

BANCO DE ESPAÑA

economic bulletin

July 2001

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Abbreviations

AIAF	Association of Securities Dealers	GVA	Gross value added
BE	Banco de España	HICP	Harmonised index of consumer prices
BIS	Bank for International Settlements	ICT	Information and communications technology
CNE	Spanish National Accounts	IMF	International Monetary Fund
CNMV	National Securities Market Commission	INE	National Institute of Statistics
CPI	Consumer price index	INVERCO	Association of Collective Investment Institutions and Pension Funds
EAGGF	European Agricultural Guidance and Guarantee Fund	LFA	Liquid financial assets
ECB	European Central Bank	LIFFE	London International Financial Futures Exchange
ECOFIN	Council of the European Communities (Economic and Financial Affairs)	MEFF	Financial Futures and Options Market
EDP	Excessive Deficit Procedure	MEFF RF	Fixed-income derivatives market
EMU	Economic and Monetary Union	MEFF RV	Equity derivatives market
EONIA	Euro overnight index average	MFIs	Monetary financial institutions
EPA	Official Spanish Labour Force Survey	MMFs	Money-market funds
ERDF	European Regional Development Fund	MROs	Main refinancing operations
ESA 79	European System of Integrated Economic Accounts	NCBs	National Central Banks
ESA 95	European System of National and Regional Accounts	NPIs	Non-profit institutions
ESCB	European System of Central Banks	OECD	Organisation for Economic Co-operation and Development
EU	European Union	PPP	Purchasing power parity
EU15	The fifteen current European Union Member States	QNA	Quarterly National Accounts
EUROSTAT	Statistical Office of the European Communities	SCLV	Securities Clearing and Settlement Service
FIAMMs	Money-market funds	SDRs	Special Drawing Rights
FIMs	Securities funds	TARGET	Trans-European Automated Real-Time Gross Settlement Express Transfer system
GDP	Gross domestic product	TFP	Total factor productivity
GNP	Gross national product	ULCs	Unit labour costs
		VAT	Value Added Tax

<i>Countries</i>		<i>Currencies</i>	
BE	Belgium	ESP	Peseta
DK	Denmark	EUR	Euro
DE	Germany	JPY	Japanese yen
GR	Greece	USD	United States dollar
ES	Spain		
FR	France		
IE	Ireland		
IT	Italy		
LU	Luxembourg		
NL	Netherlands		
AT	Austria		
PT	Portugal		
FI	Finland		
SE	Sweden		
UK	United Kingdom		
US	United States		

Conventions used

- M1 Notes and coins held by the public + sight deposits.
- M2 M1 + deposits redeemable at notice of up to three months + deposits with an agreed maturity of up to two years.
- M3 M2 + repos + shares in money market funds and money market instruments + debt securities issued with an agreed maturity of up to two years.
- bn Billions (10^9).
- m Millions.
- pp Percentage points.
- ... Not available.
- Nil, non-existence of the event considered or insignificance of changes when expressed as rates of growth.
- » Less than half the final digit shown in the series.

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Quarterly report on the Spanish economy

1. Overview

The international economic outlook has continued to worsen during the year 2001. The only indication of a future correction in price growth rates in numerous economies and of an alleviation of contractionary trends is the lessening of tension on the oil market that appears to have taken hold. Against this background, the growth rate of the Spanish economy has declined, but its real year-on-year GDP growth rate appreciably exceeds that of most of its trading partners.

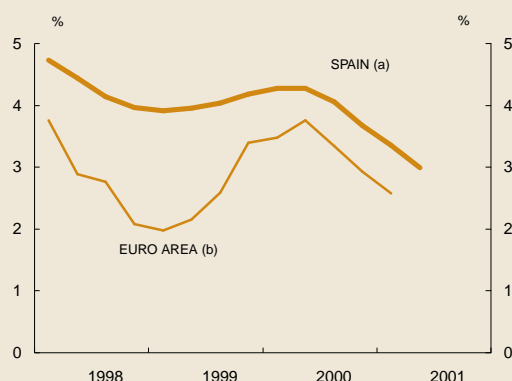
Specifically, the Spanish economy's real GDP growth in 2001 Q2 was estimated at 3 %, four-tenths of a percentage point down on the provisional figure released by INE for the first three months of the year. There have been no significant changes in the patterns that have determined this outcome: a gradual slowdown in domestic demand, tending to stabilise at a real rate of around 2.5 %, and a positive contribution of net external demand to GDP growth. Employment growth is slowing, but remains notable. And the expected and foreseeable decline in the inflation rate, the differential of which with the euro area countries is fluctuating at slightly over one percentage point, has not yet come about. It would appear that the more contained pace of economic activity, affecting above all the industrial sectors and capital goods investment decisions, will not jeopardise the envisaged target of balanced public finances at the end of the year.

Recent indicators of the US economy do not presage a rapid recovery. Following the 25 basis points cut in the federal funds target rate last June to 3.75 %, the markets expect fresh interest rate cuts in the coming months. It is expected that this, combined with the scheduled fiscal measures (some of which back-dated), will provide the necessary stimulus for a turnaround in economic activity. The slackness of growth has so far been based more on investment and exports than on consumption, which has remained more buoyant. The ongoing stagnation in Japan has boosted the contractionary effect exerted by the US situation on other areas of the world economy. Growth prospects have also been adversely influenced by the impact of the Argentinean crisis in Latin America and the vulnerability of other south-east Asian and eastern European economies to the greater instability of financial markets.

The European economies have been affected by this unfavourable environment, but to rather differing degrees depending on their initial exposure to developments in the crisis-ridden markets. Real GDP growth in the euro area as a whole during Q2 is expected to be lower than in Q1 (2.6 %). In the latter quarter, the sluggishness of domestic demand (where ex-

CHART 1

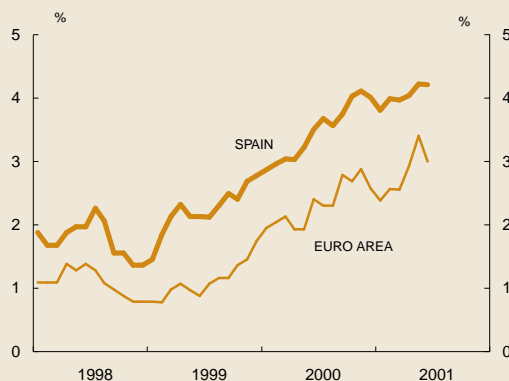
GDP



Sources : ECB, Instituto Nacional de Estadística and Banco de España.
 (a) Non-centred annual rate of change calculated on the basis of the trend-cycle series.
 (b) Non-centred annual rate of change calculated on the basis of the seasonally adjusted series.

CHART 2

Harmonised indices of consumer prices



Sources: Eurostat and European Central Bank.

ceptional factors such as the heavy decline in the construction industry in Germany came into play) was offset in part by the improved contribution of the net external balance, and by the slowdown in imports in particular. The latest available indicators show private consumption, the variable that is proving most reluctant to slow, to be somewhat more depressed.

The European Central Bank has been carefully analysing the conditions in which the euro area economies are moving, paying particular attention to expectations about the future course of inflation and its determinants. On the basis of this analysis, the ECB cut its official interest rates last May by 25 basis points, taking the main refinancing rate to 4.5 %. The latest data on the monetary aggregates show a rise in the growth rate of M3, while private sector credit, despite slowing, is running at a relatively high growth rate of 8.4 %. The exchange rate of the euro was once again prone to bouts of weakness, at a time in which uncertainty over developments on financial markets is strengthening the role of the dollar as a safe-haven currency. Nonetheless, in recent weeks the euro has picked up.

In June, the harmonised index of consumer prices (HICP) for the euro area countries ran at a 12-month growth rate of 3 %, partly correcting the rise the previous month, which was associated, in turn, with the behaviour of energy and fresh food prices. The pace of the aggregate that excludes these two components appears to have stabilised at a rate of slightly over 2 % since the start of 2001, compared with 1.4 % on

average in 2000 Q4. The future course of this aggregate will depend, among other factors, on the temporary increase in its other two components not feeding through to the rest of the economy through the wage negotiations currently under way.

Lastly, as repeatedly noted by numerous Community agencies, the fiscal stimuli being applied in certain economies would not seem the most appropriate means for boosting current growth rates, especially if the targets envisaged in the Stability and Growth Programmes are jeopardised thereby. European economies should focus on restoring the confidence levels of economic agents and on making the workings of their markets and institutions more flexible. And they should further resolve to increase the rate of investment, which is the soundest way of reducing their still-high unemployment levels.

The monetary conditions prevailing in the euro area are more expansionary in the Spanish economy; as stated, Spain's growth rate is higher than the area average, as is its inflation rate. In recent months, bank rates have declined. And this, combined with the behaviour of the euro exchange rate, has meant that the indices that seek to measure the economy's monetary conditions have once again fallen, thereby illustrating a more generous monetary environment. Lending to the private sector has decelerated moderately, since the demand for financing for housing shows considerable flatness.

Turning to fiscal policy, the budgetary results for the first half of the year reveal a slowdown in takings for certain taxes, in step with the course of the economy. In some instances, however,

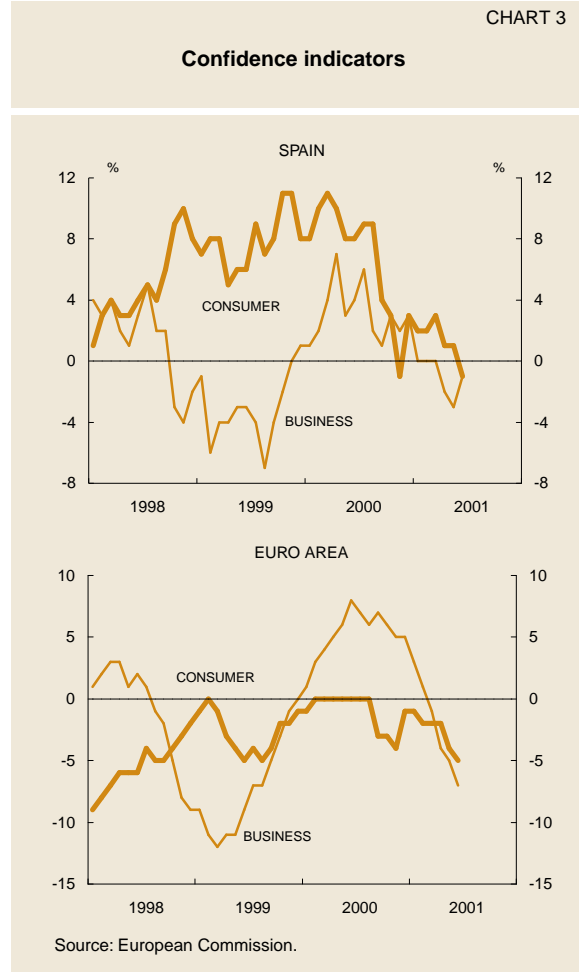
they are the outcome of specific factors which will be corrected in the coming months. Such is the case of the bringing forward of personal income tax refunds for excess tax paid in the year 2000. Expenditure is broadly running to plan, and budgetary forecasts are expected to be met at the end of the year, assisted by the most favourable results in the social security accounts.

Against the international background and within the framework established by macroeconomic policies, the Spanish economy has sustained a high though diminishing real growth rate during the first half of the current year led essentially by exports and investment in the construction sector. The slowdown in consumer spending has moderated and, in relative terms, has held at a more sustained pace, while investment in capital goods has been the component most marked by the change in expectations.

The indicators available on consumer spending in 2001 Q2 generally confirm the diagnosis made: though slightly lower than in the first quarter, the year-on-year growth rate of this variable is tending to stabilise. The pick-up in car sales (though not that of other consumer durables) and in food products has been significant. The rise in employment is the main factor underpinning the growth of household disposable income, offsetting - at least in part - the contractionary effect on real income arising from the acceleration of consumer prices. Other more transitory factors operating in one direction or another, such as the revision of income in the opening months of the year or erratic price movements in certain food products, do not have the same effect on sustaining household spending power. The medium-term expectations for this latter variable are essentially associated with the maintenance of a high and stable employment growth rate and the containment of prices. Continuity in the ongoing creation of new jobs and the subsequent decline in the unemployment rate explain, at least in part, why consumer confidence indices, despite having fallen, remain positive.

The ongoing slowdown in real household income and the fall in household wealth have affected investment in housing. However, the increase in house prices and the decline in returns on other alternative financial assets have fuelled residential demand for investment motives, although the latest indicators released appear to show signs of this process petering out.

As a result of all these factors relating to household conduct, the household saving ratio and household lending capacity can be seen,



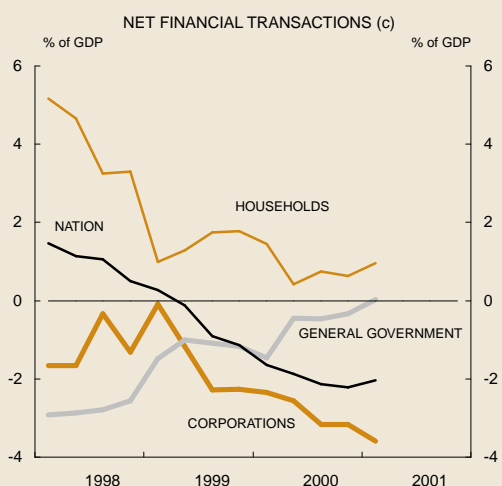
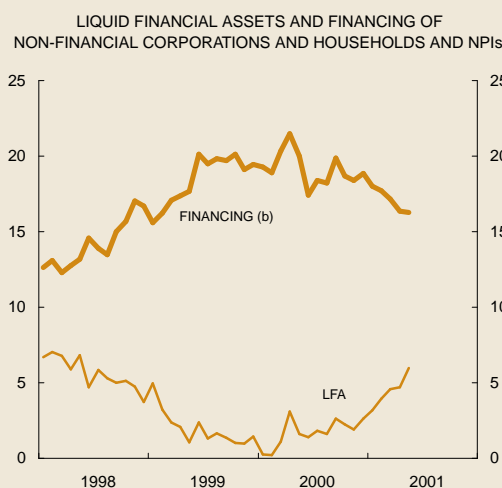
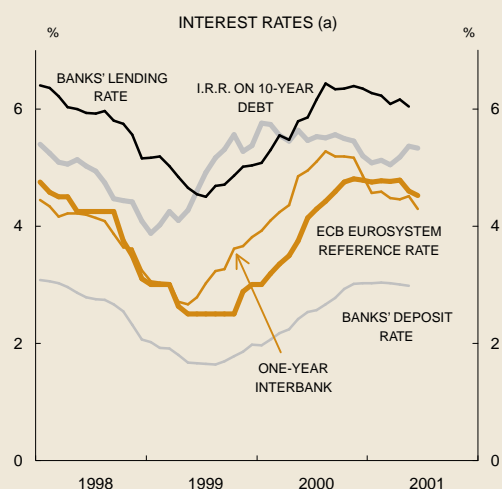
during the year in course, to be on an improving trend (or, at least, the previous deterioration can be seen to have ended). The restructuring of household balance sheets, by means of an increase in their financial assets and of a slowdown in their liabilities is, on the latest provisional data available, boosting their net financial saving.

The signs of deceleration in investment in housing are running in parallel with the pick-up in civil engineering works. As a result, the estimated rate of investment in the construction industry during 2001 Q2 compared with a year earlier is virtually unchanged on the previous quarter.

Such stability is not discernible in the indicators on investment in capital goods, which continue to worsen. This, at least, is what the index of apparent investment in capital goods reflects. The expected recovery in this variable as the year unfolded has not come about, despite the favourable financial conditions facing firms. Possibly, the worsening international outlook, especially in certain particularly sensitive areas

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.

for Spanish companies, has put the start of this process on hold.

Significant changes are not apparent either in government consumption or in stockbuilding. These variables are trending as previously observed, whereby the estimated growth of the Spanish economy's national demand during Q2 compared with four quarters earlier has been around 2.6 %, one-tenth of a percentage point down on the previous quarter. Since the estimated rate for real GDP is 3 %, the contribution of net external demand to the increase in output is expected to be positive, though lower than in Q1.

The real growth rate of goods exports continued to slow during Q2. They remain sustained in the EU market, but have declined notably in non-Community markets, particularly in Latin America. This is despite the fact that the depreciation of the euro has meant that there have been gains in competitiveness in all areas. The growth of exports in European markets over the first five months of the year (the period the available data cover) is due, in part, to the car industry. Here, nominal sales increased by 17 %. Nonetheless, the latest figures show a loss of buoyancy in this export segment, especially in certain euro area countries such as Germany. Tourism industry indicators show the same pattern of behaviour as goods exports: high but falling growth rates.

Turning to imports, their real rate of increase has tended to stabilise (following the cut in recent quarters), in step with the course of national demand. In any event, the lesser buoyancy of imports has, along with the notable slowdown in import prices (which is associated, though not exclusively, with oil market trends), provided for a significant correction in the energy and non-energy external imbalances. Indeed, the trade deficit has narrowed by 3 % during the January-May period according to Customs data, after having widened by 46 % in the same period a year earlier.

The real growth rate of the Spanish economy has thus continued to adjust to the pattern marked by the external environment. That said, it retains momentum which, assisted by relatively generous monetary conditions, is underpinned also, to a large extent, by increases in employment. In this situation, some of the imbalances arising from the long cyclical upturn (external deficit, decline in the household saving ratio) have begun to be corrected. And other advances, associated both with cyclical factors and with policies implemented, have progressively taken root. Such is the case with the fall

in the unemployment rate and the headway made towards sound public finances.

The inflation rate, approximated by the behaviour of the consumer price index (CPI) or by the harmonised index of consumer prices (HICP), shows greater reluctance to slow, however. This is partly because pressures on oil markets have persisted for longer than expected and because of the rise in certain food prices. Yet this inertia is also due to the storing up of inflationary pressures in certain productive sectors over recent years as a result of persistently high demand growth rates and the imperfections of certain markets. Indeed, the less variable CPI components, namely services and non-energy industrial goods, are maintaining high growth rates and persistent differentials with the euro area countries. Temporary price increases have already begun to be stripped out (energy products are a case in point), but this process must spread to the other CPI components so that the Spanish economy may resume a path of stability.

In this connection, a containment of labour cost growth dynamics and an improvement in the efficiency of certain markets, where the growth of business margins is considerable, must be brought about. Wage increases during the current year are running high as a result of the combination of inflation-adjustment clauses

and wage bargaining where past - temporary - price increases are being built in. This curtails the dynamics of wage restraint that have characterised the recent upturn in the Spanish economy and that have been a key factor in the rise in job creation capacity in recent years.

This process has proven most uneven across the various productive branches, since the least competitive industries may pass through labour cost increases to prices, retaining or even widening their operating margins. By contrast, the sectors most exposed to competition cannot do this, since the resulting losses in competitiveness would ultimately cancel out their growth capacity. In fact, the increase in business surpluses in the economy as a whole, according to the latest available figures, are concentrated essentially in the construction and energy industries and in certain services branches, but not in many industrial activities.

The desirability of improving the workings of markets and containing the growth of labour costs is thus based on the need to retain a pattern of job creation conducive to growth and investment in the most dynamic and efficient industries. Through gains in competitiveness, this will further enable the Spanish economy to continue its process of real convergence, even under the less favourable conditions of the current international environment.

2. The external environment of the euro area

The latest information on the external environment of the euro area shows, for 2001 Q2, a reduction in the growth of the world economy. This is concurrent with the slowdown in the United States, deepening economic stagnation in Japan and a sharp decline in the growth of many emerging economies (especially in south-east Asia and, to a lesser extent, in Latin America). Growth forecasts for 2001 have thus been scaled back across the board and, although uncertainty over these forecasts remains high, there appear to be more downside than upside risks.

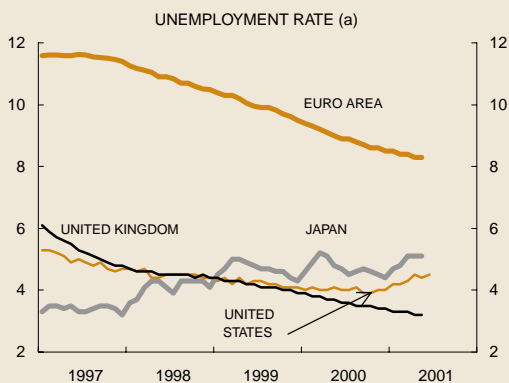
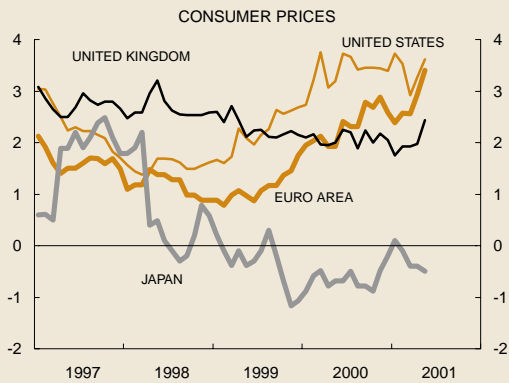
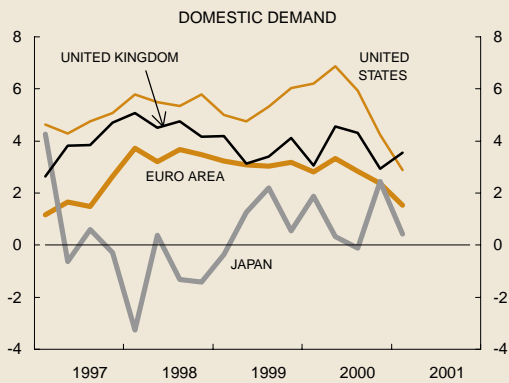
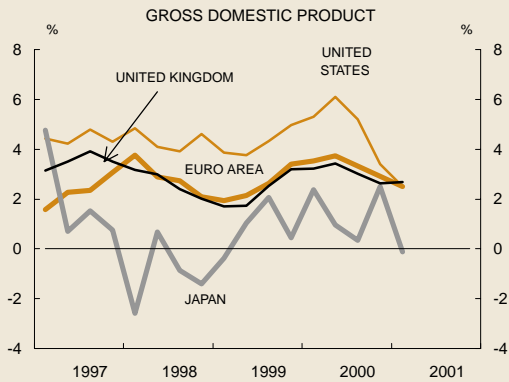
Inflation moderated slightly in most countries, helped by the recent stabilisation of energy prices. In the United States, the Federal Reserve made three further official interest rate cuts during Q2 (making a total of six since the start of the year), lowering the federal funds rate to 3.75 %. In Japan, monetary policy has been made more expansionary following the change in strategy in March towards a bank reserves target.

The revised US National Accounts data for Q1 showed annualised quarterly growth of 0.3 % for GDP. They also evidenced a less unfavourable performance by domestic demand than initially expected, thanks to the resilience of private consumption (whose quarterly growth was revised upwards by one-tenth of a point to 0.8 %). Private investment (especially that in the capital goods and new technologies sectors) and exports evidenced the greatest weakness. The Q2 indicators generally show the persistence of sluggish economic activity, although there are differing signals. Despite the fact industrial output posted fresh falls in Q2 compared with a year earlier, the NAPM index improved slightly in relation to the previous quarter. Private consumption remained fairly firm, judging by the positive year-on-year figures for retail sales throughout the quarter, the reduction in the personal savings ratio as a percentage of disposable income in the period to May and the improvement in the consumer confidence indicator in May and June. However, the labour market continued to worsen, as seen in the quarter-on-quarter fall in non-farm employment and the rise in the unemployment rate to 4.5 % in June. Investment demand improved slightly in May, although it continued to run at a very negative rate in year-on-year terms. Across the various industries, orders continued to be cut heavily in the new technologies sectors, as did earnings expectations, while construction industry indicators exhibited a positive trend in April and May.

Inflation, despite the increase in the overall index, gave relatively less cause for concern if

CHART 5

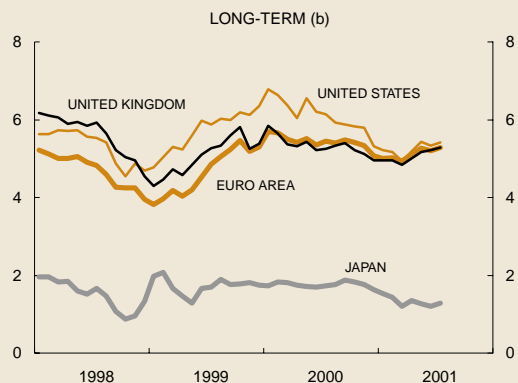
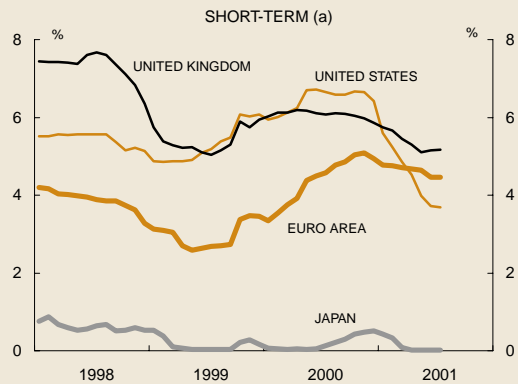
Main macroeconomic indicators
Annual rates of change



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.

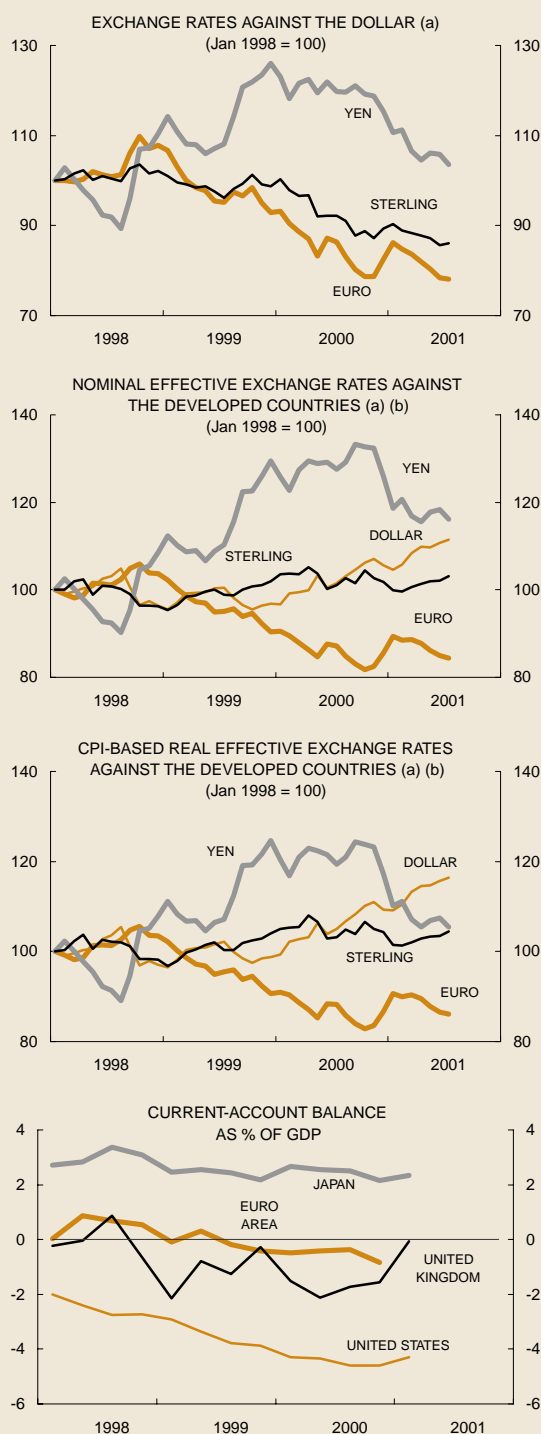
(b) Ten-year government bond yields. Euro area: until December 1998, weighted average of the eleven euro-area countries.

regard is had to energy prices and to the containment of business margins in various industries. Output prices slowed by one percentage point from April to June, reaching a low for the year (2.5 % year-on-year). Underlying inflation, measured by consumer prices excluding fresh food and energy prices, declined to 2.4 % in May, its lowest level this year. Even so, the rise in energy prices and in wages (to 4.2 % in June on 12 months earlier) has led the overall consumer price index to quicken in April and May to a 12-month growth rate of 3.6 %.

The three further cuts by the Federal Reserve in the last quarter, for a total of 125 basis points, have fed through almost in full to short-term money market interest rates (the three-month interbank rate has fallen by 115 basis points between March and June). But this was not the case for 10-year government bond yields on the secondary market, which aver-

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.

aged 5.3 % in Q2 and rose to 5.4 % in the first fortnight of July. The equity markets responded positively to the cuts at first, but they have trended more negatively recently. The Dow Jones index rose between March and May, but fell once more in June and held virtually stable in the first half of July. The Nasdaq index, though more volatile, followed a similar course.

The dollar continued to appreciate against the yen and the euro, despite the weakness of the US economy. Although the rising course of the dollar does not help correct the US macroeconomic imbalances, it does point to confidence on the part of foreign investors in a prompt recovery in the US economy. And this has also been reflected in an increase in capital inflows into the United States this last quarter.

In Japan, real GDP fell by 0.2 % in Q1 on the preceding quarter, with zero growth in domestic demand and a negative contribution by external demand. There was zero growth in private consumption, but it was the declines in private investment and in exports (of 1.8 % and 3.6 %, respectively) which compounded the deterioration recorded in National Accounts. This was because these latter variables had been the sole driving force of the modest economic growth recorded the previous year. The GDP deflator also fell once more in year-on-year terms, albeit on a lesser scale than in the previous quarters.

The economic activity indicators available for Q2 reveal an additional deterioration, which will probably lead to a fresh decline in GDP. On the supply side, the composite indicator of activity improved slightly in April and May, but remains negative. Compared with the same period a year earlier, industrial production also fell in April and May to levels not seen over the past two years, in step with the worsening industrial activity climate shown by the Tankan survey for Q2. On the demand side, the further year-on-year declines in retail sales and in household spending in April and May reveal the paralysis of private consumption in Q2, in association with the deterioration in the labour market. Indeed, employment in April and May fell on a year earlier for the first time in 2001, although the unemployment rate stabilised at 5.1 %. The decline in activity fuelled deflationary pressures, whereby consumer prices ran once more at a negative 12-month rate of 0.5 % in May, with the underlying inflation rate falling even more, with a year-on-year decline of 0.7 %. Although production prices grew in Q2, owing to the impact of import prices, their domestic price component also fell in year-on-year terms.

Despite the falling trend of the yen against the dollar (which was interrupted only in May and which stepped up in the first half of July, taking the Japanese currency to an annual low), exports continued to fall due to the weakness of foreign demand. In the period to May this year, the trade and current-account surpluses were cut substantially.

Turning to monetary policy, the strategy initiated in March by the Bank of Japan to expand the monetary base held short-term market interest rates at levels very close to zero and slightly raised the year-on-year growth of the money supply (to 3.1 % in June, from 2.6 % in March). But it has not managed to extricate Japan from deflation, which was its implicit aim, and 10-year bond yields on the secondary market have not picked up, having stabilised rather at 1.3 %. And nor has a bigger fall in private sector credit been averted (down 2.7 % in May on 12 months earlier). The equity market saw a rise in the Nikkei index of 11 % in April, following the introduction of the new quantitative monetary policy. But it moved once more onto a clearly declining trend from May as the deterioration in the economic situation was confirmed.

In the EU countries not belonging to the euro area, the United Kingdom saw an appreciable slowdown in economic activity during 2001 Q2, following growth of 2.7 % in Q1. Manufacturing output in particular declined in both April and May on a year earlier. Since June, the slowdown in activity has spread to services, judging by the reduction in the year-on-year growth of retail sales and orders in this industry. The unemployment rate stabilised at 3.2 % in April and May. In these two months inflation quickened, with the 12-month growth rate of the index measuring consumer prices rising to 2.4 % in May (from 1.9 % in March). This contributed to the Bank of England not cutting rates, despite the economic slowdown. Market interest rates held virtually stable in the short term, while 10-year bond yields on the secondary market rose moderately. The equity market has been on a falling trend since April.

The south-east Asian economies, except China, proved particularly vulnerable to the slowdown in the growth of their external demand as from the beginning of the year (espe-

cially in the high technology industries, in which many of these countries have specialised), and the process accelerated substantially during Q2. Following the progressive decline in the exports of most of these countries, and despite the practically across-the-board depreciation of their currencies against the dollar, the pace of activity in the region diminished continuously. That has given rise to a marked and generalised downward revision of their growth forecasts for the current year. Conversely, economic growth in China during the first half of the year (despite moderating exports) ran at almost 8 % year-on-year, a similar rate to that recorded in the second half of last year. Against this background, most of the countries in the region tended to adopt looser monetary and -especially- fiscal policies to counter slowing growth.

The slowdown in economic activity in Latin America brought about slightly negative GDP growth in quarter-on-quarter terms in the area as a whole. And judging by the data available for virtually all the economies in the area, this trend appeared to accelerate in Q2. A key development is the exacerbation of the financial crisis in Argentina following three years of recession. The Argentine public finances have worsened substantially and there has been growing external fragility during the course of Q2. The effects of this financial turbulence have spread discernibly to a good number of South American economies, despite their differing overall and financial circumstances. Brazil has been most affected by the Argentine crisis, and its currency has depreciated sharply (21 % against the dollar so far this year to end-July). The response of the Brazilian authorities was to raise interest rates and step up intervention on the foreign exchange markets. Chile, too, despite the prior soundness of its macroeconomic magnitudes, is in an increasingly weak position, though it retains considerable scope for economic policy action in the short run. Finally, Mexico exhibited a marked dichotomy between the current weakness of its domestic economic activity (more affected than the above-mentioned economies by the US slowdown) and the buoyancy of its foreign investment inflows in recent months. Such inflows, unlike in most of the area's economies, have caused its currency to appreciate in the year to date.

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

The latest data on economic developments in the euro area point to a slight reduction in the pace of GDP in 2001 Q2, thereby prolonging the trend observed in the preceding quarters. The slowdown in activity has essentially come about due to the weakness of external demand and to the adverse real effects of two concurrent supply shocks, namely the rise in oil prices and the crisis in the food industry. The inflationary situation has been affected by these shocks and by the sizeable cumulative depreciation of the euro. Against this background, the ECB has maintained a cautious stance, based on a thorough evaluation of the real and monetary situation and, in particular, of the economy's inflationary outlook. The evaluation of these factors led it to cut official interest rates moderately in mid-May by 25 basis points to 4.5 %.

3.1. Economic developments

According to the second National Accounts estimate, euro area GDP posted quarter-on-quarter growth of 0.6 % in 2001 Q1, a similar rate to the previous quarter. Taking a slightly longer view, the rate of expansion of economic activity can be seen to have lost steam; after having averaged growth of around 3.5 % during the first half of 2000 on a year earlier, the rate dropped to 2.6 % in 2001 Q1, a similar figure to that recorded in mid-1999 (see Chart 8).

Underlying the stability of the quarterly growth rate of GDP is, however, a significant slowdown in final demand. This derives both from the sluggishness of domestic demand and from exports, meaning the main driving force of GDP growth is the notable containment of imports. The loss of momentum of final demand has come about due to the erosion of real income caused by price increases and the slackness of foreign demand. And neither the continuing relative generosity of monetary and financial conditions (which will be analysed in greater detail in the following section) nor the expansionary effects of the fiscal reforms applied in certain countries have been able to counter these factors. In Q1 this year private consumption grew by 0.4 %, one percentage point up on the previous quarter but less vigorous than in the first half of the year 2000. Government consumption remained the most buoyant domestic demand component, though it was less robust in Q1, having followed a slightly slowing course since the second half of 2000. Gross fixed capital formation shrank notably (by almost half a percentage point compared with the previous quarter) due largely to the slackness of demand and to the favourable performance of construction investment in Germany (see Box 1). Finally, the marked 1.2 % decline

Economic growth and investment in construction in the euro area

The slowdown in GDP in 2001 Q1 was attributable to several factors, including most notably the slackness of gross fixed capital formation, particularly in Germany, where it declined significantly by 2.5 % on the previous quarter. Underlying this downturn was the sharp fall in investment in construction, amounting in Germany's case to negative rates of 5.7 % and 8.2 % on a quarter and on a year earlier, respectively. The result suggests a need to examine developments in this sector at EU level over the last few years, so as to identify parallel trends and similarities among the largest countries and assess their contribution to growth.

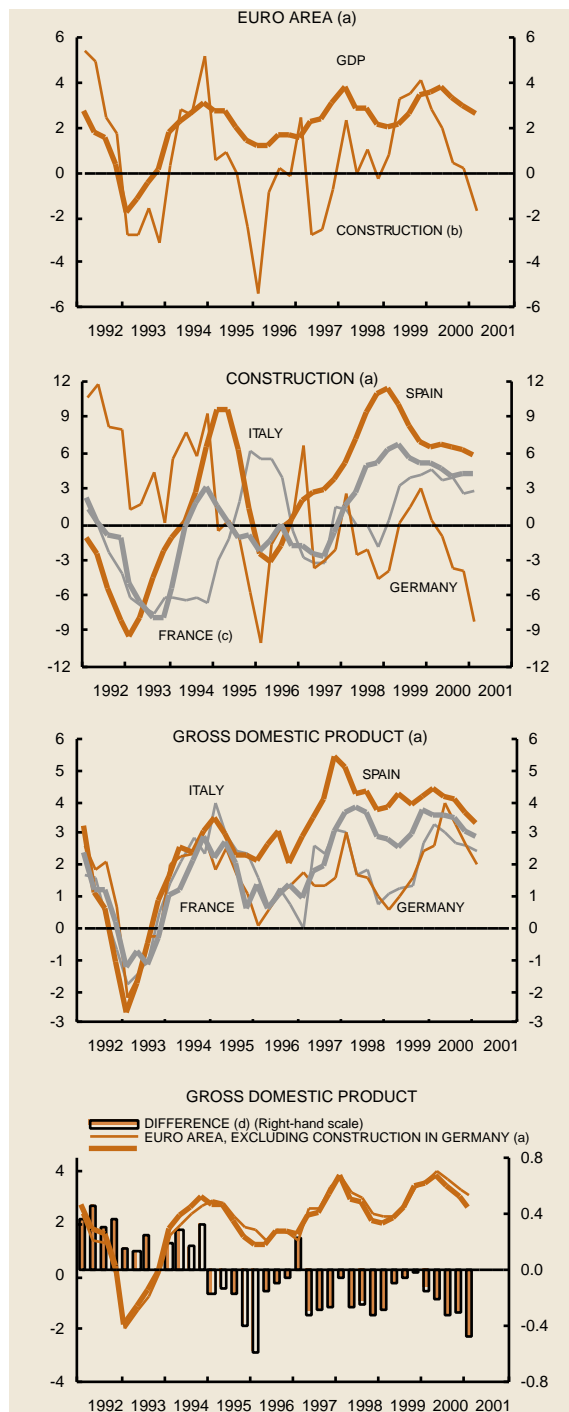
Owing to the lack in several euro area countries of gross fixed capital formation data broken down by industrial grouping, the Statistical Office of the European Communities (EUROSTAT) does not report any series for investment in construction for the area as a whole. Consequently, this box approaches the concept by using the information available for the four countries with the biggest weights, namely Germany, France (1), Italy and Spain, which account for around 80 % of euro area GDP. Based on these data, investment patterns in the construction sector of these four countries have been analysed in relation to the overall business cycle.

The accompanying charts show that the growth of investment in construction in the euro area fluctuates much more sharply than GDP growth since, contrary to other spending decisions, it is highly sensitive to changes in agents' expectations. Moreover, while output growth in these four countries evidences significant cyclical synchrony, construction investment growth patterns have been divergent in the countries under review.

In this respect, developments in the construction sector in France, Italy and Spain exhibit common features which are not generally shared by Germany. In the first three countries, the decrease in construction activity in the early nineties was triggered by the sharp European recession. Similar patterns were also apparent by the end of the decade, such as the return to positive growth rates fuelled by the fall in long-term interest rates and by higher rates of economic growth. Specifically in France and Spain, house-building has been very intense over the past few years. Moreover, investment in construction in these countries exhibits high cyclical synchrony with GDP, a development that is not so clear in Germany, where growth rates in construction were more volatile and on a falling trend throughout the decade. This suggests that special factors were at play here.

The strength of German investment in construction in the early nineties coincided with the boom in the wake of re-unification, whereby investment in the Eastern Länder (regional governments) was encouraged through Government subsidies. This led to an excessive build-up of capital and, subsequently, to excess supply. For the country as a whole, a historical peak of 600,000 finished dwellings was reached by the mid-nineties. The existence today of a significant stock of non-occupied housing in the Eastern regions (more than 10 % of the total) is such a sizeable deterrent for residential investment that, in 2000, the number of finished dwellings in Germany fell to 425,000. In addition, the entry into force of fiscal measures in early 1999 and 2000 reducing government housing subsidies may also have played a part in the recent deterioration in residential investment in Germany. The ongoing adjustment of demand to the excessive stock of buildings poses a significant barrier to economic growth not only in Germany, but also in the euro area as a whole. And this to such an extent that, during 2001 Q1, the deceleration in the German construction sector subtracted almost half a percentage point (in annual terms) and two-tenths of a percentage point (in quarterly terms) from euro area output growth (see the bottom panel of the chart). Only once over the past decade – in 1996 Q1 – was the size of this negative contribution surpassed.

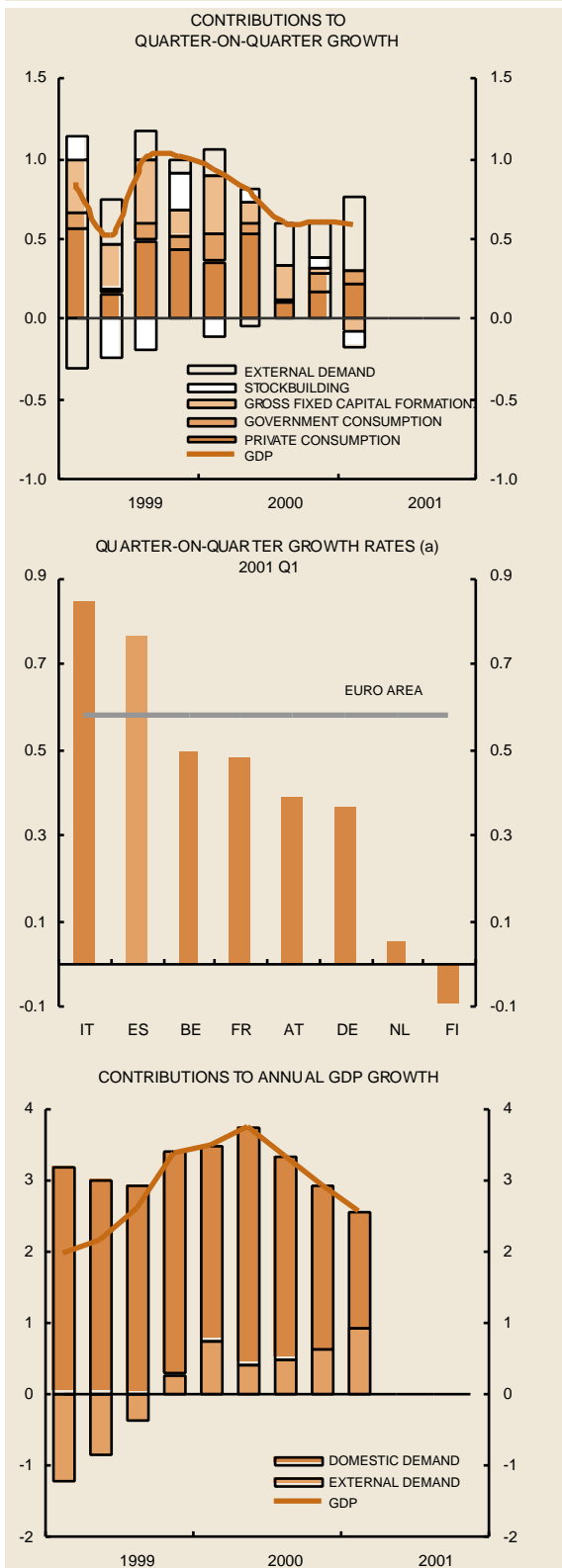
(1) Since no quarterly data on gross fixed capital formation (GFCF) in construction are available for France (only for total GFCF and for the machinery and capital goods component), it has been proxied as the difference between total GFCF and investment in machinery and capital goods. This means that the data proxied for investment in the French construction sector also include the GFCF component called "other investment".



Sources: Eurostat and national statistics.
 (a) Year-on-year percentage changes.
 (b) Aggregation of the four countries under review.
 (c) Proxied by the difference between total gross fixed capital formation and investment in capital goods.
 (d) Euro area year-on-year percentage change minus euro area year-on-year percentage rate excluding construction in Germany.

CHART 8

GDP in the euro area



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

in imports in relation to 2000 Q4 meant that, despite the weakness of exports (whose growth was virtually zero), the contribution of net external demand to the quarterly growth of GDP was five-tenths of a point, far outpacing the one-tenth of a point contribution of domestic demand.

Across the economic sectors, gross value added in manufacturing in 2001 Q1 increased more than in previous periods, exhibiting a quarter-on-quarter growth rate of 1.4 %, compared with 0.6 % in 2000 Q4. Nonetheless, this increase was virtually neutralised by the strong contraction in value added in the construction industry. The services sector remained on a relatively stable trajectory in relation to the previous quarters.

The latest economic information points to a further loss of buoyancy in activity in Q2 (see Chart 9). Thus, in the period from April to June the business confidence and manufacturing industry purchasing managers' indices declined in relation to the average for the three previous months. The industrial production index has slowed progressively in the year to date, posting a negative rate of 0.1 % in May compared with a year earlier, far below the figure of 8.2 % in December 2000. Services sector indicators drawn from qualitative surveys also showed a loss of steam in Q2 compared with Q1. Lastly, the confidence indicator for the construction industry worsened further in the period from March to June.

From the demand standpoint, the consumption indicators were generally less buoyant in Q2. The levels of both the consumer and retail trade confidence indicators, though relatively high, fell from the first to the second quarter of the year, while the retail sales indicator posted a year-on-year rate of increase in April below the average for the three previous months of the year. Elsewhere, the deterioration in the consumer durables indicators in the first half of the year has been more pronounced than in the total consumption indicators. This is consistent with the fact that these goods habitually follow a more marked cyclical pattern; in Q2, however, they exhibited a more favourable trend. The indicator of new car registrations improved slightly in Q2 and consumer readiness to make purchases of this type of good (as reflected in the consumer confidence survey) showed a lesser deterioration than in the composite index.

The information available on fixed capital investment presages further moderation in this component in Q2. In this period, the surveys for this industry that are most closely connected with capital goods purchases slowed notably

(see Chart 9). Nonetheless, drawing on data from the European Commission's half-yearly investment survey in spring 2001, the manufacturing companies examined had maintained their expectations expressed in the previous survey last autumn that investment could reach growth of 5 % in the year 2001. Lastly, the export indicators also point to further moderation in this variable in the period analysed.

Despite the weakness of activity in the first half of the year, GDP growth is still likely to accelerate somewhat in the second half of 2001. That would be consistent with a somewhat more favourable international context (in particular in the United States) and with the entrenchment of a declining inflationary trend that would boost income and expenditure, all against a backdrop of generous financial conditions.

Turning to the labour market indicators, employment performed relatively favourably in Q2, despite being less robust than in the previous periods. The unemployment rate thus edged down, standing at 8.3 % in May, one-tenth of a point less than in March. In addition, employment expectations worsened somewhat in the April-June period, although employment in both manufacturing and services remains above the average in recent years.

The main price indicators for the euro area economy have been on a rising trend in the first half of 2001. This has been mainly due to the unfavourable course of oil and certain food prices, and to the lagged effects of past increases in import prices. In this respect, the GDP deflator, which approximates the domestic component of inflation, climbed to 1.9 % in 2001 Q1. As to the main components of this deflator, the information on unit labour costs is only available to 2000 Q4, when the related year-on-year rate rose to 1.6 % as a result of the substantial fall in productivity in the economy, as compensation per employee slipped slightly (see the lower panel of Chart 10).

As regards the first half of 2001, the as yet incomplete information on wages appears to confirm a degree of stability in the growth rate of compensation per employee, as indicated by the data available for some countries and by the hourly labour costs indicator for the euro area in Q1. With regard to consumer prices, the inflation rate for the area in the period from April to June, measured by the HICP that includes Greece in the year 2000, rose by 0.5 percentage points to 3.1 % (see Chart 10). Almost all the HICP components fared unfavourably, and it was those related to processed and unprocessed food whose growth rates most steepened during this period. The energy component in particular underwent a notable correction,

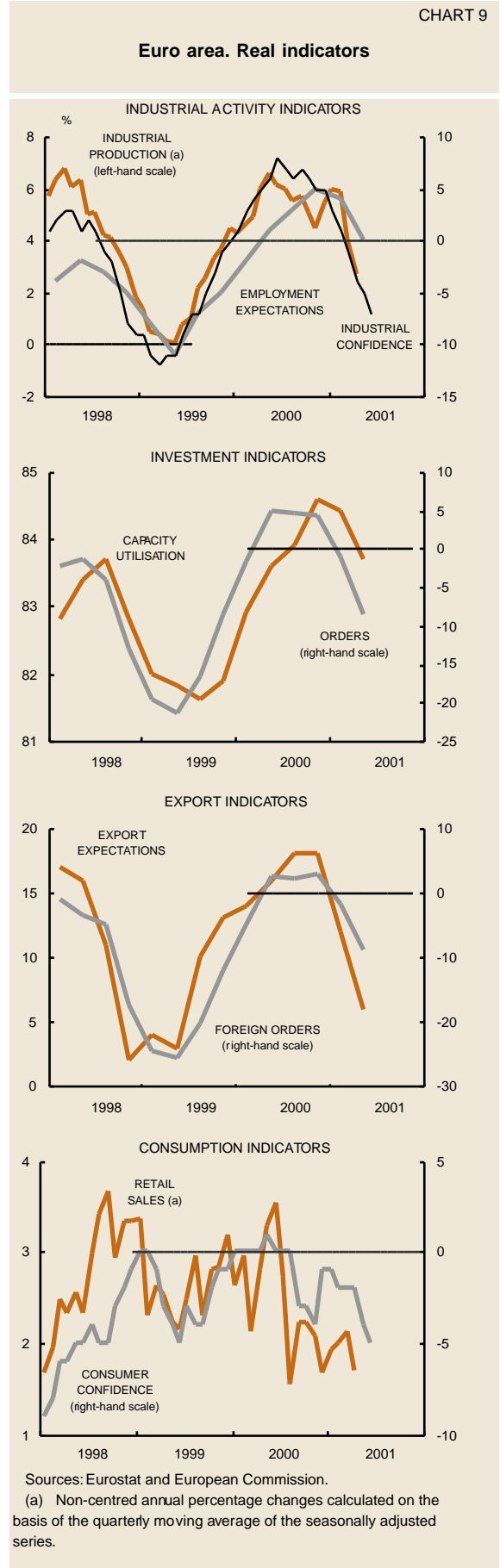
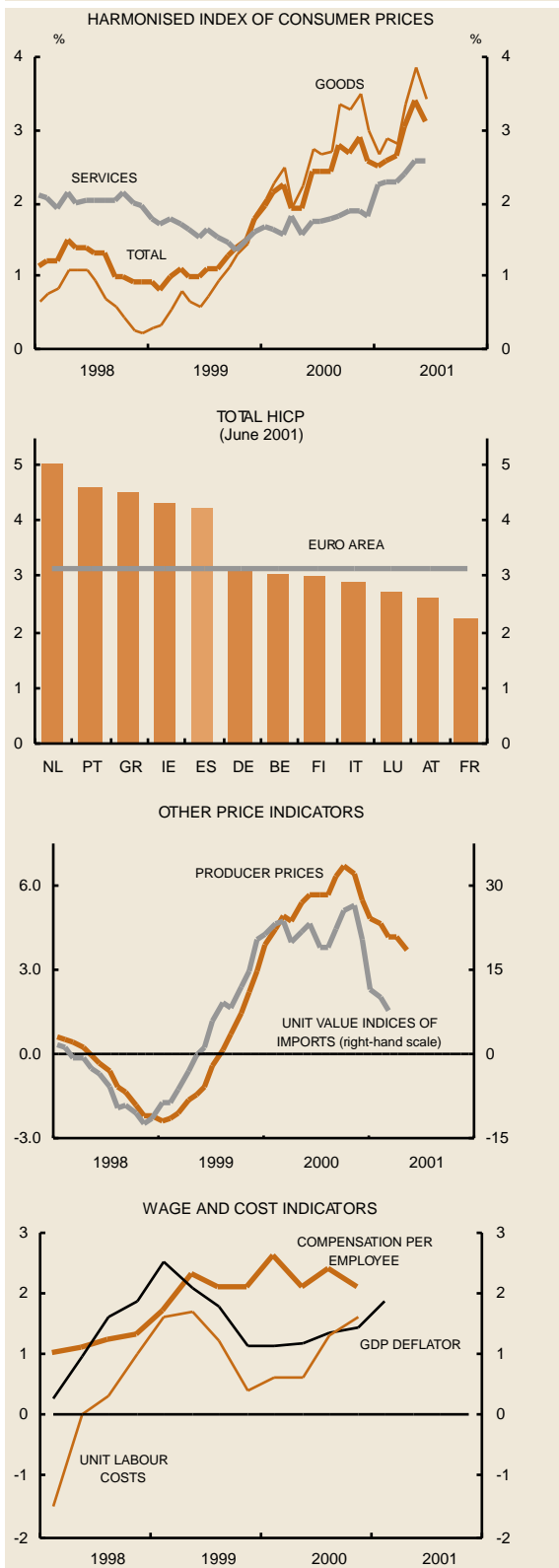


CHART 10

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



Sources: Eurostat and ECB.

bringing it to 5.5 % year-on-year in June, one-tenth of a point down on the March figure. The so-called IPSEBENE index, which strips out fresh food and energy goods prices, also worsened significantly in this period; its 12-month growth rate in June stood at 2.2 %, a rise of three-tenths of a point on March. The deterioration in the performance of prices was across the board in the euro area. The inflation differential within the zone has narrowed by nine-tenths of a point from March to June as a result of the more pronounced rise in inflation in France than in the Netherlands, the countries with the lowest and highest HICP rates, respectively.

Among the remaining indicators of the inflationary situation, there was a notable cut in the growth rate of the producer price index in April and May, which fell to 3.6 % in this latter month against 4.2 % in March. This was the outcome of the slowdown in the intermediate goods component and of the considerable stability of the remaining groupings. In this respect, the curtailed advance of the prices of industrial consumer goods presages a lower rate of increase in final consumption prices in the medium term, given the fact the former variable is a leading indicator. The recent trend of the main short-term determinants of prices in the euro area (with a reduction in oil prices, relative stability in the exchange rate of the euro and the possible end to the recent food crises) also suggests that inflation might slow in the short run. However, from a medium-term perspective, there are risks workers will seek to regain lost purchasing power by demanding higher wage rises. That could jeopardise the containment of inflation (see Box 2).

On ECB estimates, the euro area current-account balance ran a cumulative deficit in the first four months of the year amounting to EUR 12.5 billion, which is an improvement when set against the EUR 18.5 billion deficit recorded in the same period a year earlier. This result was due to the sound performance of the merchandise balance, the outcome in turn of exports being more robust than imports in the period in question.

According to the information available on the budgetary outturn in the opening months of the year, it is highly likely that the budgetary targets set in stability programmes will not be met in certain Member States (see Table 1). This will mark a halt in the trend of recent years, characterised by the achievement of better than initially envisaged results, owing to buoyant revenue. Revenue is now growing less as a consequence of the tax cuts introduced in many countries and of less resilient activity. In those Member States that have already obtained what

TABLE 1

General government financial balances of euro area countries (a)

	1997	1998	1999	2000	2001	
					Stability programme targets	European Commission spring forecasts
Belgium	-1.9	-0.9	-0.7	0.0	0.2	0.5
Germany	-2.7	-2.1	-1.4	-1.0	-1.5	-1.7
Greece	-4.7	-3.1	-1.8	-0.9	0.5	0.0
Spain	-3.2	-2.6	-1.2	-0.4	0.0	0.1
France	-3.0	-2.7	-1.6	-1.4	-1.0	-1.1
Ireland	0.7	2.1	2.1	4.5	4.3	3.9
Italy	-2.7	-2.8	-1.8	-1.5	-0.8	-1.3
Luxembourg	3.6	3.2	4.7	4.7	2.6	4.0
Netherlands	-1.1	-0.7	1.0	1.3	0.7	0.8
Austria	-1.7	-2.2	-2.1	-1.5	-0.8	-0.7
Portugal	-2.7	-2.3	-2.1	-1.7	-1.1	-1.5
Finland	-1.5	1.3	1.8	6.7	4.7	5.3
MEMORANDUM ITEM:						
Euro area						
Primary balance	2.5	2.6	3.0	3.3	3.3	3.1
Total balance	-2.6	-2.1	-1.2	-0.7	-0.6	-0.8
Public debt	74.7	73.1	72.1	69.8	67.7	67.7

Source: European Commission.

(a) Without including proceeds relating to UMTS licences. Deficit (-) / surplus (+).

is close to a balanced budget or that are running a surplus, this deviation might not be a serious cause for concern insofar as it is the outcome of the automatic stabilisers operating. However, in those countries still exhibiting structural deficits or high public debt ratios, it will be advisable to adopt discretionary measures aimed at preventing failure to comply with the stability programme targets, so as to ensure continuing fiscal consolidation.

In recent months, several countries have approved – or are about to do so – various budgetary measures. In May, the Belgian authorities agreed on the final details of the reform of direct tax on households, aimed at reducing the tax burden on the labour factor. In the Netherlands, the government agreed, for the present and coming year, on substantial spending increases on health, education and law and order, which will be partly offset by spending cuts in other areas. Acting in the opposite direction, the Portuguese government submitted a spending reform programme in June including measures that will reduce expenditure in 2001 by 0.3 % of GDP. This would offset – albeit not in full – the deviation from the initial target brought about by weak revenue and overspending in certain areas (on public health in particular). Moreover, the programme submitted sets a growth target for overall primary current spending of 4 % in annual terms in the period 2002-2004, compared with the figure of 5.9 % implicit

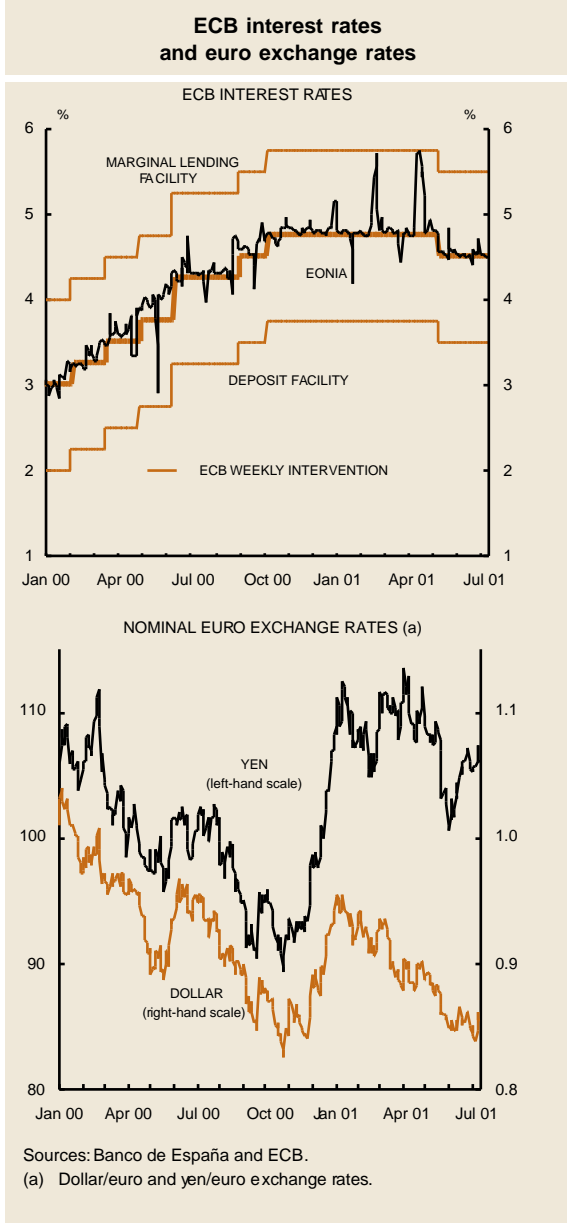
in the stability programme in force. Finally, Austria is finalising preparations for legislation on the so-called National Stability Pact. The aim of this Pact is to ensure that the lower tiers of government are involved to a greater extent in achieving the budgetary goals set for the overall Austrian general government sector.

3.2. Monetary and financial developments

The economic context described in the foregoing section, marked by weakening economic activity and the persistence of relatively high inflation rates, led the Governing Council of the ECB to be particularly prudent in terms of its monetary policy decisions in the recent period. Following the moderate 25 basis points cut on 10 May, official interest rates were held unchanged at the subsequent fortnightly meetings. Currently, the rate on the main refinancing operations stands at 4.5 %, and at 3.5 % and 5.5 % for the deposit and marginal lending facilities, respectively (see Chart 11).

The slowdown in economic activity has meant that agents have discounted reductions in official rates since the opening months of the year. This has been conducive to a certain reduction in bank rates, contributing to sustaining the growth of lending extended by banks. The M3 monetary aggregate continued to expand at a rate above its reference value of 4.5 %. More-

CHART 11



over, the depreciation of the euro and the rise in inflation have amplified the generosity of monetary and financial conditions, despite the performance of stock market prices, which have fallen notably to date in 2001. Monetary and financial conditions have been more generous in Spain, as reflected, for instance, by the greater rate of expansion of credit.

Throughout Q2, money market interest rates have been broadly stable, edging down since the last cut in official rates (see Table 2 and Chart 11). Likewise, the three- and six-month Euribor rate has hovered in June and the opening weeks of July at around 4.4 %, i.e. some 25 basis points below the March level. In any event, after the monetary policy decision on 10

May, the markets have continued discounting an additional cut of one quarter of a point before year-end. As regards long-term interest rates, the yield on 10-year bonds in the euro area has stood, in the period to date in July, at 5.3 %, about 35 basis points above the March level, although this increase was less than that seen in US government bonds (see Chart 13). The spread between German and Spanish bonds is holding at around 30 basis points.

Bank lending interest rates in the euro area (which are those most directly related to agents' spending decisions) have remained very stable throughout the period. They have incorporated only partially the movements on money markets, given the lags in the transmission process. Interest rates on mortgage loans and corporate loans at over one year fell in the period from January to May 2001 by 25 and 10 basis points, respectively, while the level of interest rates on personal loans did not alter. In the case of Spain, the rate on bank lending transactions has fallen somewhat more sharply, declining by 30 basis points between January and May (see Table 2).

In the period between March and the cut-off date for this Bulletin, the euro depreciated once more against the dollar, although in recent weeks it has edged up. In mid-July, the exchange rate stood at around US\$ 0.85 per euro, signifying a loss of value of about 7 % in relation to the March level (see Chart 11). Against the yen, the euro also lost ground (by around 5 %) during the period under review. At the end of June, the nominal effective exchange rate of the euro against the developed countries stood at 2.3 % below its March level, while in Spain the nominal component of the competitiveness index has remained virtually unchanged over the same period.

Turning to the stock markets, the performance of the European markets has been uneven while on a declining trend, dragged down by the new technologies stocks. The announcement of the prospect of lower earnings by some of the main high-technology corporations in the industry in the United States and by several major European companies have heightened uncertainty and the lack of confidence. This has translated into a slide in the Dow Jones Euro Stoxx index which, at the time of this Bulletin going to press, had undergone a cumulative 15 % decline since the start of the year. In the case of Spain, this downward trend has steepened recently owing to uncertainty in Latin America, especially in Argentina. As a result, the stock market recovery observed to May on the markets has been reversed as from June, and to date this year the Madrid stock ex-

Surveys and inflation expectations in the euro area

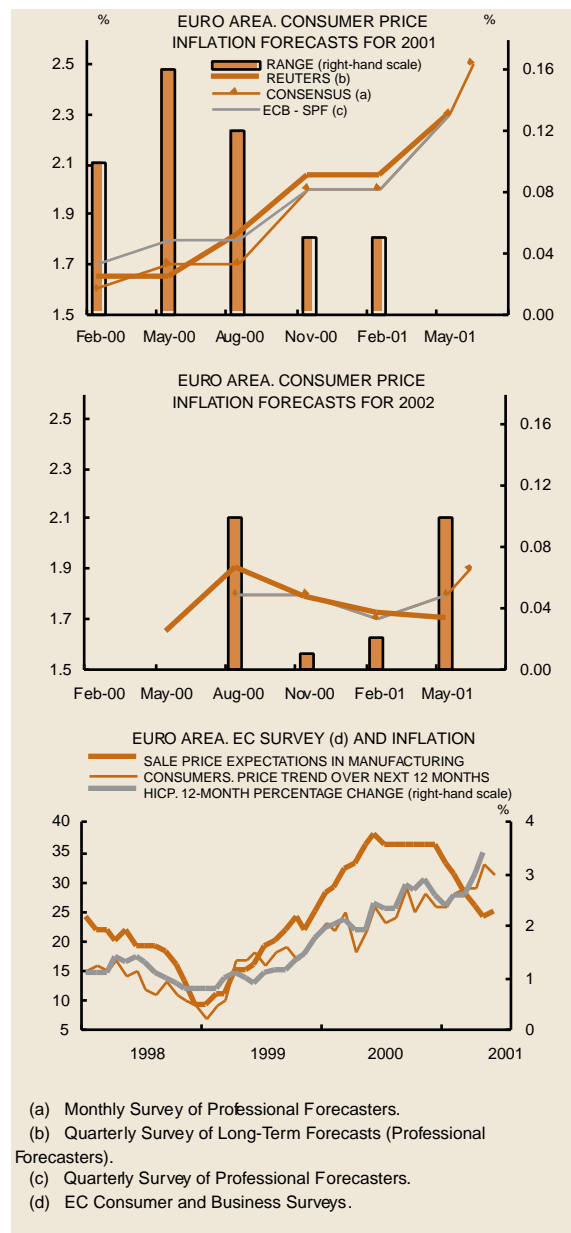
The positive differential between the growth rate of the euro area HICP and the upper bound of the price stability definition (2 %) has gradually widened since the first half of 2000 to one percentage point at present. True, the reasons for this increase in inflation are basically temporary. But the persistence of this differential might trigger a revision of inflation expectations which, if they were to firm, would hinder the disinflation process expected in the next few months. This box analyses recent developments in inflation expectations in the euro area, as reflected in the main surveys available.

