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TESTIMONY BY THE GOVERNOR OF THE BANCO DE ESPAÑA, LUIS M. LINDE, BEFORE THE PARLIAMENTARY BUDGET COMMITTEE IN CONNECTION WITH THE DRAFT STATE BUDGET FOR 2014

My first appearance as Governor of the Banco de España before this Committee was last year, amid a very difficult situation for the Spanish economy and a serious euro crisis. Since then, fortunately, the situation has improved and the most serious uncertainties surrounding the future of the common currency have been dispelled.

Allow me to begin by stressing the importance that strengthening the Economic and Monetary Union and Spain's participation in it has for our economy and for the well-being of Spanish society.

The difficulties we are facing should not mask the benefits the Spanish economy has reaped from its participation in the European project and in its most significant institution in terms of integration, namely monetary union. It is worth citing some figures.

In the 1986-1990 period, Spanish per capita GDP stood at 78% of the average of the countries then comprising the European Union. In the 2007-2012 period, despite the severity of the crisis in Spain, the percentage figure relative to the same group of countries, which are the richest in the Union, was at 93%. And if we focus on infrastructure, which is so important for any country's growth potential, the last 20 years have seen the weight of investment in infrastructure in Spain far exceed the European Union average. Specifically, over the past two decades, the weight of public investment in GDP in Spain has held, year by year, at 1.25 pp above the European Union average. That has allowed almost full convergence in terms of our public capital endowment, in proportion to our population, with the core European countries.

From this standpoint, which we should not lose sight of, I shall refer to the economic and financial situation in Europe and to recent developments in the Spanish economy, with particular reference to economic policies and to the draft budget for 2014. To conclude I have some comments, which I feel bound to make, on the headway in our bank restructuring.

The euro area

For some months, the economic and financial situation in Europe has shown some improvement, against an international background marked by signs of recovery in the United States and Japan, and by some loss of momentum in the emerging economies, most particularly China.

Following six consecutive quarters of contraction, euro area GDP growth has moved back into positive territory. Underpinning this change in sign is a pick-up in internal demand, which has added to the progress in net exports. The growth of 0.3 pp in euro area GDP in the second quarter of 2013 has, naturally, been a positive surprise and plots a favourable course for the Spanish economy. But its duration and intensity are by no means assured. Indeed, recently revised medium-term forecasts for the euro area as a whole continue to augur very moderate GDP growth rates and overly high unemployment levels.

In the financial domain, the degree of market fragmentation is lessening considerably, but is still not fully compatible with the normal functioning of a monetary union and with efficient monetary policy transmission. The cost at which households, credit institutions and the different levels of government can currently finance themselves in the countries subject to most tension is still above what the ECB monetary policy stance would warrant.

The ECB has in fact continued to reinforce its expansionary monetary policy stance throughout the year, both through conventional conduct and through non-conventional or extraordinary measures.

In May there was a fresh cut in official interest rates which, along with the maintenance of the unlimited liquidity provision policy, is serving to set money market interest rates at extremely low levels.

In July the ECB Governing Council decided to take a further step in its strategy of reinforcing its expansionary monetary policy stance with the use of a new instrument, known in the parlance as "forward guidance". Thus, after the May cut in rates, in July the ECB announced that the Governing Council expected rates to remain at the new level, or at a lower level, for a protracted period.

In any event, the contribution monetary policy can make to resolving the problems at the root of the crisis is limited, and can hardly go beyond providing the time needed for other economic policies to bear fruit, policies that do have the wherewithal to curb these problems. For full normalisation of the area to come about, Member States must successfully see through the adjustments to their domestic economic policies to adapt them to what a monetary union requires to function.

From this perspective, I believe we should assess the progress made towards banking union in Europe. In the coming days, the European Union Council will approve the legislation to underpin the creation of the Single Supervisory Mechanism (SSM). That will formally set in train the process that will culminate in the assumption, by the ECB, of micro-prudential supervision in the euro area in autumn next year.

There is virtual consensus around the conviction that the banking union will be a decisive instrument for breaking the loop between banking risks and sovereign risks, enabling the degree of financial fragmentation still prevailing in the area to be reduced and, we trust, ultimately eliminated. But to harness the full potential of the banking union, it is important to ensure the quality of the bank review exercises to be conducted before the ECB assumes its new supervisory responsibilities.

But the banking union will not reach its full potential if progress is not made in the design of its other component parts, most notably a single resolution mechanism and fund, i.e. a harmonised or common procedure for the treatment of bank crises.

Spain

I shall now turn to the situation of our economy.

The Spanish economy is showing signs of improvement, although the momentum for a sustained recovery remains weak. During the current year the rate of contraction of economic activity has eased, posting a quarter-on-quarter decline of only 0.1 pp in the second quarter. The as yet incomplete data for the third quarter suggest that this improvement has continued in recent months, meaning activity in Spain may have ceased to fall in the July-September period and may have even posted a slight increase, following two years of continuous declines.

I thus believe it is not unwarranted to state that the Spanish economy appears to be overcoming the second recession of this protracted crisis.

Several factors lie behind this change. Undoubtedly, the pick-up in euro area activity has contributed, along with a highly favourable tourist season. But the sound course of exports, and to non-euro area destinations moreover, indicates that the most notable gains in competitiveness are contributing considerably to this improvement.

The labour market figures for the past two quarters offer positive signs. They indicate that the pace of job destruction has been curbed along with a fall of 1 pp in the unemployment rate, which still stands at slightly over 26% of the labour force. The greater momentum of hiring habitually seen in the summer months and the decline in the labour force have influenced these developments; but they no doubt also reflect a favourable reaction by employment to the adjustment under way in labour costs.

As the Banco de España has previously indicated and reiterated just a few days ago, evaluating the results of the labour reform approved last year requires prudence for two key reasons: it is a structural reform, whose effects, in any event, can only be felt in the medium and long term; and it was implemented amid a full-blown recession. That said, the analysis that can now be conducted shows better results – a lower fall in employment and greater wage restraint – than those indicated by forecasting models. As previously stated in other parliamentary appearances, I believe the reform was vital, that it has been correctly oriented and, most essentially, that practically all experts and international organisations had been stressing its necessity for several years. I believe its effects will be positive and that this will be clearly perceived once activity begins to pick up.

Comparing the present situation with that a year ago, there has evidently been notable progress in restoring confidence in the Spanish economy. The growing normalisation of external funding flows and the fall in the sovereign risk premium clearly illustrate this. However, the pass-through of this improvement in overall financing conditions is still proving limited, whereby the financial restrictions continue to weigh down most significantly on private-sector spending and investment decisions in Spain.

All told, the slowing trend in inflation has continued over recent quarters and further headway has been made in correcting the main imbalances.

The increases in the annual rate of the consumer price index in the first half of this year have slackened as the effects of the tax rises and increases in administered prices from July to September last year have been stripped out. According to the flash estimate, the CPI rate stood at 0.3% in September. It is therefore likely that its annual rate of change will stand below 1% in December. Running such a moderate inflation rate evidently contributes to alleviating the impact of weak incomes on households' and firms' purchasing capacity. The legislation on the deindexation of the economy will be a valuable instrument for entrenching this trajectory.

But the clearest example of the marked re-balancing the Spanish economy is undergoing is the elimination of the external deficit. In 2013 to date, we have achieved a net financing position with the external sector, a trend which will foreseeably continue and become more accentuated over the rest of the year, to the point of placing the overall balance of payments on current and capital account for the whole of 2013 at over 2% of GDP. Nonetheless, the accumulation of major external deficits between 2007 and 2011 (amounting, over these five years, to €328 billion, 32% of our GDP in 2012) has led to a high debit international investment position, and years will be needed to reasonably reduce our dependence on external saving.

Private-sector deleveraging continues to progress, although the unfavourable course of income is checking the speed of the process. It is moreover likely that debt/income re-balancing will prolong the contraction of credit at the aggregate level, although we may expect its impact to be increasingly less. This is compatible with a reallocation of funds towards the more productive agents with healthier financial positions. In any event, measures are needed aimed at reallocating funds towards firms with greater potential in terms of activity and employment and with financing difficulties, a situation particularly prevalent among small and medium-sized enterprises.

Fiscal consolidation

Let me now address the public finances situation.

The general government deficit target for 2013, at 6.5% of GDP, entails a reduction of almost 5 pp from its 2009 of 11.2% of GDP. The reduction is difficult because it is taking place in a highly adverse macroeconomic setting, therefore equating to a real adjustment on a much greater scale, as indicated by the decline in the cumulative structural primary deficit in this period, which can be estimated at around 7 pp of GDP.

Progress here has called for the adoption of numerous measures, both on the revenue and expenditure sides.

On the revenue side, it has been sought to offset the effects on tax receipts of the collapse in the real estate sector, and of the weakening of tax bases. To this end, there have been rises in practically all taxes. On the expenditure side, measures have been aimed at correcting the unsustainable dynamics that had begun to take root in the pre-crisis phase and at compensating for the strong upward pressure that the crisis exerted on all items, such as the higher interest burden and unemployment benefits.

Fiscal consolidation has also been pursued through far-reaching changes to our budgetary framework, with the constitutional reform and the approval of new budgetary stability legislation, which have made for great progress in transparency and have broadened the range of instruments available to strengthen public spending discipline.

Slippage in the budget deficit targets set between 2009 and 2011 affected the credibility of the adjustment process. The greater degree of success in meeting targets last year gave rise to unquestionable benefits in terms of restored credibility. That has contributed to easing the pressure on the risk premium and smoothed the way for agreements in Europe, under the Stability and Growth Pact and the Excessive Deficit Procedure. The European authorities agreed last July to allow a milder fiscal adjustment path for Spain, in particular for 2013 and 2014, which is more consistent with the current macroeconomic conditions and those that will prevail in the coming years.

For this improved credibility to take root, the deficit targets must be met. Information on the budget outturn in 2013 is still limited. In the first half of the year, the deficit improved relative to the same period a year earlier (without considering the impact of the assistance to the financial sector which, as is known, does not count for these purposes). The budget outturn in the second half of the year must, therefore, be very strict at all levels of government if slippage is to be avoided at the end of the year. While there are risks, I trust we can meet the target this year of cutting the deficit to 6.5%.

The headway in budgetary consolidation should not mask the fact that the effort needed to ensure Spanish public finances are redressed is still most considerable. Let us not forget the distance still existing between the present situation and the requirement set in the Stability Pact and in the new Budgetary Stability Law for the medium term, which is to have a structural balance in equilibrium. Closing this gap will require further adjustments that will never prove easy because restoring growth will be a gradual process.

We must also be mindful of the problems posed by the dynamics of the public debt/GDP ratio and its perspectives in the short term. So far, and as is usual in the initial phases of fiscal consolidation processes, this ratio has continued growing, with a forecast for 2014 of 98.9% of GDP. Reversing this trajectory is vital for ensuring the future sustainability of public finances, but it will require running primary surpluses for a prolonged period; naturally, the sooner we achieve sustained economic growth, the smoother this adjustment process will be.

To tackle these challenges, institutional developments geared to ensuring budgetary rigour must be pursued. The independent fiscal responsibility authority, which will foreseeably start up in 2014, must reinforce the quality and independence of budgetary programming. Here I would like to mention the planned review of regional government financing arrangements and the creation of the committee of experts for the reform of the tax system, who are expected to submit their report in the coming months.

As for the public pension system, I shall reiterate what I said before the Economic Affairs Committee last June on the presentation of the *Annual Report* of the Banco de España.

The public pension system is a fundamental factor of economic and social stability and it is in everybody's interest to address the risks of shortfalls arising as a result of demographic developments. The sustainability of the pension system – i.e. certainty as to the ability to fund it appropriately – is essential for giving stability to public finances and for the credibility of any programme to consolidate total public spending.

For the system to be sustainable, it must find a way to accommodate its key elements, namely the retirement age, the means of calculating pensions and the so-called "sustainability factor". I hope and trust that political forces will continue working on this delicate and very important matter, in the spirit of the Toledo Pact agreed almost 20 years ago, and which has repeatedly been supported by our parliamentary institutions.

The major budgetary figures and the macroeconomic aggregates for 2014

The 2014 Budget is the first to be drawn up following the entry into force of the latest European budgetary governance reform, which introduces into countries' budgetary procedures an assessment by the European Commission of draft general government budgets.

In Spain's case, this reform will lead to the availability of a single document drawing together the main budgetary items of all levels of government, i.e. one that includes the regional governments. In a country as decentralised in terms of public spending as Spain, as decentralised or more so than other countries with a federal political structure, the preparation of this documentation is a fundamental requirement for the appropriate assessment of budgetary forecasts. According to the agenda set, this document will be available, at the European level, in the coming days. I shall therefore refer solely to the State and Social Security budgets.

The draft State budget for 2014 is set against a macroeconomic background in which real GDP is forecast to grow by 0.7%. This macroeconomic scenario, whose central forecast is export growth above 6%, is prudent and in keeping with the forecasts of most national and international agencies. It outlines a gradual recovery in activity and employment in a setting in which the ongoing budgetary adjustment and the deleveraging of households and firms will continue, and in which the competitiveness regained in 2012 and 2013 will not be lost.

In step with our European commitments, an overall general government budget deficit target, in National Accounts terms, has been set at 5.8% of GDP, against the figure of 6.5% forecast for 2013. In terms of the different agents, a National Accounts deficit target of 3.7% of GDP has been set for central government, against 3.8% in 2013, and in the case of the social security system and the regional governments the figures mark an improvement of 0.3 pp of GDP, taking the respective deficits to 1.1% and 1%. Local governments should maintain in 2014 the balanced budget already forecast for 2013.

As in previous years, three expenditure items – the public debt interest burden, pensions and unemployment benefits – will continue to condition budgetary programming. Indeed, while in the initial consolidated State budget for 2013 these three items accounted for around 18.2% of GDP, in 2014 they are expected to represent around 18.5% of GDP and close to 55% of total consolidated public spending. The budgetary adjustment will therefore continue to focus on government consumption, for which a real-terms reduction of 2.9% is projected in 2014 for overall general government, based partly on the civil servant wage freeze and on the extension of austerity policies in relation to public-sector employment; and, moreover, on the reduction in public investment. A further expenditure-containing factor will stem from the envisaged revision of pensions, set at 0.25%, in line with the floor established in the draft law defining the sustainability factor.

How do these figures compare with those for the euro area as a whole? In terms of GDP, the weight of unemployment benefits continues to stand far above the euro area average, as a result of our high unemployment. Interest payments on debt in Spain are also expected to exceed the euro area average, while spending on pensions would continue to be below the average, given that demographic developments in our country remain more favourable.

On the revenue side, a 2.4% increase in total tax receipts (including the share of regional and local government) is forecast, with very few tax changes. These are concentrated in the broadening of corporate income tax bases approved last June. In the case of personal income tax and VAT receipts, increases of 1.7% and 2.7% are projected. As to social security contributions, the main regulatory change consists of a 5% increase in the maximum contribution bases.

Progress in the reform of the banking system

Before concluding, I shall briefly mention the progress in the reform and strengthening of our banking system. This task is at the heart of the responsibilities and concerns of the Banco de España, and, as we all know, it has required a most considerable contribution of public funds.

At present we are at a most advanced phase in the ongoing recapitalisation and restructuring of our banking sector.

As you know, the starting point was in 2009, when the FROB (the Fund for the Orderly Restructuring of the Banking Sector) was created, and the process moved up a gear in 2011 further to Royal Decree-Law 2/2011 on the strengthening of the financial system, which raised capital requirements. But the decisive steps were taken in 2012, with Royal Decree Laws 2/2012 and 18/2012 on the clean-up of the financial system, the Memorandum of Understanding agreed in July with the European Commission, and the financial support facility of up to €100 billion annexed to this agreement; and, finally, Law 9/2012 on the restructuring and resolution of credit institutions.

Against this background, each bank's capital needs were identified on the basis of a rigorous stress test and, in accordance with the European authorities, restructuring or orderly resolution plans were drawn up and approved for those banks requiring them.

In 2012, backed by public financial assistance, the institutions classified under "group 1" of the Memorandum of Understanding were recapitalised, and their problem construction and real estate development-related assets were transferred to SAREB (the asset management company for assets arising from bank restructuring).

Into 2013, the "group 2" institutions subject to the exercise have been recapitalised, their troubled assets have been transferred to SAREB and the hybrid instrument management (burden-sharing) exercises have been conducted at all banks requiring them, except at one, where they began recently and will be concluded in the coming days.

The public financial assistance to financial institutions in various forms of capital, since May 2009, has risen to €61.37 billion, €38.83 billion of which were under the Financial Assistance Programme agreed with the European authorities. Verification by the international authorities of the fulfilment of the conditions agreed in the July 2012 Memorandum of Understanding, the last round of which concluded only a few days ago, confirms that the Memorandum and its deadlines have been strictly adhered to and that the main objective, the restructuring and recapitalisation of our banking system, has progressed satisfactorily.

As earlier stated, the Council of the European Union will shortly approve the Regulation governing the SSM, which will commence operating after a transitory period of one year. It is envisaged that more than 90% of the Spanish banking system, measured by volume of assets, will be supervised by the SSM.

Prior to the ECB effectively taking over supervisory responsibilities, a bank asset review and valuation is planned which will give rise to the requirement of a level of capital to be met by all banks subject to the review and, where necessary, to the setting up of additional coverage.

It is worth noting that our banks are starting from a very reasonable level, both from the perspective of the accounting classification of their assets, and from that of asset coverage and provisioning, the result of the review conducted last year under the stress tests and of the above-mentioned recapitalisation processes. Recently, banks' review of refinanced loans has also concluded, a process which contributes to shoring up their position ahead of the forthcoming evaluation of the quality of their assets.

Likewise, and once more with a view to reinforcing the solvency of our banking system, the Banco de España has recommended that banks moderate the distribution of dividends during 2013 and that, in any event, the cash dividends paid out should not exceed 25% of attributable consolidated profit. Naturally, all banks are following this recommendation.

The solvency position of Spanish banks has clearly improved in 2013. Average core capital in our banking system will stand at around 10.5% as at December 2013, more than 1 pp up on the same figure a year earlier.

Further, since the start of 2013 liquidity conditions at Spanish banks have improved, and there has been a re-balancing of their funding sources. This is the outcome of the diminished tensions on the sovereign debt markets and of improved confidence, along with the lesser fragmentation of euro area money and capital markets.

In this respect, retail deposits, which fell, especially in the summer months of 2012, have since been faring better. Since early 2013, they have been posting positive rates of change. The pick-up in deposits has seen the retail funding gap – i.e. the percentage of credit that banks cannot cover with deposits – narrow. That allows them to reduce the need to resort to less stable funding sources, such as the wholesale markets.

Against this backdrop, the resort to Eurosystem funding, though holding at still-high levels, has diminished most significantly from its peak last summer, registering a decline of 31% in the first eight months of 2013.

In terms of profitability, the exceptional drive by banks in 2012 to comply with provisioning requirements exerted a significant impact on their profit and loss accounts. Indeed, for the year as a whole, losses of over €40 billion were recorded. The first half of 2013 has marked a change in this tendency. Banks' consolidated profit rose to somewhat more than €8.2 billion, despite the fact that provisions continue to adversely affect profit and loss accounts in a period in which the proportion of non-performing assets remained high.

The signs of improvement in the sector are not free from risks. In a setting characterised by low economic growth, sluggish activity and relatively low interest rates, banking sector margins will continue to be subject to downward pressures. Foreseeably, moreover, doubtful assets will continue to increase in the short run, although their impact in terms of provisions will be less than in the recent past. Against this background, banks must persevere in their efforts to improve efficiency and contain operating costs. In particular, it is essential that banks subject to restructuring and recapitalisation plans strictly comply with the requirements established in those plans.

Conclusions

The difficulties the Spanish economy has been facing call for efforts to be made by all. The Budget you are to discuss is pivotal to the continuation of these efforts and to an exit from the crisis. The analysis I have attempted to convey seeks to show that these efforts are beginning to bear fruit in the gradual strengthening of the recovery. I believe if we manage to maintain the policy of expenditure control, structural reforms and the reinforcement of our financial system, the year 2014 may mark the start of the recovery in activity and employment.

Thank you for your attention.

4.10.2013.

1 OVERVIEW

During the third quarter, the gradual improvement in the Spanish economy seen since the beginning of the year continued, against a background of some easing in financial tensions and improved confidence. On the estimates made on the basis of the conjunctural information available, in the July-September period GDP grew by 0.1% quarter-on-quarter, following nine consecutive quarters of decline (see Table 1). However, in terms of the year-on-year rate of change, which measures the conjunctural situation with a lag, output fell by 1.2%. On the expenditure side, the decrease in domestic demand was similar to that in the previous quarter (0.3% quarter-on-quarter), while the contribution of net external demand to output rose by 0.4 pp.

The rate of decline of employment eased significantly in this period. A small quarter-on-quarter reduction of 0.1% (-3.1% in year-on-year terms) is estimated which, if confirmed, would be the least unfavourable rate recorded since the start of the crisis. At the same time, wage restraint is estimated to have continued. In conjunction with productivity, which is expected to slow slightly to 2% year-on-year, this would reduce unit labour costs further. Also, as approximated by the 12-month increase in the CPI, inflation posted a much greater-than-expected slowdown in Q3, especially in September, to stand at 0.3% (as against 1.5% in August). The stripping out from the index of the base effects of the increase in VAT rates and of the rises in administered prices in September 2012 explain most of this fall, although some unanticipated declines in the prices of unprocessed foods led to a further fall in the CPI in this latter month. The CPI excluding unprocessed food and energy, which better approximates the more stable underlying rate of inflation, ended the quarter at a year-on-year rate of 0.8% (1.6% in August). The inflation differential vis-à-vis the euro area turned negative (0.6 pp), so returning to levels similar to those before the increases in tax rates and administered prices introduced in 2012. With regard to economic policy, in September Parliament approved the Law to support entrepreneurs and their internationalisation, which seeks to foster business activity, innovation and the internationalisation of firms (see Box 4). The draft State budget for 2014 was sent to Parliament and two reports arising from the strengthening of fiscal-policy oversight at the European level to the European Commission: the *Effective Action Report* and the *2014 Budget Plan.*

Turning to the international economy, world economic growth slowed somewhat during the quarter owing to the slowdown in the activity of emerging economies, since the growth rates of the developed countries improved. Financial market developments were driven by the impact of the announcement of the withdrawal of monetary stimulus in the United States at the end of the previous quarter, which caused long-term interest rates to rise across the board and increased volatility in emerging markets during the summer, with stock market falls, sovereign spread increases and, in many cases, currency depreciation in those countries with a more vulnerable external position. From September, and following the decision of the Federal Reserve to keep its asset purchase programme unchanged, the instability receded somewhat. Inflation remained at moderate levels in the quarter as a whole, and the price of oil, after rising sharply until late August driven by the resurgence of tensions in the Middle East, turned downwards to stand in mid-October at around $110 per barrel.

In the euro area, the conjunctural information available suggests moderate growth in Q3, following an increase of 0.3% in the April-June period, the first rise after six quarters of

MAIN SPANISH MACROECONOMIC AGGREGATES (a)

TABLE 1

	2011	2012	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2013 Q1	2013 Q2	2013 Q3
National Accounts									
Quarter-on-quarter rate of change, unless otherwise indicated									
GDP	0.1	-1.6	-0.4	-0.5	-0.4	-0.8	-0.4	-0.1	0.1
Private consumption	-1.2	-2.8	0.2	-1.1	-0.7	-2.0	-0.5	0.0	0.1
Gross capital formation	-5.6	-6.9	-1.4	-3.2	0.2	-3.0	-1.4	-2.2	-0.1
Domestic demand	-2.0	-4.1	-0.5	-1.3	-1.0	-1.8	-0.6	-0.3	-0.3
Exports	7.6	2.1	-3.1	0.6	6.5	0.6	-3.8	6.0	0.4
Imports	-0.1	-5.7	-3.3	-2.2	4.6	-2.6	-4.5	5.9	-0.7
Contribution of net external demand (b)	2.1	2.5	0.1	0.8	0.6	1.1	0.2	0.2	0.4
Year-on-year rate of change									
GDP	0.1	-1.6	-1.2	-1.6	-1.7	-2.1	-2.0	-1.6	-1.2
Employment	-2.2	-4.8	-4.3	-5.1	-4.7	-5.0	-4.5	-3.8	-3.1
GDP deflator	0.0	0.0	-0.1	-0.1	0.2	0.0	0.9	0.7	0.8
Price indicators (year-on-year rate of end-period data)									
CPI	3.2	2.4	1.9	1.9	3.4	2.9	2.4	2.1	0.3
CPI excl. unprocessed food and energy	1.7	1.6	1.2	1.3	2.1	2.1	2.3	2.0	0.8
HICP	3.1	2.4	1.8	1.8	3.5	3.0	2.6	2.2	0.5
HICP difference vis-à-vis the euro area	0.3	-0.1	-0.9	-0.6	0.9	0.8	0.9	0.6	-0.6

SOURCES: INE and Banco de España.

a Information available up to 16 October 2013.
b Contribution to the quarter-on-quarter rate of change in GDP in pp.

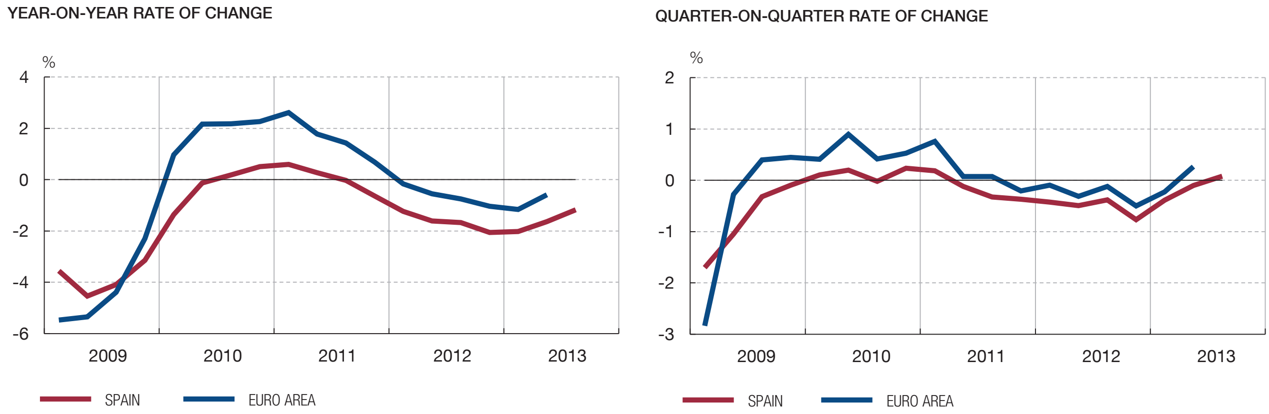
contracting activity. The improvement in euro area activity was accompanied by an easing of tensions on European financial markets and of market fragmentation, although sizeable differences remain in the degree of financial restrictiveness borne by countries owing to the difficulties monetary policy has in transmitting its impulses uniformly. Financial fragmentation is manifest in considerably tighter financing conditions for households and firms in the countries of the area where the economic situation is weaker. In turn, euro area inflation continued to ease, with the HICP posting a year-on-year rate of 1.1% in September. Price forecasts for the relevant monetary policy horizon place inflation rates at levels significantly below 2%, in a setting in which the area's growth outlook augurs a very gradual and low-intensity recovery.

Against this background, the ECB Governing Council decided to prolong the monetary policy expansionary stance, holding official interest rates unchanged at 0.5% for the main refinancing operations, and at 1% and 0% for the marginal lending and deposit facilities, respectively. The Council reiterated its intention to hold official interest rates at their current or at a lower level for a prolonged period of time, following the July decision to pursue forward guidance.

In late September, the European Parliament approved the legislation that will allow the Single Supervisory Mechanism to come on stream in November 2014. The coming months will be decisive for the construction of a Banking Union that strengthens the institutional framework of Monetary Union and helps overcome the current situation of financial fragmentation.

The Spanish financial markets also experienced the improvement seen at European level. This took the form of fresh declines in Spanish government debt yields and in their spreads

GROSS DOMESTIC PRODUCT (a) CHART 1



SOURCES: ECB, INE and Banco de España.

a Seasonally adjusted series.

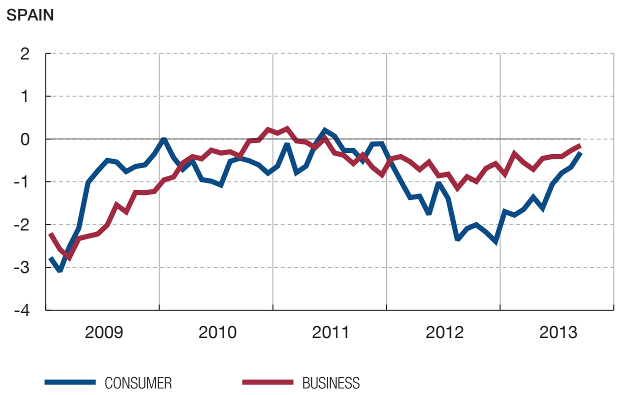
over German bonds: 4.3% in the case of 10-year bonds and 245 bp, respectively, at the cut-off date for this bulletin. Credit risk premia on securities issued by the private sector also fell. There was a reduction in volatility on stock markets and a surge in prices, meaning that the IBEX-35 posted gains of 28.8% from end-June (22.5% in the year to date). The as yet incomplete information on house prices in Q3 points to some easing in their rate of decline. Lastly, continuing progress was made in compliance with the Memorandum of Understanding, which laid down the conditions of the financial assistance programme for the recapitalisation of certain Spanish banks. Fulfilment is at a very advanced stage, as highlighted by the fourth evaluation of the programme.

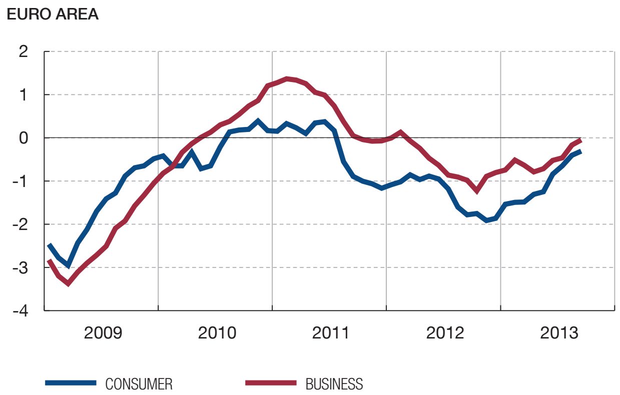
The pass-through of this improvement in non-financial private-sector financing conditions is, however, proving restricted, as shown by the interest rates on lending granted to households and firms, which scarcely changed during the quarter and remain at very high levels given the expansionary monetary policy stance. In any event, the improved external environment, in step with the recovery of the euro area, and the firming of the confidence indicators in the summer months contributed favourably to sustaining certain expenditure components; in particular, household consumption is estimated to be stabilising progressively and investment in equipment has continued to advance. Conversely, the government components of demand and residential investment are both expected to have fallen, although in the latter case at a more moderate rate than in Q2.

Specifically, a small increase in household consumption is estimated for Q3, against a backdrop in which, in addition to the factors highlighted, the performance of employment was somewhat less contractionary and might have contributed to lessening the pace of decline of disposable income. The notable slowdown in inflation over the summer is estimated to have helped underpin the relative improvement in household purchasing power in real terms. That said, the still-unfavourable labour market outlook and high household debt do not augur an appreciable recovery in consumption in the short run.

Residential investment is expected to have declined at a similar rate to the first half of the year, in a setting in which the demand for housing remained markedly weak, despite the notable rise in property purchases by non-residents. The tightness of financial conditions and the affordability of housing for a standard household continue to weigh considerably on residential investment decisions. On the supply side, the existence of a sizeable stock

CONFIDENCE INDICATORS (a) CHART 2





SOURCE: European Commission.

a Normalised confidence indicators (difference between the indicator and its mean value, divided by the standard deviation).

of unsold houses is hampering the recovery in new construction. Moreover, the financing extended to households fell at a year-on-year rate of 3.9% in August, somewhat down on the previous quarter (-4,3% in June), interrupting the path followed in the first half of the year. This pattern in the liabilities of households was compatible with a further decline in their debt/gross disposable income ratio.

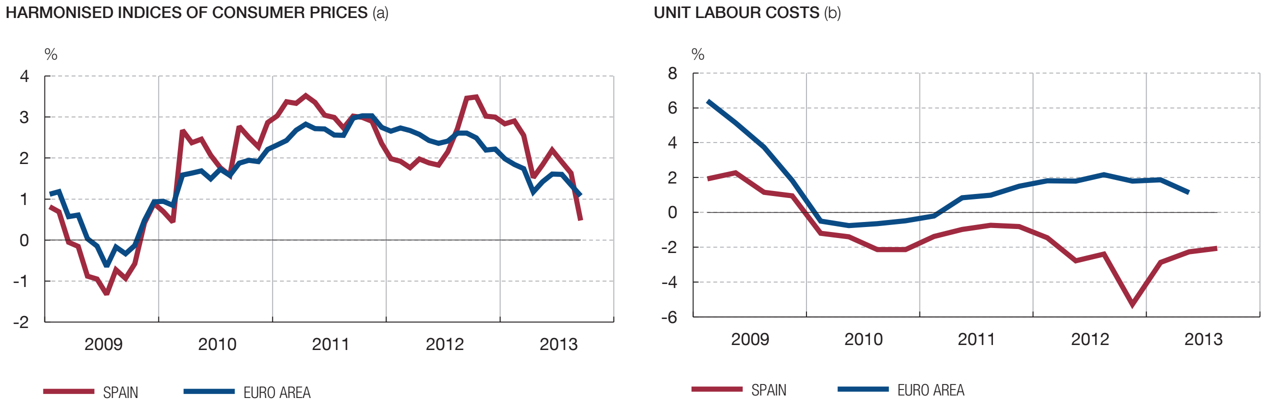
Business investment, for its part, continued on the improving path seen since the start of the year, underpinned by the incipient recovery in investment in equipment, for which slight growth is estimated for the third quarter running. Headway in confidence and the increase in orders accompanying the firmness of exports are activating this component of domestic spending. The rest of private investment, essentially routed into non-residential construction projects, continued to post negative figures. Lending to non-financial corporations contracted at a similar rate to that in Q2 (-9.5% year-on-year), although some increase was seen in the raising of funds through fixed-income securities issues. The non-financial corporations sector is also estimated to have seen its debt ratio fall.

The information on the budget outturn in 2013 Q3 is still limited, but appears to suggest the fiscal consolidation observed in the first half of the year has continued. However, some slowing in the adjustment of certain expenditure items is discernible, as is the case of government consumption and, in particular, employee compensation. Further, the pace of the pick-up in tax revenue is still insufficient to meet the objectives for the year as a whole, although the situation could be redressed if some of the measures adopted last year were to generate an additional contribution in the remaining months of 2013 or if there were an improvement in taxable bases underpinned by more favourable macroeconomic developments. Meeting the deficit target — at 6.5% of GDP — is pivotal to entrenching the improved perception of the Spanish economy and to shoring up agents' and markets' confidence.

On 30 September the government approved the draft State budget for 2014. This sets a deficit target of 5.8% of GDP, in line with the new path of adjustment approved by the July European Summit, which will entail a more contained consolidation drive in terms of the primary structural balance than in previous years. In turn, the public debt objective is set at a ratio of 98.9% of GDP, a figure that is illustrative of the scale of the task ahead. These objectives are to be met in a macroeconomic setting of a gradual recovery in activity.

PRICES AND COSTS

CHART 3



SOURCES: Eurostat, ECB and INE.

a Year-on-year rate of change.
b Per unit of output. Year-on-year rate of change calculated on the basis of seasonally adjusted series.

In addition, there has been a change in the criterion used for the revaluation of pensions, linked to the application of the indexation formula in accordance with the proposed sustainability factor, whose implementation is needed to move towards securing the medium-term sustainability of the pension system. Elsewhere, the entry into force of the law on the deindexation of the economy in 2014, which will essentially be applied to public prices, will contribute to curbing the inertia of certain public spending items.

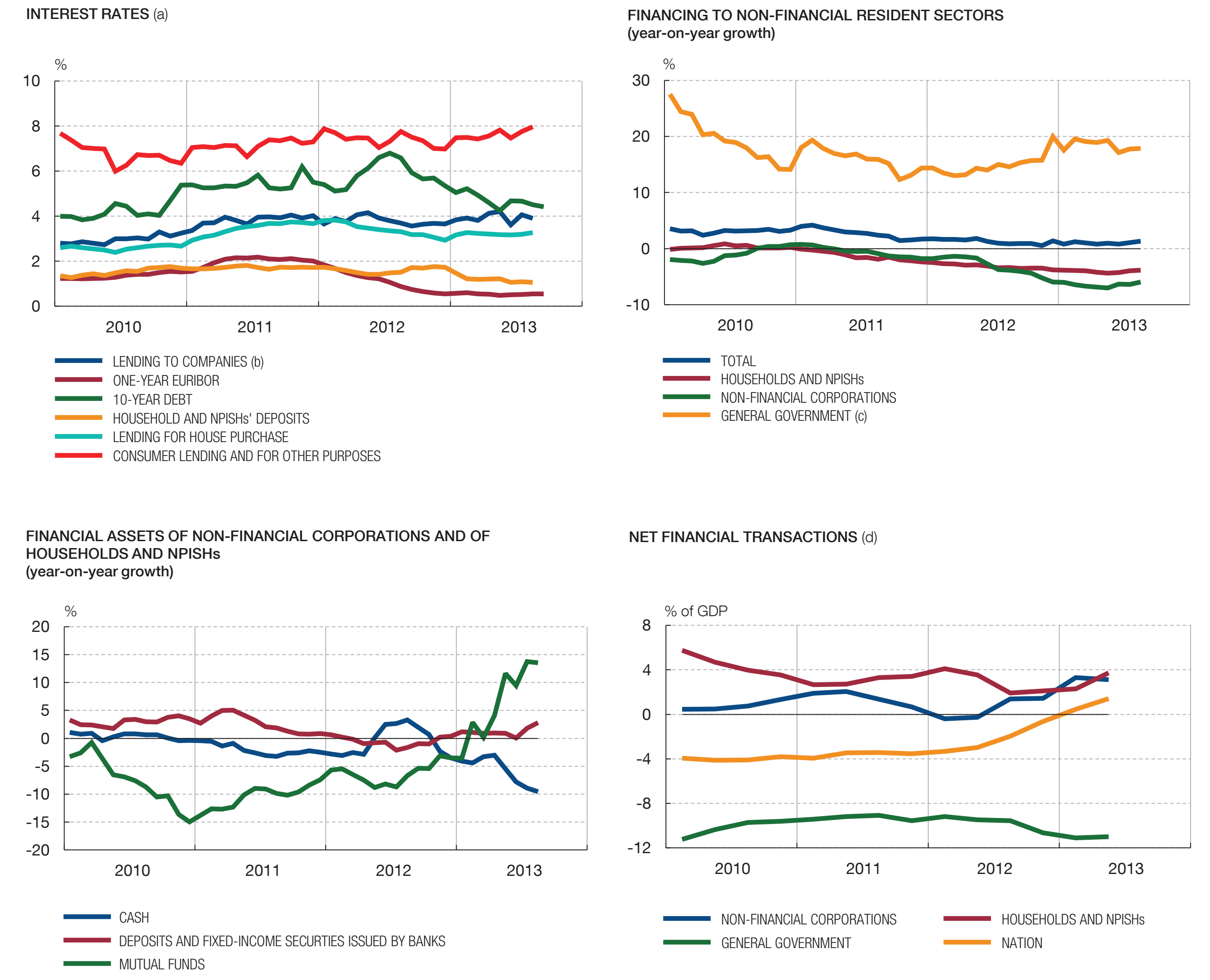
The State budget in question is the first to be drawn up following the entry into force of the recent reform of European budgetary governance. Further to this, and as part of their budgetary procedures, countries must send, sufficiently in advance, the main outlines of their draft general government budgets to the European Commission. Compliance with this requirement involves drawing up a document that encompasses the thrust of the central government and regional government budgets, which marks an important step forward in evaluating the fiscal consolidation strategy as a whole.

As has recently been the case, the foreign trade in goods and services enabled the decline in domestic demand to be offset. Net external demand is estimated to have contributed 0.4 pp to quarter-on-quarter GDP growth, as a result of some easing in exports, following the high figures posted in Q2, and a slight decline in imports. In any event, exports have performed favourably in the year to date, posting average growth of 6.6% in the first seven months of the year, outpacing the rate of expansion of our export markets, and highlighting the decisive role the adjustment in competitiveness is playing as a driver of this demand component. It is also important to stress the sharp recovery in tourism receipts so far in 2013. In turn, both goods and services imports continued to perform very sluggishly, in line with the fall-off in domestic demand. In step with these developments, the correction of the external imbalance continued apace. On the latest balance of payments figures, net lending of €4.5 billion was recorded in the January-July period, compared with net borrowing of €13.7 billion in the same period a year earlier. In cumulated 12-month terms, net lending to July amounted to €13 billion, representing 1.3% of GDP.

On the supply side, the various available indicators for the industrial sector and market services posted progressive improvements during the summer months. In industry, a slight increase in value added is estimated, based on momentum underpinned mainly by the rise

FINANCIAL INDICATORS OF THE SPANISH ECONOMY

CHART 4



SOURCE: Banco de España.

a In June 2010 the statistical requirements relating to interest rates applied by credit institutions to their customers were amended, potentially causing breaks in the attendant series. Of particular signifcance was the change in the interest rates on consumer credit and other loans, as a result of which, from that month, operations transacted using credit cards have not been included. APR for credit (includes fees and other expenses) and NDER (Narrowly Defined Effective Rate) for deposits.
b Weighted average of interest rates on various transactions grouped according to their volume. For loans exceeding €1 million, the interest rate is obtained by adding to the NDER, which does not include fees and other expenses, a moving average of such expenses.
c Consolidated financing: net of securities and loans that are general government assets.
d Four-quarter cumulated data. GDP is seasonally adjusted.

in foreign orders and on market services, where the distributive trade and accommodation and food service activities are trending favourably. In turn, the rate of contraction of employment slackened considerably mid-year. On the figures for Social Security registrations, this trajectory was across the board in terms of the different economic sectors, except in agriculture, and was particularly marked in the industrial and construction sectors. In this latter case, however, the declines in employment were still high. Registered unemployment continued on the progressively moderating path seen in recent quarters, and seasonally adjusted month-on-month declines were even posted in August and September.

The labour cost indicators available for Q3 continued to evidence the pattern of wage moderation seen since the beginning of the year. The average increase in wage settlements to September stood at 0.6% (1.1% last year), with somewhat lower increases in newly signed collective bargaining agreements (0.4%). Along with the scant weight the inflation indexation clauses are expected to bring to bear and with the expected sign of wage drift, these developments point to a similar course of compensation per employee over the rest of the year as in the first six months. This trend, which is likely reflecting a greater response by wage-setting to the cyclical situation of the labour market, is vital for helping ensure the incipient recovery in activity passes through forcefully to job creation.

18.10.2013.

The author of this article is Juan Ayuso of the Directorate General Economics, Statistics and Research.

Introduction[1]

In heavily banked economies like Spain's, bank lending to firms and households plays an important role in the country's economic development.[2] In general, bank lending and GDP tend to move in tandem (although the former lags somewhat behind the latter) as a result of a number of forces that act in one direction or the other. The contraction in lending to the private sector in Spain since 2009, against the backdrop of a double-dip recession, is another example of this correlation.

In these circumstances, it is useful to have a diagnosis of the situation that enables the main factors underlying the observed behaviour of lending to be identified and, in particular, that ascertains whether there are frictions or market failures that may be hampering private-sector access to financing and, consequently, economic recovery.

Following this introduction, this article analyses the determinants of recent developments in lending, confirming the importance that demand factors have had, along with the presence of certain supply-side constraints, which primarily affect SMEs. On the basis of this diagnosis, the third section of the article briefly reviews the instruments used in Spain and in other countries to stimulate lending to SMEs, helping to identify, in the fourth section, measures that would be worth exploring to improve the access of small firms to bank financing. The final section summarises the main conclusions.

The evolution of lending in Spain and its determinants

THE EVOLUTION OF LENDING

During the last upswing in the Spanish economy, lending by domestic credit institutions to Spanish firms and households grew sharply, reaching rates three times as high as the nominal rate of growth of the economy. With the onset of the crisis, the outstanding amount of bank credit to these sectors began to decline (see Chart 1), in the exceptionally contractionary cyclical context of a double dip recession. Following a slight moderation of the decline in 2010, linked to the modest recovery in economic activity recorded that year, the year-on-year rate of contraction tended to rise until May this year. Since then, the decline has begun to moderate, the rate of growth standing at -6.6% in August 2013, the latest date for which information is available.[3] The decline is proving steeper for non-financial corporations (9.4% year-on-year in August 2013), but lending to households is also declining (3.9%), as are, within such lending, loans for house purchase (4.2%) and consumer credit and other lending to households (3%).

Within the segment of lending to non-financial corporations, the contraction is observed across all sectors, although there is some dispersion in the intensity of decline. In June 2013, the latest date for which this type of breakdown is available, the year-on-year falls ranged from 17.9% in construction to 6.8% in non-real estate services. In real-estate services the decline was 9.1%, and for industrial companies 11.3%.

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1 This article is based on the analysis carried out by an internal working group set up at the behest of the Governing Council of the Banco de España, of which the author was Rapporteur.

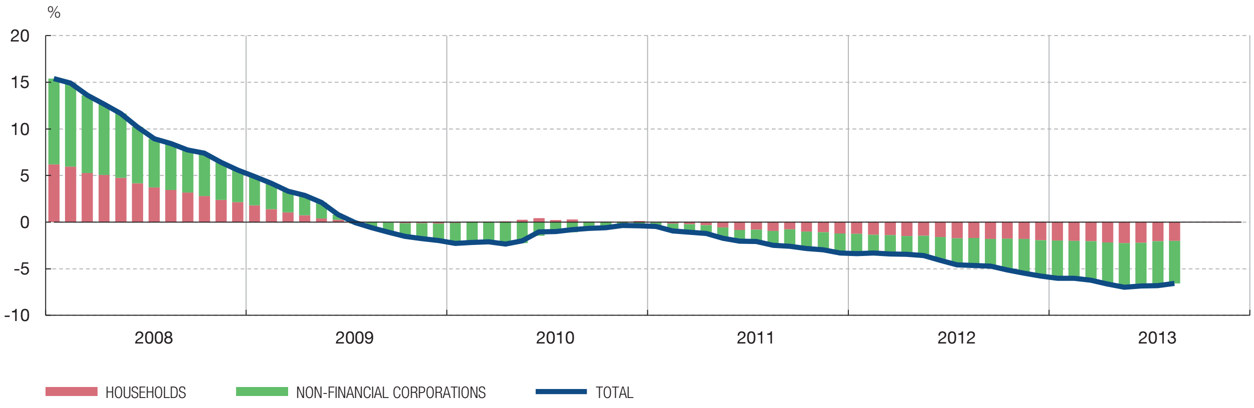
2 This article does not analyse sources of finance, basically corporate, other than domestic bank lending. Currently, the importance of other sources of financing (e.g. securities issuance and international lending) is low, except in the case of large multinational firms.

3 These rates are calculated excluding all the changes not associated with normal flows of financing, such as the transfer of loans to Sareb, which occurred in December 2012 and February 2013, and written-off loans.

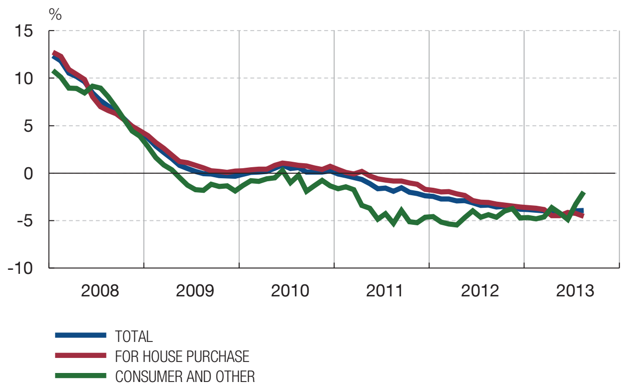
RECENT DEVELOPMENTS IN LENDING

CHART 1

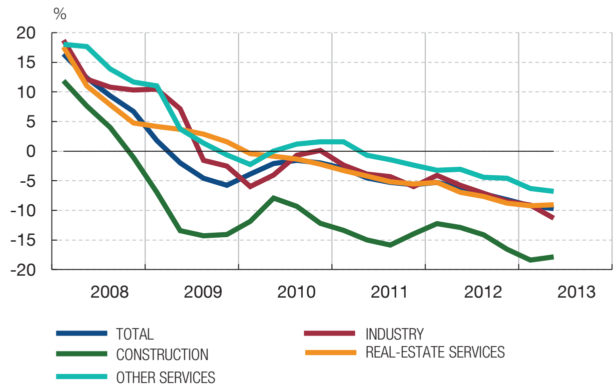
LENDING TO HOUSEHOLDS AND NON-FINANCIAL CORPORATIONS
Year-on-year growth rate and contributions



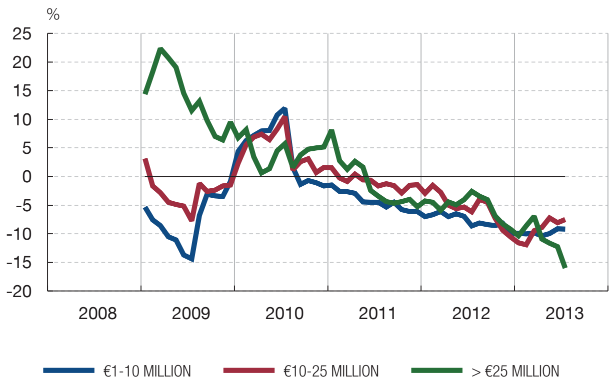
LENDING TO HOUSEHOLDS
Year-on-year growth



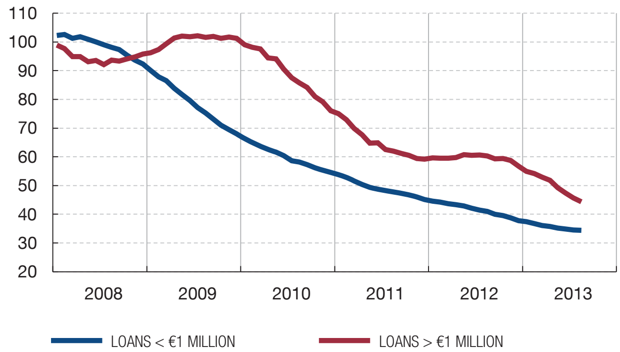
LENDING TO PRODUCTIVE ACTIVITIES OTHER THAN FINANCIAL SERVICES
Year-on-year growth



LENDING TO FIRMS OTHER THAN CONSTRUCTION AND REAL-ESTATE DEVELOPMENT FIRMS (a)



NEW LOANS TO NON-FINANCIAL CORPORATIONS (b)
2007 average = 100



SOURCE: Banco de España.

a Classified according to the total volume of debt recorded at the Central Credit Register (CIR).
b 12-month moving averages.

Analysis of the behaviour of lending in terms of firm size is hampered by the absence of sufficiently detailed statistics, available without long lags, that enable loans and firm size to be linked. In these circumstances it is usual to use the volume of loans (in particular, the amount of the debt recorded in the Central Credit Register) as an indicator of company size. The bottom left-hand panel of Chart 1 shows falls in credit in all segments since 2011, which are generally somewhat larger for companies with lower absolute levels of debt, among which SMEs are likely to be prominent.[4, 5]

An alternative approximation to the growth of lending by size of company can be obtained from the statistics available on interest rates, since they contain information on flows of new loans, distinguished by the volume of the transaction. In this case, the assumption on which the separation between SMEs and other firms is based is that transactions with an amount of less than €1 million will largely correspond to financing to SMEs, while loans of larger amounts will primarily be made to large firms. The bottom right-hand panel of Chart 1, which shows the volume of transactions broken down in accordance with this criterion, also points generally to somewhat more contractionary behaviour by lending to SMEs as against lending to large companies, although the differences are again clearer in 2009.

As regards interest rates on new lending, the spreads with respect to reference market returns have widened significantly since 2008. Again, the increases have been seen across the board, although they have been more notable in those segments with a higher level of relative risk and in which it is likely that the crisis has contributed more to the increases, as is true of consumer credit and other lending, in the case of households, and loans to SMEs (approximated on the basis of transactions with an amount of less than €1 million), in the case of corporations. Chart 2 shows how the cost of credit for Spanish firms and households has been diverging from its level in the core euro area countries. This spread is relatively narrow in the case of loans to households for house purchase, somewhat more significant in the case of loans to corporations with a value of over €1 million (a segment that approximates financing to larger companies, as seen above) and very notable in the case of small loans to corporations and consumer credit and other lending.

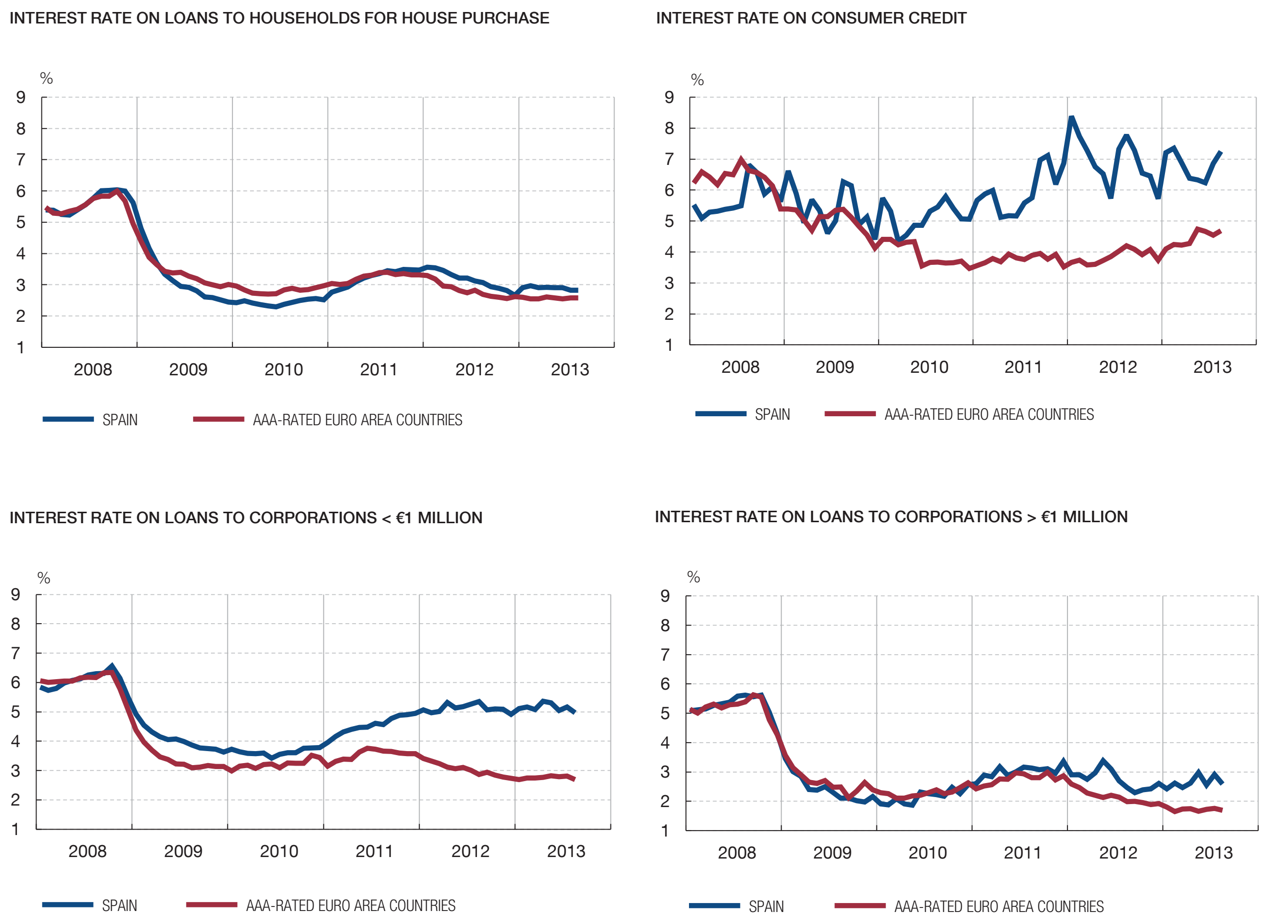
THE DETERMINANTS OF THE EVOLUTION OF LENDING

When analysing the factors explaining this sharp contraction in lending in Spain it is useful to distinguish, if only for the purposes of exposition, between demand and supply elements. Among the former, it is essential to take into account the sharp rise in the indebtedness of Spanish households and non-financial corporations during the last upswing, which strongly outpaced the growth in their incomes and which led to excessively high debt ratios. With the economic and financial crisis, the build-up of this macroeconomic imbalance was followed by a prolonged correction. However, despite the progress made, a comparison of current levels of indebtedness with the average euro area levels suggests that the process is still far from completion (see Chart 3). The consequent need to rebalance the relative weight of equity and borrowed funds in the financing of present and future spending plans represents a brake on the aggregate demand for credit. Indeed, correction of the over-indebtedness of the private

4 For this exercise, companies in the construction and property development sectors have been excluded, since the evolution of lending to these companies is dominated more by sector-related factors than by firm size. The sector breakdown (services, industry, etc.) basically displays a very similar pattern to that of the aggregate presented in this panel of Chart 1.

5 In any case, it should be taken into account that over the last few years larger companies have replaced bank loans by funds raised on the markets, so that the growth of the total financing (loans plus securities) of these firms is higher than would be deduced from the analysis of bank lending. Thus, for example, the sharp slowdown in bank lending in recent months to this group of companies, which can be seen in the lower left-hand panel of Chart 1, may be related to this phenomenon

LENDING RATES: SPREADS OVER CORE EURO AREA (a) CHART 2



SOURCES: ECB and Banco de España.

a The interest rates are NDERs. Operations with initial rate fixation period of less than one year.

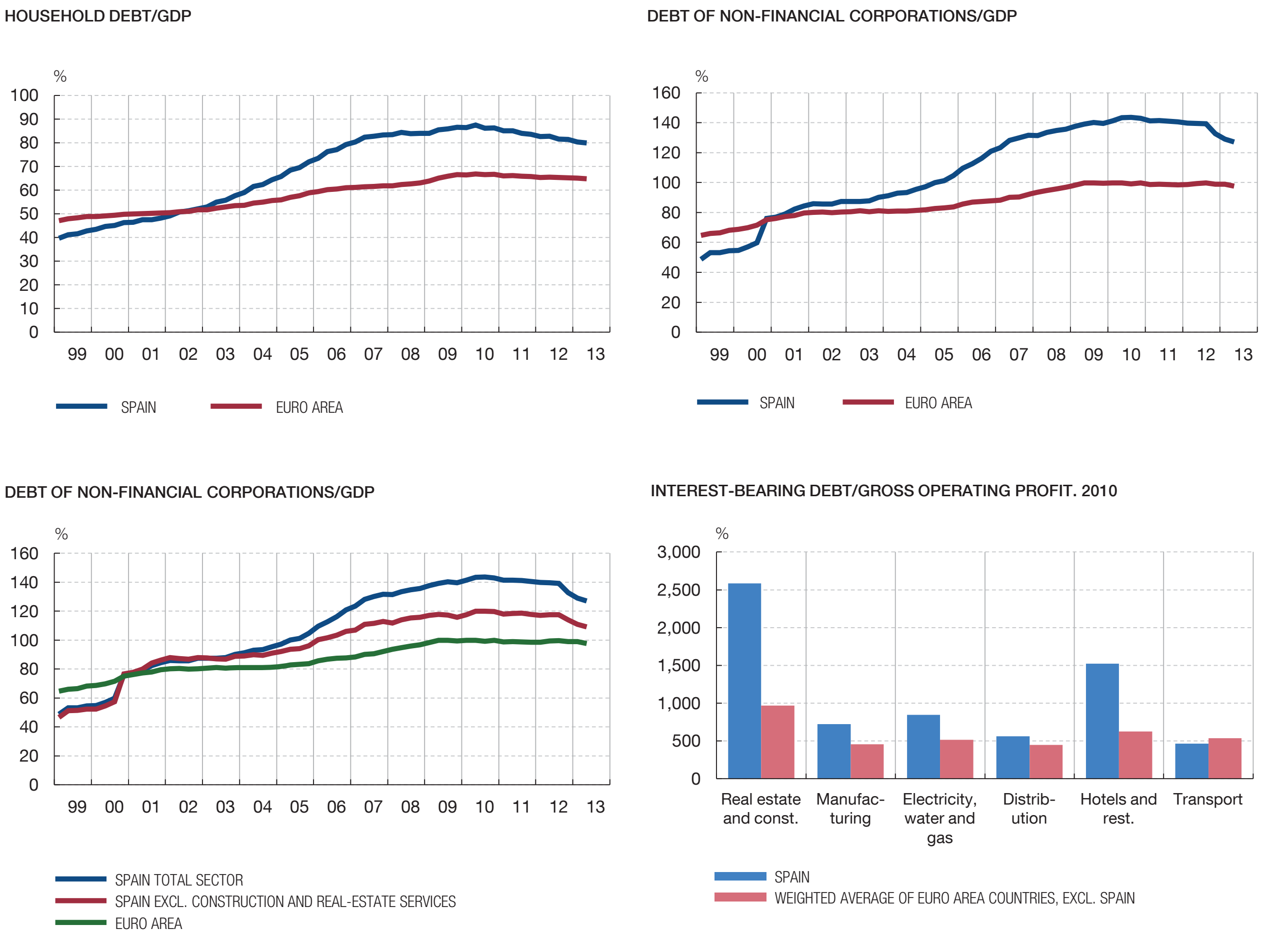
sector and adjustment towards sustainable debt ratios will mean that, for a certain period of time, credit in Spain will tend to grow, on aggregate, more slowly than activity and income.

It is important to point out that, in the case of firms, a significant portion of the growth of debt during the upswing was linked to sectors related to the real-estate market. However, excess debt is not confined to these companies, but is a problem that affects the rest of the sectors too (see the bottom panels of Chart 3), albeit less severely.

A second important demand-side factor relates to the adverse evolution of the current and expected income of borrowers, which limits current and planned spending levels and, in consequence, the need for loans with which to finance them. Likewise, the high uncertainty existing with respect to such future income also has a negative effect on spending plans (especially large purchases and corporate investment) and on the demand for credit. At the same time, the decline in incomes also generates an imbalance between current income and expenses, which firms and households will seek to cover, in the first instance, through borrowing. That said, it is important to determine, in this case, whether the imbalance is temporary or whether, in contrast, it stems from factors of a more structural and permanent nature. Clearly, in the latter case, meeting this insolvent demand for credit would amount to postponing a necessary adjustment in order to ensure that the economic recovery is sustainable.

DEBT RATIOS

CHART 3



SOURCES: ECB, Bank for the Accounts of Companies Harmonised and Banco de España.

On the supply side, the main factors that have a bearing on the evolution of credit basically include those relating to the situation of Spanish financial institutions, but also some linked to the credit quality of borrowers. Among the factors relating to the situation of institutions, is their financial position, which has recently improved as a result of the restructuring and recapitalisation of the sector. The capital of institutions is comfortably above the minimum levels required by Spanish law, while net exposure to the real-estate sector has been significantly reduced, mainly thanks to the large volume of provisions made in 2012 and to the transfer of assets to Sareb. These levels should not, in principle, entail a significant constraint on lending. That said, it cannot be ruled out that lending through this channel is still somewhat constrained by the prospects of weak economic growth, a regulatory environment in which some elements of uncertainty still persist and a certain pressure from international investors.

A second factor that has a bearing on the supply of credit is banks' liquidity position. When the financial tension in the Spanish economy was at its height in the summer of 2012, the policy of generous provision of Eurosystem liquidity and the availability of collateral to Spanish banks counteracted the effects of the drying up of external financing that was experienced at that time. Since then, the tensions in financial markets have subsided significantly and some Spanish institutions have been able to resume their securities issuance. Along with the positive evolution of deposits, these developments have mitigated the liquidity tensions, as has been clearly reflected in the appreciable reduction in borrowing from the central bank, including the early repayment of a significant part of the long-term liquidity obtained at the Eurosystem's special tenders of three-year funds. In addition, the ECB's policy of generous liquidity provision remains active, having been renewed in May this year, literally, for as long as necessary and, at least, until summer 2014. Thus, it seems unlikely that liquidity-related factors currently amount to a significant obstacle to bank lending.

Another relevant factor is the cost of borrowing of banks. Although, in parallel with the easing of tensions, this cost has fallen since summer 2012, it is still higher than in the core euro area countries. This differential is largely the result of European financial market fragmentation caused by the crises. The tensions in sovereign debt markets accurately reflect this fragmentation and the rate of interest on government securities usually acts as a floor for private-sector financing conditions. Moreover, this situation also affects retail deposits and, although there has been a certain reduction, the level of the average interest rate on new deposit transactions with households and non-financial corporations in Spain is still higher than in those euro area countries that enjoy an AAA rating. The banks pass these higher borrowing costs through to their lending operations, thereby reducing their customers' access to credit. In addition, the high interest rates on government debt act as a floor for the (risk-corrected) returns above which banks consider lending to the private sector worthwhile.

The existence of banks under restructuring is another factor that, at least potentially, affects the evolution of lending, since this group of banks must comply (on account of their having received public funds from the FROB) with plans that envisage a reduction in the outstanding amount of loans on their balance sheets over the next few years. Also, the mergers and acquisitions that have in certain cases accompanied these plans may affect those loans in which the customer-borrower relationship is especially close. One might expect, however, that part of this decline would be absorbed by those banks not subject to restrictions. The evidence available shows that between 2011and 2012 lending was already more contractionary at banks under restructuring than at other banks and that "dependent firms" (those that in December 2010 had outstanding loans from banks under restructuring) were able to replace around 65% of the credit that they failed to receive from the banks under restructuring with funds from other banks.[6] The substitution is thus not complete and varies from firm to firm according to their characteristics. It was lower in certain segments, especially in the small firm one. In the medium term, however, the positive effects on confidence in the Spanish financial system, stemming from the balance sheet clean-up and restructuring of the banks, should predominate over the contractionary effects on the supply of bank lending that may occur in the short term.

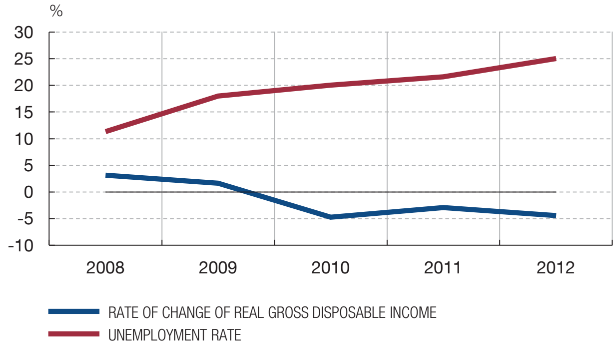
In addition to the factors relating to the situation of institutions, the crisis has led to a deterioration in borrowers' credit quality (see Chart 4), with adverse effects on their financing conditions. This factor is especially relevant in the SME segment since, on average, the credit quality of these firms is lower and they have greater difficulty providing the necessary information for banks to be able to readily distinguish solvent from more risky firms. This is particularly prejudicial, especially in the case of newly formed companies and companies attempting to establish relationships with new lenders. In this context, therefore, it is not unlikely that some SMEs face more restrictive financing conditions than would be justified by their solvency. The deterioration in credit quality and the divergence between firms according to their size is clearly seen in the data on non-performing loans and in the frequencies of default (see Chart 5).

6 For further details, see Box 6.1 of the 2012 Annual Report of the Banco de España.

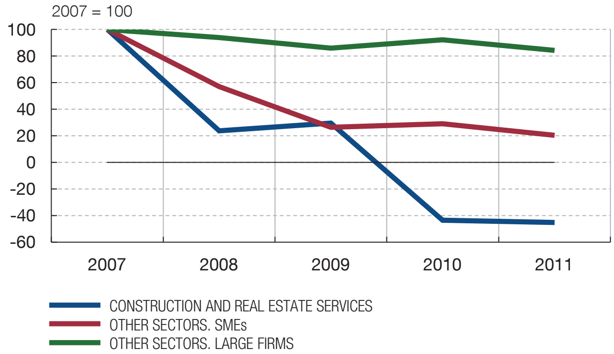
CREDIT QUALITY

CHART 4

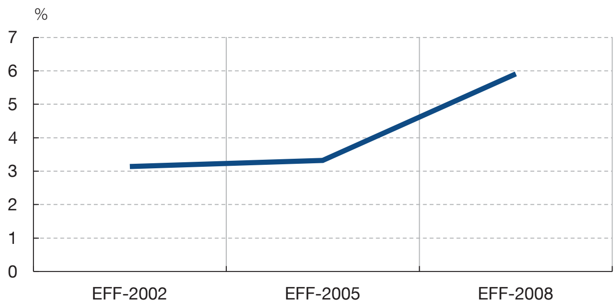
HOUSEHOLDS



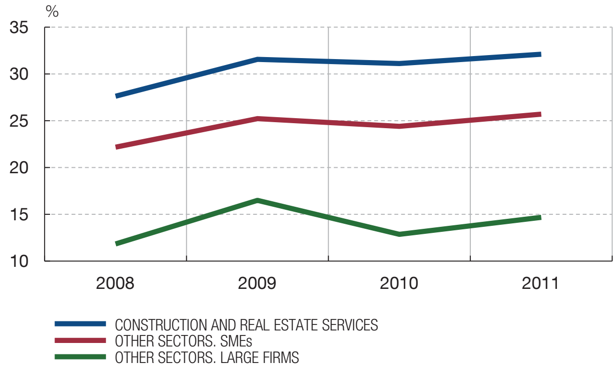
NON-FINANCIAL CORPORATIONS (a)
Ordinary net profit



PERCENTAGE OF HOUSEHOLDS WITH A DEBT PAYMENTS/INCOME RATIO OF OVER 40% (b)



PERCENTAGE OF FIRMS WITH INCOME LESS THAN FINANCIAL COSTS (a) (c)



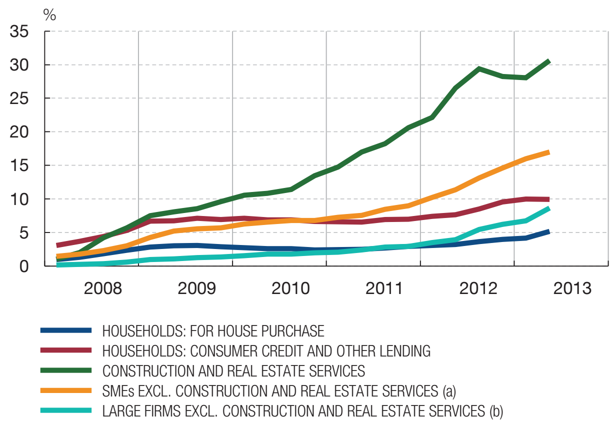
SOURCE: Banco de España.

a Based on integrated data of the Central Balance Sheet Data Office, which include the data reported to the annual survey (CBA) and the data from the accounts filed with the mercantile registries (CBB).
b Debt payments include redemption and interest payments.
c Percentage of firms for which the sum of gross operating profit and financial revenue is less than financial costs.

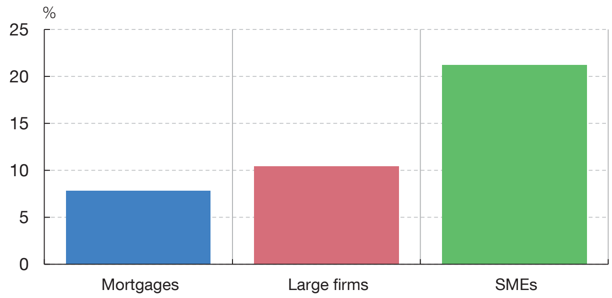
DOUBTFUL LOANS AND PROBABILITY OF DEFAULT

CHART 5

RATIO OF DOUBTFUL LOANS TO TOTAL LOANS



PROBABILITY OF DEFAULT (c)
2012-2014



SOURCE: Banco de España.

a Approximated by the ratio of doubtful loans to total loans of firms with total debt recorded by the Central Credit Registry of between €1 million and €10 million.
b Approximated by the ratio of doubtful loans to total loans of firms with total debt recorded by the Central Credit Registry of more than €25 million.
c See Box 2.3 of the Financial Stability Report of May 2013.

Furthermore, the decrease in the value of the assets (particularly real estate) normally used as collateral also reduces the availability of financing for this sub-sector. It should be taken into account that the proportion of loans to SMEs that are collateralised has tended to grow since the crisis began, rising from nearly 20% to nearly 30% for non-real estate related firms.

Although this separation between demand and supply factors is not immediately transferable to the empirical arena, there are certain indicators which allow us to test, albeit only roughly, the plausibility of the above analysis. Thus the responses of Spanish firms to the Bank Lending Survey (BLS) confirm the presence of both demand and supply factors in the fall in credit of recent years. According to these responses, loan applications have decreased in all segments (SMEs, large firms, loans for house purchase and consumer credit and other lending). They also reveal that standards for the approval of new loans have tended to tighten since the beginning of the crisis, while credit conditions (especially the spreads applied) have become harsher. Among the factors explaining these supply developments, the BLS respondents emphasise the deterioration in the perception of credit risk and the difficulties accessing financing in the markets, in line with the conclusions reached in the above discussion.[7]

From the standpoint of borrowers, the ECB survey on the access to finance of SMEs in the euro area (SAFE) shows, for Spanish firms, a decrease in the perceived availability of bank loans and a loan application denial rate that is consistent with a tightening of supply conditions and a worsening of credit quality, which is more pronounced for SMEs than for large firms.[8]

Another useful way of assessing how the volume and cost of credit have behaved in Spain is to compare the observed course of these variables with the projections obtained from the models that reflect in aggregate terms the historical relationship between these variables and the supply and demand factors which determine them, although the usual specifications tend, in general, to be dominated by demand-side factors. The results of this exercise, using the models of the Banco de España, for credit volume are shown in Chart 6. In 2012, the total credit to households and non-financial corporations contracted slightly faster than would be expected from the behaviour of its determinants, which include the interest rates of each loan type, macroeconomic variables (consumption, investment) and house prices. The sectoral breakdown shows that the fall not explained by the model is larger for firms than for households, suggesting that the frictions (presumably on the supply side) constraining the dynamism of bank lending may be comparatively more important for firms.

Chart 7 shows the results of an equivalent exercise for interest rates. In this case, comparing observed behaviour with the behaviour expected on the basis of the historical relationship with their determinants shows more marked differences.[9] Indeed, in the corporate lending segment, the projections show a decrease from mid-2011, which is consistent with the easing of monetary policy during this period, while the observed interest rate currently stands somewhat above its mid-2011 level. To determine to what extent the part not

7 For further details, see the quarterly articles summarising the main results of the BLS published in the Banco de España's Boletín Económico.

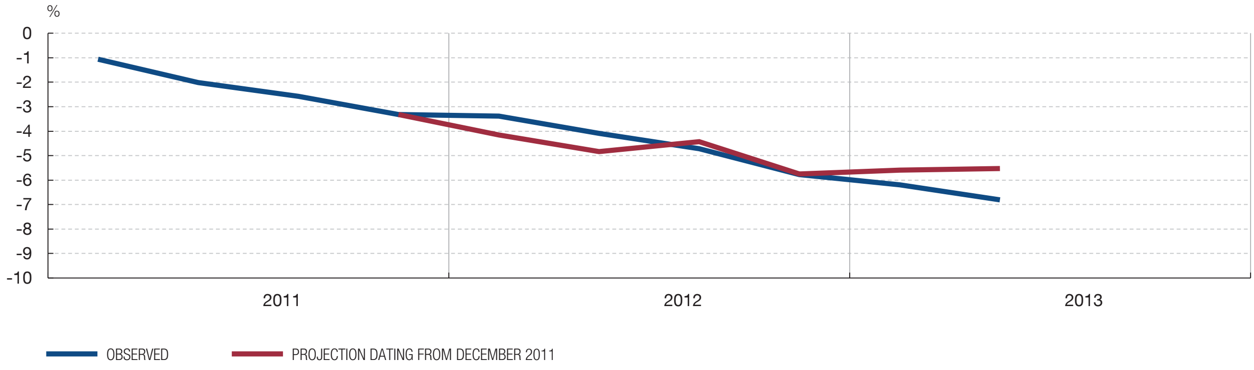
8 For further details, see Menéndez and Mulino (2012) and Recuadro 5 of the "Informe Trimestral de la economía española", Boletín Económico, July-August, Banco de España (2013).

9 The main variables included in this model are interbank interest rates and the unemployment rate. The latter is included to capture the effects of the worsening of the macroeconomic situation.

