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BANCO DE ESPAÑA

Eurosistema

CONTENTS

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 2015

Ladies and gentlemen,

As is habitually the case, my appearance before this Committee at the start of the parliamentary process to discuss and approve the Budget will focus on the developments in and the outlook and challenges for the Spanish economy, which are the framework for economic policy measures. On this occasion I shall also refer, at the end of my address, to the progress on banking union in Europe. As you know, the Single Supervisory Mechanism will begin to operate in early November, marking a milestone on the road taken to overcome the fragilities in the architecture of the European Monetary Union.

The external setting of the Spanish economy

I shall begin with a reference to the external setting of the Spanish economy and to the monetary policy we share with the euro area countries.

The world economy remains on a course of progressive recovery which, on available forecasts, could place GDP growth at a rate of around 3.5% this year, and closer to 4% in 2015.

The performance of the different global regions remains, however, very uneven. While recovery is firming in the United States and in the United Kingdom, the Japanese economy appears to be losing momentum. A lack of dynamism is even more evident in the euro area, where growth forecasts have been revised downwards and point to a very weak pace of recovery. Among the emerging economies, growth continues to be high in Asia, in contrast to the poorer performance of some Latin American economies.

At the global level, inflation continues to hold broadly at moderate levels and no significant inflationary pressures are discernible. This behaviour of prices justifies keeping monetary policy loose in the advanced economies, in line with the stance adopted at the start of the crisis. Nonetheless, in the United States and the United Kingdom, where recovery is moving more briskly, we are already witnessing the first steps of the withdrawal of the exceptionally expansionary, non-conventional measures introduced at critical junctures of the crisis. But we cannot yet refer to a change in tack in the monetary policy stance of these two countries. Rather, what is involved is an incipient return to a somewhat more neutral monetary stance. And as these countries' central banks have insisted, the change will be gradual and in step with the progress of each economy so as to avoid jeopardising the recovery.

The conduct of the Federal Reserve and the Bank of England is in significant contrast to that of the European Central Bank, which currently faces a very different growth and inflation scenario.

The fragile recovery that began around mid-2013 in the euro area has progressively lost momentum in 2014. Indeed, GDP in the area was flat in the second quarter of this year, although this figure reflects transitory factors whose influence is still difficult to assess. In any event, most analysts predict weak growth in the euro area both this year and next, with highly uneven rates across countries and significant downside risks.

Euro area inflation is ultimately moving at figures far removed from the 2% reference which, in the medium term, is the monetary policy objective for the area. With inflation rates standing roughly at scarcely 0.5% and a macroeconomic scenario marked by sluggish demand, the dangers of a downturn in inflation expectations have become increasingly more patent, increasing the risks to recovery.

The European Central Bank has responded to these risks with additional measures that have further accentuated the expansionary nature of euro area monetary policy, thereby placing itself apart from the trajectory initiated by the Federal Reserve and the Bank of England. At its June and September meetings this year, the ECB Governing Council adopted an array of expansionary measures which, once again, combine conventional and other exceptional and unconventional actions.

On the conventional front, the ECB once again reduced its official interest rates. The main refinancing operations rate was cut to 0.05%, a level which technically marks the minimum possible bound for this type of interest rate. The marginal credit facility and deposit rates were cut by a similar amount (10 bp) to stand, respectively, at 0.30% and -0.20%. This further cut to the negative deposit facility rate increases the incentive for banks not to hold immobilised surplus liquid balances in their accounts with the Eurosystem.

In the non-conventional arena, the ECB has set in train a new long-term refinancing operation explicitly geared to make lending to the private sector more buoyant. These operations, which will be launched from September this year to June 2016, may have a term of up to 4 years, at a very attractive cost for banks: 10 bp above the main refinancing operations rate, which is equivalent at present to only 0.15%.

Given that the aim of new long-term injections is to stimulate bank loans to the non-financial private sector, their availability has been linked to both the stock and the flows of lending extended by banks to households and firms, although loans for house purchase have been excluded from these calculations.

The non-conventional measures agreed in September also include two new asset purchase programmes, the details of which will be addressed in the next ECB Governing Council meetings.

The Eurosystem may acquire financial instruments derived from securitisations that meet various requirements. They must be simple, transparent and based on loans to households and firms in the euro area. The programme is expected to be able to contribute to reinvigorating the securitisations market, a major market that has been greatly affected by the crisis.

Furthermore, this month the Eurosystem will set in motion a new programme to purchase mortgage-backed securities, or securities backed by other loans held by banks, i.e. in Spain's case, our various types of covered bonds.

Following the approval of this set of measures, the ECB has reiterated its commitment, unanimously backed by its Governing Council, to resort if necessary to further unconventional measures.

Developments in and outlook for the Spanish economy

In contrast to the weakening of the recovery in the euro area, the momentum of the Spanish economy in 2014 has progressively firmed. GDP rose in the second quarter by 0.6%, marking four consecutive quarters of increases. The latest figures point to this trajectory continuing over the rest of the year, albeit at a more measured pace. That will allow the year-on-year rate of change in GDP to draw close to 2% in the final quarter, a rate at around which the Spanish economy may be expected to grow on average in 2015 as a whole.

The growth rate of employment during the first half of the year exceeded forecasts across the board in the productive sectors, albeit more intensely so in market services. Our expectation is that this pattern of job creation and of gradual reduction in the unemployment rate will continue, although perhaps somewhat more slowly.

National demand is playing a key role in this phase of recovery. Among the factors driving it are, first, the progressive normalisation of financial conditions brought about by the Eurosystem's expansionary monetary policy and the reduction in the degree of financial fragmentation in the area. Favourable labour market developments are also playing a notable part in kick-starting domestic demand, by contributing to upholding household disposable income and to improving confidence.

Among the domestic spending components, mention should be made of household consumption (underpinned by improved disposable income and by recourse to saving), the sustained increase in business investment (driven by brighter final demand prospects) and the culmination of the sharp adjustment of residential investment, where there are signs of stabilisation. For the first time in the last six years, close-to-zero or slightly positive rates can be observed in the aggregate real estate price indices.

Lending figures remain in a contractionary phase, in parallel with private-sector deleveraging. But, on the data available, this process is proving compatible with a shift in credit flows towards companies with better output and export prospects and in a sounder financial position.

Foreign trade flows have undergone quite sharp changes in 2014, brought on by the loss of momentum in our export markets (most particularly in specific emerging economies and in the EU) and the acceleration in imports as the recovery took root. As a result, the net contribution of the external sector to GDP has diminished and the pace of adjustment of the external imbalance has slowed. While some of these developments are conceivably temporary, the high cyclical sensitivity of our imports alerts to the need to broaden our export base and to continue increasing the presence of Spanish companies in markets with greater growth potential. It is also an indicator of the problems our competitiveness poses not only for exports but also, domestically, with regard to imports.

On a par with other euro area countries, Spain's inflation rate is trending extremely moderately. In the summer months the year-on-year rate of change in the CPI turned negative (-0.2% in September) owing to the influence of temporary factors that affected the prices of unprocessed food and energy products, following marked increases in 2013. That said, core inflation has posted practically zero growth since the start of the year, suggesting there are other, more persistent factors making for a greater sensitivity of costs and prices to the need for the economy to adjust. At the end of the year the inflation rate is expected to return to positive – though very low – values.

Fiscal policy

Such is the macro-financial setting in which the State and Social Security Budget for 2015 has been drafted.

The scenario is more favourable than in previous years, which should help us to continue the fiscal consolidation process. The improved cyclical position and the significant reduction in the risk premium and interest rates on public debt have a major direct positive effect on public finances, in contrast to the adverse pressure wielded by these variables in recent years.

The adjustment in public finances undertaken by the Spanish economy is three-pronged: the gradual reduction in the budget deficit in line with the targets set, the strengthening of the fiscal governance framework and the reform of the pensions system.

In light of the budgetary exercise under way, compliance with the fiscal commitments acquired at the European and national level should be the cornerstone of our budgetary policy. Fulfilment of these objectives will allow us to build on the gains in credibility already attained and to turn around the upward trend in the public debt/GDP ratio. Both goals are prerequisites for a durable economic recovery.

One of the main changes to the institutional framework of Spanish fiscal policy has been the creation and start-up of the Autoridad Independiente de Responsabilidad Fiscal (Independent Authority for Fiscal Responsibility – IAFR).

The IAFR will be playing a most prominent role throughout the budgetary cycle, monitoring compliance with the principle of budgetary stability in the general government sector, in accordance with the provisions of Article 135 of our Constitution and with European regulations. In this way Spain is moving to enhance its economic governance, joining those EU countries – practically all of them – that have this type of agency.

The IAFR, adhering to the principles of independence, transparency and accountability, will contribute to improving control over fiscal policy and to introducing greater budgetary discipline in all tiers of general government, in line with the Law on Budgetary Stability and Financial Sustainability approved in 2012.

More specifically, and focusing on the budget for this year, the IAFR has recently published a report on macroeconomic forecasts (*Informe sobre las Previsiones Macroeconómicas)*, endorsing the Government's macroeconomic projections that underpin the draft State Budget and analysing the consistency of the projections made in previous years. Furthermore, by 15 October, the IAFR is to publish its report on the draft Budget (*Informe sobre el propio Proyecto de Presupuestos)*, in which it will assess its suitability with a view to meeting the objectives of stability, debt and the rule that ties spending to economic growth.

As regards the sustainability of public finances in the long term, the latest key development has been the approval and entry into force of the new revaluation index and the pension sustainability factor. The reform entails a structural change, since benefits are to be linked to the system's ability to generate revenue.

The information available on the budget outturn to date this year shows headway in the process of fiscal consolidation. The overall general government deficit in National Accounts terms was 3.43% of GDP to June, 0.5 pp down on the figure of 3.94% in the same period a year earlier. The central government, Social Security and regional government deficit to July stood at 3.87%, compared with 4.41% in 2013. Attaining the projected deficit of 5.5% to 2014 as a whole will require sustaining the pace of adjustment in the second half of the year.

The draft State Budget for 2015 sets a budget deficit target of 4.2% of GDP, 1.3 pp of GDP below that for 2014. Given the improved macroeconomic situation, the fiscal drive required to attain this reduction, measured by the change in the primary structural balance, will be more moderate than in previous years.

In the case of the State, and according to the information from the draft Budget, the planned reduction in the deficit is based primarily on public spending, whose ceiling for the year as a whole has been set at a level 3.2% lower than in 2014. Measures envisaged include most notably those relating to personnel expenses, with the wage freeze on public-sector employees continuing, although one-quarter of the 2012 “extra” payroll payment is to be returned to them, and there is to be an increase in the average staff replacement rate to 50% for the health care, education and security sectors, among others.

As to revenue, the projections include the estimated impact of the recently approved tax reform. In the next two years, this reform will specifically entail a gradual reduction in personal income tax and in corporate income tax. The budgetary cost of this reform will be relatively lower in 2015, although it will have a greater impact, naturally, once it has been set fully in place. The budgetary projection indicates that this forgone revenue will be offset by the greater buoyancy of revenue against a background of strengthening recovery, particularly in domestic demand.

The uncertainty habitually clouding estimates of the impact of tax changes will require a continuous monitoring of revenue-raising in 2015 so as to head off potential slippage and, where appropriate, to react in time so as to prevent such slippage from adversely impacting budget deficit targets.

The public debt/GDP ratio will continue on an upward trend, until reaching 100.3% according to the official forecast. The scale of this figure highlights the challenge facing budgetary policy in Spain, which will have to continue prioritising the gradual reduction of this debt .

Outlook and challenges

The outlook for the Spanish economy is brighter than that which I outlined to this Committee a year back. The rebalancing of domestic expenditure and net external demand has continued, with greater vigour than was previously expected. The pick-up in employment is proving to be one of the main drivers of domestic demand, attesting to the role that the labour market reform and wage restraint are playing in entrenching the recovery, although unemployment remains unacceptably high.

But this scenario of recovery is not free from risks. Some, particularly those stemming from the external environment, have increased in recent months. Others are related to the effects of the crisis on the real and financial position of households and firms in a setting in which private-sector deleveraging and fiscal consolidation must continue.

The start-up of the SSM, the assessment of significant institutions and the new European resolution authority.

As earlier stated, I feel bound to refer to the imminent start-up of the Single Supervisory Mechanism.

Further progress has been made in recent months on the project to create a banking union. As we know, this project is vital to ridding Europe of the financial fragmentation which, at the height of the crisis, jeopardised the very survival of the euro and which has affected economies such as Spain so adversely.

I shall broach three issues: the Single Supervisory Mechanism; the assessment of the solvency and soundness of the European banks directly supervised by the ECB; and, thirdly, the Single Resolution Mechanism.

1) The first pillar of the banking union is the Single Supervisory Mechanism, whose aim is to improve supervision in the euro area and make it more uniform, to promote financial integration and to break the negative link between confidence in banks and doubts over the sustainability of public finances.

   Since the approval by the European Council of the SSM Regulation, in October 2013, work has proceeded apace to ensure the SSM commences operating on 4 November. In particular, the ECB has approved a Framework Regulation which defines the supervisory function, its attendant arrangements and the distribution of responsibilities between the ECB and the national authorities. Further, a new Guide to Banking Supervision has been drafted, setting down the procedures all SSM members are to follow.

   The SSM has been defined as an integrated system of bank surveillance, which will combine the leadership of the ECB with the active participation of national supervisory authorities. In any event, arrangements are in place to ensure that the assumption of these new functions by the ECB will not clash with its monetary policy responsibilities.

   As of June 2014, total euro area bank assets amounted to €26 trillion. Given the very high number of credit institutions (some 3,500) established in the euro area, the SSM regulation draws a distinction between "significant" institutions, which will be supervised directly by the ECB, and "less significant" institutions, which will remain the responsibility of national authorities and which the ECB will indirectly supervise.

   Finally, a list of 120 significant institutions has been drawn up, 15 of which are Spanish (14 once a merger currently under way has been completed), accounting for just over 90% of the assets of deposit institutions in Spain.

   The 120 "significant" institutions represent 80-85% of total euro area bank assets; the Spanish banks that will be directly supervised by the SSM account for 14% of the total assets of these 120 significant institutions.

2) In recent months, as a prior step to the SSM taking over supervisory competences, an assessment has been made of significant institutions, the aim of which is to enhance transparency in respect of their position and to reinforce their solvency. The outcome of this exercise will help the SSM to assume its functions with accurate knowledge of the actual situation of the banks it will directly supervise.

   The exercise is now close to completion and its results will be made known before the end of this month. It comprises two phases: an asset quality review and a stress test, on which the Banco de España has been working intensely for several months in cooperation with the ECB.

   The first phase, namely the assessment of the quality of the assets associated with credit and market risk, consisted of verifying the accuracy of the figures and of reviewing asset and collateral values, along with the related provisions (with the collaboration of audit firms). On the basis of the results obtained, exposures have been classified as standard or non-performing, based on the level of risk, with the ECB imposing painstaking quality control of the results of the review.

A stress test is an analysis of credit institutions‘ capacity to absorb losses, evaluating their resilience in different scenarios. The exercise indicates how much capital might be needed were risks to materialise, and it helps highlight areas where supervisory action might be necessary.

The position of banks is evaluated in two scenarios: a baseline scenario, taking as its starting point the European Commission’s forecasts, and an adverse scenario, approved by the European Systemic Risk Board, the European Union’s macroprudential surveillance body headquartered at the ECB. The stress test horizon of three years (2014-2016) is formulated using banks’ consolidated balance sheets at the close of 2013.

Minimum thresholds have been set that banks must meet in respect of core capital, according to the Basel III Accord. These stand at 8% for the asset quality review exercise and for the stress test baseline scenario, and at 5.5% for the adverse scenario. Those banks below these thresholds will have two weeks to submit capital-raising plans, which should envisage coverage of the shortfalls identified. They will have six months to cover capital shortfalls identified in the asset quality review and in the baseline scenario of the stress tests, and nine months to cover shortfalls estimated under the adverse scenario.

3) Allow me to refer, finally, to the Single Resolution Mechanism.

Political agreements were reached last May between the European Parliament and Council to set up this Mechanism, comprising a network of national resolution authorities, the new Single Resolution Board and the Single Resolution Fund. The Regulation creating the Single Board and Fund was published on 30 July; since then work has continued on the elements that will enable the Mechanism to come on stream on 1 January 2015.

The Single Board will have competence over the resolution of the most important institutions, namely the significant banks overseen by the SSM, and will be empowered to use the resources available in the Single Resolution Fund. In addition, it will set criteria and oversee the measures implemented in this area by national authorities in connection with the remaining banks. The Fund will draw on contributions from all the banks of the countries participating in the new Mechanism.

Conclusions

To conclude, allow me to draw my address together in three points.

Firstly, the Spanish economy is in a phase of recovery, meaning not only more activity, but also progress in the correction of the major imbalances built up during the previous upturn: the budget deficit, unemployment and private-sector debt.

Secondly, there are risks currently stemming, above all, from the international economy, and particularly from the euro area, which may affect this recovery.

And thirdly, progress is being achieved in European economic governance, in particular in the banking union, which we all hope will contribute to alleviating and ultimately eliminating financial fragmentation, and to shoring up the complex institutional arrangements that are the basis of the Monetary Union within the European Union.

Thank you.

1.10.2014.

The Banco de España has begun a changeover to a new release calendar for its quarterly report on the Spanish economy. The next report will be published in December this year and will be accompanied by an update of the macroeconomic projections for the two-year period 2014-2015 (see Box 1).

The GDP estimate for Q3 is of a more preliminary nature than usual and is subject to particular difficulties owing to the statistical differences that may arise further to the changes in methodology and in the National Accounts (NA) base currently under way. The preliminary estimates of GDP for Q3 that the INE will publish in November will be compiled with the new NA methodological standard (see Box 2). As at the cut-off date for this report, the scale of the changes in the quarterly series that will make up the new base is not known, but changes in the profile of the series or in the composition of GDP might have significant effects on the macroeconomic projections, meaning that the figures discussed below should be interpreted with all due caution.

During Q3, the pattern of recovery in the Spanish economy that began to take shape over the course of the past year continued. Underpinning this pick-up were the progressive normalisation of financing conditions, continuing levels of relatively robust confidence (despite some adverse developments in the external environment) and the favourable labour market performance. Estimates made drawing on the conjunctural information available suggests that GDP growth in Q3 was 0.5%, making for five consecutive quarters of positive growth. In terms of the year-on-year rate of change, output is expected to have increased by 1.6%. On the expenditure side, domestic demand is estimated to have increased at a rate of 0.6% quarter-on-quarter, while the contribution of net external demand to the increase in output was slightly negative. In step with the pattern observed since late 2013, employment continued to improve, albeit at a slightly slower pace than in Q2. It posted an estimated quarter-on-quarter rate of 0.4%, placing the year-on-year increase in employment at 1.2%.

Again having regard to the above-mentioned caution, economic and financial developments in recent months, along with the changes observed in the technical assumptions used, confirm the scenario of gradual recovery anticipated in the July quarterly report, with estimated growth in GDP of 1.3% and 2% in 2014 and 2015, respectively. However, the risks of slippage from this central scenario have stepped up in recent months, owing to the worsening outlook for the international economy, in particular for the euro area.

The inflation rate, measured by the year-on-year rate of change in the CPI, was slightly negative (-0.3%) for Q3 as a whole. As had been forecast, this development was much influenced by the trajectory of the prices of the most volatile CPI components, which were affected by temporary comparison effects, most acutely so in the case of certain processed foods and fuel prices. Cheaper crude oil prices on international markets contributed to more moderate final prices of energy. That said, core inflation, proxied by the CPI excluding energy and unprocessed food prices, held at a rate of zero throughout Q3, as has been the case since May, which denotes a deeper-seated change in inflation dynamics in Spain. The aforementioned temporary effects lost momentum during the quarter, whereby the year-on-year rate of change in the CPI stood at -0.2% in September, 0.3 pp up on the August figure. The slowdown in prices in Spain during Q3 was sharper than that recorded

QUARTERLY PUBLICATION OF MACROECONOMIC PROJECTIONS AND CHANGE IN THE QUARTERLY REPORT CALENDAR

BOX 1

The Banco de España began to publish macroeconomic projections for the Spanish economy annually in 2007. In March, earlier this year, a change in the publication frequency for these projections was agreed, whereby from April they would appear in successive editions of the quarterly report on the Spanish economy. The Banco de España thus falls into line with the recent trend at most Eurosystem central banks regarding the publication of macroeconomic projections and with other public and private agencies that disseminate forecasts several times a year.

The inclusion of the macroeconomic projections in the quarterly report is a logical step, since this report contains the fullest and most detailed analyses of conjunctural developments in the Spanish economy to be regularly published by the Bank. Concentrating in the quarterly report both the future outlook for the Spanish economy and the monitoring of conjunctural developments during the quarter helps better link the analysis of the main recent events to the medium-term outlook.

This decision entails certain changes in the organisation of the content of the quarterly report, as well as in its publication calendar, which will be brought forward one month relative to the current calendar. As from December 2014, the report will be published in March, June, September and December.

Under these new arrangements, the extent and level of detail of the presentation of the projections will differ in the various quarterly reports. The annual projections publication cycle for the current year and the next will begin in March, and will be accompanied by an analysis of macrofinancial conditions in the Spanish economy during the following two-year period, as has been the case in recent years in the Spanish economic projections report which, generally, has been published in March. The June and December quarterly reports will include the forecasts for the Spanish economy drawn up by the Banco de España Directorate General for Economics, Statistics and Research as part of the joint Eurosystem forecasting exercise, whose aggregate results for the euro area are made public by the ECB following the monetary policy meeting of the Governing Council corresponding to each of these two months. Finally, the September report will publish the results of the updated forecasts published in June.

in the euro area, meaning that the inflation differential became more favourable to Spain, widening to 0.6 percentage points (pp) in September.

The projections for inflation are very similar to those published in the July quarterly report. CPI inflation is forecast to run at very low rates over the projection horizon, averaging 0.1% and 0.7% in 2014 and 2015, respectively, reflecting the degree of slack that will still be present in the Spanish economy and moderate costs and margins. The risks of deviations from the inflation forecasts are skewed to the downside, matching the assessment made in July.

In the international arena, the world economy held on a path of recovery, although the performance of the different areas remained uneven and the factors of fragility in the economy have progressively increased. Among the developed economies, and set against the greater strength of the United States and the United Kingdom, there was a notable lack of dynamism in the euro area. As to the emerging economies, the pace of growth stabilised in the Asian economies while, conversely, the deceleration of activity in Latin America continued. Overall, world trade weakened in Q3. Inflation held at moderate rates, contained by the decline in commodities prices. The lack of inflationary pressures meant that the monetary policy of the main central banks remained expansionary, although at those where the recovery showed signs of greater robustness, the first steps began to be taken for the withdrawal of non-standard measures. The divergences in the outlook for growth had begun to become discernible also in exchange rate developments, in a climate of high volatility. Specifically, from June, the euro had depreciated almost 8% against the dollar, although this movement has more recently been partly corrected.

In the euro area the loss of momentum of the economic recovery, following flat activity in Q2, has led growth forecasts for the area to be reduced for 2014 and 2015. The main

MAIN SPANISH MACROECONOMIC AGGREGATES (a)

TABLE 1

	2012	2013	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3
National Accounts									
Quarter-on-quarter rate of change, unless otherwise indicated									
Gross domestic product	-1.6	-1.2	-0.3	-0.1	0.1	0.2	0.4	0.6	0.5
Private consumption	-2.8	-2.1	-0.4	0.1	0.5	0.5	0.5	0.7	0.5
Gross capital formation	-6.9	-5.2	-1.3	-2.1	0.5	0.9	-0.7	0.6	1.5
Domestic demand	-4.1	-2.7	-0.3	-0.6	0.5	-0.3	1.1	0.6	0.6
Exports	2.1	4.9	-4.5	7.0	0.6	0.8	-1.0	1.3	2.5
Imports	-5.7	0.4	-4.6	6.1	2.1	-0.6	0.9	1.5	3.1
Contribution of net external demand (b)	2.5	1.5	0.0	0.4	-0.5	0.5	-0.7	0.0	-0.1
Year-on-year rate of change									
GDP	-1.6	-1.2	-1.9	-1.6	-1.1	-0.2	0.5	1.2	1.6
Employment	-4.8	-3.4	-4.7	-4.0	-3.3	-1.6	-0.4	0.8	1.2
GDP deflator	0.0	0.6	1.2	0.7	0.4	0.2	-0.6	-0.4	-0.5
Price indicators (year-on-year change in end-of-period data)									
CPI	2.4	1.4	2.4	2.1	0.3	0.3	-0.1	0.1	-0.2
CPI excl. unprocessed food and energy	1.6	1.4	2.3	2.0	0.8	0.2	0.0	0.0	-0.1
HICP	2.4	1.5	2.6	2.2	0.5	0.3	-0.2	0.0	-0.3
HICP: differential with the euro area	-0.1	0.2	0.9	0.6	-0.6	-0.5	-0.7	-0.5	-0.6

SOURCES: INE and Banco de España.

a Information available up to 16 October 2014.
b Contribution to the quarter-on-quarter rate of change of GDP in pp.

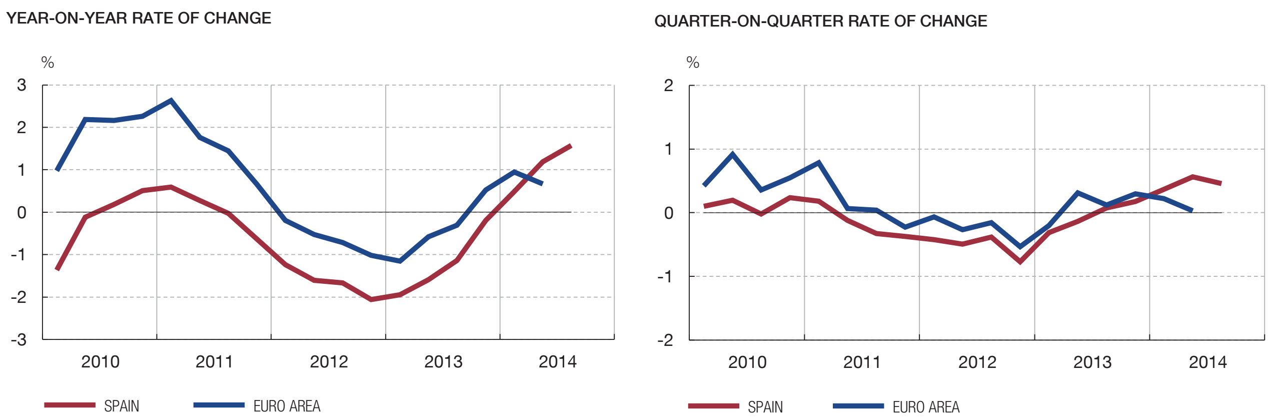
international agencies anticipate a scenario of weak recovery subject to significant risks of slippage. The prolongation of the declining course of the inflation rate over the past quarter, with the HICP posting a rate of change of 0.3% in September, has likewise determined a downward revision of the inflation outlook in the euro area. Indeed, inflation is estimated to stand over a very prolonged period at levels some distance off 2%, which is the medium-term monetary policy reference.

Against this background, the Governing Council of the ECB has approved in recent months new measures – standard and non-standard alike – reinforcing those agreed in June, with the aim of strengthening the expansionary nature of monetary policy, repairing its transmission mechanism and supporting the provision of credit to the private sector. On the standard front, the ECB, at its meeting on 4 September, cut the interest rate on its main refinancing operations by 10 bp to 0.05%, placing the respective rates on its deposit and marginal lending facilities at -0.20% and 0.30%, which for practical purposes exhausts the leeway available for standard monetary policy. In the non-standard arena, following the approval in June of the new targeted longer-term refinancing operation, the Governing Council announced two new private asset purchase programmes, specifically for covered bonds and asset-backed securities, the technical details of which were set out after the Governing Council meeting on 2 October.

This set of measures has prompted a significant easing of euro area monetary and financial conditions since June, through its impact on interest rates, which have fallen at all terms, and through the exchange rate of the euro, which has depreciated significantly in recent months. The degree of financial fragmentation has lessened in this period, although the uniform transmission across countries of monetary impulses continues to encounter certain difficulties. Nonetheless, in the days prior to the publication of this report, there has

GROSS DOMESTIC PRODUCT (a)

CHART 1

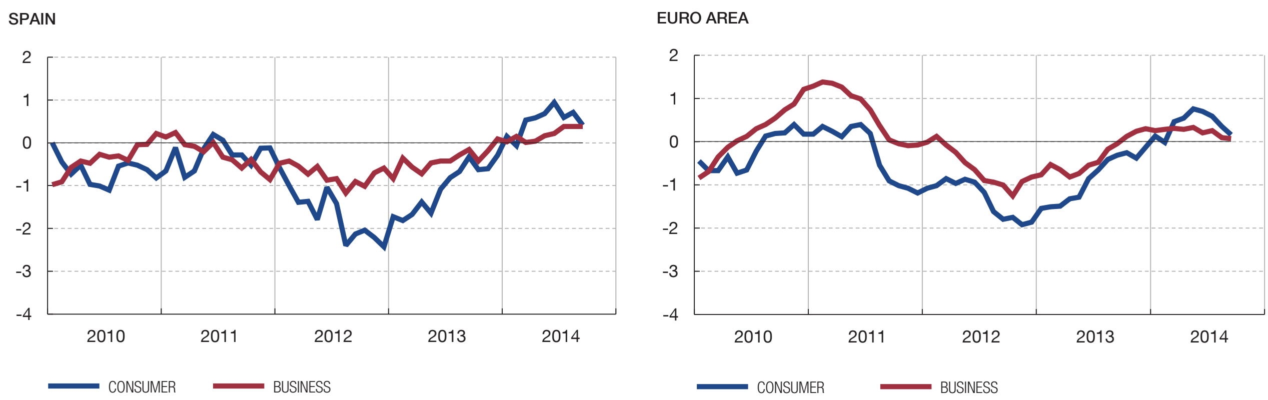


SOURCES: ECB, INE and Banco de España.

a Seasonally adjusted series.

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).

been a fresh bout of financial stability, linked partly to fears of a heightening of the risks surrounding the weak recovery, the scope of which it would be premature to assess.

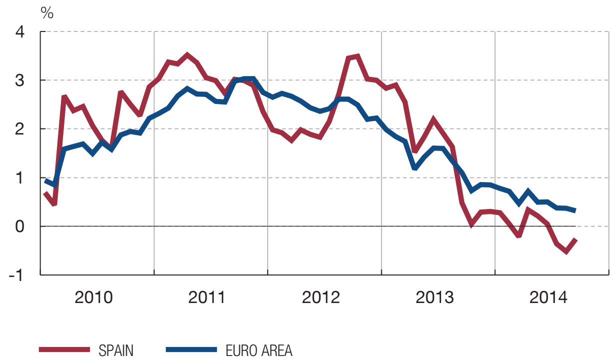
Against this backdrop, financial conditions in Spain continued to improve during Q3, although they have also been affected by the latest tensions. There were fresh reductions in yields on Spanish government debt and in the spread over the German Bund. The risk premia on private fixed-income securities held at moderate levels, interbank market interest rates declined at all terms and credit institutions' cost of funding diminished. The decline in interest rates fed through to the cost of new loans extended to households and firms in virtually all segments, although they remain at relatively high levels given the monetary policy stance (see Box 6).

Despite the improvement in financial determinants and continuing high levels of confidence, the rate of increase of non-financial private-sector spending fell slightly in Q3. In the case of certain domestic demand components (chiefly business investment), the slowdown in spending plans might be beginning to reflect the deterioration of the external environment and doubts over the recovery of the euro area.

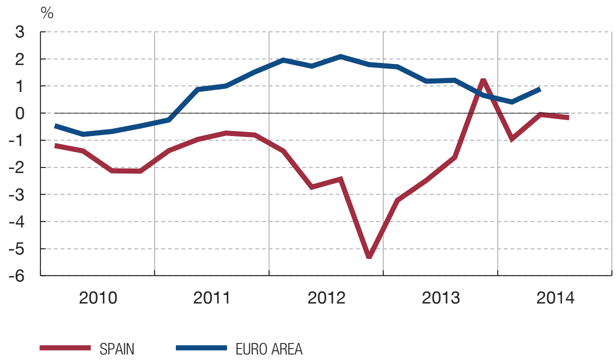
PRICES AND COSTS

CHART 3

HARMONISED INDICES OF CONSUMER PRICES (a)



UNIT LABOUR COSTS (b)



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.

A somewhat lower increase in household consumption than that observed in the previous quarter is estimated (0.5% quarter-on-quarter), as part of a favourable trajectory. This behaviour would be underpinned by job creation and the continuing strength of expenditure in respect of certain durable consumption components. Disposable income increased moderately in the first half of the year and the rising path of household financial wealth continued.

The rate of decline of residential investment slackened in Q3, in a setting in which building permits and the indicators of the demand for housing showed signs of stabilising after seven years of adjustment. There was something of a turnaround in real estate prices, which posted close-to-zero or slightly positive rates after more than six years of continuous decline. The year-on-year rate of the house price index (HPI) stood in Q2 at 0.8%, placing the cumulative adjustment in this indicator from its peak at 36% in nominal terms (44% in real terms). The improvement in the HPI was somewhat sharper than anticipated by other statistical sources, but all point in the same direction and, like the HPI, they signal uneven behaviour across the different regions.

In the corporate realm, productive investment is expected to have decelerated in Q3 as a result of the slowdown in investment in capital goods, since a small increase in investment in non-residential construction is estimated. This slowdown in firms' spending might be related to rising uncertainty over the foreign order book.

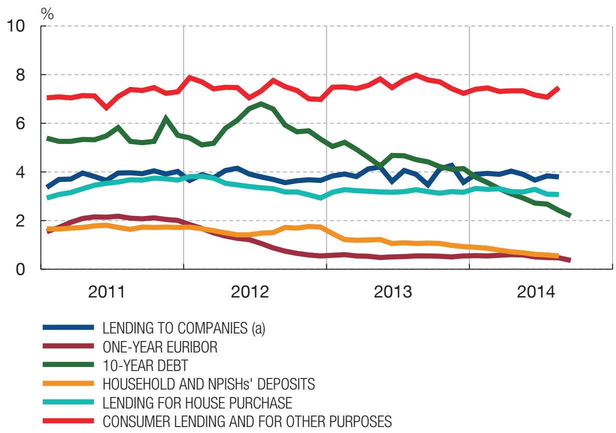
The contraction in lending to the household sector to August was on a similar scale to that of the preceding quarter (-4.5% year-on-year), contributing to a further decline in the ratio of household debt to household disposable income, the increase in the latter variable also contributing to this decline. In turn, the outstanding balance of credit financing to the corporate sector declined in Q3 at a similar rate to that in Q2 (-4.7% year-on-year in August), as did the sector's debt/GDP ratio. Notwithstanding, gross volumes of new lending business increased in most segments at a higher rate than in the previous quarter.

Based on still very partial information, general government conduct in Q3 showed a continuation of the path of containment of public spending and of the recovery in most taxes, linked to the performance of their bases, and in particular of domestic demand and employment. The aggregate deficit for central government, the regional governments and the Social Security

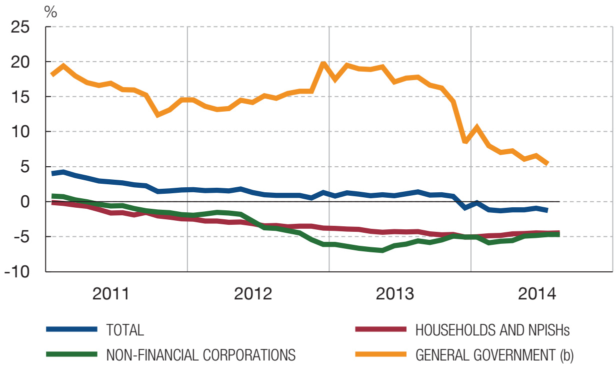
FINANCIAL INDICATORS OF THE SPANISH ECONOMY

CHART 4

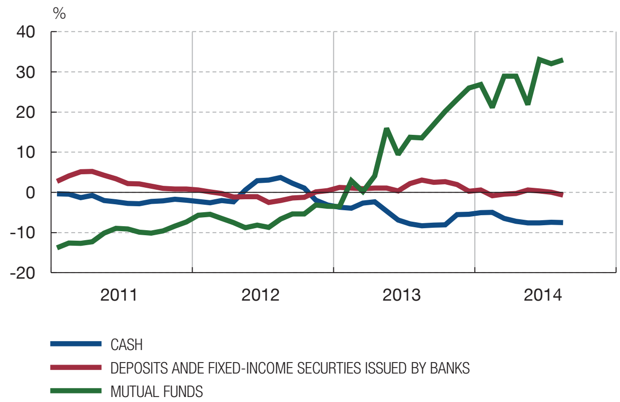
INTEREST RATES



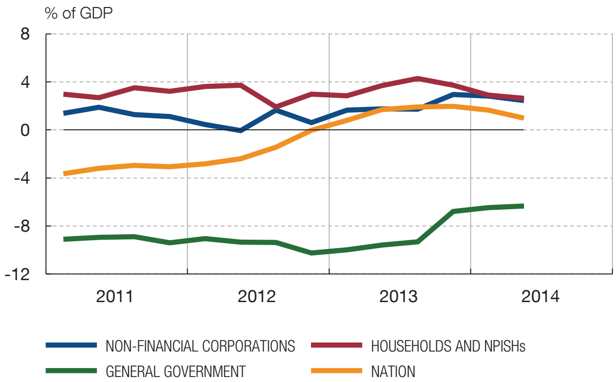
FINANCING TO NON-FINANCIAL RESIDENT SECTORS
(year-on-year growth)



FINANCIAL ASSETS OF NON-FINANCIAL CORPORATIONS
AND OF HOUSEHOLDS AND NPISHs
(year-on-year growth)



NET FINANCIAL TRANSACTIONS (c)



SOURCE: Banco de España.

a 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 (Narrowly Defined Effective Rate), which does not include commission and other expenses, a moving average of such expenses.
b Consolidated financing: net of securities and loans that are general government assets.
c Four-quarter cumulated data. The GDP series is seasonally adjusted.

system stood in the seven months to July at 3.9% of GDP, indicating that the achievement of the deficit target set (5.5% of GDP in 2014) will require perseverance in the adjustment over the remaining months of the year. The recently approved budgetary plan, which sets out the main thrust of the draft budget for central government and the regional governments, as dictated by the new European fiscal governance procedures, foresees the fulfilment of this target in 2014, albeit with a somewhat more negative than envisaged performance by revenue.

As did the draft State Budget, the plan establishes a general government deficit for 2015 of 4.2% of GDP, in line with the path of adjustment approved by the July 2013 European Summit. In turn, the official forecast of the public debt/GDP ratio for that year stands at 100.3%. The budgetary projections have been drawn up bearing in mind the tax changes that will come about further to the entry into force of the recently approved tax reform. They estimate that the forgone tax takings arising in this connection will be offset by a more favourable response by revenue to the projected economic recovery. The uncertainty surrounding the estimates of revenue and its response to the business cycle, in particular in a setting of tax changes, calls for watchfulness so as to allow for a reaction to potential budgetary slippage.

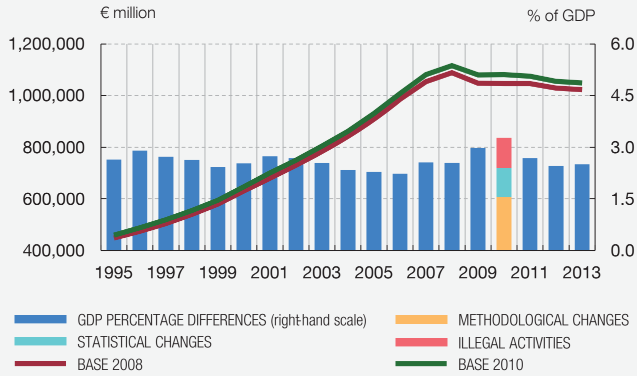
The INE (National Statistics Institute) has begun from end-September to publish the Spanish National Accounts (SNA) time series under the new 2010 base, in accordance with the EU's new obligatory methodological standard: the European System of National and Regional Accounts 2010 (ESA 2010). The new SNA entails methodological changes associated with the adaptation to ESA 2010 and it includes, as is usual with re-basing, statistical innovations derived from revisions in the statistical sources used or in estimation procedures.[1] To date, The INE has published the base 2010 annual accounts of the main macroeconomic aggregates for the period 1995-2013 and the non-financial quarterly accounts of the institutional sectors for 1999-2013. The publication of SNA quarterly time series using the new base has been announced for 27 November. This box describes the key changes ESA 2010 involves and details the main implications for the macroeconomic aggregates.

Among the methodological changes ESA 2010 involves is the inclusion of research and development (R+D) expenditure and purchases of armament systems as expenditure on investment in fixed capital, whereas ESA 95 treated them as intermediate consumption. Consequently, the depreciation of this expenditure is now reflected in fixed capital consumption. Among the statistical innovations, mention should be made of the inclusion of the information from the 2011 Population and Housing Census and of the revision of the external statistics, further to the adoption of the methodology of the IMF's Sixth Edition of the Balance of Payments and International Investment Position Manual (BPM6). Lastly, the base 2010 SNA introduces the estimation of illegal activities that had already been envisaged in ESA 95 but which had not yet been

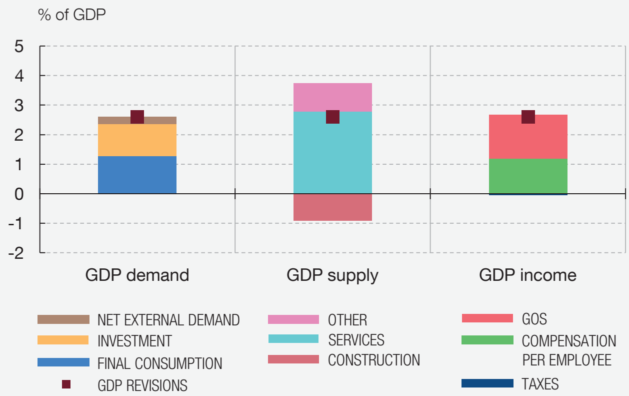
1 Greater details of these changes can be found in "Spanish National Accounts. New base 2010. 2010-2013 series", INE, note updated on 3 October 2014, and in "Implementation of the 2010 European System of Accounts (ESA 2010) in Spanish National Accounts. Methodological note. Preview of provisional estimate of effects", INE, June 2014.

1 SPANISH NATIONAL ACCOUNTS. NEW BASE 2010

1.1 NOMINAL GDP



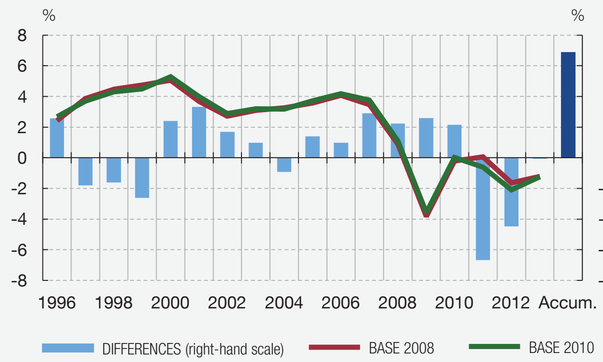
1.2 CHANGES IN NOMINAL GDP BY COMPONENT
Average 1995-2013



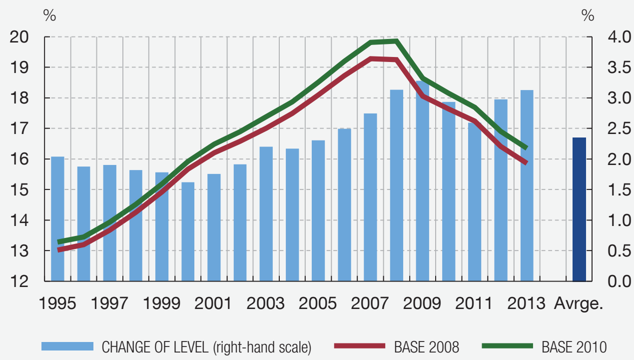
SOURCE: INE.

2 SPANISH NATIONAL ACCOUNTS. NEW BASE 2010

2.1 ANNUAL CHANGE IN GDP VOLUME



2.2 FULL-TIME EQUIVALENT JOBS



SOURCE: INE.

carried out. The INE has estimated these illegal activities following Eurostat methodology and procedures, so that the different countries' series are homogeneous and comparable.

As a result of these changes, the level of base 2010 nominal GDP has been revised upwards from 1995 to a level in 2013 that is 2.6% higher than using base 2008. According to INE estimates, the methodological changes account for almost 50% of this revision, whereas the statistical changes and the inclusion of illegal activities explain the rest in practically equal proportions (see Chart 1.1).[2] On the expenditure side, the upward revision of nominal GDP is attributable to a higher level of national demand, in terms both of investment and of private consumption. On the supply side, higher nominal GDP is explained by the greater activity of the services sector, to the detriment of construction, while on the side of income generated, both the contribution of employee compensation and of the gross operating surplus are higher (see Chart 1.2).

The significance of the various demand components relative to GDP has not changed substantially with the new base, with the exception of exports and imports, which decline as a percentage of GDP as the foreign trade data have been revised. As a result of these changes, the external balance on goods and services has improved under the new SNA by around 1 pp of GDP in the period 2010-2013 and the net lending of the nation reached 2.1% of GDP in 2013, compared with 1.5% under the former base.

The effect of all these modifications on the rate of change of GDP in real terms has been limited, except for the years 2011 and 2012, in which GDP growth was revised downwards by 0.6 pp and 0.4 pp, respectively. However, with the new SNA the cumulative growth of real GDP from 1995 to 2013 is 0.7 pp higher than that recorded with the 2008 base (see Chart 2.1). Table 1 summarises the main revisions in the rates of change in the most recent period. In terms of components, there is a notable downward revision of the rate of increase of national demand, chiefly stemming from that of private consumption, while the rates of gross fixed capital formation have been revised upwards, except in the years 2011-2012, for which lower growth is estimated under the new base. As to external demand, both the growth of exports and of imports have been revised downwards (by 0.4 pp and 0.7 pp, respectively, in annual average terms). As a result, the contribution of external demand to the increase in GDP shifts marginally upwards, with the exception

2 The INE has published the impact of the changes only for 2010.

1 GDP AND DEMAND COMPONENTS: SPAIN (Base 2010 compared with Base 2008)

Annual rates of change: GDP volume and %

SPAIN	2013 % nom GDP (ESA 2010)	2011 New	2011 Diff.	2012 New	2012 Diff.	2013 New	2013 Diff.
Gross domestic product	**100.0**	**-0.6**	**-0.7**	**-2.1**	**-0.4**	**-1.2**	**0.0**
Private consumption	58.2	-2.0	-0.8	-2.9	-0.1	-2.3	-0.2
Government consumption	19.5	-0.3	0.2	-3.7	1.1	-2.9	-0.7
Gross capital formation	19.0	-6.4	-0.8	-8.3	-1.4	-3.7	1.5
Exports	31.6	7.4	-0.2	1.2	-0.9	4.3	-0.6
Imports	28.1	-0.8	-0.7	-6.3	-0.6	-0.5	-0.9
Contribution to GDP growth							
National demand	—	-2.7	-0.7	-4.3	-0.1	-2.7	0.0
Net external demand	—	2.1	0.0	2.2	-0.3	1.4	0.0
Memorandum item							
Net lending (+)/ net borrowing (–) of the nation (% of GDP)	—	-2.9	0.7	0.1	0.7	2.1	0.6
Employment	—	-2.6	-0.3	-4.4	0.4	-3.3	0.1
Nominal GDP	—	-0.5	-0.6	-1.9	-0.2	-0.6	0.0
GDP deflator	—	0.1	0.1	0.2	0.2	0.7	0.1
Nominal private consumption	—	0.6	-0.7	-0.6	-0.2	-1.4	-0.6
Consumption deflator	—	2.7	0.2	2.4	-0.1	0.9	-0.4
Household saving ratio (% GDI)	—	11.7	-1.0	9.0	-1.4	11.2	0.8
Compensation per employee	—	0.9	-0.5	-0.6	-0.8	1.7	1.0
Unit labour costs	—	-1.1	-0.1	-3.0	0.0	-0.4	1.1
Nominal GDP (€bn)	—	1,075.1	28.8	1,055.2	25.9	1,049.2	26.2
Δ nominal GDP (Base 2010/Base2008) (%)	—	2.8	—	2.5	—	2.6	3.0

SOURCES: INE and Banco de España.

of 2012, when it is 0.3 pp lower than the base 2008 estimate. As to prices, the GDP deflator has scarcely been revised over the period as a whole. Lastly, the level of employment under the new annual SNA is higher than that estimated in the 2008 base throughout the period; specifically, it is 3% higher in 2013 (see Chart 2.2). However, in terms of the rate of change, the revisions have been very limited.

Turning to the general government sector, the most significant changes under the SNA focus on the increase in the number of institutions considered to be general government owing to the reinforcement of the criterion of public control of institutions and the change to the criterion of the ratio of 50% of sales/production costs.[3] Taxes are henceforth attributed to the tier of government that has the power to regulate them: this means, for instance, that the European Union's VAT resource, which has been recorded to date as a tax paid to the rest of the world, will henceforth be recorded as VAT of general government and as a transfer payment to the rest of the world. As earlier mentioned, R+D purchases and purchases of armament systems are now recorded as investment expenditure, with the particularity that the production of these goods by general government for own end-use will entail an increase in production revenue and an increase in gross capital formation for general government. Also, imputed contributions associated with the government employee Social Security scheme have been re-estimated, having hitherto been estimated as the difference between benefits paid and actual social contributions. They are now estimated using the contribution bases and percentages of the corresponding employer portion under the general Social Security regime. Finally, the treatment of interest payments under the EDP criterion is brought into line with that of the National Accounts.[4]

3 The criterion is made more restrictive, since the numerator is reduced, insofar as sales to other general government bodies are not included in it if there was no competition, and the denominator is increased by including interest as a cost.

4 Thus, interest rate swaps will continue to be considered financial transactions, with no impact on the general government balance. Hitherto the EDP criteria have included these transactions in interest paid.

2 MAIN GENERAL GOVERNMENT MAGNITUDES IN ESA 2010

	Magnitudes as a percentage of GDP, ESA 2010				Differences relative to previous GDP ratios (a)			
	2010	2011	2012	2013	2010	2011	2012	2013
Gen. govt. balance	**-9.4**	**-9.4**	**-10.3**	**-6.8**	**0.2**	**0.1**	**0.3**	**0.3**
Ratio changes due to balance					-0.1	-0.1	0.1	0.1
Ratio changes due to GDP					0.3	0.3	0.3	0.2
Balance adjusted for impact of assistance to financial institutions	**-9.4**	**-8.9**	**-6.6**	**-6.3**	**0.0**	**0.0**	**0.0**	**0.0**
Balance of gen. govt. sub-sectors								
Central government	-4.8	-3.4	-7.8	-4.7	0.2	0.1	0.2	0.1
Social Security	-0.2	-0.1	-1.0	-1.1	0.0	0.0	0.0	0.0
Regional government	-3.7	-5.1	-1.8	-1.5	0.1	0.1	0.0	0.0
Local government	-0.7	-0.8	0.3	0.5	0.0	0.0	0.1	0.1
Public debt (EDP)	**60.1**	**69.2**	**84.4**	**92.1**	**-1.6**	**-1.3**	**-1.5**	**-1.8**
Ratio changes due to gen. govt. balance					0.1	0.1	-0.1	-0.1
Ratio changes due to other debt revisions					0.3	0.5	0.6	0.7
Ratio changes due to GDP					-2.0	-1.9	-2.1	-2.3
Memorandum item								
Gen. govt. revenue	36.2	36.0	37.0	37.5	-0.5	-0.1	-0.2	-0.3
Gen. govt. expenditure (excl. assistance to fin. inst.)	45.6	45.0	43.6	43.8	-0.7	-0.3	-0.5	-0.6

SOURCES: INE, IGAE (National Audit Office) and Banco de España.

a Differences reflect changes in National Accounts methodology (switch from ESA 1995 to ESA 2010) and possible revisions of previous data, which might have occurred even if the ESA 1995 standard had been maintained. With the data disseminated by the INE and the IGAE, it is not generally possible to separate these two effects.

In the case of 2013, these changes are reflected both in the general government balance (a lower deficit in millions of euro and as a percentage of GDP) and in the public debt (a higher level in millions of euro, but a lower percentage of GDP). Specifically, in 2013 the changes have entailed a reduction in the budget deficit (net of assistance to financial institutions) from 6.6% of GDP, under the previous criterion, to 6.3% of GDP with the new National Accounts. Of this reduction, 0.2 pp are due to the increase in the denominator of the ratio (the increase in GDP discussed in this box). With regard to public debt, the changes entail a reduction in the ratio relative to GDP from 93.9% of GDP, according to the previous criterion, to 92.1% of GDP with the new National Accounts. In this case, the change in GDP has contributed to reducing the ratio by 2.3 pp. In the aggregates of the general government account, the change in National Accounts has entailed lower percentages of GDP, both in the total revenue for 2013 (0.3% of GDP) and in the total for expenditure (0.6% of GDP) (see Table 2).

The latest developments in foreign trade in goods and services confirm the progressive reduction in the contribution of net external demand to GDP. Over the course of the past quarter, growth of goods exports was limited by the loss of momentum in our export markets owing to the progressive sluggishness of the euro area, while imports held at a high rate of increase. The pace of adjustment of the external imbalance has been slowing this year, as reflected in the non-financial accounts of the institutional sectors, which show net lending of the nation standing at 1.1% of GDP (in cumulated four-quarter terms to June), compared with 2.1% in 2013. More updated balance of payments figures, to July,[1] confirm this trajectory, which reflects the deterioration of the net current account balance (with a deficit of -€5.9 billion in the January-July period, compared with a surplus of €5.7 billion in the same period a year earlier), attributable to the increase in the deficit on the goods balance.

The rate of increase in employment eased slightly after the summer. The number of Social Security registrations increased at a seasonally adjusted quarter-on-quarter rate of 0.5% in Q3, compared with 0.7% the previous quarter. All the productive sectors except agriculture created net jobs, albeit unevenly: the increase in registrations was very moderate in industry and construction and higher in market services, as has been the case since late last year. The rate of change in registrations in terms of temporary employment contracts was higher than that for permanent contracts, although in September there was a year-on-year rise in permanent contract registrations for the first time since 2008. The number of new full-time registrations also rose slightly, in this case for the fourth month running. Registered unemployment continued to fall, posting a year-on-year decline of 5.9% in September.

The better performance of employment over the past year has been partly in response to continuing wage moderation. The average increase in wage rates to September stood at 0.6%, in line with 2013 and the recommendations of the Inter-Confederal Agreement on Collective Bargaining, which will expire at the end of the year. Looking ahead, the low-inflation environment in the euro area will complicate the achievement of additional gains in competitiveness; accordingly, it is essential to ensure labour costs are tailored to the specific situation of companies and to deepen structural reforms.

1 The July 2014 Balance of Payments publication was compiled adhering, for the first time, to the IMF Balance of Payments and International Investment Position Manual (6th edition) and fully incorporating a new data sources system; accordingly, the data for recent years have also been revised. For further details, see the press releases in this connection on the Banco de Espana website: http://www.bde.es/bde/es/Home/Noticias/.

QUARTERLY PUBLICATION OF MACROECONOMIC PROJECTIONS AND CHANGE IN THE QUARTERLY REPORT CALENDAR

BOX 1

The Banco de España began to publish macroeconomic projections for the Spanish economy annually in 2007. In March, earlier this year, a change in the publication frequency for these projections was agreed, whereby from April they would appear in successive editions of the quarterly report on the Spanish economy. The Banco de España thus falls into line with the recent trend at most Eurosystem central banks regarding the publication of macroeconomic projections and with other public and private agencies that disseminate forecasts several times a year.

The inclusion of the macroeconomic projections in the quarterly report is a logical step, since this report contains the fullest and most detailed analyses of conjunctural developments in the Spanish economy to be regularly published by the Bank. Concentrating in the quarterly report both the future outlook for the Spanish economy and the monitoring of conjunctural developments during the quarter helps better link the analysis of the main recent events to the medium-term outlook.

This decision entails certain changes in the organisation of the content of the quarterly report, as well as in its publication calendar, which will be brought forward one month relative to the current calendar. As from December 2014, the report will be published in March, June, September and December.

Under these new arrangements, the extent and level of detail of the presentation of the projections will differ in the various quarterly reports. The annual projections publication cycle for the current year and the next will begin in March, and will be accompanied by an analysis of macrofinancial conditions in the Spanish economy during the following two-year period, as has been the case in recent years in the Spanish economic projections report which, generally, has been published in March. The June and December quarterly reports will include the forecasts for the Spanish economy drawn up by the Banco de España Directorate General for Economics, Statistics and Research as part of the joint Eurosystem forecasting exercise, whose aggregate results for the euro area are made public by the ECB following the monetary policy meeting of the Governing Council corresponding to each of these two months. Finally, the September report will publish the results of the updated forecasts published in June.

The INE (National Statistics Institute) has begun from end-September to publish the Spanish National Accounts (SNA) time series under the new 2010 base, in accordance with the EU's new obligatory methodological standard: the European System of National and Regional Accounts 2010 (ESA 2010). The new SNA entails methodological changes associated with the adaptation to ESA 2010 and it includes, as is usual with re-basing, statistical innovations derived from revisions in the statistical sources used or in estimation procedures.[1] To date, The INE has published the base 2010 annual accounts of the main macroeconomic aggregates for the period 1995-2013 and the non-financial quarterly accounts of the institutional sectors for 1999-2013. The publication of SNA quarterly time series using the new base has been announced for 27 November. This box describes the key changes ESA 2010 involves and details the main implications for the macroeconomic aggregates.

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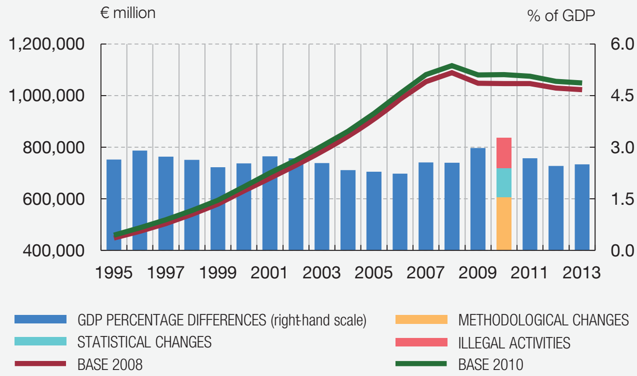
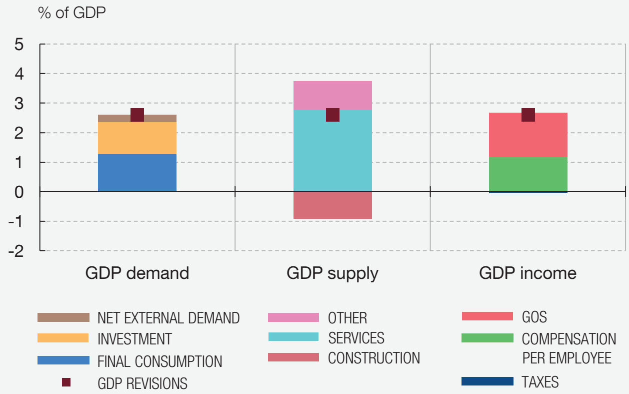
1 SPANISH NATIONAL ACCOUNTS. NEW BASE 2010

1.1 NOMINAL GDP



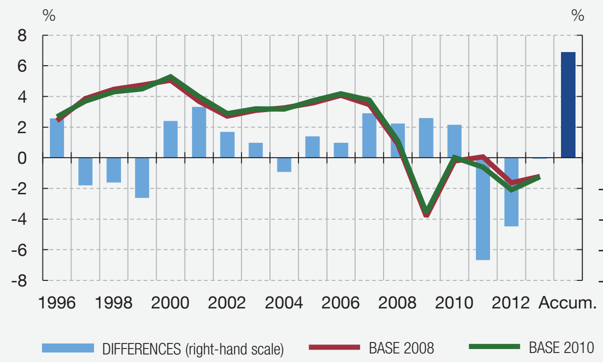
1.2 CHANGES IN NOMINAL GDP BY COMPONENT
Average 1995-2013



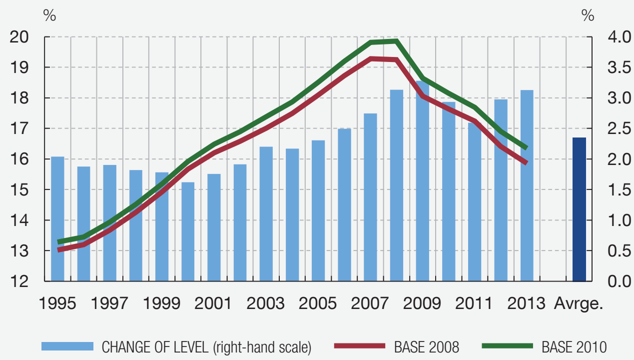
SOURCE: INE.

2 SPANISH NATIONAL ACCOUNTS. NEW BASE 2010

2.1 ANNUAL CHANGE IN GDP VOLUME



2.2 FULL-TIME EQUIVALENT JOBS



SOURCE: INE.

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The effect of all these modifications on the rate of change of GDP in real terms has been limited, except for the years 2011 and 2012, in which GDP growth was revised downwards by 0.6 pp and 0.4 pp, respectively. However, with the new SNA the cumulative growth of real GDP from 1995 to 2013 is 0.7 pp higher than that recorded with the 2008 base (see Chart 2.1). Table 1 summarises the main revisions in the rates of change in the most recent period. In terms of components, there is a notable downward revision of the rate of increase of national demand, chiefly stemming from that of private consumption, while the rates of gross fixed capital formation have been revised upwards, except in the years 2011-2012, for which lower growth is estimated under the new base. As to external demand, both the growth of exports and of imports have been revised downwards (by 0.4 pp and 0.7 pp, respectively, in annual average terms). As a result, the contribution of external demand to the increase in GDP shifts marginally upwards, with the exception

2 The INE has published the impact of the changes only for 2010.

1 GDP AND DEMAND COMPONENTS: SPAIN (Base 2010 compared with Base 2008)

Annual rates of change: GDP volume and %

	2013	2011		2012		2013	
SPAIN	% nom GDP (ESA 2010)	New	Diff.	New	Diff.	New	Diff.
Gross domestic product	**100.0**	**-0.6**	**-0.7**	**-2.1**	**-0.4**	**-1.2**	**0.0**
Private consumption	58.2	-2.0	-0.8	-2.9	-0.1	-2.3	-0.2
Government consumption	19.5	-0.3	0.2	-3.7	1.1	-2.9	-0.7
Gross capital formation	19.0	-6.4	-0.8	-8.3	-1.4	-3.7	1.5
Exports	31.6	7.4	-0.2	1.2	-0.9	4.3	-0.6
Imports	28.1	-0.8	-0.7	-6.3	-0.6	-0.5	-0.9
Contribution to GDP growth							
National demand	—	-2.7	-0.7	-4.3	-0.1	-2.7	0.0
Net external demand	—	2.1	0.0	2.2	-0.3	1.4	0.0
Memorandum item							
Net lending (+)/ net borrowing (–) of the nation (% of GDP)	—	-2.9	0.7	0.1	0.7	2.1	0.6
Employment	—	-2.6	-0.3	-4.4	0.4	-3.3	0.1
Nominal GDP	—	-0.5	-0.6	-1.9	-0.2	-0.6	0.0
GDP deflator	—	0.1	0.1	0.2	0.2	0.7	0.1
Nominal private consumption	—	0.6	-0.7	-0.6	-0.2	-1.4	-0.6
Consumption deflator	—	2.7	0.2	2.4	-0.1	0.9	-0.4
Household saving ratio (% GDI)	—	11.7	-1.0	9.0	-1.4	11.2	0.8
Compensation per employee	—	0.9	-0.5	-0.6	-0.8	1.7	1.0
Unit labour costs	—	-1.1	-0.1	-3.0	0.0	-0.4	1.1
Nominal GDP (€bn)	—	1,075.1	28.8	1,055.2	25.9	1,049.2	26.2
Δ nominal GDP (Base 2010/Base2008) (%)	—	2.8	—	2.5	—	2.6	3.0

SOURCES: INE and Banco de España.

of 2012, when it is 0.3 pp lower than the base 2008 estimate. As to prices, the GDP deflator has scarcely been revised over the period as a whole. Lastly, the level of employment under the new annual SNA is higher than that estimated in the 2008 base throughout the period; specifically, it is 3% higher in 2013 (see Chart 2.2). However, in terms of the rate of change, the revisions have been very limited.

Turning to the general government sector, the most significant changes under the SNA focus on the increase in the number of institutions considered to be general government owing to the reinforcement of the criterion of public control of institutions and the change to the criterion of the ratio of 50% of sales/production costs.[3] Taxes are henceforth attributed to the tier of government that has the power to regulate them: this means, for instance, that the European Union's VAT resource, which has been recorded to date as a tax paid to the rest of the world, will henceforth be recorded as VAT of general government and as a transfer payment to the rest of the world. As earlier mentioned, R+D purchases and purchases of armament systems are now recorded as investment expenditure, with the particularity that the production of these goods by general government for own end-use will entail an increase in production revenue and an increase in gross capital formation for general government. Also, imputed contributions associated with the government employee Social Security scheme have been re-estimated, having hitherto been estimated as the difference between benefits paid and actual social contributions. They are now estimated using the contribution bases and percentages of the corresponding employer portion under the general Social Security regime. Finally, the treatment of interest payments under the EDP criterion is brought into line with that of the National Accounts.[4]

3 The criterion is made more restrictive, since the numerator is reduced, insofar as sales to other general government bodies are not included in it if there was no competition, and the denominator is increased by including interest as a cost.

4 Thus, interest rate swaps will continue to be considered financial transactions, with no impact on the general government balance. Hitherto the EDP criteria have included these transactions in interest paid.

2 MAIN GENERAL GOVERNMENT MAGNITUDES IN ESA 2010

	Magnitudes as a percentage of GDP, ESA 2010				Differences relative to previous GDP ratios (a)			
	2010	2011	2012	2013	2010	2011	2012	2013
Gen. govt. balance	**-9.4**	**-9.4**	**-10.3**	**-6.8**	**0.2**	**0.1**	**0.3**	**0.3**
Ratio changes due to balance					-0.1	-0.1	0.1	0.1
Ratio changes due to GDP					0.3	0.3	0.3	0.2
Balance adjusted for impact of assistance to financial institutions	**-9.4**	**-8.9**	**-6.6**	**-6.3**	**0.0**	**0.0**	**0.0**	**0.0**
Balance of gen. govt. sub-sectors								
Central government	-4.8	-3.4	-7.8	-4.7	0.2	0.1	0.2	0.1
Social Security	-0.2	-0.1	-1.0	-1.1	0.0	0.0	0.0	0.0
Regional government	-3.7	-5.1	-1.8	-1.5	0.1	0.1	0.0	0.0
Local government	-0.7	-0.8	0.3	0.5	0.0	0.0	0.1	0.1
Public debt (EDP)	**60.1**	**69.2**	**84.4**	**92.1**	**-1.6**	**-1.3**	**-1.5**	**-1.8**
Ratio changes due to gen. govt. balance					0.1	0.1	-0.1	-0.1
Ratio changes due to other debt revisions					0.3	0.5	0.6	0.7
Ratio changes due to GDP					-2.0	-1.9	-2.1	-2.3
Memorandum item								
Gen. govt. revenue	36.2	36.0	37.0	37.5	-0.5	-0.1	-0.2	-0.3
Gen. govt. expenditure (excl. assistance to fin. inst.)	45.6	45.0	43.6	43.8	-0.7	-0.3	-0.5	-0.6

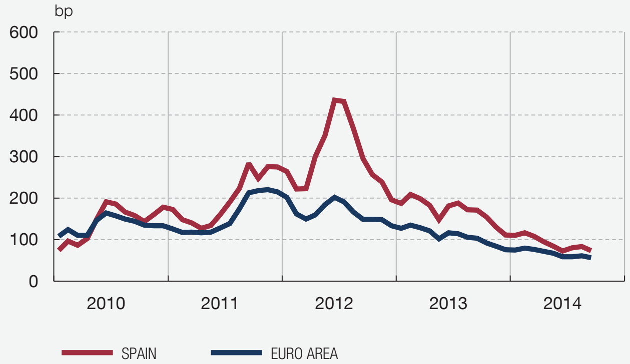
SOURCES: INE, IGAE (National Audit Office) and Banco de España.

a Differences reflect changes in National Accounts methodology (switch from ESA 1995 to ESA 2010) and possible revisions of previous data, which might have occurred even if the ESA 1995 standard had been maintained. With the data disseminated by the INE and the IGAE, it is not generally possible to separate these two effects.

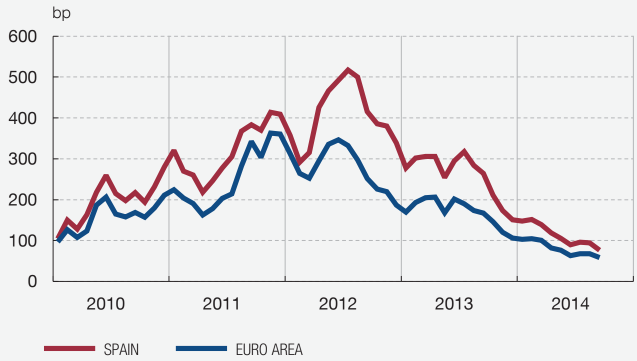
In the case of 2013, these changes are reflected both in the general government balance (a lower deficit in millions of euro and as a percentage of GDP) and in the public debt (a higher level in millions of euro, but a lower percentage of GDP). Specifically, in 2013 the changes have entailed a reduction in the budget deficit (net of assistance to financial institutions) from 6.6% of GDP, under the previous criterion, to 6.3% of GDP with the new National Accounts. Of this reduction, 0.2 pp are due to the increase in the denominator of the ratio (the increase in GDP discussed in this box). With regard to public debt, the changes entail a reduction in the ratio relative to GDP from 93.9% of GDP, according to the previous criterion, to 92.1% of GDP with the new National Accounts. In this case, the change in GDP has contributed to reducing the ratio by 2.3 pp. In the aggregates of the general government account, the change in National Accounts has entailed lower percentages of GDP, both in the total revenue for 2013 (0.3% of GDP) and in the total for expenditure (0.6% of GDP) (see Table 2).

Since mid-2012, financial market conditions have improved significantly, supported by the various economic policy measures adopted by the national authorities of the euro area countries, the progress made in relation to euro area governance and the Eurosystem's expansionary monetary policy. The bout of financial stress in the run up to the publication of this report introduces some uncertainty, but it is still too early to assess its importance.

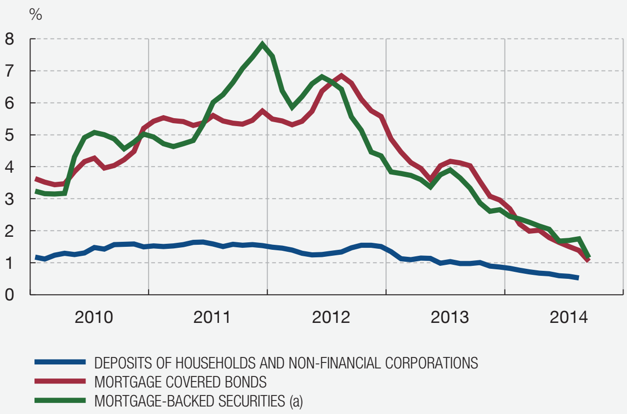
1 FIVE-YEAR CDS PREMIUM. NON-FINANCIAL FIRMS



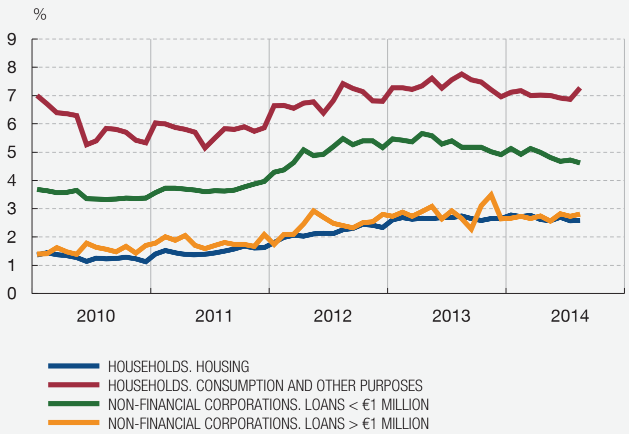
2 FIVE-YEAR CDS PREMIUM. FINANCIAL FIRMS



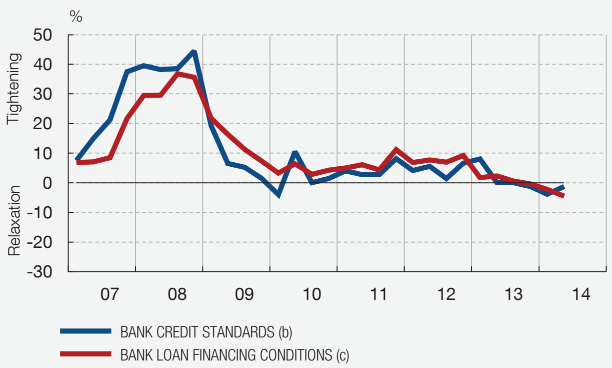
3 FUNDING COSTS OF CREDIT INSTITUTIONS



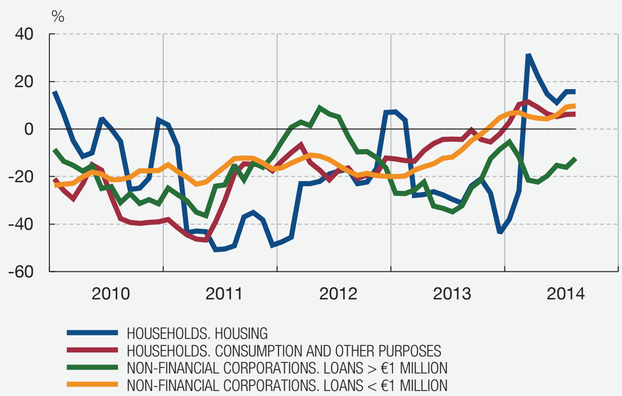
4 BANK LENDING RATE SPREADS OVER BENCHMARK INTERBANK RATES



5 CHANGE IN BANK CREDIT STANDARDS AND CONDITIONS. BLS



6 NEW BANK LOANS
(year-on-year growth of cumulative 3-month data)



SOURCES: Datastream and Banco de España.

a Average interest rate on senior tranches of Spanish mortgage-backed securities.
b Average change in credit standards for new loans to firms (SMEs and large firms) and to households (housing and consumption and other purposes).
c Defined as the average of the responses of Spanish banks to the questions in the Eurosystem's Bank Lending Survey relating to funding conditions in the various segments (such conditions include, inter alia, the margin on ordinary loans and on high-risk loans, the security required and the term).

Funding conditions in the market for Spanish government debt have improved significantly, as shown by the decline in the yields negotiated on the secondary markets for Spanish government bonds and in the spreads over German bunds with the same terms. Specifically, in mid-October the interest rate on the 10-year bond and its spread over the German bund with a similar maturity stood at around 2.1% and 124 bp respectively, down 58 bp and 17 bp from their end-June levels, and by a total of 551 bp and 511 bp, respectively, from their July 2012 highs (see the upper-right-hand panel of Chart 23 of this report).

The improvement in financing conditions on government debt markets has been gradually passed through to private agents, albeit unevenly. Thus, the credit default swap (CDS) premia on securities issued by non-financial firms and banks, which protect investors from debt default, have fallen significantly since mid-2012, reaching levels that are close to – but slightly higher than – the euro area average (see Panels 1 and 2 of the accompanying chart). The interest rates on covered bonds and asset-backed securities have also fallen, as have, since end-2012, those on deposits, the main component of the liabilities of credit institutions (see Panel 3 of the chart).

In addition, the expansionary monetary impulses are being passed through to the cost of bank credit, albeit with a longer lag and, thus far, only partially. By mid-2013, only the rate of interest on loans for house purchase had decreased. Since then there have also been reductions in the higher risk segments, which have been somewhat larger than those in interbank rates, so that the spreads over these rates, which had increased significantly during the period 2010-2012[1] (see Panel 3 of the accompanying chart), have narrowed. Thus, in the case of loans to households for consumption and other purposes apart from house purchase and loans to firms for amounts of less than €1 million (which include most loans to SMEs), these spreads have narrowed by around 50 bp and 100 bp, respectively, from their highs in 2013. That said, the cost of bank finance remains high for the expansionary stance of monetary policy.

Likewise, the responses of credit institutions to the Bank Lending Survey reveal that, following their significant tightening between 2007 and 2012, credit standards remained virtually unchanged in 2013, with signs of some relaxation in certain segments beginning to be discerned from end-2013 (specifically in loans to SMEs and to households for consumption and other purposes). According to this same source, financing conditions, overall, also appear to have relaxed somewhat recently (see Panel 5 of the accompanying chart). Similar results are obtained from the latest wave of the survey on the access to finance of SMEs in the euro area (SAFE) conducted by the European Central Bank, which covers the period from October 2013 to March 2014. Thus, for the first time since the survey was first conducted in 2009, the proportion of Spanish SMEs perceiving an increase in the availability of bank loans exceeded that of those reporting a decrease in availability.[2]

In step with this improvement in access to bank finance, new lending to the private sector has been more dynamic since the start of 2014 in most segments. Thus, since the beginning of the year, the flow of new loans to households has displayed a positive year-on-year growth rate, both in the case of those for house purchase and those for consumption and other purposes. In the case of firms, the recovery is concentrated in the segment of loans of less than €1 million, while in those of more than €1 million (basically used by large firms, with access to other sources of financing apart from bank credit) the volume of new lending continues to decline, although in recent months at more moderate rates (see Panel 6 of the accompanying chart).

In short, the latest data show an improvement in the financing conditions of the public and private sectors. The declines in financing costs are most evident on wholesale markets, where the spreads over euro area averages have narrowed considerably, while in the case of bank loans they have, so far, been more modest. The improvement – albeit moderate – in bank financing conditions would have been conducive to a recovery in lending since the beginning of 2014.

1 For further details on developments in these spreads and their determinants, see I. Fuentes (2014), "A disaggregated analysis of the determinants of the increase in lending rate spreads in Spain during the crisis", *Economic Bulletin,* October, Banco de España.

2 For further details, see the box (only available in Spanish) "Evolución reciente del acceso a la financiación bancaria de las pymes españolas", in "Informe trimestral de la economía española", *Boletín Económico,* July-August, Banco de España, 2014, pp. 56-57.

A PROCEDURE FOR SHORT-TERM GDP FORECASTING

The authors of this article are Luis Julián Álvarez, Alberto Cabrero and Alberto Urtasun, of the Directorate General Economics, Statistics and Research.