The formation of expectations by economic agents takes place in different ways. This is due, inter alia, to differences in the datasets agents use, and to how they are interpreted. Several indirect and direct methodologies have been developed to measure expectations. The former, making certain theoretical assumptions, seek to extract the information in financial asset prices. The latter are based on surveys, where a representative sample of economic agents are asked directly about their expectations. These can be qualitative or quantitative surveys, depending respectively on whether they offer a view on the direction of the expected change in the variable or, conversely, provide a specific figure quantifying this change.

The first two panels of the accompanying chart show quantitative measures of inflation expectations for 2001 and 2002 devised by experts. Between February 2000 and May 2001, there has been a general deterioration in the forecasts of average inflation in the euro area for 2001. Accepting that the width of the expectations range is a reasonable proxy to the degree of uncertainty associated with average expectations, it can be concluded that in May agents attributed high probability to the average inflation rate in 2001 being 2.3 %. With regard to 2002, the May surveys presaged considerable moderation in inflation, since the average rate of increase of prices was expected to be between 1.7 % and 1.8 %, i.e. between five-tenths and six-tenths of a percentage point below the expectations for 2001. Subsequently, the results of the Consensus survey for June have been published, showing a worsening in inflation expectations to 2.5 % in 2001 and 1.9 % in 2002.

Turning to the qualitative surveys of the European Commission (EC), divergence has most recently been observed between household expectations as to consumer prices over the next twelve months and firms' expectations about manufacturing sale prices in the coming months. However, this divergence has narrowed slightly in June. At the current juncture in which the inflation trend is turning, these differences may add friction to wage negotiations. Indeed, since end-1999 the pace at which consumers have revised expectations has been slower than in manufacturing industry. In mid-2000 expectations as to manufacturing sale prices stabilised, and this was followed by a downward revision as from the end of that year. Conversely, consumers have retained upward inflation expectations throughout the most recent period, contrary to the simultaneity of the turnaround in both series since the beginning of 1999 (see lower panel of the chart). That reflects a higher relative weight of the backward-looking component in the determination of household price expectations compared to manufacturing employers (1). Moreover, since manufacturing is a sector highly exposed to competition, its price expectations reflect the predominantly "price-taker" nature of its constituent companies. At present, these should take on board the effects of headway in the commercial integration of the area, the weakness of world demand and, possibly, the transparency of prices that the actual implementation of the euro as the single currency for transactions within the euro area will entail.

In sum, the information analysed in this box reveals the prevalence of disinflation expectations in the euro area for 2002. However, the expectations formation mechanisms have been seen not to be uniform, seeming rather to differ in terms of the type of agent considered. Thus, while consumers tend to set greater store by past price developments, employers and analysts incorporate forward-looking considerations to a greater extent. This characteristic means that, in the current environment, where after a longer-than-initially-expected delay the euro area inflation rate appears to be beginning to slow, frictions might arise in wage-setting processes and jeopardise the maintenance of price stability.



- (a) Monthly Survey of Professional Forecasters.
- (b) Quarterly Survey of Long-Term Forecasts (Professional Forecasters).
- (c) Quarterly Survey of Professional Forecasters.
- (d) EC Consumer and Business Surveys.

(1) In "The information content of survey data on expected price developments for monetary policy", Deutsche Bank (2001), Monthly Report, January, there is quantitative evidence of the relative importance of the backward-looking component within the structure of consumer expectations.

TABLE 2

Monetary and financial situation in the euro area and Spain

	1999	2000	2001					JUL (c)
	DEC	DEC	FEB	MAR	APR	MAY	JUN	
MONETARY VARIABLES (a):								
EURO AREA								
M3	6.1	4.9	4.4	4.6	4.7	5.3	6.3	
M1	10.0	5.7	2.0	2.1	1.6	3.2	4.2	
Loans to private sector	10.3	10.2	9.7	9.3	9.1	8.6	8.4	
SPAIN								
Liquid financial assets	1.4	2.6	3.9	4.6	4.7	6.1	6.9	
Cash and cash equivalents	12.7	4.4	3.1	2.5	2.5	3.9	4.8	
Financing to the private sector	19.4	18.8	17.7	17.2	16.6	16.8	16.7	
FINANCIAL MARKETS (b):								
EONIA	3.04	4.83	4.99	4.78	5.04	4.65	4.54	4.53
Three-month EURIBOR	3.44	4.94	4.76	4.71	4.68	4.64	4.45	4.47
Public debt								
Euro area ten-year bond yields	5.32	5.07	5.02	4.94	5.10	5.26	5.21	5.29
US-euro area ten-year bond spread	1.04	0.25	0.15	0.00	0.09	0.18	0.12	0.14
Spain-Germany ten-year bond spread	0.22	0.31	0.34	0.37	0.35	0.31	0.33	0.32
Spanish bank interest rates								
Synthetic deposit rate	1.98	3.02	3.04	3.03	3.00	2.98		
Synthetic lending rate	5.03	6.35	6.22	6.08	6.16	6.04		
US/EUR exchange rate	1.011	0.897	0.922	0.910	0.892	0.874	0.853	0.849
Equities (d)								
Dow Jones EURO STOXX Broad Index	39.5	-5.9	-7.7	-11.2	-5.7	-6.5	-10.4	-14.6
Madrid Stock Exchange General Index	16.2	-12.7	3.0	0.9	6.3	3.8	-2.2	-8.0

Sources: European Central Bank and Banco de España.

(a) Annual percentage change.

(b) Monthly averages.

(c) Monthly average to 13 July 2001.

(d) Cumulative percentage change during the year. Latest month: to 12 July 2001.

change general index is 8 % down. Broadly, the uncertainty surrounding equity markets may have prompted shifts in agents' portfolios towards fixed-income securities.

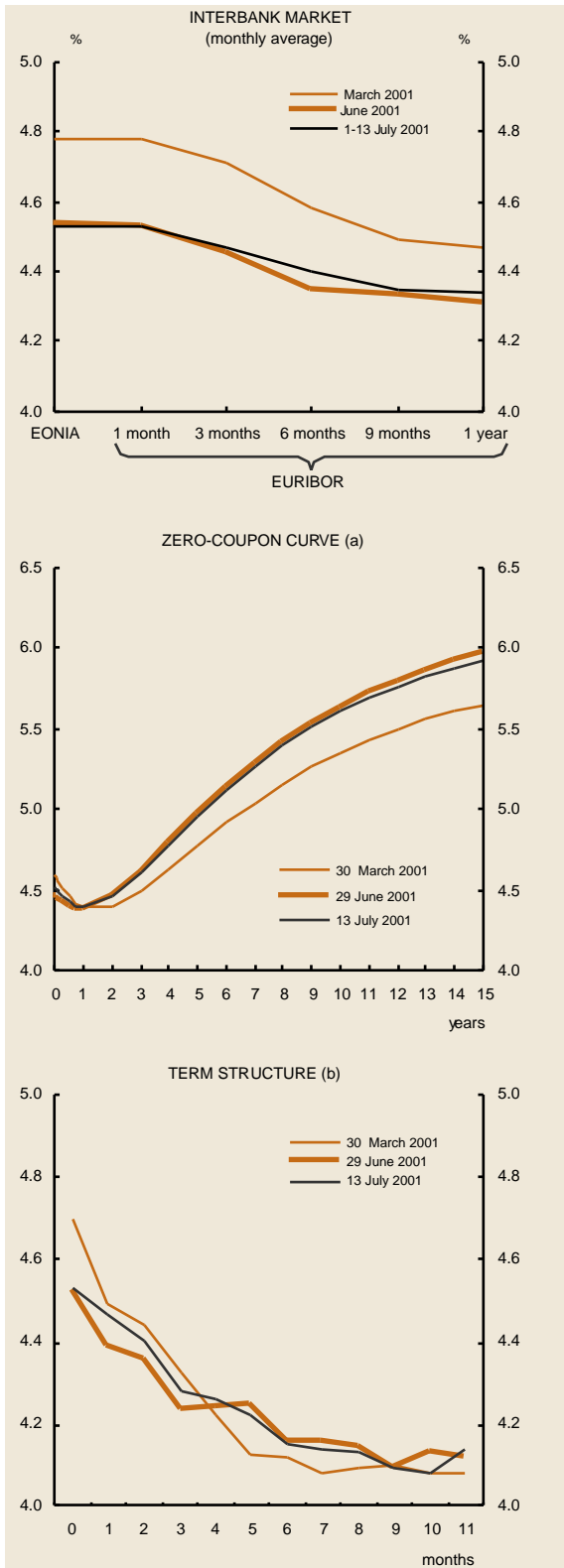
The growth rates of the monetary aggregates in the euro area have risen during Q2, thus curtailing the progressively moderating path seen since 2000 Q3 (see Chart 13). The year-on-year change in the M3 aggregate accelerated in June to 6.3 % (as calculated on the original series), placing the average for the last three months at over 5 %. Significantly, the ECB has revised in this period the official series of the benchmark M3 aggregate, eliminating from its calculation the holdings by non-residents of money market funds. Despite the importance this caption had acquired since the advent of EMU, it had not been possible to make the adjustment previously since there was not sufficient statistical information to iso-

late this effect. Besides, the recent trend of the monetary aggregates has been dominated by the relative buoyancy of the less liquid assets and a more moderate course of the components making up the narrow M1 aggregate. In Spain, liquidity has moved in line with that of the rest of the euro area. Accordingly, the average growth rate of liquid financial assets (LFA) accelerated in Q2 to 5.9 %, against 3.9 % in Q1. A more detailed assessment of recent developments in liquid assets in Spain can be found in section 5 of this report.

As regards the counterparts of the monetary aggregates, financing extended in the euro area to the private sector has continued to lose steam, slipping to a year-on-year rate of 8.4 % in June, almost one percentage point down on the related rate in March. That said, in historical terms this is still a relatively high rate of expansion. As to the end use of bank financing, the

CHART 12

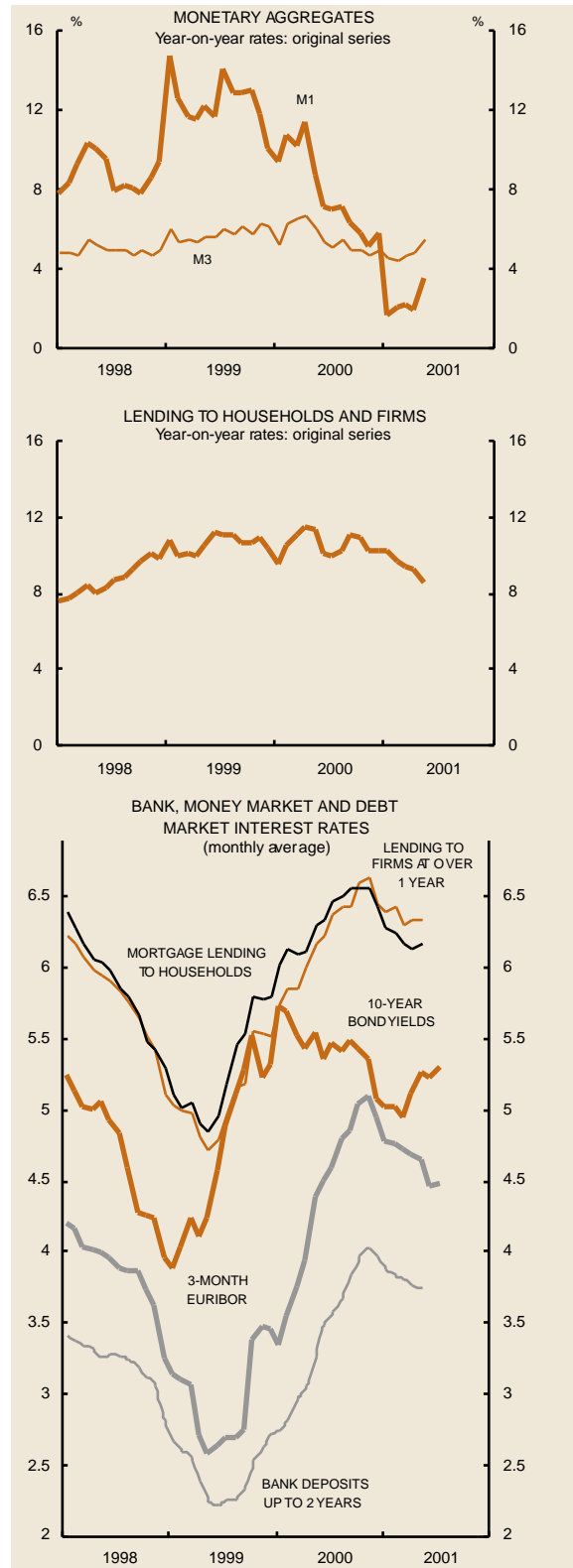
Euro-area yield curves



Sources: Banco de España and ECB.
 (a) Estimation based on swap market data.
 (b) Estimated using Euribor data.

CHART 13

Monetary and credit aggregates and interest rates in the euro area



Sources: Banco de España and European Central Bank.

information available for Q1 indicates that it is households which have most contributed to tempering lending, the consumer segment of which has proven intense. In any event, it should be recalled that there are sources of financing other than bank lending, such as corporate financing via fixed-income issues, which is progressively acquiring considerable impor-

tance. In the case of Spain, the growth of financing to non-financial corporations and households and non-profit institutions is being contained to some degree, although the associated rates of expansion are still high at 16 % year-on-year. Section 5 offers a more exhaustive evaluation of the financing of these economic sectors.

4. The Spanish economy

On QNA estimates, GDP remained in 2001 Q1 on the decelerating path initiated in the second half of the previous year, posting a real growth rate of 3.4 % (1) on a year earlier, three-tenths of a point less than the previous quarter (see Chart 14). This profile was determined by the slowdown in the main components of national demand, both private consumption and gross fixed capital formation, placing the year-on-year rate of change of this aggregate at 2.7 %. The contribution of net external demand to GDP growth, for its part, held at the higher level reached the previous quarter (0.6 percentage point). The short-term economic information available for 2001 Q2 points to a moderate and further slowdown in national demand to a rate of around 2.5 %, and a somewhat less positive contribution by the external sector, the result of weaker exports. Overall, GDP is estimated to have held on a slowing path in 2001 Q2, and its year-on-year rate to have fallen to 3 %.

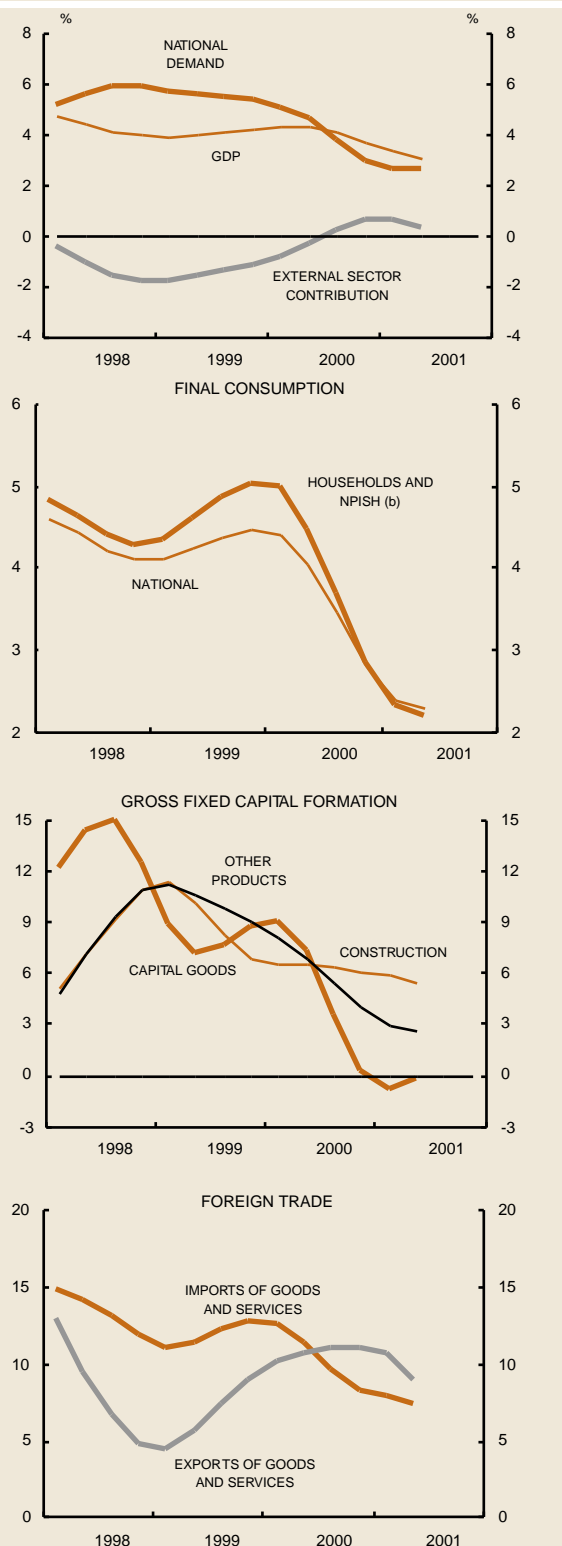
All the productive branches saw a lessening of the pace of activity during Q1, in line with final demand. The loss of momentum was sharper in the industrial and energy branches, as these were affected by a less favourable international background and by the weakening of the investment climate, a pattern that has continued into Q2. Apart from in market services, the slowdown in activity did not pass through in full to employment, giving rise to a fresh fall in the rate of increase of apparent labour productivity. Compensation per employee in the market economy increased by a similar amount to that at the end of last year (3.7 %), contributing to a slight rise in unit labour costs in this group of activities.

As early as last year, wage increases began to incorporate, in part, the upward effects on the inflation rate derived from oil price rises and from the successive crises besetting the food industry. This process has continued into the current year. Against this backdrop, where fresh direct upward effects on prices (stemming from changes in the market for certain meat products) have combined with the effects derived from higher wage and intermediate costs, the 12-month growth rate of the CPI has risen anew

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

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.

to levels not seen since the mid-nineties. However, given that some of these factors have been common to other Member States, the inflation spread with the euro area has remained at around one percentage point.

4.1. Demand

According to the latest QNA figures, household final consumption slowed by five-tenths of a point in 2001 Q1 to a rate of 2.3 % in real terms, thus contributing significantly to the lesser buoyancy of national demand in this period. This loss of momentum affected more intensely spending on services and on durable goods other than cars.

The information available on the behaviour of consumption in Q2 shows the deceleration to be continuing, albeit less sharply than in the preceding quarters. According to consumer surveys, the household confidence indicator stood at the end of Q2 at lower levels than those observed the previous quarter (see Chart 15), with all its constituent series declining, especially regarding the assessment of the current and future situation of the country. Moreover, consumers expected inflation and unemployment to trend upwards. Among the indicators most directly related to expenditure, the index of apparent consumption of goods and services continued to decelerate in Q2. Here, the services component moved at a slower pace while the deterioration in the goods component was checked. Under the latter component, the apparent consumption of food was slightly expansionary, following the fall posted the previous year, whereas that of durables other than cars continued to decline. New car registrations to July have reaffirmed the pick-up evident since the start of the year. Lastly, the overall index of retail sales has held on a growth path of around 2.5 % in recent months. Hereunder, the growth of foodstuffs has been prominent whereas sales of other products have been less buoyant.

The slowdown in consumption in the first half of 2001 is primarily related to the lower growth of real household income compared with a year earlier. In turn, this reflects a lower rate of job creation, as well as the effects of the increase in the inflation rate on purchasing power. The adverse behaviour overall of financial wealth and the deterioration in consumer confi-

dence (interrelated factors which drove the strong expansion in consumption in the past) also help explain the lesser robustness of spending. This latter variable would be growing at similar rates to real income, marking a turning point in the squeeze on the saving ratio, which reached a low in the year 2000.

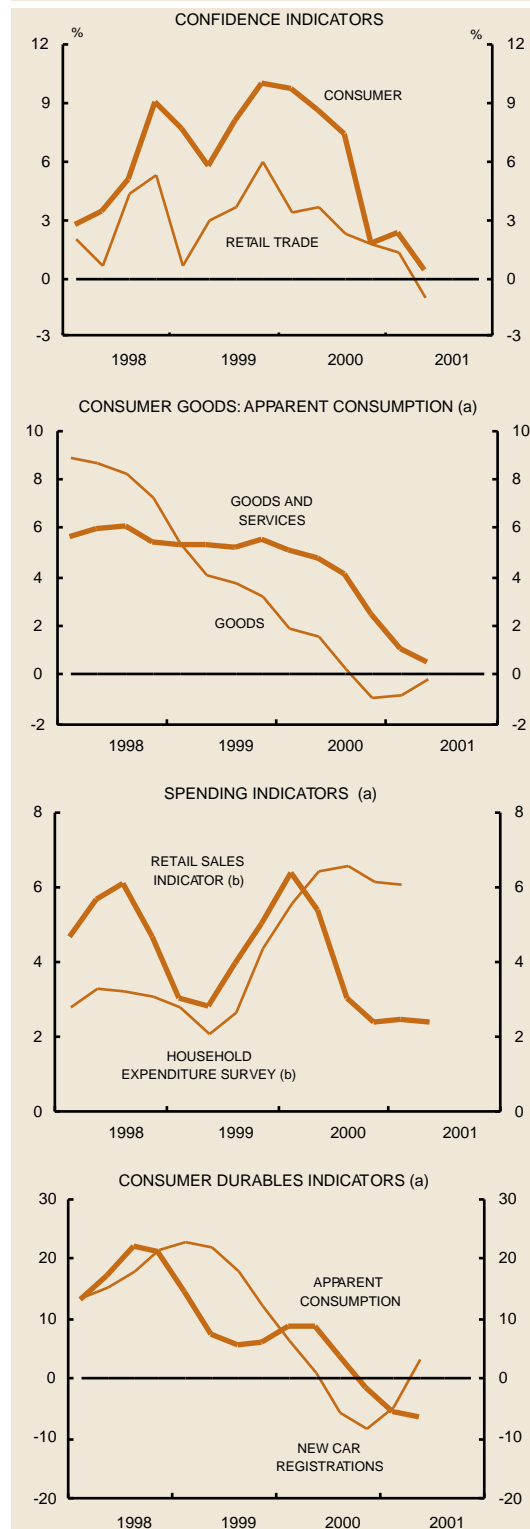
In 2001 Q1, general government final consumption spending grew by 2.6 % in real terms compared with a year earlier, one-tenth of a point less than in the previous quarter. The slowdown was more marked in nominal terms owing to the reduction in the growth rate of compensation per employee in this sector, which passed through to the deflator. The information available for Q2 points to the growth of general government final consumption spending stabilising in step with employment developments in this sector.

The declining course followed by gross fixed capital formation during the year 2000 continued into the opening months of 2001, dipping to a year-on-year increase of 3.2 %, almost one percentage point down on 2000 Q4. The loss of momentum was common to the three components of investment, although it was once again particularly intense in the case of gross fixed capital formation in capital goods, which posted a decline of 0.8 % in Q1 compared with the same period a year earlier (see Chart 14). Investment in construction and in other products also grew at lower rates than those of Q4. It did, however, retain greater momentum, especially that in construction, which climbed by 5.8 % in year-on-year terms, only slightly below the growth for the year 2000.

The information on investment in capital goods indicates that this aggregate has held at a negative rate of change in 2001 Q2. Nonetheless, judging by the index of apparent investment in capital goods with data to May (see Chart 16), the deterioration in this item has been checked. The expectations of producers of this type of goods, summarised in the monthly business survey, deteriorated most significantly in Q2, with a notable decline in the current assessment of output and of orders. However, entrepreneurs were somewhat more optimistic in their forecasts on the future course of these two variables.

CHART 15

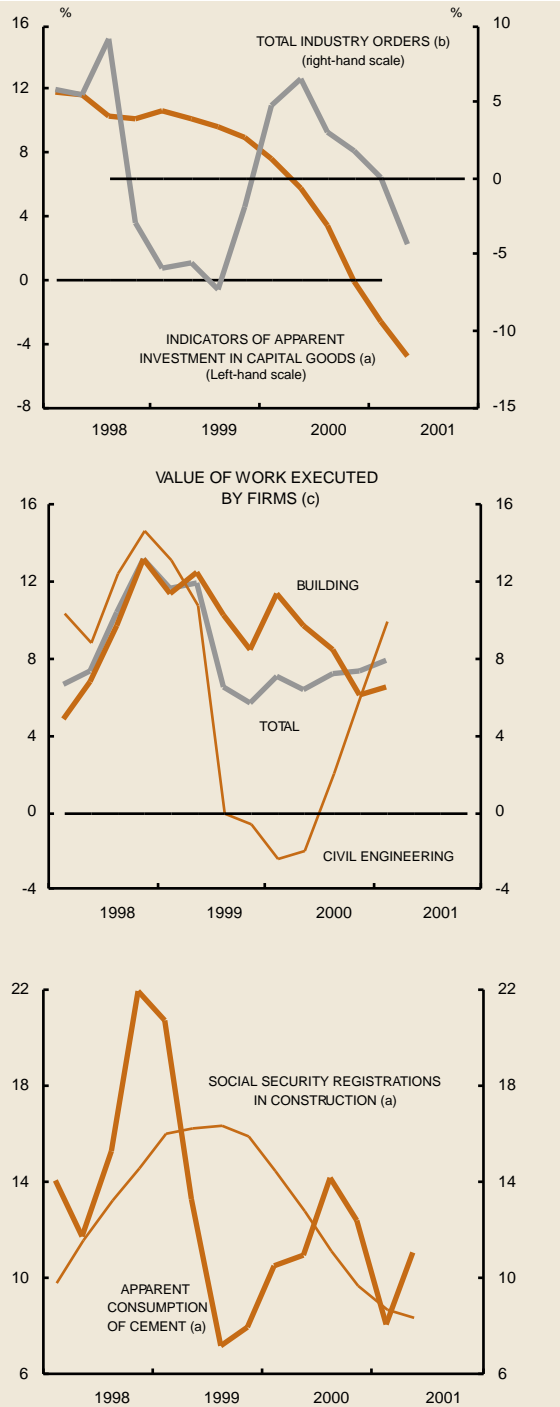
Private consumption indicators



Sources: Instituto Nacional de Estadística, European Commission, Dirección General de Tráfico and Banco de España. (a) Non-centred annual percentage change, based on the trend of the indicator. (b) Deflated by the CPI.

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.

The main determinants of productive investment help explain the lesser momentum of this aggregate in recent quarters. That said, the intensity of the slowdown, with rates of decline not seen since 1994, is more difficult to account for. Final demand has been on a markedly slowing path since the second half of 2000, although it continues to post relatively high growth rates, underpinned by construction, sales abroad and, to a lesser extent, private consumption. The moderation of demand has fed through to current and expected orders in industry, and is likewise reflected in the results of the half-yearly investment survey conducted by the Ministry of Science and Technology. According to this survey, industrial businessmen (especially those producing capital goods) consider that demand, in 2001, is proving to be a rather less favourable factor in investment decisions than in 2000. The Central Balance Sheet Office Quarterly Survey (CBQ) showed the deceleration in business activity in Q1, which led to a decline in the degree of capacity utilisation in industry to 79.7 %. Meanwhile, according to the opinions reflected in the half-yearly survey, the financial situation has also declined in weight as a factor driving investment, at least in industry. However, real interest rates remain low and the latest CBQ information, relating to 2000 Q1, shows that ordinary profit rates are still high (slightly higher than the rates achieved in the same period a year earlier), so that the leverage ratio is still clearly positive, despite the rise in the cost of financing. In these circumstances, the growing uncertainty stemming from the international environment and the intensity of flows of investment towards international markets seem to be affecting the rhythm of investment in Spain.

Investment in construction remains the most dynamic component of national demand (rising by 5.8 % year-on-year in Q1), and the one that shows fewest signs of fading. According to the survey of the sector conducted by the Ministry for Public Works (the ECIC), with data available to the first quarter, this dynamism has been underpinned by a strong pick-up in civil engineering work, which has been sufficient to offset the slowdown that has taken place in residential building in particular (see Chart 16).

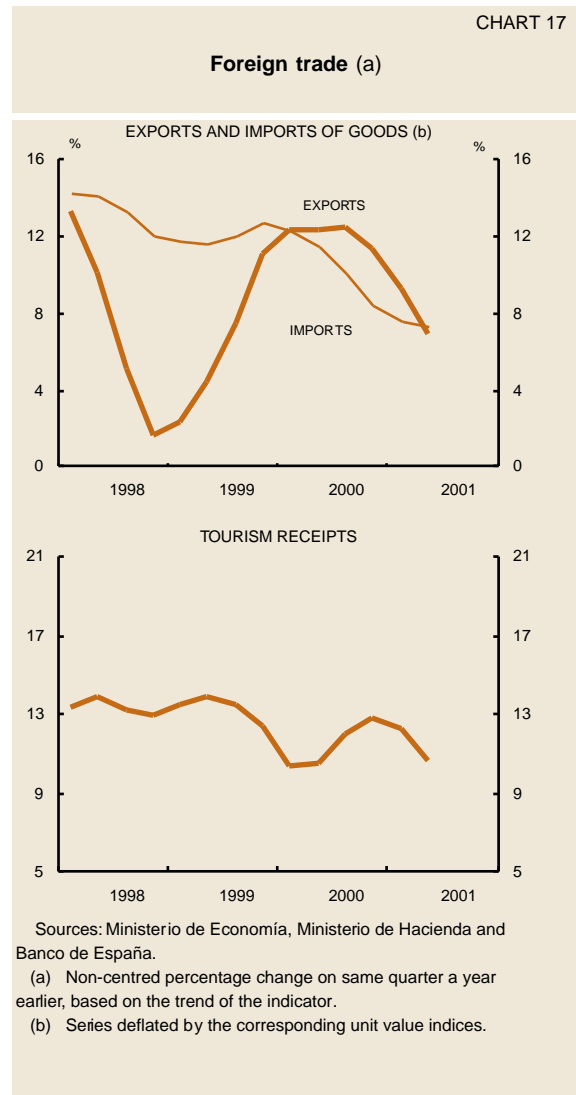
The latest indicators of construction confirm its sustained growth. The indicators of inputs,

used more intensively in civil engineering, reflect a relative strengthening in Q2, when the downtrend in the apparent consumption of cement that had prevailed since the second half of the previous year was broken, and the producer price index for construction materials emerged from the zone of negative rates of change seen in the previous quarter. The trend in the employment indicators was also favourable (Social Security registrations rose by around 8.3 % in April and May), and the construction confidence indicator held at levels close to the average for 2000.

As for the leading indicators, planned residential building, according to architect association approvals, recorded a significant fall at the beginning of this year, which points to a further slowdown in residential investment, in line with the slower growth in real income and with the rise in housing prices. As regards civil engineering work, the declines recorded in government civil-engineering tenders at the beginning of the year would suggest that this component will be weaker, although the size of the infrastructure projects that remain on order books means that a favourable performance can be expected in coming quarters.

Stockbuilding contributed one-tenth of a percentage point to GDP growth in 2001 Q1, having made a negative contribution of similar magnitude the previous quarter. The survey of the industrial sector has shown an increase in the level of stocks, relative to the desired levels, in April and May, which may underpin a further positive contribution in Q2. This rise was especially large in the case of producers of capital and intermediate goods.

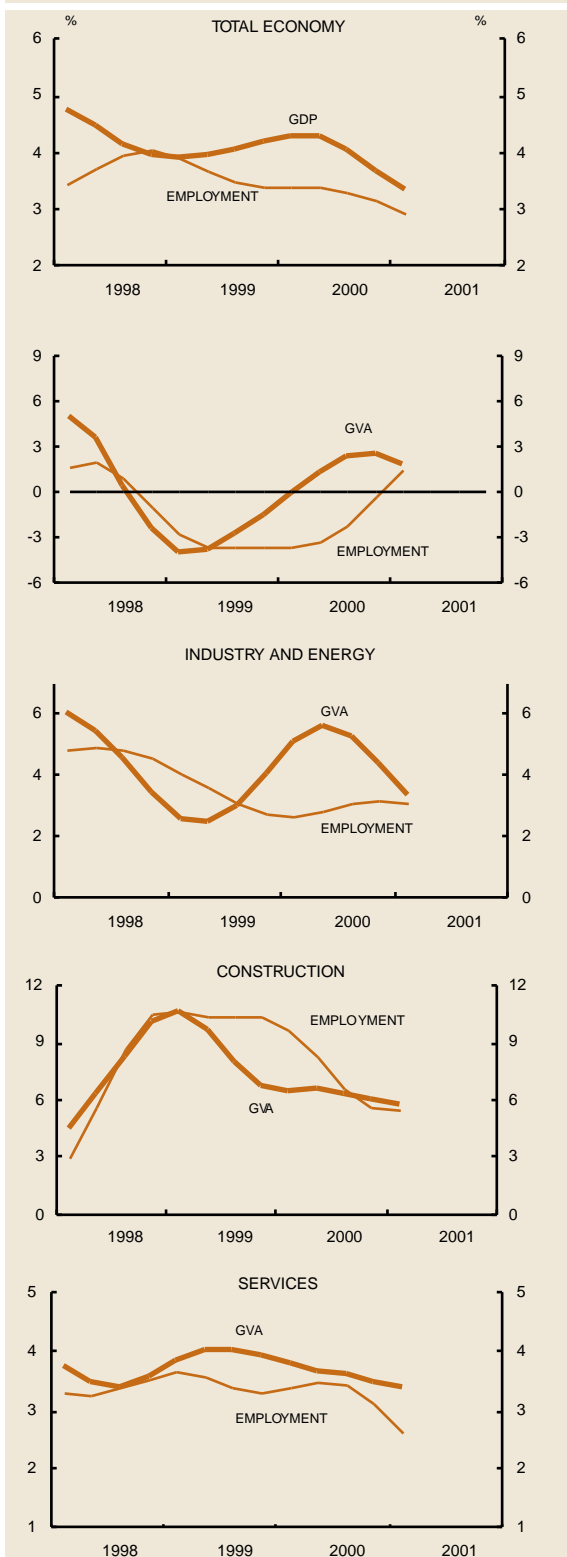
In Q1, net external demand, in real terms, made a positive contribution of 0.6 percentage points to output growth, similar to the level recorded since 2000 Q2. Exports of goods and services, following the path of mild slowdown that commenced in 2000 Q4, grew by 10.7 % in real terms. They were affected by the deceleration in world trade and by the recovery of the euro during the first quarter of the current year. The behaviour of exports was determined by the goods component, since the acceleration in that of services, which commenced in the second half of last year, continued. Imports, meanwhile, grew at a rate of 8 % during 2001 Q1,



slowing down in step with domestic demand and the reduced strength of industrial activity, although less sharply than in the second half of 2000. The information on trade flows for April and May and on the main determinants of external demand indicates that exports continued to lose strength in Q2 as a consequence of the weakening of world trade, which was only partially offset by the competitiveness gains arising from depreciation of the euro. Even so, exports are still relatively buoyant, underpinned by European markets where the slowdown in activity is proving less marked than in countries linked to the dollar. Imports, likewise, continued their mild decline, in line with the slower rate of growth of final demand, and against a background of moderation in their prices. Overall, it is estimated that in Q2 the positive contribution of net external demand to output growth must have been smaller than in previous quarters.

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.

According to the latest customs data, in the period January-May goods exports extended the slowdown seen since the end of the previous year, growing by 8.4 %, in real terms, in the period as a whole, and by 6.1 % in April and May. The slowdown was concentrated in sales outside Europe. Exports to the EU remained buoyant in April and May, growing by 10.2 % in real terms, with a good performance in most markets in this area, with the exception of Germany. By contrast, the slowdown in exports outside the EU sharpened. They fell by 2.8 %, in real year-on-year terms, in April and May, following a rise of 12.1 % in Q1 and 19 % in 2000. The slackness of sales to the United States was notable, as was the intense moderation of those to the NICs and the drastic cut in those to Japan and Latin America in May. On the other hand, exports to Eastern Europe continued to grow at high rates. By group of product, the slowdown was across the board, with the exception of sales of food consumer goods, which recorded real growth of 7.6 % to May. Among the most dynamic groups, exports of non-energy intermediate goods rose by 10.4 % in that period and those of non-food consumer goods by 10 %, bolstered by the positive behaviour that car sales are still displaying in certain markets.

As for service exports, although the recovery in nominal tourism receipts that was already apparent at the end of 2000 strengthened in 2001 Q1, the April data showed this acceleration cut short. The cumulative increase during the first four months was 14.9 %, against a background of accelerating prices for these services. Likewise, the growth of real indicators (tourist arrivals and foreign visitors staying in hotels), having accelerated in the first three months, tended to moderate subsequently. Thus, the rate of growth of tourist arrivals fell to 2.5 % in May, from 4.9 % in Q1. The decline in the numbers of tourists from Germany should also be mentioned here.

Following the notable moderation in May, goods imports in the first five months of 2001 grew at 6.7 % in real terms. This was still above the rate at the end of 2000, but the path was one of gradual slowdown (see Chart 17). The determinants of imports fully explain this slight slowdown in Q2. It was linked to the loss of momentum in final demand and industrial activity,

and took place in spite of the deceleration of import prices.

By group of product, the strong growth in real terms of purchases of food consumer goods stands out (27 % in the period January-May). This was affected by the low levels recorded in the same period last year, when all the imports of tobacco during these months were recorded in July 2000. At the same time, the May figures showed a moderation of the notable recovery that had been recorded until then by purchases of non-energy intermediate goods, against a background of very moderate growth in their prices. However, purchases of non-food consumer goods remained highly buoyant in May. In the first five months of 2001 they increased by 7.9 %, boosted by the transfer to January of certain purchases of transport equipment corresponding to December 2000. Imports of capital goods continued to display a very subdued tempo throughout this period, with a fall of 2.4 % in real terms. As for energy purchases, intermediate goods grew in real terms by 4.3 % in the first five months of the year, with their rate of growth declining again in relation to the previous year, despite the sharp reduction in the rate of growth of their prices.

Finally, the growth of services imports rose slightly in 2001 Q1 in real terms, to 10.3 %. However, as in the case of receipts, the pick-up in nominal tourism payments was cut short in April. Even so, they rose by 22.4 % to that month. Services other than tourism continued to display sustained growth, notable being the growth in payments relating to passenger transport services and that of those linked to financial services, in line with the buoyancy of Spanish investment abroad.

4.2. Output and employment

As mentioned at the beginning of this chapter, the rate of growth of GVA in 2001 Q1 fell in all productive branches (see Chart 18). In the case of the primary sector, the growth rate fell to 1.7 %, year-on-year, cutting short the trend of recovery displayed by this activity in 2000. The loss of vigour was concentrated in crop farming, while both livestock farming and fishing recorded rates of decline in activity similar to those of the final months of the year 2000. Paradoxically, the abundant rainfall (the factor responsible

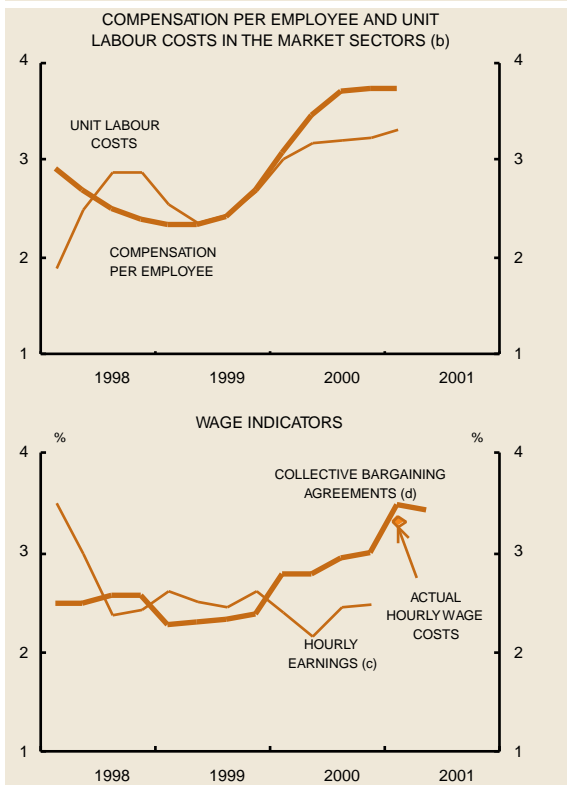
for the recovery in the sector last year) was the cause of the reduced momentum of agricultural output at the beginning of the year, as it prevented certain crops from developing normally, such as winter cereals, whose output is estimated to have fallen by 20 %. Despite this, there are other crops which will benefit from the high rainfall, so that in the year 2001 as a whole this sector can be expected to post a positive performance. That said, these favourable prospects depend on the performance of the livestock industry, since any worsening of the health problems in pig-farming could offset the recovery from those previously affecting beef production.

The performance of industrial activity in the first few months of 2001 continued to be governed by the loss of vigour in domestic demand (especially capital goods investment) and by the deteriorating international environment. On QNA data, in 2001 Q1 the rate of growth of activity in the industrial and energy branches fell by one percentage point, to 3.3 %. As in the previous quarter, energy production recorded a larger deceleration, although it remained the most dynamic sector. Industry also slowed, continuing to do so in Q2, according to the latest information. The index of industrial production deteriorated further in April and May, well into the zone of negative rates of change, and the industrial confidence indicator slipped in Q2, owing to the worse assessment by businessmen of their order books and the undesired increase in stocks. At a less aggregated level, the deceleration affected both mining and chemicals and, more markedly, metal processing, where problems have been discerned in relation to the products with the highest technological content, such as electronic equipment and office machinery. Manufacturing output has, for its part, remained stuck at negative rates of change.

Construction continued to be the most dynamic activity in Q1, with the exception of energy, despite moderating further. On QNA data, the year-on-year rate of growth of value added in construction was 5.7 %, 0.3 percentage points less than in the previous quarter. As already mentioned when discussing investment in construction, the information available points to continuation of this moderate slowdown in Q2.

CHART 19

Wages and labour costs (a)



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

(a) Percentage change on same quarter a year earlier.

(b) Rates based on QNA trend-cycle series.

(c) Total earnings.

(d) Average wage increase for the current year, up to the reference month (excluding the effects of inflation-adjustment clauses).

Activity in the tertiary sector was not immune to the general trend of slower growth. On QNA estimates, gross value added in services decelerated in 2000 Q1 by one-tenth of a percentage point to 3.4 % year-on-year. This slowdown affected both market services and services provided by general government, halting the mild acceleration that took place in 2000. The information relating to Q2 shows no change in these trends. The distributive trade and repair industry recorded reductions in their growth rates, in line with the reduced momentum of private consumption, as inferred from Social Security registrations and from the retail trade confidence indicator, which was strongly affected by an unfavourable assessment of the current business situation. Hotels and catering, meanwhile, was subject to the same trends. Both the indicators of activity (overnight hotel stays and hotel visits)

and Social Security registrations point to a slowdown in Q2. Social Security registrations also show a profile of ongoing loss of momentum in transport, storage and communication.

On the latest QNA data, employment (2) rose by 2.9 % year-on-year in 2001 Q1 and continued to slow as it had been doing for the past year. However, the slowdown in employment was less steep than that of activity, so that apparent labour productivity grew at a slower rate than in the previous quarter (0.5 %, against 0.8 % in 2000) (see Chart 18). The Labour Force Survey showed annual growth in employment of 2.8 % in 2001 Q1, which was similar to the QNA rate. However, the path of deceleration was more marked in this case, which may be attributable to the fact that the figure for 2000 Q4 was still affected by the changes made to the survey during the previous two years (3). The indicators available for Q2 show that the job creation process continued to lose steam at a moderate rate. Social Security registrations grew by 4.3 % in that quarter, as against 4.6 % in Q1, and registered unemployment also showed signs of slightly less favourable growth, falling by 3 % between April and June, when it had fallen by 3.2 % in Q1. Finally, contracts signed in spring picked up somewhat, after falling at the beginning of the year, with a rise of 1.7 % year-on-year.

By branch of activity, it was those branches which generated most jobs, in net terms, during the previous year that governed the path of slowdown of the aggregate in Q1, especially in the tertiary sector. On QNA data, jobs in services grew by 2.6 % year-on-year, 0.5 percentage points less than at the end of 2000, with a deceleration in market services, where they grew by 3.1 % (a reduction of 0.8 percentage points in the rate of change) and a gradual recovery in non-market services. In construction, employment rose by 5.4 % with respect to 2000 Q1, 0.2 percentage points down on the end-2000 rate, leading to a slight rise in productivity gains, which might be related to the greater vigour of civil engineering work. Employment in industry grew at a stable rate of 3.1 %, which

(2) The concept used is that of full-time equivalent jobs, which is more suitable for comparisons with activity.

(3) See the article "La evolución del empleo y del paro en el primer trimestre de 2000", in the May 2000 edition of the *Boletín económico*.

contrasts with the slowdown in activity (giving rise to substantial losses of apparent productivity) and with the information provided by other indicators, such as the Labour Force Survey and Social Security registrations. According to the latter statistic, job creation in industry weakened in Q2. In agriculture, employment picked up, rising by 1.5 %, which meant that it lagged somewhat behind output (see Chart 18).

In terms of the composition of the employment generated, the lower job creation in the first few months of 2001 mainly affected dependent employment, whose rate of change, according to the QNA was 3.2 %, 0.4 percentage points down on 2000 Q4, while the number of self-employed displayed an upward trend, rising by 1.3 % in Q1. On Labour Force Survey data, the slowdown in dependent employment only affected workers with permanent contracts, whose growth rate fell to 3.6 % year-on-year, while the number of temporary contracts rose by 2.8 %, which was higher than the end-2000 increase. Nonetheless, the ratio of temporary to total employment fell by 0.2 percentage points, relative to 2000 Q1, to 31.5 %. In line with this development, the number of permanent contracts recorded by INEM fell in the first quarter, although in the second, after the reforms introduced in March, their number grew substantially, especially through the conversion of contracts into permanent ones. As regards working hours, the Labour Force Survey indicates that full-time employment and part-time employment underwent a similar deceleration in Q1, the ratio of part-time to total employment standing at 8.2 %, the same level as a year earlier.

From the viewpoint of the supply of labour, it should be pointed out that in 2001 Q1 the process of incorporation of the working-age population into the labour market slowed down again, the labour force recording a year-on-year increase of 1 %, according to Labour Force Survey data. The activity rate edged down to 51.3 % for the population aged 16 and over, holding at 65.4 % if the over 65s are excluded. The reduced buoyancy of the labour force and the ongoing generation of employment, despite its deceleration, enabled a further cut to be made in the total number of unemployed and in the unemployment rate, which stood at 13.4 %, 0.2 percentage points down from end-2000. Long-term unemployment continued to fall, ac-

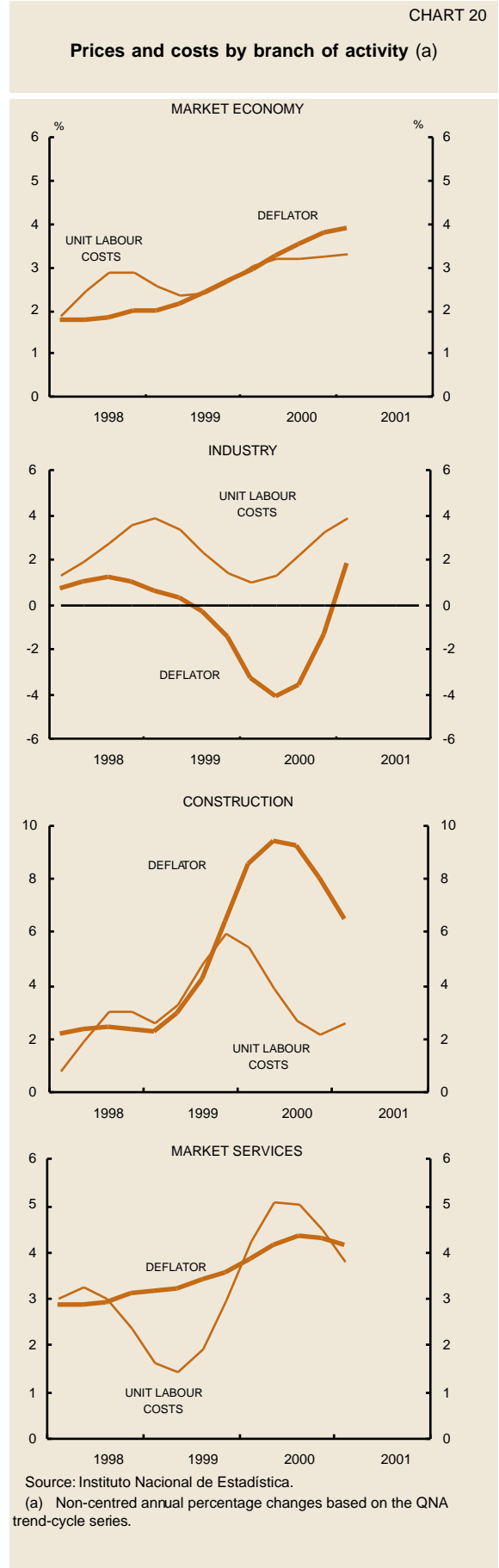
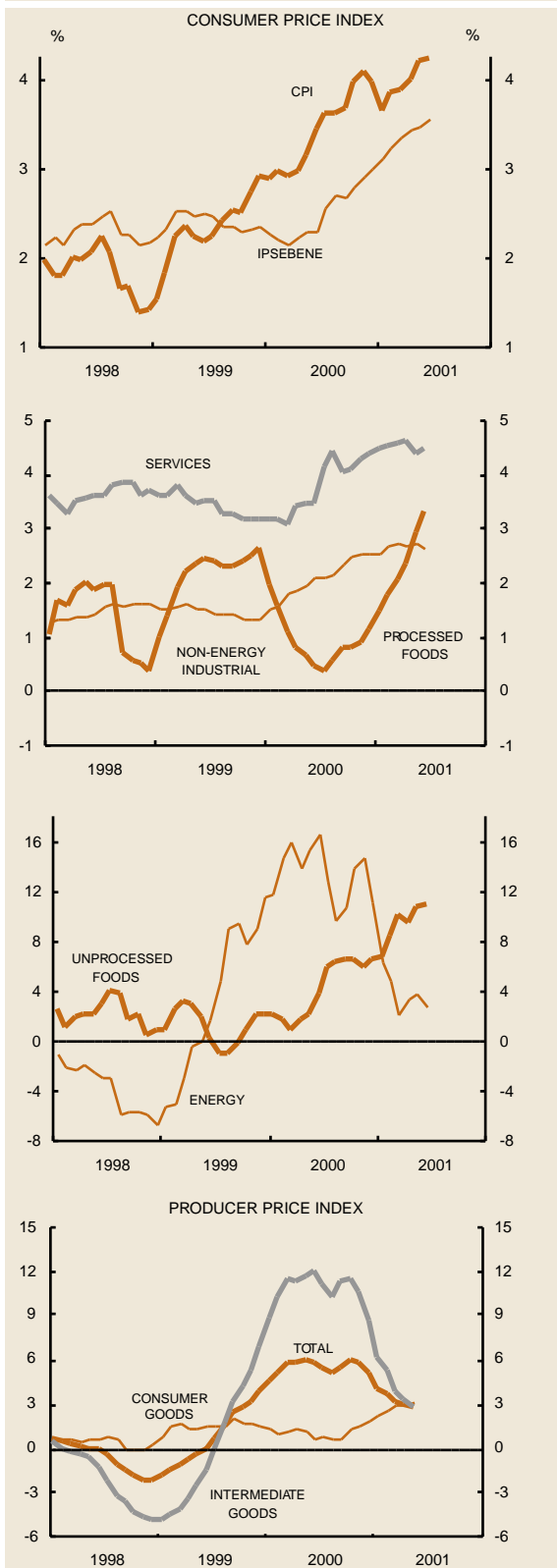


CHART 21

**Price indicators (a)
Spain**



Source: Instituto Nacional de Estadística.

(a) Twelve-month percentage change based on the original series.

counting for 44.5 % of total unemployment in Q1. The reduction was concentrated among the young, while the incidence of long-term unemployment among the 45-65 age group increased further.

4.3. Costs and prices

The previous section described how the slowdown in activity and employment in 2001 Q1 also gave rise to a slight slowdown in apparent labour productivity. Compensation per employee, for its part, calculated in terms of full-time equivalent jobs, rose by 3.8 %, as against 4 % in the previous quarter and in 2000 as a whole, giving rise to a stable trend in unit labour costs (ULCs), which rose by 3.4 % year-on-year. Aggregate productivity in the branches making up the market economy behaved similarly to that of the whole economy. However, compensation per employee grew at a similar rate to the preceding period (3.7 %) and ULCs accelerated slightly, to 3.3 % (see Chart 19).

Among the data available on remuneration in the first few months of 2001, the new index of labour costs (ICL), compiled by INE to replace the former Wages Survey, should be mentioned. In Q1 the ICL per hour of work rose by 4.2 % year-on-year (a larger rise than the one estimated by the QNA for compensation per employee) as a result of an increase of 3.3 % in wage costs, and of 6.7 % in other costs. The wage settlement negotiated in collective agreements recorded to 30 June was 3.4 %, 0.3 percentage points higher than the increase in 2000, before including the effects of inflation adjustment clauses. Wage rates in revised agreements rose by 3.4 %, while the settlement in newly signed agreements was 4 %, although their level of representativeness is still low. Also, the effect of the inflation adjustment clauses, that were triggered as a consequence of the deviation of actual inflation in 2000 from the official forecast, is estimated to be 0.6 percentage points, which will increase the wages actually received in 2001.

From the viewpoint of price formation in the market economy, the slight acceleration in ULCs in 2001 Q1 would have been accompanied by continuation of the upward path of the unit surplus, giving rise to a 3.9 % increase in the GVA deflator, 0.1 percentage points up on

its average growth in 2000 (see Chart 20). These data reflect the domestic inflationary pressures to which the economy has been subject in the first half of the year. On QNA estimates, the behaviour of prices and margins across branches of activity has been uneven. In industry, the value added deflator displayed a positive annual rate of increase in Q1 (1.8 %), after the sharp falls in 2000, while unit labour costs accelerated forcefully, owing to the increase in compensation per employee and, especially, to the estimated losses in apparent productivity. In consequence, margins in industry continued to narrow, albeit at a slower rate than in previous quarters. The rate of growth of the market-services deflator edged down on the preceding quarter, while unit labour costs decelerated substantially, as a result of the improvement in productivity. Against this background, unit margins tended to pick up following the deterioration seen in 2000. Finally, in construction, the notable growth of compensation per employee gave rise to an acceleration in unit labour costs, while the deflator continued to record high rates of growth. Margins thus continued to widen in this sector, albeit at a lower rate.

The deflator for the GDP of the whole economy, following the path of the GVA deflator, increased by 3.9 % in 2001 Q1, 0.2 percentage points up on the increase in the previous quarter. However, this performance of the domestic component of prices was accompanied by a notable slowdown in the deflator of imports of goods and services, which rose by 5.8 %, so that the annual rate of increase of the final demand deflator fell to 4.3 %, 0.6 percentage points less than in the preceding period. The path of the unit value index of goods imports during the first five months of the year, when it rose by 2.1 %, would point to a continuation of the slowdown in Q2. However, the depreciation of the euro may curb this trend.

The CPI, the main indicator of final prices in the economy, had a profile in 2001 Q1 concordant with the final demand deflator, its annual rate of increase falling in that period. However, the Q2 data have shown an acceleration in this indicator, to a year-on-year rate of 4.2 % in June (see Chart 21). Also, underlying inflation as measured by the IPSEBENE (index of non-energy processed goods and service prices) was on an upward path, increasing in June at

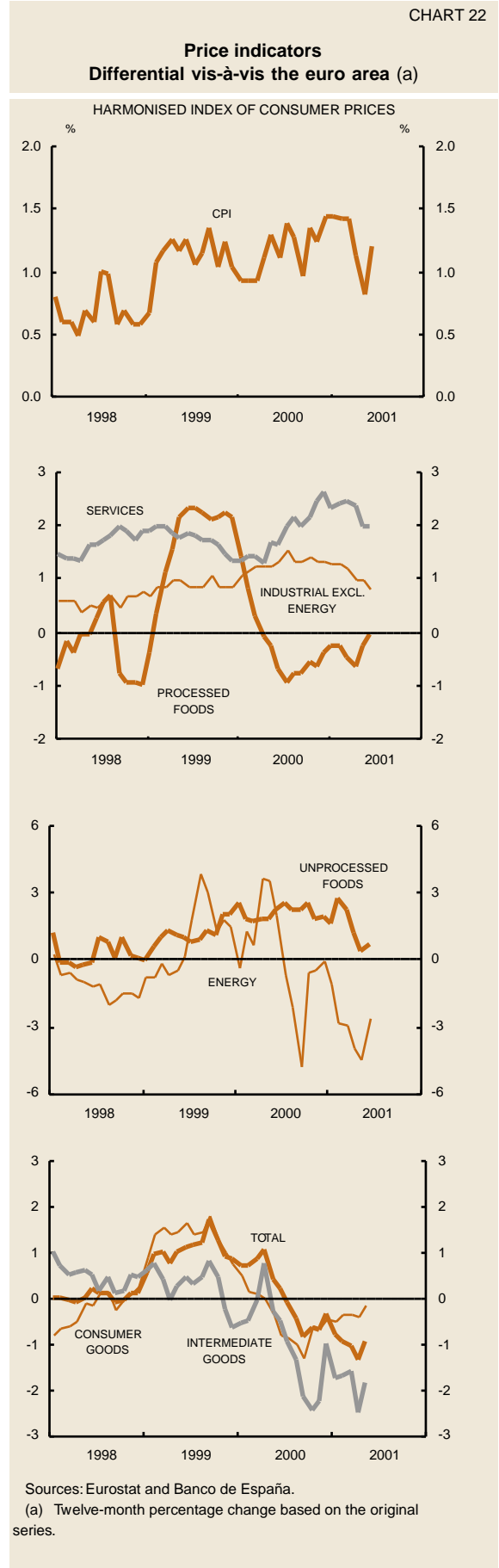


TABLE 3

State Budget outturn

ESP bn and %

	Outturn	Percentage	Budget	Percentage	Outturn	Outturn		
	2000	change	2001	change	JAN-MAR	2000	2001	Percentage
	1	2000/1999	3	2001/2000	Percentage	JAN-JUN	JAN-JUN	change
				4=3/1	change	6	7	8=7/6
					2001/2000			
1. Revenue	19,749	7.5	20,421	3.4	6.0	9,561	9,531	-0.3
Direct taxes	8,557	9.5	9,013	5.3	8.9	3,984	3,967	-0.4
<i>Personal income tax</i>	5,350	4.9	5,675	6.1	11.2	3,172	3,154	-0.6
<i>Corporate income tax</i>	2,863	17.5	3,022	5.6	104.8	606	636	4.8
<i>Other (a)</i>	345	21.8	316	-8.4	-64.5	205	177	-13.8
Indirect taxes	8,532	7.3	9,117	6.9	5.7	4,480	4,546	1.5
<i>VAT</i>	5,557	8.7	6,022	8.4	8.5	3,026	3,063	1.2
<i>Excise duties</i>	2,672	4.1	2,778	4.0	-1.7	1,306	1,330	1.8
<i>Other (b)</i>	304	12.4	317	4.4	4.6	148	154	4.0
Other net revenue	2,659	2.4	2,291	-13.8	-0.8	1,097	1,017	-7.2
2. Expenditure (c)	20,153	3.8	20,662	2.5	3.8	10,550	10,865	3.0
Wages and salaries	2,706	-9.2	2,770	2.4	2.6	1,369	1,405	2.6
Goods and services	395	-9.5	351	-11.1	-12.8	202	205	1.7
Interest payments	2,948	-7.3	2,836	-3.8	-4.4	2,035	1,953	-4.0
Current transfers	12,117	12.1	12,533	3.4	7.5	5,962	6,258	5.0
Investment	1,004	4.9	1,097	9.3	3.5	531	536	0.9
Capital transfers	985	-7.4	1,075	9.2	23.6	450	506	12.6
3. Cash-basis balance (3=1-2)	-404	-61.7	-241	-40.5	-7.3	-989	-1,334	34.9
MEMORANDUM ITEM: NATIONAL ACCOUNTS:								
Revenue	19,835	7.6	—	—	6.5	9,646	9,674	0.3
Expenditure	20,461	4.7	—	—	3.2	9,837	10,316	4.9
Net borrowing (-)								
or net lending (+) (d)	-626	-43	-320	-48.9	—	-191	-642	236.3

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.

an annual rate of 3.6 %. Energy prices contributed to the acceleration of the CPI in the quarter as a whole, owing to the rise in the price of calor gas in April and, especially, to the rise in the prices of vehicle and heating fuels, boosted by the upward path of crude-oil prices on international markets, in April and May, and by the level of the euro. However, in June and especially in July substantial reductions were recorded in the price of petrol, foreshadowing a

change to the upward trend in energy prices. Notable developments in the other components of the CPI in the latest period included: the strong and growing increases in both processed and particularly unprocessed food prices; the stability in the annual rate of increase in the prices of non-energy industrial goods, at around 2.7 %; and, finally, the high rates of increase recorded by the services component (4.5 % in June).

Social security budget outturn

The Social Security System ran a surplus of ESP 1,032 billion to April 2001, ESP 215 billion (26.3 %) higher than in the same period of 2000 (see table below). This outturn was the result of growth in revenue of 9.1 %, above the 7.9 % rate projected in the budget, which exceeded the increase in expenditure (6 %).

Receipts from social security contributions rose by 10.6 % to April, well above the rate of 8.7 % projected in the budget. The growth of these receipts continued to be driven by the buoyancy of the total number of persons registered which grew by 4.4 % to June (5 % during 2000). The other major source of revenue, current transfers from the State, increased by 6.8 %, in line with the budget.

As for expenditure, that on contributory pensions increased by 3.7 % to April, a rate that may be distorted by the different criteria used to record extraordinary payments to compensate for the deviation in the inflation rate, since that made in February 2000, for the deviation in 1999, was recorded at the date of payment, which does not seem to have been the case with that paid in January 2001, for the deviation in 2000. If the amount of such payment is deducted from spending on pensions to April 2000, the growth in this expenditure in the first four months of 2001 would rise to 6.6 %, somewhat higher than budgeted. The number of contributory pensions rose by 1.2 % in 2001 Q1, in line with projections and with the growth recorded in 2000.

As regards INEM (National Employment Office) expenditure, spending on unemployment benefits increased by 9.9 % to June 2001, as against a rise of 3.1 % in 2000. This outcome was the result of the behaviour of the number of beneficiaries, which rose by 4.5 % to April, as against an average reduction of 2.7 % in 2000. The increase in the number of beneficiaries and the decline in the number of registered unemployed (1.3 % to June, as against 4.5 % in 2000) gave rise to a further increase in the eligibility ratio, which stood at 68 % to April (64.7 % in 2000).

Meanwhile, contributions received by INEM rose by 9.5 % to February, as against the 6.2 % rate projected in the budget, while concessions to promote employment fell by 10 % to March, in contrast to the 3 % increase projected in the budget.

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

ESP bn and %

	Budgeted			Outturn JAN-APR		
	2000 (c) 1	2001 2	% change 3=2/1	2000 4	2001 5	% change 6=5/4
1. Revenue	14,583	15,736	7.9	5,309	5,794	9.1
Social security contributions (d)	9,589	10,419	8.7	3,277	3,624	10.6
Current transfers	4,825	5,124	6.2	1,966	2,100	6.8
Other (e)	169	193	14.3	66	70	6.5
2. Expenditure	14,432	15,352	6.4	4,492	4,762	6.0
Wages and salaries	2,247	2,388	6.3	801	855	6.8
Goods and services	1,388	1,492	7.5	462	506	9.4
Current transfers	10,579	11,233	6.2	3,184	3,350	5.2
Benefits	10,509	11,158	6.2	3,172	3,319	4.6
Contributory pensions	8,342	8,826	5.8	2,412	2,502	3.7
Sickness	525	592	12.6	162	192	18.8
Other	1,641	1,740	6.1	598	625	4.5
Other current transfers	71	75	6.4	12	31	149.7
Other (f)	217	238	9.6	46	52	13.8
3. Balance	151	384	154.5	817	1,032	26.3

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

(a) Only data relating to the System, not to the entire social security funds sector, are given. This is because the figures for other social security funds for the year 2001 are not available.

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

(c) The budgetary reference takes the Budget for the year 2000 as its basis for comparison, since the full outturn for this year is not yet available.

(d) Including surcharges and fines.

(e) Excluding surcharges and fines.

(f) Reduced by the disposal of investments.