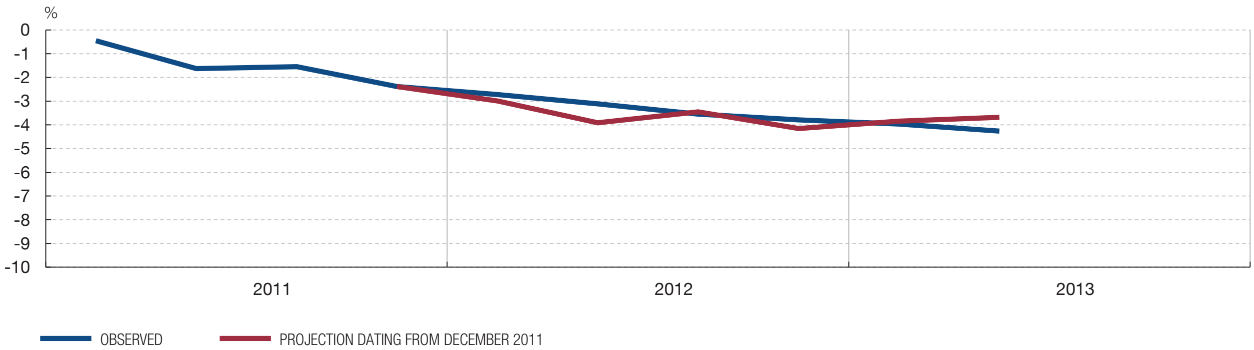
CREDIT. OBSERVED AND ESTIMATED CHANGES

CHART 6

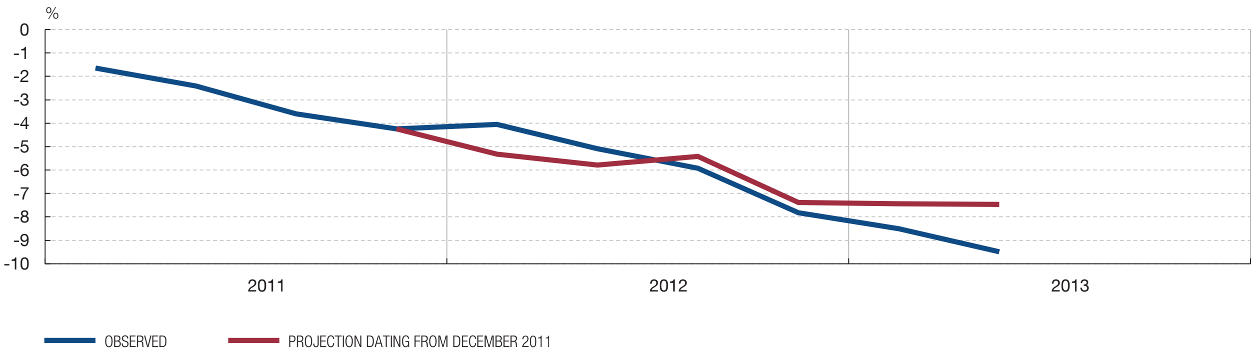
CREDIT TO HOUSEHOLDS AND NON-FINANCIAL CORPORATIONS
Year-on-year growth



CREDIT TO HOUSEHOLDS
Year-on-year growth



CREDIT TO NON-FINANCIAL CORPORATIONS
Year-on-year growth



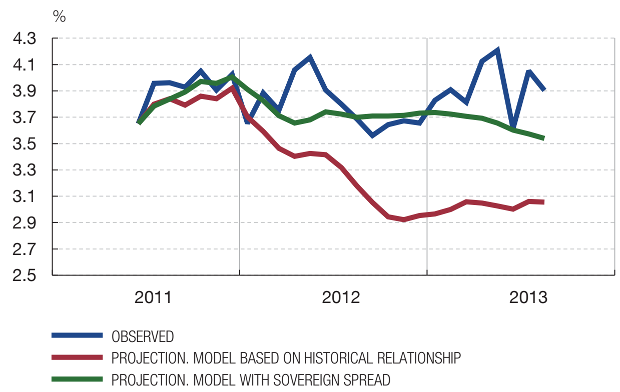
SOURCE: Banco de España.

explained by the model has to do with the fragmentation of European financial markets, the chart shows the projections based on an alternative model which includes the sovereign spread (as a variable to capture the problems of financial fragmentation) and interbank interest rates. Adding this variable allows the observed behaviour to be better replicated, although in recent months the gap between the two time series has widened, since interest rates have moved somewhat above those indicated by this model. This evidence suggests that the anomaly in the recent behaviour of the cost of credit is largely linked to financial fragmentation in the euro area.

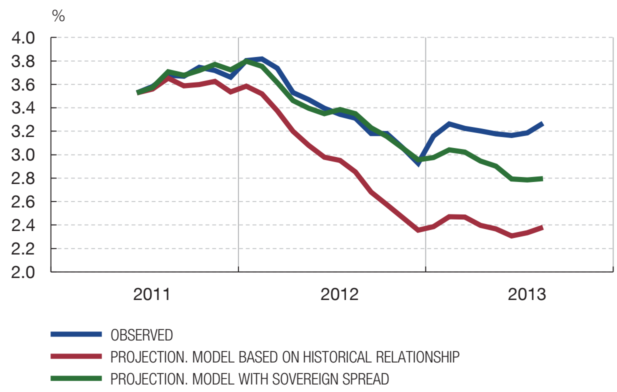
INTEREST RATES. OBSERVED AND ESTIMATED CHANGES

CHART 7

INTEREST RATE ON LOANS TO NON-FINANCIAL CORPORATIONS



INTEREST RATE ON LOANS TO HOUSEHOLDS FOR HOUSE PURCHASE



SOURCE: Banco de España.

In short, the results of the analysis suggest, first, that demand factors, and in particular the need for Spanish households and firms to reduce their still high levels of indebtedness, are playing a dominant role in the evolution of credit. That said, at the aggregate level, the process of deleveraging can and must be compatible with an efficient redistribution of funds to the most productive and least indebted agents, for which credit should indeed grow. There is some recent evidence that this redistribution is taking place.[10]

In addition, frictions have been identified on the supply side, notably the high cost of borrowing of banks (which obviously affects the price that households and firms pay for funds), linked to the fragmentation of European financial markets. The deterioration in the credit quality of borrowers, associated with the business cycle, is also holding back the recovery of lending.

From the analysis carried out, it can be inferred that the main economic policy measures that could be taken to stimulate lending and reduce the supply-side frictions go beyond those confined to the market for bank loans. The most important and effective measures are those to reduce the degree of financial fragmentation in the euro area (e.g. moving towards a banking union) and to strengthen the economic recovery in Spain (e.g. the structural reforms being undertaken in various markets). However, the analysis also shows that some of the supply-side frictions have particularly serious consequences for a specific sector: SMEs. It is therefore necessary to explore and take measures specifically targeted at this segment.

Initiatives taken in Spain and other countries to boost the growth of lending to SMEs

This section reviews the main measures taken in Spain and other European countries to stimulate lending to SMEs. The review distinguishes between those measures basically intended to facilitate access by banks to funds which can then be lent to SMEs, and those intended basically to mitigate the effects of the credit risk of these firms on the terms and conditions imposed by banks.

MEASURES TO FACILITATE BANKS' ACCESS TO FUNDS TO LEND TO SMES

Policies to make bank loans to SMEs less expensive

One way to improve the financing conditions of SMEs is to provide banks with funds under more advantageous conditions, provided that those funds are used to make loans to SMEs. In Spain the most notable instruments in this respect are the ICO (Instituto de Crédito Oficial – Official Credit Institute) intermediation facilities. Through these facilities

10 See Box 6.2 of the *2012 Annual Report* of the Banco de España.

the ICO provides funds to banks at a lower cost than that available to them, but on the condition that the funds are lent for a certain kind of activity or to a certain type of firm, including SMEs.[11] In these transactions, the banks assume in full the credit risk of the loan and charge a premium to remunerate their operating costs and the credit risk assumed. The ICO sets a ceiling for this premium, which currently stands at about four percentage points after being increased in early June.

At the international level, there are many examples of instruments with similar characteristics. For example, both the European Investment Bank (EIB) and the German government agency Kreditanstalt für Wiederaufbau (KfW) have this type of product. In some small loans (particularly to start-up companies) KfW assumes a significant part of the debtor credit risk. The sharing of risks in relatively small loans is also common in the case of the French OSEO,[12] which offers financial support to SMEs mainly in the initial stages of their life.

Taking a different approach, the Bank of England and the UK Treasury developed in mid-2012 the "Funding for Lending Scheme" (FLS) programme, with the aim of improving the access to credit of households and non-financial corporations. As initially conceived, each bank participating in the programme could request a volume of FLS funding, on advantageous conditions, related to the total amount of its portfolio of loans to the non-financial private sector as at end-June 2012 and to the growth in this amount between that date and December 2013. A fixed fee was set for access to these funds, but the extent of the subsidy depends on the percentage growth of the institution's lending, so that there is an incentive to increase lending. In April this year the programme was revised to place more emphasis on SME loans. Although it is still too soon to assess its effectiveness, the evidence available so far suggests that the impact of the programme is somewhat clearer on the cost of borrowing than on the amounts available.

Prudential regulation measures

For a credit institution, the total cost of an SME loan depends also on how the loan is treated in the calculation of its capital requirements. In this area, Spanish regulation is harmonised with that of other EU countries and includes a discount factor for retail SME loans. This is an indirect way of stimulating the growth of lending to smaller firms. The definition of SME for this purpose is, however, not uniform throughout Europe and, in the case of Spain, until the approval of Banco de España Circular 4/2013, in late September this year, it was more restrictive than recommended by the European Commission (EC).[13]

The new EU regulation on capital requirements, which will transpose in Europe the Basel III accord and come into force in 2014, includes a new discount factor for SMEs (defined in terms of the turnover criterion in the EC recommendation).[14] In Spain, this discount factor has been applied several months early through the approval of the Entrepreneurs' Law (Law 14/2013 of 27 September 2013 to support entrepreneurs and their internationalisation), which came into force in late September.

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11 For further details of the characteristics of these instruments, see García-Vaquero (2013).

12 The OSEO is a holding company with the status of a government agency (reporting to the Ministry of Economy, Finance and Industry and to the Ministry of Higher Education and Research). Recently this company and other government agencies have been brought under the umbrella of Bpifrance (government-owned investment bank).

13 The EC Recommendation, for example, sets the threshold for the number of workers at 250, whereas the Spanish General Chart of Accounts for SMEs sets it at 50. The thresholds for turnover and balance sheet size are also more generous in the Recommendation (€50 million and €43 million, respectively, compared with somewhat less than €6 million and €3 million).

14 Specifically, the capital required will be that obtained using the present formulas, but multiplied by 0.7619.

From a different standpoint, it should also be noted that the refinancing of loans consumes funds which otherwise would be available for new loans. It is important that such refinancing should not take place to the detriment of households and firms in a better position to invest and generate economic growth. The Banco de España has been requiring the early recognition of potential unrealised losses and, consequently, an appropriate and prudent refinancing policy.[15] To the extent that these rules contribute to reducing the risk posed by an excessively lax refinancing policy, they foster a reallocation of credit to more solvent borrowers.

Securitisation of SME loans

Another fairly common way of reducing the cost of SME loans is to securitise them. Securitisation increases the degree of liquidity of the loan and reduces (in certain circumstances) the capital charge. In Spain, special purpose entities securitising loans to SMEs ("FTPYME" by their Spanish abbreviation) purchase loans (basically to SMEs) and finance their purchase through the issuance of marketable bonds which they place with investors. These securities are eligible for a State government guarantee of up to 80% of their amount if they meet certain requirements, including the following: at least 50% of the loans securitised must be to SMEs, the banks securitising these loans must reinvest at least 80% of the liquidity obtained in fresh financing to SMEs within two years and the bonds issued by the special purpose entity must have a credit rating of at least A1 or A+.

The activity of this segment was relatively important before the crisis, but in 2010 and 2011 it decreased significantly, and since the beginning of 2012 there have been no new transactions. Various factors contributed to this. First, the negative influence of the US subprime and securitisation crisis, since FTPYME bonds are, after all, "asset-backed securities". Also, against a background of sovereign debt crisis, the value of the guarantee of the Spanish State has been affected by the downgrades of its credit rating, which have also dragged down the ratings of most resident issuers. In the case of FTPYME bonds, ratings have been revised further downwards due to the deterioration of the underlying portfolios.

Looking at international experience, the picture is generally not very different. Before the crisis, OSEO in France and, above all, KfW in Germany were very active in securitising and transferring the risk associated with SME (and house purchase) loans from commercial banks to bond investors. However, since then many securitisation segments of the European markets have collapsed.

Recently, the EIB announced its intention to step up the financial support to SMEs in a joint initiative with the EC. More specifically, it suggests three possible approaches, including some based on the securitisation of SME loans, under which EIB and European funds (structural funds, in particular) would be used to acquire some of the asset-backed securities generated.

MEASURES TO MITIGATE THE EFFECTS OF THE SME RISK ON SME FINANCING CONDITIONS

Government guarantees to cover the risks on loans to SMEs

Another mechanism helping to stimulate the flow of financing to SMEs is the granting of government guarantees to cover, at least partially, the risk inherent in lending to firms of this kind. From an operational standpoint, guarantees can be provided for different

15 In September last year it introduced new transparency requirements on the volume of refinanced and restructured loans and on their credit risk classification (standard, substandard and doubtful). From December 2012 Spanish credit institutions have to disclose this information every six months, Spain being the first EU country to establish this requirement. Additionally, in April this year the Banco de España published and sent to banks a letter on the criteria to be applied to classify such loans by credit risk. The default classification, in the absence of sufficient evidence to the contrary, is set as sub-standard, meaning that the related provisions would have to be recorded if those loans had previously been classed as standard.

purposes. Thus a guarantee may be provided for a bank loan or credit, but also to guarantee collection on domestic or cross-border sales. A traditional procedure consists in offering a guarantee to those financial institutions which grant advances on the collection of export invoices. In Spain, Compañía Española de Seguros de Crédito a la Exportación (CESCE), a financial institution majority owned by the government, specialises in this activity.

An analysis of comparable experience in other countries reveals a wide range of similar guarantee schemes. Notable in the United States is the so-called "7(a) Loan Program" managed by the Small Business Administration, a government agency which offers guarantees for loans for diverse purposes. In Germany and France, both KfW and OSEO grant guarantees to credit institutions which offer financing to SMEs. Similarly, the EIB also grants guarantees to various types of financial institution.

Direct assumption of risk by the State

The State may directly assume part of the transaction risk or even make the loan directly. In Spain, in addition to the intermediation facilities described above, the ICO has so-called direct financing programmes, under which, apart from providing the funds, it assumes the default risk of the whole transaction. These programmes have traditionally been aimed at large-scale productive investment projects carried out both in Spain and abroad. Exceptionally, in 2010 and 2011 and the opening months of 2012, the ICO granted direct financing to SMEs and self-employed persons through the ICO-Directo Programme. However, the experience was not positive.

There are other public institutions which offer instruments to support SME financing through the assumption of SME credit risk, such as the Centro para el Desarrollo Tecnológico Industrial (CDTI), Compañía Española de Financiación del Desarrollo (COFIDES) and Empresa Nacional de Innovación, SA (ENISA), which specialise in granting financing to different types of firms, including SMEs.[16] These institutions, which sometimes have cross-shareholdings and whose instruments are very similar, make up a complex system of financial support for firms (see Chart 8).

As regards comparable experience at international level, the EIB also grants direct loans for projects whose total cost of investment exceeds €25 million, and is permitted to finance a maximum of 50% of the total cost of any project.

Risk diversification among SMEs

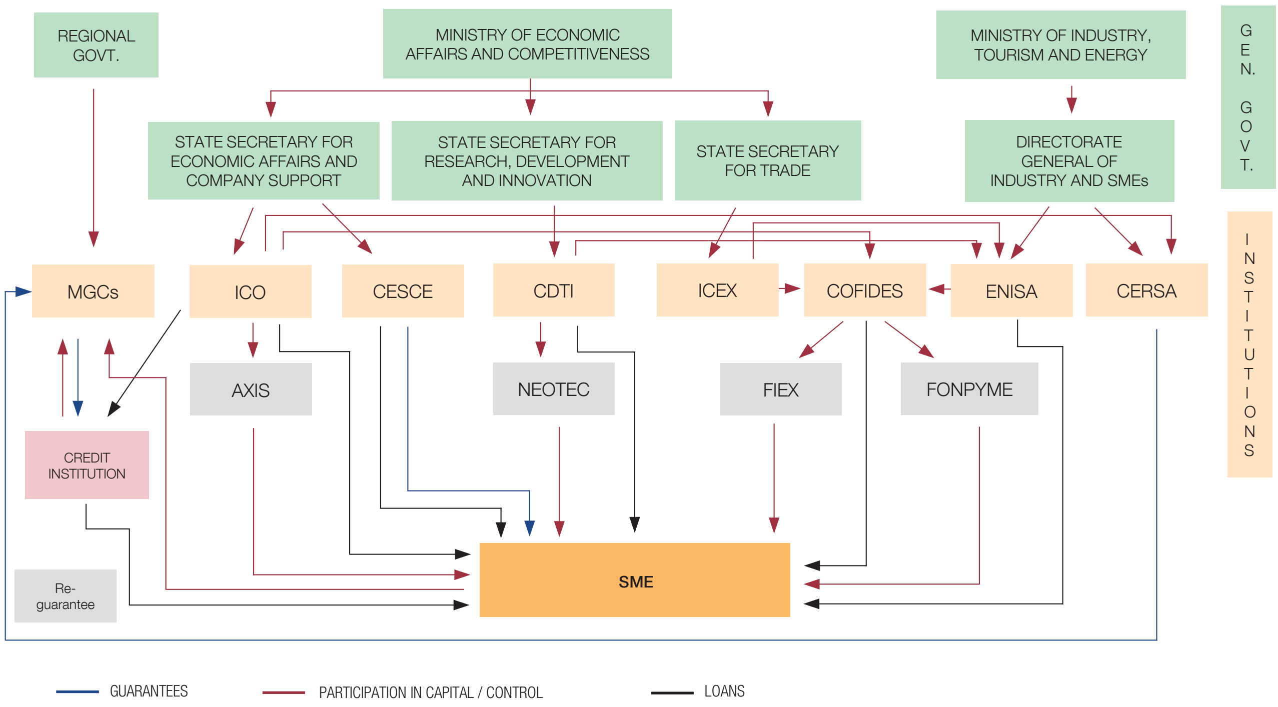
SME credit risk may also be reduced through groupings of firms which, by means of mutual insurance or similar mechanisms, permit better risk diversification of their members and, accordingly, lower the credit risk premia charged by institutions on their loans. In Spain there are mutual guarantee companies (MGCs), which are financial institutions whose objective is to grant guarantees to their members (usually SMEs) to facilitate their access to credit or to improve their credit conditions. A large share of the risk assumed by the MGCs (up to a maximum of 75%) is usually transferred to the Compañía Española de Reafianzamiento, SA (CERSA), whose activity is based on the partial coverage of the risk assumed by MGCs, and, to a lesser degree, to the related regional governments. There are 23 MGCs and the majority have very close links to their regional government, which also normally owns a stake in them.

In Europe, Italy's CONFIDI is the largest guarantee scheme of this type. However, the activity of this type of companies is generally limited in Europe. Apart from in Italy, activity levels of minimal significance are only achieved in Hungary, Greece and Portugal.

16 For further details on the activity of these companies, see García-Vaquero (2013).

FINANCIAL SUPPORT SCHEMES FOR FIRMS IN SPAIN

CHART 8



SOURCE: Banco de España.

Reduction of SME liquidity risk

In their relationships with larger firms, and even with the households demanding their products, the bargaining power of SMEs in their collection and payment management is limited. This gives rise to a liquidity risk, coverage of which, in short, results in greater financing needs. Measures aimed at reducing said liquidity risk will result, therefore, in improved financing conditions for this type of companies. In Spain the Fund for the Financing of Payments to Suppliers was set up in 2012 to speed up collection of the outstanding trade payables of regional and local government to firms. The programme was extended in 2013.

Another significant mechanism for reducing liquidity risks turns on regulatory measures to decrease SMEs' average collection and payment periods. In 2000 the first EU directive was published[17] which aimed to establish measures to contribute to decreasing late payment in commercial transactions and which was reformed in 2011.[18] This directive, transposed into Spanish legislation,[19] sets out maximum limits on periods for payments related to commercial transactions between firms, and between firms and the public sector. The legislation sets a maximum period of 60 days, which in transactions with the public sector is reduced to 30. Recently, several reforms have been introduced in this area by Royal Decree-Law 4/2013 of 22 February 2013 on measures to combat late payment in commercial transactions. In particular, the payment period which must be met by the debtor

17 Directive 2000/35/EC of the European Parliament and of the Council of 29 June 2000 on combating late payment in commercial transactions.

18 Directive 2011/7/EU of the European Parliament and of the Council of 16 February 2011 on combating late payment in commercial transactions.

19 Firstly, it was transposed by Law 3/2004 of 29 December 2004 establishing measures to combat late payment in commercial transactions and, subsequently, through Law 15/2010 of 5 July 2010 amending Law 3/2004 of 29 December 2004, establishing measures to combat late payment in commercial transactions. However, several aspects and limits have recently been reformed through Royal Decree-Law 4/2013 of 22 February 2013 on measures to combat late payment in commercial transactions.

has been reduced from 60 to 30 calendar days (if no payment period or date had been set in the contract), from the date on which the merchandise is received or the services are provided. The legal rate of interest for late payment has also been increased.

In Europe, since the onset of the crisis, several countries have also substantially cut the maximum payment periods for the public sector (Belgium, France, Hungary, Italy, the Netherlands and the United Kingdom, which has reduced it to ten days). Certain countries have permitted postponing the payment of taxes and accelerating the depreciation of fixed assets for accounting purposes (France and Germany), but these are countries which are not subject to the same fiscal consolidation needs as Spain.

Possible measures to stimulate lending to SMEs

Comparison of how the ICO and its French and German peers operate suggests that a measure that could be explored would be for the ICO to arrange operations in which it shares part of the risk of SME loans with private credit institutions, although the experience of the ICO-Directo Programme discussed above indicates that the assumed part of the risk should not be large. This would reduce the cost of these operations for banks and, insofar as the ICO charges a smaller premium for the risks assumed, it would also reduce the cost for SMEs. Note, however, that greater assumption of risk by the ICO would have to be accompanied by a simultaneous strengthening of its capital. Current levels of public debt in Spain represent a constraint which has to be closely considered when assessing, in practice, any possible measure in this direction (percentage of risk to be shared, scope of the new facilities, etc.). That assessment should also take into consideration the need to maintain all participants' incentives adequately aligned, which makes it advisable that the banks should continue to assume the bulk of the risk of the transactions in order to guarantee that they select counterparties efficiently.

In the same vein, it would also be possible to study whether a simplification of the current framework of public financial support for SMEs, which, as discussed above, rests on a broad variety of instruments provided by various institutions, would make for easier assimilation by SMEs whose ability to absorb information is probably more limited than that of large corporations. Simplification of the framework could also contribute to the achievement of greater economies of scale and result in greater efficiency and exploitation of all the possible synergies.

In the area of microprudential regulation, the necessary homogeneity of rules at European level leaves very little margin for national action. However, the recent change in the definition of an SME, to adapt it to the EC Recommendation, will expand the set of loans that may benefit from the softer conditions applied to retail loans to SMEs. Also, the early introduction (through the Entrepreneurs' Law) of the discount factor into Spanish solvency law will reduce, several months earlier than foreseen, the cost to banks of financing SMEs, which should improve the access to credit of these companies. In any case, stimulating lending to SMEs clearly cannot be to the detriment of the solvency of the banking system.

A different area in which possible measures may also be considered is that related to Spanish insolvency law. In adverse cyclical situations, a restructuring of the productive sector usually takes place, which necessarily involves replacing less efficient firms by more efficient ones. In order for those processes to unleash their full positive potential the legal framework needs to favour the restructuring and orderly winding up of inefficient units so that the resources needed to finance new more profitable projects can be smoothly released. Insolvency proceedings in Spain have traditionally been slow and costly and in the vast majority of cases have tended to end with the winding up of the company since such proceedings are only initiated when the company's deterioration is very advanced. Law 38/2011 of 10 October 2011 (the "Insolvency Reform Law"), however, introduced a series of reforms to facilitate the restructuring of companies and their debts at a sufficiently early phase in the process. Notwithstanding this, some international investors and analysts have indicated that there is still room for improvement in this direction. Notable among the proposals made are those designed to shorten insolvency proceedings and make them more flexible and those to provide non-judicial payment mechanisms, as a second opportunity, such as those envisaged in the "Entrepreneurs' Law".[20]

There also seems to be a substantial margin for improvement in the application of the legal provisions limiting the collection periods of SMEs in their commercial relations with other firms and, in particular, with government. The measures included in the draft Law on the Control of Trade Debt in the Public Sector, currently under discussion in Parliament, seem particularly appropriate. More specifically, the draft law envisages an amendment to the Budgetary Stability Law to extend the perimeter of the concept of financial sustainability so as to include not only financial debt but trade debt as well. Failure to comply with the legal 30-day limit would trigger the preventive, corrective and coercive measures envisaged in the Budgetary Stability Law.

It would also be worth exploring possible measures in relation to MGCs, especially to help consolidate and strengthen their capital so as to boost their role of diversifying and guaranteeing SMEs' risks. A reform has already been implemented to raise the minimum share capital of these institutions from €1.8 million to €15 million. The current reguarantee system, whereby CERSA reguarantees part of the MGCs' operations, could also be reviewed. At present, when an SME defaults on a loan the lender bank must make a claim against the MGC and the latter must enforce the guarantee given by CERSA. However, if the MGC becomes insolvent during this process, the bank has no claim against CERSA. The strengthening of MGCs' capital reduces the probability of such an event, but a reform permitting direct contact between the lender institution and the ultimate guarantor could have a further positive effect on loans to SMEs.

From a different time perspective, it is also important to remember that, ultimately, a large portion of the specific problems SMEs have accessing credit stem from the difficulties banks have assessing borrower creditworthiness. The crisis and the restructuring of the Spanish banking system have, in the short term, accentuated this structural deficiency. The challenge in this area is therefore to design mechanisms which lead to the regular production of uniform, quality data on the most important aspects of the business of SMEs.

Conclusions

The results of this article suggest that demand factors relating, above all, to the high level of indebtedness of Spanish firms and households explain a significant part of the contraction in lending seen in Spain. However, the process of deleveraging at the aggregate level can and must be compatible with an efficient redistribution of funds to more productive and less indebted agents, so that there is financing available for undertaking new profitable investment projects. There is in fact recent evidence that this reallocation is already taking place.

Certain frictions have also been detected on the supply side that may be holding back economic recovery, basically linked to the high costs of Spanish bank financing, as a

20 These mechanisms basically envisage debt reductions and reschedulings.

consequence of financial market fragmentation in Europe and the effects of the crisis on borrowers' credit quality. These frictions, moreover, bear particularly heavily on SMEs

Most of the possible economic policy measures that it would be advisable to consider in this context in order to ease financing conditions thus go beyond the purely domestic sphere (for example, taking further steps towards a banking union within the euro area, in order to sever the link between banking risk and sovereign risk) or extend well beyond the credit market (for example, all the measures needed to complete the process of correcting the macroeconomic imbalances that built up during the last upswing). These general measures have not been analysed in this article.

In contrast, more specific measures, more directly aimed at stimulating the segment of lending to SMEs have been considered. Following a review of the various measures that have been adopted in this area in Spain and in other countries, a number of measures have been identified that might be worth exploring to boost bank lending to SMEs: strengthening the role of the ICO, simplifying the framework of public financial support for SMEs, shortening insolvency proceedings and making them more flexible, providing non-judicial payment mechanisms, improving the application of legal provisions limiting the collection periods of SMEs, strengthening and consolidating MGCs and, in the longer term, designing mechanisms for the regular production of uniform, quality data on the most important aspects of the business of SMEs.

11.10.2013

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Introduction

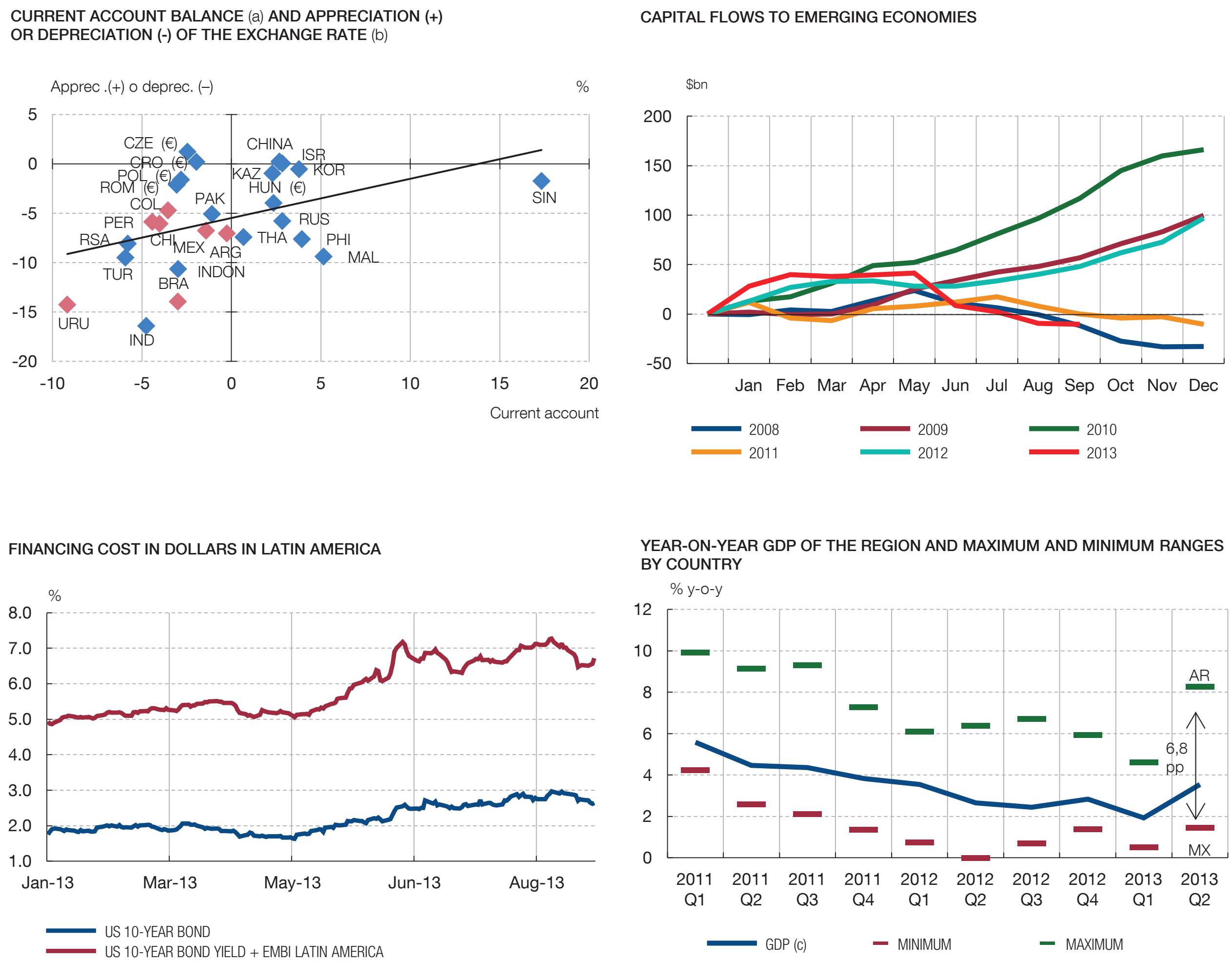
Between May and August 2013, the Latin American financial markets went through a bout of notable instability similar to that experienced by the other emerging economies. That bout was triggered by the Federal Reserve's announcement of a possible gradual withdrawal of monetary stimuli, against a background of moderating growth in the region and of uncertainty as to the extent of the deceleration in China. The impact took the form of a significant depreciation of the exchange rates of Latin American currencies – sharper in the currencies of countries with large current-account deficits such as Brazil or Chile (see Chart 1) – and large outflows of capital from equity and bond markets in the summer months. These trends reversed partially in September, particularly after the decision by the Federal Reserve (at a meeting of its monetary policy committee in that month) to maintain the level of monetary stimuli, diminishing the risk of generating negative dynamics in the economies most vulnerable to the international financial situation. Moreover, the fall in commodity prices under way since 2011 was interrupted in August by the signs of stabilisation of growth in China, and oil prices rose, amidst growing geopolitical risks in the Middle East, which introduced an additional offsetting factor for most Latin American countries. However, the reaction of the markets was indicative of the risks which the process of normalisation of monetary conditions may entail, not only because of the higher interest rates but also because it may give rise to a rebalancing of capital flows worldwide, thus fostering the transition to less favourable financing conditions for the region.

As regards the real economy, in 2013 Q2 the GDP growth of the region as a whole recovered to a rate of 3.5% year-on-year, compared with 1.9% in Q1, although that movement is skewed to the upside due to the extraordinary acceleration of GDP in Argentina (see Chart 1). Thus if Argentina's growth rate had remained similar to that in Q1, activity in the region would have grown at a rate of 2.9% year-on-year. The slowdown in H1 was not specific to Latin America, since Asia also lost dynamism at the beginning of the year due to the deceleration of China and its effects on the Asian industrial cycle, and, in the final instance, due to worsening global external demand. The most recent indicators contain, for the time being, mixed signals, with some differences across countries (more favourable in Mexico and Colombia, and less so in Argentina and Brazil). In fact, it is likely that average regional GDP growth in 2013 will not exceed that of 2012 (around 3%), one of the lowest in the past decade. Furthermore, the average inflation in the region tended to rise strongly until September, although the aggregate figure masked sharp differences across countries: 46% year-on-year in Venezuela as a result of the devaluation at the beginning of the year and the scarcity of foreign exchange, 10.5% in Argentina according to official figures and lower (5.9%) in Brazil. By contrast, inflation in the other countries was much steadier.

The economic policy response to the cyclical situation and to the financial market instability consisted of a mix of various elements, and a certain contrast between countries was noticeable. The central bank of Brazil consolidated the cyclical upturn in interest rates, with a cumulative rise of 225 basis points (bp) in the official rate since April to 9.50%; to the marked depreciation of the real it responded firstly by removing the capital controls still in force, and subsequently by announcing an energetic program of temporary intervention in the foreign-exchange market. By contrast, Mexico surprised observers with a cut of 25 bp in the official interest rate to 3.75% in September, justified

EXTERNAL POSITION, CAPITAL FLOWS, FINANCING COSTS AND ECONOMIC GROWTH IN LATIN AMERICA
Percentage, year-on-year rate and $bn

CHART 1



SOURCES: National statistics and Datastream.

a 2013 Q1 figures, as a percentage of GDP.
b Against the dollar or the euro, and in the period from 22 May to 27 August 2013.
c Aggregate of the seven main economies, as a GDP-weighted average for the region.

by the widening of the output gap and the anchorage of inflation expectations. The central bank of Chile also cut its official interest rate by 25 bp in October. There were no changes in official rates in the other countries with inflation targets, although the stance of central banks tended towards a more accommodative monetary policy. This stance, at a time of widespread exchange rate depreciation, shows that there is leeway to combat the shock, at least through the use of monetary policy, and reinforces the end of "fear of floating".

For a broader standpoint, in the medium term Latin America is facing a significant change in its external environment. Firstly, when global financial conditions become less expansionary, they will foreseeably drive growth more weakly, particularly in the economies most dependent on international financing and credit. Secondly, although recent indicators suggest that the external support from China will persist, it is likely that the shift in its growth model to give less weight to investment will impact the countries which have most benefited from the export of commodities closely linked to the industrial cycle. For these reasons, the response of markets should serve as a warning that Latin America has to undertake structural reforms to strengthen its internal sources of growth and to maintain macroeconomic stability. If this is so, the recent period of turmoil will, to some extent, have been positive. Indeed, it is situations of financial market instability which most test the credibility generated by economic policies and the solidness of fundamentals. In this respect, the Latin American countries now present, without exception, fewer external, fiscal and financial vulnerabilities than in the 1990s, albeit somewhat more than in the expansionary period from 2003 to 2007.

External environment

The changes in the world economy in the last half have been shaped by two key factors: the doubts as to the extent of the Chinese economic slowdown and the announcements by the Federal reserve of a possible gradual reduction (tapering) in the pace of asset purchases in response to the growing perception that the economic recovery of the United States is firming. The first public mention of this possibility in late May had a rapid and significant impact on yield curves and on many asset prices, and was accompanied by a rise in volatility which escalated in summer due to the uncertainty surrounding the situation in Syria. Long-term interest rates rose in the United States, a development which was reflected in higher term premia and ended up feeding through to long-term yields in other countries, both advanced and emerging. However, since early September the perception that the Federal Reserve may postpone the initiation of tapering (an expectation which was confirmed in this month's meeting of the Monetary Policy Committee) alleviated the financial market tensions, partially reversing the trends which had been observed since late May.

Against this background, there has been a certain recomposition of global growth (see Chart 2). Thus the emerging economies are decelerating, although they continue to grow at rates clearly higher than those of the advanced economies, while the incipient recovery of the latter seems to be firming. Indeed, in 2013 Q2 the main advanced economies, with the exception of the euro area, confirmed the improvement which they had seen in Q1, leaving behind the weakness shown in the latter stages of the previous year. Meanwhile, the euro area economy exited the recession showing quarter on quarter growth of 0.3%, following six quarters of decline. The available indicators for Q3 point to a continuation of this trend, although the recovery continues to be fragile and, on balance, the risks continue to be downside. Most notable in the short term are the risks associated with the US fiscal situation, the persistence of European market fragmentation, the tightening of financial conditions associated with the possible onset of monetary normalisation in the United States, the sharpening of the emerging economy slowdown and the worsening of the situation in the Middle East.

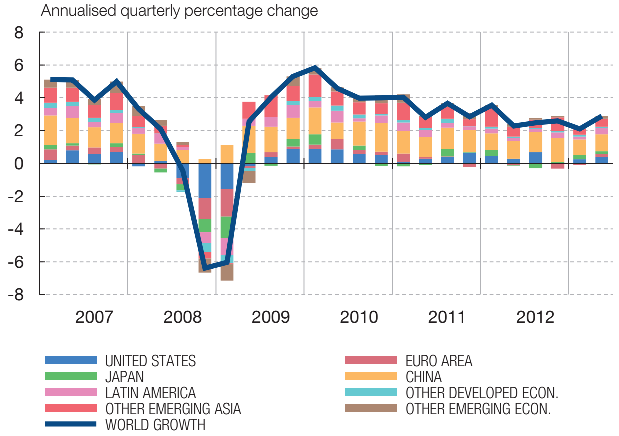
The main emerging regions have seen a slowdown in activity since the spring months which, with some exceptions, has stood below the expected rates. In particular, the economy of China, whose growth model is refocusing on consumption, is undergoing a gradual slowdown. Its growth rate stood at around 7.5% in 2013 H1 and the outlook is that this rate will remain unchanged, since the data published in summer have mitigated the fears of a sharper slowdown. The lower momentum of the Chinese economy has had spillover effects, particularly on the economies of emerging Asia and on commodity exporters. Against this background, the tightening of global financial conditions, associated with the possible start of monetary normalisation in the United States, led to a worsening of the growth prospects of the emerging economies, particularly of those most dependent on external financing. Although most emerging economies have sound fundamentals and significant lines of defence (flexible exchange rates and sizeable reserves), the short-term risks are not negligible, since their fiscal and external positions are more fragile than

GLOBAL MACROECONOMIC AND FINANCIAL INDICATORS

Annualised quarterly rate, indices and basis points

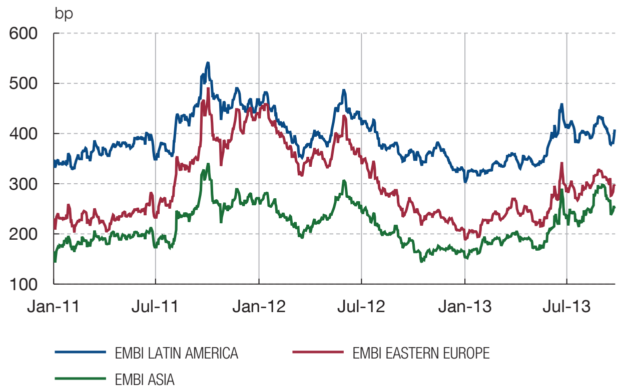
CHART 2

CONTRIBUTION TO WORLD GDP GROWTH

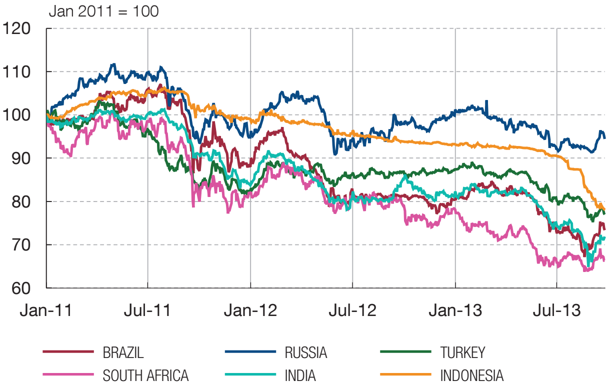


WORLD STOCK MARKETS (a)

INTEREST RATE SPREADS



EXCHANGE RATES AGAINST THE DOLLAR IN EMERGING ECONOMIES



SOURCES: Datastream, Dealogic, EPFR and JP Morgan.

a Indices in dollars.

in 2008. Therefore, it cannot be ruled out that the markets may sometimes overreact and so aggravate the financing problems of some of these economies, leading to a more pronounced slowdown.

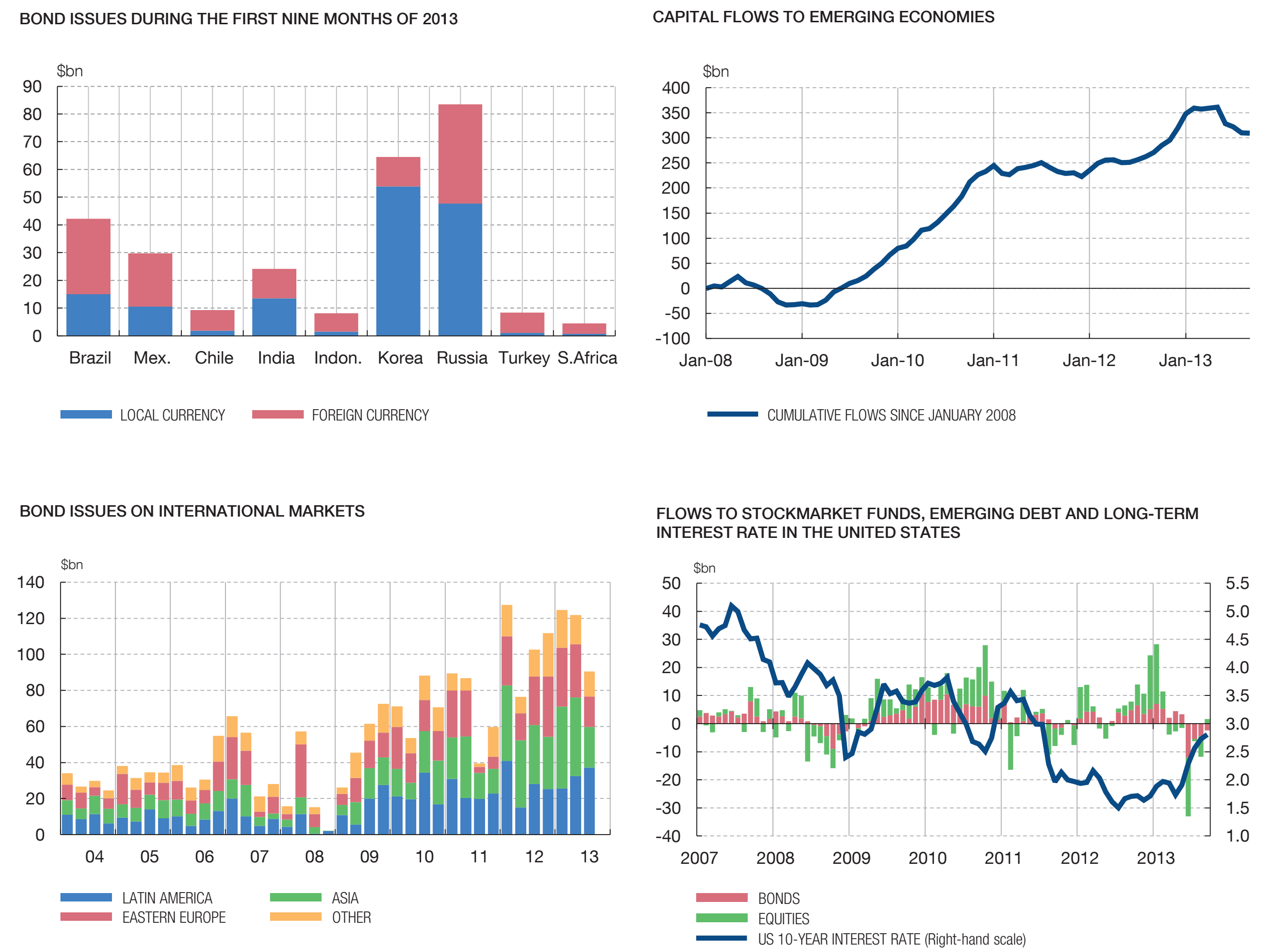
Financial markets and external financing

The performance of the emerging financial markets in the last six months can be divided into three distinct phases.

In the period from April to end-May, there were some stock market rises, albeit smaller than in the developed markets, and slight declines in credit risk indicators, which stood near the lows recorded at the beginning of the year (see Chart 2). The capital inflows into emerging debt funds stood at levels near their all-time highs, particularly in the tranches offering higher yields (debt issued in local currency), and the pace of fixed-income issues on the international markets held firm (see Chart 3), reaching nearly $59 billion in April, the all-time record for issuances in a single month. The conditions of access to these markets continued to be highly favourable, with average spreads of 270 bp, interest rates of 4.7% and maturities of more than 10 years, most issues being in US dollars.

BOND ISSUES AND FUND FLOWS TO EMERGING ECONOMIES
$bn

CHART 3



SOURCES: Dealogic and EPFR.

However, after the end of May two events negatively impacted market performance. First, the worse-than-expected activity figures published in some large emerging economies (China-Mexico and Brazil) pointing to a change in the world growth pattern which was detrimental, in relative terms, to the emerging economies. Second, the change in expectations about the withdrawal of monetary stimuli in the United States prompted a rise in long-term interest rates in that country and triggered a strong reaction in the emerging markets and in the higher risk segments of the developed markets. The stock markets fell by more than 8% in Latin America and Asia, and sovereign spreads rose by between 80 bp and 120 bp (to their summer 2012 levels) and exchange rates depreciated sharply (see Chart 2). In addition, the significant capital outflows from stock market and debt funds reversed the sizeable inflows recorded from September 2012 and the fixed-income issues halted, particularly in June, which saw the lowest volume of issuance since May 2010 (see Chart 3).

The emerging markets reacted unevenly to the aforementioned change in expectations. The strongest response was in the economies with high current account deficits (Indonesia, India, Turkey, Brazil and South Africa) or with the greatest needs for refinancing in US dollars (see Box 1 for an analysis of the vulnerability of Latin American economies from a historical perspective). However, this bout of capital outflows, although sharp, was comparable to other episodes of instability in the emerging financial markets, such as those in summer 2011 following the downgrading of the US sovereign debt rating and of the world

This box reviews the most common vulnerability indicators for the main Latin American economies as a whole and compares them with previous episodes of global instability, specifically in 1998 (before the Russian crisis spread to Latin America) and in 2008 (prior to the bankruptcy of Lehman Brothers). This approach is based on early warning methodology, which identifies risk situations through the unusual behaviour of a set of indicators.[1]

The indicators used reflect the assessment of financial markets and changes in economic fundamentals from the standpoint of the foreign sector and activity, fiscal positions and the banking system.[2] In certain cases, the information which they provide is unequivocal: thus, the larger a country's current account deficit or the smaller its international currency reserves, the more vulnerable it will be on the external front. In other cases, the assessment is more tentative: for example, if portfolio inflows are too high they may indicate over exposure to foreign capital and a possible risk of reversal, however, if they are too low, they may point to a lack of confidence.

The exercise identifies an increase in vulnerability based on the departure of the indicators from their long-term average, normalised by their standard deviation. This normalisation allows the indicators to be aggregated and compared directly at different points in time. The results are presented in spider charts, in which lines closer to the origin represent a less vulnerable position at a specific point in time.

The accompanying chart shows that for the region as a whole (defined as the aggregate of the nine main economies: Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Peru, Venezuela and Uruguay), the levels of vulnerability in 2013 are lower than in 1998 for those indicators which in the past have been essential in anticipating crisis situations: the external sustainability, banking and fiscal indicators. By contrast, the market and real sector indicators are estimated to be in a similar situation to 1998. Specifically, the improvement in external indicators arises from a reduction in foreign debt levels and the related debt servicing, from a recovery in the net external position and a sharp increase in international reserves, one of the most robust determinants of sovereign spreads and risk premia.[3] In the case of fiscal indicators, today the region is better placed than in 1998 both in terms of public debt levels and interest payments burden.[4] The banking indicators have also picked up since the sector has more capital now, higher profitability, lower non-performing loans and deposit growth which is raising the base of financing credit in a sustainable way, thus implying a better assessment in the stock market and by rating agencies. The positive performance of the banking sector is worth noting in a region with very costly banking crises in the past and, possibly, it has also been reflected in the improved ratings of the ratings agencies.

However, a comparison between the main vulnerability indicators at present and in 2008 indicates that they have worsened slightly. With the sole exception of sovereign ratings, market indicators are in a worse position in 2013 than in 2008. The deterioration of the region's vulnerability in the last five years mainly stems from external indicators, especially exports, the current account balance and external demand. Other more sluggish indicators have also deteriorated moderately such as external debt or short-term debt. By contrast, in 2013 Q1 international reserves were considerably higher than their long-term average.

On the fiscal side, in 2013 there was a slight downturn in the region's fiscal position, the government deficit and public debt increased compared with 2008, indicating less room for manoeuvre for coping with new shocks. Conversely, the banking sector's vulnerability indicators have improved since the bankruptcy of Lehman Brothers – except for earnings per share – unlike what usually occurred in the region at times of crisis. The cause is the moderation in credit growth in tandem with a rise in the rate of increase of deposits and the sound performance of other structural indicators such as the capital ratios and the sector's assessment by rating agencies and in the stock market.

The situation of vulnerability relative to 1998 is the same or better in all of the countries. However, this is not the case with respect to 2008, where there are considerable cross-country differences (as suggested by the analysis in the section «Economic developments by country»). In short, from the analysis of these indicators the region as a whole is seemingly less vulnerable than before the crisis that was caused by Russia's default on external debt in 1998 – but it is slightly more fragile than in 2008. This is owing to the deterioration of several real external indicators with a higher cyclical component and greater dependence on global financial conditions which it is estimated would largely be explained by the performance of the higher risk countries. It should be underlined that the vulnerability indicators of the banking sector, one of the region's traditional weaknesses, not only have not deteriorated since 2008, but have improved in the vast majority of cases. On the negative side, the position of the fiscal indicators points to less leeway at present than in 2008 to cope with a revival of the external turmoil.

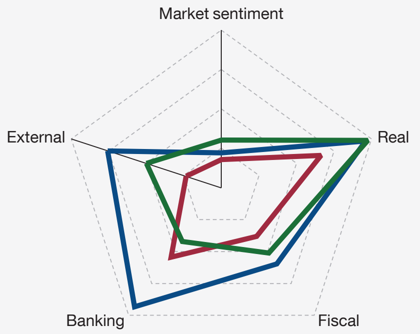
1 The basis for this type of analysis is the literature on leading indicators of crisis, the original reference of which is the article by Kaminsky and Reinhart of 1996, *The Twin Crises: The Causes of Banking and Balance-of-Payments Problems,* International Finance Discussion Paper, No. 544, March, *Board of Governors of the Federal Reserve System.* This article included a small number of indicators which was extended as further progress was made in this line of analysis.

2 For more details about the methodology, the indicators used and the reason for including them, see Sonsoles Gallego, Sándor Gardó, Reiner Martin, Luis Molina and José María Serena (2010), *The Impact of the Global Economic and Financial Crisis on Central Eastern and SouthEastern Europe (CESEE) and Latin America,* Documentos Ocasionales, n.º 1002, Banco de España.

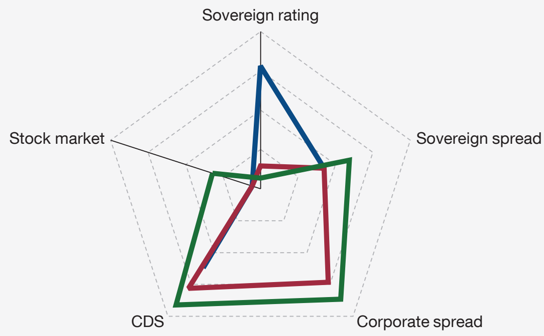
3 See Alberola, Molina and Del Rio (2012), *Boom-bust cycles, imbalances and discipline in Europe,* Banco de España DT 1220.

4 The government deficit seems to be in a worse position although its current level is clearly lower than in 1998 because the methodology compares it with its historical average and includes the fact that in 1998 the deficit fell considerably with respect to that average, even more so than in 2013.

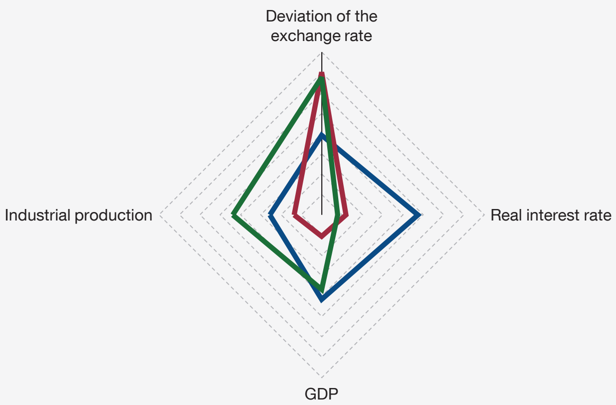
1 LATIN AMERICAN VULNERABILITY INDICATORS (a): AGGREGATE



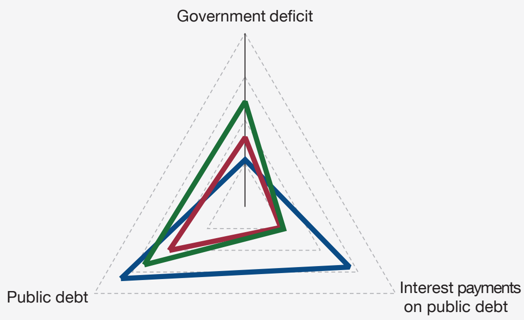
2 LATIN AMERICAN VULNERABILITY INDICATORS (a): MARKET SENTIMENT



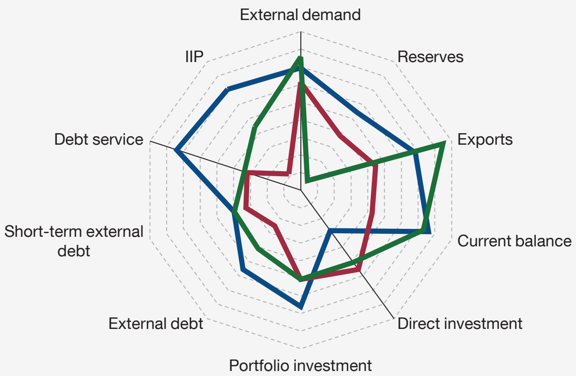
3 LATIN AMERICAN VULNERABILITY INDICATORS (a): REAL



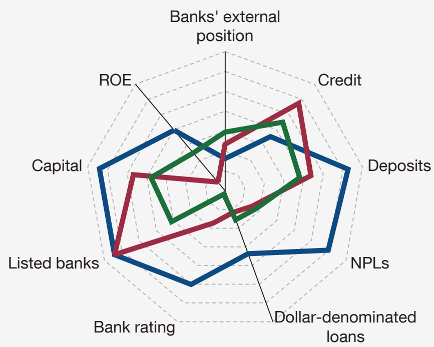
4 LATIN AMERICAN VULNERABILITY INDICATORS (a): FISCAL



5 LATIN AMERICAN VULNERABILITY INDICATORS (a): EXTERNAL



6 LATIN AMERICAN VULNERABILITY INDICATORS (a): BANKING



SOURCE: Datastream.

a Weighted average of the nine main countries in the region.

growth outlook, and in summer 2012 when the euro area banking crisis worsened. For its part, the paralysis of securities issuance took place in a situation of the high early coverage of financing by many sovereign issuers, an absence of sizeable maturities scheduled in 2013 H2 and the possibility of replacing these sources by domestic bank credit.

Finally, in early September investors begin to discount a lower likelihood of immediate withdrawal of stimuli, which was reflected in sharp stock market rises, narrower sovereign spreads, foreign exchange appreciations and resumption of fixed-income issuance and of stock market capital inflows, particularly in the markets which had fallen most in the previous phase. These trends intensified following the Federal Reserve's decision in September to hold unchanged its monetary stimuli.

Against this backdrop, the Latin American financial markets followed the general path described above. The local-currency stock exchange indices rose by nearly 3% between mid-April and the last week of May (see Chart 4). Subsequently, until end-August, the Latin American stock markets fell by more than 8%, with the worst relative performances in Brazil (-11%) and Chile (-15.4%), which are the most liquid markets and have the economies most exposed to a change in global financial conditions and a drop in commodity prices. By contrast, the Mexican stock market fell by only 2.2%, since it benefited from the improvement in the US growth outlook. Finally, in September the stock markets recovered, with a rise of more than 7.5% in the regional local-currency index, driven by the two markets which had previously fallen most, i.e. Brazil (+11%) and Chile (+6.5%).

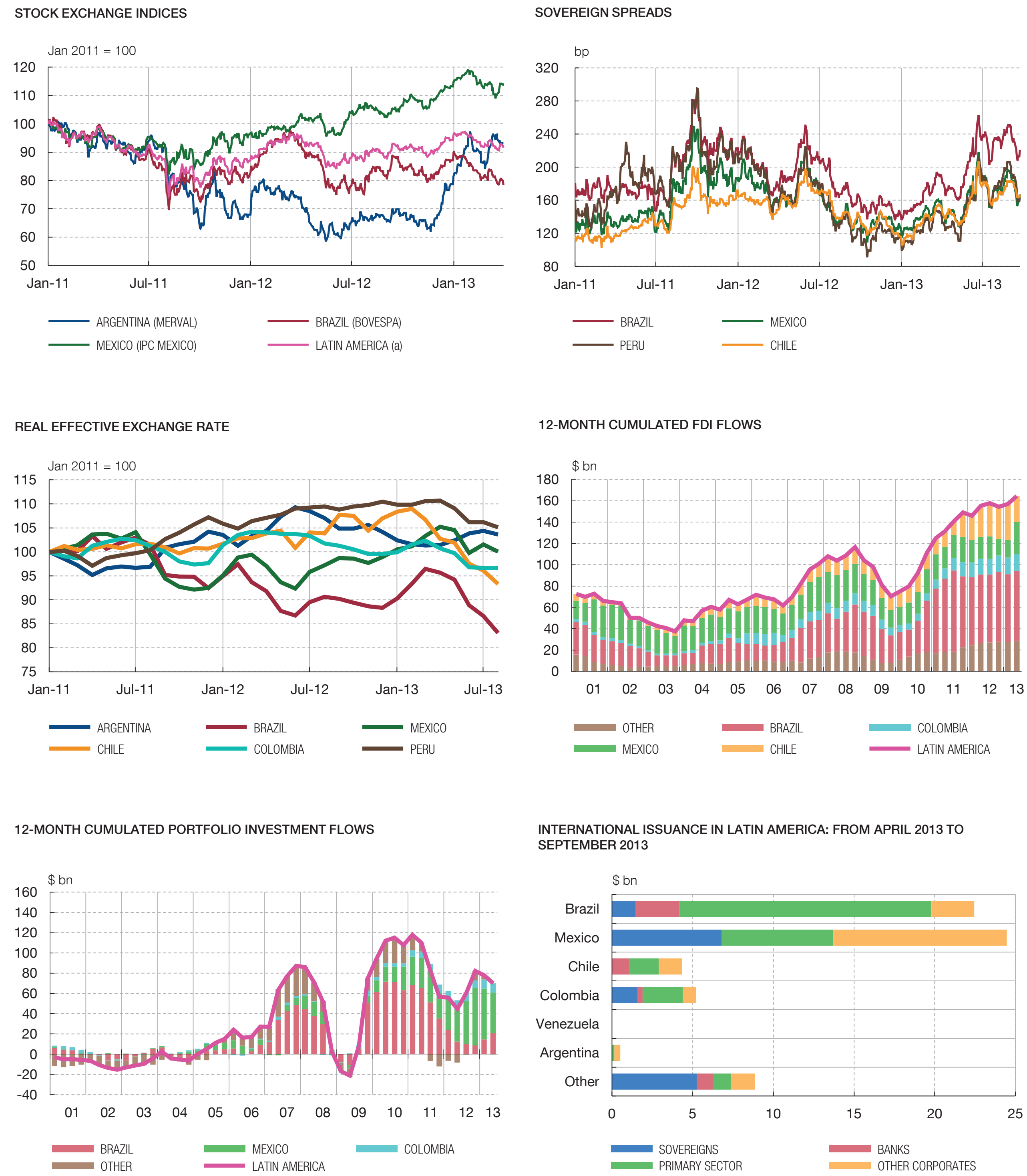
Meanwhile, sovereign spreads held relatively steady to end-May and then rose across the board (by between 50 bp and 70 bp), with the correlation between the various countries initially increasing. However, a certain discrimination was subsequently seen, with a higher increase in the spreads of Brazil and a somewhat smaller increase in those of Mexico, Chile, Peru and Colombia. From September, however, the spreads were again corrected, falling by between 20 bp and 45 bp. Local-currency medium-term interest rates rose much more, between 2 percentage points (pp) and 4 pp in Mexico and Brazil from May, to levels similar to those at end-2011, simultaneously with the depreciation of foreign currencies.

There was a certain tendency for exchange rates in the region to depreciate until end-May. This trend subsequently intensified sharply, especially in Brazil (nearly 14%; see Chart 4), which led the authorities to reverse the capital controls, to increase the amount of their interventions in the exchange market and, finally, to announce in August a regular currency purchase programme for $3 billion per week until the end of the year. However, in some cases the depreciation allowed a certain correction of the previous real appreciation, with the result that most Latin American currencies stood at real effective exchange rate levels similar to those of 2009 and 2010 (see Chart 4). Subsequently, the recovery from September, most noticeable in Brazil (8.5%) and Mexico (4.5%), only partly offset the real depreciation recorded from May.

Finally, it should be noted that until Q2 the Latin American economies recorded sharp inflows of foreign direct investment, which stood at a new historical high in the region as a whole ($163 billion in 12-month cumulated terms), thanks to the recent recovery in direct investment inflows into Mexico (derived from a large transaction of $14 billion), but also owing to the increased inflows into Brazil (some $3 billion more in Q2 than in Q1). Meanwhile, portfolio investment inflows decreased with respect to 2012 Q4, but held at levels which were still high in historical terms. Mexico saw portfolio investment outflows due to the withdrawal of funds from the stock market for the first time since the end of 2008. In the period from April to September 2013, fixed-income issues in the region reached $66 million

EXTERNAL CAPITAL FLOWS AND FINANCING
Indices, basis points and $ bn

CHART 4



SOURCES: Datastream, Dealogic, JPMorgan, IMF and national statistics.

a MSCI Latin America index in local currency.

(see Chart 4), in a market dominated by primary sector firms (40% of the total), including particularly the two Mexican and Brazilian state-owned oil companies, and by sovereign issues, particularly those of Mexico. Lastly, mention should be made of the access of countries without previous experience in these markets, such as Bolivia, or with recent sovereign defaults, such as the Dominican Republic.

LATIN AMERICA: MAIN ECONOMIC INDICATORS

TABLE 1

	2010	2011	2012	2011		2012				2013		
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	September
GDP (year-on-year rate)												
Latin America (a)	6.3	4.5	2.9	4.4	3.8	3.6	2.7	2.5	2.8	1.9	3.5	
Argentina (b)	9.2	8.9	1.9	9.3	7.3	5.2	0.0	0.7	2.1	3.0	8.3	
Brazil	7.5	2.7	0.9	2.1	1.4	0.8	0.5	0.9	1.4	1.9	3.3	
Mexico	5.1	4.0	3.8	4.4	3.9	4.6	4.2	3.1	3.3	0.6	1.5	
Chile	5.8	5.9	5.6	3.7	4.5	5.1	5.7	5.8	5.7	4.5	4.1	
Colombia (c)	4.0	6.6	4.2	7.9	6.6	5.4	4.8	2.9	3.3	2.7	4.2	
Venezuela	-1.5	4.2	5.6	4.4	4.9	5.9	5.6	5.5	5.5	0.5	2.6	
Peru	8.8	6.9	6.3	6.7	5.5	6.1	6.4	6.7	5.9	4.5	5.6	
CPI (year-on-year rate)												
Latin America (a)	6.3	6.8	6.2	6.9	7.0	6.6	6.1	6.1	6.1	6.4	7.3	7.6
Argentina (b)	10.5	9.8	10.0	9.8	9.6	9.7	9.9	10.0	10.6	10.8	10.4	10.5
Brazil	5.0	6.6	5.4	7.1	6.7	5.8	5.0	5.2	5.6	6.4	6.6	5.9
Mexico	4.2	3.4	4.1	3.4	3.5	3.9	3.9	4.6	4.1	3.7	4.5	3.4
Chile	1.4	3.3	3.0	3.1	4.0	4.1	3.1	2.6	2.2	1.5	1.3	2.0
Colombia	2.3	3.4	3.2	3.5	3.9	3.5	3.4	3.1	2.8	1.9	2.1	2.3
Venezuela	29.0	27.2	21.1	26.5	28.5	25.1	22.3	19.0	18.8	22.6	33.0	46.2
Peru	1.5	3.4	3.7	3.5	4.5	4.2	4.1	3.5	2.8	2.6	2.5	2.8
Budget balance (% of GDP) (d)												
Latin America (a) (e)	-2.2	-2.1	-2.3	-1.7	-2.1	-2.0	-1.9	-2.0	-2.1	-2.1	-2.2	
Argentina	0.2	-1.7	-2.6	-0.4	-1.6	-1.9	-1.7	-1.9	-2.4	-2.5	-2.0	
Brazil	-2.5	-2.6	-2.5	-2.5	-2.6	-2.4	-2.6	-2.8	-2.5	-2.9	-2.8	
Mexico	-2.9	-2.5	-2.6	-2.6	-2.4	-2.7	-2.4	-2.2	-2.5	-2.0	-2.2	
Chile	-0.3	1.5	0.6	2.0	1.5	1.6	1.1	0.4	0.6	0.2	-0.7	
Colombia	-3.6	-2.0	-1.9	-1.4	-2.1	-2.5	-1.0	-1.2	-1.9	-1.4	-2.5	
Venezuela	-3.6	-4.0	-4.8	—	—	—	—	—	—	—	—	
Peru	0.1	0.9	1.3	0.9	0.9	1.3	2.4	1.6	1.3	1.2	0.7	
Public debt (% of GDP)												
Latin America (a)	38.7	39.1	40.9	39.2	38.6	40.1	40.8	41.0	41.2	—	—	
Argentina	44.6	40.1	41.5	40.8	40.2	39.7	39.5	39.9	41.5	—	—	
Brazil	53.4	54.2	58.7	54.6	54.2	56.2	57.3	58.8	58.7	59.5	59.3	
Mexico	27.2	28.1	28.7	27.6	26.5	28.1	28.0	28.7	27.7	29.5	29.9	
Chile	8.6	11.1	11.9	10.6	11.2	11.2	11.5	11.3	11.9	11.4	12.0	
Colombia	34.9	33.4	32.2	34.1	33.8	32.9	32.4	32.4	32.2	32.4	—	
Venezuela	28.0	36.5	—	34.7	36.6	35.1	—	—	—	—	—	
Peru	23.4	21.7	20.2	20.9	21.7	20.7	19.8	19.5	20.1	18.9	18.0	
Current account balance (% of GDP) (d)												
Latin America (a)	-0.9	-1.0	-1.6	-0.8	-1.0	-0.9	-1.2	-1.3	-1.6	-2.1	-2.3	
Argentina	0.4	-0.5	0.0	-0.2	-0.3	-0.5	-0.4	-0.1	0.0	-0.3	-0.3	
Brazil	-2.2	-2.1	-2.4	-2.0	-2.1	-2.0	-2.2	-2.2	-2.4	-3.0	-3.2	
Mexico	-0.3	-1.0	-1.2	-0.9	-0.8	-1.0	-1.0	-0.7	-1.1	-1.4	-1.7	
Chile	1.5	-1.3	-3.5	-0.4	-1.3	-1.7	-2.4	-3.0	-3.5	-4.1	-4.0	
Colombia	-3.1	-2.9	-3.2	-2.8	-2.9	-2.7	-3.1	-3.3	-3.2	-3.5	-2.9	
Venezuela	3.7	7.7	2.9	8.3	8.3	6.9	5.7	4.2	2.9	1.8	1.5	
Peru	-2.5	-1.9	-3.6	-2.0	-1.9	-1.5	-1.8	-3.1	-3.6	-4.5	-5.0	
External debt (% of GDP)												
Latin America (a)	21.0	20.3	21.2	19.9	19.9	20.5	20.2	21.1	21.1	21.6	—	
Argentina	35.1	31.5	29.7	31.1	30.6	33.2	28.1	29.9	29.2	30.6	—	
Brazil	12.0	12.1	13.9	12.0	12.0	12.1	12.7	13.5	13.9	14.6	14.0	
Mexico	18.9	18.2	19.4	18.0	18.2	18.4	19.1	19.3	19.3	19.2	—	
Chile	38.6	39.2	43.9	38.6	39.5	39.4	40.0	42.0	43.9	43.3	42.7	
Colombia	22.4	22.9	21.6	21.7	22.9	21.1	21.0	22.0	21.7	21.0	—	
Venezuela	38.6	35.0	31.1	35.2	35.1	33.3	31.9	31.8	31.1	32.3	—	
Peru	28.4	26.9	29.3	27.6	26.9	28.8	28.9	29.9	29.5	30.6	29.6	

SOURCE: National statistics.

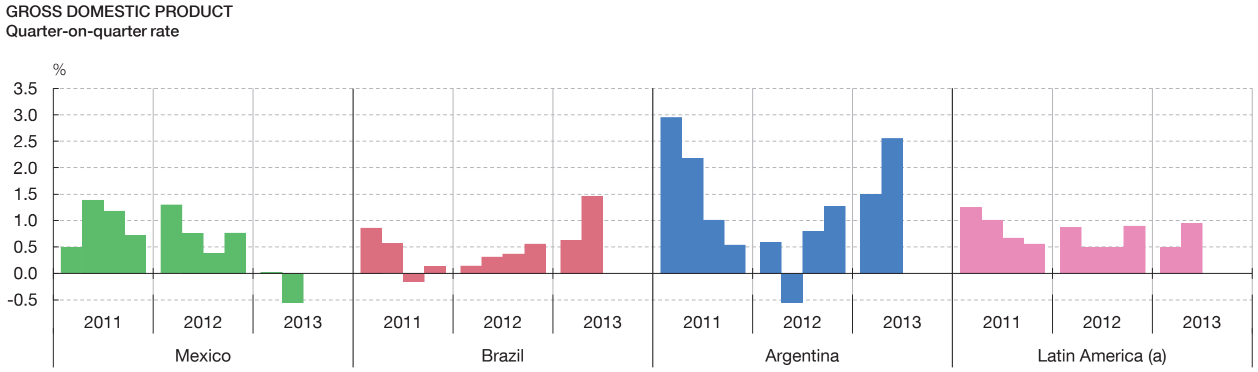
a Aggregate of the seven countries represented.
b Official figures.
c Seasonally adjusted.
d Four-quarter moving average.
e The quarterly figures for the Latin American aggregate do not include Venezuela.

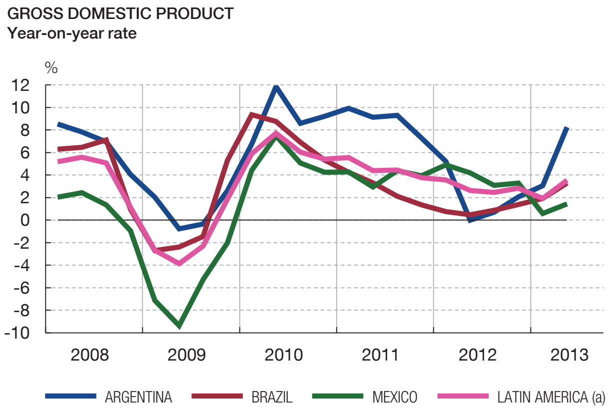
Activity and demand

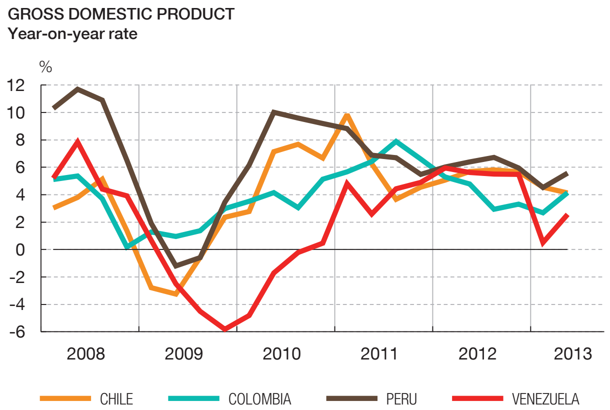
In 2013 Q2 the GDP of Latin America grew by 3.5% year-on-year (1% quarter-on-quarter), showing a recovery with respect to the 1.9% (0.5% quarter-on-quarter) growth in Q1 (see Chart 5). The weak growth in Q1 was due both to the slowdown of the economies which had previously shown more dynamism and, in particular, to the unexpectedly low growth of Brazil,

LATIN AMERICAN GDP
Year-on-year and quarter-on-quarter rates

CHART 5







SOURCE: National statistics.

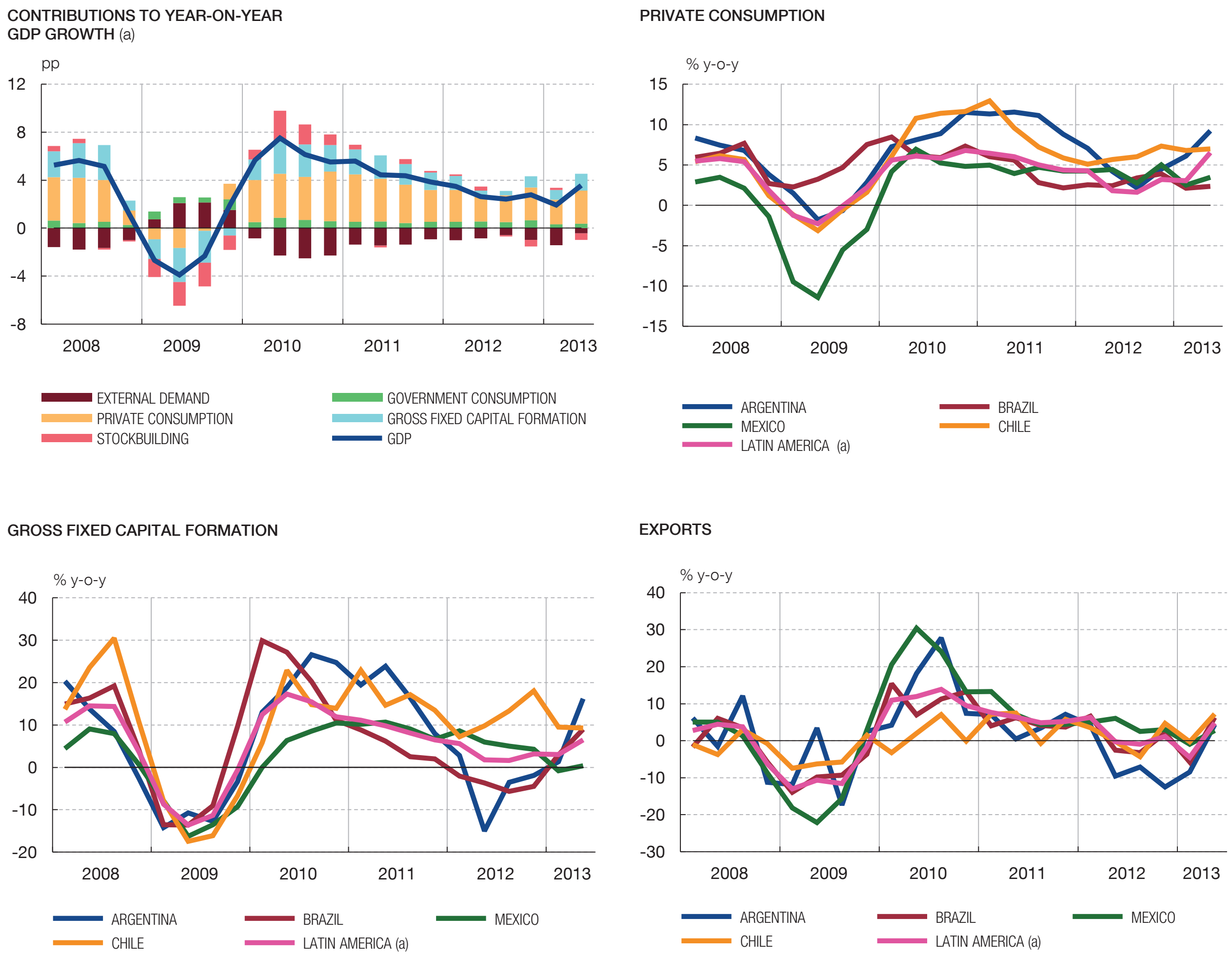
a Aggregate of the seven main economies, as a GDP-weighted average for the region.

