, as is the case with revenue such as that arising on capital gains on financial assets transactions (essentially equity transactions). None of these transactions are included in the category of depreciation and provisions in Table 1, which only includes ordinary revenue. Finally, analysis of the profitability ratios (which are indicative of corporations' economic and financial health) shows that ordinary returns, i.e. those obtained from companies' regular activity or operations (returns on both net assets and equity), grew in relation to the high levels attained in 1999. Moreover, the cost of financing can be seen to have increased as the rise derived from higher interest rates fed through to corporations. But, as the growth of the return on assets outpaced that of

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	
	1998	1999	99 Q1-Q4 (a)	00 Q1-Q4 (a)	1998	1999	99 Q1-Q4 (a)	00 Q1-Q4 (a)	1998	1999	99 Q1-Q4 (a)	00 Q1-Q4 (a)	1998	1999	99 Q1-Q4 (a)	00 Q1-Q4 (a)
Total	6.8	4.3	1.9	8.6	3.7	3.9	-0.1	2.2	5.7	5.3	2.3	5.2	1.9	1.4	2.4	2.9
Total, excluding electricity	7.9	4.3	1.1	10.7	4.1	4.3	0.6	2.6	6.2	5.9	3.0	5.9	2.0	1.6	2.4	3.2
SIZE:																
Small	9.0	10.6	—	—	4.5	6.9	—	—	7.7	8.3	—	—	3.1	1.3	—	—
Medium	9.7	10.8	5.7	8.9	5.4	8.1	3.9	4.5	8.1	9.3	5.7	7.8	2.5	1.1	1.7	3.1
Large	6.3	3.2	1.7	8.6	3.3	2.9	-0.5	1.8	5.2	4.6	2.0	4.6	1.8	1.6	2.6	2.9
STATUS:																
Public-sector	6.0	1.0	0.7	7.0	-1.3	0.5	0.7	1.0	2.2	4.5	4.9	6.0	3.5	4.0	4.1	5.0
Private-sector	7.0	4.9	2.2	9.0	4.8	4.7	-0.4	2.3	6.5	5.5	1.4	4.7	1.6	0.8	1.8	2.3
BREAKDOWN OF ACTIVITIES BEST REPRESENTED IN THE SAMPLE:																
Manufacturing	6.3	1.0	0.4	24.8	2.2	1.6	-0.5	1.6	5.5	3.6	2.4	6.0	3.2	2.0	2.9	4.5
Electricity, gas and water supply	-0.4	4.3	4.8	2.0	-5.5	-5.9	-7.3	-4.3	-1.6	-3.6	-3.4	-2.8	4.1	2.4	4.2	1.6
Wholesale and retail trade	13.7	11.4	6.9	2.3	7.7	6.7	6.4	7.8	9.2	9.1	7.7	9.0	1.5	2.3	1.2	1.1
Transport, storage and communications	5.6	0.7	-1.7	0.9	-0.2	-1.5	-4.5	-4.2	3.3	3.0	0.1	0.6	3.6	4.6	4.8	4.9

Source: Banco de España.

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

the cost of financing, leverage grew once more in relation to the preceding year.

It may be concluded from the foregoing that the corporations in the sample held on a growing and expanding path in the year 2000 in respect of their productive activity, although they slowed slightly in the second half of the year. The rise in crude oil prices and in average compensation affected to some degree the climate of confidence prevailing at the outset of the year 2000, slowing the growth rate of productive activity and investment and employment-

generation processes. The measures recently adopted and the current course of international oil prices, combined with the sound results obtained by non-financial corporations, are the basis for sustaining the growth posted by the Spanish economy in recent years.

2. ACTIVITY

The CBQ data for the four quarters of 2000 (see Table 1 and Chart 1) evidence the strong expansion in the productive activity of non-fi-

TABLE 2.b

**Employment and personnel costs
Detail according to changes in staff levels**

	Total CBQ corporations 2000 Q1-Q4	Corporations increasing (or not changing) staff levels	Corporations reducing staff levels
No. of corporations	800	511	289
Personnel costs			
Initial situation 1999 Q1-Q4 (EUR million)	17,750.2	9,100.8	8,649.4
Rate 00 Q1-Q4 / 99 Q1-Q4	5.2	13.7	-4.0
Average compensation			
Initial situation 99 Q1-Q3 (EUR)	35,222	31,600	39,495
Rate 00 Q1-Q4 / 99 Q1-Q4	2.9	3.5	4.6
Number of employees			
Initial situation 99 Q1-Q4 (000s)	507	288	219
Rate 00 Q1-Q4 / 99 Q1-Q4	2.2	9.9	-8.2
Permanent			
Initial situation 99 Q1-Q4 (000s)	429	226	203
Rate 00 Q1-Q4 / 99 Q1-Q4	0.6	7.1	-7.0
Non-permanent			
Initial situation 99 Q1-Q4 (000s)	78	62	16
Rate 00 Q1-Q4 / 99 Q1-Q4	11.1	19.9	-24.4

Source: Banco de España.

financial corporations over this period. The GVA of the total aggregate of corporations increased by 8.6 % in 2000 compared with the figure of 1.9 % reported by the CBQ in 1999 (when small and medium-sized corporations, scarcely represented in the CBQ, were added to the annual database, the growth rate for 1999 climbed to 4.3 %). The force with which GVA rose in the year 2000 needs to be qualified owing to the influence exerted on this item by the nominal growth of the value added of oil refining corporations, as a result of the pass-through to sale prices of the strong rise in oil prices during the year 2000 (see Chart 2). If the refining industry were stripped out of this aggregate, GVA growth for 2000 would fall to 5.3 %, which nonetheless would still be virtually twice the rate recorded by the same aggregate in respect of GVA for 1999. The favourable situation discernible from the foregoing rates, which relate to the average increase during the year 2000, nevertheless masks a tendency towards more moderate productive activity growth rates. The degree of slackness shown by domestic demand in the closing months of the year (no

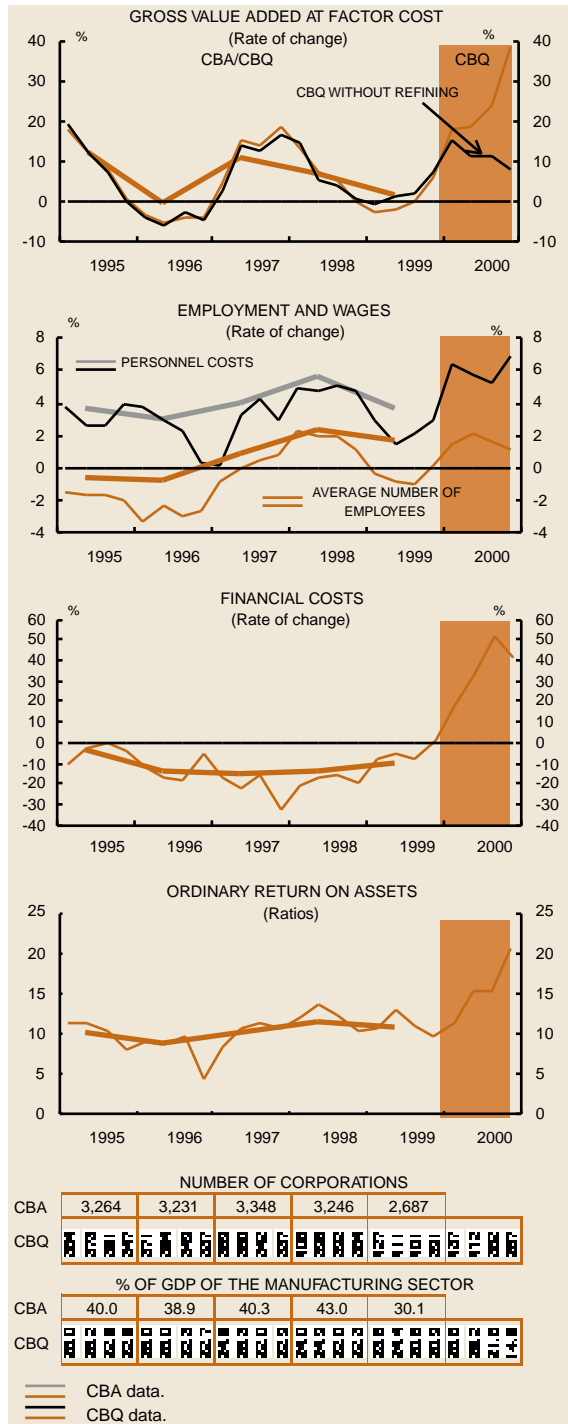
doubt influenced by the effect of higher inflation on overall confidence, and also perhaps by the fall in stock market prices and the subsequent impact on securities-holding agents' wealth) would account for this slowdown. This is because the contribution of the external activity of non-financial corporations and, especially, manufacturing industry (see Table 2.a and Box 1) was clearly positive throughout the year, driven by the pick-up in Spain's closest trading partners and by the course of the euro exchange rate against the dollar. The positive contribution of corporations' external activity in the year 2000 meant, as can be seen in the information furnished in Table 3, that the weight of sales abroad grew by somewhat more than 1.5 percentage points relative to total turnover, once the flatness of 1999 was left behind. In sum, with regard to business activity, growth in 2000 may be said to have been notable, with signs of moderation in the second half of the year, partly related to the effects of oil price rises.

Among the various industries, the performance in manufacturing was very favourable (this is analysed in greater detail in Box 1). It was affected by the bias built into the growth of the GVA of corporations in the refining industry owing to the nominal effect of higher oil prices, but also by the pick-up in exports, which particularly affected this group of corporations, as they are most sensitive to fluctuations in external activity. Directly set against this was the performance in the wholesale and retail trade; after several years of strong increases, GVA growth was 2.3 % in 2000, appreciably lower than the 1999 rate (6.9 % in the quarterly sample). The decline in this rate was largely due to the adverse effect on fuel distribution companies of input price rises which, having not fed through to the same degree to sale prices, entailed reductions in margins and GVA. Finally, the «Electricity, gas and water supply» and «Transport and communications» sectors showed more moderate growth in terms of their productive activity in the year 2000 as a whole. However, this trend should not be seen as a loss of momentum in these sectors (the demand for electricity, for example, grew by 5.4 % in 2000), since it is the outcome of deregulation and the opening up to competition. That entails a reduction in sale prices and, in sum, a narrowing of margins when there is no possibility of passing through greater costs to end consumers.

Analysis of the manufacturing sector

As is customary, the manufacturing sector is analysed in greater detail given its significance in the aggregate under study in this article, and in view of its representativeness and explanatory power in respect of the prevailing economic situation. In 2000, the GVA growth rate in this industry recovered strongly, running at 24.8 % compared with 0.4 % in 1999. The clear pick-up in external activity, which became evident in the second half of 1999, benefited in the year 2000 from the euro exchange rate against the dollar. This, combined with the strength of domestic demand, led manufacturing corporations back onto a markedly expansionary path with excellent business prospects. As was discussed for the entire sample, the rates in the sector are biased upwards owing to the effect of oil price rises on the GVA of oil refining corporations. In any event, if the latter corporations are excluded, the rest of the aggregate continues to evidence the favourable performance noted for 2000 (12.1). In step with the significant improvement in activity, employment grew by 1.6 %. This rate is a return to the figures obtained in 1998, following a net loss of employment in this aggregate in 1999. Average compensation reflected the upward movement of inflationary pressures on wages, and grew by 4.5 % in 2000. Such wage expansion, outpacing the inflation rate for the year, affected virtually all manufacturing sub-sectors. It is a reminder of the need for moderation, if the imbalances which adversely affect long-term sustained growth in employment are to be avoided. The result of both rates (employment and remuneration) was a 6 % increase in personnel costs, a rate appreciably higher than that of 1999 but one which did not prevent an unprecedented increase in the gross operating result (48.5 %). That said, this masks the earlier mentioned price effect of the sub-sector of refining corporations (without this effect, the rate for manufacturing operations would be 20.7 %). Financial costs increased substantially. At the root of this was both the growth of the cost of financing ratio and the resort to fresh borrowing of external funds. As a result of the foregoing effects, funds generated from operations grew by 40.3 %. Ordinary returns rose to levels close to 16 %, in the case of the return on net assets, and 19 % in that of the return on equity. Both were clearly higher than in previous periods and meant that leverage also reached a new peak (9.8 points) as far as the available series is concerned. Better than any other variable, this highlights the favourable situation at the close of the year 2000 for those Spanish manufacturing corporations reporting to the CBQ.

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



Source: Banco de España.
 (a) Information available to 15 March 2001 (CBA and CBQ). The CBQ data are growth rates on the same quarter of the previous year.

TABLE 3

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

	CBA		CBQ	
	1998	1999	99 Q1-Q4 (a)	00 Q1-Q4 (a)
Total corporations	8,112	7,075	880	800
Corporations reporting source/destination	8,112	7,075	825	765
	%	%	%	%
Net purchases	100.0	100.0	100.0	100.0
SOURCE OF PURCHASES:				
Spain	67.0	64.7	74.2	73.6
Total abroad	33.0	35.3	25.9	26.4
<i>EU countries</i>	23.0	23.7	17.7	15.5
<i>Third countries</i>	10.1	11.7	8.2	10.9
Net turnover	100.0	100.0	100.0	100.0
SALES DESTINATIONS:				
Spain	80.7	81.1	87.0	85.5
Total abroad	19.3	18.9	13.0	14.6
<i>EU countries</i>	14.3	14.2	9.5	10.2
<i>Third countries</i>	5.0	4.7	3.6	4.4

Source: Banco de España.

(a) All the data in these columns have been calculated as the weighted average of the relevant quarters.

Chart 3 offers a distribution of corporations in terms of the rate of change of their GVA, irrespective of their size and weight in the total aggregate. The chart provides information on the generalisation of the expansion in productive activity, since 61 % of corporations increased their GVA in 2000 Q4 on the same quarter a year earlier, compared with almost 58 % of corporations who did so in 1999 Q4.

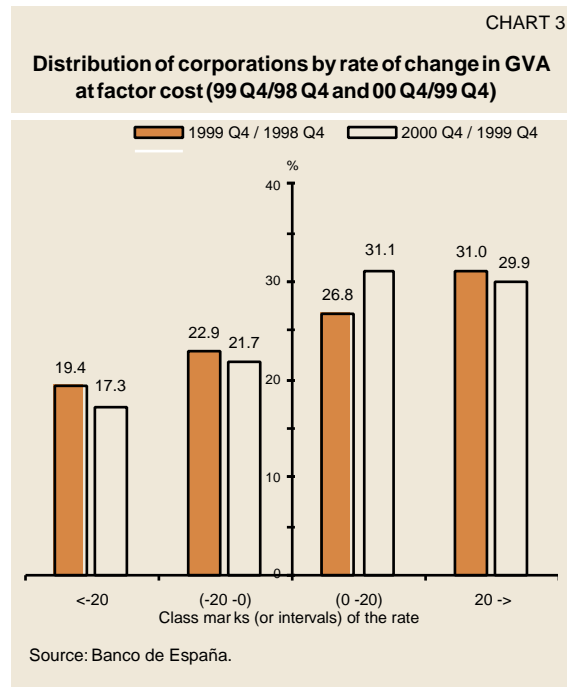
3. EMPLOYMENT AND PERSONNEL COSTS

In line with the expansion of business activity, the year 2000 saw the firming of the sustained growth of employment among the core of large Spanish non-financial firms. This growth extended to most of the firms in the CBQ sample, while the overall employment of all the firms in the sample grew by 2.2 %. As in the case of productive activity, the increases in staffing levels moderated in the latter part of the year, possibly reflecting the greater caution of

firms in the final quarter of 2000, given the acceleration in the general price level and its translation into collective wage demands. Distinguishing between the trends in permanent and temporary employment, it can be seen that temporary employment continued to grow more strongly (increasing by 11.1 % in 2000). However, one of the particular features of 2000, compared with previous years, was that for the first time the CBQ posted a positive change in permanent employment (up 0.6 % in 2000). This rate, albeit low, should be highlighted, because it implies a turning point and because the aggregate of firms involved (the CBQ sample) has been affected in recent years by staffing level adjustments in specific firms that have had a particularly severe impact on permanent employment. These adjustments, discussed in previous articles, are concentrated in certain very large firms in sectors undergoing reorganisation (basically the electricity and communication sectors). As for the rest of the sectors, developments in manufacturing and the wholesale and retail trade were notable. Employment creation

resumed in manufacturing following the reduction in overall staffing levels recorded in 1999, while the fact that it continued and indeed accelerated in the wholesale and retail trade (to 7.8 % in 2000, up from 6.4 % in 1999), confirms that the slower growth of GVA was not so much due to a real loss of momentum in this sector as to the fuel price effect, already mentioned in the section on activity.

Average compensation (personnel costs per worker) rose by 2.9 % during the year 2000, 0.5 percentage points more than in 1999. This acceleration is very possibly attributable to the effect on wage demands of recent developments in the general level of prices. If changes in wages are not linked to changes in labour productivity, i.e. if the increases in average compensation are transmitted from one sector to another, irrespective of the real constraints affecting each sector or, even, each firm, then the competitiveness of productive units will obviously be undermined. The 0.5 percentage point difference mentioned for the sample total is 1.6 percentage points in the case of manufacturing, which recorded growth in average personnel costs of 4.5 % in 2000, as against 2.9 % in 1999 (Table 2.a gives this variable for the other sectors of activity). Wages moderated most in wholesale and retail trade and in electrical and optical equipment (precisely those industries in which employment growth was strongest). The electricity industry also recorded lower growth, despite the decline in its employment. This was not reflected in average costs (through compensation payments), since provisions had already been set aside for the costs associated with the dismissals concerned. In the other sectors shown in the tables, rates of growth of average compensation were above 4 %, in line with inflation in 2000. Table 4 provides qualitative information enabling this aspect to be considered in greater detail. It can be seen that the inflationary upturn in 2000 did not lead to a loss of purchasing power for the employees of the sample firms, given that 52.4 % of the firms making up the CBQ sample increased the compensation paid to their employees at the same rate as the inflation of the period or by more, a higher percentage than in 1999 (51.1 %). As mentioned above, insofar as a balance is maintained between the growth of wage costs and productivity, wage increases are compatible with growth in output, investment and jobs. The CBQ data are not sufficiently detailed for an analysis of labour productivity in the sample



firms. However, Table 4 seems to show that the growth in personnel costs per worker did not affect employment creation, since this growth was widespread and extended to a larger number of firms: in 2000, 63.9 % of the firms increased their staffing levels or kept them unchanged, as against 61 % in 1999.

Finally, Table 2.b enables the trends in the variables discussed above to be contrasted for firms creating and shedding employment. In 2000 as a whole, employment creation became more widespread and, as just mentioned, occurred in most firms. Also, within the aggregate of firms that created employment (at an overall rate of 9.9 %), the growth was highly vigorous both in the case of temporary employment (19.9 %) and in that of permanent employment (7.1 %), leading to a rise in employment for the sample as a whole. As mentioned above, this is the most noteworthy and original development in the time series available. However, the total figure for the whole sample increased by 0.6 % because the firms that shed employment did so at a rate of -7 %, in the case of permanent employment, and -8.2 %, in the case of their total employment. The rate of change of average compensation does not differ greatly for these two aggregates, since although they continue to be somewhat smaller in the group of firms that created employment, owing to the lower cost of newly hired workers, the wage settlements for existing staff meant that the rate stood at 3.5 %. The rate for firms recording declines in employ-

TABLE 4

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

	CBA			CBQ			
	1997	1998	1999	98 Q1-Q4 (a)	99 Q1-Q4 (a)	00 Q1-Q4 (a)	00 Q4
Number of corporations	8,049	8,112	7,075	834	880	800	516
Personnel costs	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Falling	24.0	21.4	20.9	27.7	30.0	24.7	29.4
Constant or rising	76.0	78.6	79.1	72.3	70.0	75.3	70.6
Average number of employees	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Falling	28.4	25.7	22.4	40.3	39.1	36.1	37.2
Constant or rising	71.6	74.3	77.6	59.7	61.0	63.9	62.8
Average compensation (relative to inflation) (b)	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Lower growth	44.0	40.9	51.6	42.7	48.9	47.6	50.7
Higher or same growth	56.0	59.1	48.4	57.3	51.1	52.4	49.3

Source: Banco de España.

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

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

ment is 4.6 %, which does not include the full costs associated with the dismissals in some firms, as provisions had previously been set aside for such costs and these were not included in the personnel costs of the period in question.

4. PROFITS, MARGINS AND RATES OF RETURN

The fact that GVA grew more briskly than personnel costs led to growth, on average in the four quarters of 2000, of 11.2 % in gross operating profits, a much higher rate than the 1.6 % posted in 1999, although the figure for 2000 is strongly biased upwards for the reasons discussed in the section on activity relating to oil refining. In fact, the aggregate of all firms, excluding the refining sector, posted a rate of 5.5 % in 2000, as against 2.6 % in 1999, which gives an idea of the significant price effect implicit in the growth of gross operating profit and, also, of the increase in the growth of the profits of the corporate sector in

2000, leaving aside the effects of price changes already mentioned. Analysis by sector of activity shows the excellent year for manufacturing firms, whose gross operating profits were up 48.5 %. However, this rate of change is affected by the special circumstances of the refining corporations and is obtained by comparing with 1999, a year in which profits were virtually stagnant in manufacturing.

The financial costs incurred by non-financial corporations in 2000 grew significantly, with the rate for the whole year being 27.1 %. This rate is the result of the change in direction of interest rates and, in consequence, of the cost of financing for the reporting firms and of the increases in the net borrowing of the firms. These needed new finance to carry on their productive activity and to undertake investment (in gross fixed capital formation and, in particular it appears, in the acquisition of company shares and other equity, according to the behaviour of important firms and the changes in certain items of the aggregated balance sheet), taking advantage of the favourable conditions still available

TABLE 5

Gross operating profit, funds generated, ordinary return on assets and leverage
Breakdown by 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)				Leverage			
	CBA		CBQ		CBA		CBQ		CBA		CBQ		CBA		CBQ	
	1998	1999	99 Q1-Q4 (a)	00 Q1-Q4 (a)	1998	1999	99 Q1-Q4 (a)	(a)	1998	1999	99 Q1-Q4 (a)	00 Q1-Q4 (a)	1998	1999	99 Q1-Q4 (a)	00 Q1-Q4 (a)
Total	8.1	3.2	1.6	11.2	10.7	3.3	5,6	7.3	8.9	8.2	8.5	9.6	3.1	3.1	3.2	3.8
Total, excluding electricity	10.2	2.3	-0.8	15.3	12.0	3.2	6.7	7.2	9.3	8.5	8.5	10.4	3.4	3.2	3.0	4.1
SIZE:																
Small	11.2	14.3	—	—	15.0	-7.5	—	—	10.5	10.0	—	—	3.4	4.6	—	—
Medium	12.2	12.9	5.5	10.2	13.7	15.2	11.9	6.2	11.0	10.8	10.4	11.8	5.1	6.3	5.8	6.0
Large	7.4	1.9	1.4	12.0	10.3	2.5	5,4	7.3	8.6	7.9	8.4	9.6	2.9	2.9	3.1	3.7
STATUS:																
Public-sector	14.7	-5.8	-7.5	8.9	20.4	6.2	5.2	7.9	3.7	4.5	3.4	5.5	-2.2	-0.9	-1.7	0.0
Private-sector	7.4	4.3	2.7	12.0	9.9	3.0	5,7	7.4	10.1	9.0	9.7	10.2	4.5	4.1	4.4	4.3
BREAKDOWN OF ACTIVITIES BEST REPRESENTED IN THE SAMPLE:																
Manufacturing industries	7.5	-2.3	-1.8	48.5	8.9	-2.3	1.3	40.3	11.2	10.7	11.1	15.7	5.3	6.4	6.3	9.8
Electricity, gas and water supply	-0.1	6.8	7.5	3.4	5.5	3.6	3,8	8.0	7.4	7.3	8.4	8.7	2.4	3.0	3.7	3.3
Wholesale and retail trade	20.7	14.5	6.6	-6.0	19.2	13.0	10.3	0.4	11.6	11.8	11.0	8.7	5.9	7.6	6.2	3.8
Transport, storage and communications	7.6	-1.1	-3.0	0.8	13.6	2.7	2,4	-4,3	7.2	6.4	6.4	10.9	0.6	0.1	0.5	4.2

Source: Banco de España.

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

on the market, even when taking into account the aforementioned rises in interest rates. In any event, the effect of changes in this item on total corporate profits is significantly smaller than it would have been 10 years ago, since in the year 2000 it represented 3.4 % of total production (so that changes have only a small impact on the generation of surpluses and profits), less than half of the weight of this item at the beginning of the 1990s.

The following table shows to what extent the change in financial costs is due to rises in inter-

est rates and what part of their growth is explained by the change in financing received:

	<u>00 Q1-Q4/99 Q1-Q4</u>
Change in financial costs	+27.1 %
A. <i>Interest on borrowed funds (1+2)</i>	+27.1 %
1. Due to the cost (interest rate)	+13.5 %
2. Due to the amount of interest-bearing debt	+13.6 %
B. <i>Commissions and cash discounts</i>	+0.0 %

As the breakdown of financial costs shows, they rose in 2000 due to the upward movement

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 Q4	00 Q4	99 Q4	00 Q4
Total corporations	100.0	100.0	100.0	100.0
R <= 0 %	26.3	27.6	28.8	31.8
0 % < R <= 5 %	14.4	13.8	11.5	10.9
5 % < R <= 10 %	15.4	13.6	12.0	9.7
10 % < R <= 15 %	12.2	9.9	10.2	8.2
15 % < R	31.7	35.1	37.5	39.4
Number of corporations	842	516	842	516
MEMORANDUM ITEM:				
Average return	7.6	10.3	9.0	12.8

Source: Banco de España.

in interest rates, which was passed through to the firms' cost of financing, and due to the greater recourse by the firms to new external financing. The data available from the CBQ survey does not enable the precise nature of the increases in corporations' net worth during the period in question to be determined (so as not to overburden the firms, the CBQ questionnaire requests information on a very limited number of variables). As a result it is impossible to determine how much of this finance was used for gross capital formation and how much to buy shares and other equity. However, the information at hand suggests that the available funds were used for both purposes and that investment in financial assets appears to have grown. This could explain to some extent the slowdown in the gross capital formation in the period. In this respect, it should be taken into account that in 2000 firms in the telecommunications and electricity industries pressed ahead with their internationalisation by acquiring stakes in new companies and taking control of others already within their corporate groups.

As already mentioned, the strong growth in financial costs continued to have a limited impact on the profit and loss account and, accordingly, did not prevent the sample firms posting significant growth in funds generated in 2000, with a rate of change of 7.3 %, which was almost two percentage points up on the 1999 rate. Also, total net profit rose to 22.7 % of total

production, a figure that well reflects the successful year the Spanish corporate sector had in 2000. This figure would have been higher but for the extraordinary amounts set aside in Q4 by certain large firms to provisions for costs arising from early retirement and from the securities portfolio, warranted by the recent trend in the share prices of technology firms. On the other hand, certain extraordinary income arising from gains generated by significant share dealing transactions boosted net profits, although to a lesser extent than they were reduced by the aforementioned provisions. Note that none of this share dealing is reflected in the depreciation and provisions item of Table 1, which only reflects that of an ordinary nature or, which amounts to the same, that arising from ordinary operations.

The analysis of returns and leverage confirms the excellent business situation in 2000. Despite the slowdown in productive activity detected in the second half of the year, ordinary returns (on both net assets and on equity, which only consider the firms' ordinary operating activity), starting from a high level, grew in the period considered for the aggregate of all the firms and, in practice, in all industries, all size categories and in the public and private sectors (see Table 5). The information provided by Table 6, which distributes the firms according to their returns, shows that in 2000 Q4 the rise, albeit small, in the percentage of firms with

negative returns, was compatible with a gradual shift in numbers of firms towards higher levels of returns. The overall result of these phenomena was positive. Ordinary returns on net assets rose from 8.5 % on average in 1999 to 9.6 % in 2000. This increase in profitability was accompanied in 2000 by a rise in the cost of financing, as measured by the ratio of interest on borrowed funds to interest-bearing borrowing. This rose from 5.2 % in 1999 to 5.9 % in 2000, which was a smaller increase than that in ordinary returns on assets (which rose by 1.1 percentage points as mentioned above), so that leverage (the difference between the return on assets and the cost of financing) rose again, to reach a new historic high. This is one of the best indicators of the excellent business situation at the end of 2000. The return obtained on ordinary operating activity, per unit of assets, exceeded the cost of financing needed to make the investment by almost four percentage points. Accordingly, insofar as certain factors of instability that

are eroding the confidence of economic agents are controlled, the expectations of continuity in the generation of profits, investment and employment can be expected to be maintained. Given that some of these factors are exogenous to the Spanish economy (the trend in oil prices) and others are beyond the control of domestic agents (the fall in the share prices of «technology» firms on international and Spanish markets, and the induced effects on the rest of the stock market and on household wealth), the variables over which the economy and Spanish agents have decision-making power should be monitored with the greatest attention. In any event, it seems obvious to assume that the competitive environment in which the Spanish economy operates is continually widening, and that only by harnessing its relative advantages can Spain continue to converge with the main countries of the euro area.

20.3.2001.

Financial regulation: 2001 Q1

1. INTRODUCTION

Relatively few financial provisions were issued during the first quarter of 2001, though some are of great significance.

With regard to State debt, three fundamental regulations were enacted. First, as usual every year, the issuance conditions for 2001 and January 2002 have been laid down, observing the net issuance limit of ESP 972.66 billion set in the State Budget Law for 2001. Second, the tender procedure enabling the Banco de España to conduct repo transactions with credit institutions, in whatever form, on account of the Treasury has been implemented with a view to facilitating State cash management. Finally, the General Government, acting through the Treasury, and the Social Security Treasury Department will hold accounts with the Book-Entry System of the Banco de España and will operate on the public debt market in compliance with market rules and with those of the Banco de España Settlement Service in respect of cash settlement.

In the area of securities markets, the regulation of collective investment undertakings (CIUs) has been amended to incorporate and implement the recent changes in the law governing CIUs. In particular, new types of collective investment available in our financial environment are admitted on the market and the setting up and operation of CIUs are made more flexible to enhance competitiveness without reducing security and transparency.

2. STATE DEBT: ISSUANCE CONDITIONS DURING 2001 AND JANUARY 2002

Law 13/2000 of 28 December 2000 on the State Budget for 2001 (1) authorises the government so that, on the proposal of the Ministry of Economy, it may increase the outstanding balance of State debt during the year to ESP 972.66 billion. This limit will apply as at the end of 2001 and may be exceeded, upon authorisation from the Ministry of Economy, during the course of the year. The Law also establishes the circumstances that would give rise to its automatic revision. Likewise, Royal Decree-Law 1091/1988 of 23 September 1988, which approved the consolidated text of the General Budget Law, empowers the Ministry of Economy to issue, place and manage State debt, subject to the government's criteria and within the quantitative limits set by the Budget.

(1) See "Financial regulation: 2000 Q4", in *Economic bulletin*, Banco de España, January 2001, p. 78.

As is customary in the first quarter of the year, *Royal Decree 39/2001* of 19 January 2001 and Ministerial Order of 26 January 2001 have been published in the Official Gazette (BOE of 20 and 27 January 2001, respectively), providing for the creation and issuance conditions of State debt for 2001 and January 2002, with the limit for the latter month set at 15 % of the volume authorised for 2001. In addition, two *Treasury Resolutions of 26 January 2001* (BOE of 29 and 30 January 2001, respectively) provide for particular debt issues and disclose the timetable for the regular tenders of Treasury bills and medium- and long-term government bonds during this period.

Broadly, the same instruments, techniques, practices and other aspects that shaped debt policy for 2000 are retained. The Minister of Economy remains authorised to conduct, among other operations, the following:

- a) To continue to conduct borrowing operations using the vehicles provided, and to change their commercial name or to group more than one vehicle under a single denomination.
- b) To create, within the framework of current fiscal legislation, new forms of State debt, whether marketable or non-marketable, establishing their commercial name, issuance techniques and other features.
- c) To regulate the practices for issuance and determining coupon interest, allowing issues to be grouped or successive tranches of a single issue to be placed, and thereby securing the volumes of homogeneous securities necessary for liquidity in the secondary markets.
- d) For the purposes of debt dealing, to authorise State debt strips (the stripping of the principal and interest of certain issues and their subsequent reconstitution).
- e) Finally, to authorise and, where appropriate, to establish the procedure for the redenomination in euro of outstanding debt not yet re-denominated.

In the case of euro-denominated State debt issues initially offered or placed abroad, the usual clauses and conditions envisaged under the General Budget Law for these operations may be agreed in respect of the returns paid to non-residents.

As to State debt issuance procedures, in addition to the traditional techniques used in previous years, the following are retained:

- Tenders (with competitive and non-competitive bids), which will be conducted in accordance with rules published earlier. They may be for the general public, authorised placers or a restricted group of placers, who acquire special commitments with respect to the placement or trading of the debt.
- Any other technique that does not involve inequality of opportunity for potential purchasers.

As in previous years, the formalisation of public debt will be in the form exclusively of book-entry *Treasury bills and medium- and long-term government bonds*.

2.1. Treasury bills

For the year 2001, the issuance of twelve- and eighteen-month Treasury bills is maintained. However, this year it was considered advisable to *suspend* the issuance of six-month Treasury bills, given the reduction in the deficit of the State budget in 2001, as a result of which borrowing requirements through public debt have decreased.

In addition, the frequency of regular tenders is maintained. Twelve- and eighteen-month tenders coincide and are held every two weeks.

Both competitive bids (2) and non-competitive bids (3) may be submitted in twelve- and eighteen-month Treasury bill tenders. In competitive bids, the minimum nominal amount will be EUR 1000 and bids exceeding that amount will be expressed as integer multiples of EUR 1000. In non-competitive bids, the minimum nominal amount will be EUR 1000 and bids exceeding that amount will be expressed as integer multiples of EUR 1000, with a maximum nominal amount of EUR 200,000 per bidder. Notwithstanding, the Wage Insurance Fund and the Deposit Insurance Funds of Credit Institutions are allowed to submit non-competitive bids for a maximum nominal amount of EUR 100 million.

2.2. Medium- and long-term government bonds

The issuance of these instruments is maintained this year. However, owing to a decline in borrowing requirements further to a decrease in

(2) In competitive bids, the price bidders are willing to pay is stated as a percentage of the nominal value of the debt.

(3) In non-competitive bids, the price is not stated.

the State deficit for 2001, the frequency of regular tenders of three- and five-year bonds, which were held on a monthly basis, has been reduced to *once every two months* in alternate months. Tenders of long-term bonds will continue to be conducted monthly for the ten-year benchmark instrument and once every two months for fifteen- and thirty-year bonds, the latter being held in alternate months.

In competitive bids, the minimum nominal amount will be EUR 5000 and bids exceeding that amount will be expressed as multiples of EUR 1000. In non-competitive bids, the minimum nominal amount will be EUR 1000 and bids in excess thereof will be expressed as integer multiples of EUR 1000, with a maximum nominal amount of EUR 200,000 per bidder. Notwithstanding, the Wage Insurance Fund and the Deposit Insurance Funds of Credit Institutions are allowed to submit non-competitive bids for a maximum nominal amount of EUR 100 million.

3. STATE DEBT: REGULATION OF THE TREASURY LIQUIDITY TENDER PROCEDURE

Royal Decree-Law 1091/1988 of 23 September 1988, which approved the consolidated text of the General Budget Law, authorised the Minister of Economy and Finance to conduct outright or repo transactions, in whatever form, on State debt securities, in order to facilitate State cash management and the development of the public debt market. In turn, the Ministerial Order of 25 January 2000 (4) delegated these powers to the Director General for the Treasury and Financial Policy.

Furthermore, on 28 September 2000, the Treasury and the Banco de España agreed to add an annex to the arrangement for the provision of cash management and State debt services concluded on 27 December 1994, enabling the Banco de España to execute repo transactions, in whatever form, on account of the Treasury. These transactions will be conducted using the *tender procedure*, whereby credit institutions offer a given interest rate on the funds obtained.

Treasury liquidity tenders are intended to reduce the volatility of public sector holdings with the Banco de España, so as not to affect the ECB's estimates of liquidity needs and the ESCB's liquidity supply. In addition, this pro-

cedure allows interest payments on Treasury holdings with the Banco de España to be brought forward.

Recently, the *Directorate General for the Treasury and Financial Policy Resolution of 26 January 2001* (BOE of 6 February 2001) has implemented the aforementioned procedure, whereby overnight repo transactions will be allotted through periodic tenders in which the spread to be applied to the reference rate will be set. Initially, tenders are expected to be conducted monthly.

Eligible counterparties will be required to open a cash account with the Banco de España and a securities account with the Public Debt Book-Entry System, and conform to one of the following categories:

- a) Market-makers or primary dealers on the Spanish public debt market.
- b) Counterparties to the Banco de España in the latter's monetary policy fine-tuning operations.
- b) Others, as approved by the Treasury.

Likewise, institutions wishing to participate in these types of tenders will submit bids to the Banco de España, stating:

- 1) The percentage of the amount offered by the Treasury that they wish to receive. The minimum bid will be 2 % and bids exceeding that percentage will be expressed as multiples of 1 %.
- 2) The spread (expressed in basis points) with respect to the overnight EONIA rate (5) that they are willing to pay for the funds received. Counterparties may submit up to three bids with different spreads.

During the tender period, successful bidders will conduct overnight repo transactions with the Treasury for an amount satisfied depending on the total percentage allotted in the tender (currently held monthly) and the interest rate resulting from applying the spread with respect to the EONIA rate published the day before. They will provide State debt securities recorded in the Book-Entry System as collateral, whose valuation will be that applied by the Banco de España in its overnight intervention operations.

(4) See "Financial regulation: first quarter of 2000", in *Economic bulletin*, Banco de España, April 2000, pp. 83-84.

(5) The EONIA is the euro overnight index average rate, which includes a highly representative sample of overnight transactions traded in the euro area.

Prior to the tender, the Treasury will publish an estimate of the amounts to be offered daily on the market during the tender period. Following the tender, successful bidders will receive, every Monday, updated forecasts of the liquidity supply over the next ten days and, every day at ten o'clock, an estimate of the total amount that will be transferred on that day. Finally, once the amount to be transferred by the Treasury to successful bidders is known, the Banco de España will notify the final amount that each bidder will be required to cover through repo transactions.

The first tender was settled on 8 February 2001. The tender period was 14 February to 6 March. The percentage bid stood at 165 % and the percentage allotted at 100 %, and the marginal interest rate spread and the average spread were -20 basis points and -16.11 basis points, respectively.

4. PUBLIC DEBT BOOK-ENTRY MARKET: NEW MEMBERS

The General Budget Law enabled the Minister of Economy to conduct outright or repo transactions, in whatever form, on State debt securities, in order to facilitate State cash management or the smooth functioning of the public debt market. To discharge these functions, the Spanish State Administration, acting through the Treasury, must open an account with the Public Debt Book-Entry System, in which these securities may be held as required.

Additionally, Law 24/1997 of 15 July 1997 on the consolidation and rationalisation of the social security system envisaged the setting up of a Reserve Fund endowed with social security contribution surpluses arising from the social security budget outturn. Subsequently, it was stipulated that this Reserve Fund would be endowed with ESP 100 billion in public-sector financial assets. So that this amount might be invested in State debt and in order not to restrict the Fund's potential operations on the public debt book-entry market, it was deemed advisable for the Social Security Treasury Department to be accorded member status as regards the Book-Entry System of the Banco de España.

This was implemented by the *Ministerial Order of 19 January 2001* (BOE of 13 February 2001), amending the Ministerial Order of 29 May 1987 (6), implementing, in turn, Royal De-

(6) See "Regulación financiera: segundo trimestre de 1987", in *Boletín económico*, Banco de España, July-August 1987, pp. 46-48.

crec 505/1987 of 3 April 1987, which provided for the creation of a public debt book-entry system. Thus, the General Government, acting through the Treasury, and the Social Security Treasury Department will hold such accounts and will operate on the public debt market in compliance with the rules of the market and with those of the Banco de España Settlement Service in respect of cash settlement.