TABLE 4

Balance of payments: summary table (a)

EUR m

	JAN-APR	
	2000	2001
	Receipts	Receipts
Current account	64,824	76,983
Goods	38,641	44,561
Services	15,643	18,014
<i>Tourism</i>	8,444	9,698
<i>Other services</i>	7,199	8,315
Income	4,832	7,724
Current transfers	5,707	6,685
Capital account	2,603	3,154
	Payments	Payments
Current account	69,748	80,663
Goods	48,829	54,181
Services	10,175	11,497
<i>Tourism</i>	1,587	1,943
<i>Other services</i>	8,588	9,554
Income	7,041	10,936
Current transfers	3,703	4,049
Capital account	347	284
	Balance	Balance
Current account	-4,924	-3,679
Goods	-10,188	-9,620
Services	5,468	6,517
<i>Tourism</i>	6,857	7,755
<i>Other services</i>	-1,388	-1,238
Income	-2,209	-3,212
Current transfers	2,005	2,636
Capital account	2,257	2,870

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

The acceleration of consumer prices in Spain (as measured by the HICP) in Q2 was less than in the euro area as a whole, so that the inflation differential with the area edged down to one percentage point in Q2 (from 1.2 percentage points in June). This reduction was common to the prices of goods and services. However, the latter component continues to have the widest differential, which was still close to two percentage points in June (see Chart 22).

In contrast to the CPI, and more in line with import prices, the producer price index displayed a downward trend in the first five months of 2001, with its year-on-year growth rate standing at 2.7 % in May (see Chart 21). The moderation in the prices of intermediate goods over the period as a whole was notable.

4.4. The State budget

On National Accounts methodology the State deficit in the first half of 2001 was ESP 642 billion (0.6 % of GDP), as against a deficit of ESP 191 billion in the first half of 2000 (see Table 3). In relation to Q1 2001, revenue decelerated significantly, while the growth rate of expenditure rose. This deterioration in the State budget outturn, largely determined by the rise in tax rebates, appears to be compatible with the target of achieving balanced public-sector finances this year, taking into account the favourable Social Security developments.

Total State revenue increased by 0.3 % to June, as against 6.5 % in Q1, basically due to the sharp slowdown in tax resources. Income and wealth taxes fell by 0.1 % in the first half owing to earlier payment of income tax rebates this year, while VAT revenue, affected by an increase in repayments, grew by only 0.7 % to June, as against 9 % in Q1. On the other hand, the growth rate of other taxes on products picked up somewhat (to 2.7 %). Other current revenue remained highly buoyant (with a rise of 31.9 %), reflecting the significant growth in revenue from ordinary profits of the Banco de España recorded in February.

Turning to expenditure, its growth rate rose to 4.9 % in Q1, which was higher than the rate of 3.2 % to March and the 4.7 % rate recorded in 2000 as a whole. Both current and capital expenditure accelerated. Final consumption expenditure rose by 1.3 %, compared with a fall of 6.3 % to March, owing to the fact that compensation of employees grew by 0.3 %, after having fallen by 2.3 % in Q1, and that other final consumption expenditure increased by 7.5 %, in contrast to the sharp reduction to March. Transfers to the rest of general government grew by 5.3 %, as against 15 % in 2000. However, both these transfers and final consumption expenditure are affected by the ongoing transfer of responsibilities to the regional (autonomous) governments. Finally, the growth rate of capital expenditure cannot be considered significant, given the low level of this spending in the first half.

In cash terms, the State recorded a deficit of ESP 1,334 billion in the first half of 2001, up 34.9 % on that recorded in the same period a year earlier. The increase in the cash-basis

deficit in the first half was due to the decline of 0.3 % in revenue, compared with the growth projected in the budget, and to the 3 % increase in expenditure.

According to cash-basis information, during the period January-June, both direct and indirect taxes grew at lower rates than during 2000 as a whole and than projected in the budget. Notable, in particular, was the decline in receipts from personal income tax, as a consequence, as already mentioned above, of the earlier payment of rebates in 2001 in respect of tax paid in 2000. This temporary phenomenon affecting personal income tax, together with the moderate increase in receipts from corporate income tax and the sharp fall in receipts from the tax on the income of non-residents, meant that revenue from direct taxes grew in the first half of the year at well below the rate forecast for the year as a whole.

As for indirect taxes, on cash-basis data, their growth rate to June is also well below the budget projection. Most notable was the low rate of growth of VAT (1.2 %), in contrast to the 8.4 % rate projected in the budget and to the 8.5 % rate recorded in Q1. As for the other indirect taxes, receipts from excise duties accelerated in Q2, although the growth rate to June (1.8 %) is still below that forecast for the year as a whole (4 %).

Non-tax revenue recorded on a cash basis fell in the first half, owing to smaller transfers of capital, which mostly arise from transactions with the European Union. However, as a consequence of the increase in profits received from the Banco de España, the fall in total non-tax resources in the first half was less than projected in the budget.

As for expenditure, its growth in Q2 slowed in relation to Q1, although the rate for the first half continued to exceed the budget projection. This was a consequence of current expenditure, since all its components, other than interest payments, displayed higher-than-budgeted growth rates, with goods and services being especially notable in this respect. By contrast, the growth rate of capital expenditure was below budget, due to the growth of investment, since capital transfers were higher than projected.

4.5. The Spanish balance of payments and capital account

In the period January to April 2001 the current and capital accounts of the balance of payments ran an overall deficit of EUR 809 million, EUR 1,859 million less than in the same period a year earlier. This improvement is explained by the favourable trend in the current account deficit, which in the first four months was reduced by EUR 1,245 relative to the same period a year earlier, and by the good performance on the capital account, where the surplus rose by EUR 613 million on the same period a year earlier (see Table 4).

Between January and April, the trade deficit improved by EUR 569 million in comparison with the same period of 2000. In terms of year-on-year rates, the deficit fell by 5.6 %, in contrast to the average increase of 30.3 % last year. The behaviour of nominal flows of exports and imports of merchandise, which grew by 15.3 % and 11 %, respectively, was mainly determined by the improvement in the terms of trade from the beginning of the year, stemming from a moderation in the rate of increase of both energy and non-energy import prices. Moreover, as already mentioned in section 4.1, goods exports were also more buoyant than imports in real terms.

The surplus recorded on the services account to April was EUR 6,517 million, as against EUR 5,468 million in the first four months of 2000. This growth is explained by the 13.1 % rise in the surplus on tourism and travel and by the 10.8 % reduction in the deficit on other services. Both receipts (14.9 %) and, especially, payments (22.4 %) relating to tourism and travel were expansionary. However, tourism receipts, which had been more dynamic in 2001 Q1, began to slow in April in line with the moderation in the tourist arrivals indicator. This moderation continued in May.

During the period January-April, the income deficit rose by EUR 1,003 million from the same period a year earlier. Receipts continued to rise at a significant rate (59.8 %), reflecting the strong investment abroad in recent years. Payments also grew by 55.3 %, with notably high growth in the income paid by the private sector, in step with the recent buoyancy of foreign port-

folio investment, in the form of mutual funds and bonds.

In the first four months of 2001, the transfers surplus amounted to EUR 2,636, a rise of EUR 631 million on the same period of 2000. This increase was attributable both to flows from the EU to the private sector, under the EAGGF-Guarantee, and to flows to the public sector, under the European Social Fund. Finally, the capital account surplus rose by EUR 613 million relative to the first four months of 2000. This growth, which in terms of year-on-year rates was 27.2 %, is explained by the pick-up in structural funds from the EU, especially those relating to the ERDF, although transfers received from the EAGGF-Guidance also increased. Presumably the increase in current

and capital transfers is incorporating lags arising in the previous year.

The nation's lower net borrowing, reflected by these data, is consistent with the progress made in correcting the budget deficit and with the slowdown in economic activity in recent quarters. This would explain the improvement in the balance of the corporate sector, stemming from the deceleration in private productive investment. Also, the decline in household net lending is estimated to have been checked as a consequence, on one hand, of the moderation in private consumption, which has enabled the downward trend in the saving ratio to be turned around and, on the other, of the slowdown in residential investment.

5. Financial flows in the Spanish economy

5.1. Financial flows in the economy as a whole

National Accounts and financial accounts data for 2001 Q1 show a mild pick-up in the net financial saving of the nation, for the first time in three years. The net balance of financial transactions of the Spanish economy with the rest of the world stood at -2% of GDP at the end of 2001 Q1 (in cumulative four-quarter terms), having reached -2.2% of GDP at end-2000 (see Table 5). This decline in the nation's financial requirements was attributable to the recovery in household financial saving and to the ongoing decline in general-government net borrowing. By contrast, non-financial corporations recorded a further fall in their net financial transactions with other sectors and there was a slight decline in the credit balance on the financial transactions of the sector of financial institutions. In any event, the rate of growth of credit obtained by households and non-financial corporations remained high, particularly credit for house purchases and to finance property activities. According to the provisional information available, in June 2001 the annual growth of credit from domestic institutions to the non-financial private sector was 14.5% .

5.2. Financial flows of households and NPIs

The net financial saving of households showed signs of recovery in 2001 Q1, standing at 1% of GDP, in cumulative four quarter terms (see Table 5). This recovery is explained by the notable decline in flows of financing during the first few months of the year and the more moderate reduction in the acquisition of financial assets. There are a number of circumstances to suggest that this development involves a change in the trend of saving, which has been falling continuously since the mid-1990s. First, the slowdown in activity in recent quarters may have led to a downward revision in expectations of future household income, thereby boosting saving as a means of guaranteeing a specific level of future spending. Second, the loss in value of financial wealth that took place in 2000 must have helped to worsen such expectations, while requiring an increase in saving to offset the reduction in household net wealth.

In 2001 Q1, the acquisition of financial assets rose relative to the previous quarter, basically owing to the growth of cash and cash equivalents (see Chart 23 and Table 6). Time deposits and fixed-income securities also contributed to this acceleration. By contrast, the sharper fall in the portfolio of shares and other equity (owing to disinvestment in equity and international mutual

TABLE 5

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

% of GDP

	NET FINANCIAL TRANSACTIONS								
	1996	1997	1998	1999	2000				2001
					Q1	Q2	Q3	Q4	Q1
Total economy	1.2	1.6	0.5	-1.1	-1.6	-1.9	-2.1	-2.2	-2.0
Non-financial corporations and households and NPIs	5.1	4.0	2.0	-0.5	-0.9	-2.1	-2.4	-2.5	-2.6
Non-financial corporations	-0.1	-0.5	-1.3	-2.3	-2.4	-2.6	-3.2	-3.2	-3.6
Households and NPIs	5.3	4.6	3.3	1.8	1.4	0.4	0.8	0.6	1.0
Financial institutions	1.0	0.7	1.1	0.5	0.7	0.7	0.8	0.7	0.6
General government	-4.9	-3.2	-2.6	-1.2	-1.5	-0.4	-0.5	-0.3	0.0
	INTER-SECTORAL FLOWS (a)								
	1996	1997	1998	1999	2000				2001
					Q1	Q2	Q3	Q4	Q1
Households and NPIs	5.3	4.6	3.3	1.8	1.4	0.4	0.8	0.6	1.0
Vis-à-vis:									
Credit institutions (b)	-2.7	-6.7	-4.5	0.3	2.1	1.4	1.4	-0.6	-0.4
Institutional investors (c)	8.8	10.9	7.7	1.1	-0.8	-1.4	-1.0	0.3	0.6
Non-financial corporations	-0.1	-0.5	-1.3	-2.3	-2.4	-2.6	-3.2	-3.2	-3.6
Vis-à-vis:									
Credit institutions (b)	-0.3	-3.2	-4.3	-3.8	-5.1	-4.4	-5.3	-6.2	-5.7
Rest of the world	0.4	1.7	0.5	-0.5	0.5	-0.5	-1.1	0.7	0.2
General government	-4.9	-3.2	-2.6	-1.2	-1.5	-0.4	-0.5	-0.3	0.0
Vis-à-vis:									
Credit institutions (b)	-0.4	1.4	1.4	1.4	1.3	1.3	1.3	2.2	0.3
Institutional investors (c)	-5.9	-3.9	-2.6	1.7	1.7	3.3	3.5	3.5	3.5
Rest of the world	-0.2	-2.0	-1.1	-4.3	-3.9	-3.9	-4.6	-6.0	-4.9
Rest of the world	-1.2	-1.6	-0.5	1.1	1.6	1.9	2.1	2.2	2.0
Vis-à-vis:									
Credit institutions (b)	0.9	2.8	7.2	2.3	3.9	3.9	3.4	5.1	5.4
Institutional investors (c)	-0.9	-2.6	-6.3	-3.5	-3.7	-4.1	-4.4	-5.6	-5.5
Non-financial corporations	-0.4	-1.7	-0.5	0.5	-0.5	0.5	1.1	-0.7	-0.2
General government	0.2	2.0	1.1	4.3	3.9	3.9	4.6	6.0	4.9

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.

funds) had an opposite effect. However, the behaviour of net purchases of shares in mutual funds was hardly uniform during this quarter, since although shareholders in equity and international funds continued to redeem their shares at a high rate, for the first time in the last two years there was a positive net inflow into money-market funds (FIAMM). This recovery of FIAMM is partly attributable to the recovery in their returns, which stood at similar levels to those on time deposits, and also, to a certain extent, to a preference on the part of investors for safer assets, in view of the fall in value of funds oriented

towards higher-risk assets. Finally, purchases of pension schemes and insurance (included in the item "Other" in the above-mentioned chart and table) stood below the average level in 2000, a period in which there were significant flows of savings towards the type of life assurance known as "unit linked".

The information from monthly indicators available for 2001 Q2 suggests that the acquisition of financial assets has continued to increase. The uncertainty hanging over the prospects for the US and European economies

has introduced doubt over the future path of interest rates in the euro area, boosting the growth of cash and cash equivalents (Chart 24) and of lower risk assets. Thus, time deposits have continued to grow at a high rate, while purchases of shares in money-market funds continued to rise and net purchases of shares in fixed-income funds turned positive. The net asset value of these funds also began to increase, following a period of somewhat more than one year of continuous decline.

Turning to their financing, households in 2001 Q1 obtained a volume of funds which, in seasonally adjusted terms, is below the level of recent years (see lower panel of Chart 23). The growth of loans granted by resident credit institutions, the principal source of financing for this sector, explains this reduction in the acquisition of liabilities. In terms of the annual rate, financing to households and NPIs grew by 15.3 % in Q1, 2 percentage points down on the end-2000 rate. (see Table 6). The slowdown in consumption spending and the reduced confidence in the ability of households to make future payments are two factors that must have affected the demand for financing by this sector. This seems to be corroborated by the information relating to the distribution of credit by use, which shows that financing to individuals for use other than to purchase housing continued to slow in 2001 Q1. The basic use of financing extended to households continues to be to acquire housing, which recorded a very high rate of growth (23 % year-on-year).

The available data on the financing of households in 2001 Q2 indicates that it continued to slow, year-on-year, although at a slower rate than in Q1.

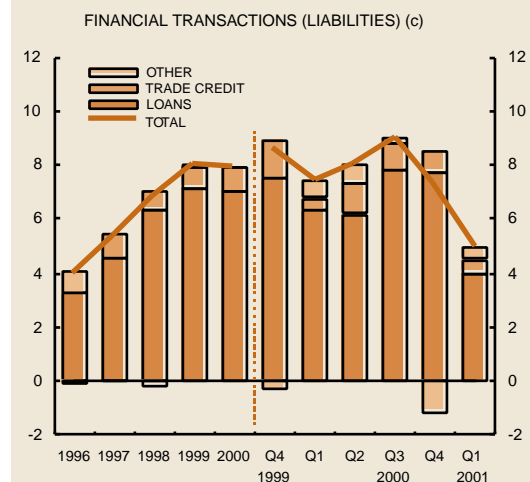
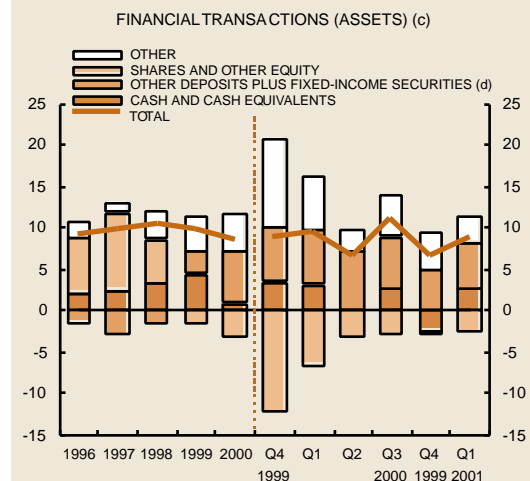
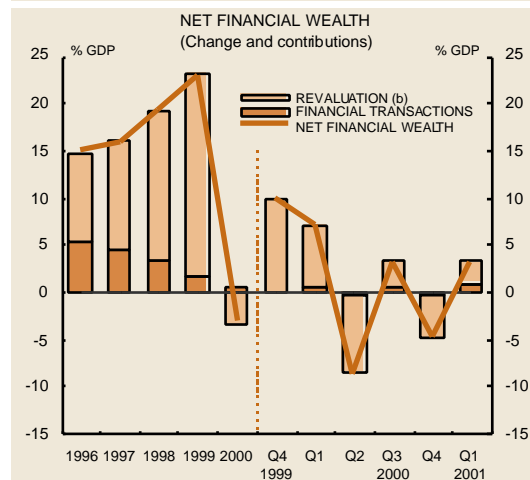
The growth of financial assets and liabilities forecast for 2001 Q2, on the basis of the partial information available (5) seems to confirm a further increase in the net financial saving of households, in cumulative four quarter terms. This growth of net financial transactions may however prove insufficient to offset the decline in the prices of financial assets that occurred in Q2. As a result, the value of financial wealth might have edged down somewhat, following the small increase in Q1 (see the upper panel of Chart 23).

Another important aspect of the financial situation of households is their level of indebtedness. This rose moderately during the first three

(5) It should be noted that the monthly indicators relate to aggregate information, so that the components corresponding to households and non-financial corporations cannot be precisely identified. The conclusions on the growth of the financial transactions of each of these sectors must therefore be interpreted with due caution.

CHART 23

Households and NPIs (a)



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

TABLE 6

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

% of GDP

	1998	1999	2000	2000		2001
				Q3	Q4	Q1
HOUSEHOLDS AND NPIs:						
Financial transactions (assets)	10.3	9.7	8.4	2.7	1.6	2.2
Cash and cash equivalents	3.3	4.4	0.8	0.6	-0.6	0.7
Other deposits and fixed-income securities (b)	-1.8	2.6	6.3	1.6	1.2	1.4
Shares and other equity	5.3	-1.8	-3.3	-0.7	-0.1	-0.7
Other	3.4	4.5	4.7	1.2	1.1	0.8
Financial transactions (liabilities)	6.9	8.0	8.0	2.3	1.8	1.2
Credit from resident credit institutions	5.9	6.4	6.9	1.9	2.0	0.9
Other	1.0	1.6	1.1	0.3	-0.1	0.4
NON-FINANCIAL CORPORATIONS:						
Financial transactions (assets)	14.2	18.5	27.8	10.1	6.8	3.4
Cash and cash equivalents	1.5	0.7	0.8	0.3	-0.2	-0.1
Other deposits and fixed-income securities (b)	0.3	-0.1	0.8	0.7	-0.8	0.7
Shares and other equity	3.0	8.6	14.2	4.9	5.0	0.6
Other	9.5	9.3	12.0	4.2	2.7	2.1
Financial transactions (liabilities)	15.5	20.8	31.1	11.6	6.8	4.4
Credit from resident credit institutions	4.6	4.8	6.7	1.9	1.1	0.7
Foreign loans, fixed-income securities and securitisation funds (b)	1.8	4.0	3.9	2.0	0.4	1.4
Other	9.1	11.9	20.5	7.8	5.4	2.2
MEMORANDUM ITEM: YEAR-ON-YEAR GROWTH RATES (%):						
Liquid financial assets	3.7	1.4		2.6	2.6	4.6
Households and NPIs	4.0	0.7		0.8	1.1	4.2
Non-financial corporations	2.5	5.8		12.6	10.6	6.4
Financing (c)	16.7	19.4		19.9	18.8	17.2
Households and NPIs	19.3	19.6		17.5	17.3	15.3
Non-financial corporations	14.7	19.3		21.7	20.0	18.6

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.

months of 2001, the ratio of debt to GDP standing close to 48 % (see Chart 25), although in terms of financial wealth the level of household indebtedness held steady.

5.3. Financial flows of non-financial corporations

The net financial saving of non-financial corporations continued to decline in 2001 Q1, to

stand at -3.6 % of GDP in cumulative four quarter terms (see Table 5). This behaviour, which contrasts with that described for the households and NPIs sector, is explained by reductions in the acquisition of both financial assets and liabilities, with the former being more intense. The Q1 data show a moderation in the acquisition of financial assets and liabilities, following the extraordinary levels reached in 2000 and part of 1999, which were affected by the accumulation of specific transactions involving major Spanish

firms (see Chart 26). However, this return to normality continues to be characterised by a high rate of accumulation of liabilities by non-financial corporations, which stands above the level in 1998, a period hardly affected by the transactions of major corporations.

In 2001 Q1, the acquisition of financial assets by non-financial corporations fell notably, to below the average 1998 level (see Table 6 and Chart 26). This reduction was virtually across the board, with the exceptions of deposits with the rest of the world and financing to foreign subsidiaries.

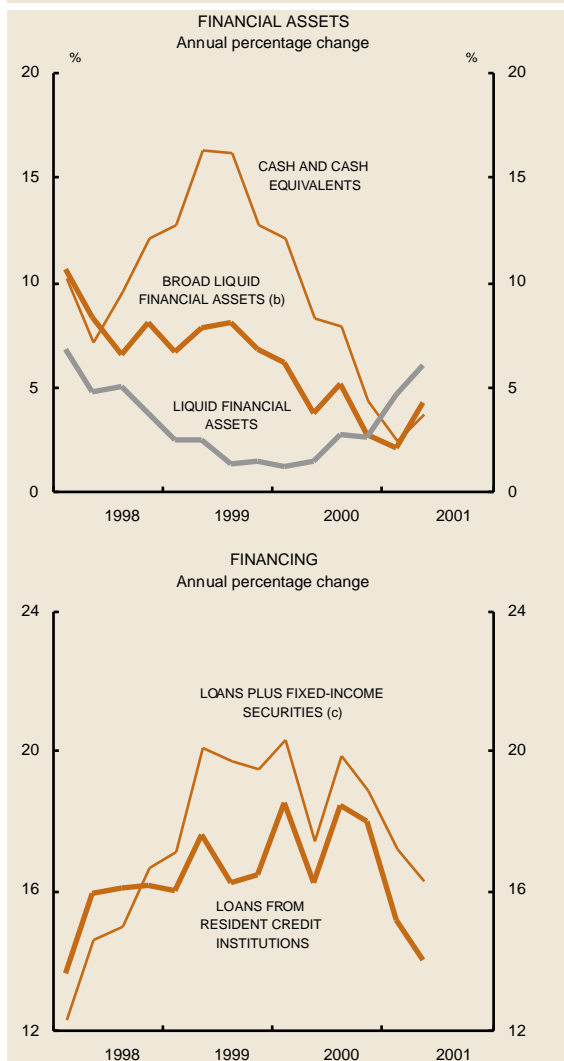
The financing obtained by non-financial corporations fell significantly in 2001 Q1, to stand well below the average level of the last two years (see Chart 26). This reduction is basically explained by the lower amount of increases in capital and funds involved in the reorganisations of corporate groups and by the smaller volume of funds obtained from resident credit institutions (see Table 6), since the flow of financing intermediated by securitisation funds and that originating from the rest of the world entailed an increase in the contribution of these sources to the coverage of the financial requirements of the sector. As a result, the funds raised by firms, excluding the issuance of shares and other equity, fell less steeply than those obtained through bank credit. Accordingly, the annual growth of the financing obtained through bank loans, the issuance of fixed-income securities, securitisation funds and foreign loans stood at 18.6 % at the end of Q1, 1.5 percentage points below the end-2000 level (Table 6), while during the same period, bank credit to firms slowed by 3.5 percentage points to stand at 14.8 % in March 2001.

As regards the use of financing by productive sectors, the information on 2001 Q1 indicates that credit extended by commercial banks and savings banks to the services sector continued to grow at a high rate (17 % year-on-year), albeit below the end-2000 rate, while that to construction clearly slowed. However, both sectors continued to be the main beneficiaries of bank financing to productive activities. Loans to industry (excluding construction) slowed more sharply, so that their contribution to the growth of bank credit was small.

The information available from monthly indicators shows that the financing obtained from resident credit institutions continued to moderate during 2001 Q2, although that obtained from securitisation funds has increased and the flow of funds from the rest of the world has tended to hold at high levels.

CHART 24

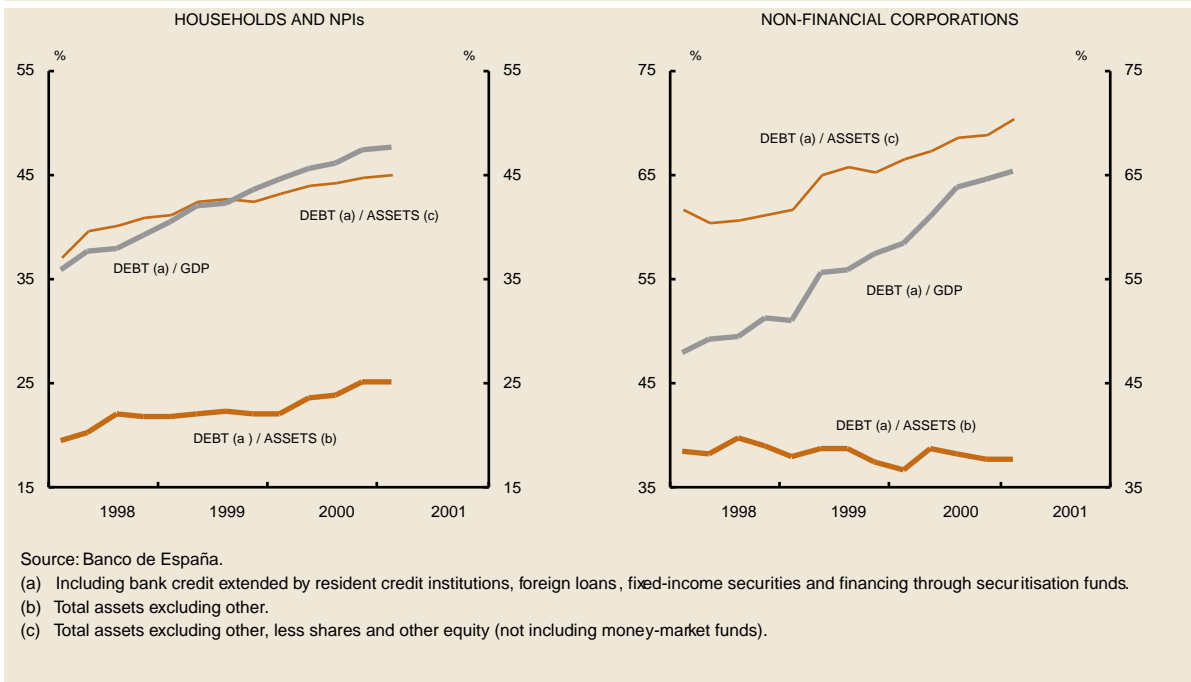
**Non-financial corporations.
Households and NPIs (a)**



Source: Banco de España.
 (a) The data for 2001 Q2 are those for May.
 (b) Defined as liquid financial assets plus mutual funds other than money-market and fixed-income securities funds.
 (c) Including loans from resident and non-resident credit institutions, securities issuance and financing through securitisation funds.

One of the most important aspects of the balance sheet of non-financial corporations has been the rapid growth in their indebtedness over the last three years; as a proportion of GDP debt stood close to 65 % at the end of 2001 Q1 (see Chart 25). Moreover, bank credit from resident institutions represented 43 % of GDP at end-2000, above the euro-area average. The financial requirements of some major Spanish firms, which have increased their indebtedness as a way of financing their international expansion strategies, have contributed significantly to this growth.

Debt ratios



5.4. General government financial flows

In 2001 Q1, general government net financial saving turned positive (see chart 27), making the cumulative amount over the last four quarters that corresponding to budget balance (0.0 % of GDP). The information from the financial requirements indicator, which reflects the recourse by general government to the financial markets and is an approximation to the financial saving of the sector, suggests that this recourse was negative in 2001 Q2, so that the financial saving of the sector can be expected to be positive again (6).

In 2001 Q1, the net issuance of marketable securities was negative owing to the high volume of bond redemptions (EUR 14 billion), which exceeded the amount of the gross issuance of such securities (EUR 11.9 billion). The net issuance of short-term securities, meanwhile, was almost nil. Against this background, the funds needed to cover general government financial requirements came from a significant reduction in deposits with credit institutions, which fell by EUR 18.3 billion. During this quarter, the State began to carry out a new kind of transaction in order to optimise its cash

(6) The discrepancy between the net financial saving and financial requirements of general government in 2000 Q4 and 2001 Q1 is due to the difference in the timing of the recording of interest in these two variables.

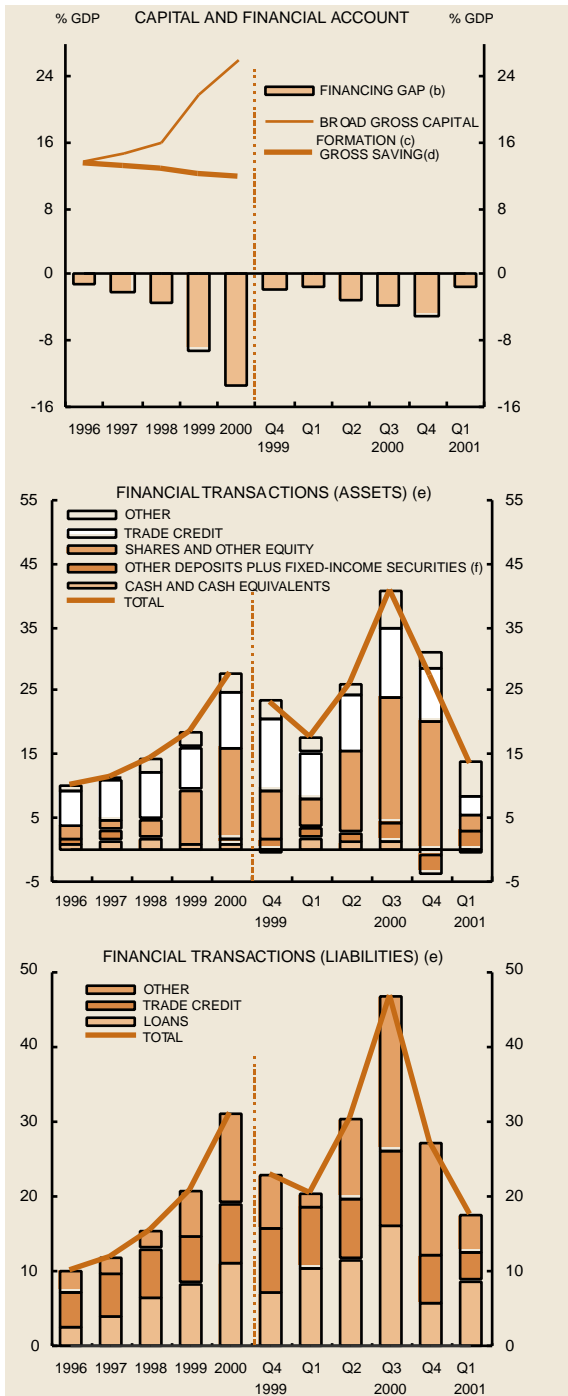
management. Since February, the State has transferred to credit institutions, at the end of each day, part of the balance that it holds at the Banco de España, thereby obtaining remuneration. The following morning the credit institutions return these funds, so that the State can make its current payments (see Box 4).

As a consequence of the significant volume of government bond redemptions, the holdings of these securities declined in all sectors, except among foreign investors, whose holdings recorded a positive net change. Meanwhile, the sector to record the largest reductions in its holdings of government securities was resident financial institutions (credit institutions and institutional investors).

The partial information available on the volume of funds raised by general government on the markets during 2001 Q2 indicates a recovery in the net issuance of long-term securities by the State, which turned positive again (EUR 8.3 billion), while the outstanding stock of Treasury bills was reduced again as a consequence of negative net issuance. Finally, deposits with the credit system increased during this quarter by EUR 6.4 billion, in contrast to their behaviour in the previous quarter. Accordingly, the financial requirements of general government, which indicator includes securities issuance, bank credit and the use of deposits, fell in 2001 Q2 to become negative again (see Chart 27).

CHART 26

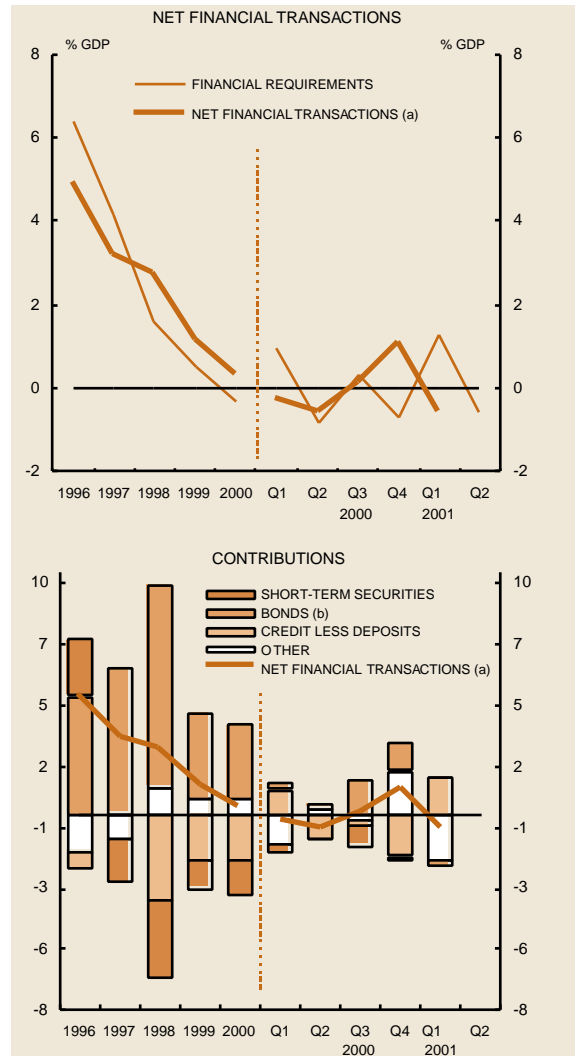
Non-financial corporations (a)



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

CHART 27

General government



Source: Banco de España.
 (a) Sign changed.
 (b) Not including unpaid accrued interest, which is included under other.

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

The negative net balance of the financial transactions between the Spanish economy and the rest of the world was reduced in 2001 Q1, to -2 % of GDP, in cumulative four quarter terms. The net balance corresponding to Q1 was -0.5 % of GDP, as a result of a significant decline in the acquisition of financial assets from abroad and the accumulation of liabilities (see Table 7). Following sustained growth, over the last three years, of the volume of external assets and liabilities, stemming from the internationalisation of major Spanish firms and the

TABLE 7

Financial transactions of the nation (a)

% of GDP

	1998	1999	2000	2000		2001
				Q3	Q4	Q1
Net financial transactions	0.5	-1.1	-2.2	-0.6	-0.4	-0.5
Financial transactions (assets)	12.8	15.1	24.9	8.8	8.1	4.7
Gold and SDRs	0.0	-0.2	0.0	0.0	0.0	0.0
Cash and deposits	3.2	1.8	2.7	2.7	0.1	1.7
Credit system	0.0	3.7	2.6	2.6	0.9	0.5
Other resident sectors	3.2	-1.9	0.1	0.1	-0.8	1.2
Securities other than shares	3.4	2.8	3.8	1.3	1.5	1.2
Credit system	-1.4	-0.9	-0.3	0.4	-0.1	0.3
Other resident sectors	4.8	3.7	4.1	0.9	1.5	0.9
Shares and other equity	4.4	9.8	15.1	3.4	5.7	0.9
Credit system	0.4	0.5	2.0	0.6	0.4	0.2
Other resident sectors	4.0	9.4	13.1	2.8	5.3	0.7
Of which:						
Non-financial corporations	2.2	6.9	10.2	2.4	4.9	0.5
Loans	1.9	0.8	3.2	1.3	0.9	0.8
Credit system	0.2	-0.2	0.5	0.0	0.3	0.2
Other resident sectors	1.7	1.0	2.7	1.2	0.6	0.6
Financial transactions (liabilities)	12.3	16.2	27.1	9.3	8.5	5.2
Deposits	6.0	4.2	7.3	1.7	2.7	2.9
Of which:						
Credit system	5.9	4.1	7.3	1.7	2.7	2.9
Securities other than shares	1.0	5.5	7.0	2.4	2.1	0.6
Credit system	0.2	0.9	0.8	0.2	0.0	0.2
General government	1.0	4.3	5.7	2.0	2.1	0.2
Other resident sectors	-0.2	0.2	0.5	0.1	0.1	0.1
Shares and other equity	2.9	3.9	9.0	2.9	3.5	0.8
Credit system	0.1	0.3	1.6	0.7	0.1	0.2
Other resident sectors	2.8	3.6	7.4	2.2	3.4	0.6
Loans	3.0	4.1	4.9	2.5	0.6	1.3
General government	0.1	0.0	0.1	-0.1	0.0	0.0
Other resident sectors	2.9	4.1	4.9	2.6	0.5	1.3
Other, net (b)	-0.6	-1.4	-1.1	-0.1	-0.4	-0.3

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.

process of portfolio diversification by institutional investors, 2001 Q1 was hardly affected by transactions relating to the international expansion of Spanish firms.

As regards external financial assets, in 2001 Q1 the increase in the foreign deposits of Spanish firms was notable. Investment in fixed-income securities held at a similar level to that of previous quarters as a result of the ongoing

process of international diversification of the portfolios of resident sectors (mainly credit institutions and institutional investors). On the other hand, the acquisition of shares and other equity in foreign corporations declined significantly from the levels reached in 2000. This decline affected to a lesser extent the extension of financing to subsidiaries, which was similar in amount to the quarterly average in 2000 (see Table 7).

Treasury liquidity tenders and Spanish credit institutions' demand for liquid funds

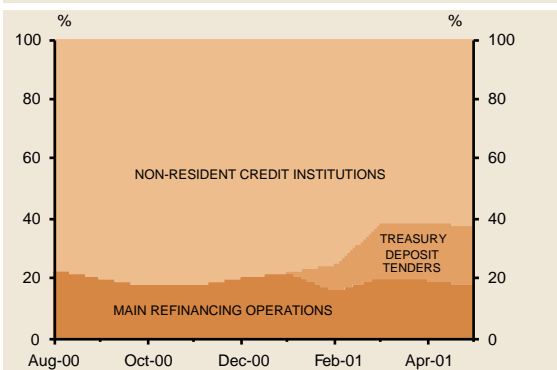
Credit institutions operating in Spain demand liquid funds to cover the requirements that arise, on one hand, from the existence of reserve requirements that must be met, and on the other, from changes in the so-called autonomous factors (items of the Banco de España (BE) balance sheet, like Treasury deposits, that are not directly under the control of the Eurosystem, but affect the liquidity available in the system). The demand can basically be satisfied in two ways: through the main refinancing operations conducted by the BE within the framework of the single monetary policy and through recourse to other credit institutions which, in the case of resident institutions as a whole, must be non-resident institutions. Sufficient underlying assets must be provided as collateral for loans obtained from the BE (not necessarily for those obtained from other credit institutions).

Against this background, mechanisms were put in place in February to enable the Treasury to transfer daily, at the close of business, most of its deposits with the BE (1) to resident credit institutions. Thus, once a month, a tender is conducted in which credit institutions bid for a percentage of the funds that, at the end of each day of the so-called tender period (approximately one month), will be transferred overnight from the Treasury's account with the BE to the successful bidders. The bid must also specify the interest rate that will be paid for these funds, expressed in terms of the spread over the EONIA interest rate in force at the time of transfer of the deposits. The transfer shall be executed in the form of a purchase of government securities under a repurchase agreement, so that, as in the case of the recourse to the BE, the institutions provide collateral for the funds they obtain from the Treasury.

The adjoining chart shows the liquid funds obtained by the institutions through the Treasury liquidity tenders (2), together with those obtained from non-resident credit institutions and from MROs. In principle, since collateral has to be provided both for loans from the BE and for the funds obtained from the Treasury, the new liquidity tenders might be expected to entail basically a smaller recourse to the central bank, without excessively affecting the interbank position. However, although it is still early for the results to be conclusive, it appears that the new funds are replacing both liquidity obtained from the BE and, especially, from non-resident institutions. The adjoining table offers a possible explanation for this behaviour.

According to the results of the liquidity tenders conducted between February and May, the replacement of interbank financing (at the EONIA interest rate) by Treasury deposits has entailed an average reduction in costs for the institutions of 13 basis points (15, if the marginal tender rates are considered), although it should not be forgotten that the new source of liquidity involves an additional cost arising from the need to provide government debt as collateral for the funds. The expected saving from replacing funds obtained through MROs is not directly observable, but may be estimated by assessing the expectations of the institutions regarding the future paths of EONIA (3) and the rate of interest on MROs. If future EONIA rates are approximated by the average value of this rate of interest on the five days prior to the deposits tender, and the expected rates on MROs by those of the latest main refinancing operation conducted, the average (expected) saving from the replacement of recourse to the BE by Treasury deposits would have been, on the days the tenders were conducted, around 8 basis points (10, if marginal rates are considered). This saving could be considered net, to the extent that both these alternative sources of liquidity require the use of underlying assets (4). However, the analysis presented, seems to imply that the margins obtained by the successful bidders in the new tenders offsets the cost of mobilising collateral not used in transactions with the Eurosystem, so that it is profitable for them to maintain the bulk of their recourse to the BE while reducing significantly their loans from abroad.

Liquidity sources: percentage breakdown



Source: Banco de España.

Relative cost of funds from Treasury liquidity tenders

Basis points

Data	Spread vis-à-vis			
	EONIA(a)		MRO (b)	
	Marginal	Average	Marginal	Average
8/02/01	-20	-16	-19	-16
5/03/01	-14	-13	-6	-6
3/04/01	-10	-8	-6	-4
4/05/01	-15	-13	-8	-7
Averages	-14.75	-12.5	-9.75	-8.25

- (a) Marginal or average spread of each tender.
- (b) Difference between the sum of the average EONIA for the five days prior to the liquidity tender and the marginal (or average) spread of that tender, on one hand, and the marginal (or average) rate of the last

(1) For further details of this new Treasury cash-management procedure, see the article "Financial regulation: 2001 Q1", in the April 2001 issue of the *Economic bulletin*.

(2) Technically the transfer of funds from the Treasury's account with the Banco de España to the institutions involves a contraction of the autonomous factors reducing the liquidity available in the system. They thus diminish the liquidity requirements of the institutions and, therefore, their recourse to the BE and/or to non-resident institutions.

(3) The sum of the average expected EONIA rate during the tender period and the spread (average or marginal) of the Treasury liquidity auction enables the expected (average or marginal) cost for the institutions of the transferred Treasury deposits to be estimated.

(4) It should however be noted that, in the case of recourse to the BE, the set of eligible underlying assets is wider.

TABLE 8

Net financial assets vis-à-vis the rest of the world (a)						
(Q4 data)						
	% of GDP					
	1996	1997	1998	1999	2000	2001 (b)
Total economy	-19.7	-20.6	-21.7	-22.7	-22.7	-23.2
Non-financial corporations and households and NPIs	-13.3	-10.8	-8.9	-9.1	-3.1	-1.9
Non-financial corporations	-18.3	-17.2	-15.2	-16.9	-11.1	-9.8
Households and NPIs	5.0	6.4	6.3	7.8	8.0	7.9
Financial institutions	8.8	7.2	5.1	7.1	5.2	3.5
Credit institutions (c)	6.7	2.4	-5.4	-7.5	-12.6	-14.5
Institutional investors (d)	2.2	4.9	10.9	15.2	18.5	18.9
Other financial institutions	-0.1	-0.1	-0.4	-0.6	-0.8	-0.9
General government	-15.3	-17.0	-18.0	-20.6	-24.8	-24.8

Source: Banco de España.
(a) Calculated as the difference between the stock of financial assets and liabilities vis-à-vis the rest of the world according to quarterly financial accounts data.
(b) Q1 data.
(c) Defined according to the First Banking Directive.
(d) Insurance corporations and collective investment undertakings.

As already mentioned, in 2001 Q1, the volume of external liabilities accumulated by the Spanish economy fell substantially. The net acquisition of securities issued by general government by non-residents fell, owing to the significant volume of redemptions during that quarter. Likewise, the acquisition of shares and other equity in Spanish firms also fell. Credit institutions, by contrast, continued to raise large amounts of funds abroad in the form of deposits, while the non-financial private sector obtained a significant volume of financing from the rest of the world.

As regards 2001 Q2, only balance-of-payments information to April is available. According to the latter, non-financial firms received a high volume of financing that month, part of which came from foreign parent companies. For its part, foreign direct investment, in the form of shares, showed signs of recovery.

The negative balance of the Spanish economy's net financial transactions with the

rest of the world helped to increase its external debit position during 2001 Q1 (see Table 8). By sector, resident credit institutions increased their net debit position (by almost 2 percentage points of GDP), while the net foreign assets of non-financial corporations and institutional investors continued to rise. For its part, general government hardly changed its net debit position with the rest of the world. The growth of the net external assets of non-financial corporations in recent quarters has been affected by exchange rate movements, which have tended to increase the euro value of foreign investments. This effect was very significant during 2000, owing to the rapid rise in the acquisition of external assets that year. This revaluation was not offset by similar changes in the euro value of liabilities with the rest of the world, since, among other factors, the market value of the shares of national firms held by non-residents fell last year.

30.7.2001.

Results of non-financial corporations in 2001 Q1(1)

1. INTRODUCTION

The data of the Central Balance Sheet Office Quarterly Survey (CBQ) for 2001 Q1 point to the continuing loss of momentum in the productive activity of non-financial corporations that began in the second half of the year 2000, as reported in earlier articles. Testifying to this is the fact that the GVA of CBQ non-financial corporations grew by 4.9 %, compared with 7.3 % in 2000 Q1. These developments are in line with the decline in the growth rate of private consumption and the slowdown in investment revealed by other indicators, which also show that productive activity continued to grow, both in nominal and real terms, during the period under review. CBQ rates, in nominal terms, show that the less buoyant growth in output was due to the heavy slowdown in manufacturing, whose GVA increased by 0.1 % in 2001 Q1 (see Box 1). In addition to the foregoing causes, this performance is also attributable to the fact that there was vigorous growth in the reference period for the calculation of this rate (2000 Q1), with rates of up to 18.8 % in manufacturing. This rate was largely the result of the rise in international oil prices during 2000 Q1, which had prompted strong nominal increases in the GVA of the oil refining manufacturing industry, this trend being reversed in 2001 Q1 following the deceleration of oil prices.

In step with this moderate growth in productive activity, CBQ employment also slowed somewhat, though it remained positive (1.2 %). Still notable among all sectors is the performance of wholesale and retail trade, where job creation levels similar to those observed in previous periods were attained. In line with the foregoing, the growth of staff levels in manufacturing slowed slightly, though this did not prevent CBQ reporting corporations from creating employment for the sixth consecutive quarter. Likewise, corporations in the services sector continued to contribute positively to job creation. As for types of jobs, temporary employment rose more strongly. That said, permanent employment also increased, as in the four quarters of 2000, outpacing the growth recorded in the same quarter of the preceding year. Personnel costs per employee quickened in relation to a year earlier to

(1) This article is based on data provided by 725 corporations that reported to the CBQ in the survey period to 14 June 2001. These corporations account for 14.6 % of the total activity of the non-financial corporations sector (measured by gross value added at basic prices).

a growth rate of close to 4 %. If this performance persists, it could detract from the competitiveness of Spanish corporations. The pass-through of increased inflation to wages would obviously jeopardise the job creation process in non-financial corporations. As a result of the behaviour of average compensation and employment, personnel costs rose by 4.9 %. This, in conjunction with the slowdown in output growth, reduced the growth of the gross operating result to 4.8 % in 2001 Q1, compared with 8.1 % in the same period a year earlier. Similarly, in 2001 Q1, financial costs grew by more than 35 % on 2000 Q1, continuing the trend initiated in mid-1999. This increase may be due both to the progressive pass-through of the interest rate rises seen in 2000 to corporate borrowing costs and, above all, to the greater debt incurred in the last twelve months by certain large firms with a significant international presence, mostly to finance investment and strategic positioning in foreign companies. There is no evidence in CBQ of this phenomenon occurring in corporations of other sizes and sectors. At any rate, as shown in Box 2, the cost of financing held at levels auspicious for harnessing the good investment opportunities that may arise from the high profitability ratios which continue to be had.

Finally, owing to the high volatility implicit in the net result (which was influenced in 2001 Q1 by the substantial provisions set aside by large enterprises against losses on their securities portfolios), the behaviour of this variable is less at the root of changes in corporate results than the performance of the net ordinary result. The latter is the gross operating result plus financial results (revenue minus costs) minus depreciation and operating or ordinary provisions (2). The net ordinary result (which is also the stock used by the Central Balance Sheet Office to calculate the profitability ratios in the lower part of Table 1) increased by 7.4 % in 2001 Q1, compared with 12.3 % in the same period in 2000. Against this background, ordinary returns (on both net assets and equity) remained at very similar levels to those attained the preced-

(2) The volatility of the net result is due to the fact that, being the last figure of the cascade, it is usually small in absolute terms and changes frequently from positive to negative values and vice versa, preventing the calculation of a long series of rates. Also taken into account in its calculation are depreciation and extraordinary provisions, i.e. those set aside against capital gains and losses and extraordinary receipts and expenditure, which are not only erratic but cannot either be unequivocally attributed to a specific quarter or reliably reflected by the CBQ.

ing year on the whole and even above those recorded in 2000 Q1. The ratio measuring the cost of financing (in practice, interest on borrowed funds to interest-bearing borrowing) rose slightly in relation to the previous period. As a result, although leverage (defined as the difference between the return on assets and the cost of financing) fell from 2.7 to 2.3, it is still clearly positive.

In short, the slowdown in productive activity initiated in the second half of the year 2000 continued during 2001 Q1. Notwithstanding, both GVA and employment maintained significant growth rates. Inflationary pressures and their effect on the expansion of personnel costs remained apparent in the opening months of 2001, bringing about a decrease in the gross operating profit. Thus, margins declined slightly in the total aggregate and, more markedly, in manufacturing, among other sectors. The net ordinary result also slowed, despite which profitability levels are still high and the leverage ratio remains at clearly positive though declining levels, as a consequence of increasing financial costs.

2. ACTIVITY

The CBQ data for 2001 Q1 show that business activity was more moderate than in the same period of the preceding year, in line with the deceleration in train since the second half of 2000. Thus, GVA increased by 4.9 % in 2001 Q1, in nominal terms, compared with 7.3 % in the same period a year earlier (see Table 1 and Chart 1). This lower growth was in part driven by the loss of momentum in domestic demand, in particular in capital goods investment. As a result, the growth rate of GVA in manufacturing was virtually zero (0.1 %). As mentioned in the introduction, this behaviour was strongly influenced by the pass-through to oil refining of the notable rise in oil prices throughout 2000 Q1, which prompted marked nominal increases in GVA last year. As oil price rises were more tempered in 2001 Q1, the nominal growth of manufacturing declined (the GVA of oil refining corporations grew by 3.7 % in 2001 Q1, against 55.6 % in the same period a year earlier). Among the other sectors (see Table 2.a), the performance of the wholesale and retail trade was noteworthy, with a 12.9 % increase in GVA growth, well above the rate recorded in 2000 Q1 (8.2 %). Nonetheless, this rate was also affected by the rise in oil prices in 2000, which

TABLE 1

Profit and loss account. Year-on-year performance
(Growth rates of the same corporations on the same period a year earlier)

Databases	CBA		CBQ (a)		
	1998	1999	00 Q1-Q4 / 99 Q1-Q4	00 Q1/99 Q1	01 Q1 / 99 Q1
Number of corporations/total national coverage	8135/34.0%	7325/29.0%	874 / 16.3%	950 / 17.6%	725 / 14.6%
1. VALUE OF OUTPUT (including subsidies)	6.2	9.3	17.0	20.7	6.9
Of which:					
1. Net amount of turnover and other operating income	5.1	7.4	22.3	25.2	8.3
2. INPUTS (including taxes)	5.9	11.8	22.4	30.4	8.1
Of which:					
1. Net purchases	2.8	13.7	28.0	41.9	7.1
2. Other operating costs	11.2	10.9	8.9	12.1	8.7
S.1. GROSS VALUE ADDED AT FACTOR COST [1 - 2]	6.7	4.3	8.4	7.3	4.9
3. Personnel costs	5.9	5.4	5.3	6.2	4.9
S.2. GROSS OPERATING RESULT [S.1 - 3]	7.7	3.1	11.0	8.1	4.8
4. Financial revenue	9.3	24.3	11.2	10.3	31.4
5. Financial costs	-6.9	10.4	24.8	10.8	37.4
6. Corporate income tax	15.9	11.9	1.5	13.7	12.2
S.3. FUNDS GENERATED FROM OPERATIONS [S.2 + 4 - 5 - 6]	10.4	3.7	9.7	7.0	0.5
7. Depreciation and provisions and other [7.1 + 7.2 - 7.3]	21.7	3.4	12.9	-20.4	21.2
7.1. Depreciation and operating provisions	0.7	7.0	7.3	3.3	-4.2
7.2. Capital losses and extraordinary expenses	54.1	-0.2	25.4	14.9	138.4
7.3. Capital gains and extraordinary revenue	23.3	3.1	17.0	106.5	22.6
S.6. ORDINARY NET PROFIT [S.2 + 4 - 5 - 7.1]	24.1	3.4	9.8	12.3	7.4
Memorandum item:					
S.4. TOTAL NET PROFIT [S.3 - 7] (% of GVA% at factor cost) (t-1. t) (b)	14.7 - 14.9	16.0 - 15.0	20.8 - 20.2	20.5 - 26.9	25 - 19.5
PROFIT RATIOS					
R.1 Ordinary return on net assets (before taxes)	8.4	7.6	9.2	8.0	8.2
R.2 Interest on borrowed funds/ interest-bearing borrowing	5.7	5.0	5.9	5.3	5.9
R.3 Ordinary return on equity (before taxes)	9.7	9.2	11.2	9.6	9.8
R.4 Financial leverage (R.1 - R.2)	2.6	2.6	3.3	2.7	2.3
R.5 Debt ratio	40.0	43.7	43.5	43.4	46.0

Source: Banco de España.

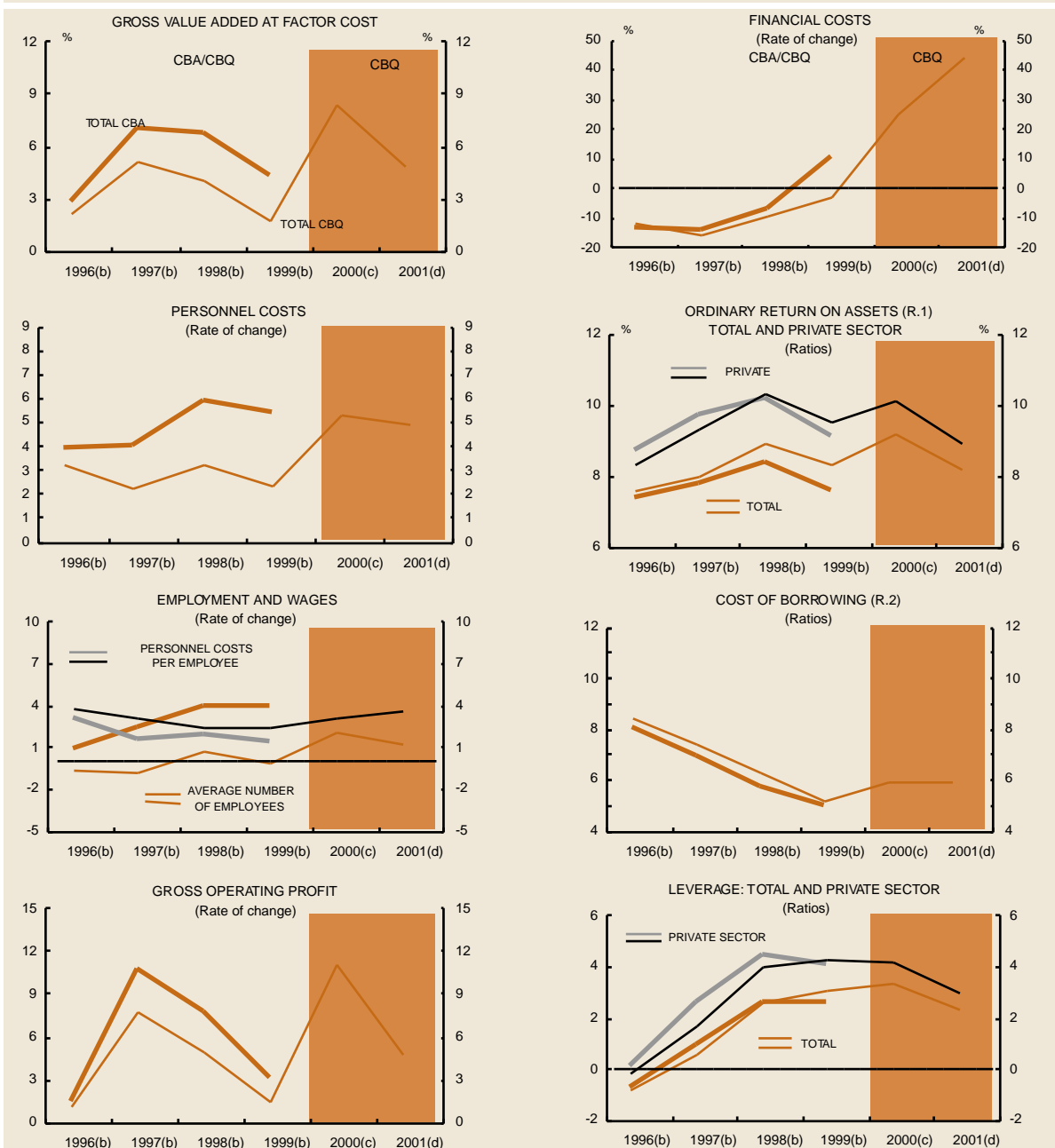
(a) All the data in these columns have been calculated as the weighted average of the quarterly data.

(b) These ratios are obtained for the same corporations in periods t and t-1.

Note: Internal accounting movements have been edited out of items 4, 5, 6, 7.2 and 7.3 in the calculation of rates.

CHART 1

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



		NUMBER OF CORPORATIONS					
CBA		8,032	8,054	8,135	7,325		
CBQ		725	722	834	881	874	725
		% OF GDP OF SECTOR NON-FINANCIAL CORPORATIONS					
CBA		34.2	33.9	34.0	29.0		
CBQ		19.1	18.7	18.0	16.9	16.3	14.6

		NUMBER OF CORPORATIONS					
CBA		8,032	8,054	8,135	7,325		
CBQ		725	722	834	881	874	725
		% OF GDP OF THE SECTOR NON-FINANCIAL CORPORATIONS					
CBA		34.2	33.9	34.0	29.0		
CBQ		19.1	18.7	18.0	16.9	16.3	14.6

— CBA data
 — CBQ data
 Source: Banco de España.
 (a) Information available to 14 June 2001 (CBA and CBQ).
 (b) The 1996, 1997, 1998 and 1999 data are based on information from the corporations included in the annual survey (CBA) and the average of the four quarters of each year in relation to the previous year (CBQ).
 (c) Average of the four quarters of 2000 over the same period of 1999.
 (d) First quarter of 2001 over the same quarter of 2000.

TABLE 2.a

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

	Gross value added at factor cost				Employees (average for period)				Personnel costs				Compensation per employee			
	CBA	CBQ			CBA	CBQ			CBA	CBQ			CBA	CBQ		
	1999	00Q1- Q4 (a)	00 Q1	01 Q1	1999	00Q1- Q4 (a)	00 Q1	01 Q1	1999	00Q1- Q4 (a)	00 Q1	01 Q1	1999	00Q1- Q4 (a)	00 Q1	01 Q1
Total	4.3	8.4	7.3	4.9	3.9	2.1	2.4	1.2	5.4	5.3	6.2	4.9	1.4	3.1	3.6	3.6
Total. excluding electricity	4.3	10.5	7.9	8.0	4.4	2.7	3.0	1.7	6.0	6.2	7.2	5.3	1.6	3.4	4.1	3.6
SIZE:																
Small	10.9	—	—	—	7.0	—	—	—	8.4	—	—	—	1.4	—	—	—
Medium	10.9	9.5	9.6	2.8	8.3	4.0	3.4	3.9	9.4	7.5	6.9	7.5	1.1	3.4	3.3	3.4
Large	3.2	8.3	7.1	5.0	3.0	1.9	2.3	1.0	4.7	5.1	6.1	4.7	1.7	3.1	3.7	3.7
STATUS:																
Public-sector	-0.2	9.5	4.6	7.1	0.6	0.7	-0.2	1.5	4.5	6.2	5.1	7.0	3.9	5.4	5.4	5.5
Private-sector	5.0	8.2	7.8	4.6	4.8	2.6	3.4	1.2	5.6	4.9	6.5	4.4	0.9	2.3	3.0	3.1
BREAKDOWN OF ACTIVITIES BEST REPRESENTED IN THE SAMPLE:																
Manufacturing	1.3	23.0	18.8	0.1	1.7	1.7	1.4	1.1	3.8	6.0	6.4	4.2	2.1	4.1	4.9	3.1
Electricity, gas and water supply	4.2	1.9	5.2	-3.6	-5.9	-5.1	-4.6	-3.3	-3.6	-2.6	-2.7	1.9	2.4	2.6	2.0	5.4
Wholesale and retail trade	11.3	2.0	8.2	12.9	6.7	7.8	8.6	7.1	9.2	9.2	10.5	10.7	2.3	1.2	1.8	3.4
Transport, storage and communications	0.6	2.1	-1.3	10.6	-1.5	-2.9	-2.1	-3.3	3.1	2.4	3.2	1.8	4.6	5.4	5.4	5.2

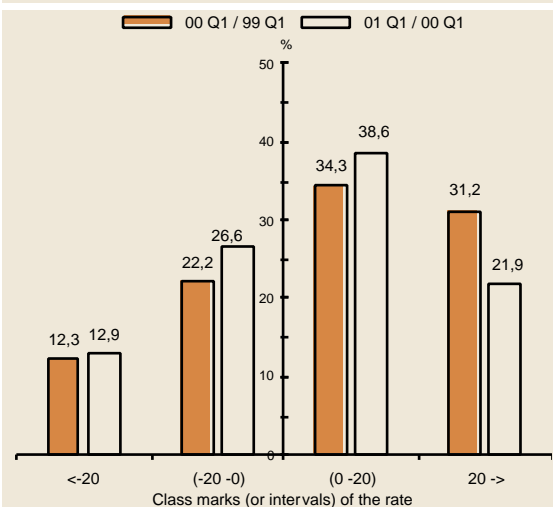
Source: Banco de España.

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

could not be passed through to sale prices by fuel distribution companies, thus entailing significant reductions in their margins that year. However, a more stable price environment enabled these companies to improve their results in 2001 Q1. At any rate, the wholesale and retail trade fared well, since the rate of change of its GVA, excluding fuel distribution companies, held at 7.7 %. The transport and communications sector also saw strong growth in activity (10.6 % in GVA), following a long period in which the progressive opening up to competition had led to substantial downward adjustments in sale prices and notably higher promotion and advertising costs, duly entailing a pronounced narrowing of margins. However, this situation stabilised in the first quarter of 2001, seemingly owing to the change in strategy in a

number of telecommunications sub-sectors, which gave priority to generating value added against gaining potential customers. In the electricity, gas and water supply sector, the electric utilities were affected by a fall in both electricity demand (2.8 % growth compared with 7.2 % in 2000 Q1, due to some degree to milder temperatures during the period) and in rates (the decline in which averaged 2.2 % in 2001), though the latest regulatory changes may also have given rise to lower takings than initially expected. As a result, the sector's GVA declined by 3.6 % during the period under review, despite the fact that the improved capacity to generate hydro-electricity, owing to frequent rain during the period, made for a notable reduction in production costs. The gas companies also contributed significantly to this fall, being affected

CHART 2

Distribution of corporations by rate of change in GVA at factor cost (00 Q1/99 Q1, 01 Q1/00 Q1)


Source: Banco de España.

by a rise in their input prices that could not be fed through in full to sale prices.

The slowdown in productive activity is confirmed by the performance of purchases and sales in 2001 Q1, which evidenced the aforementioned loss of momentum compared with 2000 Q1. During the 12-month period in question, the rate of change of sales ran at 8.3 % and that of purchases at 7.1 %, against 25.2 % and 41.9 %, respectively, the previous year. However, these rates were strongly affected by the effect of oil price rises. Though maintaining a net positive contribution to output, the growth rate of the external activity of reporting corporations was also more moderate (Table 3 shows a fall in the share of purchases/sales from/to foreign markets, due not only to the effect of oil prices, but also to the recent slackness in other economies.

Finally, Chart 2 shows that, in 2001 Q1, the GVA of more than 60 % of the firms included in the reporting corporations aggregate increased, compared with 65.5 % in the year 2000. Furthermore, a shift is observed towards the lower GVA growth rate segment. Thus, 38.6 % of the corporations surveyed exhibited positive GVA growth, albeit below 20 %, against 34.3 % in the same quarter of the previous year. These two observations are clear proof of the above-mentioned moderation of productive activity in 2001 Q1.

