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CONTENTS

SITUATION OF AND OUTLOOK FOR THE GLOBAL ECONOMY AT THE START OF 2015

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Introduction

The expectations prevailing in early 2014 about a pick-up in the global economy were thwarted, to some extent, as the year unfolded. As analysed in detail in the second section of this report, the sluggishness of activity was across several regions (the euro area, Japan and Latin America), and even China slowed marginally, although it continued to grow at a rate of over 7%. By contrast, other areas performed more favourably (the United States, the United Kingdom and emerging Europe). This differentiated behaviour of activity came about against a background of accommodative monetary policies and less stringent fiscal policies. The decline in commodities prices (and of oil in particular) had a downward impact on what were already very low rates of inflation, which tended to settle at a lower-than-expected level in many advanced economies.

The world economy in 2014 was marked by a series of events that will have far-reaching repercussions into 2015. These events included most notably the aforementioned fall in oil prices, which steepened sharply in the second half of the year and which has only come to a halt in early 2015. While the impact of this shock is, overall, positive for global growth (and, in particular, for oil-importing countries), adverse effects on oil-exporting countries are proving most notable. Further, as indicated, the decline in oil prices has a downward bearing (temporarily, in principle) on inflation rates that are already very low in the advanced economies, lessening central banks' room for manoeuvre in the face of potential adverse shocks. Compounding this is the intensification of the cyclical differences between the main advanced economies, which has strengthened expectations of divergences in their respective monetary policy stances, with potential repercussions for international capital markets and financing flows. Other, longer-term trends are also influencing capital markets, the outcome of banking disintermediation and of regulatory changes, which affect economies' financing patterns and, therefore, their growth possibilities. And, ultimately, this is a further factor shaping the outlook for the emerging economies. In some cases, such as Latin America, the disappearance of the favourable external conditions which enabled them to grow in the past poses a significant challenge to the sustainability of their growth, while in other cases, such as China, a re-gearing of the growth strategy towards a more balanced pattern can be seen. These issues, to which geopolitical risks may be added, are addressed in the third section of this article.

Broadly, the forecasts for 2015, included in the fourth section, suggest global growth will stabilise at moderate rates (of around 3%-4%). This will be the outcome of greater dynamism in the advanced economies and of a further slowdown in the emerging ones. Risks appear to be balanced overall, given that the favourable effects of the fall in oil prices and of more expansionary economic policies will be counterbalanced by the vulnerabilities associated with low inflation, the potentially adverse impact on markets of monetary policy divergences in the advanced economies, the possible over-pricing of certain financial assets and geopolitical risks.

The global economy in 2014

In 2014, the world economy grew by 3.3%, a rate similar to that for 2013 (see Table 1) but once again below that expected at the start of the year (3.7%). This was due to the weakness shown by many emerging economies and by certain advanced countries (see top left-hand panel of Chart 1), despite the support provided by economic policies. Global

MAIN MACROECONOMIC INDICATORS (a)

TABLE 1

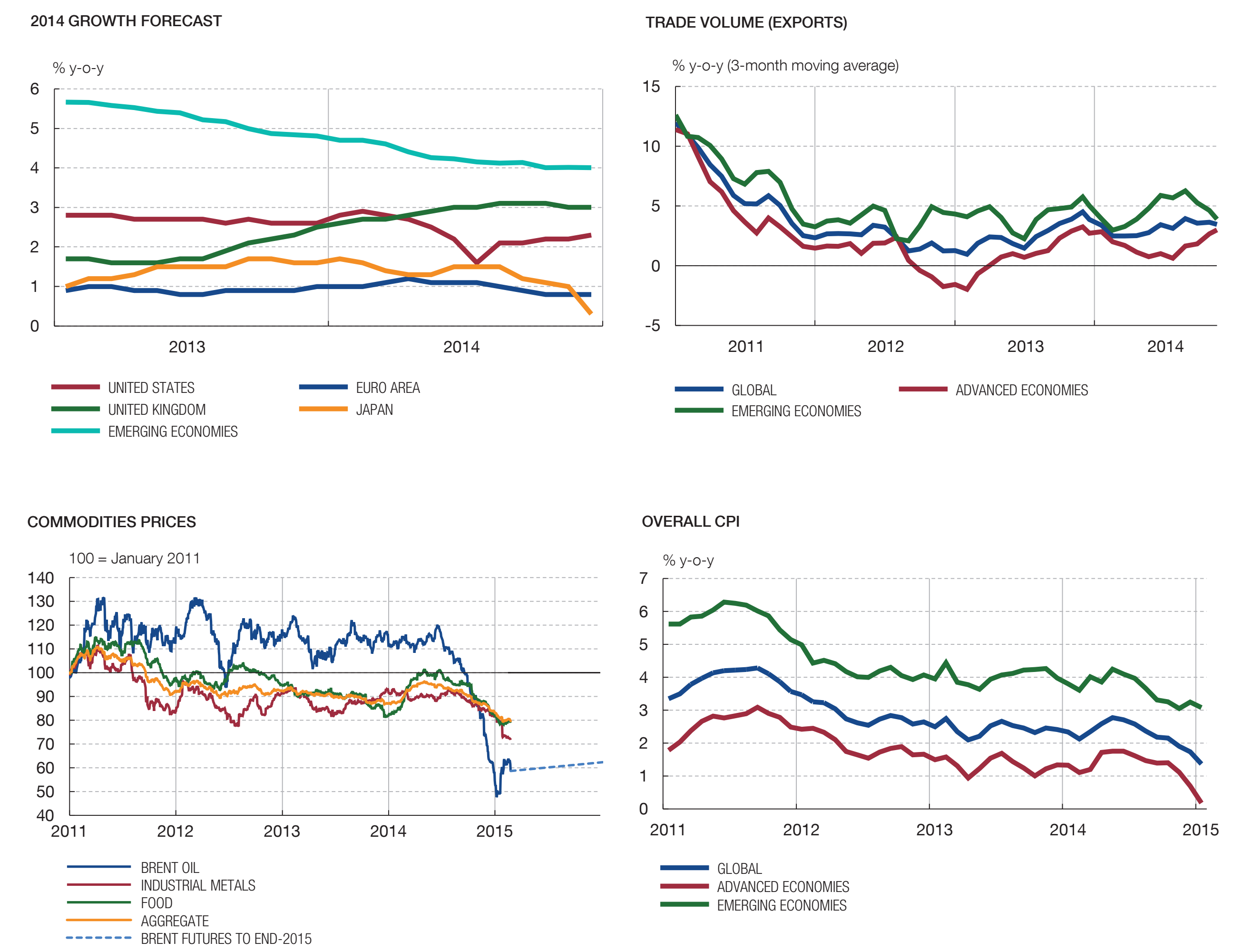
	2011	2012	2013	2014	2013				2014			
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
United States												
Gross domestic product	1.6	2.3	2.2	2.4	1.7	1.8	2.3	3.1	1.9	2.6	2.7	2.4
Consumer price index (b)	3.2	2.1	1.5	1.6	1.7	1.4	1.6	1.2	1.4	2.1	1.8	1.2
Current account balance	-3.0	-2.9	-2.4	0.0	-2.6	-2.6	-2.4	-2.0	-2.4	-2.3	-2.3	0.0
General government balance	-9.4	-8.1	-5.2	-4.6	-5.8	-4.7	-5.8	-4.5	-4.7	-4.8	-4.7	-4.4
Gross public debt (c)	124.6	127.5	125.6	126.1	127.7	126.7	126.1	125.6	126.8	124.9	125.4	126.1
Unemployment rate	8.5	7.9	6.7	5.6	7.5	7.5	7.2	6.7	6.6	6.1	5.9	5.6
Euro area												
Gross domestic product	1.8	-0.8	-0.4	1.1	-1.2	-0.6	-0.3	0.4	1.3	1.0	1.0	1.1
Consumer price index (b)	2.7	2.5	1.4	0.4	1.9	1.4	1.4	0.8	0.7	0.6	0.4	0.2
Current account balance	-0.1	1.5	2.2	2.3	1.2	2.0	2.1	3.4	1.4	1.7	2.9	3.4
General government balance	-4.2	-3.6	-2.9	—								
Gross public debt	88.3	92.9	95.2	—								
Unemployment rate	10.7	11.9	11.9	11.3	12.0	12.0	12.0	11.9	11.7	11.6	11.5	11.3
United Kingdom												
Gross domestic product	1.6	0.7	1.7	2.6	0.9	1.7	1.6	2.4	2.5	2.6	2.5	2.7
Consumer price index (b)	4.5	2.8	2.6	1.5	2.8	2.7	2.7	2.1	1.7	1.7	1.4	0.9
Current account balance	-1.7	-3.7	-4.5	—	-3.9	-2.3	-6.0	-5.6	-5.1	-5.4	-6.0	—
General government balance	-7.6	-8.3	-5.7	-5.6	-7.6	-6.1	-6.0	-5.7	-5.8	-6.2	-6.1	-5.6
Gross public debt	75.3	88.6	94.2	91.5	85.4	86.6	86.5	87.3	87.8	88.6	88.0	89.6
Unemployment rate	8.4	7.8	7.2	5.7	7.8	7.8	7.6	7.2	6.8	6.3	6.0	5.7
Japan												
Gross domestic product	-0.5	1.8	1.6	0.0	0.5	1.4	2.2	2.3	2.4	-0.3	-1.4	-0.8
Consumer price index (b)	-0.3	0.0	0.4	2.7	-0.6	-0.3	0.9	1.4	1.5	3.6	3.3	2.5
Current account balance	2.1	1.0	0.7	0.6	1.0	1.0	1.0	0.8	0.4	0.0	-0.1	0.2
General government balance	-7.7	-8.6	-7.2	—	-7.8	-7.5	-7.3	-7.2	-6.8	-5.9	-5.7	—
Gross public debt	209.5	216.5	224.2	230.0	218.8	220.8	222.5	224.2	225.7	227.1	228.8	230.0
Unemployment rate	4.5	4.3	3.7	3.4	4.1	3.9	4.0	3.7	3.6	3.7	3.6	3.4
China												
Gross domestic product	9.5	7.7	7.7	7.4	7.8	7.5	7.9	7.6	7.4	7.5	7.3	7.3
Consumer price index (b)	5.4	2.7	2.6	2.0	2.4	2.4	2.8	2.9	2.3	2.2	2.0	1.5
Current account balance	1.9	2.6	1.9	—	2.2	2.3	2.7	2.6	1.5	1.7	2.0	—
General government balance	-1.8	-1.5	-1.8	—	-2.2	-2.2	-2.8	-1.5	-1.8	-2.3	-2.4	—
Gross public debt	36.5	37.4	39.4	40.7								
Emerging Asia (excluding China) (d)												
Gross domestic product	2.3	2.5	5.4	5.4	4.3	5.8	6.0	5.5	4.7	5.5	5.7	5.7
Consumer price index (b)	2.3	6.4	6.7	5.4	6.8	6.2	6.8	7.2	6.2	6.1	5.3	4.1
Current account balance	1.9	-1.7	-0.2	—	-1.5	-1.6	-1.1	-0.3	0.3	0.9	0.8	—
General government balance	-0.1	-3.1	-3.1	—	-2.6	-3.0	-3.0	-3.0	-2.6	-2.7	-2.6	—
Gross public debt	51.1	51.6	49.6	49.3								
Latin America (e)												
Gross domestic product	4.5	2.8	2.6	—	1.9	3.4	2.7	2.3	1.9	0.3	0.7	—
Consumer price index (b)	4.9	4.5	4.6	5.0	4.6	5.0	4.5	4.4	4.7	4.9	5.1	5.2
Current account balance	-1.0	-1.6	-2.7	—	-2.1	-2.3	-2.6	-2.6	-2.7	-2.7	-2.6	—
General government balance	-0.6	-0.6	-1.1	—	0.3	-0.9	-1.0	-1.1	-1.0	-1.2	-1.7	—
Gross public debt	50.2	51.5	52.5	—								
Eastern Europe (f)												
Gross domestic product	3.2	0.6	1.4	2.8	0.1	0.5	2.1	2.9	3.1	2.8	2.9	2.5
Consumer price index (b)	3.9	3.8	1.5	0.3	2.3	1.6	1.3	0.7	0.5	0.3	0.3	0.0
Current account balance	-3.6	-3.1	-1.1	—	-2.0	-1.3	-0.7	-0.3	0.0	-0.3	-0.2	—
General government balance	-3.6	-3.4	-3.2	-0.2								
Gross public debt	50.2	51.5	52.5	—								
Memorandum item: GDP growth (a) (g)												
Global	4.1	3.4	3.3	3.3	2.8	3.3	3.6	3.8	3.5	3.2	3.3	—
Advanced economies	1.7	1.2	1.3	1.9	0.7	1.1	1.5	2.2	1.9	1.8	1.7	—
Emerging economies	6.2	5.1	4.7	4.5	4.9	5.5	5.7	5.4	5.1	4.7	4.9	—
Memorandum item: inflation (a) (g)												
Global	5.2	4.2	3.9	3.8	3.3	3.2	3.4	3.4	3.1	3.4	3.1	—
Advanced economies	2.7	2.0	1.4	1.4	1.5	1.3	1.5	1.2	1.2	1.7	1.5	1.0
Emerging economies	7.3	6.1	5.9	5.5	5.2	5.1	5.5	5.7	5.0	5.2	4.9	—

SOURCES: IMF, Banco de España, Eurostat and national statistics.

a GDP and inflation are expressed as a year-on-year percentage change; current account balance, general government balance and gross public debt are expressed as a percentage of GDP.
b The quarterly CPI is the average for the quarter.
c Federal government, state and local government liabilities, including pension payment commitments to public sector employees. Obtained from the financial accounts published by the Federal Reserve.
d Emerging Asia includes: China, India, South Korea, Indonesia, Thailand, Malaysia, Philippines, Hong Kong and Singapore.
e Latin America: Brazil, Mexico, Argentina, Colombia, Venezuela, Peru and Chile. Excluding Argentina and Venezuela for the CPI aggregate, and Venezuela for the aggregate of the general government balance.
f Eastern Europe: Poland, Czech Republic, Romania, Hungary, Bulgaria and Croatia.
g Annual data show the latest IMF forecasts publicly available when this report went to press. Quarterly data calculated using a sample of 41 economies (17 advanced and 24 emerging) representing almost 90 % of global GDP, weighted in PPP terms. All economies referred to in notes b, c and d are included in the sample.

THE GLOBAL ECONOMY IN 2014. OVERVIEW

CHART 1



SOURCES: CPB World Trade Monitor, Consensus Forecast, ICIS Pricing, Datastream-Thomson Reuters, Commodity Research Bureau and national statistics.

trade grew by only 3.1% (against 3.4% in 2013 and the figure of 4.5% expected at the start of the year), meaning that the apparent elasticity of trade to global GDP was once again below that derived from the historical relationship between both variables (see top right-hand panel of Chart 1). This reflects both temporary factors – such as the weak behaviour of investment, a component with a high import content – and more structural issues (see Box 1).

Turning to prices, global inflation held at low levels in the first half of the year, resuming a declining path subsequently as it was dragged down by the fall in commodities prices. It ended the year below 2% (see bottom right-hand panel of Chart 1). The price of Brent oil, which held stable until June at around \$110 per barrel, collapsed as from July to \$45 per barrel as at mid-January 2015, marking a 50% decline in 2014 (see bottom left-hand panel of Chart 1). As the following section analyses in greater detail, this heavy fall has been due both to demand- and supply-side factors. The prices of other commodities posted a 12% decline overall during the year.

The financial markets continued to be characterised by high liquidity in 2014, although there were two clearly differentiated phases during the year. In the first half, expectations of an orderly normalisation of monetary policy in the United States and the United Kingdom were conducive to an appetite for risk, yield search and low volatility. This environment

World trade has traditionally grown more rapidly than GDP; in fact, in the 1990s it posted a record gap, exceeding the latter by 2.1 times. However, in recent years the growth of world trade has tended to approach that of GDP, to the point that it has been only 1.4 times higher on average over the past decade (see Panel 1); in 2014 it even grew less than GDP.

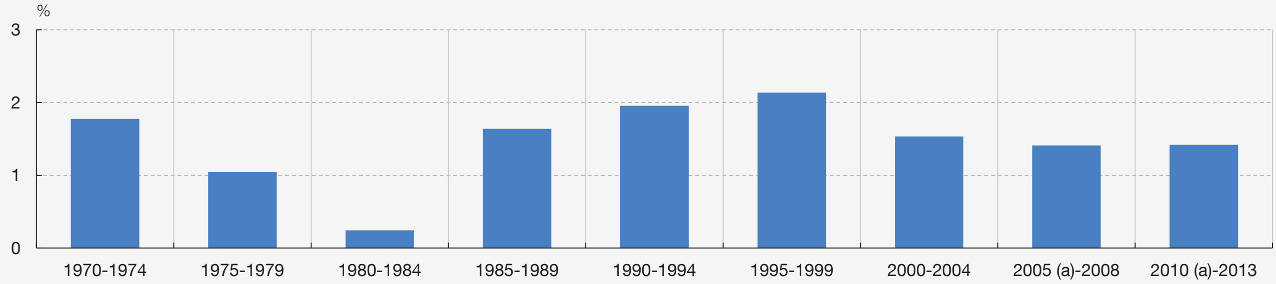
Three main explanations have been proposed for this fall in the trade-GDP growth ratio. First, lesser international fragmentation of the value chain (or even relocation processes possibly reversing the previous trend towards globalisation), which might give rise to less trade-intensive production processes or, tantamount to this, a fall in the volume of cross-border transactions per unit of value added. Second, changes in agents' spending patterns, which have raised the relative weight of less-traded products, such as services and public expenditure, and lowered the importance of investment goods or consumer durables. Finally, the third explanation commonly posited is a resurgence of protectionism (e.g. through an increase in non-tariff barriers, such as quality standards or health regulations) or, in a similar vein, slower headway in liberalisation and trade integration processes. There are, however, alternative explanations, such as changes in relative prices and productivities between tradeable and non-tradeable goods and the consequences that these changes have on the distribution of spending, the statistical effects which hinder proper measurement of trade (such as distorted transfer prices or accurate quantification of the value added incorporated into services trade) or the exhaustion of technological innovations that boosted trade (e.g. containerisation).

Using disaggregated annual data for 33 OECD countries, a statistical model is estimated for the period 1950-2013 in which global imports depend on world GDP and which distinguishes the short- and long-term effects.[1] This approximation allows global elasticity to be decomposed into a weighted average of the elasticity of each country and, within that country, of each product. In general, the elasticity of manufactured goods trade to GDP is observed to have decreased substantially from 2000, while that of commodities has increased. In particular, imports of commodities in the United States have an elasticity of 4.

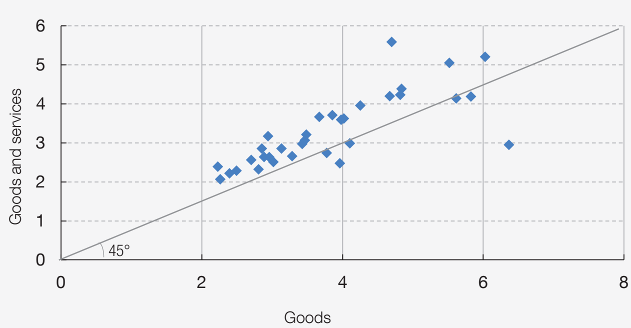
1 See Constantinescu, Mattoo and Ruta (2015).

ELASTICITY OF WORLD TRADE TO GDP

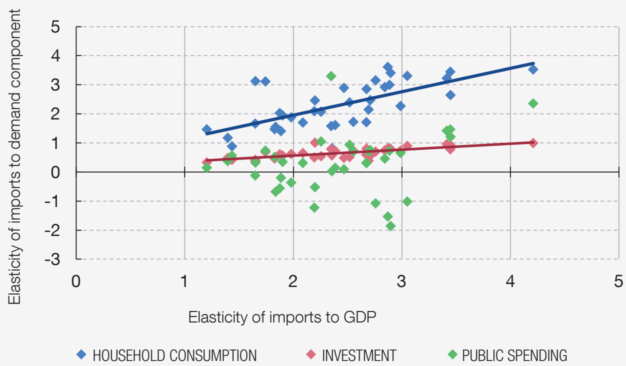
1 APPARENT ELASTICITY OF IMPORTS TO GDP (5-YEAR AVERAGE)



2 ELASTICITY OF TRADE TO GLOBAL GDP BY COUNTRY



3 ELASTICITY OF TRADE TO GLOBAL GDP BY COUNTRY AND DEMAND COMPONENT



SOURCES: IMF, OECD and Banco de España.

a 4-year average.

The results suggest that the decrease in the sensitivity of trade to GDP at the global level is a fairly persistent phenomenon, since the estimated long-term elasticity is 1.3, similar to that obtained for the 1970s and much lower than that for the period before China jointed the WTO, when elasticity averaged 2.1. From the standpoint of traded products, the increase in importance of services would be consistent with a lower elasticity of world trade to GDP, since trade in these products is less sensitive to activity (see Panel 2). The performance of government consumption is similar. By contrast, the fall in investment accounts for a very small percentage of the observed decrease in elasticity (see Panel 3).

was consistent with some correction of the overpricing of certain segments with high credit risk, such as high-yield corporate debt. As from August, markets worsened and risk-aversion increased, owing to a combination of several factors. Adding to doubts over the strength of global growth were the heightening of geopolitical risks (notably Ukraine and the Middle East) and the sharpness of the collapse in oil prices, denting the optimism prevailing in the previous period. This translated into abrupt increases in volatility (especially in exchange rates and interest rates) and into greater sensitivity to adverse news, which affected stock market performance. In 2015 to date, concern over these factors appears to have diminished, in a more favourable environment, spurred by the launch of the Eurosystem's asset purchase programmes and by the stabilising of oil prices.

In addition to high volatility, another characteristic feature of market behaviour in 2014 was the strong appreciation of the dollar against other currencies (see top panel of Chart 2), in a setting in which the different cyclical positions of the main advanced economies (United States and the United Kingdom, set against the euro area and Japan) continued to support a differentiated stance for their monetary policies. However, long-term bond yields in these economies tended to fall overall from the summer (even turning negative in some cases), in a movement which reflects the search for safe-haven assets and the flight to quality.

In the case of the financial markets in the emerging economies, the vulnerability shown by them since mid-2013 was exacerbated by the successive scaling back of growth prospects, which bore down on stock market performance. In addition, the depreciation of the dollar lessened the attractiveness of carry trade in the emerging markets, which posted capital outflows in some segments and a significant depreciation of their currencies. From October onwards, these unfavourable trends became more accentuated (markedly so in Latin America and in Eastern Europe) and the risk premia of some of these countries marked their highest levels since 2009. The downturn not only affected some countries considered vulnerable, but also those which in previous episodes had stood out owing to their strength, but for which oil is the main export commodity and source of public revenue.

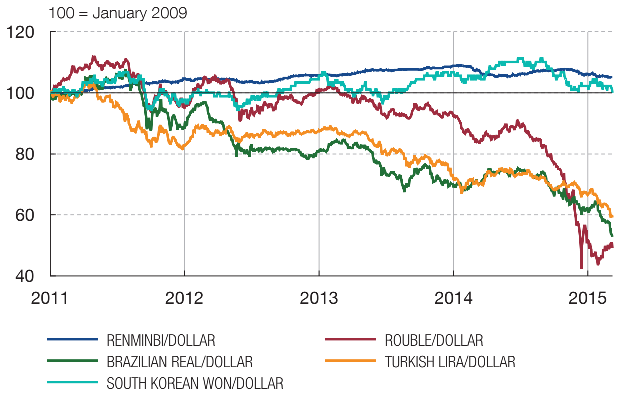
Activity in the advanced economies in 2014 was more dynamic than the previous year, though below expectations (1.8% against 2.2%). As can be seen in the top panel of Chart 3, these developments mask a divergence between the greater strength of the recovery in the United States (where growth was 2.4%, despite the bad weather in Q1) and the United Kingdom (2.6%), and that in the euro area (0.8%) and Japan (0%). In the first two countries, growth was underpinned by domestic demand, strengthened by the correction of their imbalances (debt, etc.), favourable monetary and financial conditions,

FINANCIAL MARKETS

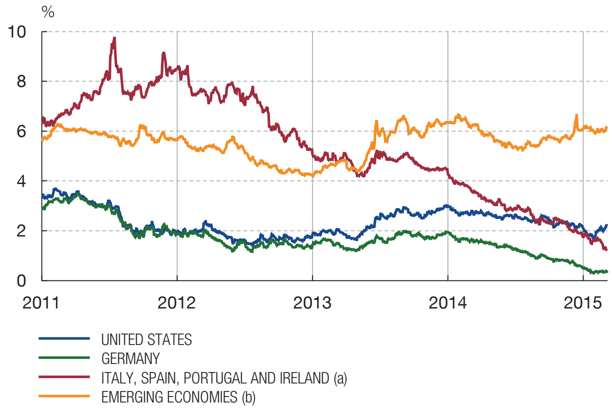
CHART 2

EXCHANGE RATES. DEVELOPED ECONOMIES

EXCHANGE RATES. EMERGING ECONOMIES

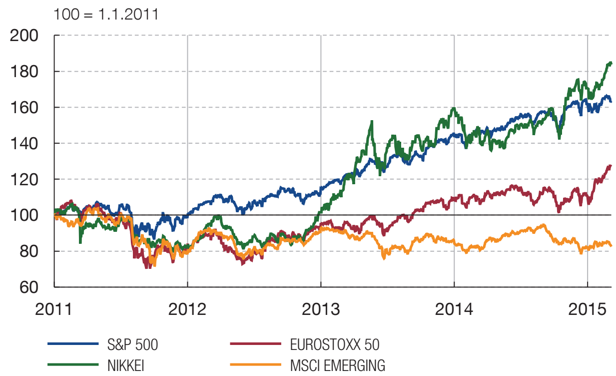


10-YEAR YIELDS

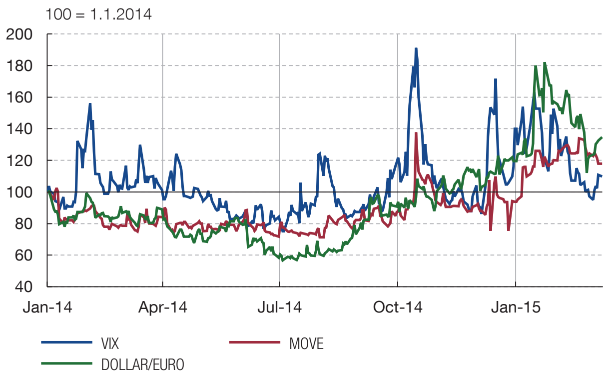


SOVEREIGN SPREADS (c)

STOCK MARKETS



VOLATILITY INDICES



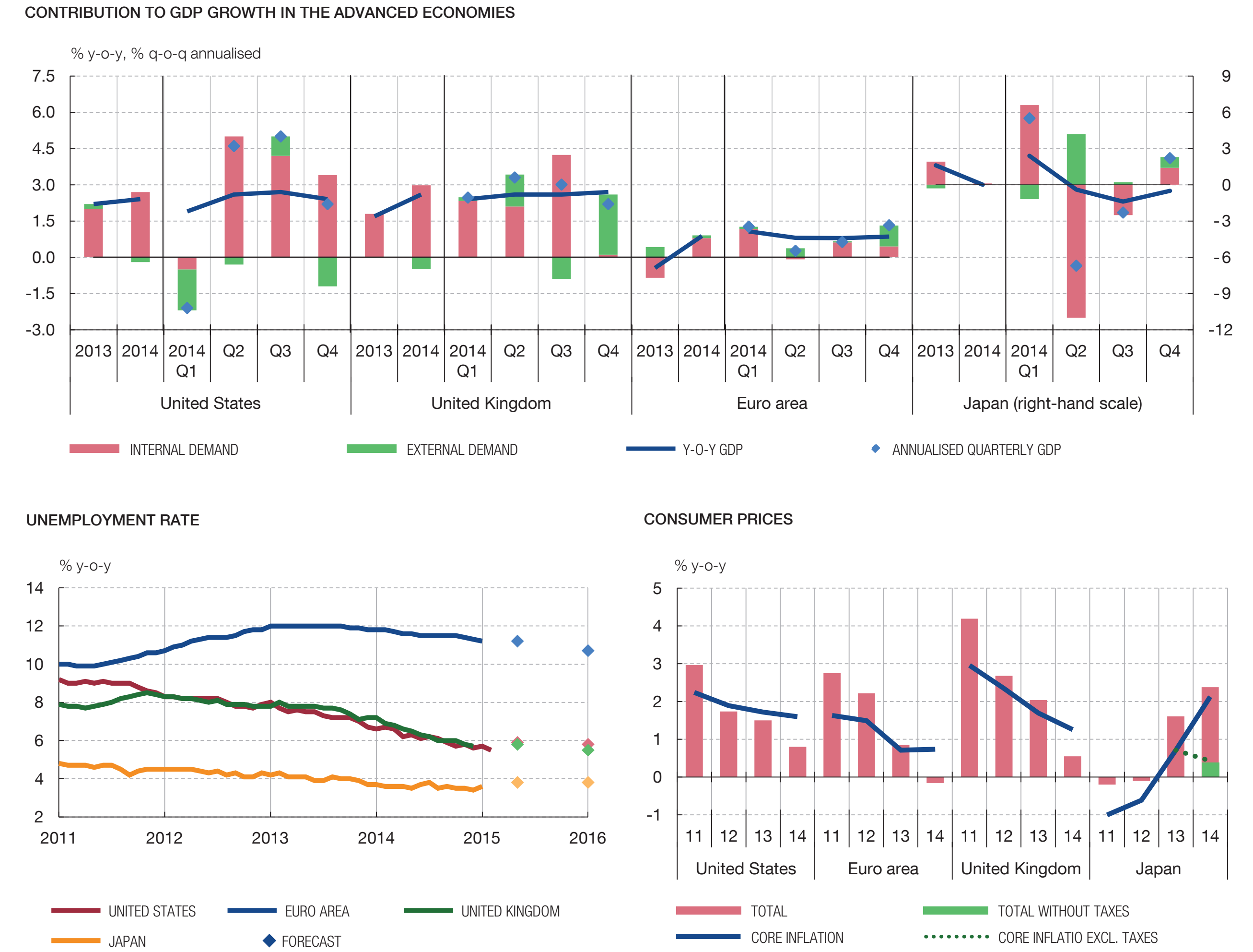
SOURCE: Datastream-Thomson Reuters.

a Simple average of the countries.
b Emerging economies is calculated adding EMBI differential + Composite to the US yield.
c Spreads, in basis points, of sovereign bond yields against the dollar.

and a substantial labour market improvement, since the unemployment rate fell from 6.7% to 5.6% in the United States, and from 7.1% to 5.8% in the United Kingdom (see bottom left-hand panel of Chart 3). In the case of Japan, growth as from Q1 was lower than expected, since the effects of the rise in tax on consumption, in April, were more severe than anticipated and led the economy to move once more into recession, since GDP fell

MACROECONOMIC DEVELOPMENTS IN ADVANCED ECONOMIES

CHART 3



SOURCES: IMF, national statistics, Consensus Forecast, Barclays Live and Datastream-Thomson Reuters.