Mexico and Venezuela (1.5%, 0.6% and 0.6%, respectively, in year-on-year terms). This behaviour was partly a result of very weak external demand. Brazil, among other countries, saw a very significant fall in exports in Q1, accompanied by an unexpected moderation of private consumption, while in Mexico the weak external demand was accompanied by a fall in public-sector investment and a deceleration of private-sector investment. In Venezuela, activity slowed as a result of the slump in government investment, which until the elections at the end of the previous year had been the main engine of growth. By contrast, the recovery in Q2 was mainly due to higher-than-expected growth in Colombia and Argentina, with rates of 4.2% and 8.3% year-on-year, respectively, although Brazil also posted somewhat more dynamic growth, mainly as a result of the take-off in investment. Argentina in particular contributed 1 pp to regional year-on-year growth, almost as much as Brazil (1.2 pp), an economy which is three times larger. The exceptional growth of the Argentine economy reflects the rebound of investment, the increase in private consumption (aided by government policies in the months leading up to the elections), a better harvest and the growth of exports to Brazil. By contrast, the quarter-on-quarter fall in Mexico's GDP left the year-on-year rate at 1.5%, as a result of the continuing weakness of public and private investment, which is considered temporary, and of a methodological change in the National Accounts time series, which trimmed growth by an additional few tenths of a percentage point.

Looking at components, domestic demand and, in particular, private consumption were again the main drivers of growth in the region, partly counteracting the negative

COMPOSITION OF GDP ON THE DEMAND SIDE
Year-on-year rate and pp

CHART 6



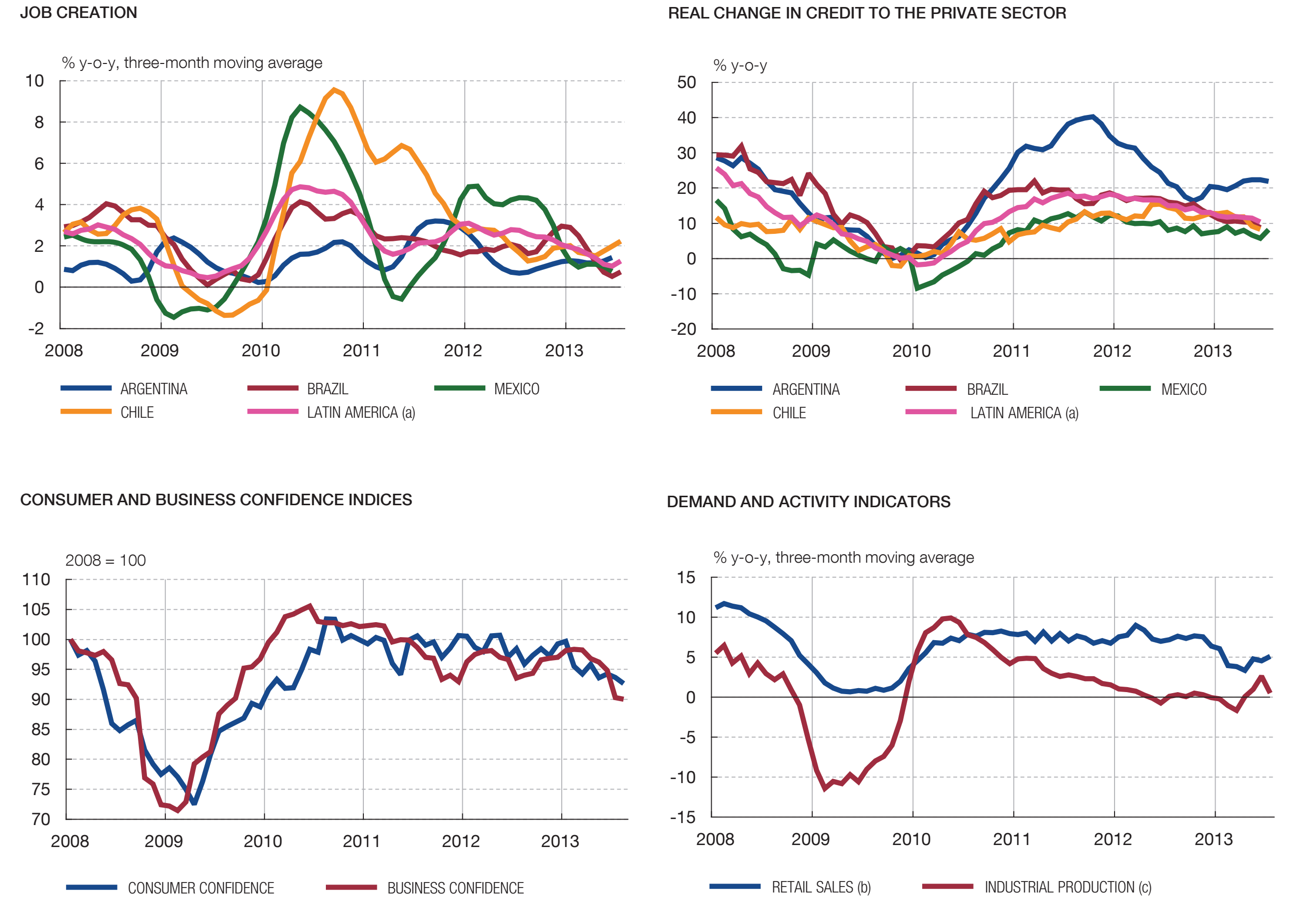
SOURCES: National statistics and IMF.

a Seven biggest economies, as GDP-weighted average for the region.

performance of external demand, especially in the first quarter of the year. Domestic demand contributed 3.4 pp to growth in Q1 and 4.2 pp in Q2 (see Chart 6), and was particularly robust in Peru and Chile (with contributions of more than 7 pp) and in Argentina in Q2 (more than 10 pp). Meanwhile, average private consumption for the region grew by 3.3% year-on-year in Q1 and by 4.2% in Q2, underpinned by the strength of the labour market (with an unemployment rate of 6.3% of the labour force, close to the region's historical low), an increase in real wages, albeit more moderate than in previous years, and ongoing credit growth. Investment, which had shown significant weakness in the past year, especially in Brazil and Argentina, accelerated to rates of 6.5% year-on-year in the region on average, buoyed by the recovery in both countries (see Chart 6). In other cases, such as Chile or Peru, investment continued to increase at high rates of 8%-9% year-on-year, although they were more moderate than in previous years due to the maturity of the mining investment cycle against a background of downtrending metal prices.

External demand showed highly negative behaviour particularly in Q1, clipping 1.4 pp from regional growth as a result of the weakness of exports, which fell by 4.5% year-on-year and only tended to recover (by 4.8%) in Q2, in consonance with world trade. By contrast,

EMPLOYMENT, DEMAND AND CREDIT INDICATORS CHART 7
Year-on-year rate, indices and three-month moving average of the year-on-year rate



SOURCES: National statistics and Datastream.

a Aggregate of the seven biggest economies, as a GDP-weighted average for the region.
b Aggregate of Argentina, Brazil, Mexico, Chile, Colombia and Venezuela.

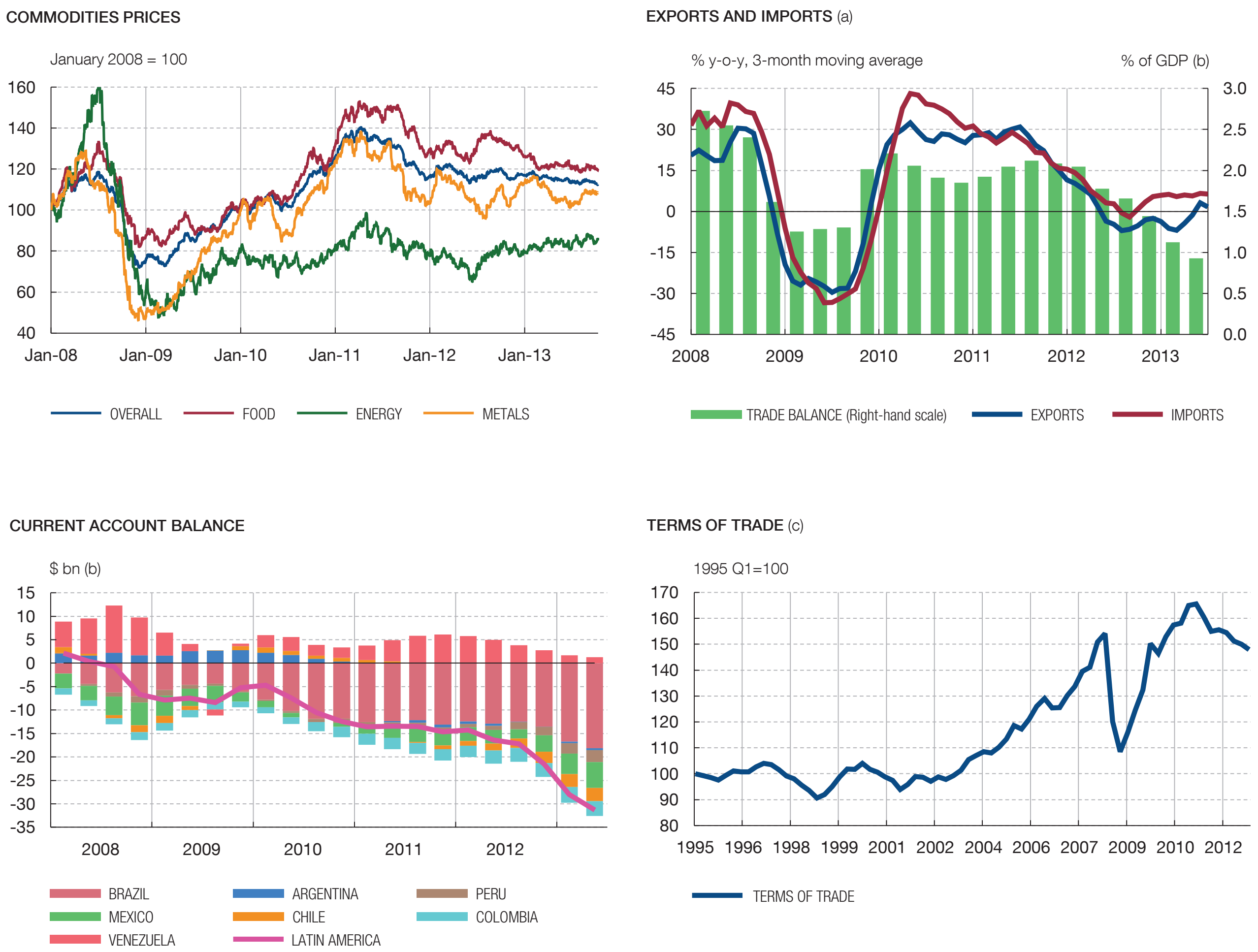
imports held at a growth rate which was more solid (4% and 7.1% year-on-year in Q1 and Q2, respectively), although far from the double-digit rates of the previous three years.

The high-frequency indicators point to a slower rate of expansion in Q3 in various countries, including Brazil, possibly with the exception of Mexico and Colombia. On the supply side, industrial production, which had shown a recovery (relatively widespread across countries) to rates approaching 2.5% year-on-year in Q2 (see Chart 7), returned in July and August to rates nearing 0% year-on-year, similar to those recorded in 2012. On the demand side, the growth of retail sales has moderated in recent years, although in the reporting period it held at 5% year-on-year. Finally, the leading indicators of business confidence and consumer confidence worsened somewhat until August in the region on average.

All things considered, some significant elements of domestic strength remain. In the labour market, job creation tended to moderate after the robustness of the last few years (see Chart 7) and in some countries has begun to gravitate towards jobs considered less stable, but unemployment rates have remained around their historical lows. Mexico is an exception in this respect because its unemployment rate continues to be some 2 pp above pre-crisis levels and real wages have shown more stable behaviour. One factor which may have contributed to the firmness of labour markets is the rise in households' purchasing

EXTERNAL ACCOUNTS AND DETERMINANTS
Indices, year-on-year rate of change, percentage of GDP and $bn

CHART 8



SOURCES: National statistics, central banks and Banco de España.

a Customs data in dollars, aggregate of the seven main economies.
b Four-quarter moving average.
c Aggregate of the seven main economies, as a GDP-weighted average for the region.

power due to higher real wages, which has fuelled demand for services and employment in the tertiary sector, contrasting with the relatively weak investment. Credit to the private sector continued to moderate gently, although holding the growth rates of 10% year-on-year in the region on average.

Notable in the external sector was the sharp decrease in the trade surplus, which stood at 1% of regional GDP in Q2, half that in 2012 (see Chart 8). The downtrend in the trade surplus (which only halted temporarily in the two years following the crisis, when it steadied at around 2% of GDP) reflects the weakness of exports (in quantity and price), which showed negative year-on-year rates throughout nearly all the semester, recovering minimally in July (see Chart 8). By country, the trade surplus decreased most sharply in South America and in the commodity exporting countries. In Mexico, the trade balance returned to a deficit similar to the historical average in Q1, after surpluses in 2011 and 2012. By destination, most notable were the falls in goods exports to the European Union (-8%) and within Latin America (-6%), followed by those to the United States (-3.5%). Exports to Asia held at positive growth rates (5%), although those from Chile and Peru (mainly metals) fell in the half-year period (-5% and -12%, respectively). Box 2 analyses the commodity supercycle and the implications for Latin America.

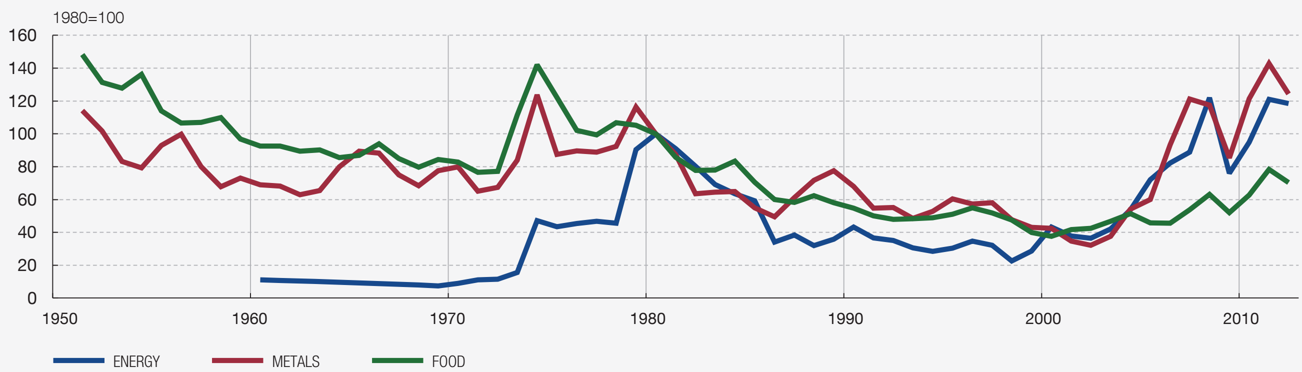
The policy decision in China and other emerging economies to shift to a less commodity-intensive growth model, along with the expansion of viable reserves of unconventional hydrocarbons, may signal the end of the high commodity prices during the past decade.

Between 2001 and 2012 real oil and metal prices tripled, while those of food rose by 69% (see Chart 1). This is behaviour consistent with the upturn of a commodity supercycle. "Commodity supercycle" is defined as a persisting deviation of real prices from the long-term trend for a broad range of commodities, the duration of which fluctuates between 20 and 70 years. These supercycles arise from an increase in commodity demand linked to historical episodes of industrialisation and urban development (as recently seen in China and India) which cannot be met immediately by the available supply, pushing real prices above trend for decades. Supercycles mainly affect commodities which are factors of production of those economies in the process of industrialisation and urban development. The deviations from trend reverse when the price signals are sufficiently strong to induce a sizeable response in supply. The recent phenomenon of unconventional hydrocarbons might be an example of a supply-side response against a background of high oil prices which, together with progress in extraction techniques, has made it economically feasible to tap large volumes of gas and oil trapped in existing oilfields.[1]

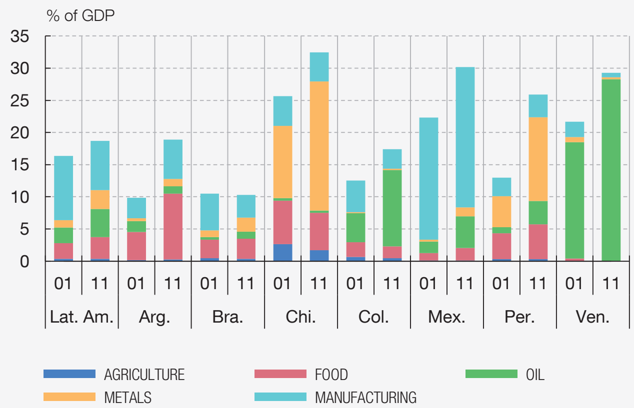
Some analyses conclude that the current supercycle is now at its point of largest deviation, although the behaviour of commodities is uneven. However, there are also reasons to conclude that the end of the supercycle is still far away or that the price correction would in any case be limited: first, the industrialisation and urban development of China and other emerging economies still has some way to run in view of the demographic outlook and the urban development plans; second, the argument that the supercycle is coming to an end is based on technologies involving high sunk costs and low marginal costs, but the marginal cost of production of unconventional hydrocarbons is relatively high; third, supply will foreseeably be progressively less able to accommodate demand as new reserves become increasingly complicated and costly to

1 For the whole world, the International Energy Agency and the US Department of Energy estimate that unconventional oil reserves amount to around 10% of total reserves.

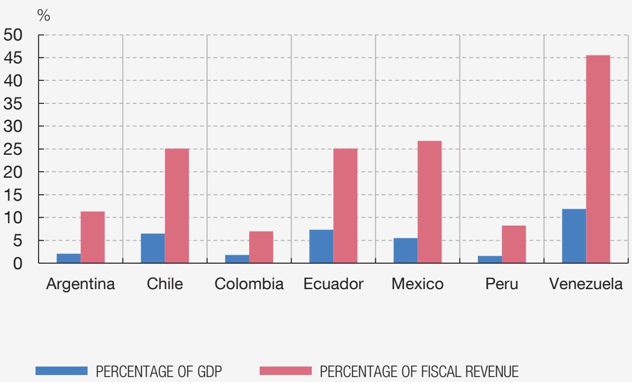
1 REAL PRICES OF COMMODITY AGGREGATES



2 TRADE OPENNESS AND EXPORT OF GOODS



3 FISCAL REVENUE FROM NATURAL RESOURCES



SOURCES: World Bank, Inter-american Development Bank, Datastream and national sources.

a Aggregate of the seven countries represented.

tap; and, lastly, using long time series and focusing on the real prices of some commodities in the past decade, the situation looks more like a recovery from the secular fall in the last two decades of the previous century.

The upturn in commodities has strengthened the productive and export specialisation of Latin America, in line with its comparative advantage. At aggregate level, the weight of commodity exports in GDP has nearly doubled in the past decade, rising from 6% in 2001 to 11% in 2011 (see Chart 2). This increase took place in all countries, including most notably Mexico, Peru, Argentina and Colombia. Commodities have become the largest component of total goods exports of all countries except Mexico, where manufactured goods continue to be the mainstay of exports. Analysis of products reveals a specialisation in food exports by Argentina and, to a lesser extent, by Brazil; in oil by Venezuela and Colombia; and in metals by Chile and Peru. In Brazil the increase in commodity exports has been accompanied by a greater variety of products, in line with the country's diversity of natural resources.

In addition to their importance for the activity and earnings of these countries, commodities also play a significant role in fiscal policy. The increase in the demand for and price of these goods has brought considerably higher fiscal revenues. On data of the Inter-American Development Bank,[2] fiscal revenue from non-renewable commodities was, on average for the period 2005-2010, equal to 7.5% of GDP and to 28% of Latin American fiscal revenue (see Chart 3), representing, for example, 12% of GDP and 46% of fiscal revenue in Venezuela and 6% of GDP and 27% of fiscal revenue in Mexico. Given the high general exposure of the public finances to commodity prices, a fall in them would have a significant impact and limit the fiscal space of countries to apply counter-cyclical policies at the end of the supercycle. Those countries which have well-defined fiscal rules or have conducted their fiscal policy prudently would enjoy more freedom of action.

The main channels through which a commodity shock is propagated to the economy as a whole are twofold: the trade channel and the impact on the fiscal accounts (as well as possible confidence effects and effects on financial flows). For a country which is a net exporter, a fall in commodity prices worsens its real terms of trade, reduces exports, worsens its external balance and depreciates its currency. The adjustment needed to reach a new equilibrium entails a depreciation of the real exchange rate so as to correct the deterioration in the external balance and the insufficiency of domestic demand. The fall in commodity prices also has a significant effect through the reduction of fiscal revenue, so monetary policy becomes particularly important because of its potential use as the main tool of counter-cyclical action. In any event, increasing world demand due to the favourable cost shock would moderate the negative impact.

A simple simulation exercise using a global model[3] allows us to assess the economic implications of a widespread correction of commodity prices in Latin America. Specifically, the scenario simulated was a permanent exogenous price fall of 20% in nominal terms with respect to current levels, which is a significant fall but not an extreme scenario. The exercise allowed us to separate the direct effect of this shock without policy responses or global effects, the monetary policy response and the effect of the supply shock on the world economy. The sum of these three effects gives the total impact of the shock. It should be noted that the effect of the fall in fiscal revenue, which could be significant if access to external financing were restricted, and the deterioration in the confidence of private-sector agents are not taken into account. The results of the exercise show that the effect of the fall in commodity prices is not large for Latin America in terms of GDP growth and is somewhat more significant in terms of its external balance. The direct impact is estimated to be a reduction of between 0.2 and 0.3 percentage points (pp) in GDP growth from 2013 to 2015 in the regional as a whole, although monetary policies would be able to limit that impact by up to 0.1 pp. Additionally, the effect of the worldwide reduction in costs (which lowers prices and raises world income) may substantially mitigate the negative impact on Latin American economic activity. The direct impact on trade balances is estimated to range from 0.25 pp to 1 pp of GDP in the three years simulated, although, considering the induced effects, the increase in world demand would mean that the trade balance would fall by slightly less.

As a result of the composition of commodity exports, the impact on each economy would differ. Here we assume a proportional fall in the price of all commodities, without distinguishing between products. However, some commodities, such as agricultural products, may be affected less by the possible end of the supercycle, and, as a result, the impact on the various Latin American economies would be a more asymmetrical.

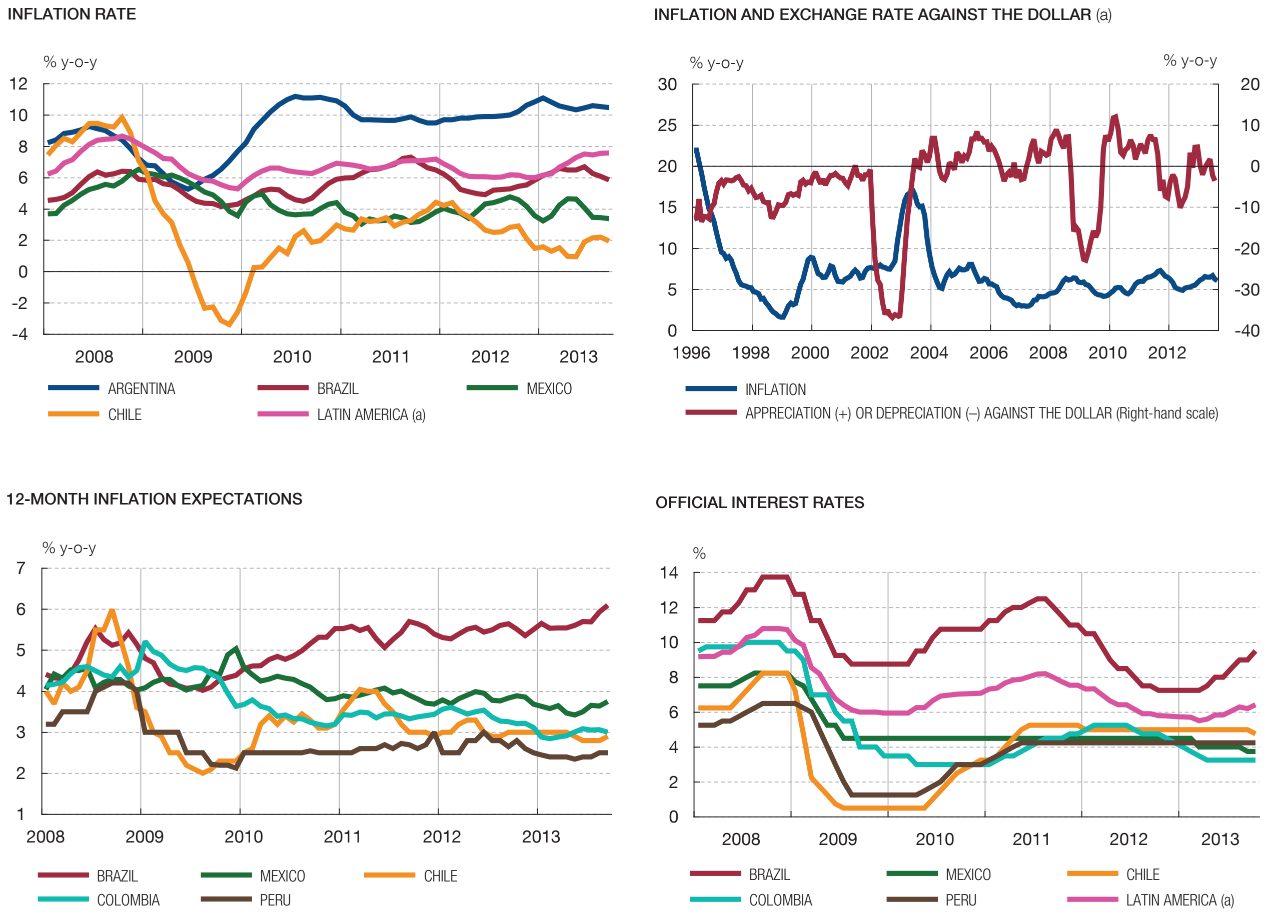
2 Inter-American Development Bank (2013), *Recaudar no basta. Los impuestos como instrumento de desarrollo.*

3 In this case, the NIGEM model.

Against this background, the current account deficit continued to widen in the region on average to 2% of GDP in Q2, the highest figure in the past decade. Although this deficit may be considered relatively moderate and it is mainly financed by foreign direct investment, the rapidness and extent of its growth are notable. In Peru the current account deficit reached 5% of GDP in Q2, in Chile it stood at 4.5% and in Brazil at 3.2% as the

INFLATION, EXCHANGE RATE AND OFFICIAL INTEREST RATES
Year-on-year rates of change and percentage

CHART 9



SOURCES: National statistics and Banco de España.

a Aggregate of the seven main economies, as a GDP-weighted average for the region.

trade surplus disappeared and the services and income deficits widened. Meanwhile, in Venezuela the current account surplus continued to decrease (to 2% of GDP) despite the containment of imports made possible by exchange control, and in Argentina it dropped to the point of nearly coming into balance despite the import restrictions.

Prices and economic policies

Average inflation in Latin America rose in the last six months to 7.6% year-on-year in September, its peak for the last four years (see Chart 9). This average is highly conditioned by the behaviour of inflation in Venezuela (which exceeded 46% year-on-year) and, to a lesser degree, in Argentina (above 10%, according to official figures). Of the five countries with inflation targets, pressures were only seen in Brazil, since inflation peaked at 6.7% year-on-year in June, above the central bank's band (6.5%), and subsequently began to correct slightly to 5.9% in September. Conversely, in the other countries with inflation targets, except for Peru, consumer prices moved on a very moderate upward trend within the bands and in certain countries, such as Chile and Colombia, they held at the lower end of the target rate (around 2% year-on-year).

The outlook for inflation is uncertain. On one hand, the slowdown in activity should ease the demand pressures observed in Brazil, Chile and even Peru. On the other, the exchange rate depreciation in certain countries (mainly Brazil) could be large enough to pose an upward risk to the prices of tradable goods, including food, although the pass-through has

INFLATION
Year-on-year rates of change

TABLE 2

	2012			2013		2014
Country	Target	December	Fulfillment	September	Expectations (a)	Expectations (a)
Brazil	4.5 ± 2	5.8	Yes	5.9	5.8	5.7
Mexico	3 ± 1	3.6	Yes	3.4	3.6	3.9
Chile	3 ± 1	1.5	Yes	2.0	2.4	2.9
Colombia	3 ± 1	2.4	Yes	2.3	2.7	3.1
Peru	2 ± 1	2.6	Yes	2.8	3.0	2.5

SOURCE: National statistics and Consensus Forecasts.

a September 2013 Consensus Forecasts for the end of the year.

moderated noticeably over recent decades (see Chart 9) and, at present, these effects can only be seen in producer prices. In this context, inflation expectations have remained broadly unchanged in the past six months. It is worth noting that in Brazil they have not eased despite the increase in official interest rates (see Table 2 and Chart 9).

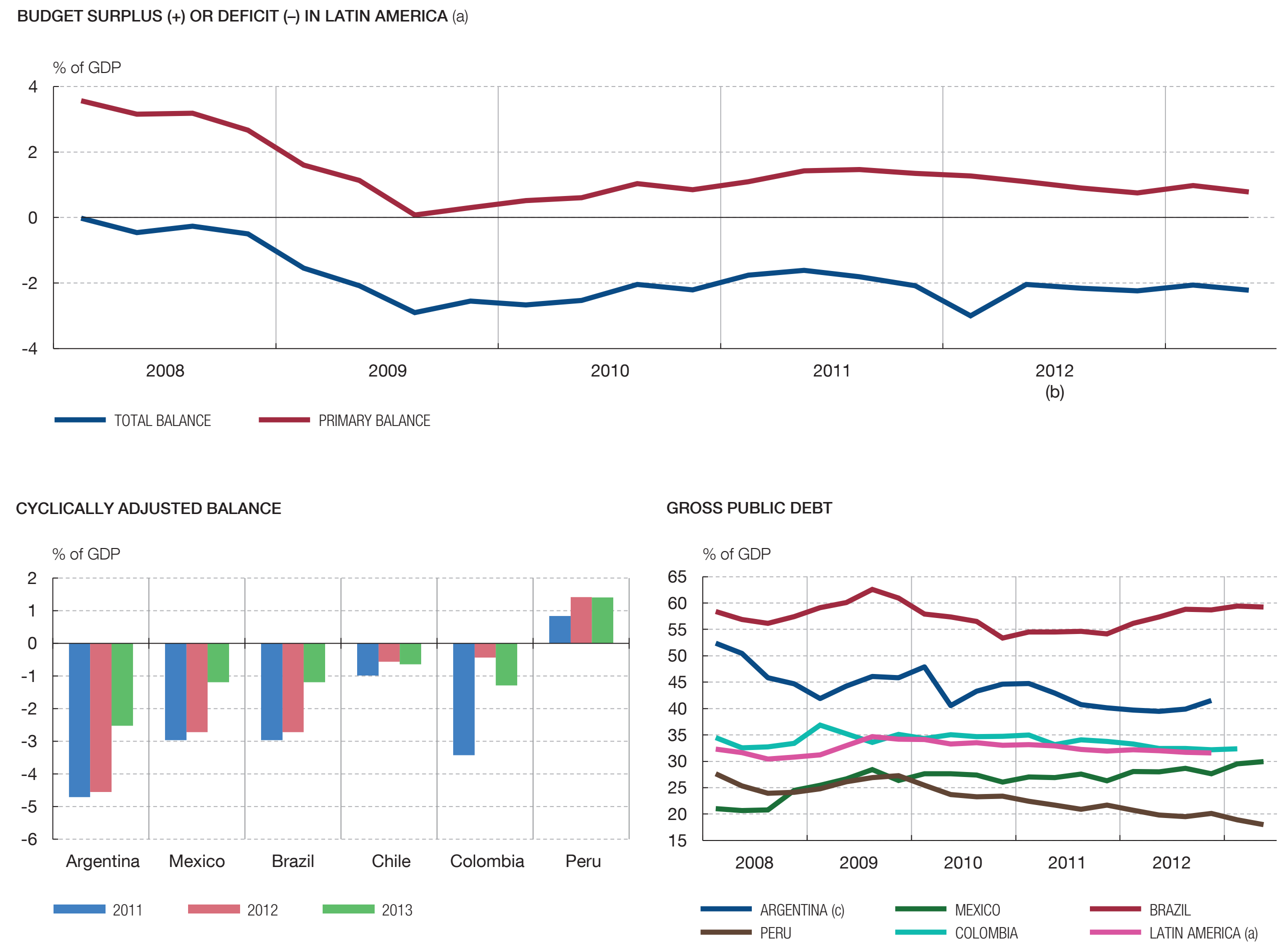
The monetary and exchange rate policy responses of the different countries in the last six months have varied, on the basis of the strength of the exchange rate deprecation and the situation of inflation, and the credibility of the inflation target. Accordingly, Brazil would be at one end of the scale, where the depreciation was very pronounced and inflation has persistently held above target during the last three years, with the result that inflation expectations showed a gradual, albeit continuous, upward drift. The central bank tightened its monetary policy significantly by increasing official interest rates five times from April to October, although economic recovery is still incipient (see Chart 9). At the opposite end of the scale, core inflation in Mexico reached new record lows of around 2.5% and the central bank unexpectedly lowered the official interest rate by 25 bp in September, despite the depreciation of the exchange rate against the dollar by more than 10% from May to September and its improved outlook of recovery due to the upturn in the US economy. Chile also cut its official interest rate by 25 bp in October. Finally, neither Colombia nor Peru, which are at different points in the cycle and whose exchange rates have depreciated to varying degrees, modified their benchmark interest rates, although they did indicate that they were more predisposed to easing their monetary policies if necessary, or (as in the case of Peru) they reduced the bank reserve requirement.

Faced with these differences, one common feature has been the reaction of exchange rate policy: a notable depreciation of exchange rates was tolerated at times of tension, although countries also used exchange rate intervention to mitigate the risk of overreaction (especially in Brazil, but also in Peru). Reserves – measured by almost any metrics – are high in the five countries with inflation targets (between 14% and 30% of GDP), although they have tended to decline in most cases in recent months, as a result of the interventions, and the short-term external debt/reserves ratio is manageable. On the positive side, in many countries the nominal depreciation that has built up has corrected sharp and protracted appreciations which had eroded competitiveness in certain cases. Consequently, it is seen in principle as a benign adjustment which, if it continues in real effective terms, should enable current account balances to improve in the medium term.

The source of inflation in Argentina and Venezuela was different, and inflation dynamics were more pronounced. The devaluation of the Venezuelan bolivar at the beginning of the

MAIN PUBLIC SECTOR FIGURES
Percentage of GDP

CHART 10



SOURCES: IMF (*Fiscal Monitor* April 2013) and national statistics.

a Aggregate of the seven main economies, as a GDP-weighted average for the region.
b In Venezuela, quarterly data estimated from annual data. In 2013, aggregate excluding Venezuela.
c Excludes untendered debt in the debt swap offers of 2005 and 2010.

year, the delays in delivering currency for imports, the increase in exchange pressure on the Argentine peso and a situation of fiscal domination in both countries contribute to explaining why inflation has remained significantly higher than in the other countries. From the standpoint of external vulnerability, the external positions of these two countries are relatively sound, since they have a current account surplus or a small current account deficit; however, this external position has deteriorated in the last year and, furthermore, reserves are low when compared internationally, they are showing a downward trend and, in the case of Venezuela, most of them are denominated in gold.

In the fiscal policy area, public finances slowed across the board on the revenue side in most countries. In some cases this was linked to the cycle, such as in Brazil and Mexico, and in others it was associated with a fall in commodities prices (such as Chile, Mexico and Peru). Expenditure, however, continued to grow more than revenue. The region's average budget deficit held at 2% and the primary surplus at 1% of regional GDP (see Chart 11). Against this backdrop, in Brazil an adjustment in spending of 0.2% of GDP was announced in summer, in an attempt to meet the primary surplus target of 2.3%, which had already been revised downwards before summer to 2.6%. The Mexican government asked Parliament to increase the deficit target to 0.4% in 2013 owing to cyclical sluggishness. Overall, the fiscal consolidation plans drawn up after the crisis have been delayed and the 2014 budgets show no changes with respect to this trend; in certain cases government deficits are expected to increase. Thus, fiscal margins are being restructured at a slow pace.

Trade and reforms

In the area of regional trade integration, the main progress was in relation to the so-called "Pacific Alliance" comprising Mexico, Chile, Peru and Colombia. At the end of August this Alliance reached an agreement on the deadlines for eliminating 100% of the tariffs between its members, most of them before the end of 2013. Furthermore, Costa Rica joined this trade bloc after signing a free trade agreement with Colombia and already having free trade agreements with the other three members – a necessary condition for membership. Accordingly, Panama signed a treaty with Colombia and began talks on entering into a treaty with Mexico. Colombia signed another agreement to liberalise foreign trade with Israel, as part of a strategy to look for new markets outside the region, while Costa Rica and Panama also signed agreements with the EFTA countries (Norway, Switzerland, Iceland and Liechtenstein). Chile extended the preferential trade agreement with India. No progress was made on trade in MERCOSUR, an issue which was not on the agenda for the last summit in July, against the backdrop of the suspension of bilateral investments and discrepancies between the two main partners in the bloc. Brazil asked its partners for greater flexibility to speed up negotiations with other players in international trade, mainly the European Union, and at the end of September it announced the withdrawal of tariffs on 100 imports which were applied last year. Finally, Ecuador applied for membership of MERCOSUR, and Paraguay was readmitted, after its membership had been suspended in 2011.

As for structural reforms, in Mexico reforms of the telecommunications industry and the banking sector were approved. Two of the most keenly anticipated proposals, the energy sector and fiscal reforms – currently before Parliament – face more opposition than the aforementioned ones. In Colombia the Plan to Promote Productivity and Employment (PIPE by its Spanish abbreviation) was approved. Among other measures, it extends the aid to the housing sector and reduces certain taxes and tariffs. By contrast, in Peru a package of measures was announced to cut the bureaucracy surrounding project start-ups and to improve the financing of small and medium-sized enterprises in order to encourage investment. Lastly, in Argentina certain rules on foreign investors' ownership of the oil industry were softened.

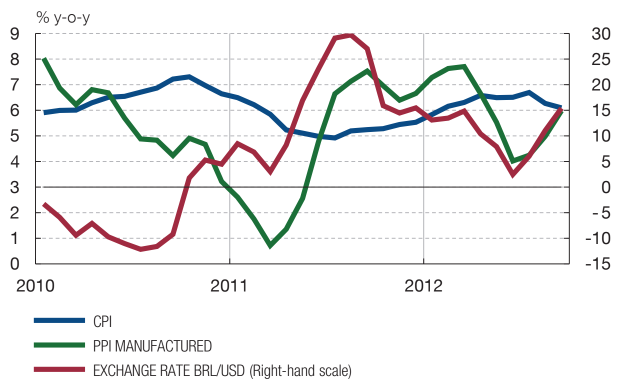
Economic developments by country

In Brazil, the recovery continued at a slow pace, although GDP for Q2 was a favourable surprise since it grew by 1.5% quarter-on-quarter (3.3% year-on-year), unlike in Q1 when it recorded lower-than-expected growth of 0.6% quarter-on-quarter (1.9% year-on-year). In terms of demand components, private consumption slowed to a year-on-year rate of 2.3% in Q2. It did so against a backdrop of high inflation, moderating consumer credit growth and a slightly less favourable labour market since, although the unemployment rate remained low (5.3% in August), both job creation and the increase in real wages eased in the first half of the year. Conversely investment, which had been contracting for several quarters, rose notably (to a year-on-year rate of 9% in Q2). Nevertheless, there are some doubts about the extent to which this recovery is the result of the effectiveness of stimulus measures (reduction of taxes, aid for exports and the promotion of directed credit) and about its continuity in a setting of a slight tightening of financing conditions and weak business confidence indicators. External demand maintained its considerable negative contribution in the first half of the year as a whole, mainly arising from the robust performance of imports associated with the recovery of investment, whereas exports contracted sharply in Q1 (down by 5.7%

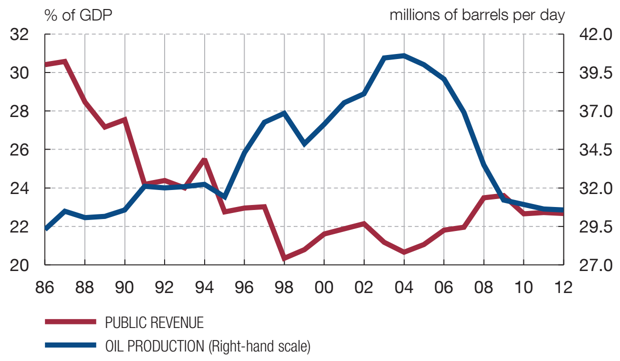
BRAZIL AND MEXICO

CHART 11

BRAZIL. PRICES AND EXCHANGE RATE



MEXICO: PUBLIC REVENUE AND OIL PRODUCTION



SOURCE: National sources.

year-on-year), but increased surprisingly in Q2 (up 6.3%). According to the higher frequency indicators it is estimated that activity will slow down in the second half of the year.

Inflation increased in the first half of the year to 6.7% year-on-year in June, above the upper limit of the target band, driven by supply shocks in food prices, the relatively narrow labour market – services inflation held at above 8% year-on-year – and the prior depreciation of the currency. However, this inflation could have been higher without certain tax cuts and reductions in the prices of regulated products introduced in this period. Since June inflation has begun to adjust slightly (see Chart 11), despite the depreciation of the exchange rate by almost a further 20% against the dollar between May and August, partly owing to the moderation of food prices and the positive base effects, and it stood at 5.9% year-on-year in September. Credit continued to show high growth rates of 16% year-on-year in nominal terms, as a result of the increase in the "directed" credit segment, particularly that extended to firms, which offset the notable easing of market credit. Against this backdrop, between April and October the central bank raised the official interest rate by a total of 225 bp, to 9.50%. The strong depreciation of the currency in response to the trend of capital outflows since May led to the withdrawal of most of the macroprudential and capital control measures adopted previously (the tax on foreign investment in fixed income [IOF by its Portuguese acronym], the 1% tax on increases in short positions in USD and the reserve requirements with respect to short currency positions held by local banks). Furthermore, the central bank announced a wide-ranging programme of dollar auctions from August until the end of the year. Following this and the stabilisation of emerging financial markets, the exchange rate has recovered significantly.

The current account deficit widened over the year to 3.6% of GDP in August due to the sharp fall in the goods surplus and rising services deficits. Net flows of direct investment have financed the bulk of the external deficit but, unlike previous years, not in full. In the fiscal realm, the limit on deductible expenses of the primary surplus target was raised, and the latter fell to 2.3% of GDP. Nevertheless, due to the fall in revenue a small tax cut was announced in order to meet the target for the year. In the draft 2014 budget the primary surplus target remains at 3.1%, but with deductible investment expenses amounting to 1%; consequently, the primary surplus target could decline to 2.1% of GDP.

In Mexico the economy performed worse than expected in the first half of the year by slowing notably (1.5% year-on-year in Q2, compared with an average of 3.2% for the previous six months). The lower momentum was particularly noticeable in Q2 when GDP fell 0.7% quarter-on-quarter, although this data was affected by a methodological revision in the compilation of GDP which includes changing the base year from 2003 to 2008 and assigns a larger weight to the construction and real estate services activities, which performed poorly due to lagging public investment. Accordingly, the demand component was more sluggish than investment, which declined by 0.2% during the first half of the year as a result of the fall in public investment, although it was also due to lower growth in private investment. Private consumption rose 3% in the first half of the year, which had less support from consumer credit and was dragged down by the poor behaviour of remittances (which stood at 2004 levels in real terms) and by a slight slowing of job creation (partly due to the labour reform – in the long term it may have beneficial effects but at present it has meant a lower rate of increase in informal employment). Similarly, external demand made a zero contribution, despite the deceleration of imports, since exports continued to perform badly faced with the fall of oil sales and the practically flat growth of manufacturing exports. The high-frequency data indicate a slight recovery of the economy. Thus, manufacturing exports improved as a result of more buoyant external demand, especially from the US, and retail sales even rose, pointing to a slight pick-up in private consumption.

Inflation, after climbing to a year-on-year rate of 4.6% in April as a result of the increase in the component of food and certain regulated goods (the gradual elimination of the petrol subsidy), eased rapidly as these temporary shocks petered out; in September it stood at 3.4%, within the central bank target range (3% ± 1%). Moreover, the core rate has held at historical lows (around 2.5%). Against this background, the central bank unexpectedly cut its official interest rate by 25 bp in September to 3.75%. On the fiscal front, the deficit held at 0.5% of GDP in Q2, without considering the investment by PEMEX, but the decline in revenue owing to the weakness of activity led the Executive to request that Parliament raise the deficit to 0.4% of GDP compared with the envisaged figure of 0%. An even bigger deficit of 1.5% is envisaged for 2014, as a result of the increase in investment and social protection spending. The current account balance posted a deficit of 1.7% of GDP in Q2, up on previous quarters as a result of the deterioration in both the trade and income balances.

Finally, the momentum given to reform by the current Administration led two rating agencies to upgrade the country's sovereign rating; one raised it a notch and the other gave the country a better outlook. In this respect, the aim of the telecommunications reform is to increase competition and reduce costs in the industry, while the financial reform seeks to improve guarantee-enforcement and bank-resolution processes and to strengthen development banking.

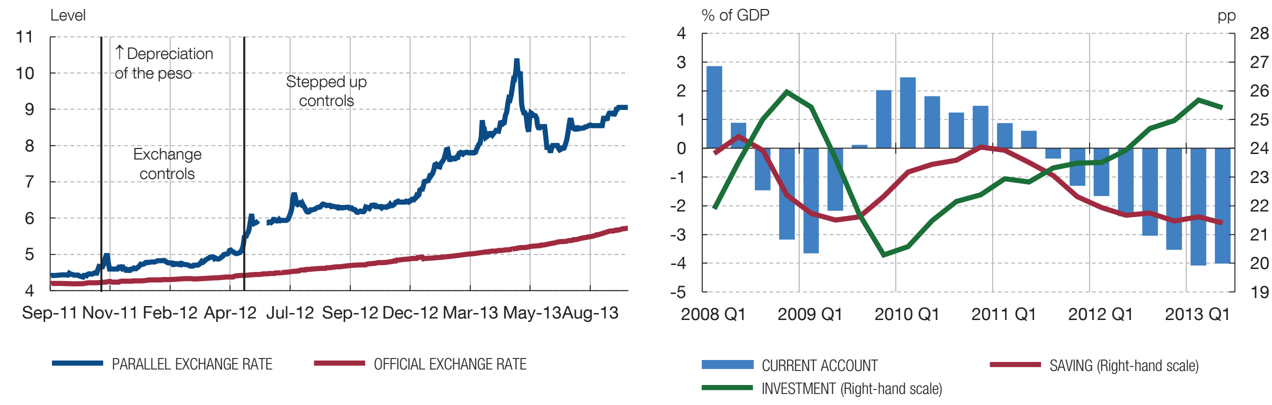
Banco de México estimates place the increase in potential GDP as a result of this latest reform at 1.5 pp for the horizon of the next three years. The energy reform, which seeks to raise crude oil production in a setting which has seen it decline to 1998 levels (see Chart 11), would give the private sector access to specific oil exploration and extraction activities, while reserving ownership of this natural resource for the State. The tax reform would harmonise VAT rates across different sectors of activity, without broadening the tax bases, in addition to eliminating tax deductions and raising the top income tax rates. It is estimated that all these measures could raise revenue by 1.4 pp of GDP from 2014 in a setting of declining public revenue (see Chart 11). The tax reform also includes the application, as from next year, of a structural tax rule that allows slippage from equilibrium at times in which GDP is growing below trend, as would be the case in 2014, and which would cap current spending in situations of above-trend growth. This is in contrast to the current zero deficit rule for each year.

ARGENTINA AND CHILE

CHART 12

ARGENTINA. EXCHANGE RATE AGAINST THE DOLLAR

CHILE: CURRENT ACCOUNT



SOURCES: Banco Central de Argentina, Banco Central de Chile and Reuters.

Following the strong slowdown last year, activity in Argentina rose appreciably according to official figures in the first half of 2013, posting year-on-year growth of 8.3% in Q2 after growth of 3% in Q1. The recovery may be biased upwards owing to seasonal factors (sizeable agricultural output) and to the better performance of the automobile industry. In terms of demand components, consumption was again the main driver of growth thanks to public policies (the strong increase in subsidies to low-income households) and to the increase in lending to the private sector (around 30% year-on-year in nominal terms), while the labour market remained considerably sound (the unemployment rate fell to 7.2%). Further, there has been a notable improvement in investment, especially in the capital goods component, thanks to the de facto easing of certain import restrictions and to administrative measures which routed saving towards investment. Conversely, with imports picking up (21.3%), the contribution of external demand turned very negative (-1.9 pp in Q1 and -2.2 pp in Q2).

In parallel with this recovery, official inflation rose to 10.5% in September, despite a temporary freeze on food prices; the primary deficit stood at 0.2% of GDP (though this figure rises to 2% if adjusted for central bank transfers and pension funds), and the current-account deficit at 0.3% of GDP. International reserves have fallen in the year to date by over $8 billion, standing at around $35 billion as a result of a decline in dollar-denominated deposits, the growing energy deficit and an apparent loss of effectiveness of capital controls (which were tightened for tourism). A tax amnesty was duly announced aimed at raising dollar inflows into the economy. The premium between the official and the parallel exchange rates widened to 100% at end-April (see Chart 12), but recent months have seen it narrow somewhat (to 60%) as a result of an increase in peso interest rates (the Badlar rate has risen from 14% per annum in March to 19.5% at present) and a swifter rate of depreciation of the official exchange rate (at an annualised rate of 30% in the past month, standing at 5.8 pesos per dollar). The latest conjunctural indicators show an easing in the pace of expansion of the economy, although the looser fiscal policy implemented before the legislative elections in October retains some momentum. The stock market index rose more than 40% in the March-September period, acting as a safe haven in a setting of high inflation and exchange rate uncertainty.

The level of the EMBI and of CDSs remain very high and volatile, but declined somewhat during the half-year period, influenced by the fact that, although the New York Court of

Appeals ratified the ruling obliging the country to pay the plaintiff funds that did not accept the debt swap, the ruling is currently suspended pending possible appeals. Argentina has maintained a position contrary to paying the holdouts. Hence, if the ruling becomes effective, there would be the risk of technical default, as payments to the bondholders who accepted the swap would be withheld to compensate the plaintiff funds. The Argentine government reacted to the ruling by announcing for the third time the reopening of the debt swap for holdouts under the same conditions as in 2010, seeking to deflate the arguments for a negative ruling and opening up the option for creditors with securities under foreign laws to voluntarily change to domestic jurisdiction. In principle, the appeals made by Argentina allow the problem to be deferred, but if the ruling holds firm the change of jurisdiction may be difficult. Accordingly, S&P once again downgraded Argentine bonds to CCC+.

Economic growth in Chile eased more than expected in the first half of 2013, although the growth rate remains very sound. Thus, in quarterly terms, the GDP rate expanded 0.8% in Q1 and 0.5% in Q2, and at an annual rate of 4.5% and 4.1%, respectively. Domestic demand, after performing most robustly in previous quarters, underwent a notable correction (5.8% year-on-year in Q2 compared with 8% at end-2012) owing to developments in investment (which eased as a result of the maturity of the mining investment cycle against the background of the lower price of copper), although the behaviour of inventories was also a contributing factor in Q2. Nonetheless, private consumption remained buoyant (7% year-on-year in Q2), underpinned by the favourable labour market conditions (an unemployment rate of 5.7% in August and real wages growing at 4%, although the creation of wage-earning employment has recently eased). With imports also continuing to expand strongly, the contribution of external demand was negative, although less so in Q2 than in Q1 (-0.8 pp compared with -2.8 pp), partly too as a result of a rise in mining exports following previous supply-side problems. The trade surplus fell by almost 65% in the nine months to end-September, the outcome of a 1.1% increase in exports year-on-year and of 4.2% in imports, which has widened the current-account deficit to 4% of GDP (see Chart 12), despite lower mining income outflows.

The high-frequency indicators suggest that consumption might undergo some adjustment, assisted by tighter credit conditions and the recent depreciation of the peso (5% relative to the dollar since May), although the economy as a whole appears to be stabilising. Inflation has tended as expected, rising to a degree as some of the temporary factors that pushed it down (energy prices and the behaviour of tradeable goods prices) were diluted. Even so, it stood at 2% year-on-year in September, within its target range, while core inflation remains below 1.5%. Against this background, the central bank has cut its official interest rate of 4.75% in October in light of the good inflation performance and the expected moderation of private consumption. On the fiscal front, lower revenue augurs a deficit of close to 1% of GDP for 2013.

In Colombia, following the strong moderation in 2012, activity remained sluggish in Q1 (2.7% year-on-year) but picked up appreciably in Q2 (4.2% year-on-year). The contribution of domestic demand exceeded 3 pp in the first half of the year as a whole, with the improvement in external demand, contributing 0.9 pp, proving the chief determinant of the pick-up in Q2. Private consumption also rose strongly (4.4% year-on-year), underpinned by the progressive reduction in the unemployment rate (9.9% in July), although the pace of job creation has eased. While investment grew less in Q2 (4.2% against 6.1%), this was due to an unfavourable base effect and to the run-down in inventories. While investment in civil engineering works remained very buoyant, non-residential investment recovered somewhat. The high-frequency indicators point to the prolongation of this favourable course. Inflation, which was surprisingly lower in Q1 owing to the temporary shocks in food and regulated prices, subsequently moved on to a rising path, albeit at lower levels (2.3% year-on-year in September). Further, the recent depreciation (6% against the dollar in annual terms) appears to be having a limited pass-through to inflation, with inflation expectations remaining anchored. Against this backdrop, the central bank held its official interest rate at 3.25%. And despite the depreciation of the peso, the dollar-purchases programme was maintained, although the related amount has been reduced for the October-December period this year and a reform proposal seeking to increase the minimum level of domestic pension funds' assets abroad was brought to a halt. The central government deficit is widening slightly relative to 2012 (1.9%) as a result of the lesser momentum of tax revenue. Moreover, an economic stimulus plan was unveiled in April, which includes lower taxation of both the industrial and agricultural sectors and the extension by two more years of the exemption from tariffs on certain imports. In the external sector, the current-account deficit increased to 3.2% of GDP in the first half of the year, reflecting the lower trade surplus. Lastly, S&P upgraded Colombia's long-term foreign-currency sovereign rating to BBB.

In Peru, although the economy remains very dynamic, there has been something of a slowdown during the year. In Q2, GDP increased at a quarterly rate of 1.1% (down on 1.5% in Q1) and at an annual rate of 5.6%. Growth was underpinned by investment and government consumption (12.1% and 8.5% year-on-year, respectively, in Q2). Some adjustment has continued in private consumption (5.3% against 5.8% in 2012 as a whole) in a setting in which the labour market remains strong (the unemployment rate is at a historical low of 6% and real wage rises at 3%), but consumer credit has eased notably. A slowdown to some extent in imports has not offset the moderation in exports, especially in Q1, meaning that the contribution of external demand was negative (-3.8 pp in Q1 and -1.1 pp in Q2). The high-frequency indicators point to a gradual slowdown continuing. The current-account deficit increased in Q2 to 5% of GDP owing to the strong reduction in the trade surplus.

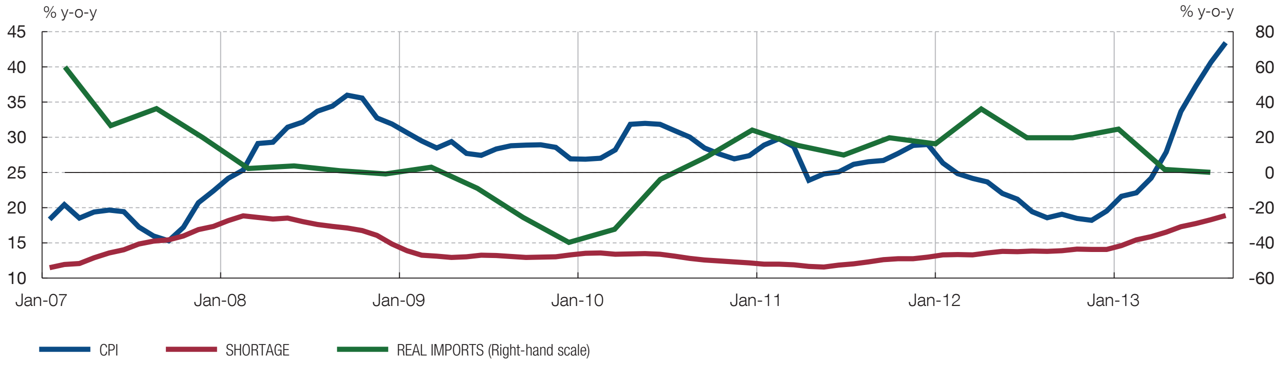
Inflation stood at 2.8% in September, close to the upper limit of the central bank's target interval (2% +/– 1 pp), due in part to temporary supply-side shocks. Inflation excluding energy and food prices has held within the target range, and long-term expectations remain anchored. Against this backdrop, the central bank kept its official rate at 4.25%, unchanged since May 2011; in contrast, however, it actively managed macroprudential policies in light of the currency depreciation (7.6% in annual terms) and the external turbulence, partly reversing from May the high levels of the bank reserve requirements. Furthermore, it stepped up its interventions on the foreign exchange market from July 1 once it considered that the initial overvaluation of the currency had been corrected and that the depreciation might be excessive. In the fiscal arena, the non-financial public sector ran a primary surplus equivalent to 1.8% of GDP in Q2, down on the previous quarters owing to some easing in the increase in current revenue and to a high level of expenditure, due especially to public-sector wage rises. Finally, S&P upgraded Peru's long-term foreign currency sovereign rating to BBB+.

In Venezuela, the economy slowed notably in the first half the year, more markedly so in Q1 (after growing at a year-on-year rate of 5.6% in 2012, it posted growth of 0.5% in Q1 and 2.6% in Q2). The main factor behind this weaker activity was the behaviour of investment (–2.9% in Q2 compared with 23.3% in 2012), associated with the halt in public investment as from Q1 and with firms' difficulties in gaining access to dollar-denominated financing.

VENEZUELA

CHART 13

INFLATION, SHORTAGE AND IMPORTS



SOURCE: Banco Central de Venezuela.

Moreover, volume exports once again posted negative year-on-year rates, making for a cumulative 35% fall compared with the level 10 years ago. Private consumption continued to be the most dynamic component (growing by 5.5% in Q2), albeit tending to slow in the context of the strong increase in inflation during the year (46.2% year-on-year in September), especially in the food component, while the depletion indicator rose to a high. The rise in inflation is caused by the devaluation last February, the shortage of currency for imports (significantly, imports, having increased by more than 25% in real terms in 2012, rose by only 0.1% in Q2, weighed down by the strong 12% decline in private imports, especially of intermediate goods) and the increase in the parallel exchange rate. In July the new dollar tender system (SICAD) commenced operating, but does not appear sufficient to cover the demand for imports. Accordingly, the government has announced that it will create an official third market for currency.

As regards public finances, the year 2012 ended with a strong increase in the central government deficit, which stood at 4.8% of GDP, and in the budget deficit (which would be notably higher owing to the deficit of other quasi-State agencies). Although the February devaluation lessened pressure to some extent owing to the increase in local-currency-denominated revenue, the deficit remains very high. Further, the current-account surplus in Q2 stood at 1.5% of GDP in annualised terms, down on 2.9% for 2012. This was due to the lower trade surplus, the result both of the decline in the volume of exports and of the fall in oil prices, given that more than 96% of foreign sales are of this commodity, some of which at prices far below the market rate in light of the preferential agreements signed by the executive branch with countries in the region or with China. Reserves fell in the six-month period by close to $3.2 billion, and most of these are in the form of gold.

14.10.2013.

The author of this article is Juan Carlos Casado Cubillas, of the Directorate General Economics, Statistics and Research.

Introduction

This article summarises the content of new financial provisions adopted in the third quarter of 2013.

Various decisions of the European Central Bank (ECB) were published: one relating to reporting requirements in the field of external statistics, and others in view of Croatia's national central bank (Hrvatska narodna banka) joining the European System of Central Banks (ESCB).

The Banco de España introduced significant changes to the reporting of transactions and stocks of external assets and liabilities in marketable securities, and changed the definition of SME ("pyme", by its Spanish acronym) to adapt it to European law.

At the EU level, the information requirements applicable to prospectuses for exchangeable and convertible debt securities in the event of public offerings or admission to trading were updated. Also, regulatory technical standards on colleges of central counterparties (CCPs) were published.

Finally, the fiscal and financial changes in relation to the measures adopted to support the internationalisation of entrepreneurs, as well as to stimulate growth and employment creation, are discussed.

The contents of this article are set out in Table 1.

European Central Bank Guideline on reporting requirements in the field of external statistics

Guideline ECB/2013/25 of 30 July 2013 (OJ L of 18 September 2013) amending Guideline ECB/2011/23 of 9 December 2011[1] on the statistical reporting requirements of the ECB in the field of external statistics was published.

This Guideline makes certain technical amendments to the Annexes to Guideline ECB/2011/23, which neither change the underlying conceptual framework nor affect the reporting burden of reporting agents in Member States.

The most important change is in relation to Annex III, which sets out "concepts and definitions to be used in the balance of payments and international investment position (IIP) statistics and the international reserves template". Specifically, strict application of the current standard valuation method for equity stocks in unlisted direct investment companies may, in certain cases,[2] lead to distortions in the net IIP. In these cases, Member States are allowed to apply one of the other valuation methods set out in the IMF's Balance of

1 See "Financial regulation: 2012 Q1", *Economic Bulletin,* April 2012, Banco de España, pp. 143-144.

2 The cases envisaged in the Guideline are the following: 1) at least one enterprise in a direct investment chain is listed on the stock-exchange, while at least one is not and this leads to a significant distortion in the net IIP of a company in the chain; in this case the market price of the listed company may be used as a reference for the valuation of the related unlisted companies; 2) if differences occur in the recording of acquired goodwill along a chain of direct investment enterprises, leading to a significant distortion in the net IIP of the country in which the company in the middle of the chain is resident; or 3) if the accounts of enterprises in a direct investment chain are denominated in different currencies and exchange rate fluctuations lead to a significant distortion in the net IIP of the country in which the company in the middle of the chain is resident.

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Payments and International Investment Position Manual,[3] namely: recent transaction price; net asset value; present value and price-to-earnings ratios; market capitalisation method; own funds at book value; or apportioning global value.

If one of the alternative methods is applied to value such stocks, the IIP compiler is encouraged to inform the compiler in the counterpart country of the alternative method and to cooperate with this compiler to minimise the risk of bilateral asymmetric recording.

The Guideline will apply from 1 June 2014.

Decisions of the European Central Bank in view of Croatia's national central bank joining the European System of Central Banks (ESCB)

By virtue of the accession of Croatia to the European Union and its national central bank (NCB), Hrvatska narodna banka, joining the ESCB on 1 July 2013, the ECB has published various decisions to adjust the shares of the NCBs in the ECB. The most important ones are summarised below:

Decision ECB/2013/17 of 21 June 2013 (OJ L of 6 July 2013), amends Decision ECB/2008/23 of 12 December 2008 on the NCBs' percentage shares in the key for subscription to the European Central Bank's capital. In accordance with the accession of the new State, the ECB's subscribed capital has been increased pursuant to the Statute of the ECB, from €10,760.65 to €10,825.01. This increase has required new weightings to be assigned to each NCB in the key for subscription to the ECB's capital. In the case of the Banco de España, its weighting in the capital key has been reduced from 8.304% to 8.253%.

Decision ECB/2013/19 of 21 June 2013 (OJ L of 6 July 2013), replaces and repeals Decisions ECB/2008/24 and ECB/2010/27 on the paying-up of the ECB's capital by the NCBs of Member States whose currency is the euro. In accordance with the new weightings in the capital key

3 See paragraph 7.16 of the sixth edition of the IMF's *Balance of Payments and International Investment Position Manual.*

established by Decision ECB/2013/17, the total amount of the subscribed and paid-up capital of each NCB of the euro area is amended. In the case of the Banco de España, the amount of the subscribed and paid-up capital is reduced from €893.56 million to €893.42 million.

Decision ECB/2013/20 of 21 June 2013 (OJ L of 6 July 2013), replaces and repeals Decision ECB/2010/28 on the paying-up of the European Central Bank's capital by the non-euro area national central banks. Each non-euro area NCB will continue to pay up the same percentage of 3.75%, but on the new capital of the ECB.

Decision ECB/2013/16 of 21 June 2013 (OJ L of 6 July 2013) amends Decision ECB/2010/29 on the issue of euro banknotes. As a consequence of the new capital key weightings, new banknote allocation keys applying from 1 July 2013 are specified. In the case of Spain the key is reduced from 10.919% to 10.916%.

Decision ECB/2013/15 of 21 June 2013 (OJ L of 6 July 2013), replaces and repeals Decision ECB/2008/27 of 12 December 2008 laying down the measures necessary for the contribution to the ECB's accumulated equity value and for adjusting the NCBs' claims equivalent to the transferred foreign reserve assets.

The adjustments to the capital key weightings and the resulting changes in the euro area NCBs' shares in the ECB's subscribed capital make it necessary to adjust the foreign reserve assets that the NCBs have contributed to the ECB. Those NCBs whose foreign reserve assets increase due to the increase in their capital-key weightings must effect a compensatory transfer to the ECB, while the ECB must effect a compensatory transfer to those NCBs whose reserve assets decrease.

In the case of Spain, until 30 June 2013 the foreign reserve assets transferred to the ECB amounted to €4,783.65 million, and from 1 July should amount to €4,782.87 million, so the ECB will effect a compensatory transfer of €0.78 million.

Banco de España: change in the definition of "SMEs"

CBE 4/2013 of 27 September 2013 (BOE of 12 October 2013) was published, which changes the definition of "SMEs" contained in CBE 3/2008 of 22 May 2008[4] on the determination and control of minimum own funds, to adapt it to Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises. This concept has thus been brought into line with the definition prevailing at the European level.

To date, the definition of "SMEs" has been determined by Royal Decree 1515/2007 of 16 November 2007[5] approving the General Chart of Accounts for Small and Medium-Sized Enterprises. These included all enterprises, whether sole traders or with some other corporate status, that in two consecutive accounting periods, as at the end-date of each, fulfil at least two of the following three circumstances: 1) their total assets do not exceed €2,850,000; 2) their net annual turnover does not exceed €5,700,000, and 3) the average number of employees during the accounting period is no more than fifty. The firms lose this status if they cease to fulfil, for two consecutive accounting periods, as at the end-date of each, two of the three circumstances mentioned above.

Also, excluded from this definition are those firms that: 1) have issued securities listed on regulated markets or multilateral trading systems of any Member State of the European

4 See "Financial regulation: 2008 Q2", *Economic Bulletin,* July 2008, Banco de España, pp. 134-143.
5 See "Financial regulation: 2007 Q4", *Economic Bulletin,* January 2008, Banco de España, pp. 196-199.

Union; 2) form part of a group of companies that prepares or should have prepared consolidated annual accounts; 3) have a functional currency other than the euro, or 4) are financial institutions that raise funds from the public assuming obligations with respect to them and institutions that manage the foregoing.

Recommendation 2003/361/EC includes in the category of SMEs micro, small and medium-sized enterprises. Medium-sized enterprises employ fewer than 250 persons and have an annual turnover not exceeding €50 million and/or an annual balance sheet total not exceeding €43 million. Small enterprises employ fewer than 50 persons and have an annual turnover and/or annual general balance sheet not exceeding €10 million. For their part, microenterprises employ fewer than 10 persons and have an annual turnover and/or annual balance sheet total not exceeding €2 million.

Where, at the date of closure of the accounts, an enterprise finds that, on an annual basis, it has exceeded or fallen below the headcount or financial ceilings during two consecutive accounting periods, it will be reclassified in the category corresponding to its new situation.

The Circular came into force on 12 October 2013.

Banco de España: reporting of transactions and stocks of marketable securities

CBE 3/2013 of 29 July 2013 (BOE of 2 August 2013) on reporting of transactions in and stocks of marketable securities, which repeals CBE 2/2001 of 18 July 2001 on reporting of transactions in and stocks of external assets and liabilities in the form of marketable securities, was published. This Circular comes into force on 1 January 2014.

The Circular incorporates the provisions of Regulation (EU) No 1011/2012 of the ECB of 17 October 2012[6] concerning statistics on holdings of securities implemented by Guideline ECB/2013/7 of 22 March 2013 concerning statistics on holdings of securities.

SCOPE

The following are subject to this Circular: 1) credit institutions and Spanish branches of credit institutions entered in the official registers of the Banco de España, which act as depository or settlement entities in regulated markets for marketable securities; 2) resident financial institutions entered in the official registers of the CNMV that act as depository or settlement entities in regulated markets for marketable securities, and 3) financial institutions entered in these registers that act as management companies of Spanish investment funds.

STATISTICAL REPORTING OBLIGATIONS

The first two groups of institutions mentioned above must send to the Banco de España, on a monthly basis, "security-by-security" data (broken down by type of security, and by individual security, identified by means of their ISIN code) on:

1) Transactions carried out with marketable securities and the stocks held on behalf of their customers, including those corresponding to investment funds. They shall only report the stocks in the case of marketable securities issued by residents and held on behalf of resident customers. Resident institutions marketing in Spain foreign investment funds, entered as such in the official registers of the CNMV, shall report the information (transactions and stocks) for the holdings of investors.

2) The total transactions and stocks of the (own and third party) securities accounts of the institution, corresponding to securities issued by residents that are depos-

6 See "Financial regulation: 2012 Q4", *Economic Bulletin,* January 2013, Banco de España, pp. 29-30.

ited in accounts of the institution at non-resident depository institutions, at non-resident central depositories or at international clearing and settlement systems.

As regards the management companies of Spanish investment funds, they must report the transactions that they carry out with shares in such funds (except for those that correspond to the institutions mentioned above) and their stocks. However, such information may be provided by the relevant depository institutions if so agreed with management companies. For this purpose, the latter must provide to the depositories the information they may require. To be able to use this procedure, both types of institutions must notify the Banco de España that they wish to.

The information must be sent by electronic means, in accordance with the formats, conditions and requirements established in the "technical applications" of the Circular.

In the first declaration, which must be sent within the first 10 business days of February 2014, the initial stocks will be those existing as at 31 December 2013, final stocks will be those existing as at 31 January 2014, and transactions will be those corresponding to the month of January 2014.

EU regulation concerning the disclosure requirements applicable to convertible and exchangeable debt securities

Commission Delegated Regulation (EU) No 759/2013 of 30 April 2013 (*OJ L* of 8 August 2013) amending Regulation (EC) No 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities.

Regulation 809/2004 sets out the minimum information to be included in a prospectus for different kinds of securities in order to comply with Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading.

Now, Delegated Regulation 759/2013 introduces the information that must be included in a prospectus for shares with warrants that give the right to acquire the issuer's shares when these are not admitted to trading on a regulated market (the information required is set out in Annex XII, except item 4.2.2).

The information required for securities with denomination per unit of less than €50,000 that are exchangeable or convertible into shares already admitted to trading on a regulated market is also established (that required by item 4.2.2 of Annex XII). And the information required for these securities issued by an entity belonging to its group, and for the underlying shares that are not already admitted to trading on a regulated market is established (that set out in Annex III or, as the case may be, in the schedule in Annex XXIV). Finally, where debt securities with warrants give the right to acquire the issuer's shares and these shares are not admitted to trading on a regulated market, the information required by the schedule set out in Annex XII must also be given.

The Delegated Regulation entered into force on 28 August 2013.

Regulatory technical standards on colleges for central counterparties

Commission Delegated Regulation (EU) No 876/2013 of 28 May 2013 (*OJ L* of 13 September 2013) supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012[7] on OTC derivatives, central counterparties[8] and trade

7 See "Financial regulation: 2012 Q3", *Economic Bulletin,* October 2012, Banco de España, pp. 96-100.
8 A CCP is a legal person that interposes itself between the counterparties to the contracts traded on one or more financial markets, becoming the buyer to every seller and the seller to every buyer.

repositories with regard to regulatory technical standards on colleges for CCPs was published.[9]

The Delegated Regulation details the operational organisation of colleges, their governance and the exchange of information between their members, and in particular with the CCP's competent authority, the way to provide or request information to and from competent authorities that are not members of the college, and the voluntary sharing and delegation of tasks among members.

The Delegated Regulation came into force on 3 October 2013.

Measures to support business and its internationalisation and measures conducive to growth and job creation

Law 11/2013 of 26 July 2013 (BOE of 27 July 2013) on business support measures and measures conducive to growth and job creation came into force on 28 July 2013. It revises the provisions in Royal Decree-Law 4/2013 of 22 February 2013 on business support measures and measures conducive to growth and job creation, making diverse amendments, some of which affect the financial sector.

More recently, *Law 14/2013 of 27 September 2013 (BOE* of 28 September 2013) on support to and internationalisation of business came into force on 29 September 2013 except for certain chapters which enter into force on other dates. This law not only complements that mentioned above, but also introduces new fiscal and social security support for business and promotes channels of financing and growth in the international markets.

The most notable changes introduced by these two laws, particularly those of a financial and fiscal nature, are as follows:

CHANGES OF A FINANCIAL NATURE

Credit institutions

Own funds and core capital requirements of credit institutions in respect of risk-weighted exposure amounts for credit risk to SMEs have been reduced, since now the capital requirements for risks of this type will be multiplied by a supporting factor of 0.7619.[10]

In addition, the minimum share capital of mutual guarantee companies (MGCs) is substantially raised from €1.8 million to €10 million, applicable from 28 June 2014. Also, it is stipulated that the amount of own funds for solvency purposes of MGCs may not be less than €15 million, and must be calculated as specified by the Banco de España.

Finally, certain reference indices or interest rates are discontinued. In particular, from 1 November 2013 the Banco de España will cease to publish on its website the following official indices applicable to mortgage loans: 1) average interest rate of mortgage loans over three years for purchasing unsubsidised housing, granted by commercial banks; 2) average interest rate of mortgage loans over three years for purchasing unsubsidised housing, granted by savings banks; and 3) savings bank lending reference rate.

These reference rates must, in the next revision of applicable rates, be replaced by the substitute rate or index envisaged in the loan agreement. In the absence of any contractually envisaged substitute rate, they must be replaced by the official interest rate denoted

9 Regulation (EU) No 648/2012 provides that the competent authority of the CCP shall establish, manage and chair a college to facilitate the exercise of the tasks of the CCP specified in the Regulation, indicating who would be the members of such college (see Article 18).

10 This brings Spanish law into line with the provisions of Article 501.2 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

(in translation) "the average interest rate of mortgage loans over three years for purchasing unsubsidised housing, granted by credit institutions in Spain", applying to them a spread equal to the arithmetic average of the difference between the outgoing rate and that stated above, calculated using the data available between the date of entry into the loan agreement and the date on which the rate is effectively replaced.

The replacement of rates will signify the automatic novation of the loan agreement without any alteration or loss of the rank of the mortgage in question. Also, the parties will have no recourse to any action to claim the modification, unilateral alteration or extinguishment of the loan as compensation for application of the provisions of the Law.

Internationalisation bonds

The regulatory framework governing *cédulas de internacionalización* (internationalisation covered bonds) was updated to address in greater detail the assets pledged as collateral for them, and a new instrument, *bonos de internacionalización* (internationalisation bonds), was created to lend greater flexibility to the issuance of securities collateralised by loans linked to internationalisation (without prejudice, in any case, to the unlimited liability of the issuer).

Compared with the previous legislation,[11] the list of eligible collateral is broadened and its scope is extended to include internationalisation bonds. Thus the principal of and interest on covered bonds will be particularly collateralised by loans relating to the financing of goods and services export contracts or to the internationalisation of firms meeting certain requirements. These requirements include, inter alia, that the firm has a high credit quality, and that the loan has been granted to general government or to EU or non-EU public-sector entities or to multilateral development banks or international organisations or, regardless of the borrower, has been guaranteed by these bodies.

In the case of bonds, their principal and interest will be collateralised by the loans meeting the requirements indicated for covered bonds and assigned to each issue per a public deed and by any corporate loans assigned per said public deed which are linked to the financing of Spanish or non-Spanish goods and services export contracts or to the internationalisation of firms resident in Spain or other countries provided they receive a risk weight of no more than 50% under the calculation of own funds requirements for credit risk set forth in credit institution solvency regulations. Also included in this category are ICO loans to financial institutions within the framework of its *líneas de mediación* (intermediation facilities) for internationalisation, provided they receive the same risk weight.

In both cases, certain substitute assets and the economic flows generated by the derivative financial instruments associated with each issue may also be added as collateral.

The total amount of internationalisation covered bonds issued by a credit institution may not exceed 70% of its outstanding loans which meet the aforementioned requirements and have not been pledged as collateral for the internationalisation bond issue. The present value of the internationalisation bonds must be at least 2% less than the present value of the pledged loans. The method of calculating this value will be as provided by law.