TABLE 2.b

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

	Total CBQ corporations 01 Q1	Corporations	
		increasing (or not changing) staff levels	Corporations reducing staff levels
No. of corporations	725	440	285
Personnel costs			
Initial situation 01 Q1 (EUR million)	4,470.1	2,101.8	2,368.3
Rate 01 Q1/00 Q1	4.9	10.7	-0.3
Average compensation			
Initial situation 01 Q1 (EUR)	9,279	8,250	10,433
Rate 01 Q1/00 Q1	3.6	2.8	6.1
Number of employees			
Initial situation 01 Q1 (000s)	482	255	227
Rate 01 Q1/00 Q1	1.2	7.7	-6.0
Permanent			
Initial situation 00 Q1 (000s)	401	204	197
Rate 01 Q1 / 00 Q1	0.9	5.4	-3.7
Non-permanent			
Initial situation 00 Q1 (000s)	80	50	30
Rate 01 Q1 / 00 Q1	2.8	17.1	-20.9

Source: Banco de España.

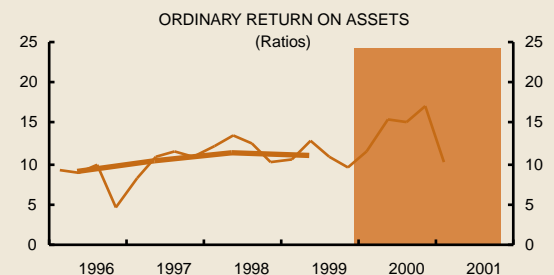
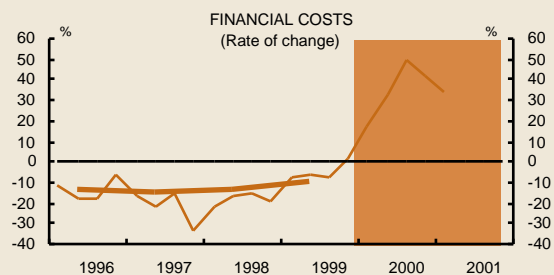
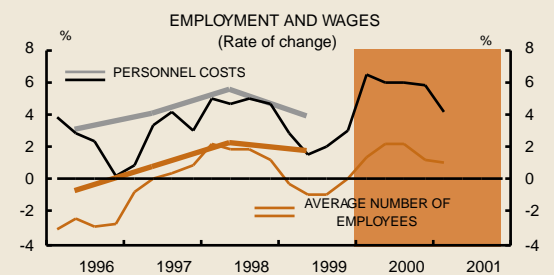
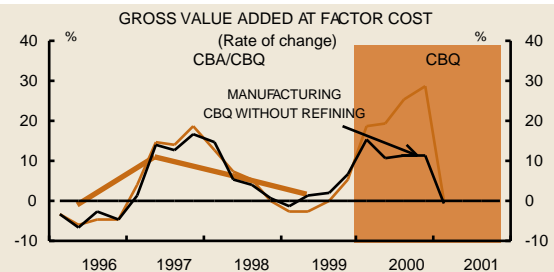
3. EMPLOYMENT AND PERSONNEL COSTS

The personnel costs of the CBQ reporting corporations grew by 4.9 % in 2001 Q1, compared with 6.2 % a year earlier. Rather than to developments in average personnel costs, which posted the same rate of change as in 2000 Q1, this lower growth may be due to a lesser increase in employment, in line with the broad-based moderation of productive activity. Thus, average employment rose by 1.2 % in 2001 Q1, against 2.4 % in the same period a year earlier. Notwithstanding, it is worth noting given the composition of the sample of CBQ reporting corporations (large enterprises, some of which are still undergoing staffing adjustments) that net job creation did not fall despite the slowdown. By type of contract, temporary employment posted the higher increase (2.8 %), whereas permanent employment remained practically unchanged (0.9 %). Table 2.a shows that manufacturing (with an increase of 1.1 %) was most representative in the total aggregate and that the wholesale and retail trade (where employment grew by 7.1 %) allowed the declines in other sectors to be countered. Business ser-

Analysis of the manufacturing sector

The weight and representativeness of the manufacturing aggregate, coupled with its explanatory power in respect of short-term economic developments, mean a more detailed analysis of this sector is in order, as in previous articles. During 2001 Q1, and as discussed in this article, manufacturing productive activity slowed, leading the industry's GVA to stagnate. Indeed, the nominal growth of GVA was virtually zero, compared with a rate of 18.8 % in the same quarter a year earlier. Flatter demand, especially in the capital goods investment component, largely explained this. Moreover, the effect of oil prices, on a falling trend in the opening months of this year after the strong increase last year, has also contributed to the moderation of the growth rate of activity in this aggregate. Among the various sub-sectors, "other manufacturing industries", "manufacture of electrical, electronic and optical equipment" and "oil refining" were prominent in that their GVA continued to grow, albeit at a much slower pace than last year. Employment in the manufacturing sector held at a slightly positive rate of change (1.1 %), although somewhat down on a year earlier (1.4 %). As regards average compensation, and in step with the comments made for the entire sample, this variable continued to increase relatively robustly (3.1 %), albeit at a lower rate than that of the mean for the sample as a whole (3.6 %). That confirms the habitual pattern of behaviour of this variable, which eases in the aggregates that generate employment as new workers on starting-level (and therefore lower) pay join the workforce. The overall expansionary trend of employment and of average compensation led personnel costs to grow 4.2 % in 2001 Q1. Given the flatness of GVA, this increase led the operating surplus and funds generated post declines of 3.9 % and 12.7 %, respectively. However, ordinary returns held at substantially high levels, albeit below those a year earlier (the ordinary return on net assets for 2001 Q1 was 10.1 %, against 11.5 % four quarters earlier). The expansionary trend of financial costs (which grew 33.9 %) was due to the inflow of new external financing, given the presence of attractive investment projects against a background of accommodating interest rates (lower than the expected return on investment), although these rates are on the rise. The cost of financing ratio stood at 5.8 % in 2001 Q, one point up on the same period a year earlier. The difference in the levels of the ratios for the ordinary return on net assets and for the cost of financing meant that manufacturing corporations had strongly positive leverage once again (4.3), albeit appreciably down on 2000 Q1 (when it peaked in terms of the series at 6.9). This may be considered a relevant indicator of the sector's current situation.

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



		NUMBER OF CORPORATIONS			
CBA		3,231	3,351	3,255	2,756
CBQ		372	365	350	337
		360	351	343	337
		408	398	392	384
		427	411	401	391
		436	414	389	362
		336			
		% OF GDP OF THE MANUFACTURING SECTOR			
CBA		38.9	40.3	43.0	30.1
CBQ		25.3	25.4	22.6	22.7
		25.0	25.7	22.3	22.9
		24.1	24.9	22.1	22.3
		23.9	24.4	20.5	20.9
		25.8	26.1	21.5	21.0
		18.8			

— CBA data.
— CBQ data.

Source: Banco de España.

(a) Information available to 14 June 2001 (CBA and CBQ). The CBQ data are growth rates on the same quarter of the previous year.

TABLE 3

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

	CBA	CBQ	
	1999	00 Q1-Q4	01 Q1/00Q1
Total corporations	7,325	874	725
Corporations reporting source/destination	7,325	835	703
	%	%	%
Net purchases	100.0	100.0	100.0
SOURCE OF PURCHASES:			
Spain	64.4	74.1	75.6
Total abroad	35.6	25.9	24.4
<i>EU countries</i>	24.3	15.2	16.5
<i>Third countries</i>	11.3	10.7	7.9
Net turnover	100.0	100.0	100.0
SALES DESTINATIONS:			
Spain	80.6	85.4	86.9
Total abroad	19.4	14.6	13.1
<i>EU countries</i>	14.8	10.0	8.3
<i>Third countries</i>	4.6	4.6	4.8

Source: Banco de España.

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

vices and CBQ construction corporations (which are grouped in aggregates that do not appear explicitly in the tables published in the quarterly article, owing to the small number of reporting corporations, but are included in the total) contributed significantly to the creation of new jobs. As discussed earlier, the growth rate of average compensation remained unchanged in relation to 2000 Q1 (in both periods, personnel costs per employee grew by 3.6 %). The persistence of inflationary pressures contributed undoubtedly to maintaining the growth rate of average personnel costs at the same level. Tables 2.b and 4 show that in corporations which created or maintained employment (60.9 %), average compensation increased by 2.8 % and employment by 7.7 %, whereas in firms which reduced staff, average compensation grew by 6.1 % and employment declined by 6 %.

In summary, the sectoral information available confirms the observations made in previous quarterly reports. Specifically, the aggregates of employment-creating corporations (manufacturing, and the wholesale and retail trade) exhibit more moderate growth in average compensation, whereas those of employ-

ment-shedding corporations (electricity, and transport and communications) displayed above-average growth in average personnel costs. Admittedly, other factors also played a role. But these observations suggest that, to reduce the unemployment rate differential with other euro area or EU Member States, economic agents need to agree on incomes policies and wage reviews that take into account the specific business situation, and that this should be compatible with high investment and job creation rates.

4. PROFITS, MARGINS AND RATES OF RETURN

During 2001 Q1, the gross operating result grew by 4.8 %, against 8.1 % in the same period a year earlier. This was as a direct consequence of a moderation in productive activity. For the same reason and owing also to an increase in financial revenue (31.4 %) and financial costs, the rate of change of funds generated was 0.5 % (see Table 5). By sector, there was a strong increase in the wholesale and retail trade (8.6 %) and a correspondingly forceful decline in manufacturing

TABLE 4

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

	CBA		CBQ			
	1998	1999	99 Q1-Q4 (a)	00 Q1-Q4 (a)	00 Q1	01 Q1
Number of corporations	8,135	7,325	881	874	950	725
Personnel costs	100.0	100.0	100.0	100.0	100.0	100.0
Falling	21.4	20.9	30.0	24.5	22.3	25.8
Constant or rising	78.6	79.1	70.0	75.5	77.7	74.2
Average number of employees	100.0	100.0	100.0	100.0	100.0	100.0
Falling	25.7	22.5	39.1	35.4	35.8	39.1
Constant or rising	74.3	77.5	60.9	64.6	64.2	60.9
Average compensation (relative to inflation) (b)	100.0	100.0	100.0	100.0	100.0	100.0
Lower growth	40.9	51.6	48.8	47.0	41.3	47.5
Higher or same growth	59.1	48.4	51.2	53.0	58.7	52.5

Source: Banco de España.

(a) Weighted average of the relevant quarters for each column.

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

(-12.7 %), with both due to the reasons discussed in section 2.

The share of financial costs in the profit and loss account continued to rise, with a 37.4 % increase in Q1. This rate is determined as follows:

	01 Q1/00 Q1
Change in financial costs	+37.4 %
A. <i>Interest on borrowed funds (1+2)</i>	+37.9 %
Due to the cost (interest rate)	+11.3 %
Due to the amount of interest-bearing debt	+26.6 %
B. <i>Commissions and cash discounts</i>	-0.5 %

This table confirms that the increase may be explained, on the one hand, by the fact that the pass-through of interest rate rises in 2000 continued and, on the other, by a greater resort to external financing for new investment projects during the year. Notable among these projects are sizeable share-acquisition transactions by Spanish groups, some in foreign companies, to penetrate specific markets.

Lastly, the performance of the gross operating result, financial revenue and financial costs, and depreciation and operating or ordinary provisions (the latter decreased by 4.2 % as a result of both a decline in depreciation in electric utilities, owing to the downward adjustment of certain recoverable costs that were being depreciated, and lower operating provisions) explains the 7.4 % rise in the net ordinary result during 2001 Q1, compared with 12.3 % a year earlier, which is consistent with the foregoing. The net ordinary result, previously called net operating result in the Central Balance Sheet Office Annual Survey, is the best indicator of corporate results, especially when reference periods other than years are involved, for the theoretical and practical reasons set out in the introduction. The problem is, in short, that the alternative variable to the net ordinary result, i.e. the net result, is highly volatile, as a result of capital gains and losses and extraordinary income and expenditure. Moreover, it is very difficult to assign correctly to a given quarter many of these latter corrections to the value of assets or the recognition of liabilities, which cannot even be reliably reflected in the CBQ. Hence the use of the net ordinary result by the Central Balance Sheet Office, inter alia, to calculate the

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) (a)				Leverage (a)			
	CBA		CBQ		CBA		CBQ		CBA		CBQ		CBA		CBQ	
	1999	00 Q1-Q4 (a)	00 Q1	01 Q1	1999	00 Q1-Q4 (a)	00 Q1	01 Q1	1999	00 Q1-Q4 (a)	00 Q1	01 Q1	1999	00 Q1-Q4 (a)	00 Q1	01 Q1
Total	3.1	11.0	8.1	4.8	3.7	9.7	7.0	0.5	7.6	9.2	8.0	8.2	2.6	3.3	2.7	2.3
Total, excluding electricity	2.1	15.3	8.6	10.6	3.8	12.9	9.0	4.9	7.8	9.8	7.8	8.2	2.5	3.6	2.3	1.9
SIZE:																
Small	15.1	—	—	—	18.6	—	—	—	10.0	—	—	—	4.6	—	—	—
Medium	13.0	12.5	13.3	-2.7	15.2	11.7	15.5	-4.5	10.8	11.5	13.3	11.8	6.3	5.7	8.4	6.2
Large	1.6	10.9	7.9	5.2	2.3	10.1	6.6	6.3	7.3	9.1	7.8	8.1	2.3	3.3	2.5	2.2
STATUS:																
Public-sector	-16.1	16.8	3.0	7.4	6.2	11.5	5.5	12.8	1.5	4.6	1.9	1.1	-3.9	-1.1	-3.4	-3.9
Private-sector	4.3	10.4	8.6	4.7	3.6	10.1	7.2	5.3	9.1	10.1	9.3	8.9	4.1	4.2	4.1	3.0
BREAKDOWN OF ACTIVITIES BEST REPRESENTED IN THE SAMPLE:																
Manufacturing industries	-1.8	44.9	36.5	-3.9	-1.9	42.8	33.8	-12.7	10.7	14.7	11.5	10.1	6.4	9.0	6.9	4.3
Electricity, gas and water supply	6.7	3.2	7.2	-4.8	3.6	6.4	2.9	-3.4	7.3	8.3	8.4	8.3	3.0	2.9	3.4	3.0
Wholesale and retail trade	14.3	-6.8	5.9	15.2	13.0	-1.6	12.8	8.6	11.8	9.0	12.1	13.2	7.6	4.0	8.2	8.2
Transport, storage and communications	-1.4	1.9	-4.5	16.6	2.6	-3.4	-4.0	13.0	6.4	8.6	6.4	11.6	0.1	2.0	0.1	5.5

Source: Banco de España.
(a) All the data in these columns have been calculated as the weighted average of the quarterly data.

returns at the foot of Table 1. In addition, to avoid some of the above-mentioned problems, many market analysts monitor the performance of results as indicated by the variable they call EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation), which is equivalent to the gross operating result shown in Table 1, i.e. a magnitude even higher up the statement of results than the net ordinary result.

As a result of the foregoing, developments in business activity led to reasonably high ordinary returns (8.2 %), which even outpaced those recorded a year earlier (8 %). Sector by sector, of note again is the wholesale and retail trade

ratio, with an ordinary return on assets of 13.2 %, more than one point up on the same quarter a year earlier. By size, medium-sized enterprises exhibited higher returns, attaining an ordinary return on net assets of 11.8 %, compared with 8.1 % in large enterprises. This performance, together with that of the cost of financing, which stood at 5.9 % for all the sample firms in Q1 and was more than half a point up on the same period in 2000, enabled corporations to obtain positive ordinary leverage (2.3), down on 2000 Q1 (2.7). By sector, all the aggregates showed positive leverage, the conclusions drawn in this case being similar to those applicable to the whole sample. Finally, Table 6

Financial charges in the profit and loss account of non-financial corporations

The percentage of income that economic agents assign to payment of the financial burden (i.e. interest arising on debt) is a significant indicator of changes in the financial effort and, deriving from this, of changes in the income disposable for other ends (including saving and/or investment). As to non-financial corporations, a change in the “financial costs/production” structure is not in itself an indicator of financial or economic health (1). But the study of changes and of the associated determining factors (level of debt and cost of financing) enables knowledge to be had of the financial conditions facing corporations. The study of this percentage for all the CBA and CBQ reporting corporations, throughout the available data series (1984 to 2001, see accompanying chart), offers a conclusion: that recent increases in the cost of financing and in the level of debt, though they may have raised the proportion of production assigned to cover financial charges, hold the proportion in question at relatively moderate values (in 2001 this percentage stands below 5 % for the quarterly group of corporations), compared with the values recorded in the time series (6 % at the start of the nineties; 9 % in 1984). Given the substantial weight of corporations in the electricity sector in the sample available, and owing to their specific productive and financial structure, it is worth performing an independent analysis of the percentage referred to and its components for the group of reporting electric utilities. The accompanying chart shows that the profile of these variables is similar in the electric utilities to that of the reporting corporations as a whole. It also illustrates that both the starting level at the beginning of the series and the final level in 2001 differ in respect of the proportion of production that the electric utilities assign in payment of financial charges.

(1) Per se, a change in this ratio does not involve an improvement or deterioration in the position of companies. An increase in the cost of financing available to corporations clearly, all other things being equal, involves a reduction in the return on equity (the return on assets is not affected by how the corporation is financed or at what cost) and a decline in the ordinary result (and in entrepreneurial income, according to the ESA 95 denomination). However, an increase in external financing explicitly bearing interest involves, all other things being equal, an increase in financial costs but generates, at the same time, an increase in the return on equity if the cost of financing is less than the return obtained on investment made with such funds (i.e. the return on assets).

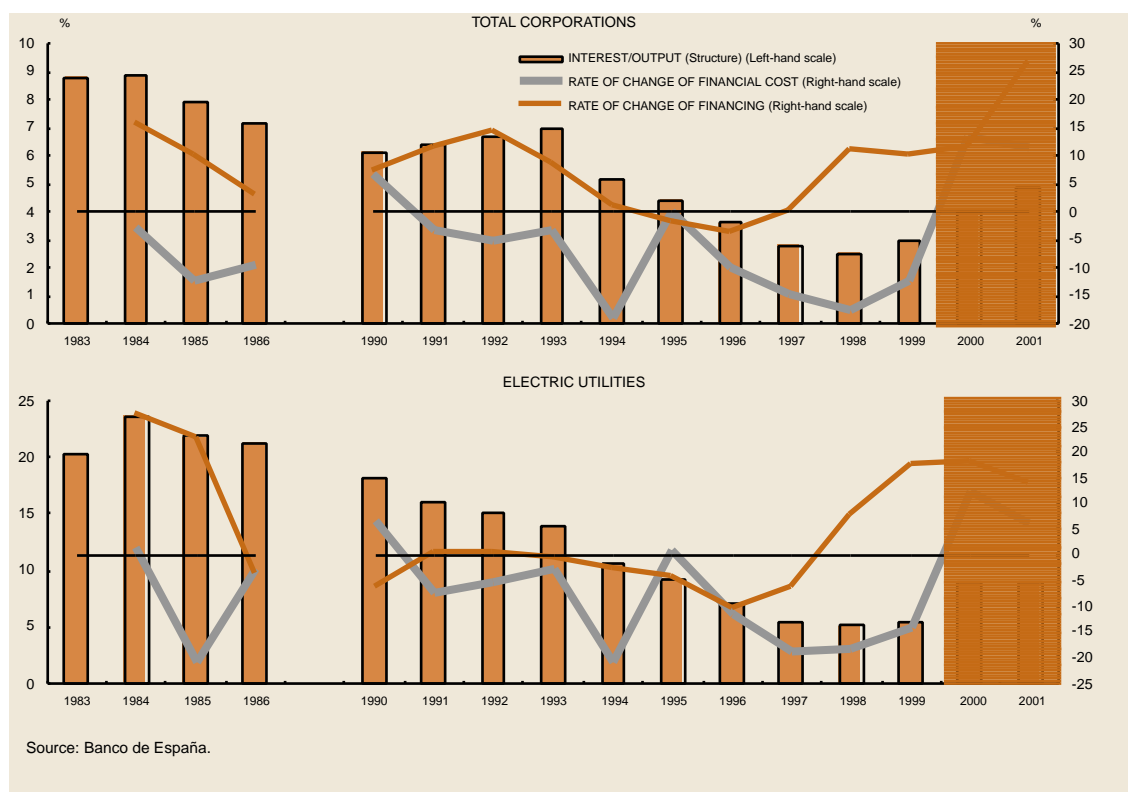


TABLE 6

**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)	
	00 Q1	01 Q1	00 Q1	01 Q1
Total corporations	100.0	100.0	100.0	100.0
R <= 0 %	20.2	20.4	23.9	24.2
0 % < R <= 5 %	17.3	18.0	14.0	15.2
5 % < R <= 10 %	14.0	14.9	9.9	10.5
10 % < R <= 15 %	12.1	11.5	8.0	9.7
15 % < R	36.4	35.2	44.2	40.4
Number of corporations	950	725	950	725
MEMORANDUM ITEM:				
Average return	8.0	8.2	9.6	9.8

Source: Banco de España.

distributes the firms according to their returns, regardless of size or status. The table shows similar situations in 2000 Q1 and 2001 Q1, though a slight shift towards somewhat lower levels of return is observed in this latter period (while in 2000 Q1 slightly over 51 % of corporations had obtained returns below 10 %, in 2001 this rate rose to 53.3 %), further evidencing the slowdown referred to throughout the article.

The overall picture confirms that, since mid-2000, Spanish corporations have been posting more moderate growth rates than in the previous period, although they are still creating employment and maintaining high rates of return.

Insofar as external factors, such as international oil prices, offer expectations of increased stability, confidence may be regained both at the domestic and international level, thus boosting growth rates. Notwithstanding, economic agents should show greater adaptability than to date to the changing conditions imposed by exogenous factors. Hence, more flexible adjustment mechanisms should be sought and costs should be kept in step with efficiency and productivity factors to allow sustained and employment-generating growth in the corporate sector.

22.6.2001.

The opening up of the network industries to competition: regulatory aspects and effects on prices

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1. INTRODUCTION

The network industries cover a wide range of activities such as electricity, gas, information (sound and images), water, freight and passenger transport. All of these are of great significance in the current economy, as much of the technological progress made in recent years is channeled through them. What are involved are industries that have traditionally operated under limited degrees of competition owing, above all, to the presence of sizeable economies of scale and of natural monopoly factors. The monopolistic organisation of these activities first began to be re-assessed in the Anglo-Saxon countries in the eighties. This review was due, among other reasons, to the influence of technological changes altering their modus operandi and to the possibility of singling out activities in the same industry, as well as to the strong increase in demand to which they have been subject. In Europe, the development of the single market also boosted the liberalisation of the network industries, albeit at an uneven rate across countries. Spain has participated in this process, significantly amending and adding to the regulation of various industries, including energy and telephony.

The experience of the different countries shows that heightened competition in the network industries reduces prices, improves quality, widens the supply of goods and services, and increases efficiency in the allocation of resources. Further, the use of the goods and services produced by these industries as inputs for other productive branches enables the initial fall in prices to bring about significant synergies, whereby the gains in efficiency and the reduction in prices spread to other sectors of the economy. The contribution of the ongoing liberalisation of these industries to price stability and to growth in recent years has therefore been most considerable.

This article, which seeks to provide information on the process in recent years whereby these industries have been opened up in Spain, is structured as follows. The following section briefly refers to the most significant regulatory aspects raised by the opening up to competition of the network industries and discusses the regulation-based initiatives that seek to smooth the co-existence of monopoly activities with those conducted on a competitive footing. The third section discusses how these matters have been resolved in Spain. The fourth section analyses

certain direct effects on consumer prices of heightened competition in the air transport, telecommunications and electricity industries, comparing their performance in Spain and in the euro area. The fifth section performs a simulation with the Input-Output tables to assess the impact of some of these industries on output prices in the Spanish economy. The article closes with some brief conclusions.

2. CHIEF REGULATORY ASPECTS OF THE LIBERALISATION OF THE NETWORK INDUSTRIES

The main challenge facing network industry regulators is how to organise activity in those segments of the industry remaining outside the reach of competition, so as to enable the entry of new competitors. This aspect is fundamental since the network industries show a high degree of maturity that hinders the entry of new participants. Moreover, liberalisation should not give rise to a situation where certain consumers may be denied access to those goods and services considered as essential. It has been sought to tackle this type of problem in several ways, including most notably: establishing independent regulator agencies; the unbundling of the various activity segments; and with price regulation and the setting in place of the so-called universal service.

Indeed, in order to square consumer interests (low prices and quality services) with those of shareholders (a profitable return on their investment), governments have established independent regulators in some of the network industries undergoing liberalisation. The independence of these agencies from political power limits the risk of the regulator's decisions being affected by pressures of any type. Furthermore, as the agencies are for specific industries, their actions are based on a much deeper knowledge of the actual conditions governing the industry in question.

The network industries have traditionally been characterised by the vertical integration of the various segments of activities of which they are comprised (depending on the industry, these may be production, wholesale distribution, retail distribution and commercialisation). The main advantage of this type of organisation is co-ordination, and its main drawback the possibility of using the structure to discriminate against competitor firms in the liberalised segments. As a result, in many cases segregating activities has been considered as the means to ensure the existence of competition in these segments. If it is decided to unbundle activities as a means of fomenting competition, it must be

decided at which level this is to be done (accounting, legal, a ceiling on ownership share or total segregation).

Another previously mentioned fundamental aspect of network industry regulation is the determination of the pricing system for non-liberalised activities. Such a system should be designed so as to encourage productive efficiency, quality of service, technological change and innovation. Likewise, in the liberalised activities, it may be advisable temporarily to regulate the prices of the incumbent operators, so as to encourage the entry of new firms. The choice of procedure and of the prices subject to regulation is not easy; among other reasons this is because the regulator does not have full information. Table 1 shows some of the procedures that may be used to regulate prices although, as indicated in this table, they all have advantages and disadvantages.

Lastly, so that the liberalisation of the network industries should not mean that certain consumers are denied access to specific basic goods and services, what is known as universal service has been established in some industries. The aim here is to oblige operators to supply all users – at affordable prices – with a series of services with a specific level of quality. On many occasions it is further required that prices should be uniform across different regions and/or different types of consumers. The two key issues relating to universal service are the definition of the component services and their financing.

3. THE LIBERALISATION OF THE NETWORK INDUSTRIES IN SPAIN: BASIC FEATURES

The opening up of the network industries in Spain has been pursued gradually. In this process the various segments of single industries have been successively incorporated, following pre-set liberalisation timetables. This strategy has been used, for instance, in the liberalisation of air transport, telecommunications, electricity, natural gas and rail transport. In certain telecommunications activities, such as basic or mobile telephony, the increase in the number of operators has also come about gradually. In the electricity and natural gas industries, the possibility of choosing a supplier has been confined for the moment to large users, although it will be extended step-by-step across the board to all consumers.

The network industries in Spain have followed various liberalisation arrangements, depending on the particularities of each and on the option chosen regarding the regulation of the fac-

TABLE 1

Price regulation procedures		
Procedure	Disadvantages	Advantages
<i>Return on capital or rate of return:</i> prices are set so as to enable all costs to be recovered, including a return on capital.	There are no incentives to reduce costs and it may give rise to over-capitalisation. Moreover, the correct assessment of costs and determining the return on capital may prove difficult.	Facilitates investment and ensures the financial soundness of the company.
<i>CPI-X rule:</i> maximum prices are set in terms of the growth rate of a price index deducting an amount X, which represents potential productivity gains.	Does not encourage service-quality improvements and runs the risk of curbing investment. Incomplete information on the part of the regulator may lead to excessive profits.	Promotes productive efficiency.
<i>Profit-sharing or incentives:</i> a portion of profits is earmarked to reduce (increase) rates if profits exceed (do not reach) a specific level.	Book profits are difficult to measure.	Excessive profits resulting from incomplete information on the part of the regulator are avoided.
<i>Referential competition:</i> in the event of horizontal unbundling, prices are set in accordance with the actual average costs of the whole group of firms.	Application requires that sources of uncertainty be uniform between companies.	Companies have incentives to declare and reduce their costs. Cost cuts translate into price reduction.

tors described in the preceding section. Indicated below are several aspects: first, the industries in which a sectoral regulatory agency has been established; second, some of the measures applied to encourage the emergence of new competitors; third, the industries where unbundling has been introduced and the extent thereof; fourth, how prices have been regulated; and lastly, those industries in which universal service has been introduced and how its financing has been addressed. Table 2 draws together the main characteristics of this process and several illustrative references are given in connection with the telecommunications, electricity, liquid and gaseous hydrocarbon (fuel and natural gas), railway transport and postal service industries.

With regard to independent regulatory agencies with a sectoral remit, 1996 saw the creation of the Telecommunications Market Board (CMT by its Spanish initials) and 1998 that of the National Energy Board (CNE) (1). The latter was entrusted with the electricity market along with the liquid and gaseous hydrocarbon markets.

(1) In the electricity market, the CNE replaced the National Electricity Network Board created in 1994.

As to the measures applied to encourage the entry of new competitors, these have been varied, depending on the initial industry position. For instance, in the basic telephony sector, where there was initially only one company, it was decided to break the monopoly by authorising a second operator in 1996. However, in the case of cable telephony, as this was a new activity and given the initial advantage of the basic telephony operator, it was decided to impose a moratorium on the telephony industry incumbent. In the electricity and hydrocarbons industries, where – despite the absence of entry restrictions – there remains a high degree of concentration, temporary ceilings were imposed (June 2000) on maximum market shares (2).

In terms of the means of unbundling the various segments of activity in a single indus-

(2) Specifically, electricity generators with a share exceeding 40% may not increase this over the next five years. And those with more than 20% but less than 40% may not increase it for three years. Likewise, from January 2003 suppliers of natural gas may not have a market share of more than 70%. Retail distributors of oil products with a market share of more than 30% may not, until June 2005, increase the number of service stations, while those with a share of more than 15% but less than 30% may not increase it until June 2003.

TABLE 2

Characteristics of some Spanish network industries

Industry	Independent regulatory body	Regulated activities	Market shares	Regulated prices and margins	Operator responsible for universal services	Licences, concessions or authorisations	Other characteristics
Telecommunications	Telecommunications Market Commission		<ul style="list-style-type: none"> In fixed telephony the former monopoly has a share of 94% In mobile telephony the two main companies control close to 90% 	Prices regulated for the former monopoly	Telefónica	Licence arrangement whereby the number of operators is controlled	Strict town-planning and environmental requirements
Postal services			<ul style="list-style-type: none"> For mail transfer (of funds) services, national and international postal services for letters and postcards of up to 350g, and general government-addressed registered and declared value mail services, the former monopoly is the sole operator The wholesale distribution of stamps is by a single operator. 	<ul style="list-style-type: none"> Prices are regulated for the former monopoly. There are no restrictions for the rest except for national postal services for letters and postcards of up to 350g., prices for which must be at least five times those of the former monopoly. Fixed margins for stamp distribution. 	Correos y Telégrafos	Authorisation required for letters and postcards of up to 2kg., postal packages of up to 10kg, and registered and declared value services.	
Electricity	National Energy Commission	Distribution and transmission	In generation, distribution and commercialisation, two companies control between 74% and 86%	<ul style="list-style-type: none"> Maximum prices for small consumers Compensation for transport and distribution is regulated 		Administrative authorisation for generation	<ul style="list-style-type: none"> National coal must be used as a source of energy in a proportion of at least 15% Close links between generation and distribution, on one hand, and transport and distribution, on the other
Natural gas	National Energy Commission	Transport, regasification, storage and distribution	In imports, regasification, transport, storage and wholesale distribution, there is a virtual monopoly	Maximum prices for small consumers		Administrative authorisation for production, regasification, storage, transport, distribution and commercialisation	<ul style="list-style-type: none"> Until end-2004 the current distributors will continue operating in their zone as a monopoly Maintenance of minimum stocks for hauliers, distributors and major consumers that make use of right of access to the network
Oil	National Energy Commission		Three companies control more than 70% of refining, distribution and commercialisation			<ul style="list-style-type: none"> Administrative operating concession Administrative authorisation system for distribution and installation of service stations 	<ul style="list-style-type: none"> Most service stations have commission contracts Requirement that a minimum amount be stored for distribution Strict safety rules

Characteristics of some Spanish network industries (continuation)

Industry	Independent regulatory body	Regulated activities	Market shares	Regulated prices and margins	Operator responsible for universal services	Licences, concessions or authorisations	Other characteristics
Water				Regulated prices		Concessionaire system	Price not determined by use
Town transport			Companies generally operate exclusively within their designated area	Maximum prices. Occasionally, prices are fixed		Concessionaire system if the company is not state-owned	Long-term duration of concessions
Road transport				<ul style="list-style-type: none"> • Reference rates for public transport of goods • Regulated motorway tolls 		<ul style="list-style-type: none"> • Authorisation system for public transport • Concessionaire system for certain motorways 	<ul style="list-style-type: none"> • Authorisations for haulage granted on a vehicle-by-vehicle basis. The company is required to have more than one vehicle • In charter-service passenger transport, a minimum fleet of 5 vehicles and capacity for no fewer than 90 passengers are required • Authorisations for regular-service passenger transport are subject to contract duration • No parallel routes allowed in regular-service transport • Long-term motorway concessions
Rail transport			A single operator in the Integrated National Network	Regulated prices for local and regional lines		Licence system	
Air transport				Regulated prices for services arising from use of public domain of airports		Licence system	The allocation of slots rewards companies that are already established
Sea transport			A single company has control of regular-service lines between the mainland, the islands and North Africa	<ul style="list-style-type: none"> • Maximum prices set for essential public services • Port services prices will be liberalised in 2001 		<ul style="list-style-type: none"> • Authorisation for regular-service lines between the mainland, the islands and Ceuta or Melilla • Concessionaire system for port services 	<ul style="list-style-type: none"> • Long-term contracts in transport services • Long-term concessions or exclusive-basis system in port services • The port authority sets pilot numbers • Dockers must belong to port-workers union

try, the situation is also very heterogeneous. Legal separation is required among the regulated and non-regulated activities of the electricity and natural gas industries (3), while in the liquid hydrocarbons industry it is obligatory to separate transport and distribution. As for the various regulated activities in the natural gas industry (4), independent accounting records must be kept. Likewise, there is a separation of accounts for rail transport infrastructure and services; for the universal postal service and other services under mail services; and for the various activities performed by the incumbent operators in telecommunications. The restrictions imposed on the ownership shares of certain operators or companies in the electricity and natural gas industries (5) may also be cited.

In most of the network industries there remains some type of price regulation, with fairly heterogeneous price-setting procedures. For natural gas, a regime of maximum prices is applied which takes into account international prices, freight and commercialisation costs. However, in the coming months this procedure is to be changed to tailor it to costs in the industry. In the case of the electricity industry, the rates paid by small electricity consumers have been negotiated, along with other aspects of the industry, as part of the ongoing and staggered opening up of the sector. As regards telecommunications, the prices of the main operator are regulated. Since 1 August 2000 the CPI-X rule has been applied, with certain restrictions being imposed on the maximum changes (upward or downward) that may be recorded in some of the services included in the baskets subject to assessment. One basket includes fixed telephony services and fixed-to-mobile phone calls. This basket may not exceed the forecast CPI of minus 9% in the year 2001, and minus 8% in the year 2002. Two additional baskets have been established, comprising various circuit rental prices. There re-

(3) Distribution and transmission are regulated in the electricity industry while generation and commercialisation are not. In the natural gas industry the only non-regulated activity is commercialisation.

(4) In particular for transport-regasification, storage and distribution.

(5) In the electricity industry in particular, ownership interests have been restricted in the case of both the Market Operator (the agent entrusted with the management of the pool) and the System Operator (the agent entrusted with the management of the transport network) to 10%, for individuals or corporations, and to 40% in the event of the sum of shares of parties engaging in activities in the electricity industry. In the natural gas industry, a ceiling of 35% has been set for the maximum interest any group of companies may have in the capital or in the voting rights of the company owning the network of gas pipelines and the three regasification plants.

mains, moreover, a whole range of fixed telephony and line-rental services adhering to a maximum price regime. As to the Telefónica fixed network interconnection rate, this must be adapted to service costs. The regulator periodically approves interconnection reference prices of which operators may avail themselves, although they may opt to negotiate other prices with the incumbent operator. In respect of reference prices, the CMT takes into account the recommendations of the European Commission, which sets a range of rates whose lower band coincides with the lowest prices applied in EU countries and whose upper band matches the third cheapest country (6).

Lastly, universal services have been established for mail and telecommunications. In telecommunications, the universal service has been awarded exclusively to Telefónica until 1 January 2006 (7). Further, if the universal service should entail a net cost for the operator offering it, the Universal Service Fund shall be set up, subsidised by all mobile and fixed telephony companies in proportion to their revenue. The obligation to provide the universal service in postal services (8) falls to Correos y Telégrafos. This entity has a monopoly on part of the services (9), while it competes for the remaining services with the authorised operators. To finance the universal service a Universal Postal Service Compensation Fund has been set up. In addition to the State, private companies engaging in universal postal services contribute to this fund through payment of rates. The contributions of private operators are restricted to 20% of the public system's needs, the remainder being financed with public funds.

(6) This procedure is a variation on the prices-via-reference-competition method.

(7) The universal service includes, among other services: (i) the right of all citizens to have the possibility of having a telephone connection, to make and receive national and international calls and have access to voice, fax and data transmission at an "affordable" price and one "relatively comparable" across regions; and (ii) the installation of one public telephone booth in each municipality and one further booth per 1,500 inhabitants.

(8) The universal service comprises mail transfer (of funds) services, national and international postal services for letters and postcards of up to 2 kg. and postal packages up to 10 kg, and registered and declared value mail services.

(9) Particularly on transfers, the international service for letters and postcards up to 350 g. and registered and declared value mail addressed to general government bodies. Moreover, it retains the inter-city service for letters and cards up to 350 g. under privileged conditions, since any other operator has to set a price for these at least five times greater than that of the public rate.

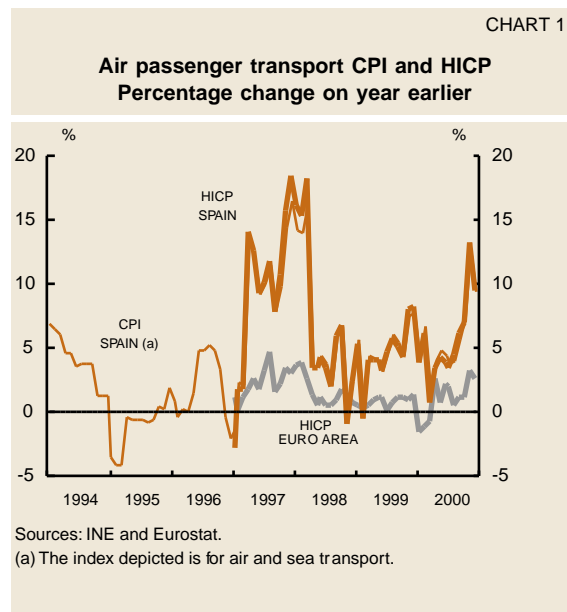
4. SOME DIRECT EFFECTS OF THE LIBERALISATION AND EXTENSION OF COMPETITION IN THE NETWORK INDUSTRIES ON CONSUMER PRICES

One albeit incomplete way of analysing the incidence of liberalisation on price developments is through its direct impact on consumer prices. This section thus analyses the direct effect on the related components of the harmonised index of consumer prices (HICP) of the industries at a more advanced stage of liberalisation (air transport and telecommunications) or those which, though at a less mature stage, have recently undergone significant regulatory changes (electricity). Also, the performance of Spanish prices is compared with those of other euro area countries.

The conclusions drawn from this analysis should be viewed with substantial caution. Firstly, it is difficult to isolate that part of the observed change in price due to liberalisation from that responding to the incidence of other types of factors that may have exerted an effect in the same direction: for instance, technological advances. Moreover, international comparisons may be affected by the different timing of liberalisation processes across the various countries. Thus, while as at 1 January 1998 most EU countries had liberalised telephony services (10), it took Spain 11 months more to do so. Likewise, at present only household consumers in the United Kingdom, Sweden, Finland and Germany can choose their electricity supplier and, therefore, negotiate prices (11). A final word of caution is in order in connection with certain methodological aspects relating to the HICP; these may lead to price falls brought about by liberalisation being understated. For example, as is well known, the HICPs only compute information on households, as a result of which the impact on corporations, which in many cases entails the biggest effect, cannot be taken into account under this first approach. Furthermore, the HICP includes information relating to new operators' offers with a lag and only takes into account those directed at the entire population, thereby excluding tailor-made rates,

(10) The exceptions include Luxembourg (which completed liberalisation on 1 July 1998), Ireland and Spain (1 December 1998), Portugal (1 January 2000) and Greece (31 December 2000).

(11) As for the other countries, national timetables to enable all consumers to choose a supplier are as follows: Austria, 2001; Denmark and Spain, 2003; the Netherlands, 2004; and Ireland, 2006. Belgium, France, Greece, Italy, Luxembourg and Portugal only plan to open the electricity market to big consumers.

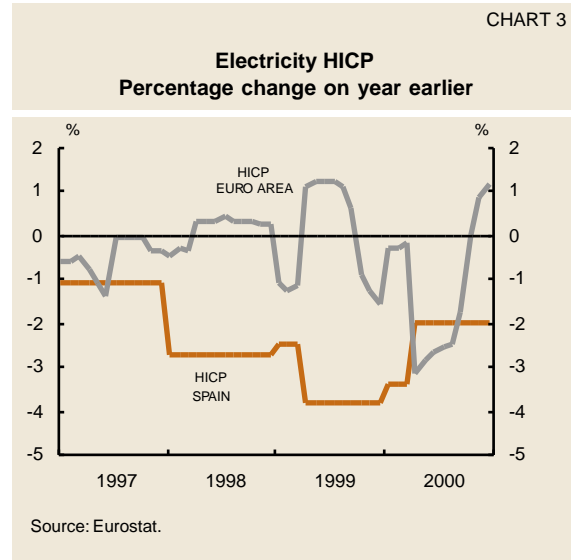
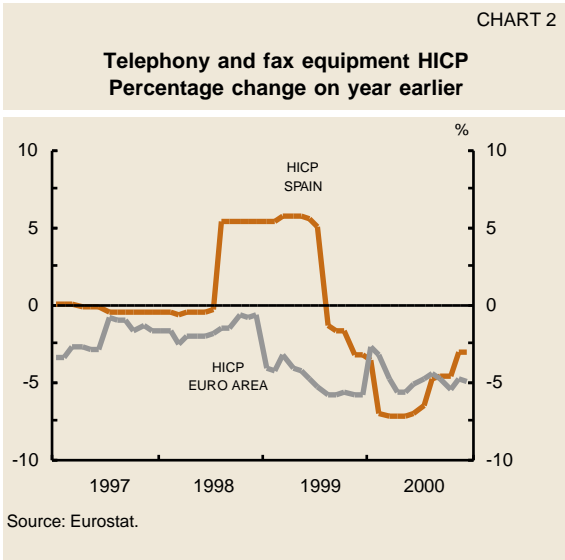


which have been much used in the opening up of the sector.

Chart 1 depicts the HICP air passenger transport series for Spain and the euro area. Moreover, as the opening up of air transport began in January 1993 and the first HICP figure available is for January 1996, it was deemed advisable also to depict the Spanish consumer price index series for air and sea transport (12). The aim here was to have some reference on price developments in the early years of liberalisation (most new operators began offering services in 1994). As can be seen in this chart, air rates moderated appreciably in Spain after the industry was liberalised, and even fell in 1995 and 1996. Since the break in this decline in rates in 1997, this HICP sub-class has posted higher growth rates than the overall index, owing perhaps to the dearer price of oil in pesetas. As to comparison with the euro area as a whole, Spanish rates can be seen to have trended more unfavourably.

Some of the caveats indicated at the beginning of this section are particularly relevant when analysing price developments in telephony services. Competition has led to changes in billing formulas. For instance, billing per second has been introduced, the rate for establishing a connection on each call has been eliminated, and off-peak periods have been extended and discounts applied to specific population segments or user groups. All this has given rise to cheaper calls which, in some cases, are not captured, owing to their construction, in the assessment made

(12) There is no CPI series that includes only air transport.



via the HICP. Likewise, the HICP may not be picking up operators' latest rates.

In any event, as can be seen in the HICP component relating to telephony and fax equipment and services (see Chart 2), price falls had begun in this industry before liberalisation, perhaps in anticipation of heightening competition. They were followed by rises brought on by the partial rebalancing of the former monopoly's rates (local calls and subscription charges became dearer and other calls were reduced). Following liberalisation, the biggest falls in this index took place between the second half of 1999 and the first six months of the year 2000. Telephony price cuts have been common to the euro area as a whole. Indeed, since 1997 the euro-area HICP series for telephony and fax equipment and services has been posting negative year-on-year growth rates. As indicated, the difficulty with an international comparison is that the introduction of competition has not been fully synchronised across the member states. However, the telephony and fax equipment and services HICP has fallen in Spain by 6.3% since December 1998, a slightly lesser amount than in the euro area.

As regards electricity, rates have undergone continuous falls since 1997 (see Chart 3), despite the fact that the opening up of the market has not yet reached household consumers. A maximum reduction of 9% is expected in the average rate for the period 2001-2003. In the euro area, price reductions have alternated with rises brought on by the introduction of ecological taxes. This hinders quantification of the effects on prices of the opening up of the electricity industry. That said, the cut in electricity rates for Spanish households has been greater (9.4% between December 2000 and January 1996)

than for their euro-area counterparts (1.4% for the same period).

5. EFFECTS ON OUTPUT PRICES OF LIBERALISATION AND THE HEIGHTENING OF COMPETITION IN THE SPANISH NETWORK INDUSTRIES

As indicated, the direct effect on consumer prices referred to in the previous section gives a partial view of the potential impact that the liberalisation of the network industries has on the economy as a whole. Indeed, the use of goods and services produced by these industries as inputs in other productive branches set indirect and second-round effects in train which have a bearing on overall output prices and, through this channel, on consumer prices and overall final prices.

This section seeks to evaluate the scale of the potential effect on output prices of a fall of 10% in the prices of goods and services produced by the network industries undergoing liberalisation: air and space transport; postal services and telecommunications; production and distribution of electricity; production and distribution of gaseous fuels via urban pipelines and production and distribution of steam and hot water (including natural gas). The choice of this figure of 10% should be seen as a point of reference for assessing the changes that have taken place in prices in these industries and those which may arise in the future.

Table 3 offers the results of this exercise, conducted using the productive structure of the 1995 Input-Output Tables. The first column shows the decline in output prices in the econo-

TABLE 3

Effects on whole-economy output prices of a 10 % reduction in prices in branches of activity related to the network industries

Branch of activity	Effects (%)			
	Direct		Total (c)	Total with adjustment (d)
	Of the branch(a)	With the other branches (b)		
Air and space transport	-0.05	-0.07	-0.08	-0.20
Postal services and telecommunications	-0.16	-0.24	-0.30	-1.38
Production and distribution of electricity	-0.20	-0.33	-0.41	-1.63
Production and distribution of gaseous fuel through urban channels, except pipelines, and production and distribution of steam and hot water	-0.02	-0.04	-0.05	-0.17
Rail transport	-0.03	-0.04	-0.05	-0.15

Source: Banco de España.

(a) Direct effect on output prices of a 10% reduction in prices in the branch.

(b) Direct effect of the branch itself plus the direct effect on the other productive branches.

(c) Sum of direct and indirect (second-round) effects.

(d) Sum of direct and indirect (second-round) effects when the exercise is performed under the assumption that factor costs that are not inputs maintain their weight in the final price.

my as a whole that would come about as a result solely of the fall of 10% in prices in the related productive branch. Naturally, the differences in magnitude observed in this column reflect the notable discrepancies in the weight of the productive branches as a proportion of total output. To this impact on the branch itself, the second column adds the price reductions that would be triggered in the other productive branches, initially, owing to the cheaper price of the input that they use in their productive processes. The third column shows the overall impact, which includes, in addition to the foregoing direct effects, those second-round effects brought about by the generalised fall in output prices. Completing this information is the final column of Table 3, where the results that would arise if the fall in input prices were not to alter the proportion accounted for by the remaining productive factors (labour, capital and taxes) in the industry's final price (13).

As can be seen in Table 3, price reductions in the electricity and telecommunications branches are those that would most influence the economy as a whole. This is due to the weight of these productive branches in total out-

put and, to a lesser extent, to their greater importance as productive inputs in other industries. A fall of 10% in their prices would lower the level of output prices in the economy as a whole (third column of Table 3) by 0.4% and 0.3%, respectively. However, these estimates might be understating the total effects since, against a background of heightening competition, it is reasonable to think that the initial fall in input costs may prompt a downward revision of the return on the other productive factors (14), the proportion of which in the final price would, as earlier indicated, be maintained. To resolve this problem an alternative simulation has been performed in which this last assumption is introduced, obtaining considerably higher total effects. In this case, a 10% fall in electricity prices would cause a 1.6% fall in output prices in the economy as a whole. And a reduction by this same amount in postal and telecommunications prices would lead to a corresponding decline of 1.4%. These estimates should be considered as an upper bound to the potential effect, because they are obtained under highly optimistic

(13) In relation to the gross operating surplus, this assumption means that, following the increase in competition, the profit margin holds. As regards the compensation of employees, this hypothesis can be justified if it is considered that the fall in prices in the economy will translate into fewer wage demands. In the case of taxes, the assumption would be in line with the tax burden being maintained.

(14) There are other sources for the understatement of the estimates presented in the third column. It should be borne in mind that the productive structure of the Spanish economy may have changed since 1995, reflecting a more intensive use of some of the productive inputs subject to analysis here, this being due to technological advance or to changes in relative prices. Moreover, the very nature of the exercise means that the total effect does not compute the second-round price falls that may come about in the productive branch in which the initial fall in prices has arisen.

TABLE 4

International comparison (a)

Country	Direct effect (%)	
	Telecommunications	Electricity
Spain	-0.08	-0.13
France	-0.08	-0.10
Netherlands	-0.14	-0.13
Italy	-0.06	-0.14
Portugal	-0.11	-0.22

Sources: ECB and Banco de España.

(a) International comparison of direct effects of a 10% reduction in telecommunications and electricity prices on output prices.

assumptions, especially as regards the wages reaction. Therefore, a prudent estimate would place the final effect somewhere between 0.3% and 1.4%.

The effects induced by price falls in the other branches undergoing liberalisation (air and rail transport and natural gas) are smaller, with total maximum reductions close to 0.2%.

For some European countries (France, the Netherlands, Italy and Portugal) the European Central Bank (ECB) has, using the same methodology, published the direct effects of a change in telecommunications and electricity prices on the other productive industries (see Table 4). Given a fall of 10% in telecommunications prices, the Netherlands is the country with the biggest direct effect (-0.14%), while the fall in the price of electricity is more significant in the case of the Portuguese economy (-0.22%). The differences observed show the different weights that these branches have as inputs in the respective economies. The results presented for Spain in this article are at a mid-point in respect of those estimated by the ECB. For example, in the case of the electricity industry, the impact on the Spanish economy of an exercise equivalent to that performed by the ECB would be -0.13% (the difference between the effects reflected in the first two columns of Table 3), very close to the results for the Netherlands and Italy. In the telecommunications industry, the incidence in the Spanish economy is -0.08%, a similar result to that for France and Italy.

6. CONCLUSIONS

The opening up of the network industries in Spain has followed a worldwide pattern involving the liberalisation of these activities. In the EU, the process has been driven by the under-

taking to accelerate the creation of the single market. In Spain, the liberalisation of the network industries has been pursued as a gradual process that has progressively incorporated the various segments of each industry, following pre-set liberalisation timetables and paying heed to the initial conditions in each of the industries concerned.

Significant results are already discernible as a consequence of the progress made in liberalisation, and further results will become apparent in the future. Generally, a notable increase in the number of participants in these industries is taking place, which will contribute to increasing levels of competition. And there are also widespread reductions in prices, albeit of differing degrees depending on the industry. In some cases, such price reductions have been on a lesser scale than those in other euro area countries. Headway in reducing the market shares of the incumbent operators has, generally, been more limited, although the introduction of new measures last June will allow progress in this direction once sufficient time has transpired to ensure their effectiveness.

The potential effects of the liberalisation of the network industries on prices in the economy have exceeded those initially perceived and are quantified via their direct impact on consumer prices (such as those mentioned in the preceding paragraph). This is because the use of goods and services produced by these industries as inputs in other productive branches sets in train indirect and second-round effects that bear on output prices and, in subsequent phases, on final prices.

In particular, both electricity and telecommunications significantly influence the output costs of other goods and services. The exercises performed with the Spanish economy's 1995 Input-Output tables show that a 10% reduction in the price of each of these industries might alone entail a fall in the overall level of the economy's output prices of around 1%, the scale depending on some of the assumptions made. Lower air and rail transport or natural gas prices may prompt reductions in output prices of some size. These figures, which are in line with those obtained for other European countries, illustrate the need to pursue the structural reforms undertaken in the network industries. The resulting benefits for the rest of the economy will be boosted if other obstacles constraining competition in other markets and services are lifted.

22.3.2001.

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Financial regulation: 2001 Q2

1. INTRODUCTION

As in the previous quarter, relatively few provisions of a financial nature were issued in 2001 Q2.

First, the rules on the Central Credit Register (CIR) have been updated to adapt the unit of account used to express the amounts reported to euro, with some minor changes to the reporting thresholds.

Second, the Regulation on foreign investments has been implemented, regulating certain aspects of their declaration and settlement, as well as the procedures for presentation of annual reports relating to their development. Also, some clarifications of the legal system for cross-border transfers between EU Member States have been made at the same time.

In relation to the securities market, the rules on prospectuses, quarterly reports and the information obligations of collective investment undertakings have been amended, in order to ease their use by investors and to speed up their verification and registration.

Finally, in the context of EU law, three provisions have been issued. The first regulates the reorganisation and winding up of credit institutions, in order to harmonise a set of reorganisation measures aiming to preserve or restore the financial situation of such institutions. The second is a Resolution of the Council of the European Union which, on one hand, supports the report of the Committee of Wise Men on the regulation of European securities markets and, on the other, recognises the need for greater convergence of the supervisory practices and regulatory standards of these markets. Finally, the third, relating to combating fraud and counterfeiting of non-cash means of payment, proposes a common policy in the European Union to cover both preventive and repressive aspects of the problem, contemplating, in particular, offences relating to corporeal payment instruments and computers, as well as to specifically adapted devices.

2. MODIFICATION OF THE RULES ON THE CENTRAL CREDIT REGISTER

Article 17 of Legislative Decree 18/1962 of 7 June 1962 provides for the creation of a Central Credit Register (CIR) in Spain, whose operation was regulated by the order of 13 February 1963. In the years since a number of reforms have been introduced to give the CIR its present form. Specifically, the amendments introduced by Banco de España Circular (CBE)

7/1989 of 24 February 1989 (since repealed) and CBE 3/1995 of 25 September 1995 (1), basically widened the range of reporting institutions and of borrowers and credits reported, adapting the CIR to the changes in the financial system. Subsequently, CBE 6/1998 of 29 May 1998 (2) amended the 1995 CBE to redefine some concepts and introduce certain reforms, in order to improve the information supplied by the CIR. The latest amendment was introduced by CBE 8/1999 of 27 July 1999 (3). It specifies the means or vehicle to be used by the reporting institutions to request information from the CIR.

CBE 1/2001 of 30 March 2001 (Official State Gazette (BOE) of 18 April 2001) has recently been published. Its purpose is to adapt the unit of account used to express the amounts reported to the CIR to euro, with some minor changes to the reporting thresholds. In addition, some minor changes were introduced into CBE 3/1995 of 25 September 1995 to clarify certain aspects that were not sufficiently explicit.

Previously, reportable credits were expressed in millions of pesetas, having been rounded up to the nearest million. Credits of less than ESP 1 million were not rounded up and were not reportable. Now, credits are to be expressed in thousands of euro, having been rounded up to the nearest thousand, except for those for less than EUR 6,000, which shall not be reportable.

Further, all the amounts expressed in pesetas are replaced by a similar amount in euro. Direct credits to resident borrowers were previously reported when their amount in respect of all business in Spain was greater than or equal to ESP 1 million, or to ESP 10 million, in the case of that in any other country. These amounts are now replaced by EUR 6,000 and EUR 60,000 respectively. Likewise, as regards direct and indirect credit to non-resident borrowers, the threshold for compulsory reporting of ESP 50 million is now replaced by EUR 300,000.

Finally, this Circular will come into force on 30 September 2001, and shall be applicable for the first time to the reports made by institutions in the month of October on the credit positions as at that date.

(1) See "Regulación financiera: cuarto trimestre de 1995", in *Boletín Económico*, Banco de España, January 1996, p. 82.

(2) See "Financial regulation: second quarter of 1998", in *Economic Bulletin*, Banco de España, July 1998, p. 84.

(3) See "Financial regulation: third quarter of 1999", in *Economic Bulletin*, Banco de España, October 1999, p. 74.

3. PROCEDURES FOR DECLARING FOREIGN INVESTMENTS AND THEIR SETTLEMENT

The Treaty on European Union (Maastricht Treaty), signed by Spain on 7 February 1992, established full freedom of capital movements, authorising the Member States to establish or maintain administrative formalities for liberalised transactions. This had two basic purposes: first, the establishment of a mechanism for declaring investments so that information on such transactions is available for administrative and statistical purposes; and second, the possibility of adopting measures warranted on grounds of public order and safety and, in exceptional cases, of even suspending the liberalised regime.

Royal Decree 664/1999 of 23 April 1999 (4) on foreign investment was enacted in order to adjust Spanish law to the provisions of the Treaty. Basically, it liberalised both foreign investment in Spain and Spanish investment abroad, as well as payments between Member States and between the latter and third countries. The main feature of this Royal Decree was the establishment of an administrative procedure for the general ex-post declaration of investment, for administrative, economic and statistical purposes, with the prior verification and authorisation procedures being abolished. However, in certain cases of inward and outward investment from or to territories or countries classified in Spanish law as tax havens, a prior declaration was required in addition to the aforementioned ex-post one, and the possibility was envisaged of exceptional measures being adopted that might even enable the liberalisation regime to be suspended. Finally, the Royal Decree empowered the Minister of the Economy to implement the procedures applicable to the processing and registration of transactions covered by this rule.

Pursuant to these powers, the Ministerial Order of 28 May 2001 (BOE of 5 June 2001) establishing the applicable procedures for declaring foreign investments and their settlement, as well as the procedures for the presentation of annual reports on the development of foreign investments was issued.

At the same time, taking into account that, when foreign investments are in the form of marketable securities, different declaration procedures are required owing to their specific

(4) See "Financial regulation: second quarter of 1999", in *Economic Bulletin*, Banco de España, July 1999, pp. 70-72.

characteristics, and that the person obliged to declare such investments is generally the financial intermediary that acquires these securities for the account of the investor, it has been considered appropriate for this kind of investment to be the subject of a separate provision. For this reason, a *Resolution of 31 May 2001 of the Directorate General for Trade and Investment (Dirección General de Comercio e Inversiones)* (BOE of 13 June 2001) has been published. This issues instructions for the submission by financial intermediaries of declarations of foreign investment in marketable securities listed on Spanish markets and of Spanish investments in marketable securities listed on foreign markets.

Finally, it should be noted that the Order of May 2001 also amends the Ministerial Order of 16 November 2000 implementing Law 9/1999 of 12 April 1999 (5), which regulates the legal rules for *transfers* between Member States of the European Union, as well as other provisions relating to the management of transfers in general.

The most important aspects of the Order and the Decision are summarised below.

3.1. Scope of application

The Order defines who can hold foreign investments in Spain and Spanish investments abroad, in accordance with the provisions of RD 664/1999, and the means of evidencing the status of non-residency or, where applicable, residency in Spain. Also, the cases of change of registered office and change of residency are contemplated, since, if they involve a change in residency or non-residency status in Spain, they will entail a change in the classification of an investment as a Spanish investment abroad or a foreign investment in Spain, and will therefore involve an obligation to submit the relevant declarations to the Investment Registry (Registro de Inversiones) of the Ministry of Economy

3.2. Foreign investment: tax havens

This section covers both inward foreign investment in Spain from tax havens (6), and Spanish investment in such territories.

As regards *inward foreign investment from tax havens*, in accordance with RD 664/1999,

(5) See "Financial regulation: second quarter of 1999", in Economic Bulletin, Banco de España, July 1999, pp. 63-64.

(6) These are the countries or territories deemed to be such by Royal Decree 1080/1991 of 5 July 1991.

the proposed investment must be declared to the Investment Registry, prior to its execution. However, the following two cases are excluded from the obligation for prior declaration: a) investment in marketable securities, whether on official or unofficial primary or secondary markets, as well as in shares in mutual funds registered with the National Securities Market Commission (CNMV); and b) when the foreign holding does not exceed 50 % of the capital of the target Spanish company, either before or as a consequence of the proposed investment.

As for *Spanish investment in tax havens*, prior declaration is also required. However, the following two cases are excluded from the obligation for prior declaration: investment in marketable securities (on the same conditions as set out above) and shares in mutual funds, and b) investment that does not give the investor an effective influence over the management or control of the foreign company in question. Such an influence is presumed to exist when the direct or indirect holding of the investor is greater than or equal to 10 % of the capital of the company or when the investor is entitled to be represented, directly or indirectly, on the board of directors.

The settlement of foreign investments, whether investments in Spain held by residents of tax havens, or else Spanish investments in such territories, shall not require any prior declaration to be made.

3.3. Investment in unlisted companies, branches and other types of investment

As regards *foreign investment in Spain*, the procedures are regulated for declaration and settlement of the following investments:

- a) Holdings in unlisted Spanish companies. This covers the incorporation of companies, subscription for and acquisition of all or some of their shares or the taking-up of equity and the acquisition of securities such as warrants, convertible bonds and the like.
- b) The establishment of and increases in branch endowments.
- c) The establishment, execution or participation in joint-ventures, foundations, economic interest groupings, co-operatives and jointly-held property, when the total value corresponding to the holding of foreign investors exceeds ESP 500 million (approximately EUR 3 million), or when, irrespec-

tive of the amount, the investor is resident in a tax haven.

In the case of *Spanish investment abroad*, the procedures for declaration and settlement of such investments are similar to those envisaged in the previous case for the following operations:

- a) Holdings in unlisted foreign companies.
- b) The establishment of and increases in branch endowments.
- c) The establishment, execution or participation in joint-ventures, foundations, economic interest groupings, co-operatives and jointly-held property, when the total value corresponding to the holding of the resident investors either in itself or combined with previously existing holdings exceeds ESP 250 million (approximately EUR 1.5 million), or when, irrespective of its amount, the investment is in a tax haven.

Whether or not the foregoing operations are subject to the obligation of prior declaration (if the investor is resident in a tax haven), the investor must declare the same in the Investments Registry within one month from the date the investment is made.

3.4. Investment in marketable securities

With regard to *foreign investment in Spain in marketable securities*, the procedures are regulated for declaration and settlement of the following investments:

- 1) Investments in the shares of Spanish companies whose capital is wholly or partially listed on Spanish or foreign securities markets, as well as warrants and similar rights which, due to their nature, entitle the holder to a stake in the capital of the aforesaid companies, wheresoever issued or acquired.
- 2) Investments in marketable securities (7) representing loans issued by residents, such as bonds, whether or not convertible into shares, commercial paper and other similar instruments, wheresoever issued or acquired.
- 3) Investments in mutual funds duly established under Spanish law, by residents, and entered in the CNMV records.

(7) The concept of marketable securities is characterised by their marketability on an organised secondary market and their grouping into issues.

- 4) Subscription for shares and securities, comparable to shares in unlisted Spanish companies in those cases in which the listing of such shares and securities is planned, with the relevant issue prospectus duly verified and registered with the CNMV.

Non-residents who subscribe for or acquire marketable shares on the Spanish market, for their own account or for the account of third parties, must keep their securities accounts or deposits with one of the member institutions of the Securities Clearing and Settlement Service (SCLV) or of the securities clearing and settlement agency of the market in which they are registered.

Spanish or foreign institutions authorised in Spain or in any other EU Member State that propose to operate in Spain as custodians or administrators of book-entry securities, acquired by non-residents on the Spanish markets, shall notify the Directorate General for Trade and Investment before commencing their activity, in the form established by the aforementioned Decision of 31 May 2001. Those institutions specified in article 37 of Law 24/1988 of 28 July 1988 on the Securities Market are entitled to operate as custodians or administrators of book-entry securities (8).

The declarations at the Investment Registry, in accordance with the instructions laid down in the aforementioned Decision, shall be made by:

- a) Custodians or administrators of book-entry securities and, where applicable, the management company of the market concerned.
- b) Those entities which, without acting as custodians for foreign investments, settle transactions to buy and sell such securities on the orders of by non-residents.

The procedures for declaring investments and their settlement are also regulated in the case of *Spanish investments in foreign mar-*

(8) These institutions are: a) securities dealer-companies and securities agencies; b) Spanish credit institutions; c) Spanish investment services companies (ISCs) and credit institutions authorised in any other EU Member State, provided that, besides fulfilling the requirements laid down in this Law to operate in Spain, the home-country authorisation permits them to provide certain investment services (the execution of orders for the account of third parties and trading for their own account), and d) Spanish ISCs and credit institutions authorised in a State that is not a member of the EU, provided that, besides fulfilling the requirements laid down in this Law to operate in Spain, the home-country authorisation permits them to provide the investment services envisaged in Law 24/1988.

marketable securities, in relation to the following transactions:

- 1) Investments in the shares of foreign companies whose capital is wholly or partially listed on Spanish or foreign securities markets, as well as warrants and similar rights which, due to their nature, entitle the holder to a stake in the capital of the aforesaid companies, wheresoever issued or acquired.
- 2) Investments in marketable securities representing loans issued by residents, such as bonds, whether or not convertible into shares, commercial paper and other similar instruments, wheresoever issued or acquired.
- 3) Investments in foreign mutual funds duly established under the laws of the country concerned, whose prices are regularly published in the general news media.
- 4) Acquisitions by residents of securities issued by residents and acquired in foreign secondary markets.