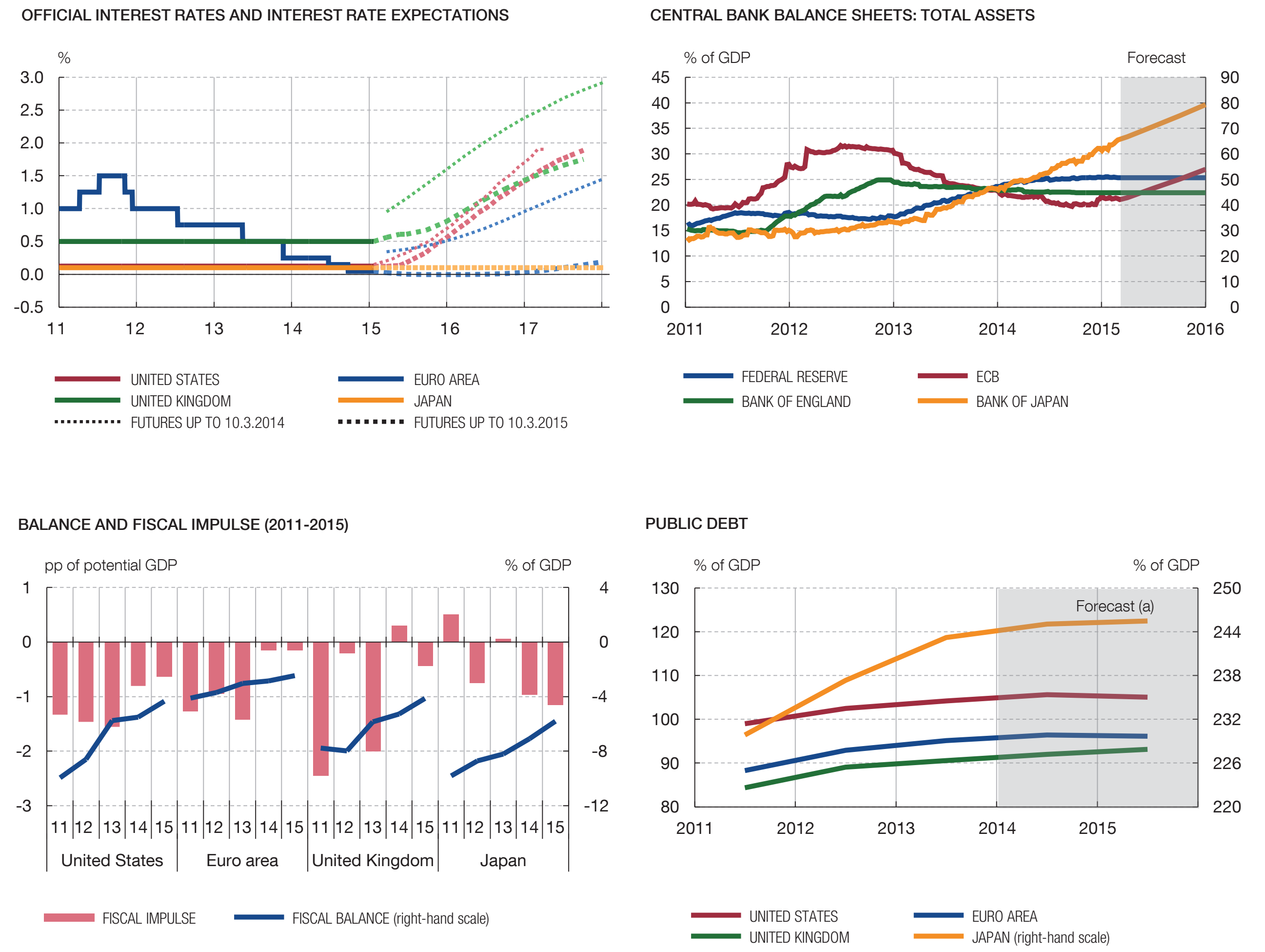
forcefully in Q2 and Q3. There was something of a rise in Q4 both in Japan and in the euro area, supported by the favourable effects of lower energy prices. In the United States and the United Kingdom, growth remained robust, but lower than in the previous quarters.

Inflation rates in the advanced economies, which were already at low levels (and far below central bank targets in the euro area and in Japan), fell sharply from mid-year, dragged down by oil prices (see bottom right-hand panel of Chart 3). US inflation ended the year at 0.8%, and at 0.5% in the United Kingdom, against a background of moderate wage growth and exchange rate appreciation. In the euro area, inflation was in negative territory (-0.2%) in December 2014, and there have been further declines in the opening months of 2015. In Japan the inflation rate ended the year at 2.4%, although stripping out the effect of tax rises it held at far below the target of 2% and ended the year at 0.4%. Core inflation rates were more stable, but also declined somewhat in the second half of the year, and in the case of the euro area they remained far off the 2% reference; inflation expectations derived from financial instruments also fell, while those arising from surveys proved more stable.

Against this backdrop, monetary policies retained a highly accommodative but differentiated stance, in keeping with the different cyclical positions of the economies (see top panels of Chart 4). New expansionary measures were introduced in Japan and in the euro area, while

MACROECONOMIC POLICIES IN ADVANCED ECONOMIES

CHART 4



SOURCES: Federal Reserve, ECB, Bank of England, Bank of Japan, Datastream-Thomson Reuters and IMF.

a The forecast for Japan start in 2013.

the US Federal Reserve gradually withdrew its financial asset purchases, winding them up in October, and eliminated the quantitative references to the unemployment rate in its forward guidance policy, shifting to a more qualitative formulation. The Bank of England held its official rate at 0.5% and maintained the volume of its asset purchase programme, further adopting restrictive macroprudential measures aimed at reducing the risks arising for indebted households from the increase in house prices. Moreover, at end-2014 it extended its *Funding for Lending Scheme* for another year, solely for loans to SMEs. In late October the Bank of Japan expanded its asset purchase programme indefinitely, stepping up the annual rate of purchases from ¥60-70 billion to ¥80 billion, and it extended its financing-supporting measures. Faced with the fall in inflation and the attendant slippage in medium-term expectations, the ECB adopted new monetary easing decisions in the June-September 2014 period: it cut its official rates and committed itself to holding them at low levels over a prolonged period, and it introduced a new longer-term financing facility, linked to the granting of loans, and two private debt purchase programmes, which have been extended in January 2015 to purchases of government securities.

Among the central banks of other advanced economies, those in Sweden, Canada, Australia and Norway cut their official interest rates in the second half of the year in order to tackle the slowdown in their economies and low inflation. The Bank of Sweden placed its official rate in negative territory in early 2015 and announced a public debt purchase programme. The Danish and Swiss central banks had to react to the expansionary measures of the ECB in order to contain the pressures on their exchange rates: in Denmark's case, with large-scale foreign exchange interventions and making its deposit rates negative; and in Switzerland's case, by abandoning the Swiss franc's foreign exchange ceiling against the euro, which it had maintained since 2011, given the difficulty of defending this ceiling and the large size of its central bank balance sheet.

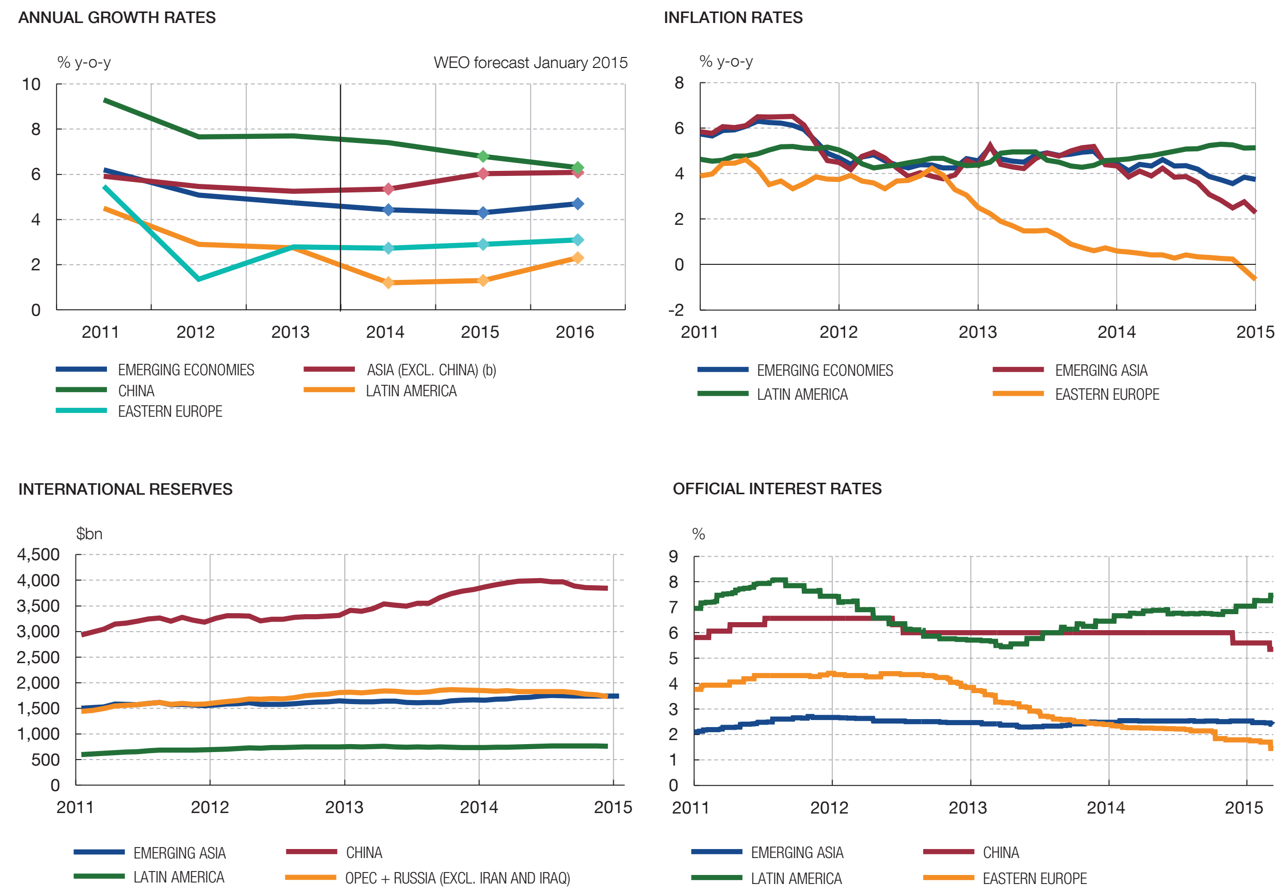
Fiscal policies held on a path of consolidation in the advanced economies, albeit at a lesser pace than in the preceding years, except in Japan (see bottom left-hand panel of Chart 4). The average deficit declined by 0.5 pp to 3.9% of GDP, although public debt ratios continued increasing and rose to 106.5% of GDP (see bottom right-hand panel of Chart 4). In particular, the US budget deficit stood at 5.5% of GDP, 0.3 pp down on the previous year; the UK deficit was 5.3%, 0.4 pp below the previous year's figure; and in the euro area it is estimated at 2.6%, 0.3 pp less than in 2013. In Japan, following the rise in the tax rate on consumption in April, adverse developments in the economy led Prime Minister Abe to introduce a new fiscal stimulus package and to postpone the second increase in the tax on consumption until 2017. Notwithstanding these measures, the deficit dipped from 7.2% of GDP in 2013 to 5.7% in the period from October 2013 to September 2014.

In short, the correction of domestic imbalances in the advanced economies continued in 2014, more clearly so in the United States and the United Kingdom. Along with the reduction in high unemployment rates and headway in the process of fiscal consolidation, as earlier mentioned, the deleveraging of the private sector and the recovery in the real estate market moved ahead. Thus, non-financial private sector debt fell in the United States and the United Kingdom by 26 pp and 35 pp of GDP, respectively, to 147% and 162%, from the peaks reached during the crisis. The correction of the private debt ratios has been more modest in the euro area as a whole, although in those cases where the imbalances built up were greatest, the adjustment has been sharper. On the real estate markets, the recovery has remained relatively slow in the United States and somewhat more dynamic in the United Kingdom, although in this latter case supply-side constraints have led to higher growth in house prices.

Turning to the emerging economies, their growth rate fell for the fourth year running from 4.7% in 2013 to 4.4% (see Table 1 and top left-hand panel of Chart 5), 0.5 pp below the projections at the start of the year. The moderation was partly the outcome of the slowdown in China (7.4%, against 7.7% in 2013), but Latin America and Russia were the regions that showed most weakness. The marked decline in commodities prices and, in the case of Russia, trade and financial sanctions, were key to explaining these developments.

The slowdown in China ran in parallel to the gradual easing in inflation. This downtrend in price growth became more accentuated in early 2015, strongly influenced by the fall in oil prices, and it was likewise perceptible in core inflation, which stood at a year-on-year rate of 1.1%. However, these developments do not appear to jeopardise the ongoing re-balancing of demand, as there is a significant inflation differential in favour of non-tradable goods and services. Against a backdrop of economic slowdown and declining inflation such as that described, macroeconomic policy has tended to be supportive of growth, initially in a selective fashion, with measures in the fiscal and monetary realms, and subsequently with more general measures, such as interest rate cuts aimed at preventing greater rises in the cost of financing. In the rest of emerging Asia, growth was slightly lower than in 2013 (except in India), standing around 4.6%. Inflation eased appreciably, especially in the second half of the year, as a result

MACROECONOMIC DEVELOPMENTS IN EMERGING ECONOMIES (a) CHART 5



SOURCES: IMF, Datastream-Thomson Reuters, Bloomberg and national statistics.

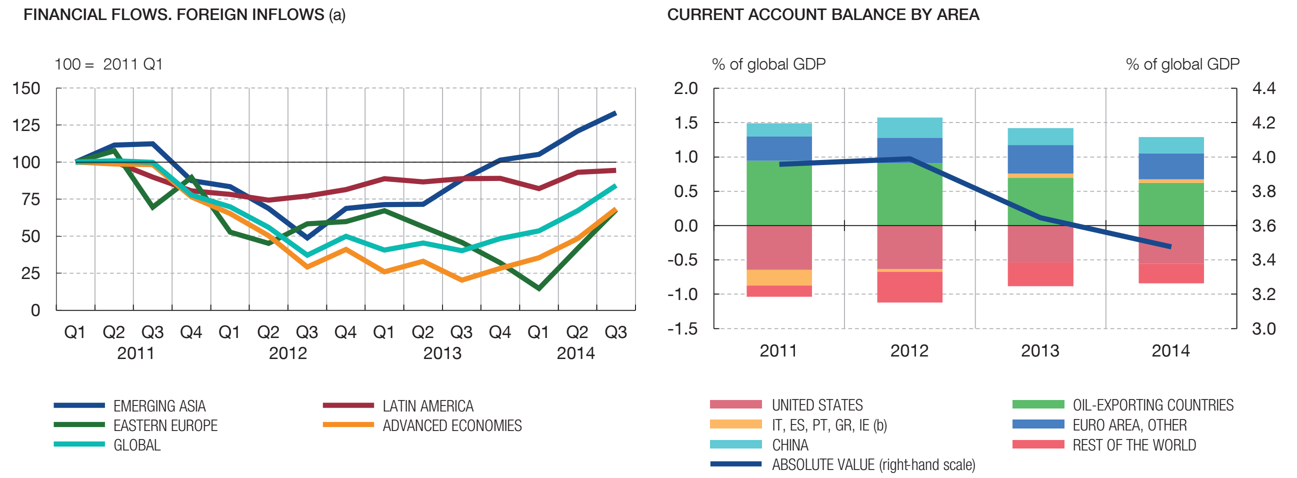
a For the composition of the country aggregates, see footnotes to Table 1.
b Forecasts refer to WEO, October 2014.

of the decline in energy prices, although the depreciation of exchange rates softened the impact. That provides some room to implement more expansionary monetary policies, while adopting macroprudential measures to limit risks (see top right-hand panel of Chart 5).

The slackness in activity observed since the second half of 2013 continued in Latin America, making for GDP growth of 1.2% in 2014, 2 pp less than expected. Activity ground to a halt more markedly in those countries with less economic policy headroom, such as Argentina and Venezuela, which are both in recession and with very high inflation rates. Brazil also slowed considerably, partly owing to the uncertainty over elections. The commodities-exporting economies more exposed to China, such as Chile and Peru, saw a small increase in activity. Colombia, in contrast, maintained sound growth, although in the second half of the year it was affected by the collapse in oil prices, oil being its main commodity export. Mexico decoupled from these trends owing to its trade integration with the United States, although its recovery was also weaker than expected. Despite the sluggishness of growth, consumer prices surprised analysts by rising in several countries (see top right-hand panel of Chart 5). In Argentina and Venezuela, inflation was spurred by the monetary financing of the budget deficit and the depreciation of the exchange rate, and stood at very high rates. In the five countries with inflation targets – namely Mexico, Colombia, Peru, Chile and Brazil – inflation ran at 4.9% on average, 0.5 pp up on 2013 and above-target (in some cases even above the upper limit of the target band), impacted by the feed-through of exchange rate depreciations and pressures in the services sectors.

CAPITAL FLOWS AND GLOBAL IMBALANCES

CHART 6



SOURCES: IMF, World Bank, national statistics, Bloomberg, Datastream-Thomsom Reuters and EPFR Global.

a For the composition of the country aggregates, see footnotes to Table 1.
b Italy, Spain, Portugal, Greece and Ireland.

Economic policies in Latin America diverged significantly. Both Brazil and Colombia tightened their monetary and fiscal policies, Brazil procyclically so, sharpening the adjustment of its economy in the short term. Chile and Peru, by contrast, harnessed the room for manoeuvre provided by the soundness of their economic fundamentals to relax monetary policy and announce fiscal stimulus to counter the slowdown in activity. Mexico eased its monetary policy, against a background of low inflation and gradually firmer growth, but it announced a fiscal adjustment in early 2015 warranted by expectations of lower oil prices in the future. One key aspect is the greater attention being afforded to structural reforms as a means of raising potential growth. Mexico has taken the lead on this matter, with a broad raft of reforms in recent years, and there has also been progress in Chile in this respect.

Finally, growth in Eastern Europe became more buoyant, standing slightly below 3% (1.4% in 2013), chiefly on the basis of the resilience of domestic demand. In a setting of very low inflation, weakness in the euro area and repercussions from the conflict between Ukraine and Russia, several central banks in the region further eased their monetary policies.

Capital flows trended favourably in the first half of the year, but with some cross-regional differences: those targeted on emerging Asia increased sharply, and those on the advanced economies somewhat less so, while Latin American and Eastern European flows held stable (see left-hand panel of Chart 6). In 2014, current account imbalances lessened slightly (see right-hand panel of Chart 6), chiefly owing to the moderation of the surplus of the oil-exporting countries. The reduction in oil prices should contribute to a greater adjustment of global imbalances, although the persistence of low prices may lead to changes in the direction of some capital flows, the implications of which have yet to be analysed. Conversely, in terms of stocks, the imbalances of the net international investment position have increased.

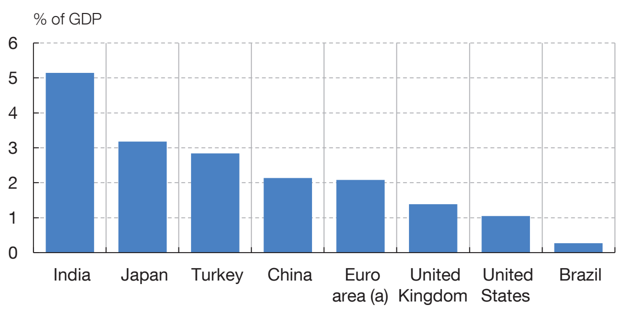
Factors of relevance for the world economy in 2015

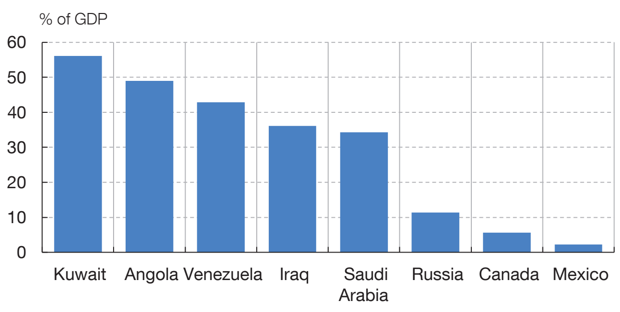
THE REDUCTION IN OIL PRICES: CONSEQUENCES AND OUTLOOK

As discussed in the previous section, the marked fall in oil prices in the second half of 2014 is attributable both to demand-side factors (owing to the lower growth of the emerging and of some of the developed economies) and supply-side factors. In this respect, in addition to rising output in non-conventional oil (in particular shale oil) in the United States in recent years, this year has seen the partial recovery in the output of certain OPEC members subject to geopolitical tensions (such as Libya and Iraq). But the key factor has been the

FOREIGN TRADE IN OIL AND OIL PRODUCTS

CHART 7





SOURCE: JODI-Oil World Database.

a Aggregate constructed from data for Germany, France and Italy.

change in attitude in Saudi Arabia, which has shifted from regulating its output to stabilise crude oil prices to defending its market share.

Like any favourable supply-side shock, the reduction in oil prices entails an increase in real income and a fall in prices at the global level. However, it also involves a strong redistribution of income between net oil exporting and importing countries. The countries benefiting most are the main net importers, owing to the improvement in the terms of trade (see left-hand panel of Chart 7 in the case of the G 20 countries). In this group, the case of the United States may be highlighted; despite being the biggest global producer, it is also the biggest consumer and a net importer. Accordingly, the impact of the fall in prices is also expected to benefit the US economy. Conversely, those most harmed are the net exporting countries, which face strong contractions in the value of their output (see right-hand panel of Chart 7). Indeed, for most of these countries the redistributive effects predominate in the total effect, whereby their expected growth has been revised significantly downwards and they have faced greater turbulence on the financial markets. Moreover, the very intensity of the decline in prices may have had an additional unfavourable effect, by increasing uncertainty at the global level.

There are other effects of the reduction in oil prices that should be highlighted. First, heightened downward pressures on prices in countries with already-very-low inflation rates and interest rates close to zero, such as in Europe and Japan. In such an environment, there is a risk that the fall in goods and services prices – the outcome of the direct impact of lower fuel prices – will feed through to a persistent reduction in inflation expectations, affecting wages and potentially deriving in a downward price spiral that is difficult to curb owing to the scant leeway available to monetary policy. This poses a challenge for central bank communication policy, since part of the beneficial effects for importing countries, associated with the improvement in their net exports, might be partially mitigated by the unfavourable effects of any future deflation on demand. Further, in addition to the fall in non-energy imports by the oil-exporting countries (and the subsequent ensuing adverse impact on world trade), it should be borne in mind that many of these countries have accumulated a portion of their fiscal revenues of the past decade in sovereign wealth funds (SWFs), which are typically invested in real or financial assets in the developed economies. The fall in prices may force these funds to reduce their investment (and even to disinvest), which would prompt downward pressures on asset prices and upward pressures on interest rates.

After touching bottom in late January 2015, with a barrel of Brent below $50, prices have since rebounded towards $60. It is difficult to gauge their course in the medium term, which will depend on the behaviour of supply and demand. On the supply side, there are three notable factors that may alter the current situation. Firstly, the decline in prices might prompt a contraction in the US shale oil industry, which is made up of many medium-sized producers which, in some cases, are highly indebted. This contraction would reduce expected crude oil output, or it would at least lessen its growth rate; indeed, a recent rise in well closures in the United States appears to be discernible. Secondly, the fall in revenue – and the associated social tensions – might give rise to instability in some of the main producers, which would also lead to lower output. Thirdly, Saudi Arabia might resume its traditional strategy of regulating supply in an attempt to stabilise prices at a level higher than at present, which seems unlikely in light of the declarations by its authorities. Probably, current price levels would deter investment in new extraction capacity and in the exploration of reserves, thus reducing the growth rate of supply in the medium term. Generally, investment might become more volatile, as could prices. On the demand side, current prices should stimulate growth, raising the demand for crude oil in the medium term. It will be the interaction of all these factors that determines the path of prices over the coming year.

DETERMINANTS AND CONSEQUENCES OF LOW INFLATION IN THE ADVANCED ECONOMIES

As earlier mentioned, the fall in oil prices is one of the factors behind the generalised reduction in inflation rates, especially in the second half of 2014. Nonetheless, the low inflation figures in the advanced economies date back some time. Since mid-2011, inflation has been on a declining trend, owing chiefly to the lesser contribution of the energy component and of food prices. Core inflation (which excludes fresh food and energy) has held more stable, although in some cases – as in the euro area and Japan – it has also fallen significantly, departing from official inflation targets. In 2015, if the path of slightly rising oil prices shown by the futures markets holds, the contribution of the energy component to the OECD countries' inflation rates will be negative, especially in the first half of the year, correcting itself subsequently up to November, since November 2014 was the time of the biggest slump (see left-hand panel of Chart 8).

This setting of very low inflation rates in the advanced economies, against a background of economic recovery and strong monetary stimuli, prompts a two-sided debate. On one hand, as to whether the determinants of inflation have changed, since during the crisis the opposite occurred: inflation rates held above what such a contractionary episode would suggest. On the other, as to whether the maintenance of very low inflation rates may have adverse economic effects, especially if they are prolonged over time and feed through to long-term inflation expectations.

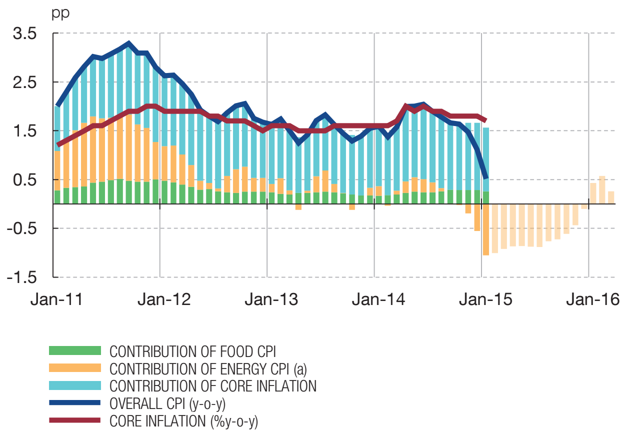
Regarding the determinants of inflation, the standard Phillips curve models consider the degree of slack in the economy – measured via the business cycle or cyclical unemployment – and agents' inflation expectations, along with other elements (commodities prices, the exchange rate, etc.). Various studies have shown how, in recent decades, the sensitivity of inflation to the degree of slack in the economy has diminished (see right-hand panel of Chart 8).[1] That could be due to factors such as the credibility gained by central banks in attaining inflation targets – which would result in a greater anchoring of long-term inflation

1 See IMF (2013), "The Dog That Didn't Bark: Has Inflation Been Muzzled or Was It Just Sleeping?", Chapter 3 of the *World Economic Outlook,* April 2013, or BIS (2014), "Growth and inflation: drivers and prospects", Chapter 4 of the BIS *Annual Report* 2014. The lesser sensitivity of inflation to the degree of slack in the economy is not, however, general. See, for example, Álvarez and Urtasun (2013), "Variation in the cyclical sensitivity of Spanish inflation: an initial approach", *Economic Bulletin*, July-August, Banco de España.