Internationalisation bonds will qualify as investments of the required reserves of *sociedades y empresas mercantiles* (firms governed by Spanish commercial law), being equiva-

11 See Law 24/1988 of 28 July 1988 on the security market and Law 44/2002 of 22 November 2002 on financial system reform measures.

lent for this purpose to listed securities. In particular, they will qualify for the following purposes: 1) investments for the coverage of technical provisions of insurance and reinsurance companies, provided that the bonds have been issued by firms established in the European Economic Area (EEA);[12] 2) investments suitable for pension funds; 3) investment of the resources of securities investment funds and companies; and 4) investment of the reserve funds of social security entities.

Certificates of ownership of internationalisation bonds will be transferable by any lawfully accepted means without need for the intervention of a public authenticating official or for notification of the debtor. When they are made out to a named party, they may be transferred by a declaration written on the certificate itself. If the certificates are made out to bearer, the owner will be deemed to be the last recipient of interest revenue.

Finally, the issuance, transfer and cancellation of internationalisation bonds, as well as their redemption, will enjoy the exemption provided for in the transfer tax and stamp tax law.

Amendments to the regulations governing insurance companies

Certain amendments were made to the regulations on the organisation and supervision of private insurance enacted by Royal Decree 2486/1998 of 20 November 1998. In particular, it is provided that insurance companies may invest in securities admitted to trading on the *Mercado Alternativo Bursátil* (alternative stock market)[13] or on the *Mercado Alternativo de Renta Fija* (alternative fixed-income market)[14] and in venture-capital companies and that those investments qualify for the coverage of technical provisions under certain conditions, although they are not eligible for an amount above 10% of total technical provisions. In the same vein, amendments were made to the pension scheme and pension fund regulations enacted by Royal Decree 304/2004 of 20 February 2004 so as to allow pension funds to invest in these securities.

In both cases, a specific upper limit of 3% of total insurance company technical provisions or total pension fund assets is set for investment in securities issued by a single firm. This limit may be raised to 6% when they are issued or guaranteed by firms belonging to the same group.

Another new development is an amendment of the consolidated text of the private insurance law enacted by Legislative Royal Decree 6/2004 of 29 October 2004, so as to adapt it partially to Council Directive 2004/113/EC of 13 December 2004 implementing the principle of equal treatment between men and women in the access to and supply of goods and services. Under this amendment, when insurance companies use sex as an actuarial factor in calculating the rates applied in insurance contracts, this may not result in differences between men and women in the premiums and benefits of insureds.

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12 The EEA was created on 1 January 1994 following an agreement between European Union Member states and the European Free Trade Area (EFTA). Its creation allowed EFTA countries to participate in the EU's internal market without being members of the EU. It comprises the 27 EU countries plus the following EFTA members: Iceland, Liechtenstein and Norway.

13 The alternative stock market is a market devoted to small capitalisation companies that seek to expand, with regulations specially tailored to them, and costs and processes suited to their characteristics. It provides a system for entering into, settling, clearing and recording transactions in: shares and other securities of collective investment institutions (CIIs); securities and instruments issued by or referring to small capitalisation companies; and other securities and instruments which, due to their special characteristics, qualify for a specially-tailored regime.

14 The alternative fixed-income market is a multilateral trading system for the purpose of financing businesses on the capital markets through marketable fixed-income securities targeted at qualified investors and issued by firms whose circumstances require a channel which is special or separate from the official secondary markets.

Other financial changes

The provisions of Royal Decree-Law 4/2013 regarding the removal, in certain cases, of the limit imposed on share capital companies are retained, and, accordingly, the total amount of debt securities issued may not exceed paid-in share capital plus reserves.[15] To ensure that retail investors are adequately protected, this flexibility will only apply in those cases in which the issues are targeted at institutional investors, specifically: 1) when they are targeted exclusively at qualified investors; 2) when the securities offering is directed at investors that purchase securities amounting to at least €100,000 per investor in each separate offering, or 3) when the offering is of securities with a unit nominal value of at least €100,000.

Also, certain refinements are made in respect of the issuance by share capital companies of debt or other securities of which recognise or create debt and are to be admitted to trading in a multilateral trading system. Thus, it will not be required to execute a public deed, register the issue or perform other related acts in the Mercantile Register, including the Official Gazette of the Mercantile Register. The legal conditions to be met by the issue and the characteristics of the securities will be stated in a certificate issued by the persons so empowered by current law. All acts relating to these issues will be made public by the means established for such purpose by the multilateral trading systems.

TAX CHANGES

The tax framework of Royal Decree-Law 4/2013, which favours the self-employed who start up a business, with a view to encouraging the creation of businesses and to reducing the tax burden during the initial years of business activity, has been retained. Thus, under corporate income tax for entities that have begun to engage in an economic activity as from 1 January 2013, such entities shall be taxable in the first tax period in which the tax base is positive at a tax rate of 15% for the first €300,000 of the tax base, and at 20% for the remainder.

Likewise, under personal income tax, a 20% reduction is set for the net income on economic activity obtained by taxpayers that have begun to pursue a business activity. This reduction will be applicable in the first tax period in which net income is positive and in the following period. Further, as stipulated under Royal Decree-Law 4/2013, the limit currently applicable to the exemption for unemployment benefits received as a single payment has been eliminated (hitherto, this exemption was set at €15,500).

In relation to corporate income tax, a new tax credit for the reinvestment of earnings has been established for those businesses with small-enterprise status (turnover below €10 million), linked to the creation of a restricted commercial reserve. These enterprises will be entitled to a tax credit reducing gross tax payable of 10% on earnings for the year that are invested in new tangible fixed assets or investment property assigned to economic activities.

Tax incentives are also introduced for R&D and technological innovation activities. These are applicable as from the tax period commencing 1 January 2013. Relief of up to 20% on their amount may be applicable upon compliance with the requirements stipulated in the regulations. If R&D and technological innovation activities are involved, the tax credit taken may not exceed overall, and for all items, €3 million per annum. If only technological innovation activities are involved, the ceiling is set at €1 million per annum.

Likewise, the tax arrangements applicable to income from specific intangible assets have been amended, so that revenue arising on the assignment of the right to use or use of

15 See Article 405 of Legislative Royal Decree 1/2010 of 2 July 2010 enacting the consolidated text of the share capital companies law.

patents, design rights, plans, secret formulas or procedures, and rights over information concerning industrial, commercial or scientific experience shall be included in the tax base to the tune of 40% (formerly 50%) of the related amount. In the case of the assignment of intangible assets, income arising is defined as the positive difference between the revenue for the period from the assignment of the right to use or use of the assets and the expenditure for the period directly related to the asset assigned. In the case of intangible assets not recognised on the enterprise's balance sheet, income shall be taken to be 80% of the revenue from assignment of such assets. Finally, credits for job creation for disabled workers are substantially increased.

New personal income tax incentives have been introduced in relation to business start-ups or recently created enterprises. Taxpayers may thus deduct up to 20% of the amounts paid for the subscription of shares or participating interests in newly or recently created enterprises if certain conditions are met, including most notably: that the shareholdings or interests should remain part of the holder's assets for more than three years and less than twelve years. The maximum deductible base will be €50,000 per annum and will comprise the acquisition value of the subscribed shares and interests.

If the taxpayer transfers this type of share or interest, the capital gain thereon will not be taxable provided that the total amount obtained from the transfer is reinvested in the acquisition of shares or interests in the above-mentioned enterprises under the conditions stipulated in the regulations. If the amount reinvested is lower than the total received for the transfer, only the proportional part of the capital gain obtained that corresponds to the amount reinvested will not be taxable.

An optional regime is established for VAT, known as the "cash-basis criterion", for taxpayers whose volume of transactions during the year does not exceed €2 million. Under this regime, VAT taxpayers can opt for a system that defers accrual and the subsequent tax return and payment of the VAT charged in most of their commercial transactions until the time of (full or partial) collection from their customers, with a deadline date set at 31 December of the year immediately following that in which the transactions have been carried out. Symmetrically, taxpayers will likewise see a delay in the deduction of the VAT borne in their acquisitions until the time they actually pay their suppliers for such acquisitions, with the same deadline date of 31 December of the year immediately following that in which the transactions have been carried out.

MEASURES COMBATING LATE PAYMENT IN COMMERCIAL TRANSACTIONS

In the private sector, as in the case of Royal Decree-Law 4/2013, the law includes the shortening of the period in which debtors are to settle payment (unless stipulated otherwise in the contract) from 60 to 30 calendar days after the receipt of the goods or provision of the services, even if the invoice or demand for payment is received previously. This limit can be extended to 60 calendar days by agreement between the parties in exceptional cases.

Similarly, the legal interest rate the debtor is liable to pay to the creditor in the event of late payment is eight percentage points (previously seven percentage points), in addition to the interest rate applied by the ECB in its most recent main refinancing operation. Late payment incurs a fixed charge of €40 that the creditor is entitled to collect from the debtor, which will be added to the principal without the need for an express demand. All duly substantiated costs of collection caused by the late payment will be added to this amount.

As for unfair terms and practices, the law introduces certain refinements to Royal Decree-Law 4/2013 and increases its scope. Thus, a contract term or practices related to the payment date or period, the late-payment interest rate or compensation for costs of collection where they are grossly unfair to the detriment of the creditor, taking into account all the circumstances of the case in question, shall be null and void.

In any event, the law considers null and void terms agreed between parties and practices which exclude late-payment interest or any other term and practice in relation to the statutory interest for late payment that applies when no other rate has been agreed, that unfairly prejudices the creditor, considering that it will be unfair where the interest agreed is 70% lower than the statutory interest for late payment, unless, in accordance with the circumstances envisaged in the law, it can be proved that the interest applied is not unfair.

The law establishes a transitional period of application for the new measures combating late payment in commercial transactions. Thus, the law shall apply to contracts concluded before it came into force one year after its publication in the BOE (27 July 2013).

In the public sector, as provided by Royal Decree-Law 4/2013, general government will have to pay debts within the 30 days following the date of approval of works certificates or documents evidencing conformity with the provisions in the contract for the delivery of goods or provision of services and, in the event of any delay, it must pay the contractor the late-payment interest and an indemnity for the collection costs as laid down previously for private-sector commercial transactions.

In order for the period of interest accrual to begin to run, the contractor must have fulfilled the obligation of submitting the invoice to the corresponding administrative register, in due time and form, within thirty days from the effective date of the delivery of merchandise or the provision of the service. If the submission deadline has not been complied with, the accrual of interest will not begin until 30 days from the date of submission of the invoice in the corresponding register.

For the first time, the law adds that the contractor may agree with suppliers and subcontractors to longer payment periods than those set previously, while respecting the limits envisaged in private-sector commercial transactions, provided that this agreement does not constitute an unfair term and that payment is in the form of a negotiable document, the discounting and trading expenses of which will be paid in full by the contractor. Also, the supplier or subcontractor may require that payment is ensured through a guarantee.

INSOLVENCY-RELATED AND OTHER COMMERCIAL CHANGES

1) A mechanism is regulated for “out-of-court negotiations on the payment of the debts of entrepreneurs”, whether they be natural or legal persons, which fulfil certain conditions, in particular, for sole proprietors, that their balance sheet does not exceed €5 million. In this case, the Mercantile Registrar or a notary public from where the debtor is domiciled will be requested to appoint an “insolvency mediator”. Once the process has commenced, the debtor may continue to pursue his or her employment, business or professional activity. From the submission of the request, the debtor will refrain from applying for loans or credit, will return to the institution any credit cards held and will refrain from using any electronic means of payment. Claims governed by public law may not be subject to the out-of-court agreement, while any secured claims may only be included in and subject to the out-of-court agreement if the claimants concerned so decide. The mediator will promote a meeting of all the creditors of the debtor and a payment plan will be proposed. In this plan the extension of the payment period or moratorium may not exceed

three years and the partial acquittance or forgiveness of the debt may not exceed 25% of the amount of the claims. Creditors representing at least 60% of the liabilities must vote in favour for the payment plan to be considered accepted. If the payment plan involves the transfer of the debtor's assets to pay debts, this plan must be approved by creditors representing 75% of the liabilities plus any creditor(s) with a security interest in such assets.

2) In relation to the refinancing agreements included in Insolvency Law 22/2003 of 9 July 2003 the procedure whereby the Mercantile Registrar appoints an independent expert, who must verify the refinancing agreements, is regulated more fully and flexibly. In particular, the Registrar may be requested to appoint the independent expert and the procedure may be followed without the need for the agreement to have been reached or for the viability plan to have been finalised. Also, for the refinancing agreement to be approved by the courts, the minimum percentage of liabilities corresponding to financial institutions that enter into such agreement is reduced from 75% to 55%. Consequently, the terms and conditions of the extension of the payment period contained in said agreement are binding on all the creditor financial institutions with unsecured claims that are not party to or that dissent from the refinancing agreement.

3) As for the termination of the insolvency proceedings, previously the debtor remained liable for unpaid claims. From now on, the court decision on the termination of the insolvency proceedings must state that unpaid debts (except for tax and social security debts) are cancelled, provided that certain conditions are met: that the insolvency proceeding does not involve fault or a criminal offence by the debtor; that all claims on the debtors' assets have been settled, along with the claims of preferred creditors and at least 25% of the claims of ordinary creditors. This requirement does not apply if the debtor has unsuccessfully attempted to reach an out-of-court payment agreement.

4) The new "limited liability entrepreneur" ("ERL" by its Spanish abbreviation) is created, whereby natural persons may avoid their business debts affecting their principal residence under certain conditions detailed in the law. The effectiveness of this limitation of liability depends on the recording and publication of this new status in the Mercantile Register and in the Real Estate Register. Nevertheless, debtors may not take advantage of this limitation if they have been found in a final judgment or insolvency proceedings to have acted fraudulently or with gross negligence in the compliance of their obligations vis-à-vis third parties.

5) The new "successive formation limited liability company" ("SLFS" by its Spanish abbreviation) without minimum capital is introduced. The rules governing SLFS are identical to those of private limited companies (SRL by their Spanish abbreviation), except for certain specific obligations to ensure suitable protection of third parties. Thus, until the minimum share capital established for an SRL (€3,000) is reached, the SLFS will be subject to the following rules: 1) at least 20% of profit for the year, without any limit on the amount, must be allocated to reserves; 2) once the legal or bylaw requirements have been covered, dividends may only be distributed to shareholders if the value of net assets is not less than 60% of the minimum legal capital, and 3) the annual sum of compensation paid to shareholders and directors may not ex-

ceed 20% of the net assets of the corresponding year. Furthermore, in case of liquidation, if the assets of the SLFS were insufficient to meet payment of its obligations, the company's shareholders and directors will be jointly and severally liable for the disbursement of the minimum share capital required for SRLs.

6) The new "mini enterprise" or "student company", which will have a duration limited to one academic year, extendible up to a maximum of two years, is regulated. It must be wound up at the end of the academic year by submitting the corresponding deed of winding up. It will be covered by a civil liability insurance policy or an equivalent guarantee entered into by the sponsor organisation. Similarly, it must be registered by the sponsor organisation of the mini enterprise programme in the register which will be created for this purpose. This will enable the mini enterprise to perform economic and monetary transactions, issue invoices and open bank accounts. The requirements, by-law limits and forms which will facilitate compliance with its tax and accounting obligations will be determined by regulations.

OTHER CHANGES

1) Entrepreneur assistance centres (PAE by their Spanish abbreviation) are created. They will be electronic or physical single points of contact through which each and every step in starting, undertaking and winding up business activities can be performed. It is guaranteed that there will be at least one electronic PAE which will use the electronic processing system of the Information Centre and Business Start up Network (CIRCE by its Spanish abbreviation). Its website will be hosted by the Ministry of Industry, Energy and Tourism and it will provide all of the services envisaged in the law.

2) Policies to boost the internationalisation of the Spanish economy are created, which will be implemented by the public sector together with the private sector, in order to promote and strengthen the international dimension of the Spanish economy and to encourage firms and entrepreneurs to have a presence abroad as factors of stability, growth and job creation. This dimension also covers institutional economic action in bilateral and multilateral fora and measures to boost foreign investment in Spain and Spain's investment abroad. Official financial support for the internationalisation of firms will be through the ICO; the Compañía Española de Financiación del Desarrollo (COFIDES); the Fondo para Inversiones en el Exterior (FIEX) and the Fondo para Operaciones de Inversión en el Exterior de la Pequeña y Mediana Empresa (FONPYME); the Fondo para la Internacionalización de la Empresa (FIEM); the Convenio de Ajuste Recíproco de Intereses (CARI), and any other bodies aiding internationalisation which may be created upon a proposal from the Ministry of Economy and Competitiveness.

3) Measures are laid down to encourage public procurement with entrepreneurs. In particular, the possibility is created of the public sector engaging joint ventures of entrepreneurs, without it being necessary for the joint venture to be legalised in a public deed until the contract has been awarded in its favour; the deadline for returning guarantees is reduced from twelve to six months from the completion of the project or service and the deadline for requesting the termination of the contract is reduced from eight months to six months, where in both cases the successful bidder firm is an SME.

4) Various measures are envisaged to reduce administrative burdens. These include the general government's obligation that, if in the exercise of its powers it creates new administrative burdens for firms, it must eliminate at least one existing burden provided that it has an equivalent cost.

5) Measures are included which are aimed at improving job mediation, such as: the creation of a "single employment portal" which will contain all the useful information to provide guidance to young people and to make tools available to them which make it easier to look for work or to start a business activity; a greater boost in public-private collaboration with regional governments for mediation in the area of public employment services and enabling temporary employment firms to enter into training and apprenticeship contracts.

6) Finally, a residence visa will granted to non-resident foreigners who propose to enter Spain in order to undertake significant capital investments. For an investment to be considered of this type, it must represent one of the following: 1) an initial investment amounting to €2 million or more in Spanish government debt, or amounting to €1 million or more in shares or equity units of Spanish firms, or bank deposits at Spanish financial institutions; 2) the acquisition of real estate in Spain with an investment of €500,000 or more per applicant, or 3) a business project which is going to be undertaken in Spain and is considered and shown to be of general interest, and in this connection compliance with certain conditions detailed in the law will be assessed.

3.10.2013.

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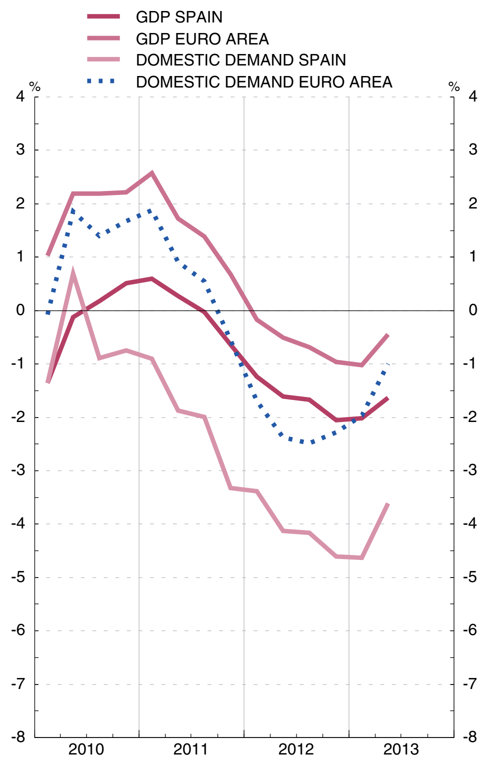
1.1. GROSS DOMESTIC PRODUCT. VOLUME CHAIN-LINKED INDICES, REFERENCE YEAR 2008=100. DEMAND COMPONENTS. SPAIN AND EURO AREA (a)

■ Series depicted in chart.

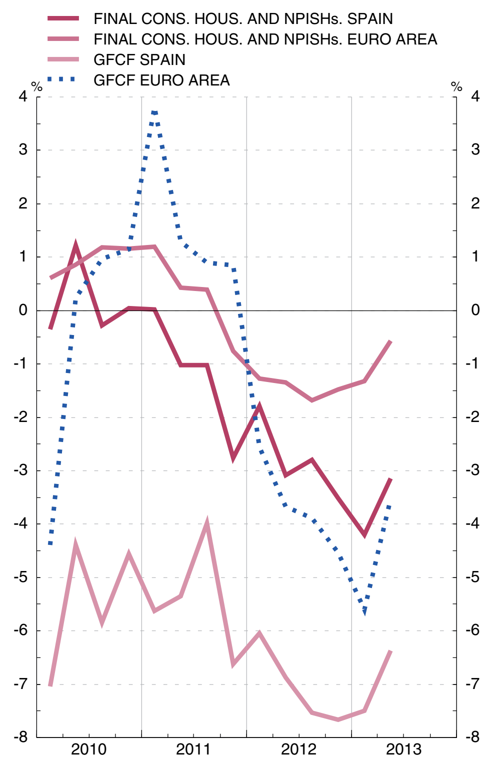
Annual percentage changes

	GDP		Final consumption of households and NPISHs		General government final consumption		Gross fixed capital formation		Domestic demand		Exports of goods and services		Imports of goods and services		Memorandum item: GDPmp (current prices) (g)	
	Spain	Euro area	Spain (b)	Euro area (c)	Spain	Euro area (d)	Spain	Euro area	Spain (e)	Euro area	Spain	Euro area (f)	Spain	Euro area (f)	Spain	Euro area
	1 ■	2 ■	3 ■	4 ■	5	6	7 ■	8 ■	9 ■	10 ■	11	12	13	14	15	16
10	-0.2	1.9	0.2	1.0	1.5	0.6	-5.5	-0.5	-0.6	1.2	11.7	11.5	9.3	9.9	1 046	9 161
11	0.1	1.6	-1.2	0.3	-0.5	-0.1	-5.4	1.7	-2.0	0.7	7.6	6.6	-0.1	4.6	1 046	9 419
12	-1.6	-0.6	-2.8	-1.4	-4.8	-0.6	-7.0	-3.7	-4.1	-2.2	2.1	2.7	-5.7	-1.0	1 029	9 486
10 *Q3*	0.2	2.2	-0.3	1.2	1.5	0.4	-5.8	1.0	-0.9	1.4	11.3	12.6	6.5	10.8	261	2 301
Q4	0.5	2.2	0.0	1.2	-0.2	-0.1	-4.6	1.1	-0.7	1.7	14.1	12.4	8.4	11.4	262	2 315
11 *Q1*	0.6	2.6	0.0	1.2	1.8	0.1	-5.6	3.8	-0.9	1.9	12.2	10.8	5.8	9.2	262	2 343
Q2	0.3	1.7	-1.0	0.4	-0.7	0.0	-5.4	1.3	-1.9	0.9	7.4	6.5	-0.7	4.6	262	2 352
Q3	-0.0	1.4	-1.0	0.4	-2.2	-0.4	-4.0	0.9	-2.0	0.5	7.2	5.7	0.0	3.8	261	2 361
Q4	-0.6	0.7	-2.8	-0.8	-0.7	-0.2	-6.6	0.8	-3.3	-0.6	4.2	3.5	-5.1	0.6	260	2 363
12 *Q1*	-1.2	-0.2	-1.8	-1.3	-4.9	-0.3	-6.0	-2.6	-3.4	-1.7	0.1	2.6	-6.9	-0.9	259	2 368
Q2	-1.6	-0.5	-3.1	-1.3	-4.4	-0.7	-6.9	-3.7	-4.1	-2.4	0.5	3.4	-7.7	-0.8	258	2 370
Q3	-1.7	-0.7	-2.8	-1.7	-4.9	-0.6	-7.5	-3.9	-4.2	-2.5	3.3	2.8	-4.6	-1.2	257	2 375
Q4	-2.1	-1.0	-3.5	-1.5	-5.0	-0.7	-7.7	-4.5	-4.6	-2.3	4.4	2.0	-3.5	-0.9	255	2 373
13 *Q1*	-2.0	-1.0	-4.2	-1.3	-3.3	-0.4	-7.5	-5.6	-4.6	-2.0	3.6	0.1	-4.8	-1.9	256	2 381
Q2	-1.6	-0.5	-3.1	-0.6	-2.4	0.3	-6.4	-3.5	-3.6	-1.0	9.2	0.7	3.1	-0.4	255	2 401

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



DEMAND COMPONENTS. SPAIN AND EURO AREA
Annual percentage changes



Sources: INE (Quarterly National Accounts of Spain. Base year 2008) 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. Final consumption expenditure may take place on the domestic territory or abroad (ESA95, 3.75). It therefore includes residents' consumption abroad, which is subsequently deducted in Imports of goods and services. c. Euro area, private consumption.

d. Euro area, government consumption. e. Residents' demand within and outside the economic territory.

f. Exports and imports comprise goods and services and include cross-border trade within the euro area. g. Billions of euro.

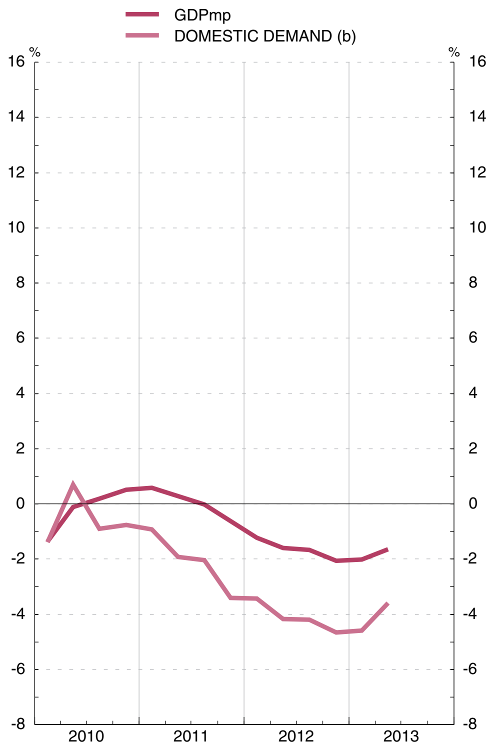
1.2. GROSS DOMESTIC PRODUCT. VOLUME CHAIN-LINKED INDICES. REFERENCE YEAR 2008=100. DEMAND COMPONENTS. SPAIN: BREAKDOWN (a)

■ Series depicted in chart.

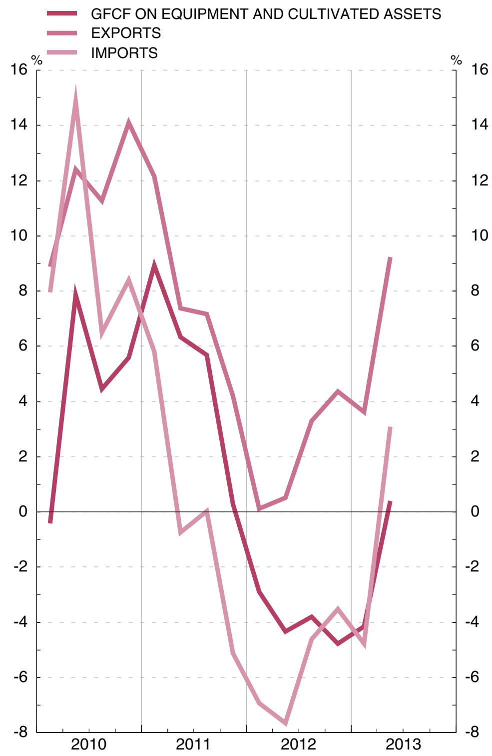
Annual percentage changes

		Gross fixed capital formation					Change in Stocks (b)	Exports of goods and services				Imports of goods and services				Memorandum items	
		Total	Tangible fixed assets			Intangible fixed assets		Total	Goods	Of which		Total	Goods	Of which		Domestic demand (b) (c)	GDP
			Total	Construction	Equipment and cultivated assets					Services	Final consumption of non-residents in economic territory			Services	Final consumption of residents in the rest of the world		
		1	2	3	4 ■	5	6	7 ■	8	9	10	11 ■	12	13	14	15 ■	16 ■
10	P	-5.5	-6.4	-9.9	4.3	10.3	0.3	11.7	15.3	5.0	2.6	9.3	12.2	0.5	0.5	-0.6	-0.2
11	P	-5.4	-6.3	-10.8	5.3	7.8	-0.1	7.6	8.6	5.5	6.4	-0.1	0.5	-2.2	-4.9	-2.1	0.1
12	A	-7.0	-7.8	-9.7	-3.9	2.9	0.0	2.1	2.4	1.6	-0.5	-5.7	-7.2	-0.2	-7.4	-4.1	-1.6
10 *Q3*	P	-5.8	-6.7	-10.5	4.5	8.8	0.3	11.3	13.8	6.6	5.1	6.5	9.5	-2.8	2.7	-0.9	0.2
Q4	P	-4.6	-5.5	-9.4	5.6	11.5	0.2	14.1	16.7	9.3	4.5	8.4	11.2	-0.3	-0.3	-0.8	0.5
11 *Q1*	P	-5.6	-6.8	-12.4	8.9	11.9	-0.0	12.2	16.3	4.0	5.4	5.8	8.3	-2.3	-4.1	-0.9	0.6
Q2	P	-5.4	-6.2	-11.1	6.3	6.2	0.0	7.4	8.3	5.5	8.6	-0.7	0.3	-4.3	-8.2	-1.9	0.3
Q3	P	-4.0	-4.9	-9.2	5.7	9.1	-0.1	7.2	7.5	6.5	6.2	0.0	-0.2	0.9	-3.1	-2.0	-0.0
Q4	P	-6.6	-7.4	-10.6	0.3	4.0	-0.2	4.2	3.3	6.0	5.5	-5.1	-5.7	-3.0	-4.3	-3.4	-0.6
12 *Q1*	A	-6.0	-6.8	-8.6	-2.9	3.6	-0.1	0.1	-0.9	2.4	-0.1	-6.9	-8.0	-3.0	-9.4	-3.4	-1.2
Q2	A	-6.9	-7.6	-9.3	-4.3	2.6	-0.0	0.5	0.5	0.5	-1.3	-7.7	-10.1	1.4	-2.6	-4.2	-1.6
Q3	A	-7.5	-8.6	-10.9	-3.8	4.8	0.0	3.3	3.2	3.6	1.4	-4.6	-5.6	-0.9	-9.2	-4.2	-1.7
Q4	A	-7.7	-8.3	-10.0	-4.8	0.4	0.1	4.4	6.5	-0.2	-2.0	-3.5	-4.9	1.7	-8.1	-4.7	-2.1
13 *Q1*	A	-7.5	-8.2	-10.2	-4.1	-0.1	0.0	3.6	5.2	0.1	1.1	-4.8	-5.0	-3.9	-4.4	-4.6	-2.0
Q2	A	-6.4	-6.7	-10.5	0.4	-2.4	-0.0	9.2	12.7	2.0	1.9	3.1	4.6	-2.0	-3.0	-3.6	-1.6

GDP. DOMESTIC DEMAND
Annual percentage changes



GDP. DEMAND COMPONENTS
Annual percentage changes



Source: INE (Quarterly National Accounts of Spain. Base year 2008).

a. Prepared in accordance with ESA95, seasonally- and working-day-adjusted series (see Economic bulletin April 2002).

b. Contribution to GDPmp growth rate.

c. Residents' demand within and outside the economic territory.

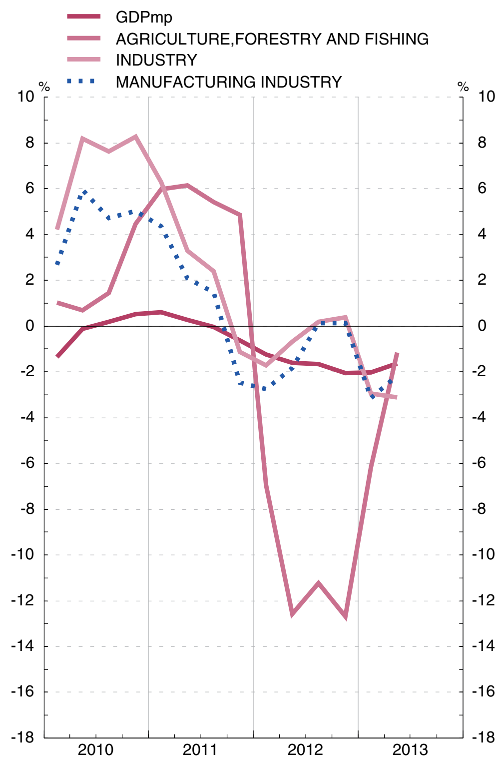
1.3. GROSS DOMESTIC PRODUCT. VOLUME CHAIN-LINKED INDICES. REFERENCE YEAR 2008=100. BRANCHES OF ACTIVITY. SPAIN (a)

■ Series depicted in chart.

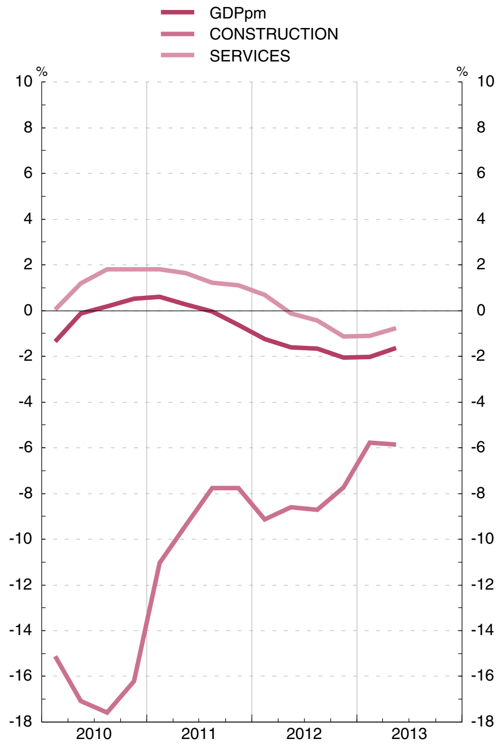
Annual percentage changes

		Gross domestic product at market prices	Agri-culture livestock breeding, forestry and fishing	Industry		Construc-tion industry	Services								Net taxes on products
				Total	Of which: Manufac-turing industry		Total	Trade, transport and acomoda-tion	Informa-tion and communi-cations	Financial and insurance activities	Real estate activities	Profes-sional activities	Public Ad-ministra-tion, Health and Education	Artistic, recreational and other services activities	
		1 ■	2 ■	3 ■	4 ■	5 ■	6 ■	7	8	9	10	11	12	13	14
10	P	-0.2	1.9	7.1	4.6	-16.5	1.2	1.8	6.2	-3.5	-1.2	-0.3	2.4	0.3	-0.6
11	P	0.1	5.6	2.7	1.3	-9.0	1.4	1.3	0.3	-3.2	3.0	5.3	1.1	0.2	-6.1
12	A	-1.6	-10.9	-0.5	-1.1	-8.6	-0.3	0.5	0.9	-2.8	1.1	-1.9	-0.5	-1.7	-4.9
10 *Q3*	P	0.2	1.4	7.6	4.7	-17.6	1.8	2.1	7.8	0.1	-1.2	0.1	3.1	-0.9	-0.3
Q4	P	0.5	4.5	8.3	5.0	-16.2	1.8	1.8	6.5	1.7	-0.5	-0.0	3.1	-2.0	-1.1
11 *Q1*	P	0.6	6.0	6.3	4.3	-11.0	1.8	2.2	1.6	-4.0	3.0	5.1	1.6	-0.7	-5.6
Q2	P	0.3	6.1	3.3	2.1	-9.4	1.6	2.0	0.1	-3.9	2.9	5.4	1.4	-0.9	-5.8
Q3	P	-0.0	5.4	2.4	1.5	-7.8	1.2	0.8	-0.0	-3.6	3.1	5.5	0.8	1.3	-6.6
Q4	P	-0.6	4.9	-1.1	-2.5	-7.8	1.1	0.1	-0.2	-1.2	3.0	5.2	0.8	1.2	-6.5
12 *Q1*	A	-1.2	-6.9	-1.7	-2.8	-9.1	0.7	1.3	0.9	0.8	0.9	-1.2	0.4	0.7	-5.0
Q2	A	-1.6	-12.6	-0.7	-1.8	-8.6	-0.1	0.2	1.3	1.0	0.8	-2.6	-0.1	-2.2	-4.7
Q3	A	-1.7	-11.2	0.2	0.1	-8.7	-0.4	1.0	1.0	-6.1	1.6	-1.5	-1.3	-2.5	-4.9
Q4	A	-2.1	-12.7	0.4	0.1	-7.7	-1.1	-0.5	0.5	-6.9	1.1	-2.2	-1.1	-3.0	-5.1
13 *Q1*	A	-2.0	-6.2	-3.0	-3.2	-5.8	-1.1	-1.8	-1.1	-3.5	-0.3	-0.8	0.0	-2.0	-2.6
Q2	A	-1.6	-1.2	-3.1	-2.2	-5.9	-0.8	-1.1	-0.1	-4.1	-0.2	-0.5	0.1	-1.0	-1.7

GDP. BRANCHES OF ACTIVITY
Annual percentage changes



GDP. BRANCHES OF ACTIVITY
Annual percentage changes



Source: INE (Quarterly National Accounts of Spain. Base year 2008).
a. Prepared in accordance with ESA95, seasonally- and working-day-adjusted series (see Economic bulletin April 2002).

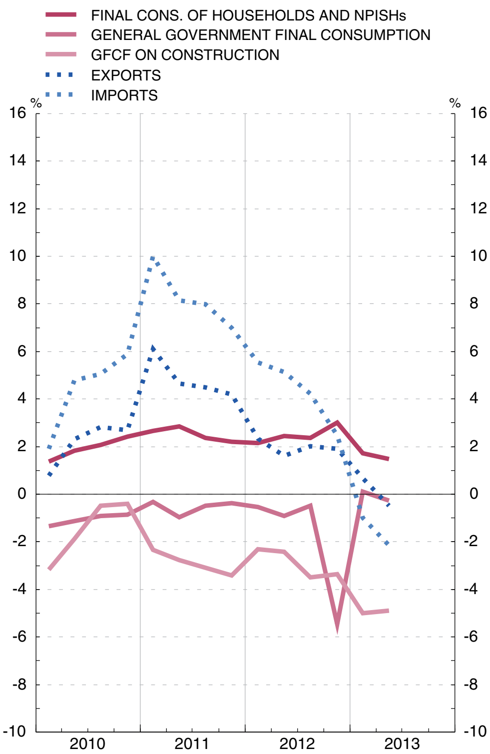
1.4. GROSS DOMESTIC PRODUCT. IMPLICIT DEFLATORS. SPAIN (a)

■ Series depicted in chart.

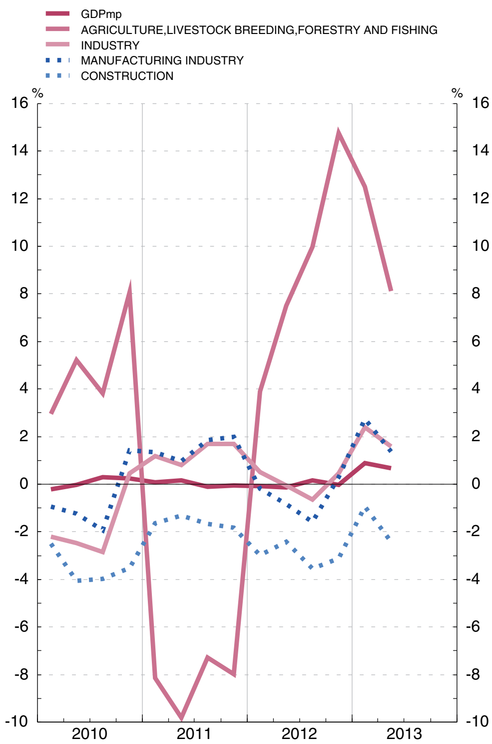
Annual percentage changes

		Demand components								Gross domestic product at market prices	Branches of activity											
		Final consumption of households and NPISHs (b)	General government final consumption	Gross fixed capital formation				Exports of goods and services	Imports of goods and services		Agriculture, livestock breeding, forestry and fishing	Industry		Construction	Services							
				Total	Tangible fixed assets: Construction	Tangible fixed assets: Equipment and cultivated assets	Intangible fixed asstes					Total	On which: Manufacturing industry		Total	Trade, transport and accommodation	Information and communications	Financial and insurance activities	Real estate activities	Professional activities	Public administration, Health and Education	Artistic recreational and other services activities
		1 ■	2 ■	3	4 ■	5	6	7 ■	8 ■	9 ■	10 ■	11 ■	12 ■	13 ■	14	15	16	17	18	19	20	21
10	P	1.9	-1.1	-0.6	-1.5	0.9	3.6	2.2	4.4	0.1	5.0	-1.8	-0.7	-3.5	-1.5	-0.6	-6.0	-20.3	13.6	-1.5	-1.5	0.5
11	P	2.5	-0.6	-1.5	-2.9	1.2	-0.1	4.8	8.2	0.0	-8.3	1.3	1.5	-1.6	0.1	0.8	-1.4	-4.4	4.6	-0.5	-1.2	0.8
12	A	2.5	-1.8	-2.0	-2.9	-1.1	1.3	2.0	4.3	-0.0	8.9	0.1	-0.6	-3.0	-0.3	0.8	-2.5	4.5	1.6	-0.6	-3.4	1.2
10 *Q3*	P	2.1	-0.9	0.2	-0.5	1.1	3.5	2.8	5.1	0.3	3.8	-2.9	-1.9	-4.0	-2.4	-0.6	-7.0	-24.4	10.9	-0.8	-2.7	0.1
Q4	P	2.4	-0.9	0.4	-0.4	1.4	3.4	2.7	5.9	0.3	8.1	0.4	1.4	-3.5	-0.3	1.8	-5.5	-21.6	20.1	-0.3	-2.9	1.1
11 *Q1*	P	2.6	-0.3	-0.9	-2.3	1.8	-0.1	6.1	10.0	0.1	-8.1	1.2	1.3	-1.6	-0.6	0.6	-2.1	-12.5	4.5	-0.7	-1.0	0.8
Q2	P	2.8	-1.0	-1.3	-2.8	1.5	0.3	4.6	8.1	0.1	-9.8	0.8	1.0	-1.3	0.4	1.0	-0.9	-3.0	6.5	0.2	-1.5	0.6
Q3	P	2.4	-0.5	-1.6	-3.1	1.6	-0.5	4.5	8.0	-0.1	-7.3	1.7	1.9	-1.7	0.1	0.7	-1.2	-2.7	4.0	-1.2	-1.1	0.7
Q4	P	2.2	-0.4	-2.1	-3.4	0.1	-0.1	4.2	7.0	-0.0	-8.0	1.7	2.0	-1.8	0.3	0.8	-1.4	1.6	3.3	-0.5	-1.3	1.1
12 *Q1*	A	2.1	-0.5	-1.6	-2.3	-0.8	0.5	2.3	5.5	-0.1	3.9	0.5	-0.2	-3.0	-0.0	-0.1	-2.1	3.8	1.9	-0.9	-1.0	0.9
Q2	A	2.4	-0.9	-1.7	-2.4	-1.2	1.4	1.6	5.1	-0.1	7.5	-0.0	-0.8	-2.4	0.5	0.7	-2.8	8.8	2.5	-1.0	-1.2	0.8
Q3	A	2.3	-0.5	-2.3	-3.5	-1.1	1.5	2.0	4.2	0.2	10.0	-0.6	-1.6	-3.5	-0.0	0.8	-3.0	2.8	0.8	-1.0	-1.2	0.9
Q4	A	3.0	-5.5	-2.3	-3.3	-1.3	1.7	1.9	2.5	-0.0	14.7	0.5	0.3	-3.1	-1.7	1.7	-2.1	2.6	1.4	0.3	-10.0	2.1
13 *Q1*	A	1.7	0.1	-3.7	-5.0	-2.5	0.1	0.7	-1.0	0.9	12.5	2.4	2.7	-0.9	1.6	3.0	-1.1	2.9	1.6	0.6	0.2	2.7
Q2	A	1.5	-0.3	-3.7	-4.9	-2.5	-0.3	-0.5	-2.2	0.7	8.1	1.6	1.4	-2.4	0.4	1.6	-2.8	1.2	0.8	-0.4	-0.8	2.3

GDP. IMPLICIT DEFLATORS
Annual percentage changes



GDP. IMPLICIT DEFLATORS
Annual percentage changes



Source: INE (Quarterly National Accounts of Spain. Base year 2008).

a. Prepared in accordance with ESA95, seasonally- and working-day-adjusted series (see Economic bulletin April 2002).

b. Final consumption expenditure may take place on the domestic territory or abroad (ESA95, 3.75). It therefore includes residents' consumption abroad, which is subsequently deducted in Imports of goods and services.

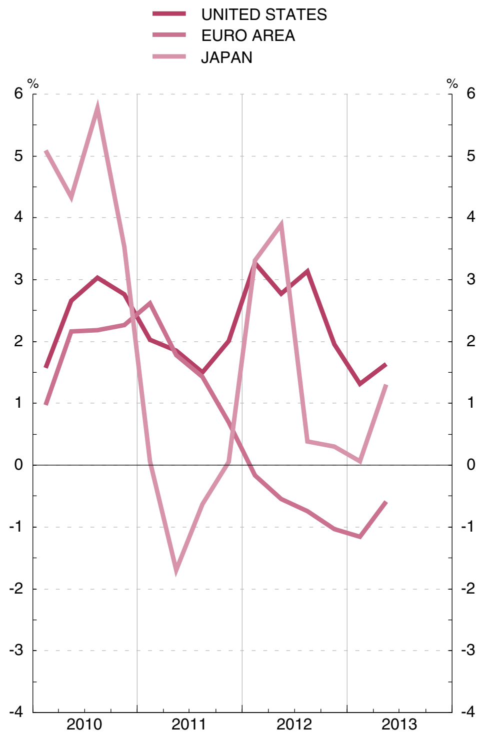
2.1. INTERNATIONAL COMPARISON. GROSS DOMESTIC PRODUCT AT CONSTANT PRICES

■ Series depicted in chart.

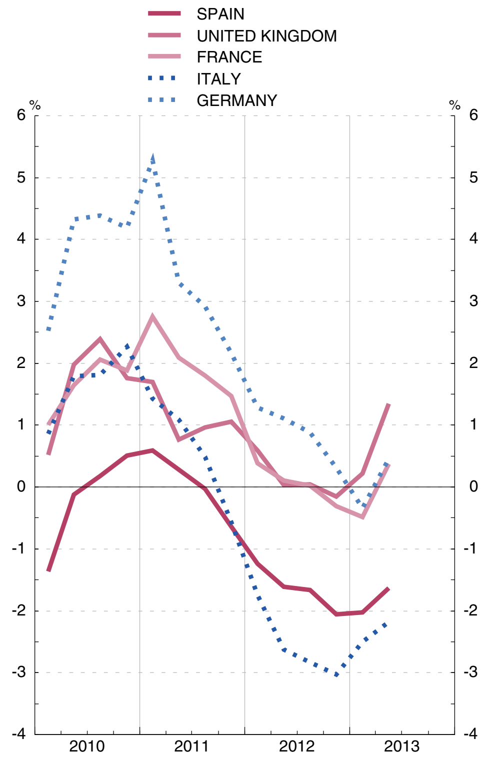
Annual percentage changes

	OECD	EU-28	Euro area	Germany	Spain	United States	France	Italy	Japan	United Kingdom
	1	2	3 ■	4 ■	5 ■	6 ■	7 ■	8 ■	9 ■	10 ■
10	3.0	2.0	1.9	3.9	-0.2	2.5	1.6	1.7	4.7	1.7
11	2.0	1.7	1.6	3.4	0.1	1.8	2.0	0.6	-0.6	1.1
12	1.6	-0.4	-0.6	0.9	-1.6	2.8	0.0	-2.6	2.0	0.1
10 *Q2*	3.2	2.2	2.2	4.3	-0.1	2.7	1.6	1.8	4.3	2.0
Q3	3.3	2.4	2.2	4.4	0.2	3.0	2.1	1.8	5.8	2.4
Q4	3.1	2.4	2.3	4.2	0.5	2.8	1.9	2.3	3.5	1.8
11 *Q1*	2.5	2.6	2.6	5.3	0.6	2.0	2.8	1.4	0.1	1.7
Q2	1.8	1.8	1.8	3.3	0.3	1.9	2.1	1.1	-1.7	0.8
Q3	1.8	1.5	1.4	2.9	-0.0	1.5	1.8	0.5	-0.6	1.0
Q4	1.7	0.8	0.7	2.2	-0.6	2.0	1.5	-0.6	0.1	1.1
12 *Q1*	2.1	0.1	-0.2	1.3	-1.2	3.3	0.4	-1.8	3.3	0.6
Q2	1.9	-0.3	-0.5	1.1	-1.6	2.8	0.1	-2.6	3.9	0.0
Q3	1.4	-0.5	-0.7	0.9	-1.7	3.1	0.0	-2.8	0.4	0.0
Q4	0.9	-0.7	-1.0	0.3	-2.1	2.0	-0.3	-3.0	0.3	-0.2
13 *Q1*	0.6	-0.8	-1.2	-0.3	-2.0	1.3	-0.5	-2.5	0.1	0.2
Q2	1.0	-0.2	-0.6	0.5	-1.6	1.6	0.4	-2.2	1.3	1.3

GROSS DOMESTIC PRODUCT
Annual percentage changes



GROSS DOMESTIC PRODUCT
Annual percentage changes



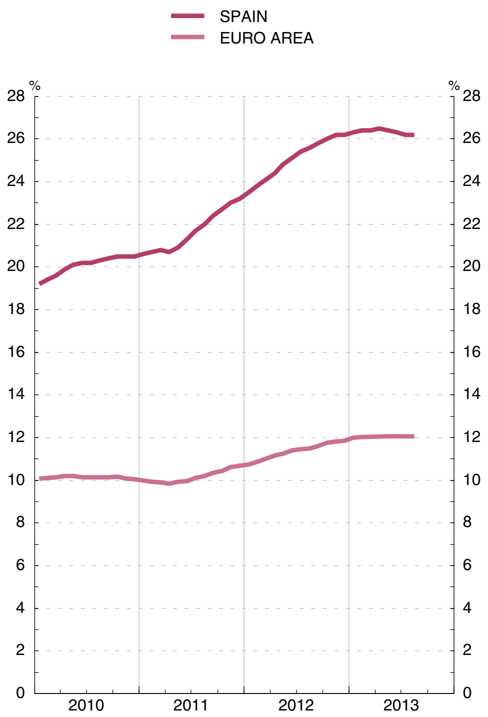
Sources: ECB, INE and OECD.
Note: The underlying series for this indicator are in Table 26.2 of the BE Boletín Estadístico.

2.2. INTERNATIONAL COMPARISON. UNEMPLOYMENT RATES

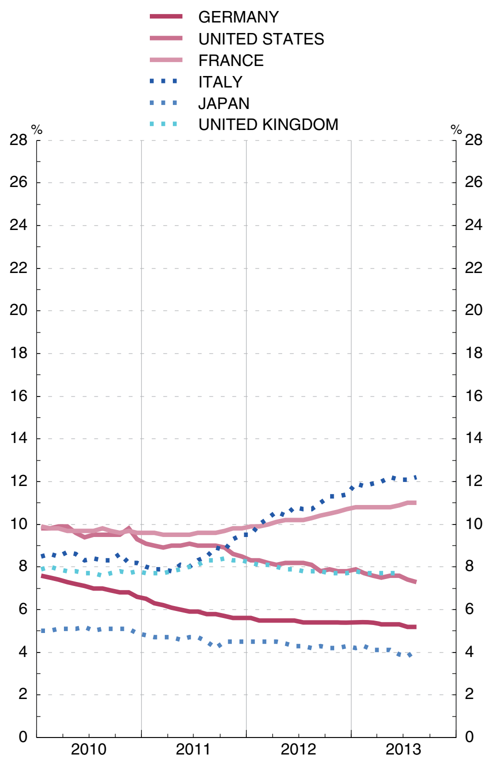
■ Series depicted in chart. *Percentages*

	OECD 1	EU-27 2	Euro area 3 ■	Germany 4 ■	Spain 5 ■	United States 6 ■	France 7 ■	Italy 8 ■	Japan 9 ■	United Kingdom 10 ■
10	8.3	9.7	10.1	7.1	20.1	9.6	9.7	8.4	5.1	7.8
11	8.0	9.7	10.2	5.9	21.7	8.9	9.6	8.4	4.6	8.0
12	8.0	10.5	11.4	5.5	25.1	8.1	10.3	10.7	4.3	7.9
12 *Mar*	7.9	10.3	11.0	5.5	24.1	8.2	10.0	10.3	4.5	8.1
Apr	7.9	10.4	11.2	5.5	24.4	8.1	10.1	10.6	4.5	8.0
May	8.0	10.4	11.2	5.5	24.8	8.2	10.2	10.4	4.4	7.9
Jun	8.0	10.5	11.4	5.5	25.1	8.2	10.2	10.8	4.3	7.9
Jul	8.0	10.5	11.5	5.4	25.4	8.2	10.2	10.7	4.3	7.8
Aug	8.0	10.6	11.5	5.4	25.6	8.1	10.3	10.7	4.2	7.8
Sep	7.9	10.6	11.6	5.4	25.8	7.8	10.4	11.0	4.3	7.8
Oct	8.0	10.7	11.7	5.4	26.0	7.9	10.5	11.3	4.2	7.7
Nov	8.0	10.8	11.8	5.4	26.2	7.8	10.6	11.3	4.2	7.7
Dec	8.0	10.8	11.9	5.4	26.2	7.8	10.7	11.4	4.3	7.7
13 *Jan*	8.1	10.9	12.0	5.4	26.3	7.9	10.8	11.9	4.2	7.8
Feb	8.0	11.0	12.0	5.4	26.4	7.7	10.8	11.8	4.3	7.7
Mar	8.0	10.9	12.0	5.4	26.4	7.6	10.8	11.9	4.1	7.7
Apr	8.0	11.0	12.1	5.3	26.5	7.5	10.8	12.0	4.1	7.7
May	8.0	10.9	12.1	5.3	26.4	7.6	10.8	12.2	4.1	7.7
Jun	8.0	10.9	12.1	5.3	26.3	7.6	10.9	12.1	3.9	7.7
Jul	7.9	10.9	12.0	5.2	26.2	7.4	11.0	12.1	3.8	...
Aug	7.9	10.9	12.0	5.2	26.2	7.3	11.0	12.2	4.1	...

UNEMPLOYMENT RATES



UNEMPLOYMENT RATES



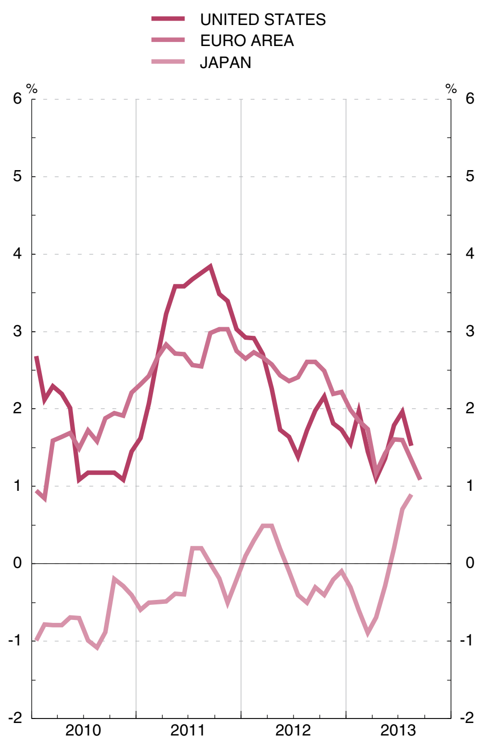
Source: OECD.

2.3. INTERNATIONAL COMPARISON. CONSUMER PRICES (a)

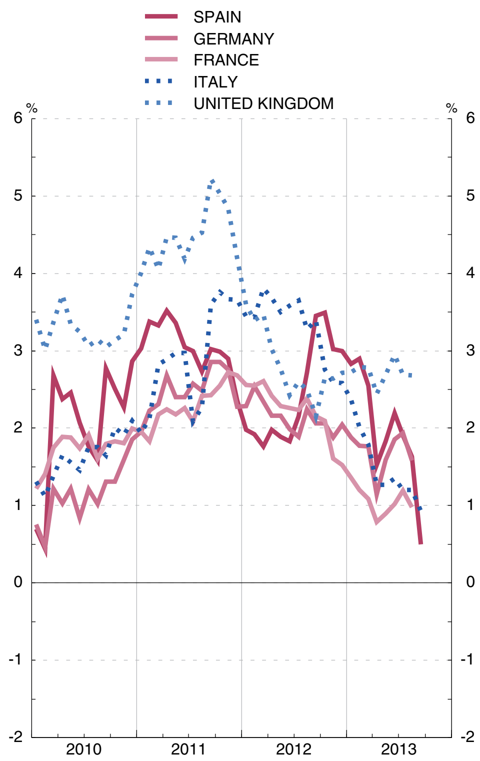
■ Series depicted in chart. *Annual percentage changes*

	OECD	EU-27	Euro area	Germany	Spain	United States	France	Italy	Japan	United Kingdom
	1	2	3 ■	4 ■	5 ■	6 ■	7 ■	8 ■	9 ■	10 ■
10	1.8	2.1	1.6	1.2	2.0	1.6	1.7	1.6	-0.7	3.3
11	2.9	3.1	2.7	2.5	3.1	3.2	2.3	2.9	-0.3	4.5
12	2.2	2.6	2.5	2.1	2.4	2.1	2.2	3.3	-0.0	2.8
12 *Apr*	2.4	2.7	2.6	2.2	2.0	2.3	2.4	3.7	0.5	3.0
May	2.1	2.6	2.4	2.2	1.9	1.7	2.3	3.5	0.2	2.8
Jun	2.0	2.5	2.4	2.0	1.8	1.6	2.3	3.6	-0.1	2.4
Jul	1.9	2.5	2.4	1.9	2.2	1.4	2.2	3.6	-0.4	2.6
Aug	2.1	2.7	2.6	2.2	2.7	1.7	2.4	3.3	-0.5	2.5
Sep	2.3	2.7	2.6	2.1	3.5	2.0	2.2	3.4	-0.3	2.2
Oct	2.2	2.6	2.5	2.1	3.5	2.2	2.1	2.8	-0.4	2.6
Nov	1.9	2.4	2.2	1.9	3.0	1.8	1.6	2.6	-0.2	2.6
Dec	1.9	2.3	2.2	2.0	3.0	1.7	1.5	2.6	-0.1	2.7
13 *Jan*	1.7	2.1	2.0	1.9	2.8	1.6	1.4	2.4	-0.3	2.7
Feb	1.9	2.0	1.8	1.8	2.9	2.0	1.2	2.0	-0.6	2.8
Mar	1.6	1.9	1.7	1.8	2.6	1.4	1.1	1.8	-0.9	2.8
Apr	1.3	1.4	1.2	1.1	1.5	1.1	0.8	1.3	-0.7	2.4
May	1.4	1.6	1.4	1.6	1.8	1.4	0.9	1.3	-0.3	2.7
Jun	1.8	1.7	1.6	1.9	2.2	1.8	1.0	1.4	0.2	2.9
Jul	2.0	1.7	1.6	1.9	1.9	2.0	1.2	1.2	0.7	2.7
Aug	1.6	1.5	1.3	1.6	1.6	1.5	1.0	1.2	0.9	2.7
Sep	...	...	1.1	...	0.5	...	...	0.9	...	...

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

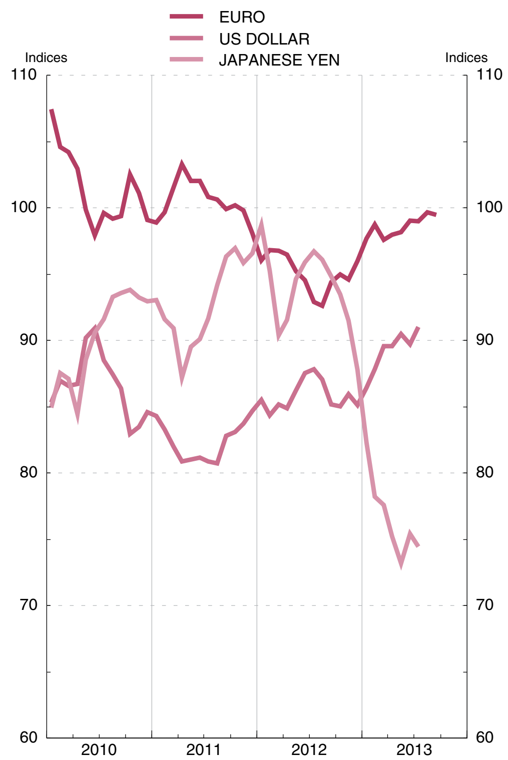
■ Series depicted in chart.

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					
							Based on consumer prices			Based on producer prices		
	US dollar per ECU/euro	Japanese yen per ECU/euro	Japanese yen per US dollar	Euro	US dollar	Japanese yen	Euro	US dollar	Japanese yen	Euro	US dollar	Japanese yen
	1 ■	2 ■	3 ■	4	5	6	7 ■	8 ■	9 ■	10	11	12
10	1.3267	116.42	87.78	103.6	78.6	119.9	101.5	86.7	90.2	98.0	93.1	87.7
11	1.3918	111.00	79.74	103.4	74.0	127.5	100.6	82.4	92.8	97.6	90.6	88.8
12	1.2854	102.61	79.81	97.9	76.8	131.7	95.1	85.8	93.9	92.1	95.2	88.4
12 *J-S*	1.2813	101.68	79.34	97.9	76.9	132.7	95.1	86.0	94.9	92.0	95.3	89.3
13 *J-S*	1.3169	127.34	96.71	101.2	79.6	108.1	98.6	89.2	76.6	96.3	98.7	72.9
12 *Jul*	1.2288	97.07	78.99	95.4	78.5	135.8	92.9	87.8	96.7	90.3	96.9	90.9
Aug	1.2400	97.58	78.69	95.3	77.6	135.4	92.6	87.1	96.1	89.8	96.5	89.9
Sep	1.2856	100.49	78.17	97.2	75.9	134.0	94.4	85.2	94.8	91.4	95.0	88.7
Oct	1.2974	102.47	78.98	97.8	75.9	132.2	95.0	85.0	93.5	92.1	94.9	87.5
Nov	1.2828	103.94	81.02	97.3	76.9	129.6	94.6	85.9	91.5	92.1	95.2	86.2
Dec	1.3119	109.71	83.61	98.7	76.4	124.2	96.0	85.1	87.8	93.8	94.3	83.1
13 *Jan*	1.3288	118.34	89.05	100.4	77.0	116.2	97.7	86.4	82.3	95.2	95.2	77.7
Feb	1.3359	124.40	93.12	101.7	78.1	111.1	98.8	87.8	78.2	96.0	97.1	74.0
Mar	1.2964	122.99	94.87	100.2	79.8	110.7	97.6	89.6	77.6	94.9	99.0	74.0
Apr	1.3026	127.54	97.90	100.5	79.9	106.9	98.0	89.6	75.2	95.8	99.3	71.8
May	1.2982	131.13	101.02	100.6	80.7	104.1	98.2	90.5	73.2	96.1	100.4	69.8
Jun	1.3189	128.40	97.37	101.6	79.8	107.4	99.0	89.7	75.4	97.1	99.4	72.0
Jul	1.3080	130.39	99.70	101.5	80.9	105.6	99.0	91.0	74.4	97.0	100.3	70.9
Aug	1.3310	130.34	97.93	102.2	79.9	106.6	99.7	...	...	97.7	...	...
Sep	1.3348	132.41	99.20	102.0	79.7	104.8	99.5	...	...	97.4	...	...

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 (1995-1997),(1998-2000), (2001-2003), (2004-2006) and (2007-2009) 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.

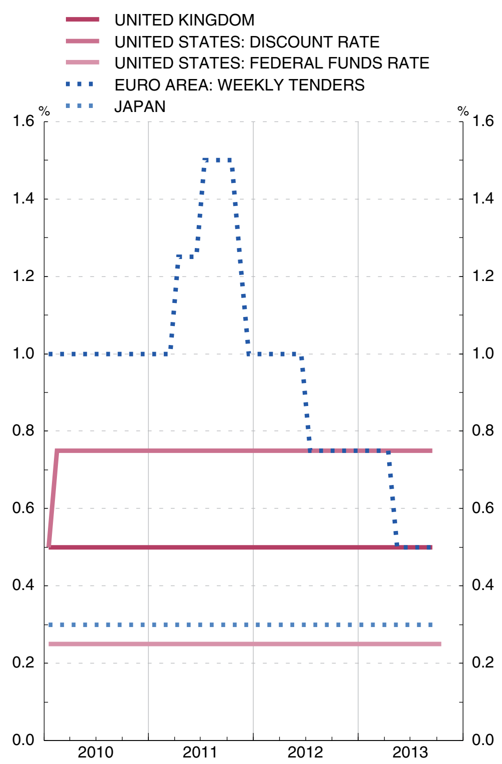
b. Obtained by multiplying the relative prices of each area/country (relation betwen its price index and the price index of the group) by the nominal effective exchange rate. A decline in the index denotes a depreciation of the real effective exchange rate and, may be interpreted as an improvement in that area/country's competitiveness.

2.5. OFFICIAL INTERVENTION INTEREST RATES AND SHORT-TERM INTEREST RATES

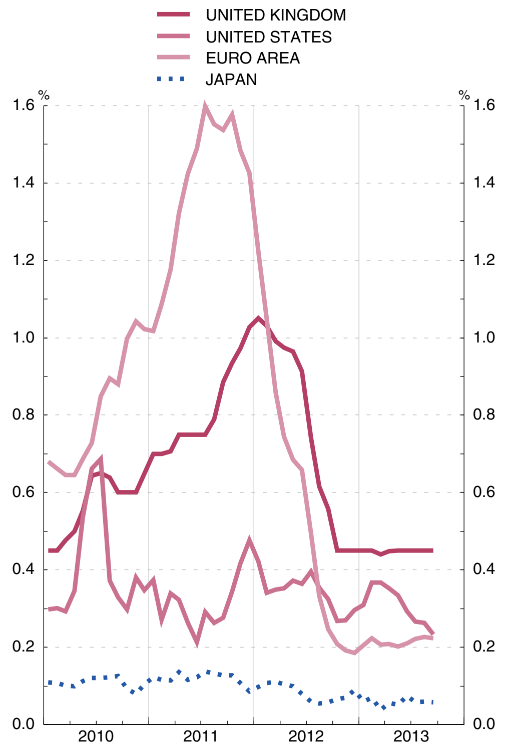
■ Series depicted in chart. *Percentages*

	Official intervention interest rates					3-month interbank rates									
	Euro area (a)	United States: Discount rate (b)	United States: Federal funds rate	Japan (c)	United Kingdom (d)	OECD	EU-15	Euro area	Germany	Spain	United States	France	Italy	Japan	United Kingdom
	1 ■	2 ■	3 ■	4 ■	5 ■	6	7	8 ■	9	10	11 ■	12	13	14 ■	15 ■
10	1.00	0.75	0.25	0.30	0.50	0.78	0.78	0.81	-	0.87	0.40	-	-	0.11	0.57
11	1.00	0.75	0.25	0.30	0.50	1.01	1.32	1.39	-	1.34	0.32	-	-	0.12	0.81
12	0.75	0.75	0.25	0.30	0.50	0.75	0.63	0.57	-	1.06	0.34	-	-	0.08	0.76
12 *May*	1.00	0.75	0.25	0.30	0.50	0.83	0.76	0.68	-	-	0.37	-	-	0.10	0.96
Jun	1.00	0.75	0.25	0.30	0.50	0.82	0.72	0.66	-	-	0.36	-	-	0.08	0.91
Jul	0.75	0.75	0.25	0.30	0.50	0.76	0.56	0.50	-	-	0.40	-	-	0.06	0.74
Aug	0.75	0.75	0.25	0.30	0.50	0.68	0.40	0.33	-	-	0.35	-	-	0.05	0.62
Sep	0.75	0.75	0.25	0.30	0.50	0.64	0.32	0.25	-	-	0.32	-	-	0.06	0.56
Oct	0.75	0.75	0.25	0.30	0.50	0.59	0.27	0.21	-	-	0.27	-	-	0.07	0.45
Nov	0.75	0.75	0.25	0.30	0.50	0.58	0.25	0.19	-	-	0.27	-	-	0.07	0.45
Dec	0.75	0.75	0.25	0.30	0.50	0.52	0.24	0.19	-	-	0.30	-	-	0.09	0.45
13 *Jan*	0.75	0.75	0.25	0.30	0.50	0.55	0.26	0.20	-	-	0.31	-	-	0.06	0.45
Feb	0.75	0.75	0.25	0.30	0.50	0.58	0.27	0.22	-	-	0.37	-	-	0.07	0.45
Mar	0.75	0.75	0.25	0.30	0.50	0.57	0.26	0.21	-	-	0.37	-	-	0.04	0.44
Apr	0.75	0.75	0.25	0.30	0.50	0.55	0.26	0.21	-	-	0.35	-	-	0.06	0.45
May	0.50	0.75	0.25	0.30	0.50	0.57	0.38	0.20	-	1.75	0.33	-	-	0.05	0.45
Jun	0.50	0.75	0.25	0.30	0.50	0.52	0.26	0.21	-	-	0.29	-	-	0.08	0.45
Jul	0.50	0.75	0.25	0.30	0.50	0.51	0.27	0.22	-	0.22	0.27	-	-	0.06	0.45
Aug	0.50	0.75	0.25	0.30	0.50	0.54	0.36	0.23	-	1.25	0.26	-	-	0.06	0.45
Sep	0.50	0.75	0.25	0.30	0.50	0.50	0.27	0.22	-	-	0.23	-	-	0.06	0.45
Oct	-	-	0.25	-	-	-	-	-	-	-	-	-	-	-	-

OFFICIAL INTERVENTION INTEREST RATES



3-MONTH INTERBANK RATES



Sorces: ECB, Reuters and BE.
a. Main refinancing operations.
b. As from January 2003, the Primary Credit Rate.
c. Discount rate.
d. Retail bank base rate.

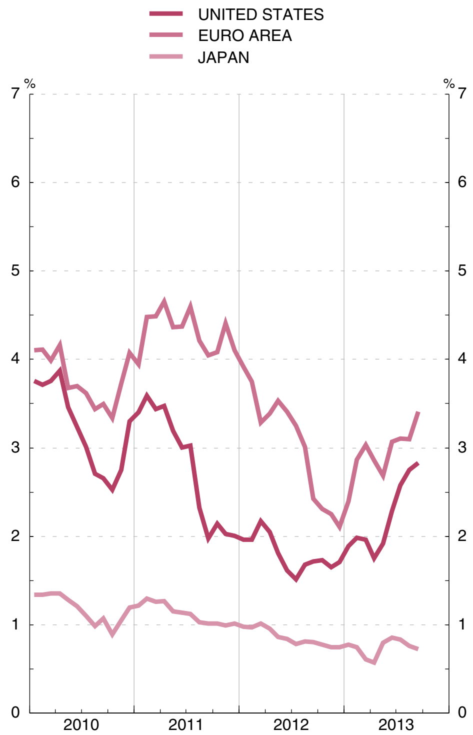
2.6. 10-YEAR GOVERNMENT BOND YIELDS ON DOMESTIC MARKETS

■ Series depicted in chart.

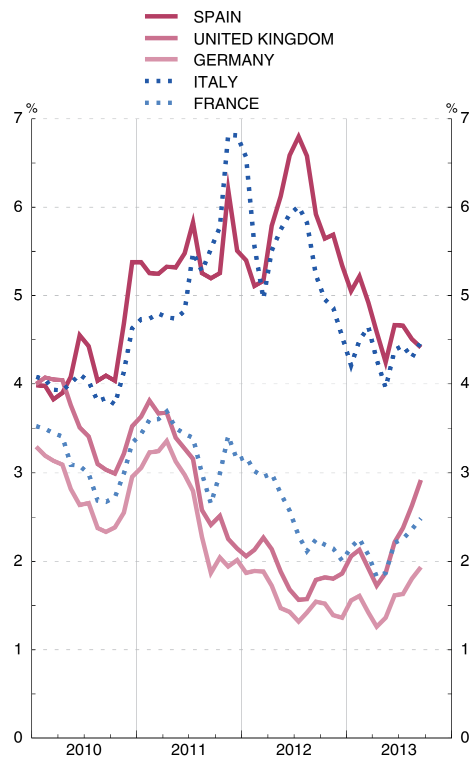
Percentages

	OECD 1	EU-15 2	Euro area 3 ■	Germany 4 ■	Spain 5 ■	United States 6 ■	France 7 ■	Italy 8 ■	Japan 9 ■	United Kingdom 10 ■
10	3.15	3.52	3.78	2.78	4.25	3.22	3.12	4.03	1.18	3.56
11	3.15	4.02	4.31	2.66	5.44	2.80	3.32	5.36	1.12	3.04
12	2.35	3.43	3.05	1.57	5.85	1.80	2.53	5.47	0.86	1.88
12 *Apr*	2.57	3.65	3.39	1.72	5.79	2.05	2.99	5.51	0.95	2.14
May	2.42	3.63	3.53	1.47	6.13	1.81	2.76	5.75	0.86	1.88
Jun	2.32	3.61	3.41	1.43	6.59	1.61	2.57	5.92	0.84	1.68
Jul	2.20	3.46	3.25	1.32	6.79	1.51	2.28	6.01	0.78	1.56
Aug	2.25	3.37	3.01	1.42	6.58	1.68	2.11	5.82	0.81	1.57
Sep	2.22	3.23	2.43	1.54	5.92	1.71	2.24	5.23	0.81	1.78
Oct	2.16	3.08	2.31	1.52	5.65	1.73	2.18	4.96	0.78	1.82
Nov	2.10	2.99	2.25	1.39	5.69	1.65	2.14	4.86	0.74	1.80
Dec	2.07	2.79	2.10	1.36	5.34	1.71	2.00	4.54	0.75	1.86
13 *Jan*	2.20	2.78	2.40	1.56	5.05	1.89	2.16	4.22	0.78	2.05
Feb	2.27	2.89	2.86	1.61	5.22	1.98	2.25	4.50	0.75	2.13
Mar	2.19	2.76	3.03	1.42	4.92	1.96	2.07	4.65	0.61	1.92
Apr	2.02	2.55	2.86	1.26	4.59	1.75	1.82	4.28	0.57	1.72
May	2.08	2.47	2.69	1.36	4.25	1.92	1.87	3.96	0.80	1.87
Jun	2.42	2.83	3.07	1.62	4.67	2.29	2.21	4.39	0.85	2.22
Jul	2.59	2.90	3.10	1.63	4.66	2.58	2.25	4.44	0.83	2.37
Aug	2.70	2.97	3.10	1.80	4.51	2.75	2.36	4.30	0.76	2.63
Sep	2.79	3.12	3.41	1.93	4.42	2.83	2.48	4.48	0.73	2.91

10-YEAR GOVERNMENT BOND YIELDS



10-YEAR GOVERNMENT BOND YIELDS



Sources: ECB, Reuters and BE.

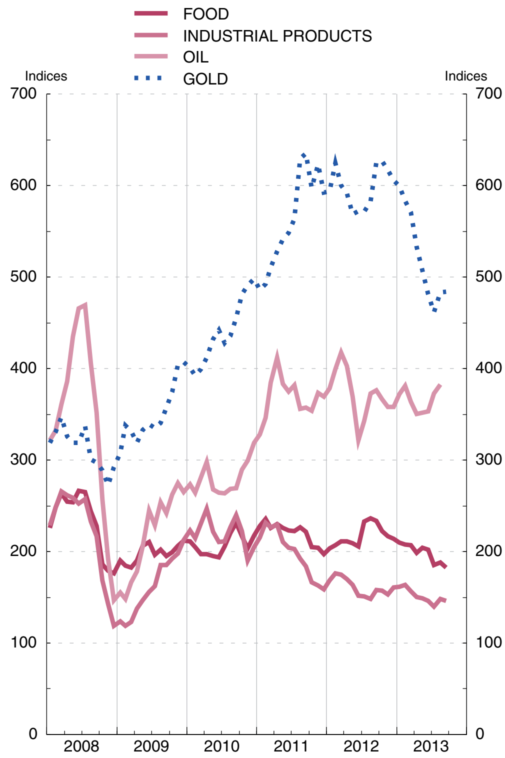
2.7 INTERNATIONAL MARKETS. NON-ENERGY COMMODITIES PRICE INDEX. CRUDE OIL AND GOLD PRICE.

