

BANCO DE ESPAÑA

economic bulletin

July 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

1. Overview

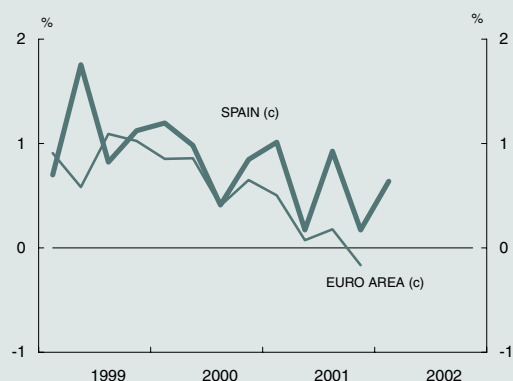
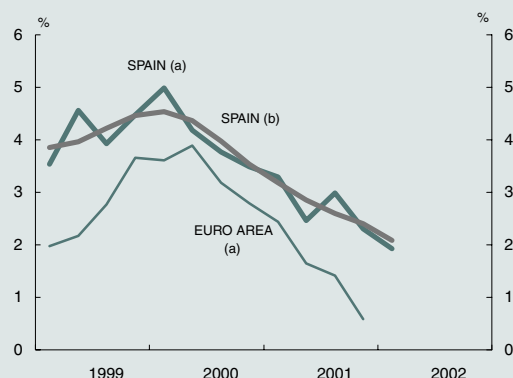
As the year 2002 unfolds, the prospects of a pick-up in the world economy have firmed. Testifying to this are the data available for the United States, for the euro area as a whole and for numerous Asian economies, including Japan. The only notable exception is Latin America. However, a lack of confidence and a climate of uncertainty remain in place, associated mainly with certain imbalances in the US economy and with the media revelations questioning the solvency of or accounting practices applied in certain corporations. This has prompted a forceful stock market correction, which may jeopardise recovery and restrict its intensity. Macroeconomic policies, and monetary policy in particular, have generally remained expansionary. On the foreign-exchange markets there has been an extensive but orderly turnaround in the exchange rate of the US dollar, which has depreciated notably against the main currencies. The euro has appreciated by about 15% against the dollar, placing the European currency at a level more in keeping with its fundamentals. The rally has contributed to easing the underlying inflationary pressures in certain euro area economies.

Against this background, the Spanish economy has maintained a sustained growth rate, with no significant changes discernible in relation to the initial results released by INE (the National Statistics Office) for 2002 Q1. Specifically, on the information currently available, and drawing on the seasonally adjusted series, the real year-on-year growth rate of GDP during Q2 is estimated to have been around 2%, unchanged on the preceding quarter. In quarter-on-quarter terms, the rate of increase was 0.4%, one-tenth of a point less than the previous quarter. The figures calculated on the basis of the trend-cycle series – which are characterised, as is well known, by their greater stability – confirm that the slowdown marking 2001 has touched bottom at values of around 2%. That places the Spanish economy in a favourable starting position to progressively consolidate its growth rate in the coming months, if the recovery in the world economy takes root.

The contribution of net external demand to real GDP growth was modest but positive in Q2, although household spending (on consumption and house purchases) has once more been the most buoyant component of final demand in the Spanish economy in this period, coupled with the notable vigour of general government investment. Though less than last year, the growth of real disposable income has been a determining factor of household spending decisions. Yet, against a backdrop of particularly low interest rates, households have continued to resort intensely to debt to finance con-

CHART 1

Gross domestic product

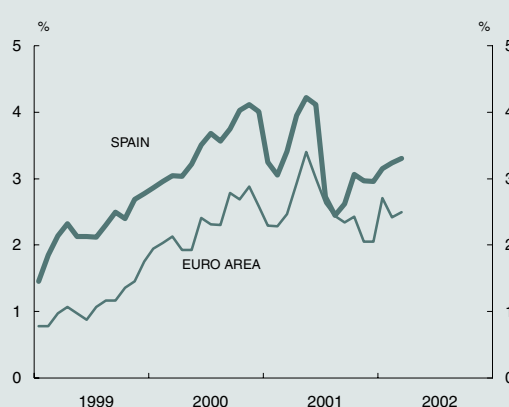


Sources: ECB, INE and Banco de España.

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

CHART 2

Harmonised indices of consumer prices



Sources: Eurostat and European Central Bank.

sumption and, in particular, house purchases. Corporate debt levels have also grown recently, although they seem to be stabilising, without business investment actually taking off. On the supply side, there are signs of an incipient recovery in industrial activity, and employment growth is slowing. Lastly, although the rate of increase of unit labour costs has fallen, price differentials with the euro area remain high.

The expansionary policies pursued have boosted US growth since the start of the year. The indicators available for Q2 confirm this process to be continuing, albeit with less vigour than the previous quarter. The heavy fall on stock markets, which stand below pre-September 11 levels, does not appear to have affected household spending so far, although it might do in the future. This aggregate (which is partly sustained by rising house prices) and government consumption are currently the most buoyant elements of the US economy. Productivity growth rates remain quite high but are particu-

larly based on the relatively unfavourable behaviour of employment, with no pick-up in corporate investment perceptible yet. In this setting, and given the absence of changes in the inflationary picture, the Federal Reserve has retained the low interest rates in place since last December. The fact that the phase of economic recovery has begun without the financial imbalances of households and corporations being remedied and with a growing external deficit is a source of further factors of risk that might jeopardise a consolidated recovery. In this respect, and although it is difficult directly to link both events, the recent depreciation of the dollar may contribute to redressing the swollen trade deficit.

Recovery in the euro area is following a different course to that in the US economy. The monetary policy stance remains expansionary and, although fiscal policy has not been similarly geared or on an equivalent footing to that of the United States, there have been deviations from budget targets in certain countries that have tended to loosen public finances discipline in the area as a whole. The growth of real GDP in Q1 (0.3%, both in year-on-year and quarter-on-quarter terms) has largely been underpinned by the contribution of external demand, since internal expenditure showed no signs of a clear recovery, despite the fact that employment is proving more sustained than in previous cyclical phases. The indicators available for recent months point to a modest – albeit somewhat less robust than expected – recovery in consumption and investment, in a context of uncertain expectations and considerable instability on stock markets.

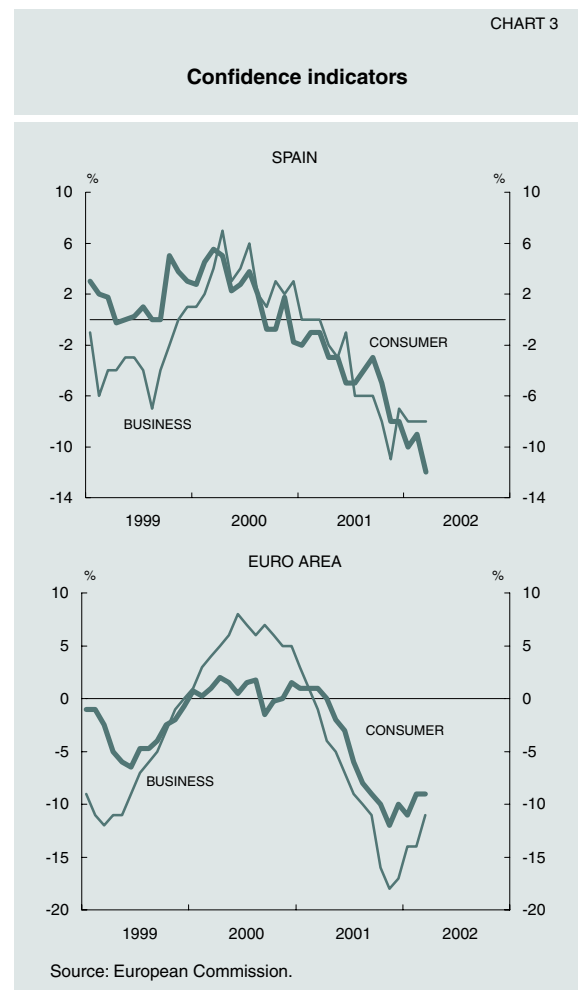
The growth rate of consumer prices (HICP) has tended to ease in the last two months fol-

lowing the rebound at the beginning of the year. The HICP stood at 1.8% in June. The same factors that fuelled its rise, namely energy and food prices, have now provided for its correction, though this has not yet covered the more stable component of the index (services and non-energy manufactured goods prices), whose rate of increase has stabilised at slightly over 2.5%. The acceleration in unit labour costs in Q1, as modest productivity growth combined with relatively high wage settlements, might hinder the slowdown in the inflation rate. That said, relatively sluggish demand, the favourable behaviour of prices on world markets and the appreciation of the euro should contribute in this respect.

In these circumstances, the ECB has kept its benchmark interest rate unchanged since last November at 3.25%. The growth of the reference monetary aggregate has tended to quicken in the past two months. This acceleration might, once again, be related to the instability of financial markets. The rate of increase of lending to the private sector, meanwhile, has stabilised at a level lower than that prevailing at the start of the year. Overall, expectations of future interest rate rises have tended to be deferred and to be scaled back appreciably.

Developments in the Spanish economy have, according to the information available for the first six months of the year, been in step with the expansionary monetary context characterising the common monetary policy, but along a stricter fiscal policy line. Overall, the behaviour of tax revenue is proving favourable, with notable growth in indirect tax and, hereunder, VAT. The growth rate of personal income tax takings is expected to ease over the year as a whole compared with 2001, in line with the behaviour of wage and capital income. On the expenditure side, the biggest increases have been in capital expenses and in social benefits. One of the consequences of these results (the slowdown in personal income tax and the increase in social benefits) is that the contribution of general government to sustaining household disposable income is proving considerable.

As stated, the estimated year-on-year growth rate of real GDP for 2002 Q2 is (at 2%, in terms of the seasonally adjusted series) similar to that of the previous quarter. Notable in this connection is the contribution of private consumption and investment in construction (in both its residential and civil engineering facets), and a modest positive contribution of net external demand. The growth rate of household consumption might have slowed slightly during Q2, while investment in construction remained notably robust. The rate of increase calculated for



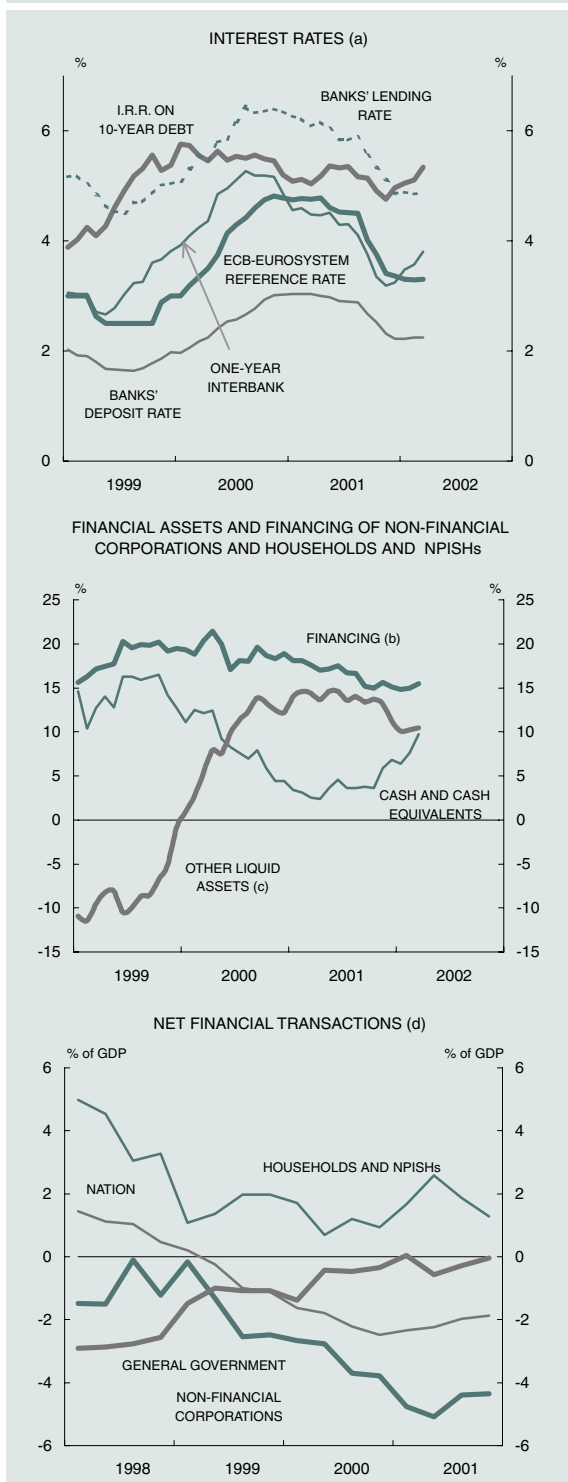
national demand is slightly below that for Q1, when a value of 2.1% was attained, since the effect of stripping out the strong stockbuilding included in the INE figures for the first three months of the year must be added to the slackness of investment in equipment.

The turnaround in the contribution of net external demand to real GDP growth has been the result, on one hand, of a slight pick-up in the rate of change of exports which, like imports, in any event remain sluggish. The weakness of the tourist industry, already discernible in the indicators available for the opening months of the year, appears to have worsened in Q2, although its final impact differs appreciably both with regard to the countries of origin (where the fall-off in German and British tourism are prominent) and to destinations.

One of the significant features of the Spanish economy's current pattern of growth is the private sector's heavy resort to debt. Neither the saving ratio nor the lending capacity of the private sector have managed to recover, and this has subsequently borne on the net borrowing of the economy as a whole. Also indicative

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.

here are the estimates for net financial transactions corresponding to 2002 Q1, where net household financial saving can be seen to be continuing to decline (in terms of its share in GDP), while the result for net financial transactions of the non-financial corporations sector has stabilised at considerably high negative values. Recent data on lending confirm this diagnosis since, in Q1, the growth rate of financing extended to households has recovered and, hereunder, there has been a notable increase in house-purchase credit.

Household debt levels are, it is true, similar to those in other European economies and are largely a result of economic agents adapting to a more stable financial environment in which, moreover, interest rates are currently particularly low. But the consequences in the medium term must be carefully considered, especially as regards the risks arising from developments in the housing sector.

In these circumstances, if recovery in the Spanish economy is to take root as the improvement in the world economy is progressively confirmed, it must be underpinned by robust exports, business investment and, by extension, industrial activity. Continuing buoyant household spending based on well-founded expectations about future income will also be pivotal. The foundations for this are, in principle, suitable.

The growth of employment in Q2 has slowed, but is higher than in other similar cyclical phases and is, therefore, playing a key role in maintaining the economy's growth rate. Wage increases have moderated and, in combination with a slight pick-up in productivity, have contained the rises in unit labour costs. Corporate profitability is high and debt ratios, which had grown appreciably, are tending to stabilise; a slight recovery in industrial activity and in business confidence indicators is thus finally discernible.

Set against these favourable developments, the widening of the inflation gap with the euro area countries during Q2 this year harbours a warning about potential competitiveness problems which would ultimately restrict the pace of recovery in the Spanish economy. The differential in terms of the 12-month growth rate of the HICP was 1.6 percentage points in June and, significantly, the related differentials for services and non-energy industrial goods were 1.7 and 1.4 percentage points, respectively.

The fact that the increases in the growth rate of prices should have occurred concurrently with the containment of the growth rate of unit

labour costs is illustrative of the continuing rigidity in the behaviour of certain markets. The widening of margins inferred from these results (bigger price increases and a slowdown in unit labour costs) is prominently concentrated, in fact, in construction and market services, while it is much more limited in manufacturing industry which is where, in a competitive environment, employment creation has been lowest.

In sum, conditions are in place for the Spanish economy to resume, in the second half of

2002, a more dynamic path based on the foreseeable recovery in the external environment and on the factors driving domestic spending, including most notably the maintenance of employment creation. Nonetheless, the heightened international uncertainty being channelled through the financial markets may pose an obstacle to the climate of confidence required. For the recovery to be sustainable in the medium term, private-sector debt must be contained and continuous improvements in the economy's competitiveness achieved.

2. The external environment of the euro area

The pick-up in world economic growth continued during 2002 Q2, albeit at a moderate rate and with a somewhat different geographical distribution than was perceptible at the start of the year. The recovery is proving more robust in the United States and Asia, and less so in Europe and Latin America. In most countries growth was led by the favourable behaviour of external demand, in particular US demand for imports. At this initial stage of the cycle, that appears to highlight a certain dependence of world economic growth on the behaviour of the US economy.

Running counter to the relatively favourable economic picture, the stock markets fell heavily during the quarter. As a result, the recovery seen from October to March was fully reversed, and most US and European indices were at their lowest levels for the past three or four years. This behaviour has been associated with the lack of confidence about the quality of accounting information provided by companies, further to the disclosure of numerous cases of accounting irregularities and fraud, possibly arising during the final years of the bull market. The lack of confidence has heightened uncertainty about the proper valuation of asset prices, which appears to be at the root of the portfolio switching during the quarter from equity and low-rating corporate securities to safer assets such as Treasury bonds and high-grade, liquid corporate securities.

The dollar depreciated in a continuous but orderly fashion against most currencies, with the exception of those of the Latin-American countries. The depreciation was 8% in effective terms, 11% against the yen and 15% vis-à-vis the euro, against which the dollar is at its low for the past two years. Turning to the emerging economies, political instability in various Latin American countries combined with a slower-than-expected recovery in growth in the region as a whole has led to a highly differentiated and clearly more negative performance by Latin American financial markets as compared with the other two emerging areas, namely Asia and Eastern Europe.

In the United States, GDP in Q1 was revised upwards to an annualised quarterly growth rate of 6.1%. That placed the year-on-year rate at 1.7%, compared with 0.5% in 2001 Q4, highlighting the firmness of the recovery. In terms of components, the growth rates of private and government consumption (3.3% and 6.6%, respectively, in annualised quarterly terms), the moderation of the decline in gross capital formation excluding stocks (0.8%) and, above all, quickening stockbuilding, whose contribution to GDP growth was 3.4 percentage points, were

CHART 5

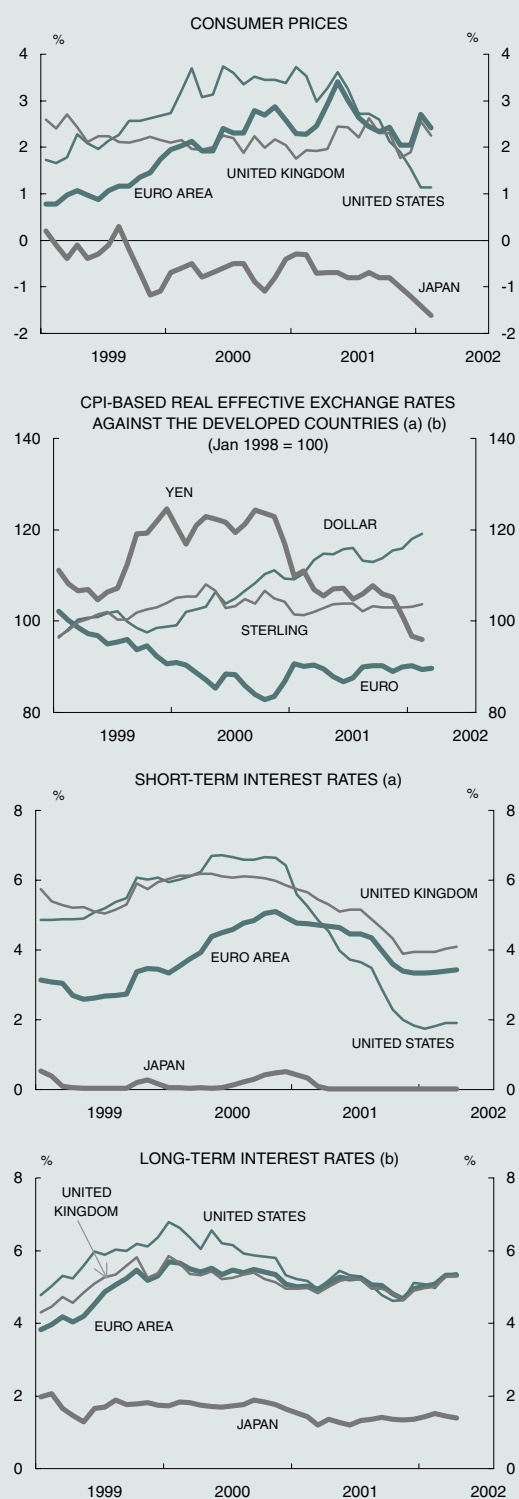
Main macroeconomic indicators Annual rates of change



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



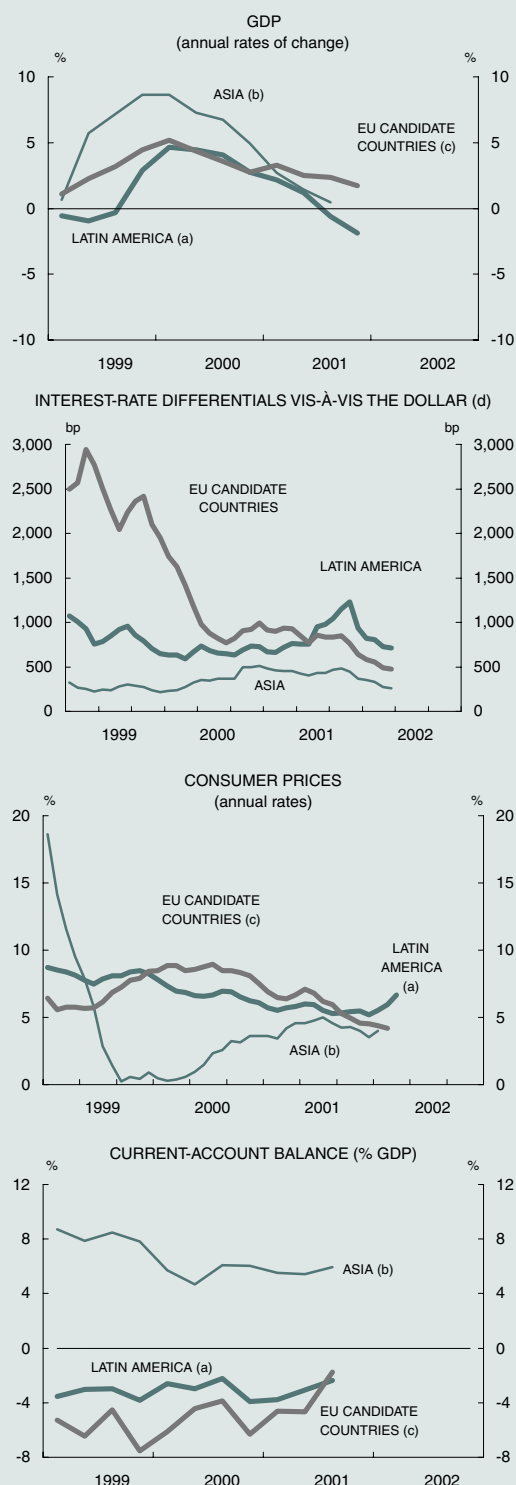
Source: Banco de España.

(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.

all notable. External demand continued to shave a few decimals off growth (0.75 points), albeit to a lesser extent than in previous quarters. The moderate behaviour of prices was also prominent: the GDP deflators posted year-on-year growth rates of 1.2% (overall) and 1% (consumption). The lack of inflationary pressures is also apparent in the behaviour of consumer prices, the 12-month growth rate of which fell to 1.1% in June, with the underlying inflation rate dropping to 2.3%.

The indicators for Q2 signal that the economic recovery remains on track, although certain signs that the high growth rates recorded in the opening months of the year are easing can be seen. As regards the demand indicators, mention may be made of the sound performance of the real estate sector, where new house sales quickened and housing starts held at positive growth rates against a background of low mortgage interest rates and readily accessible mortgage refinancing facilities. Retail sales trended unevenly, but it appears their growth over the quarter as a whole may have even outpaced that in Q1. On data to May, personal income continued growing at around 3%, although personal consumption appears to have eased somewhat. All these developments suggest moderate private consumption growth will prevail during the quarter, at a less buoyant rate than in Q1, against a backdrop of scant net employment creation and a stabilising of the unemployment rate at a still-high level of around 5.9% of the labour force. As regards expectations, consumer confidence indicators remained strong for most of the quarter, but the latest data for June and, to a greater extent, July suggest that the stock market deterioration and the slackness of the labour market are exerting a negative influence on consumer sentiment.

The prospects of an improvement in investment appear to be firming due, among other factors, to the recovery in durable goods orders, especially in the capital sectors, excluding defence, and to the increase in the output of technological goods. There are also signs that the inventory adjustment has virtually concluded in many industries, that sales and earnings prospects appear to have improved, that financing costs are low and that productivity remains robust, even at the trough of the cycle. And insofar as this is the case, the foundations for a gradual recovery in investment in the coming months may be expected to firm. Set against this favourable scenario, the main factor of risk and uncertainty is the downward trend of stock markets which, were it to worsen, might hamper the financing of corporations and affect earnings and economic growth expectations. With regard to the external sector, the current-ac-

count deficit widened in Q1 to 4.3% of GDP, from 3.9% in 2001 Q4, while the trade deficit increased once again in April at a monthly rate of 10.4%, owing to the significantly stronger growth of imports (4.7% in monthly terms) compared with exports (2.2%).

On the supply side, the indicators have generally performed favourably. Industrial output grew during Q2 at slightly more moderate (though still clearly positive) rates than in Q1, and the purchasing managers' indices appear to augur a robust pick-up in activity in the coming months. In sum, the expected pattern of recovery, characterised by moderate consumption and a progressive rise in investment, has not altered this quarter. Undoubtedly, though, deteriorating financial markets pose a downside risk. Against this background, the Federal Reserve has kept its federal funds target rate unchanged at 1.75%, while market expectations of a rise in interest rates in the United States have been put back to next year.

In Japan, following three quarters of continuous decline, GDP posted a quarter-on-quarter increase of 1.4% in Q1. This rise in output appears to confirm the end of the recession in the technical sense of the term. In any event, the recovery is but at an incipient stage and its firmness to be confirmed in the coming months. GDP grew thanks to the recovery in exports (6% in quarterly terms) and to the moderately favourable behaviour of private consumption (1.2%), in contrast to the decline in private residential and non-residential investment. From the standpoint of prices, the fresh year-on-year fall in the GDP deflator (0.9%) is notable, although the negative trend has eased in relation to previous quarters.

The indicators for Q2 released to date appear to point to a progressive pick-up in activity judging by the leading and composite indicators, due essentially to the notable increase in exports. On the supply side, industrial production quickened, the degree of capacity utilisation increased in manufacturing, industrial orders levels recovered and, generally, the business climate appears to have improved somewhat if regard is had to the Tankan survey. The recovery is, however, running at two speeds and is underpinned by the foreign sector and by the major manufacturing companies, while the indicators of consumer demand (household spending and retail sales, in particular) do not show a comparable improvement but a still-sluggish and irregular rate of activity in most cases. Further, in April and May, there were declines in employment and the unemployment rate continued rising to 5.4% in May. In this setting, the appreciation of the yen against the dol-

lar is taking place at a delicate moment for the incipient recovery of growth in Japan. Indeed, this prompted statements by the Japanese monetary authorities and their intervention on the foreign exchange market early in the quarter. As regards monetary policy, the Japanese central bank did not alter its interest rates although, unlike in Q1, it pursued a policy restricting the supply of liquidity. As a result, the growth of the money supply slowed to 3.4% year-on-year in June, from 3.7% in April. The Japanese stock market benefited from the improvement in growth expectations and managed to close the quarter with minimal losses, in contrast to developments on other global stock markets. Reflecting this performance was the bond market, where yields trended upwards at the start of the quarter, in parallel with a degree of portfolio switching towards equities. However, this trend appears to have been reversed over the past month, with yields falling once again towards levels of 1.3%.

In the United Kingdom, the GDP growth rate moderated in Q1 from 1.5% to 1.1% year-on-year, due essentially to the fall in investment and in external demand and, on the supply side, in industrial output. In Q2, however, the economic indicators point to a recovery in industry and in exports, mainly as a result of increased demand from the United States. And, at the same time, domestic demand remains vigorous, whereby GDP growth is expected to rebound strongly. The unemployment rate has been stable at 5.1%, while wage growth held at around 3% year-on-year. The 12-month growth rate of inflation dipped to 1.8% in May, its lowest level since 1975. As a result, the Bank of England has kept its official interest rates at 4%, despite the constant rise in house prices, which are running at a rate of 20% on a year earlier.

In Asia, the recovery in exports and industrial output made for strong growth during Q1. And, according to the indicators released, this has continued into Q2. The exchange rates of the currencies of Korea, Thailand, Indonesia and Singapore appreciated notably against the dollar during the quarter, while China, Hong Kong and Malaysia, which are pegged to the dollar, have improved their competitive position following the depreciation of the US currency.

In the central and eastern European countries, growth in Q1 moderated owing to the lack of buoyancy of external demand, although domestic demand continued to show signs of robustness. These trends appear to have continued into Q2, except in the case of Poland, where industrial output remains weak and the high level of real interest rates appears to con-

strain the prospects of a significant pick-up in the near future. The inflation rate has continued falling in most of these countries. This has been the particular case of the Czech Republic, whose year-on-year rate stood at 1.2% in June, owing to the appreciation of the koruna, and of Poland, whose rate was 1.9% in May due to weak growth and falling food and energy prices. In Turkey, despite the improvement in economic indicators and compliance with the IMF programme, the government crisis has adversely affected market confidence.

After a bright start to the year in Latin America, in which the main economies had been relatively unaffected by the Argentine crisis, the situation worsened during Q2. On one hand, recovery in the economies of the region is proving slower and less dynamic than expected. On the other, various difficulties, in particular the political situation, have dominated events and weighed heavily on countries' expectations by interacting unfavourably with the vulnerabilities inherent in their economies. The upshot of these negative expectations has been a widespread deterioration in financial indicators, markedly so in Brazil, Uruguay and Venezuela, which have seen their credit ratings downgraded by the main agencies. At the other end of the scale, in those countries with investment grades (Chile and Mexico) and in Colombia, the deterioration has been more limited. In any event, the greater degree of risk aversion on international financial markets, which have become highly sensitive to the prolongation of the crisis in Argentina and to other global factors, has borne negatively on the region as a whole.

Argentina has admittedly seen some headway in setting a new economic programme in place. But essential aspects remain unresolved, including most notably the plans to restructure the financial system or the definition of a monetary programme that will allow inflation expectations to be anchored. The exchange rate managed to stabilise at around 3.60-3.70 pesos per dollar towards the end of the quarter, and the impact on inflation (which stood at a 12-month rate of 28% in June) has so far been limited. The GDP data for Q1 showed that the pace at which activity has been deteriorating has stepped up (-16.3% year-on-year), although possible signs that the depression may have touched bottom are discernible. Brazil, where expectations improved substantially in Q1, has been affected by the increase in political uncertainty. Although public-sector borrowing requirements have been covered for this year, the size of public debt and, above all, its structure, which is highly sensitive to changes in the real's exchange rate and in short-term interest rates, are a source of potential vulnerability in a region alerted by the Argentine crisis. On the economic front, the indicators show a gradual though slower-than-expected recovery in activity, which is being held back by the slackness of domestic demand. The economic indicators in Mexico show a progressive pick-up in activity thanks to favourable developments in the US economy. In Chile the monetary authorities, faced with the relative flatness of economic growth (1.5% in Q1 on a year earlier), have cut official rates to 3.75%, using the margin for manoeuvre provided by the moderate inflation rate.

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

The information available on economic developments in the euro area in Q2 confirms the prolongation of the recovery in activity seen since the start of the year. However, activity is proving less robust than initially expected since internal demand has not yet gathered sustained pace. The current setting is characterised by the absence of significant macroeconomic imbalances, continuing favourable financial conditions and the gradual strengthening of activity in the rest of the world. The factors needed for a progressive pick-up in growth rates are thus in place. Moreover, the appreciation of the euro may galvanise private consumption in the short term insofar as household real disposable income improves. Nonetheless, two factors may slow the pace of recovery: the fall on stock markets, through the impact on household wealth and the greater difficulties corporations face in financing their investment projects, and the effect of the appreciation of the euro on the export sector. Lastly, the difficulties of certain Member States in meeting the fiscal commitments they entered into pose a challenge for the effectiveness of the economic policy co-ordination and multilateral surveillance mechanisms.

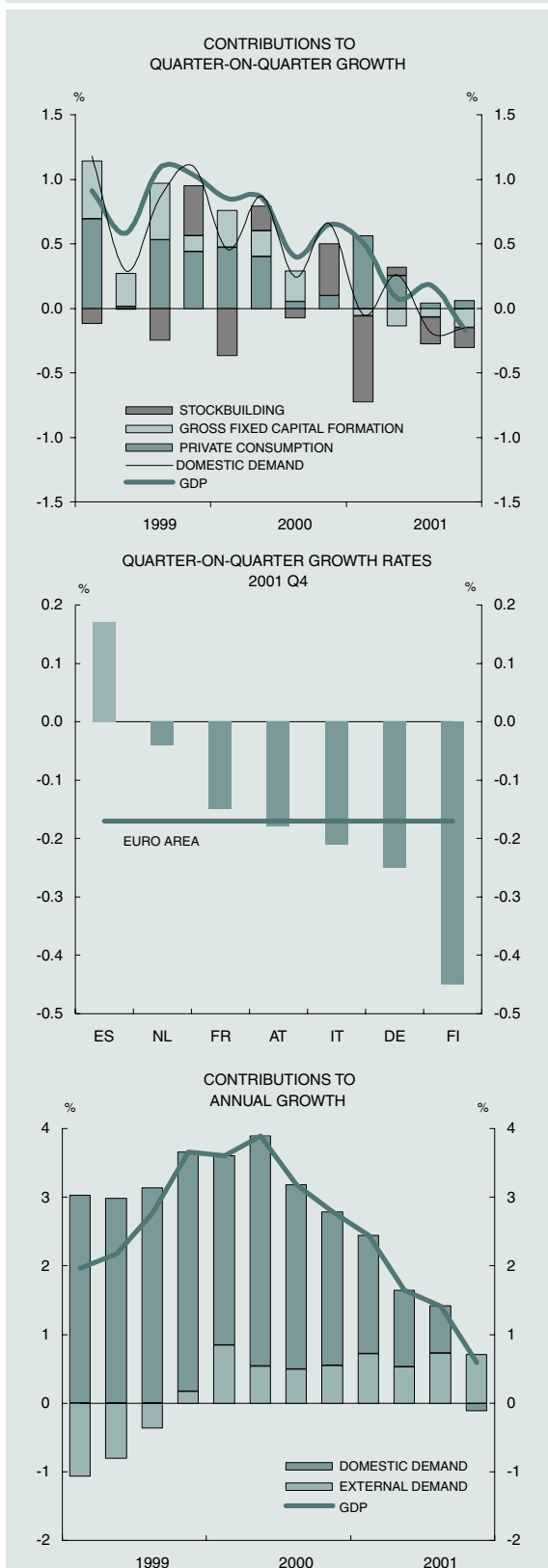
3.1. Economic developments

According to the second National Accounts estimate for the area, GDP grew by 0.3% in quarter-on-quarter terms in Q1, compared with a decline on the same scale in the final quarter of 2001 (see Chart 8). In year-on-year terms, the rate was also 0.3%, one-tenth of a percentage point down on the previous quarter. The pick-up in output in relation to the preceding quarter was due to the behaviour of the external sector, whose contribution to growth was half a percentage point, after a zero contribution in 2001 Q4. This change in the contribution of external demand to GDP growth was due to the notable improvement in exports, since the rate of decline of imports slackened. Internal demand (excluding stocks) contributed only one-tenth of a point to output growth, as was the case the previous quarter. Private consumption remained flat at the level of the closing three months in 2001, while the decline in gross fixed capital formation slowed. Finally, the inventory run-down continued, whereby the contribution of stocks to economic growth remained negative (three-tenths of a point).

The National Accounts figures for euro members in Q1 reveal that, among the eight countries for which data are available, only Finland continued to show a negative quarter-on-quarter growth rate, while this had been the case in seven Member States in 2001 Q4. The

CHART 8

GDP in the euro area



Sources: Eurostat and national statistics.

four biggest euro area economies accelerated clearly, although growth was more robust in Spain and France, with rates of 0.5% and 0.4%, respectively, than in Germany and Italy, where output expanded by 0.2% (see the middle panel of Chart 8). The biggest difference between both groups of countries is the differing buoyancy of internal demand. Whereas in France and Spain consumption and gross fixed capital formation posted positive growth rates, these two aggregates contracted in Italy and Germany. Further, the improvement in exports in Q1 in the euro area was not across the board. Whereas sales abroad were very buoyant in Germany and France, negative quarter-on-quarter rates were recorded in Italy and Spain in this connection.

Notable across the branches of production was the strong recovery in value added in industry which, after falling by 1.6% in 2001 Q4, increased by 0.8% in the first three months of this year. That is consistent with the rebound in exports, given the greater proportion of tradable goods in this sector. Value added in the services sector grew by 0.3% in 2002 Q1, a rate somewhat down on the average recorded last year.

As regards Q2, the supply-side indicators available point to an additional strengthening of activity, as a result of which a growth rate similar to or somewhat higher than that of Q1 may have been attained. In particular, the indicator drawing on the European Commission's monthly business confidence survey has held at slightly more favourable levels throughout Q2 than those recorded at the end of Q1, standing at around pre-September 11 volumes. In contrast, the manufacturing purchasing managers' index has improved unequivocally in comparison with these reference periods. However, the improvement in the related indicator for the services sector has been more moderate. Finally, despite trending somewhat erratically in the March-April period, the industrial production index has been on a rising trend since the beginning of the year to May (see the upper panel of Chart 9).

In the case of the internal demand indicators, the signs of improvement are less conclusive. In particular, the consumption indicators do not show an across-the-board increase. Whereas the consumer confidence indicator improved slightly in Q2, the retail trade index deteriorated further (see the lower panel of Chart 9). Retail sales worsened in April, while the rate of decline of new car registrations has been slackening in the March-June period. Turning to the demand for capital goods, the results in April of the European

Commission's half-yearly investment survey reveal a decline in 2002 in real spending on this demand component, the scale of which is greater than was expected in November 2001. As to the foreseeable trend of inventories, the proportion of respondents who considered their stocks to be above the desired level fell in Q2 according to the results of the related question of the business confidence survey. Finally, as regards external demand, export indicators have improved once more in Q2, as the middle panel of Chart 9 shows.

The strengthening in the rate of increase of GDP signalled by the indicators of activity might be based, on the demand side, on the extra momentum in exports and, probably, in investment, and in the petering out of the inventory run-down, while private consumption is likely to sustain a weak rate of increase in line with the course of its determinants. Of these determinants, it is estimated that real disposable income is running at a less intense growth rate than in 2001, given lower employment creation and the absence of tax cuts, although the current appreciation of the euro, should it hold, might partially moderate the foreseeable slowdown in real disposable income. The heavy decline in stock prices throughout Q2 might have a negative effect on household spending decisions via the loss of value of their financial wealth. As analysed in Box 1, the pattern of the recovery does not differ substantially from that seen in similar cyclical episodes.

With respect to the euro area labour market, employment growth in Q1 was 0.2% according to ECB estimates, slightly down on the rate for the second half of 2001. Consequently, the year-on-year rate stood at 0.8%, its lowest value since 1997. The slowdown in the pace of employment generation has been accompanied by a slight rise in the unemployment rate which, in May, stood at 8.2% of the labour force, two-tenths of a point above the end-2001 level. However, as Box 2 shows, the employment indicators drawing on surveys have improved recently.

Consumer prices in the euro area were marked in Q2 by a notable easing off of the rate of increase of the harmonised index of consumer prices (HICP), which dipped from 2.5% in March to 1.8% in June (see Chart 10). However, this decline has essentially been due to the behaviour of the more volatile components (fresh food and energy), whose rate of increase has moderated notably in the April-June period, while the prices of the other groups of goods have shown considerable downward stickiness. The rate

CHART 9

Euro area. Real indicators

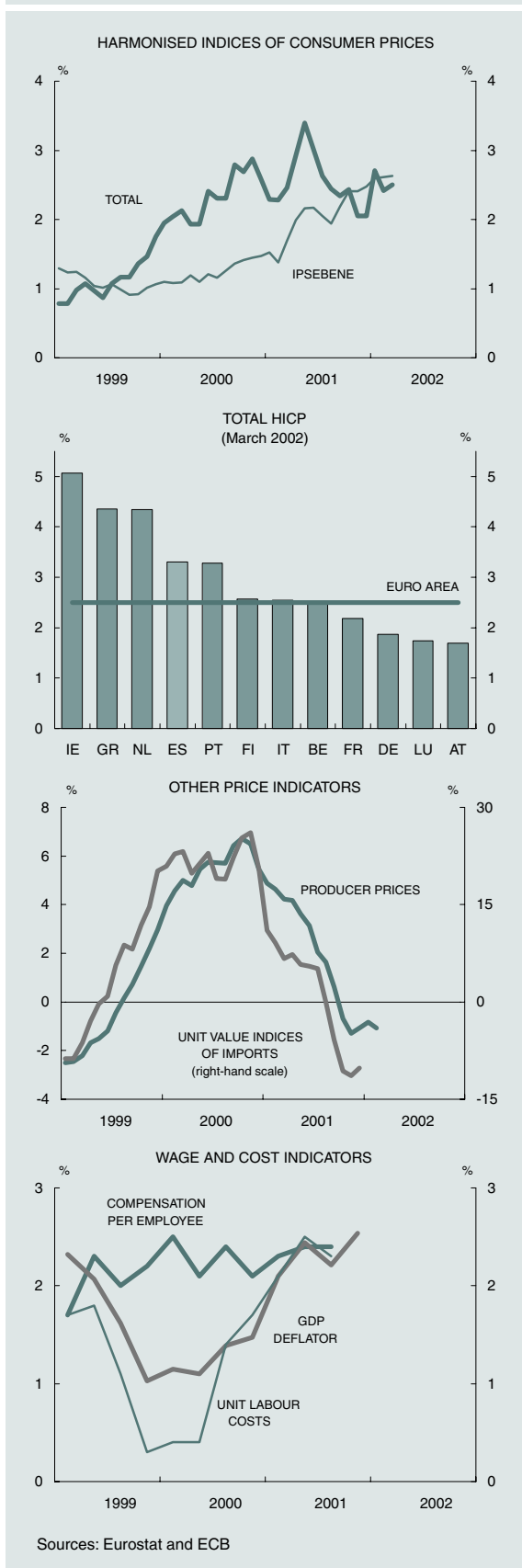


Sources: Eurostat and European Commission.

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

CHART 10

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



of increase of the indicator covering the prices of services and non-energy goods thus held stable at 2.6% in the period from January to June. In particular, services inflation, which stood at 3.2% in June, is a cause for concern in the euro area since the persistence of such a high rate of increase for these prices is occurring against a background of weak internal demand. Nonetheless, this inflationary behaviour may still be capturing the delayed effects of a high number of recent shocks, relating to oil prices, the sharp depreciation of the euro, food crises and the introduction of euro notes and coins. But these effects should gradually diminish. Country by country, six Member States have an inflation rate of over 2%, the upper boundary of the reference interval in the price stability definition adopted by the ECB, while the gap between the rates of the two most and least inflationary countries (Ireland and Germany, respectively) currently stands at 3.8 percentage points, i.e. four-tenths of a point above the March figure. The 12-month growth rate of the producer price index fell by 1% in May, a similar rate of decline to that seen since last autumn. In terms of its different components, the positive growth rates of consumer goods prices continued to moderate (as has been the case since early 2001), while the decline in intermediate goods producer prices tended to slow in April and May.

It is worth examining to what extent the appreciation of the euro may change the inflation outlook. In principle, a rise in the euro against the dollar helps relieve inflationary pressures insofar as the pass-through to oil import and other commodity prices is swift and very high. In this respect, the depreciation of the dollar has lowered the national-currency price of oil, which has trended throughout Q2 at around \$25 per barrel. Although in nominal effective terms the appreciation of the euro has been more limited, in the coming months it will foreseeably begin to feed through to the import prices of other goods. However, along with this positive factor, the course of domestic costs raises doubts about the price outlook. The growth rate of unit labour costs rose by half a percentage point in Q1 to 3.9%, as a result of both employee compensation holding at a high rate of increase and, above all, the decline in labour productivity. The GDP deflator grew by 2.3% in Q1, two-tenths of a point less than the previous quarter, whereupon the acceleration in unit labour costs has entailed a slowdown in margins (see Chart 10).

The euro area current-account deficit narrowed in the first four months of 2002 to €1.5 billion, compared with €17.2 billion in the same

Patterns of cyclical recovery in the euro area

The latest Eurostat data confirm that economic activity in the euro area began to pick up in the opening months of the current year after reaching a trough in 2001 Q4. In order to evaluate the prospects of recovery, it is worth comparing recent developments in GDP and its main components with those observed in previous cyclical episodes.

The accompanying charts show the three main cyclical episodes in the euro area during the nineties, which have been identified by approximating the GDP cycle in terms of its quarter-on-quarter growth rates based on deviations from its long-term trend¹. The same procedure has been applied to the main components of output. The chart in the upper panel shows GDP one year before and after reaching its cyclical trough, while the other charts depict the deviations by each component from its trend growth in the same periods, allowing their contribution to the slowdown in output and to its recovery to be analysed.

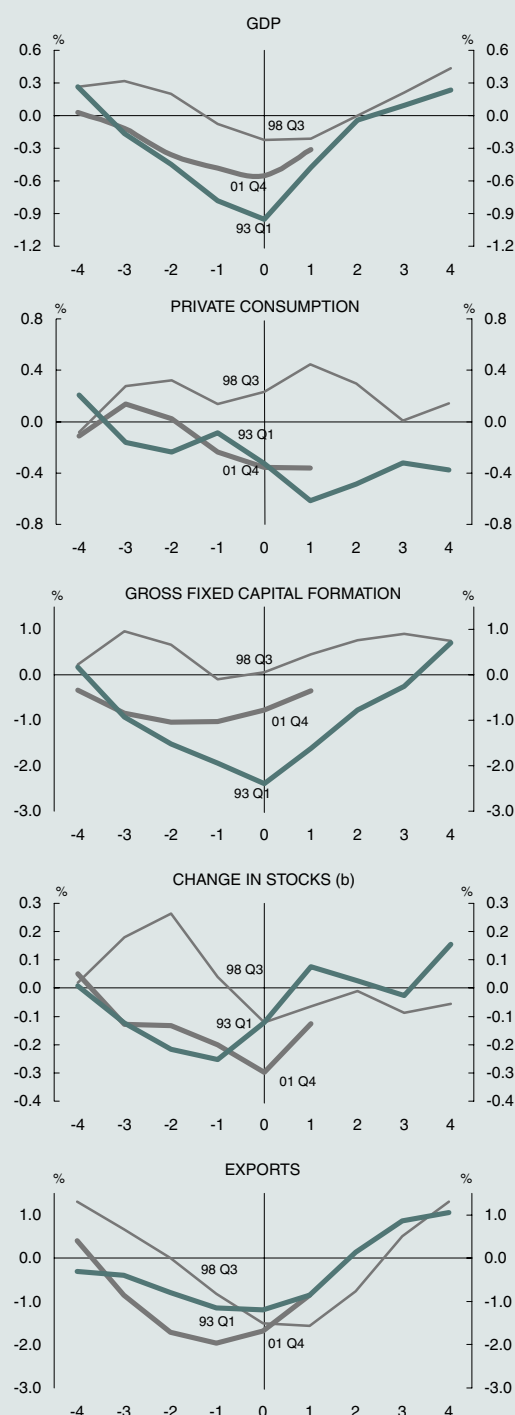
Although the intensity of the slowdown differs in the cyclical episodes analysed, a common feature to all is the fact that output resumes its trend growth fairly quickly, two quarters after the related trough. The contribution of economic variables to the cycle has been different in each case. In 1992 and 1993, the slowdown was particularly marked owing to the decline in internal demand, in particular in gross fixed capital formation. The main determinant of the cyclical slowdown in 1998 was the fall-off in exports, the result of the crisis of the Asian emerging economies and of the financial instability in Russia, while internal demand held relatively stable.

In its deceleration phase, the current cycle shared certain features with the two aforementioned episodes, as it was characterised by a fairly sharp fall in exports, as in 1998, and by a contraction in internal demand which, in the case of private consumption, was similar to that observed in 1992-1993. The reduction in exports was the natural consequence of the international origin of this period of slowing activity and declining world trade, whereas the deterioration in consumer and business confidence and higher energy prices accounted, in part, for the slowdown in internal demand. In any event, the combined effect of these factors led to a more moderate slowdown in GDP than in the 1993 recession. Moreover, the contribution of the change in stocks to output showed a run-down process similar, but more lagged, to that of 1993. Finally, imports also slowed notably, in line with the moderation of final demand.

Regarding the current phase of recovery, exports have begun to improve ahead of the cyclical trough, as was the case in 1993. Gross fixed capital formation has also embarked on a mild but sustained path of recovery, leading that of output, and appears to have firmed in 2002 Q1. However, it seems it is construction rather than investment in capital goods that is driving this recovery. As regards private consumption, there are no signs of a clear path of recovery for the moment. That said, as occurred in the early nineties, this component may be lagging the other variables slightly. Finally, the run-down of stocks has already begun to be corrected in the opening months of 2002, albeit while still subtracting from output growth.

(1) Specifically, the Hodrick-Prescott filter has been applied drawing on the trend-cycle component, extracted by means of the TRAMO-SEATS procedure. See Kaiser, R. and Maravall A. (1999), Short-Term and Long-Term Trends, Seasonal Adjustment, and the Business Cycle, Working Paper no. 9918, Servicio de Estudios, Banco de España.

Deviation from trend growth (a)
Quarter-on-quarter growth



Sources: EUROSTAT, ECB and Banco de España.

(a) Estimated by the HP filter applied to the trend-cycle component. The four quarters before and after the turning point are depicted.
(b) Contribution to GDP growth.

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).

period of 2001. Behind this improvement is the better performance of exports and the improved terms of trade, which have contributed to increasing the surplus on the merchandise balance. In respect of the financial account, cumulative net outflows of direct and portfolio investment fell in the first four months of the year to €35.2 billion, against €97.5 billion in the same period in 2001, as a result of the reduction in euro area residents' foreign direct and portfolio investment.

In the fiscal policy sphere, the authorities of several Member States that have not yet achieved a balanced budget have recently released information that suggests a more unfavourable fiscal position than initially envisaged. The Portuguese government acknowledged that its general government deficit exceeded 3% of GDP in 2001, which will trigger the application by the European Commission of the excessive deficit procedure. At the same time, the Portuguese authorities have adopted a set of budgetary measures to prevent this limit being breached during the present year. In France, in late June, the new government submitted the results of a public finance audit and, shortly after, tabled draft legislation revising the State budget for the year 2002, which includes a 5% cut in per-

sonal income tax contributions. As a result, the initial general government deficit target for 2002 (1.4% of GDP) has been revised to 2.6% of GDP (see Table 1). Finally, the Italian deficit may reach 2.2% of GDP in 2001 after having been revised upwards by 0.6 percentage points further to the Eurostat resolution in early July concerning the method of recording various operations transacted recently in several countries. In particular, the resolution addresses the correct form of recording certain asset securitisation operations conducted in 2001 by the Italian government. Furthermore, the Italian authorities announced at the start of June that public finances would not reach a position close to a balanced budget until 2004, one year later than initially scheduled.

In this respect, the recommendations of the 2002 Broad Economic Policy Guidelines (formally adopted by the ECOFIN after the Seville European Council) reiterate the need, in 2004, for all Member States to have attained a close-to-balance or in-surplus position. The visibility of this commitment advises making every possible effort to meet the commitment on schedule, so as to reinforce the credibility of the fiscal discipline mechanisms in place in the area.

Employment prospects in the euro area

Achieving a sustained recovery in the euro area depends on the reactivation of internal demand and, in particular, given its relative significance, of private consumption. The behaviour of this variable largely responds to developments in the labour market. This is because employment is a fundamental determinant of disposable income and, moreover, consumer confidence is highly sensitive to changes in unemployment.

The lag with which National Accounts employment data in the euro area are released conditions their use for short-term economic analysis. Specifically, at the time of this bulletin going to press, the latest employment figure for the area was for 2001 Q4, although an ECB estimate for 2002 Q1 calculated on the basis of data from certain countries is available. The information on the unemployment rate is released with much less of a lag, though its use for drawing conclusions on employment is conditioned by its dependence on the behaviour of the labour force.

In analysing the labour market situation, and to compensate for the lag in the release of the official employment data, information from surveys is used. In particular, the European Commission (EC) and Reuters surveys provide indicators that are highly correlated with actual employment and unemployment developments. The EC survey furnishes monthly indicators of short-term employment prospects in manufacturing, construction and services, of recent employment developments in services and of consumer expectations about unemployment over the next 12 months. Reuters publishes indicators on the direction of changes in employment for the current month compared with the previous one in industry and in services, along with a composite index of both. In addition, Reuters provides predictions of the level of the unemployment rate over the next seven quarters. Currently, information from both sources to June 2002 is available. This offers an up-to-date, though preliminary, evaluation of the labour market situation.

As the accompanying chart shows, employment prospects in the euro area as reflected in these surveys have been recovering in the first half of 2002 from their trough at the end of last year. The EC and Reuters survey results on employment in the manufacturing sector show a turnaround in 2002 Q1 which is particularly noticeable given the close link between the survey turning points and those for total employment in the euro area. In the construction industry, the indicators signal a halt in the slowdown in employment and, in services, indicators of the current situation have shown a slight improvement since end-2001, which has been most marked in the case of expectations.

As regards the unemployment indicators, prospects as stated by consumers in the EC survey (which are closely related to actual movements in unemployment) show a turning point in 2001 Q4 (see the lower panel of the accompanying chart). Further, these variables can be seen to be highly correlated with private consumption. Consequently, in line with the gradual improvement in economic activity initiated at the start of the year, employment will foreseeably pick up slightly in mid-2002, thereby boosting private consumption and economic expansion. On this occasion, it also seems that the pattern seen in previous cyclical phases is holding; namely, that labour market variables only react with a lag to cyclical changes, as the result of an incomplete adjustment of this production factor in the short term.

Employment and unemployment indicators

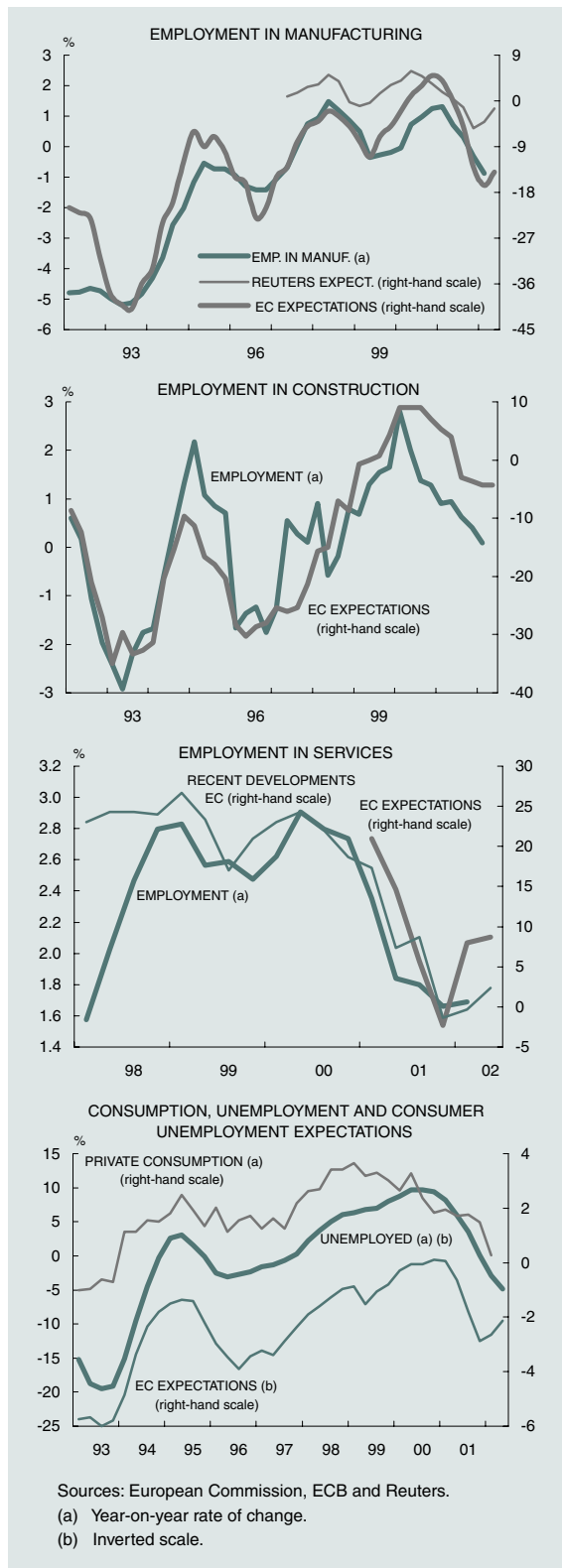
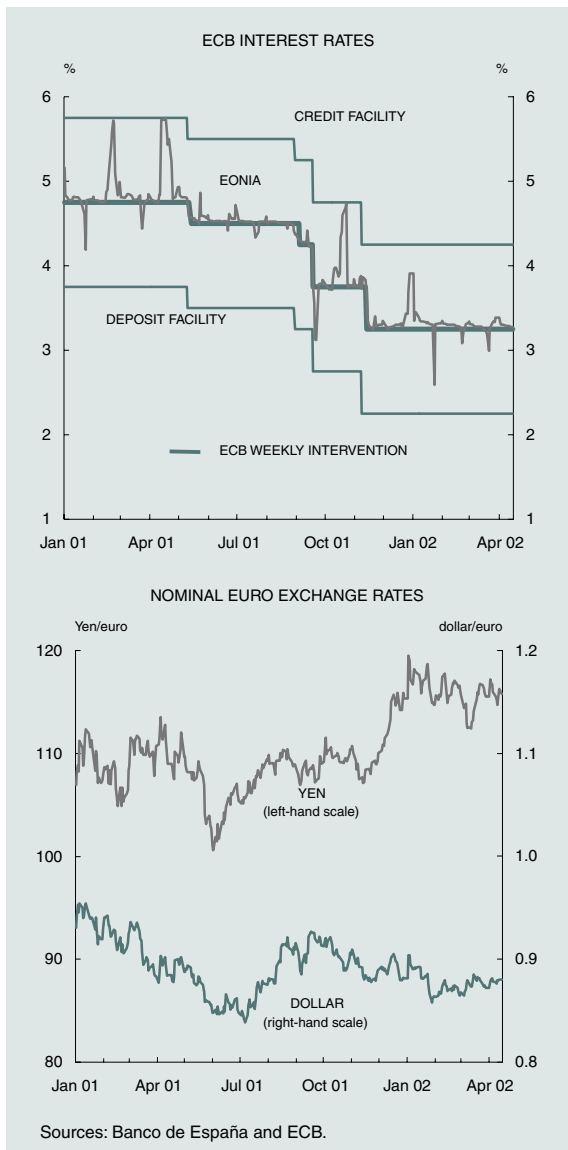


CHART 11

ECB interest rates and euro exchange rates



3.2. Monetary and financial developments

The monetary policy decision-making context has been marked by high uncertainty over the inflation outlook. This is because, on one hand, certain doubts remain over the intensity of the economic recovery and it is to be expected that the appreciation of the euro will alleviate price pressures. Meantime, on the other hand, the downward stickiness of services prices and the behaviour of labour costs are causes for concern. Against this background, the ECB Governing Council has decided to keep its official interest rates unchanged. The minimum bid rate on the main refinancing operations has thus held at the level of 3.25% set on November 8 last year.

CHART 12

Euro area Yield curves

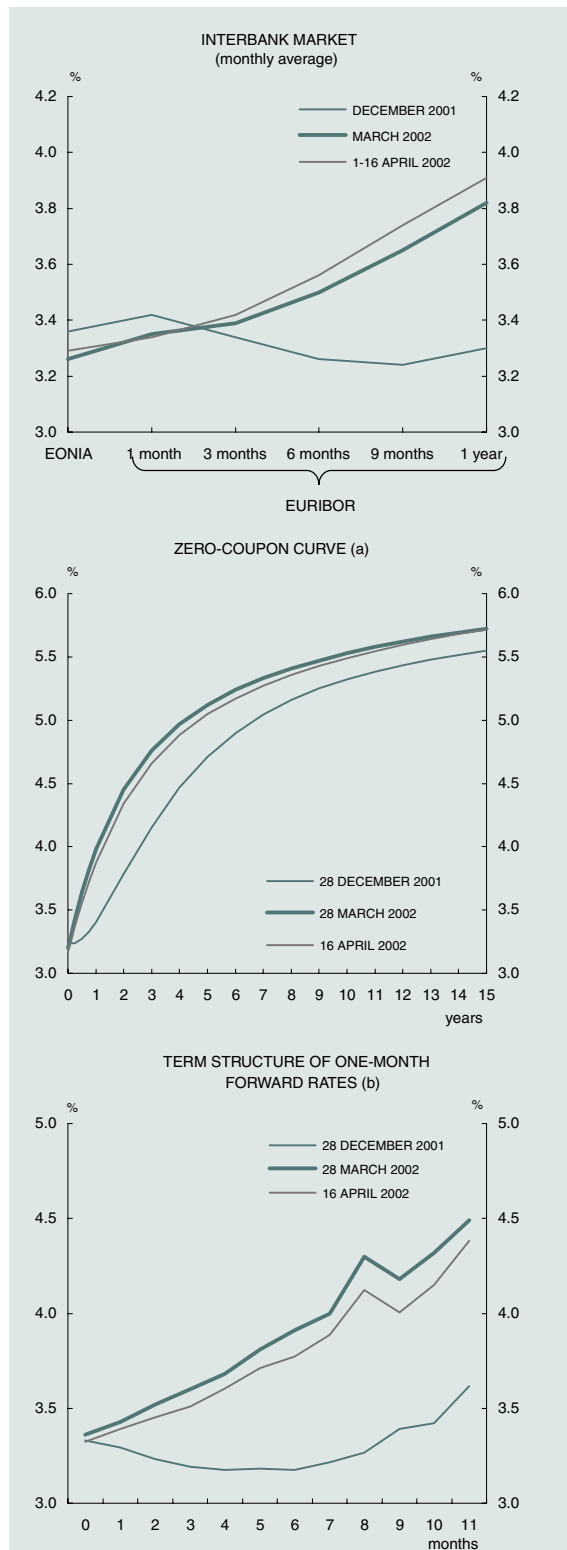


TABLE 2

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.

As Chart 12 shows, there were two clearly differentiated phases in the money market yield curve during the quarter. Until end-May, the yield curve shifted upwards, possibly as a result of the worsening price outlook. However, thereafter yields began to decline, further to the progressive reduction in expectations of future official rate increases (see lower panel of Chart 11). Undoubtedly, this process has been linked to the appreciation of the euro, insofar as the exchange rate is contributing to easing inflationary pressures in the area by reducing the generosity of monetary and financial conditions.