The declarations at the Investments Registry shall be made by:

- a) The holders of the investments when the securities account or deposit is held with an entity domiciled abroad, or when the securities are in the possession of the holder of the investment.
- b) Resident ISCs, credit institutions or other entities which carry on any of the specific activities of the former and which operate for the account and risk of the investor, holding securities on behalf thereof, both with respect to securities accounts or deposits and with respect to the transactions for their own account. Entities proposing to carry on such activities must notify the Directorate General for Trade and Investments before commencing operations, in accordance with the form laid down in Decision 31 of May 2001.

3.5. Property investment transactions

In this case, the procedures are regulated for declaration and settlement of investments, when they arise from the acquisition of property situated in Spain (in the case of foreign investment) or the acquisition of property situated abroad (in the case of Spanish investments abroad), whose total amounts exceed ESP 500 million (approximately EUR 3 million) and ESP

250 million (around EUR 1.5 million), respectively, or when, irrespective of the amount, the investor in property is resident in a tax haven or the property acquired is situated in a tax haven.

3.6. Suspension of the liberalised regime

The Order provides for a procedure to suspend the liberalised regime when a ministerial department is aware of foreign investment that, owing to its nature, form or conditions of execution, affects or may affect activities related (even if only occasionally) to the exercise of public power, order, safety or health.

3.7. Annual reports on the development of investments

In relation to *foreign investments in Spain*, Spanish firms whose shares are held by non-residents must submit to the Directorate General of Trade and Investment an annual report in the following cases:

- a) The branches in Spain of non-resident firms, whatever the amount of their capital or own funds.
- b) Spanish companies that control a group of businesses, when the holding of non-residents in their share capital is greater than or equal to 50 %, or when the holding of a single non-resident investor is greater than or equal to 10 %.
- c) Spanish corporations whose capital or own funds exceed ESP 500 million (approximately EUR 3 million), when the holding of non-residents in their share capital is greater than or equal to 50 %, or when the holding of a single non-resident investor is greater than or equal to 10 %.

In the case of listed Spanish firms, when calculating the holdings of non-residents in order to ascertain whether they reach 50 % of the share capital, only the holdings of non-resident investors that individually exceed 5 % of share capital shall be counted.

Likewise, as regards *Spanish investments abroad*, the resident holders of these investments shall submit to the Directorate General of Trade and Investment an annual report in the following cases:

- a) In the case of investments in branches, whatever the amount of the investment.
- b) When the shareholders' equity of the foreign investee company exceeds ESP 250

million (EUR 1.5 million) and the holding of the investor in the capital is greater than or equal to 10 %.

- c) In the case of investments in companies whose activity is to hold direct or indirect stakes in the capital of other companies, whatever the amount of the investment.

3.8. Modification of the rules on cross-border transfers

The Ministerial Order of 16 November 2000 established, inter alia, that credit institutions which make transfers between EU Member States must publish a number of general conditions applicable to such transfers, and include them in a tariff brochure. The Ministerial Order of 28 May 2001 now specifies some of these conditions. Thus, in the case of making a transfer, the latest time for the funds to be credited to the account of the beneficiary, which was not previously specified in the provisions, must be that previously agreed with the originator, or otherwise the end of the fifth day following the date of acceptance of the transfer order.

In the case of receipt of a transfer, the latest time for the funds to be credited to the account of the customer beneficiary shall be that previously agreed with the beneficiary or, if none, the end of the day following that on which the funds have been credited to the account of the beneficiary institution (previously it was the period agreed with the originator, or otherwise five bank business days).

4. PROSPECTUSES, QUARTERLY REPORTS AND INFORMATION OBLIGATIONS OF COLLECTIVE INVESTMENT UNDERTAKINGS

The basic regulation of CIUs is contained in Law 46/1984 of 26 December 1984 (9), and in its implementing provisions in Royal Decree 1393/1990 of 2 November 1990 (10). Notable among the amendments made to that Law were those of Law 37/1998 of 16 November 1998 (11) on reform of the securities market, in which, inter alia, certain new kinds of institution were regulated, such as funds of funds and master and feed-

er funds, which are distinguished by their having the majority of their investments in other CIUs. Subsequently, Royal Decree 91/2001 of 2 February 2001 partially amended Royal Decree 1393/1990, in order to incorporate and implement the new features that had been introduced into Law 46/1984 by Law 37/1998.

The Ministerial Order of 12 July 1993 established the standard forms for the prospectuses that the CIUs are required to submit for prior verification and registration at the CNMV for securities issuance and public offerings, admission to stock-market listing and the marketing of these institutions. Subsequently, the Ministerial Order of 1 October 1998 updated such prospectuses, so as to give entities marketing CIUs a flexible instrument to ease their distribution through increasingly diverse and sophisticated channels. As a result, securities funds (FIM) and money-market funds (FIAMM) were permitted to use abbreviated prospectuses and quarterly reports, in order to transmit a clear and precise commercial message to investors, and to provide the minimum standardised information necessary for knowledge of the product. At the same time, it was sought to facilitate the distribution of the prospectuses through electronic media.

Recently, the *Ministerial Order of 18 April 2001* (BOE of 26 April 2001) on the prospectuses, quarterly reports and information obligations of CIUs has extended this *simplification and standardisation of documents*, to make them easier for investors to use and to speed up their verification and registration.

First, it provides for drafting, supervised by the CNMV, of prospectuses with a format more in concordance with the real needs of investors. On one hand, the conception of the abbreviated prospectus is modified, and such prospectuses are now called simplified prospectuses (12). These prospectuses shall form an integral and removable part of the complete prospectus and shall contain the key elements of the latter which enable investors to understand sufficiently and precisely the product being offered. On the other, the use of simplified prospectuses, hitherto only authorised for mutual funds, is extended to investment companies.

Second, use of the CIFRADO/CNMV (13) coding and electronic signature system has

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

(10) See "Regulación financiera: cuarto trimestre de 1990", in Boletín Económico, Banco de España, January 1991, pp. 30 and 31.

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

(12) In line with the terminology used to refer to this type of document in most European countries.

(13) This system, already operational for the transmission of information relating to other CNMV procedures, was approved by a Resolution of its Council on 11 March 1998, and is intended to speed up and improve the efficiency of the CNMV's administrative actions in relation to supervised institutions.

been established for sending information for the purposes of verification and updating of the prospectuses of CIUs. This system consists in the transmission of information between the supervised institutions and the CNMV by telematic means with coding and electronic signature, which ensures the confidentiality and security of the communication. Prospectuses may only be submitted through some other channel when the CNMV so authorises, following a reasoned application. Also, the CNMV shall determine the technical requirements and the procedure for CIUs, management companies and custodians to have access to the system, and the manner and time at which the annual accounts, audit reports, the fund rules, the companies' articles of association and other information and documents that form part of or supplement the standard format for prospectuses must be sent through this channel or by means of other telematic systems.

Prospectuses shall be updated when changes arise in their key elements. New instances of such changes have been added to those already laid down in the Ministerial Order of 1 October 1998: the execution or modification of guarantees of profitability in favour of the fund; a change of master fund, in the case of feeder funds, as well as the events envisaged in this section that affect such master fund; changes in the objects entailing changes to the tax regime; and the replacement of the appraisal company, in the case of property funds.

As for the quarterly reports of CIUs, as provided in Ministerial Order of 1 October 1998, now repealed, the management companies of mutual funds of a financial nature can draft simplified quarterly reports along with the complete version. These documents shall be sent by telematic means, subject to such technical requirements as may be specified by the CNMV. As in the case of prospectuses, they may only be submitted by some other means when the CNMV so authorises, upon a reasoned application.

The simplified quarterly report shall refer to the existence of a complete quarterly report and shall indicate, in the terms laid down by the CNMV, whether the audit report on the last financial year was favourable or not and, when the report contains a qualified opinion, whether or not quantified, or the opinion of the auditors was adverse or when, as the case may be, such qualifications have been corrected, this shall be indicated in the quarterly report.

Finally, the obligations to provide information to shareholders and members are maintained. Thus, management companies must deliver to investors, before they first subscribe, at least

the simplified prospectus, the simplified quarterly report of the mutual funds and the latest annual report. Also, shareholders shall be entitled to obtain the complete version of the prospectus and the quarterly report free of charge.

5. EUROPEAN DIRECTIVE ON THE REORGANISATION AND WINDING UP OF CREDIT INSTITUTIONS

The Treaty on European Union, while promoting the harmonious development of the activities of credit institutions throughout the EU, through the freedom of establishment and the freedom to provide services, identifies the need to strengthen the stability of the banking system and to ensure the protection of savers.

In this respect, Directive 94/19/EC of 30 May 1994 (14) on deposit-guarantee schemes established the principle of compulsory membership by credit institutions of a guarantee scheme in their home Member State, establishing a harmonised minimum level of guarantee, irrespective of the EU country in which they are located. However, the situation which might arise if a credit institution with branches in other Member States runs into difficulties, shows the need for mutual recognition of reorganisation measures and, where applicable, of winding up proceedings for credit institutions.

This is the legislative background to *Directive 2001/24/EC of the European Parliament and of the Council of 4 April 2001* (OJ of 5 May 2001) on the reorganisation and winding up of credit institutions. In particular, it establishes the harmonisation of a set of reorganisation measures aiming to preserve or restore the financial situation of a credit institution while maintaining third parties' pre-existing rights. The most significant aspects of this Directive are described below.

First, employment contracts and relationships shall be governed solely by the law of the Member State applicable to the employment contract, and at the same time, contracts conferring the right to make use of or acquire immovable property shall be governed solely by the law of the Member State within the territory of which the immovable property is situated.

As regards third parties' rights in re, the adoption of reorganisation measures or the opening of winding-up proceedings shall not affect the rights in re of creditors or third parties in

(14) See "Regulación financiera: segundo trimestre de 1994", in *Boletín Económico*, Banco de España, July-August 1994, pp. 97 and 98.

respect of tangible or intangible assets belonging to the credit institution which are situated within the territory of another Member State at the time of the adoption of such measures or the opening of such proceedings.

The administrative or judicial authorities of the home Member State shall have sole power to decide upon and implement certain reorganisation measures in relation to a credit institution, including its branches set up in other Member States. Such authorities shall without delay inform the competent authorities of the host Member State of their decision to adopt any reorganisation measure. If, as a result, the administrative or judicial authorities of the host Member State deem it necessary to implement within their territory one or more reorganisation measures, they shall inform the competent authorities of the home Member State accordingly. Both sets of authorities shall endeavour to coordinate their actions.

A credit institution shall be wound up in accordance with the laws, regulations and procedures applicable in its home Member State, which shall determine, inter alia: the goods subject to administration; the respective powers of the credit institution and the liquidator; the conditions under which set-offs may be invoked; the effects of winding-up proceedings on current contracts to which the credit institution is party; the claims which are to be lodged against the credit institution and the treatment of claims arising after the opening of winding-up proceedings; the rules governing the distribution of the proceeds of the realisation of assets; the ranking of claims, and the rights of creditors who have obtained partial satisfaction after the opening of insolvency proceedings by virtue of a right in re or through a set-off.

Where the opening of winding-up proceedings is decided on in respect of a credit institution in the absence, or following the failure, of reorganisation measures, the authorisation of the institution shall be withdrawn. This fact shall, where applicable, be notified to the competent authorities of the host Member State, who shall take appropriate measures to prevent the institution concerned from initiating further transactions within its territory and to safeguard the interests of depositors.

When winding-up proceedings are opened, the administrative or judicial authority of the home Member State or the liquidator shall without delay individually inform known creditors who have their domiciles in other Member States. Such creditors shall have the right to lodge claims or to submit written observations relating to claims.

Finally, the Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by 5 May 2004.

6. REGULATION OF EUROPEAN UNION SECURITIES MARKETS

The European Council, meeting in Stockholm in March, issued the *Resolution of 23 March 2001 on more effective securities market regulation in the European Union*, incorporating the report of the Committee of Wise Men on the regulation of European securities markets, and recognising the need for further convergence of supervisory practices and regulatory standards, in order to achieve an integrated securities market by the end of 2003.

The approach of the report of the Committee of Wise Men is based on four levels: framework principles (level 1), implementing measures (level 2), cooperation (level 3) and enforcement (level 4), to make the regulatory process for European Union securities legislation more effective and transparent.

This report proposes the establishment of a *Securities Committee* of high-level officials from Member States, chaired by the European Commission ("the Commission"). This Committee would act, on one hand, in an advisory capacity in relation to policy issues, in particular, the kind of measures the Commission might propose at level 1. On the other, it would also function as a regulatory committee, assisting the Commission when it takes implementing measures in respect of securities markets pursuant to the EC Treaty.

The establishment of an independent *Regulators' Committee* is also proposed, which should be chaired by a representative of a national supervisory authority. Each Member State will designate a senior representative from the competent authorities in the securities field to participate in the meetings of the Regulators Committee. This committee will act as an advisory group to assist the Commission in its preparation of draft implementing measures (level 2).

National regulators and the Regulators Committee should also play an important role in the transposition process (level 3) by securing more effective cooperation between supervisory authorities, carrying out peer reviews and promoting best practice, so as to ensure more consistent and timely implementation of Community legislation in the Member States.

Finally, it is proposed in level 4 that the Commission and the Member States should strengthen the enforcement of Community law.

The new regulatory structure should be operational from the beginning of 2002 and there will be a full and open review in 2004.

7. COMBATING FRAUD AND COUNTERFEITING OF NON-CASH MEANS OF PAYMENT

Council Framework Decision of 28 May 2001 combating fraud and counterfeiting of non-cash means of payment (OJ of 2 June 2001) proposes a common European Union policy covering both preventive and repressive aspects of the problem. Specifically, the Framework Decision contemplates offences related to corporeal payment instruments, to computers and, finally, specifically adapted devices.

In this respect, it is established that each Member State shall adopt the measures necessary to ensure that certain conduct is a criminal offence, when committed intentionally, in the following cases:

- a) *Relating to payment instruments* (15): theft or other unlawful appropriation; counterfeiting or falsification of a payment instrument in order for it to be used fraudulently; receiving, obtaining, transporting, sale or transfer to another person of a counterfeited or falsified payment instrument in order for it to be used fraudulently;
- b) *Related to computers*: performing or causing a transfer of money and thereby causing an unauthorised loss of property for another person by, without right, introducing, altering, deleting or suppressing computer data, or, without right, interfering with the

functioning of a computer programme or system.

- c) *Related to specifically adapted devices*: the fraudulent making, receiving, obtaining, sale or transfer to another person or possession of instruments, articles, computer programmes and any other means for counterfeiting or falsifying payment instruments for fraudulent use.

Moreover, measures shall be taken to ensure that the conduct referred to above is punishable by effective, proportionate and dissuasive criminal penalties, including, at least in serious cases, penalties involving deprivation of liberty which can give rise to extradition.

As for legal persons, they shall be responsible for the above-mentioned criminal conduct committed by any person, acting either individually or as part of an organ of the legal person, who has a leading position within the legal person based on a power of representation of the legal person, or an authority to take decisions on behalf of the legal person, or an authority to exercise control within the legal person. The sanctions imposed on legal persons shall include criminal and non-criminal fines, and may include other sanctions, such as exclusion from entitlement to public benefits or aids, temporary or permanent disqualification from the practice of commercial activities, placing under judicial supervision, or a judicial winding-up order.

As regards cooperation and exchange of information, Member States shall afford each other the widest measure of mutual assistance in respect of proceedings relating to the offences provided for in this Framework Decision, and shall designate operational contact points or may use existing operational structures for the exchange of information and for other contacts between Member States.

Finally, Member States shall bring into force the measures necessary to comply with this Framework Decision by 2 June 2003.

5.7.2001.

(15) The Framework Decision contemplates the most common payment instruments, such as credit cards, eurocheque cards, other cards issued by financial institutions, travellers' cheques, eurocheques, other cheques and bills of exchange.

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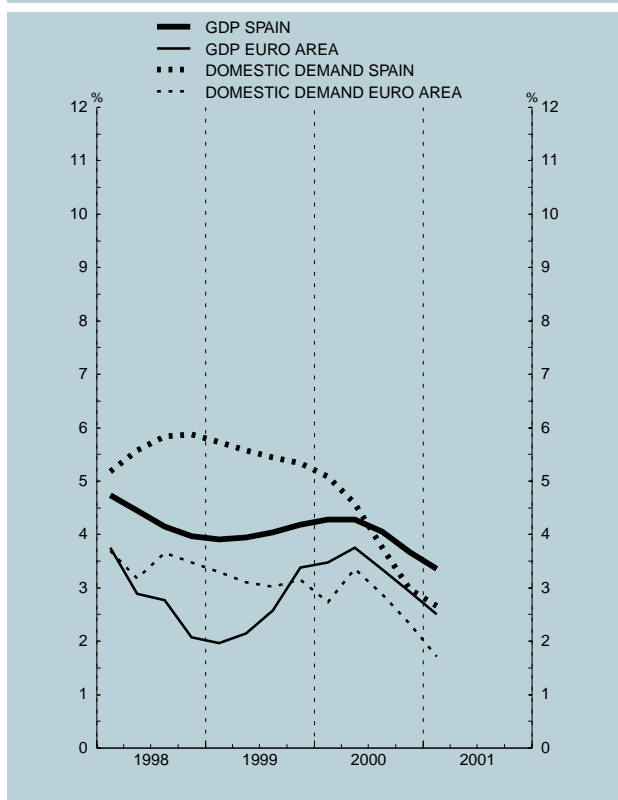
1.1. Gross domestic product. Constant 1995 prices. Demand components. Spain and Euro area (a)

■ Series depicted in chart.

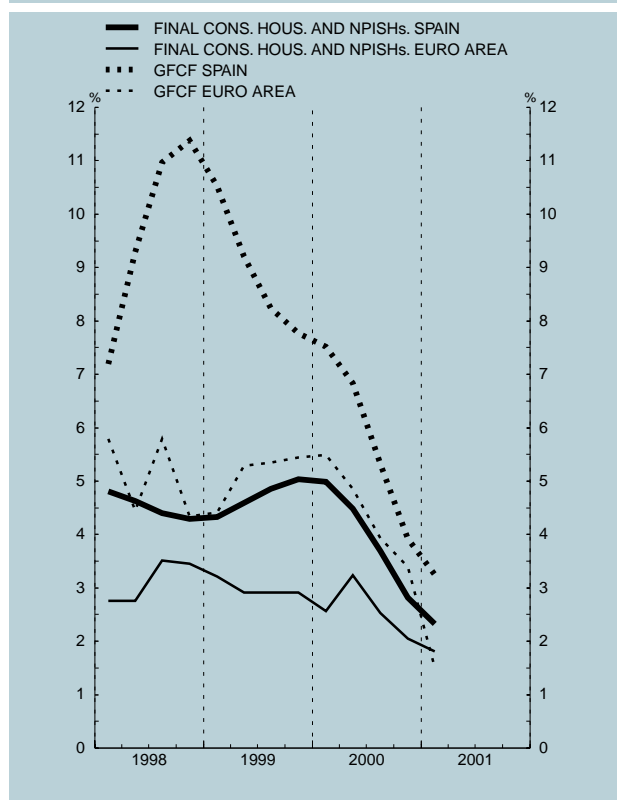
Annual percentage changes

		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	2.9	4.5	3.1	3.7	1.0	9.7	5.1	5.6	3.5	8.3	7.1	13.4	9.6	526	5 884	
99	P	4.0	2.5	4.7	3.0	2.9	1.5	8.9	5.1	5.5	3.1	6.6	4.9	11.9	7.0	563	6 143	
00	P	4.1	3.4	4.0	2.6	2.6	2.0	5.9	4.4	4.1	2.8	10.8	12.0	10.4	10.8	606	6 432	
98	Q1	P	4.7	3.8	4.8	2.8	3.9	0.8	7.2	5.8	5.2	3.7	12.9	12.4	14.9	12.9	128	1 448
	Q2	P	4.4	2.9	4.6	2.8	3.8	0.7	9.3	4.5	5.6	3.2	9.5	9.2	14.1	10.7	130	1 463
	Q3	P	4.1	2.8	4.4	3.5	3.6	0.9	11.0	5.8	3.7	6.6	5.2	13.0	8.3	133	1 479	
	Q4	P	4.0	2.1	4.3	3.5	3.4	1.5	11.4	4.3	5.9	3.5	4.8	2.2	11.8	6.7	135	1 495
99	Q1	P	3.9	2.0	4.3	3.2	3.3	1.4	10.5	4.4	5.7	3.3	4.5	1.0	11.0	5.0	137	1 513
	Q2	P	3.9	2.1	4.6	2.9	3.1	1.4	9.2	5.3	5.6	3.1	5.7	2.6	11.4	5.6	139	1 524
	Q3	P	4.0	2.6	4.9	2.9	2.8	1.7	8.2	5.3	5.4	3.0	7.3	5.9	12.2	7.5	142	1 543
	Q4	P	4.2	3.4	5.0	2.9	2.5	1.7	7.8	5.4	5.3	3.2	9.0	10.2	12.8	9.8	145	1 562
00	Q1	P	4.3	3.5	5.0	2.6	2.5	2.0	7.5	5.5	5.1	2.7	10.2	12.4	12.7	10.5	147	1 583
	Q2	P	4.3	3.8	4.5	3.2	2.6	2.2	6.8	4.9	4.6	3.4	10.7	12.0	11.3	11.2	150	1 601
	Q3	P	4.1	3.3	3.7	2.5	2.7	1.8	5.3	3.9	3.8	2.9	11.1	11.8	9.6	10.9	153	1 617
	Q4	P	3.7	2.9	2.8	2.0	2.7	1.9	3.9	3.4	3.0	2.3	11.0	11.8	8.2	10.5	156	1 631
01	Q1	P	3.4	2.5	2.3	1.8	2.6	1.5	3.2	1.5	2.7	1.7	10.7	8.6	8.0	6.7	158	1 685

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.

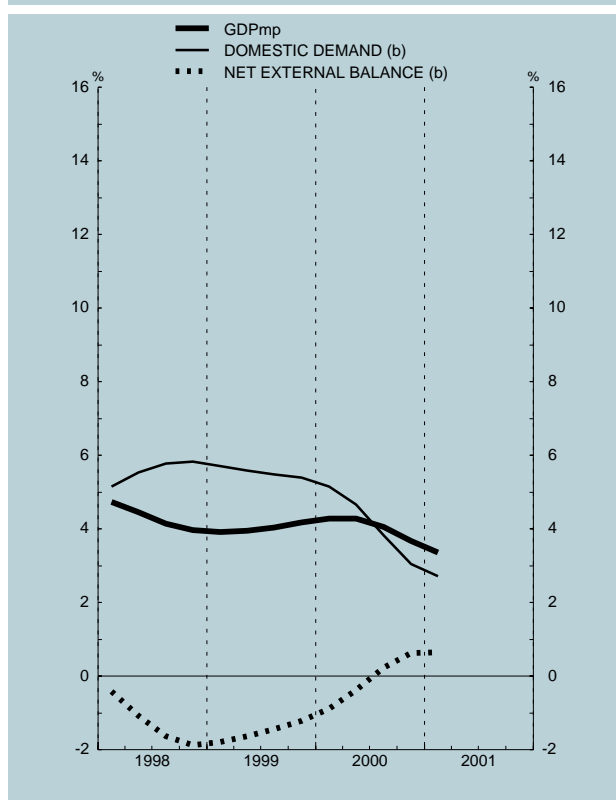
1.2. Gross domestic product. Constant 1995 prices. Demand components. Spain: details (a)

■ Series depicted in chart.

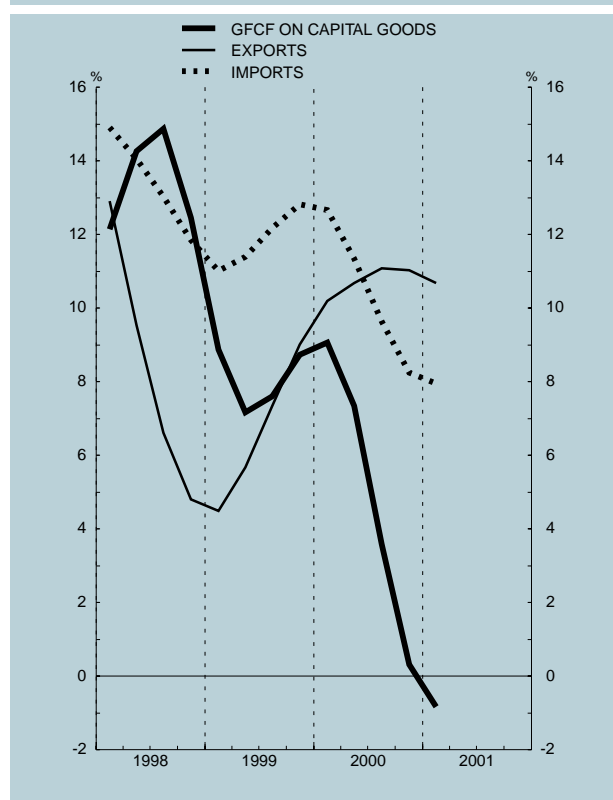
Annual percentage changes

		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	
98	Q1	P	7.2	12.1	5.1	0.0	12.9	13.1	10.3	16.2	14.9	15.2	5.6	15.1	-0.4	5.1	4.7
	Q2	P	9.3	14.3	7.1	0.1	9.5	8.5	10.5	14.7	14.1	14.2	10.1	14.0	-1.1	5.5	4.4
	Q3	P	11.0	14.9	9.2	0.1	6.6	4.9	10.2	12.2	13.0	13.1	12.2	12.7	-1.6	5.8	4.1
	Q4	P	11.4	12.5	10.9	0.2	4.8	2.6	10.3	10.6	11.8	11.8	13.9	11.6	-1.9	5.8	4.0
99	Q1	P	10.5	8.9	11.3	0.2	4.5	2.0	10.9	10.1	11.0	10.9	16.0	10.9	-1.8	5.7	3.9
	Q2	P	9.2	7.2	10.0	0.2	5.7	3.5	11.1	10.7	11.4	11.2	14.5	11.8	-1.6	5.6	3.9
	Q3	P	8.2	7.6	8.2	0.2	7.3	5.9	10.2	11.8	12.2	12.0	14.2	12.9	-1.4	5.5	4.0
	Q4	P	7.8	8.7	6.8	0.1	9.0	8.6	8.0	13.1	12.8	12.7	12.7	13.4	-1.2	5.4	4.2
00	Q1	P	7.5	9.1	6.5	-0.0	10.2	10.8	5.5	14.4	12.7	12.7	8.9	13.3	-0.9	5.2	4.3
	Q2	P	6.8	7.3	6.6	-0.1	10.7	11.5	4.6	15.9	11.3	11.4	8.2	11.4	-0.4	4.7	4.3
	Q3	P	5.3	3.6	6.4	-0.1	11.1	11.4	5.8	17.7	9.6	9.7	7.3	9.7	0.2	3.8	4.1
	Q4	P	3.9	0.3	6.1	-0.1	11.0	10.5	7.9	18.9	8.2	8.1	9.2	9.2	0.6	3.0	3.7
01	Q1	P	3.2	-0.8	5.8	0.1	10.7	9.6	9.6	18.7	8.0	7.5	13.7	9.6	0.6	2.7	3.4

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.

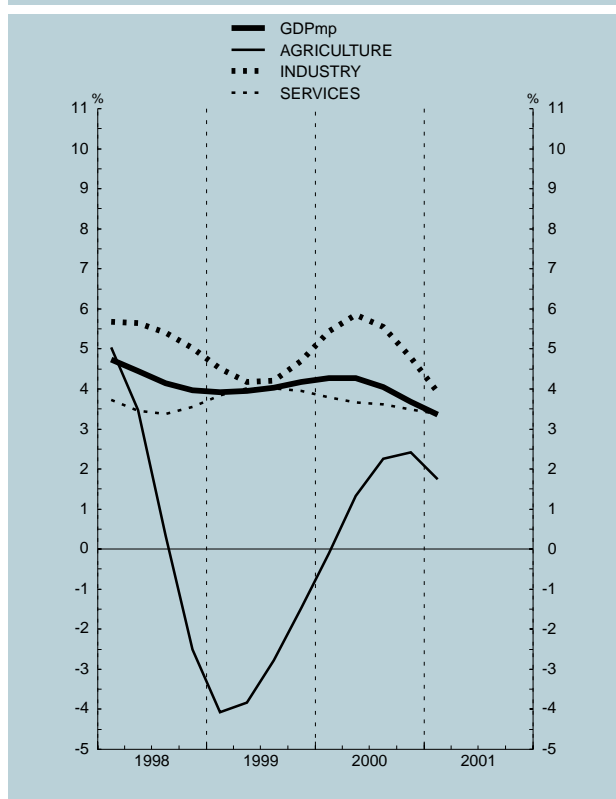
1.3. Gross domestic product. Constant 1995 prices. Branches of activity. Spain (a)

■ Series depicted in chart.

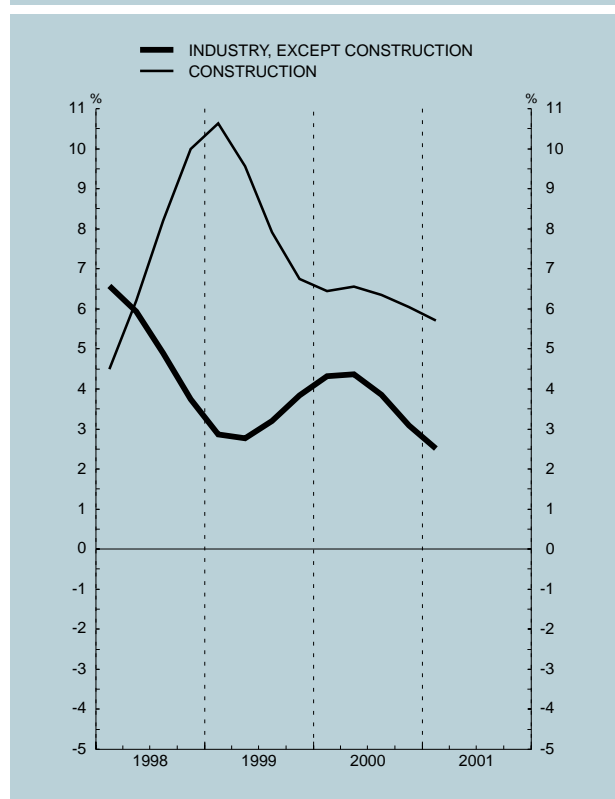
Annual percentage changes

		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
98	Q1	4.7	5.0	3.8	6.6	4.5	3.7	4.1	2.6	4.9	7.7	17.2
	Q2	4.4	3.5	3.3	5.9	6.2	3.5	3.7	2.5	4.1	5.5	16.6
	Q3	4.1	0.3	2.7	4.9	8.2	3.4	3.7	2.4	4.2	5.6	14.5
	Q4	4.0	-2.5	2.0	3.7	10.0	3.5	4.0	2.1	5.1	7.4	11.0
99	Q1	3.9	-4.1	1.0	2.9	10.6	3.8	4.4	2.0	6.6	9.9	7.5
	Q2	3.9	-3.8	0.9	2.8	9.6	4.0	4.6	1.9	8.0	10.7	5.4
	Q3	4.0	-2.8	2.0	3.2	7.9	4.0	4.6	2.0	8.5	9.2	5.1
	Q4	4.2	-1.5	4.7	3.8	6.7	3.9	4.5	2.1	7.8	6.0	5.7
00	Q1	4.3	-0.1	8.7	4.3	6.4	3.8	4.2	2.3	6.3	2.4	5.5
	Q2	4.3	1.3	11.4	4.4	6.6	3.7	4.0	2.5	4.8	-0.3	4.5
	Q3	4.1	2.2	12.0	3.9	6.3	3.6	3.9	2.6	3.3	-1.7	2.6
	Q4	3.7	2.4	10.1	3.1	6.0	3.5	3.8	2.6	2.1	-2.1	1.6
01	Q1	3.4	1.7	6.9	2.5	5.7	3.4	3.7	2.4	2.1	-1.6	2.2

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.

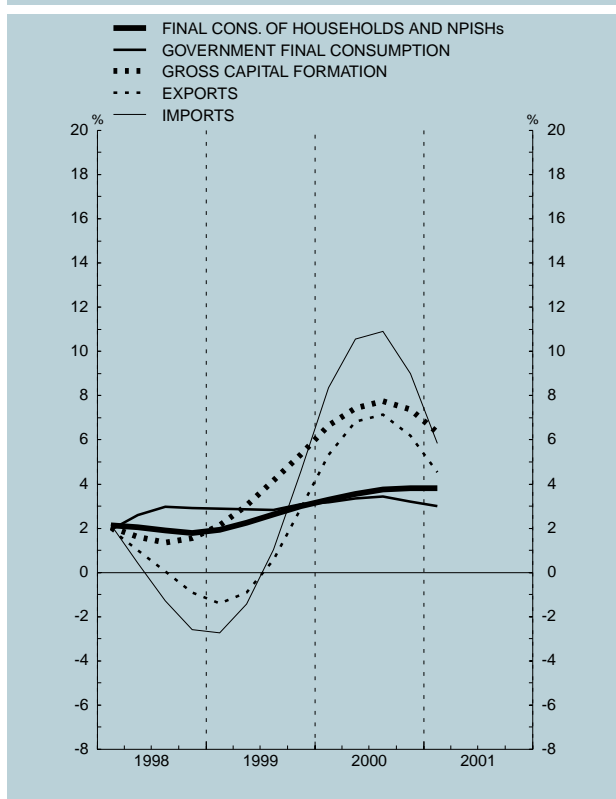
1.4. Gross domestic product. Implicit deflators. Spain (a)

■ Series depicted in chart.

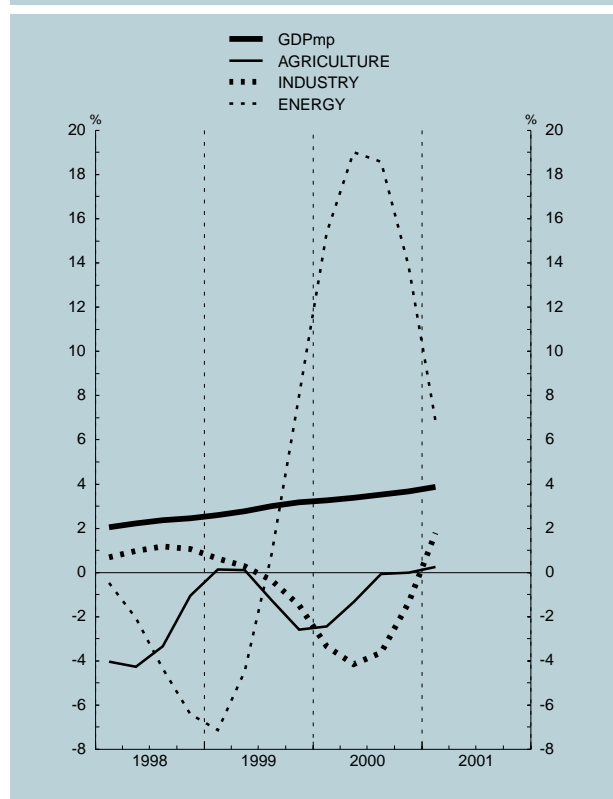
Annual percentage changes

		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
98 Q1	P	2.1	1.9	2.1	2.8	1.4	2.0	2.2	2.1	-4.0	-0.5	0.7	2.1	2.7	2.8
98 Q2	P	2.0	2.6	1.6	1.0	1.4	1.0	0.4	2.2	-4.3	-2.1	1.0	2.4	2.9	2.9
98 Q3	P	1.9	3.0	1.4	-0.3	1.5	0.0	-1.3	2.4	-3.3	-4.3	1.2	2.4	3.0	2.9
98 Q4	P	1.8	2.9	1.6	-0.4	1.9	-0.9	-2.6	2.5	-1.1	-6.4	1.0	2.3	3.1	3.1
99 Q1	P	1.9	2.9	2.1	0.2	2.5	-1.4	-2.7	2.6	0.1	-7.1	0.6	2.3	3.2	3.1
99 Q2	P	2.2	2.9	3.0	1.3	3.5	-0.9	-1.4	2.8	0.1	-4.5	0.3	2.9	3.2	3.2
99 Q3	P	2.6	2.8	4.2	2.1	5.1	0.6	1.0	3.0	-1.3	0.8	-0.4	4.3	3.4	3.4
99 Q4	P	3.0	3.1	5.4	2.5	7.0	2.9	4.6	3.2	-2.6	8.0	-1.5	6.4	3.5	3.6
00 Q1	P	3.3	3.2	6.6	3.0	8.9	5.3	8.4	3.3	-2.5	15.4	-3.3	8.5	3.7	3.8
00 Q2	P	3.6	3.4	7.4	3.8	9.7	6.8	10.6	3.4	-1.3	19.0	-4.1	9.4	4.0	4.1
00 Q3	P	3.8	3.4	7.7	5.1	9.5	7.1	10.9	3.5	-0.1	18.6	-3.6	9.3	4.1	4.3
00 Q4	P	3.8	3.2	7.4	6.3	8.2	6.2	9.0	3.7	-0.0	13.9	-1.4	8.0	4.1	4.3
01 Q1	P	3.8	3.0	6.3	6.6	6.3	4.5	5.8	3.9	0.3	6.8	1.8	6.5	3.9	4.1

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.

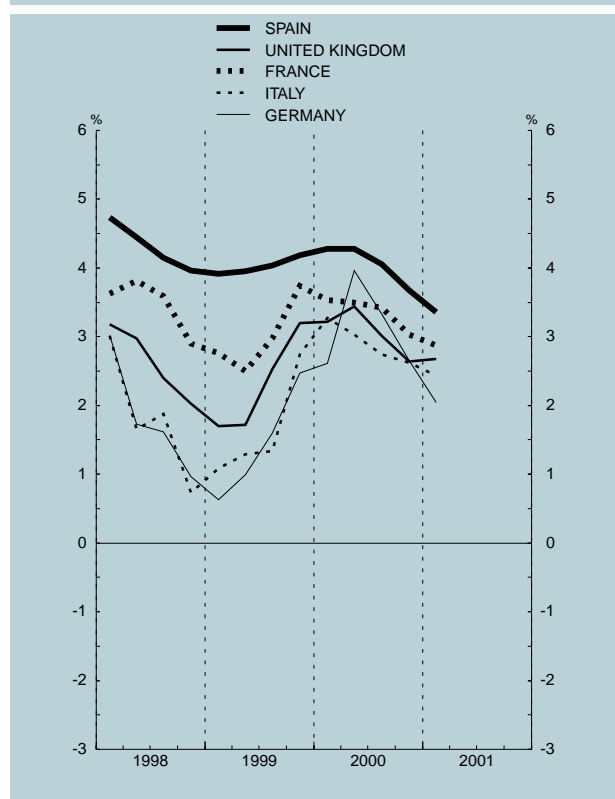
Annual percentage changes

	OECD	EU	Euro area	Germany	Spain	United States	France	Italy	Japan	United Kingdom
	1	2	3	4	5	6	7	8	9	10
98										
99	2.7	2.8	2.9	1.8	4.3	4.3	3.5	1.8	-1.1	2.6
00	3.3	2.5	2.5	1.4	4.0	4.1	3.0	1.6	0.8	2.3
00	4.1	3.5	3.4	3.1	4.1	4.1	3.4	2.9	1.5	3.1
98										
Q2	2.8	2.9	2.9	1.7	4.4	3.8	3.8	1.7	0.7	3.0
Q3	2.4	2.7	2.8	1.6	4.1	3.8	3.6	1.9	-0.9	2.4
Q4	2.5	2.1	2.1	1.0	4.0	4.8	2.9	0.7	-1.4	2.0
99										
Q1	2.6	2.0	2.0	0.6	3.9	4.0	2.8	1.1	-0.4	1.7
Q2	3.0	2.2	2.1	1.0	3.9	3.9	2.5	1.3	1.0	1.7
Q3	3.6	2.6	2.6	1.6	4.0	4.0	3.0	1.3	2.1	2.5
Q4	4.0	3.4	3.4	2.5	4.2	4.4	3.7	2.7	0.4	3.2
00										
Q1	4.5	3.6	3.5	2.6	4.3	4.2	3.5	3.3	2.4	3.2
Q2	4.6	3.8	3.8	4.0	4.3	5.2	3.5	3.0	1.0	3.4
Q3	4.0	3.4	3.3	3.3	4.1	4.4	3.4	2.7	0.3	3.0
Q4	3.2	3.0	2.9	2.6	3.7	2.8	3.0	2.6	2.5	2.6
01										
Q1	2.2	2.6	2.5	2.0	3.4	2.5	2.9	2.4	-0.1	2.7
Q2	...	...	...	...	...	1.3	...	...	...	...

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.

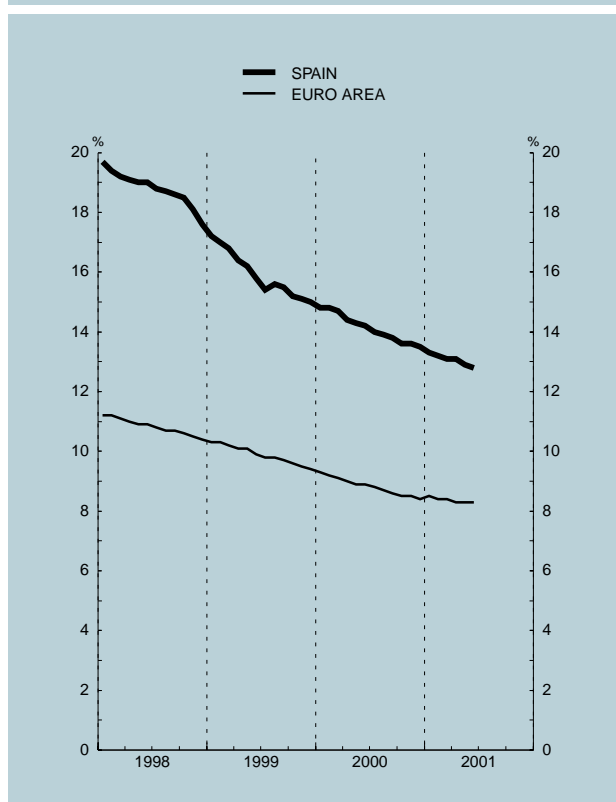
2.2. International comparison. Unemployment rates

■ Series depicted in chart.

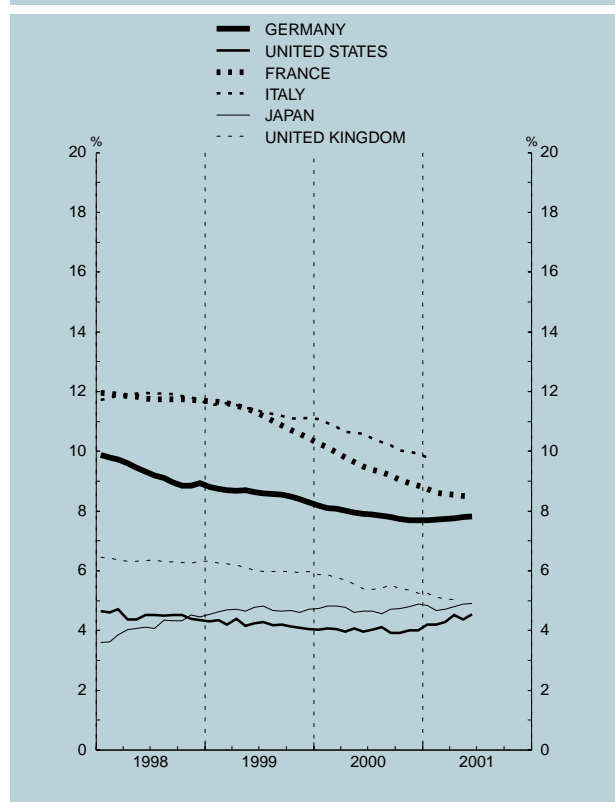
Percentages

	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	10.8	9.3	18.8	4.5	11.8	11.9	4.1	6.3
99	6.8	9.2	9.9	8.6	15.9	4.2	11.2	11.3	4.7	6.1
00	6.3	8.2	8.8	7.9	14.1	4.0	9.5	10.5	4.7	5.5
00 Jan	6.6	8.6	9.3	8.2	14.8	4.0	10.3	11.1	4.7	5.9
Feb	6.5	8.6	9.2	8.1	14.8	4.1	10.1	11.0	4.8	5.9
Mar	6.5	8.5	9.1	8.1	14.7	4.1	10.0	10.8	4.8	5.8
Apr	6.4	8.4	9.0	8.0	14.4	4.0	9.8	10.7	4.8	5.7
May	6.4	8.3	8.9	8.0	14.3	4.1	9.6	10.6	4.6	5.6
Jun	6.3	8.2	8.9	7.9	14.2	4.0	9.5	10.6	4.7	5.4
Jul	6.3	8.1	8.8	7.9	14.0	4.0	9.4	10.4	4.7	5.4
Aug	6.3	8.1	8.7	7.8	13.9	4.1	9.3	10.3	4.6	5.4
Sep	6.3	8.0	8.6	7.8	13.8	3.9	9.2	10.2	4.7	5.5
Oct	6.2	7.9	8.5	7.7	13.6	3.9	9.1	10.0	4.7	5.4
Nov	6.2	7.9	8.5	7.7	13.6	4.0	8.9	10.0	4.8	5.4
Dec	6.2	7.8	8.4	7.7	13.5	4.0	8.9	9.9	4.9	5.2
01 Jan	6.3	7.8	8.5	7.7	13.3	4.2	8.7	9.8	4.9	5.2
Feb	6.2	7.7	8.4	7.7	13.2	4.2	8.6	...	4.7	5.1
Mar	6.3	7.7	8.4	7.7	13.1	4.3	8.6	...	4.7	5.1
Apr	6.3	7.6	8.3	7.8	13.1	4.5	8.5	...	4.8	5.0
May	6.3	7.6	8.3	7.8	12.9	4.4	8.5	...	4.9	...
Jun	6.3	7.6	8.3	7.8	12.8	4.5	8.5	...	4.9	...

UNEMPLOYMENT RATES



UNEMPLOYMENT RATES



Sources: ECB and OECD.

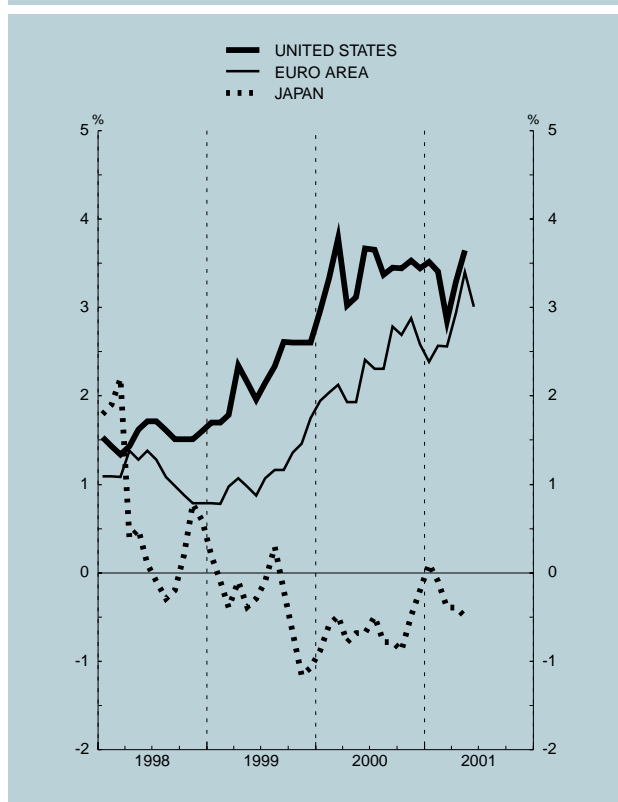
2.3. International comparison. Consumer prices (a)

■ Series depicted in chart.

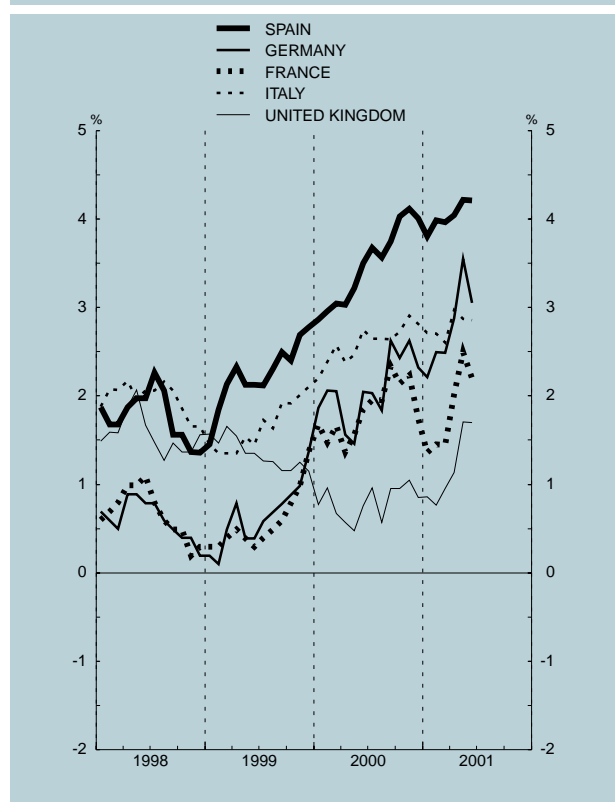
Annual percentage changes

	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	1.1	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	2.3	2.1	3.5	3.4	1.8	2.6	-0.6	0.8
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	2.0	2.1	3.0	3.3	1.5	2.4	-0.6	1.0
Mar	2.5	1.9	2.1	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	2.3	2.0	3.7	3.7	2.0	2.6	-0.5	1.0
Aug	2.5	2.0	2.3	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	2.4	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	2.5	2.3	2.6	2.5	4.0	2.8	1.4	2.6	-0.4	1.0
Apr	2.7	2.6	2.9	2.9	4.0	3.3	2.0	3.0	-0.4	1.1
May	3.0	3.1	3.4	3.6	4.2	3.6	2.5	2.9	-0.5	1.7
Jun	...	3.0	3.0	3.1	4.2	...	2.2	2.9	...	1.7

CONSUMER PRICES
Annual percentage changes



CONSUMER PRICES
Annual percentage changes



Sources: OECD, INE and Eurostat.

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

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

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

■ Series depicted in chart.

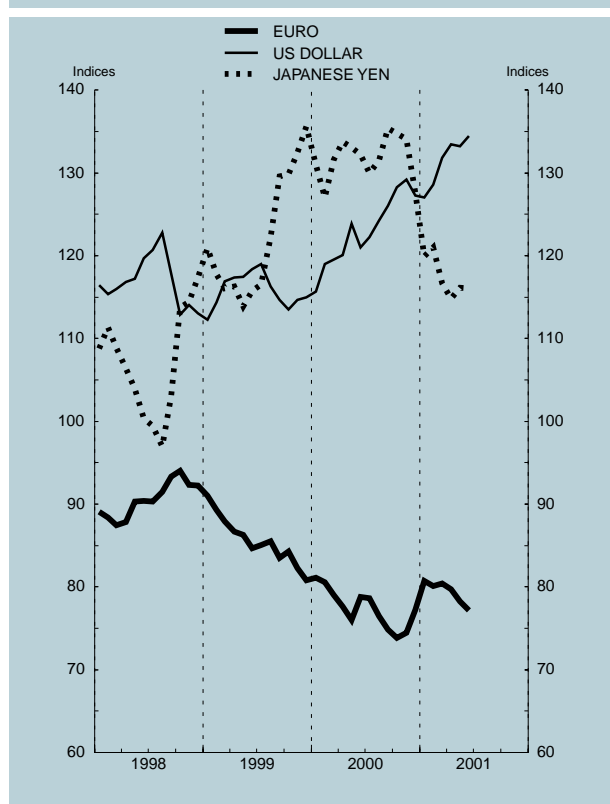
Average of daily data

	Exchange rates			Indices of the nominal effective exchange rate vis-à-vis the developed countries. 1990=100 (a)			Indices of the real effective exchange rate vis-à-vis the developed countries (b) 1990=100					
	US dollar per ECU/euro	Japanese yen per ECU/euro	Japanese yen per US dollar	Euro (c)	US dollar	Japanese yen	Based on consumer prices			Based on producer prices		
							Euro (c)	US dollar	Japanese yen	Euro (c)	US dollar	Japanese yen
1	2	3	4	5	6	7	8	9	10	11	12	
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	112.4	116.1
00	0.9239	99.52	107.76	78.3	113.0	157.0	77.4	123.0	131.8	79.3	118.2	124.5
00 J-J	0.9574	102.38	106.95	79.8	110.6	155.2	78.8	120.2	131.3	80.7	115.8	124.1
01 J-J	0.8926	107.92	121.00	79.3	120.0	143.5	79.4	131.4	117.4	81.1	124.9	112.2
00 May	0.9060	98.09	108.28	77.1	114.1	157.2	76.0	123.8	133.1	78.7	119.3	125.2
Jun	0.9492	100.71	106.11	79.8	111.1	157.5	78.8	121.0	132.2	80.5	116.9	124.8
Jul	0.9397	101.39	107.90	79.4	112.1	155.5	78.7	122.2	129.9	80.2	117.5	123.0
Aug	0.9041	97.76	108.12	77.2	114.0	157.6	76.5	124.3	131.5	78.3	119.0	124.8
Sep	0.8721	93.11	106.76	75.6	115.5	162.5	74.8	126.1	135.4	76.5	121.0	127.5
Oct	0.8552	92.75	108.45	74.5	117.4	161.7	73.8	128.3	134.7	75.4	122.7	126.4
Nov	0.8564	93.26	108.91	75.2	118.4	161.5	74.4	129.2	134.1	76.7	123.5	126.0
Dec	0.8973	100.61	112.11	77.9	116.6	153.5	77.3	127.2	127.5	79.4	121.7	120.3
01 Jan	0.9383	109.57	116.78	81.4	115.7	144.8	80.7	127.0	119.9	82.5	121.2	113.2
Feb	0.9217	107.08	116.18	80.6	116.9	147.2	80.1	128.6	121.0	81.9	122.3	115.0
Mar	0.9095	110.33	121.35	80.7	119.9	142.6	80.4	131.8	116.7	82.2	125.2	111.5
Apr	0.8920	110.36	123.72	80.0	121.4	140.9	79.7	133.4	114.8	81.4	127.4	109.9
May	0.8742	106.50	121.81	78.5	121.3	143.5	78.2	133.2	116.1	79.8	128.1	111.7
Jun	0.8532	104.30	122.24	77.3	122.3	144.3	77.2	134.4	116.0	78.7	...	...
Jul	0.8607	107.21	124.57	76.9	122.6	141.3	...	...	...	...	...	...

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.

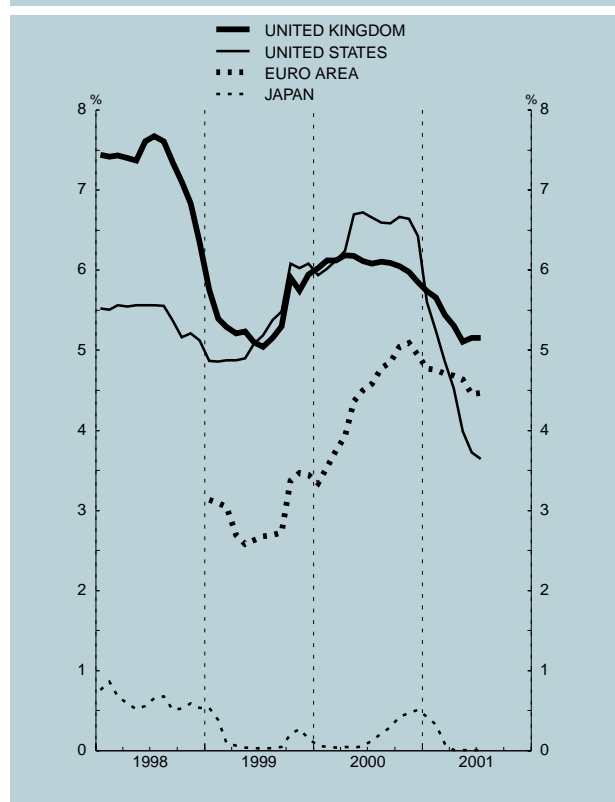
Percentages

	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
00 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
Apr	4.77	4.00	0.25	5.50	3.97	4.71	4.68	-	-	4.53	-	-	0.01	5.30
May	4.55	3.50	0.25	5.25	3.72	4.64	4.64	-	-	3.99	-	-	0.01	5.11
Jun	4.54	3.25	0.25	5.25	3.56	4.51	4.45	-	-	3.73	-	-	0.01	5.15
Jul	4.51	3.25	0.25	5.25	3.52	4.50	4.47	-	-	3.65	-	-	0.01	5.15

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.

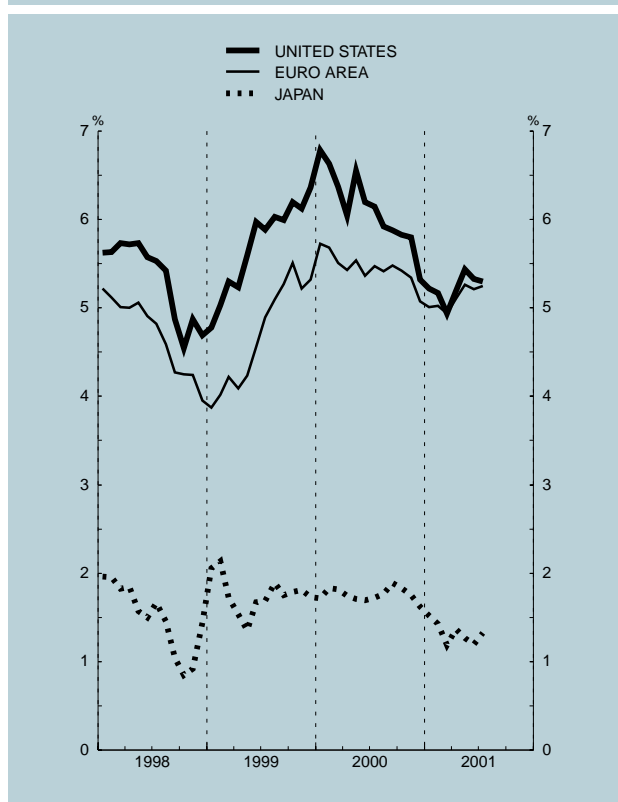
2.6. 10-year government bond yields

■ Series depicted in chart.

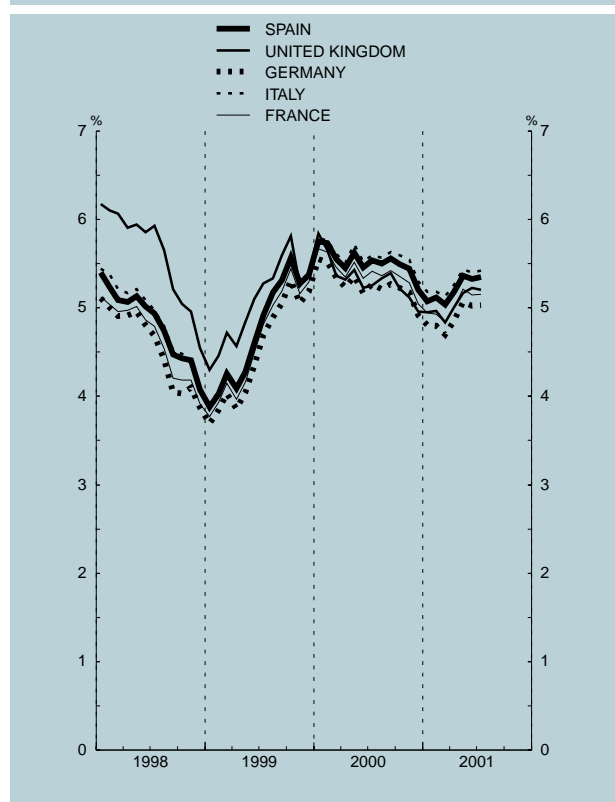
Percentages

	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	4.70	4.50	4.73	5.71	4.62	4.75	1.76	5.06
00	5.17	5.45	5.45	5.27	5.53	6.12	5.40	5.59	1.76	5.34
00 Feb	5.50	5.68	5.68	5.52	5.73	6.63	5.63	5.76	1.83	5.65
Mar	5.35	5.64	5.51	5.34	5.55	6.37	5.46	5.61	1.81	5.36
Apr	5.11	5.39	5.43	5.24	5.45	6.05	5.35	5.51	1.75	5.32
May	5.38	5.54	5.53	5.36	5.63	6.55	5.52	5.71	1.71	5.43
Jun	5.15	5.36	5.36	5.17	5.46	6.20	5.33	5.53	1.69	5.22
Jul	5.16	5.43	5.47	5.27	5.53	6.14	5.41	5.59	1.72	5.26
Aug	5.07	5.40	5.41	5.21	5.50	5.92	5.37	5.56	1.77	5.34
Sep	5.08	5.45	5.48	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
Apr	4.62	5.04	5.10	4.86	5.18	5.19	5.01	5.26	1.37	5.01
May	4.80	5.22	5.26	5.06	5.36	5.44	5.21	5.43	1.27	5.17
Jun	4.72	5.19	5.21	5.02	5.33	5.33	5.15	5.40	1.19	5.23
Jul	4.74	5.20	5.25	5.03	5.35	5.29	5.16	5.42	1.33	5.21

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-J	101.7	98.6	105.8	74.4	72.1	77.4	72.8	81.3	155.1	26.8	74.2	285.1	9.55
01 J-J	103.7	...	...	70.7	69.2	72.9	68.8	76.4	...	...	69.1	265.6	9.52
00 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	161.9	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	159.8	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	145.3	25.8	68.5	263.1	9.30
Apr	102.4	99.3	106.6	69.2	67.1	72.0	69.4	74.2	149.2	26.1	67.8	260.5	9.39
May	107.0	...	...	71.2	68.1	75.4	74.3	76.2	...	...	70.9	272.4	10.02
Jun	106.9	...	...	69.4	67.4	72.1	71.2	72.8	...	...	70.3	270.1	10.18

NON-ENERGY COMMODITY PRICE INDEX



PRICE INDICES FOR NON-ENERGY COMMODITIES, OIL AND GOLD



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

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

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

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

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

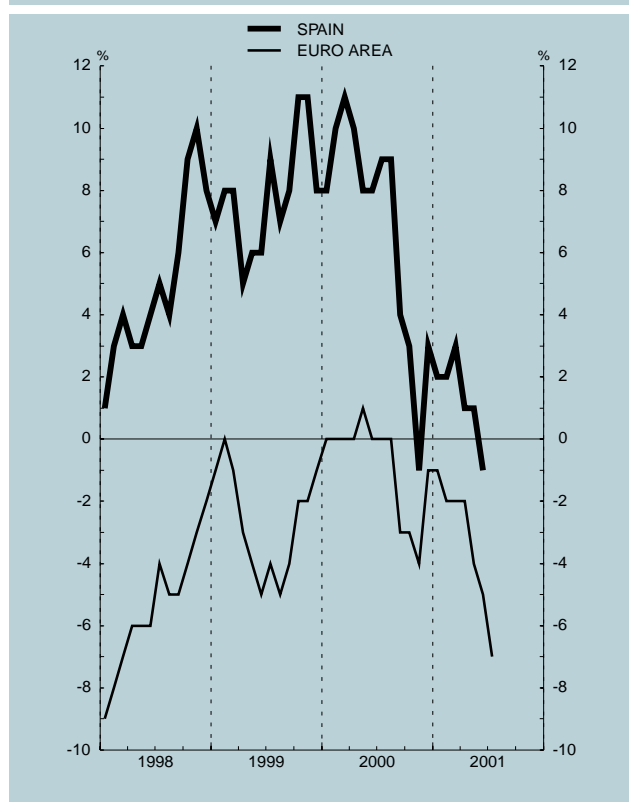
3.1. Indicators of private consumption. Spain and euro area

■ Series depicted in chart.