■ Series depicted in chart. *Base 2000 = 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
	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
08	142.2	227.4	232.4	221.0	176.0	245.5	343.7	97.2	312.5	871.7	19.07
09	120.8	182.3	198.0	162.2	136.0	176.4	219.2	61.7	348.8	973.0	22.42
10	158.6	213.1	207.9	220.2	211.2	225.9	280.0	79.9	439.2	1 225.3	29.76
11	187.3	209.6	220.3	198.5	239.6	180.9	368.4	112.2	562.6	1 569.5	36.29
12	183.8	189.6	217.0	161.1	171.7	156.6	371.8	112.4	598.0	1 668.3	41.73
12 *J-S*	184.2	190.1	216.7	162.5	175.9	156.9	375.5	112.9	591.9	1 651.3	41.44
13 *J-S*	165.0	175.2	198.3	151.2	162.3	146.4	...	109.5	522.0	1 456.3	35.56
12 *Aug*	192.9	193.1	236.1	148.4	155.9	145.2	372.9	114.1	582.9	1 626.0	42.22
Sep	189.8	196.5	233.4	158.2	158.8	158.0	376.6	113.2	625.3	1 744.5	43.59
Oct	189.4	190.6	222.7	157.4	160.0	156.2	366.2	112.2	626.2	1 747.0	43.28
Nov	180.1	185.6	217.1	152.8	156.2	151.3	358.3	110.2	616.9	1 720.9	43.12
Dec	177.8	187.8	214.0	160.5	161.5	160.1	358.3	110.9	605.3	1 688.5	41.38
13 *Jan*	174.1	185.8	209.6	161.2	166.7	158.9	372.0	113.9	599.0	1 671.0	40.40
Feb	173.2	186.1	207.5	163.8	169.2	161.5	381.3	117.4	583.4	1 627.6	39.19
Mar	175.0	182.3	206.8	156.9	167.9	152.2	363.4	109.6	571.0	1 592.9	39.53
Apr	167.3	175.0	198.9	150.2	163.2	144.7	350.1	103.7	532.6	1 485.9	36.65
May	169.6	177.2	204.2	149.2	164.2	142.8	351.9	103.3	506.7	1 413.5	35.00
Jun	164.5	174.7	202.3	146.1	159.8	140.2	353.3	103.2	481.2	1 342.4	32.74
Jul	153.2	163.3	185.6	140.2	153.5	134.5	372.6	108.6	461.2	1 286.7	31.63
Aug	156.5	168.6	188.4	148.0	157.1	144.1	382.7	113.0	482.9	1 347.1	32.57
Sep	151.6	164.5	182.3	146.0	159.6	140.2	...	113.6	483.9	1 349.9	32.51

NON-ENERGY COMMODITY PRICE INDEX

PRICE INDICES FOR NON-ENERGY COMMODITIES, OIL AND GOLD



Sources: The Economist, IMF, ECB and BE.
a. The weights are based on the value of the world commodity imports during the period 1999-2001.
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.

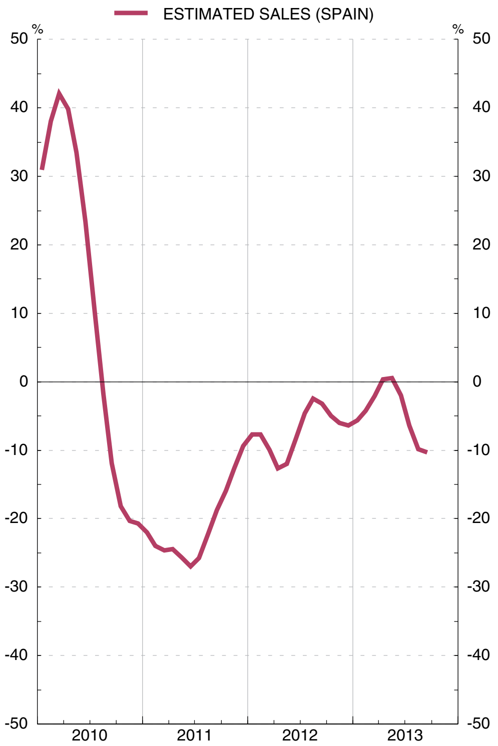
3.1 INDICATORS OF PRIVATE CONSUMPTION. SPAIN AND EURO AREA

■ Series depicted in chart. *Annual percentage changes*

	Opinion surveys (net percentages): Consumers: Confidence index ■	Opinion surveys: Consumers: General economic situation: anticipated trend	Opinion surveys: Consumers: Household economic situation: anticipated trend	Opinion surveys: Retail trade confidence index	Opinion surveys: Memorandum item: euro area: Consumer confidence index ■	Opinion surveys: Memorandum item: euro area: Retail trade confidence index	New car registrations and sales: Registrations	New car registrations and sales: Estimated sales ■	New car registrations and sales: Memorandum item: euro area registrations	Retail trade indices (2010=100, NACE 2009) (Deflated indices): General retail trade index	Retail trade indices: General index without petrol stations: Total	General index without petrol stations: of which: Food	General index without petrol stations: Large retail outlets	General index without petrol stations: Large chain stores	General index without petrol stations: Small chain stores	General index without petrol stations: Single-outlet retailers	General index without petrol stations: Memorandum item: euro area (a)
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
10	-20.9	-18.0	-9.7	-17.2	-14.2	-4.1	3.0	3.1	-8.1	100.0	100.0	100.0	100.0	100.0	100.0	100.0	1.0
11	-17.1	-13.8	-6.7	-19.8	-14.6	-5.5	-18.3	-17.7	-0.7	94.2	94.4	97.2	92.8	99.2	92.8	93.0	-0.0
12	-31.6	-30.7	-18.0	-21.4	-22.3	-15.2	-12.7	-13.4	-11.2	87.6	88.0	94.4	84.6	97.1	84.9	84.3	-1.4
12 *J-S*	-29.6	-28.7	-16.6	-22.4	-21.1	-15.0	-10.3	-11.0	-10.3	87.7	88.1	93.5	83.5	96.4	85.2	85.4	-1.1
13 *J-S*	-27.3	-23.1	-13.6	-13.3	-20.2	-14.4	-1.1	-1.6	...	...	...	...	...	...	...	...	...
12 *Oct*	-35.8	-34.9	-21.8	-20.5	-25.5	-17.3	-20.5	-21.7	-15.0	84.0	84.3	93.7	75.1	97.4	80.7	80.6	-2.8
Nov	-37.7	-35.3	-21.8	-16.1	-26.7	-14.8	-19.4	-20.3	-15.1	80.0	79.5	89.2	74.8	89.4	75.7	76.1	-1.7
Dec	-40.0	-39.7	-23.0	-18.0	-26.3	-15.9	-22.1	-23.0	-12.1	97.7	99.3	108.0	113.7	110.9	95.1	87.0	-2.5
13 *Jan*	-32.5	-28.8	-17.8	-20.3	-23.9	-15.5	-8.6	-9.6	-14.2	87.2	88.0	84.7	91.4	96.9	87.3	80.9	-1.5
Feb	-33.4	-29.4	-17.3	-16.6	-23.6	-16.1	-8.9	-9.8	-8.8	74.3	74.4	80.9	69.6	83.1	71.0	72.2	-1.7
Mar	-31.9	-27.6	-15.1	-16.9	-23.5	-17.1	-13.6	-13.9	-10.9	79.7	79.7	91.2	72.2	92.5	74.4	76.8	-2.0
Apr	-28.9	-24.8	-15.0	-13.6	-22.2	-18.4	11.3	10.8	-6.5	80.8	80.9	89.7	71.5	93.1	77.2	78.5	-1.1
May	-31.6	-31.3	-15.8	-18.5	-21.8	-16.7	-2.9	-2.6	-8.0	83.2	83.2	91.7	74.1	94.6	79.4	81.2	0.2
Jun	-25.7	-23.3	-14.8	-12.5	-18.8	-14.6	0.1	-0.7	-7.2	83.3	83.6	91.0	76.6	95.1	79.6	80.6	-1.1
Jul	-22.7	-18.1	-10.4	-9.3	-17.4	-14.0	16.0	14.9	-0.1	93.1	94.0	96.4	91.7	107.5	91.3	87.1	-0.5
Aug	-21.2	-14.7	-9.1	-6.5	-15.6	-10.6	-18.0	-18.3	-4.1	84.7	84.7	95.5	81.9	101.8	80.2	76.4	-0.3
Sep	-17.5	-9.6	-6.7	-5.3	-14.9	-7.0	28.1	28.5	...	...	...	...	...	...	...	...	...

CONSUMER CONFIDENCE INDEX

CAR SALES
Trend obtained with TRAMO-SEATS



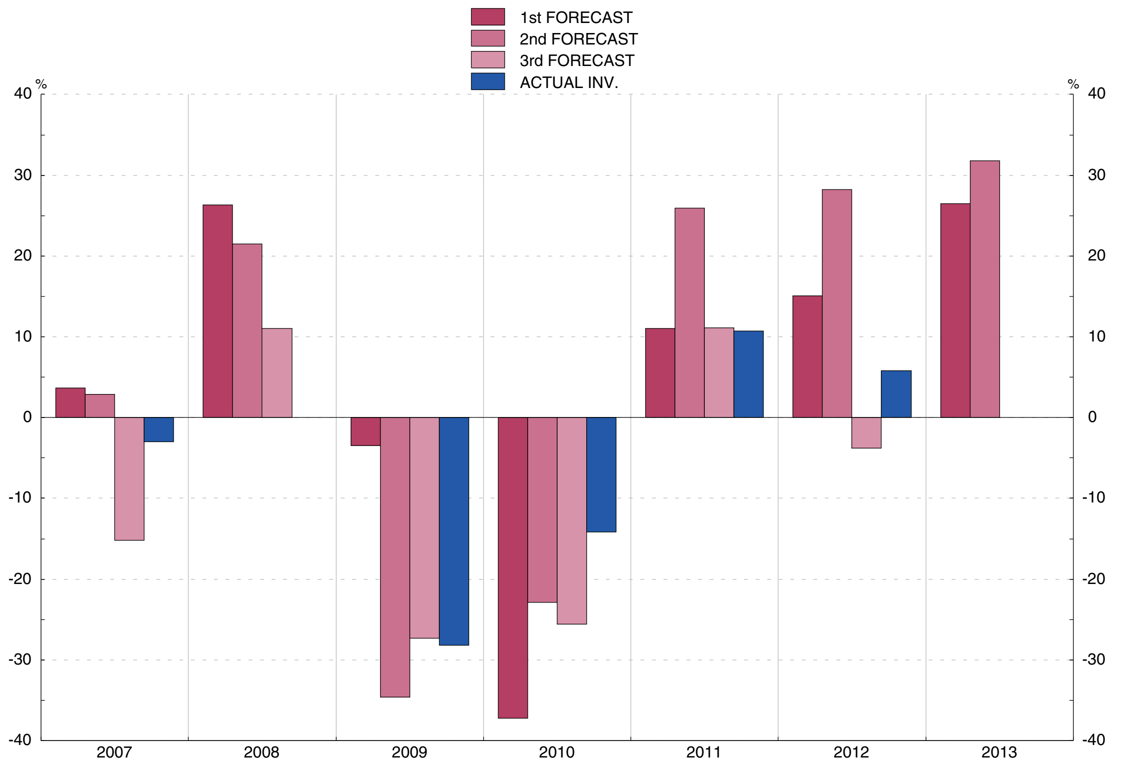
Sources: European Commission, European Economy, Supplement B, INE, Dirección General de Tráfico, Asociación Nacional de Fabricantes de Automóviles y Camiones and ECB.
a. Data adjusted by working days.

3.2. INVESTMENT IN INDUSTRY (EXCLUDING CONSTRUCTION): OPINION SURVEYS. SPAIN

■ Series depicted in chart. *Annual percentage changes at current prices*

	ACTUAL INV. 1 ■	1st FORECAST 2 ■	2nd FORECAST 3 ■	3rd FORECAST 4 ■
07	-3	4	3	-15
08	-	26	22	11
09	-28	-4	-35	-27
10	-14	-37	-23	-26
11	11	11	26	11
12	6	15	28	-4
13	...	27	32	...

INVESTMENT IN INDUSTRY
Annual rates of change



Source: Ministerio de Industria, Energía y Turismo.
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.

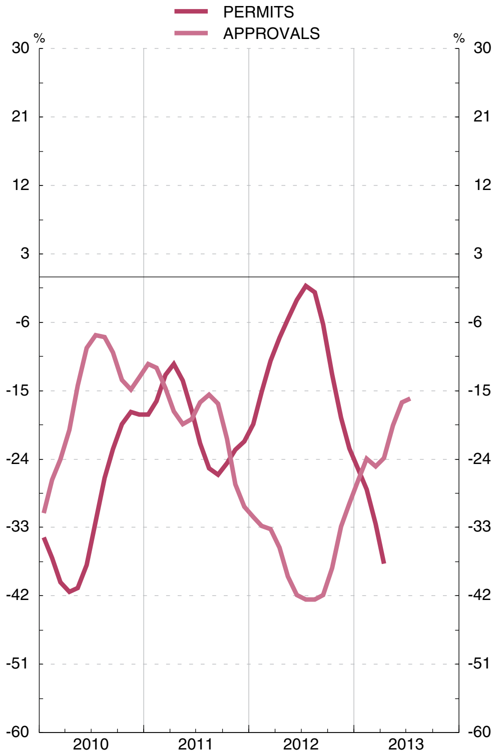
3.3. CONSTRUCTION. INDICATORS OF BUILDING STARTS AND CONSUMPTION OF CEMENT. SPAIN

■ Series depicted in chart.

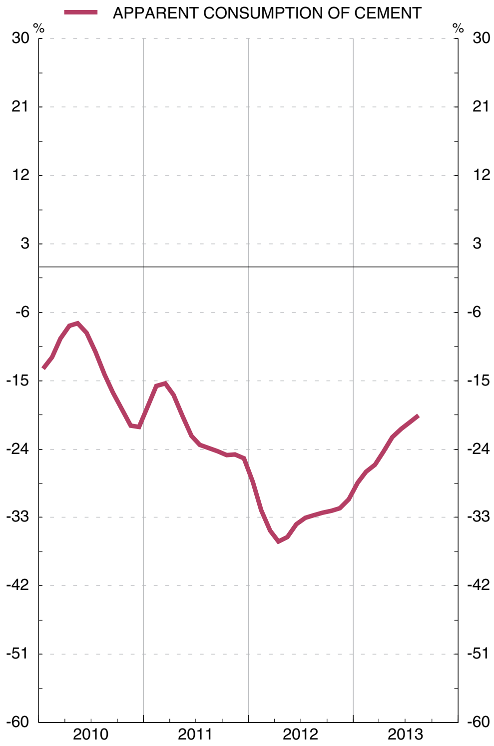
Annual percentage changes

		Permits: buildable floorage				Approvals: buildable floorage		Government tenders (budget)							Apparent consumption of cement
			of which				of which	Total		Building				Civil engineering	
		Total	Residential	Housing	Non-residential	Total	Housing	For the month	Year to date	Total	Residential	of which: Housing	Non-residential		
		1 ■	2	3	4	5 ■	6	7 ■	8	9	10	11	12	13	14 ■
10		-28.7	-24.3	-25.2	-36.9	-16.0	-16.1	-38.2	-38.2	-20.6	-38.0	-37.5	-15.2	-45.4	-15.4
11		-16.4	-17.5	-16.6	-13.9	-18.6	-13.2	-47.0	-47.0	-57.6	-54.0	-51.0	-58.5	-40.7	-16.4
12	P	-19.6	-24.0	-23.3	-10.0	-37.2	-39.9	-48.7	-48.7	-48.4	-68.4	-62.4	-43.3	-48.9	-33.6
12 *J-A*		-21.0	-25.5	-24.4	-11.8	-36.8	-36.9	-46.7	-46.7	-53.7	-74.9	-66.8	-47.7	-43.6	-33.7
13 *J-A*	P	...	...	...	...	...	...	...	...	...	...	...	...	...	-23.3
12 *May*		-16.8	-37.1	-36.1	32.1	-38.9	-36.3	-35.4	-45.3	-45.3	-73.6	-55.4	-40.6	-33.5	-35.7
Jun		-39.9	-26.9	-26.3	-59.7	-49.2	-55.2	-49.7	-45.8	-43.4	-87.0	-82.8	-21.7	-52.7	-31.7
Jul		11.6	4.9	8.9	24.6	-38.8	-38.4	-50.4	-46.3	-54.8	-49.1	-49.8	-57.0	-48.1	-30.6
Aug		4.0	-10.0	-15.9	31.0	-42.1	-38.0	-50.1	-46.7	-48.2	-60.9	-22.0	-45.3	-51.0	-32.0
Sep	P	3.7	-13.1	-13.0	54.1	-52.1	-56.5	-64.6	-48.4	-35.4	-35.8	-95.9	-35.3	-73.0	-38.2
Oct	P	-16.0	-17.2	-18.9	-13.9	-40.2	-43.7	-23.4	-47.3	-58.9	-37.6	39.5	-60.4	16.0	-24.7
Nov	P	-24.9	-13.2	-11.8	-48.9	-17.6	-31.0	-68.7	-49.3	-32.2	-80.8	-68.5	-24.8	-75.3	-33.7
Dec	P	-24.4	-39.9	-40.8	36.6	-35.3	-48.5	-36.6	-48.7	16.8	29.4	65.2	15.2	-61.9	-36.8
13 *Jan*	P	-35.1	-53.6	-52.6	24.9	-32.8	-26.9	7.1	7.1	-26.3	77.2	68.3	-34.9	28.6	-21.5
Feb	P	-8.9	-23.0	-23.5	22.2	7.6	-9.5	-44.8	-31.3	-57.6	430.5	471.9	-70.5	-40.9	-25.1
Mar	P	-31.2	-38.9	-40.8	-16.2	-45.3	-46.0	37.4	-17.4	8.9	-57.7	-29.8	32.1	56.4	-39.8
Apr	P	-43.5	-53.8	-56.0	-30.8	-20.3	-25.9	3.0	-13.6	27.0	32.6	38.1	26.5	-9.2	-13.0
May	P	...	...	...	...	-18.3	-26.9	-67.1	-34.6	-20.6	287.7	137.0	-43.7	-74.4	-20.4
Jun	P	...	...	...	...	-14.1	-17.3	8.3	-29.7	-41.5	116.5	41.6	-54.6	36.3	-24.1
Jul	P	...	...	...	...	-11.6	2.2	186.6	-8.2	308.9	-61.2	-83.7	473.3	131.2	-17.2
Aug	P	...	...	...	...	...	...	...	...	...	...	...	...	...	-23.4

CONSTRUCTION
Trend obtained with TRAMO-SEATS



CONSTRUCTION
Trend obtained with TRAMO-SEATS



Sources: Ministerio de Fomento and Asociación de Fabricantes de Cemento de España.
Note: The underlying series for this indicator are in Tables 23.7, 23.8, and 23.9 of the BE Boletín estadístico.

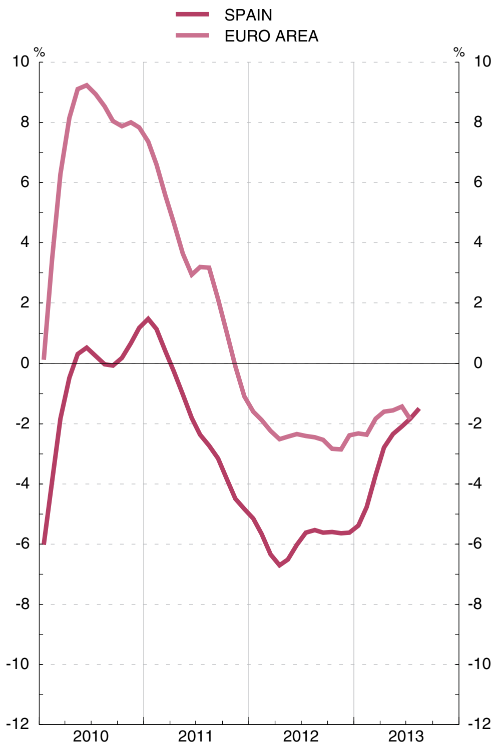
3.4. INDUSTRIAL PRODUCTION INDEX. SPAIN AND EURO AREA (a)

■ Series depicted in chart.

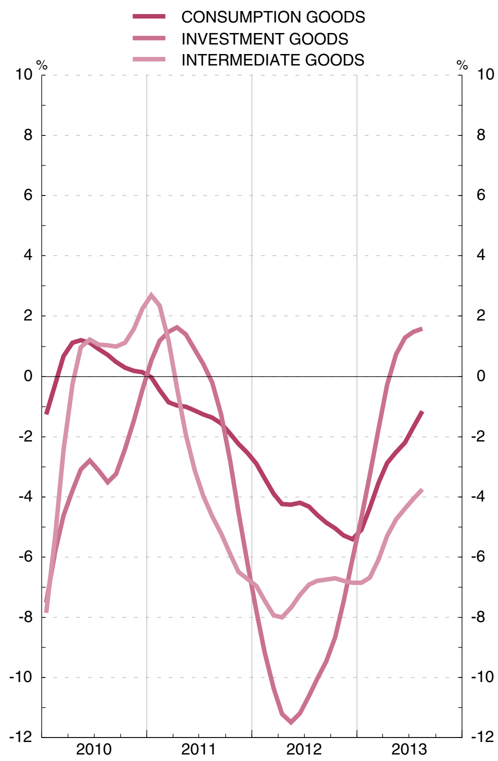
Annual percentage changes

		Overall Index		By end-use of goods				By branch of activity (NACE 2009)			Memorandum item: euro area				
		Total		Consumer goods	Capital goods	Inter-mediate goods	Energy	Mining and quarrying	Manufac-turing	Electrity and gas supply	Total	of which	By end-use of goods		
		Original series	12-month %change 12									Manufac-turing	Consumer goods	Capital goods	Inter-mediate goods
		1	2 ■	3 ■	4 ■	5 ■	6	7	8	9	10 ■	11	12	13	14
10	MP	83.4	0.9	0.9	-3.3	2.7	2.5	4.4	0.6	2.9	7.3	7.7	2.8	8.9	10.0
11	MP	81.9	-1.8	-1.4	0.3	-2.6	-3.6	-14.6	-1.4	-3.6	3.2	4.4	0.9	8.2	3.8
12	MP	77.0	-5.9	-4.7	-10.7	-7.2	0.9	-19.1	-6.4	-0.1	-2.4	-2.6	-2.4	-1.1	-4.4
12 *J-A*	MP	77.7	-5.5	-3.5	-10.9	-7.0	1.0	-17.7	-6.0	0.4	-2.1	-2.3	-2.5	-0.2	-4.2
13 *J-A*	MP	75.3	-3.2	-3.0	0.3	-5.3	-3.4	-17.7	-2.7	-5.3	...	...	...	...	...
12 *May*	P	82.0	-5.9	-3.0	-12.7	-6.7	0.3	-16.0	-6.5	2.3	-2.4	-2.7	-2.2	-1.9	-4.1
Jun	P	80.7	-6.9	-3.1	-13.6	-8.0	-1.9	-42.7	-6.9	-1.7	-1.9	-2.2	-1.4	-1.0	-3.9
Jul	P	82.5	-2.9	-1.4	-7.2	-4.8	4.9	-35.6	-2.7	0.5	-2.5	-2.5	-2.6	-1.1	-4.6
Aug	P	62.5	-2.5	-2.9	-5.8	-4.6	4.2	-21.0	-3.1	2.5	-1.4	-1.6	-1.0	0.2	-3.8
Sep	P	74.6	-12.1	-12.0	-19.1	-12.2	-1.9	-26.7	-12.7	-4.4	-2.6	-2.7	-2.9	-1.4	-4.2
Oct	P	81.8	0.9	2.7	-2.2	-0.9	5.7	-15.9	1.1	2.0	-3.1	-3.3	-2.3	-3.7	-4.2
Nov	P	78.1	-7.0	-5.8	-12.9	-7.4	-0.9	-23.5	-7.4	-1.3	-4.0	-4.3	-2.9	-4.4	-5.6
Dec	P	67.8	-8.6	-13.0	-6.0	-10.6	0.1	-22.2	-9.6	-1.3	-2.0	-2.4	-0.5	-1.7	-4.8
13 *Jan*	P	75.7	-3.4	-5.6	-1.1	-2.3	-4.0	-20.1	-3.0	-4.7	-2.4	-2.7	0.3	-3.8	-3.8
Feb	P	73.5	-9.0	-6.8	-8.0	-11.7	-9.0	-31.3	-8.4	-11.5	-3.1	-2.4	-0.5	-3.7	-2.9
Mar	P	74.4	-10.0	-11.2	-8.2	-13.4	-2.2	-37.3	-10.5	-3.0	-1.6	-3.2	-2.4	-3.6	-4.1
Apr	P	77.7	7.5	11.4	11.8	4.0	2.1	-27.7	9.3	-2.8	-0.9	-0.8	-0.3	0.4	-2.4
May	P	80.7	-1.6	-1.9	3.3	-4.1	-1.8	-17.8	-0.7	-7.3	-1.9	-2.0	-0.9	-2.4	-2.6
Jun	P	77.0	-4.6	-7.7	1.6	-6.0	-3.3	17.3	-4.5	-7.5	-0.4	-0.1	-0.5	1.2	-1.3
Jul	P	83.0	0.6	1.3	5.4	-2.1	-1.6	13.5	0.4	1.1	-2.1	-2.1	-1.1	-3.3	-1.2
Aug	P	60.0	-4.0	-1.9	-2.3	-5.4	-6.7	-19.0	-3.4	-6.6	...	...	...	...	...

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.
a. Spain 2005 = 100; euro area 2000 = 100.

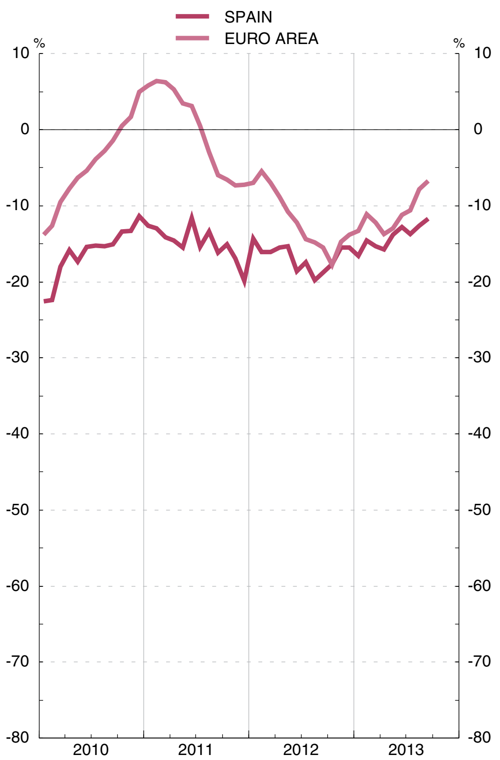
3.5. MONTHLY BUSINESS SURVEY: INDUSTRY AND CONSTRUCTION. SPAIN AND EURO AREA (NACE 2009)

■ Series depicted in chart.

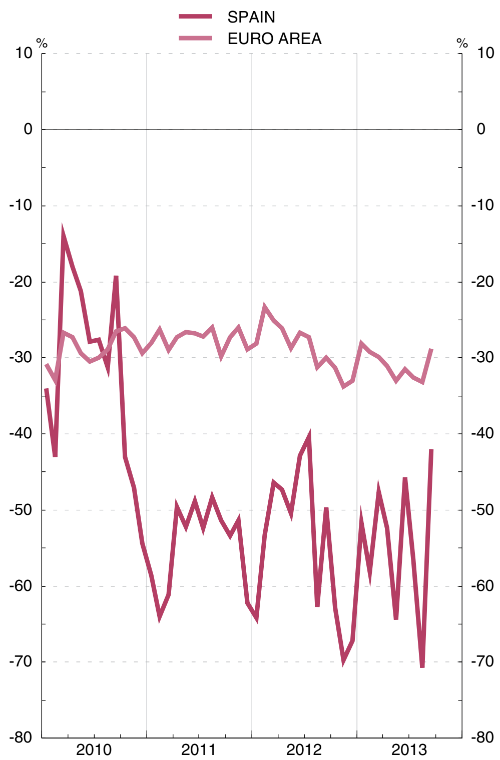
Percentage balances

	Industry, excluding construction										Construction					Memorandum item:euro area (b)		
	Business climate indi-cator- (a)	Produc-tion over the last three months	Trend in pro-duction (a)	Total orders (a)	Foreign orders	Stocks of finished products (a)	Business climate indicator: Con-sum-ption (a)	Business climate indicator: In-vest-ment (a)	Business climate indicator: In-ter-me-diate goods (a)	Business climate indicator: Other sec-tors (a)	Business climate indicator	Produc-tion	Orders	Trend: Produc-tion	Trend: Orders	Industry, excluding construction: Business climate indicator	Industry, excluding construction: Order Book	Construc-tion climate indicator
	1 ■	2	3	4	5	6	7	8	9	10	11 ■	12	13	14	15	16 ■	17	18 ■
10 M	-16	-8	-1	-37	-29	11	-10	-14	-18	-52	-32	-19	-31	-26	-33	-5	-25	-29
11 M	-15	-12	-3	-31	-24	11	-10	-12	-17	-45	-54	-21	-47	-46	-45	0	-7	-27
12 M	-17	-20	-4	-37	-26	9	-10	-15	-22	-15	-55	-23	-50	-45	-59	-12	-25	-29
12 *J-S* M	-17	-20	-5	-37	-25	9	-9	-15	-22	-19	-51	-22	-46	-41	-58	-11	-22	-27
13 *J-S* M	-14	-11	-1	-32	-20	9	-10	-13	-18	-6	-54	-27	-54	-34	-48	-11	-28	-31
12 *Jun*	-19	-15	-9	-39	-28	8	-7	-18	-26	-34	-43	-15	-43	-45	-62	-12	-25	-27
Jul	-17	-18	-3	-40	-27	10	-10	-9	-25	-24	-40	-14	-43	-17	-47	-14	-28	-27
Aug	-20	-22	-9	-39	-27	12	-10	-23	-24	-31	-63	-27	-60	-56	-62	-15	-28	-31
Sep	-19	-17	-5	-37	-25	15	-10	-19	-23	-29	-50	-43	-58	-24	-38	-16	-30	-30
Oct	-18	-22	-7	-37	-26	9	-12	-16	-25	-5	-63	-50	-63	-55	-55	-18	-34	-31
Nov	-16	-18	-2	-38	-29	7	-11	-14	-22	-2	-70	-10	-63	-43	-73	-15	-31	-34
Dec	-16	-27	-1	-38	-29	8	-12	-12	-23	-3	-67	-19	-56	-71	-62	-14	-31	-33
13 *Jan*	-17	-24	-4	-38	-30	7	-12	-14	-23	-3	-52	-33	-46	-58	-56	-13	-31	-28
Feb	-15	-18	-2	-34	-20	8	-7	-16	-17	-18	-58	-23	-52	-49	-50	-11	-28	-29
Mar	-15	-18	-2	-33	-24	11	-11	-16	-18	-2	-48	-26	-44	-23	-39	-12	-30	-30
Apr	-16	-16	-4	-33	-21	10	-13	-16	-19	-1	-52	-31	-51	-25	-39	-14	-34	-31
May	-14	-12	-1	-32	-20	8	-12	-12	-16	1	-64	-44	-63	-46	-56	-13	-31	-33
Jun	-13	-11	1	-31	-22	8	-9	-12	-17	-1	-46	-17	-47	-31	-44	-11	-28	-32
Jul	-14	-4	-	-30	-16	11	-9	-11	-18	-30	-57	-3	-63	-24	-51	-11	-28	-33
Aug	-13	4	1	-27	-21	13	-7	-10	-17	-3	-71	-33	-73	-38	-43	-8	-24	-33
Sep	-12	1	1	-28	-12	8	-8	-9	-16	-2	-42	-35	-52	-7	-51	-7	-23	-29

INDUSTRIAL BUSINESS CLIMATE
Percentage balances



CONSTRUCTION BUSINESS CLIMATE
Percentage balances



Sources: Ministerio de Industria, Energía y Turismo and ECB.
a. Seasonally adjusted.
b. To April 2010, NACE 1993; from May 2010, NACE 2009.

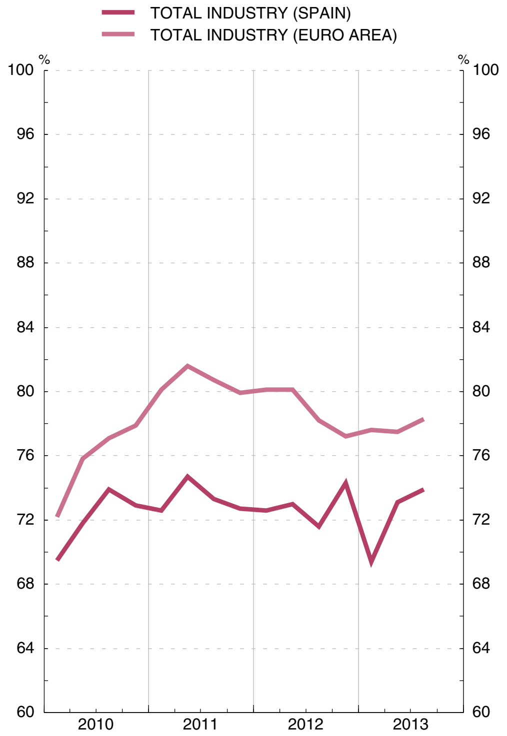
3.6. BUSINESS SURVEY: CAPACITY UTILISATION. SPAIN AND EURO AREA (NACE 2009)

■ Series depicted in chart.

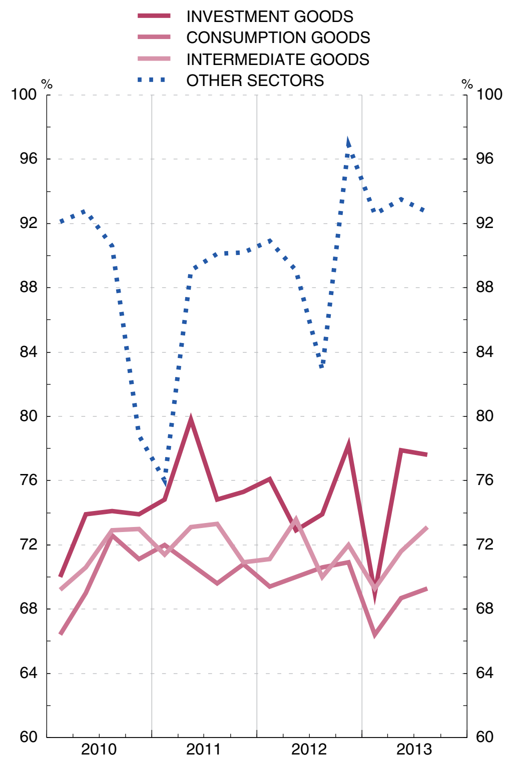
Percentages and percentage balances

	Total industry			Consumer goods			Investment goods			Intermediate goods			Other sectors (a)			Memo-randum item: euro area capacity utilisa-tion
	Capacity utilisation		Installed capacity	Capacity utilisation		Installed capacity	Capacity utilisation		Installed capacity	Capacity utilisation		Installed capacity	Capacity utilisation		Installed capacity	
	Over last three months (%)	Forecast (%)	(Per-centage balan-ces)	Over last three months (%)	Forecast (%)	(Per-centage balan-ces)	Over last three months (%)	Forecast (%)	(Per-centage balan-ces)	Over last three months (%)	Forecast (%)	(Per-centage balan-ces)	Over last three months (%)	Forecast (%)	(Per-centage balan-ces)	(b) (%)
	1 ■	2	3	4 ■	5	6	7 ■	8	9	10 ■	11	12	13 ■	14	15	16 ■
10	72.0	72.8	22	69.8	70.5	18	73.0	72.5	23	71.4	72.9	24	88.6	90.5	18	75.8
11	73.3	73.7	18	70.8	71.8	17	76.2	75.2	16	72.2	72.7	22	86.4	87.6	4	80.6
12	72.9	73.5	21	70.2	71.0	16	75.3	75.7	16	71.7	72.0	30	90.0	93.3	3	78.9
12 *Q1-Q3*	72.4	73.3	22	70.0	70.7	17	74.3	75.0	17	71.6	72.2	29	87.6	92.1	3	79.5
13 *Q1-Q3*	72.1	72.9	22	68.1	69.1	18	74.8	75.7	12	71.3	72.0	31	92.9	92.9	0	77.8
11 *Q1*	72.6	73.4	16	72.0	72.6	13	74.8	75.0	15	71.4	72.7	20	76.0	78.4	3	80.1
Q2	74.7	75.8	17	70.8	72.7	20	79.8	79.6	9	73.1	74.2	21	89.1	91.9	-	81.6
Q3	73.3	73.4	20	69.6	70.7	20	74.8	73.5	16	73.3	73.5	22	90.1	90.0	6	80.7
Q4	72.7	72.0	21	70.8	71.3	17	75.3	72.6	24	70.9	70.4	23	90.2	90.1	8	79.9
12 *Q1*	72.6	73.4	23	69.4	70.3	20	76.1	75.9	15	71.1	72.3	31	90.9	90.9	4	80.1
Q2	73.0	74.1	21	70.0	70.9	15	72.9	74.0	16	73.6	74.6	30	89.1	92.8	5	80.1
Q3	71.6	72.3	21	70.6	70.9	16	73.9	75.2	19	70.0	69.8	27	82.9	92.6	1	78.2
Q4	74.3	74.1	21	70.9	71.7	13	78.2	77.8	14	72.0	71.2	31	96.9	96.9	1	77.2
13 *Q1*	69.4	70.6	24	66.4	67.0	16	69.0	71.2	19	69.3	70.5	34	92.6	92.5	-	77.6
Q2	73.1	74.4	21	68.7	70.9	18	77.9	78.9	11	71.6	72.6	29	93.5	93.2	1	77.5
Q3	73.9	73.7	20	69.3	69.5	18	77.6	77.1	4	73.1	72.9	30	92.7	92.9	1	78.3

CAPACITY UTILISATION. TOTAL INDUSTRY
Percentages



CAPACITY UTILISATION. BY TYPE OF GOOD
Percentages



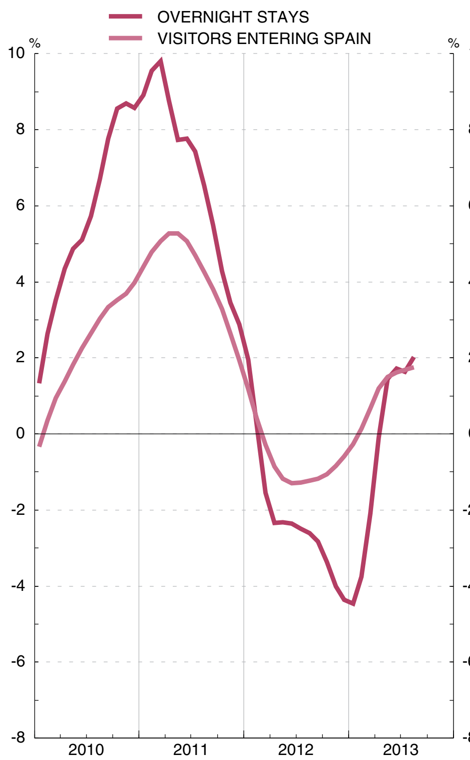
Sources: Ministerio de Industria, Energía y Turismo and ECB.
a. Includes mining and quarrying, manufacture of coke and refined petroleum products, and nuclear fuels.
b. To April 2010, NACE 1993; from May 2010, NACE 2009.

3.7. TOURISM AND TRANSPORT STATISTICS. SPAIN

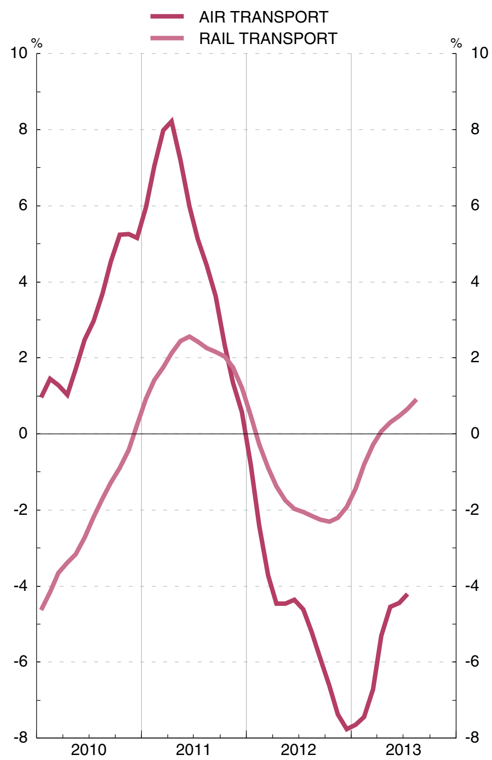
■ Series depicted in chart. *Annual percentage changes*

		Hotel stays (a)		Overnight stays		Visitors entering Spain			Air transport				Maritime transport		Rail transport	
									Passengers							
		Total	Foreig-ners	Total	Foreig-ners	Total	Tourists	Day-trip-pers	Total	Domestic flights	Interna-tional flights	Freight	Passen-gers	Freight	Passen-gers	Freight
		1	2	3 ■	4	5 ■	6	7	8 ■	9	10	11	12	13	14 ■	15
10		5.7	10.6	5.5	7.6	2.0	1.0	3.4	3.0	1.3	4.1	15.8	3.2	4.6	-2.8	-3.0
11		3.8	10.6	6.4	12.7	5.8	6.6	4.7	6.1	-0.4	10.5	2.2	-3.4	5.8	2.6	7.9
12	P	-2.6	1.5	-1.9	2.3	-1.0	2.3	-5.3	-5.0	-12.5	-0.5	-4.9	-0.5	4.1	-1.9	-1.5
12 *J-A*	P	-2.1	1.3	-1.5	2.1	-1.2	3.0	-6.6	-4.0	-10.7	0.0	-5.0	-0.1	6.6	-1.1	-1.6
13 *J-A*	P	-0.2	2.8	0.6	3.1	1.8	4.5	-2.1	...	...	...	...	...	...	-1.3	...
12 *May*	P	-0.9	1.6	-0.2	2.9	-0.1	4.9	-7.8	-3.8	-10.1	-0.1	-5.1	-5.5	4.7	-2.6	4.0
Jun	P	-2.5	1.0	-1.5	2.3	-2.5	4.6	-13.4	-1.3	-8.4	2.5	-0.7	0.7	7.5	-3.3	-3.9
Jul	P	-4.3	1.6	-1.5	3.8	0.2	3.6	-5.1	-2.5	-8.6	0.7	-4.2	-12.0	6.6	-2.2	-4.0
Aug	P	-3.5	0.7	-2.7	2.8	1.3	3.5	-1.4	-3.0	-10.1	0.6	-12.6	0.1	0.8	-1.0	-1.9
Sep	P	-1.7	5.5	-0.1	5.8	3.3	5.1	0.4	-3.5	-12.6	1.3	-4.3	-1.4	5.7	-5.8	-13.9
Oct	P	-5.4	-1.4	-3.6	0.4	-4.8	-3.2	-7.4	-7.1	-14.2	-3.3	-3.1	-1.7	4.2	-0.3	15.6
Nov	P	-2.7	1.9	-5.1	0.5	-0.0	0.2	-0.2	-9.9	-21.1	-1.7	-5.3	-1.7	-4.4	-5.0	-3.2
Dec	P	-5.7	-0.6	-5.1	1.7	-0.9	-1.3	-0.6	-10.3	-18.2	-4.5	-6.2	0.1	-6.4	-3.8	-0.5
13 *Jan*	P	-7.8	-2.3	-5.2	-0.4	-4.3	-2.6	-6.0	-9.1	-15.0	-5.2	-1.3	3.3	-6.2	-2.2	5.8
Feb	P	-8.7	-2.6	-7.7	-1.8	-3.0	-0.0	-6.3	-10.2	-17.8	-5.1	-7.3	5.7	-10.0	-2.7	-5.1
Mar	P	7.0	6.5	8.3	6.8	6.1	7.9	3.9	-5.8	-16.5	1.1	-8.0	20.7	-2.5	-3.7	-15.8
Apr	P	-11.6	-1.7	-11.0	-1.5	-0.3	3.1	-5.1	-7.8	-16.1	-3.3	4.8	-3.7	-5.1	-2.9	1.8
May	P	5.2	8.2	7.0	8.3	5.8	7.4	3.0	-1.8	-15.1	5.0	-6.1	9.2	1.6	1.1	-16.9
Jun	P	1.5	3.9	1.7	4.2	3.2	5.3	-0.7	-3.3	-16.0	2.9	-6.8	6.5	-10.1	0.1	-14.6
Jul	P	0.1	-0.2	0.5	1.4	1.1	2.9	-1.8	-4.5	-16.5	1.1	-3.6	-0.8	-4.1	-1.4	-3.7
Aug	P	4.8	5.3	3.5	3.8	2.4	7.1	-3.4	...	...	...	...	...	...	2.2	...

TOURISM
Trend obtained with TRAMO-SEATS



TRANSPORT
Trend obtained with TRAMO-SEATS



Sources: INE and Instituto de Estudios Turísticos, Estadística de Movimientos Turísticos en Frontera.
Note: The underlying series for this indecator are in Tables 23.14 and 23.15 of the BE Boletín estadístico .
a. Information from hotel directories. Since January 2006, the frequency of data collection has been increased to every day of the month. Because hotel directories are updated at different times, data for different years are not directly comparable. Chaining coefficients are available for the periods 2005, June 2009-May 2010 and July 2010-July 2011.

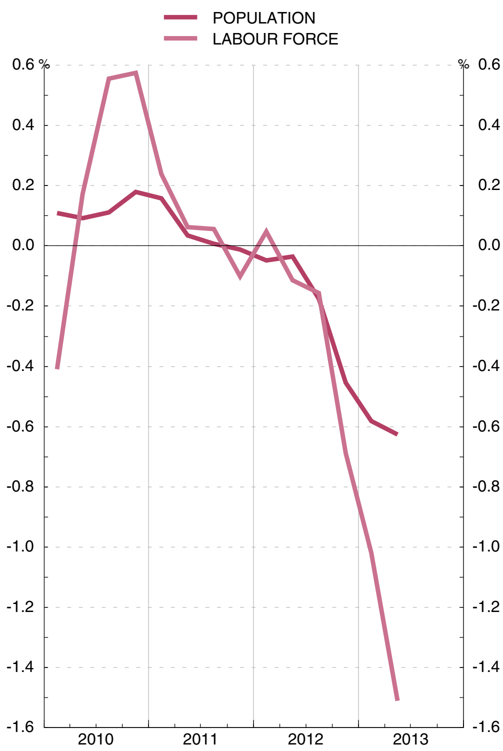
4.1. LABOUR FORCE. SPAIN

■ Series depicted in chart.

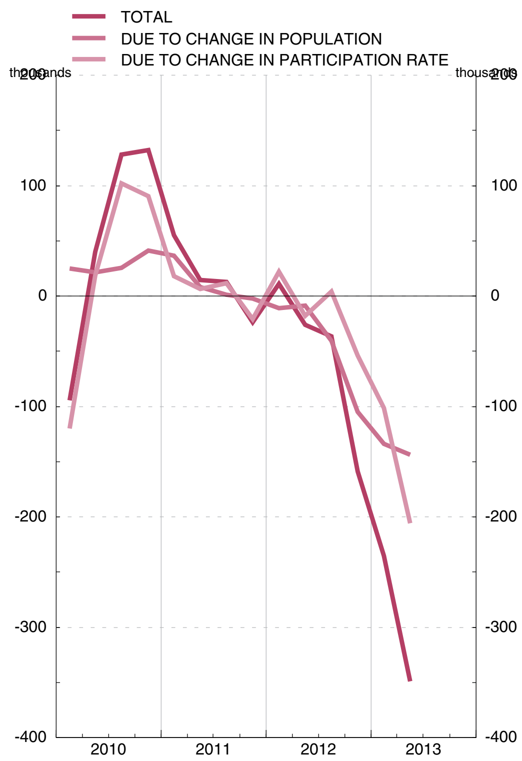
Thousands and annual percentage changes

	Population over 16 years of age			Participation rate (%) (a)	Labour force				
						Annual change (b)			
	Thousands	Annual change	4-quarter % change		Thousands (a)	Total	Due to change in population over 16 years of age	Due to change in partici- pation rate	4-quarter % change
	1	2	3 ■	4	5	6 ■	7 ■	8 ■	9 ■
10 M	38 479	48	0.1	60.00	23 089	51	29	23	0.2
11 M	38 497	18	0.0	60.01	23 104	15	11	4	0.1
12 M	38 429	-69	-0.2	59.99	23 051	-53	-41	-11	-0.2
12 *Q1-Q2* M	38 481	-16	-0.0	60.01	23 092	-15	-19	4	-0.0
13 *Q1-Q2* M	38 248	-233	-0.6	59.61	22 799	-585	-277	-307	-1.3
10 *Q4*	38 512	69	0.2	59.99	23 105	132	42	91	0.6
11 *Q1*	38 512	61	0.2	59.88	23 062	55	37	18	0.2
Q2	38 481	13	0.0	60.12	23 137	14	8	6	0.1
Q3	38 488	2	0.0	60.11	23 135	13	1	12	0.1
Q4	38 508	-4	-0.0	59.94	23 081	-24	-3	-21	-0.1
12 *Q1*	38 494	-18	-0.0	59.94	23 073	11	-11	22	0.0
Q2	38 467	-14	-0.0	60.08	23 110	-26	-8	-18	-0.1
Q3	38 420	-68	-0.2	60.12	23 098	-36	-41	4	-0.2
Q4	38 333	-175	-0.5	59.80	22 922	-159	-105	-54	-0.7
13 *Q1*	38 270	-224	-0.6	59.68	22 837	-235	-134	-102	-1.0
Q2	38 226	-241	-0.6	59.54	22 761	-349	-143	-206	-1.5

LABOUR FORCE SURVEY
Annual percentage change



LABOUR FORCE
Annual changes



Source: INE (Labour Force Survey: 2005 methodology).
a. the new definition of unemployment applies from 2001 Q1 onwards, entailing a break in the series. (See 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).
General note to the tables: As a result of the change in the population base (2001 Census), all the series in this table have been revised as from 1996. In addition, since 2005 Q1 the new obligatory variables referred to in Regulation (EC) 2257/2003 (on the adaptation of the list of labour force survey characteristics) have been included, a centralised procedure for telephone interviews has been set in place and the questionnaire has been modified. Thus, in 2005 Q1, there is a break in the series of some variables. For further information, see www.ine.es

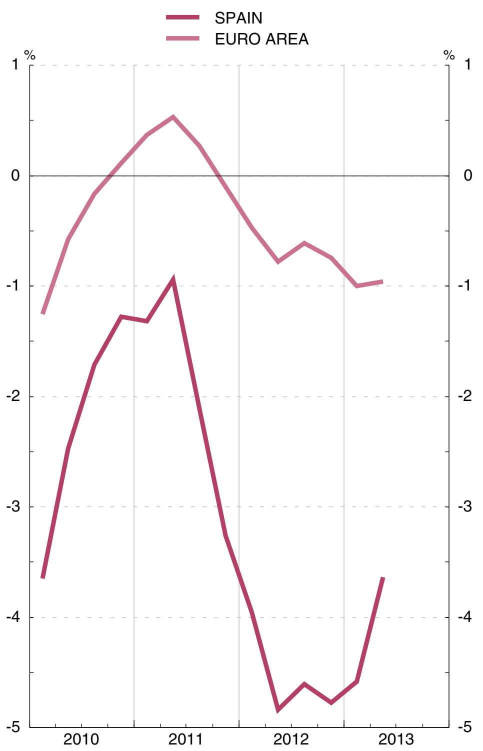
4.2. EMPLOYMENT AND WAGE-EARNERS. SPAIN AND EURO AREA

■ Series depicted in chart.

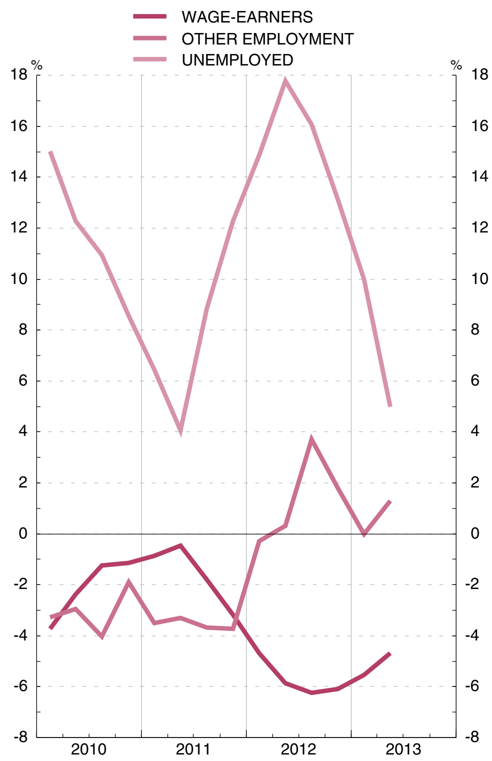
Thousands and annual percentage changes

	Employment									Unemployment				Memorandum item: euro area	
	Total			Wage-earners			Other								
	Thousands	Annual change	4-quarter % change	Thousands	Annual change	4-quarter % change	Thousands	Annual change	4-quarter % change	Thousands (a)	Annual change	4-quarter % change	Unem-ployment rate (a)	Employ-ment 4-quarter % change	Unem-ployment rate
	1	2	3 ■	4	5	6 ■	7	8	9 ■	10	11	12 ■	13	14	15
10 M	18 457	-431	-2.3	15 347	-334	-2.1	3 110	-98	-3.0	4 632	483	11.6	20.07	-0.5	10.14
11 M	18 105	-352	-1.9	15 105	-241	-1.6	2 999	-110	-3.6	4 999	367	7.9	21.64	0.3	10.17
12 M	17 282	-823	-4.5	14 242	-864	-5.7	3 040	41	1.4	5 769	770	15.4	25.03	-0.7	11.37
12 *Q1-Q2* M	17 425	-802	-4.4	14 404	-802	-5.3	3 021	0	0.0	5 666	794	16.3	24.54	-0.6	11.08
13 *Q1-Q2* M	16 709	-716	-4.1	13 669	-736	-5.1	3 041	20	0.6	6 090	424	7.5	26.71	-1.0	12.07
10 *Q4*	18 408	-238	-1.3	15 314	-178	-1.2	3 094	-59	-1.9	4 697	370	8.6	20.33	0.1	10.10
11 *Q1*	18 152	-243	-1.3	15 121	-133	-0.9	3 031	-110	-3.5	4 910	298	6.4	21.29	0.4	9.94
Q2	18 303	-174	-0.9	15 292	-71	-0.5	3 011	-103	-3.3	4 834	188	4.1	20.89	0.5	9.92
Q3	18 156	-391	-2.1	15 179	-277	-1.8	2 977	-114	-3.7	4 978	404	8.8	21.52	0.3	10.22
Q4	17 808	-601	-3.3	14 829	-485	-3.2	2 978	-116	-3.7	5 274	577	12.3	22.85	-0.1	10.59
12 *Q1*	17 433	-719	-4.0	14 411	-710	-4.7	3 022	-9	-0.3	5 640	729	14.9	24.44	-0.5	10.88
Q2	17 417	-886	-4.8	14 397	-895	-5.9	3 020	9	0.3	5 693	859	17.8	24.63	-0.8	11.27
Q3	17 320	-836	-4.6	14 233	-946	-6.2	3 087	110	3.7	5 778	800	16.1	25.02	-0.6	11.52
Q4	16 957	-850	-4.8	13 926	-904	-6.1	3 032	53	1.8	5 965	692	13.1	26.02	-0.7	11.81
13 *Q1*	16 635	-799	-4.6	13 613	-799	-5.5	3 022	-	-	6 203	563	10.0	27.16	-1.0	12.04
Q2	16 784	-634	-3.6	13 725	-673	-4.7	3 059	39	1.3	5 978	284	5.0	26.26	-1.0	12.11

EMPLOYMENT
Annual percentage changes



LABOUR FORCE: COMPONENTS
Annual percentage changes



Sources: INE (Labour Force Survey: 2005 methodology), and ECB.
a. the new definition of unemployment applies from 2001 Q1 onwards, entailing a break in the series. (See www.ine.es).
General note to the tables: As a result of the change in the population base (2001 Census), all the series in this table have been revised as from 1996. In addition, since 2005 Q1 the new obligatory variables referred to in Regulation (EC) 2257/2003 (on the adaptation of the list of labour force survey characteristics) have been included, a centralised procedure for telephone interviews has been set in place and the questionnaire has been modified. Thus, in 2005 Q1, there is a break in the series of some variables. For further information, see www.ine.es.

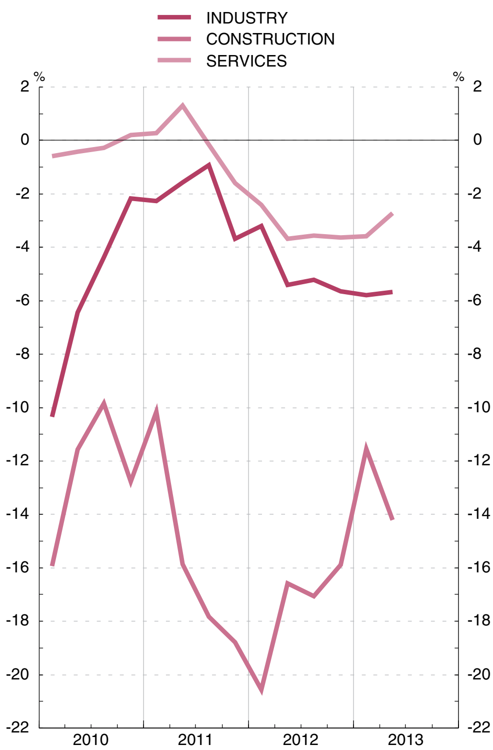
4.3. EMPLOYMENT BY BRANCH OF ACTIVITY. SPAIN (a)

■ Series depicted in chart.

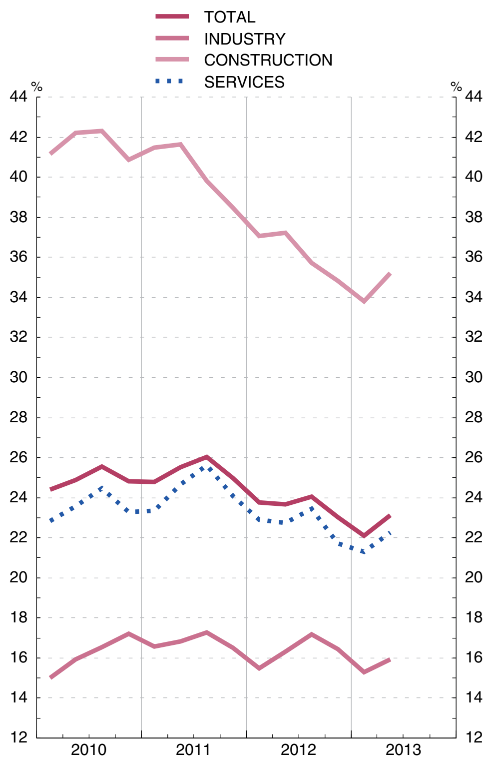
Annual percentage changes

	Total			Agriculture			Industry			Construction			Services			Memorandum item:
	Employ-ment	Wage-earners	Propor-tion of tempora ry em-ploy-ment	Employ-ment	Wage-earners	Propor-tion of tempora ry em-ploy-ment	Employ-ment	Wage-earners	Propor-tion of tempora ry em-ploy-ment	Employ-ment	Wage-earners	Propor-tion of tempora ry em-ploy-ment	Employ-ment	Wage-earners	Propor-tion of tempora-ry em-ployment	Employment in branches other than agriculture
	1	2	3 ■	4	5	6	7 ■	8	9 ■	10 ■	11	12 ■	13 ■	14	15 ■	16
10 M	-2.3	-2.1	24.9	0.9	5.4	59.1	-5.9	-5.2	16.2	-12.6	-14.9	41.6	-0.3	-0.1	23.5	-2.4
11 M	-1.9	-1.6	25.3	-4.1	-3.3	57.3	-2.1	-2.0	16.8	-15.6	-15.7	40.4	-0.0	0.1	24.4	-1.8
12 M	-4.5	-5.7	23.6	-0.9	-1.5	59.6	-4.9	-5.8	16.4	-17.6	-22.6	36.2	-3.3	-4.3	22.7	-4.7
12 *Q1-Q2* M	-4.4	-5.3	23.7	-1.0	-2.0	59.5	-4.3	-5.6	15.9	-18.6	-23.5	37.1	-3.1	-3.6	22.8	-5.0
13 *Q1-Q2* M	-4.1	-5.1	22.6	-1.6	-3.3	58.7	-5.7	-5.1	15.6	-12.9	-16.3	34.5	-3.1	-4.3	21.8	-4.0
10 *Q4*	-1.3	-1.2	24.8	2.8	7.7	61.3	-2.2	-0.7	17.2	-12.8	-15.1	40.9	0.2	0.1	23.3	-1.5
11 *Q1*	-1.3	-0.9	24.8	-6.2	-4.6	59.1	-2.3	-1.1	16.6	-10.2	-9.0	41.5	0.3	0.2	23.4	-1.1
Q2	-0.9	-0.5	25.5	-4.8	-3.8	56.2	-1.6	-1.8	16.8	-15.9	-15.6	41.7	1.3	1.6	24.7	-0.8
Q3	-2.1	-1.8	26.0	-6.1	-8.4	54.2	-0.9	-0.5	17.3	-17.8	-18.5	39.8	-0.2	0.0	25.6	-1.9
Q4	-3.3	-3.2	25.0	0.5	3.2	59.8	-3.7	-4.5	16.5	-18.8	-20.0	38.5	-1.6	-1.4	24.1	-3.4
12 *Q1*	-4.0	-4.7	23.8	-0.9	-3.2	60.4	-3.2	-4.6	15.5	-20.6	-26.0	37.0	-2.4	-2.6	22.9	-4.1
Q2	-4.8	-5.9	23.7	-1.2	-0.7	58.6	-5.4	-6.5	16.3	-16.6	-20.9	37.2	-3.7	-4.5	22.8	-5.0
Q3	-4.6	-6.2	24.0	1.8	1.0	55.4	-5.2	-6.6	17.2	-17.1	-22.4	35.7	-3.6	-5.0	23.4	-4.9
Q4	-4.8	-6.1	23.0	-3.0	-2.6	64.0	-5.7	-5.7	16.5	-15.9	-20.8	34.8	-3.6	-5.1	21.7	-4.9
13 *Q1*	-4.6	-5.5	22.1	-6.8	-10.0	58.0	-5.8	-5.3	15.3	-11.5	-14.1	33.8	-3.6	-4.8	21.3	-4.5
Q2	-3.6	-4.7	23.1	3.9	4.0	59.4	-5.7	-4.8	15.9	-14.2	-18.5	35.2	-2.7	-3.9	22.3	-4.0

EMPLOYMENT
Annual percentage changes



TEMPORARY EMPLOYMENT
Percentages



Source: INE (Labour Force Survey: 2005 methodology).

a. Series re-calculated drawing on the transition matrix to NACE 2009 published by INE. The underlying series of this indicator are in Tables 24.4 and 24.6 of the BE Boletín Estadístico.

General note to the tables:As a result of the change in the population base (2001 Census), all the series in this table have been revised as from 1996. In addition, since 2005 Q1 the new obligatory variables referred to in Regulation (EC) 2257/2003 (on the adaptation of the list of labour force survey characteristics) have been included, a centralised procedure for telephone interviews has been set in place and the questionnaire has been modified. Thus, in 2005 Q1, there is a break in the series of some variables. For further information, see www.ine.es.

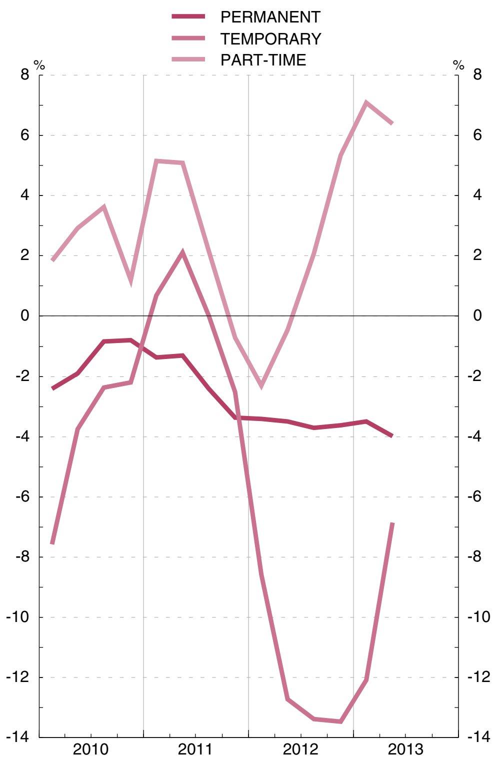
4.4. WAGE-EARNERS BY TYPE OF CONTRACT AND UNEMPLOYMENT BY DURATION. SPAIN. (a)

■ Series depicted in chart.

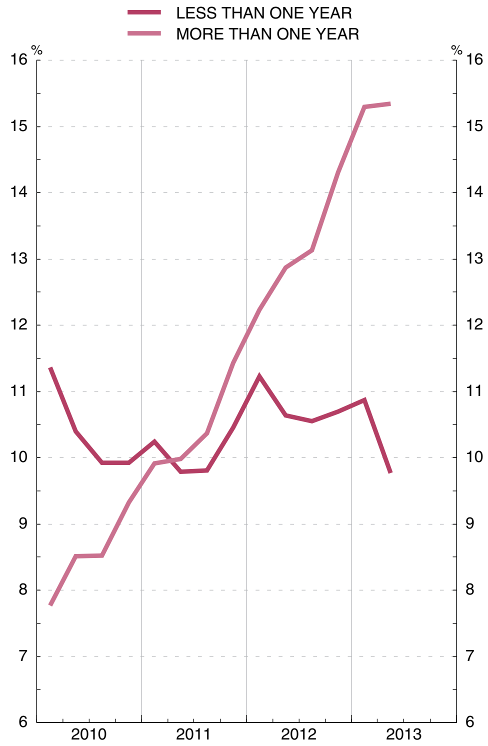
Thousands, annual percentage changes and %

	Wage-earners										Unemployment			
	By type of contract					By duration of working day					By duration			
	Permanent		Temporary			Full-time		Part-time			Less than one year		More than one year	
	Annual change Thousands	4-quarter % change	Annual change Thousands	4-quarter % change	Proportion of temporary employment	Annual change Thousands	4-quarter % change	Annual change Thousands	4-quarter % change	As % for wage earners	Unemployment rate (a)	4-quarter % change	Unemployment rate (a)	4-quarter % change
	1	2 ■	3	4 ■	5	6	7	8	9 ■	10	11 ■	12	13 ■	14
10 M	-175	-1.5	-159	-4.0	24.91	-384	-2.8	50	2.4	13.95	10.40	-11.9	8.53	66.7
11 M	-244	-2.1	3	0.1	25.33	-304	-2.3	63	2.9	14.59	10.07	-3.1	10.42	22.2
12 M	-402	-3.6	-461	-12.1	23.62	-888	-6.9	24	1.1	15.65	10.78	6.8	13.14	25.7
12 *Q1-Q2* M	-394	-3.5	-409	-10.7	23.71	-885	-6.8	-31	-1.4	15.54	10.93	9.1	12.55	26.1
13 *Q1-Q2* M	-412	-3.7	-324	-9.5	22.62	-819	-6.8	151	6.7	17.47	10.32	-6.8	15.32	20.5
10 *Q4*	-93	-0.8	-86	-2.2	24.82	-204	-1.5	26	1.2	14.20	9.93	-12.2	9.33	44.3
11 *Q1*	-158	-1.4	26	0.7	24.77	-243	-1.8	110	5.2	14.84	10.24	-9.6	9.92	27.9
Q2	-152	-1.3	81	2.1	25.52	-182	-1.4	111	5.1	15.01	9.79	-5.8	9.98	17.4
Q3	-278	-2.4	1	0.0	26.02	-322	-2.4	45	2.2	13.96	9.80	-1.1	10.37	21.7
Q4	-389	-3.4	-96	-2.5	24.98	-469	-3.6	-16	-0.7	14.56	10.45	5.2	11.43	22.4
12 *Q1*	-388	-3.4	-321	-8.6	23.76	-658	-5.1	-52	-2.3	15.21	11.22	9.6	12.23	23.4
Q2	-399	-3.5	-496	-12.7	23.66	-885	-6.8	-10	-0.4	15.87	10.64	8.6	12.87	28.8
Q3	-418	-3.7	-529	-13.4	24.04	-990	-7.6	44	2.1	15.20	10.55	7.5	13.14	26.5
Q4	-404	-3.6	-499	-13.5	23.02	-1 019	-8.0	115	5.3	16.33	10.69	1.6	14.31	24.4
13 *Q1*	-385	-3.5	-414	-12.1	22.12	-954	-7.8	155	7.1	17.24	10.87	-4.1	15.30	23.8
Q2	-439	-4.0	-234	-6.9	23.12	-819	-6.8	146	6.4	17.71	9.77	-9.6	15.35	17.4

WAGE-EARNERS
Annual percentage changes



UNEMPLOYMENT
Unemployment rate



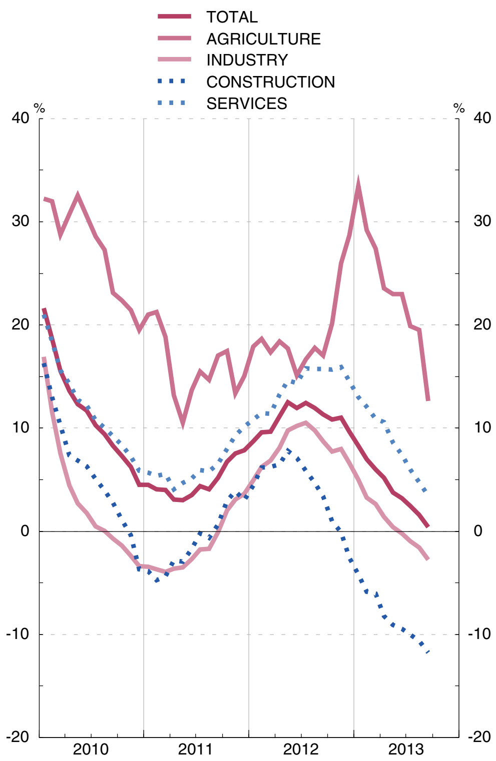
Source: INE (Labour Force Survey: 2005 methodology).
a. The new definition of unemployment applies from 2001 Q1 onwards, entailing a break in the series. (See www.ine.es).
General note to the tables: As a result of the change in the population base (2001 Census), all the series in this table have been revised as from 1996. In addition, since 2005 Q1 the new obligatory variables referred to in Regulation (EC) 2257/2003 (on the adaptation of the list of labour force survey characteristics) have been included, a centralised procedure for telephone interviews has been set in place and the questionnaire has been modified. Thus, in 2005 Q1, there is a break in the series of some variables. For further information, see www.ine.es.

4.5. REGISTERED UNEMPLOYMENT BY BRANCH OF ACTIVITY. CONTRACTS AND PLACEMENTS. SPAIN

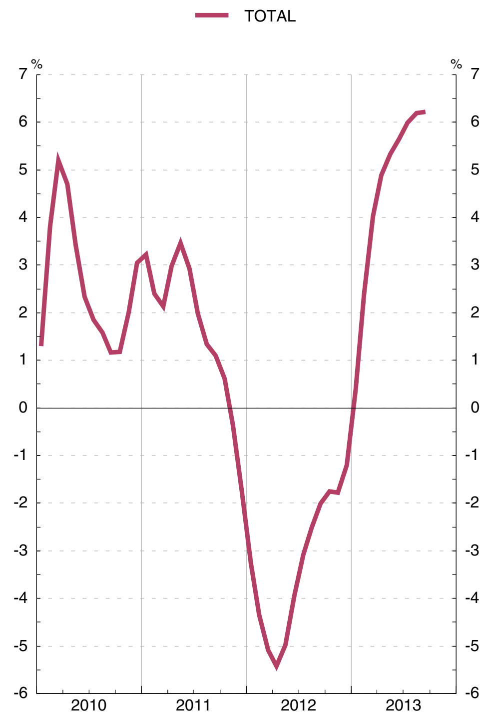
■ Series depicted in chart. *Thousands, annual percentage changes and %*

		Registered unemployment										Contracts					Placements	
		Total			First time job-seekers(a)	Previously employed (a)						Total		Percentage of total			Total	
						12-month % change												
								Branches other than agriculture										
		Thou-sands	Annual change Thou-sands	12 month % change	12 month % change	Total	Agri-culture	Total	Industry	Construc-tion	Services	Thou-sands	12 month % change	Perma-nent	Part time	Tempo-rary	Thou-sands	12 month % change
		1	2	3 ■	4	5	6 ■	7	8 ■	9 ■	10 ■	11	12	13	14	15	16	17 ■
10	M	4 061	417	11.4	35.1	9.9	27.4	9.4	3.1	5.7	12.1	1 201	2.8	8.55	29.26	91.45	1 191	2.3
11	M	4 257	196	4.8	12.9	4.1	16.0	3.8	-1.3	-0.9	6.3	1 203	0.1	7.74	30.69	92.26	1 213	1.9
12	M	4 720	463	10.9	3.4	11.6	19.3	11.3	8.1	4.2	14.1	1 187	-1.3	9.87	34.63	90.13	1 169	-3.7
12 *J-S*	M	4 673	464	11.0	5.3	11.6	17.4	11.4	8.3	5.8	13.7	1 178	-1.4	10.36	34.48	89.64	1 148	-4.8
13 *J-S*	M	4 869	196	4.2	-4.6	5.0	23.5	4.3	0.8	-8.4	8.5	1 186	0.7	7.98	35.49	92.02	1 213	5.7
12 *Aug*		4 626	495	12.0	2.3	12.9	17.8	12.7	9.8	4.7	15.7	1 044	-1.6	7.13	34.43	92.87	1 035	-3.7
Sep		4 705	479	11.3	-0.9	12.5	17.0	12.4	8.7	3.4	15.7	1 274	-8.6	9.24	37.34	90.76	1 351	-8.3
Oct		4 834	473	10.8	-2.1	12.1	20.1	11.8	7.8	1.0	15.7	1 427	10.2	9.15	38.08	90.85	1 469	10.2
Nov		4 908	487	11.0	-2.3	12.3	26.0	11.8	8.0	-0.1	15.9	1 152	-5.4	8.70	34.81	91.30	1 153	-4.4
Dec		4 849	426	9.6	-2.6	10.8	28.7	10.1	6.6	-2.6	14.6	1 059	-9.2	7.31	32.42	92.69	1 071	-8.1
13 *Jan*		4 981	381	8.3	-5.4	9.5	33.5	8.6	5.0	-4.2	13.0	1 102	5.7	9.13	31.98	90.87	1 112	5.6
Feb		5 040	328	7.0	-6.9	8.3	29.2	7.4	3.3	-5.9	12.1	950	-4.1	9.64	33.86	90.36	962	-0.8
Mar		5 035	284	6.0	-8.3	7.3	27.4	6.5	2.6	-6.0	10.9	970	-8.1	10.11	35.80	89.89	989	-4.6
Apr		4 989	245	5.2	-7.9	6.4	23.6	5.7	1.4	-8.2	10.6	1 153	11.0	8.53	34.86	91.47	1 184	15.8
May		4 891	177	3.8	-7.6	4.8	23.0	4.1	0.4	-9.1	8.6	1 283	2.9	7.47	35.49	92.53	1 310	7.2
Jun		4 764	148	3.2	-4.5	3.9	23.0	3.2	-0.2	-9.5	7.4	1 277	-7.9	6.84	36.57	93.16	1 293	0.8
Jul		4 699	111	2.4	-1.3	2.8	19.9	2.1	-1.0	-10.0	6.0	1 507	-1.3	6.39	37.94	93.61	1 511	11.3
Aug		4 699	73	1.6	-0.5	1.8	19.5	1.1	-1.6	-10.6	4.8	1 043	-0.1	5.99	35.52	94.01	1 073	3.6
Sep		4 724	19	0.4	0.7	0.4	12.6	-0.1	-2.7	-11.7	3.5	1 392	9.3	7.69	37.38	92.31	1 482	9.7

REGISTERED UNEMPLOYMENT
Annual percentage changes



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



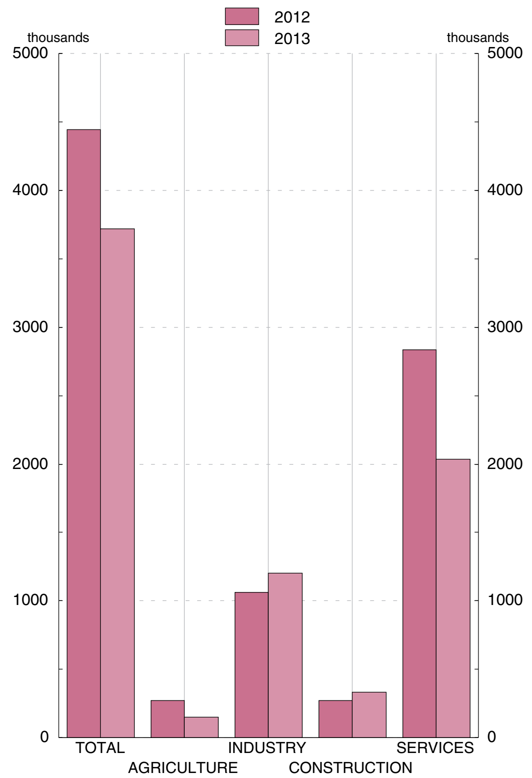
Source: Instituto de Empleo Servicio Público de Empleo Estatal (INEM).
Note: The underlying series for this indicator are in Tables 24.16 and 24.17 of the BE Boletín estadístico.
a. To December 2008, NACE 1993; from January 2009, NACE 2009.