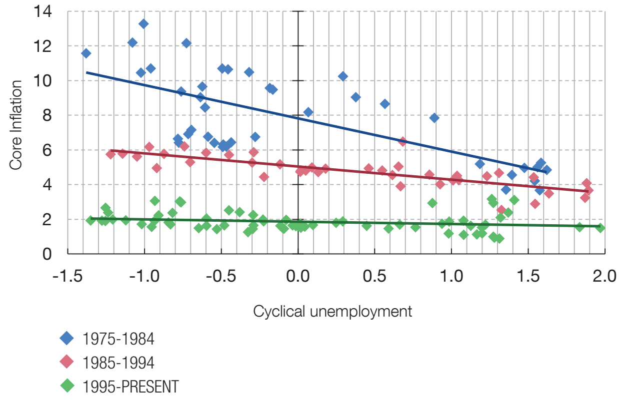
INFLATION DETERMINANTS IN ADVANCED ECONOMIES

CHART 8

INFLATION BREAKDOWN IN OECD COUNTRIES



FLATTENING OF THE PHILLIPS CURVE (b)



SOURCES: Datastream-Thomson Reuters, OECD, IMF and Banco de España.

a Forecasts of energy component contribution to the CPI taking oil price futures as a reference.
b Each point represents the quarterly average of core inflation and cyclical unemployent in advanced economies.

expectations around monetary policy objectives and in a higher coefficient of inflation expectations in the Phillips curve – or to the effects of globalisation, since there is evidence of global factors accounting for more in determining inflation than the cyclical position of each economy. These factors would explain why inflation did not fall to lower levels during the crisis, when output gaps were very negative, and why at present inflation rates are holding at low levels despite the reduction in the degree of economic slack. In addition, factors linked to each country's specific circumstances might be contributing to holding inflation rates down, such as the appreciation of exchange rates and wage moderation in the United States and the United Kingdom. In the United States, pent-up wage deflation would account for inflation moderation, whereas the sluggishness of productivity would be the operative factor in the United Kingdom.

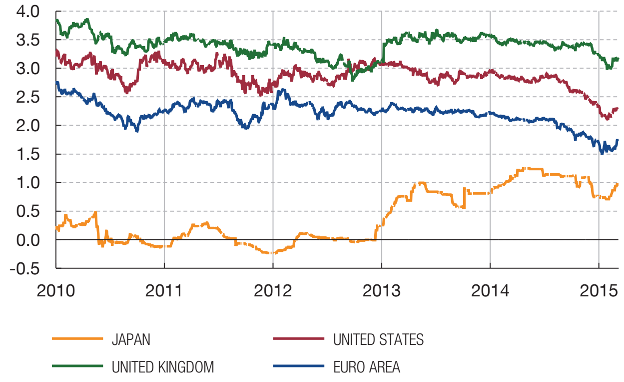
As regards the effects of continuing very low inflation rates over a prolonged period, it should first be said that they contribute to raising real interest rates, acting as a drag on agents' spending decisions and generating more unemployment.[2] Further, against a background of high debt of the national sectors, a very low inflation rate hampers the deleveraging process and increases the debt burden. Also, within a monetary union such as the euro area, very low inflation rates across the region make the adjustment of relative prices that economies with competitiveness problems have to make more costly in terms of unemployment. Finally, the most harmful effects would arise if inflation expectations became unanchored, posing deflationary risks. In this respect, it is important to be watchful concerning the observed decline in inflation expectations in the main advanced economies, a decline which, to date, has been more marked in the short-term segment, but which is also discernible in certain measures of long-term inflation expectations. This is one of the challenges that must be tackled by monetary policy in the advanced economies, in a setting characterised by growing cyclical divergences, as discussed in the following section.

2 The harmful effects of an inflation rate below central bank targets over a prolonged period, even keeping inflation expectations well anchored, have been highlighted in the literature. See, for example, Svensson (2015), "The Possible Unemployment Cost of Average Inflation below a Credible Target", *American Economic Journal: Macroeconomics*, 7 (1), pp. 258-296.

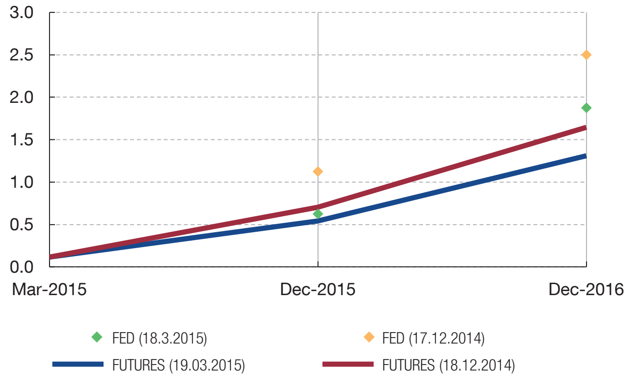
MONETARY POLICY AND CYCLICAL DIVERGENCES

CHART 9

INFLATION EXPECTATIONS (5y-5y)



RATE EXPECTATIONS FUTURES VS MEDIAN FOMC



SOURCES: Datastream-Thomson Reuters and Federal Reserve.

MONETARY POLICY DECISIONS IN THE ADVANCED ECONOMIES IN A SETTING OF CYCLICAL DIVERGENCES

After finalising its asset purchases in 2014, the Federal Reserve has signalled that the process of normalisation of US monetary policy will begin in 2015. This intention reflects the soundness of the recovery in the labour market (in respect of job creation and of the reduction in the unemployment rate, which is drawing closer to its equilibrium level) and confidence that the current decline in inflation will be a temporary phenomenon and that it will return eventually to its 2% target. As part of this process of normalisation, the first step will be the raising of the official interest rate (the federal funds target rate) from the low at which it has stood (0 %-0.25 %) since December 2008, while the volume of assets on the Fed balance sheet will hold constant, with proceeds from maturing assets being reinvested. The normalisation of the central bank's balance sheet, in terms of the reduction of its size and the move to a shorter-dated asset structure, will take place in a second stage. It is sought by these announcements on future monetary policy decisions to minimise the distortions this process may entail for the normal functioning of financial markets, avoiding experiences such as that in May 2013 when the mere announcement that the Fed was considering reducing the volume of asset purchases under its quantitative easing programme (QE3) led to a sharp reaction by the financial markets.

Compared with the situation in the United States, and with the exception of the Bank of England, a large number of the advanced economies' central banks have opted in recent months to add greater measures of monetary expansion, set against the downward revisions of their growth forecasts and, mainly, downside pressures on prices and inflation expectations (see left-hand panel of Chart 9). Hence the period of convergent (and non-standard) monetary policies in the developed economies, which prevailed from end-2008, appears to have concluded. Since the outlook for 2015-2016 assumes an increase in the cyclical divergences between these countries, the differences in their monetary policy stances might become greater.

These differences in monetary policy decisions have been manifest in exchange rate developments, with the dollar appreciating by more than 15% in nominal effective terms since mid-2014 (see top left-hand panel of Chart 2), but not in the same manner in the yield spreads on longer-dated debt (see top right-hand panel of Chart 2), since yields have also fallen in the United States, dragged down by the international environment (see Box 2).

In 2014, debt yields in the main developed economies held on a declining trend, which was more pronounced from the summer (see Panel 1). This was in contrast to the divergent stance of monetary policies in the main developed economies. While these differences have already translated into a strengthening of the dollar against the leading currencies, government debt yields, which should accompany the expectation of official interest rate rises, have only very recently reacted. This Box analyses the possible determinants of the low level of yields in the United States.

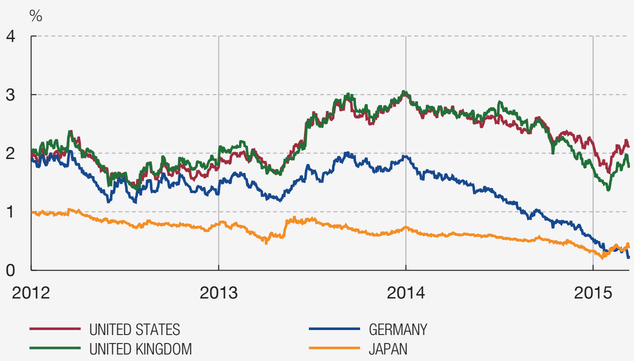
Although the reduction in US 10-year yields has coincided with lower long-term inflation expectations (see Panel 2), their decline appears to be related to a greater extent to the reduction in the term premium. This variable, which in theory is associated with the uncertainty of predicting the possible path of short-term interest rates, showed abnormally low values during the periods in which the Federal Reserve was actively purchasing fixed-income securities. In May 2013, with the start of discussions about tapering, the term premium increased and held at levels closer to its historical average. However, during 2014 this variable showed a further decline, even turning negative (see Panel 3).

Several factors may lie behind these developments in the term premium. First, there may be a precautionary motive, with flight-to-quality movements prompted by a more volatile environment. Such a consideration may have been more significant from August last year, when a combination of several factors prompted an increase in uncertainty on markets. Among these factors are the bleaker outlook for global growth, fears of deflation in the developed economies, growing geopolitical risk and the collapse in crude oil prices. This setting triggered flight-to-quality movements, as suggested by the increase in yields on high-risk assets, and it might also have exerted an influence in the opposite direction on long-term US debt yields, given their safe-haven status.

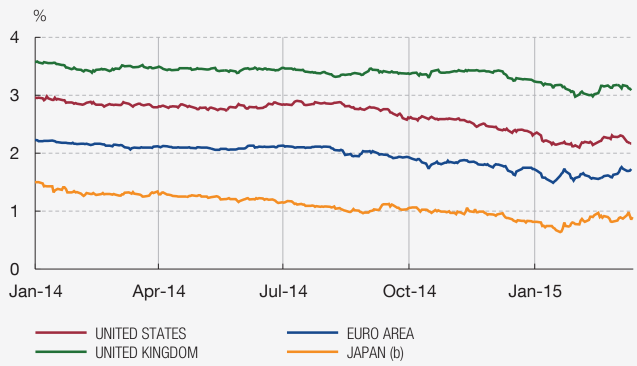
Second, the convergence of long-term rates in the developed economies might also reflect a shortage of assets considered as

INTEREST RATES AND INFLATION EXPECTATIONS

1 10-YEAR GOVERNMENT BOND YIELDS

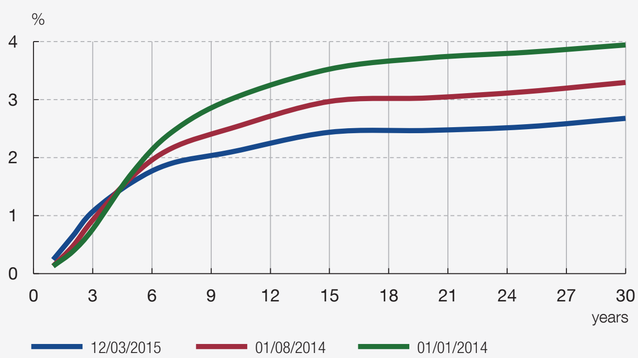


2 INFLATION EXPECTATIONS (a)



3 UNITED STATES: 10-YEAR BOND YIELD AND TERM PREMIUM

4 US TREASURY BOND YIELD CURVE



SOURCES: Datastream, Federal Reserve and Barclays Capital.

a Forward Inflation swaps. 5-year interest rate in 5 years time.
b Forward swap.

safe, in a setting in which, on one hand, no increase in annual public debt issuance by these countries is foreseen and, on the other, where the more expansionary nature of the accommodative policies of the ECB and the Bank of Japan reduces the amount of such assets available for investors. This setting might explain why certain European and Japanese institutional investors, that need to invest a significant portion of their portfolio in long-term securities, should prefer to assume or cover the foreign exchange risk associated with purchasing US debt before acquiring securities in their own currencies with negative yields.

Both factors might persist in the medium term. For one thing, as monetary conditions normalise, the period of abnormally low volatility of the past year will foreseeably conclude, which might trigger flight-to-quality movements in the event of sharp rises. For another, the supply of safe assets would not seem likely to expand in a context of public finances consolidation in the main developed countries. Accordingly, a scenario cannot be ruled out in which the 10-year yield does not react once the rise in official rates has started, which would pose a major challenge to the Federal Reserve in terms of the degree of tightening it may consider necessary, given the situation of the economy. In this respect, recent yield curve developments, where the shorter-dated segments have reacted to expectations of rises while the curve has declined in the longer-dated segments, suggest the possibility that the conundrum of the previous contractionary cycle may be revived (see Panel 4). But nor is it possible to rule out a scenario of greater volatility on financial markets as a result of wider differences between monetary policies, especially between the United States and the euro area and Japan, with significant increases in long-term interest rates globally.

As regards the process of normalisation to be pursued by the Federal Open Market Committee (FOMC), the markets are currently discounting a 100-125 bp increase in the federal funds target rate to end-2016, which marks a slightly gentler and more gradual rising path than that envisaged by the FOMC members themselves (see right-hand panel of Chart 9). The difference may reflect a differing assessment of the reaction function of the FOMC, or of the degree of recovery in the US economy and/or of the inflation outlook, which may be summarised overall in the slack existing in the labour market. Hence, although the unemployment rate is already close to the NAIRU (the estimate for which was revised downwards in March 2015), other indicators – such as wage trends – are still far removed from what would be a normalised labour market situation. Moreover, both the expansionary effect of the decline in long-term bond yields on the US economy and the restrictive effect of the dollar's appreciation (through the trade channel and incomes, owing to their impact on corporate profits) may hamper the process of monetary policy normalisation. In sum, this process poses a notable challenge as it must unfold in a setting of cyclical and monetary policy divergence, with low inflation, and it may give rise to episodes of volatility on financial markets.

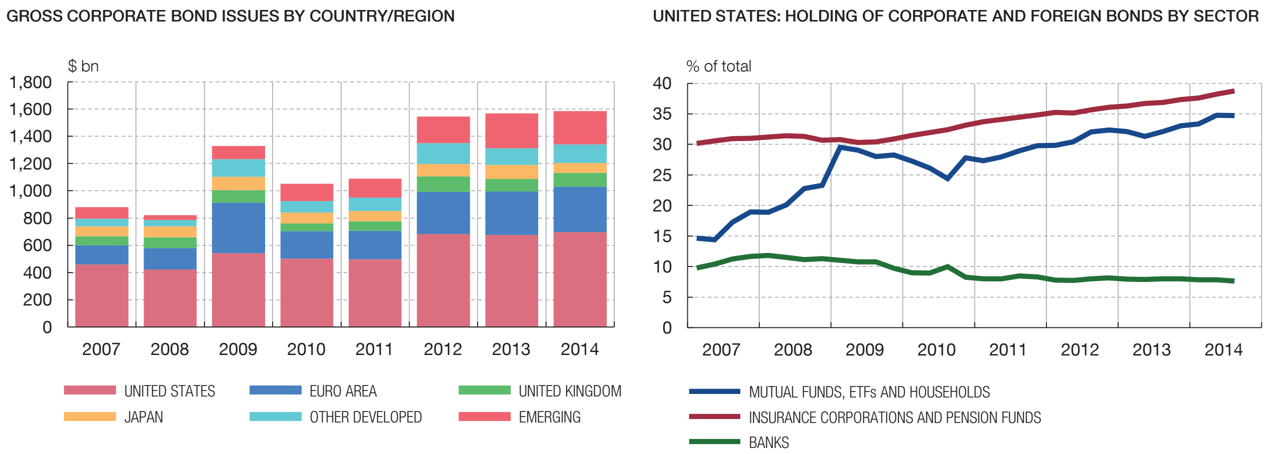
TOWARDS A CHANGE IN FINANCING PATTERNS IN THE ADVANCED ECONOMIES?

Major headway was made in 2014 in the regulatory reform of the banking sector. The FSB's proposal for a new requirement to equip global systemic banks with sufficient total loss-absorbing capacity (TLAC) to ensure their orderly resolution, avoiding the use of public funds and guaranteeing the continuity of their critical functions, marked the completion of the new regulatory framework for banks following the financial crisis. Thus, while there are still aspects and details to be ironed out in the coming years, last year saw a significant reduction in the regulatory uncertainty facing credit institutions when deciding on their future business strategies.

The new regulatory arrangements frame a setting conducive to a lesser role for bank intermediation and to a more important one for the capital markets in the financing of certain sectors, such as large corporations and infrastructure projects (see left-hand panel of Chart 10). Indeed, disintermediation has progressively stepped up in recent years, as

NON-FINANCIAL CORPORATIONS' BOND ISSUES AND BOND HOLDINGS IN THE UNITED STATES

CHART 10



SOURCES: Dealogic and Federal Reserve.

the banking sector has adapted to new requirements, in keeping with the transition phases laid down by regulators. This trend coincides, moreover, with a change in the type of participants on capital markets, where the role of institutional investors has taken on greater importance at the expense of banks (see right-hand panel of Chart 10).

Overall, a framework has been set in place in which the financial position of the banking sector comes out stronger, as both the risks banks incur and the consequences following a potential bankruptcy and the likelihood of using taxpayers' funds in the ensuing bailout have diminished. At the same time, other agents – such as pension and investment funds, and insurers – assume a greater role in the process of financial intermediation, in segments in which they were previously not present. This more diversified and resilient environment than was the case before the crisis is not, however, free from risks. In this respect, regulators and supervisors are beginning to pay greater attention to issues such as the behaviour of institutional investors when faced with bouts of tension, the effects investment by these agents in less liquid assets may have or the difficulties certain firms may encounter in re-financing their issues, especially against the background of an appreciating dollar. At the same time, there is also monitoring of the developing and growing activity of agents which, lying outside the banking regulation perimeter, perform intermediation services very similar to those of credit institutions.

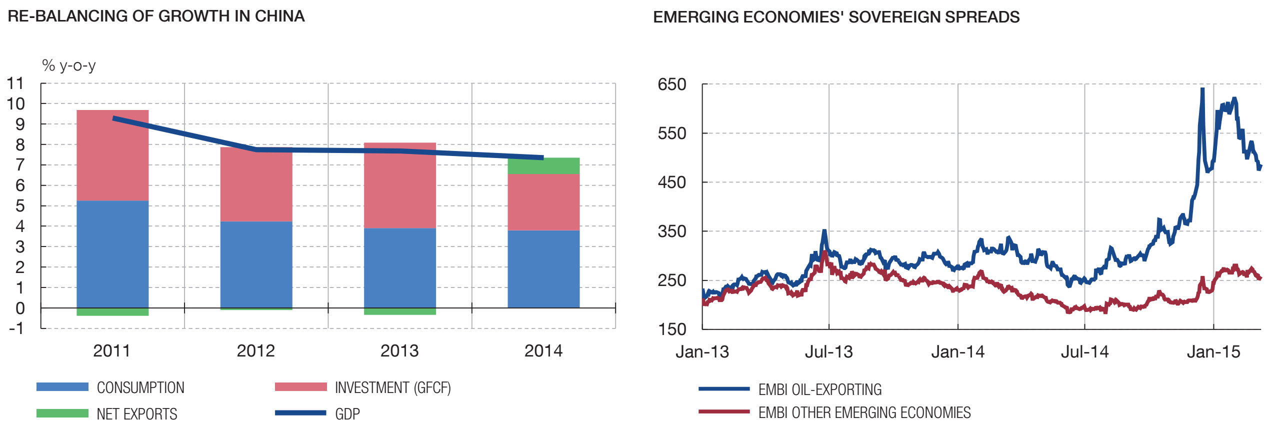
Ahead in 2015, a scenario is taking shape in which banking intermediation will continue to be moderate – given the steps banks still have to take in order to meet the new requirements – and in which financing via the markets may be influenced by the likely tightening of monetary policy in the United States. This scenario should affect to a greater extent those agents with greater dependence on dollar market funds, as is the case of the emerging countries (and in particular of Latin America), although the consequences for each economy will depend on the responsiveness of national banks or on the possibility of companies funding themselves in other currencies.

EMERGING ECONOMIES: SHOCKS AND ADJUSTMENT

The easing of growth in the emerging economies is proving to be one of the most significant facets of global economic developments. These economies have been operating against a backdrop of lacklustre and uneven recovery in the developed economies, which has been compounded – sequentially and to differing degrees of significance – by three types of shocks. The first has been the slowdown in the Chinese economy, in train since 2011,

ADJUSTMENT IN EMERGING ECONOMIES

CHART 11



SOURCES: National Bureau of Statistics of China and Datastream-Thomson Reuters.

with major consequences for the commodities prices and external demand of its main trading partners in Asia and Latin America. In the past four years, Chinese growth has declined by 4 pp from close to 11% in 2010 to little over 7% in 2014, partly as a result of the decision by its authorities, endorsed following the change in government in 2012, to attain a more balanced and sustainable growth pattern. The other two shocks are more recent: on one hand, the tightening of external financing conditions, which has come about, in recurrent episodes, since debate ensued in mid-2013 on the start of tapering in the United States, and which might intensify when the Federal Reserve initiates the process of normalisation of interest rates in 2015; and on the other, the decline in oil prices in the second half of 2014.

During 2014, the signs of a re-balancing of the Chinese economy became more patent (see left-hand panel of Chart 11). From the expenditure standpoint, the weight of private consumption increased by 3 pp of GDP compared with 2013, to stand at 52%, in parallel with a decline in the investment ratio. As to the sectors of activity, services continued to increase their share in GDP, rising to 48% at the expense of industry (36%) and the primary sector (6%). The measures adopted by the authorities cover various realms, ranging from the financial and the environmental to the fiscal. Since 2013, and especially the first half of 2014, limits have been placed on the growth of non-bank credit in the highest-risk segments of the financial system. The spending capacity of local governments has also been curbed and financing conditions have been tightened for second-home purchases. This has all made for a marked moderation in investment, adding to the ongoing adjustment of the sectors with idle capacity, chiefly in manufacturing and heavy industry. At the same time, the cumulative increase in household per capita income, arising from improved wages in the public and private sectors alike, has underpinned higher growth in private consumption, which was also boosted over the past year by an improvement in income distribution. Also in 2014, external and domestic financial liberalisation stepped up, with significant progress in making the exchange rate and interest rates more flexible, and the announcement of the forthcoming establishment of a deposit guarantee scheme, all of which will promote the mobilisation of saving. In these circumstances, activity in China continued to slow in 2014.

From a broader standpoint, the recent slowdown in China is largely the result of the implementation of a series of economic policy measures geared to moderating excesses in the financial system, the real estate sector and public spending. In parallel, the re-balancing of the economy towards a more sustainable model of development continued, with a greater contribution by consumption and a lesser contribution by investment being posted in respect of GDP growth. However, the downtrend in inflation, sharper since the second half of 2014, has required greater support from monetary policy.

The significance of China in world trade means that its lower growth will have substantial repercussions, especially in the emerging economies. In the case of Latin America, China has two main channels of influence: external demand and commodities prices. China has become the leading or second trade partner for most South American countries (10-20% of their total exports) in just a decade, which has tended to increase the correlation between their business cycles. Some estimates associate a 1 pp fall in the growth of the Chinese economy with a 0.6 pp reduction, on average, in Latin American growth. Moreover, lower Chinese demand for commodities contributes to reducing the prices of these products on international markets, where their cumulative decline since 2011, measured by an overall index, stands at over 45%. Just as the continuous increase in the terms of trade underpinned economic dynamism in Latin America over the past decade, their correction in recent years is symmetrically prompting a decline in income and lower growth. In emerging Asia, weaker Chinese growth has led to a slowdown in exports from other countries in the region to China, although this easing might more broadly reflect the sluggishness of global demand, through its impact on value chains.

As to the financing conditions of emerging economies on international markets, a pick-up in capital inflows towards these economies was observed up until 2014 Q2 (see right-hand panel of Chart 6), which probably reversed in the second half of the year, judging by the across-the-board depreciation in exchange rates during that period, more markedly so in the case of the oil-exporting economies. Thus, on the data available to the first half of 2014, the recovery in capital inflows could be seen to be particularly intense in emerging Asia, including China. Capital inflows were seen to stabilise in Latin America at levels somewhat higher than those of 2013, as was the case in Eastern Europe, where they had most fallen previously. Even so, both in Latin America and in Eastern Europe, capital inflows continue to be lower than those received in 2011. In Latin America, lower capital inflows and lower economic activity also translated into a significant slowdown in domestic lending to the private sector. And this without the expected increase in US interest rates having yet materialised. Both the downward revision of growth forecasts in a good number of emerging economies and the rising trend of the dollar appear to presage the continuing moderation of capital flows towards these economies, especially if the change in monetary cycle in the United States is confirmed.

So far, the impact of the third shock – the fall in oil prices – is perceptible above all in lower inflation rates in Asia. In Latin America, pressures on services prices and the pass-through of the depreciation of exchange rates have tended to keep inflation rates relatively high, even in the countries with inflation targeting regimes. Foreseeably, the effects on activity will be noted to a greater extent in 2015 and will prove clearly positive for most of Asia, but differentiated in their impact on Latin American countries. Some Latin American countries are particularly vulnerable: the fall in oil prices is especially detrimental to those economies whose productive, exporting and revenue-raising specialisation has been geared to oil, such as Venezuela, where 96% of exports and 50% of public revenues depend on oil. Moreover, Venezuela has a low level of reserves and does not have access to external financing markets. For other economies, such as Colombia (where oil accounts for slightly over half its exports) or Mexico (where the tax revenue associated with oil exceeds 30% of the total and where, moreover, an energy reform has been launched to attract investment and foreign technology to oil production), this is also a major shock. Both countries have the scope to withstand this shock, with a high level of international reserves, healthy public finances and advanced fiscal rules. In emerging Asia, lower oil prices are exerting a favourable impact on most countries' trade balances (especially in India's case); the exception is Malaysia, the area's sole net exporter.

The outlook for 2015

The year 2015 has begun with fresh downward revisions to world growth forecasts. However, the net positive effects of the reduction in costs stemming from lower oil prices will foreseeably be perceived with greater clarity once the intensity of the adjustment has been overcome and even though the permanence of these lower levels may be subject to uncertainty. Economic policies will continue to be accommodative, even though cyclical differences persist among the main advanced economies along with divergences in monetary policy stance, thereby influencing financing conditions at the global level, inter-regional capital flows and exchange rates. Finally, world trade remains subject to notable sluggishness, although a somewhat more favourable tempo can be detected in the advanced economies.

Against this background, the baseline scenario for 2015 includes growth in the world economy slightly above that for 2014, at around 3.5% (3.3% in 2014). That would be the result of the strengthening of the recovery in the advanced economies – whose average growth would be close to 2.5%, around 0.5 pp up on 2014 – and of stabilisation in the emerging economies, whereby their average increase would stand marginally below 4.5%.

A widespread strengthening of activity is expected in the advanced economies, albeit at differing paces. It will foreseeably be more intense in those economies, such as the United States and the United Kingdom, that have made most headway in adjusting their imbalances (private-sector balance sheets, fiscal consolidation, unemployment and the real estate sector). In other areas, such as the euro area and Japan, the increase in activity will be more moderate. In any event, the recovery will be broadly assisted by the low levels of oil prices (with the exception of those economies such as Norway and Canada that are net oil exporters), the accommodative stance of monetary policies (even in those economies further along the monetary cycle) and the gradual slowdown in the pace of fiscal consolidation.

In recent years the main emerging economies have recurrently posted lower-than-projected growth rates, which have fed through to a significant downward revision in their potential growth. In some areas this has been associated with the scant structural reforms made during the boom period. However, even bearing in mind this lower long-term growth, in the baseline scenario for 2015 the emerging economies are not expected to reach their potential, owing to various factors. For these economies as a whole, the increase in external demand from the advanced economies and the favourable effect of low oil prices on the oil-importing economies will foreseeably be more than offset by the slowdown in China (where policy management will perhaps be more focused on mitigating vulnerabilities than on stimulating growth), the long-expected normalisation of US monetary policy (and the subsequent tightening of global financial conditions and the re-directing of capital flows towards the United States) and the adverse impact of the price of oil (and other commodities) on exporting economies. This latter factor will particularly affect Russia, bearing down on an economy that was already slowing and which, moreover, was subject to various sanctions imposed by certain advanced economies. Nor is the outlook particularly favourable for the Latin American economies, which are especially sensitive to the change in cycle in commodities prices and to the eventual normalisation of global financial conditions.

Inflation is generally expected to remain very low (and even post negative levels for much of 2015 in many of the advanced economies). This forecast largely resides on the fact that a substantial reversal of the decline in commodities prices is not expected and, in the case of the advanced economies, on the fact that inflation will continue to evidence limited sensitivity to the degree of slack that has been observed in economies in recent years.

Regarding risks of a global scope, recent developments in the oil market (in particular the uncertainty over the factors underlying such risks) amplify the risks, in both directions, associated with the course of oil prices and with their potential impact; in particular, a greater positive impact on global growth cannot be ruled out. Moreover, a substantial group of countries (with the significant exceptions of the United States and the United Kingdom) are adopting or are ready to adopt more expansionary economic policy measures, especially in the monetary policy realm.

Among the downside risks, divergences in the monetary policy stance in the main advanced economies – the result of the marked differences in their cyclical position – pose a risk to financial stability. This is because a widening of such differences may prompt bouts of turbulence, with sharp adjustments in exchange rates and in other asset prices (especially high-yield assets and those of emerging economies) and the sudden relocation of capital flows. Further, the persistence of very low inflation rates over a prolonged period may check the recovery, insofar as this may raise the real cost of financing and, moreover, hamper the debt-reduction process. Also, a sharper slowdown in a systemic emerging economy (especially if in China there were to be a disorderly re-balancing of the economy, significantly affecting growth) would have an adverse bearing on global growth. Finally, geopolitical risks are still very significant, the hotspots being the territorial conflict in Ukraine and the spread of terrorism in the Middle East.

On international financial markets, the prevailing setting of high liquidity has been conducive to a build-up of certain significant risks. Thus, although some segments that were recently overpriced – such as US high-yield bonds – have been corrected, other causes for concern exist, such as the greater credit and liquidity risk arising from the high holdings of corporate debt in institutional investors' portfolios. In parallel, some recent structural changes – such as the lesser weight of bank financing and the greater weight of financing-providers outside the regulatory perimeter – pose some doubts over the access to financing of certain segments such as SMEs, which have traditionally been more dependent on bank intermediation.