5. AMENDMENTS TO THE REGULATION OF COLLECTIVE INVESTMENT UNDERTAKINGS

5.1. Introduction

Collective investment undertakings (CIUs) were basically regulated by Law 46/1984 of 26 December 1984 (7), implemented by Royal Decree 1393/1990 of 2 November 1990 (8). Subsequently, the aforementioned Law was reformed by other regulations, such as Law 20/1998 of 1 July 1998 (9) on the reform of the legal and fiscal regime of collective investment undertakings operating in real estate and on the transfer of certain State Administration credit rights, which accorded a higher degree of flexibility to CIUs' investments. However, the most significant reform was introduced by Law 37/1998 of 16 November 1998 (10) on the reform of the securities market, which reinforced the functions of the National Securities Market Commission (CNMV) to facilitate the setting up of CIUs; the corporate purpose of CIU managers was widened and new types of institutions were added, namely those of the Fund of Funds and Master and Feeder Funds, characterised by having most of their funds in the securities of other CIUs.

Recently, *Royal Decree 91/2001 of 2 February 2001* (hereinafter the RD) (BOE of 17 February 2001) partially amended Royal Decree 1393/1990 to incorporate and implement the changes introduced by the aforementioned laws and, in particular, to open the market to new types of collective investment for which there is increasing demand in our financial envi-

(7) See "Regulación financiera: cuarto trimestre de 1984", in *Boletín económico*, Banco de España, January 1984, pp. 41-43.

(8) See "Regulación financiera: cuarto trimestre de 1990", in *Boletín económico*, Banco de España, January 1991, pp. 30-31.

(9) See "Financial regulation: second quarter of 1998", in *Economic bulletin*, Banco de España, July 1998, pp. 89-90.

(10) See "Financial regulation: fourth quarter of 1998", in *Economic bulletin*, Banco de España, January 1999, pp. 90-98.

ronment. At the same time, it is also intended to add flexibility to the setting up and operation of CIUs to enhance competitiveness without detracting from investor safeguards.

The most significant changes are discussed in the following five sections.

5.2. Investment rules and ratios for CIUs

The RD allows for greater freedom in CIUs' investment policy, introducing the possibility of investing up to 25 % of CIUs' assets in *bonds issued by credit institutions*, which are sufficiently secured by assets covering the commitments of the issue and primarily used to meet principal and interest payments in the event of failure of the issuer. This percentage will also be applicable to investment in *non-subordinated securities issued by mortgage securitisation funds* (11), which will be considered as marketable securities in the general investment ratio, whose upper limit is 80 % of CIUs' assets.

The minimum liquidity ratio remains 3 % of assets for mutual funds and is lowered from 5 % to 3 % for SIMCAVs (open-end investment companies).

Table 1 shows the most significant changes introduced by RD 91/2001 in previous regulations.

5.3. Licence, registry and withdrawal

The conditions for qualifying for a licence and the grounds for refusal thereof, both for CIUs and their management companies, are clearly specified. CIUs may solely be refused a licence if they do not comply with the requirements set out in Law 46/1984, in its implementing regulation and in other applicable provisions. Notwithstanding, the licence may be refused to management companies when major shareholders are not considered fit and proper to ensure the sound and prudent management of the institution. Fitness and propriety will be assessed, *inter alia*, on the basis of: shareholder integrity; the assets available to shareholders to meet commitments undertaken; the institution's exposure to its promoters' non-financial activities; or exposure to high-risk financial activities which may affect the institution's stability or control.

(11) Mortgage securitisation funds were regulated by Law 19/1992 of 7 July 1992 on the regime of real estate mutual funds and companies and mortgage securitisation funds.

In addition, the grounds for withdrawing the licence both from closed-end and open-end investment companies (SIMs and SIMCAVs) and from their management companies are also specified.

The amount of assets that mutual funds are required to hold and minimum capital requirements for investment companies remain unchanged (12). However, the minimum amount may be temporarily lowered to EUR 300,000 (ESP 50 million) for securities funds (FIMs) and EUR 600,000 (ESP 100 million) for money-market funds (FIAMMs), provided that they reach the minimum amount required within a period not exceeding six months. Non-compliance will be cause for the winding-up of these entities.

5.4. Specialised collective investment undertakings

One of the key aspects of the reform introduced by the RD is the provision for the new types of collective investment undertakings envisaged by Law 37/1998. The aim here is to respond to the buoyancy of the sector, which demands increasingly greater specialisation in fund investment. The following new types of undertakings are added.

5.4.1. "Index" collective investment undertakings

"Index" CIUs take as a benchmark a given stock or bond index, representative of one or several markets located in OECD member countries or of securities traded on such markets. The market on which the securities included in the index are listed will have to meet similar conditions to those required under Spanish law (13) in order to be considered an official secondary market.

(12) The minimum asset or capital requirements for securities funds and investment companies are: ESP 500 million for FIMs, ESP 1.5 billion for FIAMMs and ESP 400 million for investment companies.

(13) Law 37/1998 of 16 November 1998 on the reform of the securities market defines official secondary securities markets as those which regularly operate in accordance with the provisions of this Law and its implementing provisions, in particular as regards the conditions of access, admission to listing and operating, reporting and publicity procedures. In addition to stock exchanges and the public debt market, futures and options markets, whatever the type of underlying asset, are considered to be official secondary markets too. The possibility is also left open for other nationwide markets (authorised pursuant to this Law and its implementing provisions) and other regional markets (authorised by the Regional (Autonomous) Governments with powers in this field) to be so defined.

CIUs' investment rules and ratios

Former rules	Changes introduced by Royal Decree 91/2001
Investment ratio	Investment ratio
FIMs: at least 80 % of their assets in securities listed on the secondary market (monthly).	
FIAMMs: at least 90 % of their assets in fixed-income securities with a maturity of less than 18 months, which are listed on a recognised market or are highly liquid (monthly).	
Liquidity ratio	Liquidity ratio
Mutual funds: at least 3 % of cash, deposits or sight accounts with the depository (monthly average).	
SIMCAVs: at least 5 % of cash, deposits or sight accounts held with the depository (monthly average).	SIMCAVs: at least 3 % of cash, deposits or sight accounts held with the depository (monthly average).
Upper investment limits on assets	Upper investment limits on assets
<p>a) 5 % in securities of other CIUs.</p> <p>b) 5 % in securities of a single entity, with the following exceptions:</p> <p>b1) This limit may be extended to 10 %, provided that total investment in securities in which the 5 % limit is exceeded is not higher than 40 % of assets.</p> <p>b2) 35 % in securities issued or backed by a European Union Member State, regional governments or international financial organisations of which Spain is a member.</p> <p>c) 15 % in securities issued by a single financial group.</p>	<p>b2) 35 % in securities issued or backed by a European Union Member State, regional governments, international financial organisations of which Spain is a member and OECD member countries with a solvency rating not lower than that of Spain.</p> <p>d) 25 % in bonds of a guaranteed amount issued by a credit institution. Or mortgage bonds and non-subordinated securities issued by securitisation funds.</p> <p>Total investment of a CIU in securities as per a), b), c) (as provided for in the former rules) and d) may not exceed 80 % of its assets.</p>
Upper investment limits on assets with respect to outstanding volume	Upper investment limits on assets with respect to outstanding volume
<p>1. A single institution may not invest in securities issued or backed by a single entity in excess of 5 % of the outstanding securities of a single entity.</p> <p>2. The sum of investments by SIMs of a single group and FIMs managed by management companies in which the same circumstances concur may not exceed 15 % of the outstanding securities of a single entity.</p>	
General exception	General exception
CIUs are authorised to invest up to 100 % of their assets in securities issued or backed by a European Union Member State, regional governments or international financial organisations of which Spain is a member, provided that the investment is diversified in at least six different issues and the securities of a single issue do not exceed 30 % of the entity's assets.	<p>1. CIUs are authorised to invest up to 100 % of their assets in securities issued or backed by a European Union Member State, regional governments, international financial organisations of which Spain is a member and OECD member countries with a solvency rating not lower than that of Spain, provided that securities of a single issue do not exceed 10 % of the latter's nominal amount.</p> <p>2. The limits set in b) and c) as provided for in Article 4.2 of the Regulation may be exceeded if the entity pursues an investment policy using as a benchmark a given stock or bond "index" representative of one or several markets located in OECD member countries or of securities traded on such markets and meeting specific requirements ("Index» CIUs).</p>

The index shall meet at least the following requirements: diversified composition, easy reproduction, public disclosure and adequacy as a benchmark for the market or set of securities involved.

Finally, the RD authorises the Minister of Economy and expressly empowers the CNMV to specify the requirements to be met by these undertakings and, in particular, the maximum permitted ratio of securities issued by a single entity and by entities of a single group to the company's assets. Meanwhile, on a temporary basis, the RD sets the following ceilings: 35 % of assets in securities issued by a single entity and 45 % of assets in securities issued by entities of a single group.

5.4.2. *Fund collective investment undertakings*

Fund CIUs are characterised by investing mostly in shares or other equity of several financial CIUs, as provided for in their articles of association or rules and regulations. In addition, they shall include in their name the following expressions, as appropriate: Fund Closed-End Investment Company" (or its Spanish acronym SIMF), "Fund Open-End Investment Company" (SIMCAVF), "Fund Securities Fund" (FIMF).

Investment by these entities shall be subject to the following limits:

- a) More than 50 % of their assets shall be invested in shares or other equity of several financial CIUs.
- b) Assets invested in shares or other equity of a single CIU shall not exceed 45 % of the entity's total assets.
- c) Assets shall not be invested in those CIUs which may in turn invest more than 10 % of their assets in another CIU, unless the latter is a feeder entity whose master fund meets this requirement.
- d) For CIUs of shareholding funds, the maximum ratio of investment to total assets with respect to the outstanding amount is retained, namely: a) a single entity shall not be allowed to invest in securities issued or backed by a single entity in excess of 5 % of the outstanding securities of a single entity; b) the sum of investments by SIMs belonging to a single group and by FIMs managed by management companies, in which these circumstances concur, shall not exceed 15 % of the outstanding securities of a single entity.

With regard to their operation, when CIUs in which the investment is made belong to the

same group as the investing entity or its management company or are managed by entities in which these circumstances concur, accrued commissions applied to the investing entity and its shareholders shall not exceed the upper limits set in the general regulations applicable to securities funds (14).

5.4.3. *Master securities funds*

These funds have one or several national or foreign feeder CIUs as shareholders, as provided for in their rules and regulations. They shall include in their name the expression "Master Securities Funds" (or its Spanish acronym FIMP).

Their legal regime includes, inter alia, the following features:

- a) They shall have one or several national or foreign feeder CIUs as shareholders.
- b) At the time of incorporation and for a two-month period, their assets may be contributed by a promoter other than feeder CIUs. Subsequently, shareholders shall be feeder CIUs.
- c) The right to withdraw shall be exercised by feeder CIUs whose shareholders may, likewise, exercise such right, regardless of the withdrawal decision adopted by the feeder CIU's management company.

5.4.4. *Feeder collective investment undertakings*

Unlike specialised fund CIUs, feeder CIUs are linked to a FIMP, which is the entity that carries out portfolio management. Feeder CIUs may be SIMs, SIMCAVs or FIMs investing in a FIMP, as provided for in their articles of association or rules and regulations. Their name shall include the following expressions, as appropriate: "Feeder Investment Company" (SIMS by its Spanish acronym), "Feeder Open-End Investment Company" (SIMCAVS), "Feeder Securities Fund" (FIMS).

These entities shall be subject to the general regulations applicable to SIMs, SIMCAVs and FIMs, with the following exceptions:

1. At least 80 % of their assets shall be invested in shares of the FIMP designated in the prospectus. In the case of FIMs and SIMCAVs, the remaining 20 % of assets may

(14) See Article 45 of Royal Decree 1393/1990, as amended by Royal Decree-Law 6/2000 of 23 June 2000.

be invested in marketable bonds, whose redemption period shall not exceed eighteen months, and in term deposits, which shall not exceed 10 % of assets.

2. The realisable value applicable to the subscriptions and redemptions of the FIMS shall be the same as those applied to its FIMP.
3. Commissions shall be calculated according to the following rules:
 - a) The sum of management and deposit commissions applied to the FIMP and those applied to the FIMP shall not exceed the ceilings set in the general regulations on securities funds (15) (see table 2).
 - b) The sum of commissions applied by the FIMS to the amount of subscriptions and redemptions and those applied by the FIMP shall not exceed 5 %.

Finally, it should be pointed out that the change of FIMP shall confer the right of withdrawal on FIMS shareholders. This change shall be notified as a material event to the shareholders of the other feeder CIUs.

5.4.5. *Collective investment undertakings specialised in investment in securities not traded on secondary markets*

These specialised undertakings may be SIMs or FIMs, and shall necessarily be newly-created entities. They may therefore not be the result of the transformation of existing ones. They shall include in their name the expression "Specialised in non-traded securities" or their Spanish acronym "SIME" or "FIME". It is worth noting that the purpose of this regulation is to promote Spanish venture capital, helping provide access for small investors to unlisted companies.

Investment by these entities shall be subject to the following rules:

1. These CIUs shall invest at least 50 % of their assets in bonds or shares not traded on secondary markets and issued by entities registered in OECD countries that are not considered as countries or territories statutorily classified as tax havens (16). This investment shall not exceed 80 % in FIMs and 90 % in SIMEs.

(15) See article 45 of Royal Decree 1393/1990, as amended by Royal Decree-Law 6/2000 of 23 June 2000.

(16) This percentage should be reached within three years as from incorporation, unless the CNMV authorises an extension of this period.

2. Generally, compared with FIMs, which are required to maintain a minimum liquidity ratio of 3 % of their assets, FIMEs shall maintain a liquidity ratio of 10 % of their assets.

5.5. **Depositories and management companies of collective investment undertakings**

With regard to depositories and in line with the policy followed in Royal Decree-Law 6/2000 of 23 June 2000 on urgent measures for heightening competition in goods and services markets, in which the ceilings on management companies' management commissions were lowered, Royal Decree 91/2001 lowers the maximum annual commission that may be charged by depositories on assets under custody from 4 per mil to 2 per mil. Notwithstanding, as under the previous regulation, this commission may be increased, upon authorisation from the CNMV, in the case of depositories whose entire business is conducted abroad.

Table 2 shows the changes introduced in the ceilings on commissions for management companies and depositories.

As regards CIU management companies (hereinafter SGIICs), one of the main changes introduced by the Royal Decree is that these companies are authorised to market shares or other equity of CIUs whose assets they are managing. This is so because, besides the functions envisaged in the previous regulation, SGIICs are authorised to manage the subscription and redemption of shares of the mutual funds that they are administering. This business may be carried out directly or through agents or legal representatives.

1. When these activities are performed directly, the opening and closing of branches shall be notified to the CNMV within the period and under the terms stipulated.
2. When these activities are carried out through agents or representatives, they shall meet the following requirements:
 - a) Management companies which grant powers of attorney or enter into agency contracts shall ensure beforehand that all the agents or representatives have the capacity, experience and integrity required to engage in the agreed activity, and that they meet the requirements of fitness and propriety envisaged in the regulation. Notwithstanding, the Ministry of Economy may make the opening of branches and the ap-

TABLE 2

Changes in upper limits to commissions

Royal Decree 1393/1990 of 2 November 1990 Royal Decree-Law 6/2000 of 23 June 2000 Royal Decree 91/2001 of 2 February 2001

FIM**Management companies***Management commission*

2.5 % if calculated solely on assets.

20 % if calculated solely on profits.

1.5 % of assets and 10 % of profits if both variables are used.

Subscription and redemption commission

5 % of share price.

Depository

4 per mil annually of nominal value of assets under custody.

FIM**Management companies***Management commission*

2.25 % if calculated solely on assets.

18 % if calculated solely on profits.

1.35 % of assets and 9 % of profits if both variables are used.

FIM**Depository**

2 per mil annually of nominal value of assets under custody.

FIAMMs**Management companies***Management commission*

1.5 % if calculated solely on assets.

15 % if calculated solely on profits.

1 % of assets and 5 % of profits if both variables are use.

Subscription and redemption commission

1 % of share price.

Depository

1.5 per mil annually of nominal value of assets under custody.

FIAMMs**Management companies***Management commission*

1 % if calculated solely on assets.

10 % if calculated solely on profits.

0.67 % of assets and 3.33 % of profits if both variables are use.

pointment of agents or representatives by management companies conditional upon their meeting specific capital adequacy or additional solvency requirements.

- b) Agents or representatives shall not be linked in any employment capacity to the entity or to entities of the same group to which the management company has granted powers of attorney to act habitually in its name and on its behalf with customers for the marketing of shares of funds managed by the company.
- c) Agents or representatives shall not act through sub-agents or establish legal rela-

tionships linking them personally to customers in matters related to the securities market.

Likewise, in all their relationships with customers, agents or representatives shall unequivocally state that they represent the management company. An agent may solely represent a single management company or several entities of a single group.

In any case, SGIICs shall adopt specific measures to control their agents and, for these purposes, prior to the formalisation of the contract, they shall check the adequacy of the administrative organisation and the means that

agents intend to use in the performance of their functions.

SGIICs' capital adequacy requirements are maintained but certain provisions are laid down with respect to raising such requirements depending on how the assets of CIUs managed by SGIICs are increased. The calculation of SGIICs' own funds is also changed and the CNMV is empowered to define the accounting items which are eligible as own funds.

Finally, the types of financial institutions with which SGIICs may outsource the management of foreign assets held by the CIUs managed by such SGIICs are specified. These financial institutions may be another SGIIC or another CIU management company or an investment services firm, in both cases registered in another OECD member country, provided that: they are subject to prudential supervision; they can prove that they offer guarantees similar to those required of SGIICs; a bilateral co-operation agreement has been entered into between the CNMV and the authority entrusted with equivalent functions to those prevailing in the home country of the entity responsible for supervision

and inspection in this area; or co-operation between supervisory authorities is obligatory under Community law.

5.6. Other matters

First, some of the conditions required so that CIUs registered outside the European Union may market their products in Spain are adapted. Specifically, Spanish law is required to regulate the same CIU category to which the foreign entity applying for a licence belongs, and this institution must be subject in its home country to specific provisions safeguarding the interests of shareholders to no less a degree than is the case under Spanish law.

Second, the conditions required of Spanish CIUs wishing to market their products within the European Union are specified.

Lastly, in its transitory provision, the Royal Decree defines, among other aspects, the procedure for the transformation of existing CIUs into any of the specialised CIUs.

17.4.2001.

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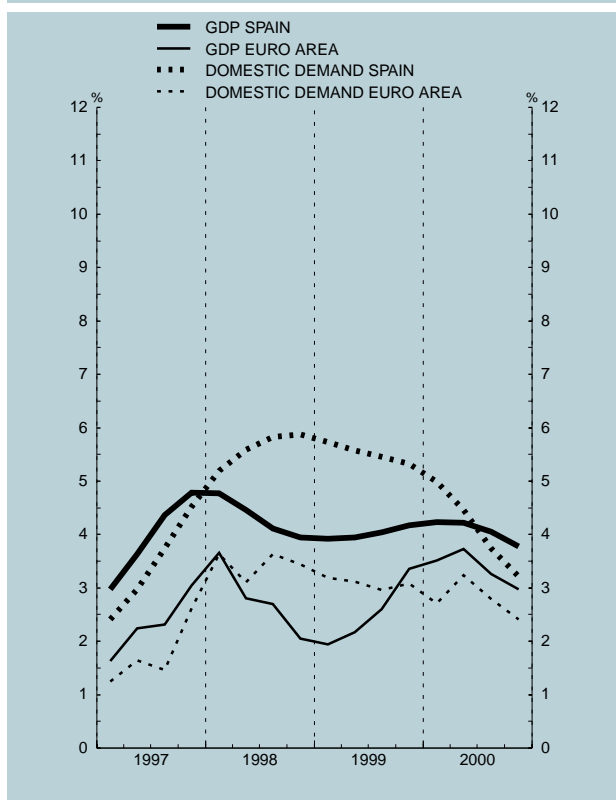
1.1. Gross domestic product. Constant 1995 prices. Demand components. Spain and Euro area (a)

■ Series depicted in chart.

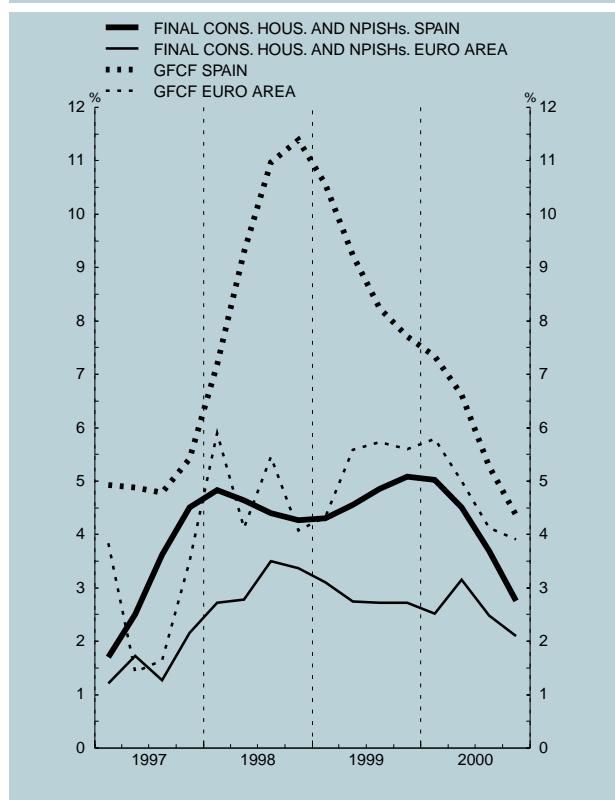
Annual percentage changes

		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
98	P	4.3	2.8	4.5	3.1	3.7	1.1	9.7	4.9	5.6	3.5	8.3	7.0	13.4	9.5	526	5 988
99	P	4.0	2.5	4.7	2.8	2.9	1.6	8.9	5.3	5.5	3.1	6.6	4.8	11.9	6.6	563	6 254
00	P	4.1	3.4	4.0	2.6	2.6	1.6	5.9	4.7	4.1	2.8	10.8	11.7	10.4	10.3	606	6 538
97 Q4	P	4.8	3.1	4.5	2.2	3.7	0.2	5.4	3.5	4.5	2.6	15.4	11.4	14.6	10.6	126	1 463
98 Q1	P	4.8	3.7	4.8	2.7	3.9	0.9	7.2	5.9	5.2	3.6	12.9	12.2	14.8	12.8	129	1 474
Q2	P	4.5	2.8	4.6	2.8	3.8	0.7	9.3	4.1	5.6	3.1	9.5	9.1	14.0	10.6	130	1 488
Q3	P	4.1	2.7	4.4	3.5	3.6	1.0	11.0	5.5	5.8	3.6	6.6	5.0	13.1	8.2	133	1 505
Q4	P	3.9	2.1	4.3	3.4	3.4	1.6	11.4	4.1	5.9	3.4	4.8	2.2	11.9	6.6	135	1 521
99 Q1	P	3.9	1.9	4.3	3.1	3.3	1.5	10.6	4.3	5.7	3.2	4.4	0.7	10.9	4.5	137	1 540
Q2	P	3.9	2.2	4.6	2.7	3.1	1.6	9.2	5.6	5.6	3.1	5.6	2.5	11.3	5.4	139	1 553
Q3	P	4.0	2.6	4.9	2.7	2.8	1.8	8.2	5.7	5.4	3.0	7.3	5.8	12.2	7.1	142	1 571
Q4	P	4.2	3.4	5.1	2.7	2.5	1.7	7.7	5.6	5.3	3.1	9.1	10.0	13.0	9.5	145	1 590
00 Q1	P	4.2	3.5	5.0	2.5	2.4	1.8	7.3	5.8	5.0	2.7	10.6	12.3	12.9	10.2	148	1 611
Q2	P	4.2	3.7	4.5	3.2	2.5	1.8	6.6	5.0	4.5	3.2	11.0	11.4	11.4	10.2	150	1 627
Q3	P	4.1	3.3	3.7	2.5	2.8	1.3	5.3	4.1	3.7	2.8	11.0	11.3	9.5	10.3	153	1 643
Q4	P	3.8	3.0	2.8	2.1	2.9	1.6	4.4	3.9	3.2	2.4	10.4	11.6	8.2	10.5	155	1 657

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.

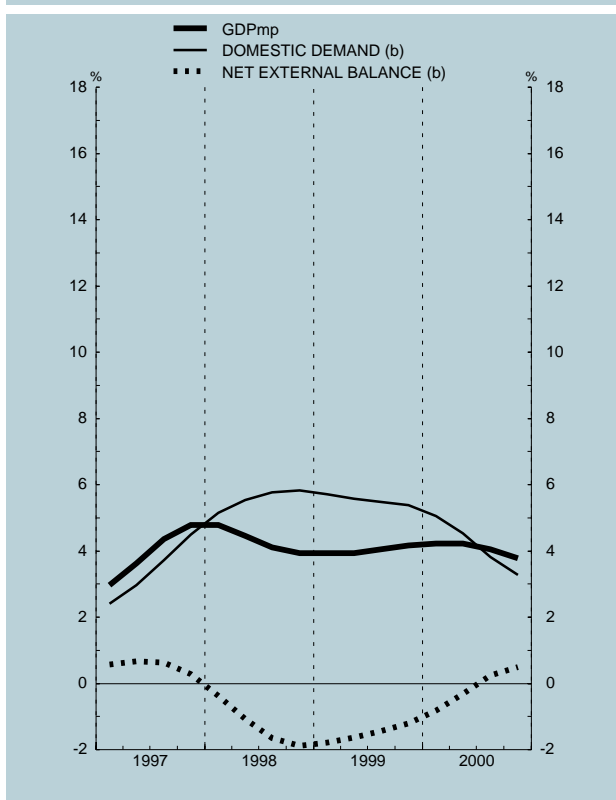
1.2. Gross domestic product. Constant 1995 prices. Demand components. Spain: details (a)

■ Series depicted in chart.

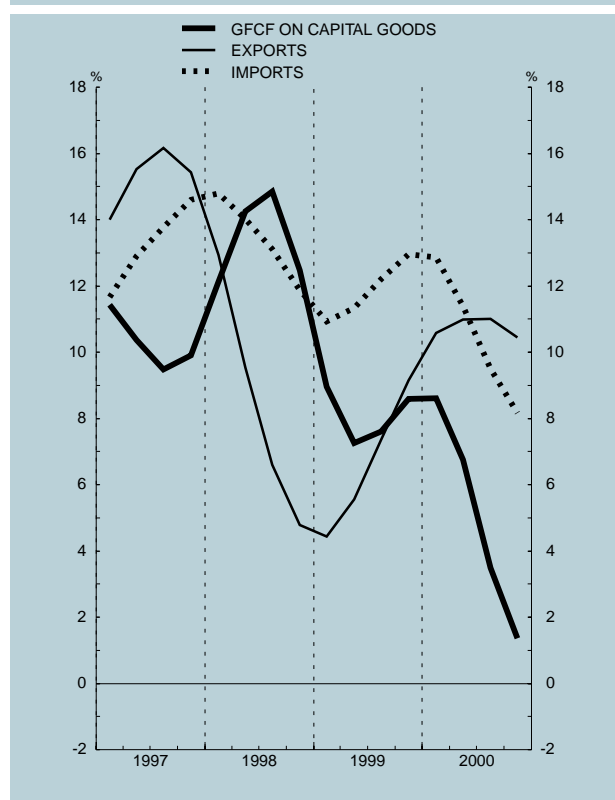
Annual percentage changes

		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
98	P	9.7	13.4	8.1	0.1	8.3	7.1	10.3	13.3	13.4	13.5	10.5	13.3	-1.3	5.6	4.3
99	P	8.9	8.1	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
00	P	5.9	5.0	6.4	-0.1	10.8	11.0	6.0	16.8	10.4	10.4	8.4	10.8	-0.1	4.2	4.1
97 Q4	P	5.4	9.9	3.6	-0.0	15.4	16.8	9.7	15.9	14.6	15.1	1.8	14.8	0.3	4.5	4.8
98 Q1	P	7.2	12.1	5.1	0.0	12.9	13.2	10.1	16.2	14.8	15.1	5.6	14.9	-0.4	5.2	4.8
Q2	P	9.3	14.3	7.1	0.1	9.5	8.6	10.3	14.7	14.0	14.2	10.1	14.0	-1.1	5.5	4.5
Q3	P	11.0	14.9	9.2	0.1	6.6	4.8	10.3	12.2	13.1	13.2	12.1	12.8	-1.7	5.8	4.1
Q4	P	11.4	12.5	10.9	0.2	4.8	2.5	10.6	10.6	11.9	11.9	13.9	11.6	-1.9	5.8	3.9
99 Q1	P	10.6	9.0	11.3	0.2	4.4	1.9	11.1	10.1	10.9	10.8	16.0	10.8	-1.8	5.7	3.9
Q2	P	9.2	7.3	10.0	0.2	5.6	3.4	11.0	10.7	11.3	11.2	14.4	11.7	-1.6	5.6	3.9
Q3	P	8.2	7.6	8.2	0.2	7.3	5.9	10.0	11.8	12.2	12.0	14.1	12.8	-1.4	5.5	4.0
Q4	P	7.7	8.6	6.8	0.1	9.1	8.8	8.2	13.0	13.0	12.9	12.8	13.7	-1.2	5.4	4.2
00 Q1	P	7.3	8.6	6.5	-0.1	10.6	11.1	6.2	14.4	12.9	12.9	9.1	13.6	-0.8	5.1	4.2
Q2	P	6.6	6.8	6.6	-0.2	11.0	11.7	5.4	15.8	11.4	11.5	8.1	11.4	-0.3	4.5	4.2
Q3	P	5.3	3.5	6.4	-0.2	11.0	11.3	5.7	17.7	9.5	9.6	7.2	9.5	0.2	3.8	4.1
Q4	P	4.4	1.4	6.0	0.1	10.4	10.0	6.5	19.1	8.2	8.0	9.2	9.2	0.5	3.3	3.8

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.

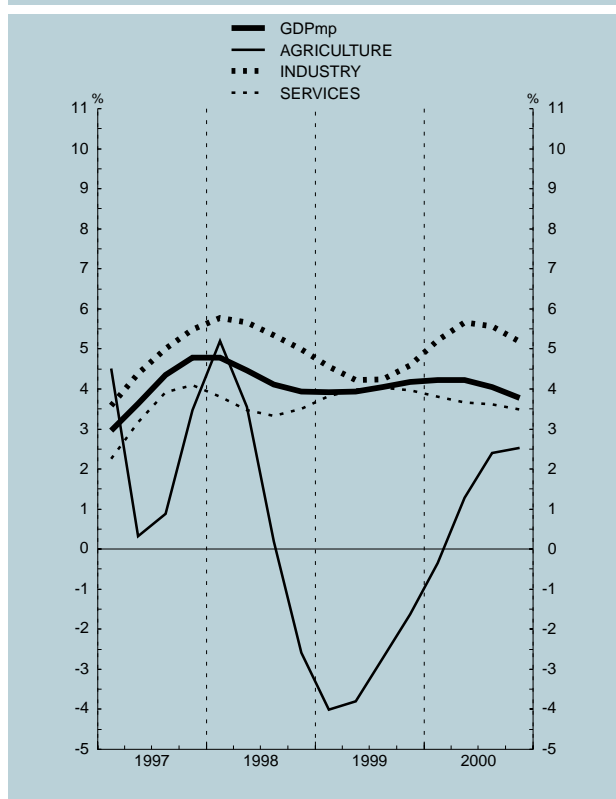
1.3. Gross domestic product. Constant 1995 prices. Branches of activity. Spain (a)

■ Series depicted in chart.

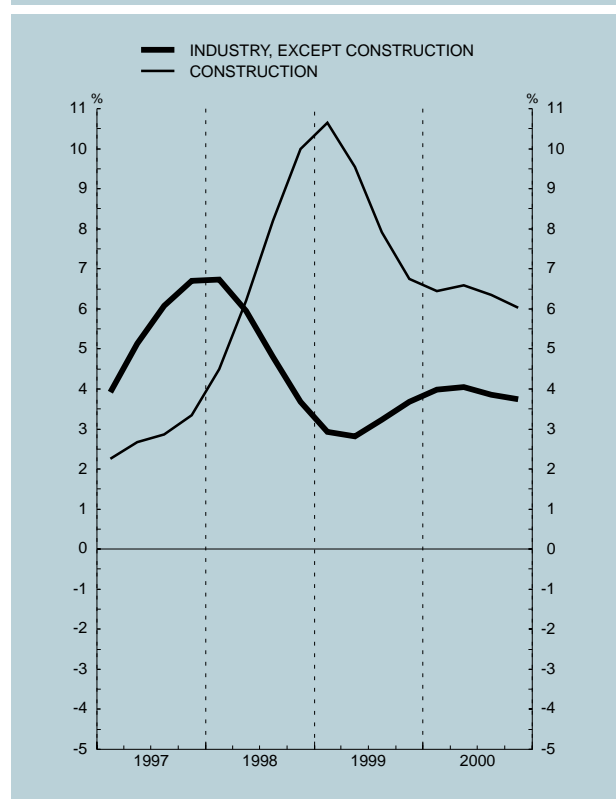
Annual percentage changes

		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	
98	P	4.3	1.5	2.9	5.3	7.3	3.5	3.9	2.4	4.6	6.5	14.7	
99	P	4.0	-3.1	2.2	3.2	8.7	4.0	4.5	2.0	7.7	8.9	5.9	
00	P	4.1	1.5	10.6	3.9	6.3	3.6	4.0	2.5	4.1	-0.4	3.5	
97	Q4	P	4.8	3.5	3.9	6.7	3.3	4.1	4.6	2.5	4.6	10.4	16.1
98	Q1	P	4.8	5.2	3.8	6.7	4.5	3.8	4.2	2.6	4.1	7.7	17.2
	Q2	P	4.5	3.6	3.3	6.0	6.2	3.5	3.8	2.6	4.0	5.5	16.6
	Q3	P	4.1	0.2	2.7	4.8	8.2	3.3	3.6	2.3	4.7	5.6	14.5
	Q4	P	3.9	-2.6	2.0	3.7	10.0	3.5	3.9	2.1	5.5	7.4	10.9
99	Q1	P	3.9	-4.0	1.1	2.9	10.6	3.8	4.4	1.9	6.9	9.9	7.3
	Q2	P	3.9	-3.8	0.9	2.8	9.6	4.0	4.6	1.9	7.8	10.7	5.2
	Q3	P	4.0	-2.7	2.0	3.2	7.9	4.0	4.6	2.0	8.2	9.1	5.1
	Q4	P	4.2	-1.6	4.7	3.7	6.7	4.0	4.5	2.1	7.9	6.1	6.1
00	Q1	P	4.2	-0.3	8.6	4.0	6.4	3.8	4.2	2.3	6.5	2.7	5.8
	Q2	P	4.2	1.3	11.4	4.0	6.6	3.7	4.0	2.5	4.9	-0.0	4.7
	Q3	P	4.1	2.4	12.1	3.9	6.3	3.6	3.9	2.6	3.2	-1.7	2.3
	Q4	P	3.8	2.5	10.1	3.7	6.0	3.5	3.8	2.6	1.9	-2.6	1.3

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.

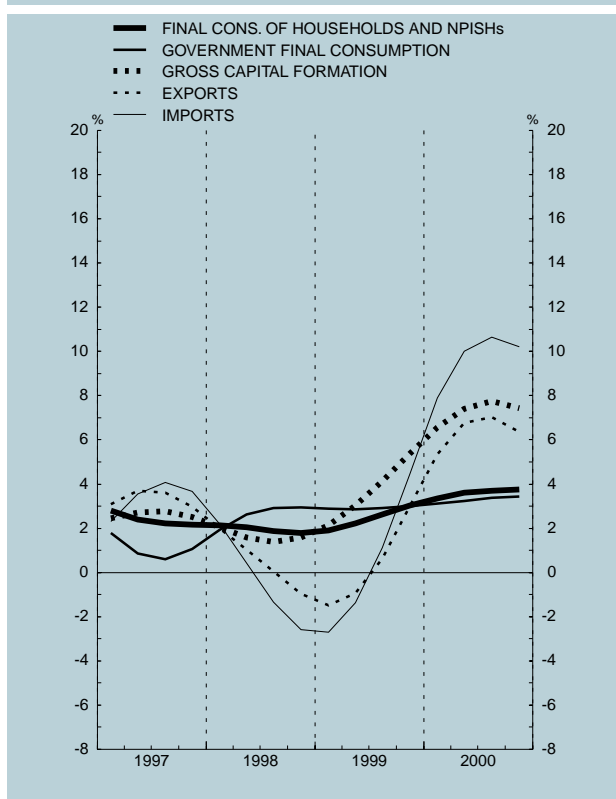
1.4. Gross domestic product. Implicit deflators. Spain (a)

■ Series depicted in chart.

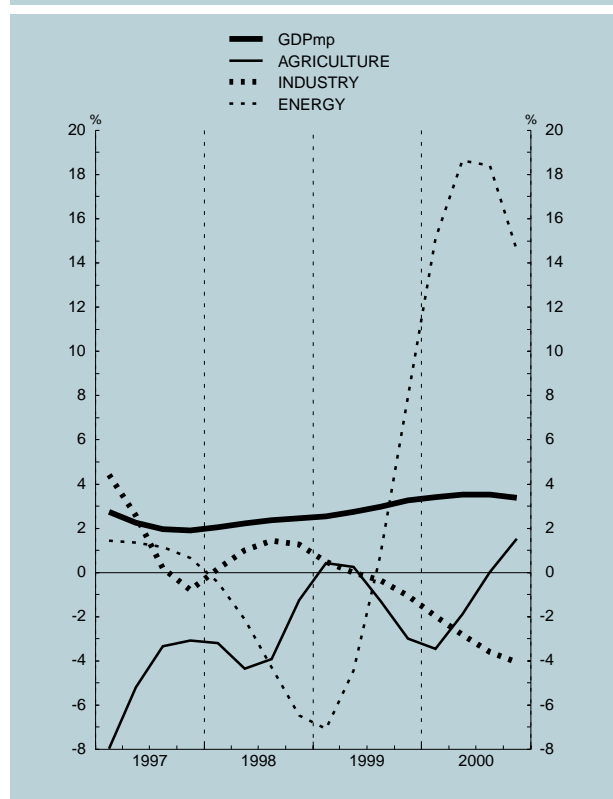
Annual percentage changes

		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	Gross fixed capital formation									Services	Market services	
					Capital goods	Construction										
1	2	3	4	5	6	7	8	9	10	11	12	13	14			
98	P	2.0	2.6	1.6	0.7	1.5	0.5	-0.4	2.3	-3.2	-3.3	1.0	2.3	2.9	2.9	
99	P	2.5	2.9	3.7	1.5	4.6	0.3	0.4	2.9	-0.9	-0.7	-0.2	4.0	3.3	3.3	
00	P	3.6	3.3	7.3	4.5	9.1	6.4	9.7	3.5	-1.0	16.7	-3.1	8.8	4.0	4.2	
97 Q4	P	2.2	1.1	2.5	3.6	1.9	3.0	3.7	1.9	-3.1	0.7	-0.8	2.0	2.5	3.0	
98 Q1	P	2.1	1.9	2.0	2.7	1.4	2.0	2.2	2.1	-3.2	-0.5	0.2	2.2	2.8	3.0	
Q2	P	2.0	2.6	1.6	1.0	1.3	1.0	0.4	2.2	-4.3	-2.1	1.0	2.4	2.9	2.9	
Q3	P	1.9	2.9	1.4	-0.2	1.5	0.0	-1.3	2.4	-3.9	-4.3	1.4	2.4	2.9	2.9	
Q4	P	1.8	2.9	1.6	-0.4	1.9	-1.0	-2.6	2.4	-1.2	-6.5	1.3	2.3	3.1	3.0	
99 Q1	P	1.9	2.9	2.1	0.2	2.5	-1.5	-2.7	2.5	0.4	-7.1	0.5	2.3	3.2	3.1	
Q2	P	2.2	2.9	3.0	1.2	3.6	-0.9	-1.4	2.7	0.2	-4.4	-0.0	2.9	3.3	3.2	
Q3	P	2.6	2.9	4.1	2.0	5.1	0.6	1.1	3.0	-1.3	0.8	-0.4	4.3	3.4	3.4	
Q4	P	3.0	3.0	5.4	2.7	6.9	3.0	4.5	3.3	-3.0	7.9	-1.0	6.3	3.5	3.6	
00 Q1	P	3.3	3.1	6.6	3.6	8.5	5.3	7.9	3.4	-3.5	15.1	-2.0	8.3	3.7	3.8	
Q2	P	3.6	3.2	7.4	4.5	9.4	6.8	10.0	3.5	-1.9	18.6	-2.8	9.2	3.9	4.1	
Q3	P	3.7	3.4	7.7	5.1	9.5	7.0	10.7	3.5	0.0	18.4	-3.6	9.2	4.1	4.3	
Q4	P	3.8	3.4	7.4	5.0	8.9	6.4	10.2	3.4	1.5	14.6	-4.1	8.6	4.2	4.4	

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.