4.6. COLLECTIVE BARGAINING AGREEMENTS

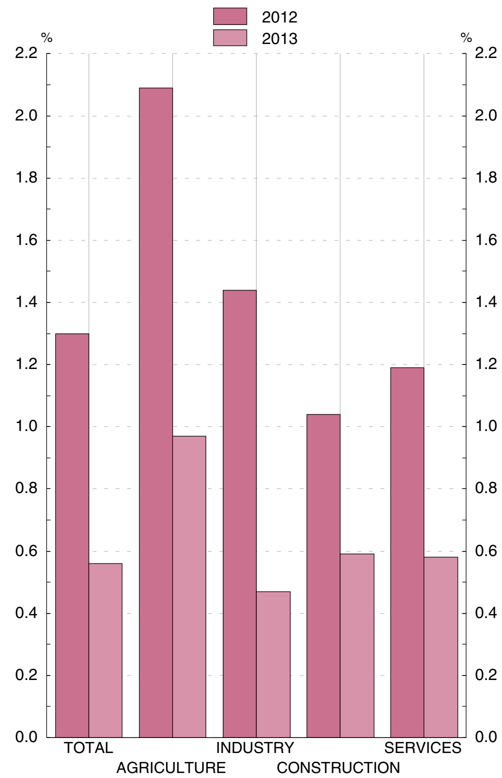
■ Series depicted in chart. *Thousands and %*

	As per month economic effects come into force(a)		As per month recorded														
			Employees affected (a)								Average wage settlement (%)						
	Em-ployees affec-ted	Average wage settle-ment (b)(c)	Automa-tic adjust-ment	Newly-signed agree-ments	Total	Annual change	Agricul-ture (d)	Indus-try (d)	Construc-tion (d)	Services (d)	Auto-matic adjust-ment	Newly signed agree-ments	Total	Agricul-ture (d)	Indus-try (d)	Construc-tion (d)	Services (d)
	1	2	3	4	5 ■	6	7 ■	8 ■	9 ■	10 ■	11	12	13 ■	14 ■	15 ■	16 ■	17 ■
10	10 794	1.48	6 071	1 023	7 093	-1 583	557	1 699	1 084	3 753	1.32	1.20	1.30	1.35	1.08	1.49	1.34
11	10 663	1.98	5 110	1 157	6 267	-826	415	1 752	1 026	3 075	2.68	1.58	2.48	2.49	2.71	1.52	2.67
12	8 525	1.08	4 399	1 679	6 078	-189	392	1 323	417	3 947	1.54	0.69	1.31	1.81	1.41	1.07	1.25
12 *Apr*	8 301	1.08	2 182	48	2 231	-794	164	699	2	1 365	2.16	1.15	2.14	2.47	2.44	2.59	1.94
May	8 309	1.08	2 356	349	2 705	-1 301	242	724	2	1 737	1.92	0.83	1.78	2.15	1.99	2.54	1.63
Jun	8 352	1.08	2 525	386	2 911	-1 808	243	747	21	1 900	1.86	0.85	1.73	2.15	1.96	1.20	1.58
Jul	8 393	1.08	2 842	415	3 257	-1 747	243	784	83	2 147	1.66	0.85	1.56	2.15	1.73	1.05	1.44
Aug	8 394	1.08	2 970	646	3 615	-1 408	244	881	234	2 256	1.60	0.87	1.47	2.15	1.57	1.02	1.40
Sep	8 461	1.08	3 212	1 231	4 443	-679	273	1 062	270	2 838	1.53	0.70	1.30	2.09	1.44	1.04	1.19
Oct	8 505	1.08	3 273	1 560	4 834	-674	295	1 100	343	3 096	1.50	0.69	1.24	1.94	1.42	1.03	1.13
Nov	8 506	1.08	4 175	1 618	5 793	-271	384	1 232	381	3 797	1.52	0.69	1.29	1.62	1.42	1.04	1.24
Dec	8 525	1.08	4 399	1 679	6 078	-189	392	1 323	417	3 947	1.54	0.69	1.31	1.81	1.41	1.07	1.25
13 *Jan*	3 564	0.56	471	17	489	-751	0	35	-	453	0.34	1.04	0.37	-	0.71	...	0.34
Feb	3 565	0.56	776	25	800	-870	0	154	3	643	0.59	0.91	0.60	-	0.73	1.50	0.56
Mar	3 568	0.56	878	274	1 152	-952	12	410	6	724	0.69	0.10	0.55	2.83	0.31	1.37	0.64
Apr	3 571	0.56	1 041	383	1 424	-806	30	471	8	915	0.71	0.22	0.58	2.22	0.38	1.10	0.62
May	3 575	0.56	1 283	422	1 705	-1 000	46	589	65	1 005	0.76	0.23	0.63	1.44	0.48	0.67	0.68
Jun	3 579	0.56	1 416	661	2 076	-835	54	628	109	1 285	0.79	0.35	0.65	1.30	0.51	0.64	0.70
Jul	3 674	0.56	1 484	951	2 435	-822	89	814	149	1 384	0.79	0.42	0.65	0.98	0.54	0.60	0.69
Aug	3 679	0.56	2 117	1 275	3 392	-223	148	1 112	320	1 812	0.67	0.43	0.58	0.97	0.46	0.59	0.62
Sep	3 719	0.56	2 338	1 381	3 719	-724	148	1 203	334	2 035	0.64	0.42	0.56	0.97	0.47	0.59	0.58

EMPLOYEES AFFECTED
January-September



AVERAGE WAGE SETTLEMENT
January-September



Source: Ministerio de Empleo y Seguridad Social, Estadística de Convenios Colectivos de Trabajo. Avance mensual.
a. Cumulative data.
b. Includes revisions arising from indexation clauses, except in 2012.
c. The information on the number of collective bargaining agreements registered to 31 January 2013 with economic effects in 2013 is not homogeneous with respect to that of the same period a year earlier. The agreements registered to 31 January 2012 included 568 multi-year agreements with economic effects prior to 2012.
d. To December 2008, NACE 1993; from January 2009, NACE 2009.

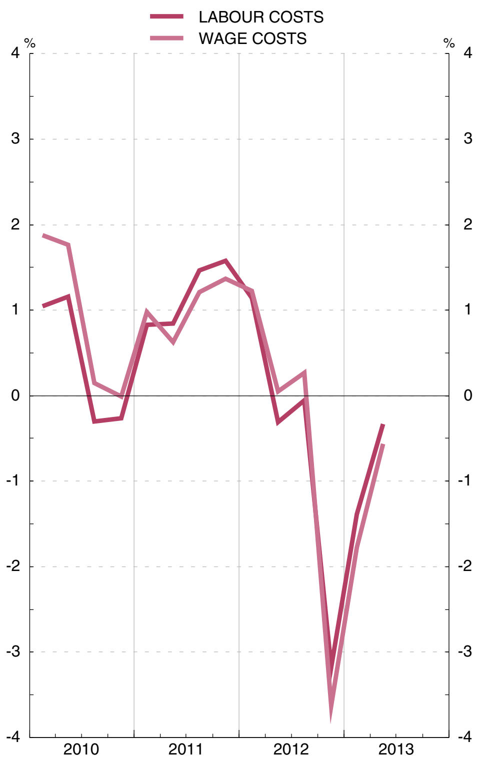
4.7. QUARTERLY LABOUR COSTS SURVEY

■ Series depicted in chart.

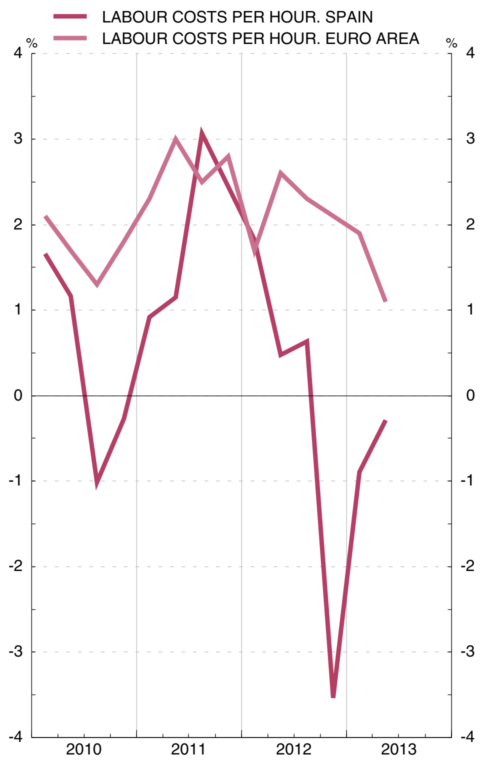
Annual percentage change

	Labour costs					Wage costs					Other costs per worker and month	memoramdum item: total hourly costs (a)	
	Per worker and per month				Per hour worked	Per worker and per month				Per hour worked		Spain (b)	Euro area (c)
	Total	Industry	Construc-tion	Services		Total	Industry	Construc-tion	Services				
	1 ■	2	3	4	5	6 ■	7	8	9	10	11	12 ■	13 ■
10 M	0.4	2.3	0.1	0.2	0.6	0.9	2.9	0.8	0.5	1.1	-1.1	0.3	1.7
11 M	1.2	1.7	2.8	1.0	2.2	1.0	2.8	2.5	0.5	2.1	1.6	1.9	2.7
12 M	-0.6	1.9	1.5	-1.3	-0.1	-0.6	1.2	1.3	-1.1	-0.1	-0.8	-0.2	2.2
12 *Q1-Q2* M	0.4	2.6	2.4	-0.1	1.0	0.6	2.0	1.8	0.2	1.3	-0.2	1.1	2.2
13 *Q1-Q2* M	-0.8	1.7	0.5	-1.4	-0.2	-1.2	1.6	0.6	-1.9	-0.5	0.0	-0.6	1.5
10 *Q4*	-0.3	2.3	0.2	-0.8	1.1	-	2.8	0.6	-0.7	1.3	-1.0	-0.3	1.8
11 *Q1*	0.8	1.3	2.8	0.6	-	1.0	3.0	2.3	0.3	0.2	0.4	0.9	2.3
Q2	0.8	1.6	3.0	0.6	1.5	0.6	3.1	3.2	-0.2	1.3	1.5	1.2	3.0
Q3	1.5	2.2	1.8	1.4	4.8	1.2	2.8	1.9	0.8	4.5	2.2	3.1	2.5
Q4	1.6	1.8	3.3	1.5	2.5	1.4	2.3	2.4	1.1	2.2	2.2	2.4	2.8
12 *Q1*	1.1	2.6	2.3	0.8	1.4	1.2	1.9	1.3	1.0	1.5	0.9	1.8	1.7
Q2	-0.3	2.6	2.6	-1.0	0.7	-	2.1	2.2	-0.5	1.0	-1.4	0.5	2.6
Q3	-0.1	1.8	1.0	-0.4	-	0.3	1.0	1.2	0.0	0.3	-0.9	0.6	2.3
Q4	-3.2	0.7	0.0	-4.2	-2.2	-3.6	-0.2	0.4	-4.7	-2.7	-1.8	-3.5	2.1
13 *Q1*	-1.4	1.5	-0.8	-2.0	2.1	-1.8	1.4	-0.5	-2.6	1.8	-0.3	-0.9	1.9
Q2	-0.3	1.8	1.8	-0.8	-2.4	-0.6	1.8	1.5	-1.2	-2.6	0.4	-0.3	1.1

PER WORKER AND MONTH
Annual percentage change



PER HOUR WORKED
Annual percentage change



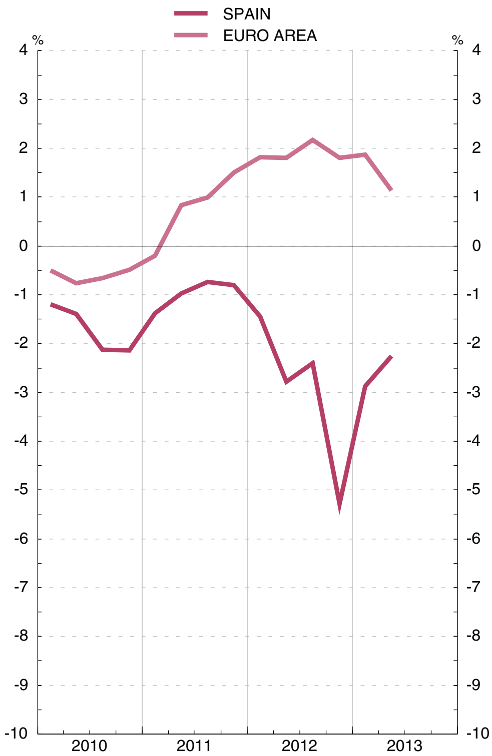
Sources: INE (Quarterly Labour Costs Survey and Harmonised Labour Costs Index) and Eurostat.
Note: The underlying series for this indicator are in Tables 24.25, 24.26 and 24.27 of de BE Boletín estadístico.
a. Working day adjusted.
b. Harmonised Labour Costs Index.
c. Whole economy, excluding agriculture, public administration, education, health and services not classified elsewhere.

4.8. UNIT LABOUR COSTS. SPAIN AND EURO AREA (a)

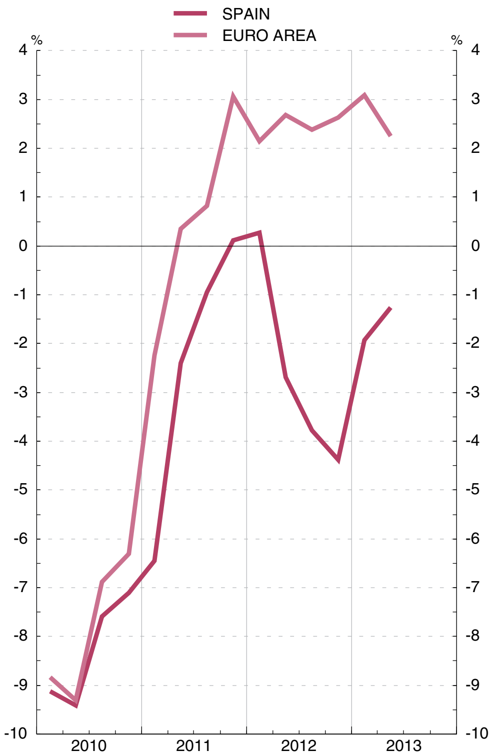
■ Series depicted in chart. *Annual percentage changes*

	Unit labour costs				Whole-economy				Memorandum items			
	Whole-economy		Industry		Compensation per employee		Productivity		GDP (volume measures)		Employment Whole-economy	
	Spain	Euro area	Spain	Euro area	Spain (b)	Euro area	Spain	Euro area	Spain	Euro area	Spain (b)	Euro area
	1 ■	2 ■	3 ■	4 ■	5	6	7	8	9	10	11	12
10	-1.7	-0.6	-8.3	-7.8	0.4	1.8	2.2	2.4	-0.2	1.9	-2.3	-0.5
11	-1.0	0.8	-2.5	0.5	1.3	2.1	2.3	1.4	0.1	1.6	-2.2	0.3
12	-3.0	1.9	-2.6	2.5	0.2	1.9	3.3	0.0	-1.6	-0.6	-4.8	-0.7
10 *Q3*	-2.1	-0.7	-7.6	-6.9	-0.2	1.7	2.0	2.4	0.2	2.2	-1.8	-0.2
Q4	-2.1	-0.5	-7.1	-6.3	-0.3	1.6	1.9	2.1	0.5	2.3	-1.4	0.1
11 *Q1*	-1.4	-0.2	-6.4	-2.2	0.9	2.0	2.3	2.2	0.6	2.6	-1.7	0.4
Q2	-1.0	0.8	-2.4	0.3	0.9	2.1	1.9	1.2	0.3	1.8	-1.6	0.5
Q3	-0.7	1.0	-1.0	0.8	1.6	2.2	2.4	1.2	-0.0	1.4	-2.4	0.3
Q4	-0.8	1.5	0.1	3.1	1.9	2.3	2.8	0.8	-0.6	0.7	-3.3	-0.1
12 *Q1*	-1.4	1.8	0.3	2.1	1.7	2.1	3.2	0.3	-1.2	-0.2	-4.3	-0.5
Q2	-2.8	1.8	-2.7	2.7	0.8	2.0	3.7	0.2	-1.6	-0.5	-5.1	-0.8
Q3	-2.4	2.2	-3.8	2.4	0.7	2.0	3.2	-0.1	-1.7	-0.7	-4.7	-0.6
Q4	-5.3	1.8	-4.4	2.6	-2.3	1.5	3.1	-0.3	-2.1	-1.0	-5.0	-0.7
13 *Q1*	-2.9	1.9	-1.9	3.1	-0.3	1.7	2.6	-0.2	-2.0	-1.2	-4.5	-1.0
Q2	-2.3	1.1	-1.3	2.3	-0.1	1.5	2.2	0.4	-1.6	-0.6	-3.8	-1.0

UNIT LABOUR COSTS: TOTAL
Annual percentage changes



UNIT LABOUR COSTS: INDUSTRY
Annual percentage changes



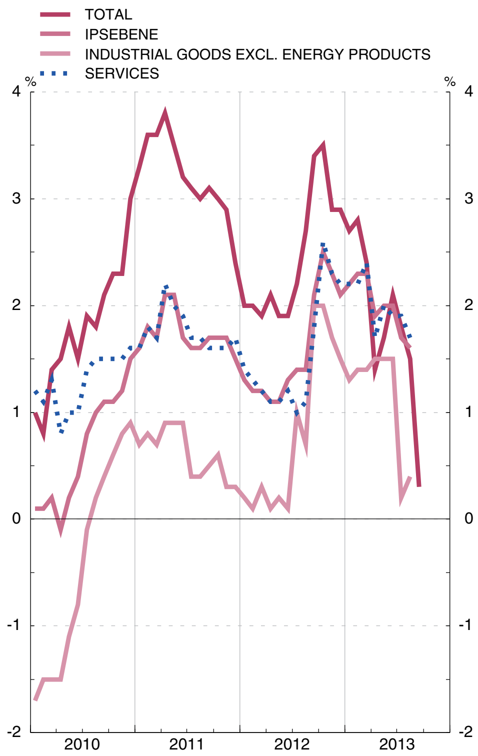
Sources: INE (Quarterly National Accounts of Spain. Base year 2008) and ECB.
a. Spain: prepared in accordance with ESA95. SEASONALLY- AND WORKING-DAY-ADJUSTED SERIES (see economic bulletin April 2002).
b. Full-time equivalent employment.

5.1. CONSUMER PRICE INDEX. SPAIN (2011=100)

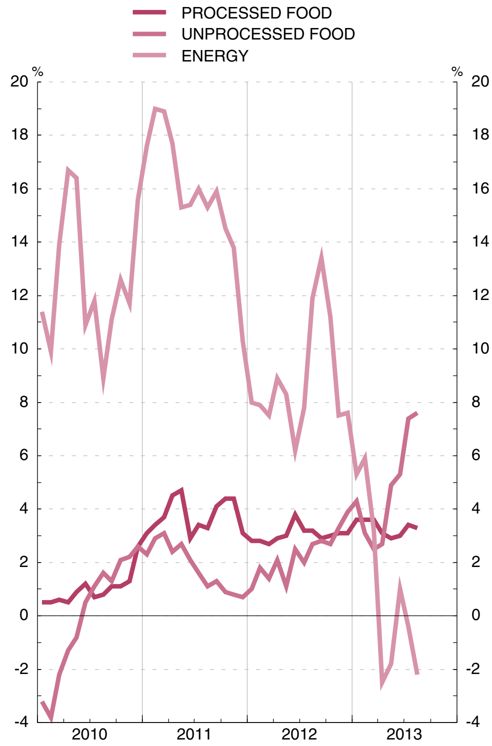
■ Series depicted in chart. *Indices and annual percentage changes*

	Total (100%)				Annual percentage change (12-month % change)						Memorandum item:prices for agricultural products (2005=100)	
	Original series	Month-on-month % change	12-month % change (a)	Cumulative % change during year (b)	Unprocessed food	Processed food	Industrial goods excl. energy products	Energy	Services	IPSEBENE (c)	Original series	12-month % change
	1	2	3 ■	4	5 ■	6 ■	7 ■	8 ■	9 ■	10 ■	11	12
10 M	96.9	_	1.8	3.0	0.0	1.0	-0.4	12.6	1.3	0.6	100.8	6.2
11 M	100.0	_	3.2	2.4	1.8	3.8	0.6	15.8	1.8	1.7	101.5	0.7
12 M	102.4	_	2.5	2.9	2.3	3.0	0.8	8.9	1.5	1.6	111.6	9.9
12 *J-A* M	101.6	0.1	2.1	0.2	1.8	3.0	0.3	8.3	1.2	1.3	106.2	4.7
13 *J-A* M	103.7	-0.0	2.0	-0.6	4.8	3.3	1.1	1.0	2.0	2.0	...	...
12 *May*	102.3	-0.1	1.9	0.9	1.1	3.0	0.2	8.3	1.1	1.1	109.0	2.4
Jun	102.1	-0.2	1.9	0.7	2.5	3.8	0.1	6.2	1.2	1.3	110.1	1.3
Jul	101.9	-0.2	2.2	0.5	2.0	3.2	1.0	7.8	1.0	1.4	100.1	9.4
Aug	102.5	0.6	2.7	1.1	2.7	3.2	0.7	11.9	1.1	1.4	105.8	14.7
Sep	103.5	1.0	3.4	2.1	2.8	2.9	2.0	13.4	1.8	2.1	118.5	15.4
Oct	104.4	0.8	3.5	2.9	2.7	3.0	2.0	11.2	2.6	2.5	124.8	20.6
Nov	104.2	-0.1	2.9	2.8	3.3	3.1	1.7	7.5	2.3	2.3	119.7	17.8
Dec	104.3	0.1	2.9	2.9	3.9	3.1	1.5	7.6	2.2	2.1	120.3	20.0
13 *Jan*	103.0	-1.3	2.7	-1.3	4.3	3.6	1.3	5.3	2.2	2.2	114.3	15.5
Feb	103.1	0.2	2.8	-1.1	3.1	3.6	1.4	5.9	2.2	2.3	114.5	7.4
Mar	103.5	0.4	2.4	-0.8	2.5	3.6	1.4	3.2	2.4	2.3	119.2	7.5
Apr	103.9	0.4	1.4	-0.4	2.7	3.1	1.5	-2.5	1.7	1.9	116.8	7.6
May	104.1	0.2	1.7	-0.2	4.9	2.9	1.5	-1.8	2.0	2.0	123.4	13.1
Jun	104.2	0.1	2.1	-0.1	5.3	3.0	1.5	1.0	1.9	2.0	...	...
Jul	103.7	-0.5	1.8	-0.6	7.4	3.4	0.2	-0.4	1.9	1.7	...	...
Aug	104.0	0.3	1.5	-0.3	7.6	3.3	0.4	-2.2	1.7	1.6	...	...

CONSUMER PRICE INDEX. TOTAL AND COMPONENTS
Annual percentage changes



CONSUMER PRICE INDEX. COMPONENTS
Annual percentage changes



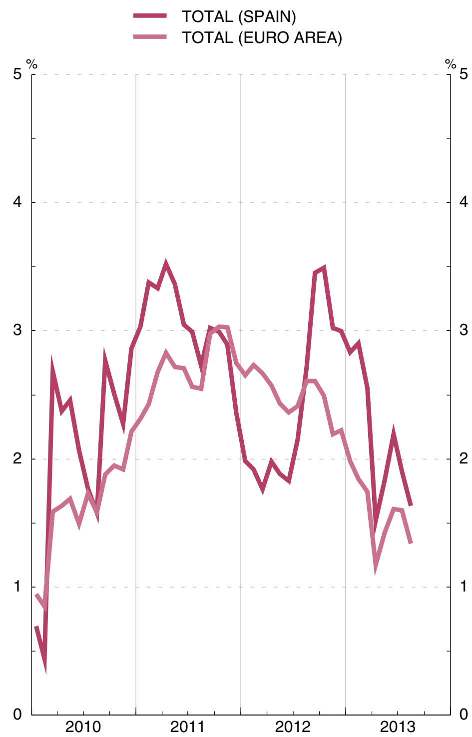
Sources: INE, Ministerio de Agricultura,Alimentación y Medio Ambiente.
Note: The underlying series for this indicator are in Tables 25.2 and 25.8 of the BE Boletín estadístico.
a. For annual periods: average growth for each year on the previous year.
b. For annual periods: December-on-December growth rate.
c. Index of non-energy processed goods and service prices.

5.2. HARMONISED INDEX OF CONSUMER PRICES. SPAIN AND EURO AREA (2005=100) (a)

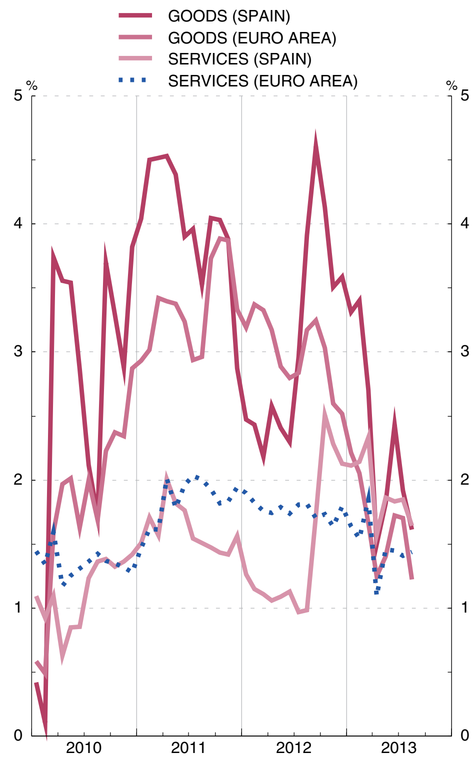
■ Series depicted in chart. *Annual percentage changes*

		Total		Goods														Services	
						Food						Industrial							
						Total		Processed		Unprocessed				Non-energy		Energy			
		Spain	Euro area	Spain	Euro area	Spain	Euro area	Spain	Euro area	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 ■
10	M	2.0	1.6	2.7	1.8	1.1	1.1	1.4	0.9	0.7	1.3	3.5	2.2	0.3	0.5	12.5	7.4	1.1	1.4
11	M	3.1	2.7	4.0	3.3	2.8	2.7	4.2	3.3	1.3	1.8	4.7	3.7	0.5	0.8	15.7	11.9	1.6	1.8
12	M	2.4	2.5	3.1	3.0	2.6	3.1	3.5	3.1	1.6	3.0	3.4	3.0	1.0	1.2	8.8	7.6	1.5	1.8
12 *J-A*	M	2.0	2.6	2.7	3.1	2.3	3.1	3.5	3.5	1.0	2.4	2.8	3.1	0.5	1.2	8.3	8.0	1.1	1.8
13 *J-A*	M P	2.2	1.6	2.3	1.7	3.8	3.1	3.4	2.3	4.2	4.5	1.5	0.9	1.7	0.7	1.0	1.4	1.9	1.5
12 *May*		1.9	2.4	2.4	2.9	1.9	2.8	3.5	3.4	0.2	1.8	2.7	3.0	0.4	1.3	8.2	7.3	1.1	1.8
Jun		1.8	2.4	2.3	2.8	2.9	3.2	4.7	3.2	0.9	3.1	2.0	2.6	0.2	1.3	6.2	6.1	1.1	1.7
Jul		2.2	2.4	3.0	2.8	2.3	2.9	4.0	2.9	0.5	2.9	3.3	2.8	1.3	1.5	7.8	6.1	1.0	1.8
Aug		2.7	2.6	3.9	3.2	3.1	3.0	3.9	2.7	2.3	3.5	4.3	3.3	1.0	1.1	11.9	8.9	1.0	1.8
Sep		3.5	2.6	4.6	3.2	3.1	2.9	3.2	2.5	3.0	3.7	5.4	3.4	2.0	1.2	13.3	9.1	1.7	1.7
Oct		3.5	2.5	4.1	3.0	2.9	3.1	3.3	2.4	2.5	4.3	4.8	3.0	2.1	1.1	11.2	8.0	2.5	1.7
Nov		3.0	2.2	3.5	2.6	3.0	3.0	3.4	2.4	2.6	4.1	3.8	2.4	2.2	1.1	7.5	5.7	2.3	1.6
Dec		3.0	2.2	3.6	2.5	3.3	3.2	3.4	2.4	3.3	4.4	3.7	2.2	2.1	1.0	7.6	5.2	2.1	1.8
13 *Jan*		2.8	2.0	3.3	2.2	3.8	3.2	3.9	2.3	3.7	4.8	3.0	1.7	1.9	0.8	5.3	3.9	2.1	1.6
Feb		2.9	1.8	3.4	2.1	3.5	2.7	3.9	2.3	3.0	3.5	3.3	1.7	2.0	0.8	5.9	3.9	2.1	1.5
Mar		2.6	1.7	2.7	1.7	3.3	2.7	3.9	2.2	2.7	3.5	2.4	1.2	2.0	1.0	3.2	1.7	2.3	1.8
Apr		1.5	1.2	1.5	1.2	3.0	2.9	3.0	2.1	2.9	4.2	0.7	0.5	2.2	0.8	-2.5	-0.4	1.6	1.1
May		1.8	1.4	1.8	1.4	3.5	3.2	2.8	2.1	4.3	5.1	0.9	0.5	2.1	0.8	-1.8	-0.2	1.9	1.5
Jun		2.2	1.6	2.4	1.7	3.7	3.2	2.9	2.1	4.7	5.0	1.7	1.0	2.1	0.7	1.0	1.6	1.8	1.4
Jul		1.9	1.6	1.9	1.7	4.6	3.5	3.3	2.5	6.1	5.1	0.4	0.8	0.7	0.4	-0.4	1.6	1.8	1.4
Aug	P	1.6	1.3	1.6	1.2	4.6	3.2	3.3	2.5	6.1	4.4	-0.1	0.2	0.9	0.4	-2.2	-0.3	1.6	1.4

HARMONISED INDEX OF CONSUMER PRICES. TOTAL
Annual percentage changes



HARMONISED INDEX OF CONSUMER PRICES. COMPONENTS
Annual percentage changes



Source: Eurostat.

a. Since January 2011 the rules of Commission Regulation (EC) No 330/2009 on the treatment of seasonal products have been incorporated. This has prompted a break in the series. The series constructed with the new methodology are only available from January 2010. The year-on-year rates of change presented here for 2010 are those disseminated by Eurostat, wich were constructed using the series prepared with the new methodology for 2010 and using the series prepared with the old methodology for 2009. Thus, these rates give a distorted view since they compare price indices prepared using two different methodologies. The year-on-year rates of change in the HICP in 2010, calculated on a uniform basis using solely the previous methodology and wich are consequently consistent, are as follows: Jan:1,1; Feb:0,9; Mar:1,5; Apr:1,6; May:1,8; Jun:1,5; Jul:1,9; Aug:1,8; Sep:2,1; Oct:2,3; Nov:2,2; Dec:2,9. More detailed methodological notes can be consulted on the Eurostat Internet site (www.europa.eu.int).

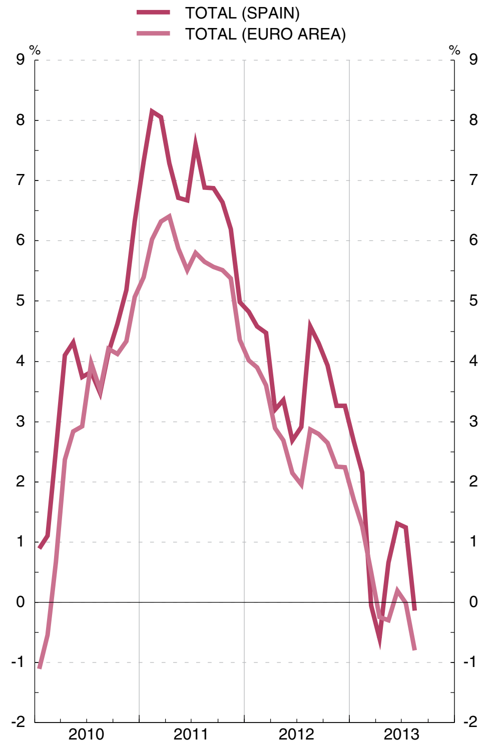
5.3. PRODUCER PRICE INDEX. SPAIN AND EURO AREA (2010 = 100)

■ Series depicted in chart.

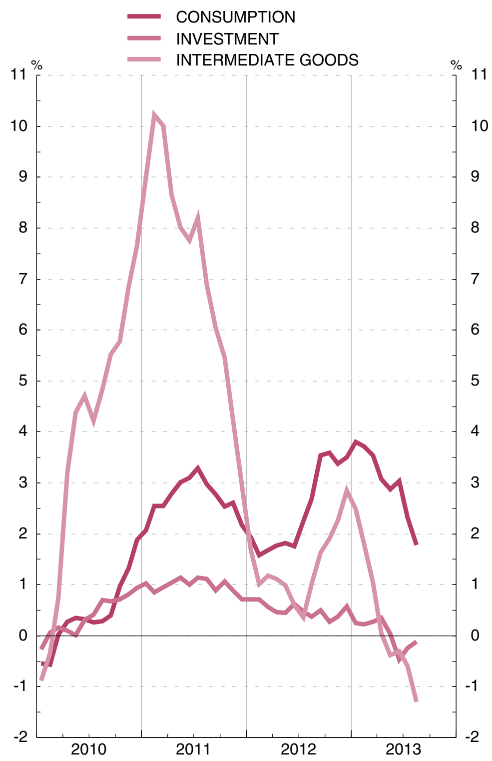
Annual percentage changes

	Total			Consumer goods		Capital goods		Intermediate goods		Energy		Memorandum item: euro area				
	Original series	Month-on-month % change	12-month % change	Month-on-month % change	12-month % change	Month-on-month % change	12-month % change	Month-on-month % change	12-month % change	Month-on-month % change	12-month % change	Total 12-month % change	Consumer goods 12-month % change	Capital goods 12-month % change	Intermediate goods 12-month % change	Energy 12-month % change
	1	2	3 ■	4	5 ■	6	7 ■	8	9 ■	10	11	12 ■	13	14	15	16
10 M	100.0	_	3.7	_	0.4	_	0.4	_	3.9	_	10.2	2.7	0.4	0.3	3.6	5.6
11 M	106.9	_	6.9	_	2.7	_	1.0	_	7.2	_	15.3	5.7	3.3	1.5	5.9	10.6
12 M	111.0	_	3.8	_	2.5	_	0.5	_	1.4	_	9.7	2.8	2.5	1.0	0.8	6.2
12 *J-A* M	110.6	_	3.8	_	1.9	_	0.5	_	1.0	_	10.9	3.0	2.5	1.1	0.6	7.0
13 *J-A* M P	111.6	_	0.9	_	3.0	_	0.0	_	0.3	_	-0.3	0.3	2.0	0.6	-0.1	-0.9
12 *May*	110.4	-0.1	3.4	0.2	1.8	-0.0	0.4	0.2	1.0	-0.7	9.4	2.7	2.1	1.1	0.4	6.2
Jun	109.7	-0.6	2.7	0.0	1.8	0.3	0.6	-0.5	0.6	-1.9	7.2	2.1	2.1	1.1	-0.0	4.9
Jul	110.8	1.0	2.9	0.7	2.2	-0.0	0.5	-0.1	0.4	3.0	7.7	2.0	2.1	1.0	-0.3	4.4
Aug	112.2	1.2	4.6	0.6	2.7	-0.0	0.4	0.5	1.0	3.3	13.0	2.9	2.3	0.9	0.2	7.1
Sep	112.1	-0.1	4.3	0.8	3.5	0.1	0.5	0.4	1.6	-1.5	10.1	2.8	2.6	0.8	0.6	6.1
Oct	111.9	-0.2	3.9	0.0	3.6	-0.1	0.3	-0.1	1.9	-0.6	8.4	2.6	2.6	0.8	1.2	4.9
Nov	111.3	-0.5	3.3	-0.0	3.4	0.0	0.4	-0.2	2.3	-1.7	5.6	2.2	2.4	0.8	1.3	3.7
Dec	111.3	0.0	3.3	0.1	3.5	0.0	0.6	0.2	2.9	-0.3	4.8	2.2	2.5	0.8	1.5	3.6
13 *Jan*	112.6	1.2	2.7	0.5	3.8	-0.1	0.2	0.3	2.5	3.6	2.9	1.7	2.4	0.8	1.2	2.1
Feb	112.9	0.2	2.2	0.1	3.7	0.0	0.2	0.1	1.8	0.6	1.9	1.3	2.1	0.8	0.7	1.4
Mar	111.2	-1.5	-0.1	0.1	3.5	0.0	0.3	-0.1	1.0	-5.3	-5.0	0.5	2.0	0.7	0.3	-0.6
Apr	109.9	-1.2	-0.6	-0.1	3.1	0.1	0.3	-0.5	0.0	-3.9	-5.7	-0.2	1.8	0.6	-0.3	-2.2
May	111.1	1.2	0.7	-0.0	2.9	-0.3	0.0	-0.3	-0.4	5.1	-0.3	-0.3	1.9	0.6	-0.6	-2.2
Jun P	111.2	0.0	1.3	0.2	3.0	-0.3	-0.5	-0.4	-0.3	0.5	2.1	0.2	2.0	0.5	-0.5	-0.9
Jul P	112.2	0.9	1.2	-0.0	2.3	0.2	-0.2	-0.4	-0.6	3.8	2.9	-0.0	2.0	0.6	-0.5	-1.3
Aug P	112.0	-0.1	-0.1	0.1	1.8	0.1	-0.1	-0.2	-1.3	-0.4	-0.8	-0.8	1.8	0.6	-1.0	-3.3

PRODUCER PRICE INDEX. TOTAL
Annual percentage changes



PRODUCER PRICE INDEX. COMPONENTS
Annual percentage changes



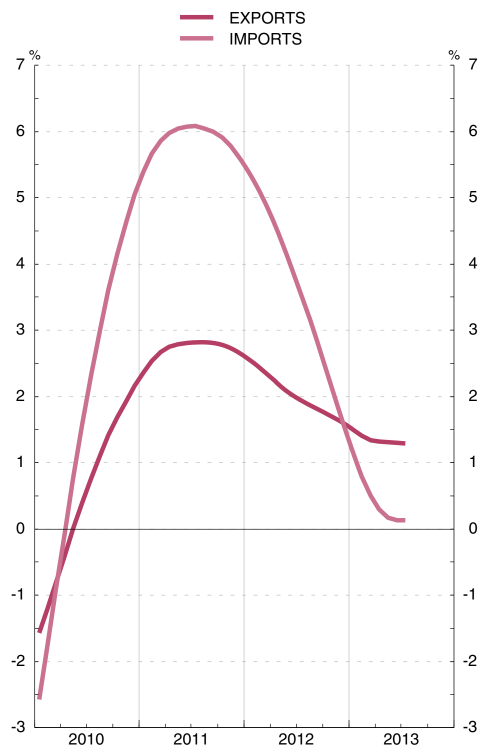
Sources: INE and ECB.
Note: The underlying series for this indicator, for Spain, are in Table 25.3 of the BE Boletín estadístico.
a. For annual periods: average growth for each year on the previous year.

5.4. UNIT VALUE INDICES FOR SPANISH FOREIGN TRADE

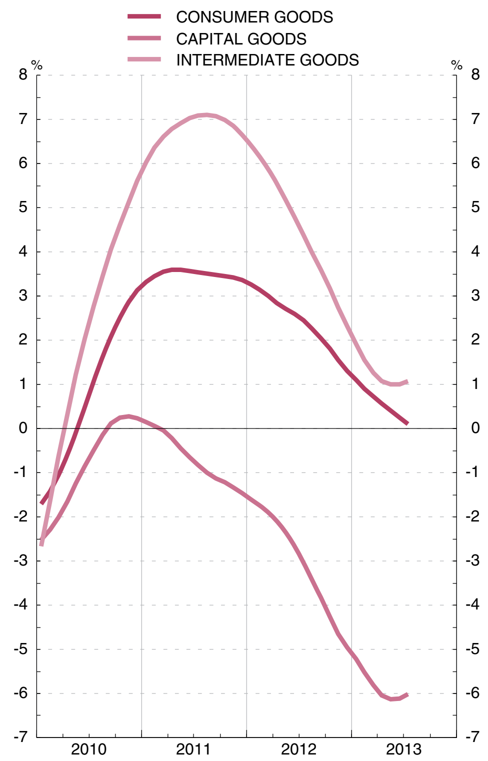
■ Series depicted in chart. *Annual percentage changes*

	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
10	1.6	3.1	-5.2	1.8	16.8	0.9	4.7	1.7	2.4	6.2	25.8	0.5
11	4.9	3.9	1.5	6.0	30.2	3.5	8.5	5.5	-0.8	10.6	25.6	5.2
12	2.1	5.7	7.0	-0.4	3.1	-0.7	4.6	3.4	-2.1	5.7	10.0	2.3
12 *J-J*	1.8	4.8	6.8	-0.5	1.7	-1.1	5.5	4.2	0.8	6.4	11.1	2.9
13 *J-J*	0.4	2.1	-5.3	0.3	-4.3	0.8	-3.9	-0.7	-9.8	-4.2	-8.7	-2.2
12 *Feb*	5.1	4.9	14.3	3.9	10.2	2.4	7.8	4.8	-0.9	9.6	16.7	4.1
Mar	3.7	8.5	7.9	0.1	1.2	-1.2	8.5	4.4	3.0	10.5	13.2	5.7
Apr	-0.4	3.1	1.9	-2.6	-0.1	-2.5	4.0	-0.2	0.0	5.6	10.9	1.6
May	2.1	4.4	2.5	1.1	3.6	0.9	7.0	0.6	6.9	9.0	10.6	6.9
Jun	0.5	6.4	5.3	-3.3	-3.8	-3.4	4.6	6.9	2.7	4.2	5.7	2.5
Jul	-0.1	3.5	1.8	-2.2	0.9	-3.1	1.0	6.1	-4.1	-0.0	3.0	-1.7
Aug	2.1	6.3	7.3	-0.1	7.6	-0.7	5.8	4.3	-4.7	7.1	15.6	-0.9
Sep	3.3	5.1	13.3	1.7	6.6	0.8	5.5	4.8	7.1	5.4	11.7	1.4
Oct	0.0	5.4	3.9	-3.1	5.9	-1.8	4.6	4.4	-10.0	6.0	10.2	2.8
Nov	2.1	7.5	10.9	-2.1	-1.7	1.1	-1.3	-0.7	-15.1	-0.2	1.9	-1.3
Dec	4.4	10.0	1.1	1.7	6.9	-0.2	2.5	-1.7	-8.1	5.3	3.1	5.5
13 *Jan*	2.4	5.2	-7.2	2.3	-4.0	3.1	-0.9	-0.4	2.6	-1.4	-4.3	-1.1
Feb	-2.4	-0.8	-11.6	-1.7	1.6	-0.7	-3.8	0.9	-6.4	-4.9	-6.6	-2.3
Mar	-3.4	-0.4	-4.7	-4.6	-10.8	-3.7	-5.0	-2.8	-10.8	-5.2	-8.3	-3.3
Apr	1.9	3.4	-6.4	2.7	1.4	2.4	-6.6	0.8	-18.5	-7.5	-9.7	-6.3
May	-0.3	2.7	-3.4	-1.6	-9.0	-2.0	-5.8	4.3	-15.1	-7.8	-22.5	-2.6
Jun	2.8	4.4	0.6	2.4	-9.2	2.9	-2.8	-3.9	-14.2	-1.3	-3.0	0.0
Jul	1.4	0.4	-5.2	2.9	0.8	3.8	-2.3	-4.0	-6.4	-1.4	-5.8	-0.2

EXPORT AND IMPORT UNIT VALUE INDICES (a)



IMPORT UNIT VALUE INDICES BY PRODUCT GROUP (a)



Sources: ME, MHAP and BE.
Note: The underlying series for this indicator are in the Tables 18.6 and 18.7 of the Boletín Estadístico.
a. Annual percentage changes (trend obtained with TRAMO-SEATS).

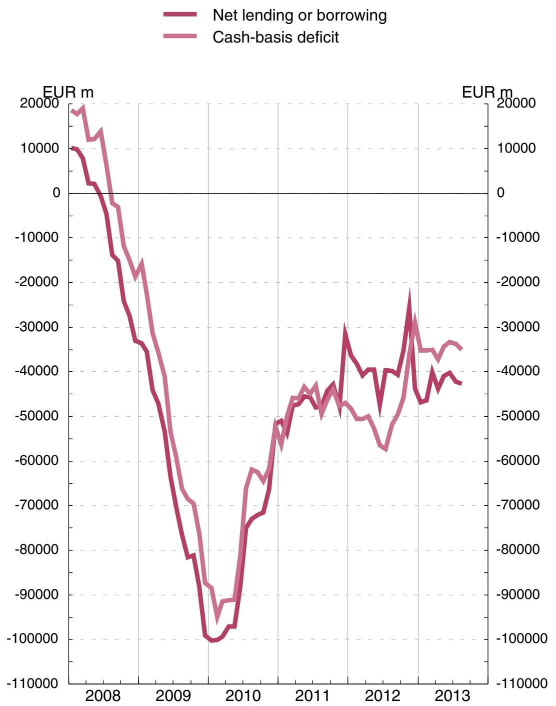
6.1. STATE RESOURCES ANS USES ACCORDING TO THE NACIONAL ACCOUNTS. SPAIN

■ Series depicted in chart.

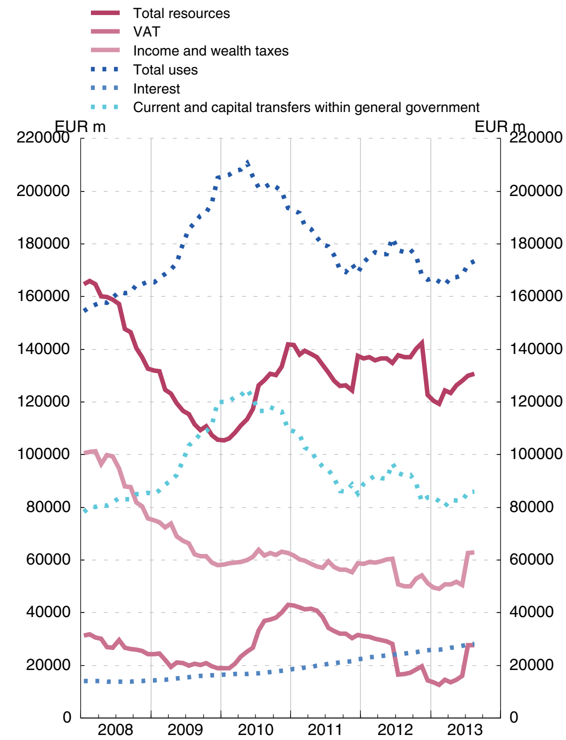
EUR millions

			Current and capital resources						Current and capital uses						Memorandum item: cash-basis deficit		
		Net lending (+) or borrowing (-)	Total	Value added tax (VAT)	Other taxes on products and imports	Interest and other income on property	Income and wealth taxes	Other	Total	Compensation of employees	Interest	Current and capital transfers within general government	Investment grants and other capital transfers	Other	Cash-basis deficit	Revenue	Expenditure
		1=2-8 ■	2=3 a 7 ■	3 ■	4	5	6 ■	7	8=9 a13 ■	9	10 ■	11 ■	12	13	14=15-16 ■	15	16
08		-33 125	132 614	24 277	12 715	6 989	75 803	12 830	165 739	19 179	14 224	85 576	5 724	41 036	-18 747	129 336	148 082
09		-99 130	105 783	18 919	11 586	8 125	58 156	8 997	204 913	20 176	16 392	120 013	5 617	42 715	-87 281	102 038	189 319
10		-51 764	141 912	42 914	11 800	7 724	62 704	16 770	193 676	20 479	18 190	109 619	4 145	41 243	-52 235	127 337	179 572
11	P	-31 671	137 518	31 575	8 034	7 499	58 806	31 604	169 189	20 151	22 434	85 154	3 920	37 530	-46 950	104 145	151 095
12	P	-43 794	122 678	14 261	5 653	7 556	51 302	43 906	166 472	19 013	25 757	83 914	2 037	35 751	-29 013	123 344	152 357
12 *J-A*	P	-48 681	60 746	-895	2 353	2 772	20 768	35 748	109 427	12 664	16 416	58 580	451	21 316	-39 190	66 825	106 015
13 *J-A*	A	-47 621	68 841	12 546	6 568	5 019	32 434	12 274	116 462	12 608	18 914	60 613	1 009	23 318	-45 186	66 612	111 798
12 *Aug*	P	-1 997	7 311	462	824	116	4 524	1 385	9 308	1 382	2 056	3 444	48	2 378	-8 234	-1 374	6 860
Sep	P	2 023	13 623	5 466	1 055	432	6 277	393	11 600	1 394	2 073	5 481	50	2 602	4 537	13 260	8 723
Oct	P	3 230	14 410	2 657	758	-92	9 778	1 309	11 180	1 449	2 233	4 919	73	2 506	9 093	21 768	12 675
Nov	P	-2 542	8 533	1 237	908	150	4 261	1 977	11 075	1 549	2 177	4 619	98	2 632	-2 178	6 464	8 642
Dec	P	2 176	25 366	5 796	579	4 294	10 218	4 479	23 190	1 957	2 858	10 315	1 365	6 695	-1 275	15 027	16 301
13 *Jan*	A	-12 454	1 835	804	711	300	-414	434	14 289	1 409	2 297	7 654	3	2 926	-15 252	5 789	21 041
Feb	A	-10 690	3 887	898	483	267	1 523	716	14 577	1 413	2 033	7 360	60	3 711	-160	11 660	11 820
Mar	A	6 289	18 528	6 016	387	1 982	8 138	2 005	12 239	1 384	2 302	5 589	211	2 753	-3 430	6 694	10 124
Apr	A	-7 911	6 926	-880	665	569	4 673	1 899	14 837	1 532	2 474	8 312	143	2 376	1 437	16 505	15 068
May	A	-8 091	4 579	538	1 015	496	1 123	1 407	12 670	1 443	2 352	6 291	154	2 430	-7 679	2 136	9 815
Jun	A	-7 181	13 773	4 872	1 030	342	5 110	2 419	20 954	2 622	2 563	12 046	136	3 587	-12 266	2 789	15 055
Jul	A	-5 134	11 157	-60	1 624	322	7 362	1 909	16 291	1 355	2 455	9 759	135	2 587	1 575	22 136	20 561
Aug	A	-2 449	8 156	358	653	741	4 919	1 485	10 605	1 450	2 438	3 602	167	2 948	-9 412	-1 096	8 315

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



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



Source: Ministerio de Hacienda y Administraciones Públicas (IGAE).

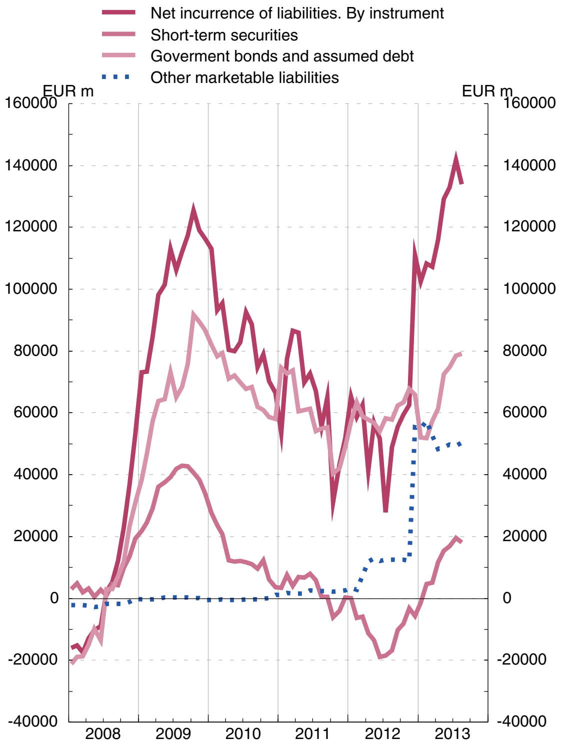
6.2. STATE FINANCIAL TRANSACTIONS. SPAIN

■ Series depicted in chart.

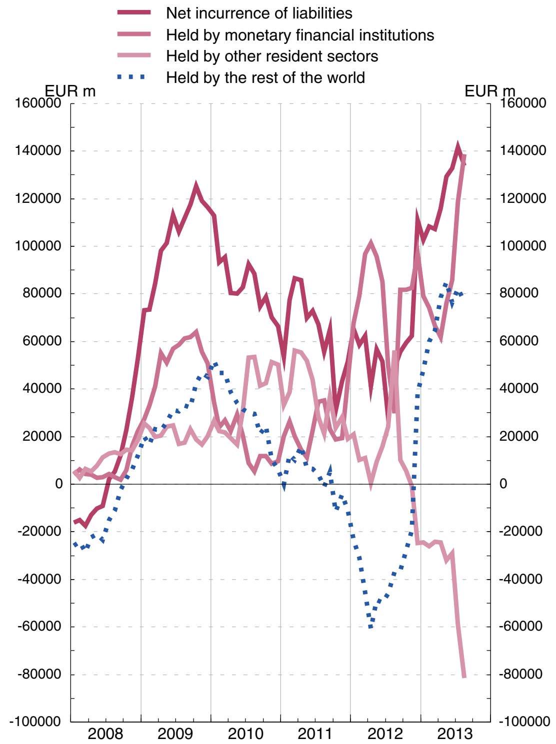
EUR millions

		Net lending (+) or net borrowing(-)	Net acquisition of financial assets		Net incurrence of liabilities											Net incurrence of liabilities (excluding other accounts payable)
				Of which		Of which	By instrument					By counterpart sector				
												Held by resident sectors			Rest of the world	
			Total	Deposits at the Banco de España	Total	In currencies other than the peseta/ euro	Short-term securities	Goverment bonds and assumed debt	Banco de España loans	Other marketable liabilities (a)	Other accounts payable	Total	Monetary financial institutions	Other resident sectors		
		1	2	3	4 ■	5	6 ■	7 ■	8	9 ■	10	11	12 ■	13 ■	14 ■	15
08		-33 125	19 881	4 337	53 006	1 227	19 355	30 868	-520	-40	3 343	40 774	22 233	18 541	12 232	49 664
09		-99 130	17 203	-4 197	116 333	1 524	34 043	86 835	-535	-510	-3 500	71 031	50 819	20 212	45 302	119 833
10		-51 764	14 737	-5	66 501	-726	3 616	57 958	-544	1 145	4 325	60 204	9 809	50 396	6 297	62 176
11	P	-31 671	20 054	-75	51 725	-1 442	312	48 941	-537	2 625	384	62 870	43 784	19 086	-11 145	51 341
12	P	-43 794	67 148	2 275	110 942	-2 704	-5 749	65 832	-542	55 412	-4 012	72 533	97 138	-24 604	38 408	114 954
12 *J-A*	P	-48 681	-19 475	-125	29 206	-756	-18 284	32 928	-542	11 380	3 724	59 967	230	59 737	-30 761	25 482
13 *J-A*	A	-47 621	4 595	-2 401	52 216	-37	5 491	46 307	-876	6 283	-4 989	44 799	41 923	2 876	7 417	57 205
12 *Aug*	P	-1 997	2 641	-0	4 638	10	-1 219	5 385	-	24	449	-1 261	-21 822	20 562	5 899	4 190
Sep	P	2 023	17 134	-0	15 111	-1 962	7 316	13 792	-	-55	-5 941	7 517	51 525	-44 008	7 594	21 052
Oct	P	3 230	-6 056	-0	-9 286	0	463	-6 796	-	-11	-2 941	-11 185	-539	-10 647	1 900	-6 345
Nov	P	-2 542	15 249	4 400	17 791	7	5 206	14 493	-	-10	-1 899	7 060	2 952	4 108	10 731	19 690
Dec	P	2 176	60 296	-1 999	58 120	7	-450	11 416	-	44 109	3 045	9 175	42 970	-33 795	48 945	55 074
13 *Jan*	A	-12 454	-7 869	-1 910	4 585	6	3 401	-958	-	247	1 895	4 740	5 256	-517	-154	2 690
Feb	A	-10 690	7 753	-490	18 443	1 501	1 523	14 061	-	2 315	543	8 413	9 108	-695	10 030	17 900
Mar	A	6 289	15 818	100	9 529	7	-1 627	14 589	-	-34	-3 398	17 267	12 612	4 655	-7 738	12 927
Apr	A	-7 911	-10 992	-99	-3 081	-11	1 096	-7 055	-876	2	3 752	-3 054	-2 388	-666	-26	-6 832
May	A	-8 091	12 496	-1	20 587	7	1 800	18 563	-	1 903	-1 680	12 571	13 003	-433	8 016	22 266
Jun	A	-7 181	2 424	-1	9 605	-1 550	-1 338	8 746	-	869	1 328	18 316	10 367	7 949	-8 711	8 277
Jul	A	-5 134	-9 465	135	-4 331	2	3 485	-7 735	-	32	-114	-10 067	-4 334	-5 733	5 736	-4 218
Aug	A	-2 449	-5 570	-134	-3 121	2	-2 850	6 095	-	949	-7 315	-3 386	-1 702	-1 684	265	4 194

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).

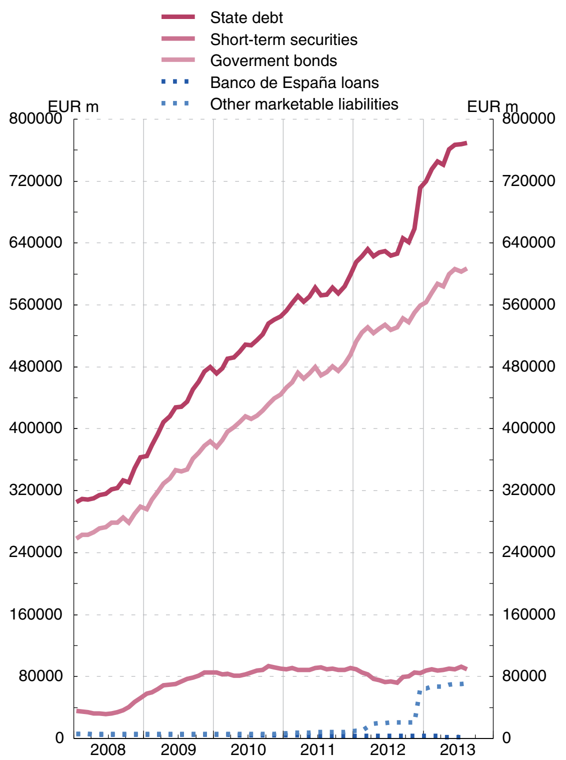
6.3. STATE. LIABILITIES OUTSTANDING ACCORDING TO THE METHODOLOGY OF EXCESSIVE DEFICIT PROCEDURE. SPAIN

■ Series depicted in chart.

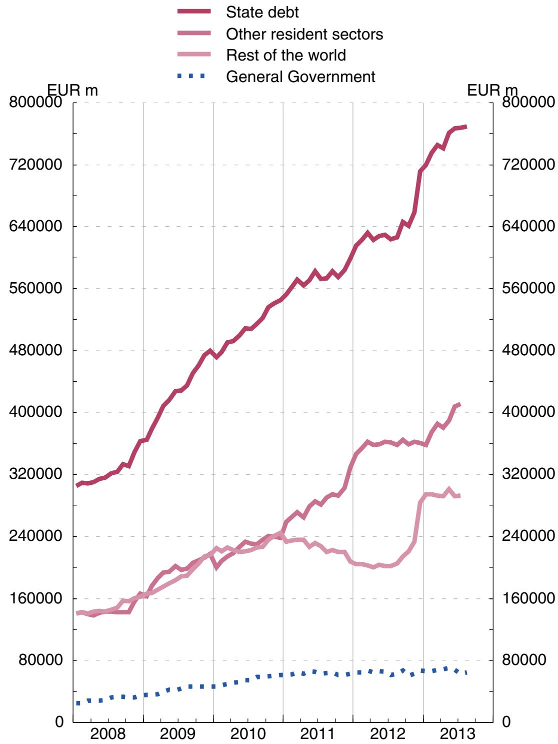
EUR millions

	Liabilities outstanding according to the methodology of the Excessive Deficit Procedure (PDE)										Memorandum item:				
	Total	Of which: In currencies other than euro	By insturments: Short-term securities	By insturments: Government bonds and assumed debt	By insturments: Banco de España loans	By insturments: Other marketable liabilities (a)	By counterpart sector: Held by resident sectors: Total	By counterpart sector: Held by resident sectors: General Government	By counterpart sector: Held by resident sectors: Other resident sectors	By counterpart sector: Rest of the world	Deposits at the Banco de España	Other deposits: Treasury liquidity tenders (b)	Guarantees given (outstanding balance): Total	Guarantees given: Of which: Granted to other General Government units n	Guarantees given: Of which: to FEEF (c)
	1 ■	2	3 ■	4 ■	5 ■	6 ■	7	8 ■	9 ■	10 ■	11	12	13	14	15
08	362 890	63	52 074	299 558	5 249	6 008	201 112	34 511	166 601	161 779	4 502	21 403	8 152	-	-
09	479 541	68	85 513	383 864	4 665	5 498	263 300	46 105	217 195	216 240	305	24 486	58 854	3 000	-
10	544 790	0	89 756	444 308	4 082	6 644	299 648	61 170	238 478	245 142	300	28 598	73 560	6 000	-
11	P 599 037	0	90 608	495 662	3 499	9 269	391 417	62 613	328 804	207 620	225	30 391	99 748	23 851	2 993
12 *Aug*	P 626 390	0	71 988	530 879	2 915	20 608	421 514	63 007	358 506	204 876	100	18 935	132 361	24 060	29 145
Sep	P 645 821	0	79 364	542 990	2 915	20 553	431 293	66 878	364 415	214 529	100	36 604	130 906	24 060	28 821
Oct	P 640 932	0	79 858	537 618	2 915	20 541	419 926	60 733	359 194	221 006	100	29 219	130 293	24 060	30 047
Nov	P 658 683	0	85 085	550 152	2 915	20 531	425 411	63 139	362 272	233 272	4 499	35 511	130 544	24 443	30 829
Dec	P 711 495	0	84 613	559 327	2 915	64 640	427 748	67 328	360 420	283 748	2 500	32 500	174 312	26 608	36 966
13 *Jan*	A 719 249	0	87 946	563 501	2 915	64 887	424 431	65 857	358 574	294 818	591	28 466	174 639	27 608	36 294
Feb	A 735 101	0	89 408	575 576	2 915	67 202	440 835	66 431	374 404	294 267	100	43 814	182 305	28 014	31 737
Mar	A 745 455	0	87 693	587 679	2 915	67 168	452 944	67 818	385 126	292 511	200	47 642	176 356	29 597	29 269
Apr	A 741 521	0	88 702	583 705	1 943	67 170	449 133	68 574	380 559	292 388	100	38 249	176 204	29 672	30 831
May	A 760 768	0	90 396	599 355	1 943	69 073	459 403	69 899	389 504	301 365	100	47 800	170 954	31 720	30 861
Jun	A 766 985	0	89 000	606 099	1 943	69 942	475 004	67 465	407 540	291 980	99	39 360	171 133	31 720	31 996
Jul	A 767 367	0	92 423	603 026	1 943	69 974	474 552	63 275	411 277	292 815	234	38 173	170 305	31 720	33 021
Aug	A 769 240	0	89 504	606 869	1 943	70 923	...	64 928	...	...	99	31 301	170 944	31 720	33 840

STATE. LIABILITIES OUTSTANDING
By instrument



STATE. LIABILITIES OUTSTANDING
By counterpart sector



SOURCE: BE.

a. Includes loans from European Stability Mechanism (ESM), other loans, non-negotiable securities and coined money.
b. Includes the liquidity tenders of the Treasury
c. European Financial Stability Facility.

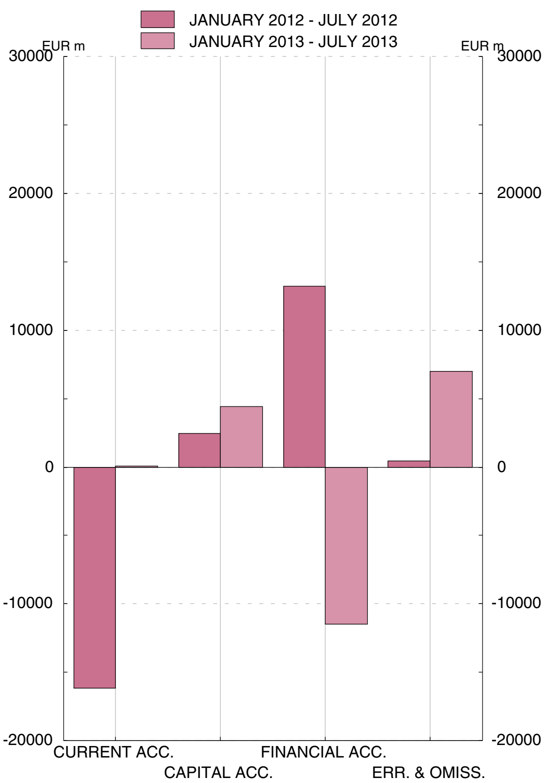
7.1. SPANISH BALANCE OF PAYMENTS VIS-à-VIS OTHER EURO AREA RESIDENTS AND THE REST OF THE WORLD. CURRENT ACCOUNT

■ Series depicted in chart.

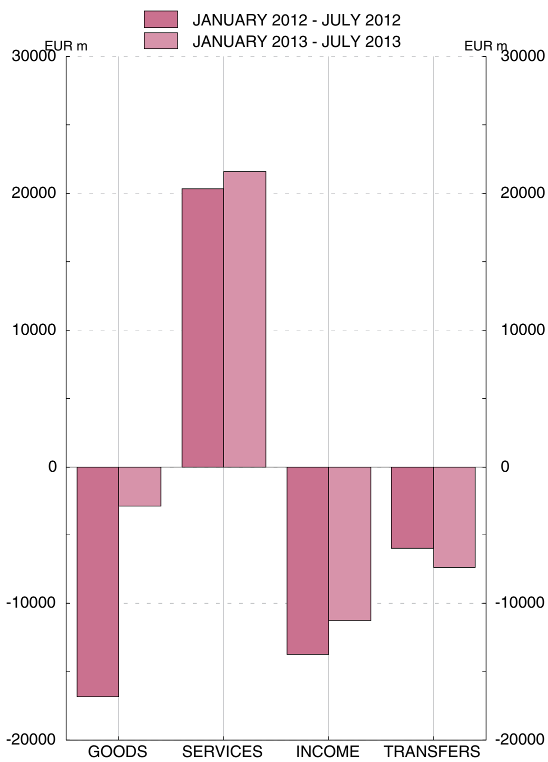
EUR millions

		Current account (a): Total (balance)	Goods: Balance	Goods: Receipts	Goods: Payments	Services: Balance	Services: Receipts: Total	Services: Receipts: Of which Travel	Services: Payments: Total	Services: Payments: Of which Travel	Income: Balance	Income: Receipts	Income: Pay-ments	Current trans-fers (bal-ance)	Capital account (bal-ance)	Current account plus capital account	Financial account (balance) (b)	Errors and omis-sion
		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) ■
10		-46 963	-48 173	193 989	242 161	28 040	94 149	39 621	66 109	12 663	-19 933	46 373	66 306	-6 897	6 289	-40 674	43 329	-2 655
11	P	-39 787	-42 331	221 644	263 975	34 630	103 068	43 026	68 437	12 349	-25 712	43 209	68 921	-6 374	5 471	-34 316	28 681	5 635
12	P	-11 519	-25 670	231 008	256 677	36 983	107 194	43 521	70 211	11 911	-18 716	37 124	55 839	-4 117	6 589	-4 930	-823	5 754
12 *J-J*	P	-16 149	-16 830	133 833	150 663	20 344	60 468	24 002	40 124	6 349	-13 721	21 636	35 357	-5 942	2 475	-13 673	13 241	432
13 *J-J*	P	82	-2 882	143 104	145 986	21 599	61 431	24 646	39 832	6 283	-11 264	18 353	29 616	-7 371	4 405	4 488	-11 507	7 019
12 *Apr*	P	-1 550	-2 941	17 577	20 519	2 589	7 880	2 746	5 292	838	-923	3 019	3 942	-275	314	-1 237	1 925	-688
May	P	-625	-1 424	19 893	21 318	2 900	8 288	3 568	5 388	679	-1 439	3 898	5 337	-662	700	75	1 706	-1 780
Jun	P	-981	-2 226	19 713	21 939	3 898	10 057	4 404	6 159	1 123	-2 340	3 472	5 811	-313	705	-275	118	158
Jul	P	829	-1 181	20 219	21 400	5 158	11 915	5 641	6 756	1 236	-2 736	2 787	5 523	-413	82	911	1 575	-2 486
Aug	P	850	-2 691	17 119	19 810	5 223	10 955	5 848	5 733	1 305	-838	2 363	3 201	-844	639	1 488	83	-1 571
Sep	P	-402	-2 642	18 915	21 557	4 124	9 977	4 851	5 853	1 209	-878	3 002	3 880	-1 006	796	394	-4 158	3 764
Oct	P	423	-1 087	21 588	22 675	3 627	9 694	4 097	6 067	1 104	-1 589	2 337	3 926	-528	1 024	1 447	-1 862	416
Nov	P	1 016	-897	20 476	21 373	1 885	7 767	2 581	5 882	1 058	-1 874	2 219	4 093	1 901	901	1 917	326	-2 243
Dec	P	2 744	-1 523	19 077	20 600	1 780	8 333	2 142	6 553	886	185	5 567	5 383	2 302	753	3 497	-8 453	4 956
13 *Jan*	P	-3 262	-2 838	18 270	21 108	2 303	7 948	2 648	5 645	743	-1 730	2 553	4 283	-997	285	-2 977	2 233	744
Feb	P	-2 258	-529	18 834	19 363	1 922	7 347	2 276	5 426	819	-1 471	2 322	3 793	-2 179	744	-1 514	4 117	-2 603
Mar	P	838	875	21 222	20 347	2 203	7 614	2 870	5 411	822	-1 585	2 301	3 886	-655	348	1 186	-3 917	2 730
Apr	P	-1 230	-957	20 918	21 875	2 102	8 115	2 708	6 013	734	-1 374	2 677	4 051	-1 001	952	-278	-2 376	2 654
May	P	2 232	640	21 522	20 883	3 412	8 859	3 778	5 447	694	-942	3 073	4 015	-877	1 381	3 614	-6 849	3 235
Jun	P	2 136	91	22 107	22 016	4 147	9 856	4 567	5 709	1 160	-1 522	2 923	4 444	-581	195	2 331	-2 219	-112
Jul	P	1 625	-165	20 230	20 395	5 510	11 692	5 799	6 182	1 312	-2 641	2 503	5 144	-1 080	500	2 125	-2 496	370

SUMMARY



CURRENT ACCOUNT



Sources: 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).

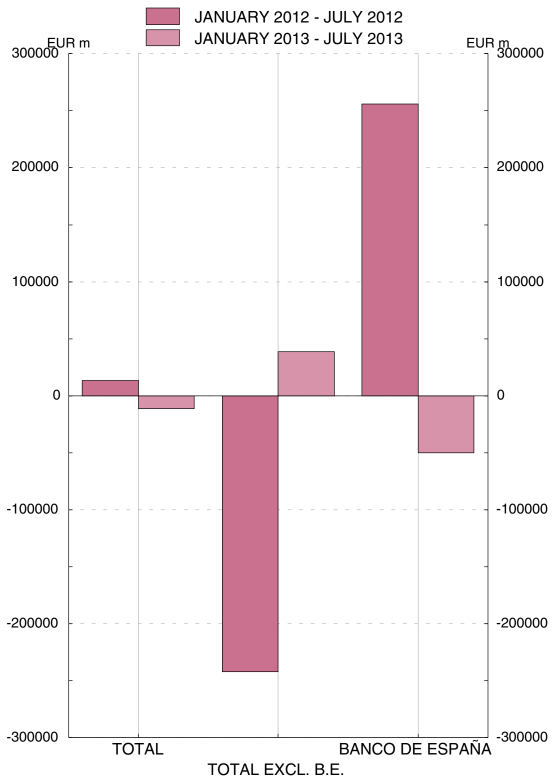
7.2. SPANISH BALANCE OF PAYMENTS VIS-à-VIS OTHER EURO AREA RESIDENTS AND THE REST OF THE WORLD. FINANCIAL ACCOUNT (a)

■ Series depicted in chart.

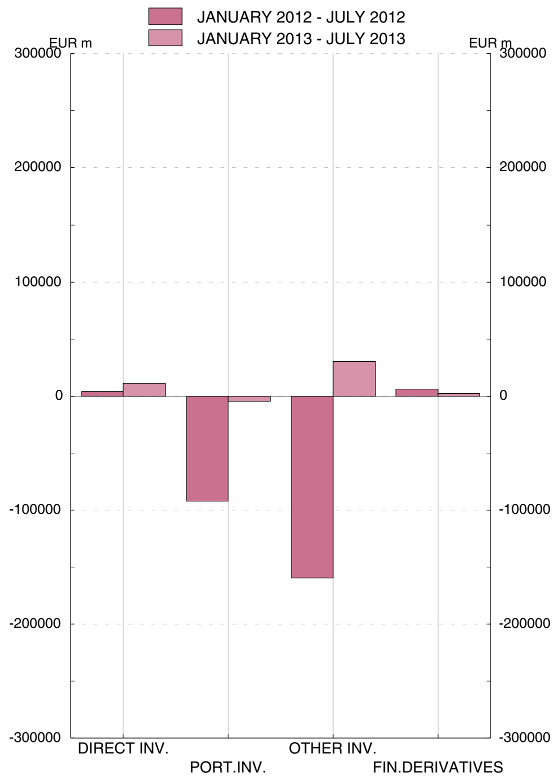
EUR millions

		Financial account	Total, excluding Banco de España											Banco de España			
			Total	Direct investment			Portfolio investment			Other investment (d)			Net financial derivatives (NCL-NCA)	Balance (NCL-NCA)	Reserves (e)	Net claims with the Eurosystem (e)	Other net assets (NCL-NCA)
		(NCL-NCA)	(NCL-NCA)	Balance (NCL-NCA)	Spanish investment abroad (NCA)	Foreign investment in Spain (NCL) (b)	Balance (NCL-NCA)	Spanish investment abroad (NCA)	Foreign investment in Spain (NCL) (c)	Balance (NCL-NCA)	Spanish investment abroad (NCA)	Foreign investment in Spain (NCL)					
		1=2+13 ■	2=3+6+9+12 ■	3=5-4 ■	4	5	6=8-7 ■	7	8	9=11-10 ■	10	11	12 ■	13=14+15+16 ■	14	15	16
10		43 329	27 633	1 532	28 574	30 106	28 727	-64 694	-35 967	-11 232	17 627	6 395	8 605	15 696	-814	9 788	6 722
11	P	28 681	-80 459	-7 022	26 313	19 290	-27 547	-42 419	-69 966	-43 923	35 660	-8 264	-1 967	109 141	-10 022	124 056	-4 893
12	P	-823	-174 339	24 231	-3 175	21 055	-55 839	3 346	-52 493	-151 045	45 690	105 354	8 314	173 516	-2 211	162 366	13 361
12 *J-J*	P	13 241	-242 428	3 587	3 992	7 579	-92 507	-12 840	-105 347	-159 513	55 286	104 227	6 005	255 669	-2 083	248 294	9 459
13 *J-J*	P	-11 507	38 633	11 272	5 891	17 163	-4 947	-10 240	-15 187	30 213	-33 947	-3 734	2 095	-50 140	-309	-55 921	6 090
12 *Apr*	P	1 925	-27 065	1 841	1 372	3 213	-21 987	-4 232	-26 220	-5 834	3 272	-2 562	-1 083	28 990	-152	26 807	2 334
May	P	1 706	-40 345	-1 420	1 628	207	-10 017	-2 624	-12 640	-29 193	17 260	-11 932	285	42 051	-243	42 265	29
Jun	P	118	-60 059	-2 975	2 550	-425	-14 639	-2 122	-16 761	-42 846	17 123	-25 723	400	60 177	-3 502	63 314	364
Jul	P	1 575	-17 304	-681	75	-606	-6 013	-6 663	-12 675	-14 232	-9 271	-23 503	3 621	18 879	2 025	14 853	2 001
Aug	P	83	-11 681	-425	2 265	1 840	-215	545	329	-11 569	-7 935	-19 504	528	11 764	-122	11 155	731
Sep	P	-4 158	29 752	4 085	-3 838	246	10 387	-1 287	9 099	14 706	-7 939	6 767	575	-33 911	-14	-34 287	390
Oct	P	-1 862	16 138	3 015	2 301	5 316	17 733	-7 767	9 966	-5 329	2 634	-2 695	719	-18 000	2	-19 704	1 702
Nov	P	326	14 939	6 967	-4 023	2 943	32 174	-13 057	19 117	-24 979	2 492	-22 487	777	-14 612	-13	-14 388	-211
Dec	P	-8 453	18 941	7 003	-3 871	3 131	-23 410	37 753	14 342	35 639	1 153	36 792	-290	-27 395	18	-28 704	1 291
13 *Jan*	P	2 233	30 301	2 628	1 180	3 808	11 148	-1 559	9 590	16 116	-3 237	12 880	408	-28 068	-934	-27 930	796
Feb	P	4 117	15 545	2 905	-1 111	1 794	1 279	43	1 322	11 802	1 860	13 661	-440	-11 428	-8	-12 286	866
Mar	P	-3 917	-4 645	-1 123	5 514	4 392	-11 953	224	-11 729	8 362	7 281	15 643	68	729	155	-226	799
Apr	P	-2 376	4 112	3 758	-2 134	1 624	-3 429	-2 751	-6 180	2 843	-1 913	930	940	-6 488	136	-7 781	1 156
May	P	-6 849	-3 551	863	249	1 112	3 640	419	4 059	-7 376	-699	-8 075	-679	-3 298	163	-4 220	759
Jun	P	-2 219	-265	421	2 050	2 472	-11 025	-1 235	-12 259	9 264	-4 288	4 976	1 075	-1 954	81	-2 302	267
Jul	P	-2 496	-2 864	1 819	143	1 962	5 392	-5 382	11	-10 799	-32 951	-43 750	723	368	98	-1 175	1 446

FINANCIAL ACCOUNT
(NCL-NCA)



FINANCIAL ACCOUNT, EXCLUDING BANCO DE ESPAÑA. Breakdown.
(NCL-NCA)



Sources: 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.