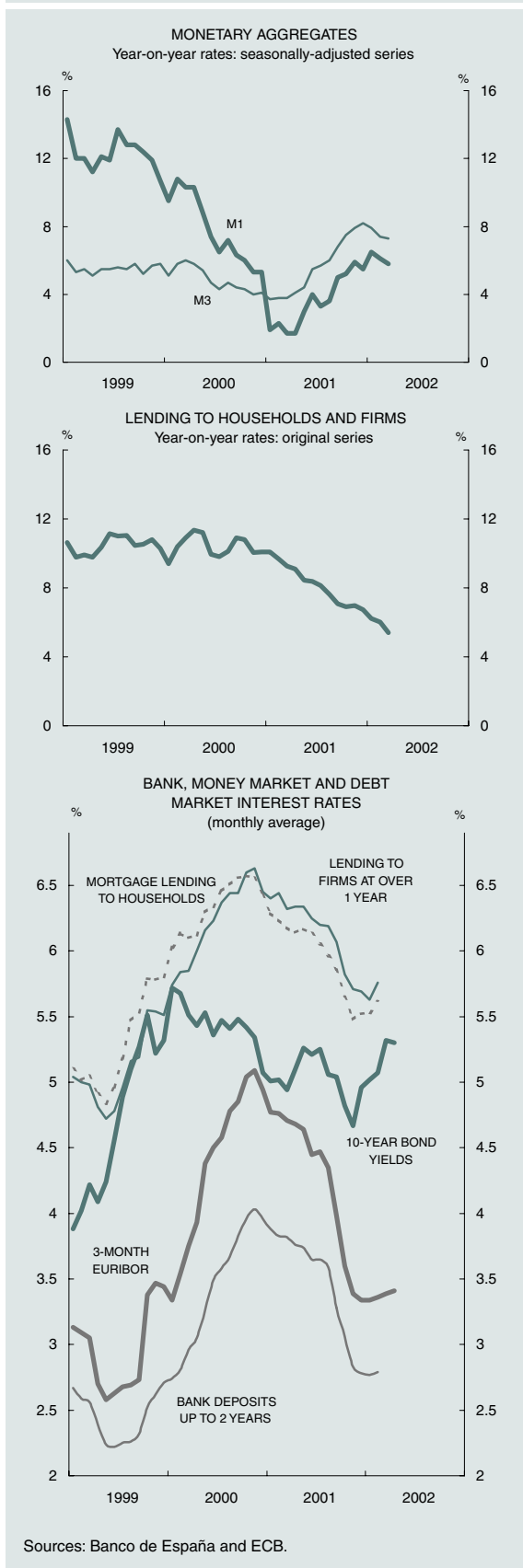
In the debt markets, yields have fallen at all maturities since mid-May. There was a reduction of approximately 30 basis points, to below 5.1%, in 10-year bond yields. The decline in the

yield on US government debt was sharper, whereby the differential with the euro area (which was negative of the order of five basis points in mid-May) has widened to around 30 basis points.

The interest rates applied by euro area credit institutions to transactions with customers remained until May on the rising trend initiated around the start of the year, in step with the trend of money market rates until last month (see the lower panel of Chart 13). The interest rates on credit to corporations at over one year and on house-purchase credit stood at around 20 and 30 basis points, respectively, above their levels at end-2001, while the increase during the same period of the return on deposits with an agreed maturity of less than two years was 14 basis points. In Spain, the increases in credit in-

CHART 13

Monetary and credit aggregates and interest rates in the euro area



stitutions' synthetic rates from December 2001 to May 2002 were similar (see Table 2).

Euro area stock market indices, which had moved in a relatively narrow range between December 2001 and the end of May, embarked thereafter on a very sharp fall, in line with the main international bourses. The broad Dow-Jones Euro Stoxx index and the Madrid General Stock Exchange index have in 2002, to the time of this Bulletin going to press, posted approximate declines in excess of 25% and 20%, respectively, and now stand at similar levels to those observed in the wake of the September 11 terrorist attacks. Among the likely causes for this is the loss of confidence by market participants in the reliability of corporations' accounting information, following the spate of financial scandals in the United States.

On the foreign exchange market, the euro has risen during this period against the US currency (by around 16%, momentarily breaching parity with the dollar) and, to a lesser extent, against most of the currencies of the euro area's main trading partners. The nominal effective exchange rate of the euro has appreciated by more than 6% since end-April.

The M3 monetary aggregate held at a relatively high growth rate in Q2, posting a year-on-year rate of 7.1% in June (see Table 2 and Chart 13). The average year-on-year growth in the April-June period was 7.4%, a very similar figure to that recorded in Q1. This expansion in the aggregate perhaps reflects portfolio shifts by agents towards short-term liquid assets, as a result of the two bouts of instability on the financial markets in autumn 2001 and in spring 2002. The existence of this substantial liquidity does not necessarily entail inflationary risks in the medium term, inasmuch as it primarily reflects portfolio decisions unrelated to agents' spending plans. The narrow aggregate, M1, which had been slowing in Q1, rebounded in Q2 to a year-on-year rate of almost 7% in June.

With regard to the counterparts of the monetary aggregates, the slowdown in credit extended to resident private agents came to a halt in Q2, with its year-on-year rate standing in June at 5.4%, a similar level to that observed at the end of Q1. In a context in which favourable conditions in terms of the cost of financing remain in place, the foregoing developments may be related to the recovery in economic activity in the area. In Spain, the growth of financing extended to the private non-financial sector remained fairly high in Q2, growing at a year-on-year rate of above 14%, substantially up on the related rate for the area as a whole.

4. The Spanish economy

The QNA data for 2002 Q1 confirmed that Spanish GDP held on a slowing course in this period, dipping to a year-on-year growth rate of 2% (1) in real terms, in line with the estimates presented in the previous quarterly report (see Chart 1). On the basis of the economic data currently available, output is estimated to have held at a growth rate of around 2% year-on-year in Q2 also, the result of a moderate and further slowdown in national demand (to which the mild containment of household expenditure and the cut in stocks would have contributed) and of a slightly positive contribution by the external sector (see Chart 14). In any event, the most buoyant components of spending have continued to be consumption (government and private alike) and construction, while exports have tended to pick up after declining heavily in the two previous quarters and investment in capital goods has continued to post negative year-on-year rates of change.

From the standpoint of the productive branches (in addition to construction which, in step with the increase in spending, has remained notably robust), market services grew at relatively high rates, albeit down on those attained last year. Conversely, a clear profile of recovery is not discernible in the industrial branches. Reflecting the moderation of productive activity has been the downward trajectory of the rate of employment creation, such that productivity has grown at similar rates to those recorded since the second half of 2001. In industry, where employment has been contracting since the end of last year, productivity has tended to pick up.

Against this background, the slight slowdown in employee compensation in the first two quarters of 2002 (in a climate of contained wage increases) has borne favourably on unit labour costs, the growth rate of which has declined. Conversely, final prices in the economy, and consumer prices in particular, have accelerated in the first half of the year virtually across the board, though more markedly so in services. That has given rise to a recovery in margins, which has probably been more intense in those sectors where demand has retained greater momentum. Consequently, the inflation differential with the euro area has widened significantly.

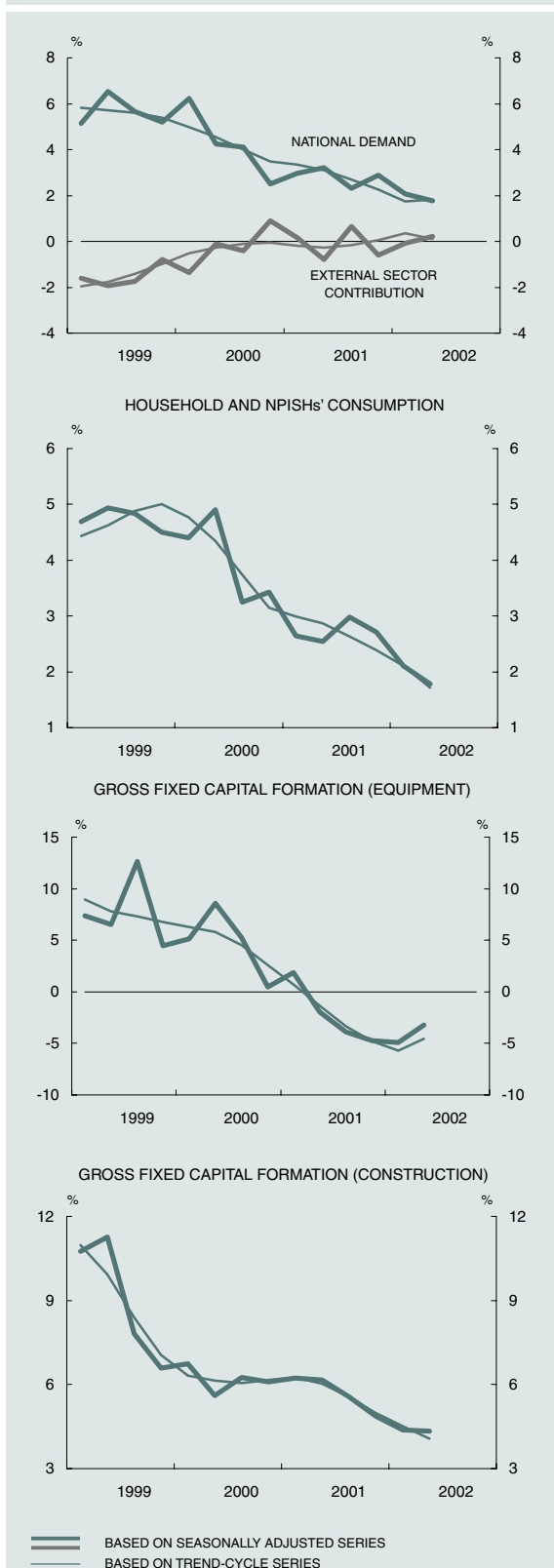
4.1. Demand

Given its weight in expenditure, household final consumption has largely contributed to

(1) QNA rates will be expressed in terms of the seasonally adjusted series, unless otherwise indicated.

CHART 14

Main demand aggregates
Percentage change on year ago



Sources: INE and Banco de España.

moderating the rate of increase of national demand in recent quarters, although it has also enabled this aggregate to maintain higher growth rates than those of other European countries. As can be seen in Chart 14, consumption slowed by six-tenths of a point in 2002 Q1 on QNA estimates, taking its real rate of change to 2.1%. And the as yet very partial information available on this variable in Q2 would point to a further slowdown, albeit not as sharp as in the previous quarter.

The loss of steam in consumption has essentially been centred on spending on food and on car purchases. Among the usual indicators, the rate of increase of the index of apparent consumption of goods and services has tended to stabilise in Q2 (see Chart 15), underpinned by the non-food goods component, while food fell back slightly. The index of apparent consumption of durables has held at negative rates of change, reflecting the fall in car purchases, and consumer surveys on the timeliness of buying durable goods have slipped during the first half of the year. Other spending indicators, such as the index of retail sales, which does not include motor vehicle sales, signal a degree of stability. The consumer confidence indicator has declined only marginally in Q2, after the deterioration at the beginning of the year, and it reveals a somewhat more positive assessment of the economic situation expected over the coming 12 months.

The trend of consumption in the first half of 2002 is consistent with the lower estimated growth of real household income compared with the previous year. This is the result, first, of moderating wages and a lower rate of employment creation; and further, of the rise in the inflation rate. Both factors have more than offset a somewhat more expansionary contribution by the general government sector to the increase in income. In addition, the diminished value of financial assets linked to the securities markets and heightened uncertainty (illustrated by the deterioration in consumer confidence) help explain the lesser buoyancy of consumption. On the estimates available, the growth rate of consumption would have adjusted to that of real income, stabilising the saving ratio.

General government final consumption grew by 3% in 2002 Q1, two-tenths of a point less than the previous period. Along with construction, it remains one of the most buoyant components of national demand. On the latest information, the pace of employment creation in the general government sector is holding at slightly lower rates than those posted in 2001, and the rates of change of other consumption spending are continuing to fall. As a result, a mild slowing pattern is also estimated for Q2.

In 2002 Q1, gross fixed capital formation continued on the declining trend marking its course during 2001. Its year-on-year growth rate stood at 0.9%, two-tenths of a point less than in 2001 Q4. The lesser thrust of investment was due to the behaviour of capital goods, which continued to worsen notably and whose year-on-year rate of decline stepped up to 4.9%. Construction also grew at a lower rate than in Q4, although it was once again the most expansionary aggregate of national demand, advancing at a rate of 4.5%. The rate of decline of investment in other products slackened somewhat to -0.1% year-on-year.

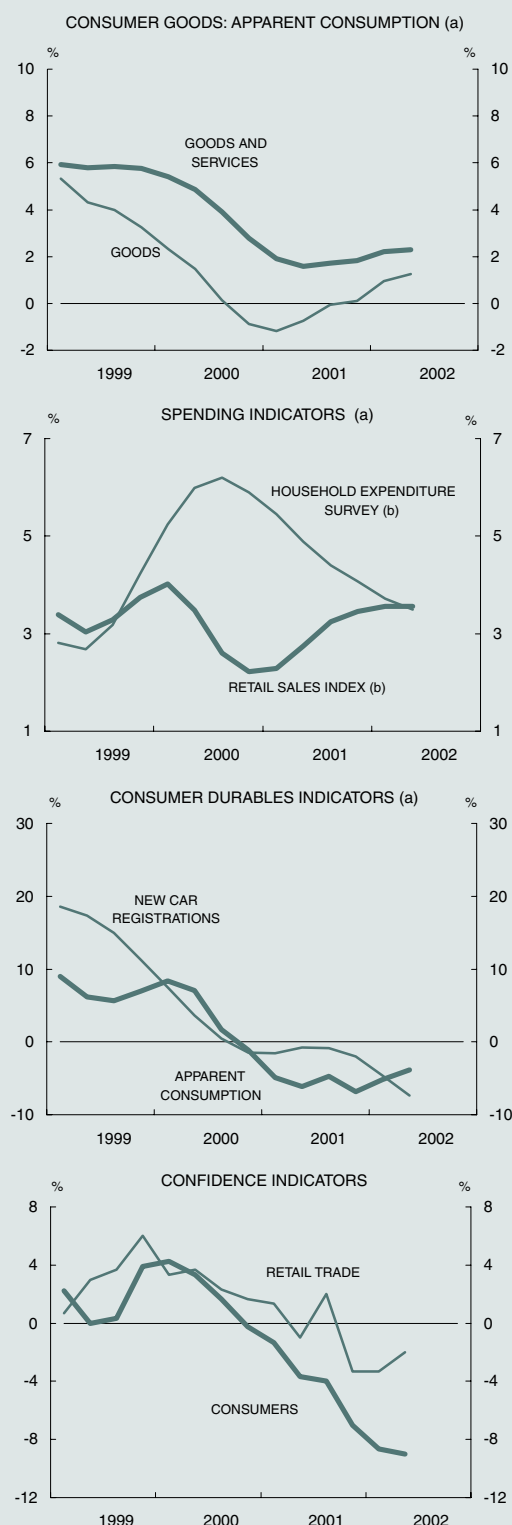
The scant information on the behaviour of investment in capital goods in 2002 Q2 suggests that this aggregate is holding at a fairly negative rate of change. Specifically, the index of apparent investment in capital goods would have fallen back further in this period owing to the decline in industrial production and in imports of investment goods (see Chart 16). Along these same lines, the spring data for the half-yearly investment survey of industry show that industrial corporations have revised their investment plans downwards for 2002. There has now been a 6% decline in this type of expenditure in nominal terms (compared with -2% in the autumn data).

According to this survey, the contribution of total demand as an influential factor on investment decisions has deteriorated appreciably in the past two years, and the influence it currently exerts is hardly favourable in this respect. However, other indicators of demand pressure have trended somewhat better in recent months: the assessment of orders in industry as a whole was less negative in Q2 than in the previous quarters, breaking with its declining trend, and the business climate indicator for the capital goods-producing sector also ceased to worsen. Capacity utilisation has increased slightly by seven-tenths of a point in the opening months of the current year to 77%, but is still below its historical average.

Data drawn from the Banco de España quarterly Central Balance Sheet Data Office survey (CBQ) for 2002 Q1 show that the ongoing slowdown in business activity, which has affected industrial corporations to a greater extent, has passed through to lower growth in the net ordinary result. Nonetheless, profitability ratios remain at relatively high levels and the leverage ratio is still clearly positive, in this latter case thanks also to the decline in the cost of borrowed funds, down 0.8 percentage points on 2001 Q1. As regards debt, according to the CBQ the related ratio stood in Q1 at 1.2 points below the average for last year. Other sources, such as the Finan-

CHART 15

Private consumption indicators



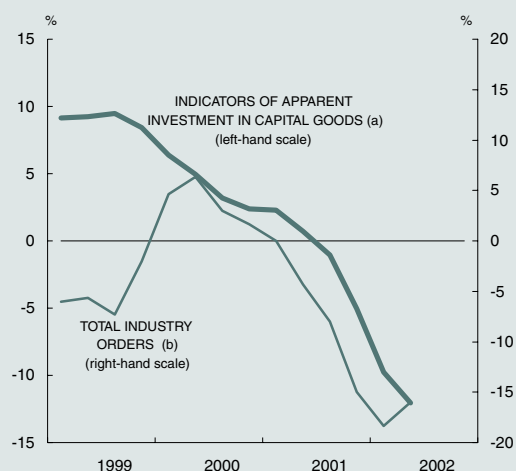
Sources: INE, European Commission, Dirección General de Tráfico and Banco de España.

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

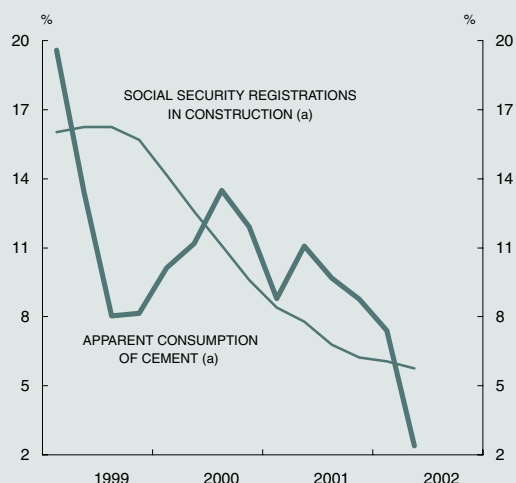
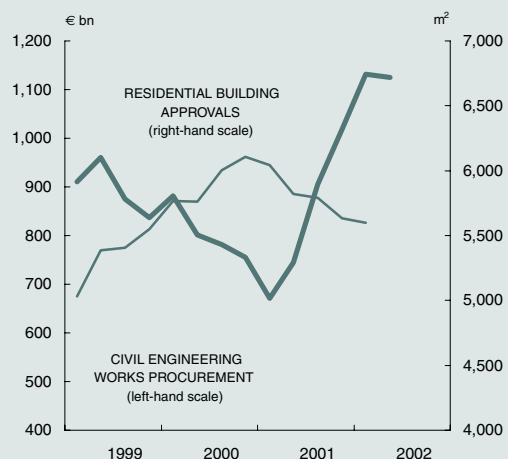
(b) Deflated by the CPI.

CHART 16

Gross fixed capital formation indicators



LEADING INDICATORS OF CONSTRUCTION (c)



Sources: INE, 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.

cial Accounts, point rather to this ratio stabilising or even increasing slightly on the high levels attained, a fact that may condition the strength of the recovery in investment.

It is estimated that investment in construction remained the most dynamic component of national demand in 2002 Q2. Signs that its expansionary phase is tailing off are moderate and in line with the mild slowdown it has undergone since the start of 2001. Regarding the composition of spending, data from the Construction Industry Survey (ECIC) for 2002 Q1 show the behaviour of building and that of civil engineering to differ somewhat from what other indicators reflect. Specifically, the thrust in civil engineering witnessed last year has been checked while, under building, the residential component maintains an accelerating profile and the non-residential component stands at a very moderate rate.

Among the coincident indicators of construction, the growth of the apparent consumption of cement fell significantly in Q2 (see Chart 16). However, the production of construction materials and indicators of employment in the sector (such as Social Security registrations) are looking more sustained, although registered unemployment climbed strongly in June. The business climate indicator for the construction industry also increased by four points in Q2 further to the improved level of orders and of employment prospects.

Turning to the indicators of construction starts, there was, as indicated, a year-on-year decline of 9.3% in 2001 Q4 in square metres to be constructed, according to residential building licences, followed by a fresh cut of 4% between January and February 2002. These data point to a slowdown in this construction investment component in 2002, in line with the deceleration of real household income and with house price rises. As regards civil engineering works, the strong growth of official procurement since the second half of last year would be sustaining robust construction in this segment.

In 2002 Q1, stockbuilding contributed one-tenth of a point to year-on-year GDP growth, compared with five-tenths of a point the previous quarter. Information drawn from the industrial survey to June shows a reduction in the level of stocks in relation to desired levels. This has been generalised, although more intense in the consumer goods-producing industry, and on a lesser scale at producers of capital goods and intermediate goods.

During the first half of the year, the contribution of net external demand to GDP growth has

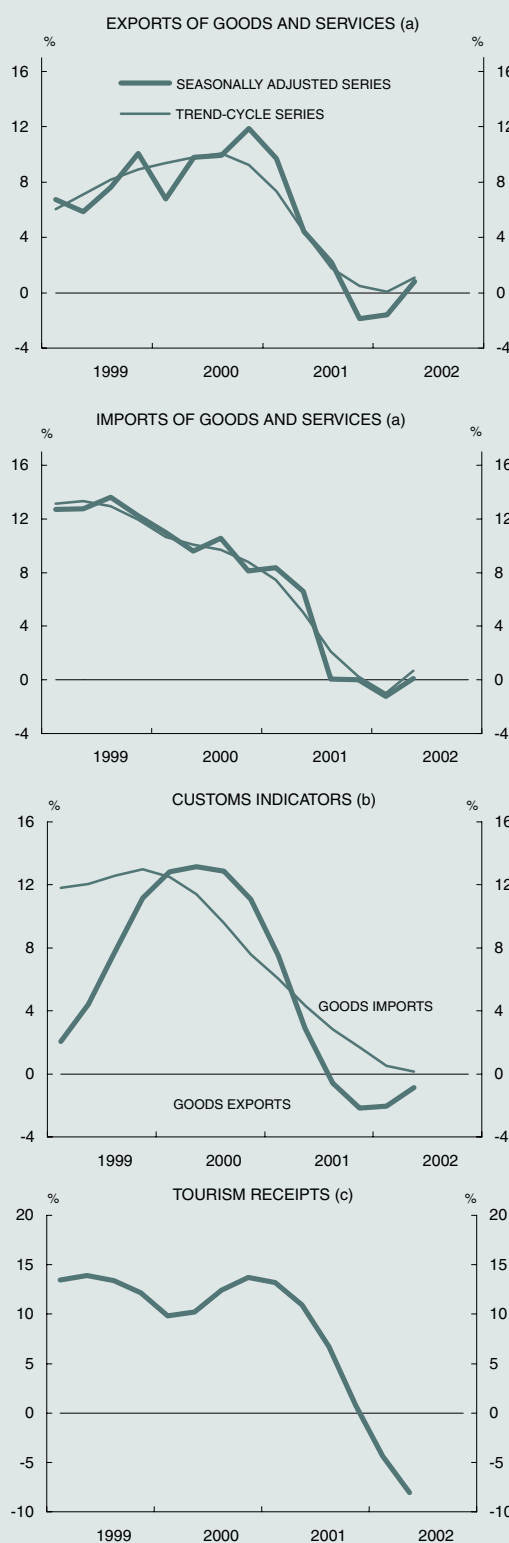
improved following the sizeable negative contribution recorded in 2001 Q4. Thus, in 2002 Q1, it subtracted only one-tenth of a point of GDP growth, against a background in which exports of goods and services once more declined notably in real terms in relation to the same period a year earlier (1.6%), given the persisting weakness of world trade and worsening competitiveness vis-à-vis the euro area countries (see Chart 17). The slowdown in imports in this period stepped up, falling by 1.2% year-on-year, influenced by the loss of momentum of final demand. Estimates for 2002 Q2 show a further improvement in the contribution of net external demand to GDP growth in this period, in which it would have been slightly positive. Exports, without growing significantly, would have picked up slightly, underpinned by the rebound in world trade. That would have enabled the momentum experienced by imports in the light of the improvement in industrial activity and in exports themselves to be offset.

The slowdown in goods exports intensified in 2001 as the economic crisis spread to Europe, the main market for Spanish products. Goods exports ended last year at a negative rate of change of 4.5% in real terms, and they continued to fall off during the first three months of the current year, posting a year-on-year decline of 4.3%, very close to that of the previous quarter. According to Customs data, which depict a similar profile to that of QNA figures, exports fell by 4.2% year-on-year in May, after growing 7% in April, this latter figure being positively affected by the Easter holiday period effect. Over the first five months, exports decreased by 2.3% year-on-year, checking the strong rate of decline characterising them in the final months of 2001 (see Chart 17). This export performance is consistent with the incipient recovery in world markets, especially those linked to the dollar area. Yet this recovery could be curtailed by the widening of Spanish cost and price differentials vis-à-vis the developed countries, against the backdrop of the notable appreciation of the euro.

By product group, capital goods exports were notably weak in the first five months, when they fell back by 19.1% in real terms, further to forceful price rises in these products. There was slight growth in consumer goods sales (0.2%), despite the fact car sales remained significantly sluggish owing to the decline in the demand for these goods in Europe. Sales of intermediate goods increased by 1.9%, in step with the incipient recovery in global activity. In terms of geographical areas, exports to non-Community zones increased slightly by 0.6%, in real terms, during the first four months of the year. That contrasted with the significant slippage record-

CHART 17

Foreign trade Percentage change on year ago



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

- (a) QNA data at constant prices.
- (b) Trend-cycle deflated series.
- (c) Nominal trend-cycle series.

ed since 2001 Q2. This better performance is a result of the pick-up in certain markets, such as the United States or the south-east Asian countries, and of the notable buoyancy of sales to central and eastern European countries, while the Japanese and Latin American markets have continued to weaken. Sales to the EU worsened in the first four months of the year, declining 2.8% in real terms compared with the same period a year earlier. The fall was due to poor results in sales to the two main markets in the area, namely Germany and France. Conversely, exports to the United Kingdom showed renewed vigour.

The slowing path of exports of tourist services, measured by QNA, ran into 2002 Q1 posting a real rate of change of 1.9% year-on-year, four-tenths of a point down on the previous quarter. The real indicators of tourism have fallen more sharply, as is also the case with tourism receipts in the balance of payments (see Chart 17). The number of tourists entering Spain in the first half of the year was similar to that in 2001, with a notable decline in Germans and a slowdown in the case of Britons, the two main markets supplying tourists for Spain. That said, numbers of tourists from France and the Netherlands increased significantly. Foreigners lodged in hotels and overnight stays fell back at rate of 2.3% and 5.5%, respectively, in the first half of the year, and there was also a sizable fall in reservations for July and August (–12.7%). Non-tourist services, which grew by 7.5% in 2002 Q1, slowed notably in relation to their trend in years prior to 2001. This was consistent with weaker goods exports and fewer foreign visitors, and also with lower investment flows abroad.

In the first three months of the year, the substantial deceleration characterising real goods imports since mid-2001 became steeper; they declined by 2.1% year-on-year, affected by the progressive slowdown in final demand. The Customs data for May showed a fall of 2.7%, following the small 1.7% increase in April, although this rate is also positively influenced by the Easter holiday period effect. In the first five months of the year as a whole, imports were 0.8% down. Capital goods imports declined significantly (9.7%), in keeping with the ongoing fall in private productive investment. Consumer goods purchases eased off considerably in this period (0.5%), due partly to the adverse behaviour of motor vehicle purchases and to the slowdown in other durables. Imports of non-energy intermediate goods grew at a very moderate rate of 0.6%, retaining the slackness of the previous year. Conversely, purchases of energy products were considerably robust (8.2%), driven by oil prices which, although they increased

in this period, were at lower levels than in the first half of 2001.

Lastly, real services imports, though they rebounded slightly in Q1 growing at a rate of 3.4% in relation to the same period a year earlier, have retained the moderate pace of the previous year. That is in step with the slowdown in goods imports and the fall in foreign investment. Non-tourist services grew by only 2.5% in this period, in contrast to the notable buoyancy seen in the first half of 2001. Tourist payments slowed during the period, although they continued growing at a high rate (7.3% according to QNA figures). The balance of payments figures, however, show a sharper slowdown that is more in keeping with the prevailing low consumer confidence levels.

4.2. Output and employment

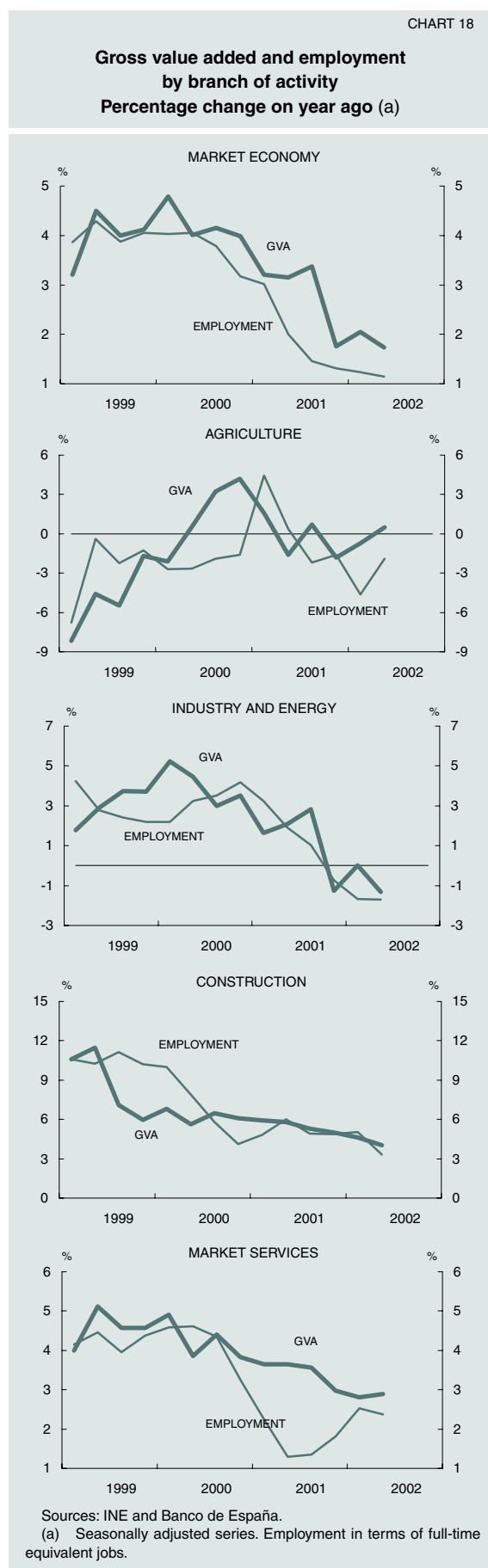
As can be seen in Chart 18, value added in the market economy is estimated to have increased in 2002 Q2 at a similar year-on-year rate to that at end-2001, in which period it slowed sharply. The primary branches of activity started the year on the contractionary footing they had shown in 2001. The contraction was, however, less intense than in the closing months of the previous year, and in line with the more favourable setting in which activity in this branch is unfolding during the current year. Indeed, the first four months of 2002 have been marked, on the whole, by rainfall which, though not notable in terms of abundance, has been timely in terms of its distribution over time and territory. Consequently, very sizeable crops of certain important products such as cereals and legumes are expected, with slightly more moderate yields for fruit. Nonetheless, this optimism has been qualified somewhat by the deterioration in the weather in May (scant rainfall, with frost and hail in certain areas). But in any event, the outlook remains favourable for the sector.

After ending 2001 on a clearly contractionary note, industrial activity posted zero growth in 2002 Q1 on a year earlier, encouraged perhaps by the muted signs of recovery in the international economic setting. The deterioration in the production of private transport equipment became more acute in this period, as did that of footwear, clothing and textiles. However, the manufacture of household durables quickened. In any event, the information available for 2002 Q2 does not fully offer a clear profile of recovery in industrial activity: despite the positive trend of the business climate indicator, the pick-up in orders and the decline in unwanted stocks, the essential indicator in this connec-

tion, the industrial production index, fell back in May and checked the recovery heralded by the April figure. Further, in Q2 the consequences of the strike on 20 June on the growth of industrial output will become manifest.

In keeping with the resilience of investment in construction, activity in this branch was, as has been the case since mid-1998, the most buoyant in 2002 Q1. An ongoing though slight loss of momentum is, however, also observable. On QNA estimates, the year-on-year growth of GVA in the opening months of 2002 was 4.6%, four-tenths of a point less than the previous quarter. As earlier discussed in connection with investment in construction, activity in this branch in Q2 would have remained most buoyant while at the same time holding on a slowly decelerating path.

The slowing profile marking tertiary activities in 2001 Q4 continued into the opening months of 2002, and GVA grew at a year-on-year rate of 2.6%, four-tenths of a point less than in the three previous months. The loss of momentum in growth was greater in non-market services, whose rate of increase fell by one percentage point. Market services also slowed, albeit to a lesser extent than the previous quarter, influenced by the weakening of private consumption and sluggishness in industry. The latest indicators point to the continuation of these lower growth rates in Q2. In fact, even though surveys are showing increasingly positive results, Social Security registrations decelerated further between April and May, and analysis of the branches making up the sector shows a loss of steam in many of them. The distribution trade, burdened by the fall in vehicle sales, evidenced low confidence levels to May, and employment, proxied by Social Security registrations, slowed in April despite the acceleration in retail sales that month. The situation was worse in the hotel and catering trade, as illustrated by the rapid loss of momentum in employment creation, which may be associated with the fall in tourism. In the transport and communications industry, and despite the greater robustness of land and maritime transport, the weakness of air transport has intensified and postal and communications services have faltered. As regards financial intermediation, the data on Social Security registrations denote a pattern in step with the general economic circumstances, their rate of increase having dipped slightly. Finally, the real estate, rentals and business services branches are the only ones where growth has been sustained to some extent, according to Social Security registrations, despite the slump in what was until recently an extremely dynamic sector, namely IT and R+D.



On QNA figures, employment (2) rose by 1.4% in 2002 Q1 on the same period a year earlier, two-tenths of a point down on the increase in the closing period of 2001 (see Chart 18). The slowdown in employment was on a similar scale to that of GDP in this period, whereby the increase in apparent labour productivity held stable. Nonetheless, the rate of increase of GVA in the market economy branches rose somewhat, prompting a modest pick-up in productivity to 0.8%, since the growth rate of employment eased slightly to 1.2%.

The short-term economic indicators also displayed the lesser momentum of employment creation in the first half of 2002. In the case of the EPA (Labour Force Survey) (3), estimates of numbers employed in the economy revealed an increase of 2.2% year-on-year in Q1, compared with 3.1% at end-2001. This was a similar slowdown to that captured by QNA figures, once the EPA data are seasonally adjusted. Social Security registrations grew by 3% in Q1 as a whole, three-tenths of a point less than in the previous period (a similar reduction to that in the seasonally adjusted series). In Q2, there has been a sustained increase in registrations of around 3%, although business forecasts for the non-farm market economy were somewhat gloomier according to the latest figures released by labour market surveys. Overall, a rate of increase in productivity close to that observed the previous quarter may be estimated, albeit with notable variations from branch to branch.

In 2002 Q1, increases in employment were recorded only in construction and services, while jobs were destroyed in agriculture and in industry, the sole branches where a pick-up in apparent labour productivity was noted. In year-on-year terms, construction stood out for the high use of the labour factor, since employment climbed 5% in Q1 (4.9% in the previous quarter) according to QNA figures. The creation of new jobs in the tertiary sector advanced at a rate of 2.3% in early 2002, slightly up on the end-2001 figure of 2.1%. This profile reflects the behaviour of employment across the market economy branches; extending the upward path initiated in spring 2001, its rate of increase climbed seven-tenths of a point to 2.5% year-on-year. In non-market activities, the process of job-creation continued to weaken (growing by 1.9% against 2.7% the previous period). As regards agriculture, job destruction became more acute with a year-on-year decline of 4.6% (three points up on that recorded at the end of

the previous year). In industry (including energy), numbers employed fell between January and March by 1.7% in relation to the same period in 2001, compared with a fall of 0.7% in the preceding quarter. The latest economic information on registrations in April and May points to a slight moderation in job destruction in industry and in the rate of increase of market services employment, while job creation in construction remains notably buoyant.

In respect of the distinction between dependent employment and self-employment, there was a change in trend in the latter in 2002 Q1; after having increased significantly in 2001 (2.8%), it fell by 0.5% year-on-year, growing solely and notably in construction. Conversely, the rate of increase of dependent employees held stable at 1.7%, underpinned by the significant acceleration in market services, which – drawing on QNA figures – countered the lesser increase (or decline) in the other branches. According to the EPA, the increase in the number of dependent employees (based on the original series) fell by 0.6 percentage points owing to the diminished vigour of temporary employment, the growth rate of which dipped from 3.1% at end-2001 to 1.3%, while the growth of permanent employees held at a sustained pace (3.4%). As a result, the proportion of temporary to permanent employees fell by almost half a percentage point in relation to 2001 Q1 to 31.2%. The information on employment contracts suggests that the greater weight of permanent hiring during the quarter resided largely on the conversion of temporary contracts. This followed the reintroduction in March 2001 of rebates for, and greater scope for resorting to, employment-promoting contracts. Between April and June, however, the statistics displayed less momentum in stable hiring. Lastly, part-time employment slowed to a greater extent than full-time work, according to the EPA. Nonetheless, given that the former continues to post high growth rates (5.2% year-on-year), the part-time/full-time ratio increased slightly to 8.3% in Q1.

From the standpoint of labour supply, there was a significant increase in EPA-based unemployment (4) in 2002 Q1 (8.6% year-on-year), and a rise in the labour force (2.9% year-on-year), giving rise to an increase of one percentage point in the participation rate compared with early 2001, said rate standing at 53.5%. The unemployment rate edged up to 11.5% in

(2) Measured in terms of full-time equivalent jobs.

(3) In accordance with the new 2002 methodology.

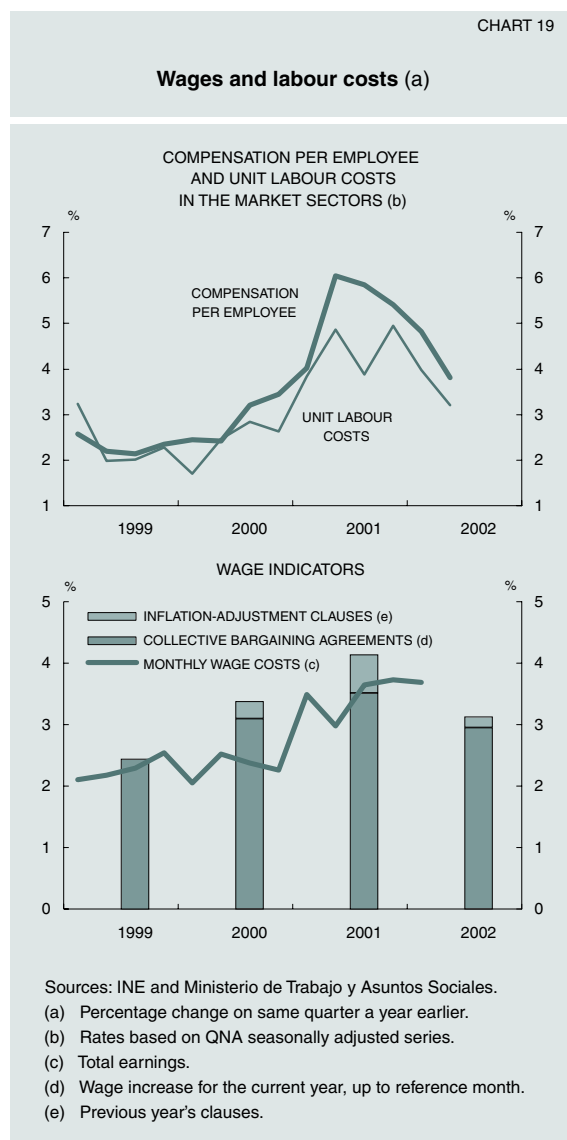
(4) With the release of the data for 2000 Q1, INE has introduced some important methodological changes into the EPA. These are detailed in an article in Spanish in the April 2002 edition of the *Boletín económico* entitled "Cambios metodológicos de la EPA en 2002".

2002 Q1, against 10.9% in the same period a year earlier. Both the male and female unemployment rates rebounded significantly, up to 8.2% in the former case and 16.5% in the latter. By age group the increase in unemployment was across the board, albeit somewhat bigger for the over-45s, whose joblessness rate moved up to 7.3%, and for the under-30s (up to 17.9%). The incentives in place for hiring the long-term unemployed continued to have a significant impact in reducing this phenomenon: the associated rate fell by four points over the past 12 months to 38.1% of the total numbers of unemployed. Registered unemployment, for its part, grew by 3.5% in Q1, and by 7.1% in Q2, prolonging the rising path embarked upon in late 2001.

4.3. Costs and prices

The QNA figures for 2002 Q1 placed the increase in compensation per employee for the whole economy at 4.2% year-on-year, against 4.8% at end-2001, following a notable acceleration throughout the year. The slowdown in compensation at the beginning of 2002, against a background of stable growth in apparent labour productivity, gave rise to a deceleration in unit labour costs to 3.5%, nine-tenths of a point less than the previous quarter. In the market economy, the slowdown in employee compensation was on a similar scale to that of the whole economy (from 5.4% in 2001 Q4 to 4.8% at the onset of 2002), although in this case the less stable profile of productivity intensified the slowdown in unit labour costs, which grew by 4% against 4.9% the previous quarter (see Chart 19). It is estimated that the slowdown in both compensation and in unit labour costs will have run into Q2.

According to the information provided by the Spanish Ministry of Labour and Social Affairs on collective bargaining in the opening months of 2002, collective agreements affecting approximately 5.5 million workers, just over half the total employees covered by collective bargaining the previous year, were registered to 30 June. Wage settlements for 2002 under these agreements stand at 2.95%, against 3.5% in 2001 (see Chart 19), marking a note of restraint in negotiated wage increases. Most of the agreements registered to that date are revisions of agreements entered into in previous years, and include a wage rise of 2.8%. Wage settlements in newly signed agreements stand at 5.1%. However, this figure is rather unrepresentative, since it affects about 400,000 workers only. The new agreements are expected to be more in line with the content of the Employer/Union Pact (Acuerdo Interconfederal) signed in December, under which the social partners



have undertaken to use the official inflation forecast (2%) as a basic bargaining reference.

The growth of the index of total labour costs per employee in 2002 Q1 was 4% on the same period a year earlier, signifying a deceleration of three-tenths of a point in relation to 2001 Q4. Within this index, the increase in wage costs held for the third quarter running at 3.7%, while non-wage costs, which account for around 25% of total labour costs for corporations, grew by 5% in 2002 Q1, having slowed by 1.5 percentage points compared with the previous quarter. Across the various branches, total costs per employee grew by 3.7% in industry (4.3% in 2001 Q4), while the related increases in construction and services were 4.6% and 4.4%, respectively (compared with increases of 4.7% and 4.5% in 2001 Q4).

Set against the slowdown in labour costs, and on QNA estimates, the gross value added

CHART 20

Prices and costs by branch of activity (a)



Source: INE.

(a) Non-centred annual percentage changes based on the QNA seasonally adjusted series.

deflator in the market economy grew by 3.9% in 2002 Q1, three-tenths of a point up on the previous quarter. As a result, the surplus per unit of value added picked up notably, and it is estimated this trend may have intensified in Q2. As Chart 20 shows, unit labour costs in industry and energy have been growing, in an oscillating fashion, around the value-added deflator, after a period of heavy squeezes on margins which concluded in mid-2001. The competitive conditions under which activity in this branch unfolds constrain the growth of the attendant prices. Consequently, the recovery in margins, against a background of expanding compensation, tends to come about via the productivity gains achieved by means of the contraction of employment. That has been the pattern in 2002 Q1. In market services, QNA figures have shown a notable slowdown in the value-added deflator as from 2001 Q4, which would have given rise to a contraction of margins. However, the rise in final prices of services in the first half of 2002 means this behaviour cannot be extrapolated to the coming quarters. Finally, in construction, unit labour costs have been growing below the deflator, making for a widening of margins, which is consistent with the strong demand pressure present in this branch.

In line with the gross value added deflator in the market economy, the GDP deflator for the whole economy accelerated in 2002 Q1. It posted growth of 3.5%, two-tenths of a point up on the previous quarter. The performance of the domestic component of prices was accompanied by a slight year-on-year increase of 0.5% in the deflator of goods and services imports, compared with the 2.5% reduction in external prices at end-2001. Consequently, the final demand deflator increased by 2.8% year-on-year in Q1, one percentage point up on the previous period. The indicators of final prices in the economy, and in particular the consumer price index (CPI), have captured this increase in inflation at the beginning of the year, and which has run into Q2. Specifically, the CPI rose by 3.5% over the course of Q2 in relation to the same period a year earlier, four-tenths of a point up on the previous quarter. Meantime, underlying inflation, measured by the IPSEBENE (index of prices of services and non-energy manufactured goods), climbed by 4% in relation to 2001 Q2. In June, the 12-month rate of the CPI was 3.4% and that of the IPSEBENE 4.1% (see Chart 21).

The main components of the CPI contributed to its acceleration in Q2, albeit to differing degrees. On one hand, services prices increased by 4.7% over the quarter as a whole, three-tenths of a point more than in the previous period. Services prices relating to tourism

and leisure, and to the hotel and catering trade, remained on a rising course. On the other, non-energy industrial goods, whose 12-month rate of change had declined sharply in March, resumed in April the rates attained in previous months and increased by 2.8% in Q2. The greater volatility in this component is closely linked to the methodological changes introduced into the CPI at the start of the current year and, in particular, to the inclusion of sales prices in calculating the index. These have particularly affected those items where sales are most influential: clothing, footwear and household textile goods. Other items of this component have performed very moderately, with the downward trajectory of prices of video, sound and photographic equipment and computers a case in point.

The CPI component of energy prices continued to post negative 12-month growth rates during Q2, close to those of Q1. Butane gas prices fell in April, although the increase in fuel and heating fuel prices intensified that same month, holding fairly stable subsequently until the last week of May, when they began to fall. This trajectory is in step with international crude oil prices and with the appreciation of the euro against the dollar in the past two months. The prices of both processed and unprocessed food quickened significantly from Q1 to Q2. Notable under the former is the substantial increase in tobacco prices in April, along with the continuing high growth rates of edible oil prices. Prominent under unprocessed food is the heavy increase in the price of poultry and of crustaceans and molluscs; moreover, fresh fruit and vegetable prices continue to post high rates of change.

The acceleration in consumer prices in Spain in Q2 is also reflected in the harmonised index of consumer prices (HICP), and is in contrast to the slowdown in the euro area as a whole in this period. As a result, the inflation gap with the euro area has widened to 1.6 percentage points in June. The widening of the differential has been of greater intensity in the case of goods rather than services, whereby it is now the same for both. Under goods, there has been a sizable increase in the inflation differential for food which, having been favourable to Spain in Q1 as a whole, has changed sign in recent months and now exceeds the euro area figure by two percentage points (see Chart 22).

The 12-month growth rate of the producer price index also increased in 2002 Q2 to 0.6%, having held stable in the previous quarter. However, the biggest rise in these prices came about in April, and they moderated slightly thereafter (see Chart 21). Component by com-

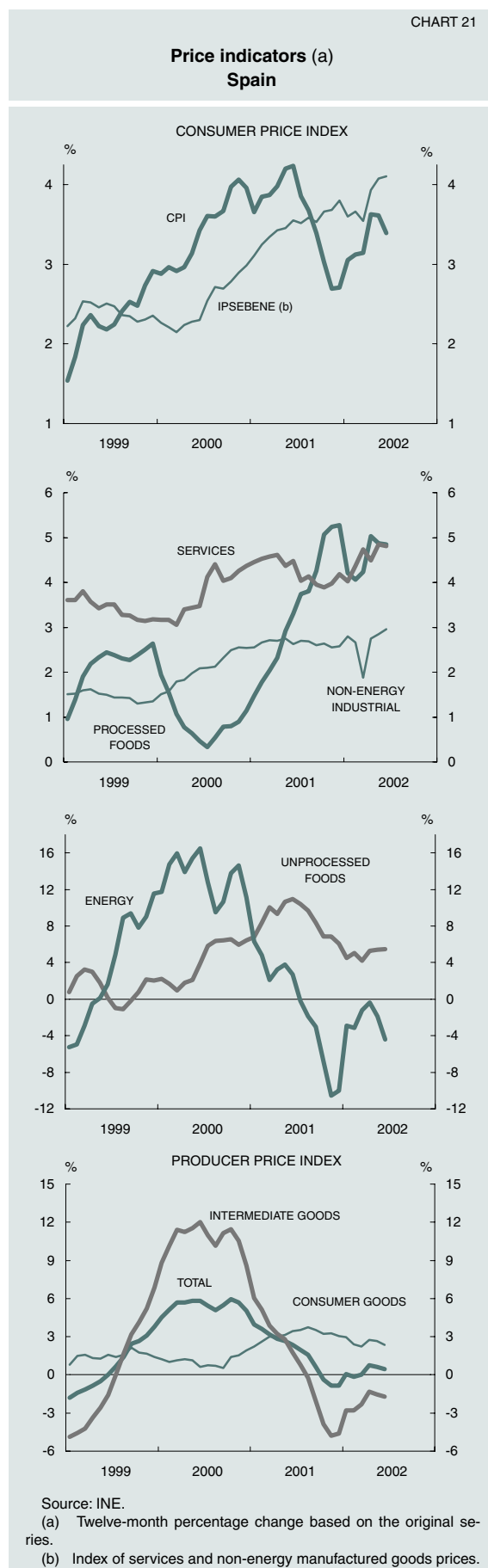
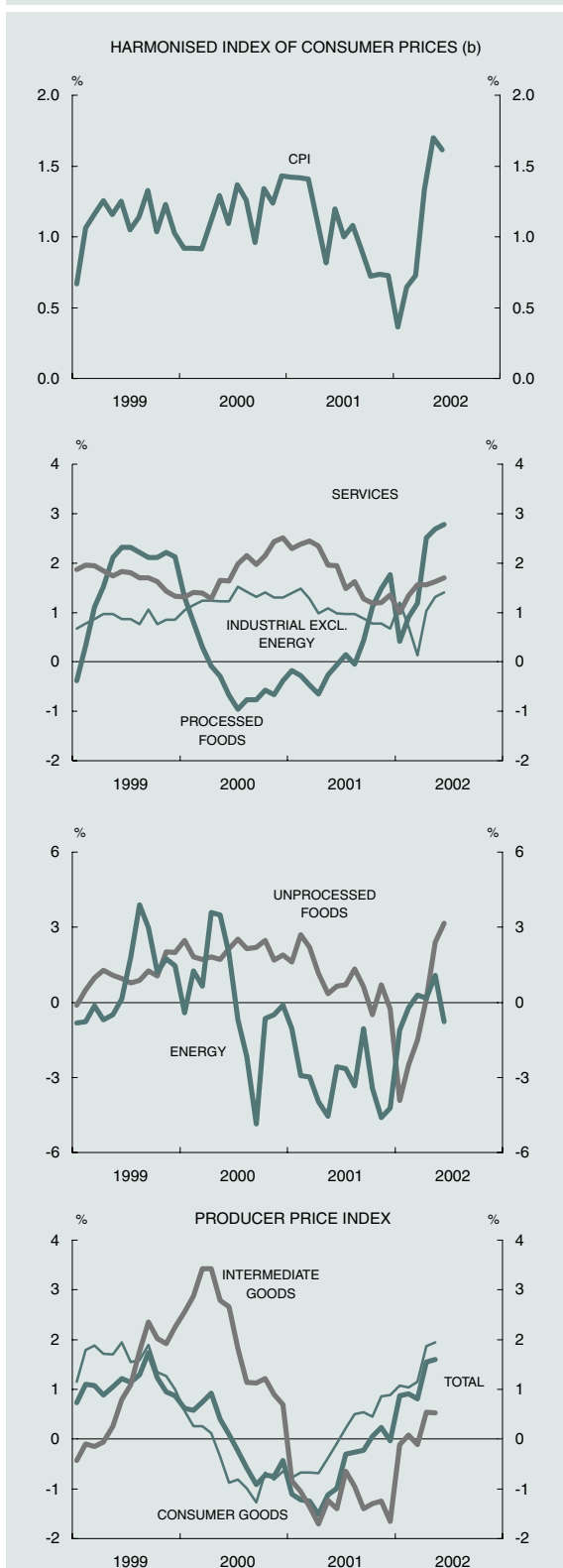


CHART 22

Price indicators
Differentials vis-à-vis the euro area (a)



Sources: Eurostat and Banco de España.

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

(b) To December 2001, the series are those published at that date.

ponent, the year-on-year rate of consumer goods, which peaked at 2.8% in April, has declined to 2.4% in June. Following a similar pattern, investment good prices stood at 1.5% in June compared with 12 months earlier. Finally, the heavy cut in energy producer prices in June offset the smaller decline in non-energy intermediate goods.

4.4. The State Budget

The National Accounts figures on the State budget outturn to June 2002 show a notable reduction in the State deficit compared with the same period a year earlier. However, it should be borne in mind that revenue and expenditure in 2002 reflect (in both National Accounts and cash-basis terms) the new financing arrangements for the Autonomous (Regional) Communities. While these changes should not in principle affect the balance on public finances for the year as a whole, as the arrangements are freshly in place it is not possible to evaluate to what extent the reduction in the deficit in the first half of the year might be reflecting changes in the seasonality of the figures. Moreover, the deadline in 2002 for submitting positive (payable) personal income tax returns was put back to 1st July, whereas in 2001 the closing date was in June, a fact that has influenced revenue and, therefore, the deficit.

The National Accounts data available show net borrowing totalling €2.46 billion (0.4% of GDP) to June 2002 for the State, compared with the deficit of €3.88 billion (0.6% of GDP) built up in the same period of 2001. Both revenue and expenditure fell notably in relation to the same period the previous year as a result of the changes mentioned in the foregoing paragraph. Among the captions not affected by these changes are, under other current revenue, the charge levied for use of the radioelectric spectrum (not applied the previous year) and the strong increase in capital transfers received (mostly from the European Union). Under expenses, those relating to wages and salaries, and goods and services have been contained somewhat, with growth less than that of nominal GDP.

In cash-basis terms, the State budget outturn to June 2002 (the Social Security budget outturn is discussed in Box 3) resulted in a deficit of €8.48 billion, slightly higher than the deficit of €8.02 billion in the same period of 2001. It is estimated that most of the discrepancy with National Accounts figures is due to other accounts receivable and to the difference between interest paid and accrued. Although both revenue and expenditure posted falls to June, that

Social Security budget outturn

The Social Security System posted a surplus of €5.1 billion in the period to April 2002, €1.26 billion (19.8%) down on that recorded in the same period the previous year (see accompanying table). As in the case of the State Budget, these figures are affected by the new regional financing arrangements, which entail a reduction in both receipts (owing to the transfers INSALUD – the Spanish national health service – receives from the State) and expenditure (owing to the transfers to finance the health-care and social services assumed). In the first four months of 2002, these reductions proved much higher than those envisaged in the Budget.

Receipts from social security contributions increased by 5.5% to April, a considerable slowdown in relation to 2001 and far lower than the budgeted figure of 8.4%. This deceleration is partly due to the lower growth in the number of Social Security registrations, which was 3% to June (3.9% in 2001 as a whole). The other main source of receipts, namely current transfers, virtually all of which are from the State, fell by 73.5% to April (more sharply than budgeted) as a result of the new regional government financing arrangements.

Expenditure on contributory pensions rose by 5.4% to April, somewhat below the figure budgeted for the year as a whole. The number of contributory pensions continues to trend very moderately. Their growth rate in the period to June was 0.8%, in line with forecasts and slightly below the growth recorded in 2001.

With regard to INEM (National Employment Office) expenditure, that on unemployment benefits increased by 15.9% to June 2002. Behind this increase were the increase in registered unemployment (6.9% to June, against 0.1% in 2001 as a whole) and the rise in the eligibility ratio, which stood at 72.4% in May against 68.5% at end-2001. As a result, the number of beneficiaries grew by 13.3% to May, compared with 5.9% average growth in 2001.

Contributions received by INEM climbed by 6.2% to March, against a budgeted projection of 9.4%, while employment-promoting concessions on employers' contributions were up 0.2% in Q1, below the budgeted increase of 5.6%.

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

€ millions and %

	Budget			Outturn JAN-APR		
	2001 (c) 1	2002 2	% change 3=2/1	2001 4	2002 5	% change 6=5/4
1. Revenue	94,576	83,282	-11.9	34,825	26,555	-23.7
Social security contributions (d)	62,618	67,852	8.4	21,783	22,987	5.5
Current transfers	30,796	14,389	-53.3	12,620	3,350	-73.5
Other (e)	1,162	1,042	-10.4	422	219	-48.2
2. Expenditure	92,267	79,411	-13.9	28,467	21,455	-24.6
Wages and salaries	14,355	6,683	-53.4	5,138	1,573	-69.4
Goods and services	8,967	4,214	-53.0	3,038	742	-75.6
Current transfers	67,514	67,615	0.1	19,978	19,065	-4.6
Benefits	67,063	67,615	0.8	19,949	19,065	-4.4
Contributory pensions	53,047	56,231	6.0	15,036	15,841	5.4
Sickness	3,557	4,027	13.2	1,156	1,195	3.4
Other	10,459	7,358	-29.6	3,757	2,028	-46.0
Other current transfers	451	0	-100.0	30	0	-98.7
Other (f)	1,432	899	-37.2	312	74	-76.3
3. Balance	2,309	3,871	67.7	6,358	5,101	-19.8

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

(a) Only data relating to the System, not to the entire Social Security Funds sector, are given. This is because the figures for Other Social Security Funds are only available for 2002.

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

(c) The budgetary reference takes the 2001 Budget as its basis for comparison, since the full outturn for that year is not yet available.

(d) Including surcharges and fines.

(e) Excluding surcharges and fines.

(f) Reduced by the disposal of investments.

TABLE 3

State Budget outturn

€ millions and %

	Outturn	Percentage change	Budget	Percentage change	Outturn		
	2001	2001/2000	2002	2002/2001	2001 JAN-JUN	2002 JAN-JUN	Percentage change
	1	2	3	4=3/1	5	6	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.

of revenue has proven greater, unlike in Q1. Revenue thus recorded a rate of -16.7% (compared with -9.9% in Q1), while that of expenditure was -14% (against -15.8%).

For the analysis of revenue, homogenous data including the full takings from the main taxes are available, for both the portion assigned to the State and that relating to other government tiers (which are not included in Table 3). In homogenous terms, direct taxes slowed appreciably in Q2, reflecting the path followed by most of its components. Personal income tax

declined by 5.8% to June, in contrast to its growth of 4.2% in Q1. This slowdown is mainly due to the calendar change for the submission of returns for tax payable, which was extended to 1st July, whereby a notable fall has been seen in net tax payable. Conversely, revenue relating to withholdings on salaried income and on income from movable capital has quickened in relation to Q1. This calendar effect has also borne on property tax, albeit to a much lesser extent. As to corporate income tax, there has been a notable slowdown following the first payment on account from 13.8% to 6.8% at end-

June. The growth rate of indirect taxes was virtually unchanged in Q2, posting a rate of 7.8% to June (7.6% to March). VAT quickened during Q2 to a rate of 9.5% in homogenous terms, compared with 8.7% in Q1, offsetting a slight deceleration in excise duties which, in homogenous terms, increased by 4.2% against 4.8% in the period to March.

On the expenditure side, the fall in current transfers was slightly greater than forecast in the Budget for 2002 as a whole (reflecting the aforementioned change in regional government financing), this being the only caption which slowed in relation to Q1. There was a notable containment in operating expenses (wages and salaries, and goods and services), which are not affected by the new regional financing system and which continued to run at a lower rate of change than that of nominal GDP. Expenditure relating to interest payments diminished substantially, albeit due to the government debt maturity calendar; it may therefore be expected to continue quickening in the coming quarters. There were also falls in capital expenses (in both investment and transfers). Nonetheless, these may be expected to pick up over the course of 2002, especially in the case of real investment, in line with the Budget and with the guidelines laid down in the Stability Programme.

4.5. The balance of payments

In the period January-April 2002, the joint balance on current and capital account resulted in a deficit of €2.67 billion, compared with the likewise negative balance of €607 million in the same period the previous year. This deterioration is essentially due to the unfavourable performance of the main components of the current-account balance, with the exception of the merchandise balance. The surplus on capital account also diminished slightly.

In the first four months of the year, the trade balance deficit narrowed by €827 million (8.6%) in relation to the same period in 2001. This reduction of the trade imbalance was due to the smaller increase in the deficit in real terms (as analysed in a previous section) and to the fresh improvement during the period in the terms of trade, arising fundamentally from the reduction in the prices of imported energy products.

Turning to services, the cumulative positive balance in the January-April period stood at €5.89 billion, compared with €6.41 billion in the same period in 2001. This deterioration made for a year-on-year fall of 8.1%, which is due to the decline in the surplus on tourism and travel

Balance of payments: summary table (a)

TABLE 4

€ m

	JAN-APR	
	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
	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
	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.

(8.2%), since the deficit on other services diminished by 8.8%. The slowdown in tourist flows intensified in this period, especially receipts, which fell by 6.1% year-on-year, in line with the sluggishness of foreign tourist arrivals. The increase in payments was checked (2.1%) in the first four months, in step with the weakening of consumer confidence and the substitution of domestic for foreign tourism, against a background of international instability.

In the January-April period, the deterioration in the balance of income became notably sharper. Its deficit stood at €4.23 billion, €1.35 billion above the level recorded in the same period the previous year. Receipts dropped by 20.8%, affected by the decline in investment

flows abroad in train since last year, which is associated with the sluggishness of global activity, with heightening uncertainty on financial markets and with the social and political crises besetting certain Latin American countries. Payments also fell in this period, albeit at a lesser rate of 2.8%. They were likewise influenced by the weakness in 2001 of foreign investment in Spain, although these flows have increased this year, especially non-resident investment in fixed-income securities and short-term deposit placements.

The surplus on the balance of current transfers stood at €1.8 billion in the January-April period, entailing a decline of €821 million compared with the related period in 2001. Receipts fell back by 10.8%, the result of the decline in

flows from the EU in respect both of EAGGF-Guarantee funds and, to a greater extent, of the European Social Fund, which last year included sizable advances. Payments advanced moderately by 2.4%, although emigrants' remittances once again climbed substantially.

Finally, the capital-account surplus stood at €2.65 billion in the January-April period, €198 million down on the same period in 2001. This year-on-year decline of 7% is due to the reduction in structural funds from the EU earmarked for EAGGF-Guidance funds and the Regional Development Fund, which were also affected by the advances made last year on account of the new programme for the period 2000-2006. Meantime, EU funds for the Cohesion Fund increased notably.

5. Financial flows in the Spanish economy

5.1. Financial flows in the economy as a whole

In 2002 Q1, economic agents' financial decisions were taken against the backdrop of a faltering business cycle and heightened uncertainty over the course the recovery in the international economy would take and over economic and political developments in certain Latin American countries. This picture, coupled with the emergence of fresh instances of accounting irregularities in US corporations, has made for very high volatility on the main stock market indices, which have slumped by over 20% in the year to date.

