

BANCO DE ESPAÑA

economic bulletin

April 2002

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Abbreviations

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

<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

Methodological note

The Spanish Quarterly National Accounts (QNA), compiled by INE, publish the main macroeconomic aggregates as raw series, series adjusted for seasonal changes and for calendar effects (seasonally adjusted series) and trend-cycle series. Leaving raw data aside (which are of use for certain ends, such as designing econometric models), seasonally adjusted and trend-cycle series are those usually used extensively by most analysts. The former series are more unstable, since they are not adjusted for the erraticism proper to certain economic phenomena or for that transferred by the indicators and underlying series used for their estimation. The latter provide more stable information, but information in which certain transitory aspects that may be important are not reflected.

The case is similar for the rates of change used for analysis. Year-on-year rates, which compare a figure with the related value in the same quarter a year earlier, are more stable than quarter-on-quarter rates, which compare the values of two consecutive quarters. The former reflect growth over four quarters (they are annual rates, like the rates for the whole of a calendar year), and thus give lagged information. The latter compare only the latest information, which is why they are usually much more variable and do not have an annual dimension (unless they are annualised, as is the practice in the United States, for instance). Often, then, a high quarter-on-quarter rate will be followed by one in a lower range, and so on. The more erratic profile of these rates is reflected in a smoother manner, but with something of a delay, by year-on-year rates.

Naturally, rates (whichever) calculated on the basis of seasonally adjusted series will always be more variable than those calculated on the basis of trend-cycle series. A further disadvantage is their greater sensitivity to the various methods for estimating the seasonal component, especially if a sufficient time perspective is not yet available to test the quality of the results. They are therefore subject to larger-scale revisions.

INE would hitherto communicate its QNA estimates drawing on trend-cycle series and, specifically, on their year-on-year rates, i.e. it would use very stable signals of the various quarterly

macroeconomic aggregates as its basis. This marked a difference from the usual practice in the EU countries, which publish their data referring always to seasonally adjusted series, using indiscriminately – with certain differences from institution to institution – year-on-year and quarter-on-quarter rates.

As from the publication of the QNA data relating to 2002 Q1, INE intends to present its es-

timates giving priority to seasonally adjusted series, in line with the usual presentation within the European Union. To assess the economic situation, it will – when it considers it appropriate – also use trend-cycle series.

In accordance with INE, the Banco de España will in its Quarterly Report now also present in this way the information on the main quarterly macroeconomic aggregates.

1. Overview

Bearing in mind the foregoing methodological considerations, the estimated real year-on-year growth rate of Spanish GDP in 2002 Q1 was about 2%. The figure is 1.9% if the seasonally adjusted series is the basis for the calculation, and 2.1% if regard is had to the trend-cycle series. In both cases, the figure is slightly down on the INE estimates for 2001 Q4. The quarter-on-quarter growth of the seasonally adjusted series would have been around 0.6%, marking a significant recovery on INE's provisionally estimated figure for the preceding quarter (0.2%).

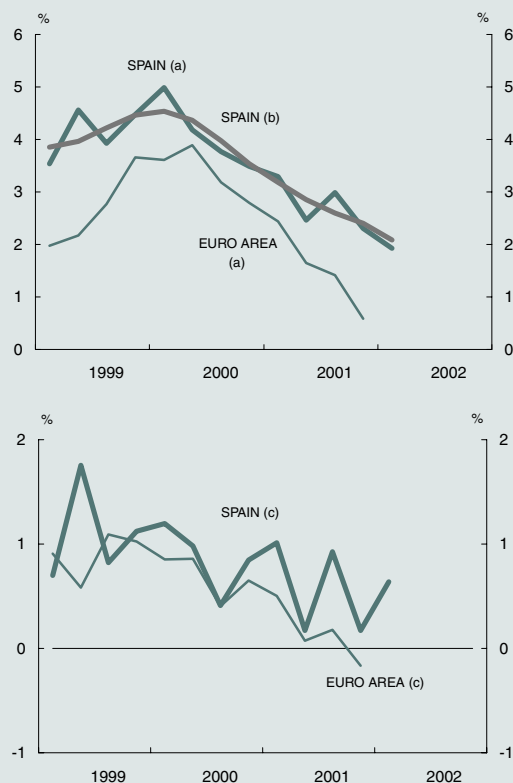
The slowdown in the Spanish economy thus appears to have abated in the opening months of the current year, thus following the pattern observable in our main trading partners. In any event, estimated growth for 2002 Q1 continues to be based essentially on the same variables that held relatively firm last year: namely, consumption and investment in construction. Exports and capital investment, the two variables that most felt the international downturn, show no clear signs of recovery. That said, the deteriorating trend on which they moved in the second half of 2001 appears to have halted.

If these data are confirmed, the Spanish economy will now be emerging from what has been a benign slowdown, in terms not only of its duration but also because a relatively high growth rate has been sustained. Higher, indeed, than that of the euro-area economies (see Chart 1). For this change in the growth path to firm as the international recovery becomes progressively embedded and economic agents build the change in expectations into their decisions, business investment must initiate a period of sustained growth and exports must regain their previous vigour, jointly driving the new expansionary phase. In this connection, the economy's saving ratio must increase and competitiveness be set on sound foundations, eliminating the price and cost differentials existing with Spain's main competitors.

In 2002 to date the prospects of recovery in the world economy have improved substantially, reducing the uncertainty which had prevailed in previous quarters. The pick-up in the US economy began with greater force than expected in the final quarter of last year and had a decisive influence on this change in expectations. In the opening months of 2002, the European Union and other regions have gradually followed suit, and an incipient recovery in trade flows has been apparent. Conversely, Japan continued to show signs of economic stagnation while in the east Asian economies - with the exception of China - a moderate export-led recovery is perceptible, although activity remains sluggish. In Latin America the chief risks contin-

CHART 1

Gross domestic product



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

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

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

(c) Quarter-on-quarter rates of change calculated on the basis of the seasonally adjusted series.

ue to revolve around the ongoing deterioration in Argentina, as other economies in the area, excepting Uruguay, have avoided the risks of contagion but have only moderate growth prospects.

On the basis of this scenario, the main international agencies have declared the slowdown in the world economy over the last 18 months (since mid-2000) to be over and have revised their growth forecasts for the current year upwards to around 3%. On these forecasts, growth in the United States would be above 2% and around 1.5% in the European Union, the same as in the euro area.

Since mid-February, crude oil prices have picked up significantly on international markets owing to the worsening of the conflict in the Middle East, to the expectations of recovery in the world economy and, possibly, to the recent

CHART 2

Harmonised indices of consumer prices



Sources: Eurostat and European Central Bank.

political tension in Venezuela. On the financial markets, the declining course of yields on money and debt markets came to a halt in the opening months of the current year, reflecting the improved economic outlook. However, the rising trend on stock markets in the closing months of 2001 has been interrupted, probably due to the influence of doubts raised by the ENRON case about the accounting transparency of certain multinational corporations.

The latest indicators available in the United States show a firming of the recovery initiated in 2001 Q4, when an annualised quarter-on-quarter rate of 1.7% was posted for GDP against the background of a continuing expansionary economic policy stance. The Federal Reserve's intervention rates held at the minimum levels (the federal funds rate was 1.75%) attained after the successive cuts made during 2001. Following the Senate's approval (in February) of the latest package of tax measures, budgetary policy acquired a fresh expansionary impulse. On information from the latest indicators, GDP growth in 2002 Q1 has been underpinned by private consumption (which has remained notably buoyant) and by the recovery in inventories, while investment has ceased to fall. The productivity gains in the US economy in recent quarters remained high, contributing to shaping highly favourable expectations about the future course of inflation and growth potential. In March, the CPI grew at a rate of 1.5%.

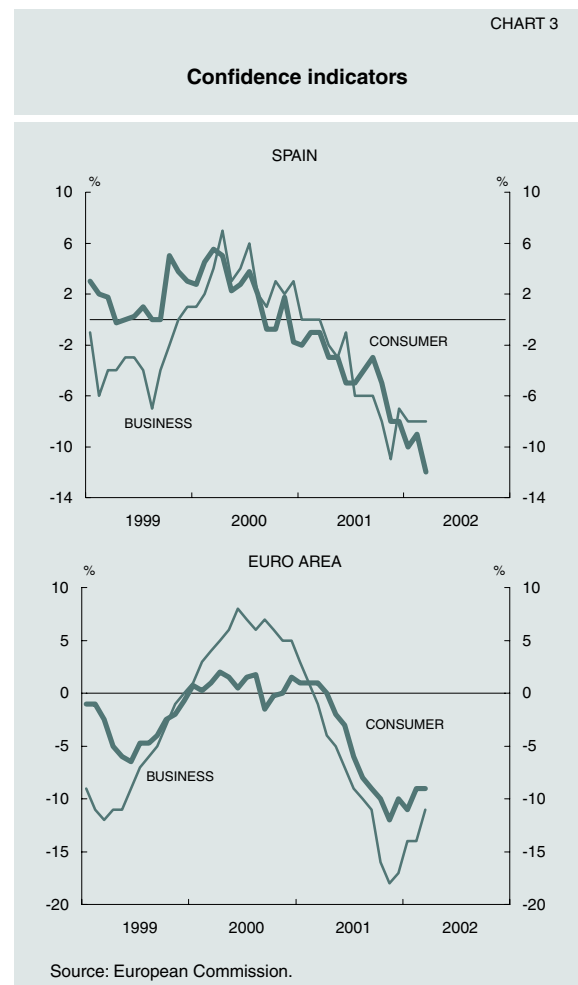
The euro area is also estimated to have posted a moderate recovery in the opening months of this year, after recording a negative growth rate in 2001 Q4 (-0.2% in quarter-on-quarter terms). The maintenance of relatively easy monetary and financial conditions and the moderate pick-up in world trade, against a

backdrop of less uncertainty, are factors that have undoubtedly had a positive bearing on this recovery. The information from indicators suggests the recovery in activity is being led by foreign demand, by the end of the inventory run-down cycle and, probably, by greater investment vigour. The consumption indicators provide less conclusive information and, in any event, appear to show a degree of weakness.

The HICP was on an upward course during the quarter, reaching a 12-month growth rate of 2.5% in March. This was brought about by the coincidence, at the beginning of the year, of a series of temporary factors, such as the rise in certain administered prices and in indirect taxes and a hike in oil prices, although this latter factor might prove more persistent than initially envisaged. Preliminary Eurostat estimates of the effect on consumer prices of the changeover to the euro indicate a limited effect (0.16%, one-third of the 0.5% month-on-month increase in the HICP in January), although it is unlikely that the total effect of the changeover has been concentrated in a single month. This rise in consumer prices does not, however, alter the inflationary outlook for the euro area for 2002, which points to a moderation of the underlying inflation rate over the rest of the year.

Against this backdrop of a favourable inflation outlook and of a moderate rise in activity, the ECB kept its intervention rates at their end-2001 levels, resulting from the successive cuts made last year. The main refinancing rate thus held at 3.25%, with the rates on the deposit facility and marginal lending facility at 2.25% and 4.25%, respectively. The thrust of fiscal policy was determined by the undertakings made in the Updated Stability and Growth Programmes unveiled at the end of last year and, in particular, by the commitment to observe the 3% threshold for the general government deficit. That may require some countries in the area to limit the operation of the automatic stabilisers. Lastly, at the extraordinary Lisbon Summit, the EU countries undertook to give fresh momentum to the economic reforms needed to heighten the competitiveness of Europe's economy against the rest of the world. In addition to proposals to modernise the labour market and increase its flexibility, a good number of initiatives were adopted. Their implementation, following the established timetables, will improve the workings of the energy markets, the transport sector, telecommunications, the business environment and the financial markets (see Box 2).

Interest rates in the euro area were on a rising path throughout Q1 on both the money and government debt markets. This largely reflected an improvement in the economic outlook for the

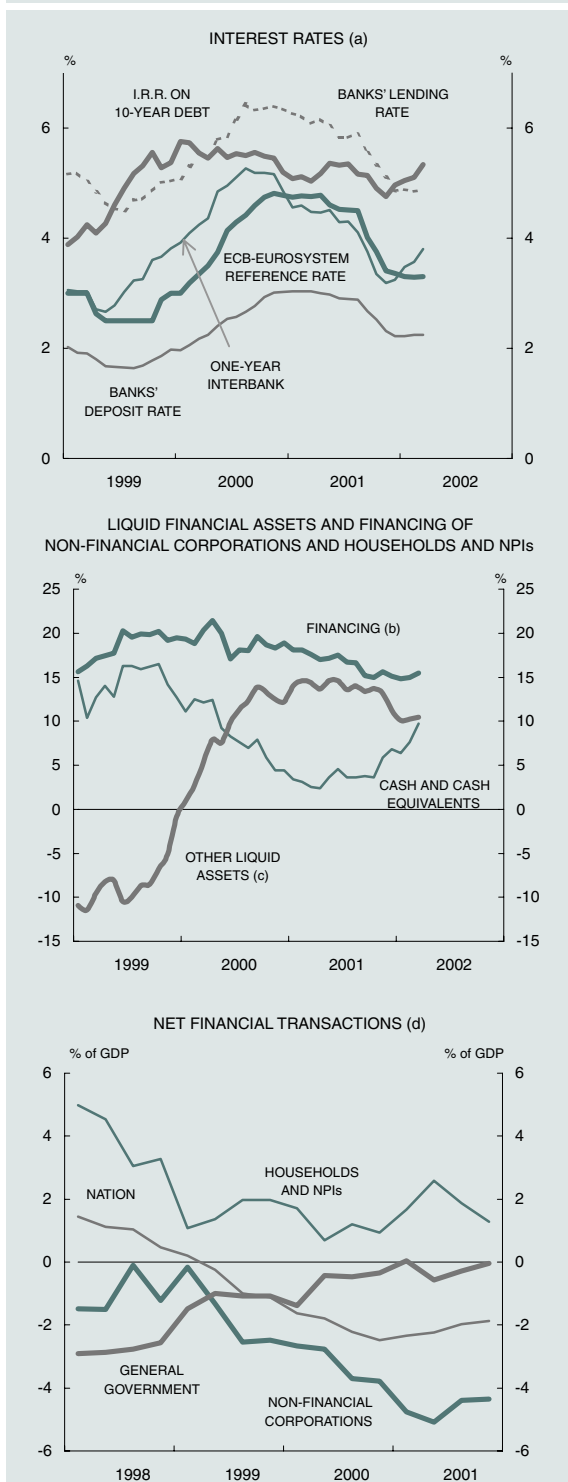


area. Stock markets trended unevenly, against a background of marked volatility. Consequently, there have been no significant gains during the quarter as a whole in relation to the end-2001 stock market index levels. The exchange rate of the euro has held very stable against the dollar in recent months. As a result, its nominal effective exchange rate against the developed countries stood, as at the date of this bulletin going to print, at similar levels to the start of the year.

In sum, the international macroeconomic scenario has improved during the opening months of 2002. As can be seen, the signs of recovery are more evident in the United States and somewhat less conclusive in Europe. This outlook is not, however, free from uncertainty and risks, prominent among which are those looming over the strength and duration of the US economic upturn. The upswing might be jeopardised by a loss of momentum in consumption, in the face of a build-up in household wealth imbalances, or by a delay in investment taking off, if corporations' financial position does not improve substantially. Given the strong synchrony in the cyclical movements of the main economies, the latter factors might delay and

CHART 4

Financial indicators of the Spanish economy



Source: Banco de España.

(a) The series are averages of daily data.

(b) Includes bank loans extended by resident and non-resident credit institutions, fixed-income securities and financing through securitisation funds..

(c) Includes deposits with agreed maturity, repos, bank securities, residents' cross-border deposits and shares in money-market funds.

(d) Cumulative four-quarter data.

weaken recovery in the European economy. Lastly, if the upward path followed by oil prices in recent months firms, inflationary prospects might worsen, restricting the growth of disposable income and, therefore, of consumption, and delaying investment decisions.

Such was the backdrop to activity in the Spanish economy in the opening months of 2002. The above-mentioned preliminary estimate of GDP growth in Q1 (2.1%, if the reference is the trend-cycle series) has continued to be determined by national demand, whose year-on-year rate of increase may have been around 2.3% during this quarter, some three-tenths of a point down on the previous quarter. This modest loss of steam is also found in the year-on-year rate of the seasonally adjusted series. Here, however, as was the case with GDP, a slight though now much more subdued rise is perceptible when growth is calculated in quarter-on-quarter terms.

The contribution of real net external demand to GDP growth has once again been estimated as negative in the first quarter of the year, of the order of three-tenths of a percentage point in the trend-cycle series, similar to that of the previous quarter. It thus seems this process is tending to come to a halt, although the year-on-year increases in exports and imports are still very small. Significantly, in this respect, the tourism indicators, which had retained a degree of buoyancy last year, have worsened notably in the opening months of 2002.

Notable under demand, as earlier mentioned, is the relative firmness of private consumption. The loss of momentum of this variable is proving less than expected and it is, moreover, influenced by the surge in this aggregate according to the INE estimate for 2001 Q4. It thus seems that the slowdown in employee compensation in the opening months of the year (due both to developments in employment and in compensation) is not entailing a significant cut in household spending decisions, a trend to which transfers from general government might be contributing. Along these lines, the information available shows a slowdown in the growth of social security contributions and an increase in benefits. In any event, these results would suggest that the modest recovery in household saving ratios discernible in last year's data is not strengthening. Indeed, the tendency of the household indebtedness rate to increase in recent years has continued in the opening months of 2002.

Residential investment is also showing signs of greater-than-expected buoyancy. Along with the behaviour of public works, this has led the year-on-year growth rate of investment in con-

struction to hold at a similar rate to that of the previous quarters. As earlier stated, this behaviour is in contrast to that of the other main component of gross capital formation: capital investment. The provisional assessment is that the growth rate of this variable has stabilised, albeit at very negative values.

The State budget outturn in cash-basis terms during the first three months of the year has run as scheduled. That said, analysis over such a brief period has been hampered by the introduction of the new regional government financing arrangements. Homogenous assessments show that indirect tax revenues, especially in relation to VAT, are performing soundly, while personal income tax takings are proving somewhat slack. Notable on the expenditure side is the control over State operating expenses (government consumption and goods and services), while the information provided by other budgetary indicators would confirm the vigour of overall general government investment.

Pending data for Q1 from the Labour Force Survey, the methodological changes in which

were anticipated by INE and are discussed in an article in the April 2002 Spanish *Boletín Económico*, the indirect indicators reveal a slowdown in employment in the opening months of the year, prolonging the pattern observed the previous year. A pick-up in productivity might be taking place which, combined with the containment apparent in wage settlements following the agreements reached between the social agents, is tempering the rate of increase of unit labour costs.

This greater containment in the growth rate of costs is needed if the growth rate of prices is to fall. The 12-month growth rate of the CPI stabilised at 3.1% during Q1. The highlights were the deceleration in the growth of prices of non-energy industrial goods and the acceleration in the services component. The spread between the respective Spanish and euro-area growth rates stands at 0.8 percentage points, with the related services index rate having widened further. The uncertainty that has arisen in recent months over the course of the market for oil products will undoubtedly mark the performance of the CPI during the year.

2. The external environment of the euro area

During the first quarter of the year the prospects for global recovery have strengthened, initially underpinned by positive activity data for the final quarter of 2001 in the United States and bolstered in recent months by the improvement in the activity indicators in most countries. A certain spillover effect is expected from the US economy on the rest of the countries, although uncertainty persists regarding the strength and speed of the recovery. International trade flows, which stagnated in 2001, are gradually beginning to pick up, although the expectations for growth in 2002, at around 2%, are very moderate.

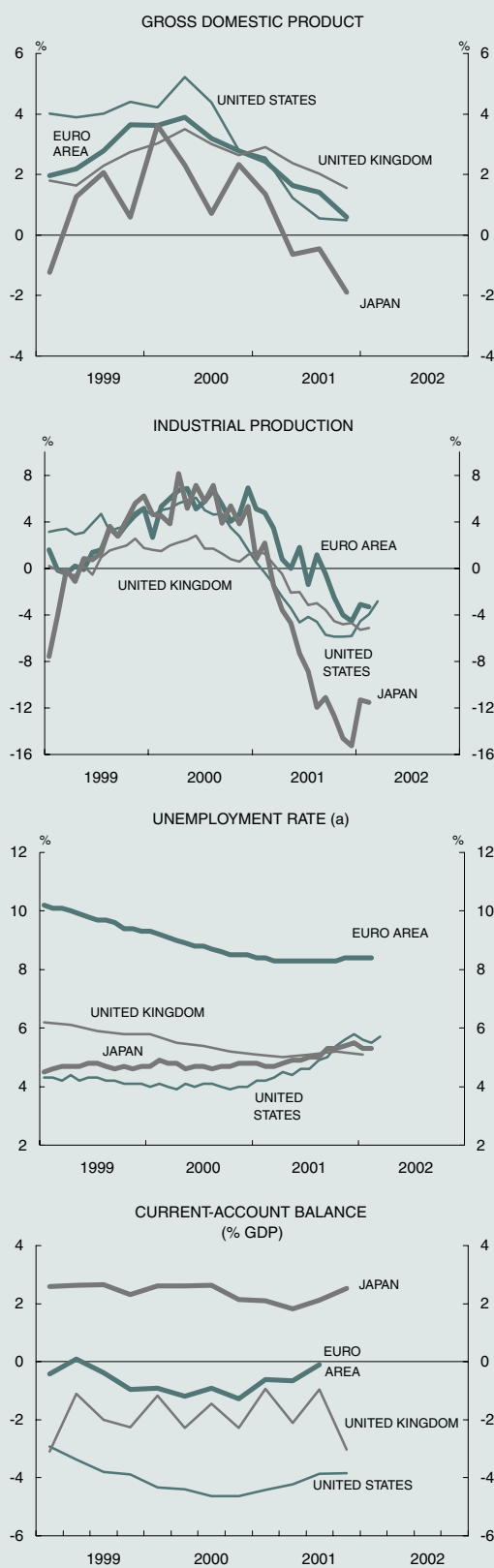
Despite the improvement in expectations, stock markets have not sustained the upward trend seen in 2001 Q4. They have been dragged down perhaps by the doubts raised by ENRON regarding transparency in the accounts of certain major firms and by the increase in suspensions of payments in recent months. By contrast, developments in emerging debt markets were positive overall, resulting in a substantial narrowing of the long-term interest rate spread over the United States, despite the grave situations in Argentina and Venezuela. On the commodities markets there was a fresh rise in oil prices from late March, prompted by the instability in producing regions such as the Middle East and Venezuela, and by expectations of increasing world demand.

In the United States GDP grew by 1.7% in 2001 Q4, in annualised quarter-on-quarter terms. In the first quarter of the current year activity indicators were very positive and GDP is estimated to have grown at an annualised quarter-on-quarter rate of 5.8%. The rate of growth of productivity in the contractionary phase of the cycle (5.2% in 2001 Q4 and 1.9% in 2001 as a whole) is particularly notable, and exceptionally high in comparison with previous recessions. In March, the rate of growth of the CPI stood at 1.5% year-on-year and underlying inflation at 2.4%.

As regards the demand indicators, the most relevant have regained their pre-11 September levels, which points to a high rate of growth of GDP in the first quarter of this year, thanks partly to the pick-up in inventories. Consumption, which was expected to moderate following the sharp increase in 2001 Q4, seems to be sustaining its vigour, judging by the growth of retail sales in Q1 and the recovery of consumer confidence indicators. The incipient improvement in the labour market, following the sharp adjustments at the end of last year, prompted an increase in disposable income of 1.7% in January and of 0.6% in February, providing further support for private consumption. The recovery of

CHART 5

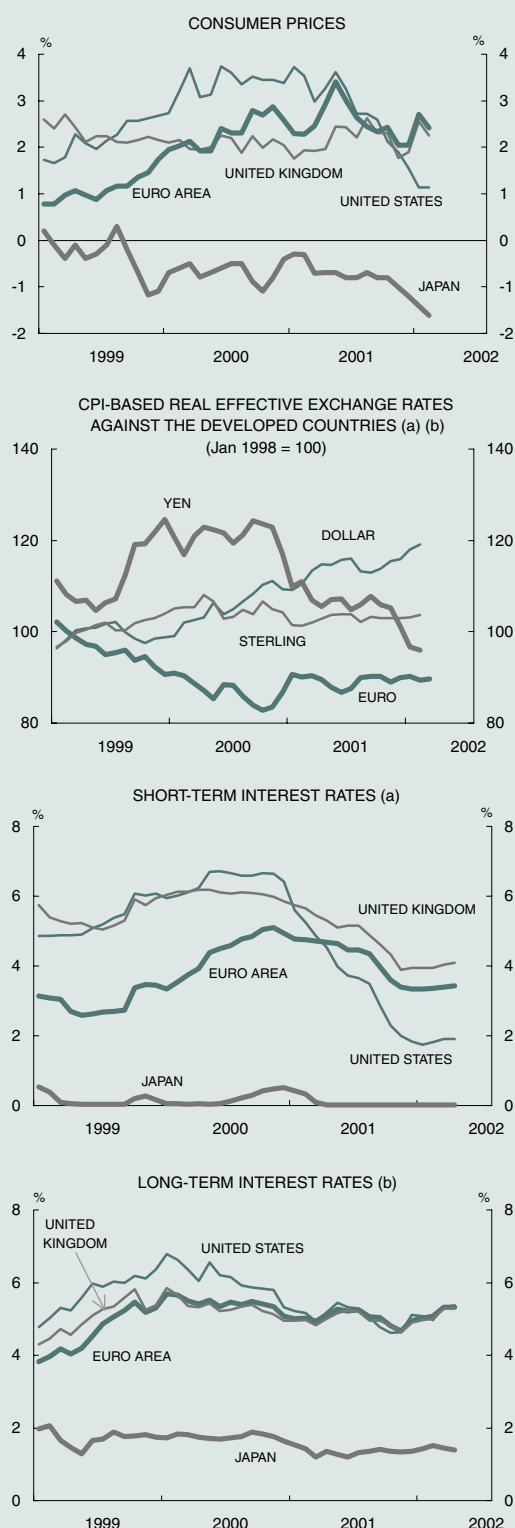
Main macroeconomic indicators Annual rates of change



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

CHART 6

Prices, real exchange rates and interest rates



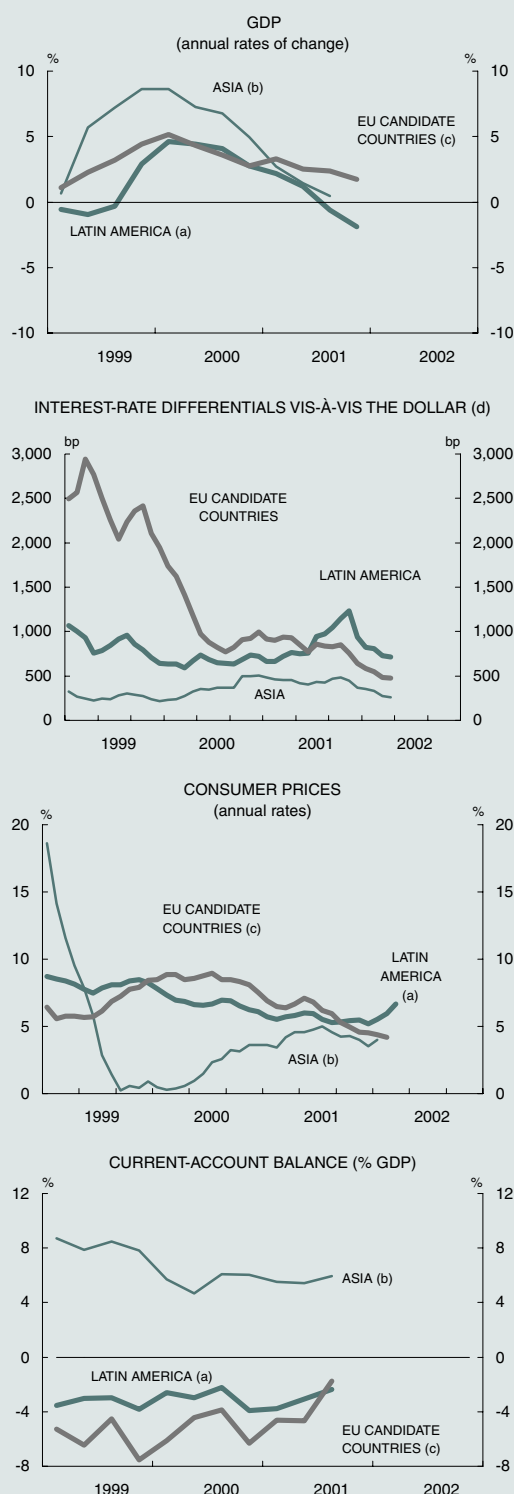
Source: Banco de España.

(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.

CHART 7

Main macroeconomic indicators



Sources: national statistics and JP Morgan.

(a) Argentina, Brazil, Chile, Mexico, Colombia, Venezuela, Peru.
(b) Malaysia, Korea, Indonesia, Thailand, Hong Kong, Singapore and Taiwan.

(c) Latvia, Lithuania, Estonia, Czech Republic, Hungary, Poland, Slovenia and Slovakia.

(d) Differentials according to JP Morgan's EMBI+ index. Russia is included among the EU candidate countries.

positive growth rates by the indicators of capital-goods production and expenditure (especially strong in the IT sectors) may indicate that the investment cycle has already bottomed out. The outlook for investment will also be improved if the strong upturn in corporate profits in the final quarter of 2001 is sustained.

There were also signs of recovery on the supply side. The index of industrial production increased by 0.7% in March, the third consecutive month of growth, following the prolonged decline in 2001. The strength of industrial production is, moreover, apparent in the sectors most severely hit by the recession: manufacturing and, especially, IT. The surveys of manufacturing and services also show a robust upturn in activity.

Despite the favourable developments in the US economy, there are risk factors on the side of private investment. It is important that consumption and investment take over from inventories in the coming months as the driving force behind domestic demand.

The persistence of the recession in Japan is shown by the third consecutive quarterly decline in GDP in 2001 Q4 (by 1.2%). The weakness of domestic demand, dragged down by the falls in private and public investment, came on top of a drop in exports. However, during Q1 of the current year a slight improvement in the outlook is discernible, based on the slowdown in the rate of fall of some activity indicators, particularly in industry, and more timidly in construction, as well as in exports. The synthetic leading indicator also shows a slight upturn and the unemployment rate stabilised in the first two months of the year at 5.3%. Price deflation continues (in February prices fell at a 12-month rate of 1.6%), while the yen exchange rate, having depreciated significantly in January, tended to stabilise, even appreciating slightly in March. As regards economic policy, the government, after presenting a more restrictive budget (with a slight reduction in public spending) for the fiscal year beginning in April, announced at the end of February a set of very general proposals to assist economic recovery, the details of which are to be determined over the coming months, along with those of the measures to turn around the banking sector.

In 2001 Q4, activity in the UK economy was unchanged from the previous quarter. As in the United States, private consumption held firm, while private investment and exports fell by 0.3% and 1.2% respectively. As a result, real GDP grew by 2.2% in 2001. In 2002 Q1 the industrial sector began to pick up, while domestic demand remained robust. The rate of unem-

ployment held steady at 5.1%, while wage growth moderated to below 3%. Meanwhile, inflation (2.3% year-on-year in March) remained below the target of the Bank of England, which has held official rates unchanged at 4% since November.

In recent months economic activity has remained weak in South East Asia, except in China. That said, incipient recovery in the region is discernible, thanks to the high weight of external demand in most of these economies. Despite the expansionary demand policies several economies have recorded negative inflation rates in the first few months of 2002.

As for the countries of Central and Eastern Europe, they have generally shown resilience in the face of the world economic stagnation, with the support of expansionary demand policies. Although the rate of growth decelerated in Q4 in all the countries, the year-on-year rates held above 3%, except in Poland. The rate of inflation has continued to fall in almost all the countries, owing to prudent monetary policies and to exchange-rate appreciation.

In Latin America the continued economic and political instability in Argentina (which has had an adverse impact on the Uruguayan economy) and in Venezuela was notable. In the rest of the re-

gion the contagion of the Argentine crisis through the financial markets is notable for its absence, as reflected in a narrowing of the debt spreads over the United States. The global upturn is expected to contribute to a gradual pick-up of external demand in the countries of this area.

Economic activity has continued to plummet in Argentina, as shown by the 10.7% year-on-year fall in GDP in 2001 Q4 and the further deterioration of indicators in 2002 Q1. The exchange rate has continued to depreciate and the political difficulties have hampered attempts to agree a plan to turn round the fiscal, economic and financial situation with the support of the international community. In Brazil, economic activity stabilised in the first few months of the year, following a negative year-on-year rate of growth in Q4 of -0.7%, which made the rate for 2001 as a whole 1.5%. The indicators still reflect demand weakness and slow recovery of industrial production. Only the external sector is displaying a strong performance, owing to the cumulative depreciation of the real last year. Mexico has benefited from the investment grade rating assigned to it by the rating agencies. However, capital inflows continue to push the peso higher, which may generate imbalances in the incipient recovery process, stimulated by the foreseeable increase in demand from the United States.

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

On the latest information available, activity began to pick up in the euro area in 2002 Q1, following the slowdown during 2001, which continued right up to the final months of the year. According to the forecasts of the main international agencies, the incipient recovery of Q1 will strengthen in the coming months, so that the euro area may record average GDP growth in 2002 of somewhat less than 1.5%. This would be the reflection of a less uncertain environment and of the recovery in world trade, elements underpinned moreover by the maintenance of relatively easy monetary and financial conditions and by the absence of significant macroeconomic imbalances. The main risks to this scenario include the uncertain path of oil prices, against a background of international political tension, and the possibility that the macro-financial imbalances in the United States may affect global economic activity to a greater extent than projected. The outlook for euro-area inflation is generally favourable, but the downward trend projected might be modified by a further rise in the price of oil, an acceleration in labour costs as a result of the high wage demands in some sectors or some further impact on prices from the euro cash changeover.

3.1. Economic developments

On the latest National Accounts data published by Eurostat, euro-area GDP fell by 0.2%, in quarter-on-quarter terms, compared with an increase of the same magnitude in the previous quarter. In year-on-year terms, GDP grew by 0.6%, so that its growth in 2001 as a whole was 1.5%, almost two percentage points down on the rate recorded a year earlier (see Chart 8). The decline in output in relation to the previous quarter stemmed from destocking and the deterioration of investment, since consumption showed positive, albeit weak, growth and the contribution to quarter-on-quarter growth of GDP from external demand was nil. Trade flows were notably slack, with falls in both exports and imports.

A country-by-country analysis of the National Accounts shows that GDP growth was somewhat uneven in Q4. Although the slowdown in activity was common to all the countries, it was stronger in those that had recorded higher growth in Q3 (Finland, Spain and France). That said, Spain was the only country to record a positive quarter-on-quarter GDP growth rate in Q4. In general terms, all the countries with a relatively high weight in the aggregate recorded a deterioration in their gross fixed capital formation and in their exports and, except for Germany, a further reduction in the contribution of the

change in stocks to GDP. The rest of the aggregates behaved less uniformly. Thus, private consumption was relatively vigorous in France and Spain, while imports fell in France and the Netherlands more sharply than in the rest of the countries considered.

On the supply side, the fall in the rate of growth of GDP was concentrated in industry and, to a lesser extent, in agriculture. In services, gross value added grew at positive quarter-on-quarter rates similar to those of the previous quarter, while in construction the slowdown of the first half of 2001 was halted in the last few months of the year. As regards the labour market, the quarter-on-quarter growth of employment in the last three months of 2001, as in the previous two quarters, was 0.2%, making a year-on-year rate of 0.8%. Apparent labour productivity was almost unchanged from the same quarter a year earlier, so that there was an increase in unit labour costs. In fact, ULCs grew by more than the GDP deflator, suggesting that a slight contraction of margins may have occurred.

The information available on economic developments in the euro area in 2002 Q1 is consistent with a moderate recovery in output, which may have reached positive quarter-on-quarter growth. This perception is supported by the behaviour of the industrial and services confidence indicators compiled by the European Commission, as well as by the behaviour of other synthetic indicators based on a broader set of information, and would also be in line with the estimate made by the European Commission for GDP growth in 2002 Q1 (see Box 1). The industrial production index, for its part, points to a gradual recovery in industrial activity, and in fact the last three month-on-month rates published (for December, January and February) have been positive.

By contrast, the indicators on the demand side, on still incomplete information, are not so conclusive (see Chart 9). There was a slight general improvement in consumption indicators in the early months of the year. In particular, while the level of the consumer confidence indicator rose slightly in Q1, the retail confidence indicator deteriorated further. For their part, indicators of retail sales and new passenger car registrations improved in January and February, respectively, cancelling out their falls in the previous month. In any event, the behaviour of the determinants of consumption does not augur a rapid strengthening of this aggregate, since the lower uncertainty, the increase in the purchasing power of income arising from the progressive decline in inflation and the fa-

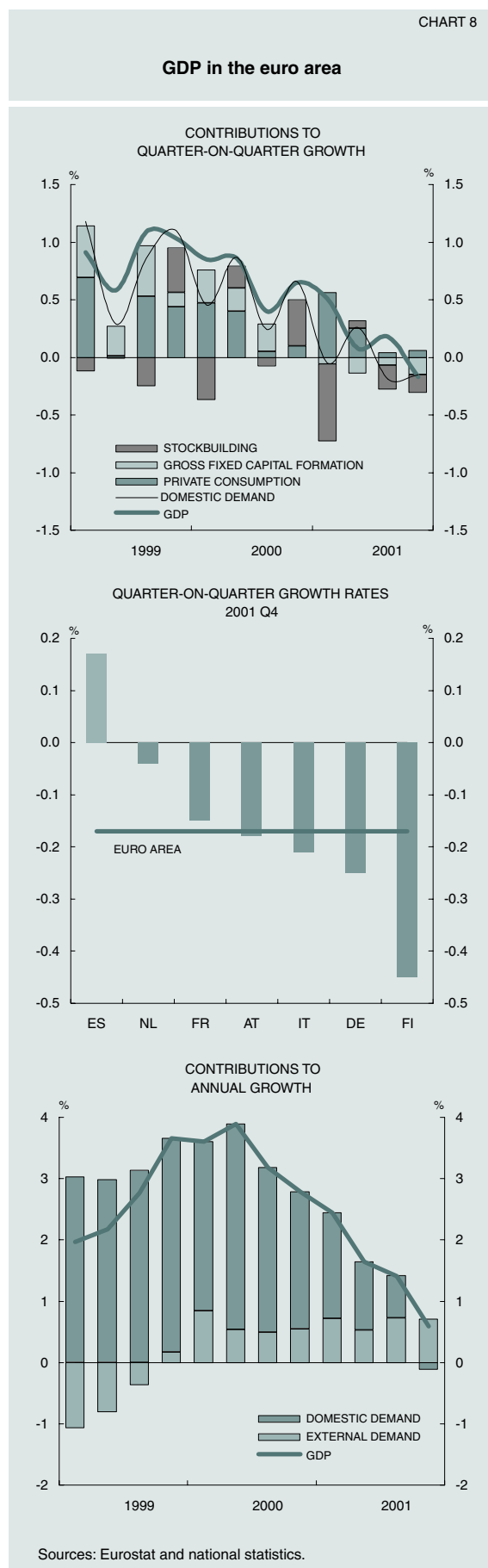
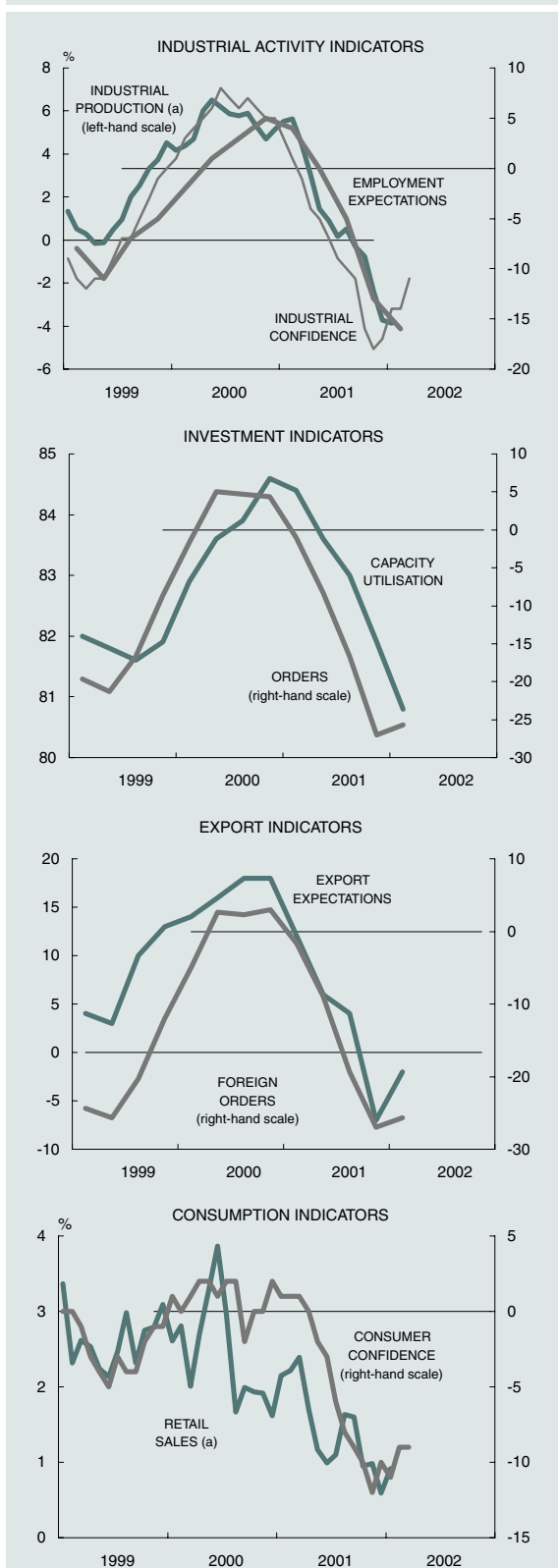


CHART 9

Euro area. Real indicators



Sources: Eurostat and European Commission.

(a) Non-centred annual percentage changes calculated on the basis of the quarterly moving average of the seasonally adjusted series.

vourable financing conditions are possibly being offset by the deterioration in the employment outlook.

Meanwhile, indicators of exports have improved slightly over the first few months of the year, while the information most closely relating to industrial investment also seems to show greater buoyancy. Finally, according to the results of the industrial confidence survey, the proportion of respondents who considered their level of stocks to be higher than desired fell, which may mean that the adjustment of stocks has been completed. Accordingly, on the demand side, the recovery signalled by the indicators of activity may be based on the petering out of destocking and on more buoyant exports and, probably, investment.

As regards the inflation situation in the euro area, the Harmonised Index of Consumer Prices (HICP) increased by 2.5% year-on-year in March, 0.5 percentage points up on December (see Chart 10). The rising trend in the HICP during the first quarter stemmed from the behaviour of energy and services prices, given that the rate of change of food prices moderated and non-energy industrial goods posted in March a similar rate of change to that of December. Accordingly, the recent rise in oil prices and the increase in some administered prices and in indirect taxes at the beginning of the year were responsible for the acceleration in prices in the period considered, without any substantial effect having been discerned until now arising from the conversion of the former national currencies to the euro. In any case, there is great uncertainty surrounding the possible effect of the introduction of euro cash on inflation, since it is very difficult to isolate that part of the rise in prices attributable to this factor. According to a preliminary Eurostat study, of the 0.5% month-on-month increase in the HICP in January, between 0% and 0.16% may have been due to the euro cash changeover. However, it is very likely that the possible impact on inflation was not limited to January and there will be price rises in subsequent months arising from this phenomenon. In fact, the notable rise in the prices of some items (such as gardening, rentals, vehicle repairs, recreational services and restaurants) in January, February and in some cases in March too, may be related to the introduction of euro cash.

The increase in the rate of services inflation has been reflected in a mild increase in the rate of change of the IPSEBENE (an index which excludes the prices of energy goods and unprocessed food), which stood at 2.6% in March, 0.1 percentage points higher than in December. The only countries to have an inflation rate of

Euro-area composite indicators

The official statistical information available for the euro area, based on the harmonised indicators of the member countries, still has an insufficient coverage and is published with a certain lag, so that its usefulness for analysing the cyclical position and short-term prospects of the area is limited. This problem is particularly acute at times when the economy is close to a cyclical turning point. To overcome these shortcomings, various public and private institutions have sought to construct synthetic indicators to approximate the path of output (either the index of industrial production (IIP) or GDP), exploiting information from sources (such as opinion surveys and national indicators) that are available sooner than other official statistics.

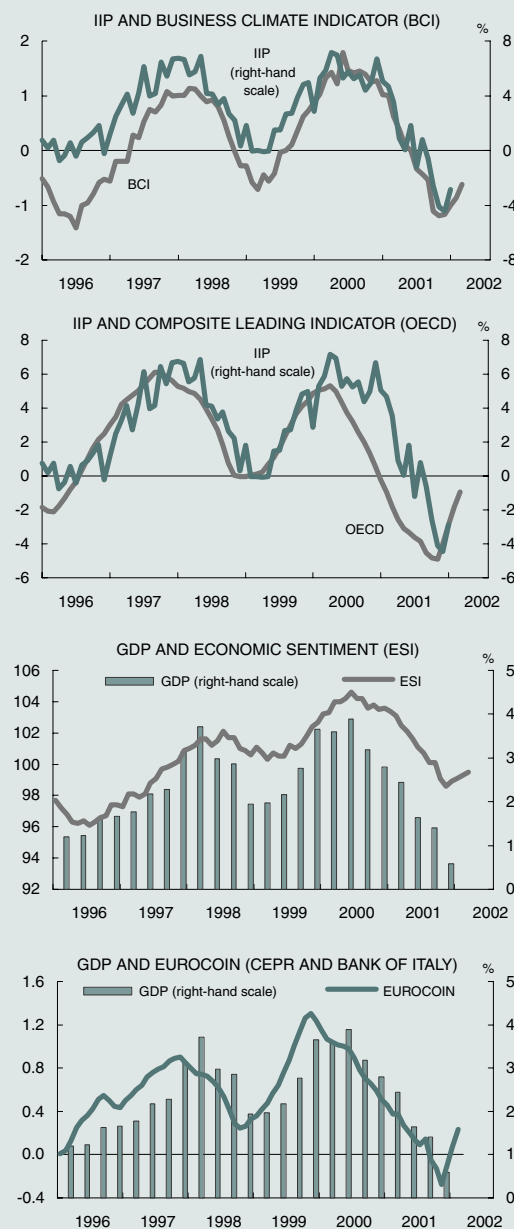
First, there is a group of indicators that use the great wealth of data collected by means of opinion surveys. Thus, the Economic Sentiment Indicator (ESI) compiled by the European Commission (EC) to approximate the path of GDP, is constructed as a weighted average of the industrial, construction, retail trade and consumer confidence indicators. The EC also compiles the Business Climate Indicator (BCI) using series derived from the industrial confidence indicator. Each series is divided into a common component shared with the rest of the other series, which tries to capture the cyclical position at a given moment, and a specific component. The former component is the one used to compile the indicator.

Second, there is another group of indicators that exploit information derived from national statistics. Notable in this group is the OECD's Composite Leading Indicator (CLI) and the EuroCOIN of the CEPR and the Bank of Italy. The former is compiled using various national indicators and provides estimates of the IIP for each country and, on aggregate, for the euro area as a whole. The EuroCOIN is a coincident indicator of the growth of euro-area GDP, compiled by means of the extraction of the common component from some one thousand series obtained from various national and supra-national institutions.

Finally, the Directorate General Economy and Finance (DG ECFIN) of the EC has recently started publishing an estimate of quarter-on-quarter GDP growth in the form of intervals for the two quarters following the reference period of the latest data published by Eurostat. The model has two equations, one for each of the quarters to be predicted, with real explanatory variables or opinions on them, as well as financial variables, all of which are for the euro area.

The four indicators depicted in the adjoining chart coincide in signalling a turning point in late 2001. Specifically, after troughs in November last year, these indicators show an upturn and a trend of gradual recovery to March this year, which is the latest period for which data are available. These data are consistent with the forecast for a recovery in 2002 Q1 as signalled by the GDP quarter-on-quarter forecast indicator compiled by the DG ECFIN (see adjoining table), which, as against a decline of 0.2% of GDP in quarter-on-quarter terms in 2001 Q4, anticipates a 0.2%-0.5% increase for the period January-March 2002.

Euro-area composite indicators



Sources: European Commission, OECD, CEPR and Bank of Italy.

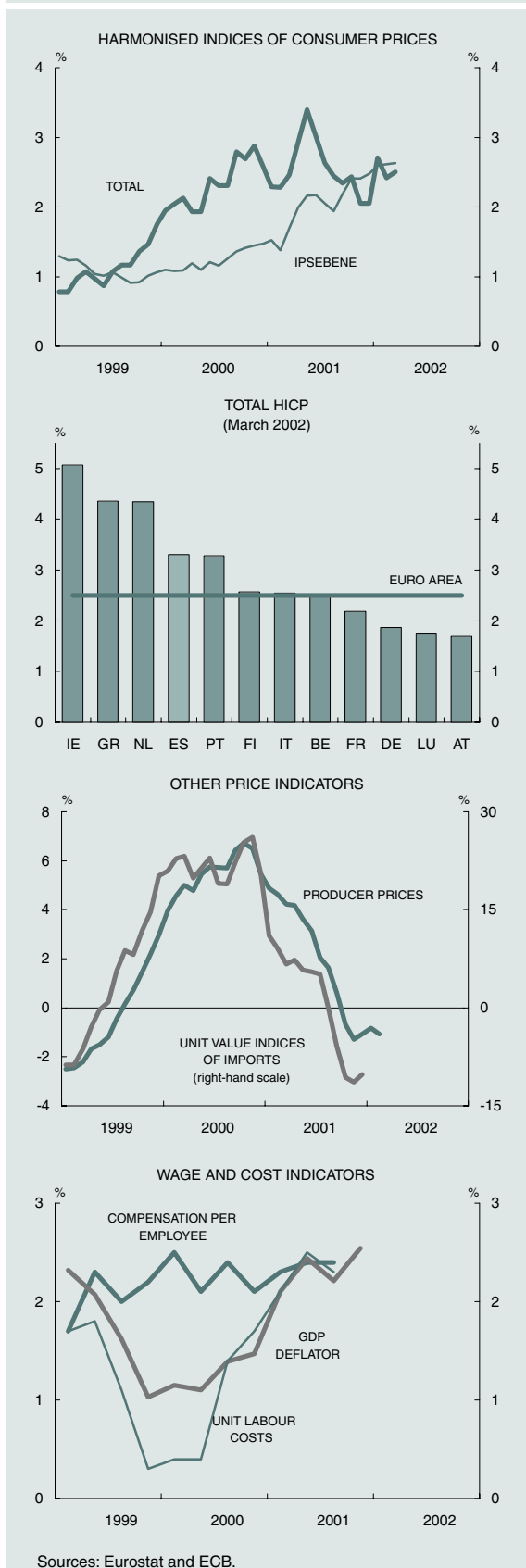
Forecasts of quarter-on-quarter GDP growth

	DG ECFIN (Intervals) 2002			
	JAN	FEB	MAR	APR
2002 Q1	(0.1; 0.4)	(0.1; 0.4)	(0.1; 0.4)	(0.2; 0.5)
2002 Q2			(0.4; 0.7)	(0.5; 0.8)

Source: European Commission.

CHART 10

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



less than 2% were Germany, Luxembourg and Austria (see Chart 10). Finally, the difference between the highest (5.1% in Ireland) and lowest rates of inflation (1.7% in Austria and Luxembourg) was almost one percentage point smaller in March than in December.

The rate of decline of the producer prices index, according to the latest data available, has been relatively stable since the end of 2001. In fact, the PPI fell by 1.1% in February, the same rate as in December. By component, there was a deceleration in the prices of industrial consumer goods, portending lower inflation in the processed food and non-energy industrial goods included in the HICP

The price indicators of the area point to a slight moderation of inflationary pressures during 2002, which would be largely attributable to the petering out of the effects of the exchange rate depreciation and food crises in 2001. However, this ongoing improvement in inflation prospects could be halted if oil prices rise further or wage growth deviates from sectoral productivity growth. In this respect, the high wage demands in key sectors in some euro-area countries and the upward trend in oil prices, associated with the cuts in global production and the escalation of the social and political tension in the Middle East, represent upside risks for the future path of inflation in the euro area.

On the basis of the data recently supplied by the ECB, the current-account deficit of the euro area fell significantly in January 2002. In fact, it shrank from EUR 11.1 billion in January 2001 to EUR 1.5 billion in the same month of 2002. This improvement was basically associated with the behaviour of the trade balance, insofar as the strong contraction in imports (down 11.4% in year-on-year terms) more than offset the 4.4% fall in exports.

According to the notifications submitted by the Member States under the excessive deficit procedure, general government in the euro area as a whole had a borrowing requirement of 1.3% of GDP in 2001, which was half a percentage point up on the previous year. Given the reduction in interest expenditure of 0.2 percentage points of GDP the deterioration, in terms of the primary balance, amounted to 0.7% of GDP. On European Commission calculations, this deterioration can be explained, in roughly equal parts, by the contributions of the business cycle and of the authorities' discretionary action (the latter measured by the change in the cyclically adjusted primary balance). Only four countries (Greece, Spain, Italy and Austria) improved their budget balances in 2001. In Germany and Portugal, the deficit increased to

TABLE 1

General government budget balances of euro area countries (a)

% of GDP

	1998	1999	2000	2001	2002 (b)	2002 (c)
Belgium	-0.8	-0.6	0.1	0.0	0.0	-0.2
Germany	-2.2	-1.6	-1.3	-2.7	-2.0	-2.8
Greece	-3.1	-1.8	-0.8	-0.4	0.8	0.3
Spain	-2.6	-1.1	-0.4	0.0	0.0	-0.2
France	-2.7	-1.6	-1.4	-1.5	-1.4	-2.0
Ireland	2.3	2.3	4.5	1.7	0.7	0.4
Italy	-2.8	-1.8	-1.7	-1.4	-0.5	-1.3
Luxembourg	3.5	3.7	5.7	5.0	2.8	2.0
Netherlands	-0.8	0.4	1.5	0.2	1.0	0.0
Austria	-2.4	-2.2	-1.5	0.1	0.0	-0.1
Portugal	-2.4	-2.1	-1.9	-2.7	-1.8	-2.6
Finland	1.3	1.9	7.0	4.9	2.6	3.3
MEMORANDUM ITEMS:						
Euro area						
Primary balance	2.6	3.0	3.3	2.6	2.7	2.3
Total balance	-2.2	-1.3	-0.8	-1.3	-0.9	-1.5
Public debt	73.7	72.6	70.2	69.1	67.2	68.6

Sources: European Commission, national stability programmes and Banco de España.
(a) As a percentage of GDP. Proceeds from the sale of UMTS licences not included. Deficit (-) / surplus (+).
(b) Targets in the stability programmes presented between November and December 2001.
(c) European Commission projections (spring 2002).

2.7% of GDP. Since in both these countries there had been significant slippages in relation to the objectives contained in their previous stability programmes and, in the opinion of the European Commission, there was a certain risk of the deficit limit of 3% of GDP being exceeded this year and of the budget not being in balance in 2004, the Commission decided at the end of January to adopt a proposal for the Council to activate the so-called early warning procedure. However, the Council did not adopt the Commission's recommendation, in view of the public commitment by the German and Portuguese authorities to respect the reference value of 3% of GDP in 2002 and to achieve a budgetary position close to balance in 2004.

In general, it appears that it is going to be difficult to achieve the balanced budget targets set for this year in the stability programmes, as can be seen by comparing the last two columns of Table 1. This is partly due to the optimistic nature of the economic growth projections on which the programmes' fiscal targets are based. For example, these forecast a rate of expansion of activity of 2% in 2002, as against the 1.4% rate projected by the European Commission.

As regards the EU structural reform process, the Barcelona European Council, held in March,

assessed the state of development of the strategy designed at the Lisbon Council in March 2000. Although satisfactory progress has been made in some areas in recent years, the programme of economic reforms in Europe may have lost some steam lately. As a result positive steps were taken in Barcelona that should help achieve the Lisbon targets (see Box 2).

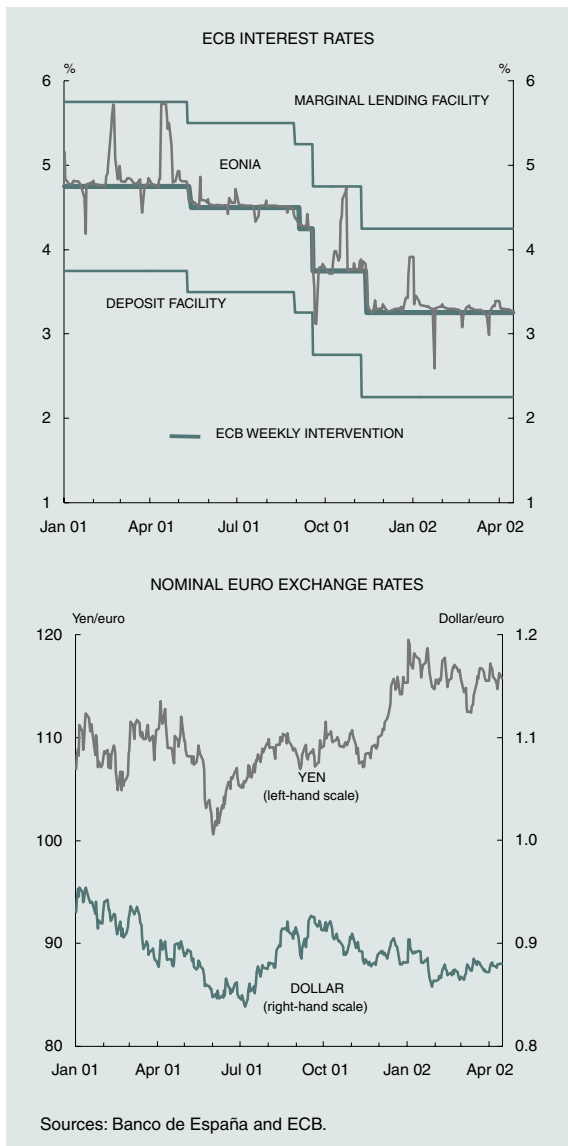
3.2. Monetary and financial developments

Against the background described above, characterised by the absence of inflationary pressures and by signs of a pick-up in activity, the Governing Council of the ECB decided to keep the interest rates on main refinancing operations unchanged throughout 2002 Q1 and during April to date. Accordingly, since the last reduction of 50 basis points on 8 November 2001, the weekly intervention rate has remained at 3.25% and the rates on deposit and marginal lending facilities at 2.25% and 4.25%, respectively (see Chart 11).

During the quarter, however, there was a mild upward trend in money-market interest rates, which was steeper the longer the maturity. Thus, while the one-month rate fluctuated around 3.35% during the period, rates for the

CHART 11

**ECB interest rates
and euro exchange rates**

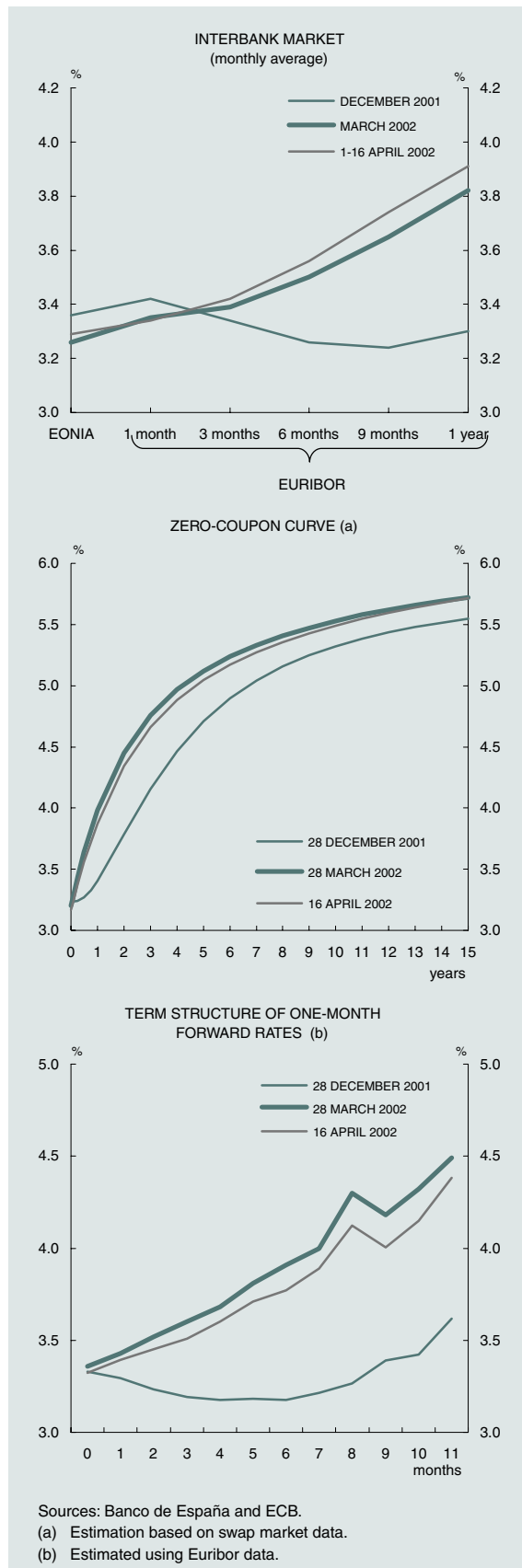


maturities closest to 12 months rose more sharply, especially in the latter part of the quarter. These developments changed the slope of the interbank market yield curve with respect to December, so that it is now markedly positive (see top panel of Chart 12). In this respect, as shown by the progressive widening during Q1 of the differential between one-month forward rates at the horizons of one and twelve months, a change in the stance of monetary policy has begun to be discounted, in line with the signs of recovery in activity shown by the available indicators, although these expectations have moderated somewhat in recent weeks (see bottom panel of Chart 12).

This improvement in the economic outlook has also been reflected in an increase in ten-

CHART 12

Euro-area yield curves



Structural reform in Europe: from the Lisbon to the Barcelona European Councils

With a view to achieving full employment in 2010 and to strengthening social cohesion, the European Union, at the Lisbon Extraordinary Council in March 2000, set itself the strategic goal of "becoming the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion". The social dimension of this strategy was subsequently strengthened by the Nice Social Agenda and the environmental dimension by the Gothenburg sustainable development strategy.

Perhaps the most ambitious targets set at Lisbon were those relating to the labour market. Along with the full employment goal, Lisbon also established that the overall EU employment rate in 2010 should be 70% (in 2001 it was 63.9%), while the rates for women and for elder people (55-64 years) should stand at 60% and 50% respectively (in 2001 they were 54.7% and 38.3%). The design of balanced macroeconomic policies, the implementation of a series of economic reforms, an increase in research and innovation and an increase in investment in human capital were considered essential requirements for achieving average economic growth of 3% in the coming years and for meeting such targets.

Two years on from the establishment of these targets, the Barcelona Council took stock of the development of this process. The areas in which progress has been insufficient are numerous: the opening up of public procurement, the development of risk-capital and financial-services markets, the creation of a Community patent, the establishment of a single energy market and the introduction of satellite navigation systems. On the other hand, there has been significant progress in electronic trade, the communications sector and rail transport, although further progress in these areas is desirable. As regards the full-employment goal, progress has also been modest.

Accordingly, Barcelona has given fresh impetus to the Lisbon process. In the sphere of economic policy, the commitments to fiscal discipline of the Stability and Growth Pact were reaffirmed, it was agreed to reinforce policy co-ordination and the need to accelerate the reform of pension systems was highlighted, both to ensure their financial sustainability and to meet their social objectives. As regards the labour market, the employment and social cohesion strategy has been strengthened, with the establishment of a broad set of actions to influence the tax wedge, the participation rate (primarily for women and elder people), incentives for active job search and wage negotiation. For Europe to become a knowledge-based society and highly competitive, a number of measures relating to telecommunications, education and research were also adopted. In addition, the Barcelona European Council reiterated most of the commitments acquired in Lisbon whose implementation has been delayed. Notable in this respect was the confirmation of the dates for integration of the securities and financial-services markets (2003 and 2005, respectively). The markets for electricity and gas shall be opened up for businesses in 2004, although no agreement has been reached for domestic consumers. In addition, in 2005 there should be electrical interconnections equivalent to at least 10% of installed production capacity in each Member State. The adjoining table summarises the most important commitments entered into or reaffirmed at Barcelona, indicating the date on which they must be met.

	Entry into force
LABOUR MARKET:	
Full employment goal	2010
Reduction in taxation of low wages	no date
Tax and unemployment benefit systems conducive to job search	no date
Wage determination adapted to productivity and skills	no date
Specific and quantified incentives for female labour force participation	2010
Raising retirement age	2010
Promotion of labour mobility	several dates
ENERGY MARKETS:	
Gas and electricity liberalisation for non-domestic consumers	2004
Regulation of services of general interest	2003
Electricity interconnections (10%)	2005
Boost to separation of activities	no date
TRANSPORT:	
Making the Single Sky a reality	2004
Adoption of pending proposals on port services	2002
Revision guidelines on Trans-European Transport Networks	2002
TELECOMMUNICATIONS:	
Galileo project (satellite system)	2008
Transposition of new regulatory package	2003
Second eEurope Action Plan	2005
One internet-connected PC for every 15 pupils	2003
Electronic access to public services	no date
BUSINESS ENVIRONMENT:	
Reduction of directive transposition deficit	2003
Modernisation of competition rules	2002
Reduction and rationalisation of State aids	2003
New public procurement rules	2002
EDUCATION:	
European dimension in education	2004
Community diplomas and qualifications	2003
Promotion of foreign language studies	no date
Creating an indicator of linguistic competence	2003
Internet and computer-user's certificate	no date
Adult education	no date
R & D:	
Sixth Research Framework Programme	2002
Spending on R&D 3% of GDP	2010
Introduction of the Community patent	2002
FINANCIAL MARKETS:	
Integration of securities markets	2003
Integration of financial services	2005

TABLE 2

Monetary and financial situation in the euro area and Spain

%

	1999	2000	2001		2002			
	DEC	DEC	NOV	DEC	JAN	FEB	MAR	APR(c)
MONETARY VARIABLES (a):								
EURO AREA								
M3	5.8	4.1	7.9	8.1	7.9	7.4	7.3	
M1	10.7	5.3	5.9	5.4	6.4	6.0	5.8	
Credit to private sector	10.3	10.1	6.9	6.8	6.3	6.0	5.4	
SPAIN								
Cash and cash equivalents	12.7	4.4	5.9	6.8	6.4	7.6	9.7	
Other bank liabilities	3.9	19.6	11.0	8.4	7.0	7.1	6.8	
Mutual funds	-21.9	-27.1	23.3	26.2	29.0	28.5	30.1	
Financing to the private sector	19.5	18.9	15.6	15.1	14.8	15.0	15.5	
FINANCIAL MARKETS (b):								
EONIA	3.04	4.83	3.51	3.36	3.29	3.28	3.26	3.28
Three-month EURIBOR	3.44	4.94	3.39	3.35	3.34	3.36	3.39	3.41
Public debt								
Euro-area ten-year bond yields	5.32	5.07	4.67	4.96	5.02	5.07	5.32	5.31
US-euro area ten-year bond spread	1.04	0.25	-0.02	0.16	0.05	-0.09	0.02	0.04
Spain-Germany ten-year bond spread	0.22	0.31	0.31	0.23	0.19	0.19	0.18	0.17
Spanish bank interest rates								
Synthetic deposit rate	1.98	3.02	2.31	2.22	2.22	2.25	2.25	
Synthetic lending rate	5.03	6.35	5.11	4.86	4.88	4.85	4.88	
USD/EUR exchange rate	1.011	0.897	0.888	0.892	0.883	0.870	0.876	0.882
Equities (d)								
Dow Jones EURO STOXX Broad Index	39.5	-5.9	-22.3	-19.7	-2.2	-3.2	1.6	-0.1
Madrid Stock Exchange General Index	16.2	-12.7	-6.4	-6.4	-2.6	-1.3	0.6	2.3
Sources: ECB and Banco de España.								
(a) Annual percentage change.								
(b) Monthly averages.								
(c) Monthly average to 16 April 2002.								
(d) Cumulative percentage change during the year. End-of-month data. Latest month: 15 April for the EURO STOXX and 16 April for the Madrid Stock Exchange.								

year government bond yields in the euro area, especially from March. Thus, the long-term interest rate on German debt stood in mid-April at 5.2%, more than forty basis points above the average return in December. The general improvement in economic prospects has also prompted an increase in long-term yields in other economic areas in recent weeks. In particular, the yields on US debt edged up from around 5% to 5.3% during the first few months of the year, which meant that the spread over German debt hardly changed during the period considered (see Table 2).

As seen in the bottom panel of Chart 13, the downward trend in retail bank interest rates in the euro area, which dated back to December 2000, also ended in Q1. In fact, on information to February, the interest rates charged on loans

for house purchase and on business loans with a maturity of more than one year increased slightly, by between six and eight basis points, relative to December. The same trends have been discerned in Spain, although the synthetic rates of Spanish banks did not change significantly during the first two months of the year (see Table 2).