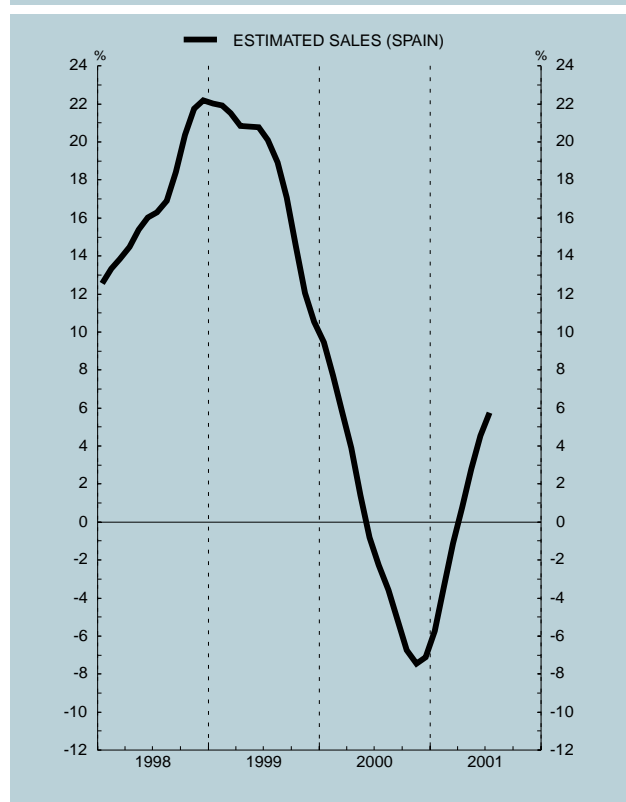
Annual percentage changes

	Opinion surveys (net percentages)						New car registrations and sales			Retail trade: sales index									
	Consumers			Retail trade confidence index	Memorandum item: euro area		of which			Memorandum item: euro area	General index			By type of product (deflated indices)				Memorandum item: euro area deflated index	
	Confidence index	General economic situation: anticipated trend	Household economic situation: anticipated trend		Consumer confidence index	Retail trade confidence index	Registrations	Private use	Estimated sales		Registrations	Nominal	Deflated (a)	Large retail outlets (a)	Food (b)	Personal items (c)	Household items (d)		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	2.9
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	-2.4	-3.6	-1.8	-2.2	6.2	4.0	6.3	2.6	...	...	...	2.3
00 J-J	P	9	7	8	3	0	1	2.7	1.9	3.2	...	7.5	5.7	7.7	4.5	...	...	...	2.7
01 J-J	A	...	...	...	...	-3	...	0.4	-1.0	2.7	...	...	...	...	...	...	...	...	...
00 Aug	P	9	6	7	3	-	-2	0.9	1.1	1.6	-4.3	6.6	4.0	10.3	2.5	...	...	...	1.7
00 Sep	P	4	-	5	1	-3	-1	-6.1	-9.2	-4.6	-1.6	5.0	2.3	8.4	-0.8	...	...	...	3.0
00 Oct	P	3	-1	6	1	-3	-1	-11.9	-13.1	-11.5	-7.0	3.2	0.4	-1.0	-1.2	...	...	...	1.6
00 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
00 Dec	P	3	-	6	4	-1	-4	-20.2	-23.4	-20.6	1.9	3.0	0.1	3.1	-1.2	...	...	...	1.8
01 Jan	P	2	-2	5	2	-1	-	-3.9	-3.3	-3.3	-5.6	9.4	6.0	2.3	5.8	...	...	...	2.5
01 Feb	P	2	-	6	-1	-2	-	-4.5	-5.3	-3.9	-6.1	5.0	1.3	1.3	1.3	...	...	...	1.5
01 Mar	P	3	-1	7	3	-2	-6	0.7	-4.5	2.2	-3.6	7.6	3.3	6.6	4.0	...	...	...	2.3
01 Apr	P	1	-3	5	-3	-2	-4	-2.3	1.2	-0.3	-1.8	6.1	1.9	1.0	4.5	...	...	...	1.4
01 May	P	1	-2	5	-1	-4	-7	6.4	4.8	7.2	-	7.1	2.4	3.6	8.2	...	...	...	0.2
01 Jun	A	-1	-3	2	1	-5	-7	2.9	-0.8	4.5	7.5	9.7	4.7	6.3	6.4	...	...	...	...
01 Jul	A	...	...	...	...	-7	...	1.5	0.9	9.0	...	...	...	...	...	...	...	...	...

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.

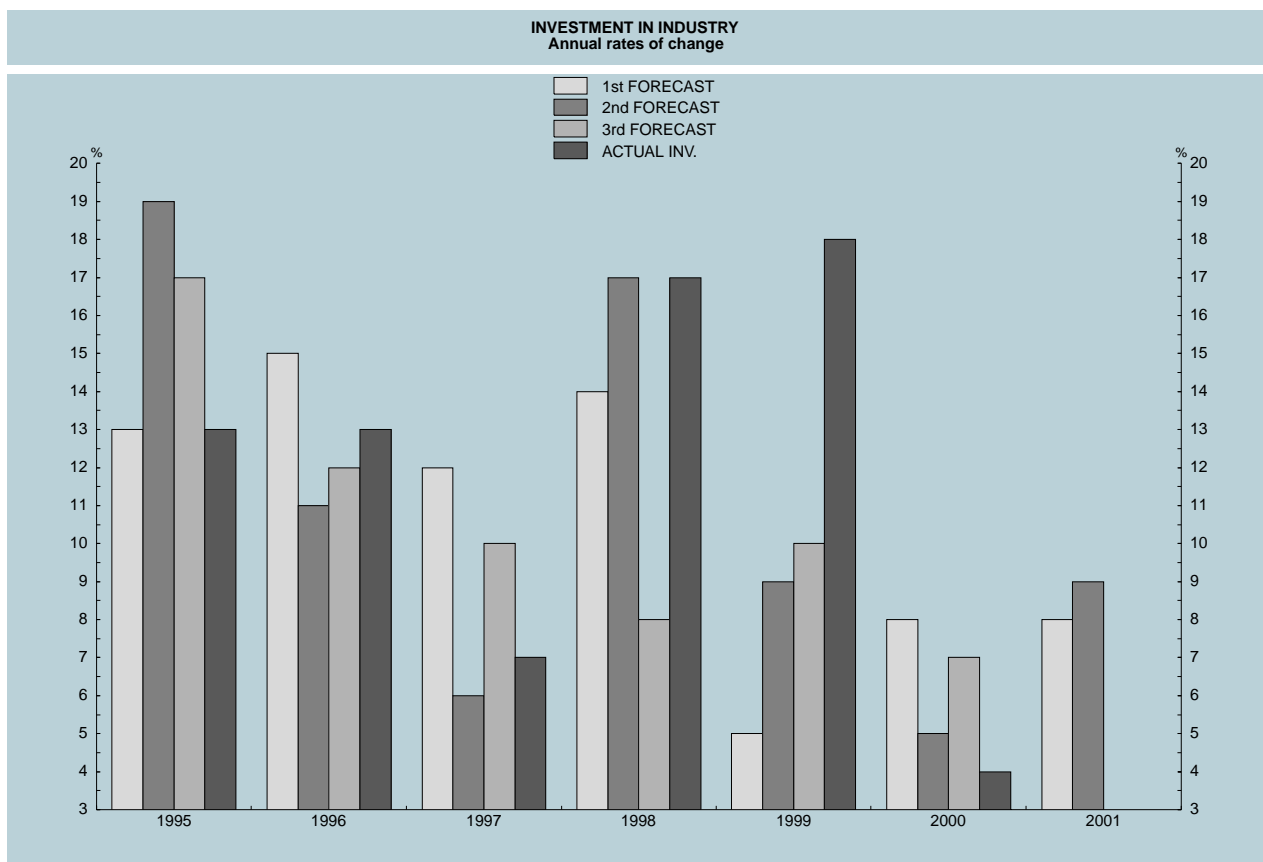
(e) Deflated by the recreational goods, publications and other goods and services (excluding tourism, hotel and catering services, financial and o. serv.) components of the CPI.

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		4	8	5		7		
01		...	8	9		...		



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.

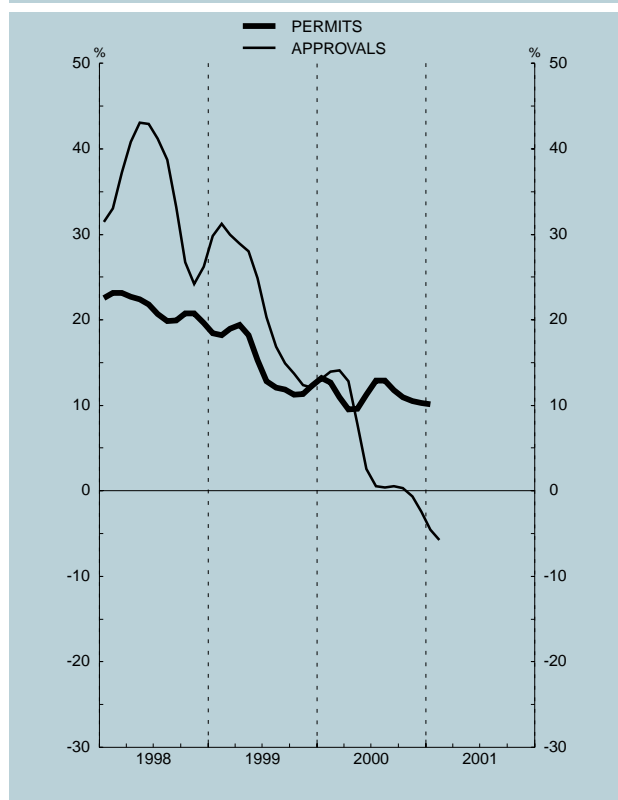
3.3. Construction. Indicators of building starts and consumption of cement. Spain

■ Series depicted in chart.

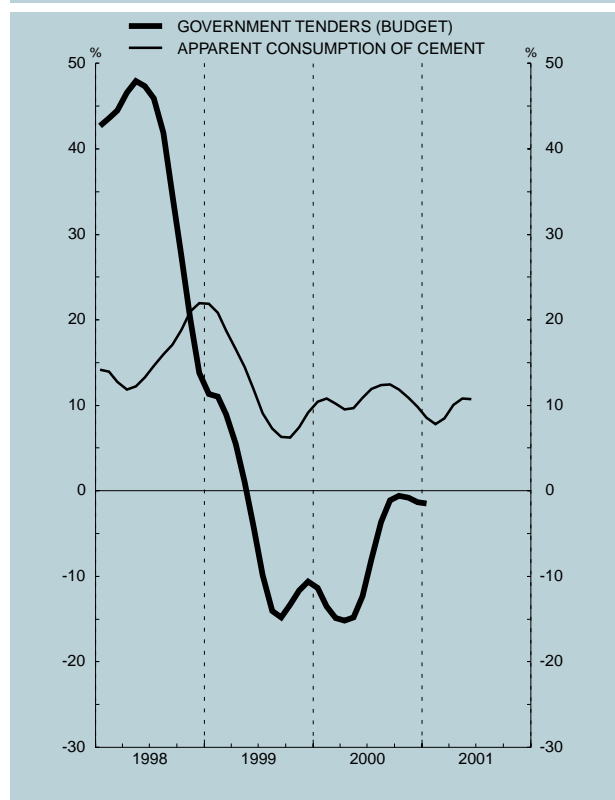
Annual percentage changes

	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	Residential		Housing		Non-residential
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	10.6	10.1	10.0	13.1	5.1	3.9	-7.6	-7.6	-3.3	-23.7	-9.8	4.8	-9.5	11.0
00 J-J	8.7	7.7	8.1	13.4	12.0	13.7	-7.5	-7.5	-5.0	-7.0	-21.1	-4.3	-8.6	10.9
01 J-J	...	...	...	...	...	...	...	...	...	...	...	...	...	9.0
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
<i>Apr</i>	-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
<i>May</i>	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	13.2
<i>Jun</i>	9.2	6.5	7.3	21.3	-6.8	-9.1	-19.4	-7.5	38.4	158.9	1.9	-2.0	-41.6	13.6
<i>Jul</i>	33.8	30.4	29.4	49.2	-7.1	-7.4	-5.3	-7.2	35.1	0.5	-3.4	45.6	-20.2	10.9
<i>Aug</i>	28.3	29.7	30.3	21.3	6.1	7.8	-0.7	-6.5	1.0	-6.0	36.1	3.4	-1.5	13.7
<i>Sep</i>	-0.9	3.5	4.7	-18.6	-4.4	-9.8	-2.8	-6.2	7.2	40.3	-64.1	-0.1	-7.4	11.9
<i>Oct</i>	15.7	16.2	15.7	13.4	7.9	-9.1	17.9	-4.0	5.2	6.8	-5.3	4.8	25.6	15.1
<i>Nov</i>	6.3	2.3	3.8	29.4	0.5	-3.2	6.8	-3.0	-3.2	25.8	52.7	-9.6	12.3	10.3
<i>Dec</i>	1.0	2.6	-1.5	-7.0	-12.3	-12.0	-36.1	-7.6	-38.9	-90.0	-36.3	67.1	-35.2	4.4
01 Jan	19.9	19.8	10.5	20.3	4.5	6.4	-0.4	-0.4	43.0	-13.1	-54.4	59.3	-11.9	16.9
<i>Feb</i>	...	...	...	...	-8.4	-14.7	...	...	...	...	...	...	...	2.2
<i>Mar</i>	...	...	...	...	...	...	...	...	...	...	...	...	...	0.0
<i>Apr</i>	...	...	...	...	...	...	...	...	...	...	...	...	...	20.4
<i>May</i>	...	...	...	...	...	...	...	...	...	...	...	...	...	13.9
<i>Jun</i>	...	...	...	...	...	...	...	...	...	...	...	...	...	4.7

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.

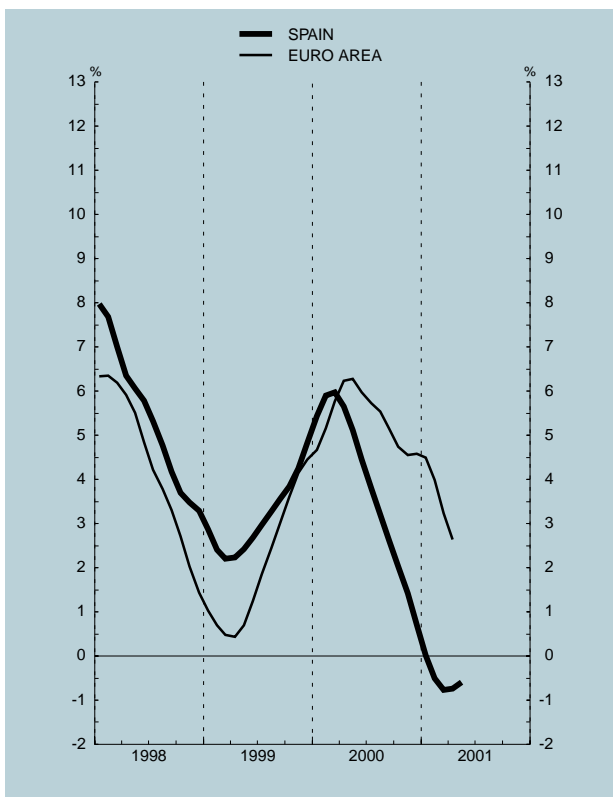
3.4. Industrial production index. Spain and euro area

■ Series depicted in chart.

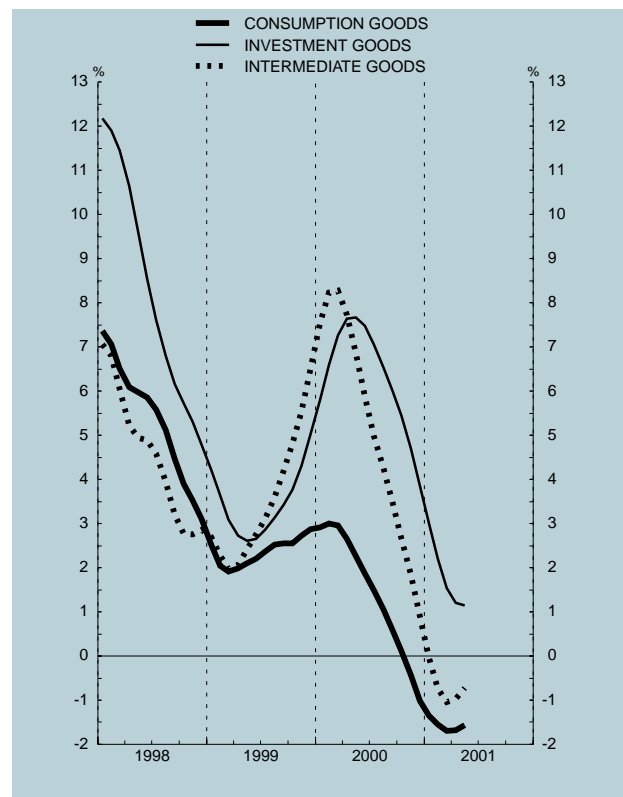
Annual percentage changes

		Overall Index			By end-use of goods			By branch of activity				Memorandum item: euro area				
		Total		of which	Consumption	Investment	Inter-mediate goods	Energy	Minerals	Process-ing	Others	of which		By end-use of goods		
		Original series	12-month % change	Manufacturing								Total	Manufacturing	Consumption	Investment	Inter-mediate goods
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
98	M	115.1	5.4	6.2	5.5	8.4	4.2	1.1	5.5	8.2	4.7	4.4	4.8	2.5	7.0	4.1
99	M	118.1	2.6	2.3	1.9	3.2	3.1	4.0	4.1	0.5	3.1	2.0	2.0	1.5	1.8	2.4
00	M	122.8	4.0	3.3	1.2	6.1	5.5	7.0	3.7	6.2	0.7	5.6	6.0	2.5	9.1	5.8
00	J-M	125.6	7.0	5.9	3.2	9.2	9.3	12.1	6.5	8.4	3.6	5.7	6.0	...	8.4	6.5
01	J-M	124.9	-0.6	-0.7	-1.2	1.0	-0.7	-0.3	0.3	0.1	-2.0	...	...	...	...	...
00	Feb	125.2	9.9	9.3	5.5	13.1	12.3	12.4	14.2	11.1	4.9	6.0	6.6	2.8	8.2	7.0
	Mar	136.3	10.2	8.9	7.8	11.1	11.8	16.2	7.8	11.1	8.2	5.9	5.9	1.8	9.0	6.5
	Apr	114.8	-0.1	-2.0	-4.0	-1.3	3.5	11.7	-3.2	-0.5	-2.8	6.0	6.5	4.7	8.2	6.4
	May	133.1	9.5	9.4	6.4	17.4	9.5	9.8	6.4	14.9	6.6	7.8	8.1	4.4	10.9	8.6
	Jun	132.7	5.2	4.4	2.2	7.5	6.9	9.1	2.1	8.8	2.1	4.6	4.9	2.7	7.0	4.9
	Jul	128.5	0.2	-0.8	-0.4	-1.9	1.4	4.5	-0.8	0.1	-1.2	5.6	5.9	2.6	8.4	5.4
	Aug	86.9	7.2	7.3	4.2	17.0	7.2	7.1	7.3	19.0	0.8	6.8	7.4	2.8	12.2	7.3
	Sep	125.1	0.1	-0.2	-1.2	-3.5	2.3	1.1	4.5	-2.4	-0.8	5.1	5.6	3.1	9.5	4.5
	Oct	126.8	2.8	2.8	1.7	6.3	2.5	2.9	0.2	6.1	1.4	3.9	4.2	1.0	7.2	4.1
	Nov	133.3	3.8	3.9	2.6	7.4	3.6	4.0	2.1	7.9	1.0	4.5	5.1	1.5	8.7	4.2
	Dec	112.3	-4.8	-5.2	-10.0	2.8	-3.3	-2.7	-1.6	1.0	-12.6	8.2	9.6	5.5	15.1	6.9
01	Jan	124.2	4.8	5.9	3.9	9.7	4.0	-0.4	7.3	11.6	0.1	5.4	6.6	3.8	10.4	4.7
	Feb	120.9	-3.4	-3.9	-2.9	-4.6	-3.4	-1.7	-3.7	-4.2	-3.3	4.1	4.9	2.9	8.7	3.5
	Mar	131.7	-3.4	-4.0	-4.6	-2.6	-2.8	0.2	-3.1	-4.4	-4.3	2.8	3.6	2.5	6.9	1.8
	Apr	114.9	0.1	0.5	-1.4	6.6	-1.0	-3.3	0.9	1.9	-0.5	1.2	1.7	1.0	3.5	1.2
	May	132.6	-0.4	-1.1	-0.2	-1.6	-0.1	3.8	0.9	-2.0	-1.4	...	...	...	...	...

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.

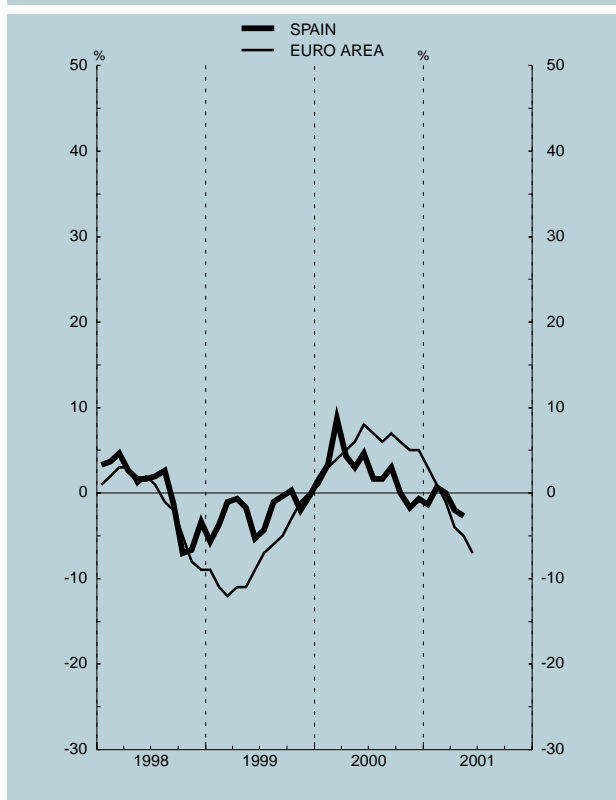
3.5. Monthly business survey: industry and construction. Spain and euro area

■ Series depicted in chart.

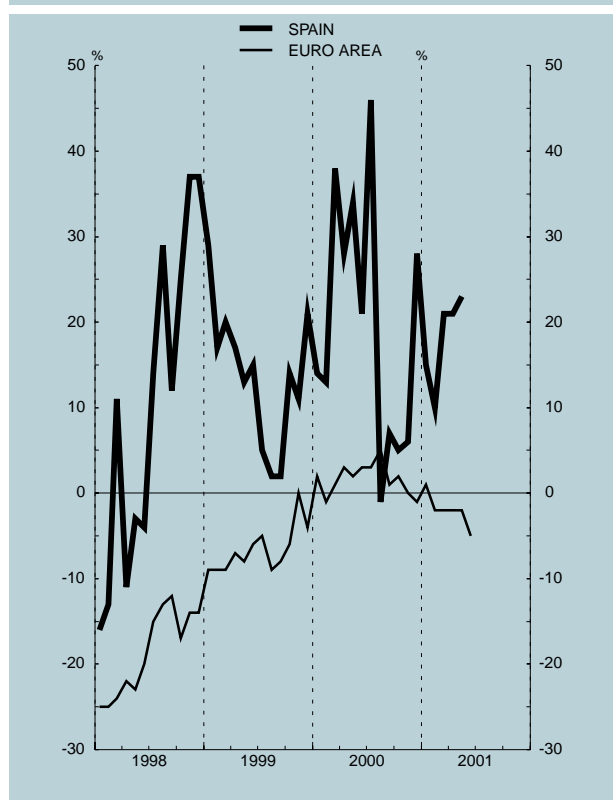
Balance

		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-J	4	10	14	5	-5	7	3	0	6	28	11	25	43	40	5	2	2
01	J-J	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	-6	...
00	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	-	7	12	-4	-7	8	-1	4	-1	21	35	18	9	4	-1	-3	-2
	Apr	-2	3	14	-9	-13	11	-1	-1	-4	21	53	9	54	43	-4	-6	-2
	May	-3	2	9	-3	-7	14	-1	-	-5	23	42	20	44	32	-5	-9	-2
	Jun	...	...	...	...	...	...	...	...	...	...	...	...	...	...	-7	-10	-5
	Jul	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	-15	...

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.

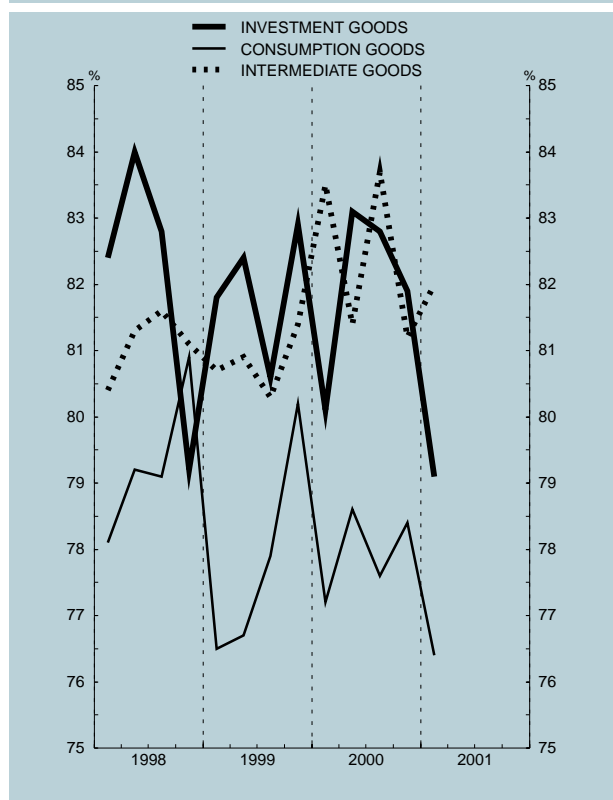
Percentages and balances

	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	
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
00	80.7	81.7	-1	78.0	78.4	1	82.0	83.5	-2	82.5	83.7	-2	83.8
00 Q1-Q2	80.6	81.6	-1	77.9	78.4	1	81.6	82.5	2	82.5	84.0	-3	83.3
01 Q1-Q2	...	...	...	...	...	...	...	...	...	...	...	...	84.1
98 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
01 Q1	79.3	80.9	2	76.4	77.4	3	79.1	81.8	-	82.0	83.5	-	84.4
Q2	...	...	...	...	...	...	...	...	...	...	...	...	83.7

CAPACITY UTILISATION. TOTAL INDUSTRY Percentages



CAPACITY UTILISATION. BY TYPES OF GOODS Percentages



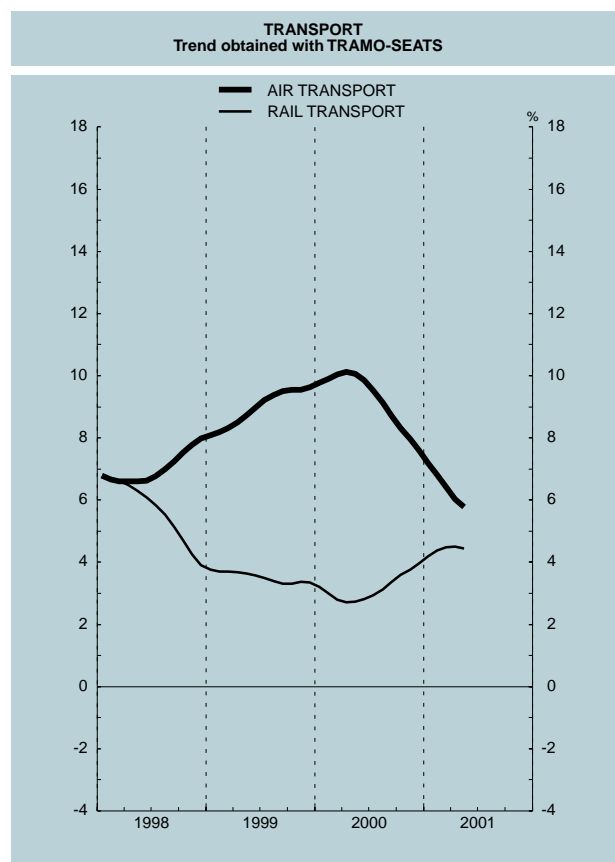
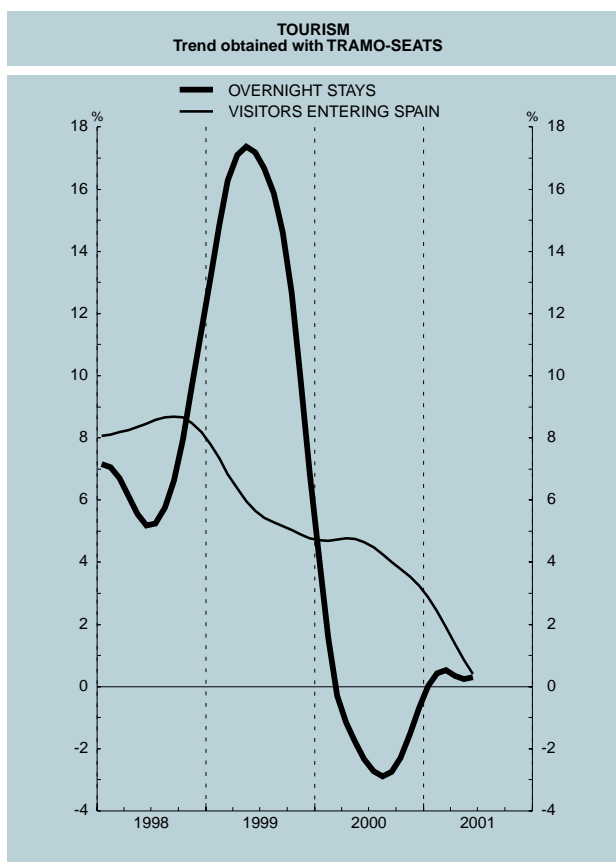
Sources: Ministerio de Ciencia y Tecnología and ECB

3.7. Tourism and transport statistics. Spain

■ Series depicted in chart.

Annual percentage changes

	Hotel stays (a)		Overnight stays		Visitors entering Spain			Air transport				Maritime transport		Rail transport	
	Total	Foreigners	Total	Foreigners	Total	Tourists	Day-trip-pers	Passengers			Freight	Passen-gers	Freight	Passen-gers	Freight
								Total	Domestic flights	Internation- al 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 1.2	1.3	-1.5	-3.5	3.6	3.4	3.9	9.4	12.8	7.1	4.2	7.2	6.8	2.2	1.2
00 J-J	2.1	2.3	-0.9	-2.8	4.6	6.6	1.0	10.4	15.9	6.6	6.5	10.7	6.2	1.7	-0.8
01 J-J	P 2.3	1.1	0.3	-1.0	2.6	3.2	1.4	...	...	...	...	...	...	...	...
00 Mar	2.4	9.4	2.3	5.3	4.1	5.7	1.5	11.3	14.8	8.5	8.5	8.7	-0.2	-6.4	-13.2
Apr	8.2	9.2	3.1	2.0	16.1	26.1	0.7	17.9	18.1	17.8	11.2	17.3	3.1	2.7	-5.9
May	-2.3	-2.7	-4.4	-6.4	-5.8	-8.2	-0.5	7.7	21.4	0.1	1.8	7.5	5.7	1.3	10.7
Jun	-0.5	-1.7	-0.9	-3.1	7.2	8.4	4.6	12.1	19.6	7.8	1.6	3.2	14.8	2.8	0.4
Jul	P -0.6	2.3	-1.2	-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 0.1	-1.3	-2.1	-5.7	-0.2	-4.3	7.1	8.8	13.5	6.3	12.5	7.7	5.3	-1.4	5.5
Sep	P -0.3	0.3	-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 -1.4	-1.3	-4.7	-7.0	3.9	3.5	5.1	6.2	9.4	4.3	2.2	1.9	9.6	6.0	19.7
Nov	P 3.4	-2.1	-0.0	-4.8	3.8	5.7	1.1	4.7	2.6	6.5	2.2	0.5	4.7	0.8	4.9
Dec	P 4.5	9.2	1.3	1.4	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	13.5
Feb	P 3.5	2.8	1.8	2.0	2.8	1.7	4.3	6.9	2.5	10.9	-4.6	3.2	1.8	5.3	2.9
Mar	P 2.2	-0.9	-0.3	-1.9	2.1	3.9	-1.0	4.4	-2.5	10.3	-0.9	-6.4	2.9	9.4	8.8
Apr	P 1.0	-1.1	0.2	-3.4	2.4	2.5	2.3	5.2	4.8	5.4	-0.7	-3.8	1.4	5.4	...
May	P 1.6	2.3	0.1	0.2	2.4	2.5	2.1	4.3	0.4	6.9	1.8	...	...	3.2	...
Jun	P 1.6	0.6	-0.9	-2.2	0.8	1.8	-1.4	...	...	...	...	...	...	...	...



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.

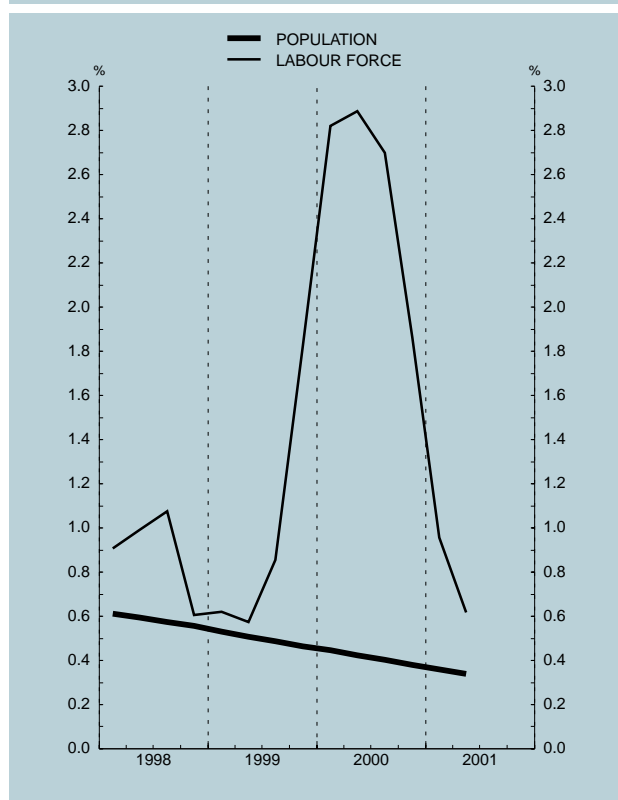
4.1. Labour force. Spain (a)

■ Series depicted in chart.

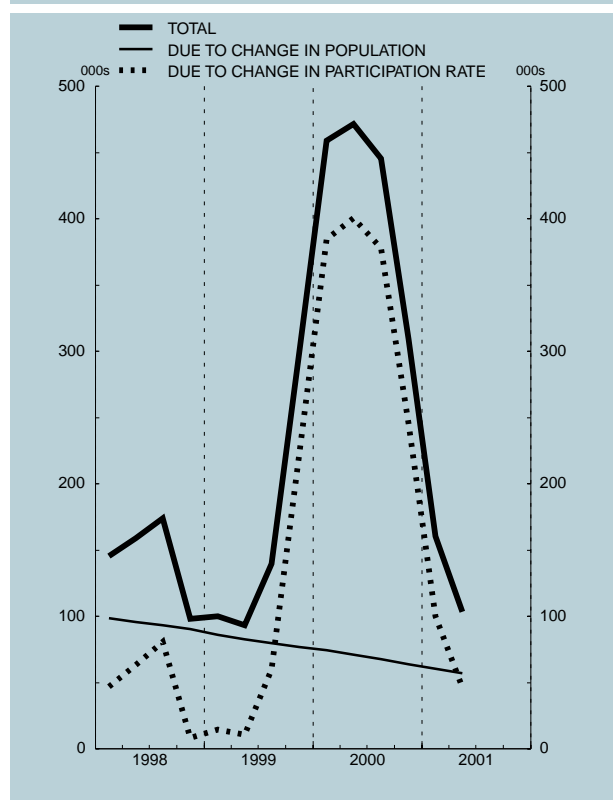
Thousands and annual percentage changes

		Population over 16 years of age				Labour force				
		Thousands	Annual change	4-quarter % change	Participation rate (%)	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		
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
00	M	32 831	135	0.4	51.31	16 844	421	69	352	2.6
00	Q1-Q2M	32 801	142	0.4	51.10	16 759	465	73	393	2.9
01	Q1-Q2M	32 915	114	0.3	51.32	16 891	132	59	73	0.8
98	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
01	Q1	32 903	117	0.4	51.31	16 883	160	60	100	1.0
	Q2	32 927	111	0.3	51.32	16 899	104	57	47	0.6

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).

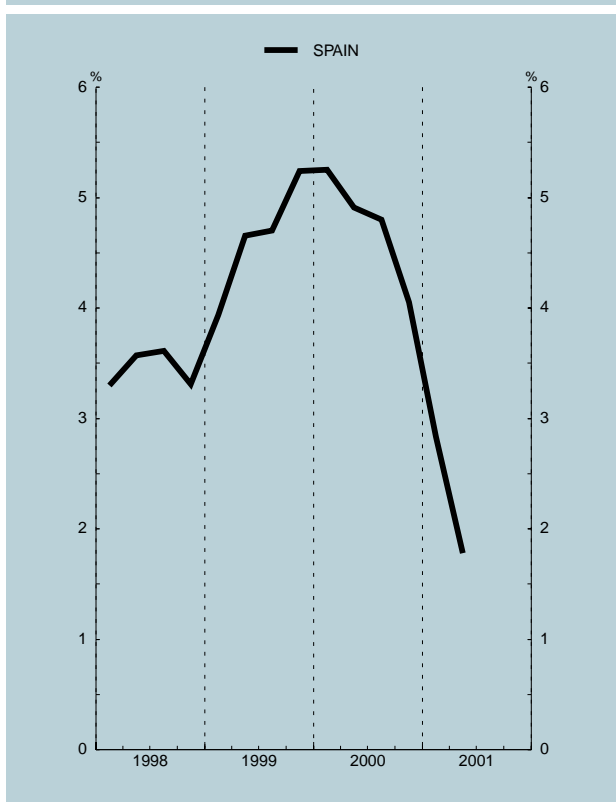
4.2. Employment and wage-earners. Spain and euro area (a)

■ 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		
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	10.83
99	M	13 817	613	4.6	10 837	680	6.7	2 981	-67	-2.2	2 605	-455	-14.9	15.87	1.6	9.89
00	M	14 474	656	4.8	11 509	672	6.2	2 965	-16	-0.5	2 370	-235	-9.0	14.08	2.0	8.83
00	Q1-Q2M	14 331	693	5.1	11 366	730	6.9	2 965	-37	-1.2	2 428	-228	-8.6	14.49	...	9.07
01	Q1-Q2M	14 661	330	2.3	11 657	291	2.6	3 004	39	1.3	2 230	-198	-8.1	13.20	...	8.37
98	Q4	13 342	427	3.3	10 312	425	4.3	3 030	2	0.1	2 963	-329	-10.0	18.17	...	10.50
99	Q1	13 503	512	3.9	10 500	550	5.5	3 003	-39	-1.3	2 761	-412	-13.0	16.98	...	10.27
	Q2	13 773	612	4.7	10 771	656	6.5	3 002	-44	-1.4	2 551	-519	-16.9	15.63	1.6	10.03
	Q3	13 952	627	4.7	10 979	730	7.1	2 973	-103	-3.4	2 549	-487	-16.0	15.45	1.7	9.77
	Q4	14 041	699	5.2	11 096	783	7.6	2 946	-84	-2.8	2 562	-401	-13.5	15.43	1.7	9.50
00	Q1	14 213	710	5.3	11 245	745	7.1	2 968	-35	-1.2	2 510	-251	-9.1	15.01	1.9	9.20
	Q2	14 450	677	4.9	11 487	716	6.6	2 962	-39	-1.3	2 346	-205	-8.0	13.97	2.1	8.93
	Q3	14 622	670	4.8	11 653	674	6.1	2 969	-4	-0.1	2 324	-224	-8.8	13.72	2.0	8.70
	Q4	14 611	569	4.1	11 651	555	5.0	2 960	14	0.5	2 302	-260	-10.2	13.61	2.1	8.47
01	Q1	14 616	403	2.8	11 618	374	3.3	2 997	29	1.0	2 267	-243	-9.7	13.43	2.0	8.43
	Q2	14 707	257	1.8	11 696	209	1.8	3 011	48	1.6	2 192	-153	-6.5	12.97	...	8.30

EMPLOYMENT
Annual percentage changes



LABOUR FORCE: COMPONENTS
Annual percentage changes



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

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

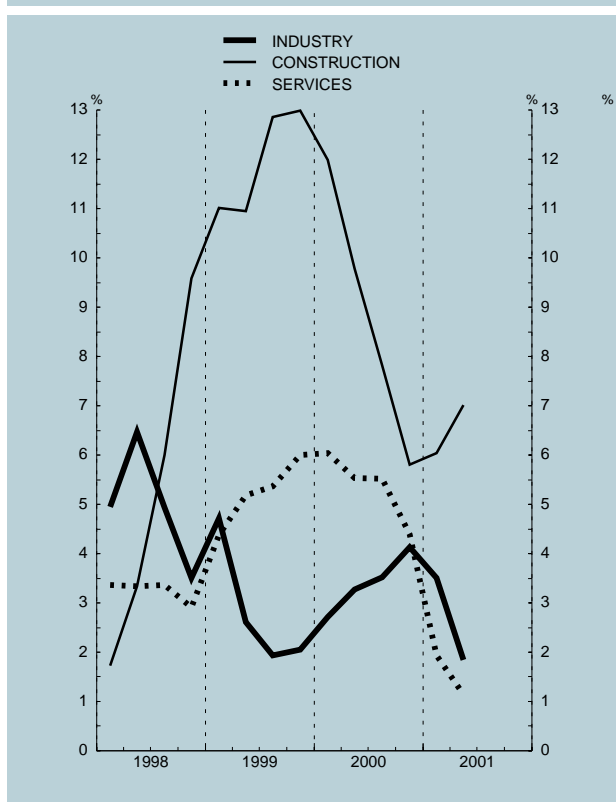
4.3. Employment by branch of activity. Spain (a)

■ Series depicted in chart.

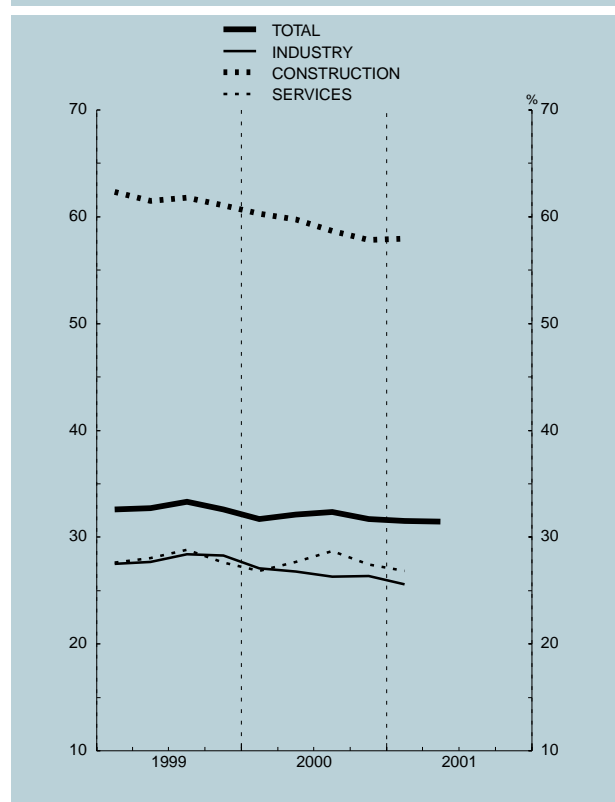
Annual percentage changes

		Total			Agriculture			Industry			Construction			Services			Memorandum item: employment in		
		Employment	Wage-earners	Proportion of temporary employment	Employment	Wage-earners	Proportion of temporary employment	Employment	Wage-earners	Proportion of temporary employment	Employment	Wage-earners	Proportion of temporary employment	Employment	Wage-earners	Proportion of temporary employment	Branches other than agriculture	Branches other than agriculture excluding general government	Services excluding general government
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
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
00	M	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	5.3	5.6	5.9
00	Q1-Q2M	5.1	6.9	31.9	-3.0	-1.7	59.6	3.0	3.6	26.9	10.9	11.9	60.0	5.8	7.7	27.3	5.5	6.2	6.6
01	Q1-Q2M	2.3	2.6	31.5	1.5	...	...	2.7	2.5	...	6.5	...	...	1.5	1.6	...	2.0	...	...
98	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
01	Q1	2.8	3.3	31.5	4.0	11.6	65.6	3.5	3.3	25.6	6.0	6.4	58.0	1.9	2.3	26.8	2.7	2.7	1.6
	Q2	1.8	1.8	31.5	-1.0	...	...	1.8	1.7	...	7.0	...	...	1.1	1.0	...	2.0	...	...

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".

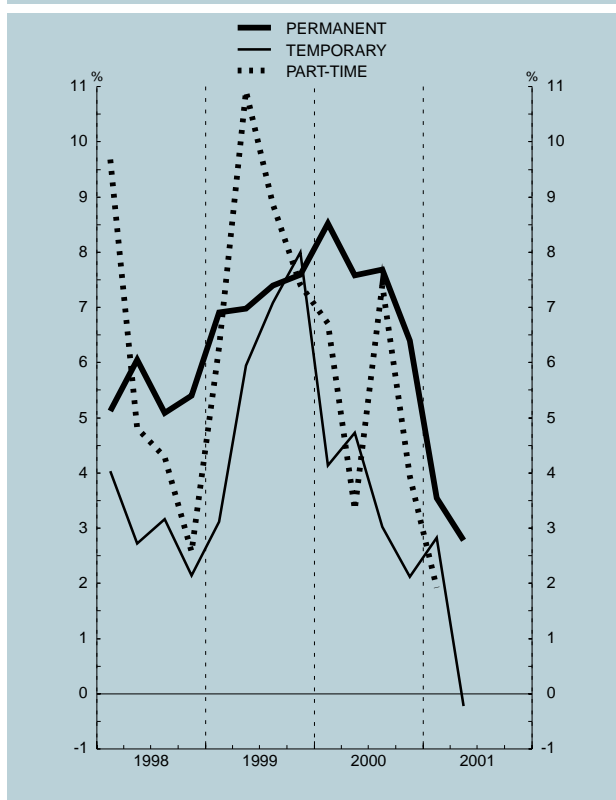
4.4. Wage-earners by type of contract and unemployment by duration. Spain. (a)

■ Series depicted in chart.

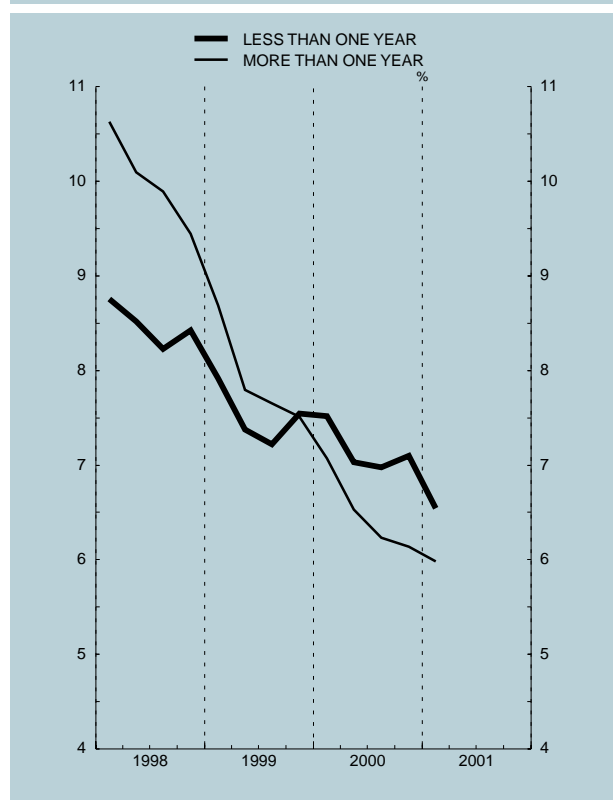
Thousands, annual percentage changes and %

		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	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		
		Thousands		Thousands		Thousands		Thousands											
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
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
00	M	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
00	Q1-Q2M	576	8.0	154	4.4	31.91		685	7.0	45	5.0	8.33	7.27	-2.2	6.80	-15.2	22.67	53.53	59.85
01	Q1-Q2M	245	3.2	46	1.3	31.51		...	...	...	...	...	...	...	...	...	...	...	...
98	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
01	Q1	273	3.6	101	2.8	31.54		356	3.4	18	1.9	8.24	6.54	-12.1	5.98	-14.7	20.63	45.57	50.83
	Q2	217	2.8	-8	-0.2	31.49		...	...	...	...	...	...	...	...	...	...	...	...

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".

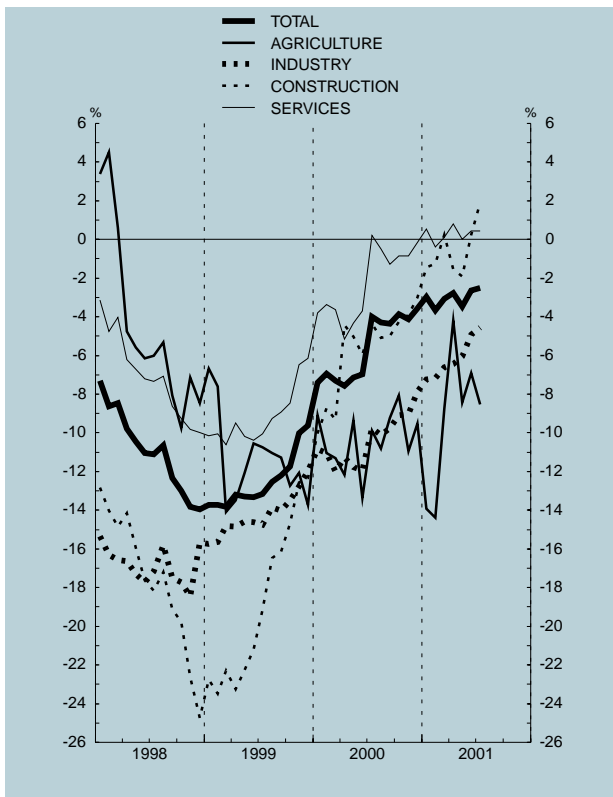
4.5. Registered unemployment by branch of activity. Contracts and placements. Spain

■ Series depicted in chart.

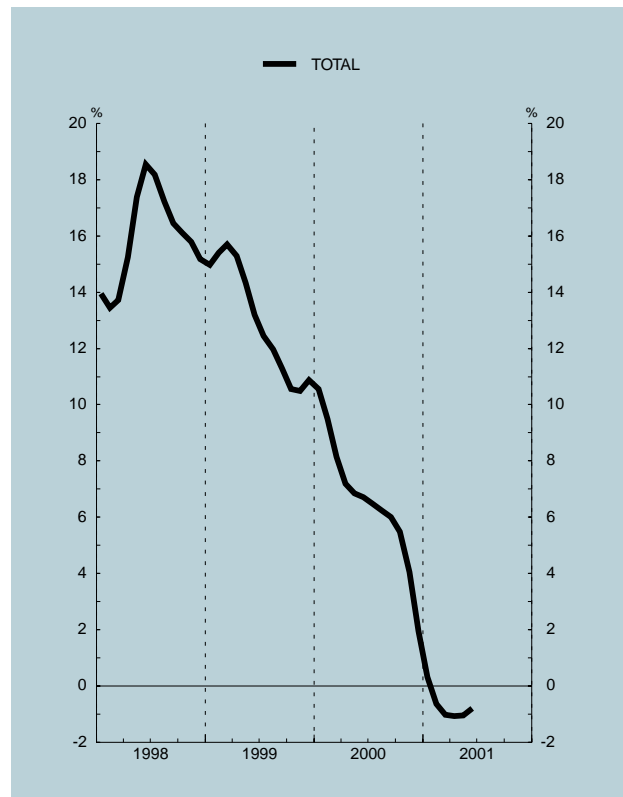
Thousands, annual percentage changes and %

		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	M	1 558	-94	-5.7	-10.1	-4.7	-10.4	-4.5	-10.4	-5.9	-2.3	1 152	4.5	8.73	18.12	91.27	1 135	6.2	
00	J-J	M	1 580	-115	-6.8	-11.5	-5.8	-10.9	-5.6	-11.2	-7.0	-3.4	1 143	4.9	8.80	17.45	91.20	1 126	7.0
01	J-J	MP	1 532	-48	-3.0	-10.7	-1.5	-9.4	-1.2	-6.2	-0.6	0.3	1 158	1.3	9.41	17.32	90.59	...	...
00	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
	Apr		1 535	-44	-2.8	-10.8	-1.1	-4.2	-1.0	-6.5	-1.6	0.8	1 012	5.6	10.28	16.51	89.72	979	3.5
	May		1 478	-53	-3.5	-11.7	-1.7	-8.4	-1.5	-6.0	-1.9	0.0	1 235	1.0	11.58	17.28	88.42	1 167	-3.3
	Jun		1 461	-40	-2.6	-10.6	-0.9	-6.9	-0.7	-4.9	0.3	0.4	1 189	-0.8	9.47	18.00	90.53	1 138	-3.6
	Jul	P	1 451	-37	-2.5	-11.2	-0.7	-8.5	-0.4	-4.5	1.9	0.4	1 258	7.4	8.15	19.58	91.85	...	...

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.

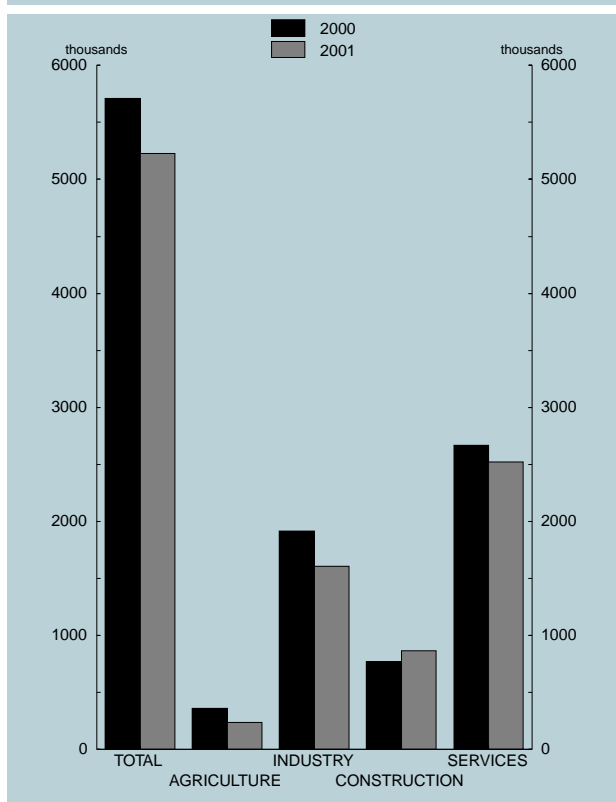
4.6. Collective bargaining agreements

■ Series depicted in chart.

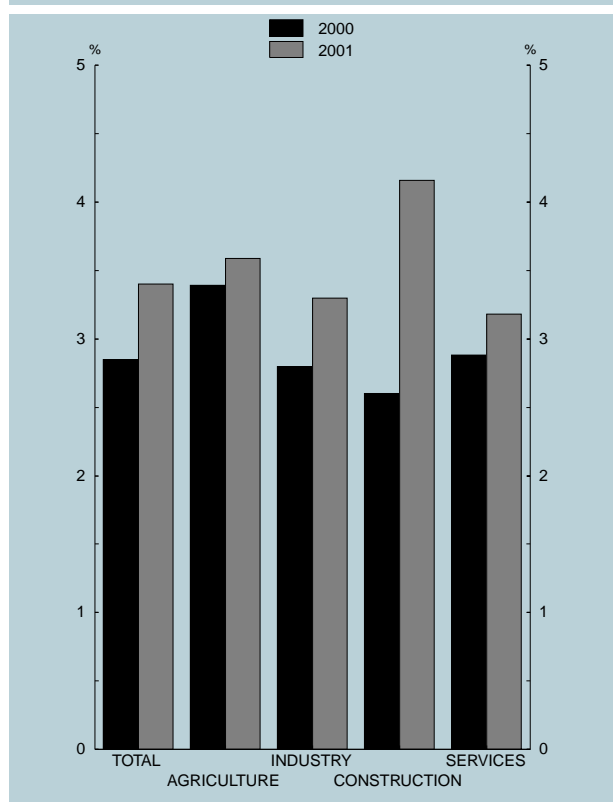
Thousands and %

	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 ad- just- ment	Newly- signed agre- ments	Total	Annual change	Agricul- ture	Indus- try	Construc- tion	Services	Auto- matic ad- just- ment	Newly signed agre- 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	
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	9 008	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	8 833	3.70	4 886	2 977	7 863	80	470	2 603	875	3 915	2.90	3.09	2.97	3.43	2.87	3.42	2.88
00 Feb	8 114	3.72	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	8 178	3.71	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
Apr	8 500	3.71	4 425	239	4 664	531	309	1 360	650	2 345	2.75	3.21	2.77	3.46	2.71	2.52	2.78
May	8 673	3.70	4 445	336	4 781	518	310	1 406	673	2 393	2.74	3.12	2.77	3.46	2.71	2.52	2.78
Jun	8 729	3.70	4 445	518	4 963	123	360	1 449	709	2 445	2.74	3.04	2.77	3.39	2.72	2.51	2.79
Jul	8 749	3.70	4 614	1 095	5 709	358	361	1 912	768	2 668	2.79	3.09	2.85	3.39	2.80	2.60	2.88
Aug	8 751	3.70	4 779	1 688	6 468	-57	395	2 364	806	2 903	2.90	3.14	2.96	3.37	2.84	3.42	2.88
Sep	8 818	3.70	4 788	2 397	7 185	381	405	2 436	838	3 506	2.90	3.04	2.94	3.39	2.85	3.39	2.85
Oct	8 826	3.70	4 853	2 684	7 536	505	413	2 520	875	3 729	2.90	3.06	2.96	3.37	2.86	3.42	2.87
Nov	8 826	3.70	4 886	2 821	7 707	151	413	2 573	875	3 847	2.90	3.07	2.96	3.37	2.87	3.42	2.88
Dec	8 833	3.70	4 886	2 977	7 863	80	470	2 603	875	3 915	2.90	3.09	2.97	3.43	2.87	3.42	2.88
01 Jan	4 943	3.38	1 602	25	1 627	18	18	214	309	1 086	3.16	4.32	3.18	2.68	2.67	4.39	2.94
Feb	4 968	3.38	3 204	64	3 268	974	135	871	554	1 708	3.12	3.90	3.14	3.14	2.74	3.81	3.13
Mar	5 034	3.38	3 722	176	3 898	-448	158	990	688	2 061	3.44	4.07	3.47	3.39	3.40	4.25	3.24
Apr	5 172	3.38	4 356	189	4 546	-119	159	1 334	806	2 246	3.36	4.08	3.39	3.39	3.19	4.26	3.20
May	5 222	3.40	4 356	215	4 571	-210	159	1 353	807	2 253	3.36	3.97	3.39	3.39	3.19	4.26	3.20
Jun	5 224	3.40	4 409	368	4 777	-186	234	1 407	807	2 330	3.38	3.92	3.42	3.60	3.20	4.26	3.24
Jul	5 225	3.40	4 487	742	5 229	-480	238	1 607	862	2 522	3.37	3.60	3.40	3.59	3.30	4.16	3.18

EMPLOYEES AFFECTED
January-July



AVERAGE WAGE SETTLEMENT
January-July



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

(a) Cumulative data.

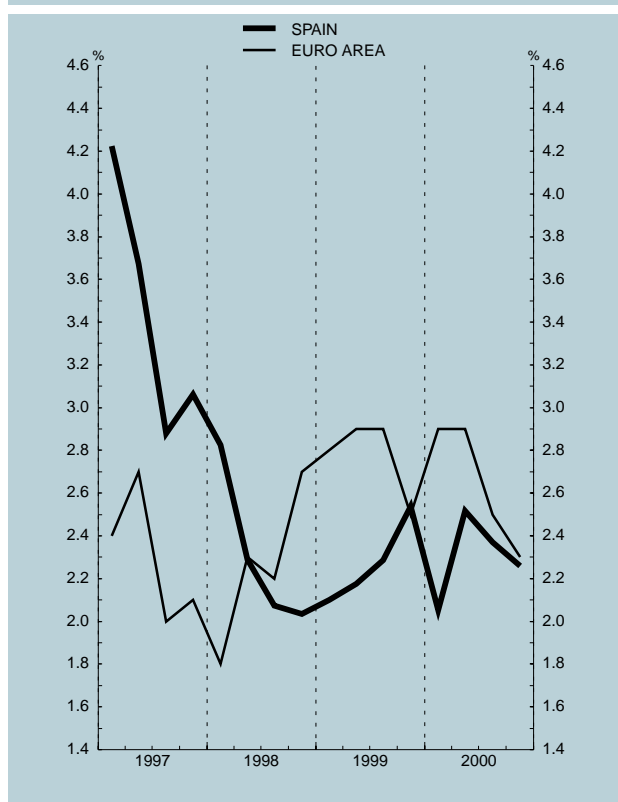
4.7. Wage earnings survey in industry and services. Spain and euro area

■ Series depicted in chart.

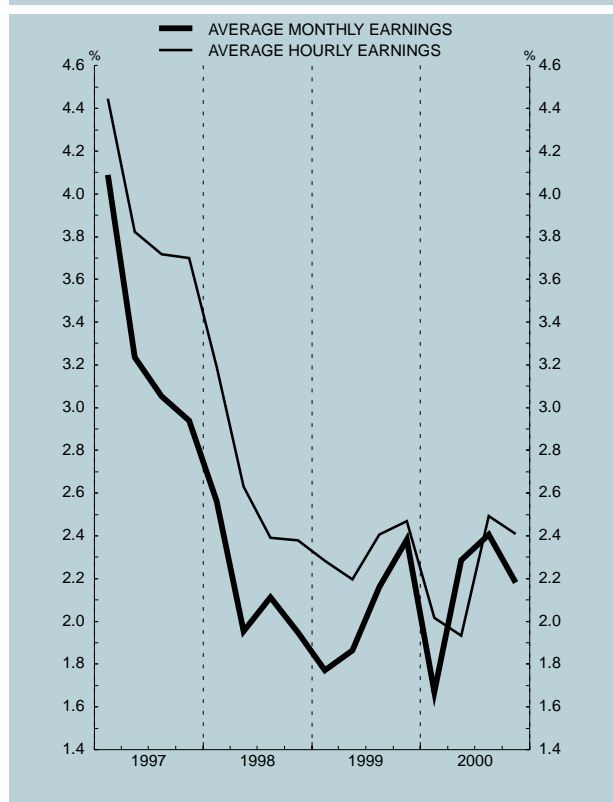
Annual percentage changes, Euros and number of hours

		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	2.4
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	2.1
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	2.7
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	2.7
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	2.6
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	2.3
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	2.2
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	2.7
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	2.8
Q2		1 189	1.9	1 294	2.2	2.9	3.9	1.4	8.39	2.2	9.13	2.5	3.2	4.0	1.8	142	-0.3	2.9
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	2.9
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	2.5
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	2.9
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	2.9
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	2.5
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	2.3

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.

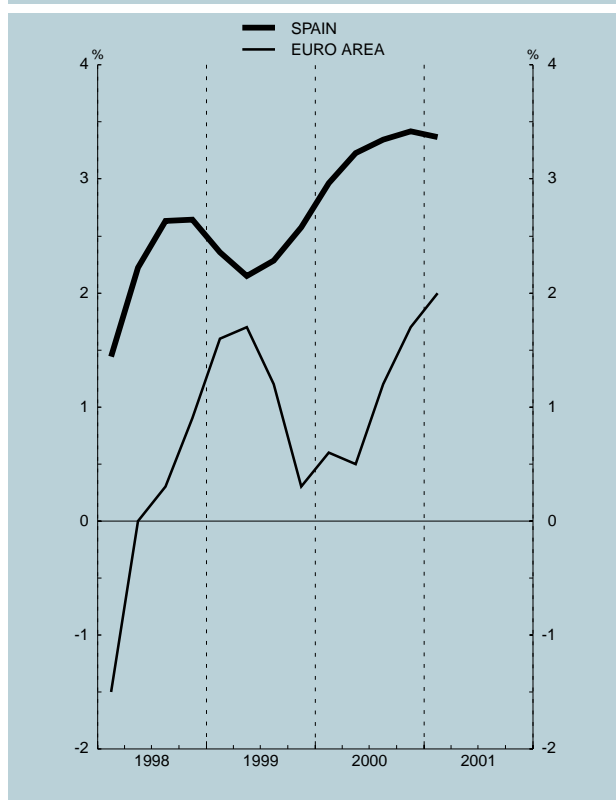
4.8. Unit labour costs. Spain and euro area (a)

■ Series depicted in chart.