Introduction

Characterising the conjunctural situation of the economy and projecting its future performance are particularly important tasks for a central bank. In general, short- and medium-term macroeconomic projections take an analytical approach based on the use of the most recent conjunctural information and on a structural knowledge of the economy within the framework of the National Accounts. This article describes a tool for forecasting short-term GDP growth, which takes its place alongside others used internally by the Banco de España.[1]

There is a wide range of quantitative techniques for forecasting macroeconomic variables of interest, among which GDP is of particular importance, each with its distinct advantages and limitations. One way of classifying the various techniques available for forecasting this variable in the short term consists of distinguishing the direct approaches (those which use short-term indicators to yield a result in the form of a GDP projection) from the indirect approaches (those in which projections of the various demand and supply-side components of GDP are generated for subsequent aggregation).[2]

This article summarises the main features of BEST *(Banco de España Short-Term forecasting model),* a GDP direct forecasting procedure. Specifically, a wide range of indicators is used to estimate a similarly high number of multivariate vector auto-regressive models which include GDP and a series of indicators chosen according to statistical criteria. The results of these models are averaged to give a GDP projection. The predictive power of the model is assessed for the period from 2008 Q1 to 2014 Q2, a span dominated by the double-dip recession of the Spanish economy which posed significant challenges for the obtainment of macroeconomic projections.

Following this brief introduction, the structure of the article is as follows. The second section enumerates the indicators forming part of the database used. Next, the modelling strategy used is described. The fourth section analyses the predictive quality of the proposed procedure by comparing the projections obtained from the BEST model with those yielded by a simple statistical model. The last section of the article presents the main conclusions.

Database

The database prepared for this study contains 133 economic indicators of widely varying natures, including real variables of activity and demand (quantitative and qualitative), prices and the financial situation relating to the Spanish economy along with variables for other economies of interest. The sample period begins in 1995 Q1 and ends in 2014 Q2. The criterion used to build the database was to include all economic indicators having a priori importance in the analysis of GDP behaviour. To be included in the database, an indicator had to meet three criteria: first, availability of a long time series allowing its inclusion in an econometric model; second, publication prior to the release of the quarterly National Accounts; and third, a monthly periodicity allowing new information to be included during the course of the quarter, although this posed some modelling difficulties, as discussed in the next section.

1 See, for example, Camacho and Pérez Quirós (2011).
2 The organisations which customarily make projections use different approximations and, in many cases, the same organisation has a more or less broad range of short-term forecasting models.

The selection of indicators posed some difficulties which had to be resolved. Often the published time series, unlike GDP time series, were unadjusted for calendar and seasonal effects, so it was necessary to make these adjustments, the TRAMO-SEATS methodology being used for this purpose. Also, some indicators refer to nominal variables, which have to be deflated in order for them to provide meaningful information on the behaviour of output in real terms. Finally, for some series the time range available was too short. This problem was resolved by using statistical retropolation techniques.[3]

The database indicators are divided into seven groups based on their economic content, so as to facilitate the prediction of GDP using its components. Table 1 shows these groups along with a selection of the most representative indicators in each group and their correlations with the quarter-on-quarter change in GDP for the total sample in the most recent period, which begins in 2008 Q1 and is more closely linked to the latest economic crisis. The correlations with output are particularly strong for survey (sentiment) indicators and activity indicators and, on the contrary, are weak for public sector variables or monetary and financial variables. Indicators generally tended to show stronger correlations with GDP in the period 2008-2014. For some indicators, the correlation with the GDP of the following quarter is stronger than the contemporaneous correlation. This leading-indicator status is all the more useful for forecasting purposes. Chart 1 portrays a selection of the time series studied. It shows that the relationship of indicators with GDP varies over time, which is a reason for including a wide range of indicators in forecasting models.

Modelling strategy

When choosing the most appropriate econometric technique, analysts have to take decisions of different types. First, a wide range of econometric techniques are available for use in forecasting exercises. In the BEST, it has been decided to use VAR methodology. This type of multivariate models means that each variable depends both on its own past and on the past of the other variables considered. These models have been used in forecasting since the pioneering work of Doan, Litterman and Sims (1984). Some more recent work [Camba-Méndez *et al.* (2001) and Rünstler *et al.* (2008)] has added conjunctural indicators in bivariate VAR models.

In this study, the VAR models used include GDP and a set of indicators, the number of which is based on statistical criteria. In practice, the indicators are published before GDP is, so it is useful to incorporate this more recent information into the estimate of the rate of change of GDP for the current quarter *(nowcast)* or for the quarter just ended *(backcast).* To take this information into account, use is made in this work of the conditional forecasting techniques developed by Waggoner and Zha (1999). Intuitively, the starting point taken is a GDP forecast which does not include the information from the indicators in the current quarter (unconditional forecast); it is then adjusted optimally as and when that conjunctural information is received during the course of the quarter.[4]

The different periodicity of the indicators (monthly) and of GDP (quarterly) poses a difficulty in the modelling. In BEST it was decided to include monthly forecasts of the indicators to

3 These techniques are based on the construction of time series of the indicator from the profiles of similar indicators.

4 Without loss of generality, we can take a VAR model with two variables: GDP and an indicator. The unconditional forecast depends on the lags of the two variables, since the expected value of the disturbance term is zero. However, knowing the indicator provides an estimate of the forecasting error made for it and, therefore, the expected value conditional on this new information of the error for GDP is different from zero.

QUARTER-ON-QUARTER CORRELATION OF GDP WITH REPRESENTATIVE INDICATORS OF THE DATABASE TABLE 1

Indicator (a)	1995 Q1 - 2014 Q2		2008 Q1 - 2014 Q2	
	Contemporaneous	Leading by one quarter	Contemporaneous	Leading by one quarter
1 Real indicators of demand	**0.39**	**0.38**	**0.32**	**0.37**
Synthetic indicator of consumption	0.64	0.64	0.56	0.41
Synthetic indicator of equipment	0.60	0.67	0.59	0.74
Commercial vehicle registrations	0.44	0.54	0.38	0.59
EC services confidence. Synthetic indicator	0.83	0.79	0.61	0.29
Intermediate goods imports	0.40	0.50	0.67	0.72
Intermediate goods exports	0.23	0.32	0.49	0.57
2 Real indicators of activity	**0.60**	**0.56**	**0.53**	**0.47**
Total sales (Tax Authorities) - Industry	0.66	0.71	0.60	0.83
Electricity consumption	0.84	0.72	0.67	0.29
Total IPI (Industrial production index)	0.68	0.74	0.70	0.87
Total sales (Tax Authorities) - Sales of real estate activities	0.24	0.15	0.04	-0.21
Indicator of services sector activity	0.75	0.76	0.73	0.75
Total average Social Security registrations	0.93	0.91	0.94	0.80
Total sales (Tax Authorities) - Agriculture	0.11	0.00	0.32	0.21
Ministry of Economy total activity synthetic industry indicator	0.79	0.85	0.73	0.85
3 Public sector indicators	**0.33**	**0.41**	**0.35**	**0.47**
Public administration, education and health (b)	0.53	0.48	0.27	0.05
Net indirect taxes	0.20	0.10	0.23	0.04
4 Opinion indicators	**0.52**	**0.51**	**0.53**	**0.55**
Composite PMI. New orders	0.48	0.49	0.65	0.65
EC retail trade confidence indicator	0.84	0.87	0.59	0.64
EC industrial confidence. Activity	0.80	0.85	0.51	0.67
Manufacturing PMI. Employment expectations	0.88	0.82	0.92	0.79
EC industrial confidence. Employment expectations	0.71	0.69	0.06	0.08
Services PMI. Activity	0.89	0.88	0.82	0.88
5 International indicators	**0.46**	**0.52**	**0.35**	**0.42**
EUROSTOXX broad index	0.28	0.43	0.31	0.60
Competitiveness of Spain vis-à-vis EU-17 countries (with consumer prices)	0.31	0.27	0.36	0.31
Euro area economic sentiment	0.26	0.37	0.52	0.82
Germany IPI	0.48	0.42	0.80	0.71
6 Price indicators	**0.49**	**0.48**	**0.49**	**0.51**
CPI	0.42	0.34	0.49	0.25
Imported oil price	0.32	0.23	0.78	0.51
7 Monetary and financial indicators	**0.62**	**0.63**	**0.65**	**0.66**
3-month EURIBOR	0.42	0.30	-0.20	-0.42
Lending to firms and households	0.70	0.66	-0.31	-0.50
Means of payment	0.38	0.53	-0.22	0.21
Madrid Stock Market General Index	0.25	0.41	0.17	0.46

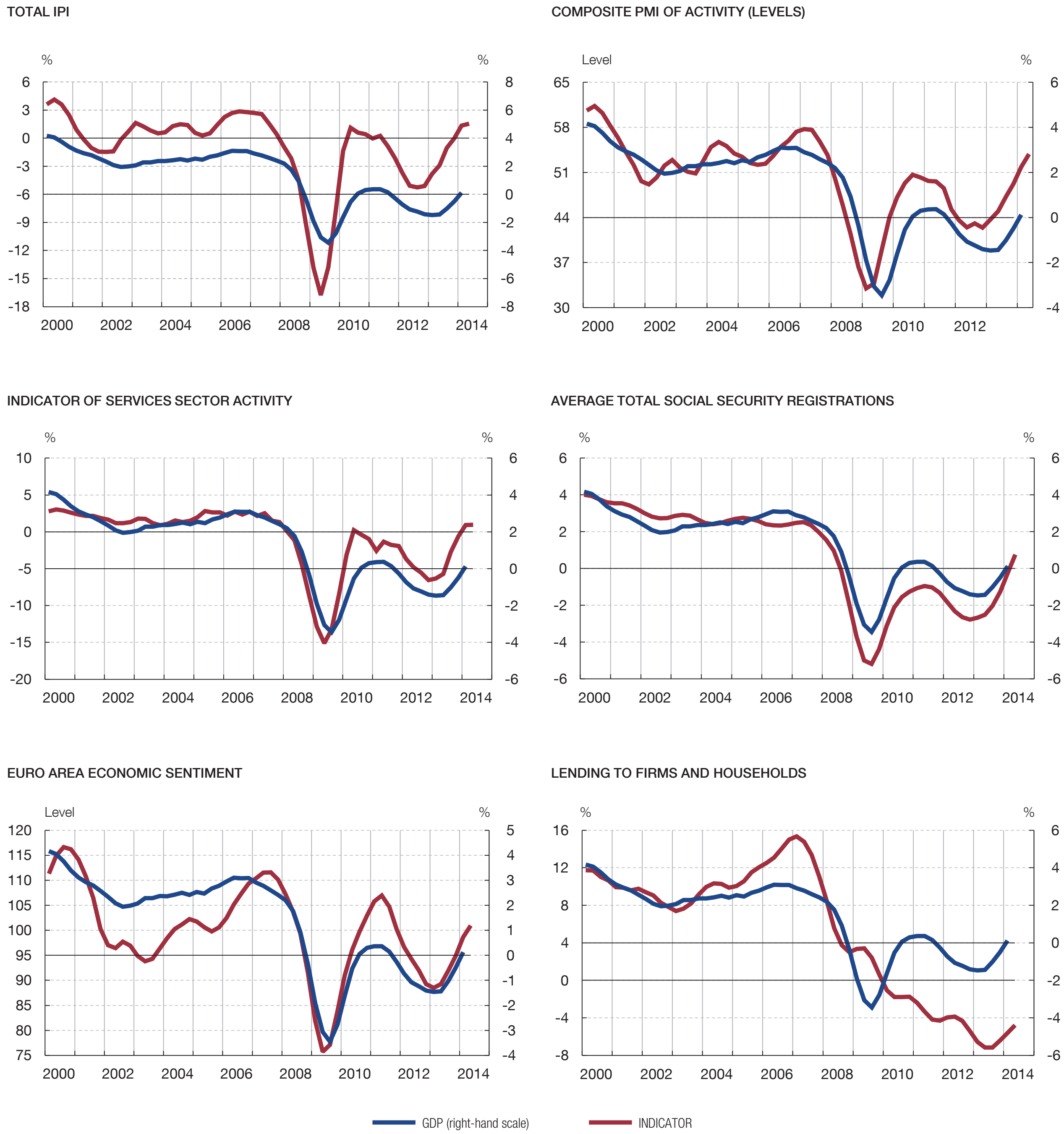
SOURCES: Eurostat, Instituto Nacional de Estadística, Ministerio de Economía y Competitividad, Ministerio de Trabajo y Seguridad Social, Intervención General de la Administración del Estado, Markit and Banco de España.

a The correlations by area are calculated as the average of all the available indicators assigned for each area in the database.
Breakdown of indicators by area: demand 27; activity 38; public sector 3; opinions 28; international 8; prices 7; financial and monetary 22.
b APEDUSAN: public administration, education and health.

SHORT-TERM BEHAVIOUR OF VARIOUS ECONOMIC INDICATORS IN RELATION TO GDP

CHART 1

RATE OF CHANGE OF THREE-QUARTER MOVING AVERAGES IN RELATION TO THAT OF THE PREVIOUS THREE QUARTERS. REAL SEASONALLY-ADJUSTED INDICATORS, UNLESS OTHERWISE INDICATED



SOURCES: Eurostat, INE, Ministerio de Economía y Competitividad, Ministerio de Trabajo y Seguridad Social, Markit and Banco de España.

complete the current quarter.[5] This is common practice among statistical institutes responsible for the estimation of GDP and among other central banks [Bell *et al.* (2014)]. Alternatively, mixed-frequency models could be used.

Once the modelling strategy has been adopted, the next decision concerns the selection of the most suitable indicators. In practice, the inclusion of additional variables in a model does

5 Transfer function or univariate models are used for this purpose.

not always guarantee better predictive behaviour. On one hand, the inclusion of more indicators permits, a priori, a better approximation of reality. However, on the other, it also means an increase in the number of parameters estimated, which may reduce the accuracy of the estimations and, consequently, that of the forecasts themselves. In fact, there is no consensus in the literature about the optimum number of variables which should be considered, models with a very high number of indicators coexist with others that contain few variables. In this project an intermediate approach was chosen: small-sized models are used to avoid estimating a very high number of parameters, but numerous models are estimated so that information from a broad set of indicators can be gathered. In order to choose the variables included in each model, *forward selection* is used, namely, at each stage an additional indicator is included [see Bai and Ng (2008)]. Specifically, the starting point is 133 bivariate models (one per each available indicator) which include GDP together with one of the database indicators and additional database variables are added to them up to the point where introducing a new variable does not contribute relevant additional information to the model. Thus, each of these 133 models may show a different number of lags.

The approach includes estimating 133 models and obtaining their corresponding point forecasts. To condense the information of these models their results can be combined by using a weighting criterion. The literature on combining forecasts is very extensive and, in general, tends to show that the combination of models with different sets of information provides more accurate forecasts than a single model, since the omission of variables is less likely in the model derived from combining other models and, furthermore, such models are usually more robust to structural changes.

In simple terms, there are two general approaches to combining forecasts in order to use information optimally. The first approach consists of eliminating models with a less satisfactory predictive power and the second comprises weighting each model using certain measurements of its predictive power. In the exercises presented below, the average of the most accurate 5% of models is considered as well as the average weighted by the inverse of the mean square error.[6] The simple average is also used.

Results

A straightforward exercise was performed to evaluate the BEST procedure which comprised the calculation of the forecasting error of the quarter-on-quarter rate of change of GDP for each quarter in the period from 2008 Q1 to 2014 Q2. This error is defined as the difference between the INE's first estimate and the projection obtained from the information of the various indicators available on each of these dates which is known in the literature as a *pseudo real time exercise*[7]. As is customary in this type of exercises, the model's goodness of fit is compared with that of a benchmark simple statistical model, specifically, with that of a first-order auto-regressive process.[8] Additionally, in order to assess the accuracy of the forecasts, the results for the above-mentioned sub-periods are shown.

Table 2 shows the mean square error (MSE) relative to that of the simple auto-regressive model for the three forecasting combination procedures described. Values higher than unity of this ratio imply that the univariate model is more accurate than BEST, whereas values lower than unity mean that BEST has a greater predictive power.

6 To obtain these weightings, the information available at any given time is used so that the pseudo real-time nature of the exercise is maintained.

7 The exercise is *pseudo real time* because the revisions to the series over time are not taken into account. In any event, the revisions of most of the indicators are not very significant.

8 To ensure the consistency of the exercise, the forecasts are made by re-estimating the model each quarter with the information available at any given time.

MEAN SQUARE ERROR RELATIVE TO AR(1) TABLE 2

Model	2008 Q1 - 2014 Q2	2008 Q1 - 2010 Q4	2011 Q1 - 2014 Q2
Simple average	0.27	0.22	0.55
Average weighted by mean square error	0.29	0.26	0.54
Average of best 5% of models	0.22	0.19	0.47

SOURCE: Banco de España.

The main conclusion of this exercise is that BEST, regardless of the forecasting combination strategy applied, is considerably more accurate than the simple model. For the sample as a whole, the error is between one-fifth and one-third of the auto-regressive model. This result is maintained for the various time periods considered. Noteworthy among the various combination procedures used, is the average of the best 5% of models, since it displays a lower mean square error than the simple average of all the models or the average of the models weighted by the inverse of the mean square error. Specifically, with this metric, the error is practically one-fifth of that associated with the simple model.

The upper panels of Chart 2 shows the various forecasts made for each quarter of the most recent sub-period together with the GDP growth estimates. Except for 2012 Q4, where the decline of GDP was underestimated,[9] the errors are generally small both in periods when GDP has slowed and quickened.

The three procedures described for combining the results summarise the projections of the set of models estimated each quarter, however, the analysis of the distribution of these forecasts is interesting in itself insofar as it makes it possible to discern whether the various models present similar or divergent results. For example, the lower panels of Chart 2 show the distribution of the forecasts for 2014 Q1 and Q2. In the case of Q1, the distribution of the forecasts indicated growth of approximately 0.1 pp higher than that observed[10]. For 2014 Q2 most of the models projected GDP growth of 0.6%, coinciding with the figure estimated by the INE.

Conclusions

This article describes a tool for forecasting short-term GDP growth, which takes its place alongside others used regularly at the Banco de España. Unlike other alternatives, this procedure incorporates a large number of conjunctural indicators which are processed efficiently and it represents a novel approach in forecasting techniques developed in Spain. For this purpose, 133 vector auto-regressive models are considered and conditioned forecasting techniques are employed which use a large volume of recent conjunctural information. These models are small-sized so as to avoid estimating models with a high number of parameters.

The assessment of the proposed procedure shows promising results, although the sample period considered is still relatively short. Also, as a result of the forthcoming publication of the quarterly series of GDP in accordance with the European System of Integrated Economic Accounts (ESA 2010), it will be necessary to reassess the properties of this GDP projection procedure. This short-term forecasting procedure can be used to forecast other macroeconomic variables of interest. Specifically, a natural extension would be to create models for the various GDP components from the standpoint of demand and of supply.

13.10.2014

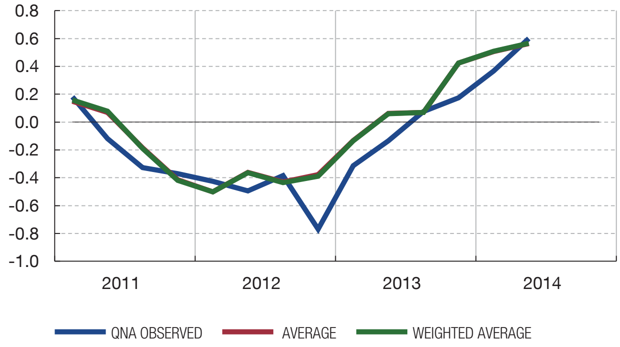
9 Note that this quarter represented a very pronounced negative surprise for most analysts since the conjunctural indicators showed less adverse changes than those in GDP.

10 To simplify, the distribution of forecasts was rounded to the first decimal place in the chart.

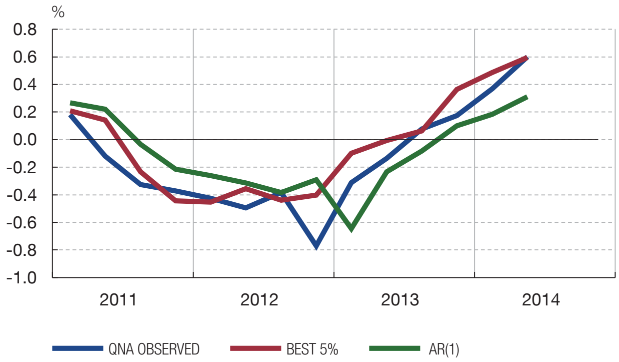
FORECASTS AND QUARTER-ON-QUARTER FORECASTING ERRORS OF GDP IN PSEUDO REAL TIME

CHART 2

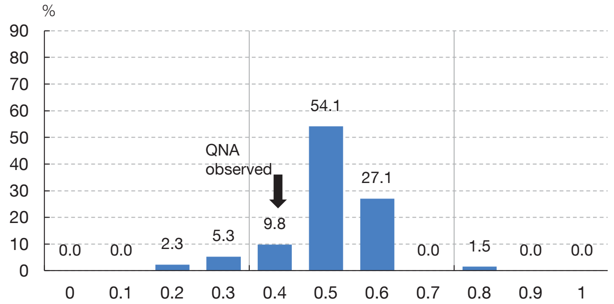
COMPARISON OF VARIOUS FORECASTING MODELS



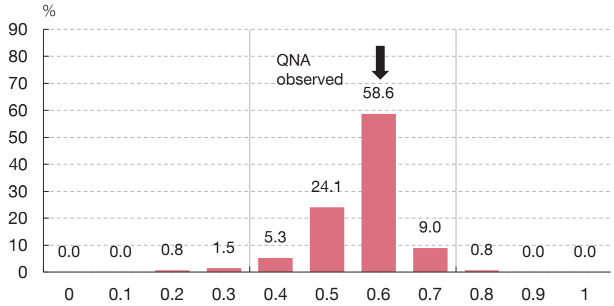
COMPARISON OF VARIOUS FORECASTING MODELS



DISTRIBUTION OF FORECASTS FOR 2014 Q1



DISTRIBUTION OF FORECASTS FOR 2014 Q2



SOURCES: INE and Banco de España.

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A DISAGGREGATED ANALYSIS OF THE DETERMINANTS OF THE INCREASE IN LENDING RATE SPREADS IN SPAIN DURING THE CRISIS

Introduction

With the onset of the crisis, spreads between the lending rates charged to households and firms in Spain and interbank market rates, which basically reflect official interest rate expectations, tended to widen. As a result, the cost of borrowing for households and non-financial corporations has been too high for the expansionary stance of monetary policy. In theory, interest rates on new loans are determined on the basis of the marginal cost of the liabilities that finance the loans plus a risk premium reflecting the probability of default by the borrower. In addition, they may reflect other specific costs of banks, such as those arising from the need to set aside provisions for their existing loan portfolio and to increase their capital. Thus, lending rates may rise relative to interbank rates for one or more of the following reasons: a rise in bank funding costs (relative to interbank market rates), a rise in risk premiums and the pass-through of other specific costs.

The aim of this article is to provide evidence on the possible role played by the above-mentioned factors in the increase in lending rate spreads recorded in Spain. Individual level information is analysed for a wide sample of banks and the main types of loan are studied separately. The data are based on the information on interest rates on new lending that deposit-taking institutions send to the Banco de España on a monthly basis. Specifically, a sample with a six-month frequency has been selected, with the data of individual institutions that account, at all times, for 95% of lending to the resident private sector.[1] The choice of loan categories considered is determined by the breakdowns available in this information source and includes the following: loans to households for house purchase, consumer credit and other lending to households, loans to firms of up to €1 million and loans to firms of more than €1 million. The period analysed runs from end-2004 to June 2014.

This article has four sections in addition to this introduction. The first section, using aggregate data, reviews the evolution of lending rates for the different loan categories considered, relative to interbank market rates and various measures that approximate bank funding costs. The second section examines how the dispersion of rates by banks has varied over the period analysed. The third section analyses to what extent there exists a relationship between the cost of lending and certain individual characteristics of institutions. The main conclusions are summarised in the fourth section.

Overall developments in lending rate spreads

As seen in Chart 1, the spreads over one-year EURIBOR of interest rates on new lending to customers, which had remained relatively stable between 2004 and 2007, tended to rise from the start of the crisis in 2008. The increase was seen in all lending segments, but it was most intense in those with a higher risk for lenders, such as consumer credit[2] (which is generally unsecured) and loans to companies of less than €1 million (which includes loans to SMEs, a type of firm whose financial position is usually more sensitive to changes in the business cycle, so that the non-performing loan ratios tend to be higher during recessions).

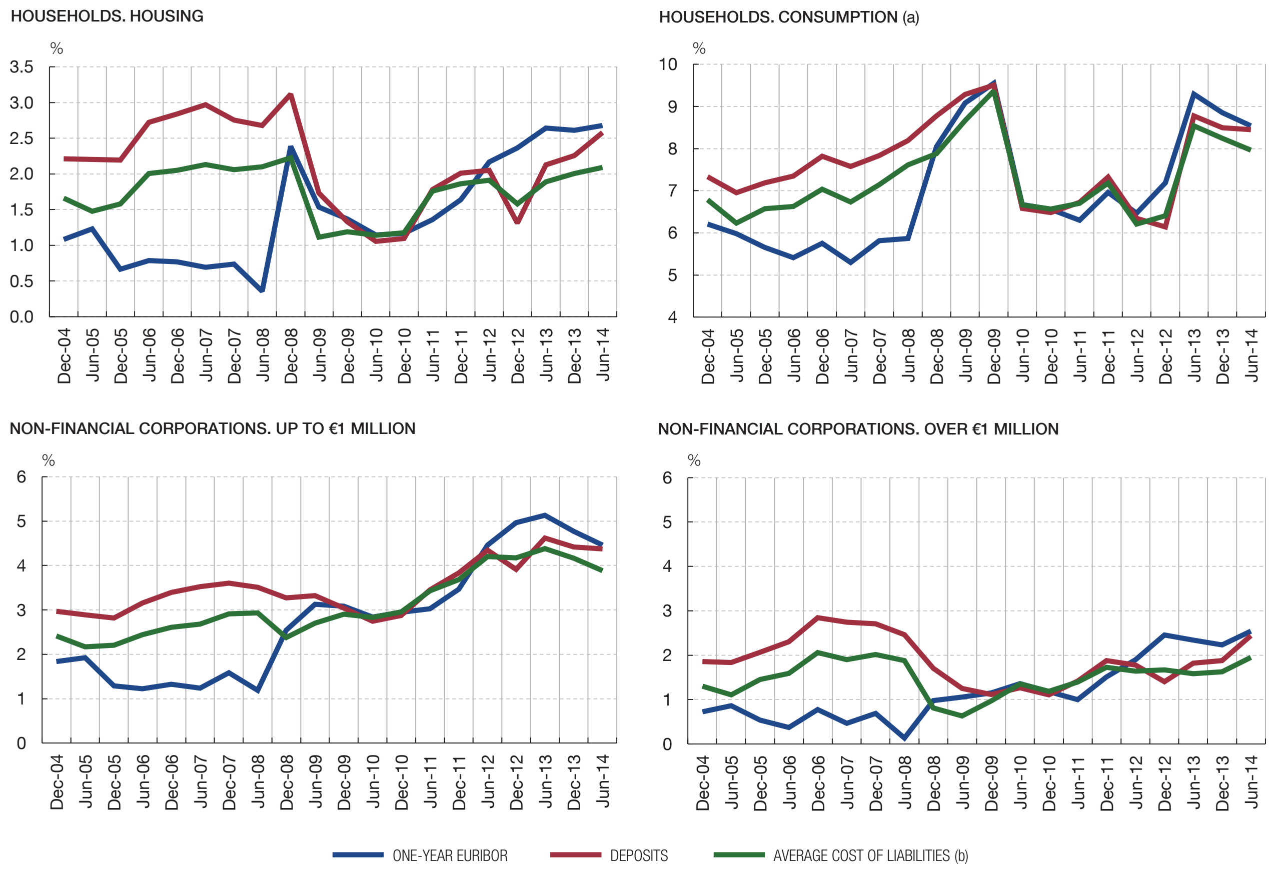
1 When the business of an institution included in the sample was highly specialised or its data showed anomalies in rates or amounts, then it was replaced by one or more other institutions, as necessary to ensure that 95% of the market is covered.

2 This series is affected by a statistical change in June 2010, whereby credit card transactions, which usually have a higher interest rate than other types of lending, ceased to be included in this category. The result was a fall of more than two percentage points (pp) in the average level of interest rates in this category. When this effect is adjusted for, the increase in the spread over one-year EURIBOR obtained is substantially larger than the one actually observed.

INTEREST RATE SPREADS ON NEW LENDING

CHART 1

AVERAGE VALUE OF THE CATEGORY LESS THE VALUE OF THE REFERENCE VARIABLE



SOURCES: Banco de España and Eurosystem.

a The series is affected by a statistical change from June 2010, which caused a break in the series by excluding certain high-interest-rate loans from this category.
b Calculated, for each quarter, as the ratio between the total cost of liabilities and the average amount of the balance sheet.

When lending rates are compared with the rates paid on bank deposits and the average cost of borrowed funds for banks (which includes both time and sight deposits, as well as other sources of external financing such as the issuance of fixed-income securities) spreads are seen to display a more stable trajectory. Specifically, in the segments with the lowest risk for lenders, such as loans for house purchase and loans to companies of more than €1 million, the current level of spreads is not very different to that which existed, on average, in the pre-crisis period. The spreads on the other two types of loan analysed have displayed an upward path during the crisis, albeit a more moderate one than when the spreads are calculated with respect to one-year EURIBOR.

The most recent trend in lending rate spreads relative to interbank rates provides evidence of stabilisation (and even reversal in the case of the segments with the highest rates) of the upward path seen since the start of the crisis, against a background of a reduction in the degree of financial fragmentation in the euro area and of improvement in the macroeconomic outlook for Spain. That said, the current levels are still higher than those recorded before the crisis.

This descriptive evidence would seem to indicate that the first two factors mentioned in the introduction (a rise in bank funding costs and an increase in risk premiums) have contributed to the widening of lending rate spreads, vis-à-vis interbank rates, that has been seen in Spain since the start of the crisis. The funding costs of domestic institutions have stopped moving in line with the interbank market. This partly reflects financial fragmentation in the euro area, which despite having moderated persists and makes such costs dependent on where banks happen to be resident. At the same time, the fact that the widening has been greatest in the highest risk segments suggests that institutions have been applying larger risk premiums, against a background of rising non-performing loan ratios associated with macroeconomic deterioration.

It is more difficult, however, on the basis of this aggregate evidence, to assess to what extent other elements may have also put pressure on loan rates, such as higher capital requirements (which, although they have a positive effect on the resilience of intermediaries to adverse shocks, also tend to raise the costs incurred by institutions when granting loans) and the increase in margins to rebuild balance sheets after the effects of the crisis. A more disaggregated analysis of the data may cast somewhat more light on the relative importance of these factors.

The dispersion of lending and deposit rates across institutions

Chart 2 shows the evolution of certain percentiles of the distribution of lending and deposit rate spreads over one-year EURIBOR for those institutions included in the study. These percentiles have tended to display a similar trajectory over the period analysed, suggesting that general factors affecting all institutions similarly have played a more important role in their evolution than special ones relating to the particular situation of each.

However, it can also be seen that, since the start of the crisis, the dispersion of lending rates (as approximated by the interdecile range) in all the loan categories considered has tended to increase,[3] the increase being greatest in those that include the riskiest loans for lenders (loans to households for purposes other than house purchase and consumption and loans to non-financial corporations of less than €1 million). In the most recent period a certain reversal of this tendency is seen, although in almost all cases the current degree of dispersion remains higher than before the crisis.

The existence of differences between institutions with regard to the interest rates applied to the same category of loans may be a result of differences in their specialisation. For example, institutions that concentrate on higher risk lending will tend to apply higher interest rates to compensate for the higher risks assumed. It may also be the result of the application of different price setting policies. On the basis of the information used in this article it is not possible to distinguish precisely how much of the differences in interest rates between institutions is due to each of these two elements, since the risk profile of their lending is not known. In consequence, the results of the analysis of the increase in the dispersion that follow should be interpreted with caution.

The increase in the dispersion of lending rates following the start of the crisis must reflect, at least in part, the increase in credit risk entailed by the crisis itself. This would have led to a rise in the average rates applied by those institutions most specialised in higher risk lending relative to those charged by more conservative intermediaries.

Less clear is the effect that the crisis may have had on the dispersion of institutions' price setting policies. To analyse this aspect, the next section examines to what extent there is a relationship between the interest rates applied by institutions and their basic characteristics.

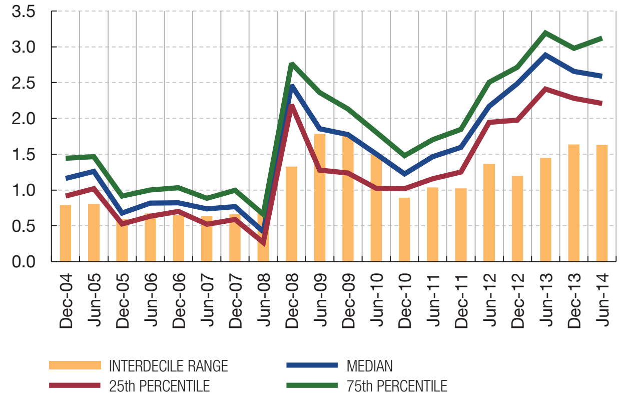
3 The decline observed in the dispersion of consumer credit rates from 2010 is associated with the statistical change that took place (see footnote 2).

STATISTICAL DISTRIBUTION OF THE INTEREST RATES ON NEW LOANS AND DEPOSITS

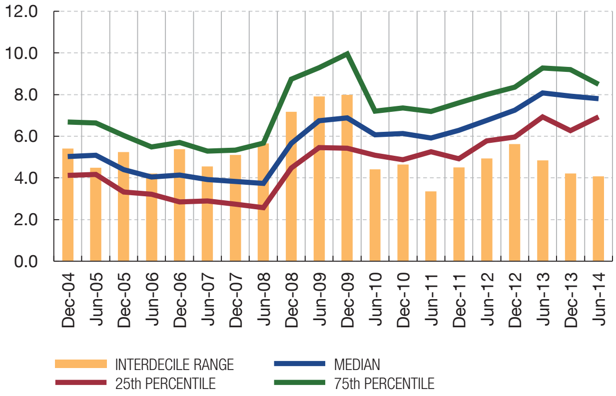
CHART 2

SPREAD OVER ONE-YEAR EURIBOR

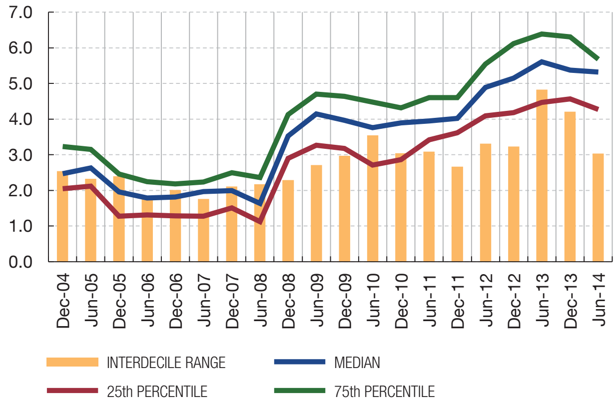
CREDIT. HOUSEHOLDS, HOUSING



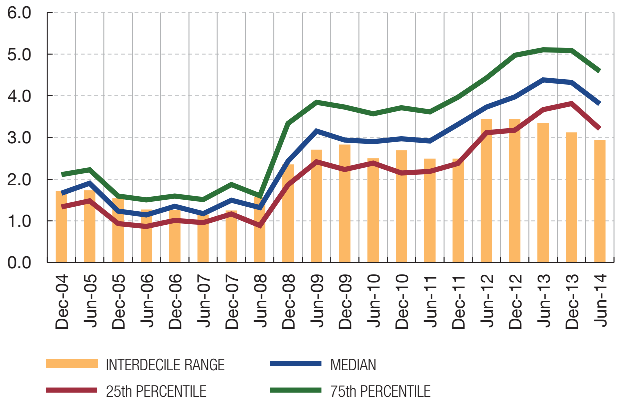
CREDIT. HOUSEHOLDS, CONSUMPTION (a)



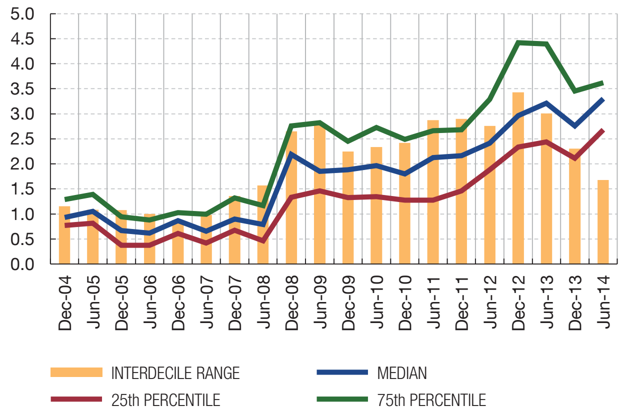
CREDIT. HOUSEHOLDS, OTHER PURPOSES



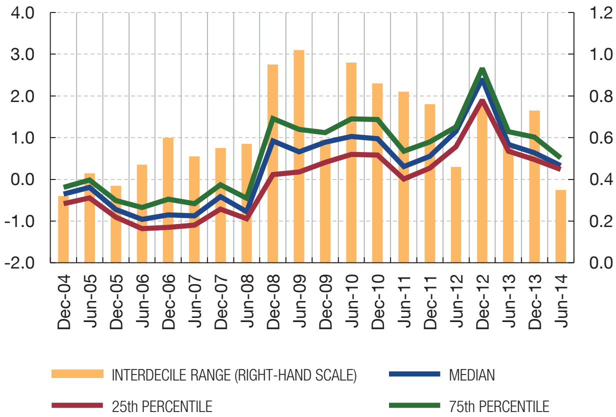
CREDIT. NON-FINANCIAL CORPORATIONS, UP TO €1 MILLION



CREDIT. NON-FINANCIAL CORPORATIONS, OVER €1 MILLION



DEPOSITS. HOUSEHOLDS, UP TO ONE YEAR



SOURCES: Banco de España and Eurosystem.

a The series is affected by a statistical change from June 2010, which caused a break in the series by excluding certain high-interest-rate loans from this category.

In the case of deposits, a rise in the dispersion of the interest rates paid is also detected after the start of the crisis, although it is much more moderate than the one observed for lending rates. Following the reversal of this path in the most recent period, the current level of dispersion is similar to that existing before the crisis. Unlike in the case of loans, factors relating to customer risk do not have any role to play in this case because the relevant risk is that of the institution and the existence of the Deposit Guarantee Fund helps to limit it. This, along with action taken to reduce the risk that excessive deposit remuneration might have an adverse effect on the situation of institutions (June 2011-August 2012 and, subsequently, since December 2012),[4] has helped to moderate the increase in the dispersion of the interest rates applied to these instruments.

Relationship between lending rates and bank characteristics

In order to analyse the extent to which the increase in lending rates is related in some way to banks' economic and financial situation, partial correlations have been calculated for various periods before and after the start of the crisis (December 2004, 2006, 2009, 2012, 2013 and June 2014) between certain variables that measure some of the main characteristics of banks and the interest rates of the different loan categories, including an aggregate one obtained from a weighted average of the interest rates of all the loan types.[5] The variables considered are a number of indicators relating to the profitability and credit quality of intermediaries' portfolios, such as the different profit items of the income statement, the non-performing loan ratio, the average cost of external funding[6] and the customer deposit interest rate.

The results of this exercise are set out in Table 1. Specifically, the sign of the correlation coefficient and the value of the R2 statistic, which provides a measure of degree of significance, are given. When the coefficient is statistically significant at the 95% confidence level it is shown in bold. As can be seen, no significant relationship is detected between lending rates and the variables that approximate the profitability and quality of intermediaries' portfolios, either before or after the start of the crisis. By contrast, evidence is found of a significant positive relationship, both in the case of the synthetic aggregate and in that of some loan categories, with the indicators that measure the cost of funding, especially in the period after the start of the crisis. By loan type, this relationship is clearest in the case of loans to companies of less than €1 million (which include loans to SMEs) and, moreover, it seems to have strengthened in the most recent period.

These results seem to indicate that the factors relating to the profitability and quality of the portfolio as a whole of each institution do not appear to have a direct influence on the levels of the interest rates they charge on loans to their customers. By contrast, there is some evidence that, in certain segments, institutions pass through changes in their funding costs to their customers more readily. In particular, in those segments, such as the financing of SMEs, in which it is a priori more difficult for the borrower to find an alternative bank to replace the one lending it funds and where there is no alternative channel of financing available apart from banks.[7] Alternatively, these results may also reflect the fact that institutions that tend to specialise in more profitable and risky lending have higher funding costs. However, it is not obvious why this factor should have increased in importance in the recent period and why its effects are observed more clearly in the SME segment, but not, for example, in consumer credit.

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4 As seen in Chart 2, there was a reduction in both the rate spread and the dispersion during both these periods, especially in the latter one.

5 The weights are based on the average balance over the period for the whole sample, so that the percentages applied are the same in each period and for each institution. This avoids any possible influence of changes in business structure across institutions or over the period.

6 This variable is obtained by dividing the financial costs recorded in the income statement for the quarter considered by the average quarterly amount in the balance sheet of the liabilities that generate them.

7 These greater difficulties derive from the fact that in this type of loan the existence of a relationship with the bank plays a relatively important role in the decision to lend, owing to the comparative lack of public information available on the borrower's creditworthiness.

CORRELATIONS BETWEEN LENDING RATES AND INSTITUTIONS' PROFITABILITY, SOLVENCY AND FUNDING COST VARIABLES
Sign of the correlation coefficient and R2 values (a)

TABLE 1

	Net interest income		Gross income		Net operating income		Doubtful assets ratio		Average funding cost (b)		Average deposit rate	
	Sign	R2	Sign	R2	Sign	R2	Sign	R2	Sign	R2	Sign	R2
Synthetic lending rate (c)												
2004 Q4	+	0.02	+	0.00	+	0.00	+	0.04	+	**0.22**	+	0.11
2006 Q4	+	0.05	+	0.06	+	0.06	+	0.01	+	0.07	–	0.01
2009 Q4	+	0.03	+	0.02	+	0.01	+	0.02	+	0.11	+	**0.17**
2012 Q4	+	0.07	+	0.01	+	0.01	+	0.01	+	0.13	+	**0.28**
2013 Q4	–	0.05	–	0.08	–	0.05	–	0.05	+	**0.59**	+	**0.16**
2014 Q2	+	0.01	+	0.08	+	0.02	+	0.02	+	**0.43**	+	0.06
Interest rate on loans to households for house purchase												
2004 Q4	+	0.00	+	0.00	+	0.00	+	0.04	–	0.00	+	0.05
2006 Q4	+	0.02	+	0.02	+	0.03	–	0.02	–	0.00	–	0.02
2009 Q4	+	0.01	+	0.01	+	0.01	+	**0.19**	+	**0.21**	+	0.24
2012 Q4	–	0.00	+	0.00	+	0.03	–	0.00	–	0.02	+	0.00
2013 Q4	–	0.01	–	0.01	–	0.00	–	0.01	+	0.03	+	0.07
2014 Q2	–	0.01	+	0.13	+	0.16	+	0.05	+	0.15	+	0.02
Interest rate on loans to households for consumption												
2004 Q4	+	0.09	+	0.09	+	0.10	-	0.00	+	0.01	+	0.00
2006 Q4	+	0.02	+	0.01	+	0.05	+	0.00	+	0.02	–	0.01
2009 Q4	+	0.03	+	0.01	+	0.02	+	0.00	+	0.01	+	0.02
2012 Q4	+	0.09	+	0.04	+	0.08	–	0.04	–	0.06	–	0.01
2013 Q4	–	0.00	–	0.01	+	0.01	–	0.02	+	0.01	–	0.01
2014 Q2	–	0.05	+	0.02	+	0.08	-	0.00	+	0.11	–	0.06
Interest rate on loans to households for other purposes												
2004 Q4	+	0.00	–	0.00	–	0.00	+	0.05	+	0.12	+	0.04
2006 Q4	+	0.00	+	0.06	+	0.06	+	0.00	+	0.06	–	0.00
2009 Q4	+	0.04	+	0.06	+	0.13	+	0.04	+	0.05	+	0.05
2012 Q4	–	0.01	–	0.01	–	0.00	+	0.01	+	0.02	+	0.09
2013 Q4	–	0.04	–	0.01	–	0.00	+	0.00	+	**0.36**	–	0.06
2014 Q2	–	0.00	+	0.01	+	0.03	+	0.05	+	**0.44**	–	0.06
Interest rate on loans to non-financial corporations of up to €1 million												
2004 Q4	+	0.10	+	0.01	+	0.03	+	0.02	+	0.12	+	0.15
2006 Q4	+	0.15	+	0.11	+	0.13	+	0.02	+	0.01	–	0.02
2009 Q4	+	0.05	+	0.01	+	0.00	–	0.00	+	**0.18**	+	0.09
2012 Q4	–	0.04	–	0.03	–	0.05	+	**0.18**	+	**0.17**	+	0.17
2013 Q4	–	0.03	–	0.01	–	0.01	–	0.03	+	**0.66**	+	**0.18**
2014 Q2	+	0.00	+	0.02	+	0.00	+	0.12	+	**0.27**	+	0.00
Interest rate on loans to non-financial corporations of more than €1 million												
2004 Q4	+	0.00	+	0.00	+	0.00	+	0.05	+	0.07	+	0.05
2006 Q4	+	0.00	+	0.01	+	0.00	-	0.00	+	0.05	+	0.00
2009 Q4	+	0.00	+	0.00	+	0.00	+	0.04	+	0.03	+	0.10
2012 Q4	+	0.07	+	0.02	+	0.03	–	0.02	+	0.05	+	**0.21**
2013 Q4	–	0.05	–	0.15	–	0.11	–	0.01	+	0.05	+	0.06
2014 Q2	+	0.03	–	0.02	–	0.01	+	0.00	+	0.02	+	**0.26**

SOURCE: Banco de España.

a Statistically significant values at the 95% confidence level are in bold.
b Calculated, for each quarter, as the ratio between the total cost of liabilities and the average amount of the balance sheet.
c The average of the rates of all the categories considered, weighted by the average amount of each category over the period.

Chart 3 shows the evolution of spreads over one-year EURIBOR of average lending rates for various loan categories, distinguishing between three groups of intermediaries: two consisting of domestic institutions, separating those that have had to implement restructuring plans (those in so-called "groups 1 and 2")[8] from the rest, and a third one which comprises foreign institutions, both branches and subsidiaries. The evolution of the spread over one-year EURIBOR of the interest rates on time deposits and the average cost of the liabilities for each of the three groups are also shown, with the aim of checking the extent to which differences in lending rates are related to those in funding costs.

As seen in Chart 3, the spreads over one-year EURIBOR of the interest rates on the different instruments have followed a similar path in the three groups considered. This would seem to confirm that general factors affecting all institutions equally have predominated in the evolution of such spreads, rather than special factors linked to the different situation of each. However, the discrepancies in interest rate levels across the three groups, which before the start of the crisis were generally very small have clearly increased somewhat since then. Specifically, the interest rates charged by foreign banks on loans have tended to be lower than those charged by domestic banks for almost all loan types, while the funding costs of such institutions have risen (with respect to interbank rates) to a lesser extent than have those of Spanish banks. The lower pressure on funding costs would therefore seem to be a possible explanation of the lower lending rates charged by foreign intermediaries.[9] In any event, in the most recent period, the differences in the price of credit across these two groups have tended to narrow in most segments and in some cases have even disappeared.

Chart 3 also shows that, since the start of the crisis, lending rates charged by institutions that have been subject to restructuring processes have tended to exceed those of other domestic institutions (and those of foreign banks), while their average funding costs have also been higher. Again, although it is possible that part of these discrepancies may reflect the effects of differences in the risk profile of their lending, it appears that the higher price of the credit granted by institutions subject to restructuring processes may be related to their higher funding costs. Also, this result is consistent with the evidence available on credit volumes, which indicates that this type of institution has reduced its offering of funds since the start of the crisis more sharply than other intermediaries.[10]

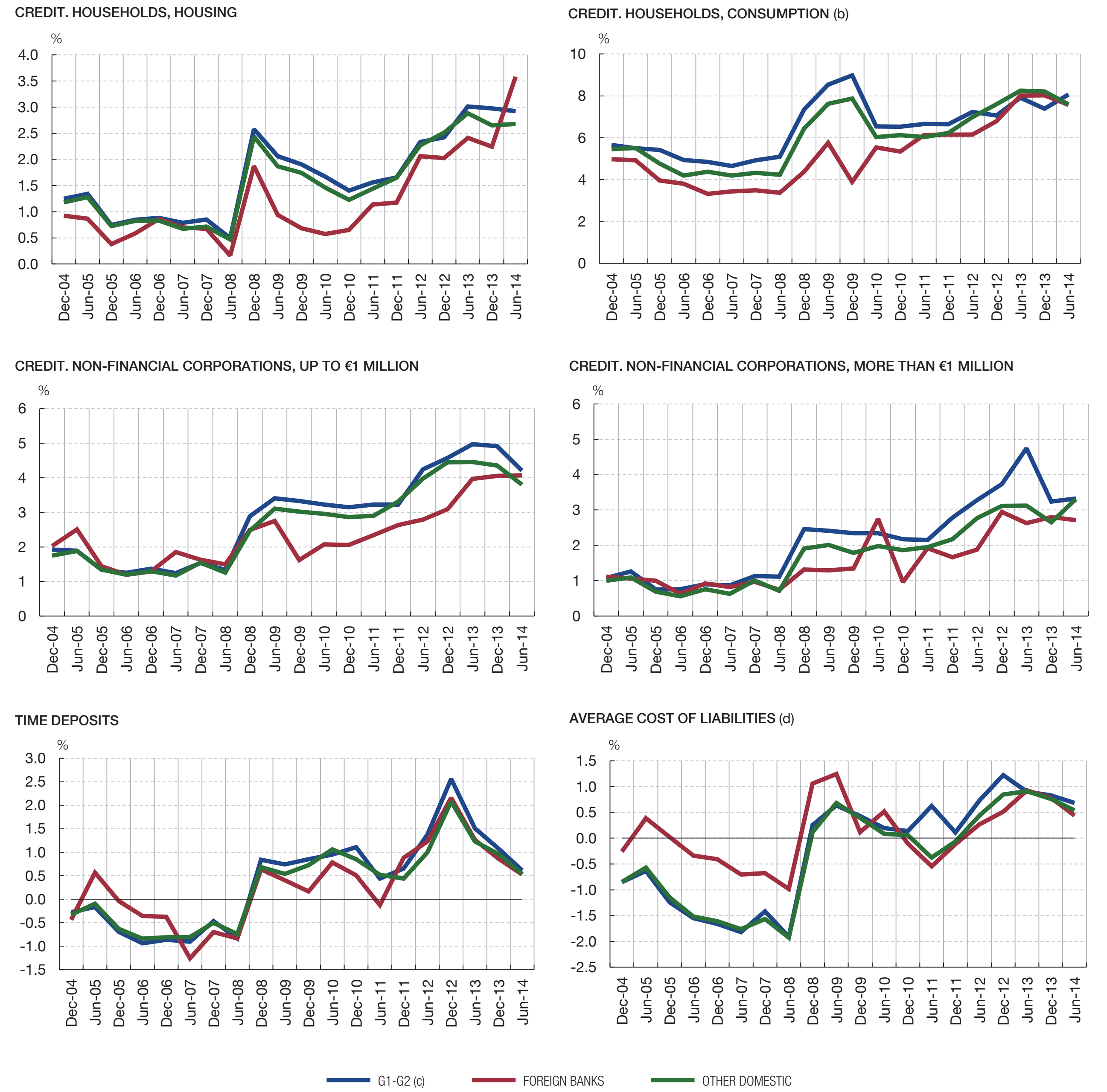
Finally, the comparison between the simple mean, the median and the mean weighted by volume of the interest rates on loans also provides interesting information on the distribution of this variable across institutions. In particular, it reveals the extent to which the distribution is symmetric around the median and whether the most active institutions in each segment charge higher or lower rates than the rest. The result of this exercise can be seen in Chart 4. First, the median and simple mean are generally at very similar levels in all the types of loan considered. This indicates that these distributions are quite symmetric. The comparison

8 According to the categories established within the framework of the process of restructuring and recapitalisation of the Spanish financial system. Specifically, these two groups are made up of institutions that according to the results of the stress test published in September 2012 had a capital shortfall which it was considered could not be covered using their own resources. Thus, they are institutions with a weaker financial and balance sheet position. Previously, if an institution included in these groups was the product of the merger of various institutions the data of all the merged institutions were aggregated. Subsequently, only the data corresponding to those that have not disappeared as a result of the restructuring process have been included.

9 It is also possible that part of these differences stem from the fact that foreign banks specialise more in less risky lending, although, as mentioned above, it is not possible to confirm, on the basis of the information available, the extent to which differences in interest rates reflect differences in the risk profile of lending.

10 For evidence on this point, see Fuentes (2013), C. Martínez, A. Menéndez and M. Mulino (2014) and J. Martínez (2014).

SPREADS OVER ONE-YEAR EURIBOR OF INTEREST RATES ON NEW LOANS AND DEPOSITS AND THE AVERAGE COST OF LIABILITIES: BY GROUPS OF INSTITUTIONS (a) CHART 3



SOURCES: Banco de España and Eurosystem.

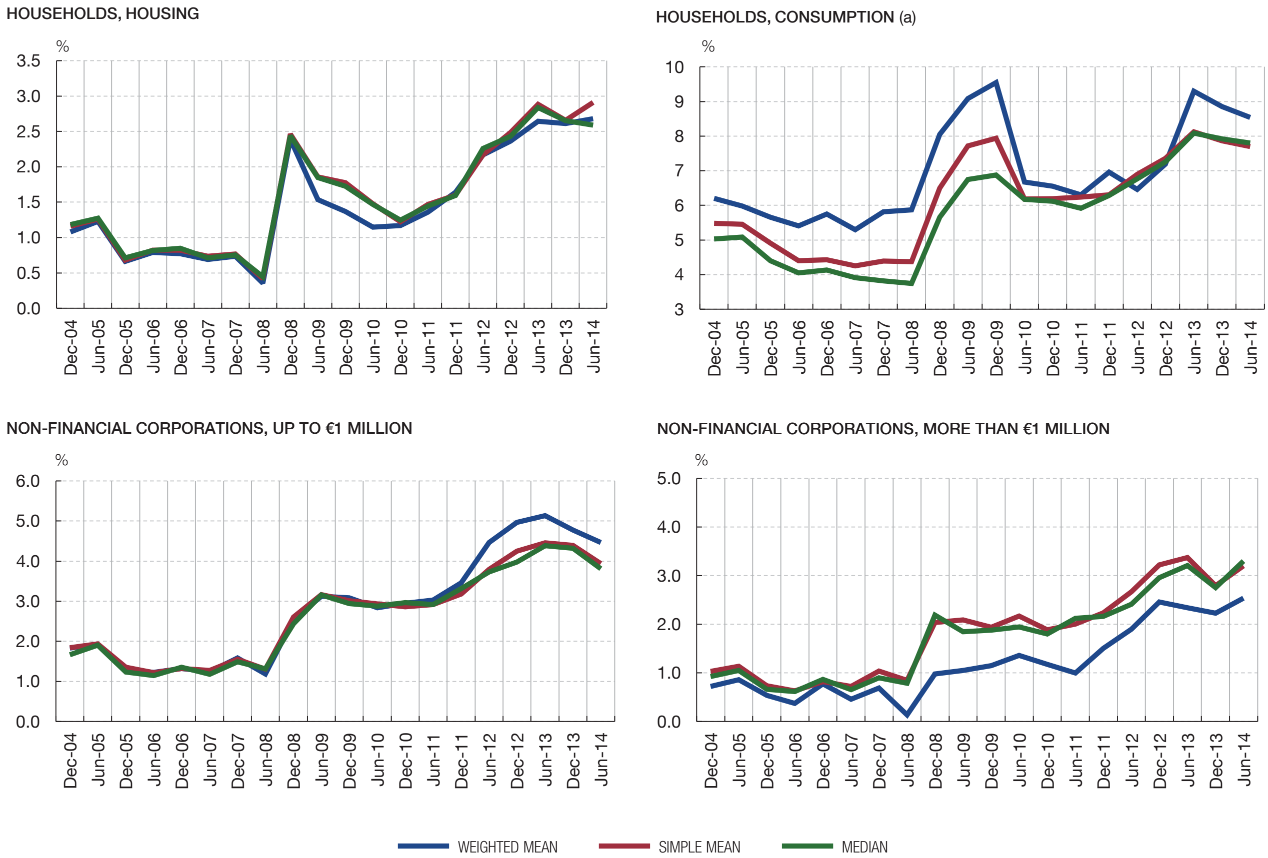
a Simple mean of the values of the institutions of the group.
b The series is affected by a statistical change from June 2010, which caused a break in the series by excluding certain high-interest-rate loans from this category.
c This group includes those institutions classified in groups 1 and 2 in the context of the plan for recapitalisation and restructuring of the banking sector. For prior periods, in cases in which the institution arose from the merger of several institutions, the data of all the merged institutions have been aggregated. In subsequent periods, only the data of those institutions that have not yet disappeared have been included.
d Calculated, for each quarter, as the ratio between the total cost of liabilities and the average amount of the balance sheet.

between the simple mean (and the median) and the mean weighted by volume provides evidence of greater differences, especially since the start of the crisis. Thus, in the case of loans to households for house purchase and, especially, in that of loans to companies of more than €1 million, the volume-weighted mean has tended, since the start of the crisis, to stand below the simple mean and the median, while in the pre-crisis period there was hardly any difference between them. This indicates that, since the start of the crisis, the

INTEREST RATES ON NEW LENDING: SIMPLE MEAN, WEIGHTED MEAN AND MEDIAN
SPREADS OVER ONE-YEAR EURIBOR

CHART 4

SPREADS OVER ONE-YEAR EURIBOR



SOURCES: Banco de España and Eurosystem.

a The series is affected by a statistical change from June 2010, which caused a break in the series by excluding certain high-interest-rate loans from this category.

most active institutions in the market have, on average, charged lower interest rates than other intermediaries. This could be a consequence of a shift in demand towards institutions offering lower rates and/or of the fact that the intermediaries that pursue a more expansionary policy in terms of volumes are also the ones that offer the most attractive rates.

By contrast, in the segment of loans to companies of less than €1 million, the divergence between the simple and the weighted mean began later (from 2012) and has been opposite in sign to that seen in the two segments referred to above, insofar as the weighted mean is higher than the simple mean. This indicates that the most active institutions in this segment charge, on average, higher interest rates than other intermediaries. This may reflect either the fact that borrowers have greater difficulty switching to institutions with more attractive prices than in the case of loans for house purchase or of loans to large firms, or that the most active institutions pursue policies that are less restrictive of volumes, albeit at the expense of bearing higher costs, given the higher risk they assume relative to their competitors. Again, it is not possible to confirm on the basis of the information available which of these two hypotheses is correct.

Finally, in the consumer credit segment, the gap between the simple and weighted mean has been narrowing since June 2010, which presumably reflects the impact of the statistical change mentioned in footnote 2 above.

Conclusions

The evidence presented in this article shows that the spreads of the interest rates on new lending in Spain over interbank rates, which basically reflect the expectations of monetary policy, tended to increase after the start of the crisis. Although this trend has been reversed somewhat recently in some segments, the cost of bank finance for firms and households remains high considering the expansionary stance of the Eurosystem's monetary policy.

With the necessary caveats, owing to the limitations of the information available, the results of this article suggest that an important factor in explaining why lending rates in Spain are relatively high is the fragmentation of European financial markets which, despite the improvement of recent quarters, persists. This means that the expansionary stance of the Eurosystem's monetary policy is not fully passed through to the funding costs of Spanish banks.

The high lending rates in Spain also seem to reflect the fact that banks charge higher risk premiums than they did before the crisis. This is a consequence of the increase in the perceived riskiness of their borrowers, which is related to developments in the business cycle and uncertainty.

The factors relating to the specific situation of each institution appear, by contrast, to have had a comparatively minor influence, mainly affecting segments in which, owing to their characteristics, borrowers have greater difficulty finding an alternative to their usual lender, such as lending to SMEs,

The results of this article therefore suggest that the return of lending rates to levels closer to those that would correspond to monetary policy expectations, as reflected by interbank rates, is basically conditional upon continued progress in reintegrating European financial markets and the sustaining of the improvement in Spain's macroeconomic prospects. The former would help to reduce banks' funding costs and the latter the risk premiums they charge.

8.10.2014.

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Introduction

During the first half of 2014, the slowing trend in activity in Latin America observable since 2011 became more marked. The average year-on-year growth rate in the six main economies[1] eased to 0.7% in Q2, from 2.3% in Q1, signifying growth 2 pp down on that recorded on average over the course of 2012 and 2013.

Admittedly, the global economy performed worse than expected in the first half of the year and the commodity price boom continued to show signs of having run its course; but the unfavourable performance of the external environment does not appear to suffice to explain the intensity of the slowdown experienced by the Latin American economy, which was much more marked than that in other emerging regions (including eastern Europe, which may have been more affected by the sluggishness of the euro area and the crisis in Ukraine). Weak economic growth in Q1 in the United States – which had a temporary impact on economies with close trade links, such as Mexico – was partly offset in Q2; moreover, the fears in early 2014 of a sharp slowdown in the Chinese economy tended to evaporate following the stimulus measures adopted there. Lastly, and as the main external factor of support, international financial conditions opened the way for a new period of stability, which was of benefit to risk assets, including those in the emerging markets and, in particular, in Latin America. Hence, from Q2 to early September exchange rates stabilised, with the odd exception, stock markets surged (running counter to the cyclical phase) and sovereign spreads narrowed considerably in most Latin American countries, with worsening geopolitical risks failing to have a lasting impact on the markets. However, these positive trends have reversed in recent weeks.

At the end of the first half of the year, among the biggest economies in the region, the cyclical position of Brazil and Argentina (and possibly Venezuela) was recessionary, while Chile and Peru had undergone a most significant slowdown. Colombia and Mexico were alone in posting more buoyant activity, which is reflected in the stability of their growth forecasts for 2015, amid a generalised downward revision (see Chart 1). Overall, Latin America might record its lowest growth rate since the crisis in 2014.

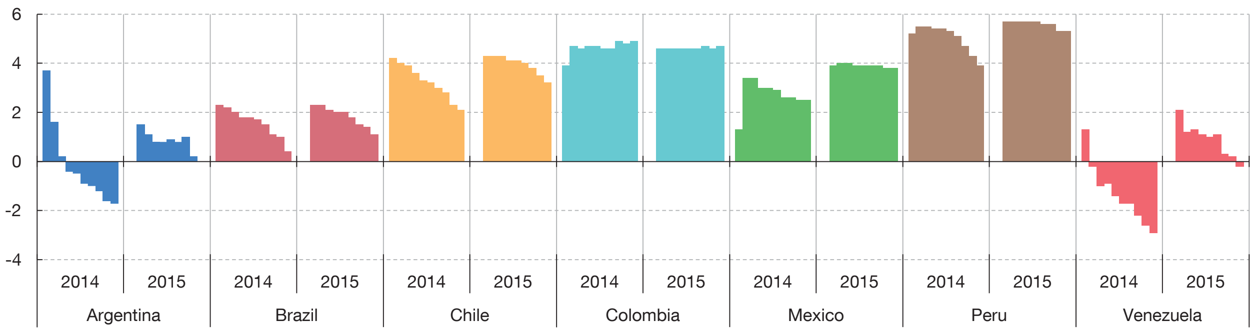
Inflation has continued to show some stickiness, more so in the economies with more heterodox macroeconomic management arrangements, in which upward-trending, double-digit year-on-year growth rates have been recorded. In several countries with inflation targeting regimes, namely Brazil, along with Mexico and Chile, the year-on-year rates of the CPI have risen. Against this background, although there has been some divergence between the monetary policies of the various countries, the broad trend has been towards easing. Mexico, Chile and Peru used the leeway provided by their economic fundamentals and the credibility gained by their policies to cut their interest rates. Brazil called an end to the monetary tightening cycle last April, following a cumulative increase of 375 basis points (bp) in one year, and it has held its official interest rate at 11% since, but has recently relaxed its reserve requirement ratio so as to increase liquidity. Colombia is the only country to have raised its official interest rate (by 125 bp), against a background of strong domestic demand.

1 The Latin American aggregate includes six countries: Argentina, Brazil, Chile, Colombia, Mexico and Peru. Venezuela has been excluded as it has not published National Accounts figures since end-2013.

GROWTH FORECASTS

CHART 1

GDP GROWTH FORECASTS FOR 2014-2015 (a)



SOURCE: Latin American Consensus Forecasts.

a Projections published between December 2013 and September 2014.

Some of the vulnerabilities present in several Latin American countries, which in May 2013 – when debate arose over the start of the withdrawal of monetary stimuli by the US Federal Reserve – prompted a strong rise in volatility on the region's financial markets, have started to be corrected, but this process is still only at an early stage. Thus, the current account deficit in the six main economies as a whole still stands at 2.9% of GDP, despite the easing in domestic demand and the adjustment in exchange rates, although it has ceased to widen. On the fiscal front, stimuli have been introduced in several countries to a greater or lesser extent, despite the fact that the budget deficit has widened to 3% of GDP in the region as a whole.

Following the weakness shown by Latin American activity in the first half of 2014, it is possible in the coming quarters that growth rates may run at a pace more aligned with potential (this could be the case in Mexico), which in any event is estimated as lower than prior to the crisis for most countries. However, there are substantial risk factors. Chief among these is that arising from a potential tightening of global financial conditions (whose impact would be offset in part by more dynamic global growth), although there are also domestic risks. These include the prolonged weakness of investment, which appears to evidence a regional component associated, among other factors, with the end of the commodities cycle and which might exert a more lasting effect on growth, and the major imbalances in certain countries (Argentina and Venezuela, in particular), which may well accentuate economic divergences in the coming months. Against this backdrop, it is essential that economic policies should retain a stance compatible with the progressive correction of the vulnerabilities still present in the region.

External environment

The world economy advanced less than expected in the first half of 2014. The negative surprises in growth figures were discernible both in the advanced and in the emerging economies. Of note among the former was the contraction in the US economy in Q1 as a result of temporary factors, namely particularly harsh weather and a marked decline in inventories, although it rebounded appreciably in Q2 and is expected to resume a growth rate of around 3% in the second half of the year. Moreover, in Q2, activity slowed significantly in the euro area, while in Japan the impact of tax rises on consumption was somewhat greater than anticipated. Inflation in the advanced economies has held at low levels, with the exception of Japan, where it stood above 3% as a result of the aforementioned tax rise.

On the whole the emerging economies also slowed to some degree in the first half of 2014. In China, in particular, there were signs of a loss of momentum in Q1, although the support brought to bear by economic policy reversed this trend in Q2. As well as in Latin America, the reduction in growth was particularly sharp in Russia and its neighbouring countries owing to the geopolitical conflict in Ukraine. Inflation in these economies has been relatively stable in recent months, with some divergences from region to region.

Once the temporary factors contributing to the disappointing growth in the first half of the year have been overcome, the world economy may be expected to move towards a path of recovery which, however, will foreseeably be fragile and increasingly uneven from region to region. In any event, the balance of risks has veered progressively to the downside in recent months. Notable among the chief risks is that of a deterioration in the various geopolitical "hotspots", the reversal of the boom on financial markets, the prolongation of excessively low inflation in certain advanced economies and, over a longer horizon, the trend towards lower growth potential in both advanced and emerging economies.

Financial markets and external financing

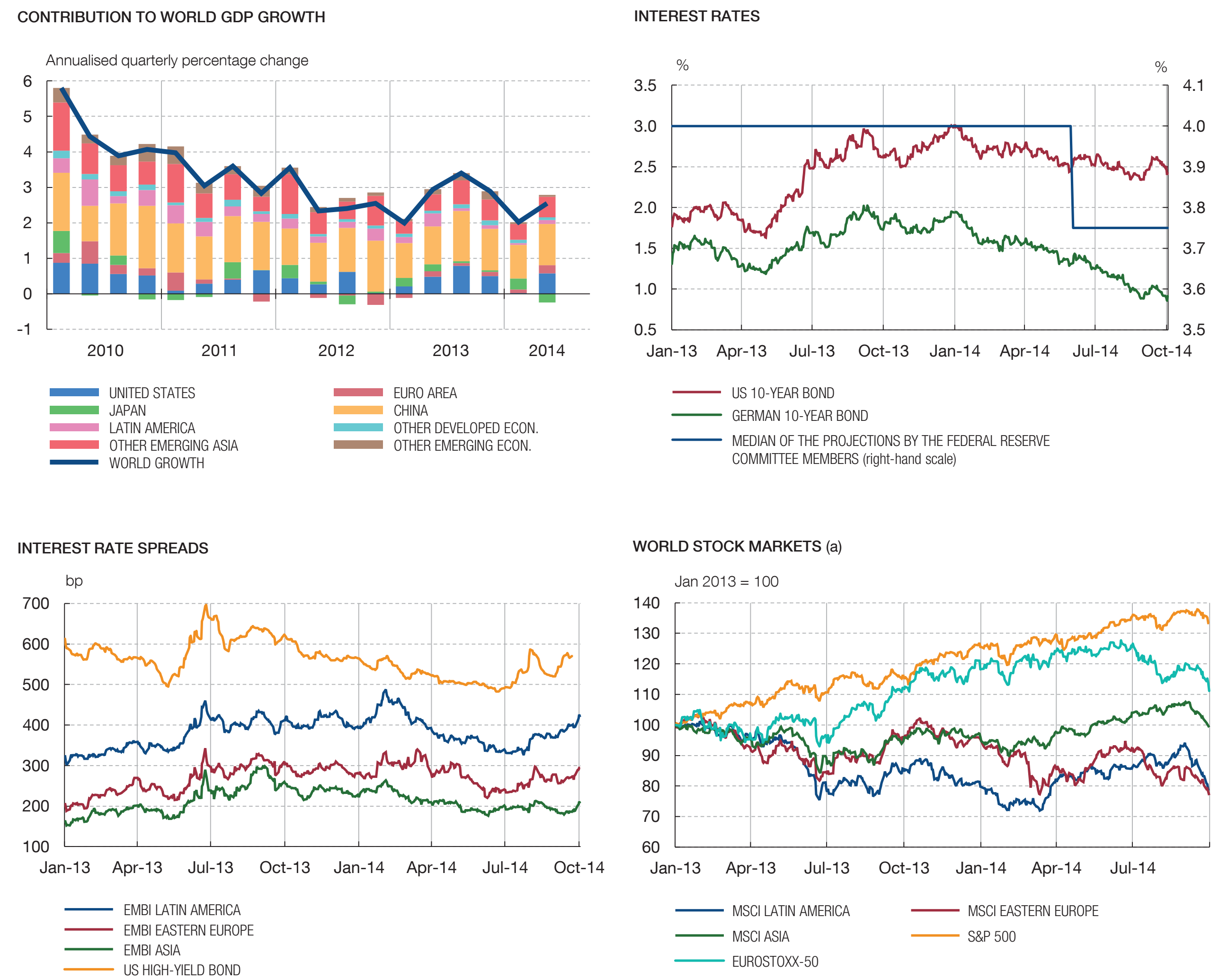
In contrast to the slowdown in activity in the first half of 2014 and the progressive downward revision of growth forecasts, the behaviour of the financial markets was predominantly positive from April to September. This was reflected in the search for yield by investors, against a backdrop of extensive global liquidity. As a result, the dichotomy observed in previous years remained in place, with a real economy not managing to map out a firm path of recovery and financial markets continuing to perform favourably. Nonetheless, in light of the growing divergences in monetary policy stance across the main advanced economies, there was a generalised appreciation of the dollar, in parallel with an increase in its volatility. Furthermore, a correction on the markets has been seen in recent weeks, impacting particularly sharply those segments where higher levels of overpricing seemed to be building up.

Along these same lines, the financial indicators of the emerging economies were generally positive until late August. There was thus a pick-up on stock markets and a downtrend in sovereign yields, in a setting of low global volatility; rises to all-time highs on the main international stock exchanges; and a downward trend in long-term interest rates in the United States and other developed economies (see Chart 2). The decline in long-term interest rates partly reflected a compression of term premia, and also the decline in the interest rate expected at the end of the US upward cycle, in addition to further easing through the ECB's non-conventional policies. The perception of lower risks in China and the progressive abatement of geopolitical tension in Ukraine also contributed to maintaining the aforementioned positive trend. In parallel, there was a marked recovery in retail investors' capital inflows into these economies, especially onto the stock market, and the pace of bond issues on international markets was brisk. By mid-September, these issues outstripped the cumulative issues in the same period in 2013, which had set a historical high.

This trend was interrupted by certain short-lived bouts of intense global turmoil, arising mainly from escalating tensions in Ukraine and Syria. Subsequently, there has been a heavy fall on stock markets and a rise in sovereign yields since September, the result of emerging expectations that interest rate rises may possibly be brought forward in the United States and the re-emergence of certain doubts over the economic situation in China. This change has been reflected in an upward adjustment in US long-term interest rates and a generalised appreciation of the dollar, which lessened the profitability of carry trade with the more liquid emerging markets.

GLOBAL MACROECONOMIC AND FINANCIAL INDICATORS
Annualised quarterly rate, indices and basis points

CHART 2



SOURCES: Datastream and JP Morgan.

a Stock market indices in dollars.

On the Latin American markets, the regional stock market index, proxied by the MSCI and measured in dollars, rose by 11.2% from April to early September (outperforming other emerging markets, albeit from lower levels), falling subsequently by 15% over the rest of September (see Chart 2). In local currency, the Brazilian stock exchange rose notably by 18.5% from mid-April to early September (38% from March), and Peru (15.6%) and Mexico (12.1%) were likewise prominent (see Chart 3). This contrasted with the slowdown in activity in the region, and with the change in cycle in credit ratings. In this respect, the expectations generated by structural reform progress in Mexico, high portfolio investment inflows into Peru and the expectations of a change in government in Brazil are among the local factors that help explain these rises, set against the earlier mentioned boom on financial markets globally. Two of the countries most closely linked to the commodities cycle, Chile and Colombia, performed significantly less favourably; this was compounded, in Chile, by the unveiling of a fiscal reform that heightens the tax pressure on corporations. The correction to Latin American stock markets in September was greater than that in other emerging markets since in addition to general risk aversion there have been other more specific factors such as uncertainty about the elections in Brazil (its stock market fell by almost 13% in September), the resignation of the governor of the central bank of

Argentina, or the fall in oil prices which has dragged down the Colombian stock market (-9.4%).

In the same vein, the sovereign spreads of Latin American countries have held on a downward path since mid-April which was interrupted briefly in August, although towards the end of the period examined they increased significantly (see Chart 3). The region performed worse than other emerging areas since this risk indicator climbed more than 50 bp over the last six months compared with the rise of approximately 20 bp for other emerging markets. This behaviour was determined by the sovereign spreads of two countries: that of Venezuela – which rose by more than 240 bp to above 1300 bp, as the maturity of the highest debt of the last two years drew nearer against a backdrop of scant liquid international reserves and the downgrading of the sovereign rating by Standard and Poor's to CCC+ – and that of Argentina, which increased from 48 bp to 740 bp, after the declaration of selective default (see Box 1). The other sovereign spreads decreased until the beginning of September, especially in Chile (-17 bp, 12%) and in Brazil (-13 bp, 6%, where the sovereign rating was put on negative outlook), however, they widened significantly in line with the other emerging countries throughout September to levels not reached since the beginning of the year. In Ecuador, the spread narrowed by almost 100 bp, after its sovereign rating was moved up a notch, and subsequently widened. Also, interest rates on long-term bonds denominated in local currency declined in most countries until early September, largely correcting the tension triggered by the Federal Reserve's announcement in May 2013 (see Chart 3), and rose from that date, especially in Brazil.

Similarly, credit risk premia listed in CDS declined across the region until early September and then increased slightly with the result that at the end of the period analysed they stood at the levels recorded in April. Argentina and Venezuela were the exceptions. At present, these premia would seemingly be more in line with the ratings given by the rating agencies (see Chart 3). By country, the markets have priced in upgrades of the sovereign ratings of Mexico and Colombia, and downgrades of between one and two notches for those of Peru and Chile.

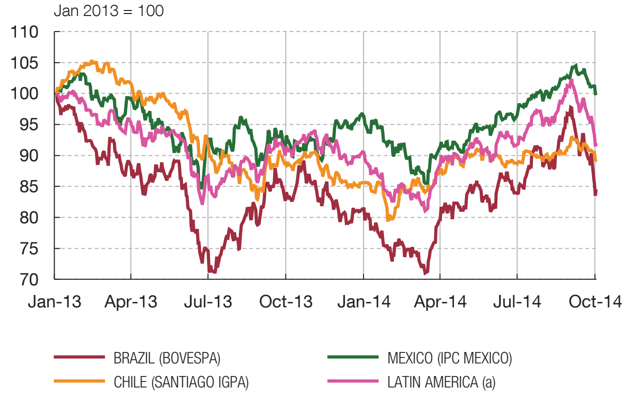
Exchange rates were generally stable to September with some exceptions (see Chart 3). The Chilean and Argentinean peso posted the highest depreciations. In particular, the Chilean peso depreciated by more than 7.5% from April, against a backdrop of a fall of around 10% in copper prices from the beginning of the year, a reduction in interest rates and a non-intervention policy by the central bank. In Argentina, the official exchange rate of the peso depreciated sharply mid-August (by 1.3% in two days); the pressure on the exchange rate when markets opened was also reflected in the spread between official and parallel market rates which reached an all-time high. The Brazilian real, which had scarcely depreciated by 1.4% between April and the first week of September, fell by 10% subsequently, compelling the central bank to increase its degree of intervention in foreign exchange markets, by rolling over a higher percentage of exchange rate swaps. In Venezuela a third regulated exchange rate came into operation which, despite trading 88% lower than the official rate and 80% lower than the exchange rate in foreign exchange auctions, remains far removed from the parallel exchange rate.