Among the specific risks of the advanced economies, the marked decline in inflation in the euro area, in other European economies and in Japan (if the impact of the tax rise is discounted) increases the possibility of a disanchoring of inflation expectations. Over the longer term, in the euro area and Japan the prolonged weakness of demand and the scant headway in redressing certain imbalances – mainly the high levels of public and private debt – may ultimately entrench a low growth scenario.

Finally, the emerging economies may be particularly sensitive to bouts of instability on the international financial markets, prompted not only by global shocks but also by events in specific regions or economies (linked, for example, to problems in oil exporting countries), which ultimately translate into a broad change in investor sentiment towards them. Moreover, the persistent weakness of growth figures in some cases may suggest that the long-term growth capacity of these economies is still overestimated.

In sum, the world economy continues to move on a modest growth path which, while clearly below its pre-crisis trajectory, may be boosted in the short term by the firming of the recovery of the advanced economies, as a result of the continuing low oil price levels and the accommodative monetary policy stance. These foreseeably temporary factors may prove conducive to more resolute progress in correcting these economies' imbalances, contributing to supporting growth in the emerging economies in a setting which, owing to various factors (the expected tightening of global funding conditions, the ongoing slowdown in the Chinese economy and the end of the commodities bullish cycle), is particularly adverse for some of them.

19.3.2015.

COLLECTIVE BARGAINING, WAGE RIGIDITIES AND EMPLOYMENT: AN ANALYSIS USING MICROECONOMIC DATA

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Introduction

Reforms of the regulation of collective bargaining were introduced in Spain in 2010 and 2012. Among other objectives, the aim was to improve the response of wages to business cycle fluctuations. During the recessions that began in 1993 and in 2008, wage adjustment was limited, while employment fell significantly. The regulation of collective bargaining in Spain, which introduced minimum wages that had to be paid by all the firms in a particular sector, irrespective of their situation, was one of the sources of wage rigidities that led to most of the weight of adjustment falling on employment.[1]

This article offers an estimate of the impact that wage rigidity had on employment losses at the start of the 2008 recession, before the two latest labour market reforms were introduced. This quantification helps to calibrate the extent to which the increase in wage flexibility associated with the collective bargaining reforms may mitigate the destruction of employment in the event of future falls in demand.

A number of macroeconomic studies of the consequences for employment of the regulation of collective bargaining basically draw their conclusions from international comparisons.[2] This article, by contrast, uses disaggregated data on individual labour market histories linked to the information available on the collective agreements applicable in each case.

The use of disaggregated data is important in the Spanish context, since the regulation of collective bargaining generated heterogeneous wage dynamics across provinces, industries, and workers at the start of the 1993 and 2008 recessions. Of all the workers covered by a collective agreement, 55% had their conditions of employment determined by sectoral agreements at the provincial level, which were not renegotiated frequently. At the same time, the extension of collective agreements to all workers and firms within the scope of the agreement was automatic when the negotiating parties were, in legal terms, sufficiently representative.[3] As a result of these two characteristics, a high proportion of firms ended up being subject to compulsory minimum wages that were infrequently reviewed and that varied from sector to sector and – within the same sector – from province to province.

The response of wage settlements to a change in economic activity has therefore been heterogeneous across sectors and provinces. Even within the same province and sector, the wages of different workers have growth at different rates, depending on how close their wage was to that agreed in the relevant collective agreement.

The disaggregated information allows, on one hand, this degree of heterogeneity in wage setting to be accommodated and, on the other, its effects on the evolution of employment at the start of a recession to be verified.

1 Various papers of the ECB's Wage Dynamics Network have explored in detail the determinants of the lack of wage adjustment, beyond collective bargaining. See, also, Messina et al. (2010) or Dickens et al. (2007).
2 Murtin et al. (2014) observe that in France and Spain, where collective agreements are automatically extended, the rates of outflow from employment are relatively higher and the rates of creation of employment lower than in other countries.
3 See Bentolila, Izquierdo and Jimeno (2010).

A brief overview of studies in countries similar to Spain that have adopted a disaggregated approach for estimating the effect of collective bargaining on employment is presented below. Subsequently, the case of Spain is analysed, first, describing how the wages set by collective agreement were adjusted from the start of the 2008 recession and, second, relating the wage changes and employment losses observed for a sample of workers whose wages were determined at the time by sector-level collective agreements.

Collective bargaining, wages and employment: results based on microeconomic data

Various studies have documented that, after adjusting for changes in the composition of employment over the cycle, the Spanish and Italian labour markets showed a higher degree of wage rigidity than other advanced economies.[4] One possible explanation for this behaviour is that wages in these countries were largely determined by collective agreements that were infrequently revised, so that, at the start of a recession, a significant number of workers had wage increases set by multi-year agreements signed during the expansion phase. As a result, one would observe in countries like Italy and Spain that, although wage settlements in newly signed collective agreements do respond to changes in local or aggregate unemployment, the prevalence of multi-year collective agreements with pre-set increases makes the wage response at the aggregate level much smaller.[5] At the same time, when there are workers receiving higher wages than those set in the relevant collective agreement, the change in wage growth set in the agreement is only part of the total wage response. For example, the wage increases set in agreements may be offset in the case of these workers by a reduction in other wage components.[6]

The extent to which wage rigidities associated with collective bargaining affect individual earnings, and their potential impact on employment, can be directly examined using microeconomic data obtained from the linking of information on firms, workers and agreements. For example, it has been observed in Italy with this type of data that between 1991 and 1999 the wages of a significant portion of workers grew at rates close to those set in the relevant collective agreement, indicating the presence of nominal rigidities. Furthermore, the unemployment rate was higher in those provinces in which larger numbers of workers were subject to these rigidities.[7] Likewise, in Portugal, it has been observed that in the four months following the extension of a collective agreement, the firms affected reduce their employment by around 2 percentage points (pp) more than firms in similar sectors. This reduction was more pronounced during the last recession and relatively greater among smaller firms.[8] With Portuguese data it has also been possible to establish that the impact of the extension of a collective agreement on the labour costs of a firm is greater the higher the proportion of workers whose wages were already close to the wage rates established by such agreement.[9]

Wage adjustment in collective agreements in Spain during the crisis

During the recession that began in Spain in 2008, wage adjustment was initially slow, since aggregate wages continued to grow until 2011, while employment was falling notably. At the same time, given that the most common level of collective bargaining in Spain was the sectoral/provincial level, firms from a single sector of activity, but located in provinces with

4 For example, a first approximation to the measurement of wage rigidities is to calculate the fraction of workers whose nominal wages have not changed in a given year or, alternatively, have increased at the same rate as inflation [see Dickens et al. (2007)]. A second approach attempts to calculate the response of wage growth to fluctuations in the rate of unemployment, having adjusted for cyclical changes in the characteristics of employed persons [see Haefke et al. (2013) for the United States, Carneiro et al. (2012) for Portugal De la Roca (2014) for Spain].
5 See Rosolia (2015) and Bentolila, Izquierdo and Jimeno (2010).
6 See Cardoso and Portugal (2005).
7 See DeVicienti et al. (2007).
8 See Martins (2014).
9 See Guimaraes et al. (2014).

WAGE ADJUSTMENT AT THE START OF THE 1993 AND 2009 RECESSIONS BY YEAR AGREEMENT SIGNED

TABLE 1

	1993		2009	
	% workers	Wage growth (a)	% workers	Wage growth (a)
	2.6	4.69	8.0	0.99
Signed during the year following the one indicated in the column	65.9	5.05	20.8	1.75
Signed during the year indicated in the column	27.5	6.31	31.5	2.45
Signed two years before the one indicated in the columr	2.5	6.55	37.0	2.58

SOURCE: Banco de España, based on the Register of Collective Agreements 1990-2012.

a The column "Wage growth" shows the wage growth agreed in percentage points for 1993 (second column) and 2009 (fourth column) for a provincial sectoral agreement, without an indexation clause.

collective agreements signed at different times, were subject to different wage rates. This disparity accentuates the negative impact on employment of a fall in aggregate demand at the beginning of a recession.[10]

By way of illustration, Table 1 compares the wage growth established in provincial level agreements at the start of the 1993 and 2008 recessions, distinguishing between agreements by when they were signed. During the first recession, the sectoral agreements signed in 1992 set nominal wage increases for 1993 of around 6.5%, while the agreements signed during the following two years set them at around 5%. During the 1993 recession, firms employing a third of workers were subject to wage increases set in expansion phases. At the start of the 2008 recession, firms employing almost 70% of workers were subject to agreements that increased their labour costs of more than 2%, while the firms employing the remaining 30% applied wage increases of around 1%.

Identification of the precise moment when agents change their perceptions regarding the behaviour of the economy (and, therefore, when wage adjustment should occur) is a complex task. In the case of the last recession it has been documented that expectations changed rapidly following the failure of Lehman Brothers on 15 September 2008,[11] so that this date can be used to separate those collective agreements signed during the expansion phase (before 15 September 2008) from those signed during the recession (after that date). Analysing the evolution of the nominal wages agreed for 2009, it is observed that the sectoral collective agreements signed between October 2007 and August 2008 established very similar nominal wage increases to those recorded in the previous expansion period, while the agreements signed after 15 September 2008 established lower wage increases, the difference between these two magnitudes being statistically significant (see Chart 1). This observation suggests that wage adjustment in that recession, once it commenced, was particularly rapid, but limited to newly signed agreements.

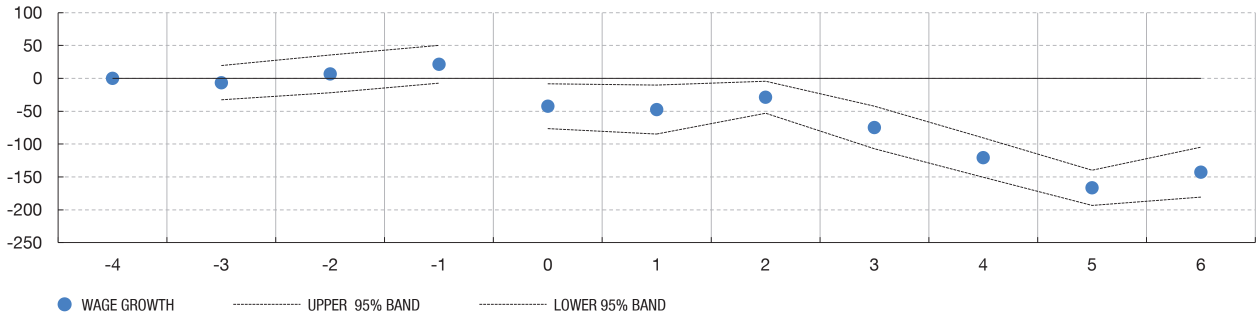
Frequency of collective bargaining and employment losses

In summary, as seen in the previous section, the overlapping of numerous collective agreements meant that at the start of the recession similar firms had to pay very different wage increases. One would expect those firms that had to pay higher wage increases to have suffered larger employment losses than similar firms whose sectoral agreement, having been signed later, established lower wage increases.

10 See Olivei and Tenreyro (2007) and Card (1990).

11 For example, Hudomiet et al. (2011) collected data on subjective expectations regarding the evolution of the stock market, documenting an abrupt change in the fourth quarter of 2008, around the time of the Lehman Brothers failure.

NOMINAL WAGE GROWTH AGREED FOR 2009, ACCORDING TO THE QUARTER IN WHICH AGREEMENT SIGNED (a) **CHART 1**



SOURCE: Banco de España, using the Register of Collective Agreements.

a Predicted value, in basis points, of a regression of wage growth on the quarter in which agreement signed, adjusted by industry, province, multi-year agreement and indexation clause indicators. The values are the deviation with respect to 2.5%, the average growth agreed for 2009 in agreements signed between October and December 2007.

To verify this hypothesis the probability of being unemployed between 2009 and 2010 is compared for workers employed in industries whose agreement for 2009 was signed during the upturn with that of workers whose collective agreement was signed during the recession (again using the failure of Lehman Brothers on 15 September 2008 to mark the cyclical turning point) (see left-hand panel of Chart 2).[12,13] Between January 2009 and December 2010 the probability of being unemployed was 1 pp higher for workers whose collective agreement for 2009 and 2010 was signed during the expansion than for other workers, the difference being even more marked in the case of workers with temporary contracts.

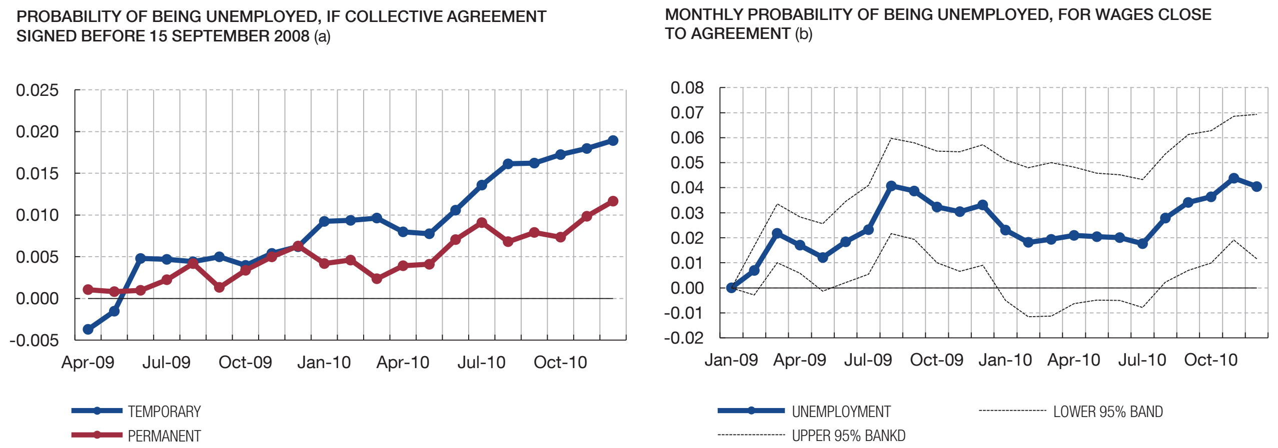
Since collective agreements set minimum wages by sector of activity, province of residence and professional group, one would also expect wage increases and employment losses to have been especially large for workers whose wages were close to the wage rate set in an agreement. In this respect, workers whose wage in 2007 was up to 10% higher than the agreement minimum and whose collective agreement was signed before the failure of Lehman Brothers received a 1 pp higher wage increase than other workers (see Table 2). By contrast, the date of the collective agreement does not affect the wage growth of workers with a wage that exceeded the rate set in the collective agreement by at least 20%. As the right-hand panel of Chart 2 shows, the employment losses were especially large among workers whose wage was close to that set in the relevant collective agreement. Thus, among workers subject to a collective agreement signed during the expansion, those whose wage was closest to the minimum level set in the agreement spent 3% more days unemployed than other workers.

To estimate the magnitude of these effects, a comparison may be made with the loss of employment that would have been observed if the agreements signed before the collapse of Lehman Brothers had been renegotiated with the same wage increases as were established in agreements signed after that date. The result of this exercise suggests that, had the agreements been renegotiated, the unemployment rate of workers whose wage before the recession was no more than 20 pp higher than the agreement minimum wage would have been 50% lower between 2009 and 2010. By contrast, given that the sectoral bargaining only sets minimum earnings, the renegotiation would not have had any effect on the levels of employment of workers whose wage was more than 1.4 times the provincial agreement rate.

12 The wage change set may reflect changes in agents perceptions of inflation or expected unemployment.
13 For further details, see Díez-Catalán and Villanueva (2014).

RELATIONSHIP BETWEEN THE PROBABILITY OF BEING UNEMPLOYED IN 2009 AND 2010 AND THE DATE ON WHICH THE COLLECTIVE AGREEMENT FOR 2009 IS SIGNED

CHART 2



SOURCE: Banco de España, using the Register of Collective Agreements and the Continuous Sample of Working Histories.

a This panel presents the increase in the monthly probability of being unemployed associated with a collective agreement signed before 15 September 2008 estimated by means of linear regressions of the probability of being unemployed on the date on which the agreement is signed, industry and province indicators.

b This panel presents the increase in the monthly probability of being unemployed associated with a collective agreement signed before 15 September 2008 for the sample of workers who in December 2007 received a wage that exceeded the agreement minimum for the sector by no more than 20%. The model includes collective agreement indicators.

In short, the fact that employment losses and labour cost increases are concentrated among workers with wages close to an agreement rate established during the expansion suggests that at the start of the recession the wage rigidity associated with collective agreements acted as an aggregate shock transmission mechanism.

Final comments

The low degree of wage adjustment in Spain during the initial years of the recession has been singled out as a factor that may have contributed to the heavy job destruction that took place between 2009 and 2010. The evidence presented in this article, based on disaggregated information combining data on agreements, wages and the employment situation of workers, shows that there were particularly heavy employment losses among workers subject to collective agreements signed in the expansion phase, which set relatively high wage increases. Specifically, at the start of the 1993 and 2008 recessions wage conditions varied considerably owing to the existence of multi-year collective agreements signed during the upturn, which established large wage increases for a significant proportion of workers. By contrast, other groups of workers, subject to collective agreements signed in the recession, received wage increases more in line with the change in macroeconomic conditions. Also a higher probability of loss of employment is detected among workers subject to agreements signed during upturns, an effect that is exclusively due to those whose wages were closest to the minimum set in the agreement. The estimates presented suggest that for this group of workers a renegotiation of the provincial agreement would have reduced the probability of being unemployed by up to 50%.

Since 2010, various labour reforms have been implemented to make the regulation of collective bargaining in Spain more flexible. Among other measures, mechanisms have been introduced that make it easier for firms to cease to apply higher-level collective agreements. Until more data (preferably microeconomic data like those used here) are available on collective bargaining developments since the application of these reforms, a comprehensive and rigorous evaluation of their effects is impossible. That said, the evidence presented in this article suggests that, given the orientation of the reforms,

WAGE GROWTH AND JOB DESTRUCTION IN 2009, BY DATE COLLECTIVE AGREEMENT SIGNED

TABLE 2

	Wage growth observed (a)	Proportion of days unemployed (b)
	(1)	(2)
1 Agreement signed before 15.9.2008 and wage 0-10% above agreement minimum	0.0102 (0.0042)	0.034 (0.010)
2 Agreement signed before 15.9.2008 and wage 10-20% above minimum	0.0057 (0.0041)	0.024 (0.010)
3 Agreement signed before 15.9.2008 and wage 20-40% above minimum	0.002 (0.003)	0.010 (0.007)

SOURCE: Banco de España, based on the Register of Collective Agreements 2008-2010 and the Continuous Sample of Working Histories.

a The coefficients, estimated by ordinary least squares, measure how the wage growth in 2009 of workers who remain in their jobs varies depending on both the distance between the wage of the worker in December and the agreement minimum and the date on which the collective agreement is signed [see Díez-Catalán and Villanueva (2014)].

b The coefficients, estimated by ordinary least squares, measure how the proportion of days not worked during 2009 and 2010 varies depending on both the distance between the wage of the worker in December 2007 and the agreement minimum and the date on which the collective agreement is signed [see Díez-Catalán and Villanueva (2014)].

adjustment to unexpected reductions in the demand for labour can be expected to take place in future more through wage changes than through heavy employment losses.

14.4.2015.

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REPORT ON THE LATIN AMERICAN ECONOMY: FIRST HALF OF 2015

Introduction

In 2014 the economic activity of Latin America grew at a rate of 1.3%, the lowest of the past decade except for 2009 when the region felt the brunt of the global financial crisis. This performance prolonged a four-year low-growth phase that was triggered mainly by external factors (such as the end of the commodity price boom or the decline in the momentum provided by China) but in which domestic factors have loomed increasingly large, particularly in the main South American economies. Thus in 2014 the continued decline in the terms of trade (which accelerated in the second half of the year for the oil exporting countries due to the oil price slump), the weak foreign demand (particularly from China) and the tighter external financial conditions were among the key determinants of the sluggish activity in the region. However there were also domestic factors contributing to the low growth, such as the fall in investment against a background of worsening confidence or, in some cases, the application of restrictive macroeconomic policies. Against this backdrop, in 2014 two countries (Brazil and Venezuela) were hit by "technical" recessions of varying intensity; another two (Chile and Peru) underwent significant dips in growth to annual rates of 1%-2%, well below their potential rate, while Colombia and Mexico showed greater resilience in the year as a whole.

Inflation remained relatively high on average in the five countries with stated inflation targets, in a setting of exchange rate depreciation and in contrast to the consumer price containment at global level. There were, however, significant differences between countries. In Brazil inflation rose significantly in early 2015 (to 8.1% year-on-year in March, due partly to the rise in administered prices), while in Colombia, Chile, Mexico and Peru year-on-year inflation was more moderate. A case apart are Argentina and Venezuela, with inflation rates of around 20% and 65% (the highest in the world), respectively, as a result particularly of monetary financing of the budget deficit.

The region is addressing the new economic scenario (change of monetary cycle in the United States, trend towards deceleration in China, low commodity prices) with some strengths, albeit also with vulnerabilities. Notable among the latter is the worsening of current account balances in many countries as a result of the decline in the terms of trade, not counteracted by exchange rate depreciation for the time being, except in Chile. The ability of monetary and fiscal policies to deal with a less favourable external environment and slowing domestic demand varies from country to country, but is generally considered to be less than in 2008 and 2009. Further, while the shocks currently affecting the region are of a more permanent nature or the output gap is closed, expansionary demand policies are not appropriate and the counter-cyclical policy response must be more limited. In any event, save in Brazil, monetary policies are now highly accommodative. The fiscal policy response is proving to be more heterogeneous, since in some countries it is moderately counter-cyclical, while in others it is clearly contractionary. The main strengths lie in the high levels of international reserves, the limited public-sector indebtedness and the (controlled) exchange rate flexibility. Despite this, the short-term outlook is for low growth on average across the region, due to the absence of external stimulus and the ongoing recessionary climate in certain large economies representing nearly 50% of the region's GDP. Exchange rates are acting as the first shock absorbers (see Chart 1) and should help to adjust relative prices and the composition of demand. In any event, there is a need for structural reforms to restimulate growth based on factors less dependent on the foreign sector.

TERMS OF TRADE AND REAL EFFECTIVE EXCHANGE RATE

CHART 1

SOURCES: National sources and JP Morgan.

External environment

The performance of the world economy in 2014 H2 and so far this year has been shaped by three main inter-related developments: the deceleration of the Chinese economy and the change in its growth pattern, the sustained appreciation of the US dollar (driven by the divergence in the monetary policy cycles of the main advanced economies, with the euro area and Japan pressing ahead with their monetary expansion, while the United States may see interest rate rises this year) and the sharp fall in oil prices. Indeed, after some years of relative steadiness (around $110 per barrel of Brent), in summer 2014 oil prices started a dive which in mid-January 2015 culminated in lows of around $45 per barrel of Brent. They subsequently recovered to $60 per barrel and have held at somewhat below that level since mid-February. Food and metal prices showed a slightly downward trend in this same period.

The main advanced economies have performed relatively favourably and in recent months the cyclical divergences between them have narrowed somewhat as a result of Japan's exit from its technical recession, the recovery in the euro area and slightly worse-than-expected macroeconomic figures in the United States (although this economy's buoyant prospects remain in place for the coming quarters). In these economies the strengthening has generally been underpinned by the recovery of private consumption, fostered by favourable monetary and financial conditions and by the increased purchasing power of households associated with improved labour markets and lower inflation. In contrast, business investment continued to show a certain weakness. Meanwhile, the behaviour of economic activity differed notably across the various emerging regions, partly reflecting the impact of the fall in oil prices, according to each economy's reliance on this commodity. In particular, emerging Asia's economies performed positively, although China continued its gentle slowdown, which proceeded in parallel with the rebalancing of the economy towards a more sustainable model which gives greater weight to domestic consumption.

With the exception of some emerging areas, inflation held at very low rates (negative in some cases), which allowed numerous central banks both of advanced and emerging economies to intensify the expansionary stance of their monetary policies, in contrast to the expected tightening of interest rates in the United States.

The monetary policy divergences of the main central banks and the fall in oil prices shaped the behaviour of the international financial markets. Until mid-January there were increases in volatility, driven by diverse factors: political uncertainty in Greece, risks associated with the drop in oil prices (doubts as to the resilience of some oil exporting economies and the risk of deflation in some developed economies) and geopolitical tensions, most notably in Russia. Subsequently, from end-January, the announcement of the ECB's asset purchase programme and the expansionary measures adopted by other central banks, along with the partial rebound in and subsequent stabilisation of oil prices, mitigated investors' risk aversion. In any event, throughout the period analysed, the divergence of the monetary policy cycles of the main advanced economies has been reflected in a higher increase in the volatility of foreign exchange markets than in that of other segments. In this respect, the dollar continued appreciating against the major currencies. By contrast, ten-year government debt yields did not reflect the differences between economies to the same extent, but rather declined across the board in the first part of the period, in a flight to quality, and subsequently rose slightly.

In turn, the emerging financial markets deteriorated sharply from the beginning of October 2014, basically because of the oil price slump which particularly affected oil exporting countries. Thus some countries considered vulnerable, such as Russia, saw their most severe stock market falls and widening of sovereign spreads since the collapse of Lehman Brothers, although other markets previously notable for the strength of their fundamentals, such as Mexico, Colombia or Malaysia, were also profoundly affected. In addition, the appreciation of the dollar lessened the appeal of carry trade transactions in the emerging markets and led to positions being unwound in the most liquid markets, initiating a period of capital outflows.

Latin American financial markets and external financing

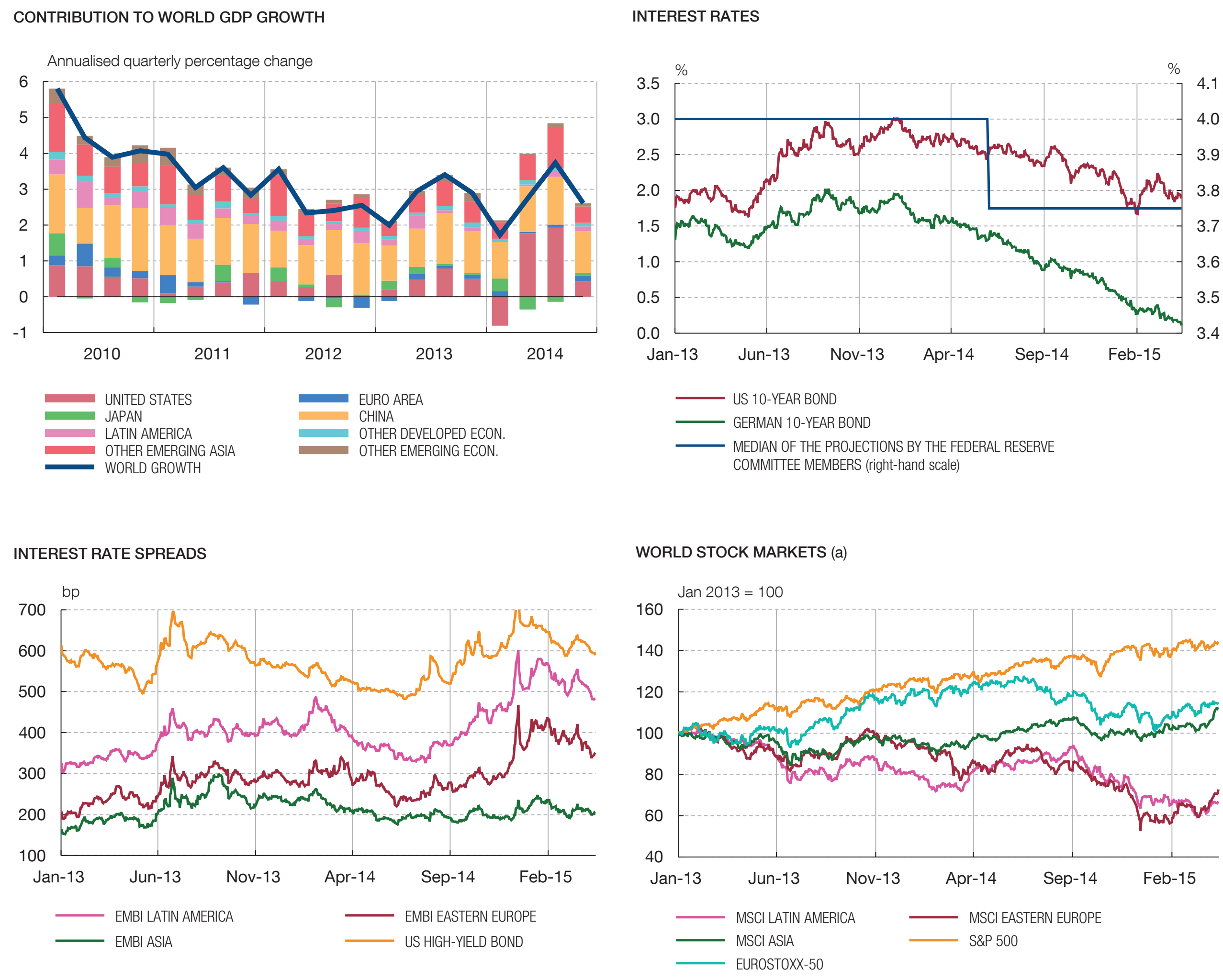
Against this background, the Latin American stock markets performed less favourably than those of the other emerging economies (see Chart 2), since commodity-related firms have a greater weight than in other regions. The Latin America dollar-denominated MSCI index fell by 22.6% between October 2014 and March 2015, compared with the decline of 20.9% in eastern Europe or the rise of 4.6% in Asia. Excluding mining or oil-related sectors, the fall in the Latin America index is markedly smaller (see Chart 3). Notable in local currency terms is the fall in the stock markets of the countries most affected (commercially and fiscally) by the fall in oil prices and in commodities in general (see Chart 3), such as Colombia (where the market fell by 27% between October and March), Peru (with a drop of 22%) and Mexico (with a decline of nearly 10% to year-end, although the market subsequently recovered when oil prices bottomed out and began to recover slightly).