However, this highly uncertain economic and financial setting did not provide for a recovery in private-sector financial saving in Q1 according to the latest information available from the quarterly financial accounts. Hence households, despite the slowdown in consumption and employment, continued to raise a high volume of funds through credit. Indeed, the debt ratios for both households and firms continued to rise. Provisional information for Q2 points to a mild moderation in the growth rate of financing which, nonetheless, is holding at a level comparable with that at end-2001. In particular, financing extended to the private non-financial sector by resident credit institutions grew by 13.3% in Q2 in relation to the same period a year earlier, against 13.4% at end-2001.

During 2002 Q1, the debit balance of the net financial transactions of the nation was slightly lower at 1.8% of GDP in cumulative four-quarter terms (5) (see Table 5). This slight reduction in foreign capital inflows was the outcome of different behaviour by the various resident sectors. The general government sector was the only non-financial sector to post positive financial saving (0.5% of GDP). In the case of corporations, the value of their net financial transactions was similar to that of the same quarter a year earlier. Therefore, non-financial corporations continued receiving net resources from other sectors for a high amount, totalling 4.4% of GDP. Finally, the financial transactions of households showed a debit balance in Q1, whereby their net financial saving fell to a similar value to that in 2000 (0.9% of GDP in cumulative four-quarter terms).

The information on inter-sectoral flows in the bottom half of Table 5 shows that both households and non-financial corporations saw an increase in net resources received from resident

(5) Throughout this chapter, in keeping with the information in the tables and charts, the figures refer to cumulative four-quarter data, unless otherwise stated.

TABLE 5

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

% of GDP

	NET FINANCIAL TRANSACTIONS								
	1997	1998	1999	2000	2001				2002
					Q1	Q2	Q3	Q4	Q1
Total economy	1.6	0.5	-1.1	-2.5	-2.3	-2.2	-2.0	-1.9	-1.8
Non-financial corporations and households and NPISHs	4.0	2.1	-0.5	-2.8	-3.1	-2.5	-2.5	-3.1	-3.5
Non-financial corporations	-0.5	-1.2	-2.5	-3.8	-4.9	-5.3	-4.6	-4.4	-4.4
Households and NPISHs	4.5	3.3	2.0	0.9	1.8	2.8	2.1	1.3	0.9
Financial institutions	0.7	1.0	0.5	0.7	0.7	0.8	0.8	1.2	1.2
General government	-3.2	-2.6	-1.1	-0.3	0.0	-0.6	-0.3	0.0	0.5
INTER-SECTORAL FLOWS (a)									
Households and NPISHs	4.5	3.3	2.0	0.9	1.8	2.8	2.1	1.3	0.9
Vis-à-vis:									
Credit institutions (b)	-6.7	-4.4	0.2	-0.1	-0.2	0.0	-0.5	-1.5	-2.3
Institutional investors (c)	10.8	7.5	0.8	0.4	1.6	2.5	3.1	4.2	3.7
Non-financial corporations	-0.5	-1.2	-2.5	-3.8	-4.9	-5.3	-4.6	-4.4	-4.4
Vis-à-vis:									
Credit institutions (b)	-3.2	-4.3	-3.8	-6.7	-5.7	-4.4	-4.3	-3.8	-4.1
Rest of the world	1.7	0.9	-0.8	1.7	1.0	-0.3	-0.1	-1.9	-1.9
General government	-3.2	-2.6	-1.1	-0.3	0.0	-0.6	-0.3	0.0	0.5
Vis-à-vis:									
Credit institutions (b)	1.4	1.4	1.4	2.2	0.5	-0.3	-0.8	-2.5	-0.4
Institutional investors (c)	-3.9	-2.6	1.7	3.9	4.1	3.8	2.9	2.6	1.4
Rest of the world	-2.0	-1.1	-4.4	-6.0	-4.8	-4.5	-3.1	-1.8	-2.1
Rest of the world	-1.6	-0.5	1.1	2.5	2.3	2.2	2.0	1.9	1.8
Vis-à-vis:									
Credit institutions (b)	2.8	7.1	2.0	5.2	5.4	3.3	4.7	3.9	2.7
Institutional investors (c)	-2.5	-6.3	-3.6	-5.7	-5.4	-5.1	-5.0	-4.7	-3.4
Non-financial corporations	-1.7	-0.9	0.8	-1.7	-1.0	0.3	0.1	1.9	1.9
General government	2.0	1.1	4.4	6.0	4.8	4.5	3.1	1.8	2.1

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.

credit institutions. Households, moreover, reduced saving intermediated via institutional investors to 3.7% of GDP, although this remains a relatively high volume in relation to the 1999-2001 period. The general government debit balance vis-à-vis the rest of the world continued to rise (up to 2.1% of GDP), while still falling vis-à-vis institutional investors (by 1.4% of GDP). These data show that investors are continuing to restructure their fixed-income portfolios, a process that began with the introduction of the euro. Likewise, the diversification of asset portfolios is also manifest in the high volume of sav-

ing that institutional investors have routed abroad, totalling around 5% of GDP in annual average terms since 1998 (see Box 4).

5.2. Financial flows of households

During 2002 Q1, households received net resources from other sectors in the economy for a value of 0.12% of GDP. The incipient recovery in financial saving in this sector seen in the first half of 2001 was thus interrupted, with this variable standing at 0.9% of GDP, a similar val-

Changes in Spanish mutual funds' portfolios since the introduction of the euro

Recent deregulation in the national and international financial sphere, through the liberalisation of capital movements and cross-border financial services, has driven market integration and encouraged greater competition in this sector. Combined with significant advances in information technologies, this has contributed to increasing the range of investment possibilities by means of an intense process of financial innovation.

The introduction of the euro has seen the disappearance of foreign exchange risk in investments by euro area investors in all EMU member countries. In principle, this factor promotes the internationalisation of portfolios, since it lowers transaction costs and eliminates foreign exchange risk hedging costs. But, at the same time, the disappearance of foreign exchange fluctuations entails a reduction in the overall range of investment possibilities, which could lead to less diversification between instruments issued within the euro area and, possibly, to an increase in the demand for instruments denominated in currencies other than the euro.

As an initial step for analysing changes in the composition of mutual funds' aggregate portfolio, it is worth studying the breakdown of the portfolio by instrument, distinguishing between monetary assets, fixed-income assets and equities. The top panel depicts the proportion each instrument accounts for in the composition of the portfolio. This chart shows how investment in monetary assets has gradually lost ground to fixed income and equities. True, the introduction of the euro would not appear to have had a direct influence on the composition of the portfolio in terms of instruments. But the low interest rates accompanying the convergence process and expectations of macroeconomic stability have led agents to reduce the weight that monetary assets formerly had in their portfolios and to seek higher returns on fixed income and equities.

However, where the direct effect exerted by the introduction of the euro on the composition of funds' portfolios can best be seen is in the analysis of investment grouped by currency. In this connection the portfolio for each instrument has been divided into three groups: domestic assets, non-domestic assets issued in euro and other. The chart depicts the composition by currency of investment in each of the three groups of instruments.

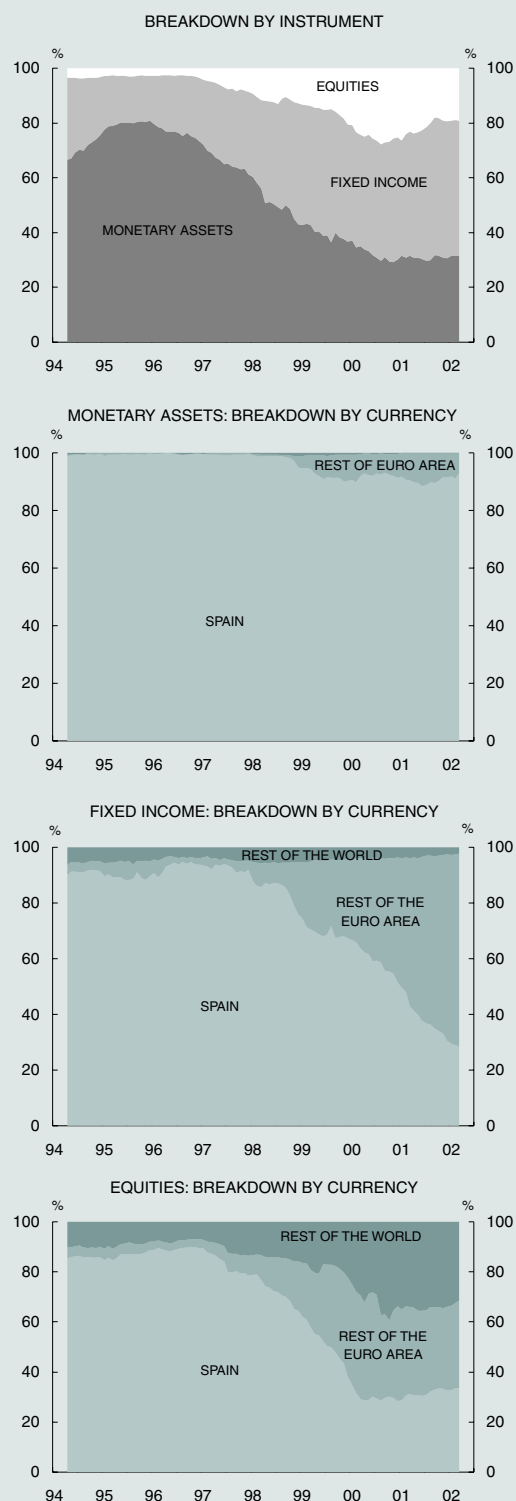
Firstly, in the case of monetary assets, since the introduction of the euro the percentage share of investment in instruments issued in euro has climbed from virtually zero to close to 10%, a figure that has held throughout the period. These monetary assets are essentially repos, which currently account for 70% of the domestic stock of these instruments.

Turning to fixed income, there has been a very marked increase in the share of instruments issued in euro outside Spain. This proportion has not ceased growing since the introduction of the single currency, and at present accounts for 70% of the total fixed-income instruments in funds' portfolios, equally divided between government and private securities.

Investment in equities has also been affected by the introduction of the euro, and there has been a notable reduction in the domestic bias. Investment in equities issued by residents has come to account for only 30% of Spanish mutual funds' total investment in equities, compared with 85% on average in the 1994-1998 period. In this case, much of the investment in equities has shifted to euro countries, although the share of other developed countries – essentially dollar investment – in the equities portfolio has also risen. It appears clear in the first of these shifts that the disappearance of foreign exchange risk has played a key role, as it has enabled fund managers to diversify the equity portfolio without having to bear exchange rate risk or incur the attendant hedging costs.

The conclusion may thus be drawn that the introduction of the single currency appears to have contributed, amid the globalisation of financial activity, to the diversification of Spanish mutual funds' portfolios. In turn, that has made for a reduction in the domestic bias of investment in both fixed income and equities.

Portfolios: percentage structure



Source: CNMV.

TABLE 6

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

% of GDP

	1998	1999	2000	2001		2002
				Q3	Q4	Q1
HOUSEHOLDS AND NPISHs:						
Financial transactions (assets)	9.8	9.6	8.9	9.0	7.8	8.0
Cash and cash equivalents	3.2	4.5	1.0	0.8	1.2	2.1
Other deposits and fixed-income securities (a)	-1.8	2.5	6.4	4.7	3.0	2.4
Shares and other equity (b)	0.0	0.1	0.5	0.3	-0.5	-0.3
Mutual funds	5.0	-2.2	-3.4	0.2	0.8	0.4
FIAMM	-1.1	-1.4	-1.4	0.7	1.3	1.4
FIM	6.1	-0.8	-2.0	-0.5	-0.5	-0.9
Insurance technical reserves	2.4	3.3	3.4	2.6	2.8	2.6
Of which:						
Life assurance	1.2	2.0	2.0	1.0	1.7	1.7
Pension funds	1.0	1.0	1.1	1.3	0.8	0.6
Other	0.8	1.2	1.0	0.4	0.4	0.7
Financial transactions (liabilities)	6.5	7.6	8.0	6.9	6.5	7.1
Credit from resident credit institutions	5.9	6.5	6.8	5.8	5.1	5.8
Securitisation funds	0.5	0.6	0.1	0.2	0.3	0.2
Other	0.1	0.5	1.0	0.9	1.1	1.1
NON-FINANCIAL CORPORATIONS:						
Financial transactions (assets)	14.0	17.8	27.6	19.3	17.6	17.9
Cash and cash equivalents	1.5	0.7	0.9	0.8	1.6	1.9
Other deposits and fixed-income securities (a)	0.2	-0.2	1.3	0.4	0.7	0.0
Shares and other equity	3.1	8.2	14.1	8.1	4.2	4.5
Of which:						
Vis-à-vis rest of the world	2.2	6.5	10.9	7.6	3.7	3.7
Other	9.2	9.2	11.3	10.0	11.1	11.5
Financial transactions (liabilities)	15.3	20.3	31.3	23.9	22.0	22.3
Credit from resident credit institutions	4.6	4.8	6.7	5.3	6.0	6.5
Securitisation funds	0.2	0.4	0.9	0.9	0.8	1.0
Foreign loans	1.6	3.0	3.5	3.3	3.6	2.8
Fixed-income securities (a)	0.0	0.5	-0.5	0.2	0.1	0.1
Shares and other equity	2.7	5.1	12.3	7.2	3.9	4.0
Other	6.2	6.4	8.4	7.0	7.6	8.0
MEMORANDUM ITEMS: YEAR-ON-YEAR GROWTH RATES (%):						
Financing (c)	16.7	19.5	18.9	15.2	15.1	15.2
Households and NPISHs	19.3	19.6	17.3	14.0	12.3	13.4
Non-financial corporations	14.7	19.4	20.0	16.0	17.2	16.6

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.

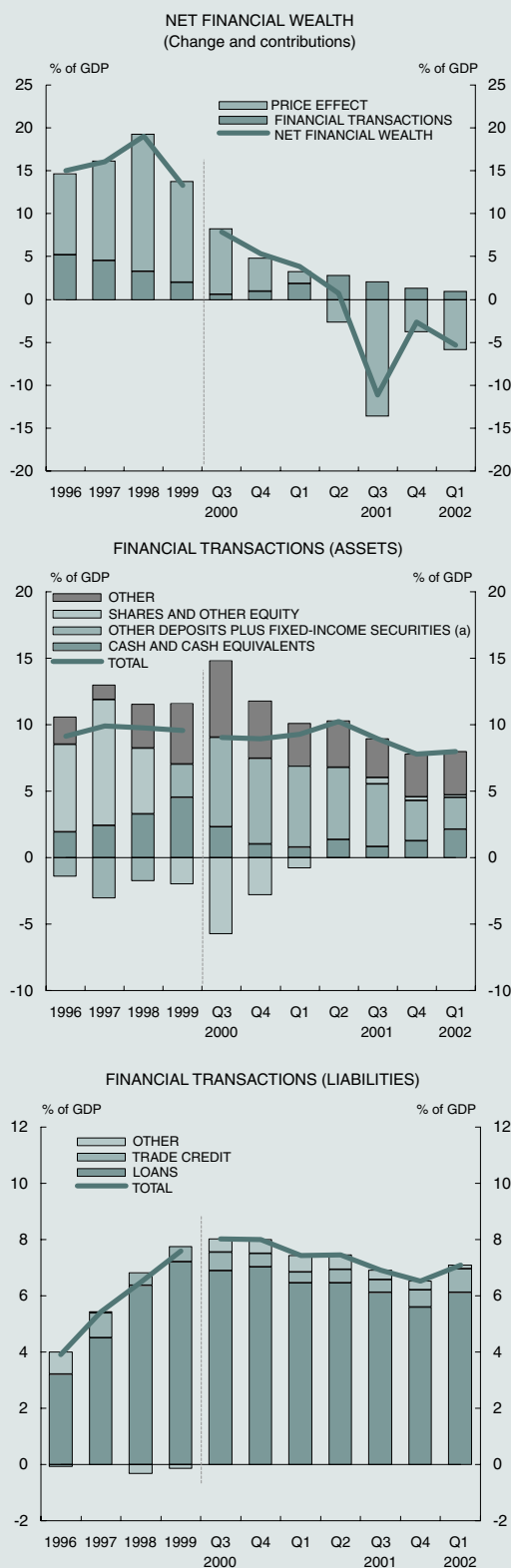
ue to the low reached in 2000 (see Table 5). As discussed in the previous Quarterly Report, the slowdown in household financial saving in the second half of 2001 was due, at least in part, to the relative strength of consumption. However, during 2002 Q1 there was a slowdown in household spending which has not passed

through commensurately to household demand for financing; indeed, this latter variable has remained high, underpinned by a low level of interest rates and higher house prices.

The acquisition of financial assets by households was slightly higher than in the same quar-

CHART 23

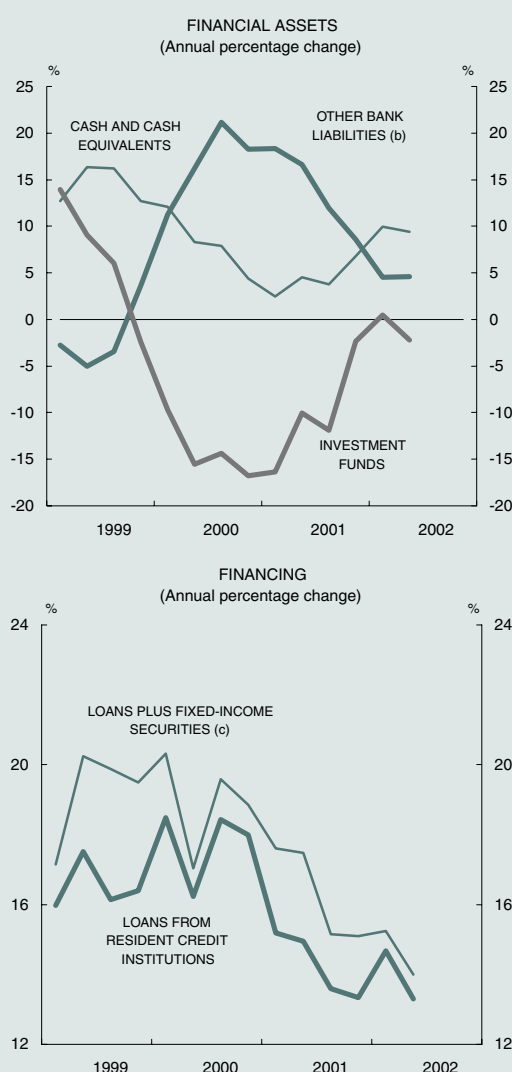
Households and NPISHs Cumulative four-quarter data



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

CHART 24

Non-financial corporations. Households and NPISHs (a)



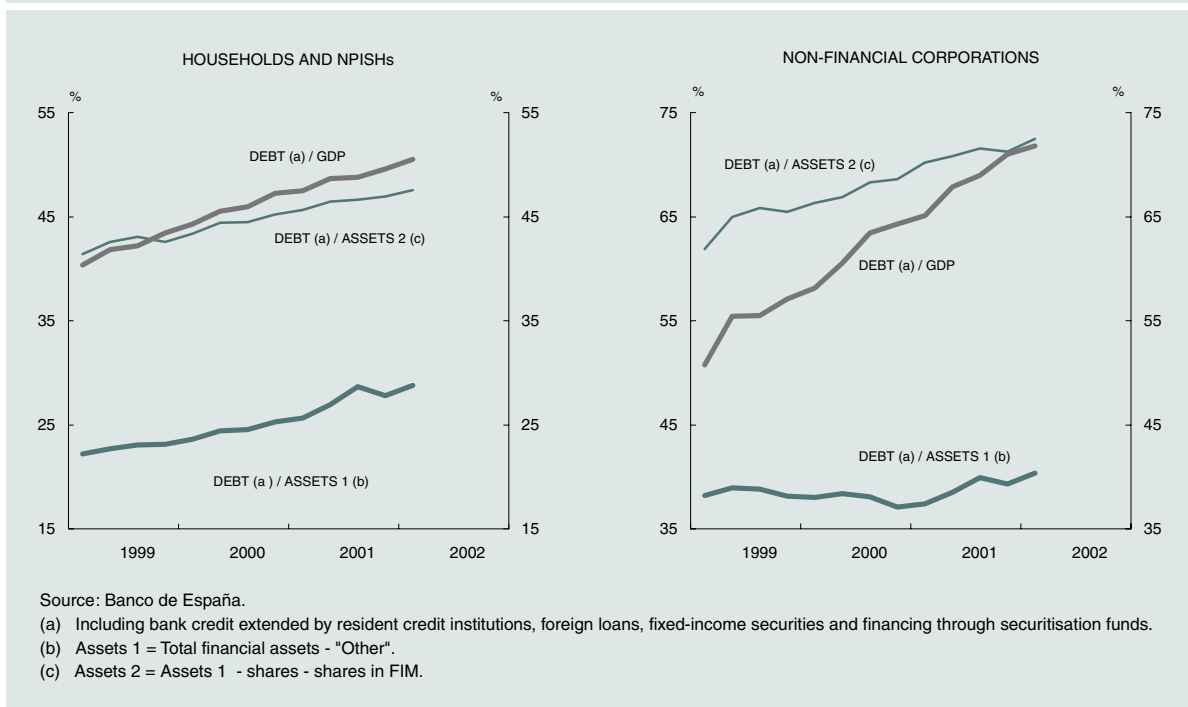
Source: Banco de España.

- (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.

ter a year earlier (equivalent to 8% of GDP) and, as has previously been the case, was centred on the most liquid assets (see Table 6 and Chart 23). The demand for cash and deposits accounted for 74% of the flow of investment by households in financial assets. Saving in the form of cash and cash equivalents increased to 2.1% of GDP, largely due to the greater demand for cash following the changeover to the euro. Saving deposits grew by close to 15% year-on-year, while deposits at an agreed maturity expanded at a rate of 7.7%, moving on a slowing trend. Net subscriptions of shares in mutual funds were negative and, in cumulative

CHART 25

Debt ratios



four-quarter terms, amounted to 0.4% of GDP. As has occurred since mid-1999, households continued selling shares in securities funds and investing in money market funds for an amount equivalent to 1.4% of GDP. Investment in technical insurance reserves fell moderately compared with the same quarter a year earlier and stood at 2.6% of GDP. Finally, net purchases of shares and other equity were positive and were largely in unquoted shares, thereby reducing the negative value of cumulative four-quarter investment to -0.3% of GDP.

As regards liabilities-side transactions, the financing received by households was high at 7.1% of GDP, against 6.5% the previous quarter. In terms of components, bank credit posted the highest volume (5.8% of GDP compared with 5.1% the preceding quarter). Consequently, the year-on-year growth rate of financing – considering bank loans and financing intermediated by securitisation funds – quickened to 13.4%, against 12.3% the previous quarter (see the memorandum item in Table 6).

The information available on the end-use of credit extended by resident institutions indicates that the higher funds obtained by individuals financed both investment in housing and consumer spending. Loans intended for house purchases thus grew by 17%, compared with 16.5% at end-2001. In terms of the two types of institution involved, savings banks increased

their portfolio of this form of loan by 18.8% year-on-year, while banks did so by 14.3%. Credit intended for spending on current and durable goods held at a growth rate of over 20%, although its weight in respect of total loans extended to individuals is limited and lower than 15%.

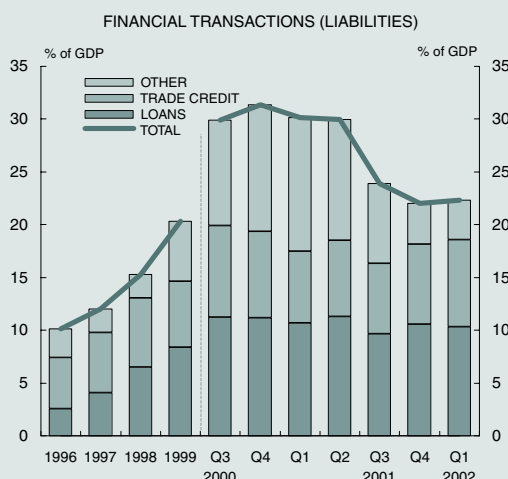
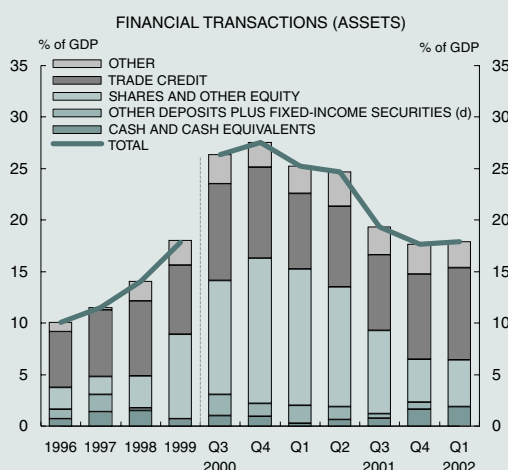
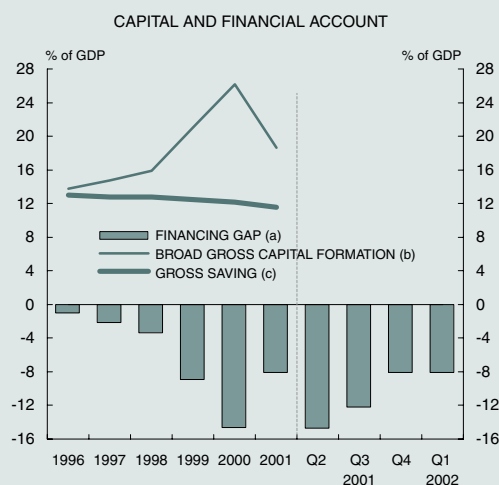
The provisional information on monetary and financial conditions in the Spanish economy during 2002 Q2 indicates very few changes in the processes described previously (6) (see Chart 24). The most liquid assets have continued to grow at a high rate, with the particularity that cash and cash equivalents have slowed slightly and the growth rates of other bank liabilities have ceased to move on a declining trend. Moreover, the value of holdings in mutual funds has once again turned down. And, on the financing side, the extension of credit to the private sector by resident institutions has moderated somewhat, growing at a similar rate to that at end-2001, namely 13.3%.

Finally, with regard to the wealth position of households, mention should be made of the ongoing reduction in the sector's net assets as a result of the growth of its liabilities

(6) Note that these indicators provide aggregate information on the sectors households and non-financial corporations. Consequently, conclusions on household transactions should be interpreted with due caution.

CHART 26

Non-financial corporations Cumulative four-quarter data



Source: Banco de España.

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

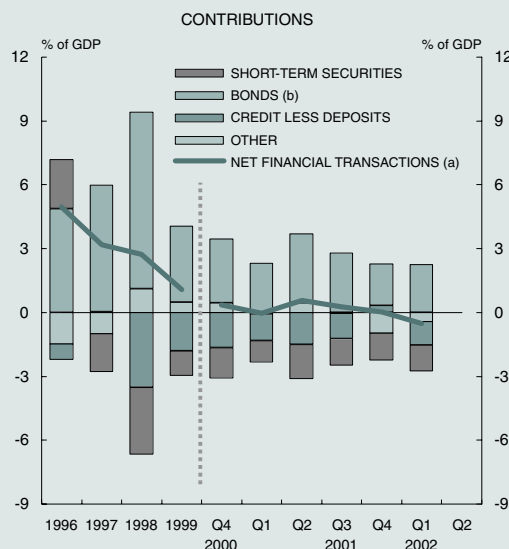
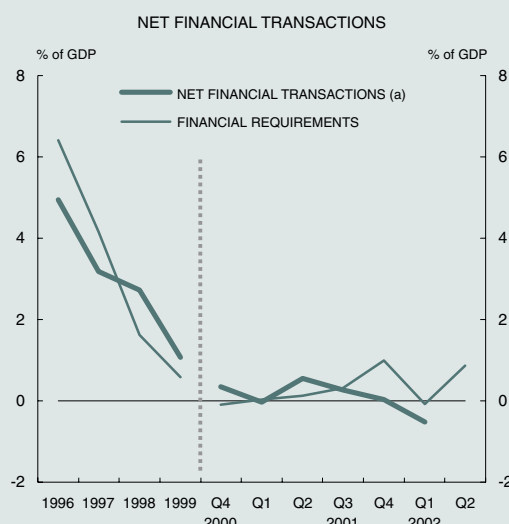
(b) Including gross capital formation, stockbuilding and foreign equities.

(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".

and the loss of value of its holdings of shares and units in mutual funds. Net financial wealth stood at 115.5% of GDP, compared with 135% in 1999 Q4. Likewise, debt as a proportion of GDP and of the value of holdings of the most liquid and least risky assets increased once again to 50.5% and 47.6%, respectively (see Chart 25).

5.3. The financial flows of non-financial corporations

In the period from January to March 2002, the balance of the financial transactions of

TABLE 7

Financial transactions of the nation. Cumulative data for the last four quarters

% of GDP

	1998	1999	2000	2001		2002
				Q3	Q4	Q1
Net financial transactions	0.5	-1.1	-2.5	-2.0	-1.9	-1.8
Financial transactions (assets)	12.3	14.8	24.5	16.4	10.8	8.8
Gold and SDRs	0.0	-0.2	0.0	0.0	0.0	0.0
Cash and deposits	3.2	1.7	2.8	-0.5	-2.6	-3.8
Credit system	0.0	3.7	2.5	-0.5	-2.8	-3.3
Other resident sectors	3.2	-2.0	0.4	0.1	0.1	-0.6
Securities other than shares	3.4	2.8	3.8	6.0	7.1	7.4
Credit system	-1.4	-0.9	-0.3	1.0	2.0	2.3
Other resident sectors	4.7	3.7	4.1	5.1	5.1	5.2
Shares and other equity	4.3	9.8	15.1	8.1	3.7	3.1
Credit system	0.4	0.7	1.7	0.3	-0.1	-0.4
Other resident sectors	3.9	9.0	13.4	7.8	3.8	3.5
Of which:						
Non-financial corporations	2.2	6.5	10.9	7.6	3.7	3.7
Loans	1.4	0.7	2.7	2.7	2.7	2.1
Credit system	0.2	-0.2	0.5	0.7	0.8	0.6
Other resident sectors	1.2	0.9	2.2	2.0	1.9	1.5
Financial transactions (liabilities)	11.8	15.9	27.0	18.4	12.7	10.6
Deposits	5.9	4.1	6.7	5.0	2.8	1.1
Of which:						
Credit system	5.9	4.1	6.8	5.0	2.8	1.1
Debt securities issued	1.0	5.4	7.0	4.0	3.1	3.2
Credit system	0.2	0.9	0.8	0.6	0.6	0.8
General government	1.0	4.3	5.7	3.0	1.6	1.7
Other resident sectors	-0.2	0.2	0.5	0.4	0.9	0.8
Shares and other equity	2.9	3.9	9.1	5.8	3.5	3.7
Credit system	0.1	0.3	1.7	0.4	0.5	0.2
Other resident sectors	2.8	3.6	7.4	5.3	3.0	3.5
Loans	2.2	3.8	4.5	4.0	4.4	3.8
General government	0.1	0.1	0.1	0.0	0.1	0.1
Other resident sectors	2.1	3.7	4.4	4.0	4.3	3.7
Other, net (a)	-0.2	-1.4	-0.3	-0.4	-1.1	-1.3

Source: Banco de España.

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

non-financial corporations was similar to that in the same quarter a year earlier (-1.8% of GDP). Thus, in cumulative four-quarter terms, their net financial requirements amounted to 4.4% of GDP. As discussed in previous reports, these financial requirements are due to the diminished capacity of corporations to generate funds internally, since both domestic and foreign investment have slowed significantly (see Chart 26).

Investment in financial assets increased slightly in relation to the same quarter a year earlier and stood at 17.9% of GDP. This increase was primarily the result of greater investment in cash and cash equivalents, amounting to 1.9% of GDP; however, the demand for other liquid assets, reflected under other deposits and fixed-income securities, declined considerably (see Table 6). Moreover, the acquisition of quoted and unquoted shares

TABLE 8

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

% of GDP

	1997	1998	1999	2000	2001	2002 (b)
Total economy	-20.9	-21.6	-22.3	-20.6	-22.4	-23.0
Non-financial corporations and households and NPISHs	-10.8	-8.6	-8.7	-0.8	-1.7	-1.7
Non-financial corporations	-17.1	-14.8	-16.3	-8.5	-9.3	-9.6
Households and NPISHs	6.3	6.2	7.6	7.6	7.5	7.9
Financial institutions	6.9	4.8	6.9	5.1	4.6	3.4
Credit institutions (c)	2.4	-5.4	-7.5	-12.5	-14.6	-15.4
Institutional investors (d)	4.6	10.7	15.0	18.4	20.7	20.7
Other financial institutions	-0.1	-0.4	-0.6	-0.8	-1.6	-1.8
General government	-17.0	-17.9	-20.5	-24.8	-25.2	-24.8

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) Q1 data.

(c) Defined according to the First Banking Directive.

(d) Insurance corporations and collective investment undertakings.

was somewhat more positive at 4.5% of GDP, compared with 4.2% the previous quarter. Finally, investment in assets grouped under the heading *other* in Table 6 edged up to 11.5% against 11.1% the previous quarter as result of a higher volume of trade credit.

Turning to liabilities-side transactions, the resources obtained by non-financial corporations rose to 22.3% of GDP. Financing obtained via loans and securities other than shares slowed overall, and it was other debt instruments which grew most. Loans from resident institutions and financing intermediated via securitisation funds increased considerably to 7.5% of GDP, compared with 6.8% the previous quarter. The issuance of fixed-income securities remained very low, standing at 0.1% of GDP. Foreign loans decelerated substantially, which might be indicative of the lesser resort by large corporations to financing. Resources raised through foreign loans amounted to 2.8% of GDP, compared with 3.6% the preceding quarter. The year-on-year growth of financing extended to corporations thus stood at 16.6%, a slightly slower rate (see the memorandum item in Table 6). The remaining corporate liability instruments increased slightly. Hence, the issuance of shares and other equity (primarily unquoted shares) amounted to 4% of GDP, and the remaining instruments (included under the item *other* in Table 6) to 8% of GDP, influenced by the increase in trade credit.

The information on the breakdown of resident institutions' credit by productive activity in-

dicates that the acceleration in loans was across the board. The growth rate of the main component, credit for the services sector, climbed from 12.1% at end-2001 to 13.6%. Meantime, loans to industry grew by 8.6% and those to construction by 12.1%.

Although the volume of financing – total loans and securities other than shares – slowed slightly during 2002 Q1, its growth remains high in relation to economic growth. Consequently, the sector's debt, measured by the debt/GDP ratio, held on a growing path, standing at 71.8%. The value of this debt in relation to corporations' financial assets portfolio rose even more, up to 40.3%, given the diminished value of share holdings.

5.4. General government financial flows

The positive balance of general government financial transactions in 2002 Q1 was higher than a year earlier. In cumulative four-quarter terms, the improvement saw this sector's financial saving come to stand at 0.5% of GDP (see Chart 27).

During Q1, the Treasury launched a new issue of 15-year bonds for a value of €5 billion. As a result, in cumulative four-quarter terms, the outstanding balance of general government bonds increased by 2.26% of GDP, compared with 1.27% the previous quarter. Issues of short-term securities were low and, again on a cumulative four-quarter basis, redemptions

amounted to 1.25% of GDP. The net resources obtained with the issues contributed to increasing deposits (net of loans) by 1.09% of GDP. During Q1, moreover, public debt portfolio switching from institutional investors to non-residents continued, with the latter agents' holdings of bonds now accounting for somewhat over 50% of the total outstanding balance issued.

The provisional information for Q2 shows a fresh increase in funds obtained via securities. Net issues of government bonds have been earmarked, to a lesser extent, to redeeming short-term securities and, consequently, the *financial requirements* indicator, which reflects general government resort to financial markets and proxies saving in the sector, has risen to 0.87% of GDP in Q2 (see Chart 27).

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

Between January and March 2002, the balance of the nation's financial transactions was somewhat less negative than in the same quarter a year earlier (−0.50% of GDP), whereby capital inflows from abroad totalled 1.8% of GDP in cumulative four-quarter terms (see Table 7). As had been the case in the preceding quarters, flows of net acquisitions of external financial assets and liabilities continued to decline, with said purchases predominantly of high-liquidity and low-risk instruments amid the heightened uncertainty on capital markets.

Net acquisitions of external assets amounted to 8.8% of GDP, against 10.8% the previous quarter. Both credit institutions and *other resident sectors* reduced their holdings of foreign deposits. Investment in securities continued to

be predominantly in fixed-income instruments. Acquisitions of securities other than shares increased to 7.4% of GDP, while equity purchases were lower at 3.1% of GDP, compared with 3.7% in 2001 Q4. This lesser investment in shares was due to financial institutions, since non-financial corporations sustained an investment flow equivalent to 3.7% of GDP. According to Balance of Payments data, foreign direct investment declined by more than 50% in relation to that in the same quarter a year earlier. In particular, inter-company debt transactions fell more sharply than direct investment in shares and other equity. Loans abroad by non-financial corporations amounted to 1.5% of GDP, against 1.9% in 2001.

The volume of cross-border transactions on the liabilities side was also lower, standing at 10.6% of GDP compared with 12.7% the previous quarter. This decline was mainly the result of less investment in deposits by non-residents and of a reduction in foreign loans received by non-financial corporations. However, non-resident investment in securities increased moderately on the same quarter a year earlier, taking the form in particular of direct investment. Consequently, direct investment flows turned negative once again, i.e. foreign direct investment in Spain exceeded Spanish investment abroad. The latest Balance of Payments information, for April, clearly shows these patterns to be continuing.

As a result of foreign financial transactions and of changes in financial asset prices and in the exchange rate, the debit balance of net external assets increased. The improved general government position did not offset the deterioration in credit institutions' net external assets (see Table 8).

30.7.2002.

Results of non-financial corporations in 2002 Q1 (1)

1. INTRODUCTION

The CBQ data for 2002 Q1 show a path for the productive activity of the sample corporations in line with the slowdown during 2001 (see Table 1 and Chart 1). Following a second half marked by the uncertainty arising from the attacks of 11th September, the Argentine crisis and the US recession, the corporations began 2002 amid a subdued climate. Despite this, their gross value added rose by 2.2% in nominal terms during 2002 Q1, relative to the same period a year earlier. This growth is basically explained by the positive performance of wholesale and retail trade (in line with that of domestic consumption, which has proven to be the most resilient aggregate during the slowdown) and of transport and communications, while industrial corporations continued to suffer the effects of the slowdown to a greater extent, primarily as a consequence of the slackness of foreign trade and the deterioration in investment in capital goods.

The conclusions drawn from the performance of employment are similar to those based on productive activity. Employment continued to increase in aggregate terms during Q1 (at a rate of 0.6%), although somewhat more slowly than a year earlier (1.3%), with the rise in employment in wholesale and retail trade playing a fundamental role in this performance. Employment in this sector has remained on a positive trend in recent quarters, buoyed by private consumption. Notable at the other extreme, along with the sectors in which employment has been destroyed as a result of reorganisation and opening up to competition (electricity and, to a lesser extent, transport and communications), was industry, which recorded negative growth rates for the third consecutive quarter, in line with the contraction of its activity. Meanwhile, average compensation increased by 2.9%, a significant decline from the 4% rate recorded in 2001 Q1 (3.7% in the year as a whole). This would seem to show that the inflationary surge which pushed up wage settlements in 2001 has given way to a situation of greater moderation, which may help to improve the corporations' competitiveness.

Gross operating profit slowed to record a slight increase in 2002 Q1 (1.3%). This did not affect the profitability of the sample corporations however, because the falls in interest rates in the last twelve months reduced financial costs,

(1) This article is based on the 704 corporations that had on average responded voluntarily to the CBQ survey as at 14 June 2002. This sample represents 14% of the total activity of the sector non-financial corporations (as measured by the gross value added at basic prices of this sector).

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		
	1999	2000	01 Q1-Q4/00 Q1-Q4 (a)	01 Q1/00 Q1	02 Q1/01Q1
Number of corporations / total national coverage	8249/31.6%	7750/28.3%	829/15.0%	895 / 16.0%	704 / 14.0%
1. VALUE OF OUTPUT (including subsidies)	9.2	16.0	1.5	7.0	0.6
Of which:					
1. Net amount of turnover and other operating income	10.7	17.4	2.6	8.2	2.7
2. INPUTS (including taxes)	11.5	20.1	0.2	8.9	-0.4
Of which:					
1. Net purchases	12.9	23.8	-2.3	7.5	-0.7
2. Other operating costs	9.2	13.8	4.3	9.7	0.1
S.1. GROSS VALUE ADDED AT FACTOR COST [1 - 2]	4.7	7.6	3.8	3.9	2.2
3. Personnel costs	6.4	7.3	4.4	5.4	3.5
S.2. GROSS OPERATING PROFIT [S.1 - 3]	2.9	7.8	3.4	2.8	1.3
4. Financial revenue	5.2	26.6	13.8	33.5	-5.4
5. Financial costs	-2.2	25.8	14.1	35.0	-6.9
6. Corporate income tax	-2.6	-3.0	7.5	6.9	-13.8
S.3. FUNDS GENERATED FROM OPERATIONS [S.2 + 4 - 5 - 6]	2.2	4.8	3.7	-1.2	4.8
7. Depreciation and provisions and other [7.1 + 7.2 - 7.3]	12.3	3.5	6.4	44.8	-3.2
7.1. Depreciation and operating provisions	9.0	6.1	0.4	-2.8	2.1
7.2. Capital losses and extraordinary expenses	5.3	-6.0	-13.6	15.5	143.9
7.3. Capital gains and extraordinary revenue	-0.2	-6.6	-30.4	-54.4	241.2
S.6. ORDINARY NET PROFIT [S.2 + 4 - 5 - 7.1]	0.1	9.7	6.6	2.4	2.1
MEMORANDUM ITEM:					
TOTAL NET PROFIT [S.3 - 7]	-4.1	17.6	0.0	-34.1	14.5
PROFIT RATIOS					
R.1 Ordinary return on net assets (before taxes)	7.5	7.5	8.4	7.1	7.5
R.2 Interest on borrowed funds/ interest-bearing borrowing	5.0	5.0	5.3	5.4	4.6
R.3 Ordinary return on equity (before taxes)	9.1	9.3	10.9	8.4	9.7
R.4 Financial leverage (R.1 - R.2)	2.6	2.5	3.1	1.7	2.9
R.5 Debt ratio	43.5	47.4	50.0	49.7	48.8

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			CBA	CBQ			CBA	CBQ			CBA	CBQ		
	2000	01 Q1- Q4 (a)	01 Q1	02 Q1	2000	01 Q1- Q4 (a)	01 Q1	02 Q1	2000	01 Q1- Q4 (a)	01 Q1	02 Q1	2000	01 Q1- Q4 (a)	01 Q1	02 Q1
Total	7.6	3.8	3.9	2.2	4.6	0.7	1.3	0.6	7.3	4.4	5.4	3.5	2.6	3.7	4.0	2.9
SIZE:																
Small	9.7	—	—	—	4.8	—	—	—	9.3	—	—	—	4.4	—	—	—
Medium	8.7	5.4	2.3	4.0	5.9	2.7	2.9	2.4	9.8	7.5	8.2	4.2	3.7	4.7	5.1	1.7
Large	7.3	3.7	4.0	2.1	4.3	0.5	1.2	0.4	6.8	4.1	5.2	3.4	2.4	3.6	4.0	3.0
STATUS:																
Public-sector	7.4	7.9	9.0	3.5	-0.3	1.4	0.5	0.4	3.9	6.6	6.8	6.2	4.2	5.1	6.3	5.8
Private-sector	7.6	3.3	3.3	2.1	5.7	0.6	1.6	0.6	8.1	3.9	5.1	2.9	2.3	3.3	3.5	2.2
BREAKDOWN OF ACTIVITIES BEST REPRESENTED IN THE SAMPLE:																
Energy	13.6	-6.5	-6.5	-1.7	-3.4	-3.6	-3.3	-3.3	0.0	2.5	1.2	3.0	3.5	6.3	4.6	6.5
Industry	6.1	-2.9	-0.2	-1.8	2.9	-0.6	1.0	-1.6	6.5	2.6	4.7	1.3	3.5	3.2	3.7	3.0
Wholesale and retail trade	6.6	17.8	10.3	7.3	9.6	6.2	6.5	5.7	11.2	9.5	10.6	5.8	1.5	3.1	3.9	0.1
Transport and communications	2.8	9.6	10.2	4.3	0.0	-2.5	-3.2	-0.3	4.9	1.6	2.0	3.1	4.9	4.2	5.4	3.4

Source: Banco de España.

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

freeing up resources and helping the ordinary net profit to grow by 2.1%. Nonetheless, the ordinary return on assets fell slightly relative to 2001 as a whole, although the comparison with 2001 Q1 is favourable to the present year. The combination of a mild decline in profitability and a fall in the cost of borrowing in the first three months of 2002 entailed a mild decline in leverage (the difference between these two ratios), relative to 2001, and a small increase with respect to 2001 Q1. Net profit which, since it is affected by instances of capital gains/losses unrelated to the business cycle, may be highly variable, grew by somewhat more than 14% in 2002 Q1, with respect to the same period of 2001. This increase was a result of the significant capital gains generated on the share sales made by certain large firms more than offsetting the extraordinary transfers made by other large firms to provisions for their investments in Argentina.

In short, the slowdown in productive activity that started in 2001 continued in 2002 Q1. The CBQ data still do not reflect the signs of recovery

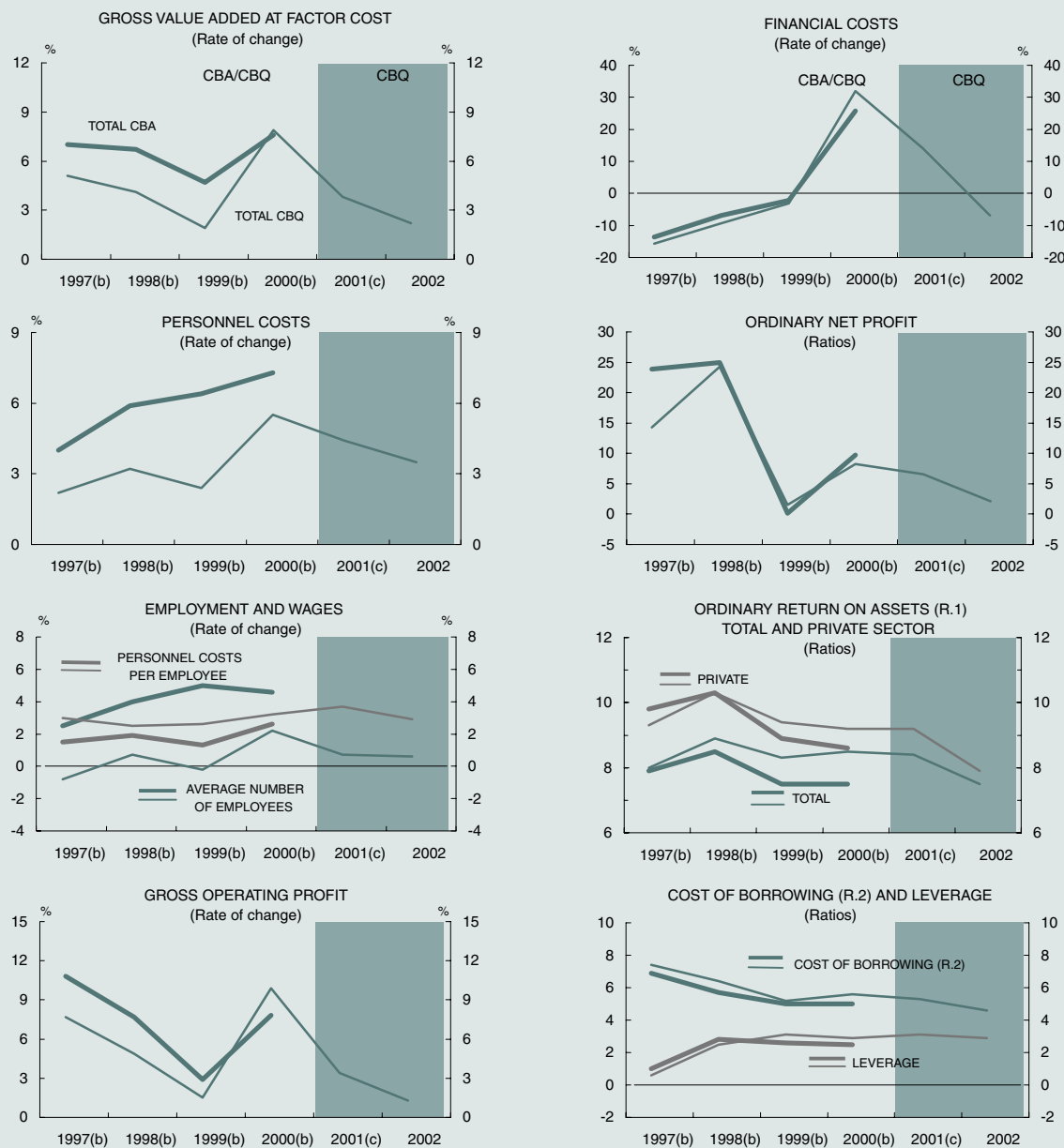
discerned in alternative sources (slight improvement in the international setting, improvements in business confidence and in certain industrial indicators). Apart from wholesale and retail trade, which is performing very positively, activity in the other sample corporations grew at moderate rates in the first three months of the year, and although employment rose slightly, most of the sectors analysed recorded declines in aggregate terms. However, the reduction in the cost of borrowing has led to a slight increase in the profitability of the corporations and an improvement in their leverage.

2. ACTIVITY

As already mentioned in the introduction, business activity in 2002 Q1 increased moderately in nominal terms, in line with the slowdown in activity that began in 2001. In fact, according to the CBQ, GVA grew by 2.2% in 2002 Q1, compared with 3.8% in 2001 as a whole. Removing the effects of changes in oil prices (upward in 2002 Q1, relative to the previous

CHART 1

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



NUMBER OF CORPORATIONS						
CBA	8,054	8,135	8,249	7,750		
CBQ	722	835	883	899	829	704
% OF GDP OF THE SECTOR NON-FINANCIAL CORPORATIONS						
CBA	33.6	33.5	31.6	28.3		
CBQ	18.7	18.0	16.9	16.4	15.0	14.0

NUMBER OF CORPORATIONS						
CBA	8,054	8,135	8,249	7,750		
CBQ	722	835	883	899	829	704
% OF GDP OF THE SECTOR NON-FINANCIAL CORPORATIONS						
CBA	33.6	33.5	31.6	28.3		
CBQ	18.7	18.0	16.9	16.4	15.0	14.0

CBA data

CBQ data

Source: Banco de España.

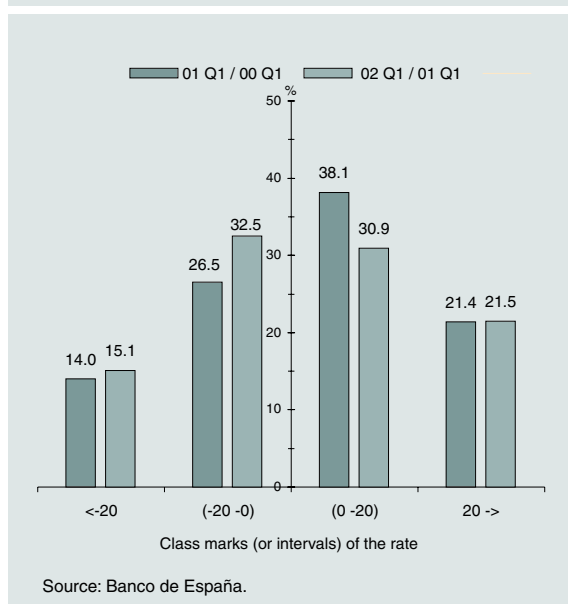
(a) Information available to 14 June 2002 (CBA and CBQ).

(b) The 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.

CHART 2

**Distribution of corporations by rate of change in GVA at factor cost
(01 Q1 / 00 Q1, 02 Q1 / 01 Q1)**



quarter, but less than in 2001 Q1 and in the year as a whole) makes the slowdown in the rate of activity milder (from 5% in 2001 to 4.3% in 2002 Q1). However, the rates recorded for output and inputs (0.6% and -0.4%, respectively) confirm that activity continued to show clear signs of slackness in 2002 Q1 as well. It was foreign trade though that most clearly reflected the effects of the slowdown since, as Table 3 shows, although imports held constant in 2002 Q1 as a percentage of all sales, exports recorded a clear decline relative to total sales (from 13% in 2001 to 11.5% in 2002).

Other sources indicate that the growth in the GVA generated by the corporations was sustained by domestic consumption and investment. The CBQ data confirm that wholesale and retail trade was the most dynamic sector, with growth of 7.3%. This rate was, nonetheless, significantly below those recorded by the same sector the previous year (17.8%) and in 2001 Q1 (10.3%). One of the reasons for this disparity in the growth of corporations in the wholesale and retail trade in the two periods lies in the fact that the corporations selling fuel, which are classified in the wholesale and retail trade, were strongly favoured in 2001 by the downward path of oil prices, which led to a substantial recovery in their GVA, margins and surpluses during that period. If the corporations selling fuel are excluded from wholesale and retail trade, this sector recorded GVA growth of 5.8%, only two percentage points down on the rate in 2001 Q1. Besides wholesale and retail

TABLE 2.b

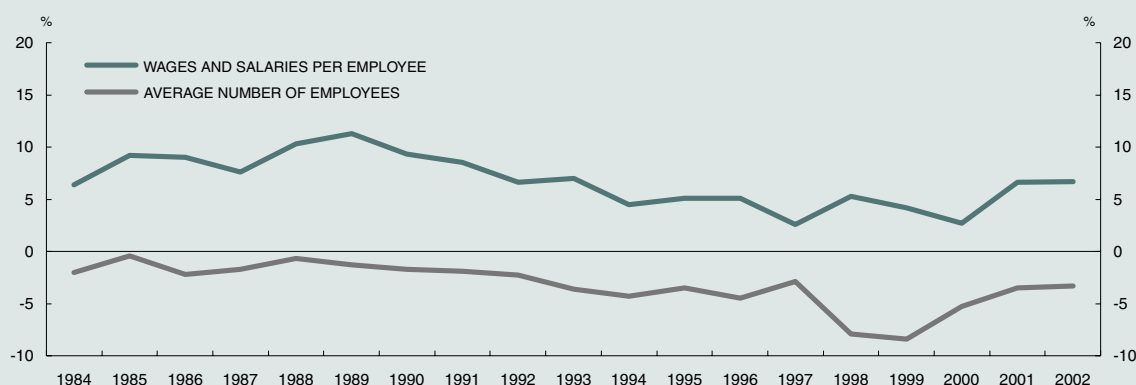
**Employment and personnel costs
Detail according to changes in staff levels**

	Total CBQ corporations 02 Q1	Corporations increasing (or not changing) staff levels	Corporations reducing staff levels
No. of corporations	704	390	314
Personnel costs			
Initial situation 01 Q1 (EUR million)	4,818.0	1,980.0	2,838.0
Rate 02 Q1 / 01 Q1	3.5	10.8	-1.6
Average compensation			
Initial situation 01 Q1 (EUR)	9,009	8,330	9,553
Rate 02 Q1 / 01 Q1	2.9	3.1	3.5
Number of employees			
Initial situation 01 Q1 (000s)	535	238	297
Rate 02 Q1 / 01 Q1	0.6	7.4	-4.9
Permanent			
Initial situation 01 Q1 (000s)	441	182	259
Rate 02 Q1 / 01 Q1	1.1	9.0	-4.4
Non-permanent			
Initial situation 01 Q1 (000s)	94	56	38
Rate 02 Q1 / 01 Q1	-2.2	2.1	-8.4

Source: Banco de España.

trade, the other aggregates that make up «market services» also recorded significant increases in GVA in nominal terms. In particular, transport and communications was notable, with an increase of 4.3% in GVA, basically owing to the performance of telephony corporations in the mobile sector, which had begun in 2001 to record significant increases in revenues linked to the new range of services provided to their clients (such as messaging). At the opposite extreme was the industrial sector, which recorded negative rates of change in GVA for the fifth consecutive quarter (-1.8%). As mentioned above, this sector has been particularly affected by the deterioration in the performance of the international economy and by the reduction in investment in capital goods. However, corporations classified in the food, the metal, glass and ceramic products and the electrical, electronic and optical equipment sub-sectors showed positive rates of change. For its part, the energy sector contracted in 2001 Q1 (its GVA fell by 1.7%), owing primarily to refined petroleum products which, as a consequence of the changes in oil prices, continued to record large decreases in GVA, compared with 2001 Q1 (Box 1 gives other details of the performance of industrial activity). The electricity utilities recorded significant increases in their activity (their GVA grew by 6.3%), basically owing to the increases in demand which, corrected for climate and calendar effects, increased by

CHART 3

Electricity, gas and water supply. Compensation and employment (a)

Source: Banco de España.
(a) Rates.

3.9% in 2002 Q1, according to information provided by the sector itself, which shows that the corporations using this source of energy had an acceptable level of activity. The average increase in tariffs for 2002 (0.412%, as set by Decree 1483 of 27 December 2001) also contributed to the rise in the electricity utilities' GVA.

The scene described for the activity of the various sectoral aggregates highlights the broad-based nature of the slowdown and the inertia that seems to have continued to mark the events of last year. This did not rule out different behaviour in some sectors and sub-sectors. The greater vigour which, according to other sources, is discernible in certain foreign economies and the positive performance that, as indicated, some sectors have been recording means that the economic recovery can be expected to spread gradually to the other sectors of the economy. In any case, the CBQ data confirm the continuity of the slowdown, as seen in Chart 2, in which the corporations are distributed according to the rate of growth of their GVA. This chart shows a clear shift towards the segments including corporations that obtained lower growth in their GVA. Whereas in 2001 Q1 40% of the corporations recorded declines in GVA, 48% of the corporations were in this situation in the same quarter of 2002.

3. EMPLOYMENT AND PERSONNEL COSTS

In line with activity, the rate of growth of the workforces of the corporations reporting to the CBQ decelerated in 2002 Q1, although rates remained positive. Given the characteristics of the

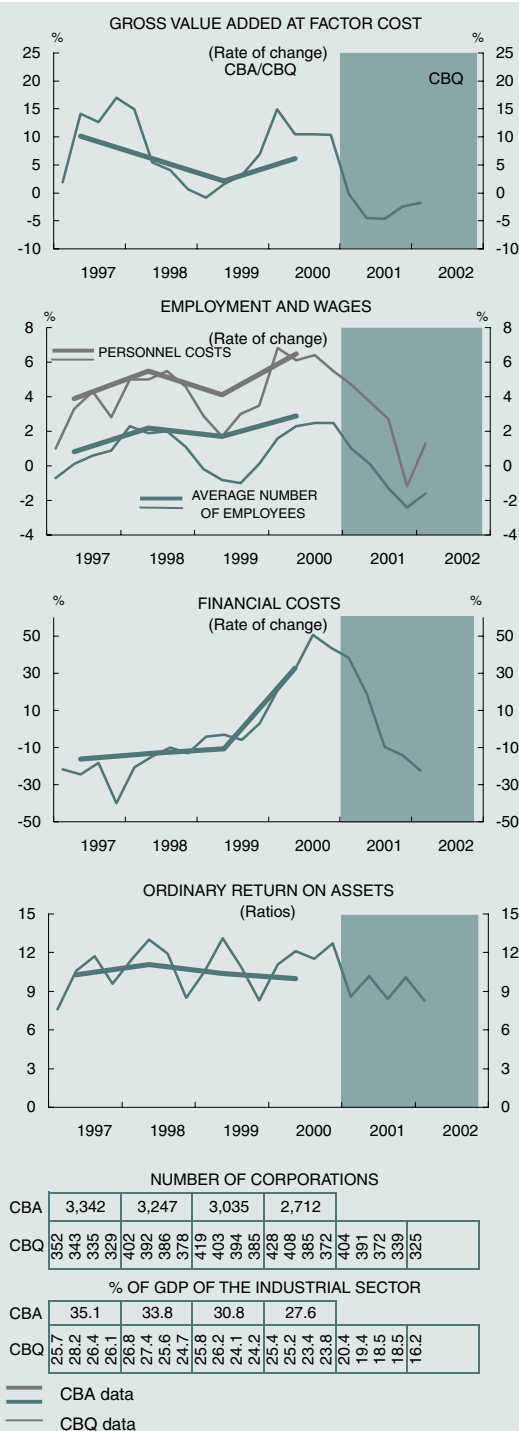
CBQ corporations (the sample is dominated by very large firms, industrial firms, public-sector firms, recently privatised firms and certain sectors undergoing reorganisation) this is a favourable performance. The rate of growth of employment in 2002 Q1 (0.6%) is slightly lower than that in 2001 as a whole (0.7%), and accurately reflects the slackness and uncertainty afflicting the economy since 2001 Q2. In terms of contract type, it was temporary employment that was most affected by the slowdown in activity. It declined for the fourth consecutive quarter, although in this case by 2.2%, only one third of the decline in 2001 Q4. According to Table 2.a and the detailed information available in the CBQ it was the market services corporations that created most jobs and, among them, those in the wholesale and retail trade sector, in which employment increased at a rate of 5.7% during the first three months of the year, a similar rate to that of 2001 Q1. In the other sectors well represented in the CBQ sample the performance of employment was very different. Transport and communications again recorded a negative rate of change, albeit close to zero (-0.3%). When this rate is compared with that for the previous year (-2.5%) the process of labour shedding in this sector appears to be coming to a halt.

The behaviour of the energy sector was strongly influenced by that of the electricity utilities. As a result of the restructuring to adapt to a competitive environment, they again reduced their workforces, by -3.3% in Q1, very similar to the rates recorded in previous quarters. The electricity industry has seen constant reductions in employment in the last 15 years, although they have intensified since 1998 with liberalisation (Chart 3 puts the changes in workforces

Analysis of the industrial sector

Industry is a key sector for gaining a more accurate picture of developments in the Spanish corporate fabric. Moreover, its weight and representativeness in the quarterly sample make it indispensable for any short-term economic analysis. As regards its activity, in the first three months of 2002 the performance of the Spanish industrial corporations reporting to the CBQ was clearly negative, their GVA falling by 1.8% in the period analysed. This was a relative improvement on the aggregate figures for 2001 (-2.9%) and, as can be seen in the adjoining chart, reflects a change in trend, that began in late 2001. The decline in external activity, strongly affected by the recession in certain international economies, and the slackness of investment in capital goods, explain the behaviour of activity in industry, which is more sensitive to the above-mentioned factors than other productive sectors, given its openness to the external sector. Considering the sector in greater detail it can be seen that it was the corporations of the chemicals, transport equipment and other manufacturing sub-sectors that were hardest hit by the slowdown. By contrast, food, drink and tobacco and the electrical, electronic and optical equipment industries managed to achieve sound GVA growth. The decline in the operating activity of these corporations was accompanied for the third consecutive quarter by workforce reductions. As a result the rate of growth of employment stood at -1.6% in the 2002 Q1. This rate was more negative than that of a year earlier (+1%) but was, nonetheless, an improvement on the 2.4% decline recorded in 2001 Q4. Average compensation in the industrial sector grew by 3%, practically the same rate as for the sample as a whole and 0.7 percentage points down on the rate in 2001 Q1. This seems to point to a trend towards wage moderation which, if sustained in the coming quarters, will help to maintain international competitiveness. The trend in personnel costs, together with that in the other ordinary cost and revenue items, requires little alteration to the comments already made with respect to activity, so that all the ordinary surpluses (gross operating profit, funds generated and ordinary net profit) showed negative rates of change, accurately reflecting the slowdown in productive activity. Against this background, ordinary returns fell relative to previous periods. Both the ordinary return on net assets and that on equity were one percentage point (0.3% and 9.6%) down on those obtained in 2001 (9.3% and 10.6%). In spite of this, leverage was higher than in 2001 (0.6 percentage points), due to the sharp reduction last year in the cost of borrowing. In short, the scenario described for Spanish industry in recent quarters reflects the conjunction of a slowdown in activity with the maintenance of high levels of profitability. The corporations, unlike in previous periods of slack business, have been bolstered by the favourable trend in the cost of borrowing.