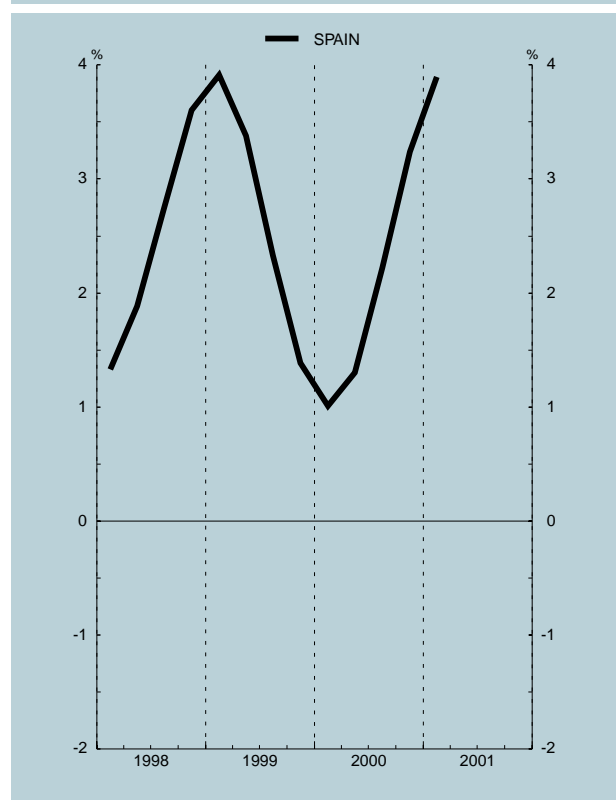
Annual percentage changes

		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		
98	P	2.2	0.1	2.8	1.4	0.5	1.3	4.3	2.9	3.8	1.6	2.4	...
99	P	2.3	1.3	2.8	2.2	0.4	0.9	4.0	2.5	3.6	1.6	2.7	...
00	P	3.2	1.1	4.0	2.5	0.8	1.3	4.1	3.4	3.3	2.0	2.0	...
98	Q1	1.4	-1.5	2.7	1.0	1.2	2.6	4.7	3.8	3.4	...	1.3	...
	Q2	2.2	-	2.9	1.1	0.7	1.0	4.4	2.9	3.7	...	1.9	...
	Q3	2.6	0.3	2.8	1.2	0.2	1.0	4.1	2.8	4.0	...	2.7	...
	Q4	2.6	0.9	2.6	1.3	-0.1	0.4	4.0	2.1	4.0	...	3.6	...
99	Q1	2.4	1.6	2.4	1.7	0.0	0.1	3.9	2.0	3.9	...	3.9	...
	Q2	2.1	1.7	2.4	2.3	0.3	0.7	3.9	2.2	3.7	1.6	3.4	...
	Q3	2.3	1.2	2.8	2.1	0.5	0.8	4.0	2.6	3.5	1.7	2.3	...
	Q4	2.6	0.3	3.4	2.0	0.8	1.7	4.2	3.4	3.4	1.7	1.4	...
00	Q1	3.0	0.6	3.9	2.5	0.9	2.0	4.3	3.5	3.4	1.9	1.0	...
	Q2	3.2	0.5	4.1	2.1	0.9	1.5	4.3	3.8	3.4	2.1	1.3	...
	Q3	3.3	1.2	4.1	2.3	0.8	1.1	4.1	3.4	3.3	2.0	2.2	...
	Q4	3.4	1.7	4.0	2.1	0.5	0.5	3.7	2.9	3.1	2.1	3.2	...
01	Q1	3.4	2.0	3.8	2.2	0.4	0.2	3.4	2.5	2.9	2.0	3.9	...

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.

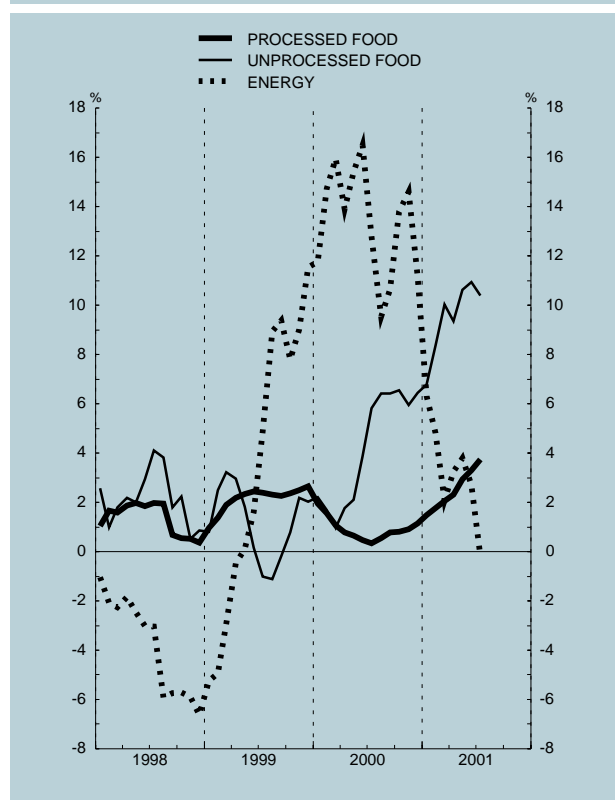
Indices and annual percentage changes

		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	M	131.0	—	3.4	4.0	4.2	0.9	2.1	13.3	3.8	2.5	115.1	2.9
00	J-J	M	129.9	0.3	3.1	1.2	2.6	1.8	14.4	3.4	2.3	119.3	0.5
01	J-J	MP	135.0	0.3	3.9	1.2	9.5	2.5	3.2	4.4	3.4	...	...
00	Apr		129.9	0.4	3.0	1.3	1.8	0.8	13.9	3.4	2.2	124.2	-2.3
	May		130.2	0.2	3.1	1.5	2.1	0.6	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	3.5	2.3	110.4	2.2
	Jul		131.3	0.6	3.6	2.4	5.8	0.3	2.1	4.1	2.5	106.9	6.4
	Aug		131.9	0.4	3.6	2.8	6.4	0.5	2.1	4.4	2.7	94.4	3.3
	Sep		132.2	0.3	3.7	3.1	6.4	0.8	2.3	4.0	2.7	99.8	2.3
	Oct		132.6	0.3	4.0	3.3	6.5	0.8	2.5	4.1	2.8	114.3	4.9
	Nov		132.9	0.2	4.1	3.6	6.0	0.9	2.6	4.3	2.9	124.1	9.7
	Dec		133.4	0.3	4.0	4.0	6.5	1.1	2.5	4.4	3.0	129.2	8.4
01	Jan		133.4	0.0	3.7	0.0	6.8	1.5	2.6	4.5	3.1	121.4	-2.6
	Feb		133.9	0.3	3.8	0.4	8.4	1.8	2.7	4.5	3.2	123.1	-2.3
	Mar		134.4	0.4	3.9	0.8	10.0	2.0	2.1	4.6	3.3	126.8	-4.3
	Apr	P	135.1	0.5	4.0	1.3	9.4	2.3	2.7	4.6	3.4	128.0	3.1
	May	P	135.6	0.4	4.2	1.7	10.6	2.9	3.8	4.4	3.5	130.1	17.3
	Jun	P	136.1	0.3	4.2	2.0	10.9	3.3	2.7	4.5	3.6	...	...
	Jul	P	136.4	0.2	3.9	2.3	10.4	3.7	-0.2	4.0	3.5	...	...

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.

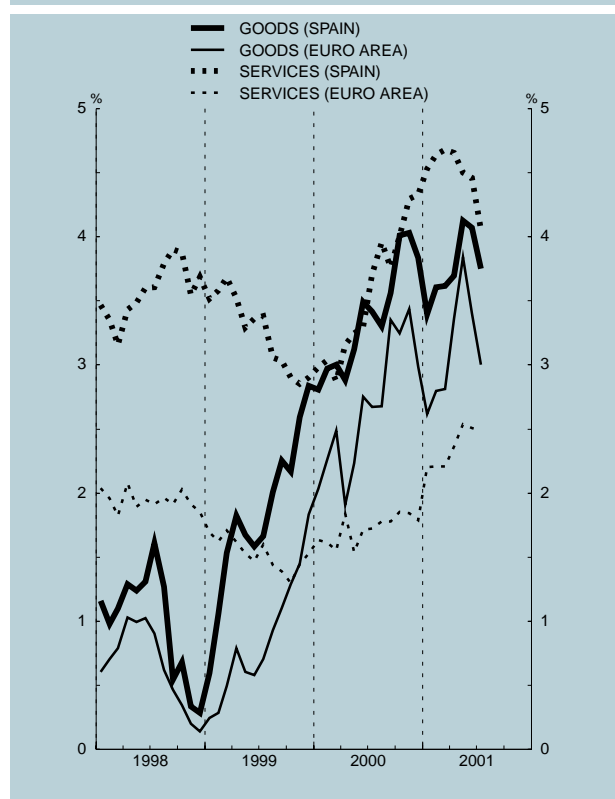
Annual percentage changes

		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-J	3.2	2.1	3.1	2.3	1.8	0.8	1.0	1.0	2.5	0.5	4.1	3.2	1.8	0.6	14.5	13.0	3.2	1.7
01	J-J	4.0	2.8	3.8	3.1	5.5	4.3	2.2	2.5	8.5	7.2	2.6	2.5	2.4	1.4	3.6	6.6	4.5	2.4
00	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	7.8	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
	Apr	4.0	2.9	3.7	3.4	5.3	4.4	1.9	2.5	8.5	7.3	2.6	2.9	2.4	1.5	3.8	7.8	4.7	2.4
	May	4.2	3.4	4.1	3.8	6.2	5.3	2.5	2.8	9.6	9.2	2.8	3.1	2.5	1.6	4.0	8.6	4.5	2.5
	Jun	4.2	3.0	4.1	3.4	6.5	5.4	3.0	3.0	9.8	9.0	2.4	2.4	2.4	1.6	2.8	5.5	4.5	2.5
	Jul	3.7	2.8	3.8	3.0	6.5	5.4	3.4	3.3	9.5	8.7	1.9	1.8	2.5	1.5	0.2	2.9	4.1	2.5

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.

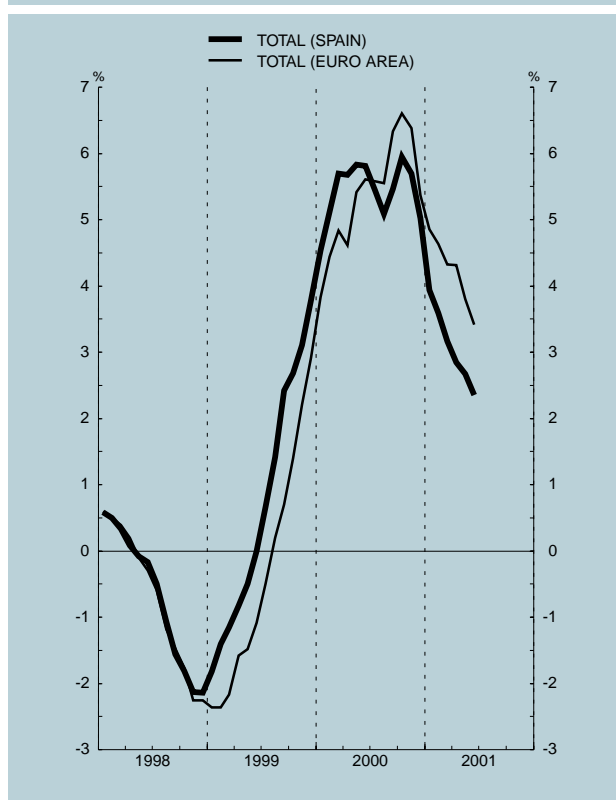
5.3. Producer price index. Spain and euro area (a)

■ Series depicted in chart.

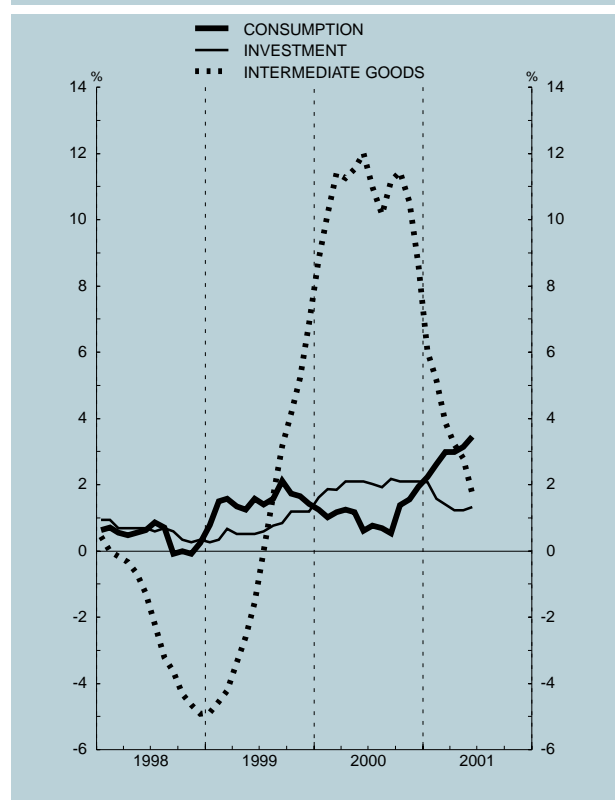
Annual percentage changes

		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	0.6	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	1.6	0.7	11.6	
00	J-J	MP	126.1	—	5.4	—	1.1	—	1.9	—	10.9	4.8	1.2	0.6	11.1
01	J-J	MP	130.0	—	3.1	—	2.9	—	1.5	—	3.8	4.2	...	...	...
00	Mar	P	126.2	0.7	5.7	0.2	1.2	0.4	1.8	1.3	11.4	4.8	1.1	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	1.6	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	1.7	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	1.8	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	12.8
	Dec	P	129.6	-0.2	5.0	0.4	1.9	-	2.1	-0.9	8.6	5.4	2.4	0.9	9.6
01	Jan	P	129.2	-0.3	3.9	0.6	2.2	0.5	2.1	-1.2	6.0	4.9	2.8	0.9	7.8
	Feb	P	129.8	0.5	3.6	0.8	2.6	-	1.6	0.2	5.1	4.6	2.9	1.0	6.9
	Mar	P	130.2	0.3	3.2	0.6	3.0	0.2	1.4	0.1	3.9	4.3	3.3	1.0	5.5
	Apr	P	130.1	-0.1	2.8	-	3.0	-0.1	1.2	-0.2	3.2	4.3	3.4	1.0	5.7
	May	P	130.4	0.2	2.7	0.1	3.1	0.1	1.2	0.5	2.8	3.8	3.3	1.0	4.6
	Jun	P	130.4	-	2.4	0.1	3.5	0.1	1.3	-0.1	1.7	3.4	...	...	...

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-M	5.6	3.7	1.2	9.5	95.6	6.9	14.2	5.3	9.5	20.4	131.5	8.0
01 J-M	4.3	7.2	-5.6	4.3	20.2	4.7	2.1	1.8	2.3	2.1	4.0	2.0
99 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
<i>Feb</i>	8.0	3.4	20.0	7.2	99.7	3.9	10.4	4.1	1.8	16.8	148.9	3.1
<i>Mar</i>	3.6	0.9	-3.8	8.4	102.9	6.1	9.5	5.5	1.7	14.4	165.3	0.1
<i>Apr</i>	2.9	4.1	-10.7	7.7	92.2	5.6	14.6	4.3	17.3	18.8	113.8	8.8
<i>May</i>	8.5	7.5	6.9	12.3	91.6	10.0	21.4	6.9	17.6	30.2	74.9	20.9
<i>Jun</i>	8.2	7.1	4.0	8.7	66.8	6.8	8.9	4.6	2.2	13.5	97.6	3.3
<i>Jul</i>	3.6	2.8	-3.4	5.8	67.4	4.3	11.6	-1.6	6.9	19.8	77.1	10.2
<i>Aug</i>	7.1	7.7	7.7	5.9	66.8	4.2	10.6	6.4	-1.8	17.4	69.6	4.4
<i>Sep</i>	6.5	10.4	-5.6	7.4	70.0	5.1	9.7	4.3	-0.1	16.0	68.8	8.2
<i>Oct</i>	5.4	7.8	-8.3	9.0	69.6	7.3	13.9	7.8	5.4	20.0	66.6	9.2
<i>Nov</i>	6.9	8.5	-8.8	12.1	84.2	8.8	18.0	12.1	15.0	21.5	55.5	12.0
<i>Dec</i>	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	4.2	1.6	-2.1	2.9	2.7	7.2	2.5
<i>Feb</i>	4.4	5.6	-9.5	7.3	17.6	8.2	4.8	6.6	9.1	2.7	9.0	1.5
<i>Mar</i>	3.5	7.4	-8.0	4.1	10.3	5.4	6.0	3.3	8.5	6.4	-3.0	7.2
<i>Apr</i>	5.0	5.4	3.7	3.0	11.5	3.3	-2.4	0.7	-2.9	-3.7	-0.9	-4.2
<i>May</i>	4.7	8.4	-5.3	2.4	21.0	2.8	0.7	1.3	-5.5	2.1	8.2	2.7

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 Boletín estadístico.

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

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

ESP billions

	Net lending (+) or borrowing (-)	Current and capital resources						Current and capital uses						Memorandum item: cash-basis deficit		
		Total	Value added tax (VAT)	Other taxes on products and imports	Interest and other income on property	Income and wealth taxes	Other	Total	Compensation of employees	Interest	Current and capital transfers within general government	Investment grants and other capital transfers	Other	Cash-basis deficit	Revenue	Expenditure
	1=2-8	2=3 a 7	3	4	5	6	7	8=9 a 13	9	10	11	12	13	14=15-16	15	16
98	-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	-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	-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-J	-191	9 646	2 862	1 392	299	4 107	986	9 837	1 323	1 369	5 651	193	1 301	-989	9 561	10 550
01 J-J	-642	9 674	2 882	1 429	439	4 102	822	10 316	1 328	1 401	5 959	210	1 419	-1 334	9 531	10 865
00 Jul	216	1 786	771	257	24	669	64	1 570	189	235	990	-37	194	90	1 852	1 762
Aug	-235	1 144	-173	238	48	950	81	1 379	197	237	724	28	193	-399	1 168	1 566
Sep	-242	1 343	470	285	22	427	139	1 586	197	231	908	24	226	-53	1 267	1 320
Oct	1 226	2 859	871	222	25	1 593	149	1 633	191	241	912	53	236	1 305	2 860	1 555
Nov	-257	1 406	233	234	312	536	91	1 663	193	235	931	23	281	167	1 565	1 398
Dec	-1 143	1 649	169	228	126	458	668	2 792	340	246	788	399	1 019	-526	1 477	2 003
01 Jan	-204	1 549	26	238	45	1 125	115	1 753	187	247	1 188	-	131	-1 007	1 645	2 652
Feb	1 169	2 654	1 569	230	243	515	97	1 485	190	216	851	44	184	800	2 735	1 936
Mar	-858	954	260	219	28	311	138	1 812	207	238	1 058	50	260	-720	779	1 499
Apr	917	2 577	798	259	35	1 379	106	1 660	201	232	929	32	265	924	2 551	1 626
May	-699	960	183	239	31	339	168	1 659	215	236	912	45	250	-580	917	1 497
Jun	-967	980	46	244	57	434	199	1 947	328	231	1 020	38	329	-750	905	1 655

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

EUR millions

	Net lending (+) or borrowing (-)	Current and capital resources						Current and capital uses						Memorandum item: cash-basis deficit		
		Total	Value added tax (VAT)	Other taxes on products and imports	Interest and other income on property	Income and wealth taxes	Other	Total	Compensation of employees	Interest	Current and capital transfers within general government	Investment grants and other capital transfers	Other	Cash-basis deficit	Revenue	Expenditure
	1=2-8	2=3 a 7	3	4	5	6	7	8=9 a 13	9	10	11	12	13	14=15-16	15	16
98	-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	-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	-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-J	-1 147	57 975	17 200	8 364	1 799	24 685	5 927	59 122	7 952	8 225	33 965	1 162	7 819	-5 942	57 462	63 404
01 J-J	-3 858	58 144	17 322	8 589	2 637	24 656	4 939	62 002	7 978	8 418	35 814	1 261	8 530	-8 017	57 280	65 297
00 Jul	1 298	10 736	4 633	1 547	147	4 023	386	9 438	1 135	1 413	5 952	-225	1 164	542	11 131	10 589
Aug	-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	-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	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	-1 542	8 451	1 401	1 409	1 876	3 219	547	9 994	1 159	1 412	5 595	137	1 690	1 001	9 405	8 404
Dec	-6 872	9 910	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	-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	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
Mar	-5 155	5 737	1 560	1 315	168	1 867	827	10 892	1 246	1 428	6 356	300	1 562	-4 328	4 680	9 009
Apr	5 510	15 490	4 797	1 557	210	8 290	636	9 980	1 209	1 396	5 586	194	1 595	5 555	15 329	9 774
May	-4 200	5 769	1 100	1 438	186	2 037	1 007	9 968	1 292	1 419	5 484	271	1 503	-3 489	5 509	8 997
Jun	-5 811	5 889	279	1 465	343	2 607	1 197	11 701	1 970	1 390	6 133	230	1 979	-4 510	5 437	9 947

Sources: Ministerio de Hacienda (IGAE)

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

ESP billions

	Net lending (+) or net borrowing(-)	Net acquisition of financial assets		Net incurrence of liabilities										Net incurrence of liabilities (excluding other accounts payable)		
		Total	Deposits at the Banco de España	Of which			By instrument					By counterpart sector				
				Total	In currencies other than the peseta/euro	Short-term securities	Government bonds and assumed debt	Banco de España loans	Other marketable liabilities (a)	Other accounts payable	Held by resident sectors				Rest of the world	
											Total	Monetary financial institutions	Other resident sectors			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15		
98		-1 973	386	74	2 359	1 102	-1 802	4 352	-39	-410	258	1 723	-1 297	3 020	636	2 101
99	P	-1 105	894	761	1 999	-96	-1 103	3 258	-83	-74	1	-1 666	-1 067	-599	3 665	1 998
00	A	-626	1 167	947	1 793	130	-1 445	2 913	-83	69	339	-3 686	-1 718	-1 968	5 479	1 454
00 J-J	A	-191	-314	-524	-123	-34	-383	-151	-	112	300	-1 703	-985	-718	1 580	-423
01 J-J	A	-642	-385	-3 367	257	170	-696	418	-	5	530	43	1 385	-1 343	214	-273
00 Jul	A	216	443	396	227	237	-193	554	-	-13	-121	-572	-354	-218	799	348
Aug	A	-235	-514	-563	-280	-51	-461	331	-	1	-150	-604	-269	-335	324	-129
Sep	A	-242	129	69	371	-21	-207	548	-	-19	49	-379	15	-394	750	322
Oct	A	1 226	1 646	1 547	419	3	-58	495	-	-0	-17	-557	-90	-467	976	437
Nov	A	-257	344	383	601	-2	-131	682	-	-8	58	265	25	240	335	542
Dec	A	-1 143	-566	-362	577	-4	-11	455	-83	-3	220	-137	-60	-77	714	358
01 Jan	A	-204	-1 957	-2 123	-1 753	-10	247	-1 757	-	-0	-242	-1 224	101	-1 325	-529	-1 511
Feb	A	1 169	-48	-629	-1 216	-8	83	-375	-	-11	-914	-895	30	-925	-322	-302
Mar	A	-858	756	-616	1 614	-18	-310	957	-	3	965	721	99	622	893	649
Apr	A	917	1 008	0	91	7	-90	-38	-	2	217	851	651	199	-760	-126
May	A	-699	-230	1	469	6	-209	605	-	14	58	270	98	172	199	411
Jun	A	-967	85	-1	1 052	193	-417	1 026	-	-3	446	320	406	-86	732	606

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	Deposits at the Banco de España	Of which			By instrument					By counterpart sector				
				Total	In currencies other than the peseta/euro	Short-term securities	Government bonds and assumed debt	Banco de España loans	Other marketable liabilities (a)	Other accounts payable	Held by resident sectors				Rest of the world	
											Total	Monetary financial institutions	Other resident sectors			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15		
98		-11 860	2 319	444	14 179	6 624	-10 829	26 157	-236	-2 464	1 551	10 357	-7 793	18 149	3 822	12 628
99	P	-6 641	5 372	4 574	12 013	-577	-6 629	19 581	-499	-447	7	-10 012	-6 411	-3 601	22 026	12 006
00	A	-3 763	7 015	5 690	10 778	779	-8 683	17 506	-499	418	2 037	-22 152	-10 323	-11 830	32 930	8 741
00 J-J	A	-1 147	-1 885	-3 147	-737	-204	-2 302	-910	-	672	1 803	-10 234	-5 920	-4 314	9 496	-2 541
01 J-J	A	-3 858	-2 315	-20 236	1 543	1 020	-4 183	2 511	-	29	3 186	257	8 326	-8 069	1 286	-1 643
00 Jul	A	1 298	2 662	2 378	1 364	1 423	-1 158	3 329	-	-80	-727	-3 435	-2 126	-1 310	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	-125	-1 245	3 294	-	-113	294	-2 278	90	-2 368	4 508	1 936
Oct	A	7 369	9 890	9 296	2 521	21	-349	2 973	-	-0	-103	-3 345	-539	-2 806	5 866	2 624
Nov	A	-1 542	2 068	2 302	3 610	-10	-789	4 097	-	-50	352	1 594	152	1 442	2 016	3 258
Dec	A	-6 872	-3 403	-2 173	3 470	-22	-68	2 736	-499	-20	1 321	-824	-362	-463	4 294	2 149
01 Jan	A	-1 224	11 760	-12 758	-10 536	-59	1 482	-10 561	-	-3	-1 454	-7 358	606	-7 963	-3 178	-9 082
Feb	A	7 023	-288	-3 778	-7 311	-51	501	-2 255	-	-64	-5 493	-5 378	179	-5 557	-1 932	-1 818
Mar	A	-5 155	4 543	-3 700	9 699	-109	-1 865	5 750	-	16	5 798	4 333	597	3 735	5 366	3 901
Apr	A	5 510	6 057	1	547	42	-541	-226	-	10	1 304	5 113	3 915	1 198	-4 566	-757
May	A	-4 200	-1 379	7	2 820	35	-1 253	3 637	-	87	350	1 623	590	1 033	1 197	2 471
Jun	A	-5 811	512	-8	6 323	1 162	-2 507	6 166	-	-17	2 681	1 923	2 438	-514	4 400	3 642

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		45 617	3 871	11 935	30 041	1 760	1 881	35 196	74	35 122	10 495	1 635	1 206
98		47 243	4 964	9 973	34 103	1 721	1 446	35 807	51	35 756	11 487	1 709	1 067
99	P	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	40 972	1 555	1 423	31 360	116	31 244	20 128	3 417	903
00 Mar	A	49 800	3 891	8 565	38 303	1 638	1 294	33 193	25	33 168	16 633	1 490	938
Apr	A	49 375	3 939	8 559	37 711	1 638	1 468	32 757	25	32 732	16 644	2 173	938
May	A	49 683	3 889	8 468	38 109	1 638	1 469	33 524	25	33 499	16 185	1 813	931
Jun	A	50 144	3 854	8 509	38 530	1 638	1 468	33 173	25	33 148	16 996	1 947	930
Jul	A	50 658	4 098	8 317	39 275	1 638	1 428	32 587	25	32 562	18 096	2 342	914
Aug	A	50 581	4 180	7 852	39 627	1 638	1 468	32 179	25	32 154	18 427	1 779	915
Sep	A	50 769	4 175	7 654	40 031	1 638	1 447	31 834	25	31 809	18 960	1 849	881
Oct	A	51 189	4 251	7 591	40 509	1 638	1 452	31 113	25	31 088	20 101	3 395	876
Nov	A	51 451	4 148	7 451	40 924	1 638	1 438	31 551	25	31 526	19 225	3 778	984
Dec	A	51 372	3 953	7 422	40 972	1 555	1 423	31 360	116	31 244	20 128	3 417	903
01 Jan	A	50 599	3 940	7 663	39 959	1 555	1 422	30 448	116	30 332	20 267	1 294	916
Feb	A	50 433	3 923	7 739	39 728	1 555	1 411	30 556	116	30 440	19 993	666	946
Mar	A	51 004	3 927	7 427	40 618	1 555	1 404	30 328	116	30 213	20 792	50	1 043
Apr	A	50 794	3 933	7 330	40 503	1 555	1 406	30 872	116	30 756	20 038	50	1 047
May	A	51 228	4 069	7 118	41 137	1 555	1 418	30 972	116	30 856	20 372	51	1 081
Jun	A	51 657	4 054	6 694	41 994	1 555	1 414	...	116	...	...	50	1 066

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		274 161	23 263	71 730	180 551	10 578	11 303	211 530	445	211 085	63 076	9 829	7 251
98		283 938	29 832	59 939	204 965	10 341	8 692	215 203	305	214 899	69 040	10 273	6 412
99	P	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	308 750	23 759	44 605	246 249	9 344	8 552	188 474	695	187 780	120 970	20 536	5 430
00 Mar	A	299 307	23 388	51 477	230 208	9 843	7 780	199 494	150	199 343	99 964	8 958	5 637
Apr	A	296 753	23 674	51 438	226 646	9 843	8 826	196 872	150	196 722	100 031	13 063	5 639
May	A	298 603	23 371	50 892	229 041	9 843	8 828	201 481	150	201 331	97 272	10 899	5 596
Jun	A	301 373	23 166	51 138	231 569	9 843	8 824	199 376	150	199 226	102 147	11 699	5 590
Jul	A	304 461	24 627	49 987	236 049	9 843	8 583	195 851	150	195 701	108 760	14 077	5 495
Aug	A	303 996	25 125	47 191	238 164	9 843	8 799	193 400	150	193 250	110 746	10 695	5 500
Sep	A	305 130	25 093	46 001	240 591	9 843	8 695	191 328	150	191 178	113 952	11 111	5 292
Oct	A	307 653	25 551	45 624	243 462	9 843	8 725	186 992	150	186 842	120 812	20 407	5 263
Nov	A	309 228	24 930	44 784	245 960	9 843	8 642	189 627	150	189 477	119 752	22 709	5 914
Dec	A	308 750	23 759	44 605	246 249	9 344	8 552	188 474	695	187 780	120 970	20 536	5 430
01 Jan	A	304 104	23 681	46 054	240 161	9 344	8 545	182 994	695	182 299	121 804	7 778	5 508
Feb	A	303 107	23 577	46 513	238 772	9 344	8 479	183 644	695	182 949	120 158	4 000	5 685
Mar	A	306 542	23 602	44 640	244 120	9 344	8 439	182 276	695	181 581	124 961	300	6 271
Apr	A	305 279	23 639	44 055	243 430	9 344	8 450	185 542	695	184 847	120 432	300	6 292
May	A	307 886	24 454	42 781	247 237	9 344	8 524	186 144	695	185 449	122 437	308	6 497
Jun	A	310 467	24 365	40 234	252 389	9 344	8 500	...	695	...	...	300	6 407

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.

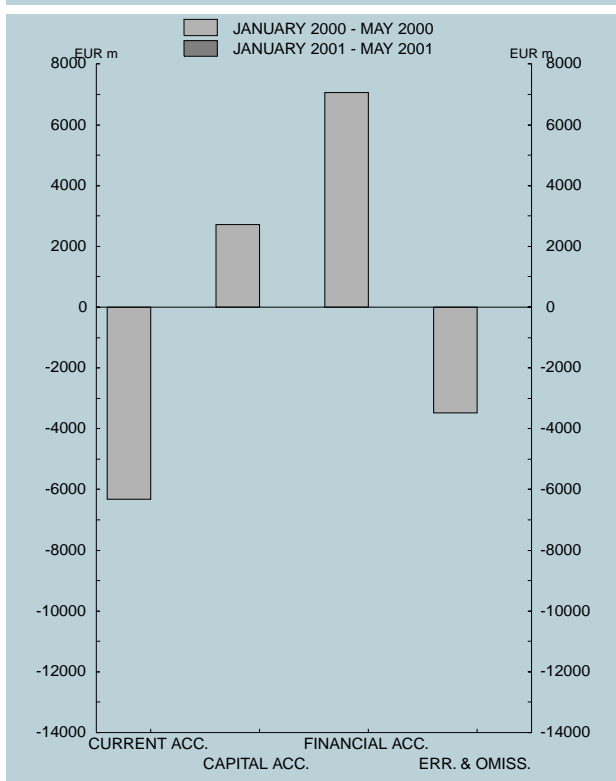
Current account.

■ Series depicted in chart.

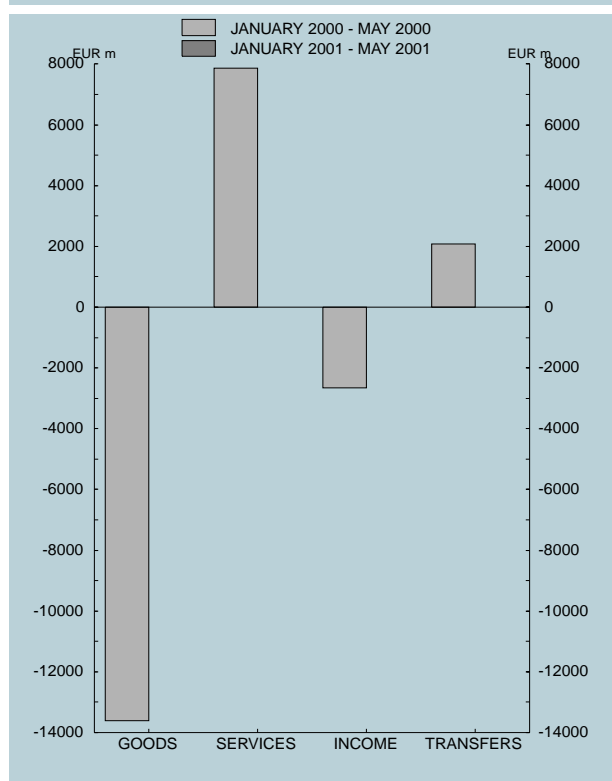
EUR millions

	Current account (a)													Capital account (balance)	Current account plus Capital account	Financial account (balance) (b)	Errors and omissions				
	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												
1=2+5+10+13	2=3-4	3	4	5=6-8	6	7	8	9	10=11-12	11	12	13	14	15=1+14	16	17=-(15+16)					
98	-2 598	-18 480	100 444	118 923	19 626	44 189	26 806	24 563	4 491	-6 751	13 092	19 844	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-M	-6 320	-13 611	49 593	63 205	7 867	20 885	11 598	13 018	2 056	-2 664	6 396	9 060	2 088	2 724	-3 596	7 071	-3 475				
01 J-M	A -4 343	-12 394	56 565	68 959	9 267	23 823	13 062	14 557	2 445	-3 760	9 621	13 381	2 544	3 621	-722	4 778	-4 056				
00 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	P -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				
Feb	P 232	-2 096	11 263	13 359	1 251	4 026	2 151	2 775	468	-791	1 398	2 190	1 868	934	1 166	-245	-921				
Mar	P -1 561	-2 444	12 239	14 683	1 902	4 889	2 645	2 987	522	-956	2 085	3 041	-62	193	-1 368	2 285	-917				
Apr	P -1 008	-2 852	10 891	13 743	1 788	4 656	2 612	2 868	485	-335	2 248	2 584	391	1 328	320	-486	166				
May	A -664	-2 774	12 004	14 778	2 750	5 810	3 364	3 060	502	-548	1 897	2 445	-92	751	87	1 111	-1 198				

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

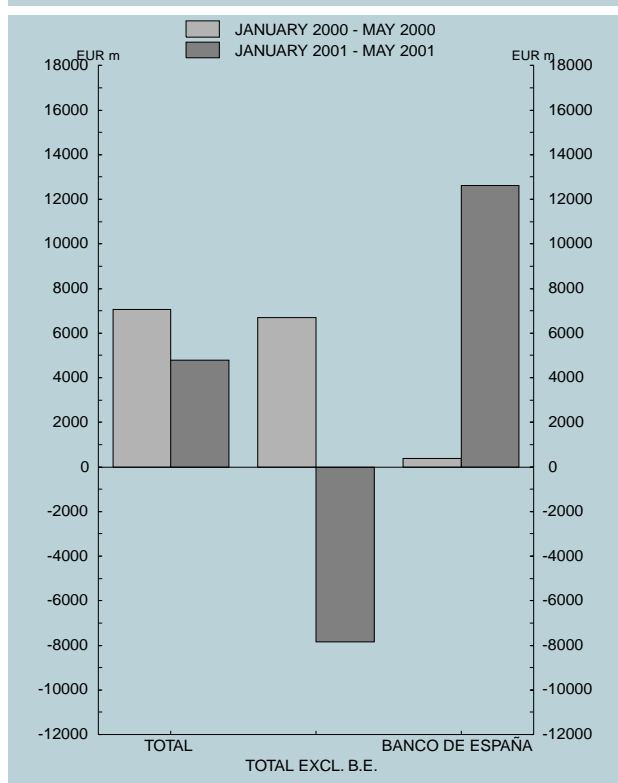
Financial account (a)

■ Series depicted in chart.

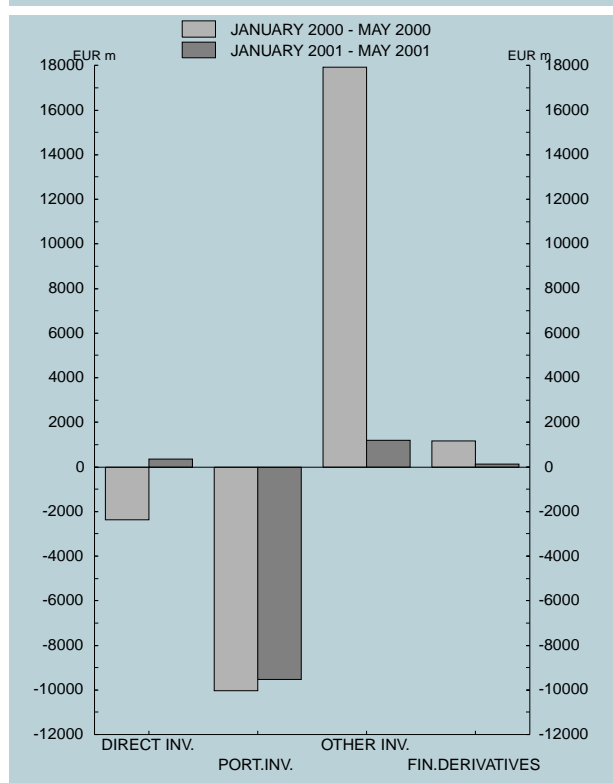
EUR millions

Financial account (NCL-NCA)	Total, excluding Banco de España											Banco de España				Memorandum item:		
	Total (NCL-NCA)	Direct investment			Portfolio investment			Other investment (d)			Net financial derivatives (NCL-NCA)	Balance (NCL-NCA)	Re-serves (e)	Claims with the Euro-system (e)	Other net assets (NCL-NCA)	Other investment including Banco de España (d)		
		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)						Spanish investment abroad	Foreign investment in Spain	
																		1	2=3+6+9+12	3=5-4	4	5	6=8-7	7	8	9=11-10	10	11	12	13=14+15+16	14	15	16	17	18
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	20 887	41 065
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	22 021	38 130
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	18 737	56 253
00 J-M	7 071	6 697	-2 364	15 908	13 544	-10 022	21 542	11 519	17 927	4 686	22 613	1 156	373	561	-8	-180	4 682	22 421
01 J-M	A 4 778	-7 843	343	10 956	11 299	-9 521	20 402	10 881	1 194	19 182	20 376	141	12 621	504	11 143	974	8 014	21 325
00 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	-4 361	-4 802
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	3 436	5 839
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	-636	2 704
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	3 475	9 570
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	-5 212	-2 372
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	1 305	1 555
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	182	-3 172
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	14 697	19 043
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	7 151	5 407
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	-2 374	6 477
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	-1 693	6 894
01 Jan	P 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	10 700	15 580
Feb	P -245	-4 857	-1 311	2 840	1 529	-6 493	7 033	540	2 662	-4 886	-2 224	285	4 611	-1 098	4 599	1 110	-9 505	-1 133
Mar	P 2 285	-1 568	-604	1 226	623	1 293	5 070	6 362	-3 043	10 155	7 112	786	3 853	619	3 534	-300	6 626	6 817
Apr	P -486	-4 599	-234	5 114	4 881	-979	964	-15	-1 600	-4 142	-5 742	-1 786	4 113	826	3 606	-320	-7 760	-6 074
May	A 1 111	10 872	3 126	-506	2 620	-1 567	5 897	4 330	8 898	-2 464	6 435	415	-9 761	954	10 387	-329	7 953	6 136

FINANCIAL ACCOUNT



FINANCIAL ACCOUNT, EXCLUDING BANCO DE ESPAÑA
Breakdown



Fuente: BE. Cifras elaboradas según el Manual de Balanza de Pagos del FMI (5ª edición, 1993). La presentación convencional se ha adaptado para hacer explícitas las operaciones en las que el BE figura como contrapartida, especialmente las variaciones de su cuenta con el Eurosistema.

(a) Tanto la variación de activos (VNA) como la variación de pasivos (VNP) han de entenderse 'netas' de sus correspondientes amortizaciones. Un signo positivo (negativo) en las columnas señalizadas como VNA supone una salida (entrada) de financiación exterior. Un signo positivo (negativo) en las columnas señalizadas como VNP supone una entrada (salida) de financiación exterior. (b) No recoge las inversiones directas en acciones cotizadas e incluye inversiones de cartera en acciones no cotizadas. (c) Incluye inversiones directas en acciones cotizadas, pero no recoge las inversiones de cartera en acciones no cotizadas. (d) Principalmente, préstamos, depósitos y operaciones temporales. (e) Un signo positivo (negativo) supone una disminución (aumento) de las reservas y/o de los activos del BE frente al Eurosistema.

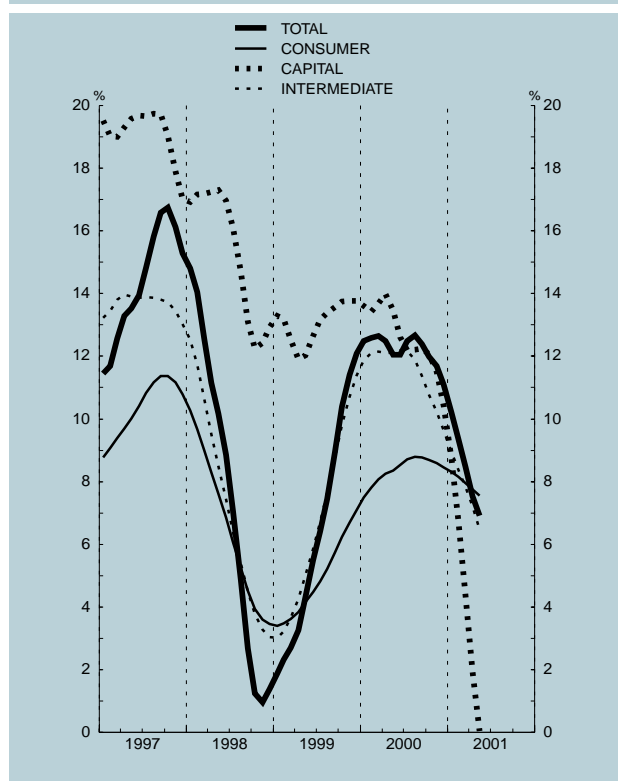
7.3 Spanish foreign trade with other euro area countries and with the rest of the world. Exports and dispatches

■ Series depicted in chart.

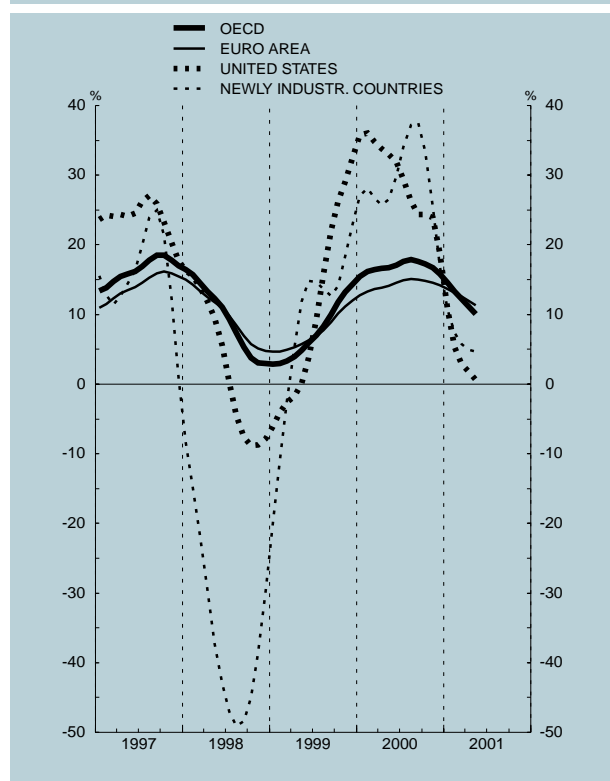
EUR millions and annual percentage changes

	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:		United States of America	Other OECD members					
											Euro area								
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 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	27.8	8.5	-9.4	10.7	16.5	15.0	15.1	9.8	17.6	45.9	28.3	15.9	41.2		
Feb	10 960	14.9	10.0	12.1	10.5	8.1	3.6	8.2	13.5	12.9	15.0	-7.1	15.5	18.6	12.5	8.6	28.4		
Mar	11 999	9.6	5.9	3.6	14.8	5.0	-21.0	5.7	9.7	15.2	11.5	-3.2	8.9	6.4	-0.9	-4.5	16.3		
Apr	10 633	13.5	8.1	8.8	-13.5	16.2	8.0	16.5	11.6	10.5	14.1	3.1	12.8	34.4	10.9	18.7	25.9		
May	11 800	9.4	4.5	9.1	-16.4	9.6	-29.0	11.2	13.0	18.4	13.0	8.9	11.4	-4.7	-29.5	-4.7	12.2		

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.

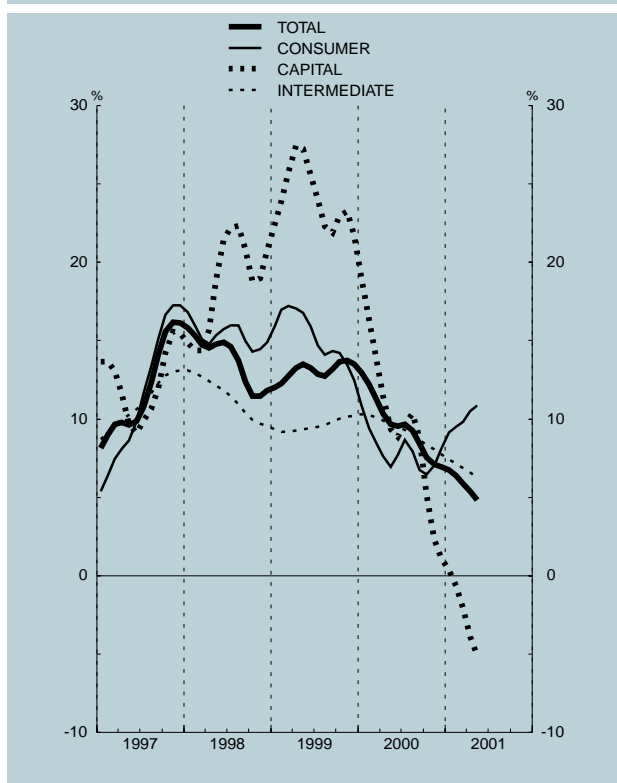
7.4 Spanish foreign trade with other euro area countries and with the rest of the world. Imports and arrivals

■ Series depicted in chart.

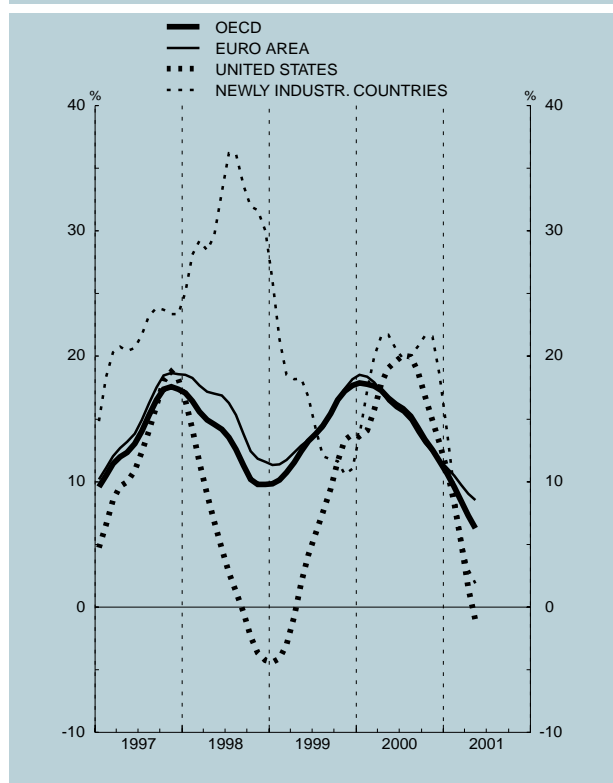
EUR millions and annual percentage changes

	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-pean Union	of which: Euro area	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 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	-0.2	9.5	4.6	10.0	12.4	8.9	14.2	15.8	13.3	9.2	4.3	9.1	17.2
Mar	15 210	5.5	-0.4	1.6	1.1	-1.7	15.5	-3.6	4.3	-0.7	5.1	19.0	4.7	1.3	15.8	-7.0	18.5
Apr	14 140	10.0	12.7	18.0	-7.7	18.1	9.7	19.1	8.7	-2.1	8.5	-10.7	14.6	-3.2	40.1	5.7	22.7
May	15 258	2.5	1.8	14.6	-8.0	0.4	-11.6	1.9	3.2	-1.1	8.6	-28.0	9.0	-0.6	-20.5	-4.0	8.8

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



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



Sources: ME and BE.

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

(a) Series deflated by unit value indices.

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

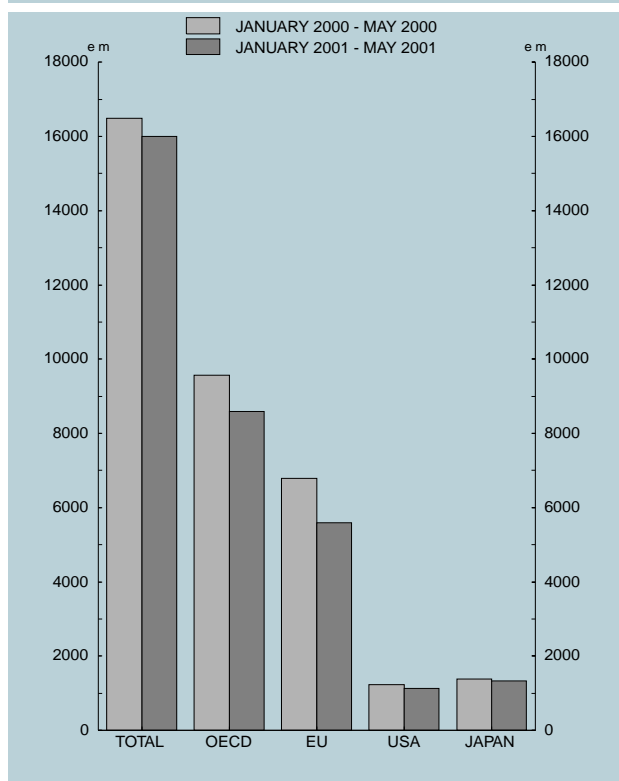
Trade balance: geographical distribution

■ Series depicted in chart.

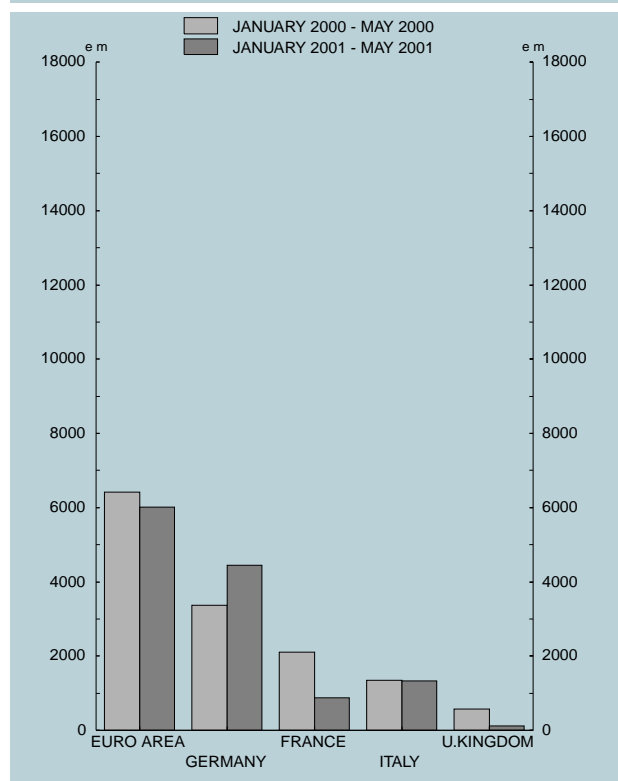
EUR millions

	O E C D															
	World total	European Union											OPEC	Other American countries	Newly industrialised countries	Other
		Total	Total	Euro area			United Kingdom	Other EU members	United States of America	Japan	Other OECD members					
				Total	Germany	France						Italy				
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-M	-16 488	-9 567	-6 796	-6 419	-3 377	-2 104	-1 353	-574	198	-1 224	-1 383	-164	-3 865	476	-913	-2 619
01 J-M	-15 998	-8 598	-5 596	-6 015	-4 439	-872	-1 336	-124	543	-1 131	-1 336	-535	-3 845	342	-944	-2 953
00 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	-1 254	-767	-1 010	-845	-126	-210	125	118	-163	-280	-45	-894	61	-194	-674
Feb	-2 870	-1 507	-970	-1 053	-742	-279	-273	-46	129	-217	-229	-91	-700	120	-209	-574
Mar	-3 210	-1 735	-1 048	-1 101	-877	-95	-231	-44	97	-339	-294	-54	-889	105	-157	-533
Apr	-3 507	-2 194	-1 635	-1 516	-1 022	-235	-255	-191	72	-182	-239	-137	-598	16	-170	-562
May	-3 458	-1 908	-1 176	-1 335	-952	-137	-366	31	128	-230	-295	-207	-764	39	-215	-610

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. Spanish international investment position vis-à-vis other Euro area residents and the rest of the world

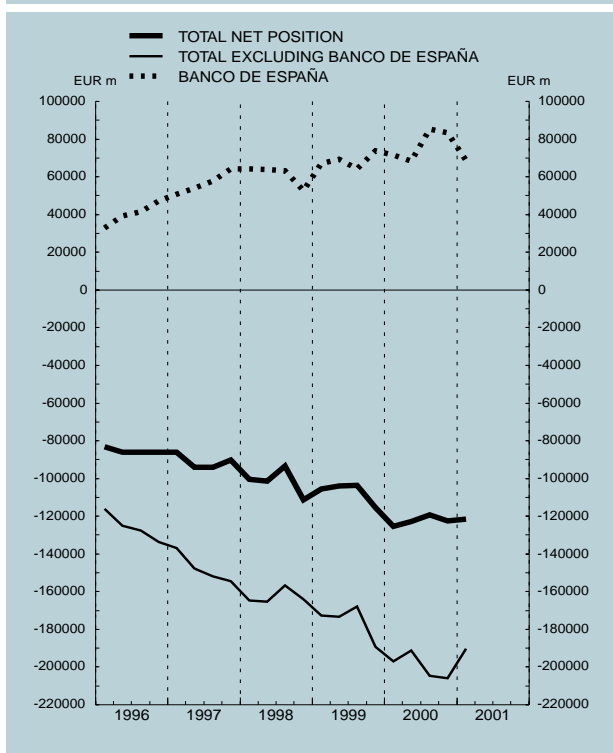
Summary

■ Series depicted in chart.

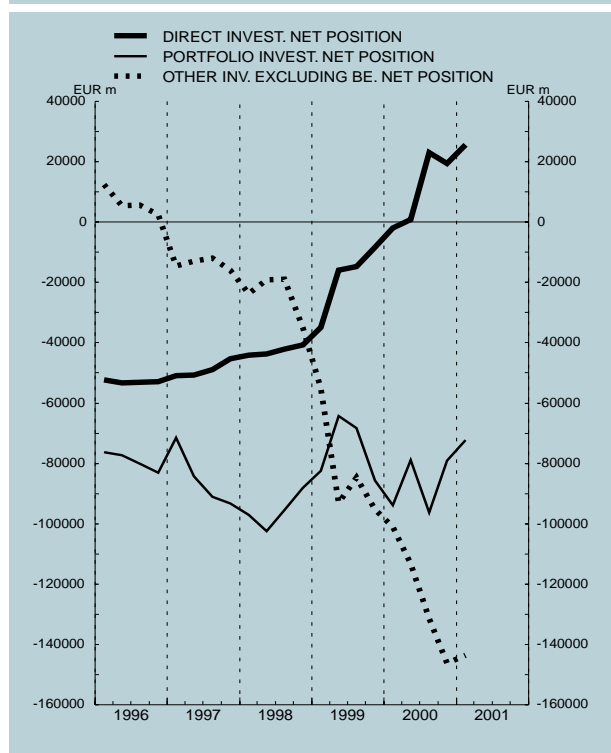
End-of-period stocks in EUR millions

		Total excluding Banco de España										Banco de España				
		Net international investment position (assets-liabil.)	Net position excluding Banco de España (assets-liabil.)	Direct investment			Portfolio investment			Other investment			Banco de España net position (assets-liabil.)	Reserves	Assets vis-à-vis the Euro-system	Other net assets (assets-liabil.)
				Net position (assets-liabil.)	Spanish investment abroad (assets)	Foreign investment in Spain (liabil.)	Net position (assets-liabil.)	Spanish investment abroad (assets)	Foreign investment in Spain (liabil.)	Net position (assets-liabil.)	Spanish investment abroad (assets)	Foreign investment in Spain (liabil.)				
93	P	-80 210	-117 139	-47 891	20 543	68 434	-76 065	12 654	88 720	6 817	113 227	106 410	36 929	36 843	-	85
94	P	-79 502	-114 275	-52 286	23 806	76 091	-52 865	13 688	66 553	-9 124	104 339	113 463	34 773	34 708	-	65
95	P	-82 529	-109 895	-52 683	26 454	79 137	-73 019	13 309	86 328	15 807	130 085	114 278	27 366	27 263	-	102
96	P	-86 133	-133 535	-52 899	31 468	84 367	-83 045	16 649	99 693	2 409	133 470	131 061	47 403	47 658	-	-256
97	P	-90 310	-154 621	-45 293	44 399	89 692	-93 310	31 774	125 085	-16 018	143 327	159 345	64 311	64 174	-	137
98 Q1	P	-100 447	-164 791	-44 084	48 404	92 487	-97 053	41 556	138 610	-23 654	161 313	184 967	64 344	64 225	-	119
Q2	P	-101 515	-165 362	-43 702	50 771	94 473	-102 487	45 865	148 352	-19 173	167 179	186 352	63 847	63 791	-	56
Q3	P	-93 263	-156 566	-42 179	54 455	96 634	-95 471	51 503	146 974	-18 916	175 225	194 140	63 303	62 854	-	450
Q4	P	-111 391	-163 933	-40 763	59 159	99 922	-88 067	69 624	157 691	-35 103	160 511	195 614	52 542	52 095	-	447
99 Q1	P	-105 537	-172 584	-34 951	65 832	100 783	-82 447	87 597	170 044	-55 185	165 471	220 657	67 046	45 874	20 779	394
Q2	P	-104 042	-165 362	-16 001	88 110	104 112	-84 335	109 015	173 350	-19 173	167 179	186 352	69 399	38 153	30 838	408
Q3	P	-103 674	-167 810	-14 722	92 987	107 709	-68 322	113 033	181 355	-84 766	148 887	233 653	64 137	35 903	28 090	143
Q4	P	-115 460	-189 204	-8 275	106 407	114 682	-85 737	119 268	205 005	-95 191	149 993	245 184	73 743	37 288	36 028	427
00 Q1	P	-125 336	-196 866	-1 980	114 582	116 561	-93 820	133 237	227 056	-101 067	158 494	259 561	71 530	39 763	31 776	-10
Q2	P	-122 853	-191 362	806	129 045	128 240	-78 972	145 783	224 755	-113 195	156 930	270 125	68 509	39 354	29 092	63
Q3	P	-119 216	-204 584	23 104	157 735	134 631	-96 358	158 425	254 784	-131 330	164 607	295 937	85 368	42 750	42 610	7
Q4	P	-122 442	-205 958	19 355	172 339	152 984	-79 138	181 744	260 882	-146 176	161 985	308 160	83 516	38 234	45 278	4
01 Q1	P	-121 635	-190 392	25 622	183 003	157 381	-72 356	195 523	267 880	-143 657	190 591	334 249	68 757	41 350	27 355	52

INTERNATIONAL INVESTMENT POSITION



COMPONENTS OF THE POSITION



Source: BE.

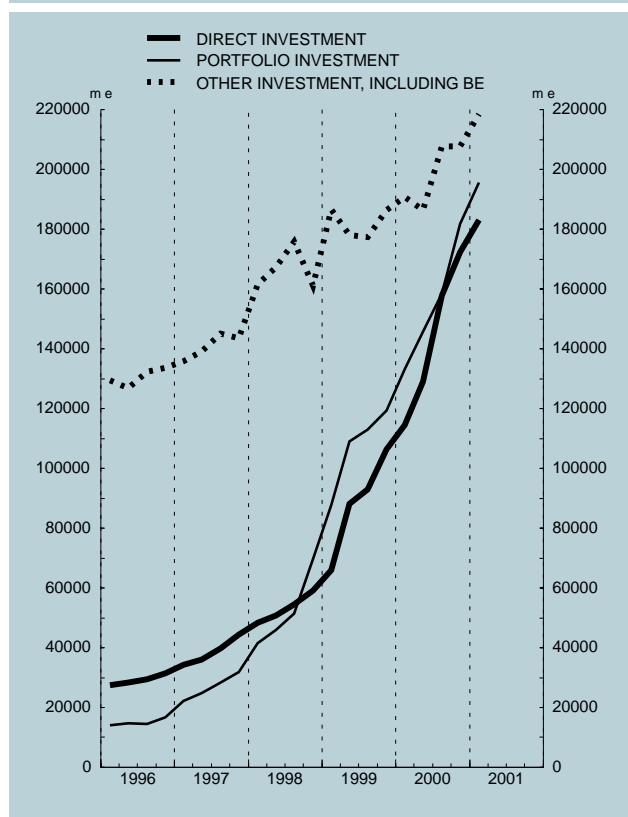
Note: The information in this table has been rearranged to adapt it to the new presentation of the Balance of Payments data. The reasons for these purely formal changes can be consulted in the Notes dated 17 April 2001 'Modificaciones en los cuadros de presentación de la Balanza de Pagos' and 'Los activos del Banco de España frente al Eurosistema en la Balanza de Pagos' on the Banco de España website in Spanish (<http://www.bde.es>, under the 'Balanza de Pagos' chapter in the section 'Estadísticas').

7.7. Spanish international investment position vis-à-vis other Euro area residents and the rest of the world. Breakdown by investment

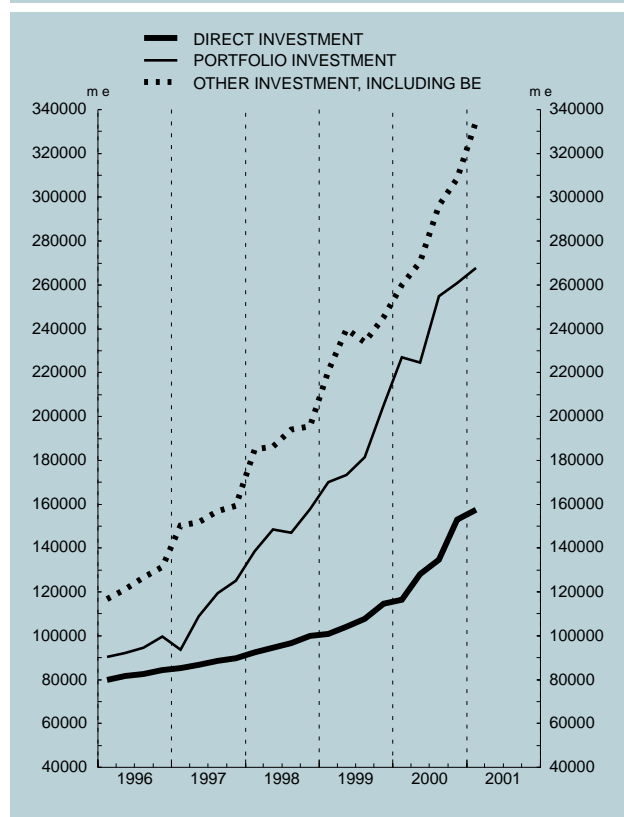
End-of-period stocks in EUR millions

		Direct investment				Portfolio investment				Other investment, including Banco de España	
		Spanish investment abroad		Foreign investment in Spain		Spanish investment abroad		Foreign investment in Spain		Spanish investment abroad	Foreign investment in Spain
		Shares and other equities	Intercompany debt transactions	Shares and other equities	Intercompany debt transactions	Shares and mutual funds	Debt securities	Shares and mutual funds	Debt securities		
1	2	3	4	5	6	7	8	9	10		
93	P	18 780	1 763	56 483	11 951	1 954	10 700	19 501	69 218	113 357	106 454
94	P	22 247	1 559	63 913	12 178	2 735	10 953	19 115	47 438	104 467	113 526
95	P	24 519	1 935	66 386	12 751	2 748	10 562	23 677	62 651	130 265	114 356
96	P	29 098	2 369	70 934	13 433	3 501	13 148	30 760	68 933	133 652	131 499
97	P	41 202	3 197	76 799	12 894	8 421	23 353	42 611	82 474	143 510	159 391
98	Q1	44 521	3 883	78 223	14 264	10 753	30 803	59 830	78 780	161 497	185 032
	Q2	46 572	4 199	79 518	14 955	13 854	32 011	62 836	85 516	167 285	186 402
	Q3	50 014	4 440	80 868	15 766	14 553	36 951	50 598	96 377	175 721	194 187
	Q4	53 368	5 791	82 688	17 234	17 122	52 502	64 941	92 750	161 010	195 665
99	Q1	60 498	5 334	84 069	16 714	20 442	67 154	67 465	102 579	186 691	220 704
	Q2	82 666	5 445	86 709	17 403	25 028	83 987	69 777	103 572	177 988	239 847
	Q3	86 024	6 963	88 989	18 720	29 420	83 613	67 551	113 804	177 295	233 827
	Q4	99 042	7 365	96 070	18 612	34 849	84 419	86 414	118 591	186 482	245 218
00	Q1	106 727	7 855	96 862	19 699	47 508	85 728	95 759	131 297	190 736	260 037
	Q2	120 903	8 143	107 306	20 934	54 147	91 636	90 472	134 284	186 482	270 522
	Q3	143 914	13 820	110 419	24 211	59 354	99 071	104 886	149 898	207 657	296 370
	Q4	157 508	14 831	128 296	24 688	73 806	107 938	99 600	161 282	207 720	308 614
01	Q1	164 519	18 484	130 871	26 511	77 543	117 980	99 406	168 474	218 371	334 621

SPANISH INVESTMENT ABROAD



FOREIGN INVESTMENT IN SPAIN



Source: BE.