The fall recorded by Brazil (8% in the months examined) is more associated with idiosyncratic factors, such as the completion of the electoral process at end-October, the announcement of restrictive monetary and fiscal policies against a background of markedly weak activity, the difficulty in approving these adjustment measures in Congress, and the problems besetting the state oil company Petrobras, including the downgrading of its credit rating to below investment grade.

The sovereign spreads of Latin American countries similarly trended upward from October, increasing by nearly 130 basis points (bp) to end-March, a worse performance than that of the other emerging areas (increase of 100 bp in eastern Europe and no change or a slight decrease in Asia) (see Chart 2). Again, this performance was determined by the sovereign spreads of the oil exporting countries (see Chart 3), such that the sovereign spread of the region excluding those countries widened by nearly 40 bp, compared with an increase of more than 350 bp for the oil exporting countries (80 bp excluding Venezuela). Argentina's sovereign spread held steady or tended to narrow, in the absence of any news on external debt default since summer 2014, while Venezuela's reached all-time highs as the oil price slump eroded the country's main strength (its current account surplus) and the level of

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.

liquid reserves dropped below the external debt payments scheduled for 2015, raising the probability of default. The sovereign spreads of Chile and Peru widened moderately (by 17 bp and 30 bp, respectively) in view of their relatively low levels of vulnerability, while that of Brazil increased by nearly 100 bp for the idiosyncratic reasons described earlier. Long-term bond yields on local markets did not, on the contrary, show significant upward movements and generally remained at the levels reached after the May 2013 turmoil.

In keeping with the behaviour of sovereign spreads, the credit risk premia reflected in CDSs increased throughout the region. In Venezuela the CDS premium rose by nearly 5,000 bp, meaning that from early January the markets are discounting a probability of default of 100%. For Brazil and Peru, the premia would be compatible with a sovereign rating of BB-, two notches below the average rating of the region (BB+), and a downgrading of one notch with respect to October 2014. The markets are also factoring in sovereign rating downgrades in all countries, especially in Brazil (three notches, so it would lose its investment grade).

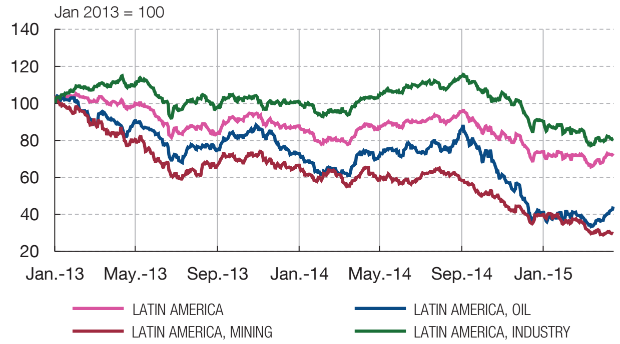
Between October 2014 and March 2015, exchange rates showed a general tendency to depreciate against the dollar, more sharply in Mexico (-12%), Colombia (-23%) and Brazil

FINANCIAL INDICATORS

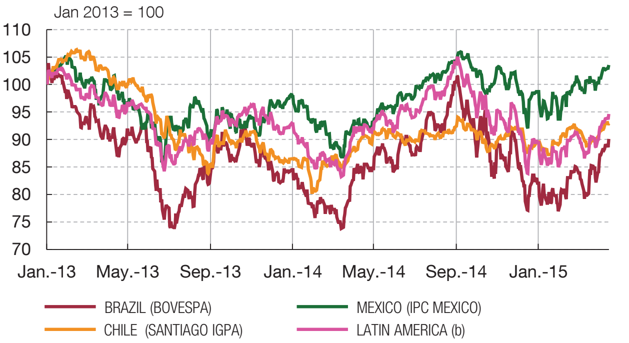
Indices, basis points and percentage points

CHART 3

STOCK EXCHANGE INDICES (a)



STOCK EXCHANGE INDICES



SOVEREIGN SPREADS

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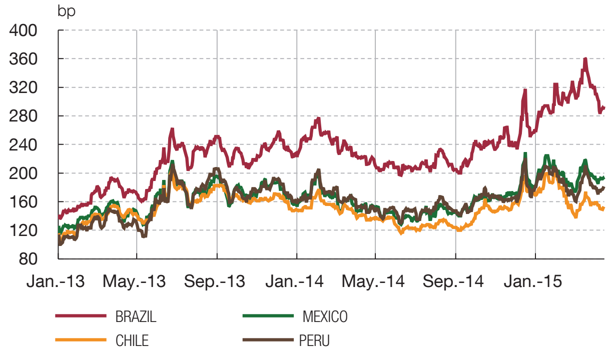
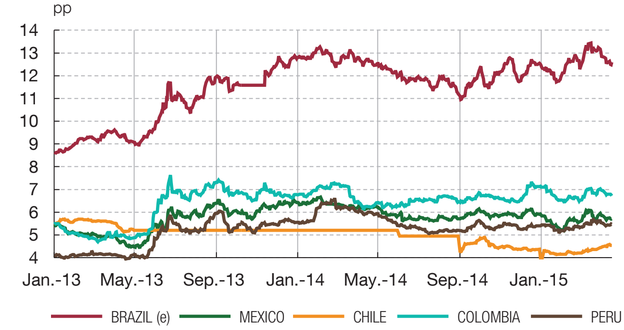
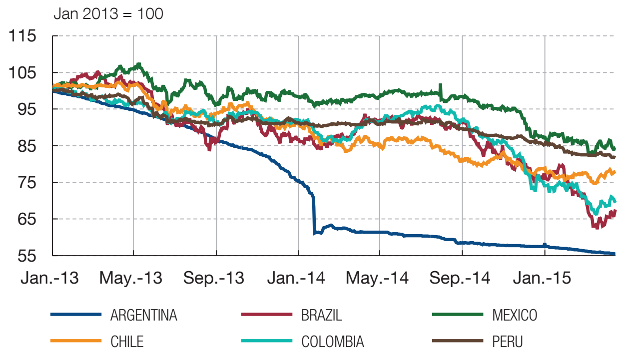


SOVEREIGN SPREADS

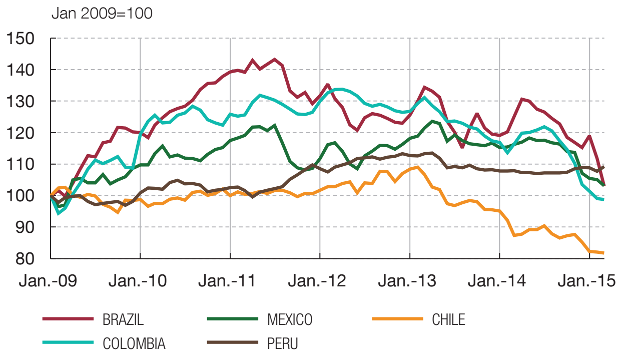
MEDIUM-TERM BOND INTEREST RATE IN LOCAL CURRENCY (d)



NOMINAL EXCHANGE RATE AGAINST THE DOLLAR



REAL EFFECTIVE EXCHANGE RATE

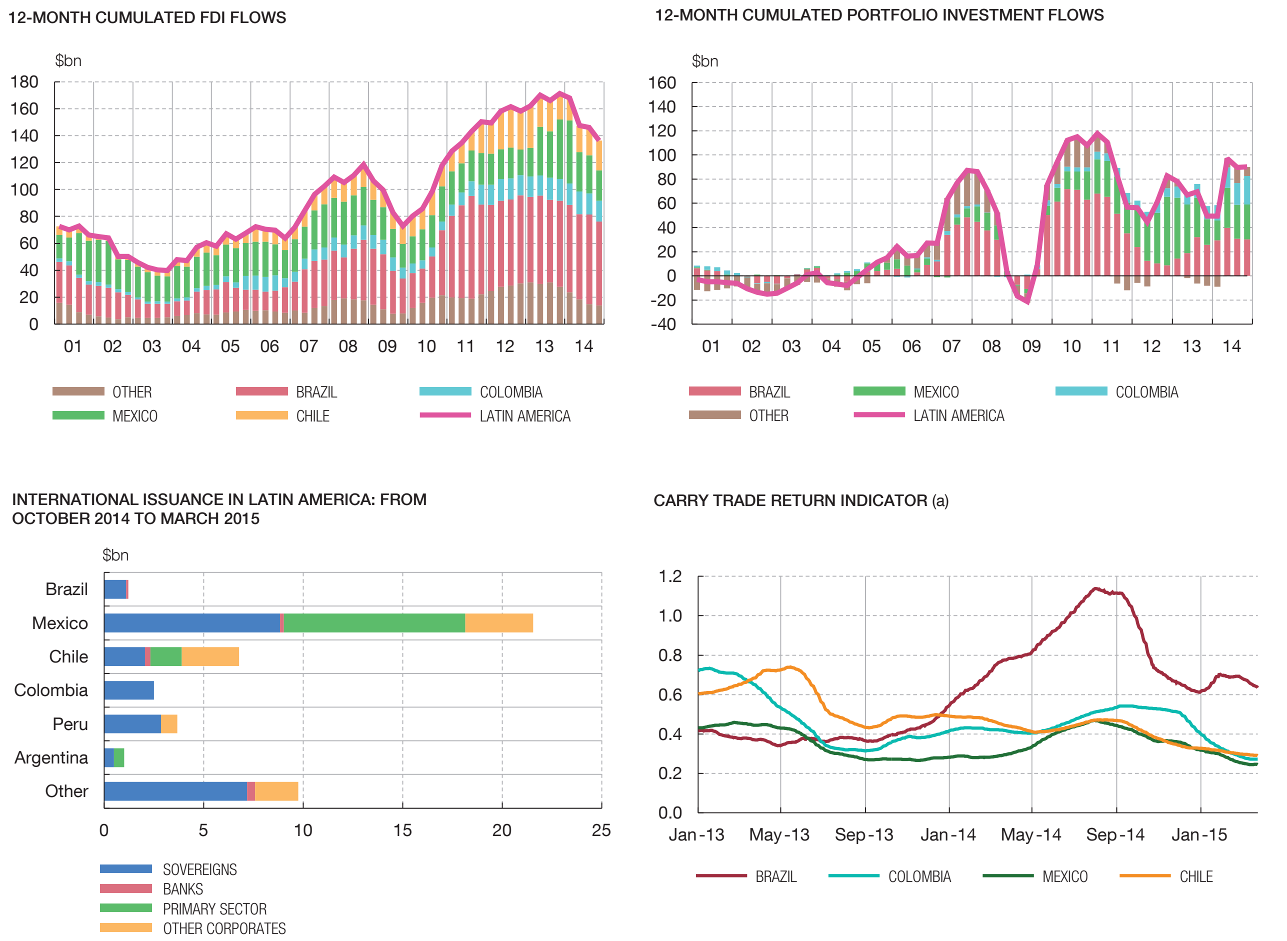


SOURCES: Datastream, JP Morgan, Bloomberg, Banco Central do Brasil and national statistics.

a Stock exchange indices in dollars.
b MSCI Latin America index in local currency.
c Bolivia, Ecuador, Colombia, Mexico, Venezuela.
d 10-year government bonds in local currency.
e 5-year interest rate swap.

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

CHART 4



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

a Short-term interest rate spreads against the dollar divided by the volatility of exchange rate options.

(-25%, where the real dipped to 3.3 reais per dollar, its lowest level since 2003) than in the rest of the region (see Chart 3). In addition to the above, another factor in the depreciation of the Mexican peso and the Brazilian real was probably their more liquid and deeper financial markets, which are better equipped for currency hedge transactions than less liquid markets. The sharp depreciation of these currencies led to the reactivation of the official intervention programme in Mexico, to renewed interventions via swaps in Brazil (this programme was finally discontinued in March) and to the non-renewal of the dollar purchase programme in Colombia. In Venezuela a new foreign exchange market was started up in which foreign currencies can be freely bought and sold at exchange rates which are 96% lower than the official rate and near the parallel exchange rate, although the volume of transactions is very small. This behaviour of nominal exchange rates has passed through, at least in part, to real rates, reversing in some cases the loss of competitiveness accumulated since 2009 (see Chart 3).

The information available on capital flows indicates an appreciable moderation of capital inflows into the region in 2014. This is explained by the decline in direct investment, which is the non-callable component of financial flows. Thus direct investment inflows into Latin America as a whole amounted to $140 billion (in annualised terms) in 2014 Q4, compared with $175 billion in 2013 (see Chart 4). This fall to levels similar to those of mid-2011 arose basically from the decline in inflows into Mexico ($21.6 billion less than in 2013) and, to a lesser extent, into Brazil ($6 billion less). Thus the basic balance (percentage of the current account deficit covered by direct investment) worsened in nearly all countries, falling below 1 in Brazil, Colombia and Peru, indicating a greater reliance on debt to finance their growing external imbalances. However, portfolio inflows increased during the year in all countries, particularly in Colombia, Mexico and Brazil (in the latter two cases, in shorter-term instruments), although they moderated towards the end of the year, in keeping with the loss of the attraction of carry trade transactions in some of these markets (see Chart 4).

Finally, between October 2014 and March 2015, fixed income issuance by the region decreased substantially with respect to the previous six months (to $47 billion from $61 billion), basically as a result of the sharp fall in placements in Brazil, where the corporate sector issued only $1.1 billion, compared with more than $27 billion in 2014 H1. The absence from the market of Petrobras, which had raised $13.6 billion in the first six months of last year, largely explains this decrease; in fact, Petrobras has announced an asset sale programme to finance part of its operations. Contrastingly, placements in Mexico rose from $15.6 billion in April-September 2014 to $22.5 billion in the half-year under examination, with increased activity by the state oil company (43% of total issuance) and the government (39% of the total). So far the conditions of these issues have not changed substantially and in fact there has been a slight fall in primary market interest rates and a lengthening of maturities, with the exception of issues in Brazil, although, as noted above, their volume has been extraordinarily low.

Activity and demand

Amidst the general trend of deceleration, the most notable features of activity and demand patterns in late 2014 were the unevenness of growth rates and the diversity of cyclical positions. In some countries, such as Brazil, the deceleration has probably not touched bottom. By contrast, in others, such as Chile, there are signs of steadiness and even of recovery of demand. Meanwhile, in Mexico, a recovery based on foreign demand continues to gather strength, although growth was lower than expected in 2014. These divergences between countries derive, firstly, from the differing momentum of their main trading partners (pick-up in the United States and slowdown in China) and, secondly, from agents' expectations as to macroeconomic policy management and the boost to structural reforms (which seem to have been positive in Mexico and more uncertain elsewhere). Also, the oil price slump since October is impinging positively on the growth prospects of countries such as Chile which import most of the energy they consume, but extremely negatively on the activity and the external and fiscal position of some of the region's main oil exporters (see Box 1). In a positive light, the exchange rate depreciation, insofar as it does not pass through to inflation, will foreseeably allow external demand to make a greater contribution to growth in 2015.

Specifically, the pace of change of activity in the region slowed further in 2014, since GDP grew by 1.3% in the year as a whole, 1.3 percentage points (pp) less than in 2013. The regional average for 2014 H2 indicates that growth stabilised at very low rates under 0.5% in quarter-on-quarter terms (see Chart 5). Thus the year-on-year GDP growth rates of the six main economies (excluding Venezuela, because its Q4 figure has not yet been released) went from 0.9% year-on-year in Q3 to 1.1% in Q4 (see Table 1). These low growth rates are largely explained by the marked weakness of the Brazilian economy, whose GDP fell in year-on-year terms by 0.6% in Q3 (revised down from the initial figure) and by 0.2% in Q4. For its part, Venezuela underwent a contraction in activity of nearly 3% in the year, albeit with an upward pattern throughout. The rest of the region exhibited uneven trends: Mexico

Oil prices, which had shown a certain stability on international markets until mid-2014, began to fall in July, collapsing as from October. Specifically, the price of a barrel of West Texas Intermediate (WTI) – the benchmark for Latin American oil exporters – fell from $90 per barrel in September to $44 in mid-January 2015, although it has recently rebounded to over $55.[1] The impact on Latin America of this shock differs greatly from country to country, given that some economies import practically all the oil they consume (such as Chile and some of the Central American countries), and in others oil is an export product (in the case of Venezuela, almost the only export good) and a source of substantial tax revenues. For the former, the decline in oil prices is a positive supply-side shock that raises agents' purchasing power and generates gains in competitiveness, as it lowers output costs; moreover, by reducing expenditure abroad, the trade balance improves. For the latter, in contrast, a reduction in foreign revenues ensues and, therefore, a deterioration in the trade balance, with consequences for disposable income and also for public finances.

1 Levels of $50 per barrel of West Texas intermediate (WTI) entail a 60% decline from the 2008 peak. However, it should be borne in mind that each country has its own price for the crude it exports, which will depend on its quality, transport costs, etc. For example, the Venezuelan mix has a price close to 10% below WTI; however, its rate of change is very similar to that of WTI.

This Box analyses the effects of the decline in oil prices in three of the region's main oil exporting countries: Colombia, Mexico and Venezuela. Although in the three instances the impact is adverse, there are highly significant differences between them. Firstly, because the predominant transmission channel is different: Colombia is chiefly affected by the trade channel, Mexico by the impact of tax revenues and Venezuela by both (see Panel 1). Secondly, because during the commodity boom years the reaction of the local oil industry and of the economy as a whole was different: in Colombia, the oil sector gradually gained in importance, to the extent that it now accounts for 5% of GDP; by contrast, in Mexico, where the economy is more diversified, the weight of the oil industry has systematically diminished, now also representing 5% of GDP; lastly, in Venezuelan the oil industry is strategic (11% of GDP), but output has stagnated in the last six years. Thirdly, because the current macroeconomic situation and, therefore, economic policy leeway differ greatly.

A first sign of the scale of these effects is discernible in the downward revision of the expected GDP growth in these three countries. Indeed, an increase in activity of 3.6% is expected for Colombia in 2015, compared with 4.8% in 2014; in Venezuela a contraction of 7% is anticipated; and in Mexico's case the expectations of a boost to medium-term growth induced by the energy reform approved some months ago have eased most appreciably.

1 WEIGHT OF THE OIL SECTOR IN THE ECONOMY

Country	Production (bn bpd)	Average oil price 2014 Q4 ($)	% of exports	% of tax revenue	% of GDP
Mexico	2.2	66.3	11	30	5
Colombia	1.0	62.9 (a)	53	20	5
Venezuela	2.4	64.5	96	47	11

SOURCE: National statistics.

a Crude oil sale price of Ecopetrol.

2 MACROECONOMIC SITUATION AND POLICY ROOM FOR MANOEUVRE

Country	Fiscal balance as % of GDP	Current account balance as % of GDP	Reserves as % of GDP	Fiscal rule (year of application)	Oil stabilisation fund, as % of GDP
Mexico	-3.2	-2.1	15	2014	0.3
Colombia	-2.4	-4.2	13	2014	0.2
Venezuela (a)	-14.9	+2.9	6	—	—

SOURCES: National statistics and IMF.

a Estimated from 2011 central government data.

In a more detailed analysis, the biggest effect through the trade channel[2] is seen in Venezuela, where a 10% decline in oil prices would entail a 6% drop in exports and a cut in the current surplus of 0.5% of GDP. Hence, the decline in oil prices since October would be on a sufficient scale to wipe out the current account surplus which the country ran before the shock (3% of GDP) and was considered the country's main strength; however, the sharp contraction in imports, whose volume has fallen by almost 25% in the past two years, has acted as a counterweight. In Colombia, the trade balance worsened considerably, by more than 2 pp of GDP, taking the current deficit to a 15-year high (-4.2% of GDP). Lastly, the importance of this channel in Mexico is more limited, given that a 10% decline in the price of the Mexican mix accounts for only a 0.9% drop in exports. Nonetheless, the biggest risk associated with the decline in oil prices would stem from potentially lower foreign investment inflows under the energy reform launched last year, although certain amendments to the reform (tendering of shallow-water instead of deepwater areas) do try to increase the attractiveness for potential investors.

The impact of the fall in oil prices on the fiscal position of these countries depends not only on the change in price, but also on output, on the weight of oil revenues in total public revenues (see Panel 2) and on the exchange rate at which crude export revenues are converted into local currency.[3] Thus, the depreciation of the exporting countries' currencies against the dollar, which usually accompanies a decline in oil prices, partly mitigates the fall in oil revenues when these are recorded in the domestic currency. In this respect, Mexico and Colombia have flexible exchange rates – albeit with intervention rules – that have depreciated by 15% and 25%, respectively, since October. Venezuela's case is more complex, since there is a system of multiple exchange rates with an extremely overvalued official exchange rate, used, until some months back, to value oil-related tax revenues.

Bearing this in mind, in Colombia's case estimates suggest that the fall in prices recorded since June would have reduced oil tax revenues by at least 10%[4] in 2014, and the Government estimates an additional reduction of 60% in 2015, which would lead to a 10% fall in tax revenues in the current year. In Mexico, the same decline in oil prices since June has reduced oil-related tax revenues by 42%, and total revenues by 13% in 2014. In the case of Venezuela, the impact of lower oil prices on the fiscal position is much more complicated to estimate, given the lack of official figures.[5] In 2013, the latest year for which figures are available, oil revenues accounted for 46.6% of total central government revenues. These oil revenues, measured in nominal terms and in local currency, depend, as indicated earlier, on crude output and on the international price, and on the exchange rate at which PDVSA revenue is converted into national currency. Estimating the effect of these three variables with a very simple regression shows that the decline in oil prices since June would have given rise to a reduction in oil revenues potentially amounting to 45%, which would lead to a decline in total revenues of 21% in 2014.

The pass-through this decline in revenues to the budget deficit is not immediate, since it depends, in the first two cases, on the fiscal rules recently approved or amended, and on various mechanism set in place to insulate the public sector from the vagaries of oil prices. In fact, such mechanisms were introduced in Colombia and Mexico in 2011 and in 2013 (although both came into force in 2014), respectively. They envisage the accumulation of oil revenues in a sovereign wealth fund subject to specific rules, relating essentially to expected oil prices in the long run and potential output.[6] The little time both systems have been in force has limited their ability to smooth fluctuations in public revenues associated with the recent decline in oil prices. Hence, the sovereign funds in both countries have built up a relatively small amount (scarcely 0.2%-0.3% of GDP), although under the escape clauses, in situations of cyclical weakness, the rule shall not give rise to a contractionary fiscal policy, which would further exacerbate such weakness. In Mexico, moreover, an active policy has been pursued for several years to insulate public finances as far as possible from changes in oil prices, through taking out a hedge position in the futures markets. In Venezuela's case, the pass-through to the deficit is complicated, as only central government figures are available, to which should be added the effect on the other tiers of government whose revenues depend to a greater or lesser extent on oil, such as PDVSA and the various investment funds. In any event, the fall in prices has a bearing on what is already a very weak fiscal position, which the IMF quantifies as an overall general government deficit of 15% of GDP, and without any prior saving mechanisms.

2 In the trade channel only price effects are considered, since in the short term oil is difficult to replace with other products.

3 In the case of Venezuela it should be borne in mind, moreover, that the country has entered into several association agreements with Central American and Caribbean countries, and with China. These agreements envisage lower-than-market prices. Finally, another factor to be taken into account would be each country's commodity exploitation market structure, and here the range is from State monopolies that transfer dividends to the Treasury (Mexico), through exploitation with strict rules to ensure most of the revenues for the State oil company (Venezuela) to more open markets with State investment that provides dividends to the State and foreign investment that pays specific royalties for operating in the country.

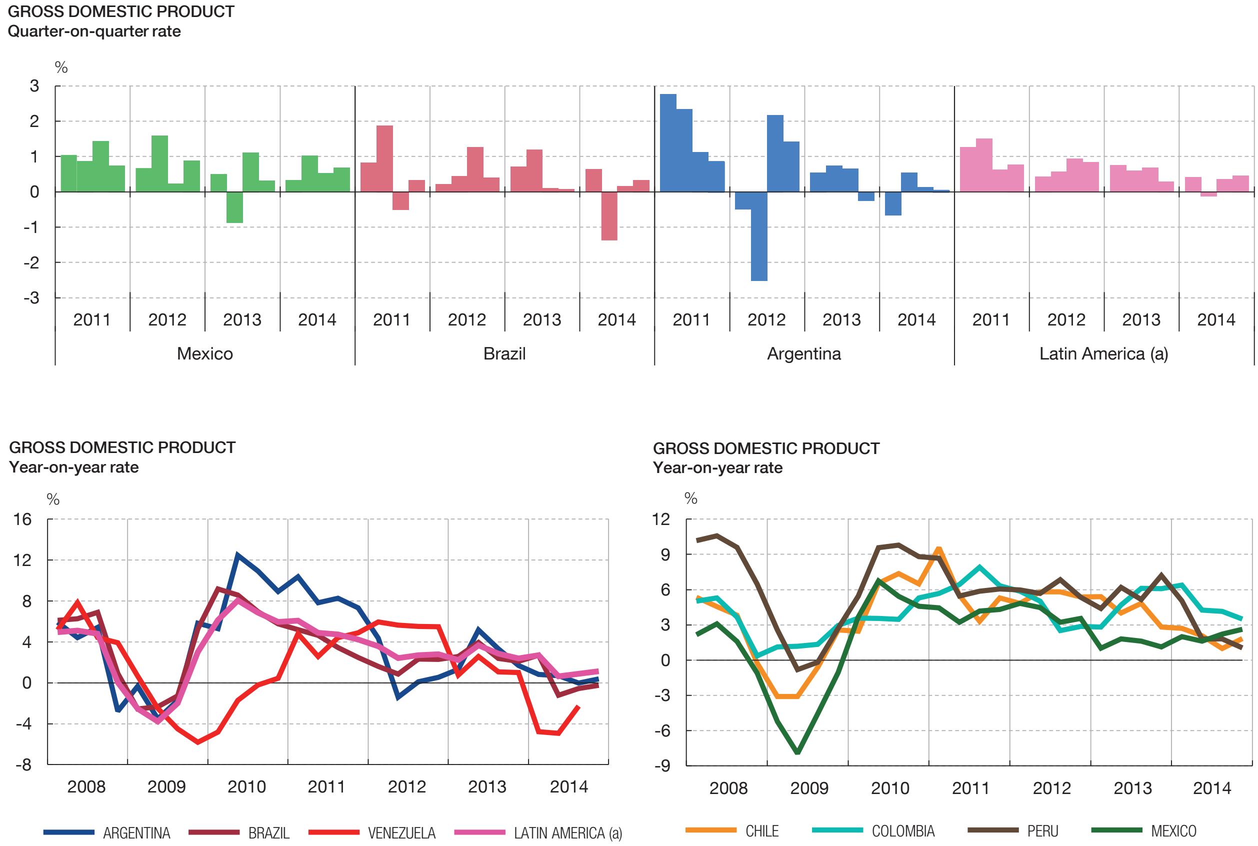
4 This amount includes only the withholding at source of the value of oil exports, in the absence of the figures on Ecopetrol dividends and other taxes on the oil sector.

5 The uncertainty over tax figures in Venezuela is very high, since the Ministry of Finance does not publish data for the whole of the public sector and for central government beyond 2011 and after 2013, respectively, when much of public spending in recent years has been by the State oil company PDVSA and the group of investment funds present in the country. Accordingly, the figures in this Box should be viewed with great caution.

6 For greater details on the Colombian rule, see J.C.Berganza (2012), *Fiscal rules in Latin America: a survey,* Documentos Ocasionales, No. 1208, Banco de España; and on the Mexican rule, the Box on structural reforms in Mexico in the *Report on the Latin American economy. Second half of 2014,* Economic Bulletin, Banco de España, October 2014.

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

CHART 5



SOURCE: National statistics.

a Latin America 6 as a GDP-weighted average for the region.

showed somewhat greater dynamism (with year-on-year growth of 2.2% in Q3 and 2.6% in Q4), Colombia and Peru saw a certain additional slowdown, and Chile an incipient recovery in the last quarter, although from very low growth rates (see Chart 5).

By component, the regional average data show that domestic demand contributed only 0.4 pp to year-on-year growth in Q3, although the contribution amounted to 0.9 pp in Q4 (see Chart 6), while foreign demand contributed around 0.2 pp in Q4 compared with 0.5 pp in Q3. This lower contribution stemmed from a fall in exports (-1.8% at regional level), which was partially offset by the fall in imports (-0.9%). The divergence between the behaviour of exports in Brazil, with a year-on-year fall of 10.7% in Q4, and Mexico, with an increase of more than 10% year-on-year in Q4, reveals, among other things, the different growth prospects in their main trading partners (upward in the United States and downward in China). On the negative side, Colombia recorded a fall of 2% in its exports in Q4, owing to the slump in the price of its main export.