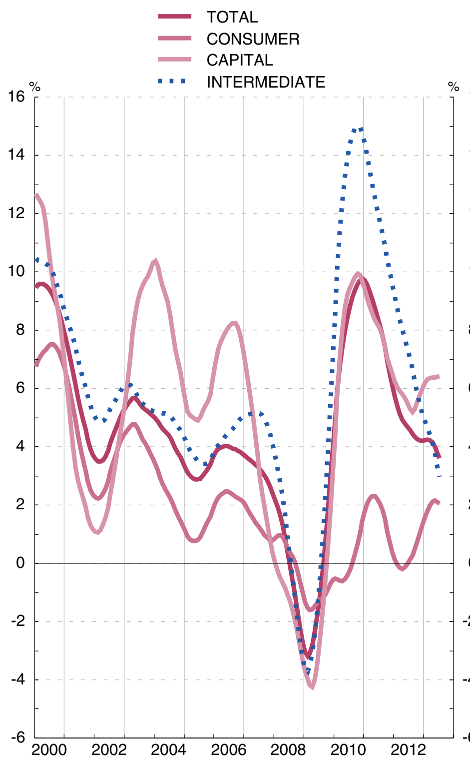
7.3. SPANISH FOREIGN TRADE WITH OTHER EURO AREA COUNTRIES AND WITH THE REST OF THE WORLD EXPORTS AND DISPATCHES

■ Series depicted in chart.

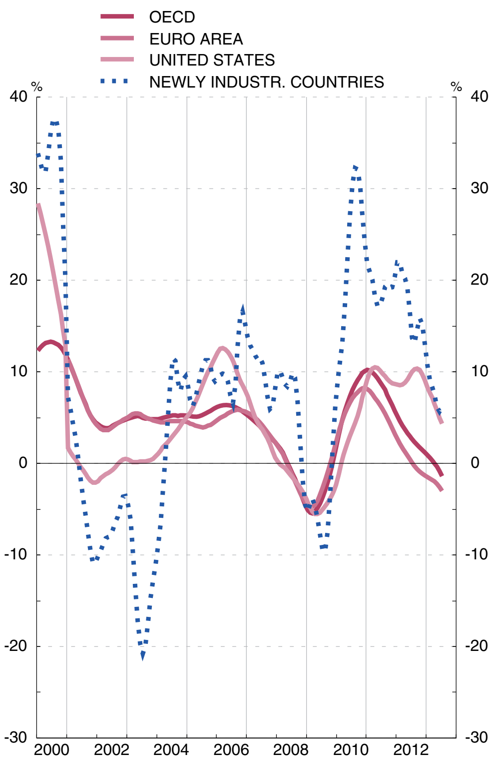
Eur millions and annual percentage changes

		Total			By product (deflated data) (a)					By geographical area (nominal data)							
							Intermediate			EU 27		OECD					
													of which:				
		EUR millions	Nom-inal	De-flated (a)	Con-sumer	Capital	Total	Energy	Non-energy	Total	Euro Area	Total	United States	OPEC	Other Amer-ican coun-tries	China	Newly industri-alised coun-tries
		1	2	3 ■	4 ■	5 ■	6 ■	7	8	9	10 ■	11 ■	12 ■	13	14	15	16 ■
05		155 005	5.5	0.8	-0.8	5.5	1.4	-8.7	2.2	2.6	2.3	4.3	10.2	9.1	11.8	31.4	14.5
06		170 439	10.0	5.2	2.9	12.7	5.6	-3.7	6.2	8.1	7.8	8.4	17.7	6.0	34.5	12.8	16.5
07		185 023	8.6	5.8	3.0	4.4	8.1	6.6	8.1	8.0	8.4	7.1	-1.1	22.3	-12.5	23.5	-0.8
08		189 228	2.3	0.7	2.4	-5.6	0.6	19.0	-0.6	-0.1	-0.5	-0.4	1.4	30.1	1.0	1.2	4.2
09		159 890	-15.5	-9.4	-3.4	-14.1	-12.8	-19.9	-12.2	-15.5	-13.2	-15.1	-24.4	-11.4	-17.9	-7.7	8.5
10		186 780	16.8	15.0	-3.4	22.4	28.6	15.4	29.6	14.3	13.6	15.2	15.5	9.6	35.7	34.1	27.0
11		215 230	15.2	10.0	6.8	17.9	10.7	12.1	11.4	12.7	9.5	13.6	20.0	26.2	18.8	27.2	1.3
12	P	222 644	3.9	1.8	-2.7	-6.4	5.5	12.1	5.7	-1.1	-2.4	0.8	15.7	27.3	18.9	11.4	28.9
12 *Jun*	P	18 869	5.1	4.5	-3.2	3.1	9.4	12.6	9.2	-1.1	-3.6	-0.4	11.5	45.0	41.1	5.3	12.5
Jul	P	19 600	5.2	5.3	5.2	-10.7	8.0	25.5	6.8	-2.2	0.7	2.5	30.6	23.0	21.3	32.5	3.4
Aug	P	16 587	7.4	5.2	-2.5	-13.4	11.2	3.2	11.8	-1.5	-0.2	4.7	26.7	23.3	26.1	6.7	-0.2
Sep	P	17 866	0.5	-2.8	-13.8	-20.9	6.1	16.1	5.4	-4.0	-5.7	-2.4	24.9	33.8	12.4	-14.2	15.0
Oct	P	21 078	8.7	8.6	7.1	12.7	8.8	-30.6	14.2	-3.3	-6.3	2.8	59.4	54.2	41.7	24.2	35.7
Nov	P	19 750	-0.6	-2.7	-2.5	3.4	-3.6	-44.5	1.5	-5.5	-10.1	-3.0	26.8	13.3	7.1	2.0	16.8
Dec	P	17 789	4.6	0.2	5.2	4.7	-3.2	37.3	-5.7	3.8	1.2	5.6	12.3	-13.3	14.8	18.8	68.6
13 *Jan*	P	17 882	7.9	5.3	5.3	17.6	3.7	-1.0	4.0	3.7	1.9	3.4	6.2	83.2	20.0	15.2	1.5
Feb	P	18 414	2.4	4.9	0.3	16.0	6.1	-31.4	9.1	-0.6	-1.7	-1.8	-9.1	37.0	22.9	25.8	11.3
Mar	P	20 289	2.0	5.5	0.2	5.4	8.5	3.7	8.9	-8.1	-8.9	-6.9	13.9	41.1	16.3	2.3	-36.1
Apr	P	20 398	18.6	16.3	18.6	42.1	11.3	26.5	10.4	13.2	11.6	16.2	23.9	8.3	36.7	32.1	28.2
May	P	20 891	7.3	7.7	11.0	4.7	6.5	47.1	3.9	6.3	4.7	6.7	18.7	-1.1	24.5	12.9	-5.6
Jun	P	20 848	10.5	7.5	5.0	4.9	9.2	41.3	7.1	15.4	13.0	12.7	-16.0	14.8	15.9	-3.4	-5.2
Jul	P	19 861	1.3	-0.1	0.9	7.7	-1.6	-15.3	-0.5	-2.8	-4.7	-2.0	-11.2	30.5	30.0	-5.8	24.4

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, MHAP y BE.
Note: The underlying series for this indicator are in Tables 18.4 and 18.5 of the Boletín estadístico.
The monthly series are provisional data, while the annual series are the final foreign trade data.
a. Series deflated by unit value indices.

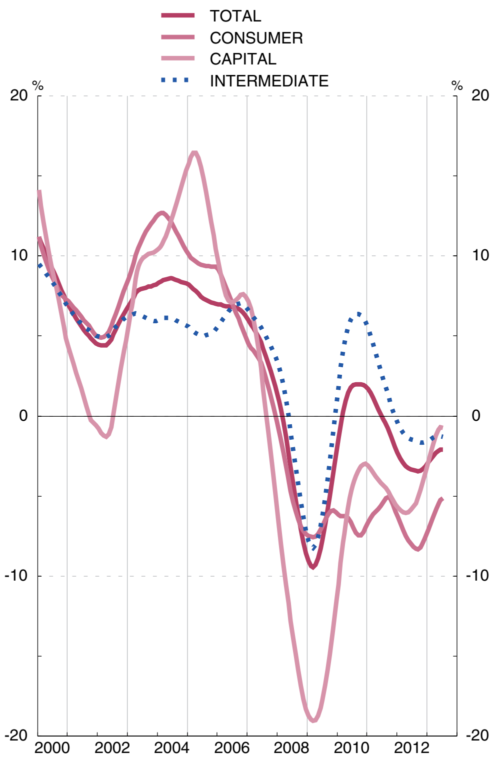
7.4. SPANISH FOREIGN TRADE WITH OTHER EURO AREA COUNTRIES AND WITH THE REST OF THE WORLD IMPORTS AND ARRIVALS

■ Series depicted in chart.

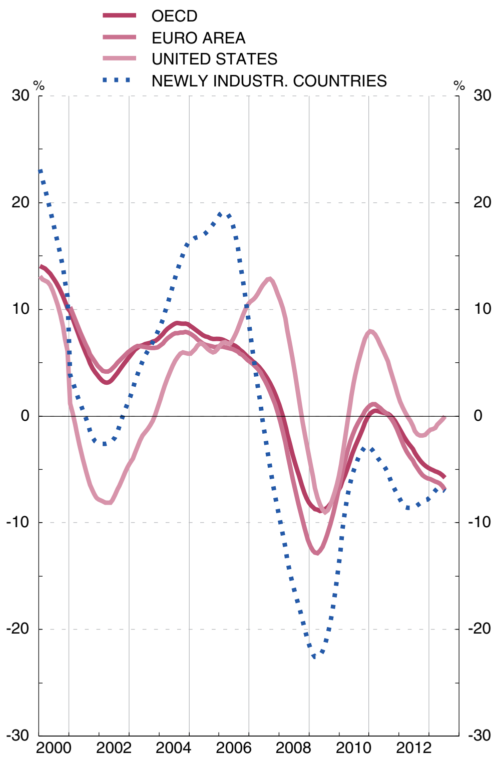
Eur millions and annual percentage changes

		Total			By product (deflated data) (a)					By geographical area (nominal data)							
							Intermediate			EU 27		OECD					
		EUR millions	Nom- inal	De- flated (a)	Con- sumer	Capital	Total	Energy	Non- energy	Total	Euro Area	Total	of which: United States	OPEC	Other Amer- ican coun- tries	China	Newly industri- alised coun- tries
		1	2	3 ■	4 ■	5 ■	6 ■	7	8	9	10 ■	11 ■	12 ■	13	14	15	16 ■
05		232 954	11.8	6.4	8.4	17.6	3.3	11.1	1.1	5.6	5.3	6.2	-0.1	40.8	29.3	37.3	11.2
06		262 687	12.8	8.5	7.3	2.5	10.2	6.1	11.5	8.4	8.0	8.8	14.7	25.3	24.1	22.7	28.6
07		285 038	8.5	7.6	5.8	10.8	7.8	4.0	8.9	10.5	11.0	9.7	16.4	-6.3	-6.8	28.7	-3.7
08		283 388	-0.6	-4.5	-6.4	-14.3	-1.9	5.8	-3.9	-8.2	-8.8	-7.3	12.9	37.4	16.6	10.8	-16.1
09		206 116	-27.3	-17.5	-12.1	-31.4	-17.5	-9.9	-20.0	-23.8	-25.6	-24.6	-25.1	-38.6	-31.1	-29.5	-31.6
10		240 056	16.5	11.3	-4.1	9.0	19.0	3.3	24.5	9.8	7.5	10.5	14.2	36.0	44.8	30.8	7.1
11		263 141	9.6	1.1	-3.0	-4.6	3.2	1.8	3.6	5.9	6.7	6.6	12.6	20.1	21.0	-1.1	-2.8
12	P	253 401	-2.8	-7.1	-11.1	-10.7	-5.5	1.3	-7.1	-7.3	-7.9	-5.8	-7.1	15.8	13.6	-5.2	-11.4
12 *Jun*	P	21 569	-1.4	-5.8	-11.2	-5.6	-4.2	0.9	-5.6	-1.7	-0.4	-1.4	-6.4	39.2	19.7	-6.7	-14.7
Jul	P	21 293	5.0	4.0	-0.8	-4.3	6.2	8.5	5.5	2.2	0.8	3.1	-5.2	7.5	17.1	6.6	-4.7
Aug	P	19 732	-3.1	-8.4	-16.0	-17.9	-4.6	9.3	-9.2	-9.7	-10.6	-9.0	-29.0	32.1	16.7	-13.7	-24.3
Sep	P	20 951	-7.4	-12.2	-18.8	-22.9	-8.8	-4.9	-10.1	-9.5	-9.9	-9.3	-9.6	7.7	-2.6	-12.3	0.2
Oct	P	22 570	-2.0	-6.3	-26.0	1.4	2.3	11.1	-0.1	-13.3	-15.5	-9.7	-2.1	39.3	-9.9	-0.9	9.4
Nov	P	21 157	-6.1	-4.9	-7.2	-12.4	-3.1	-2.6	-3.3	-9.0	-8.6	-7.7	-23.2	-0.3	-9.8	-7.2	-13.8
Dec	P	19 083	-11.5	-13.6	-4.8	-2.1	-17.5	-14.1	-18.7	-13.4	-13.3	-13.7	2.7	-8.9	-44.2	-3.2	-25.7
13 *Jan*	P	21 380	5.7	6.7	-4.9	0.4	10.9	18.2	8.6	-0.6	1.4	2.8	29.4	0.5	-3.7	-5.3	-4.2
Feb	P	19 598	-9.8	-6.3	-10.6	0.7	-5.6	-13.0	-3.2	-9.7	-8.8	-10.1	-16.8	-6.3	-38.8	-7.9	-16.4
Mar	P	19 654	-15.0	-10.6	-18.4	-7.0	-8.3	-9.3	-7.9	-11.8	-12.3	-12.1	-16.2	-10.4	-47.0	2.2	-16.9
Apr	P	22 041	7.2	14.8	10.7	24.1	15.1	15.0	15.2	6.5	7.3	6.6	14.2	9.1	-14.3	-1.8	36.0
May	P	20 918	-2.2	3.9	1.2	14.8	3.7	19.9	-0.5	-1.1	0.3	-3.7	-5.8	26.4	-24.2	-5.8	0.8
Jun	P	20 955	-2.8	-0.0	5.9	22.0	-3.5	-6.5	-2.6	2.4	1.6	3.1	-10.3	-17.5	-28.0	-12.9	-0.7
Jul	P	20 647	-3.0	-0.7	0.1	9.7	-1.8	3.8	-3.4	-3.7	-5.5	-3.2	-1.3	-3.5	-11.9	-2.0	-2.0

BY PRODUCTS
Annual percentage changes (trend obtained with TRAMO SEATS method)



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



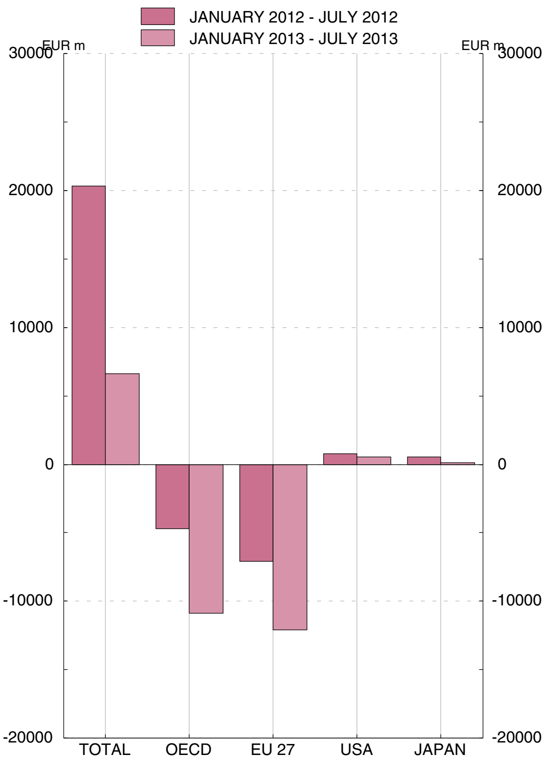
Sources: ME, MHAP y BE.
Note: The underlying series for this indicator are in Tables 18.2 and 18.3 of the Boletín estadístico.
The monthly series are provisional data, while the annual series are the final foreign trade data.
a. Series deflated by unit value indices .

7.5. SPANISH FOREIGN TRADE WITH OTHER EURO AREA COUNTRIES AND WITH THE REST OF THE WORLD. TRADE BALANCE. GEOGRAPHICAL DISTRIBUTION

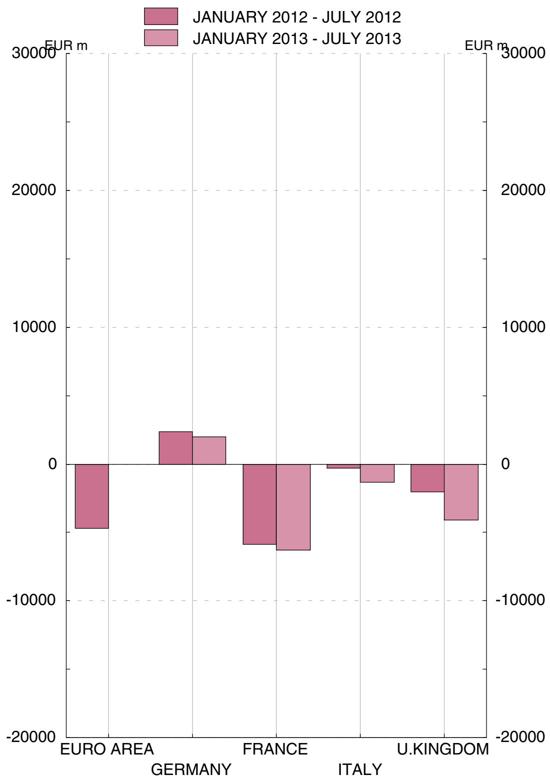
EUR millions

		World total	European Union (EU 27)							OECD			OPEC	Other American coun-tries	China	Newly indus-trialised countries
			Total	Euro area				Other EU 27		Total	Of which:					
				Total	Of which:			Total	Of which:		United States	Japan				
					Germany	France	Italy		United Kingdom							
		1	2=3+7	3	4	5	6	7	8	9	10	11	12	13	14	15
06		-92 249	-33 547	-32 156	-18 689	-1 625	-7 184	-1 391	294	-45 995	-1 062	-4 652	-17 031	-3 316	-12 647	-4 564
07		-100 015	-40 176	-38 109	-23 752	-214	-8 375	-2 067	133	-54 211	-2 555	-4 779	-14 682	-3 477	-16 366	-4 347
08		-94 160	-26 262	-26 207	-19 612	3 019	-6 608	-55	356	-39 729	-3 739	-3 663	-20 561	-4 971	-18 340	-3 296
09		-46 227	-9 068	-6 767	-9 980	6 787	-1 847	-2 301	187	-15 709	-2 742	-1 958	-10 701	-2 641	-12 471	-1 532
10		-53 276	-4 960	-2 211	-8 598	7 904	-477	-2 749	597	-11 261	-3 058	-2 054	-16 216	-4 267	-16 253	-1 252
11		-47 910	3 405	1 029	-8 984	8 590	219	2 376	2 955	-1 751	-2 956	-1 389	-19 066	-5 312	-15 317	-1 116
12	P	-30 757	12 571	7 723	-3 821	9 472	914	4 848	3 828	10 636	-754	-855	-21 068	-5 185	-13 866	111
12 *Jun*	P	-2 700	655	186	-276	687	50	469	332	521	33	-37	-2 106	-325	-1 155	-8
Jul	P	-1 693	1 524	1 163	-240	888	82	361	337	1 458	17	-2	-1 705	-405	-1 243	-31
Aug	P	-3 145	558	358	-296	466	210	200	176	1 245	179	-37	-2 158	-397	-1 323	-3
Sep	P	-3 085	486	239	-492	695	80	247	253	512	-39	-62	-1 780	-374	-1 291	12
Oct	P	-1 492	1 223	603	-290	754	63	621	425	1 492	67	-21	-1 762	-164	-1 186	32
Nov	P	-1 407	1 967	1 286	-123	985	244	681	410	1 593	-82	-149	-1 560	-379	-1 057	28
Dec	P	-1 294	1 273	553	-277	712	31	720	547	1 103	-83	-51	-1 413	15	-983	144
13 *Jan*	P	-3 499	1 368	639	-274	674	108	729	490	715	-252	-69	-1 685	-432	-1 268	-46
Feb	P	-1 184	1 480	938	-233	658	278	543	607	1 125	-139	-10	-1 401	55	-1 030	92
Mar	P	635	1 750	1 224	-187	873	234	526	378	1 932	98	-46	-1 192	-117	-894	-28
Apr	P	-1 642	1 565	961	-298	1 128	200	604	482	1 413	-151	-11	-1 808	16	-892	-75
May	P	-27	2 189	1 339	-314	962	218	850	804	2 204	-9	-58	-1 578	32	-1 006	-55
Jun	P	-107	2 174	1 228	-335	1 193	53	946	905	1 881	-21	4	-1 406	177	-975	-19
Jul	P	-787	1 577	1 174	-348	810	220	403	419	1 587	-70	58	-1 328	1	-1 232	33

CUMULATIVE TRADE DEFICIT



CUMULATIVE TRADE DEFICIT



Source: MHAP.
Note: The underlying series for this indicator are in Tables 18.3 and 18.5 of the Boletín Estadístico.
The monthly series are provisional data, while the annual series are the final foreign trade data.

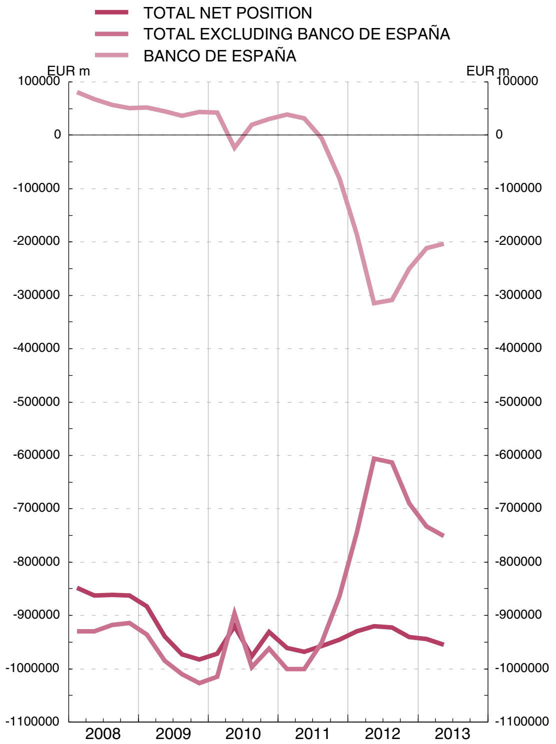
7.6. SPANISH INTERNATIONAL INVESTMENT POSITION VIS-à-VIS OTHER EURO AREA RESIDENTS AND THE REST OF THE WORLD SUMMARY

■ Series depicted in chart.

End-of-period stocks in EUR billions

	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			Financial derivatives Net position (assets-liabil.)	Banco de España Net position (assets-liabil.)	Reserves	Net assets vis-à-vis the Euro-system	Other net assets (assets-liabil.) (a)
			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+13 ■	2=3+6+9+12 ■	3=4-5 ■	4	5	6=7-8 ■	7	8	9=10-11 ■	10	11	12	13=14 to 16 ■	14	15	16
05	-505.5	-577.2	-67.1	258.9	326.0	-273.6	454.7	728.4	-236.5	268.2	504.7	...	71.7	14.6	17.1	40.1
06	-648.2	-743.9	-19.3	331.1	350.4	-508.9	455.7	964.6	-206.1	324.9	530.9	-9.6	95.7	14.7	29.4	51.6
07	-822.8	-901.7	-2.6	395.4	398.0	-648.5	438.4	1 086.9	-231.8	379.5	611.3	-18.8	78.9	12.9	1.1	64.9
08	-863.1	-914.0	1.3	424.4	423.2	-603.7	354.2	958.0	-305.1	386.6	691.8	-6.4	50.9	14.5	-30.6	67.0
09	-982.2	-1 026.3	-4.5	434.4	438.9	-693.7	374.3	1 068.1	-327.1	369.6	696.8	-1.0	44.1	19.6	-36.4	60.9
10 *Q2*	-920.1	-896.8	11.8	461.8	450.1	-601.6	352.3	953.9	-318.8	368.7	687.5	12.0	-23.4	24.4	-100.8	53.1
Q3	-977.1	-997.2	14.4	469.8	455.4	-659.4	333.7	993.1	-356.4	352.1	708.5	4.3	20.2	22.6	-54.3	51.9
Q4	-931.5	-961.8	18.6	488.9	470.2	-634.5	311.7	946.2	-348.6	370.5	719.1	2.7	30.3	23.9	-46.1	52.5
11 *Q1*	-961.2	-1 000.7	8.9	486.8	477.9	-665.9	301.7	967.6	-342.1	377.0	719.1	-1.5	39.5	23.2	-35.2	51.5
Q2	-968.0	-1 000.2	22.6	491.1	468.5	-642.6	293.3	935.9	-379.9	379.8	759.8	-0.3	32.2	23.5	-40.6	49.3
Q3	-957.0	-951.8	23.3	488.4	465.0	-613.0	274.8	887.8	-369.8	385.2	754.9	7.6	-5.2	27.6	-83.8	51.1
Q4	-944.8	-863.8	30.7	507.6	476.9	-584.3	258.0	842.3	-316.1	395.1	711.1	5.9	-81.0	36.4	-170.2	52.8
12 *Q1*	-929.9	-745.1	31.8	506.5	474.7	-519.9	270.1	790.0	-259.9	412.4	672.4	2.9	-184.8	36.0	-271.2	50.5
Q2	-920.4	-605.5	26.9	505.5	478.7	-438.6	254.5	693.2	-198.4	440.9	639.2	4.6	-314.9	41.4	-403.6	47.3
Q3	-922.1	-612.8	28.7	493.9	465.2	-463.8	254.0	717.8	-180.6	417.7	598.3	2.8	-309.3	40.2	-395.4	45.9
Q4	-940.9	-690.6	6.0	481.8	475.8	-515.5	274.7	790.2	-183.2	421.4	604.6	2.1	-250.3	38.3	-332.6	43.9
13 *Q1*	-943.7	-732.6	12.2	497.5	485.3	-524.1	281.1	805.2	-222.7	420.0	642.7	2.0	-211.1	39.7	-292.1	41.4
Q2	-955.1	-751.5	-12.3	477.1	489.4	-517.9	280.2	798.2	-223.6	413.9	637.5	2.3	-203.6	35.4	-277.8	38.8

INTERNATIONAL INVESTMENT POSITION



COMPONENTS OF THE POSITION

Source: BE.

Note: As from December 2002, portfolio investment data have been calculated using a new information system (see Banco de España Circular 2/2001 and note on changes introduced in the economic indicators). The incorporation of the new data under the heading 'shares and mutual funds' of other resident sectors entails a very significant break in the time series, both in the financial assets and the liabilities, so that the series have been revised back to 1992. This methodological change introduced by the new system also affects the rest of the headings, to some extent, but the effect does not justify a complete revision of the series.

a. See note b to table 17.21 of the Boletín Estadístico.

7.7. SPANISH INTERNATIONAL INVESTMENT POSITION VIS-à-VIS OTHER EURO AREA RESIDENTES AND THE REST OF THE WORLD BREAKDOWN BY INVESTMENT

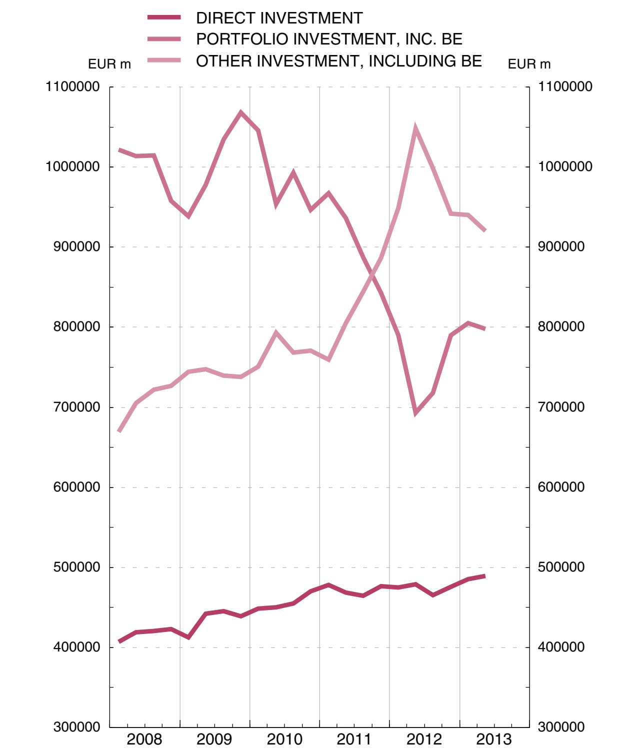
■ Series depicted in chart.

End-of-period stocks in EUR millions

	Direct investment				Portfolio investment, including Banco de España				Other investment, including Banco de España		Financial derivatives including BE	
	Spanish investment abroad		Foreign investment in Spain		Spanish investment abroad		Foreign investment in Spain		Spanish investment abroad	Foreign investment in Spain (a)	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 ■	11	12
05	236 769	22 133	250 641	75 322	104 156	388 472	197 347	531 035	287 551	504 831	-	-
06	307 902	23 206	271 313	79 125	133 193	373 001	245 683	718 897	355 621	531 211	32 973	42 569
07	368 306	27 086	307 278	90 696	132 954	369 758	282 331	804 609	384 714	614 829	44 642	63 487
08	393 430	31 011	320 664	102 489	63 146	357 229	170 143	787 812	391 414	726 987	108 278	114 027
09	404 194	30 207	327 215	111 662	78 591	356 340	222 619	845 431	375 092	738 182	77 449	78 498
10 *Q2*	428 418	33 426	330 793	119 297	87 320	317 817	169 352	784 544	374 110	793 388	118 304	106 522
Q3	432 284	37 505	334 434	120 998	88 730	296 430	194 022	799 121	357 527	767 997	121 434	117 049
Q4	449 955	38 920	346 360	123 885	92 462	271 400	181 031	765 193	376 095	770 399	95 116	92 459
11 *Q1*	448 342	38 433	356 624	121 237	92 910	260 100	204 657	762 989	382 569	759 786	80 724	82 170
Q2	452 917	38 215	353 232	115 303	91 957	250 153	194 147	741 706	385 429	805 498	83 747	84 040
Q3	443 574	44 788	352 875	112 153	78 339	247 132	159 177	728 592	390 750	843 949	134 796	127 191
Q4	457 779	49 776	359 987	116 916	77 815	232 593	162 285	680 052	400 794	886 501	140 225	134 415
12 *Q1*	458 096	48 393	359 113	115 601	83 849	236 158	157 793	632 227	418 164	948 860	133 237	130 209
Q2	452 498	53 040	365 977	112 684	82 309	218 868	144 876	548 286	446 596	1 047 943	153 277	148 677
Q3	443 097	50 852	356 323	108 888	86 593	212 630	164 681	553 107	423 444	998 728	157 193	154 374
Q4	432 344	49 445	369 369	106 398	88 408	229 135	178 971	611 220	427 218	942 061	148 623	146 395
13 *Q1*	448 380	49 087	378 260	107 013	98 230	223 396	182 399	622 764	425 902	939 933	139 379	137 347
Q2	431 577	45 549	384 331	105 079	104 611	213 508	179 717	618 442	419 762	920 265	120 715	118 428

SPANISH INVESTMENT ABROAD

FOREIGN INVESTMENT IN SPAIN



Source: BE.
Note: See footnote to Indicator 7.6
a. See note b to table 17.21 of the Boletín Estadístico.

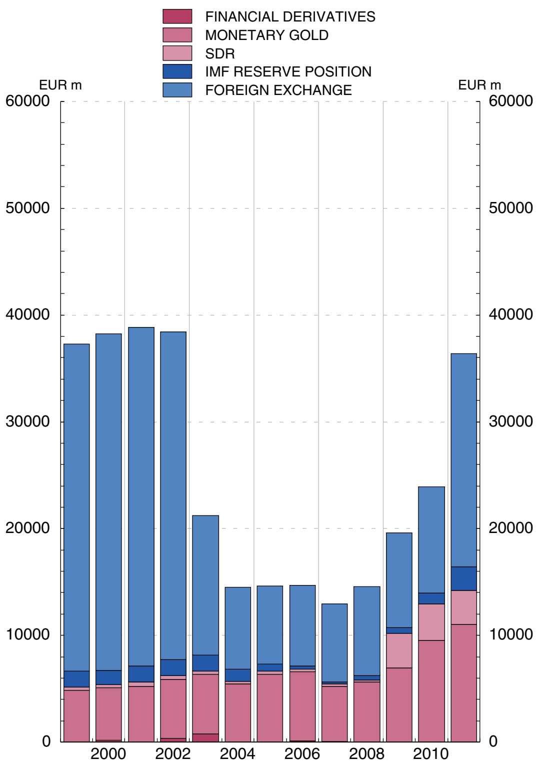
7.8. SPANISH RESERVE ASSETS

■ Series depicted in chart.

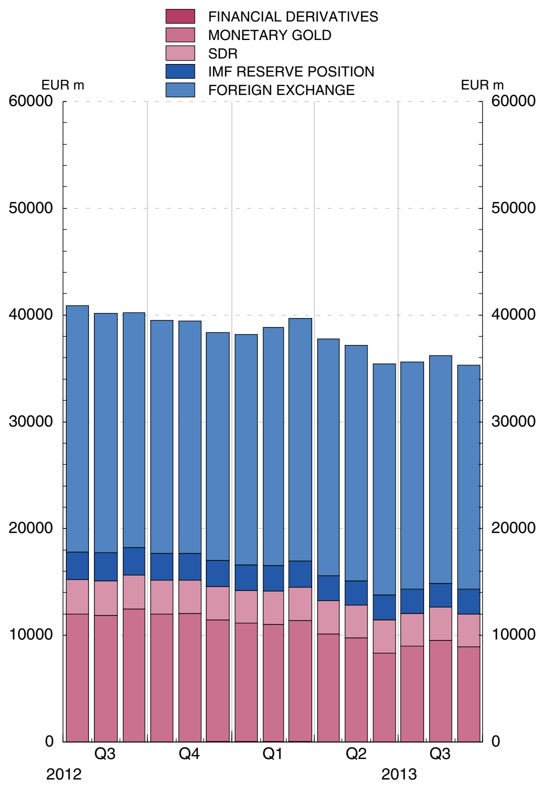
End-of-period stocks in EUR millions

	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
07	12 946	7 285	218	252	5 145	46	9.1
08	14 546	8 292	467	160	5 627	-	9.1
09	19 578	8 876	541	3 222	6 938	-	9.1
10	23 905	9 958	995	3 396	9 555	-	9.1
11	36 402	19 972	2 251	3 163	11 017	-	9.1
12 *Apr*	36 540	19 708	2 402	3 130	11 300	-	9.1
May	38 440	21 308	2 492	3 248	11 392	-	9.1
Jun	41 430	24 409	2 508	3 226	11 287	-	9.1
Jul	40 879	23 071	2 560	3 287	11 961	-	9.1
Aug	40 184	22 459	2 619	3 232	11 875	-	9.1
Sep	40 193	21 948	2 583	3 195	12 471	-3	9.1
Oct	39 492	21 820	2 491	3 175	12 002	4	9.1
Nov	39 463	21 791	2 479	3 166	12 011	16	9.1
Dec	38 347	21 349	2 412	3 132	11 418	35	9.1
13 *Jan*	38 177	21 548	2 411	3 057	11 109	51	9.1
Feb	38 839	22 305	2 402	3 102	10 988	42	9.1
Mar	39 664	22 698	2 451	3 145	11 330	39	9.1
Apr	37 765	22 183	2 344	3 104	10 109	25	9.1
May	37 169	22 037	2 283	3 087	9 737	25	9.1
Jun	35 434	21 661	2 349	3 092	8 329	3	9.1
Jul	35 633	21 331	2 259	3 061	8 984	-2	9.1
Aug	36 195	21 331	2 229	3 075	9 558	1	9.1
Sep	35 321	21 013	2 296	3 059	8 955	-1	9.1

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 'International Reserves and Foreign Currency Liquidity
Guidelines for a Data Template', October 2001 (http://dsbb.imf.org/Applications/web/sddsguide). Using this new definition, total reserve assets as at 31.12.99 would have been EUR 37835 million instead of the ammount of EUR 37288 million published in this table.

7.9. SPANISH EXTERNAL DEBT VIS-À-VIS OTHER EURO AREA RESIDENTS AND THE REST OF THE WORLD. SUMMARY

End-of-period positions — *EUR millions*

	Total	General government						Other monetary financial institutions				
		Total	Short-term		Long-term			Total	Short-term		Long-term	
			Money market instru-ments	Loans	Bonds and notes	Loans	Trade credits		Money market instru-ments	Deposits	Bonds and notes	Deposits
	1	2	3	4	5	6	7	8	9	10	11	12
09 *Q2*	1 722 777	257 152	21 125	979	211 224	23 825	-	786 229	14 200	409 692	251 975	110 363
Q3	1 732 303	276 333	31 005	709	219 260	25 359	-	770 038	14 217	391 123	257 026	107 671
Q4	1 757 372	299 770	44 479	532	229 085	25 674	-	782 873	14 903	384 509	260 304	123 157
10 *Q1*	1 778 929	315 896	51 896	114	237 246	26 640	-	789 869	16 641	399 817	256 338	117 073
Q2	1 759 449	291 348	39 698	192	223 146	28 312	-	741 796	12 157	378 888	239 162	111 589
Q3	1 745 184	302 216	39 437	932	232 817	29 031	-	758 152	10 926	396 110	242 943	108 173
Q4	1 715 268	289 183	36 629	976	220 357	31 221	-	759 486	9 910	413 379	237 915	98 283
11 *Q1*	1 701 076	292 030	37 875	485	221 797	31 873	-	760 849	10 640	395 695	235 895	118 619
Q2	1 725 014	286 014	37 245	7	215 529	33 233	-	792 835	7 554	425 267	231 979	128 035
Q3	1 751 309	293 350	36 605	507	222 439	33 798	-	768 666	6 211	402 061	223 975	136 418
Q4	1 743 878	274 864	28 545	428	211 116	34 775	-	709 704	3 494	362 532	212 924	130 755
12 *Q1*	1 758 254	256 148	23 612	4	191 658	40 873	-	641 440	3 341	311 819	191 020	135 259
Q2	1 770 719	238 191	16 369	70	175 453	46 299	-	575 178	2 699	273 422	163 554	135 504
Q3	1 726 179	254 675	20 397	325	187 552	46 400	-	525 154	1 899	237 643	154 841	130 771
Q4	1 726 493	330 110	27 732	53	211 325	91 000	-	501 837	1 800	212 849	159 173	128 016
13 *Q1*	1 736 851	342 793	30 709	24	218 645	93 415	-	539 315	1 499	248 851	162 498	126 468
Q2	1 712 551	352 259	34 901	243	221 222	95 894	-	523 788	1 408	249 835	157 437	115 108

7.9. (CONT.) SPANISH EXTERNAL DEBT VIS-À-VIS OTHER EURO AREA RESIDENTS AND THE REST OF THE WORLD. SUMMARY

End-of-period positions — *EUR millions*

	Monetary authority		Other residents sectors								Direct investment		
	Total (a)	Short-term	Total	Short-term			Long-term				Total	Vis-à-vis	
		Deposits		Money market instru-ments	Loans	Other liabilities	Bonds and notes	Loans	Trade credits	Other liabilities		Direct investors	Subsidia-ries
	13	14	15	16	17	18	19	20	21	22	23	24	25
09 *Q2*	35 596	35 596	468 268	18 969	17 448	2 416	282 343	145 040	385	1 667	175 532	90 696	84 836
Q3	47 538	47 538	461 698	13 249	16 429	2 552	281 652	145 875	419	1 522	176 696	89 842	86 854
Q4	41 400	41 400	459 569	18 059	14 269	2 375	278 601	144 393	419	1 454	173 759	73 851	99 908
10 *Q1*	43 673	43 673	448 931	14 758	13 800	3 179	270 358	145 075	399	1 363	180 561	70 158	110 403
Q2	105 881	105 881	438 907	12 714	16 424	4 462	257 666	145 855	406	1 379	181 518	67 662	113 856
Q3	59 477	59 477	447 273	14 032	16 561	4 762	258 966	151 114	395	1 442	178 066	67 794	110 272
Q4	51 323	51 323	435 599	11 929	16 671	4 284	248 454	152 281	396	1 584	179 677	67 741	111 936
11 *Q1*	40 665	40 665	429 230	11 724	15 350	3 818	245 057	151 088	390	1 803	178 301	68 023	110 278
Q2	45 732	45 732	422 624	11 840	15 487	4 192	237 559	151 783	389	1 374	177 809	68 686	109 123
Q3	89 019	89 019	421 507	7 466	16 743	6 433	231 895	157 313	394	1 263	178 768	68 182	110 586
Q4	175 360	175 360	406 625	5 100	17 159	6 544	218 874	157 244	398	1 307	177 325	70 016	107 309
12 *Q1*	276 496	276 496	407 003	8 330	16 969	6 699	214 264	158 981	395	1 364	177 167	69 851	107 316
Q2	408 695	408 695	374 164	5 481	15 264	6 826	184 729	159 984	462	1 418	174 490	69 439	105 051
Q3	400 455	400 455	371 551	4 154	14 423	7 388	184 264	159 443	459	1 420	174 343	68 994	105 350
Q4	337 486	337 486	383 847	6 064	13 957	7 798	205 126	149 103	457	1 342	173 212	68 297	104 916
13 *Q1*	297 184	297 184	383 406	6 707	16 151	7 909	202 706	148 142	459	1 331	174 154	68 488	105 665
Q2	282 790	282 790	379 871	6 784	15 475	7 495	196 690	151 639	457	1 331	173 843	68 245	105 598

Source: BE.

a. See note b to table 17.21 of the Boletín Estadístico.

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 in euro							Counterparts					
	Total	Open market operations				Standing facilities		Autonomous factors					Actual reserves of credit institutions
		Main refinancing operations	Longer-term refinancing operations	Fine-tuning reverse operations (net)	Structural reverse operations (net)	Marginal lending facility	Deposit facility	Total	Banknotes	Deposits to general government	Gold and net assets in foreign currency	Other assets (net)	
	1=2+3+4 +5+6-7	2	3	4	5	6	7	8=9+10 -11-12	9	10	11	12	13
12 *Mar*	361 695	40 792	1 096 956	-	-	3 718	779 771	249 711	868 490	142 720	672 633	88 867	111 984
Apr	382 712	55 069	1 090 965	-	-	1 066	764 388	272 458	873 353	148 188	660 168	88 915	110 253
May	347 195	40 063	1 076 812	0	-	1 644	771 324	229 927	876 907	116 280	656 995	106 265	117 268
Jun	437 789	132 691	1 069 309	0	-	2 003	766 215	328 135	888 832	131 374	659 454	32 617	109 653
Jul	743 701	156 106	1 080 565	-	-	817	493 787	372 135	896 182	134 906	678 366	-19 413	371 566
Aug	885 372	131 936	1 076 236	-	-	833	323 633	347 038	898 561	115 828	678 405	-11 054	538 334
Sep	876 292	124 884	1 069 567	-	-	1 013	319 173	332 823	893 288	95 737	670 651	-14 449	543 469
Oct	885 514	92 494	1 057 904	-	-	1 324	266 209	352 304	890 571	101 249	708 573	-69 057	533 210
Nov	884 798	77 694	1 046 596	-	-	1 358	240 850	362 981	888 224	108 633	708 113	-74 237	521 816
Dec	884 094	74 151	1 038 706	-	-	4 538	233 301	389 750	901 830	110 978	704 635	-81 578	494 344
13 *Jan*	907 427	105 363	1 021 211	-	-	457	219 604	420 632	891 268	99 407	657 382	-87 339	486 795
Feb	850 148	129 306	876 189	-	-	658	156 006	419 735	880 527	73 410	655 016	-120 814	430 413
Mar	787 506	125 975	795 073	-	-	735	134 277	428 999	884 384	86 192	656 692	-115 115	358 507
Apr	758 155	118 249	759 811	-	-	666	120 571	427 061	894 830	87 133	657 190	-102 288	331 094
May	745 149	105 552	733 956	-	-	685	95 043	440 588	903 179	83 893	656 983	-110 498	304 561
Jun	730 513	106 263	713 146	-	-	1 522	90 419	439 758	906 097	85 420	655 213	-103 455	290 755
Jul	718 506	105 488	700 706	-	-	324	88 013	447 528	915 567	99 389	532 182	35 246	270 977
Aug	714 452	100 070	693 682	-	-	140	79 440	437 171	920 672	72 839	531 905	24 435	277 280

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 in euro							Counterparts							
	Total	Open market operations				Standing facilities		Intra-ESCB		Autonomous factors					Actual reserves of credit institutions
		Main refinancing operations	Longer-term refinancing operations	Fine-tuning reserve operations (net)	Structural reserve operations (net)	Marginal lending facility	Deposit facility	Target	Rest	Total	Banknotes	Deposits to general government	Gold and net assets in foreign currency	Other assets (net)	
	14=15+16 +17+18 +19-20	15	16	17	18	19	20	21	22	23=24+25 -26-27	24	25	26	27	28
12 *Mar*	227 600	1 037	315 306	-	-	-	88 742	252 097	-5 724	-30 159	66 912	24 829	35 054	86 847	11 386
Apr	263 535	1 781	315 153	-	-	5	53 404	284 549	-5 724	-26 953	67 161	24 159	32 986	85 287	11 662
May	287 813	9 204	315 438	-	-	-	36 829	318 594	-5 724	-36 857	67 030	11 226	32 912	82 200	11 800
Jun	337 206	44 961	320 036	-	-	0	27 792	371 808	-5 724	-40 468	70 049	7 284	35 954	81 846	11 589
Jul	375 549	69 338	332 847	-	-	-	26 636	414 619	-5 724	-45 373	71 589	5 319	42 439	79 842	12 027
Aug	388 736	74 115	337 539	-	-	-	22 918	428 617	-5 724	-46 154	71 144	6 424	43 110	80 611	11 997
Sep	378 176	70 818	329 109	-	-	-	21 751	419 847	-5 724	-47 776	69 114	4 036	41 785	79 142	11 829
Oct	341 601	47 426	319 508	-	-	0	25 333	383 605	-5 724	-48 108	67 482	4 408	40 945	79 053	11 827
Nov	340 835	44 292	320 567	-	-	-	24 024	376 268	-5 724	-43 004	65 376	10 766	41 360	77 785	13 295
Dec	313 109	41 144	316 148	-	-	1	44 183	352 406	-5 744	-48 442	64 574	6 970	40 285	79 701	14 890
13 *Jan*	298 664	34 839	311 210	-	-	-	47 385	333 226	-5 862	-43 911	62 903	9 224	37 617	78 421	15 211
Feb	271 840	24 077	266 847	-	-	-	19 084	308 008	-5 862	-44 310	60 934	8 630	38 170	75 704	14 005
Mar	259 998	24 304	246 637	-	-	-	10 944	298 304	-5 862	-45 498	60 974	10 768	39 538	77 702	13 053
Apr	257 215	26 747	238 330	-	-	-	7 862	296 901	-5 862	-47 154	61 643	8 020	40 419	76 399	13 329
May	254 979	25 360	233 958	-	-	-	4 339	289 650	-5 862	-41 970	61 192	8 635	39 467	72 331	13 161
Jun	250 052	24 169	228 973	-	-	-	3 090	283 650	-5 862	-39 884	60 880	8 441	37 978	71 227	12 148
Jul	248 293	22 744	229 141	-	-	-	3 592	280 677	-5 861	-40 602	61 233	7 061	34 204	74 692	14 079
Aug	246 200	21 944	227 367	-	-	-	3 111	278 233	-5 861	-39 977	59 817	7 679	34 204	73 269	13 805

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

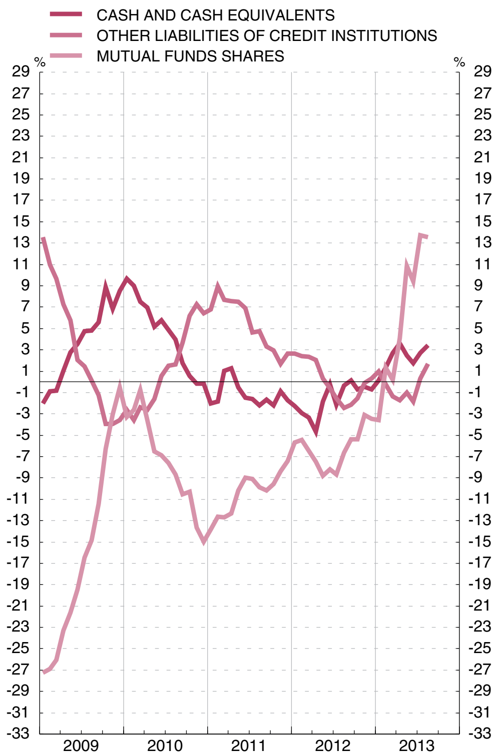
8.2 CASH AND CASH EQUIVALENTS, OTHER LIABILITIES OF CREDIT INSTITUTIONS AND MUTUAL FUNDS SHARES OF NON-FINANCIAL CORPORATIONS, HOUSEHOLDS AND NPISHS RESIDENT IN SPAIN (a)

■ Series depicted in chart.

EUR millions and %

		Cash and cash equivalents				Other liabilities of credit institutions					Mutual funds shares				Memorandum items	
		Stocks	12-month % change	12-m. % change		Stocks	12 month % change	12-month % change			Stocks	12-month % change	12-month % change		12-month % change	
				Cash	Deposits (b)			Other deposits (c)	Repos + credit institutions' securities	Deposits in branches abroad			Fixed income in EUR (d)	Other	AL (e)	Contribution of the MFIs resid. to M3
		1	2 ■	3	4	5	6 ■	7	8	9	10	11 ■	12	13	14 ■	15 ■
10		518 326	-0.2	-0.3	-0.1	561 224	6.4	6.4	12.0	-22.2	124 357	-14.9	-29.5	1.6	0.9	-1.7
11		509 416	-1.7	-2.5	-1.5	576 058	2.6	-2.3	68.6	-28.9	115 157	-7.4	-10.3	-5.1	0.0	-1.1
12		505 740	-0.7	-3.5	-0.1	577 994	0.3	-0.2	3.9	9.6	111 148	-3.5	-7.2	-0.7	-0.5	0.3
12 *May*		500 093	-1.8	0.1	-2.3	570 701	0.3	-6.9	95.2	-36.2	112 559	-8.8	-2.7	-13.1	-0.8	-1.3
Jun		521 924	-0.2	2.5	-0.9	568 952	-0.6	-8.4	98.9	-32.5	111 754	-8.2	-4.6	-10.8	-0.6	-1.9
Jul		504 226	-2.1	2.6	-3.2	559 205	-1.5	-9.2	93.8	-13.9	110 749	-8.7	-5.1	-11.3	-2.0	-3.4
Aug		504 178	-0.4	3.3	-1.2	556 048	-2.4	-9.6	84.3	-9.9	111 811	-6.7	-5.3	-7.7	-1.6	-4.6
Sep		502 873	0.1	2.0	-0.3	556 369	-2.1	-8.8	78.7	-11.8	111 594	-5.4	-5.5	-5.3	-1.3	-3.0
Oct		491 670	-0.7	0.7	-1.0	561 302	-1.5	-6.3	47.3	-10.9	111 724	-5.4	-6.4	-4.6	-1.4	-1.7
Nov		497 291	-0.5	-2.3	-0.0	568 124	-0.1	-2.8	23.2	-1.0	111 721	-3.1	-6.7	-0.5	-0.5	-0.5
Dec		505 740	-0.7	-3.5	-0.1	577 994	0.3	-0.2	3.9	9.6	111 148	-3.5	-7.2	-0.7	-0.5	0.3
13 *Jan*	P	493 861	0.1	-4.1	1.1	580 592	1.0	1.5	-3.0	9.6	113 633	-3.6	-7.5	-0.7	0.2	0.4
Feb	P	497 930	1.3	-4.4	2.7	577 955	-0.2	1.5	-12.7	19.5	120 449	1.3	-3.9	5.2	0.3	-0.5
Mar	P	510 511	2.7	-3.3	4.1	571 230	-1.3	1.9	-23.6	11.3	117 382	0.2	-3.5	2.9	0.3	-0.3
Apr	A	505 566	3.6	-3.0	5.1	566 094	-1.7	2.7	-30.5	29.1	120 051	4.1	-1.2	8.2	0.6	-0.7
May	A	512 343	2.4	-5.5	4.3	564 894	-1.0	4.9	-37.5	29.8	124 811	10.9	4.1	16.3	0.8	-0.8
Jun	A	531 062	1.8	-7.8	4.0	558 615	-1.8	5.4	-42.8	5.4	122 302	9.4	6.8	11.5	0.2	-0.2
Jul	A	517 840	2.7	-8.9	5.5	561 054	0.3	8.0	-43.8	-0.8	125 962	13.7	10.8	16.0	1.9	0.8
Aug	A	521 511	3.4	-9.6	6.5	565 585	1.7	9.0	-41.2	-1.8	126 947	13.5	12.5	14.3	3.0	2.8

NON-FINANCIAL CORPORATIONS, HOUSEHOLDS AND NPISHs
Annual percentage change



NON-FINANCIAL CORPORATIONS, HOUSEHOLDS AND NPISHs
Annual percentage change

Source: BE.

a. This concept refers to the instruments included in the headings of the table, issued by resident credit institutions and mutual funds. The exception is column 9, which includes deposits in Spanish bank branches abroad.

b. Current accounts, savings accounts and deposits redeemable at up to 3 months' notice.

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

d. The series includes the old categories of Money market funds and Fixed income mutual funds in euros.

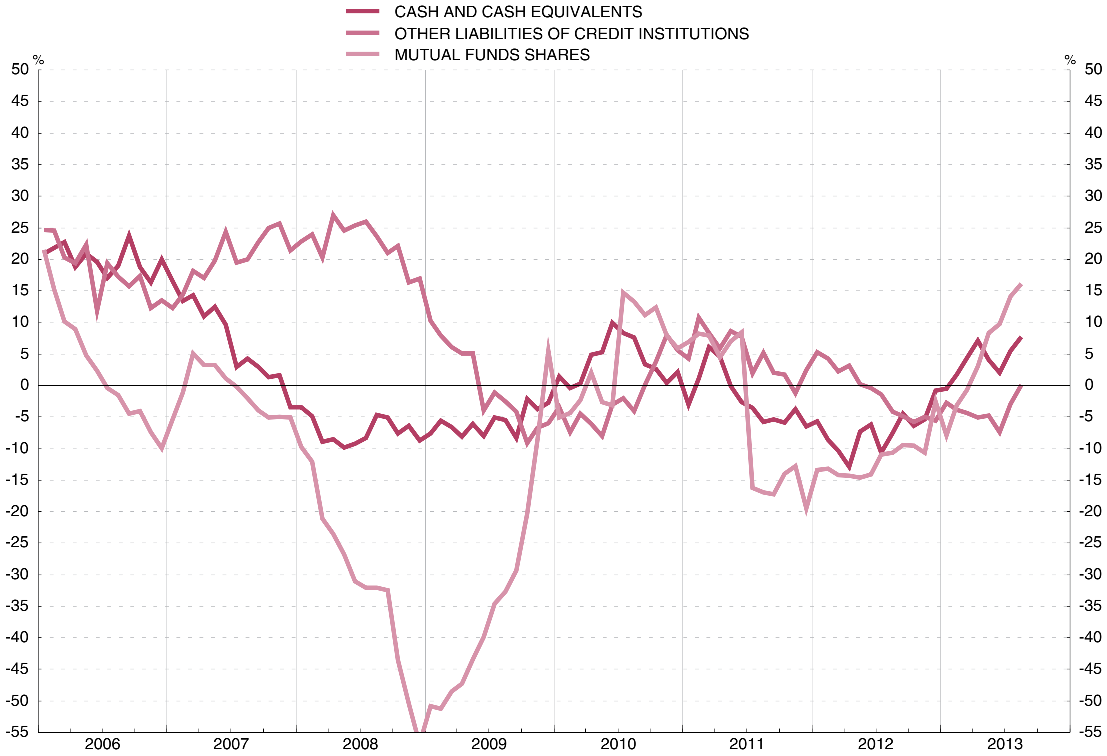
e. Defined as cash and cash equivalents, other liabilities of credit institutions and Fixed income mutual funds shares in euros.

8.3 CASH AND CASH EQUIVALENTS, OTHER LIABILITIES OF CREDIT INSTITUTIONS AND MUTUAL FUNDS SHARES OF NON-FINANCIAL CORPORATIONS RESIDENT IN SPAIN (a)

■ Series depicted in chart. *EUR millions and %*

		Cash and cash equivalents (b)		Other liabilities of credit institutions				Mutual funds shares			
		Stocks	Annual growth rate	Stocks	Annual growth rate	Annual growth rate		Stocks	Annual growth rate	Annual growth rate	
						Other deposits (c)	Repos + credit instit.' securit.+ dep. in branches abroad			Fixed income in EUR (d)	Other
		1	2 ■	3	4 ■	5	6	7	8 ■	9	10
10		119 869	2.1	119 759	5.6	6.1	3.7	12 153	5.9	-9.4	22.1
11		112 051	-6.5	122 648	2.4	-10.9	57.5	9 780	-19.5	-22.4	-17.2
12		111 190	-0.8	115 772	-5.6	-7.1	-2.0	9 534	-2.5	-3.2	-2.0
12 *May*		109 725	-7.3	117 569	0.2	-17.8	79.2	10 227	-14.7	-6.6	-20.4
Jun		114 299	-6.2	118 607	-0.4	-19.6	82.8	10 146	-14.1	-8.5	-18.3
Jul		103 490	-10.7	113 097	-1.4	-20.1	76.3	10 050	-10.9	-4.2	-15.7
Aug		105 909	-7.5	112 234	-4.1	-20.6	61.2	9 952	-10.7	-6.7	-13.6
Sep		107 052	-4.4	111 454	-4.9	-19.9	52.7	9 934	-9.4	-6.9	-11.3
Oct		101 686	-6.4	110 306	-5.8	-17.4	31.4	9 931	-9.6	-8.1	-10.7
Nov		105 317	-5.4	112 150	-4.9	-11.6	12.8	9 584	-10.7	-11.9	-9.7
Dec		111 190	-0.8	115 772	-5.6	-7.1	-2.0	9 534	-2.5	-3.2	-2.0
13 *Jan*	P	105 804	-0.5	116 749	-2.8	-3.8	-0.5	9 745	-8.0	-12.5	-4.4
Feb	P	108 652	1.7	116 459	-3.9	-3.3	-5.3	10 347	-3.1	-9.3	1.7
Mar	P	113 447	4.3	114 827	-4.4	-0.6	-13.1	10 451	-0.7	-5.9	3.4
Apr	A	110 498	7.1	112 528	-5.1	1.1	-18.1	10 681	3.0	-3.8	8.7
May	A	114 193	4.1	112 002	-4.7	5.5	-25.4	11 073	8.3	-6.6	20.8
Jun	A	116 671	2.1	109 776	-7.4	5.6	-32.1	11 138	9.8	-1.9	19.4
Jul	A	109 171	5.5	109 796	-2.9	12.3	-31.7	11 472	14.2	1.7	24.3
Aug	A	114 083	7.7	112 358	0.1	14.5	-28.1	11 558	16.1	5.9	24.2

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 6, which includes deposits in Spanish bank branches abroad.

b. Cash, current accounts, savings accounts and deposits redeemable at up to and including 3 months' notice.

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

d. The series includes the old categories of Money market funds and Fixed income mutual funds in euros.

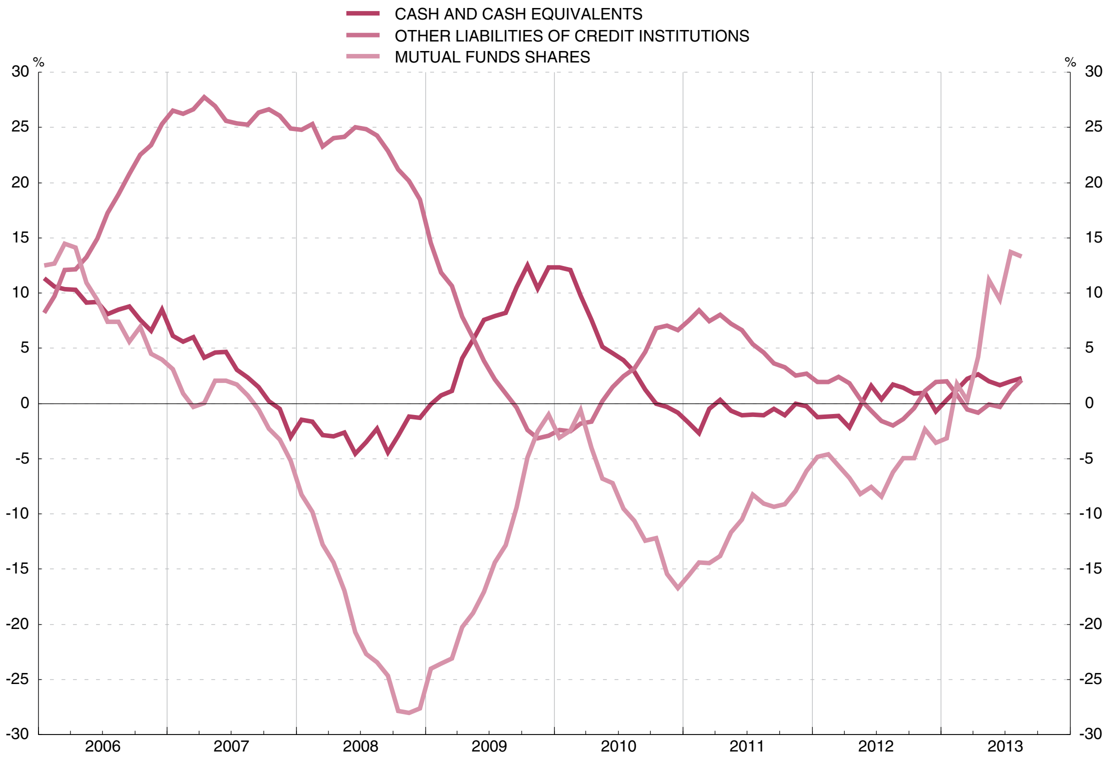
8.4 CASH AND CASH EQUIVALENTS, OTHER LIABILITIES OF CREDIT INSTITUTIONS AND MUTUAL FUNDS SHARES OF HOUSEHOLDS AND NPISHS RESIDENT IN SPAIN (a)

■ Series depicted in chart.

EUR millions and %

		Cash and cash equivalents				Other liabilities of credit institutions				Mutual funds shares			
		Stocks	Annual growth rate	Annual growth rate		Stocks	Annual growth rate	Annual growth rate		Stocks	Annual growth rate	Annual growth rate	
				Cash	Deposits (b)			Other deposits (c)	Repos + credit instit.' securit.+ dep. in branches abroad			Fixed income in EUR (d)	Other
		1	2 ■	3	4	5	6 ■	7	8	9	10 ■	11	12
10		398 456	-0.9	-1.9	-0.5	441 466	6.7	6.5	10.2	112 204	-16.7	-31.1	-0.2
11		397 365	-0.3	-1.6	0.1	453 411	2.7	-0.3	57.9	105 377	-6.1	-8.9	-3.8
12		394 550	-0.7	-3.0	-0.0	462 222	1.9	1.2	10.5	101 614	-3.6	-7.5	-0.6
12 *May*		390 367	-0.2	0.7	-0.5	453 131	0.4	-4.4	82.8	102 333	-8.2	-2.3	-12.4
Jun		407 624	1.6	3.0	1.2	450 345	-0.6	-5.9	88.2	101 609	-7.5	-4.2	-10.0
Jul		400 736	0.4	3.0	-0.4	446 108	-1.6	-6.9	91.1	100 699	-8.5	-5.2	-10.8
Aug		398 268	1.7	3.6	1.2	443 814	-2.0	-7.2	90.6	101 859	-6.2	-5.1	-7.1
Sep		395 821	1.4	2.3	1.2	444 915	-1.4	-6.4	88.5	101 660	-5.0	-5.3	-4.7
Oct		389 984	0.9	1.1	0.8	450 996	-0.4	-4.0	54.1	101 793	-5.0	-6.2	-4.0
Nov		391 973	1.0	-1.9	1.8	455 974	1.2	-1.1	30.5	102 137	-2.4	-6.1	0.5
Dec		394 550	-0.7	-3.0	-0.0	462 222	1.9	1.2	10.5	101 614	-3.6	-7.5	-0.6
13 *Jan*	P	388 057	0.3	-3.6	1.4	463 843	2.0	2.6	-4.3	103 887	-3.1	-7.0	-0.3
Feb	P	389 278	1.2	-3.9	2.7	461 496	0.8	2.4	-16.9	110 103	1.8	-3.3	5.5
Mar	P	397 064	2.2	-2.8	3.7	456 403	-0.5	2.4	-30.1	106 932	0.3	-3.2	2.9
Apr	A	395 068	2.6	-2.6	4.2	453 566	-0.8	3.0	-36.9	109 370	4.2	-0.9	8.1
May	A	398 150	2.0	-4.9	4.0	452 892	-0.1	4.8	-43.1	113 738	11.1	5.2	15.9
Jun	A	414 391	1.7	-7.2	4.3	448 839	-0.3	5.4	-48.6	111 164	9.4	7.7	10.7
Jul	A	408 668	2.0	-8.3	5.1	451 259	1.2	7.2	-50.6	114 490	13.7	11.7	15.2
Aug	A	407 427	2.3	-8.9	5.6	453 227	2.1	8.0	-48.8	115 389	13.3	13.2	13.4

HOUSEHOLDS AND NPISH
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 6, which includes deposits in Spanish bank branches abroad.

b. Current accounts, savings accounts and deposits redeemable at up to 3 months' notice.

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

d. The series includes the old categories of Money market funds and Fixed income mutual funds in euros.

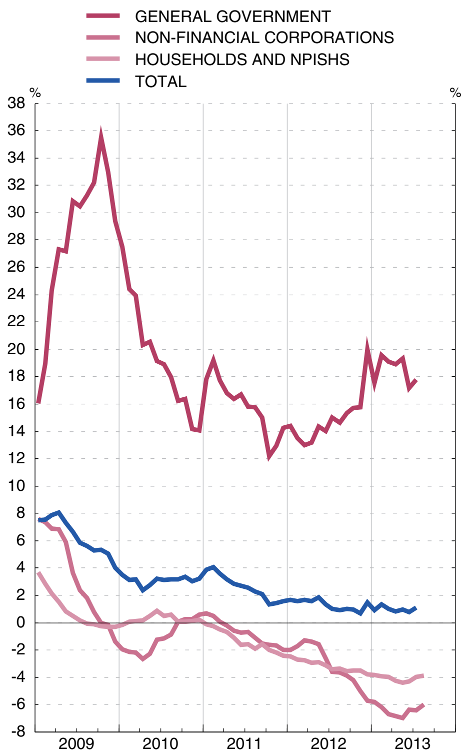
8.5. FINANCING OF NON-FINANCIAL SECTORS RESIDENT IN SPAIN (a)

■ Series depicted in chart.

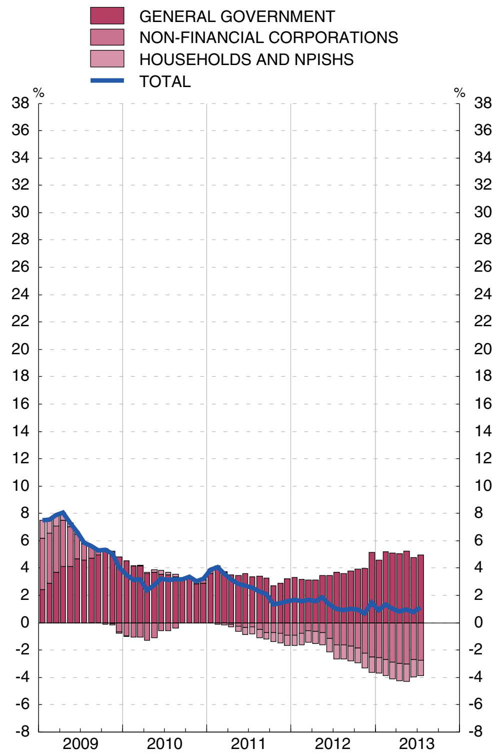
EUR millions and %

		Total			Annual growth rate							Contribution to col. 3						
						Non-financial corp. and households and NPISHs							Non-financial corp. and households and NPISHs					
							By sectors		By instruments					By sectors		By instrumentss		
		Stocks	Effective flow	Annual growth rate	General government (b)		Non-financial corporations	Households and NPISHs	Credit institutions loans, secur. funds & loans tr. to AMC(c)	Securities other than shares	External loans	General government (b)		Non-financial corporations	Households and NPISHs	Credit institutions' loans & securit. funds	Securities other than shares	External loans
		1	2	3 ■	4 ■	5	6 ■	7 ■	8	9	10	11 ■	12	13 ■	14 ■	15	16	17
10		2 844 463	89 201	3.2	14.1	0.4	0.6	0.2	-0.4	10.6	3.4	2.9	0.3	0.3	0.1	-0.3	0.2	0.4
11		2 862 480	44 651	1.6	14.2	-2.1	-2.0	-2.4	-3.3	7.1	2.4	3.2	-1.7	-0.9	-0.8	-2.1	0.2	0.3
12		2 858 509	42 771	1.5	20.0	-4.9	-5.7	-3.8	-5.8	18.9	-5.0	5.1	-3.7	-2.5	-1.2	-3.5	0.4	-0.6
12 *May*		2 886 934	8 966	1.9	14.3	-2.1	-1.6	-2.9	-3.6	11.4	2.8	3.5	-1.6	-0.7	-0.9	-2.2	0.3	0.3
Jun		2 895 772	8 459	1.3	14.0	-2.8	-2.6	-3.1	-4.1	13.5	0.7	3.5	-2.1	-1.2	-1.0	-2.5	0.3	0.1
Jul		2 874 805	-20 252	1.0	15.0	-3.5	-3.6	-3.4	-4.6	13.2	-1.1	3.7	-2.6	-1.6	-1.1	-2.8	0.3	-0.1
Aug		2 856 692	-17 611	0.9	14.6	-3.5	-3.6	-3.4	-4.6	13.0	-1.0	3.6	-2.7	-1.6	-1.0	-2.8	0.3	-0.1
Sep		2 870 600	16 619	1.0	15.3	-3.7	-3.8	-3.6	-4.7	13.8	-2.0	3.8	-2.8	-1.7	-1.1	-2.9	0.3	-0.2
Oct		2 855 761	-5 559	1.0	15.7	-3.9	-4.2	-3.5	-5.1	18.7	-2.0	3.9	-2.9	-1.9	-1.1	-3.1	0.4	-0.2
Nov		2 862 297	8 559	0.7	15.8	-4.4	-5.0	-3.5	-5.5	19.2	-3.3	4.0	-3.3	-2.2	-1.1	-3.3	0.4	-0.4
Dec		2 858 509	29 058	1.5	20.0	-4.9	-5.7	-3.8	-5.8	18.9	-5.0	5.1	-3.7	-2.5	-1.2	-3.5	0.4	-0.6
13 *Jan*	P	2 844 359	-10 378	0.9	17.6	-5.0	-5.8	-3.8	-6.0	21.6	-4.9	4.6	-3.7	-2.5	-1.2	-3.6	0.5	-0.6
Feb	P	2 856 776	21 417	1.3	19.6	-5.3	-6.2	-3.9	-6.0	15.6	-5.6	5.2	-3.9	-2.7	-1.2	-3.5	0.4	-0.7
Mar	P	2 857 109	1 123	1.0	19.1	-5.6	-6.7	-4.0	-6.2	9.3	-5.5	5.1	-4.1	-2.9	-1.2	-3.6	0.2	-0.7
Apr	A	2 839 903	-16 448	0.8	18.9	-5.8	-6.8	-4.2	-6.6	13.1	-5.4	5.1	-4.2	-3.0	-1.3	-3.9	0.3	-0.7
May	A	2 850 647	12 612	1.0	19.3	-5.9	-7.0	-4.4	-7.0	13.3	-4.7	5.3	-4.3	-3.0	-1.3	-4.0	0.3	-0.6
Jun	A	2 852 775	4 080	0.8	17.2	-5.5	-6.3	-4.3	-6.8	11.8	-2.6	4.8	-4.0	-2.7	-1.3	-3.9	0.3	-0.3
Jul	A	2 841 141	-12 165	1.1	17.8	-5.4	-6.4	-4.0	-6.8	12.3	-2.3	5.0	-3.9	-2.7	-1.2	-3.9	0.3	-0.3
Aug	A	...	...	...	...	-5.1	-6.0	-3.9	-6.6	12.7	-1.9	...	...	...	...	...	...	...

FINANCING OF NON-FINANCIAL SECTORS
Annual percentage change



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



Source: BE.

a. The annual percentage changes are calculated as the effective flow of the period / the stock at the beginning of the period.

b. Total liabilities (consolidated). Inter-general government liabilities are deduced.

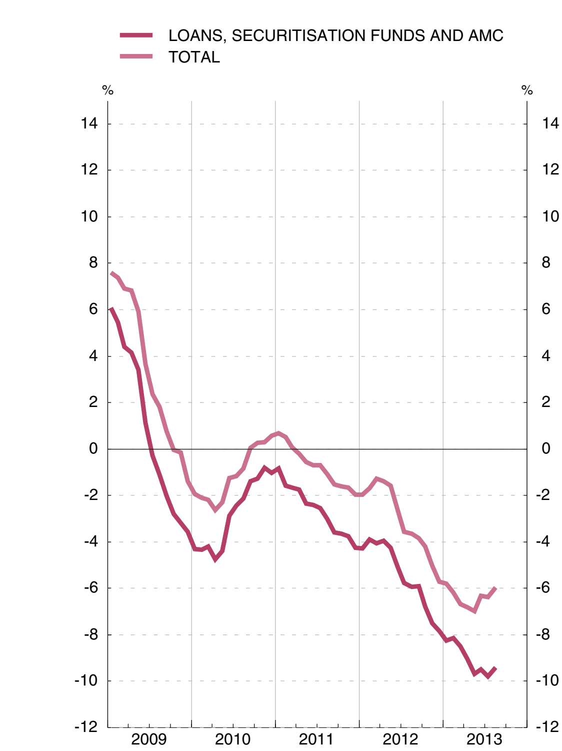
c. Including loans transferred to SAREB, which is an Asset Management Corporation (AMC).