Finally, direct investment inflows into the region moderated considerably in 2014 Q2 to $140 billion (in annualised terms) from $164 billion in 2013 (see Chart 4). This was mainly due to the lower inflows into Mexico in Q2 ($5.1 billion less than in Q1), as well as those into countries more closely linked to the commodities cycle such as Chile ($2.4 billion less). By contrast, Brazil recorded higher inflows close to the average levels observed

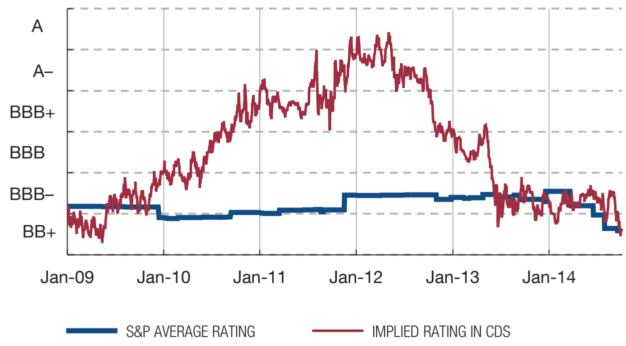
FINANCIAL INDICATORS
Indices, basis points and percentage points

CHART 3

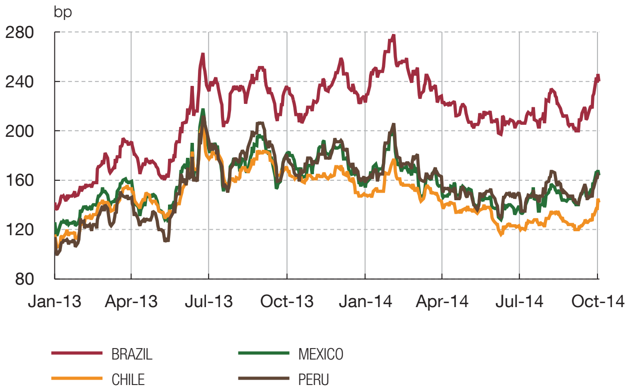
STOCK EXCHANGE INDICES



RATING AND IMPLIED RATING IN SOVEREIGN CDS

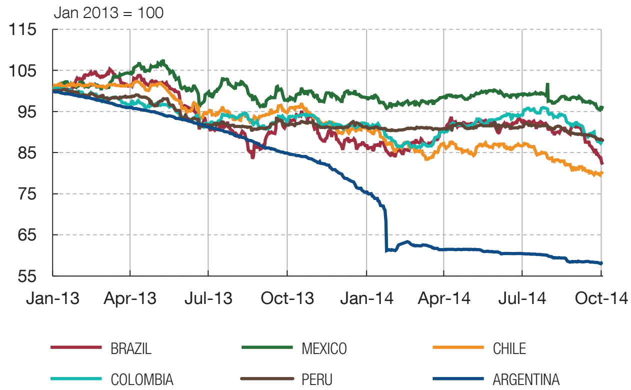


SOVEREIGN SPREADS

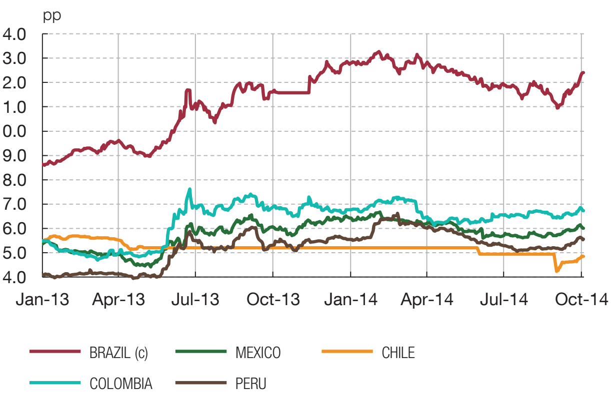


SOVEREIGN SPREADS

NOMINAL EXCHANGE RATE AGAINST THE DOLLAR



MEDIUM-TERM BOND INTEREST RATE IN LOCAL CURRENCY (b)



SOURCES: Datastream, JP Morgan, Bloomberg, Banco Central do Brasil and national statistics.

a MSCI Latin America index in local currency.
b 10-year government bonds in local currency.
c 5-year interest rate swap.

since 2011. At regional level, foreign direct investment exceeded the current account deficit, albeit by a very narrow margin. Conversely, portfolio inflows rose in Q2 to more than $84 billion in annualised terms, practically double the figure for 2013, as a result of investment in Mexico, particularly in the stock market which recorded the highest capital

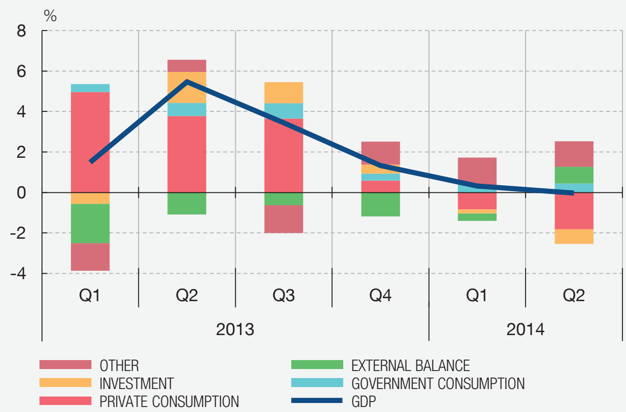
On 30 July 2014, Argentina failed to make a coupon payment on the 2005 and 2010 debt restructuring bonds, amounting to somewhat more than $500 million. The Argentine government had ordered the funds to be transferred, but payment was blocked by a US court ruling (in the case *NML Capital v Argentina)*.[1] The court considered that Argentina breached the pari passu clause,[2] by paying the creditors of the restructured debt while not paying the bondholders who did not participate in the 2005 and 2010 exchange (the holdouts). The ruling requires Argentina to pay the holdouts the principal and coupons that have accrued to date, a total of $1,330 million, and blocks the funds earmarked to pay the restructured debt. Argentina's sovereign rating was lowered by the main rating agencies to selective default level and default insurance was activated.

This is the second default by Argentina in the last 15 years, following the one in December 2001, when the government decreed a cessation of payments during a severe exchange rate and balance of payments crisis. The consequences of this default, and of the economic crisis that the country had been suffering since 1998, led to a fall in GDP of 10.9% in 2002 (and of almost 20% between 1998 and 2002), a deposits freeze, abandonment of the convertibility regime and the restructuring of sovereign debt, the implications of which have lasted until today. However, the nature of this latest default is exceptional, insofar as it has not been preceded by a serious balance of payments deficit, sovereign debt unsustainability or a severe economic crisis, but rather by judicial proceedings unrelated to the economy's solvency. As a result, the economic consequences will likely differ from those of the 2001 default. Moreover, this episode may have consequences for future sovereign restructurings, especially those relating to debt issued under New York law, which is usually chosen for issues made abroad.

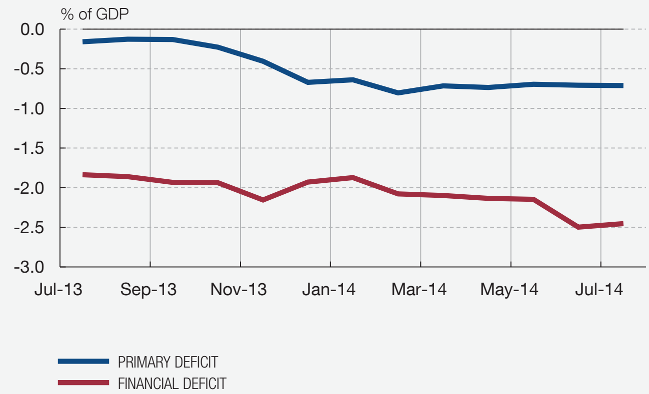
1 In *NML Capital v Argentina,* a group of creditors, who purchased Argentine bonds under US law following the December 2001 default on the secondary market and who did not participate in the 2005 and 2010 exchanges, sued Argentina for the total amount of the principal and interest of the bonds in their possession. The judgment highlights the reluctance of Argentina to negotiate, a consequence of the "Lock Law" enacted in 2005, which to boost the acceptance of the exchange prohibits its reopening.

2 Pari passu clauses are common in debt contracts and establish that the debt cannot be subordinated to the debtor's other obligations. This subordination can be construed as meaning equality in the ranking, to avoid the issuance of new debt with priority over the existing debt, or equality in payment, which is the way it has been interpreted in this case.

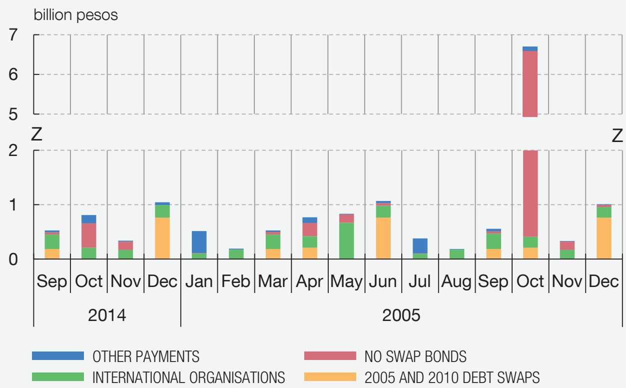
1 GDP BY COMPONENT



2 PRIMARY AND FINANCIAL DEFICITS



3 FOREIGN CURRENCY DEBT MATURITIES



4 EMBI

SOURCE: National sources.

The macroeconomic situation in Argentina today reflects significant weaknesses. The country entered a technical recession (two consecutive quarters of negative quarter-on-quarter growth) in 2014 Q1 and posted zero year-on-year growth in 2014 Q2 (see Panel 1). In addition, the economy has high inflation, an overvalued exchange rate and is in a cyclical recession, owing to the exhaustion of the growth model of the last decade and, more immediately, the scarcity of US dollars to pay for the imports of goods needed by the production chain. However, the ratio of Argentina's gross government debt to GDP, at 39.5%, is low by historical standards, while the budget deficit and, especially, the primary deficit are small, although on an upward trend (see Panel 2). The main concern is that the default will accelerate the deterioration in the balance of payments, leading to a crisis. Thus, the default could aggravate the economic situation, by closing access to the international financial markets.

This situation would exacerbate the economic policy dilemmas the country has been facing over the last two years. On one hand, further deterioration in the balance of payments would lead to a major outflow of reserves, which, although slow, on account of the financial isolation of Argentina in the last decade and the existence of capital controls, is worrying. In fact, reserves have fallen to almost $28 billion, half their level at the beginning of 2011. The process of devaluation that has lowered the official exchange rate from 6 to 8.40 pesos to the US dollar in 2014 has not prevented a decline in exports, which limits foreign currency inflows, in an environment of falling prices for the country's main export, soy beans. In the short term, the commitments acquired in the negotiations with the Club of Paris and Repsol and the amount of external debt due to mature, which is estimated as more than $11 billion by end-2015, are exerting further pressure on the reserves (see Panel 3). Moreover, the devaluation could push up inflation (between December 2013 and August 2014 prices rose by 18.2%). Further restrictions could be placed on imports to preserve a minimum level of international reserves, but this would have an even more negative impact on economic growth.

On the other hand, although the agreements with Repsol and the Club of Paris had succeeded in reducing the level of country risk, the failure of negotiations with the holdouts has partly reversed this process (see Panel 4), causing the interest rates on debt in US dollars to remain high for the private sector of the economy and greater difficulty to attract foreign direct investment, especially to develop the Vaca Muerta oilfield. However, the increase in debt spreads has not been in line with the reaction expected before default,[3] and appears to correspond more to a situation of illiquidity than to a risk of restructuring or heavy losses for creditors.

In this situation, the Argentine government has chosen to attempt to sidestep the blocking of funds by changing the law governing bonds subject to foreign law to national law. An agreement to pay the holdouts seems to be unlikely before January 2015, when the Rights Upon Future Offers (RUFO) clause, which entitles bondholders of the restructured debt to benefit from any better treatment (voluntarily) agreed with another creditor, expires. A final solution to the default situation may be delayed until the end of 2015, when the mandate of President Fernández de Kirchner terminates.

The specific nature of the default and its potential consequences for the international legal framework have prompted a response from the international community. The IMF has warned of the increase in uncertainty in sovereign debt restructurings entailed by the Argentine episode, stemming from the improvement in the repayment prospects of holdout creditors and their ability to interrupt the flow of payments on restructured debt. During the hearing of the case, various countries, among them Brazil, Mexico and France, filed submissions in support of Argentina's position, highlighting the consequences for future debt restructurings. The case has had an impact on the debate opened by the IMF on the reform of debt restructuring tools. The current focus of discussion is improvement of the contractual framework, to add legal certainty. On one hand, the collective action clauses could include elements of bond aggregation in the votes necessary to change the terms of restructured bonds. This would make the holdouts' strategy more costly, as they would need to acquire a larger amount of bonds to achieve a majority sufficient to reject an agreement. On the other hand, pari passu clauses could be amended, to avoid the judicial interpretation that has led to the blocking of payments in the case of Argentina. Discussions remain open and, in any case, the debt currently in circulation would not be affected by such reforms.

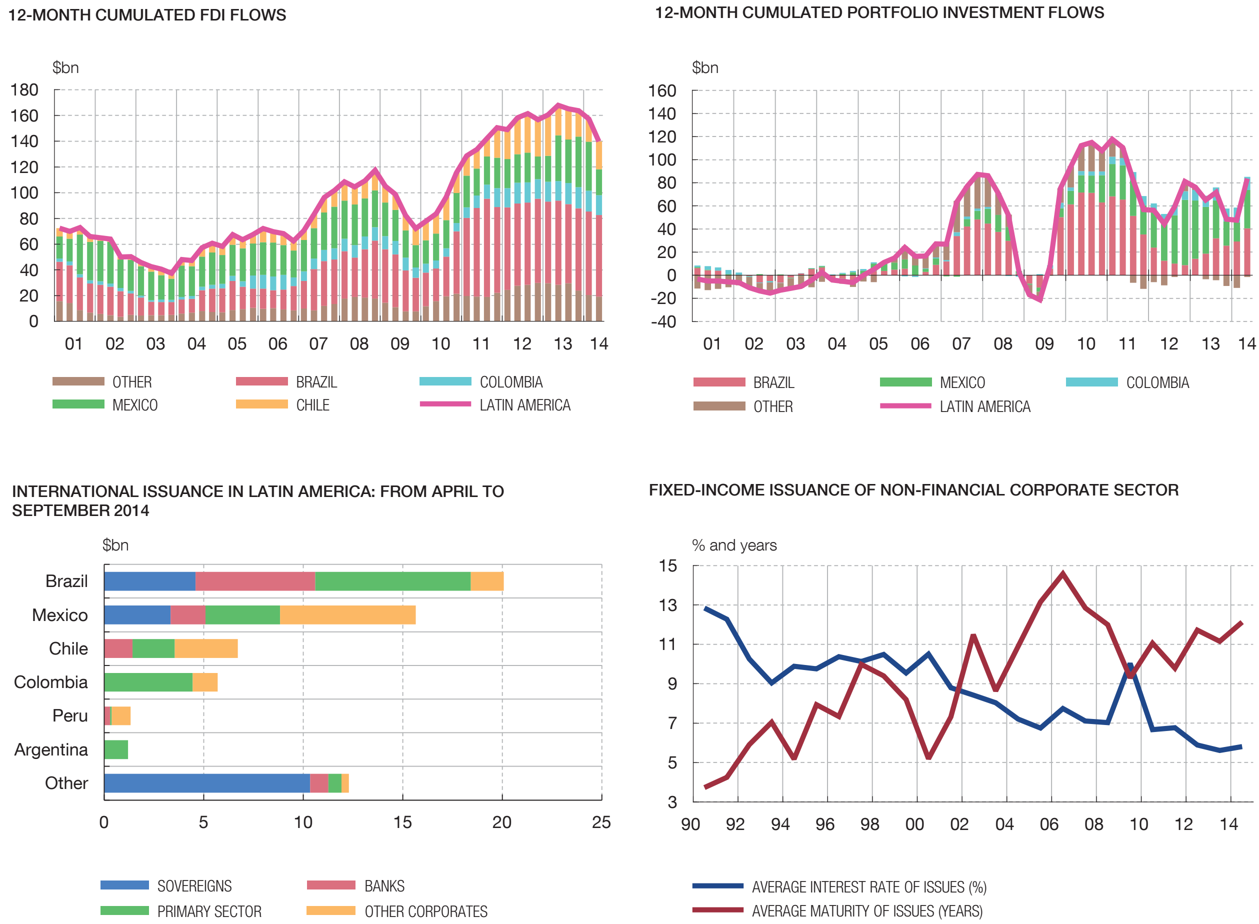
3 Argentina's EMBI rose to 5,000 bp in December 2001, following the announcement of default, from 1,400 bp in September.

inflows in one quarter of the whole time series. As for Brazil, the increase in portfolio inflows centred on short-term fixed income securities.

From April to September 2014, fixed-income issuance in the region reached $61 billion, Brazil being the largest issuer both in terms of the public sector (two sovereign issues amounting to almost $5 billion) and the banking and oil sectors (see Chart 4). Despite the proximity of a change in the monetary cycle in the United States and the worsening of the growth outlook for the region, the conditions of these issues have not varied substantially

EXTERNAL CAPITAL FLOWS AND FINANCING
$bn, percentage points and years

CHART 4



SOURCES: Datastream, Dealogic, JP Morgan, IMF and national statistics.

and there has been no significant increase in interest rates in the primary market and no shortening of maturities (see Chart 4).

Activity and demand

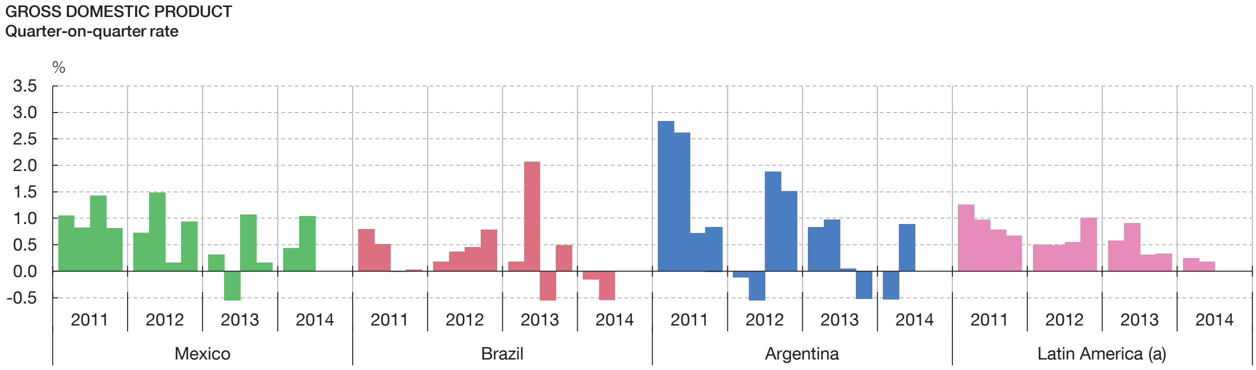
Economic activity slowed considerably in the first half of 2014, with quarterly growth rates for the region averaging 0.2% in the first two quarters of the year (see Chart 5); the year-on-year growth rate of the regional aggregate decreased from 2.3% in Q1 to 0.7% in Q2 (see Table 1). Admittedly, the significant weight in the regional aggregate of Brazil's economy – which went into recession in Q2 – accounts for most of this fall, but there was a very marked slowdown in Chile (1.9% year-on-year in Q2, down from 2.4% in Q1) and, especially, in Peru (1.7% year-on-year in Q2 and 5.1% in Q1). That comes in addition to the "technical" recession in Argentina in 2014 Q1, despite a slight recovery in Q2. Only Colombia, with growth of 6.5% year-on-year in Q1 and 4.3% in Q2, and Mexico, which posted stronger growth in Q2, showed greater buoyancy.

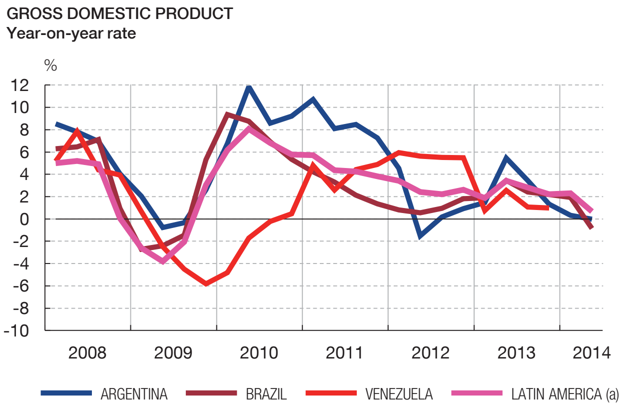
This easing of growth can be explained by both common reasons and the idiosyncratic situations of the countries. In Argentina and Venezuela[2] the recession has specific characteristics to the extent that the external constraint is, to a varying degree, limiting

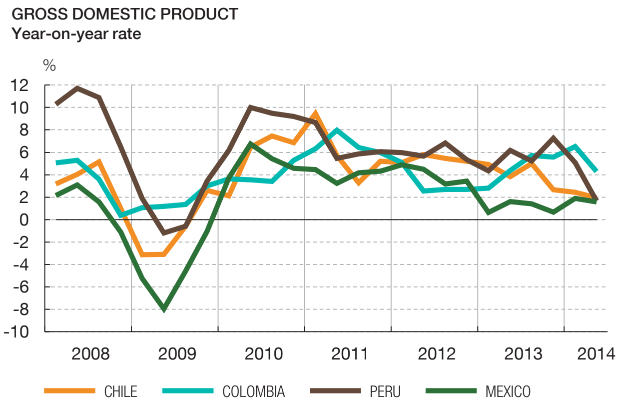
2 National accounts data are not available for Venezuela for Q1 or Q2 and, consequently, the conjecture that it is in a recession is based on partial indicators (see the section on economic developments by country).

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

CHART 5







SOURCE: National statistics.

a Aggregate of Argentina, Brazil, Chile, Colombia, Mexico and Peru, as a GDP-weighted average for the region.

growth, against a backdrop of an overvalued exchange rate, monetisation of fiscal imbalances and high inflation, and the failure to adjust relative prices. In the other countries, also to a varying degree, the high correlation of the cycle with that of their main trading partners illustrates the degree of external dependence of Latin America, directly through demand for exports and, to a greater extent, through the effect of the terms of trade in aggregate demand. Accordingly, just as the continuous rise in the terms of trade supported economic buoyancy during the last decade, its correction in recent years has triggered, symmetrically, the opposite effect. That contributes to explaining the moderation of growth in Chile, where the cumulative fall in the terms of trade exceeded 18% in the last three years – although it has tended to stabilise recently – and the economy has weakened more than expected. In Peru, the fall in the terms of trade occurred later and more swiftly, accumulating 11% in the last two years, while in Colombia these terms held at a high due to the weight of oil in its export basket and the economy has remained very buoyant. In Brazil, where the terms of trade have fallen moderately, it is the collapse of investment which explains why the country has entered into recession after three years of below potential growth. Mexico, being less reliant on commodities, performed better, with a recovery initially led by external demand which shows different behaviour to other economies in the region.

By component, average domestic demand for the region contributed 2 pp to year-on-year growth in Q1 and 0.2 pp in Q2 (see Chart 6). External demand continued to make a very

LATIN AMERICA: MAIN ECONOMIC INDICATORS

TABLE 1

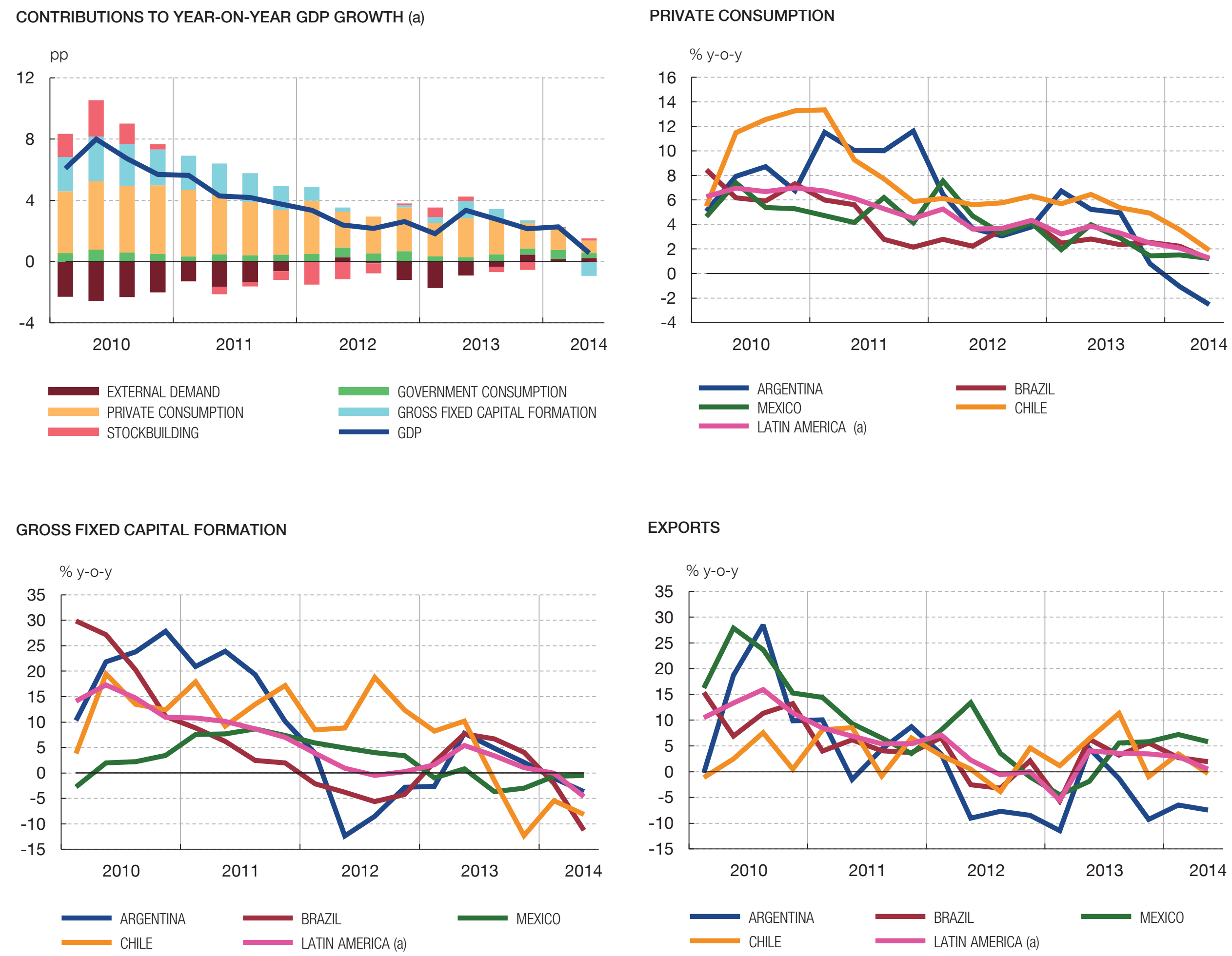
	2012	2013	2012		2013				2014		2014
			Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	September
GDP (year-on-year rate)											
Latin America 6 (a)	2.8	2.5	2.2	2.6	1.8	3.4	2.8	2.2	2.3	0.7	
Latin America 5 (a)	2.9	2.5	2.5	2.9	1.9	3.1	2.7	2.3	2.6	0.8	
Argentina	0.9	2.9	0.2	0.9	1.5	5.5	3.4	1.3	0.3	0.0	
Brazil	1.0	2.5	0.9	1.8	1.9	3.5	2.4	2.2	1.9	-0.9	
Mexico	4.0	1.1	3.2	3.4	0.6	1.6	1.4	0.7	1.9	1.6	
Chile	5.4	4.1	5.5	5.2	4.9	3.8	5.0	2.7	2.4	1.9	
Colombia (b)	4.0	4.7	2.5	2.7	2.8	4.4	5.7	5.6	6.5	4.3	
Venezuela	5.6	1.3	5.5	5.5	0.7	2.6	1.1	1.0			
Peru	6.0	5.8	6.8	5.4	4.3	6.2	5.2	7.2	5.1	1.7	
CPI (year-on-year rate)											
Latin America 6 (a)	5.2	5.3	5.2	5.2	5.3	5.6	5.2	5.1	5.3	6.1	7.0
Latin America 5 (a)	4.5	4.5	4.6	4.5	4.5	4.9	4.4	4.3	4.6	4.8	5.2
Argentina (c)	10.0	10.6	10.0	10.6	10.8	10.4	10.5	10.7	10.0	15.0	19.8
Brazil	5.4	6.2	5.2	5.6	6.4	6.6	6.1	5.8	5.8	6.4	6.7
Mexico	4.1	3.8	4.6	4.1	3.7	4.5	3.4	3.7	4.2	3.6	4.2
Chile	3.0	2.1	2.6	2.2	1.7	1.9	2.3	2.5	3.2	4.5	4.9
Colombia	3.2	2.0	3.1	2.8	1.9	2.1	2.3	1.8	2.3	2.8	2.9
Venezuela	21.1	38.3	19.0	18.8	22.6	33.0	43.4	52.9	53.3	55.6	–
Peru	3.7	2.8	3.5	2.8	2.6	2.5	3.1	3.0	3.4	3.5	2.7
Budget balance (% of GDP) (d)											
Latin America 6 (a)	-2.0	-2.3	-2.0	-2.1	-2.1	-2.2	-2.5	-2.4	-2.6	-3.0	
Argentina	-2.0	-1.9	-1.5	-1.8	-1.9	-1.8	-1.8	-1.8	-2.1	-2.3	
Brazil	-2.5	-3.3	-2.8	-2.5	-2.8	-2.8	-3.3	-3.3	-3.2	-3.6	
Mexico	-2.6	-2.4	-2.2	-2.5	-2.0	-2.2	-2.8	-2.3	-2.8	-3.2	
Chile	0.6	-0.7	0.4	0.6	0.2	-0.7	-0.5	-0.7	-1.0	-0.8	
Colombia	-1.9	-1.9	-1.2	-1.9	-1.4	-2.5	-2.7	-2.2	-2.7	-3.7	
Venezuela	-4.8	–	–	–	–	–	–	–	–	–	
Peru	1.3	1.3	1.6	1.3	1.2	0.7	0.5	0.5	0.4	0.0	
Public debt (% of GDP)											
Latin America 6 (a)	39.8	39.8	41.0	41.2	41.4	40.1	40.2	38.6	–	–	
Argentina	32.7	31.9	31.9	33.0	32.1	31.7	32.5	33.2	–	–	
Brazil	58.8	56.7	58.9	58.8	59.4	59.0	58.2	56.7	57.5	58.6	
Mexico	28.5	31.1	28.5	27.5	29.3	29.7	30.3	29.9	31.9	32.0	
Chile	12.0	12.8	11.3	12.0	11.5	12.1	12.6	12.8	12.7	13.5	
Colombia	32.2	–	32.4	32.2	33.0	33.3	34.9	34.6	36.0	35.2	
Venezuela	–	–	–	–	–	–	–	–	–	–	
Peru	21.0	20.2	20.2	20.8	19.5	18.5	17.7	19.0	18.3	18.3	
Current account balance (% of GDP) (d)											
Latin America 6 (a)	-1.6	–	-1.7	-2.0	-2.4	-2.6	-2.8	-2.8	-2.8	-2.9	
Argentina	-0.2	-0.7	-0.3	-0.2	-0.3	-0.3	-0.6	-0.8	-1.0	-0.2	
Brazil	-2.4	-3.6	-2.2	-2.4	-3.0	-3.2	-3.6	-3.6	-3.7	-3.7	
Mexico	-1.3	-2.1	-1.0	-1.3	-1.6	-1.9	-2.1	-2.1	-1.8	-1.9	
Chile	-3.4	-3.4	-2.9	-3.4	-4.0	-4.1	-3.5	-3.4	-3.1	-2.4	
Colombia	-3.1	-3.3	-3.2	-3.1	-3.5	-3.2	-3.2	-3.3	-3.5	-3.9	
Venezuela	2.9	–	4.2	2.9	1.7	1.3	1.9	–	–	–	
Peru	-3.3	-4.5	-2.9	-3.3	-4.2	-4.4	-4.7	-4.5	-4.5	-5.0	
External debt (% of GDP)											
Latin America 6 (a)	19.7	20.3	19.6	19.8	20.0	19.6	19.8	20.4	21.0	–	
Argentina	23.5	21.8	24.4	23.5	23.0	21.7	22.9	21.8	23.6	–	
Brazil	13.9	13.8	13.5	13.9	14.6	14.1	13.7	13.8	14.6	15.2	
Mexico	19.2	20.6	19.1	19.2	19.1	18.7	19.3	20.6	20.9	22.0	
Chile	44.1	47.2	42.1	44.1	43.5	42.9	44.4	47.2	48.6	50.4	
Colombia	21.3	24.4	21.5	21.3	21.7	22.2	23.9	24.4	23.9	24.4	
Venezuela	31.1	–	31.8	31.1	31.2	32.0	32.8	–	–	–	
Peru	29.3	29.3	29.9	29.3	30.5	29.6	29.3	29.3	30.1	30.5	

SOURCE: National statistics.

a Latin America 6: all the countries represented, except Venezuela; Latin America 5: all the countries represented, except Argentina and Venezuela.
b Seasonally adjusted.
c 2014 inflation is calculated as the cumulative figure since December 2013.
d Four-quarter moving average.

COMPOSITION OF GDP ON THE DEMAND SIDE CHART 6

Year-on-year rate and pp



SOURCES: National statistics and IMF.

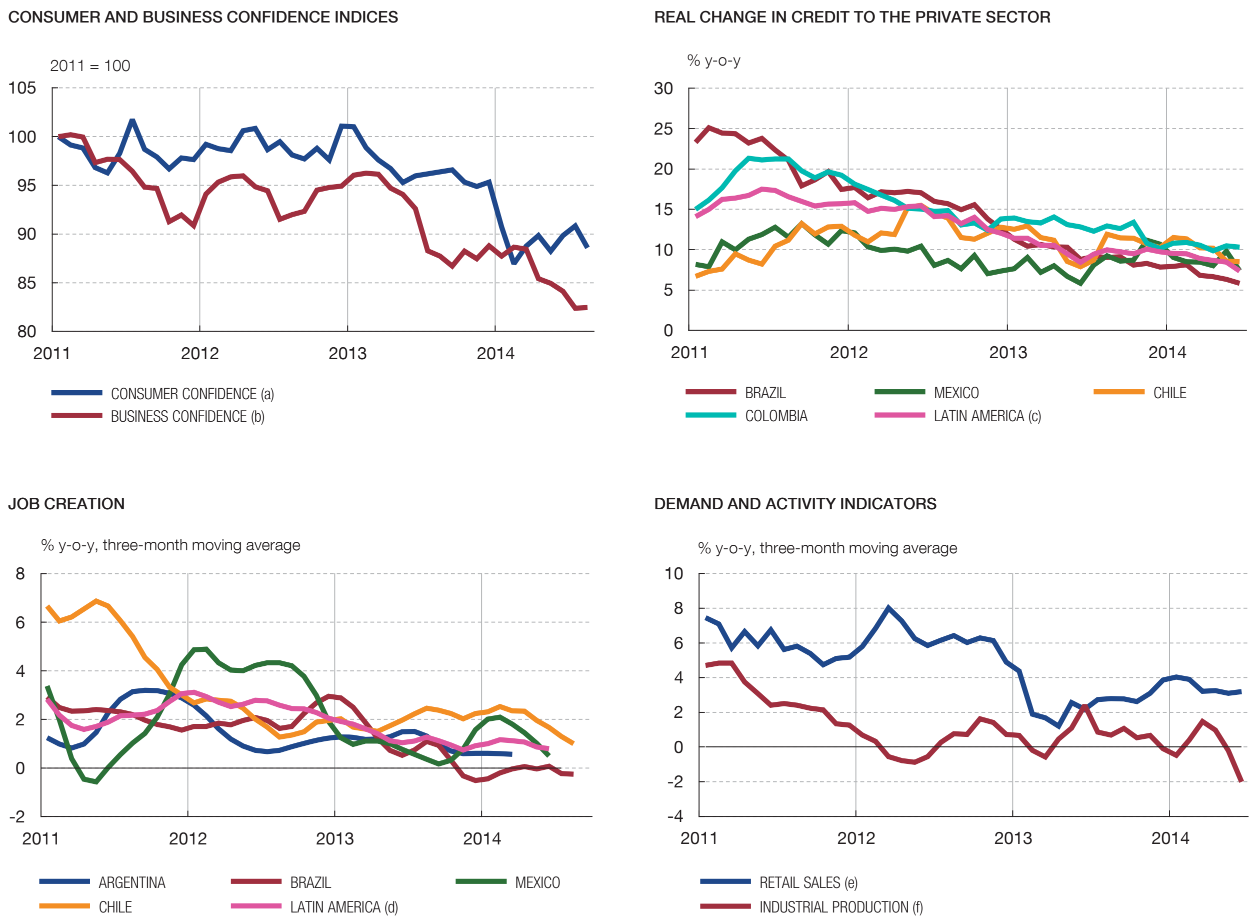
a Aggregate of Argentina, Brazil, Chile, Colombia, Mexico and Peru, as a GDP-weighted average for the region.

small, albeit increasing, positive contribution (0.4 pp in Q2), since although exports grew only slightly, there was a considerable adjustment in imports (-1.2% in Q2).

One shared feature of the weak economic performance in the first half of the year is the fall in investment (-4.6% year-on-year, the first negative figure following the crisis). Two types of factors seem to be affecting this performance to a different extent depending on the country. These are, on one hand, the maturation of the investment cycle associated with the downward movement in commodities prices and the increase in production costs and, on the other, the fall in business confidence due to a loss of credibility to some extent in economic policy management, perception of greater intervention and, on occasions, the absence of a clearer reform drive to increase medium-term potential growth. Consequently, the decline in investment seems to be having a greater effect on countries that are more reliant on the commodities cycle (such as Chile, -8.1%, and Peru, -4.5%), or those where business confidence has deteriorated more (Brazil, -11%). In Mexico, where recent reforms should improve the climate for investors, the rate of decline of gross capital formation eased but, nevertheless, slipped -0.5% year-on-year in Q2 (public investment fell -8.4%). Colombia

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 Argentina, Brazil, Chile, Mexico and Peru.
b Aggregate of Brazil, Chile, Mexico and Peru.
c Aggregate of Brazil, Chile, Colombia, Mexico, Peru and Venezuela.
d Aggregate of Argentina, Brazil, Chile, Colombia, Mexico, Peru and Venezuela.
e Aggregate of Brazil, Chile, Colombia and Mexico.
f Aggregate of Brazil, Chile, Colombia, Mexico and Peru.

continues to buck the trend with gross capital formation growth of more than 10% year-on-year boosted by an infrastructure investment plan. Although the situation by sector seems very different, on average investment in machinery and equipment has contracted and construction growth has been weak.

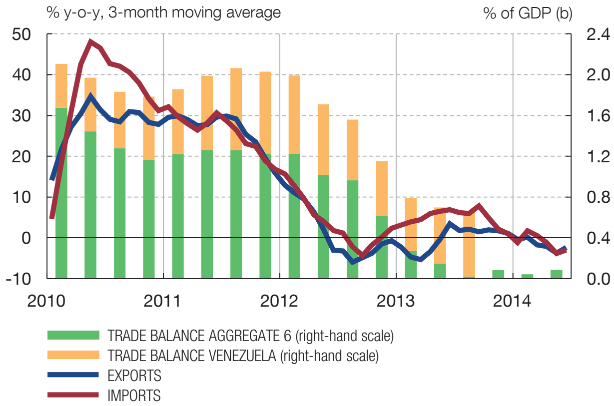
In this setting of slowing domestic demand, the growth rate of private consumption has tended to ease to 1.3% year-on-year in Q2 (2.1% in Q1). Despite the low levels of unemployment in most of the countries, labour markets are weakening in several of them. In fact, employment has decelerated to 1% (see Chart 7), as have real salaries (even falling for the second consecutive year in the most vulnerable countries). Growth of credit to the private sector continued to moderate across all the countries, except for Colombia.

Developments in external demand notably show the emergence of marked differences across countries. In contrast to growth of 0.5% in volume exports for the region as a whole in Q2, in line with a gradual recovery in the demand of the region's major trading partners and the stabilisation of China, in Mexico they grew 5.8% year-on-year in Q2. Conversely, in

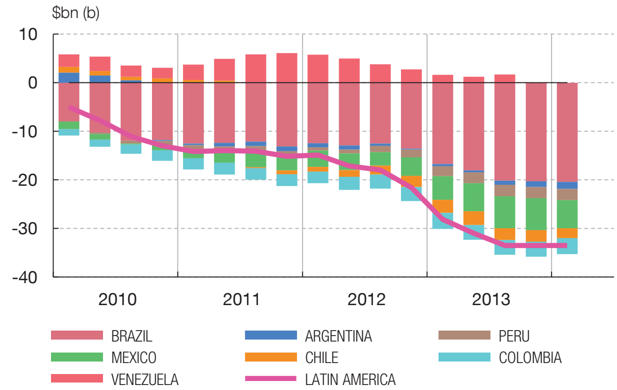
EXTERNAL ACCOUNTS AND DETERMINANTS
Indices, year-on-year rates of change, percentage of GDP and $bn

CHART 8

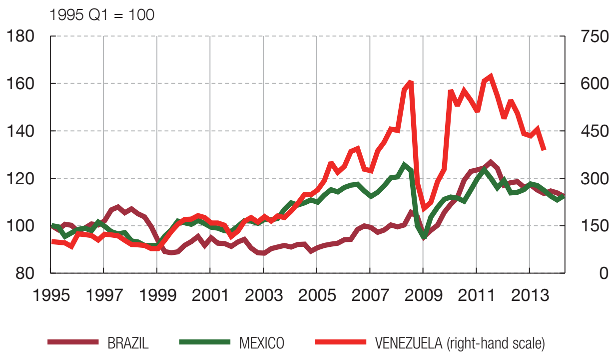
EXPORTS AND IMPORTS (a)



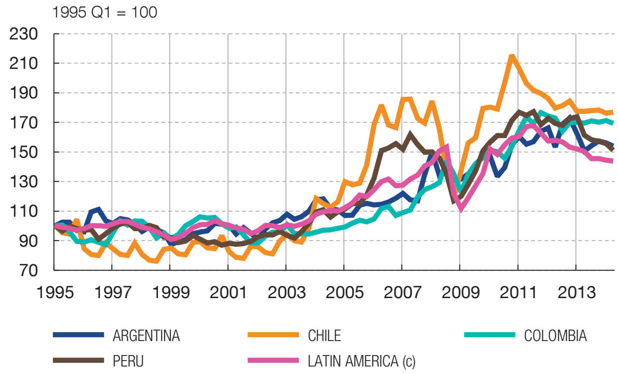
CURRENT ACCOUNT BALANCE



TERMS OF TRADE



TERMS OF TRADE



SOURCES: Datastream, national statistics and central banks.

a Customs data in dollars, aggregate of the seven main economies except Venezuela. The trade balance of Venezuela is represented separately given that no data has been available since 2013 Q4.
b Four-quarter moving average.
c Aggregate of the seven main economies, as a GDP-weighted average for the region.

Argentina, Peru, Colombia and Chile they posted large declines. The downward adjustment in imports is partly linked to the fall in investment.

The surplus on the trade balance narrowed substantially (excluding the data for Venezuela which have not been published since end-2013) and practically reached equilibrium against a backdrop of ongoing declines in the prices of the main commodities (see Chart 8). However, as a result of the reduction of the income deficit linked to lower repatriation of profits by commodity exporters and the positive performance of tourism, the current account deficit ceased widening and stabilised around an average of 2.9% for the region. In Chile the depreciation of the exchange rate together with the fall in investment, prompted a sharper correction, whereas in Colombia and Peru the external imbalance continued to widen.

The higher frequency indicators published after Q2 seem to anticipate greater inter-regional differences. Industrial production recorded negative rates on average which have not been seen since the crisis, as a result of the performance of Brazil, Argentina, Chile and Peru, whereas in Colombia and Mexico it increased. In those countries for which PMIs are published these indices have continued on a downward trend with the exception of Mexico, where it has risen considerably. Finally, the growth rates of retail sales have remained robust (with higher growth in Mexico, Chile and Colombia and lower growth in Brazil) but, in any event, they are considerably lower than those recorded before 2013. Overall, this information points to the continued weakness in the largest countries in South America and, by contrast, to stronger demand in Mexico.

Prices and economic policies

In contrast with the slowing trend of activity and demand, consumer prices in the group of five countries with inflation targets moved on a slightly rising trend (see Chart 9). The inflation of this set of countries, which at end-2013 stood at slightly above 4% year-on-year, amounted to 5.2% in September 2014, mainly owing to the rise in inflation in Brazil, Chile and Mexico, reaching the upper limit of each central bank's target.

The factors underlying the rise in inflation differ in these three countries which explains the varying monetary policy responses. In Brazil inflation hovered persistently around the upper limit of the band and core inflation grew at an even higher rate than headline inflation, as a result of the sharp increase in services prices. This has meant that medium-term inflation expectations have not ultimately stabilised and have exceeded the upper limit of the target band (see Chart 10 and Table 2). In Chile, most of the rise is attributable to the effect of the depreciation of the exchange rate and the medium-term inflation expectations which have remained anchored at around 3%, despite the increase in core inflation. In Mexico, although inflation rose to 4.2% year-on-year in August, the central bank of Mexico has forcefully eased monetary policy as it considers that the rise is temporary. Medium-term expectations have tended to decrease, demonstrating Mexico's highly credible monetary policy. In Peru and Colombia inflation held at rates within the target bands, in the case of Colombia despite the buoyancy of domestic demand.

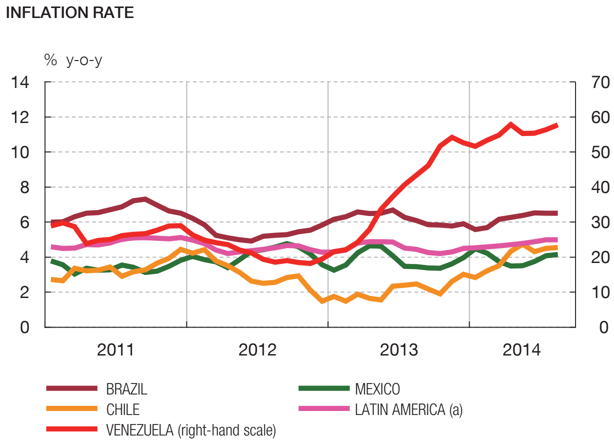
The Brazilian central bank ended the cycle of monetary tightening in April, following a cumulative rise of 375 bp in one year, and has held official interest rates at 11% since then. Tougher internal financial conditions, together with the gradual opening up of the output gap on account of slowing demand, should make it easier to steer medium-term inflation towards its target. However, the possibility of adjustments to administered prices following the elections and the recent deprecation of the real are upside risks which could make meeting the target difficult. The central bank has recently relaxed the reserve requirement to increase liquidity.

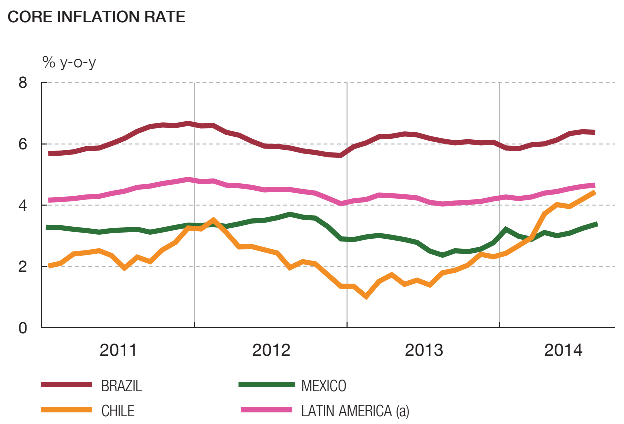
The central bank of Mexico lowered its official interest rate by 50 bp to 3% in June, in an unanticipated move (the cumulative cut over the last two years amounted to 150 bp), while the Chilean central bank cut its benchmark rate at each of its last three meetings by 25 bp to 3.25%. Finally, the central bank of Peru, which had taken action specifically by decreasing the reserve requirement in recent months, also decreased its official interest rate in September to 3.50%, down from 3.75% in July. Colombia was the only country to raise official interest rates (by 125 bp) against a backdrop of strong domestic demand, although the recent slowdown in output to around the potential growth rate may indicate the end of the upward cycle.

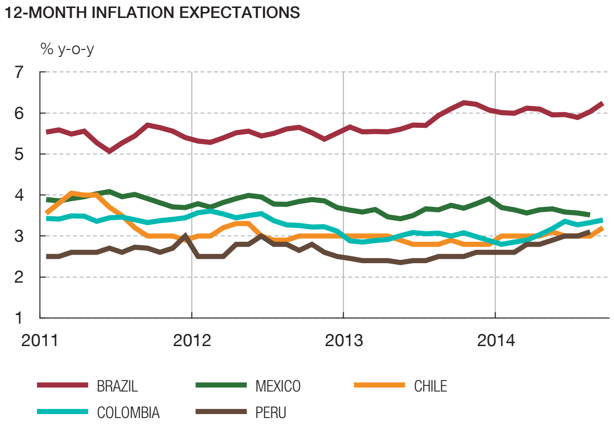
In Argentina, inflation, according to the new official index, stood at 19.8% in cumulative terms to September, a growth rate which once again seems to diverge from private estimates (ranging from 35% to 40% year-on-year). Monetary policy, which had tended to tighten in tandem with the exchange rate adjustment at the beginning of the year, eased

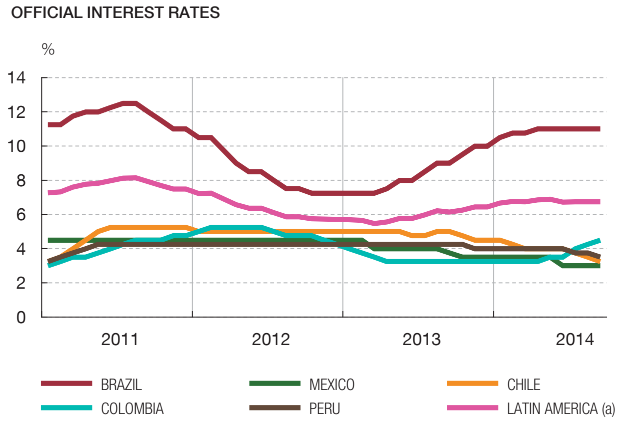
INFLATION AND OFFICIAL INTEREST RATES
Year-on-year rates of change and percentage

CHART 9









SOURCES: Datastream and national statistics.

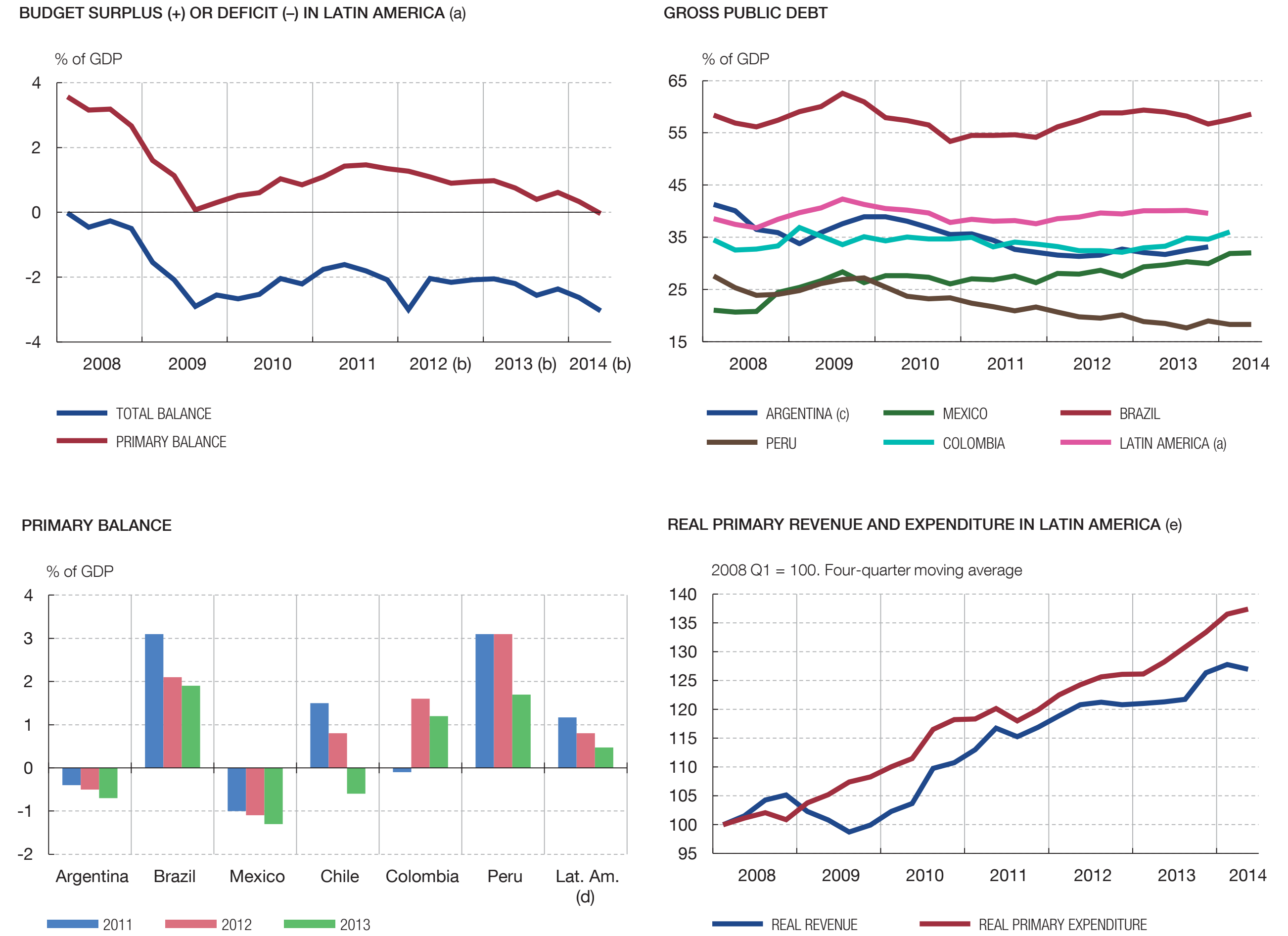
a Aggregate of Brazil, Chile, Colombia, Mexico and Peru, as a GDP-weighted average for the region.

over the summer with an interest rate cut against a backdrop of a worsening recession and the selective default, although this easing was subsequently reversed. Finally, in Venezuela, where the money supply is increasing at rates of above 100% to finance the government deficit, inflation soared to 59.7% year-on-year in August, a situation which is getting worse due to the shortage of consumer and producer goods arising from the fall in imports because of the tight restrictions on access to foreign currency.

Fiscal policy has remained, on average, neutral or slightly expansionary according to the changes in the cyclically-adjusted primary fiscal balance, albeit with considerable differences across countries. Venezuela continues to pose the greatest risks in this connection, where, with the due caution warranted by the shortage of data, it is estimated that the already burgeoning deficit has continued to increase (actual primary expenditure according to the Treasury increased 18% in real terms in the first five months of the year, after having fallen 5% in 2013). Argentina is also fragile from a fiscal standpoint (see Box 1). In the other countries, there has been a tendency to postpone the expected fiscal consolidation, especially on account of the cyclical fall in revenue which has also been impacted by the decline in commodities prices. Additionally, certain stimuli have been extended (Brazil), expansionary fiscal packages have been announced (Chile) and the consolidation targets envisaged have been postponed (Mexico). On the whole, revenue

MAIN PUBLIC SECTOR FIGURES
Percentage of GDP

CHART 10



SOURCES: National statistics and Fiscal Monitor (IMF).

a Aggregate of the seven main economies, as a GDP-weighted average of the region.
b In Venezuela, 2012 quarterly data estimated from annual data. In 2013 and 2014 aggregate excluding Venezuela.
c Excludes untendered debt in the debt swap offers of 2005 and 2010.
d Aggregate of the six countries represented.
e Aggregate excluding Argentina and Venezuela.

INFLATION
Year-on-year rates of change

TABLE 2

	2013			2014		2015
Country	Target	December	Fulfilment	August	Expectations (a)	Expectations (a)
Brazil	4.5 ± 2	5.9	Yes	6.5	6.3	6.2
Mexico	3 ± 1	4.0	Yes	4.1	3.9	3.5
Chile	3 ± 1	3.0	Yes	4.5	4.2	2.9
Colombia	3 ± 1	1.9	Yes	3.0	3.3	3.2
Peru	2 ± 1	2.9	Yes	2.7	3.0	2.7

SOURCES: National statistics and Consensus Forecasts.

a September 2014 Consensus Forecast for the end of the year.

has tended to moderate whereas expenditure continued to rise. The aggregate budget deficit has grown to close to 3% of the region's GDP and the aggregate primary surplus has disappeared (see Chart 10).

Trade and reforms

At the Pacific Alliance summit in July it was announced that from Q4 the Mexican Stock Exchange will be included in the Latin American Integrated Market ("MILA" by its Spanish abbreviation) which currently comprises the stock exchanges of Colombia, Chile and Peru. This will create a stock market with a capitalisation of more than $1.2 billion (representing 58% of the four countries' GDP) and around 1,000 firms. The possibility of closer ties with MERCOSUR was discussed, with a view to all or some of its members joining this bloc – a change which could be of some importance for the Alliance in the future – and certain free trade agreements were concluded which will give Panama and Costa Rica access to the bloc. The Alliance's focus on the Pacific was reflected by its members commencing and making progress with negotiations to reach free trade agreements with Asian countries (Peru with India and Russia, Chile with Indonesia and Colombia with Japan).

Relations between MERCOSUR members continue to encounter difficulties. As a result of the financial problems in Argentina and weaker activity, intra-bloc trade has decreased considerably: Brazil's exports to other members fell 11% year-on-year in the first seven months of the year, while Argentina's exports declined at rates of 12%. Consequently, Brazil's exports to the rest of the bloc have decreased from 14% of its total exports in 2009 to less than 10% at present, whereas the share of imports has slipped from 11% to 7.5%. Admittedly, closer ties with the Pacific Alliance were not discussed at the summit at end-July, but the intention was announced to include Bolivia as a full member and to set up a trade area with the member countries of ALBA (Bolivarian Alternative for the Americas) and Petrocaribe (two regional agreements promoted by Venezuela). The elections in Brazil and Uruguay could prompt changes in the relations with other members and in the negotiations with other trade blocs if there are changes in the current governments. At the same time, the offer by MERCOSUR to resume negotiation of the treaty with the European Union, which would cover 90% of trade, has been completed, while Brazil and Argentina extended their car trade agreement for another year, with slightly more favourable conditions for Argentina.

In the area of structural reforms, in Mexico the necessary legislation for the entry into force of the reforms approved in the previous six months was enacted, especially the energy reform which has turned out to be more ambitious than initially planned. For this programme of reforms to raise Mexico's potential growth rate, its effective implementation is essential (see Box 2). In Chile a fiscal reform was approved to raise tax collection to finance improvements in the education and health systems. Finally, several initiatives and laws were approved in Venezuela which further increase government intervention.

Economic developments by country

Brazil's economy entered a technical recession in 2014 Q2 since the quarter-on-quarter rate of change in GDP fell by -0.6%, after declining -0.2% in the previous quarter (revised down from 0.2%), as a result of the widespread slowdown in domestic demand and, in particular, in investment which decreased by -5.3%. In year-on-year terms GDP contracted by -0.9% in Q2, following an increase of 1.9% in Q1 and three years of weak growth of around 2%. The rate of investment fell back to 16.5% of GDP, the lowest since 2006, and the higher frequency indicators point to continued weakness in the short term (see Chart 11). Private consumption, which had been the main support for growth in recent years, also eased significantly to a year-on-year rate of 1.2% in Q2. Factors explaining these developments include the inflation performance, a slight

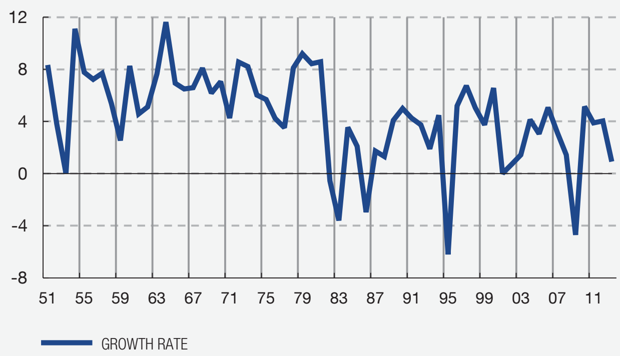
After almost two decades without any progress in structural reforms, the Government elected following the July 2012 elections proposed an agenda of sweeping reforms – unprecedented since the late 1980s – aimed at boosting the country's potential growth. Indeed, Mexico, which has sound fundamentals – macroprudential policy management, low external vulnerability, above-investment-grade credit ratings and a healthy financial system – nevertheless evidences low factor productivity and very low growth rates, down on those of previous decades (see Panel 1). This box briefly examines the main reforms approved in Mexico.

The most significant reform from the economic standpoint concerns the energy sector, which affects both the oil and the electricity generation and distribution industries. This reform – which required an amendment to the Constitution – seeks to raise the country's crude oil output, which stood in mid-2014 at its lowest level since 1980 (see Panel 2), by improving the management and efficiency of PEMEX, and to reduce the high cost of electricity in Mexico (it is about 70% higher than in the United States).

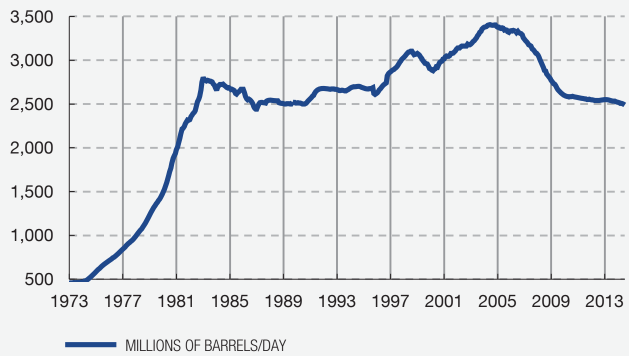
The part of the reform referring to hydrocarbons opens the way for agreements with private corporations on exploration and extraction, as well as for granting refining, petrochemical, transport and storage permits, although the nation will retain exclusivity over the ownership of sub-soil resources. The secondary legislation needed to set the reform in train was approved in mid-August. It establishes the so-called round zero – assignments by exploration area and production field that will be retained exclusively by PEMEX, and which will allow joint ventures –, it strengthens the budgetary autonomy of PEMEX – as the Treasury partly absorbs the company's pension system and its equivalent in the electricity industry, the CFE (Federal Electricity Board)[1] –, and it liberalises retail distribution, opening the petrol station sector up to private companies in 2016, and eliminating in full fuel subsidies, which have been equivalent to 1% of GDP on average over the past five years, in 2018. Finally, private capital inflows into the oil sector, the Government proposes up to three exploitation models: payment of exploration fees, payment of royalties and wealth distribution arrangements. This flexibility in the format of agreements is the centrepiece of the new legislation, as it will enable each type of exploitation arrangement to be tailored to the most appropriate and profitable model both for PEMEX and for the private sector. Moreover, that part of the reform relating to the electricity sector introduces competition into the generation segment, allowing the participation

1 As a side-effect, the State's medium- and long-term contingent liabilities would increase by around 5 pp of GDP.

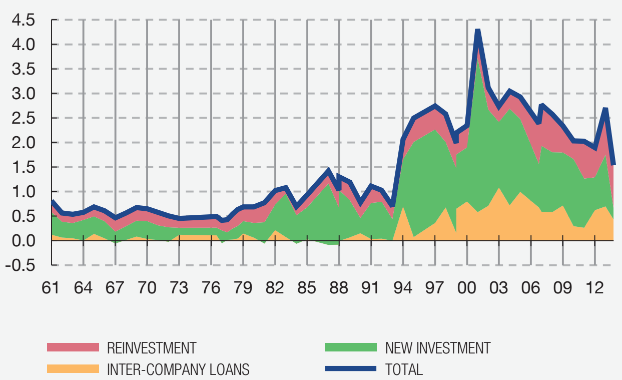
1 GDP GROWTH



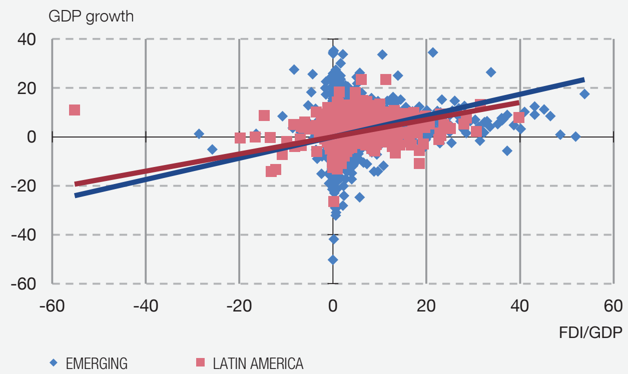
2 OIL PRODUCTION



3 FOREIGN DIRECT INVESTMENT RECEIVED (% GDP)



4 FOREIGN DIRECT INVESTMENT (% OF GDP) AND GROWTH (%)



SOURCES: INEGI and Banco de España.

of private firms and opening the way for industrial clients to choose their suppliers. Moreover, the creation of a wholesale electricity market is planned, under the control of the new National Centre for Energy Control, where the large corporations may sell the electricity they generate. The CFE will also maintain the distribution and sale of electricity to households. In both sectors – hydrocarbons and electricity – the powers of the regulatory agencies will be strengthened.

Another very significant reform, approved in June 2013 and implemented in July 2014, is that of the telecommunications sector. The aim is to reduce the cost of access to these services, which is twice that in the United States, and to raise the number of users. The new law eliminates the restrictions on foreign investment in mobile telephony, requires firms with a dominant position in the market to divest themselves of assets, and creates a new regulating body, the *Instituto Federal de Comunicaciones,* to oversee licence awards.[2]

The reform of the financial sector, approved in January 2014, seeks to introduce greater competition and efficiency, facilitating the transfer of collateral and salary payments from one institution to another, simplifying the regime for providing and realising collateral, cutting the commissions charged to businesses for the use of electronic means of payment and strengthening the agency responsible for processing user complaints. It should be recalled here that Mexico is not a highly banked economy. Bank lending in Mexico represents around 30% of GDP (20 pp below the average level in the region and far below the level corresponding to its per-capita income) and barely 20% of the population use formal financial services. In short, the financial reform aims to increase the protection of creditors' property rights, eliminating the legal loopholes that allow debtors to draw out the debt resolution process. On the regulation front, the Basel III rules have been afforded the status of a law and savers' rights in bank insolvencies, a key aspect of the protracted 1995 crisis, are clarified. The reform contains some points that would indicate greater public involvement in the sector, such as the strengthening of development banking (removing from its mandate the need to maintain a high level of capitalisation and boosting the financing of underbanked sectors) and the power of authorities to carry out periodic assessments of credit levels, to encourage greater supply.

2 The main changes are: 1) elimination of preferential tariffs (whereby calls to phones using the same provider are cheaper); 2) elimination of domestic long-distance charges; 3) elimination of roaming charges, and 4) the requirement that companies supply unlocked mobile phones and allow customers to change provider in under 24 hours.

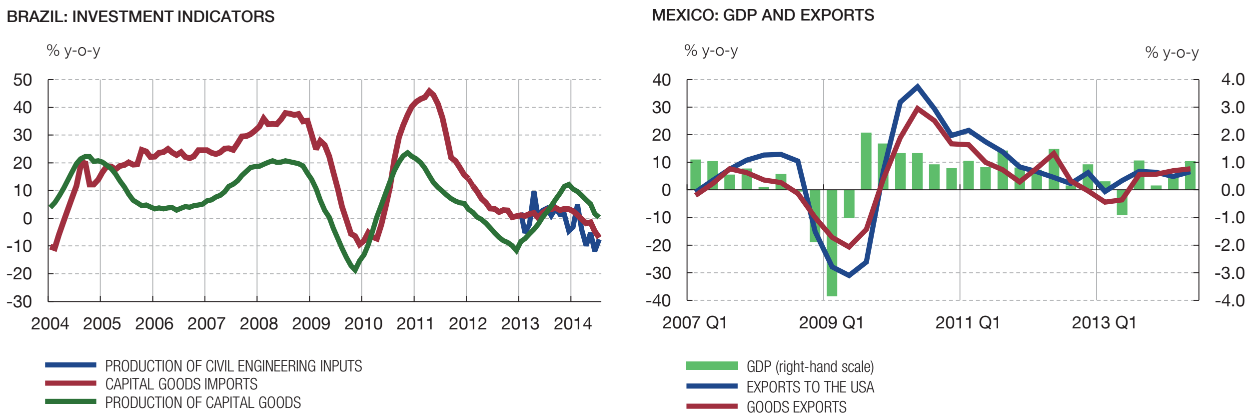
The fiscal reform, approved in October 2013, seeks to increase tax revenues by 2% of GDP in 2018 and to expand the social security network, establishing unemployment insurance, raising income tax and indirect taxes, reducing certain corporate income tax exemptions and harmonising VAT across sectors. The new law also adopts a structural fiscal rule, which limits the pro-cyclicality of fiscal policy, and sets up a sovereign wealth fund that will finance part of education and social security spending. Finally, the labour reform, approved under the previous government, seeks to reduce labour market entry and exit costs in order to limit informality.

The approved package of reforms (mostly second generation ones, which not only eliminate obstacles to growth, but also actively promote it) will impact potential growth through numerous channels, in addition to the effect, common to all reforms, on agents' confidence. Without claiming to be exhaustive, the energy reform would act, among other factors, on foreign direct investment, attracting more capital to the oil industry. The fiscal reform would increase fiscal room for manoeuvre, reducing the pro-cyclicality of fiscal policy by establishing a new fiscal rule. The telecommunications and electricity industry reforms would liberalise services and increase competition further, reducing the pressure on consumer prices and thereby increasing monetary policy's room for manoeuvre. The labour reform would tend to increase productivity by reducing the degree of informality in the economy through the extension of social security benefits and the creation of unemployment insurance. Finally, the financial reform would make it easier for a larger part of the population to access banking services.

Estimates suggest that the energy reform could attract an extra $5-30 billion of investment to the oil industry each year (the higher figure is the Government's forecast). Under the official scenario, foreign direct investment (FDI) inflows would amount to 1.5% of Mexican GDP, double their current levels, which have been very low since 2003 (see Panel 3), this being one of the factors explaining the low level of productivity in the Mexican economy. As seen for a broad panel of emerging countries in Panel 4, the correlation between FDI inflows and growth is positive; on the basis of this direct effect alone, Mexico could raise its long-term growth. Nevertheless, the entry into force of this broad set of structural reforms over a relatively short time period makes it difficult to estimate its overall impact. The range of estimates for the impact of the reform package on the potential growth rate is wide, extending from 0.5 to 2 pp. At the lower end, this would raise potential growth to 3.5%, and at the upper end to 5%. Reforms usually take a long time to bear fruit, but even the lower end of this range of estimates represents a very significant increase above Mexico's trend rate of growth over the last 30 years.

BRAZIL AND MEXICO

CHART 11



SOURCE: National statistics.

downturn in the labour market, particularly in industry, wage moderation and lower growth of consumer credit. In particular, free-market lending decelerated to year-on-year rates of 5% in a climate of high household debt, although the rates for directed credit remained very high (27.3%).

The volume of exports grew moderately in Q2, by 1.9% year-on-year, as a result of the recovery in demand in the United States, Europe and Asia, excluding China. The contribution of the external sector to growth was positive chiefly due to the decrease in imports, of 2.4% year-on-year, which were pulled down by capital goods imports. In this setting and despite the slight deterioration in the terms of trade, the current account deficit decreased very gradually over the six months to 3.6% of GDP in August, thanks to a small improvement in the surplus on the trade balance which increased from 0.1% of GDP in January to 0.3% in August, which offset a fresh deterioration in the services balance from -2.1% of GDP to -2.2%.

The high frequency indicators do not indicate a favourable outlook in the short term: industry and construction confidence indexes stand below 50 or close to lows, as does the consumer confidence indicator. By contrast, industrial production in July recovered slightly, led by capital goods, a trend that was endorsed by the positive data of the monthly GDP indicator for July.

Despite weak domestic demand, inflation climbed from 5.6% in January to 6.5% in August, just on the limit of the target band on account of the strong rise in services prices. Core inflation rose from 6% in January to 6.7% in September. Against this backdrop, the central bank of Brazil has held its interest rate at 11% since April, following a cumulative increase of 375 bp. In the fiscal realm, the primary surplus fell to 1.3% of GDP in July, making it difficult to comply with the target of 1.9% for 2014, although it was announced recently that part of the funds from the sovereign wealth fund will be used to achieve the aforementioned primary surplus. The government deficit stood at 3.96%, its highest level since 2009, in a setting in which the slowdown in revenue growth (4.8% to July compared with 11.2% in 2013) outpaced that of expenditure (12.2% compared with 14.1% in the previous year). Nevertheless, it was attempted to maintain some fiscal impulse by extending industry exemptions and social contributions and action by BNDES to boost activity. Moody's changed the outlook on the sovereign credit rating to negative. The current president, Dilma Roussef, won the first round of the presidential elections; a victory in the second round at the end of the month would point to a scenario of continuity in economic policies.

Following a lacklustre first quarter in which GDP grew 0.4% quarter-on-quarter, *Mexico's* economy experienced a more visible recovery from the second quarter (1% quarter-on-quarter) which, according to the most recent indicators, seems to be continuing in the second half of the year. The year-on-year rate of change of GDP in Q2 stood at 1.6%, compared with 1.9% in Q1, although it was pushed downwards by the effect of Easter (net of that effect year-on-year growth is estimated to have been 2.7%). The economic recovery is mainly led by the external sector (see Chart 11). Goods exports continued to perform well, increasing by 7.7% year-on-year in Q2 following a rise of 6.9% in Q1. Conversely, the fall in activity in the United States early in the year, a higher-than-expected impact on private consumption and investment from the rise in taxes, the slow recovery of construction and the drop in oil production had a negative effect on domestic demand. The high frequency indicators for Q3 (IMEF [Mexican Institute of Financial Executives] and producer confidence) suggest a strengthening of the cycle in the second half of the year, boosted by external demand and public spending, particularly on infrastructure. Also, it is estimated that other domestic demand components will begin to lend greater support. Thus, the unemployment rate decreased to 5.2% of the labour force in August (5.5% in July), employment in the formal sector increased by 3.2% in Q2, more than in previous quarters, and informal employment fell. Wages have been growing by 4% in real terms.

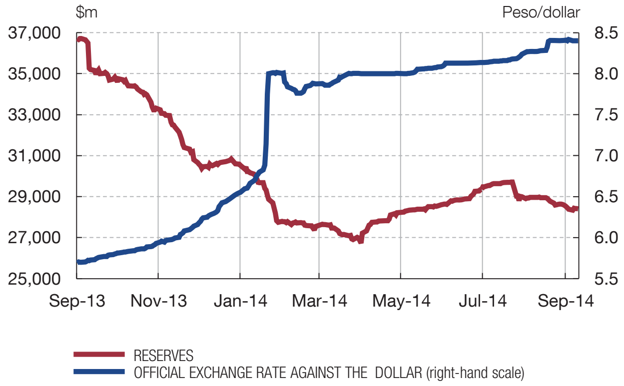
Inflation rose again towards rates of 4.2% year-on-year in September, slightly above the upper limit of the target band, although this was as a result of base effects which should peter out and permit rates to return to around 3% year-on-year from next year. Medium-term inflation expectations have not moved significantly from 3.5%. In this setting, the central bank cut the monetary policy rate by 50 bp in June to 3%. This decision was not unanimous for the first time in a long while. According to the minutes, the argument prevailed that inflation remains under control and no inflationary pressure was detected in the monetary policy horizon, along with the strategy of "efficient convergence" which means leading inflation towards the target with the lowest possible cost in terms of activity. At the beginning of August, the central bank chose to leave rates unchanged in a decision which shows confidence in the strength of the economy. The government deficit widened to 3.22% of GDP in Q2 and the primary balance deteriorated (-1.29% compared with -0.89% in Q1).

After 2014 Q1 when *Argentina* slipped into a technical recession, posting quarter-on-quarter growth of -0.5% (following -0.5% in 2013 Q4), in Q2 its economy grew 0.9%. The year-on-year growth rate stood at zero, down from 0.3% in Q1 (revised upwards). These developments are explained by the fall in domestic demand weighed down by the contraction of private consumption (-2.5% year-on-year) and gross capital formation (-3.7% year-on-year), which were only partially offset by government consumption (4% year-on-year). External demand made a positive contribution due to the significant decline of imports which was above 10% year-on-year. The economic situation is expected to worsen in the second half of the year. Exports and imports continued to fall at sustained rates of 10% year-on-year between January and August, as a result of the decline in soy bean prices and the restrictions arising from the shortage of foreign currency, and the 12-month cumulated deficit of the current account widened in Q2 to $6.2 billion, slightly more than 1% of GDP, while the capital and financial accounts also ran a slight deficit due to the loan repayments by the central bank to international organisations. Reserves stood at levels of less than $29 billion which prompted a devaluation of the peso early in the year

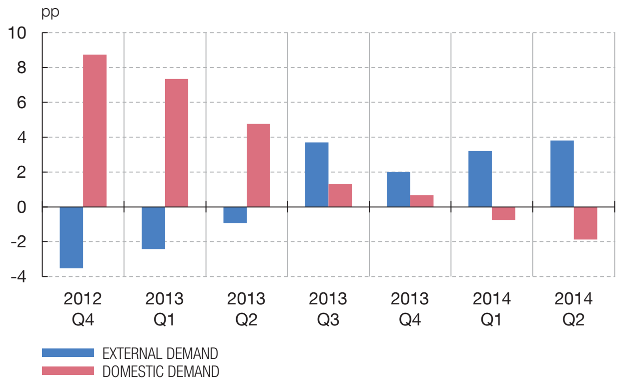
ARGENTINA AND CHILE

CHART 12

ARGENTINA: RESERVES AND EXCHANGE RATE



CHILE: CONTRIBUTIONS TO GDP GROWTH



SOURCES: Banco Central de la República Argentina and Instituto Nacional de Estadísticas of Chile.

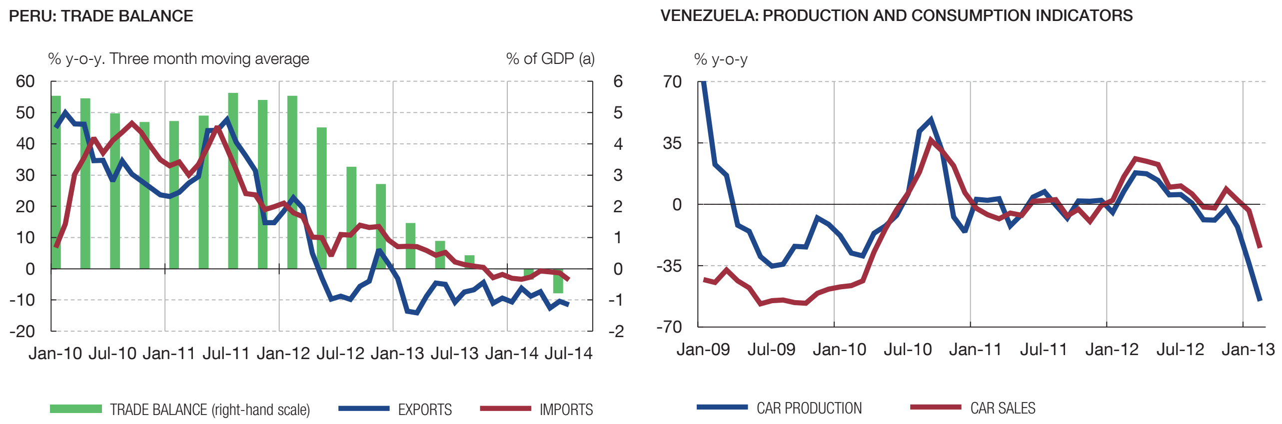
(see Chart 12). The judgment of the New York court in the trial against the holdouts, which blocked payment of the restructured debt, has led the country to a situation of selective default since 30 July, with implications for its economic performance (see Box 1).