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



Source: Banco de España.

(a) Information available to 14 June 2002 (CBA and CBQ). The CBQ data are growth rates in relation to the same quarter a year earlier.

TABLE 3

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

	CBA	CBQ	
	2000	01 Q1-Q4 (a)	02 Q1 / 01 Q1
Total corporations	7,750	829	704
Corporations reporting source/destination	7,750	800	682
	%	%	%
Net purchases	100.0	100.0	100.0
SOURCE OF PURCHASES:			
Spain	64.0	80.3	80.4
Total abroad	36.0	19.7	19.6
EU countries	22.4	14.8	14.4
Third countries	13.6	4.9	5.1
Net turnover	100.0	100.0	100.0
SALES DESTINATIONS:			
Spain	81.3	87.0	88.5
Total abroad	18.7	13.0	11.5
EU countries	14.1	8.0	7.6
Third countries	4.7	5.0	3.9

Source: Banco de España.

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

and average wages and salaries in the electricity, gas and water supply sector into an historical perspective). Finally, industry also recorded a negative rate of growth of employment (–1.6%) for the third consecutive quarter. This is lower than the rate for 2001 as a whole (–0.6%) and represents a turning point with respect to the figure for 2001 Q4, when the rate reached –2.4%. Employment developments in industry are considered in greater detail in Box 1.

Average compensation increased by 2.9% in 2002 Q1. This amounted to significant moderation when compared with 2001 Q1 (4%) and with the rate for the whole of 2001 (3.7%). Following 2001, when the surge in inflation exerted notable upward pressure on wages, the agreement reached by the employers and unions in December 2001 seems to have brought about a change in trend. A similar conclusion is reached when considering Table 2.b which analyses separately the aggregates of firms creating jobs, on one hand, and those shedding labour, on the other. This information confirms that the corporations generating employment continued to record lower wage increases (3.1%), although contrary to what had become normal, a certain moderation in the growth of average compensation was also discerned for the corporations reducing employment (3.5%). By sector

of activity, reductions in employment of varying importance were recorded across the board, except in the energy utilities (which increased their average compensation slightly as a consequence of the workforce restructuring referred to above).

Finally, Table 4, which shows the percentages of corporations in certain situations (eliminating the bias in the aggregates deriving from the differing sizes of the corporations), enable certain elements to be analysed which confirm and reinforce some of the remarks made above. On one hand, more than 44% of the corporations that make up the quarterly sample reduced their workforces in 2002 Q1, a higher percentage than in the same period of the previous year (38%). This confirms the downtrend in employment, albeit slight, mentioned above. Table 4 also shows that average compensation outpaced inflation in 51.1% of the corporations, slightly below the percentage recorded in 2001 Q1.

4. PROFITS, MARGINS AND RATES OF RETURN

Reflecting the developments outlined above in relation to productive activity and employ-

TABLE 4

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

	CBA		CBQ			
	1999	2000	00 Q1-Q4 (a)	01 Q1-Q4	01 Q1	02 Q1
Number of corporations	8,249	7,750	899	829	895	704
Personnel costs	100.0	100.0	100.0	100.0	100.0	100.0
Falling	21.0	18.1	24.5	28.0	24.4	32.1
Constant or rising	79.0	81.9	75.5	72.0	75.6	67.9
Average number of employees	100.0	100.0	100.0	100.0	100.0	100.0
Falling	22.8	24.2	35.4	40.5	38.0	44.7
Constant or rising	77.2	75.8	64.6	59.5	62.0	55.3
Average compensation (relative to inflation) (b)	100.0	100.0	100.0	100.0	100.0	100.0
Lower growth	51.4	47.3	47.3	46.6	47.2	48.9
Higher or same growth	48.6	52.7	52.7	53.4	52.8	51.1

Source: Banco de España.

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

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

ment, the rate of growth of gross operating profit declined from 2.8% in 2001 Q1 to 1.3% in 2002 Q1. However, as in the case of GVA, this rate was influenced by the trend in oil and fuel prices. If the corporations refining and selling fuel are removed from the aggregate the rate for 2002 is approximately 4.9%, as against 1.8% in the same quarter of the previous year. By sector of activity, the trend in gross operating profit is similar to that of GVA (falling in the energy and industrial sectors and rising in wholesale and retail trade and in transport and communications). Financial costs, meanwhile, declined by 6.9% in 2002 Q1, a situation that had not occurred since 1999 and which highlights the delayed effect on financial costs of the cut in interest rates last year. The small increase in gross operating profit and the fall in financial costs caused ordinary net profit (which is used to calculate the rates of return given at the end of Table 1) and funds generated to grow by 2.1% and 4.8%, respectively, relative to 2001 Q1. The reduction in financial costs occurred in all the sectors of the sample and is explained by the reduction in interest rates between 2001 Q1 and 2002 Q1. It took place against the background of an increase in financing, albeit a small one, between the two periods considered. The following table shows the influence of each of the effects mentioned above on the final rate of change of financial costs:

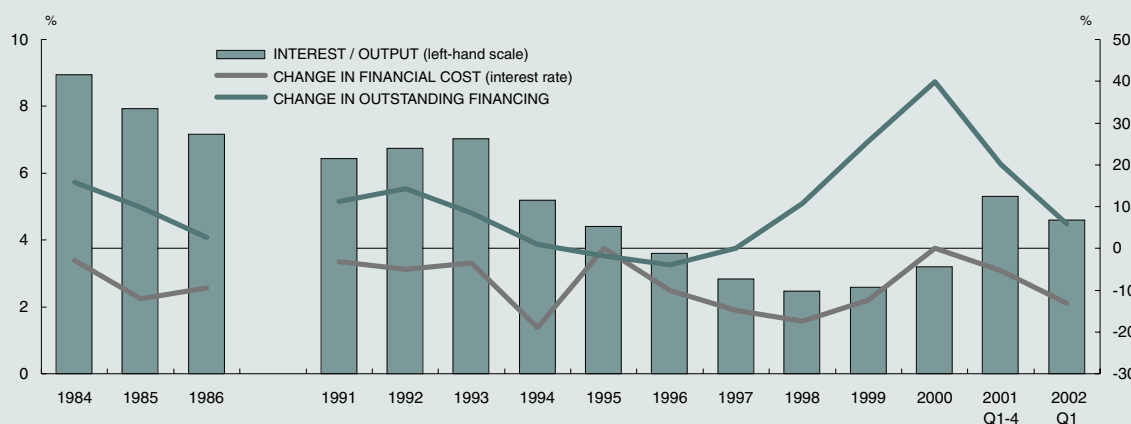
	<u>02 Q1/01 Q1</u>
Change in financial costs	-6.9%
<i>A. Interest on borrowed funds</i>	
(1 + 2)	-7.4%
1. Due to the cost (interest rate)	-13.3%
2. Due to the amount of interest-bearing debt	+5.9%
<i>B. Commissions and cash discounts</i>	+0.5%

As mentioned above, the reduction in financial costs occurred as a consequence of the lower interest rates prevailing on the market compared to a year earlier. Chart 4 shows the time series for changes in costs and financing, and highlights both the fall in these two variables in 2002 Q1 and the reduction in the weight of financial costs in the profit and loss account. The increase in interest rates in 2001 has been followed by a period of reductions which have enabled the corporations to maintain their levels of profitability and to increase their disposable income. The conditions arising from the macroeconomic stability that has been maintained since the period prior to the start of Stage Three of Economic and Monetary Union thus continue to prevail.

The above-mentioned trend in ordinary net profit (the variable that explains the results corporations obtain from their normal activities and therefore the one used to calculate rates of re-

CHART 4

Financial costs and their components



Source: Banco de España.

turn), of moderate growth in the period analysed (2.1%), led to a slight rise in profitability relative to the same quarter a year earlier. Relative to the whole of 2001, the return on net assets fell (from 8.4% in 2001 to 7.5% in 2002 Q1). By sector (see Table 5), wholesale and retail trade stands out once again with the highest rates of return (its return on net assets stood at

13.5% in this quarter, higher even than the 12.9% rate in 2001 Q1). As the cost of financing was sharply reduced (to 4.6% from 5.4% in 2001 Q1), leverage (the difference between the two ratios) stood at 2.9%, similar to the level in 2001. These ratios confirm that high levels of profitability are being maintained even in the present scenario of slowing activity, indicating

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			CBA	CBQ			CBA	CBQ			CBA	CBQ		
	2000	01 Q1- Q4 (a)	01 Q1	02 Q1	2000	01 Q1- Q4 (a)	01 Q1	02 Q1	2000	01 Q1- Q4 (a)	01 Q1	02 Q1	2000	01 Q1- Q4 (a)	01 Q1	02 Q1
Total	7.8	3.4	2.8	1.3	4.8	3.7	-1.2	4.8	7.5	8.4	7.1	7.5	2.5	3.1	1.7	2.9
SIZE:																
Small	10.4	—	—	—	6.3	—	—	—	9.2	—	—	—	3.5	—	—	—
Medium	7.1	2.6	-5.0	3.8	7.3	1.6	-8.8	5.4	10.4	10.7	10.9	11.7	5.4	4.9	5.4	7.6
Large	7.8	3.4	3.2	1.2	4.5	3.7	-0.7	4.7	7.3	8.3	7.0	7.4	2.3	3.0	1.6	2.8
STATUS:																
Public-sector	25.7	10.9	14.1	-3.4	27.0	0.2	7.6	-5.7	1.0	2.5	1.8	2.1	-4.2	-2.7	-3.5	-1.0
Private-sector	7.1	2.9	2.1	1.6	4.0	3.9	-1.7	5.4	8.6	9.2	7.9	7.9	3.6	3.9	2.5	3.3
BREAKDOWN OF ACTIVITIES BEST REPRESENTED IN THE SAMPLE:																
Energy	18.5	-8.8	-8.4	-3.0	14.5	-5.4	-11.1	8.8	8.3	9.5	8.1	9.3	3.5	4.2	2.9	4.4
Industry	5.5	-9.1	-6.0	-5.6	4.0	-7.0	-14.5	-1.0	10.0	9.3	8.6	8.3	4.4	3.2	2.3	3.8
Wholesale and retail trade and repair services	0.8	29.1	10.0	8.9	-1.5	23.7	10.1	3.5	11.7	12.1	12.9	13.5	6.7	7.1	7.3	9.2
Transport and communications	1.0	15.3	16.4	5.1	2.4	13.4	13.0	3.5	6.3	9.9	8.7	11.4	0.8	4.5	3.2	6.7

Source: Banco de España.

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

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)	
	01 Q1	02 Q1	01 Q1	02 Q1
Total corporations	100.0	100.0	100.0	100.0
R ≤ 0 %	21.1	21.4	25.3	25.6
0 % < R ≤ 5 %	18.5	19.7	14.3	14.8
5 % < R ≤ 10 %	15.2	17.8	11.4	13.2
10 % < R ≤ 15 %	10.5	12.1	9.9	10.5
15 % < R	34.7	29.0	39.1	35.9
Number of corporations	895	704	895	704
MEMORANDUM ITEM:				
Average return	7.1	7.5	8.4	9.7

Source: Banco de España.

the existence of favourable conditions for undertaking productive investment. Finally, the information in Table 6 complements that inferred from the aggregate data and shows that, in practice, the percentage of firms with positive returns held steady.

In sum, the first data for 2002 confirm that Spanish corporations maintained moderate rates of growth of productive activity during the period analysed, basically due to the favourable behaviour of domestic consumption. There are data (the recovery in the US economy, the change of trend in confidence indicators) that appear to imply that activity will recover in the coming quarters, but the information available

in the CBQ does still not unambiguously confirm the end of the current slowdown. It should be noted in any case that Spanish corporations have entered this downturn from a position of greater strength than in similar phases of previous cycles and that the deterioration in terms of activity and employment has been smaller, while high levels of profitability have been maintained. An improvement in developments in the international economy and reductions in the rate of change of the general price level (closely related to oil prices) can be expected to enable greater buoyancy to be recovered in the coming months.

24.6.2002.

The new framework for the Spanish regional (autonomous) governments

The author of this article is Pablo Hernández de Cos of the Research Department.

1. INTRODUCTION

Fiscal decentralisation has been one of the distinctive features of the Spanish public sector in recent decades. Decentralisation commenced with the approval of the Spanish Constitution in 1978. This enabled the regional (autonomous) governments (RGs) to be set up and reformed the territorial organisation of the State. Since then, responsibilities for managing certain services have gradually been transferred from the State to the RGs and the arrangements for financing these responsibilities have been developed.

The design and implementation of fiscal policy in Spain, meanwhile, has been governed since the mid-1990s by the need for budgetary consolidation, first, to qualify for Stage Three of Economic and Monetary Union and, subsequently, to comply with the Stability and Growth Pact, whereby all EU countries must ensure that their budgetary positions are close to balance in the medium term.

The need to reconcile these two elements (fiscal decentralisation and budgetary consolidation), has highlighted the usefulness of developing rules of fiscal discipline that bind the different levels of government, as well as creating a regulatory environment for the RGs that ensures a degree of financial autonomy consistent with the level of spending responsibilities assumed.

It is against this background that two pieces of legislation have recently been approved by *las Cortes* (the Spanish parliament). These are, the Budgetary Stability Law (1), which, inter alia, strengthens the mechanisms for co-ordination between the State and the RGs, so that the latter more closely participate in the general macroeconomic stability objectives, and the new arrangements for financing the ordinary-regime RGs agreed by the Fiscal and Financial Policy Council (CPFF) in July 2001, which contain significant changes to the previous financing arrangements (2).

(1) Law 18/2001 of 12 December 2001 on general budgetary stability and Organic Law 5/2001 of 13 December 2001, which supplements the general budgetary stability law.

(2) This agreement has been enshrined in Organic Law 7/2001 of 27 December 2001 amending Organic Law 8/1980 of 22 September 1980 on the financing of the regional governments (LOFCA), and in Law 21/2001 of 27 December 2001 regulating the fiscal and administrative measures of the new arrangements for financing the ordinary-regime regional governments and towns with statutes of autonomy.

This article analyses the content of both pieces of legislation and their implications in terms of the institutional environment within which the RGs operate. Section two describes the legislation and section three assesses it. The article ends with a section of conclusions.

2. THE NEW AGREEMENT FOR FINANCING THE RGS AND THE BUDGETARY STABILITY LAW

The development of regional government, in the case of the ordinary-regime RGs, commenced with the creation of pre-autonomous entities and continued with the approval, in 1980, of the Organic Law on the Financing of RGs (LOFCA), and of the respective autonomy charters. Subsequently, the five-year agreements on financing arrangements signed within the CPFF have been the basis for the development of the system of regional government. The latest of them, reached in July 2001, established new arrangements for financing the ordinary-regime RGs, which came into force on 1 January 2002 and which, unlike the previous arrangements, are intended to be a definitive model.

These arrangements are based on two fundamental elements: first, determination of the resources corresponding to each RG in the year taken as the base year (1999) (see Table 1); and, second, definition of the rules governing the future level of the resources of each RG.

To determine the first of these elements, the overall spending needs of the RGs are established in accordance with the revenues they received in the base year (3) and with the amounts allocated to a set of supplementary funds with various objects (4). The spending needs so defined are divided up among the RGs on the basis of certain distribution criteria (5), among which the relative population variable is the most relevant. Subsequently, the tax resources that will be available to the RGs to finance their spending are defined and the amount they would have been in the base year is estimated. Finally, the so-called sufficiency fund is fixed. This covers the difference between the spending needs and the tax-raising capacity of each

RG in the base year and therefore enables the system to be closed (6). This ensures that the total resources of each RG in the base year are equal to its previously defined spending needs, thereby fulfilling one of the requirements of the new agreement (7).

From this year, therefore, the RGs receive percentages of the annual receipts from the assigned taxes and the sufficiency fund, the amount of which shall vary according to the criteria set out below. The figures for the base year, on which the new agreement is founded, are not currently available, however.

As regards the rules for the future levels of resources, it is established that the sufficiency fund shall be increased annually in accordance with the rate of growth of state tax revenues (ITE) (8) (9). At the same time, to avoid the accumulation of large disparities in the revenue raising capacity of the different RGs, two rules have been established to regulate their revenues. First, the rate of growth of revenues of the so-called general block of common responsibilities (see Table 1) of each RG shall not exceed by more than 75% the average rate of growth for all the RGs (10). Second, the growth rate of these same revenues in those RGs whose income per head is less than 70% of the average income per head of the ordinary-regime RGs, shall not be less than 120% of the average rate of growth of all the ordinary-re-

(6) The sufficiency fund consists of a transfer from the State to the RG, where the latter's spending needs exceed its tax-raising capacity in the base year, or, in the opposite case, a transfer from the RG to the State.

(7) In addition, so-called minimum guarantees are established whereby an RG cannot receive, in respect of spending blocks (general common responsibilities fund, the fund to relieve low population density, the general health fund and the social assistance fund), an amount less than it would have received under the previous arrangements.

(8) These include the State receipts, excluding those that are assignable, from personal income tax, VAT and excise duties. In the event that the sufficiency fund is negative (because the spending needs of the RG are less than its tax-raising capacity), the negative transfer that the RG concerned must make shall change in line with the tax revenues of that RG (regional ITE, which includes the receipts in the territory of the RG, without exercise of regulatory powers, in respect of personal income tax, VAT and excise duties), provided that the rate of growth of the regional ITE is less than that of the national ITE.

(9) The sufficiency fund established for the base year will likewise be subject to review in the event of transfer to the RG of new services and/or assignment of taxes.

(10) In the event that this percentage is exceeded by any RG, its resources shall be reduced to the limit set, provided that the reduction made as a consequence of this rule shall not exceed 22.791% of their initial level. Also, when the RG to which the adjustment is applied has more than 10% of all the population centres existing in the ordinary-regime RGs, the excess over 75% of the average rate of growth shall be multiplied by 0.49 to obtain the amount of the adjustment.

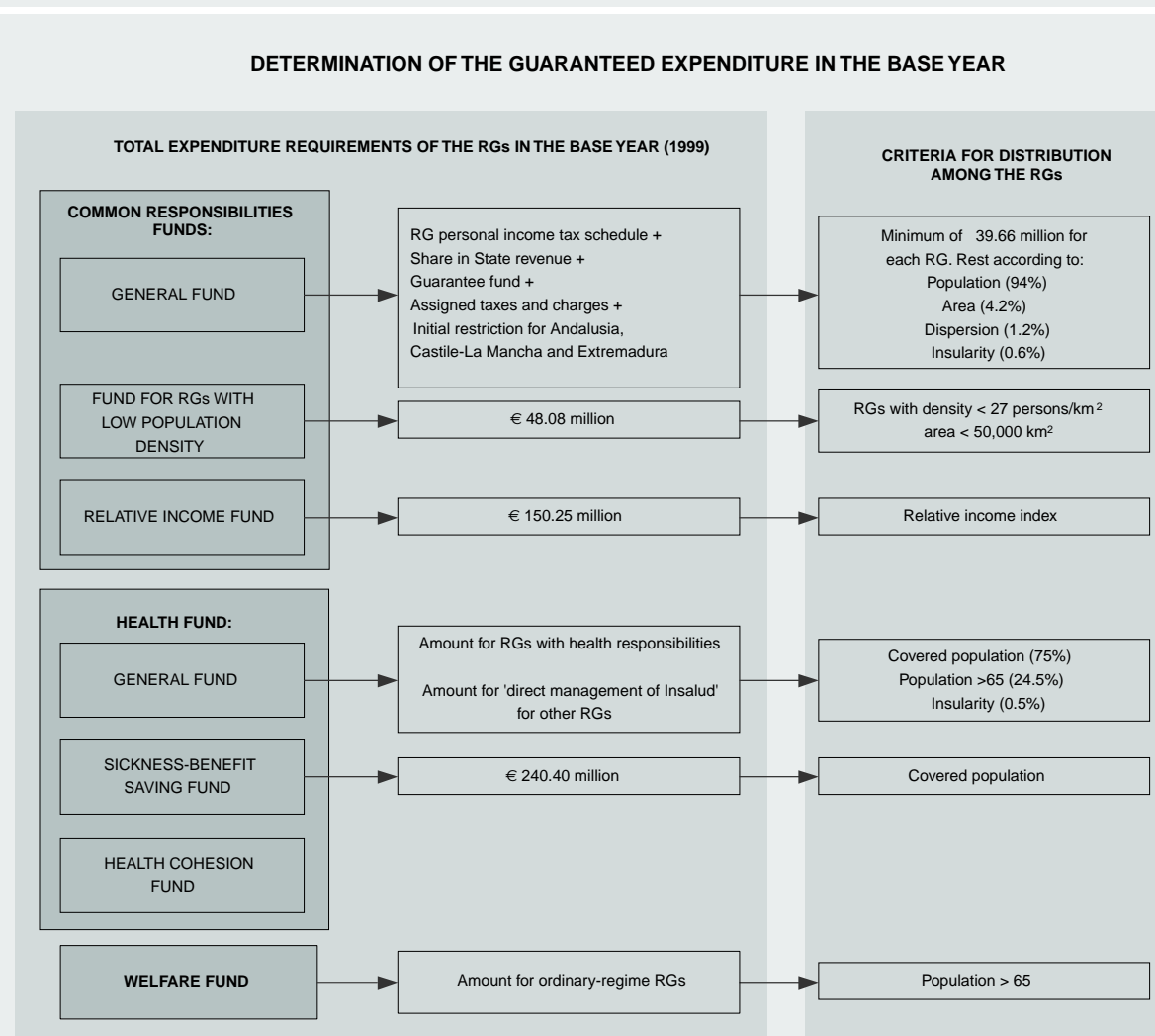
(3) These revenues come from the general common responsibilities fund, the general health fund and the social assistance fund

(4) These are the fund for RGs with low population density, the relative income fund, the sickness benefit saving fund and the health cohesion fund.

(5) The distribution criteria vary from fund to fund.

TABLE 1

**Determination of the resources corresponding to each regional government
in the base year**



SOURCES OF FINANCING OF THE SYSTEM IN THE BASE YEAR (G=T+S)



gime RGs (11). In addition, a rule is established whereby RGs shall allocate to health spending (12) at least the initial financing established for this item, increased in line with the growth rate of the national ITE, so that all the resources of the financing system are tied to compliance with this requirement. Finally, during the first three years that the agreement is in force, the state shall ensure, for those RGs that have assumed health responsibilities, that the resources allocated to this item grow in line with nominal GDP.

Various features of the agreement should be noted. First, the financing of health and social services is included within the overall financing system (13). Second, the weight of territorially based tax resources in the financing of the RGs is increased. In this respect, the percentage of personal income tax assigned is raised to 33% and, in addition, 35% of the net receipts from VAT, 40% of those from excise duties on manufacture (14) and 100% of the duty on electricity, of the new duty on the retail sales of hydrocarbons and of the duty on certain means of transport are assigned (15). Moreover, the new system extends the regulatory powers of the RGs with regard to assigned taxes (see Table 2). The most important modification relates to personal income tax; the RGs are still able to set their own schedule, subject to the sole restriction, under the new system, that it is progressive and retains the same number of brackets as that of the State. Regulatory powers are not granted, however, over VAT and excise duties (16), except in the case of the duty on certain means of transport, where the RGs have the power to modify the rate within certain limits, and the new duty on hydrocarbons. Finally, the State guarantees for

minimum growth of the financial resources received by each RG are abolished, subject to the exceptions indicated for health spending during the first three years the agreement is in force and to the rules for adjusting revenues.

The new agreement also covers certain aspects of the channels of financing that remain outside the system. First, it establishes so-called levelling payments, whose purpose is to ensure a minimum level of provision of health and education services. In the event of a deviation of more than three percentage points (17) from the national average annual percentage increase in the number of pupils of school age or in the covered population (18), negotiations shall be initiated to analyse the appropriateness of allocating such levelling payments. Second, the Inter-territorial Compensation Fund (19) is maintained, subject to two changes, namely to give Ceuta and Melilla access to these funds and to enable them to be used to finance not only investment spending but also the current spending associated with such investment. Finally, investment agreements and programme contracts are maintained.

The agreement does not establish procedures to co-ordinate central and regional finance departments in relation to general macroeconomic objectives. However, these issues are addressed by the Budgetary Stability Law. The macroeconomic co-ordination between the different levels of government has, until now, been based on the rules in the LOFCA which restrict the RGs' capacity to borrow (20) and which require them to present to the government (through the CPFF) an annual borrowing programme. Once this programme has been agreed, all of the transactions contained therein are automatically authorised by the State (21).

(11) For RGs whose income per head is between 70% and 75% of the average income per head, the average rate of growth of their financing shall be no less than 30% of the average rate of growth of all the ordinary-regime RGs. For those between 75% and 82%, this percentage is 22%.

(12) Excluding that part corresponding to the sickness benefit saving fund.

(13) Under the previous system, health was financed outside the financing system for the RGs. The Social Security Treasury Department was the recipient and distributive centre for all the resources, even in the case of RGs to which this responsibility had been transferred (see Gordo and Hernández de Cos (2000) for more details).

(14) Duties on beer, wine and fermented beverages; duty on intermediate products and on alcohol and derivative drinks; duties on tobacco products and the duty on hydrocarbons.

(15) These percentages shall be applied to the net receipts obtained by the State in each region, the criterion for distribution among the RGs being the territorial consumption indices published by INE.

(16) According to the preamble of Law 7/2001 of 27 December 2001 which introduces the new Financing Agreement, EU tax harmonisation prevents the RGs having fiscal responsibilities, at least in the case of VAT and special duties on manufacture.

(17) One percentage point when the area of the region exceeds 90,000 km².

(18) In this case, the covered population shall be age-weighted.

(19) Law 22/2001 of 27 December 2001 regulating the Inter-territorial Compensation Funds.

(20) These restrictions are, first, that credit transactions with a maturity of less than one year shall be used to cover temporary cash requirements. Second, credit transactions with a maturity of more than one year, whatever their form, shall comply with the following requirements: a) the entire amount of the credit shall be used to finance investment spending; and b) the annual amount of the repayments plus interest shall not exceed 25% of the current revenues of the RG. Third, the RGs shall require State authorisation to enter into credit transactions abroad, to issue debt and for any other recourse to public credit.

(21) This programme can be modified while it is being implemented by the RG, by means of a new proposal to the Government. Moreover, the State itself may suspend the programme as a precautionary measure in exceptional circumstances that may hamper the financial policy of the Treasury or involve an imbalance between the level of external and domestic borrowing.

TABLE 2

The regional governments' regulatory powers over assigned taxes

Tax	% assigned	Scope of regulatory powers
Personal income tax	33	They can regulate the rate schedule, the only limitation being that it must be progressive and have the same number of brackets as the State one. Possibility of establishing deductions for personal and family circumstances, non-business investment and based on the application of income. The 15% deduction for investment in a habitual residence is divided into two tranches. The 5% regional one can be modified by the RGs by up to 50%.
VAT	35	No regulatory powers have been granted.
Wealth tax	100	They can set the level of the tax-free allowance and the rate schedule, without limitation, and create such deductions and allowances as they wish, while respecting those of the State.
Tax on inheritance and gifts	100	They can create reductions in the tax base for mortis causa and intervivos transfers, while maintaining those of the State. They can regulate the rate structure without limitation. They can establish the amount and coefficients applicable to estates without limitation. They can create deductions and allowances, while respecting those of the State.
Tax on property transfers and documented legal acts (stamp duty)	100	As regards transfers of property for consideration, they can regulate the rate charged on the transfer of personal and real property and on the creation and transfer of real rights, other than collateral ones, moreover, and on the rental of personal and real property. In relation to documented legal acts, they can regulate the rate charged on notarial documents. They can create deductions and allowances, while respecting those of the State, but only in those areas where they have regulatory capacity over the rate of charge.
Tax on gaming	100	They can regulate exemptions, the tax base, the rate schedule, fixed charges, allowances and accrual.
Excise duties on manufacture (a)	40	No regulatory powers have been granted.
New duty on retail sales of hydrocarbons	100	In the case of petrol and diesel fuel, the RGs can increase it by up to €10 per 1000 litres in 2001 (€17 in 2003 and €24 in 2004). For agricultural diesel fuel and heating oil, by up to €2.5 per 1000 litres (€4.25 and €6 in 2003 and 2004, respectively). For fuel oil, up to €0.4 per tonne (€0.7 and €1 in 2003 and 2004, respectively).
Duty on electricity	100	No regulatory powers have been granted.
Vehicle registration duty	100	They can adjust the rate schedule, subject to certain limits.
(a) Duties on beer, wine and fermented beverages, intermediate products, alcohol and derived drinks, tobacco products and hydrocarbons.		

These co-ordination mechanisms were strengthened, from 1992, following the publication of the Spanish Convergence Programme, with the signing of the so-called Budget Consolidation Scenarios (ECP) by the State and each RG. These established the maximum deficits and debts permitted for each RG, as determined by bilateral negotiations (22).

The Budgetary Stability Law, with effect from 2002, has modified some of these co-ordination mechanisms, since it stipulates that each RG shall comply with the principle of annual budg-

etary stability, defined as the need to maintain a balanced budget or surplus. In the event of failure to do so, the RG shall justify the situation of financial imbalance and draw up an economic/financial plan to correct the situation, which must be approved by the CPFF.

3. ASSESSMENT OF THE NEW FRAMEWORK FOR THE REGIONAL (AUTONOMOUS) GOVERNMENTS

The above-mentioned legislative changes define a new framework for relations between the State and the RGs, characterised by a higher degree of financial autonomy for the RGs and a stricter co-ordination mechanism, which requires the RGs to participate in the general macroeconomic objective of budgetary stability.

(22) In March 1995, following the revision of the Convergence Programme, the ECP commitments were also revised, with the limits being set for the period 1995-1997. Finally, the latter were again changed with the approval of the first Stability and Growth Programme in December 1998.

These measures are assessed below in the light of a number of criteria considered essential for the smooth operation of decentralised systems of government, namely: uniformity, stability, generality, financial autonomy, fiscal co-responsibility, sufficiency of resources, inter-territorial solidarity, co-ordination and transparency. A definitive assessment of the Financing Agreement will need to be made, however, when the figures on which it has been based become available.

The financing model approved introduces a uniform system for all the ordinary-regime RGs. This uniformity should be considered desirable as, from the viewpoint of economic rationality, the persistence of different levels of powers and financing regimes does not seem justified. Accordingly, within the State, only the specific-status RGs have a different financing system. Moreover, the new system is, by nature, definitive and stable, in contrast to the high degree of instability of the previous five-year agreements, which is appropriate given the conclusion of the process of transferring spending powers from the State to the RGs. Obviously, as recognised in the agreement, this will not prevent the future introduction of modifications that may be considered necessary in the light of experience with the new system.

Also notable is the significant advance entailed by the integration of health financing in the overall regional financing arrangements. In this respect, when health, like other public services, became financed solely through State transfers under the provisions of the Social Security System Consolidation and Rationalisation Law, which came into force in 1997, it did not seem justified for health financing to remain separate from the rest of regional financing. In relation to health spending, however, the new model establishes a significant special feature in that it requires the RGs to assign annually to the financing of health services at least the base-year amount increased in line with the growth of the national ITE, with all the resources of the system being subject to compliance with this rule. Thus, although health is integrated in the overall system of financing, this spending has a different treatment from that of other spending items. Indeed, the establishment of a minimum rate of growth for this component of public spending seems to preclude effective measures being introduced to curb its recent growth trend. This minimum rate of growth is also equal for all the RGs, irrespective of any differences that may arise in the future behaviour of the variables determining the level of health spending in the RGs.

From the standpoint of the financial autonomy of the RGs, the new system reduces their

dependence on State transfers and broadens their tax structure, thereby correcting the lack of synchrony between spending decentralisation and the system for financing the RGs, the former being more developed than the latter. Moreover the degree of financial autonomy will be more similar across the RGs, since the distribution of consumption across regions is more even than the distribution of income and, as indicated in the previous section, higher decentralisation percentages have been set for VAT and excise duties (the taxes most closely linked to consumption) than for personal income tax.

Meanwhile, the choice of VAT and excise duties as assignable taxes, involves a change from the previous tendency for tax decentralisation to affect mainly wealth and income taxation. This decision should be seen in the context of the loss of weight of direct taxation in total public revenues and the increase in that of indirect taxation. This shift in the sources of financing has, in the past, given rise to certain problems of financial insufficiency for the RGs. These have been resolved by various devices (e.g. the establishment of guarantees), which reduced the incentives for the RGs to use their regulatory powers, thus eliminating fiscal co-responsibility. In relation to health spending, however, this type of guarantee has been retained, albeit temporarily, since, as indicated, the new model establishes that the State will guarantee that the minimum rate of growth of financing allocated to this expenditure shall be equal to the nominal rate of growth of GDP during the first three years of the financing system.

The new agreement increases the degree of fiscal co-responsibility, partially widening the regulatory powers over personal income tax and the other assigned taxes (excluding VAT and excise duties), and eliminating the guarantees for the rate of growth of personal income tax. In this respect, the diversification of the taxes assigned to the RGs reduces the need for these guarantees, since revenues will be less dependent on the behaviour of a particular tax. Following the elimination of the guarantees, the RGs will therefore have to assume the risk of revenue losses associated with these taxes.

With respect to the financial sufficiency of the RGs, the system ensures that the volume of resources will be at least equivalent to that received under the previous financing model. However, the choice of a single year to calculate the revenue-raising capacity of the assigned taxes and the sufficiency fund for each RG may introduce distortions into the structure of financing in the base year that may be extended into the future. Indeed, tax receipts in a particular year are necessarily subject to tem-

porary disturbances, which may partly be cyclical and which may not be uniform across the RGs. Meanwhile, the level of the sufficiency fund is also affected by the base year chosen, as it is calculated as the difference between the spending requirements and revenue-raising capacity in that year, so that if the latter is exceptionally high, the amount of the fund will be below the desired level and vice versa.

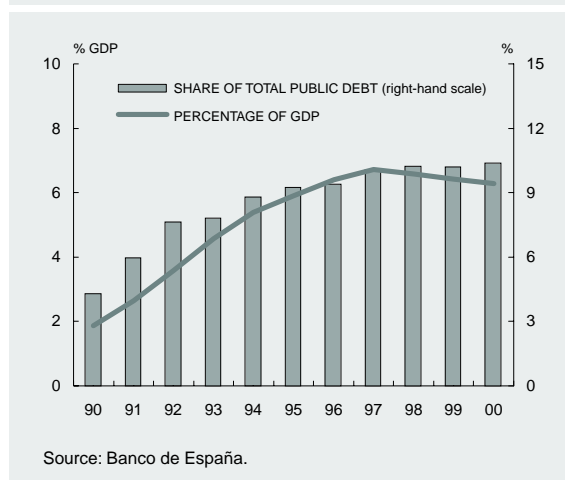
The new model establishes two mechanisms to ensure inter-regional solidarity. The first is the sufficiency fund which, owing to its method of calculation in the base year ensures a trade-off between its per-capita level and the income per capita of each RG. Moreover, the decision to link the size of the fund to the growth of State tax revenues enables the revenue effects of specific shocks to a particular region to be partly offset. Given that the weight of this fund is negatively related to income, a larger part of the revenues of lower-income RGs will be guaranteed by the growth of the total income of the economy. The second element of inter-territorial solidarity is provided by the adjustment mechanisms. These limit the effects of the differences in the growth of the different regions on tax receipts and, therefore, on the level and sufficiency of the public services provided. These rules are also strengthened by the so-called levelling payments and, of course, by the Inter-territorial Compensation Fund.

In any event, the degree of solidarity of the new system depends on a complex set of factors. The application of criteria for the distribution of the resources that differ from one block of responsibilities to another, the establishment of a minimum amount to be received by each RG, the setting of minimum guarantees which mean that, for each block of spending, each RG must receive at least the amounts received under the previous system in the base year, and the existence of various funds that supplement the general ones (the fund for RGs with low population density, the relative income fund, the sickness benefit saving fund, the health cohesion fund) and of resources that remain outside the system (basically, the Inter-territorial Compensation Fund and European Union funds) are all involved in determining the inter-regional solidarity in the new system.

From the standpoint of transparency, the present formulation of the agreement does not resolve some of the problems that have been detected as the regional project has been developed in relation to the availability of statistical information on the regional governments. The application of the new system involves a further reduction in the number of transactions channelled through the State, the only agent,

CHART 1

Regional government debt



up until now, that has supplied regular information on its budget outturn. There is therefore a risk of loss of information on the activities of general government in Spain.

The progress made in decentralising public expenditure and the financing of the RGs has required, as indicated, the institution of mechanisms for macroeconomic co-ordination between the State and the RGs. Until now the limits set for the borrowing and deficits of the RGs have generally been respected. In fact, borrowing by the RGs has not reached worrying levels, although it is on a rising trend (see Chart 1). Nonetheless, the aforementioned mechanisms may not be sufficiently strict in a setting of activity growth channelled through the RGs. In this respect, the procedures in force do not provide a precise definition of the co-ordination rules, nor is there any agency responsible for supervising compliance. In the event that limits are breached there are no sanctioning mechanisms. Meanwhile, the restrictions on borrowing set in the Budget Consolidation Scenarios are the result of bilateral agreements between each RG and central government, without there being any apparent objective criteria for their determination. They are not public in and they are capable of revision. All this may give rise to a sub-optimal set of incentives.

The entry into force of the budgetary stability law could resolve some of these shortcomings. In particular, the law establishes a single non-negotiable limit for all the RGs, requiring them to keep their budgets in balance or surplus. The net lending/net borrowing to which the aforementioned limit refers is defined in accordance with the European System of National and Regional Accounts, so that a defined accounting principle

is stipulated. Also, within regional and local government, the principle of budgetary stability is applicable to corporations and public-law establishments reporting to the RGs. Finally, a procedure has been introduced for those cases in which there is a deficit, requiring the RG at fault to draw up an economic/financial plan to correct it. A sanctioning mechanism has also been established insofar as if, as a result of this imbalance, Spain infringes its obligations under the Stability and Growth Pact, the RG concerned shall assume the responsibility arising from such breach. In addition, the law provides that the authorisation of the State to enter into credit transactions and to issue debt shall take into account the achievement of the targets, so that, the use of this power of authorisation is expressly highlighted as an incentive mechanism for achieving the targets.

From the standpoint of the balanced budget target, it should be taken into account that the growth of the resources of the RGs is more dependent on the business cycle following the entry into force of the new financing agreement since, as discussed above, it has increased the weight of tax revenues in their total financing and the financial guarantees for the growth of their resources have disappeared. Accordingly, achievement of the annual balanced budget target requires the RGs to maintain fiscal surpluses at times of economic expansion, to enable them to absorb the foreseeable decline in tax resources during economic slowdowns and to avoid the need for pro-cyclical discretionary measures.

Finally, it should be remembered that an essential element in the appropriate implementation of any fiscal decentralisation programme is a guarantee of information transparency in relation to the activities of regional and local government. In the Spanish case, this need for transparency is, if possible, even greater owing to the size of the spending and tax responsibilities assumed by the RGs relative to the activities of the public sector as a whole. In this respect, the Budgetary Stability Law provides for the creation of an information centre to supply data on credit transactions, the issuance of debt and other recourse to credit or risk assumed by the RGs. Nonetheless, it is also necessary to ensure the periodic publication of information on the activities of the regional governments on

the same conditions as information is currently provided by central government, so that fiscal decentralisation does not lead to a reduction in the information available and the various activities of the public sector can be effectively monitored.

4. CONCLUSIONS

The regional financing agreement and the Budgetary Stability Law came into force on 1 January 2002, establishing a new framework for the RGs and their relations with the State. On one hand, the RGs now have a uniform, stable and comprehensive financing system that increases their financial autonomy and the level of fiscal co-responsibility. On the other hand, and in response to the significant level of revenue and spending responsibilities assumed by the RGs, mechanisms have been put in place to ensure that they participate fully in fiscal consolidation and in complying with the obligations under the Stability and Growth Pact.

As in the case of the State, the maintenance of a balanced budget will require the RGs to achieve sufficiently large surpluses in times of economic boom, since their resources depend to a larger extent on tax receipts and will, therefore, be more sensitive to the business cycle. However, under the new model, the RGs are in a better position to adjust their revenue to their desired spending.

Against this background, given the importance that the activity of the RGs will have and the relevance of the principle of transparency in ensuring that public-sector activities are controlled, it would seem necessary to make improvements to the budgetary information mechanisms of the RGs, in order to guarantee periodic publication of information on their activities on the same conditions, and with the same detail and periodicity, as that currently provided by central government.

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Financial regulation: 2002 Q2

1. INTRODUCTION

Very few financial provisions were enacted in 2002 Q2.

Two Banco de España circulars were published. The first one amends the law governing the Central Credit Register (CIR), extending the use of telematic means to all communications and incorporating new techniques and treatments, in order to improve the information and access to it. In the second one, the Banco de España establishes new statistics on interest rates applied to deposits and loans vis-à-vis households and non-financial corporations, to comply with the Community information requirements in this field.

The European Central Bank (ECB) published a regulation amending the law on minimum reserve requirements in order to update its articles and adapt it to the latest Community provisions in the area.

Finally, a Community directive was published which establishes the regime applicable to financial collateral arrangements that satisfy certain requirements. Also, it aligns and simplifies the administrative formalities for financial collateral in the European Union.

2. MODIFICATION OF THE LAW GOVERNING THE CENTRAL CREDIT REGISTER

The CIR was set up by the Banco de España to receive the compulsory declarations relating to certain direct and indirect credits extended by reporting institutions to their customers. At first, the obligation to report applied to deposit money institutions, official credit entities (including the Official Credit Institute), mutual guarantee companies, the *sociedad de garantías subsidiarias* (subsidiary guarantee company) and the *sociedad mixta del segundo aval* (mixed-capital second guarantee company).

Subsequently, Banco de España Circular (CBE) 18/1983 of 30 December 1983 (1) fundamentally reformed the instructions that regulated the CIR, enabling its content to be better exploited for supervisory and statistical purposes. Among other matters, this reform extended the obligation to report to the Banco de España itself and to deposit guarantee funds, and extended the range of borrowers

(1) See "Regulación financiera: cuarto trimestre de 1983", in *Boletín económico*, Banco de España, January 1984, pp. 37-38.

and the characteristics of the credit that must be declared.

Some years later, under the powers granted to the Banco de España by Law 26/1988 of 29 July 1988 (2) on the discipline and intervention of credit institutions, CBE 7/1989 of 24 February 1989 added specialised credit institutions (mortgage loan companies, finance companies and financial lease companies) to the list of reporting institutions, leaving the basic aspects of the previous circular unchanged.

Subsequent changes in the financial system (in particular those affecting certain financial institutions) and in other economic sectors made a general revision of the CIR regulation desirable. This was carried out by means of CBE 3/1995 of 25 September 1995 (3).

Recently, the Banco de España has published *CBE 3/2002 of 25 June 2002* (BOE of 2 July 2002), which amends CBE 3/1995. It modernises the CIR, incorporating new techniques and treatments in order to enhance its quality, both as regards the quantity and quality of the information and its timeliness and the means of accessing it.

Among these modernisations, two technical ones should be noted: the use of telematic means for all communications and the coding of non-resident borrowers, in order to overcome the deficient functioning of their current coding.

In the past, data were submitted on magnetic media or through computer links, and exceptionally (with justification) declarations could be submitted on forms supplied by the Directorate Documentation and Central Credit Register. From the entry into force of the circular, the data shall be submitted by telematic transmission, in accordance with the technical specifications notified for the purpose by the Banco de España, although exceptionally, and with justification in each case, they may be sent on magnetic media, with the prior agreement of the Directorate Documentation and Central Credit Register.

The circular will enter into force on 1 November 2002, and the first declaration to be submitted by the institutions, in accordance with its provisions, shall relate to data for 30 November 2002.

(2) See "Regulación financiera: tercer trimestre de 1988", in *Boletín económico*, Banco de España, October 1988, pp. 56-58.

(3) See "Regulación financiera: cuarto trimestre de 1995", in *Boletín económico*, Banco de España, January 1996, pp. 82-83.

3. STATISTICS ON THE INTEREST RATES APPLIED TO DEPOSITS AND LOANS VIS-À-VIS HOUSEHOLDS AND NON-FINANCIAL CORPORATIONS

The Statute of the European System of Central Banks and of the ECB provides that, in order to undertake the tasks of the European System of Central Banks, the ECB, assisted by the national central banks, shall collect the necessary statistical information either from the competent national authorities or directly from economic agents. By virtue thereof, and pursuant to the authorisation contained in Council Regulation (EC) No 2533/1998 of 23 November 1998 (4) concerning the collection of statistical information by the ECB, the ECB has enacted Regulation (EC) No 63/2002 of 20 December 2001 concerning statistics on interest rates applied by monetary financial institutions to deposits and loans vis-à-vis households and non-financial corporations ("the Regulation").

The Banco de España, pursuant to the Order of 12 December 1989 (5) concerning the interest rates and commissions, rules of behaviour, information to customers and advertising of credit institutions, which implemented the provisions of article 48, 2 of Law 26/1988 of 29 July 1988 on the discipline and intervention of credit institutions, has proceeded to comply with the Regulation by publishing *CBE 4/2002 of 25 June 2002* (BOE of 2 July 2002) concerning statistics on interest rates applied to deposits and loans vis-à-vis households and non-financial corporations.

To minimise the cost to credit institutions of collecting the new statistics, the Banco de España has decided to use the possibility offered by the Regulation of requesting information on interest rates from a sample of institutions whose data are considered representative of those of the population as a whole.

Accordingly, this Circular shall apply to Spanish credit institutions and the branches in Spain of foreign credit institutions ("the reporting institutions") which, as at 31 March 2002 have, as part of the registered business of their branches operating in Spain (business in Spain), euro-denominated deposits or loans vis-à-vis households (including non-profit institutions serving households) and non-financial corporations resident in Spain or in any other Member State participating in the economic and

(4) See "Financial regulation: fourth quarter 1998", in *Economic bulletin*, Banco de España, January 1999, p. 78.

(5) See "Regulación financiera: cuarto trimestre de 1990", in *Boletín económico*, Banco de España, January 1989, p. 35.

monetary union amounting to €500 million or more. The Banco de España may, nonetheless, require other institutions and branches with deposits or loans below this level to send the statements referred to below, whenever it considers necessary to ensure that the sample is sufficiently representative.

The reporting institutions shall submit monthly to the Banco de España (Directorate Documentation and Central Credit Register), during the first 15 days of the following month (or in Madrid on the first business day following the first 15 days of the month, if the 15th day is a non-business day in that locality), two statements, one relating to the interest rates on outstanding amounts and the other relating to new business during the relevant monthly period. The interest rate that they must declare for each category of instrument shall be the weighted arithmetic mean of their narrowly defined effective rates (NDER), which shall be deemed to be the interest rate component of the annual percentage rate of charge (APRC) defined in rule eight of Circular 8/1990 of 7 September 1990 on transparency of transactions and customer protection, i.e. without including commissions and other charges. In addition, the statement of interest rates on new business shall also specify the weighted arithmetic mean of the APRC on loans other than by overdraft.

The information in the statements required by this Circular is that laid down as compulsory in the Regulation, with just two additions: the first one corresponds to repurchase agreements, broken down between households and non-financial corporations, and the second one to the APRC applied to new business, i.e. housing loans, consumer credit and the main loan types.

To facilitate the preparation of these statements, the Circular, besides establishing general criteria, specifies those that shall apply to the main transactions conducted in Spain.

Finally, Circular 8/1990 of 7 September 1990 on the transparency of transactions and customer protection has been amended, pursuant to the Order of 12 December 1989. The present interest rate statements have been replaced by a new statement that shall be submitted by banks, savings banks (including the Spanish Confederation of Savings Banks) and the branches in Spain of foreign credit institutions, which shall include, exclusively, information on the weighted arithmetic mean of the APRC on certain euro-denominated transactions conducted in Spain with the private sector resident in Spain, which have been entered into or renewed in the previous month, to enable the

Banco de España to prepare and publish the mortgage market benchmark indices.

The new statements shall be presented for the first time in February 2003 with data relating to January 2003. Also, in order to ensure a sufficient run of data based on the new statistics the Circular provides that before the current statistics are abolished, both shall co-exist during 2003 Q1.

4. EUROPEAN CENTRAL BANK: CHANGES TO RESERVE REQUIREMENTS

The Statute of the ESCB and of the European Central Bank (ECB) authorised the Governing Council of the latter to define the minimum reserves that the credit institutions of the Member States would be required to hold. Council Regulation (EC) No 2531/98 of 23 November 1998 (6) laid down the general principles, basic aspects and limits to the reserves, which were subsequently implemented by Regulation (EC) No 2818/98 of the ECB of 1 December 1998 (7) on the application of minimum reserves, in order that they should enter into force at the start of Stage Three of EMU.

Recently, Regulation (EC) No 690/2002 of the ECB (OJ L 106, 23.4.2002) amending Regulation (EC) No 2818/98 has been published, in order to incorporate into the provisions of the latter a number of changes, as well as the new features introduced in the latest Community legislation in this area.

First, the reference to the definition of credit institutions established in Regulation 2818/98 has been changed in order to bring electronic money institutions within its scope, and thus ensure that they are obliged to hold minimum reserves.

Second, under Regulation 2818/98, the ECB was able to exempt from reserve requirements, on a non-discriminatory basis, institutions subject to winding-up proceedings. This provision has now been widened to establish as a general rule that, without being under any obligation to submit any request, an institution shall be exempt from reserve requirements from the start of the maintenance period within which its authorisation is withdrawn or renounced, or within which a decision to submit the institution to winding-up proceedings is taken by a judicial

(6) See "Financial regulation: fourth quarter 1998", in Economic bulletin, *Banco de España*, January 1999, pp. 76-77.

(7) See previous footnote.

authority or any other competent authority of a participating Member State.

Third, the new Regulation expressly states that institutions shall be required to include any liabilities they may have vis-à-vis a branch of the same entity, or vis-à-vis the head office or registered office of the same entity, which are located outside participating Member States.

Finally, the formula for calculating the remuneration of holdings of required reserves has been changed slightly, to take into account the fact that the Eurosystem may, on occasions, conduct main refinancing operations with different maturities simultaneously.

The changes to the reserve requirements entered into force in the Member States in May 2002.

5. DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON FINANCIAL COLLATERAL ARRANGEMENTS

Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems was a decisive step in the establishment of a solid legal framework for payment and securities settlement systems. In its Communication of 11 May 1999 to the European Parliament and the Council on financial services, entitled "Implementing the framework for financial markets: action plan", the Commission, after consulting market experts and national authorities, undertook to prepare new legislative proposals on financial collateral, to move forward from Directive 98/26/EC.

Recently, Directive 2002/47/EC of the European Parliament and of the Council of 6 June 2002 on financial collateral arrangements (OJ L 168, 27.6.2002) has been published. The Directive establishes, within the European legal context, a Community regime applicable to financial collateral arrangements (8) that satisfy certain

requirements and to financial collateral in accordance with the conditions set out in the Directive.

This Directive applies to financial collateral once it has been provided and if that provision can be evidenced in writing. The evidencing of the provision of financial collateral must allow for the identification of the financial collateral to which it applies. For this purpose, it is sufficient to prove that the book entry securities collateral has been credited to, or forms a credit in, the relevant account and that the cash collateral has been credited to, or forms a credit in, a designated account. The financial collateral to be provided must consist of cash or financial instruments (9).

Member States may exclude from the scope of this Directive financial collateral consisting of the collateral provider's own shares, shares in affiliated undertakings and shares in undertakings whose exclusive purpose is to own means of production that are essential for the collateral provider's business or to own real property.

Another requirement for the Directive to apply is that the collateral taker and the collateral provider must each belong to one of the following categories:

- a) A public authority, including public sector bodies of Member States charged with or intervening in the management of public debt, and public sector bodies of Member States authorised to hold accounts for customers.
- b) A central bank, the European Central Bank, the Bank for International Settlements, a multilateral development bank as defined in Directive 2000/12/EC of the European Parliament and of the Council of 20 March 2000 relating to the taking up and pursuit of the business of credit institutions, the International Monetary Fund and the European Investment Bank.
- c) A financial institution subject to prudential supervision including: a credit institution, an investment firm, a financial institution, an insur-

(8) For the purpose of this Directive, "financial collateral arrangement" means a title transfer financial collateral arrangement or a security financial collateral arrangement whether or not these are covered by a master agreement or general terms and conditions. Also, "title transfer financial collateral arrangement" means an arrangement, including repurchase agreements, under which a collateral provider transfers full ownership of financial collateral to a collateral taker for the purpose of securing or otherwise covering the performance of relevant financial obligations, and "security financial collateral arrangement" means an arrangement under which a collateral provider provides financial collateral by way of security in favour of, or to, a collateral taker, and where the full ownership of the financial collateral remains with the collateral provider when the security right is established.

(9) In this Directive, "financial instruments" are deemed to be shares in companies and other securities equivalent to shares in companies and bonds and other forms of debt instruments if these are negotiable on the capital market, and any other securities which are normally dealt in and which give the right to acquire any such shares, bonds or other securities by subscription, purchase or exchange or which give rise to a cash settlement (excluding instruments of payment), including units in collective investment undertakings, money market instruments and claims relating to rights in or in respect of any of the foregoing.

ance undertaking, an undertaking for collective investment in transferable securities (UCITS) and an UCITS management company.

- d) A central counterparty, settlement agent or clearing house, as defined in Directive 98/26/EC, including similar institutions regulated under national law acting in the futures, options and derivatives markets to the extent not covered by that Directive, and a person, other than a natural person, who acts in a trust or representative capacity on behalf of any one or more persons that includes any bondholders or holders of other forms of securitised debt.
- e) A person other than a natural person, including unincorporated firms and partnerships.

In order to improve the legal certainty of financial collateral arrangements, Member States should ensure that certain provisions of insolvency law do not apply to such arrangements, in particular, those that would inhibit the effective realisation of financial collateral or cast doubt on the validity of current techniques such as bilateral close-out netting, the provision of additional collateral in the form of top-up collateral and substitution of collateral.

The Directive seeks to limit the administrative burdens for parties using financial collateral so that the only perfection requirement which national law may impose in respect of financial collateral should be that the financial collateral is delivered, transferred, held, registered or otherwise designated so as to be in the possession or under the control of the collateral taker or of a person acting on the collateral taker's behalf while not excluding collateral techniques where the collateral provider is allowed to substitute collateral or to withdraw excess collateral. The Member States shall not require that the creation, validity, perfection, enforceability or admissibility in evidence of a financial collateral arrangement, or the provision of financial collateral under a financial collateral arrangement, be made dependent on the performance of any formal act. If they make use of this option Member States shall inform the Commission which shall inform the other Member States thereof.

The simplification of the use of financial collateral through the limitation of administrative burdens promotes the efficiency of the cross-border operations of the ECB and the national central banks of Member States participating in the economic and monetary union, necessary for the implementation of the common monetary policy. Furthermore, the provision of limited protection of financial collateral arrangements from

some rules of insolvency law in addition supports the wider aspect of the common monetary policy, where the participants in the money market balance the overall amount of liquidity in the market among themselves, by cross-border transactions backed by collateral.

The Directive protects the enforceability of bilateral close-out netting, not only as an enforcement mechanism for title transfer financial collateral arrangements including repurchase agreements but more widely, where close-out netting forms part of a financial collateral arrangement. Sound risk management practices commonly used in the financial market should be protected by enabling participants to manage and reduce their credit exposures arising from all kinds of financial transactions on a net basis, where the credit exposure is calculated by combining the estimated current exposures under all outstanding transactions with a counterparty, setting off reciprocal items to produce a single aggregated amount that is compared with the current value of the collateral.

The Directive provides for rapid and non-formalistic enforcement procedures in order to safeguard financial stability and limit contagion effects in case of a default of a party to a financial collateral arrangement. However, the Directive balances the latter objectives with the protection of the collateral provider and third parties by explicitly confirming the possibility for Member States to keep or introduce in their national legislation an a posteriori control which the Courts can exercise in relation to the realisation or valuation of financial collateral and the calculation of the relevant financial obligations. Such control should allow for the judicial authorities to verify that the realisation or valuation has been conducted in a commercially reasonable manner. It also provides for a right of use in case of security financial collateral arrangements, which increases liquidity in the financial market stemming from such reuse of "pledged" securities. This reuse however should be without prejudice to national legislation about separation of assets and unfair treatment of creditors.

Finally, the Commission shall present a report to the European Parliament and the Council on the application of this Directive not later than 27 December 2006, accompanied where appropriate by proposals for its revision.

Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by 27 December 2003 at the latest, and shall forthwith inform the Commission thereof.

4.07.2002.

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).

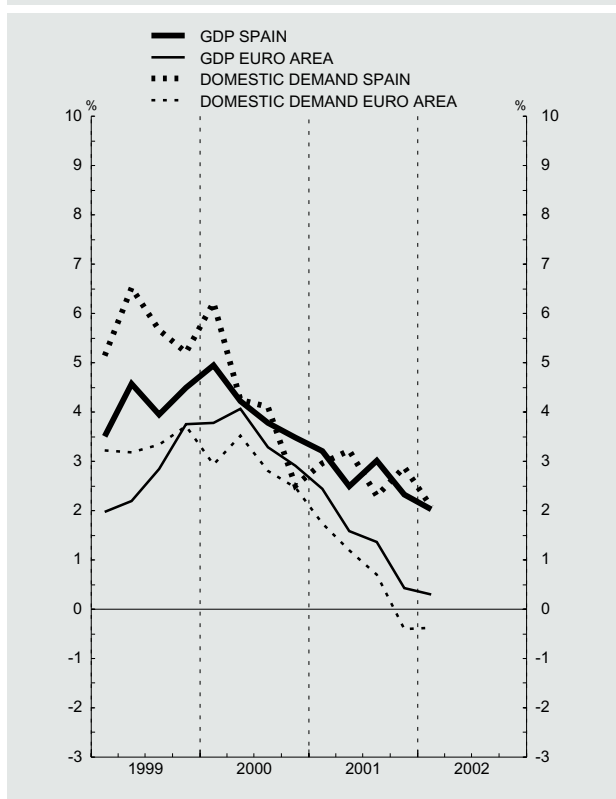
1.1. Gross domestic product. Constant 1995 prices. Demand components. Spain and Euro area (a)

■ Series depicted in chart.

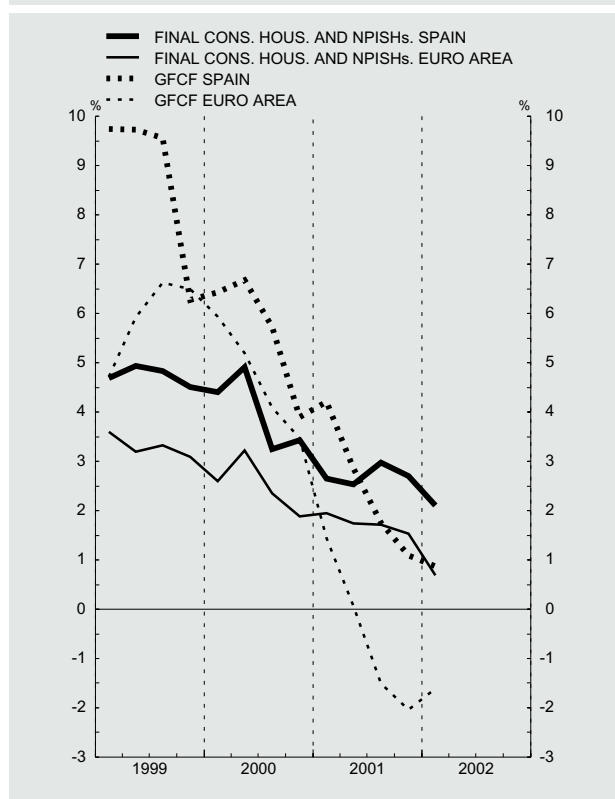
Annual percentage changes

	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	4.1	2.7	4.7	3.3	4.2	2.1	8.8	5.9	5.6	3.4	7.6	5.3	12.8	7.5	565	6 145
00	4.1	3.5	4.0	2.5	4.0	1.9	5.7	4.7	4.2	2.9	9.6	12.2	9.8	10.9	609	6 440
01	2.8	1.5	2.7	1.7	3.1	2.2	2.5	-0.5	2.8	0.8	3.4	2.6	3.7	0.9	650	6 811
99 Q1	3.5	2.0	4.7	3.6	3.7	2.2	9.7	4.7	5.1	3.2	6.7	1.8	12.7	5.6	137	1 511
Q2	4.6	2.2	4.9	3.2	4.2	1.9	9.7	5.9	6.5	3.2	5.8	3.2	12.8	6.3	140	1 525
Q3	3.9	2.8	4.8	3.3	4.1	2.1	9.6	6.6	5.7	3.3	7.6	6.1	13.6	7.8	143	1 544
Q4	4.5	3.8	4.5	3.1	4.6	2.4	6.3	6.5	5.2	3.7	10.1	10.1	12.2	10.2	145	1 565
00 Q1	4.9	3.8	4.4	2.6	4.5	2.0	6.4	5.9	6.2	2.9	6.8	12.8	11.0	10.6	148	1 585
Q2	4.2	4.1	4.9	3.2	4.5	2.2	6.7	5.2	4.3	3.5	9.8	12.1	9.6	10.9	151	1 604
Q3	3.8	3.3	3.3	2.3	3.9	1.6	5.7	4.1	4.1	2.8	9.9	12.1	10.6	11.2	153	1 618
Q4	3.5	2.9	3.4	1.9	3.4	1.8	3.9	3.5	2.5	2.5	11.8	11.6	8.1	10.8	156	1 633
01 Q1	3.2	2.4	2.6	1.9	3.0	2.1	4.2	1.4	3.0	1.7	9.7	7.7	8.4	6.0	159	1 690
Q2	2.5	1.6	2.5	1.7	2.9	2.2	2.9	0.1	3.2	1.2	4.4	4.3	6.6	3.4	162	1 699
Q3	3.0	1.4	3.0	1.7	3.4	2.4	1.8	-1.5	2.3	0.7	2.2	1.0	0.1	-0.8	164	1 707
Q4	2.3	0.4	2.7	1.5	3.2	2.2	1.1	-2.0	2.9	-0.4	-1.9	-2.7	0.0	-5.1	165	1 714
02 Q1	2.0	0.3	2.1	0.7	3.0	2.2	0.9	-1.6	2.1	-0.4	-1.6	-2.0	-1.2	-4.0	168	1 734

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 ESA95, SEASONALLY- AND WORKING-DAY-ADJUSTED SERIES (see economic bulletin April 2002); Euro area, prepared in accordance with ESA95.