8.6. FINANCING OF NON-FINANCIAL CORPORATIONS RESIDENT IN SPAIN (a)

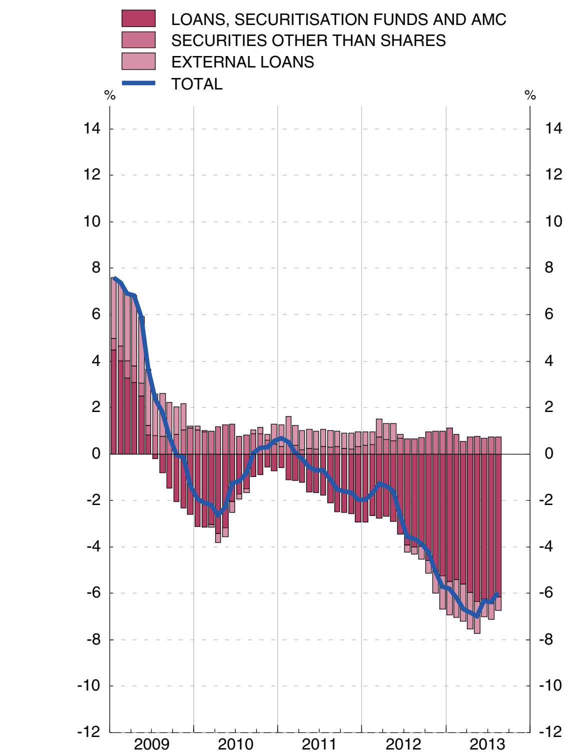
■ Series depicted in chart. *EUR millions and %*

				Resident credit institutions' loans , off-balance-sheet securitised loans & loans transf. to AMC (c)			Securities other than shares (b)				External loans			Memorandum items: off-balance-sheet securitised and transferred to AMC loans (c)
	Stocks	Effective flow	Annual growth rate	Stocks	Annual growth rate	Contribution to col.3	Stocks	of which: Issues by resident financ. subsid.	Annual growth rate	Contribution to col.3	Stocks	Annual growth rate	Contribution to col.3	
	1	2	3 ■	4	5 ■	6 ■	7	8	9	10 ■	11	12	13 ■	14
10	1 301 625	7 475	0.6	895 918	-1.0	-0.7	60 408	46 895	10.6	0.4	345 298	3.3	0.8	1 581
11	1 255 006	-25 690	-2.0	840 887	-4.2	-2.9	64 708	50 767	7.1	0.3	349 411	2.3	0.6	1 332
12	1 140 864	-71 595	-5.7	736 625	-7.8	-5.2	76 911	60 326	18.9	1.0	327 329	-5.2	-1.4	28 680
12 *May*	1 247 605	-6 524	-1.6	819 091	-4.3	-2.9	71 207	56 815	11.4	0.6	357 307	2.8	0.8	1 147
Jun	1 235 416	-13 285	-2.6	812 314	-5.1	-3.5	71 457	56 438	13.5	0.7	351 644	0.6	0.2	1 164
Jul	1 223 166	-12 046	-3.6	804 701	-5.8	-3.9	71 559	56 703	13.2	0.7	346 906	-1.1	-0.3	1 120
Aug	1 211 941	-10 490	-3.6	792 990	-5.9	-4.0	71 214	56 379	13.0	0.6	347 738	-1.0	-0.3	1 099
Sep	1 212 668	2 452	-3.8	792 423	-5.9	-4.0	72 626	57 862	13.8	0.7	347 619	-2.0	-0.6	1 115
Oct	1 199 959	-3 729	-4.2	783 848	-6.8	-4.6	75 945	60 343	18.7	0.9	340 166	-2.1	-0.6	1 064
Nov	1 188 349	-8 974	-5.0	776 667	-7.5	-5.0	76 676	59 804	19.2	1.0	335 006	-3.4	-0.9	1 256
Dec	1 140 864	-15 465	-5.7	736 625	-7.8	-5.2	76 911	60 326	18.9	1.0	327 329	-5.2	-1.4	28 680
13 *Jan*	P 1 132 764	-4 747	-5.8	727 251	-8.3	-5.5	79 100	62 133	21.6	1.1	326 413	-5.0	-1.4	28 651
Feb	P 1 120 435	-3 741	-6.2	715 050	-8.2	-5.4	77 912	60 725	15.6	0.8	327 473	-5.7	-1.6	40 969
Mar	P 1 114 918	-5 271	-6.7	709 376	-8.5	-5.6	78 420	61 234	9.3	0.5	327 122	-5.6	-1.6	39 812
Apr	A 1 111 150	-3 373	-6.8	702 436	-9.1	-6.0	79 801	61 604	13.1	0.7	328 913	-5.5	-1.6	39 701
May	A 1 101 422	-8 333	-7.0	691 057	-9.7	-6.3	80 710	62 122	13.3	0.8	329 655	-4.8	-1.4	39 644
Jun	A 1 095 804	-4 530	-6.3	686 190	-9.5	-6.2	79 863	60 692	11.8	0.7	329 752	-2.7	-0.8	39 608
Jul	A 1 084 544	-11 917	-6.4	677 646	-9.8	-6.4	80 390	60 338	12.3	0.7	326 508	-2.3	-0.7	39 686
Aug	A 1 078 841	-4 782	-6.0	669 653	-9.4	-6.2	80 261	60 470	12.7	0.7	328 927	-2.0	-0.6	39 665

FINANCING OF NON-FINANCIAL CORPORATIONS
Annual percentage change



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



Source: BE.

a. The annual percentage changes are calculated as the effective flow of the period / the stock at the beginning of the period.

b. Includes issues of resident financial subsidiaries of non-financial corporations, insofar as the funds raised in these issues are routed to the parent company as loans. The issuing institutions of these financial instruments are classified as Other financial intermediaries in the Boletín Estadístico and in the Financial Accounts of the Spanish Economy.

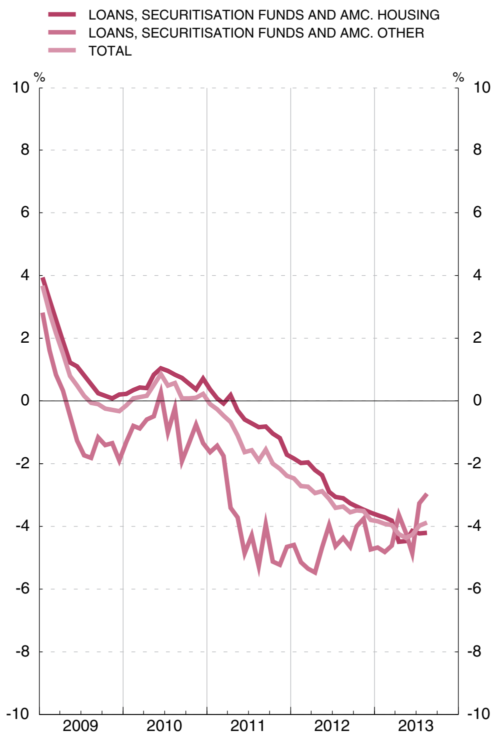
c. Including loans transferred to SAREB, which is an Asset Management Corporation (AMC).

8.7. FINANCING OF HOUSEHOLDS AND NPISHS RESIDENT IN SPAIN (a)

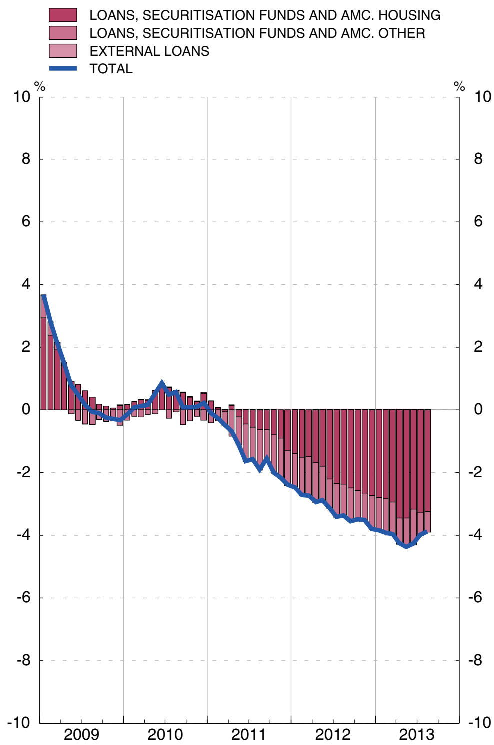
■ Series depicted in chart. *EUR millions and %*

		Total			Resident credit institutions' loans, off-balance-sheet securitised loans & loans transf.to ACM. Housing (b)			Resident credit institutions' loans off-balance-sheet securitised loans & loans transf.to ACM. Other (b)			External loans			Memorandum items: off-balance-sheet securitised and trans.to AMC loans (b)	
		Stocks	Effective flow	Annual growth rate	Stocks	Annual growth rate	Contribution to col.3	Stocks	Annual growth rate	Contribution to col.3	Stocks	Annual growth rate	Contribution to col.3	Housing	Other
		1	2	3 ■	4	5 ■	6 ■	7	8 ■	9 ■	10	11	12 ■	13	14
10		898 146	2 116	0.2	679 958	0.7	0.5	215 285	-1.3	-0.3	2 902	5.8	0.0	17 161	1 637
11		870 960	-21 481	-2.4	666 866	-1.7	-1.3	201 065	-4.7	-1.1	3 029	4.9	0.0	10 336	547
12		833 822	-32 985	-3.8	641 948	-3.6	-2.7	188 930	-4.7	-1.1	2 943	7.5	0.0	8 813	801
12 *May*		853 837	-1 358	-2.9	657 256	-2.4	-1.8	193 809	-4.7	-1.1	2 772	5.2	0.0	9 897	271
Jun		855 738	2 617	-3.1	653 954	-2.9	-2.2	199 001	-4.0	-0.9	2 783	5.2	0.0	9 753	378
Jul		847 705	-7 522	-3.4	652 132	-3.1	-2.3	192 770	-4.6	-1.1	2 803	4.9	0.0	8 273	295
Aug		843 995	-3 943	-3.4	649 660	-3.1	-2.4	191 517	-4.4	-1.0	2 818	5.2	0.0	8 180	263
Sep		840 759	-2 251	-3.6	648 026	-3.3	-2.5	189 911	-4.6	-1.1	2 822	5.1	0.0	8 505	252
Oct		838 012	-2 447	-3.5	645 422	-3.4	-2.6	189 753	-4.0	-0.9	2 837	4.7	0.0	8 428	215
Nov		842 480	3 856	-3.5	643 606	-3.5	-2.6	195 991	-3.7	-0.9	2 883	6.0	0.0	8 511	997
Dec		833 822	-7 833	-3.8	641 948	-3.6	-2.7	188 930	-4.7	-1.1	2 943	7.5	0.0	8 813	801
13 *Jan*	P	828 505	-4 897	-3.8	638 400	-3.6	-2.8	187 158	-4.7	-1.1	2 947	8.5	0.0	8 525	917
Feb	P	823 226	-4 866	-3.9	635 262	-3.7	-2.8	184 999	-4.8	-1.1	2 965	8.5	0.0	8 295	947
Mar	P	819 411	-3 271	-4.0	633 487	-3.8	-2.9	182 937	-4.6	-1.1	2 987	9.3	0.0	8 048	609
Apr	A	814 664	-4 385	-4.2	629 249	-4.5	-3.5	182 413	-3.6	-0.8	3 001	9.2	0.0	7 348	598
May	A	811 877	-2 313	-4.4	626 553	-4.5	-3.4	182 309	-4.2	-1.0	3 015	9.2	0.0	7 009	621
Jun	A	814 346	3 333	-4.3	625 389	-4.1	-3.2	185 932	-4.9	-1.1	3 025	9.4	0.0	6 726	710
Jul	A	809 602	-4 618	-4.0	623 157	-4.2	-3.3	183 424	-3.3	-0.7	3 021	8.6	0.0	6 552	708
Aug	A	806 065	-3 009	-3.9	620 800	-4.2	-3.2	182 225	-3.0	-0.7	3 040	8.8	0.0	6 568	678

FINANCING OF HOUSEHOLDS AND NPISHs
Annual percentage change



FINANCING OF HOUSEHOLDS AND NPISHs
Contributions to the annual percentage change



Source: BE.
a. The annual percentage changes are calculated as the effective flow of the period / the stock at the beginning of the period.
b. Including loans transferred to SAREB, which is an Asset Management Corporation (AMC).

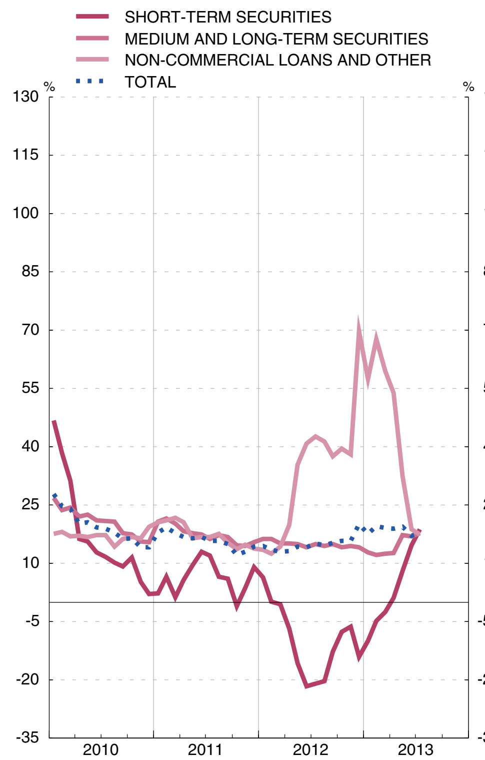
8.8. GROSS FINANCING OF SPAIN'S GENERAL GOVERMENT

■ Series depicted in chart.

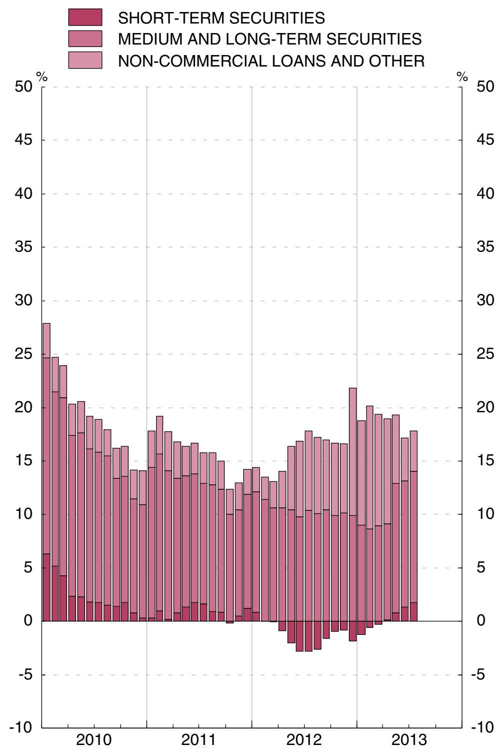
EUR millions and %

		Gross financing			Short-term securities				Medium and long term securities				Non Comercial Loans and Others (b)			
		EDP Debt (a)	Monthly change	12 month % change	Total	Monthly change	12 month % change	Contribu-tion to 12-month % change	Total	Monthly change	12 month % change	Contribu-tion to 12-month % change	Total	Monthly change	12 month % chage	Contribu-tion to 12-month % change
		1=4+8+12	2=5+9+13	3 ■	4	5	6 ■	7 ■	8	9	10 ■	11 ■	12	13	14 ■	15 ■
09		565 082	129 464	29.7	86 395	33 361	62.9	7.7	385 433	82 935	27.4	19.0	93 254	13 167	16.4	3.0
10		644 692	79 611	14.1	88 201	1 806	2.1	0.3	445 175	59 742	15.5	10.6	111 316	18 062	19.4	3.2
11		736 472	91 780	14.2	96 153	7 952	9.0	1.2	513 696	68 521	15.4	10.6	126 623	15 307	13.8	2.4
12	P	883 823	147 351	20.0	82 563	-13 590	-14.1	-1.8	586 464	72 768	14.2	9.9	214 797	88 174	69.6	12.0
12 *Feb*	P	763 745	12 569	13.5	89 450	-4 100	0.1	0.0	544 638	14 757	16.3	11.4	129 658	1 912	12.5	2.1
Mar	P	774 930	11 185	13.0	85 483	-3 966	-0.6	-0.1	553 704	9 066	15.1	10.6	135 743	6 085	14.3	2.5
Apr	P	768 644	-6 287	13.2	80 278	-5 205	-6.8	-0.9	548 214	-5 491	15.1	10.6	140 152	4 409	19.8	3.4
May	P	785 491	16 848	14.3	75 655	-4 623	-15.7	-2.1	553 781	5 567	14.9	10.5	156 055	15 903	35.4	5.9
Jun	P	804 619	19 127	14.0	72 386	-3 269	-21.7	-2.8	560 000	6 219	14.1	9.8	172 232	16 177	40.8	7.1
Jul	P	803 934	-685	15.0	73 843	1 456	-20.9	-2.8	555 544	-4 456	15.0	10.4	174 548	2 315	42.6	7.5
Aug	P	800 756	-3 178	14.6	72 057	-1 786	-20.3	-2.6	557 444	1 900	14.4	10.1	171 255	-3 292	41.4	7.2
Sep	P	817 174	16 418	15.3	79 770	7 713	-12.7	-1.6	567 236	9 792	15.0	10.4	170 168	-1 088	37.5	6.6
Oct	P	817 790	616	15.7	83 303	3 532	-7.6	-1.0	564 210	-3 026	14.1	9.9	170 277	110	39.6	6.8
Nov	P	831 468	13 678	15.8	87 469	4 166	-6.3	-0.8	575 086	10 876	14.5	10.1	168 913	-1 365	38.1	6.5
Dec	P	883 823	52 355	20.0	82 563	-4 906	-14.1	-1.8	586 464	11 377	14.2	9.9	214 797	45 884	69.6	12.0
13 *Jan*	P	883 090	-733	17.6	84 253	1 690	-9.9	-1.2	597 621	11 158	12.8	9.0	201 216	-13 581	57.5	9.8
Feb	P	913 115	30 025	19.6	85 141	889	-4.8	-0.6	610 626	13 004	12.1	8.6	217 347	16 132	67.6	11.5
Mar	P	922 780	9 665	19.1	83 260	-1 882	-2.6	-0.3	622 975	12 349	12.5	8.9	216 545	-802	59.5	10.4
Apr	A	914 090	-8 690	18.9	81 174	-2 085	1.1	0.1	617 203	-5 771	12.6	9.0	215 712	-833	53.9	9.8
May	A	937 348	23 258	19.3	81 755	581	8.1	0.8	649 017	31 813	17.2	12.1	206 576	-9 136	32.4	6.4
Jun	A	942 625	5 277	17.2	82 989	1 234	14.6	1.3	655 222	6 205	17.0	11.8	204 414	-2 162	18.7	4.0
Jul	A	946 995	4 503	17.8	87 660	4 672	18.7	1.7	654 512	-710	17.8	12.3	204 955	541	17.4	3.8

GROSS FINANCING OF GENERAL GOVERNMENT
Annual percentage changes



GROSS FINANCING OF GENERAL GOVERNMENT
Contributions to the annual percentage change



FUENTE: BE.
a.Debt according to Excessive Deficit Procedure (EDP).Consolidated nominal gross debt.
b.Including coined money and Caja General de Depositos

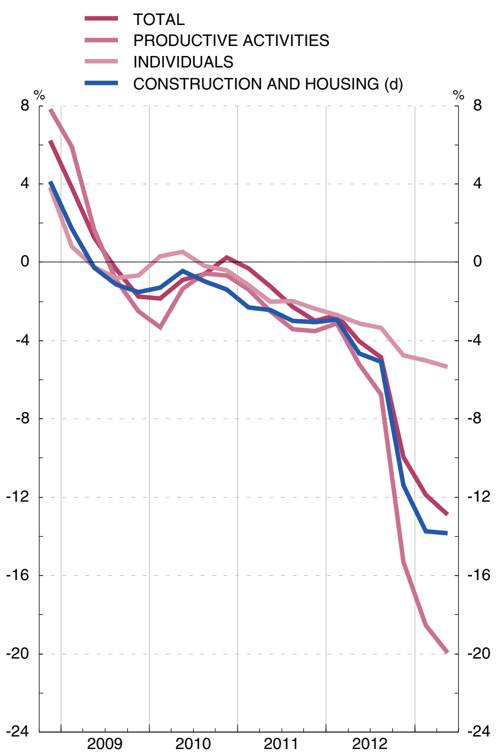
8.9 LENDING BY CREDIT INSTITUTIONS TO OTHER RESIDENT SECTORS. BREAKDOWN BY END-USE.

■ Series depicted in chart.

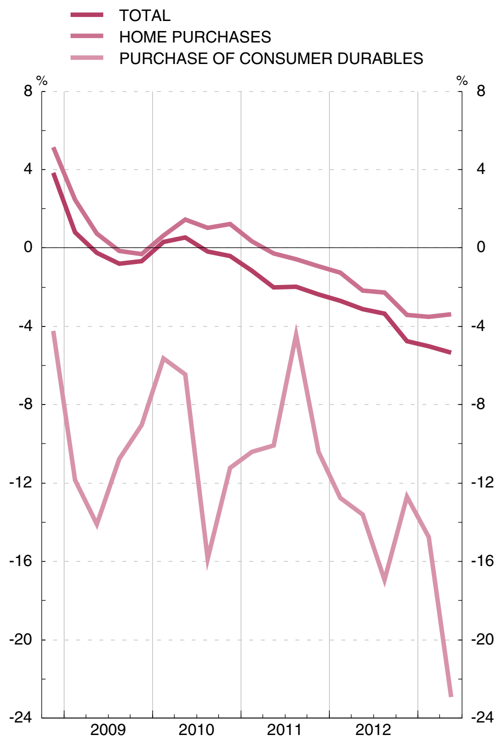
EUR millions and percentages

	Total (a)	Financing of productive activities: Total	Agriculture and fisheries	Industry excluding construction	Construction	Services: Total	Services: Of which Real estate activities	Financing of individuals: Total	Home purchases and improvements: Total	Home purchases and improvements: Of which Purchases	Purchases of consumer durables	Other (b)	Financing of private non-profit institutions	Unclassified	Memorandum item: construction and housing (d)
	1 ■	2 ■	3	4	5	6	7	8 ■	9	10 ■	11 ■	12	13	14	15 ■
10	1 843 952	985 157	23 128	152 376	114 519	695 134	315 782	812 781	662 798	632 449	42 068	107 916	6 096	39 918	1 093 099
11	1 782 555	944 058	21 782	143 246	98 546	680 483	298 323	793 430	656 452	626 550	37 686	99 292	7 000	38 067	1 053 321
12	1 604 961	799 610	20 217	131 109	76 217	572 067	224 015	755 689	633 138	605 057	32 904	89 647	6 976	42 685	933 370
09 *Q1*	1 861 734	1 018 902	24 472	158 905	143 515	692 010	324 222	808 715	651 495	621 811	50 560	106 660	5 125	28 991	1 119 231
Q2	1 861 005	1 007 492	23 732	158 800	134 690	690 271	324 663	815 068	651 564	620 920	49 583	113 922	5 382	33 063	1 110 917
Q3	1 846 010	996 650	23 576	153 070	134 045	685 959	324 439	810 149	652 434	622 122	49 840	107 875	5 457	33 754	1 110 918
Q4	1 837 038	991 363	23 123	152 199	130 438	685 602	322 984	813 939	654 566	624 755	49 273	110 101	5 523	26 213	1 107 988
10 *Q1*	1 827 087	985 197	22 791	149 368	126 464	686 574	322 820	811 242	655 473	625 856	47 716	108 053	5 372	25 276	1 104 758
Q2	1 847 066	994 441	23 366	152 413	124 054	694 607	321 946	821 460	660 436	630 104	44 712	116 312	5 840	25 326	1 106 436
Q3	1 837 278	991 374	23 456	152 031	121 514	694 374	320 090	810 717	659 232	628 696	40 259	111 225	5 743	29 444	1 100 836
Q4	1 843 952	985 157	23 128	152 376	114 519	695 134	315 782	812 781	662 798	632 449	42 068	107 916	6 096	39 918	1 093 099
11 *Q1*	1 824 256	971 962	22 618	145 796	109 582	693 966	312 152	804 029	658 133	628 138	41 073	104 823	5 710	42 554	1 079 867
Q2	1 817 800	963 039	22 435	146 481	105 489	688 634	308 424	805 058	658 999	628 377	40 201	105 858	5 898	43 806	1 072 912
Q3	1 788 847	951 096	22 203	145 503	102 258	681 132	303 506	794 554	655 726	625 101	38 478	100 350	6 557	36 639	1 061 491
Q4	1 782 555	944 058	21 782	143 246	98 546	680 483	298 323	793 430	656 452	626 550	37 686	99 292	7 000	38 067	1 053 321
12 *Q1*	1 768 488	935 176	21 416	139 850	96 193	677 716	295 696	782 441	649 716	620 182	35 835	96 890	6 643	44 228	1 041 606
Q2	1 744 215	912 949	21 085	138 007	91 869	661 988	286 942	779 915	644 201	614 707	34 726	100 988	7 013	44 338	1 023 012
Q3	1 701 789	886 962	20 852	135 138	87 794	643 178	280 245	767 855	639 522	610 943	31 953	96 381	6 910	40 061	1 007 561
Q4	1 604 961	799 610	20 217	131 109	76 217	572 067	224 015	755 689	633 138	605 057	32 904	89 647	6 976	42 685	933 370
13 *Q1*	1 558 660	761 658	19 831	127 127	67 227	547 472	205 892	743 129	625 439	598 371	30 553	87 137	6 759	47 114	898 558
Q2	1 519 123	730 765	18 974	122 351	64 195	525 245	198 431	738 107	618 663	593 929	26 762	92 683	6 754	43 497	881 289

CREDIT BY END-USE
Annual percentage changes (c)



CREDIT TO INDIVIDUALS BY END-USE
Annual percentage changes (c)



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 4.13, 4.18 and 4.23 of the Boletin 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.

c. Asset-backed securities brought back onto the balance sheet as a result of the entry into force of Banco de España Circular BE 4/2004 have caused a break in the series in June 2005. The rates depicted in the chart have been adjusted to eliminate this effect.

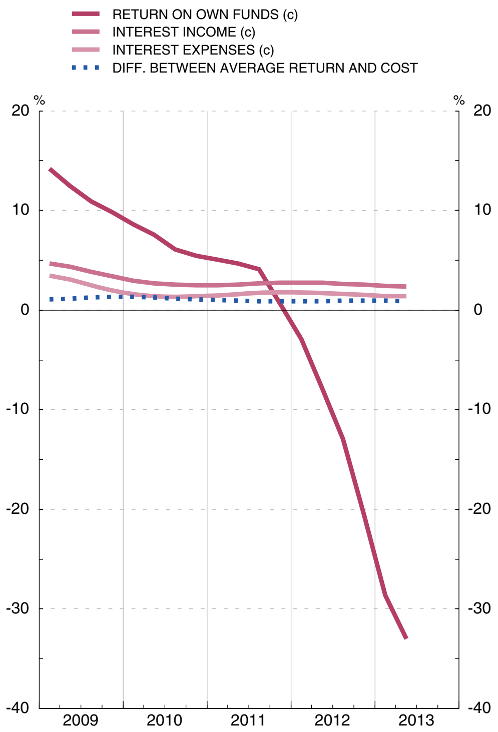
d. Including: construction, real estate activities and home purchases and improvements

8.10. PROFIT AND LOSS ACCOUNT OF DEPOSIT-TAKING INSTITUTIONS RESIDENT IN SPAIN

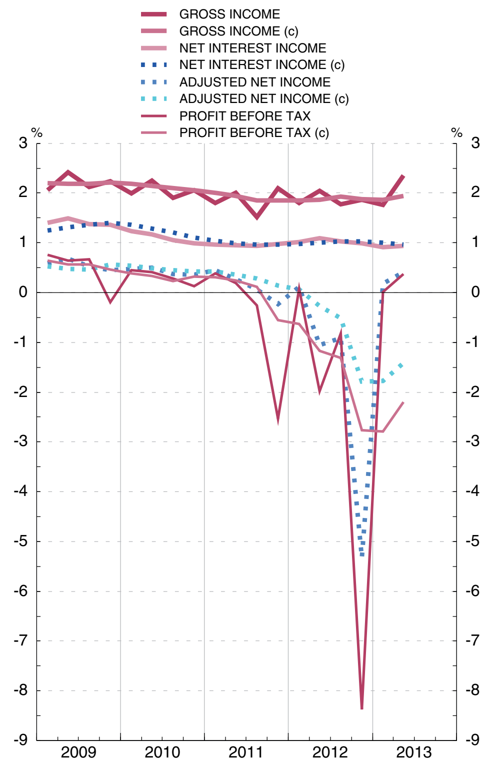
■ Series depicted in chart.

	As a percentage of the adjusted average balance sheet											Percentages			
	Interest income	Interest expenses	Net interest income	Return on equity instruments and non interest income	Gross income	Operating expenses:	Of which: Staff costs	Other operating income	Adjusted net income	Other net income	Profit before tax	Average return on own funds (a)	Average return on lending operations (b)	Average cost of borrowing operations (b)	Difference (12-13)
	1 ■	2 ■	3 ■	4	5 ■	6	7	8	9 ■	10	11 ■	12 ■	13	14	15 ■
10	2.5	1.6	1.0	1.1	2.1	1.0	0.6	0.7	0.4	0.5	0.1	5.4	2.7	1.6	1.1
11	2.8	1.8	1.0	1.1	2.1	0.9	0.5	1.4	-0.2	2.2	-2.5	-8.5	2.9	2.1	0.9
12	2.5	1.5	1.0	0.9	1.9	0.9	0.5	6.3	-5.3	3.3	-8.4	-39.1	2.8	1.8	1.0
10 *Q3*	2.5	1.4	1.1	0.9	1.9	0.9	0.6	0.6	0.4	0.2	0.3	4.0	2.7	1.6	1.2
Q4	2.5	1.6	1.0	1.1	2.1	1.0	0.6	0.7	0.4	0.5	0.1	5.4	2.7	1.6	1.1
11 *Q1*	2.6	1.6	1.0	0.8	1.8	0.9	0.6	0.4	0.4	0.1	0.4	5.2	2.7	1.7	1.0
Q2	2.7	1.8	1.0	1.1	2.0	1.0	0.6	0.8	0.3	0.1	0.2	4.1	2.8	1.8	0.9
Q3	2.8	1.8	0.9	0.6	1.5	0.9	0.5	0.5	0.1	0.3	-0.3	1.7	2.8	2.0	0.9
Q4	2.8	1.8	1.0	1.1	2.1	0.9	0.5	1.4	-0.2	2.2	-2.5	-8.5	2.9	2.1	0.9
12 *Q1*	2.7	1.7	1.0	0.8	1.8	0.9	0.5	0.8	0.1	0.2	0.1	-8.9	3.0	2.1	0.9
Q2	2.6	1.5	1.1	1.0	2.0	0.9	0.5	2.3	-1.1	0.8	-2.0	-16.1	3.0	2.0	0.9
Q3	2.3	1.3	1.0	0.8	1.8	0.8	0.5	1.9	-0.9	0.3	-0.8	-18.2	2.9	1.9	0.9
Q4	2.5	1.5	1.0	0.9	1.9	0.9	0.5	6.3	-5.3	3.3	-8.4	-39.1	2.8	1.8	1.0
13 *Q1*	2.3	1.4	0.9	0.8	1.8	0.9	0.5	0.7	0.2	0.1	0.0	-41.2	2.6	1.7	0.9
Q2	2.3	1.3	0.9	1.4	2.4	0.9	0.5	1.0	0.4	0.2	0.4	-33.4	2.5	1.7	0.9

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 4.36 of the BE Boletín estadístico.
a. Profit before tax divided by own funds.
b. Only those financial assets and liabilities which respectively give rise to financial income and costs have been considered to calculate the averge return and cost.
c. Average of the last four quarters.

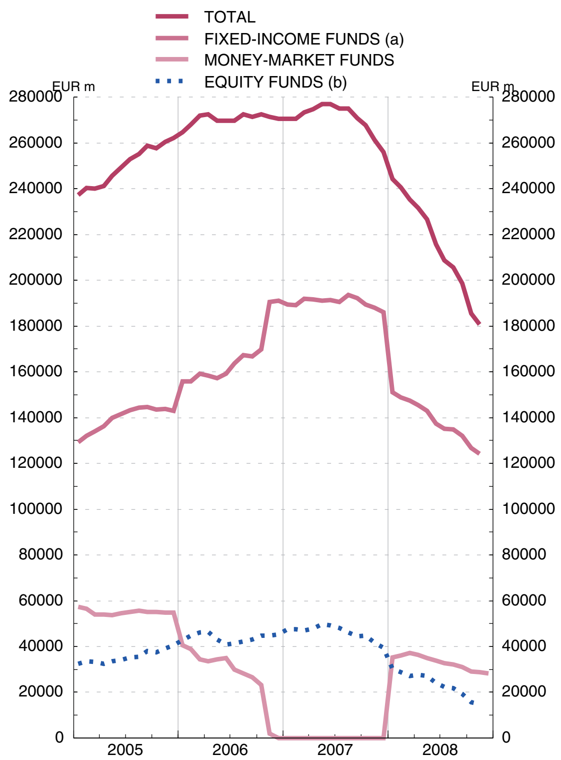
8.11. MUTUAL FUNDS RESIDENT IN SPAIN

■ Series depicted in chart.

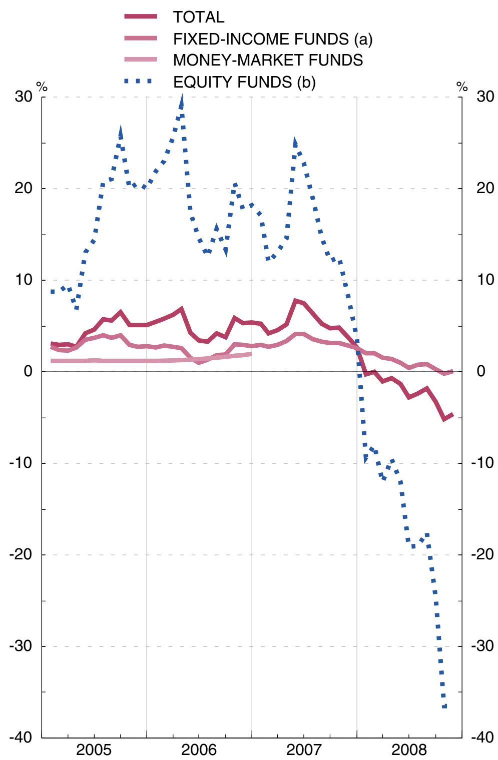
EUR millions

	Total				Money-market funds				Fixed-income funds (a)				Equity funds (b)				Others funds (c)
	Net asset value	Of which: Monthly change	Of which: Net funds invested	Return over last 12 months	Net asset value	Of which: Monthly change	Of which: Net funds invested	Return over last 12 months	Net asset value	Of which: Monthly change	Of which: Net funds invested	Return over last 12 months	Net asset value	Of which: Monthly change	Of which: Net funds invested	Return over last 12 months	Net asset value
	1 ■	2	3	4 ■	5 ■	6	7	8 ■	9 ■	10	11	12 ■	13 ■	14	15	16 ■	17
05	262 201	26 113	14 270	5.1	54 751	-3 237	-3 881	1.2	143 047	15 312	12 061	2.8	40 672	8 649	2 303	20.0	23 730
06	270 407	8 206	-10 861	5.4	106	-54 645	-55 113	2.0	191 002	47 954	39 212	2.8	45 365	4 693	-2 189	18.2	33 934
07	256 055	-14 352	-22 008	2.6	-	-106	-106	...	185 963	-5 039	-8 287	2.6	39 449	-5 916	-7 179	3.6	30 643
07 *Aug*	275 016	-19	-242	5.3	-	-	-	...	193 565	3 073	2 697	3.3	46 136	-2 060	-1 421	14.7	35 314
Sep	270 736	-4 279	-5 439	4.8	-	-	-	...	192 289	-1 277	-1 624	3.1	44 560	-1 576	-1 877	12.1	33 887
Oct	267 586	-3 151	-6 069	4.8	-	-	-	...	189 387	-2 902	-3 907	3.1	44 816	255	-1 196	12.5	33 383
Nov	261 331	-6 255	-4 310	3.8	-	-	-	...	188 057	-1 330	-1 536	2.9	41 620	-3 196	-1 640	8.3	31 654
Dec	256 055	-5 276	-4 537	2.6	-	-	-	...	185 963	-2 094	-1 919	2.6	39 449	-2 171	-1 417	3.6	30 643
08 *Jan*	244 286	-11 769	-6 863	-0.3	35 111	35 111	1 027	...	151 093	-34 870	531	2.0	30 184	-9 265	-5 341	-9.4	27 898
Feb	240 462	-3 824	-4 123	0.0	36 169	1 058	-10	...	148 946	-2 147	-1 376	2.0	28 813	-1 371	-1 319	-8.0	26 534
Mar	235 174	-5 288	-3 933	-1.1	37 340	1 171	-369	...	147 530	-1 415	-1 658	1.5	27 214	-1 599	-906	-12.0	23 090
Apr	231 723	-3 451	-5 458	-0.7	36 428	-912	-909	...	145 511	-2 019	-2 512	1.4	27 622	409	-839	-9.5	22 161
May	226 535	-5 187	-5 542	-1.3	35 029	-1 400	-1 590	...	142 921	-2 590	-2 562	1.0	27 159	-464	-627	-12.0	21 427
Jun	215 574	-10 961	-7 355	-2.8	33 849	-1 180	-1 569	...	137 444	-5 476	-3 950	0.4	24 008	-3 150	-753	-19.1	20 273
Jul	208 593	-6 982	-7 186	-2.4	32 589	-1 260	-1 628	...	135 012	-2 433	-2 798	0.7	22 309	-1 699	-1 354	-19.0	18 683
Aug	205 707	-2 886	-7 138	-1.8	32 125	-464	-549	...	134 723	-289	-711	0.8	21 922	-388	-5 444	-17.6	16 938
Sep	198 665	-7 042	-5 892	-3.3	30 927	-1 198	-1 176	...	131 932	-2 791	-2 863	0.3	19 242	-2 680	-972	-24.7	16 564
Oct	185 428	-13 237	-11 680	-5.2	29 165	-1 762	-1 796	...	126 590	-5 342	-7 323	-0.2	15 756	-3 486	-959	-36.5	13 917
Nov	180 835	-4 593	-4 363	-4.6	28 810	-355	-427	...	124 111	-2 479	-2 854	0.1	14 708	-1 048	-496	-36.5	13 207

NET ASSET VALUE



RETURN OVER LAST 12 MONTHS



SOURCES: CNMV and Inverco.

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

b. Includes equity funds and mixed equity funds in euros, national and international.

c. Global funds.

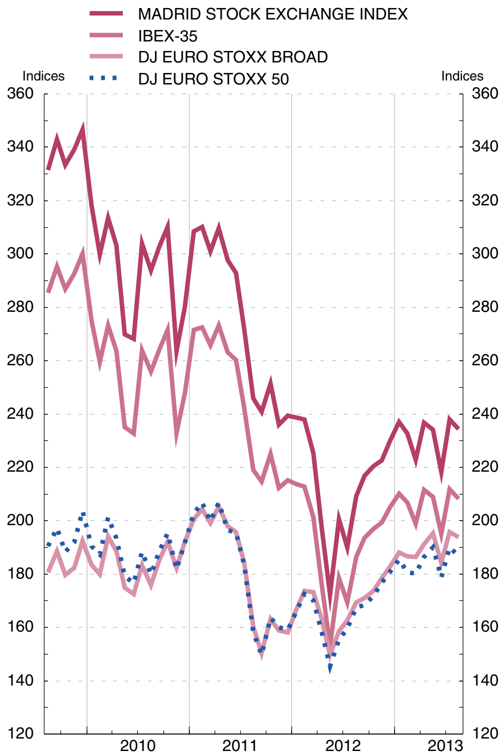
8.12. SHARE PRICE INDICES AND TURNOVER ON SECURITIES MARKETS. SPAIN AND EURO AREA

■ Series depicted in chart.

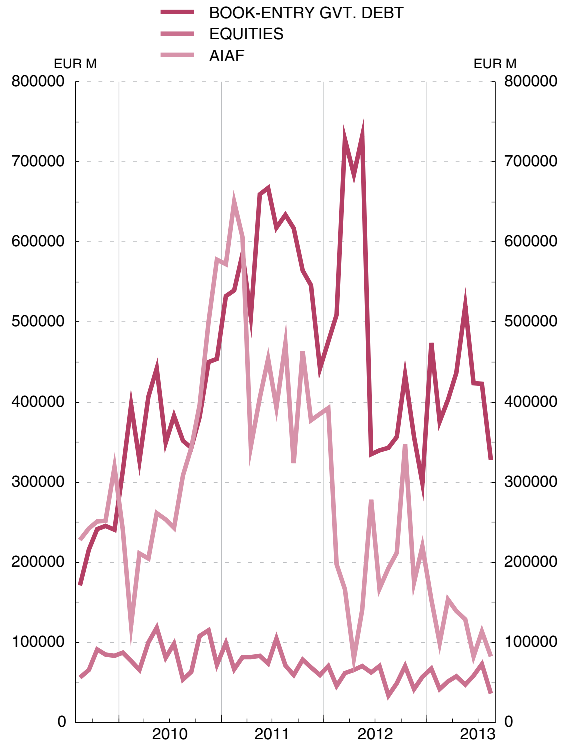
Indices, EUR millions and thousands of contracts

		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
11		986.15	9 727.31	258.92	2 646.26	926 265	70 978	6 911 206	5 448 502	-	29 630	-	5 591
12		764.56	7 579.94	240.67	2 419.01	696 262	60 247	5 592 323	2 568 756	-	34 928	-	4 988
13	A	830.39	8 218.23	271.58	2 693.45	431 783	30 728	3 383 212	951 684	-	16 322	-	3 757
12 *May*		617.23	6 089.80	213.87	2 118.94	70 119	6 897	732 309	140 899	...	2 419	...	626
Jun		718.49	7 102.20	226.42	2 264.72	62 049	3 875	335 123	277 867	...	4 246	...	566
Jul		680.53	6 738.10	232.34	2 325.72	70 446	5 057	339 550	167 029	...	2 140	...	515
Aug		749.84	7 420.50	241.70	2 440.71	33 630	3 945	342 962	192 740	...	2 044	...	374
Sep		777.05	7 708.50	244.21	2 454.26	48 788	6 081	356 661	212 006	...	4 937	...	357
Oct		790.12	7 842.90	248.10	2 503.64	69 931	4 267	433 914	347 799	...	1 819	...	338
Nov		798.04	7 934.60	254.83	2 575.25	41 854	6 008	356 491	174 889	...	1 899	...	289
Dec		824.70	8 167.50	260.84	2 635.93	56 525	3 124	299 126	219 645	...	4 220	...	264
13 *Jan*		848.79	8 362.30	268.57	2 702.98	67 086	2 883	473 866	153 501	...	2 129	...	329
Feb		833.59	8 230.30	266.35	2 633.55	41 708	4 120	375 821	99 348	...	1 973	...	477
Mar		798.39	7 920.00	266.08	2 624.02	51 354	2 922	402 758	153 583	...	2 730	...	480
Apr		848.43	8 419.00	272.83	2 717.38	57 151	7 269	436 218	138 762	...	1 379	...	513
May		839.10	8 320.60	278.88	2 769.64	47 390	5 641	520 390	128 741	...	2 067	...	481
Jun		781.82	7 762.70	263.09	2 602.59	58 232	2 542	423 791	82 324	...	2 628	...	567
Jul		852.30	8 433.40	279.46	2 768.15	72 758	2 889	422 716	113 400	...	2 065	...	473
Aug	P	840.02	8 290.50	276.67	2 721.37	36 105	2 463	327 652	82 025	...	1 351	...	437

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 and4); AIAF (column 8) and Spanish Financial Futures Market (MEFFSA) (columns 9 to 12)

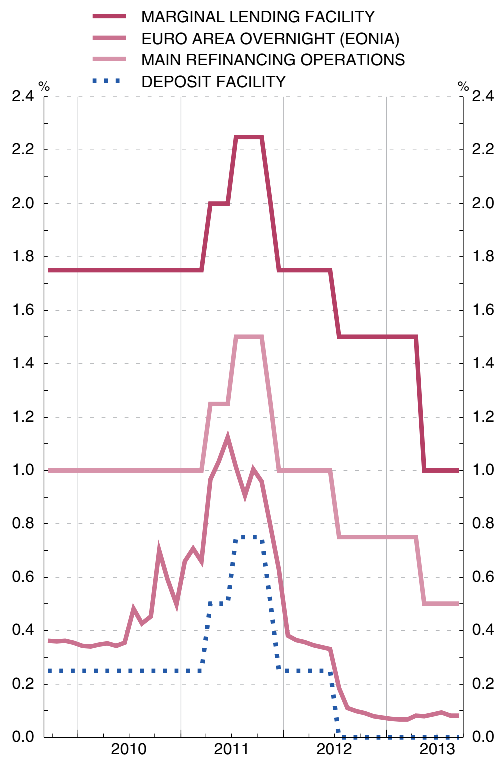
9.1. INTEREST RATES. EUROSYSTEM AND MONEY MARKET. EURO AREA AND SPAIN

■ Series depicted in chart.

Averages of daily data. Percentages per annum

	Eurosystem monetary policy operations: Main refinancing operations: weekly tenders 1 ■	Eurosystem monetary policy operations: Longer term refinancing operations: monthly tenders 2	Standing facilities: Marginal lending 3 ■	Standing facilities: Deposit 4 ■	Money market, Euro area: deposits (Euribor) (a): Overnight (EONIA) 5 ■	Euro area: 1-month 6	Euro area: 3-month 7 ■	Euro area: 6-month 8	Euro area: 1-year 9 ■	Spain, Non-transferable deposits: Overnight 10	Non-transferable deposits: 1-month 11	Non-transferable deposits: 3-month 12	Non-transferable deposits: 6-month 13	Non-transferable deposits: 1-year 14	Govermment-securities repos: Overnight 15	Govermment-securities repos: 1-month 16	Govermment-securities repos: 3-month 17	Govermment-securities repos: 1-year 18
11	1.00	1.00	1.75	0.25	0.871	1.18	1.39	1.64	2.01	1.02	1.33	1.34	1.57	2.64	0.88	1.17	1.39	2.04
12	0.75	0.75	1.50	0.00	0.229	0.33	0.57	0.83	1.11	0.27	0.76	1.06	-	1.72	0.18	0.41	0.56	1.00
13 A	0.50	0.50	1.00	0.00	0.078	0.12	0.21	0.33	0.54	0.16	0.43	1.07	0.33	0.53	0.07	0.33	0.42	-
12 *Jun*	1.00	1.00	1.75	0.25	0.332	0.38	0.66	0.94	1.22	0.41	0.83	-	-	-	0.32	0.77	0.93	-
Jul	0.75	0.75	1.50	0.00	0.184	0.22	0.50	0.78	1.06	0.24	0.51	-	-	-	0.20	0.45	0.15	1.00
Aug	0.75	0.75	1.50	0.00	0.110	0.13	0.33	0.61	0.88	0.21	0.59	-	-	-	0.15	0.45	-	-
Sep	0.75	0.75	1.50	0.00	0.099	0.12	0.25	0.48	0.74	0.21	2.22	-	-	-	0.10	0.43	0.46	-
Oct	0.75	0.75	1.50	0.00	0.091	0.11	0.21	0.41	0.65	0.20	0.60	-	-	-	0.15	0.51	0.67	-
Nov	0.75	0.75	1.50	0.00	0.079	0.11	0.19	0.36	0.59	0.14	0.65	-	-	-	0.06	0.53	0.64	-
Dec	0.75	0.75	1.50	0.00	0.073	0.11	0.19	0.32	0.55	0.18	0.20	-	-	-	0.09	0.46	0.58	-
13 *Jan*	0.75	0.75	1.50	0.00	0.069	0.11	0.20	0.34	0.58	0.13	0.45	-	-	-	0.03	0.25	0.30	-
Feb	0.75	0.75	1.50	0.00	0.068	0.12	0.22	0.36	0.59	0.11	0.59	-	-	-	0.04	0.27	0.42	-
Mar	0.75	0.75	1.50	0.00	0.067	0.12	0.21	0.33	0.55	0.20	0.39	-	-	-	0.07	0.29	0.42	-
Apr	0.75	0.75	1.50	0.00	0.081	0.12	0.21	0.32	0.53	0.16	0.56	-	-	-	0.07	0.36	0.48	-
May	0.50	0.50	1.00	0.00	0.079	0.11	0.20	0.30	0.48	0.15	0.40	1.75	-	-	0.08	0.33	0.45	-
Jun	0.50	0.50	1.00	0.00	0.086	0.12	0.21	0.32	0.51	0.17	0.56	-	-	-	0.13	0.34	0.43	-
Jul	0.50	-	1.00	0.00	0.093	0.13	0.22	0.34	0.53	0.21	0.31	0.22	0.33	0.52	0.13	0.38	0.42	-
Aug	0.50	0.50	1.00	0.00	0.082	0.13	0.23	0.34	0.54	0.15	0.19	1.25	-	0.53	0.06	0.41	0.49	-
Sep	0.50	0.50	1.00	0.00	0.080	0.13	0.22	0.34	0.54	0.14	0.42	-	-	0.55	0.05	0.36	0.36	-

EUROSYSTEM: MONETARY POLICY OPERATIONS AND EURO AREA OVERNIGHT DEPOSITS



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

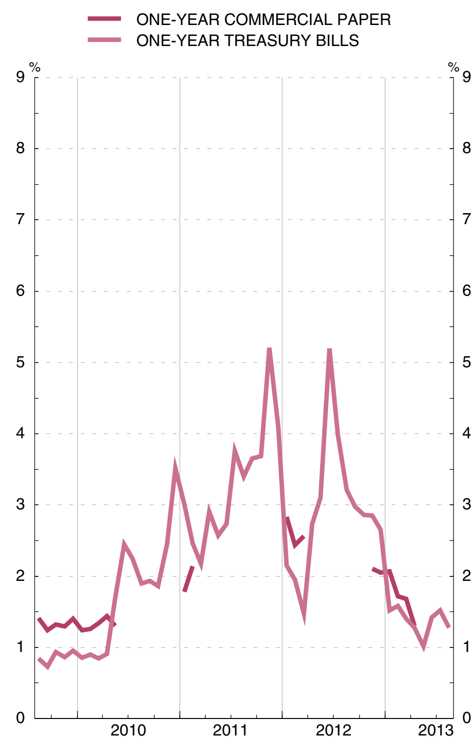
Source: ECB (columns 1 to 8).
a. To December 1998, synthetic euro area rates have been calculated on the basis of national rates weighted by GDP

9.2. INTEREST RATES: SPANISH SHORT-TERM AND LONG-TERM SECURITIES MARKETS

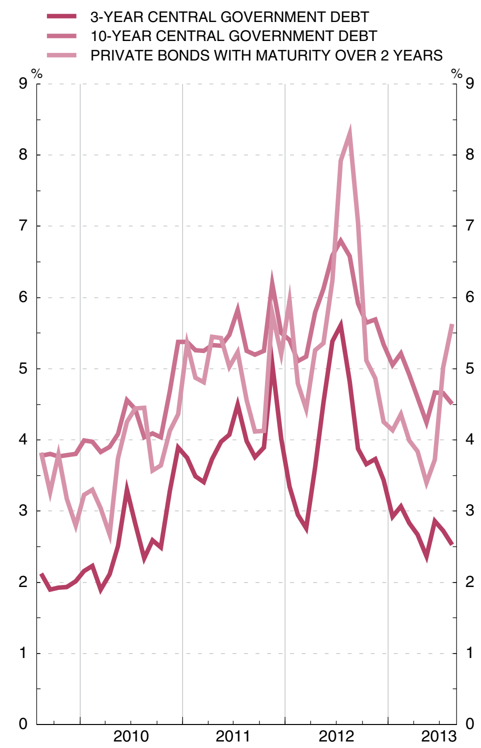
■ Series depicted in chart. *Percentages per annum*

	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 ■
11	3.31	3.04	1.95	3.11	4.11	4.64	5.55	5.99	5.96	3.97	5.44	5.00
12	2.93	2.67	2.40	3.24	3.93	4.79	5.72	-	6.14	3.98	5.85	5.80
13 A	1.37	1.29	1.56	3.13	2.64	3.62	4.88	5.27	5.58	2.74	4.73	4.27
12 *May*	3.10	3.27	-	3.05	5.13	4.98	-	-	-	4.52	6.13	5.36
Jun	5.20	4.18	-	3.18	5.51	6.20	6.12	-	-	5.39	6.59	6.24
Jul	3.99	4.05	-	2.52	5.30	6.54	6.80	-	-	5.61	6.79	7.92
Aug	3.21	3.09	2.44	2.74	4.85	6.06	6.71	-	-	4.82	6.58	8.30
Sep	2.98	2.63	-	2.92	3.55	4.58	5.70	-	-	3.88	5.92	7.06
Oct	2.86	2.54	-	3.76	3.27	4.00	5.47	-	-	3.66	5.65	5.12
Nov	2.85	2.42	2.10	3.72	3.66	4.79	5.56	-	6.37	3.73	5.69	4.86
Dec	2.65	2.26	2.05	3.63	3.16	4.08	4.67	-	5.93	3.44	5.34	4.25
13 *Jan*	1.52	1.43	2.07	3.37	2.77	3.81	5.40	5.57	5.71	2.92	5.05	4.14
Feb	1.58	1.47	1.72	3.36	2.57	4.29	5.22	5.82	-	3.07	5.22	4.36
Mar	1.40	1.36	1.68	2.94	2.31	3.58	4.92	-	5.46	2.83	4.92	3.99
Apr	1.27	1.11	1.30	2.88	2.81	3.29	4.63	-	-	2.67	4.59	3.84
May	1.01	1.02	-	2.83	2.47	3.03	4.45	4.56	-	2.37	4.25	3.40
Jun	1.42	1.35	1.01	2.98	2.73	3.64	4.82	-	-	2.86	4.67	3.72
Jul	1.52	1.35	-	3.56	2.79	3.77	4.76	5.19	-	2.73	4.66	5.02
Aug	1.28	1.24	-	3.10	2.66	3.59	-	-	-	2.53	4.51	5.63

PRIMARY MARKET



SECONDARY MARKET



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

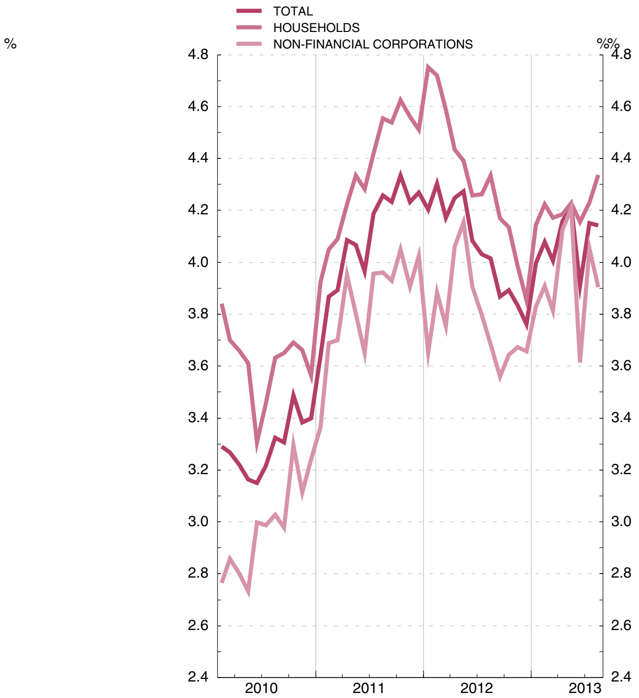
9.3. INTEREST RATES ON NEW BUSINESS. CREDIT INSTITUTIONS. (CBE 4/2002) SDDS (a)

■ Series depicted in chart.

Percentages

		Loans (APRC) (b)							Deposits (NDER) (b)								
		Synthetic rate (d)	Households and NPISH			Non-financial corporations			Synthetic rate (d)	Households and NPISH				Non-financial corporations			
			Synthetic rate	House purchase	Consumption and other	Synthetic rate	Up to EUR 1 million	Over EUR 1 million (c)		Synthetic rate	Overnight and redeemable at notice	Time	Repos	Synthetic rate	Overnight	Time	Repos
		1 ■	2 ■	3	4	5 ■	6	7	8 ■	9 ■	10	11	12	13 ■	14	15	16
11		4.27	4.51	3.66	7.29	4.02	5.39	3.51	1.63	1.72	0.28	2.79	0.86	1.32	0.61	2.13	1.00
12		3.76	3.86	2.93	6.98	3.66	5.35	2.98	1.60	1.72	0.21	2.83	1.39	1.13	0.37	2.08	1.32
13	A	4.14	4.34	3.27	7.96	3.90	5.40	2.87	1.01	1.06	0.18	1.73	0.20	0.83	0.40	1.38	0.32
12 *Jan*		4.20	4.75	3.80	7.86	3.65	5.52	2.96	1.61	1.73	0.27	2.78	0.51	1.20	0.60	1.91	0.49
Feb		4.30	4.72	3.82	7.70	3.88	5.42	3.14	1.57	1.66	0.26	2.66	0.49	1.23	0.60	1.94	0.50
Mar		4.17	4.59	3.74	7.41	3.75	5.49	2.96	1.49	1.58	0.28	2.53	0.39	1.16	0.56	1.88	0.51
Apr		4.25	4.43	3.53	7.48	4.06	5.82	3.21	1.40	1.49	0.27	2.37	0.58	1.07	0.54	1.68	0.60
May		4.27	4.39	3.47	7.46	4.15	5.56	3.60	1.33	1.41	0.26	2.26	0.64	1.02	0.51	1.69	0.48
Jun		4.08	4.26	3.40	7.04	3.91	5.58	3.36	1.34	1.41	0.26	2.31	0.77	1.06	0.52	1.79	0.64
Jul		4.03	4.26	3.34	7.32	3.80	5.70	2.98	1.40	1.48	0.24	2.44	0.72	1.04	0.49	1.77	0.58
Aug		4.01	4.33	3.31	7.76	3.68	5.81	2.74	1.41	1.50	0.25	2.47	0.75	1.04	0.46	1.81	0.48
Sep		3.87	4.17	3.18	7.50	3.56	5.51	2.57	1.59	1.72	0.26	2.84	1.14	1.09	0.44	1.93	0.95
Oct		3.89	4.14	3.18	7.34	3.64	5.61	2.71	1.61	1.70	0.25	2.77	1.11	1.23	0.43	2.26	0.72
Nov		3.83	3.99	3.06	7.00	3.67	5.58	2.73	1.64	1.76	0.22	2.91	1.29	1.14	0.40	2.11	0.51
Dec		3.76	3.86	2.93	6.98	3.66	5.35	2.98	1.60	1.72	0.21	2.83	1.39	1.13	0.37	2.08	1.32
13 *Jan*		4.00	4.14	3.16	7.48	3.83	5.67	2.93	1.39	1.47	0.20	2.37	0.63	1.09	0.38	1.95	0.89
Feb		4.08	4.22	3.26	7.49	3.91	5.65	3.10	1.16	1.22	0.21	1.95	0.38	0.94	0.39	1.63	0.38
Mar		4.01	4.17	3.22	7.42	3.81	5.57	2.94	1.13	1.19	0.21	1.90	0.36	0.91	0.34	1.63	0.62
Apr		4.16	4.19	3.20	7.55	4.12	5.87	3.10	1.16	1.21	0.20	1.94	0.32	0.99	0.39	1.75	0.38
May		4.22	4.23	3.18	7.82	4.21	5.78	3.28	1.17	1.22	0.21	1.97	0.25	0.95	0.41	1.67	0.22
Jun		3.91	4.16	3.16	7.47	3.62	5.49	2.85	1.02	1.06	0.18	1.75	0.27	0.86	0.42	1.46	0.43
Jul		4.15	4.23	3.19	7.76	4.05	5.62	3.14	1.05	1.09	0.18	1.78	0.28	0.92	0.38	1.58	0.37
Aug	P	4.14	4.34	3.27	7.96	3.90	5.40	2.87	1.01	1.06	0.18	1.73	0.20	0.83	0.40	1.38	0.32

LOANS
SYNTHETIC RATES



DEPOSITS
SYNTHETIC RATES

Source: BE.

a. This table is included among the IMF's requirements to meet the Special Data Dissemination Standards (SDDS)

b. APRC: annual percentage rate of charge. NEDR: narrowly defined effective rate, which is the same as the APRC without including commissions.

c. Calculated by adding to the NDER rate, which does not include commissions and other expenses, a moving average of such expenses.

d. The synthetic rates of loans and deposits are obtained as the average of the interest rates on new business weighted by the euro-denominated stocks included in the balance sheet for all the instruments of each sector.

e. Up to the reference month May 2010, this column includes credit granted through credit cards (see the 'Changes' note in the July-August 2010 Boletín Estadístico).

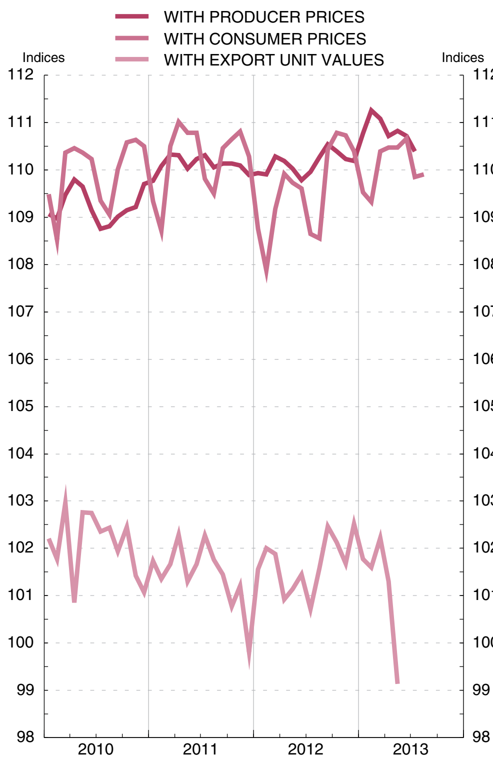
9.4 INDICES OF SPANISH COMPETITIVENESS VIS-à-VIS THE EU-28 AND THE EURO AREA

■ Series depicted in chart.

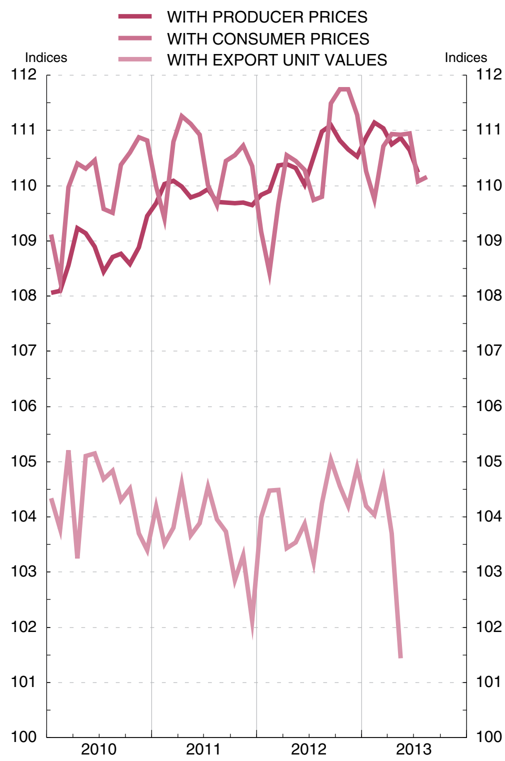
Base 1999 QI = 100

	Vis-à-vis the EU-28: Total (a): Based on producer prices ■	Vis-à-vis the EU-28: Total (a): Based on consumer prices ■	Vis-à-vis the EU-28: Total (a): Based on total unit labour costs (d)	Vis-à-vis the EU-28: Total (a): Based on export unit values(e) ■	Vis-à-vis the EU-28: Nominal component (b)	Vis-à-vis the EU-28: Price component (c): Based on producer prices	Vis-à-vis the EU-28: Price component (c): Based on consumer prices	Vis-à-vis the EU-28: Price component (c): Based on total unit labour costs (d)	Vis-à-vis the EU-28: Price component (c): Based on export unit values(e)	Vis-à-vis the euro area: Based on producer prices ■	Vis-à-vis the euro area: Based on consumer prices ■	Vis-à-vis the euro area: Based on total unit labour costs (d)	Vis-à-vis the euro area: Based on manufacturing unit labour costs (d)	Vis-à-vis the euro area: Based on export unit values ■
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
10	109.2	110.0	109.6	102.1	101.8	107.2	108.0	107.6	100.2	108.7	110.0	110.4	110.5	104.4
11	110.1	110.2	107.6	101.4	101.9	108.1	108.2	105.6	99.6	109.8	110.4	108.4	111.4	103.7
12	110.1	109.6	101.8	101.7	101.4	108.6	108.0	100.4	100.2	110.5	110.4	103.2	108.0	104.2
11 *Q3*	110.2	109.9	107.6	101.8	102.0	108.0	107.8	105.5	99.8	109.8	110.0	108.3	113.3	104.1
Q4	110.0	110.6	106.6	100.6	102.1	107.7	108.3	104.4	98.5	109.7	110.5	107.1	114.0	102.8
12 *Q1*	110.0	108.6	104.6	101.8	101.7	108.2	106.8	102.8	100.1	110.0	109.1	105.7	107.5	104.3
Q2	110.0	109.8	103.0	101.2	101.5	108.4	108.1	101.5	99.7	110.2	110.4	104.3	108.5	103.6
Q3	110.3	109.2	101.9	101.6	101.1	109.0	108.0	100.7	100.5	110.9	110.3	103.5	108.1	104.1
Q4	110.3	110.6	97.9	102.1	101.3	108.8	109.2	96.6	100.8	110.7	111.6	99.2	107.9	104.6
13 *Q1*	111.0	109.8	99.5	101.9	101.8	109.1	107.8	97.7	100.1	111.0	110.3	100.2	105.6	104.3
Q2	110.8	110.5	99.4	...	101.9	108.7	108.5	97.6	...	110.8	110.9	100.1	106.2	...
12 *Dec*	110.2	110.4	97.9	102.5	101.4	108.7	108.9	96.6	101.1	110.5	111.3	99.2	107.9	104.9
13 *Jan*	110.8	109.5	...	101.8	101.6	109.0	107.8	...	100.1	110.9	110.3	...	...	104.2
Feb	111.3	109.3	...	101.6	101.9	109.2	107.3	...	99.7	111.1	109.8	...	...	104.0
Mar	111.1	110.4	99.5	102.2	101.9	109.0	108.3	97.7	100.3	111.0	110.7	100.2	105.6	104.7
Apr	110.7	110.5	...	101.3	101.8	108.7	108.5	...	99.5	110.8	110.9	...	...	103.7
May	110.8	110.5	...	99.1	101.8	108.8	108.5	...	97.4	110.9	110.9	...	...	101.4
Jun	110.7	110.7	99.4	...	102.0	108.6	108.5	97.6	...	110.6	110.9	100.1	106.2	...
Jul	110.4	109.8	...	...	102.0	108.2	107.7	...	...	110.2	110.1	...	...	...
Aug	...	109.9	...	...	102.0	...	107.7	...	...	...	110.2	...	...	...
Sep	...	...	...	...	101.8	...	...	...	...	...	...	...	...	...

INDICES OF SPANISH COMPETITIVENESS VIS À VIS THE EU-28



INDICES OF SPANISH COMPETITIVENESS VIS À VIS THE EURO AREA



Source: BE.

a. Outcome of multiplying nominal and cost/price components. A decline in the index denotes an improvement in the competitiveness of Spanish products.

b. Geometric mean calculated using a double weighting system based on (1995-1997), (1998-2000), (2001-2003), (2004-2006) and (2007-2009) manufacturing foreign trade figures.

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

d. Quarterly series. Indices for Spain have been calculated using data for Unit Labour Costs (total and manufacturing) compiled from Quarterly Spanish National Accounts. Base 2008. Source INE.

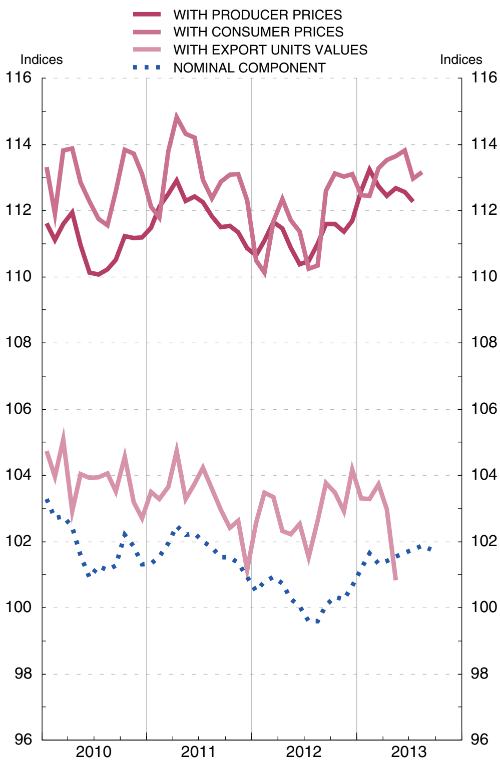
9.5 INDICES OF SPANISH COMPETITIVENESS VIS-à-VIS THE DEVELOPED COUNTRIES AND INDUSTRIALISED COUNTRIES

■ Series depicted in chart.

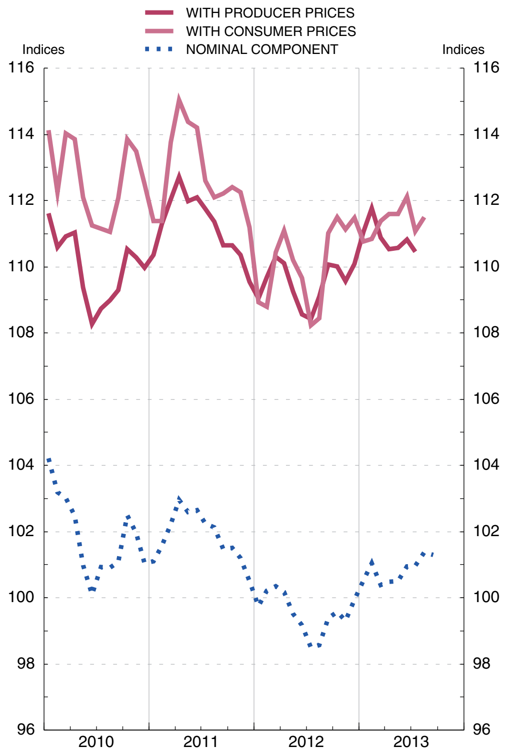
Base 1999 QI = 100

	Vis-à-vis developed countries									Vis-à-vis industrialised countries				
	Total (a)				Nominal compon-ent (b)	Prices component (c)				Total (a)		Nominal compon-ent (b)	Prices component(c)	
	Based on producer prices	Based on consumer prices	Based on manufac - turing unit labour costs (d)	Based on export unit values		Based on producer prices	Based on consumer prices	Based on manufac - turing unit labour costs (d)	Based on export unit values	Based on producer prices	Based on consumer prices		Based on producer prices	Based on consumer prices
	1 ■	2 ■	3	4 ■	5 ■	6	7	8	9	10 ■	11 ■	12 ■	13	14
10	111.0	112.9	115.2	103.9	101.9	108.9	110.8	113.1	102.0	110.0	112.7	101.9	108.0	110.6
11	111.9	113.1	115.3	103.3	101.7	110.0	111.2	113.3	101.5	111.2	112.7	101.8	109.2	110.7
12	111.2	111.7	110.3	102.9	100.3	110.8	111.3	110.0	102.6	109.5	110.1	99.5	110.0	110.6
11 *Q3*	111.9	112.7	117.3	103.6	101.8	109.9	110.7	115.2	101.8	111.3	112.3	102.0	109.1	110.2
Q4	111.2	112.8	117.5	102.1	101.3	109.8	111.4	116.0	100.8	110.2	112.0	101.1	109.0	110.8
12 *Q1*	111.1	110.8	110.3	103.1	100.7	110.3	110.0	109.5	102.4	109.7	109.4	100.1	109.6	109.3
Q2	110.9	111.8	110.9	102.4	100.3	110.5	111.4	110.5	102.0	109.3	110.3	99.6	109.7	110.7
Q3	111.0	111.0	109.8	102.6	99.8	111.3	111.3	110.0	102.9	109.2	109.2	98.8	110.5	110.5
Q4	111.6	113.1	110.4	103.5	100.4	111.1	112.6	110.0	103.1	109.9	111.4	99.6	110.3	111.8
13 *Q1*	112.8	112.7	109.1	103.5	101.4	111.3	111.2	107.6	102.0	111.2	111.0	100.6	110.5	110.3
Q2	112.6	113.7	110.0	...	101.5	110.9	112.0	108.3	...	110.6	111.8	100.6	109.9	111.1
12 *Dec*	111.7	113.1	110.4	104.2	100.7	111.0	112.4	110.0	103.5	110.1	111.5	99.9	110.2	111.5
13 *Jan*	112.6	112.5	...	103.3	101.2	111.3	111.2	...	102.1	111.1	110.8	100.5	110.5	110.2
Feb	113.2	112.5	...	103.3	101.6	111.4	110.6	...	101.6	111.8	110.9	101.0	110.6	109.7
Mar	112.7	113.3	109.1	103.7	101.3	111.3	111.8	107.6	102.4	110.9	111.4	100.4	110.4	111.0
Apr	112.5	113.5	...	103.0	101.4	110.9	112.0	...	101.6	110.5	111.6	100.5	110.0	111.1
May	112.7	113.7	...	100.8	101.5	111.0	111.9	...	99.3	110.6	111.6	100.5	110.0	111.0
Jun	112.6	113.8	110.0	...	101.7	110.7	112.0	108.3	...	110.8	112.1	101.0	109.8	111.1
Jul	112.3	113.0	...	...	101.8	110.3	111.0	...	...	110.5	111.1	101.0	109.4	110.0
Aug	...	113.2	...	...	101.9	...	111.1	...	...	...	111.5	101.4	...	110.1
Sep	...	...	...	...	101.8	...	...	...	...	...	...	101.3	...	...

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



INDICES OF SPANISH COMPETITIVENESS VIS-À-VIS THE INDUSTRIALISED 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), (1998-2000), (2001-2003), (2004-2006) and (2007-2009) manufacturing foreign trade figures.

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

d. Quarterly series. Indices for Spain have been calculated using data for Unit Labour Costs (total and manufacturing) compiled from Quarterly Spanish National Accounts. Base 2008. Source INE.

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ABBREVIATIONS

BCBS	Basel Committee on Banking Supervision
BE	Banco de España
BIS	Bank for International Settlements
BLS	Bank Lending Survey
BOE	Official State Gazette
BRICs	Brazil, Russia, India and China
CBA	Central Balance Sheet Data Office Annual Survey
CBQ	Central Balance Sheet Data Office Quarterly Survey
CBSO	Central Balance Sheet Data Office
CCR	Central Credit Register
CDSs	Credit default swaps
CEIPOS	Committee of European Insurance and Occupational Pensions Supervisors
CESR	Committee of European Securities Regulators
CNE	Spanish National Accounts
CNMV	National Securities Market Commission
CPI	Consumer Price Index
DGF	Deposit Guarantee Fund
EBA	European Banking Authority
ECB	European Central Bank
ECOFIN	Council of the European Communities (Economic and Financial Affairs)
EDP	Excessive Deficit Procedure
EFSF	European Financial Stability Facility
EMU	Economic and Monetary Union
EONIA	Euro overnight index average
EPA	Official Spanish Labour Force Survey
ESA 79	European System of Integrated Economic Accounts
ESA 95	European System of National and Regional Accounts
ESCB	European System of Central Banks
ESFS	European System of Financial Supervisors
ESM	European Stability Mechanism
ESRB	European Systemic Risk Board
EU	European Union
EURIBOR	Euro interbank offered rate
EUROSTAT	Statistical Office of the European Communities
FASE	Financial Accounts of the Spanish Economy
FDI	Foreign direct investment
FROB	Fund for the Orderly Restructuring of the Banking Sector
FSB	Financial Stability Board
FSF	Financial Stability Forum
GDI	Gross disposable income
GDP	Gross domestic product
GFCF	Gross fixed capital formation
GNP	Gross national product
GOP	Gross operating profit
GVA	Gross value added
HICP	Harmonised Index of Consumer Prices
IASB	International Accounting Standards Board
ICO	Official Credit Institute
IFRSs	International Financial Reporting Standards
IGAE	National Audit Office
IIP	International Investment Position
IMF	International Monetary Fund
INE	National Statistics Institute
SPEE	National Public Employment Service
LTROs	Longer-term refinancing operations
MFIs	Monetary financial institutions
MMFs	Money market funds
MROs	Main refinancing operations
MTBDE	Banco de España quarterly macroeconomic model
NCBs	National central banks
NFCs	Non-financial corporations
NPISHs	Non-profit institutions serving households
OECD	Organisation for Economic Co-operation and Development
ONP	Ordinary net profit
OPEC	Organisation of Petroleum Exporting Countries
PMI	Purchasing Managers' Index
PPP	Purchasing power parity
QNA	Quarterly National Accounts
RDL	Royal Decree-Law
SEPA	Single Euro Payments Area
SGP	Stability and Growth Pact
SMEs	Small and medium-sized enterprises
SSM	Single Supervisory Mechanism
TARGET	Trans-European Automated Real-time Gross settlement Express Transfer system
TFP	Total factor productivity
ULCs	Unit labour costs
VAT	Value Added Tax

COUNTRIES AND CURRENCIES

In accordance with Community practice, the EU countries are listed using the alphabetical order of the country names in the national languages.

BE	Belgium	EUR (euro)
BG	Bulgaria	BGN (Bulgarian lev)
CZ	Czech Republic	CZK (Czech koruna)
DK	Denmark	DKK (Danish krone)
DE	Germany	EUR (euro)
EE	Estonia	EEK (Estonian kroon)
IE	Ireland	EUR (euro)
GR	Greece	EUR (euro)
ES	Spain	EUR (euro)
FR	France	EUR (euro)
IT	Italy	EUR (euro)
CY	Cyprus	EUR (euro)
LV	Latvia	LVL (Latvian lats)
LT	Lithuania	LTL (Lithuanian litas)
LU	Luxembourg	EUR (euro)
HU	Hungary	HUF (Hungarian forint)
MT	Malta	EUR (euro)
NL	Netherlands	EUR (euro)
AT	Austria	EUR (euro)
PL	Poland	PLN (Polish zloty)
PT	Portugal	EUR (euro)
RO	Romania	RON (New Romanian leu)
SI	Slovenia	EUR (euro)
SK	Slovakia	EUR (euro)
FI	Finland	EUR (euro)
SE	Sweden	SEK (Swedish krona)
UK	United Kingdom	GBP (Pound sterling)
JP	Japan	JPY (Japanese yen)
US	United States	USD (US dollar)

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.
Q1, Q4	Calendar quarters.
H1, H2	Calendar half-years.
bn	Billions (10^9).
m	Millions.
bp	Basis points.
pp	Percentage points.
...	Not available.
—	Nil, non-existence of the event considered or insignificance of changes when expressed as rates of growth.
0.0	Less than half the final digit shown in the series.