Inflation continued to rise and stood at 19.8% in cumulative terms to September, against a backdrop characterised by the ongoing monetisation of the government deficit and an increase in the pace of devaluation of the official exchange rate (8.44 pesos per dollar, compared with 8.1 in July). The gap between the official and unofficial exchange rate against the dollar widened to a high of more than 70%. In an attempt to ease exchange rate pressure, the central bank once again reduced the limit on dollar holdings of the banking system (to 20% of their asset position). The monetary base grew to August by slightly more than 19%, down from 24% at the end of last year and the lowest rate since 2010. This decline was explained by the absorption of liquidity by the central bank's auctions of securities, which was prompted by the rise in interest rates of almost 1000 bp since the beginning of the year. On the fiscal front, the public-sector primary deficit in the last 12 months stood at 0.7% of GDP, taking into account the central bank's transfers. Although public-sector revenue grew in nominal terms by around 39% year-on-year in the 12 months to July, as a result of high inflation, primary expenditure grew by 41%, due to the rise in current transfers to the private sector (subsidies).

During the first half of 2014, *Chile's* economy slowed more than expected. In quarter-on-quarter terms, GDP expanded 0.6% in Q1 and 0.2% in Q2, and in year-on-year terms it grew by 2.4% and 1.9% respectively, easing very significantly compared with average growth of 5% in the last three years. Domestic demand posted declines in two consecutive quarters and the year-on-year pace of contraction of investment stepped up to -8.1%. For a small open economy like Chile's, real effects of the commodities cycle have repercussions far beyond the realm of external and fiscal accounts. Consequently, in tandem with the decrease in copper prices and the depreciation of the exchange rate (by more than 13% against the dollar in the year to date) the composition of growth is rebalancing sharply and relatively quickly. This adjustment has led domestic demand to shave practically 2 pp off growth in Q2 and external demand to contribute 3.8 pp, as a result of the fall in investment and imports and of the, as yet, slow response of exports (-0.4% in Q2) (see Chart 12). Private consumption weakened considerably (1.9% year-on-year in Q2 compared with 5.2% in 2013) and only public consumption was more buoyant. In this setting, the unemployment rate followed a slightly upward trend.

PERU AND VENEZUELA

CHART 13



SOURCE: Cavenez and Datastream.

a Four-quarter moving average.

The trade surplus to August was higher than that recorded during the same period a year earlier due to the strong fall in the value of imports (-9.1% year-on-year), since exports also decreased (-0.4% year-on-year). These developments, together with the lower repatriation of profits by commodity exporters, have been giving rise to a correction in the current account deficit which, at -2.4% in Q2, was more than 1.5 pp lower than a year earlier. Inflation climbed to 4.9% in September, above the upper limit of the central bank's target, reflecting the pass-through effect of the exchange rate. However, medium-term inflation expectations remain anchored at around 3%. Against this background, the central bank cut official interest rates by a further 75 bp from April to 3.25% in September. On the fiscal front, central government revenue decreased by -0.2% in the first half of the year with respect to the same period of the previous year, while expenditure increased 5.3%. In the first half of the year, a surplus of 0.1% of GDP was recorded, although for the year as a whole a deficit of around 2% of GDP is expected due to the foreseeable quickening of expenditure during the second half of the year; the structural deficit will stand slightly above 1% of GDP. The government presented a fiscal stimulus package amounting to $500 million geared at stimulating public and private investment. Lastly, the fiscal reform was approved mid-September by the Chilean parliament with the aim of increasing tax collection by 3% of GDP to 2018. The funds obtained will be used for the education reform, health spending and greater fiscal balance.

Peru's economy also slowed more than expected during the first half of 2014. GDP posted zero quarter-on-quarter growth in Q2, following the quarter-on-quarter contraction of -0.2% in Q1. In year-on-year terms, the economy decelerated to 1.7% in Q2 from 5.1% in Q1. This performance is due both to the behaviour of domestic demand – which eased to 2.2% year-on-year in Q2 despite relatively firm private consumption owing to the sharp fall in investment (4% year-on-year) – and of external demand which shaved 0.7 pp off growth due to the decline in exports. The unemployment rate remained stable at below 6%. In the first half of the year the trade deficit widened; the pace of contraction of exports accelerated significantly mainly as a result of lower demand for commodities (see Chart 13). The current account deficit continued to widen to 5.1% of GDP. Inflation tended to moderate gradually to 2.7% year-on-year in September, within the central bank's target interval (2% +/- 1 pp). The central bank of Peru cut its benchmark interest rate in July and September by 25 bp to 3.5%. Similarly, in order to increase the funding of lending in local currency, it reduced the marginal reserve requirement for sol-denominated deposits six times (which left it at 10.5%) and relaxed the reserve requirement for foreign trade. On the fiscal front, the central government recorded a primary surplus equivalent to 1% of GDP in the January-August period, which was lower than that of 1.8% posted in the same period of 2013.

In *Colombia,* activity began to slow in 2014 Q2 (-0.1% quarter-on-quarter and 4.3% year-on-year) following a very dynamic first quarter (2.5% quarter-on-quarter and 6.7% year-on-year). Nevertheless, it is the most buoyant country in the region. Growth in Q2 was supported by domestic demand which expanded 7.7% year-on-year, largely driven by investment (11% year-on-year) particularly in civil engineering works. By contrast, external demand explained the slowdown to a large degree, since it trimmed 4.4 pp from growth as a result of a sharp contraction of exports (8.6% year-on-year), due to base effects and supply constraints in the oil sector. The current account deficit continued to widen in the first half of the year and amounted to 4.4% of GDP in Q2. The leading indicators for Q3 show a slight easing, in a setting of a positive performance of the labour and credit markets. Inflation held within the central bank's target range (2%-4%), although it moved on a rising path reaching 2.9% in September in year-on-year terms as a result of higher food and house prices. Core inflation remained at below 3% almost throughout that period, favoured by the appreciation of the exchange rate. The central bank increased official interest rates by 25 bp at each of its last five meetings to August (when they stood at 4.5%) but left them unchanged at the meeting in September given the moderation of domestic activity and uncertainty in the international arena. Turning to fiscal matters, noteworthy is the government's proposal for a new fiscal reform in order to boost tax revenue and to enable it to meet the central government deficit target for 2014 and 2015 of 2.4% of GDP. In July Moody's raised Colombia's rating from Baa3 to Baa2 with a stable outlook, bringing it into line with S&P's and Fitch's ratings.

Venezuela's GDP data for the first half of 2014 and most of the high frequency indicators since September 2013 have still not been published. Partial indicators of the economy's position in the cycle such as output and car sales decreased very sharply in the first seven months of the year (see Chart 13), steel production fell by around -25%, and the use of oil rigs was down by -2%. By contrast, two of the variables underpinning private consumption – employment and credit – performed more favourably. Job creation stood at 3.1% year-on-year in the period of January-July 2014 and credit-card credit grew at rates of above 20% in real terms, although real wages continued to fall at very high rates. Inflation was 59.7% in August, owing to the shortage of imported goods (imports fell 20% in dollar terms in the first four months of 2014), growth of the money supply of more than 100% and the devaluation of the exchange rate prompted in practice by the entry into operation of SICAD II, the new foreign exchange market.

Reserves stood at $21 billion at end-August (down by approximately $8 billion on January 2013), $6.5 billion of which are estimated to be liquid. The government has proposed the sale of PDVSA's subsidiary in the United States (Citgo) and has signed several loans with foreign oil companies in exchange for licences in the Orinoco belt, in order to preserve a minimum level of reserves, given the ongoing decline in exports (2% in the first four months of 2014). However, a large foreign debt will mature soon which has prompted a sharp increase in Venezuela's sovereign spread and a downgrading of its country rating to CCC+. At the end of September the government announced that part of PDVSA's revenue may be sold in SICAD II, thus easing budget restrictions, both of the government and of the state oil company in domestic currency, in addition to boosting the supply of foreign currency in that market which can be accessed by the private sector.

FINANCIAL REGULATION: 2014 Q3

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

Introduction

The financial legislation adopted in 2014 Q3 is summarised below.

One of the main measures was the introduction of a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the Single Resolution Mechanism (SRM).

The European Central Bank (ECB) enacted several pieces of legislation, the most important of which were: 1) new measures relating to collateral in monetary policy operations; 2) the regulation of targeted longer-term refinancing operations (TLTROs); 3) implementation of the framework for cooperation within the Single Supervisory Mechanism (SSM) between the ECB and the non-euro area Member States; 4) the procedures for submission to the ECB by the national competent authorities (NCAs) of data reported by their supervised banks; 5) the process for appointment of the representatives of the ECB to the Supervisory Board; 6) the introduction of certain oversight requirements for systemically important payment systems (SIPS); and 7) review of the statistical reporting requirements of monetary financial institutions (MFIs).

For its part, the Banco de España published two regulations, one updating the general clauses relating to the uniform conditions of participation in TARGET2 and the other amending its Internal Rules.

In the area of institutions and financial markets, several regulations were published: 1) implementing certain aspects of legislation relating to licensed appraisal companies and services; 2) establishing a series of temporary measures for the gradual adaptation of insurance and reinsurance companies to European legislation; 3) updating the securities settlement legislation and establishing the legal regime and requirements applicable to central securities depositories; 4) implementing the legislation on undertakings for collective investment in transferable securities (UCITS) in respect of depositaries and remuneration policies; 5) regulating certain aspects of internationalisation bond issues; and 6) introducing new regulations relating to payment accounts.

Lastly, several regulations are discussed relating to: 1) changes to insolvency law; 2) the creation of a Government Economic and Financial Information Office; and 3) the approval of urgent measures for growth, competitiveness and efficiency.

The contents of this article are set out in Table 12,8The Spanish version of the article discusses the legislation in greater detail.

SRM: uniform procedure for the resolution of credit institutions and certain investment firms in the European Union

Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 (OJ L of 30 July 2014) (hereafter, the Regulation) establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the SRM was published. A Single Resolution Fund (hereafter, the Fund) was also created, and Regulation (EU) No 1093/2010 was amended.[1]

The Regulation came into force on 19 August and will be phased in from 1 January 2015.

1 Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC. See "Financial regulation: 2010 Q4", *Economic Bulletin*, January 2011, Banco de España, pp. 150-152.

CONTENS

TABLE 1

CONTENS (cont´d) **TABLE 1**

PURPOSE AND SCOPE OF APPLICATION

Directive 2014/59/EU[2] harmonised the rules for banking resolution in the European Union and established cooperation among the national resolution authorities (NRAs)[3] for dealing with the failure of cross-border banks. The Directive laid down a minimum set of rules, however, without focusing on the decision-making process for resolution. It determined the common resolution powers and resolution tools available to the national competent authorities (NCAs) of each Member State, but left the application of the tools and the use of national financing arrangements in resolution procedures to the discretion of the NCAs.

To correct these failings, the Regulation establishes a uniform procedure for the resolution of groups of credit institutions (hereafter, banks) established in the SSM Member States.[4] This procedure will be applied in a centralised manner by the Single Resolution Board (hereafter, the Board), together with the NRAs in the framework of the SRM and will have the support of the Fund.

The main changes are discussed below.

SINGLE RESOLUTION BOARD

The Board will be an EU agency, with a specific structure in keeping with its functions. The chair and four other directors will be permanent, full-time, voting members, appointed on the basis of merit, qualifications, expertise in banking and financial matters and experience in financial supervision and regulation or bank resolution. The Board will also have one member appointed by each participating Member State, representing their NRAs. The Commission and the ECB will each appoint one representative, each with the right to

2 Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012 of the European Parliament and of the Council. See "Financial regulation: 2014 Q2", *Economic Bulletin*, July-August 2014, Banco de España, pp. 52-54.

3 The NRAs shall be appointed by each Member State and shall be responsible for applying the resolution tools and exercising the corresponding powers. They may be the NCBs, the competent ministries or other public administrative authorities to which these tasks are assigned. In exceptional circumstances they may be the supervisory authorities, in which case the Member States shall ensure that there is operational independence between the resolution function and the supervisory function.

4 The SSM is a European system of financial supervision comprising the ECB and the NCAs of the participating Member States. Pursuant to Council Regulation (EU) 1024/2013, the participating Member States are the euro area countries and those other Member States that have established close cooperation. For that purpose, those Member States shall undertake, inter alia, to: 1) ensure that their NCA abides by any guidelines or requests issued by the ECB; 2) provide all information on the banks established in that Member State that the ECB may require for the purpose of carrying out a comprehensive assessment of those banks; and 3) adopt any measure in relation to banks that may be requested by the ECB.

participate in the plenary and executive sessions as a permanent observer but without the right to vote. The Board will start its activities by 1 January 2015 at the latest.

DIVISION OF FUNCTIONS WITHIN THE SRM

The Board will be responsible for drawing up resolution plans and for adopting all kinds of decisions relating to the resolution of a set of banks, including those that are considered significant[5] or in respect of which the ECB has decided to directly exercise the relevant powers.

The NRAs are responsible for monitoring and for the preparatory work and even the resolution of the other banks. Nevertheless, the Board will issue guidelines and may claim for itself the exercise of any power.

RESOLUTION PLANS

The Board will draw up resolution plans after consulting with the ECB or with the corresponding NCAs and NRAs, including the group-level resolution authority.[6] For this purpose the Board may previously ask the NRAs to prepare and submit draft (individual and group) resolution plans, in accordance with the guidelines and instructions previously issued by the Board to those authorities. The Board may also ask the banks to help it draw up and update the plans. With the supervision of the Board, the NRAs will be responsible, where appropriate, for implementing the resolution schemes for all banks.

In turn, without prejudice to the responsibilities of the Board in view of the general guidance tasks assigned to it in the Regulation, the NRAs will draw up and adopt resolution plans for all the other banks and groups (that is, for the less significant banks and groups).

Significant banks supervised directly by the ECB or that make up a significant part of the financial system of a participating Member State will have individual resolution plans.

The Board, in collaboration with the NRAs, will assess the resolvability of any bank or group and, where necessary, may take measures to tackle or eliminate any obstacles to resolution at any bank of a participating Member State. Should it consider that a bank or group is not resolvable, the Board will notify the European Banking Authority (EBA) in a timely manner.

Resolution plans should take into account relevant scenarios, including that the failure may be idiosyncratic or may occur at a time of overall financial instability or against the backdrop of system-wide factors. They will not involve any extraordinary public financial support besides the use of the Fund, or any aid in the form of NCB emergency liquidity assistance or liquidity assistance provided under non-standard collateralisation, maturity and interest rate terms.

RESOLUTION PRINCIPLES AND OBJECTIVES

Resolution of a bank must meet certain conditions, such as, for example, that shareholders bear the first losses and that creditors' losses are limited to those which they would have borne had the bank been wound up under normal insolvency proceedings. The resolution objectives will be: 1) to ensure the continuity of essential functions; 2) to avoid significant

5 Pursuant to Council Regulation (EU) No 1024/2013, supervised banks shall be classed as significant on the basis of any of the following criteria: 1) size, i.e. if they have total assets over €30 billion or the ratio of their total assets to the GDP of the participating Member State exceeds 20%, unless in the latter case their total assets are below €5 billion; 2) their importance for the EU economy or for the economy of any participating Member State; 3) the significance of their cross-border activities; 4) if they have requested or received direct public financial assistance from the European Stability Mechanism (ESM); and 5) if they are one of the three most significant banks in a participating Member State.

6 The group-level resolution authority is the resolution authority in the participating Member State in which the bank or parent company subject to consolidated supervision at the highest level of consolidation within participating Member States is established.

adverse effects on financial stability, especially by preventing contagion, including to market infrastructures, and by maintaining market discipline; 3) to protect public funds by minimising reliance on extraordinary public financial support; 4) to protect depositors covered by Directive 2014/49/EU[7] and investors covered by Directive 97/9/EC;[8] 5) to protect customer funds and assets; and 6) to endeavour to minimise the resolution cost.

RESOLUTION PROCEDURE AND TOOLS

The resolution procedure will begin, following a communication from the bank itself or on the initiative of the supervisor or the Board, when the following conditions are met: 1) the bank is failing or is likely to fail; 2) there is no reasonable prospect that any alternative private sector measures, including early intervention measures or write-down or conversion of capital instruments, would prevent such failure within a reasonable timeframe; and 3) the resolution measure is necessary in the public interest.

The resolution tools are: 1) sale of the business or of assets and liabilities to a purchaser that is not a bridge bank; 2) creation of a bridge bank to which assets, rights or liabilities of one or more banks under resolution will be sold; 3) transfer of assets of a bank under resolution to an asset management vehicle (a "bad bank"); and 4) bail-in of the shareholders and/or creditors of the failing bank, to restore its capital to enable it to continue to operate as a going concern.

OBLIGATION TO COOPERATE AND INFORMATION EXCHANGE WITHIN THE SRM

The Board, the Council, the Commission, the ECB, the NRAs and the NCAs will cooperate closely, especially in the different stages of the resolution process, providing each other with all information necessary for the exercise of their functions and responsibilities under the Regulation.

The Board will endeavour to cooperate closely with any public financial assistance facility, such as the European Financial Stability Facility (EFSF) or the European Stability Mechanism (ESM), where these have granted, or are likely to grant, direct or indirect financial assistance to banks established in a participating Member State.

Lastly, the penalty regime is envisaged, to ensure that decisions taken in the framework of the SRM are observed. In this respect, the Board is authorised to impose fines or penalties, which will be proportionate and dissuasive, on banks that have intentionally or negligently committed any of the infringements envisaged in the Regulation, such as failing to provide information requested or to submit to an investigation or on-site inspection. The amounts of the fines will be allocated to the Fund.

SINGLE RESOLUTION FUND

The Regulation provides for the creation of the Fund as an essential element without which the SRM could not function correctly. The Board will be the owner of the Fund and will use it only to ensure that the resolution tools are used efficiently. Under no circumstances will the EU budget or the national budgets be held liable for expenses or losses of the Fund.

The Fund shall be financed by bank contributions raised at national level and pooled at EU level in accordance with an intergovernmental agreement on the transfer and gradual mutualisation of the contributions (hereafter, the Agreement). Under the Agreement, the participating Member States will undertake to transfer the contributions they raise at national level to the Fund.

7 Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes (recast).

8 Directive 1997/9/EC of the European Parliament and of the Council of 3 March 1997 on investor compensation schemes.

Until the Fund reaches its target level, the contributions will be allocated to different compartments corresponding to each participating Member State. Those compartments will be gradually merged, until they cease to exist at the end of the transitional period. The Agreement will regulate the transfer of the contributions raised at national level to the Fund and the gradual merger of the national compartments. It will also determine how the Board may dispose of the national compartments that are gradually merged.

With respect to the target level, by the end of a period of eight years from 1 January 2016 the available financial means of the Fund should reach at least 1% of the amount of covered deposits of banks established in the participating Member States. As initial funding, the amounts for each of the national resolution systems in 2015 will be transferred to the Fund at the start of 2016.

Ex ante contributions

The contributions of the banks will be raised at least annually and will be calculated for the different banks as follows: 1) a flat-rate contribution in proportion to the amount of their liabilities, excluding own funds and covered deposits; and 2) risk-adjusted, taking into account the principle of proportionality, without creating distortions between financial sector structures of the Member States.

Extraordinary ex post contributions

Where the available financial means are not sufficient to cover the losses, costs or other expenses incurred by the use of the Fund in resolution measures, extraordinary ex-post contributions will be raised from the banks of the participating Member States to meet the additional requirements. These contributions will not exceed three times the annual amount of the ex ante contributions and will be calculated and allocated between banks in accordance with the rules established for such contributions.

If the amounts raised are not immediately accessible or do not cover the expenses incurred by the use of the Fund in relation to resolution measures, the Board may arrange borrowings or other forms of support from financial institutions or other third parties that offer better financial terms so as to optimise the cost of funding and preserve its reputation. It may also apply for loans from resolution financing mechanisms in other States.

Use of the Fund

As indicated above, the Board may only use the Fund to apply the resolution tools effectively for the relevant purposes, which may include: 1) guaranteeing the assets or liabilities of a bank under resolution, a bridge bank or an asset management vehicle; 2) making loans to a bank under resolution, its subsidiaries, a bridge bank or an asset management vehicle; 3) purchasing assets of a bank under resolution; 4) making contributions to a bridge bank or an asset management vehicle; and 5) making a contribution to a bank under resolution when the bail-in tool is used and it is decided to exclude certain creditors from the scope of the bail-in.

In the case of group-level resolutions involving banks established in non-participating Member States, the Fund will contribute to the financing of the group-level resolution in accordance with the provisions of Directive 2014/59/EU.

Use of deposit guarantee schemes (DGSs)

Participating Member States shall ensure that when the Board adopts a resolution measure, that measure ensures that depositors continue to have access to their covered deposits. To that end, the DGS to which the bank is affiliated will be liable up to the maximum amounts specified in Directive 2014/59/EU, becoming subrogated, where appropriate, to the rights and obligations of covered depositors in winding-up proceedings for an amount equal to its payment.

Where deposits at a bank under resolution are transferred to another bank using the sale of business tool or the bridge bank tool, depositors will have no claim against the DGS in respect of any part of their deposits at the bank under resolution that are not transferred, provided that the amount of the funds transferred is equal to or greater than the aggregate coverage level provided for in Directive 2014/49/EU.[9]

The liability of a DGS will be limited to 50% of the target level set by Member States in accordance with Article 10(2) of Directive 2014/49/EU, which is equal to 0.8% of the amount of covered deposits in each State. In any event, the participation of a DGS will not exceed the losses it would have incurred had the bank concerned been wound up under normal insolvency proceedings.

ECB: additional temporary measures relating to asset-backed securities and certain credit claims eligible as collateral in monetary policy operations

*Guideline ECB/2014/31 of 9 July 2014 (*OJ L of 13 August 2014) (hereafter, the Guideline) on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral and amending Guideline ECB/2007/9, was published.[10]

The Guideline recasts into a single text Guideline ECB/2013/4,[11] together with its subsequent amendments relating to temporary measures of this kind, and adds new provisions. As on previous occasions, these measures will apply temporarily until the Governing Council considers that they are no longer necessary to ensure an appropriate monetary policy transmission mechanism.

The main change is that NCBs are allowed to accept certain short-term debt instruments[12] issued by non-financial corporations established in the euro area which, although they do not satisfy the Eurosystem eligibility criteria for marketable assets, comply with certain risk control measures and criteria specified by the Governing Council.

The Guideline came into force on 9 July and has applied since 20 August.

ECB: targeted longer-term refinancing operations

Decision ECB/2014/34 of 29 July 2014 (OJ L of 29 August 2014) (hereafter, the Decision) on measures relating to targeted longer-term refinancing operations (TLTROs) was published. The details of the Decision, which came into force on 29 August, were made public by the ECB in a press release on 3 July.

TLTROs are liquidity-providing reverse operations to be executed between 2014 and 2016 using fixed-rate tender procedures. The interest rate will be fixed over the life of each operation at the rate for main refinancing operations (MROs) prevailing at the time of the tender announcement in respect of the relevant TLTRO, plus a fixed spread of 10 bp. Outstanding TLTROs will mature on 26 September 2018.

The Eurosystem intends to conduct eight TLTROs on a quarterly basis: two in 2014 (on 18 September[13] and 11 December), four in 2015 (March, June, September and December)

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9 Pursuant to Directive 2014/49/EU, Member States shall ensure that the coverage level for the aggregate deposits of each depositor is €100,000 per bank. Moreover, Member States may ensure that certain other deposits are also included up to that coverage level. Likewise, they may ensure that certain deposits above that level are protected, for at least three months and no longer than 12 months, including, for example, deposits resulting from real estate transactions relating to private residential properties or deposits that serve social purposes laid down in national law.

10 Guideline ECB/2007/9 of 1 August 2007 on monetary, financial institutions and markets statistics.

11 Guideline ECB/2013/4 of 20 March 2013 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral.

12 Short-term debt instruments are debt instruments with a maturity not exceeding 365 days.

13 At the tender on 18 September, €82.6 billion was allotted at a fixed rate of 0.15% (0.05%, which is the rate for MROs, plus 10 bp).

and two in 2016 (March and June). The aim of the TLTROs is to support bank lending to the non-financial private sector, that is, to households and non-financial corporations, in Member States whose currency is the euro.

Participants in TLTROs on an individual basis or as the lead institution of a group will be subject to borrowing limits, calculated on the basis of data on outstanding amounts of eligible loans[14] and eligible net lending[15] to the non-financial private sector (non-financial corporations and households).

In the two TLTROs made in 2014 (September and December), each participant will be entitled to an initial cumulative borrowing allowance equal to 7% of its total outstanding eligible loans at 30 April 2014. Any initial allowance not used in the first two TLTROs will not be available in subsequent TLTROs.

Whether or not they participated in the TLTROs made in 2014, in the period from March 2015 to June 2016 participants will be entitled to an additional TLTRO borrowing allowance, capped at three times the difference between their eligible net lending since 30 April 2014 and the benchmark on the date on which the request is made, calculated as follows:

— For institutions with positive eligible net lending in the 12 months to 30 April 2014, the benchmark will always be zero.

— For institutions with negative eligible net lending in the 12 months to 30 April 2014, different benchmarks will be used, established as follows: for the 12 months to 30 April 2015, by extrapolating the average net lending per month of each institution in the 12 months to 30 April 2014; for the 12 months between 30 April 2015 and 30 April 2016, the benchmark net monthly lending has been set at zero.

Once 24 months have elapsed after each TLTRO, participants will have the option to reduce or repay the TLTROs before maturity, on the dates set by the Eurosystem. For that purpose, participants will simply have to notify the relevant NCB, at least one week in advance, that they intend to make a payment under the early repayment procedure. Likewise, under the mandatory early repayment procedure, participants in the TLTROs that do not reach their benchmark by 30 April 2016 will be required to repay their TLTRO borrowings in full in September 2016.

ECB: refinancing operations and collateral in monetary policy operations

Decision ECB/2014/38 of 1 September 2014 (OJ L of 20 September 2014) (hereafter, the Decision), amending Decision ECB/2013/35 of 26 September 2013 on additional measures relating to Eurosystem refinancing operations and eligibility of collateral, which came into force on 19 September, was published.

Decision ECB/2013/35 strengthened, for private issuers, the eligibility of collateral used in Eurosystem credit operations and their corresponding haircuts. Thus, to determine compliance with the credit quality threshold applicable to marketable assets, an external credit assessment institution (ECAI) issue rating had priority over an ECAI issuer or guarantor rating. Now, however, the Decision stipulates that this criterion will not apply in

14 Eligible loans are loans to non-financial corporations and households (including non-profit institutions serving households) resident in Member States whose currency is the euro, except loans to households for house purchases.
15 Eligible net lending is gross lending in the form of eligible loans, net of repayments of outstanding amounts of eligible loans during a specific period.

the case of public issuers (central, regional or local governments, agencies and supranational bodies), as in this case issuer rather than issue ratings are considered the most appropriate measure of creditworthiness.

ECB: implementation of SSM legislation

Several ECB regulations, discussed below, have been published implementing various aspects of the SSM legislation contained in Council Regulation (EU) No 1024/2013 of 15 October 2013[16] and in Regulation (EU) No 468/2014 of the ECB[17] of 16 April 2014 (the SSM Framework Regulation).

COOPERATION WITH NON-EURO AREA MEMBER STATES

Decision ECB/2014/5 of 31 January 2014 (OJ L of 5 July 2014) implements Article 7 of Regulation (EU) No 1024/2013 which relates to close cooperation with the NCAs of participating Member States whose currency is not the euro.[18] Specifically the following procedures are detailed: 1) the request to enter into close cooperation, for which purpose the NCA will use the template provided in its Annex I; 2) assessment of the requests, for which purpose the ECB may ask for any additional information it considers appropriate, including information relating to the assessment of the significance of banks and the performance of the comprehensive assessment; and 3) the decision of the ECB in the event that close cooperation is established with the requesting Member State.

The Decision entered into force on 17 February 2014.

PROVISION TO THE ECB OF SUPERVISORY DATA REPORTED BY SUPERVISED BANKS TO NCAS

Decision ECB/2014/29 of 2 July 2014 (OJ L of 19 July 2014) establishes the procedures for submission to the ECB by the NCAs of data reported by their supervised banks.[19]

In particular, the formats, frequency and timing of the submission of information are specified, as well as the details of the data quality checks that the NCAs should perform before submitting information to the ECB.

The Decision entered into force on 19 July 2014.

APPOINTMENT OF REPRESENTATIVES OF THE ECB TO THE SUPERVISORY BOARD

Decision ECB/2014/4 of 6 February 2014 (OJ L of 3 July 2014) complements Regulation (EU) No 1024/2013 in relation to the procedure for appointment of the four ECB representatives to the Supervisory Board, the conditions applying to the persons appointed and the procedure for their removal.

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16 Council Regulation (EU) No 1024/2013 of 15 October 2013 confers specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions. See “Financial regulation: 2013 Q4”, *Economic Bulletin*, January 2014, Banco de España, pp. 71-74.

17 Regulation (EU) 468/2014 (ECB/2014/17) of 16 April 2014 establishing the framework for cooperation within the SSM between the ECB and the NCAs. See “Financial regulation: 2014 Q2”, *Economic Bulletin*, July-August 2014, Banco de España, pp. 42-45.

18 Pursuant to Article 7, close cooperation between the ECB and the NCA of a non-euro area Member State shall be established, by a decision adopted by the ECB, where the following conditions are met: 1) the Member State notifies its desire to enter into close cooperation with the ECB in relation to exercise of the tasks conferred by Regulation (EU) No 1024/2013 for prudential supervisory purposes; 2) in the notification, the Member State undertakes to ensure that its NCA or national designated authority (NDA) will abide by any guidelines or requests issued by the ECB, and to provide all information on the banks established in the Member State that the ECB may require for the purpose of carrying out a comprehensive assessment of those banks; and 3) the Member State has adopted relevant national legislation to ensure that its NCA will be obliged to adopt any measure in relation to banks requested by the ECB.

19 Commission Implementing Regulation (EU) No 680/2014 of 16 April 2014 laid down a set of implementing technical standards with regard to supervisory reporting of institutions, in accordance with the guidelines established in Regulation (EU) No 1024/2013 and in the SSM Framework Regulation. Thus, both the ECB and the NCAs are bound by the obligation to exchange information. Without prejudice to the ECB’s powers to directly receive information reported by banks and to have direct and ongoing access to that information, the NCAs shall provide the ECB with all the information necessary for it to carry out the tasks conferred on it by the SSM Regulation.

Specifically, the four representatives will be appointed from among persons of recognised standing and experience in banking and financial matters. Their term of office will be five years, non-renewable. By way of exception, the term of office of the first four ECB representatives will be between three and five years.

The ECB representatives will not be engaged in any other occupation, whether gainful or not, unless authorised by the Governing Council. No authorisation can be given for activities that may give rise to a conflict of interest with their positions as members of the Supervisory Board. In particular, they will not perform any duty for an NCA.

The Decision entered into force on 6 February 2014.

ECB: oversight for systemically important payment systems

Regulation (EU) No 795/2014 (ECB/2014/28) of 3 July 2014 (OJ L of 23 July 2014) on oversight requirements for systemically important[20] payment systems (SIPS),[21] which came into force on 12 August (hereafter, the Regulation), was published, as was *Decision ECB/2014/35 of 13 August 2014* (OJ L of 20 August 2014) on the identification of TARGET2 as a systemically important payment system pursuant to Regulation (EU) No 795/2014. The Decision came into force on 20 August 2014.

A payment system will be identified as a SIPS if it is eligible to be recognised as such pursuant to Directive 98/26/EC by a Member State whose currency is the euro or if its operator is established in the euro area, provided that at least two of the following conditions are met over a calendar year: 1) the total daily average value of euro-denominated payments processed exceeds €10 billion; 2) its market share amounts to at least 15% of the total volume of euro-denominated payments, or 5% of the total volume of euro-denominated cross-border payments, or 75% of the total volume of euro-denominated payments in a Member State whose currency is the euro; 3) its cross-border activity (arising from participants established in a country other than that of the SIPS operator or from cross-border links with other payment systems) involves five or more countries and generates at least 33% of the total volume of euro-denominated payments processed by the SIPS; and 4) it is used for the settlement of other financial market infrastructures (FMIs).

Most of the articles of the Regulation focus, in essence, on regulating the duties of the SIPS operator (hereafter, the operator), which is the entity legally responsible for operating a payment system. The key characteristics of the operator are described below.

GOVERNANCE

The operator will have governance arrangements, consisting of a Board and management, which will be known to the competent authority, owners and participants. The Board's duties include: 1) establishing clear strategic aims for the SIPS, as well as documented procedures for its functioning, such as, for example, procedures to identify, address and manage conflicts of interest of its members; 2) ensuring the effective selection, monitoring and, where appropriate, removal of members of management, with the exception of Eurosystem SIPS; and 3) establishing appropriate remuneration policies based on long-term achievements.

20 Systemic risk is the risk that the failure by a participant or operator to meet their respective obligations in a systemically important payment system may cause other participants and/or the operator to be unable to meet their obligations when they fall due, with a potential spillover effect that might threaten the stability of or confidence in the financial system.

21 A payment system is a formal agreement between three or more participants, not including possible settlement banks, central counterparties, clearing houses or indirect participants, with common rules and standardised arrangements for execution of transfer orders between participants.

The Board will also establish and oversee a documented risk-management framework, including the operator's risk tolerance policy, assign responsibilities and accountability for risk decisions, and address decision-making in crises and emergencies and internal control functions.

COMPREHENSIVE RISK MANAGEMENT

The operator will establish and maintain a sound risk management framework allowing it to comprehensively identify, measure, monitor and manage the range of risks that arise, especially legal risk,[22] credit risk,[23] liquidity risk,[24] operational risk,[25] custody risk,[26] investment risk,[27] market risk[28] and general business risk.[29]

In addition, the operator will review, at least once a year, both the risk management framework and the material risks to which the SIPS may be exposed arising from other entities. The operator will also provide incentives to participants and, where relevant, to their customers, for them to manage and limit the risks they represent for the SIPS. With regard to participants, such incentives will include an effective, proportionate and dissuasive financial penalties regime and/or loss-sharing arrangements.

OTHER

Regarding collateral, the operator will only accept cash and assets with low credit, liquidity and market risks as collateral and will implement policies and procedures to monitor the credit quality, market liquidity and price volatility of all assets accepted as collateral. In respect of settlement of operations, the operator will establish rules and procedures to enable final settlement to take place no later than at the end of the intended settlement date. It will also establish clear rules and procedures to enable the SIPS to make same-day and, where appropriate, intra-day or multi-day settlement of payment obligations following the default of one or more of its participants.

Lastly, in connection with TARGET2, Decision ECB/2014/35 identifies TARGET2 as a SIPS, as it fulfils the above criteria, with the ECB being the competent authority for its oversight.[30]

ECB: statistical reporting requirements of monetary financial institutions

Regulation (EU) No 756/2014 (ECB/2014/30) of 8 July 2014 (OJ L of 12 July 2014) (hereafter, the Regulation), amending Regulation (EU) No 1072/2013 (ECB/2013/34) concerning

22 Legal risk is the risk arising from the application of laws and regulations, which can result in a loss for a SIPS.
23 Credit risk is the risk that a counterparty, whether a participant or other entity, will be unable to fully meet its financial obligations when they fall due or at any time in the future.
24 Liquidity risk is the risk that a counterparty, whether a participant or other entity, will have insufficient funds to meet its financial obligations when they fall due, even though it may have sufficient funds to do so on a future date.
25 Operational risk is the risk that deficiencies in information systems or internal processes, human error, management failures or disruptions caused by external events or outsourced services will result in the reduction, deterioration or breakdown of the services provided by a SIPS.
26 Custody risk is the risk of incurring a loss on assets held in custody in the event of a custodian's insolvency, negligence, fraud, poor administration or inadequate record-keeping.
27 Investment risk is the risk of loss faced by a SIPS operator or participant when the operator invests its own or its participants' resources, such as, for example, collateral.
28 Market risk is the risk of losses, both in on- and off-balance sheet positions, arising from fluctuations in market prices.
29 General business risk is any potential impairment of the financial position of a SIPS as a business concern arising from a decline in its revenues or an increase in its expenses, such that expenses exceed revenues, resulting in a loss that must be charged against capital.
30 Specifically, according to the public data for calendar year 2012, combined with responses to ECB surveys, TARGET2 fulfils all the conditions established in Regulation (EU) No 795/2014. Inter alia, it is recognised as a system pursuant to Directive 98/26/EC of the European Parliament and of the Council: its total daily average amount of euro-denominated payments exceeds €10 billion, its cross-border activity (arising from participants established in a country other than that of the SIPS operator or from cross-border links with other payment systems) extends across more than five countries, it generates at least 33% of the total volume of euro-denominated payments and it is used for the settlement of other FMIs.

statistics on interest rates applied by monetary financial institutions was published, to adapt it to Guideline ECB/2014/15 of 4 April 2014 on monetary and financial statistics.

The Regulation establishes the appropriate recording of renegotiated loans[31] in the reporting period during which the loans are granted, and the accurate reporting of new volumes of renegotiated loans in the case of loans that have not been fully drawn.

The Regulation entered into force on 1 August 2014.

TARGET2: amendment of legislation

The Resolution of 15 July 2014 of the Executive Commission of the Banco de España (BOE of 19 July 2014) was published, amending that of 20 July 2007 which approved the general clauses relating to the uniform conditions of participation in TARGET2-Banco de España, for the purpose of adapting it to Guideline ECB/2014/25.[32]

Provision has been made for "deposit facilities", i.e. Eurosystem standing facilities which counterparties may use to make overnight deposits with an NCB at the pre-specified interest rate.

Pursuant to Guideline ECB/2014/25, Payments Module accounts and their sub-accounts[33] will either be remunerated at 0% or at the deposit facility rate, whichever is lower, unless they are used to hold required minimum reserves. In the latter case, the calculation and payment of remuneration of holdings of minimum reserves will be governed by Council Regulation (EC) No 2531/98 of 23 November 1998 concerning the application of minimum reserves by the ECB and by Regulation (EC) No 1745/2003 of the ECB of 12 September 2003 on the application of minimum reserves (ECB/2003/9).

The Resolution came into force on 19 July 2014.

Amendment of the Internal Rules of the Banco de España

The *Resolution of 27 June 2014 (BOE* of 2 July 2014) of the Governing Council of the Banco de España was published, approving the amendment of the Internal Rules of the Banco de España of 28 March 2000.

Specifically, the limitations on directors general for the exercise of private activities after their termination have been broadened to bring them into line with those set in the general rules for the public sector in Law 5/2006 of 10 April 2006 on the regulation of conflicts of interests of members of the Government and of general government senior officials.

Finally, for internal organisational purposes, the general secretary has been included as first substitute for the Deputy Governor in the event of vacancy, absence or illness, followed by the longest-serving director general of the relevant category or the oldest director general. This applies unless another person is expressly designated by the Governor.

The Resolution came into force on 3 July 2014.

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31 Renegotiated loans comprise all new loans, other than credit card debt and revolving loans and overdrafts, that are already recognised on the reporting agent's balance sheet at the end of the month prior to the reporting month.

32 Guideline ECB/2014/25 of 5 June 2014 amending Guideline ECB/2012/27 of 5 December 2012 on TARGET2.

33 The Banco de España has open and manages at least one payments module account for each participant. Moreover, at the request of a participant that acts as a settlement institution, the Banco de España will open one or more sub-accounts in TARGET2-Banco de España which will be used to settle payment orders in the payments module, in accordance with the rules established for that purpose.

Licensed appraisal companies and services

CBE 3/2014 of 30 July (BOE of 31 July 2014 and corrigendum in the *BOE* of 12 September 2014) to credit institutions and licensed appraisal companies and services was published, establishing measures to foster the independence of appraisal activities through the amendment of Circulars 7/2010,[34] 3/1998[35] and 4/2004,[36] and exercising regulatory options relating to the deduction of intangible assets by means of the amendment of CBE 2/2014.[37]

The Circular came into force on 31 July, except for the changes it makes to CBE 7/2010, which came into force three months later.

The main changes are as follows.

APPRAISAL COMPANIES AND SERVICES

The Circular implements the measures to ensure the professional independence of appraisal companies introduced by Law 41/2007 of 7 December 2007[38] in Law 2/1981 of 25 March 1981 on mortgage market regulation, and subsequently by Law 1/2013 of 14 May 2013,[39] to, inter alia, prohibit credit institutions from owning significant holdings in appraisal companies and tighten the requirements of the aforementioned measures to strengthen their independence.

Thus it specifies the minimum content of the internal code of conduct to be adopted by appraisal companies and appraisal services, which, among other things, includes the incompatibilities of their managers and boards of directors, as well as the measures adopted in this respect.

Also, credit institutions which have issued mortgage securities that remain outstanding and which have in-house appraisal services must set up a technical committee to check compliance with the independence requirements specified in the internal code of conduct and draft an annual report to be sent to the board of directors or equivalent body of the institution and to the Banco de España. In this respect, the Circular spells out the minimum content of this report, which must include the independence requirements assumed by the institution, listing in detail each of the individual rules and conditions.

OTHER CHANGES

New provisions have been added to CBE 4/2004 of 22 December 2004, first to gather together all references to the compulsory content of the annual report, specifying the minimum content of the note referred to in Article 29 (1) of Sustainable Economy Law 2/2011

34 CBE 7/2010 of 30 November 2010 of the Banco de España to credit institutions, developing certain aspects of the mortgage market. See "Financial regulation: 2010 Q4", *Economic Bulletin,* January 2011, Banco de España, pp. 140-141.

35 CBE 3/1998 of 27 January 1998 of the Banco de España to licensed appraisal companies and services on reporting to the Banco de España.

36 CBE 4/2004 of 22 December 2004 of the Banco de España to credit institutions on public and confidential financial reporting rules and formats. See "Financial regulation: 2004 Q4", *Economic Bulletin,* January 2005, Banco de España, pp. 3-7.

37 CBE 2/2014 of 31 January 2014 of the Banco de España to credit institutions on the exercise of various regulatory options contained in 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. See "Financial regulation: 2014 Q1", *Economic Bulletin,* April 2014, Banco de España, pp. 59-60.

38 Law 41/2007 of 7 December 2007 amending Law 2/1981 of 25 March 1981 on mortgage market regulation and other mortgage and financial system rules, regulating reverse mortgages and dependency insurance and establishing certain tax rules. See "Financial regulation: 2007 Q4", *Economic Bulletin,* January 2008, Banco de España, pp. 177-182.

39 Law 1/2013 of 14 May 2013 on measures to strengthen the protection of mortgagors, debt restructuring and rented social housing. See "Financial regulation: 2013 Q2", *Economic Bulletin,* July-August 2013, Banco de España, pp. 84-89.

of 4 March 2011,[40] and second to complete implementation of the recommendations of the European Systemic Risk Board of 21 September 2011 on lending in foreign currencies.

Also, amendments have been made to CBE 2/2014 of 31 January 2014 in relation to the deduction in tier 1 capital items of the various types of intangible assets, unifying their treatment for all intangible assets, to which certain percentages will be applied during the transition period (2014-2017). The residual amounts up to 100% will be deducted from tier 1 capital items.

Finally, amendments have been made to CBE 6/2010 of 28 September 2010 to credit and payment institutions on the advertising of banking services and products, to properly reference the APR calculation methods to the rules set out in CBE 5/2012 of 27 June 2012 on transparency of banking services and responsible lending.

Adaptation of insurance and reinsurance companies to European Union legislation

The *Resolution of 16 June 2014 of the Directorate General of Insurance and Pension Funds* (DGSFP) *(BOE* of 4 July 2014) was published on temporary measures for the gradual adaptation of insurance and reinsurance companies to the new regime governed by Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of insurance and reinsurance (hereafter, the Solvency II Directive), which will be applicable in the Member States from 1 January 2016.

The purpose of the Resolution is to specify the applicable principles to allow for a smooth transition to the regime envisaged in the Solvency II Directive, which include: 1) a governance system encompassing the risk management system and the internal prospective assessment of risks; 2) the establishment of time periods, conditions and procedures to be followed for submitting to the DGSFP the supervision report on the internal prospective assessment of risk; and 3) the making public of the guidelines and recommendations published by the European Insurance and Occupational Pensions Authority up to the date of the Resolution.

The Resolution came into force on 5 July 2014.

European Union: amendment of legislation on securities settlement and regulation of central securities depositories

Regulation (EU) 909/2014 of the European Parliament and of the Council of 23 July 2014 (OJ L of 28 August 2014) on improving securities settlement in the European Union and on central securities depositories (CSDs)[41] and amending Directives 98/26/EC[42] and 2014/65/EU[43] and Regulation (EU) No 236/2012[44] (hereafter, the Regulation) was published.

The Regulation establishes uniform requirements for the settlement of financial instruments in the European Union, as well as a number of common requirements for CSDs, particularly rules on their organisation and conduct with a view to promoting safe, efficient and smooth settlement.

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40 Pursuant to Sustainable Economy Law 2/2011 of 4 March 2011, credit institutions have to include in their individual financial statements a note referring to the document setting out their responsible lending practices. See “Financial regulation: 2011 Q1”, *Economic Bulletin,* April 2011, Banco de España, pp. 159-163.

41 A CSD is a legal person that operates a securities settlement system as defined in EU legislation and that provides at least one of the following two services: initial recording of securities, and providing and maintaining securities accounts at the top tier level.

42 Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems.

43 Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.

44 Regulation (EU) No 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps.

SECURITIES SETTLEMENT

Any issuer, established in the European Union, of transferable securities which are admitted to trading shall arrange for such securities to be represented in book-entry form as immobilisation or subsequent to a direct issuance in dematerialised form.

Also, if transactions in transferable securities are executed on trading venues regulated by Directive 2014/65/EU, such securities must be recorded in a CSD book-entry system. Transactions must be settled on the intended settlement date, which shall be no later than the second business day after the trading takes place. This requirement will not apply to: 1) transactions which are negotiated privately but executed on a trading venue, and 2) transactions which are executed bilaterally but reported to a trading venue, or the first transaction where the transferable securities concerned are subject to initial recording in book-entry form.

Along with these measures, the Regulation establishes penalty mechanisms for settlement fails which must be commensurate with the scale and seriousness of such fails. These mechanisms will include cash penalties, which must, where possible, be credited to the non-failing clients as compensation and may not, in any event, become a source of revenue for the CSD concerned.

CENTRAL SECURITIES DEPOSITORIES

Authorisation and supervision

CSDs are to be authorised and supervised by the competent authority of their home Member State, which has to inform the European Securities and Markets Authority (ESMA) thereof. The relevant authorities[45] will also be involved where this is expressly envisaged. The Regulation describes the procedure for authorising a CSD before it commences its activity. The authorisation has to specify the core services[46] and non-banking-type ancillary services[47] enumerated in the annex to the Regulation which can be provided by CSDs. For the provision of banking-type ancillary services,[48] a special procedure for their authorisation is established which complies with certain conditions set out in the Regulation.

Regarding the supervision of CSDs, at least once a year the competent authority has to review the arrangements, strategies, processes and mechanisms implemented with respect to compliance with this Regulation and evaluate the risks to which CSDs are, or might be, exposed or which they create for the smooth functioning of securities markets.

The competent authority will require each CSD to submit to it an adequate recovery plan to ensure continuity of its critical operations and will ensure that an adequate resolution plan is established and maintained for each CSD so as to ensure continuity of at least its

45 The relevant authorities are: 1) the authority responsible for the oversight of the securities settlement system operated by the CSD in the Member State whose law applies to that securities settlement system; 2) the European Union NCBs issuing the most relevant currencies in which settlement takes place; and 3) where appropriate, the NCB in whose books the cash leg of a securities settlement system operated by the CSD is settled.

46 The core services a CSD can provide are: 1) initial recording of securities in a book-entry system ("notary service"); 2) providing and maintaining securities accounts ("central maintenance service"); and 3) operating a securities settlement system ("settlement service").

47 Non-banking-type ancillary services include but are not restricted to: 1) services related to the settlement service, such as organising a securities lending mechanism or providing collateral management services, as agent, among the participants in a securities settlement system; 2) services related to the notary and central maintenance services, such as those related to shareholders' registers; 3) processing of corporate actions, such as tax, general meetings and information services, and new issue services, such as the allocation and management of ISIN and similar codes; and 4) establishing CSD links, providing, maintaining or operating securities accounts in relation to the settlement service, collateral management and other ancillary services.

48 Banking-type ancillary services include but are not restricted to: 1) providing cash credit for reimbursement no later than the following business day, cash lending to pre-finance corporate actions and lending securities to holders of securities accounts; 2) payment services involving processing of cash and foreign exchange transactions; 3) guarantees and commitments related to securities lending and borrowing; and 4) treasury activities involving foreign exchange and transferable securities related to managing participants' long balances.

core functions, having regard to the size and systemic importance of the CSD concerned and to the nature, scale and complexity of its activities.

General requirements applicable to CSDs

CSDs are to have robust governance arrangements, which include a clear organisational structure with well-defined, transparent and consistent lines of responsibility, effective processes to identify, manage, monitor and report the risks to which it is or might be exposed, and adequate remuneration policies and internal control mechanisms, including sound administrative and accounting procedures. The management body will be composed of suitable members of sufficiently good repute with an appropriate mix of skills, experience and knowledge of the entity and of the market.

Cross-border activity

An authorised CSD may provide services within the territory of the European Union, including through setting up a branch, provided that those services are covered by the authorisation. An authorised CSD that intends to provide core notary and central maintenance services in relation to financial instruments constituted under the law of another Member State will be subject to a specific authorisation procedure provided for in the Regulation. Where a CSD authorised in one Member State has set up a branch in another Member State, the competent authority of the home Member State and the competent authority of the host Member State will cooperate closely in the performance of their duties. The competent authority of the home Member State and of the host Member State may, in the exercise of their responsibilities, carry out on-site inspections in branches. Third-country CSDs may provide services in the European Union, including through setting up a branch.

Extension and outsourcing of activities

The extension of most activities or outsourcing of services or activities must be authorised by the competent authority of the CSD's home Member State. Where a CSD outsources services or activities to a third party, it will remain fully responsible for discharging all of its obligations under this Regulation and, in addition, must comply at all times with certain conditions.

Sanctioning regime

The Regulation sets out the sanctioning regime applicable to CSDs and all other persons responsible for infringements of the provisions of this Regulation. Under this regime, the competent authorities of Member States shall take all measures necessary to ensure that it is applied. Such sanctions must be effective, proportionate and dissuasive. Notwithstanding, Member States may impose criminal sanctions.

The Regulation came into force on 17 September 2014, except in respect of the obligation to represent transferable securities in book-entry form, which will apply from 1 January 2023 for those issued after that date and from 1 January 2025 for all others, and in respect of the obligation that transactions in transferable securities traded on trading venues must be settled no later than the second business day after the trading takes place, which will apply from 1 January 2015 or from 1 January 2016 if they are settled in a CSD that outsources services to a public entity in accordance with the Regulation.

Undertakings for collective investment in transferable securities: legislative changes

Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 (OJ L of 28 August 2014) amending Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions, was published.

The most noteworthy aspects are described below.

REMUNERATION POLICIES

Management companies of UCITS are now obliged to establish, for categories of staff whose professional activities can have a material impact on the risk profiles of the UCITS they manage, remuneration policies and practices that are consistent with effective and responsible risk management. These rules also apply to investment companies that have not designated a management company.

The remuneration policy will be adopted by the management body of the management company in its supervisory function, and that body will lay down the general principles of the remuneration policy. Both the prospectus and the annual report of UCITS will include detailed information on the remuneration policy, together with a statement to the effect that details of the remuneration policy are available on a website.

Management companies that are significant in terms of their size, the size of the UCITS they manage or the nature, scope and complexity of their activities will have a remuneration committee, which will be organised in a way that enables it to exercise independent judgment on remuneration policies and practices and the incentives created for managing risk. The remuneration committee will be chaired by a member of the management body who performs no executive functions in the management company. Likewise, the other members of the remuneration committee will be members of the management body who perform no executive functions in the management company.

FUNCTIONS OF DEPOSITARIES

The Directive adopts additional rules which define the tasks and duties of depositaries, determine the legal entities that may be appointed as depositaries and clarify the liability of depositaries in the event that the assets of the UCITS are lost in custody or that depositaries fail to correctly exercise their oversight duties.

Each UCITS should appoint a single depositary having general oversight over its assets. In the performance of their duties, depositaries should act honestly, fairly, professionally and independently and in the interest of the UCITS and its investors.

A uniform list of oversight duties incumbent on depositaries in relation to UCITS has been introduced, to harmonise the way in which depositaries perform their duties in the different Member States.

In turn, the conditions for delegation of a depositary's safekeeping duties to a third party have been reviewed. Both delegation and sub-delegation should be objectively justified and should be subject to strict requirements as to the suitability of the third party.

Additionally, an exhaustive list of entities eligible to act as depositaries has been drawn up, namely: 1) NCBs; 2) credit institutions; and 3) other legal entities authorised under Member States' legislation to carry out depositary activities that are subject to prudential supervision and capital adequacy requirements in accordance with the provisions of Regulation (EU) No 575/2013 of the European Parliament and of the Council.

Lastly, a sanctions regime has been established, determining the type of administrative penalties or measures and the level of pecuniary penalties. In order to strengthen their dissuasive effect, sanctions will be publicly disclosed, save in certain very specific circumstances, and will be simultaneously reported to ESMA, which will publish an annual report on all sanctions imposed.

The Directive came into force on 17 September and shall be transposed by Member States by 18 March 2016 at the latest.

Internationalisation bonds

Royal Decree 579/2014 of 4 July 2014 (*BOE* of 16 July 2014) implementing certain aspects of Law 14/2013 of 27 September 2013[49] on support for entrepreneurs relating to internationalisation bonds and internationalisation covered bonds (hereafter, the Royal Decree) was published and came into force on 17 July.

Besides implementing certain aspects of internationalisation bond and internationalisation covered bond issues, the Royal Decree regulates secondary market transactions in these bonds and the supervisory powers of the National Securities Market Commission (CNMV) and the Banco de España.

INTERNATIONALISATION BOND ISSUES

The information that internationalisation bonds and internationalisation covered bonds must include is stipulated, along with general issuance rules which, without prejudice to the provisions of the Royal Decree, shall conform to Securities Market Law 24/1988 of 28 July 1988.[50]

The Royal Decree also regulates the way in which the maximum issue limits should be calculated, and the way in which they should be restored if they are exceeded. If the limits are exceeded owing to higher repayments of the loans affected or for any other reason, various measures[51] are envisaged whereby issuers should restore the balance in the shortest time possible.

Moreover, issuers of these bonds are now obliged to keep a special accounting record of the loans that act as collateral for the issues, of the replacement assets and of the financial derivative instruments linked to each issue.

SALE AND TRADING OF INTERNATIONALISATION BONDS IN THE SECONDARY MARKET

Internationalisation bonds and internationalisation covered bonds are admitted to trading in regulated markets or multilateral trading facilities in accordance with the provisions of Securities Market Law 24/1988 of 28 July 1988. Both types of bonds may be transferred by any lawfully accepted means, with no need for the intervention of a public authenticating official or for notification of the debtor. In the case of non-bearer bonds, they may be transferred by a declaration written on the certificates themselves.

Issuers may trade in their own internationalisation bonds or internationalisation covered bonds to regulate the correct functioning of their liquidity and market price or to restore the maximum issue limits. They may also acquire and hold own internationalisation bonds and internationalisation covered bonds in portfolio, up to a limit, in the case of issues offered to the general public, of 50% of each series.

SUPERVISORY POWERS OVER INTERNATIONALISATION BONDS

The Banco de España will be responsible for control and inspection of the conditions required of assets acting as collateral for internationalisation bond and internationalisation covered bond issues and of the above-mentioned accounting record.

In turn, the CNMV will be responsible for supervising all matters relating to public offerings of internationalisation bonds and internationalisation covered bonds and to secondary

49 See "Financial regulation: 2013 Q3", *Economic Bulletin*, October 2013, Banco de España, pp. 68-76.

50 See "Regulación financiera: tercer trimestre de 1988", *Boletín Económico*, October 1988, Banco de España, pp. 61 and 62.

51 These measures include in particular: 1) creating a deposit of cash or public funds at the Banco de España; 2) purchasing their own internationalisation bonds and internationalisation covered bonds in the market for subsequent redemption; 3) extending new loans with similar characteristics; 4) assigning new eligible loans to the payment of the internationalisation bonds, by means of a public deed; 5) assigning new replacement assets to the payment of the internationalisation bonds or internationalisation covered bonds; and 6) redeeming internationalisation bonds and internationalisation covered bonds in the amount necessary to restore the balance.

market transactions in these bonds, all the foregoing without prejudice to the powers entrusted to the CNMV in the rules on securitisation of all kinds of securities. Moreover, the CNMV may request information from the Banco de España on compliance with the proportions established in the Royal Decree between the assets and liabilities of internationalisation bond and internationalisation covered bond issuers.

European Union: new regulations relating to payment accounts

Directive 2014/92/EU of the European Parliament and of the Council of 23 July 2014 (OJ L of 28 August 2014) on the comparability of fees related to payment accounts,[52] payment account switching and access to payment accounts with basic features was published.

The Directive came into force on 17 September and shall be transposed by Member States by 18 March 2016.

The most noteworthy aspects are described below.

SCOPE OF APPLICATION

The Directive lays down rules on the transparency and comparability of fees charged to consumers on payment accounts held in the EU, on the switching of payment accounts within a Member State and on cross-border account-opening. It also establishes the rules and conditions whereby Member States will guarantee the right of consumers to open and use payment accounts with basic features.

Member States will establish a provisional list of at least ten and no more than 20 of the most representative services linked to a payment account and subject to a fee, provided by at least one payment service provider[53] at national level. That list will be sent to both the Commission and the EBA by 18 September 2015. Moreover, powers are delegated to the Commission to adopt technical standards implementing the Directive and to publish the resulting final list of the most representative services linked to a payment account, which will be updated every four years.

COMPARABILITY OF FEES APPLICABLE TO PAYMENT ACCOUNTS

Payment service providers should provide consumers with a fee information document containing: 1) the standardised terms in the final list of the most representative services linked to the payment account; 2) a glossary explaining those standardised terms; and 3) the fees applicable to each of the services offered by the provider.

In order to be able to compare the fees charged by several payment service providers, consumers should have access, free of charge, to at least one website comparing the fees charged for at least the services included in the final list at national level. The comparison websites may be operated either by a private operator or a public authority.

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52 Payment accounts are accounts held in the name of one or more consumers that are used to make payment transactions, which may consist in placing, transferring or withdrawing funds. In Spanish law, payment accounts are regulated in Payment Services Law 16/2009 of 13 November 2009, implemented by Royal Decree 712/2010 of 28 May 2010 on the legal regime governing payment services and payment institutions. Payment accounts have certain operational restrictions and must be linked, from the outset and throughout their lifetime, to a cash deposit account opened by one of their holders at a credit institution authorised in the EU.

53 The following are payment service providers: 1) credit institutions; 2) electronic money institutions; 3) post office giro institutions authorised under national law to provide payment services; 4) the ECB and the NCBs when not acting in their capacity as monetary authority or other public authorities; 5) Member States and their regional and local authorities, when not acting in their capacity as public authorities; and 6) payment institutions regulated in Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007.

54 A payment account switching service entails, at a consumer's request, transferring the information on all or some standing orders, direct debits and direct credits executed on a payment account from one payment service provider to another, and/or transferring any credit balance from one payment account to another, with or without closing the old payment account.

PAYMENT ACCOUNT SWITCHING

Payment service providers shall provide consumers with a switching service between payment accounts held in the same currency.[54] Time windows are established for the receiving payment service provider to request transactions linked to the payment account (such as standing orders and direct debits) from the transferring payment service provider.

In connection with cross-border (i.e. in another Member State) opening of payment accounts, payment service providers shall provide consumers with certain assistance, such as providing them, free of charge, with a list of all currently active standing orders and direct debits, transferring any remaining credit balance on their payment account and closing the payment account opened by the consumer.

ACCESS TO PAYMENT ACCOUNTS WITH BASIC FEATURES

Member States shall ensure that consumers legally resident in the EU, including consumers with no fixed address, asylum seekers and consumers who are not granted a residence permit but whose expulsion is impossible for legal or factual reasons, have the right to open and use a payment account with basic features[55] in banks located in those Member States. This right will apply irrespective of the consumer's place of residence. Likewise, Member States will endeavour to ensure that payment accounts with basic features are not only offered by banks, but also by other payment service providers.

SUPERVISION, DISPUTE RESOLUTION AND PENALTY REGIME

Member States will designate the NCAs empowered to ensure the application and enforcement of this Directive and will grant them the investigation and enforcement powers and the resources necessary for the effective performance of their duties. Member States' NCAs will exchange information and will cooperate in all investigations and supervisory activities.

Urgent insolvency measures

Royal Decree-Law 11/2014 of 5 September 2014 (*BOE* of 6 September 2014) on urgent insolvency measures (hereafter, the Royal Decree-Law) was published, with the aim, inter alia, of extending the reforms brought in by Royal Decree-Law 4/2014[56] for the pre-insolvency stage (refinancing agreements) to the insolvency agreement itself, with the main objective being to promote agreements that will enable economically viable companies to survive insolvency proceedings.

The key changes ushered in by the Royal Decree-Law, which came into force on 7 September 2014, are as follows.

GENERAL CHANGES TO INSOLVENCY AGREEMENTS

Certain changes have been made to proposals for agreements, aimed at helping companies to survive. Thus, the Royal Decree-Law provides that assets and rights can only be transferred to creditors in payment if they are not essential for the continuation of the professional or business activity and if their fair value is equal to or less than that of the claim being discharged. If their fair value is higher, the difference should be included in the assets available to creditors. In no event will there be an obligation to transfer assets or rights in payment to public sector creditors.

55 Payment accounts with basic features should at least include services enabling: 1) all the operations required to open, operate and close a payment account; 2) cash payments into a payment account; 3) cash withdrawals from a payment account; and 4) payment transactions (such as direct debits, transactions using a payment card, including online payments and transfers of funds, including standing orders).

56 Royal Decree-Law 4/2014 of 7 March 2014 adopting urgent measures on the refinancing and rescheduling of corporate debt. See "Financial regulation: 2014 Q1", *Economic Bulletin*, April 2014, Banco de España, pp. 67-70. Royal Decree-Law 4/2014 was subsequently enacted as a law, through Law 17/2014 of 30 September 2014 (*BOE* of 1 October 2014) adopting urgent measures on the refinancing and rescheduling of corporate debt.

For the first time, persons acquiring their claims after an insolvency order is made will be entitled to vote at the creditors' meeting, unless they are persons especially related to the debtor, in which case their claims would be classed as subordinated claims (which grant no entitlement to vote and remain subject to the agreement).

Moreover, the quorums needed for proposals for agreements relating to ordinary claims to be accepted have been changed. Previously, a favourable vote of at least 50% of the ordinary claims was sufficient, while there was an overall limit on proposals for reduction or deferral (specifically, proposals for reduction could not exceed 50% of the amount of each ordinary claim and proposals for deferral could not exceed five years). The Royal Decree-Law has now removed this limit, while establishing different majorities – between 50% and 65% – according to the terms of the agreement.

Lastly, an arrangement has also been introduced to allow the measures contained in this Royal Decree-Law to be applied, on a one-off basis, to agreements adopted under the previous legislation, provided that they are adopted by enhanced majorities (higher than those required for approval of the agreements) and that this is approved by the court.

CHANGES RELATING TO PREFERRED CREDITORS

Provisions similar to those relating to refinancing agreements, as established by Royal Decree-Law 4/2014, have been introduced in respect of the valuation of preferred collateral. Accordingly, the special preference will only affect the portion of the claim that does not exceed the value of the collateral included in the list of creditors. Any portion of the claim exceeding that value will not receive special treatment and will be classed according to the nature of the claim.

As in the case of pre-insolvency agreements, the value of the collateral will be calculated as follows: the fair value[57] of the asset or right secured by the collateral will be reduced by 10% and then the amount of any outstanding claims secured by preferred collateral over that same asset will be subtracted from the remainder.

In addition, the Royal Decree-Law groups preferred creditors into the following classes (with no distinction between generally or specially preferred[58] creditors): 1) labour law creditors; 2) public law creditors; 3) financial creditors, that is, holders of any financial debts whether or not they are subject to financial supervision; and 4) all others, including trade creditors.

Under the previous legislation, preferred claims were only bound by the content of the agreement if the creditors concerned had voted for the proposal or if the fact of their signing up to the proposal was classed as a vote for it, but in no circumstances could the terms of the agreement be imposed on them. Now, the Royal Decree-Law establishes, as a new development, that they will also be bound by the agreements where there are certain majorities within their class.

CHANGES RELATING TO WINDING-UP PROCEEDINGS

In respect of winding-up, the aim is to ensure, insofar as possible, the continuation of the business activity, basically facilitating the sale of the establishments and operations, and of any other production units, of the debtor.

57 The calculation of the fair value depends on the nature of the asset: for transferable securities traded on an official secondary market it will be their average price in the quarter before the insolvency order was made; for real estate assets it will be the value estimated by an appraisal company registered with the Banco de España; and for other types of assets it will be the value calculated by an independent expert.

58 Specially preferred creditors are those whose claims are secured by the company's assets. Generally preferred creditors are mainly employees and public sector creditors, in addition to the part of the new funding granted to the insolvent company that is not included in the claims against the assets.

The Royal Decree-Law has introduced a new provision relating to the winding-up plan, consisting in granting the court the power to retain 10% of the assets available to creditors to be used to meet future challenges, such as legal rulings issued in any appeals lodged against winding-up proceedings. This sum will be released when the appeals have been settled or the deadline for appeal has passed. Any amount remaining once appeals have been settled or the appeal deadline has passed will be allotted in accordance with the order of priority of claims established in law, taking into account the part of any claims that have already been met.

Certain changes have also been made to the supplementary legal rules applicable in the event that the winding-up plan is not approved. Thus, if the entire company or some of its production units are sold through a tender process, a period will be set for the submission of bids to acquire the company, and the court will award it, from among those bids whose price is no more than 10% higher than the lowest bid, to the bidder that it considers provides the most assurance of continuity of the business or, where appropriate, of the production units and jobs, and the best satisfaction of creditors' claims.

OTHER CHANGES

Law 9/2012 of 14 November 2012 on credit institution restructuring and resolution[59] notes that credit claims transferred to the asset management company for assets resulting from bank restructuring (Sareb) will be taken into consideration for calculating the majorities needed to adopt the legally recognised agreements regulated in Royal Decree-Law 4/2014 of 7 March 2014, even if Sareb is considered to be especially related to the debtor.

An electronic access portal will be created, containing a list of companies subject to winding-up proceedings and any information required to facilitate their sale. A committee will also be established to monitor refinancing practices and reduce debt overhang.

Civil Procedure Law 1/2000 of 7 January 2000 has been amended to adapt it to the ruling of the Court of Justice of the European Union of 17 July 2014. In consequence, mortgagors may file an appeal against any decision dismissing their objection to foreclosure if it was based on the existence of unfair terms that constitute the basis of the foreclosure or the amount payable.

Lastly, the stay of application of the provisions of the consolidated text of the Share Capital Companies Law, approved by Royal Legislative Decree 1/2010 of 2 July 2010, relating to exit rights in the event of no distribution of dividend,[60] has been extended from 31 December 2014 to 31 December 2016.

General government economic and financial information

Royal Decree 636/2014 of 25 July 2014 (BOE of 30 July 2014) setting up the General Government Economic and Financial Information Office (*Central de Información Económico-Financiera de las Administraciones Públicas*, CIEF) and regulating the sending of information by the Banco de España and financial institutions to the Ministry of Finance and Public Administration was published.

The most important aspects of this Royal Decree, which entered into force on 31 July 2014, are summarised below.

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59 See "Financial regulation: 2012 Q4", *Economic Bulletin*, January 2013, Banco de España, pp. 42-47.

60 Pursuant to Article 348 bis, from the fifth year from the date of recording of a company in the Mercantile Register, any shareholder that has voted for the distribution of corporate profits shall have exit rights in the event that the general meeting has not resolved to distribute as dividend at least one-third of the profits corresponding to the pursuit of the corporate purpose obtained during the previous year and which are distributable by law.

ECONOMIC AND FINANCIAL INFORMATION OFFICE

The CIEF is set up, as provided for by Organic Law 2/2012 of 27 April 2012 on budgetary stability and financial sustainability, to provide information to the public on the economic and financial activity of government bodies through the web portal of the Ministry of Finance and Public Administration.

The agency attached to the Ministry of Finance and Public Administration to be responsible for managing the CIEF will be specified in the implementing regulations. Among other functions, this agency will be responsible for providing and coordinating the economic and financial information of the various government bodies that must be published by the CIEF, and for the filing and safekeeping of such information.

Information will be supplied on a monthly basis by the ministerial departments that make up central government, as well as by their subsidiary and related entities and agencies.

REPORTING OBLIGATIONS OF THE BANCO DE ESPAÑA AND FINANCIAL INSTITUTIONS

The Banco de España will send, each month, to the Ministry of Finance and Public Administration the information that financial institutions have supplied to the Central Credit Register (CIR) on the credit transactions that they have entered into with government bodies, including the guarantees, counter-guarantees or any other kind of collateral/ guarantee granted in relation to such credit transactions. It will also notify the debit position of government bodies or other specific data relating to their indebtedness or certain credit transactions.

For its part, the Ministry of Finance and Public Administration may request of financial institutions other information relating to credit transactions and information on guarantees, counter-guarantees or any other kind of collateral/guarantee entered into with government bodies or their subsidiary entities or agencies, in addition to that supplied to the CIR, when the latter is insufficient or more detailed information on certain credit transactions is required.

Urgent measures for growth, competitiveness and efficiency

Royal Decree-Law 8/2014 of 4 July 2014 (BOE of 5 July 2014) approving urgent measures for growth, competitiveness and efficiency was published and entered into force on 5 July 2014.

The most important changes from a financial and fiscal viewpoint are summarised below:

FINANCING AND INTERNATIONALISATION OF SPANISH FIRMS

The functions of the *Fondo para Operaciones de Inversión en el Exterior de la Pequeña y Mediana Empresa* (FONPYME, Fund for Foreign Investment by SMEs)[61] to promote the internationalisation of the activity of SMEs are enhanced. Thus, FONPYME may acquire temporary, minority and direct holdings in “capital expansion funds” (*fondos de capital expansion*) or through any officially supported equity instruments that already exist or that may be established, and in private investment funds, which foster the internationalisation of firms.

At the same time, the Official Credit Institute (ICO) will launch a programme of guarantees and collateral in favour of multilateral agencies and international financial institutions in order to promote the financing and internationalisation of Spanish firms.

61 FONPYME, created by Law 66/1997 of 30 December 1997 on fiscal, administrative and social measures, is designed to promote the internationalisation of the activity of SMEs, through temporary, minority and direct holdings in the share capital of Spanish firms for their internationalisation or of firms located abroad, and, in general, in the own funds of the firms, through any equity instruments.

CARD PAYMENT TRANSACTIONS

Ceilings for the interchange fees applicable to payment transactions entered into at point of sale terminals in Spain using debit or credit cards,[62] irrespective of the sales channel used, to which payment service providers established in Spain are party, are regulated.[63]

In the case of debit card transactions, the interchange fee per transaction may not exceed 0.2% of the transaction value, subject to a maximum amount of €0.07. For transactions of €20 or less, this fee may not exceed 0.1% of the transaction value. In credit card transactions the fee may not exceed 0.3% of the transaction value. When the amount of the transaction is €20 or less, the fee may not exceed 0.2% of the transaction value. These restrictions on interchange fees have been in force since 1 September 2014.

FISCAL MEASURES

The rate of the tax on deposits with credit institutions, regulated in Law 16/2012 of 27 December 2012,[64] was raised, with effect from 1 January 2014, from 0% to 0.03%. The revenue raised will be divided among the regional governments in accordance with the location of the taxpayers' head office or branches at which the taxed third-party funds are held. For this purpose, credit institutions must give details of the amount of taxed third-party funds held in each region. They must also give details of the amount corresponding to funds held through electronic marketing systems (remote).

In relation to personal income tax (IRPF), three relevant changes were introduced:

1) With effect from 1 January 2014 and in prior years for which the limitation period has not yet expired, capital gains arising as a result of deeds in lieu of foreclosure or mortgage execution procedures in relation to the principal residence of a mortgage debtor or the guarantor thereof for the payment of debts secured by a mortgage thereon are, with the odd exception, declared exempt.

2) With effect from 1 January 2014, negative taxable savings income arising on subordinated debt or preference debt-instruments, or on securities received in exchange for these instruments, generated prior to 1 January 2015, can be set off against positive taxable savings income, or general taxable income arising from the transfer of assets. If after this set-off a negative balance remains, its amount may be set off against positive amounts over the following four years.

3) As from 5 July 2014 (the date this Royal Decree-Law enters into force), the percentage of withholdings and prepayments is reduced from 19% to 15% in the case of income arising from professional activities, when certain conditions are fulfilled.

OTHER MEASURES

The Royal Decree-Law permits local authorities to enter into new borrowing transactions in 2014, in order to pay off all or part of their outstanding debts with the *Fondo para la Financiación de los Pagos a Proveedores* (Fund for the Financing of Payments to Suppliers), provided that certain requirements established therein are fulfilled.

3.10.2014.

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62 Transactions carried out with corporate cards and cash withdrawals from ATMs are excluded. These limits will not apply to tripartite schemes (such as PayPal, American Express or Diners) either, unless the latter grant licences to other payment service providers for the issuance or acquisition of payment cards.

63 In this way, the future European Union regulation on interchange fees for card-based payment transactions, the purpose of which is to regulate and limit interchange fees in the area of payment services in the European Union, is applied early.

64 Law 16/2012 of 27 December 2012 adopting various tax measures to consolidate public finances and boost economic activity.

CONTENTS

These economic indicators are permanently updated on the Banco de España website (http://www.bde.es/homee.htm). The date on which the indicators whose source is the Banco de España [those indicated with (BE) in this table of contents] are updated is published in a calendar that is disseminated on the Internet (http://www.bde.es/bde/en/areas/estadis/).

1 IMF Special Data Dissemination Standard (SDDS).

1 IMF Special Data Dissemination Standard (SDDS).

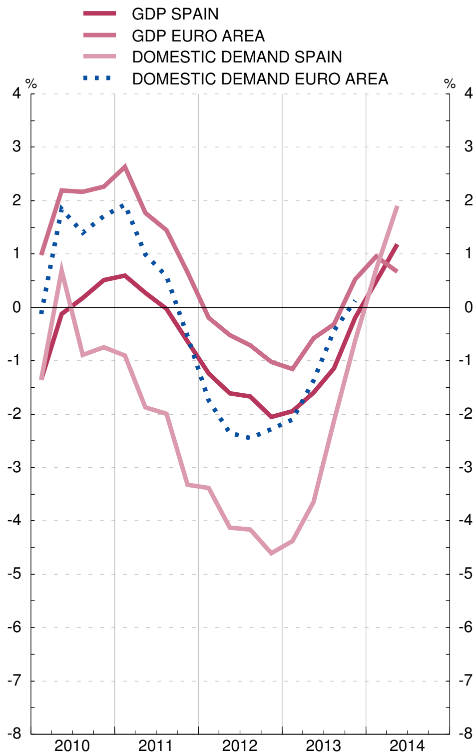
1.1. GROSS DOMESTIC PRODUCT. VOLUME CHAIN-LINKED INDICES, REFERENCE YEAR 2008=100. DEMAND COMPONENTS. SPAIN AND EURO AREA (a)

■ Series depicted in chart.

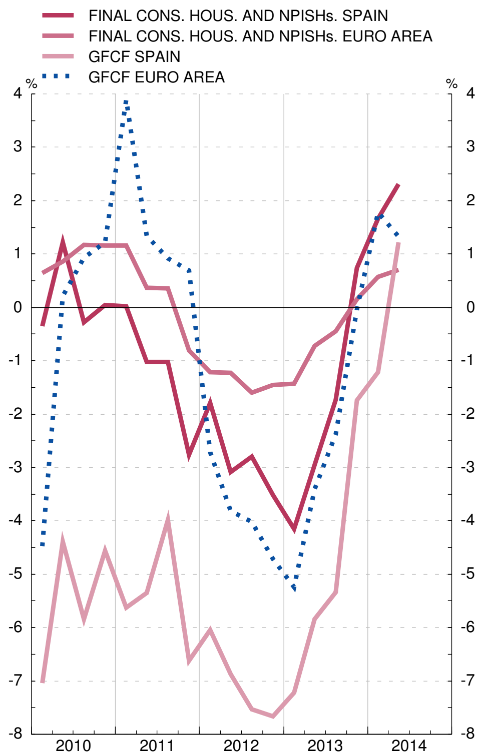
Annual percentage changes

		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
11		0.1	1.6	-1.2	0.3	-0.5	-0.1	-5.4	1.7	-2.0	0.7	7.6	6.7	-0.1	4.7	1 046	9 419
12	P	-1.6	-0.6	-2.8	-1.4	-4.8	-0.6	-7.0	-3.8	-4.1	-2.2	2.1	2.7	-5.7	-0.8	1 029	9 484
13	A	-1.2	-0.4	-2.0	-0.6	-2.3	0.1	-5.1	-2.8	-2.7	-0.9	4.9	1.5	0.4	0.4	1 023	9 585
11 *Q3*		-0.0	1.4	-1.0	0.4	-2.2	-0.4	-4.0	0.9	-2.0	0.6	7.2	5.9	0.0	3.9	261	2 361
Q4		-0.6	0.7	-2.8	-0.8	-0.7	-0.2	-6.6	0.7	-3.3	-0.5	4.2	3.6	-5.1	0.8	260	2 362
12 *Q1*		-1.2	-0.2	-1.8	-1.2	-4.9	-0.3	-6.0	-2.7	-3.4	-1.7	0.1	2.8	-6.9	-0.7	259	2 369
Q2		-1.6	-0.5	-3.1	-1.2	-4.4	-0.6	-6.9	-3.8	-4.1	-2.3	0.5	3.4	-7.7	-0.7	258	2 371
Q3	P	-1.7	-0.7	-2.8	-1.6	-4.9	-0.6	-7.5	-4.0	-4.2	-2.5	3.3	2.8	-4.6	-0.9	257	2 373
Q4	P	-2.1	-1.0	-3.5	-1.5	-5.0	-0.7	-7.7	-4.7	-4.6	-2.3	4.4	1.9	-3.5	-0.8	255	2 370
13 *Q1*	A	-1.9	-1.2	-4.2	-1.4	-2.3	-0.2	-7.2	-5.2	-4.4	-2.1	2.9	0.2	-4.9	-1.7	257	2 380
Q2	A	-1.6	-0.6	-3.0	-0.7	-3.4	0.0	-5.8	-3.4	-3.6	-1.4	9.5	1.6	3.2	0.0	255	2 395
Q3	A	-1.1	-0.3	-1.7	-0.4	0.2	0.6	-5.3	-2.4	-2.1	-0.4	3.5	1.0	0.6	0.9	255	2 400
Q4	A	-0.2	0.5	0.7	0.2	-3.5	0.2	-1.7	-0.0	-0.6	0.1	3.7	3.0	2.7	2.6	255	2 410
14 *Q1*	A	0.5	0.9	1.7	0.6	-0.2	0.7	-1.2	1.8	0.7	...	7.4	3.9	8.6	4.2	257	2 424
Q2	A	1.2	0.7	2.3	0.7	1.1	0.8	1.2	1.3	1.9	...	1.7	2.0	3.9	2.8	257	2 428

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.