(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.

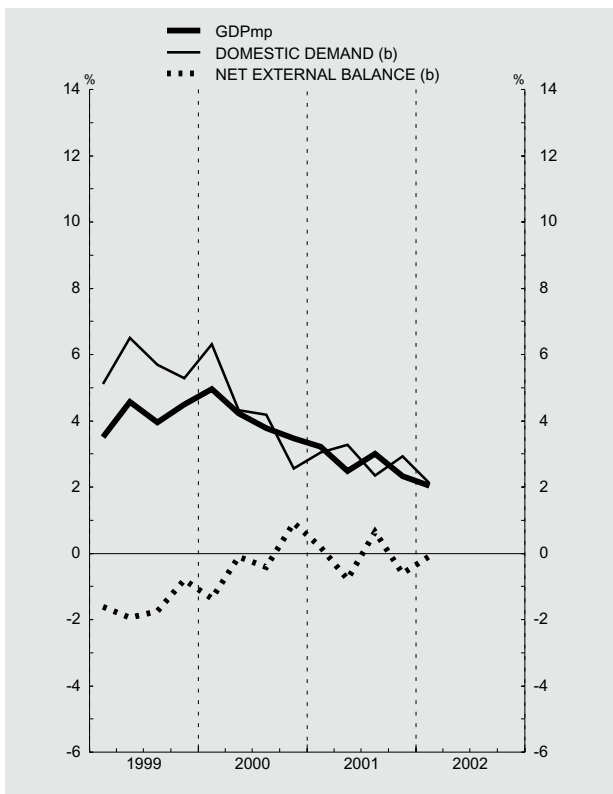
1.2. Gross domestic product. Constant 1995 prices. Demand components. Spain: details (a)

■ Series depicted in chart.

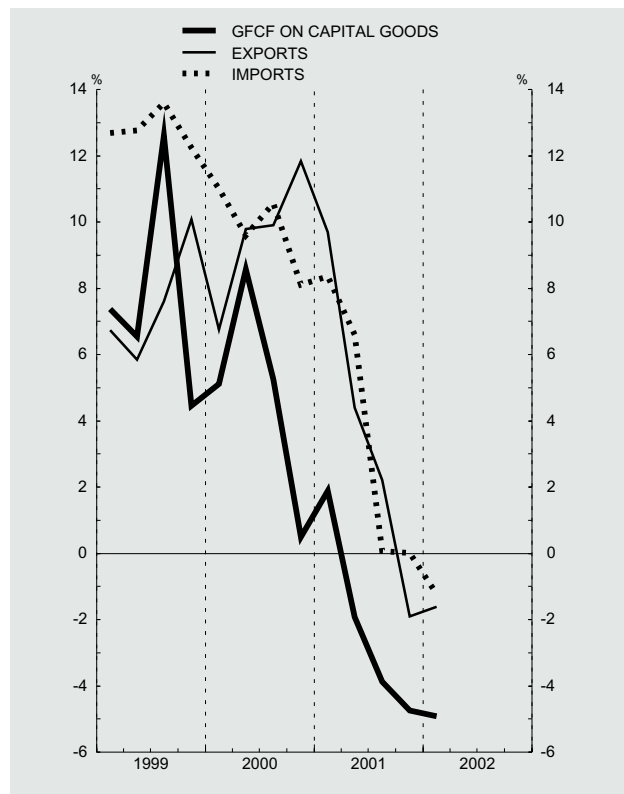
Annual percentage changes

		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
99	Q1	9.7	7.4	10.7	-0.5	6.7	5.2	10.2	11.0	12.7	12.7	17.1	11.5	-1.6	5.1	3.5
	Q2	9.7	6.5	11.3	0.6	5.8	3.9	10.1	11.9	12.8	12.8	7.3	13.8	-1.9	6.5	4.6
	Q3	9.6	12.6	7.8	-0.1	7.6	6.6	9.2	11.5	13.6	13.2	12.2	16.3	-1.7	5.7	3.9
	Q4	6.3	4.5	6.6	0.3	10.1	9.4	8.8	16.2	12.2	11.4	15.6	16.7	-0.8	5.3	4.5
00	Q1	6.4	5.1	6.8	1.3	6.8	6.2	3.4	15.6	11.0	10.5	5.0	15.3	-1.4	6.3	4.9
	Q2	6.7	8.6	5.6	-1.0	9.8	9.5	4.6	19.7	9.6	9.2	16.7	10.5	-0.1	4.3	4.2
	Q3	5.7	5.3	6.2	0.2	9.9	9.4	6.9	17.7	10.6	10.8	10.4	9.0	-0.4	4.2	3.8
	Q4	3.9	0.5	6.1	-1.0	11.8	11.5	7.6	20.5	8.1	8.0	7.6	9.1	0.9	2.6	3.5
01	Q1	4.2	1.9	6.2	-0.1	9.7	8.7	9.7	15.1	8.4	8.7	16.8	4.5	0.2	3.0	3.2
	Q2	2.9	-1.9	6.2	0.5	4.4	3.5	5.6	7.5	6.6	6.7	4.8	6.4	-0.8	3.3	2.5
	Q3	1.8	-3.9	5.6	-0.4	2.2	0.9	3.2	8.0	0.1	-0.1	6.3	-0.1	0.7	2.4	3.0
	Q4	1.1	-4.7	4.9	0.5	-1.9	-4.5	2.3	6.7	0.0	-0.3	9.6	-0.1	-0.6	2.9	2.3
02	Q1	0.9	-4.9	4.4	0.1	-1.6	-4.3	1.9	7.5	-1.2	-2.1	7.3	2.5	-0.1	2.1	2.0

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 ESA95, SEASONALLY- AND WORKING-DAY-ADJUSTED SERIES (see economic bulletin April 2002).

(b) Contribution to GDPmp growth rate.

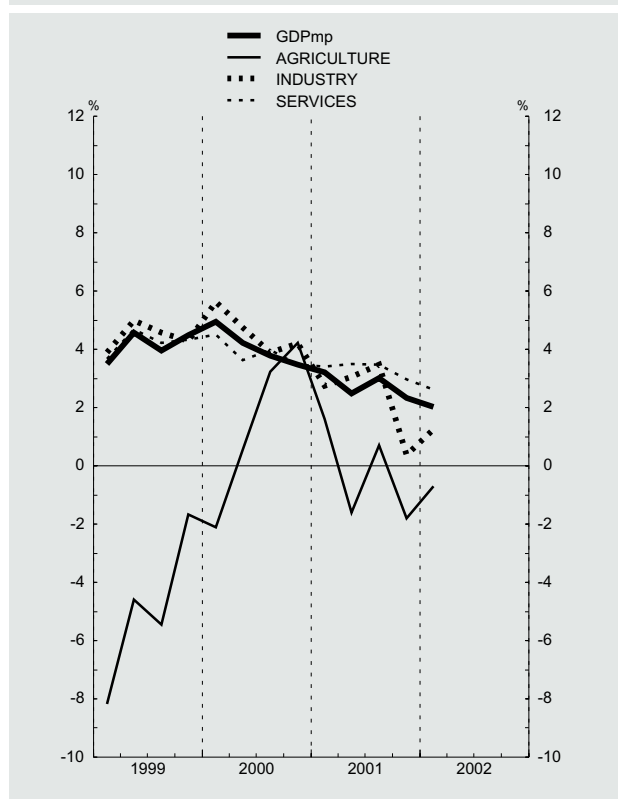
1.3. Gross domestic product. Constant 1995 prices. Branches of activity. Spain (a)

■ Series depicted in chart.

Annual percentage changes

		Gross domestic product at market prices	Agriculture and fisheries	Energy	Industry	Construction	Services			VAT on products	Net taxes linked to imports	Other net taxes on products	
							Total	Market services	Non-market services				
1	2	3	4	5	6	7	8	9	10	11			
99	P	4.1	-5.0	2.9	3.1	8.7	4.2	4.6	3.1	7.8	6.6	6.6	
00	P	4.1	1.5	4.0	4.0	6.2	3.9	4.2	2.7	5.1	7.6	5.0	
01	P	2.8	-0.3	2.2	1.1	5.5	3.3	3.5	2.9	2.6	-4.7	-0.2	
99	Q1	P	3.5	-8.2	3.6	1.4	10.6	3.7	4.0	2.7	7.9	9.6	7.5
	Q2	P	4.6	-4.6	2.7	2.9	11.5	4.7	5.1	3.2	7.9	7.3	6.3
	Q3	P	3.9	-5.5	3.3	3.8	7.1	4.2	4.6	3.1	4.4	4.9	5.8
	Q4	P	4.5	-1.7	2.2	4.0	6.0	4.3	4.6	3.6	11.0	4.8	6.6
00	Q1	P	4.9	-2.1	2.0	5.9	6.8	4.5	4.9	3.1	10.8	7.0	6.8
	Q2	P	4.2	0.5	3.7	4.6	5.6	3.6	3.9	2.9	9.4	7.3	6.1
	Q3	P	3.8	3.2	4.4	2.7	6.5	4.0	4.4	2.5	1.2	10.3	4.3
	Q4	P	3.5	4.2	6.1	3.0	6.1	3.5	3.8	2.3	-0.4	5.8	2.8
01	Q1	P	3.2	1.6	4.1	1.1	5.9	3.4	3.6	2.6	5.9	-0.4	1.2
	Q2	P	2.5	-1.6	2.6	2.0	5.8	3.5	3.6	3.0	-5.6	-3.6	-0.7
	Q3	P	3.0	0.7	0.9	3.2	5.3	3.5	3.6	3.2	-0.4	-8.5	-0.2
	Q4	P	2.3	-1.8	1.1	-1.8	5.0	3.0	3.0	3.0	10.7	-5.9	-1.1
02	Q1	P	2.0	-0.7	3.7	-0.8	4.6	2.6	2.8	2.0	2.1	-1.6	1.8

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 ESA95, SEASONALLY- AND WORKING-DAY-ADJUSTED SERIES (see economic bulletin April 2002).

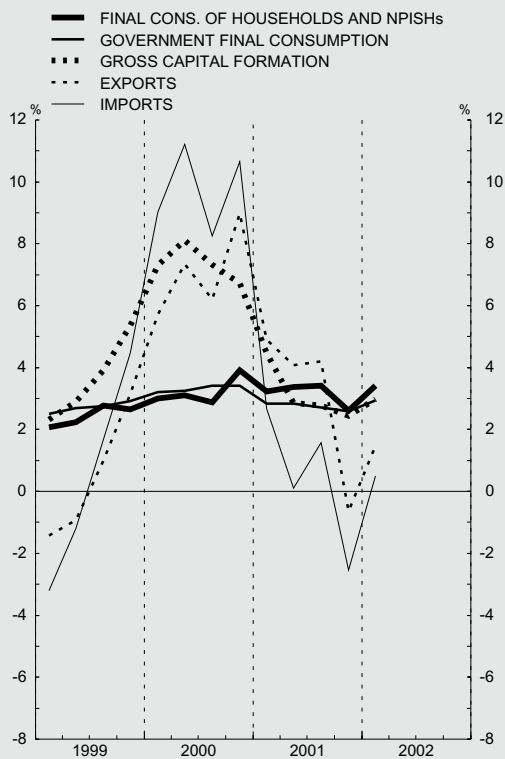
1.4. Gross domestic product. Implicit deflators. Spain (a)

■ Series depicted in chart.

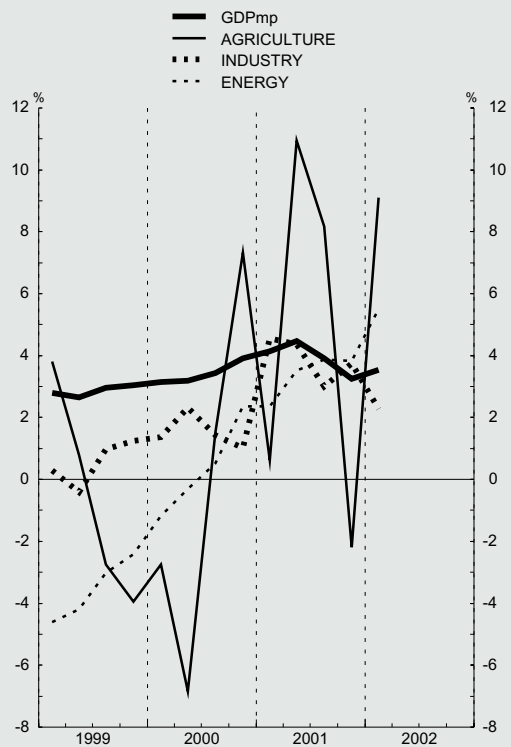
Annual percentage changes

	Demand components							Gross domestic product at market prices	Branches of activity					
	Final consumption of households and NPISHs	Government final consumption	Gross capital formation			Exports of goods and services	Imports of goods and services		Agriculture and fisheries	Energy	Industry	Construction	Of which	
			Total	Of which									Services	Market services
				Gross fixed capital formation										
				Capital goods	Construction									
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
99	2.4	2.7	3.7	1.5	4.5	0.5	0.5	2.9	-0.5	-3.6	0.5	4.1	3.2	3.2
00	3.2	3.3	7.3	4.5	9.1	7.1	9.8	3.4	-0.3	0.4	1.5	8.8	3.6	3.6
01	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
99 Q1	2.1	2.5	2.3	0.6	2.7	-1.4	-3.2	2.8	3.8	-4.6	0.3	2.8	3.1	3.1
Q2	2.2	2.7	2.9	1.0	3.3	-0.9	-1.2	2.6	0.8	-4.2	-0.4	3.1	3.1	3.1
Q3	2.8	2.7	3.9	1.7	5.0	1.0	1.7	3.0	-2.8	-3.0	1.0	4.4	3.2	3.2
Q4	2.6	2.9	5.4	2.7	6.7	3.1	4.5	3.0	-4.0	-2.4	1.2	6.1	3.2	3.2
00 Q1	3.0	3.2	7.3	4.2	9.1	5.7	9.0	3.2	-2.7	-1.2	1.4	8.6	3.1	3.0
Q2	3.1	3.3	8.1	4.9	9.6	7.3	11.2	3.2	-6.8	-0.3	2.3	9.2	3.2	3.2
Q3	2.9	3.4	7.3	4.8	9.1	6.2	8.3	3.4	1.5	0.5	1.4	8.9	3.6	3.7
Q4	3.9	3.4	6.7	4.2	8.5	9.0	10.7	3.9	7.3	2.4	1.0	8.6	4.3	4.6
01 Q1	3.2	2.8	4.5	2.5	5.9	4.9	2.7	4.1	0.6	2.4	4.5	6.1	4.5	5.0
Q2	3.4	2.8	2.8	1.5	5.1	4.1	0.1	4.5	10.9	3.5	4.4	5.6	4.6	5.2
Q3	3.4	2.7	2.8	0.9	5.5	4.2	1.6	3.9	8.2	3.9	3.0	5.6	4.1	4.6
Q4	2.6	2.6	2.4	0.7	5.6	-0.6	-2.5	3.3	-2.2	3.8	3.7	5.3	3.2	3.5
02 Q1	3.4	2.9	3.0	1.0	7.1	1.5	0.5	3.5	9.1	5.5	2.3	6.4	3.1	3.4

GDP. IMPLICIT DEFLATORS
Annual percentage changes



GDP. IMPLICIT DEFLATORS
Annual percentage changes



Source: INE (Contabilidad Nacional Trimestral de España).

(a) Prepared in accordance with ESA95, SEASONALLY- AND WORKING-DAY-ADJUSTED SERIES (see economic bulletin April 2002).

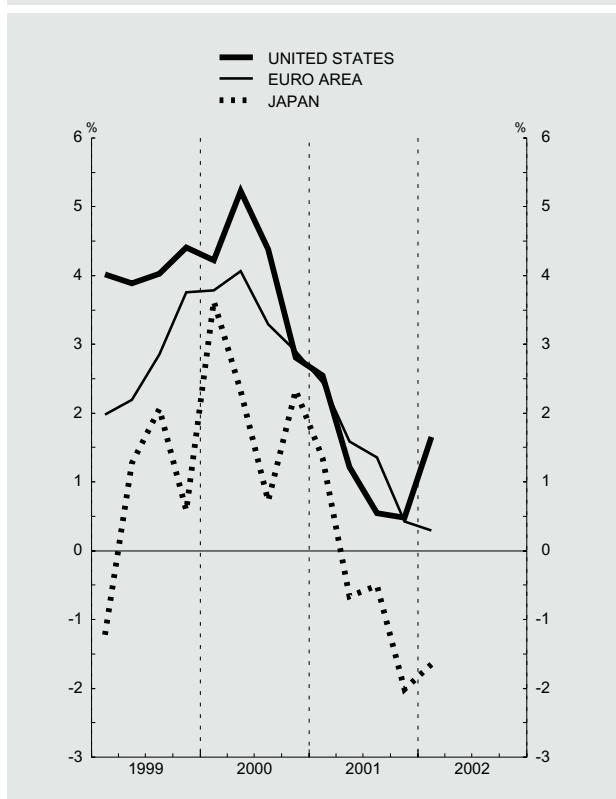
2.1. International comparison. Gross domestic product at constant prices

■ Series depicted in chart.

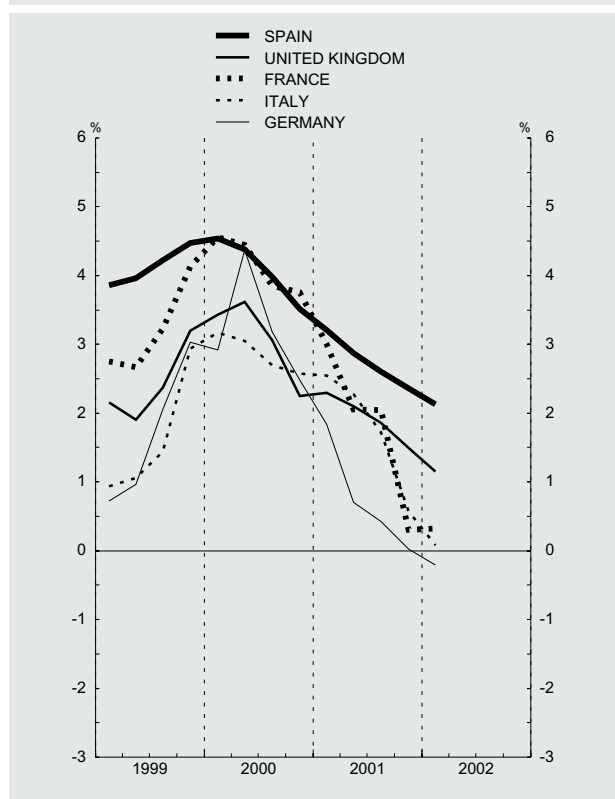
Annual percentage changes

	OECD	EU	Euro area	Germany	Spain	United States	France	Italy	Japan	United Kingdom
	1	2	3	4	5	6	7	8	9	10
99	3.1	2.7	2.7	1.7	4.1	4.1	3.2	1.6	0.7	2.4
00	3.9	3.4	3.5	3.2	4.1	4.1	4.1	2.9	2.2	3.1
01	1.1	1.5	1.4	0.7	2.8	1.2	1.8	1.8	-0.5	1.9
99 Q1	2.5	2.1	2.0	0.7	3.9	4.0	2.8	0.9	-1.2	2.2
Q2	2.9	2.2	2.2	1.0	4.0	3.9	2.7	1.1	1.3	1.9
Q3	3.4	2.8	2.8	2.1	4.2	4.0	3.2	1.4	2.1	2.4
Q4	3.8	3.7	3.8	3.0	4.5	4.4	4.1	2.9	0.6	3.2
00 Q1	4.3	3.7	3.8	2.9	4.5	4.2	4.6	3.2	3.6	3.4
Q2	4.7	4.0	4.1	4.4	4.4	5.2	4.4	3.0	2.3	3.6
Q3	3.9	3.3	3.3	3.2	4.0	4.4	3.9	2.7	0.7	3.1
Q4	2.9	2.8	2.9	2.5	3.5	2.8	3.8	2.6	2.3	2.2
01 Q1	2.3	2.4	2.4	1.8	3.2	2.5	3.0	2.5	1.4	2.3
Q2	1.1	1.6	1.6	0.7	2.9	1.2	2.1	2.3	-0.7	2.1
Q3	0.6	1.4	1.4	0.4	2.6	0.5	2.0	1.7	-0.5	1.9
Q4	0.3	0.6	0.4	0.0	2.4	0.5	0.3	0.6	-2.0	1.5
02 Q1	...	0.4	0.3	-0.2	2.1	1.7	0.3	0.1	-1.6	1.1

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.

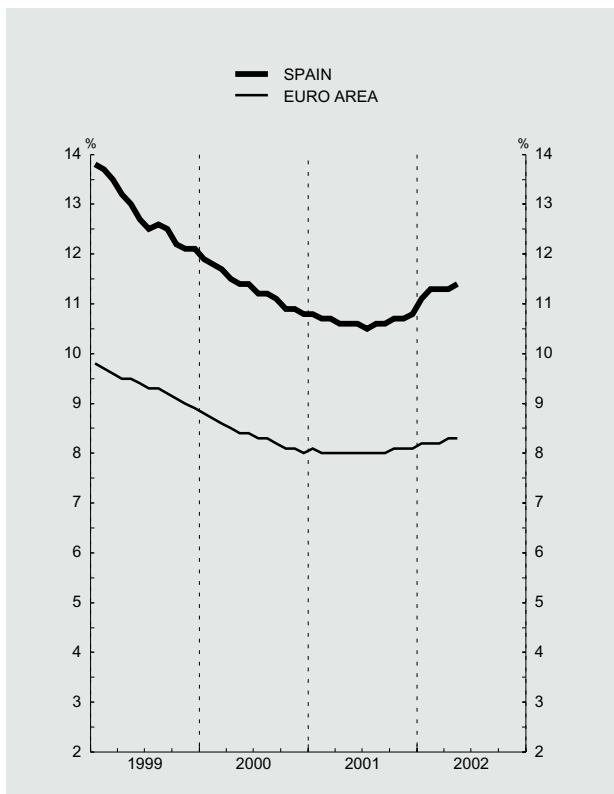
2.2. International comparison. Unemployment rates

■ Series depicted in chart.

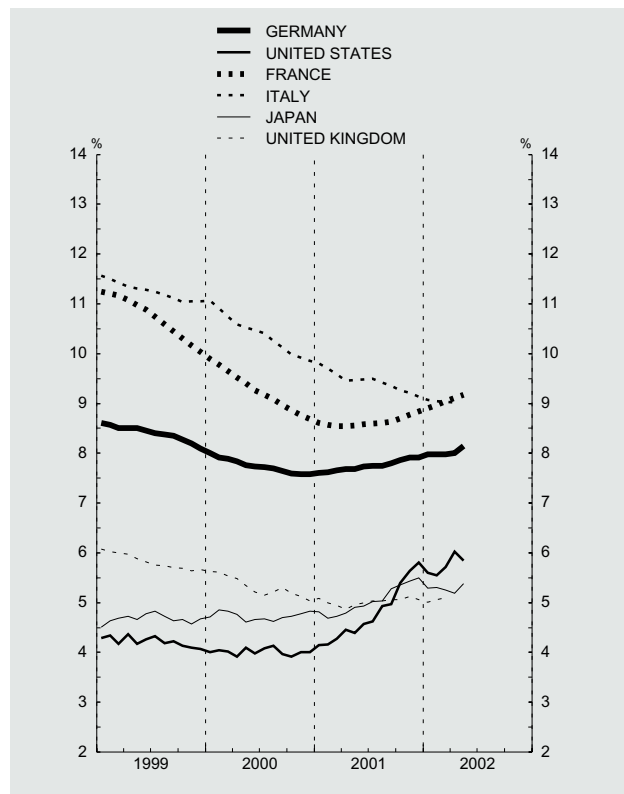
Percentages

	OECD	EU	Euro area	Germany	Spain	United States	France	Italy	Japan	United Kingdom
	1	2	3	4	5	6	7	8	9	10
99	6.6	8.7	9.4	8.4	12.8	4.2	10.7	11.3	4.7	5.8
00	6.2	7.8	8.4	7.7	11.3	4.0	9.3	10.4	4.7	5.3
01	6.4	7.4	8.0	7.7	10.7	4.8	8.6	9.4	5.0	5.0
00 Dec	6.1	7.5	8.0	7.6	10.8	4.0	8.7	9.9	4.8	5.0
01 Jan	6.2	7.4	8.1	7.6	10.8	4.2	8.6	9.8	4.8	5.1
<i>Feb</i>	6.1	7.4	8.0	7.6	10.7	4.2	8.6	9.7	4.7	5.0
<i>Mar</i>	6.2	7.4	8.0	7.7	10.7	4.3	8.6	9.6	4.7	5.0
<i>Apr</i>	6.2	7.3	8.0	7.7	10.6	4.5	8.5	9.5	4.8	4.9
<i>May</i>	6.2	7.3	8.0	7.7	10.6	4.4	8.6	9.5	4.9	5.0
<i>Jun</i>	6.3	7.4	8.0	7.7	10.6	4.6	8.6	9.5	4.9	5.0
<i>Jul</i>	6.4	7.4	8.0	7.8	10.5	4.6	8.6	9.5	5.0	5.0
<i>Aug</i>	6.5	7.4	8.0	7.8	10.6	4.9	8.6	9.4	5.0	5.0
<i>Sep</i>	6.5	7.4	8.0	7.8	10.6	5.0	8.6	9.4	5.3	5.1
<i>Oct</i>	6.7	7.4	8.1	7.9	10.7	5.4	8.7	9.3	5.4	5.1
<i>Nov</i>	6.8	7.4	8.1	7.9	10.7	5.6	8.8	9.2	5.4	5.1
<i>Dec</i>	6.8	7.4	8.1	7.9	10.8	5.8	8.8	9.1	5.5	5.1
02 Jan	6.7	7.5	8.2	8.0	11.1	5.6	8.9	9.1	5.3	5.0
<i>Feb</i>	6.7	7.5	8.2	8.0	11.3	5.6	9.0	9.1	5.3	5.1
<i>Mar</i>	6.7	7.5	8.2	8.0	11.3	5.7	9.0	9.0	5.3	5.1
<i>Apr</i>	6.8	7.5	8.3	8.0	11.3	6.0	9.1	9.0	5.2	...
<i>May</i>	6.9	7.6	8.3	8.2	11.4	5.9	9.2	...	5.4	...

UNEMPLOYMENT RATES



UNEMPLOYMENT RATES



Sources: ECB and OECD.

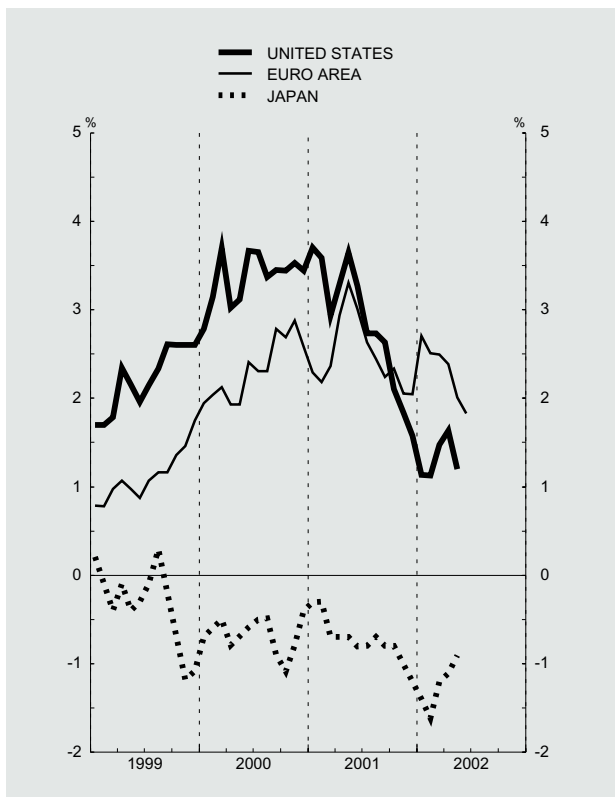
2.3. International comparison. Consumer prices (a)

■ Series depicted in chart.

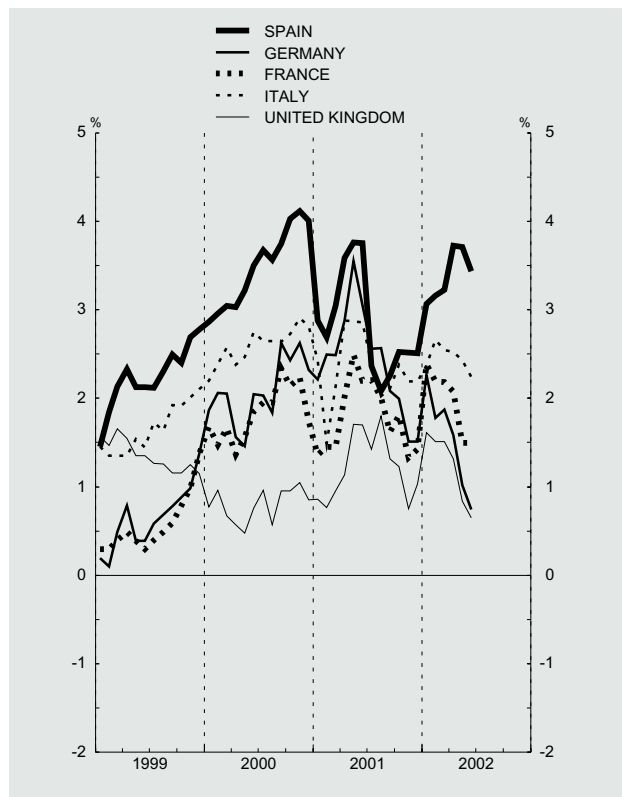
Annual percentage changes

	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	2.2	0.6	1.7	-0.3	1.3
00	2.5	2.1	2.3	2.1	3.5	3.4	1.8	2.6	-0.7	0.8
01	2.4	2.3	2.5	2.4	2.8	2.8	1.8	2.3	-0.7	1.2
01 Jan	2.8	2.1	2.3	2.2	2.9	3.7	1.4	2.4	-0.3	0.9
Feb	2.8	2.0	2.2	2.5	2.7	3.6	1.4	1.5	-0.3	0.8
Mar	2.5	2.1	2.4	2.5	3.0	2.9	1.4	2.1	-0.7	1.0
Apr	2.7	2.6	2.9	2.9	3.6	3.3	2.0	2.9	-0.7	1.1
May	3.1	3.0	3.3	3.6	3.8	3.6	2.5	2.9	-0.7	1.7
Jun	2.8	2.8	3.0	3.1	3.8	3.3	2.2	2.9	-0.8	1.7
Jul	2.3	2.5	2.6	2.6	2.4	2.7	2.2	2.4	-0.8	1.4
Aug	2.3	2.4	2.4	2.6	2.1	2.7	2.0	2.0	-0.7	1.8
Sep	2.2	2.1	2.2	2.1	2.3	2.6	1.6	2.1	-0.8	1.3
Oct	1.9	2.2	2.3	2.0	2.5	2.1	1.8	2.4	-0.8	1.2
Nov	1.6	1.8	2.1	1.5	2.5	1.8	1.3	2.2	-1.0	0.8
Dec	1.4	1.9	2.0	1.5	2.5	1.6	1.4	2.2	-1.2	1.0
02 Jan	1.3	2.5	2.7	2.3	3.1	1.1	2.4	2.4	-1.4	1.6
Feb	1.2	2.3	2.5	1.8	3.2	1.1	2.2	2.7	-1.6	1.5
Mar	1.5	2.3	2.5	1.9	3.2	1.5	2.2	2.5	-1.2	1.5
Apr	1.6	2.2	2.4	1.6	3.7	1.6	2.1	2.5	-1.1	1.3
May	1.2	1.8	2.0	1.0	3.7	1.2	1.5	2.4	-0.9	0.8
Jun	...	1.6	1.8	0.7	3.4	...	1.5	2.2	...	0.6

CONSUMER PRICES
Annual percentage changes



CONSUMER PRICES
Annual percentage changes



Sources: OECD, INE and Eurostat.

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

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

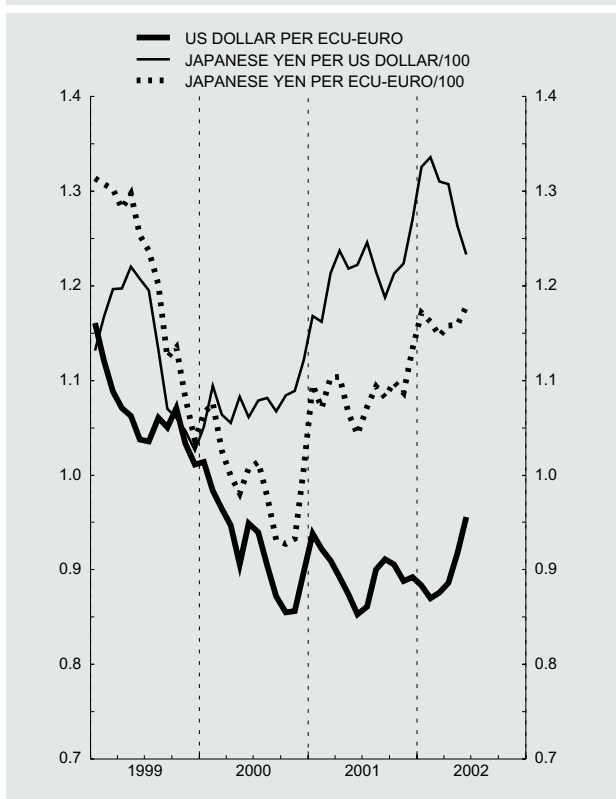
2.4. Bilateral exchange rates and nominal and real effective exchange rate indices for the euro, US dollar and Japanese yen

■ Series depicted in chart.

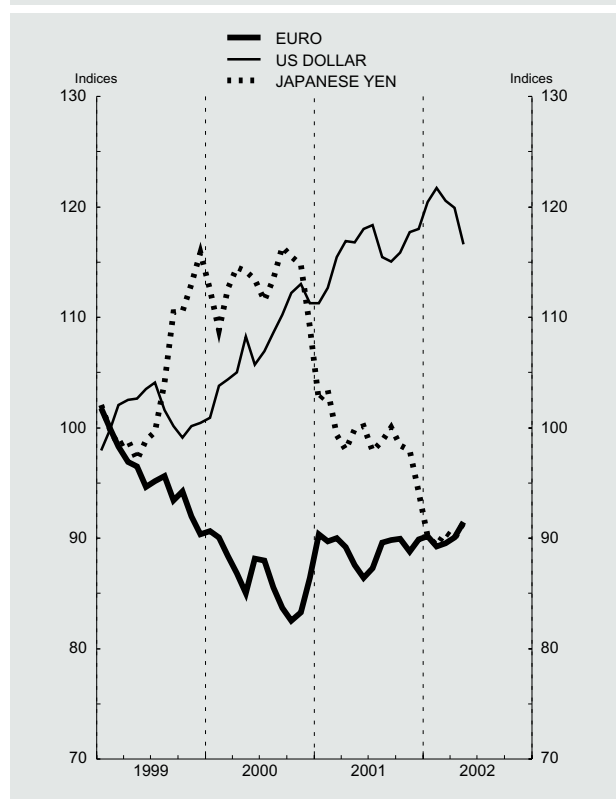
Average of daily data

	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	101.2	103.3
00	0.9239	99.52	107.76	85.7	105.0	118.0	86.5	107.6	113.1	87.1	106.0	111.4
01	0.8955	108.76	121.50	87.3	111.8	106.9	89.0	116.0	99.2	89.2	112.4	99.8
01 J-J	0.8980	108.05	120.39	87.3	111.1	107.7	88.9	115.2	100.5	89.1	112.4	100.1
02 J-J	0.8981	116.25	129.57	88.0	114.1	100.0	90.1	119.8	90.3	90.0	114.7	93.3
01 Apr	0.8920	110.36	123.72	87.6	112.8	105.3	89.2	116.9	98.0	89.4	114.2	97.7
May	0.8742	106.50	121.81	85.9	112.8	107.7	87.6	116.8	99.8	87.8	114.7	99.5
Jun	0.8532	104.30	122.24	84.7	113.7	108.5	86.4	118.0	100.2	86.4	115.0	100.4
Jul	0.8607	107.21	124.57	85.4	114.0	106.1	87.3	118.4	97.9	87.2	114.3	98.9
Aug	0.9005	109.34	121.45	87.7	111.4	106.6	89.6	115.5	98.8	89.5	112.0	99.3
Sep	0.9111	108.20	118.78	88.0	110.6	108.6	89.9	115.0	100.0	89.9	111.8	100.8
Oct	0.9059	109.86	121.28	88.0	111.6	106.6	90.0	115.9	98.4	90.0	111.4	99.9
Nov	0.8883	108.68	122.35	86.8	113.1	106.5	88.8	117.7	98.0	88.9	112.4	100.4
Dec	0.8924	113.38	127.06	87.7	113.9	102.4	89.9	118.0	94.2	90.2	112.1	97.1
02 Jan	0.8833	117.12	132.60	87.6	116.2	98.5	90.2	120.4	90.2	90.3	114.3	93.2
Feb	0.8700	116.23	133.59	86.8	117.0	98.5	89.3	121.7	89.4	89.2	115.4	93.0
Mar	0.8758	114.75	131.02	86.8	115.8	100.0	89.5	120.5	90.5	89.0	114.7	93.9
Apr	0.8858	115.81	130.75	87.2	115.0	99.6	90.1	119.9	90.0	89.9	114.3	93.0
May	0.9170	115.86	126.36	88.6	111.8	101.3	91.5	116.6	91.4	91.4	...	...
Jun	0.9554	117.80	123.33	90.6	108.8	101.8	...	...	...	...	...	...

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.

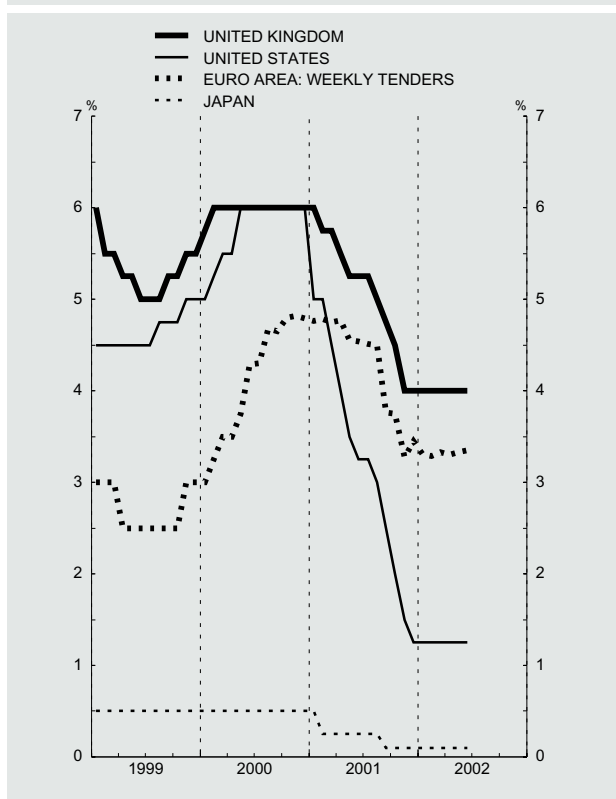
2.5. Official intervention interest rates and short-term interest rates

■ Series depicted in chart.

Percentages

	Official intervention interest rates				3-month interbank rates									
	Euro area	United States	Japan	United Kingdom	OECD	EU	Euro area	Germany	Spain	United States	France	Italy	Japan	United Kingdom
	(a)	(b)	(c)	(d)	5	6	7	8	9	10	11	12	13	14
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
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
Apr	3.25	1.25	0.10	4.00	2.30	3.53	3.41	-	-	1.87	-	-	0.01	4.08
May	3.25	1.25	0.10	4.00	2.31	3.58	3.47	-	-	1.81	-	-	0.01	4.06
Jun	3.25	1.25	0.10	4.00	2.31	3.58	3.46	-	-	1.78	-	-	0.01	4.08

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.

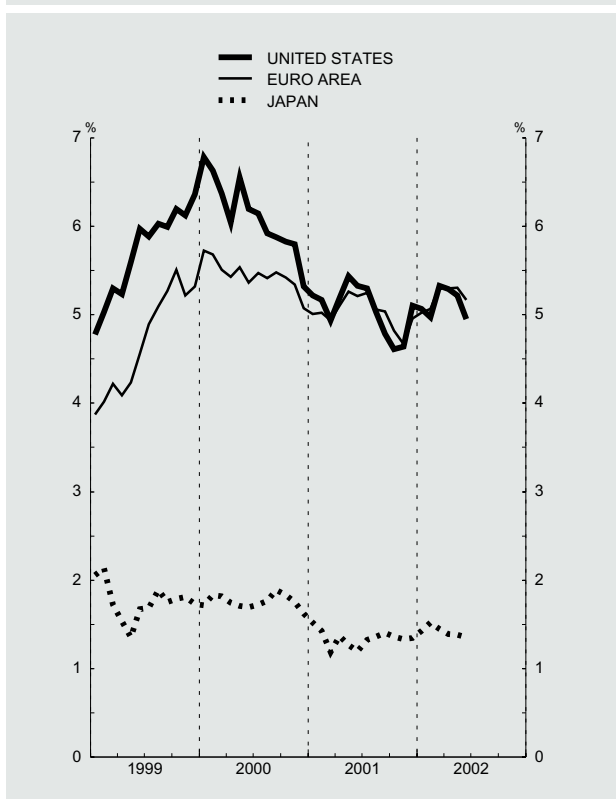
2.6. 10-year government bond yields on domestic markets

■ 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
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
Apr	4.72	5.30	5.30	5.17	5.34	5.29	5.25	5.41	1.39	5.29
May	4.69	5.32	5.30	5.18	5.36	5.22	5.27	5.41	1.38	5.33
Jun	4.51	5.16	5.16	5.03	5.23	4.95	5.11	5.26	1.36	5.14

10-YEAR GOVERNMENT BOND YIELDS



10-YEAR GOVERNMENT BOND YIELDS



Sources: ECB, Reuters and BE.

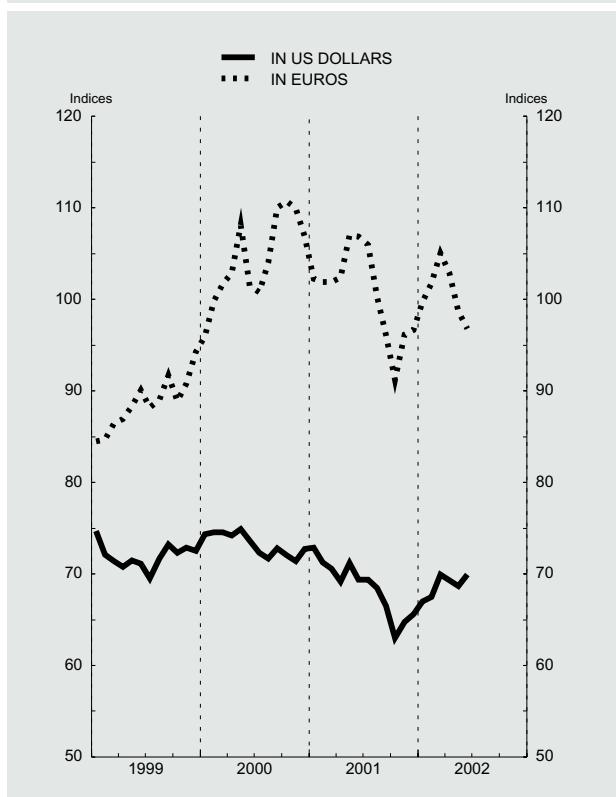
2.7 International markets: Non-energy commodities price index. Crude oil and gold price.

■ Series depicted in chart.

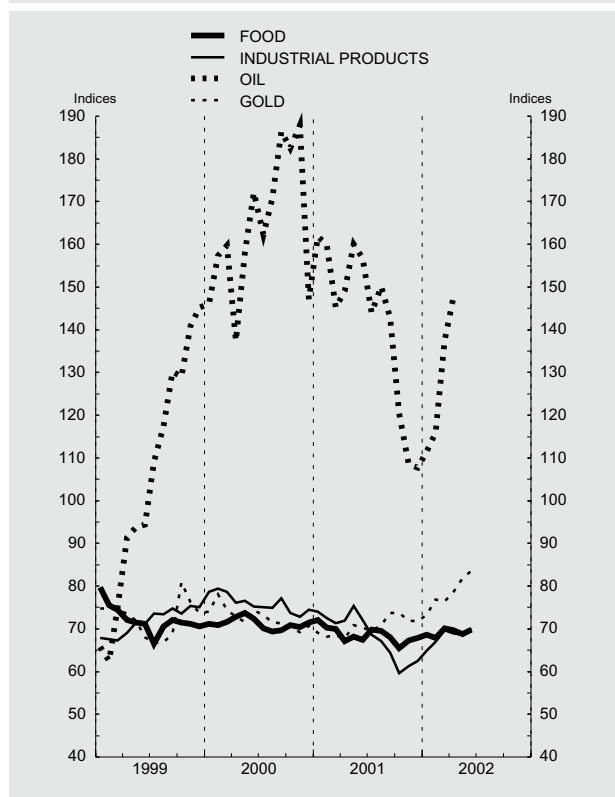
1995 = 100

	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	General	Food	Industrial products				US dollars per barrel			
				Total	Non-food agricultural products	Metals					
	1	2	3	4	5	6	7	8	9	10	11
99	88.7	72.0	72.2	71.7	73.0	70.6	104.8	18.1	72.6	278.8	8.41
00	104.4	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-J	103.7	70.7	69.2	72.9	68.8	76.4	155.4	26.9	69.1	265.7	9.52
02 J-J	100.8	68.7	69.2	68.2	67.7	68.6	...	23.2	78.5	301.5	10.79
01 Mar	101.9	70.6	70.0	71.4	65.6	76.3	145.3	25.8	68.5	263.1	9.30
Apr	102.4	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	116.0	20.4	76.9	295.5	10.92
Mar	105.0	69.9	70.2	69.6	69.2	70.0	137.4	23.7	76.4	293.7	10.78
Apr	102.9	69.3	69.6	68.9	68.7	69.1	147.8	25.7	78.7	302.4	10.98
May	98.7	68.7	68.8	68.6	69.2	68.0	...	25.4	81.9	314.5	11.03
Jun	96.8	70.0	69.9	70.2	71.3	69.2	...	24.1	83.6	321.3	10.81

NON-ENERGY COMMODITY PRICE INDEX



PRICE INDICES FOR NON-ENERGY COMMODITIES, OIL AND GOLD



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

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

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

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

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

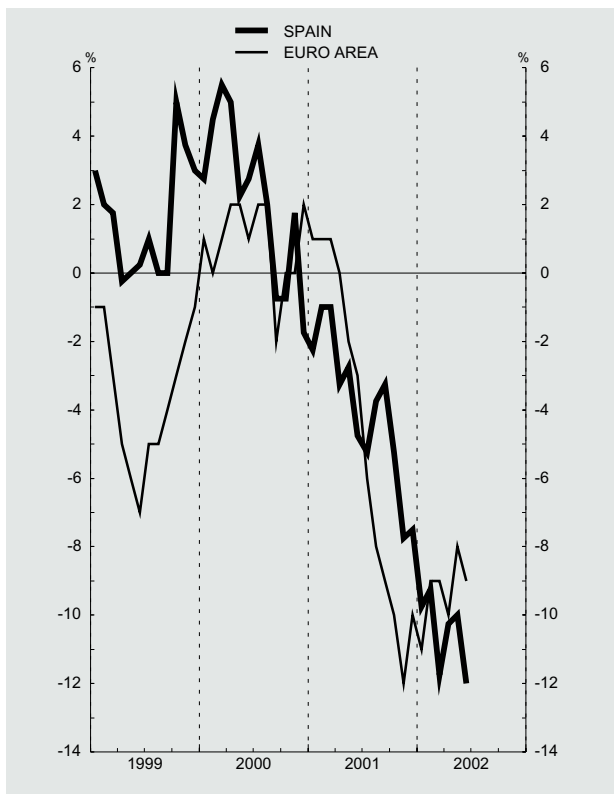
3.1. Indicators of private consumption. Spain and euro area

■ Series depicted in chart.

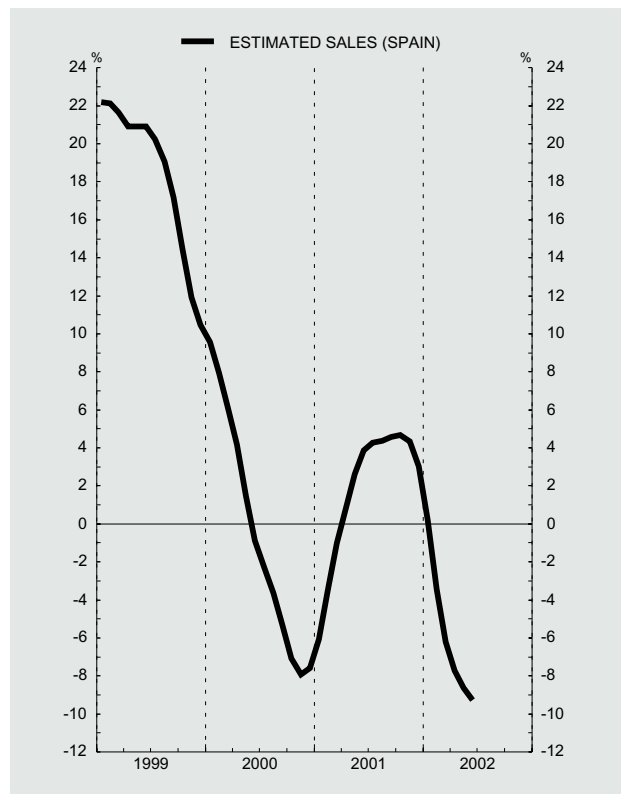
Annual percentage changes

	Opinion surveys (net percentages)							New car registrations and sales				Retail trade: sales index						
	Consumers			Retail trade confidence index	Memorandum item: euro area		of which		Estimated sales	Memorandum item: euro area	General index			By type of product (deflated indices)		Memorandum item: euro area deflated index		
	Confidence index	General economic situation: anticipated trend	Household economic situation: anticipated trend		Consumer confidence index	Retail trade confidence index	Registrations	Private use			Registrations	Nominal	Deflated (a)	Large retail outlets (a)	Food (b)		Other (c)	
	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	4.1	-0.6	7.1	3.4	3.5	5.1	1.5	1.6	
01 J-J	P	-3	-2	5	0	-0	-4	-0.1	-1.7	1.4	...	7.5	3.3	3.6	4.9	1.8	1.7	
02 J-J	A	-11	-6	-	-3	-9	-15	-24.7	-26.5	-9.2	...	...	...	...	...	...	...
01 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	1.7	
Aug	P	-4	-2	3	1	-8	-8	3.2	2.4	5.7	-0.5	10.6	6.7	3.8	9.0	3.7	1.7	
Sep	P	-3	-5	5	3	-9	-6	-3.7	-2.1	-0.6	-1.3	4.0	0.6	-1.0	4.0	-3.0	1.6	
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	0.2	
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	2.1	
Dec	P	-8	-5	1	-1	-10	-10	8.3	14.5	11.7	0.8	6.1	3.3	4.3	2.9	2.8	1.8	
02 Jan	P	-10	-6	-1	-3	-11	-11	1.7	1.6	4.9	-2.4	3.7	0.7	3.6	4.4	-2.1	0.3	
Feb	P	-9	-6	1	-2	-9	-15	-10.3	-17.1	-9.1	-3.2	5.8	2.6	7.8	4.7	1.0	1.5	
Mar	P	-12	-6	-2	-3	-9	-15	-23.6	-33.2	-14.0	-6.1	4.0	0.8	7.2	3.8	-1.3	1.7	
Apr	P	-10	-6	-	-2	-10	-15	-6.6	-0.5	-7.6	-8.0	9.7	5.9	9.8	2.8	8.6	0.1	
May	A	-10	-5	2	-2	-8	-15	-4.7	-6.7	-6.2	-6.7	7.6	3.8	9.8	1.6	5.8	...	
Jun	A	-12	-8	-	-3	-9	-16	-86.4	-86.9	-17.4	...	...	...	...	...	...	...

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.

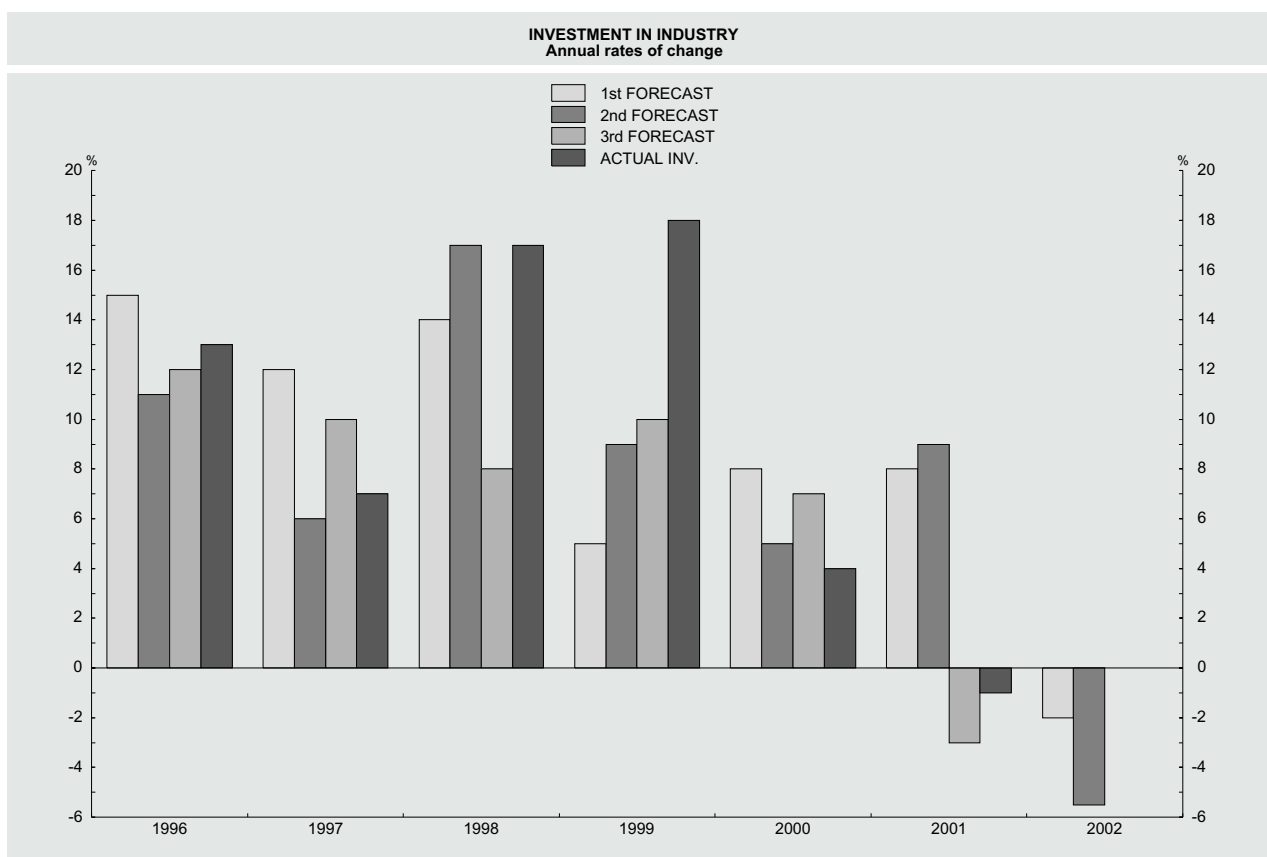
(c) Deflated by the total CPI excluding foods, beverages, and tobacco.

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		-1	8	9	-3
02		...	-2	-6	...



Source: Ministerio de Ciencia y Tecnología

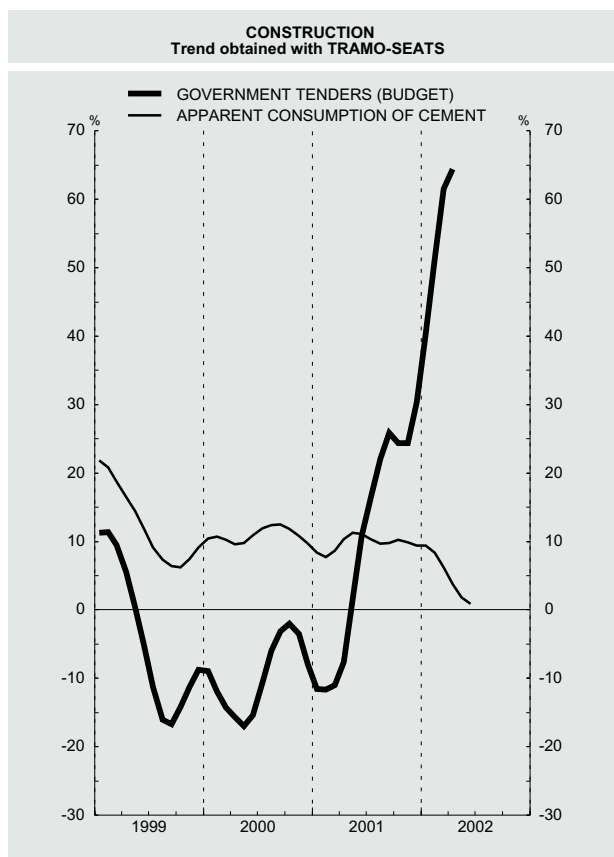
Note: The first forecast is made in the autumn of the previous year and the second and third ones in the spring and autumn of the current year, respectively; the information relating to actual investment for the year t is obtained in the spring of the year $t+1$.

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	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	-3.7	-7.7	-8.3	14.6	-2.2	-5.5	43.6	43.6	62.6	137.3	108.0	41.1	34.8	9.7	
01 J-J	-7.3	-9.6	-11.6	2.8	-8.0	-13.4	10.7	10.7	40.9	146.1	33.9	6.9	-2.8	9.6	
02 J-J	...	...	...	...	...	...	...	...	...	...	...	...	...	4.4
01 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	-2.1	-6.8	-6.2	19.6	3.4	2.5	26.0	43.2	77.4	124.0	176.8	63.0	1.7	7.9	
Dec	-9.7	-18.9	-16.0	41.7	3.6	0.6	47.3	43.6	141.0	574.3	655.1	89.6	16.9	2.8	
02 Jan	...	...	...	...	...	...	205.2	205.2	166.9	421.8	347.6	126.5	221.6	15.6
Feb	...	...	...	...	...	...	327.5	254.9	402.7	1 314.6	130.6	193.1	255.7	11.6
Mar	...	...	...	...	...	...	372.1	307.2	204.0	580.0	1 745.8	107.8	479.5	-6.7
Apr	...	...	...	...	...	...	263.3	291.5	250.6	439.3	977.5	181.3	267.6	17.7
May	...	...	...	...	...	...	...	...	...	...	...	...	...	-0.6
Jun	...	...	...	...	...	...	...	...	...	...	...	...	...	-6.5



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.

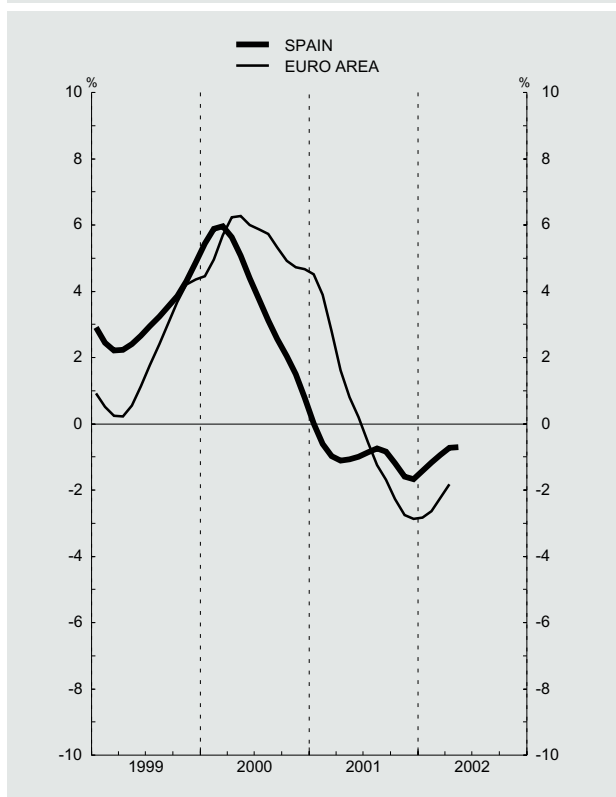
3.4. Industrial production index. Spain and euro area

■ Series depicted in chart.

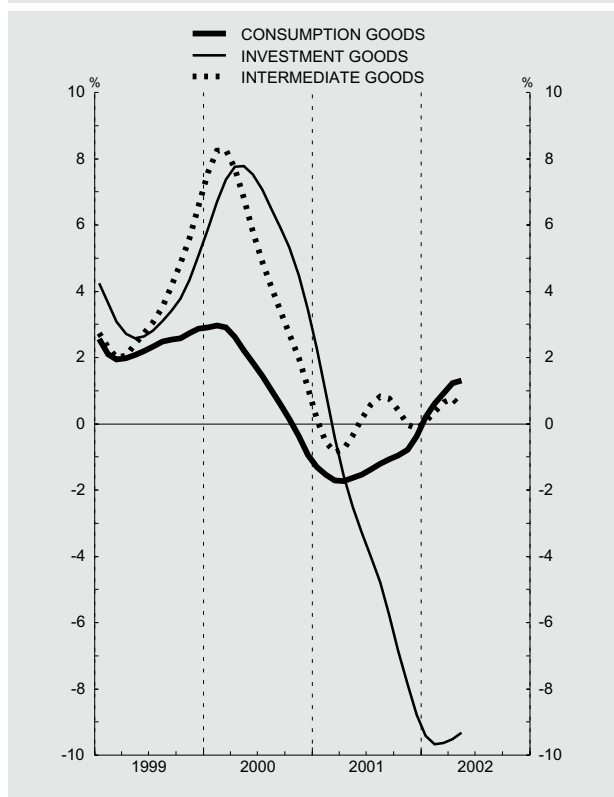
Annual percentage changes

		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	1.6	2.5	1.9
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	2.2	9.3	6.0
01	MP	121.4	-1.2	-2.0	-1.6	-3.4	-0.1	3.0	-0.1	-3.8	-1.3	0.2	0.1	0.1	1.3	-0.9
01 J-M	MP	124.6	-0.8	-1.0	-1.2	-0.3	-0.7	-0.3	0.3	-0.6	-2.0	2.7	3.1	...	5.6	2.1
02 J-M	MP	123.7	-0.7	-1.3	1.9	-10.2	0.7	3.3	1.8	-6.5	1.4	...	...	...	...	...
01 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	9.4	4.1
Mar	P	131.4	-3.6	-4.2	-4.6	-3.6	-2.8	0.2	-3.1	-4.9	-4.3	3.4	4.0	2.9	7.2	2.6
Apr	P	114.4	-0.3	-	-1.4	3.9	-1.0	-3.3	0.8	0.5	-0.5	0.8	0.8	0.1	1.4	0.5
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	-0.3	0.9	-1.1
Jun	P	129.4	-2.5	-3.5	-3.8	-4.4	-0.7	3.8	-0.1	-5.0	-4.1	1.8	2.1	1.5	3.2	1.3
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	-0.7	-1.9	-1.8
Aug	P	89.7	3.2	2.5	2.5	1.9	4.1	6.0	1.6	3.9	2.1	1.2	1.1	1.8	2.8	-0.6
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	0.1	-1.8
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	-2.2	-2.7	-3.5
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	-2.9	-5.2	-6.2
Dec	P	107.4	-4.4	-7.6	-3.0	-14.8	-1.6	11.4	-7.7	-15.6	-	-4.7	-6.5	-3.6	-6.7	-8.7
02 Jan	P	123.8	-0.3	-1.6	2.5	-9.4	0.5	6.2	0.3	-6.7	1.8	-2.8	-3.9	-0.9	-6.6	-3.4
Feb	P	120.3	-0.5	-0.8	3.0	-9.8	0.1	1.7	2.6	-6.4	2.3	-3.3	-4.0	-1.4	-7.8	-2.8
Mar	P	118.3	-10.0	-11.6	-10.2	-21.3	-5.7	-0.5	-5.2	-18.5	-9.2	-2.3	-3.3	-1.7	-6.7	-0.5
Apr	P	126.7	10.8	10.8	15.6	0.4	10.6	10.8	12.6	7.9	12.0	-1.1	-1.3	-1.6	-3.3	-0.5
May	P	129.6	-1.7	-1.6	0.6	-9.3	-0.8	-1.1	0.1	-6.3	1.4	...	...	...	...	...