During the first quarter, share prices in the euro area did not move significantly, while the high volatility which characterised them in the wake of the terrorist attacks of September 2001 diminished notably. In particular, in January and February share prices stood somewhat below those at the end of 2001, while in March they recovered and then fell slightly. Stock markets in this period reflected to some extent the improved expectations for activity, although international political conflict and the uncer-

tainty that still exists over the strengthening of the incipient economic recovery in the main industrialised countries have prevented share prices from establishing a firmer upward trend. In mid-April, the Dow Jones EURO STOXX Broad index stood 1.6% below its level at the end of last year. In the case of Spain, the Madrid Stock Exchange general index showed a similar pattern of behaviour in the first few months of the year to that described for the euro area as a whole. However, as from March, it outperformed the euro area, its mid-April level being somewhat higher than that at the end of 2001.

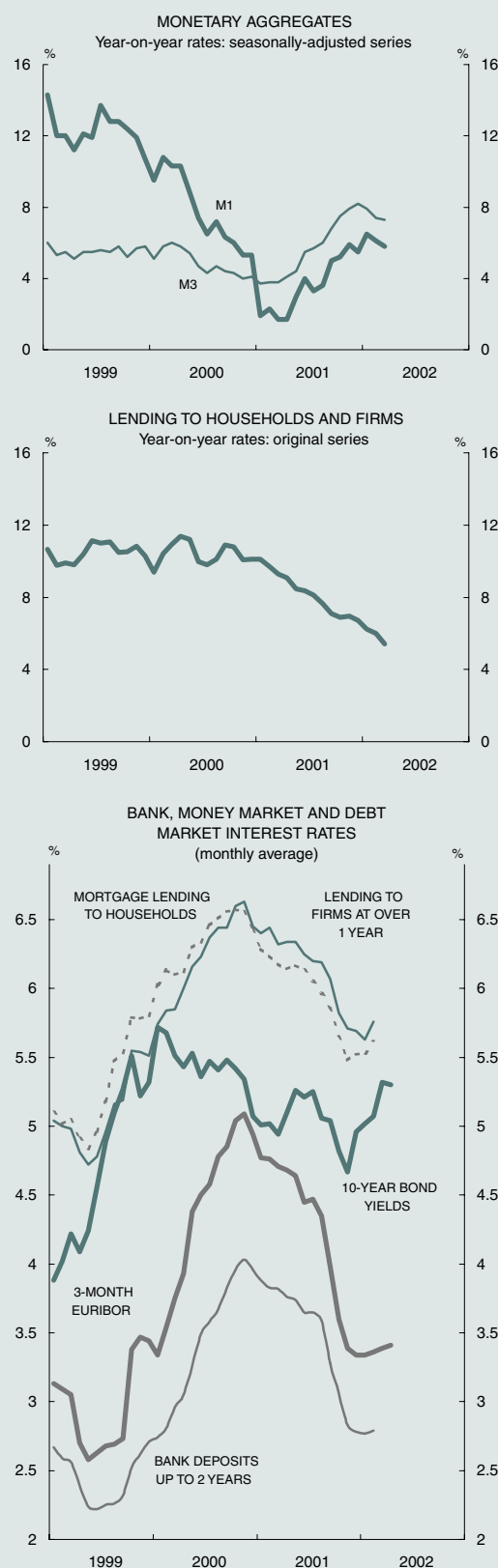
The euro exchange rate, meanwhile, has not moved significantly since December. It has fluctuated at around 0.88 US dollars per euro, while, against the yen, it appreciated slightly in January, and then held at the same level for the rest of Q1 (see Chart 11). The effective exchange rate of the euro against the developed countries stood, as the Spanish version of this bulletin went to press, very close to its level at the beginning of January.

Euro-area M3 changed trend in Q1. The year-on-year rate of change stood at 7.3% in March, having peaked at 8.1% in December. The deceleration is more evident when rates are observed over shorter periods; the annualised quarter-on-quarter rate of increase in the three months to March was 4.3%, as against 10.1% in 2001 Q4. This slowdown reflects the impact on agents' portfolio decisions of the reduced uncertainty surrounding the financial markets, which led to a lower preference for liquidity. The narrower aggregates, such as M1 and M2, displayed lower growth rates (of around 6%), similar to those at the end of 2001. In Spain, by contrast, the most liquid financial assets accelerated slightly in the first few months of the year, since the continued loss of momentum in time deposits was offset by greater buoyancy in cash and cash equivalents and in mutual funds.

With regard to the counterparts of the monetary aggregates, lending to the private sector of the euro area continued to slow, to reach a year-on-year rate of change of 5.4% in March, a low for the period since the start of Monetary Union. The moderation in borrowing has been mainly attributable to the slowdown in the pace of economic activity in recent months, since this variable displays a high degree of synchrony with the business cycle. The data available on lending by type and by agent for 2001 Q4 show that the moderation of lending is explained both by the non-financial corporations and by the households components and, within the latter, by

CHART 13

Monetary and credit aggregates and interest rates in the euro area



Sources: Banco de España and ECB.

the trend in consumer credit and by that in lending for house purchase. In Spain, the financing extended to the non-financial private sector increased during the first few months of the year at a relatively constant rate, which continued to be significantly higher than the

rate in the area as a whole (15.5% in March). Lending by resident institutions (the main component of the financing received by the non-financial private sector) grew in March at a year-on-year rate of 14.4%, which was somewhat higher than the end-2001 rate.

4. The Spanish economy

The second half of 2001 saw the prolongation of the cyclical downturn that had been affecting the Spanish economy since the previous year, against the worsening international background described in the preceding sections. Consequently, the contractionary nature of the contribution of external demand to GDP growth increased progressively, owing to the loss of momentum of exports. Meanwhile, national demand continued to slow mildly, meaning it was still able to post a relatively high growth rate in Q4 [2.6% year-on-year, measured on the basis of the trend-cycle series (1)]. Behind increased domestic expenditure was a still-robust rate of job creation, which sustained consumer spending, and the continuing thrust of both public-sector and residential construction. However, productive investment continued to fall significantly, affected particularly by weaker export markets and by the deterioration in expectations. In 2002 Q1, the gradual slowdown in national demand (to rates of around 2.3% compared with the same quarter a year earlier) should have continued owing to the somewhat more moderate growth of consumption and construction, while the rate of change of investment in capital goods should have been somewhat less negative than in the second half of 2001. Net external demand may have subtracted three-tenths of a point from GDP growth in 2002 Q1, a similar amount to that estimated by INE for the previous quarter, with the sluggishness of tourism notable on this occasion.

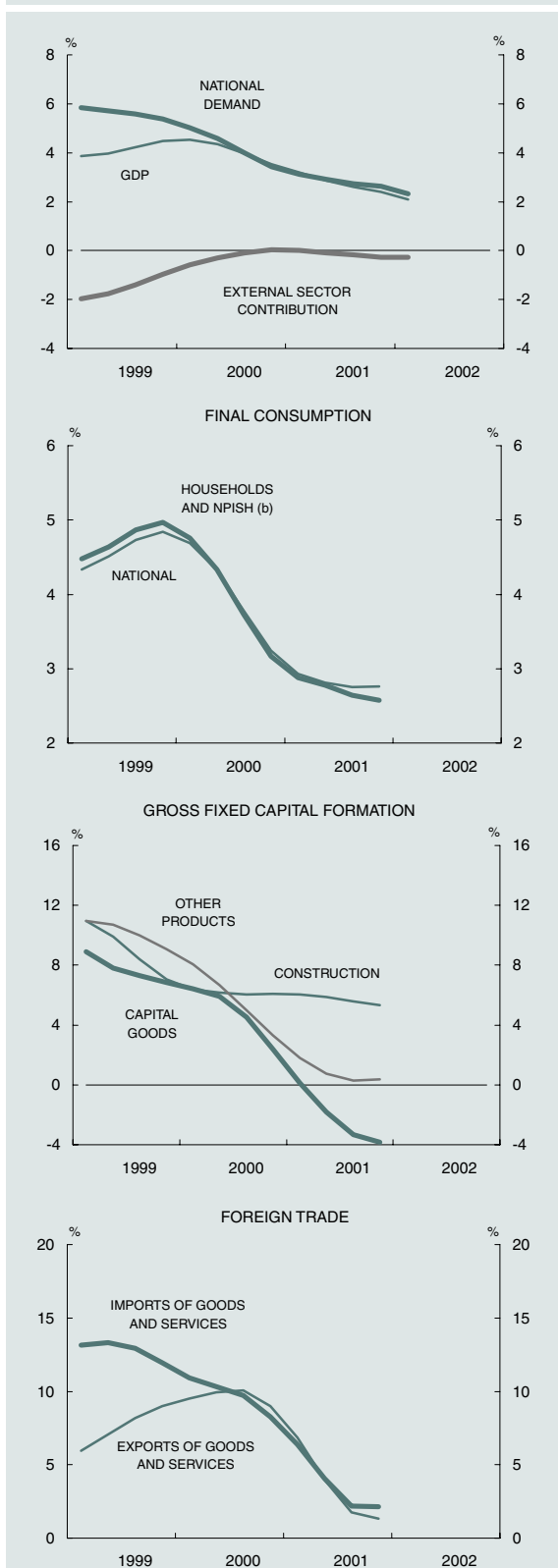
Overall, following a year-on-year increase of 2.4% in 2001 Q4, on QNA estimates in trend-cycle terms, real GDP is estimated to have risen by 2.1% in 2002 Q1. In terms of the seasonally adjusted GDP series, the year-on-year rate would be slightly below 2%, against 2.3% the previous quarter. However, the quarter-on-quarter rate of GDP growth measured in terms of the seasonally adjusted series (which offers a more contemporaneous signal than year-on-year rates, but one which is also more erratic) would have risen from 0.2% at end-2001 to 0.6% in 2002 Q1.

From the standpoint of activity, and according to the latest available indicators, the fresh loss of momentum of output in 2002 Q1 took the form of a weakening in market services and in construction (albeit with still-high rates), accompanied by a less negative performance of industrial activity, whose quarter-on-quarter rates will have turned positive. There is every indication that the moderation in productive activity made for a fresh reduction (one possibly sharper than in previous quarters) in the growth

(1) Unless otherwise indicated, Quarterly National Accounts rates will be expressed in trend-cycle terms.

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.

rate of employment, which had ended the previous year at a rate of 2% compared with twelve months earlier. Thus, the rate of increase of productivity, though low, would have tended to pick up. The information available shows that the growth of compensation per employee tended to moderate in Q1, which will have had a favourable bearing on unit labour costs. Further, import prices held on a downward course. This partly offset the fresh widening of margins, checking the rises in the main indicators of final prices.

4.1. Demand

On QNA estimates, the gradual slowdown in household final consumption spending in train since the beginning of the previous year (see Chart 14) continued throughout 2001, albeit with less intensity. In annual average terms it increased by 2.7%, while its growth in Q4 in relation to the same period a year earlier was 2.6%. This performance meant a cut of more than one percentage point in relation to the 4% increase in 2000, allowing the household saving ratio to pick up slightly last year. The as yet limited information available on the behaviour of consumption in 2002 Q1 indicates that this variable held at a growth rate close to that estimated at end-2001, which would be compatible with a further weakening of its pace in year-on-year terms.

The indicators most directly related to household spending point to a further moderation in the rate of expansion of durable consumption during the opening months of 2002. Non-durable spending, meanwhile, would have been more sustained (see Chart 15). Drawing on what are still partial data, the index of apparent consumption of consumer goods grew at a similar rate to the previous quarters. This corresponded to a slight increase in the growth rate of the apparent consumption of non-food goods, which was tempered by the less expansionary behaviour of the food component. With data to March, the retail sales index and the retail trade survey also showed signs of stability. Among the durable consumption indicators, those of the apparent consumption of this type of good exhibited a similar trend to that of the closing months of 2001, while new car registrations and consumer surveys in respect of the purchase of these goods fell back in 2002 Q1. Finally, the downward trend of the consumer confidence indicator continued during this period, reflecting worsening employment prospects and less favourable sentiment about the possibility of saving in the near future, against a background of rising price expectations. In any event, the unfavourable trend of incoming tour-

ists in the opening months of the year would suggest that, despite weakening domestic consumption, spending by residents was more sustained.

Among the determinants of household consumption, real disposable income is estimated to have grown less sharply than in 2001, against the background of a slight rise in the inflation rate and nominal wage moderation, accompanied by a lower rate of job creation. Indeed, as indicated in the previous paragraph, these trends have already borne on the decline in consumer confidence. Moreover, given the continuing flatness of securities markets, wealth gains are not expected to provide significant support to spending, except insofar as non-financial wealth should continue to rise, which would underpin less expansionary household consumption.

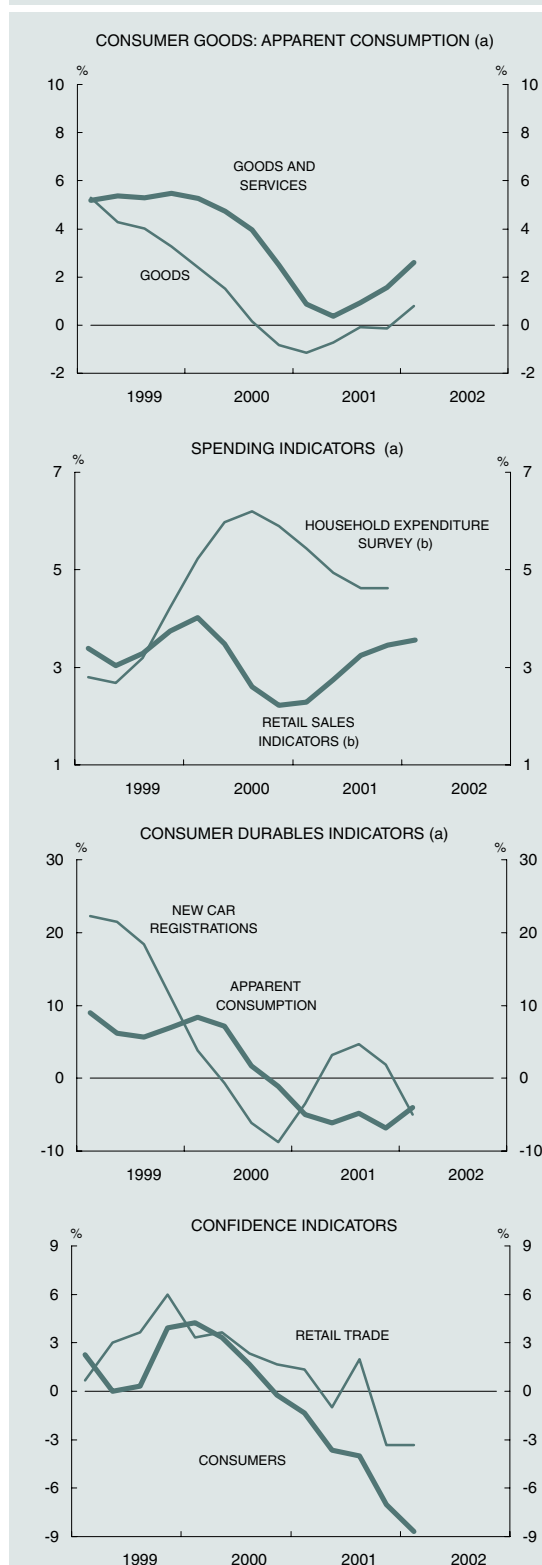
Final general government consumption posted average growth of 3.1% in 2001. The short-term information available, which is still relatively insignificant, points to a slowdown in this aggregate in the opening months of 2002, in line with the budgetary target for the year.

Gross fixed capital formation continued to lose steam last year, in step with its behaviour since early 1999. Its average growth fell to 2.9% against 5% on average in 2000. It was on a constant decelerating course over the year, standing at a rate of 2.3% in the final quarter. Contributing to this was, essentially, the declining behaviour of investment in capital goods, which ended the year having contracted notably. Construction spending was also less resilient than in 2001, despite sustaining a high growth rate. Construction would have been on a similar gradually slowing course in 2002 Q1, while the heavy year-on-year rate of decline of investment in capital goods was checked slightly.

The main economic indicators of investment in capital goods show a continuation of the weakness of and contraction in this variable in the opening months of the year (see Chart 15). Specifically, the index of apparent investment in capital goods, for which the information is still very limited, would appear to have slipped further, though less so than the industrial production of such goods, carried too in the wake of the heavy fall in sales abroad. Along these same lines, expectations regarding industrial orders, provided by the monthly business survey, remain at very negative levels, although they have worsened particularly in respect of foreign orders. Also, the business climate indicator in the capital goods sector remains at strongly negative levels, although its deterioration has been checked.

CHART 15

Private consumption indicators



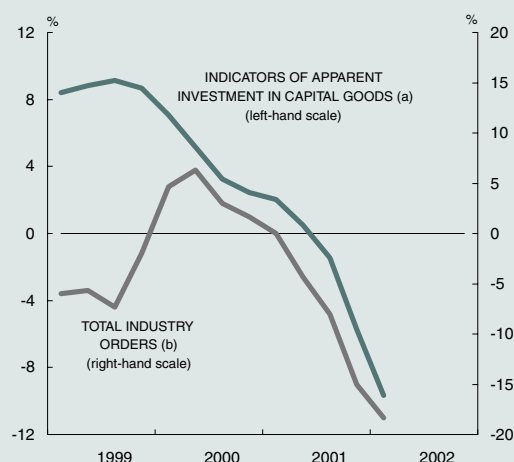
Sources: Instituto Nacional de Estadística, European Commission, Dirección General de Tráfico and Banco de España.

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

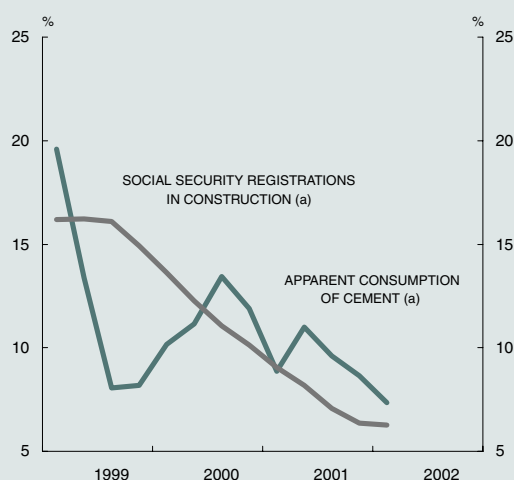
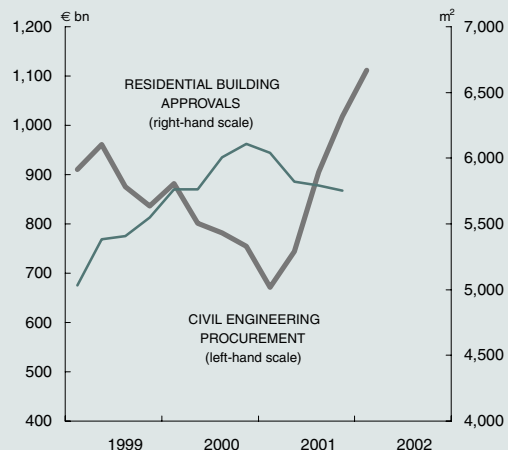
(b) Deflated by the CPI.

CHART 16

Gross fixed capital formation indicators



LEADING INDICATORS OF CONSTRUCTION (c)



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) Annual moving averages.

According to the latest data from the half-yearly survey of investment in industry, the corporations covered estimate a nominal decline of investment of 2% in 2002, slightly less than in 2001. In relation to prior years' results, there has been a notable turnaround in the influence that the financial position of firms, which has turned negative, has had on investment decisions. The information from the Banco de España quarterly central balance sheet data survey to 2001 Q4 reflects the consequences of the slowdown in activity on the results of non-financial corporations, which ended the year having posted lower increases than 12 months earlier. Both the return on net assets and the leverage ratio (the difference between this return and the cost of financing received) remain high. However, the increase in indebtedness, against a background of fewer funds generated from operations, might check the scale of any future recovery in capital spending once economic prospects brighten and investment plans are revisited.

The latest economic information on investment in construction shows this variable to be relatively firm, although it confirms the slowing trend initiated in the second half of 1999. The Construction Industry Survey (ECIC) to 2001 Q4 showed an acceleration in the volume of work conducted in this period, with growth of 8.5% in real year-on-year terms. Such buoyancy was the result of robust civil engineering works and of the vigour of building, particularly the residential component.

The coincident indicators of construction (apparent consumption of cement, production of construction materials and social security registrations, some of which can be seen in Chart 16) recovered in January and February this year, being interrupted, in the case of cement, with the March figure. Set against this, the number of unemployed in the industry climbed at increasingly higher rates to March. Likewise, the construction confidence indicator fell in Q1. As to the leading indicators, the data on official procurement pointed to substantial vigour being maintained, particularly so in building. Building permits and approvals by architects' associations, the information on which is somewhat more lagged, show a lower volume of housing starts in 2001.

On QNA results, investment in stocks in 2001 Q4 contributed one-tenth of a point to GDP growth. More up-to-date information from the monthly business survey showed stocks to be still above desired levels, in industry as a whole and for the various types of goods.

As indicated at the start of this section, the contribution of net external demand to GDP

growth in 2001 Q4 became more contractionary, subtracting three-tenths of a point of growth. The slowdown in real exports of goods and services, which had started modestly in 2000 Q4, intensified last year set against the sharp weakening of world trade and a certain loss of competitiveness. As a result, the attendant year-on-year increase was only 1.3%. The annual growth rate of imports stabilised at levels very close to those of the preceding quarter, interrupting the progressive deceleration that had marked their course in previous quarters. The as yet incomplete information for 2002 Q1 indicates that the negative contribution of net external demand to GDP stabilised at around the end-2001 levels. In the case of exports, the slight improvement in the terms of trade may have been offset by a deterioration in tourism, while imports should be performing in keeping with the slowdown estimated for final demand.

Throughout 2001 exports were on a slowing path which steepened in the second half of the year as the weakness in activity spread to the EU, the main market for Spanish products. Exports closed the year standing at negative growth rates. The trade figures available for January show slightly positive growth in exports in real terms. However, given the high erratism of these series, it would be premature to say that this figure marks the end of the deceleration in sales abroad. By region, the data show something of a recovery in exports to the EU, following the slide observed in the closing months of 2001, and a significant increase, when measured in real terms, in exports to other markets. By product groups, the various components strengthened in January with the exception of exports of capital goods and energy products, which continued to slump as they had done for much of the previous year.

As regards exports of services, non-resident consumption, measured by QNA, was on a moderating path during 2001, with this trend stepping up in the final quarter following the heavy reduction in world tourism prompted by the September 11th attacks in the United States. The latest indicators of overnight stays and foreign visitors lodged in hotels continued to trend very negatively in January and February (as did tourism revenue in January), although foreign visitors entering Spain at borders ran at positive rates in the first two months of the year. As to other non-tourist services, these rebounded slightly in 2001 Q4 after having moved on a slowing profile for some time. Indeed, the slowdown in this variable was notable over the year as a whole, in step with the sluggishness of goods exports and foreign visitors entering Spain. In addition, the buoyancy shown by financial services in recent years was interrupted



in 2001 as a result of the reduction in cross-border investment flows.

The slowdown in real goods imports was checked in 2001 Q4, thanks to the sustained increase in consumption in that period. Behind this development was the reduction in import prices; over the year as a whole, however, they were adversely affected by the slowdown in final demand and the weakness of industrial production. Customs data for January 2002 showed a rise in purchases abroad although, as indicated in the case of goods exports, any interpretation of these figures should be qualified in the light of the notable variability of the attendant series. By product groups, there was notable momentum in real capital goods purchases in January, after these had fallen strongly from 2001 Q2 onwards, and purchases of non-energy intermediate goods were more robust, in step with the improved industrial production of this type of good in recent months. However, consumer goods imports, which were

the most buoyant component last year, slowed notably in January, especially in respect of non-food goods. Lastly, purchases of intermediate energy goods – with their prices having been forcefully cut – grew at a burgeoning rate, accentuating the vigour characterising them since 2001 Q3.

The slowing profile of real services imports extended into 2001 Q4, signifying a marked moderation over the course of the year derived from the performance of non-tourist services, the slowdown in goods imports and the slide in foreign investment. However, tourism payments remained buoyant throughout the year, only slightly down on 2000 and in line with the trend of private consumption during 2001.

4.2. Output and employment

All market productive branches contributed to the slowdown in GDP in 2001 Q4, with the exception of the primary branches. The latter ended the year picking up to some degree after having declined in previous quarters. The basis of the pick-up in the sector was animal production, since agricultural output was affected by bad weather while livestock production and animal products (milk and eggs) ended the year 2001 on a clearly expansionary note. The outlook for the primary branches as a whole in 2002 is not favourable, in view of the bad start for the year in terms of rainfall. If there is not greater rainfall in the first two months of spring, there might be appreciable cuts in agricultural output.

The slowdown experienced by industrial activity since early 2000 continued in the closing months of 2001, against an adverse background of diminishing domestic demand and an international economic deceleration. On QNA estimates, industrial activity would have posted growth close to zero in Q4 last year, with production in the IT-related industries (electronic equipment and office machinery) and investment goods sector (essentially those derived from the metal transforming industry) having contracted. The information available for the opening months of 2002 might indicate that industry is undergoing a turnaround. The industrial production index trended favourably in the first two months of the year, posting a rate of decline in output appreciably lower than that in 2001 Q4. Nonetheless, the related confidence indicator held in Q1 at similar levels to those at the end of 2001, with orders still depressed and stocks that have not yet undergone any correction. Lastly, the indicators of employment in industry continue to slow (Social Security registrations posted a lower increase in the opening

months of the year), while unemployment increased in Q1.

The great buoyancy of construction over the past four years (it has recently been the most dynamic sector of the Spanish economy) was also a constant in the final months of 2001. On QNA estimates, construction activity increased in this period at a similar rate to that of 2001 Q3, interrupting the slowdown recorded until then. Notable among its components is the thrust of civil engineering works. As commented on analysing construction spending, the indicators available suggest the sector has remained robust in the opening months of 2002, albeit on a moderating trend.

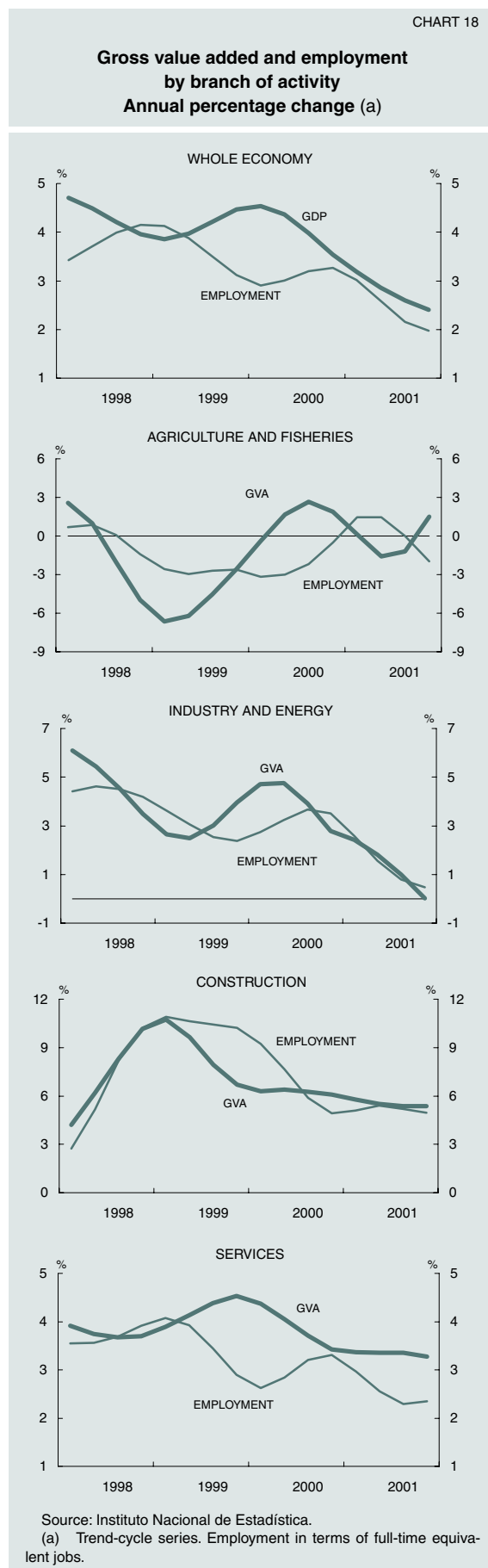
The stable growth evident in tertiary activities since 2000 Q4 continued over the final months of 2001: on QNA figures, growth exceeding 3% was recorded. As in the previous quarters, this stable pattern was the result of market and other services moving in opposite directions. While non-market services continued on an expansionary course, market services moderated slightly as a result of contained consumption and sluggishness in the industrial sector. These factors have remained present in 2002 Q1 and, consequently, market services are estimated to have held on a slow path in this period. Looking at the as yet incomplete information available, Social Security registrations in the services sector have continued decelerating in the opening months of the year, although confidence surveys have tended to show a profile of recovery. Among the market services branches, activity in the distribution trade would have held on the slowing line seen in 2001, in accordance with the course of Social Security registrations in the opening months of 2002. Set against this, the sales index for the sector picked up somewhat in January and February. Yet this should be viewed with caution owing to the methodological change in the survey in question. The growth rate in the hotel and catering trade has also moderated in the opening months of the year, as is reflected in Social Security registrations and overnight stays in hotels. Also, the decelerating pattern observed throughout 2001 in the transport and communications sector has continued, exacerbated by the contraction in air transport in the closing months of the year. However, overland and maritime transport have, along with communications, shown signs of something of a recovery. Lastly, according to labour indicators, there is an ongoing turnaround to higher growth rates in the branches of both financial institutions and business and real estate activities.

The economic slowdown in 2001 had a bearing on employment generation. On QNA

figures, jobs – measured in terms of equivalent full-time employment – increased by 2.4% over the year on average, down on 3.1% the previous year. As a result, apparent labour productivity advanced by only 0.3%. Nonetheless, in the market economy the slowdown in employment was sharper and productivity gains drew close to 1%, above the figures for the three previous years, even if these were low from a historical perspective. In Q4, total numbers employed increased by 2%, entailing a mild slowdown in relation to the summer months, in line with the relative stability shown by the indicators: the year-on-year rate of increase of Social Security registrations fell by one-tenth of a point to 4% from Q3 to Q4, while numbers employed according to the EPA (Labour Force Survey) grew by 1.8% in both periods. The information available for the early months of 2002 points to a further slowdown in job creation judging by the reduction (0.3 percentage points) in the rate of increase of registrations in Q1 and by employers' less optimistic expectations.

The diminished robustness of activity in the market sectors last year passed through to the job-creation process across the board, except in agriculture. The growth rate of employment declined by around two percentage points in the various non-farm activities, giving rise to an increase in productivity which was more significant in market services and in construction. Conversely, in industry, the loss of momentum in GVA was more intense than that in industry. A turnaround in the numbers employed in market services was seen in the final quarter of the year, with the year-on-year rate rebounding by 0.5 percentage points to 1.9%, which might be related in part to the hiring of extra staff for the changeover to the euro. In the other branches of activity, employment was less vigorous than in the autumn. Indeed, negative rates were resumed in agriculture following the increases in the first half of the year. The as yet partial information on Social Security registrations indicates that employment will – especially in industry – have slowed once more in 2002 Q1.

For the first time since 1996, growth in the numbers of self-employed outpaced that in dependent employment, the former growing by 2.8% in 2001 and the latter by 2.4%. In respect of contract duration and according to EPA figures, employees on permanent contracts underwent a greater slowdown in 2001, even though they grew by 2.8%, a rate double that for temporary employees. Consequently, temporary employees as a proportion of total employees fell once more – albeit modestly – to 31.7%. Despite the approval of certain stable-employment-promoting measures in March, the rate of increase of the number of employees on



permanent contracts diminished as from the spring to stand at 2.1% in Q4, while that of fixed-term employees held on a path of recovery. The figures on contracts reflected a gain in weight of permanent contracts. This ran into 2002 Q1 and was centred on conversions of temporary into permanent contracts, favoured by the reintroduction in March of rebates and confirmation of the employment-promoting permanent contract. As regards part-time employment, the effects of the new regulations are not yet perceptible in the EPA data: the number of part-time employees as a percentage of total workers (8.2%) increased slightly during the year, and did so to a greater extent through the rise in temporary rather than permanent contracts. In fact, part-time stable contracts ceased to be to the fore as from 2001 Q2, following the entry into force of Royal Decree-Law 5/2001.

From the standpoint of labour supply, the labour force grew moderately in 2001, although in the last two quarters of the year it began to move onto a rising trend. The participation rate stood at 51.6%, up 0.2 percentage points on the previous year, with a rising profile as from the spring that took the rate to 51.8% in the final months of 2001. The slight rise in participation made for a fall in unemployment of 6.6% during 2001, a process which progressively lost momentum as the year went by. Judging by the increase in registered unemployment, this process appears to have continued in the opening months of 2002. The unemployment rate declined by 1 percentage point to 13%, both in the course of 2001 as a whole and in its final months. For the year on average, the cut was to a greater extent among women (despite which the female unemployment rate is still twice the male rate) and among the young. The relative significance of long-term unemployment also diminished.

4.3. Costs and prices

On QNA estimates the GDP deflator – which summarises the domestic components of inflation – posted year-on-year growth of 3.5%, five-tenths of a point below the rate for the previous quarter, and four-tenths below the annual average. This slowdown was the result, first, of the moderating influence of indirect taxes (net of subsidies) on price formation, a fact which accounts for the value added deflator increasing by 3.8%, outpacing the GDP deflator. Further, there was a slowdown in the surplus per unit of value added (a squeeze on margins), while unit labour costs grew at 4%, a very similar rate to that of the previous quarter. Among the components of unit labour costs, value added per employee grew by 0.6%, as in Q3, while compen-

sation per employee held at the same growth rate as the previous period (4.7%).

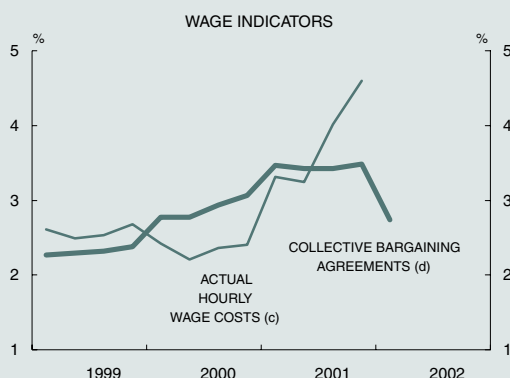
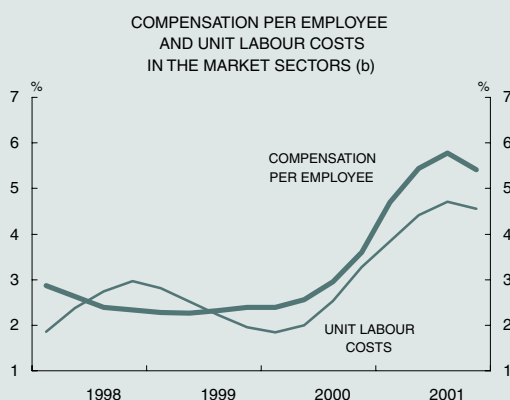
In the market economy, the growth of the gross value added deflator was 4% in Q4, six-tenths of a point down on the preceding quarter. As in the case of the economy as a whole, this slowdown was on a greater scale than that in unit labour costs, which grew by 4.6%, compared with 4.7% the previous quarter. In this instance, the increase in compensation per employee amounted to 5.4%, against 5.8% the previous quarter. The growth of the surplus per unit of value added moderated to 3.2%, 1.3 percentage points down on the preceding quarter, and also below the increase in the deflator. In annual average terms, the unit operating margin picked up slightly, although a progressive contraction was apparent in the second half of the year.

Among the indicators available on labour costs, the ICL (Labour Costs Index) posted a year-on-year increase of 5.1% per actual hour worked in Q4, up on the related figure for the previous quarter (see Chart 19). This result was the combination of a 4.5% rise in wage costs and a 7.2% increase in other labour costs, with both figures higher than in the previous quarters. By branch of activity, the ICL rose by 5% in industry, by 5.8% in construction and by 5.1% in services. Per employee per month, growth was more moderate: 4.4% for labour costs, and 3.7% for wage costs. The information available on collective bargaining in 2002 reveals a significant reduction in wage settlements, which stood at 2.7% with data to 31 March, eight-tenths of a point below the related rate in 2001 (without including the effect of inflation-adjustment clauses). Revised agreements, which are virtually all those recorded to date, incorporate a wage increase of 2.7%. In newly signed agreements, the agreed increase is 2.8%, in line with the content of the Inter-Confederal Pact for Collective Bargaining. Across the various branches, the biggest increase – though it remains rather unrepresentative – is in construction (3.7%), outpacing services (2.5%), industry (2.9%) and agriculture (3.3%).

Chart 20 depicts the performance of prices and costs across the different branches of activity, as approximated by QNA. In industry, the value added deflator slowed to 2.9% in Q4 after rising sharply in the first half of the year, while unit labour costs quickened as a result of the loss of steam in productivity. Accordingly, the gross unit operating margin narrowed significantly. The growth of the market services deflator was below that of the previous quarter, despite the slight acceleration in unit labour

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.

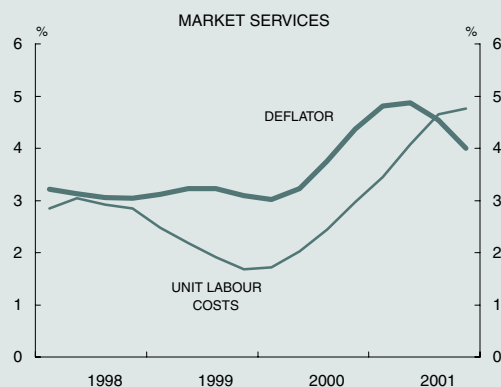
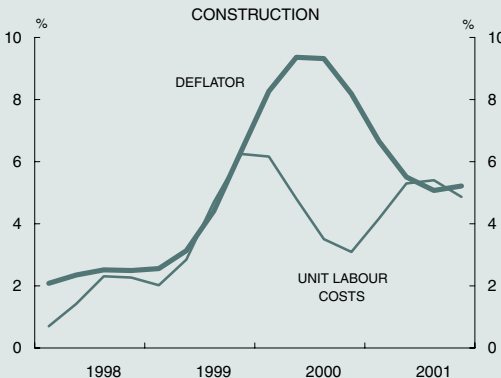
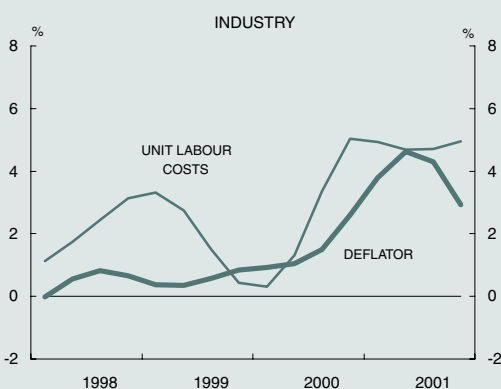
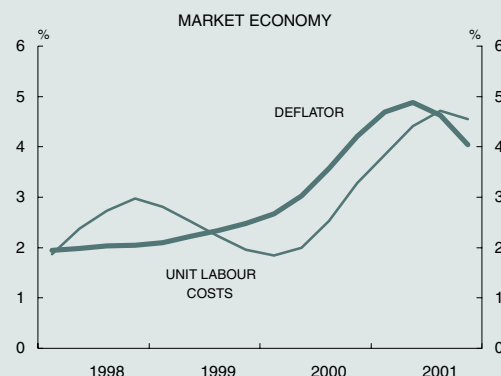
(d) Average wage increase for the current year, up to the reference month (excluding the effects of inflation-adjustment clauses).

costs. As a result the unit margin contracted, following the strong widening of margins in the first half of the year. Lastly, in construction, unit labour costs and the deflator grew at very close rates as from Q2, whereby margins tended to stabilise.

Final prices in the economy, approximated by the final demand deflator, slowed appreciably during 2001. The year-on-year rate of change of this deflator fell by more than two percentage points between Q1 and Q4, standing at 2% at the end of the year. Import prices were most influential here. The deflator of goods imports fell by 0.4% over the year as a whole (3.5% in Q4), compared with the increase of 1.4% in 2000, helping ease the pressures on domestic prices. The reduction in import prices was in response to the fall in energy prices, to the marginal appreciation of the euro and to the general easing of prices in the international economy.

CHART 20

Prices and costs by branch of activity (a)

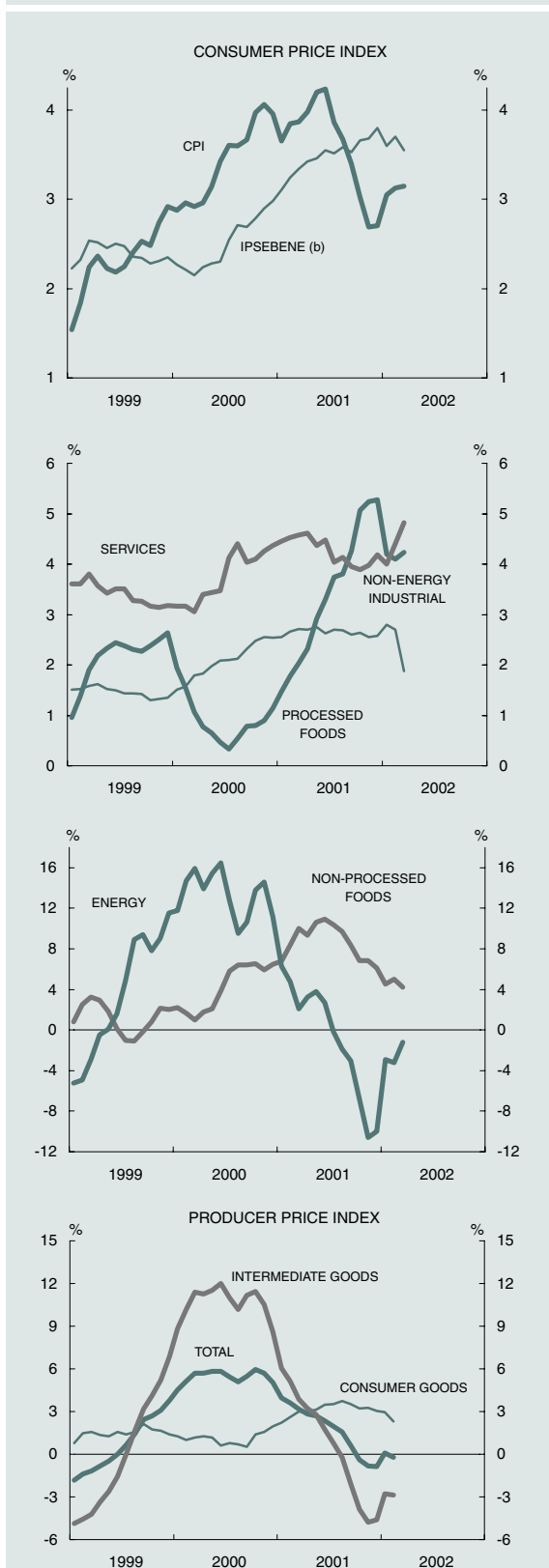


Source: Instituto Nacional de Estadística.

(a) Non-centred annual percentage changes based on the QNA trend-cycle series.

CHART 21

**Price indicators (a)
Spain**



Source: Instituto Nacional de Estadística.

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

(b) Index excluding energy and fresh good.

Among final price indicators, the twelve-month growth rate of the consumer price index (CPI) held at 3.1% throughout Q1, following the rise in January (see Chart 21). Before further analysing this indicator, mention should be made of the methodological change (2) introduced into the calculation of the CPI in January this year. The change means that comparisons between rates of change for the year 2002 and those for prior years should be interpreted with caution. The IPSEBENE (one of the usual measures of underlying inflation) slowed by three-tenths of a point during Q1, with the twelve-month rate for March standing at 3.5%. In terms of the main CPI components, energy and services prices quickened in Q1, while there was a steepening of the declining year-on-year trend in food prices that had begun in the final quarter of the previous year. Lastly, the prices of non-energy industrial goods, having rebounded slightly in January, slowed markedly in March.

The year-on-year increase in energy prices in January was the result of tax increases on fuel and butane gas, and of the strong reduction at the start of the previous year being stripped out the calculation. In the following months fuel prices moved onto a rising trend. This was steeper in March, in step with the trend of oil prices on international markets against the background of the relatively stable euro exchange rate. The slowdown in unprocessed food prices was due to the declining course of meat and fish prices, which had more than offset the sizeable rises in fruit and vegetable and potato prices in the opening months of the year. The various processed food components behaved very moderately, with the notable exception of oil prices. As regards services prices, the rebound in Q1 to a rate of 4.7% year-on-year in March reflects the price pressures in the hotel and catering trade and in public transport, which might be related to the adjustments made to set more attractive prices in euro. Tourism prices were under more marked pressure in March, as a result of the Easter holiday period. Lastly, non-energy industrial goods prices posted a heavy reduction in March to a twelve-month rate of 1.9%. Clothing and footwear, after undergoing abnormally high increases in the first two months of the year, resumed a more habitual rate in March. The behaviour of the remaining items was very moderate; the prices of video, sound, photographic and computer equipment were all on a falling trend.

In March, the inflation differential between Spain and the euro area, measured via the har-

(2) See Boletín económico (2002), "Principales cambios metodológicos en el IPC base 2001", febrero.

monised index of consumer prices (HICP), stood at 0.8 percentage points. Of note is the narrowing of the inflation gap in the prices of non-energy industrial goods in the opening months of the year and the negative differential in the case of unprocessed food. Both offset the positive differentials in the case of processed food and, especially, services.

The producer price index continued to post twelve-month changes of around 0% in the early months of 2002, although these were less accentuated than in 2001 Q4. The prices of intermediate goods posted successive declines in recent months, adding to which was the slowdown in consumer food prices. Lastly, the rate of increase of prices received by farmers continued to diminish following the burgeoning growth seen as from April 2001, taking the related twelve-month growth rate in December to -0.5%. This decelerating path would have also affected the household consumer prices component.

4.4. The State Budget

The National Accounts figures on the State Budget outturn to March 2002 show an increase in the surplus on public finances compared with the same period a year earlier. However, it should be borne in mind that the figures for the year 2002 (in both National Accounts and cash-basis terms) reflect the new financing arrangements for the Autonomous (Regional) Communities. These involve fresh assignments of certain taxes and, in parallel, a reduction in transfers from the State on the expenditure side. While these changes should not in principle affect the deficit for the year as a whole, as the arrangements are freshly in place their effect on month-to-month changes in the deficit cannot be known and, by extension, it is not possible to assess to what extent the increase in the surplus during this first quarter might be reflecting changes in the seasonality of the series.

In the first three months of the year, the State ran a surplus of €3.67 billion (0.5% of GDP), compared with €632 million (0.1% of GDP) in the same period a year earlier (see Table 3). Both revenue and expenditure fell appreciably on the same quarter of the previous year (8.2% and 18.3%, respectively), owing to the effects of the change in regional financing arrangements. Among the items not affected by this change, mention may be made of the fewer resources arising on property income, owing to the fall in Banco de España profits, and the increase in capital transfers received (virtually in their entirety from the European Union). Under

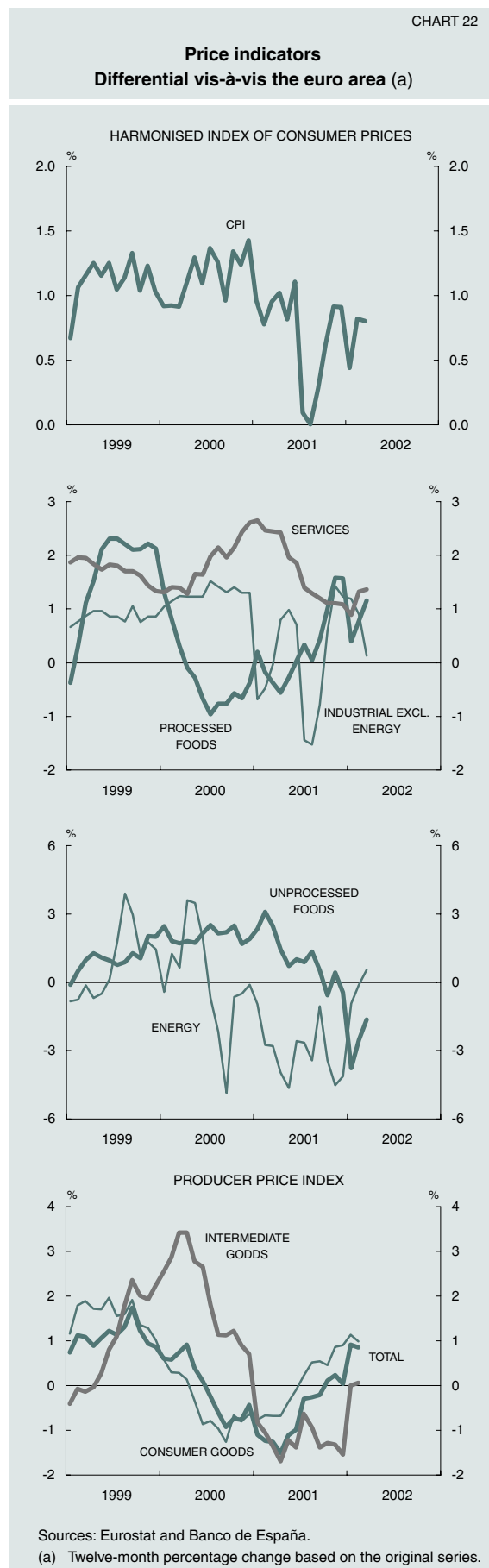


TABLE 3

State Budget outturn

€ millions and %

	Outturn	Percentage change	Budget	Percentage change	Outturn		
	2001	2001/2000	2002	2002/2001	2001	2002	Percentage change
	1	2	3	4=3/1	JAN-MAR	JAN-MAR	7=6/5
1. Revenue	125,187	5.5	110,620	-11.6	31,005	27,948	-9.9
Direct taxes	55,697	8.3	52,084	-6.5	11,375	10,327	-9.2
<i>Personal income tax</i>	<i>36,469</i>	<i>13.4</i>	<i>30,967</i>	<i>-15.1</i>	<i>10,619</i>	<i>9,326</i>	<i>-12.2</i>
<i>Corporate income tax</i>	<i>17,217</i>	<i>0.1</i>	<i>18,982</i>	<i>10.3</i>	<i>528</i>	<i>601</i>	<i>13.8</i>
<i>Other (a)</i>	<i>2,012</i>	<i>-3.0</i>	<i>2,134</i>	<i>6.1</i>	<i>228</i>	<i>400</i>	<i>75.8</i>
Indirect taxes	53,157	3.7	45,489	-14.4	15,919	13,751	-13.6
<i>VAT</i>	<i>34,674</i>	<i>3.8</i>	<i>30,266</i>	<i>-12.7</i>	<i>11,590</i>	<i>10,600</i>	<i>-8.5</i>
<i>Excise duties</i>	<i>16,612</i>	<i>3.5</i>	<i>13,170</i>	<i>-20.7</i>	<i>3,880</i>	<i>2,681</i>	<i>-30.9</i>
<i>Other (b)</i>	<i>1,871</i>	<i>2.5</i>	<i>2,052</i>	<i>9.7</i>	<i>449</i>	<i>470</i>	<i>4.9</i>
Other net revenue	16,333	2.1	13,047	-20.1	3,711	3,870	4.3
2. Expenditure (c)	128,072	5.7	114,294	-10.8	36,579	30,794	-15.8
Wages and salaries	16,827	3.5	17,525	4.1	3,873	3,843	-0.8
Goods and services	2,554	7.7	2,320	-9.2	697	565	-19.0
Interest payments	18,264	3.1	17,736	-2.9	8,986	7,465	-16.9
Current transfers	77,151	5.9	62,890	-18.5	18,930	15,373	-18.8
Investment	6,461	7.1	6,978	8.0	2,322	2,095	-9.8
Capital transfers	6,815	15.2	6,845	0.4	1,770	1,452	-17.9
3. Cash-basis balance (3 = 1 – 2)	-2,884	18.7	-3,675	27.4	-5,573	-2,846	-48.9
MEMORANDUM ITEM: NATIONAL ACCOUNTS (d):							
Revenue	126,338	5.9	—	—	31,007	28,476	-8.2
Expenditure	129,380	5.0	—	—	30,375	24,810	-18.3
Net lending (+) or borrowing (–)	-3,042	-22.3	-3,525	15.9	632	3,666	—

Source: Ministerio de Hacienda.

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

(b) Includes taxes on insurance premiums and tariffs.

(c) Includes unclassified expenditure.

(d) The figure for the forecast for 2002 (column 3) is from the Spanish Finance Ministry's reply to the Excessive Deficit Protocol.

expenditure, operating expenses (wages and salaries, and goods and services) were contained somewhat, growing by 3.3%.

In cash-basis terms, the data available give a State deficit of €2.85 billion to March 2002, considerably down on the €5.57 billion deficit accumulated in the same period in 2001. It is estimated that the discrepancy with National Accounts figures is due above all to other accounts receivable and to the difference between interest paid and accrued. This reduction in the cash-basis deficit in 2002 Q1 has been due to a fall in revenue less than that budgeted for the

year as a whole and to a decline in expenditure greater than that budgeted (see Table 3).

To analyse revenue, resort is had to uniform data that include all the main revenue captions, both the portion assigned to the State and that to other government tiers (which are not included in Table 3). In homogenous terms, personal income tax revenue grew 4.2% in Q1, slowing significantly on the year 2001 as a whole. The deceleration in personal income tax is due, on one hand, to the decline in withholdings on capital income and, on the other, to a clear slowdown in withholdings on income from work.

Conversely, indirect taxes quickened significantly in Q1. VAT grew by 8.7% in homogenous terms, compared with 3.8% in 2001 as a whole, and excise duties rose – also in homogenous terms – by 4.8% (3.5% in 2001). These developments are partly affected by the increases in certain tax rates, which were most relevant in the case of excise duties.

On the expenditure side, there was a fall in current transfers in Q1 in line with that projected for the whole of 2002. There were notable declines in spending on wages and salaries and on goods and purchases, which are not affected by the new regional financing arrangements. Interest payments also fell substantially owing to the public debt maturity schedule, as a result of which this fall may be expected to moderate during the year. Capital expenditure also diminished, though it will foreseeably pick up over the course of 2002, especially in the case of investment, in step with the Budget and with the guidelines laid down in the Stability Programme.

Turning to the Social Security budget out-turn, only partial information on the System for January is available. In terms of recognised entitlements, social security contributions increased by 3.6% compared with the same month a year earlier. Bearing in mind the odd one-off effect arising in that month, the growth rate – in homogenous terms – would have been 5.4%, a substantial deceleration in relation to the year 2001. This slowdown is partly attributable to the lower growth of the number of Social Security registrations, which was 3.4% in January 2002 (and has dipped to 3% in March) compared with 3.9% in 2001. On the expenditure side, pensions were up 6.4% in January on the same month a year earlier, slightly above budget for the year as a whole. The number of contributory pensions, however, has trended very moderately, with the related cumulative growth rate to March at 0.8%. The upward deviation in unemployment benefits is greater, their growth standing at 12.8% to March. This is due both to the rise in registered unemployment (5.2% to March) and to a higher eligibility ratio, the percentage equivalent of which was 72.9% in February against 68.5% at end-2001.

4.5. The Spanish balance of payments and capital account

In January 2002 the joint balance on current and capital account resulted in a surplus of €174 million, against the deficit of €881 million in the same month a year earlier. This improvement is due to the sharp increase in the capital-account balance, given that the current-account

Balance of payments: summary table (a)

€ m

	JAN-JAN	
	2001	2002
	Receipts	Receipts
Current account	18,524	18,827
Goods	10,193	10,337
Services	4,604	4,353
<i>Tourism</i>	2,367	2,094
<i>Other services</i>	2,237	2,259
Income	2,083	1,958
Current transfers	1,643	2,180
Capital account	507	1,644
	Payments	
	Payments	Payments
Current account	19,807	20,208
Goods	12,435	12,675
Services	2,994	3,365
<i>Tourism</i>	528	553
<i>Other services</i>	2,466	2,812
Income	3,152	3,198
Current transfers	1,227	969
Capital account	105	89
	Balance	
	Balance	Balance
Current account	-1,283	-1,381
Goods	-2,242	-2,338
Services	1,610	988
<i>Tourism</i>	1,839	1,541
<i>Other services</i>	-229	-553
Income	-1,068	-1,241
Current transfers	417	1,211
Capital account	403	1,555

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

deficit widened in this period owing to the deterioration of most of the attendant captions.

The trade-balance deficit increased by 4.3% year-on-year, compared with the 6.6% fall seen over the previous year as a whole. The improvement in the terms of trade in January could not fully offset the greater vigour that (as discussed in the previous section) real merchandise import flows continued to show in relation to export flows. The tourism surplus stood at €1.54 billion in January, signifying a decline of €298 million on the same period a year earlier, the result of the 11.5% fall in nominal proceeds in this month set against the 4.7% rise in expenditure. The deficit on the balance of other non-tourist services also worsened by €324 million to €553 million.

The income-balance deficit continued to widen – to €1.24 billion – in January, showing a year-on-year increase of 16.2%. This was the result of the revenue reflected by the private financial sector. Payments, though they slowed notably, exhibited slightly positive growth (1.5%) owing to the acceleration in public-sector spending. The balance on transfers, conversely, improved notably in January (€794 million), standing at €1.2 billion thanks to the increase in flows from the EU in connection with the EAGGF-Guarantee fund and to the decline in payments earmarked for the VAT resource.

Finally, the capital-account surplus also increased substantially (€1.06 billion) to €1.56 billion, further to the increase in total structural funds from the EU, especially those earmarked for the FEDER (Regional Development Fund).

The lending capacity displayed in these figures would suggest an improvement in the balances of the accounts of the households and corporations sector, derived in turn from the progressive slowing of residential investment and from the weakness of private productive investment, against a background of more moderate growth.

5. Financial flows in the Spanish economy

5.1. Financial flows in the economy as a whole

In 2001 Q4, in line with developments during the first three quarters, the debit balance of the net financial transactions of the nation fell slightly to stand at -1.9% of GDP, in cumulative four-quarter terms (1) (see Table 5). This moderate reduction in the net recourse to the savings generated in the rest of the world was, however, the result of disparate behaviour by the various institutional sectors of the Spanish economy.

On the one hand, general government completed the process of fiscal consolidation initiated several years ago and ended the year with its financial accounts in balance, a landmark in the recent history of Spanish budgetary policy. On the other, however, the net borrowing of the non-financial private sector increased, to stand at over 3% of GDP. According to the provisional information available for 2002 Q1, credit received by this sector from resident credit institutions is growing at lower rates than in 2001, although they are still high (around 14%) considering the relative cyclical weakness of activity.

The trend in the net balance of the non-financial private sector was determined by the behaviour of households. Thus, the information on Q4 seems to confirm the slowdown, already signalled in the previous quarter, in the recovery in the saving of this sector. This slowdown occurred in the final months of 2001 while household consumption was growing at a faster rate than GDP leading to a further increase in household indebtedness. Non-financial corporations, for their part, had the same net balance as in Q3 (-4.4% of GDP), which shows a relatively high level of net borrowing.

5.2. Financial flows of households

The net financial saving of households and NPISHs in 2001 Q4 was 0.2% of GDP, so that, in cumulative terms, in the year as a whole, it stood at 1.3% of GDP. This seems to confirm the slowdown of the recovery in household saving seen in the first two quarters of the year (see Table 5). This behaviour and that of private consumption (which in Q4 grew by more than GDP) may be at least partly attributable to the ongoing revaluation of wealth in real estate and also, to a certain extent, to the implications of the proximity of the launch of euro-denominated banknotes and coins.

(1) Throughout this chapter, including in the tables and charts, the figures refer to cumulative four-quarter data, unless stated otherwise.

TABLE 5

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

% GDP

	NET FINANCIAL TRANSACTIONS								
	1996	1997	1998	1999	2000	2001			
					Q4	Q1	Q2	Q3	Q4
Total economy	1.2	1.6	0.5	-1.1	-2.5	-2.3	-2.2	-2.0	-1.9
Non-financial corporations and households and NPISHs	5.1	4.0	2.1	-0.5	-2.8	-3.1	-2.5	-2.5	-3.1
Non-financial corporations	-0.1	-0.5	-1.2	-2.5	-3.8	-4.8	-5.1	-4.4	-4.4
Households and NPISHs	5.2	4.5	3.3	2.0	0.9	1.7	2.6	1.9	1.3
Financial institutions	1.0	0.7	1.0	0.5	0.7	0.7	0.8	0.8	1.2
General government	-4.9	-3.2	-2.6	-1.1	-0.3	0.0	-0.6	-0.3	0.0
INTER-SECTORAL FLOWS (a)									
Households and NPISHs	5.2	4.5	3.3	2.0	0.9	1.7	2.6	1.9	1.3
Vis-à-vis:									
Credit institutions (b)	-2.7	-6.7	-4.4	0.2	-0.2	-0.2	0.0	-0.5	-1.4
Institutional investors (c)	8.8	10.8	7.4	0.7	0.5	1.6	2.5	3.1	4.2
Non-financial corporations	-0.1	-0.5	-1.2	-2.5	-3.8	-4.8	-5.1	-4.4	-4.4
Vis-à-vis:									
Credit institutions (b)	-0.3	-3.2	-4.3	-3.8	-6.7	-5.7	-4.4	-4.3	-3.9
Rest of the world	0.4	1.7	0.9	-0.8	1.5	0.8	-0.6	-0.4	-2.2
General government	-4.9	-3.2	-2.6	-1.1	-0.3	0.0	-0.6	-0.3	0.0
Vis-à-vis:									
Credit institutions (b)	-0.4	1.4	1.4	1.0	2.3	0.5	-0.3	-0.8	-2.4
Institutional investors (c)	-5.9	-3.9	-2.6	1.7	3.5	3.8	3.6	2.8	2.6
Rest of the world	-0.2	-2.0	-1.1	-3.9	-5.9	-4.8	-4.5	-3.1	-1.8
Rest of the world	-1.2	-1.6	-0.5	1.1	2.5	2.3	2.2	2.0	1.9
Vis-à-vis:									
Credit institutions (b)	0.9	2.8	7.1	2.0	5.1	5.3	3.3	4.7	3.9
Institutional investors (c)	-0.9	-2.5	-6.3	-3.6	-5.8	-5.5	-5.2	-5.0	-4.7
Non-financial corporations	-0.4	-1.7	-0.9	0.8	-1.5	-0.8	0.6	0.4	2.2
General government	0.2	2.0	1.1	3.9	5.9	4.8	4.5	3.1	1.8

Source: Banco de España.

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

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

(c) Insurance corporations and collective investment undertakings.

Analysing the trends in the financial instruments in which household saving is invested shows that in Q4, as during the whole of 2001, household acquisition of financial assets was less intense than in the preceding quarter, standing at 8.2% of GDP (see Table 6 and Chart 23). *Cash and cash equivalents* increased slightly to 1.3% of GDP (with a significant shift, away from cash, towards sight and saving deposits), but *other deposits and fixed-income securities* declined (3.1%, as against 4.6% in Q3). The acquisition of shares in FIAMM, as already mentioned, increased at high rates, confirming the change in the downward trend that dates back to 1999. Ex-

pansion of this form of collective investment is consistent with the more stable trend in its yield relative to other instruments with higher risk, against a background of great uncertainty over the course of economic activity and of pronounced volatility in domestic and international stock markets. Finally, insurance technical reserves stabilised in Q4 (2.7% of GDP), which may at least partly reflect the petering out of the process of growth of unit-linked.

With respect to transactions on the liabilities side (see Table 6), the financing received by households totalled 7% of GDP, slightly down

TABLE 6

Financial assets and liabilities of households, NPISHs and non-financial corporations
(Cumulative data for the last four quarters)

% GDP

	1998	1999	2000	2001		
				Q2	Q3	Q4
HOUSEHOLDS AND NPISHs:						
Financial transactions (assets)	9.7	9.3	8.7	10.2	9.1	8.2
Cash and cash equivalents	3.2	4.5	1.0	1.4	0.9	1.3
Other deposits and fixed-income securities (a)	-1.8	2.5	6.3	5.3	4.6	3.1
Shares and other equity (b)	0.0	0.1	0.5	0.4	0.5	-0.1
Mutual funds	5.0	-2.2	-3.4	-0.4	0.2	0.8
FIAMM	-1.1	-1.4	-1.4	0.1	0.7	1.3
FIM	6.1	-0.8	-2.0	-0.5	-0.5	-0.5
Insurance technical reserves	2.4	3.2	3.4	2.5	2.4	2.7
Of which:						
Life assurance	1.2	2.0	2.0	1.1	1.0	1.7
Pension funds	1.0	0.9	1.1	1.1	1.1	0.6
Other	0.9	1.1	1.0	1.1	0.5	0.6
Financial transactions (liabilities)	6.4	7.3	7.8	7.6	7.3	7.0
Credit from resident credit institutions	5.9	6.5	6.8	6.3	5.8	5.0
Securitisation funds	0.5	0.6	0.1	0.0	0.2	0.3
Other	0.1	0.2	0.8	1.2	1.2	1.6
NON-FINANCIAL CORPORATIONS:						
Financial transactions (assets)	14.0	17.5	27.4	24.9	19.6	18.0
Cash and cash equivalents	1.5	0.7	0.9	0.6	0.7	1.6
Other deposits and fixed-income securities (a)	0.2	-0.2	1.1	1.0	0.2	0.5
Shares and other equity	3.1	8.2	14.0	11.6	8.2	4.3
Of which:						
Vis-à-vis rest of the world	2.2	6.5	10.8	9.5	7.6	3.6
Other	9.2	8.8	11.3	11.7	10.5	11.6
Financial transactions (liabilities)	15.2	20.0	31.1	30.0	24.0	22.3
Credit from resident credit institutions	4.6	4.8	6.7	5.5	5.3	6.1
Securitisation funds	0.2	0.4	0.9	0.7	0.9	0.8
Foreign loans	1.6	3.0	3.5	4.9	3.3	3.5
Debt securities (a)	0.0	0.5	-0.5	-0.2	0.1	0.1
Shares and other equity	2.7	5.1	12.3	11.3	7.2	3.9
Other	6.2	6.0	8.2	7.7	7.1	7.9
MEMORANDUM ITEMS: YEAR-ON-YEAR GROWTH RATES (%):						
Financing (c)	16.7	19.5	18.9	17.5	15.2	15.1
Households and NPISHs	19.3	19.6	17.3	15.0	14.0	12.2
Non-financial corporations	14.7	19.4	20.0	19.4	16.0	17.3

Source: Banco de España.

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

(b) Not including mutual funds.

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

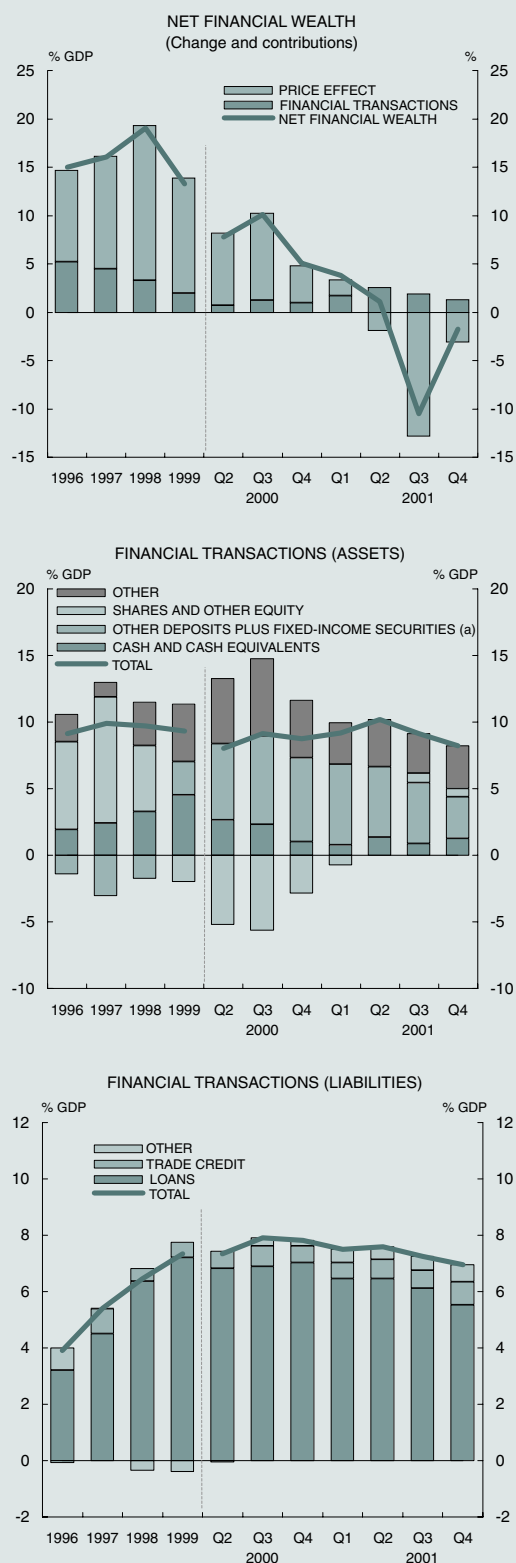
from the 7.6% and 7.3% levels of the preceding quarters. Credit from resident institutions, still the main source of household financing, was equal to 5% of GDP. When this proportion is adjusted for the growth of securitisation funds the slowdown in the financing of households is seen to have been only moderate. Box 3 provides more information on the relative weight of

the main factors that have influenced the recent path of this variable. The behaviour of credit has led to an additional increase in the indebtedness of Spanish households (see Chart 25).