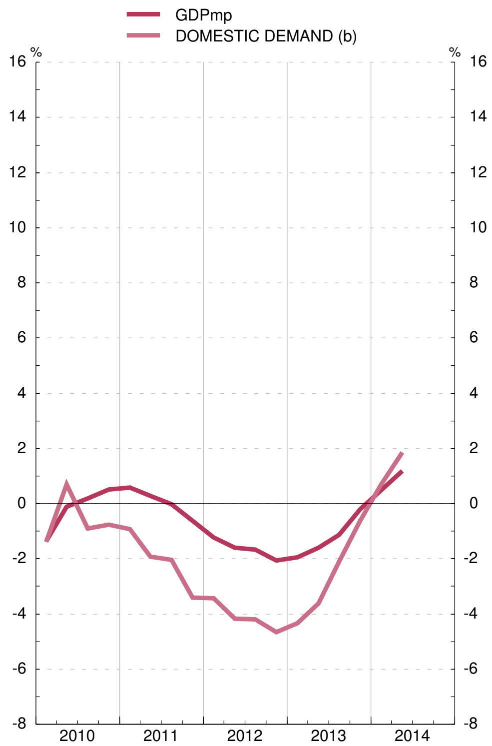
1.2. GROSS DOMESTIC PRODUCT. VOLUME CHAIN-LINKED INDICES. REFERENCE YEAR 2008=100. DEMAND COMPONENTS. SPAIN: BREAKDOWN (a)

■ Series depicted in chart.

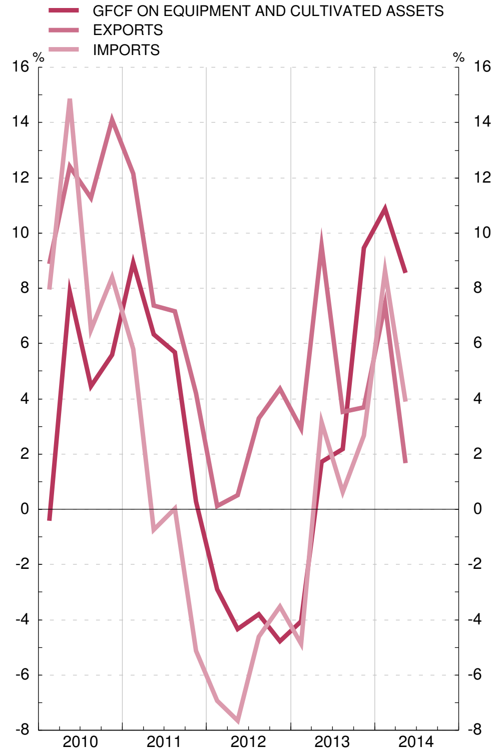
Annual percentage changes

		Gross fixed capital formation: Total	Tangible fixed assets: Total	Tangible fixed assets: Construction	Tangible fixed assets: Equipment and cultivated assets	Intangible fixed assets	Change in Stocks (b)	Exports of goods and services: Total	Exports: Goods	Exports: Services	Exports, of which: Final consumption of non-residents in economic territory	Imports of goods and services: Total	Imports: Goods	Imports: Services	Imports, of which: Final consumption of residents in the rest of the world	Memorandum items: Domestic demand (b) (c)	Memorandum items: GDP
		1	2	3	4 ■	5	6	7 ■	8	9	10	11 ■	12	13	14	15 ■	16 ■
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	P	-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
13	A	-5.1	-5.5	-9.6	2.2	-0.2	-0.0	4.9	7.2	-0.1	2.6	0.4	1.5	-3.7	1.4	-2.7	-1.2
11 *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*	P	-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	P	-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	P	-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	P	-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	-7.2	-7.9	-9.8	-4.1	-0.3	-0.0	2.9	4.6	-0.7	0.8	-4.9	-5.6	-2.4	-3.8	-4.3	-1.9
Q2	A	-5.8	-6.1	-10.1	1.7	-3.3	-0.1	9.5	13.6	1.0	1.6	3.2	4.6	-1.9	-2.9	-3.6	-1.6
Q3	A	-5.3	-5.6	-9.8	2.2	-2.9	-0.1	3.5	6.5	-2.8	2.5	0.6	2.5	-6.1	5.0	-2.1	-1.1
Q4	A	-1.7	-2.5	-8.6	9.5	6.0	-0.0	3.7	4.3	2.3	5.6	2.7	4.7	-4.5	7.4	-0.6	-0.2
14 *Q1*	A	-1.2	-1.8	-8.6	10.9	3.8	-0.0	7.4	7.2	7.8	5.9	8.6	10.1	3.4	4.1	0.7	0.5
Q2	A	1.2	1.1	-3.4	8.6	2.7	0.0	1.7	0.2	5.2	4.3	3.9	4.0	3.5	10.5	1.9	1.2

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)

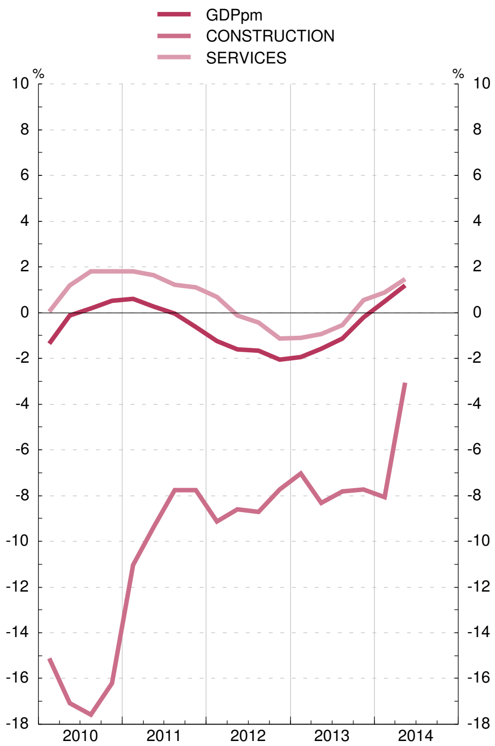
■ Series depicted in chart.

Annual percentage changes

		Gross domestic product at market prices	Agriculture livestock breeding, forestry and fishing	Industry		Construction industry	Services								Net taxes on products
				Total	Of which: Manufacturing industry		Total	Trade, transport and acomodation	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
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	P	-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
13	A	-1.2	1.1	-1.2	-0.9	-7.7	-0.5	-0.2	-0.3	-3.3	-0.2	-0.0	-0.6	-0.9	-1.2
11 *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*	P	-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	P	-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	P	-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	P	-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	-1.9	-4.1	-2.5	-2.5	-7.0	-1.1	-1.9	-0.7	-3.7	-0.3	-0.8	0.4	-2.7	-2.0
Q2	A	-1.6	3.9	-2.1	-1.2	-8.3	-0.9	-0.2	1.0	-4.1	-0.6	-0.7	-2.0	-0.6	-1.0
Q3	A	-1.1	0.9	-0.8	-0.8	-7.8	-0.6	0.2	-1.6	-2.7	-0.7	-0.5	-0.8	-0.7	-0.8
Q4	A	-0.2	4.1	0.3	1.2	-7.7	0.5	1.3	-0.1	-2.4	0.6	1.9	-0.2	0.5	-1.2
14 *Q1*	A	0.5	7.4	0.5	1.5	-8.1	0.9	1.8	0.0	-2.1	1.0	1.1	0.2	1.9	2.9
Q2	A	1.2	-0.5	1.1	1.4	-3.1	1.5	2.6	-0.1	-2.3	1.8	2.6	0.4	1.7	3.0

GDP. BRANCHES OF ACTIVITY
Annual percentage changes

GDP. BRANCHES OF ACTIVITY
Annual percentage changes



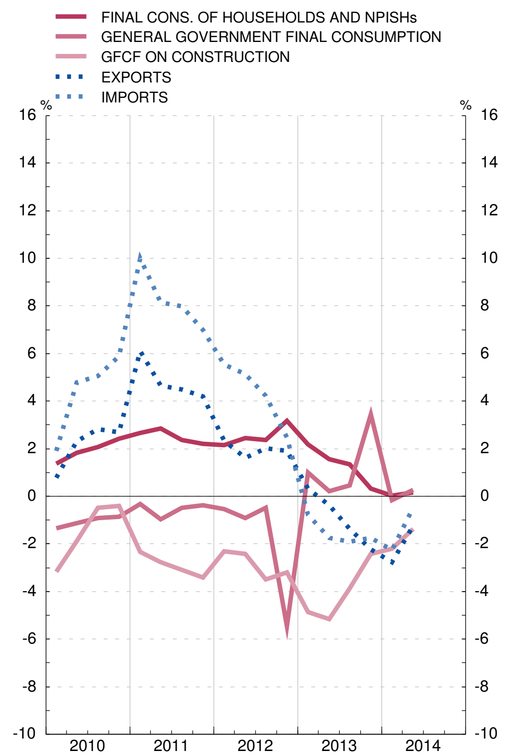
Source: INE (Quarterly National Accounts of Spain. Base year 2008).
a. Prepared in accordance with ESA95, seasonally- and working-day-adjusted series (see Economic bulletin April 2002).

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

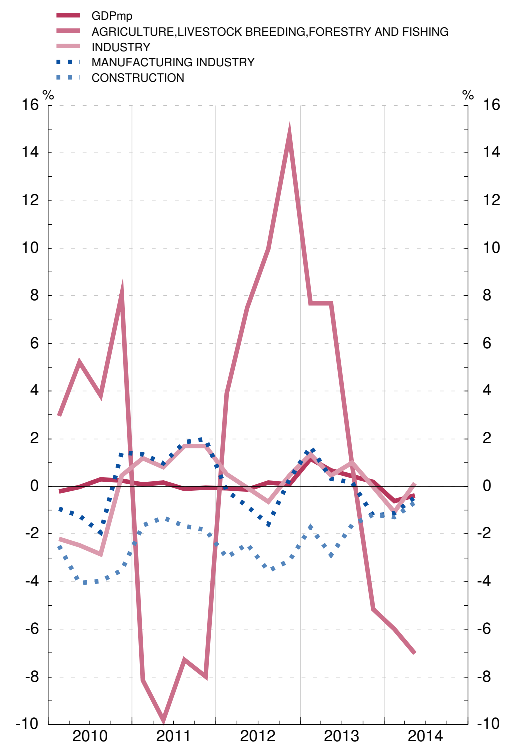
■ Series depicted in chart. *Annual percentage changes*

		Demand components: Final consumption of households and NPISHs (b) ■	Demand components: General government final consumption ■	Gross fixed capital formation: Total	Gross fixed capital formation: Tangible fixed assets: Construction ■	Gross fixed capital formation: Tangible fixed assets: Equipment and cultivated assets	Gross fixed capital formation: Intangible fixed asstes	Exports of goods and services ■	Imports of goods and services ■	Gross domestic product at market prices ■	Branches of activity: Agriculture, livestock breeding, forestry and fishing ■	Industry: Total ■	Industry: On which: Manufacturing industry ■	Construction ■	Services: Total	Services: Trade, transport and accommodation	Services: Information and communications	Services: Financial and insurance activities	Services: Real estate activities	Services: Professional activities	Services: Public administration, Health and Education	Services: 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
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	P	2.5	-1.8	-2.0	-2.8	-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
13	A	1.3	1.3	-3.3	-4.1	-3.1	0.7	-0.9	-1.6	0.6	2.7	0.7	0.2	-1.9	0.0	1.5	-5.4	-9.6	0.6	-0.1	0.8	2.3
11 *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*	P	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	P	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	P	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	P	3.1	-5.5	-2.2	-3.2	-1.3	1.7	1.9	2.5	0.1	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	2.2	1.0	-3.7	-4.9	-2.9	1.1	0.3	-0.8	1.2	7.7	1.4	1.7	-1.7	1.0	3.0	-2.9	-3.7	2.0	0.4	-0.2	3.2
Q2	A	1.5	0.2	-3.9	-5.2	-2.9	0.9	-0.4	-1.7	0.7	7.7	0.4	0.3	-2.9	-0.5	1.8	-4.6	-12.0	0.8	0.7	-1.6	3.0
Q3	A	1.3	0.4	-3.3	-3.9	-3.3	0.5	-1.4	-1.9	0.4	0.9	1.0	0.2	-1.6	-0.1	1.5	-5.7	-8.9	1.2	0.5	-0.5	2.4
Q4	A	0.3	3.5	-2.4	-2.4	-3.1	0.4	-2.2	-1.8	0.2	-5.1	-0.0	-1.2	-1.2	-0.3	-0.3	-8.6	-13.4	-1.6	-2.0	6.1	0.5
14 *Q1*	A	0.0	-0.2	-2.1	-2.2	-2.9	0.2	-2.8	-2.3	-0.6	-6.0	-1.1	-1.1	-1.3	-0.3	0.2	-7.1	0.2	-0.2	-0.9	0.3	0.2
Q2	A	0.2	0.3	-1.5	-1.4	-2.2	0.3	-1.2	-0.5	-0.4	-7.0	0.1	-0.5	-0.7	-0.0	0.5	-5.5	1.2	-0.3	-0.5	0.4	0.4

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.

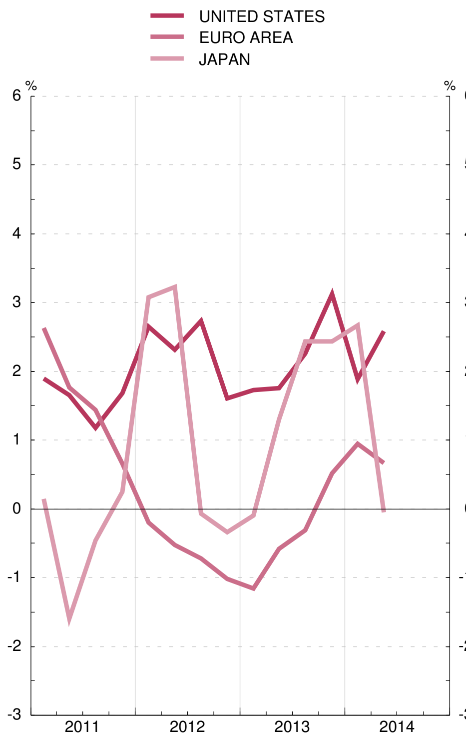
2.1. INTERNATIONAL COMPARISON. GROSS DOMESTIC PRODUCT AT CONSTANT PRICES

■ Series depicted in chart.

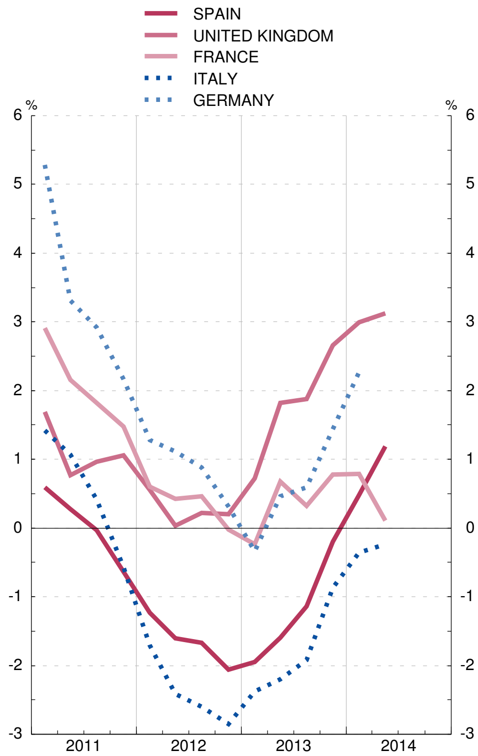
Annual percentage changes

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

GROSS DOMESTIC PRODUCT
Annual percentage changes



GROSS DOMESTIC PRODUCT
Annual percentage changes



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

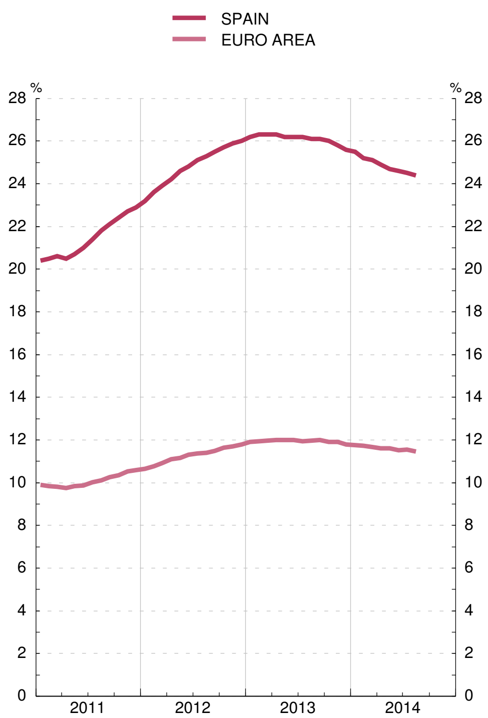
2.2. INTERNATIONAL COMPARISON. UNEMPLOYMENT RATES

■ Series depicted in chart.

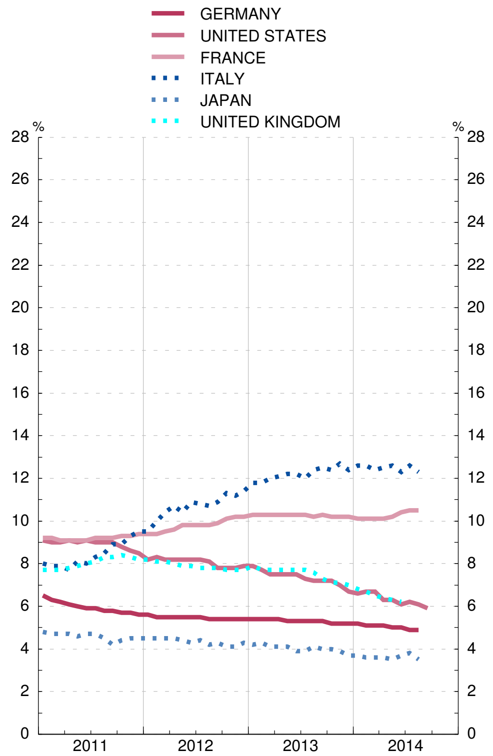
Percentages

	OECD 1	European Union 2	Euro area 3 ■	Germany 4 ■	Spain 5 ■	United States 6 ■	France 7 ■	Italy 8 ■	Japan 9 ■	United Kingdom 10 ■
11	7.9	9.6	10.1	6.0	21.4	8.9	9.2	8.4	4.6	8.0
12	7.9	10.5	11.3	5.5	24.8	8.1	9.8	10.7	4.3	7.9
13	7.9	10.8	11.9	5.3	26.1	7.3	10.3	12.2	4.0	7.5
13 *Apr*	8.0	10.9	12.0	5.4	26.3	7.5	10.3	12.1	4.1	7.7
May	8.0	10.9	12.0	5.3	26.2	7.5	10.3	12.2	4.1	7.7
Jun	7.9	10.9	12.0	5.3	26.2	7.5	10.3	12.2	3.9	7.7
Jul	7.9	10.9	11.9	5.3	26.2	7.3	10.3	12.0	3.9	7.7
Aug	7.9	10.8	12.0	5.3	26.1	7.2	10.2	12.4	4.1	7.6
Sep	7.8	10.8	12.0	5.3	26.1	7.2	10.3	12.5	4.0	7.3
Oct	7.8	10.7	11.9	5.2	26.0	7.2	10.2	12.4	4.0	7.1
Nov	7.7	10.7	11.9	5.2	25.8	7.0	10.2	12.7	3.9	7.1
Dec	7.5	10.6	11.8	5.2	25.6	6.7	10.2	12.4	3.7	7.0
14 *Jan*	7.5	10.5	11.8	5.2	25.5	6.6	10.1	12.6	3.7	6.8
Feb	7.5	10.5	11.7	5.1	25.2	6.7	10.1	12.6	3.6	6.7
Mar	7.5	10.4	11.7	5.1	25.1	6.7	10.1	12.4	3.6	6.5
Apr	7.4	10.3	11.6	5.1	24.9	6.3	10.1	12.5	3.6	6.4
May	7.4	10.3	11.6	5.0	24.7	6.3	10.2	12.6	3.5	6.3
Jun	7.3	10.2	11.5	5.0	24.6	6.1	10.4	12.3	3.7	6.2
Jul	7.4	10.2	11.5	4.9	24.5	6.2	10.5	12.6	3.8	...
Aug	7.3	10.1	11.5	4.9	24.4	6.1	10.5	12.3	3.5	...
Sep	...	...	...	...	...	5.9	...	...	...	...

UNEMPLOYMENT RATES



UNEMPLOYMENT RATES



Source: OECD.

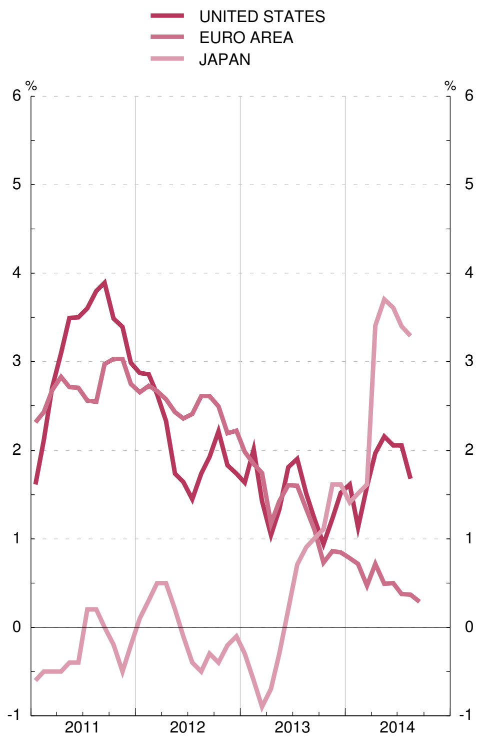
2.3. INTERNATIONAL COMPARISON. CONSUMER PRICES (a)

■ Series depicted in chart.

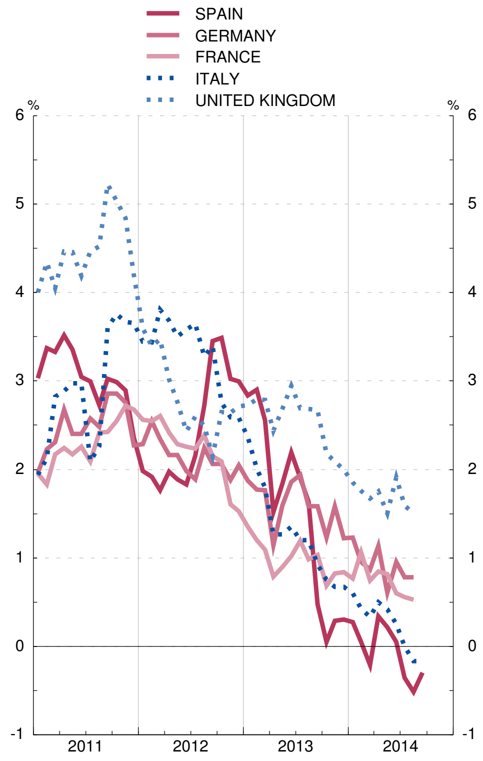
Annual percentage changes

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

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.

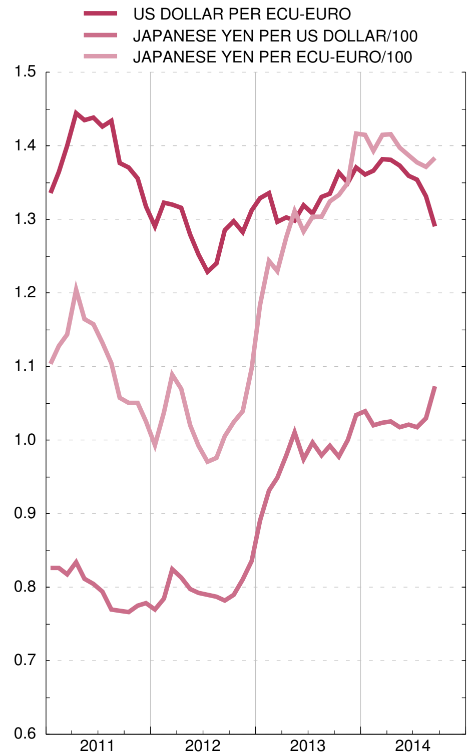
2.4. BILATERAL EXCHANGE RATES AND NOMINAL AND REAL EFFECTIVE EXCHANGE RATE INDICES FOR THE EURO, US DOLLAR AND JAPANESE YEN

■ 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
11	1.3918	111.00	79.74	103.4	74.0	127.5	100.7	82.4	92.8	97.2	90.2	89.0
12	1.2854	102.61	79.81	97.9	76.8	131.7	95.6	85.8	93.9	92.9	94.7	88.7
13	1.3281	129.69	97.64	101.7	79.5	106.8	98.9	89.2	75.3	96.4	98.2	72.0
13 *J-S*	1.3169	127.34	96.71	101.2	79.6	108.1	98.6	89.3	76.2	96.0	98.3	72.8
14 *J-S*	1.3554	139.51	102.96	103.4	80.8	100.3	99.9	90.5	71.7	97.5	99.3	69.0
13 *Jul*	1.3080	130.39	99.70	101.5	80.9	105.6	98.9	91.0	74.4	96.2	99.9	71.2
Aug	1.3310	130.34	97.93	102.2	79.9	106.6	99.5	89.9	75.2	96.8	98.8	71.8
Sep	1.3348	132.41	99.20	102.0	79.7	104.8	99.1	89.5	74.0	96.6	98.4	70.7
Oct	1.3635	133.32	97.78	102.8	78.7	105.1	99.8	88.2	74.4	97.3	97.2	71.3
Nov	1.3493	134.97	100.03	102.6	79.7	103.4	99.5	89.1	73.4	97.1	98.0	70.3
Dec	1.3704	141.68	103.39	103.9	79.9	99.5	100.7	89.3	70.5	98.2	98.3	67.7
14 *Jan*	1.3610	141.47	103.94	103.4	80.9	99.4	100.3	91.1	70.5	97.5	99.5	67.6
Feb	1.3659	139.35	102.02	103.6	80.7	101.0	100.4	90.8	71.4	97.6	99.4	68.4
Mar	1.3823	141.48	102.35	104.6	80.3	100.1	101.3	90.5	70.5	98.5	99.4	67.6
Apr	1.3813	141.62	102.53	104.5	80.1	99.8	101.0	90.0	71.6	98.5	99.3	69.1
May	1.3732	139.74	101.76	103.8	79.9	100.7	100.1	90.0	72.4	97.9	99.0	69.9
Jun	1.3592	138.72	102.06	103.0	80.2	100.8	99.2	90.4	72.3	97.1	99.3	70.0
Jul	1.3539	137.72	101.72	102.6	80.0	101.2	98.7	90.4	72.8	96.8	99.3	70.4
Aug	1.3316	137.11	102.97	101.9	81.3	101.0	98.0	...	...	96.1	...	...
Sep	1.2901	138.39	107.28	...	83.4	98.5	...	...	...	...	...	...

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.

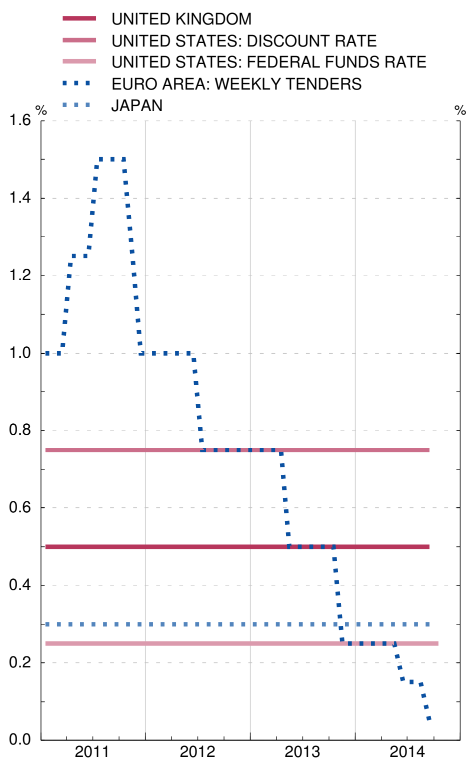
b. Obtained by multiplying the relative prices of each area/country (relation betwen its price index and the price index of the group) by the nominal effective exchange rate. A decline in the index denotes a depreciation of the real effective exchange rate and, may be interpreted as an improvement in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

2.5. CENTRAL BANK INTERVENTION INTEREST RATES AND SHORT-TERM DOMESTIC MARKET INTEREST RATES

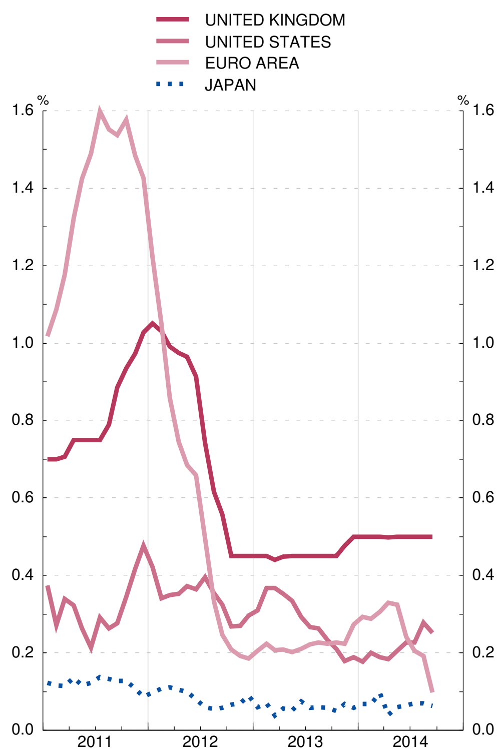
■ Series depicted in chart. *Percentages*

	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	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 ■
11	1.00	0.75	0.25	0.30	0.50	1.02	1.39	-	1.34	0.32	-	-	0.12	0.81
12	0.75	0.75	0.25	0.30	0.50	0.76	0.57	-	1.06	0.34	-	-	0.08	0.76
13	0.25	0.75	0.25	0.30	0.50	0.53	0.22	-	1.07	0.28	-	-	0.06	0.46
13 *May*	0.50	0.75	0.25	0.30	0.50	0.57	0.20	-	1.75	0.33	-	-	0.05	0.45
Jun	0.50	0.75	0.25	0.30	0.50	0.52	0.21	-	-	0.29	-	-	0.08	0.45
Jul	0.50	0.75	0.25	0.30	0.50	0.52	0.22	-	0.22	0.27	-	-	0.06	0.45
Aug	0.50	0.75	0.25	0.30	0.50	0.54	0.23	-	1.25	0.26	-	-	0.06	0.45
Sep	0.50	0.75	0.25	0.30	0.50	0.50	0.22	-	-	0.23	-	-	0.06	0.45
Oct	0.50	0.75	0.25	0.30	0.50	0.49	0.23	-	-	0.21	-	-	0.05	0.45
Nov	0.25	0.75	0.25	0.30	0.50	0.48	0.22	-	-	0.18	-	-	0.07	0.48
Dec	0.25	0.75	0.25	0.30	0.50	0.48	0.27	-	-	0.19	-	-	0.06	0.50
14 *Jan*	0.25	0.75	0.25	0.30	0.50	0.49	0.29	-	-	0.18	-	-	0.07	0.50
Feb	0.25	0.75	0.25	0.30	0.50	0.51	0.29	-	0.70	0.20	-	-	0.07	0.50
Mar	0.25	0.75	0.25	0.30	0.50	0.49	0.31	-	-	0.19	-	-	0.10	0.50
Apr	0.25	0.75	0.25	0.30	0.50	0.49	0.33	-	-	0.18	-	-	0.04	0.50
May	0.25	0.75	0.25	0.30	0.50	0.51	0.32	-	0.55	0.20	-	-	0.06	0.50
Jun	0.15	0.75	0.25	0.30	0.50	0.47	0.24	-	-	0.23	-	-	0.06	0.50
Jul	0.15	0.75	0.25	0.30	0.50	0.46	0.21	-	-	0.23	-	-	0.07	0.50
Aug	0.15	0.75	0.25	0.30	0.50	0.48	0.19	-	0.42	0.28	-	-	0.07	0.50
Sep	0.05	0.75	0.25	0.30	0.50	0.44	0.10	-	-	0.25	-	-	0.06	0.50
Oct	-	-	0.25	-	-	-0.00	-	-	-	-	-	-	-	-

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.

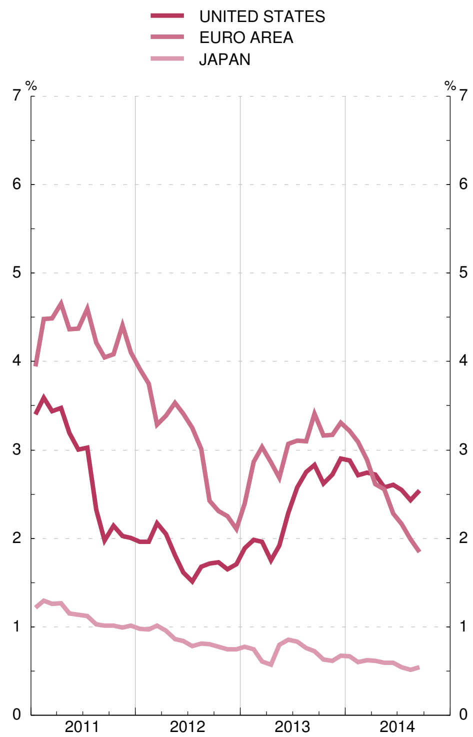
2.6. 10-YEAR GOVERNMENT BOND YIELDS ON DOMESTIC MARKETS

■ Series depicted in chart.

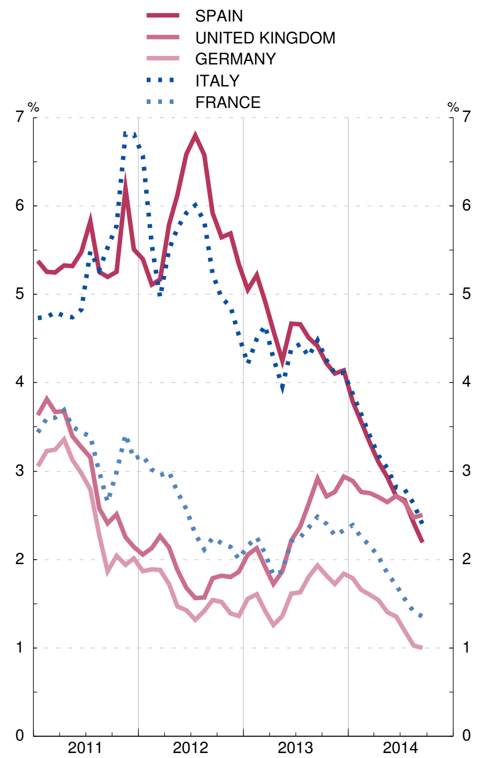
Percentages

	OECD	European Union	Euro area	Germany	Spain	United States	France	Italy	Japan	United Kingdom
	1	2	3 ■	4 ■	5 ■	6 ■	7 ■	8 ■	9 ■	10 ■
11	3.15	4.07	4.31	2.66	5.44	2.80	3.32	5.36	1.12	3.04
12	2.35	3.38	3.05	1.57	5.85	1.80	2.53	5.47	0.86	1.88
13	2.44	2.80	3.01	1.63	4.56	2.35	2.21	4.30	0.72	2.36
13 *Apr*	2.01	2.50	2.86	1.26	4.59	1.75	1.82	4.28	0.57	1.72
May	2.08	2.43	2.69	1.36	4.25	1.92	1.87	3.96	0.80	1.87
Jun	2.42	2.80	3.07	1.62	4.67	2.29	2.21	4.39	0.85	2.22
Jul	2.59	2.86	3.10	1.63	4.66	2.58	2.25	4.44	0.83	2.37
Aug	2.69	2.96	3.10	1.80	4.51	2.75	2.36	4.30	0.76	2.63
Sep	2.79	3.10	3.41	1.93	4.42	2.83	2.48	4.48	0.73	2.91
Oct	2.61	2.92	3.16	1.81	4.22	2.62	2.40	4.26	0.63	2.71
Nov	2.63	2.83	3.17	1.72	4.11	2.72	2.27	4.10	0.61	2.77
Dec	2.75	2.91	3.31	1.84	4.14	2.90	2.33	4.11	0.67	2.94
14 *Jan*	2.71	2.82	3.21	1.79	3.78	2.88	2.39	3.87	0.67	2.89
Feb	2.57	2.67	3.09	1.66	3.56	2.72	2.25	3.65	0.60	2.76
Mar	2.54	2.54	2.89	1.60	3.31	2.74	2.16	3.39	0.62	2.75
Apr	2.48	2.42	2.61	1.54	3.10	2.72	2.04	3.18	0.62	2.71
May	2.34	2.28	2.55	1.40	2.93	2.58	1.85	3.03	0.60	2.65
Jun	2.30	...	2.28	1.35	2.71	2.60	1.71	2.82	0.59	2.72
Jul	2.22	...	2.16	1.20	2.67	2.55	1.56	2.79	0.54	2.65
Aug	2.10	...	1.99	1.02	2.42	2.43	1.41	2.63	0.51	2.47
Sep	2.12	...	1.85	1.00	2.20	2.54	1.35	2.40	0.54	2.51

10-YEAR GOVERNMENT BOND YIELDS



10-YEAR GOVERNMENT BOND YIELDS



Sources: ECB, Reuters and BE.

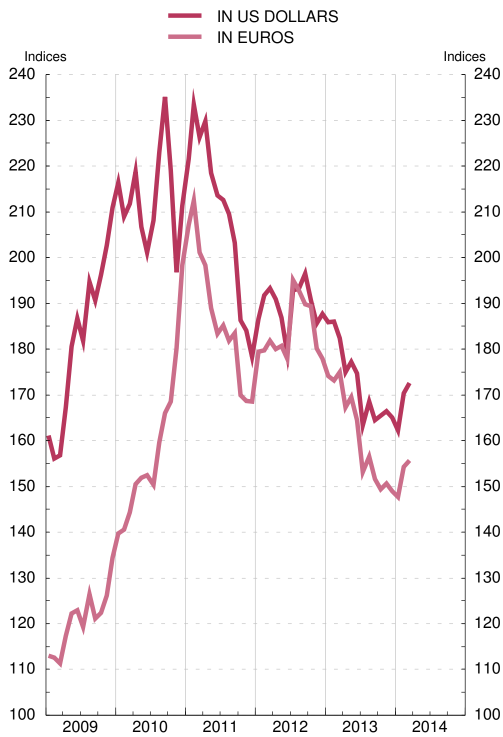
2.7 INTERNATIONAL MARKETS. NON-ENERGY COMMODITIES PRICE INDEX. CRUDE OIL AND GOLD PRICE.

■ Series depicted in chart.

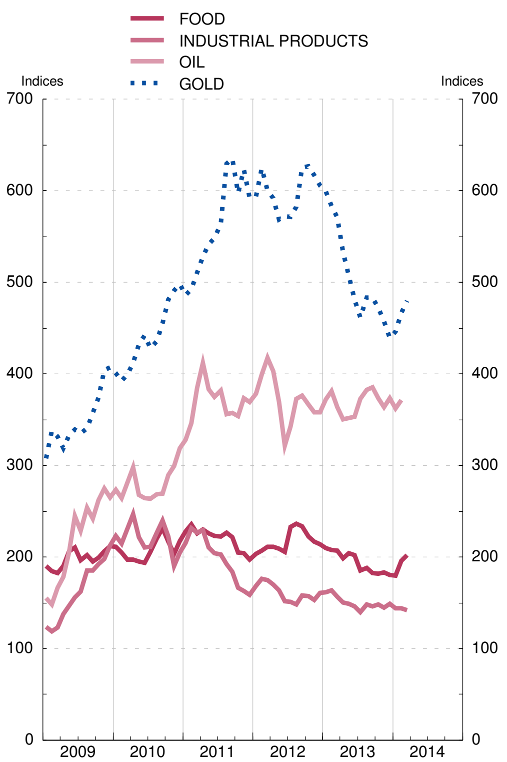
Base 2000 = 100

	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 agricul-tural products	Metals					
	1 ■	2 ■	3 ■	4 ■	5	6	7 ■	8	9 ■	10	11
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
13	161.1	172.8	194.2	150.2	161.2	145.5	368.6	109.6	505.4	1 409.8	34.16
13 *J-M*	174.1	184.7	208.0	160.5	167.9	157.4	372.0	113.5	584.5	1 630.6	39.73
14 *J-M*	152.5	168.4	192.3	143.4	153.4	139.2	...	109.2	464.0	1 294.5	30.35
13 *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	385.3	113.6	483.5	1 348.8	32.51
Oct	149.4	165.4	181.7	148.5	157.6	144.6	373.5	110.0	471.8	1 316.2	31.01
Nov	150.7	166.4	183.5	144.5	156.9	139.2	363.3	108.2	457.3	1 275.8	30.40
Dec	148.9	165.0	180.6	148.8	159.1	144.4	373.6	111.3	439.3	1 225.4	28.65
14 *Jan*	147.7	162.3	180.0	143.9	152.0	140.4	362.2	109.3	446.2	1 244.8	29.39
Feb	154.3	170.4	195.5	144.3	152.8	140.7	371.3	110.0	466.4	1 301.0	30.61
Mar	155.7	172.6	201.8	142.2	155.4	136.6	...	108.3	479.7	1 338.3	31.06

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

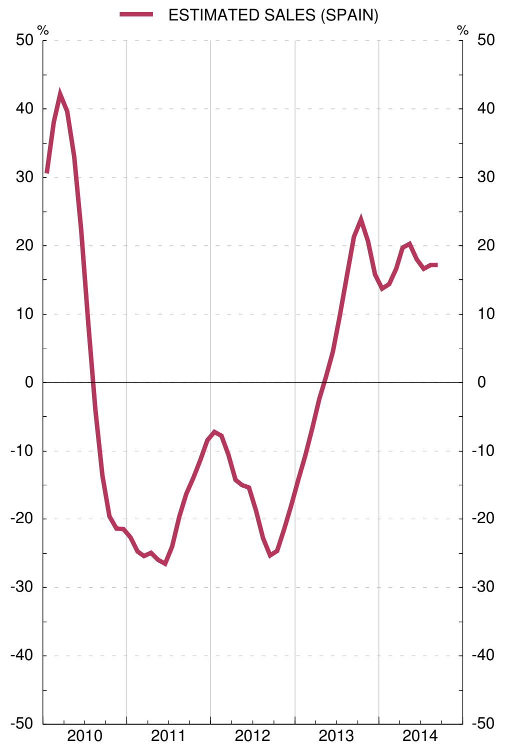
■ Series depicted in chart.

Percentage balances, annual percentage changes and indices

		Opinion surveys (a) (Percentage balances seasonally adjusted)						New car registrations and sales (Annual percentage changes)			Retail trade indices (2010=100, NACE 2009) (Deflacted indices)							
		Consumers			Retail trade confidence indicator	Memorandum item: euro area		Registrations	Estimated sales	Memorandum item: euro area registrations	General retail trade index	General index without petrol stations						
		Confidence indicator	General economic situation: anticipated trend	Household economic situation: anticipated trend		Consumer confidence indicator	Retail trade confidence indicator					Total	of which Food	Large retail outlets	Large chain stores	Small chain stores	Single-outlet retailers	Memorandum item: euro area (Annual percentage changes, adjusted by working days)
		1 ■	2	3	4	5 ■	6	7	8 ■	9	10	11	12	13	14	15	16	17
11		-17.1	-13.8	-6.7	-19.8	-14.6	-5.5	-18.3	-17.7	-0.6	94.2	94.4	97.2	92.8	99.2	92.8	93.0	-0.5
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
13	P	-25.3	-19.3	-12.1	-10.1	-18.7	-12.5	3.9	3.3	-3.9	84.2	84.6	91.5	80.9	96.7	80.8	79.7	-0.8
13 *J-S*	P	-27.3	-23.1	-13.6	-13.3	-20.1	-14.4	-1.1	-1.6	-6.9	83.0	83.3	89.9	78.3	95.3	79.7	79.1	-1.2
14 *J-S*	P	-8.6	4.6	-1.3	6.4	-9.6	-3.4	21.6	17.2	...	...	...	...	...	...	...	...	...
13 *Oct*	P	-20.6	-9.7	-8.9	-5.0	-14.4	-7.7	33.8	34.4	4.2	83.6	83.8	92.9	73.8	98.0	79.6	80.4	-0.5
Nov	P	-20.5	-9.2	-7.6	-2.6	-15.3	-7.6	15.9	15.1	4.9	81.6	81.7	89.8	78.8	93.8	77.6	76.6	1.7
Dec	P	-17.1	-4.8	-7.2	5.5	-13.5	-5.1	19.6	18.2	6.9	97.7	99.5	106.2	113.7	111.2	95.4	87.2	0.0
14 *Jan*	P	-12.5	0.6	-5.3	6.6	-11.7	-3.5	23.4	7.6	5.4	87.0	88.0	85.7	92.5	97.1	85.9	80.7	0.8
Feb	P	-14.7	0.9	-5.1	1.1	-12.7	-3.1	18.8	17.8	5.9	74.0	74.2	80.5	69.1	82.7	70.8	71.4	1.2
Mar	P	-8.3	4.7	-2.0	7.5	-9.3	-2.6	11.0	10.0	4.0	80.1	80.1	89.8	71.1	92.3	75.6	76.9	1.0
Apr	P	-7.8	3.6	-1.4	6.9	-8.6	-2.6	29.4	28.7	5.1	80.8	81.0	90.1	72.1	92.7	78.0	77.6	1.8
May	P	-6.7	7.7	-	7.2	-7.1	-2.5	37.3	16.9	3.3	83.9	84.1	93.2	76.0	96.1	80.4	80.5	0.6
Jun	P	-3.9	5.6	1.4	6.0	-7.5	-1.9	23.7	23.9	3.3	83.3	83.6	90.8	76.2	93.5	81.4	80.3	2.1
Jul	P	-7.7	3.6	-0.5	6.0	-8.3	-2.3	9.2	10.9	5.6	92.9	93.7	97.5	91.0	106.1	92.7	86.8	0.8
Aug	P	-6.4	9.5	1.0	9.0	-10.0	-4.6	16.0	14.1	4.0	83.7	83.5	95.1	82.0	100.8	81.6	73.5	...
Sep	P	-9.6	5.6	-0.2	6.9	-11.4	-7.2	27.8	26.2	...	...	...	...	...	...	...	...	...

CONSUMER CONFIDENCE INDICATOR
Percentage balances,seasonally adjusted

CAR SALES
(Trend obtained with TRAMO-SEATS)



Sources: European Commission (European Economy, Supplement B), INE, DGT, ANFAC and ECB.
a. Additional information available at http://ec.europa.eu/economy_finance/db_indicators/surveys/index_en.htm

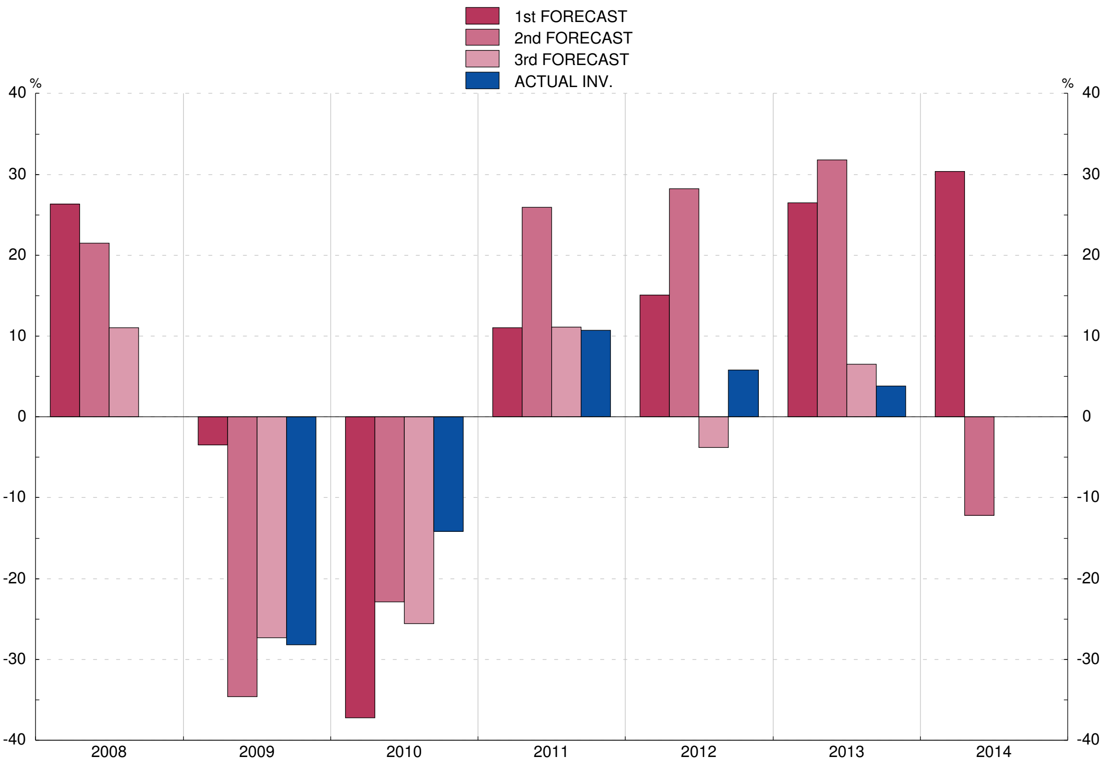
3.2. INVESTMENT IN INDUSTRY (EXCLUDING CONSTRUCTION): OPINION SURVEYS. SPAIN

■ Series depicted in chart.

Annual percentage changes at current prices

	ACTUAL INV. 1 ■	1st FORECAST 2 ■	2nd FORECAST 3 ■	3rd FORECAST 4 ■
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	4	27	32	7
14	...	30	-12	...

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.

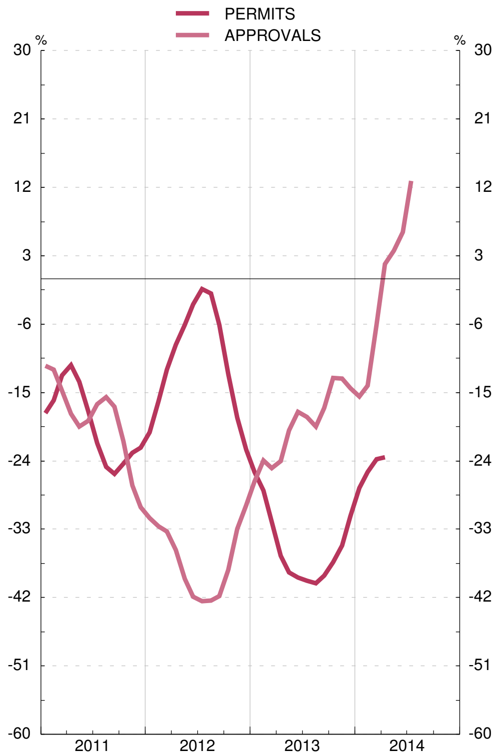
3.3. CONSTRUCTION. INDICATORS OF BUILDING STARTS AND CONSUMPTION OF CEMENT. SPAIN

■ Series depicted in chart.

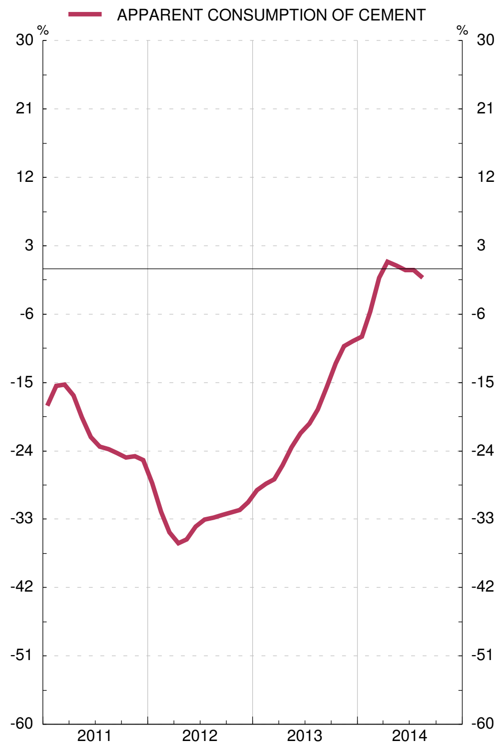
Annual percentage changes

		Permits: buildable floorage				Approvals: buildable floorage		Government tenders (budget)							Apparent consumption of cement
		Total	Residential (of which)	Housing (of which)	Non-residential	Total	Housing (of which)	Total: For the month	Total: Year to date	Building: Total	Building: Residential (of which)	Building: Housing (of which)	Building: Non-residential	Civil engineering	
		1 ■	2	3	4	5 ■	6	7 ■	8	9	10	11	12	13	14 ■
11		-16.4	-17.5	-16.6	-13.9	-18.6	-13.2	-49.7	-49.7	-57.6	-54.0	-51.0	-58.5	-45.0	-16.4
12		-19.6	-24.0	-23.3	-10.0	-37.2	-39.9	-45.6	-45.6	-48.7	-68.4	-62.4	-43.8	-44.1	-33.5
13	P	-27.2	-43.3	-46.6	2.0	-18.2	-20.3	17.3	17.3	-2.8	41.5	55.6	-9.1	25.8	-20.2
13 *J-A*	P	-26.7	-41.7	-45.8	-1.0	-20.9	-23.1	-8.4	-8.4	-17.1	25.3	4.0	-22.9	-5.3	-24.7
14 *J-A*	P	...	...	...	...	...	...	...	...	...	...	...	...	...	-2.0
13 *May*	P	-45.6	-44.3	-47.4	-47.2	-18.3	-26.9	-67.1	-34.6	-20.6	287.7	137.0	-43.8	-74.4	-22.0
Jun	P	-9.8	-22.5	-47.3	25.3	-14.1	-17.3	8.0	-29.7	-41.5	116.5	41.6	-54.6	35.8	-22.9
Jul	P	-35.1	-41.5	-47.6	-24.6	-11.6	2.2	92.5	-17.6	10.3	-61.2	-83.7	42.1	129.7	-16.5
Aug	P	5.6	-56.8	-52.8	88.4	-30.1	-36.2	77.8	-8.4	-2.3	-19.9	-90.6	0.5	119.1	-26.8
Sep	P	-42.5	-44.6	-49.3	-39.1	-23.9	-25.4	27.5	-6.0	18.3	-58.8	1 438.5	43.0	33.8	-9.1
Oct	P	-29.0	-36.0	-39.3	-16.5	12.3	-9.7	58.0	-1.7	47.2	-26.0	-43.1	55.1	62.3	-14.3
Nov	P	-51.9	-62.9	-63.4	-13.9	-23.0	-20.3	103.4	4.4	43.6	641.2	764.0	17.3	129.1	-5.7
Dec	P	22.4	-32.2	-31.4	117.4	-12.4	8.1	236.6	17.3	22.0	188.6	270.1	-2.3	584.9	-7.0
14 *Jan*	P	-7.1	21.4	20.0	-41.3	-5.6	-17.9	166.5	166.5	20.8	40.2	88.6	16.4	220.5	-15.3
Feb	P	-39.3	-38.7	-36.9	-40.3	-41.1	-36.8	47.8	96.0	-4.8	-65.1	-90.1	24.0	59.1	-10.9
Mar	P	2.4	19.2	23.3	-21.3	11.3	32.7	98.9	97.0	28.3	299.6	277.8	-2.1	131.7	20.2
Apr	P	-26.0	6.0	9.9	-52.3	12.2	11.9	55.1	87.7	23.7	5.8	38.5	25.7	77.1	-5.9
May	P	...	...	...	...	2.1	12.8	130.5	96.2	51.7	-53.2	-94.4	106.0	168.8	-2.9
Jun	P	...	...	...	...	-9.5	8.9	4.9	80.2	62.4	-2.5	31.8	88.0	-9.0	-2.0
Jul	P	...	...	...	...	29.5	17.5	28.8	68.3	109.7	579.4	1 743.6	52.8	11.2	5.0
Aug	P	...	...	...	...	...	...	...	...	...	...	...	...	...	-3.2

CONSTRUCTION
Trend obtained with TRAMO-SEATS



CONSTRUCTION
Trend obtained with TRAMO-SEATS



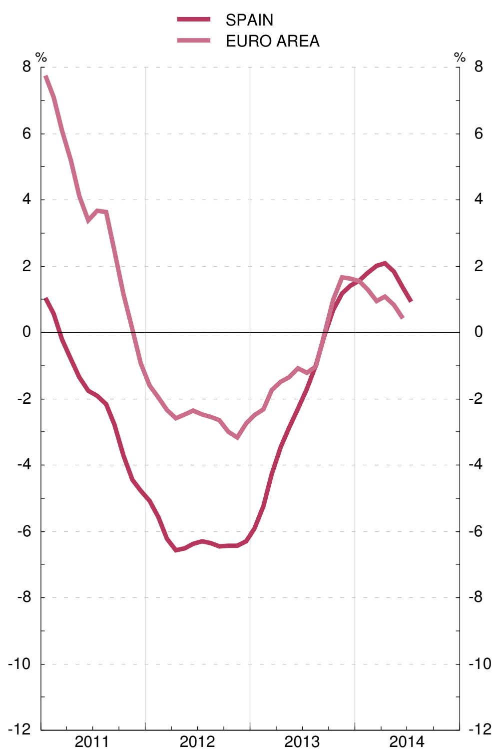
Sources: Ministerio de Fomento and Asociación de Fabricantes de Cemento de España.
Note: The underlying series for this indicator are in Tables 23.7, 23.8, and 23.9 of the BE Boletín estadístico.

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

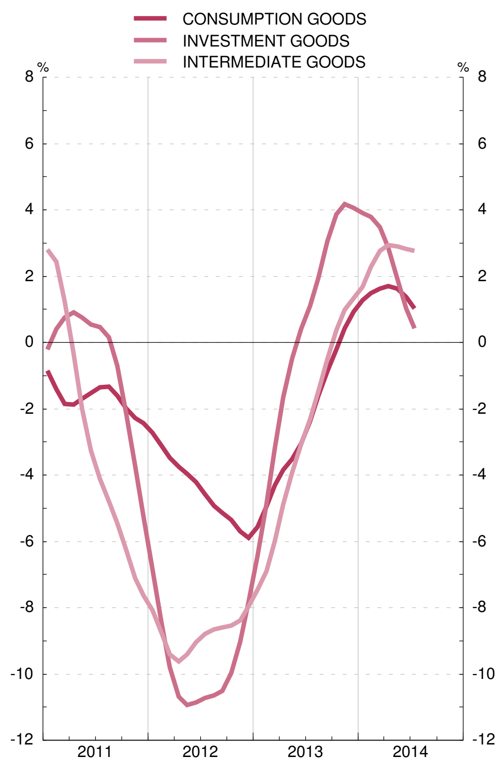
■ Series depicted in chart. *Annual percentage changes*

		Overall Index: Total: Original series	Overall Index: Total: 12-month %change 12	By end-use of goods: Consumer goods	By end-use of goods: Capital goods	By end-use of goods: Inter-mediate goods	By end-use of goods: Energy	By branch of activity (NACE 2009): Mining and quarrying	By branch of activity (NACE 2009): Manufac-turing	By branch of activity (NACE 2009): Electrity and gas supply	Memorandum item: euro area: Total	Memorandum item: euro area: of which Manufac-turing	Memorandum item: euro area: By end-use of goods: Consumer goods	Memorandum item: euro area: By end-use of goods: Capital goods	Memorandum item: euro area: By end-use of goods: Inter-mediate goods
		1	2 ■	3 ■	4 ■	5 ■	6	7	8	9	10 ■	11	12	13	14
11	M P	98.0	-2.0	-2.0	0.1	-2.7	-2.8	-18.7	-1.6	-3.7	3.5	4.7	1.0	8.5	4.2
12	M P	91.8	-6.4	-4.8	-11.0	-8.9	0.9	-23.6	-7.5	0.1	-2.5	-2.7	-2.5	-1.2	-4.5
13	M P	90.2	-1.7	-2.2	1.2	-2.6	-2.6	-14.3	-1.4	-3.9	-0.7	-0.7	-0.4	-0.6	-1.0
13 *J-J*	M P	92.0	-3.5	-4.0	-1.1	-4.6	-3.4	-19.1	-3.2	-5.1	-1.7	-1.9	-0.8	-2.2	-2.6
14 *J-J*	M P	93.7	1.8	2.2	2.5	2.8	-1.2	-0.6	2.5	-2.5	...	...	...	...	...
13 *Apr*	P	91.8	6.2	8.4	12.3	4.6	-0.3	-19.2	8.2	-2.7	-0.8	-0.8	-0.2	0.5	-2.5
May	P	95.1	-3.0	-4.2	-0.3	-3.4	-3.5	-24.1	-2.4	-7.2	-2.0	-2.1	-1.0	-2.5	-2.8
Jun	P	92.0	-4.7	-8.4	-0.1	-4.8	-4.2	13.7	-4.6	-7.3	-0.5	-0.2	-1.0	1.2	-1.0
Jul	P	99.7	0.9	0.2	1.7	0.2	2.1	15.4	0.3	1.1	-1.9	-2.0	-0.9	-3.1	-1.3
Aug	P	73.0	-4.4	-3.4	-5.6	-4.5	-4.6	-21.7	-4.4	-6.4	-1.5	-1.6	-2.3	-1.0	-0.9
Sep	P	92.6	3.6	2.9	9.8	2.7	-0.1	-2.4	4.4	-1.7	0.2	0.3	0.9	0.3	0.0
Oct	P	97.5	1.1	-0.5	6.4	1.1	-2.3	-7.4	1.8	-2.9	0.5	1.0	-0.2	1.5	1.5
Nov	P	91.8	-0.1	-1.3	3.6	-0.3	-2.3	-1.9	0.1	-1.8	2.8	3.0	1.5	4.4	3.1
Dec	P	83.5	4.1	4.9	6.9	3.4	1.5	3.7	4.7	1.4	1.5	2.0	0.3	2.2	3.3
14 *Jan*	P	89.5	-0.3	1.5	1.3	-0.6	-3.6	-2.4	0.5	-3.1	1.8	3.2	0.3	5.6	3.2
Feb	P	90.0	2.8	2.6	6.3	3.5	-1.6	-4.3	3.9	-2.3	1.9	3.9	3.8	4.3	3.8
Mar	P	95.4	8.1	8.8	12.8	10.1	-1.0	23.6	10.3	-4.8	0.3	2.3	2.1	2.7	2.7
Apr	P	89.8	-2.1	-3.5	-0.2	-2.2	-2.3	-3.6	-2.1	-3.4	1.8	3.2	5.9	1.0	3.4
May	P	95.7	0.6	0.3	-0.3	0.7	2.0	2.8	0.3	0.0	0.6	1.1	2.5	1.2	0.2
Jun	P	94.6	2.8	3.8	-0.2	4.2	2.3	-6.1	2.9	1.0	0.0	0.4	1.1	-0.1	0.2
Jul	P	100.6	1.0	2.3	-1.0	4.2	4.2	-3.5	-7.9	2.0	-4.4	...	...	...	...	...

INDUSTRIAL PRODUCTION INDEX
Trend obtained with TRAMO-SEATS



INDUSTRIAL PRODUCTION INDEX
Trend obtained with TRAMO-SEATS



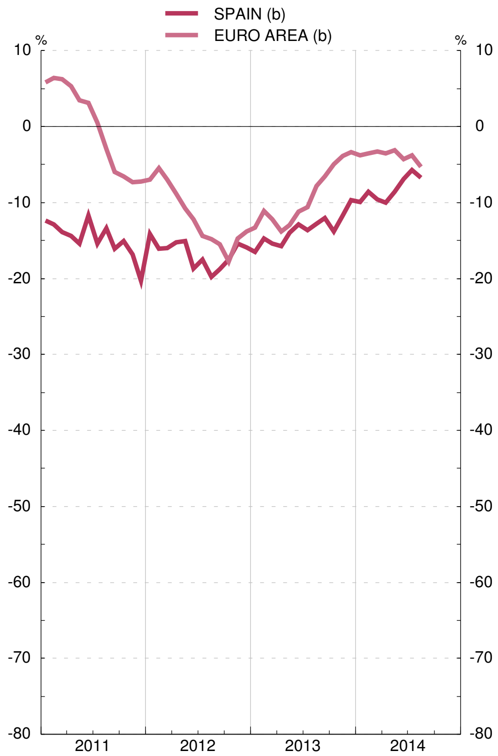
Sources: INE and BCE.
Note: The underlying series for this indicator are in Table 23.1 of the BE Boletín estadístico.
a. Spain 2010 = 100; euro area 2010 = 100.

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

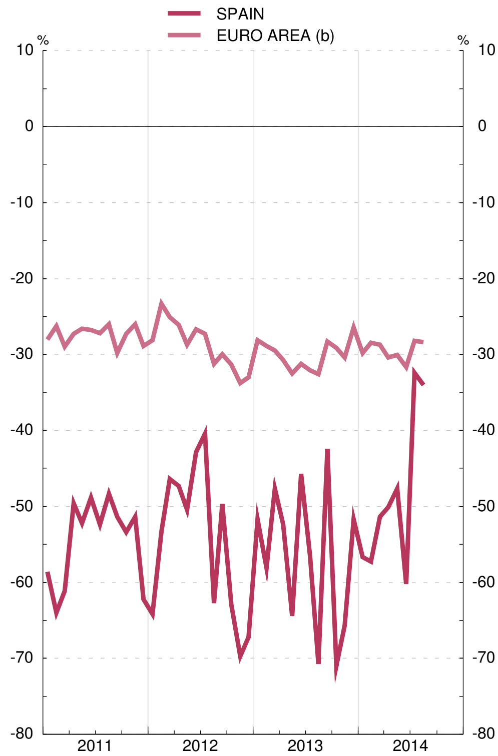
■ Series depicted in chart. *Percentage balances*

		Industry, excluding construction (b): Industrial confidence indicator =(2-3+4)/3 ■	Components of the industrial confidence indicator: order-book levels	Components: Stocks of finished products	Components: Production expectations	Production	Foreign order-book levels	Industrial confidence indicator by sectors: Consumption	Investment	Intermediate goods	Other sectors	Construction: Construction confidence indicator (CCI) =(11+12)/2 ■	Components of the CCI: order-book levels	Components of the CCI: Employment expectations	Production	Production expectations	Memorandum item: euro area (b) (c): Industry, excluding construction: Industrial confidence indicator ■	Order-book levels	Construction confidence indicator ■
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
11	M	-15	-31	11	-3	-12	-24	-10	-12	-17	-45	-54	-47	-62	-21	-46	0	-7	-27
12	M	-17	-37	9	-4	-20	-26	-10	-15	-22	-15	-55	-50	-60	-23	-44	-12	-25	-29
13	M	-14	-31	9	-1	-10	-21	-9	-13	-17	-6	-57	-57	-56	-27	-39	-9	-26	-30
13 *J-A*	M	-14	-32	9	-2	-13	-22	-10	-13	-18	-7	-56	-55	-57	-26	-37	-12	-29	-31
14 *J-A*	M	-8	-18	9	2	-1	-12	-4	-8	-12	-3	-49	-59	-38	-20	-31	-4	-16	-29
13 *May*		-14	-33	8	-1	-13	-20	-12	-12	-16	1	-64	-63	-66	-44	-46	-13	-31	-33
Jun		-13	-31	8	-	-15	-22	-9	-12	-17	-1	-46	-47	-45	-17	-31	-11	-28	-31
Jul		-14	-30	12	0	-10	-16	-9	-11	-17	-30	-57	-63	-51	-3	-24	-11	-28	-32
Aug		-13	-27	13	1	-1	-21	-8	-10	-17	-3	-71	-73	-69	-33	-38	-8	-24	-33
Sep		-12	-28	9	0	-2	-12	-9	-9	-17	-2	-42	-51	-34	-34	-7	-7	-23	-28
Oct		-14	-29	12	-1	-10	-22	-7	-19	-18	-2	-71	-77	-65	-52	-50	-5	-21	-29
Nov		-12	-28	12	4	-6	-21	-9	-13	-15	-1	-66	-66	-65	-15	-57	-4	-18	-30
Dec		-10	-25	5	1	-4	-20	-4	-13	-15	-10	-52	-50	-54	-9	-63	-3	-17	-26
14 *Jan*		-10	-20	8	-1	-3	-14	-1	-9	-16	-2	-57	-72	-41	-24	-56	-4	-17	-30
Feb		-9	-21	7	2	-5	-13	-6	-11	-9	-5	-57	-57	-58	-31	-54	-4	-16	-29
Mar		-10	-21	9	1	3	-17	-8	-9	-13	-2	-51	-61	-42	-35	-26	-3	-17	-29
Apr		-10	-18	10	-2	-3	-9	-5	-9	-13	-4	-50	-59	-41	-23	-21	-4	-15	-30
May		-9	-17	9	0	-1	-11	-4	-7	-12	-1	-48	-60	-36	-16	-41	-3	-15	-30
Jun		-7	-17	11	7	3	-14	-1	-12	-10	-4	-60	-69	-52	-15	-35	-4	-16	-32
Jul		-6	-15	8	5	-4	-9	-3	0	-11	-1	-32	-46	-19	-5	-8	-4	-16	-28
Aug		-7	-13	11	3	5	-7	-2	-6	-9	-7	-34	-49	-19	-12	-8	-5	-16	-28

INDUSTRIAL CONFIDENCE INDICATOR
Percentage balances



CONSTRUCTION CONFIDENCE INDICATOR
Percentage balances



Sources: Ministerio de Industria, Energía y Turismo and ECB.
a.The ECI methodology is available at http://www.minetur.gob.es/es-ES/IndicadoresyEstadisticas/Industria/EncuestaCoyuntura/Documents/metodologiaeci.pdf and the ECC methodology at http://www.minetur.gob.es/es-ES/IndicadoresyEstadisticas/Industria/EncuestaCoyuntura/documents/metodologiaECC.pdf
b. Seasonally adjusted.
c. To April 2010, NACE 1993; from May 2010, NACE 2009.

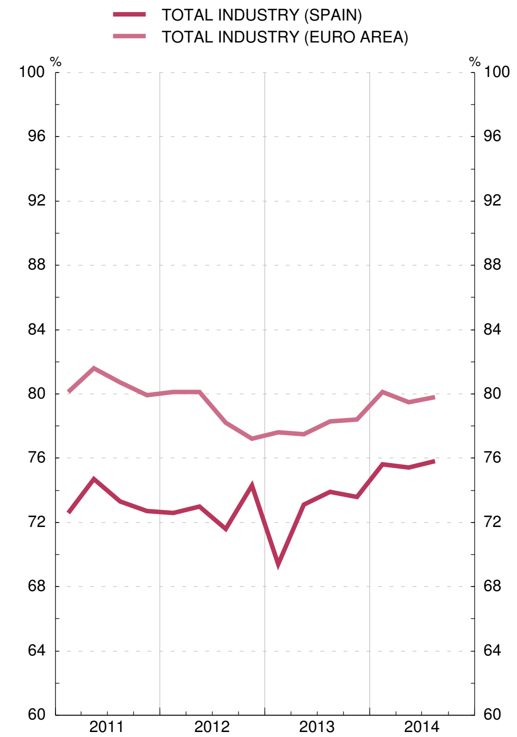
3.6. BUSINESS SURVEY (ECI): CAPACITY UTILISATION. SPAIN AND EURO AREA (NACE 2009) (a)

■ Series depicted in chart.

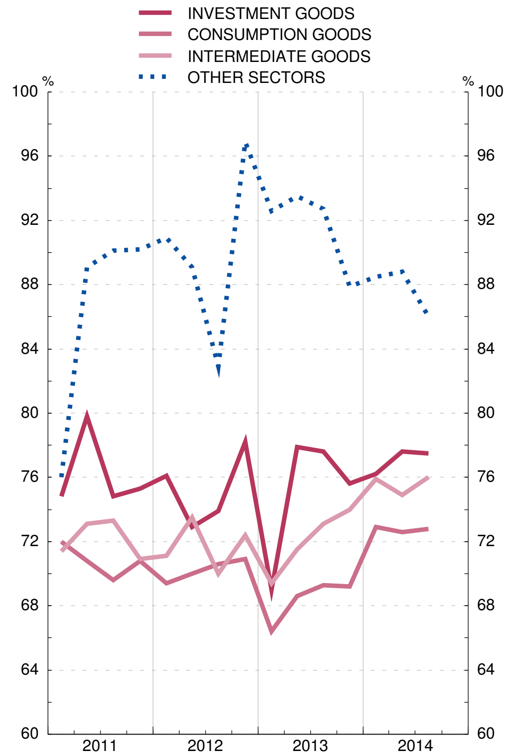
Percentages and percentage balances

	Total industry			Consumer goods			Investment goods			Intermediate goods			Other sectors (b)			Memorandum item: euro area. % of productive capacity utilisation (c)
	% of productive capacity utilisation		Installed productive capacity (Percentage balances)	% of productive capacity utilisation		Installed productive capacity (Percentage balances)	% of productive capacity utilisation		Installed productive capacity (Percentage balances)	% of productive capacity utilisation		Installed productive capacity (Percentage balances)	% of productive capacity utilisation		Installed productive capacity (Percentage balances)	
	Level	Expected trend		Level	Expected trend		Level	Expected trend		Level	Expected trend		Level	Expected trend		
	1 ■	2	3	4 ■	5	6	7 ■	8	9	10 ■	11	12	13 ■	14	15	16 ■
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	71.8	72.1	30	90.0	93.3	3	78.9
13	72.5	73.2	21	68.4	69.7	17	75.0	75.6	11	72.0	72.5	31	91.7	91.9	0	78.0
13 *Q1-Q3*	72.1	72.9	21	68.1	69.1	17	74.8	75.7	11	71.3	72.0	31	92.9	92.9	0	77.8
14 *Q1-Q3*	75.6	76.4	18	72.8	73.5	15	77.1	78.2	10	75.6	75.9	25	87.8	91.8	1	79.8
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	22	70.0	70.9	15	72.9	74.0	16	73.5	74.5	31	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	20	70.9	71.7	13	78.2	77.8	14	72.4	71.6	30	96.9	96.9	1	77.2
13 *Q1*	69.4	70.6	24	66.4	67.0	15	69.0	71.2	18	69.4	70.5	34	92.6	92.5	-	77.6
Q2	73.1	74.4	21	68.6	70.9	18	77.9	78.9	11	71.5	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	5	73.1	72.9	30	92.7	92.9	1	78.3
Q4	73.6	74.2	20	69.2	71.5	16	75.6	75.2	10	74.0	74.1	29	87.9	89.0	0	78.4
14 *Q1*	75.6	75.7	20	72.9	70.6	16	76.2	77.7	10	75.9	76.5	30	88.5	92.5	1	80.1
Q2	75.4	77.2	19	72.6	75.0	15	77.6	78.5	12	74.9	76.5	27	88.8	92.3	2	79.5
Q3	75.8	76.2	16	72.8	74.8	15	77.5	78.3	10	76.0	74.8	20	86.0	90.6	1	79.8

CAPACITY UTILISATION. TOTAL INDUSTRY
Percentages



CAPACITY UTILISATION. BY TYPE OF GOOD
Percentages



Sources: Ministerio de Industria, Energía y Turismo and ECB.
a. The ECI methodology is available at http://www.minetur.gob.es/es-ES/IndicadoresyEstadisticas/Industria/EncuestaCoyuntura/Documents/metodologiaeci.pdf
b. Includes mining and quarrying, manufacture of coke and refined petroleum products, and nuclear fuels.
c. To April 2010, NACE 1993; from May 2010, NACE 2009.

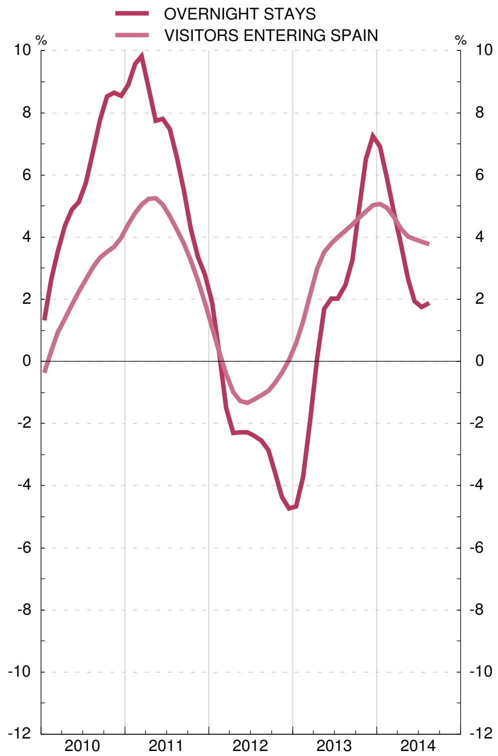
3.7. TOURISM AND TRANSPORT STATISTICS. SPAIN

■ Series depicted in chart.