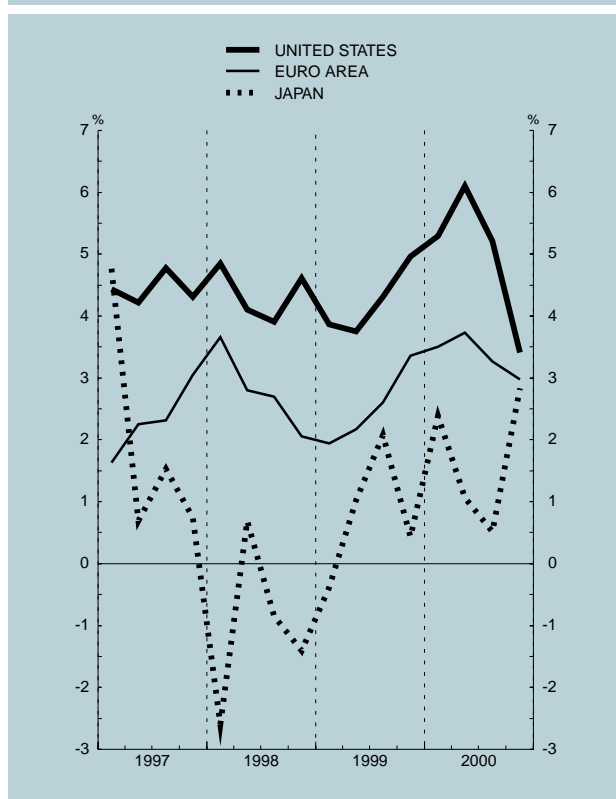
2.1. International comparison. Gross domestic product at constant prices

■ 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
98	2.7	2.8	2.8	1.8	4.3	4.4	3.3	1.8	-1.1	2.6
99	3.2	2.6	2.5	1.4	4.0	4.2	3.2	1.6	0.8	2.3
00	...	...	3.4	3.1	4.1	5.0	3.2	2.9	1.7	3.0
97 Q4	3.6	3.2	3.1	1.6	4.8	4.3	3.0	3.2	0.7	3.5
98 Q1	3.1	3.6	3.7	3.0	4.8	4.8	3.3	3.0	-2.6	3.2
Q2	2.8	2.8	2.8	1.7	4.5	4.1	3.6	1.7	0.7	3.0
Q3	2.4	2.7	2.7	1.6	4.1	3.9	3.4	1.9	-0.9	2.4
Q4	2.4	2.1	2.1	1.0	3.9	4.6	3.0	0.7	-1.4	2.0
99 Q1	2.5	2.0	1.9	0.6	3.9	3.9	2.9	1.1	-0.4	1.7
Q2	2.8	2.2	2.2	1.0	3.9	3.8	2.8	1.3	1.0	1.7
Q3	3.5	2.6	2.6	1.6	4.0	4.3	3.2	1.4	2.1	2.5
Q4	3.9	3.4	3.4	2.5	4.2	5.0	3.7	2.7	0.4	3.2
00 Q1	4.4	3.6	3.5	2.6	4.2	5.3	3.6	3.3	2.4	3.2
Q2	4.7	3.7	3.7	4.0	4.2	6.1	3.4	2.9	1.1	3.4
Q3	4.1	3.3	3.3	3.3	4.1	5.2	3.0	2.7	0.5	3.0
Q4	...	...	3.0	2.6	3.8	3.4	2.8	2.7	2.8	2.6

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.

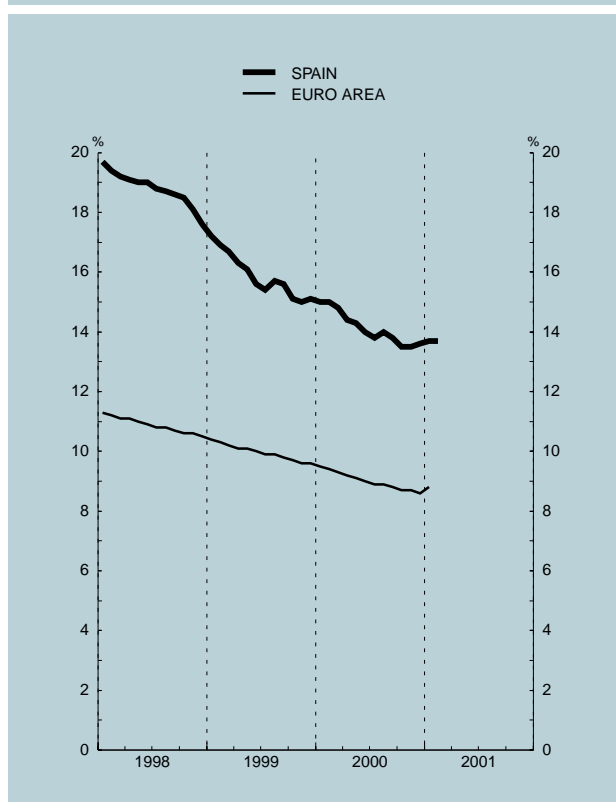
2.2. International comparison. Unemployment rates

■ Series depicted in chart.

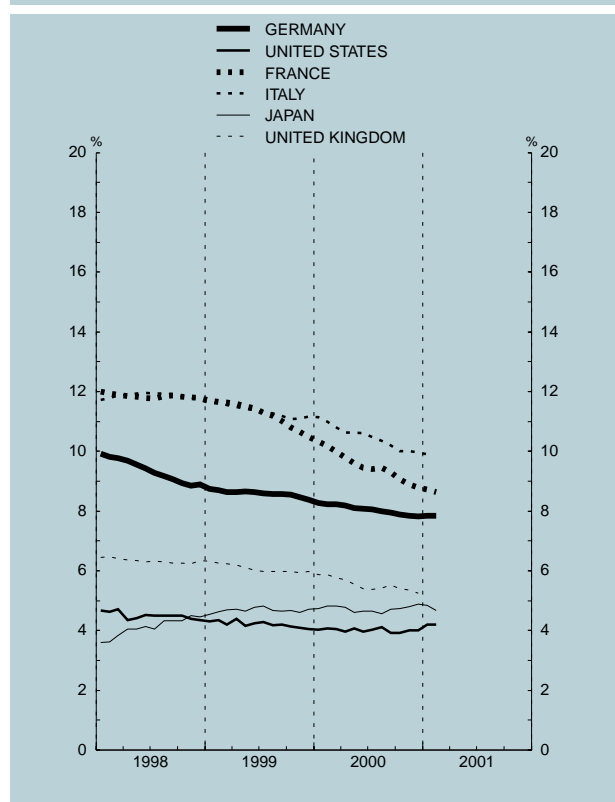
Percentages

	OECD	EU	Euro area	Germany	Spain	United States	France	Italy	Japan	United Kingdom
	1	2	3	4	5	6	7	8	9	10
98	7.1	9.9	10.9	9.4	18.8	4.5	11.8	11.9	4.1	6.3
99	6.8	9.2	10.0	8.6	15.9	4.2	11.2	11.3	4.7	6.1
00	6.4	8.3	9.0	8.1	14.1	4.0	9.5	10.5	4.7	5.5
99 Sep	6.7	9.1	9.8	8.6	15.6	4.2	11.0	11.2	4.7	6.0
Oct	6.8	8.9	9.7	8.5	15.1	4.1	10.8	11.1	4.7	6.0
Nov	6.7	8.9	9.6	8.5	15.0	4.1	10.7	11.1	4.6	5.9
Dec	6.7	8.8	9.6	8.4	15.1	4.1	10.5	11.2	4.7	6.0
00 Jan	6.6	8.8	9.5	8.3	15.0	4.0	10.3	11.2	4.7	5.9
Feb	6.6	8.7	9.4	8.2	15.0	4.1	10.2	11.0	4.8	5.9
Mar	6.5	8.6	9.3	8.2	14.8	4.1	10.0	10.8	4.8	5.8
Apr	6.5	8.5	9.2	8.2	14.4	4.0	9.8	10.6	4.8	5.7
May	6.4	8.4	9.1	8.1	14.3	4.1	9.6	10.6	4.6	5.6
Jun	6.4	8.3	9.0	8.1	14.0	4.0	9.5	10.6	4.7	5.4
Jul	6.3	8.2	8.9	8.1	13.8	4.0	9.4	10.5	4.7	5.4
Aug	6.4	8.2	8.9	8.0	14.0	4.1	9.4	10.3	4.6	5.4
Sep	6.3	8.2	8.8	8.0	13.8	3.9	9.3	10.2	4.7	5.5
Oct	6.3	8.1	8.7	7.9	13.5	3.9	9.1	10.0	4.7	5.4
Nov	6.3	8.0	8.7	7.9	13.5	4.0	8.9	10.0	4.8	5.4
Dec	6.3	8.0	8.6	7.8	13.6	4.0	8.8	10.0	4.9	5.2
01 Jan	6.3	8.0	8.8	7.8	13.7	4.2	8.7	9.9	4.9	...
Feb	6.2	8.0	...	7.8	13.7	4.2	8.6	...	4.7	...

UNEMPLOYMENT RATES



UNEMPLOYMENT RATES



Sources: ECB and OECD.

2.3. International comparison. Consumer prices (a)

■ Series depicted in chart.

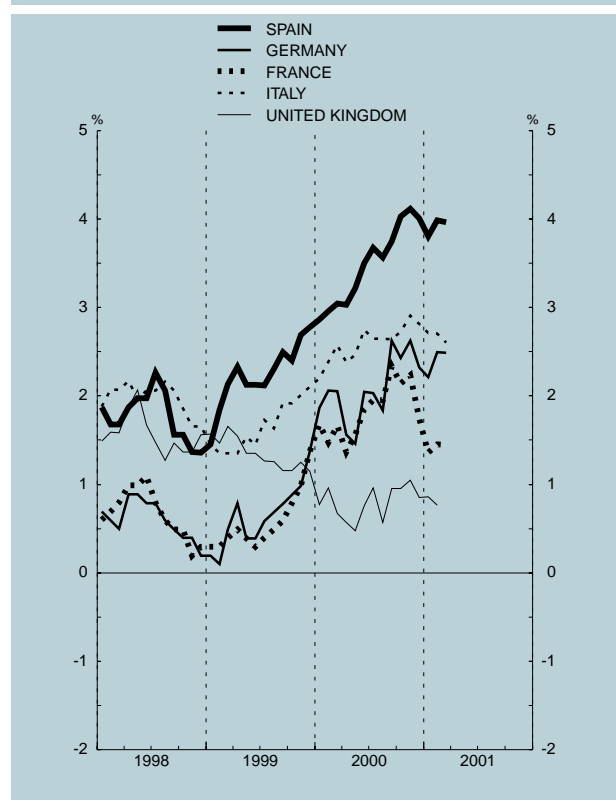
Annual percentage changes

	OECD 1	EU 2	Euro area 3	Germany 4	Spain 5	United States 6	France 7	Italy 8	Japan 9	United Kingdom 10
98	2.0	1.3	1.2	0.6	1.8	1.5	0.7	2.0	0.6	1.6
99	1.7	1.2	1.1	0.6	2.2	2.2	0.6	1.7	-0.3	1.3
00	2.5	2.1	2.4	2.1	3.5	3.4	1.8	2.6	-0.6	0.8
99 Oct	1.7	1.3	1.4	0.9	2.4	2.6	0.8	1.9	-0.7	1.2
Nov	1.7	1.5	1.5	1.0	2.7	2.6	1.0	2.0	-1.2	1.3
Dec	1.9	1.6	1.7	1.4	2.8	2.6	1.4	2.1	-1.1	1.2
00 Jan	2.1	1.7	1.9	1.9	2.9	3.0	1.7	2.2	-0.9	0.8
Feb	2.3	1.9	2.1	2.1	3.0	3.3	1.5	2.4	-0.6	1.0
Mar	2.5	1.9	2.2	2.1	3.0	3.8	1.7	2.6	-0.5	0.7
Apr	2.1	1.7	1.9	1.6	3.0	3.0	1.4	2.4	-0.8	0.6
May	2.2	1.7	1.9	1.5	3.2	3.1	1.6	2.5	-0.7	0.5
Jun	2.6	2.1	2.4	2.0	3.5	3.7	1.9	2.7	-0.7	0.8
Jul	2.8	2.1	2.4	2.0	3.7	3.7	2.0	2.6	-0.5	1.0
Aug	2.5	2.0	2.4	1.8	3.6	3.4	2.0	2.6	-0.8	0.6
Sep	2.7	2.4	2.8	2.6	3.7	3.4	2.3	2.6	-0.8	1.0
Oct	2.7	2.5	2.7	2.4	4.0	3.4	2.1	2.7	-0.9	1.0
Nov	2.8	2.6	2.9	2.6	4.1	3.5	2.2	2.9	-0.5	1.0
Dec	2.7	2.3	2.6	2.3	4.0	3.4	1.7	2.8	-0.2	0.9
01 Jan	2.8	2.2	2.5	2.2	3.8	3.5	1.4	2.7	0.1	0.9
Feb	2.7	2.3	2.6	2.5	4.0	3.4	1.4	2.7	-0.1	0.8
Mar	...	2.3	2.6	2.5	4.0	...	1.4	2.6	...	...

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.

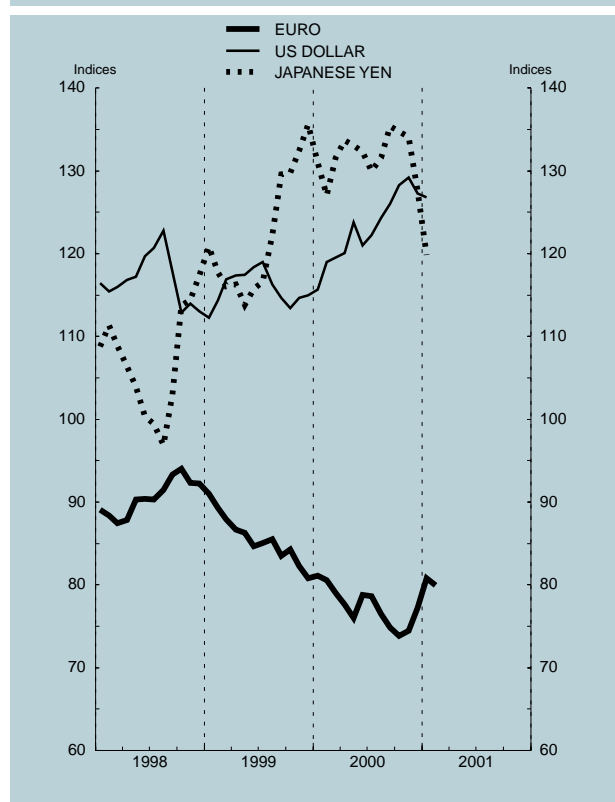
Average of daily data

	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					
	1 US dollar per ECU/euro	2 Japanese yen per ECU/euro	3 Japanese yen per US dollar	4 Euro (c)	5 US dollar	6 Japanese yen	Based on consumer prices			Based on producer prices		
							7 Euro (c)	8 US dollar	9 Japanese yen	10 Euro (c)	11 US dollar	12 Japanese yen
98	1.1206	146.42	130.84	92.6	110.6	120.4	90.6	116.9	107.0	92.6	113.1	102.1
99	1.0666	121.39	113.75	87.4	108.2	140.4	85.6	115.8	122.3	87.2	112.5	116.2
00	0.9239	99.52	107.76	78.3	113.0	157.0	77.4	123.0	131.8	79.3	118.1	124.4
00 J-M	0.9872	105.54	106.92	81.3	108.8	152.9	80.2	118.0	129.9	81.9	113.7	123.2
01 J-M	0.9232	109.06	118.17	80.9	117.5	144.8	80.4	126.8	119.8	82.0	...	...
00 Jan	1.0137	106.53	105.10	82.4	106.9	153.4	81.1	115.7	131.0	83.0	111.4	124.4
Feb	0.9834	107.64	109.45	81.4	109.6	149.6	80.6	119.0	127.0	82.0	114.8	120.3
Mar	0.9643	102.59	106.38	80.0	109.9	155.5	79.0	119.6	131.6	80.8	115.1	124.5
Apr	0.9470	99.92	105.53	78.6	110.4	157.8	77.6	120.1	133.7	79.8	115.3	126.5
May	0.9060	98.09	108.28	77.1	114.1	157.2	76.0	123.8	133.1	78.7	119.1	125.1
Jun	0.9492	100.71	106.11	79.8	111.1	157.5	78.8	121.0	132.3	80.5	116.8	124.7
Jul	0.9397	101.39	107.90	79.4	112.1	155.5	78.7	122.3	129.9	80.2	117.4	123.0
Aug	0.9041	97.76	108.12	77.2	114.0	157.6	76.5	124.3	131.6	78.3	118.7	124.7
Sep	0.8721	93.11	106.76	75.6	115.5	162.5	74.8	126.0	135.3	76.5	120.8	127.4
Oct	0.8552	92.75	108.45	74.5	117.4	161.7	73.8	128.3	134.7	75.4	122.5	126.4
Nov	0.8564	93.26	108.91	75.2	118.4	161.5	74.4	129.2	134.1	76.7	123.3	125.8
Dec	0.8973	100.61	112.11	77.9	116.6	153.5	77.3	127.2	127.5	79.4	121.4	120.1
01 Jan	0.9383	109.57	116.78	81.4	115.7	144.8	80.8	126.8	119.8	82.5	...	...
Feb	0.9217	107.08	116.18	80.6	116.9	147.2	79.9	...	...	81.6	...	...
Mar	0.9095	110.33	121.35	80.7	119.9	142.6	...	...	...	...	...	...

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
98	-	4.50	0.50	6.25	4.22	4.57	-	3.47	4.24	5.44	3.42	4.95	0.62	7.30
99	3.00	5.00	0.50	5.50	3.69	3.42	2.96	-	-	5.31	-	-	0.16	5.42
00	4.79	6.00	0.50	6.00	4.71	4.65	4.39	-	-	6.44	-	-	0.19	6.08
99 Oct	2.50	4.75	0.50	5.25	4.21	3.82	3.38	-	-	6.08	-	-	0.21	5.90
Nov	3.00	5.00	0.50	5.50	4.22	3.88	3.47	-	-	6.02	-	-	0.28	5.75
Dec	3.00	5.00	0.50	5.50	4.22	3.89	3.45	-	-	6.08	-	-	0.16	5.94
00 Jan	3.00	5.00	0.50	5.75	4.13	3.82	3.34	-	-	5.94	-	-	0.06	6.03
Feb	3.25	5.25	0.50	6.00	4.23	3.97	3.54	-	-	6.02	-	-	0.05	6.12
Mar	3.50	5.50	0.50	6.00	4.35	4.17	3.75	-	-	6.12	-	-	0.04	6.12
Apr	3.50	5.50	0.50	6.00	4.46	4.29	3.93	-	-	6.25	-	-	0.05	6.19
May	3.75	6.00	0.50	6.00	4.80	4.65	4.36	-	-	6.70	-	-	0.04	6.18
Jun	4.29	6.00	0.50	6.00	4.85	4.75	4.50	-	-	6.72	-	-	0.06	6.11
Jul	4.30	6.00	0.50	6.00	4.86	4.82	4.58	-	-	6.66	-	-	0.13	6.08
Aug	4.68	6.00	0.50	6.00	4.92	4.97	4.78	-	-	6.59	-	-	0.22	6.11
Sep	4.65	6.00	0.50	6.00	4.95	5.02	4.85	-	-	6.59	-	-	0.30	6.09
Oct	4.80	6.00	0.50	6.00	5.05	5.15	5.04	-	-	6.66	-	-	0.42	6.05
Nov	4.82	6.00	0.50	6.00	5.05	5.16	5.09	-	-	6.64	-	-	0.47	5.98
Dec	4.79	6.00	0.50	6.00	4.90	5.00	4.94	-	-	6.42	-	-	0.51	5.85
01 Jan	4.76	5.00	0.50	6.00	4.58	4.85	4.77	-	-	5.60	-	-	0.42	5.74
Feb	4.78	5.00	0.25	5.75	4.40	4.83	4.76	-	-	5.24	-	-	0.33	5.65
Mar	4.75	4.50	0.25	5.75	4.15	4.75	4.71	-	-	4.86	-	-	0.09	5.45

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.

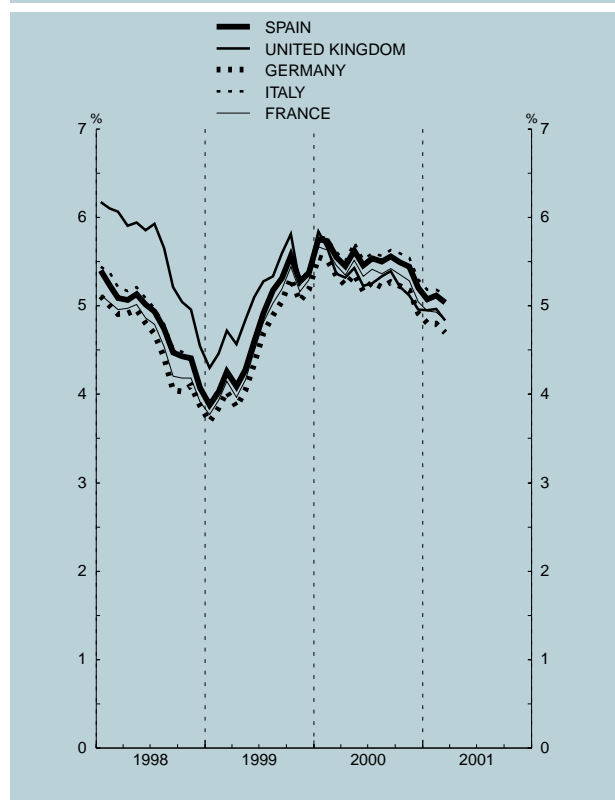
Percentages

	OECD 1	EU 2	Euro area 3	Germany 4	Spain 5	United States 6	France 7	Italy 8	Japan 9	United Kingdom 10
98	4.59	4.99	4.70	4.57	4.83	5.33	4.65	4.89	1.50	5.61
99	4.72	4.79	4.66	4.50	4.73	5.71	4.62	4.75	1.76	5.06
00	5.17	5.45	5.44	5.27	5.53	6.12	5.40	5.59	1.76	5.34
99 Oct	5.26	5.59	5.47	5.31	5.57	6.19	5.44	5.56	1.79	5.81
Nov	5.11	5.28	5.18	5.05	5.28	6.12	5.16	5.28	1.81	5.25
Dec	5.25	5.39	5.30	5.18	5.37	6.36	5.29	5.40	1.73	5.38
00 Jan	5.58	5.77	5.70	5.55	5.76	6.78	5.67	5.79	1.72	5.84
Feb	5.50	5.68	5.66	5.52	5.73	6.63	5.63	5.76	1.83	5.65
Mar	5.35	5.64	5.49	5.34	5.55	6.37	5.46	5.61	1.81	5.36
Apr	5.11	5.39	5.41	5.24	5.45	6.05	5.35	5.51	1.75	5.32
May	5.38	5.54	5.52	5.36	5.63	6.55	5.52	5.71	1.71	5.43
Jun	5.15	5.36	5.35	5.17	5.46	6.20	5.33	5.53	1.69	5.22
Jul	5.16	5.43	5.45	5.27	5.53	6.14	5.41	5.59	1.72	5.26
Aug	5.07	5.40	5.40	5.21	5.50	5.92	5.37	5.56	1.77	5.34
Sep	5.08	5.45	5.47	5.27	5.56	5.87	5.42	5.63	1.89	5.39
Oct	5.02	5.38	5.42	5.22	5.49	5.83	5.36	5.59	1.83	5.22
Nov	4.97	5.31	5.34	5.17	5.45	5.80	5.29	5.54	1.75	5.12
Dec	4.65	5.07	5.07	4.91	5.20	5.32	5.05	5.30	1.62	4.96
01 Jan	4.62	4.97	5.01	4.81	5.08	5.22	4.94	5.18	1.52	4.95
Feb	4.58	4.97	5.02	4.80	5.12	5.17	4.93	5.18	1.43	4.96
Mar	4.41	4.88	4.94	4.70	5.04	4.94	4.84	5.13	1.19	4.84

10-YEAR GOVERNMENT BOND YIELDS



10-YEAR GOVERNMENT BOND YIELDS



Sources: ECB, Reuters and BE.

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

■ Series depicted in chart.

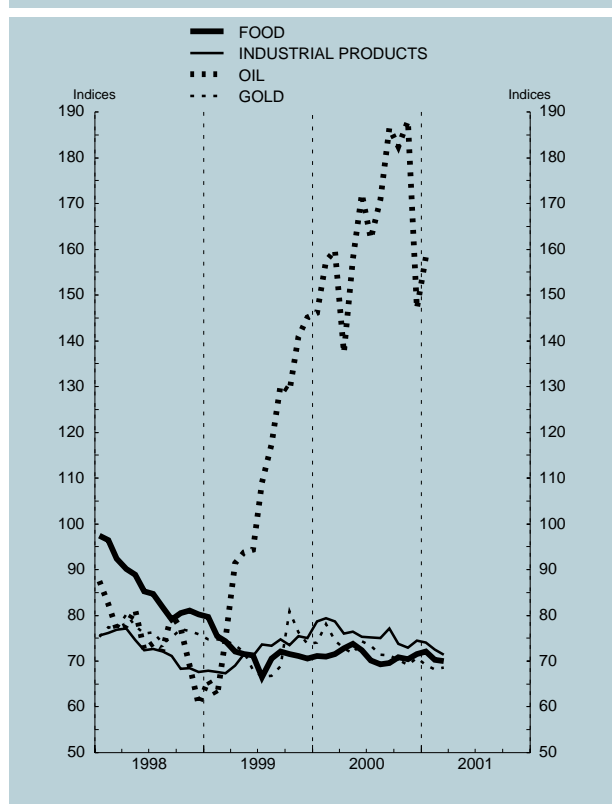
1995 = 100

	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	
98	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
99	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
00	104.4	101.5	108.3	73.3	71.2	76.1	70.3	80.9	163.9	28.5	72.6	279.0	9.72
00 J-M	99.1	94.8	105.0	74.5	71.2	78.9	73.2	83.7	154.3	26.8	75.5	290.0	9.45
01 J-M	102.0	100.9	103.5	71.6	70.8	72.7	65.9	78.4	...	26.3	68.6	263.7	9.18
99 Dec	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
00 Jan	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
Feb	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
Mar	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
Apr	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
May	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
Jun	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
Jul	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
Aug	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
Sep	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
Oct	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
Nov	109.9	108.3	112.2	71.4	70.4	72.9	67.9	77.1	188.0	32.7	69.2	265.9	9.98
Dec	106.9	105.0	109.5	72.8	71.5	74.5	67.9	80.1	147.1	26.4	70.7	271.5	9.73
01 Jan	102.2	101.1	103.8	72.9	72.1	74.0	66.7	80.2	158.3	25.8	69.1	265.5	9.10
Feb	101.9	100.4	103.8	71.3	70.3	72.6	65.2	78.8	...	27.4	68.2	261.9	9.14
Mar	101.9	101.1	103.1	70.6	70.0	71.4	65.6	76.3	...	25.8	68.6	263.4	9.31

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.

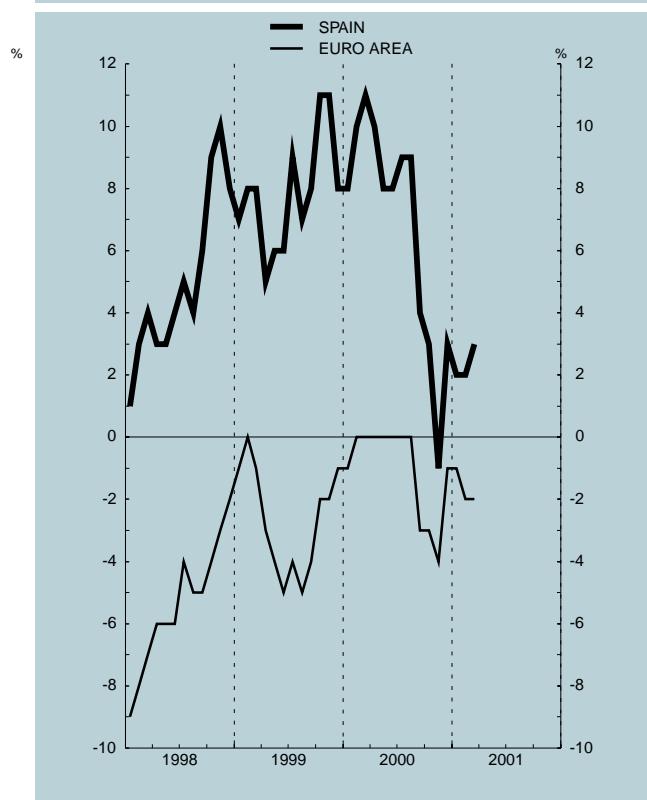
3.1. Indicators of private consumption. Spain and euro area

■ Series depicted in chart.

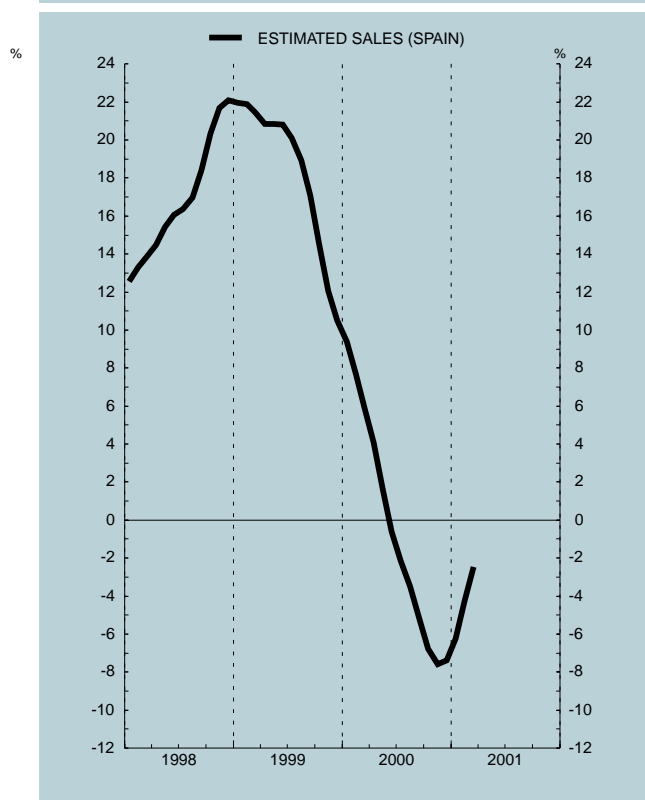
Annual percentage changes

	Opinion surveys (net percentages)						New car registrations and sales			Retail trade: sales index									
	Consumers			Retail trade confidence index	Memorandum item: euro area		of which		Estimated sales	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			Registrations	Nominal	Deflated (a)	Large retail outlets (a)	Food (b)	Personal items (c)	Household items (d)		Other (e)
				1					2	3								4		5	6	7	8	9	10	11	12	13	14	15	16	17	18
98		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	3.0
99		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
00	P	7	5	7	3	-1	-0	-2.5	-3.7	-1.7	-2.2	6.2	4.0	6.3	2.6	...	...	...	2.3
00 J-M	P	10	8	8	3	-0	-0	7.2	11.2	7.6	...	8.9	7.2	7.2	4.6	...	...	...	...
01 J-M	A	2	-1	6	1	-2	-1	-12.6	-12.6	-1.3	...	...	...	...	...	...	...	...	...
00 Apr	P	10	8	8	-2	-	-2	8.2	-3.4	10.0	-1.8	8.5	7.0	12.6	8.0	...	...	...	4.0
May	P	8	6	8	3	-	4	3.1	2.4	3.5	1.4	8.6	7.1	9.4	6.9	...	...	...	4.8
Jun	P	8	6	8	10	-	7	-1.6	-2.4	-1.8	1.1	7.1	5.2	9.4	4.5	...	...	...	1.0
Jul	P	9	5	9	3	-	-2	-7.0	-10.1	-6.0	-14.5	2.4	0.1	2.9	-0.5	...	...	...	2.1
Aug	P	9	6	7	3	-	-2	0.9	1.1	1.6	-4.3	6.6	4.0	10.3	2.5	...	...	...	1.8
Sep	P	4	-	5	1	-3	-1	-6.1	-9.2	-4.6	-1.6	5.0	2.3	8.4	-0.8	...	...	...	3.4
Oct	P	3	-1	6	1	-3	-1	-11.9	-13.1	-11.5	-7.0	3.2	0.4	-1.0	-1.2	...	...	...	0.9
Nov	P	-1	-1	5	-	-4	-3	-12.0	-11.2	-10.5	-3.3	6.2	3.4	2.8	1.9	...	...	...	1.3
Dec	P	3	-	6	4	-1	-4	-21.4	-24.7	-20.6	1.9	3.0	0.1	3.1	-1.2	...	...	...	1.9
01 Jan	A	2	-2	5	2	-1	-	-3.7	-3.1	-3.3	-5.6	9.4	6.1	2.3	5.8	...	...	...	2.4
Feb	A	2	-	6	-1	-2	-	-21.2	-21.6	-3.9	-6.0	4.7	1.0	1.5	0.2	...	...	...	...
Mar	A	3	-1	7	3	-2	-4	-11.3	-11.5	2.1	...	...	...	...	...	...	...	...	...

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 o. serv.) components of the CPI.

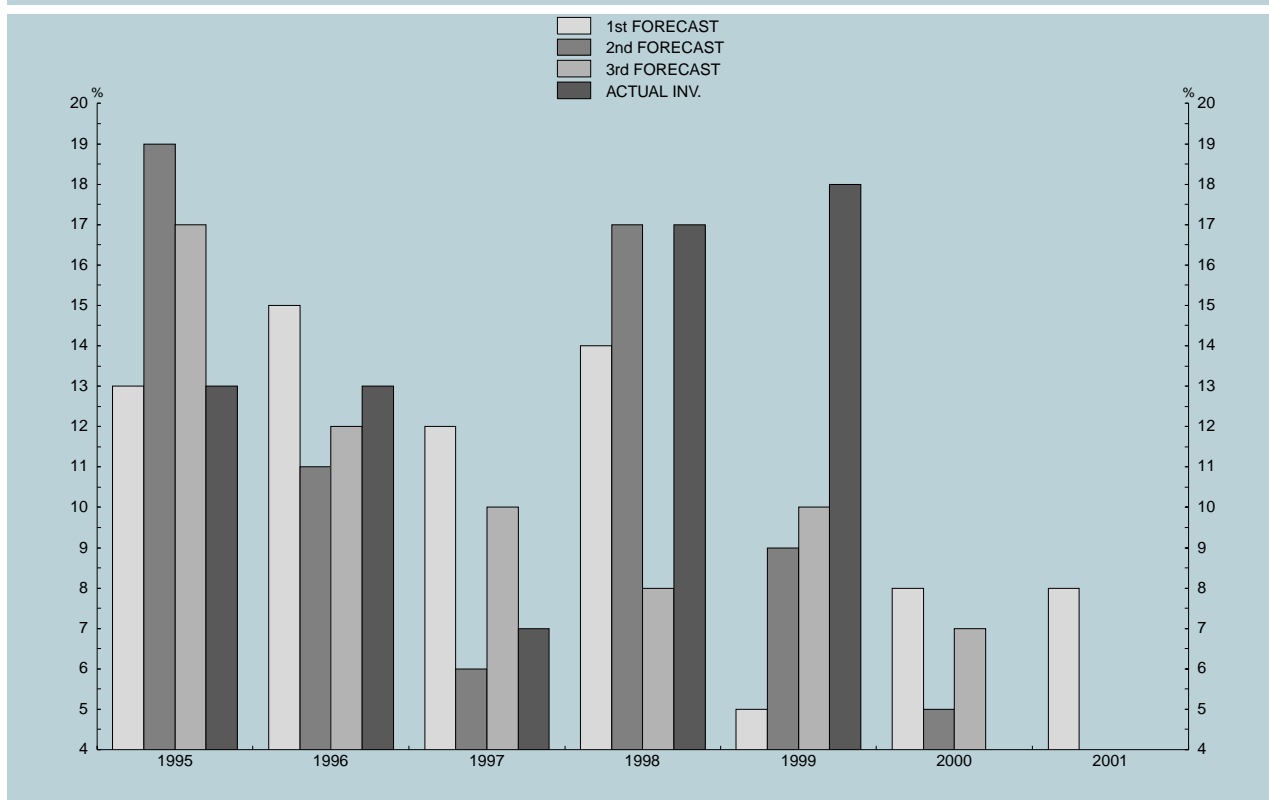
3.2. Investment in industry (excluding construction): opinion surveys. Spain

■ Series depicted in chart.

Annual percentage changes at current prices

	1	2	3	4				
	ACTUAL INV.		1st FORECAST		2nd FORECAST		3rd FORECAST	
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		7	
01		...	8		...		...

INVESTMENT IN INDUSTRY Annual rates of change



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 $t+1$.

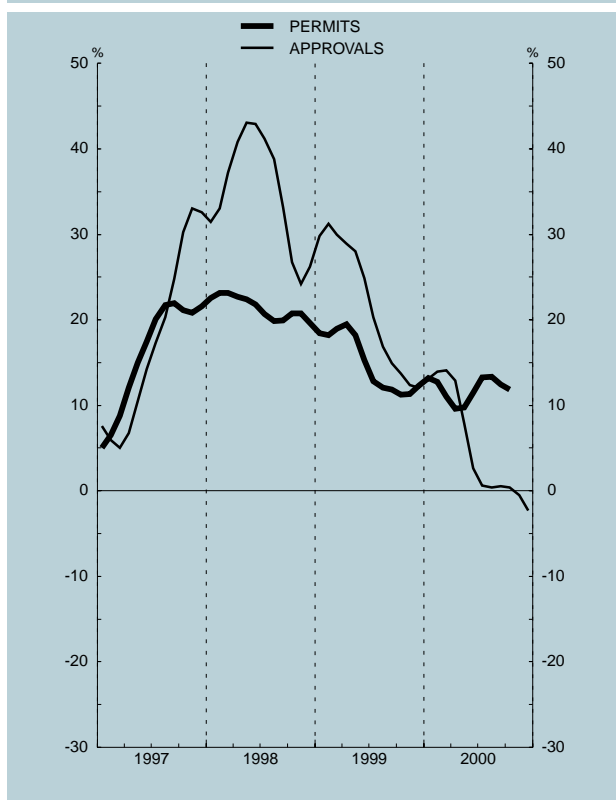
3.3. Construction. Indicators of building starts and consumption of cement. Spain

■ Series depicted in chart.