INDUSTRIAL PRODUCTION INDEX
Trend obtained with TRAMO-SEATS



INDUSTRIAL PRODUCTION INDEX
Trend obtained with TRAMO-SEATS



Sources: INE and BCE.

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

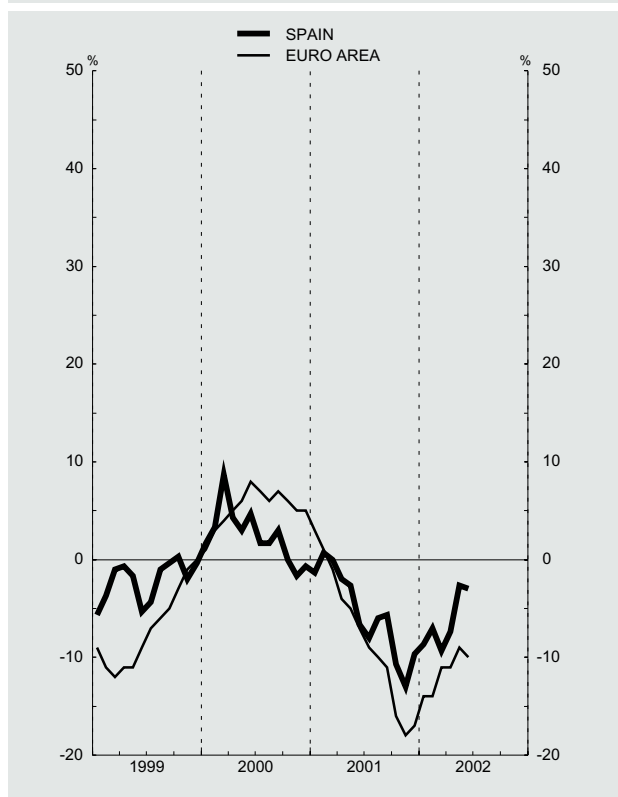
3.5. Monthly business survey: industry and construction. Spain and euro area

■ Series depicted in chart.

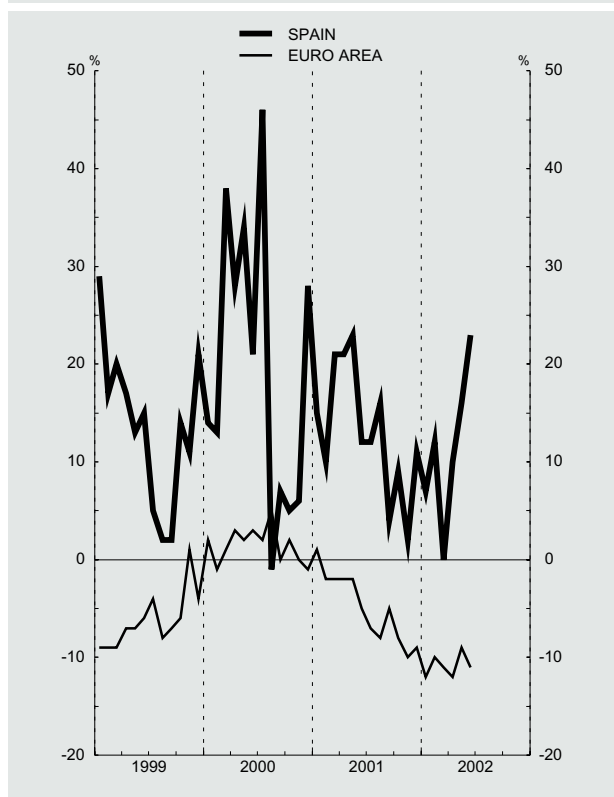
Balance

		Industry, excluding construction									Construction					Memorandum item: euro area (b)		
		Business climate indicator (a)	Production over the last three months	Trend in production	Total orders	Foreign orders	Stocks of finished products	Business climate indicator			Business climate indicator	Production	Orders	Trend		Industry, excluding construction		Construction business climate indicator
		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-J	M	-2	3	11	-6	-10	11	-2	2	-3	17	20	18	33	39	-2	-5	-2
02 J-J	M	-6	-5	4	-14	-19	9	-10	-7	-3	11	6	14	16	62	-12	-25	-11
01 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	-	6	14	41	77	-11	-24	-11
Apr		-7	-3	-	-14	-20	8	-13	-5	-4	10	18	20	-3	62	-11	-25	-12
May		-3	3	7	-9	-15	6	-9	-5	3	16	20	11	20	71	-9	-22	-9
Jun		-3	4	5	-6	-16	8	-2	-4	-3	23	10	22	14	62	-10	-23	-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) Before November 2001, 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.

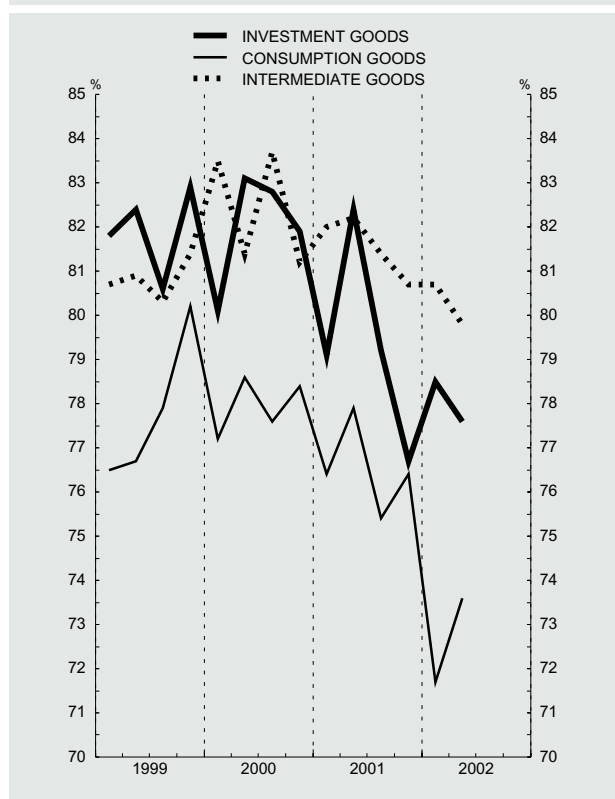
Percentages and balances

	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		
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-Q2	80.0	81.2	2	77.2	78.8	3	80.8	82.6	-	82.1	82.7	1	84.0
02 Q1-Q2	77.0	79.6	7	72.6	75.8	8	78.1	80.6	5	80.3	82.4	6	80.8
99 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
Q2	77.0	80.7	8	73.6	78.0	10	77.6	81.2	5	79.8	82.7	6	80.7

CAPACITY UTILISATION. TOTAL INDUSTRY
Percentages



CAPACITY UTILISATION. BY TYPES OF GOODS
Percentages



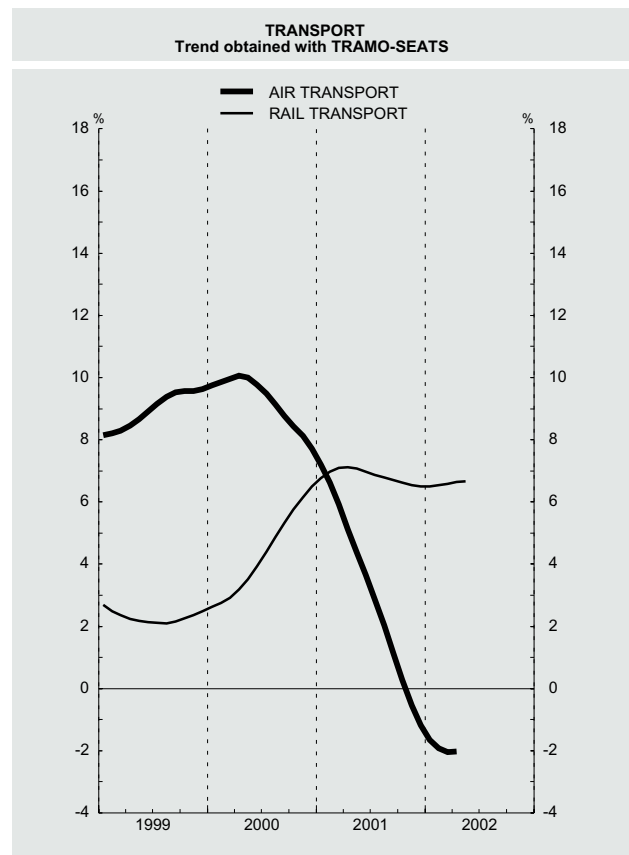
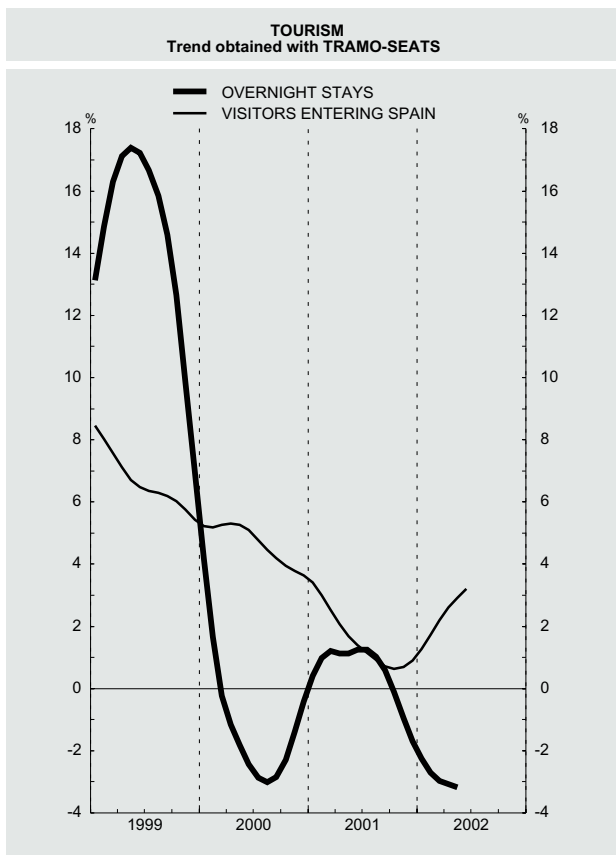
Sources: Ministerio de Ciencia y Tecnología and ECB

3.7. Tourism and transport statistics. Spain

■ Series depicted in chart.

Annual percentage changes

		Hotel stays (a)		Overnight stays		Visitors entering Spain			Air transport				Maritime transport		Rail transport	
		Total	Foreigners	Total	Foreigners	Total	Tourists	Day-trip-ers	Passengers			Freight	Passen- gers	Freight	Passen- gers	Freight
		1	2	3	4	5	6	7	Total	Domestic flights	Interna- tional 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	0.7	-0.1	1.7	3.7	-1.8	3.0	0.8	4.5	-4.9	0.2	3.4	6.6	-0.6
01 J-J		2.3	1.1	0.5	-0.9	3.7	5.4	0.8	5.8	2.3	8.5	-0.5	-0.6	1.2	7.8	0.4
02 J-J	P	...	...	...	...	2.9	-0.0	8.6	...	...	...	...	...	...	...	...
01 Mar		2.1	-1.4	-0.1	-2.3	4.1	8.7	-3.9	4.4	-2.5	10.3	-0.9	-6.4	2.9	11.5	7.9
Apr		0.9	-1.2	0.4	-3.3	-2.9	-3.8	-1.1	5.2	4.8	5.4	-0.7	-3.8	1.4	7.2	-5.8
May		1.4	2.5	0.3	0.7	5.4	6.1	3.7	4.3	0.4	6.9	1.8	1.2	0.3	5.6	4.1
Jun		1.6	0.6	-0.9	-2.2	5.3	7.0	1.2	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	-4.1	-6.5	-3.7	-3.2	-0.1	-2.8	3.8	-4.5	-5.3	-3.7	-5.9	-1.5	8.4	4.0	1.3
Feb	P	-0.7	-0.1	-2.6	-4.3	6.1	3.9	9.3	-1.3	-2.3	-0.4	-7.1	2.0	5.9	3.9	0.4
Mar	P	8.9	4.2	7.5	-0.3	13.0	12.2	14.6	1.9	-1.8	4.7	-13.4	19.0	5.4	-4.0	-7.2
Apr	P	-9.5	-5.0	-13.1	-9.3	-6.0	-11.1	3.4	-9.0	-7.2	-10.2	-1.9	-6.6	8.9	16.1	19.4
May	P	0.8	-3.6	-2.8	-7.3	3.6	1.1	8.9	...	...	...	...	...	...	0.3	...
Jun	P	...	...	...	...	2.9	-0.8	12.1	...	...	...	...	...	...	...	...



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.

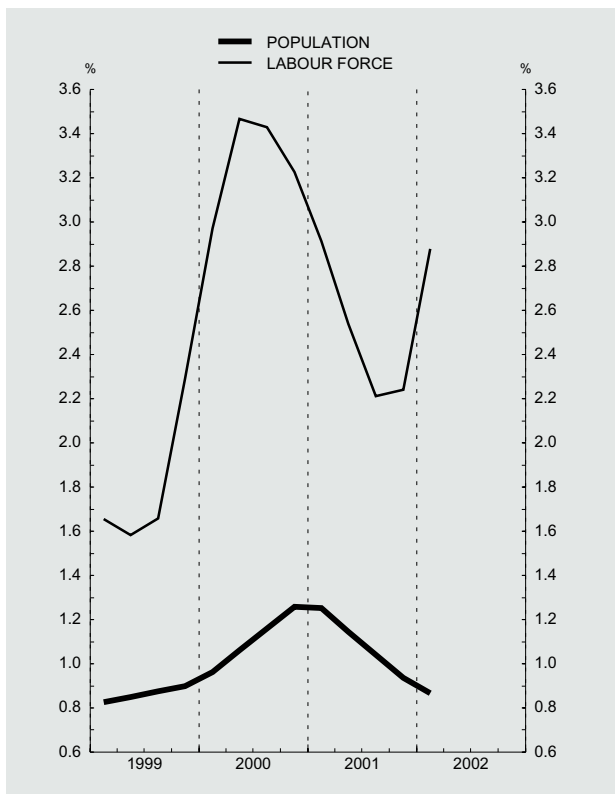
4.1. Labour force. Spain

■ Series depicted in chart.

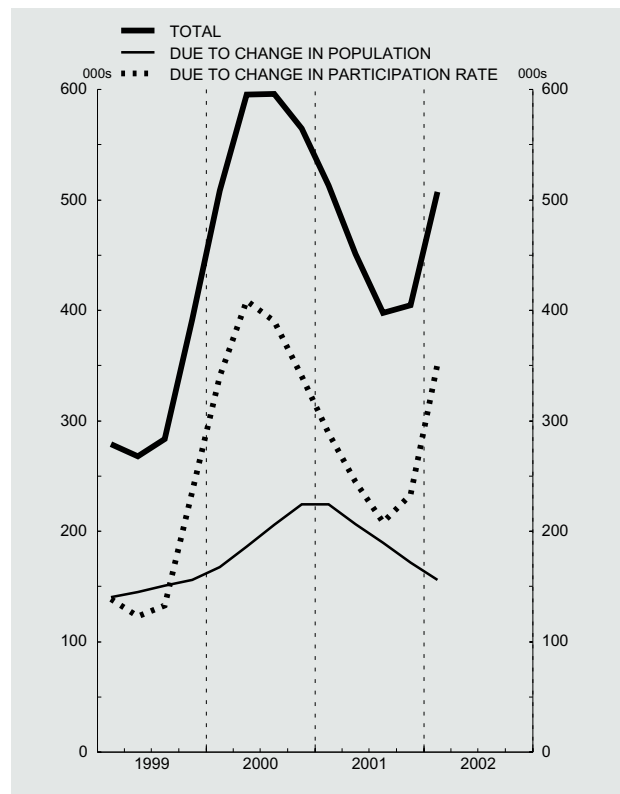
Thousands and annual percentage changes

		Population over 16 years of age			Participation rate (%)	Labour force				
		Thousands	Annual change	4-quarter % change		Thousands (a)	Annual change (b) (c)			4-quarter % change (b)
							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
99	M	32 958	282	0.9	52.46	17 290	306	148	158	1.8
00	M	33 324	366	1.1	53.58	17 857	566	196	370	3.3
01	M	33 689	364	1.1	52.88	17 815	442	198	244	2.5
01	Q1-Q1 M	33 577	415	1.3	52.50	17 629	513	224	289	2.9
02	Q1-Q1 M	33 869	292	0.9	53.55	18 137	507	156	351	2.9
99	Q3	32 996	286	0.9	52.69	17 385	284	151	133	1.7
	Q4	33 071	295	0.9	52.94	17 506	392	156	236	2.3
00	Q1	33 162	316	1.0	53.10	17 610	508	168	341	3.0
	Q2	33 270	349	1.1	53.39	17 764	595	186	409	3.5
	Q3	33 378	382	1.2	53.87	17 981	596	206	390	3.4
	Q4	33 486	416	1.3	53.97	18 071	565	224	341	3.2
01	Q1	33 577	415	1.3	52.50	17 629	513	224	289	2.9
	Q2	33 652	381	1.1	52.63	17 710	451	206	245	2.5
	Q3	33 726	348	1.0	53.09	17 907	398	189	208	2.2
	Q4	33 800	314	0.9	53.29	18 013	405	171	233	2.2
02	Q1	33 869	292	0.9	53.55	18 137	507	156	351	2.9

LABOUR FORCE SURVEY
Annual percentage change



LABOUR FORCE
Annual changes



Source: INE (Labour Force Survey: 2002 methodology).

(a) the new definition of unemployment applies from 2001 Q1 onward.

(b) To calculate the annual percentage changes and annual charges, the INE homogeneous series has been used up to December 2001, and from January 2002, the column 5 series. For this reason the annual percentage changes and annual changes for 2001 cannot be obtained by using the column 5 series. For further information, methodological notes may be consulted at INE's website(www.ine.es).

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

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

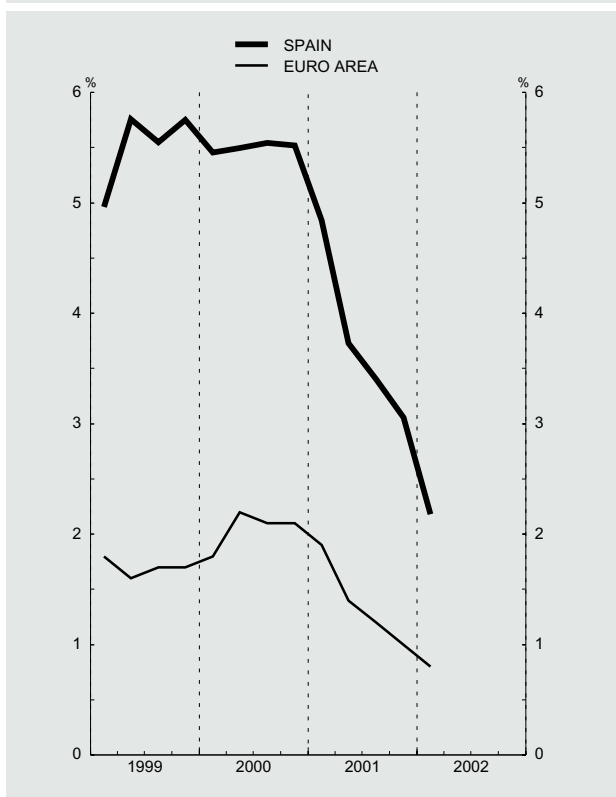
4.2. Employment and wage-earners. Spain and euro area (a)

■ Series depicted in chart.

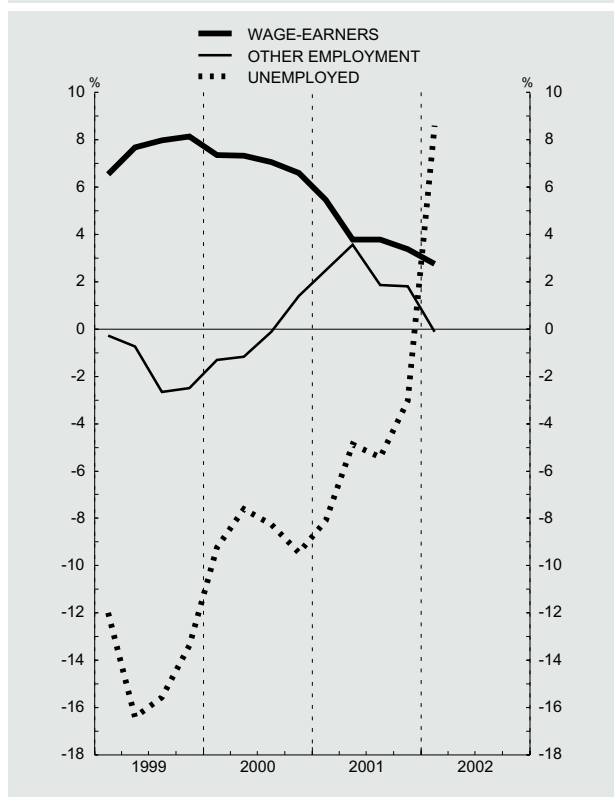
Thousands and annual percentage changes

		Employment									Unemployment			Memorandum item: euro area		
		Total			Wage-earners			Other			Thousands (a)	Annual change (b)	4-quarter % change (b)	Unem- ployment rate (a)	Employ- ment 4-quarter % change	Unem- ployment rate
		Thousands	Annual change	4-quarter % change	Thousands	Annual change	4-quarter % change	Thousands	Annual change	4-quarter % change						
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
99	M	14 568	760	5.5	11 474	809	7.6	3 094	-49	-1.5	2 722	-455	-14.3	15.75	1.7	9.36
00	M	15 370	802	5.5	12 286	811	7.1	3 084	-10	-0.3	2 487	-235	-8.6	13.93	2.1	8.37
01	M	15 946	576	3.7	12 787	501	4.1	3 159	75	2.4	1 869	-134	-5.4	10.49	1.4	8.03
01	Q1-Q1M	15 713	725	4.8	12 563	649	5.4	3 150	76	2.5	1 916	-212	-8.1	10.87	1.9	8.03
02	Q1-Q1M	16 055	342	2.2	12 909	347	2.8	3 146	-4	-0.1	2 081	165	8.6	11.47	0.8	8.20
99	Q3	14 726	774	5.5	11 636	858	8.0	3 090	-84	-2.7	2 659	-490	-15.6	15.29	1.7	9.27
	Q4	14 825	806	5.7	11 767	884	8.1	3 058	-78	-2.5	2 682	-414	-13.4	15.32	1.7	9.00
00	Q1	14 988	775	5.5	11 913	816	7.4	3 074	-41	-1.3	2 622	-267	-9.2	14.89	1.8	8.70
	Q2	15 306	798	5.5	12 231	834	7.3	3 075	-36	-1.2	2 457	-202	-7.6	13.83	2.2	8.43
	Q3	15 542	816	5.5	12 456	820	7.0	3 086	-4	-0.1	2 439	-220	-8.3	13.57	2.1	8.27
	Q4	15 643	818	5.5	12 542	775	6.6	3 101	43	1.4	2 428	-253	-9.4	13.44	2.1	8.07
01	Q1	15 713	725	4.8	12 563	649	5.4	3 150	76	2.5	1 916	-212	-8.1	10.87	1.9	8.03
	Q2	15 877	571	3.7	12 692	461	3.8	3 184	109	3.6	1 833	-120	-4.9	10.35	1.4	8.00
	Q3	16 072	529	3.4	12 928	472	3.8	3 144	58	1.9	1 835	-132	-5.4	10.25	1.2	8.00
	Q4	16 121	478	3.1	12 964	422	3.4	3 157	56	1.8	1 892	-74	-3.0	10.50	1.0	8.10
02	Q1	16 055	342	2.2	12 909	347	2.8	3 146	-4	-0.1	2 081	165	8.6	11.47	0.8	8.20

EMPLOYMENT
Annual percentage changes



LABOUR FORCE: COMPONENTS
Annual percentage changes



Source: INE (Labour Force Survey: 2002 methodology), and ECB.

(a) the new definition of unemployment applies from 2001 Q1 onwards.

(b) To calculate the annual percentage changes and annual charges, the INE homogeneous series has been used up to December 2001, and from January 2002, the column 10 series. For this reason the annual percentage changes and annual charges for 2001 cannot be obtained by using the column 10 series. For further information, methodological notes may be consulted at INE's website(www.ine.es).

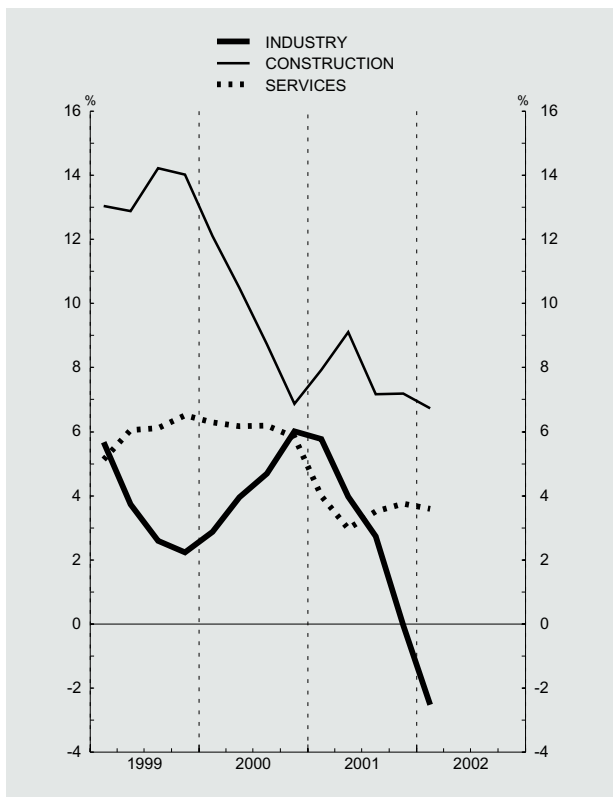
4.3. Employment by branch of activity. Spain (a)

■ Series depicted in chart.

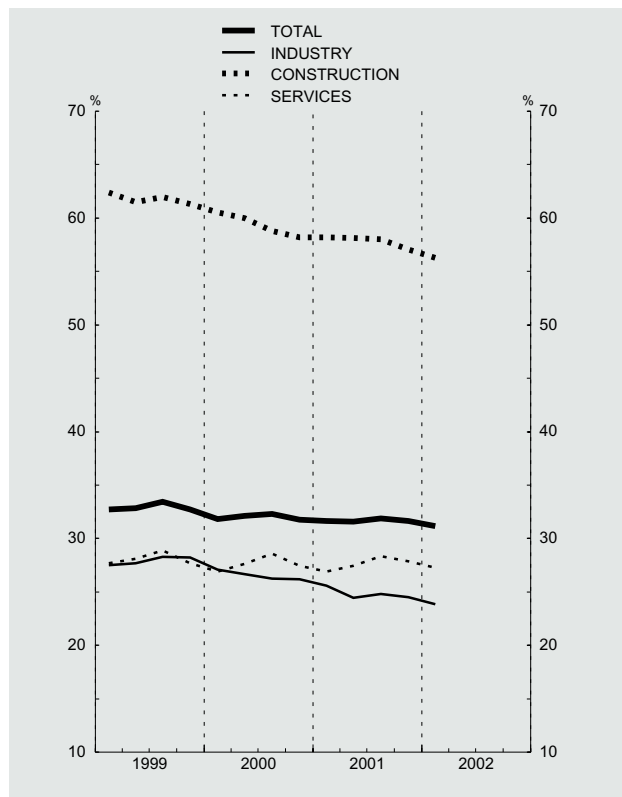
Annual percentage changes

		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
99	M	5.5	7.6	32.9	-3.2	0.5	61.1	3.5	4.3	27.9	13.6	15.7	61.8	6.0	8.0	28.1	6.2	7.0	7.1
00	M	5.5	7.1	32.0	-2.6	-1.6	59.0	4.4	5.0	26.5	9.5	10.0	59.4	6.1	7.8	27.6	6.1	6.5	6.7
01	M	3.7	4.1	31.7	0.7	5.0	61.6	3.1	2.8	24.8	7.8	8.3	57.8	3.6	3.7	27.6	4.0	3.8	3.1
01	Q1-Q1M	4.8	5.4	-0.6	4.8	13.0	10.4	5.8	5.5	-5.4	7.9	8.3	-3.9	4.0	4.5	-0.1	4.8	4.8	3.7
02	Q1-Q1M	2.2	2.8	-1.4	-4.3	-4.7	-5.6	-2.5	-2.3	-6.8	6.7	6.6	-3.2	3.6	4.3	1.5	2.7	2.2	3.0
99	Q3	5.5	8.0	33.4	-2.7	1.8	59.5	2.6	3.9	28.3	14.2	16.1	62.0	6.1	8.5	28.9	6.2	6.7	6.8
	Q4	5.7	8.1	32.7	-2.2	2.4	59.7	2.2	3.1	28.2	14.0	15.8	61.3	6.5	9.1	27.7	6.4	7.1	7.7
00	Q1	5.5	7.4	31.8	-3.6	-3.9	59.4	2.9	4.0	27.1	12.1	12.8	60.5	6.3	8.4	26.9	6.2	6.8	7.4
	Q2	5.5	7.3	32.1	-3.2	-1.8	60.2	3.9	4.5	26.7	10.5	11.9	60.0	6.2	8.1	27.6	6.2	6.7	7.1
	Q3	5.5	7.0	32.3	-2.9	-2.6	56.0	4.7	4.9	26.3	8.7	9.3	58.8	6.2	7.9	28.6	6.2	6.6	7.0
	Q4	5.5	6.6	31.7	-0.8	2.0	60.5	6.0	6.5	26.2	6.9	6.5	58.2	5.8	6.9	27.5	6.0	5.8	5.4
01	Q1	4.8	5.4	31.6	4.8	13.0	65.5	5.8	5.5	25.6	7.9	8.3	58.2	4.0	4.5	26.9	4.8	4.8	3.7
	Q2	3.7	3.8	31.6	1.2	4.2	61.8	4.0	3.7	24.5	9.1	9.3	58.1	3.0	2.8	27.5	3.9	3.9	2.6
	Q3	3.4	3.8	31.9	-2.3	1.1	57.5	2.7	2.6	24.8	7.2	7.5	58.0	3.5	3.7	28.3	3.8	3.4	2.8
	Q4	3.1	3.4	31.7	-1.1	1.2	61.4	-0.0	-0.3	24.5	7.2	8.1	57.0	3.7	4.0	27.8	3.3	3.1	3.4
02	Q1	2.2	2.8	31.2	-4.3	-4.7	61.8	-2.5	-2.3	23.9	6.7	6.6	56.3	3.6	4.3	27.3	2.7	2.2	3.0

EMPLOYMENT
Annual percentage changes



TEMPORARY EMPLOYMENT
Percentages



Source: INE (Labour Force Survey: 2002 methodology).

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.

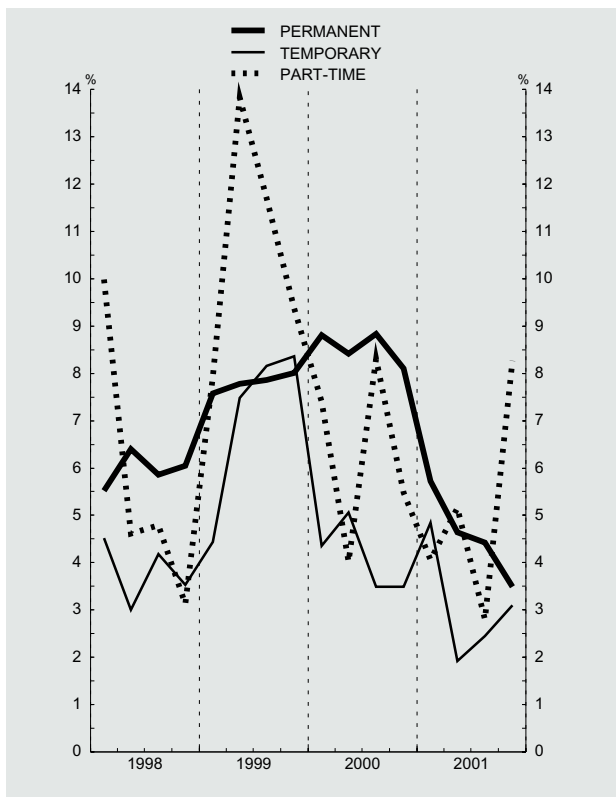
4.4. Wage-earners by type of contract and unemployment by duration. Spain. (a)

■ 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 (a)		
		Permanent		Temporary			Full-time		Part-time			Less than one year		More than one year				
		Annual change	4-quarter % change	Annual change	4-quarter % change	Proportion of temporary employment	Annual change	4-quarter % change	Annual change	4-quarter % change	As % for wage earners	Unemployment rate	4-quarter % change	Unemployment rate	4-quarter % change	Entailing a change of residence	Whith a lower wage	Requiring fever skills
Thousands		Thousands			Thousands		Thousands				(a)	(b)	(a)	(b)				
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
99	M	558	7.8	251	7.1	32.91	719	7.3	90	10.7	8.10	7.46	-9.6	7.84	-20.1	23.26	54.53	60.45
	M	657	8.5	154	4.1	32.00	753	7.1	58	6.3	8.04	7.08	-2.1	6.43	-15.4	23.04	52.44	58.49
	M	381	4.6	120	3.1	31.68	451	4.0	50	5.1	8.11	5.39	-5.6	4.24	-12.9	20.88	45.87	51.01
01	Q1-Q1 M	465	5.7	184	4.8	31.62	609	5.6	40	4.1	8.14	5.40	-10.7	4.57	-13.3	21.13	45.78	50.81
02	Q1-Q1 M	293	3.4	54	1.3	31.18	293	2.5	54	5.2	8.34	6.34	20.6	4.38	-1.6	20.91	43.48	49.45
99	Q3	565	7.9	293	8.2	33.42	763	7.7	95	11.7	7.80	7.17	-10.3	7.57	-21.9	23.21	54.64	60.71
	Q4	587	8.0	297	8.4	32.70	805	8.0	80	9.4	7.88	7.52	-8.1	7.42	-19.4	23.02	54.60	60.85
00	Q1	658	8.8	158	4.4	31.80	748	7.3	68	7.4	8.25	7.48	-2.1	6.99	-16.7	23.02	52.42	58.57
	Q2	644	8.4	190	5.1	32.14	795	7.6	39	4.0	8.19	6.95	-1.5	6.48	-13.4	22.47	54.48	61.07
	Q3	684	8.8	136	3.5	32.31	745	6.9	75	8.3	7.90	6.88	-0.8	6.19	-15.4	23.57	52.22	57.99
	Q4	641	8.1	134	3.5	31.74	725	6.7	51	5.5	7.80	7.00	-3.8	6.05	-15.8	23.11	50.66	56.33
01	Q1	465	5.7	184	4.8	31.62	609	5.6	40	4.1	8.14	5.40	-10.7	4.57	-13.3	21.13	45.78	50.81
	Q2	386	4.6	76	1.9	31.56	410	3.6	52	5.1	8.30	5.31	-4.3	4.20	-13.3	20.65	45.80	51.25
	Q3	373	4.4	99	2.5	31.89	444	3.9	28	2.8	7.82	5.23	-5.7	4.09	-13.0	21.21	44.58	49.44
	Q4	299	3.5	123	3.1	31.66	341	2.9	81	8.3	8.17	5.62	-1.4	4.11	-12.0	20.52	47.31	52.55
02	Q1	293	3.4	54	1.3	31.18	293	2.5	54	5.2	8.34	6.34	20.6	4.38	-1.6	20.91	43.48	49.45

WAGE-EARNERS
Annual percentage changes



UNEMPLOYMENT
Unemployment rate



Source: INE (Labour Force Survey: 2002 methodology).

(a) the new definition of unemployment applies from 2001 Q1 onwards.

(b) To calculate the annual percentage changes and annual charges, the INE homogeneous series has been used up to December 2001, and from January 2002, the new definition of unemployment. For further information, methodological notes may be consulted at INE's website(www.ine.es).

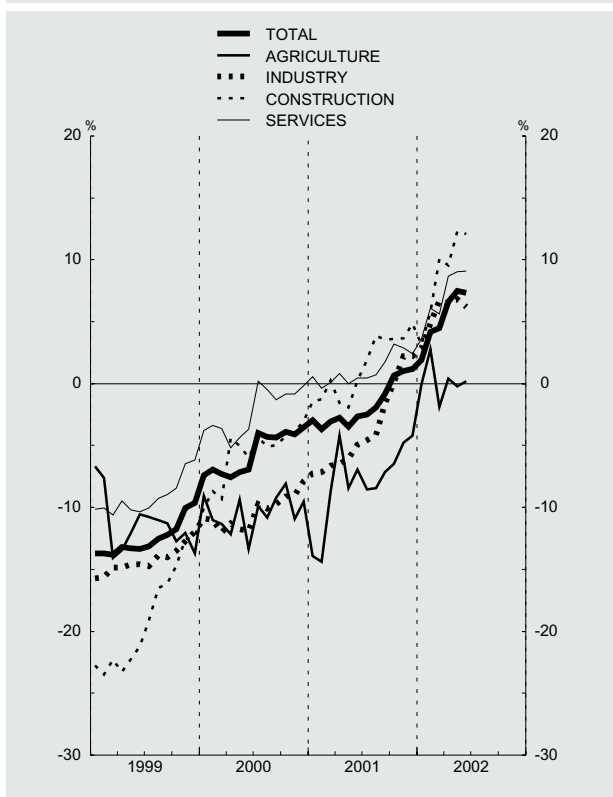
4.5. Registered unemployment by branch of activity. Contracts and placements. Spain

■ Series depicted in chart.

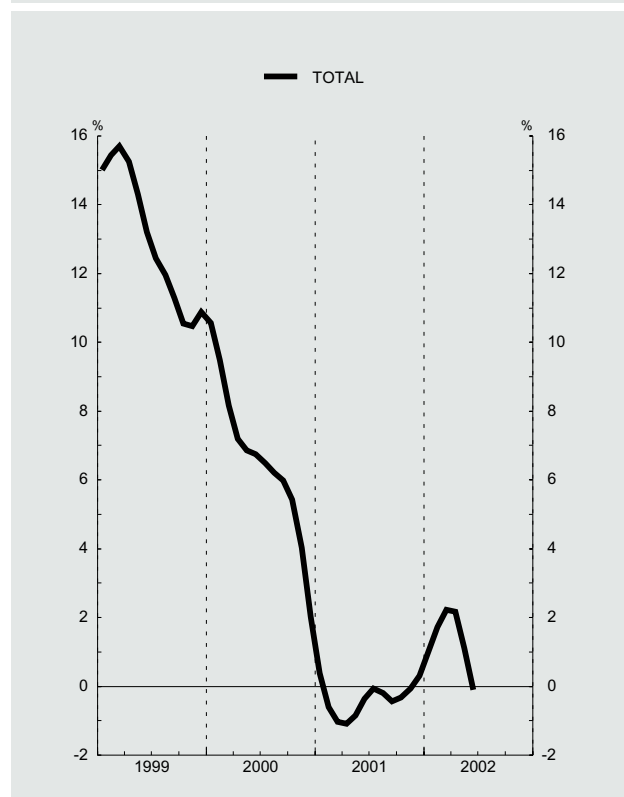
Thousands, annual percentage changes and %

		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-J	M	1 545	-50	-3.1	-10.6	-1.6	-9.5	-1.3	-6.4	-1.0	0.2	1 141	0.3	9.62	16.94	90.38	1 108	-1.1
02 J-J	MP	1 627	81	5.3	-2.3	6.7	0.2	6.9	5.6	8.7	6.9	1 162	1.8	9.62	18.23	90.38	1 121	1.2
01 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
Apr	P	1 636	101	6.6	-1.3	8.1	0.4	8.3	6.5	9.6	8.7	1 247	23.3	10.14	18.29	89.86	1 200	22.6
May	P	1 589	111	7.5	1.1	8.7	-0.2	9.0	6.8	12.3	9.0	1 238	0.2	9.40	18.86	90.60	1 190	2.0
Jun	P	1 567	107	7.3	0.8	8.6	0.2	8.9	6.2	12.1	9.1	1 074	-9.6	8.86	18.98	91.14	1 037	-8.9

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.

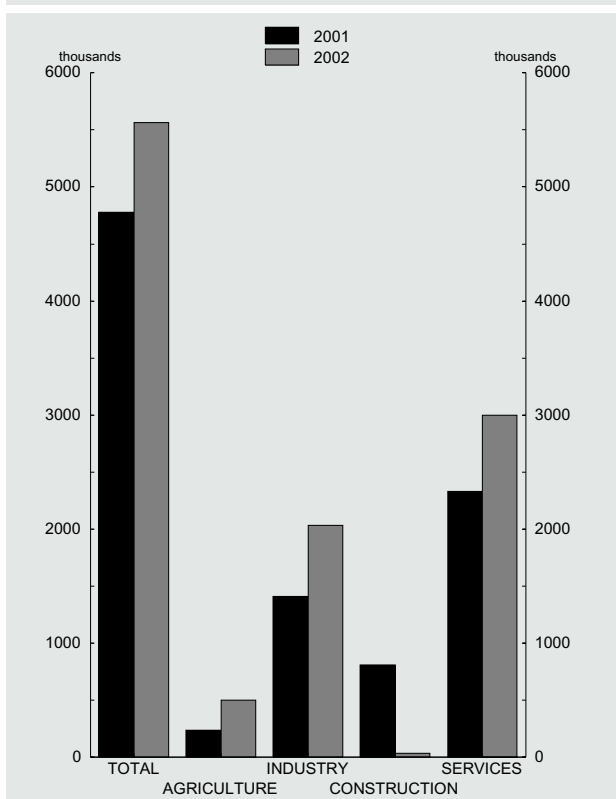
4.6. Collective bargaining agreements

■ Series depicted in chart.

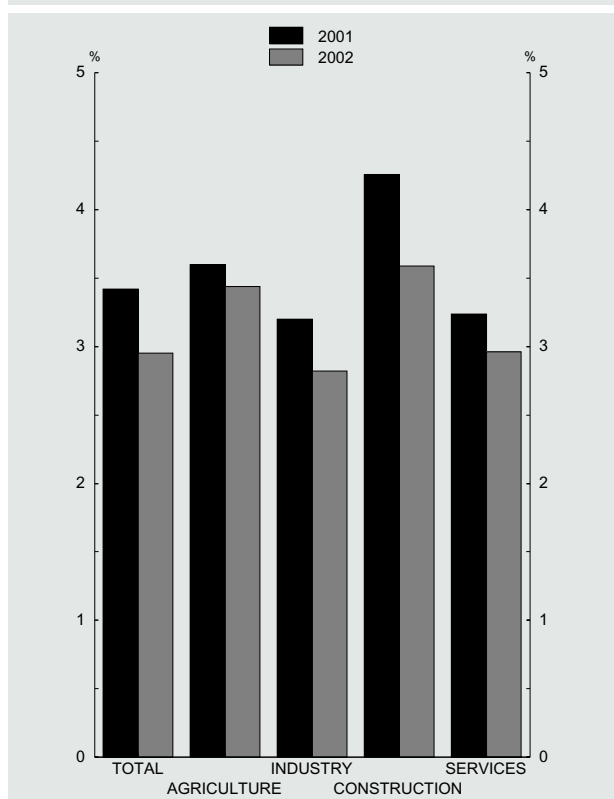
Thousands and %

	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	9 230	3.72	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	8 934	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
01 Jan	8 199	3.63	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	8 238	3.63	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	8 310	3.63	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	8 578	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	8 773	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	8 820	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	8 840	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	8 842	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	8 908	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	8 920	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	8 921	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	8 934	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	5 291	2.95	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	5 299	2.95	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	5 311	2.95	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
Apr	5 393	2.95	4 768	222	4 990	445	425	1 775	28	2 763	2.78	7.15	2.98	3.59	2.81	3.64	2.98
May	5 551	2.96	4 869	285	5 154	583	498	1 804	28	2 824	2.78	6.17	2.97	3.44	2.82	3.64	2.97
Jun	5 555	2.96	5 157	405	5 562	784	498	2 031	32	3 000	2.78	5.13	2.95	3.44	2.82	3.59	2.96

EMPLOYEES AFFECTED
January-Jun



AVERAGE WAGE SETTLEMENT
January-Jun



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

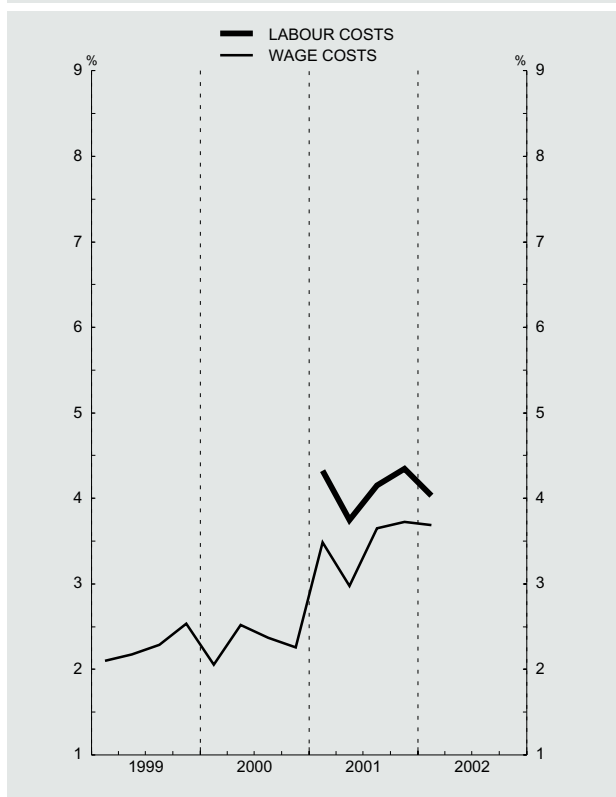
4.7. Labour costs index

■ Serie representada gráficamente.

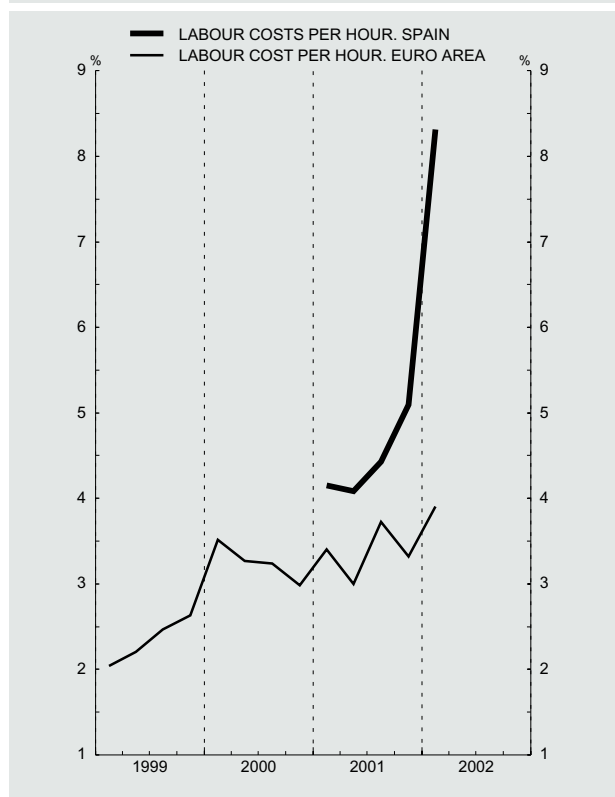
Annual percentage change

		Labour costs					Wage costs					Other costs per worker and month	memorandum item: euro area total hourly labour costs (a)
		Monthly earnings				Per hour worked	Monthly earnings				Per hour worked		
		Total	Industry	Construction	Services		Total	Industry	Construction	Services			
		1	2	3	4	5	6	7	8	9	10	11	12
99	M	...	...	...	...	...	2,3	2,6	3,8	1,9	2,6	...	2,3
00	M	...	...	...	...	...	2,3	2,5	3,8	3,0	2,4	...	3,2
01	M	4,1	4,4	4,7	4,1	4,5	3,5	3,7	3,9	3,6	3,8	6,2	3,4
01	I-/	M	4,3	5,1	4,8	4,2	4,2	3,5	4,1	3,9	3,4	6,8	3,4
02	I-/	M	4,0	3,7	4,6	4,4	8,3	3,7	3,8	3,9	3,9	8,0	3,9
99	III		...	...	...	...	2,3	2,0	4,0	2,1	2,5	...	2,5
	IV		...	...	...	...	2,5	2,4	3,8	2,4	2,7	...	2,6
00	I		...	...	...	...	2,1	2,5	3,6	2,6	2,4	...	3,5
	II		...	...	...	...	2,5	2,3	3,9	3,4	2,2	...	3,3
	III		...	...	...	...	2,4	2,9	3,4	3,0	2,4	...	3,2
	IV		...	...	...	...	2,3	2,3	4,4	2,9	2,4	...	3,0
01	I		4,3	5,1	4,8	4,2	4,2	3,5	4,1	3,9	3,4	6,8	3,4
	II		3,7	3,9	4,9	3,7	4,1	3,0	3,1	4,2	2,9	3,2	3,0
	III		4,1	4,5	4,2	4,3	4,4	3,7	3,8	3,9	3,8	4,0	3,7
	IV		4,3	4,3	4,7	4,5	5,1	3,7	3,6	3,4	4,1	4,6	3,3
02	I		4,0	3,7	4,6	4,4	8,3	3,7	3,8	3,9	3,9	8,0	3,9

PER WORKER AND MONTH
Annual percentage change



PER HOUR WORKED
Annual percentage change



Fuente: INE (Índice de Costes Laborales) y Eurostat.

Nota: The underlying series for this indicator are in Tables 24.25, 24.26 and 24.27 of de BE Boletín estadístico.

(a) Whole economy, excluding the agriculture, public administration, education and health sectors.

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
99	2.3	1.3	2.7	2.2	0.5	0.9	4.1	2.7	3.7	1.7	2.0	...
00	2.4	0.9	3.4	2.4	1.0	1.4	4.1	3.5	3.1	2.1	2.5	...
01	4.0	2.7	4.3	2.7	0.3	0.1	2.8	1.4	2.4	1.4	4.8	...
99 Q1	2.8	1.7	2.3	1.7	-0.4	-	3.5	2.0	4.0	1.8	5.2	...
Q2	2.0	1.9	2.3	2.4	0.3	0.5	4.6	2.2	4.2	1.6	2.0	...
Q3	2.2	1.2	2.7	2.2	0.4	1.0	3.9	2.9	3.5	1.7	0.2	...
Q4	2.1	0.4	3.6	2.3	1.5	1.9	4.5	3.7	2.9	1.7	0.7	...
00 Q1	1.7	0.3	4.0	2.6	2.3	2.2	4.9	3.8	2.5	1.8	-0.5	...
Q2	2.3	0.3	3.5	2.2	1.1	1.8	4.2	4.1	3.0	2.2	1.8	...
Q3	2.9	1.3	3.3	2.4	0.4	1.1	3.8	3.3	3.3	2.1	4.4	...
Q4	2.7	1.7	2.8	2.3	0.0	0.6	3.5	2.9	3.4	2.1	4.3	...
01 Q1	3.5	2.1	3.0	2.5	-0.4	0.5	3.2	2.4	3.7	1.9	5.8	...
Q2	4.7	2.6	4.6	2.8	-0.1	0.2	2.5	1.6	2.6	1.4	6.0	...
Q3	3.8	2.6	4.9	2.7	1.1	0.2	3.0	1.4	1.9	1.2	2.0	...
Q4	4.1	3.4	4.8	2.9	0.7	-0.5	2.3	0.4	1.6	1.0	5.5	...
02 Q1	3.5	3.9	4.2	2.9	0.7	-1.0	2.0	0.3	1.4	0.8	2.8	...

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. SEASONALLY- AND WORKING-DAY-ADJUSTED SERIES (see economic bulletin April 2002).

(b) Full-time equivalent employment.

(c) Industry.

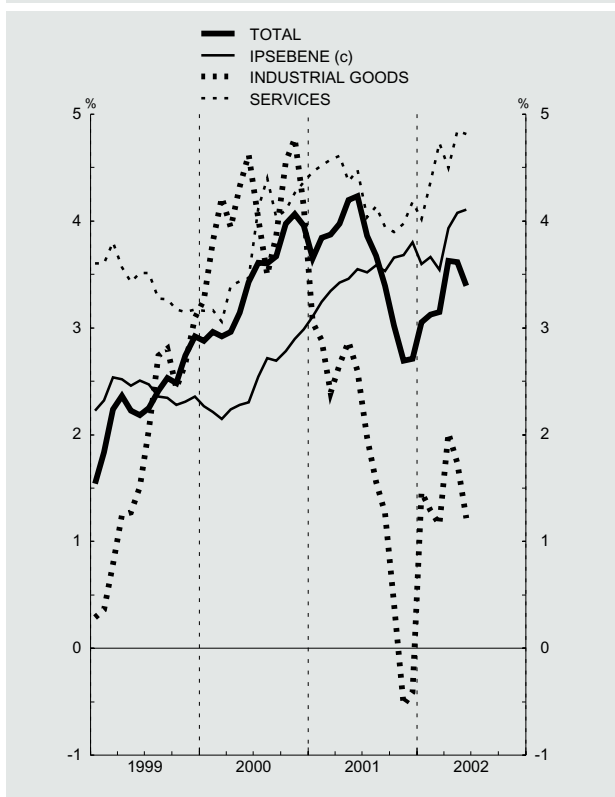
5.1. Consumer price index. Spain (2001=100) (a)

■ Series depicted in chart.

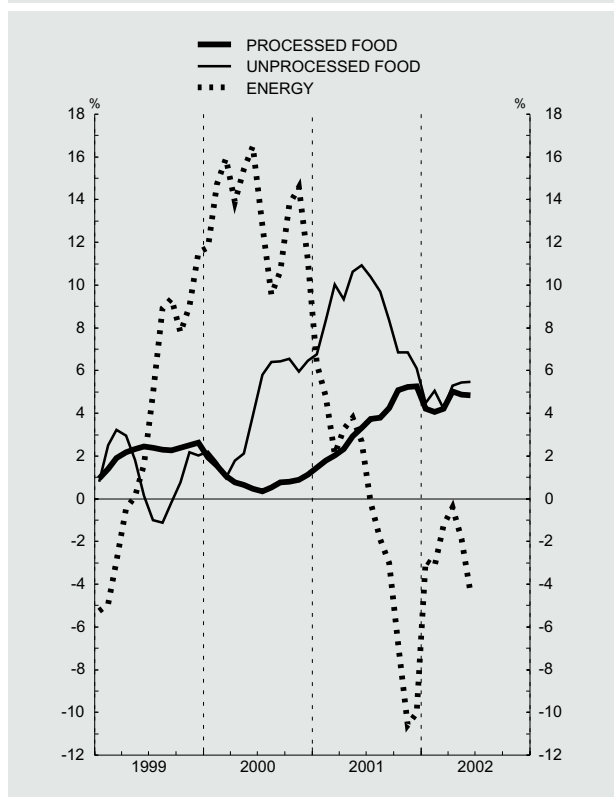
Indices and annual percentage changes

		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-J	M	99.8	0.3	4.0	1.0	9.4	2.3	2.7	3.8	4.5	3.4	125.7	4.0
02 J-J	M	102.7	0.4	3.3	1.3	5.0	4.5	1.5	-2.3	4.5	3.8	...	...
01 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	...	...
Apr		103.6	1.4	3.6	2.1	5.3	5.0	2.0	-0.4	4.5	3.9	...	...
May		103.9	0.4	3.6	2.5	5.4	4.9	1.7	-1.9	4.8	4.1	...	...
Jun		104.0	0.0	3.4	2.5	5.5	4.8	1.2	-4.4	4.8	4.1	...	...

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.

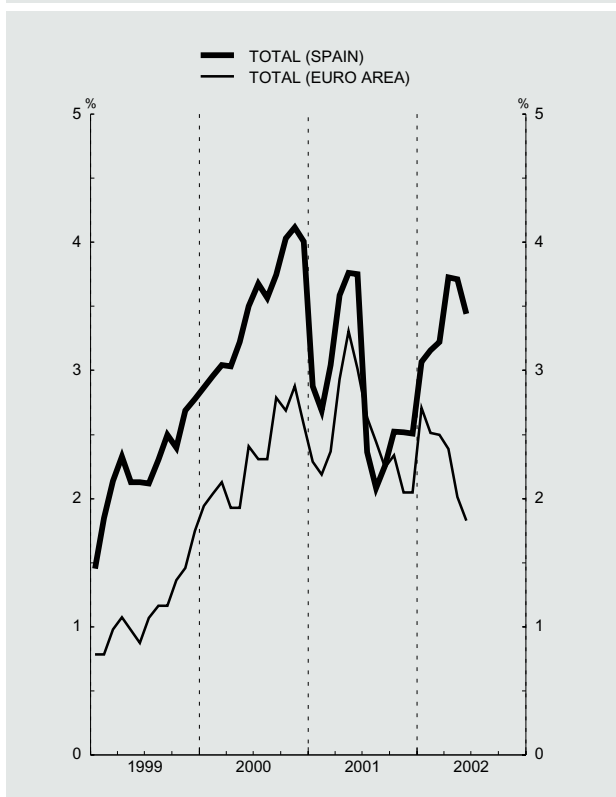
5.2. Harmonised index of consumer prices. Spain and euro area (1996=100)(a)

■ Series depicted in chart.

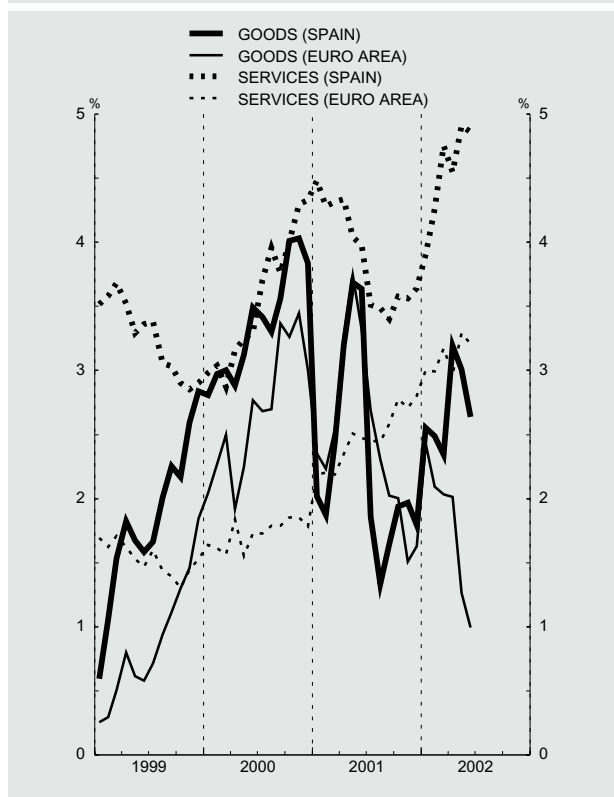
Annual percentage changes

			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		2.8	2.5	2.3	2.5	5.1	4.5	2.7	2.8	7.2	7.0	0.6	1.5	1.0	1.1	-0.7	2.7	3.9	2.5		
01	J-J	M	3.3	2.7	2.8	2.9	4.9	4.1	1.7	2.3	7.7	6.8	1.5	2.4	1.0	1.0	4.0	7.2	4.2	2.3		
02	J-J	M	3.4	2.3	2.7	1.8	4.7	3.8	5.0	3.3	4.3	4.7	1.5	0.8	2.7	1.7	-2.3	-2.2	4.5	3.1		
01	Mar		3.0	2.4	2.4	2.5	4.9	3.8	1.3	2.1	8.0	6.6	0.9	1.9	0.7	0.9	2.4	5.5	4.3	2.2		
	Apr		3.6	2.9	3.2	3.3	4.7	4.3	1.5	2.5	7.7	7.2	2.2	2.8	2.0	1.3	3.5	7.8	4.3	2.3		
	May		3.8	3.3	3.7	3.7	5.5	5.2	2.1	2.7	8.6	9.0	2.5	3.1	2.2	1.5	3.8	8.5	4.0	2.5		
	Jun		3.8	3.0	3.6	3.3	5.9	5.3	2.6	3.0	8.9	8.9	2.1	2.4	2.0	1.4	2.6	5.4	4.0	2.5		
	Jul		2.4	2.6	1.9	2.7	5.8	5.3	3.1	3.2	8.3	8.5	-0.6	1.4	-0.7	1.0	-0.1	2.9	3.5	2.5		
	Aug		2.1	2.4	1.3	2.3	5.6	5.0	3.0	3.4	7.9	7.6	-1.2	1.0	-1.0	0.7	-1.7	2.0	3.5	2.4		
	Sep		2.3	2.2	1.6	2.0	5.3	5.0	3.3	3.4	7.2	7.6	-0.6	0.6	0.1	1.2	-2.8	-1.4	3.4	2.6		
	Oct		2.5	2.3	1.9	2.0	5.1	5.0	4.1	3.5	5.9	7.5	-	0.5	2.0	1.5	-6.4	-2.7	3.6	2.8		
	Nov		2.5	2.1	2.0	1.5	5.2	4.5	4.4	3.4	5.8	6.2	-	-	3.0	1.6	-9.9	-5.0	3.6	2.7		
	Dec		2.5	2.0	1.8	1.6	4.8	4.6	4.6	3.5	5.0	6.3	-	0.2	2.9	1.6	-9.2	-4.6	3.6	2.8		
02	Jan		3.1	2.7	2.6	2.4	4.3	5.6	4.2	3.8	4.4	8.4	1.5	0.9	2.8	1.7	-2.9	-1.9	3.9	3.0		
	Feb		3.2	2.5	2.5	2.1	4.4	4.8	4.2	3.3	4.6	7.1	1.3	0.7	2.7	1.9	-3.1	-2.9	4.3	3.0		
	Mar		3.2	2.5	2.3	2.0	4.2	4.2	4.4	3.3	4.0	5.5	1.2	1.0	1.9	1.8	-1.2	-1.6	4.8	3.2		
	Apr		3.7	2.4	3.2	2.0	5.1	3.6	5.8	3.2	4.4	4.1	2.0	1.2	2.7	1.8	-0.4	-0.5	4.5	3.0		
	May		3.7	2.0	3.0	1.3	5.1	2.7	5.7	3.1	4.4	2.1	1.8	0.6	2.9	1.7	-1.8	-2.9	4.9	3.3		
	Jun		3.4	1.8	2.6	1.0	5.0	2.3	5.7	3.1	4.3	1.1	1.2	0.3	2.9	1.6	-4.4	-3.6	4.9	3.2		

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).