Nota: See footnote to Indicator 7.6

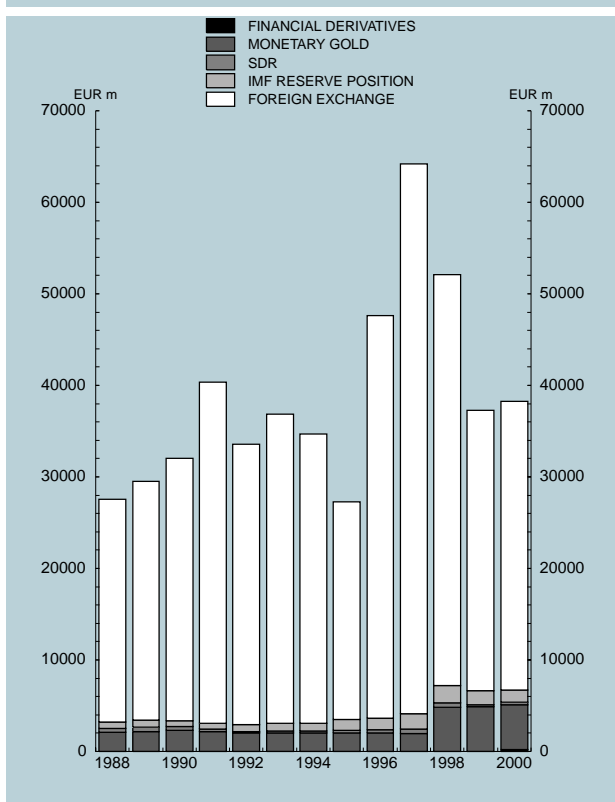
7.8. Spanish reserve assets

■ Series depicted in chart.

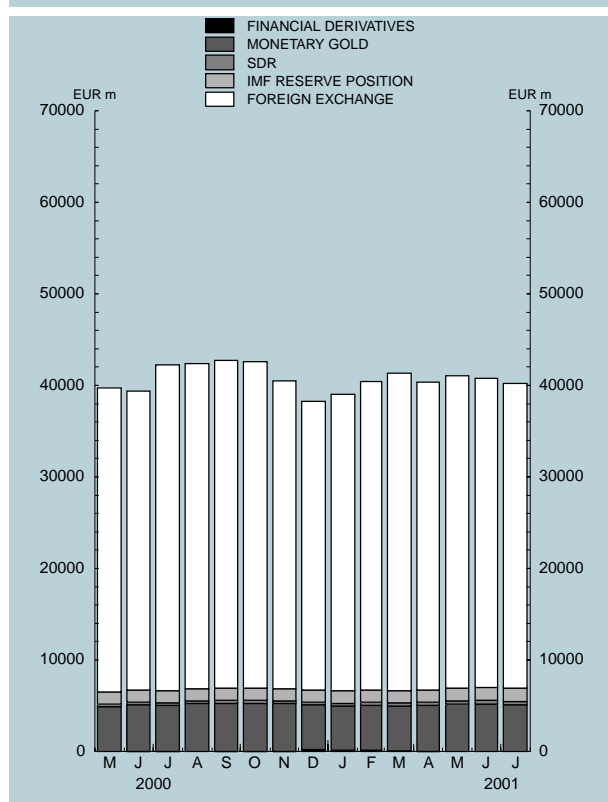
EUR millions

	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
97	64 174	60 017	1 735	432	1 990	...	15.6
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							
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	1 336	369	4 936	35	16.8
Apr	40 362	33 628	1 342	369	4 992	31	16.8
May	41 025	34 095	1 384	394	5 315	-163	16.8
Jun	40 776	33 817	1 375	391	5 356	-163	16.8
Jul	40 200	33 310	1 436	383	5 105	-34	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	
00 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
Apr	229 862	165 306	59 111	3 476	-133	2 327	225	99 619	355 019	-23 209	385 360	153 170	3 349	123 110	3 784
May	216 975	145 390	59 100	12 695	17	502	728	86 393	351 862	-31 136	384 447	150 115	3 510	123 288	3 784
Jun	221 839	162 810	59 186	-	32	234	423	90 024	350 643	-26 346	384 827	150 553	3 536	124 496	3 784
Jul	222 461	162 582	60 000	-	15	192	328	86 136	350 371	-27 870	402 490	166 126	3 129	129 413	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	
00 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	41 199	12 832	-23 596	-23 642	46	10 002	-	
Apr	14 119	10 690	2 847	378	0	210	6 28 642	53 804	2 323	42 564	15 079	-24 623	-24 688	66	10 099	-	
May	15 932	11 995	2 468	1 379	-2	91	- 29 834	52 783	3 402	41 724	15 372	-24 365	-24 456	91	10 463	-	
Jun	15 874	13 571	2 300	-	3	-	0 31 885	52 889	4 888	41 801	15 908	-25 800	-25 888	88	9 789	-	
Jul	14 682	13 006	1 678	-	-2	-	0 30 252	53 683	2 381	43 454	17 641	-26 269	-26 325	56	10 699	-	

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.

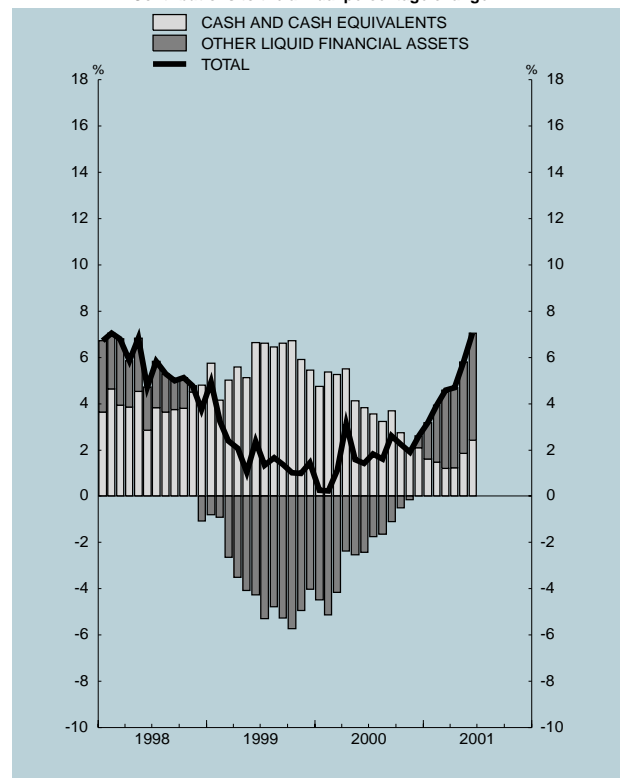
EUR millions and %

	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	539 527	3.7	231 738	12.1	4.8	0.7	19.5	12.4	307 790	-1.8	-1.1	-7.1	-25.0	-11.5	10.3	581 732	8.1
99	547 262	1.4	261 185	12.7	5.5	8.3	14.1	13.8	286 078	-7.1	-4.0	11.9	-16.5	37.9	-22.5	621 122	6.8
00	561 548	2.6	272 700	4.4	2.1	-0.4	9.1	2.4	288 848	1.0	0.5	25.4	26.0	-21.7	-29.8	637 509	2.6
00 Mar	538 786	1.1	260 674	12.1	5.3	6.0	14.9	12.6	278 112	-7.4	-4.2	19.9	5.3	6.9	-31.9	620 799	6.1
Apr	541 142	3.1	261 660	12.4	5.5	7.0	17.1	10.8	279 482	-4.3	-2.4	23.0	10.8	2.8	-29.8	621 573	6.2
May	536 519	1.6	258 173	9.2	4.1	5.4	11.0	9.5	278 346	-4.6	-2.5	24.1	9.3	-1.5	-31.2	613 739	4.1
Jun	545 339	1.4	268 448	8.3	3.8	6.2	10.0	7.8	276 892	-4.5	-2.4	24.7	12.2	-5.6	-32.7	623 890	3.8
Jul	547 190	1.8	269 120	7.6	3.6	4.4	9.7	7.3	278 070	-3.3	-1.7	25.2	20.0	-4.8	-32.7	625 457	4.2
Aug	543 363	1.6	264 417	7.0	3.2	4.4	8.7	6.8	278 946	-3.0	-1.6	26.5	20.9	-4.1	-33.9	624 532	4.4
Sep	549 998	2.6	270 908	7.9	3.7	4.2	12.0	5.8	279 090	-2.0	-1.1	27.2	27.6	-3.3	-34.6	630 753	5.1
Oct	543 979	2.2	264 195	5.9	2.7	2.7	9.3	4.2	279 784	-0.9	-0.5	26.2	25.0	-10.5	-32.4	624 827	4.7
Nov	547 988	1.9	263 862	4.4	2.1	2.2	8.2	1.8	284 126	-0.3	-0.2	25.0	20.8	-16.4	-29.9	622 770	2.6
Dec	561 548	2.6	272 700	4.4	2.1	-0.4	9.1	2.4	288 848	1.0	0.5	25.4	26.0	-21.7	-29.8	637 509	2.6
01 Jan	554 878	3.2	263 790	3.4	1.6	-0.3	6.7	2.1	291 088	3.0	1.6	25.4	20.7	-17.2	-26.0	631 152	3.5
Feb	555 999	3.9	264 691	3.1	1.5	-0.6	6.3	1.7	291 308	4.7	2.5	25.9	12.6	-12.7	-23.0	629 191	2.4
Mar	563 424	4.6	267 137	2.5	1.2	-1.6	5.5	1.5	296 288	6.5	3.4	25.3	11.1	-7.4	-19.7	633 057	2.0
Apr	P 566 579	4.7	268 304	2.5	1.2	-2.8	5.9	1.9	298 275	6.7	3.5	24.6	6.2	-13.3	-17.5	638 149	2.7
May	P 567 643	5.8	268 119	3.9	1.9	-3.4	7.8	3.6	299 524	7.6	3.9	24.4	7.5	-10.8	-16.3	640 392	4.3
Jun	P 583 736	7.0	281 672	4.9	2.4	-4.4	9.6	5.0	302 064	9.1	4.6	23.2	8.5	-5.8	-12.2	654 826	5.0

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.

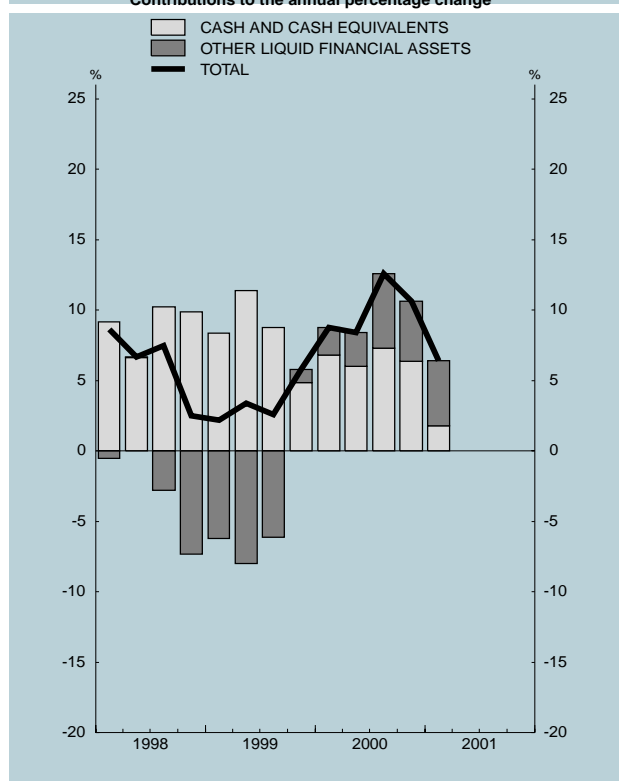
EUR millions and %

	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	
98	81 883	2.5	45 611	20.9	9.9	21.5	5.2	36 272	-13.9	-7.4	6.7	-33.7	12.3	85 344	4.9
99	86 636	5.8	49 565	8.7	4.8	8.8	5.2	37 071	2.2	1.0	30.8	-8.1	-0.5	93 283	9.3
00	95 855	10.6	55 062	11.1	6.3	11.0	13.1	40 793	10.0	4.3	45.5	21.2	-24.5	103 452	10.9
98 Q1	77 585	8.6	38 567	20.5	9.2	21.7	-2.9	39 017	-1.0	-0.5	-10.9	-9.2	21.2	79 909	10.7
Q2	81 530	6.7	41 158	14.0	6.6	14.1	11.4	40 372	0.1	0.1	0.6	-10.0	19.3	84 163	8.6
Q3	79 754	7.5	41 944	22.2	10.2	21.6	35.2	37 810	-5.2	-2.8	1.9	-19.5	17.7	81 948	8.3
Q4	81 883	2.5	45 611	20.9	9.9	21.5	5.2	36 272	-13.9	-7.4	6.7	-33.7	12.3	85 344	4.9
99 Q1	79 271	2.2	45 063	16.8	8.4	17.4	4.2	34 208	-12.3	-6.2	19.9	-36.7	7.8	83 673	4.7
Q2	84 284	3.4	50 433	22.5	11.4	23.8	-3.5	33 851	-16.2	-8.0	13.3	-36.5	-0.8	89 747	6.6
Q3	81 830	2.6	48 917	16.6	8.7	18.0	-12.2	32 913	-13.0	-6.1	30.4	-32.1	-7.4	87 484	6.8
Q4	86 636	5.8	49 565	8.7	4.8	8.8	5.2	37 071	2.2	1.0	30.8	-8.1	-0.5	93 283	9.3
00 Q1	86 217	8.8	50 447	11.9	6.8	12.2	6.3	35 770	4.6	2.0	37.8	7.8	-15.5	94 419	12.8
Q2	91 382	8.4	55 502	10.1	6.0	10.2	6.3	35 880	6.0	2.4	55.0	7.5	-22.7	99 237	10.6
Q3	92 136	12.6	54 901	12.2	7.3	12.4	7.6	37 236	13.1	5.3	58.7	19.5	-20.1	100 212	14.5
Q4	95 855	10.6	55 062	11.1	6.3	11.0	13.1	40 793	10.0	4.3	45.5	21.2	-24.5	103 452	10.9
01 Q1	91 744	6.4	51 997	3.1	1.8	2.8	10.6	39 747	11.1	4.6	38.7	10.0	-11.1	98 707	4.5

LIQUID FINANCIAL ASSETS OF NON-FINANCIAL CORPORATIONS
Annual percentage change



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



Source: BE.

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

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

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

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

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

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

■ Series depicted in chart.

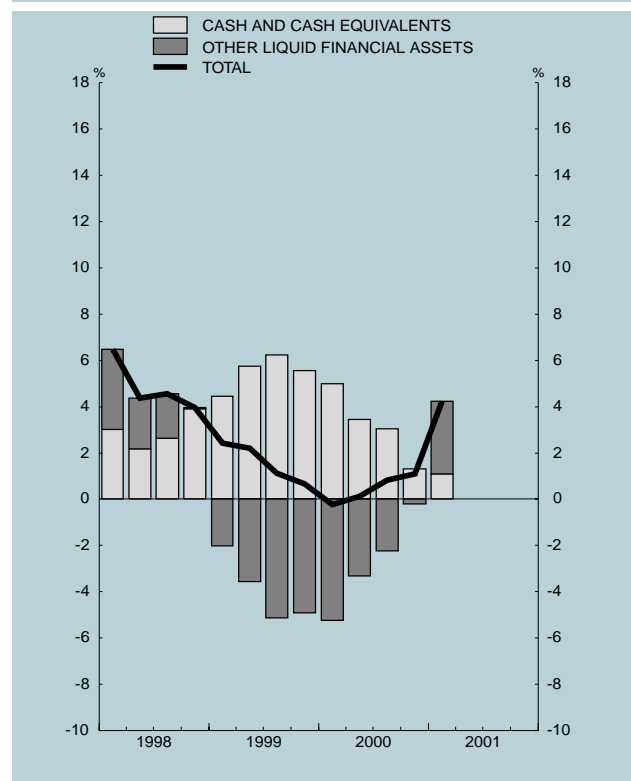
EUR millions and %

	Total		Cash and cash equivalents						Other liquid financial assets						Memorandum items		
	Stocks	4-quarter % change	Stocks	4-quarter % change	Contribution to col. 2	4-quarter % change			Stocks	4-quarter % change	Contribution to col. 2	4-quarter % change				Liquid financial assets broadly defines (d)	
						Cash	Sight deposits	Savings deposits (b)				Other deposits (c)	Repos	Credit institutions' securities	Money-market and fixed-income mutual fund shares (d)	Stocks	4-quarter % change
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
98	457 644	4.0	186 127	10.1	3.9	0.9	16.8	12.6	271 517	0.1	0.1	-7.8	-11.7	-14.8	10.0	496 387	8.6
99	460 627	0.7	211 620	13.7	5.6	8.3	19.0	13.9	249 007	-8.3	-4.9	10.7	-26.1	18.9	-23.2	527 839	6.3
00	465 692	1.1	217 638	2.8	1.3	-0.4	7.1	2.2	248 054	-0.4	-0.2	24.0	32.7	-25.3	-30.0	534 057	1.2
98 Q1	442 852	6.5	167 883	8.1	3.0	2.9	10.8	10.0	274 969	5.5	3.5	-11.8	-7.3	9.5	28.8	469 272	10.5
Q2	443 721	4.4	171 823	5.7	2.2	2.1	5.4	8.0	271 898	3.6	2.2	-11.7	-14.6	-0.3	23.7	473 659	8.3
Q3	449 093	4.6	174 110	7.0	2.6	0.9	10.5	8.9	274 983	3.1	1.9	-10.4	-11.2	-11.1	20.0	474 035	6.3
Q4	457 644	4.0	186 127	10.1	3.9	0.9	16.8	12.6	271 517	0.1	0.1	-7.8	-11.7	-14.8	10.0	496 387	8.6
99 Q1	453 590	2.4	187 549	11.7	4.4	2.9	19.1	13.2	266 041	-3.2	-2.0	-4.4	-27.9	-9.6	0.7	501 610	6.9
Q2	453 452	2.2	197 368	14.9	5.8	4.5	20.6	18.0	256 084	-5.8	-3.6	0.5	-29.2	7.0	-9.3	511 530	8.0
Q3	454 170	1.1	202 164	16.1	6.2	6.2	23.8	17.9	252 006	-8.4	-5.1	4.0	-31.1	8.4	-16.6	512 774	8.2
Q4	460 627	0.7	211 620	13.7	5.6	8.3	19.0	13.9	249 007	-8.3	-4.9	10.7	-26.1	18.9	-23.2	527 839	6.3
00 Q1	452 569	-0.2	210 227	12.1	5.0	6.0	17.1	12.7	242 342	-8.9	-5.2	18.7	2.3	-3.4	-32.6	526 380	4.9
Q2	453 958	0.1	212 946	7.9	3.4	6.2	9.7	7.8	241 012	-5.9	-3.3	22.7	18.5	-9.2	-33.2	524 653	2.6
Q3	457 861	0.8	216 007	6.8	3.0	4.2	11.4	5.8	241 854	-4.0	-2.2	25.1	38.1	-17.8	-34.9	530 541	3.5
Q4	465 692	1.1	217 638	2.8	1.3	-0.4	7.1	2.2	248 054	-0.4	-0.2	24.0	32.7	-25.3	-30.0	534 057	1.2
01 Q1	471 680	4.2	215 140	2.3	1.1	-1.6	7.7	1.4	256 541	5.9	3.1	24.3	12.4	-18.7	-19.6	534 350	1.5

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.

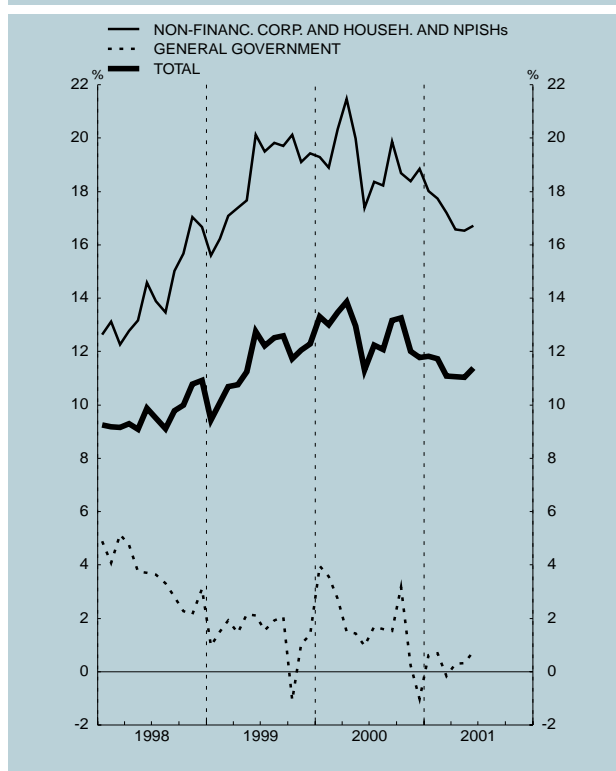
8.5 Financing of non-financial sectors resident in Spain (a)

■ 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	778 120	14 375	10.9	3.1	16.7	16.1	56.1	-0.1	23.3	1.3	9.6	7.9	0.5	-0.0	1.2
99	876 409	17 820	12.3	1.4	19.4	16.4	60.4	19.3	36.8	0.5	11.7	8.4	0.7	0.4	2.2
00	982 031	17 888	11.8	-1.0	18.8	17.9	38.1	-11.2	29.9	-0.4	12.1	9.4	0.7	-0.3	2.3
00 Mar	903 424	16 236	13.5	2.7	20.3	18.5	66.6	1.6	31.9	1.1	12.4	9.4	0.9	0.0	2.0
<i>Apr</i>	909 015	5 097	13.9	1.5	21.5	20.1	52.9	1.8	32.2	0.6	13.3	10.4	0.8	0.0	2.1
<i>May</i>	914 447	5 997	13.0	1.4	20.0	18.1	53.4	3.9	32.3	0.5	12.4	9.4	0.8	0.1	2.2
<i>Jun</i>	930 163	15 739	11.3	1.0	17.4	16.2	68.4	8.1	18.7	0.4	11.0	8.4	1.0	0.2	1.4
<i>Jul</i>	942 805	13 210	12.2	1.7	18.4	17.4	57.2	-8.2	25.4	0.6	11.6	9.0	0.9	-0.2	1.9
<i>Aug</i>	941 349	-2 302	12.1	1.6	18.2	17.2	48.3	-8.5	27.1	0.6	11.5	8.9	0.8	-0.2	2.0
<i>Sep</i>	962 105	19 175	13.2	1.5	19.9	18.4	32.2	-8.7	36.6	0.6	12.6	9.6	0.6	-0.2	2.7
<i>Oct</i>	960 539	-1 734	13.3	3.2	18.7	16.9	31.0	-9.1	37.2	1.1	12.2	9.0	0.5	-0.2	2.8
<i>Nov</i>	964 012	3 803	12.0	0.2	18.4	18.0	25.2	-12.8	29.0	0.1	11.9	9.5	0.5	-0.3	2.3
<i>Dec</i>	982 031	17 888	11.8	-1.0	18.8	17.9	38.1	-11.2	29.9	-0.4	12.1	9.4	0.7	-0.3	2.3
01 Jan	993 225	11 648	11.8	0.6	18.0	15.9	38.6	-3.8	34.2	0.2	11.6	8.4	0.7	-0.1	2.7
<i>Feb</i>	992 663	-747	11.7	0.7	17.7	15.9	22.0	3.0	32.2	0.2	11.5	8.4	0.4	0.1	2.6
<i>Mar</i>	1 006 809	12 421	11.1	-0.2	17.2	15.2	19.8	-0.6	34.8	-0.1	11.1	8.0	0.4	-0.0	2.8
<i>Apr</i>	P 1 012 261	5 520	11.1	0.3	16.6	13.7	33.2	-3.8	37.0	0.1	11.0	7.4	0.6	-0.1	3.0
<i>May</i>	P 1 020 183	6 251	11.0	0.3	16.5	14.3	25.7	-4.7	34.1	0.1	10.9	7.7	0.5	-0.1	2.8
<i>Jun</i>	P 1 040 775	20 677	11.4	0.8	16.7	14.8	14.1	-7.3	36.3	0.3	11.1	8.0	0.3	-0.2	3.0

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.

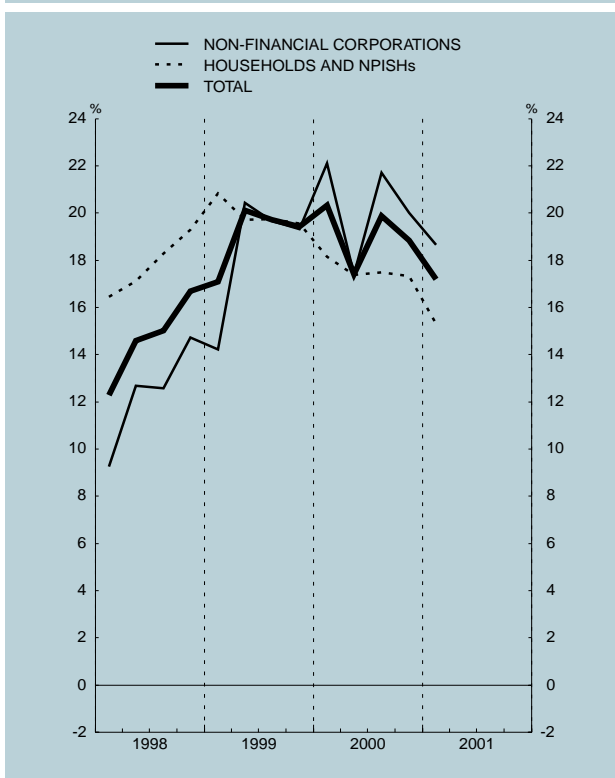
8.6. Financing of non-financial corporations, households and NPISHs resident in Spain (a)

■ Series depicted in chart.

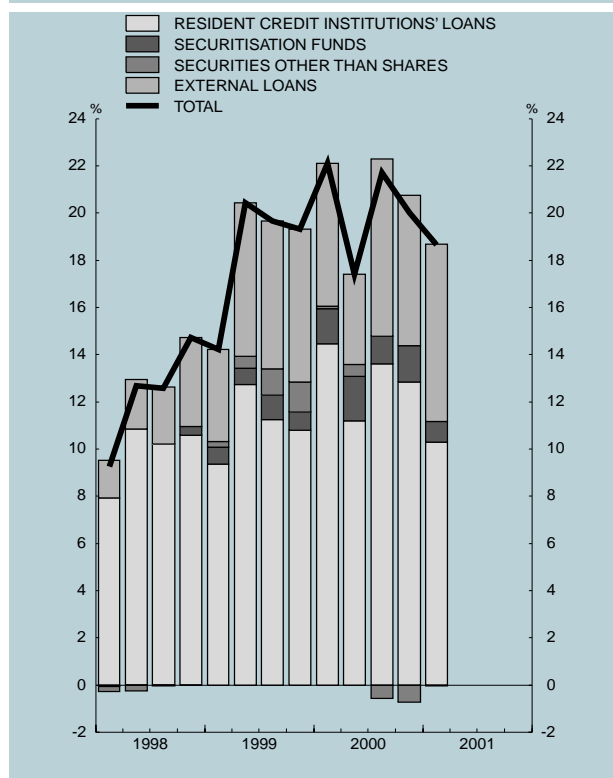
EUR millions and %

	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	
98	264 092	34 018	14.7	194 662	14.2	10.6	5 832	17.5	17 419	-0.1	-0.0	46 179	23.5	3.8	205 910	33 509	19.3
99	318 596	51 014	19.3	222 321	14.7	10.8	7 867	34.9	20 778	19.3	1.3	67 630	37.0	6.5	245 453	40 289	19.6
00	385 412	63 761	20.0	262 564	18.4	12.8	12 749	62.1	18 460	-11.2	-0.7	91 639	30.0	6.4	287 430	42 525	17.3
98 Q1	234 648	3 744	9.3	171 993	10.9	7.9	4 889	-2.9	17 709	-2.4	-0.2	40 056	9.7	1.6	180 238	6 738	16.4
Q2	245 737	11 082	12.7	181 564	14.9	10.9	4 997	-0.7	16 945	-2.9	-0.2	42 231	12.3	2.1	191 611	11 577	17.1
Q3	251 597	7 028	12.6	186 200	13.9	10.2	4 932	-0.8	17 279	-0.3	-0.0	43 185	14.5	2.4	196 227	5 202	18.3
Q4	264 092	12 164	14.7	194 662	14.2	10.6	5 832	17.5	17 419	-0.1	-0.0	46 179	23.5	3.8	205 910	9 991	19.3
99 Q1	267 724	3 112	14.2	192 523	12.8	9.4	6 521	33.4	18 314	3.4	0.3	50 367	22.9	3.9	216 510	10 751	20.8
Q2	297 332	27 927	20.4	211 460	17.2	12.7	6 677	33.6	18 236	7.6	0.5	60 958	37.9	6.5	228 187	11 810	19.7
Q3	303 000	6 294	19.7	213 560	15.2	11.2	7 575	53.6	20 093	16.3	1.1	61 771	36.5	6.3	234 204	6 208	19.8
Q4	318 596	13 680	19.3	222 321	14.7	10.8	7 867	34.9	20 778	19.3	1.3	67 630	37.0	6.5	245 453	11 521	19.6
00 Q1	330 706	11 247	22.1	230 415	20.1	14.5	10 540	61.6	18 598	1.6	0.1	71 153	32.1	6.0	255 138	9 776	18.2
Q2	351 338	20 540	17.4	243 878	15.7	11.2	12 280	83.9	19 709	8.1	0.5	75 471	18.7	3.8	267 121	12 168	17.4
Q3	373 632	20 294	21.7	254 012	19.3	13.6	11 082	46.3	18 354	-8.7	-0.6	90 185	36.8	7.5	274 464	7 484	17.5
Q4	385 412	11 680	20.0	262 564	18.4	12.8	12 749	62.1	18 460	-11.2	-0.7	91 639	30.0	6.4	287 430	13 096	17.3
01 Q1	396 079	9 150	18.6	263 806	14.8	10.3	13 443	27.5	18 481	-0.6	-0.0	100 350	35.0	7.5	293 677	6 309	15.3

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.

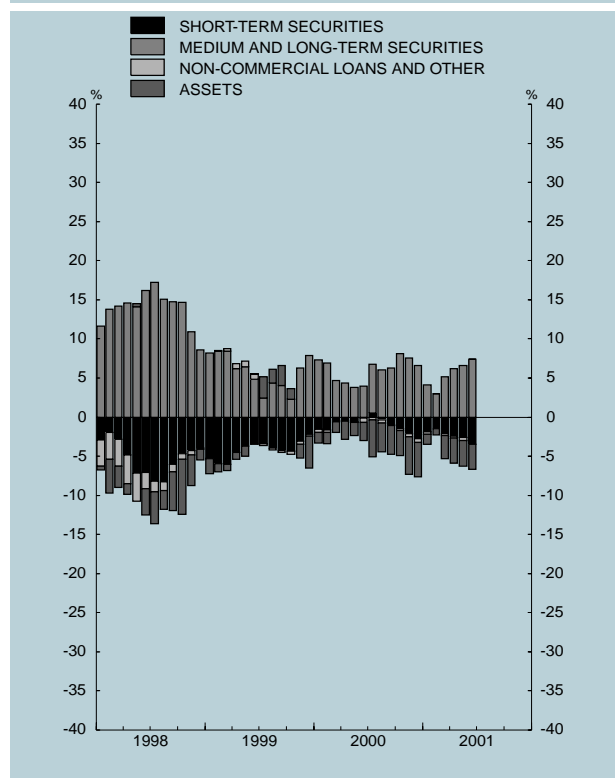
EUR millions and %

	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				
	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	Liabilities		Assets	
					Short-term	Medium and long-term					Short-term	Medium and long-term			Short-term	Medium and long-term		Non-commercial loans and other (a)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
98	P 308 119	9 303	3.1	13 389	-11 786	25 608	-433	1 433	2 653	4.1	-16.2	13.0	-0.8	15.6	-3.9	8.6	-0.1	-1.4
99	P 312 360	4 241	1.4	16 644	-6 700	24 212	-868	8 020	4 383	4.9	-11.0	10.9	-1.6	41.1	-2.2	7.9	-0.3	-4.0
00	A 309 189	-3 171	-1.0	10 567	-8 605	20 562	-1 390	8 319	5 419	3.0	-15.8	8.3	-2.6	32.2	-2.8	6.6	-0.4	-4.4
00 Jan	A 315 802	3 443	4.0	-27	-1 272	1 552	-306	-2 790	-679	4.8	-8.3	9.8	-2.2	11.8	-1.6	7.3	-0.4	-1.4
Feb	A 311 540	-4 262	3.6	1 804	-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 317 579	6 039	2.7	-780	409	-1 620	431	-6 751	-67	3.7	-2.5	6.1	-0.9	12.0	-0.4	4.7	-0.2	-1.3
Apr	A 307 696	-9 883	1.5	-2 997	23	-3 551	531	5 514	1 373	3.4	-2.3	5.7	-0.4	18.8	-0.4	4.4	-0.1	-2.4
May	A 310 648	2 953	1.4	1 828	-576	2 466	-62	-891	-234	2.7	-3.4	4.9	-0.7	12.9	-0.6	3.8	-0.1	-1.6
Jun	A 311 704	1 055	1.0	1 825	254	2 627	-1 057	1 709	-940	2.9	-0.6	5.1	-3.5	18.5	-0.1	4.0	-0.6	-2.3
Jul	A 313 021	1 317	1.7	3 885	-1 200	5 043	42	438	2 130	5.8	3.3	8.1	-2.1	44.1	0.5	6.2	-0.4	-4.7
Aug	A 314 377	1 356	1.6	-1 301	-2 836	2 166	-631	-2 477	-181	4.8	-2.4	7.8	-2.0	34.2	-0.4	6.0	-0.4	-3.7
Sep	A 314 009	-368	1.5	1 569	-1 149	2 721	-3	1 507	430	4.6	-6.1	8.0	-0.7	31.8	-1.0	6.3	-0.1	-3.6
Oct	A 304 919	-9 089	3.2	2 494	-321	3 097	-282	10 590	993	5.5	-8.4	10.0	-1.6	19.3	-1.5	8.1	-0.3	-3.2
Nov	A 301 359	-3 560	0.2	1 381	-885	2 823	-556	3 025	1 916	4.3	-12.2	9.3	-2.2	29.6	-2.1	7.6	-0.4	-4.8
Dec	A 309 189	7 830	-1.0	887	-127	643	371	-6 569	-374	3.0	-15.8	8.3	-2.6	32.2	-2.8	6.6	-0.4	-4.4
01 Jan	A 317 754	8 565	0.6	-4 578	1 392	-6 119	149	12 435	-709	1.7	-11.2	5.2	-1.8	10.4	-1.9	4.1	-0.3	-1.3
Feb	A 313 676	-4 078	0.7	558	440	-1 043	1 161	-3 376	8 013	1.3	-8.8	3.7	0.2	5.8	-1.5	3.0	0.0	-0.8
Mar	A 317 053	3 377	-0.2	3 339	-1 811	5 489	-338	-2 473	2 435	2.5	-12.9	6.6	-1.3	24.5	-2.1	5.2	-0.2	-3.0
Apr	A 308 597	-8 456	0.3	-1 006	-581	-872	447	1 485	5 964	3.1	-14.1	7.7	-1.4	22.0	-2.4	6.2	-0.2	-3.2
May	A 311 674	3 077	0.3	2 174	-1 178	3 962	-610	1 289	-2 192	3.2	-15.4	8.3	-2.4	23.1	-2.6	6.6	-0.4	-3.3
Jun	A 314 060	2 386	0.8	2 833	-2 633	5 213	253	1 062	-614	3.4	-20.8	9.2	0.0	22.0	-3.5	7.4	0.0	-3.2

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.

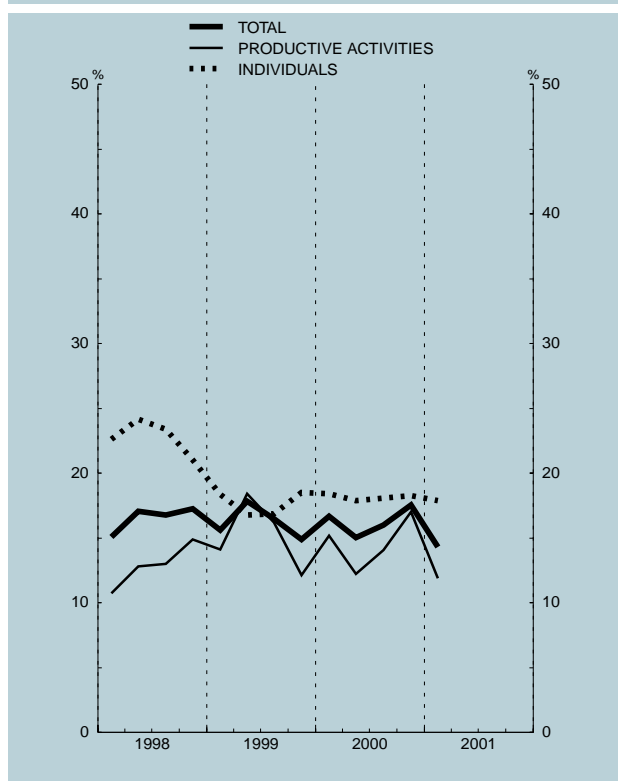
8.9 Credit by end-use of banks, savings banks and credit co-operatives resident in Spain

■ Series depicted in chart.

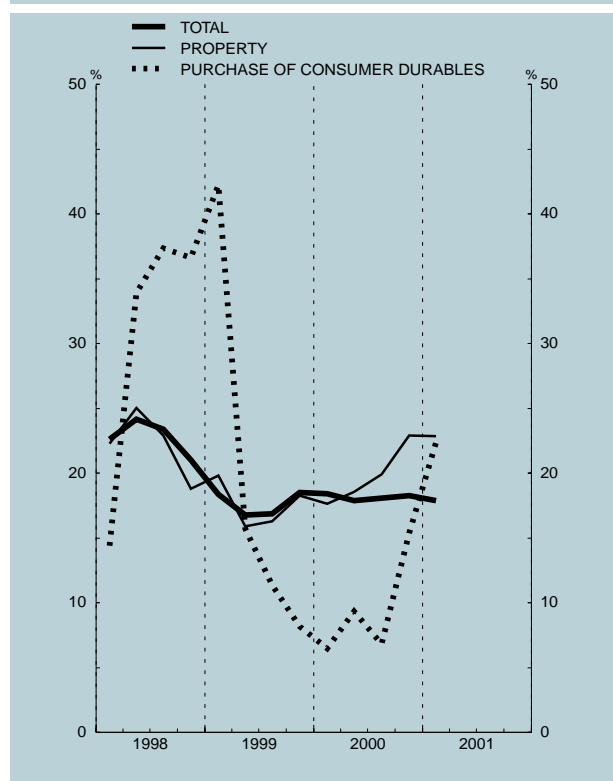
EUR millions and percentages

	Financing of productive activities						Financing of individuals					Financing of private non-profit entities	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-estate purchases	Purchases of consumer durables				Other
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
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
00	526 633	268 883	9 453	69 670	38 524	151 236	219 845	157 468	6 551	3 799	20 048	31 979	2 279	9 595	26 031
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	268 883	9 453	69 670	38 524	151 236	219 845	157 468	6 551	3 799	20 048	31 979	2 279	9 595	26 031
01 Q1	530 387	265 420	9 127	67 279	37 932	151 082	227 068	163 236	6 859	4 195	21 520	31 257	2 150	9 154	26 595

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.

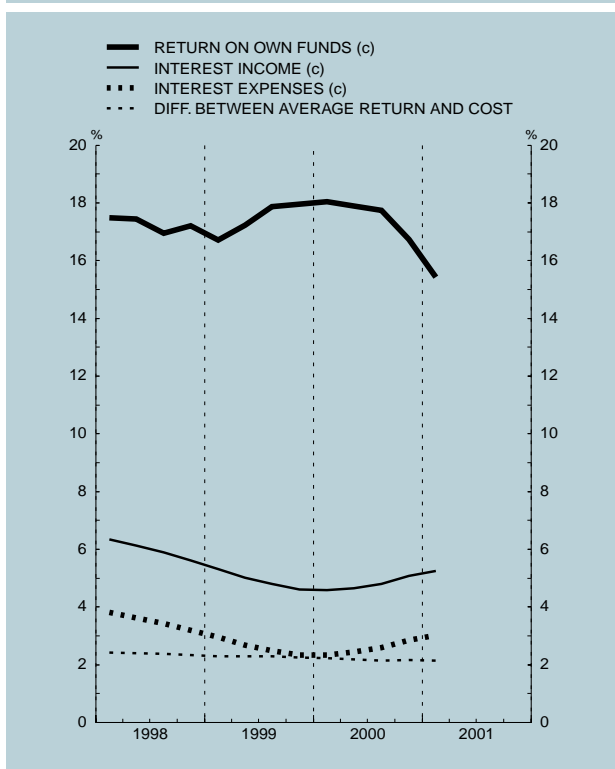
(b) Credit data obtained from the accounting statements established for supervision of resident institutions.

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:			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)
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
00	5.7	3.3	2.4	0.8	3.2	2.0	1.2		1.2	-0.6	0.7	11.9	5.5	3.3	2.2
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	11.9	5.5	3.3	2.2
01 Q1	5.4	3.2	2.2	0.7	2.9	1.8	1.1		1.1	-0.1	1.0	15.9	5.7	3.5	2.1

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



PROFIT AND LOSS ACCOUNT
Percentages of the adjusted average balance sheet



Source: BE.

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.

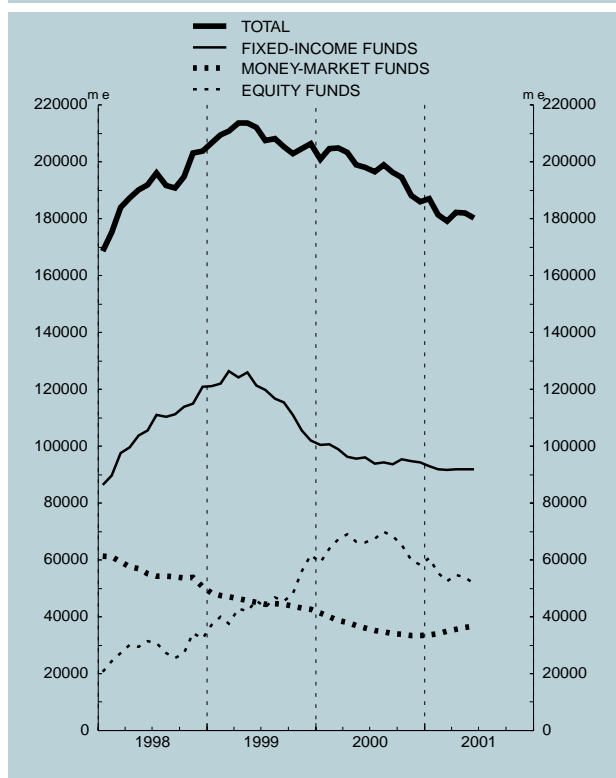
8.11. Mutual funds resident in Spain

■ Series depicted in chart.

EUR millions

	Total				Money-market funds				Fixed-income funds				Equity funds			
	Net asset value	Of which		Return over last 12 months	Net asset value	Of which		Return over last 12 months	Net asset value	Of which		Return over last 12 months	Net asset value	Of which		Return over last 12 months
		Monthly change	Net funds invested			Monthly change	Net funds invested			Monthly change	Net funds invested			Monthly change	Net funds invested	
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
00 Mar	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
Apr	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
May	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
Jun	198 074	-796	-948	5.5	35 997	-949	-975	1.7	95 972	376	-547	2.1	66 104	-224	574	14.5
Jul	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
Aug	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
Sep	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
Oct	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
Nov	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
Dec	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	187 105	1 079	-2 064	0.9	33 591	266	107	3.2	92 915	-1 446	-98	3.1	60 599	2 260	-2 073	-3.3
Feb	181 391	-5 713	-541	-4.6	34 037	447	355	3.3	91 878	-1 037	-11	1.2	55 476	-5 123	-885	-17.3
Mar	179 082	-2 309	-930	-5.5	34 946	908	793	3.4	91 639	-239	-707	0.7	52 497	-2 978	-1 016	-19.7
Apr	182 303	3 221	254	-3.6	35 595	649	567	3.5	91 967	328	234	1.1	54 741	2 244	-547	-14.5
May	182 075	-227	573	-1.9	36 204	608	600	3.7	91 962	-5	-338	2.0	53 910	-831	311	-11.2
Jun	P 180 268	-1 807	...	...	36 721	517	...	...	91 852	-110	...	...	51 696	-2 214	...	...

NET ASSET VALUE



RETURN OVER LAST 12 MONTHS



Sources: CNMV and Inverco.

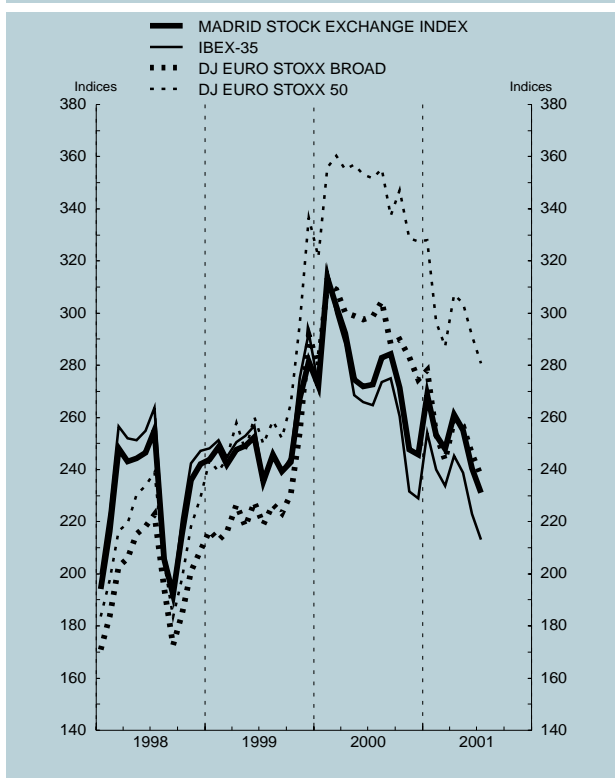
8.12. Share price indices and turnover on securities markets. Spain and euro area

■ Series depicted in chart.

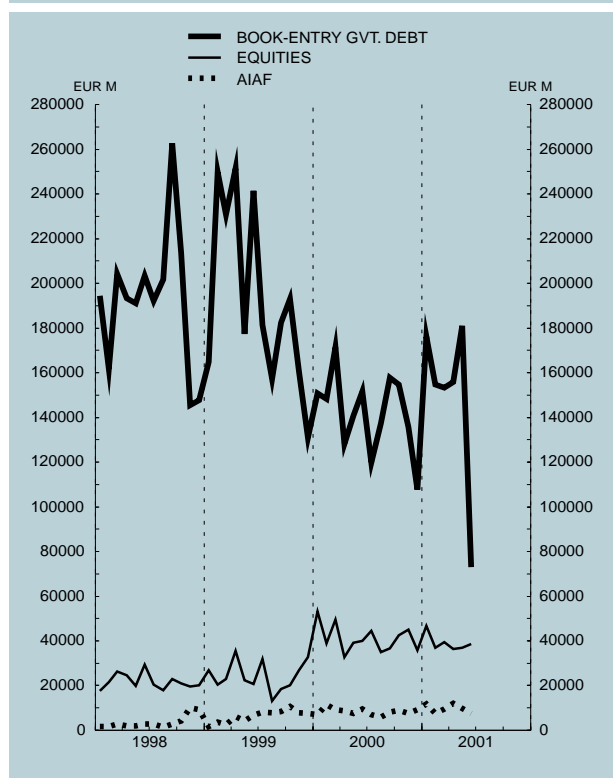
Indices, EUR millions and thousands of contracts

	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
00 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	907.44	9 551.40	361.66	4 318.88	36 839	2 467	154 801	7 412	-	2 059	41	701
Mar	888.41	9 308.30	347.78	4 185.00	39 496	4 937	153 212	9 480	-	4 481	64	1 404
Apr	935.78	9 761.00	369.46	4 473.95	36 348	5 017	155 722	12 115	-	1 058	29	611
May	P 914.21	P 9 500.70	366.47	4 426.24	36 796	5 464	180 858	9 679	-	1 562	16	508
Jun	P 861.33	P 8 878.40	350.99	4 243.91	38 625	4 894	73 087	7 635	-	2 692	33	1 587

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)

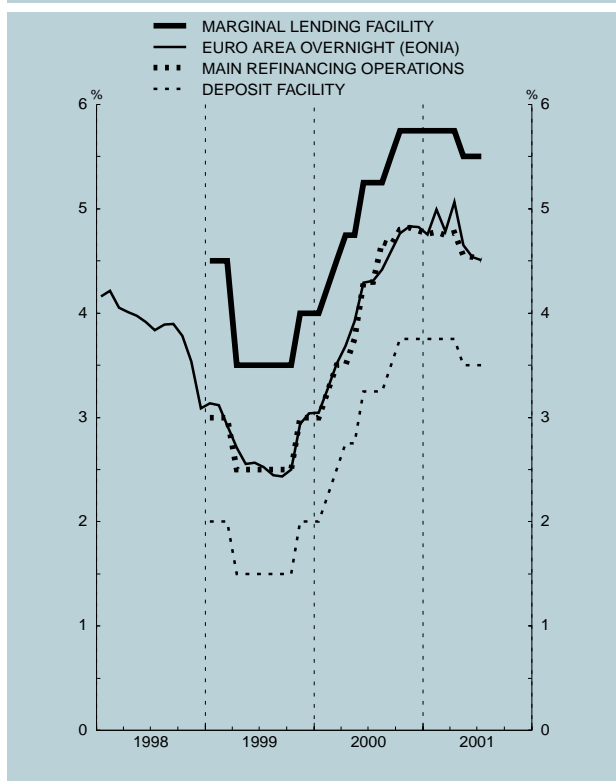
9.1. Interest rates. Eurosystem and money market. Euro area and Spain

■ 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
00 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	-
00 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
00 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
00 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
00 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
00 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
00 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	-
00 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
00 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
01 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
01 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
01 Apr	4.77	4.67	5.75	3.75	5.06	4.78	4.68	4.48	4.98	4.78	4.67	4.46	4.84	4.66	4.54	4.32
01 May	4.55	4.49	5.50	3.50	4.65	4.66	4.64	4.52	4.63	4.63	4.63	4.51	4.53	4.55	4.47	4.31
01 Jun	4.54	4.36	5.50	3.50	4.54	4.53	4.45	4.31	4.53	4.51	4.45	4.29	4.48	4.43	4.32	4.17
01 Jul	4.51	4.39	5.50	3.50	4.51	4.52	4.47	4.31	4.50	4.50	4.44	4.30	4.49	4.45	4.35	4.18

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.

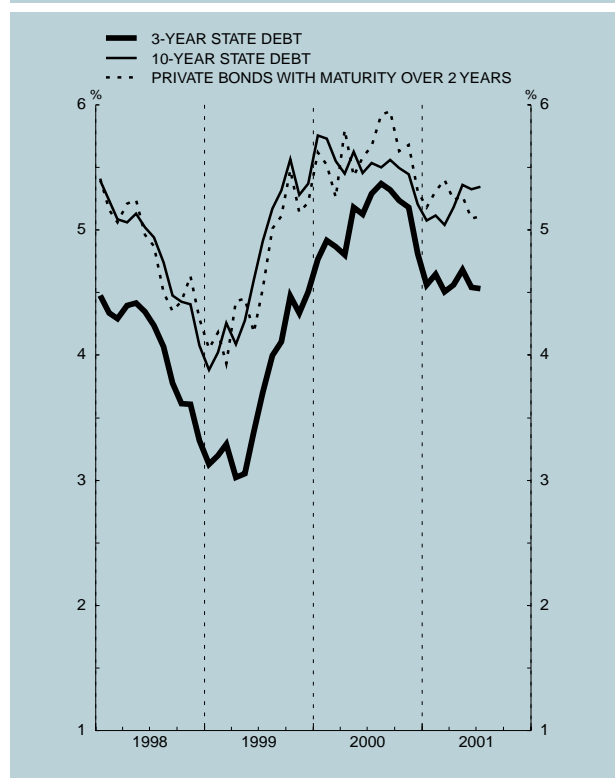
Percentages per annum

	Short-term securities				Long-term securities								Private bonds with a maturity of over two years traded on the AIAF
	One-year Treasury bills		One-year commercial paper		State debt								
	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	
00 Apr	4.33	4.22	4.33	4.32	4.81	5.08	5.42	5.56	-	4.80	5.45	5.80	
May	4.71	4.68	4.88	4.84	5.20	5.35	5.71	-	5.85	5.18	5.63	5.43	
Jun	4.76	4.82	4.95	5.06	5.10	5.18	5.43	5.58	-	5.13	5.46	5.58	
Jul	4.99	4.96	5.14	5.05	5.20	5.40	5.54	-	5.82	5.29	5.53	5.67	
Aug	5.12	5.06	5.12	5.25	5.31	5.35	5.47	5.55	-	5.37	5.50	5.92	
Sep	5.07	5.05	5.22	5.19	5.42	5.42	5.58	-	5.68	5.32	5.56	5.95	
Oct	5.09	5.05	5.15	5.30	5.24	5.33	5.58	5.70	-	5.23	5.49	5.63	
Nov	5.04	5.01	5.17	5.25	5.19	5.36	5.53	-	5.91	5.18	5.45	5.68	
Dec	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	
Feb	4.35	4.34	4.55	4.67	-	4.69	5.08	5.30	-	4.64	5.12	5.31	
Mar	4.27	4.29	4.38	4.54	4.59	-	5.07	-	5.61	4.50	5.04	5.40	
Apr	4.33	4.34	4.45	4.66	-	4.64	5.11	5.29	-	4.56	5.18	5.24	
May	4.44	4.36	4.69	4.61	4.67	-	5.23	-	5.80	4.68	5.36	5.27	
Jun	4.17	4.15	4.33	4.34	-	4.84	5.40	5.54	-	4.54	5.33	5.09	
Jul	4.25	4.19	4.35	4.37	4.65	-	5.46	-	5.98	4.53	5.35	5.11	

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
00	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	3.04	2.57	4.75	3.52	6.58	7.72	8.95	6.53	3.02	2.49	4.61	3.98
	Feb	6.09	7.05	6.46	7.10	6.13	3.06	2.59	4.75	3.45	6.38	7.71	8.89	6.43	3.03	2.49	4.70	3.84
	Mar	5.92	6.89	6.21	7.45	5.97	3.09	2.61	4.66	3.84	6.26	7.53	8.75	6.32	2.98	2.45	4.56	3.80
	Apr	6.13	6.88	6.04	7.51	5.81	3.04	2.59	4.68	3.26	6.19	7.60	8.54	6.24	2.97	2.51	4.49	3.67
	May	5.99	6.88	6.00	7.66	5.76	3.00	2.64	4.50	3.16	6.09	7.56	8.72	6.10	2.96	2.48	4.41	3.69
	Jun	5.74	6.80	5.86	7.37	5.64	2.95	2.51	4.46	3.06	5.94	7.09	8.62	5.97	2.88	2.45	4.31	3.60
	Jul	5.71	6.83	6.01	7.26	5.63	2.91	2.47	4.38	3.00	5.97	7.33	8.54	5.91	2.85	2.36	4.34	3.61

BANKS



SAVINGS BANKS



Source: BE.

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

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

■ Series depicted in chart.

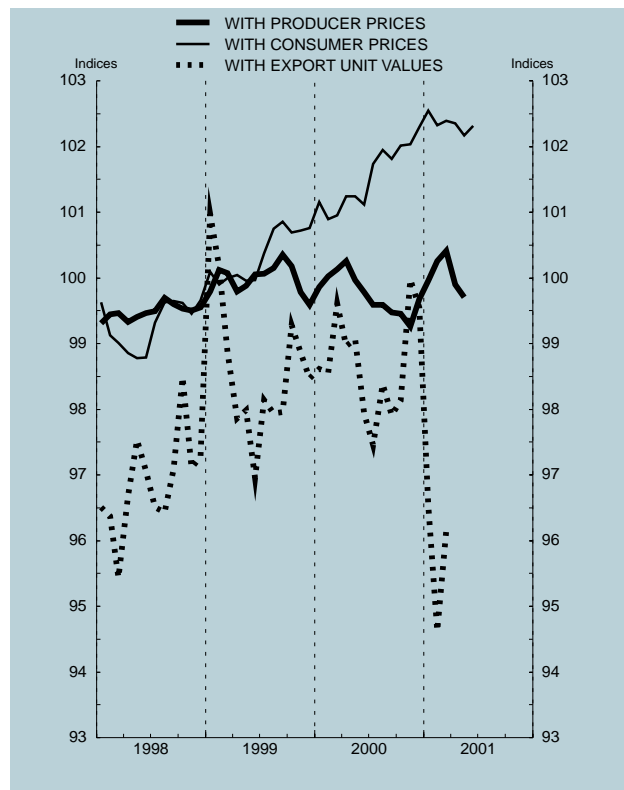
Base 1999 Q1 = 100

	Vis-à-vis the EU									Vis-à-vis the euro area			
	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	98.0	97.0	99.5	99.3	97.9	96.9
99	99.4	99.8	99.9	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	101.9	96.7	98.5	99.8	101.7	103.4	98.1	99.8	101.5	103.5	98.7
99 Q3	99.5	100.1	99.9	97.1	99.4	100.1	100.7	100.5	97.7	100.2	100.7	100.4	98.0
Q4	98.8	99.8	100.1	97.8	99.1	99.7	100.7	101.0	98.7	99.9	100.7	101.0	98.9
00 Q1	98.6	99.8	100.1	97.1	98.6	99.9	101.1	101.5	98.5	100.0	101.0	101.6	98.9
Q2	98.5	99.8	101.1	96.8	98.5	100.0	101.3	102.6	98.2	100.0	101.2	102.7	98.7
Q3	98.2	100.6	102.5	95.9	98.6	99.6	102.1	104.0	97.3	99.6	101.8	104.0	97.9
Q4	98.0	100.7	103.9	97.0	98.4	99.6	102.3	105.6	98.6	99.5	102.1	105.7	99.2
01 Q1	99.5	101.9	105.5	94.0	99.1	100.4	102.8	106.4	94.8	100.2	102.4	106.6	95.8
Q2	...	101.4	...	...	98.8	...	102.6	...	...	...	102.3	...	...
00 Oct	97.7	100.3	...	95.7	98.2	99.6	102.2	...	97.5	99.5	102.0	...	98.1
Nov	97.8	100.6	...	97.7	98.4	99.3	102.2	...	99.3	99.3	102.0	...	100.0
Dec	98.4	101.1	...	97.6	98.7	99.8	102.5	...	99.0	99.7	102.3	...	99.6
01 Jan	99.2	102.0	...	94.8	99.1	100.1	102.9	...	95.6	100.0	102.5	...	96.5
Feb	99.6	101.8	...	92.8	99.1	100.5	102.7	...	93.6	100.3	102.3	...	94.6
Mar	99.7	101.8	...	94.3	99.1	100.7	102.7	...	95.2	100.4	102.4	...	96.1
Apr	99.1	101.6	...	...	98.9	100.1	102.7	...	...	99.9	102.4	...	...
May	98.7	101.2	...	...	98.8	99.9	102.5	...	...	99.7	102.2	...	...
Jun	...	101.3	...	...	98.7	...	102.6	...	...	...	102.3	...	...
Jul	...	...	...	...	98.7	...	...	...	...	...	...	...	...

INDICES OF SPANISH COMPETITIVENESS VIS À VIS THE UE



INDICES OF SPANISH COMPETITIVENESS VIS À VIS THE EURO AREA



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.

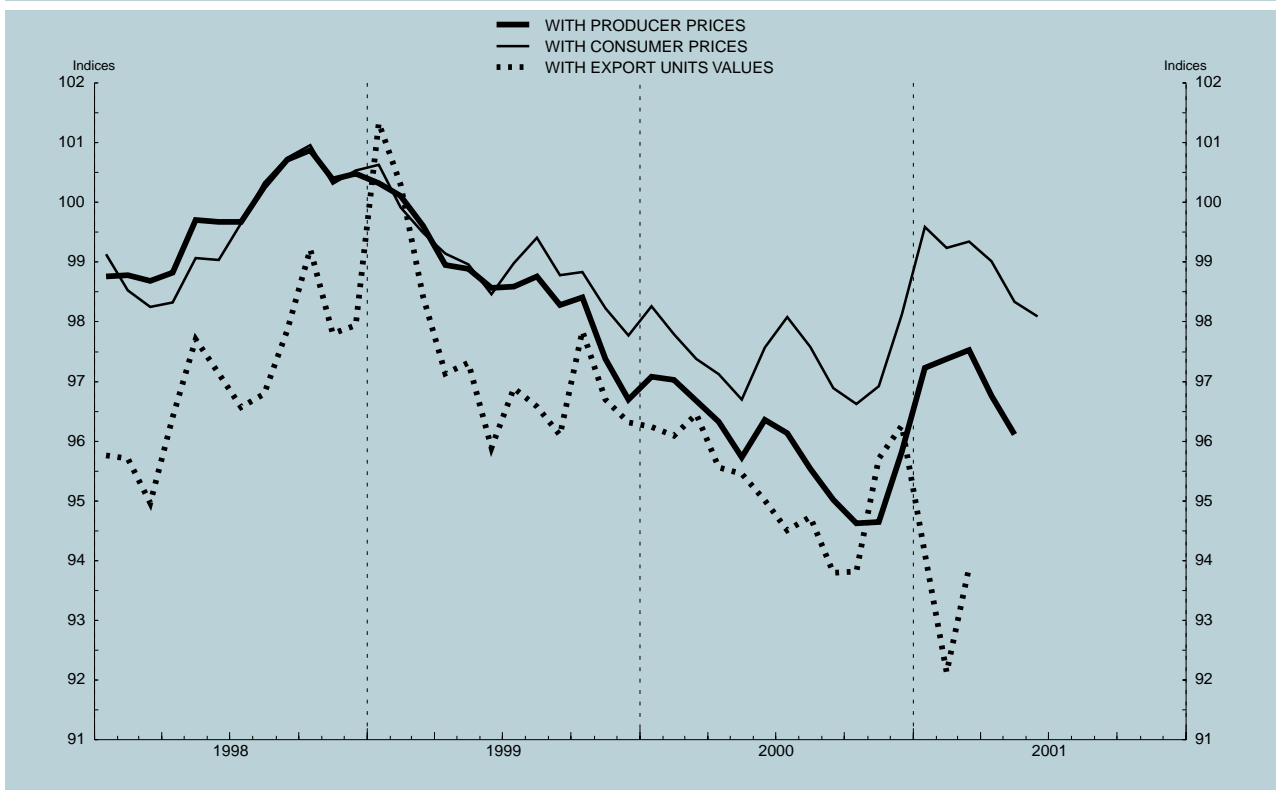
9.5 Indices of Spanish competitiveness vis-à-vis the developed countries.

■ Series depicted in chart.

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	98.2	97.0	100.4	99.4	99.2	97.8	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	99.4	95.3	95.8	100.2	101.7	103.8	99.5
99 Q3	98.5	99.1	99.1	96.5	98.4	100.1	100.7	100.7	98.1
Q4	97.5	98.3	98.9	97.0	97.6	99.9	100.7	101.3	99.3
00 Q1	96.9	97.8	98.5	96.3	96.7	100.2	101.1	101.9	99.5
Q2	96.1	97.1	98.7	95.3	95.8	100.3	101.3	103.0	99.5
Q3	95.6	97.5	99.7	94.3	95.5	100.0	102.1	104.4	98.8
Q4	95.0	97.2	100.6	95.3	95.0	100.1	102.4	105.9	100.3
01 Q1	97.4	99.4	103.3	93.4	96.7	100.7	102.8	106.8	96.6
Q2	...	98.5	...	...	95.9	...	102.7	...	...
00 Oct	94.6	96.6	...	93.8	94.5	100.1	102.2	...	99.3
Nov	94.6	96.9	...	95.7	94.8	99.9	102.3	...	101.0
Dec	95.8	98.1	...	96.3	95.7	100.2	102.6	...	100.6
01 Jan	97.2	99.6	...	94.1	96.8	100.4	102.8	...	97.2
Feb	97.4	99.2	...	92.1	96.6	100.8	102.7	...	95.4
Mar	97.5	99.3	...	93.9	96.6	101.0	102.8	...	97.2
Apr	96.8	99.0	...	...	96.3	100.5	102.8	...	...
May	96.1	98.3	...	...	95.8	100.3	102.6	...	...
Jun	...	98.1	...	...	95.5	...	102.7	...	...
Jul	...	...	...	...	95.7	...	...	...	...

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



Source: BE.

- (a) Outcome of multiplying nominal and cost/price components. A decline in the index denotes an improvement in the competitiveness of Spanish products.
- (b) Geometric mean calculated using a double weighting system based on 1995-1997 foreign trade figures.
- (c) Relationship between the price indices of Spain and of the group.

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