According to the available information on the distribution of credit by end-use, the financing extended by resident institutions for house purchas-

CHART 23

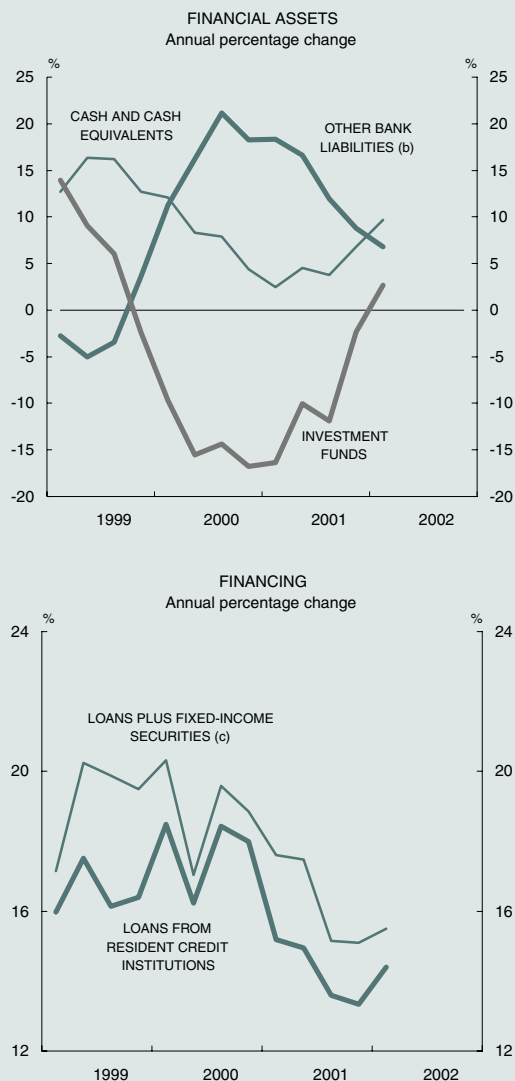
Households and NPISHs (a)
(Cumulative four-quarter data)



Source: Banco de España.
(a) Not including unpaid accrued interest, which is included under "Other".

CHART 24

Non-financial corporations.
Households and NPISHs (a)



Source: Banco de España.
(a) The data for 2002 Q1 are provisional.
(b) Includes deposits with an agreed maturity, repos, bank securities and deposits abroad.
(c) Including loans from resident and non-resident credit institutions, securities issuance and financing through securitisation funds.

es decelerated, although it continued to grow at high year-on-year rates (16.5%, as against 19.8% in the previous quarter). For its part, consumer credit continued to display significant year-on-year growth rates (above 22% in Q4), which may have helped maintain the relative strength of private consumption last year.

The provisional information available for the first few months of 2002 shows relative continuity of the main patterns described above (see Chart 24). On the side of net financial investment, shares in FIAMM and, to a lesser extent, in fixed-

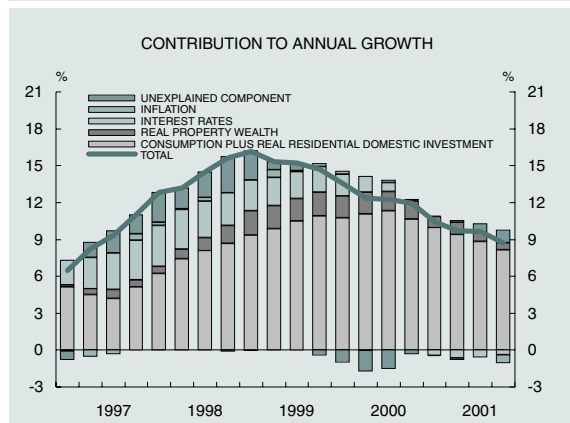
The determinants of the growth of lending to households

In the second half of the nineties lending by resident financial institutions to households and non-profit institutions serving households (NPISHs) grew rapidly, reaching high nominal growth rates of over 17% during the period 1998-2000. In 2001, the financing of this sector decelerated to an end-year growth rate of around 12%. The factors responsible for this behaviour are closely related to the cyclical position of the economy, changes in financial conditions and the balance-sheet position of households. That, at least, is what is indicated by the results of a recently estimated single equation econometric model.

Among the determinants of bank lending to households, this model has included, first, the sector's spending on consumption and house purchase. As well as being a scale variable, spending is also an indicator of the cyclical position of the economy and, in that sense, may also incorporate the influence of cycle on the lending policies of financial institutions. A second relevant factor in the determination of the credit obtained by households is the cost of bank loans, which directly affects their borrowing capacity. A third group of variables that influence bank lending are those related to the solvency of economic agents, in particular, those referring to their balance sheet position: wealth or net worth, financial assets, real assets and debt. Thus, the net worth of households affects, on one hand, their borrowing capacity, through its effect on the permanent income of the sector. On the other hand, the balance-sheet position of households, through its effect on their financial solvency, has a significant influence on the readiness of institutions to lend to this sector. Finally, the demand for finance from the non-financial private sector, as well as the lending policy of banks, is also affected by the degree of price stability.

The estimation of the equation so constructed enables the contribution of each of these factors to the annual growth of lending to be analysed. The expansion of lending, in real terms, since 1997, is basically explained by the growth of consumption and domestic residential investment, the contributions of which were increasing until 2000 (see adjoining chart). The slowdown in household spending since the end of that year would partly explain the reduction in the rate of growth of credit, in real terms. Also, the reduction in the cost of bank loans during the period 1997-1999 (within the context of interest-rate convergence prior to the start of Stage Three of EMU) also helped to increase bank lending significantly (its average contribution during that period was 2.5 percentage points). The expansionary effect of this variable diminished notably during 2000, turning negative in 2001, as a consequence of the progressive increase in retail bank lending rates. As the interest-rate effect was gradually tailing off, the importance of the increase in real wealth was increasing, driven by the sharp rise in real-estate asset prices. During the period 1999-2000, the average contribution of this variable was almost two percentage points, although it fell slightly thereafter. Finally, inflation seems to have had only temporary effects in recent years.

Real lending by financial institutions to households and NPISHs



Source: Banco de España.

income FIM, whose prospects have improved following the announcement of the abolition of the withholding on change-of-fund operations, are still growing at a brisk rate. At the same time, a moderate expansion of cash and cash equivalents is discernible, although it is offset by slower growth in other bank liabilities. As for financing, loans from resident credit institutions continue to grow at a relatively high rate.

It should be pointed out finally that, at the end of Q4, household debt rose both in terms of the most liquid component of household financial wealth and in terms of GDP. In the latter case, in particular, it showed significant growth (49.6%, as against 48.7% in the previous quarter) (see Chart 25). However, the rapid recovery in stock exchange indices following the attacks of 11 September meant that, relative to the total

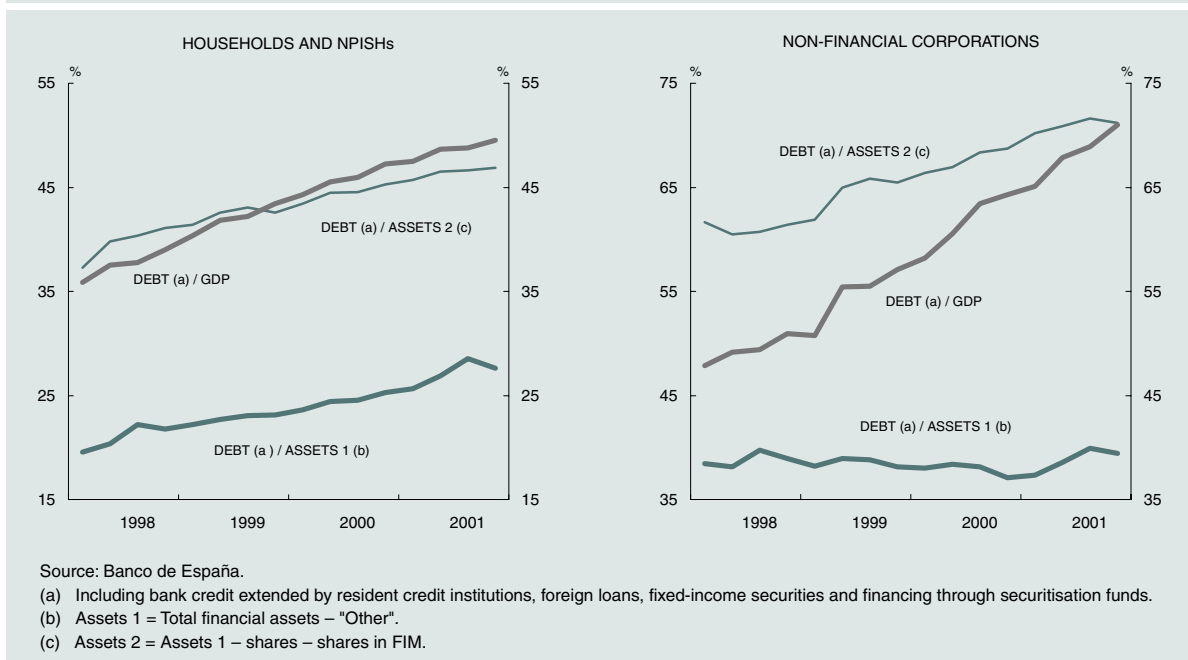
volume of financial assets, the level of debt fell slightly to 27.6%, which was still higher than at the end of 2000.

5.3. The financial flows of non-financial corporations

During 2001 Q4 the balance of the net financial transactions of non-financial corporations was -0.3% of GDP, which in cumulative four-quarter terms entailed a debit balance of 4.4% of GDP. This was a similar level to that seen in the previous quarter (see Table 5) which, as mentioned in the last report, may be reflecting firms' diminished capacity to generate funds (and, therefore, to finance themselves) against a background of deceleration in capital goods investment and continued buoyancy in construction.

CHART 25

Debt ratios



The volume of financial assets acquired and of liabilities incurred by this sector sustained the downward trend that commenced at the beginning of 2001. It should be recalled, however, that the figures for 2000 included special transactions associated with the sharp increase in purchases of businesses abroad and with the financing of third generation mobile telephone licences (see Chart 26 and Table 6).

On the assets side, the net acquisitions of non-financial corporations represented, in 2001 Q4, 18% of GDP, as against almost 20% in Q3. This reduction was the net result of the continuation of trends apparent in previous quarters: on one hand, the decline in purchases of shares and other equity continued (4.3% of GDP, as against 8.2% in Q3). On the other hand, as seen in Table 6, cash and cash equivalents peaked at 1.6% of GDP. Although this level is relatively moderate, it may, to some extent, reflect a temporary phenomenon arising from higher cash needs as a result of the proximity of the euro changeover.

As for liabilities, the reduction in flows was similar in size. One of the most notable aspects was the behaviour of the financing received from resident credit institutions (adjusted for the effects of securitisation), which increased in Q4 by one percentage point, to reach almost 7% of GDP. By productive sector, the growth of credit to the services sector accelerated (to 12.1% year-on-year), while that of credit to the construction sector held

at the same level as in the previous quarter (9%). However, lending to industry (excluding construction) decelerated sharply. Foreign loans accelerated, albeit moderately (3.5% of GDP), but firms reduced their share issuance from 7.2% of GDP in Q3 to 3.9% in 2001 Q4.

As a consequence of the increase in the volume of financing received by non-financial corporations debt ratios rose further, to reach, as at end-December 2001, 70% in terms of GDP and 71.2% relative to their most liquid assets (see Chart 25). These levels are similar to those recorded in other European countries, although they are higher than those observed historically in Spain under similar cyclical conditions.

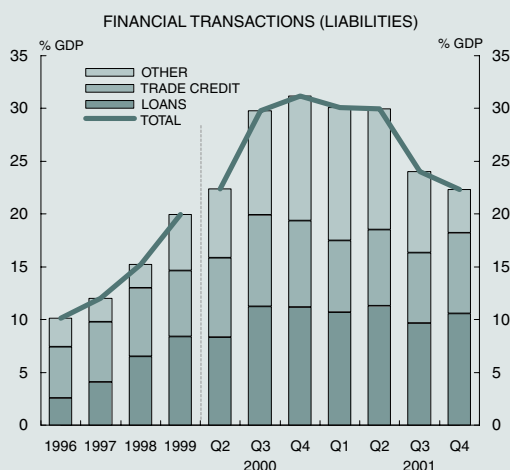
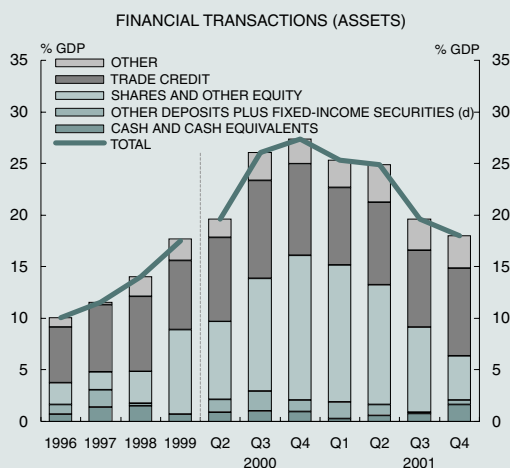
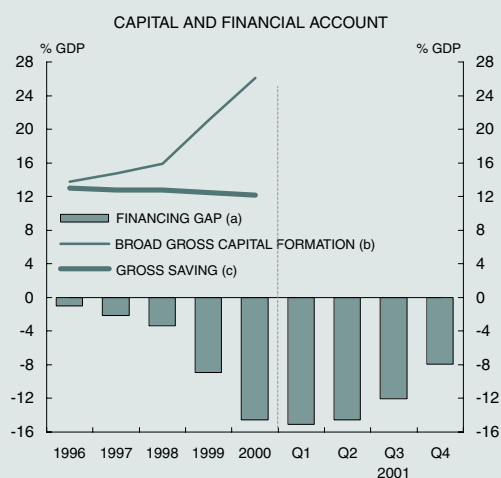
5.4. General government financial flows

The balance of general government financial transactions was negative in 2001 Q4 (see Chart 27). However, in cumulative four-quarter terms this meant net borrowing was zero. This balancing of the budget was the result of a Social Security System surplus combined with central and territorial government deficits.

The absence of further net borrowing did not, however, halt the restructuring of the general government financial accounts (see Chart 27). On one hand, the net financing received from financial institutions continued to grow (2.6% of GDP), as a consequence, among other factors,

CHART 26

Non-financial corporation (Cumulative four-quarter data)



Source: Banco de España.

(a) Financial resources that cover the gap between real and permanent financial investment and gross saving.

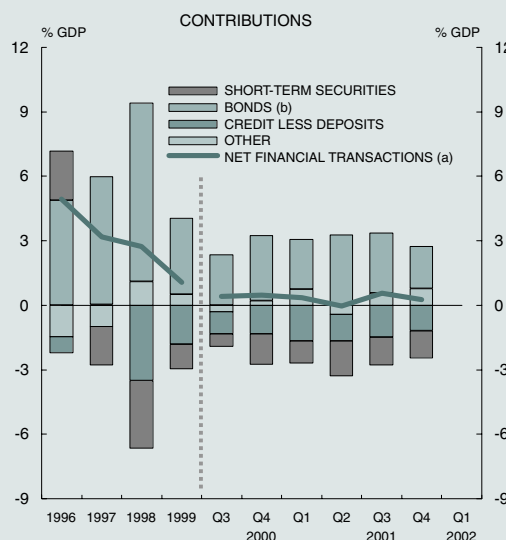
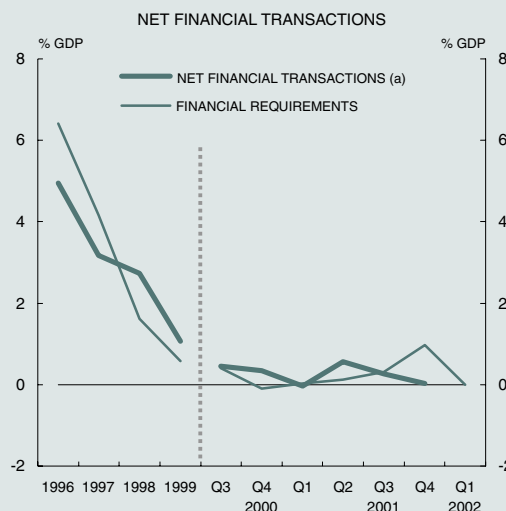
(b) Including gross capital formation, stockbuilding and foreign equities.

(c) Including capital transfers.

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

CHART 27

General Government (Cumulative four-quarter data)



Source: Banco de España.

(a) Sign changed.

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

of the large drawdown on the State deposits held at the Banco de España and of the Treasury's liquidity tenders. On the other hand, although the rate of acquisition of debt by non-residents was unchanged (1.8% of GDP), it was more than offset by the net disinvestment in these assets by resident institutional investors.

The provisional information available on flows in 2002 Q1 suggests that the general government accounts remained in balance. On the liabilities side, the net issuance of short-term securities (€ 574 billion) continued to decline, while the issuance of long-term securities (€ 1,961 billion) increased. At the same time, credit received grew at the same rate as in the pre-

TABLE 7

Financial transactions of the nation (Cumulative data for the last four quarters)

% GDP

	1998	1999	2000	2001		
				Q2	Q3	Q4
Net financial transactions	0.5	-1.1	-2.5	-2.2	-2.0	-1.9
Financial transactions (assets)	12.3	14.8	24.4	23.1	16.0	10.3
Gold and SDRs	0.0	-0.2	0.0	0.0	0.0	0.0
Cash and deposits	3.2	1.7	2.8	2.4	-0.5	-2.6
Credit system	0.0	3.7	2.5	1.8	-0.5	-2.8
Other resident sectors	3.2	-2.0	0.4	0.6	0.1	0.1
Securities other than shares	3.4	2.8	3.8	6.6	5.7	6.8
Credit system	-1.4	-0.9	-0.3	1.8	1.0	2.0
Other resident sectors	4.7	3.7	4.1	4.9	4.8	4.8
Shares and other equity	4.3	9.8	15.1	10.9	8.1	3.6
Credit system	0.4	0.7	1.7	0.6	0.3	-0.1
Other resident sectors	3.9	9.0	13.3	10.2	7.8	3.7
Of which:						
Non-financial corporations	2.2	6.5	10.8	9.5	7.6	3.6
Loans	1.4	0.7	2.7	3.1	2.6	2.5
Credit system	0.2	-0.2	0.5	0.6	0.7	0.8
Other resident sectors	1.2	0.9	2.2	2.5	1.9	1.8
Financial transactions (liabilities)	11.8	15.9	26.9	25.3	18.0	12.2
Deposits	5.9	4.1	6.7	5.9	5.0	2.8
Of which:						
Credit system	5.9	4.1	6.8	6.0	5.0	2.8
Debt securities issued	1.0	5.4	6.9	5.6	4.0	3.1
Credit system	0.2	0.9	0.8	0.8	0.6	0.6
General government	1.0	4.3	5.7	4.3	2.9	1.6
Other resident sectors	-0.2	0.2	0.5	0.5	0.4	0.9
Shares and other equity	2.9	3.9	9.0	8.4	5.9	3.5
Credit system	0.1	0.3	1.6	1.1	0.4	0.5
Other resident sectors	2.8	3.6	7.4	7.3	5.5	3.0
Loans	2.2	3.4	4.5	5.8	4.0	4.3
General government	0.1	-0.4	0.1	0.0	0.0	0.1
Other resident sectors	2.1	3.7	4.4	5.8	4.0	4.2
Other, net (a)	-0.2	-0.9	-0.3	-0.5	-0.9	-1.5

Source: Banco de España.

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

vious quarter. On the side of financial assets, the growth of the balance on the current account of the State at the Banco de España was notable (€ 2,488 billion). It is also important to point out that, during 2002, Spanish debt has established a differential with respect to the German *bund* of around 15-20 basis points (almost 10 basis points smaller than at the beginning of 2001), as a result of the decision of Moody's to raise its credit rating to top grade in December 2001.

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

As already mentioned at the beginning of this chapter, the balance of the nation's financial transactions during 2001 Q4 was somewhat less negative than in the same quarter of the previous year, standing at -1.9% of GDP in cumulative terms (see Table 7). As in the three previous quarters, the volume of financial transactions (assets and liabilities) with non-resi-

TABLE 8

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

% GDP

	1996	1997	1998	1999	2000	2001 (b)
Total economy	-20.2	-21.0	-21.8	-22.0	-20.2	-22.5
Non-financial corporations and households and NPISHs	-13.3	-10.8	-8.6	-8.7	-0.8	-2.1
Non-financial corporations	-18.3	-17.1	-14.8	-16.3	-8.4	-9.7
Households and NPISHs	5.0	6.3	6.2	7.6	7.6	7.6
Financial institutions	8.3	6.7	4.7	6.8	5.1	4.6
Credit institutions (c)	6.7	2.4	-5.4	-7.5	-12.5	-14.6
Institutional investors (d)	1.7	4.4	10.5	14.9	18.4	20.8
Other financial institutions	-0.1	-0.1	-0.4	-0.6	-0.8	-1.6
General government	-15.3	-17.0	-17.9	-20.1	-24.5	-24.9

Source: Banco de España.

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

(b) Q4 data.

(c) Defined according to the First Banking Directive.

(d) Insurance corporations and collective investment undertakings.

dents continued to moderate in 2001 Q4. This more subdued financial activity with the rest of the world reflects, first, the moderation in the cross-border acquisitions of financial and non-financial corporations. Likewise, the decline in cross-border financial flows is associated with the weakening of activity in a large number of the world's economies and with the increase in uncertainty on international financial markets, arising, initially, from the attacks of 11 September, and subsequently sustained by energy-price developments, the conflict in the Middle East and the social and political crises in certain Latin American countries.

In 2001 Q4, the acquisition of external financial assets amounted to 10.3% of GDP, as against 23.1% and 16% in Q2 and Q3, respectively. The growth in purchases of fixed-income securities, as a result of the ongoing internationalisation of the portfolios of resident sectors (primarily credit institutions and institutional investors), was notable (6.8% of GDP), but was outweighed by the significant reduction in the cross-border acquisition of

shares and other equity. Credit to non-residents held at similar levels to those of the previous quarter (around 2.5% of GDP).

On the liabilities side, net flows totalled 12.2% of GDP in 2001 Q4, as against 18% and 25.3% in Q2 and Q3, respectively. The most notable aspect of this decline in financing raised was the significant reduction in the acquisitions of shares in non-financial corporations by non-residents, which fell by 2.5% of GDP during the quarter. The financing raised by the credit institutions, mainly through deposits and by general government through the placement of government debt abroad, was also less than in the preceding quarter.

With respect to 2002 Q1, balance of payments information is only available for January. In broad terms, this points to a certain continuity in the patterns observed in the preceding quarter.

29.4.2002.

Results of non-financial corporations in 2001 Q4 and summary year-end data (1)

1. INTRODUCTION

As in previous articles, the data compiled by the Central Balance Sheet Office Quarterly Survey (CBQ) for 2001 Q4 show that the productive activity of non-financial corporations lost momentum during 2001. This was mainly due to the slowdown in external demand and investment in capital goods, as alternative sources show (see Table 1 and Chart 1). The diminished pace of activity exerted a greater influence on manufacturing firms, which were especially affected by these adverse factors. That marked a contrast with the favourable results achieved in 2000, especially in the first six months when significant growth in the value added generated by these corporations was detected (see Table 2.a and Box 1) (2). Mention should also be made of the decline in the GVA of energy corporations, largely as a result of the fall in crude oil prices in 2001. Against the background of this slowdown, events in the second half of the year (the terrorist attacks of 11 September in the United States, the US economic recession and the crisis in Argentina) did not significantly affect activity in the Spanish economy except for very specific sectors. However, they were reflected in the profit and loss accounts of certain large corporate groups and, by raising uncertainty, they have contributed to delaying expectations of recovery.

Set against this slowdown in activity, employment developments were in line with the circumstances facing corporations. Employment growth rates were low and appreciably below the related rates in 2000. Average employment grew by 0.9% in 2001, compared with 2.2% in 2000. Nonetheless, the fact the rate of change of employment is still higher than zero should be favourably viewed. And this despite the slowdown in activity and the bias present in the CBQ sample (where certain sectors undergoing restructuring are over-represented). That shows a departure from the behaviour in previous episodes of deceleration, which were accompanied by marked declines in employment. Permanent employment grew at a rate of 1.1%, up

(1) This article is based on data provided to 15 March 2002 by the 758 corporations which, on average, reported data relating to the four quarters of 2001 to the CBSO. The GVA of this aggregate of corporations accounts for approximately 14.2% of the GVA of the sector non-financial corporations.

(2) As explained in Box 2, the CBQ will henceforth be using the same aggregation of activities as the Spanish National Accounts. In short, this involves classifying refining corporations – which were, to date, in the manufacturing grouping – along with mining and quarrying firms and with electric, gas and water utilities, thereby forming a new grouping of “energy corporations”. The manufacturing grouping, excluding refining corporations, is now called “industrial corporations”.

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	2000	98 Q1- Q4/97 Q1- Q4	99 Q1- Q4/98 Q1- Q4	00 Q1- Q4/99 Q1- Q4	01 Q1- Q4/00 Q1- Q4
Number of corporations/total national coverage	8135/33.7%	8159/31.3%	7238/26%	835/18.0%	882/17.0%	896/16.5%	758/14.2%
1. VALUE OF OUTPUT (including subsidies)	6.2	9.2	16.1	2.6	8.9	17.2	1.3
Of which:							
1. Net amount of turnover and other operating income	7.3	10.7	17.6	3.4	10.6	22.3	2.5
2. INPUTS (including taxes)	5.9	11.5	20.4	1.6	13.7	23.1	-0.3
Of which:							
1. Net purchases	2.8	13.0	24.4	-0.3	16.5	28.5	-2.8
2. Other operating costs	11.3	9.2	13.5	7.0	10.8	9.8	3.9
S.1. GROSS VALUE ADDED AT FACTOR COST [1 - 2]	6.7	4.6	7.2	4.1	1.9	7.9	4.1
3. Personnel costs	5.9	6.2	7.1	3.2	2.4	5.4	4.5
S.2. GROSS OPERATING PROFIT [S.1 - 3]	7.7	2.9	7.3	4.9	1.5	9.9	3.7
4. Financial revenue	9.3	5.2	24.9	14.4	15.5	23.0	16.0
5. Financial costs	-6.9	-2.0	16.0	-9.3	-3.1	29.4	17.0
6. Corporate income tax	15.9	10.6	-2.7	12.5	3.4	-11.3	19.7
S.3. FUNDS GENERATED FROM OPERATIONS [S2 + 4 - 5 - 6]	10.4	2.1	5.1	8.3	4.6	11.7	3.0
7. Depreciation and provisions and other [7.1 + 7.2 - 7.3]	8.1	10.0	3.0	0.2	11.1	12.7	10.3
7.1. Depreciation and operating provisions	-1.3	8.8	5.1	-5.3	6.5	8.0	0.2
7.2. Capital losses and extraordinary expenses	40.2	2.9	-7.4	-6.4	-24.2	25.9	-13.9
7.3. Capital gains and extraordinary revenue	31.8	-0.2	-8.4	-25.5	-37.7	24.3	-36.0
S.6. ORDINARY NET PROFIT [S.2 + 4 - 5 - 7.1]	25.0	0.3	12.5	24.3	2.8	10.1	7.4
Memorandum item:							
TOTAL NET PROFIT [S.3 - 7]	7.6	-4.8	22.6	22.7	-5.3	10.0	-3.7
PROFIT RATIOS							
R.1 Ordinary return on net assets (before taxes)	8.5	7.6	7.4	8.9	8.3	8.4	8.2
R.2 Interest on borrowed funds/ interest-bearing borrowing	5.7	5.0	4.8	6.4	5.2	5.5	5.3
R.3 Ordinary return on equity (before taxes)	9.9	9.2	9.3	10.0	10.1	10.4	10.5
R.4 Financial leverage (R.1 - R.2)	2.8	2.6	2.6	2.5	3.1	2.9	2.9
R.5 Debt ratio	40.0	43.7	47.1	37.4	42.9	45.6	49.8

Source: Banco de España.

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

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

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 (a)		CBA		CBQ (a)		CBA		CBQ (a)		CBA		CBQ (a)	
	1999	2000	00 Q1-Q4	01 Q1-Q4	1999	2000	00 Q1-Q4	01 Q1-Q4	1999	2000	00 Q1-Q4	01 Q1-Q4	1999	2000	00 Q1-Q4	01 Q1-Q4
Total	4.6	7.2	7.9	4.1	4.7	4.5	2.2	0.9	6.2	7.1	5.4	4.5	1.4	2.5	3.1	3.6
SIZE:																
Small	11.0	9.5	—	—	7.1	4.6	—	—	8.7	9.1	—	—	1.5	4.3	—	—
Medium	11.6	8.7	9.6	5.6	8.8	5.9	3.9	2.7	10.3	9.8	7.4	7.4	1.4	3.7	3.4	4.6
Large	3.4	6.9	7.8	4.0	3.8	4.2	2.0	0.7	5.4	6.6	5.3	4.3	1.5	2.3	3.2	3.6
STATUS:																
Public-sector	0.2	7.7	10.5	10.7	0.8	-0.3	0.8	1.3	4.7	3.9	6.5	6.9	3.9	4.2	5.7	5.5
Private-sector	5.3	7.1	7.4	3.3	5.6	5.7	2.7	0.8	6.5	7.9	5.1	4.0	0.9	2.1	2.3	3.2
BREAKDOWN OF ACTIVITIES BEST REPRESENTED IN THE SAMPLE:																
Energy	1.2	13.5	13.8	-7.3	-4.4	-3.5	-4.6	-3.7	-3.4	-0.2	-1.7	3.0	1.0	3.5	3.0	7.0
Industry	2.1	6.4	11.6	-3.3	1.7	3.0	2.2	-1.1	4.2	6.9	6.2	2.8	2.4	3.8	3.9	3.9
Wholesale and retail trade and repair services	11.7	6.6	1.3	17.4	7.0	9.7	7.9	6.4	9.6	11.2	9.3	9.6	2.4	1.3	1.3	3.0
Transport and communications	-0.3	1.1	2.0	9.6	-0.5	-0.7	-2.7	-2.7	3.9	3.7	2.9	1.7	4.5	4.4	5.8	4.5

Source: Banco de España.

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

on the year 2000 (0.6%), which may reflect both the effectiveness of the measures adopted to promote longer contracts and the relatively confident outlook of firms as regards the future course of the economy. Temporary employment also posted positive rates although, for obvious reasons, it was more vulnerable to the slow-down in activity. Average compensation continued to grow in 2001 (3.6%), following the upward trend maintained since 1999 and the rise in the inflation rate, and despite low productivity growth.

As a result of developments in employment and average compensation, personnel costs outpaced GDP growth (GVA grew by 4.1%, personnel costs by 4.5%), leading to a notable reduction in the nominal growth rate of the gross operating profit to 3.7% in 2001 (9.9% in 2000). Financial costs continued on the high-growth trend initiated in the year 2000, climbing at a rate of 17% owing to the strong resort to borrowed funds in order to finance the taking of positions in new markets and the acquisition, in the telecommunications sector, of UMTS licenc-

es. In fact, this increase in financing was recorded in the second half of 2000, but its effects were manifest in financial costs for the year 2001. The balance sheets submitted by the reporting corporations in 2001 Q4 show a change in the rate of increase of indebtedness, which is in step with the slackness of investment observed by other information sources, as a result of the climate of greater uncertainty.

Both funds generated from operations and the ordinary net profit also showed more moderate growth than in 2000, in line with what occurred in the case of GVA and the gross operating profit. Notwithstanding, the ordinary return on net assets (R1) and on equity (R3) held at similar levels to those of the previous year. This is consistent with the performance of the ordinary net profit, which slowed in relation to the previous year. Since the cost of borrowing (interest on borrowed funds or R.2) also held stable at very similar values to those of the previous year, leverage was the same as in 2000 (2.9%), the best evidence that the return on investment was outgrowing financial costs. Final-

CHART 1

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



NUMBER OF CORPORATIONS						
CBA	8,032	8,054	8,135	8,159	7,238	
CBQ	725	722	835	882	896	758

% OF GDP OF THE SECTOR NON-FINANCIAL CORPORATIONS						
CBA	34.1	33.7	33.7	31.3	26.9	
CBQ	19.1	18.7	18.0	17.0	16.5	14.2

CBA data.

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CBQ	725	722	835	882	896	758

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CBA	34.1	33.7	33.7	31.3	26.9	
CBQ	19.1	18.7	18.0	17.0	16.5	14.2

CBQ data.

Source: Banco de España.

(a) Information available to 15 March 2002 (CBA and CBQ).

(b) The 1996, 1997, 1998, 1999 and 2000 data are based on information from the corporations included in the annual survey (CBA) and the average of the four quarters of each year in relation to the previous year (CBQ).

(c) Average of the four quarters of 2001 over the same period of 2000.

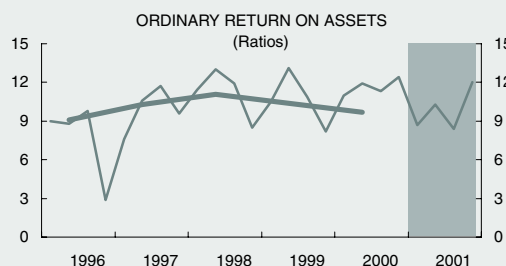
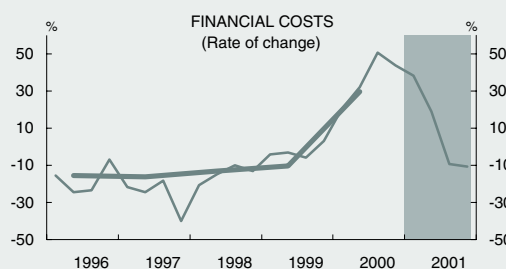
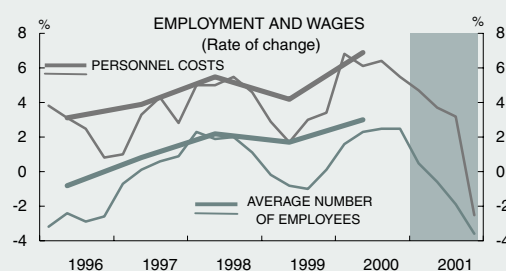
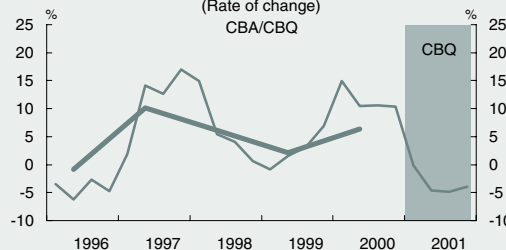
In 2001, surpluses in the industrial sector contracted significantly, with a slowdown that steepened as the year unfolded. After markedly expansionary developments in 2000, thanks to the recovery in external demand (especially during the first half of the year), it was in fact this same component which performed worst in 2001, against a deteriorating and recessionary international background. Investment in capital goods also helped to accentuate the slowdown in Spanish industry in 2001. GVA posted a rate of -3.3%, declining in all sub-sectors except in the chemical industry (0.6%) and in food, beverages and tobacco (3.5%), whose rates were nonetheless also down on 2000. In step with the deterioration in activity, employment fell by 1.1% in 2001, compared with growth of 2.2% the previous year. Here, too, there were across-the-board declines, with the exception of the electrical, electronic and optical material and equipment industry, which was the only sub-sector where employment clearly increased (3.7%), though this was far below the previous year's figure (7.1%). Average compensation continued to sustain a high rate of growth, with a rate for 2001 of 3.9%, the same as in 2000. In line with the comments on the overall quarterly sample, these data seem to show that the pressure exerted upward by the collective bargaining system means that average compensation adjusts to the contemporaneous behaviour of inflation. As a result of the developments in employment and compensation, personnel costs rose by 2.8% in 2001. Thus, both gross operating profit and funds generated continued to show significant falls in 2001, owing to the slowdown in activity in the industrial sector. Ordinary returns also reflected this deterioration, standing, in the case of the return on net assets, at 9.6% in 2001, as against 11.7% the previous year. However, thanks to financial costs remaining at moderate levels, practically identical to those recorded in 2000 (6.2%), leverage held at high positive levels (3.5), although it has traced a continuous downward path since 1999 (6.1 in 1999 and 5.5 in 2000). The existence of positive leverage could be considered an indicator of the propensity to invest. However, it is a necessary but not sufficient condition, given that the existence of business expectations in which the returns obtained on capital invested are currently being sustained or increased plays a fundamental role in the taking of investment decisions. Against this background, the downward path of leverage mentioned above may be influencing the taking of decisions on new investment by firms, which would help to explain the stagnation of investment detected in other sources of information. The initial data for 2002 seem to portend a slight and progressive recovery in business confidence, which, if confirmed, could revitalise the economic activity of industrial firms.

GROSS VALUE ADDED AT FACTOR COST
(Rate of change)

25 %

CBA/CBQ

25 %



	NUMBER OF CORPORATIONS							
CBA	3,221		3,342	3,247	3,021	2,547		
CBQ	364 357 342 329	352 343 343 329	332 343 339 329	402 382 386 378	420 404 395 396	429 408 385 372	404 387 357 349	
	% OF GDP OF THE INDUSTRIAL SECTOR							
CBA	34.8		35.1	33.8	30.7	25.6		
CBQ	27.8 26.4 24.5 23.5	28.2 28.2 26.4 26.1	26.8 26.8 25.6 24.7	25.8 26.3 26.3 24.2	25.5 25.2 23.5 23.8	20.5 19.4 18.1 17.9		

— CBA data.

— CBQ data.

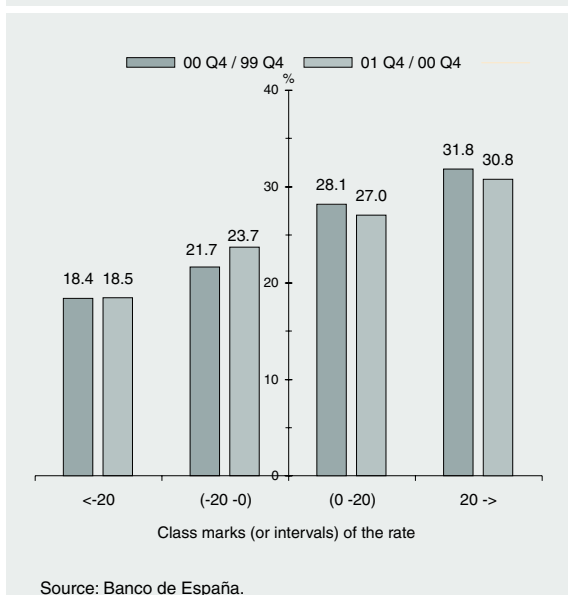
Source: Banco de España.

(a) Information available to 15 March 2002 (CBA and CBQ). The CBQ data are growth rates in relation to the same quarter a year earlier.

(1) As per the Spanish National Accounts definition. Firms engaged in oil refining are not included. See Box 2.

CHART 2

**Distribution of corporations by rate of change in GVA at factor cost
(00 Q4 / 99 Q4, 01 Q4 / 00 Q4)**



ly, the total net profit figure for the aggregate was affected by highly volatile factors of an atypical and exceptional nature, meaning that it does not reflect short-term developments in productive activity, although it evidently affects corporations' balance sheets and their dividend distribution policies (3). In 2001, the net profit of the corporations analysed fell by 3.7% (see the memorandum item in Table 1), reflecting the net effect of opposite-running impulses in respect of depreciation and operating provisions, capital losses, capital gains and extraordinary income and expenditure.

In sum, an outlook of moderate growth in activity appears to be taking shape for the corporations sampled, against the background of the slowdown in demand and of expectations in the wake of the events on September 11th, the US deceleration and the crisis in Argentina. The apparent coupling of wage revisions to actual inflation, and not to productivity gains in each sector, fuelled the rise in average compensation in 2001 and had adverse effects on employment. That said, and unlike in previous downturns, employment did not run at negative rates, not even in the group of very large industrial

(3) Although developments in net profit are always a reference to take into account, stock market analysts usually pay greater attention to EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation), which is equivalent to the "Gross operating profit" in Table 1 and which follows a course connected to that of the "Ordinary net profit" (net of depreciation and operating provisions), which is the concept used by Central Balance Sheet Office in its profit ratios.

TABLE 2.b

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

	Total CBQ corporations	Corporations increasing (or not changing) staff levels	Corporations reducing staff levels
No. of corporations	758	448	310
Personnel costs			
Initial situation			
(EUR million)	19,169.5	9,211.8	9,957.7
Rate 01 Q1-Q4 / 00 Q1-Q4	4.5	13.1	-3.4
Average compensation			
Initial situation 00 Q1-Q4			
(EUR)	36,828	33,867	39,515
Rate 01 Q1-Q4 / 00 Q1-Q4	3.6	3.2	5.2
Number of employees			
Initial situation 00 Q1-Q4			
(000s)	524	272	252
Rate 01 Q1-Q4 / 00 Q1-Q4	0.9	9.5	-8.4
Permanent			
Initial situation 00 Q1-Q4			
(000s)	435	214	221
Rate 01 Q1-Q4 / 00 Q1-Q4	1.1	8.1	-5.8
Non-permanent			
Initial situation 00 Q1-Q4			
(000s)	89	58	31
Rate 01 Q1-Q4 / 00 Q1-Q4	0.3	14.6	-27.1

Source: Banco de España.

corporations making up the CBQ sample. Against this backdrop, corporations' surpluses increased in an appreciably more moderate way than in the previous period, but still in a setting of high returns. The overall analysis of these results provides for confidence that, in the future, Spanish corporations may be in a sound position to resume a path of higher growth in activity and employment once the expected pick-up in the international economy begins.

2. ACTIVITY

The CBQ data for the four quarters of 2001 (see Table 1 and Chart 1) show a slowdown in productive activity, sustained throughout the year. This was mainly attributable to the declines recorded by energy and industrial firms. The total GVA of all the firms thus grew at a significantly lower rate than in the previous year (in 2001 their GVA grew by 4.1%, as against 7.9% in 2000). The reasons for these developments are to be found in the progressive weakening of external demand, influenced by a hardly favourable international environment, together with the fall in investment in capital goods, which resulted in a decline in industrial activity, almost across the board. CBQ imports and exports data confirm this observation (Table 3), showing significant reductions, comparing with 2000, both in the percentage of purchases made

New set of sectoral aggregates

Establishing the information included in the databases of the Central Balance Sheet Office as a source of information in its own right and for the purposes of comparison, has highlighted the need for the set of aggregates used by the Central Balance Sheet Office to be harmonised with those of other sources. Specifically, the need has been identified for analysts to be supplied with a comparison between the Spanish National Accounts (CNE) data by branch of activity and the classifications used by the Central Balance Sheet Office in its publications. Until now the aggregates supplied by the Central Balance Sheet Office, following NACE-93, included petroleum refining under manufacturing, while the CNE classifies refining, along with electricity, gas and water and mining and quarrying, in the sector called «Energy». This different classification made it difficult to directly compare Central Balance Sheet Office and National Accounts data for two such basic aggregates as industry and energy. With effect from this issue, therefore, the Central Balance Sheet Office will use the CNE classification when reporting the results of its annual and quarterly surveys, provided that it has sufficient information on the aggregates in question. As regards these quarterly articles, the sectoral breakdowns referred to are: energy (which includes corporations engaged in petroleum refining, along with those engaged in mining and quarrying and the electricity, gas and water utilities); industry (manufacturing industry, other than petroleum refining); wholesale and retail trade and repairs (identical to the wholesale and retail trade aggregate published up until now) and transport and communications (identical to the aggregate transport, storage and communications published up until now). The latter two aggregates have merely had their names changed to those used in the CNE.

When reporting the annual data, it is not going to be possible to offer all the details of the CNE, owing to insufficient Central Balance Sheet Office information with respect to certain branches of activity. Specifically, the agriculture, fisheries and construction branches in the CBA and CBQ databases are going to be included under the heading «activities with low coverage in the Central Balance Sheet Office», both in chapter 15 of the *Boletín estadístico* of the Banco de España and in future editions of the annual monograph.

abroad and in that of exports, whose weight in the total turnover of the CBQ non-financial corporations fell.

At the sectoral level, however, it can be seen that the behaviour of the various aggregates was not uniform. As already mentioned, the sectors displaying a negative performance were energy and industry, with changes in GVA of -7.3% and -3.3%, respectively. In the case of energy, on one hand the sector suffered the consequences of the high level of volatility that has in recent years characterised crude oil prices, which fell significantly in 2001, following strong growth the previous year. On the other hand, GVA was practically unchanged in electricity, since the fall in revenue stemming from the lowering of tariffs and the reduction in revenue to cover the costs of the transition to competition was offset by the increase in revenue arising from growth in electricity demand (according to the sector's statistics, it rose by 5.2% in 2001) and from the greater generation of hydro-electric power, with lower production costs.

Declines in GVA were recorded in all branches of industry (which is analysed in greater detail in Box 2). By contrast, in transport

and communication and wholesale and retail trade and repairs (repair of motor vehicles, motorcycles and mopeds), GVA increased by 9.6% and 17.4% respectively. Telephony played a major part in the growth of GVA in transport and communication, increasing its margins slightly with respect to previous years and generating significant additional revenues with new services. The growth of the wholesale and retail trade in 2001 was based both on the sustained positive behaviour of private consumption and, above all, on the recovery in the margins of firms marketing fuel, owing to the fall in the price of their main input. As mentioned in the introduction, this picture of moderate activity growth was affected in the final quarter of the year by the attacks of 11 September and subsequently exacerbated by the repercussions of the crisis in Argentina. However, even the profit and loss accounts of firms in the sectors most affected by these events, air transport and tourism, still do not show an excessively negative impact.

Finally, Chart 2, which shows the number of corporations distributed according to their rate of change of GVA, irrespective of their size, confirms what has been stated above regard-

TABLE 3

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

	CBA		CBQ	
	1999	2000	00 Q1-Q4 (a)	01 Q1-Q4 (1)
Total corporations	8,159	7,238	896	758
Corporations reporting source/destination	8,159	7,238	857	732
	%	%	%	%
Net purchases	100.0	100.0	100.0	100.0
SOURCE OF PURCHASES:				
Spain	64.7	63.8	73.2	80.2
Total abroad	35.3	36.2	26.8	19.8
EU countries	24.5	22.2	16.5	14.9
Third countries	10.8	14.0	10.3	4.9
Net turnover	100.0	100.0	100.0	100.0
SALES DESTINATIONS:				
Spain	80.8	81.1	84.8	86.8
Total abroad	19.2	18.9	15.2	13.2
EU countries	14.5	14.2	10.7	8.1
Third countries	4.7	4.7	4.5	5.1

Source: Banco de España.

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

ing the slowdown in activity. Thus, while in 2000 Q4 40.1% of the corporations recorded falls in their GVA, in the same quarter of 2001 this percentage rose to 42.2%. Moreover, the category reserved for corporations with increases in GVA of more than 20% was the one that declined most. This confirms the impact of the slowdown, especially in this final part of the year.

3. EMPLOYMENT AND PERSONNEL COSTS

The moderation in productive activity in 2001 meant that the increase in employment was very small (0.9%) and well below that of the previous year (2.2%). As in the case of GVA, the rate of employment growth fell throughout the year, especially in its final months. In terms of the type of contract, temporary employment grew less than permanent employment, being the type that tends to decline most during recessions. Permanent employment grew by 1.1% in 2001, actually exceeding somewhat the previous year's rate (0.6%). This could be interpreted to mean that firms are taking advantage of regulatory changes that aim to boost hiring on permanent contracts. The annual (CBA) data, which will be available for the year 2001 in November 2002,

have always shown higher employment growth than the quarterly (CBQ) data, which are analysed here. However, the qualitative type information reflected in Table 4 shows that the slowdown in job creation has been accompanied by a gradual increase in the number of corporations in which employment has fallen (in 2001, 41% of the firms, and in 2000, 35.4%). In line with the slowdown in activity, the sectors showing the largest declines (industry and energy) were also those recording falls in employment. In addition, the transport and communication sector, despite the favourable performance of its GVA growth in 2001, also recorded notable reductions in employment, as a result of the opening up to competition taking place in this sector. This process has led some of the most important corporations to make progressive reductions in their staffing levels, so as to adapt to the new competitive market conditions. Finally, wholesale and retail trade was the only sector, among those best represented in the CBQ sample, to increase its workforce. This has certainly been the most resilient sector in the face of the 2001 downturn, having increased its employment by 6.4% that year, slightly below the rate for 2000.

Average compensation in the corporations that make up the quarterly sample (approximated by personnel costs per worker) sustained

TABLE 4

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

	CBA			CBQ			
	1998	1999	2000	99 Q1-Q4 (a)	00 Q1-Q4 (a)	01 Q1-Q4 (a)	01 Q4
Number of corporations	8,135	8,159	7,238	882	896	758	502
Personnel costs	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Falling	21.4	21.0	18.3	30.0	24.5	27.5	36.0
Constant or rising	78.6	79.0	81.7	70.0	75.5	72.5	64.0
Average number of employees	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Falling	25.7	22.8	24.2	39.1	35.4	41.0	45.0
Constant or rising	74.3	77.2	75.8	60.9	64.6	59.0	55.0
Average compensation (relative to inflation) (b)	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Lower growth	40.9	51.3	47.3	48.7	47.2	46.6	48.6
Higher or same growth	59.1	48.7	52.7	51.3	52.8	53.4	51.4

Source: Banco de España.

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

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

the upward trend of the last two years, growing by 3.6% in 2001 as a whole, as against 3.1% the previous year, and 2.6% in 1999. As already mentioned in previous articles, this was largely a result of upward pressures arising from the current inflation rate being taken as a reference in collective bargaining, for the recovery of purchasing power losses. However, employment growth would be benefited if wage increases were linked to firm productivity and the market situation, and thus to firms' medium-term results, instead of the overall consumer price index being taken as the main criterion for updating. In all sectors, except wholesale and retail trade, above-average increases were recorded. In the case of wholesale and retail trade average compensation in 2001 rose by 3%, which is doubtless related to being the sector in which employment rose most (new employees being paid below-average wages). However, even this sector, like the other productive branches, showed an upward trend in relation to the increases in average compensation recorded in previous years. Table 4 shows that this development is common to most firms, given that in 53.4% of corporations average personnel costs rose by more than prices during the period. Table 2.b allows an analysis to be made distinguishing between corporations creating employment and those shedding jobs. The strong expansion in 2001 in average remuneration is again apparent in both groups. Thus, corporations increasing their workforces, did so

at a rate of 9.5%, with their average compensation growing by 3.2%. Meanwhile, those that reduced employment recorded a rate of change of -8.4% in employment and of 5.2% in average compensation.

To conclude in relation to employment developments, it is worth pointing out that even in this unfavourable situation, employment continued to grow at positive rates, which is a new phenomenon when comparing with historical experience in similar circumstances. In any case, if Spanish corporations and those of the other euro area countries have benefited since the inception of Monetary Union from greater business opportunities abroad, in addition to lower interest rates, it is important that such opportunities should not be jeopardised by the remuneration of employment being increased by more than productivity, since this has a negative effect on foreign competitiveness and, ultimately, employment.

4. PROFITS, MARGINS AND RATES OF RETURN

The moderation of productive activity during 2001 meant that the surpluses linked to this performance (gross operating profit, funds generated and ordinary net profit) also showed smaller increases than in the previous year. In the case of ordinary net profit, the slowdown

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 profit				Funds generated				Return on assets (R. 1)				Leverage			
	CBA		CBQ (a)		CBA		CBQ (a)		CBA		CBQ (a)		CBA		CBQ (a)	
	1999	2000	00 Q1-Q4	01 Q1-Q4	1999	2000	00 Q1-Q4	01 Q1-Q4	1999	2000	00 Q1-Q4	01 Q1-Q4	1999	2000	00 Q1-Q4	01 Q1-Q4
Total	2.9	7.3	9.9	3.7	2.1	5.1	11.7	3.0	7.6	7.4	8.4	8.2	2.6	2.6	2.9	2.9
SIZE:																
Small	15.0	10.1	—	—	18.1	6.0	—	—	10.0	9.3	—	—	4.6	3.6	—	—
Medium	13.4	7.4	13.0	3.0	13.8	5.9	14.2	1.2	11.0	10.4	11.6	11.1	6.5	5.5	5.9	5.3
Large	1.3	7.2	9.8	3.8	0.5	5.0	11.6	3.0	7.2	7.2	8.3	8.1	2.2	2.4	2.8	2.9
STATUS:																
Public-sector	-16.7	27.0	19.5	18.5	-9.1	28.4	14.6	10.4	1.3	1.2	4.4	2.9	-4.1	-4.0	-1.3	-2.4
Private-sector	4.0	6.4	9.0	2.7	2.5	4.1	11.4	2.4	8.9	8.5	9.2	8.9	4.0	3.7	3.7	3.6
BREAKDOWN OF ACTIVITIES BEST REPRESENTED IN THE SAMPLE:																
Energy	3.0	18.4	18.8	-9.9	1.9	14.5	16.5	-4.6	7.3	8.3	9.1	9.5	3.0	3.5	3.7	4.2
Industry	-0.7	5.7	19.2	-9.9	-2.3	2.2	22.6	-10.3	10.4	9.7	11.7	9.6	5.9	4.0	5.5	3.5
Wholesale and retail trade and repair services	14.6	0.8	-8.6	28.1	14.4	-1.8	-2.2	22.6	12.5	11.7	8.5	11.8	8.1	6.8	3.6	6.8
Transport and communications	-3.7	-1.2	1.4	15.0	-0.5	0.5	2.5	9.2	5.9	6.3	7.7	10.2	-0.3	0.6	1.4	4.7

Source: Banco de España.

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

was less intense than in that of the other accounting balances, basically owing to the stabilisation of the expenditure on depreciation and operating provisions included in its calculation (4). The analysis by sector of activity confirms what has already been stated regarding productive activity; the sectors whose operating profits, or surpluses weakened most were energy and industry, while transport and communication and, in particular, wholesale and retail trade were, for the reasons already mentioned, more buoyant. By size, it should be noted that surpluses declined most sharply in medium-sized firms, although the slowdown also affected large corporations.

(4) The behaviour of this item is influenced by the smaller provisions made by electricity utilities for the depreciation of the assets acquired in the context of the regulated market, as a consequence of the downward revision to income from compensation for transition to competition (CTC). The accounting system adopted, which meant that these assets were written off instead of being progressively depreciated, this being the practice in force until 2000, which is when the reduction in the CTC was established.

The financial costs payable by the corporations in 2001 grew for the third year running, and although they did so at a high rate (17%), they followed a downward path over the year, remaining practically unchanged in the final quarter. The growth of this item in the profit and loss account in 2001 was not determined by the trend in the cost of borrowing, which in the year as a whole remained at very similar average levels, even below those of 2000, but to the increase in borrowing (financing received) which, in annual average terms, was higher in 2001 than in 2000, although the entry of new financing occurred mainly at the end of 2000. Since the increase in financial costs in any year is due to changes in interest rates and the change in financing during the period, in both cases with respect to the preceding period, the increase detected in 2001 stemmed from the increase in financing towards the end of 2000. The following table gives a breakdown of the change in financial costs in an attempt to approximate the extent to which it is attributable to rises in interest rates, and to higher borrowing:

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 Q4	01 Q4	00 Q4	01 Q4
Total corporations	100.0	100.0	100.0	100.0
R ≤ 0 %	28.3	26.5	33.0	30.7
0 % < R ≤ 5 %	14.1	15.3	10.3	11.0
5 % < R ≤ 10 %	13.7	15.5	9.8	12.2
10 % < R ≤ 15 %	12.5	11.8	9.6	9.2
15 % < R	31.4	30.9	37.4	37.1
Number of corporations	836	502	836	502
MEMORANDUM ITEM:				
Average return	8.7	10.8	10.5	15.5

Source: Banco de España.

	<u>01 Q1-Q4/00 Q1-Q4</u>
Change in financial costs	+17.0%
A. <i>Interest on borrowed funds</i>	
(1 + 2)	+17.6%
1. Due to the cost (interest rate)	-3.6%
2. Due to the amount of interest-bearing debt	+21.2%
B. <i>Commissions and cash discounts</i>	-0.6%

The data confirm what has already been stated regarding the importance of higher borrowing as the factor explaining the increase in financial costs. The growth in financial costs fell throughout 2001 and had practically levelled out by the end of the year, which means that more restrained growth can be expected in 2002.

In conclusion, the business scene described for 2001 enabled the firms to generate, on their ordinary operating activity, sufficient surpluses to sustain high levels of ordinary returns (both on net assets and equity). In the case of the return on assets, it was slightly more moderate than in 2000, while the return on equity, by capturing the positive effect of the falls in the cost of borrowing, was slightly higher than in 2000 (see Table 5). Likewise, all sectors and size categories for which data are given in the tables show levels of profitability that were either unchanged or slightly down from those of the pre-

vious year. It may be concluded from Table 6, which presents the distribution of corporations according to their level of returns, that there was an increase in the percentage of corporations reporting positive returns, albeit with ratios that shifted towards more moderate values than recorded in the same quarter a year earlier. The slight reductions in the ordinary return on assets and in the cost of borrowing meant that leverage held at the same value as in the previous year, being markedly positive and stable. This indicator confirms that Spanish corporations in 2001 confronted the downturn with greater resilience than on previous occasions and are in a favourable position to resume growth at previous rates, insofar as the current uncertainty lifts and the pick-up in the international economies is confirmed. To a large extent, the slowdown has been caused by the trends in exogenous factors. Accordingly, those factors which are controllable by domestic agents (wage moderation and reflection of the particular conditions of the firms, investment in human capital, promotion of new technologies) should be used to improve the competitiveness of the corporations. This would result in increases in investment and, ultimately, the creation of new jobs and the securing of existing ones.

18.3.2002.

Financial regulation: 2002 Q1

1. INTRODUCTION

During 2002 Q1, few new financial provisions were enacted, though some were relatively important.

In respect of credit institutions, the calculation of contributions to the various deposit guarantee funds has been modified. This is because the base on which contributions are calculated has been affected by the regulatory stipulations regarding investor compensation arrangements.

Turning to government debt, two developments may be mentioned. First, the regulations laying down the issuance terms for the year 2002 and for the month of January 2003 have been enacted, with the limitation established in the State Budget law for 2002. And further, the conditions under which public debt market-makers collaborate with the Treasury on primary-market public debt securities placement and the related trading on the secondary market have been re-defined.

As regards payment systems, the regulation governing the SNCE (National Electronic Clearing System) has been revised with a view to limiting the effects of payment default by direct participants in respect of the indirect participants they represent. The revised regulation sets basic standards to which both sets of participants must adhere and the procedure to be followed in the event of a direct participant deciding unilaterally to cease representing another participant.

With regard to the European Central Bank, the conditions have been laid down to ensure appropriate procedures for access to the database of the new Counterfeit Monitoring System, while it has been established that each national central bank should set up its own national counterfeit monitoring centre.

Two directives relating to the regulation of certain undertakings for collective investment in transferable securities have been enacted. The first widens the investment scope of these undertakings, allowing them to invest in assets that are sufficiently liquid although also setting certain limits. The second adds the finishing touches to the regulations governing companies responsible for the management of collective investment undertakings (management companies), since the previous regulations did not provide for market-access rules and the conditions under which this activity might be engaged in, rules and conditions which must be the same across all the Member States.

Finally, certain amendments have been made to the Agreements for the Promotion of

Asset Securitisation Funds to enhance business financing. Also, new procedures, formalities, standardised systems and pre-formatted forms have been set up to facilitate the exercise of rights, actions and communications by insurance corporations and pensions funds through electronic, computerised and telematic techniques in their dealings with the Directorate General of Insurance and Pension Funds.

2. CREDIT INSTITUTIONS: CONTRIBUTIONS TO THE DEPOSIT GUARANTEE FUNDS

Royal Legislative Decree 12/1995 of 28 December 1995 (1) on urgent budgetary, tax and financial measures, and Royal Decree 2606/1996 of 20 December 1996 (2) on credit institutions' deposit guarantee funds, transposed the Community regulations on deposit guarantee systems in Directive 94/19/EC of 30 May 1994 to Spanish law. They further established that the annual contributions of institutions belonging to the funds should, at most, be 0.2% of the deposits covered by the guarantee as at the close of each year, although the contributions remained at their previous levels (0.2% for banks; 0.02% for savings banks and 0.1% for co-operatives). It was also foreseen that when the fund reached a sufficient amount to meet its intended ends, the Ministry of Economy, upon the proposal of the Banco de España, could agree to a reduction in the above-mentioned contributions and even suspend them when the assets not committed to operations proper to the end-purpose of the Funds equalled or exceeded 1% of the deposits of the institutions affiliated thereto. In the case of savings banks, contributions were suspended altogether further to a communication from the Fund Management Committee in February 1996.

In this respect, and in view of the financial position reached by the Savings Banks' Deposit Guarantee Fund and the outlook for the sector, Ministerial Order ECO/136/2002 of 24 January 2002 (BOE of 30 January) set the amount of contributions (which had been suspended since 1996) at 0.04% of existing deposits as at 31 December 2000, in conformity with the definition of guaranteed deposits established in Royal Decree 2606/1996, and whose disbursement relates to the year 2001.

Royal Decree 948/2001 of 3 August 2001, on investor compensation arrangements,

(1) See "Regulación financiera: cuarto trimestre de 1995", in *Boletín Económico*, Banco de España, January 1996, pp. 78-80.

(2) See "Regulación financiera: cuarto trimestre de 1996", in *Boletín Económico*, Banco de España, January 1997, pp. 106-109.

amended Royal Decree 2606/1996 so that the Deposit Guarantee Funds (DGF) may also offer investors safeguards in relation to the investment services provided to them by credit institutions. This affected the limits of the guarantee assumed by credit institutions whereby, further to the publication of the aforementioned Decree, the DGF do not only cover guaranteed deposits (as envisaged under the previous regulation) but also guaranteed securities (3).

Following these criteria, three ministerial orders have recently been enacted: Order ECO/3188/2002 of 14 February 2002 stipulating contributions to the Deposit Guarantee Fund of Banking Establishments (BOE of 20 February); Order ECO/317/2002 of 14 February 2002 stipulating contributions to the Deposit Guarantee Fund of Savings Banks (BOE of 20 February); and Order ECO/316/2002 of 14 February 2002 stipulating contributions to the Deposit Guarantee Fund of Credit Co-operatives (BOE of 20 February). Their significance lies in the fact that, for the first time, the basis on which contributions are calculated is made up – in accordance with the regulations laid down in Royal Decree 948/2001 – of both guaranteed deposits and guaranteed securities, the latter being weighted by their conversion factor (4) in keeping with the terms of article 3.2 of Royal Decree 2606/1996 amended by Royal Decree 948/2001. These rules will be applied – in all cases – to contributions made as from 1 January.

Contributions are set at 0.06% for banks (0.1% previously), and are maintained at 0.04% for savings banks and at 0.1% for co-operatives, but with the difference that this is now on the new basis (guaranteed deposits plus guaranteed securities).

3. GOVERNMENT DEBT: ISSUANCE CONDITIONS DURING 2002 AND JANUARY 2003

Law 23/2001 of 27 December 2001 (5) on the State Budget for 2002 authorised the government, on the proposal of the Ministry of

(3) For the purposes of Royal Decree 948/2001, negotiable securities and financial instruments envisaged under the Securities Market Law that have been entrusted to a credit institution in Spain, or any other country, for deposit or registration or for the performance of an investment service, shall be considered as guaranteed securities. Securities subject to repurchase agreements that remain entered or registered in the name of the vendor shall be included among the guaranteed securities.

(4) The conversion factor is 5% of the quoted value or the face or redemption value in the case of unquoted securities.

(5) See "Financial regulation: 2001 Q4" in *Economic Bulletin*, Banco de España, January 2002, pp. 96-97.

Economy, to increase State debt during 2002 so that the outstanding stock of debt at the end of the year should not exceed that as at 1 January 2002 by more than €8.38 billion. This ceiling will be effective at the end of the year, and may be exceeded during the course of 2002. The limit may be revised if certain circumstances envisaged in the Law arise. Royal Legislative Decree 1091/1988 of 23 September 1988, which approved the consolidated text of the General Budget Law, empowers the Ministry of Economy to issue, place and manage State debt, subject to the government's criteria and within the quantitative limits set by the Budget. These powers corresponded to the Ministry of Economy further to Royal Decree 689/2000 of 12 May 2000, whereunder the basic organisational structure of the Ministries of Economy and of Finance is established.

As usual around the beginning of the year, the following legislation has been enacted: Royal Decree 61/2002 of 18 January 2002 (BOE of 29 January), providing for the creation of public debt during 2002 and January 2003; Order ECO/126/2002 of 24 January 2002 (BOE of 29 January), implementing the foregoing Decree and delegating specific powers to the Director-General of the Treasury and Financial Policy; and two Resolutions of 25 January 2002 (BOE of 29 and 30 January) of the Directorate General of the Treasury and Financial Policy, providing for specific issues of Treasury bills and of medium- and long-term government bonds, and releasing the tender operations calendar for the year 2002 and for January 2003.

Broadly, the continued use of the same instruments, techniques, practices and other aspects laid down for the year 2001 by Royal Decree 39/2001 of 19 January 2001 is foreseen. The debt issued or incurred by the State during the current year under all forms of State debt vehicles shall not exceed the limit for the increase in State debt stipulated in Law 23/2001 of 27 December 2001 on the State Budget for 2002. This will extend to the month of January 2003, under the terms established, up to a limit of 15% of the total debt authorised for 2002, with the amounts thus issued being counted within the limit envisaged in the State Budget Law for 2003.

Regarding State debt issuance procedures, the arrangements of prior years are retained. In particular, the following issuance procedures remain in place:

- Tenders (with competitive and non-competitive bidding), that will be conducted in accordance with rules published earlier. They may be for the general public, authorised

placers or a restricted group of placers, who acquire special commitments with respect to the placement or trading of the debt.

- Any other technique that does not involve inequality of opportunity for potential purchasers.

As in previous years, public debt will be issued as Treasury bills and medium- and long-term government bonds, in all cases exclusively in book-entry form.

3.1. Treasury bills

Twelve- and eighteen-month bills will continue to be issued in 2002, without prejudice to additional issues being made with different maturities should reasons pertaining to market management or technique so advise.

Moreover, to increase the volume of all issues and enhance thereby their liquidity on the secondary market, the grouping of maturities initiated the previous year is to continue, so that periodicity changes as from next August from two to four weeks. Likewise, to focus demand on a fewer number of issues, given the lower borrowing requirement entailed by the budgetary control policy addressed in Law 18/2001 of 12 December 2001 on Budgetary Stability, the periodicity of tenders has also been reduced as from next August. Tenders will take place every four weeks, with issuance dates coinciding with maturities to facilitate reinvestment by holders.

In the course of tenders of both twelve- and eighteen-month bills, competitive (6) and non-competitive (7) bids may be made. The minimum nominal amount of competitive bids will be €1,000. Applications for higher amounts may be made in integer multiples of €1,000. Non-competitive bids follow the same rules, with a maximum nominal amount per bidder of €200,000. Nonetheless, the Wage Guarantee Fund, the Deposit Guarantee Funds of Credit Institutions, the Investment Guarantee Fund and Social Security Reserve Fund are permitted to submit non-competitive bids for a maximum nominal value of €100 million.

3.2. Medium- and long-term government bonds

The related annual regular tender operations calendar must still be made public, but it has

(6) Competitive bids are those in which the price a bidder is prepared to pay for the debt is indicated as a percentage of the face value.

(7) In non-competitive bids the price is not indicated.

been deemed advisable to make it more flexible than in 2001. Thus, even though tender dates are made public, bond maturities will be set quarterly, in accordance with market-makers, depending on market conditions and on issuance-related developments during the year. In any event, if market conditions or financing requirements so require, the Treasury may decide (in the monthly Resolution providing for the issuance of bonds for the following month) not to issue instruments at one or more of the maturities which, tentatively, were set in the quarterly calendar.

Issuance procedures are retained, with the exception of ten-year government bonds where, to smooth their distribution on international markets, it was deemed advisable to follow a new procedure at tenders. This differs from the usual means used to determine the acquisition price of securities and consists of allotting all the bids accepted at the bid price plus the amount of the accrued coupon interest.

During the first quarter the Treasury also issued fifteen-year bonds using the syndication procedure and with a short coupon, so that interest might be accrued as from the outset of the issue.