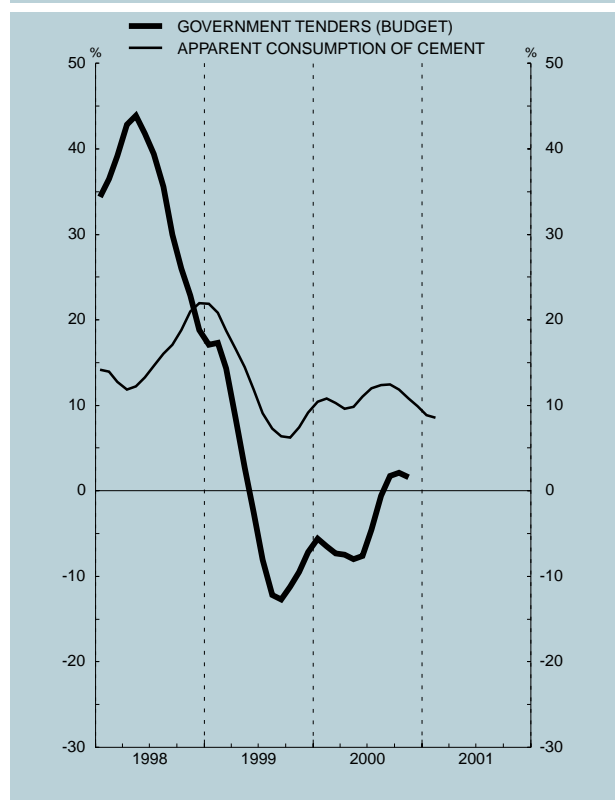
Annual percentage changes

	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	
98	23.7	22.5	21.8	29.7	32.5	29.0	46.8	46.8	29.0	27.7	-13.0	29.4	55.0	15.7
99	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
00	...	...	...	...	5.1	3.9	...	...	...	...	...	...	...	11.0
00 J-F	30.1	28.7	27.2	36.0	17.5	18.3	-0.5	-0.5	-17.2	-62.8	24.7	6.7	6.4	14.5
01 J-F	...	...	...	...	...	...	...	...	...	...	...	...	...	8.6
99 Nov	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
99 Dec	18.4	22.9	23.4	-	8.1	9.5	4.4	-9.7	30.2	339.1	-70.7	-47.1	-1.9	10.3
00 Jan	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
00 Feb	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
00 Mar	3.4	3.2	2.7	4.3	9.0	13.6	43.8	15.9	-4.0	-43.2	-50.2	5.9	74.3	14.6
00 Apr	-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
00 May	2.1	-0.7	0.6	16.9	21.8	23.2	-11.1	-4.5	-1.9	-13.5	-47.9	1.0	-14.0	13.5
00 Jun	9.2	6.5	7.3	21.3	-6.5	-8.8	-23.0	-8.3	31.4	143.0	-19.6	-6.0	-43.8	13.7
00 Jul	33.8	30.4	29.4	49.2	-6.9	-7.2	-5.3	-7.8	35.1	0.5	-3.4	45.6	-20.2	10.9
00 Aug	28.3	29.7	30.3	21.3	5.8	7.4	-0.7	-7.0	1.0	-6.0	36.1	3.4	-1.5	13.7
00 Sep	-0.9	3.5	4.7	-18.6	-4.4	-10.0	-2.8	-6.7	7.2	40.3	-64.1	-0.1	-7.4	11.9
00 Oct	15.7	16.2	15.7	13.4	7.7	-9.3	16.0	-4.6	5.3	6.8	-5.3	4.9	22.4	15.1
00 Nov	...	...	...	...	1.0	-2.7	6.8	-3.5	-3.1	25.8	52.7	-9.6	12.3	10.3
00 Dec	...	...	...	...	-12.4	-12.5	...	...	...	...	...	...	...	3.9
01 Jan	...	...	...	...	...	...	...	...	...	...	...	...	...	17.0
01 Feb	...	...	...	...	...	...	...	...	...	...	...	...	...	1.7

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.

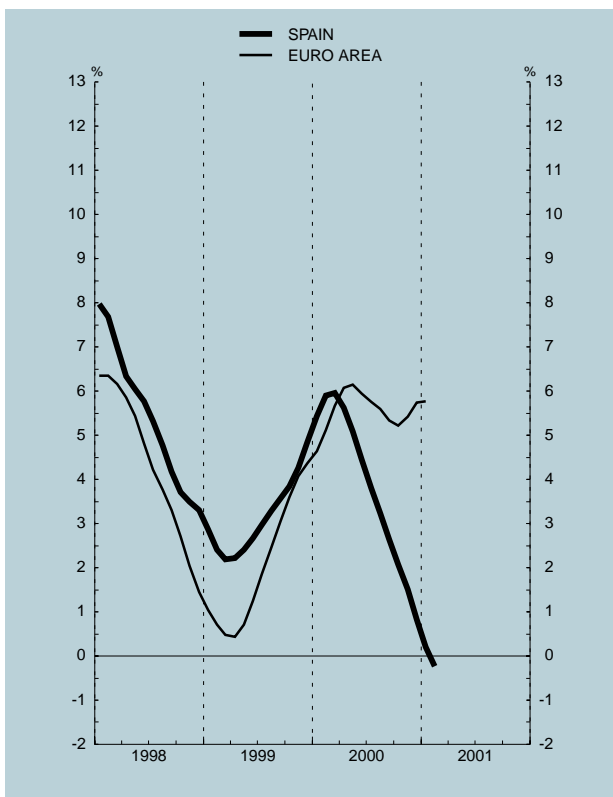
3.4. Industrial production index. Spain and euro area

■ Series depicted in chart.

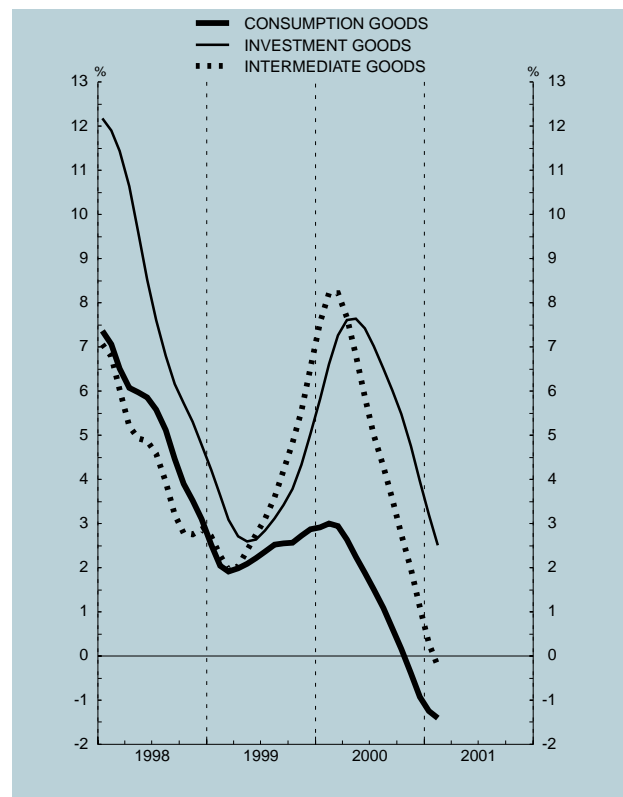
Annual percentage changes

		Overall Index			By end-use of goods			By branch of activity				Memorandum item: euro area					
		Total		of which Manufacturing	Consumption	Investment	Inter- mediate goods	Energy	Minerals	Proces- sing	Others	of which		By end-use of goods			
		Original series	12-month % change									Total	Manufacturing	Total	Manufacturing	Consumption	Investment	Inter- mediate goods
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
98	MP	115.1	5.4	6.2	5.5	8.4	4.2	1.1	5.5	8.2	4.7	4.4	4.8	2.6	6.6	4.2	
99	MP	118.1	2.6	2.3	1.9	3.2	3.1	4.0	4.1	0.5	3.1	2.0	2.0	1.7	1.5	2.5	
00	MP	122.8	4.0	3.3	1.2	6.1	5.5	7.0	3.7	6.2	0.7	5.5	6.0	2.5	9.1	5.6	
00	J-F	MP	121.9	7.5	6.5	2.7	9.3	10.7	11.4	11.3	7.8	2.8	4.6	...	6.1	5.5	
01	J-F	MP	122.5	0.5	0.6	0.4	1.4	0.4	-0.9	1.6	2.8	-1.6	...	...	...	...
99	Nov	P	128.4	5.2	4.7	5.5	3.5	5.8	6.9	7.9	1.1	7.0	4.7	5.2	5.3	3.1	5.4
	Dec	P	118.0	5.4	5.7	5.6	2.6	6.3	2.2	10.9	1.8	7.2	5.3	5.8	7.9	3.2	7.5
00	Jan	P	118.5	5.0	3.5	-0.2	5.1	9.1	10.6	8.2	4.2	0.7	2.7	2.5	4.0	4.5	4.5
	Feb	P	125.2	9.9	9.3	5.5	13.1	12.3	12.4	14.2	11.1	4.9	5.9	6.6	2.8	7.6	6.5
	Mar	P	136.3	10.2	8.9	7.8	11.1	11.8	16.2	7.8	11.1	8.2	5.7	5.8	1.8	8.2	6.1
	Apr	P	114.8	-0.1	-2.0	-4.0	-1.3	3.5	11.7	-3.2	-0.5	-2.8	6.1	6.7	4.7	8.2	6.4
	May	P	133.1	9.5	9.4	6.4	17.4	9.5	9.8	6.4	14.9	6.6	7.8	8.0	4.5	11.6	8.6
	Jun	P	132.7	5.2	4.4	2.2	7.5	6.9	9.1	2.1	8.8	2.1	4.5	4.9	1.9	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	5.6	6.0	2.6	8.8	5.0
	Aug	P	86.9	7.2	7.3	4.2	17.0	7.2	7.1	7.3	19.0	0.8	6.8	7.5	2.6	11.6	6.9
	Sep	P	125.1	0.1	-0.2	-1.2	-3.5	2.3	1.1	4.5	-2.4	-0.8	5.1	5.6	3.0	9.8	4.6
	Oct	P	126.8	2.8	2.8	1.7	6.3	2.5	2.9	0.2	6.1	1.4	3.9	4.2	0.1	8.0	3.9
	Nov	P	133.3	3.8	3.9	2.6	7.4	3.6	4.0	2.1	7.9	1.0	4.5	5.0	1.3	9.2	4.3
	Dec	P	112.3	-4.8	-5.2	-10.0	2.8	-3.3	-2.7	-1.6	1.0	-12.6	8.1	9.4	5.5	14.8	6.5
01	Jan	P	124.1	4.7	5.7	4.1	9.0	4.0	-0.4	7.3	11.2	0.3	5.3	6.3	3.2	9.6	4.1
	Feb	P	120.8	-3.5	-4.0	-3.0	-5.1	-3.2	-1.4	-3.6	-4.4	-3.4	...	...	...	...	...

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.

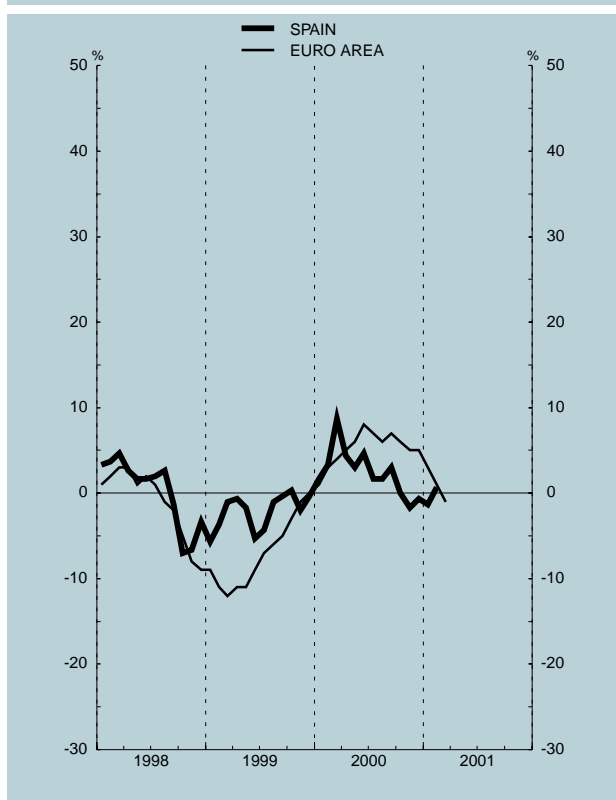
3.5. Monthly business survey: industry and construction. Spain and euro area

■ Series depicted in chart.

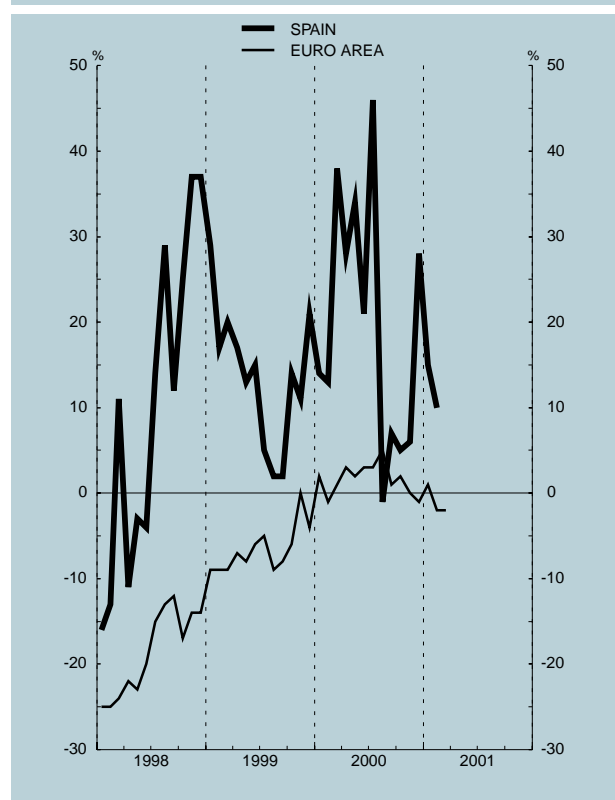
Balance

		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
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
00	M	2	9	11	3	-4	7	2	1	4	20	9	20	41	37	5	3	2
00	J-M	5	6	17	3	-7	6	4	-2	8	22	-12	17	33	54	3	-2	1
01	J-M	...	...	...	...	...	...	...	...	...	...	...	...	...	...	1	-1	-1
99	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	-1
	Mar	9	12	20	10	-3	4	7	-1	13	38	6	30	58	75	4	1	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	6	4	2
	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	3
	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	7	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	-
	Dec	-1	7	11	-4	-7	9	-3	6	-2	28	-24	24	29	48	5	4	-1
01	Jan	-1	-1	11	-6	-10	9	-1	5	-3	15	-22	16	6	61	3	-	1
	Feb	1	-	16	-5	-8	9	-2	9	-	10	-1	17	21	38	1	-	-2
	Mar	...	...	...	...	...	...	...	...	...	...	...	...	...	...	-1	-3	-2

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.

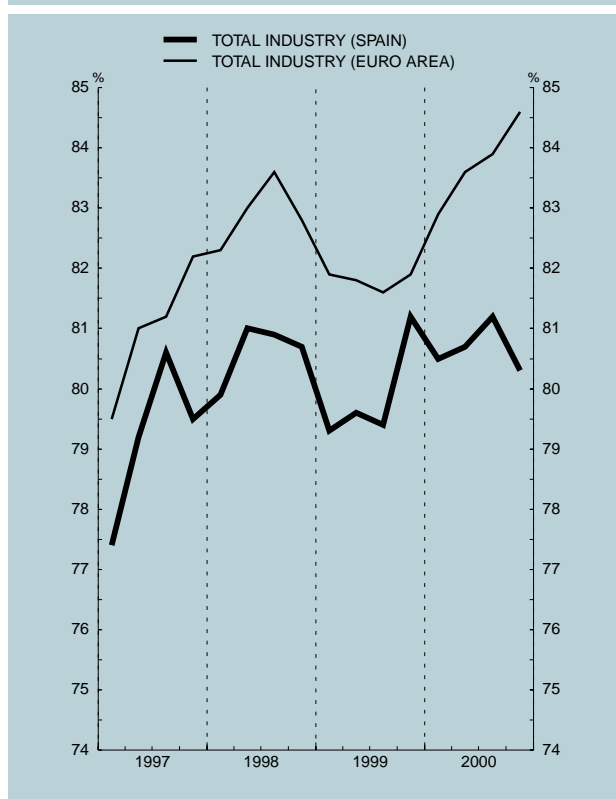
3.6. Business survey: capacity utilisation. Spain and euro area

■ Series depicted in chart.

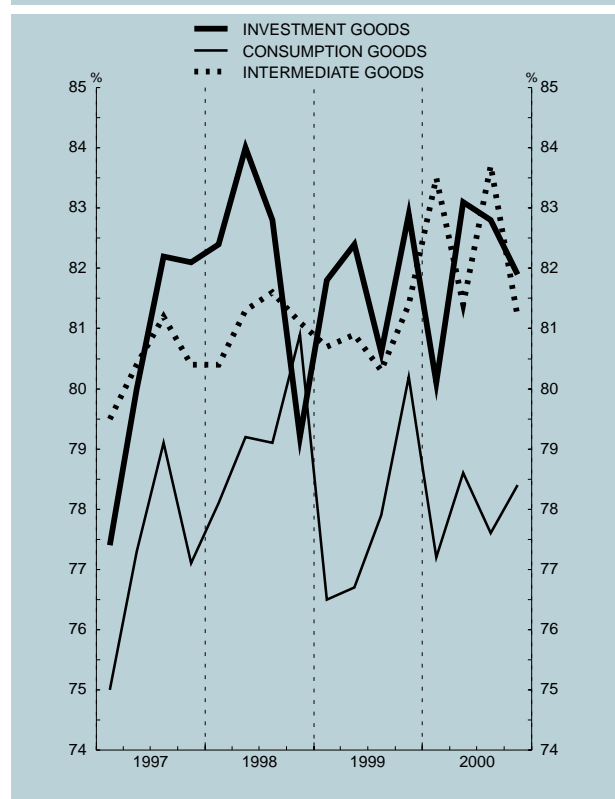
Percentages and balances

	Total industry			Consumer goods			Investment goods			Intermediate goods			Memorandum item: euro area capacity utilisation (%)
	Capacity utilisation		Installed capacity (balances)	Capacity utilisation		Installed capacity (balances)	Capacity utilisation		Installed capacity (balances)	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	82.9
99	79.9	80.9	2	77.8	79.4	3	81.9	81.9	2	80.8	82.1	1	81.8
99 Q1-Q4	79.9	80.9	2	77.8	79.4	3	81.9	81.9	2	80.8	82.1	1	81.8
00 Q1-Q4	80.7	81.7	-1	78.0	78.4	1	82.0	83.5	-2	82.5	83.7	-2	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	81.9
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	82.9
Q2	80.7	81.1	-	78.6	78.3	2	83.1	84.2	2	81.4	82.2	-2	83.6
Q3	81.2	82.1	-1	77.6	78.5	-1	82.8	84.3	-4	83.7	84.3	-	83.9
Q4	80.3	81.4	-1	78.4	78.4	2	81.9	84.8	-5	81.2	82.6	-1	84.6

CAPACITY UTILISATION. TOTAL INDUSTRY
Percentages



CAPACITY UTILISATION. BY TYPES OF GOODS
Percentages



Sources: Ministerio de Ciencia y Tecnología and ECB

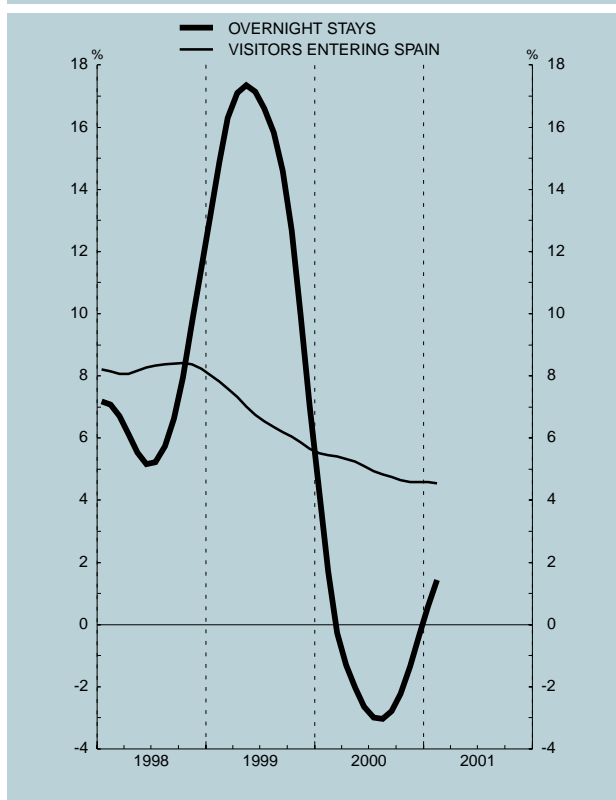
3.7. Tourism and transport statistics. Spain

■ Series depicted in chart.

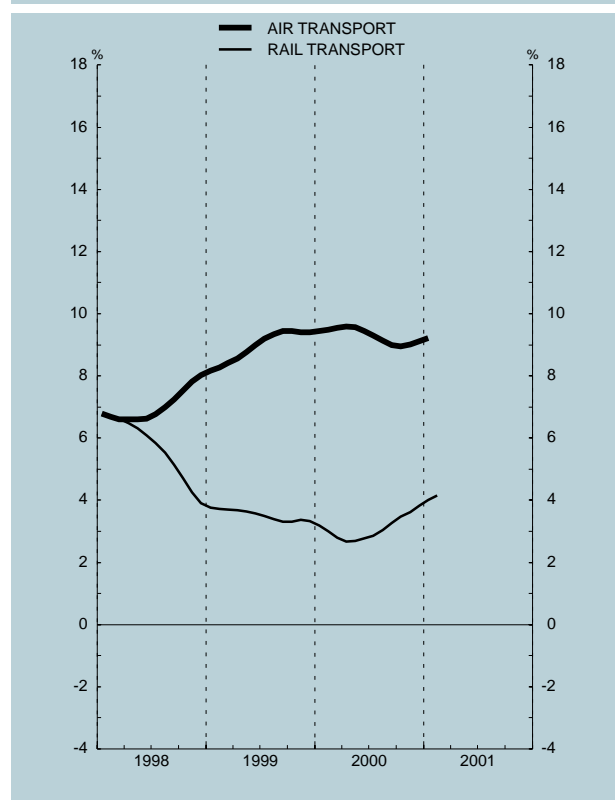
Annual percentage changes

	Hotel stays (a)		Overnight stays		Visitors entering Spain			Air transport				Maritime transport		Rail transport	
	Total	Foreigners	Total	Foreigners	Total	Tourists	Day-trip-ers	Passengers			Freight	Passen- gers	Freight	Passen- gers	Freight
								Total	Domestic flights	Internat- ional flights					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
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	6.3	7.8	3.8	9.0	7.0	10.3	6.8	7.9	5.2	3.8	1.5
00	P 1.3	1.5	-1.5	-3.5	3.3	3.0	3.8	9.4	12.8	7.1	4.2	7.2	6.8	2.2	1.2
00 J-F	3.6	2.2	-2.6	-7.0	3.0	5.4	-0.1	5.8	9.7	2.5	8.3	15.3	7.3	5.5	2.5
01 J-F	P 4.9	3.8	2.4	1.8	4.6	5.6	3.4	...	...	...	...	...	...	7.2	...
99 Nov	12.5	29.3	16.2	26.3	9.6	7.9	12.2	9.8	10.4	9.2	8.2	6.0	2.8	7.4	3.0
Dec	9.7	11.0	9.2	7.6	2.5	0.3	5.4	8.2	8.5	7.9	14.6	2.3	2.7	8.5	5.6
00 Jan	1.2	-0.8	-5.6	-10.6	0.8	4.5	-3.7	3.3	7.5	-0.2	2.7	14.2	7.0	4.4	5.0
Feb	5.8	4.7	0.0	-3.6	5.1	6.3	3.6	8.2	11.8	5.1	13.8	16.5	7.5	6.7	0.2
Mar	P 3.1	10.7	3.0	6.3	2.1	2.0	2.2	11.3	14.8	8.5	8.5	8.7	-0.2	-6.4	-13.2
Apr	P 8.2	8.9	2.3	1.0	17.1	28.2	0.1	17.9	18.1	17.8	11.2	17.3	3.1	2.7	-5.9
May	P -2.4	-2.8	-4.7	-6.7	-8.3	-11.2	-1.8	7.7	21.4	0.1	1.8	7.5	5.7	1.3	10.7
Jun	P -0.5	-1.5	-1.1	-3.1	6.8	7.7	4.8	12.1	19.6	7.8	1.6	3.2	14.8	2.8	0.4
Jul	P -0.9	2.5	-1.4	-1.9	-0.5	-3.9	7.6	11.3	14.8	9.3	2.6	6.3	10.2	1.5	-4.0
Aug	P 0.6	-0.7	-1.9	-5.3	-0.2	-4.3	7.1	8.8	13.5	6.3	12.5	7.7	5.3	-1.4	5.5
Sep	P -0.2	0.4	-2.1	-3.7	9.7	10.5	7.7	10.2	10.7	9.9	2.1	5.4	7.5	6.0	-4.3
Oct	P -0.9	-0.8	-4.5	-6.8	3.9	3.5	5.1	6.2	9.4	4.3	2.2	1.9	9.6	6.0	19.7
Nov	P 3.6	-2.1	-0.3	-4.6	3.8	5.7	1.1	4.7	2.6	6.5	2.2	0.5	4.7	0.8	4.9
Dec	P 4.3	7.8	1.0	0.6	4.2	3.2	5.3	8.9	9.4	8.4	-5.9	2.1	7.5	3.9	-2.4
01 Jan	P 6.5	5.0	3.2	1.4	6.7	9.9	2.4	11.0	10.8	11.1	3.1	3.4	3.4	9.2	...
Feb	P 3.5	2.8	1.8	2.0	2.8	1.7	4.3	...	...	...	...	...	...	5.3	...

TOURISM
Trend obtained with TRAMO-SEATS



TRANSPORT
Trend obtained with TRAMO-SEATS



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.

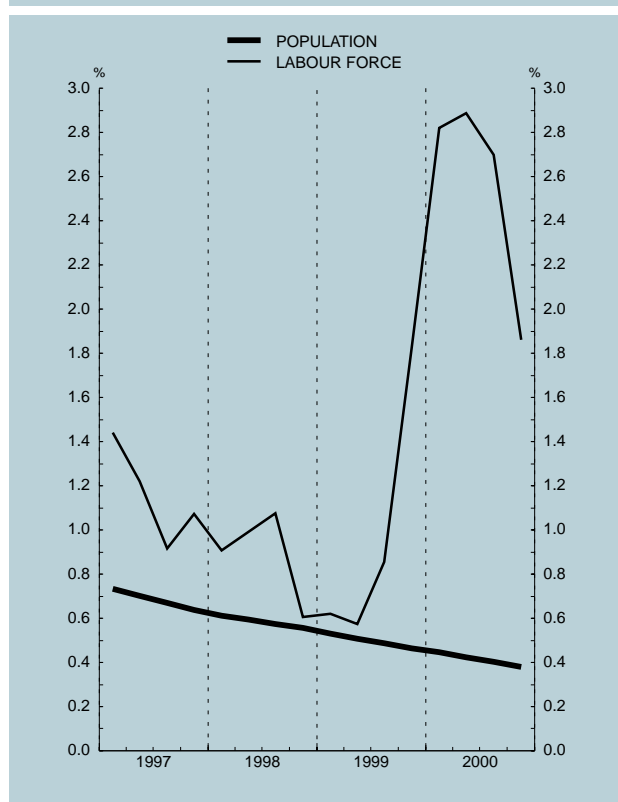
4.1. Labour force. Spain (a)

■ Series depicted in chart.

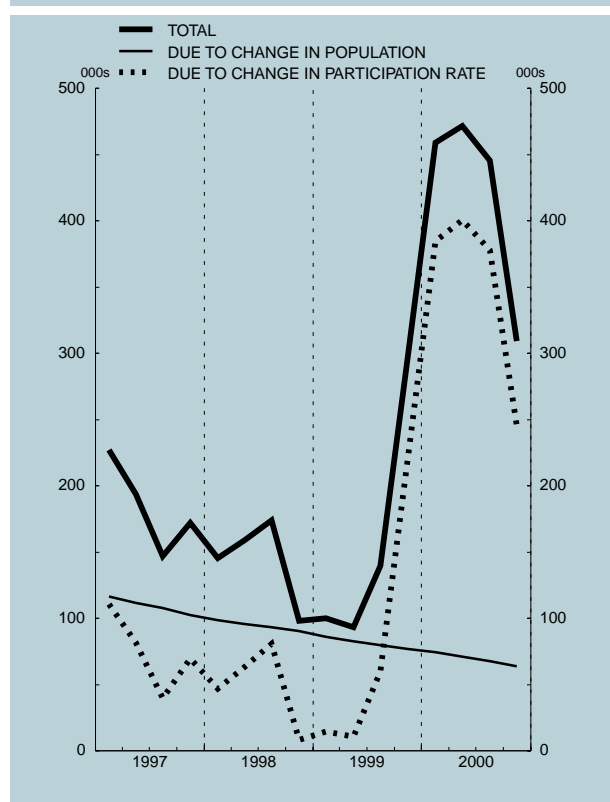
Thousands and annual percentage changes

		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-Q4M	32 696	162	0.5	50.23	16 423	158	81	76	1.0
00	Q1-Q4M	32 831	135	0.4	51.31	16 844	421	69	352	2.6
98	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
	Q4	32 876	124	0.4	51.44	16 913	309	64	245	1.9

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			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				Thousands	Annual change	4-quarter % change
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15		
97	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
98	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
99	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
99	Q1-Q4	M	13 817	613	4.6	10 837	680	6.7	2 981	-67	2 605	-455	-14.9	15.87	...	9.97
00	Q1-Q4	M	14 474	656	4.8	11 509	672	6.2	2 965	-16	2 370	-235	-9.0	14.08	...	9.01
98	Q2		13 161	454	3.6	10 115	476	4.9	3 045	-22	3 070	-295	-8.8	18.91	...	11.00
	Q3		13 325	464	3.6	10 249	437	4.4	3 076	28	3 035	-290	-8.7	18.55	...	10.77
	Q4		13 342	427	3.3	10 312	425	4.3	3 030	2	2 963	-329	-10.0	18.17	...	10.57
99	Q1		13 503	512	3.9	10 500	550	5.5	3 003	-39	2 761	-412	-13.0	16.98	...	10.30
	Q2		13 773	612	4.7	10 771	656	6.5	3 002	-44	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	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	2 562	-401	-13.5	15.43	1.7	9.63
00	Q1		14 213	710	5.3	11 245	745	7.1	2 968	-35	2 510	-251	-9.1	15.01	1.9	9.40
	Q2		14 450	677	4.9	11 487	716	6.6	2 962	-39	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	2 324	-224	-8.8	13.72	2.0	8.87
	Q4		14 611	569	4.1	11 651	555	5.0	2 960	14	2 302	-260	-10.2	13.61	...	8.67

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 of the sample updating can be found on the INE pages entitled "Variaciones sobre igual trimestre del año anterior".

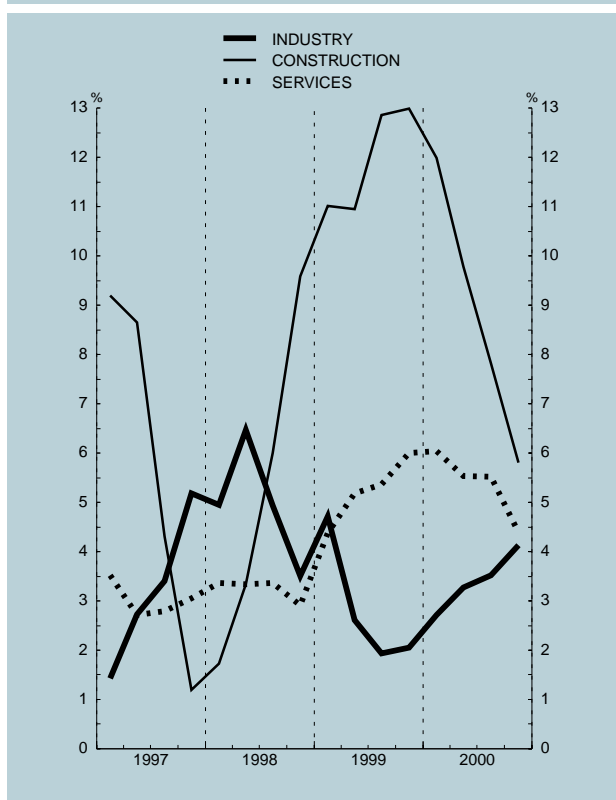
4.3. Employment by branch of activity. Spain (a)

■ Series depicted in chart.

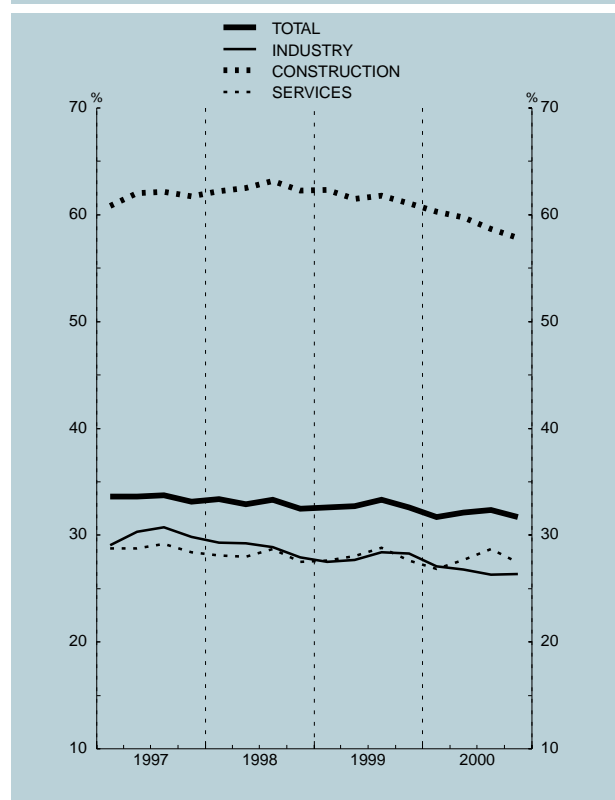
Annual percentage changes

		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-Q4M	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	5.9	6.0	6.1
00	Q1-Q4M	4.7	6.2	32.0	-2.5	-1.3	58.9	3.4	3.9	26.6	8.8	9.2	59.1	5.4	7.0	27.7	4.5	5.6	5.9
98	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
	Q4	4.1	5.0	31.7	-1.7	0.4	60.3	4.1	4.6	26.4	5.8	5.3	57.8	4.4	5.4	27.5	4.5	4.3	4.0

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".

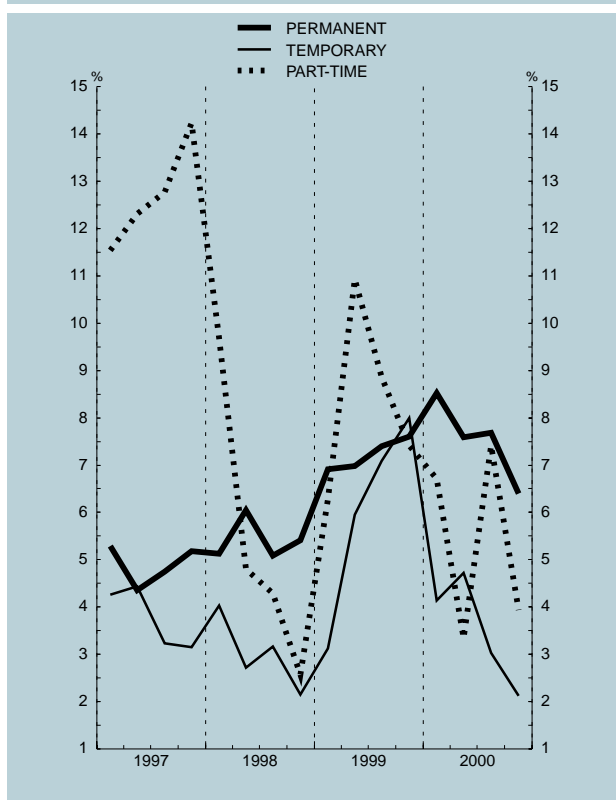
4.4. Wage-earners by type of contract and unemployment by duration. Spain. (a)

■ Series depicted in chart.

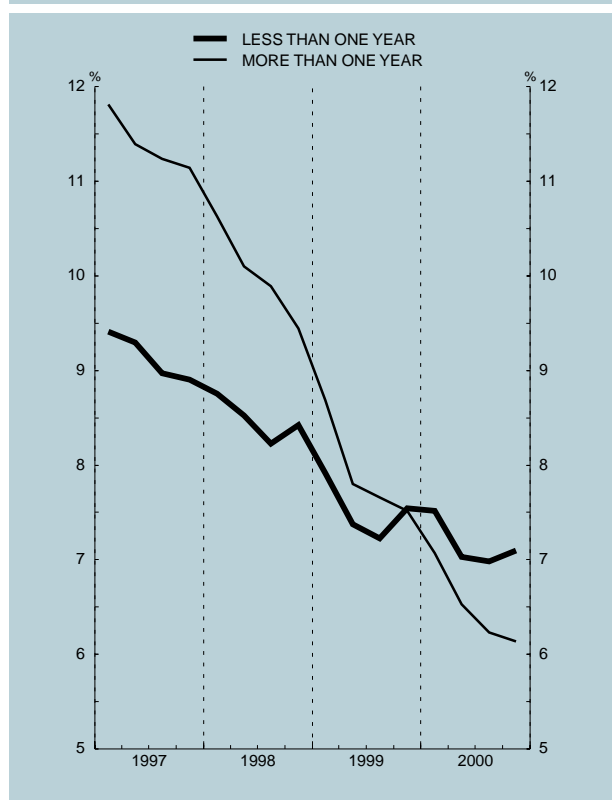
Thousands, annual percentage changes and %

		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-Q4	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
00	Q1-Q4	548	7.5	124	3.5	31.96	625	6.3	47	5.3	8.14	7.16	-2.3	6.49	-15.8	23.07	52.55	58.55
98	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
	Q4	478	6.4	77	2.1	31.70	520	5.1	35	3.9	7.91	7.10	-4.1	6.14	-16.8	23.24	50.74	56.36

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".

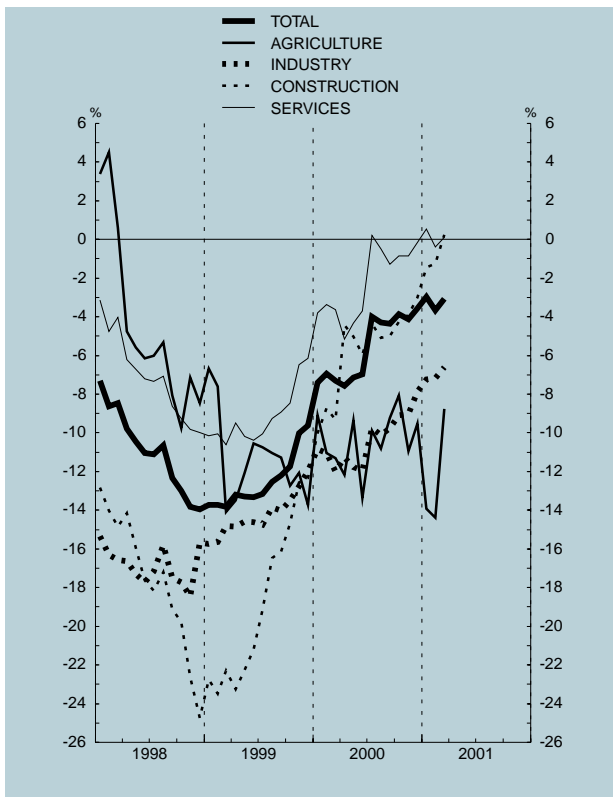
4.5. Registered unemployment by branch of activity. Contracts and placements. Spain

■ Series depicted in chart.