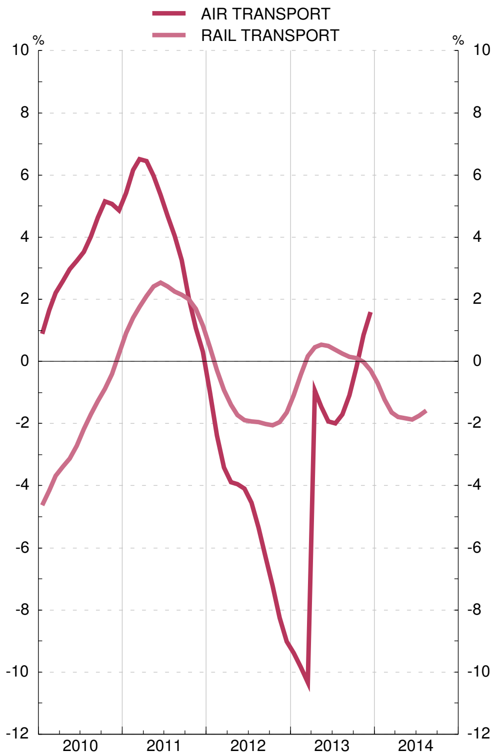
Annual percentage changes

		Hotel stays (a)		Overnight stays		Visitors entering Spain			Air transport				Maritime transport		Rail transport	
									Passengers			Freight				
		Total	Foreig-ners	Total	Foreig-ners	Total	Tourists	Day-trip-pers	Total	Domestic flights	Interna-tional flights		Passen-gers	Freight	Passen-gers	Freight
		1	2	3 ■	4	5 ■	6	7	8 ■	9	10	11	12	13	14 ■	15
11		3.8	10.2	6.5	12.6	5.8	6.6	4.7	6.1	-0.4	10.5	2.2	-3.4	5.8	2.6	7.9
12		-0.0	0.0	-0.0	0.0	-1.1	2.3	-5.5	-5.0	-12.5	-0.5	-4.9	-0.5	4.1	-1.9	-1.5
13	P	1.1	3.4	1.9	3.9	3.8	5.5	1.5	-3.5	-14.0	2.1	-1.3	8.7	-3.2	-0.7	-4.1
13 *J-A*		-0.2	2.8	0.6	3.1	4.1	4.5	3.5	-5.1	-16.1	0.8	-2.8	10.3	-3.4	-1.3	-7.7
14 *J-A*	P	...	...	...	...	4.3	7.3	-0.1	...	...	...	...	...	...	-0.5	...
13 *May*		5.0	7.8	7.0	8.2	9.7	7.1	14.1	-1.8	-15.1	5.0	-6.1	9.6	3.2	1.1	-16.9
Jun		1.6	4.4	1.9	4.3	5.1	5.1	5.1	-3.3	-16.0	2.9	-6.8	7.1	-8.7	0.1	-14.6
Jul		0.3	-0.3	0.7	1.6	2.3	2.4	2.2	-4.5	-16.5	1.1	-3.6	-0.2	-3.2	-1.4	-3.7
Aug		4.6	5.2	3.3	3.7	5.1	7.6	2.1	-2.6	-16.0	3.5	8.3	27.9	2.9	2.2	-9.6
Sep	P	1.3	1.8	2.0	3.0	1.9	4.7	-2.7	-2.8	-14.6	2.5	-5.6	6.0	0.2	-3.2	6.1
Oct	P	3.0	6.5	4.8	7.0	2.6	6.9	-4.4	-0.6	-10.9	4.2	3.1	-0.5	-2.1	2.9	1.5
Nov	P	7.0	5.3	8.6	5.9	3.2	9.3	-4.3	3.4	-3.4	7.4	3.9	8.6	-0.8	-0.5	3.4
Dec	P	7.4	8.4	9.4	11.7	6.8	16.3	-2.2	3.0	-4.9	8.0	3.7	8.3	-7.3	2.6	2.2
14 *Jan*	P	6.5	10.7	7.6	11.8	6.0	12.3	-0.8	2.6	-7.3	8.6	6.3	5.5	5.2	0.1	5.5
Feb	P	6.5	6.1	5.5	7.2	8.0	11.2	4.4	3.1	-4.2	7.4	8.8	0.8	3.6	-1.4	8.1
Mar	P	-7.4	-0.7	-6.4	1.4	-2.1	0.7	-5.5	0.4	-1.9	1.5	12.4	-11.6	4.0	-1.7	22.3
Apr	P	15.5	8.4	15.9	10.5	11.3	13.2	8.5	9.4	4.2	11.8	0.5	17.0	7.3	10.4	2.2
May	P	4.7	4.0	1.4	0.2	2.7	5.7	-2.2	3.9	-0.4	5.7	9.8	-2.3	0.1	-2.6	18.3
Jun	P	3.3	3.3	2.0	1.2	3.8	4.5	2.5	4.8	4.1	5.1	5.6	-6.2	4.5	-4.4	19.5
Jul	P	2.4	1.4	-0.2	-1.8	3.4	5.9	-0.7	...	...	...	...	...	...	-3.3	...
Aug	P	5.0	5.2	2.7	2.2	3.6	8.8	-3.2	...	...	...	...	...	...	-0.1	...

TOURISM
Trend obtained with TRAMO-SEATS



TRANSPORT
Trend obtained with TRAMO-SEATS



Sources: INE and Instituto de Estudios Turísticos, Estadística de Movimientos Turísticos en Frontera.
Note: The underlying series for this indicator are in 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.

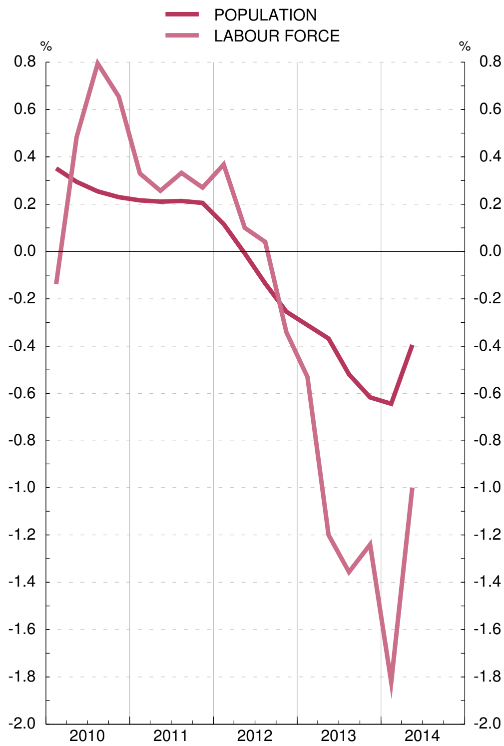
4.1. LABOUR FORCE. SPAIN

■ Series depicted in chart.

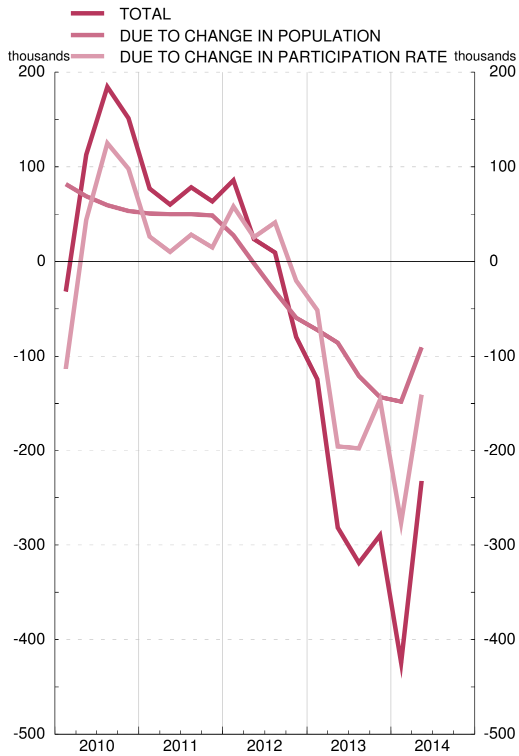
Thousands and annual percentage changes

	Population over 16 years of age			Participation rate (%)	Labour force				
						Annual change (a)			
	Thousands	Annual change	4-quarter % change		Thousands	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 ■
11 M	38 842	82	0.2	60.33	23 434	69	50	20	0.3
12 M	38 815	-27	-0.1	60.40	23 444	10	-16	26	0.0
13 M	38 639	-176	-0.5	60.02	23 190	-254	-106	-148	-1.1
13 *Q1-Q2* M	38 707	-132	-0.3	60.09	23 258	-406	-159	-248	-0.9
14 *Q1-Q2* M	38 506	-201	-0.5	59.55	22 930	-657	-239	-417	-1.4
11 *Q4*	38 882	80	0.2	60.29	23 440	63	48	15	0.3
12 *Q1*	38 854	46	0.1	60.31	23 433	86	27	58	0.4
Q2	38 824	-4	-0.0	60.50	23 490	23	-2	25	0.1
Q3	38 799	-53	-0.1	60.55	23 492	9	-32	41	0.0
Q4	38 783	-99	-0.3	60.23	23 360	-80	-60	-20	-0.3
13 *Q1*	38 733	-121	-0.3	60.18	23 308	-125	-73	-52	-0.5
Q2	38 681	-143	-0.4	60.00	23 208	-282	-86	-196	-1.2
Q3	38 597	-202	-0.5	60.04	23 173	-319	-121	-197	-1.4
Q4	38 543	-240	-0.6	59.86	23 071	-290	-144	-146	-1.2
14 *Q1*	38 484	-250	-0.6	59.46	22 884	-425	-148	-276	-1.8
Q2	38 528	-153	-0.4	59.63	22 976	-232	-91	-141	-1.0

LABOUR FORCE SURVEY
Annual percentage change



LABOUR FORCE
Annual changes



Source: INE (Labour Force Survey: 2005 methodology).
a. Col.7 = (col.5/col.1)x annual change in col.2; 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 (2011 Census), all the series in this table have been revised as from 2002. 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

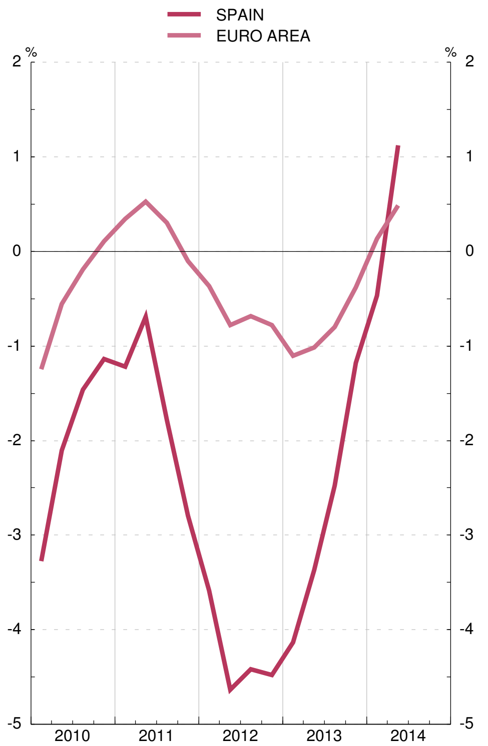
4.2. EMPLOYMENT AND WAGE-EARNERS. SPAIN AND EURO AREA

■ Series depicted in chart.

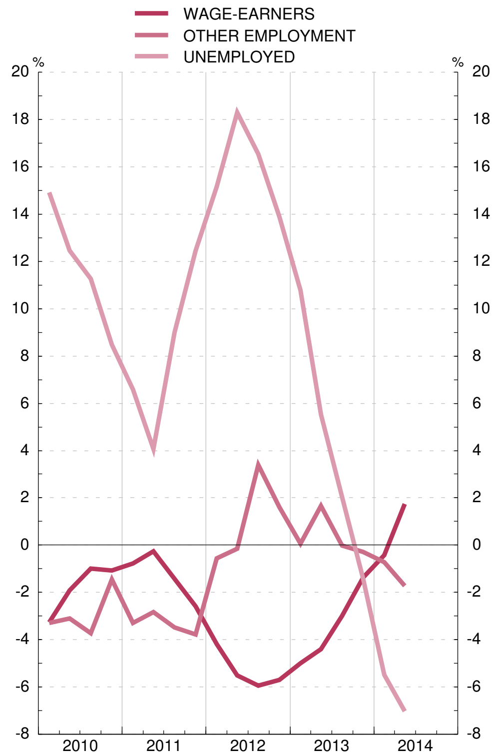
Thousands and annual percentage changes

	Employment									Unemployment			Unem-ployment rate	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	Annual change	4-quarter % change		Employ-ment 4-quarter % change	Unem-ployment rate
	1	2	3 ■	4	5	6 ■	7	8	9 ■	10	11	12 ■	13	14	15
11 M	18 421	-303	-1.6	15 394	-198	-1.3	3 027	-105	-3.4	5 013	373	8.0	21.39	0.3	10.07
12 M	17 633	-789	-4.3	14 573	-821	-5.3	3 059	32	1.1	5 811	798	15.9	24.79	-0.7	11.28
13 M	17 139	-494	-2.8	14 069	-504	-3.5	3 070	11	0.3	6 051	240	4.1	26.10	-0.8	11.94
13 *Q1-Q2* M	17 095	-666	-3.8	14 030	-692	-4.7	3 066	26	0.9	6 163	463	8.1	26.50	-1.1	11.97
14 *Q1-Q2* M	17 152	56	0.3	14 124	94	0.7	3 028	-37	-1.2	5 778	-385	-6.2	25.20	0.3	11.65
11 *Q4*	18 153	-522	-2.8	15 151	-404	-2.6	3 003	-118	-3.8	5 287	585	12.4	22.56	-0.1	10.49
12 *Q1*	17 765	-661	-3.6	14 724	-644	-4.2	3 041	-17	-0.6	5 668	747	15.2	24.19	-0.4	10.78
Q2	17 759	-864	-4.6	14 720	-859	-5.5	3 038	-4	-0.1	5 731	887	18.3	24.40	-0.8	11.20
Q3	17 668	-817	-4.4	14 561	-918	-5.9	3 107	102	3.4	5 824	826	16.5	24.79	-0.7	11.42
Q4	17 339	-814	-4.5	14 289	-862	-5.7	3 051	48	1.6	6 021	734	13.9	25.77	-0.8	11.72
13 *Q1*	17 030	-735	-4.1	13 987	-737	-5.0	3 043	2	0.1	6 278	610	10.8	26.94	-1.1	11.95
Q2	17 161	-598	-3.4	14 072	-648	-4.4	3 088	50	1.7	6 047	316	5.5	26.06	-1.0	12.00
Q3	17 230	-438	-2.5	14 124	-437	-3.0	3 106	-1	-0.0	5 943	119	2.0	25.65	-0.8	11.96
Q4	17 135	-204	-1.2	14 093	-195	-1.4	3 042	-9	-0.3	5 936	-85	-1.4	25.73	-0.4	11.87
14 *Q1*	16 951	-80	-0.5	13 930	-58	-0.4	3 021	-22	-0.7	5 933	-345	-5.5	25.93	0.1	11.72
Q2	17 353	192	1.1	14 318	245	1.7	3 036	-53	-1.7	5 623	-424	-7.0	24.47	0.5	11.58

EMPLOYMENT
Annual percentage changes



LABOUR FORCE: COMPONENTS
Annual percentage changes



Sources: INE (Labour Force Survey: 2005 methodology), and ECB.
General note to the tables: As a result of the change in the population base (2011 Census), all the series in this table have been revised as from 2002. 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.

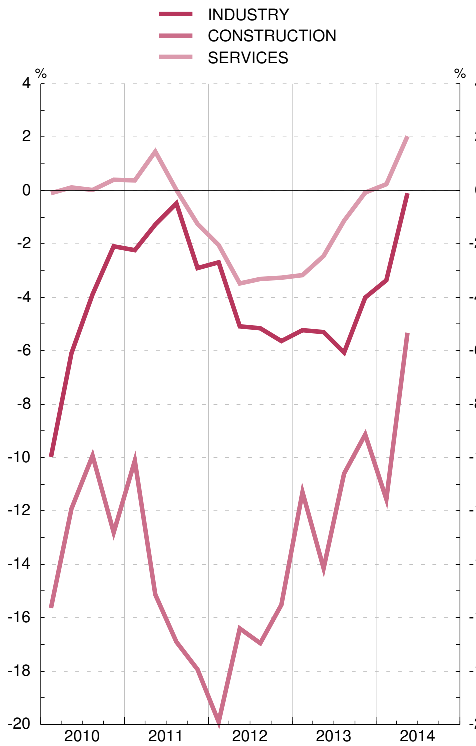
4.3. EMPLOYMENT BY BRANCH OF ACTIVITY. SPAIN (a)

■ Series depicted in chart.

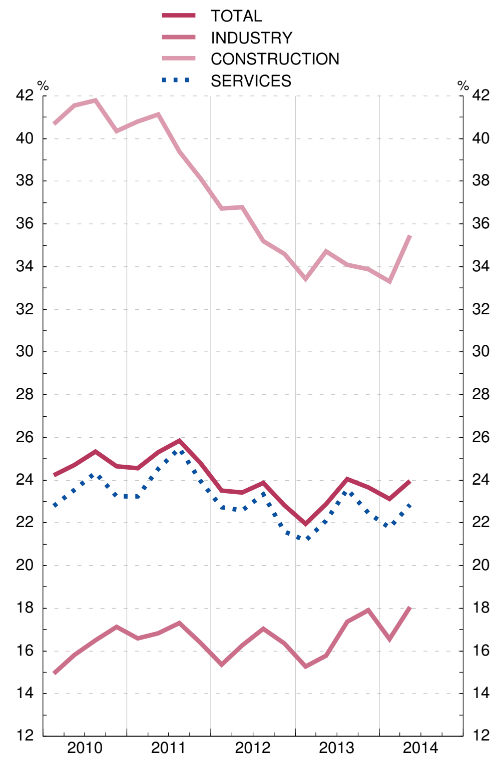
Annual percentage changes

	Total			Agriculture			Industry			Construction			Services			Memorandum item:
	Employ-ment	Wage-earners	Propor-tion of temporary em-ploy-ment	Employ-ment	Wage-earners	Propor-tion of temporary em-ploy-ment	Employ-ment	Wage-earners	Propor-tion of temporary em-ploy-ment	Employ-ment	Wage-earners	Propor-tion of temporary 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
11 M	-1.6	-1.3	25.1	-3.9	-2.8	56.7	-1.7	-1.6	16.8	-15.0	-15.0	39.9	0.2	0.3	24.3	-1.5
12 M	-4.3	-5.3	23.4	-1.6	-2.5	59.4	-4.6	-5.6	16.3	-17.3	-22.4	35.8	-3.0	-3.8	22.6	-4.4
13 M	-2.8	-3.5	23.1	-0.9	-1.8	59.5	-5.2	-4.6	16.6	-11.4	-14.0	34.0	-1.7	-2.5	22.3	-2.9
13 *Q1-Q2* M	-3.8	-4.7	22.4	-1.1	-2.5	58.5	-5.3	-4.5	15.5	-12.7	-16.3	34.1	-2.8	-3.9	21.6	-3.7
14 *Q1-Q2* M	0.3	0.7	23.5	5.4	14.5	65.0	-1.7	-1.7	17.3	-8.5	-7.3	34.4	1.1	1.1	22.3	1.3
11 *Q4*	-2.8	-2.6	24.8	0.8	3.9	59.7	-2.9	-3.8	16.4	-17.9	-19.0	38.1	-1.2	-1.0	24.0	-3.0
12 *Q1*	-3.6	-4.2	23.5	-1.9	-4.7	60.1	-2.7	-4.0	15.4	-19.9	-25.3	36.7	-2.1	-2.1	22.7	-3.7
Q2	-4.6	-5.5	23.4	-1.8	-1.8	58.3	-5.1	-6.1	16.3	-16.4	-20.8	36.8	-3.5	-4.1	22.6	-4.8
Q3	-4.4	-5.9	23.9	1.3	0.3	55.3	-5.2	-6.5	17.0	-17.0	-22.6	35.2	-3.3	-4.6	23.3	-4.6
Q4	-4.5	-5.7	22.8	-3.5	-3.4	64.0	-5.6	-5.6	16.3	-15.5	-20.4	34.6	-3.3	-4.6	21.6	-4.5
13 *Q1*	-4.1	-5.0	21.9	-6.1	-8.8	57.6	-5.2	-4.7	15.3	-11.3	-14.0	33.4	-3.2	-4.3	21.2	-4.0
Q2	-3.4	-4.4	22.9	4.3	4.4	59.4	-5.3	-4.4	15.8	-14.1	-18.5	34.7	-2.4	-3.6	22.1	-3.7
Q3	-2.5	-3.0	24.1	-2.1	-2.8	57.2	-6.1	-5.5	17.4	-10.6	-12.8	34.1	-1.1	-1.8	23.6	-2.5
Q4	-1.2	-1.4	23.7	0.4	0.4	63.8	-4.0	-3.9	17.9	-9.1	-10.3	33.9	-0.1	-0.3	22.5	-1.3
14 *Q1*	-0.5	-0.4	23.1	12.9	26.2	66.6	-3.4	-3.4	16.6	-11.6	-11.4	33.3	0.2	-0.1	21.8	-1.1
Q2	1.1	1.7	24.0	-1.8	3.5	63.4	-0.1	-0.1	18.1	-5.3	-3.1	35.5	2.0	2.3	22.8	1.3

EMPLOYMENT
Annual percentage changes



TEMPORARY EMPLOYMENT
Percentages



Source: INE (Labour Force Survey: 2005 methodology).
a.NACE 2009. 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 (2011 Census), all the series in this table have been revised as from 2002. 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.

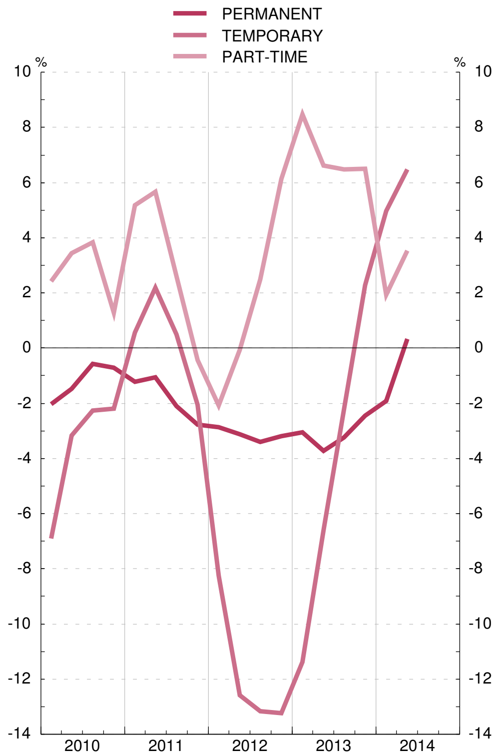
4.4. WAGE-EARNERS BY TYPE OF CONTRACT AND UNEMPLOYMENT BY DURATION. SPAIN.

■ Series depicted in chart.

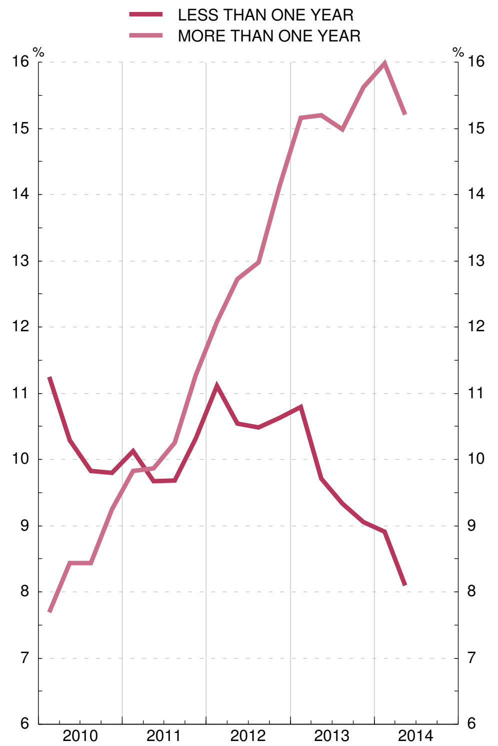
Thousands, annual percentage changes and %

	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	4-quarter % change	Unemployment rate	4-quarter % change
	1	2 ■	3	4 ■	5	6	7	8	9 ■	10	11 ■	12	13 ■	14
11 M	-210	-1.8	12	0.3	25.13	-268	-2.0	69	3.3	14.30	9.95	-3.0	10.30	22.3
12 M	-363	-3.1	-458	-11.8	23.41	-855	-6.5	34	1.6	15.34	10.69	7.5	12.98	26.0
13 M	-348	-3.1	-156	-4.6	23.14	-661	-5.4	157	7.0	17.00	9.72	-10.1	15.24	16.1
13 *Q1-Q2* M	-382	-3.4	-228	-6.6	22.42	-800	-6.4	168	7.5	17.17	10.25	-6.2	15.18	21.3
14 *Q1-Q2* M	-87	-0.8	209	6.5	23.54	159	1.4	66	2.7	17.52	8.50	-18.2	15.59	1.3
11 *Q4*	-326	-2.8	-79	-2.0	24.80	-395	-2.9	-10	-0.4	14.24	10.32	5.7	11.28	22.2
12 *Q1*	-333	-2.9	-311	-8.2	23.52	-597	-4.5	-47	-2.1	14.87	11.12	10.2	12.08	23.4
Q2	-363	-3.1	-496	-12.6	23.43	-858	-6.5	-2	-0.1	15.57	10.55	9.1	12.73	29.1
Q3	-391	-3.4	-527	-13.2	23.86	-971	-7.3	53	2.5	14.91	10.48	8.3	12.98	26.7
Q4	-365	-3.2	-497	-13.2	22.82	-994	-7.7	132	6.1	16.02	10.63	2.7	14.14	24.9
13 *Q1*	-343	-3.0	-394	-11.4	21.94	-922	-7.4	185	8.5	16.98	10.79	-3.5	15.16	24.8
Q2	-421	-3.7	-228	-6.6	22.89	-800	-6.4	152	6.6	17.37	9.71	-9.1	15.20	18.0
Q3	-360	-3.2	-77	-2.2	24.05	-578	-4.7	141	6.5	16.37	9.33	-12.2	14.98	13.9
Q4	-270	-2.4	74	2.3	23.66	-344	-2.9	149	6.5	17.30	9.05	-15.9	15.62	9.2
14 *Q1*	-210	-1.9	153	5.0	23.13	-103	-0.9	46	1.9	17.37	8.91	-18.9	15.98	3.5
Q2	37	0.3	209	6.5	23.95	159	1.4	86	3.5	17.67	8.10	-17.4	15.21	-0.9

WAGE-EARNERS
Annual percentage changes



UNEMPLOYMENT
Unemployment rate



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

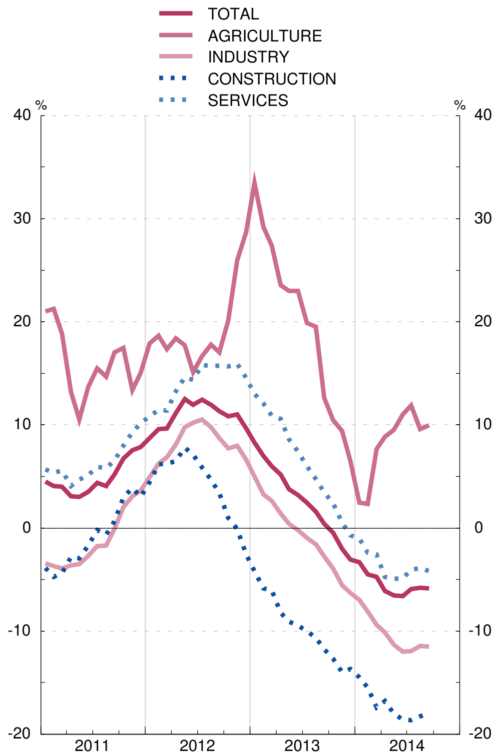
General note to the tables: As a result of the change in the population base (2011 Census), all the series in this table have been revised as from 2002. In addition, since 2005 Q1 the new obligatory variables referred to in Regulation (EC) 2257/2003 (on the adaptation of the list of labour force survey 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

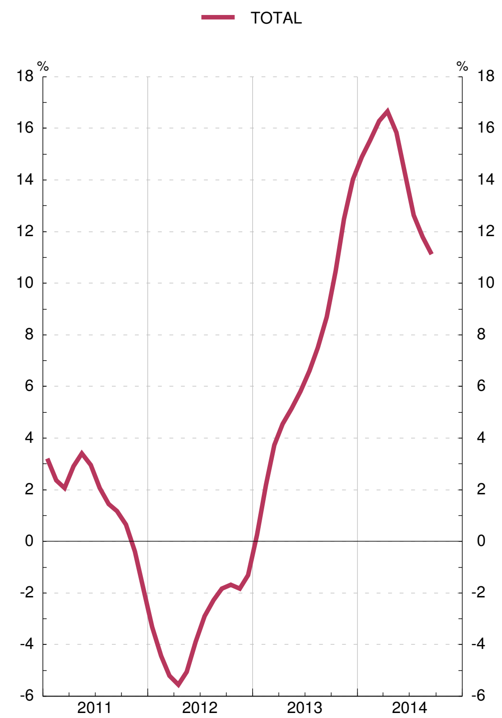
■ Series depicted in chart. *Thousands, annual percentage changes and %*

	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 ■
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
13 M	4 845	125	2.6	-3.3	3.3	19.8	2.6	-0.7	-9.6	6.6	1 233	3.9	7.78	35.31	92.22	1 257	7.6
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
14 *J-S* M	4 603	-266	-5.5	1.7	-6.1	8.1	-6.8	-10.3	-17.3	-3.6	1 362	14.8	8.07	35.15	91.93	1 389	14.5
13 *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
Oct	4 811	-22	-0.5	1.1	-0.6	10.5	-1.1	-3.9	-12.7	2.4	1 582	10.9	7.55	37.40	92.45	1 627	10.8
Nov	4 809	-99	-2.0	0.6	-2.2	9.4	-2.7	-5.6	-14.0	0.5	1 241	7.8	7.57	34.92	92.43	1 252	8.6
Dec	4 701	-147	-3.0	-0.2	-3.3	6.5	-3.7	-6.3	-13.7	-0.7	1 291	22.0	6.49	32.03	93.51	1 292	20.6
14 *Jan*	4 814	-166	-3.3	2.3	-3.8	2.5	-4.1	-7.0	-14.5	-1.0	1 259	14.3	7.81	30.86	92.19	1 271	14.3
Feb	4 812	-228	-4.5	1.2	-5.0	2.3	-5.3	-8.1	-15.5	-2.4	1 091	14.8	8.97	33.38	91.03	1 101	14.5
Mar	4 796	-239	-4.8	2.3	-5.3	7.7	-6.0	-9.4	-17.4	-2.6	1 217	25.5	9.33	33.51	90.67	1 238	25.2
Apr	4 684	-305	-6.1	1.0	-6.7	8.8	-7.4	-10.1	-16.8	-4.7	1 297	12.4	9.46	35.66	90.54	1 328	12.2
May	4 572	-319	-6.5	1.2	-7.2	9.5	-7.9	-11.3	-18.0	-4.9	1 459	13.7	7.95	35.53	92.05	1 490	13.8
Jun	4 450	-314	-6.6	0.5	-7.2	11.1	-8.1	-12.0	-18.6	-4.9	1 519	18.9	7.26	36.75	92.74	1 529	18.3
Jul	4 420	-279	-5.9	1.7	-6.6	11.9	-7.5	-12.0	-18.7	-4.1	1 645	9.1	6.93	38.23	93.07	1 648	9.1
Aug	4 428	-271	-5.8	2.6	-6.5	9.6	-7.2	-11.4	-18.3	-3.9	1 135	8.8	6.43	35.47	93.57	1 162	8.4
Sep	4 448	-277	-5.9	2.4	-6.6	10.0	-7.3	-11.5	-18.0	-4.2	1 634	17.4	8.48	36.95	91.52	1 730	16.7

REGISTERED UNEMPLOYMENT
Annual percentage changes



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



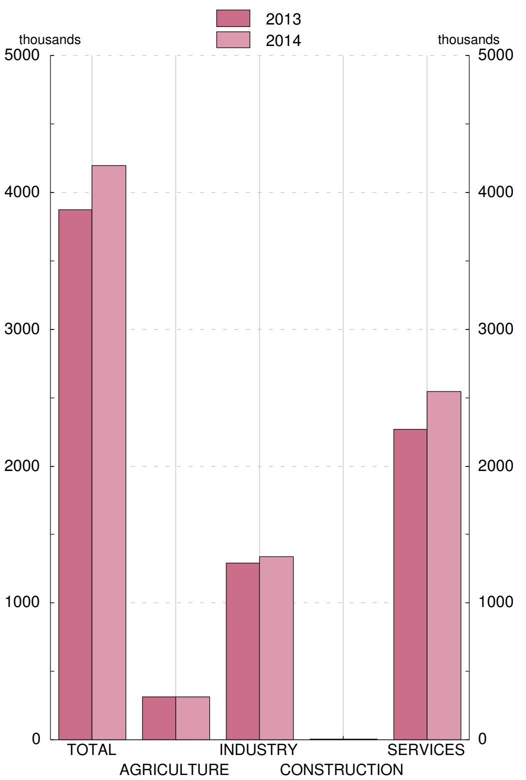
Source: Instituto de Empleo Servicio Público de Empleo Estatal (SEPE).
Note: The underlying series for this indicator are in Tables 24.16 and 24.17 of the BE Boletín estadístico.
a. To December 2008, NACE 1993; from January 2009, NACE 2009.

4.6. COLLECTIVE BARGAINING AGREEMENTS. SPAIN

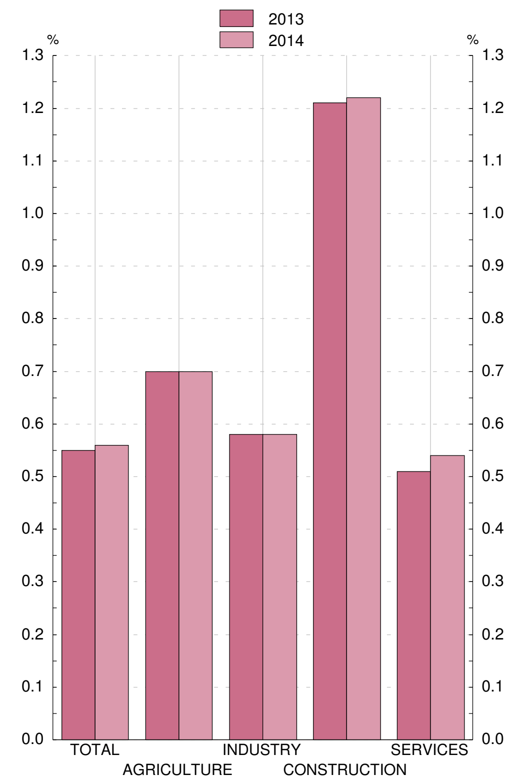
■ Series depicted in chart. *Thousands and %. Cumulative data*

		As per month economic effects come into force: Employees affected	As per month economic effects come into force: Average wage settlement (a)(b)	As per month recorded — Employees affected: Automatic adjustment	Newly-signed agreements	Total	Annual change	Agriculture (c)	Industry (c)	Construction (c)	Services (c)	As per month recorded — Average wage settlement (%): Automatic adjustment	Newly signed agreements	Total	Agriculture (c)	Industry (c)	Construction (c)	Services (c)
		1	2	3	4	5 ■	6	7 ■	8 ■	9 ■	10 ■	11	12	13 ■	14 ■	15 ■	16 ■	17 ■
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		9 970	1.01	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	P	6 986	0.54	3 240	1 801	5 041	-1 038	229	1 411	351	3 049	0.66	0.41	0.57	0.95	0.49	0.58	0.58
13 *Apr*	P	6 461	0.54	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	P	6 536	0.54	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	P	6 540	0.54	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	P	6 786	0.53	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	P	6 793	0.53	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	P	6 863	0.53	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
Oct	P	6 910	0.54	2 563	1 645	4 209	-625	189	1 287	338	2 395	0.64	0.41	0.55	0.94	0.49	0.59	0.55
Nov	P	6 914	0.54	2 893	1 687	4 580	-1 214	229	1 320	349	2 682	0.70	0.42	0.60	0.95	0.49	0.59	0.62
Dec	P	6 986	0.54	3 240	1 801	5 041	-1 038	229	1 411	351	3 049	0.66	0.41	0.57	0.95	0.49	0.58	0.58
14 *Jan*	P	3 740	0.53	...	...	966	478	36	223	0	706	...	...	0.60	1.00	0.79	-	0.52
Feb	P	3 743	0.53	...	...	1 699	898	176	380	3	1 140	...	...	0.60	0.66	0.90	1.46	0.49
Mar	P	3 748	0.53	...	...	2 709	1 557	248	908	4	1 549	...	...	0.55	0.72	0.61	1.43	0.49
Apr	P	4 030	0.55	...	...	3 067	1 642	265	1 016	4	1 783	...	...	0.56	0.74	0.62	1.42	0.51
May	P	4 030	0.55	...	...	3 500	1 795	306	1 193	4	1 998	...	...	0.54	0.70	0.58	1.41	0.49
Jun	P	4 036	0.55	...	...	3 603	1 527	308	1 232	4	2 059	...	...	0.54	0.70	0.59	1.31	0.49
Jul	P	4 184	0.56	...	...	3 768	1 333	310	1 238	4	2 216	...	...	0.55	0.70	0.59	1.29	0.51
Aug	P	4 197	0.56	...	...	3 874	482	312	1 290	4	2 267	...	...	0.55	0.70	0.58	1.21	0.51
Sep	P	4 197	0.56	...	...	4 197	478	313	1 336	5	2 544	...	...	0.56	0.70	0.58	1.22	0.54

EMPLOYEES AFFECTED
Enero - September



AVERAGE WAGE SETTLEMENT
Enero - September



Source: Ministerio de Empleo y Seguridad Social, Estadística de Convenios Colectivos de Trabajo.
a.Until 2010, includes revisions arising from indexation clauses.
b. The information on the number of collective bargaining agreements registered in 2013 with economic effects in 2013 is not homogeneous with respect to that of the same period a year earlier.
c. To December 2008, NACE 1993; from January 2009, NACE 2009.

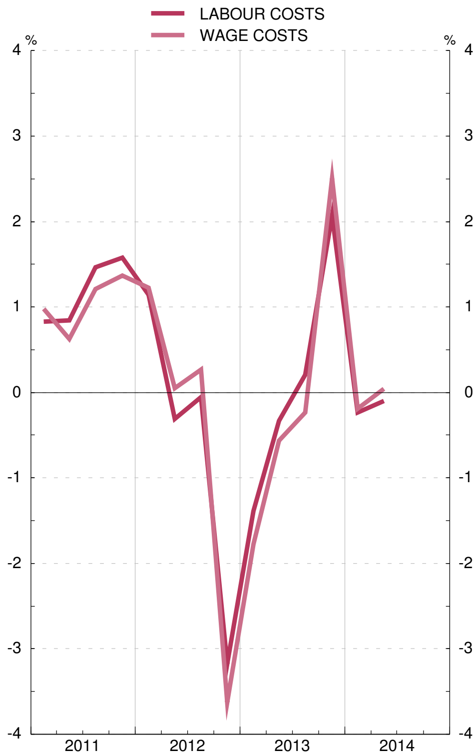
4.7. QUARTERLY LABOUR COSTS SURVEY

■ Series depicted in chart.

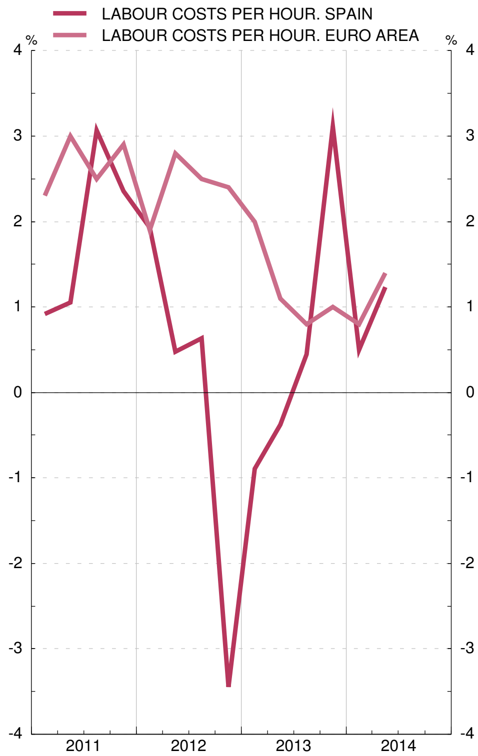
Annual percentage change

	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 ■
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	2.4
13 M	0.2	1.8	0.5	-0.1	0.5	0.0	1.9	0.5	-0.4	0.4	0.6	0.6	1.2
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	1.6
14 *Q1-Q2* M	-0.2	1.4	-0.5	-0.4	0.9	-0.1	1.8	0.2	-0.4	1.0	-0.4	0.9	1.1
11 *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	2.9
12 *Q1*	1.1	2.6	2.3	0.8	1.4	1.2	1.9	1.3	1.0	1.5	0.9	1.9	1.9
Q2	-0.3	2.6	2.6	-1.0	0.7	0.0	2.1	2.2	-0.5	1.0	-1.4	0.5	2.8
Q3	-0.1	1.8	1.0	-0.4	-	0.3	1.0	1.2	0.0	0.3	-0.9	0.6	2.5
Q4	-3.2	0.7	0.0	-4.2	-2.2	-3.6	-0.2	0.4	-4.7	-2.7	-1.8	-3.4	2.4
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	2.0
Q2	-0.3	1.8	1.8	-0.8	-2.4	-0.6	1.8	1.5	-1.2	-2.6	0.4	-0.4	1.1
Q3	0.2	2.5	0.2	-0.2	0.5	-0.2	2.1	0.5	-0.8	0.1	1.4	0.4	0.8
Q4	2.1	1.4	0.7	2.6	1.8	2.5	2.3	0.5	2.8	2.2	0.8	3.1	1.0
14 *Q1*	-0.2	1.0	0.4	-0.5	-1.8	-0.2	1.4	-0.0	-0.5	-1.8	-0.4	0.5	0.8
Q2	-0.1	1.8	-1.3	-0.3	3.5	0.0	2.1	0.4	-0.3	3.7	-0.5	1.2	1.4

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.

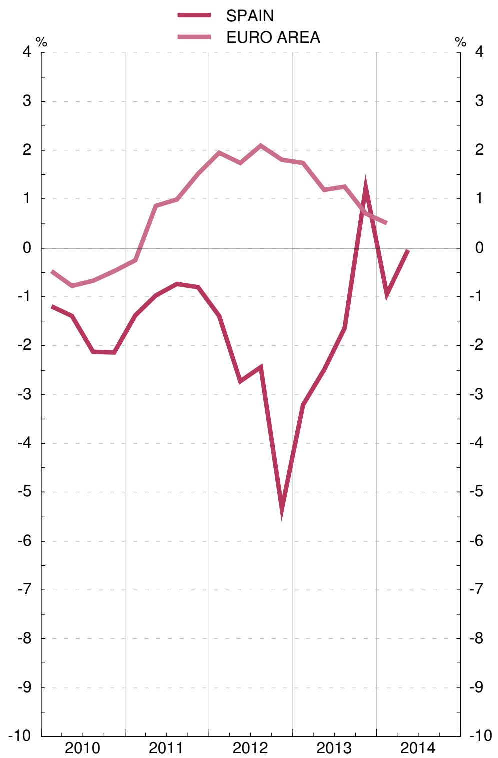
4.8. UNIT LABOUR COSTS. SPAIN AND EURO AREA (a)

■ Series depicted in chart.

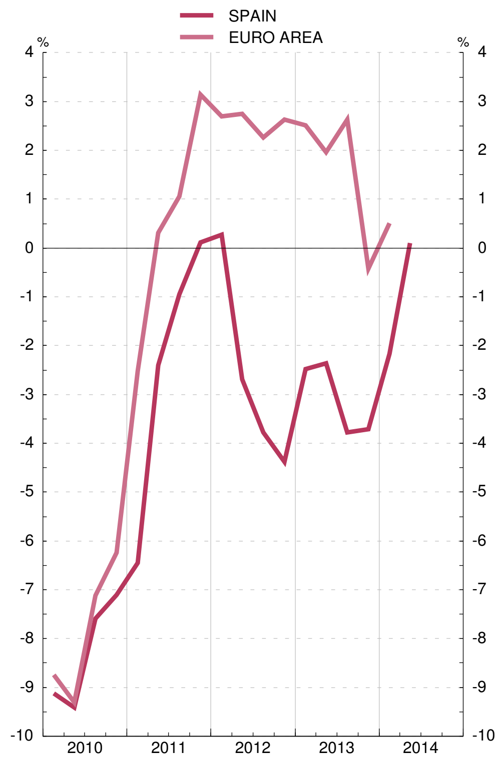
Annual percentage changes

		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
11	P	-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	P	-3.0	1.9	-2.6	2.6	0.2	1.9	3.3	0.0	-1.6	-0.6	-4.8	-0.7
13	A	-1.6	1.2	-3.1	1.7	0.7	1.7	2.3	0.4	-1.2	-0.4	-3.4	-0.8
11 *Q3*	P	-0.7	1.0	-1.0	1.1	1.6	2.1	2.4	1.1	-0.0	1.4	-2.4	0.3
Q4	P	-0.8	1.5	0.1	3.1	1.9	2.3	2.8	0.7	-0.6	0.7	-3.3	-0.1
12 *Q1*	P	-1.4	1.9	0.3	2.7	1.7	2.1	3.2	0.2	-1.2	-0.2	-4.3	-0.4
Q2	P	-2.7	1.7	-2.7	2.7	0.8	2.0	3.7	0.2	-1.6	-0.5	-5.1	-0.8
Q3	P	-2.4	2.1	-3.8	2.3	0.7	2.1	3.2	-0.0	-1.7	-0.7	-4.7	-0.7
Q4	P	-5.3	1.8	-4.4	2.6	-2.4	1.6	3.1	-0.2	-2.1	-1.0	-5.0	-0.8
13 *Q1*	A	-3.2	1.7	-2.5	2.5	-0.5	1.7	2.9	-0.0	-1.9	-1.2	-4.7	-1.1
Q2	A	-2.5	1.2	-2.4	2.0	-0.1	1.6	2.5	0.4	-1.6	-0.6	-4.0	-1.0
Q3	A	-1.6	1.3	-3.8	2.6	0.5	1.7	2.2	0.5	-1.1	-0.3	-3.3	-0.8
Q4	A	1.2	0.7	-3.7	-0.4	2.7	1.6	1.5	0.9	-0.2	0.5	-1.6	-0.4
14 *Q1*	A	-0.9	0.5	-2.2	0.5	-0.1	1.3	0.8	0.8	0.5	0.9	-0.4	0.1
Q2	A	-0.0	...	0.1	...	0.3	...	0.4	...	1.2	0.6	0.8	...

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.

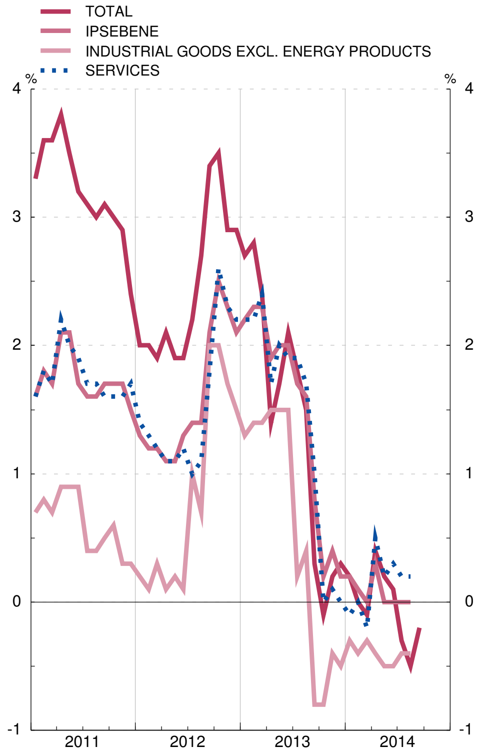
5.1. CONSUMER PRICE INDEX. SPAIN (2011=100)

■ Series depicted in chart.

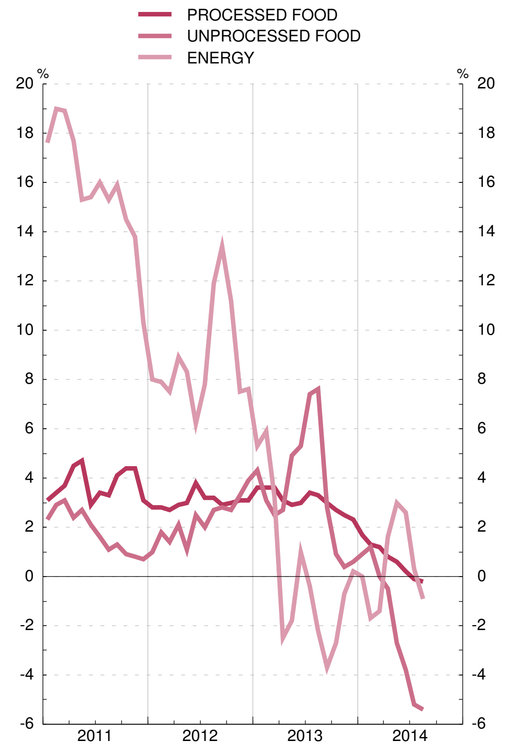
Indices and annual percentage changes

	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
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
13 M	103.9	_	1.4	0.3	3.5	3.1	0.6	0.1	1.4	1.5	114.6	2.7
13 *J-A* M	103.7	-0.0	2.0	-0.6	4.8	3.3	1.1	1.0	2.0	2.0	115.0	8.3
14 *J-A* M	103.7	-0.1	-0.0	-0.9	-2.0	0.7	-0.4	0.5	0.1	0.1	...	...
13 *May*	104.1	0.2	1.7	-0.2	4.9	2.9	1.5	-1.8	2.0	2.0	123.7	13.5
Jun	104.2	0.1	2.1	-0.1	5.3	3.0	1.5	1.0	1.9	2.0	120.0	9.0
Jul	103.7	-0.5	1.8	-0.6	7.4	3.4	0.2	-0.4	1.9	1.7	107.2	7.1
Aug	104.0	0.3	1.5	-0.3	7.6	3.3	0.4	-2.2	1.7	1.6	104.2	-1.5
Sep	103.8	-0.2	0.3	-0.4	2.8	3.0	-0.8	-3.7	1.0	0.8	113.4	-4.3
Oct	104.3	0.4	-0.1	-	0.9	2.7	-0.8	-2.7	-	0.2	118.0	-5.4
Nov	104.5	0.2	0.2	0.2	0.4	2.5	-0.4	-0.7	0.1	0.4	111.0	-7.3
Dec	104.6	0.1	0.3	0.3	0.6	2.3	-0.5	0.2	-	0.2	117.6	-2.3
14 *Jan*	103.2	-1.3	0.2	-1.3	0.9	1.7	-0.3	-	-0.1	0.2	107.3	-6.2
Feb	103.1	-	-	-1.4	1.2	1.3	-0.4	-1.7	-	0.1	108.1	-5.6
Mar	103.4	0.2	-0.1	-1.2	-	1.2	-0.3	-1.4	-0.2	-	110.0	-7.7
Apr	104.3	0.9	0.4	-0.3	-0.5	0.8	-0.4	1.6	0.5	0.3	112.0	-4.0
May	104.3	-	0.2	-0.3	-2.7	0.6	-0.5	3.0	0.2	-	111.0	-10.3
Jun	104.3	-	0.1	-0.2	-3.8	0.2	-0.5	2.6	0.3	-	...	...
Jul	103.3	-0.9	-0.3	-1.2	-5.2	-0.1	-0.4	0.3	0.2	-	...	...
Aug	103.5	0.2	-0.5	-1.0	-5.4	-0.2	-0.4	-0.9	0.2	-	...	...

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.

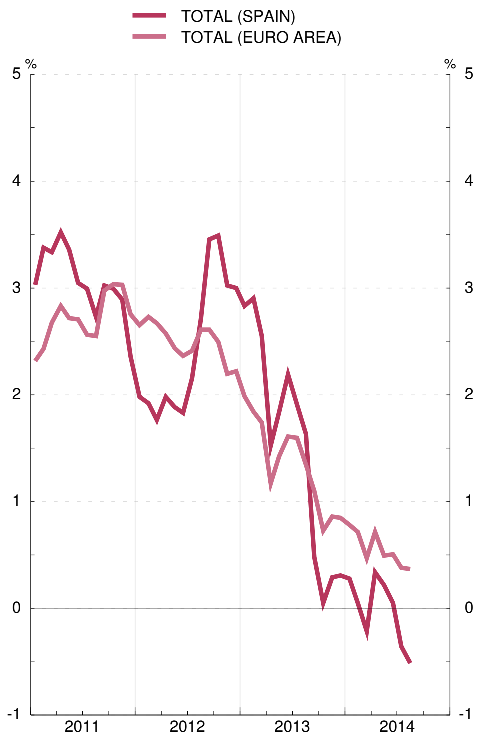
5.2. HARMONISED INDEX OF CONSUMER PRICES. SPAIN AND EURO AREA (2005=100) (a)

■ Series depicted in chart.

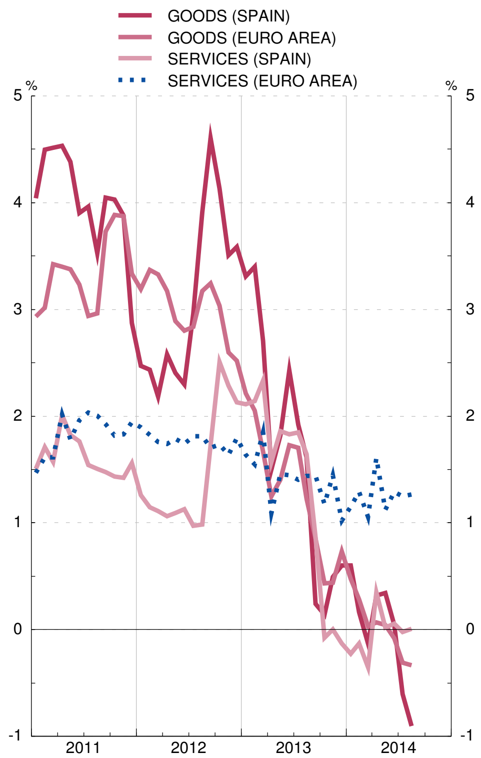
Annual percentage changes

		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 ■
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
13	M	1.5	1.4	1.7	1.3	3.2	2.7	3.1	2.2	3.4	3.5	0.8	0.6	1.1	0.6	0.0	0.6	1.3	1.4
13 *J-A*	M	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
14 *J-A*	M P	-0.0	0.6	-0.0	0.0	-0.1	0.5	0.2	1.5	-0.5	-1.1	0.0	-0.3	-0.2	0.1	0.4	-1.2	-0.0	1.3
13 *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		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
Sep		0.5	1.1	0.2	0.9	3.0	2.6	3.0	2.4	2.9	2.9	-1.2	-	-0.1	0.4	-3.7	-0.9	0.9	1.4
Oct		-	0.7	0.1	0.4	2.2	1.9	2.7	2.2	1.6	1.4	-1.0	-0.3	-0.1	0.3	-2.7	-1.7	-0.1	1.2
Nov		0.3	0.9	0.5	0.4	1.9	1.6	2.4	2.0	1.3	0.9	-0.3	-0.1	-	0.2	-0.7	-1.1	-	1.4
Dec		0.3	0.8	0.6	0.7	1.8	1.8	2.1	2.0	1.5	1.5	-0.1	0.2	-0.2	0.3	0.2	-	-0.1	1.0
14 *Jan*		0.3	0.8	0.6	0.5	1.4	1.7	1.3	2.0	1.5	1.3	0.1	-0.2	0.1	0.2	-	-1.2	-0.2	1.2
Feb		0.1	0.7	0.2	0.3	1.3	1.5	0.9	1.8	1.7	0.9	-0.6	-0.4	-	0.4	-1.7	-2.3	-0.1	1.3
Mar		-0.2	0.5	-0.1	-	0.8	1.0	0.7	1.7	0.9	-0.1	-0.7	-0.5	-0.3	0.2	-1.4	-2.1	-0.4	1.1
Apr		0.3	0.7	0.3	0.1	0.4	0.7	0.4	1.6	0.5	-0.7	0.3	-0.3	-0.3	0.1	1.6	-1.2	0.3	1.6
May		0.2	0.5	0.3	-	-0.4	0.1	-	1.5	-0.9	-2.1	0.8	-	-0.2	-	3.0	-	-	1.1
Jun		-	0.5	-	-0.1	-1.0	-0.2	-0.3	1.4	-1.7	-2.8	0.6	-	-0.3	-0.1	2.6	0.1	0.1	1.3
Jul		-0.4	0.4	-0.6	-0.3	-1.6	-0.3	-0.7	1.1	-2.7	-2.6	-	-0.3	-0.2	-	0.3	-1.0	-	1.3
Aug	P	-0.5	0.4	-0.9	-0.3	-1.8	-0.3	-0.8	1.0	-2.9	-2.4	-0.4	-0.4	-0.2	0.3	-0.9	-2.0	-	1.3

HARMONISED INDEX OF CONSUMER PRICES. TOTAL
Annual percentage changes



HARMONISED INDEX OF CONSUMER PRICES. COMPONENTS
Annual percentage changes



Source: Eurostat.

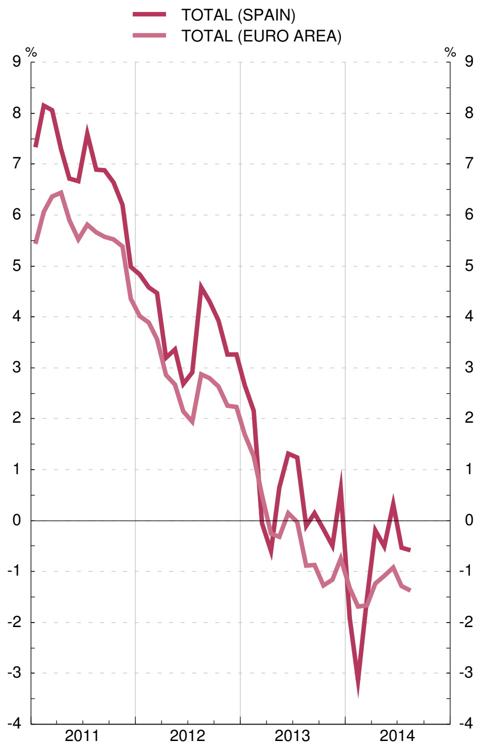
a. Since January 2011 the rules of Commission Regulation (EC) No 330/2009 on the treatment of seasonal products have been incorporated. This has prompted a break in the series. The series constructed with the new methodology are only available from January 2010. The year-on-year rates of change presented 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)

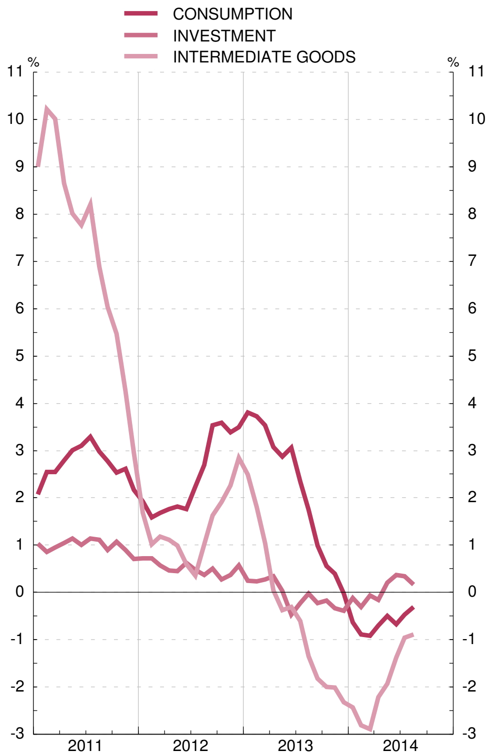
■ Series depicted in chart. *Annual percentage changes*

		Total			Consumer goods		Capital goods		Intermediate goods		Energy		Memorandum item: euro area				
													Total	Consumer goods	Capital goods	Intermediate goods	Energy
		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	12-month % change	12-month % change	12-month % change	12-month % change	12-month % change
		1	2	3 ■	4	5 ■	6	7 ■	8	9 ■	10	11	12 ■	13	14	15	16
11	M	106.9	_	6.9	_	2.7	_	1.0	_	7.2	_	15.3	5.7	3.3	1.5	5.8	10.9
12	M	111.0	_	3.8	_	2.5	_	0.5	_	1.4	_	9.7	2.8	2.5	1.0	0.7	6.6
13	M	111.7	_	0.6	_	2.2	_	-0.1	_	-0.5	_	0.5	-0.2	1.7	0.6	-0.6	-1.6
13 *J-A*	M	111.6	_	0.9	_	3.0	_	0.1	_	0.3	_	-0.3	0.3	2.0	0.6	-0.1	-1.0
14 *J-A*	MP	110.5	_	-1.0	_	-0.6	_	0.1	_	-1.9	_	-1.2	-1.3	0.4	0.3	-1.3	-3.7
13 *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	-2.4
Jun		111.2	0.0	1.3	0.2	3.1	-0.3	-0.5	-0.4	-0.3	0.5	2.1	0.1	2.0	0.5	-0.6	-1.1
Jul		112.2	0.9	1.2	-0.0	2.3	0.2	-0.2	-0.4	-0.6	3.8	2.8	-0.0	2.1	0.5	-0.6	-1.5
Aug		112.1	-0.1	-0.1	0.0	1.8	0.2	-0.0	-0.3	-1.3	-0.2	-0.6	-0.9	1.9	0.6	-1.0	-3.7
Sep		112.3	0.2	0.1	0.1	1.0	-0.1	-0.2	-0.1	-1.8	0.7	1.7	-0.9	1.5	0.6	-1.6	-2.9
Oct		111.7	-0.5	-0.2	-0.4	0.6	-0.0	-0.2	-0.3	-2.0	-1.1	1.1	-1.3	1.0	0.5	-1.8	-3.6
Nov		110.7	-0.9	-0.5	-0.2	0.4	-0.1	-0.3	-0.2	-2.0	-2.6	0.1	-1.2	0.9	0.5	-1.7	-3.1
Dec		112.0	1.1	0.6	-0.3	-0.0	-0.0	-0.4	-0.2	-2.3	4.6	5.1	-0.7	0.8	0.6	-1.7	-1.8
14 *Jan*		110.5	-1.4	-1.9	-0.1	-0.6	0.2	-0.1	0.2	-2.4	-5.2	-3.9	-1.3	0.7	0.4	-1.7	-3.4
Feb		109.4	-1.0	-3.1	-0.1	-0.9	-0.2	-0.3	-0.2	-2.8	-3.3	-7.6	-1.7	0.5	0.3	-1.8	-4.4
Mar		109.5	0.1	-1.5	0.0	-0.9	0.3	-0.1	-0.2	-2.9	0.6	-1.7	-1.7	0.4	0.3	-1.9	-4.4
Apr		109.7	0.1	-0.2	0.1	-0.7	-0.0	-0.2	0.2	-2.2	0.1	2.4	-1.2	0.7	0.2	-1.5	-3.4
May		110.6	0.8	-0.5	0.2	-0.5	0.1	0.2	0.0	-1.9	3.1	0.5	-1.1	0.5	0.3	-1.2	-3.1
Jun	P	111.5	0.9	0.3	0.0	-0.7	-0.1	0.4	0.2	-1.4	3.1	3.1	-0.9	0.4	0.3	-0.9	-2.5
Jul	P	111.6	0.1	-0.5	0.2	-0.5	0.2	0.3	-0.0	-1.0	-0.1	-0.7	-1.3	0.2	0.3	-0.6	-4.0
Aug	P	111.4	-0.1	-0.6	0.2	-0.3	0.0	0.2	-0.2	-0.9	-0.6	-1.0	-1.4	-0.0	0.4	-0.6	-4.5

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.

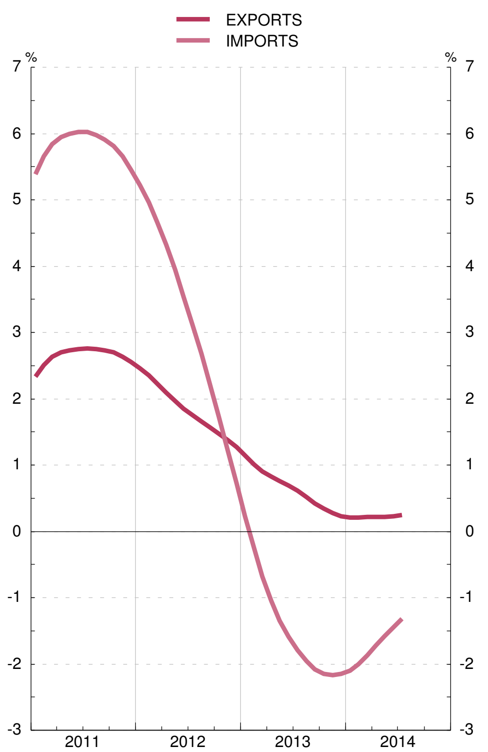
5.4. UNIT VALUE INDICES FOR SPANISH FOREIGN TRADE

■ Series depicted in chart.

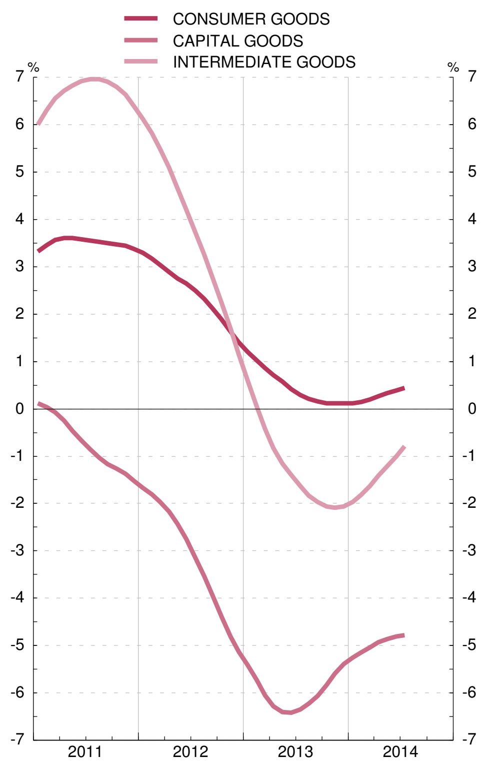
Annual percentage changes

	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
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
13	-0.1	1.2	-5.2	-0.1	-5.8	0.6	-4.2	-0.9	-8.2	-4.9	-8.6	-2.6
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
14 *J-J*	-0.6	0.7	-0.1	-1.5	-3.2	-1.3	-2.5	-0.3	-5.7	-2.8	-3.4	-1.7
13 *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
Aug	1.9	3.8	-3.3	1.1	-3.1	0.7	-6.4	-1.7	-12.2	-7.5	-10.6	-4.5
Sep	-2.8	-3.2	-6.1	-2.6	-5.8	-1.8	-3.7	0.3	-9.9	-4.3	-6.8	-1.2
Oct	0.6	0.1	-1.2	1.0	-10.0	2.9	-6.7	-5.3	-10.0	-7.0	-8.4	-5.3
Nov	-1.3	0.1	-10.3	-0.4	-14.0	0.5	-2.8	1.8	-0.3	-4.5	-8.3	-2.1
Dec	-2.4	-0.8	-3.8	-2.9	-7.1	-1.1	-3.5	-0.5	2.9	-5.5	-7.7	-2.2
14 *Jan*	-2.2	-0.9	-2.4	-2.8	-4.3	-2.8	-6.7	-2.7	-1.9	-8.3	-12.1	-5.1
Feb	-0.3	3.6	0.6	-2.7	-7.3	-2.3	-3.3	-1.2	-7.4	-3.7	-7.7	-2.0
Mar	2.8	3.0	-0.2	3.0	5.0	2.8	-4.9	-2.1	-20.6	-4.1	-8.2	-3.4
Apr	-1.6	-0.3	4.8	-3.5	-9.8	-2.5	0.3	1.4	1.4	-0.1	-3.7	3.0
May	1.3	0.7	2.8	1.4	1.5	2.2	0.8	-0.8	-4.3	1.7	11.5	-1.3
Jun	-2.6	-1.7	-2.0	-3.3	1.6	-4.0	-2.1	2.8	-4.0	-3.5	-5.6	-1.7
Jul	-1.8	0.6	-4.0	-2.7	-9.7	-2.4	-1.3	0.4	-3.1	-1.7	1.3	-1.5

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. GENERAL GOVERNMENT. NET LENDING (+)/NET BORROWING (-) ACCORDING TO THE EXCESSIVE DEFICIT PROCEDURE (EDP)

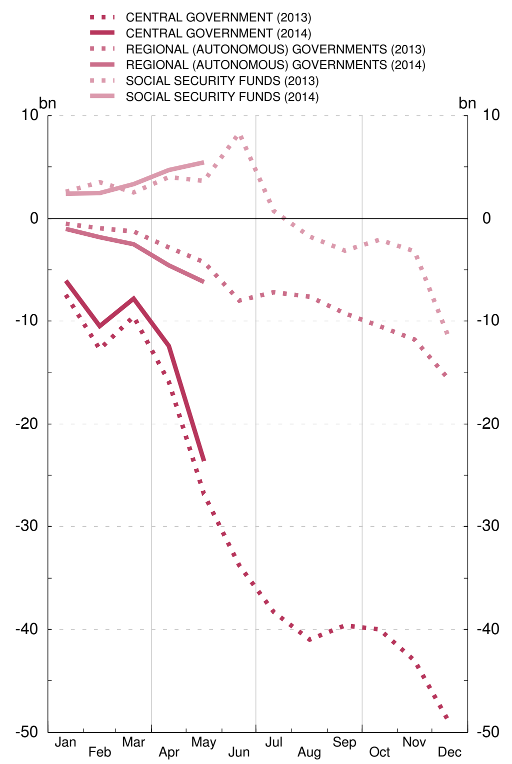
■ Series depicted in chart.

EUR millions

		General government	Central government: Total	Central government: Of which: State (a)	Regional (autonomous) governments (b)	Local governments	Social security funds
		1 = 2+4+5+6 ■	2 ■	3	4 ■	5 ■	6 ■
11		-100 072	-36 406	-31 476	-54 673	-8 252	-741
12	P	-109 460	-82 416	-44 141	-19 170	2 287	-10 161
13	A	-72 577	-49 148	-45 446	-15 781	4 213	-11 861
13 *Q2*	A	-24 830	-24 243	-21 733	-6 716	370	5 759
Q3	A	-15 966	-5 843	-3 650	-1 198	2 532	-11 457
Q4	A	-25 595	-9 529	-9 403	-6 563	-800	-8 703
14 *Q1*	A	-5 014	-7 829	-9 881	-2 551	2 010	3 356
13 *J-M*	A	...	-26 849	-26 106	-4 259	...	3 667
14 *J-M*	A	...	-23 635	-25 748	-6 220	...	5 437
13 *Jul*	A	...	-4 544	-4 458	801	...	-7 587
Aug	A	...	-2 667	-2 486	-392	...	-2 461
Sep	A	...	1 368	3 294	-1 607	...	-1 409
Oct	A	...	-399	-169	-1 242	...	1 078
Nov	A	...	-3 018	-3 285	-1 351	...	-1 141
Dec	A	...	-6 112	-5 949	-3 970	...	-8 640
14 *Jan*	A	...	-6 059	-6 037	-1 032	...	2 378
Feb	A	...	-4 450	-6 275	-777	...	87
Mar	A	...	2 680	2 431	-742	...	891
Apr	A	...	-4 619	-4 288	-2 000	...	1 335
May	A	...	-11 187	-11 579	-1 669	...	746

NET LENDING (+)/NET BORROWING (-) ACCORDING TO THE EXCESSIVE DEFICIT PROCEDURE (EDP)
By level of government.4-quarter moving average

NET LENDING (+)/NET BORROWING (-) ACCORDING TO THE EXCESSIVE DEFICIT PROCEDURE (EDP)
By level of government. Cumulative data from January. Monthly information



SOURCE: Ministerio de Hacienda y Administraciones Públicas (IGAE).
a. Detailed operations are published in indicator 6.3.
b. The breakdown by regional (autonomous) government is published in indicator 6.6.

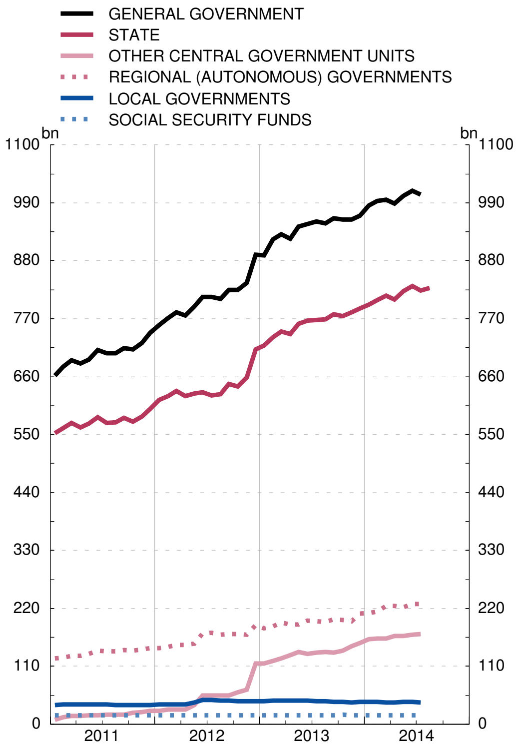
6.2. GENERAL GOVERNMENT. DEBT ACCORDING TO THE EXCESSIVE DEFICIT PROCEDURE (EDP) (a)

■ Series depicted in chart.

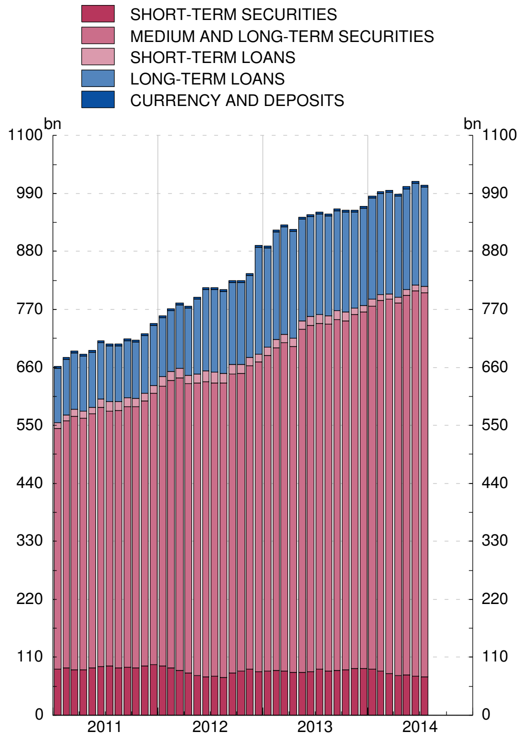
EUR millions

		Total	By government sector						By instrument						
			Central government		Regional (autonomous) governments	Local governments	Social security funds	Debt held by general government (consolidation)	Currency and deposits	Securities other than shares			Loans		
		(a)	State	Other units						Total	Short-term	Long-term	Total	Short-term	Long-term
		1=(2 a 6)-7 ■	2 ■	3	4 ■	5 ■	6	7	8 ■	9=10+11 ■	10	11	12=13+14 ■	13	14
09		568 700	479 541	8 129	92 435	34 700	17 169	63 274	3 468	472 678	86 395	386 283	92 555	9 775	82 780
10		649 259	544 790	6 767	123 419	35 453	17 169	78 338	3 584	534 226	88 201	446 025	111 449	8 438	103 011
11		743 531	598 995	25 243	145 086	36 819	17 169	79 781	3 685	610 699	96 153	514 546	129 146	15 232	113 915
12	P	890 993	711 474	114 932	188 424	44 005	17 188	185 030	3 681	669 887	82 563	587 324	217 425	15 143	202 282
13 *Feb*	P	920 728	735 080	120 705	186 407	44 585	17 195	183 243	3 671	696 628	85 141	611 486	220 430	15 901	204 529
Mar	P	930 363	745 437	125 670	193 465	44 958	17 188	196 355	3 672	707 095	83 260	623 835	219 596	15 170	204 426
Apr	P	922 022	741 503	131 704	189 599	44 736	17 191	202 711	3 677	699 588	81 174	618 414	218 756	16 194	202 562
May	P	945 280	760 750	137 104	189 664	44 611	17 188	204 037	3 673	731 982	81 755	650 227	209 625	16 420	193 205
Jun	P	950 417	766 967	133 746	197 163	44 540	17 202	209 200	3 674	739 422	82 989	656 433	207 322	17 875	189 447
Jul	P	954 200	767 666	136 023	195 828	44 201	17 193	206 711	3 702	743 033	87 660	655 373	207 465	17 618	189 847
Aug	P	951 606	769 229	136 989	194 469	43 393	17 189	209 664	3 709	742 500	83 451	659 049	205 396	15 601	189 795
Sep	P	961 242	779 068	135 609	199 748	43 107	17 190	213 479	3 714	750 773	85 402	665 371	206 755	16 715	190 040
Oct	P	957 840	774 927	140 242	198 236	42 160	17 747	215 472	3 690	748 408	86 420	661 988	205 742	16 332	189 410
Nov	P	957 777	782 423	147 682	195 612	41 816	17 195	226 951	3 688	760 164	88 308	671 856	193 924	12 487	181 438
Dec	P	966 181	789 028	153 935	209 773	42 114	17 187	245 857	3 696	765 746	88 106	677 640	196 738	12 079	184 659
14 *Jan*	P	985 131	796 203	161 933	211 188	42 036	17 187	243 417	3 712	776 220	87 745	688 475	205 199	13 776	191 423
Feb	P	994 065	804 942	162 513	213 812	42 266	17 188	246 655	3 712	787 113	83 470	703 643	203 239	10 784	192 456
Mar	P	995 843	813 206	162 689	224 975	41 911	17 188	264 126	3 726	788 961	79 415	709 546	203 155	10 720	192 435
Apr	A	988 702	806 390	167 540	224 163	41 906	17 192	268 488	3 737	782 294	75 069	707 225	202 671	10 282	192 389
May	A	1 002 739	821 941	167 504	222 212	42 647	17 189	268 753	3 767	796 702	76 000	720 703	202 271	10 635	191 636
Jun	A	1 012 606	831 414	170 468	228 219	41 994	17 203	276 691	3 804	804 833	74 652	730 181	203 970	11 547	192 423
Jul	A	1 005 693	823 814	170 794	227 789	40 938	17 196	274 838	3 849	801 645	73 032	728 613	200 199	12 207	187 992

GENERAL GOVERNMENT DEBT ACCORDING TO THE EDP
By sub-sector. Billions of euro



GENERAL GOVERNMENT DEBT ACCORDING TO THE EDP
By instrument. Billions of euro



SOURCE: BE.
Note: The debt figures have been compiled following the new ESA 2010 methodology.
a. The most recent data to have been checked against those of the regional (autonomous) governments and the six largest municipalities correspond to June 2014.

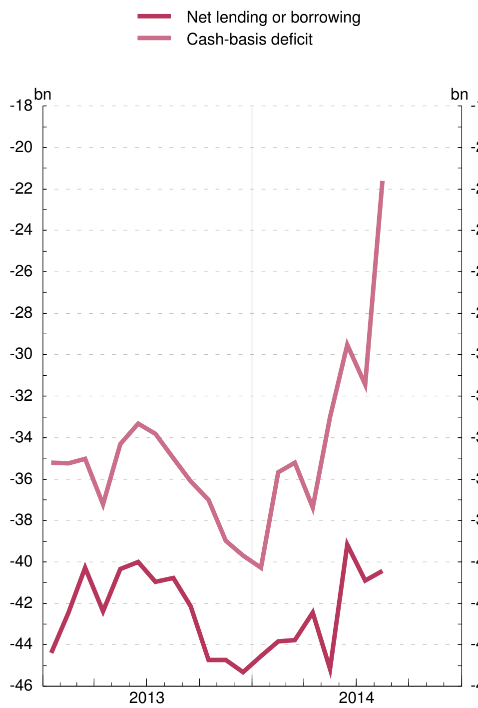
6.3. STATE RESOURCES ANS USES ACCORDING TO THE NACIONAL ACCOUNTS. SPAIN

■ Series depicted in chart.