As regards competitive bids, the minimum nominal amount will, for the first time, be €1,000 (it was formerly €5,000), and bids may be formulated in multiple integers of this amount. With respect to non-competitive bids, the minimum nominal amount will be €1,000, and bids for higher amounts must be in multiple integers of this amount up to a maximum nominal amount per bidder of €200,000. However, as mentioned above, the Wage Guarantee Fund, the Deposit Guarantee Funds of Credit Institutions, the Investment Guarantee Fund and Social Security Reserve Fund are permitted to submit non-competitive bids for a maximum nominal value of €100 million.

4. AMENDMENT OF THE REGULATIONS GOVERNING MARKET-MAKERS

The Ministerial Order dated 10 February 1999 (8) implemented by the Resolution of 11 February 1999 and the Resolution of 4 March 1999 (9), both passed by the Directorate General of the Treasury and Financial Policy (hereafter, the Treasury), laid down the basic principles regulating Spanish government debt "market-makers" and "dealer entities". The function

of market-makers was established in this Order as enhancing liquidity on the Spanish government debt market and co-operating with the Treasury in the dissemination of these instruments on the domestic and foreign fronts. Furthermore, this regulation empowered the Treasury to establish market-makers' commitments in the primary and secondary markets, and the specialties in the debt issuance and subscription procedures arising from their function.

The Resolution of 20 February 2002 (BOE of 26 February) of the Directorate General of the Treasury and Financial Policy (hereafter the Resolution) has recently been published. This regulates Spanish government debt market-makers and re-defines the conditions under which market-makers collaborate with the Treasury in respect of public debt placements on the primary market and trading thereof on the secondary market. It further eliminates Spanish public debt dealer entities, regulated by the Resolution of 4 March 1999, considering that the conditions justifying their appearance have changed.

The reasons behind the reform of the regime applicable to market-makers are the same as those that have driven the main regulatory reforms affecting financial markets in recent years: the introduction of the single currency and the incorporation of new information technologies in capital markets, which give rise to greater competition that agents must address. In the case of the Treasury, the main securities issuer in Spain, it seems advisable to bolster the activity of market-makers in the market for government debt so that such debt should not lose its attractiveness in terms of liquidity.

4.1. Requirements for acquiring market-maker status

The same requirements have been retained. Namely, they shall be market members of the Banco de España book-entry system; meet the requirements laid down in terms of the technical and human resources available to them; and satisfy the other economic and legal conditions needed for consideration as full-fledged members of one of the organised electronic trading systems, as so determined by the Treasury.

As to the procedure for access to this status, the Resolution clarifies certain aspects of the previous regulations. Thus, in addition to the application submitted by interested entities and a report setting out the technical and human resources for performing the activities that market-maker status entails, the Treasury may request the additional information it deems appropriate for the purpose

(8) See "Financial regulation: first quarter of 1999" in *Economic Bulletin*, Banco de España, April 1999, pp. 60-62.

(9) See previous note.

of ensuring that applicants are solvent, that they are committed to the Spanish public debt market and, where necessary, that the information provided is accurate. The Treasury, further to a report by the Banco de España, may confer market-maker status provided that the entity's experience in the trading of Spanish public debt is deemed sufficient and there are assurances that the clearing and settlement of their operations on the debt market will offer security and efficiency. In its decision, the Treasury will likewise take into account other aspects such as the total number of market-makers, their geographical distribution and candidates' Spanish public debt subscription, quoting and distribution activity.

4.2. Rights of market-makers

Substantially, the same rights envisaged in the Resolution of 11 February are retained, i.e. participation in Treasury tenders and access to second rounds, among others. During the second round, each market-maker may submit bids, which will be allotted at the rounded average weighted price resulting from the tender phase. The maximum amount that the Treasury shall issue in the second round for each bond will be 24% of the nominal amount allotted (20% previously) in the tender phase of said bond. In this second round all market-makers may obtain, further to submitting the related bid, the maximum amount resulting from applying their percentage shares in the allotments of the last two tenders of this bond to the following three tranches (established for the first time): 10% of the nominal amount allotted in the tender phase; an additional 10% that the Treasury may grant to those market-makers which, during the last evaluation period prior to the tender, have complied with the public debt listing minimums established under this regulation; and a further 4% that the Treasury may grant those market-makers which, in accordance with the monthly evaluation, have been most active in the latest evaluation period prior to the tender. Finally, market-makers alone are authorised to strip and reconstitute bonds.

4.3. Obligations of market-makers

Market-makers' obligations are substantially modified as regards ensuring secondary-market liquidity. The listing conditions in terms of volume are a notable new feature. Thus, these conditions now cover not only a maximum spread but also a minimum quoted volume. The five bonds that are to be considered as market benchmarks, along with the novelty of three additional bond baskets, are to be defined at meetings between the Treasury and the mar-

ket-makers. Each basket will contain a minimum of five strippable bonds that are not a benchmark, along with bonds that can be quoted in substitution of the strips and of the MEFF contract. Market-makers will be divided into three uniform groups, with each one having to quote all the market benchmark bonds and all those in the basket assigned to it, obligatorily observing the maximum bid-offer spreads (expressed in cent on the price) and minimum quoted volumes (in millions of euro), as indicated in the Resolution. They will also be obliged to quote two coupons or strips in accordance with the maximum spread (expressed in yield basis points) and volume (in millions of euro) conditions set by the regulation. Further, each market-maker shall quote two additional benchmarks, which will either be strips or the bonds replacing the strips that are assigned to the bond basket corresponding to the group of market-makers in question.

Moreover, they shall continue to quote the MEFF 10-year notional bond contract with a maximum bid-offer spread of 8 ticks and minimum amounts of 60 contracts for each position. The market-makers may replace this requirement with the quotation of a bond that will be specified at the meetings between the Treasury and the market-makers.

Further, the new regulation reduces, for all maturities, the maximum spread permitted between the purchase and sale price, and it increases, for each time of day, the proportion of time during which conditions must be maintained for them to be deemed satisfied.

Finally, market-makers shall ensure through their actions the smooth working of the market, respecting the operational obligations that may be established. Specifically, they shall take such measures as are necessary to ensure the maintenance of complete separation of the operations of members of the electronic dealing system and third parties.

4.4. Loss of market-maker status

The causes for which market-makers may lose their status remain unchanged. These are namely: a) communication of the relinquishment of such status by the market-maker to the Directorate General of the Treasury and Financial Policy; b) a decision to this effect by the Treasury, when it considers the market-maker is not maintaining its commitments to the Spanish public debt market in accordance with the evaluation criteria established in the Resolution; c) by decision by the Director General of the Treasury and Financial Policy, if a market-mak-

er has failed to comply with its obligations for three consecutive months; and d) by decision of the Treasury if an institution fails to comply with the arrangements in place for withholdings on account envisaged under the regulations in force applicable to it.

4.5. Evaluation of market-makers' activities

As was envisaged in the Resolution of 11 February, the Treasury will evaluate on a monthly basis the activities of market-makers in the following areas relating to government debt: subscription of securities at tenders; participation in tenders, in accordance with the criteria established in the aforementioned Resolution; participation in the public debt management or promotion operations undertaken by the Treasury; quotations in the organised electronic trading system or systems specified by the Treasury; participation in total monthly trading in the organised electronic trading system or systems specified by the Treasury; participation in monthly trading between members of the Book-Entry Public Debt Market; participation in trading by market-makers with entities that are not Book-Entry System members; stripping and reconstitution of stripable securities, and trading therein; and whatsoever other activity that reflects commitment to the Spanish public debt market.

Finally, the Treasury shall establish the criteria for evaluating operations performed by market-makers with government debt, having regard to the market-making component they entail. Specifically, priority shall be given to quoting and dealing in the organised electronic trading system or systems specified by the Treasury, and to the greater residual maturity of the securities being traded or tendered. According to the results of the evaluation performed, the Treasury shall, each month, communicate with those market-makers deviating from the mean position of the group analysed. Annually, the Director General of the Treasury and Financial Policy will disclose which market-makers, on the basis of the above-mentioned evaluation, have been most active in terms of market-making during the year.

5. AMENDMENT OF REGULATIONS GOVERNING THE SNCE (NATIONAL ELECTRONIC CLEARING SYSTEM)

Royal Decree 1369/1987 of 18 September 1987 (10), the Ministerial Order of 29 February

(10) See "Regulación financiera: cuarto trimestre de 1987" in *Boletín Económico*, Banco de España, July-August 1988, p. 51.

1988 (11) and Banco de España Circular 8/1988 of 14 June 1988 (12) regulated the structure and functioning of the National Electronic Clearing System (hereafter, SNCE), made up of the National Exchange System (SNI) and the National Settlement System (SNL). Later, BE Circular 11/1990 of 6 November 1990 defined the rules of procedure of the current account cheque and promissory note sub-system, which is integrated into the SNI and is regulated by SNCE Regulation 004 (hereafter SNCE-004). Subsequently, the aforementioned Circular was amended by BE Circulars 5/1991 of 26 July 1991, 1/1995 of 30 June 1995, 2/1998 of 27 January 1998 and 9/1998 of 30 October 1998, which incorporated the clearing of new documents and payment means into this sub-system.

The regulations of the SNCE oblige direct participants to assume joint and several liability for the operations conducted in each sub-system by the entities they represent. And this liability extends to the settlement phase. This joint and several obligation entails a financial risk for direct participants representing other entities, making it necessary to define the effects to which a payment default situation might give rise and, in turn, to set basic rules to which both direct and indirect participants may adhere in the daily settlement of the bilateral operations arising from their engagement in exchanges via the SNCE.

To this end, BE Circular 1/2002 of 25 January 2002 (BOE of 2 February) was published. It amends both Circular 8/1988 of 14 June 1988, which approved the Regulation of the SNCE, and Circular 11/1990 of 6 November 1990.

In this respect, the Circular stipulates that, among the conditions and the means of joining the different exchange sub-systems, there will be an obligation for direct participants to assume jointly and severally the liability arising from the operations conducted in the sub-system by the entities they represent (indirect participants). This liability will be limited to operations exchanged in the session or, where applicable, in sessions prior to the SNCE settlement date on which the settlement default between direct and indirect participants should have arisen.

Regarding the loss of member status and suspension, the Circular adds that an SNCE participant which is subject to insolvency pro-

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

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

ceedings shall be suspended immediately from participation once firm knowledge of the initiation of such proceedings becomes available. For these purposes, insolvency proceedings will be deemed to have been initiated against an SNCE participant once a state of bankruptcy has been declared or an application for the suspension of payments to creditors has been admitted for consideration.

Furthermore, the procedure to be followed in the event of a direct participant deciding unilaterally to cease to represent an indirect participant is established. In this respect, when an SNCE direct participant wishes to cease representing an indirect participant, it shall duly inform the Banco de España and the entity concerned. Thereafter there will be a period of thirty-five calendar days within which the end of the relationship will take effect. This will only be interrupted if, during this period, there is a failure to settle the final net multilateral position or if the indirect participant has a direct participant at hand to assume its representation. As from the time the direct participant communicates its wish to cease representation, both the direct and indirect participants will be subject to special monitoring arrangements carried out by the related Banco de España services, so as to verify timely compliance with the settlement of the final net multilateral position (13) between the indirect and the direct participant.

The Circular also stipulates that SNCE direct participants shall, before 12 noon, communicate to the Banco de España Settlement Service (SLBE) the final net multilateral position of each of the indirect participants they represent. As a general rule, the final net multilateral position should be settled between the direct participant and the indirect participant it represents on the same National Settlement System date to which it corresponds.

Finally, the effects arising from default in the settlement of positions between SNCE direct and indirect participants are envisaged:

- a) If the party defaulting on the payment of its debit position is the indirect participant, its

(13) The final net multilateral position of indirect participants is the algebraic sum of the net operational totals corresponding to each indirect participant, aggregating all the SNCE sub-systems in which it is represented by the same direct participant. To calculate these operational totals, all exchanged operations (via the direct participant representing it) with each of the other System members will be taken into account. Included here, therefore, will be not only the operations exchanged with the other direct and indirect participants but also those exchanged with the direct participant representing it and the other indirect participants represented in the SNCE by the aforementioned direct participant.

participation in the SNCE will be suspended forthwith, this being effective in the very same session of exchanges commencing on the SNCE settlement date on which the default has occurred. This suspension will be subject to resolution of the related disciplinary proceedings initiated against the indirect participant, in accordance with the provisions of the SNCE Regulation. The direct participant, for its part, will assume the unsatisfied settlement, without prejudice to the legal action that may correspond to it.

- b) If the party defaulting on the payment of its debit position is the direct participant, the related proceedings will be initiated against it.

Default shall be reported by the creditor entity of the funds, and it is for the latter, likewise, to provide the data and documents required to demonstrate such default. Refunds relating to those exchange sessions already over, including that in which settlement default took place, will be necessarily adapted to the reasons established for each sub-system, and their exchange and settlement will be conducted following the procedures established by the Banco de España. Consequently, the direct participant may not proceed with the refund of previously settled operations solely because the indirect participant it represents has defaulted on payment of the final net multilateral position. If the suspension is communicated to the other participants when the exchanges of the following session have already begun, the entity acting as a direct participant will proceed with the refund of the operations that the other participants may present to it, at the expense of the suspended participant.

6. CONDITIONS OF ACCESS TO THE SYSTEM FOR CONTROL OF MONEY COUNTERFEITING

Council Regulation (EC) No 1338/2001 of 28 June 2001 laid down measures necessary for the protection of the euro against counterfeiting, and established certain measures in connection with the collection and storage of data related to counterfeit banknotes and coins and with access to these data. Subsequently, Regulation (EC) 1339/2001 of 28 June 2001 extended such measures to those Member States that had not adopted the euro as their single currency.

The *Decision of the European Central Bank of 8 November 2001* (OJ of 20 December 2001) has recently been published, which seeks to build on the mechanisms already in place for the analysis of counterfeits and for the collection of information relating to counterfeiting.

In this respect, the European Central Bank (ECB) has reorganised the Counterfeit Analysis Centre and the Counterfeit Currency Database, renaming the latter the "Counterfeit Monitoring System" (CMS). The CMS consists of a central database containing all technical and statistical information on the counterfeiting of euro banknotes and coins originating in the Member States or in third countries. It also includes browsing and editing applications, facilities for the downloading and uploading of data, and networks linking the different users of the CMS to the CMS.

Also, the ECB specifies the conditions that ensure the appropriate procedures for access to CMS data, requiring all national central banks (NCBs) of the European System of Central Banks to establish their respective national counterfeit centres (NCCs), as well as the role of security administrator for each such centre (14). Also the ECB reaches the necessary arrangements and agreements with the Commission and Europol to provide for their appropriate access to CMS data and for the access of the European Technical and Scientific Centre. The confidential nature of the data means that the information that each of the users of the CMS obtains from the CMS should be used exclusively for the purpose of fulfilling their responsibilities in the fight against counterfeiting of the euro.

Finally, the ECB will approve a manual of procedures and minimum security standards in connection with the CMS, which will not be published due to the confidential nature of the data, but which may be consulted in the CMS.

7. AMENDMENT OF THE DIRECTIVE ON UNDERTAKINGS FOR COLLECTIVE INVESTMENT IN TRANSFERABLE SECURITIES

Council Directive 85/611/EEC of 20 December 1985 on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), partially amended by Council Directive 88/20/EEC of 22 March

1988, attempted to co-ordinate the national laws regulating UCITS with a view to approximating the conditions of competition between them at the Community level while at the same time ensuring more effective and more uniform protection for unit-holders.

The scope of application of Directive 85/611/EEC was initially limited to undertakings for collective investment of the open-ended type which promote the sale of their units to the public in the Community and the sole object of which is investment in transferable securities (15). However, the Directive envisaged subsequent co-ordination of those UCITS outside its scope of application.

Recently, *Directive 2001/108/EC of the European Parliament and of the Council of 21 January 2002* (OJ of 13 February 2002) has been published, amending Directive 85/611/EEC, with regard to investments of UCITS, widening the investment objective of UCITS, in order to permit them to invest in financial instruments, other than transferable securities, which are sufficiently liquid, namely money market instruments (16).

In accordance with the foregoing and taking into account market developments over the years, the Directive establishes new forms of investment, so that UCITS, in addition to the forms already authorised, can invest in:

- a) Units of UCITS authorised according to this Directive and other collective investment undertakings, should they be situated in a Member State or not, provided that: 1) such other collective investment undertakings are authorised under laws which provide that they are subject to supervision considered by the UCITS' competent authorities to be equivalent to that laid down in Community law, and that, inter alia, co-operation between authorities is sufficiently ensured and the level of protection for unit-holders in the other collective investment undertakings is equivalent to that provided for unit-holders in a UCITS; 2) the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of this Directive; 3) the business of the other collective investment undertakings is reported in half-yearly and annual reports to enable an assessment to

(14) This measure was adopted by Spain by means of Law 24/2001 of 27 December 2001 on Fiscal, Administrative and Social Measures, whereby an additional provision was introduced into Law 46/1998 of 17 December 1998 on the introduction of the euro. Thus, it is stipulated that, without prejudice to the powers attributed to other State government or Regional Government bodies, the Banco de España shall be the national authority responsible for the detection of counterfeit euro-denominated notes and coins, and it is designated as the National Centre of Analysis (CNA) and the National Centre of Analysis of the Currency (CNAM) on behalf of the Treasury.

(15) Equivalent to Spanish *sociedades de inversión mobiliaria* and *fondos de inversión mobiliaria*.

(16) For the purposes of this Directive, money market instruments are deemed to be those instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time.

- be made of the assets and liabilities, income and operations over the reporting period; and 4) no more than 10 % of the UCITS' or the other collective investment undertakings' assets, whose acquisition is contemplated, can, according to their fund rules or instruments of incorporation, be invested in aggregate in units of other UCITS or other collective investment undertakings.
- b) Deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a non-Member State, provided that it is subject to prudential rules considered by the UCITS' competent authorities as equivalent to those laid down in Community law.
- c) Financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market and financial derivative instruments dealt in over-the-counter ('OTC derivatives'), provided that: a) the underlying consists of financial indices, interest rates, foreign exchange rates or currencies, in which the UCITS may invest according to its investment objectives as stated in the UCITS' fund rules or instruments of incorporation; b) the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the UCITS' competent authorities; and c) the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the UCITS' initiative. Investment in this type of instrument shall be subject to the limitations laid down in the above-mentioned Directive.
- d) Money market instruments other than those dealt in on a regulated market, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:
- Issued or guaranteed by a central, regional or local authority or central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or issued by an undertaking any securities of which are dealt in on regulated markets.
 - Issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the competent authorities to be at least as stringent as those laid down by Community law.
 - Issued by other bodies belonging to the categories approved by the UCITS' competent authorities provided that investments in such instruments are subject to similar investor protection to the previous cases and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual accounts, or an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
- The management or investment company involved in the above operations must employ a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio, and also to assess accurately and independently the value of OTC derivative instruments. It must communicate to the competent authorities regularly and in accordance with the detailed rules they shall define, the types of derivative instruments, the underlying risks, the quantitative limits and the methods which are chosen in order to estimate the risks associated with transactions in derivative instruments regarding each managed UCITS.
- Notwithstanding, the Member States may authorise UCITS to employ techniques and instruments relating to transferable securities and money market instruments under the conditions and within the limits which they lay down provided that such techniques and instruments are used for the purpose of efficient portfolio management. Under no circumstances shall these operations cause the UCITS to diverge from its investment objectives as laid down in the UCITS' fund rules or prospectus. If these operations involve the use of derivatives, the UCITS shall ensure that its global exposure relating to derivative instruments – which shall include the

current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions – does not exceed the total net value of its portfolio. Also the exposure to risk in the relevant underlying asset shall be taken into account for the purposes of calculating the limits laid down for UCITS investments.

As regards the quantitative limits on investments, a UCITS may invest no more than 5 % of its assets in transferable securities or money market instruments issued by the same body. Also, a UCITS may not invest more than 20 % of its assets in deposits made with the same body. Furthermore, an upper limit is established for the counterparty risk in OTC derivatives transactions equal to 10% of assets if the counterparty is a credit institution and 5% in other cases. Member States may raise the general limit from 5% to a maximum of 10%. However, the total value of the transferable securities and the money market instruments held by the UCITS in the issuing bodies in each of which it invests more than 5 % of its assets must not then exceed 40 % of the value of its assets. These general limits may be raised by Member States to 35%, depending on the type of instrument, the issuer and market circumstances.

An OICVM may acquire the units of another UCITS or of other collective investment undertakings, provided that no more than 10 % of its assets are invested in units of a single institution. The Member States may raise the limit to a maximum of 20 %. Investments made in units of collective investment undertakings other than UCITS may not exceed, in aggregate, 30 % of the assets of the UCITS.

The prospectus shall indicate in which categories of assets a UCITS is authorised to invest, whether transactions in financial derivative instruments are authorised and the impact of the latter on the risk profile. When a UCITS is high risk, this fact should also be indicated in the prospectus.

8. AMENDMENT OF THE DIRECTIVE ON UNDERTAKINGS FOR COLLECTIVE INVESTMENT IN TRANSFERABLE SECURITIES, WITH A VIEW TO REGULATION OF MANAGEMENT COMPANIES AND SIMPLIFIED PROSPECTUSES

Council Directive 85/611/EEC of 20 December 1985 on undertakings for collective investment in transferable securities, made a significant contribution to the achievement of the Single Market in this field, laying down (for the first

time in the financial services sector) the principle of mutual recognition of authorisations and other provisions which facilitate the free circulation within the European Union of the units of the collective investment undertakings (established as unit trusts/common funds or investment companies). However, Directive 85/611/EEC did not regulate to a great extent the companies which manage collective investment undertakings [so-called “management companies (17)“], since it did not lay down provisions ensuring in all Member States equivalent market access rules and operating conditions for such companies, nor did it regulate the establishment of branches and the free provision of services by such companies in Member States other than their home Member State.

These gaps have now been filled by *Directive 2001/107/EC of the European Parliament and of the Council of 21 January 2002* (OJ 041/2002 of 13 February 2002) amending Council Directive 85/611/EEC with a view to regulating management companies and simplified prospectuses.

The approach adopted by the Directive is similar to that established in Community law with respect to the single space in the financial services field, i.e. to ensure the essential harmonisation necessary and sufficient to secure the mutual recognition of authorisation and of prudential supervision systems, making possible the granting of a *single authorisation valid* throughout the European Union and the application of *home Member State supervision*. At the same time, authorisation granted in the management company's home Member State should ensure *investor protection* and the *solvency* of management companies, with a view to contributing to the stability of the financial system. By virtue of mutual recognition, management companies authorised in their home Member States should be permitted to engage in the services for which they have received authorisation throughout the European Union by establishing branches or under the freedom to provide services.

The activity of management of portfolios of investments is an investment service already covered by Council Directive 93/22/EEC of 10 May 1993 on investment services in the securities field. Directive 2001/107/EC, in order to ensure a homogeneous regulatory framework in this area, establishes that management companies whose authorisation also covers invest-

(17) Their normal business is the management of UCITS established in the form of unit trusts/common funds and/or investment companies (UCITS' collective portfolio management).

ment services are subject to the operating conditions laid down in that Directive, so that for various aspects of the regulation of management companies the provisions of Directive 93/22/EEC will apply.

The most important points of this Directive are discussed in detail below:

8.1. Access to the business of management companies

Access to the business of management companies is subject to prior official authorisation to be granted by the home Member State's competent authorities. Such authorisation shall be granted when the applicant company fulfils the following requirements:

- a) It must have an initial capital of at least EUR 125,000. When the value of the portfolios (18) of the management company, exceeds EUR 250 million, the management company shall be required to provide an additional amount of own funds. This additional amount of own funds shall be equal to 0.02 % of the amount by which the value of the portfolios of the management company exceeds EUR 250 million. The required total of the initial capital and the additional amount shall not, however, exceed EUR 10 million. However, Member States may authorise management companies not to provide up to 50 % of the additional amount of own funds if they benefit from a guarantee of the same amount given by a credit institution or an insurance undertaking. The credit institution or insurance undertaking must have its registered office in a Member State, or in a non-Member State provided that it is subject to prudential rules considered by the competent authorities as equivalent to those laid down in Community law.
- b) The persons who effectively conduct the business of a management company must be of sufficiently good repute and are sufficiently experienced also in relation to the type of UCITS managed by the management company.
- c) The application for authorisation must be accompanied by a programme of activity setting out, inter alia, the organisational structure of the management company.

(18) Investment funds and the investment companies administered by the management company will be considered as portfolios of the management company, as will other collective investment undertakings administered by the management company, including portfolios whose management this company has delegated, but not the portfolios that said company may be administering by delegation.

- d) Both its head office and its registered office must be located in the same Member State.
- e) It must inform the competent authorities of the identities of the shareholders or members, whether direct or indirect, natural or legal persons, that have qualifying holdings (19) and of the amounts of those holdings.

The competent authorities shall refuse authorisation if, taking into account the need to ensure the sound and prudent management of a management company, they are not satisfied as to the suitability of the aforementioned shareholders or members. Also, they should not grant or should withdraw authorisation where factors, such as the content of programmes of operations, the geographical distribution or the activities actually carried on indicate clearly that a management company has opted for the legal system of one Member State for the purpose of evading the stricter standards in force in another Member State within the territory of which it intends to carry on or does carry on most of its activities.

8.2. Operating conditions

Directive 85/611/EEC limited the scope of management companies to the sole activity of management of unit trusts/common funds and of investment companies (collective portfolio management). In order to take into account recent developments in national legislation of Member States and to permit such companies to achieve important economies of scale, the Directive revises this restriction permitting such companies to carry out also the activity of management of portfolios of investments on a client-by-client basis (individual portfolio management) including the management of pension funds as well as some specific non-core activities linked to the main business.

With regard to collective portfolio management (management of unit trusts/common funds and investment companies), the authorisation granted to a management company authorised in its home Member State should permit the company to carry on in host Member States the following activities: to distribute the units of the harmonised unit trusts/common funds managed by the company in its home Member State; to distribute the shares of the harmonised investment companies, managed by such a company;

(19) A qualifying holding is a direct or indirect holding in a management company that represents 10% or more of its capital or voting rights or which enables a significant influence to be exerted over the management of the management company in which the holding is held.

to perform all the other functions and tasks included in the activity of collective portfolio management; to manage the assets of investment companies incorporated in Member States other than its home Member State; to perform, on the basis of mandates, on behalf of management companies incorporated in Member States other than its home Member State, the functions included in the activity of collective portfolio management.

8.3. Investor protection

For this purpose, management companies shall have sound administrative and accounting procedures, control and safeguard arrangements for electronic data processing and adequate internal control mechanisms. Also, they shall not be permitted to invest all or a part of the investor's portfolio in units of unit trusts/common funds or of investment companies it manages, unless it receives prior general approval from the client, and shall be subject with regard to investment services to the provisions of Directive 97/9/EC of the European Parliament and of the Council of 3 March 1997 on investor-compensation schemes. Finally, each Member State shall draw up rules of conduct which management companies authorised in that Member State shall observe at all times.

8.4. Right of establishment and freedom to provide services

Member States shall ensure that a management company may carry on within their territories the activity for which it has been authorised, either by the establishment of a branch or under the freedom to provide services. Member States may not make the establishment of a branch or the provision of the services subject to any requirement for additional authorisation, to any requirement to provide endowment capital or to any other measure having equivalent effect.

Any management company wishing to establish a branch within the territory of another Member State shall notify the competent authorities of its home Member State and provide the following information: *a)* the Member State within the territory of which the management company plans to establish a branch; *b)* a programme of operations setting out the activities and services envisaged and the organisational structure of the branch; *c)* the address in the host Member State from which documents may be obtained; *d)* the names of those responsible for the management of the branch. They shall also communicate details of any compensation scheme intended to protect investors.

Any management company wishing to carry on business within the territory of another Member State for the first time under the freedom to provide services shall communicate its intention to the competent authorities of its home Member State stating the Member State within the territory of which the management company intends to operate, and shall send a programme of operations stating the activities and services envisaged. The competent authorities of the home Member State shall forward such information to the competent authorities of the host Member State. They shall also communicate details of any applicable compensation scheme intended to protect investors.

8.5. Review of the regulations on investment companies

The Directive takes the opportunity to update the law on investment companies, specifically for those that have not designated a management company. They shall be subject to conditions for taking up business and operating conditions similar to those which apply to the latter. Thus they must evidence an initial capital of at least EUR 300,000, the authorisation application must be accompanied by a programme of activity setting out, *inter alia*, the organisational structure of the investment company, and the directors of the investment company shall be of sufficiently good repute and be sufficiently experienced also in relation to the type of business carried out by the investment company.

Investment companies may only manage assets of their own portfolio and may not, under any circumstances, receive any mandate to manage assets on behalf of a third party. Also, the home Member State, having regard also to the nature of the investment company, shall require that the company has sound administrative and accounting procedures, control and safeguard arrangements for electronic data processing.

8.6. Obligations of management companies and investment companies with regard to the publication of simplified prospectuses

To take into account the development of the obligations relating to investor information included in Directive 85/611/CEE (29), both the management company, for each of the mutual

(20) A full prospectus, an annual report for each financial year and a half-yearly report covering the first six months of the financial year.

funds it manages, and the investment company shall publish, in addition to the existing full prospectus, a simplified prospectus. Such a new prospectus should be designed to be investor-friendly and should therefore represent a source of valuable information for the average investor. Such a prospectus should give key information about the UCITS in a clear, concise and easily understandable way. However, the investor should always be informed, by an appropriate statement to be included in the simplified prospectus, that more detailed information is contained in the full prospectus and in the UCITS' yearly and half-yearly report, which can be obtained free of charge at his/her request. The simplified prospectus should always be offered free of charge to subscribers before the conclusion of the contract.

Member States may permit that the simplified prospectus be attached to the full prospectus as a removable part of it. The simplified prospectus can be used as a marketing tool designed to be used in all Member States without alterations except translation. Member States may therefore not require any further documents or additional information to be added. Both the full and the simplified prospectus may be incorporated in a written document or in any durable medium having an equivalent legal status approved by the competent authorities.

9. ASSET SECURITISATION FUNDS: PROMOTION AGREEMENTS (FTPYMES)

Royal Legislative Decree 3/1993 of 26 February 1993 on urgent budgetary, tax, financial and employment measures, and additional provision five of Law 3/1994 of 14 April 1994 (21), which introduced the Second Banking Co-ordination Directive into Spanish law, empowered the government to extend the regime established in Law 19/1992 of 7 July (22) for mortgage securitisation funds (*fondos de titulación hipotecaria*), with the necessary adjustments, to the securitisation of other loans and creditors' rights, including those arising from leasing transactions, and those relating to the activities of small and medium-sized businesses, the funds arising from such securitisation to be known as asset securitisation funds (*fondos de titulación de activos*, FTAs). The government, exercising this power, enacted Royal Decree 926/1998 of 14 May 1998 on the regulation of

FTAs and their management companies, which established the frame of reference for asset securitisation in Spain.

Subsequently, the 1999 State Budget Law 49/1998 of 30 December 1998 (23) empowered the Ministry of Economy and Finance (MEH) to guarantee fixed-income securities issued by FTA established under agreements between the MEH and their management companies and, also, to establish the rules and requirements for such agreements. To this end, the Ministerial Order of 28 May 1999 (24) was published, which establishes the regime for and content of the promotion agreements that can be entered into by the MEH – acting through the Treasury – with the management companies of FTA, in order to promote the creation of FTA which, under the trade name FTPYME, may benefit from a State guarantee for the fixed-income securities they issue in order to stimulate business financing. In fact, the Order provides for the possibility that the Treasury may guarantee some of the bonds issued by FTAs whose assets include loans granted by credit institutions to non-financial corporations, of which a certain percentage must be small- and medium-sized enterprises (SMEs). This affords the credit institutions that originated the Fund's assets a way of refinancing their loans to SMEs.

In the light of the experience gained in this area it has been considered desirable to make certain amendments to the Ministerial Order of 28 May 1999. These have recently been implemented by the *Ministerial Order of 28 December 2001* (BOE of 1 February 2001) on FTA promotion agreements to stimulate business financing.

First, as regards the credit rating of the bonds the Treasury may guarantee, the Ministerial Order of 28 May 1999 provides that securities with at least a rating prior to the guarantee of BBB/Baa or the equivalent can be guaranteed. FTPYME have been shown to be viable without it being necessary for the State to assume risk beyond guaranteeing series with a rating of A or AA/Aa, so that this Order removes the possibility of guaranteeing bonds with lower ratings. Second, the percentage of the assets of FTPYMEs that small- and medium-sized enterprises must represent is adjusted, and the percentage of liquidity obtained by the assigning credit institutions which the latter must reinvest in loans to SMEs. Specifically, financing to

(21) See "Regulación financiera: segundo trimestre de 1994", in *Boletín Económico*, Banco de España, July-August 1994, pp. 92-96.

(22) See "Regulación financiera: segundo trimestre de 1992", in *Boletín Económico*, Banco de España, July-August 1992, pp. 93-94.

(23) See "Financial regulation: fourth quarter 1998", in *Economic bulletin*, Banco de España, January 1999, p. 109.

(24) See "Financial regulation: second quarter of 1999", in the *Economic Bulletin*, Banco de España, July 1999, p. 67.

small- and medium-sized enterprises must represent at least 50% (previously 40%) of FT-PYMEs' assets and the assigning credit institutions must, for their part, reinvest 50% of the volume of assets they sell to the Fund in new financing to SMEs (previously they were obliged to reinvest 50% of the assets less the financing they had granted to the FTA). Also, the procedure is homogenised with that of the granting of other guarantees by the Treasury, in which it is the managing body itself that is responsible for the procedure and subsequently for making the proposal to the Treasury for the granting of a guarantee. Finally, and in this same sense, the operation and administrative location of the Commission (25) responsible for assessing the FTA projects that wish to take advantage of the benefits of this Order is specified.

10. NEW PROCEDURES, FORMALITIES, STANDARDISED SYSTEMS AND PRE-FORMATTED FORMS TO EFFECT THE EXERCISE OF RIGHTS, ACTIONS AND COMMUNICATIONS BY TELEMATIC TECHNIQUES IN THE AREA OF INSURANCE CORPORATIONS AND PENSION FUNDS

An Order of 26 December 2001 laid down general criteria for the telematic processing of certain procedures by the Ministry of Economy and the public bodies attached thereto and created a telematic registry for the presentation of documents and applications, assuming powers to include new procedures, formalities and communications, new standardised and pre-formatted forms to effect the exercise of rights, actions and communications through electronic, data-processing and telematic techniques.

At the same time, the law regulating the ordering and supervision of private insurance and pension schemes and funds established specific information duties for the entities subject to its provisions, which require certain documentation to be sent periodically to the body responsi-

ble for supervision. Thus, insurance undertakings, in accordance with Law 30/1995 of 8 November 1995 on the Ordering and Supervision of Private Insurance and the Regulation on the Ordering and Supervision of Private Insurance, approved by Royal Decree 2486/1988 of 20 November 1988, are required to send to the Directorate General of Insurance and Pension Funds, among other documentation, certain statistical and accounting information, the standard forms for which were approved by the Order of 23 December 1998.

As regards the management entities of pension funds, Law 8/1987 on the Regulation of Pension Schemes and Funds and its Regulations, approved by Royal Decree 1307/1988, of 30 September 1988 specify the statistical and accounting information that the managing entities of pension funds must submit to the Ministry of Economy, the standard forms for which were approved by the Order of 12 March 1996. All these communications and actions, together with other procedures within the scope of the powers of the Directorate General for Insurance and Pension Funds can now be processed telematically.

For this reason, *Order ECO/586/2002 of 8 March 2002* (BOE 065/2002 of 16 March 2002) has recently been published. It includes new procedures, formalities, standardised systems and pre-formatted forms for effecting the exercise of rights actions and communications by electronic, data-processing and telematic techniques in the area of the Directorate General of Insurance and Pension Funds. They include the following:

1. The sending by insurance undertakings of quarterly and annual statistical and accounting information.
2. The sending by entities required to prepare consolidated accounts of consolidated statistical and accounting information.
3. The sending by entities belonging to consolidated groups of insurance undertakings of half-yearly statistical and accounting information.
4. The sending by entities managing pension funds of the annual statistical and accounting documentation of the managing entities and of the pension schemes and funds.

10.4.2002

(25) This Commission is made up of two representatives of the Directorate General of Policy for the Small- and Medium-Sized Enterprise, two from the Directorate General of the Treasury and Financial Policy and one from the Secretary General for Economic Policy and the Protection of Competition, which shall be appointed by the respective Directors or Secretary Generals. The Presidency shall correspond to one of the representatives of the Directorate General of Policy for the Small- and Medium-Sized Enterprise, with one of the representatives of the Directorate General of the Treasury and Financial Policy acting as secretary.

ECONOMIC INDICATORS

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These indicators are continuously updated on the Banco de España's website. 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/htmls/calenda.htm>). Where the dissemination dates shown in the calendar are approximate, the firm date shall be specified one week before the data are released.

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(1) IMF Special Data Dissemination Standard (SDDS).

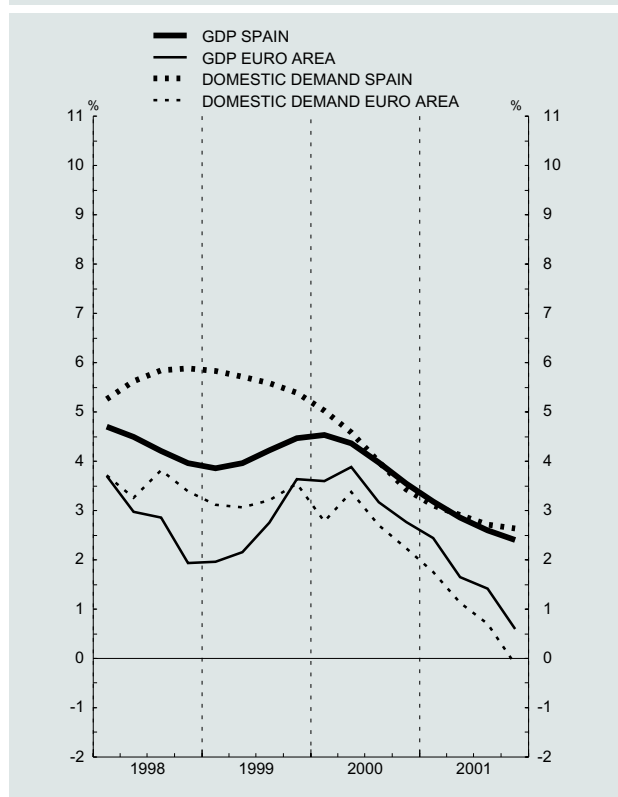
1.1. Gross domestic product. Constant 1995 prices. Demand components. Spain and Euro area (a)

■ Series depicted in chart.

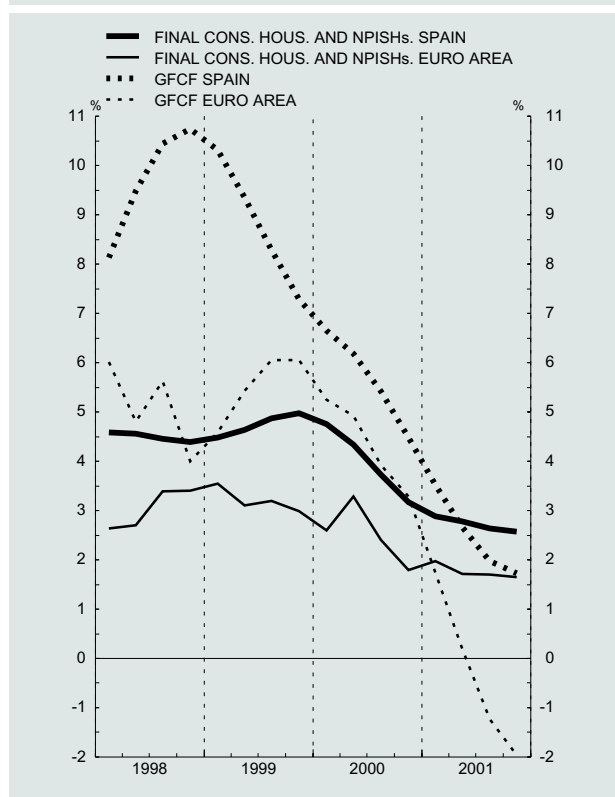
Annual percentage changes

		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
99 00 01	P	4.1	2.6	4.7	3.2	4.2	2.1	8.8	5.5	5.6	3.2	7.6	5.2	12.8	7.2	565	6 140
	P	4.1	3.4	4.0	2.5	4.0	1.9	5.7	4.3	4.2	2.8	9.6	12.1	9.8	10.8	609	6 429
	P	2.8	1.5	2.7	1.8	3.1	2.0	2.5	-0.3	2.8	0.9	3.4	3.5	3.7	1.8	650	6 805
98 Q4	P	4.0	1.9	4.4	3.4	3.7	1.9	10.7	4.0	5.9	3.4	5.6	2.7	12.7	7.4	135	1 493
99 Q1 Q2 Q3 Q4	P	3.9	2.0	4.5	3.6	3.8	2.2	10.3	4.6	5.8	3.1	6.0	1.7	13.1	5.2	137	1 511
	P	4.0	2.2	4.6	3.1	4.1	1.9	9.4	5.4	5.7	3.1	7.1	3.2	13.3	6.0	140	1 524
	P	4.2	2.8	4.9	3.2	4.3	2.1	8.3	6.1	5.6	3.2	8.2	6.0	12.9	7.7	143	1 543
	P	4.5	3.6	5.0	3.0	4.4	2.4	7.3	6.0	5.4	3.5	9.0	10.0	12.0	10.0	145	1 562
00 Q1 Q2 Q3 Q4	P	4.5	3.6	4.8	2.6	4.4	2.0	6.6	5.2	5.0	2.8	9.5	12.5	10.9	10.4	148	1 583
	P	4.4	3.9	4.3	3.3	4.3	2.2	6.2	4.9	4.6	3.4	9.9	11.9	10.3	10.8	151	1 601
	P	4.0	3.2	3.7	2.4	3.9	1.6	5.4	3.9	4.0	2.7	10.1	12.1	9.7	11.2	154	1 615
	P	3.5	2.8	3.2	1.8	3.5	1.7	4.5	3.3	3.4	2.2	9.0	12.0	8.3	11.0	156	1 630
01 Q1 Q2 Q3 Q4	P	3.2	2.4	2.9	2.0	3.1	2.0	3.5	1.7	3.1	1.8	6.8	8.4	6.4	6.8	159	1 687
	P	2.9	1.6	2.8	1.7	3.0	2.0	2.7	0.2	2.9	1.1	4.0	5.4	4.1	4.2	162	1 699
	P	2.6	1.4	2.6	1.7	3.1	2.1	2.0	-1.2	2.7	0.7	1.8	1.7	2.2	-0.2	164	1 706
	P	2.4	0.6	2.6	1.6	3.4	1.8	1.7	-2.0	2.6	-0.1	1.3	-1.5	2.1	-3.5	166	1 714

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) 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.

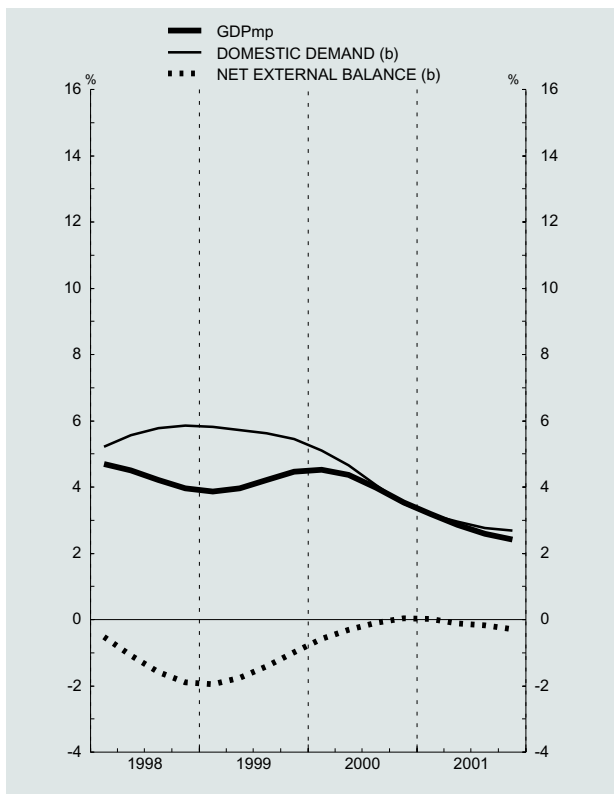
1.2. Gross domestic product. Constant 1995 prices. Demand components. Spain: details (a)

■ Series depicted in chart.

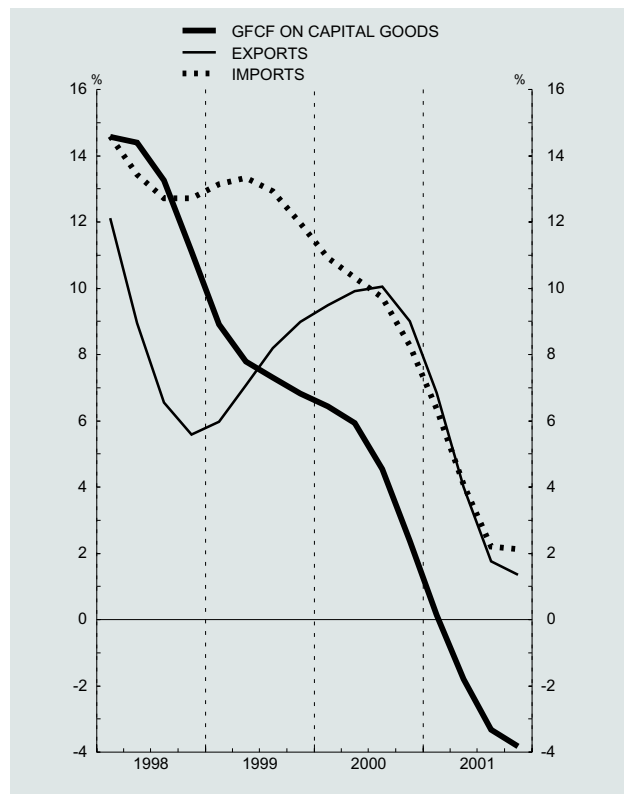
Annual percentage changes

		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
99	P	8.8	7.7	9.0	0.1	7.6	6.3	9.6	12.7	12.8	12.5	13.0	14.6	-1.5	5.7	4.1
00	P	5.7	4.8	6.2	-0.1	9.6	9.2	5.7	18.5	9.8	9.6	9.8	10.9	-0.2	4.3	4.1
01	P	2.5	-2.2	5.7	0.1	3.4	2.0	5.1	9.2	3.7	3.6	9.2	2.6	-0.1	2.9	2.8
98 Q4	P	10.7	11.1	10.6	0.2	5.6	3.8	10.0	10.5	12.7	12.8	13.4	12.2	-1.9	5.8	4.0
99 Q1	P	10.3	8.9	11.0	0.2	6.0	4.1	10.6	10.5	13.1	13.2	14.2	12.5	-2.0	5.8	3.9
Q2	P	9.4	7.8	9.9	0.1	7.1	5.5	10.7	11.4	13.3	13.2	12.7	14.1	-1.8	5.7	4.0
Q3	P	8.3	7.3	8.4	0.1	8.2	7.0	9.7	13.2	12.9	12.5	13.1	15.7	-1.4	5.6	4.2
Q4	P	7.3	6.8	7.1	-0.0	9.0	8.4	7.4	15.5	12.0	11.3	12.2	16.0	-1.0	5.4	4.5
00 Q1	P	6.6	6.4	6.4	-0.1	9.5	9.2	5.2	18.0	10.9	10.4	9.6	14.4	-0.6	5.1	4.5
Q2	P	6.2	5.9	6.2	-0.2	9.9	9.7	4.5	19.6	10.3	10.1	10.3	11.8	-0.3	4.7	4.4
Q3	P	5.4	4.5	6.1	-0.2	10.1	9.6	5.6	19.5	9.7	9.7	9.6	9.7	-0.1	4.1	4.0
Q4	P	4.5	2.4	6.1	-0.1	9.0	8.1	7.2	16.8	8.3	8.3	9.9	8.0	0.0	3.5	3.5
01 Q1	P	3.5	0.1	6.0	0.0	6.8	5.7	7.5	12.3	6.4	6.2	11.5	6.1	0.0	3.2	3.2
Q2	P	2.7	-1.8	5.9	0.1	4.0	2.6	6.2	8.5	4.1	4.0	9.0	3.8	-0.1	3.0	2.9
Q3	P	2.0	-3.3	5.6	0.2	1.8	0.2	4.2	7.2	2.2	2.2	7.8	1.1	-0.2	2.8	2.6
Q4	P	1.7	-3.8	5.3	0.1	1.3	-0.4	2.9	8.9	2.1	2.3	8.4	-0.3	-0.3	2.7	2.4

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.

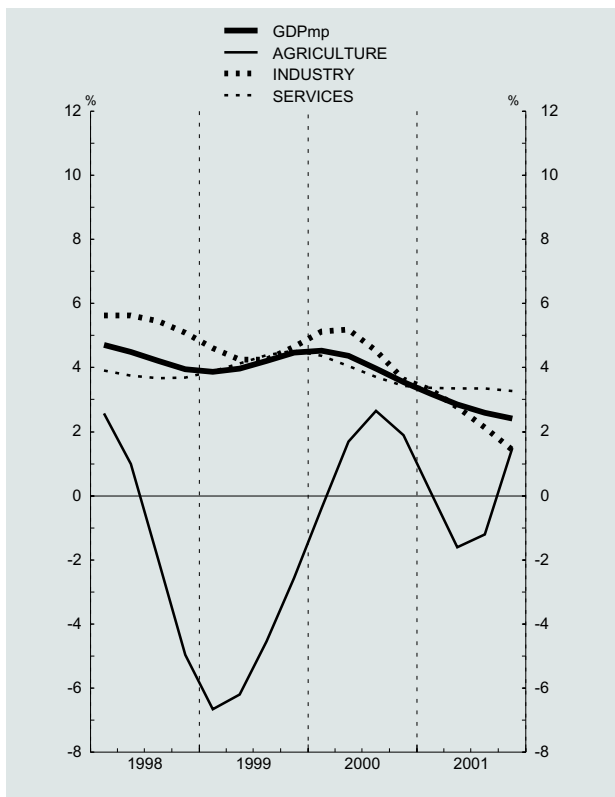
1.3. Gross domestic product. Constant 1995 prices. Branches of activity. Spain (a)

■ Series depicted in chart.

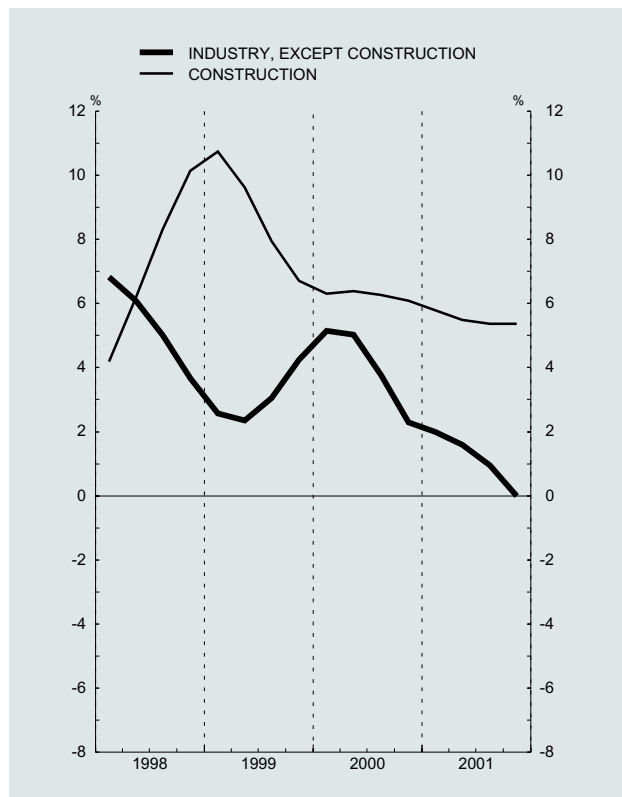
Annual percentage changes

		1	2	3	4	5	Services			9	10	11	
							Total	Market services	Non-market services				
													Gross domestic product at market prices	Agriculture and fisheries	Energy	Industry	Construction	VAT on products	Net taxes linked to imports	Other net taxes on products
99	P	4.1	-5.0	2.9	3.1	8.7	4.2	4.6	3.1	7.8	6.6	6.5	
	P	4.1	1.5	4.0	4.0	6.3	3.9	4.2	2.7	5.1	7.3	5.0	
	P	2.8	-0.3	2.2	1.1	5.5	3.3	3.5	2.9	2.6	-4.6	-0.2	
98 Q4	P	4.0	-5.0	2.6	3.7	10.1	3.7	4.0	2.6	6.2	10.7	8.7	
99	Q1	P	3.9	-6.7	3.0	2.6	10.8	3.9	4.2	2.9	7.6	8.5	6.1
	Q2	P	4.0	-6.2	3.2	2.4	9.6	4.1	4.4	3.2	8.4	6.4	5.8
	Q3	P	4.2	-4.5	2.9	3.0	7.9	4.4	4.7	3.3	8.0	5.8	7.1
	Q4	P	4.5	-2.6	2.6	4.2	6.7	4.5	4.9	3.2	7.1	5.7	7.1
00	Q1	P	4.5	-0.4	2.7	5.1	6.3	4.4	4.8	3.1	6.3	7.4	5.8
	Q2	P	4.4	1.7	3.5	5.0	6.4	4.1	4.4	2.8	5.4	9.1	4.0
	Q3	P	4.0	2.6	4.7	3.8	6.3	3.7	4.1	2.5	4.8	8.1	3.8
	Q4	P	3.5	1.9	5.2	2.3	6.1	3.4	3.7	2.4	4.0	5.0	6.3
01	Q1	P	3.2	0.1	4.5	2.0	5.8	3.4	3.6	2.5	3.2	-0.4	2.9
	Q2	P	2.9	-1.6	2.9	1.6	5.5	3.3	3.5	2.8	2.6	-5.1	1.2
	Q3	P	2.6	-1.2	1.1	1.0	5.4	3.4	3.4	3.1	2.4	-6.7	-1.7
	Q4	P	2.4	1.5	0.2	-0.0	5.4	3.3	3.3	3.3	2.2	-5.9	-3.0

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.

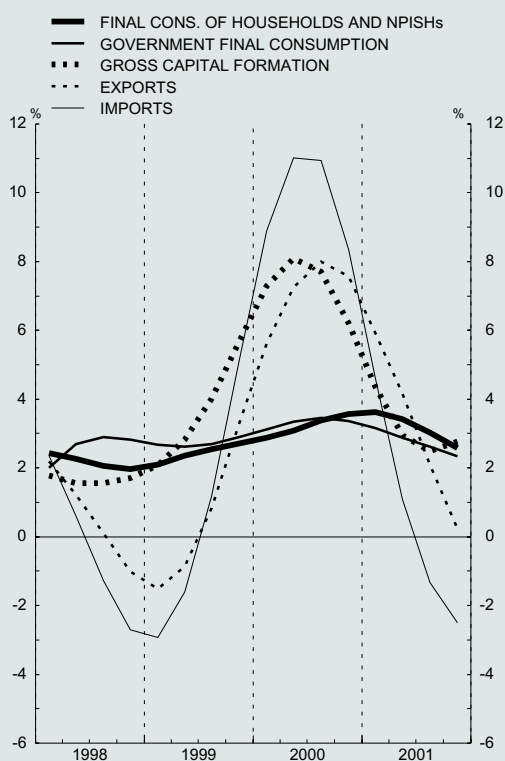
1.4. Gross domestic product. Implicit deflators. Spain (a)

■ Series depicted in chart.

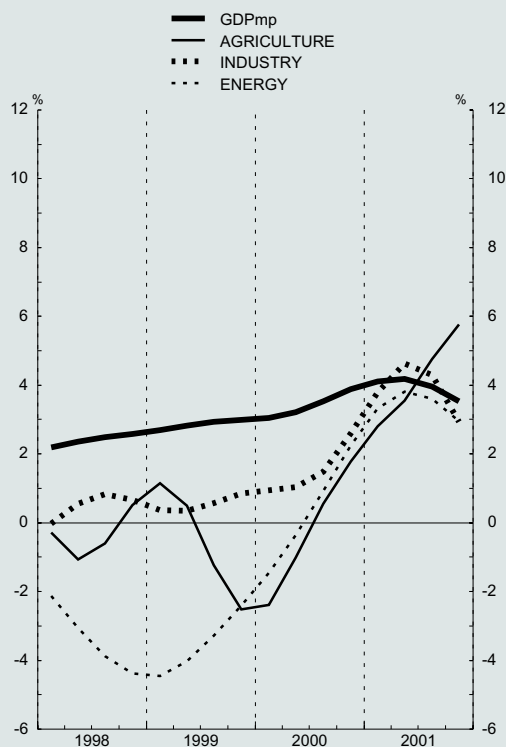
Annual percentage changes

		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		
				Of which		Services								Market services		
				Total	Gross fixed capital formation											
					Capital goods										Construction	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	
99 00 01	P	2.4	2.7	3.7	1.5	4.5	0.5	0.5	2.9	-0.5	-3.5	0.5	4.1	3.2	3.2	
	P	3.2	3.3	7.3	4.5	9.1	7.1	9.8	3.4	-0.3	0.3	1.5	8.8	3.6	3.6	
	P	3.2	2.7	3.1	1.4	5.5	3.0	0.4	3.9	4.2	3.4	3.9	5.6	4.1	4.5	
98 Q4	P	2.0	2.8	1.7	0.3	1.8	-1.0	-2.7	2.6	0.5	-4.4	0.7	2.5	3.1	3.0	
99 Q1 Q2 Q3 Q4	P	2.1	2.7	2.1	0.4	2.4	-1.5	-2.9	2.7	1.1	-4.4	0.4	2.5	3.1	3.1	
	P	2.4	2.6	2.8	0.9	3.4	-0.9	-1.6	2.8	0.5	-4.0	0.4	3.1	3.2	3.2	
	P	2.6	2.7	4.0	1.8	5.0	0.8	1.2	2.9	-1.2	-3.3	0.6	4.4	3.2	3.2	
	P	2.7	2.9	5.7	3.0	6.9	3.3	5.1	3.0	-2.5	-2.4	0.8	6.4	3.1	3.1	
00 Q1 Q2 Q3 Q4	P	2.9	3.1	7.3	4.2	8.8	5.6	8.9	3.0	-2.4	-1.5	0.9	8.3	3.1	3.0	
	P	3.1	3.3	8.1	5.0	9.7	7.2	11.0	3.2	-1.0	-0.4	1.0	9.4	3.3	3.2	
	P	3.4	3.4	7.7	4.9	9.6	8.0	10.9	3.5	0.6	0.9	1.5	9.3	3.7	3.8	
	P	3.6	3.4	6.2	4.0	8.3	7.6	8.4	3.9	1.8	2.3	2.6	8.2	4.1	4.4	
01 Q1 Q2 Q3 Q4	P	3.6	3.2	4.3	2.7	6.7	5.9	4.6	4.1	2.8	3.3	3.8	6.7	4.4	4.8	
	P	3.4	2.9	2.9	1.5	5.4	4.2	1.1	4.2	3.6	3.8	4.6	5.5	4.4	4.9	
	P	3.0	2.6	2.5	0.8	5.0	2.1	-1.3	4.0	4.8	3.6	4.3	5.1	4.1	4.5	
	P	2.6	2.3	2.8	0.7	5.0	0.2	-2.5	3.5	5.8	2.9	2.9	5.2	3.6	4.0	

GDP. IMPLICIT DEFLATORS
Annual percentage changes



GDP. IMPLICIT DEFLATORS
Annual percentage changes



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

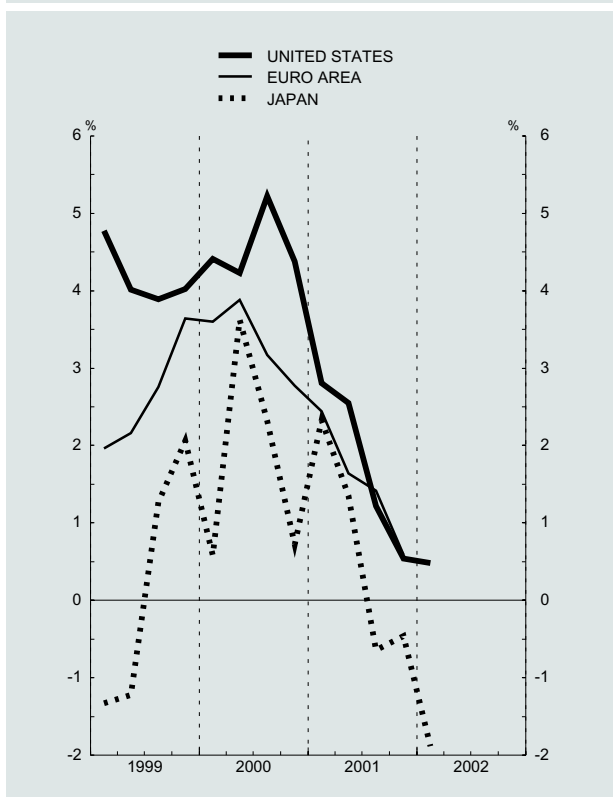
2.1. International comparison. Gross domestic product at constant prices

■ Series depicted in chart.

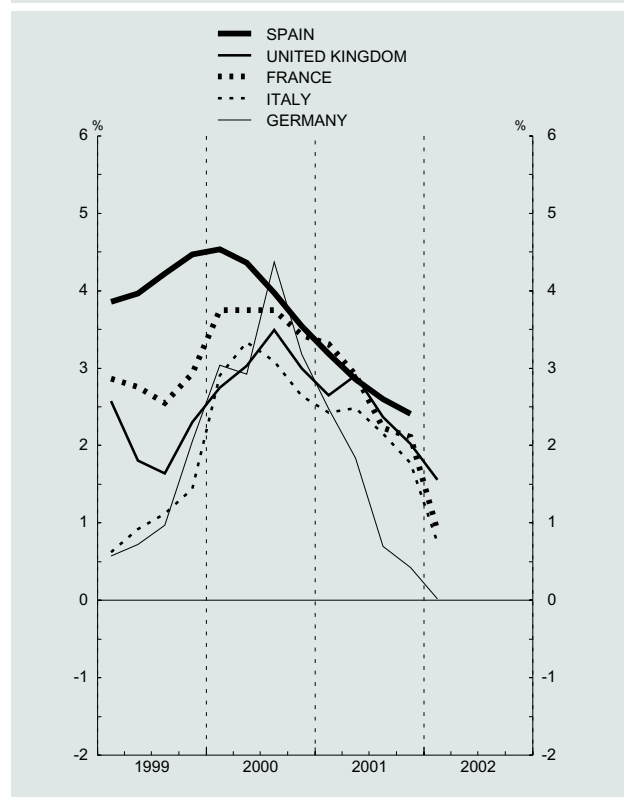
Annual percentage changes

	OECD	EU	Euro area	Germany	Spain	United States	France	Italy	Japan	United Kingdom
	1	2	3	4	5	6	7	8	9	10
99	2.8	2.6	2.6	1.1	4.1	4.2	2.8	1.0	0.2	2.1
00	4.1	3.3	3.3	3.4	4.1	4.6	3.7	3.0	1.8	3.1
01	1.8	1.6	1.5	1.4	2.8	1.8	2.6	2.2	0.6	2.5
99 Q1	2.5	2.0	2.0	0.6	3.9	4.8	2.9	0.6	-1.3	2.6
Q2	2.5	2.2	2.2	0.7	4.0	4.0	2.8	0.9	-1.2	1.8
Q3	2.9	2.7	2.8	1.0	4.2	3.9	2.5	1.1	1.3	1.6
Q4	3.3	3.5	3.6	2.1	4.5	4.0	2.9	1.4	2.1	2.3
00 Q1	3.7	3.5	3.6	3.0	4.5	4.4	3.7	2.9	0.6	2.7
Q2	4.2	3.8	3.9	2.9	4.4	4.2	3.7	3.3	3.6	3.0
Q3	4.6	3.2	3.2	4.4	4.0	5.2	3.7	3.1	2.3	3.5
Q4	3.8	2.8	2.8	3.2	3.5	4.4	3.4	2.6	0.7	3.0
01 Q1	3.0	2.5	2.4	2.5	3.2	2.8	3.3	2.4	2.3	2.6
Q2	2.4	1.7	1.6	1.8	2.9	2.5	2.9	2.5	1.4	2.9
Q3	1.2	1.5	1.4	0.7	2.6	1.2	2.2	2.2	-0.6	2.4
Q4	0.8	0.8	0.6	0.4	2.4	0.5	2.1	1.8	-0.5	2.0
02 Q1	0.4	...	...	0.0	...	0.5	0.9	0.7	-1.9	1.6

GROSS DOMESTIC PRODUCT
Annual percentage changes



GROSS DOMESTIC PRODUCT
Annual percentage changes



Sources: ECB, INE and OECD.

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

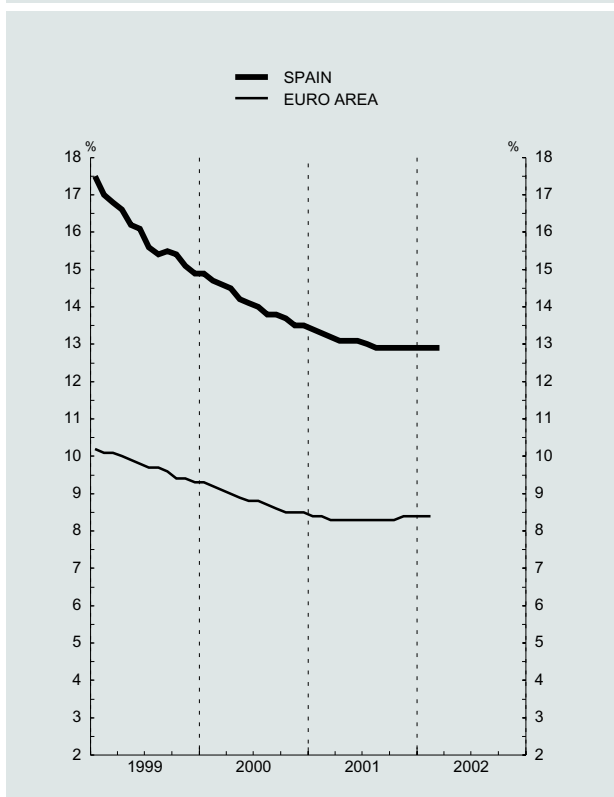
2.2. International comparison. Unemployment rates

■ Series depicted in chart.

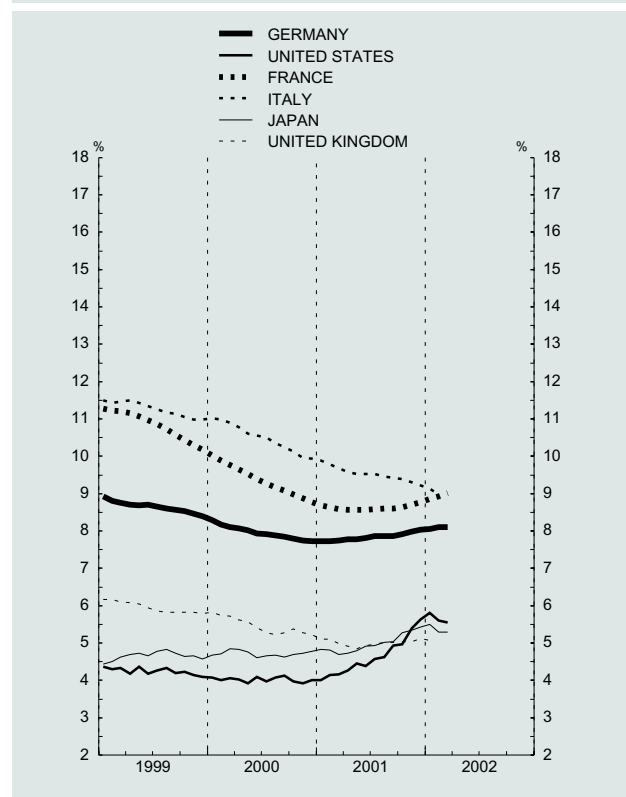
Percentages

	OECD	EU	Euro area	Germany	Spain	United States	France	Italy	Japan	United Kingdom
	1	2	3	4	5	6	7	8	9	10
99	6.8	9.1	9.8	8.6	16.0	4.2	10.8	11.3	4.7	5.9
00	6.4	8.2	8.8	8.0	14.1	4.0	9.4	10.5	4.7	5.5
01	6.4	7.6	8.3	7.8	13.1	4.6	8.6	9.5	5.0	5.0
00 Oct	6.2	7.9	8.5	7.8	13.7	4.0	9.0	10.1	4.7	5.4
Nov	6.2	7.8	8.5	7.7	13.5	3.9	8.9	10.0	4.7	5.3
Dec	6.2	7.8	8.5	7.7	13.5	4.0	8.8	9.9	4.8	5.2
01 Jan	6.2	7.7	8.4	7.7	13.4	4.0	8.7	9.9	4.8	5.1
Feb	6.2	7.7	8.4	7.7	13.3	4.2	8.6	9.8	4.8	5.1
Mar	6.2	7.6	8.3	7.8	13.2	4.2	8.6	9.7	4.7	5.0
Apr	6.2	7.6	8.3	7.8	13.1	4.3	8.6	9.6	4.7	4.9
May	6.3	7.6	8.3	7.8	13.1	4.5	8.6	9.5	4.8	4.8
Jun	6.3	7.6	8.3	7.8	13.1	4.4	8.6	9.5	4.9	4.9
Jul	6.4	7.6	8.3	7.9	13.0	4.6	8.6	9.5	4.9	5.0
Aug	6.4	7.6	8.3	7.9	12.9	4.6	8.6	9.5	5.0	5.0
Sep	6.5	7.6	8.3	7.9	12.9	4.9	8.6	9.4	5.0	5.0
Oct	6.6	7.6	8.3	7.9	12.9	5.0	8.6	9.4	5.3	5.0
Nov	6.7	7.6	8.4	8.0	12.9	5.4	8.7	9.3	5.4	5.0
Dec	6.8	7.6	8.4	8.0	12.9	5.6	8.8	9.2	5.4	5.1
02 Jan	6.9	7.7	8.4	8.1	12.9	5.8	8.9	9.1	5.5	5.1
Feb	6.7	7.7	8.4	8.1	12.9	5.6	8.9	9.0	5.3	...
Mar	6.7	7.7	...	8.1	12.9	5.6	9.0	...	5.3	...