Gross fixed capital formation contributed negatively to growth, although in Q3 and Q4 it showed a certain recovery. However, in this component there were growing differences across countries. In Mexico, the growth rate rose significantly thanks to its private component (9.9% year-on-year in Q4), perhaps partly associated with the structural reforms and with the vigorous foreign demand from the United States. In Chile, where the uncertainty stemming from the approval of the tax reform dissipated, the adjustment of the

LATIN AMERICA: MAIN ECONOMIC INDICATORS

TABLE 1

	2013	2014	2013				2014				2015
			Q1	Q2	Q3	Q4	Q1	Q1	Q3	Q4	March
GDP (year-on-year rate)											
Latin America 6 (a)	2.7	1.3	2.2	3.7	2.9	2.4	2.7	0.6	0.9	1.1	
Argentina	2.9	0.5	1.3	5.2	3.3	1.7	0.8	0.7	0.0	0.4	
Brazil	2.7	0.1	2.6	3.9	2.4	2.1	2.7	-1.2	-0.6	-0.2	
Mexico	1.4	2.1	1.0	1.8	1.6	1.1	2.0	1.6	2.2	2.6	
Chile	4.2	1.9	5.4	4.0	4.8	2.8	2.7	2.1	1.0	1.8	
Colombia (b)	4.9	4.6	2.8	4.7	6.1	6.1	6.4	4.3	4.2	3.5	
Venezuela	1.3		0.8	2.6	1.1	1.0	-4.8	-5.0	-2.3		
Peru	5.8	2.4	4.4	6.2	5.2	7.2	5.0	1.8	1.8	1.1	
CPI (year-on-year rate)											
Latin America 5 (a)	4.6	5.0	4.5	4.9	4.4	4.4	4.7	4.9	5.1	5.2	5.7
Argentina (c)	10.6	22.6	10.8	10.4	10.5	10.7	6.9	13.5	18.2	22.6	—
Brazil	6.2	6.3	6.4	6.6	6.1	5.8	5.8	6.4	6.6	6.5	8.1
Mexico	3.8	4.0	3.7	4.5	3.4	3.7	4.2	3.6	4.1	4.2	3.1
Chile	2.1	4.4	1.7	1.9	2.3	2.5	3.2	4.5	4.7	5.3	4.2
Colombia	2.0	2.9	1.9	2.1	2.3	1.8	2.3	2.8	2.9	3.5	4.6
Venezuela	38.5	57.3	22.6	33.0	43.4	52.9	53.3	55.6	57.5	61.3	—
Peru	2.8	3.2	2.6	2.5	3.1	3.0	3.4	3.5	2.9	3.2	3.0
Budget balance (% of GDP) (d)											
Latin America 6 (a)	-2.4	-4.0	-2.1	-2.2	-2.5	-2.4	-2.6	-3.0	-3.6	-4.2	
Argentina	-1.9	-2.5	-1.9	-1.8	-1.8	-1.8	-2.0	-2.0	-2.1	-2.3	
Brazil	-3.3	-6.7	-2.8	-2.8	-3.3	-3.3	-3.2	-3.7	-4.9	-6.7	
Mexico	-2.3	-3.2	-2.0	-2.2	-2.8	-2.3	-2.8	-3.2	-3.4	-3.1	
Chile	-0.7	-1.5	0.2	-0.7	-0.5	-0.7	-1.0	-0.8	-1.1	-1.2	
Colombia	-2.2	-2.6	-1.4	-2.5	-2.7	-2.2	-2.7	-3.6	-3.4	-2.6	
Venezuela	—	—	—	—	—	—	—	—	—	—	
Peru	0.5	-0.4	1.2	0.7	0.5	0.5	0.4	0.0	0.1	-0.4	
Public debt (% of GDP)											
Latin America 6 (a)	40.1		41.4	40.1	40.2	38.6	41.3	41.8			
Argentina	32.6		32.1	31.7	32.5	33.2	37.9	36.1			
Brazil	56.7	63.5	59.4	59.0	58.2	56.7	57.5	59.0	61.9	63.5	
Mexico	31.1	33.4	29.3	29.7	30.3	29.9	31.8	32.0	32.9	32.0	
Chile	12.8	15.1	11.5	12.1	12.6	12.8	12.8	13.5	13.7	15.1	
Colombia	34.6	37.7	33.0	33.3	34.9	34.6	35.9	35.0	35.6	37.7	
Venezuela	—	—	—	—	—	—	—	—	—	—	
Peru	19.0	19.4	19.5	18.5	17.7	19.0	17.8	18.2	18.4	19.4	
Current account balance (% of GDP) (d)											
Latin America 7	-2.5		-2.1	-2.3	-2.6	-2.6	-2.7	-2.7	-2.6		
Argentina	-0.8	-1.4	-0.3	-0.3	-0.6	-0.7	-1.2	-1.1	-0.9	-0.9	
Brazil	-3.4	-3.9	-2.8	-3.0	-3.4	-3.4	-3.5	-3.5	-3.5	-3.9	
Mexico	-2.4	-2.1	-1.6	-2.0	-2.3	-2.3	-2.6	-2.5	-2.3	-2.1	
Chile	-3.7	-1.2	-4.2	-4.2	-3.8	-3.7	-3.2	-2.7	-1.8	-1.2	
Colombia	-3.2	-5.2	-3.5	-3.2	-3.2	-3.2	-3.5	-4.0	-4.3	-5.2	
Venezuela	2.3	—	1.4	0.9	1.2	1.5	2.8	2.9	2.2	—	
Peru	-4.4	-4.1	-3.6	-3.9	-4.3	-4.4	-4.2	-4.4	-3.8	-4.1	
External debt (% of GDP)											
Latin America 7	22.6		20.0	19.6	19.8	20.4	23.5	24.0	24.2		
Argentina	22.6	25.8	23.0	21.7	22.9	21.8	28.6	26.6	26.6	25.8	
Brazil	13.8	14.8	14.6	14.1	13.7	13.8	13.6	14.3	14.2	14.8	
Mexico	20.1	21.8	19.1	18.7	19.3	20.6	20.8	21.1	21.0	21.8	
Chile	47.3	56.8	43.5	42.9	44.4	47.2	48.7	50.4	52.3	56.8	
Colombia	24.2	26.8	21.5	22.0	23.7	24.2	25.0	25.6	26.1	26.8	
Venezuela	56.1		43.4	46.1	49.6	56.1	58.1	59.2	61.7		
Peru	29.2	31.7	30.5	29.6	29.3	29.3	30.1	30.5	31.1	31.7	

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.

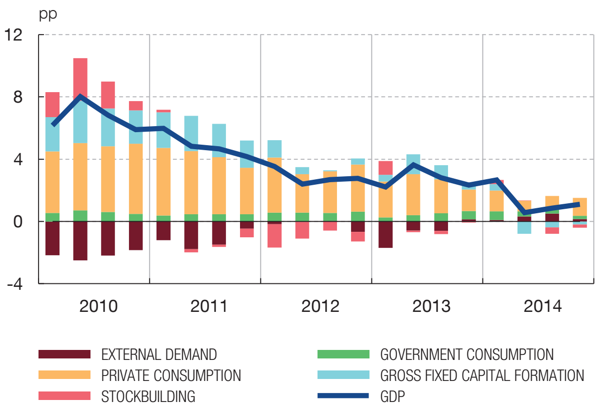
investment cycle over the last two years seems to be coming to an end and investment went from falling at rates above 12% to rising at 0.5% year-on-year in Q4. In Colombia, investment slowed moderately in Q4 as a result of the adjustment in the construction and infrastructure sector, and to a lesser extent in the oil sector, but even so it continued to be

COMPOSITION OF GDP ON THE DEMAND SIDE

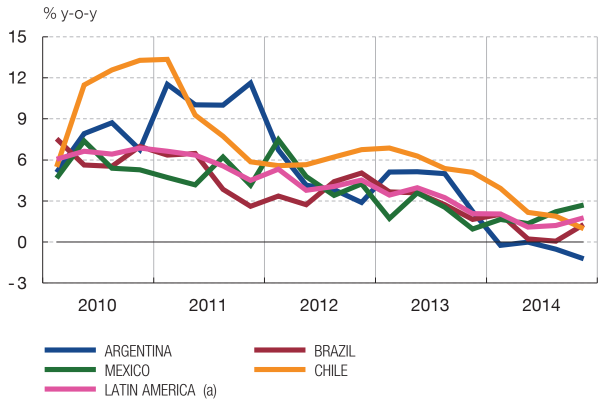
Year-on-year rate and pp

CHART 6

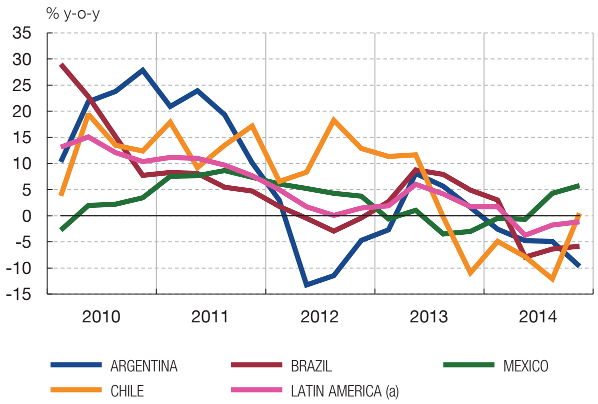
CONTRIBUTIONS TO YEAR-ON-YEAR GDP GROWTH (a)



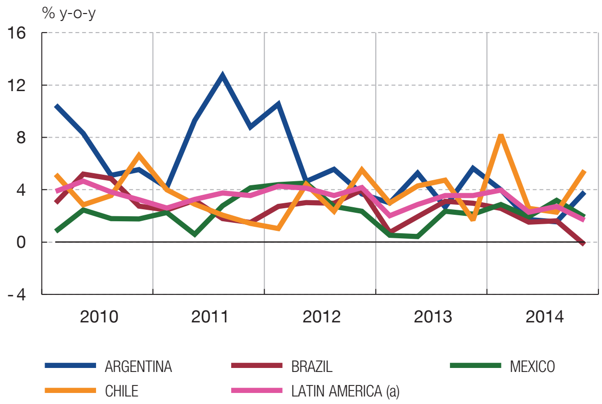
PRIVATE CONSUMPTION



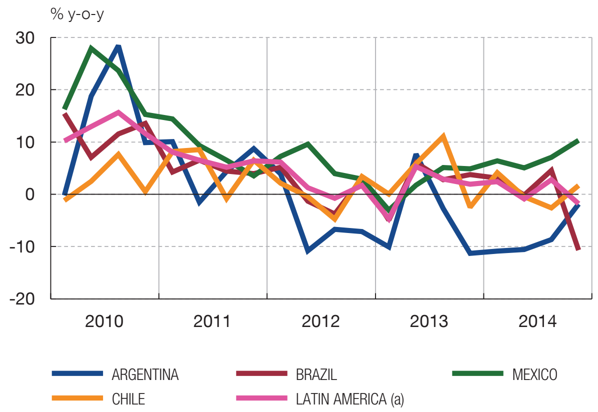
GROSS FIXED CAPITAL FORMATION



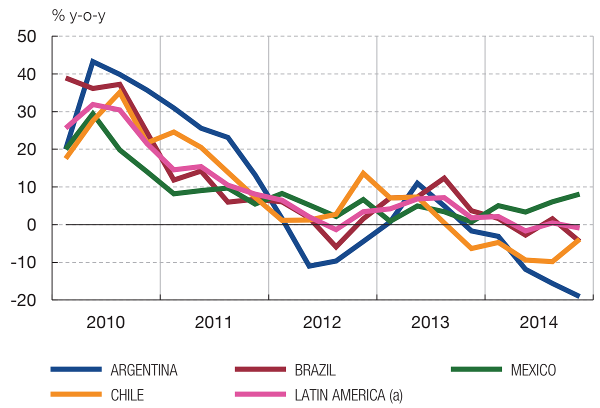
GOVERNMENT CONSUMPTION



EXPORTS



IMPORTS



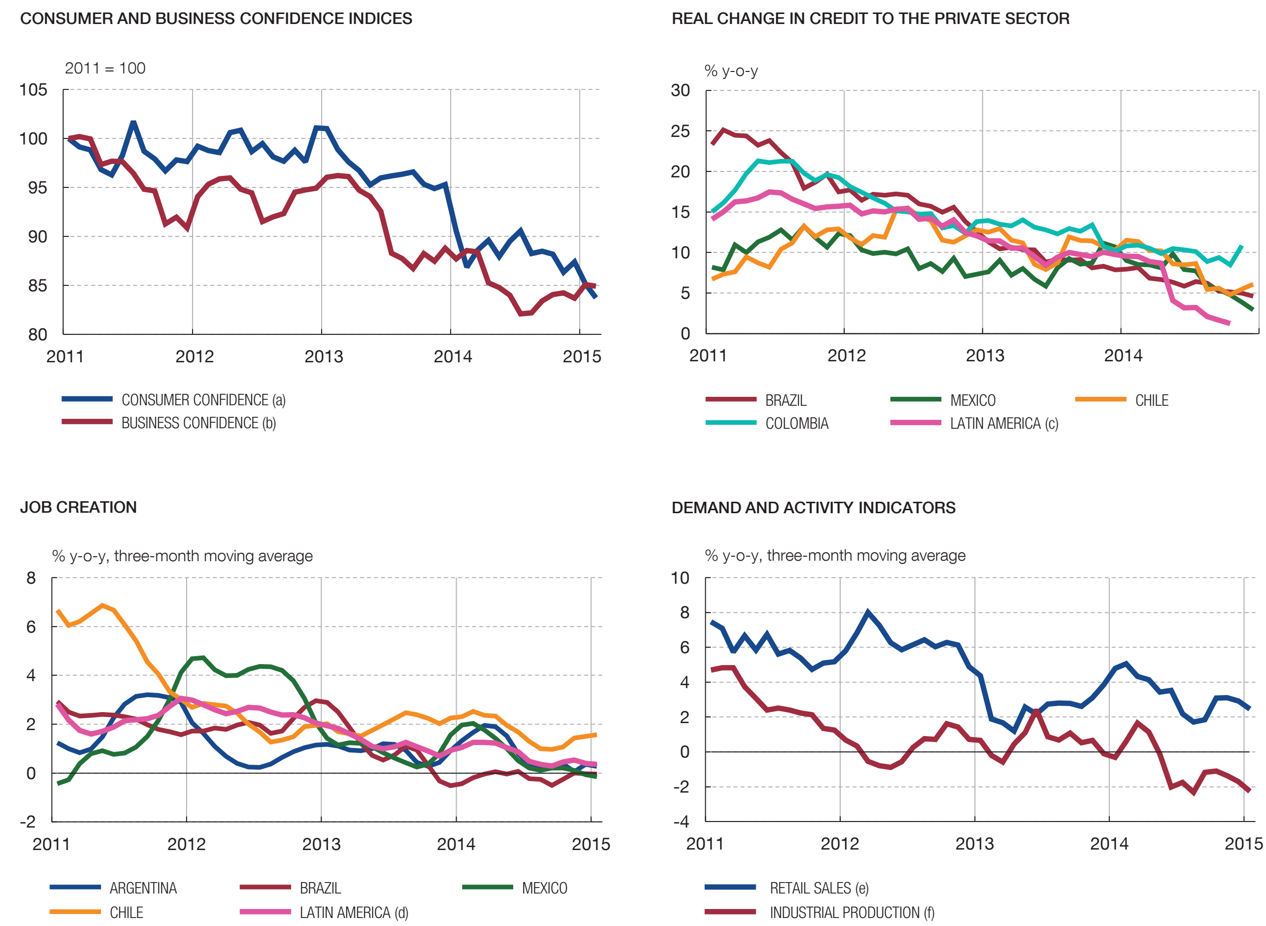
SOURCES: National statistics and IMF.

a Latin America 6 as a GDP-weighted average for the region.

the fastest-growing component of demand. By contrast, in Brazil investment dropped sharply in H2 (-6.1% on average), against a background of falling business confidence indicators which did not regain ground after the elections. Both the announcement of a procyclical economic policy adjustment and the uncertain extent of the impact of factors

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

CHART 7



SOURCES: National statistics and Datastream.

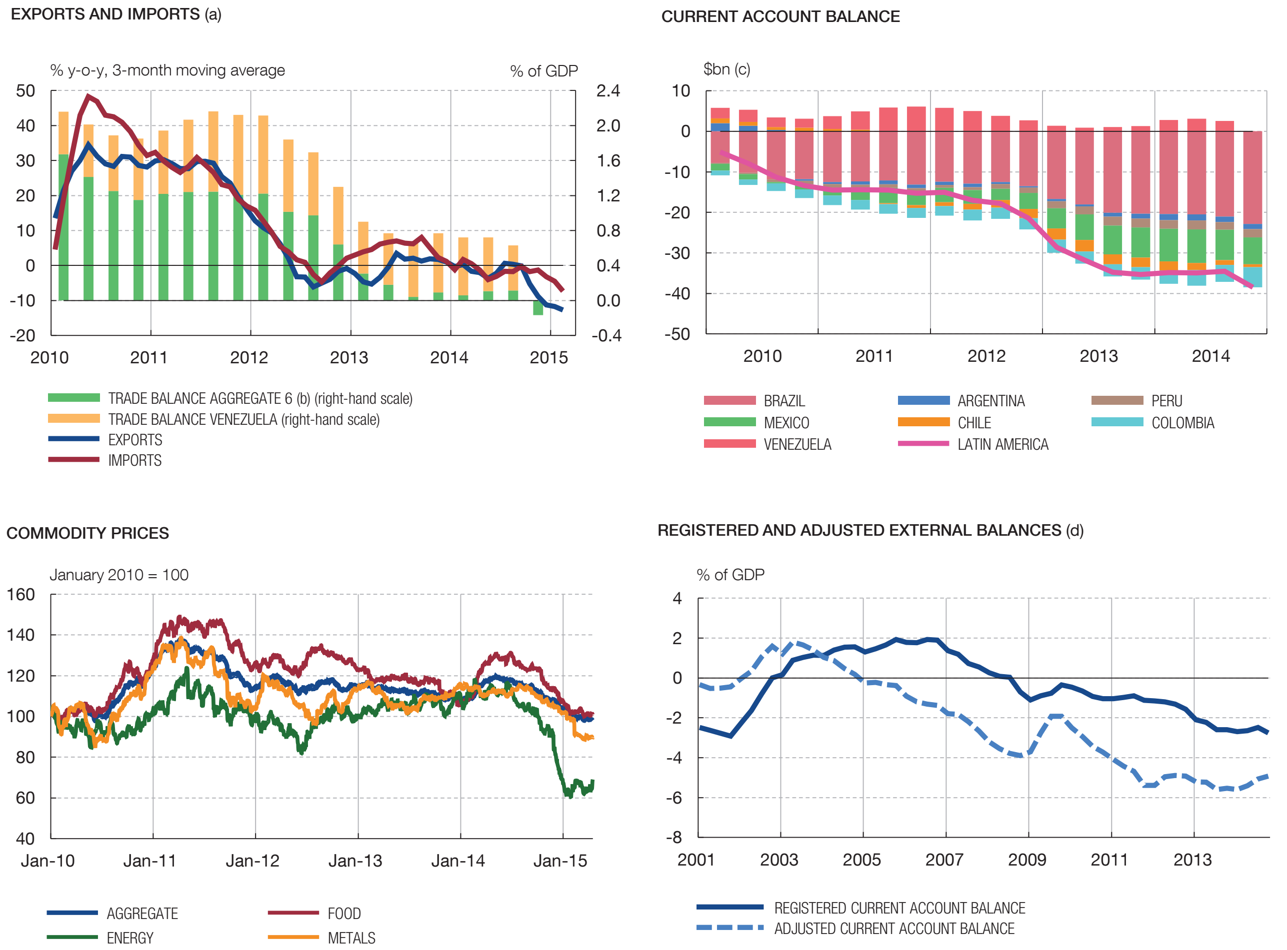
a Aggregate of Argentina, Brazil, Chile, Mexico and Peru.
b Aggregate of Brazil, Chile, Mexico and Peru.
c Aggregate of Brazil, Chile, Colombia, Mexico, Peru and Venezuela.
d Aggregate of Argentina, Brazil, Chile, Colombia, Mexico, Peru and Venezuela.
e Aggregate of Brazil, Chile, Colombia and Mexico.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

such as the corruption scandals in the state oil company Petrobras seem to be behind this performance. In Argentina and Venezuela the import restrictions gave rise to sharp falls in investment, in machinery and equipment in the former and in construction in the latter.

The behaviour of private consumption over the six-month period was, by contrast, somewhat more uniform across the region. On average in Latin America private consumption continued to slow, posting a growth rate near to 1.5% in 2014 as a whole (compared with 3% in 2013), although recovering somewhat in Q4 (1.8%, compared with 1.2% previously). Brazil, Chile, Argentina and Venezuela all recorded low or even negative growth rates in H2, while in Colombia and Peru consumption continued to show its robustness. In Mexico, consumption recovered towards the end of the year, posting a rate of 2.7% year-on-year. The general situation of most labour markets remained healthy, as evidenced by unemployment rates near their historical lows (5.4% of the labour force in the region on average at end-2014). However, job creation generally showed signs of weakness and fell, in line with previous quarters, to rates below 1% (see Chart 7). Some countries, such as Brazil, saw jobs destroyed in the six-month period. In Mexico, by

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

CHART 8



SOURCES: Datastream, national statistics and central banks.

a Customs data in dollars.
b Latin America 6.
c Four-quarter moving average.
d Estimate of adjusted balances, setting export and import prices as the average from 1990 to 2007. In the cases of Chile and Peru, a fixed level in the income balance has been estimated as a percentage of GDP.

contrast, job creation in the formal sector strengthened considerably, and simultaneously informal employment decreased. Real wages buoyed up consumption, since they grew in most countries; in some cases (such as Brazil) unemployment transfers and support for low income households also increased significantly; in turn, lending to the private sector slowed (in Brazil, in the sectors most closely linked to private consumption, such as credit cards) (see Chart 7). Finally, it should be noted that government consumption lent some momentum to growth in Brazil and Chile and in the more vulnerable countries (see Chart 6).

The trade surplus of the region decreased by 0.2 pp of GDP to 2014 Q3 (see Chart 8), owing to the smaller surplus of Venezuela. Excluding that country, the region's trade account remained virtually in balance until Q3 (+0.1% of GDP), although in 2014 Q4 and the opening months of 2015 it showed a deficit, owing to the behaviour of nominal exports, which fell in the regional aggregate by nearly 10% year-on-year (see Chart 8). This fall was attributable to the oil price slump, but also to the contraction in exports to China (particularly those of Brazil), which was barely offset by an increase in exports to the United States. The current account deficit held steady at around 3% of GDP in regional average terms, owing to a slight improvement in the income balance (associated with lower profit repatriation by foreign firms in the commodities sector) and an increase in transfers received. By country, the deficit decreased slightly in Mexico and Peru and, above all, in Chile, but worsened in the rest. The recent decline in the terms of trade narrowed the difference between the region's current account balance and the current account balance adjusted for the change in terms of trade (see Chart 8).

Finally, the most frequent indicators for 2015 Q1 suggest that the aforementioned intra-regional divergences remain. Thus, industrial output posted rates of change around -2%, as a result of developments in Brazil, Chile, Argentina and Peru, while in Colombia and Mexico the rates remained positive. Retail sales rose strongly in Mexico and Colombia, while they decelerated in Brazil. In the countries for which PMI indices are published, the trends in Q1 are upward, except for Brazil, albeit starting from levels that are still very low compared with the historical average.

Prices and economic policies

In the past six months, since the publication of the previous *Report on the Latin American Economy,* inflation in the five countries with inflation targets steadied, on average, at relatively high levels, standing at 5.7% year-on-year in March 2015 (see Chart 9). In fact, at end-2014, only in Colombia and Brazil had consumer prices remained within, albeit towards the top of, the band set by their central banks (see Table 2). The regional average masks, however, an increase in the divergences across countries with respect to the first half of 2014.

In Brazil, inflation rebounded in March to 8.1% year-on-year, the highest level in the last ten years and more than 1.5 pp above the upper bound of the range. Part of this increase is a result of rises in some administered prices (which increased by 13.3% year-on-year in March) against a background of fiscal adjustment, and the impact is, in principle, temporary. However, the various inflation components continued to evidence pressures to a greater or lesser degree, since the core rate stood at 8% year-on-year and the rate of change in non-tradable goods prices at 7.5% and in the price of services (excluding those with regulated prices) at 6.1%. Thus only tradable goods showed a certain moderation in 2014 H2, to 5.7% year-on-year in March. This is particularly noteworthy because it took place against a background of sharp exchange rate depreciation, a symptom of weak domestic demand.

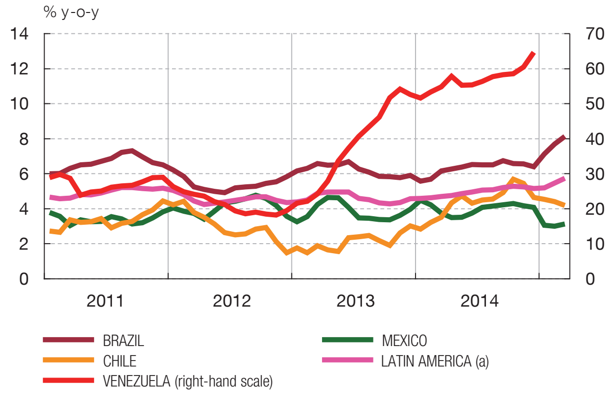
In the other countries with inflation targets, the general trend was one of either deceleration or stabilisation. In the former case are Mexico (3.1% year-on-year in March) and Peru (3% year-on-year), with inflation at the central bank's target and no evidence of pass-through of exchange rate depreciation. In Chile and Colombia inflation remained at the top of the target range, at 4.2% and 4.6% year-on-year, respectively, in March, evidencing the effect of exchange rate depreciation. In both cases, part of the pressure on prices has passed through to core inflation, although medium-term inflation expectations remain anchored. The impact of the oil price slump on inflation was noticeable especially in oil importing countries such as Chile, Peru and, to a certain extent, in Argentina also. In Argentina, Colombia, Mexico and Brazil petrol prices are administered (and subsidised) and the final impact on consumer prices is smaller (see Chart 9). Argentina and Venezuela continued to post very high inflation rates, above 20% and 60% year-on-year, respectively, against a background of monetary financing of the budget deficit, although inflation moderated somewhat in Argentina in early 2015 against a backdrop of standstill in activity, exchange rate stability and falling oil prices.

In this setting, the divergences observed in monetary policies in 2014 H1 increased (see Chart 9). The central bank of Brazil (which in April had halted the upward interest rate cycle) intensified its monetary policy tightening after the October presidential election in

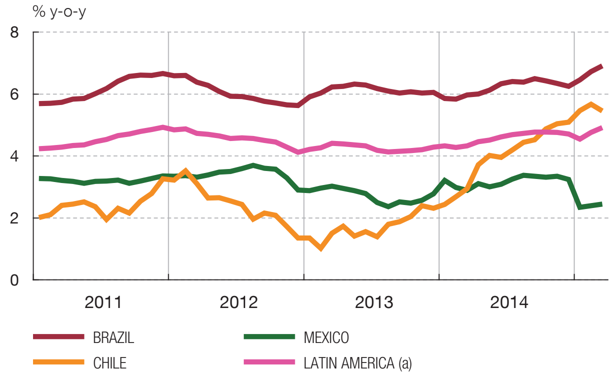
INFLATION AND OFFICIAL INTEREST RATES
Year-on-year rates of change and percentage

CHART 9

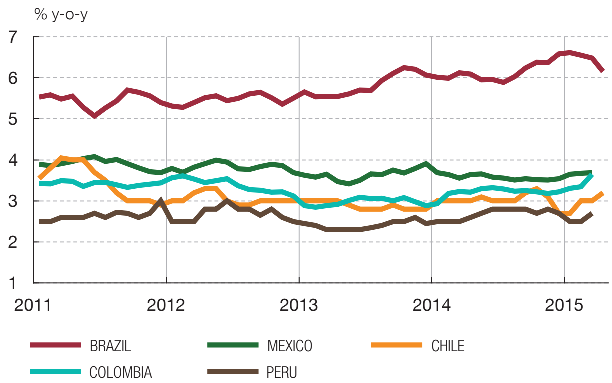
INFLATION RATE



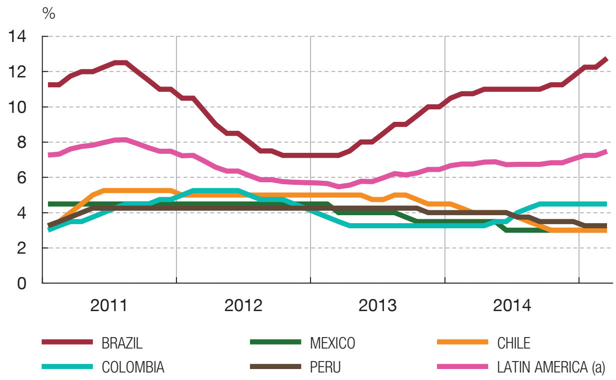
CORE INFLATION RATE



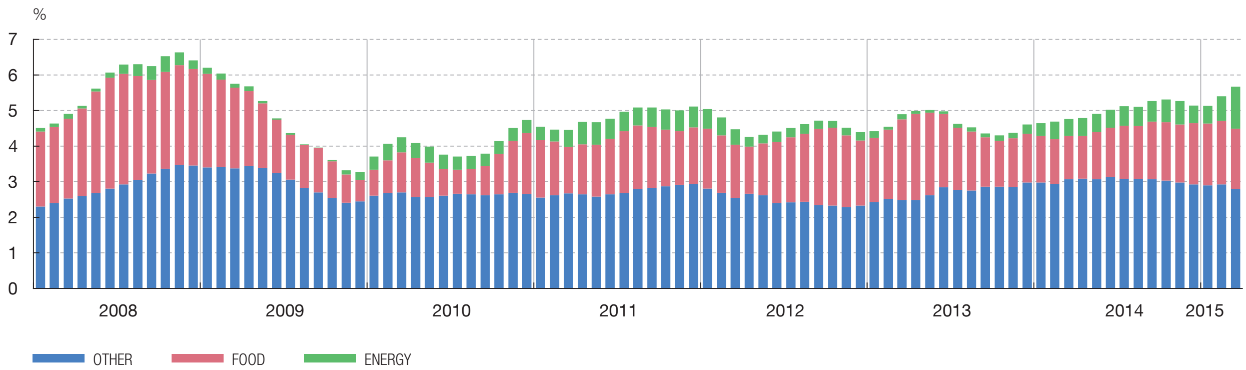
12-MONTH INFLATION EXPECTATIONS



OFFICIAL INTEREST RATES



CONTRIBUTION TO INFLATION IN LATIN AMERICA (a) (b)



SOURCES: Datastream and national statistics.

a Aggregate of Brazil, Chile, Colombia, Mexico and Peru as a GDP-weighted average for the region.
b Banco de España calculations stripping out the food and energy indices from the overall index.

order to lend more credibility to the inflation target (4.5%). The rise of 125 bp to 12.75% in the official interest rate, on top of the previous rise of 375 bp, makes the monetary adjustment strongly procyclical in the short run. Despite this, the exchange rate has continued to depreciate (reaching 3.3 reais per dollar), making a cumulative depreciation of 30% in the past year and of more than 50% since the beginning of 2011, contained by the central bank's exchange rate intervention programme. Also, the government announced

INFLATION
Year-on-year rates of change

TABLE 2

	2014			2015		2016
Country	Target	December	Fulfillment	March	Expectations (a)	Expectations (a)
Brazil	4.5 ± 2	6.4	Yes	8.1	7.7	5.5
Mexico	3 ± 1	4.1	No	3.1	3.1	3.4
Chile	3 ± 1	4.6	No	4.2	3.0	3.0
Colombia	3 ± 1	3.7	Yes	4.6	3.5	3.1
Peru	2 ± 1	3.2	No	3.0	2.6	2.6

SOURCES: National statistics and Consensus Forecasts.

a March 2015 Consensus Forecast for the end of the year.

cuts in the state funding to public development banks (whose loan market share has reached 50%) and two increases in the lending rates of those banks (to 6%).