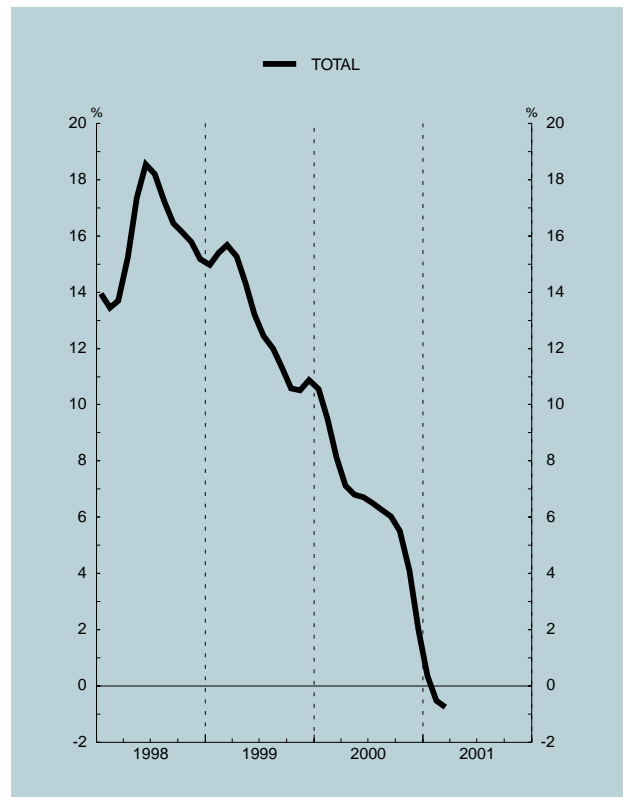
Thousands, annual percentage changes and %

		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										Services
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	MP	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-M	1 653	-129	-7.2	-12.2	-6.2	-10.5	-6.0	-11.3	-9.4	-3.6	1 149	9.0	9.12	16.83	90.88	1 129	10.3	
01	J-M	1 599	-54	-3.2	-10.1	-1.9	-12.4	-1.5	-7.0	-0.8	0.1	1 136	-1.1	8.79	16.62	91.21	1 121	-0.7	
00	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	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	1 182	6.2	
	Feb	1 599	-61	-3.7	-10.4	-2.3	-14.4	-1.9	-7.2	-1.3	-0.4	1 094	-1.8	9.55	16.82	90.45	1 080	-1.2	
	Mar	1 578	-50	-3.1	-10.6	-1.5	-8.8	-1.2	-6.6	0.2	0.1	1 117	-7.3	7.87	16.85	92.13	1 102	-6.7	

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.

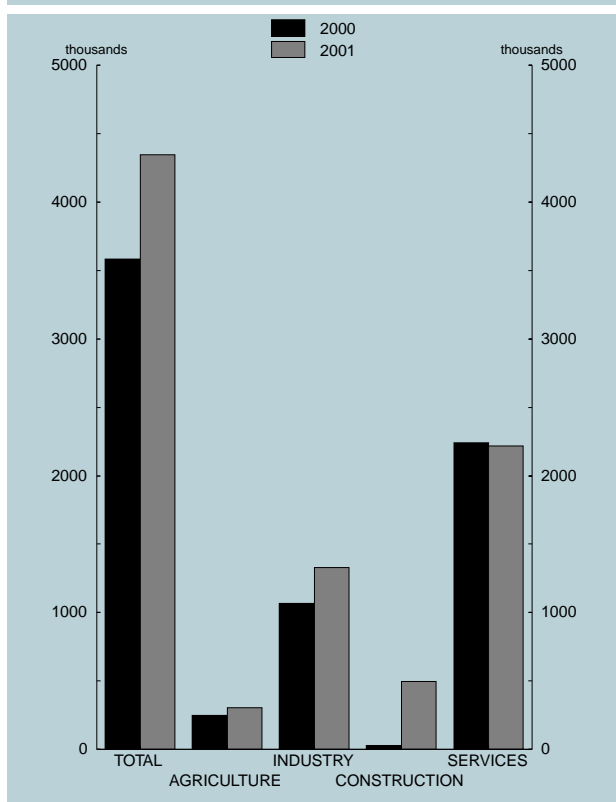
4.6. Collective bargaining agreements

■ Series depicted in chart.

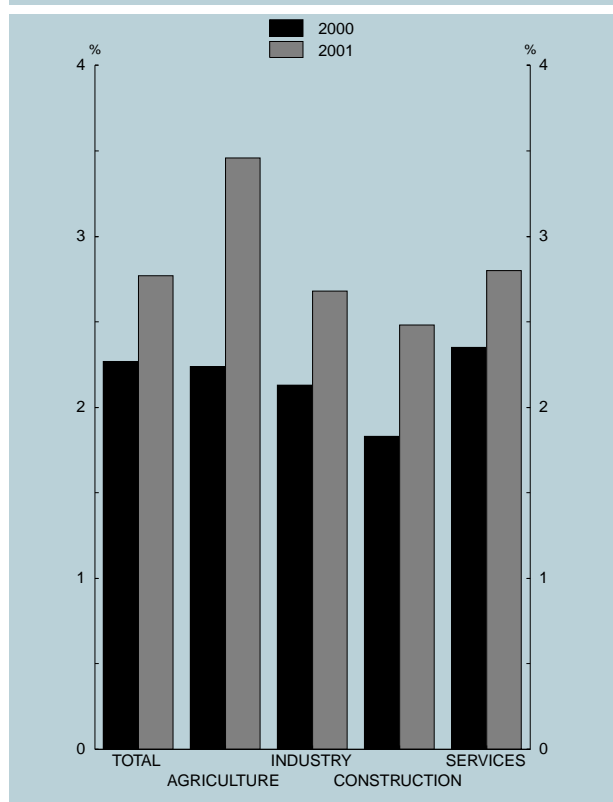
Thousands and %

	As per month economic effects come into force(a)		As per month recorded														
	Em- ployees af- fected	Average wage settle- ment	Employees affected (a)							Average wage settlement (%)							
			Auto- matic adjust- ment	Newly- signed agree- ments	Total	Annual change	Agricul- ture	Indus- try	Construc- tion	Services	Auto- matic adjust- ment	Newly signed agree- ments	Total	Agricul- ture	Indus- try	Construc- tion	Services
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
97	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
98	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
99	9 003	2.72	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
98 Oct	8 694	2.55	4 196	2 154	6 350	-158	492	2 285	704	2 869	2.43	2.86	2.57	2.90	2.39	2.36	2.72
Nov	8 747	2.56	4 240	2 388	6 628	-452	495	2 339	704	3 090	2.43	2.82	2.57	2.90	2.39	2.36	2.70
Dec	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
99 Jan	8 062	2.67	1 779	158	1 936	-627	117	668	4	1 148	2.25	1.81	2.21	2.30	2.12	2.47	2.26
Feb	8 112	2.67	2 759	164	2 923	-385	242	837	5	1 839	2.35	1.83	2.32	2.25	2.13	2.42	2.42
Mar	8 175	2.66	3 373	213	3 586	191	250	1 066	29	2 241	2.29	2.04	2.27	2.24	2.13	1.83	2.35
Apr	8 512	2.67	3 635	498	4 133	308	250	1 531	29	2 322	2.28	2.15	2.26	2.24	2.17	1.84	2.33
May	8 687	2.67	3 688	575	4 263	257	252	1 591	61	2 358	2.28	2.18	2.27	2.24	2.19	2.13	2.33
Jun	8 734	2.67	3 833	1 007	4 840	455	367	1 898	123	2 452	2.29	2.28	2.29	2.56	2.20	2.24	2.33
Jul	8 748	2.67	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
Aug	8 817	2.67	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
Sep	8 884	2.67	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
Oct	8 994	2.72	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
Nov	8 995	2.72	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
Dec	9 003	2.72	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
00 Jan	7 841	3.66	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
Feb	7 877	3.66	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
Mar	7 941	3.65	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

EMPLOYEES AFFECTED
January-March



AVERAGE WAGE SETTLEMENT
January-March



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

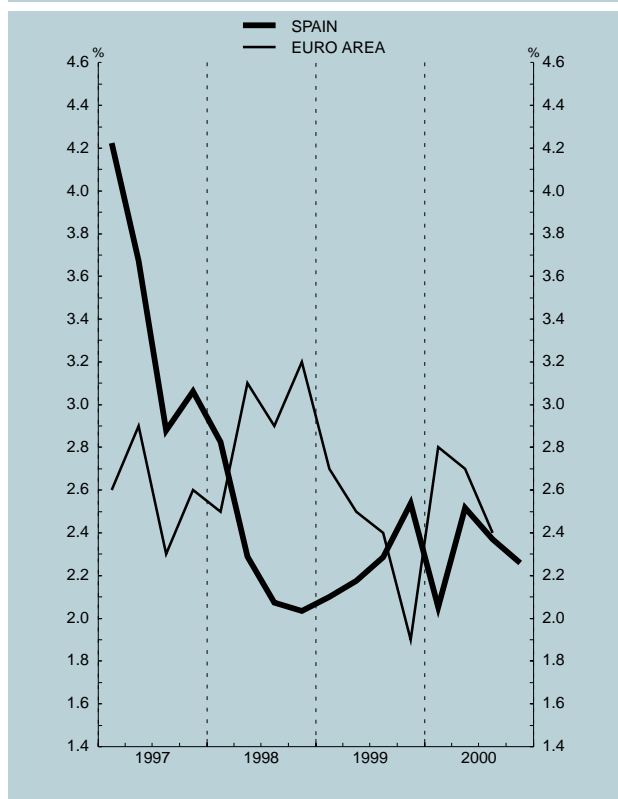
4.7. Wage earnings survey in industry and services. Spain and euro area

■ Series depicted in chart.

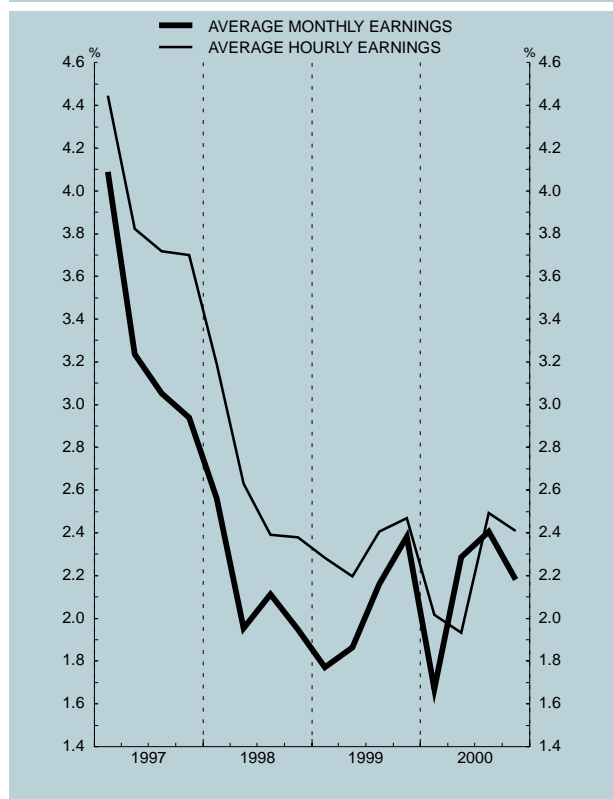
Annual percentage changes, Euros and number of hours

		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		
97	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
98	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	2.8	143	-0.5	2.9
99	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	2.2	142	-0.3	2.4
99 Q1-Q4	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	2.2	142	-0.3	...
00 Q1-Q4	M	1 222	2.1	1 384	2.3	2.5	3.8	3.0	8.60	2.2	9.74	2.4	2.8	4.4	2.7	142	-0.1	...
98 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	3.0	142	-0.7	3.1
98 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	1.7	143	-0.3	2.9
98 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	2.3	143	-0.4	3.2
99 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	2.6	142	-0.5	2.7
99 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	1.8	142	-0.3	2.5
99 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	2.3	143	-0.2	2.4
99 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	2.3	142	-0.1	1.9
00 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	2.8	142	-0.4	2.8
00 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	2.5	142	0.3	2.7
00 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	2.7	143	-0.1	2.4
00 Q4		1 234	2.2	1 517	2.3	2.3	4.4	2.9	8.68	2.4	10.67	2.5	2.5	4.8	2.9	142	-0.2	...

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.

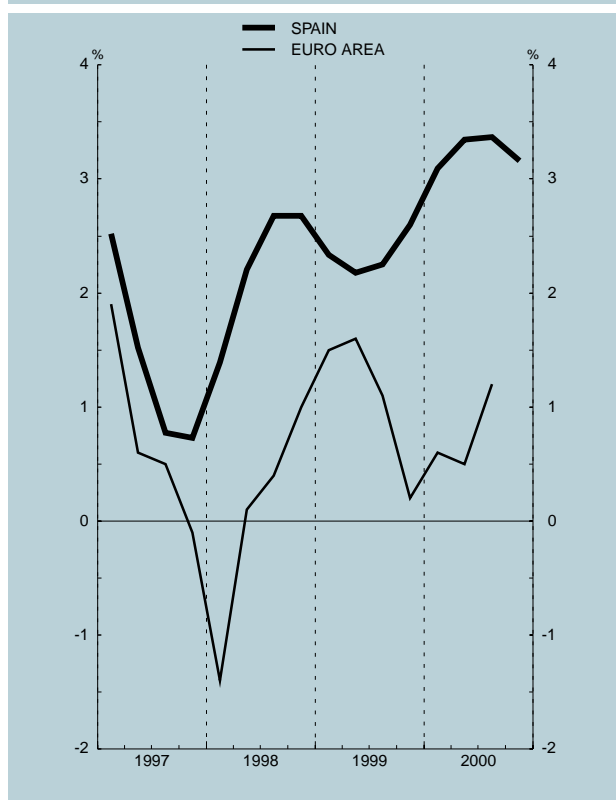
4.8. Unit labour costs. Spain and euro area (a)

■ Series depicted in chart.

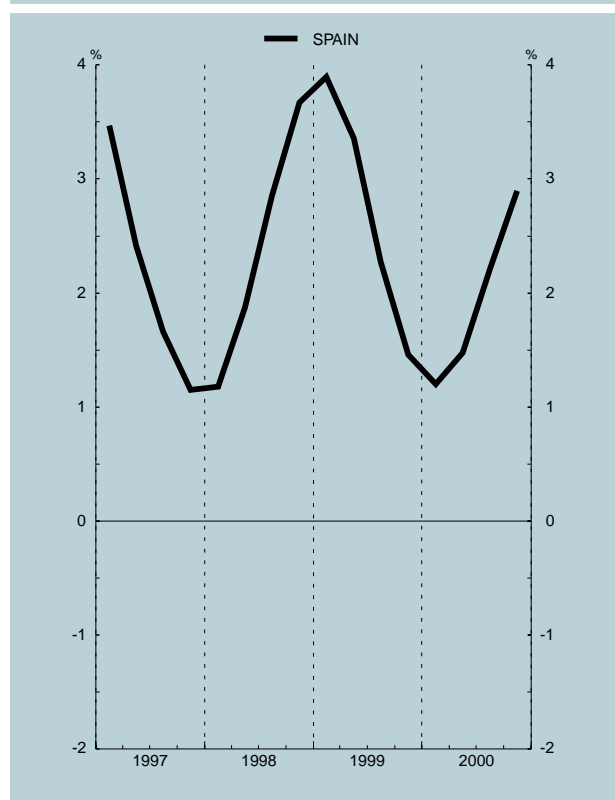
Annual percentage changes

		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		
97	P	1.4	0.7	2.1	2.2	0.7	1.5	3.9	2.3	3.2	0.8	2.2	...
98	P	2.2	0.2	2.8	1.4	0.5	1.2	4.3	2.8	3.8	1.6	2.4	...
99	P	2.3	1.2	2.8	2.0	0.4	0.8	4.0	2.5	3.6	1.7	2.7	...
97 Q4	P	0.7	-0.1	2.1	1.8	1.4	2.0	4.8	3.1	3.4	...	1.1	...
98 Q1	P	1.4	-1.4	2.7	1.1	1.3	2.5	4.8	3.7	3.4	...	1.2	...
Q2	P	2.2	0.1	2.9	1.2	0.7	1.0	4.5	2.8	3.7	...	1.9	...
Q3	P	2.7	0.4	2.8	1.2	0.1	0.8	4.1	2.7	4.0	...	2.9	...
Q4	P	2.7	1.0	2.6	1.2	-0.1	0.3	3.9	2.1	4.0	...	3.7	...
99 Q1	P	2.3	1.5	2.4	1.6	0.0	-	3.9	1.9	3.9	...	3.9	...
Q2	P	2.2	1.6	2.5	2.1	0.3	0.6	3.9	2.2	3.7	1.6	3.4	...
Q3	P	2.3	1.1	2.8	1.8	0.6	0.7	4.0	2.6	3.5	1.7	2.3	...
Q4	P	2.6	0.2	3.4	1.8	0.8	1.5	4.2	3.4	3.4	1.7	1.5	...
00 Q1	P	3.1	0.6	3.9	2.4	0.8	1.8	4.2	3.5	3.4	1.9	1.2	...
Q2	P	3.3	0.5	4.2	2.0	0.8	1.4	4.2	3.7	3.4	2.2	1.5	...
Q3	P	3.4	1.2	4.1	2.3	0.7	1.0	4.1	3.3	3.3	2.0	2.2	...
Q4	P	3.2	...	3.9	...	0.7	...	3.8	3.0	3.0	...	2.9	...

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.

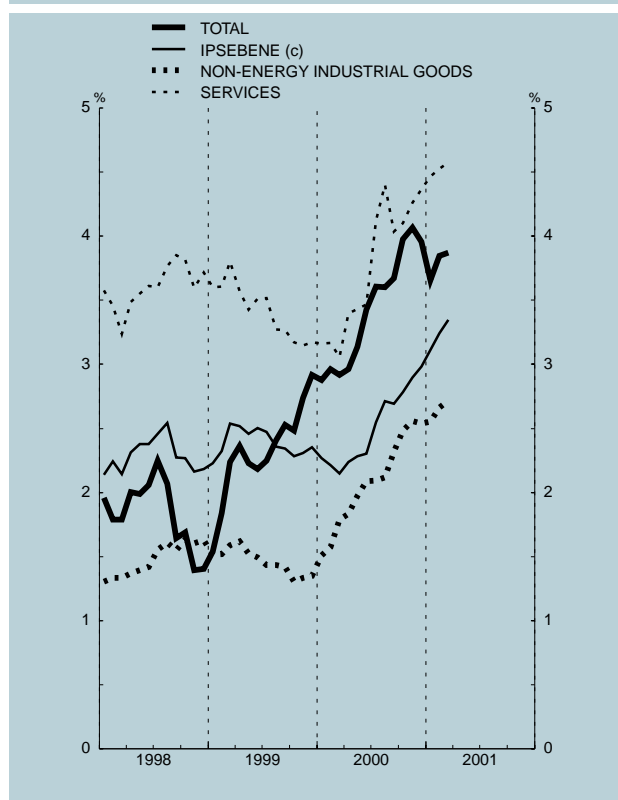
5.1. Consumer price index. Spain (1992=100)

■ Series depicted in chart.

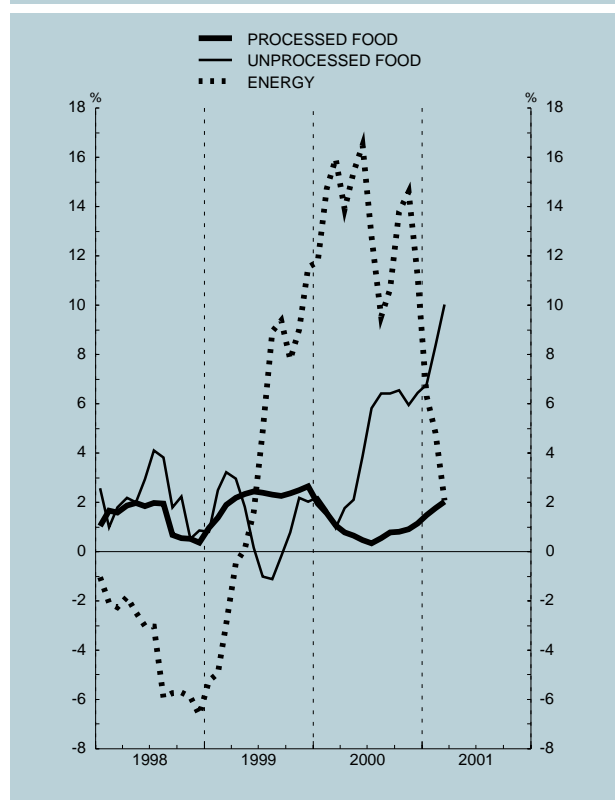
Indices and annual percentage changes

		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
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
00	MP	131.0	—	3.4	4.0	4.2	0.9	2.1	13.3	3.8	2.5	115.1	2.9
00	J-M	129.0	0.3	2.9	0.6	1.6	1.5	1.6	14.1	3.1	2.2	127.7	-0.5
01	J-M	133.9	0.3	3.8	0.4	8.4	1.8	2.6	4.4	4.5	3.2	...	...
99	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	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	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	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	133.4	0.3	4.0	4.0	6.5	1.1	2.5	11.2	4.4	3.0	129.2	8.4
01	Jan	133.4	0.0	3.7	0.0	6.8	1.5	2.6	6.3	4.5	3.1	121.4	-2.6
	Feb	133.9	0.3	3.8	0.4	8.4	1.8	2.7	4.8	4.5	3.2	...	...
	Mar	134.4	0.4	3.9	0.8	10.0	2.0	2.7	2.1	4.6	3.3	...	...

CONSUMER PRICE INDEX. TOTAL AND COMPONENTS
Annual percentage changes



CONSUMER PRICE INDEX. COMPONENTS
Annual percentage changes



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

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.

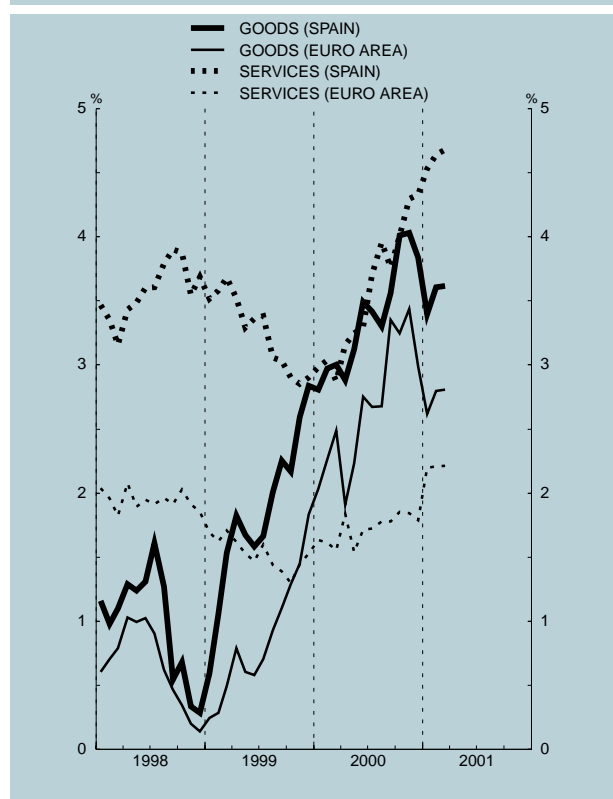
Annual percentage changes

		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		
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
00	M	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
00 J-M	M	3.0	2.0	2.9	2.3	1.7	0.4	1.8	1.0	1.6	-0.4	3.9	3.2	1.7	0.5	14.2	13.7	3.0	1.6
01 J-M	M	3.9	2.5	3.5	2.7	4.7	3.3	1.6	1.9	7.4	5.3	2.8	2.5	2.4	1.2	4.9	7.2	4.6	2.2
99 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	2.0	2.1	0.4	2.3	1.0	1.9	-0.6	3.3	2.9	1.5	0.5	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	0.6	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	2.8	2.0	1.2	0.3	1.0	3.6	1.5	4.6	3.6	2.0	0.7	16.6	14.5	3.3	1.7
Jul		3.7	2.3	3.4	2.7	2.7	1.6	0.1	1.0	5.0	2.6	4.0	3.2	1.9	0.5	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	3.4	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	3.9	2.4	1.0	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	4.1	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	3.9	4.0	3.3	2.4	1.1	11.2	11.3	4.3	1.8
01 Jan		3.8	2.4	3.4	2.6	3.9	2.7	1.4	1.6	6.1	4.5	3.1	2.6	2.4	1.1	6.8	7.9	4.5	2.2
Feb		4.0	2.6	3.6	2.8	4.7	3.1	1.6	2.0	7.4	4.7	2.9	2.7	2.4	1.1	5.3	8.2	4.6	2.2
Mar		4.0	2.6	3.6	2.8	5.5	3.9	1.8	2.2	8.8	6.7	2.4	2.3	2.5	1.3	2.6	5.6	4.7	2.2

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.

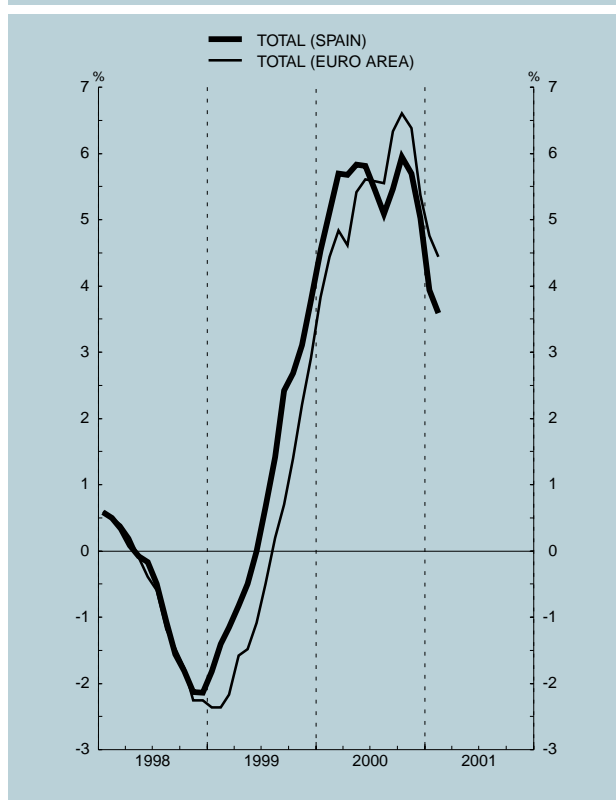
5.3. Producer price index. Spain and euro area (a)

■ Series depicted in chart.

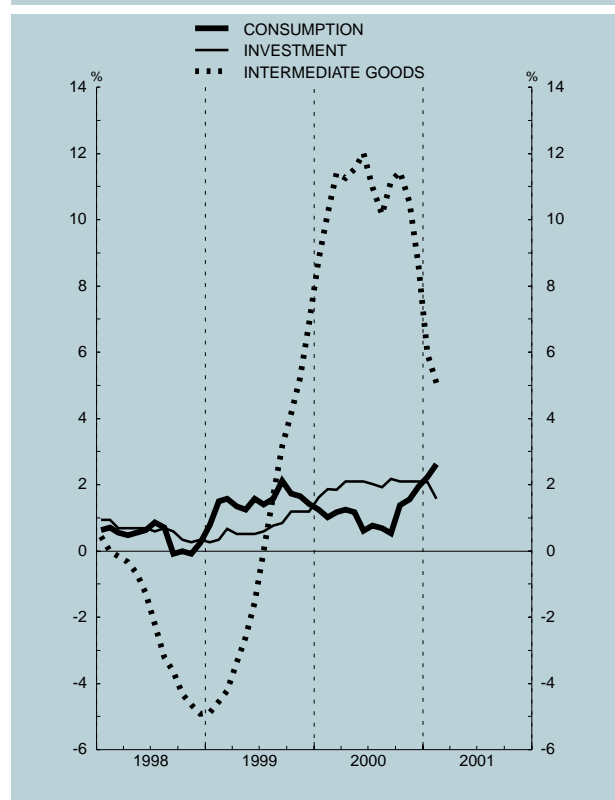
Annual percentage changes

		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		
98	MP	120.2	—	-0.7	—	0.4	—	0.6	—	-2.1	-0.7	0.7	0.6	-2.6
99	MP	121.0	—	0.7	—	1.5	—	0.7	—	-0.1	-0.4	0.2	0.2	-0.4
00	MP	127.6	—	5.4	—	1.1	—	2.0	—	10.7	5.4	1.5	0.7	11.6
00 J-F	MP	124.8	—	4.8	—	1.1	—	1.7	—	9.5	4.1	0.8	0.5	10.0
01 J-F	MP	129.5	—	3.8	—	2.4	—	1.8	—	5.5	4.6	2.8	0.9	7.2
99 Nov	P	122.9	0.2	3.1	-0.2	1.7	-	1.2	0.7	5.2	2.2	0.7	0.3	5.5
Dec	P	123.4	0.4	3.8	-	1.4	-	1.2	0.8	6.9	2.9	0.6	0.3	7.5
00 Jan	P	124.3	0.7	4.5	0.3	1.3	0.5	1.6	1.2	8.8	3.8	0.8	0.5	9.4
Feb	P	125.3	0.8	5.1	0.5	1.0	0.5	1.9	1.1	10.2	4.4	0.9	0.5	10.7
Mar	P	126.2	0.7	5.7	0.2	1.2	0.4	1.8	1.3	11.4	4.8	1.0	0.6	11.5
Apr	P	126.5	0.2	5.7	-	1.2	0.1	2.1	0.5	11.3	4.6	1.2	0.7	10.5
May	P	127.0	0.4	5.8	-0.1	1.2	0.1	2.1	0.9	11.5	5.4	1.5	0.7	11.8
Jun	P	127.4	0.3	5.8	-0.2	0.6	-	2.1	1.0	12.0	5.6	1.4	0.7	12.5
Jul	P	127.7	0.2	5.5	0.2	0.8	-	2.0	0.3	11.0	5.6	1.5	0.8	11.9
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	11.5
Sep	P	129.3	1.0	5.5	0.2	0.5	0.2	2.2	2.0	11.2	6.3	1.7	0.8	13.3
Oct	P	130.0	0.5	5.9	0.4	1.4	0.2	2.1	0.8	11.5	6.6	2.0	0.8	13.9
Nov	P	129.9	-0.1	5.7	-	1.5	-	2.1	-0.2	10.5	6.4	2.2	0.8	12.7
Dec	P	129.6	-0.2	5.0	0.4	1.9	-	2.1	-0.9	8.6	5.4	2.5	0.9	9.6
01 Jan	P	129.2	-0.3	3.9	0.6	2.2	0.5	2.1	-1.3	5.9	4.8	2.7	0.9	7.8
Feb	P	129.8	0.5	3.6	0.8	2.6	-	1.6	0.2	5.1	4.4	2.9	1.0	6.7

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.

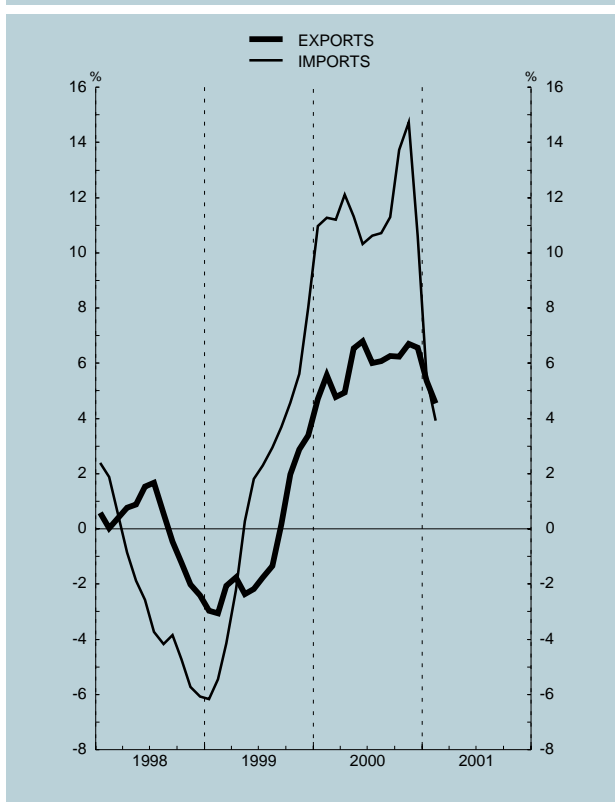
5.4 Unit value indices for Spanish foreign trade

■ 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	
98	0.1	3.8	-3.9	-1.5	-20.1	0.0	-2.3	2.9	-2.8	-4.4	-29.5	0.6
99	-0.9	2.0	-9.5	0.1	18.0	-1.1	0.0	1.0	-0.6	-0.3	36.1	-2.7
00	6.2	6.1	-0.9	8.9	80.1	6.6	13.0	5.6	6.9	18.8	94.6	8.0
00 J-F	6.4	3.0	6.7	9.6	95.6	6.4	12.6	5.0	5.5	19.2	152.2	5.0
01 J-F	4.3	7.5	-9.3	6.1	29.4	6.1	3.1	2.0	5.8	2.7	8.1	2.1
99 Sep	1.6	1.3	-0.8	2.3	31.8	-0.1	3.0	0.4	5.1	3.4	63.0	-1.7
Oct	1.5	3.3	-8.0	4.4	55.7	2.1	4.9	4.1	4.9	5.3	72.5	0.5
Nov	4.6	8.2	3.7	1.2	49.0	-1.0	5.4	-0.6	3.2	9.6	103.3	1.9
Dec	1.5	2.0	-5.8	4.4	91.3	1.8	5.9	-0.7	-0.7	11.7	145.3	-0.4
00 Jan	5.0	2.6	-5.8	11.9	91.8	8.9	14.7	5.8	8.9	21.4	155.2	6.7
Feb	8.0	3.4	20.0	7.2	99.7	3.9	10.4	4.1	1.8	16.8	148.9	3.1
Mar	3.6	0.9	-3.8	8.4	102.9	6.1	9.5	5.5	1.7	14.4	165.3	0.1
Apr	2.9	4.1	-10.7	7.7	92.2	5.6	14.6	4.3	17.3	18.8	113.8	8.8
May	8.5	7.5	6.9	12.3	91.6	10.0	21.4	6.9	17.6	30.2	74.9	20.9
Jun	8.2	7.1	4.0	8.7	66.8	6.8	8.9	4.6	2.2	13.5	97.6	3.3
Jul	3.6	2.8	-3.4	5.8	67.4	4.3	11.6	-1.6	6.9	19.8	77.1	10.2
Aug	7.1	7.7	7.7	5.9	66.8	4.2	10.6	6.4	-1.8	17.4	69.6	4.4
Sep	6.5	10.4	-5.6	7.4	70.0	5.1	9.7	4.3	-0.1	16.0	68.8	8.2
Oct	5.4	7.8	-8.3	9.0	69.6	7.3	13.9	7.8	5.4	20.0	66.6	9.2
Nov	6.9	8.5	-8.8	12.1	84.2	8.8	18.0	12.1	15.0	21.5	55.5	12.0
Dec	8.4	10.6	-1.8	11.0	59.9	8.2	12.0	7.7	7.8	15.8	44.4	8.8
01 Jan	4.1	9.3	-9.1	5.0	40.1	4.3	1.6	-2.1	2.8	2.7	7.3	2.5
Feb	4.4	5.6	-9.5	7.3	17.5	8.2	4.8	6.7	9.0	2.7	9.1	1.6

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

		Current and capital resources						Current and capital uses						Memorandum item: cash-basis deficit			
		Net lending (+) or borrowing (-)	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
98	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	-1 137	17 519	18 656
99	A	-1 105	18 435	4 754	2 731	978	7 802	2 170	19 540	2 884	2 823	9 592	813	3 428	-1 057	18 364	19 421
00	A	-626	19 835	5 203	2 857	857	8 740	2 178	20 461	2 630	2 794	10 905	682	3 450	-404	19 749	20 153
00 J-F	A	706	3 855	1 412	489	195	1 500	259	3 149	365	458	1 970	32	324	-188	4 047	4 235
01 J-F	A	965	4 203	1 595	468	288	1 640	212	3 238	377	463	2 039	44	315	-207	4 380	4 587
00 Mar	A	-763	963	289	207	18	294	155	1 725	235	229	952	33	276	-812	819	1 631
Apr	A	1 093	2 554	821	236	30	1 313	155	1 462	207	230	873	29	122	1 042	2 589	1 546
May	A	-561	953	131	215	21	426	161	1 514	178	227	857	31	221	-538	986	1 524
Jun	A	-604	1 261	209	245	36	575	196	1 865	336	224	1 000	6	299	-493	1 121	1 614
Jul	A	154	1 846	771	257	24	669	124	1 692	191	235	990	24	253	90	1 852	1 762
Aug	A	-235	1 144	-173	238	48	950	81	1 379	197	237	724	28	193	-399	1 168	1 566
Sep	A	-242	1 343	470	285	22	427	139	1 586	197	231	908	24	226	-53	1 267	1 320
Oct	A	1 226	2 859	871	222	25	1 593	149	1 633	191	241	912	53	236	1 305	2 860	1 555
Nov	A	-257	1 406	233	234	312	536	91	1 663	193	235	931	23	281	167	1 565	1 398
Dec	A	-1 143	1 649	169	228	126	458	668	2 792	340	246	788	399	1 019	-526	1 477	2 003
01 Jan	A	-204	1 549	26	238	45	1 125	115	1 753	187	247	1 188	-	131	-1 007	1 645	2 652
Feb	A	1 169	2 654	1 569	230	243	515	97	1 485	190	216	851	44	184	800	2 735	1 936

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

EUR millions

		Current and capital resources						Current and capital uses						Memorandum item: cash-basis deficit			
		Net lending (+) or borrowing (-)	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
98	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	-6 832	105 291	112 123
99	A	-6 641	110 796	28 574	16 413	5 877	46 891	13 041	117 437	17 331	16 967	57 651	4 887	20 600	-6 354	110 370	116 724
00	A	-3 763	119 208	31 269	17 171	5 149	52 531	13 088	122 971	15 807	16 791	65 538	4 100	20 735	-2 431	118 693	121 124
00 J-F	A	4 242	23 166	8 486	2 939	1 170	9 016	1 555	18 924	2 195	2 751	11 837	195	1 946	-1 129	24 322	25 451
01 J-F	A	5 799	25 259	9 586	2 815	1 732	9 855	1 272	19 461	2 263	2 785	12 254	267	1 892	-1 245	26 324	27 570
00 Mar	A	-4 583	5 785	1 738	1 244	105	1 764	933	10 368	1 415	1 379	5 720	198	1 657	-4 881	4 922	9 803
Apr	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
May	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
Jun	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
Jul	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
Aug	A	-1 412	6 877	-1 040	1 431	288	5 712	486	8 289	1 185	1 427	4 350	167	1 160	-2 396	7 018	9 413
Sep	A	-1 456	8 073	2 825	1 715	131	2 567	836	9 529	1 183	1 386	5 459	143	1 358	-319	7 612	7 931
Oct	A	7 369	17 186	5 233	1 336	148	9 575	893	9 816	1 150	1 448	5 482	319	1 418	7 845	17 190	9 345
Nov	A	-1 542	8 452	1 401	1 408	1 876	3 219	547	9 994	1 159	1 412	5 595	138	1 690	1 001	9 405	8 404
Dec	A	-6 873	9 909	1 018	1 369	760	2 750	4 013	16 782	2 043	1 480	4 736	2 397	6 126	-3 162	8 876	12 038
01 Jan	A	-1 224	9 310	154	1 430	272	6 763	691	10 534	1 121	1 487	7 139	-	786	-6 051	9 886	15 937
Feb	A	7 023	15 950	9 431	1 385	1 460	3 093	581	8 927	1 141	1 298	5 115	267	1 106	4 806	16 438	11 633