UNEMPLOYMENT RATES



UNEMPLOYMENT RATES



Sources: ECB and OECD.

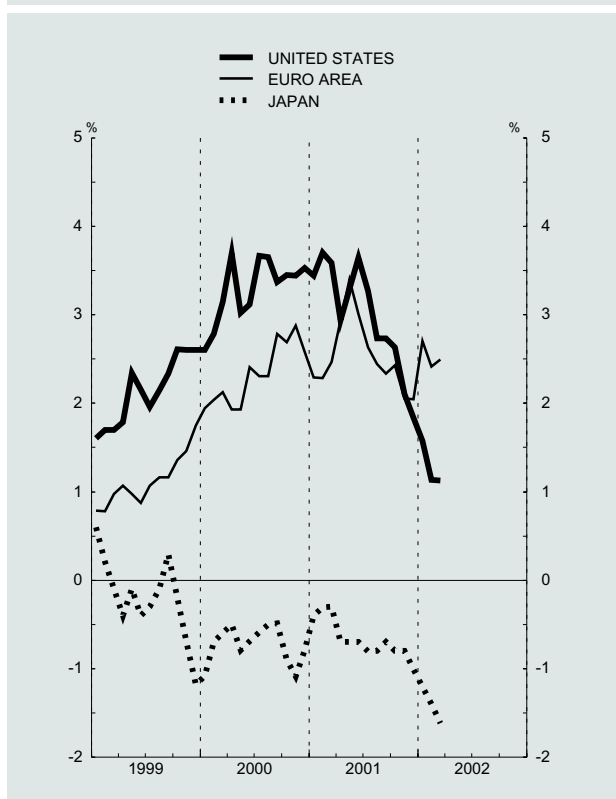
2.3. International comparison. Consumer prices (a)

■ Series depicted in chart.

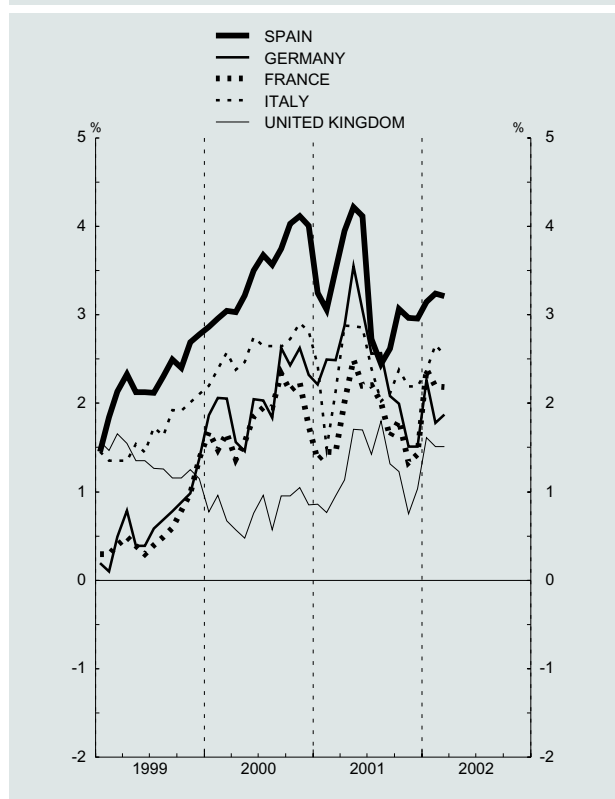
Annual percentage changes

	OECD	EU	Euro area	Germany	Spain	United States	France	Italy	Japan	United Kingdom
	1	2	3	4	5	6	7	8	9	10
99	1.7	1.2	1.1	0.6	2.2	2.1	0.6	1.7	-0.2	1.3
00	2.5	2.1	2.3	2.1	3.5	3.3	1.8	2.6	-0.7	0.8
01	2.5	2.3	2.5	2.4	3.2	3.0	1.8	2.3	-0.7	1.2
00 Oct	2.8	2.4	2.7	2.4	4.0	3.4	2.1	2.7	-0.9	1.0
Nov	2.7	2.6	2.9	2.6	4.1	3.4	2.2	2.9	-1.1	1.0
Dec	2.8	2.3	2.6	2.3	4.0	3.5	1.7	2.8	-0.8	0.9
01 Jan	2.7	2.1	2.3	2.2	3.2	3.4	1.4	2.4	-0.4	0.9
Feb	2.8	2.1	2.3	2.5	3.1	3.7	1.4	1.5	-0.3	0.8
Mar	2.8	2.2	2.5	2.5	3.5	3.6	1.4	2.1	-0.3	1.0
Apr	2.5	2.6	2.9	2.9	4.0	2.9	2.0	2.9	-0.7	1.1
May	2.7	3.1	3.4	3.6	4.2	3.3	2.5	2.9	-0.7	1.7
Jun	3.1	2.8	3.0	3.1	4.1	3.6	2.2	2.9	-0.7	1.7
Jul	2.8	2.5	2.6	2.6	2.7	3.3	2.2	2.4	-0.7	1.4
Aug	2.3	2.4	2.4	2.6	2.4	2.7	2.0	2.0	-0.8	1.8
Sep	2.3	2.2	2.3	2.1	2.6	2.7	1.6	2.1	-0.8	1.3
Oct	2.2	2.2	2.4	2.0	3.1	2.6	1.8	2.4	-0.8	1.2
Nov	1.9	1.8	2.1	1.5	3.0	2.1	1.3	2.2	-0.8	0.8
Dec	1.6	1.9	2.0	1.5	3.0	1.8	1.4	2.2	-1.0	1.0
02 Jan	1.4	2.5	2.7	2.3	3.1	1.6	2.4	2.4	-1.2	1.6
Feb	1.3	2.3	2.4	1.8	3.2	1.1	2.2	2.7	-1.4	1.5
Mar	1.2	2.3	2.5	1.9	3.2	1.1	2.2	2.5	-1.6	1.5

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 euro, US dollar and Japanese yen

■ Series depicted in chart.

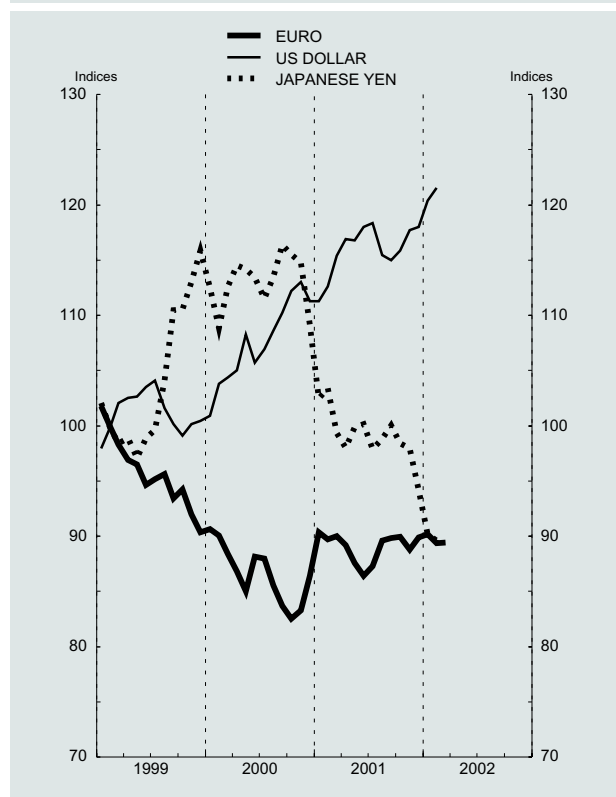
Average of daily data

	Exchange rates			Indices of the nominal effective exchange rate vis-à-vis the (a) developed countries 1999 QI=100			Indices of the real effective exchange rate vis-à-vis the developed countries (b) 1999 QI=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
99	1.0666	121.39	113.75	95.7	100.7	105.0	95.7	101.2	104.1	95.8	101.8	103.0
00	0.9239	99.52	107.76	85.7	105.0	118.0	86.5	107.6	113.1	87.1	108.4	110.3
01	0.8955	108.76	121.50	87.3	111.8	106.9	89.0	116.0	99.2	89.2	117.6	97.7
01 J-M	0.9232	109.06	118.17	88.6	109.1	108.3	90.0	113.1	101.7	90.3	114.3	99.4
02 J-M	0.8766	116.02	132.37	87.1	116.3	99.0	89.6	120.9	89.9	89.8	123.3	89.9
01 Jan	0.9383	109.57	116.78	89.2	107.5	108.4	90.3	111.3	102.5	90.6	112.5	99.7
Feb	0.9217	107.08	116.18	88.3	108.6	110.2	89.7	112.6	103.4	90.0	113.8	101.1
Mar	0.9095	110.33	121.35	88.4	111.3	106.4	90.0	115.4	99.3	90.3	116.8	97.5
Apr	0.8920	110.36	123.72	87.6	112.8	105.3	89.2	116.9	98.0	89.4	118.2	96.2
May	0.8742	106.50	121.81	85.9	112.8	107.7	87.6	116.8	99.8	87.8	118.0	98.2
Jun	0.8532	104.30	122.24	84.7	113.7	108.5	86.4	118.0	100.2	86.4	119.3	98.7
Jul	0.8607	107.21	124.57	85.4	114.0	106.1	87.3	118.3	97.9	87.2	119.9	96.7
Aug	0.9005	109.34	121.45	87.7	111.4	106.6	89.6	115.5	98.8	89.5	117.2	97.3
Sep	0.9111	108.20	118.78	88.0	110.6	108.6	89.9	115.0	100.0	89.9	116.6	99.0
Oct	0.9059	109.86	121.28	88.0	111.6	106.6	90.0	115.9	98.4	90.0	118.0	97.3
Nov	0.8883	108.68	122.35	86.8	113.1	106.5	88.8	117.7	98.0	88.9	120.0	97.5
Dec	0.8924	113.38	127.06	87.7	113.9	102.4	89.9	118.0	94.2	90.2	121.0	93.7
02 Jan	0.8833	117.12	132.60	87.6	116.2	98.5	90.2	120.4	90.2	90.3	123.3	89.9
Feb	0.8700	116.23	133.59	86.8	117.0	98.5	89.4	121.6	89.6	89.5	...	...
Mar	0.8758	114.75	131.02	86.8	115.8	100.0	89.4	...	...	89.6	...	...

EXCHANGE RATES



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



Sources: ECB and BE.

(a) Geometric mean -calculated using a double weighting system based on 1995-97 manufacturing trade 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, 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.

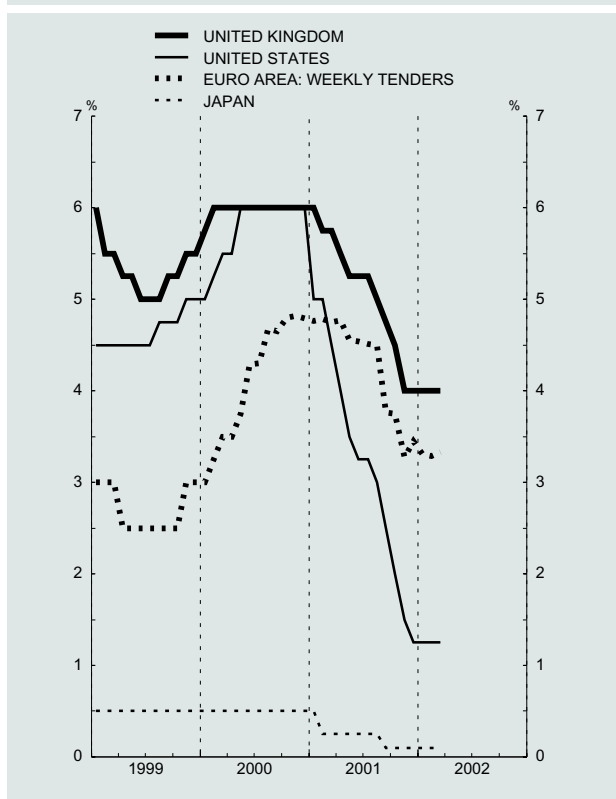
2.5. Official intervention interest rates and short-term interest rates

■ Series depicted in chart.

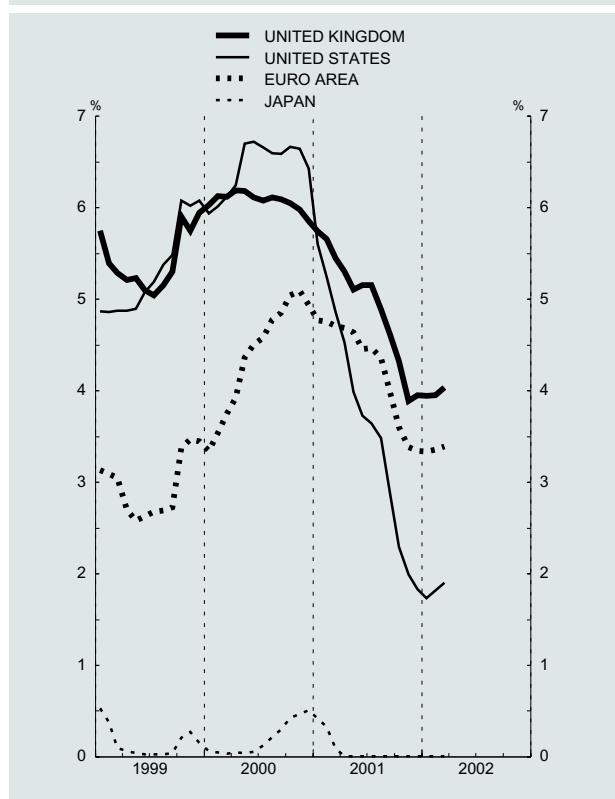
Percentages

	Official intervention interest rates				3-month interbank rates									
	Euro area (a)	United States (b)	Japan (c)	United Kingdom (d)	OECD	EU	Euro area	Germany	Spain	United States	France	Italy	Japan	United Kingdom
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
99	3.00	5.00	0.50	5.50	3.69	3.42	2.96	-	-	5.31	-	-	0.16	5.42
00	4.75	6.00	0.50	6.00	4.71	4.65	4.39	-	-	6.44	-	-	0.19	6.08
01	3.25	1.25	0.10	4.00	3.39	4.30	4.26	-	-	3.66	-	-	0.08	4.93
00 Oct	4.75	6.00	0.50	6.00	5.05	5.15	5.04	-	-	6.66	-	-	0.42	6.05
Nov	4.75	6.00	0.50	6.00	5.05	5.16	5.09	-	-	6.64	-	-	0.47	5.98
Dec	4.75	6.00	0.50	6.00	4.90	5.00	4.94	-	-	6.42	-	-	0.51	5.85
01 Jan	4.75	5.00	0.50	6.00	4.49	4.85	4.77	-	-	5.60	-	-	0.42	5.74
Feb	4.75	5.00	0.25	5.75	4.31	4.82	4.76	-	-	5.24	-	-	0.33	5.65
Mar	4.75	4.50	0.25	5.75	4.07	4.75	4.71	-	-	4.86	-	-	0.09	5.45
Apr	4.75	4.00	0.25	5.50	3.90	4.71	4.68	-	-	4.53	-	-	0.01	5.30
May	4.50	3.50	0.25	5.25	3.65	4.64	4.64	-	-	3.99	-	-	0.01	5.11
Jun	4.50	3.25	0.25	5.25	3.50	4.50	4.45	-	-	3.73	-	-	0.01	5.15
Jul	4.50	3.25	0.25	5.25	3.46	4.49	4.47	-	-	3.65	-	-	0.01	5.15
Aug	4.50	3.00	0.25	5.00	3.34	4.37	4.35	-	-	3.48	-	-	0.01	4.89
Sep	3.75	2.50	0.10	4.75	2.94	4.02	3.98	-	-	2.88	-	-	0.01	4.62
Oct	3.75	2.00	0.10	4.50	2.54	3.67	3.60	-	-	2.29	-	-	0.01	4.32
Nov	3.25	1.50	0.10	4.00	2.31	3.43	3.39	-	-	1.99	-	-	0.01	3.89
Dec	3.25	1.25	0.10	4.00	2.23	3.40	3.35	-	-	1.83	-	-	0.01	3.95
02 Jan	3.25	1.25	0.10	4.00	2.18	3.39	3.34	-	-	1.74	-	-	0.01	3.95
Feb	3.25	1.25	0.10	4.00	2.22	3.42	3.36	-	-	1.82	-	-	0.01	3.95
Mar	3.25	1.25	0.10	4.00	2.28	3.45	3.39	-	-	1.90	-	-	0.01	4.04

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.

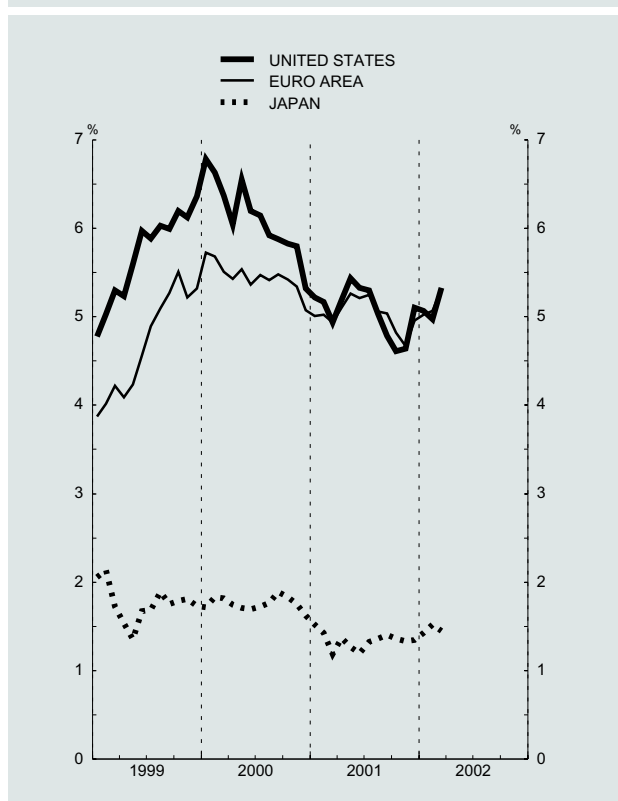
2.6. 10-year government bond yields on domestic markets

■ Series depicted in chart.

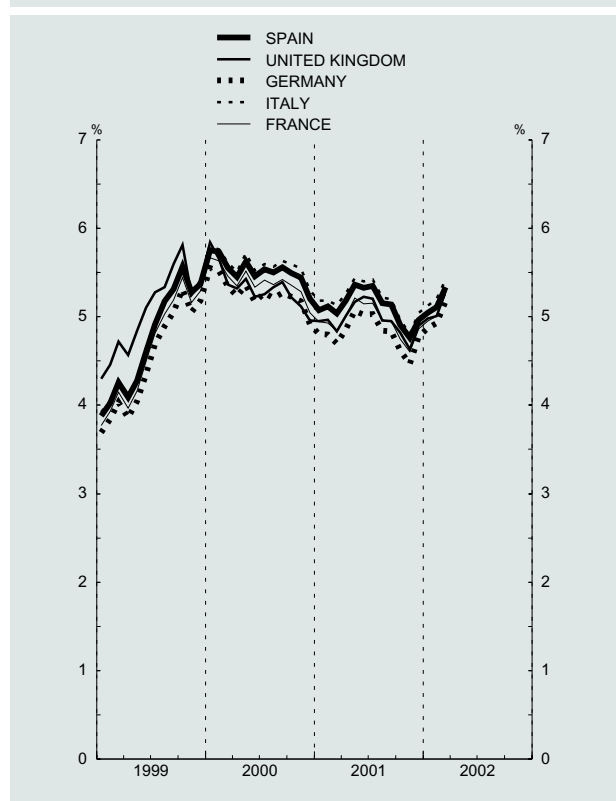
Percentages

	OECD	EU	Euro area	Germany	Spain	United States	France	Italy	Japan	United Kingdom
	1	2	3	4	5	6	7	8	9	10
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
01	4.47	4.98	5.03	4.82	5.12	5.06	4.95	5.19	1.34	4.97
00 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	4.55	4.97	5.01	4.81	5.08	5.22	4.94	5.18	1.52	4.95
Feb	4.52	4.97	5.02	4.80	5.12	5.17	4.93	5.18	1.43	4.96
Mar	4.34	4.88	4.94	4.70	5.04	4.94	4.84	5.13	1.19	4.84
Apr	4.55	5.04	5.10	4.86	5.18	5.19	5.01	5.26	1.37	5.01
May	4.72	5.22	5.26	5.06	5.36	5.44	5.21	5.43	1.27	5.17
Jun	4.65	5.19	5.21	5.02	5.33	5.33	5.15	5.40	1.19	5.23
Jul	4.67	5.20	5.25	5.03	5.35	5.29	5.16	5.42	1.33	5.21
Aug	4.47	4.99	5.06	4.84	5.16	5.03	4.96	5.22	1.36	4.96
Sep	4.36	4.98	5.04	4.83	5.14	4.78	4.95	5.20	1.40	4.95
Oct	4.20	4.77	4.82	4.62	4.91	4.61	4.75	4.96	1.36	4.82
Nov	4.15	4.62	4.67	4.47	4.76	4.64	4.60	4.81	1.33	4.63
Dec	4.45	4.88	4.96	4.77	4.97	5.10	4.87	5.05	1.35	4.90
02 Jan	4.48	4.96	5.02	4.87	5.05	5.07	4.95	5.12	1.43	4.98
Feb	4.49	5.03	5.07	4.93	5.11	4.97	5.01	5.21	1.52	5.01
Mar	4.73	5.27	5.32	5.18	5.34	5.33	5.25	5.42	1.45	5.29

10-YEAR GOVERNMENT BOND YIELDS



10-YEAR GOVERNMENT BOND YIELDS



Sources: ECB, Reuters and BE.

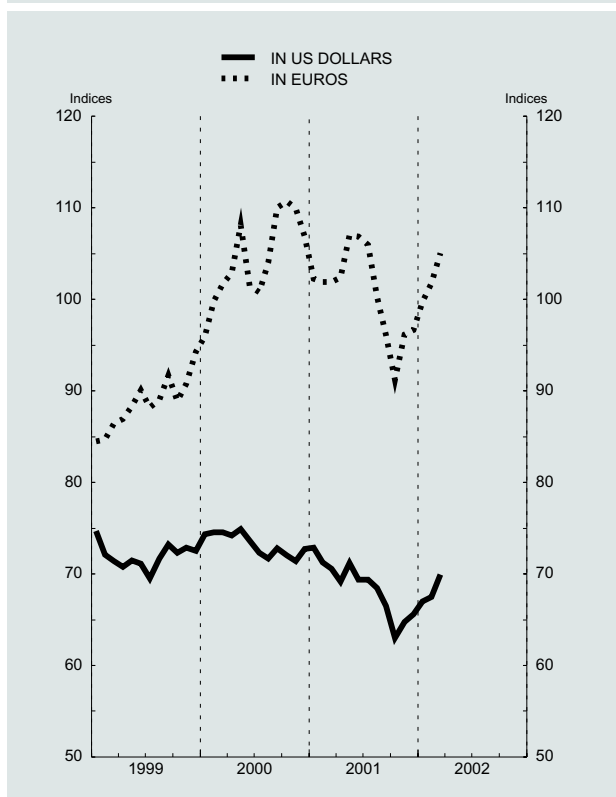
2.7 International markets: Price indices for non-energy commodities. Oil and gold

■ Series depicted in chart.

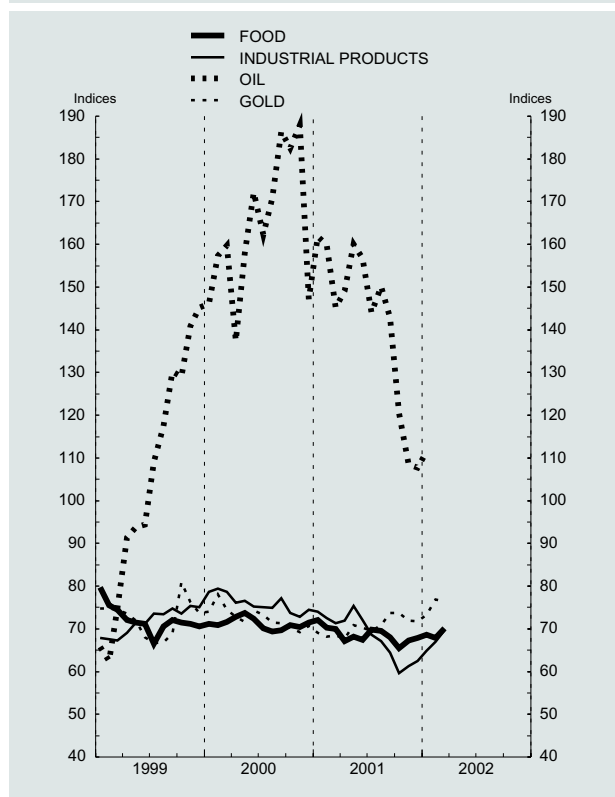
1995 = 100

	Non-energy commodity price index (a)								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							
						Total	Non-food agricultural products	Metals					
	1	2	3	4	5	6	7	8	9	10	11	12	13
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
01	100.7	...	...	68.5	68.6	68.4	65.4	70.9	142.1	24.6	70.5	271.1	9.74
01 J-M	102.0	100.9	103.5	71.6	70.8	72.7	65.9	78.4	155.5	26.3	68.6	263.5	9.18
02 J-M	102.2	...	...	68.2	68.9	67.1	65.7	68.3	...	21.2	75.5	290.1	10.64
00 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	160.0	28.5	70.9	272.4	10.02
Jun	106.9	...	...	69.4	67.4	72.1	71.2	72.8	156.8	27.8	70.3	270.2	10.18
Jul	106.0	...	...	69.3	69.8	68.7	67.9	69.3	144.0	24.5	69.6	267.4	9.99
Aug	100.3	...	...	68.5	69.5	67.2	67.9	66.6	150.1	25.8	70.9	272.4	9.73
Sep	96.1	...	...	66.5	68.0	64.5	64.0	64.9	142.8	25.7	73.8	283.4	10.00
Oct	91.2	...	...	63.0	65.4	59.7	56.6	62.2	120.5	20.4	73.7	283.1	10.05
Nov	96.1	...	...	64.8	67.3	61.3	57.3	64.7	108.5	18.9	71.9	276.2	10.00
Dec	96.7	...	...	65.6	67.8	62.5	59.1	65.5	107.7	18.7	71.8	275.9	9.94
02 Jan	99.7	...	...	67.0	68.6	64.8	61.9	67.3	111.5	19.5	73.3	281.6	10.25
Feb	101.8	...	...	67.5	67.9	66.9	66.0	67.6	...	20.4	76.9	295.5	10.92
Mar	105.0	...	...	69.9	70.2	69.6	69.2	70.0	...	23.7	76.4	293.7	10.78

NON-ENERGY COMMODITY PRICE INDEX



PRICE INDICES FOR NON-ENERGY COMMODITIES, OIL AND GOLD



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

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

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

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

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

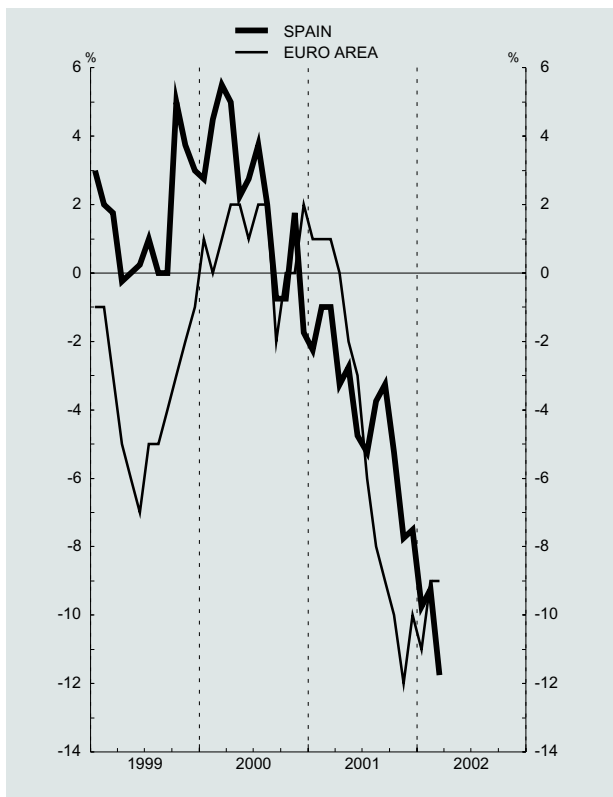
3.1. Indicators of private consumption. Spain and euro area

■ Series depicted in chart.

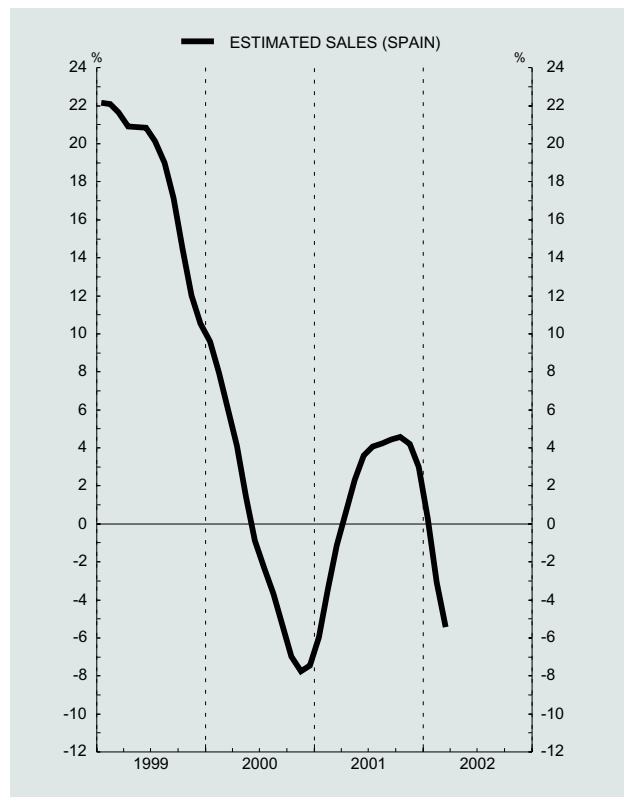
Annual percentage changes

	Opinion surveys (net percentages)						New car registrations and sales			Retail trade: sales index							
	Consumers			Retail trade confidence index	Memorandum item: euro area		of which		Estimated sales	Memorandum item: euro area	General index			By type of product (deflated indices)		Memorandum item: euro area deflated index	
	Confidence index	General economic situation: anticipated trend	Household economic situation: anticipated trend		Consumer confidence index	Retail trade confidence index	Registrations	Private use			Registrations	Nominal	of which		Food (b)		Other (c)
													Deflated (a)	Large retail outlets (a)			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
99		2	6	7	3	-4	-5	17.1	18.1	17.9	5.4	5.2	2.8	9.4	0.9	4.8	2.6
00		2	5	7	3	1	-0	-2.4	-3.6	-1.8	-2.1	6.2	3.0	5.3	2.9	3.9	2.3
01	P	-4	-3	4	-0	-5	-6	2.2	1.9	4.0	-0.6	7.1	3.4	3.5	5.1	1.5	1.4
01 J-M	P	-1	-1	6	1	1	-2	-2.3	-4.4	-1.6	...	7.4	3.4	3.2	3.6	3.2	2.3
02 J-M	A	-10	-6	-1	-3	-10	-14	-8.6	-13.1	-8.1	...	...	...	...	...	...	...
01 Apr	P	-3	-3	5	-3	-	-4	-2.3	1.2	-0.3	-1.7	5.9	1.9	1.1	3.9	-0.2	1.1
May	P	-3	-2	5	-1	-2	-7	4.8	2.9	7.2	-	7.2	2.9	4.0	7.9	-1.3	0.0
Jun	P	-5	-3	2	1	-3	-7	2.9	-0.8	4.5	7.3	9.3	4.9	6.9	6.4	2.9	1.7
Jul	P	-5	-5	3	2	-6	-4	6.3	5.5	8.8	-1.5	6.9	2.9	-0.4	5.2	0.5	1.5
Aug	P	-4	-2	3	1	-8	-8	3.2	2.4	5.9	-0.5	10.6	6.7	3.8	9.0	3.7	1.6
Sep	P	-3	-5	5	3	-9	-6	-3.7	-2.1	-0.7	-1.3	4.0	0.6	-1.0	4.0	-3.0	1.5
Oct	P	-5	-4	5	-3	-10	-9	11.0	11.0	13.0	3.2	7.6	4.5	7.2	6.4	2.3	-0.0
Nov	P	-8	-5	3	-6	-12	-9	2.5	3.9	3.9	3.3	5.4	2.7	6.4	4.0	0.7	1.5
Dec	P	-8	-5	1	-1	-10	-10	8.3	14.5	11.1	0.8	6.1	3.3	4.3	2.9	2.8	0.6
02 Jan	A	-10	-6	-1	-3	-11	-11	3.3	3.2	4.9	-2.4	4.0	0.9	3.6	4.6	-1.9	0.6
Feb	A	-9	-6	1	-2	-9	-15	-10.0	-16.8	-9.1	-3.2	5.9	2.7	7.8	4.4	1.4	...
Mar	A	-12	-6	-2	-3	-9	-15	-15.0	-22.1	-15.4	...	...	...	...	...	...	...

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 total CPI.

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

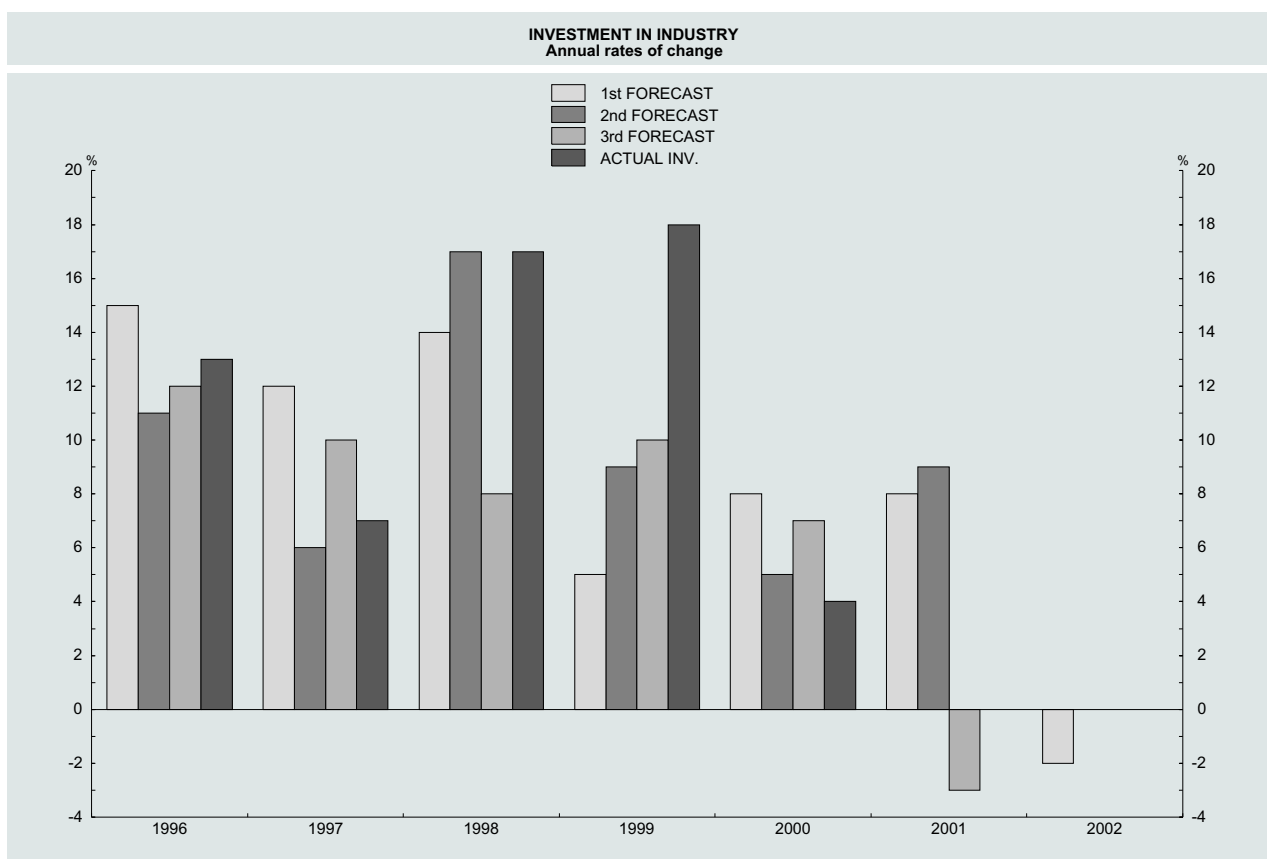
(c) Deflated by the total CPI excluding foods, beverages, and tobacco.

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	
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	-3
02		...	-2	...	...



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	of which		Total		Building				Civil engineering		
		Residential	Housing		Total	Housing	For the month	Year to date	Total	Residential	of which				Non-residential
											Housing				
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
99	12.8	13.1	12.8	11.2	22.0	20.0	-9.7	-9.7	-1.2	15.4	-26.0	-6.6	-13.0	11.7	
00	10.6	10.1	10.0	13.1	5.1	3.9	-7.7	-7.7	-3.0	-23.7	-9.8	5.3	-9.8	11.0	
01	...	...	...	...	-2.2	-5.5	43.6	43.6	62.6	137.3	108.0	41.1	34.8	9.7
01 J-M	-3.6	-4.7	-7.1	0.7	-3.2	-7.2	-30.4	-30.4	6.4	40.8	0.1	0.9	-42.7	5.3	
02 J-M	...	...	...	...	...	...	...	...	...	...	...	...	...	5.0
00 Dec	1.0	2.6	-1.5	-7.0	-12.3	-12.0	-37.0	-7.7	-36.2	-90.0	-36.3	75.4	-37.2	4.4	
01 Jan	19.9	19.8	10.5	20.3	4.5	6.4	-0.5	-0.5	42.9	-13.2	-54.4	59.3	-11.9	16.3	
Feb	-15.6	-15.9	-16.1	-14.8	-8.5	-14.7	-49.9	-28.9	-7.7	53.2	18.9	-15.4	-65.1	2.2	
Mar	-8.2	-10.9	-10.9	4.7	-4.3	-9.9	-32.2	-30.4	1.4	73.8	23.7	-8.3	-44.0	0.0	
Apr	1.9	-5.6	-5.5	41.6	-15.1	-27.7	48.6	-14.0	4.6	49.3	24.3	-5.7	73.0	20.4	
May	-19.2	-25.6	-29.0	10.0	-23.4	-27.7	-9.7	-12.9	20.0	98.8	193.8	2.9	-20.6	14.2	
Jun	-11.3	-9.2	-10.4	-19.5	5.4	2.9	118.5	10.7	122.9	222.4	15.2	34.9	114.5	8.1	
Jul	5.7	-0.9	-1.6	31.4	13.8	7.7	106.3	25.9	53.1	172.9	194.0	28.1	139.5	12.9	
Aug	-11.6	-15.6	-15.4	10.5	1.8	-1.5	124.2	37.4	143.2	50.3	31.2	171.8	114.7	7.6	
Sep	9.8	8.2	7.5	18.3	0.2	1.6	29.3	36.7	49.3	140.0	287.5	21.4	18.9	1.9	
Oct	4.4	-1.5	0.4	32.8	3.1	14.5	115.3	45.3	46.1	-6.1	82.6	62.6	150.4	24.3	
Nov	-1.2	-5.8	-6.3	20.0	3.4	2.5	26.0	43.2	77.4	124.0	176.8	63.0	1.7	7.9	
Dec	...	...	...	...	3.6	0.6	47.3	43.6	141.0	574.3	655.1	89.6	16.9	2.8
02 Jan	...	...	...	...	...	...	205.1	205.1	164.6	421.2	343.7	123.9	222.4	14.8
Feb	...	...	...	...	...	...	...	...	...	...	...	...	...	10.0
Mar	...	...	...	...	...	...	...	...	...	...	...	...	...	-7.7



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.

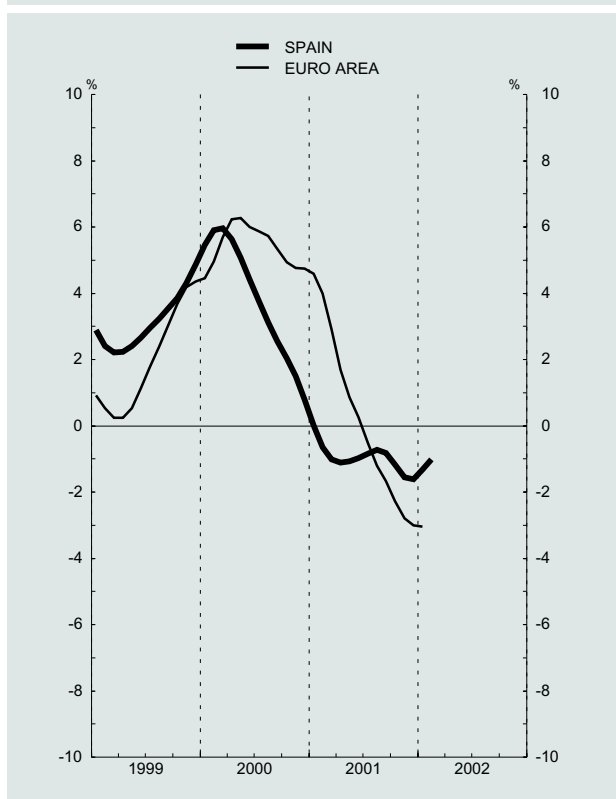
3.4. Industrial production index. Spain and euro area

■ Series depicted in chart.

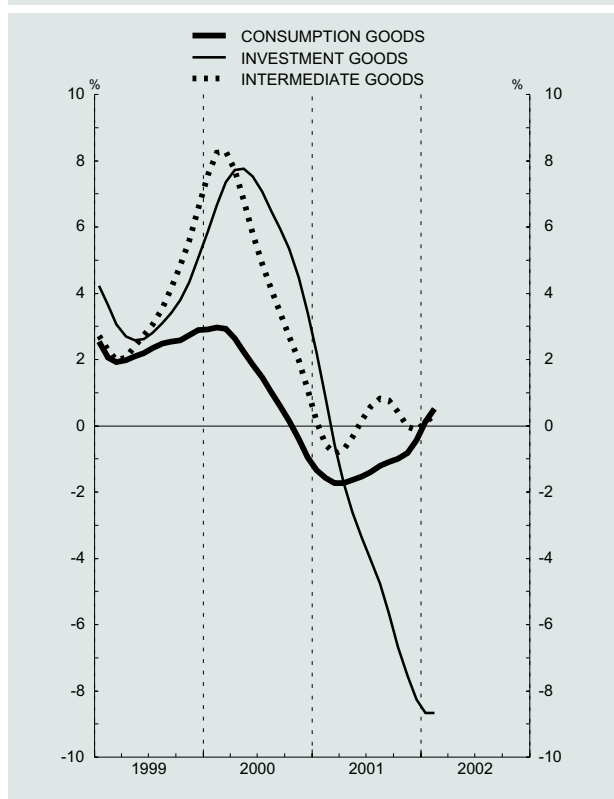
Annual percentage changes

		Overall Index			By end-use of goods			By branch of activity				Memorandum item: euro area				
		Total			Consumption	Investment	Inter-mediate goods	Energy	Minerals	Process-ing	Others	of which		By end-use of goods		
		Original series	12-month % change	of which Manufacturing								Total	Manufacturing	Consumption	Investment	Inter-mediate goods
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
99	MP	118.1	2.6	2.3	1.9	3.2	3.1	4.0	4.1	0.5	3.1	2.0	2.0	1.7	2.4	1.5
00	MP	122.8	4.0	3.3	1.2	6.1	5.5	7.0	3.7	6.2	0.7	5.5	5.9	2.3	8.8	5.8
01	MP	121.4	-1.2	-2.0	-1.6	-3.4	-0.1	3.0	-0.1	-3.8	-1.3	0.3	0.1	-	1.3	-1.3
01 J-F	MP	122.6	0.6	0.7	0.4	1.9	0.2	-1.0	1.6	3.1	-1.6	5.0	5.8	...	8.9	3.5
02 J-F	MP	122.2	-0.3	-1.2	2.7	-9.8	0.6	4.4	2.0	-6.7	1.9	...	...	...	...	...
00 Nov	P	133.3	3.8	3.9	2.6	7.4	3.6	4.0	2.1	7.9	1.0	4.6	5.1	1.3	8.2	4.5
Dec	P	112.3	-4.8	-5.2	-10.0	2.8	-3.3	-2.7	-1.6	1.0	-12.6	6.9	8.1	4.5	12.4	7.2
01 Jan	P	124.2	4.8	5.9	3.9	9.7	4.0	-0.4	7.3	11.6	0.1	5.1	6.0	2.8	9.7	4.0
Feb	P	120.9	-3.4	-3.9	-2.9	-4.6	-3.4	-1.7	-3.7	-4.2	-3.3	4.8	5.5	3.4	8.3	3.0
Mar	P	131.4	-3.6	-4.2	-4.6	-3.6	-2.8	0.2	-3.1	-4.9	-4.3	3.5	4.1	2.9	6.5	1.9
Apr	P	114.4	-0.3	-	-1.4	3.9	-1.0	-3.3	0.8	0.5	-0.5	0.9	0.9	0.1	1.2	-0.3
May	P	131.9	-0.9	-1.8	-0.4	-4.2	-0.2	3.8	0.9	-3.6	-1.6	-0.0	-0.4	-0.4	0.7	-1.1
Jun	P	129.4	-2.5	-3.5	-3.8	-4.4	-0.7	3.8	-0.1	-5.0	-4.1	1.9	2.1	1.4	3.2	0.7
Jul	P	128.0	-0.4	-0.9	-1.2	-4.1	1.7	3.6	1.2	-3.3	-0.3	-1.3	-1.6	-1.0	-1.5	-1.7
Aug	P	89.7	3.2	2.5	2.5	1.9	4.1	6.0	1.6	3.9	2.1	1.3	1.2	1.5	3.3	-1.1
Sep	P	121.5	-2.9	-3.7	-5.4	-2.3	-0.9	2.5	-0.9	-5.4	-4.0	-0.4	-0.7	-0.2	0.2	-2.0
Oct	P	130.6	3.0	2.4	2.6	1.2	3.9	6.0	3.3	0.1	4.2	-2.6	-2.9	-2.5	-1.8	-3.7
Nov	P	127.0	-4.7	-6.3	-3.4	-13.6	-2.7	3.8	-1.0	-13.2	-2.8	-4.1	-5.0	-3.6	-4.6	-5.8
Dec	P	107.4	-4.4	-7.6	-3.0	-14.8	-1.6	11.4	-7.7	-15.6	-	-4.6	-6.2	-4.3	-6.0	-9.3
02 Jan	P	123.6	-0.5	-1.9	2.3	-10.5	0.8	6.6	0.5	-7.3	1.6	-3.2	-4.2	...	-6.1	-5.2
Feb	P	120.7	-0.2	-0.5	3.1	-9.2	0.5	1.8	3.5	-6.2	2.3	...	...	...	...	...

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.

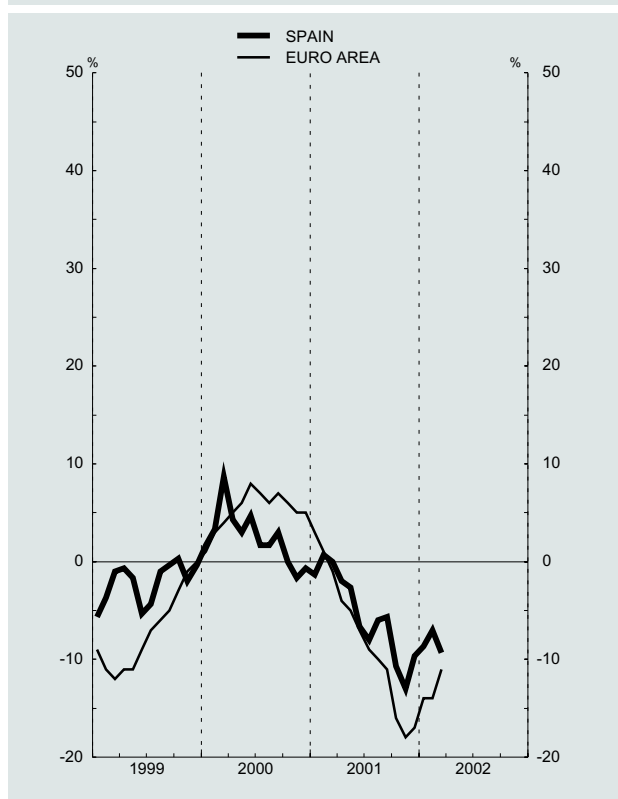
3.5. Monthly business survey: industry and construction. Spain and euro area

■ Series depicted in chart.

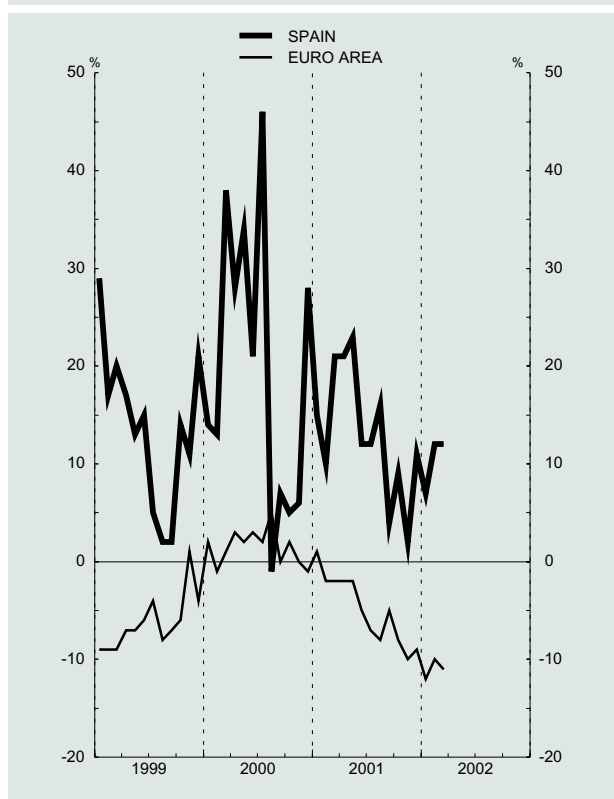
Balance

		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
		1	2	3	4	5	6	Consumption	Investment	Intermediate goods	10	11	12	13	14	15	16	17
99	M	-2	6	6	-4	-16	9	-0	-2	-4	14	20	18	40	26	-7	-17	-6
00	M	2	9	11	3	-4	7	2	1	4	20	9	20	41	37	5	3	2
01	M	-5	-0	3	-9	-13	11	-4	-4	-7	13	10	21	37	38	-8	-13	-5
01	J-M	-0	2	13	-5	-8	9	-2	6	-1	15	4	17	12	34	1	-1	-1
02	J-M	-8	-11	4	-18	-21	10	-11	-10	-6	10	-6	11	13	55	-13	-26	-11
00	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	5	1	-7	-13	14	-5	-6	-8	12	11	30	62	58	-7	-10	-5
	Jul	-8	1	-4	-7	-13	13	-5	-9	-10	12	16	30	16	50	-9	-16	-7
	Aug	-6	-1	-	-9	-14	9	-7	-6	-5	16	4	24	33	32	-10	-16	-8
	Sep	-6	1	1	-10	-13	8	-4	-8	-7	4	2	26	54	50	-11	-18	-5
	Oct	-11	-4	-9	-12	-16	11	-9	-12	-12	9	4	35	49	52	-16	-25	-8
	Nov	-13	-8	-13	-15	-22	11	-9	-13	-16	2	-18	12	36	2	-18	-28	-10
	Dec	-10	-9	-3	-17	-22	9	-7	-6	-13	11	-8	15	56	38	-17	-28	-9
02	Jan	-9	-14	6	-22	-28	10	-12	-12	-6	7	-20	-2	14	34	-14	-28	-12
	Feb	-7	-11	7	-16	-17	12	-7	-5	-7	12	1	18	12	66	-14	-25	-10
	Mar	-9	-7	-2	-17	-19	9	-13	-13	-4	12	1	18	12	66	-11	-24	-11

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.

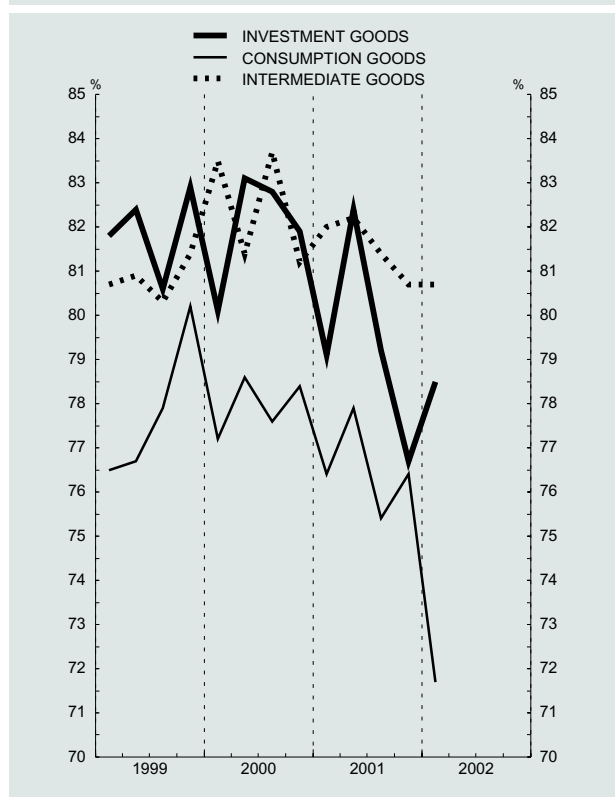
Percentages and balances

	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
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
01	79.2	80.3	3	76.5	78.0	3	79.4	81.1	2	81.6	82.0	2	83.2
01 Q1-Q1	79.3	80.9	2	76.4	77.4	3	79.1	81.8	-	82.0	83.5	-	84.4
02 Q1-Q1	76.9	78.5	5	71.7	73.5	6	78.5	80.0	5	80.7	82.1	5	80.8
99 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	80.6	81.5	2	77.9	80.2	2	82.4	83.3	-	82.2	81.8	1	83.6
Q3	78.7	80.2	2	75.4	78.2	1	79.2	80.4	3	81.4	81.9	3	83.0
Q4	78.3	78.6	6	76.4	76.0	7	76.7	79.0	5	80.7	80.6	5	81.8
02 Q1	76.9	78.5	5	71.7	73.5	6	78.5	80.0	5	80.7	82.1	5	80.8

CAPACITY UTILISATION. TOTAL INDUSTRY
Percentages



CAPACITY UTILISATION. BY TYPES OF GOODS
Percentages



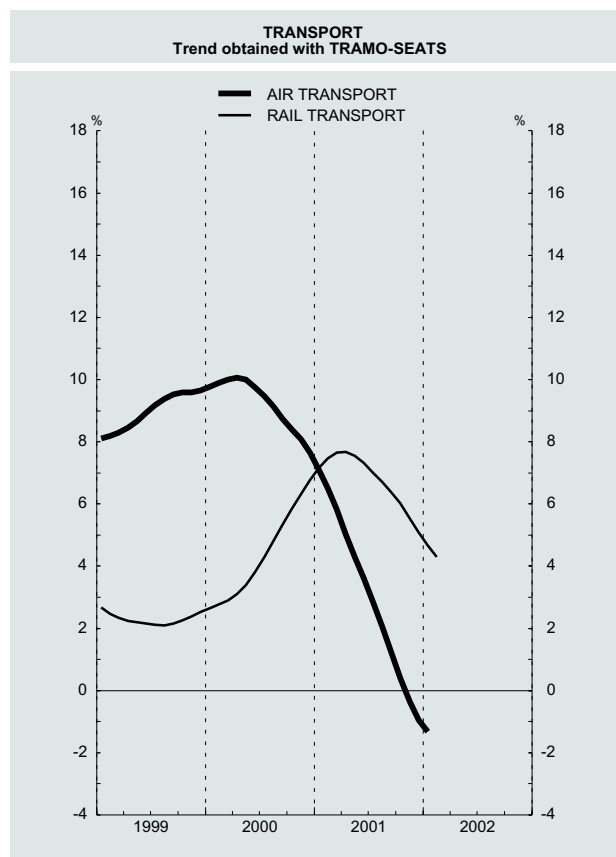
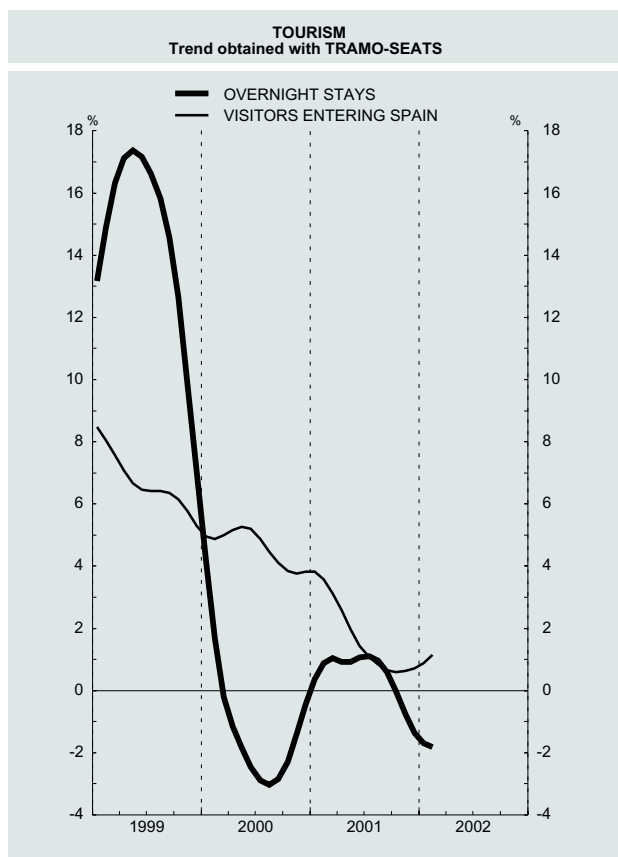
Sources: Ministerio de Ciencia y Tecnología and ECB

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-trippers	Passengers			Freight	Passengers	Freight	Passengers	Freight
	1	2	3	4	5	6	7	Total	Domestic flights	International flights	11	12	13	14	15
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	2.3	-1.3
00	1.2	1.3	-1.5	-3.5	3.3	2.4	5.1	9.4	12.8	7.1	4.2	7.2	6.8	4.5	1.8
01	P 1.0	-0.5	0.6	-0.2	1.8	3.7	-1.6	3.0	0.8	4.5	-4.9	0.2	3.4	6.6	-0.6
01 J-F	4.9	3.8	2.4	1.8	6.5	9.5	2.5	8.9	6.4	11.0	-1.0	3.3	2.6	9.6	7.4
02 J-F	P -1.9	-2.5	-2.7	-3.5	3.1	0.7	6.7	...	...	...	...	...	...	4.0	...
00 Nov	3.4	-2.1	-0.0	-4.8	2.0	3.3	0.1	4.7	2.6	6.5	2.2	0.5	4.7	0.8	13.1
Dec	4.5	9.2	1.3	1.4	5.9	5.0	6.9	8.9	9.4	8.4	-5.9	2.1	7.5	4.3	-3.1
01 Jan	6.5	5.0	3.2	1.4	5.5	9.5	0.3	11.0	10.8	11.1	3.1	3.4	3.4	15.4	14.2
Feb	3.5	2.8	1.8	2.0	7.4	9.4	4.6	6.9	2.5	10.9	-4.6	3.2	1.8	4.2	1.3
Mar	P 2.2	-0.9	-0.3	-1.9	3.9	6.7	-1.0	4.4	-2.5	10.3	-0.9	-6.4	2.9	11.5	7.9
Apr	P 1.0	-1.1	0.2	-3.4	3.2	3.7	2.2	5.2	4.8	5.4	-0.7	-3.8	1.4	7.2	-5.8
May	P 1.6	2.3	0.1	0.2	5.2	6.5	2.6	4.3	0.4	6.9	1.8	1.2	0.3	5.6	4.1
Jun	P 1.6	0.6	-0.9	-2.2	0.8	1.8	-1.4	5.3	-0.0	8.7	-1.4	1.1	-2.5	3.8	-16.4
Jul	P 0.5	-0.6	1.8	1.8	0.4	2.3	-3.6	2.5	-0.4	4.2	-7.0	1.0	-0.4	7.0	1.1
Aug	P 2.7	2.4	2.5	2.1	3.9	8.8	-3.3	6.2	7.3	5.5	-6.2	5.1	6.6	4.1	-12.7
Sep	P -0.5	-1.8	1.5	1.6	-0.6	2.7	-7.7	3.2	1.7	4.1	-10.2	-1.5	8.9	1.4	17.2
Oct	P -1.2	-4.7	-1.6	-1.8	-4.2	-4.2	-4.0	-4.0	-1.7	-5.4	-7.5	1.1	7.8	5.0	-8.2
Nov	P -0.7	-6.3	0.4	-3.2	-0.7	1.8	-4.6	-3.2	-2.8	-3.5	-11.9	-6.4	7.6	13.1	1.4
Dec	P -4.0	-5.9	-3.0	-3.4	-0.3	-2.1	1.7	-5.4	-9.4	-1.4	-10.6	-0.9	3.9	0.8	-6.7
02 Jan	P -3.7	-6.1	-3.8	-3.8	-0.1	-2.8	3.8	-4.5	-5.3	-3.7	-5.9	-1.5	8.4	4.0	...
Feb	P -0.5	0.7	-1.8	-3.3	6.1	3.9	9.3	...	...	...	...	...	...	3.9	...



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

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

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

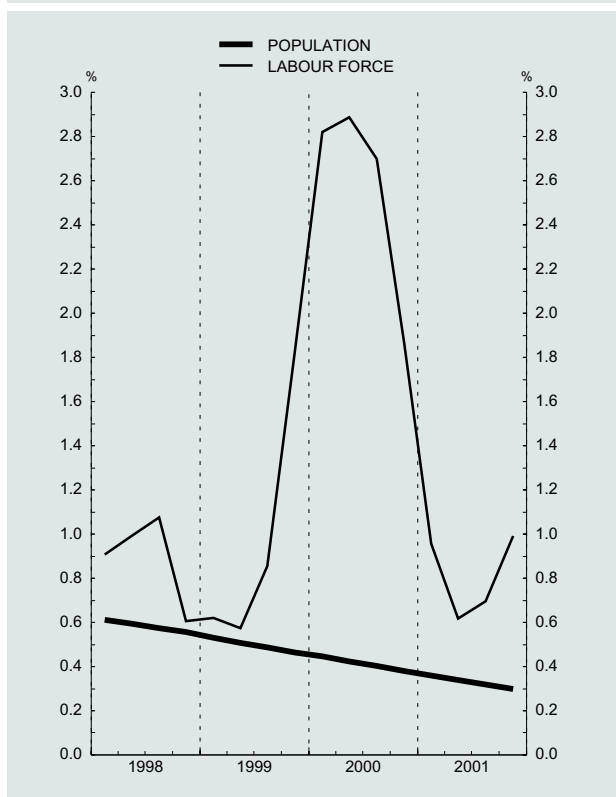
4.1. Labour force. Spain (a)

■ Series depicted in chart.

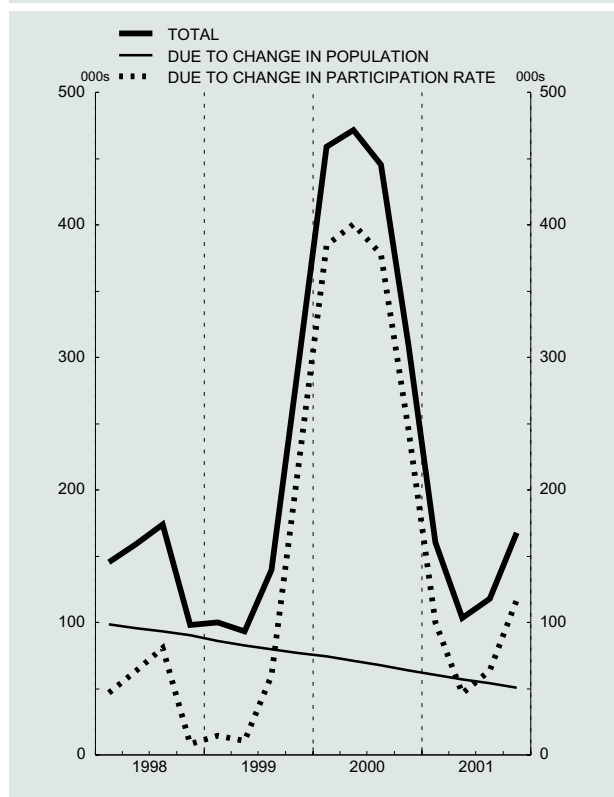
Thousands and annual percentage changes

		Population over 16 years of age			Participation rate (%)	Labour force				
		Thousands	Annual change	4-quarter % change		Thousands	Annual change (b)			4-quarter % change
							Total	Due to change in population over 16 years of age	Due to change in participation rate	
		1	2	3	4	5	6	7	8	9
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-Q4 M	32 831	135	0.4	51.31	16 844	421	69	352	2.6
01	Q1-Q4 M	32 939	108	0.3	51.56	16 982	137	56	82	0.8
99	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
	Q3	32 951	105	0.3	51.79	17 064	118	54	64	0.7
	Q4	32 975	98	0.3	51.80	17 080	168	51	117	1.0

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.