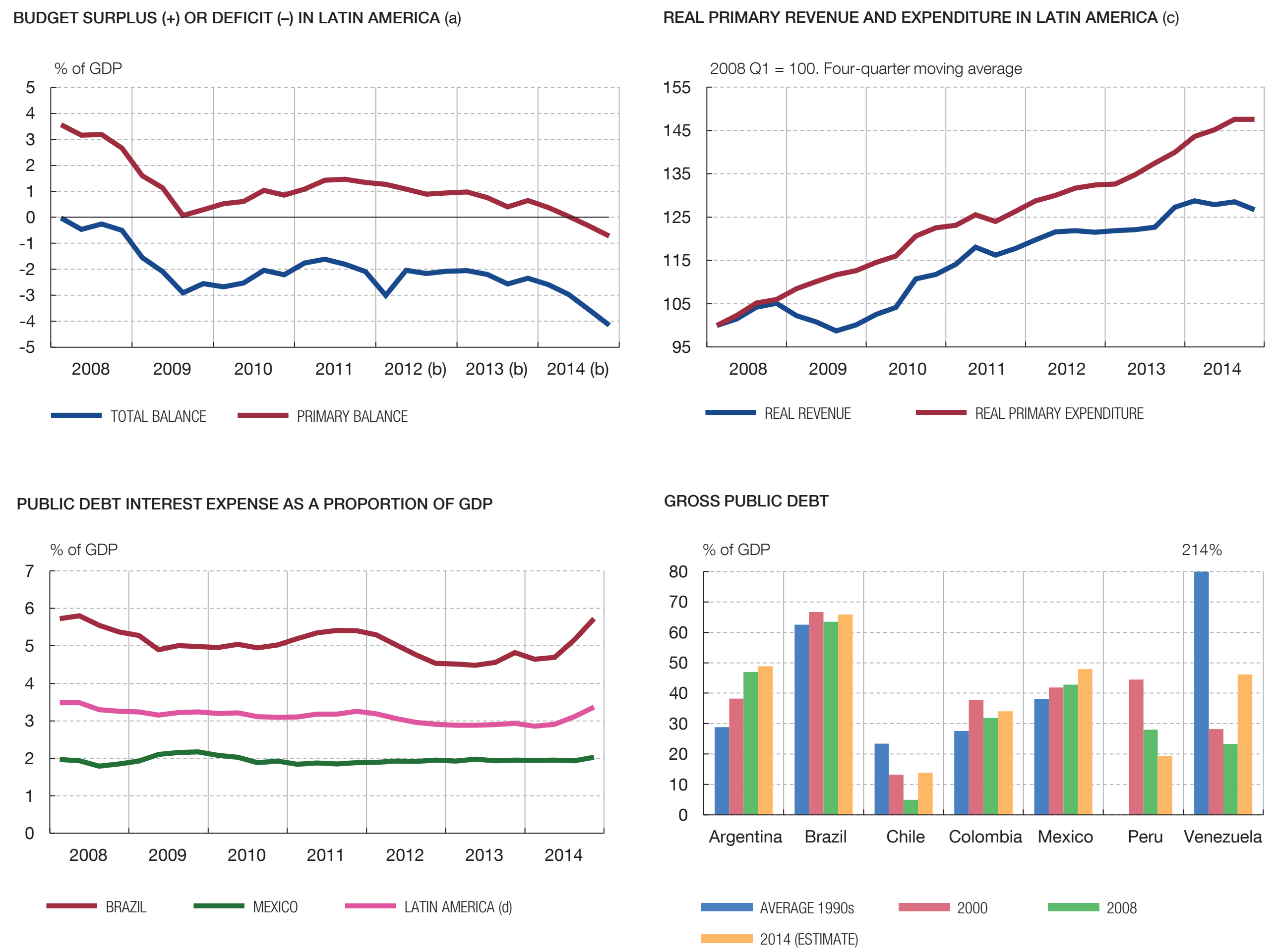
In the other countries with inflation targets, Mexico and Colombia held their official interest rates unchanged in the past six months, while the central bank of Chile trimmed its official interest rate by 25 bp to 3% in October and the central bank of Peru did so twice, by 50 bp each time, to 3.25%. Both in Mexico and, above all, in Chile and Peru, monetary policies have been expansionary over the past year and a half, and only in Colombia, which ended its upward interest rate cycle in mid-2014, has monetary policy been more neutral. Interestingly, in all four countries the projections are for inflation to decrease or at least steady in 2015, and yet while in Colombia and Peru the markets are factoring in the possibility of new interest rate cuts (more likely if stable terms of trade were to halt the exchange rate depreciation), in Mexico the market is discounting an interest rate rise in accordance with the US monetary cycle. In Chile expectations have changed in the past month and no longer discount official interest rate cuts.

Exchange rate depreciation has been an important factor for monetary policy in most countries, since although attempts have been made to help real exchange rates adjust to lower terms of trade, Peru and, recently, Mexico have intervened in the foreign exchange market, selling reserves to smooth these trends, and Colombia has completely discontinued its reserve accumulation programme. In addition, Peru has used macroprudential policy to reduce its vulnerability to depreciation of the sol (making debt denominated in foreign currency more expensive than that denominated in national currency).

Meanwhile, in the fiscal policy arena, the end of 2014 saw, practically without exception, an across-the-board widening of budget deficits (or, in the case of Peru, the evaporation of the budget surplus) (see Chart 10). This was mainly a result of the poor revenue performance owing to the cyclical position and the fall in commodities-related receipts, although in some countries it was also a result of expanded government spending, which helped to sustain household income and private consumption. In Brazil the deficit widened substantially in 2014 to 7% of GDP, and with a view to 2015, despite the political difficulties, the authorities are trying to implement a fiscal adjustment, which will have procyclical effects in the short term but which is necessary to put public finances back on a firm footing and strengthen their credibility in the medium term. In the other countries the fiscal worsening in 2014 was less pronounced. For 2015, in Mexico, Colombia, Peru and Chile the existence of fiscal rules should bestow a countercyclical or acyclical nature on fiscal policy, thereby isolating to some extent the fiscal accounts from commodity price fluctuations

MAIN PUBLIC SECTOR FIGURES
Percentage of GDP and index

CHART 10



SOURCES: National statistics and 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 Latin America 5.
d Latin America 6.

(see Box 2). Even so, the responses differ. In Colombia and Peru the fiscal rule, the stabilisation funds, and, above all, the low level of government debt have prevented a procyclical adjustment (additional to that envisaged in medium-term consolidation plans) despite the fall in oil, copper and other metal prices. In Chile fiscal policy is determined, firstly, by the tax rise under the recently approved tax reform, and secondly, by the desire to carry out an expansion to counteract the fall in growth, with a sharp increase in this year's investment budget. Also, the projected deficit has been relaxed to -1.9% of GDP, although the target is still to reach a balanced budget (in terms of the cyclically-adjusted balance) in 2018. Mexico has announced an expenditure adjustment for both 2015 and 2016, against a background of falling oil prices and falling oil production, as a signal to the markets that the risk that a part of the oil slump may be permanent will not induce it to resort to greater indebtedness in a situation of change in the global financial cycle.

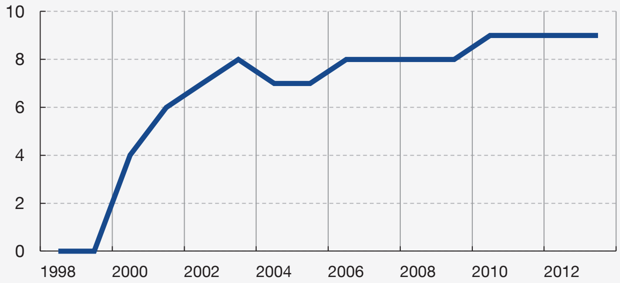
Trade and reforms

Over the period analysed, headway was made in trade liberalisation, both globally, with the signing of the Trade Facilitation Agreement that re-opens the Doha Round negotiations, and regionally, with renewed momentum in the area of influence of the Pacific Alliance. Thus, progress was made at different levels (start of conversations, completion of parliamentary

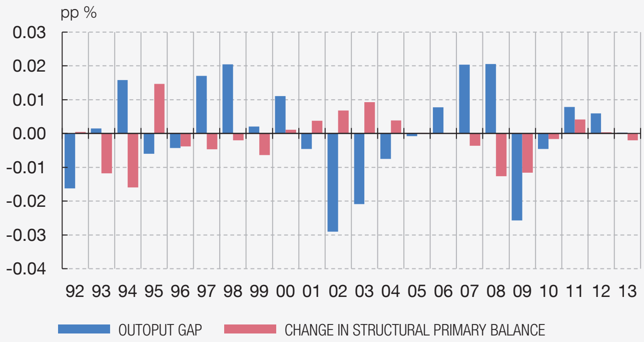
The use of fiscal policy as a business cycle smoothing tool represents a historical challenge in Latin America. In the empirical literature, fiscal policy has systematically been found to behave procyclically for Latin America (i.e. the application of an expansionary fiscal policy when the cycle is buoyant and a contractionary policy when the economy is in recession), as occurs in other emerging economies. The intensity of the procyclical bias is exacerbated in Latin America by the relative insubstantiality of the automatic stabilisers, low revenue-raising capacity and the dependence of public revenues on commodities exports, and also by external financial conditions that amplify economic fluctuations. In particular, the high dependence of the Latin American countries on external financing and episodes of sudden stops in capital inflows, against a backdrop of exchange rate rigidities, have traditionally given rise to procyclical fiscal policy responses, especially in downturns.

However, a change in behaviour can be seen in recent years. In particular, during the global financial crisis Latin American economies held up particularly well, with counter-cyclically geared macroeconomic policies to alleviate the effects of the crisis. Moreover, a significant institutional change in budgetary terms was observed from the onset of the new millennium, in the form of the implementation of a more

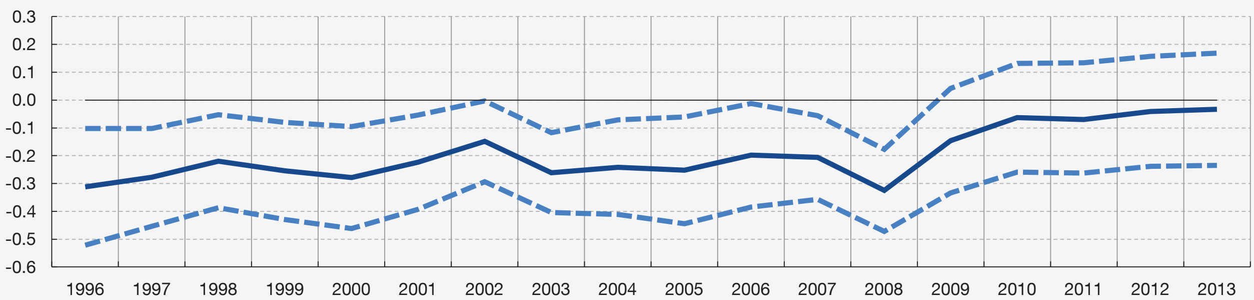
1 NUMBER OF COUNTRIES WITH FISCAL RULES IN LATIN AMERICA



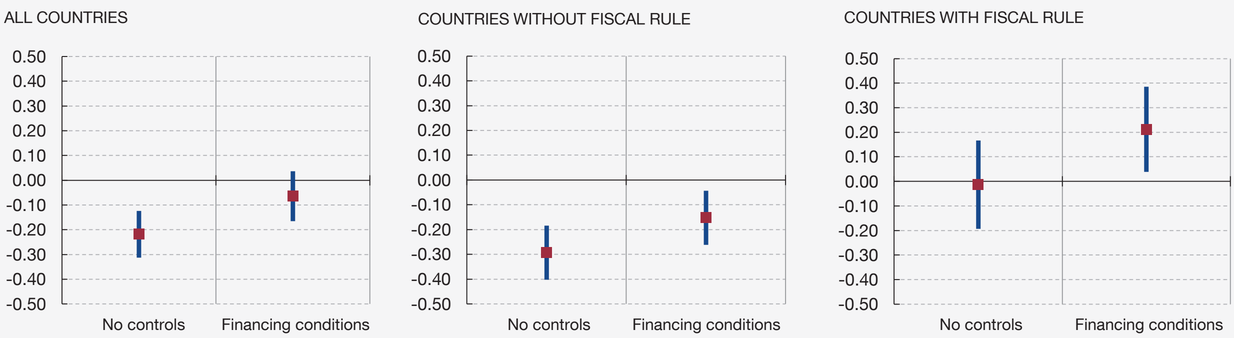
2 OUTPUT GAP AND STRUCTURAL PRIMARY BALANCE



3 COEFFICIENT OF FISCAL POLICY REACTION TO THE ECONOMIC CYCLE (a)



4 COEFFICIENT OF FISCAL POLICY REACTION TO THE ECONOMIC CYCLE, BY DETERMINANT



SOURCES: IMF Fiscal Rules Dataset, CEPAL, OECD and Banco de España.

a Output gap coefficient in a MCO regression with a 7-year rolling window and a 90% confidence interval. A negative (positive) coefficient denotes a procyclical (counter-cyclical) fiscal policy.

robust fiscal framework involving the adoption of rules in many countries in the region (see Panel 1). These fiscal rules have been developed with various aims. In some countries they seek to restrict the growth of debt or the primary deficit in order to enhance the sustainability of public finances in the medium and long term, while in others the aim is the stabilisation of the cycle and the generation of fiscal space in upturns so as to be able to undertake fiscal expansions in recessive times. The creation of sovereign funds drawing on commodities revenues in Chile, and more recently in Colombia and Mexico, and the introduction of medium-term structural balance sheet objectives are some of the economic policy developments linked to these fiscal rules.

In order to be able to assess the fiscal policy stance in Latin America, primary structural budget balances (i.e. excluding the interest burden and the impact of the business cycle from the total public balance) must be estimated and adjusted, moreover, for the impact of commodities prices, since many of the region's countries depend to a greater extent on revenues from primary goods exports to balance their public finances, and their prices also show highly persistent temporary fluctuations. For a sample of eight of the main Latin American economies[1] in the period 1990-2013, this Box shows primary structural balances adjusted for the price of commodities – using OECD and IMF methodology[2] – and assesses whether the change in external financing conditions, on one hand, and the introduction of fiscal rules, on the other, have provided for a shift towards a fiscal policy able to smooth the business cycle.[3]

Panel 2 shows the primary structural balance and the output gap in the countries analysed, as an arithmetic mean. As can be seen, counter-cyclical fiscal policy situations are seldom observed in the period in question; i.e. periods in which either a positive output gap (economic expansion) is accompanied by a positive change (restrictive fiscal policy stance) in the primary structural balance, or a negative output gap (economic recession) occurs at the same time as the change in the primary structural balance turns negative (restrictive fiscal policy stance). However, there was a break in this pattern in 2009 due to the major fiscal impulse applied in response to the global financial crisis, and in the years immediately after the crisis there were some improvements in the primary structural balance in favourable economic circumstances. The prevalence of the procyclical fiscal policy stance in the region over the past 25 years is corroborated by a simple econometric analysis, in which the primary structural balance is regressed on the output gap. In fact, Panel 3, which illustrates the changes in the coefficient measuring the cyclical response of fiscal policy in the form of a seven-year moving window together with confidence bands of 90%[4], shows that procyclicality in the region was relatively stable and significant up to the reaction to the 2009 crisis. Following the 2009 fiscal impulse, the coefficient measuring the fiscal policy response to the cycle ceases to be significant, i.e. fiscal policy ceases to be procyclical and becomes acyclical.

To analyse changes in financial conditions in respect of the relationship between the fiscal policy stance and the cycle, the foregoing regression includes an indicator, derived from the literature analysing debt sustainability,[5] which seeks to approximate the financial position of the public sector. This indicator is constructed as the primary structural balance that would stabilise the public debt/GDP ratio in each period, given the implied yield paid by the public sector on debt issued[6] and the growth of the economy. This variable takes into account financing conditions and the underlying fiscal situation, such that it measures the fiscal space of the authorities.[7] The results indicate that financing conditions significantly influence the cyclical response of fiscal policy. As can be seen in Panel 4, the procyclical nature of fiscal policy lessens once the influence of financing conditions is taken into account.

The impact of the introduction of fiscal rules on the fiscal policy response to the cycle is more difficult to evaluate. First, it is not easy to assess whether fiscal rules contribute to eliminating the counter-cyclical bias of fiscal policy or whether, on the contrary, their creation is part of a process in which improved institutions may be a step forward towards achieving fiscal discipline. Further, measurement of the quality of fiscal rules is an open issue. This study uses the IMF database[8] to construct different *de jure* indicators of fiscal rules, without going into an assessment of either their suitability or the de facto compliance with the fiscal rules.[9] The primary structural balance regression is estimated once again on the output gap, allowing the coefficient of this latter variable to differ depending on the existence or not of fiscal rules.[10] The results show that countries whose fiscal discipline is underpinned by a fiscal rule have been able to make progress towards eliminating the procyclical tendency of fiscal policy (see Panel 4). Whether this behaviour shows that fiscal rules function as a signalling mechanism of a commitment to a more stable fiscal policyremains open to discussion.

1 Argentina, Brazil, Chile, Colombia, Costa Rica, Mexico, Peru and Uruguay.

2 See Daude, Melguizo and Neut (2011), "Fiscal policy in Latin America: counter-cyclical and sustainable?", *Economics: The Open-Access, Open-Assessment E-Journal,* vol. 5, 2011-14.

3 Alberola, Kataryniuk, Melguizo and Orozco (2015), "The long (and unfinished) march towards fiscal policy stabilisation in Latin America: the role of financial conditions and fiscal rules", mimeo.

4 A negative coefficient in the regression denotes procyclical behaviour of fiscal policy, and vice versa.

5 Alberola and Montero (2006), "Debt Sustainability and Procyclical Fiscal Policies in Latin America", *Economía, LACEA, Journal of the Latin American and Caribbean Association* – 7 (1), pp. 157-193, autumn.

6 Specifically, this variable is constructed as follows: TB=[(r-g)/1+g]*D(-1), where r is the average yield effectively paid, g is GDP growth and D(-1) the stock of debt in the previous period.

7 The inclusion of this variable in the regression of the primary structural balance is potentially subject to a problem of endogeneity, since the financing conditions may also depend on the fiscal policy stance. To try and resolve this problem, an instrumental variables estimate is used.

8 *IMF Fiscal Rules Dataset.* See A. Schaechter, T. Kinda, N. Budhina and A. Weber (2012), *Fiscal Rules in Response to the Crisis – Towards the "Next-Generation" Rules. A New Dataset.*

9 See J.C. Berganza (2012), *Fiscal rules in Latin America: a survey*, Documentos Ocasionales, no. 1208, Banco de España.

10 So as to take into account the problem of endogeneity mentioned in footnote 7, an external instrument is used (durability of the political regime, obtained from the Polity IV database, to reflect the broader perspective of macroeconomic stability with a long-term approach by a more stable political regime).

procedures, signing of agreements or entry into force) in the establishment of free trade agreements by Mexico, Colombia, Chile, Peru and Central America with Asian and European countries such as Turkey.

In the case of MERCOSUR, some progress was made in opening up towards other areas, with agreements signed to start negotiations with Lebanon, Tunisia, Russia, Belarus and Kazakhstan, in addition to South Korea and Pakistan, and ratification of the free trade offer made to the European Union in mid-2014 covering 90% of trade. Measures were also adopted to facilitate the free movement of goods and persons within the area, such as an arrangement to allow Uruguay and Brazil to trade with each other in their local currencies, further momentum for the Mercosur passport programme and acceleration of the process of accession for Bolivia. Chile put forward the possibility of the Pacific Alliance moving closer to MERCOSUR on matters not related to lower tariffs. By contrast, Argentina and Brazil renewed the restrictions on sales of cars with Mexico for another four years.

Turning to structural reforms, in Mexico new legislative initiatives were enacted to combat corruption and violence and to boost productivity, increasing integration between the production chains of SMEs and large corporations and promoting the funding of activities and projects that entail productive potential or investment in human capital. In addition, the new regulatory bodies of the various sectors affected by the reforms began to take shape and the Mexican Oil Fund was established. In Colombia a moderately broad tax reform was introduced that aims to close the revenue gap in the 2015 budget, raising income tax and creating a new wealth tax. Lastly, in Chile, an education reform guaranteeing free schooling and an electoral reform making the voting system more proportional were passed and it was announced that a labour reform, including measures to facilitate trade union membership, guarantee the right to strike and changes in employment contracts, would be put before Parliament before the end of the year.

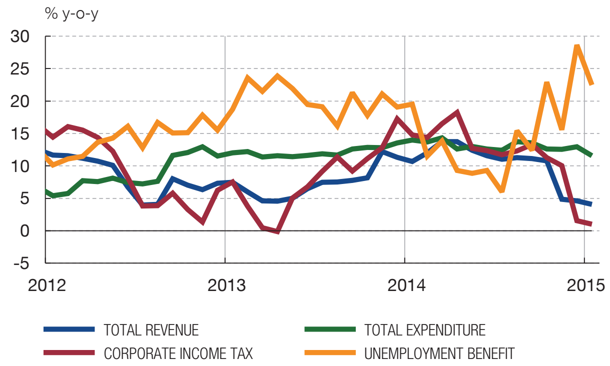
Economic developments by country

With the review of the national accounts figures published in March, *Brazil's* economy came out of "technical" recession in 2014 H2, growing by 0.2% and 0.3% in quarterly terms in Q3 and Q4, respectively, although the year-on-year rates remained negative in the last three quarters of the year (-1.2%, -0.6% and -0.2%, respectively). Thus, growth in 2014 amounted to 0.2% (compared with 2.7% in 2013), on the back of continued weakness in domestic demand, which contributed just 0.1 pp to growth in 2014. The sharp contraction in investment continued (some 6% year-on-year in Q4), while private consumption posted moderate growth. External demand contributed 0.4 pp in Q4, with exports falling sharply (-10.7% year-on-year) owing to weak manufacturing and oil sales, by product, and to weak exports to China and the EU, by country. The higher frequency indicators for 2015 Q1 point to continued weakness in domestic demand, exacerbated by the effect of the most severe drought in decades. The labour market shows some signs of weakness, as job creation rates continued to fall, especially in manufacturing, even though the unemployment rate remained at all-time lows (partly owing to the decline in the labour force) and real wages rose by 2.4%. Inflation continued to climb throughout the year, closing 2014 at 6.4% year-on-year, and in January 2015 it broke through the target range ceiling (+4.5%, with bands of +/-2%) as a consequence of the government's adjustment of administered prices, reaching 8.1% year-on-year in March. Core inflation has rebounded, especially since the start of the year (8% in March), as have inflation expectations, which anticipate that inflation will not return to within the central bank's target range until mid-2016. Against this backdrop, shortly after the elections the central bank surprised the markets by resuming official interest rate hikes, with a cumulative increase of 125 bp up to 12.75%, in an attempt to anchor inflation expectations. In addition, the volume of intervention by means of currency

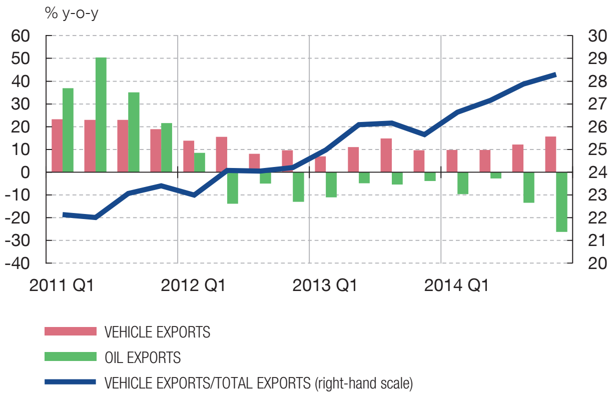
BRAZIL AND MEXICO

CHART 11

BRAZIL. GOVERNMENT REVENUE AND EXPENDITURE



MEXICO. OIL AND VEHICLE EXPORTS



SOURCE: National statistics.

swaps was first halved, and this instrument was then eliminated at the end of March. The Brazilian real depreciated by 14% against the dollar in the six-month period, reaching more than 3.3 reais per dollar in 2015 Q1, its lowest point since 2003. From the fiscal standpoint (see Chart 11), the primary balance stood at -0.6% of GDP in 2014, a sharp deterioration compared with previous years (1.8% of GDP in 2013) and short of the target for the year (+0.2% of GDP) which had already been revised down. However, the new government has announced a fiscal package consisting of expenditure cuts equivalent to 0.7% of GDP and tax increases equivalent to 0.4% of GDP. These measures aim to redress the fiscal accounts and restore credibility in the medium term, although in the short term they could have a negative impact on activity and drive up inflation in 2015. Turning to the external sector, the current account deficit widened to 4% of GDP in 2014 (compared with 3.6% of GDP in 2013) as a result of the erosion of the trade surplus and the emergence of a modest deficit (0.2% of GDP) associated with the decline in the terms of trade and lower exports to China. In the financial account, portfolio inflows rose moderately, from 1.1% of GDP in 2013 to 1.4% in 2014, taking advantage of Brazil's higher interest rates. Moody's placed the outlook on the sovereign rating to negative and Standard and Poors left it unchanged.

The *Mexican* economy grew by 2.1% in 2014, compared with 1.4% in 2013, recovering throughout H2, albeit at a slower than expected pace. On the demand side, exports continued to be the main growth driver (7.1% in Q3 and 10.3% in Q4), boosted by the growth in activity in the United States and its impact on the manufacturing industry (especially the automobile industry) (see Chart 11) which more than offset the decline in oil exports. Investment was the most dynamic component of domestic demand, growing by 2.3% in the year (compared with a fall of 1.6% in 2013), in view of the good performance of private investment (5%) which more than offset the decline in public investment (-7%). Private consumption remained weak, although the good performance of the labour market, which is benefiting from the plan to encourage employment in the formal sector, provided it with heightened momentum. Indeed the unemployment rate fell to 4.4% in Q4. The published data for 2015 Q1 point to growth rates similar to those seen in Q4, driven by external demand. At the end of the year inflation stood at 4.1% year-on-year, slightly above the upper bound of the central bank's target range (3% ± 1%), with core inflation below the headline rate (2.4% in February) and inflation expectations for the medium and long term anchored around 3%. The Mexican peso depreciated in tandem with the decline in oil prices, reaching its lowest point for six years and triggering the automatic intervention rule to curb volatility. Subsequently, supply was increased by a further $52 million per day at auctions with no minimum price, as downward pressure heightened. In this setting, the central bank has held official rates at 3% throughout the last six months, pointing to possible synchronisation of monetary policy with the Federal Reserve, and in consequence markets are factoring in the first rate increase for 2015 Q3. On the fiscal front, public finances worsened owing to the slowdown in revenue which was attributable, above all, to the 42% slide in oil revenue, despite the positive effect of the tax reform approved in October 2013 and the currency depreciation. Thus the deficit stood at 3.2% of GDP (compared with the target of 2.5%), almost 1 pp above the 2013 figure. Against this backdrop, in January the Mexican government announced public spending cuts of 0.7% of GDP for 2015, particularly affecting current spending but also investments in Pemex and the Federal Electricity Committee, and further cuts for 2016.