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 Deposits at the Banco de España	Total	Of which						By counterpart sector					
					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		
98	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
99	A	-1 105	944	761	2 049	-96	-1 103	3 258	-83	-74	52	-1 615	-1 067	-549	3 665	1 998
00	A	-626	1 187	947	1 813	-82	-1 445	2 913	-83	69	358	-3 523	-1 747	-1 776	5 337	1 455
00 J-F	A	706	236	265	-470	-233	-360	-118	-	-37	44	-823	-530	-293	353	-514
01 J-F	A	965	-880	-2 751	-1 845	-18	330	-2 132	-	-11	-31	-1 740	-43	-1 697	-105	-1 814
00 Mar	A	-763	-1 186	-1 244	-423	-22	48	-426	-	-37	-9	-1 008	-581	-427	585	-414
Apr	A	1 093	796	683	-297	6	-15	-688	-	170	236	-132	72	-205	-165	-533
May	A	-561	-344	-360	217	6	-92	532	-	14	-237	380	89	291	-163	454
Jun	A	-604	184	133	788	-2	35	550	-	1	202	-74	-36	-39	863	586
Jul	A	154	443	396	289	237	-193	554	-	-13	-59	-510	-354	-156	799	348
Aug	A	-235	-514	-563	-280	-51	-461	331	-	1	-150	-604	-269	-335	324	-129
Sep	A	-242	129	69	371	-22	-207	547	-	-19	50	-344	15	-359	715	321
Oct	A	1 226	1 643	1 547	417	3	-58	495	-	-0	-20	-559	-601	41	976	437
Nov	A	-257	341	383	598	-2	-131	682	-	-8	56	263	298	-36	335	542
Dec	A	-1 143	-541	-362	603	-4	-11	455	-83	-3	245	-112	148	-260	714	358
01 Jan	A	-204	-2 056	-2 123	-1 853	-10	247	-1 757	-	-0	-342	-2 007	-32	-1 975	154	-1 511
Feb	A	1 169	1 176	-629	8	-8	83	-375	-	-11	310	267	-11	278	-259	-302

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 Deposits at the Banco de España	Total	Of which						By counterpart sector					
					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		
98	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
99	A	-6 641	5 676	4 574	12 317	-577	-6 629	19 581	-499	-447	311	-9 708	-6 411	-3 297	22 026	12 006
00	A	-3 763	7 135	5 690	10 898	-495	-8 683	17 510	-499	418	2 152	-21 175	-10 501	-10 674	32 073	8 746
00 J-F	A	4 242	1 419	1 590	-2 824	-1 403	-2 162	-709	-	-221	267	-4 946	-3 182	-1 764	2 122	-3 091
01 J-F	A	5 799	-5 290	-16 536	-11 089	-110	1 983	-12 816	-	-67	-189	-10 458	-259	-10 199	-631	-10 899
00 Mar	A	-4 583	-7 125	-7 478	-2 542	-131	288	-2 558	-	-220	-52	-6 060	-3 494	-2 566	3 518	-2 490
Apr	A	6 568	4 782	4 105	-1 786	38	-89	-4 135	-	1 022	1 416	-795	435	-1 230	-991	-3 202
May	A	-3 371	-2 066	-2 164	1 305	38	-552	3 196	-	85	-1 424	2 285	535	1 750	-980	2 729
Jun	A	-3 631	1 107	800	4 737	-15	213	3 306	-	6	1 213	-447	-214	-233	5 184	3 525
Jul	A	925	2 662	2 378	1 737	1 423	-1 158	3 329	-	-80	-354	-3 063	-2 126	-937	4 800	2 091
Aug	A	-1 412	-3 092	-3 383	-1 680	-304	-2 773	1 988	-	9	-903	-3 630	-1 619	-2 011	1 950	-777
Sep	A	-1 456	774	416	2 230	-130	-1 245	3 288	-	-113	300	-2 065	90	-2 155	4 295	1 931
Oct	A	7 369	9 874	9 296	2 505	21	-349	2 973	-	-0	-119	-3 361	-3 610	249	5 866	2 624
Nov	A	-1 542	2 052	2 302	3 594	-10	-789	4 097	-	-50	335	1 578	1 793	-215	2 016	3 258
Dec	A	-6 873	-3 250	-2 173	3 622	-22	-68	2 736	-499	-20	1 474	-672	890	-1 561	4 294	2 149
01 Jan	A	-1 224	-12 359	-12 758	-11 135	-59	1 482	-10 561	-	-3	-2 054	-12 060	-191	-11 869	925	-9 082
Feb	A	7 023	7 069	-3 778	46	-51	501	-2 255	-	-64	1 864	1 602	-68	1 670	-1 556	-1 818

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		
96		43 922	3 402	13 491	25 342	1 799	3 290	35 022	88	34 934	8 988	2 528	1 362
97	P	45 617	3 871	11 935	30 041	1 760	1 881	35 196	74	35 122	10 495	1 635	1 206
98	P	47 243	4 964	9 973	34 103	1 721	1 446	35 807	51	35 756	11 487	1 709	1 067
99	A	49 713	4 061	8 842	37 861	1 638	1 371	34 514	25	34 489	15 223	2 470	884
00	A	51 372	3 953	7 422	40 973	1 555	1 423	31 360	116	31 245	20 128	3 417	903
99 Nov	A	49 007	4 054	8 500	37 397	1 721	1 389	34 453	51	34 453	14 554	2 906	1 013
Dec	A	49 713	4 061	8 842	37 861	1 638	1 371	34 514	25	34 489	15 223	2 470	884
00 Jan	A	49 792	3 829	8 644	38 164	1 638	1 347	34 089	25	34 064	15 728	1 914	885
Feb	A	50 082	3 799	8 490	38 618	1 638	1 335	34 402	-	34 402	15 680	2 735	940
Mar	A	49 801	3 891	8 565	38 304	1 638	1 294	33 193	25	33 168	16 633	1 490	938
Apr	A	49 376	3 939	8 559	37 711	1 638	1 468	32 757	25	32 732	16 644	2 173	938
May	A	49 684	3 889	8 468	38 110	1 638	1 469	33 524	25	33 499	16 185	1 813	931
Jun	A	50 145	3 854	8 509	38 530	1 638	1 468	33 174	25	33 149	16 996	1 947	930
Jul	A	50 659	4 098	8 317	39 276	1 638	1 428	32 587	25	32 562	18 096	2 342	914
Aug	A	50 581	4 180	7 852	39 628	1 638	1 464	32 180	25	32 155	18 427	1 779	915
Sep	A	50 770	4 175	7 654	40 032	1 638	1 447	31 835	25	31 810	18 960	1 849	881
Oct	A	51 190	4 251	7 591	40 509	1 638	1 452	31 113	25	31 088	20 101	3 395	876
Nov	A	51 452	4 148	7 451	40 925	1 638	1 438	31 552	25	31 527	19 925	3 778	984
Dec	A	51 372	3 953	7 422	40 973	1 555	1 423	31 360	116	31 245	20 128	3 417	903
01 Jan	A	50 600	3 940	7 663	39 960	1 555	1 422	30 449	116	30 333	20 267	1 294	916
Feb	A	50 434	3 923	7 739	39 729	1 555	1 411	...	116	...	...	666	945

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		
96		263 976	20 447	81 084	152 306	10 814	19 772	210 489	529	209 960	54 016	15 195	8 185
97	P	274 161	23 263	71 730	180 551	10 578	11 303	211 530	445	211 085	63 076	9 829	7 251
98	P	283 938	29 832	59 939	204 965	10 341	8 692	215 203	305	214 899	69 040	10 273	6 412
99	A	298 779	24 410	53 142	227 552	9 843	8 243	207 436	150	207 286	91 493	14 846	5 310
00	A	308 754	23 759	44 605	246 253	9 344	8 552	188 478	695	187 784	120 970	20 536	5 428
99 Nov	A	294 539	24 367	51 087	224 762	10 341	8 349	207 065	305	207 065	87 474	17 468	6 090
Dec	A	298 779	24 410	53 142	227 552	9 843	8 243	207 436	150	207 286	91 493	14 846	5 310
00 Jan	A	299 256	23 012	51 951	229 368	9 843	8 095	204 877	150	204 727	94 530	11 506	5 321
Feb	A	300 999	22 835	51 028	232 102	9 843	8 026	206 760	-	206 760	94 239	16 436	5 650
Mar	A	299 310	23 388	51 477	230 211	9 843	7 780	199 496	150	199 346	99 964	8 958	5 637
Apr	A	296 756	23 674	51 438	226 650	9 843	8 826	196 875	150	196 725	100 031	13 063	5 639
May	A	298 606	23 371	50 892	229 044	9 843	8 828	201 484	150	201 334	97 272	10 899	5 596
Jun	A	301 376	23 166	51 138	231 572	9 843	8 824	199 380	150	199 229	102 147	11 699	5 590
Jul	A	304 464	24 627	49 987	236 052	9 843	8 583	195 855	150	195 704	108 760	14 077	5 495
Aug	A	304 000	25 125	47 191	238 167	9 843	8 799	193 404	150	193 253	110 746	10 695	5 500
Sep	A	305 133	25 093	46 001	240 595	9 843	8 695	191 331	150	191 181	113 952	11 111	5 292
Oct	A	307 657	25 551	45 624	243 465	9 843	8 725	186 995	150	186 845	120 812	20 407	5 263
Nov	A	309 232	24 930	44 784	245 963	9 843	8 642	189 630	150	189 480	119 752	22 709	5 914
Dec	A	308 754	23 759	44 605	246 253	9 344	8 552	188 478	695	187 784	120 970	20 536	5 428
01 Jan	A	304 110	23 681	46 054	240 167	9 344	8 545	183 000	695	182 306	121 804	7 778	5 506
Feb	A	303 113	23 577	46 513	238 778	9 344	8 479	...	695	...	...	4 000	5 683

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.

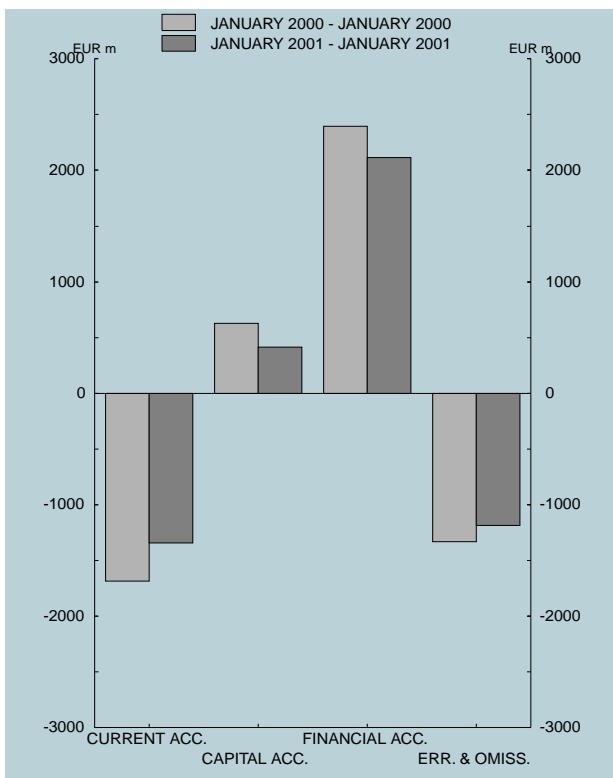
Current account.

■ Series depicted in chart.

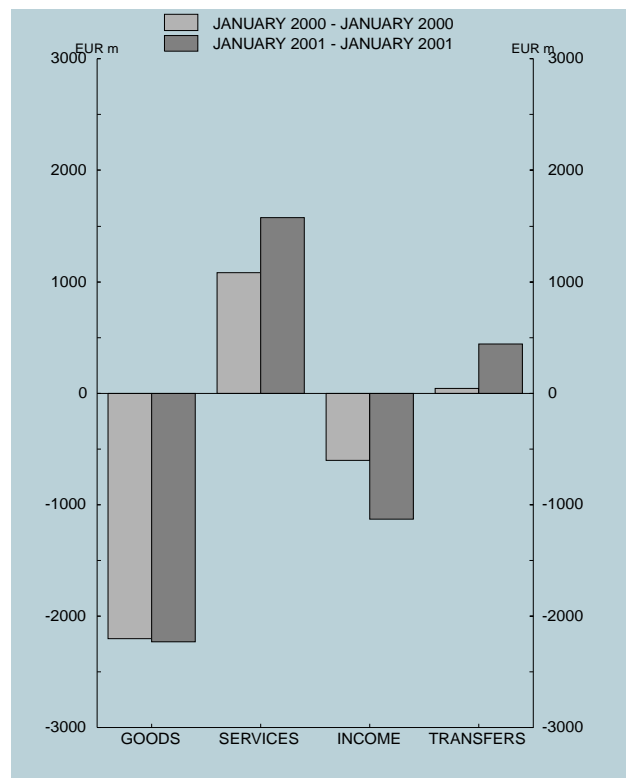
EUR millions

	Current account (a)													Capital account (balance)	Current account plus Capital account	Financial account (balance) (b)	Errors and omissions (15+16) 17=
	Total (balance)	Goods			Services				Income			Current transfers (balance)					
		Balance	Receipts	Payments	Balance	Receipts		Payments		Balance	Receipts		Payments				
						Of which		Of which									
						Total	Tourism and travel	Total	Tourism and travel								
10+13 1=2+5+	2=3-4	3	4	5=6-8	6	7	8	9	11-12 10=	11	12	13	14	15=1+14	16	17=	
98	-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	3 081	-105	-2 977
99	-13 112	-28 585	105 735	134 320	21 524	50 362	30 416	28 838	5 166	-8 904	11 820	20 724	2 853	6 552	-6 561	11 242	-4 682
00	-18 959	-35 643	124 963	160 605	24 216	58 227	33 711	34 011	5 968	-9 055	16 212	25 267	1 523	5 217	-13 741	21 509	-7 768
00 J-J	-1 686	-2 204	8 402	10 606	1 079	3 446	1 816	2 367	353	-602	1 266	1 868	41	627	-1 059	2 393	-1 334
01 J-J	A -1 342	-2 228	10 167	12 395	1 576	4 443	2 290	2 867	468	-1 129	1 993	3 122	439	415	-926	2 114	-1 187
99 Oct	-782	-2 077	9 654	11 732	1 791	4 197	2 602	2 406	470	-615	874	1 489	118	783	0	1 125	-1 125
Nov	-1 643	-2 834	10 185	13 018	1 844	4 359	2 620	2 516	444	-497	1 010	1 507	-156	297	-1 346	2 113	-767
Dec	-3 895	-3 071	9 434	12 505	1 044	3 917	1 915	2 872	439	-1 498	1 053	2 551	-370	1 560	-2 335	2 515	-179
00 Jan	-1 686	-2 204	8 402	10 606	1 079	3 446	1 816	2 367	353	-602	1 266	1 868	41	627	-1 059	2 393	-1 334
Feb	625	-2 260	9 646	11 905	1 082	3 608	1 885	2 526	376	46	1 339	1 294	1 757	30	655	10	-666
Mar	-2 094	-2 814	11 096	13 909	1 556	4 377	2 393	2 821	434	-1 167	1 166	2 333	331	467	-1 627	2 315	-688
Apr	-1 770	-2 911	9 498	12 409	1 752	4 212	2 350	2 460	425	-485	1 060	1 545	-125	1 132	-638	789	-151
May	-1 396	-3 423	10 952	14 375	2 399	5 242	3 154	2 843	469	-455	1 563	2 019	83	468	-928	1 564	-635
Jun	-1 066	-2 610	11 574	14 184	2 390	5 176	3 045	2 786	515	-955	1 266	2 221	109	300	-766	2 233	-1 467
Jul	-1 823	-3 081	10 341	13 422	2 944	6 008	3 843	3 065	606	-1 591	1 356	2 946	-96	340	-1 483	1 957	-474
Aug	-1 225	-3 362	7 785	11 147	3 053	5 930	3 962	2 877	627	-834	1 216	2 050	-82	384	-842	969	-127
Sep	-1 908	-3 445	10 263	13 708	2 315	5 348	3 192	3 032	588	-925	1 339	2 265	147	339	-1 568	2 245	-677
Oct	-2 059	-3 299	12 069	15 368	2 077	5 382	3 131	3 305	561	-723	1 482	2 205	-115	188	-1 871	2 289	-418
Nov	-1 045	-2 829	12 370	15 199	2 272	5 224	3 003	2 952	520	-260	1 533	1 792	-228	373	-672	2 241	-1 569
Dec	-3 512	-3 406	10 967	14 373	1 298	4 275	1 936	2 977	495	-1 103	1 625	2 728	-301	569	-2 944	2 504	439
01 Jan	A -1 342	-2 228	10 167	12 395	1 576	4 443	2 290	2 867	468	-1 129	1 993	3 122	439	415	-926	2 114	-1 187

SUMMARY



CURRENT ACCOUNT



Source: BE. Data compiled in accordance with the IMF Balance of Payments Manual (5th edition).

(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)

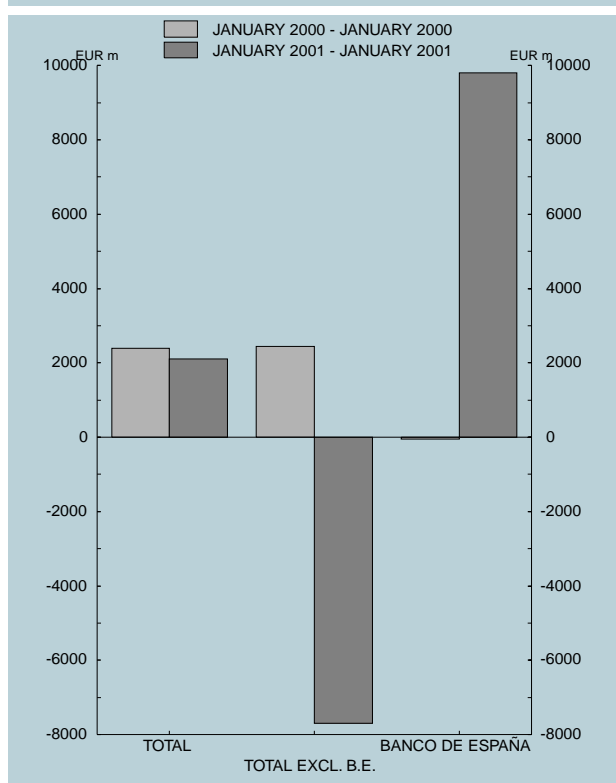
7.2. The Spanish balance of payments vis-à-vis other euro area residents and the rest of the world Financial account (a)

■ Series depicted in chart.

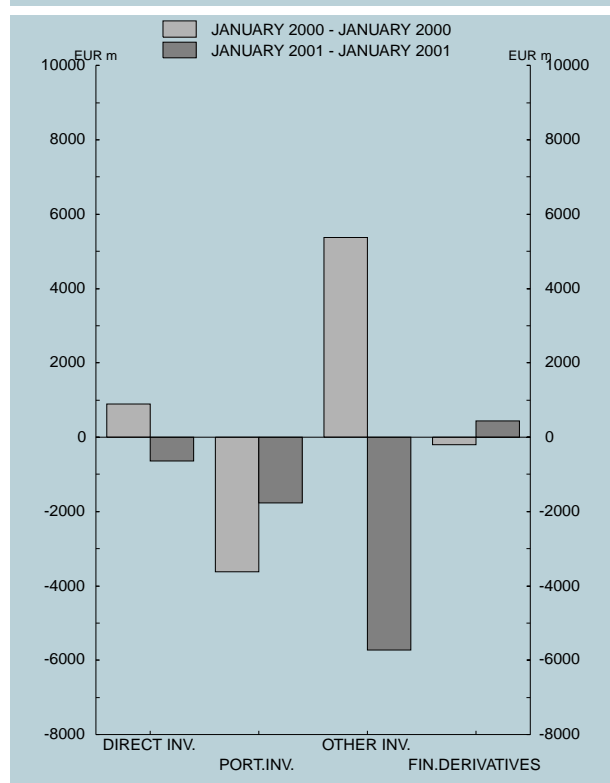
EUR millions

Financial account (NCL-NCA)	Total, excluding Banco de España											Banco de España					
	Total (NCL-NCA)	Direct investment			Portfolio investment			Other investment (d)			Net financial derivatives (NCL-NCA)	Balance (NCL-NCA)	Reserves (e)	Claims with the Euro-system (e)	Other net assets (NCL-NCA)		
		Balance (NCL-NCA)	Spanish investment abroad (NCA)	Foreign investment in Spain (NCL) (b)	Balance (NCL-NCA)	Spanish investment abroad (NCA)	Foreign investment in Spain (NCL) (c)	Balance (NCL-NCA)	Spanish investment abroad (NCA)	Foreign investment in Spain (NCL)							
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
	+9+12	2=3+6	3=5-4			6=8-7		9=11-10				15+16	13=14+				
98	-105	-11 971	-6 410	17 002	10 592	-23 671	39 071	15 400	20 559	20 501	41 060	-2 450	11 867	12 248	-	-381	
99	11 242	26 311	-24 709	39 501	14 791	-1 402	44 090	42 688	52 148	-14 008	38 140	274	-15 068	20 970	-35 978	-61	
00	21 509	27 652	-18 561	58 303	39 742	-2 919	65 132	62 212	46 961	9 493	56 453	2 172	-6 143	3 302	-9 250	-195	
00 J-J	2 393	2 440	892	260	1 153	-3 614	2 884	-730	5 372	2 935	8 307	-209	-48	-1 018	137	834	
01 J-J	A	2 114	-7 693	-635	2 281	1 646	-1 775	1 438	-336	-5 724	20 519	14 795	440	9 806	-798	9 791	813
99 Oct	1 125	13 967	-333	1 066	733	70	884	954	14 154	-5 770	8 384	76	-12 842	-294	-12 416	-132	
Nov	2 113	-2 612	-887	1 348	461	4 614	1 240	5 855	-6 661	10 034	3 372	322	4 726	370	4 361	-5	
Dec	2 515	1 988	-1 335	7 472	6 137	1 949	2 752	4 702	1 245	-6 471	-5 226	128	527	412	118	-3	
00 Jan	2 393	2 440	892	260	1 153	-3 614	2 884	-730	5 372	2 935	8 307	-209	-48	-1 018	137	834	
Feb	10	1 401	-229	1 829	1 600	288	5 307	5 595	1 438	-6 055	-4 617	-95	-1 391	487	-1 693	-186	
Mar	2 315	-3 836	-2 283	2 099	-184	1 643	4 866	6 509	-3 451	9 208	5 757	254	6 151	298	5 807	46	
Apr	789	5 191	-183	2 695	2 512	-3 330	2 687	-643	8 151	-4 886	3 265	552	-4 402	409	-4 287	-524	
May	1 564	1 501	-562	9 025	8 463	-5 009	5 798	789	6 417	3 484	9 901	654	63	385	27	-350	
Jun	2 233	-4 618	-921	1 940	1 019	214	5 353	5 567	-4 154	1 720	-2 434	243	6 852	-143	6 944	51	
Jul	1 957	15 106	-10 554	13 846	3 292	14 060	2 374	16 434	11 642	-10 443	1 199	-42	-13 149	-1 757	-11 754	362	
Aug	969	-5 722	-690	2 405	1 715	2 408	1 642	4 051	-8 551	5 820	-2 730	1 110	6 691	1 495	5 640	-443	
Sep	2 245	9 106	-5 286	6 132	847	2 244	6 707	8 952	11 521	7 311	18 832	627	-6 861	314	-7 403	228	
Oct	2 289	9 963	-1 469	5 084	3 615	3 835	5 048	8 883	7 622	-2 065	5 557	-25	-7 673	1 692	-9 199	-167	
Nov	2 241	181	-5 845	8 205	2 360	-2 063	3 709	1 646	7 825	-1 376	6 449	264	2 060	1 034	1 005	20	
Dec	2 504	-3 060	8 568	4 782	13 350	-13 595	18 756	5 161	3 128	3 840	6 968	-1 161	5 564	104	5 525	-65	
01 Jan	A	2 114	-7 693	-635	2 281	1 646	-1 775	1 438	-336	-5 724	20 519	14 795	440	9 806	-798	9 791	813

FINANCIAL ACCOUNT



FINANCIAL ACCOUNT, EXCLUDING BANCO DE ESPAÑA
Breakdown



Source: BE. Data compiled in accordance with the IMF Balance of Payments Manual (5th edition). The conventional presentation has been modified to show explicitly those transactions in which the BE appears as counterparty, especially the changes in its account with the Eurosystem.

(a) Changes in assets (NCA) and changes in liabilities (NCL) are both net of repayments. A positive (negative) sign in NCA columns indicates an outflow (inflow) of foreign financing. A positive (negative) sign in NCL columns implies an inflow (outflow) of foreign financing.

(b) This does not include direct investment in quoted shares, but does include portfolio investment in unquoted shares.

(c) This includes direct investment in quoted shares, but does not include portfolio investment in unquoted shares. (d) Mainly, loans, deposits and repos.

(e) A positive (negative) sign indicates a decrease (increase) in the reserves and/or claims of the BE with the Eurosystem

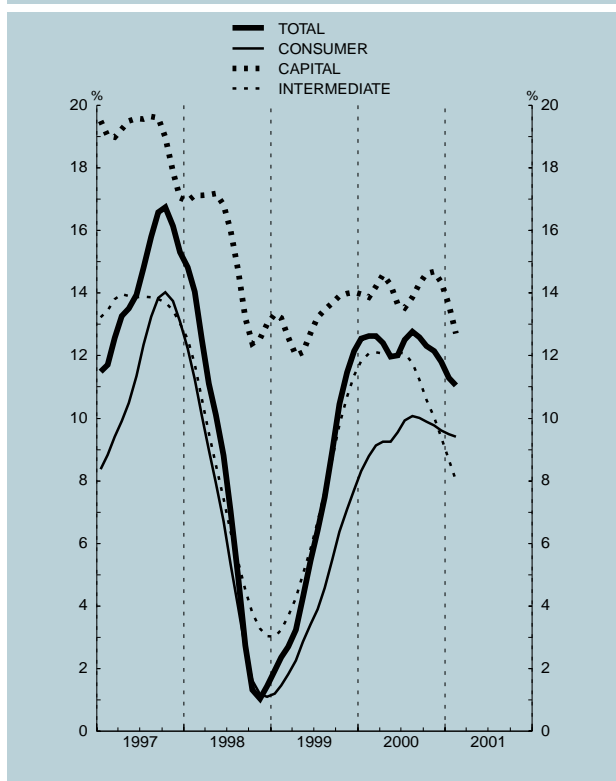
7.3 Spanish foreign trade with other euro area countries and with the rest of the world. Exports and dispatches

■ Series depicted in chart.

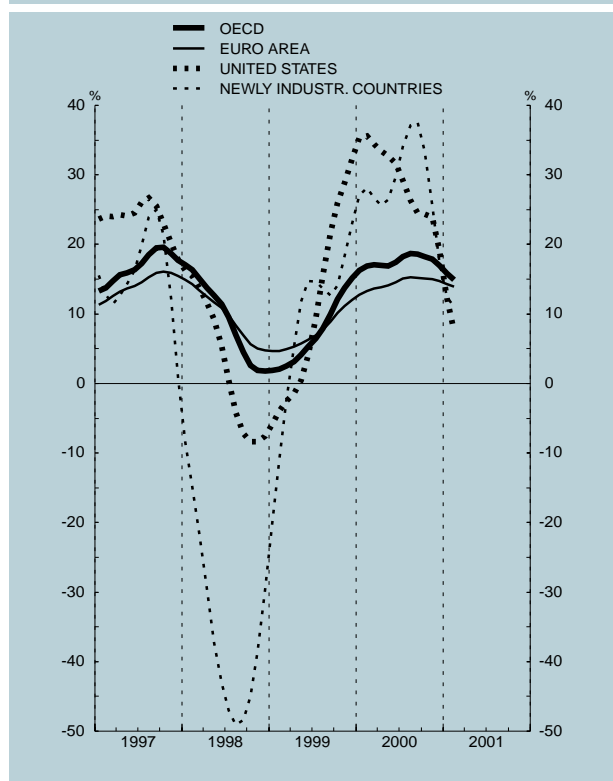
EUR millions and annual percentage changes

	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				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
96	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
97	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
98	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
99	104 789	4.9	5.7	3.1	16.5	4.4	-4.9	4.8	6.4	5.2	5.8	9.8	6.5	-8.2	-4.7	4.8	1.8
00	123 100	19.4	12.2	9.6	14.9	13.3	6.7	14.1	18.5	19.0	16.1	32.9	17.3	23.9	16.0	30.3	29.9
00 Jan	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
Feb	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
Mar	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
Apr	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
May	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
Jun	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
Jul	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
Aug	7 704	28.8	20.3	17.9	12.6	24.9	-4.0	26.7	30.3	30.2	29.6	33.2	30.1	2.2	16.6	40.2	32.2
Sep	10 155	17.1	10.0	6.9	17.6	9.9	-9.1	10.8	13.9	17.1	9.0	10.4	13.1	42.8	6.7	41.5	45.4
Oct	11 957	18.3	12.3	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
Nov	12 206	23.6	15.6	12.9	29.5	12.6	-1.2	13.2	24.2	22.1	18.5	52.7	22.8	47.4	-8.0	30.3	31.6
Dec	10 623	15.3	6.4	-0.3	15.3	8.7	15.8	8.5	14.5	12.3	14.6	21.7	14.6	27.9	17.3	-1.8	20.6
01 Jan	9 896	19.8	15.0	15.3	27.9	8.5	-9.4	10.7	16.3	15.0	15.1	9.8	17.3	45.9	28.3	15.9	42.7
Feb	10 960	14.9	10.0	12.1	10.5	8.1	3.6	8.1	13.2	12.9	15.0	-7.1	15.0	18.6	12.5	8.6	31.2

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.

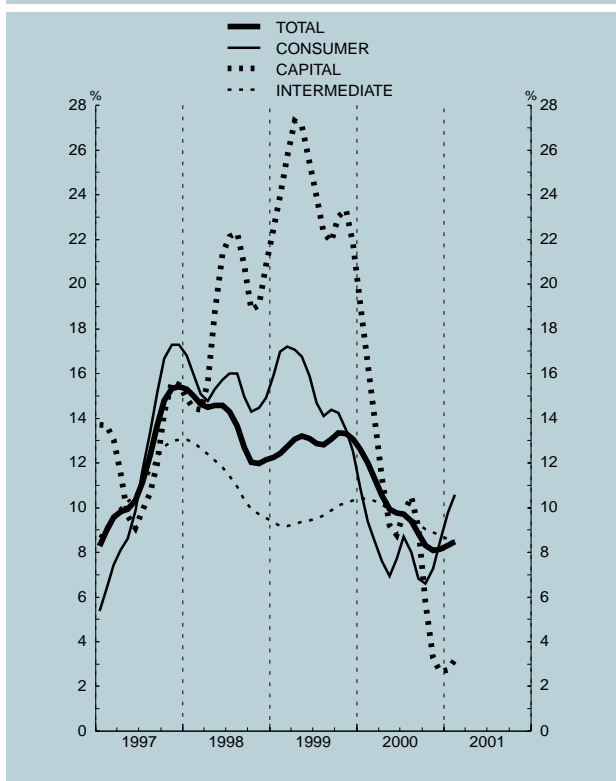
7.4 Spanish foreign trade with other euro area countries and with the rest of the world. Imports and arrivals

■ Series depicted in chart.

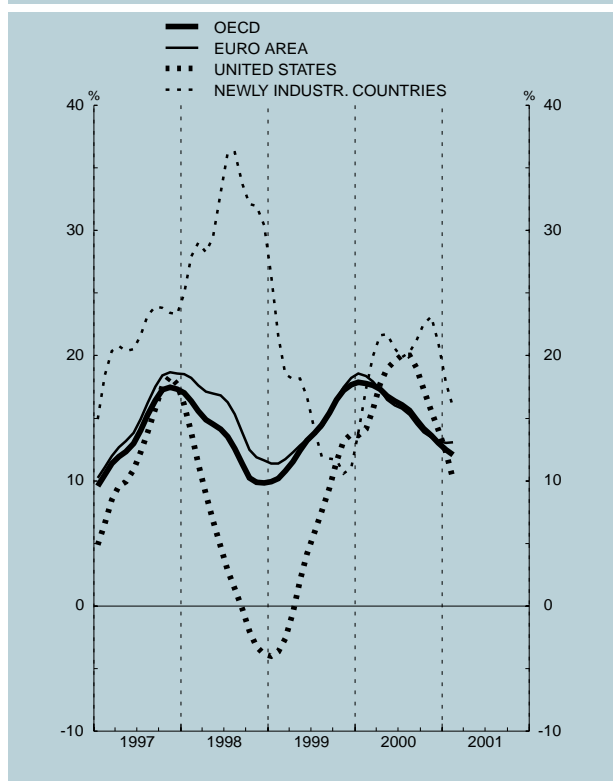
EUR millions and annual percentage changes

	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 area	of which: European Union	United States of America	Other OECD member				
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
96	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
97	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
98	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
99	139 094	13.2	13.2	14.8	22.6	9.7	-0.6	11.0	12.4	10.3	11.7	8.9	13.5	15.8	12.6	16.4	18.1
00	166 138	22.8	8.2	6.0	6.7	9.7	19.3	9.4	16.0	16.1	15.7	19.6	15.8	109.4	15.3	21.5	39.3
00 Jan	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
Feb	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
Mar	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
Apr	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
May	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
Jun	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
Jul	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
Aug	11 505	31.0	18.4	9.1	30.8	19.2	23.5	18.6	25.6	22.4	23.3	58.9	23.6	95.1	12.3	23.1	36.4
Sep	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
Oct	15 885	21.1	6.3	5.6	1.9	8.2	42.8	5.3	12.6	10.3	10.4	31.6	11.8	116.8	30.9	20.6	42.7
Nov	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
Dec	14 893	13.9	1.7	-1.8	-1.1	4.4	18.8	2.9	6.7	9.0	4.8	21.1	4.7	62.8	49.5	10.7	37.2
01 Jan	12 851	17.4	15.6	25.6	6.0	10.0	6.9	15.5	15.7	3.5	15.9	22.5	19.5	10.8	9.2	22.7	34.0
Feb	13 830	12.5	7.3	7.9	-0.1	9.5	4.6	10.0	12.4	8.9	14.2	15.8	13.3	9.2	4.3	9.1	17.2

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.

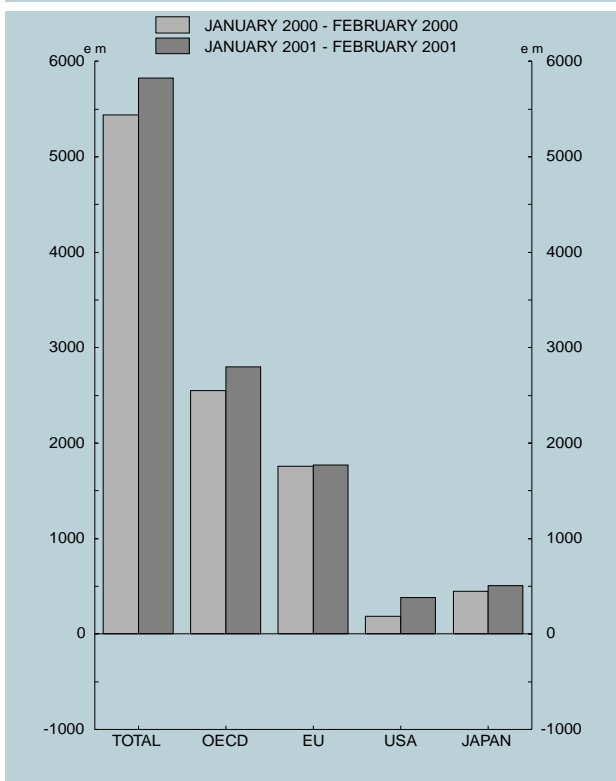
Trade balance: geographical distribution

■ Series depicted in chart.

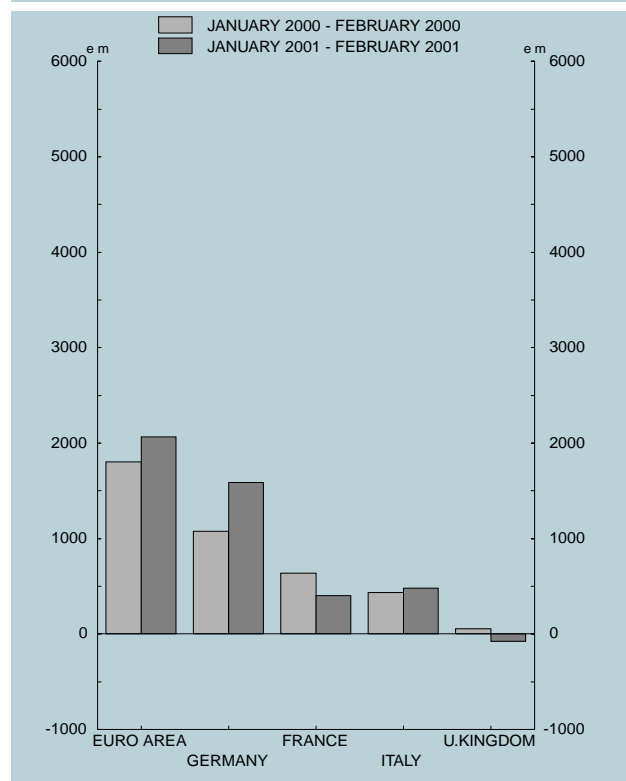
EUR millions

	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	of which:											
					Germany	France						Italy				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
97	-16 049	-11 020	-5 973	3 060	-3 680	-2 151	-1 377	-718	-8 315	-2 763	-1 997	-287	-4 753	1 367	-258	-1 384
98	-23 007	-17 316	-11 974	-556	-5 398	-3 138	-2 952	-1 053	-10 365	-2 839	-2 773	270	-3 447	1 589	-1 542	-2 291
99	-34 305	-24 373	-17 970	-4 904	-8 169	-4 448	-3 572	-1 640	-11 425	-3 055	-3 301	-48	-4 642	885	-1 933	-4 243
00	-43 039	-24 611	-17 957	-17 354	-9 470	-4 479	-3 801	-1 431	828	-2 748	-3 596	-310	-10 680	920	-2 180	-6 489
00 J-F	-5 439	-2 549	-1 759	-1 805	-1 075	-635	-434	-52	98	-186	-445	-160	-1 523	89	-343	-1 113
01 J-F	-5 824	-2 796	-1 772	-2 063	-1 587	-405	-483	79	211	-380	-508	-136	-1 595	181	-402	-1 212
00 Feb	-2 758	-1 422	-1 016	-966	-523	-327	-255	-51	2	-96	-252	-58	-660	86	-191	-571
Mar	-3 469	-2 136	-1 585	-1 448	-731	-441	-364	-176	40	-195	-331	-26	-890	161	-173	-430
Apr	-3 481	-2 228	-1 819	-1 685	-893	-485	-254	-169	34	-276	-283	150	-695	95	-174	-480
May	-4 098	-2 654	-1 633	-1 481	-679	-544	-301	-178	26	-567	-325	-129	-757	131	-223	-596
Jun	-3 281	-1 680	-1 243	-1 320	-618	-264	-338	46	31	-84	-361	8	-938	-8	-171	-484
Jul	-3 740	-2 244	-1 731	-1 711	-1 145	-261	-355	-76	55	-172	-321	-20	-803	74	-180	-587
Aug	-3 801	-2 083	-1 465	-1 424	-717	-298	-187	-110	69	-245	-262	-111	-867	65	-156	-759
Sep	-4 028	-2 377	-1 792	-1 809	-1 100	-371	-375	-80	98	-252	-295	-38	-936	-29	-178	-508
Oct	-3 928	-2 176	-1 587	-1 469	-862	-245	-337	-200	82	-219	-385	15	-1 104	126	-188	-585
Nov	-3 502	-1 767	-1 260	-1 262	-823	-286	-289	-200	201	-238	-294	25	-1 126	113	-202	-521
Dec	-4 270	-2 718	-2 082	-1 939	-829	-648	-568	-237	94	-316	-294	-25	-1 040	104	-192	-424
01 Jan	-2 954	-1 266	-778	-1 010	-845	-126	-210	125	106	-163	-280	-45	-894	61	-194	-662
Feb	-2 870	-1 531	-994	-1 053	-742	-279	-273	-46	105	-217	-229	-91	-700	120	-209	-550

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.