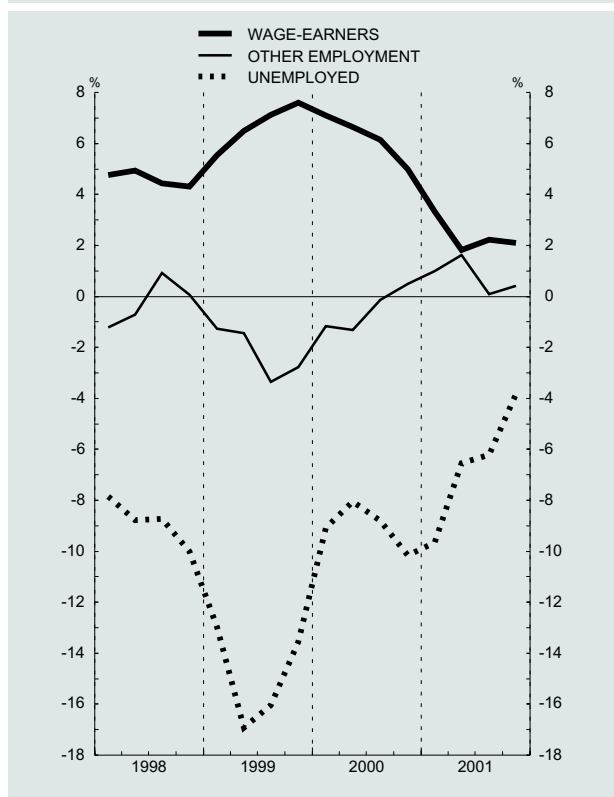
Thousands and annual percentage changes

		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	10.68	
99	M	13 817	613	4.6	10 837	680	6.7	2 981	-67	-2.2	2 605	-455	-14.9	15.87	1.7	9.77	
00	M	14 474	656	4.8	11 509	672	6.2	2 965	-16	-0.5	2 370	-235	-9.0	14.08	2.1	8.83	
00	Q1-Q4 M	14 474	656	4.8	11 509	672	6.2	2 965	-16	-0.5	2 370	-235	-9.0	14.08	2.1	8.83	
01	Q1-Q4 M	14 768	295	2.0	11 781	272	2.4	2 988	23	0.8	2 213	-157	-6.6	13.03	...	8.33	
99	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	9.90	
	Q3	13 952	627	4.7	10 979	730	7.1	2 973	-103	-3.4	2 549	-487	-16.0	15.45	1.6	9.67	
	Q4	14 041	699	5.2	11 096	783	7.6	2 946	-84	-2.8	2 562	-401	-13.5	15.43	1.6	9.37	
00	Q1	14 213	710	5.3	11 245	745	7.1	2 968	-35	-1.2	2 510	-251	-9.1	15.01	1.8	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	8.90	
	Q3	14 622	670	4.8	11 653	674	6.1	2 969	-4	-0.1	2 324	-224	-8.8	13.72	2.1	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	2.2	8.50	
01	Q1	14 616	403	2.8	11 618	374	3.3	2 997	29	1.0	2 267	-243	-9.7	13.43	2.1	8.37	
	Q2	14 707	257	1.8	11 696	209	1.8	3 011	48	1.6	2 192	-153	-6.5	12.97	1.6	8.30	
	Q3	14 884	263	1.8	11 913	260	2.2	2 971	2	0.1	2 180	-145	-6.2	12.77	1.2	8.30	
	Q4	14 867	256	1.8	11 895	244	2.1	2 972	12	0.4	2 213	-88	-3.8	12.96	...	8.37	

EMPLOYMENT
Annual percentage changes



LABOUR FORCE: COMPONENTS
Annual percentage changes



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

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

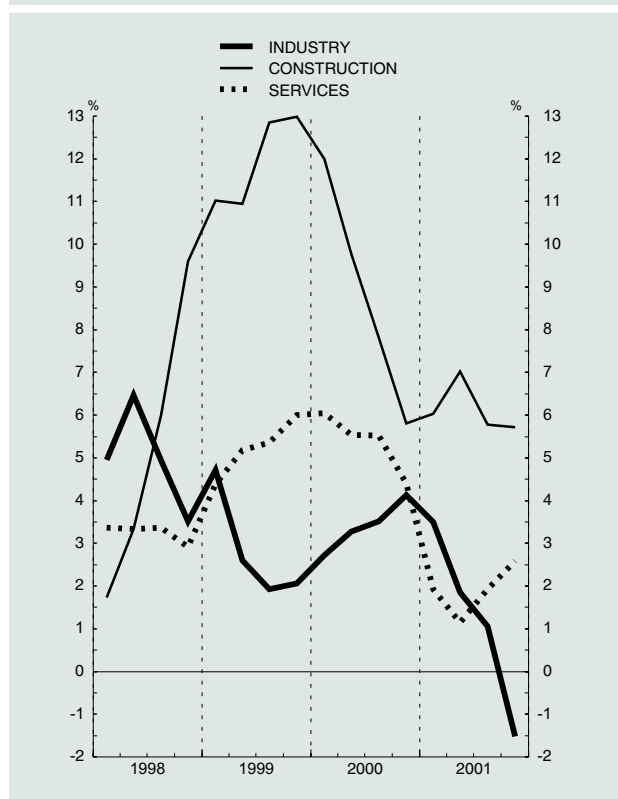
4.3. Employment by branch of activity. Spain (a)

■ Series depicted in chart.

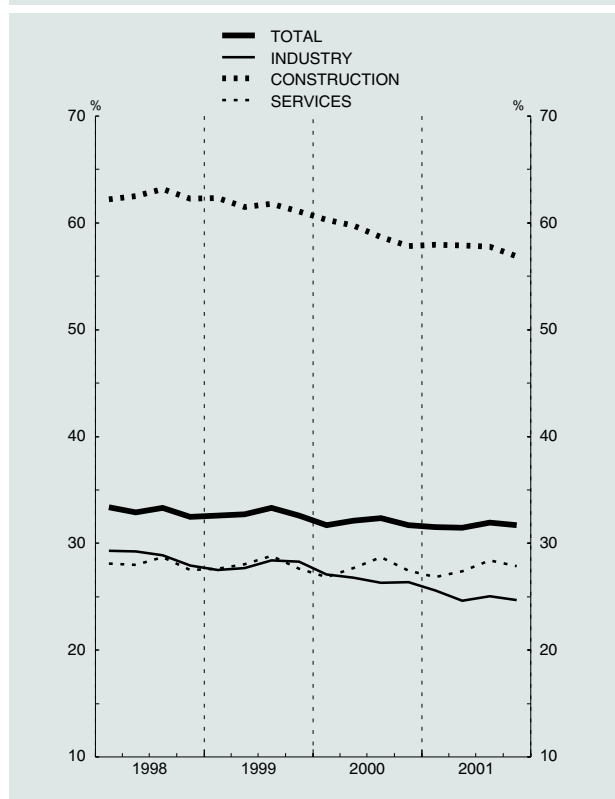
Annual percentage changes

		Total			Agriculture			Industry			Construction			Services			Memorandum item: employment in		
		Employment	Wage-earners	Proportion of temporary employment	Employment	Wage-earners	Proportion of temporary employment	Employment	Wage-earners	Proportion of temporary employment	Employment	Wage-earners	Proportion of temporary employment	Employment	Wage-earners	Proportion of temporary employment	Branches other than agriculture	Branches other than agriculture excluding general government	Services excluding general government
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
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-Q4 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	4.5	5.6	5.9
01	Q1-Q4 M	2.0	2.4	31.7	-0.9	3.5	61.7	1.2	1.0	25.0	6.1	6.5	57.6	1.9	2.1	27.6	2.1	2.0	1.5
99	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	1.3	61.6	1.8	1.7	24.6	7.0	7.3	57.9	1.1	1.0	27.4	2.0	1.9	0.8
	Q3	1.8	2.2	31.9	-4.0	0.4	57.8	1.1	0.9	25.0	5.8	5.9	57.8	1.9	2.1	28.4	2.2	1.9	1.3
	Q4	1.8	2.1	31.7	-2.7	0.2	61.9	-1.5	-1.9	24.7	5.7	6.6	56.9	2.6	2.8	27.9	2.1	1.8	2.2

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".

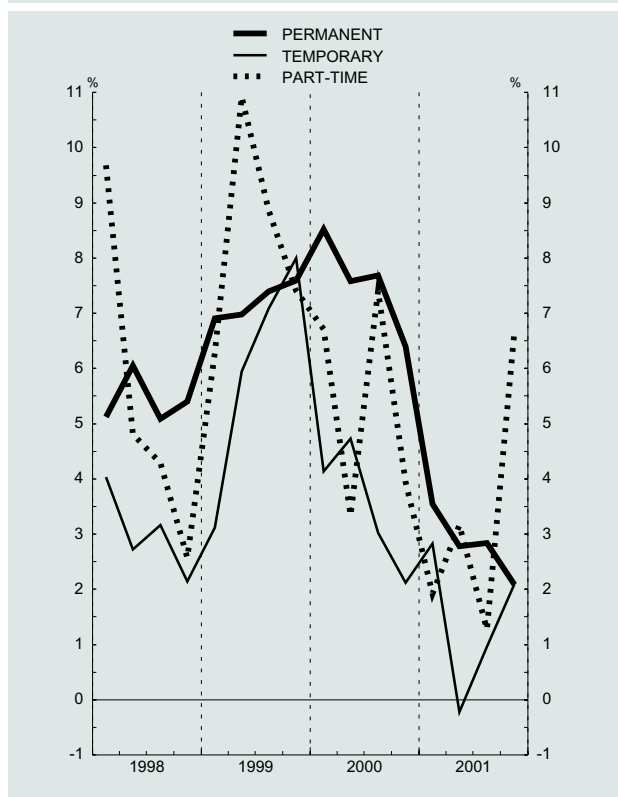
4.4. Wage-earners by type of contract and unemployment by duration. Spain. (a)

■ 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-quar-ter % change	Annual change	4-quar-ter % change	Proportion of tempo-rary em-ployment	Annual change	4-quar-ter % change	Annual change	4-quar-ter % change	As % for wage earners	Unem-ployment rate	4-quar-ter % change	Unem-ployment rate	4-quar-ter % change	Entail-ing a change of resi-dence	Whith a lower wage	Requi-ring fever 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-Q4 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	
01	Q1-Q4 M	220	2.8	52	1.4	31.66	241	2.3	30	3.2	8.21	6.59	-7.2	5.56	-13.6	20.75	46.06	50.99	
99	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	179	1.7	30	3.2	8.42	6.52	-6.6	5.57	-14.2	20.67	46.66	51.96	
	Q3	224	2.8	36	1.0	31.94	249	2.3	12	1.3	7.93	6.44	-7.1	5.39	-13.0	20.81	45.45	49.98	
	Q4	166	2.1	77	2.1	31.70	182	1.7	62	6.7	8.27	6.84	-2.7	5.33	-12.4	20.90	46.55	51.19	

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

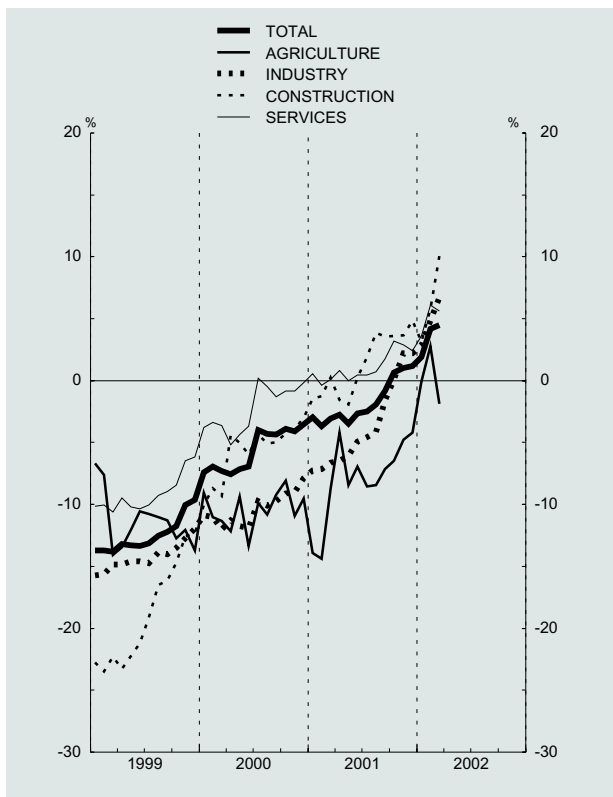
4.5. Registered unemployment by branch of activity. Contracts and placements. Spain

■ Series depicted in chart.

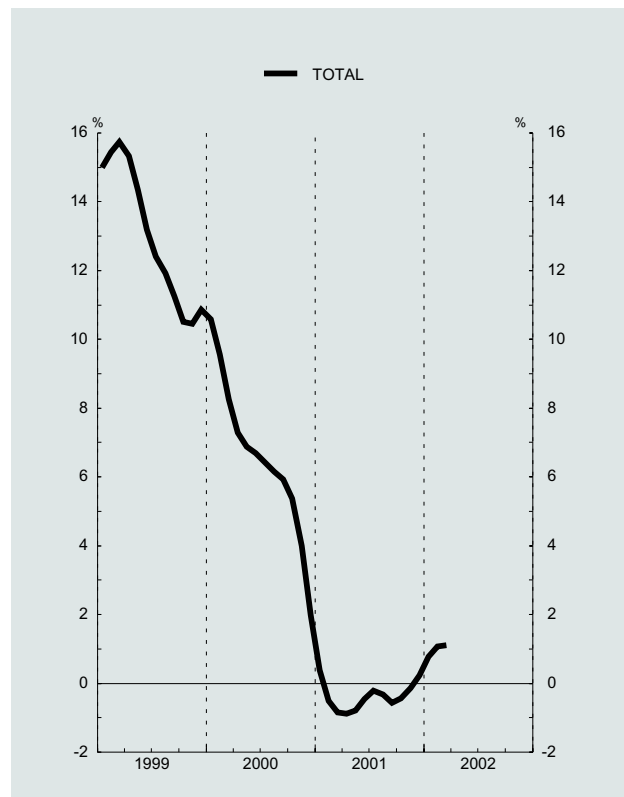
Thousands, annual percentage changes and %

		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	Perma- nent	Part time	Tempo- rary	Thousands	12 month % change
						Total	Agri- culture	Branches other than agriculture										
								Total	Industry	Construc- tion	Services							
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
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
01	M	1 530	-28	-1.8	-9.6	-0.2	-8.2	0.1	-3.8	1.3	1.1	1 171	1.6	9.26	18.40	90.74	1 133	-0.2
01 J-M	M	1 599	-54	-3.2	-10.1	-1.9	-12.4	-1.5	-7.0	-0.8	0.1	1 136	-1.1	8.79	16.62	91.21	1 121	-0.7
02 J-M	MP	1 656	56	3.5	-4.7	5.0	0.3	5.2	4.8	6.3	5.1	1 137	0.1	9.78	17.74	90.22	1 100	-1.9
01 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		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	1 214	4.8
Aug		1 459	-29	-1.9	-10.5	-0.2	-8.4	0.1	-4.1	3.9	0.7	1 062	4.8	8.09	18.84	91.91	1 021	2.0
Sep		1 489	-13	-0.9	-9.7	1.0	-7.2	1.3	-1.6	3.6	1.7	1 131	-6.9	8.67	19.45	91.33	1 100	-8.3
Oct		1 540	10	0.6	-7.7	2.3	-6.5	2.6	0.1	3.6	3.2	1 477	8.7	9.78	21.59	90.22	1 421	6.1
Nov		1 573	16	1.0	-6.8	2.6	-4.8	2.8	2.2	3.7	2.9	1 324	4.6	9.52	20.19	90.48	1 272	2.3
Dec		1 575	18	1.2	-5.7	2.5	-4.2	2.7	2.2	4.9	2.4	960	-1.8	9.17	19.53	90.83	921	-4.3
02 Jan		1 652	31	1.9	-5.7	3.3	-0.1	3.4	2.8	3.2	3.6	1 270	6.0	8.69	17.43	91.31	1 227	3.9
Feb		1 666	67	4.2	-4.0	5.7	2.8	5.8	4.8	5.8	6.1	1 140	4.2	10.02	17.80	89.98	1 108	2.5
Mar	P	1 649	71	4.5	-4.3	6.1	-1.9	6.4	6.7	10.1	5.6	1 000	-10.4	10.64	18.00	89.36	964	-12.5

REGISTERED UNEMPLOYMENT
Annual percentage changes



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



Source: Instituto Nacional de Empleo, Estadística de Empleo.

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

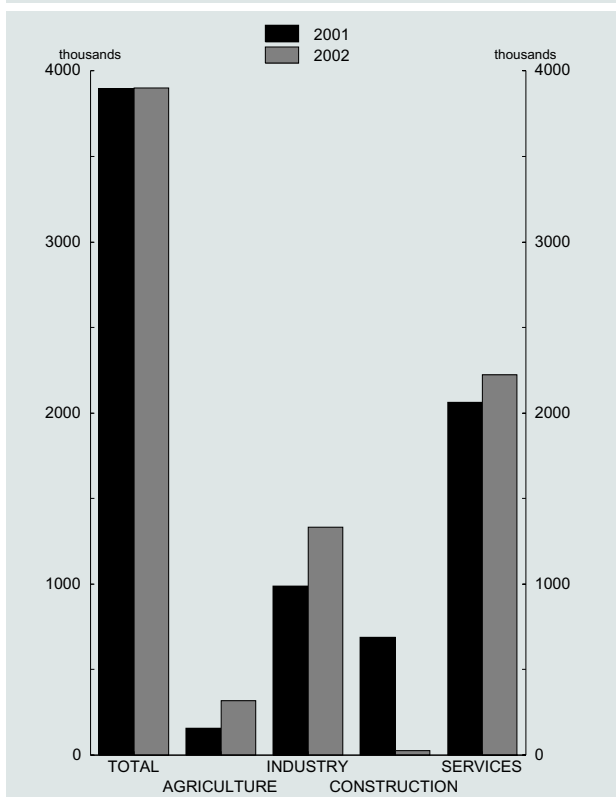
4.6. Collective bargaining agreements

■ Series depicted in chart.

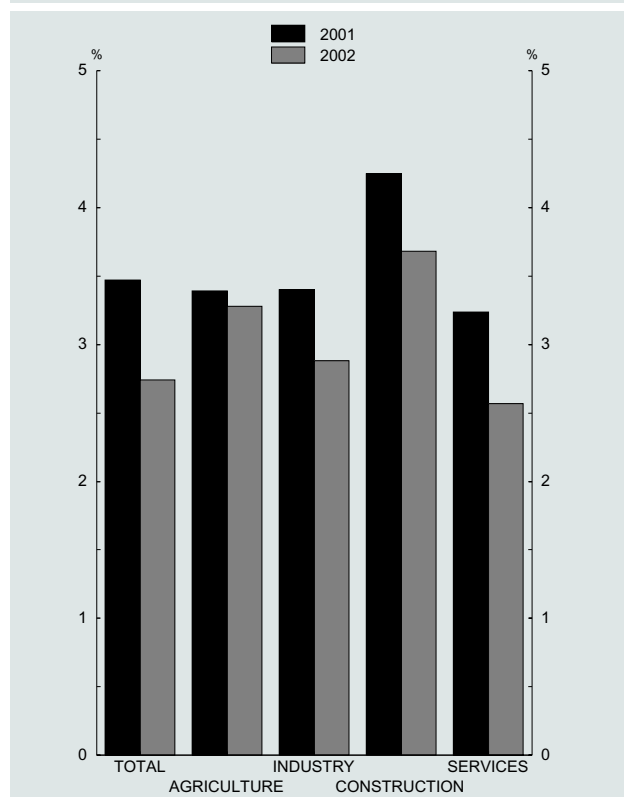
Thousands and %

	As per month economic effects come into force(a)		As per month recorded														
			Employees affected (a)								Average wage settlement (%)						
	Em- ployees affected	Average wage settle- ment	Auto- matic adjust- ment	Newly- signed agree- ments	Total	Annual change	Agricul- ture	Indus- try	Construc- tion	Services	Auto- matic adjust- ment	Newly signed agree- ments	Total	Agricul- ture	Indus- try	Construc- tion	Services
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
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	9 228	3.71	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	8 330	3.68	4 909	2 697	7 606	-257	473	2 298	928	3 907	3.35	3.73	3.48	4.04	3.40	4.12	3.31
00 Oct	9 217	3.71	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	9 221	3.71	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	9 228	3.71	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	7 693	3.62	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	7 731	3.62	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	7 802	3.62	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	7 996	3.64	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	8 187	3.67	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	8 230	3.68	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	8 250	3.68	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
Aug	8 251	3.68	4 498	1 334	5 832	-635	305	1 878	869	2 780	3.37	3.62	3.42	3.75	3.31	4.18	3.23
Sep	8 318	3.68	4 644	1 735	6 379	-806	318	2 017	885	3 158	3.37	3.60	3.44	3.77	3.36	4.15	3.25
Oct	8 323	3.68	4 681	2 111	6 792	-744	328	2 102	912	3 451	3.38	3.60	3.45	3.78	3.37	4.15	3.27
Nov	8 323	3.68	4 733	2 495	7 228	-480	448	2 168	912	3 699	3.36	3.66	3.47	4.03	3.39	4.15	3.27
Dec	8 330	3.68	4 909	2 697	7 606	-257	473	2 298	928	3 907	3.35	3.73	3.48	4.04	3.40	4.12	3.31
02 Jan	3 741	2.73	2 269	1	2 270	643	260	658	5	1 348	2.72	3.18	2.72	3.48	2.90	2.43	2.48
Feb	3 745	2.73	2 480	4	2 484	-783	260	746	25	1 453	2.71	3.36	2.71	3.48	2.87	3.74	2.47
Mar	3 756	2.73	3 784	117	3 901	3	318	1 332	27	2 224	2.74	2.82	2.74	3.28	2.88	3.68	2.57

EMPLOYEES AFFECTED
January-March



AVERAGE WAGE SETTLEMENT
January-March



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

(a) Cumulative data.

4.7. Wage earnings survey in industry and services. Spain

■ Series depicted in chart.

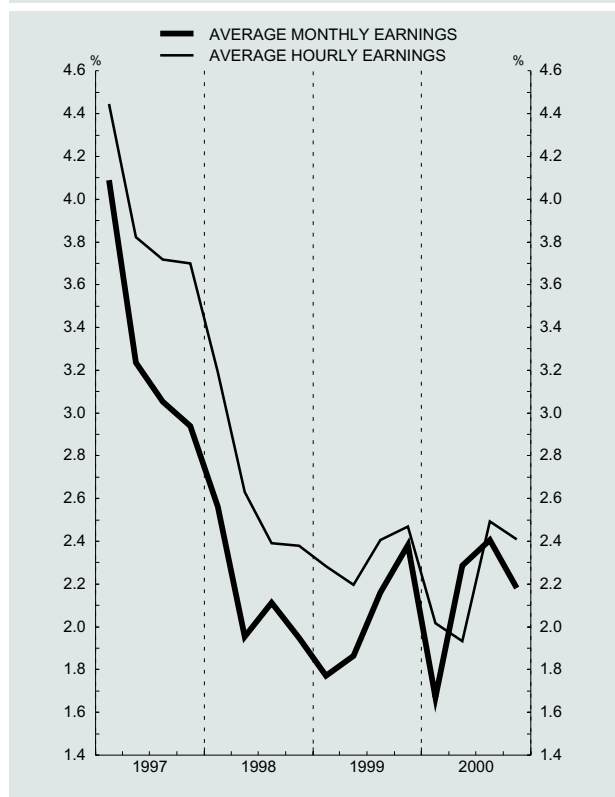
Annual percentage changes, Euros and number of hours

		Average monthly earnings							Average hourly earnings							Average number of hours worked	
		Basic pay		Basic pay and overtime					Basic pay		Basic pay and overtime					Number of hours	4-quarter % change
		Euros	4-quarter % change	Total		Indus-try	Construc-tion	Services	Euros	4-quarter % change	Total		Indus-try	Construc-tion	Services		
				Euros	4-quarter % change						Euros	4-quarter % change					
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
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
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
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
99	Q1-Q4 M	1 197	2.0	1 353	2.3	2.5	3.8	1.9	8.41	2.3	9.51	2.5	2.7	4.0	2.2	142	-0.3
00	Q1-Q4 M	1 222	2.1	1 384	2.3	2.5	3.8	3.0	8.60	2.2	9.74	2.4	2.8	4.4	2.7	142	-0.1
98	Q2	1 167	2.0	1 266	2.3	2.9	4.1	1.8	8.21	2.6	8.91	3.0	3.1	4.2	3.0	142	-0.7
	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
	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
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
	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
	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
	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
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
	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
	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
	Q4	1 234	2.2	1 517	2.3	2.3	4.4	2.9	8.68	2.4	10.67	2.5	2.5	4.8	2.9	142	-0.2

WAGES
Annual percentage changes



BASIC PAY
Annual percentage changes



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

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 are in Tables 24.26, 24.27 and 24.28 of the BE Boletín estadístico.

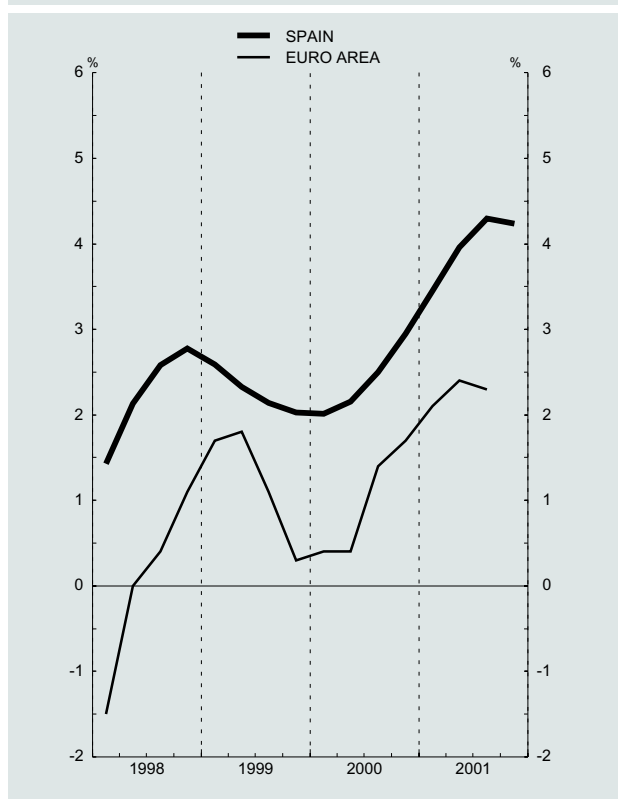
4.8. Unit labour costs. Spain and euro area (a)

■ Series depicted in chart.

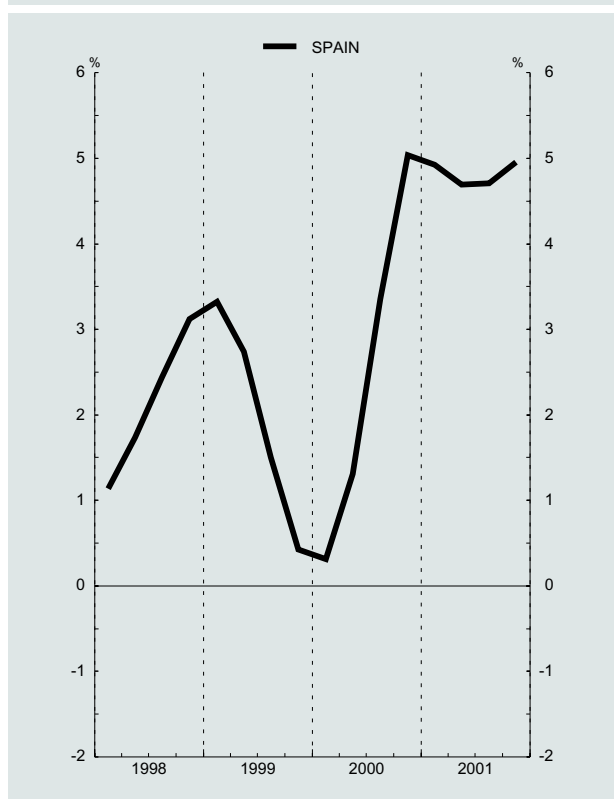
Annual percentage changes

		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	-	2.7	1.2	0.5	1.2	4.3	2.9	3.8	1.6	2.1	...
99	P	2.3	1.2	2.7	2.1	0.5	0.8	4.1	2.6	3.7	1.7	2.0	...
00	P	2.4	1.0	3.4	2.3	1.0	1.3	4.1	3.4	3.1	2.1	2.5	...
98 Q4	P	2.8	1.1	2.6	1.4	-0.2	0.2	4.0	1.9	4.2	1.9	3.1	...
99 Q1	P	2.6	1.7	2.3	1.7	-0.3	-	3.9	2.0	4.1	1.8	3.3	...
Q2	P	2.3	1.8	2.4	2.3	0.1	0.5	4.0	2.2	3.9	1.6	2.7	...
Q3	P	2.1	1.1	2.8	2.0	0.7	0.9	4.2	2.8	3.5	1.6	1.5	...
Q4	P	2.0	0.3	3.4	2.2	1.3	1.8	4.5	3.7	3.1	1.6	0.4	...
00 Q1	P	2.0	0.4	3.6	2.5	1.6	2.1	4.5	3.6	2.9	1.8	0.3	...
Q2	P	2.2	0.4	3.5	2.1	1.3	1.7	4.4	3.9	3.0	2.1	1.3	...
Q3	P	2.5	1.4	3.3	2.4	0.8	1.0	4.0	3.2	3.2	2.1	3.4	...
Q4	P	2.9	1.7	3.2	2.1	0.3	0.4	3.5	2.8	3.3	2.2	5.0	...
01 Q1	P	3.5	2.1	3.6	2.3	0.2	0.2	3.2	2.4	3.0	2.1	4.9	...
Q2	P	4.0	2.4	4.2	2.5	0.3	-	2.9	1.6	2.6	1.6	4.7	...
Q3	P	4.3	2.3	4.7	2.4	0.4	0.1	2.6	1.4	2.2	1.2	4.7	...
Q4	P	4.2	...	4.7	...	0.4	...	2.4	0.6	2.0	...	5.0	...

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.

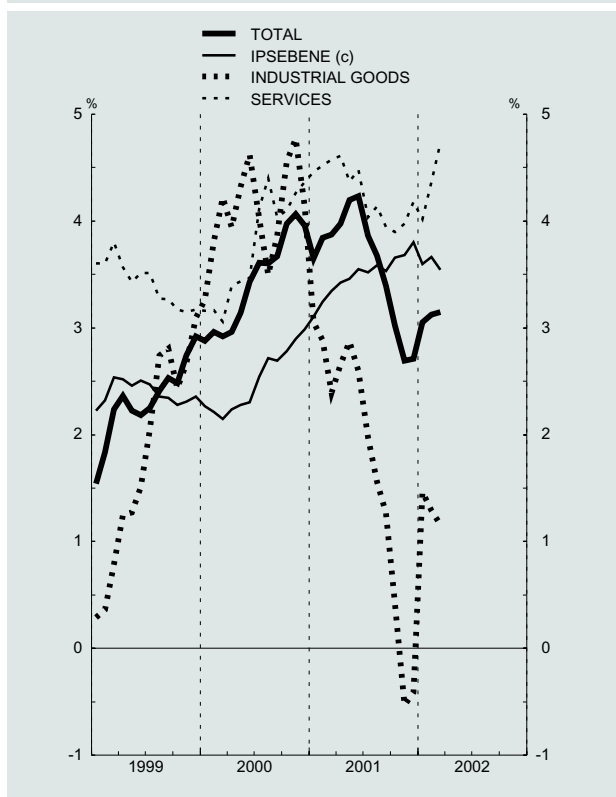
5.1. Consumer price index. Spain (2001=100) (a)

■ Series depicted in chart.

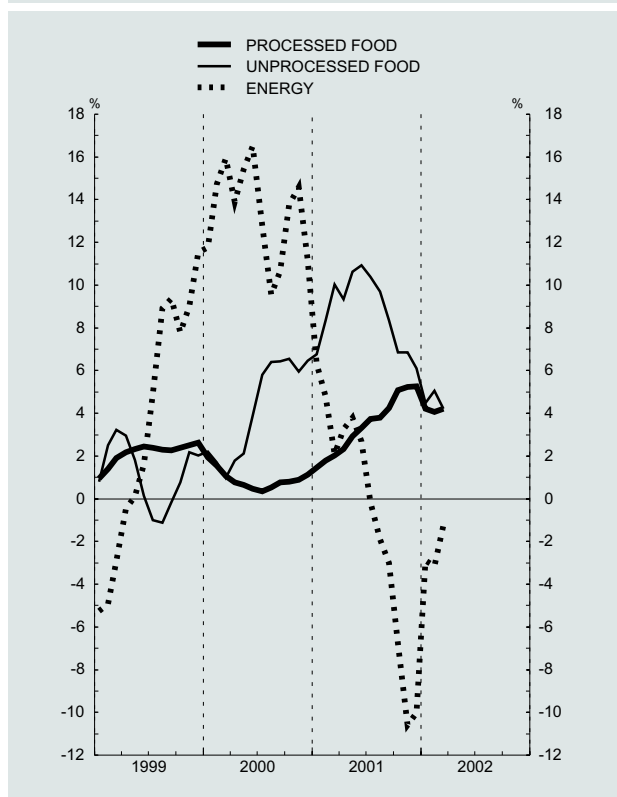
Indices and annual percentage changes

		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 (b)	Cumulative % change during year (c)	Unprocessed food	Processed food	Industrial goods of which		Services	IPSEBENE (d)	Original series	12-month % change (a)
		1	2	3	4	5	6	Total	Energy	9	10	11	12
99	M	93.8	—	2.3	2.9	1.2	2.1	1.8	3.3	3.4	2.4	111.9	-1.1
00	M	97.0	—	3.4	4.0	4.2	0.9	4.1	13.4	3.7	2.5	115.1	2.9
01	M R	100.5	—	3.6	2.7	8.7	3.4	1.7	-0.8	4.3	3.5	118.2	2.7
01 J-M	M	99.1	0.2	3.8	0.4	8.4	1.8	2.8	4.4	4.5	3.2	123.8	-3.1
02 J-M	M	101.6	0.3	3.1	0.2	4.6	4.2	1.3	-2.4	4.4	3.6	...	...
00 Dec		98.7	0.3	4.0	4.0	6.5	1.1	4.1	11.2	4.4	3.0	129.2	8.4
01 Jan		98.8	-	3.7	-	6.8	1.5	3.1	6.3	4.5	3.1	121.4	-2.6
Feb		99.1	0.3	3.8	0.4	8.4	1.8	2.9	4.8	4.5	3.2	123.1	-2.3
Mar		99.5	0.4	3.9	0.8	10.0	2.0	2.4	2.1	4.6	3.3	126.8	-4.3
Apr		100.0	0.5	4.0	1.3	9.4	2.3	2.7	3.3	4.6	3.4	128.0	3.1
May		100.4	0.4	4.2	1.7	10.6	2.9	2.9	3.8	4.4	3.5	130.1	17.3
Jun		100.7	0.3	4.2	2.0	10.9	3.3	2.6	2.7	4.5	3.5	124.4	12.7
Jul		101.0	0.2	3.9	2.3	10.4	3.7	2.0	-0.2	4.0	3.5	112.8	5.5
Aug		101.2	0.2	3.7	2.5	9.7	3.8	1.6	-1.9	4.1	3.6	102.2	8.2
Sep		101.2	-	3.4	2.5	8.4	4.3	1.3	-3.0	3.9	3.5	104.0	4.2
Oct		101.1	-0.1	3.0	2.4	6.9	5.1	0.4	-6.8	3.9	3.7	112.9	-1.3
Nov		101.0	-0.1	2.7	2.3	6.9	5.2	-0.5	-10.6	4.0	3.7	118.0	-4.9
Dec	R	101.4	0.4	2.7	2.7	6.1	5.3	-0.4	-10.0	4.2	3.8	128.5	-0.5
02 Jan		101.3	-0.1	3.1	-0.1	4.5	4.2	1.5	-2.9	4.0	3.6	...	...
Feb		101.3	0.1	3.1	-0.1	5.0	4.1	1.3	-3.2	4.4	3.7	...	...
Mar		102.2	0.8	3.1	0.8	4.2	4.2	1.2	-1.2	4.7	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) There is a break in January 2002 owing to the 2001 re-basing. There is no solution to this via the habitual legal links. Consequently, for the year 2002, the official rates of change cannot be obtained from the indices. The detailed methodological notes can be consulted on the INE Internet site (www.ine.es).

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

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

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

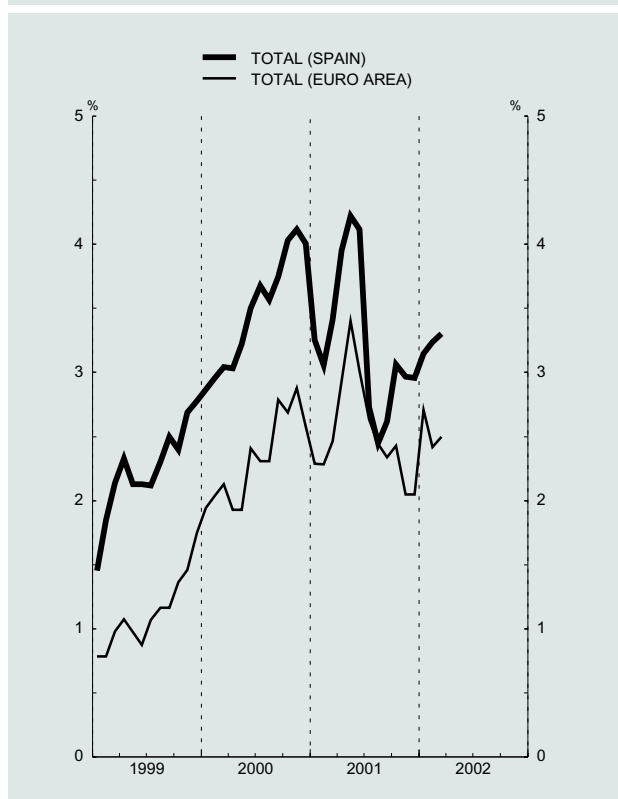
5.2. Harmonised index of consumer prices. Spain and euro area (1996=100)(a)

■ Series depicted in chart.

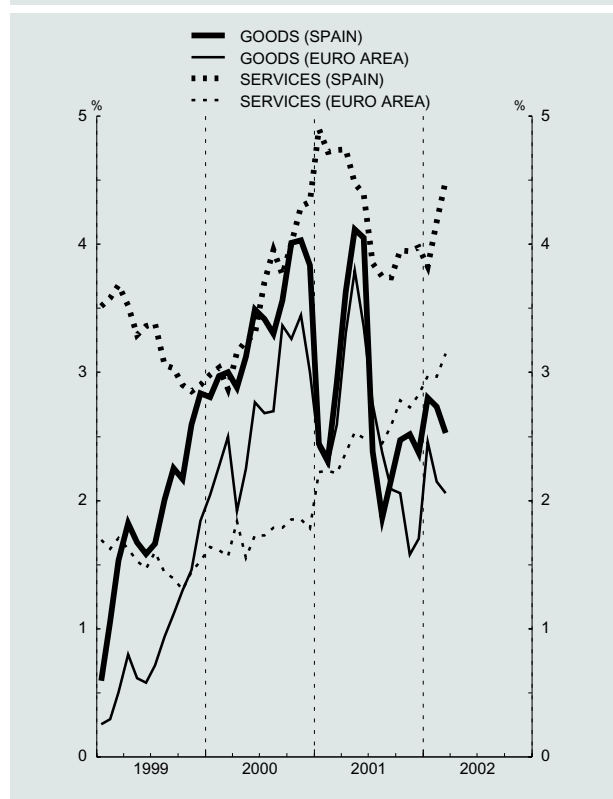
Annual percentage changes

		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	
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	0.7	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	
01	M	3.2	2.5	2.8	2.5	5.8	4.6	3.2	2.9	8.2	7.2	0.8	1.5	1.2	1.1	-0.3	2.8	4.3	2.5	
01	J-M	M	3.2	2.3	2.6	2.4	5.0	3.3	1.8	1.9	7.9	5.3	1.0	2.0	0.1	0.5	5.0	7.2	4.8	2.2
02	J-M	M	3.2	2.5	2.7	2.2	4.3	4.9	4.3	3.5	4.4	7.0	1.7	0.9	2.5	1.8	-2.1	-2.0	4.2	3.0
00	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		3.2	2.3	2.4	2.4	4.6	2.8	1.8	1.6	7.0	4.6	1.2	2.2	-0.1	0.6	6.9	7.9	4.9	2.2
	Feb		3.1	2.3	2.3	2.3	4.9	3.1	1.7	2.0	7.7	4.7	0.7	1.9	-0.4	0.1	5.5	8.2	4.7	2.2
	Mar		3.4	2.5	2.9	2.6	5.6	3.9	1.8	2.1	9.1	6.7	1.2	1.9	0.9	0.9	2.8	5.6	4.7	2.2
	Apr		4.0	2.9	3.6	3.3	5.5	4.4	2.0	2.5	8.7	7.3	2.4	2.8	2.1	1.3	3.9	7.8	4.7	2.4
	May		4.2	3.4	4.1	3.8	6.3	5.3	2.6	2.8	9.8	9.1	2.7	3.1	2.4	1.5	4.0	8.6	4.5	2.5
	Jun		4.1	3.0	4.1	3.4	6.7	5.4	3.1	3.0	10.1	9.0	2.3	2.4	2.2	1.4	2.8	5.5	4.4	2.5
	Jul		2.7	2.6	2.4	2.8	6.7	5.4	3.6	3.3	9.5	8.7	-0.3	1.4	-0.4	1.0	0.2	2.9	3.8	2.5
	Aug		2.4	2.4	1.9	2.4	6.4	5.1	3.5	3.4	9.0	7.7	-0.9	1.0	-0.8	0.7	-1.3	2.1	3.7	2.5
	Sep		2.6	2.3	2.2	2.1	6.1	5.1	3.8	3.5	8.2	7.7	-0.3	0.6	0.4	1.2	-2.5	-1.3	3.7	2.6
	Oct		3.1	2.4	2.5	2.1	5.9	5.2	4.6	3.5	7.0	7.7	0.3	0.5	2.1	1.5	-6.0	-2.7	4.0	2.8
	Nov		3.0	2.1	2.5	1.6	6.0	4.6	5.0	3.5	6.8	6.4	0.3	0.1	3.1	1.6	-9.5	-5.0	3.9	2.7
	Dec		3.0	2.0	2.4	1.7	5.5	4.7	5.1	3.5	6.0	6.5	0.4	0.2	3.0	1.7	-8.7	-4.5	4.0	2.8
02	Jan		3.1	2.7	2.8	2.5	4.4	5.6	4.2	3.8	4.6	8.4	1.8	0.9	2.9	1.7	-2.6	-1.7	3.8	3.0
	Feb		3.2	2.4	2.7	2.1	4.4	4.9	4.2	3.4	4.6	7.2	1.7	0.8	2.7	1.9	-2.8	-2.8	4.2	3.0
	Mar		3.3	2.5	2.5	2.1	4.2	4.2	4.4	3.3	3.9	5.5	1.5	1.0	1.9	1.7	-0.8	-1.5	4.5	3.1

HARMONISED INDEX OF CONSUMER PRICES. TOTAL
Annual percentage changes



HARMONISED INDEX OF CONSUMER PRICES. COMPONENTS
Annual percentage changes



Source: Eurostat.

(a) Compliance with the Regulation on the treatment of price reductions is now complete with the inclusion of sales prices in the Italian and Spanish HICP. The Spanish HICP has included a new basket of goods and services since January 2001. In accordance with the related regulations, the series for the year 2001 have been revised. More detailed methodological notes can be consulted on the Eurostat Internet site (europa.eu.int).

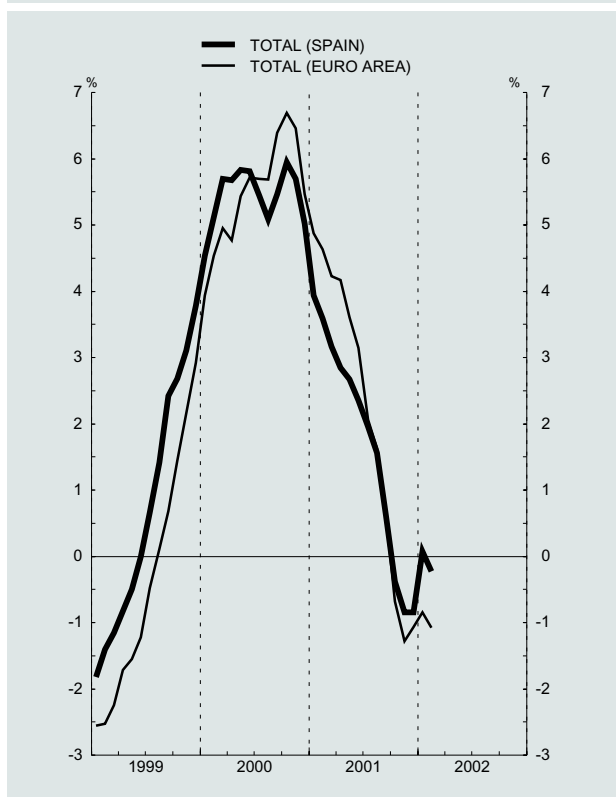
5.3. Producer price index. Spain and euro area (a)

■ Series depicted in chart.

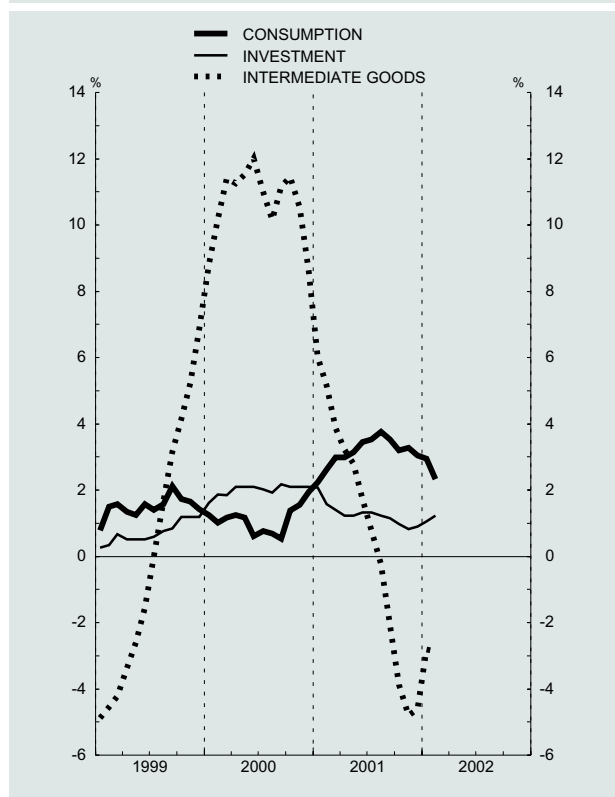
Annual percentage changes

		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	Total		Non-energy	Energy	Total	Consumption	Investment	Intermediate non-energy	Energy	
									Month-on - month % change	12-month % change	12-month % change	12-month % change		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	14	15	16			
99	M	121.0	—	0.7	—	1.5	—	0.7	—	-0.1	-0.9	2.7	-0.4	-0.1	0.2	-1.5	0.6	
00	M	127.6	—	5.4	—	1.1	—	2.0	—	10.7	6.9	22.8	5.5	1.5	0.6	5.0	19.0	
01	M	129.8	—	1.7	—	3.1	—	1.3	—	0.6	1.5	-2.0	2.2	2.9	1.0	1.2	3.1	
01	J-F	M	129.5	—	3.8	—	2.4	—	1.8	—	5.6	5.0	7.2	4.8	2.9	0.9	4.2	11.9
02	J-F	M	129.4	—	-0.1	—	2.6	—	1.1	—	-2.8	-2.2	-5.2	-1.0	1.6	1.2	-1.8	-5.6
00	Nov		129.9	-0.1	5.7	-	1.5	-	2.1	-0.2	10.5	6.4	23.1	6.5	2.3	0.8	5.3	21.6
	Dec		129.6	-0.2	5.0	0.4	1.9	-	2.1	-0.9	8.6	5.9	16.7	5.5	2.6	0.8	5.1	15.7
01	Jan		129.2	-0.3	3.9	0.6	2.2	0.5	2.1	-1.2	6.0	5.1	8.7	4.9	2.8	0.9	4.5	12.5
	Feb		129.8	0.5	3.6	0.8	2.6	-	1.6	0.2	5.1	5.0	5.7	4.6	3.1	0.9	4.0	11.3
	Mar		130.2	0.3	3.2	0.6	3.0	0.2	1.4	0.1	3.9	4.3	2.7	4.2	3.4	0.9	3.4	9.2
	Apr		130.1	-0.1	2.8	-	3.0	-0.1	1.2	-0.2	3.2	3.1	3.6	4.2	3.4	1.0	2.5	10.6
	May		130.4	0.2	2.7	0.1	3.1	0.1	1.2	0.5	2.8	2.4	4.0	3.6	3.3	1.0	1.8	9.1
	Jun		130.4	-	2.4	0.1	3.5	0.1	1.3	-0.1	1.7	1.6	2.2	3.1	3.3	1.0	1.4	6.8
	Jul		130.2	-0.2	2.0	0.2	3.5	-	1.3	-0.6	0.8	1.1	-0.1	2.1	3.1	1.1	0.6	2.8
	Aug		130.0	-0.2	1.6	0.3	3.8	-	1.2	-0.5	-0.2	0.6	-2.4	1.6	3.0	1.2	0.1	1.4
	Sep		130.1	0.1	0.6	-	3.5	0.2	1.1	0.1	-2.1	-0.2	-7.0	0.6	2.8	1.1	-0.4	-2.3
	Oct		129.5	-0.5	-0.4	0.1	3.2	-	1.0	-1.1	-3.9	-1.0	-11.5	-0.7	2.5	1.1	-1.0	-7.3
	Nov		128.8	-0.5	-0.8	0.1	3.3	-0.2	0.8	-1.1	-4.8	-1.5	-13.5	-1.3	2.2	1.0	-1.3	-9.5
	Dec		128.5	-0.2	-0.8	0.1	3.0	0.1	0.9	-0.7	-4.6	-1.9	-11.9	-1.1	1.9	1.1	-1.5	-7.6
02	Jan		129.3	0.6	0.1	0.5	2.9	0.6	1.1	0.6	-2.8	-1.9	-5.4	-0.8	1.8	1.2	-1.7	-5.5
	Feb		129.5	0.2	-0.2	0.2	2.3	0.2	1.2	0.2	-2.9	-2.2	-4.9	-1.1	1.3	1.2	-1.9	-5.6

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.

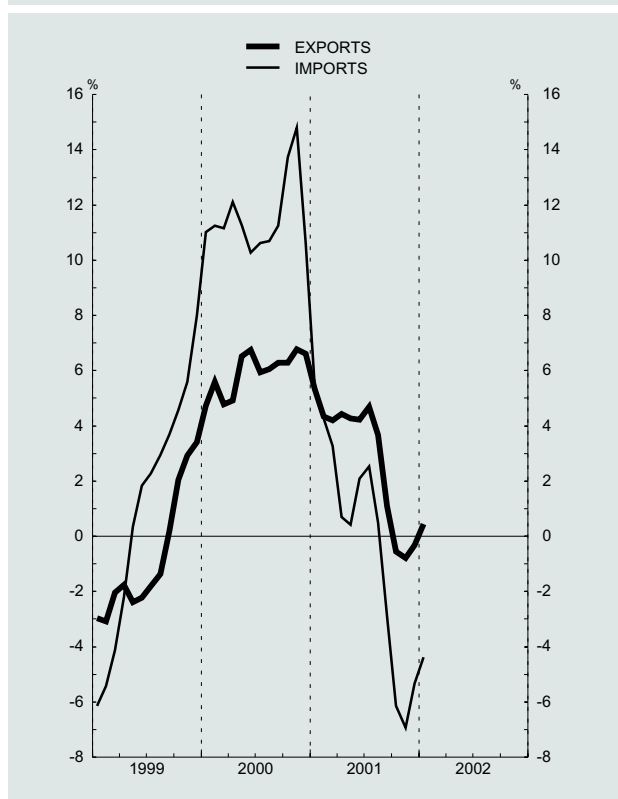
5.4 Unit value indices for Spanish foreign trade

■ Series depicted in chart.

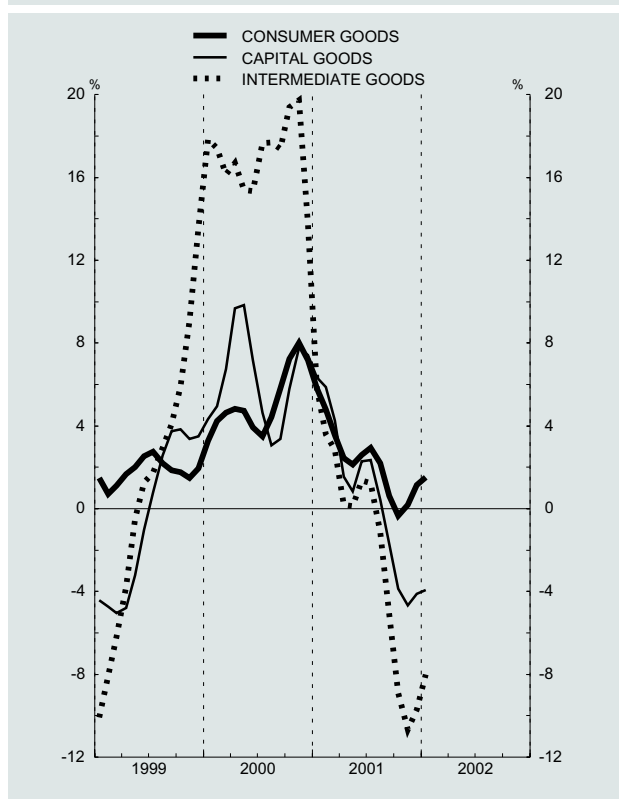
Annual percentage changes

	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
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
01	2.7	4.1	6.2	-0.2	2.6	1.0	-0.4	1.7	0.9	-1.9	-7.9	0.1
01 J-J	4.1	9.3	-9.1	5.0	40.1	4.2	1.6	-2.1	2.9	2.7	7.2	2.5
02 J-J	0.6	-4.7	33.8	-5.6	-28.0	-3.3	-4.6	6.5	-8.1	-8.1	-21.7	-5.2
00 Aug	7.1	7.7	7.7	5.9	66.8	4.2	10.6	6.4	-1.8	17.4	69.6	4.4
Sep	6.5	10.4	-5.6	7.4	70.0	5.1	9.7	4.3	-0.1	16.0	68.8	8.2
Oct	5.4	7.8	-8.3	9.0	69.6	7.3	13.9	7.8	5.4	20.0	66.6	9.2
Nov	6.9	8.5	-8.8	12.1	84.2	8.8	18.0	12.1	15.0	21.5	55.5	12.0
Dec	8.4	10.6	-1.8	11.0	59.9	8.2	12.0	7.7	7.8	15.8	44.4	8.8
01 Jan	4.1	9.3	-9.1	5.0	40.1	4.2	1.6	-2.1	2.9	2.7	7.2	2.5
Feb	4.4	5.6	-9.5	7.3	17.6	8.2	4.8	6.6	9.1	2.7	9.0	1.5
Mar	3.5	7.4	-8.0	4.1	10.3	5.4	6.0	3.3	8.5	6.4	-3.0	7.2
Apr	5.0	5.4	3.7	3.0	11.5	3.3	-2.4	0.7	-2.9	-3.7	-0.9	-4.2
May	4.7	8.4	-5.3	2.4	21.0	2.8	0.7	1.3	-5.5	2.2	8.2	2.6
Jun	2.8	5.0	7.7	-0.8	12.2	0.0	1.7	1.7	7.0	0.0	7.9	-0.9
Jul	5.9	4.3	26.7	1.0	8.8	1.7	4.9	6.3	8.4	3.3	4.2	4.2
Aug	6.0	2.0	19.3	2.7	6.9	4.0	-0.2	3.3	-3.6	-1.6	-9.8	1.1
Sep	-1.2	-1.7	12.3	-4.4	-15.3	-2.2	-1.8	0.3	2.2	-4.5	-15.5	-2.9
Oct	-0.5	0.4	7.3	-5.5	-22.5	-4.0	-7.5	-4.1	-6.9	-9.5	-29.8	-4.1
Nov	-1.4	0.5	11.6	-8.6	-28.4	-5.6	-8.7	-0.4	-9.9	-11.8	-36.2	-4.1
Dec	-0.4	2.7	16.3	-8.3	-30.7	-5.7	-3.8	3.8	1.9	-9.4	-35.5	-2.4
02 Jan	0.6	-4.7	33.8	-5.6	-28.0	-3.3	-4.6	6.5	-8.1	-8.1	-21.7	-5.2

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).

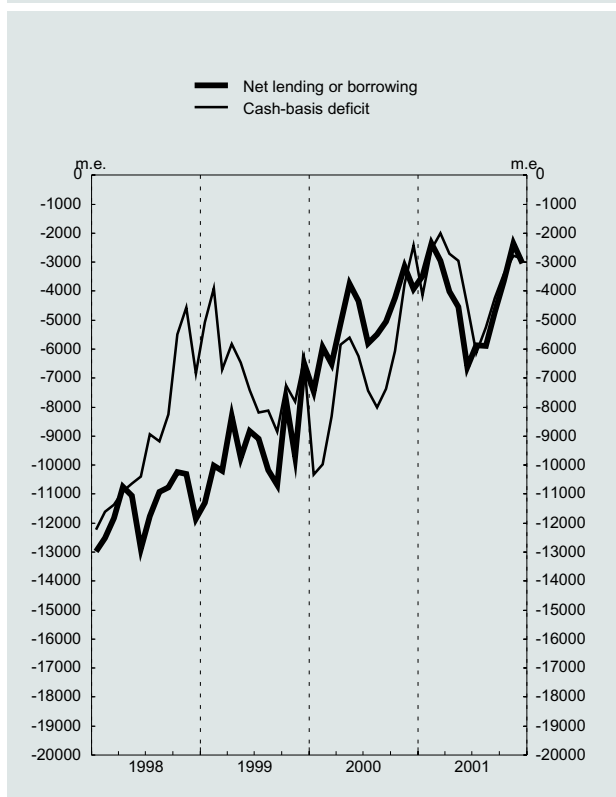
6.1. State resources and uses according to the National Accounts (ESA 95). Spain

■ Series depicted in chart.

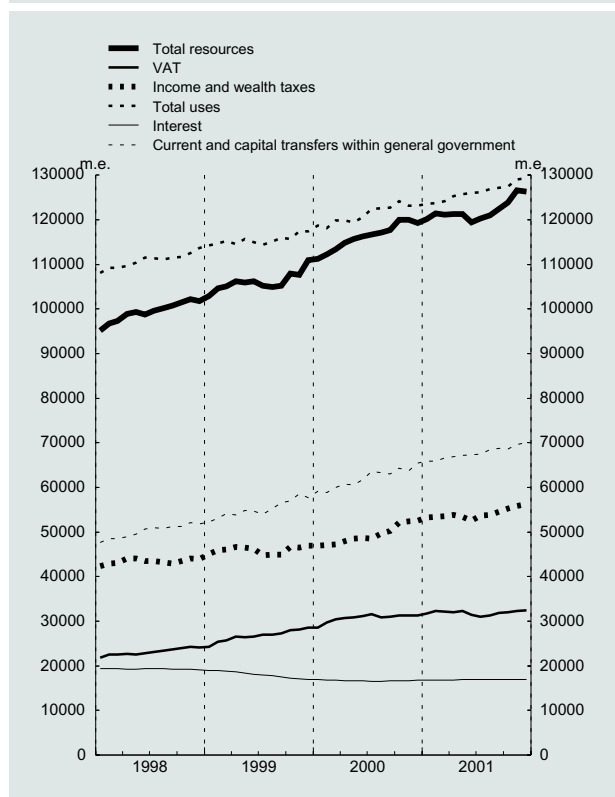
EUR millions

		Current and capital resources						Current and capital uses						Memorandum item: cash-basis deficit			
		Net lending (+) or borrowing (-)	Total	Value added tax (VAT)	Other taxes on products and imports	Interest and other income on property	Income and wealth taxes	Other	Total	Compensation of employees	Interest	Current and capital transfers within general government	Investment grants and other capital transfers	Other	Cash-basis deficit	Revenue	Expenditure
		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 99		-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
	P	-6 482	111 009	28 574	16 408	5 877	46 887	13 263	117 491	17 363	16 912	57 722	4 978	20 516	-6 354	110 370	116 724
	A	-3 917	119 298	31 269	17 171	5 199	52 531	13 129	123 215	15 808	16 732	65 526	4 282	20 867	-2 431	118 693	121 124
00 J-D	A	-3 917	119 298	31 269	17 171	5 199	52 531	13 129	123 215	15 808	16 732	65 526	4 282	20 867	-2 431	118 693	121 124
01 J-D	A	-3 042	126 338	32 432	17 836	6 712	56 252	13 106	129 380	16 082	16 940	69 982	4 198	22 178	-2 884	125 187	128 071
01 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec	A	-1 224	9 310	154	1 430	272	6 763	691	10 534	1 121	1 487	7 139	-	786	-6 051	9 886	15 937
	A	7 023	15 950	9 431	1 385	1 460	3 093	581	8 927	1 141	1 298	5 115	267	1 106	4 806	16 438	11 633
	A	-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
	A	5 510	15 490	4 798	1 556	209	8 290	637	9 980	1 209	1 396	5 586	193	1 595	5 555	15 329	9 774
	A	-4 200	5 769	1 100	1 438	187	2 037	1 007	9 968	1 292	1 419	5 485	271	1 502	-3 489	5 509	8 997
	A	-5 811	5 889	279	1 465	342	2 607	1 196	11 701	1 969	1 390	6 133	230	1 979	-4 510	5 437	9 947
	A	1 642	11 994	4 271	1 629	187	5 213	694	10 352	1 182	1 445	6 093	100	1 532	-1 082	12 060	13 142
	A	-1 483	7 732	-713	1 509	496	5 879	561	9 215	1 192	1 435	5 357	164	1 067	-1 506	7 672	9 178
	A	-365	9 393	3 316	1 613	144	3 264	1 057	9 759	1 201	1 393	5 552	276	1 337	692	9 069	8 377
	A	8 354	18 746	5 398	1 562	202	10 298	1 286	10 392	1 221	1 439	5 624	227	1 881	8 660	18 143	9 484
	A	-281	11 297	1 664	1 423	1 852	3 843	2 515	11 577	1 260	1 396	6 395	273	2 254	1 646	11 624	9 977
	A	-7 051	9 032	1 174	1 511	1 194	3 099	2 055	16 084	2 047	1 415	5 148	1 897	5 577	-3 276	9 339	12 616

STATE. NET LENDING OR BORROWING AND CASH-BASIS DEFICIT (Latest 12 months)



STATE. RESOURCES AND USES ACCORDING TO THE NATIONAL ACCOUNTS (Latest 12 months)



Source: Ministerio de Hacienda (IGAE).

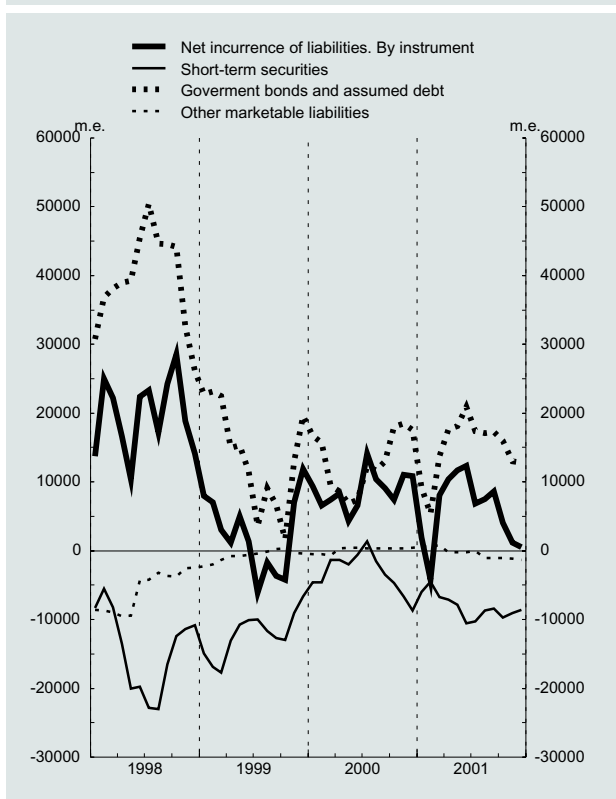
6.2. State financial transactions (ESA 95). Spain

■ Series depicted in chart.

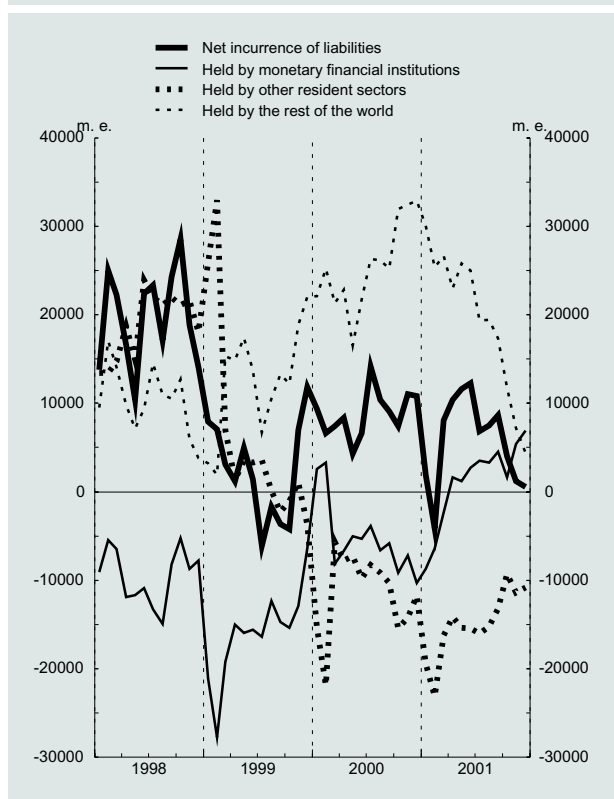
EUR billions

	Net lending (+) or net borrowing(-)	Net acquisition of financial assets		Net incurrence of liabilities											Net incurrence of liabilities (excluding other accounts payable)	
				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	Deposits at the Banco de España						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	2 250	444	14 109	6 624	-10 829	26 157	-236	-2 464	1 481	10 287	-7 793	18 080	3 822	12 628
99	P	-6 482	5 378	4 574	11 860	-577	-6 629	19 581	-499	-447	-146	-10 166	-6 411	-3 754	22 026	12 006
00	A	-3 917	6 916	5 690	10 833	779	-8 683	17 506	-499	418	2 091	-22 098	-10 323	-11 775	32 930	8 741
00 J-D	A	-3 917	6 916	5 690	10 833	779	-8 683	17 506	-499	418	2 091	-22 098	-10 323	-11 775	32 930	8 741
01 J-D	A	-3 042	-2 509	-20 141	533	716	-8 616	12 762	-499	-1 297	-1 817	-3 875	6 933	-10 808	4 408	2 350
01 Jan	A	-1 224	11 765	-12 758	-10 541	-59	1 482	-10 561	-	-3	-1 459	-7 369	606	-7 975	-3 172	-9 082
Feb	A	7 023	-290	-3 778	-7 313	-51	501	-2 255	-	-64	-5 495	-5 113	132	-5 245	-2 200	-1 818
Mar	A	-5 155	4 550	-3 700	9 706	-109	-1 865	5 750	-	16	5 805	4 274	576	3 698	5 431	3 901
Apr	A	5 510	6 068	1	558	42	-541	-226	-	10	1 316	5 239	4 387	852	-4 681	-757
May	A	-4 200	-1 361	7	2 839	35	-1 253	3 637	-	87	368	956	130	826	1 883	2 471
Jun	A	-5 811	-388	-8	5 423	1 162	-2 507	6 167	-	-17	1 780	1 105	1 285	-181	4 318	3 643
Jul	A	1 642	-2 015	0	-3 657	-80	-833	-261	-	76	-2 639	-2 824	-1 348	-1 476	-833	-1 018
Aug	A	-1 483	-2 496	0	-1 013	37	-1 239	1 774	-	-1 001	-546	-3 007	-1 807	-1 200	1 995	-466
Sep	A	-365	3 121	0	3 487	-69	-981	3 406	-	-61	1 123	1 091	1 314	-222	2 396	2 364
Oct	A	8 354	6 311	-1	-2 043	-1	-1 620	1 721	-	-52	-2 093	-2 327	-3 436	1 110	284	50
Nov	A	-281	550	0	831	-38	-169	1 092	-	-120	27	3 377	3 951	-574	-2 547	803
Dec	A	-7 051	-4 795	95	2 256	-154	410	2 518	-499	-169	-4	723	1 145	-422	1 533	2 260

STATE. NET INCURRENCE OF LIABILITIES. BY INSTRUMENT
(Latest 12 months)



STATE. NET INCURRENCE OF LIABILITIES. BY COUNTERPART SECTOR
(Latest 12 months)



Source: BE.

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

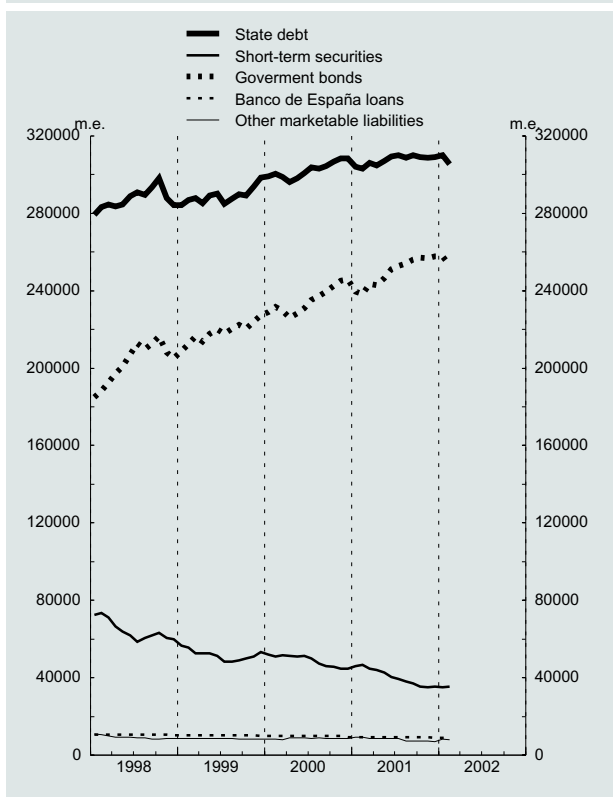
6.3. State: Liabilities outstanding. Spain

■ Series depicted in chart.