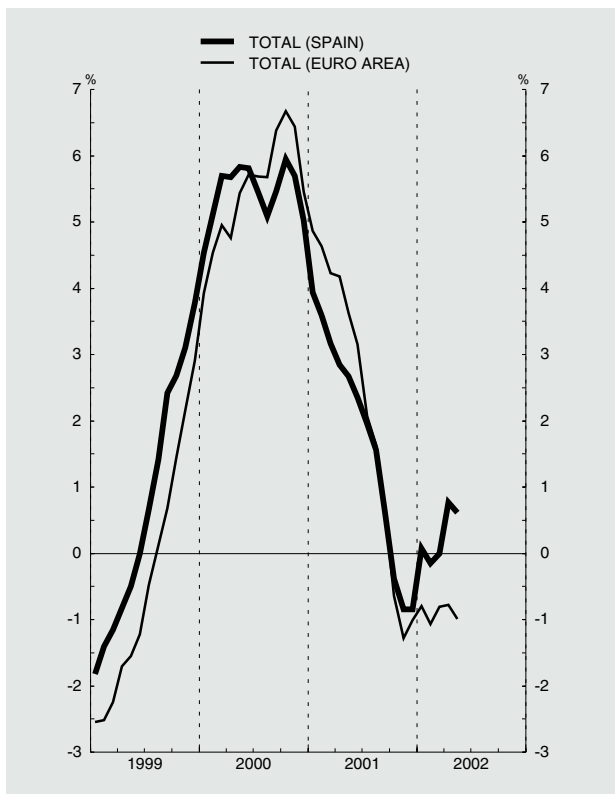
5.3. Producer price index. Spain and euro area (a)

■ Series depicted in chart.

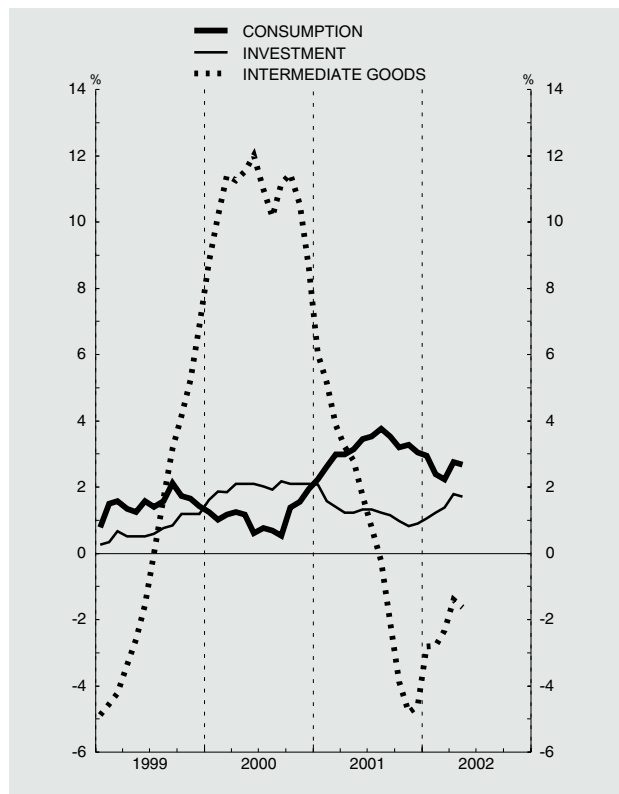
Annual percentage changes

		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
		1	2	3	4	5	6	7	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	12-month % change
99	MP	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	MP	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	MP	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-M	MP	129.9	—	3.2	—	2.8	—	1.5	—	4.2	2.4	4.9	4.3	3.2	0.9	3.2	10.5
02 J-M	MP	130.3	—	0.3	—	2.6	—	1.4	—	-2.2	-1.4	-3.5	-0.9	1.2	1.2	-1.4	-4.8
01 Feb	P	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	P	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	P	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	P	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	P	130.4	-	2.4	0.1	3.5	0.1	1.3	-0.1	1.7	1.6	2.2	3.2	3.3	1.1	1.4	6.8
Jul	P	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	P	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	0.2	1.4
Sep	P	130.1	0.1	0.6	-	3.5	0.2	1.1	0.1	-2.1	-0.2	-7.0	0.6	2.8	1.2	-0.4	-2.3
Oct	P	129.5	-0.5	-0.4	0.1	3.2	-	1.0	-1.1	-3.9	-1.0	-11.5	-0.6	2.5	1.1	-1.0	-7.3
Nov	P	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	-1.4	-9.5
Dec	P	128.5	-0.2	-0.8	0.1	3.0	0.1	0.9	-0.7	-4.6	-1.9	-11.9	-1.0	1.9	1.1	-1.5	-7.3
02 Jan	P	129.3	0.6	0.1	0.5	2.9	0.6	1.1	0.6	-2.8	-1.9	-5.4	-0.8	1.9	1.2	-1.6	-5.4
Feb	P	129.6	0.2	-0.2	0.3	2.4	0.2	1.2	0.2	-2.8	-2.1	-4.9	-1.1	1.4	1.2	-1.8	-5.6
Mar	P	130.2	0.5	-	0.4	2.2	0.4	1.4	0.6	-2.3	-2.0	-3.3	-0.8	1.1	1.2	-1.6	-3.9
Apr	P	131.1	0.7	0.8	0.5	2.8	0.3	1.8	0.8	-1.4	-1.4	-1.4	-0.8	0.9	1.0	-1.1	-3.9
May	P	131.2	0.1	0.6	-	2.7	-	1.7	0.2	-1.6	-1.4	-2.4	-1.0	0.7	1.1	-0.9	-5.1

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.

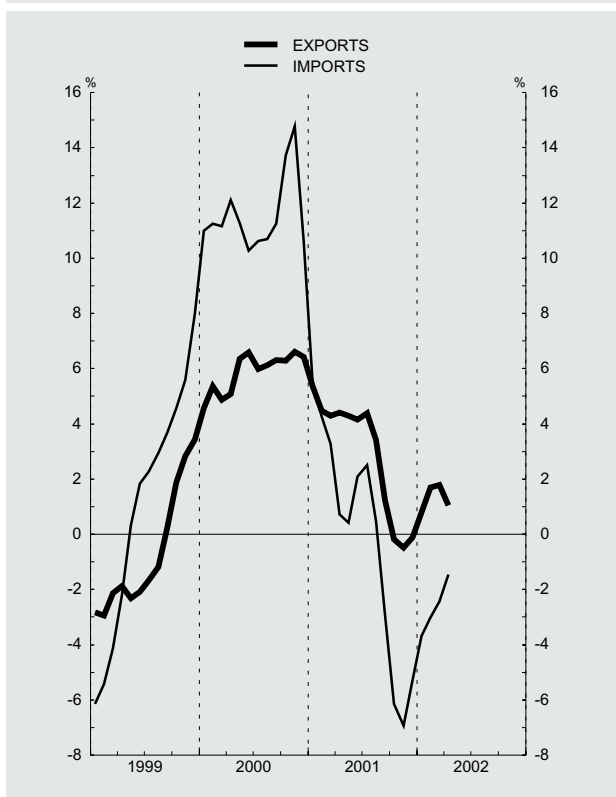
5.4 Unit value indices for Spanish foreign trade

■ Series depicted in chart.

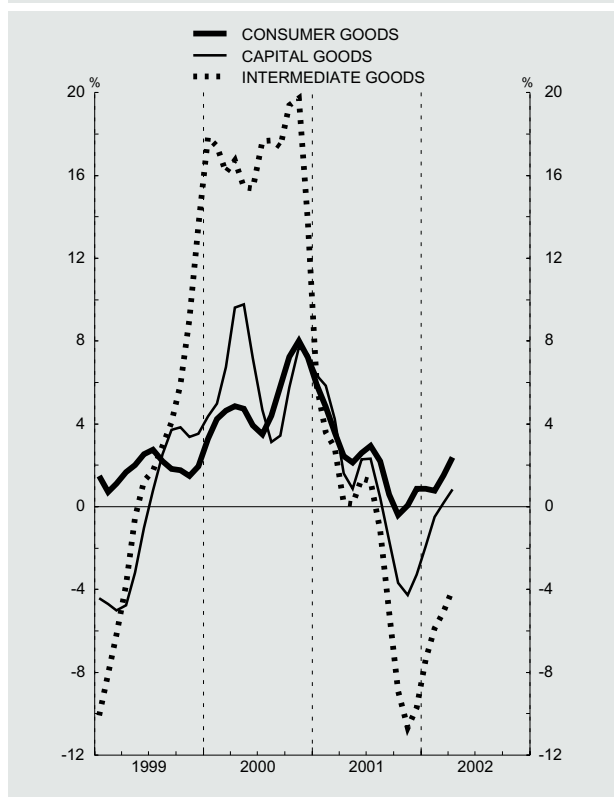
Annual percentage changes

	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-A	4.3	6.9	-5.7	4.8	20.0	5.2	2.5	2.0	4.3	2.1	3.0	1.8
02 J-A	1.7	0.9	23.9	-4.1	-13.7	-2.9	-2.5	3.0	-1.0	-5.2	-13.5	-2.8
00 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	1.8	-9.4	-35.5	-2.4
02 Jan	0.6	-4.7	33.8	-5.6	-28.0	-3.3	-4.6	6.5	-8.0	-8.1	-21.8	-5.3
Feb	2.4	3.2	25.2	-4.5	-13.8	-3.4	-1.2	-0.8	7.2	-3.8	-20.3	0.8
Mar	3.3	4.1	20.1	-2.3	-11.3	-1.4	-4.9	0.4	-3.5	-7.6	-11.2	-5.7
Apr	0.3	1.4	16.4	-4.1	-1.3	-3.7	1.0	5.5	1.1	-1.0	-1.0	-0.8

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).

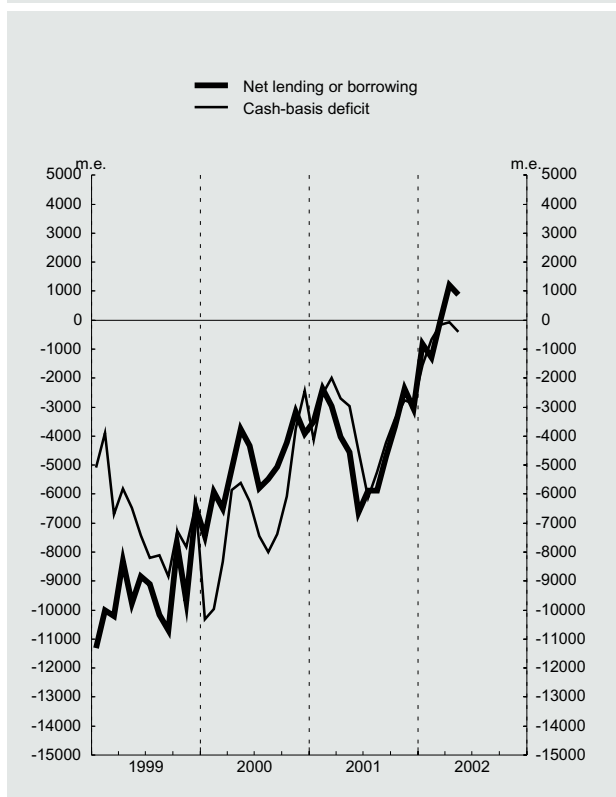
6.1. State resources and uses according to the National Accounts (ESA 95). Spain

■ Series depicted in chart.

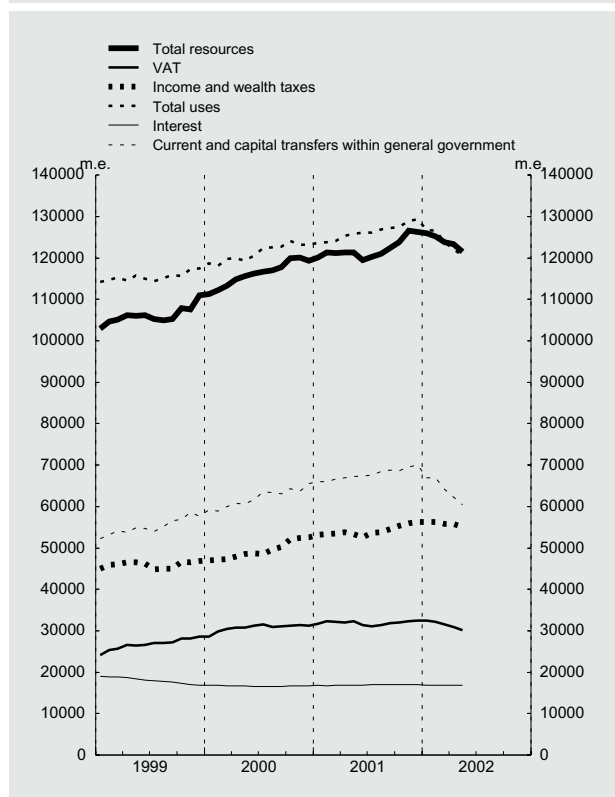
EUR millions

		Net lending (+) or borrowing (-)	Current and capital resources						Current and capital uses						Memorandum item: cash-basis deficit			
			Total	Value added tax (VAT)	Other taxes on products and imports	Inter- est and other income on pro- perty	Income and wealth taxes	Other	Total	Compensation of employees	Interest	Current and capital trans- fers within general government	Invest- ment grants and other capital trans- fers	Other	Cash- basis deficit	Revenue	Expendi- ture	
		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	
99	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	
	00	P	-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	P	-3 042	126 338	32 432	17 836	6 712	56 252	13 106	129 381	16 082	16 940	69 982	4 197	22 179	-2 884	125 188	128 071
01 J-M	P	1 942	52 265	17 045	7 127	2 294	22 050	3 749	50 323	6 020	7 027	29 681	1 032	6 563	-3 507	51 843	55 350	
	02 J-M	A	5 853	47 444	14 817	4 947	2 611	20 769	41 591	6 286	6 938	20 103	1 019	7 245	-1 023	46 182	47 205	
01 Jun	P	-5 801	5 879	277	1 462	344	2 606	1 190	11 680	1 958	1 391	6 133	229	1 969	-4 510	5 438	9 947	
	Jul	P	1 643	11 995	4 271	1 630	186	5 213	695	10 352	1 183	1 446	6 093	100	1 530	-1 082	12 060	13 142
	Aug	P	-1 484	7 730	-713	1 509	496	5 878	560	9 214	1 192	1 434	5 357	163	1 068	-1 506	7 672	9 178
	Sep	P	-366	9 393	3 316	1 612	145	3 265	1 055	9 760	1 201	1 393	5 552	277	1 337	692	9 069	8 377
	Oct	P	8 356	18 748	5 398	1 562	201	10 298	1 289	10 392	1 221	1 439	5 624	227	1 881	8 660	18 143	9 484
	Nov	P	-283	11 294	1 664	1 422	1 852	3 843	2 513	11 577	1 260	1 395	6 395	273	2 254	1 646	11 624	9 977
	Dec	P	-7 050	9 034	1 174	1 512	1 194	3 099	2 055	16 084	2 047	1 415	5 149	1 896	5 577	-3 276	9 339	12 616
	02 Jan	A	1 003	8 906	...	...	...	...	...	7 903	...	1 446	...	...	...	-4 717	9 426	14 143
Feb		A	6 563	15 279	...	...	...	...	8 716	...	1 294	...	...	...	5 692	15 275	9 584	
Mar		A	-3 900	4 291	927	903	241	1 313	907	8 191	1 248	1 400	3 576	215	1 752	-3 820	3 247	7 067
Apr		A	6 721	14 989	4 192	1 173	417	8 359	848	8 268	1 263	1 369	3 753	229	1 654	5 633	14 606	8 973
Mav		A	-4 534	3 979	328	687	641	1 169	1 154	8 513	1 356	1 429	3 643	265	1 820	-3 810	3 629	7 438

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).

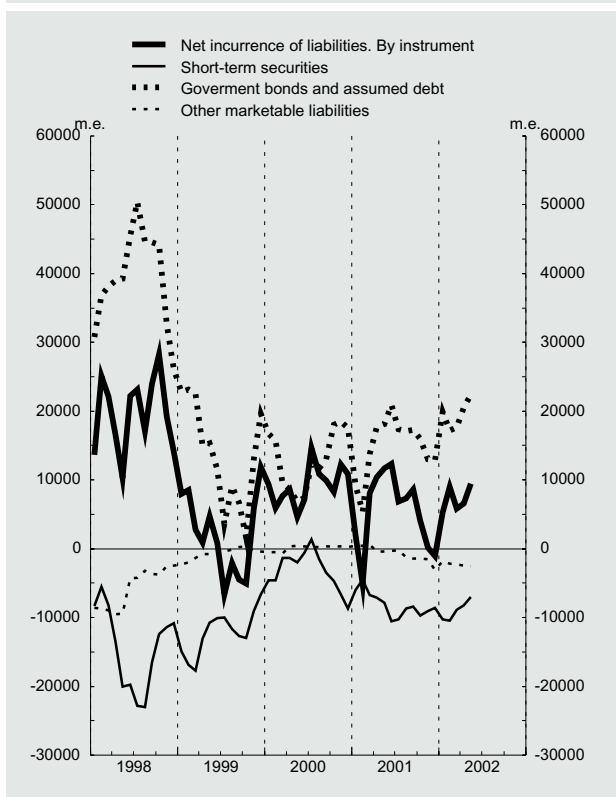
6.2. State financial transactions (ESA 95). Spain

■ Series depicted in chart.

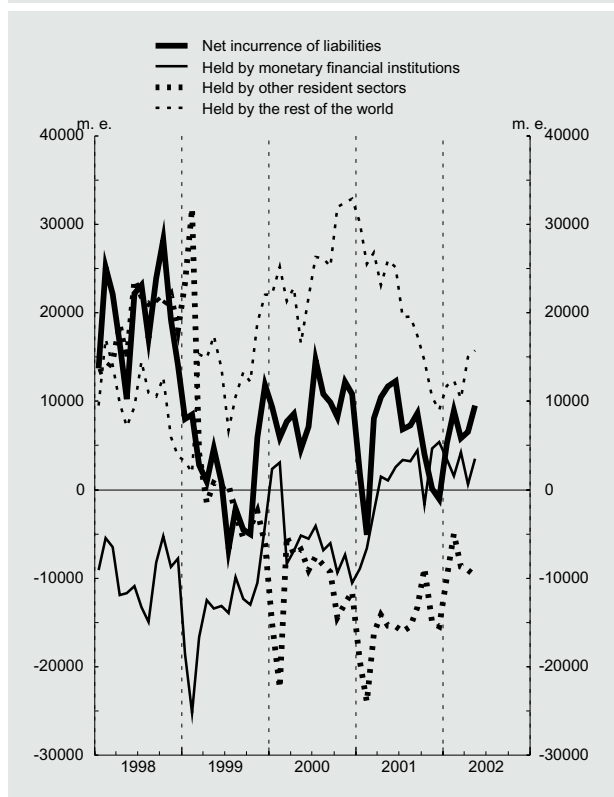
EUR billions

		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
99	P	-6 482	5 378	4 574	11 860	-577	-6 629	19 581	-499	-446	-147	-10 165	-4 030	-6 135	22 026	12 008
00	P	-3 917	6 916	5 690	10 834	645	-8 683	17 506	-499	283	2 227	-22 096	-10 554	-11 542	32 930	8 607
01	P	-3 042	-4 062	-20 141	-1 020	452	-8 616	12 762	-499	-3 101	-1 566	-10 046	5 386	-15 432	9 027	547
01 J-M	P	1 942	-3 123	-20 228	-5 065	-202	-1 676	-3 656	-	-13	281	-2 468	5 830	-8 298	-2 597	-5 345
02 J-M	A	5 853	11 292	-95	5 439	-1 121	-76	5 999	-	580	-1 064	1 304	3 939	-2 635	4 135	6 504
01 Jun	P	-5 801	-712	-8	5 088	1 141	-2 507	6 167	-	-39	1 468	758	1 285	-527	4 330	3 621
Jul	P	1 643	-2 015	0	-3 658	-80	-833	-261	-	76	-2 640	-2 793	-1 348	-1 445	-865	-1 018
Aug	P	-1 484	-2 499	-0	-1 015	37	-1 239	1 774	-	-1 001	-549	-3 008	-1 807	-1 201	1 993	-466
Sep	P	-366	2 798	0	3 164	-211	-981	3 406	-	-203	943	759	1 314	-555	2 406	2 222
Oct	P	8 356	6 324	-1	-2 032	-1	-1 620	1 721	-	-52	-2 082	-5 046	-6 713	1 668	3 014	50
Nov	P	-283	579	0	862	-38	-169	1 092	-	-120	58	2 951	6 472	-3 521	-2 090	803
Dec	P	-7 050	-5 414	95	1 636	-193	410	2 518	-499	-1 749	955	-1 200	354	-1 554	2 836	681
02 Jan	A	1 003	-3 239	64	-4 242	-36	-208	-3 468	-	1 256	-1 821	-3 932	-1 333	-2 599	-310	-2 420
Feb	A	6 563	2 930	-163	-3 633	-19	343	-4 926	-	-377	1 327	-2 023	-1 750	-273	-1 610	-4 960
Mar	A	-3 900	2 348	14	6 248	-1 138	-305	6 207	-	-182	528	2 807	3 210	-403	3 441	5 720
Apr	A	6 721	8 048	-10	1 327	36	147	2 672	-	-110	-1 382	1 304	786	518	23	2 709
May	A	-4 534	1 205	0	5 739	37	-52	5 515	-	-7	283	3 148	3 026	122	2 591	5 456

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)

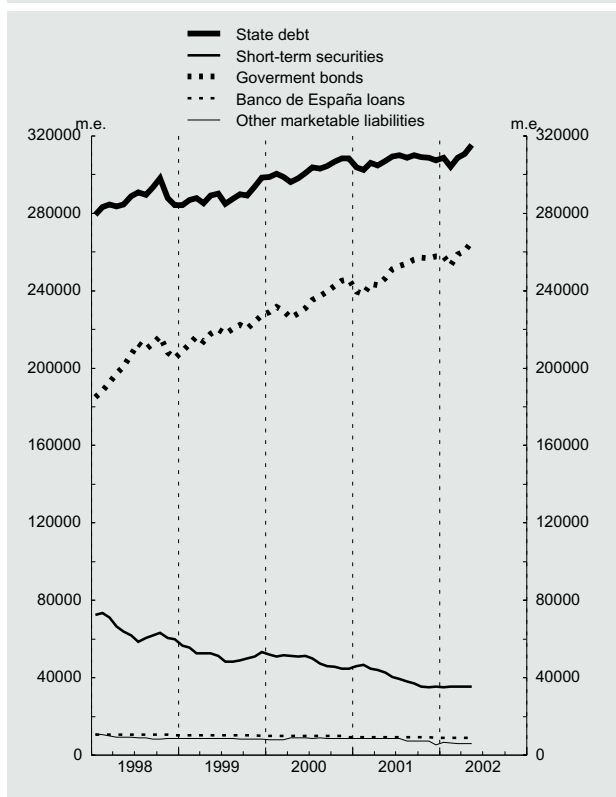
6.3. State: Liabilities outstanding. Spain

■ Series depicted in chart.

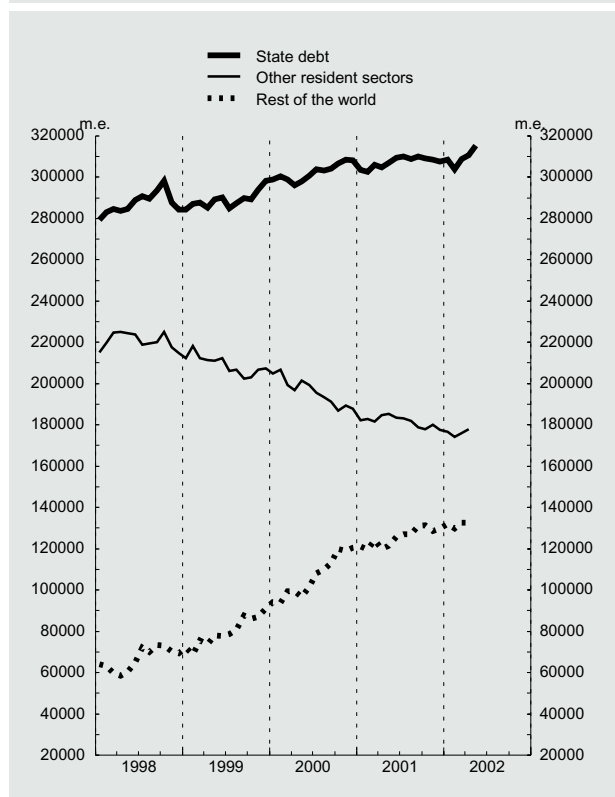
EUR millions

		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		284 153	30 048	59 939	205 182	10 341	8 691	215 202	305	214 897	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	P	308 212	8 197	44 605	245 711	9 344	8 552	188 474	695	187 780	120 432	20 536	5 430
01	Mar	P 305 912	8 020	44 640	243 490	9 344	8 439	182 276	695	181 581	124 331	300	6 271
	Apr	P 304 649	8 057	44 055	242 800	9 344	8 450	185 542	695	184 847	119 802	300	6 292
	May	P 306 999	8 615	42 781	246 350	9 344	8 524	186 144	695	185 449	121 549	308	6 499
	Jun	P 309 318	8 353	40 201	251 272	9 344	8 500	184 412	1 012	183 401	125 917	300	6 409
	Jul	P 310 067	8 079	39 338	252 942	9 344	8 444	184 048	1 012	183 036	127 031	300	6 309
	Aug	P 308 846	7 989	38 084	253 993	9 344	7 426	182 838	1 012	181 826	127 020	300	6 386
	Sep	P 309 993	7 987	37 049	256 231	9 344	7 369	179 969	1 012	178 957	131 036	300	6 390
	Oct	P 309 020	7 901	35 352	257 009	9 344	7 316	178 798	1 012	177 786	131 234	300	6 394
	Nov	P 308 586	7 907	35 119	256 921	9 344	7 202	180 943	1 012	179 931	128 655	300	6 069
	Dec	A 307 434	7 611	35 428	257 716	8 845	5 445	179 099	1 474	177 625	129 809	395	5 460
02	Jan	A 308 553	7 678	35 190	257 821	8 845	6 696	178 116	1 474	176 641	131 912	459	5 500
	Feb	A 303 943	7 607	35 538	253 246	8 845	6 314	175 581	1 474	174 106	129 837	296	5 639
	Mar	A 308 823	6 506	35 271	258 629	8 845	6 078	177 562	1 474	176 088	132 735	310	6 100
	Apr	A 310 676	6 431	35 423	260 449	8 845	5 958	179 451	1 474	177 976	132 699	300	6 057
	May	A 315 348	6 309	35 370	265 261	8 845	5 872	...	1 474	...	...	300	5 983

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.

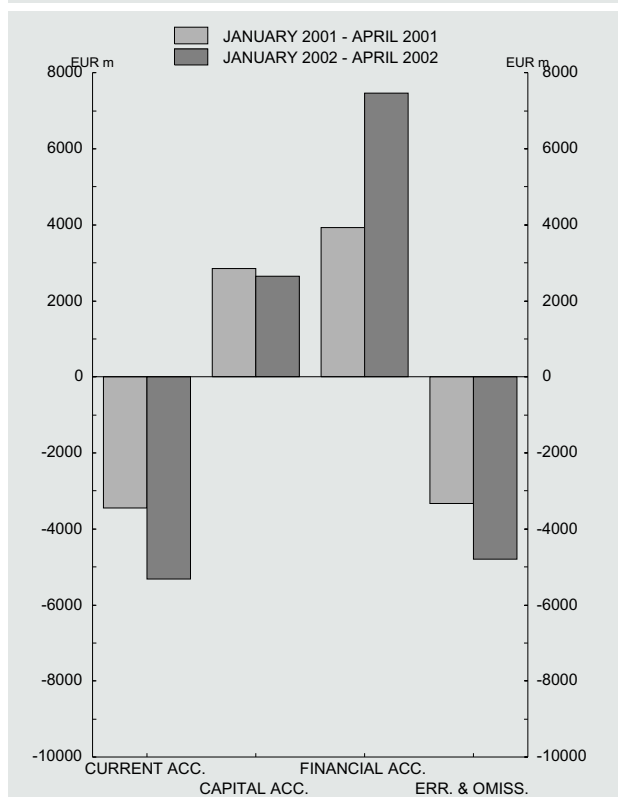
Current account

■ Series depicted in chart.

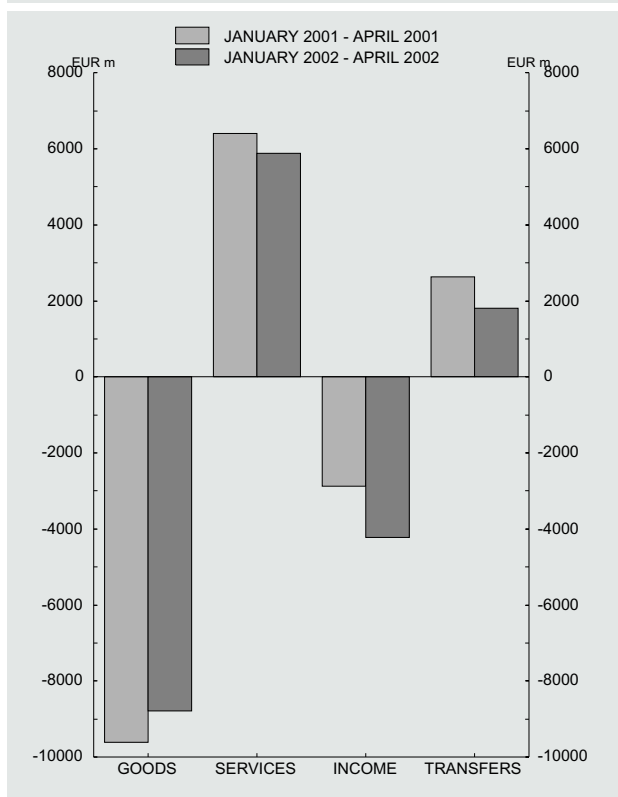
EUR millions

		Current account (a)													Capital account (balance)	Current account plus Capital account	Financial account (balance) (b)	Errors and omissions
		Total (balance)	Goods			Services					Income			Current transfers (balance)				
			Balance	Receipts	Payments	Balance	Receipts		Payments		Balance	Receipts	Payments					
							Of which		Of which									
							Total	Tourism and travel	Total	Tourism and travel								
		1=2+5+10+13	2=3-4	3	4	5=6-8	6	7	8	9	10=11-12	11	12	13	14	15=1+14	16	17=15-16
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		-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-A	-3 454	-9 609	44 796	54 405	6 407	18 276	9 664	11 868	1 961	-2 877	7 960	10 837	2 624	2 847	-607	3 933	-3 326
02	J-A	-5 316	-8 782	44 020	52 802	5 889	18 329	9 072	12 440	2 002	-4 226	6 304	10 529	1 804	2 649	-2 666	7 462	-4 796
01	Jan	-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	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	-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	-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	-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	-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	-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	-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	-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	-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	-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	-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	P -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
	Feb	P -332	-2 085	10 937	13 022	1 520	4 403	2 185	2 883	482	-838	1 344	2 182	1 071	102	-230	2 223	-1 994
	Mar	P -1 124	-1 861	11 203	13 064	1 803	4 770	2 358	2 967	508	-1 019	1 513	2 531	-47	84	-1 039	2 350	-1 310
	Apr	A -2 479	-2 498	11 543	14 042	1 577	4 803	2 435	3 225	459	-1 128	1 489	2 617	-431	908	-1 572	1 801	-229

SUMMARY



CURRENT ACCOUNT



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

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

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

7.2. The Spanish balance of payments vis-à-vis other euro area residents and the rest of the world

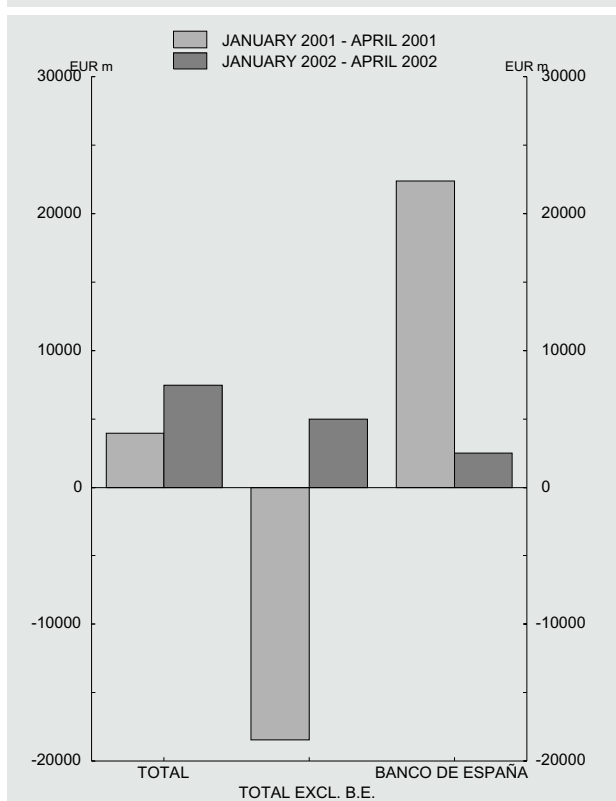
Financial account (a)

■ Series depicted in chart.

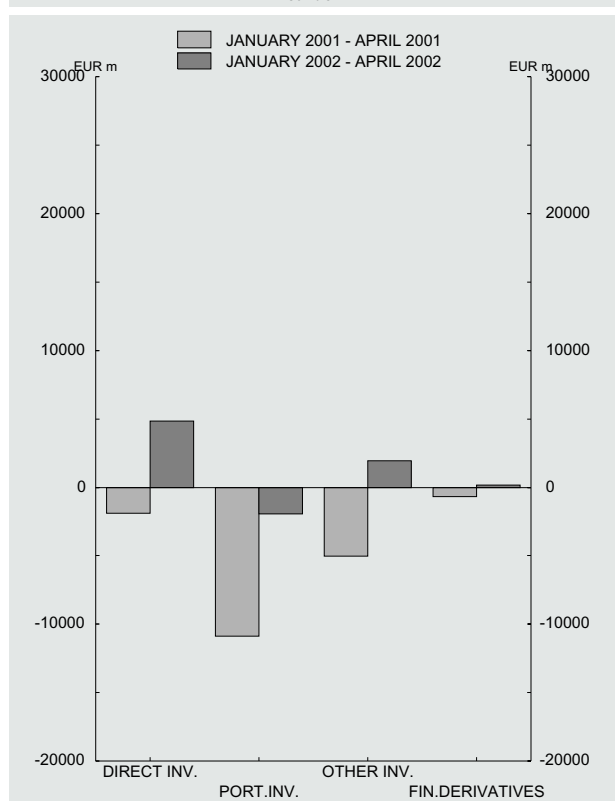
EUR millions

	Financial account (NCL- NCA) 1= 2+13	Total, excluding Banco de España											Banco de España				Memorandum item:	
		Total (NCL- NCA) 2=3+6+ 9+12	Direct investment			Portfolio investment			Other investment (d)			Net financial derivatives (NCL- NCA) 12	Balance (NCL- NCA) 13=14+ 15+16	Re-serves (e) 14	Claims with the Euro-system (e) 15	Other net assets (NCL- NCA) 16	Other investment including Banco de España (d)	
			Balance (NCL- NCA) 3=5-4	Spanish investment abroad (NCA) 4	Foreign investment in Spain (NCL) (b) 5	Balance (NCL- NCA) 6=8-7	Spanish investment abroad (NCA) 7	Foreign investment in Spain (NCL) (c) 8	Balance (NCL- NCA) 9=11-10	Spanish investment abroad (NCA) 10	Foreign investment in Spain (NCL) 11						Spanish investment abroad 17	Foreign investment in Spain 18
99		11 242 26 311-24 709	39 501	14 791	-1 402	44 090	42 688 52 148-14 008	38 140	274	-15 068 20 970-35 978	-61	22 021 38 130						
00		21 300 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 56 659						
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 30 389						
01 J-A		3 933-18 450	-1 899	11 979	10 080-10 875	15 217	4 342-5 021	20 952	15 931	-654	22 382	-450 21 529	1 303	-632 17 179				
02 J-A	A	7 462 4 962	4 826	4 898	9 724 -1 963	13 990	12 026 1 942	13 008	14 950	157	2 500	-834 2 733	601	10 286 15 561				
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 15 830				
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 -1 171				
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 6 938				
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 -4 418				
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 6 107				
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 -3 431				
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 1 568				
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 -1 720				
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 6 390				
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 4 592				
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 3 711				
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 -4 007				
02 Jan	P	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 7 381				
Feb	P	2 223 -3 870	802	561	1 363 -4 122	3 332	-790 -528	-4 506	-5 033	-22	6 093	544 6 152	-603	-10 642 -5 620				
Mar	P	2 350 3 841	-325	1 205	880 6 447	2 666	9 113 -2 300	6 641	4 341	19	-1 492	-246 -1 386	140	8 032 4 486				
Apr	A	1 801 2 041	512	2 268	2 781 2 262	1 970	4 232 -455	10 392	9 937	-278	-240	616 -250	-606	10 626 9 314				

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

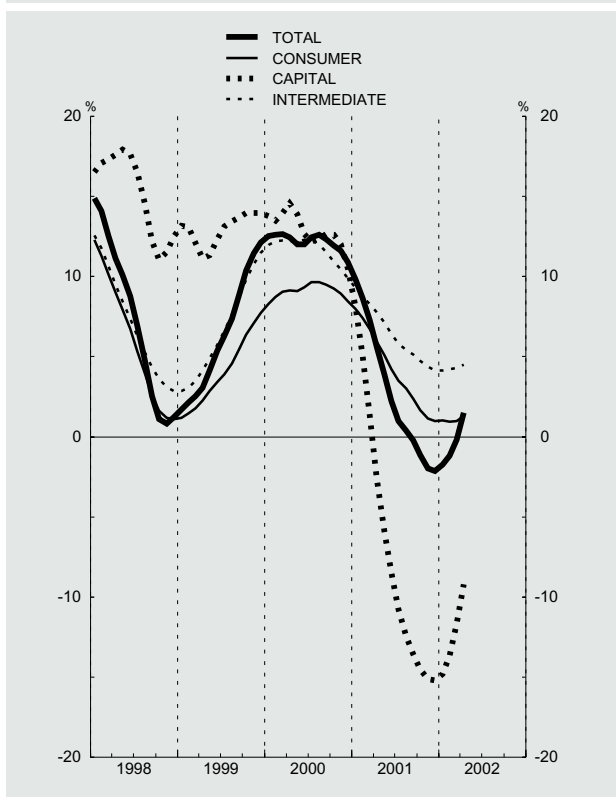
7.3 Spanish foreign trade with other euro area countries and with the rest of the world. Exports and dispatches

■ Series depicted in chart.

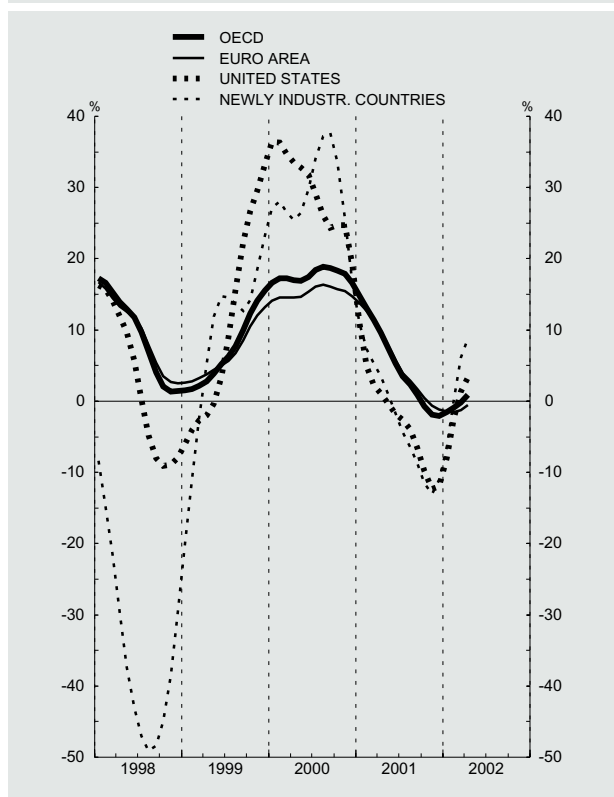
EUR millions and annual percentage changes

	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 countries	Newly industri- alised coun- tries	Other	
						Total	Energy	Non- energy	Total	Euro- pean Union	of which: Euro area	United States of America	Other OECD members					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
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	2.0	3.3	-9.3	5.0	-18.4	6.2	4.6	5.2	5.3	-4.3	5.2	10.7	-1.9	-2.0	14.2	
01 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	-8.7	-6.6	-13.2	-8.6	-34.9	-7.6	-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	-30.6	8.9	-21.2	7.9	3.3	0.9	3.9	-16.5	5.7	7.1	-13.5	-13.5	2.5
Feb		10 802	-1.4	-3.8	-4.9	-19.8	3.1	-31.9	3.7	-1.2	-1.5	-4.3	12.4	-2.0	8.2	-23.3	-8.0	3.6
Mar		11 061	-7.8	-10.8	-12.0	-24.7	-4.6	-12.2	-4.8	-8.4	-11.7	-10.0	-0.5	-7.7	1.1	-29.0	38.3	-2.3
Apr		11 410	7.3	7.0	9.4	-0.2	6.7	-20.5	7.6	7.7	7.7	3.1	9.7	7.5	12.2	-19.8	-4.9	15.8

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.

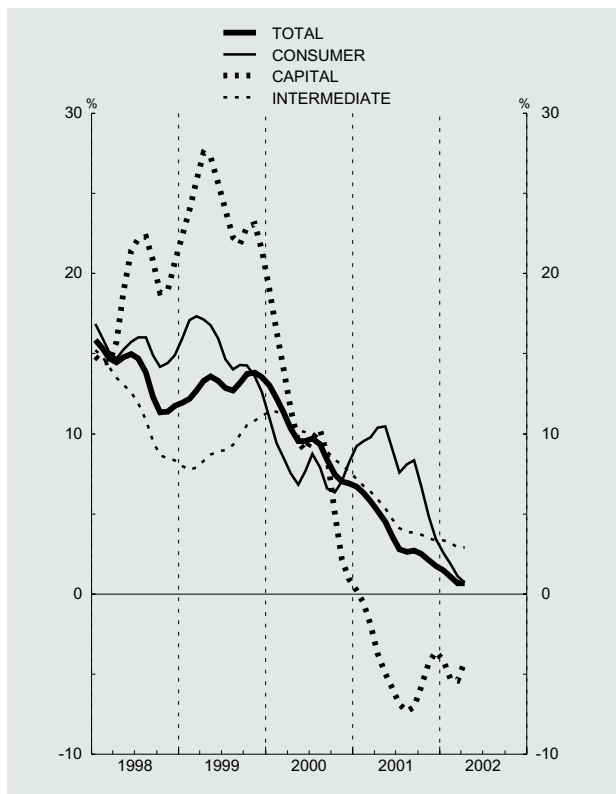
Imports and arrivals

■ Series depicted in chart.

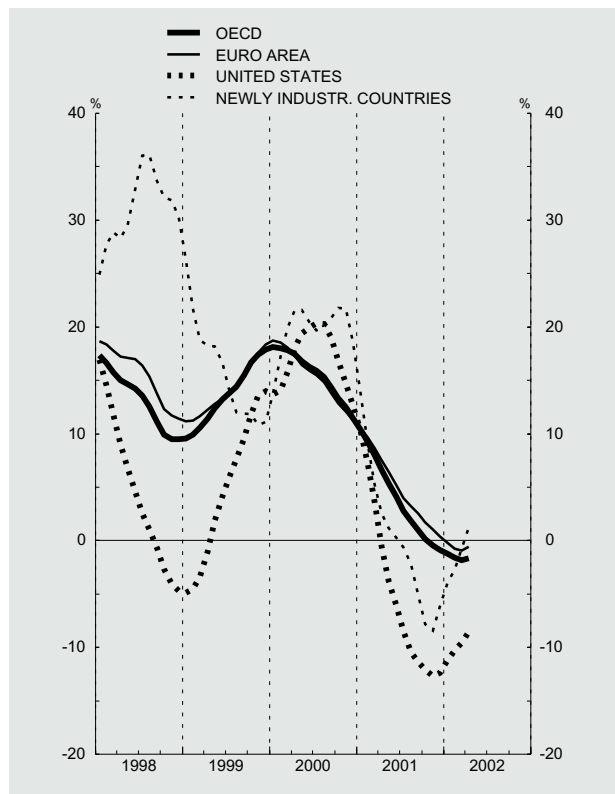
EUR millions and annual percentage changes

	Total			By product (deflated data)(a)					By geographical area (nominal data)									
	EUR millions	Nom- inal	De- flat- ed	Con- sumer	Capital	Intermediate			O E C D					OPEC	Other American countries	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	
01 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	6.8	0.6	7.0	13.8	21.5	7.5	2.1	0.1	-0.4	6.4	2.2	-16.7	31.3	12.3	5.7	
Feb	13 436	-2.8	-1.6	5.1	-16.1	-0.1	15.7	-2.1	-5.0	-3.5	-3.2	-7.3	-5.3	-4.3	20.0	-18.0	10.4	
Mar	13 472	-11.4	-6.9	-5.4	-14.0	-5.3	-9.9	-4.8	-11.3	-14.1	-10.0	-23.8	-9.2	-32.5	-1.6	-8.8	-0.8	
Apr	14 536	2.8	1.8	2.0	-0.6	2.3	12.1	1.3	-1.5	6.0	-1.5	1.2	-4.0	0.7	8.3	21.9	27.5	

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.

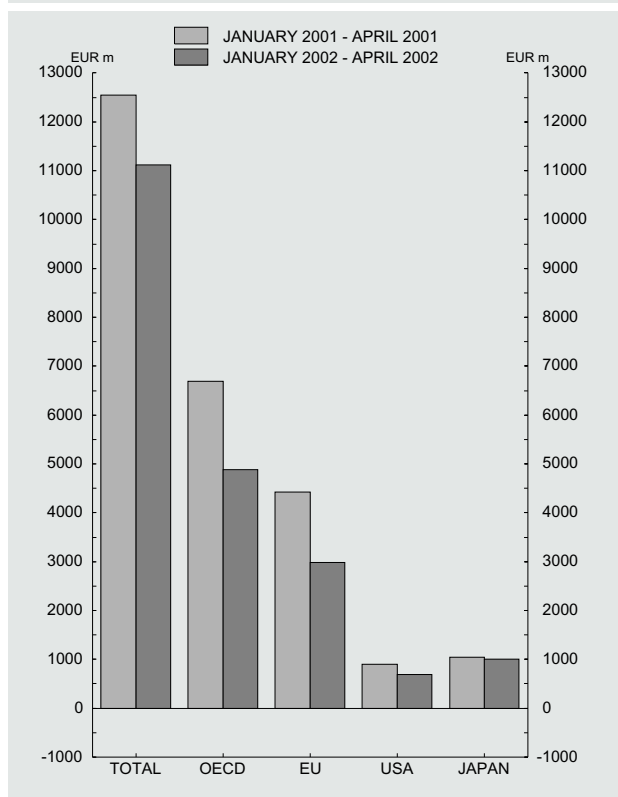
Trade balance: geographical distribution

■ Series depicted in chart.

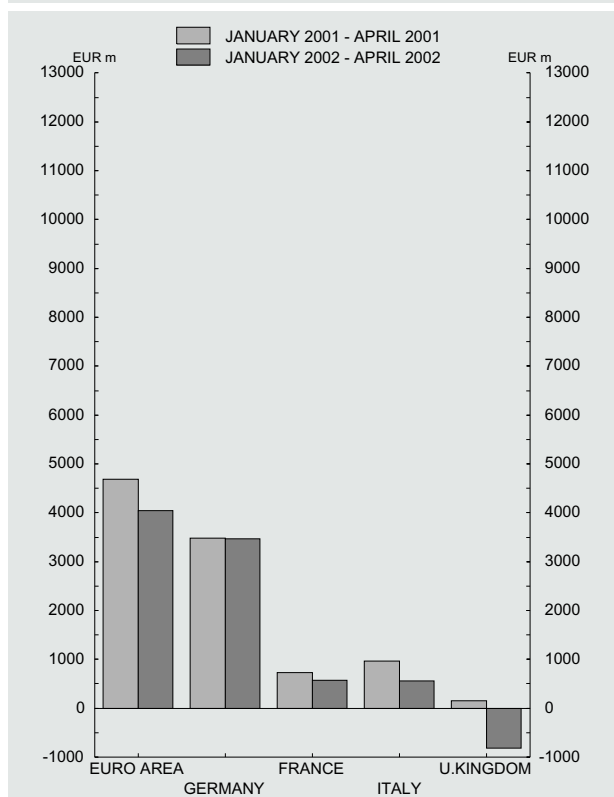
EUR millions

		World total	O E C D										OPEC	Other American countries	Newly industrialised countries	Other	
			Total	European Union						United States of America	Japan	Other OECD members					
				Total	Euro area			United Kingdom	Other EU members								
					Total	of which:											
						Germany	France										Italy
		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-A		-12 541	-6 690	-4 420	-4 680	-3 487	-734	-969	-155	415	-901	-1 041	-328	-3 082	303	-729	-2 343
02 J-A		-11 120	-4 883	-2 981	-4 049	-3 470	-570	-556	823	246	-687	-1 001	-214	-2 400	-266	-726	-2 845
01 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
Feb		-2 634	-1 092	-821	-1 095	-854	-226	-154	216	59	-116	-205	50	-637	-37	-159	-708
Mar		-2 411	-1 250	-786	-994	-870	-20	-187	167	41	-149	-261	-54	-507	-29	-77	-548
Apr		-3 126	-1 362	-958	-1 198	-1 002	-212	-138	165	75	-143	-274	13	-571	-108	-242	-843

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

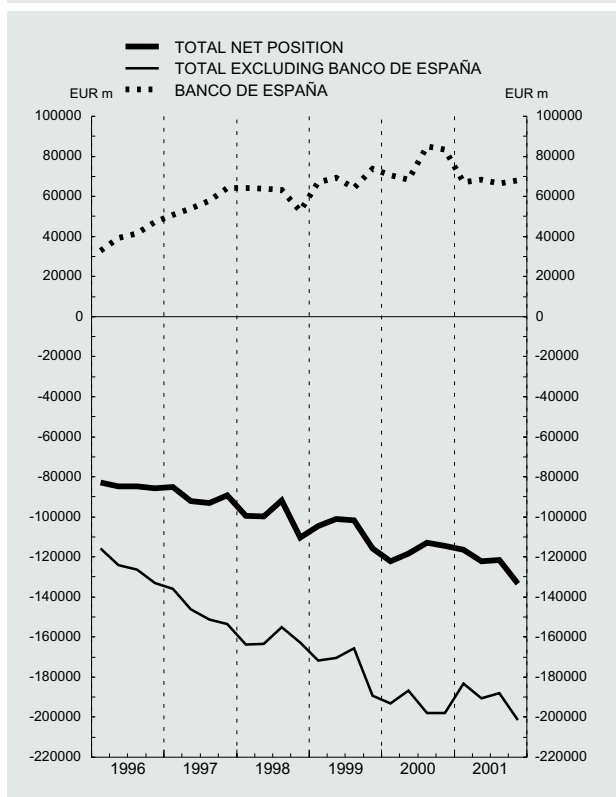
Summary

■ Series depicted in chart.

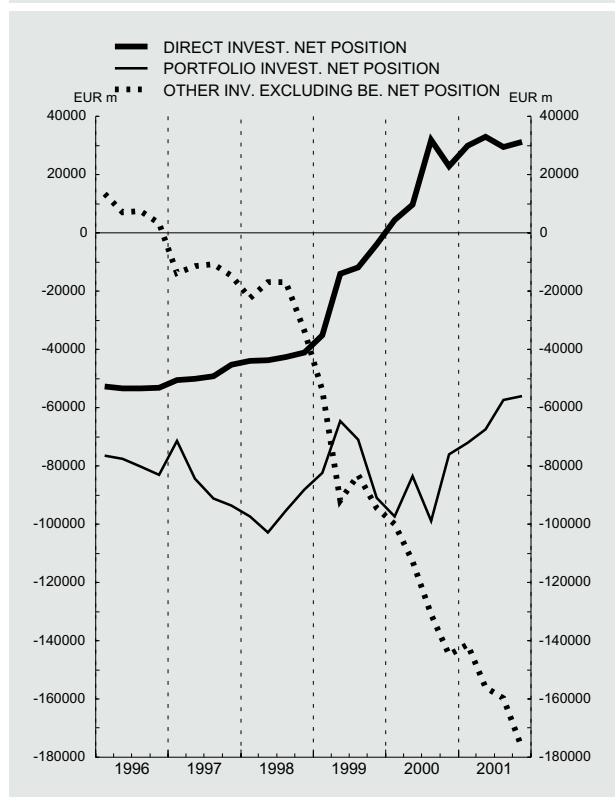
End-of-period stocks in EUR millions

		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.

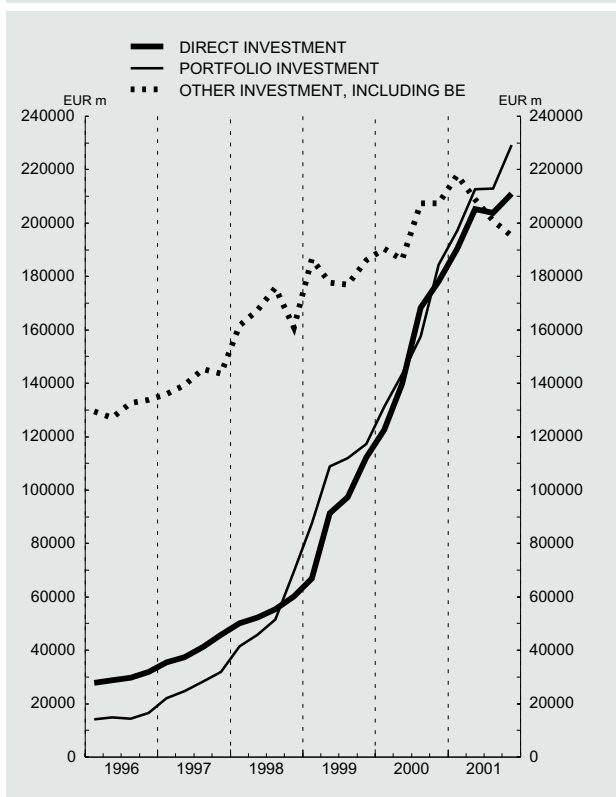
Note: The information in this table has been rearranged to adapt it to the new presentation of the Balance of Payments data. The reasons for these purely formal changes can be consulted in the Notes dated 17 April 2001 'Changes to the tables presenting the Balance of Payments' and 'Banco de España claims 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

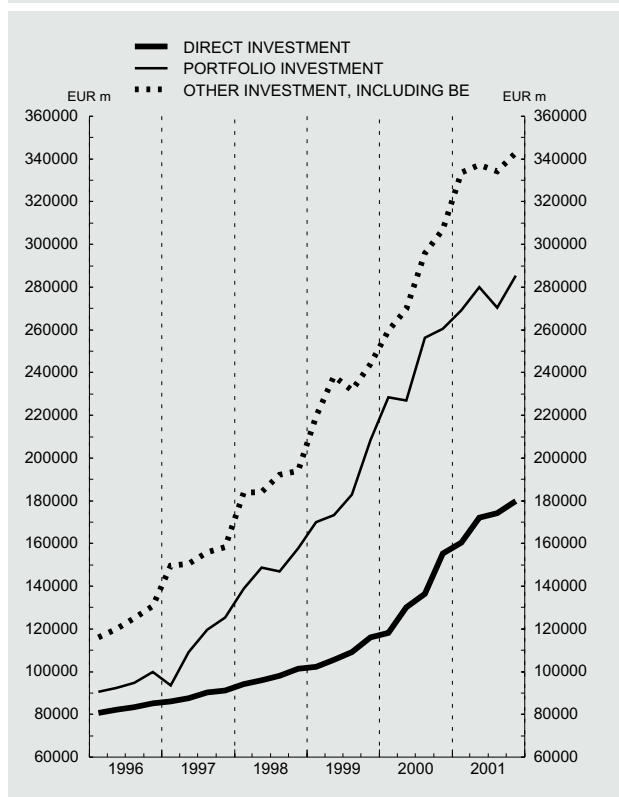
End-of-period stocks in EUR millions

		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

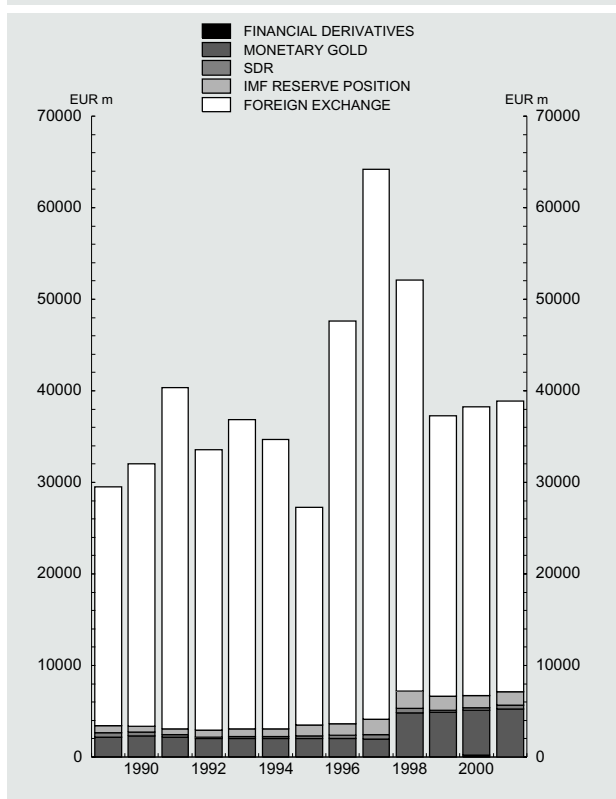
7.8. Spanish reserve assets

■ Series depicted in chart.

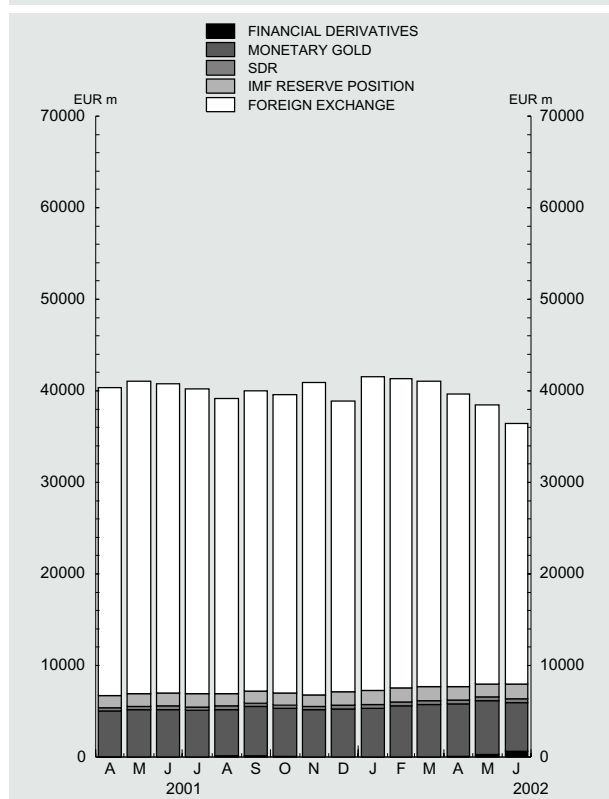
EUR millions

	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
98	52 095	44 914	1 876	492	4 814	...	19.5
99	37 288	30 639	1 517	259	4 873	...	16.8
00	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
Apr	39 627	31 913	1 491	400	5 749	74	16.8
May	38 454	30 469	1 423	390	5 875	297	16.8
Jun	36 400	28 418	1 620	385	5 382	594	16.8

RESERVE ASSETS
END-OF-YEAR POSITIONS



RESERVE ASSETS
END-OF-MONTH POSITIONS



Source: BE.

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

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

Average of daily data, EUR millions

	Net lending							Counterparts							
	Open market operations				Standing facilities		Total	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		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
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
Apr	169 916	109 681	60 000	-	6	428	199	32 558	286 051	-12 755	398 780	158 042	3 407	131 012	2 939
May	172 171	112 331	59 999	-	7	121	287	33 501	295 732	-19 717	396 937	154 424	3 510	132 221	2 939
Jun	175 940	115 800	60 000	-	2	324	186	37 197	303 333	-22 305	396 259	152 428	3 390	132 415	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		
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	41 113	12 746	-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	41 724	15 831	-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	43 509	17 235	-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	41 678	14 478	-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	14 249	11 997	2 251	-	1	0	0	24 097	50 266	3 674	42 399	12 557	-20 819	-20 925	107	10 970	-	
Mar	12 257	9 628	2 632	-	-2	-	0	22 797	48 199	4 312	42 489	12 774	-21 272	-21 319	47	10 733	-	
Apr	12 763	9 882	2 882	-	-0	-	1	24 352	48 156	5 648	43 258	13 806	-22 862	-22 921	59	11 272	-	
May	13 342	10 599	2 742	-	1	-	-	26 119	48 651	6 692	43 218	13 994	-23 670	-23 770	101	10 892	-	
Jun	14 846	11 790	3 052	-	5	-	0	27 260	49 934	6 065	43 276	14 537	-23 510	-23 606	96	11 096	-	

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

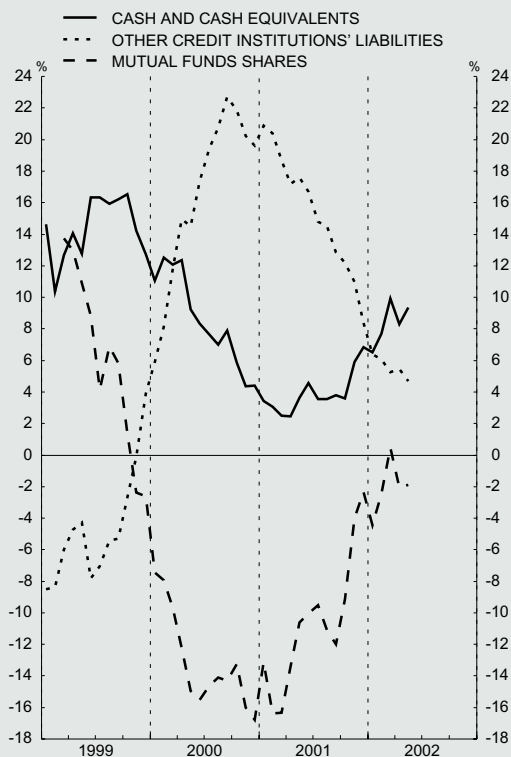
8.2 Cash and cash equivalents, other credit institutions' liabilities and mutual funds shares (a) of non-financial corporations, households and NPISHs resident in Spain

■ Series depicted in chart.