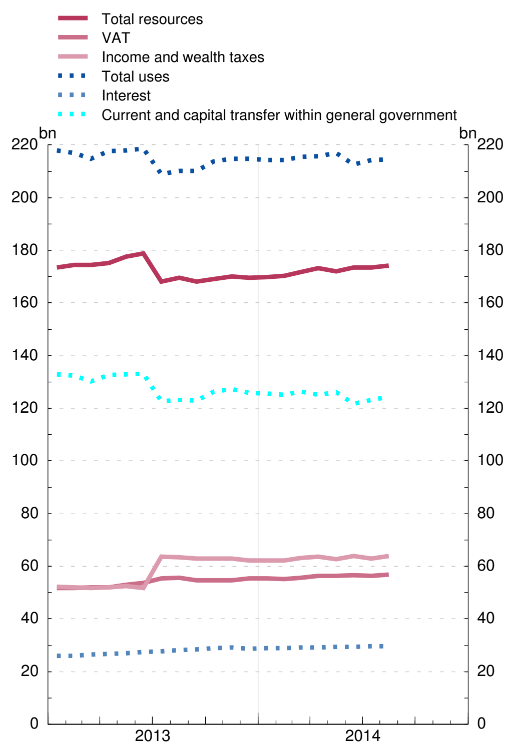
EUR millions

	Net lending (+) or borrowing (-)	Current and capital resources						Current and capital uses						Memorandum item: cash-basis deficit		
		Total	Value added tax (VAT)	Other taxes on products and imports	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
12	-44 093	173 033	51 403	19 781	7 559	51 976	42 314	217 126	17 991	25 694	132 978	1 840	38 623	-29 013	123 344	152 357
13 P	-45 321	169 504	55 441	22 765	9 878	62 213	19 207	214 825	18 250	28 690	125 752	1 326	40 807	-39 678	121 118	160 796
13 *J-A* P	-39 643	104 390	37 772	14 425	5 146	35 287	11 760	144 033	11 730	18 847	87 657	271	25 528	-45 186	66 612	111 798
14 *J-A* A	-34 743	109 066	39 055	15 182	5 479	37 061	12 289	143 809	11 607	19 836	86 179	390	25 797	-27 113	82 018	109 131
13 *Aug* P	-2 427	11 550	3 022	1 766	731	4 398	1 633	13 977	1 312	2 453	7 049	60	3 103	-9 412	-1 096	8 315
Sep P	3 186	16 964	7 229	2 227	396	5 881	1 231	13 778	1 343	2 382	7 386	57	2 610	3 426	12 562	9 136
Oct P	-80	17 378	4 027	1 852	629	9 538	1 332	17 458	1 305	2 497	10 907	127	2 622	8 206	22 706	14 500
Nov P	-3 092	11 570	3 165	2 434	325	3 996	1 650	14 662	1 333	2 397	8 362	64	2 506	-4 154	5 911	10 065
Dec P	-5 692	19 202	3 248	1 827	3 382	7 511	3 234	24 894	2 539	2 567	11 440	807	7 541	-1 970	13 327	15 297
14 *Jan* A	-6 289	11 217	4 914	2 057	453	2 934	859	17 506	1 324	2 508	10 692	27	2 955	-15 856	5 221	21 077
Feb A	-6 726	11 331	5 326	2 116	345	2 566	978	18 057	1 316	2 223	10 221	34	4 263	4 464	16 092	11 629
Mar A	3 391	20 249	8 035	1 592	1 887	7 398	1 337	16 858	1 336	2 520	10 080	36	2 886	-2 979	6 774	9 753
Apr A	-5 124	13 071	3 763	1 807	695	5 706	1 100	18 195	1 318	2 454	10 466	45	3 912	-730	13 440	14 170
May A	-11 509	6 079	2 830	2 000	428	-421	1 242	17 588	1 312	2 485	10 821	36	2 934	-3 308	7 654	10 961
Jun A	-348	19 119	7 452	1 875	631	6 863	2 298	19 467	2 383	2 491	10 759	150	3 684	-8 793	3 855	12 649
Jul A	-6 185	15 637	3 407	1 961	534	6 581	3 154	21 822	1 325	2 584	15 043	50	2 820	-335	20 242	20 577
Aug A	-1 953	12 363	3 328	1 774	506	5 434	1 321	14 316	1 293	2 571	8 097	12	2 343	424	8 739	8 315

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



STATE. RESOURCES AND USES ACCORDING TO THE NATIONAL ACCOUNTS
Lastest 12 months



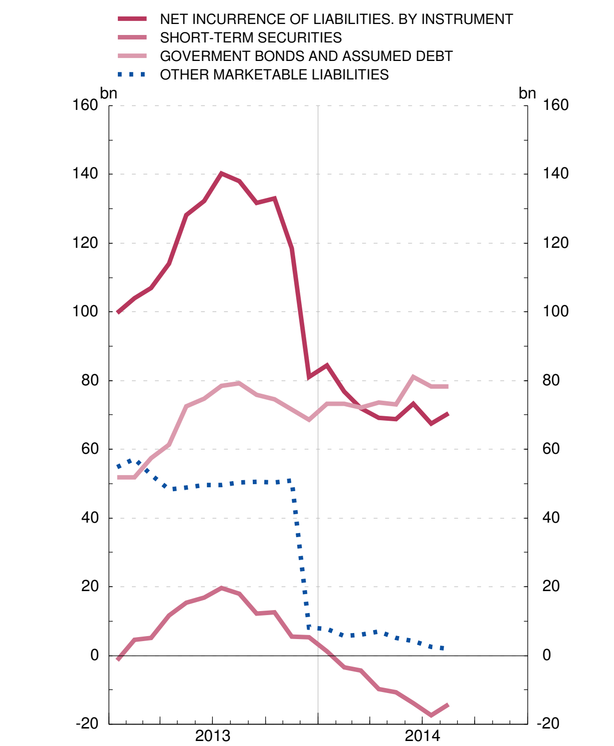
Source: Ministerio de Hacienda y Administraciones Públicas (IGAE).

6.4. STATE FINANCIAL TRANSACTIONS. SPAIN

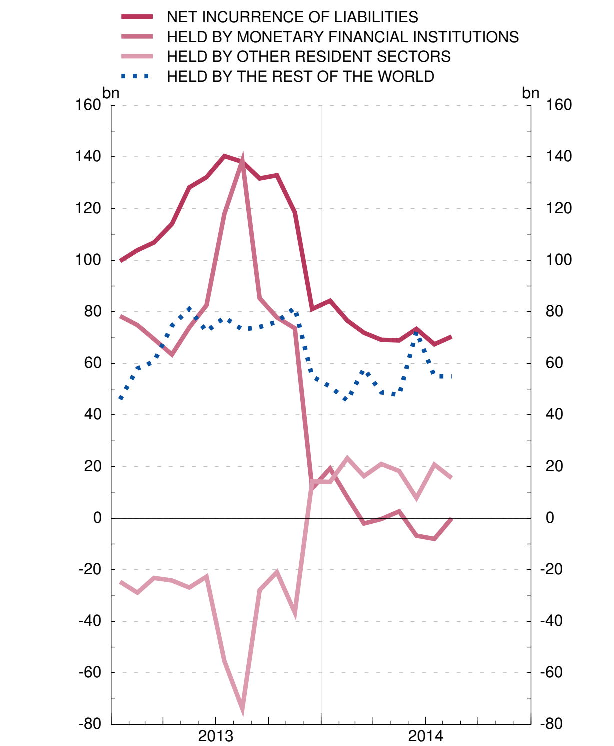
■ Series depicted in chart. *EUR millions*

		Net lending (+) or net borrowing(-)	Net acquisition of financial assets: Total	Net acquisition of financial assets: Of which: Deposits at the Banco de España	Net incurrence of liabilities: Total	Net incurrence of liabilities: Of which: In currencies other than the peseta/euro	By instrument: Short-term securities	By instrument: Goverment bonds and assumed debt	By instrument: Banco de España loans	By instrument: Other marketable liabilities (a)	By instrument: Other accounts payable	By counterpart sector: Held by resident sectors: Total	By counterpart sector: Held by resident sectors: Monetary financial institutions	By counterpart sector: Held by resident sectors: Other resident sectors	By counterpart sector: Rest of the world	Net incurrence of liabilities (excluding other accounts payable)
		1	2	3	4 ■	5	6 ■	7 ■	8	9 ■	10	11	12 ■	13 ■	14 ■	15
12		-44 093	66 764	2 275	110 857	-2 704	-5 749	65 832	-542	55 391	-4 076	74 467	95 161	-20 694	36 390	114 933
13	P	-45 321	35 678	-2 400	80 999	-34	5 376	68 612	-876	8 014	-127	25 886	11 580	14 306	55 113	81 125
13 *J-A*	P	-39 643	11 058	-2 401	50 701	-37	5 491	46 307	-876	6 294	-6 514	44 671	41 324	3 347	6 030	57 215
14 *J-A*	A	-34 743	5 386	-90	40 129	-3	-14 047	55 960	-946	311	-1 148	34 114	29 551	4 562	6 016	41 278
13 *Aug*	P	-2 427	613	-134	3 040	2	-2 850	6 095	-	640	-844	1 709	-2 635	4 344	1 332	3 885
Sep	P	3 186	10 417	2 901	7 231	2	1 525	10 429	-	111	-4 834	-1 361	1 663	-3 024	8 592	12 066
Oct	P	-80	-7 667	-800	-7 587	-3	813	-8 027	-	-42	-332	-10 689	-6 636	-4 053	3 101	-7 256
Nov	P	-3 092	779	300	3 871	2	-1 839	11 351	-	446	-6 086	-12 032	-8 587	-3 445	15 903	9 957
Dec	P	-5 692	21 090	-2 400	26 782	2	-614	8 552	-	1 206	17 639	5 296	-16 185	21 481	21 487	9 143
14 *Jan*	A	-6 289	-3 751	0	2 538	2	-685	3 625	-	8	-409	6 713	13 694	-6 981	-4 175	2 948
Feb	A	-6 726	774	-0	7 500	2	-3 160	14 173	-	202	-3 715	3 042	-1 242	4 284	4 458	11 215
Mar	A	3 391	11 125	-1	7 734	2	-2 664	13 429	-	326	-3 357	4 997	4 330	667	2 737	11 091
Apr	A	-5 124	-12 391	2	-7 267	-15	-4 193	-5 545	-946	966	2 451	1 983	-390	2 373	-9 250	-9 718
May	A	-11 509	9 442	-0	20 951	2	865	17 949	-	34	2 102	13 829	14 346	-517	7 122	18 849
Jun	A	-348	12 845	-89	13 193	2	-4 475	16 838	-	6	824	-2 611	-787	-1 825	15 804	12 369
Jul	A	-6 185	-16 736	0	-10 551	2	-53	-10 604	-	-1 440	1 545	1 620	-5 712	7 332	-12 171	-12 097
Aug	A	-1 953	4 079	-2	6 032	2	318	6 095	-	208	-590	4 542	5 312	-770	1 490	6 622

STATE. NET INCURRENCE OF LIABILITIES. BY INSTRUMENT
Lastest 12 months



STATE. NET INCURRENCE OF LIABILITIES. BY COUNTERPART SECTOR
Lastest 12 months



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

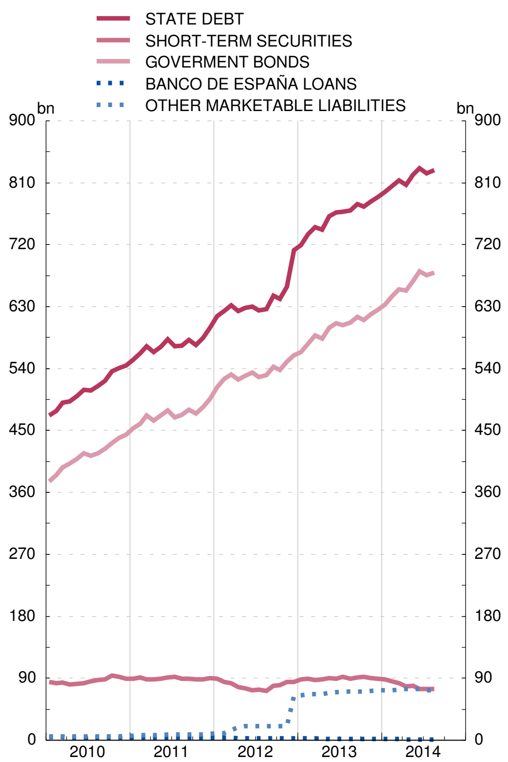
6.5. STATE. LIABILITIES OUTSTANDING ACCORDING TO THE METHODOLOGY OF EXCESSIVE DEFICIT PROCEDURE. SPAIN

■ Series depicted in chart.

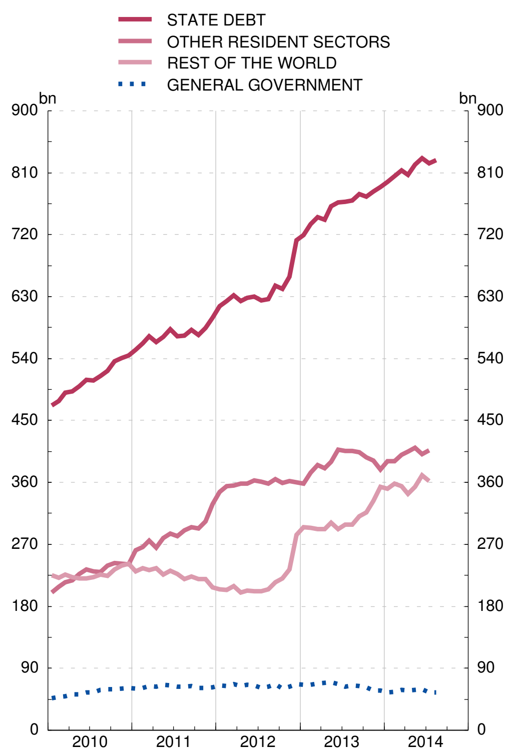
EUR millions

	Liabilities outstanding according to the methodology of the Excessive Deficit Procedure (PDE)										Memorandum item:				
	Total	Of which:	By instruments				By counterpart sector				Deposits at the Banco de España including Treasury liquidity tenders	Guarantees given (outstanding balance)			
		In currencies other than euro	Short-term securities	Government bonds and assumed debt	Banco de España loans	Other marketable liabilities (a)	Held by resident sectors			Rest of the world		Total	Of which:		
							Total	General Government	Other resident sectors				to other General Government units	to FEEF (b)	to credit institutions
	1 ■	2	3 ■	4 ■	5 ■	6 ■	7	8 ■	9 ■	10 ■	11	12	13	14	15
09	479 541	68	85 513	383 864	4 665	5 498	263 300	46 105	217 195	216 240	24 791	58 854	3 000	-	49 008
10	544 790	0	89 756	444 308	4 082	6 644	302 636	61 170	241 466	242 154	28 898	73 560	6 000	-	59 506
11	P 598 995	0	90 608	495 662	3 499	9 228	391 375	62 613	328 763	207 620	30 616	99 748	23 851	2 993	64 659
12	P 711 474	0	84 613	559 327	2 915	64 640	427 748	67 328	360 420	283 748	35 000	168 165	26 608	30 820	68 399
13 *Aug*	A 769 229	0	89 504	606 869	1 943	70 934	470 708	64 928	405 780	298 542	31 400	170 944	31 720	33 840	51 532
Sep	A 779 068	239	90 987	615 115	1 943	71 044	468 328	64 468	403 860	310 762	43 380	169 363	29 654	34 657	51 411
Oct	A 774 927	235	91 742	610 260	1 943	71 002	458 916	62 461	396 455	316 032	40 649	169 926	30 454	35 887	50 128
Nov	A 782 423	240	89 839	619 213	1 943	71 448	449 610	57 836	391 774	332 834	26 361	168 108	31 954	35 887	46 951
Dec	A 789 028	240	89 174	625 278	1 943	72 654	435 810	57 387	378 423	353 239	20 284	165 054	31 954	34 841	46 607
14 *Jan*	A 796 203	244	88 434	633 185	1 943	72 641	445 511	54 947	390 563	350 693	19 578	165 181	31 954	36 481	45 247
Feb	A 804 942	242	85 231	644 924	1 943	72 844	446 604	55 885	390 718	358 338	27 766	158 369	30 454	37 300	39 550
Mar	A 813 206	241	82 521	655 571	1 943	73 169	458 413	58 443	399 970	354 793	31 797	146 523	28 299	34 668	32 853
Apr	A 806 390	243	78 295	652 988	972	74 136	463 070	57 955	405 115	343 320	18 659	143 736	28 299	35 693	30 583
May	A 821 941	246	79 141	667 658	972	74 170	468 176	58 219	409 957	353 764	29 627	143 645	28 299	36 307	29 962
Jun	A 831 414	250	74 640	681 627	972	74 176	460 821	59 291	401 530	370 593	29 705	143 761	28 299	36 922	29 512
Jul	A 823 814	252	74 561	675 544	972	72 736	461 795	55 250	406 546	362 018	19 264	143 802	28 299	38 516	28 273
Aug	A 828 064	251	74 850	679 297	972	72 944	...	55 161	...	...	22 340	133 844	28 299	38 516	18 373

STATE. LIABILITIES OUTSTANDING
By instrument. Billions of euro



STATE. LIABILITIES OUTSTANDING
By counterpart sector. Billions of euro



SOURCE: BE.

a. Includes loans from European Stability Mechanism (ESM), other loans, non-negotiable securities and coined money.

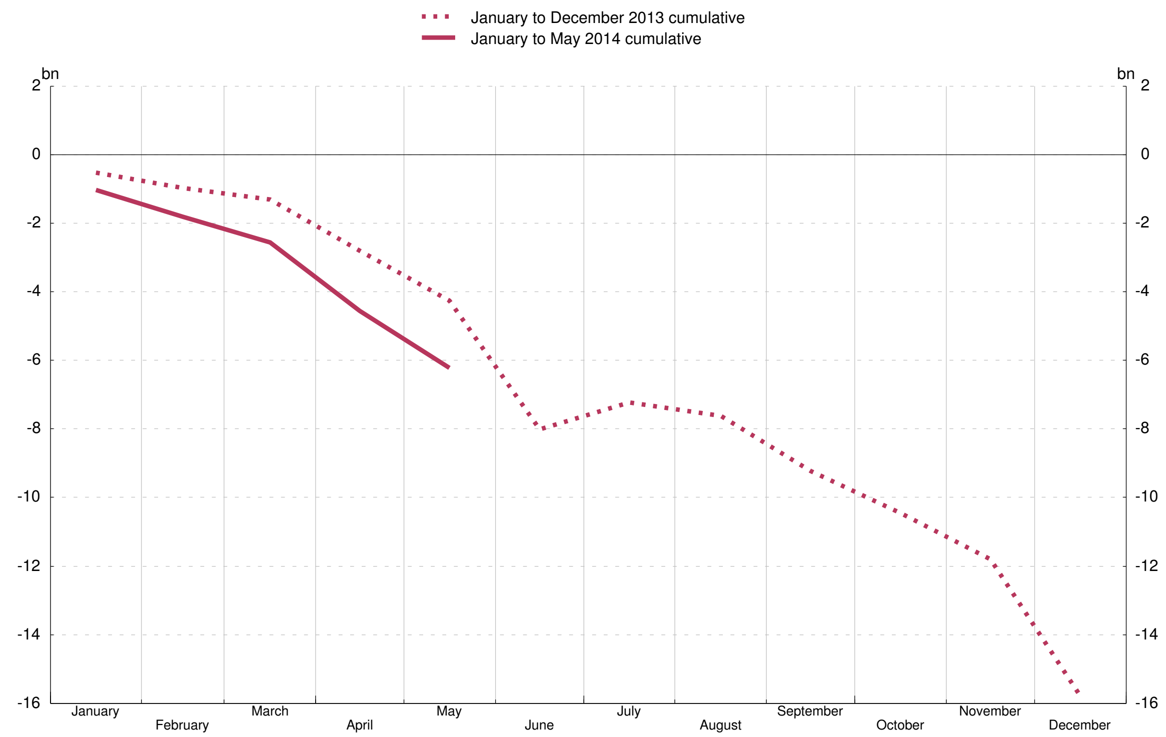
b. European Financial Stability Facility.

6.6. REGIONAL (AUTONOMOUS) GOVERNMENTS. NET LENDING (+)/NET BORROWING (-) ACCORDING TO THE EXCESSIVE DEFICIT PROCEDURE (EDP)

EUR millions

		Total 1	Anda-lucía 2	Aragón 3	Princ. de Astu-rias 4	Illes Balears 5	Cana-rias 6	Canta-bria 7	Cas-tilla-La Mancha 8	Cas-tilla y León 9	Cata-luña 10	Extre-madura 11	Gali-cia 12	La Rioja 13	Comun. de Madrid 14	Región de Murcia 15	Comun. Foral Nava-rra 16	País Vasco 17	Comun. Valen-ciana 18
11 *Q3*		-4 183	-467	-76	-93	-119	195	-51	-486	-253	-1 377	-13	-177	3	-240	-272	118	27	-902
Q4		-30 965	-6 209	-1 112	-924	-419	-1 332	-551	-1 791	-1 736	-5 131	-1 094	-1 867	-249	-2 282	-1 008	-128	-1 738	-3 394
12 *Q1*	P	-349	-705	18	38	134	-116	10	260	14	573	-4	-145	26	-87	-169	-235	221	-182
Q2	P	-7 807	-1 137	-250	-158	-261	-354	-110	-371	-543	-1 985	-225	-472	-48	-823	-325	-140	-224	-381
Q3	P	-2 414	-77	-66	122	27	-31	5	-326	54	-1 481	50	-27	2	-401	-99	42	155	-363
Q4	P	-8 600	-958	-178	-224	-376	54	-96	-120	-279	-1 402	11	-66	-71	-659	-255	25	-1 083	-2 923
13 *Q1*	P	-1 304	-385	-82	27	13	-19	25	-1	-155	-456	35	-62	44	-461	-100	-206	92	387
Q2	P	-6 716	-619	-276	-13	-49	-221	-80	-337	-353	-1 249	-158	-534	-52	-942	-222	-306	-324	-981
Q3	A	-1 198	-350	-90	-34	21	100	8	27	228	-652	84	159	-15	-171	-109	26	-151	-279
Q4	A	-6 563	-786	-218	-208	-319	-261	-77	-455	-308	-1 412	-122	-168	-58	-285	-405	214	-298	-1 397
14 *Q1*	A	-2 551	-567	-147	3	21	41	-15	-162	-105	-718	-113	-148	-19	-693	-96	-43	83	127
13 *J-M*	P	-4 259	-197	-219	94	-29	-19	-3	-161	-251	-1 260	-24	-380	16	-843	-258	-406	-39	-280
14 *J-M*	A	-6 220	-1 137	-222	-37	-42	-188	-58	-280	-162	-1 583	-247	-323	-41	-1 195	-257	-221	-72	-155
13 *Jul*	A	801	-73	62	39	171	94	33	58	276	-114	-	286	7	144	15	-125	-161	89
Aug	A	-392	120	-35	-32	-58	110	-11	-33	-43	-181	-10	-58	2	-143	-57	168	6	-137
Sep	A	-1 607	-397	-117	-41	-92	-104	-14	2	-5	-357	94	-69	-24	-172	-67	-17	4	-231
Oct	A	-1 242	-8	-22	-26	-81	-43	28	-58	-15	-346	-64	-59	22	-189	-93	106	-50	-344
Nov	A	-1 351	-184	-65	-35	-53	-53	-17	-48	-38	-650	-55	-141	-30	21	-64	-10	678	-607
Dec	A	-3 970	-594	-131	-147	-185	-165	-88	-349	-255	-416	-3	32	-50	-117	-248	118	-926	-446
14 *Jan*	A	-1 032	-238	-7	34	14	8	-13	-24	-31	-281	-23	14	-	-201	-55	-200	-7	-22
Feb	A	-777	-222	-74	-19	-34	-8	7	-52	-61	-83	-53	-85	-4	-346	-69	245	57	24
Mar	A	-742	-107	-66	-12	41	41	-9	-86	-13	-354	-37	-77	-15	-146	28	-88	33	125
Apr	A	-2 000	-228	-51	-1	-20	-168	-24	-85	6	-557	-70	-101	-5	-258	-73	-16	-58	-291
May	A	-1 669	-342	-24	-39	-43	-61	-19	-33	-63	-308	-64	-74	-17	-244	-88	-162	-97	9

NET LENDING (+)/NET BORROWING (-) OF THE REGIONAL (AUTONOMOUS) GOVERNMENTS ACCORDING TO THE EDP
Cumulative data from January



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

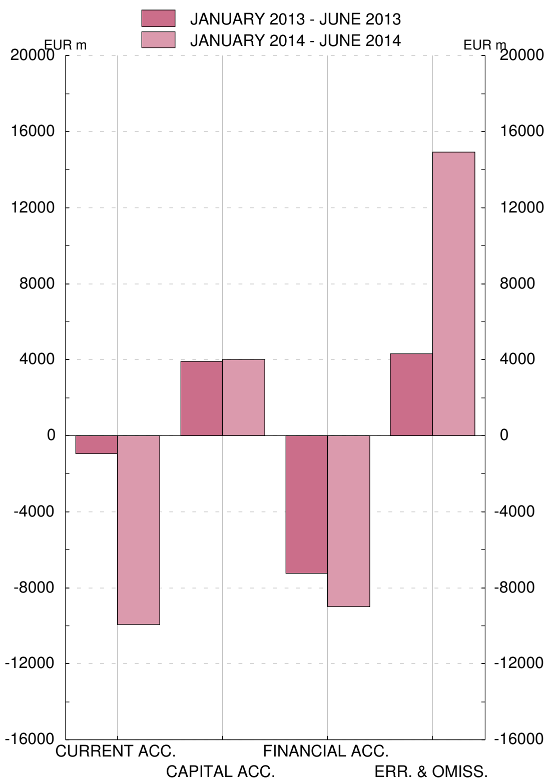
7.1. SPANISH BALANCE OF PAYMENTS VIS-à-VIS OTHER EURO AREA RESIDENTS AND THE REST OF THE WORLD. CURRENT ACCOUNT

■ Series depicted in chart.

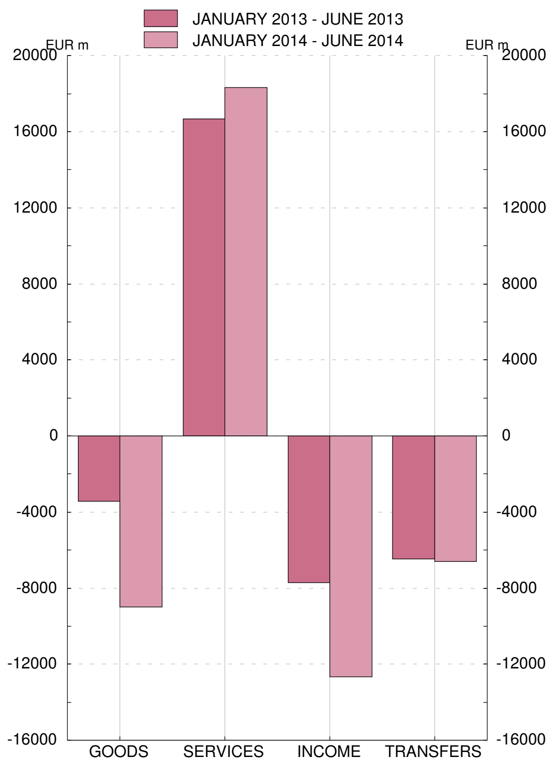
EUR millions

		Current account (a)													Capital account (balance)	Current account plus capital account	Financial account (balance) (b)	Errors and omission
		Total (balance)	Goods			Services					Income			Current transfers (balance)				
			Balance	Receipts	Payments	Balance	Receipts		Payments		Balance	Receipts	Payments					
							Total	Of which Travel	Total	Of which Travel								
		1=2+5+10+13 ■	2=3-4 ■	3	4	5=6-8 ■	6	7	8	9	10=11-12 ■	11	12	13 ■	14 ■	15=1+14	16 ■	17=-(15+16) ■
11		-38 968	-43 451	221 157	264 608	35 281	102 013	43 126	66 732	12 349	-24 329	46 463	70 792	-6 469	5 431	-33 537	30 307	3 230
12	P	-12 428	-27 796	230 223	258 020	37 554	106 451	43 791	68 897	11 913	-17 918	39 808	57 726	-4 267	6 594	-5 834	324	5 509
13	P	7 965	-11 637	238 703	250 340	40 870	109 307	45 505	68 437	12 249	-15 277	36 884	52 161	-5 992	7 834	15 799	-25 286	9 487
13 *J-J*	P	-958	-3 435	120 598	124 033	16 670	49 333	18 968	32 663	4 997	-7 713	17 517	25 231	-6 480	3 907	2 949	-7 247	4 298
14 *J-J*	A	-9 931	-8 987	123 357	132 344	18 332	52 683	19 855	34 351	5 404	-12 666	13 860	26 526	-6 610	4 004	-5 927	-9 008	14 935
13 *Mar*	P	1 004	763	20 911	20 148	2 311	7 558	2 886	5 246	822	-1 374	2 584	3 957	-697	348	1 352	-3 347	1 995
Apr	P	-1 168	-1 093	20 541	21 634	2 146	8 031	2 723	5 885	781	-1 191	2 954	4 145	-1 030	952	-216	-2 336	2 552
May	P	2 413	514	21 062	20 547	3 572	8 856	3 792	5 283	678	-730	3 378	4 108	-944	1 381	3 795	-5 353	1 559
Jun	P	2 075	-60	21 511	21 570	4 176	9 850	4 585	5 674	1 155	-1 389	3 212	4 601	-652	197	2 272	-2 291	19
Jul	P	1 709	-276	19 996	20 272	5 525	11 733	5 804	6 208	1 293	-2 379	2 944	5 323	-1 161	504	2 214	-5 254	3 041
Aug	P	2 601	-1 320	17 369	18 689	5 288	10 670	6 159	5 383	1 348	-447	2 773	3 220	-920	634	3 235	-1 142	-2 094
Sep	P	229	-2 580	19 948	22 527	4 494	10 404	5 078	5 910	1 301	-1 061	2 704	3 765	-624	115	344	-5 188	4 844
Oct	P	1 742	-869	21 721	22 590	4 265	10 363	4 411	6 098	1 172	-1 451	2 452	3 903	-204	644	2 385	954	-3 339
Nov	P	908	-1 194	19 594	20 787	2 582	8 071	2 742	5 490	1 165	-2 092	2 355	4 448	1 612	403	1 311	-2 061	750
Dec	P	1 733	-1 964	19 478	21 442	2 047	8 731	2 343	6 685	973	-133	6 138	6 272	1 784	1 627	3 360	-5 348	1 988
14 *Jan*	A	-3 584	-2 057	18 882	20 938	2 659	8 373	2 890	5 714	791	-3 093	2 637	5 730	-1 093	314	-3 270	2 633	637
Feb	A	-2 798	-996	19 752	20 748	2 386	7 784	2 434	5 398	871	-1 861	2 012	3 873	-2 328	109	-2 689	2 248	442
Mar	A	-1 846	-2 044	21 692	23 736	2 410	8 068	2 915	5 658	853	-1 346	2 300	3 646	-866	1 613	-233	-2 019	2 252
Apr	A	-1 636	-1 419	20 143	21 562	2 711	8 583	3 000	5 872	882	-2 009	2 294	4 303	-920	575	-1 061	-471	1 532
May	A	-584	-1 057	21 193	22 251	3 878	9 373	3 902	5 495	744	-2 688	2 503	5 191	-716	875	291	-3 406	3 115
Jun	A	517	-1 414	21 695	23 110	4 288	10 502	4 713	6 214	1 263	-1 670	2 113	3 784	-687	518	1 034	-7 992	6 958

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).

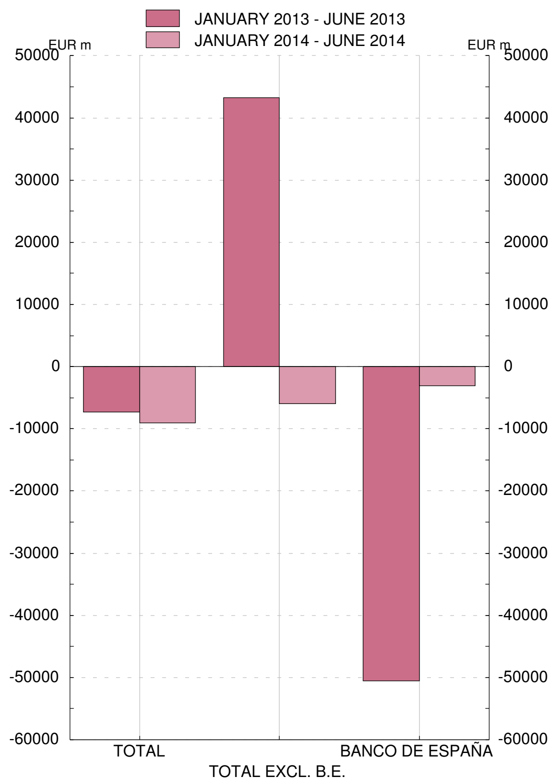
7.2. SPANISH BALANCE OF PAYMENTS VIS-à-VIS OTHER EURO AREA RESIDENTS AND THE REST OF THE WORLD. FINANCIAL ACCOUNT (a)

■ Series depicted in chart.

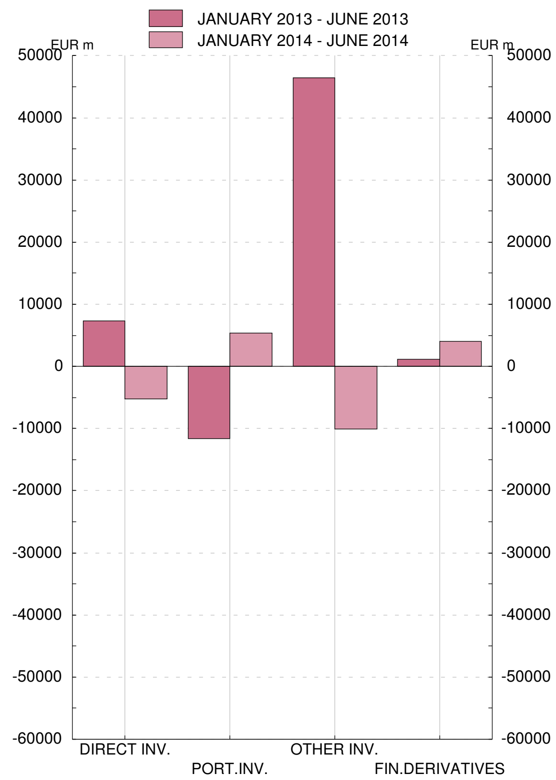
EUR millions

		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
11		30 307	-78 924	-9 197	29 612	20 415	-25 700	-42 495	-68 194	-41 961	33 895	-8 066	-2 067	109 231	-10 022	124 056	-4 803
12	P	324	-173 191	23 098	-3 099	19 999	-54 928	3 283	-51 645	-149 711	44 867	-104 844	8 349	173 516	-2 211	162 366	13 361
13	P	-25 286	88 981	9 890	19 609	29 499	40 360	-8 800	31 560	35 254	-52 625	-17 371	3 477	-114 267	-462	-123 660	9 855
13 *J-J*	P	-7 247	43 261	7 291	7 496	14 787	-11 626	-4 768	-16 394	46 450	-7 148	39 302	1 146	-50 508	-406	-54 746	4 644
14 *J-J*	A	-9 008	-5 968	-5 289	11 771	6 483	5 314	23 525	28 839	-10 102	14 857	4 756	4 108	-3 040	18	-4 214	1 156
13 *Mar*	P	-3 347	-4 076	-1 383	5 789	4 406	-13 359	-50	-13 408	10 595	4 227	14 821	71	729	155	-226	799
Apr	P	-2 336	4 152	3 500	-1 587	1 913	-3 264	-2 761	-6 025	2 995	-735	2 260	921	-6 488	136	-7 781	1 156
May	P	-5 353	-2 056	555	520	1 075	3 720	403	4 122	-5 923	-2 795	-8 718	-407	-3 298	163	-4 220	759
Jun	P	-2 291	-337	16	2 191	2 207	-10 611	-1 284	-11 894	9 658	-4 291	5 367	600	-1 954	81	-2 302	267
Jul	P	-5 254	-5 532	1 665	-337	1 328	4 189	-5 073	-885	-11 802	-30 434	-42 236	415	278	98	-1 175	1 355
Aug	P	-1 142	-2 242	533	1 177	1 709	239	2 371	2 610	-3 608	-3 148	-6 756	594	1 100	29	164	908
Sep	P	-5 188	6 696	1 900	1 470	3 370	6 620	-521	6 099	-2 728	2 788	60	904	-11 884	-107	-13 063	1 286
Oct	P	954	4 700	4 491	-1 757	2 734	2 522	-3 936	-1 414	-3 153	-2 727	-5 880	840	-3 746	-115	-4 341	709
Nov	P	-2 061	20 547	-426	2 968	2 542	16 899	4 284	21 183	4 005	-5 870	-1 865	70	-22 608	14	-22 928	307
Dec	P	-5 348	21 551	-5 564	8 592	3 028	21 517	-1 157	20 361	6 089	-6 086	3	-491	-26 899	27	-27 571	645
14 *Jan*	A	2 633	-4 345	1 653	1 672	3 325	-9 753	7 884	-1 868	5 471	-1 560	3 911	-1 717	6 978	-43	7 411	-390
Feb	A	2 248	-8 707	-3 871	3 514	-358	-5 906	4 226	-1 680	2 104	-6 453	-4 348	-1 035	10 955	165	11 002	-212
Mar	A	-2 019	2 625	-2 031	2 286	256	2 399	6 182	8 581	3 264	5 587	8 851	-1 006	-4 644	-64	-5 049	469
Apr	A	-471	-3 893	-150	2 224	2 073	-17 255	8 743	-8 512	6 790	-1 447	5 343	6 723	3 422	-57	3 472	7
May	A	-3 406	1 648	636	-31	605	11 583	896	12 479	-11 214	12 717	1 503	643	-5 054	77	-5 684	553
Jun	A	-7 992	6 704	-1 525	2 108	582	24 245	-4 406	19 839	-16 518	6 013	-10 505	501	-14 696	-60	-15 367	730

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.

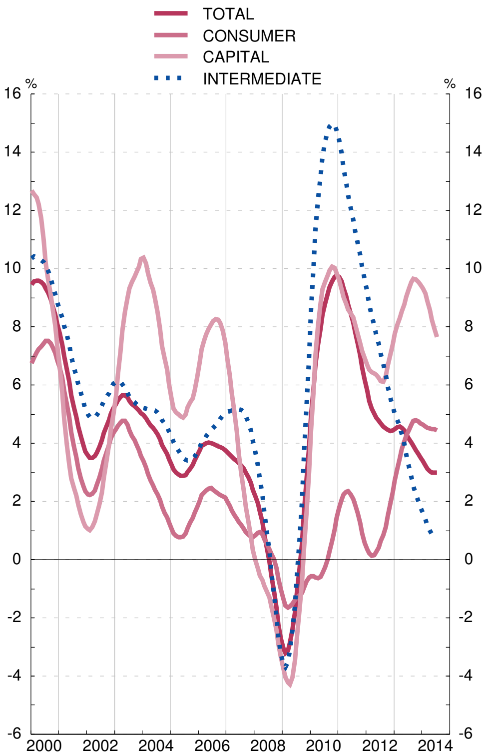
7.3. SPANISH FOREIGN TRADE WITH OTHER EURO AREA COUNTRIES AND WITH THE REST OF THE WORLD EXPORTS AND DISPATCHES

■ Series depicted in chart.

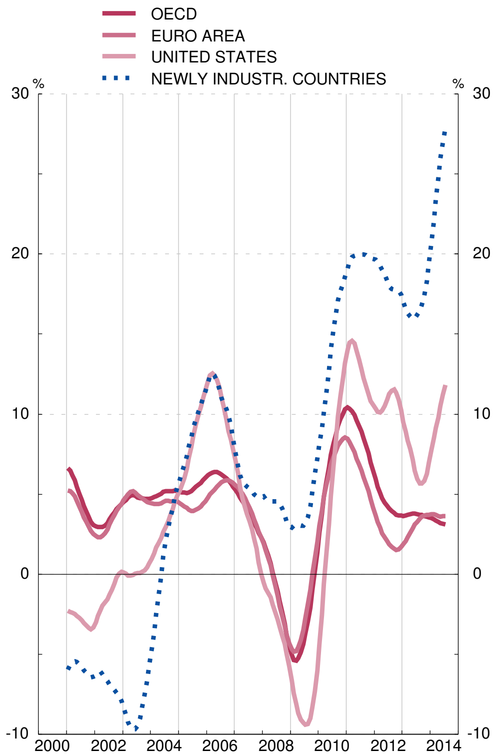
Eur millions and annual percentage changes

		Total			By product (deflated data) (a)					By geographical area (nominal data)							
							Intermediate			EU 28		OECD					
		EUR millions	Nom-inal	De-flated (a)	Con-sumer	Capital	Total	Energy	Non-energy	Total	Euro Area	Total (of which:)	United States (of which:)	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 ■
06		170 439	10.0	5.2	2.9	12.7	5.6	-3.7	6.2	8.1	7.9	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	8.5	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	-0.4	-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	9.6	13.6	20.0	26.2	18.8	27.2	1.3
12		226 115	5.1	3.0	-2.6	-8.2	7.9	27.0	6.0	0.5	-0.6	...	14.0	...	17.6	11.7	29.9
13	P	234 240	5.4	5.4	6.9	14.6	3.3	5.4	3.4	5.0	4.4	4.0	-2.7	14.2	20.0	6.1	0.8
13 *Jun*	P	20 848	10.5	7.5	5.0	4.9	9.2	41.3	7.1	15.3	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	-3.0	-4.7	-2.0	-11.2	30.5	30.0	-5.8	24.4
Aug	P	17 216	3.8	1.9	6.8	38.2	-3.6	20.1	-5.3	11.8	9.9	3.7	-19.8	0.0	9.3	20.3	7.9
Sep	P	19 345	8.3	11.4	22.7	22.9	5.0	-4.7	5.7	12.4	13.9	8.9	-5.4	-13.1	24.0	14.1	-4.6
Oct	P	21 465	1.8	1.2	8.7	14.5	-4.6	-16.0	-3.6	6.8	7.3	3.5	-16.8	-16.8	16.3	-8.2	-14.4
Nov	P	19 319	-2.2	-0.9	2.9	7.7	-4.7	17.6	-6.2	0.1	1.3	-0.9	-15.2	-11.6	14.7	-12.5	19.4
Dec	P	18 313	2.9	5.5	4.4	9.5	5.2	-24.3	7.9	1.9	4.8	4.1	-2.3	-2.0	10.0	-17.6	-15.1
14 *Jan*	P	18 434	3.1	5.4	2.5	19.8	5.1	12.3	4.6	5.2	5.6	5.8	8.1	-38.3	0.1	27.5	41.1
Feb	P	19 325	4.9	5.2	7.0	17.0	2.5	2.2	2.5	7.0	5.5	7.9	32.4	-18.3	15.1	1.7	3.9
Mar	P	20 633	1.7	-1.1	5.8	12.9	-6.7	-5.6	-6.8	11.3	11.4	9.8	8.7	-24.7	-4.6	-14.7	37.5
Apr	P	19 645	-3.7	-2.1	-1.8	-16.2	0.3	-10.7	1.1	-3.1	-3.0	-3.7	-3.4	35.3	-16.7	-14.3	43.9
May	P	20 626	-1.3	-2.5	3.9	10.3	-7.8	-25.5	-6.2	-0.5	0.9	-0.1	15.3	-1.9	-13.9	-1.8	44.4
Jun	P	20 601	-1.2	1.5	3.1	1.8	0.6	3.7	0.4	-2.9	-1.2	-1.1	18.3	-16.8	-19.6	16.3	30.6
Jul	P	21 585	8.7	10.6	16.0	33.0	4.4	21.8	3.2	16.8	16.0	14.0	28.3	-23.9	-15.5	-0.3	63.2

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



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



Sources: ME, 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.

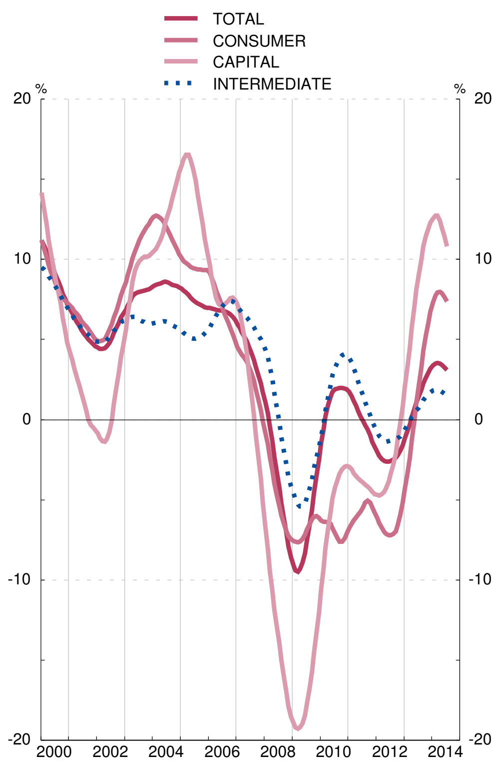
7.4. SPANISH FOREIGN TRADE WITH OTHER EURO AREA COUNTRIES AND WITH THE REST OF THE WORLD IMPORTS AND ARRIVALS

■ Series depicted in chart.

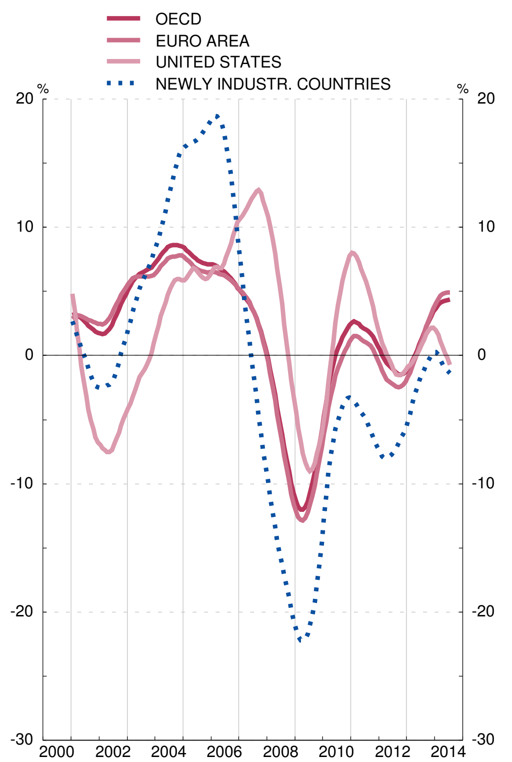
Eur millions and annual percentage changes

		Total			By product (deflated data) (a)					By geographical area (nominal data)							
		EUR millions	Nom-inal	De-flated (a)	Con-sumer	Capital	Intermediate			EU 28		OECD		OPEC	Other Amer-ican coun-tries	China	Newly industri-alised coun-tries
							Total	Energy	Non-energy	Total	Euro Area	of which: Total	United States				
		1	2	3 ■	4 ■	5 ■	6 ■	7	8	9	10 ■	11 ■	12 ■	13	14	15	16 ■
06		262 687	12.8	8.5	7.3	2.5	10.2	6.1	11.5	8.4	8.2	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	11.1	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	-8.7	-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	-25.5	-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	8.0	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	6.3	6.6	12.6	20.1	21.0	-1.1	-2.8
12		257 946	-2.0	-6.3	-8.2	-7.9	-5.5	0.2	-7.0	-5.8	-5.9	...	-9.1	...	9.1	-4.8	-12.4
13	P	250 195	-1.0	3.1	2.5	14.1	2.4	1.3	3.2	1.5	1.5	1.3	5.8	-6.7	-12.1	-1.2	2.4
13 *Jun*	P	20 955	-2.8	-0.0	5.9	22.0	-3.5	-6.5	-2.6	2.5	1.5	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	-5.4	-3.2	-1.3	-3.5	-11.9	-2.0	-2.0
Aug	P	19 025	-3.6	3.1	5.5	17.1	1.2	-2.0	2.4	3.7	2.5	4.4	14.9	-16.4	-11.8	-6.8	8.1
Sep	P	21 932	4.7	8.7	14.5	32.6	5.0	-4.3	8.0	9.3	9.8	8.8	-3.8	-12.8	14.8	7.6	1.2
Oct	P	22 824	1.1	8.4	10.1	18.8	7.0	0.4	8.9	4.5	4.6	6.2	25.3	-25.6	-1.2	3.2	-8.7
Nov	P	21 078	-0.4	2.4	7.8	19.4	-0.7	-3.8	0.2	8.2	6.8	5.5	16.4	-14.6	-5.0	-2.4	7.4
Dec	P	20 143	5.6	9.3	11.5	15.7	8.1	-4.4	12.4	9.7	9.3	6.6	20.9	-9.5	23.7	16.4	23.4
14 *Jan*	P	21 253	-0.6	6.5	17.2	11.7	3.2	-4.5	5.7	8.1	6.9	9.5	16.9	-21.9	-27.7	5.2	9.3
Feb	P	20 948	6.9	10.6	19.9	28.3	6.4	8.1	5.9	8.1	8.1	7.1	20.4	-7.8	6.2	13.7	33.5
Mar	P	22 686	15.4	21.4	26.0	59.2	17.0	26.2	14.2	22.3	23.7	19.1	9.7	1.6	-14.4	9.5	1.2
Apr	P	21 800	-1.1	-1.4	8.1	11.9	-5.2	-12.5	-2.9	7.4	7.0	2.0	-23.9	-16.2	13.6	6.4	-24.4
May	P	22 383	7.0	6.2	13.7	25.5	2.4	-4.2	4.4	8.3	8.8	7.2	10.3	1.1	-2.6	12.9	-9.1
Jun	P	22 078	5.4	7.7	11.6	15.4	5.6	-0.3	7.3	7.4	8.4	4.4	13.7	-9.3	6.6	21.7	-1.1
Jul	P	23 411	13.4	14.9	20.2	30.9	11.9	1.4	15.2	22.2	20.4	20.0	7.3	-0.4	-14.7	15.1	16.0

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



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



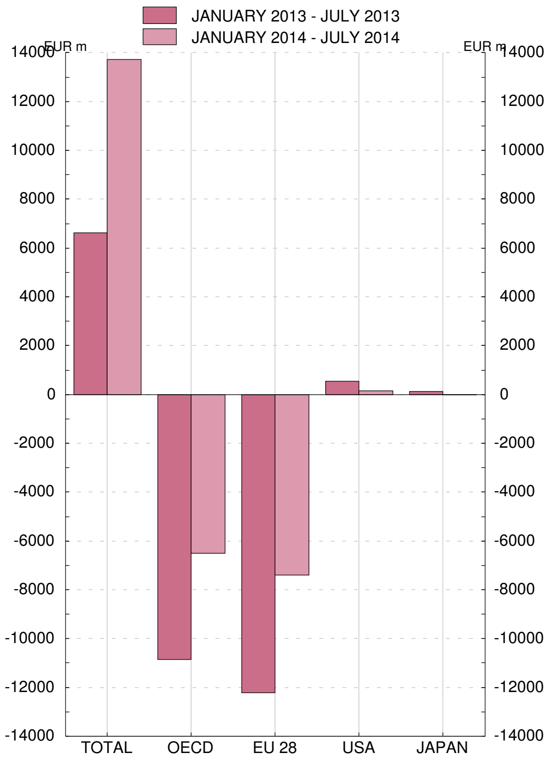
Sources: ME, MHAP y BE.
Note: The underlying series for this indicator are in Tables 18.2 and 18.3 of the Boletín estadístico.
The monthly series are provisional data, while the annual series are the final foreign trade data.
a. Series deflated by unit value indices .

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

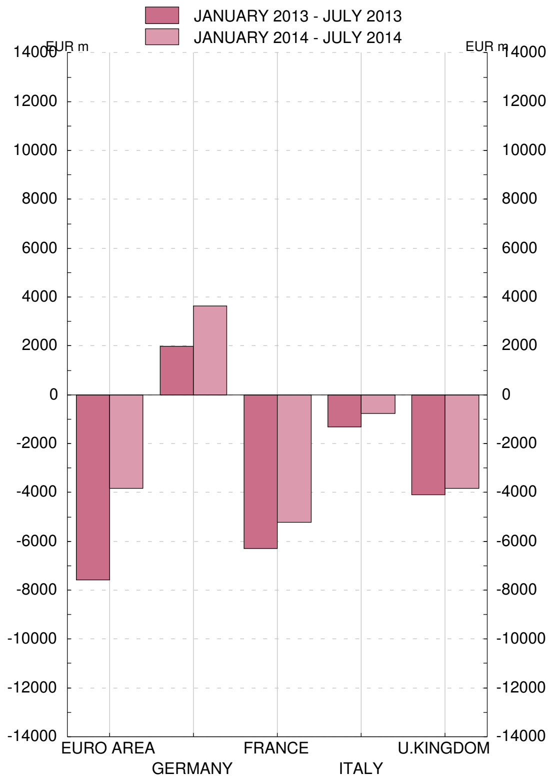
EUR millions

		World total	European Union (EU 28)								OECD			OPEC	Other American coun- tries	China	Newly indus- trialised countries
			Total	Euro area				Other EU 28			Of which:					
				Total	Of which:			Total	Of which:	Total						
					Germany	France	Italy		United Kingdom		United States	Japan				
		1	2=3+7	3	4	5	6	7	8	9	10	11	12	13	14	15
07		-100 015	-39 945	-38 050	-23 752	-214	-8 375	-1 895	133	-54 211	-2 555	-4 779	-14 682	-3 477	-16 366	-4 347
08		-94 160	-26 033	-26 028	-19 612	3 019	-6 608	-5	356	-39 729	-3 739	-3 663	-20 561	-4 971	-18 340	-3 296
09		-46 227	-8 922	-6 495	-9 980	6 787	-1 847	-2 427	187	-15 709	-2 742	-1 958	-10 701	-2 641	-12 471	-1 532
10		-53 276	-4 816	-1 868	-8 598	7 904	-477	-2 948	597	-11 261	-3 058	-2 054	-16 216	-4 267	-16 253	-1 252
11		-47 910	3 559	1 433	-8 984	8 590	219	2 126	2 955	-1 751	-2 956	-1 389	-19 066	-5 312	-15 317	-1 116
12		-31 831	12 203	7 338	-4 118	9 222	656	4 865	3 778	...	-858	-859	...	-5 124	-14 023	83
13	P	-15 955	17 695	11 109	-4 188	10 355	1 819	6 586	5 991	15 362	-1 540	-191	-17 334	-1 121	-13 421	3
13 *Jun*	P	-107	2 186	1 239	-335	1 193	53	947	905	1 881	-21	4	-1 406	177	-975	-19
Jul	P	-787	1 584	1 179	-348	810	220	406	419	1 587	-70	58	-1 328	1	-1 232	33
Aug	P	-1 809	1 360	928	-301	948	147	433	295	1 216	-46	37	-1 653	-176	-1 153	-4
Sep	P	-2 587	889	634	-487	795	121	255	278	566	-49	-9	-1 554	-364	-1 374	-2
Oct	P	-1 359	1 595	907	-426	1 106	119	688	588	1 163	-299	31	-1 219	-4	-1 269	12
Nov	P	-1 759	1 098	828	-459	505	172	270	330	715	-334	-43	-1 304	-219	-1 065	63
Dec	P	-1 830	548	240	-528	703	-51	308	414	844	-269	-75	-1 208	-90	-1 261	34
14 *Jan*	P	-2 818	1 168	575	-501	628	191	593	422	289	-351	20	-1 511	-121	-1 265	20
Feb	P	-1 622	1 493	792	-474	788	125	700	815	1 311	-93	6	-1 405	129	-1 212	38
Mar	P	-2 054	852	373	-480	756	115	479	548	961	99	-25	-1 539	-12	-1 060	58
Apr	P	-2 155	387	53	-576	330	-1	334	380	576	58	-19	-1 053	-274	-1 028	131
May	P	-1 756	1 230	660	-529	784	110	570	607	1 211	30	-43	-1 625	-80	-1 187	87
Jun	P	-1 477	967	353	-645	795	30	614	674	1 099	9	44	-1 365	-96	-1 204	54
Jul	P	-1 827	1 307	1 016	-423	1 150	189	291	397	1 050	90	18	-1 608	-8	-1 473	180

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.

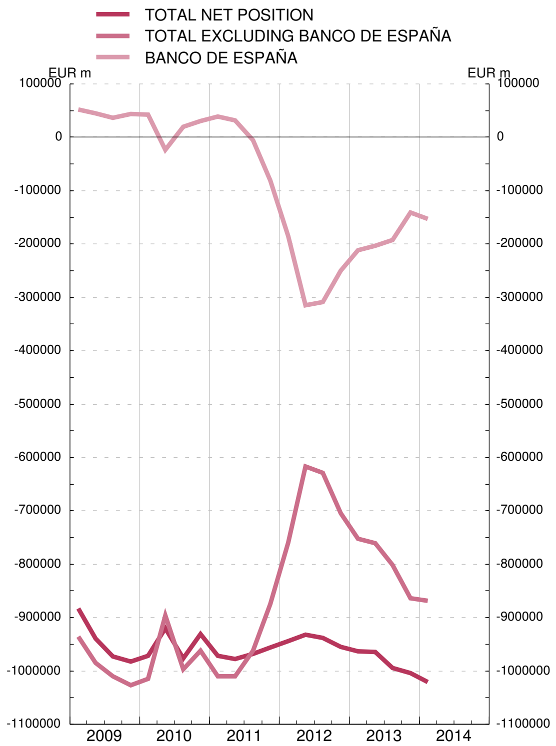
7.6. SPANISH INTERNATIONAL INVESTMENT POSITION VIS-à-VIS OTHER EURO AREA RESIDENTS AND THE REST OF THE WORLD SUMMARY

■ Series depicted in chart.

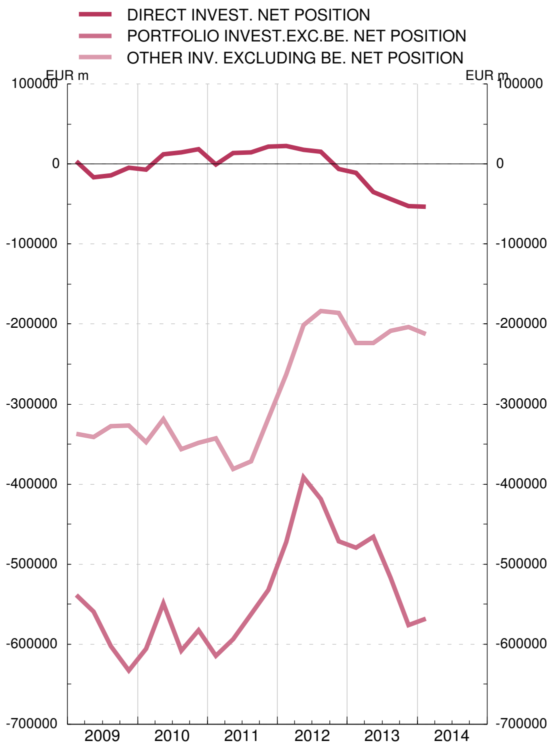
End-of-period stocks in EUR billions

	Net international investment position (assets-liabil.)	Total excluding Banco de España: Net position excluding Banco de España (assets - liabil.)	Direct investment: Net position (assets-liabil.)	Direct investment: Spanish investment abroad (assets)	Direct investment: Foreign investment in Spain (liabil.)	Portfolio investment: Net position (assets-liabil.)	Portfolio investment: Spanish investment abroad (assets)	Portfolio investment: Foreign investment in Spain (liabil.)	Other investment: Net position (assets-liabil.)	Other investment: Spanish investment abroad (assets)	Other investment: Foreign investment in Spain (liabil.)	Financial derivatives Net position (assets-liabil.)	Banco de España: Banco de España Net position (assets-liabil.)	Banco de España: Reserves	Banco de España: Net assets vis-à-vis the Euro-system	Banco de España: Other net assets (assets-liabil.) (a)
	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
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	-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*	-971.2	-1 010.7	-0.5	486.9	487.3	-665.8	301.8	967.6	-342.8	376.6	719.4	-1.5	39.5	23.2	-35.2	51.5
Q2	-978.3	-1 010.5	13.6	491.1	477.5	-642.5	293.4	935.9	-381.3	378.9	760.2	-0.3	32.2	23.5	-40.6	49.3
Q3	-967.7	-962.5	14.2	488.2	474.0	-612.9	274.9	887.8	-371.5	383.9	755.4	7.6	-5.2	27.6	-83.8	51.1
Q4	-956.1	-875.1	21.3	507.4	486.1	-584.2	258.1	842.3	-318.2	393.6	711.8	5.9	-81.0	36.4	-170.2	52.8
12 *Q1*	-944.2	-759.4	22.3	506.6	484.2	-522.1	270.3	792.4	-262.6	410.7	673.3	2.9	-184.8	36.0	-271.2	50.5
Q2	-932.3	-617.4	17.8	505.3	487.5	-438.3	254.8	693.1	-201.5	439.0	640.5	4.6	-314.9	41.4	-403.6	47.3
Q3	-938.6	-629.3	15.5	494.0	478.5	-463.8	254.0	717.8	-183.9	415.7	599.6	2.8	-309.3	40.2	-395.4	45.9
Q4	-954.5	-704.2	-6.0	482.6	488.6	-514.2	276.0	790.2	-186.0	419.9	605.9	2.1	-250.3	38.3	-332.6	43.9
13 *Q1*	-963.6	-752.5	-11.0	489.7	500.6	-519.7	283.2	802.8	-223.9	420.9	644.8	2.0	-211.1	39.7	-292.1	41.4
Q2	-964.2	-760.7	-35.2	469.7	504.9	-503.9	280.2	784.1	-223.9	415.4	639.4	2.3	-203.5	35.4	-277.8	38.9
Q3	-994.5	-801.6	-43.9	467.8	511.8	-551.7	284.6	836.4	-208.1	384.9	593.0	2.2	-192.9	35.3	-263.7	35.5
Q4	-1 004.5	-863.4	-52.8	466.4	519.2	-609.5	293.5	903.0	-203.7	380.7	584.5	2.6	-141.1	33.6	-208.9	34.2
14 *Q1*	-1 021.3	-868.4	-53.8	466.9	520.7	-601.6	328.0	929.6	-212.5	378.6	591.1	-0.5	-152.9	34.2	-221.9	34.8

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

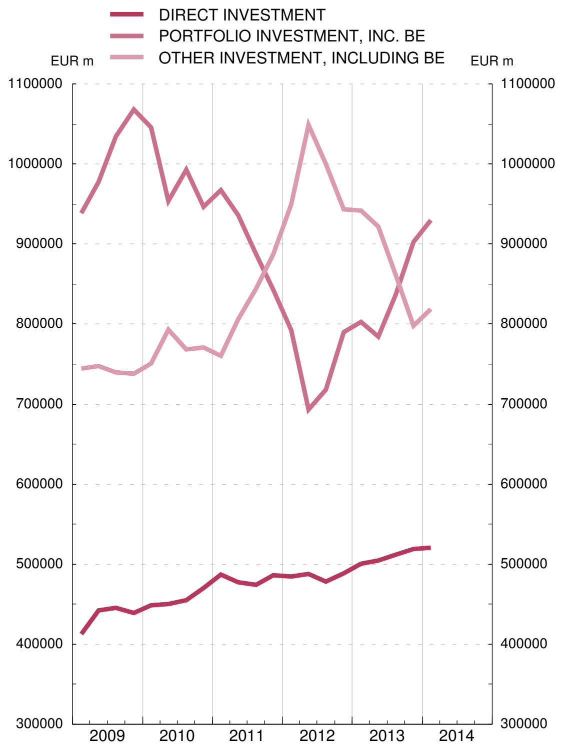
■ Series depicted in chart.

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
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	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*	448 499	38 356	356 721	130 625	92 922	260 180	204 657	762 989	382 184	760 102	80 724	82 170
Q2	452 970	38 123	353 119	124 368	91 969	250 230	194 147	741 706	384 477	805 918	83 747	84 040
Q3	443 544	44 644	352 576	121 376	78 371	247 232	159 173	728 589	389 522	844 427	134 796	127 191
Q4	457 738	49 646	360 035	126 053	77 849	232 678	162 281	680 027	399 345	887 129	140 225	134 415
12 *Q1*	458 269	48 323	359 102	125 143	83 926	236 259	157 789	634 644	416 438	949 759	133 237	130 209
Q2	452 901	52 425	365 438	122 083	82 442	218 990	144 874	548 189	444 737	1 049 243	153 277	148 677
Q3	443 686	50 314	359 336	119 153	86 616	212 651	164 681	553 107	421 394	1 000 017	157 193	154 374
Q4	433 144	49 447	372 315	116 299	89 646	229 156	178 971	611 220	425 727	943 393	148 623	146 395
13 *Q1*	447 217	42 446	386 440	114 173	99 808	223 894	182 257	620 582	426 737	941 991	139 379	137 347
Q2	430 879	38 851	392 914	111 971	105 065	213 086	180 631	603 438	421 281	922 145	120 715	118 428
Q3	429 156	38 647	398 732	113 020	112 673	206 605	219 910	616 459	390 749	861 684	117 191	115 011
Q4	423 638	42 772	407 343	111 831	124 433	202 372	241 544	661 443	386 575	798 281	98 470	95 867
14 *Q1*	423 711	43 151	407 959	112 700	140 187	221 527	247 570	682 030	385 019	818 324	95 806	96 324

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.

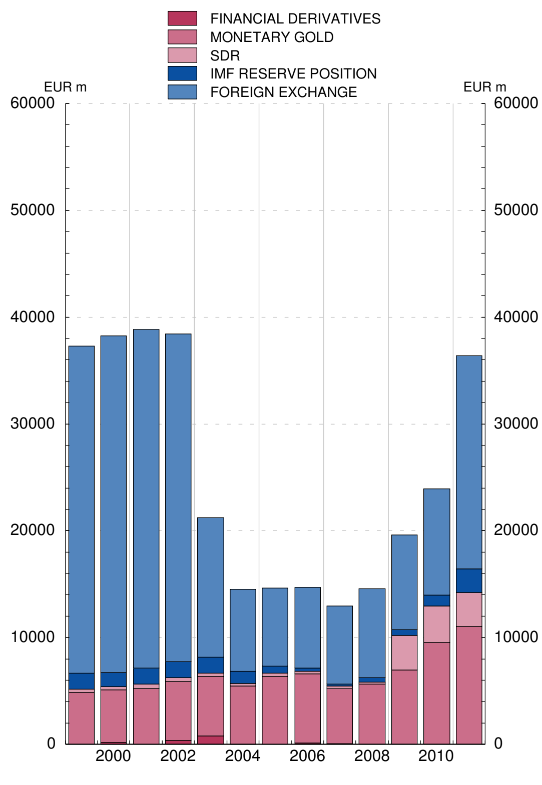
7.8. SPANISH RESERVE ASSETS

■ Series depicted in chart.

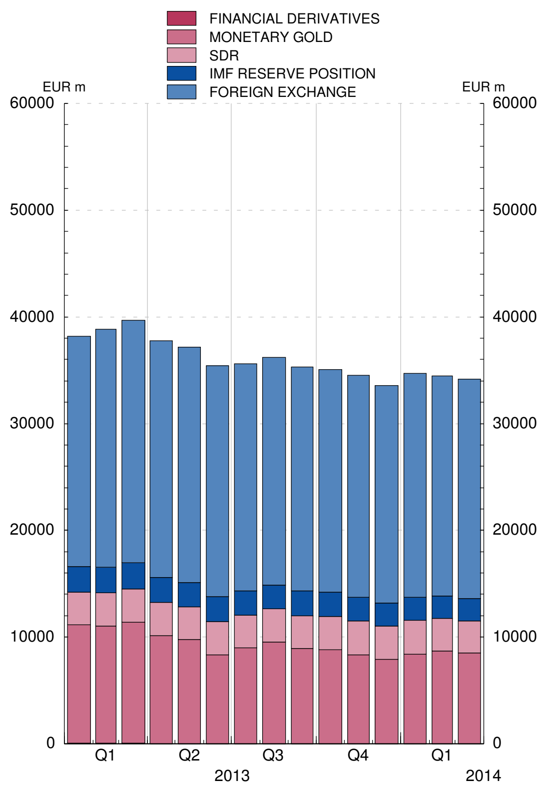
End-of-period stocks in EUR millions

	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
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	38 347	21 349	2 412	3 132	11 418	35	9.1
12 *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
Oct	35 060	20 845	2 278	3 136	8 801	-0	9.1
Nov	34 544	20 813	2 238	3 143	8 339	11	9.1
Dec	33 587	20 413	2 152	3 122	7 888	12	9.1
14 *Jan*	34 733	21 025	2 139	3 171	8 399	-1	9.1
Feb	34 442	20 625	2 093	3 020	8 706	-2	9.1
Mar	34 196	20 568	2 097	3 029	8 497	6	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 instruments	Loans	Bonds and notes	Loans	Trade credits		Money market instruments	Deposits	Bonds and notes	Deposits
	1	2	3	4	5	6	7	8	9	10	11	12
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*	1 701 346	292 086	37 875	485	221 797	31 929	-	760 849	10 640	395 695	235 895	118 619
Q2	1 725 377	286 068	37 245	7	215 529	33 287	-	792 835	7 554	425 267	231 979	128 035
Q3	1 751 756	293 403	36 605	507	222 439	33 851	-	768 666	6 211	402 061	223 975	136 418
Q4	1 744 466	274 909	28 534	428	211 116	34 831	-	709 704	3 494	362 532	212 924	130 755
12 *Q1*	1 761 772	256 191	23 602	4	191 658	40 926	-	643 882	3 341	311 819	193 463	135 259
Q2	1 772 099	238 243	16 369	70	175 453	46 351	-	575 101	2 699	273 422	163 477	135 504
Q3	1 727 689	254 724	20 397	325	187 552	46 449	-	525 154	1 899	237 643	154 841	130 771
Q4	1 728 017	330 139	27 732	53	211 325	91 029	-	501 837	1 800	212 849	159 173	128 016
13 *Q1*	1 735 452	342 841	30 709	24	218 596	93 512	-	538 221	1 504	250 479	161 398	124 840
Q2	1 698 061	342 308	34 901	243	211 189	95 975	-	521 131	1 407	249 835	154 781	115 108
Q3	1 651 888	368 847	42 458	1 136	228 317	96 936	-	468 067	1 442	228 702	147 186	90 737
Q4	1 633 599	417 524	53 100	20	266 487	97 917	-	455 732	1 644	217 526	145 874	90 688
14 *Q1*	1 672 214	434 922	44 925	8	291 686	98 302	-	466 336	1 938	222 126	152 463	89 809

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 instruments	Loans	Other liabilities	Bonds and notes	Loans	Trade credits	Other liabilities		Direct investors	Subsidiaries
	13	14	15	16	17	18	19	20	21	22	23	24	25
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	429 490	11 724	15 251	3 818	245 057	151 453	390	1 798	178 255	67 958	110 296
Q2	45 732	45 732	422 988	11 840	15 388	4 192	237 559	152 254	389	1 367	177 753	68 611	109 142
Q3	89 019	89 019	421 929	7 466	16 644	6 433	231 892	157 846	394	1 253	178 741	68 131	110 610
Q4	175 360	175 360	407 183	5 100	17 048	6 544	218 859	157 939	398	1 294	177 310	69 975	107 335
12 *Q1*	276 496	276 496	407 833	8 330	16 857	6 699	214 249	159 950	395	1 352	177 369	69 811	107 558
Q2	408 695	408 695	375 392	5 481	15 152	6 826	184 709	161 356	462	1 406	174 667	69 367	105 301
Q3	400 455	400 455	372 791	4 154	14 307	7 388	184 264	160 879	459	1 340	174 565	68 953	105 612
Q4	337 486	337 486	385 151	6 064	13 841	7 798	205 126	150 628	457	1 236	173 404	68 232	105 172
13 *Q1*	297 184	297 184	384 327	6 708	15 615	7 956	201 666	150 288	459	1 634	172 879	68 734	104 145
Q2	282 790	282 790	379 355	6 964	14 943	7 495	194 196	153 800	457	1 500	172 478	68 498	103 980
Q3	268 705	268 705	372 523	6 874	12 506	7 377	190 181	153 630	453	1 501	173 745	68 576	105 169
Q4	213 829	213 829	372 640	3 500	12 953	7 289	190 838	156 107	451	1 501	173 875	69 487	104 388
14 *Q1*	227 268	227 268	371 828	4 560	13 853	7 290	186 458	157 430	445	1 792	171 860	70 745	101 115

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
13 *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
Sep	712 189	96 550	681 760	-	-	476	66 597	441 659	917 836	77 764	532 929	21 012	270 530
Oct	699 324	92 349	659 268	-	-	73	52 366	445 952	919 207	79 932	550 975	2 213	253 372
Nov	675 260	89 540	635 372	-	-	98	49 749	447 792	922 410	70 480	550 711	-5 612	227 468
Dec	665 849	114 636	603 234	-	-	268	52 290	426 416	943 271	66 754	549 143	34 466	239 433
14 *Jan*	649 566	122 069	579 586	-	-	252	52 341	417 009	938 118	75 739	509 423	87 425	232 556
Feb	634 781	95 993	573 273	-	-	333	34 818	426 501	930 579	81 875	510 096	75 857	208 280
Mar	619 809	97 899	550 816	-	-	666	29 572	420 296	936 399	74 847	512 208	78 743	199 513
Apr	609 276	115 461	521 294	-	-	257	27 736	420 512	945 539	76 475	535 966	65 537	188 764
May	628 409	145 647	510 952	-	-	127	28 317	439 931	948 316	112 573	536 656	84 302	188 478
Jun	581 427	129 914	477 857	-	-	199	26 542	371 611	955 928	108 495	537 158	155 654	209 816
Jul	507 639	101 169	429 621	-	-	269	23 420	297 259	964 376	103 583	547 497	223 204	210 380
Aug	483 061	114 947	393 227	-	-	119	25 232	267 252	971 781	67 203	547 655	224 077	215 809
Sep	470 099	106 955	387 138	-	-	196	24 191	276 727	970 593	75 832	548 834	220 863	193 371

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
13 *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
Sep	241 089	18 528	225 716	-	-	-	3 155	278 163	-5 861	-44 266	57 670	6 006	34 249	73 693	13 052
Oct	234 812	15 611	221 779	-52	-	-	2 527	269 027	-5 861	-42 264	56 008	8 920	34 166	73 026	13 910
Nov	220 512	14 096	209 769	-	-	-	3 353	253 580	-5 861	-39 316	54 813	10 176	34 296	70 009	12 108
Dec	201 865	19 833	186 927	-	-	-	4 895	238 791	-5 861	-44 945	56 223	3 386	34 327	70 227	13 879
14 *Jan*	188 796	15 414	178 006	-	-	-	4 623	228 664	-6 265	-46 237	54 791	3 187	32 533	71 683	12 634
Feb	188 792	14 494	176 094	-	-	-	1 796	229 277	-6 316	-45 635	52 868	4 453	32 507	70 448	11 466
Mar	183 454	19 332	165 571	-	-	75	1 525	228 005	-6 436	-49 760	52 424	2 445	32 464	72 164	11 644
Apr	182 373	23 303	161 030	-	-	0	1 960	226 925	-6 436	-50 033	52 526	1 821	33 133	71 246	11 916
May	185 514	26 898	160 973	-	-	0	2 358	228 297	-6 436	-47 899	51 124	2 002	33 146	67 879	11 552
Jun	173 088	24 701	149 752	-	-	-	1 365	215 101	-6 436	-47 723	50 677	2 645	33 248	67 796	12 145
Jul	160 694	26 520	134 179	-	-	-	5	202 469	-6 436	-48 094	50 836	334	33 694	65 570	12 755
Aug	162 546	37 585	124 993	-	-	-	33	206 055	-6 436	-48 406	49 686	1 111	33 712	65 492	11 333
Sep	154 798	31 401	123 448	-	-	-	51	199 974	-6 436	-51 141	47 537	185	33 755	65 109	12 401

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 ■
11	509 934	-1.6	-2.0	-1.5	576 114	2.7	-2.3	68.7	-28.9	115 157	-7.4	-10.3	-5.1	0.1	-1.1
12	506 551	-0.7	-3.1	-0.1	580 718	0.8	-0.2	7.8	9.6	111 148	-3.5	-7.2	-0.7	-0.2	0.3
13	538 039	6.2	-5.4	8.8	547 284	-5.8	0.7	-48.1	-32.6	140 044	26.0	28.7	24.1	1.0	-3.6
13 *May*	513 692	2.6	-4.6	4.3	562 233	-1.2	4.9	-39.4	29.8	130 495	15.9	9.8	20.8	1.0	-0.8
Jun	532 600	1.9	-6.9	4.0	552 864	-2.3	5.4	-47.8	5.4	122 302	9.4	6.8	11.5	0.0	-0.2
Jul	519 451	2.9	-7.8	5.5	556 793	-0.2	8.0	-48.3	-0.8	125 961	13.7	10.8	16.0	1.7	0.8
Aug	523 223	3.6	-8.3	6.5	560 085	0.6	9.0	-48.3	-4.5	126 970	13.6	12.6	14.2	2.5	2.8
Sep	521 771	3.6	-8.2	6.4	556 798	-0.4	8.3	-50.9	-12.2	130 495	16.9	16.0	17.6	2.1	0.4
Oct	520 138	5.6	-8.0	8.9	554 390	-1.7	6.5	-51.1	-16.9	134 293	20.2	20.3	20.1	2.5	-1.4
Nov	531 876	6.8	-5.5	9.6	551 024	-3.5	4.4	-52.4	-34.0	137 557	23.1	25.7	21.3	2.3	-2.0
Dec	538 039	6.2	-5.4	8.8	547 284	-5.8	0.7	-48.1	-32.6	140 044	26.0	28.7	24.1	1.0	-3.6
14 *Jan* P	535 564	8.2	-5.1	11.2	542 782	-6.8	0.0	-55.2	-26.4	144 099	26.8	30.7	24.1	1.4	-3.1
Feb P	525 984	5.4	-5.0	7.7	539 039	-6.9	-0.7	-55.3	-29.0	148 089	21.1	24.2	19.0	-0.1	-3.4
Mar P	539 082	5.4	-6.5	7.9	533 641	-6.6	-1.0	-55.5	-22.8	151 310	28.9	27.8	29.7	0.3	-3.6
Apr A	534 170	5.4	-7.2	8.2	528 086	-6.5	-1.8	-49.9	-32.6	154 756	28.9	27.4	30.0	0.4	-2.7
May A	550 434	7.2	-7.6	10.3	524 410	-6.7	-3.1	-43.4	-30.4	158 975	21.8	17.1	25.2	0.7	-1.7
Jun A	566 964	6.5	-7.6	9.4	515 312	-6.8	-3.7	-42.2	-12.6	162 738	33.1	24.2	39.6	0.8	-0.4
Jul A	560 734	7.9	-7.4	11.2	508 703	-8.6	-5.6	-44.0	-20.4	166 261	32.0	23.9	37.9	0.5	1.6
Aug A	565 500	8.1	-7.5	11.3	504 172	-10.0	-7.1	-44.6	-19.7	168 841	33.0	24.2	39.5	-0.0	0.8

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.