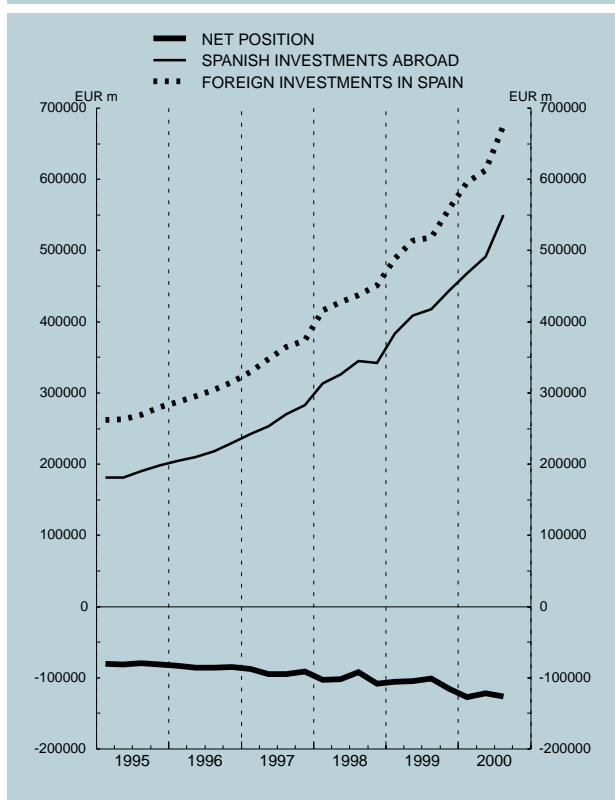
Summary

■ Series depicted in chart.

EUR millions

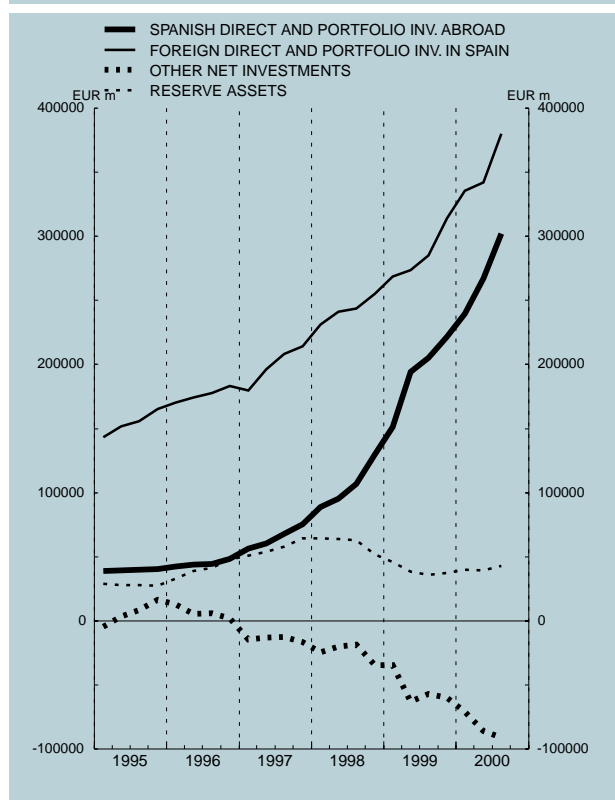
		1	Spanish investment abroad (financial assets)						Foreign investments in Spain (liabilities)						
			2	3	Portfolio investment			7	8	9	10	Portfolio investment			14
					4	5	6					11	12	13	
92	P	-63 768	114 136	15 185	6 689	1 358	5 331	58 696	33 566	177 904	59 322	37 313	12 798	24 515	81 269
93	P	-80 396	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
94	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
95	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
96	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
97 Q3	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
Q4	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
98 Q1	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
Q2	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
Q3	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
Q4	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
99 Q1	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
Q2	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
Q3	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
Q4	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
00 Q1	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
Q2	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
Q3	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

INTERNATIONAL INVESTMENT POSITION



Source: BE.

COMPONENTS OF THE POSITION



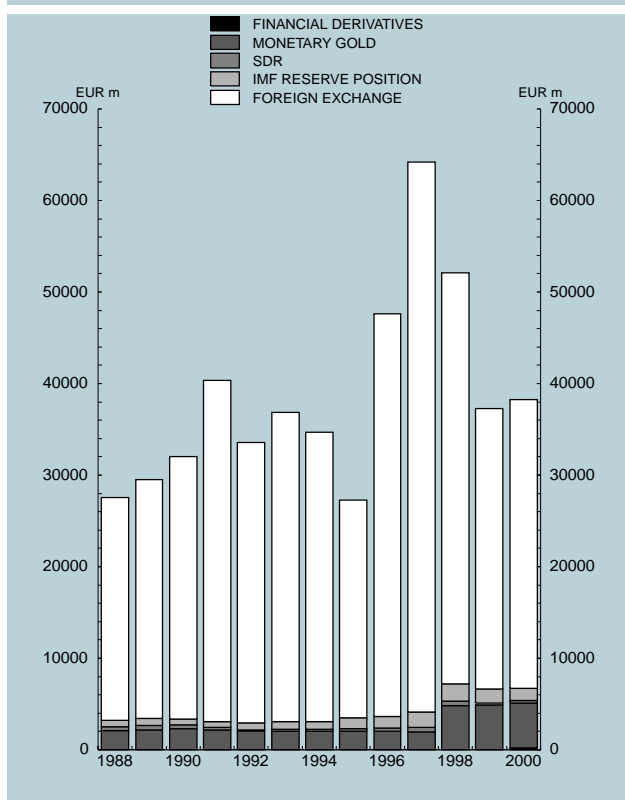
7.7. Spanish reserve assets.

■ Series depicted in chart.

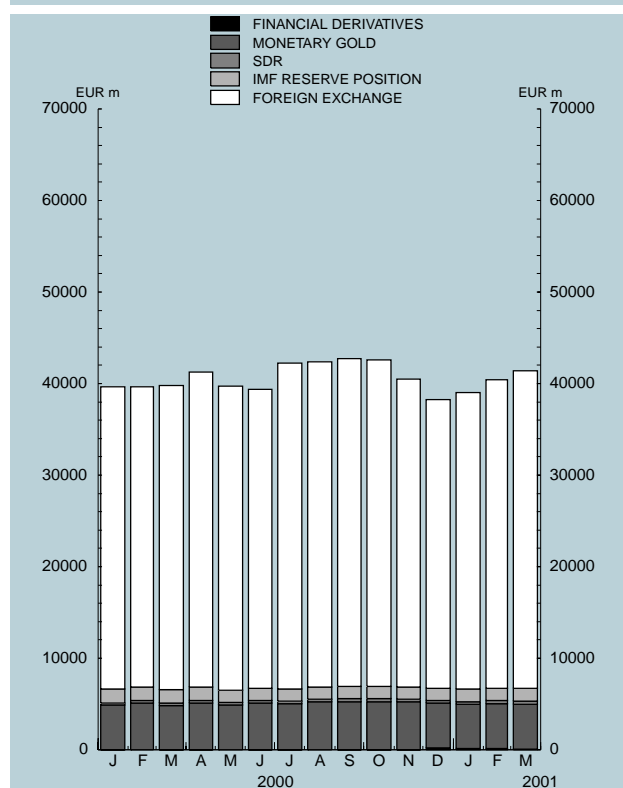
EUR millions

	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	
98		52 095	44 914	1 876	492	4 814	...	19.5
99	R	37 288	30 639	1 517	259	4 873	...	16.8
00		38 234	31 546	1 271	312	4 931	175	16.8
99 Oct		36 831	30 308	1 479	240	4 804	...	16.8
Nov		37 522	30 897	1 489	257	4 878	...	16.8
Dec	R	37 288	30 639	1 517	259	4 873	...	16.8
00 Jan		39 637	32 971	1 535	262	4 869	-0	16.8
Feb		39 637	32 777	1 486	273	5 108	-7	16.8
Mar		39 763	33 203	1 422	280	4 861	-2	16.8
Apr		41 253	34 389	1 491	288	5 087	-1	16.8
May		39 710	33 178	1 347	293	4 908	-16	16.8
Jun		39 354	32 645	1 327	288	5 092	2	16.8
Jul		42 243	35 573	1 349	293	5 029	-1	16.8
Aug		42 393	35 516	1 344	314	5 229	-11	16.8
Sep		42 750	35 811	1 356	317	5 263	4	16.8
Oct		42 568	35 653	1 343	326	5 252	-7	16.8
Nov		40 503	33 651	1 304	329	5 202	17	16.8
Dec		38 234	31 546	1 271	312	4 931	175	16.8
01 Jan		39 001	32 339	1 383	347	4 775	157	16.8
Feb		40 438	33 706	1 337	361	4 878	156	16.8
Mar		41 380	34 673	1 366	369	4 936	35	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	
99 Oct	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
Nov	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
Dec	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
00 Jan	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
Feb	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
Mar	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
Apr	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
May	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
Jun	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
Jul	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
Aug	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
Sep	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
Oct	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
Nov	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
Dec	260 769	215 427	45 000	-	77	560	294	131 026	365 743	325	393 893	158 851	7 529	118 430	3 784
01 Jan	247 374	201 537	46 087	-1	17	319	586	117 652	363 951	-13 398	380 535	147 633	6 587	119 351	3 784
Feb	238 812	185 273	49 998	-	24	3 973	455	107 849	353 929	-15 882	377 063	146 865	5 224	121 954	3 784
Mar	238 441	183 318	55 372	-	39	135	423	109 667	352 208	-17 787	375 043	150 290	4 027	120 962	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	
99 Oct	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
Nov	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
Dec	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
00 Jan	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
Feb	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
Mar	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
Apr	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
May	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
Jun	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
Jul	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
Aug	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
Sep	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
Oct	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	-
Nov	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	-
Dec	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	-
01 Jan	13 999	12 119	1 905	-	11	-	36	44 794	54 883	16 726	41 316	14 502	-40 924	-40 950	26	10 128	-
Feb	11 608	8 996	2 206	-	2	407	2	34 508	53 423	9 818	41 144	12 412	-32 916	-32 959	43	10 015	-
Mar	12 807	10 558	2 240	-	9	-	0	26 402	53 199	1 569	41 285	12 918	-23 596	-23 642	46	10 002	-

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

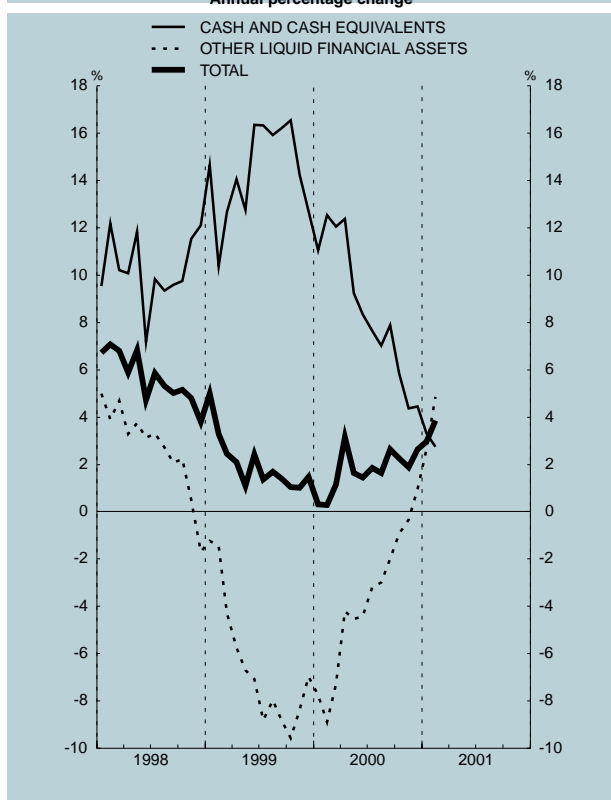
8.2 Liquid financial assets (a) of non-financial corporations, households and NPISHs resident in Spain

■ Series depicted in chart.

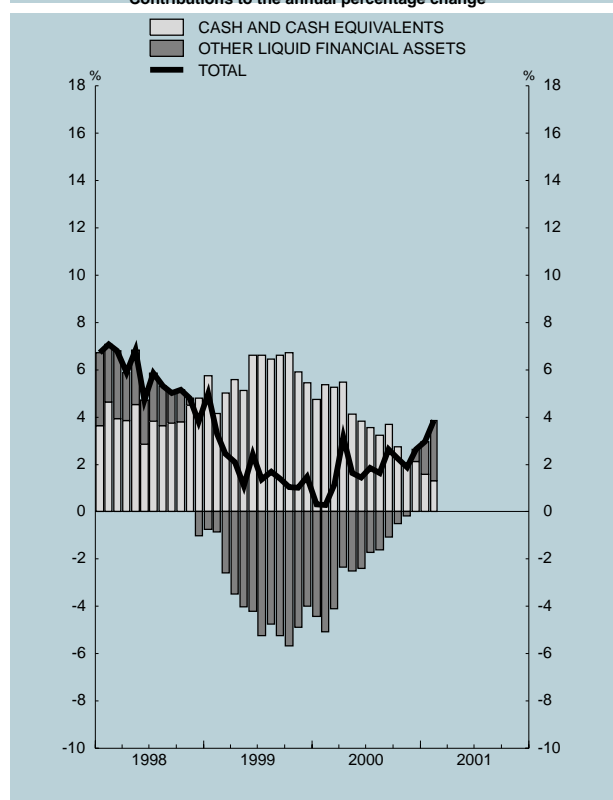
EUR millions and %

	Total		Cash and cash equivalents						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 broadly defines (d)	
						Cash	Sight deposits	Savings deposits (b)				Other deposits (c)	Repos	Credit institutions' securities	Money-market and fixed-income mutual fund shares	Stocks	12-month % change
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
98	539 975	3.8	231 738	12.1	4.8	0.7	19.5	12.4	308 237	-1.7	-1.0	-7.1	-25.0	-8.3	10.3	582 179	8.1
99	547 911	1.5	261 185	12.7	5.5	8.3	14.1	13.8	286 726	-7.0	-4.0	11.9	-16.5	38.3	-22.5	621 771	6.8
00	562 333	2.6	272 835	4.5	2.1	-0.4	9.2	2.4	289 499	1.0	0.5	25.4	26.1	-20.9	-29.8	638 294	2.7
99 Nov	538 372	1.0	252 816	14.2	5.9	6.5	15.9	16.9	285 556	-8.4	-4.9	9.1	-22.7	27.7	-21.2	607 598	6.0
Dec	547 911	1.5	261 185	12.7	5.5	8.3	14.1	13.8	286 726	-7.0	-4.0	11.9	-16.5	38.3	-22.5	621 771	6.8
00 Jan	538 485	0.3	255 089	11.1	4.7	6.9	11.8	12.6	283 395	-7.7	-4.4	13.0	-9.0	27.4	-26.0	610 494	4.8
Feb	535 636	0.3	256 855	12.5	5.4	6.8	16.4	11.9	278 781	-8.9	-5.1	17.1	-6.6	18.2	-30.9	615 386	5.9
Mar	539 450	1.2	260 674	12.1	5.3	6.0	14.9	12.6	278 776	-7.3	-4.1	19.9	5.3	8.9	-31.9	621 463	6.1
Apr	541 790	3.1	261 660	12.4	5.5	7.0	17.1	10.8	280 130	-4.2	-2.3	23.0	10.8	4.8	-29.8	622 221	6.2
May	537 151	1.6	258 173	9.2	4.1	5.4	11.0	9.5	278 977	-4.5	-2.5	24.1	9.3	0.6	-31.2	614 371	4.1
Jun	545 955	1.4	268 448	8.3	3.8	6.2	10.0	7.8	277 508	-4.4	-2.4	24.7	12.2	-3.4	-32.7	624 506	3.8
Jul	547 798	1.8	269 120	7.6	3.6	4.4	9.7	7.3	278 678	-3.2	-1.7	25.2	20.0	-2.9	-32.7	626 065	4.3
Aug	543 963	1.6	264 417	7.0	3.2	4.4	8.7	6.8	279 546	-3.0	-1.6	26.5	20.9	-2.3	-33.9	625 132	4.4
Sep	550 590	2.6	270 908	7.9	3.7	4.2	12.0	5.8	279 682	-2.0	-1.1	27.2	27.6	-1.8	-34.6	631 346	5.1
Oct	544 507	2.2	264 194	5.9	2.7	2.7	9.3	4.2	280 313	-0.9	-0.5	26.3	25.0	-9.3	-32.4	625 211	4.7
Nov	548 447	1.9	263 860	4.4	2.1	2.2	8.2	1.8	284 587	-0.3	-0.2	25.0	20.8	-15.5	-30.1	622 963	2.5
Dec	562 333	2.6	272 835	4.5	2.1	-0.4	9.2	2.4	289 499	1.0	0.5	25.4	26.1	-20.9	-29.8	638 294	2.7
01 Jan	P 554 423	3.0	263 553	3.3	1.6	-0.3	6.6	2.0	290 870	2.6	1.4	25.1	25.0	-15.5	-27.5	632 371	3.6
Feb	P 556 237	3.8	263 910	2.7	1.3	-0.6	5.8	1.4	292 327	4.9	2.5	25.0	19.7	-10.0	-23.2	629 798	2.3

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



LIQUID FINANCIAL ASSETS OF NON-FINANCIAL CORPORATIONS, HOUSEHOLDS AND NPISHs
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. As full information is only available, for the end of each calendar quarter, the data for the intervening months are partially estimated and revised when final quarterly data become available.

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

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

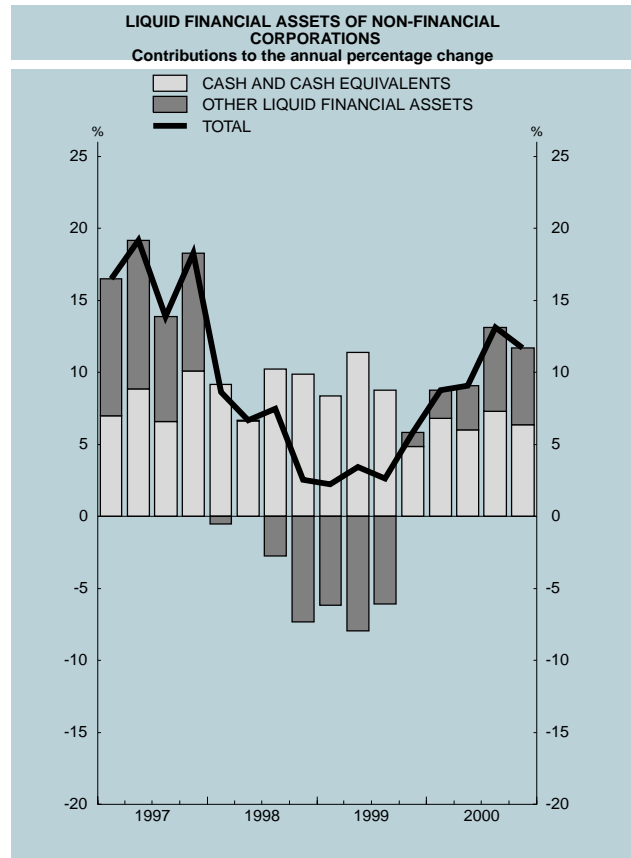
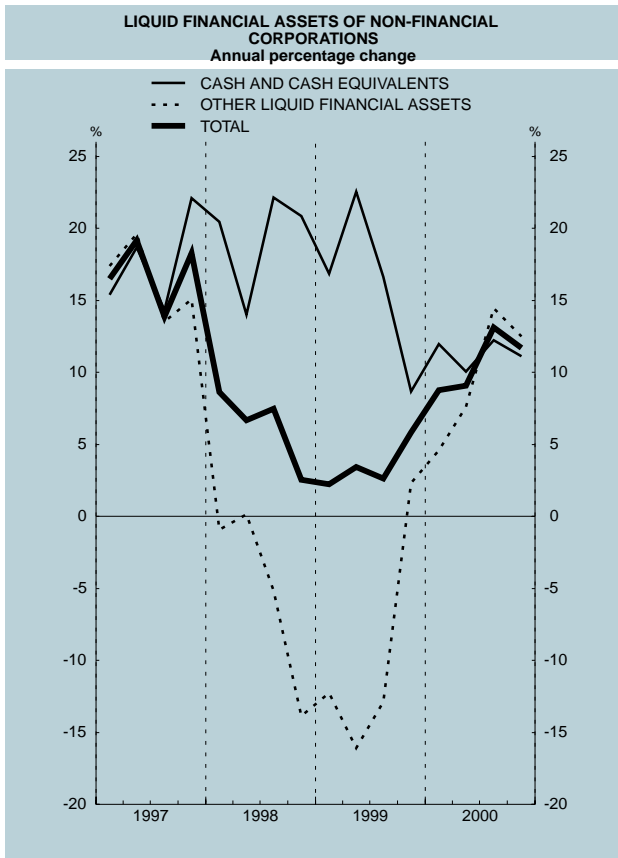
(d) Defined as liquid financial assets plus shares in mutual funds other than money-market and fixed-income funds.

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	
97	79 891	18.3	37 736	22.1	10.1	23.6	-4.9	42 155	15.1	8.2	0.8	17.0	20.3	81 370	19.6
98	81 922	2.5	45 611	20.9	9.9	21.5	5.2	36 311	-13.9	-7.3	6.7	-33.7	12.6	85 383	4.9
99	86 709	5.8	49 565	8.7	4.8	8.8	5.2	37 144	2.3	1.0	30.8	-8.1	-0.2	93 357	9.3
97 Q4	79 891	18.3	37 736	22.1	10.1	23.6	-4.9	42 155	15.1	8.2	0.8	17.0	20.3	81 370	19.6
98 Q1	77 597	8.6	38 567	20.5	9.2	21.7	-2.9	39 030	-1.0	-0.5	-10.9	-9.2	21.2	79 921	10.7
Q2	81 546	6.7	41 158	14.0	6.6	14.1	11.4	40 388	0.1	0.1	0.6	-10.0	19.4	84 179	8.6
Q3	79 778	7.5	41 944	22.2	10.2	21.6	35.2	37 834	-5.2	-2.8	1.9	-19.5	17.8	81 972	8.3
Q4	81 922	2.5	45 611	20.9	9.9	21.5	5.2	36 311	-13.9	-7.3	6.7	-33.7	12.6	85 383	4.9
99 Q1	79 309	2.2	45 063	16.8	8.4	17.4	4.2	34 246	-12.3	-6.2	19.9	-36.7	8.0	83 711	4.7
Q2	84 325	3.4	50 433	22.5	11.4	23.8	-3.5	33 892	-16.1	-8.0	13.3	-36.5	-0.6	89 788	6.7
Q3	81 879	2.6	48 917	16.6	8.7	18.0	-12.2	32 962	-12.9	-6.1	30.4	-32.1	-7.2	87 532	6.8
Q4	86 709	5.8	49 565	8.7	4.8	8.8	5.2	37 144	2.3	1.0	30.8	-8.1	-0.2	93 357	9.3
00 Q1	86 257	8.8	50 447	11.9	6.8	12.2	6.3	35 810	4.6	2.0	37.8	7.8	-15.5	94 458	12.8
Q2	91 967	9.1	55 502	10.1	6.0	10.2	6.3	36 465	7.6	3.1	55.0	7.5	-18.6	100 608	12.1
Q3	92 629	13.1	54 901	12.2	7.3	12.4	7.6	37 728	14.5	5.8	58.7	19.5	-16.6	101 512	16.0
Q4	96 853	11.7	55 071	11.1	6.4	11.0	13.1	41 782	12.5	5.3	45.5	21.5	-18.0	105 209	12.7



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.

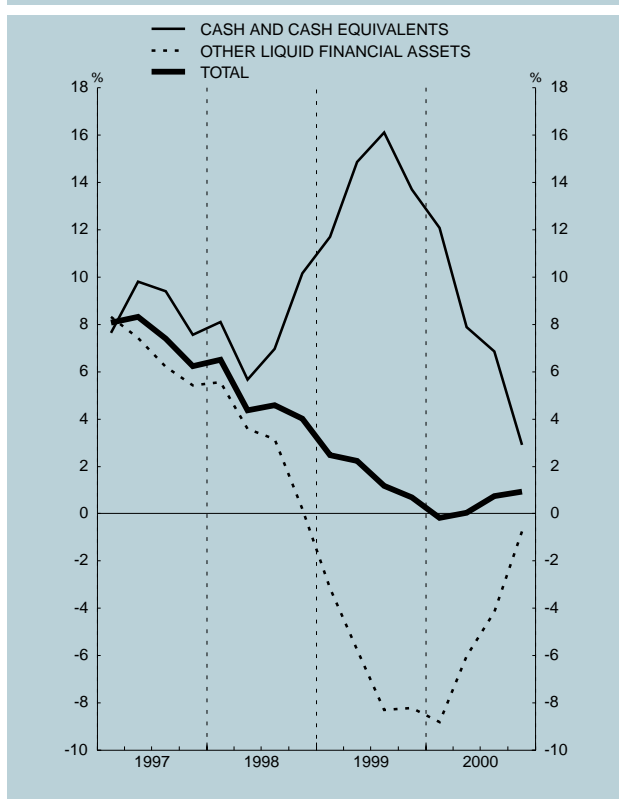
8.4 Liquid financial assets (a) of households and NPISHs resident in Spain

■ Series depicted in chart.

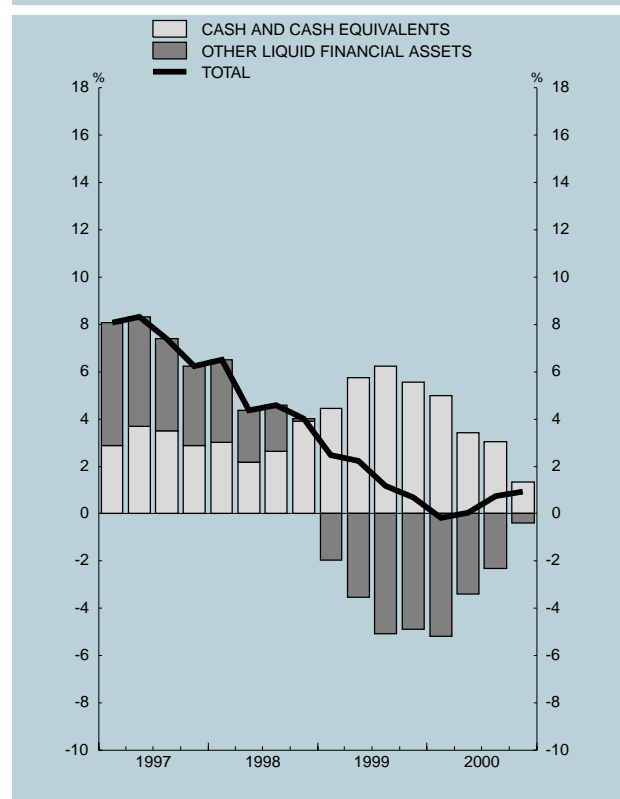
EUR millions and %

	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	
97	440 344	6.2	168 977	7.6	2.9	5.3	8.1	8.7	271 368	5.4	3.4	-12.5	-8.5	5.0	34.5	457 113	8.9
98	458 053	4.0	186 127	10.1	3.9	0.9	16.8	12.6	271 925	0.2	0.1	-7.8	-11.7	-11.3	10.0	496 796	8.7
99	461 202	0.7	211 620	13.7	5.6	8.3	19.0	13.9	249 582	-8.2	-4.9	10.7	-26.1	20.2	-23.2	528 414	6.4
97 Q4	440 344	6.2	168 977	7.6	2.9	5.3	8.1	8.7	271 368	5.4	3.4	-12.5	-8.5	5.0	34.5	457 113	8.9
98 Q1	443 042	6.5	167 883	8.1	3.0	2.9	10.8	10.0	275 158	5.5	3.5	-11.8	-7.3	10.5	28.8	469 462	10.6
98 Q2	443 938	4.4	171 823	5.7	2.2	2.1	5.4	8.0	272 115	3.6	2.2	-11.7	-14.6	0.8	23.7	473 876	8.3
98 Q3	449 374	4.6	174 110	7.0	2.6	0.9	10.5	8.9	275 264	3.1	2.0	-10.4	-11.2	-9.3	20.0	474 316	6.3
98 Q4	458 053	4.0	186 127	10.1	3.9	0.9	16.8	12.6	271 925	0.2	0.1	-7.8	-11.7	-11.3	10.0	496 796	8.7
99 Q1	454 000	2.5	187 549	11.7	4.4	2.9	19.1	13.2	266 451	-3.2	-2.0	-4.4	-27.9	-6.6	0.7	502 021	6.9
99 Q2	453 846	2.2	197 368	14.9	5.8	4.5	20.6	18.0	256 478	-5.7	-3.5	0.5	-29.2	9.3	-9.3	511 925	8.0
99 Q3	454 593	1.2	202 164	16.1	6.2	6.2	23.8	17.9	252 429	-8.3	-5.1	4.0	-31.1	10.1	-16.6	513 197	8.2
99 Q4	461 202	0.7	211 620	13.7	5.6	8.3	19.0	13.9	249 582	-8.2	-4.9	10.7	-26.1	20.2	-23.2	528 414	6.4
00 Q1	453 193	-0.2	210 227	12.1	5.0	6.0	17.1	12.7	242 966	-8.8	-5.2	18.7	2.3	-0.4	-32.6	527 005	5.0
00 Q2	453 988	0.0	212 946	7.9	3.4	6.2	9.7	7.8	241 043	-6.0	-3.4	22.7	18.5	-5.8	-33.7	523 899	2.3
00 Q3	457 961	0.7	216 007	6.8	3.0	4.2	11.4	5.8	241 954	-4.1	-2.3	25.1	38.1	-13.9	-35.3	529 834	3.2
00 Q4	465 481	0.9	217 764	2.9	1.3	-0.4	7.3	2.2	247 717	-0.7	-0.4	24.0	32.7	-28.6	-30.4	533 086	0.9

LIQUID FINANCIAL ASSETS OF HOUSEHOLDS AND NPISHs
Annual percentage change



LIQUID FINANCIAL ASSETS OF HOUSEHOLDS AND NPISHs
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.

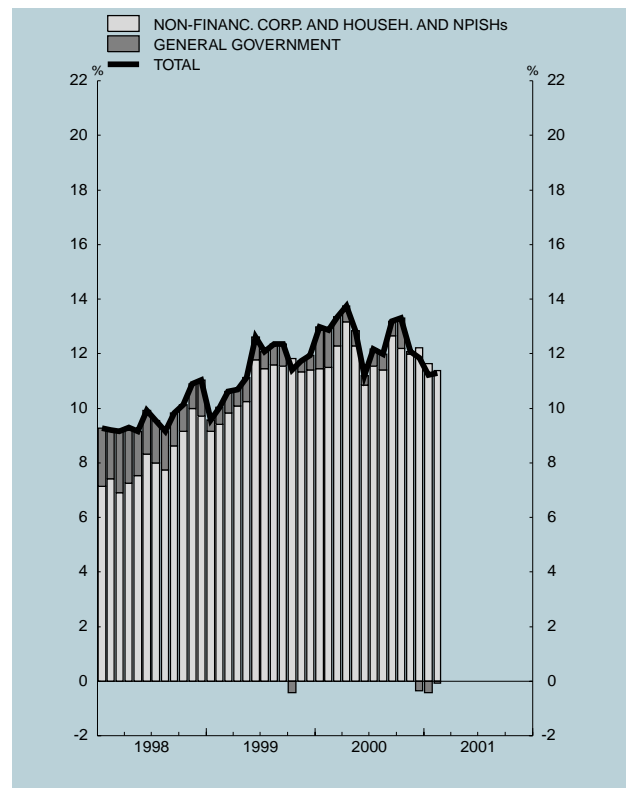
EUR millions and %

	Total			12-month % change						Contributions to col. 3					
	Stocks	Effective flow	12-month % change	General government (b)	Non-financial corporations and households and NPISHs				General government (b)	Non-financial corporations and households and NPISHs					
					Resident credit institutions' loans	Securitisation funds	Securities other than shares	External loans		Resident credit institutions' loans	Securitisation funds	Securities other than shares	External loans		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
98	781 033	14 286	11.0	3.1	16.9	16.1	61.2	5.4	23.2	1.3	9.7	7.9	0.5	0.2	1.2
99	876 836	17 548	11.9	1.3	18.8	16.4	60.0	9.8	35.6	0.5	11.4	8.3	0.7	0.3	2.1
00	983 383	17 880	11.9	-1.0	19.0	18.0	39.5	-9.3	30.8	-0.4	12.2	9.5	0.6	-0.2	2.4
99 Nov	858 071	12 673	11.7	1.0	18.5	15.2	96.2	8.5	38.6	0.4	11.3	7.8	0.9	0.2	2.3
99 Dec	876 836	17 548	11.9	1.3	18.8	16.4	60.0	9.8	35.6	0.5	11.4	8.3	0.7	0.3	2.1
00 Jan	886 999	10 304	13.0	4.0	18.7	17.0	58.5	2.5	32.4	1.5	11.4	8.7	0.7	0.1	2.0
00 Feb	887 203	8	12.9	3.6	18.7	16.4	73.9	1.9	33.5	1.4	11.5	8.4	0.9	0.0	2.1
00 Mar	904 358	16 104	13.3	2.7	20.1	18.5	60.9	4.5	30.9	1.1	12.3	9.4	0.8	0.1	2.0
00 Apr	910 032	5 211	13.7	1.5	21.3	20.1	50.8	3.4	31.1	0.6	13.2	10.4	0.7	0.1	2.0
00 May	915 386	5 932	12.8	1.4	19.8	18.1	50.4	5.5	31.4	0.5	12.3	9.3	0.7	0.1	2.1
00 Jun	930 934	15 580	11.2	0.9	17.2	16.2	65.9	9.2	17.8	0.4	10.8	8.4	0.9	0.2	1.3
00 Jul	944 356	13 427	12.2	1.7	18.2	17.4	48.1	-0.7	24.8	0.6	11.5	9.0	0.8	-0.0	1.8
00 Aug	942 929	-2 292	12.0	1.6	18.1	17.2	38.9	-0.9	26.4	0.6	11.4	8.9	0.6	-0.0	1.9
00 Sep	963 417	19 411	13.2	1.5	19.9	18.4	36.5	-9.7	37.7	0.5	12.6	9.6	0.6	-0.3	2.7
00 Oct	962 165	-1 500	13.3	3.2	18.8	16.9	33.7	-8.9	38.2	1.1	12.2	9.0	0.6	-0.2	2.9
00 Nov	965 615	3 881	12.1	0.3	18.5	18.0	27.5	-12.1	29.9	0.1	12.0	9.5	0.5	-0.3	2.3
00 Dec	983 383	17 880	11.9	-1.0	19.0	18.0	39.5	-9.3	30.8	-0.4	12.2	9.5	0.6	-0.2	2.4
01 Jan	P 989 290	5 954	11.2	-1.2	18.1	15.8	40.9	-1.0	35.1	-0.4	11.6	8.3	0.7	-0.0	2.7
01 Feb	P 989 838	595	11.3	-0.2	17.5	15.4	28.4	1.1	33.9	-0.1	11.4	8.1	0.5	0.0	2.7

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 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) The 12-month % changes are calculated as the effective flow of the period / the stock at the beginning of the period. As full information is only available for the end of each calendar quarter, the data for the intervening months are partially estimated and revised when final quarterly data become available.

(b) Total liabilities less deposits.

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

■ Series depicted in chart.

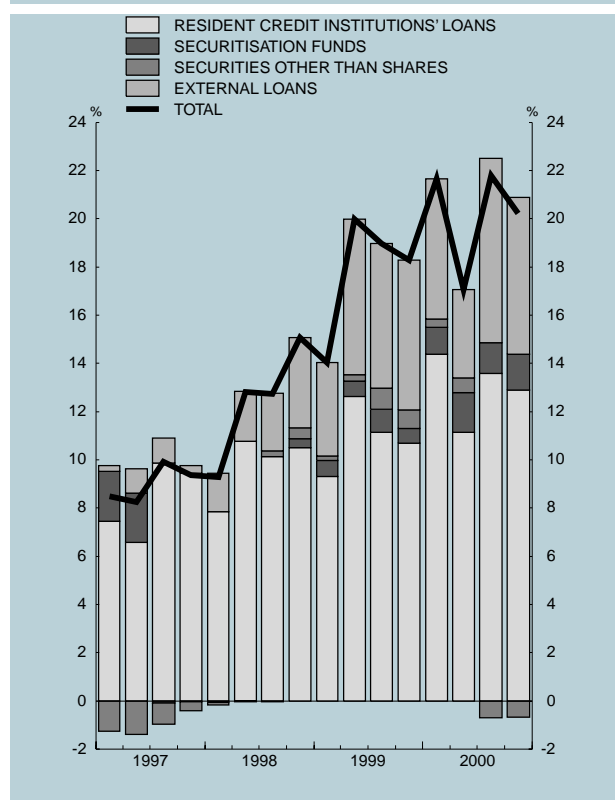
EUR millions and %

	Non-financial corporations													Households and NPISHs			
	Total			Resident credit institutions' loans			Financing by securitisation funds		Securities other than shares			External loans			Stocks	Effective flow	4-quarter % change
	Stocks	Effective flow	4-quarter % change	Stocks	4-quarter % change	Contribution to col.3	Stocks (b)	4-quarter % change	Stocks	4-quarter % change	Contribution to col.3	Stocks	4-quarter % change	Contribution to col.3			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
97	232 999	19 882	9.4	171 746	13.1	9.4	4 442	-2.0	19 658	-3.7	-0.4	37 154	1.9	0.3	173 724	22 316	14.6
98	267 079	35 081	15.1	194 662	14.2	10.5	5 294	19.2	20 719	5.4	0.5	46 404	23.4	3.7	205 910	33 509	19.3
99	319 248	48 812	18.3	222 321	14.7	10.7	6 961	31.5	22 744	9.8	0.8	67 222	35.8	6.2	245 453	40 289	19.6
97 Q4	232 999	6 653	9.4	171 746	13.1	9.4	4 442	-2.0	19 658	-3.7	-0.4	37 154	1.9	0.3	173 724	7 046	14.6
98 Q1	236 526	3 680	9.3	171 993	10.9	7.9	4 359	-3.2	19 874	-1.2	-0.1	40 299	9.6	1.6	180 238	6 738	16.4
Q2	247 930	11 533	12.8	181 564	14.9	10.8	4 466	-0.5	19 564	-0.2	-0.0	42 337	12.2	2.1	191 611	11 577	17.1
Q3	253 790	6 985	12.7	186 200	13.9	10.1	4 389	-1.5	19 867	2.8	0.2	43 335	14.4	2.4	196 227	5 202	18.3
Q4	267 079	12 882	15.1	194 662	14.2	10.5	5 294	19.2	20 719	5.4	0.5	46 404	23.4	3.7	205 910	9 991	19.3
99 Q1	269 280	1 806	14.0	192 523	12.8	9.3	5 959	36.7	20 331	2.3	0.2	50 467	22.7	3.9	216 510	10 751	20.8
Q2	298 806	27 857	20.0	211 460	17.2	12.6	6 095	36.5	20 205	3.3	0.3	61 047	37.8	6.4	228 187	11 810	19.7
Q3	303 798	5 615	19.0	213 560	15.2	11.1	6 788	54.7	22 087	11.2	0.9	61 363	35.2	6.0	234 204	6 208	19.8
Q4	319 248	13 534	18.3	222 321	14.7	10.7	6 961	31.5	22 744	9.8	0.8	67 222	35.8	6.2	245 453	11 521	19.6
00 Q1	331 754	11 309	21.7	230 415	20.1	14.4	9 023	51.4	21 238	4.5	-0.3	71 079	31.0	5.8	255 138	9 776	18.2
Q2	352 299	20 506	17.1	243 878	15.7	11.1	11 015	80.7	22 064	9.2	0.6	75 343	17.9	3.7	267 121	12 168	17.4
Q3	375 217	20 841	21.8	254 012	19.3	13.6	10 630	56.6	19 941	-9.7	-0.7	90 634	37.9	7.7	274 464	7 484	17.5
Q4	386 973	11 920	20.2	262 809	18.5	12.9	11 712	68.2	20 628	-9.3	-0.7	91 824	31.0	6.5	287 474	13 140	17.3

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



FINANCING 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) The 4-quarter % changes are calculated as the effective flow of the period / the stock at the beginning of the period.