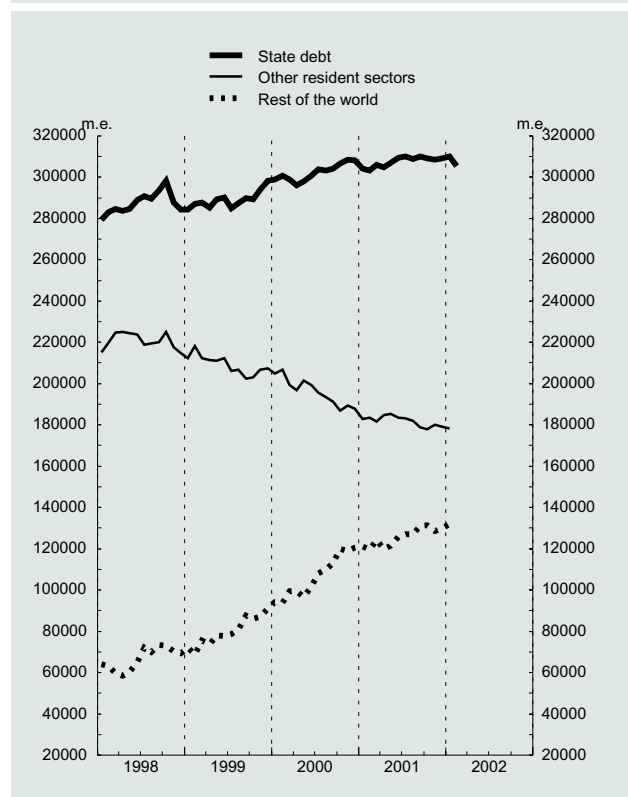
EUR millions

	Liabilities outstanding (excluding other accounts payable)										Memorandum item:		
	of which		By instrument				By counterpart sector				Deposits at the Banco de España	Guarantees given (contingent liabilities). Outstanding level	
	State debt according to the methodology of the excessive deficit procedure	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		263 963	20 434	81 084	152 293	10 814	19 772	210 489	529	209 960	54 003	15 195	8 185
97		274 168	23 270	71 730	180 558	10 578	11 303	211 530	445	211 085	63 083	9 829	7 251
98		284 155	30 048	59 939	205 182	10 341	8 692	215 203	305	214 899	69 256	10 273	6 412
99	P	298 378	7 189	53 142	227 151	9 843	8 243	207 436	150	207 286	91 092	14 846	5 310
00	Oct	A	306 587	9 344	45 624	242 396	9 843	8 725	150	186 992	119 745	20 407	5 263
	Nov	A	308 336	8 983	44 784	245 067	9 843	8 642	150	189 477	118 859	22 709	5 914
	Dec	A	308 212	8 197	44 605	245 711	9 344	8 552	695	187 780	120 432	20 536	5 430
01	Jan	A	304 211	8 133	46 054	239 632	9 344	9 181	695	182 935	121 276	7 778	5 508
	Feb	A	303 210	8 103	46 513	238 238	9 344	9 115	695	183 586	119 624	4 000	5 685
	Mar	A	305 912	8 020	44 640	243 490	9 344	8 439	695	181 581	124 331	300	6 271
	Apr	A	304 649	8 057	44 055	242 800	9 344	8 450	695	184 847	119 802	300	6 292
	May	A	306 999	8 615	42 781	246 350	9 344	8 524	695	185 449	121 549	308	6 499
	Jun	A	309 318	8 353	40 201	251 272	9 344	8 500	1 012	183 401	125 917	300	6 409
	Jul	A	310 067	8 079	39 338	252 942	9 344	8 444	1 012	183 036	127 031	300	6 309
	Aug	A	308 846	7 989	38 084	253 993	9 344	7 426	1 012	181 826	127 020	300	6 386
	Sep	A	309 993	7 987	37 049	256 231	9 344	7 369	1 012	178 957	131 036	300	6 390
	Oct	A	309 020	7 901	35 352	257 009	9 344	7 316	1 012	177 786	131 234	300	6 394
	Nov	A	308 586	7 907	35 119	256 921	9 344	7 202	1 012	179 931	128 655	300	6 069
	Dec	A	308 974	7 611	35 428	257 716	8 845	6 985	1 474	179 165	129 809	395	5 460
02	Jan	A	310 094	7 678	35 190	257 821	8 845	8 238	1 474	178 182	131 912	459	5 498
	Feb	A	305 442	7 607	35 538	253 246	8 845	7 813	1 474	...	...	296	5 637

STATE. LIABILITIES OUTSTANDING
By instrument



STATE. LIABILITIES OUTSTANDING
By counterpart sector



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.

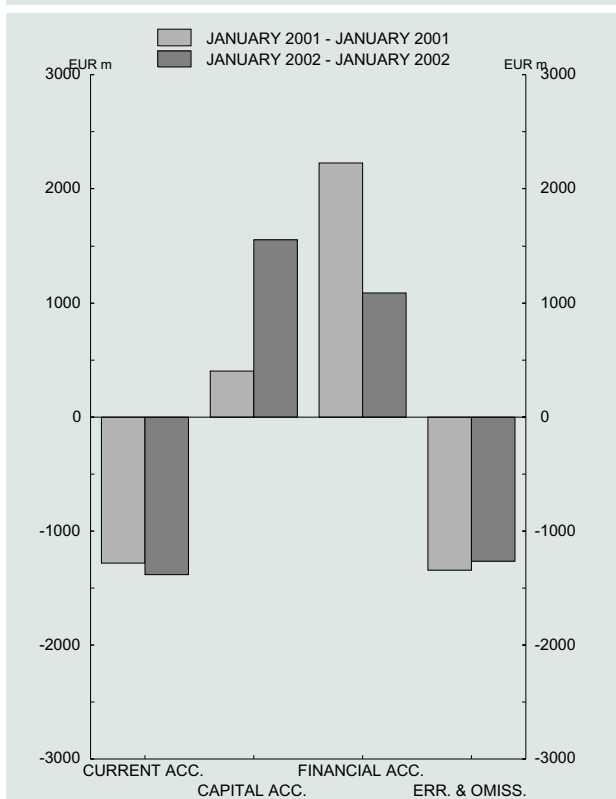
Current account

■ Series depicted in chart.

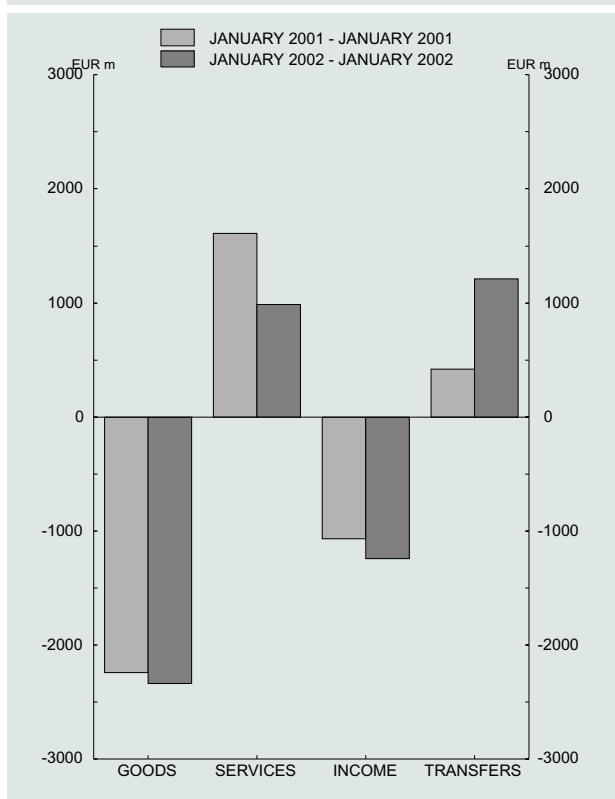
EUR millions

		Current account (a)													Capital account (bal- ance)	Current account plus Capital account	Financial account (balance) (b)	Errors and omissions
Total (balance)	Goods			Services					Income			Current trans- fers (bal- ance)						
	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		
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	-20 992	-37 778	126 070	163 848	24 243	58 407	33 750	34 163	5 967	-8 985	16 321	25 307	1 528	5 181	-15 811	21 300	-5 488	
01	P -16 947	-35 265	131 319	166 584	27 138	64 763	36 633	37 625	6 663	-10 655	22 117	32 773	1 836	5 556	-11 391	18 827	-7 436	
01 J-J	P	-1 283	-2 242	10 193	12 435	1 610	4 604	2 367	2 994	528	-1 068	2 083	3 152	417	403	-881	2 227	-1 346
02 J-J	A	-1 381	-2 338	10 337	12 675	988	4 353	2 094	3 365	553	-1 241	1 958	3 198	1 211	1 555	174	1 088	-1 263
00 Oct		-2 020	-3 379	11 510	14 889	2 162	5 478	3 229	3 315	578	-715	1 491	2 206	-88	186	-1 834	2 267	-432
Nov		-978	-2 725	12 735	15 460	2 259	5 230	2 979	2 972	517	-275	1 528	1 804	-236	361	-616	2 350	-1 734
Dec		-3 195	-3 230	10 602	13 832	1 339	4 354	1 942	3 014	495	-1 005	1 718	2 723	-300	563	-2 633	2 230	403
01 Jan	P	-1 283	-2 242	10 193	12 435	1 610	4 604	2 367	2 994	528	-1 068	2 083	3 152	417	403	-881	2 227	-1 346
Feb	P	488	-2 101	11 314	13 416	1 261	4 098	2 109	2 837	447	-547	1 448	1 995	1 876	920	1 408	-574	-834
Mar	P	-1 636	-2 454	12 326	14 780	1 782	4 839	2 564	3 057	516	-906	2 126	3 031	-58	211	-1 425	2 467	-1 043
Apr	P	-1 023	-2 811	10 962	13 774	1 755	4 736	2 624	2 980	469	-356	2 303	2 659	389	1 313	291	-187	-103
May	P	-672	-2 763	12 073	14 836	2 645	5 813	3 330	3 168	503	-455	1 978	2 433	-99	737	65	884	-950
Jun	P	-2 858	-3 784	11 585	15 369	2 453	5 634	3 365	3 181	565	-1 330	1 573	2 903	-197	245	-2 613	2 323	290
Jul	P	-1 972	-2 940	10 603	13 542	3 646	7 203	4 528	3 557	681	-2 354	1 713	4 066	-324	333	-1 639	2 522	-883
Aug	P	-32	-3 247	8 482	11 729	3 425	6 435	4 052	3 010	670	-459	1 179	1 638	249	303	270	116	-387
Sep	P	-1 382	-3 412	10 326	13 738	2 325	5 401	3 214	3 076	594	-190	2 332	2 522	-105	33	-1 349	1 880	-531
Oct	P	-2 421	-2 972	11 998	14 970	2 506	6 037	3 496	3 531	655	-1 882	1 499	3 381	-74	51	-2 370	3 560	-1 190
Nov	P	-963	-2 783	11 687	14 471	2 335	5 415	3 018	3 080	562	-412	1 431	1 843	-102	298	-665	1 984	-1 319
Dec	P	-3 193	-3 755	9 769	13 525	1 396	4 550	1 966	3 154	472	-696	2 453	3 149	-137	709	-2 484	1 625	859
02 Jan	A	-1 381	-2 338	10 337	12 675	988	4 353	2 094	3 365	553	-1 241	1 958	3 198	1 211	1 555	174	1 088	-1 263

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

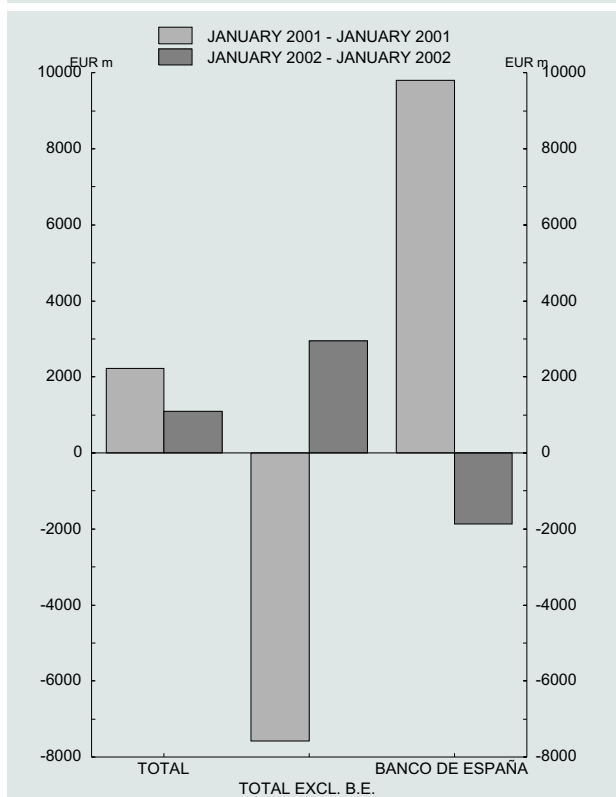
Financial account (a)

■ Series depicted in chart.

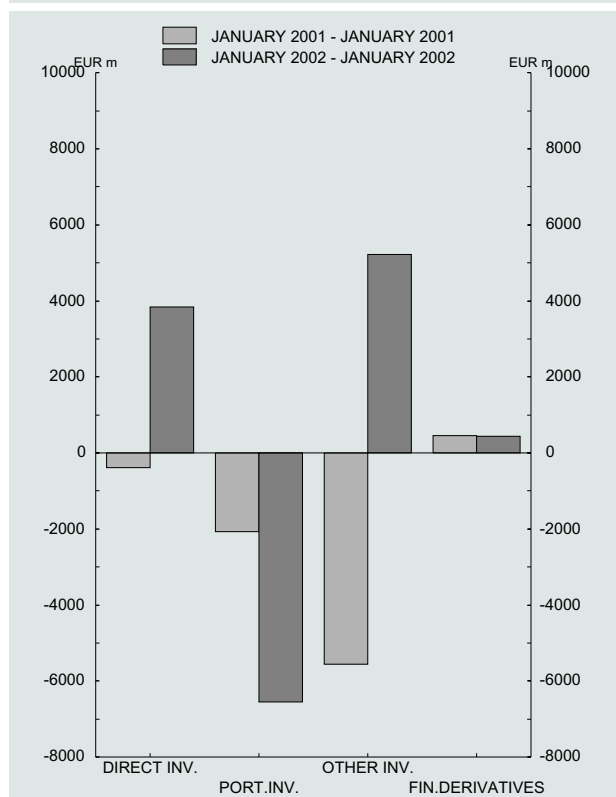
EUR millions

Financial account	Total, excluding Banco de España												Banco de España				Memorandum item:	
	Total	Direct investment			Portfolio investment			Other investment (d)			Net financial derivatives (NCL-NCA)	Balance	Re-serves	Claims with the Euro-system	Other net assets	Other investment including Banco de España (d)		
		Balance	Spanish investment abroad (NCA)	Foreign investment in Spain (NCL) (b)	Balance	Spanish investment abroad (NCA)	Foreign investment in Spain (NCL) (c)	Balance	Spanish investment abroad (NCA)	Foreign investment in Spain (NCL)								
																Balance	Spanish investment abroad	Foreign investment in Spain
(NCL-NCA)	(NCL-NCA)	(NCL-NCA)	4	5	6=8-7	7	8	9=11-10	10	11	12	(NCL-NCA)	(e)	(e)	(NCL-NCA)	17	18	
1= 2+13	2=3+6+ 9+12	3=5-4																
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	
00	21 300	27 444	-18 616	59 344	40 728	-1 385	65 030	63 644	45 441	11 419	56 860	2 004	-6 144	3 302	-9 250	-196	20 665	
01	18 827	1 352	-6 732	31 072	24 340	-17 758	48 596	30 838	26 431	4 235	30 666	-589	17 475	1 581	16 122	-228	-11 936	
01 J-J	2 227	-7 579	-393	2 466	2 074	-2 075	1 545	-529	-5 563	20 608	15 045	452	9 806	-798	9 791	813	10 790	
02 J-J	A 1 088	2 950	3 837	864	4 701	-6 551	6 021	-530	5 225	480	5 706	438	-1 861	-1 748	-1 783	1 669	2 270	
00 Oct	2 267	9 941	-1 424	5 123	3 699	3 975	4 953	8 928	7 409	-1 695	5 713	-20	-7 674	1 692	-9 199	-167	7 521	
Nov	2 350	290	-6 056	8 648	2 591	-2 247	3 610	1 363	8 348	-1 867	6 481	246	2 060	1 034	1 005	20	-2 865	
Dec	2 230	-3 334	9 084	4 002	13 086	-13 437	18 687	5 250	2 418	4 985	7 403	-1 399	5 564	104	5 525	-65	-548	
01 Jan	2 227	-7 579	-393	2 466	2 074	-2 075	1 545	-529	-5 563	20 608	15 045	452	9 806	-798	9 791	813	10 790	
Feb	-574	-5 185	-1 175	2 923	1 748	-6 787	7 243	456	2 593	-4 855	-2 262	184	4 611	-1 098	4 599	1 110	-9 473	
Mar	2 467	-1 385	-404	1 345	942	1 147	5 184	6 331	-2 908	10 142	7 234	779	3 853	619	3 534	-300	6 613	
Apr	-187	-4 300	72	5 244	5 316	-3 160	1 244	-1 916	857	-4 943	-4 086	-2 070	4 113	826	3 606	-320	-8 561	
May	884	10 646	2 044	438	2 483	-1 374	5 766	4 392	9 609	-3 203	6 406	367	-9 761	954	10 387	-329	7 214	
Jun	2 323	-3 377	-1 471	5 649	4 178	-2 846	8 352	5 506	1 285	-4 314	-3 029	-345	5 700	331	5 760	-391	-10 085	
Jul	2 522	6 552	226	2 501	2 727	-2 561	3 570	1 009	8 727	-7 582	1 144	161	-4 030	-522	-3 943	435	-3 651	
Aug	116	-3 366	-1 760	1 166	-594	1 127	1 040	2 167	-2 407	493	-1 914	-327	3 482	-256	3 566	172	-3 051	
Sep	1 880	941	-4 017	4 605	589	3 606	-933	2 673	1 751	4 601	6 351	-398	939	-94	991	42	3 607	
Oct	3 560	7 843	1 417	-154	1 263	118	5 007	5 125	5 595	-466	5 129	713	-4 284	583	-4 331	-536	3 864	
Nov	1 984	-914	169	1 404	1 573	-4 251	6 191	1 939	3 638	-1 110	2 528	-469	2 897	-1 196	2 920	1 173	-4 021	
Dec	1 625	1 476	-1 442	3 484	2 042	-702	4 388	3 685	3 256	-5 136	-1 881	364	149	2 231	17-2	099	-5 181	
02 Jan	A 1 088	2 950	3 837	864	4 701	-6 551	6 021	-530	5 225	480	5 706	438	-1 861	-1 748	-1 783	1 669	2 270	

FINANCIAL ACCOUNT



FINANCIAL ACCOUNT, EXCLUDING BANCO DE ESPAÑA
Breakdown



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

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

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

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

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

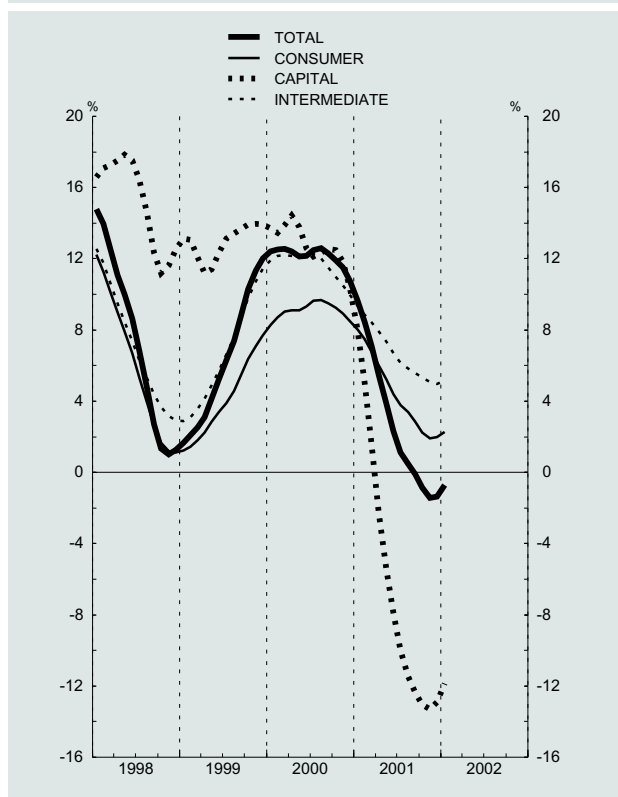
7.3 Spanish foreign trade with other euro area countries and with the rest of the world. Exports and dispatches

■ Series depicted in chart.

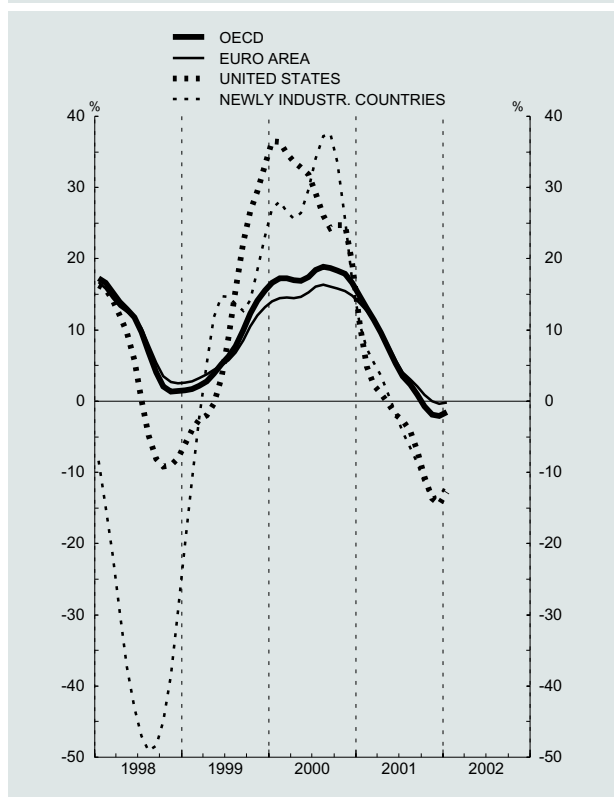
EUR millions and annual percentage changes

	Total			By product (deflated data)(a)					By geographical area (nominal data)									
	EUR millions	Nom- inal	De- flated	Con- sumer	Capital	Intermediate			O E C D					OPEC	Other American coun- tries	Newly industri- alised coun- tries	Other	
						Total	Energy	Non-energy	Total	Euro- pean Union	of which: <div>Euro area</div>	United States of America	Other OECD members					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
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	124 177	18.5	11.7	8.9	13.7	13.1	9.2	13.2	17.5	18.1	15.4	31.6	16.2	21.7	13.0	32.4	28.0	
01	P 128 672	5.2	1.9	3.3	-9.3	5.1	-18.4	6.2	4.6	5.2	5.3	-4.3	5.2	10.7	-1.9	-2.0	14.2	
00 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	4.4	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
Jun		11 473	0.6	-2.1	-2.8	-9.9	1.2	-31.4	2.4	-1.1	0.1	-0.3	-17.9	-0.0	-9.7	28.5	-0.6	7.7
Jul		10 432	2.8	-2.9	-1.3	-15.9	0.7	-26.6	1.8	-0.5	-4.1	-3.5	13.2	-0.4	16.6	15.5	-6.0	20.7
Aug		8 297	7.7	1.6	13.0	-25.7	4.6	-15.8	5.5	7.8	6.1	6.7	-4.1	9.4	8.1	-11.5	-6.9	18.8
Sep		10 203	0.5	1.6	0.5	-8.2	5.8	-16.6	6.6	1.6	6.4	5.1	-7.1	0.5	-1.7	-11.3	-7.5	-2.9
Oct		11 828	-1.1	-0.6	-0.0	-19.1	7.3	-11.1	7.9	-1.8	-7.7	-2.5	-5.3	0.6	23.4	-23.0	-1.9	9.2
Nov		11 496	-5.8	-4.4	-4.1	-25.7	4.4	-34.1	5.8	-4.8	-0.3	-1.0	-22.3	-4.6	-6.8	-18.0	-31.1	-5.5
Dec		9 655	-9.1	-8.8	-6.6	-13.2	-8.6	-34.9	-7.7	-9.6	-10.1	-8.6	-21.0	-8.4	-2.2	-22.8	-2.8	-1.6
02 Jan		10 139	2.5	1.8	11.9	-30.7	8.9	-21.2	8.3	3.3	0.9	3.9	-16.5	5.7	7.1	-13.5	-13.5	2.5

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.

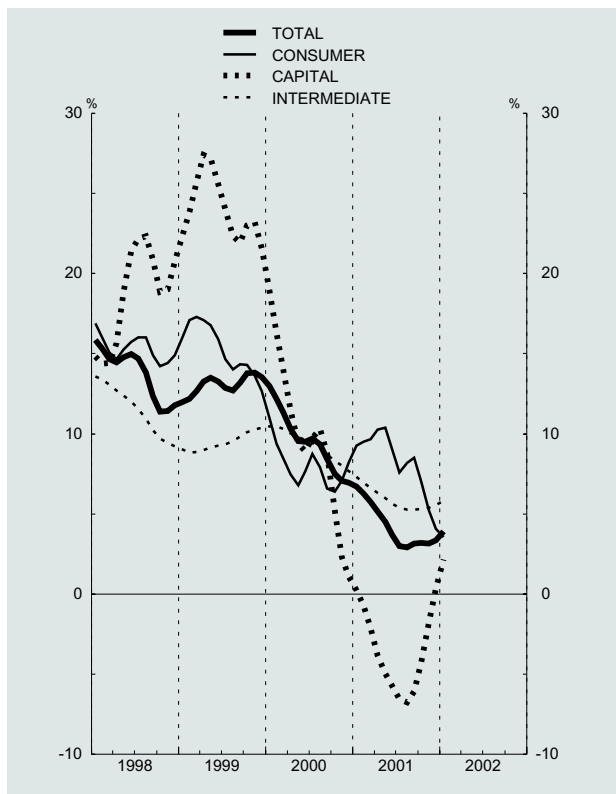
Imports and arrivals

■ Series depicted in chart.

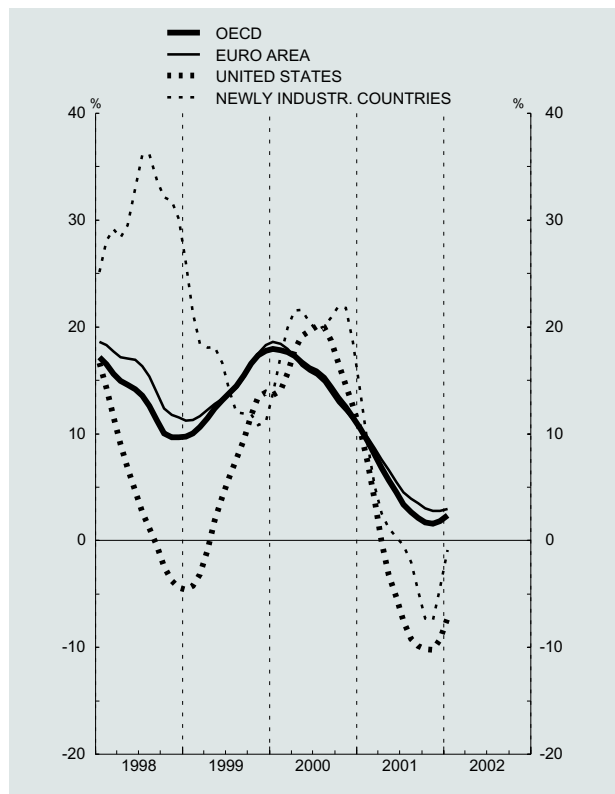
EUR millions and annual percentage changes

	Total			By product (deflated data)(a)					By geographical area (nominal data)									
	EUR millions	Nom- inal	De- flated	Con- sumer	Capital	Intermediate			O E C D					OPEC	Other Amer- ican coun- tries	Newly industri- alised coun- tries	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		
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	169 468	21.8	7.9	6.3	7.1	8.8	9.5	8.9	15.7	16.5	15.6	14.4	15.5	95.1	14.6	19.6	36.1	
01	P 171 691	3.9	4.0	9.1	-4.3	4.3	6.1	4.8	3.8	1.5	5.5	-7.1	5.9	-6.2	6.6	-0.9	12.5	
00 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	14.5	-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	
Jun	15 845	7.9	6.1	15.1	-2.6	5.4	-0.8	6.2	7.6	-3.4	4.8	16.6	10.3	-0.4	2.7	1.2	19.8	
Jul	13 897	0.1	-4.6	-9.7	-13.4	0.7	-3.0	1.1	-3.4	-2.9	-2.1	-15.2	-2.6	-1.2	22.4	-0.1	17.9	
Aug	11 994	4.2	4.5	17.8	-3.9	1.4	10.3	-0.0	3.2	0.7	5.1	-29.6	7.7	3.5	12.0	11.6	6.8	
Sep	14 235	0.4	2.2	14.2	-16.5	3.8	14.5	2.7	-0.2	4.4	3.2	-11.9	-0.6	-9.1	13.3	-12.5	10.3	
Oct	15 504	-2.4	5.5	9.5	-6.4	7.7	16.5	6.7	-1.7	2.0	-0.4	-4.4	-2.6	-19.3	14.6	-8.7	3.4	
Nov	14 928	-5.0	4.1	2.1	4.8	4.7	5.7	4.5	-0.2	7.0	4.0	-24.9	0.1	-35.3	-5.5	-24.7	-7.6	
Dec	14 001	-6.0	-2.3	2.0	-1.1	-4.6	4.9	-5.7	-3.0	2.1	-0.3	-32.3	-1.6	-29.4	-29.1	-3.9	-1.8	
02 Jan	13 088	1.8	6.7	0.7	7.0	13.7	21.5	7.7	2.1	0.1	-0.4	6.4	2.2	-16.7	31.3	12.3	5.7	

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.

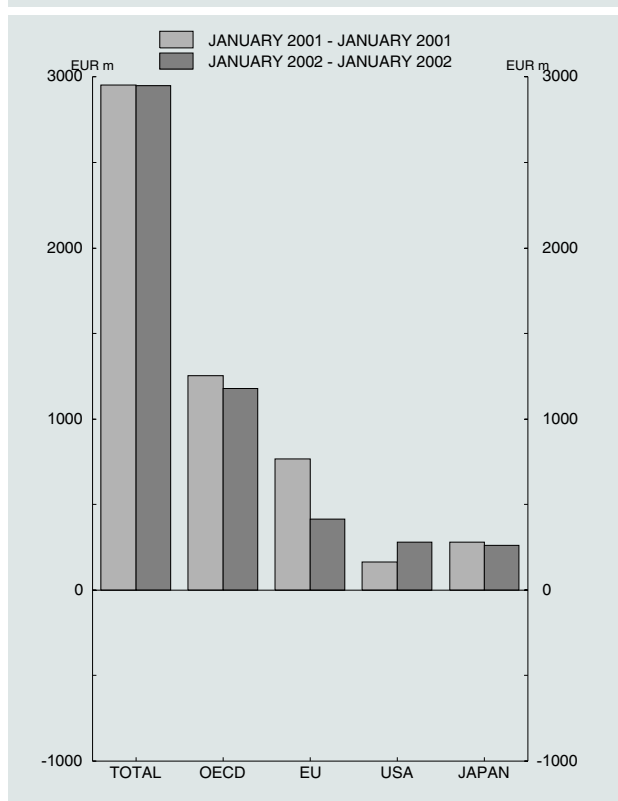
Trade balance: geographical distribution

■ Series depicted in chart.

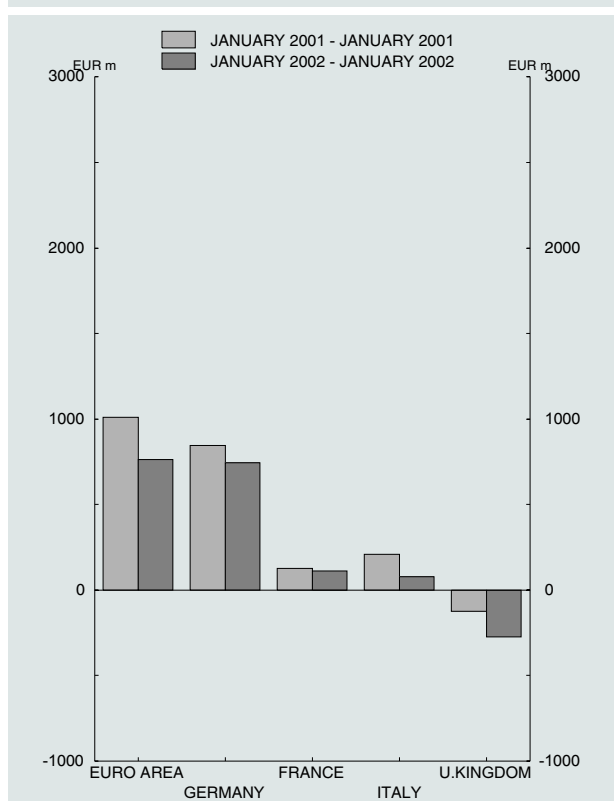
EUR millions

		World total	OECD										OPEC	Other American countries	Newly industrialised countries	Other				
			Total	European Union						United Kingdom	Other EU members	United States of America					Japan	Other OECD members		
				Total	Euro area			Total	Germany										France	Italy
					of which:															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16				
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		-45 291	-26 645	-20 065	-5 968	-9 828	-4 873	-4 272	-1 861	-12 236	-2 707	-3 616	-258	-10 879	936	-2 151	-6 551			
01	P	-43 019	-24 815	-17 912	-18 401	-11 450	-3 764	-4 073	-517	1 005	-2 241	-3 124	-1 538	-9 343	447	-2 164	-7 143			
01 J-J		-2 954	-1 254	-767	-1 010	-845	-126	-210	125	118	-163	-280	-45	-894	61	-194	-674			
02 J-J		-2 949	-1 179	-416	-762	-744	-111	-76	275	71	-279	-261	-223	-684	-92	-248	-746			
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			
Jun		-4 373	-2 626	-1 672	-1 728	-1 074	-177	-444	3	52	-306	-283	-365	-962	105	-176	-713			
Jul		-3 465	-1 927	-1 555	-1 756	-997	-278	-361	73	128	-8	-245	-119	-746	59	-188	-663			
Aug		-3 697	-1 875	-1 373	-1 428	-869	-233	-302	-48	102	-62	-233	-207	-888	-26	-199	-709			
Sep		-4 032	-2 229	-1 770	-1 761	-1 085	-348	-356	-75	66	-201	-247	-10	-834	-120	-149	-701			
Oct		-3 676	-2 144	-1 536	-1 611	-917	-485	-380	-14	89	-214	-282	-112	-772	-62	-162	-536			
Nov		-3 431	-2 216	-1 617	-1 660	-1 087	-475	-404	-18	61	-162	-293	-145	-639	40	-162	-454			
Dec		-4 346	-3 199	-2 793	-2 443	-982	-897	-490	-314	-35	-156	-204	-47	-657	107	-183	-414			
02 Jan		-2 949	-1 179	-416	-762	-744	-111	-76	275	71	-279	-261	-223	-684	-92	-248	-746			

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

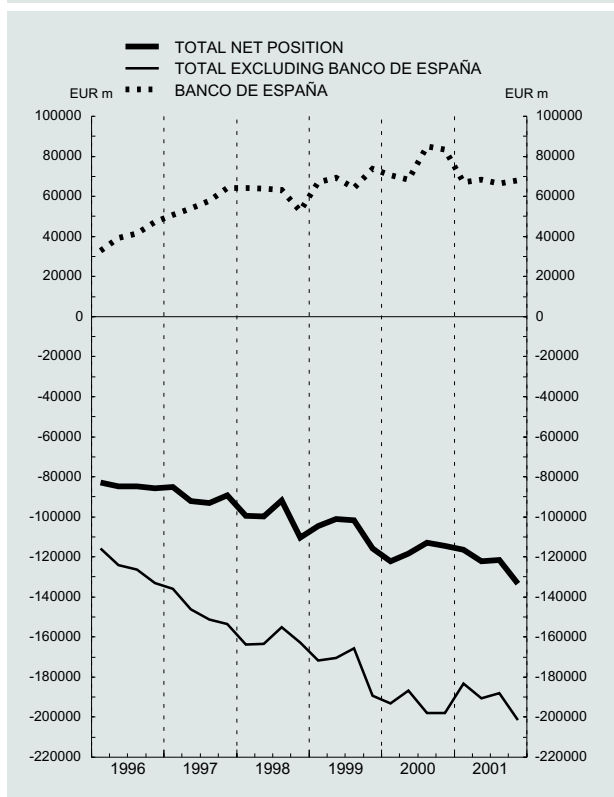
Summary

■ Series depicted in chart.

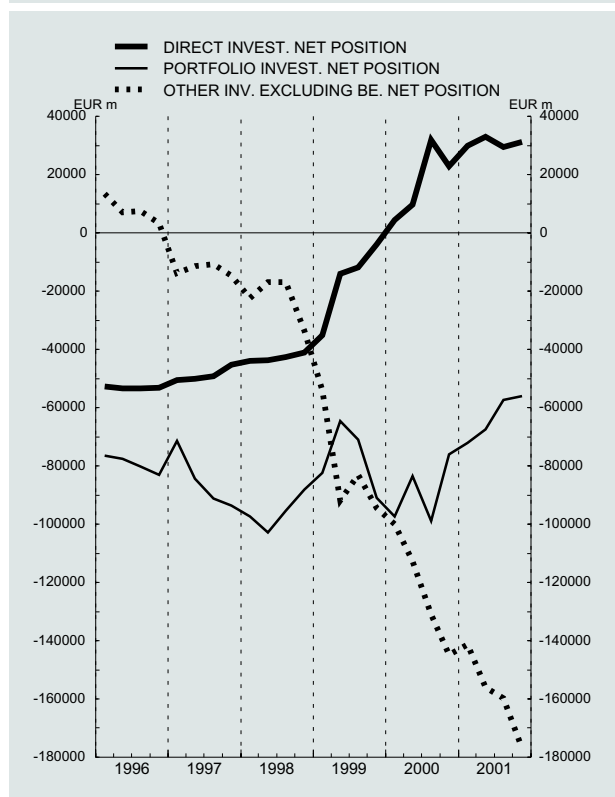
End-of-period stocks in EUR millions

		Net international investment position (assets-liabil.)	Total excluding Banco de España											Banco de España			
			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.)					
		1=2+12	2=3+6+9	3=4-5	4	5	6=7-8	7	8	9=10-11	10	11	12=13+15	13	14	15	
93	P	-78 440	-115 368	-48 087	20 533	68 621	-76 065	12 655	88 720	8 784	113 229	104 446	36 929	36 843	-	85	
94	P	-78 748	-113 521	-52 458	23 795	76 253	-52 865	13 688	66 553	-8 198	104 365	112 562	34 773	34 708	-	65	
95	P	-82 376	-109 742	-53 235	26 446	79 681	-73 023	13 310	86 334	16 516	130 213	113 697	27 366	27 263	-	102	
96	P	-85 631	-133 034	-53 124	31 987	85 110	-83 178	16 650	99 828	3 268	133 622	130 354	47 403	47 658	-	-256	
97	P	-89 319	-153 631	-45 316	45 878	91 194	-93 525	31 775	125 300	-14 789	143 364	158 153	64 311	64 174	-	137	
98 Q4	P	-110 273	-162 815	-41 090	60 141	101 231	-88 071	69 625	157 697	-33 653	160 349	194 002	52 542	52 095	-	447	
99 Q1	P	-104 653	-171 700	-35 182	66 956	102 138	-82 451	87 597	170 048	-54 066	165 210	219 276	67 046	45 874	20 779	394	
Q2	P	-101 045	-170 444	-14 049	91 440	105 489	-64 534	108 821	173 355	-91 860	146 412	238 272	69 399	38 153	30 838	408	
Q3	P	-101 613	-165 750	-11 771	97 314	109 085	-70 928	111 931	182 859	-83 051	148 622	231 673	64 137	35 903	28 090	143	
Q4	P	-115 627	-189 370	-3 989	112 142	116 131	-90 922	117 329	208 251	-94 459	149 628	244 087	73 743	37 288	36 028	427	
00 Q1	P	-122 309	-192 990	4 332	122 581	118 249	-97 358	131 165	228 523	-99 964	158 217	258 181	70 682	39 763	31 776	-858	
Q2	P	-118 206	-186 595	9 619	139 682	130 063	-83 518	143 328	226 846	-112 695	156 657	269 352	68 389	39 354	29 092	-57	
Q3	P	-112 818	-197 920	31 902	168 429	136 528	-98 844	157 588	256 432	-130 978	164 329	295 306	85 101	42 750	42 610	-259	
Q4	P	-114 421	-197 937	22 961	178 262	155 301	-75 974	184 416	260 391	-144 923	161 574	306 497	83 516	38 234	45 278	4	
01 Q1	P	-116 350	-183 353	29 966	190 353	160 387	-72 012	197 056	269 068	-141 307	190 259	331 566	67 002	41 380	27 355	-1 732	
Q2	P	-122 076	-190 478	32 921	205 139	172 218	-67 398	212 725	280 123	-156 002	179 994	335 996	68 402	40 776	28 376	-751	
Q3	P	-121 435	-187 873	29 444	203 719	174 275	-57 440	212 924	270 364	-159 878	172 684	332 562	66 438	39 971	27 762	-1 296	
Q4	P	-133 412	-201 556	31 259	211 000	179 741	-55 988	229 301	285 288	-176 827	165 660	342 487	68 144	38 865	29 156	123	

INTERNATIONAL INVESTMENT POSITION



COMPONENTS OF THE POSITION



Source: BE.

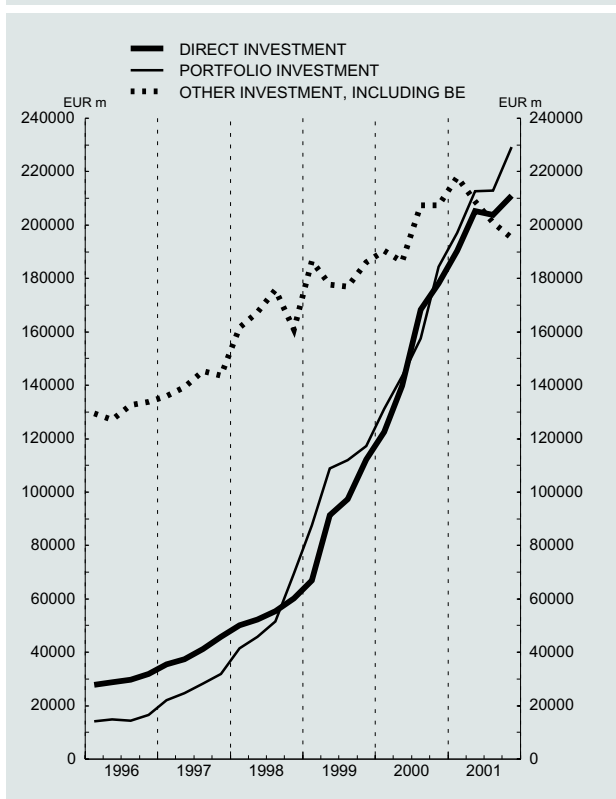
Note: The information in this table has been rearranged to adapt it to the new presentation of the Balance of Payments data. The reasons for these purely formal changes can be consulted in the Notes dated 17 April 2001 'Changes to the tables presenting the Balance of Payments' and 'Banco de España claims on the Eurosystem in the Balance of Payments' on the Banco de España website (<http://www.bde.es>, under the 'Balance of Payments' chapter in the section 'Statistics').

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

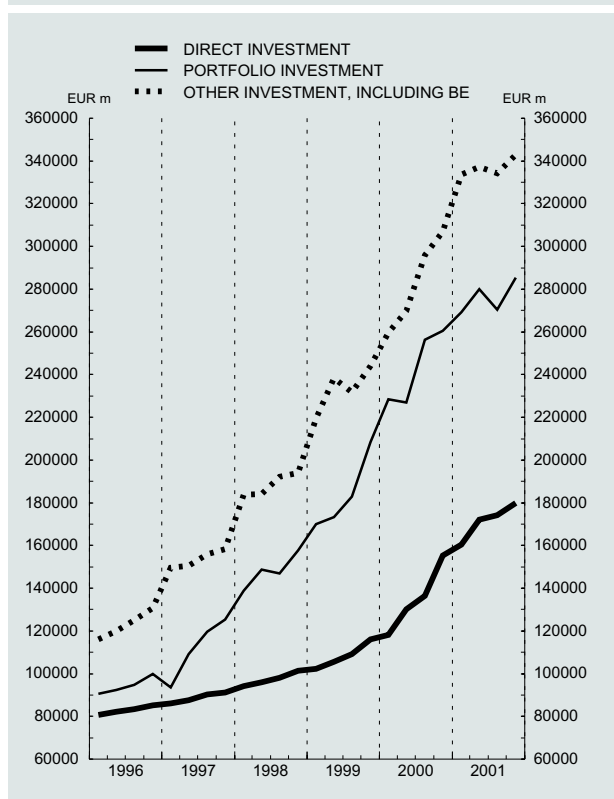
End-of-period stocks in EUR millions

		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	1 753	56 483	12 138	1 954	10 700	19 501	69 218	113 359	104 489
94	P	22 247	1 548	63 913	12 340	2 735	10 953	19 115	47 438	104 492	112 625
95	P	24 520	1 926	66 930	12 751	2 748	10 562	23 682	62 651	130 393	113 775
96	P	29 633	2 354	71 683	13 427	3 501	13 149	30 895	68 933	133 804	130 791
97	P	42 705	3 173	78 261	12 934	8 421	23 354	42 827	82 474	143 547	158 199
98 Q4	P	54 370	5 771	83 996	17 236	17 122	52 503	64 947	92 750	160 848	194 054
99 Q1	P	61 639	5 317	85 389	16 749	20 442	67 155	67 472	102 576	186 429	219 323
Q2	P	86 013	5 426	88 045	17 444	24 833	83 987	69 786	103 570	177 698	238 313
Q3	P	90 362	6 952	90 335	18 750	28 317	83 614	67 560	115 299	177 030	231 847
Q4	P	104 807	7 335	97 420	18 711	32 910	84 419	86 422	121 829	186 118	244 121
00 Q1	P	114 724	7 857	98 332	19 917	45 428	85 737	95 768	132 755	190 459	259 504
Q2	P	131 456	8 226	108 770	21 294	51 679	91 649	90 479	136 367	186 210	269 870
Q3	P	154 514	13 916	111 965	24 563	58 411	99 177	104 888	151 544	207 379	296 005
Q4	P	164 129	14 133	129 928	25 373	76 253	108 163	97 709	162 682	207 310	306 951
01 Q1	P	172 401	17 952	132 468	27 919	78 691	118 365	99 517	169 550	218 039	333 723
Q2	P	185 429	19 710	139 149	33 069	77 877	134 848	103 951	176 172	208 804	337 181
Q3	P	181 884	21 835	141 469	32 806	75 134	137 790	88 211	182 152	200 888	334 300
Q4	P	189 007	21 992	145 048	34 693	77 134	152 167	100 063	185 225	195 237	342 785

SPANISH INVESTMENT ABROAD



FOREIGN INVESTMENT IN SPAIN



Source: BE.

Nota: See footnote to Indicator 7.6

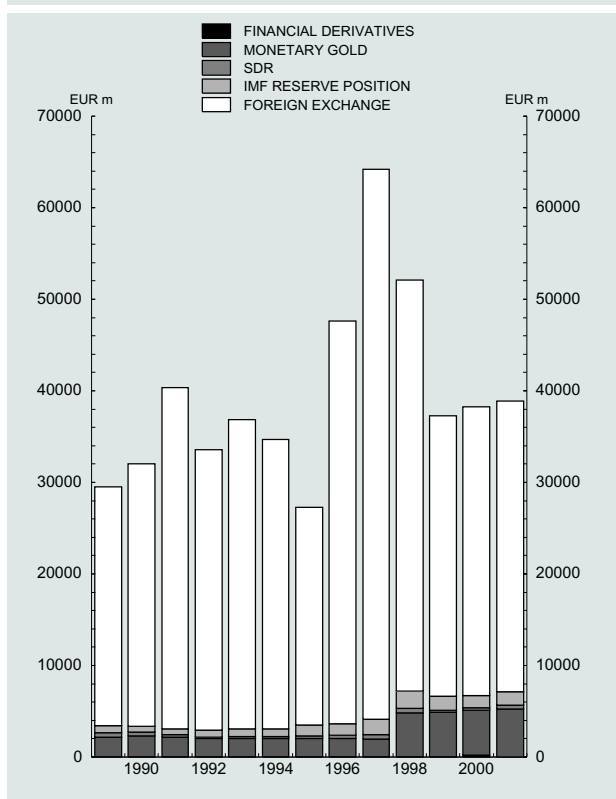
7.8. Spanish reserve assets

■ Series depicted in chart.

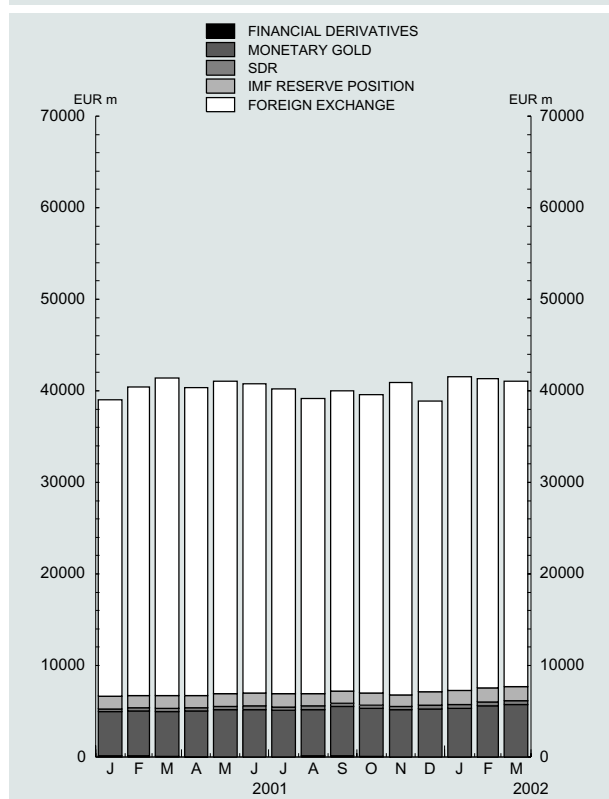
EUR millions

	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							
Oct	42 568	35 653	1 343	326	5 252	-7	16.8
Nov	40 503	33 651	1 304	329	5 202	17	16.8
Dec	38 234	31 546	1 271	312	4 931	175	16.8
01							
Jan	39 001	32 339	1 383	347	4 775	157	16.8
Feb	40 438	33 706	1 337	361	4 878	156	16.8
Mar	41 380	34 673	1 366	369	4 936	35	16.8
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
Aug	39 147	32 237	1 346	384	5 037	143	16.8
Sep	39 971	32 735	1 348	385	5 361	143	16.8
Oct	39 608	32 639	1 273	386	5 209	100	16.8
Nov	40 895	34 083	1 253	397	5 177	-15	16.8
Dec	38 865	31 727	1 503	398	5 301	-63	16.8
02							
Jan	41 532	34 272	1 517	401	5 513	-172	16.8
Feb	41 301	33 758	1 514	401	5 785	-157	16.8
Mar	41 015	33 354	1 508	406	5 845	-98	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							
Total	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 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
Aug	219 323	159 304	60 001	-	40	145	167	85 322	344 357	-22 214	401 876	165 055	3 101	127 116	3 784
Sep	210 473	144 849	60 001	5 489	13	415	294	73 426	332 632	-25 866	401 039	167 699	4 839	128 425	3 784
Oct	196 978	135 917	60 003	-	29	1 148	119	64 306	322 028	-25 374	386 460	154 112	3 102	125 785	3 784
Nov	191 240	124 123	60 001	7 227	-2	247	356	59 298	306 718	-23 598	384 531	160 709	2 891	126 074	2 977
Dec	193 441	128 151	60 001	5 300	7	435	452	56 970	294 048	-30 379	383 638	176 939	3 512	130 020	2 939
02 Jan	179 917	117 364	60 000	2 955	21	210	632	44 718	355 484	-27 578	385 795	102 606	2 438	129 823	2 939
Feb	183 992	123 800	60 000	-	10	245	63	46 973	296 948	-18 284	386 358	154 667	2 676	131 403	2 939
Mar	176 708	116 660	60 001	-	-8	160	105	38 690	283 118	-11 855	386 302	153 728	3 306	131 773	2 939

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									
	Total	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 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	54 881	16 726	41 316	14 504	-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	-
Aug	15 270	13 410	1 856	-	3	0	-	30 029	52 819	3 370	43 450	17 290	-25 218	-25 268	50	10 459	-
Sep	14 277	11 499	2 458	329	-2	-	7	30 276	51 567	4 983	43 419	17 145	-26 760	-26 825	66	10 761	-
Oct	13 202	9 587	3 378	-	26	212	-	31 156	50 469	6 663	41 695	15 719	-28 482	-28 529	47	10 529	-
Nov	11 235	6 763	4 035	434	3	-	1	28 098	48 457	6 924	41 702	14 420	-27 599	-27 644	45	10 736	-
Dec	11 364	8 167	2 873	319	-2	7	0	23 266	47 811	2 655	41 713	14 512	-23 233	-23 281	48	11 331	-
02 Jan	12 878	10 712	2 076	95	-0	1	7	28 820	58 296	3 005	42 369	9 888	-26 530	-26 614	84	10 587	-
Feb	14 229	11 997	2 232	-	1	0	0	24 074	50 251	3 685	42 398	12 536	-20 764	-20 872	107	10 920	-
Mar	12 257	9 628	2 632	-	-2	-	0	22 797	48 199	4 312	42 524	12 809	-21 272	-21 319	47	10 733	-

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

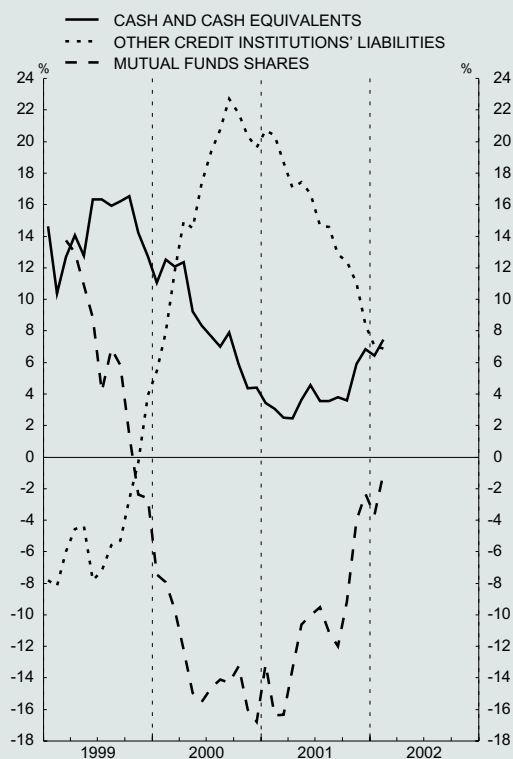
8.2 Cash and cash equivalents, other credit institutions' liabilities and mutual funds shares (a) of non-financial corporations, households and NPISHs resident in Spain

■ Series depicted in chart.

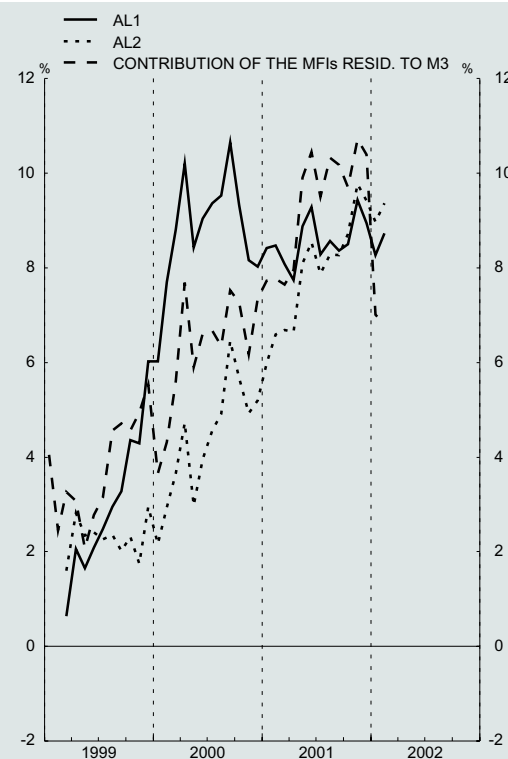
EUR millions and %

	Cash and cash equivalents					Other credit institutions' liabilities					Mutual funds shares					Memorandum items		
	Stocks	12-month % change	12-month % change			Stocks	12 month % change	12-month % change			Stocks	12-month % change	12-month % change			12-month % change		
			Cash	Sight deposits	Savings deposits (b)			Other deposits (c)	Repos + credit institutions' securities	Deposits in branches abroad			Money market funds	Fixed income mutual funds in EUR	Other mutual funds	AL1 (d)	AL2 (e)	Contribution of the MFIs resid. to M3
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
99	261 185	12.7	8.3	14.1	13.8	185 057	3.9	11.9	-4.7	-25.0	189 252	-2.6	-17.9	-26.0	16.9	6.0	3.0	5.5
00	272 700	4.4	-0.4	9.1	2.4	221 362	19.6	25.4	10.9	-8.6	157 506	-16.8	-21.8	-33.0	-9.8	8.0	5.2	7.4
01	291 309	6.8	-21.3	16.0	11.8	239 903	8.4	13.0	-0.5	-20.4	153 807	-2.3	31.2	19.7	-18.0	8.9	9.4	10.4
00 Nov	263 862	4.4	2.2	8.2	1.8	218 872	20.4	25.0	8.9	8.0	159 159	-16.0	-22.8	-35.8	-6.8	8.2	4.9	6.2
Dec	272 700	4.4	-0.4	9.1	2.4	221 362	19.6	25.4	10.9	-8.6	157 506	-16.8	-21.8	-33.0	-9.8	8.0	5.2	7.4
01 Jan	263 790	3.4	-0.3	6.7	2.1	229 028	20.7	25.4	8.0	10.6	158 381	-13.1	-18.6	-29.3	-6.3	8.4	6.0	7.7
Feb	264 691	3.1	-0.6	6.3	1.7	229 658	20.4	25.9	3.0	10.3	153 729	-16.4	-14.8	-22.9	-15.1	8.5	6.6	7.8
Mar	267 137	2.5	-1.6	5.5	1.5	232 990	18.7	25.3	2.9	-2.6	151 955	-16.4	-9.0	-16.9	-18.5	8.1	6.7	7.6
Apr	268 056	2.4	-2.8	5.6	2.0	234 732	17.1	24.4	-0.0	-7.3	154 271	-13.4	-5.8	-12.7	-16.0	7.7	6.6	8.0
May	267 529	3.6	-3.4	7.1	3.8	236 712	17.4	24.1	1.6	-5.2	153 729	-10.6	-1.7	-6.5	-14.5	8.9	8.1	9.9
Jun	280 686	4.6	-4.4	8.5	5.1	237 616	16.7	22.8	2.8	-6.4	152 119	-10.1	2.0	-5.4	-15.0	9.3	8.5	10.5
Jul	278 702	3.6	-5.6	6.7	5.1	236 827	14.7	21.6	-1.3	-12.2	151 268	-9.5	6.7	-0.1	-16.7	8.3	7.9	9.5
Aug	273 853	3.6	-6.4	7.2	5.1	241 244	14.6	21.6	0.5	-15.9	149 966	-11.1	10.3	2.6	-20.7	8.6	8.3	10.3
Sep	281 194	3.8	-8.5	7.1	6.6	241 891	12.8	20.3	-0.3	-21.1	146 070	-12.0	17.1	6.3	-24.9	8.4	8.3	10.2
Oct	273 714	3.6	-10.1	7.7	6.5	241 895	12.4	17.9	2.8	-15.4	149 393	-9.2	22.8	13.3	-23.6	8.5	8.7	9.7
Nov	279 398	5.9	-12.7	10.3	10.8	243 002	11.0	17.2	1.9	-23.1	152 772	-4.0	28.1	17.1	-18.7	9.4	9.8	10.7
Dec	291 309	6.8	-21.3	16.0	11.8	239 903	8.4	13.0	-0.5	-20.4	153 807	-2.3	31.2	19.7	-18.0	8.9	9.4	10.4
02 Jan	P 280 792	6.4	-21.0	13.9	12.5	245 157	7.0	12.3	2.0	-26.4	152 579	-3.7	32.4	24.4	-21.2	8.3	9.0	7.0
Feb	P 284 401	7.4	-19.0	15.0	12.8	245 503	6.9	10.4	9.2	-26.6	152 168	-1.0	32.2	23.5	-18.0	8.7	9.4	6.8

NON-FINANCIAL CORPORATIONS, HOUSEHOLDS AND NPISHs
Annual percentage change



NON-FINANCIAL CORPORATIONS, HOUSEHOLDS AND NPISHs
Annual percentage change



Source: BE.

(a) This concept refers to the instruments included in the headings of the table, issued by resident credit institutions and mutual funds. The exception is column 10, which includes deposits in Spanish bank branches abroad. The quarterly data are only partially estimated, as full information is not 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 cash and cash equivalents, other credit institutions' liabilities and money market fund shares.

(e) Defined as AL1 plus fixed income mutual fund shares in euro.

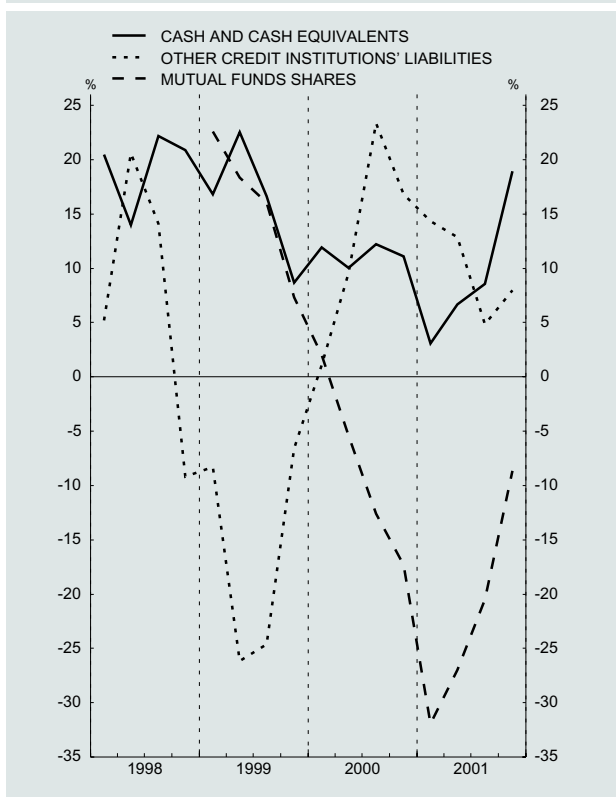
8.3 Cash and cash equivalents, other credit institutions' liabilities and mutual funds shares (a) of non-financial corporations resident in Spain

■ Series depicted in chart.

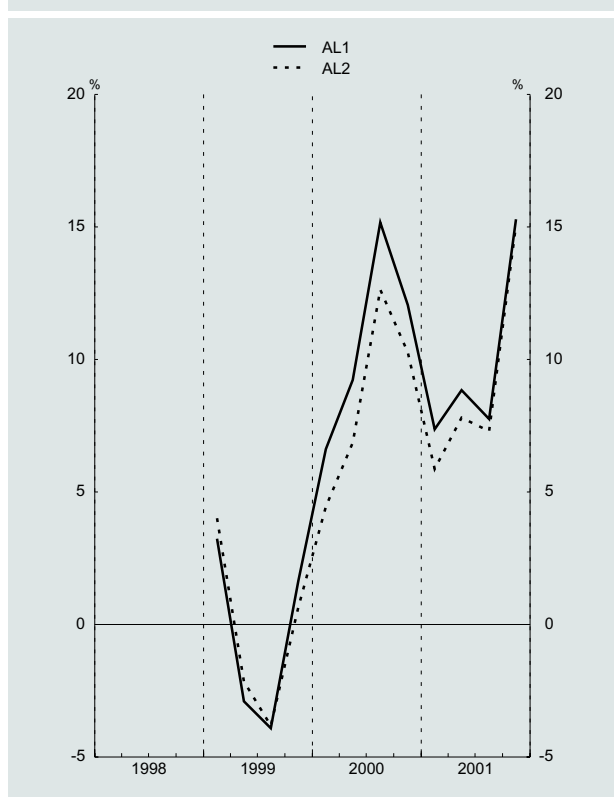
EUR millions and %

	Cash and cash equivalents				Other credit institutions' liabilities				Mutual funds shares					Memorandum items	
	Stocks	4- quar- ter % chan- ge	4-quarter % change		Stocks	4- quar- ter % chan- ge	4-quarter % change		Stocks	4- quar- ter % chan- ge	4-quarter % change			4-quarter % change	
			Cash and shigt depos- its	Sav- ing depos- its (b)			Other depos- its (c)	Repos + credit instit.' securit.+ dep. in branches abroad			Money market funds	Fixed income mutual funds in EUR	Other mutual funds	AL1 (d)	AL2 (e)
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
99	49 565	8.7	8.8	5.2	32 244	-6.6	30.8	-15.9	17 778	7.3	-7.6	-19.2	27.6	1.6	0.6
00	55 062	11.1	11.0	13.1	37 668	16.8	45.5	5.7	14 701	-17.3	-17.0	-34.6	-11.9	12.1	10.3
01	65 482	18.9	19.2	10.7	40 663	8.0	16.7	3.3	13 426	-8.7	40.8	5.4	-27.8	15.3	15.1
98 Q4	45 611	20.9	21.5	5.2	34 516	-9.2	6.7	-12.4	16 565	...	...	...	...	...	...
99 Q1	45 063	16.8	17.4	4.2	33 721	-8.3	19.9	-14.1	17 599	22.6	-18.6	20.8	55.3	3.2	4.0
Q2	50 433	22.5	23.8	-3.5	31 609	-26.2	13.3	-33.4	17 954	18.4	-14.9	15.2	40.2	-2.9	-2.2
Q3	48 917	16.6	18.0	-12.2	30 034	-24.6	30.4	-34.4	17 773	16.0	-12.3	-2.0	42.7	-3.9	-3.8
Q4	49 565	8.7	8.8	5.2	32 244	-6.6	30.8	-15.9	17 778	7.3	-7.6	-19.2	27.6	1.6	0.6
00 Q1	50 447	11.9	12.2	6.3	34 086	1.1	37.8	-9.5	17 959	2.0	-7.9	-35.2	24.1	6.6	4.4
Q2	55 502	10.1	10.2	6.3	34 626	9.5	55.0	-4.7	16 980	-5.4	-4.6	-39.4	9.3	9.2	6.9
Q3	54 901	12.2	12.4	7.6	37 046	23.3	58.7	10.9	15 537	-12.6	-12.7	-40.7	-1.8	15.2	12.6
Q4	55 062	11.1	11.0	13.1	37 668	16.8	45.5	5.7	14 701	-17.3	-17.0	-34.6	-11.9	12.1	10.3
01 Q1	51 997	3.1	2.8	10.6	38 972	14.3	38.7	3.7	12 227	-31.9	1.5	-38.9	-40.1	7.4	5.9
Q2	59 219	6.7	6.6	8.3	39 076	12.9	27.5	5.4	12 399	-27.0	3.3	-29.0	-36.2	8.8	7.8
Q3	59 612	8.6	8.5	12.1	38 847	4.9	22.9	-4.2	12 352	-20.5	27.4	-12.0	-37.8	7.8	7.3
Q4	65 482	18.9	19.2	10.7	40 663	8.0	16.7	3.3	13 426	-8.7	40.8	5.4	-27.8	15.3	15.1

NON-FINANCIAL CORPORATIONS
Annual percentage change



NON-FINANCIAL CORPORATIONS
Annual percentage change



Source: BE.

(a) This concept refers to the instruments included in the headings of the table, issued by resident credit institutions and mutual funds. The exception is column 8, which includes deposits in Spanish bank branches abroad. The quarterly data are only partially estimated, as full information is not 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 cash and cash equivalents, other credit institutions' liabilities and money market fund shares.

(e) Defined as AL1 plus fixed income mutual fund shares in euro.

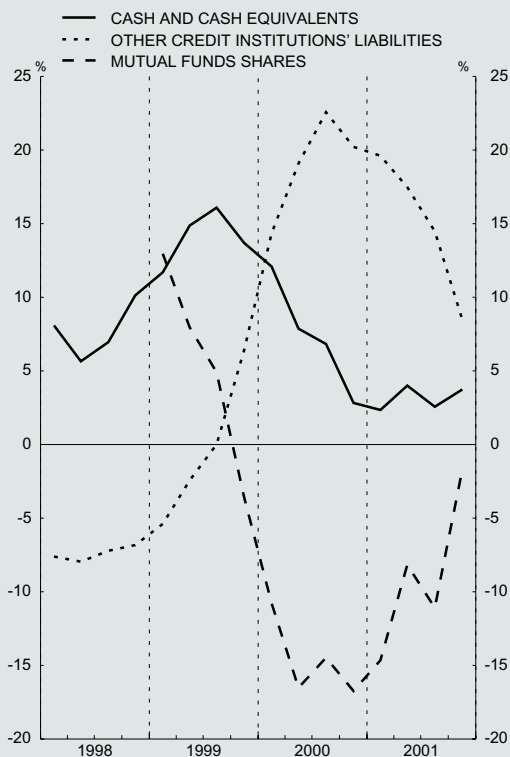
8.4 Cash and cash equivalents, other credit institutions' liabilities and mutual funds shares (a) of households and NPISHs resident in Spain

■ Series depicted in chart.