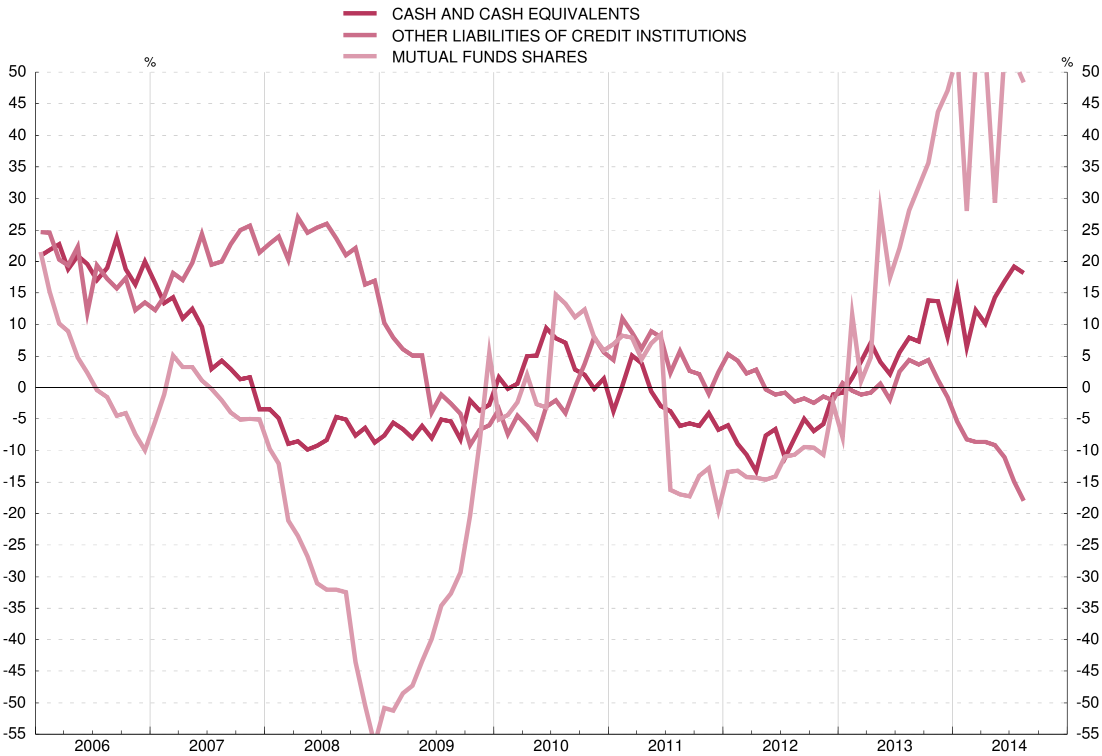
8.3 CASH AND CASH EQUIVALENTS, OTHER LIABILITIES OF CREDIT INSTITUTIONS AND MUTUAL FUNDS SHARES OF NON-FINANCIAL CORPORATIONS RESIDENT IN SPAIN (a)

■ 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
11		111 193	-6.7	122 661	2.4	-10.9	57.6	9 780	-19.5	-22.4	-17.2
12		109 953	-1.1	120 120	-2.1	-7.1	9.8	9 534	-2.5	-3.2	-2.0
13		118 775	8.0	118 286	-1.5	3.7	-11.8	14 023	47.1	53.9	42.1
13 *May*		113 017	4.1	117 993	0.6	5.5	-9.5	13 097	28.1	23.2	32.2
Jun		115 489	2.1	115 754	-2.0	5.6	-16.4	11 916	17.5	15.1	19.4
Jul		107 956	5.6	117 145	2.6	12.3	-15.4	12 269	22.1	19.4	24.2
Aug		112 865	7.9	120 007	4.3	14.6	-14.3	12 748	28.1	29.8	26.8
Sep		113 413	7.3	120 158	3.7	16.3	-18.8	13 097	31.8	33.6	30.5
Oct		114 196	13.8	119 648	4.3	16.9	-18.3	13 465	35.6	38.6	33.3
Nov		118 391	13.7	117 984	1.3	12.8	-20.4	13 772	43.7	50.2	38.9
Dec		118 775	8.0	118 286	-1.5	3.7	-11.8	14 023	47.1	53.9	42.1
14 *Jan*	P	120 774	15.4	114 505	-5.4	5.4	-26.9	14 857	52.5	60.5	46.7
Feb	P	114 327	6.4	110 824	-8.2	1.2	-28.3	15 251	28.0	31.5	25.4
Mar	P	126 055	12.3	108 782	-8.7	0.5	-29.6	16 167	52.0	50.8	53.0
Apr	A	120 404	10.1	107 495	-8.6	-0.2	-27.5	16 501	52.0	50.2	53.4
May	A	129 158	14.3	107 168	-9.2	-3.1	-23.6	16 932	29.3	22.5	34.6
Jun	A	134 991	16.9	102 965	-11.0	-4.4	-27.2	18 236	53.0	41.4	62.2
Jul	A	128 689	19.2	99 714	-14.9	-7.8	-32.0	18 624	51.8	41.0	60.2
Aug	A	133 356	18.2	98 478	-17.9	-11.0	-34.9	18 918	48.4	35.7	58.7

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.

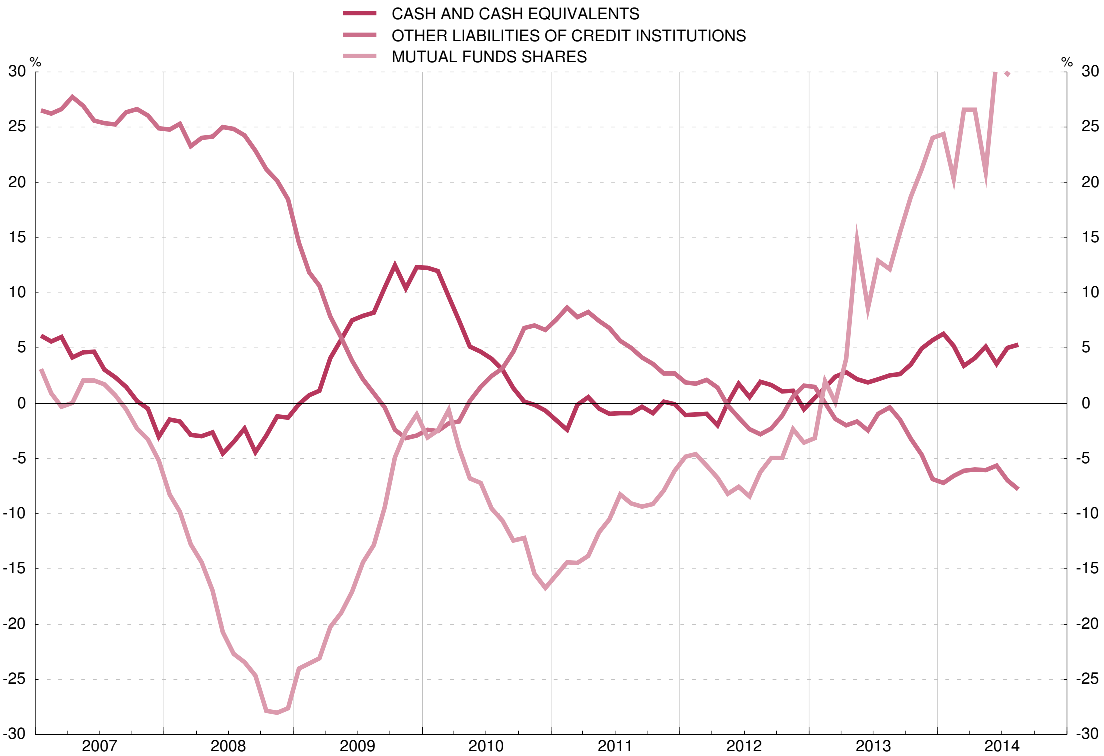
8.4 CASH AND CASH EQUIVALENTS, OTHER LIABILITIES OF CREDIT INSTITUTIONS AND MUTUAL FUNDS SHARES OF HOUSEHOLDS AND NPISHS RESIDENT IN SPAIN (a)

■ 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
11		398 741	-0.1	-0.8	0.1	453 453	2.7	-0.3	58.1	105 377	-6.1	-8.9	-3.8
12		396 598	-0.5	-2.2	-0.0	460 598	1.6	1.2	5.9	101 614	-3.6	-7.5	-0.6
13		419 264	5.7	-5.1	8.8	428 998	-6.9	0.2	-84.9	126 021	24.0	26.3	22.4
13 *May*		400 675	2.2	-4.0	4.0	444 240	-1.6	4.8	-60.9	117 399	14.7	8.4	19.7
Jun		417 111	1.9	-6.2	4.3	437 110	-2.4	5.4	-71.9	110 386	8.6	6.0	10.7
Jul		411 495	2.2	-7.2	5.1	439 648	-1.0	7.2	-74.1	113 692	12.9	9.9	15.2
Aug		410 358	2.5	-7.7	5.6	440 079	-0.4	8.0	-76.3	114 222	12.1	10.9	13.0
Sep		408 359	2.6	-7.6	5.7	436 641	-1.4	6.8	-78.7	117 399	15.5	14.3	16.4
Oct		405 943	3.5	-7.5	6.9	434 742	-3.2	4.6	-80.8	120 829	18.7	18.5	18.9
Nov		413 485	4.9	-5.1	7.9	433 040	-4.7	2.8	-83.0	123 785	21.2	23.4	19.7
Dec		419 264	5.7	-5.1	8.8	428 998	-6.9	0.2	-84.9	126 021	24.0	26.3	22.4
14 *Jan*	P	414 791	6.3	-4.7	9.5	428 276	-7.2	-1.0	-86.0	129 242	24.4	27.9	22.0
Feb	P	411 657	5.2	-4.6	7.9	428 215	-6.6	-1.0	-87.0	132 839	20.3	23.3	18.3
Mar	P	413 027	3.4	-6.1	6.1	424 859	-6.1	-1.3	-88.0	135 144	26.6	25.4	27.4
Apr	A	413 765	4.1	-6.8	7.2	420 591	-6.0	-2.1	-84.6	138 256	26.6	25.0	27.7
May	A	421 276	5.1	-7.1	8.6	417 242	-6.1	-3.1	-80.6	142 042	21.0	16.5	24.2
Jun	A	431 972	3.6	-7.2	6.4	412 347	-5.7	-3.6	-73.9	144 502	30.9	22.3	37.3
Jul	A	432 046	5.0	-7.0	8.2	408 989	-7.0	-5.2	-72.0	147 637	29.9	22.0	35.6
Aug	A	432 144	5.3	-7.1	8.6	405 694	-7.8	-6.3	-68.7	149 923	31.3	22.8	37.5

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.

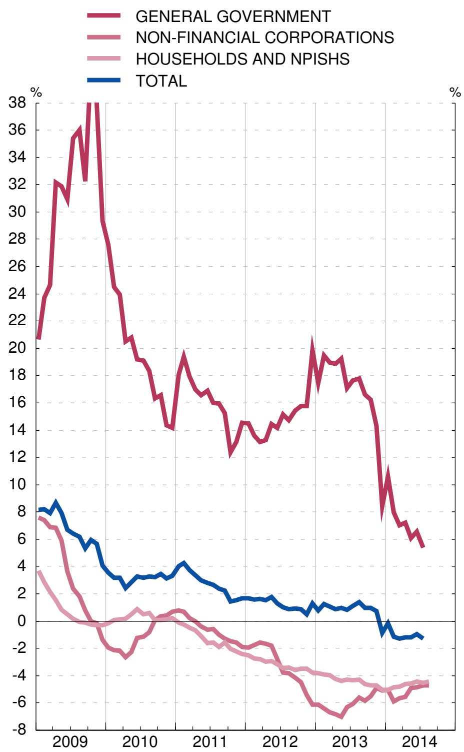
d. The series includes the old categories of Money market funds and Fixed income mutual funds in euros.

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

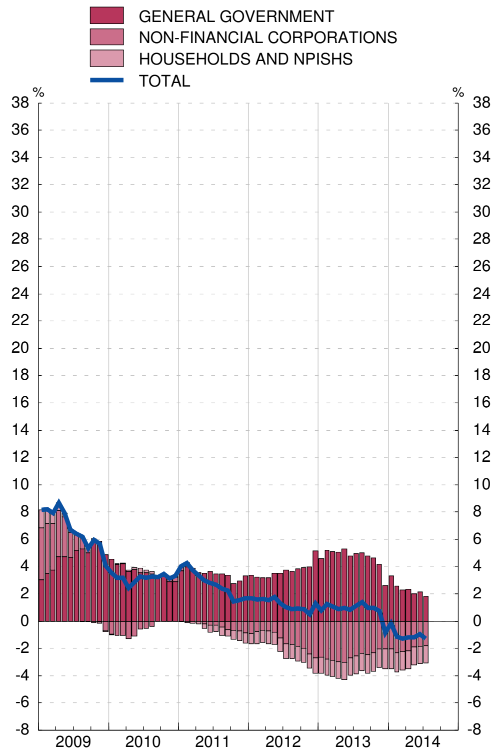
■ Series depicted in chart. *EUR millions and %*

		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
11		2 872 202	47 987	1.7	14.5	-2.1	-1.9	-2.4	-3.3	9.9	2.1	3.3	-1.6	-0.9	-0.8	-2.1	0.2	0.3
12		2 872 962	37 699	1.3	19.8	-5.2	-6.1	-3.8	-5.8	14.2	-5.8	5.1	-3.8	-2.7	-1.1	-3.4	0.3	-0.7
13		2 820 881	-25 256	-0.9	8.4	-5.1	-5.1	-5.1	-7.1	5.9	1.9	2.6	-3.5	-2.0	-1.5	-3.9	0.2	0.2
13 *May*		2 867 139	12 300	1.0	19.3	-5.9	-7.0	-4.4	-7.0	13.6	-4.9	5.3	-4.3	-3.0	-1.3	-4.0	0.3	-0.6
Jun		2 869 549	4 055	0.8	17.1	-5.5	-6.3	-4.3	-6.8	11.0	-2.4	4.8	-3.9	-2.7	-1.3	-3.9	0.3	-0.3
Jul		2 856 495	-11 785	1.1	17.7	-5.4	-6.1	-4.3	-6.8	11.8	-2.1	5.0	-3.9	-2.6	-1.3	-3.9	0.3	-0.3
Aug		2 844 681	-10 351	1.4	17.8	-5.1	-5.6	-4.3	-6.6	12.3	-1.6	5.0	-3.6	-2.4	-1.3	-3.8	0.3	-0.2
Sep		2 846 822	4 232	0.9	16.6	-5.3	-5.8	-4.6	-6.9	10.5	-1.5	4.8	-3.8	-2.5	-1.3	-3.9	0.3	-0.2
Oct		2 840 204	-5 328	1.0	16.2	-5.2	-5.5	-4.7	-6.6	6.6	-0.9	4.7	-3.7	-2.3	-1.4	-3.7	0.2	-0.1
Nov		2 840 821	340	0.8	14.3	-4.8	-4.9	-4.7	-6.5	5.8	0.7	4.2	-3.4	-2.0	-1.4	-3.7	0.2	0.1
Dec		2 820 881	-17 116	-0.9	8.4	-5.1	-5.1	-5.1	-7.1	5.9	1.9	2.6	-3.5	-2.0	-1.5	-3.9	0.2	0.2
14 *Jan*	P	2 832 614	10 975	-0.2	10.6	-5.0	-5.1	-5.0	-6.9	3.5	1.5	3.3	-3.5	-2.0	-1.5	-3.7	0.1	0.2
Feb	P	2 825 602	-5 538	-1.2	8.0	-5.5	-5.9	-4.9	-7.2	-0.6	1.1	2.6	-3.7	-2.3	-1.4	-3.8	-0.0	0.1
Mar	P	2 819 653	-3 033	-1.3	7.0	-5.3	-5.6	-4.8	-7.1	0.7	1.7	2.3	-3.6	-2.2	-1.4	-3.8	0.0	0.2
Apr	A	2 806 592	-12 187	-1.2	7.2	-5.2	-5.6	-4.6	-6.9	-0.2	1.3	2.3	-3.5	-2.2	-1.3	-3.7	-0.0	0.2
May	A	2 816 478	11 616	-1.2	6.1	-4.8	-4.9	-4.6	-6.4	1.5	1.0	2.0	-3.2	-1.9	-1.3	-3.4	0.0	0.1
Jun	A	2 824 909	10 760	-1.0	6.5	-4.7	-4.8	-4.4	-6.4	3.1	1.3	2.2	-3.1	-1.9	-1.3	-3.4	0.1	0.2
Jul	A	2 801 960	-20 828	-1.3	5.4	-4.6	-4.7	-4.5	-6.5	0.6	2.5	1.8	-3.1	-1.8	-1.3	-3.4	0.0	0.3
Aug	A	...	...	...	...	-4.6	-4.7	-4.5	-6.4	0.8	1.8	...	...	...	...	...	...	...

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).

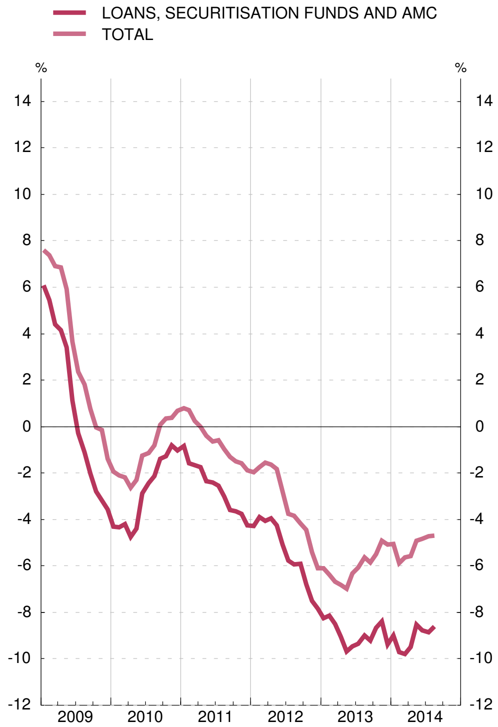
8.6. FINANCING OF NON-FINANCIAL CORPORATIONS RESIDENT IN SPAIN (a)

■ Series depicted in chart.

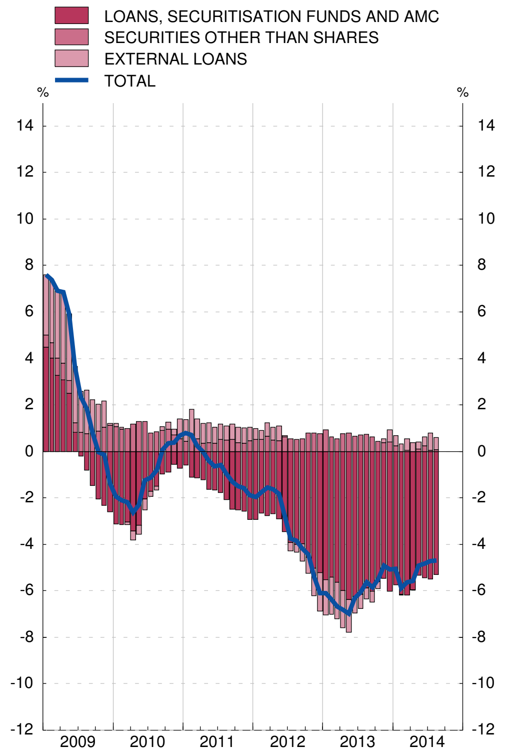
EUR millions and %

	Total			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
11	1 258 039	-24 440	-1.9	840 887	-4.2	-2.9	67 986	53 547	9.9	0.5	349 166	2.2	0.6	1 332
12	1 148 155	-76 783	-6.1	736 625	-7.8	-5.2	77 653	60 331	14.2	0.8	333 878	-5.9	-1.6	28 680
13	1 068 703	-58 288	-5.1	646 868	-9.4	-6.0	82 214	60 529	5.9	0.4	339 621	1.9	0.5	37 970
13 *May*	1 110 032	-8 635	-7.0	691 057	-9.7	-6.4	81 688	62 045	13.6	0.8	337 287	-5.0	-1.4	39 644
Jun	1 104 896	-4 359	-6.3	686 289	-9.5	-6.2	80 846	60 616	11.0	0.6	337 761	-2.5	-0.7	39 700
Jul	1 096 149	-7 817	-6.1	680 607	-9.4	-6.2	81 478	60 262	11.8	0.7	334 065	-2.2	-0.6	39 686
Aug	1 090 666	-4 550	-5.6	672 286	-9.0	-5.9	81 393	60 395	12.3	0.7	336 987	-1.6	-0.5	39 512
Sep	1 088 543	-407	-5.8	670 068	-9.2	-6.0	81 676	60 661	10.5	0.6	336 799	-1.6	-0.5	39 331
Oct	1 088 728	1 210	-5.5	666 891	-8.7	-5.6	82 258	60 766	6.6	0.4	339 579	-1.0	-0.3	38 985
Nov	1 085 882	-3 401	-4.9	662 328	-8.4	-5.5	82 091	60 458	5.8	0.4	341 462	0.6	0.2	38 755
Dec	1 068 703	-15 097	-5.1	646 868	-9.4	-6.0	82 214	60 529	5.9	0.4	339 621	1.9	0.5	37 970
14 *Jan*	P 1 066 085	-3 658	-5.1	642 499	-9.0	-5.7	82 758	60 507	3.5	0.2	340 828	1.5	0.4	38 882
Feb	P 1 053 854	-11 041	-5.9	634 156	-9.7	-6.2	78 366	56 448	-0.6	-0.0	341 332	1.0	0.3	38 056
Mar	P 1 049 234	-2 303	-5.6	627 816	-9.8	-6.2	79 793	56 529	0.7	0.1	341 625	1.7	0.5	37 646
Apr	A 1 046 238	-2 399	-5.6	623 552	-9.5	-6.0	80 592	56 673	-0.2	-0.0	342 094	1.3	0.4	37 486
May	A 1 044 334	-601	-4.9	618 990	-8.5	-5.3	82 887	58 204	1.5	0.1	342 457	1.0	0.3	37 714
Jun	A 1 039 113	-3 369	-4.8	613 017	-8.8	-5.5	83 357	58 719	3.1	0.2	342 739	1.3	0.4	37 630
Jul	A 1 031 313	-6 034	-4.7	606 263	-8.9	-5.5	81 953	57 577	0.6	0.0	343 098	2.4	0.7	37 574
Aug	A 1 026 569	-4 046	-4.7	600 720	-8.6	-5.3	82 073	57 711	0.8	0.1	343 776	1.8	0.5	37 571

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)

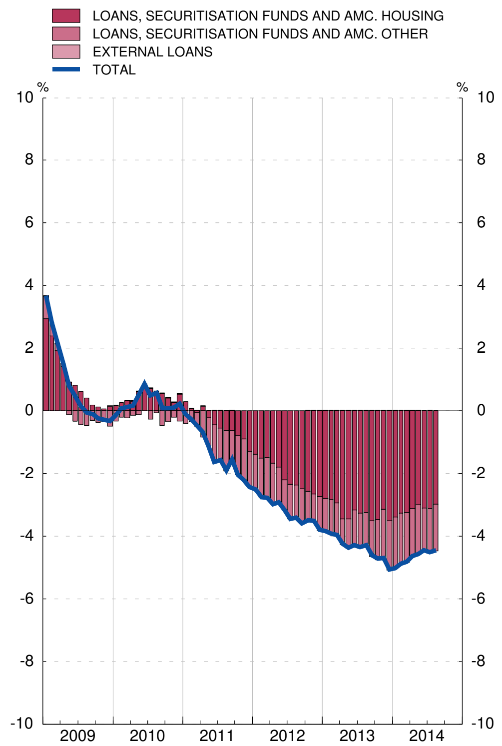
■ Series depicted in chart.

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
11		870 633	-21 845	-2.4	666 866	-1.7	-1.3	201 065	-4.7	-1.1	2 701	-7.6	-0.0	10 336	547
12		833 813	-32 980	-3.8	641 948	-3.6	-2.7	188 930	-4.7	-1.1	2 934	8.6	0.0	8 813	801
13		785 997	-42 156	-5.1	610 846	-4.6	-3.5	172 136	-6.9	-1.6	3 015	5.7	0.0	6 451	450
13 *May*		811 827	-2 323	-4.4	626 553	-4.5	-3.4	182 309	-4.2	-1.0	2 966	9.6	0.0	7 009	621
Jun		814 235	3 277	-4.3	625 391	-4.1	-3.2	185 869	-4.9	-1.1	2 976	9.8	0.0	6 726	708
Jul		806 146	-7 750	-4.3	623 101	-4.2	-3.3	180 074	-4.9	-1.1	2 971	9.1	0.0	6 552	710
Aug		802 409	-3 207	-4.3	620 682	-4.2	-3.2	178 745	-4.7	-1.1	2 982	9.0	0.0	6 568	678
Sep		797 036	-4 997	-4.6	616 998	-4.5	-3.5	177 055	-5.1	-1.2	2 983	9.0	0.0	6 501	680
Oct		793 636	-3 136	-4.7	614 647	-4.5	-3.5	175 991	-5.6	-1.3	2 998	9.4	0.0	6 455	631
Nov		797 162	3 805	-4.7	615 385	-4.1	-3.1	178 774	-6.8	-1.6	3 003	7.7	0.0	6 397	627
Dec		785 997	-10 424	-5.1	610 846	-4.6	-3.5	172 136	-6.9	-1.6	3 015	5.7	0.0	6 451	450
14 *Jan*	P	781 399	-4 317	-5.0	608 466	-4.4	-3.4	169 916	-7.3	-1.6	3 017	5.7	0.0	5 977	427
Feb	P	777 683	-3 432	-4.9	606 754	-4.2	-3.3	167 899	-7.3	-1.6	3 029	5.5	0.0	6 059	454
Mar	P	774 577	-2 508	-4.8	605 124	-4.2	-3.2	166 411	-7.1	-1.6	3 042	4.8	0.0	5 982	464
Apr	A	771 652	-2 646	-4.6	602 138	-4.0	-3.1	166 460	-6.8	-1.5	3 054	4.6	0.0	5 873	474
May	A	769 404	-1 821	-4.6	600 487	-3.9	-3.0	165 852	-7.1	-1.6	3 065	4.4	0.0	5 815	491
Jun	A	773 190	4 262	-4.4	598 441	-4.0	-3.1	171 673	-5.9	-1.4	3 076	3.9	0.0	5 562	669
Jul	A	764 954	-7 881	-4.5	596 274	-4.0	-3.1	165 594	-6.3	-1.4	3 086	4.3	0.0	5 535	628
Aug	A	761 838	-2 646	-4.5	595 042	-3.8	-3.0	163 700	-6.7	-1.5	3 096	4.2	0.0	5 490	600

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.

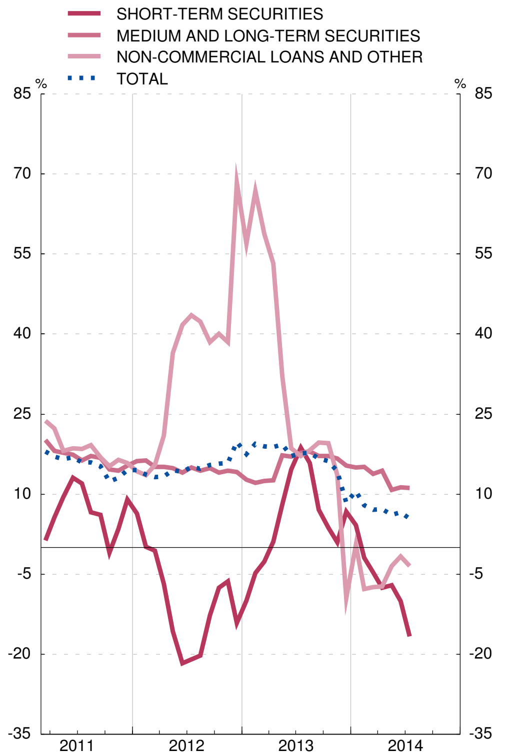
b. Including loans transferred to SAREB, which is an Asset Management Corporation (AMC).

8.8. GROSS FINANCING OF SPAIN'S GENERAL GOVERMENT

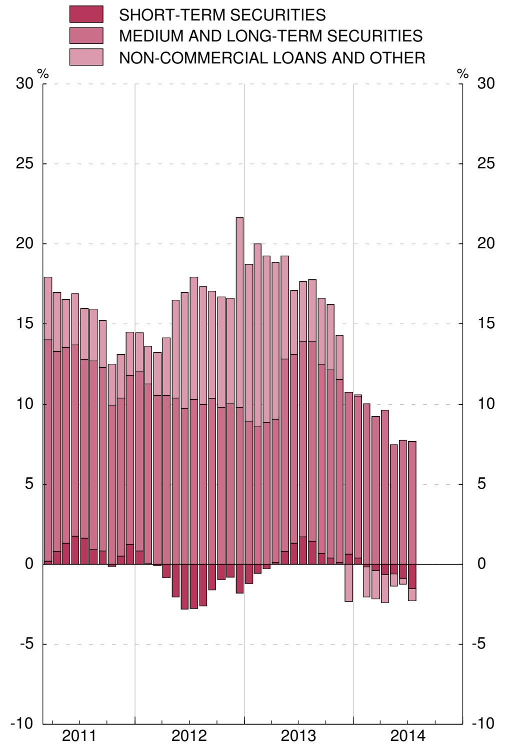
■ Series depicted in chart. *EUR millions and %*

		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	Contribution to 12-month % change	Total	Monthly change	12 month % change	Contribution to 12-month % change	Total	Monthly change	12 month % chage	Contribution 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		568 700	128 929	29.3	86 395	33 361	62.9	7.6	386 283	82 935	27.3	18.9	96 022	12 585	15.7	2.9
10		649 259	80 559	14.2	88 201	1 806	2.1	0.3	446 025	59 742	15.5	10.5	115 033	18 895	20.4	3.3
11		743 531	94 272	14.5	96 153	7 952	9.0	1.2	514 546	68 521	15.4	10.6	132 831	17 697	15.9	2.7
12	P	890 993	147 463	19.8	82 563	-13 590	-14.1	-1.8	587 324	72 778	14.1	9.8	221 106	88 279	68.4	11.9
13 *Feb*	P	920 728	30 025	19.5	85 141	889	-4.8	-0.6	611 486	13 004	12.1	8.6	224 101	16 144	66.8	11.4
Mar	P	930 363	9 634	19.0	83 260	-1 882	-2.6	-0.3	623 835	12 349	12.5	8.9	223 268	-834	58.7	10.4
Apr	P	922 022	-8 341	18.9	81 174	-2 085	1.1	0.1	618 414	-5 422	12.6	8.9	222 434	-839	53.2	9.8
May	P	945 280	23 258	19.3	81 755	581	8.1	0.8	650 227	31 813	17.2	12.1	213 298	-9 132	32.1	6.4
Jun	P	950 417	5 137	17.1	82 989	1 234	14.6	1.3	656 433	6 206	17.0	11.8	210 996	-2 303	18.6	4.0
Jul	P	954 200	3 782	17.7	87 660	4 672	18.7	1.7	655 373	-1 060	17.8	12.2	211 166	143	17.1	3.7
Aug	P	951 606	-2 594	17.8	83 451	-4 209	15.8	1.4	659 049	3 676	18.0	12.5	209 106	-2 068	18.2	3.9
Sep	P	961 242	9 637	16.6	85 402	1 951	7.1	0.7	665 371	6 323	17.1	11.8	210 469	1 358	19.7	4.1
Oct	P	957 840	-3 402	16.2	86 420	1 018	3.7	0.4	661 988	-3 383	17.2	11.8	209 432	-1 012	19.5	4.1
Nov	P	957 777	-64	14.3	88 308	1 888	1.0	0.1	671 856	9 868	16.7	11.4	197 613	-11 818	13.5	2.8
Dec	P	966 181	8 404	8.4	88 106	-202	6.7	0.6	677 640	5 784	15.4	10.1	200 434	2 814	-9.5	-2.3
14 *Jan*	P	985 131	18 950	10.6	87 745	-361	4.1	0.4	688 475	10 835	15.0	10.1	208 911	8 461	0.4	0.1
Feb	P	994 065	8 934	8.0	83 470	-4 275	-2.0	-0.2	703 643	15 168	15.1	10.0	206 951	-1 960	-7.8	-1.9
Mar	P	995 843	1 778	7.0	79 415	-4 055	-4.6	-0.4	709 546	5 903	13.7	9.2	206 881	-84	-7.5	-1.8
Apr	A	988 702	-7 141	7.2	75 069	-4 346	-7.5	-0.7	707 225	-2 322	14.4	9.6	206 408	-484	-7.4	-1.7
May	A	1 002 739	14 038	6.1	76 000	931	-7.0	-0.6	720 703	13 478	10.8	7.5	206 037	-400	-3.5	-0.8
Jun	A	1 012 606	9 867	6.5	74 652	-1 347	-10.0	-0.9	730 181	9 478	11.2	7.8	207 773	1 699	-1.6	-0.4
Jul	A	1 005 693	-6 914	5.4	73 032	-1 620	-16.7	-1.5	728 613	-1 568	11.2	7.7	204 048	-3 771	-3.5	-0.8

GROSS FINANCING OF GENERAL GOVERNMENT
Annual percentage changes



GROSS FINANCING OF GENERAL GOVERNMENT
Contributions to the annual percentage change



FUENTE: BE.
Note: The debt figures have been compiled following the new ESA 2010 methodology.
a.Debt according to Excessive Deficit Procedure (EDP).Consolidated nominal gross debt.
b.Including coined money and Caja General de Depositos

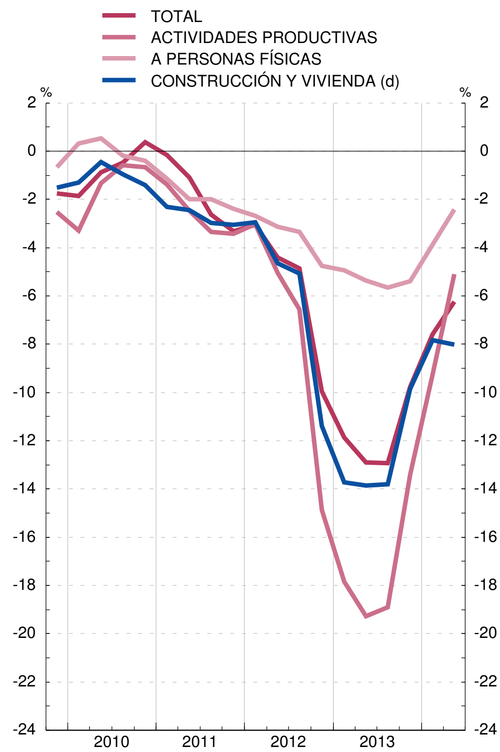
8.9 LENDING BY CREDIT INSTITUTIONS AND CFI's TO OTHER RESIDENT SECTORS. BREAKDOWN BY END-USE.

■ Series depicted in chart.

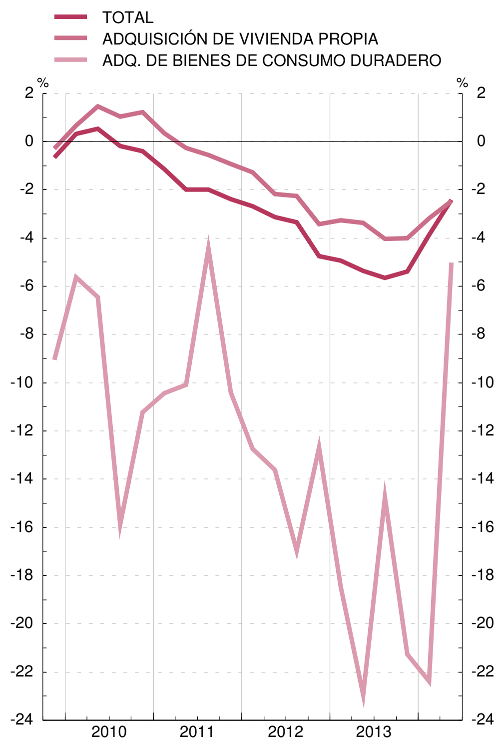
EUR millions and percentages

	Total (a)	Financing of productive activities: Total	Financing of productive activities: Agriculture and fisheries	Financing of productive activities: Industry excluding construction	Financing of productive activities: Construction	Financing of productive activities: Services: Total	Financing of productive activities: Services: Of which: Real estate activities	Financing of individuals: Total	Financing of individuals: Home purchases and improvements: Total	Financing of individuals: Home purchases and improvements: Of which: Purchases	Financing of individuals: Purchases of consumer durables	Financing of individuals: 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 ■
09	1 837 038	999 570	23 123	152 199	130 438	693 809	322 984	813 939	654 566	624 755	49 273	110 101	5 523	18 006	1 107 988
10	1 843 952	1 012 916	23 128	152 376	114 519	722 893	315 782	812 781	662 798	632 449	42 068	107 916	6 096	12 159	1 093 099
11	1 782 555	970 773	21 782	143 246	98 546	707 198	298 323	793 430	656 452	626 550	37 686	99 292	7 000	11 352	1 053 321
12	1 604 961	829 788	20 217	131 109	76 217	602 246	224 015	755 689	633 138	605 057	32 904	89 647	6 976	12 507	933 370
11 *Q1*	1 824 256	1 002 253	22 618	145 796	109 582	724 257	312 152	804 029	658 133	628 138	41 073	104 823	5 710	12 263	1 079 867
Q2	1 817 800	994 086	22 435	146 481	105 489	719 681	308 424	805 058	658 999	628 377	40 201	105 858	5 898	12 759	1 072 912
Q3	1 788 847	976 280	22 203	145 503	102 258	706 316	303 506	794 554	655 726	625 101	38 478	100 350	6 557	11 455	1 061 491
Q4	1 782 555	970 773	21 782	143 246	98 546	707 198	298 323	793 430	656 452	626 550	37 686	99 292	7 000	11 352	1 053 321
12 *Q1*	1 768 488	968 348	21 416	139 850	96 193	710 889	295 696	782 441	649 716	620 182	35 835	96 890	6 643	11 055	1 041 606
Q2	1 744 215	944 709	21 085	138 007	91 869	693 749	286 942	779 915	644 201	614 707	34 726	100 988	7 013	12 578	1 023 012
Q3	1 701 789	916 389	20 852	135 138	87 794	672 604	280 245	767 855	639 522	610 943	31 953	96 381	6 910	10 635	1 007 561
Q4	1 604 961	829 788	20 217	131 109	76 217	602 246	224 015	755 689	633 138	605 057	32 904	89 647	6 976	12 507	933 370
13 *Q1*	1 558 660	798 151	19 138	127 110	69 013	582 891	204 281	743 849	625 439	599 955	29 212	89 199	6 759	9 901	898 732
Q2	1 519 123	763 059	18 974	122 351	64 195	557 539	198 432	738 107	618 663	593 929	26 762	92 683	6 754	11 203	881 290
Q3	1 481 543	742 033	18 731	118 251	62 934	542 117	195 083	724 319	610 497	586 299	27 239	86 583	6 882	8 309	868 514
Q4	1 448 244	719 180	18 448	115 465	60 154	525 113	176 822	714 984	604 395	580 784	25 910	84 679	6 299	7 781	841 371
14 *Q1*	R1 440 349	712 509	17 756	113 148	58 386	523 218	170 839	713 733	599 144	576 464	22 671	91 918	6 221	7 887	828 369
Q2	P 1 423 517	693 915	17 598	110 331	55 490	510 497	161 279	713 368	592 883	570 796	25 418	95 067	6 377	9 856	809 652

CRÉDITO POR FINALIDADES
Tasas de variación interanual (c)



CRÉDITO POR FINALIDADES A PERSONAS FÍSICAS
Tasas de variación interanual (c)



SOURCE: BE.

a. See chapters 4.13, 4.18 y 4.23 of the Boletín Estadístico and their notes which are published at www.bde.es and the notes of changes.

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.

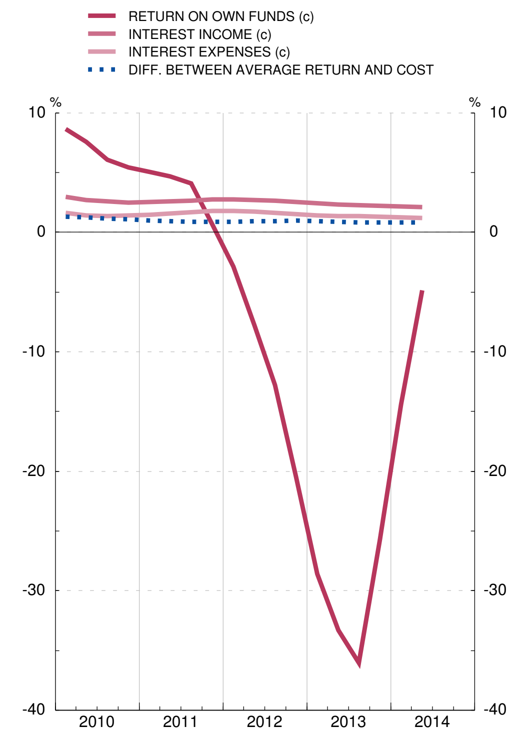
d. Including: construction, real estate activities and home purchases and improvements

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

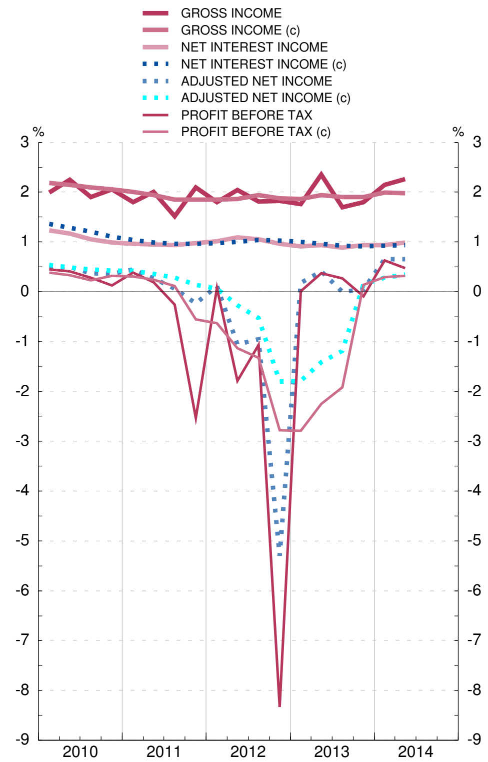
■ Series depicted in chart.

	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 ■
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	2.4	1.4	1.0	0.9	1.8	0.9	0.5	6.3	-5.3	3.3	-8.3	-39.2	2.8	1.8	1.0
13	2.2	1.2	0.9	0.9	1.8	1.0	0.5	0.8	0.1	0.4	-0.1	2.0	2.4	1.6	0.8
11 *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	0.6	-1.8	-15.4	3.0	2.0	0.9
Q3	2.4	1.4	1.1	0.8	1.8	0.8	0.5	2.0	-1.0	0.5	-1.1	-18.3	2.9	1.9	1.0
Q4	2.4	1.4	1.0	0.9	1.8	0.9	0.5	6.3	-5.3	3.3	-8.3	-39.2	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	-41.3	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	-34.3	2.5	1.7	0.9
Q3	2.2	1.3	0.9	0.8	1.7	0.9	0.5	0.8	-0.0	0.4	0.3	-29.3	2.4	1.6	0.8
Q4	2.2	1.2	0.9	0.9	1.8	1.0	0.5	0.8	0.1	0.4	-0.1	2.0	2.4	1.6	0.8
14 *Q1*	2.1	1.1	0.9	1.2	2.2	1.0	0.5	0.5	0.7	0.2	0.6	3.9	2.3	1.5	0.8
Q2	2.1	1.1	1.0	1.3	2.3	1.0	0.5	0.7	0.7	0.1	0.5	4.0	2.2	1.4	0.8

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



PROFIT AND LOSS ACCOUNT
Percentages of the adjusted average balance sheet



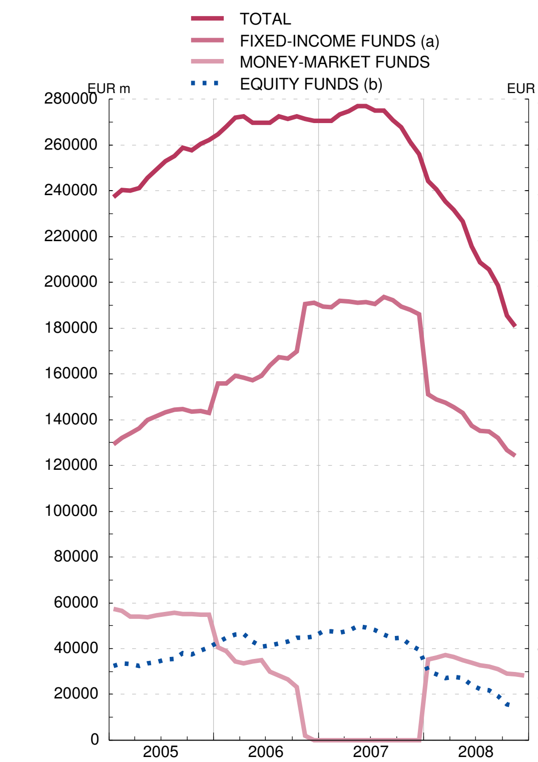
Source: BE.
Note: The underlying series for this indicator are in Table 4.36 of the BE Boletín estadístico.
a. Profit before tax divided by own funds.
b. Only those financial assets and liabilities which respectively give rise to financial income and costs have been considered to calculate the averge return and cost.
c. Average of the last four quarters.

8.11. MUTUAL FUNDS RESIDENT IN SPAIN

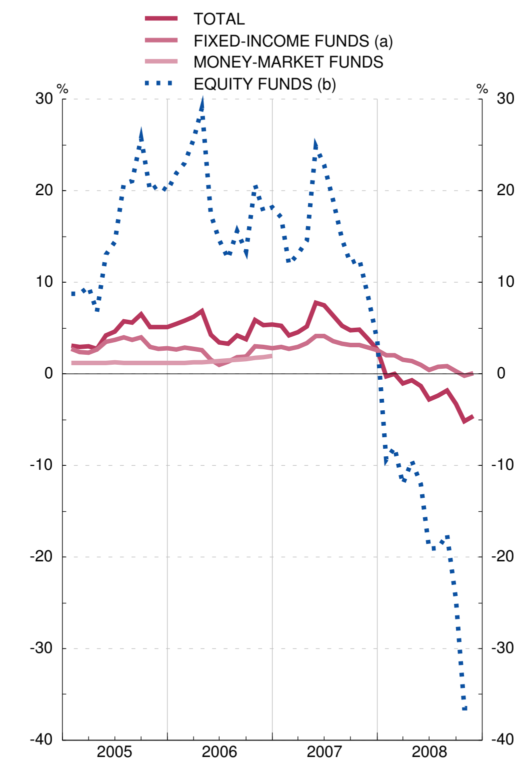
■ Series depicted in chart. *EUR millions*

	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.

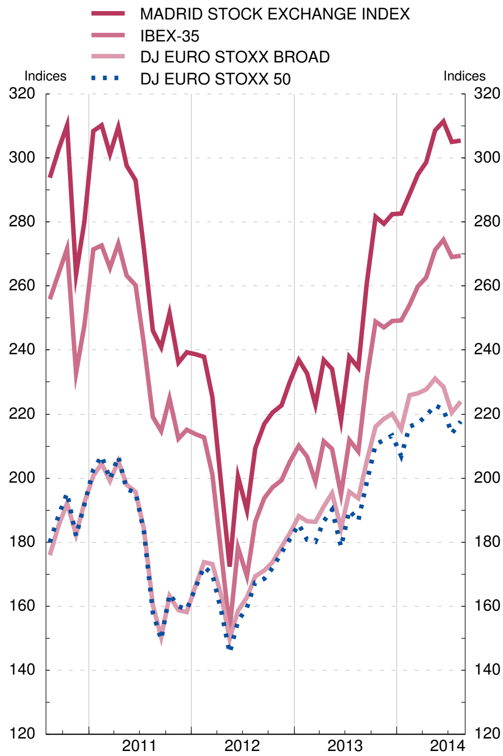
8.12. SHARE PRICE INDICES AND TURNOVER ON SECURITIES MARKETS. SPAIN AND EURO AREA

■ Series depicted in chart.

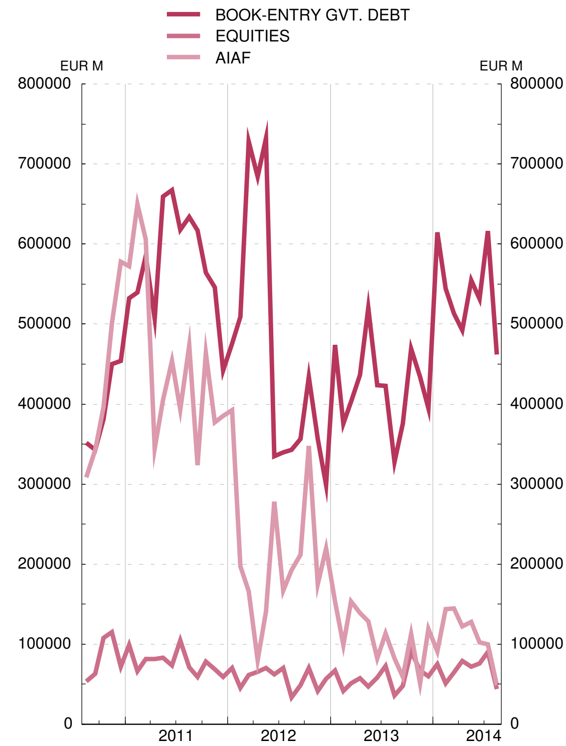
Indices, EUR millions and thousands of contracts

	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
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	883.52	8 718.64	283.43	2 809.28	698 744	46 094	5 057 285	1 293 402	-	27 462	-	5 778
14 A	1 073.16	10 502.18	320.98	3 160.23	551 627	25 526	4 329 200	880 352	-	16 583	-	4 527
13 *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	840.02	8 290.50	276.67	2 721.37	36 105	2 463	327 954	82 025	...	1 351	...	437
Sep	933.30	9 186.10	292.93	2 893.15	47 994	3 141	375 746	59 021	...	2 519	...	441
Oct	1 009.27	9 907.90	308.51	3 067.95	91 508	5 578	468 990	112 558	...	3 457	...	545
Nov	1 001.44	9 837.60	312.01	3 086.64	67 126	3 694	434 287	51 145	...	2 473	...	556
Dec	1 011.98	9 916.70	314.31	3 109.00	60 333	2 953	394 748	118 995	...	2 692	...	479
14 *Jan*	1 012.85	9 920.20	307.33	3 013.96	74 939	2 530	614 391	90 964	...	2 988	...	660
Feb	1 034.34	10 114.20	322.43	3 149.23	50 973	2 418	544 467	143 929	...	1 524	...	523
Mar	1 056.06	10 340.50	323.35	3 161.60	64 726	4 182	513 320	144 325	...	2 423	...	582
Apr	1 070.05	10 459.00	324.97	3 198.39	78 741	3 687	492 433	122 334	...	1 836	...	559
May	1 106.04	10 798.70	329.79	3 244.60	72 282	3 009	554 780	128 261	...	1 848	...	535
Jun	1 116.05	10 923.50	326.10	3 228.24	75 549	2 732	531 607	101 957	...	2 384	...	540
Jul	1 092.82	10 707.20	314.68	3 115.51	90 178	4 509	616 036	100 025	...	2 375	...	585
Aug P	1 094.63	10 728.80	319.65	3 172.63	44 238	2 459	462 166	48 558	...	1 205	...	542

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)

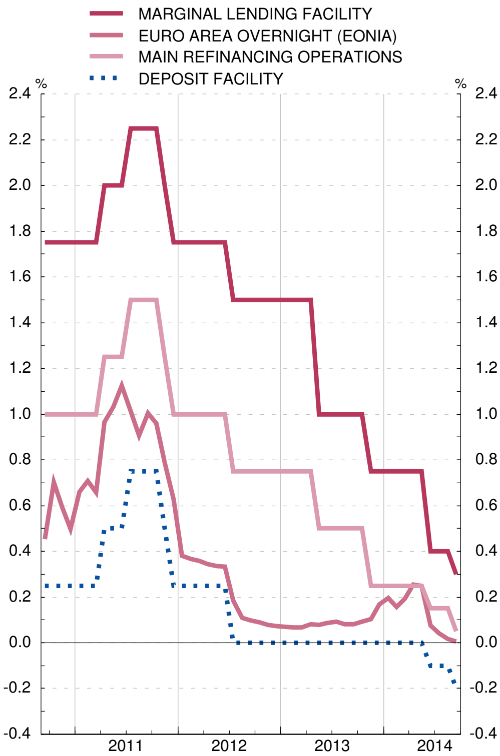
9.1. INTEREST RATES. EUROSYSTEM AND MONEY MARKET. EURO AREA AND SPAIN

■ Series depicted in chart.

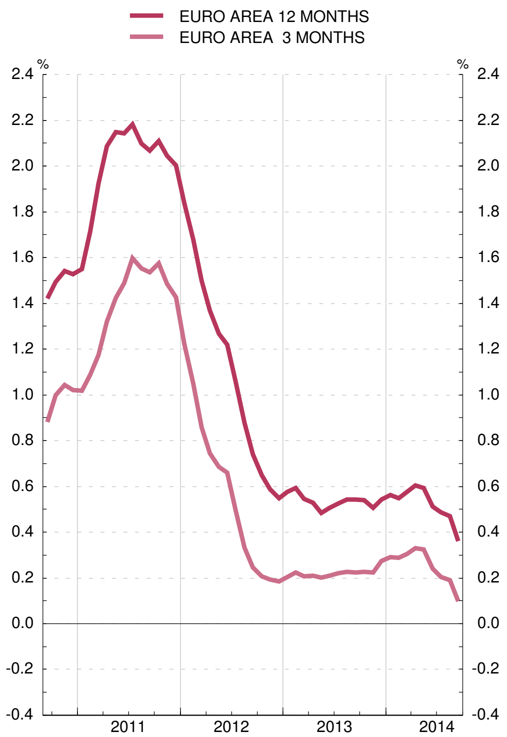
Averages of daily data. Percentages per annum

	Eurosystem monetary policy operations				Money market													
	Main refinancing operations: weekly tenders	Longer term refinancing operations: monthly tenders	Standing facilities		Euro area: deposits (Euribor) (a)					Spain								
										Non-transferable deposits					Government-securities repos			
			Marginal lending	Deposit	Overnight (EONIA)	1-month	3-month	6-month	1-year	Overnight	1-month	3-month	6-month	1-year	Overnight	1-month	3-month	1-year
	1 ■	2	3 ■	4 ■	5 ■	6	7 ■	8	9 ■	10	11	12	13	14	15	16	17	18
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	0.25	0.25	0.75	0.00	0.089	0.13	0.22	0.34	0.54	0.15	0.41	1.07	0.33	0.53	0.08	0.34	0.45	-
14 A	0.05	0.05	0.30	-0.20	0.132	0.17	0.25	0.35	0.52	0.15	0.22	0.55	-	0.55	0.13	0.17	0.26	-
13 *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	-
Oct	0.50	0.50	1.00	0.00	0.093	0.13	0.23	0.34	0.54	0.11	0.41	-	-	0.54	0.07	0.33	0.57	-
Nov	0.25	0.25	0.75	0.00	0.103	0.13	0.22	0.33	0.51	0.13	0.50	-	-	0.53	0.10	0.20	0.24	-
Dec	0.25	0.25	0.75	0.00	0.169	0.21	0.27	0.37	0.54	0.13	0.21	-	-	0.50	0.15	0.51	0.78	-
14 *Jan*	0.25	0.25	0.75	0.00	0.196	0.22	0.29	0.40	0.56	0.15	0.23	-	-	0.55	0.15	0.20	0.47	-
Feb	0.25	0.25	0.75	0.00	0.157	0.22	0.29	0.39	0.55	0.17	0.30	0.70	-	0.55	0.18	0.24	0.22	-
Mar	0.25	0.25	0.75	0.00	0.192	0.23	0.31	0.41	0.58	0.20	0.30	-	-	-	0.20	0.25	0.26	-
Apr	0.25	-	0.75	0.00	0.256	0.25	0.33	0.43	0.60	0.25	0.28	-	-	-	0.26	0.25	0.49	-
May	0.25	0.25	0.75	0.00	0.248	0.26	0.32	0.42	0.59	0.26	0.25	0.55	-	-	0.27	0.30	0.36	-
Jun	0.15	0.15	0.40	-0.10	0.076	0.15	0.24	0.33	0.51	0.10	0.15	-	-	-	0.08	0.15	0.17	-
Jul	0.15	0.15	0.40	-0.10	0.043	0.10	0.21	0.31	0.49	0.07	0.27	-	-	-	0.04	0.06	0.11	-
Aug	0.15	0.15	0.40	-0.10	0.018	0.09	0.19	0.29	0.47	0.07	0.13	0.42	-	-	-0.02	0.06	0.19	-
Sep	0.05	0.05	0.30	-0.20	0.007	0.02	0.10	0.20	0.36	0.05	0.08	-	-	-	-0.01	0.01	0.08	-

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).

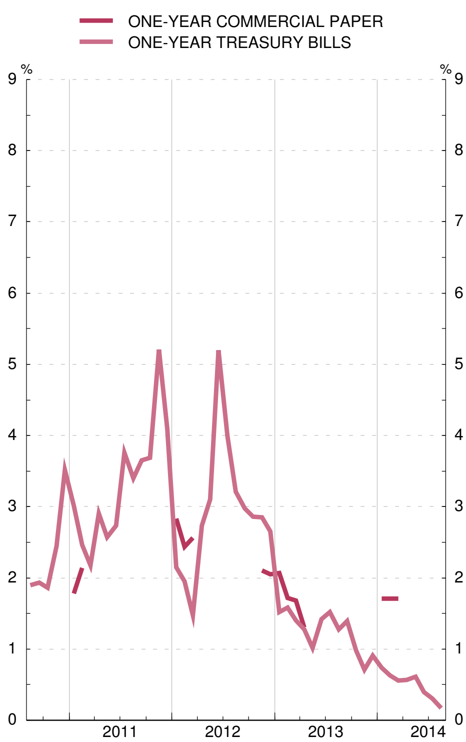
a. To December 1998, synthetic euro area rates have been calculated on the basis of national rates weighted by GDP

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

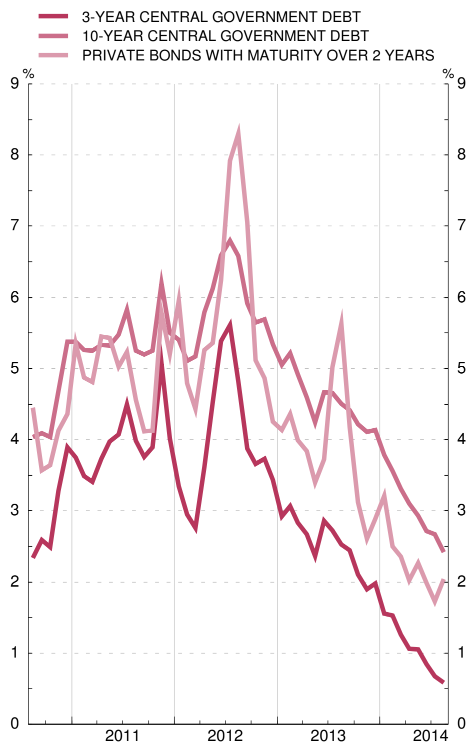
■ Series depicted in chart. *Percentages per annum*

	Short-term securities: One-year Treasury bills: Marginal rate at issue (1 ■)	Short-term securities: One-year Treasury bills: Secondary market: outright spot purchases between market members (2)	Short-term securities: One-year commercial paper: Rate at issue (3 ■)	Short-term securities: One-year commercial paper: Secondary market: outright spot purchases (4)	Long-term securities: Central Government debt: Marginal rate at issue: 3-year bonds (5)	Long-term securities: Central Government debt: Marginal rate at issue: 5-year bonds (6)	Long-term securities: Central Government debt: Marginal rate at issue: 10-year bonds (7)	Long-term securities: Central Government debt: Marginal rate at issue: 15-year bonds (8)	Long-term securities: Central Government debt: Marginal rate at issue: 30-year bonds (9)	Long-term securities: Central Government debt: Secondary market. Book-entry debt. Outright spot purchases between market members: At 3-years (10 ■)	Long-term securities: Central Government debt: Secondary market. Book-entry debt. Outright spot purchases between market members: At 10-years (11 ■)	Long-term securities: Private bonds with a maturity of over two years traded on the AIAF (12 ■)
12	2.93	2.67	2.40	3.24	3.93	4.79	5.72	-	6.14	3.98	5.85	5.80
13	1.25	1.17	1.47	3.10	2.48	3.43	4.76	5.18	5.46	2.53	4.56	3.91
14 A	0.49	0.48	1.71	1.13	1.17	1.81	3.05	3.79	4.01	1.07	3.06	2.27
13 *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
Sep	1.39	1.23	-	2.91	2.24	3.50	4.53	4.83	-	2.45	4.42	4.18
Oct	0.98	0.87	-	3.01	2.08	3.08	-	-	5.21	2.10	4.22	3.12
Nov	0.71	0.71	1.00	2.74	2.12	2.89	-	-	-	1.90	4.11	2.61
Dec	0.91	0.89	-	3.49	2.20	2.72	4.12	-	-	1.98	4.14	2.89
14 *Jan*	0.74	0.73	1.71	2.88	1.62	2.41	3.85	4.22	-	1.56	3.78	3.21
Feb	0.63	0.62	1.71	1.13	1.59	2.29	3.58	-	4.54	1.53	3.56	2.50
Mar	0.56	0.56	1.71	0.91	1.35	2.00	3.36	3.87	-	1.26	3.31	2.36
Apr	0.57	0.56	-	0.91	1.04	1.68	3.07	3.55	-	1.06	3.10	2.02
May	0.61	0.59	-	0.79	1.06	1.67	2.99	3.52	-	1.05	2.93	2.27
Jun	0.40	0.37	-	0.87	0.89	1.41	2.80	-	-	0.85	2.71	1.99
Jul	0.30	0.24	-	0.93	0.70	1.61	2.10	-	3.53	0.67	2.67	1.73
Aug	0.17	0.16	-	0.63	-	1.44	2.70	-	-	0.58	2.42	2.04

PRIMARY MARKET



SECONDARY MARKET



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

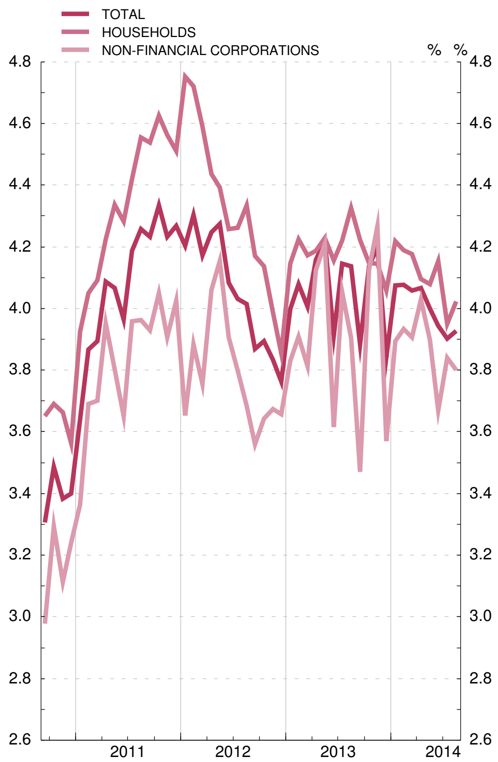
9.3. INTEREST RATES ON NEW BUSINESS. CREDIT INSTITUTIONS AND CFIs. (CBE 4/2002) SDDS (a)

■ Series depicted in chart.

Percentages

	Loans (APRC) (b)							Deposits (NDER) (b)								
	Syn-thetic rate (d)	Households and NPISH			Non-financial corporations			Syn-thetic rate (d)	Households and NPISH				Non-financial corporations			
		Syn-thetic rate	House pur-chase	Con-sump-tion and other	Syn-thetic rate	Up to EUR 1 million	Over EUR 1 million (c)		Syn-thetic rate	Over-night and re-deema-ble at notice	Time	Repos	Syn-thetic rate	Over-night	Time	Repos
	1 ■	2 ■	3	4	5 ■	6	7	8 ■	9 ■	10	11	12	13 ■	14	15	16
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	3.84	4.06	3.16	7.22	3.57	5.18	2.91	0.90	0.93	0.22	1.50	0.49	0.77	0.35	1.30	0.75
14 A	3.93	4.02	3.07	7.46	3.80	4.80	3.00	0.54	0.55	0.19	0.86	0.37	0.52	0.40	0.73	0.09
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	4.14	4.22	3.19	7.78	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	4.14	4.33	3.27	7.98	3.90	5.40	2.87	1.01	1.06	0.18	1.73	0.20	0.83	0.40	1.38	0.32
Sep	3.88	4.22	3.20	7.77	3.47	5.39	2.50	1.02	1.07	0.19	1.74	0.19	0.86	0.45	1.37	0.32
Oct	4.14	4.15	3.12	7.70	4.13	5.39	3.33	1.03	1.07	0.18	1.74	0.12	0.89	0.40	1.51	0.17
Nov	4.20	4.15	3.19	7.43	4.27	5.24	3.71	0.94	0.99	0.17	1.62	0.12	0.77	0.37	1.30	0.33
Dec	3.84	4.06	3.16	7.22	3.57	5.18	2.91	0.90	0.93	0.22	1.50	0.49	0.77	0.35	1.30	0.75
14 *Jan*	4.07	4.22	3.32	7.40	3.89	5.42	2.96	0.87	0.91	0.21	1.46	0.24	0.74	0.47	1.11	0.51
Feb	4.08	4.19	3.28	7.45	3.93	5.21	3.02	0.82	0.86	0.21	1.37	0.41	0.68	0.42	1.00	0.39
Mar	4.06	4.18	3.31	7.30	3.91	5.43	2.95	0.75	0.78	0.20	1.23	1.11	0.67	0.45	0.97	0.44
Apr	4.07	4.09	3.19	7.34	4.03	5.32	3.07	0.71	0.72	0.20	1.13	0.56	0.65	0.43	0.96	0.19
May	4.00	4.08	3.18	7.33	3.90	5.13	2.88	0.67	0.68	0.20	1.07	0.35	0.63	0.44	0.93	0.22
Jun	3.94	4.15	3.29	7.16	3.67	4.92	3.07	0.61	0.62	0.19	0.98	0.21	0.58	0.43	0.82	0.10
Jul	3.90	3.95	3.08	7.07	3.84	4.93	2.93	0.58	0.58	0.20	0.92	0.58	0.57	0.39	0.86	0.16
Aug P	3.93	4.02	3.07	7.46	3.80	4.80	3.00	0.54	0.55	0.19	0.86	0.37	0.52	0.40	0.73	0.09

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).

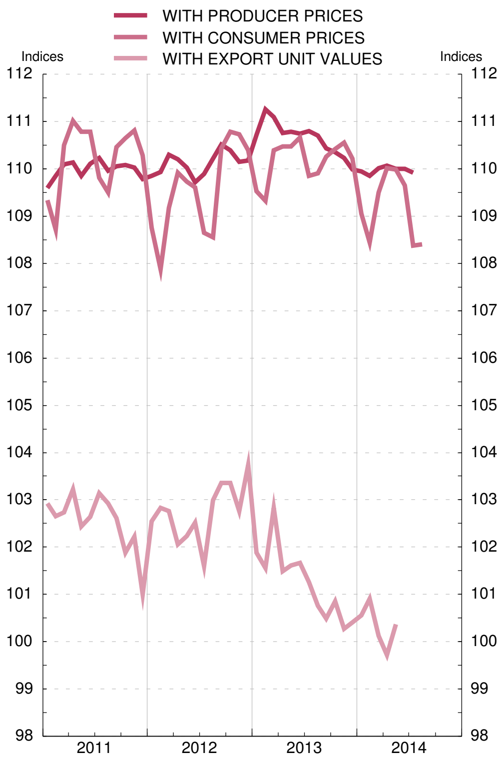
9.4 INDICES OF SPANISH COMPETITIVENESS VIS-à-VIS THE EU-28 AND THE EURO AREA

■ Series depicted in chart.

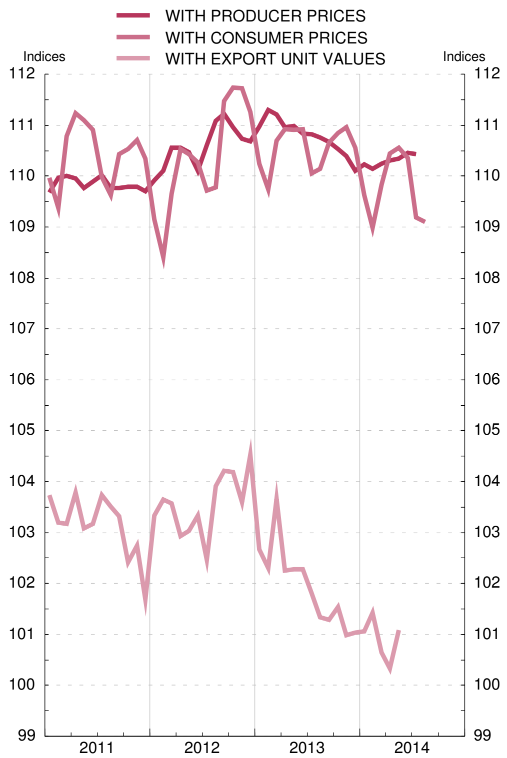
Base 1999 QI = 100

	Vis-à-vis the EU-28									Vis-à-vis the euro area				
	Total (a)				Nominal component (b)	Price component (c)				Based on producer prices	Based on consumer prices	Based on total unit labour costs (d)	Based on manufacturing unit labour costs (d)	Based on export unit values
	Based on producer prices	Based on consumer prices	Based on total unit labour costs (d)	Based on export unit values(e)		Based on producer prices	Based on consumer prices	Based on total unit labour costs (d)	Based on export unit values(e)					
	1 ■	2 ■	3	4 ■	5	6	7	8	9	10 ■	11 ■	12	13	14 ■
11	110.0	110.2	107.8	102.5	101.9	107.9	108.2	105.8	101.0	109.8	110.4	108.5	111.6	103.1
12	110.1	109.6	102.0	102.7	101.4	108.6	108.0	100.6	101.7	110.6	110.3	103.3	108.2	103.6
13	110.7	110.2	99.4	101.3	101.9	108.6	108.1	97.6	99.8	110.8	110.6	100.1	104.6	102.0
12 *Q3*	110.2	109.2	102.1	102.6	101.1	109.0	108.0	100.9	101.9	111.0	110.3	103.6	108.3	103.5
Q4	110.2	110.6	98.0	103.3	101.3	108.8	109.2	96.7	102.4	110.8	111.6	99.3	108.1	104.1
13 *Q1*	111.0	109.8	99.3	102.1	101.8	109.0	107.8	97.6	100.7	111.2	110.2	100.0	104.8	102.9
Q2	110.8	110.5	99.5	101.6	101.9	108.7	108.5	97.7	100.1	110.9	110.9	100.4	105.4	102.3
Q3	110.7	110.0	99.7	100.8	102.0	108.5	107.9	97.8	99.3	110.8	110.3	100.4	104.7	101.5
Q4	110.2	110.4	99.1	100.5	101.9	108.1	108.3	97.2	99.0	110.3	110.8	99.8	103.4	101.2
14 *Q1*	109.9	109.0	97.6	100.5	101.9	107.9	107.0	95.8	99.1	110.2	109.5	98.3	101.5	101.0
Q2	110.0	109.9	98.2	...	101.7	108.1	108.0	96.5	...	110.4	110.5	99.0	104.9	...
13 *Dec*	110.0	110.2	99.1	100.4	101.9	107.9	108.1	97.2	98.9	110.1	110.6	99.8	103.4	101.0
14 *Jan*	109.9	109.1	...	100.6	101.8	108.0	107.1	...	99.2	110.2	109.6	...	...	101.1
Feb	109.9	108.4	...	100.9	101.8	107.9	106.5	...	99.5	110.1	109.0	...	...	101.4
Mar	110.0	109.5	97.6	100.1	101.9	107.9	107.4	95.8	98.6	110.2	109.8	98.3	101.5	100.7
Apr	110.1	110.0	...	99.7	101.9	108.0	108.0	...	98.3	110.3	110.4	...	...	100.3
May	110.0	110.0	...	100.4	101.8	108.1	108.1	...	99.0	110.3	110.6	...	...	101.1
Jun	110.0	109.6	98.2	...	101.6	108.2	107.9	96.5	...	110.5	110.4	99.0	104.9	...
Jul	109.9	108.4	...	...	101.6	108.2	106.7	...	...	110.4	109.2	...	...	...
Aug	...	108.4	...	...	101.7	...	106.6	...	...	...	109.1	...	...	...
Sep	...	...	...	...	101.6	...	...	...	...	...	...	...	...	...

INDICES OF SPANISH COMPETITIVENESS VIS À VIS THE EU-28



INDICES OF SPANISH COMPETITIVENESS VIS À VIS THE EURO AREA



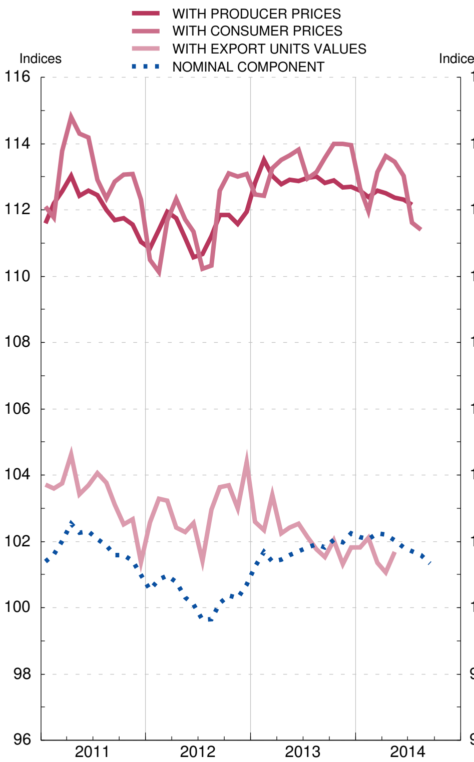
Source: BE.
a. Outcome of multiplying nominal and cost/price components. A decline in the index denotes an improvement in the competitiveness of Spanish products.
b. Geometric mean calculated using a double weighting system based on (1995-1997), (1998-2000), (2001-2003), (2004-2006) and (2007-2009) manufacturing 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

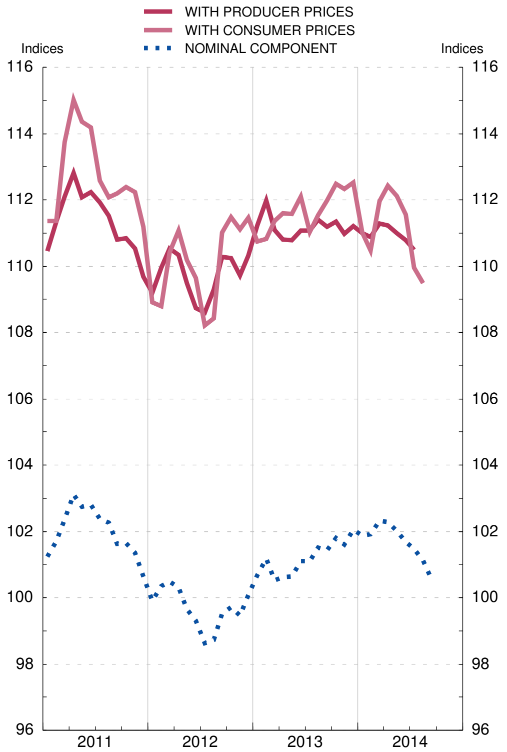
■ Series depicted in chart. *Base 1999 QI = 100*

	Vis-à-vis developed countries									Vis-à-vis industrialised countries				
	Total (a)				Nominal component (b)	Prices component (c)				Total (a)		Nominal component (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
11	112.1	113.1	115.5	103.4	101.8	110.1	111.1	113.5	102.2	111.4	112.7	102.0	109.2	110.5
12	111.4	111.7	110.5	103.0	100.4	111.0	111.3	110.1	103.3	109.7	110.1	99.7	110.1	110.4
13	112.9	113.4	108.4	102.2	101.7	111.0	111.5	106.5	101.1	111.2	111.7	101.2	109.9	110.4
12 *Q3*	111.2	111.0	110.0	102.7	99.8	111.5	111.2	110.2	103.6	109.4	109.2	98.9	110.5	110.4
Q4	111.8	113.1	110.6	103.7	100.5	111.3	112.6	110.1	103.9	110.1	111.4	99.8	110.4	111.6
13 *Q1*	113.1	112.7	108.2	102.8	101.4	111.5	111.1	106.7	102.0	111.4	111.0	100.8	110.6	110.1
Q2	112.9	113.7	109.1	102.4	101.6	111.1	111.9	107.4	101.5	110.9	111.8	100.8	110.0	110.9
Q3	112.9	113.2	108.6	101.8	101.8	110.9	111.2	106.6	100.6	111.2	111.5	101.3	109.7	110.0
Q4	112.8	114.0	107.5	101.7	102.1	110.5	111.7	105.3	100.3	111.2	112.4	101.8	109.2	110.4
14 *Q1*	112.5	112.6	105.7	101.7	102.1	110.2	110.2	103.5	100.3	111.1	111.2	102.0	108.8	109.0
Q2	112.4	113.4	109.2	...	102.0	110.2	111.1	107.0	...	111.0	112.0	102.0	108.8	109.8
13 *Dec*	112.7	114.0	107.5	101.8	102.2	110.2	111.5	105.3	100.3	111.2	112.5	102.1	109.0	110.3
14 *Jan*	112.6	112.7	...	101.8	102.1	110.2	110.3	...	100.4	111.0	111.0	101.9	109.0	109.0
Feb	112.4	112.0	...	102.1	102.1	110.1	109.7	...	100.7	110.9	110.5	101.9	108.8	108.4
Mar	112.6	113.1	105.7	101.4	102.2	110.1	110.7	103.5	99.8	111.3	112.0	102.3	108.8	109.4
Apr	112.5	113.6	...	101.1	102.2	110.1	111.2	...	99.6	111.2	112.4	102.3	108.7	109.9
May	112.4	113.5	...	101.7	102.0	110.1	111.2	...	100.4	111.0	112.1	102.0	108.8	109.9
Jun	112.3	113.0	109.2	...	101.8	110.3	111.0	107.0	...	110.8	111.6	101.7	108.9	109.7
Jul	112.2	111.6	...	...	101.7	110.3	109.8	...	...	110.5	110.0	101.5	108.9	108.4
Aug	...	111.4	...	...	101.6	...	109.7	...	...	...	109.5	101.1	...	108.3
Sep	...	...	...	...	101.3	...	...	...	...	...	...	100.5	...	...

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

ABS	Asset-backed securities
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
EFF	Spanish Survey of Household Finances
EFSF	European Financial Stability Facility
EMU	Economic and Monetary Union
EONIA	Euro overnight index average
EPA	Official Spanish Labour Force Survey
ESA 2010	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
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
OJ L	Official Journal of the European Union (Legislation)
ONP	Ordinary net profit
OPEC	Organisation of Petroleum Exporting Countries
PMI	Purchasing Managers' Index
PPP	Purchasing power parity
QNA	Quarterly National Accounts
SDRs	Special Drawing Rights
SEPA	Single Euro Payments Area
SGP	Stability and Growth Pact
SMEs	Small and medium-sized enterprises
SPEE	National Public Employment Service
SRM	Single Resolution Mechanism
SSM	Single Supervisory Mechanism
TARGET	Trans-European Automated Real-time Gross settlement Express Transfer system
TFP	Total factor productivity
TLTROs	Targeted longer-tem refinancing operations
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	EUR (euro)
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.

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