(b) Provisional data.

8.8. Net financing of Spain's general government

■ Series depicted in chart.

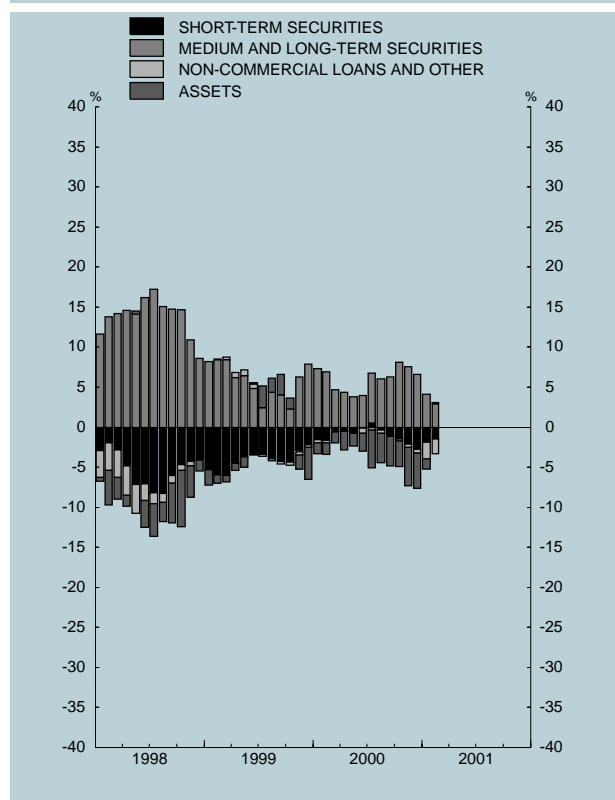
EUR millions and %

	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	Short-term		Medium and long-term	Non-commercial loans and other (a)	18
					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	
98	P 308 044	9 228	3.1	13 315	-11 786	25 608	-508	1 433	2 653	4.1	-16.2	13.0	-0.9	15.6	-3.9	8.6	-0.2	-1.4
99	P 312 134	4 090	1.3	16 493	-6 700	24 212	-1 019	8 020	4 383	4.9	-11.0	10.9	-1.9	41.1	-2.2	7.9	-0.3	-4.0
00	A 308 936	-3 198	-1.0	10 540	-8 605	20 566	-1 421	8 319	5 419	3.0	-15.8	8.3	-2.7	32.2	-2.8	6.6	-0.5	-4.4
99 Sep	P 309 169	-308	2.0	1 784	709	1 933	-858	2 311	-219	-0.5	-20.4	5.3	-1.7	-17.9	-4.2	4.0	-0.3	2.5
Oct	P 295 562	-13 607	-1.1	-192	937	-1 433	305	12 133	1 282	-2.0	-20.4	3.0	-1.8	-7.6	-4.4	2.3	-0.3	1.3
Nov	P 300 665	5 103	1.0	5 042	1 191	4 050	-199	-2 443	2 382	2.5	-15.1	8.3	-1.8	12.4	-3.1	6.3	-0.3	-1.8
Dec	P 312 134	11 469	1.3	5 231	2 089	2 793	349	-4 298	-1 940	4.9	-11.0	10.9	-1.9	41.1	-2.2	7.9	-0.3	-4.0
00 Jan	A 315 809	3 675	4.0	206	-1 272	1 554	-76	-2 790	-679	4.8	-8.3	9.8	-2.2	11.8	-1.6	7.3	-0.4	-1.4
Feb	A 311 548	-4 262	3.6	1 805	-925	2 595	134	5 015	1 051	4.4	-8.5	9.1	-1.7	10.6	-1.6	6.9	-0.3	-1.4
Mar	A 317 465	5 917	2.7	-902	409	-1 620	309	-6 751	-67	3.7	-2.5	6.1	-0.9	12.0	-0.4	4.7	-0.2	-1.3
Apr	A 307 682	-9 783	1.5	-2 897	23	-3 551	631	5 514	1 373	3.4	-2.3	5.7	-0.5	18.8	-0.4	4.4	-0.1	-2.4
May	A 310 586	2 904	1.4	1 779	-576	2 466	-111	-891	-234	2.7	-3.4	4.9	-0.8	12.9	-0.6	3.8	-0.1	-1.6
Jun	A 311 513	928	0.9	1 697	254	2 627	-1 184	1 709	-940	2.9	-0.6	5.1	-3.6	18.5	-0.1	4.0	-0.6	-2.3
Jul	A 313 017	1 503	1.7	4 071	-1 200	5 043	228	438	2 130	5.8	3.3	8.1	-2.1	44.1	0.5	6.2	-0.4	-4.7
Aug	A 314 373	1 357	1.6	-1 301	-2 836	2 166	-631	-2 477	-181	4.8	-2.4	7.8	-2.1	34.2	-0.4	6.0	-0.4	-3.7
Sep	A 313 735	-638	1.5	1 299	-1 149	2 721	-274	1 507	430	4.6	-6.1	8.0	-1.0	31.8	-1.0	6.3	-0.2	-3.6
Oct	A 304 920	-8 815	3.2	2 768	-321	3 097	-8	10 590	993	5.5	-8.4	10.0	-1.6	19.3	-1.5	8.1	-0.3	-3.2
Nov	A 301 425	-3 495	0.3	1 446	-885	2 823	-491	3 025	1 916	4.3	-12.2	9.3	-2.1	29.6	-2.1	7.6	-0.4	-4.8
Dec	A 308 936	7 511	-1.0	568	-127	643	53	-6 569	-374	3.0	-15.8	8.3	-2.7	32.2	-2.8	6.6	-0.5	-4.4
01 Jan	A 312 104	3 168	-1.2	-9 976	1 392	-6 116	-5 251	-12 435	-709	0.1	-11.2	5.2	-12.4	10.4	-1.9	4.1	-2.1	-1.3
Feb	A 310 781	-1 323	-0.2	266	410	-1 097	953	-3 376	4 965	-0.3	-8.8	3.7	-10.8	-0.9	-1.5	3.0	-1.9	0.1

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.

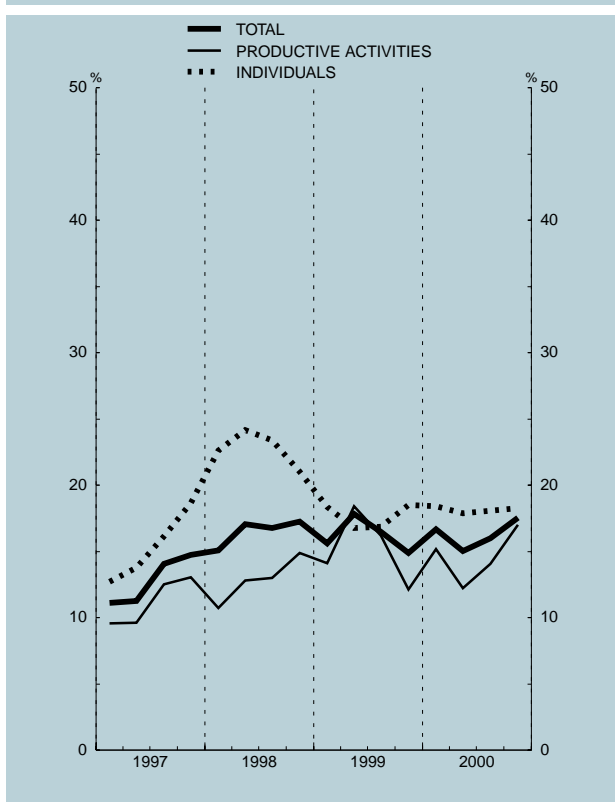
8.9 Credit by end-use of banks, savings banks and credit co-operatives resident in Spain

■ Series depicted in chart.

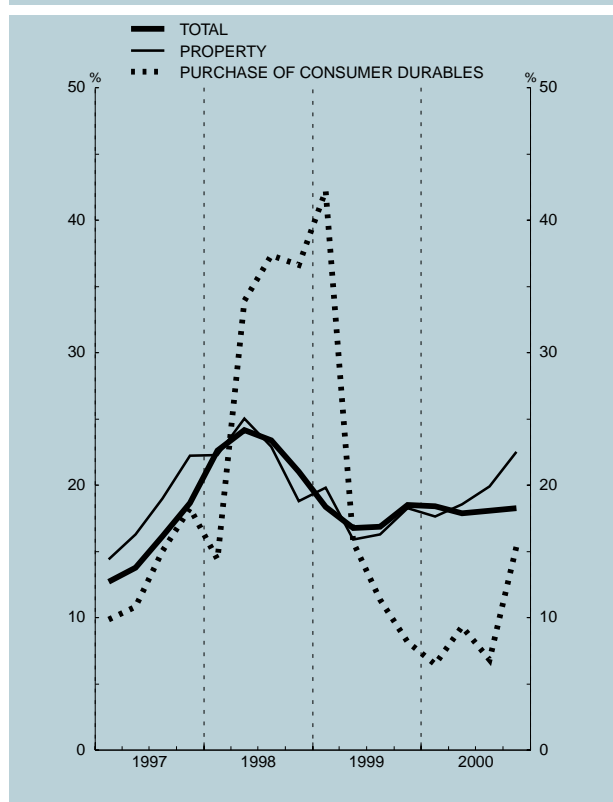
EUR millions and percentages

	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
97	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
98	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
99	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
97 Q4	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
98 Q1	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
Q2	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
Q3	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
Q4	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
99 Q1	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
Q2	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
Q3	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
Q4	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
00 Q1	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
Q2	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
Q3	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
Q4	526 633	268 886	9 453	69 670	38 524	151 238	219 844	156 963	6 471	3 799	20 048	32 563	2 279	9 595	26 031

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.

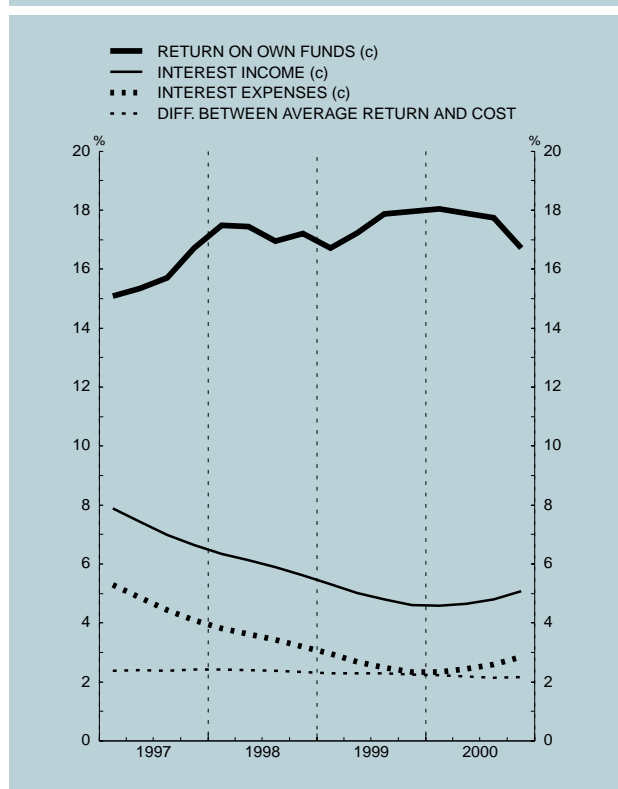
(b) Credit data obtained from the accounting statements established for supervision of resident institutions.

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	Non interest income and expenses	Gross income	Operating expenses:	Of which:	Staff costs	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)	
97	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	
98	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	
99	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	
97 Q4	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	
98 Q1	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	
Q2	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	
Q3	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	
Q4	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	
99 Q1	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	
Q2	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	
Q3	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	
Q4	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	
00 Q1	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	
Q2	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	
Q3	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	
Q4	5.7	3.3	2.4	0.8	3.2	2.0	1.2	1.2	-0.5	0.7	11.8	5.5	3.3	2.2	

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.

Note: The underlying series for this indicator are in Table 89.61 of the BE Boletín estadístico.

(a) Profit before tax divided by own funds (capital, reserves, and 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 the last four quarters.

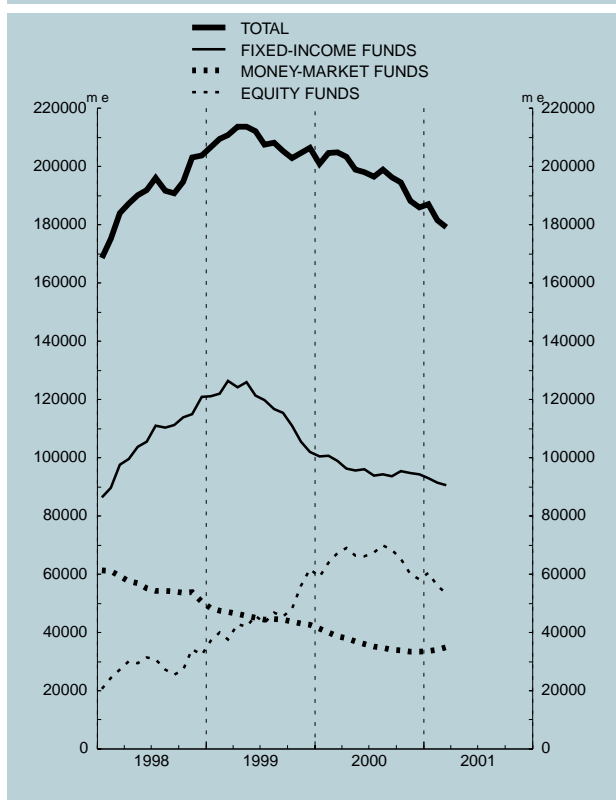
8.11. Mutual funds resident in Spain

■ Series depicted in chart.

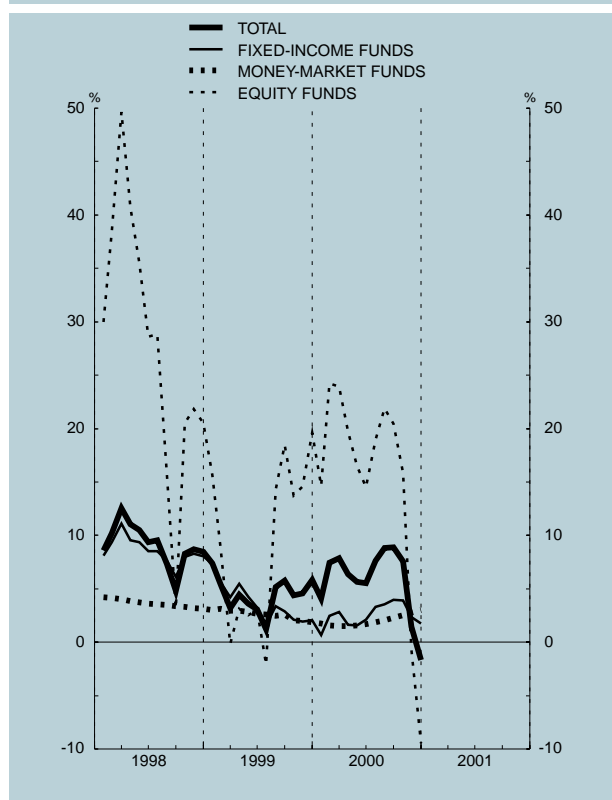
EUR millions

	Total				Money-market funds				Fixed-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	
98	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
99	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
00	186 025	-20 267	-14 317	-1.7	33 325	-9 271	-10 156	3.0	94 361	-7 681	-14 670	1.8	58 339	-3 314	10 509	-9.4
99 Dec	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
00 Jan	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
<i>Feb</i>	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
<i>Mar</i>	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
<i>Apr</i>	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
<i>May</i>	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
<i>Jun</i>	198 074	-796	-948	5.5	35 997	-949	-975	1.7	95 972	376	-547	2.1	66 104	-224	574	14.5
<i>Jul</i>	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
<i>Aug</i>	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
<i>Sep</i>	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
<i>Oct</i>	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
<i>Nov</i>	188 117	-6 392	-1 039	1.4	33 316	-425	-531	2.8	94 698	-745	-517	2.3	60 103	-5 222	9	-0.7
<i>Dec</i>	186 025	-2 092	-1 149	-1.7	33 325	9	-67	3.0	94 361	-336	-622	1.8	58 339	-1 764	-459	-9.4
01 Jan	P 187 141	1 116	...	...	33 591	266	...	...	93 040	-1 321	...	...	60 510	2 171	...	...
<i>Feb</i>	P 181 572	-5 569	...	...	34 037	447	...	...	91 436	-1 604	...	...	56 098	-4 412	...	...
<i>Mar</i>	P 179 039	-2 533	...	...	34 946	908	...	...	90 595	-841	...	...	53 498	-2 600	...	...

NET ASSET VALUE



RETURN OVER LAST 12 MONTHS



Sources: CNMV and Inverco.

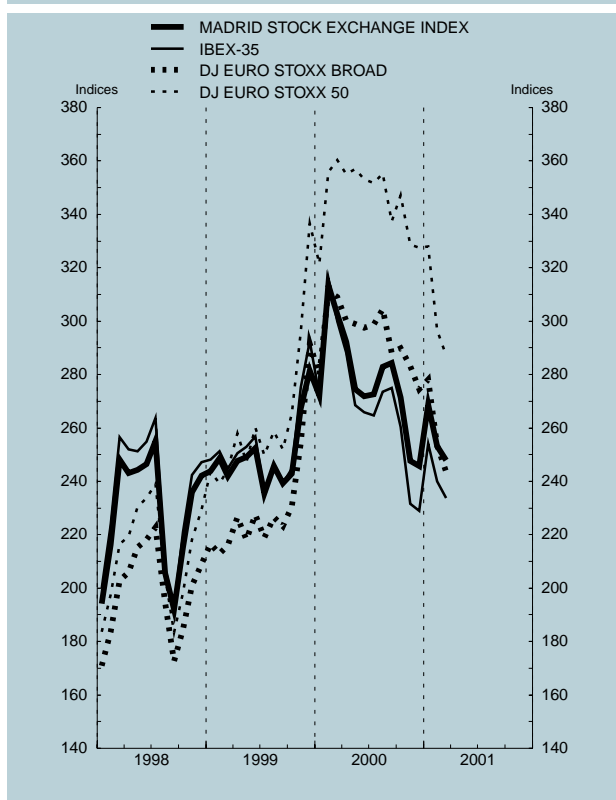
8.12. Share price indices and turnover on securities markets. Spain and euro area

■ Series depicted in chart.

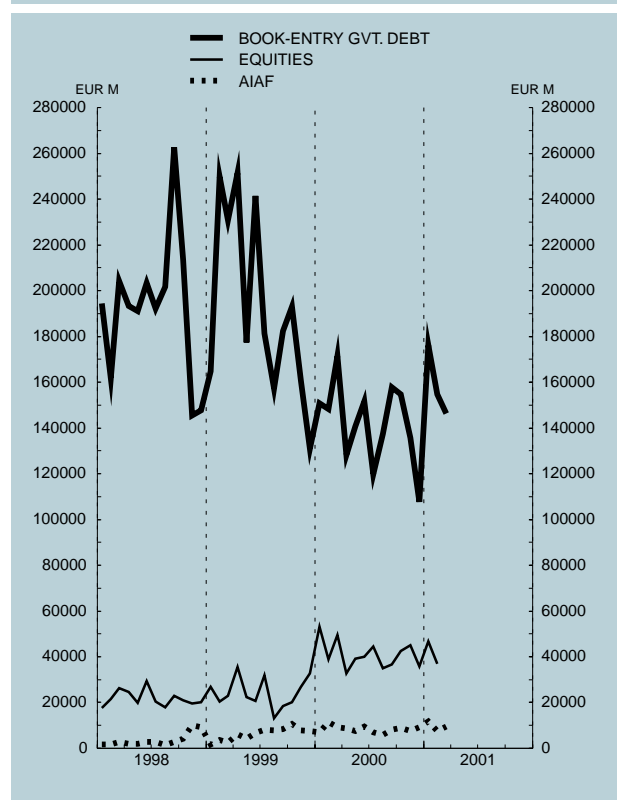
Indices, EUR millions and thousands of contracts

	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
98	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
99	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
00	994.21	10 754.59	420.44	5 038.57	492 981	39 692	1 703 705	99 827	-	17 168	1 095	4 168
99 Dec	1 008.57	11 641.40	416.23	4 904.46	32 776	4 729	130 951	7 455	7	634	142	390
00 Jan	974.66	10 835.10	399.28	4 684.48	53 201	4 279	150 765	6 997	-	651	157	440
Feb	1 123.75	12 585.80	444.35	5 182.62	38 971	3 723	148 154	11 370	-	836	147	422
Mar	1 083.99	11 935.00	441.07	5 249.55	49 564	3 698	171 552	9 252	-	1 882	133	401
Apr	1 046.96	11 467.90	428.42	5 171.96	32 614	2 735	128 083	8 668	-	608	66	315
May	983.61	10 688.50	426.62	5 200.89	39 211	3 514	140 767	7 514	-	982	107	378
Jun	974.06	10 581.30	424.57	5 145.35	39 898	4 162	151 545	9 618	-	2 297	114	320
Jul	976.96	10 531.60	426.47	5 122.80	44 591	3 663	119 633	6 901	-	1 180	55	260
Aug	1 013.79	10 884.70	434.68	5 175.12	34 906	2 678	137 366	5 800	-	640	54	270
Sep	1 018.89	10 950.00	411.30	4 915.18	36 642	2 594	157 902	8 075	-	2 241	91	331
Oct	972.81	10 363.10	413.65	5 057.46	42 493	2 873	154 809	8 865	-	928	47	350
Nov	887.10	9 214.50	404.20	4 790.08	45 111	3 108	135 564	7 591	-	2 129	47	376
Dec	880.71	9 109.80	391.80	4 772.39	35 779	2 665	107 564	9 175	-	2 794	76	305
01 Jan	962.58	10 116.00	397.05	4 779.90	46 693	2 694	176 359	11 812	-	1 686	38	520
Feb	P 907.44	9 551.40	361.66	4 318.88	36 839	2 467	154 801	7 412	-	2 059	41	701
Mar	P 888.41	9 308.30	347.78	4 185.00	...	...	146 216	9 492	-	4 481	64	1 404

SHARE PRICE INDICES
JAN 1994 = 100



TURNOVER ON SECURITIES MARKETS



Sources: 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 per annum

	Eurosystem monetary policy operations				Money market											
	Main refinancing operations: weekly tenders	Longer term refinancing operations: monthly tenders	Standing facilities		Euro area: deposits (Euribor) (a)				Spain							
			Marginal lending	Deposit	Over-night (EONIA)	1-month	3-month	1-year	Non-transferable deposits				Government-securities repos			
	Over-night	1-month							3-month	1-year	Over-night	1-month	3-month	1-year		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
98	-	-	-	-	3.09	3.34	3.88	3.15	4.33	4.33	4.24	4.00	4.08	4.04	3.97	3.86
99	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
00	4.79	4.75	5.75	3.75	4.83	4.95	4.39	4.88	4.11	4.22	4.38	4.77	4.05	4.13	4.27	4.63
99 Dec	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	-
00 Jan	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
Feb	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
Mar	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
Apr	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	-
May	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
Jun	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
Jul	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
Aug	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
Sep	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
Oct	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	-
Nov	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
Dec	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	-
01 Jan	4.76	4.66	5.75	3.75	4.76	4.80	4.77	4.57	4.75	4.78	4.75	4.56	4.72	4.67	4.60	4.38
Feb	4.78	-	5.75	3.75	4.99	4.80	4.76	4.59	4.96	4.78	4.73	4.59	4.89	4.65	4.59	4.42
Mar	4.75	4.47	5.75	3.75	4.78	4.78	4.71	4.47	4.77	4.75	4.70	4.48	4.75	4.68	4.55	4.34

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.

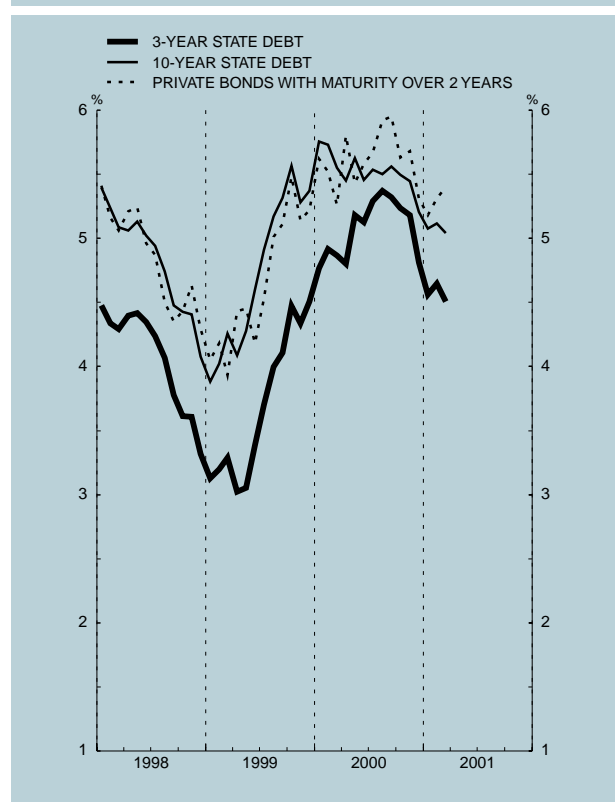
Percentages per annum

	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	
98	3.82	3.79	3.96	3.99	4.15	4.48	4.93	5.22	5.59	4.07	4.83	4.84
99	3.04	3.01	3.12	3.14	3.79	4.12	4.77	5.08	5.43	3.69	4.73	4.65
00	4.65	4.62	4.76	4.79	5.10	5.28	5.56	5.68	5.93	5.07	5.53	5.61
99 Dec	3.73	3.66	3.67	3.77	4.56	4.93	5.38	5.67	-	4.51	5.37	5.22
00 Jan	3.87	3.80	3.92	3.91	4.83	5.26	5.79	6.05	6.28	4.76	5.76	5.62
<i>Feb</i>	3.96	3.97	4.11	4.10	5.04	5.38	5.77	5.85	-	4.92	5.73	5.52
<i>Mar</i>	4.14	4.10	4.28	4.17	5.02	5.32	5.73	-	6.03	4.86	5.55	5.26
<i>Apr</i>	4.33	4.22	4.33	4.32	4.81	5.08	5.42	5.56	-	4.80	5.45	5.80
<i>May</i>	4.71	4.68	4.88	4.84	5.20	5.35	5.71	-	5.85	5.18	5.63	5.43
<i>Jun</i>	4.76	4.82	4.95	5.06	5.10	5.18	5.43	5.58	-	5.13	5.46	5.58
<i>Jul</i>	4.99	4.96	5.14	5.05	5.20	5.40	5.54	-	5.82	5.29	5.53	5.67
<i>Aug</i>	5.12	5.06	5.12	5.25	5.31	5.35	5.47	5.55	-	5.37	5.50	5.92
<i>Sep</i>	5.07	5.05	5.22	5.19	5.42	5.42	5.58	-	5.68	5.32	5.56	5.95
<i>Oct</i>	5.09	5.05	5.15	5.30	5.24	5.33	5.58	5.70	-	5.23	5.49	5.63
<i>Nov</i>	5.04	5.01	5.17	5.25	5.19	5.36	5.53	-	5.91	5.18	5.45	5.68
<i>Dec</i>	4.72	4.65	4.86	5.04	4.81	4.99	5.24	5.50	-	4.81	5.20	5.31
01 Jan	4.41	4.33	4.57	4.67	4.54	4.69	5.10	-	5.63	4.56	5.08	5.18
<i>Feb</i>	4.35	4.34	4.55	4.67	-	4.69	5.08	5.30	-	4.64	5.12	5.31
<i>Mar</i>	4.27	4.29	...	4.54	4.59	-	5.07	-	5.61	4.50	5.04	5.40

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
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
00	M	5.84	6.42	5.71	7.24	5.71	2.43	2.07	4.04	3.29	6.03	7.21	8.24	5.82	2.61	2.10	3.94	3.43
99	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	2.85	2.40	4.71	3.94	6.53	7.80	8.79	6.40	2.99	2.41	4.55	3.96
	Nov	6.15	7.01	6.70	7.63	6.22	3.02	2.49	4.83	3.91	6.68	7.86	8.79	6.47	3.00	2.46	4.64	4.03
	Dec	6.19	6.94	6.11	7.45	6.26	3.01	2.50	4.82	3.98	6.55	7.66	8.60	6.49	3.03	2.46	4.70	4.01
01	Jan	6.01	6.96	6.09	7.63	6.25	3.05	2.57	4.75	3.52	6.58	7.72	8.95	6.53	3.01	2.49	4.61	3.98
	Feb	6.09	7.05	6.46	7.10	6.13	3.07	2.59	4.75	3.45	6.38	7.71	8.89	6.43	3.01	2.49	4.70	3.84
	Mar	5.92	6.89	6.21	7.45	5.97	3.10	2.61	4.66	3.84	6.26	7.53	8.75	6.32	2.96	2.45	4.56	3.80

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.

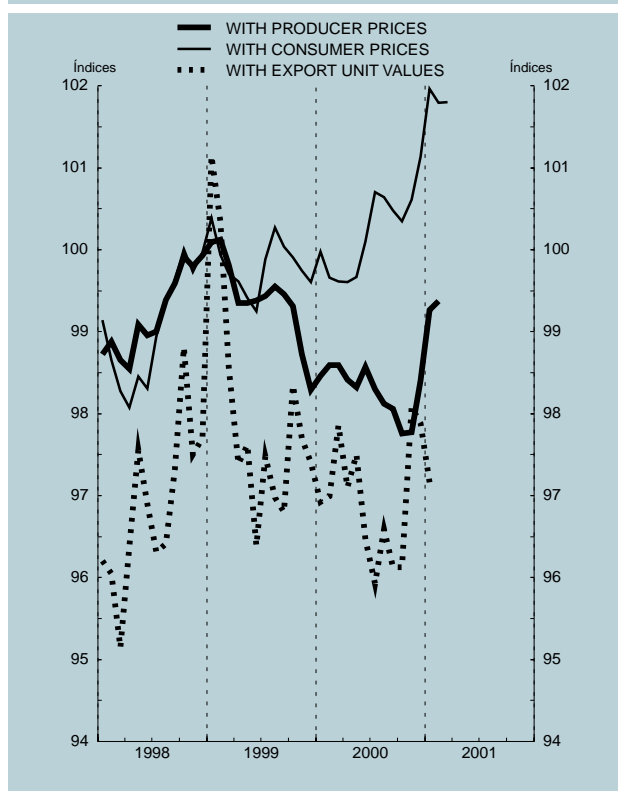
9.4 Indices of Spanish competitiveness vis-à-vis the EU and the euro area.

■ Serie representada gráficamente.

Base 1999 Q1 = 100

	Vis-à-vis EU									Vis-à-vis EMU			
	Total (a)				Nominal component (b)	Price component (c)				Based on producer prices	Based on consumer prices	Based on manufacturing unit labour costs	Based on export unit values
	Based on producer prices	Based on consumer prices	Based on manufacturing unit labour costs	Based on export unit values		Based on producer prices	Based on consumer prices	Based on manufacturing unit costs	Based on export unit values				
1	2	3	4	5	6	7	8	9	10	11	12	13	
98	99,2	99,1	97,9	96,9	99,8	99,4	99,2	98,1	97,0	99,5	99,3	98,1	96,9
99	99,4	99,8	100,0	98,0	99,5	99,9	100,3	100,5	98,5	100,0	100,3	100,4	98,6
00	98,3	100,2	101,8	97,0	98,5	99,8	101,7	103,3	98,4	99,8	101,5	103,5	99,0
99 I	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
II	99,4	99,4	99,7	97,1	99,5	99,9	99,9	100,3	97,6	99,9	100,0	100,2	97,6
III	99,5	100,1	99,9	97,1	99,4	100,1	100,7	100,6	97,7	100,2	100,7	100,4	98,0
IV	98,8	99,8	100,1	97,8	99,1	99,7	100,7	101,1	98,7	99,9	100,7	101,1	98,9
00 I	98,5	99,8	100,3	97,3	98,6	99,9	101,1	101,7	98,6	100,0	101,0	101,9	99,1
II	98,4	99,8	101,1	97,0	98,5	100,0	101,3	102,6	98,5	100,0	101,2	102,8	99,0
III	98,2	100,6	102,4	96,2	98,6	99,6	102,1	103,8	97,6	99,6	101,8	104,0	98,3
IV	98,0	100,7	103,5	97,4	98,4	99,6	102,3	105,2	98,9	99,5	102,1	105,4	99,6
00 Jun	98,6	100,1	...	96,5	98,9	99,7	101,3	...	97,6	99,8	101,1	...	98,2
Jul	98,3	100,7	...	95,9	98,8	99,5	102,0	...	97,1	99,6	101,7	...	97,8
Ago	98,1	100,6	...	96,6	98,5	99,6	102,2	...	98,1	99,6	101,9	...	98,8
Sep	98,1	100,5	...	96,1	98,5	99,6	102,0	...	97,6	99,5	101,8	...	98,4
Oct	97,8	100,3	...	96,1	98,2	99,6	102,2	...	97,9	99,5	102,0	...	98,6
Nov	97,8	100,6	...	98,1	98,4	99,3	102,2	...	99,7	99,3	102,0	...	100,4
Dic	98,4	101,1	...	97,9	98,7	99,7	102,5	...	99,2	99,7	102,3	...	99,8
01 Ene	99,3	102,0	...	97,2	99,1	100,1	102,9	...	98,0	100,0	102,5	...	98,9
Feb	99,4	101,8	...	...	99,1	100,3	102,7	...	...	100,1	102,3	...	...
Mar	...	101,8	...	...	99,1	...	102,8	...	...	...	102,4	...	...

INDICES DE COMPETITIVNESS VIS À VIS THE UE



ÍNDICES DE COMPETITIVIDAD FRENTE A LA UNIÓN ECONOMICA Y MONETARIA (UEM)



Source: BE.

(a) Outcome of multiplying nominal and 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 1995-1997 foreign trade figures.

(c) Relationship between the price indices of Spain and of the group.

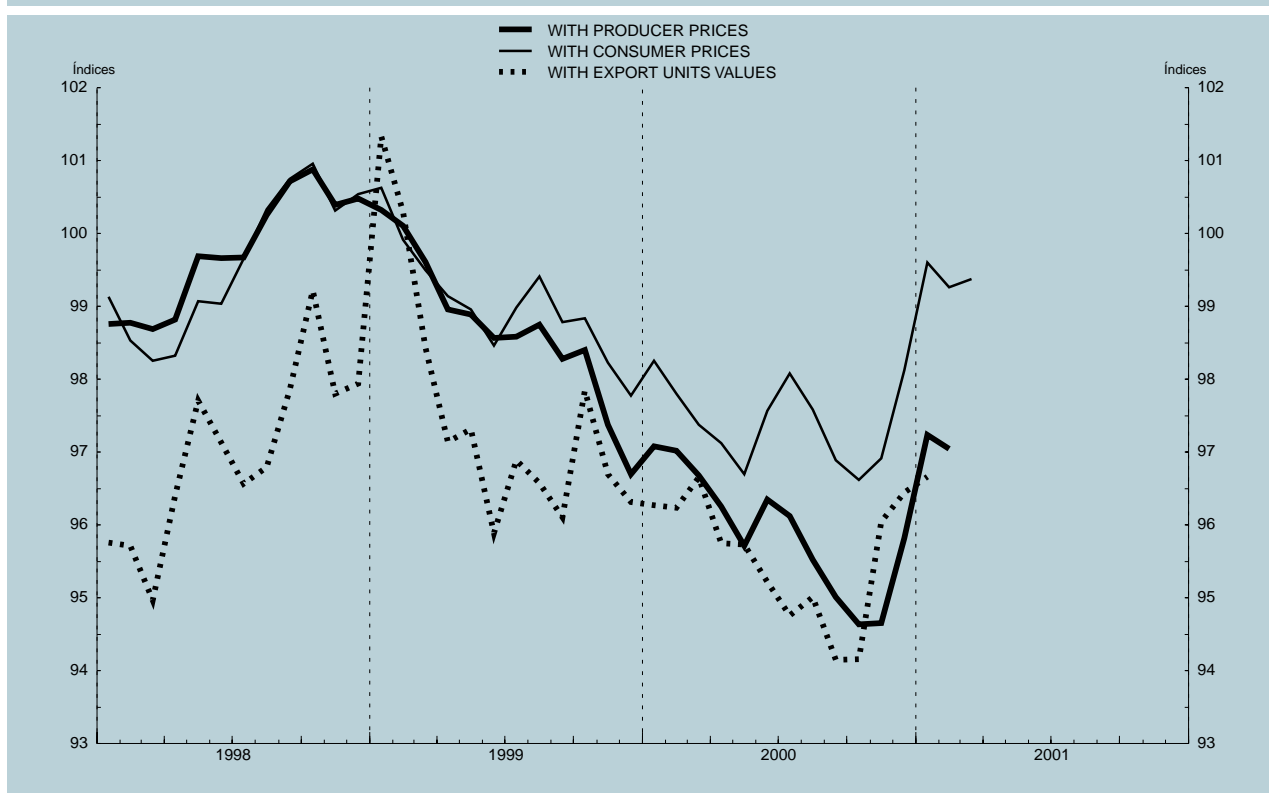
9.5 Indices of Spanish competitiveness vis-à-vis the developed countries.

■ Serie representada gráficamente.

Base 1999 Q1 = 100

	Total (a)				Nominal component (b)	Price component (c)			
	Based on producer prices	Based on consumer	Based on manufacturing unit labour costs	Based on export unit values		Based on producer prices	Based on consumer prices	Based on manufacturing unit labour cost	Based on export unit values
	1	2	3	4	5	6	7	8	9
98									
99	99,7	99,6	98,3	97,0	100,4	99,4	99,2	97,9	96,6
00	98,7	99,0	99,3	97,6	98,7	100,0	100,3	100,6	98,8
	95,9	97,4	99,3	95,5	95,8	100,1	101,7	103,7	99,8
99 I	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
II	98,8	98,9	99,3	96,8	98,9	99,9	99,9	100,4	97,9
III	98,5	99,1	99,2	96,5	98,4	100,1	100,7	100,8	98,1
IV	97,5	98,3	98,9	97,0	97,6	99,9	100,7	101,4	99,3
00 I	96,9	97,8	98,7	96,4	96,7	100,2	101,1	102,0	99,7
II	96,1	97,1	98,7	95,6	95,8	100,3	101,3	103,0	99,7
III	95,6	97,5	99,6	94,6	95,5	100,0	102,1	104,2	99,1
IV	95,0	97,2	100,2	95,5	95,0	100,1	102,4	105,5	100,6
00 Jun	96,3	97,6	...	95,2	96,3	100,0	101,3	...	98,8
Jul	96,1	98,1	...	94,8	96,2	99,9	102,0	...	98,5
Ago	95,5	97,6	...	95,0	95,5	100,1	102,2	...	99,5
Sep	95,0	96,9	...	94,1	94,9	100,1	102,1	...	99,2
Oct	94,6	96,6	...	94,2	94,5	100,1	102,2	...	99,6
Nov	94,7	96,9	...	96,0	94,8	99,9	102,3	...	101,4
Dic	95,8	98,1	...	96,4	95,7	100,2	102,6	...	100,8
01 Ene	97,2	99,6	...	96,7	96,8	100,4	102,9	...	99,8
Feb	97,0	99,3	...	...	96,6	100,5	102,8	...	...
Mar	...	99,4	...	...	96,6	...	102,9	...	...

INDICES DE COMPETITIVNESS 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 1995-1997 foreign trade figures.
- (c) Relationship between the price indices of Spain and of the group.