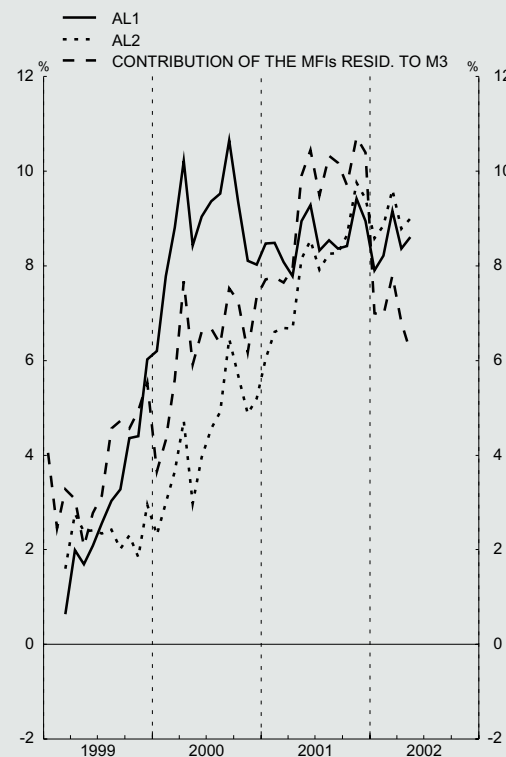
EUR millions and %

	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	291 310	6.8	-21.3	16.0	11.8	239 898	8.4	13.0	-0.4	-20.5	153 807	-2.3	31.2	19.7	-18.0	8.9	9.4	10.4
01 Feb	264 691	3.1	-0.6	6.3	1.7	229 605	20.4	25.9	3.1	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	234 563	17.2	24.4	0.4	-7.3	154 271	-13.4	-5.8	-12.7	-16.0	7.8	6.7	8.0
May	267 529	3.6	-3.4	7.1	3.8	236 761	17.6	24.1	2.5	-5.2	153 729	-10.6	-1.7	-6.5	-14.5	8.9	8.2	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	236 861	14.8	21.6	-0.7	-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	241 033	14.5	21.6	0.1	-15.9	149 966	-11.1	10.3	2.6	-20.7	8.5	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	241 435	12.2	17.9	1.9	-15.4	149 393	-9.2	22.8	13.3	-23.6	8.4	8.6	9.7
Nov	279 399	5.9	-12.7	10.3	10.8	242 573	11.0	17.2	1.7	-23.2	152 772	-4.0	28.1	17.1	-18.7	9.4	9.8	10.7
Dec	291 310	6.8	-21.3	16.0	11.8	239 898	8.4	13.0	-0.4	-20.5	153 807	-2.3	31.2	19.7	-18.0	8.9	9.4	10.4
02 Jan	280 964	6.5	-21.0	13.9	12.6	243 520	6.4	12.0	-0.7	-26.2	151 341	-4.4	30.3	23.8	-21.6	7.9	8.6	7.0
Feb	284 997	7.7	-19.0	15.1	13.2	243 506	6.1	10.2	4.3	-26.2	149 961	-2.5	28.1	22.7	-18.7	8.2	8.8	7.0
Mar	293 663	9.9	-16.0	17.5	14.8	245 278	5.3	8.2	5.0	-21.0	152 652	0.5	30.2	19.6	-14.9	9.2	9.6	7.8
Apr	P 290 296	8.3	-13.8	13.6	13.5	247 353	5.5	7.7	3.8	-12.7	151 083	-2.1	29.1	17.9	-18.2	8.4	8.8	6.8
May	P 292 529	9.3	-9.9	14.6	13.1	247 851	4.7	7.7	1.1	-17.8	150 813	-1.9	29.9	17.3	-18.5	8.6	9.0	6.2

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.

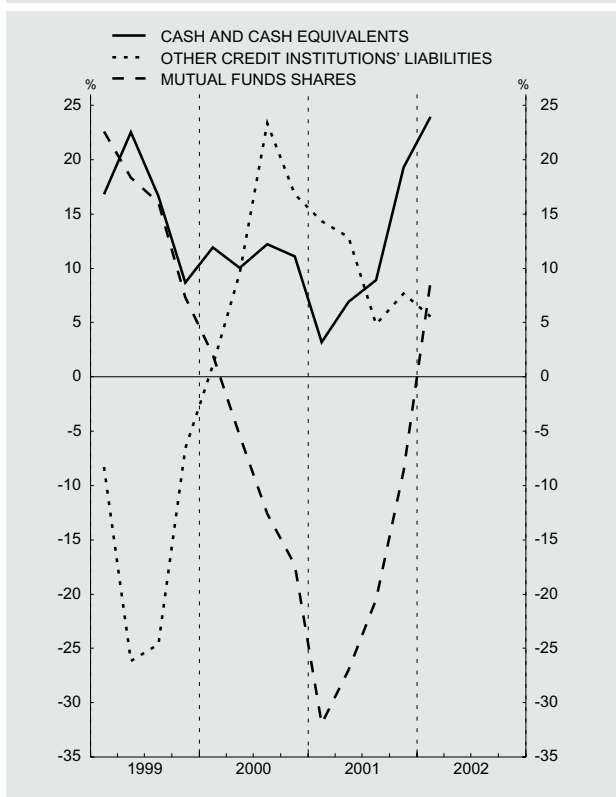
8.3 Cash and cash equivalents, other credit institutions' liabilities and mutual funds shares (a) of non-financial corporations resident in Spain

■ Series depicted in chart.

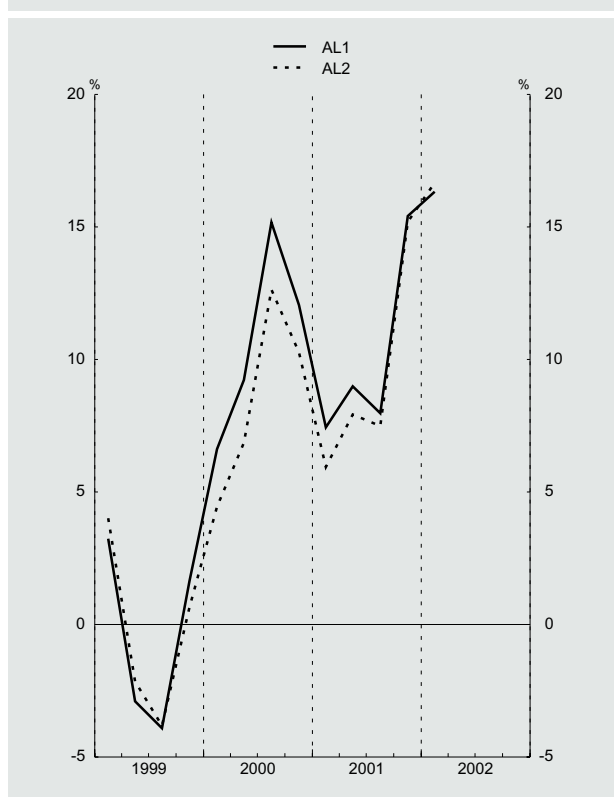
EUR millions and %

	Cash and cash equivalents				Other credit institutions' liabilities				Mutual funds shares					Memorandum items	
	Stocks	4- quarter % change	4-quarter % change		Stocks	4- quarter % change	4-quarter % change		Stocks	4- quarter % change	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	65 698	19.3	19.6	10.7	40 567	7.7	16.7	2.9	13 426	-8.7	40.8	5.4	-27.8	15.4	15.2
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	52 061	3.2	2.9	10.6	38 972	14.3	38.7	3.7	12 227	-31.9	1.5	-38.9	-40.1	7.4	6.0
Q2	59 348	6.9	6.9	8.3	39 076	12.9	27.5	5.4	12 399	-27.0	3.3	-29.0	-36.2	9.0	7.9
Q3	59 797	8.9	8.8	12.1	38 847	4.9	22.9	-4.2	12 352	-20.5	27.4	-12.0	-37.8	8.0	7.5
Q4	65 698	19.3	19.6	10.7	40 567	7.7	16.7	2.9	13 426	-8.7	40.8	5.4	-27.8	15.4	15.2
02 Q1	64 526	23.9	24.4	13.3	41 145	5.6	13.6	0.9	13 299	8.8	23.1	33.7	-4.9	16.3	16.7

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.

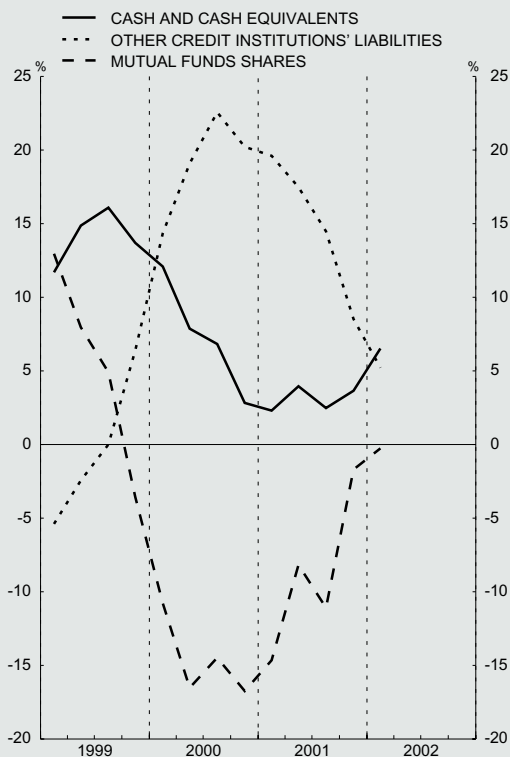
8.4 Cash and cash equivalents, other credit institutions' liabilities and mutual funds shares (a) of households and NPISHs resident in Spain

■ Series depicted in chart.

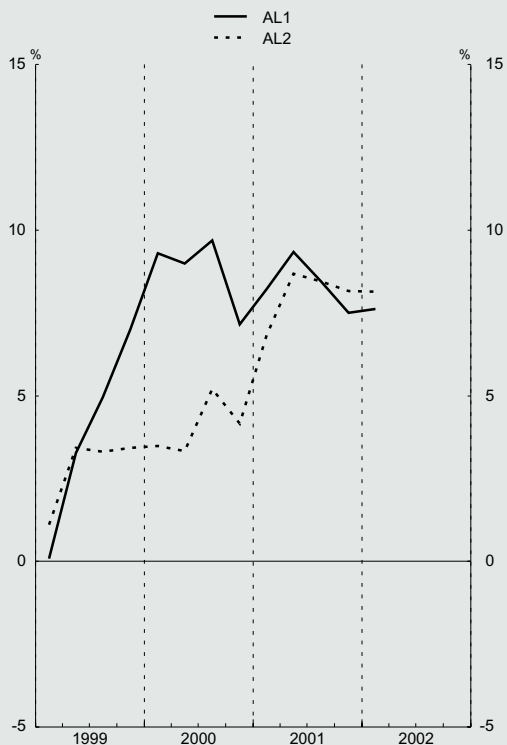
EUR millions and %

	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	Saving 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	225 612	3.7	-21.7	12.1	11.8	199 331	8.5	12.7	-13.5		140 381	-1.7	30.2	21.2	-16.9	7.5	8.2
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	215 076	2.3	-1.8	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	221 338	3.9	-4.7	10.1	5.0	198 540	17.5	22.4	-5.1		139 720	-8.2	1.9	-2.8	-12.6	9.3	8.7
Q3	221 396	2.5	-8.8	5.4	6.5	203 044	14.5	20.1	-10.9		133 718	-11.1	16.0	8.2	-23.5	8.5	8.4
Q4	225 612	3.7	-21.7	12.1	11.8	199 331	8.5	12.7	-13.5		140 381	-1.7	30.2	21.2	-16.9	7.5	8.2
02 Q1	229 138	6.5	-16.3	11.4	14.9	204 133	5.2	7.7	-8.8		139 353	-0.3	31.0	18.4	-15.7	7.6	8.1

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.

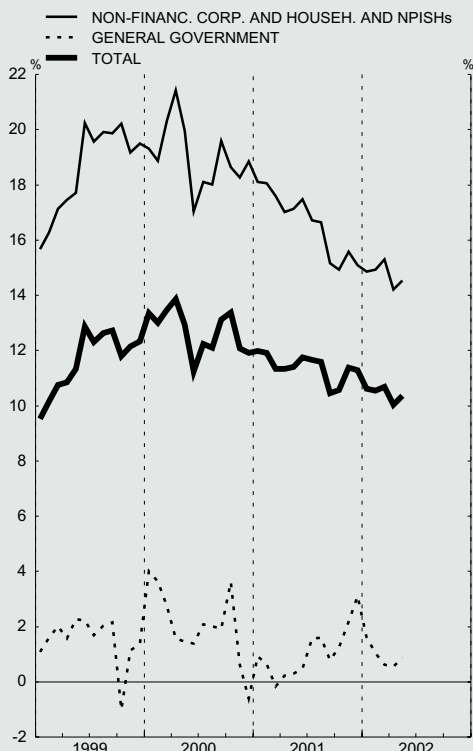
8.5 Financing of non-financial sectors resident in Spain (a)

■ Series depicted in chart.

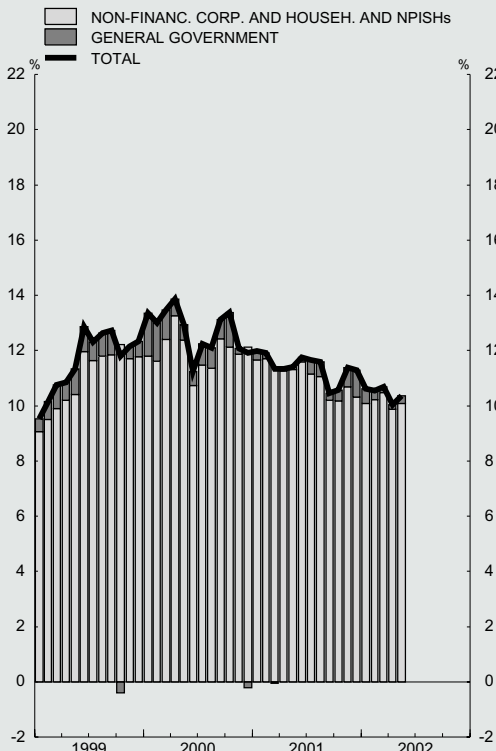
EUR millions and %

	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	Securitisation funds	Securities other than shares	External loans	Resident credit institutions' loans		Securitisation funds	Securities other than shares	External loans		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
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	983 187	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	1 095 447	19 156	11.3	3.1	15.1	13.4	21.7	7.6	25.2	1.0	10.3	7.4	0.4	0.1	2.4
01 Feb	993 692	-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	1 007 920	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	1 012 761	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	1 021 898	7 228	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	1 041 677	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	1 055 347	14 668	11.7	1.6	16.7	13.7	17.3	5.2	38.5	0.5	11.1	7.4	0.4	0.1	3.2
Aug	1 052 917	-2 752	11.6	1.6	16.6	14.0	15.4	7.9	35.5	0.5	11.1	7.5	0.4	0.1	3.1
Sep	1 063 431	9 936	10.5	0.8	15.2	13.6	28.0	6.2	23.2	0.3	10.2	7.3	0.6	0.1	2.2
Oct	1 063 823	782	10.6	1.2	14.9	13.3	28.7	5.9	22.7	0.4	10.2	7.3	0.6	0.1	2.2
Nov	1 075 018	11 499	11.4	2.2	15.6	13.4	28.0	11.1	26.2	0.7	10.7	7.4	0.6	0.2	2.5
Dec	1 095 447	19 156	11.3	3.1	15.1	13.4	21.7	7.6	25.2	1.0	10.3	7.4	0.4	0.1	2.4
02 Jan	1 102 174	6 993	10.6	1.6	14.9	13.4	24.5	5.9	22.6	0.5	10.1	7.3	0.5	0.1	2.2
Feb	1 100 150	-1 942	10.5	1.0	14.9	13.9	18.0	7.0	21.3	0.3	10.2	7.6	0.4	0.1	2.1
Mar	1 116 641	15 631	10.7	0.6	15.3	14.7	23.6	6.7	18.2	0.2	10.5	8.0	0.5	0.1	1.8
P 1 116 851	311	10.0	0.5	14.2	14.0	23.6	8.3	14.5	0.2	9.9	7.7	0.5	0.1	1.5	
P 1 128 144	11 393	10.4	0.9	14.5	14.5	22.6	1.0	15.4	0.3	10.1	7.9	0.5	0.0	1.6	

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.

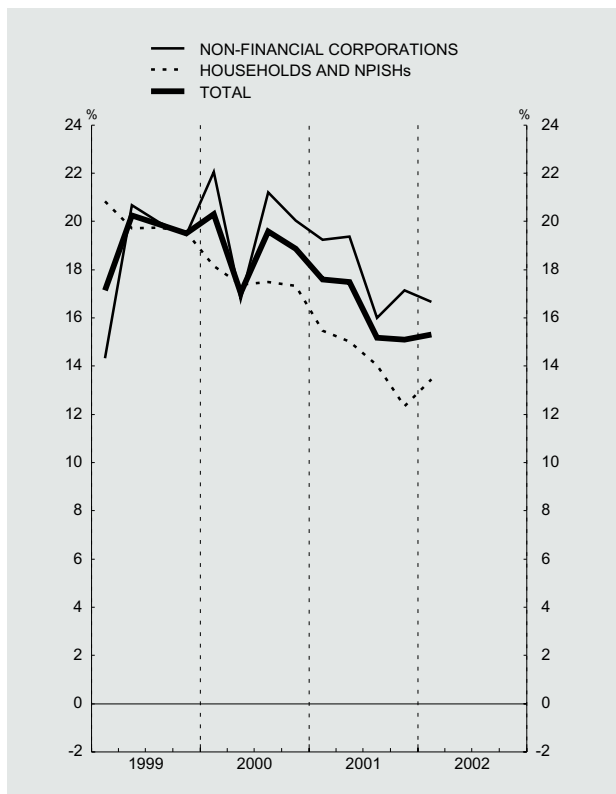
8.6. Financing of non-financial corporations, households and NPISHs resident in Spain (a)

■ Series depicted in chart.

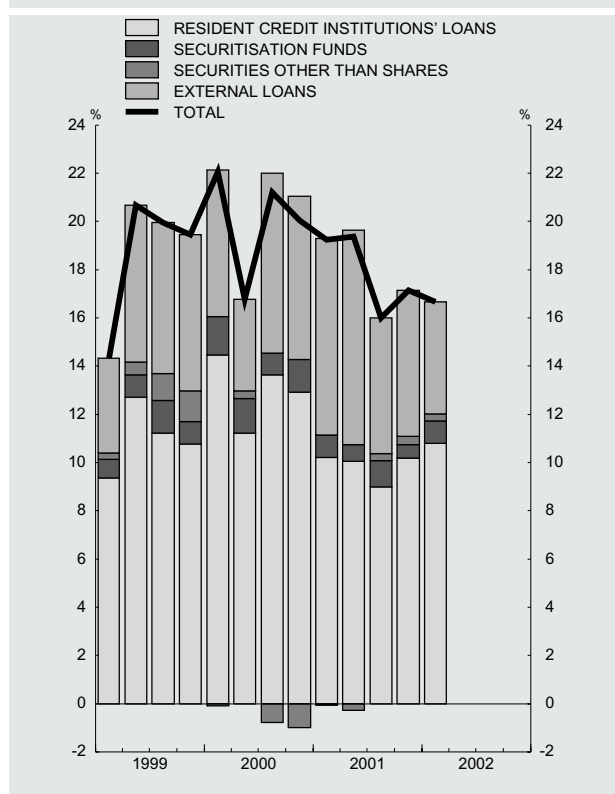
EUR millions and %

	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	452 614	65 992	17.1	301 211	14.9	10.2	14 579	17.4	19 009	7.6	0.3	117 815	25.3	6.1	322 472	35 487	12.3
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	432 947	12 761	16.0	287 023	13.2	9.0	14 932	37.2	18 859	6.2	0.3	112 133	23.3	5.6	312 564	5 907	14.0
Q4	452 614	18 937	17.1	301 211	14.9	10.2	14 579	17.4	19 009	7.6	0.3	117 815	25.3	6.1	322 472	10 059	12.3
02 Q1	464 140	10 948	16.7	305 646	16.2	10.8	17 608	26.7	19 161	6.7	0.3	121 725	18.2	4.7	333 169	10 763	13.4

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.

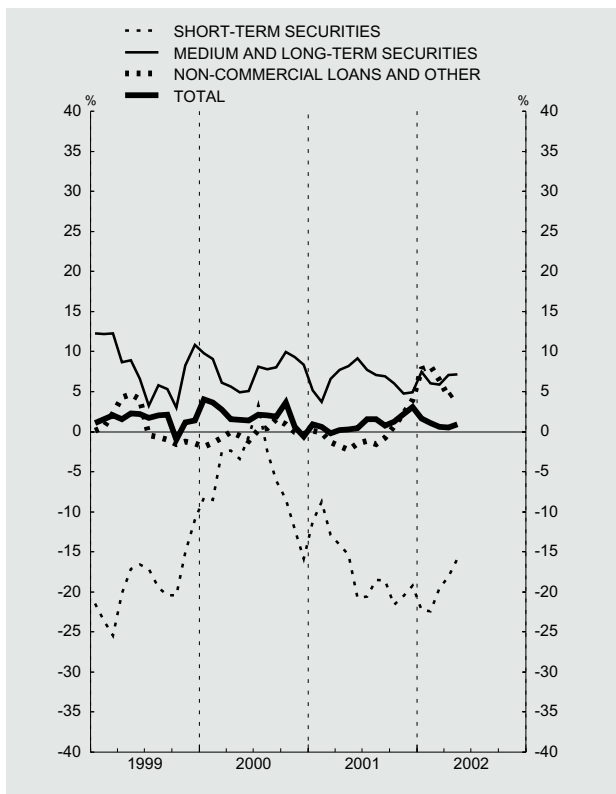
8.8. Net financing of Spain's general government

■ Series depicted in chart.

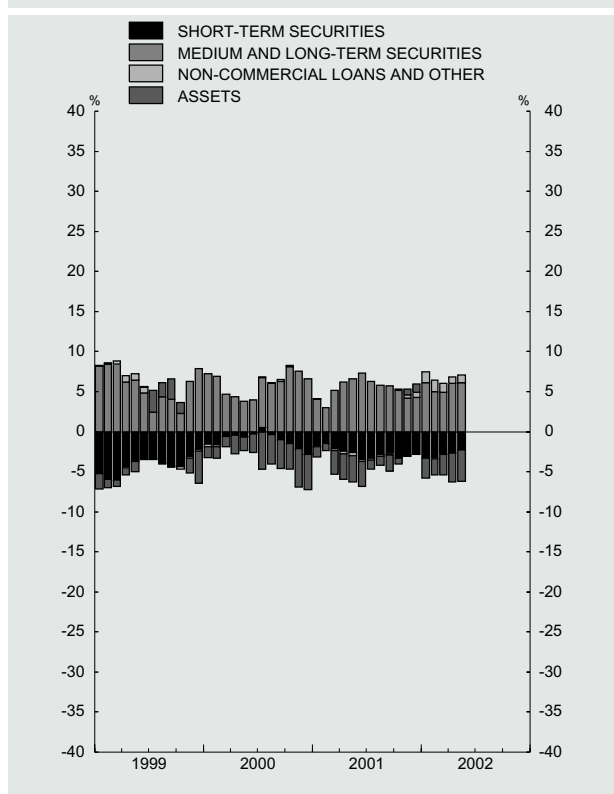
EUR millions and %

	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	Securities			Non-commercial loans and other (a)
					Short-term	Medium and long-term					Short-term	Medium and long-term		Short-term		Medium and long-term		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
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 310 737	-1 930	-0.6	11 808	-8 605	20 558	-145	8 319	5 419	3.3	-15.8	8.3	-0.3	32.2	-2.8	6.6	-0.0	-4.4
01	P 320 361	9 623	3.1	6 567	-8 804	13 226	2 145	17 158	14 101	1.8	-19.3	4.9	4.0	-5.4	-2.8	4.3	0.7	1.0
00 Dec	P 310 737	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	-0.0	-4.4
01 Jan	P 319 255	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 313 981	-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 317 366	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 308 953	-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 312 059	3 107	0.3	2 204	-1 178	3 838	-456	1 289	-2 192	3.1	-15.4	8.2	-2.3	23.1	-2.6	6.6	-0.4	-3.3
Jun	P 314 735	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 319 632	4 896	1.6	1 197	-864	1 738	323	-2 122	-1 578	2.4	-20.6	7.7	-1.2	7.6	-3.3	6.3	-0.2	-1.1
Aug	P 321 165	1 533	1.6	-1 179	-1 247	843	-775	751	-3 463	2.4	-18.5	7.1	-1.5	7.9	-2.8	5.8	-0.3	-1.1
Sep	P 317 920	-3 245	0.8	1 535	-966	2 331	170	2 264	2 517	2.4	-18.5	6.9	-0.8	13.7	-2.8	5.7	-0.1	-2.0
Oct	P 310 434	-7 486	1.2	81	-1 690	1 049	721	829	6 737	1.7	-21.6	6.0	0.7	4.1	-3.3	5.2	0.1	-0.8
Nov	P 309 664	-770	2.2	-290	-203	-362	276	-950	1 430	1.2	-20.5	4.8	2.3	-3.3	-3.1	4.2	0.4	0.7
Dec	P 320 361	10 697	3.1	2 777	484	1 131	1 162	-3 480	-4 439	1.8	-19.3	4.9	4.0	-5.4	-2.8	4.3	0.7	1.0
02 Jan	A 324 453	4 092	1.6	2 107	-283	219	2 170	1 225	-3 211	3.7	-22.2	7.5	7.8	18.8	-3.3	6.1	1.3	-2.5
Feb	A 317 261	-7 192	1.0	-4 405	240	-4 796	152	224	2 563	2.6	-22.5	6.1	8.2	13.1	-3.4	5.0	1.4	-2.0
Mar	A 319 332	2 071	0.6	3 985	-64	5 350	-1 301	1 132	783	2.8	-19.5	5.9	6.4	17.2	-2.8	4.9	1.1	-2.6
Apr	A 310 631	-8 701	0.5	1 702	166	2 123	-586	1 791	8 613	3.5	-18.1	7.0	4.3	20.2	-2.6	6.0	0.8	-3.6
May	A 314 821	4 190	0.9	4 352	21	4 354	-23	-1 179	1 340	4.1	-15.9	7.1	5.2	22.5	-2.2	6.2	0.9	-3.9

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 Depósitos.

(b) Tax collection accounts are not included.

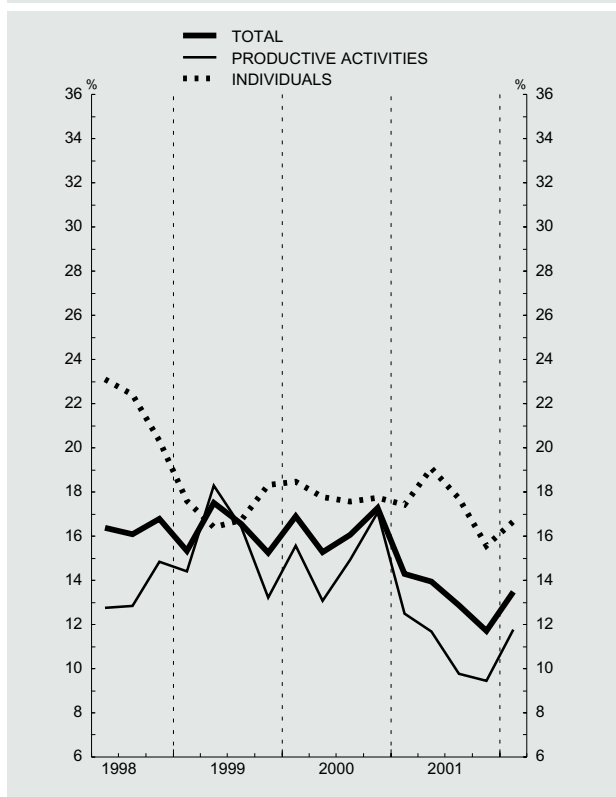
8.9 Lending of credit institutions to other resident sectors. Breakdown by end-use.

■ Series depicted in chart.

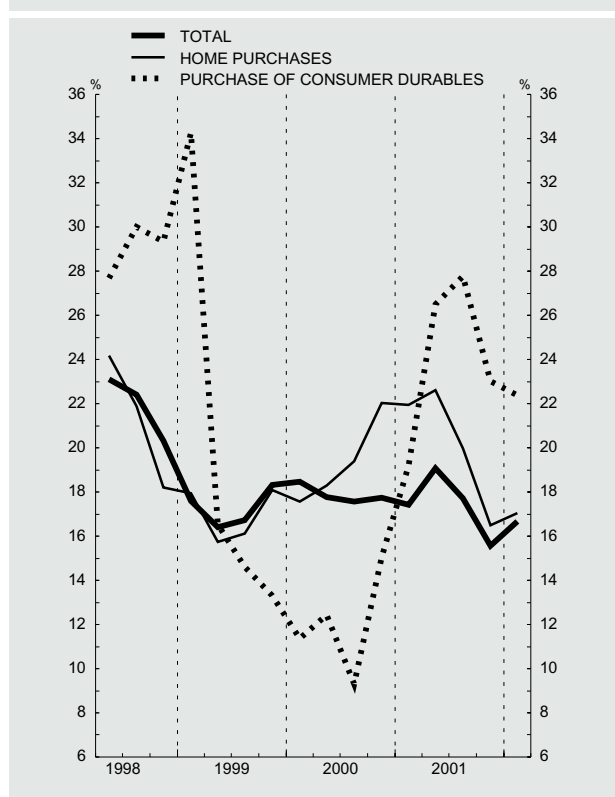
EUR millions and percentages

	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 (b)		
								Total	Purchases	Improvements				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
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
01	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
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
02 Q1	640 193	334 865	13 420	82 689	47 487	191 269	293 673	214 354	205 404	8 949	34 671	44 648	2 382	9 273

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

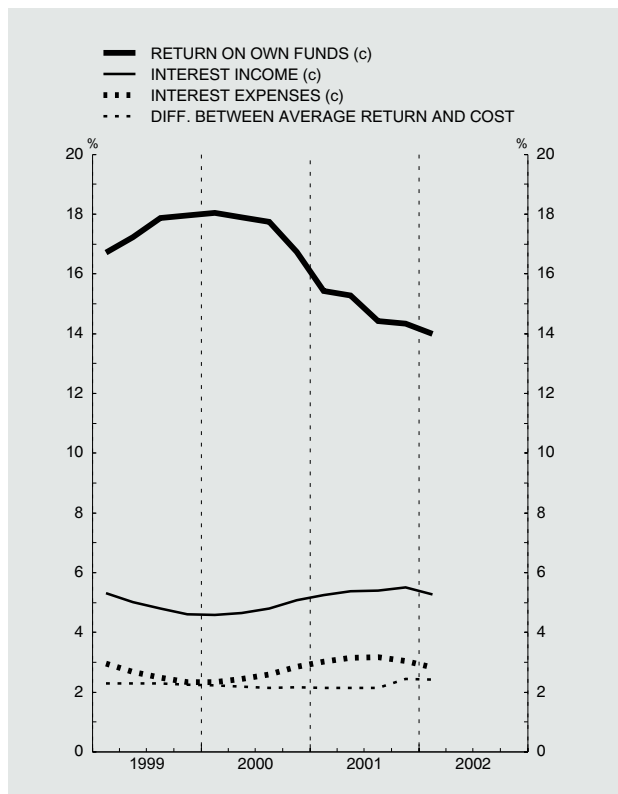
(b) Includes loans and credit to households for the purchase of land and rural property, the purchase of securities, the purchase of current goods and services not considered to be consumer durables (e.g. loans to finance travel expenses) and for various end-uses not included in the foregoing

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

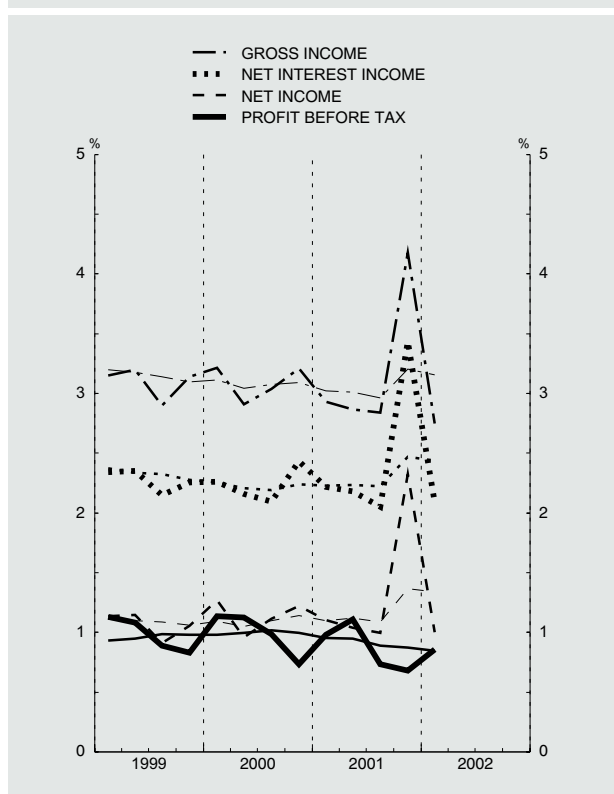
■ Series depicted in chart.

	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
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
01	6.2	2.8	3.4	0.7	4.2	1.9	1.1	2.3	-2.0	0.7	11.5	6.0	3.5	2.4
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
Q4	6.2	2.8	3.4	0.7	4.2	1.9	1.1	2.3	-1.6	0.7	11.5	6.0	3.5	2.4
02 Q1	4.5	2.4	2.1	0.7	2.7	1.7	1.0	1.0	-0.1	0.9	14.5	5.7	3.3	2.4

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



PROFIT AND LOSS ACCOUNT
Percentages of the adjusted average balance sheet



Source: BE.

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

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

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

(c) Average of the last four quarters.

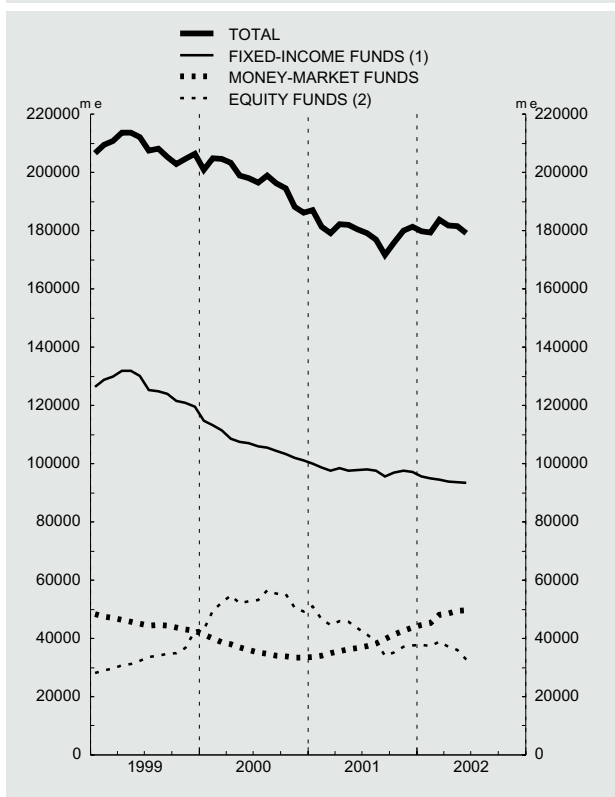
8.11. Mutual funds resident in Spain

■ Series depicted in chart.

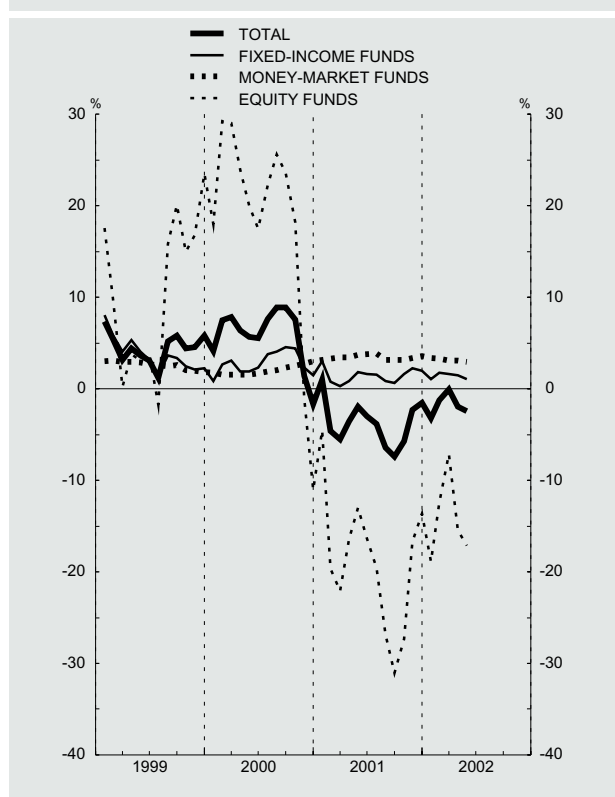
EUR millions

	Total				Money-market funds				Fixed-income funds (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
01 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	-6.4	38 201	854	732	3.1	97 479	-435	-349	0.9	39 007	-2 392	-184	-26.8	2 265
Sep	171 624	-5 329	-1 442	-7.4	39 723	1 523	1 395	3.1	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	-5.7	41 247	1 524	1 365	3.1	96 841	1 213	205	1.6	35 273	1 299	-136	-27.4	2 367
Nov	179 939	4 209	2 596	-2.3	42 592	1 345	1 662	3.4	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	179 303	-400	480	-1.2	45 203	594	514	3.3	95 047	-452	-279	1.7	37 276	-499	244	-12.4	1 776
Mar	183 849	4 546	-3 962	-0.1	48 085	2 882	2 811	3.1	94 434	-613	-7 807	1.6	38 836	1 560	1 034	-7.1	2 494
Apr	181 858	-1 990	-391	-2.0	48 482	397	313	3.1	93 902	-532	-469	1.5	37 070	-1 767	-235	-15.5	2 405
May	181 452	-406	773	-2.5	49 532	1 050	1 013	2.9	93 521	-381	-198	1.0	35 987	-1 083	-42	-17.1	2 412

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.

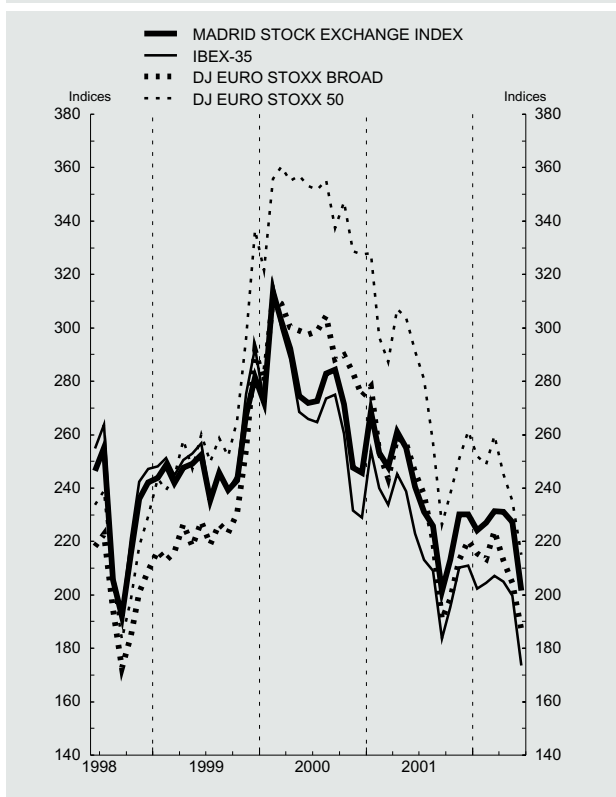
8.12. Share price indices and turnover on securities markets. Spain and euro area

■ Series depicted in chart.

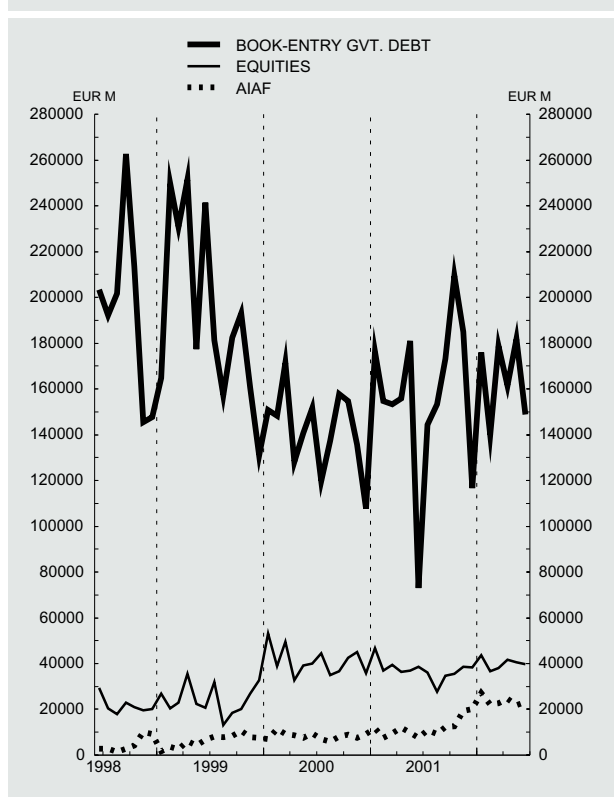
Indices, EUR millions and thousands of contracts

	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
01 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	22 568	-	2 390	10	315
Apr	828.00	8 154.40	303.89	3 574.23	41 777	6 508	161 410	24 682	-	1 157	2	316
May	814.45	7 949.90	291.75	3 425.79	40 467	5 627	181 923	21 841	-	1 568	5	320
Jun	722.73	6 913.00	266.84	3 133.39	39 763	5 397	148 926	23 192	-	2 170	11	370

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)

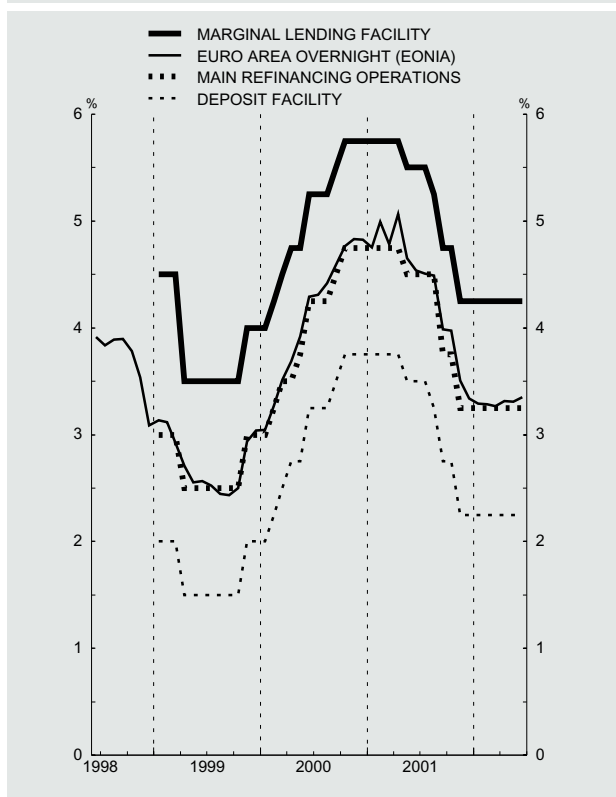
9.1. Interest rates. Eurosystem and money market. Euro area and Spain

■ 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
01 Mar	4.75	4.47	5.75	3.75	4.78	4.78	4.71	4.47	4.77	4.75	4.70	4.48	4.75	4.68	4.55	4.34
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
Apr	3.25	3.35	4.25	2.25	3.32	3.34	3.41	3.86	3.30	3.32	3.40	3.87	3.24	3.25	3.30	3.76
May	3.25	3.45	4.25	2.25	3.31	3.37	3.47	3.96	3.31	3.36	3.46	3.96	3.19	3.27	3.36	3.88
Jun	3.25	3.38	4.25	2.25	3.35	3.38	3.46	3.87	3.34	3.37	3.46	3.84	3.30	3.31	3.35	3.83

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

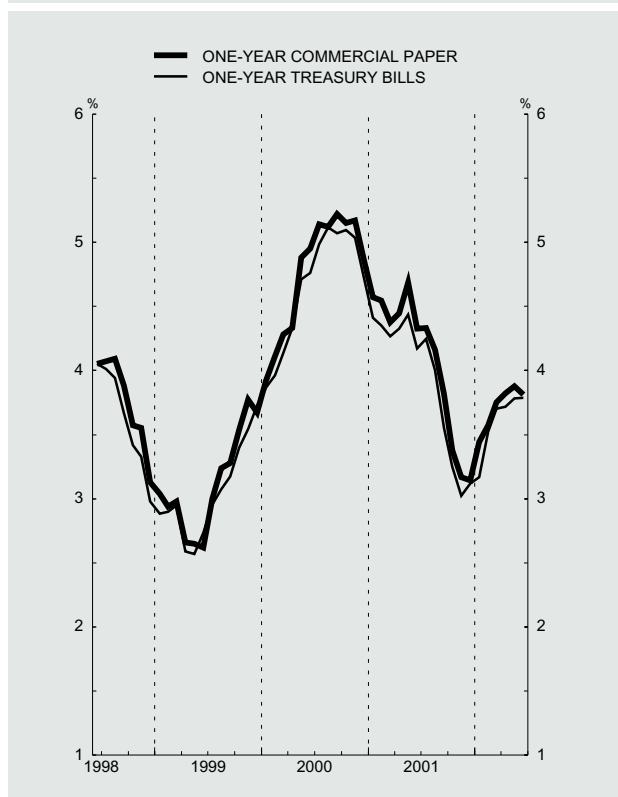
9.2. Interest rates: Spanish short-term and long-term securities markets

■ Series depicted in chart.

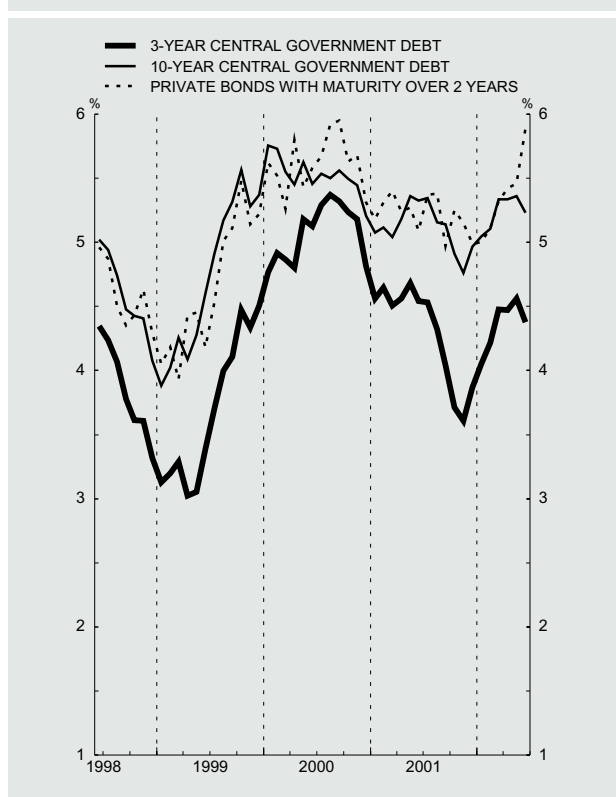
Percentages per annum

	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	9	10	11	12	
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	
01 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	3.75	3.67	4.30	-	5.32	5.56	-	4.48	5.34	5.32	
Apr	3.72	3.71	3.82	3.82	-	4.89	5.35	-	-	4.47	5.34	5.42	
May	3.78	3.80	3.88	3.83	-	4.76	5.40	-	-	4.56	5.36	5.46	
Jun	3.79	3.70	3.81	3.85	4.36	-	5.34	-	-	4.38	5.23	5.86	

PRIMARY MARKET



SECONDARY MARKET



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

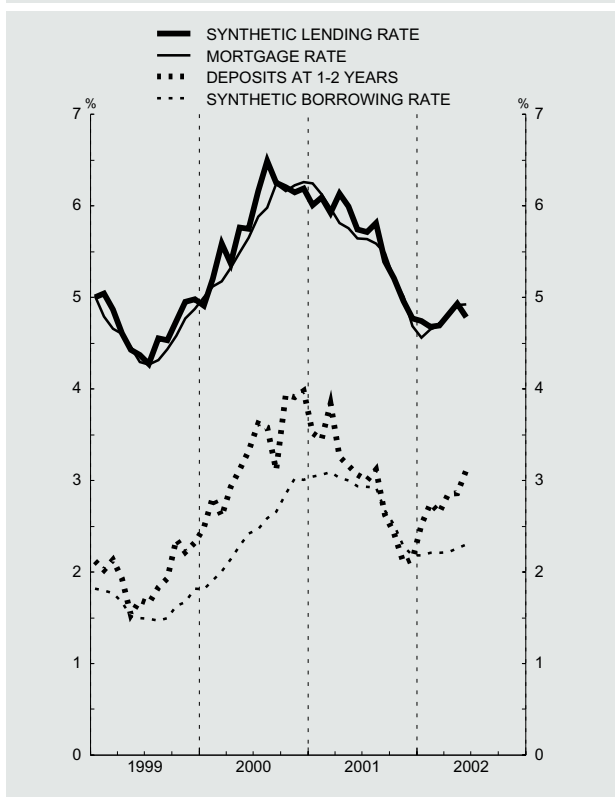
9.3 Interest rates: banks and savings banks resident in Spain

■ Series depicted in chart.

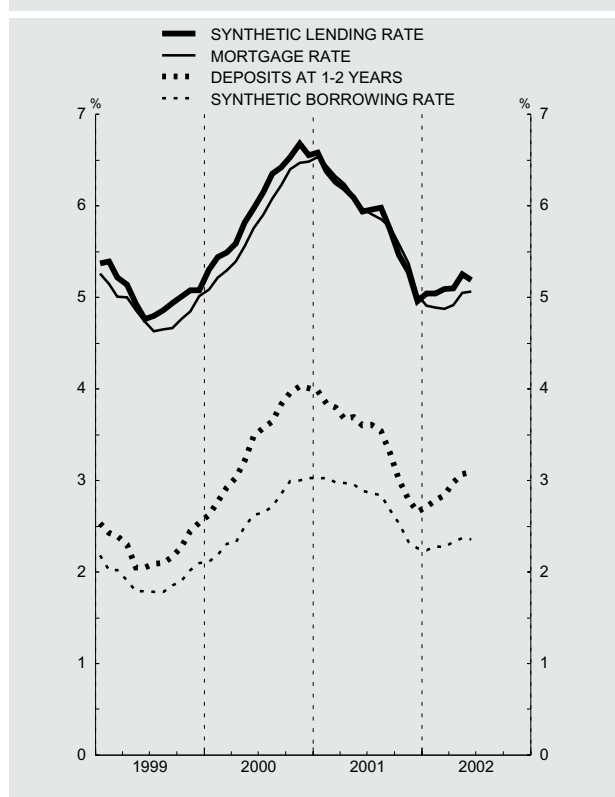
Percentages

		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	
01	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	2.86	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	2.28	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	2.28	1.89	3.13	2.78
Mar		4.69	5.66	4.96	6.61	4.70	2.21	1.96	3.14	2.65	5.09	7.05	7.74	4.87	2.27	1.85	3.11	2.84	
Apr		4.81	5.70	4.85	6.69	4.80	2.22	1.94	3.16	2.85	5.10	7.00	7.87	4.92	2.33	1.87	3.11	2.98	
May		4.93	5.71	4.93	6.88	4.92	2.26	2.04	3.13	2.86	5.25	7.08	7.75	5.05	2.37	1.88	3.17	3.07	
Jun		4.78	5.66	5.03	6.66	4.93	2.30	2.06	3.22	3.11	5.19	6.83	7.78	5.06	2.36	1.87	3.24	3.09	
Jul		4.74	5.66	5.03	6.66	4.93	2.30	2.06	3.22	3.11	5.19	6.83	7.78	5.06	2.36	1.87	3.24	3.09	

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.

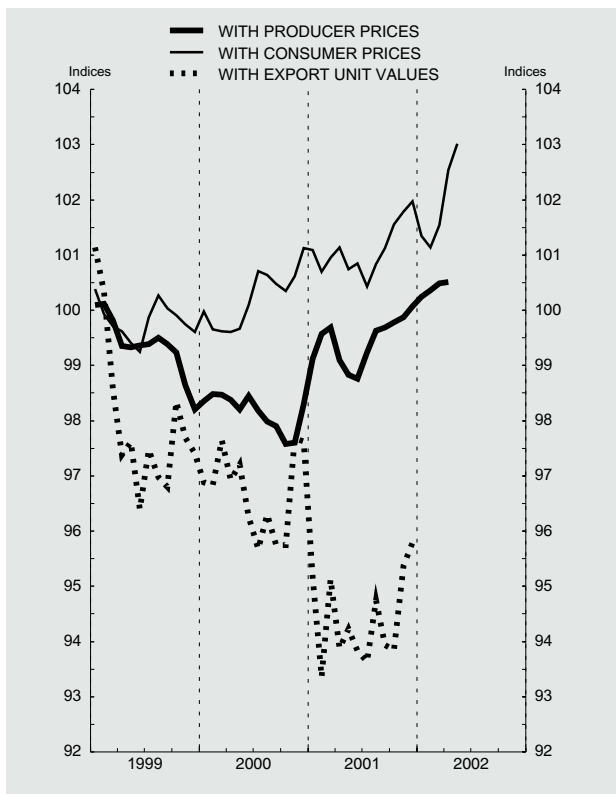
9.4 Indices of Spanish competitiveness vis-à-vis the EU and the euro area.

■ Series depicted in chart.

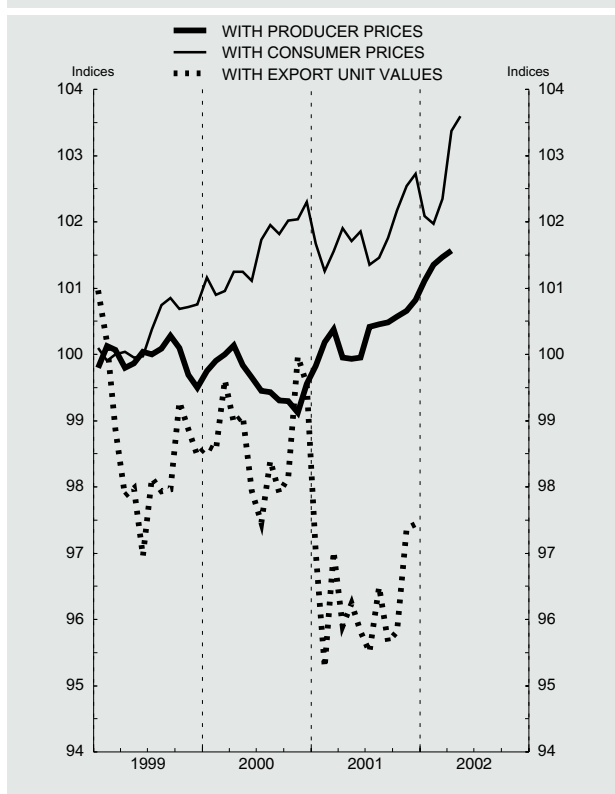
Base 1999 Q1 = 100

	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	103.7	98.2	99.6	101.5	103.6	98.7
01	99.4	101.1	105.2	94.4	99.0	100.5	102.2	106.3	95.4	100.3	101.8	106.3	96.3
00 Q2	98.3	99.8	101.4	96.8	98.5	99.9	101.3	102.9	98.3	99.9	101.2	102.9	98.7
Q3	98.0	100.6	103.1	95.9	98.6	99.4	102.1	104.6	97.3	99.4	101.8	104.6	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	105.7	99.2
01 Q1	99.5	100.9	105.0	94.6	99.1	100.4	101.8	105.9	95.4	100.1	101.5	105.9	96.5
Q2	98.9	100.9	104.6	94.0	98.8	100.1	102.1	105.9	95.1	99.9	101.8	106.0	96.0
Q3	99.5	100.8	105.2	94.1	99.0	100.6	101.9	106.3	95.1	100.5	101.5	106.4	95.9
Q4	99.9	101.8	106.0	95.0	99.0	100.9	102.8	107.0	96.0	100.7	102.5	107.1	96.9
02 Q1	100.4	101.4	106.7	...	98.8	101.6	102.6	108.0	...	101.3	102.1	108.0	...
01 Sep	99.7	101.1	...	93.9	99.1	100.6	102.1	...	94.8	100.5	101.8	...	95.7
Oct	99.8	101.6	...	93.8	99.1	100.7	102.5	...	94.7	100.6	102.2	...	95.8
Nov	99.9	101.8	...	95.4	98.9	100.9	102.9	...	96.4	100.7	102.5	...	97.4
Dec	100.1	102.0	...	95.8	99.0	101.1	103.0	...	96.8	100.8	102.7	...	97.4
02 Jan	100.3	101.3	...	...	98.9	101.4	102.5	...	...	101.1	102.1	...	...
Feb	100.4	101.1	...	...	98.8	101.6	102.4	...	...	101.4	102.0	...	...
Mar	100.5	101.5	...	...	98.8	101.7	102.8	...	...	101.5	102.4	...	...
Apr	100.5	102.5	...	...	98.8	101.7	103.8	...	...	101.6	103.4	...	...
May	...	103.0	...	...	99.1	...	104.0	...	...	...	103.6	...	...
Jun	...	...	...	...	99.3	...	...	...	...	...	...	...	...

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.

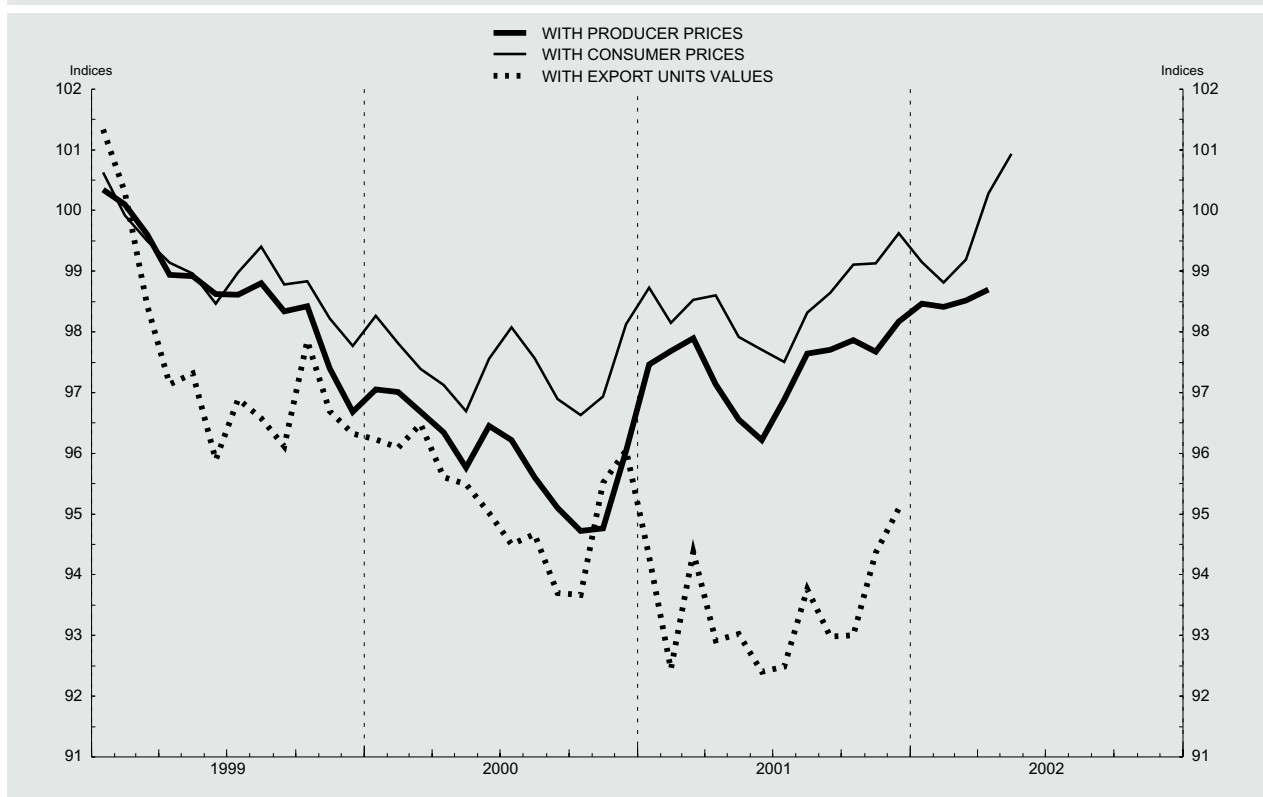
9.5 Indices of Spanish competitiveness vis-à-vis the developed countries.

■ 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	99.5	95.3	95.8	100.2	101.7	103.9	99.5
01	97.4	98.5	102.6	93.4	96.3	101.2	102.3	106.6	97.1
00 Q2	96.2	97.1	98.8	95.4	95.8	100.4	101.3	103.1	99.5
Q3	95.6	97.5	100.1	94.3	95.5	100.1	102.1	104.8	98.7
Q4	95.2	97.2	100.6	95.1	95.0	100.2	102.4	106.0	100.1
01 Q1	97.7	98.5	102.7	93.7	96.7	101.0	101.9	106.2	97.0
Q2	96.6	98.1	101.8	92.8	95.9	100.8	102.3	106.2	96.8
Q3	97.4	98.2	102.6	93.1	96.2	101.3	102.0	106.6	96.8
Q4	97.9	99.3	103.3	94.2	96.3	101.6	103.1	107.2	97.7
02 Q1	98.5	99.1	104.0	...	96.2	102.3	102.9	108.1	...
01 Sep	97.7	98.6	...	93.0	96.5	101.3	102.2	...	96.4
Oct	97.9	99.1	...	93.0	96.5	101.4	102.7	...	96.4
Nov	97.7	99.1	...	94.4	96.1	101.6	103.1	...	98.2
Dec	98.2	99.6	...	95.1	96.4	101.8	103.3	...	98.6
02 Jan	98.5	99.1	...	...	96.4	102.1	102.9	...	...
Feb	98.4	99.8	...	...	96.1	102.4	102.8	...	...
Mar	98.5	99.2	...	...	96.2	102.5	103.2	...	...
Apr	98.7	100.3	...	...	96.3	102.5	104.2	...	...
May	...	100.9	...	...	96.7	...	104.3	...	...
Jun	...	...	...	...	97.4	...	...	...	...

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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