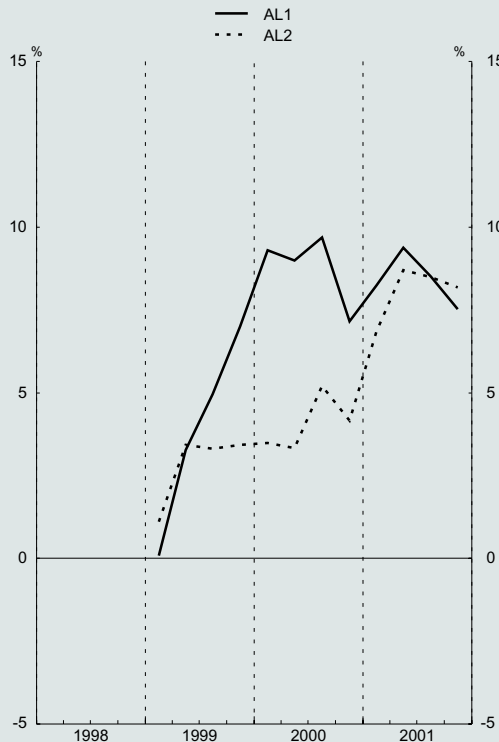
EUR millions and %

	Cash and cash equivalents					Other credit institutions' liabilities				Mutual funds shares					Memorandum items	
	Stocks	4-quarter % change	4-quarter % change			Stocks	4-quarter % change	4-quarter % change		Stocks	4-quarter % change	4-quarter % change			4-quarter % change	
			Cash	Shigt deposits	Sa-ving deposits (b)			Other deposits (c)	Repos + credit instit. securit. + dep. in branches abroad			Money market funds	Fixed income mutual funds in EUR	Other mutual funds	AL1 (d)	AL2 (e)
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
99	211 620	13.7	8.3	19.0	13.9	152 813	6.4	10.7	-9.1	171 474	-3.6	-18.8	-26.6	15.9	7.0	3.4
00	217 638	2.8	-0.4	7.1	2.2	183 694	20.2	24.0	3.9	142 806	-16.7	-22.3	-32.8	-9.6	7.2	4.2
01	225 826	3.8	-21.3	12.1	11.8	199 240	8.5	12.7	-13.8	140 381	-1.7	30.2	21.2	-16.9	7.5	8.2
98 Q4	186 127	10.1	0.9	16.8	12.6	143 598	-6.8	-7.8	-3.1	177 786	...	...	...	...	...	...
99 Q1	187 549	11.7	2.9	19.1	13.2	141 854	-5.4	-4.4	-9.0	183 519	12.9	-21.3	10.1	41.5	0.1	1.1
Q2	197 368	14.9	4.5	20.6	18.0	141 887	-2.4	0.5	-12.4	182 247	8.0	-20.3	4.8	27.6	3.3	3.4
Q3	202 164	16.1	6.2	23.8	17.9	144 663	0.0	4.0	-13.4	175 854	4.9	-20.5	-10.9	29.7	5.0	3.3
Q4	211 620	13.7	8.3	19.0	13.9	152 813	6.4	10.7	-9.1	171 474	-3.6	-18.8	-26.6	15.9	7.0	3.4
00 Q1	210 227	12.1	6.0	17.1	12.7	162 193	14.3	18.7	-1.9	163 706	-10.8	-20.5	-43.0	9.1	9.3	3.5
Q2	212 946	7.9	6.2	9.7	7.8	168 968	19.1	22.7	4.9	152 154	-16.5	-22.0	-45.5	-1.5	9.0	3.3
Q3	216 007	6.8	4.2	11.4	5.8	177 341	22.6	25.1	12.2	150 416	-14.5	-24.1	-40.1	-0.9	9.7	5.2
Q4	217 638	2.8	-0.4	7.1	2.2	183 694	20.2	24.0	3.9	142 806	-16.7	-22.3	-32.8	-9.6	7.2	4.2
01 Q1	215 140	2.3	-1.6	7.7	1.4	194 018	19.6	24.3	-1.4	139 728	-14.6	-10.1	-14.4	-16.1	8.2	6.8
Q2	221 467	4.0	-4.4	10.1	5.0	198 540	17.5	22.4	-5.1	139 720	-8.2	1.9	-2.8	-12.6	9.4	8.7
Q3	221 581	2.6	-8.5	5.4	6.5	203 044	14.5	20.1	-10.9	133 718	-11.1	16.0	8.2	-23.5	8.5	8.5
Q4	225 826	3.8	-21.3	12.1	11.8	199 240	8.5	12.7	-13.8	140 381	-1.7	30.2	21.2	-16.9	7.5	8.2

HOUSEHOLDS AND NPISHS
Annual percentage change



HOUSEHOLDS AND NPISHS
Annual percentage change



Source: BE.

(a) This concept refers to the instruments included in the headings of the table, issued by resident credit institutions and mutual funds. The exception is column 9, which includes deposits in Spanish bank branches abroad. The quarterly data are only partially estimated, as full information is not 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 cash and cash equivalents, other credit institutions' liabilities and money market fund shares.

(e) Defined as AL1 plus fixed income mutual fund shares in euro.

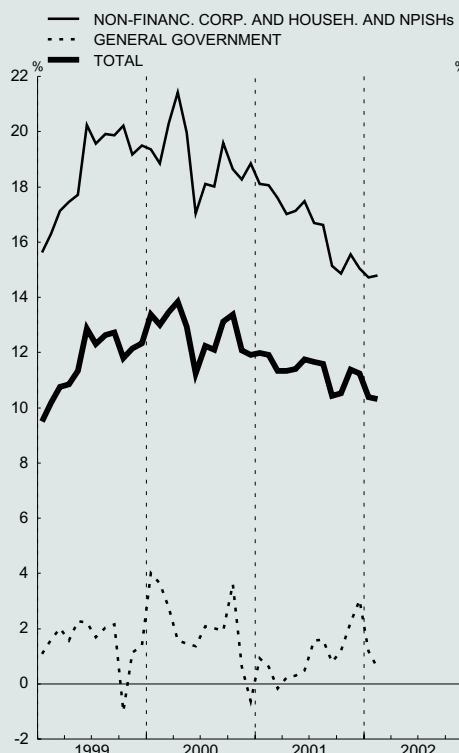
8.5 Financing of non-financial sectors resident in Spain (a)

■ Series depicted in chart.

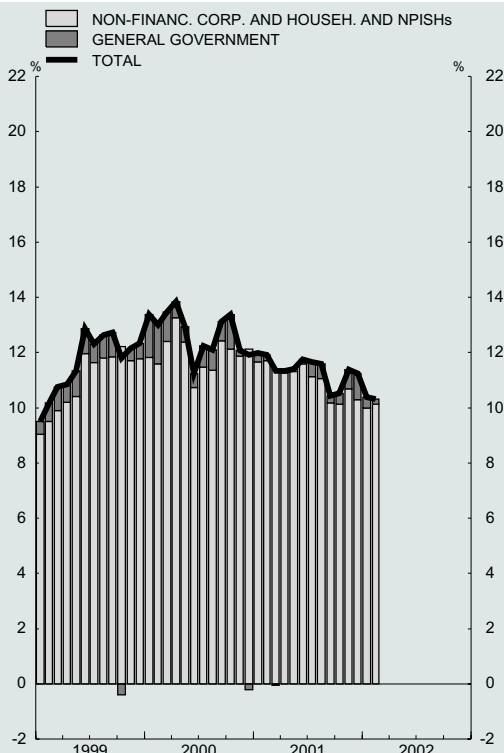
EUR millions and %

	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	Securiti- sation funds	Securi- ties other than shares	External loans	Resident credit institutions' loans		Securi- sation funds	Securi- ties other than shares	External loans		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
99	876 718	17 176	12.3	1.4	19.5	16.4	66.4	19.2	36.8	0.6	11.8	8.4	0.8	0.4	2.2
00	983 175	17 907	11.9	-0.6	18.9	18.0	34.3	-15.2	31.7	-0.2	12.1	9.4	0.6	-0.4	2.5
01	1 094 634	18 724	11.2	3.0	15.0	13.3	21.5	8.9	24.8	1.0	10.3	7.3	0.4	0.2	2.3
00 Nov	965 375	3 402	12.1	0.6	18.3	18.1	22.5	-16.7	29.6	0.2	11.9	9.5	0.4	-0.4	2.3
Dec	983 175	17 907	11.9	-0.6	18.9	18.0	34.3	-15.2	31.7	-0.2	12.1	9.4	0.6	-0.4	2.5
01 Jan	994 852	12 544	12.0	0.9	18.1	15.9	32.5	-6.5	36.6	0.3	11.7	8.4	0.6	-0.1	2.8
Feb	993 680	-1 166	11.9	0.6	18.1	16.0	20.8	3.0	34.7	0.2	11.7	8.4	0.4	0.1	2.8
Mar	1 007 908	12 787	11.3	-0.2	17.6	15.2	20.1	-1.0	37.7	-0.1	11.4	8.0	0.4	-0.0	3.0
Apr	1 012 749	6 186	11.3	0.2	17.0	13.8	21.7	-4.0	42.8	0.1	11.3	7.4	0.4	-0.1	3.5
May	1 021 886	7 229	11.4	0.3	17.1	14.4	17.6	-2.8	39.7	0.1	11.3	7.7	0.4	-0.1	3.3
Jun	1 041 665	20 234	11.8	0.5	17.5	15.0	13.2	-4.8	41.0	0.2	11.6	8.1	0.3	-0.1	3.3
Jul	1 055 158	14 573	11.7	1.6	16.7	13.7	17.3	4.6	38.5	0.5	11.1	7.4	0.4	0.1	3.2
Aug	1 052 670	-2 732	11.6	1.6	16.6	14.0	15.4	7.5	35.5	0.5	11.1	7.5	0.4	0.1	3.1
Sep	1 063 089	9 901	10.4	0.8	15.1	13.6	28.0	5.5	23.2	0.3	10.2	7.3	0.6	0.1	2.2
Oct	1 063 483	312	10.5	1.2	14.9	13.3	28.7	5.9	22.3	0.4	10.1	7.3	0.6	0.1	2.2
Nov	1 075 266	12 014	11.4	2.2	15.6	13.4	28.0	12.9	25.8	0.7	10.7	7.4	0.6	0.2	2.5
Dec	1 094 634	18 724	11.2	3.0	15.0	13.3	21.5	8.9	24.8	1.0	10.3	7.3	0.4	0.2	2.3
02 Jan	P 1 099 790	5 181	10.4	1.2	14.7	13.3	22.9	7.5	22.2	0.4	10.0	7.2	0.5	0.1	2.2
Feb	P 1 097 752	-2 013	10.3	0.6	14.8	13.6	16.2	8.8	22.3	0.2	10.1	7.4	0.4	0.2	2.2

FINANCING OF NON-FINANCIAL SECTORS
Annual percentage change



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



Source: BE.

GENERAL NOTE: Tables 8.2 to 8.6 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.

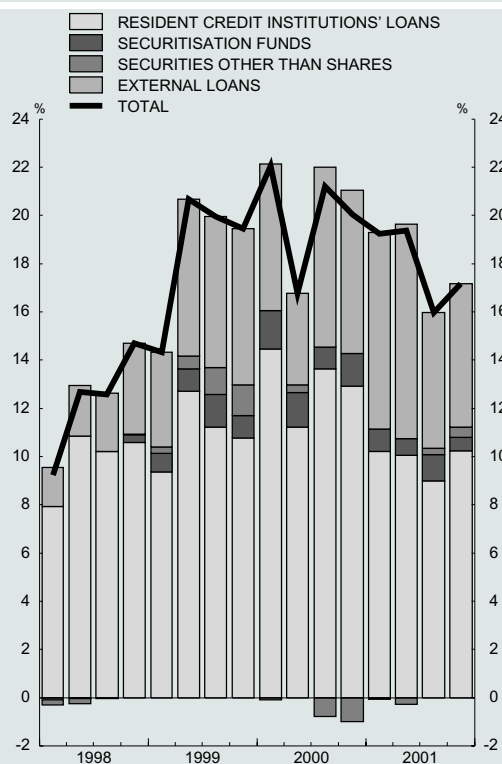
EUR millions and %

	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
99	318 597	51 286	19.4	222 072	14.6	10.8	8 052	43.5	20 843	19.2	1.3	67 630	37.0	6.5	245 453	40 289	19.6
00	385 020	63 854	20.0	262 564	18.5	12.9	12 419	54.2	17 669	-15.2	-1.0	92 368	31.8	6.8	287 430	42 525	17.3
01	452 369	66 124	17.2	301 571	15.0	10.2	14 579	17.4	19 241	8.9	0.4	116 978	24.8	6.0	322 086	35 028	12.2
98 Q4	263 821	12 053	14.7	194 548	14.2	10.6	5 610	15.6	17 484	0.3	0.0	46 179	23.5	3.8	205 910	9 991	19.3
99 Q1	267 698	3 358	14.3	192 398	12.8	9.4	6 556	37.7	18 378	3.8	0.3	50 367	22.9	3.9	216 510	10 751	20.8
Q2	297 745	28 366	20.7	211 303	17.2	12.7	7 182	47.5	18 301	7.6	0.5	60 958	37.9	6.5	228 187	11 810	19.7
Q3	303 535	6 416	20.0	213 400	15.1	11.2	8 206	71.4	20 158	16.2	1.1	61 771	36.5	6.3	234 204	6 208	19.8
Q4	318 597	13 146	19.4	222 072	14.6	10.8	8 052	43.5	20 843	19.2	1.3	67 630	37.0	6.5	245 453	11 521	19.6
00 Q1	330 438	11 102	22.1	230 275	20.1	14.4	10 871	65.8	18 138	-1.3	-0.1	71 153	32.3	6.1	255 138	9 776	18.2
Q2	350 016	19 292	16.8	243 878	15.8	11.2	11 417	59.0	19 249	5.2	0.3	75 471	18.6	3.8	267 121	12 168	17.4
Q3	372 917	20 847	21.2	254 012	19.4	13.6	10 881	32.6	17 760	-11.9	-0.8	90 264	36.7	7.5	274 464	7 484	17.5
Q4	385 020	12 612	20.0	262 564	18.5	12.9	12 419	54.2	17 669	-15.2	-1.0	92 368	31.8	6.8	287 430	13 096	17.3
01 Q1	396 483	10 834	19.2	263 422	14.7	10.2	13 893	27.8	17 965	-1.0	-0.1	101 202	37.9	8.2	294 072	6 703	15.5
Q2	420 184	23 460	19.4	278 467	14.4	10.0	13 903	21.8	18 323	-4.8	-0.3	109 492	41.2	8.9	306 757	12 818	15.0
Q3	432 613	12 647	16.0	287 023	13.2	9.0	14 932	37.2	18 745	5.5	0.3	111 913	23.3	5.6	312 564	5 906	14.0
Q4	452 369	19 183	17.2	301 571	15.0	10.2	14 579	17.4	19 241	8.9	0.4	116 978	24.8	6.0	322 086	9 600	12.2

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



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



Source: BE.

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

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

(b) Provisional data.

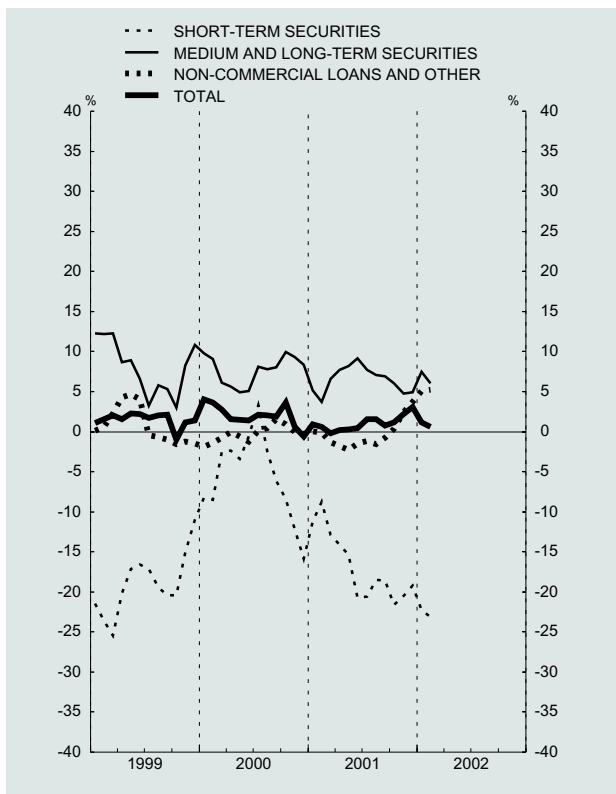
8.8. Net financing of Spain's general government

■ Series depicted in chart.

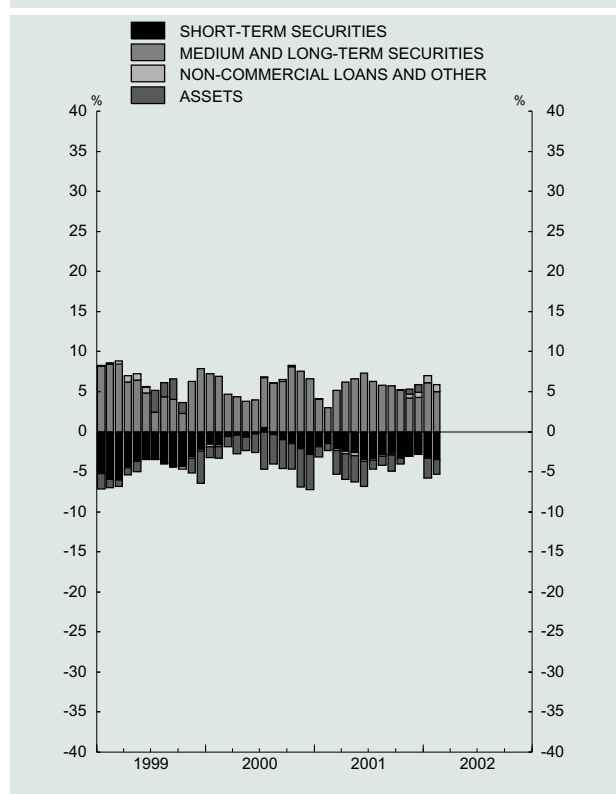
EUR millions and %

	Net financing			Monthly change in stocks						12-month % change in stocks					Contribution to 12-month % change in net stocks of liabilities			
				Liabilities			Assets			Liabilities			Assets	Liabilities			Assets	
	Net stock of liabilities	Monthly change (columns 4-8-9)	12-month % change of col. 1	Total	Securities		Non-commercial loans and other (a)	Deposits at the Banco de Espana	Other deposits (b)	Total	Securities			Non-commercial loans and other (a)	Short-term	Medium and long-term		Non-commercial loans and other (a)	Assets
					Short-term	Medium and long-term					Short-term	Medium and long-term						
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
99	312 668	4 299	1.4	16 702	-6 700	24 218	-815	8 020	4 383	4.9	-11.0	10.9	-1.5	41.1	-2.2	7.9	-0.3	-4.0
00	P 310 725	-1 942	-0.6	11 796	-8 605	20 558	-157	8 319	5 419	3.3	-15.8	8.3	-0.3	32.2	-2.8	6.6	-0.1	-4.4
01	P 320 180	9 454	3.0	6 398	-8 805	13 226	1 977	17 158	14 101	1.7	-19.3	4.9	3.7	-5.4	-2.8	4.3	0.6	1.0
00 Sep	P 315 472	-629	1.9	1 307	-1 149	2 722	-266	1 507	430	5.0	-6.1	8.0	1.6	31.8	-1.0	6.3	0.3	-3.6
Oct	P 306 619	-8 853	3.6	2 731	-321	3 094	-42	10 590	993	5.8	-8.4	10.0	0.9	19.3	-1.5	8.1	0.2	-3.2
Nov	P 303 046	-3 573	0.6	1 368	-885	2 826	-573	3 025	1 916	4.7	-12.2	9.3	-0.1	29.6	-2.1	7.5	-0.0	-4.8
Dec	P 310 725	7 679	-0.6	736	-127	642	222	-6 569	-374	3.3	-15.8	8.3	-0.3	32.2	-2.8	6.6	-0.1	-4.4
01 Jan	P 319 243	8 518	0.9	-4 626	1 392	-6 119	101	-12 435	-709	2.0	-11.2	5.2	0.1	10.4	-1.9	4.1	0.0	-1.3
Feb	P 313 968	-5 274	0.6	-638	440	-1 044	-35	-3 376	8 013	1.3	-8.8	3.7	-0.1	5.8	-1.5	3.0	-0.0	-0.8
Mar	P 317 354	3 385	-0.2	3 347	-1 811	5 487	-329	-2 473	2 435	2.5	-12.9	6.6	-1.3	24.5	-2.1	5.1	-0.2	-3.0
Apr	P 308 941	-8 413	0.2	-963	-581	-880	498	1 485	5 964	3.0	-14.1	7.7	-1.8	22.0	-2.4	6.2	-0.3	-3.2
May	P 312 048	3 107	0.3	2 204	-1 178	3 838	-455	1 289	-2 192	3.1	-15.4	8.2	-2.3	23.1	-2.6	6.6	-0.4	-3.3
Jun	P 314 724	2 676	0.5	3 123	-2 579	5 214	489	1 062	-614	3.2	-20.7	9.2	-1.4	22.0	-3.5	7.3	-0.3	-3.2
Jul	P 319 621	4 897	1.6	1 198	-864	1 738	324	-2 122	-1 578	2.4	-20.6	7.7	-1.2	7.6	-3.3	6.3	-0.2	-1.1
Aug	P 321 143	1 521	1.6	-1 191	-1 247	843	-787	751	-3 463	2.4	-18.5	7.1	-1.6	7.9	-2.8	5.8	-0.3	-1.1
Sep	P 317 912	-3 230	0.8	1 550	-966	2 331	185	2 264	2 517	2.4	-18.5	6.9	-0.7	13.7	-2.8	5.7	-0.1	-2.0
Oct	P 310 280	-7 632	1.2	-66	-1 690	1 049	575	829	6 737	1.7	-21.6	6.0	0.4	4.1	-3.3	5.2	0.1	-0.8
Nov	P 309 763	-517	2.2	-37	-204	-362	529	-950	1 430	1.3	-20.5	4.8	2.5	-3.3	-3.1	4.2	0.4	0.7
Dec	P 320 180	10 417	3.0	2 497	483	1 131	883	-3 480	-4 439	1.7	-19.3	4.9	3.7	-5.4	-2.8	4.3	0.6	1.0
02 Jan	A 323 000	2 820	1.2	835	-280	277	837	1 225	-3 211	3.3	-22.2	7.5	5.0	18.8	-3.3	6.1	0.8	-2.5
Feb	A 315 767	-7 233	0.6	-4 947	-99	-4 905	56	224	2 061	2.1	-23.2	6.1	5.2	12.0	-3.5	5.0	0.9	-1.8

NET FINANCING OF GENERAL GOVERNMENT
Annual percentage changes



NET FINANCING OF GENERAL GOVERNMENT
Contributions to the annual percentage change



Source: BE.

(a) Including coined money and Caja General de Depositos.

(b) Tax collection accounts are not included.

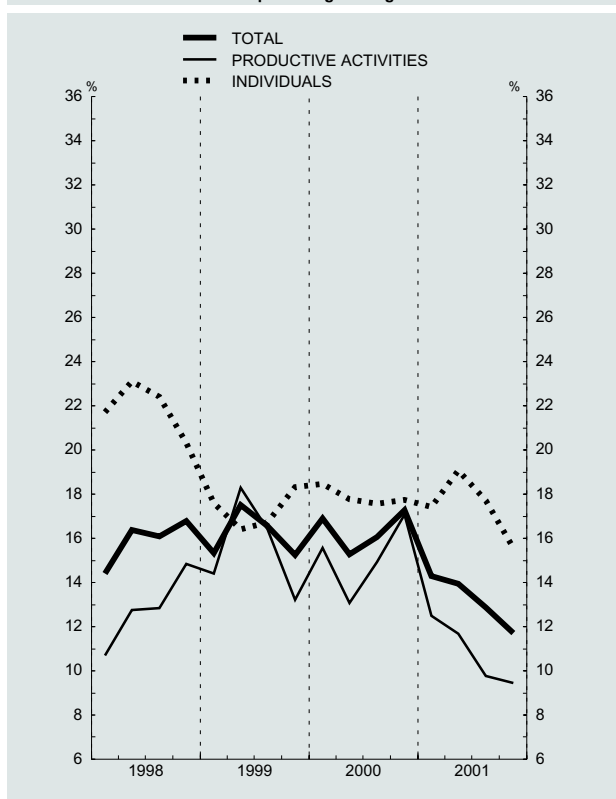
8.9 Lending of credit institutions to other resident sectors. Breakdown by end-use.

■ Series depicted in chart.

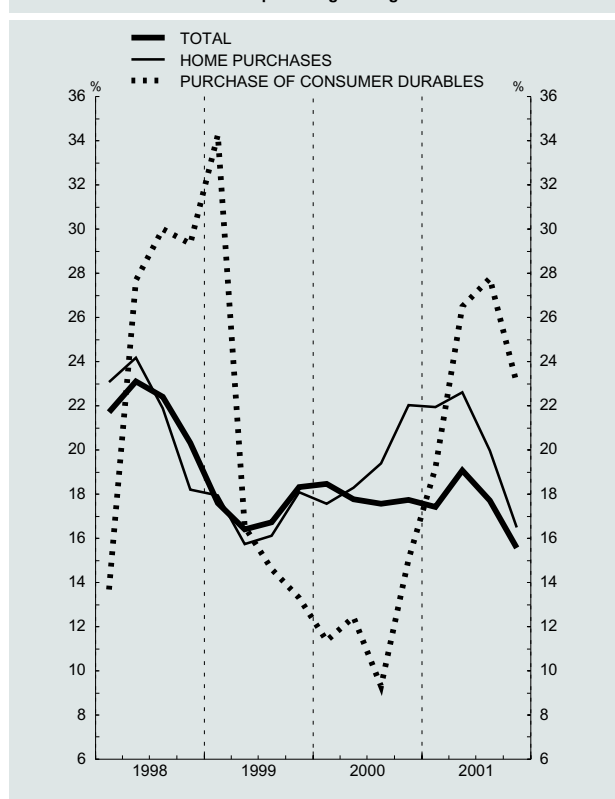
EUR millions and percentages

	Financing of productive activities						Financing of individuals						Financing of private non-profit entities	Unclassified
	Total (a)	Total	Agriculture and fisheries	Industry excluding construction	Construction	Services	Total	Home purchases and improvements			Purchases of consumer durables	Other		
								Total	Purchases	Improvements				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
98	413 854	227 867	10 358	64 321	29 270	123 919	175 008	123 254	117 474	5 780	20 625	31 130	1 780	9 199
99	476 966	257 974	11 887	71 187	35 112	139 788	207 090	145 184	138 713	6 471	23 371	38 536	2 335	9 566
00	559 407	302 034	13 141	78 588	42 627	167 679	243 837	176 653	169 280	7 372	26 885	40 299	2 342	11 194
98 Q4	413 854	227 867	10 358	64 321	29 270	123 919	175 008	123 254	117 474	5 780	20 625	31 130	1 780	9 199
99 Q1	422 286	230 441	10 882	63 078	29 912	126 569	180 905	128 195	122 399	5 795	21 342	31 368	1 851	9 089
Q2	450 810	247 982	11 456	72 624	32 527	131 375	190 331	133 924	127 879	6 045	21 824	34 583	2 039	10 457
Q3	460 355	251 442	11 512	70 933	33 369	135 628	197 421	139 265	133 034	6 231	22 789	35 366	2 060	9 432
Q4	476 966	257 974	11 887	71 187	35 112	139 788	207 090	145 184	138 713	6 471	23 371	38 536	2 335	9 566
00 Q1	493 604	266 342	11 916	73 035	37 003	144 388	214 327	150 677	143 905	6 771	23 770	39 880	2 449	10 486
Q2	519 659	280 381	12 482	73 280	39 319	155 300	224 163	158 078	151 267	6 811	24 537	41 549	2 477	12 638
Q3	534 332	288 999	12 952	75 408	41 208	159 431	232 114	165 891	158 848	7 044	24 911	41 312	2 525	10 693
Q4	559 407	302 034	13 141	78 588	42 627	167 679	243 837	176 653	169 280	7 372	26 885	40 299	2 342	11 194
01 Q1	564 120	299 581	12 764	76 144	42 368	168 306	251 694	183 189	175 505	7 684	28 331	40 175	2 215	10 629
Q2	592 071	313 118	12 946	78 850	44 684	176 638	266 945	193 427	185 449	7 978	31 034	42 483	2 264	9 745
Q3	603 049	317 262	13 215	81 899	44 957	177 191	273 224	198 747	190 559	8 188	31 826	42 651	2 282	10 280
Q4	624 854	330 591	13 320	82 959	46 412	187 901	281 789	205 790	197 192	8 598	33 076	42 922	2 394	10 079

CREDIT BY END-USE
Annual percentage changes



CREDIT TO INDIVIDUALS BY END-USE
Annual percentage changes



Source: BE.

(a) Series obtained from information in the accounting statement established for the supervision of resident institutions. See the changes introduced in the October 2001 edition of the Boletín estadístico and Tables 89.53, 89.54 and 89.55 of the Boletín estadístico, which are published at www.bde.es

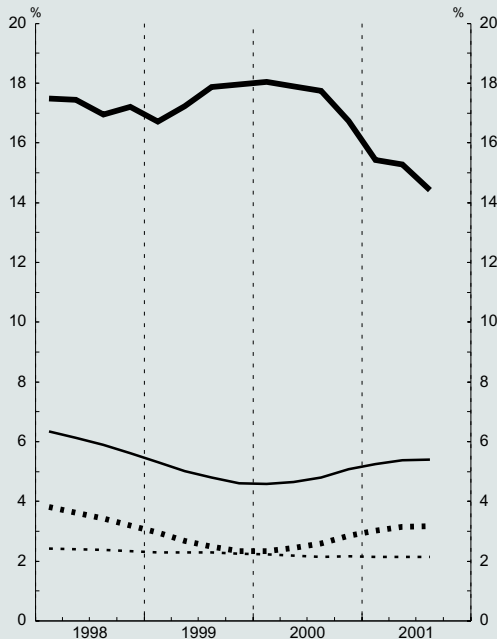
8.10. Profit and loss account of banks, savings banks and credit co-operatives resident in Spain

■ Series depicted in chart.

	As a percentage of the adjusted average balance sheet										Percentages			
	Interest income 1	Interest expenses 2	Net interest income 3	Non interest income and expenses 4	Gross income 5	Operating expenses: 6	Of which: Staff costs 7	Net income 8	Provisions and other income and expenses 9	Profit before tax 10	Return on own funds (a) 11	Average return on lending operations (b) 12	Average cost of borrowing operations (b) 13	Difference (12-13) 14
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	3.1	2.1	1.2	1.1	-0.3	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 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	3.1	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	0.8	3.2	2.1	1.3	1.1	-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	3.1	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	-0.1	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
Q2	5.4	3.2	2.2	0.7	2.9	1.8	1.1	1.0	0.1	1.1	17.9	5.8	3.7	2.1
Q3	5.1	3.0	2.1	0.8	2.8	1.8	1.1	1.0	-0.3	0.7	12.0	5.8	3.7	2.1

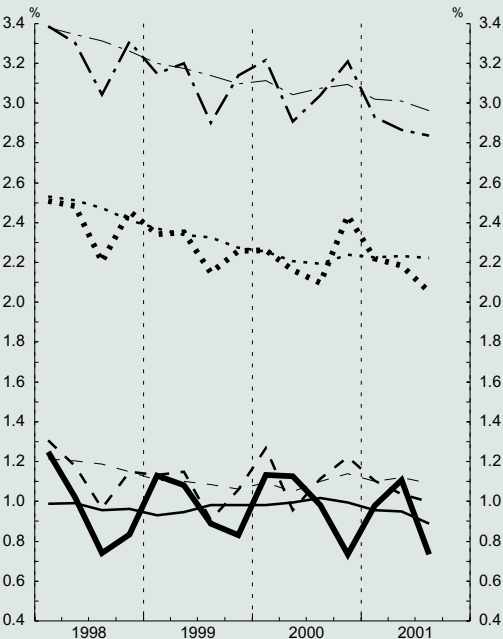
PROFIT AND LOSS ACCOUNT
Percentages of the adjusted average balance sheet and returns

— RETURN ON OWN FUNDS (c)
— INTEREST INCOME (c)
- - - INTEREST EXPENSES (c)
- - - DIFF. BETWEEN AVERAGE RETURN AND COST



PROFIT AND LOSS ACCOUNT
Percentages of the adjusted average balance sheet

— GROSS INCOME
- - - NET INTEREST INCOME
- - - NET INCOME
— PROFIT BEFORE TAX



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.

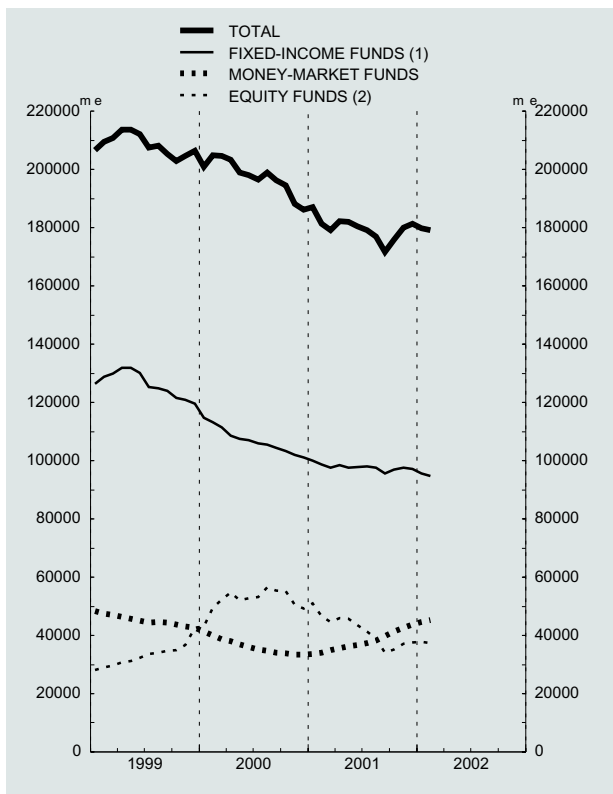
8.11. Mutual funds resident in Spain

■ Series depicted in chart.

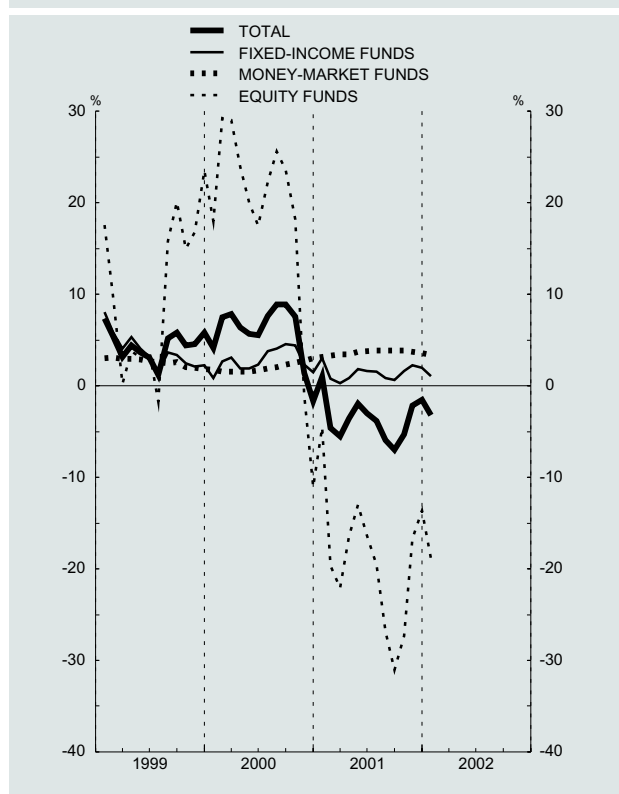
EUR millions

	Total				Money-market funds				Fixed-income funds (1)				Equity funds (2)				Others funds (3)
	Net asset value	Of which			Net asset value	Of which			Net asset value	Of which			Net asset value	Of which			Net asset value
		Monthly change	Net funds invested	Return over last 12 months		Monthly change	Net funds invested	Return over last 12 months		Monthly change	Net funds invested	Return over last 12 months		Monthly change	Net funds invested	Return over last 12 months	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
99	206 294	2 520	-8 496	5.8	42 598	-8 045	-8 645	1.8	119 484	-3 509	-9 601	2.2	42 716	16 078	9 750	23.5	1 496
00	186 068	-20 225	-15 408	-1.7	33 368	-9 230	-10 156	3.0	101 190	-18 294	-19 744	1.4	49 249	6 534	14 493	-11.1	2 261
01	181 323	-4 746	-194	-1.5	43 830	10 462	9 798	3.5	97 246	-3 944	-4 773	1.9	37 494	-11 756	-5 218	-13.7	2 753
00 Nov	188 117	-6 392	-1 122	1.4	33 316	-425	-531	2.8	102 026	-1 176	-702	2.3	50 450	-4 747	110	-1.0	2 325
Dec	186 068	-2 049	-1 155	-1.7	33 368	52	-67	3.0	101 190	-836	-783	1.4	49 249	-1 201	-304	-11.1	2 261
01 Jan	187 104	1 036	-2 089	0.9	33 590	222	107	3.2	100 107	-1 083	-2 035	3.0	51 025	1 775	-161	-4.5	2 373
Feb	181 391	-5 713	-593	-4.6	34 037	447	355	3.3	98 603	-1 504	-627	0.7	46 523	-4 502	-322	-19.7	2 219
Mar	179 082	-2 309	-933	-5.5	34 946	909	793	3.4	97 694	-909	-829	0.3	44 637	-1 886	-897	-22.1	1 805
Apr	182 303	3 221	256	-3.6	35 595	649	567	3.5	98 491	797	189	0.8	45 831	1 194	-501	-16.5	2 385
May	182 076	-226	-480	-1.9	36 204	609	600	3.7	97 559	-932	-636	1.8	45 630	-201	-443	-13.0	2 682
Jun	180 536	-1 541	253	-3.0	36 721	516	414	3.8	97 793	234	209	1.6	43 491	-2 139	-370	-16.4	2 531
Jul	179 035	-1 501	-218	-3.8	37 347	626	511	3.8	97 915	122	-329	1.5	41 399	-2 092	-400	-19.6	2 375
Aug	176 953	-2 082	199	-6.0	38 201	854	732	3.9	97 479	-435	-349	0.9	39 007	-2 392	-184	-26.8	2 265
Sep	171 624	-5 329	-1 442	-7.0	39 723	1 523	1 395	3.9	95 629	-1 851	-1 113	0.7	33 974	-5 033	-1 724	-31.0	2 298
Oct	175 729	4 105	1 434	-5.3	41 247	1 524	1 365	3.8	96 841	1 213	205	1.6	35 273	1 299	-136	-27.4	2 367
Nov	179 939	4 209	2 596	-2.2	42 592	1 345	1 662	3.7	97 641	800	811	2.2	37 168	1 895	123	-16.7	2 537
Dec	181 323	1 384	823	-1.5	43 830	1 238	1 295	3.5	97 246	-395	-269	1.9	37 494	325	-203	-13.7	2 753
02 Jan	179 703	-1 620	-810	-3.2	44 610	779	707	3.4	95 499	-1 747	-1 490	1.1	37 775	282	-26	-18.9	1 819
Feb	179 104	-599	478	...	45 243	633	514	...	94 832	-668	-280	...	37 253	-522	244	...	1 776

NET ASSET VALUE



RETURN OVER LAST 12 MONTHS



Sources: CNMV and Inverco.

(1) Includes short and long-term fixed-income funds in euros and international, mixed fixed-income funds in euros and international and guaranteed funds.

(2) Includes equity funds and mixed equity funds in euros, national and international.

(3) Global funds.

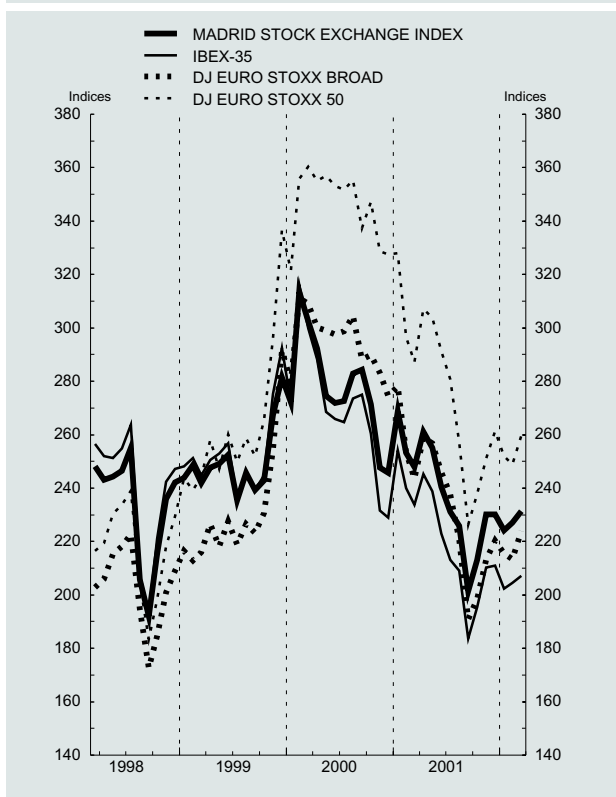
8.12. Share price indices and turnover on securities markets. Spain and euro area

■ Series depicted in chart.

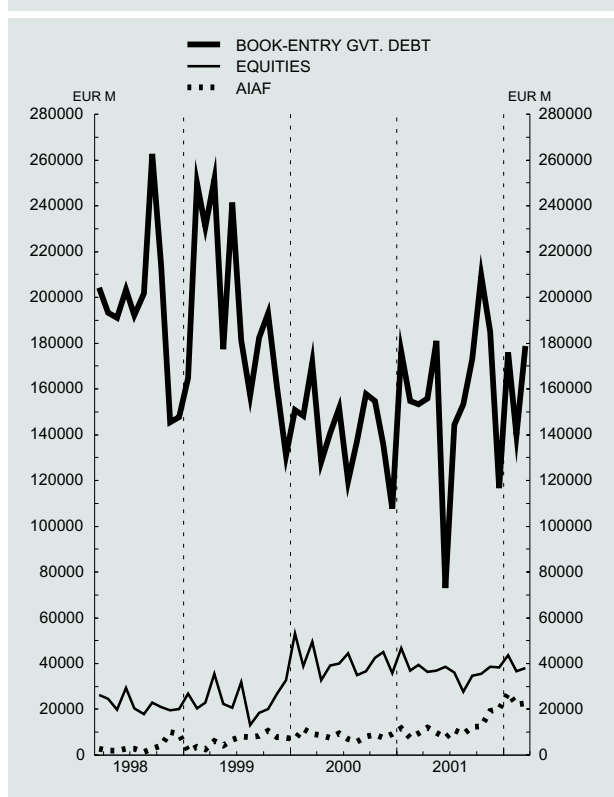
Indices, EUR millions and thousands of contracts

	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
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
01	853.16	8 810.46	335.07	4 039.98	445 380	56 049	1 875 428	142 491	-	23 230	290	7 953
00 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	914.21	9 500.70	366.47	4 426.24	36 796	5 464	180 858	9 679	-	1 562	16	508
Jun	861.33	8 878.40	350.99	4 243.91	38 625	4 894	73 087	7 635	-	2 692	33	1 587
Jul	827.75	8 480.00	339.30	4 091.38	35 965	5 183	144 253	10 899	-	1 491	10	641
Aug	808.86	8 321.10	314.80	3 745.02	27 565	4 454	153 242	9 273	-	1 179	7	483
Sep	721.94	7 314.00	272.46	3 296.66	34 706	4 460	173 136	12 307	-	2 032	24	426
Oct	763.80	7 774.26	283.21	3 465.74	35 416	5 957	209 435	12 585	-	1 615	8	402
Nov	824.49	8 364.70	304.31	3 658.27	38 515	6 150	184 776	19 266	-	1 273	6	359
Dec	824.40	8 397.60	314.52	3 806.13	38 413	4 372	116 545	20 027	-	2 102	15	311
02 Jan	802.92	8 050.40	307.53	3 670.26	43 636	5 250	176 066	27 012	-	1 394	4	362
Feb	813.65	8 135.50	304.52	3 624.74	36 743	5 169	139 996	21 969	-	1 546	3	332
Mar	829.24	8 249.70	319.68	3 784.05	37 959	5 784	178 684	22 573	-	2 390	10	315

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)

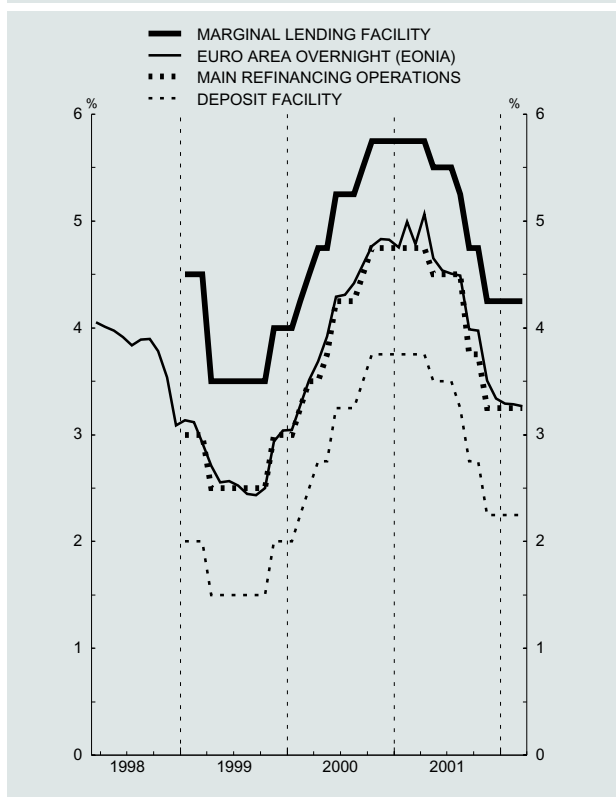
9.1. Interest rates. Eurosystem and money market. Euro area and Spain

■ Series depicted in chart.

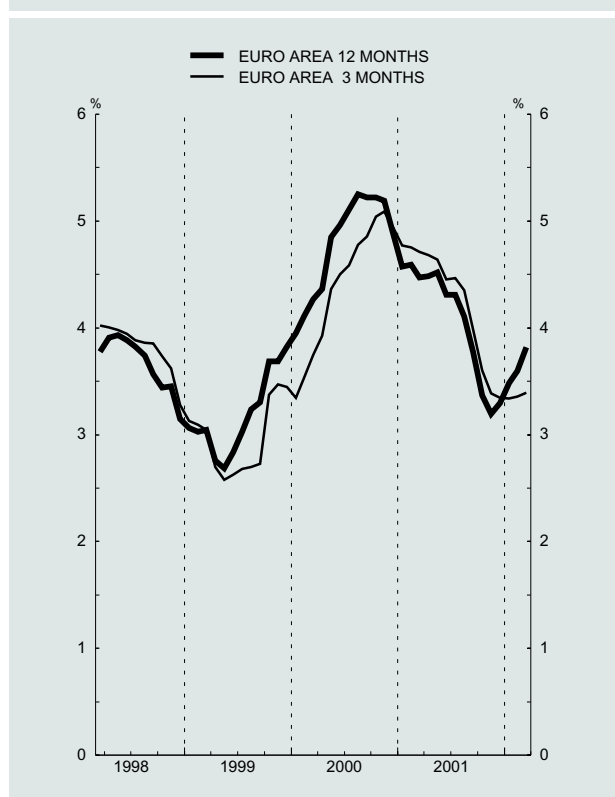
Averages of daily data. Percentages per annum

	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
99	3.00	3.26	4.00	2.00	2.74	3.51	2.96	3.83	2.72	2.84	2.94	3.16	2.66	2.70	2.76	2.76
00	4.75	4.75	5.75	3.75	4.12	4.95	4.39	4.88	4.11	4.22	4.38	4.77	4.05	4.13	4.27	4.63
01	3.25	3.29	4.25	2.25	4.38	3.42	4.26	3.30	4.36	4.31	4.24	4.07	4.30	4.20	4.11	4.11
00 Dec	4.75	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	4.75	4.66	5.75	3.75	4.76	4.80	4.77	4.57	4.75	4.78	4.75	4.56	4.72	4.67	4.60	4.38
Feb	4.75	-	5.75	3.75	4.99	4.80	4.76	4.59	4.96	4.78	4.73	4.59	4.89	4.65	4.59	4.42
Mar	4.75	4.47	5.75	3.75	4.78	4.78	4.71	4.47	4.77	4.75	4.70	4.48	4.75	4.68	4.55	4.34
Apr	4.75	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
May	4.50	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
Jun	4.50	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
Jul	4.50	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
Aug	4.50	4.20	5.25	3.25	4.49	4.46	4.35	4.11	4.48	4.44	4.36	4.11	4.45	4.36	4.23	4.10
Sep	3.75	3.55	4.75	2.75	3.99	4.05	3.98	3.77	3.98	4.03	3.96	3.76	3.97	3.94	3.87	3.69
Oct	3.75	3.50	4.75	2.75	3.97	3.72	3.60	3.37	3.96	3.70	3.57	3.35	3.84	3.58	3.47	3.26
Nov	3.25	3.32	4.25	2.25	3.51	3.43	3.39	3.20	3.50	3.40	3.36	3.19	3.40	3.19	3.21	-
Dec	3.25	3.29	4.25	2.25	3.34	3.42	3.34	3.30	3.29	3.41	3.35	3.24	3.28	3.26	3.17	-
02 Jan	3.25	3.31	4.25	2.25	3.29	3.35	3.34	3.48	3.29	3.34	3.33	3.48	3.25	3.25	3.23	3.41
Feb	3.25	3.32	4.25	2.25	3.28	3.34	3.36	3.59	3.27	3.32	3.34	3.57	3.22	3.25	3.25	3.46
Mar	3.25	3.40	4.25	2.25	3.26	3.35	3.39	3.82	3.25	3.33	3.38	3.80	3.19	3.24	3.27	3.60

EUROSYSTEM: MONETARY POLICY OPERATIONS AND EURO AREA OVERNIGHT DEPOSITS



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



Source: ECB (columns 1 to 8).

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

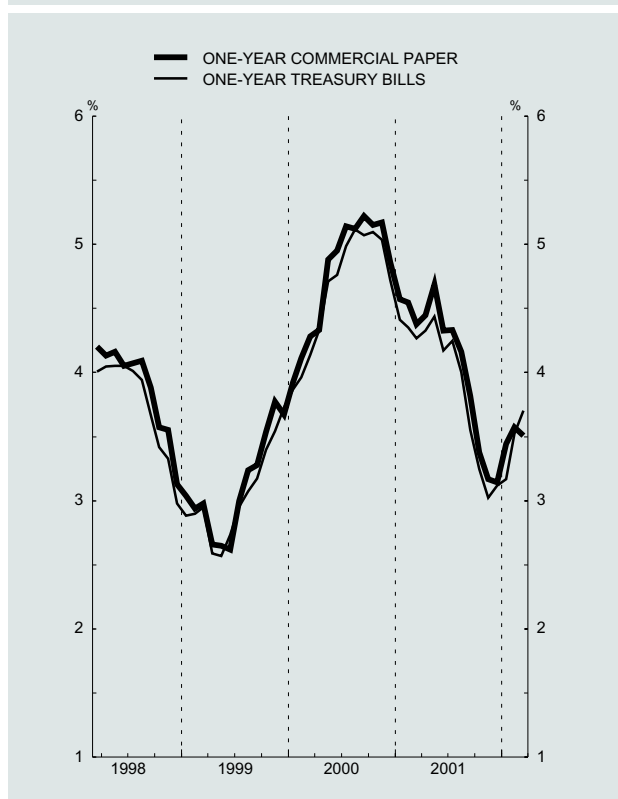
9.2. Interest rates: Spanish short-term and long-term securities markets

■ Series depicted in chart.

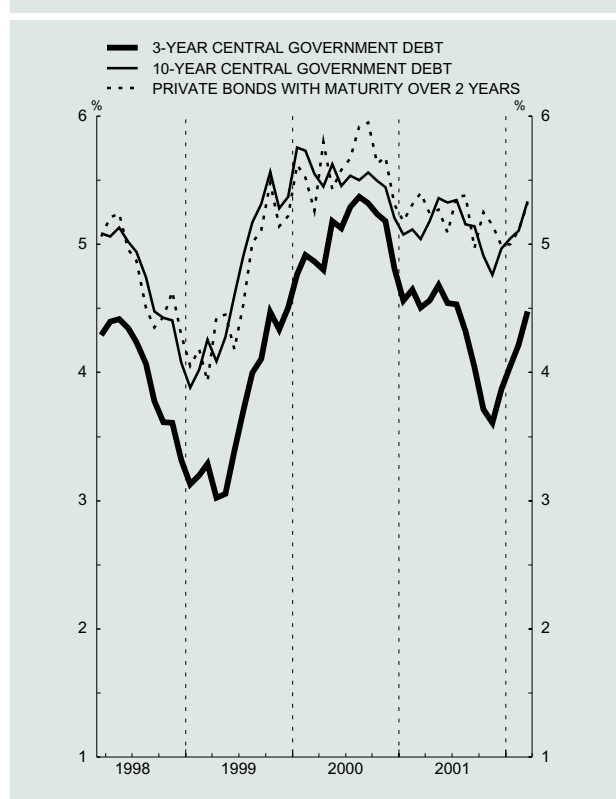
Percentages per annum

	Short-term securities				Long-term securities								
	One-year Treasury bills		One-year commercial paper		Central Government debt								Private bonds with a maturity of over two years traded on the AIAF
	Marginal rate at issue	Secondary market: outright spot purchases between market members	Rate at issue	Secondary market: outright spot purchases	Marginal rate at issue					Secondary market. Book-entry debt. Outright spot purchases between market members			
					3-year bonds	5-year bonds	10-year bonds	15-year bonds	30-year bonds	At 3-years	At 10-years		
					1	2	3	4	5	6	7	8	
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	
01	3.93	3.91	4.08	4.16	4.35	4.54	5.12	5.28	5.66	4.30	5.12	5.22	
00 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	4.33	4.39	4.65	-	5.46	-	5.98	4.53	5.35	5.37	
Aug	4.00	3.99	4.16	4.29	-	4.66	5.25	5.40	-	4.32	5.16	5.38	
Sep	3.55	3.55	3.82	3.68	4.30	-	5.24	-	5.77	4.04	5.14	4.97	
Oct	3.25	3.21	3.38	3.46	-	4.18	4.95	5.17	-	3.71	4.91	5.25	
Nov	3.03	3.10	3.17	3.32	3.28	-	4.55	-	5.15	3.61	4.76	5.15	
Dec	3.12	3.15	3.14	3.28	-	4.12	5.02	4.98	-	3.87	4.97	4.99	
02 Jan	3.17	3.30	3.44	3.48	3.97	-	5.05	-	5.39	4.05	5.05	5.00	
Feb	3.52	3.47	3.57	3.56	-	4.46	5.04	-	-	4.22	5.11	5.11	
Mar	3.70	3.66	3.51	3.67	4.30	-	5.32	5.56	-	4.48	5.34	5.32	

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.

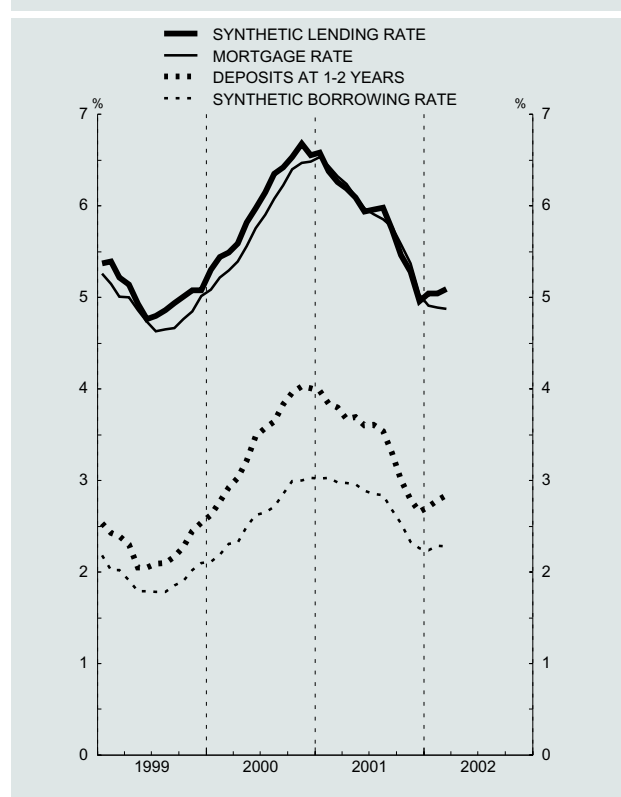
Percentages

		Banks									Savings banks							
		Lending rates					Borrowing rates				Lending rates				Borrowing rates			
		Syn- thetic rate	Commer- cial discount up to three months	Credit accounts at 1-3 years	Loans at 3 years and over	Mort- gage loans over 3 years	Syn- thetic rate	Current accounts	Repos on bills up to three months	Depos- its at 1-2 years	Syn- thetic rate	Credit accounts at 1-3 years	Loans at 3 years and over	Mort- gage loans over 3 years	Syn- thetic rate	Current accounts	Repos on bills up to three months	Depos- its at 1-2 years
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
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
01	M	5.64	6.68	5.88	7.27	5.59	2.80	2.42	4.24	2.97	5.90	7.39	8.50	5.92	2.78	2.33	4.13	3.46
00	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	3.03	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	2.94	2.51	4.46	3.06	5.94	7.09	8.62	5.97	2.89	2.45	4.31	3.60
	Jul	5.71	6.83	6.01	7.26	5.63	2.93	2.47	4.38	3.00	5.96	7.33	8.54	5.91	2.85	2.36	4.34	3.61
	Aug	5.81	6.77	6.10	7.93	5.59	2.92	2.49	4.43	3.12	5.98	7.44	8.66	5.85	2.84	2.43	4.23	3.54
	Sep	5.39	6.53	6.01	7.38	5.48	2.67	2.33	3.92	2.62	5.74	7.43	8.55	5.77	2.68	2.25	3.87	3.30
	Oct	5.21	6.36	5.47	7.10	5.21	2.52	2.22	3.84	2.43	5.46	7.35	8.36	5.58	2.53	2.16	3.66	3.01
	Nov	4.96	6.29	5.49	6.80	5.01	2.27	2.04	3.34	2.10	5.28	7.15	8.22	5.37	2.33	2.04	3.27	2.79
	Dec	4.77	5.91	4.91	6.04	4.69	2.18	1.97	3.23	2.14	4.96	6.75	7.20	5.03	2.26	1.90	3.19	2.66
02	Jan	4.74	5.83	4.78	6.87	4.56	2.18	1.91	3.20	2.52	5.04	6.71	8.05	4.91	2.24	1.90	3.16	2.71
	Feb	4.68	5.80	5.06	6.70	4.65	2.21	1.97	3.17	2.75	5.04	6.70	7.90	4.89	2.29	1.89	3.13	2.78
	Mar	4.68	5.66	4.96	6.61	4.70	2.21	1.96	3.14	2.65	5.09	7.05	7.74	4.87	2.28	1.85	3.11	2.84

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.

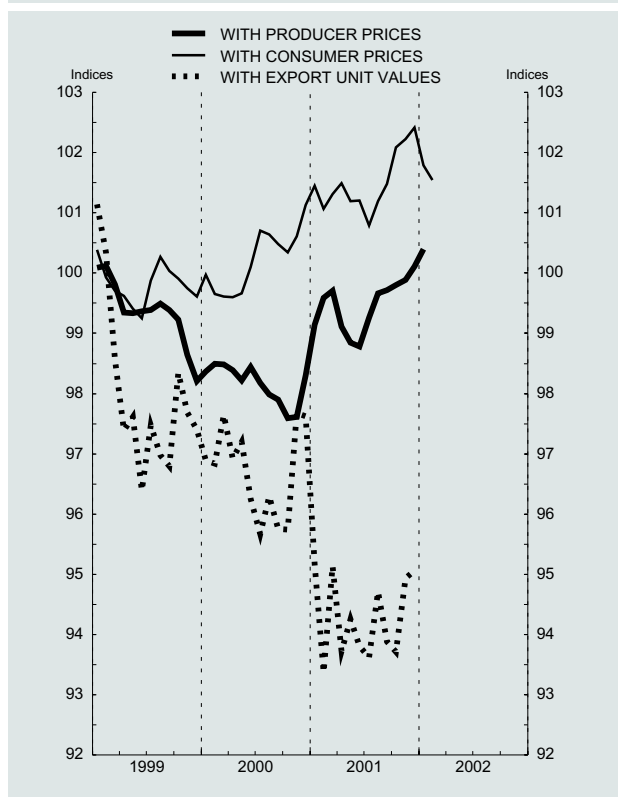
9.4 Indices of Spanish competitiveness vis-à-vis the EU and the euro area.

■ 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
99	99.4	99.8	99.5	98.0	99.5	99.9	100.3	100.0	98.5	99.9	100.3	99.9	98.6
00	98.2	100.2	102.1	96.7	98.5	99.6	101.7	103.6	98.2	99.6	101.5	103.7	98.7
01	99.5	101.5	105.2	94.3	99.0	100.5	102.6	106.3	95.3	100.3	102.2	106.4	96.2
00 Q1	98.4	99.8	99.8	97.1	98.6	99.8	101.1	101.2	98.5	99.9	101.0	101.3	98.9
Q2	98.3	99.8	101.3	96.8	98.5	99.9	101.3	102.8	98.3	99.9	101.2	102.9	98.7
Q3	98.0	100.6	103.2	95.9	98.6	99.4	102.1	104.7	97.3	99.4	101.8	104.7	97.9
Q4	97.8	100.7	104.1	97.0	98.4	99.4	102.3	105.8	98.6	99.3	102.1	105.8	99.2
01 Q1	99.5	101.3	104.5	94.6	99.1	100.4	102.2	105.4	95.5	100.1	101.9	105.4	96.5
Q2	98.9	101.3	104.1	93.9	98.8	100.1	102.5	105.3	95.1	100.0	102.2	105.5	95.9
Q3	99.5	101.2	105.4	94.1	99.0	100.6	102.2	106.5	95.1	100.5	101.9	106.6	95.9
Q4	99.9	102.2	106.9	94.6	99.0	100.9	103.3	107.9	95.5	100.7	103.0	108.0	96.4
01 Jun	98.8	101.2	...	93.8	98.7	100.1	102.5	...	95.0	100.0	102.2	...	95.8
Jul	99.3	100.8	...	93.6	98.7	100.5	102.1	...	94.8	100.4	101.7	...	95.5
Aug	99.7	101.2	...	94.7	99.1	100.6	102.1	...	95.6	100.5	101.8	...	96.5
Sep	99.7	101.5	...	93.9	99.1	100.6	102.4	...	94.7	100.5	102.1	...	95.6
Oct	99.8	102.1	...	93.7	99.1	100.7	103.0	...	94.6	100.6	102.7	...	95.6
Nov	99.9	102.2	...	94.9	98.9	101.0	103.3	...	96.0	100.7	103.0	...	96.9
Dec	100.1	102.4	...	95.1	99.0	101.1	103.5	...	96.0	100.9	103.2	...	96.8
02 Jan	100.4	101.8	...	...	98.9	101.5	103.0	...	...	101.3	102.5	...	...
Feb	...	101.5	...	...	98.8	...	102.8	...	...	...	102.4	...	...
Mar	...	...	...	...	98.8	...	...	...	...	...	...	...	...

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 manufacturing foreign trade figures.

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

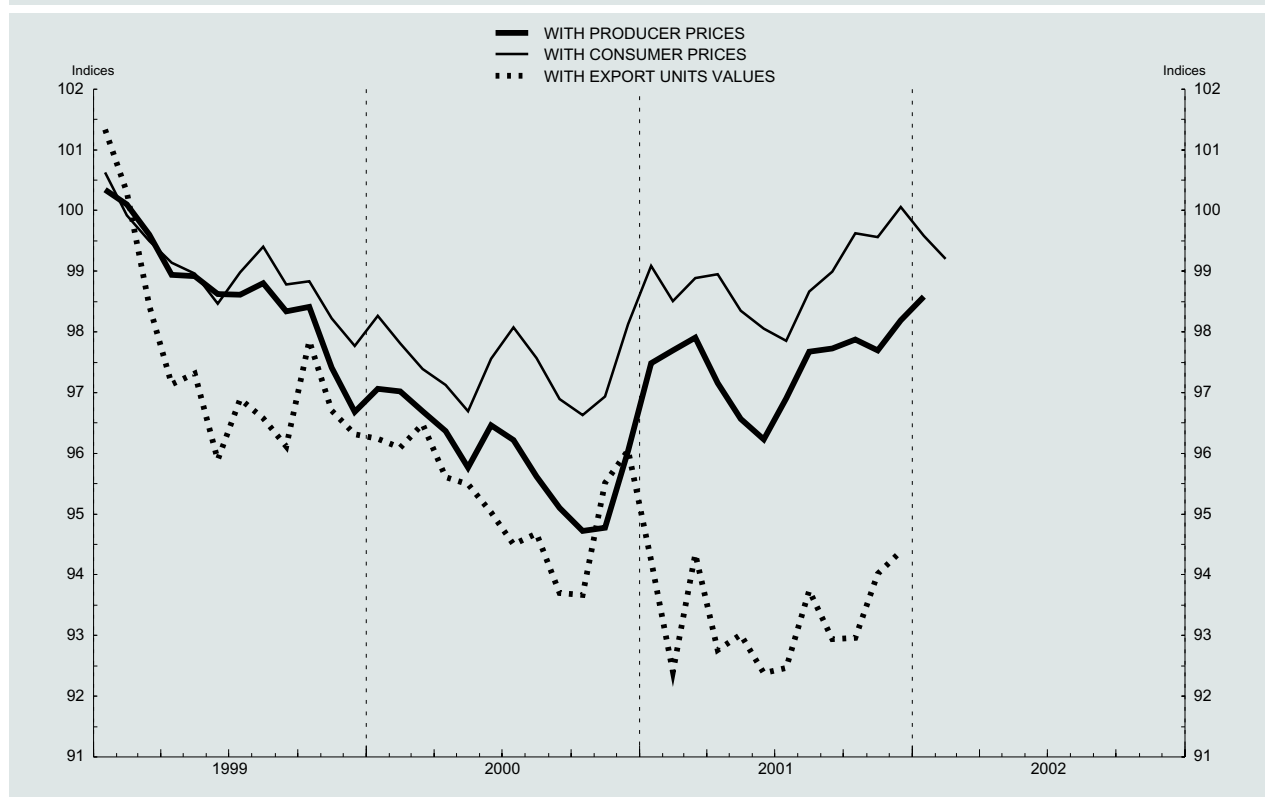
9.5 Indices of Spanish competitiveness vis-à-vis the developed countries.

■ 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
99	98.7	99.0	98.9	97.6	98.7	100.0	100.3	100.2	98.8
00	96.0	97.4	99.6	95.3	95.8	100.2	101.7	104.0	99.5
01	97.4	98.9	102.9	93.3	96.3	101.2	102.7	106.8	96.9
00 Q1	96.9	97.8	98.2	96.3	96.7	100.2	101.1	101.6	99.6
Q2	96.2	97.1	98.9	95.4	95.8	100.4	101.3	103.2	99.5
Q3	95.7	97.5	100.4	94.3	95.5	100.1	102.1	105.1	98.7
Q4	95.2	97.2	100.8	95.1	95.0	100.2	102.4	106.2	100.1
01 Q1	97.7	98.8	102.3	93.7	96.7	101.1	102.2	105.9	96.9
Q2	96.7	98.4	101.5	92.7	95.9	100.8	102.7	105.9	96.7
Q3	97.4	98.5	103.0	93.1	96.2	101.3	102.4	107.1	96.7
Q4	97.9	99.8	104.6	93.8	96.3	101.6	103.5	108.6	97.3
01 Jun	96.2	98.1	...	92.4	95.5	100.8	102.7	...	96.8
Jul	96.9	97.9	...	92.5	95.7	101.3	102.3	...	96.6
Aug	97.7	98.7	...	93.7	96.4	101.3	102.3	...	97.2
Sep	97.7	99.0	...	92.9	96.5	101.3	102.6	...	96.3
Oct	97.9	99.6	...	93.0	96.5	101.4	103.3	...	96.3
Nov	97.7	99.6	...	94.0	96.1	101.6	103.6	...	97.8
Dec	98.2	100.1	...	94.4	96.4	101.8	103.8	...	97.9
02 Jan	98.6	99.6	...	...	96.4	102.3	103.3	...	...
Feb	...	99.2	...	...	96.1	...	103.2	...	...
Mar	...	...	...	...	96.2	...	...	...	...

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 manufacturing foreign trade figures.

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

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