In *Argentina* the weak activity that had characterised 2014 H1 continued in H2. GDP grew by just 0.1% and 0% in quarter-on-quarter terms in Q3 and Q4, respectively, meaning that in 2014 overall GDP rose by 0.5%, compared with 2.9% in 2013. The key factor behind the weak activity levels in 2014 are the restrictions on manufacturing imposed due to import controls, which have had a particularly harsh impact on intermediate goods, against the current backdrop of trade and financial isolation and the scarcity of foreign currency. On the expenditure side, the rate of decline of investment accelerated year-on-year to 4.9% in Q3 and to 9.7% in Q4, resulting in a fall of 5.6% in the year overall. Household consumption decreased by 0.5% in 2014, after a decade of growth over 3%, reflecting the exhaustion of domestic sources of growth. In turn, government consumption rose by 2.8% in the year overall (the lowest figure in a decade), after the rate of growth accelerated in Q4 to 3.8% year-on-year. Conversely, the external sector's contribution went from a negative 1.4 pp to a positive 1.4 pp as a consequence of the severe contraction (more than 12%) in imports, more than offsetting the decrease in exports (see Chart 12) which felt the brunt of the decline in the terms of trade and weak external demand, especially from Brazil, the country's leading trading partner. The forecasts for 2015 point to a continued weak economic performance. In this setting, in 2014 the current account deficit widened to 0.9% (from 0.8% in 2013). In turn, international currency reserves stabilised around $30 billion, thanks to import controls and several currency swaps activated in Chinese yuan ($3.8 billion). The official inflation rate reached 23.9% year-on-year in December and although the fall in oil prices and the disappearance of the effect of the sharp devaluation in early 2014 are helping to smooth it, the continued monetisation of the budget deficit, which closed the year at over 3% of GDP, remains a significant upside risk factor. The increase in the budget deficit was a result of higher public spending (42% per annum), arising from subsidies to the private sector, which more than offset the higher revenue (41%). The official exchange rate depreciated by almost 50% in 2014, closing the year at 8.1 pesos per dollar, although the rate of depreciation slowed in H2 and the gap with respect to the unofficial exchange rate narrowed. The expiry in 2015 of the Rights Upon Future Offers (RUFO) clause relating to the restructured debt, which granted holders of restructured bonds the right to any improved terms granted to other creditors, did not prompt any change in the negotiations with the holdout creditors, meaning that the country remains in a situation of sovereign default on its restructured debt.

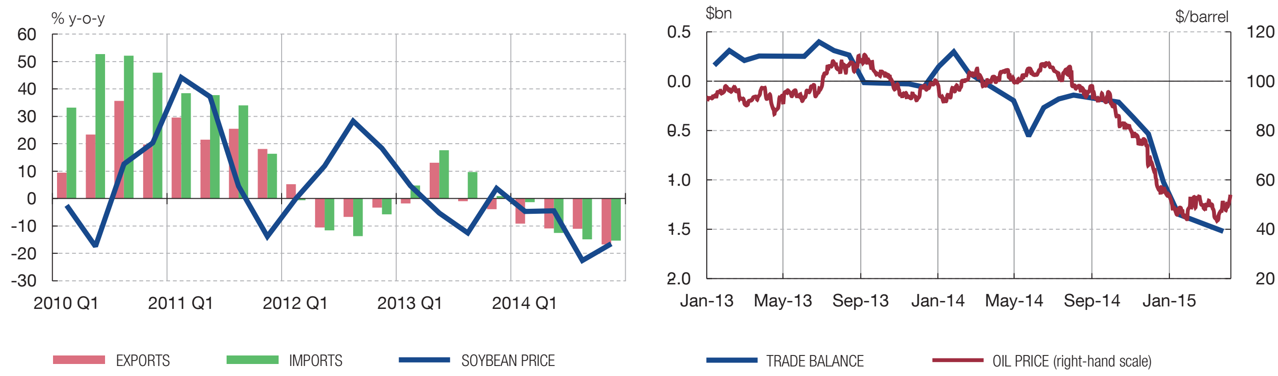
Chile saw a sharp deceleration in economic activity in 2014, although the pace of slowdown moderated in the closing months of the year and, especially, in early 2015. In 2014 overall, GDP grew by 1.9% year-on-year and the data for both 2013 and 2012 were revised up by 0.1 pp, to 4.2% and 5.5%, respectively. In quarterly terms, the economy grew at a slightly faster pace (0.9%) in 2014 Q4, and in particular the rate of contraction of domestic demand moderated, driven by public spending (5.5% year-on-year) and by gross fixed capital formation which moved into positive territory (0.5% year-on-year) after five consecutive

ARGENTINA AND COLOMBIA

CHART 12

ARGENTINA. FOREIGN TRADE

COLOMBIA. TRADE BALANCE AND OIL



SOURCES: INDEC, Secretaria de Agricultura of Argentina and DANE.

quarters of markedly negative figures. External demand made a positive contribution (3.2 pp) to growth in 2014, as imports declined. The unemployment rate remained low (6.3% of the labour force). The trade surplus widened, triggering a very substantial correction in the current account deficit (1.2% of GDP, compared with 3.4% in 2013). In the financial account, foreign direct investment and portfolio investment rose. Inflation, which rebounded to 5.7% year-on-year in October, has moderated in recent months, partly as a result of the drop in oil prices, reaching the upper bound of the target range. The central bank has made one official interest rate cut since September, taking rates down 25 bp to 3%. On the fiscal front, in 2014 the deficit amounted to 1.6% of GDP (above the 0.9% estimated in the budget law) and the structural deficit to 0.5%, owing to higher spending, against a backdrop of cyclical slowdown and as a consequence of lower copper revenues (2% of GDP and 10% of tax revenue), virtually half the 2011 figure. In the first year of the tax reform, the forecast increase in revenue (0.3% of GDP) was achieved. In 2015, tax revenue is forecast to grow by 2% of GDP thanks to the tax reform, with an effective fiscal deficit of 1.9% of GDP and a structural deficit of 1.1% of GDP. Both the stabilisation funds and the low sovereign debt continue to allow Chile to implement a counter-cyclical tax policy.

In 2014 *Colombia* posted the highest growth in the region, as GDP rose by 4.6% (compared with 4.9% in 2013). However the pace of growth slowed significantly in the course of the year, from 6.4% year-on-year in Q1 to 3.5% in Q4, as a result of the deceleration in domestic demand and, in particular, in government consumption and investment (even though, in the year as a whole, the latter was the most dynamic component, posting growth of almost 11%). The pace of growth of private consumption, however, accelerated in Q4, offsetting the slowdown in the other components. The contribution of external demand turned negative again in 2014 (-2.8 pp) as a consequence of the poor performance of exports (-1.7%), marked by the sharp slide in oil exports, which contrasted with the strong import performance (9.2%), reflecting the good investment momentum. Hence the trade deficit widened to 2.4% of GDP in the year (see Chart 12) and the current account balance deteriorated sharply (-5.2% of GDP, compared with -3.2% in 2013). In the financial account, direct investment fell as a result of lower investment in the mining and energy sector, but portfolio investment inflows rose by 68%. The Q1 indicators signal that the rate of growth will continue to slow, even though both credit and the labour market continue to perform well. Inflation, which at the end of 2014 was very close to the upper bound of the target range (+3%, with bands of +/-1 %), began to rise in the closing months of the year and continued to do so in early 2015, reaching 4.6% in March, as a consequence of higher food prices and the currency depreciation. In this setting, the central bank has left the official interest rate unchanged at 4.5% since September, following the rate increases in July and August, and has halted its dollar purchases on the currency markets. The exchange rate fell by more than 20% against the dollar in 2014, and has fallen by more than 8% in 2015 to March, against a backdrop of lower oil prices and the worsening growth outlook. In the fiscal arena, in 2014 Colombia met its structural deficit reduction target of 2.3% of GDP, recording a figure of 2.4%. For 2015, compliance with the fiscal rule initially demanded a tax increase in order to achieve higher revenues. However, in view of the expected decline in oil revenues, the government announced expenditure cuts of 3% and admitted a cyclical deviation of -0.6% in the budget update, entailing an increase in the budget deficit to 2.8% of GDP, which will be financed by issuing government debt.

In *Peru* the loss of economic momentum deepened in Q4, with growth of 0.4% in quarter-on-quarter terms and year-on-year growth of 1%. In the year overall, GDP rose by 2.4%, well short of the 2013 figure (5.8%). By component, private consumption decelerated moderately, but investment fell by 2% owing to the contraction in mining output. External demand made a marginally positive contribution due to the import correction. The current account deficit narrowed in 2014, although it still stood at 4.1% of GDP, as the trade balance deteriorated, moving from a surplus to a deficit owing to the fall in metal prices. In 2015, activity and confidence indicators point to moderate economic growth rates at the start of the year. For its part, inflation eased to within the monetary authority's target range, posting a year-on-year rate of 2.8% in February 2015. The central bank held interest rates unchanged, although certain macro-prudential measures were taken (local currency bank reserve requirements were lowered and limits were imposed on currency derivative operations), in a setting of depreciation of the new sol. Sales of dollars were also made to curb exchange rate volatility and new intervention measures were introduced using currency swaps. On the fiscal front, in 2014 the public sector primary deficit was equivalent to 0.1% of GDP.

The *Venezuelan* economy recorded a very poor performance in 2014. Ahead of the release of the GDP figures for Q4, GDP fell by 4.9% year-on-year in H1 and by 2.3% in Q3. By component, this is attributable to the collapse in investment (-27.5% in Q1, -18% in Q2 and -9.3% in Q3), against a backdrop of import restrictions as a result of the extreme scarcity of foreign currency. The poor performance of private consumption moderated in the course of the year, going from -4.2% in H1 to -1.6% in Q3, with both credit and the labour market continuing to perform reasonably favourably, despite the significant drop in real wages. Government consumption remained the most dynamic component, growing by 2.1% in Q3. The positive contribution made by external demand is explained by the decline in imports, although this contribution contracted sharply as the year progressed (from 13.1 pp in Q1 to 2 pp in Q3). The fall in oil prices is responsible for the decline of almost 10% in nominal terms in exports. Nevertheless, as imports also contracted, the current account surplus stood at 3% of GDP in Q3 2014 (slightly above the figure of 2.3% in 2013). In October 2014, international reserves amounted to 6% of GDP, but liquid reserves were less than $6 billion, as the majority of reserves are held in gold. Inflation soared to 65% in December (the latest figure released), in view of the shortage of foreign currency for imports, the increase in the money supply to finance the budget deficit and the effective exchange rate depreciation in view of the closure ordered of the SICAD I and SICAD II markets and the opening of a new parallel free-floating foreign exchange market (SIMADI) on which the currency traded 93% below the official exchange rate. The rating agencies downgraded the country's sovereign rating to CCC.

17.4.2015.

FINANCIAL REGULATION: 2015 Q1

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

Introduction

The financial legislation and regulations adopted in the first quarter of 2015 are summarised below.

The new regulations include the implementation of the Law on the regulation, supervision and solvency of credit institutions, which completes the process of adapting Spanish law to European Union legislation on the solvency and supervision of financial institutions.

The European Central Bank (ECB) enacted several pieces of legislation relating to: 1) the creation of an asset-backed securities purchase programme; 2) financial information for the purposes of supervision that supervised entities are to provide to the competent national authorities (CNAs); 3) the powers of the ECB to impose penalties regarding prudential supervision of credit institutions; 4) the methodology for calculating the supervision fees applicable to credit institutions; 5) the adaptation of statistical data to the ECB's new tasks in relation to the prudential supervision of credit institutions, and investment funds' reporting exemptions; 6) the introduction of modifications to the legal framework for accounting and financial information; 7) the creation of a professional ethics committee and its internal regulations; and 8) public access to the ECB's documents.

The Banco de España has defined the information that entities acting as payment service providers are to provide on the interchange and discount fees charged on payment transactions.

Rules and regulations of some substance in the financial sphere were also published in the area of European legislation including: 1) implementation of the rules applicable to credit institutions' compliance with the liquidity coverage requirement; 2) an update to the rules on the leverage ratio applicable to credit institutions and investment firms; 3) the calculation and regulation of the contributions to credit institutions' and investment firms' resolution mechanisms; and 4) implementation of the regulations on credit rating agencies.

Two pieces of domestic legislation concerning the securities market were enacted: 1) the conditions for State debt issuance in 2015 and January 2016, as is customary in this period; and 2) amendment of the regulations on collective investment institutions (CIIs).

The article concludes with the new features of the second chance mechanism, reducing the financial burden, and other social measures, and the new regulations on the de-indexation of the Spanish economy.

The Spanish version of this article discusses the legislation in greater detail.

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

Regulation, supervision and solvency of credit institutions

Royal Decree 84/2015, 13 February 2015 (BOE of 14 February) (hereinafter, the Royal Decree) was published, implementing Law 10/2014, of 26 June 2014[1], on the regulation,

1 See "Financial regulation: 2014 Q2," Economic Bulletin, July-August 2014, Banco de España, pp. 33-42.

CONTENTS

TABLE 1

supervision and solvency of credit institutions. As of its entry into force, any legal provisions of equal or inferior rank that are contrary to it are repealed.[2]

This Royal Decree has two basic aims: firstly, to complete the transposition into Spanish legislation of European Directive 2013/36 of the European Parliament and of the Council of 26 June 2013,[3] which forms part of the CRR/CRD IV package of legislation on credit institutions' solvency and which adapts and implements the Basel III[4] accords in EU legislation. Its second goal is to consolidate and systematise previously dispersed Spanish banking legislation in a single text, adapting it to the requirements deriving from last November's implementation of the Single Supervisory Mechanism (SSM).

The Royal Decree is divided into three titles: rules on access to the activity of credit institutions, solvency rules, and supervision of credit institutions, distinguishing the competences and obligations of the ECB and the Banco de España within the SSM.

INTEGRATION OF THE BANCO DE ESPAÑA INTO THE SSM

The Banco de España's authorisation and supervision competences under this Royal Decree will be exercised in the framework of the competences conferred on the ECB and the SSM under European legislation, in particular, Council Regulation (EU) 1024/2013 of 15 October 2013, entrusting the ECB with specific tasks concerning the policies on the prudential supervision of credit institutions, and Regulation (EU) 468/2014 of the ECB of 16 April 2014, establishing the framework of cooperation in the SSM between the ECB and the competent national authorities and with the designated national authorities.

The ECB will be responsible for authorising credit institutions, revoking authorisation, and opposing (or not) the purchase of qualifying holdings, under the terms of the aforementioned regulations. In these cases, the Banco de España, as the competent national authority (CNA), will submit to the ECB plans for the granting of an authorisation or the acquisition of a qualifying holding, and where applicable, proposals for the revocation of authorisation.

Similarly, under this framework, supervisory competences over credit institutions will henceforth be exercised by either the ECB or the Banco de España, as applicable, as these responsibilities are assigned according to whether credit institutions are deemed to be significant[5] or less significant in nature. Thus, the ECB will directly supervise significant institutions or groups of institutions based in participating Member States, while the Banco

2 In particular, Royal Decree 1245/1995 of 14 July 1995 on the creation of banks, cross-border activity and other issues relating to the legal regime of credit institutions, and Royal Decree 216/2008 of 15 February 2008 on financial institutions' own funds, with the exception of those provisions concerning investment firms.

3 Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC of the European Parliament and of the Council of 16 December 2002 on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate, repealing Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006, on the taking up and pursuit of the business of credit institutions and Directive 2006/49/EC of the European Parliament and of the Council of 14 June 2006 on the capital adequacy of investment firms and credit institutions.

4 This adaptation was begun by Royal Decree-Law 14/2013, 19 November 2013, on urgent measures to adapt Spanish law to European Union standards on the supervision and solvency of financial institutions, and Law 10/2014 of 26 June 2014.

5 As indicated in Regulation (EU) No 1024/2013, a supervised entity will be classed as significant based on the following criteria: 1) its size, i.e. when the value of its assets exceed €30 billion or when its total assets are equivalent to over 20% of national GDP, unless, in this latter case, the total value of its assets is less than €5 billion; 2) its economic importance for the European Union or any participating Member State; 3) the significance of its cross-border activities; 4) any request for direct public financial assistance under the European Stability Mechanism (ESM) or its receiving such assistance; and 5) the fact that it is one of the three most significant credit institutions in the participant Member State.

de España will exercise these competences in the case of less significant institutions. However, the Banco de España's supervision will be without prejudice to the power of the ECB to decide in specific cases to directly supervise these institutions when necessary in order to apply solvency and supervisory rules consistently.

LEGAL FRAMEWORK FOR CREDIT INSTITUTIONS

Authorisation, registration and activity of credit institutions

The Royal Decree establishes the requirements for access to the activity only in the case of banks, as savings banks and credit unions will be governed by their own specific regulations. The requirements for the exercise of the activity are similar to those established in the previous legislation (Royal Decree 1245/1995 of 14 July 1995), with greater emphasis on suitability requirements applicable to the board of directors and persons exercising the role of general manager or similar, and the persons responsible for internal control functions and other key posts in the day-to-day running of the institution's business.

As regards the refusal of an application for authorisation, without prejudice to the ECB's powers in this area, the Banco de España may turn down applications if the established requirements are not met, and in particular when, given the need to guarantee healthy and prudent management of the planned entity, the shareholders due to own a qualifying holding or, in the absence of shareholders with a qualifying holding,[6] the twenty largest shareholders, are not considered suitable.

In the case of structural modifications, the Minister for Economic Affairs and Competitiveness will have competence for authorising mergers, carve-outs or the transfer of assets and liabilities,[7] in whole or in part, in which a bank is involved, or any agreement that has similar economic or legal effects to the foregoing, together with the amendments to the articles of association deriving from such modifications.

Rules for qualifying holdings and capital structure

The rules on qualifying holdings and the manner of calculating their computation and contributions to voting rights are implemented in detail. The minimum information the potential acquirer is to provide for evaluation by the Banco de España is also set out.[8]

Rules are also defined for the information on credit institutions' capital structure, which is to be reported to the Banco de España in the month following each calendar quarter. For this purpose, all the shareholders considered to be financial institutions are to be listed. For the remainder, only those with a percentage of share capital in the entity of 0.25% or more in the case of banks or 1% in the case of credit unions will be listed.

Corporate governance measures and remunerations policy

As regards corporate governance, it is worth noting the requirements for the suitability of senior officials,[9] who must comply with requirements of good repute, knowledge, experience and good governance established Law 10/2014 of 26 June 2014, which are implemented in detail in the Royal Decree.

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6 A qualifying holding is understood to be one that reaches, directly or indirectly, at least 10% of the entity's capital or voting rights, or which, while not reaching this percentage, allows a significant influence to be exercised over the entity.

7 For the purposes envisaged in this legislation, the transfer as a block of one or more parts of a bank's capital (each of which forms an economic unit) to one or more newly created or existing companies is considered a partial transfer of assets and liabilities, provided the operation is not considered a carve-out or global transfer of assets and liabilities pursuant to Law 3/2009 of 3 April 2009 on structural modifications to mercantile companies.

8 The Banco de España will issue a circular laying down the minimum information potential acquirers are to provide, announcing its content on its website.

9 Members of the board of directors, managing directors or similar officers, as well as for those in charge of internal control functions and other key posts in the day-to-day running of the credit institution's activity.

In relation to senior officials' financial transactions, credit institutions must apply to the Banco de España for authorisation to grant loans and guarantees to members of the board of directors, managing directors or similar, except under certain circumstances.

The Royal Decree implements the rules on remuneration introduced by Law 10/2014. Without prejudice to the competences of the ECB in this area regarding significant institutions, the Banco de España is authorised, *inter alia*, to lay down the criteria whereby variable remuneration is to be reduced when credit institutions obtain negative financial earnings, or a direct limit is to be placed on variable remuneration as a percentage of total income. These criteria will be even more restrictive in institutions that have received public financial support.

Information on the remuneration accruing to members of the board of directors in each financial year must also be published on the institution's website. This information will reflect the total remuneration accruing, with an individual breakdown by remuneration items with reference to the amount of the fixed components and allowances, and the variable remuneration items. It is to contain all the remuneration items accruing, whatever their nature or the group entity paying them, including remuneration accruing to the members of the board of directors for their membership of the boards of other group or investee companies on which they act in representation of the group.

The regulations governing the appointments committee, the remuneration committee and the risk committee that credit institutions are to create are also defined. These committees are to comprise members of the board of directors who do not have executive functions in the institution.

SOLVENCY OF CREDIT INSTITUTIONS

Organisational, risk management and internal control requirements

The Royal Decree requires credit institutions to have the risk-management arrangements, processes and mechanisms established by Law 10/2014, without prejudice to the powers regarding the solvency of significant credit institutions that are exercised by the ECB.

It also implements the *capital self-assessment* process provided for by Law 20/2014, which will be carried out on an individual, sub-consolidated or consolidated basis, as applicable, in view of the nature, scale and complexity of the entity's activities. *Inter alia*, entities must have appropriate strategies and procedures to cover the main risks[10] to which their activity is subject. These are to be summarised in an *annual internal capital adequacy assessment report*, which is to be sent to the Banco de España by 30 April of each financial year, or earlier if deemed necessary.

Adoption of measures to return to compliance with solvency standards

Similar to the preceding regulations, when a credit institution or consolidable group, or sub-group, of credit institutions presents a deficit of eligible own funds relative to those required by the solvency regulations, the Banco de España will be informed and within one month a programme will be submitted in which the plans for a return to compliance are set out. This programme must be approved by the Banco de España, which may include any modifications or additional measures it considers necessary to ensure the entity returns to the required minimum levels of own funds.

It must also submit a programme for its return to compliance with the solvency regulations when the Banco de España obliges it to maintain additional equity to the minimum required,

10 These risks include: credit and counterparty risk; concentration risk; securitisation risk; operational risk; liquidity risk; interest rate risk on activities unrelated to the trading book; and excessive leverage.

or when the limits for large exposures laid down in Regulation (EU) 575/2013 of 26 June 2013[11] are exceeded, even when this is as a result of an unexpected reduction in eligible own funds.

Capital buffers

Credit institutions must have sufficient Common Equity Tier 1[12] capital to meet the equity requirements laid down in Regulation (EU) 575/2013,[13] and any other requirements that may be imposed by the Banco de España, pursuant to Law 20/2014 of 26 June 2014.[14] Moreover, they must at all times comply with the combined requirement of the capital buffers, understood to be the total Common Equity Tier 1 capital necessary to ensure each of the following buffers: 1) the capital conservation buffer; 2) the specific countercyclical capital buffer; 3) the capital buffer for globally systemically important financial institutions (G-SIFI); 4) the capital buffer for other systemically important financial institutions (O-SIFI); and 5) the buffer against systemic risks.

PRUDENTIAL SUPERVISION

As already mentioned, the ECB has powers of direct supervision over the most significant institutions, and the Banco de España over less significant ones. Notwithstanding, the Royal Decree details the content of the Banco de España's supervisory role, in terms of both its object and the entities to which it applies, the rules for collaboration between the different supervisory authorities, and the Banco de España's and credit institutions' reporting and publication obligations.

In relation to the *object of supervision,* the Banco de España will review the systems, strategies, procedures and mechanisms institutions apply to comply with the solvency standards, and assess: 1) the risks to which institutions and their consolidable groups are or may be exposed; 2) the risks an entity represents to the financial system, bearing in mind the determination and measurement of systemic risk or the recommendations of the European Systemic Risk Board; and 3) any risks that have emerged during stress tests.

In terms of the *entities covered* by the supervisory function, without prejudice to the powers assigned to the ECB, the Banco de España is responsible for supervision, on a consolidated basis, of credit institutions and groups based in Spain, and the branches of credit institutions based in countries outside the European Union. Similarly, where the parent company of one or several credit institutions is a financial holding company or a mixed financial holding company, the Banco de España, as the institution responsible for authorising and supervising the credit institutions, will supervise the aforementioned company with the limits and specificities as may be provided by the Royal Decree. It is also responsible for supervising institutional protection schemes.

As part of its *cooperation with supervisory authorities* in other countries, the Banco de España will provide relevant information either when requested by these authorities or ex

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11 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 amending Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories. See "Financial regulation: 2013 Q2," Economic Bulletin, July-August 2013, Banco de España, pp. 53-61.

12 Common Tier 1 Equity basically comprises capital; current and accrued earnings; and other reserves and funds for general banking risks when available for immediate unrestricted use by credit institutions to cover risks or losses when they arise. Certain items (current losses, intangible assets, treasury stock, etc.) are deducted from the sum of these amounts under the terms of Regulation (EU) 575/2013.

13 Among other points, Common Tier 1 Equity ratio of 4.5%, equivalent to the entity's Common Tier 1 Equity ratio expressed as a percentage of the total risk exposure.

14 This section provides that, under certain circumstances (for example, breach of solvency standards or evidence that they will be breached), the Banco de España may require a quantity of own funds greater than that required under Regulation (EU) 575/2013.

officio, where such information may have a significant influence on the assessment of the financial soundness of a credit institution or financial institution in another State. It will also provide the European Banking Authority with all the information it needs to perform the tasks entrusted to it.

To meet its *reporting and publication obligations,* the Banco de España is to publish the following on its website: 1) general guidelines adopted in the solvency regulations sphere; 2) the manner in which the options and powers offered by European Union; and 3) the criteria and methodology followed by the Banco de España in reviewing the agreements, strategies, procedures and mechanisms applied by institutions and their groups in order to comply with solvency regulations and evaluate the risks to which they are or may be exposed.

For their part, consolidable groups of credit institutions and credit institutions not belonging to consolidable groups shall disclose on at least an annual basis specific information on their financial situation and activity that may be of interest to the market and other interested parties in order to assess the risks facing those groups and institutions, their market strategy, risk control, internal organisation and situation with a view to meeting the minimum common equity requirements envisaged in the solvency regulations. This information will be compiled in a single document, entitled *Prudentially Relevant Information*.

OTHER CHANGES

Only existing credit unions and finance companies are permitted to convert into banks. The requirements laid down in the Royal Decree must be met in order to obtain authorisation. Minimum capital requirements will be deemed to be complied with when the sum of shareholders' equity on the balance sheet (which must be audited) the year prior to the application for conversion, and the cash contributions, come to €18 million.

The distribution of representatives of the member entities on the management committee of the Deposit Guarantee Fund has been changed, as provided in Royal Decree-Law 16/2011 of 14 October 2011, which created the Deposit Guarantee Fund (DGF). The distribution will be between the various associations representing these entities in proportion to the represented entities' guaranteed deposits.

Lastly, Royal Decree 2660/1998 of 14 December 1998 on the changing of foreign currency in establishments open to the public other than credit institutions, has been amended. The main purpose of the amendment was to eliminate all the references to handling transfers, as this is an activity reserved to payment service providers.

ENTRY INTO FORCE AND TRANSITIONAL ARRANGEMENTS

The Royal Decree came into force on the day following that of its publication in the Official State Gazette (BOE), except for entities' obligation to provide information on their corporate governance and remuneration policy on their websites, for which they will have a period of three months starting on the date when the Banco de España publishes the envisaged implementation.

As regards the transitional arrangements, as Spanish legislation does not provide for the creation of a specific macroprudential authority, the Banco de España will be the competent authority for the application of Article 458 of Regulation (EU) no. 575/2013 of 26 June as regards macroprudential or systemic risk observed in a Member State.

Accordingly, until a specific macroprudential authority is created, the increments that the Banco de España may apply to certain risk weightings or limits to major risks, will not exceed 25% and 15%, respectively.

ECB: programme of asset-backed securities purchases

Decision (EU) 2015/5 (ECB/2014/45), of 19 November 2014 (OJ L of 6 January 2015) (hereinafter, the Decision), was published, coming into force on 7 January 2015, on the implementation of the asset-backed securities purchase programme.

The aim of the programme is to improve monetary policy transmission and to stimulate credit in the euro area.

The requirements for asset-backed securities, in addition to the credit quality requirements established in the Decision, include in particular that 90% of the obligors of the cash-flow generating assets backing these bonds must be classified as private sector non-financial corporations or natural persons. Additionally, special requirements will apply when the obligors of the cash-flow generating assets backing asset-backed securities are incorporated or resident in Greece or Cyprus.

Before purchasing an asset-backed security meeting the eligibility requirements, the ECB will carry out a credit-risk assessment and due diligence on it.

The eligible counterparties under the programme, for both outright transactions and securities lending in relation to asset-backed securities, are: 1) counterparties participating in Eurosystem monetary policy operations; 2) counterparties that are used by Eurosystem central banks for the investment of their euro-denominated investment portfolios; and 3) entities deemed to be eligible counterparties for outright transactions by the Governing Council on the basis of a risk assessment by the ECB.

Finally, no more than 70% of the outstanding amount of a tranche of an eligible asset-backed security (with the same or fungible ISIN) may be purchased and held pursuant to this programme at any time. If the eligible asset-backed security (with the same or fungible ISIN) was constituted in Greece or Cyprus, this limit is 30% of the outstanding amount.

ECB: reporting of supervisory financial information

Regulation (EU) 2015/534 (ECB/2015/13), of 17 March 2015 (OJ L of 31 March 2015) (hereinafter, the Regulation), was published, coming into force on 1 April 2015, on reporting of supervisory financial information.

This Regulation forms part of a set of ECB provisions implementing certain aspects of the SSM regulations, set out in Council Regulation (EU) 1024/2013 of 15 October 2013 (known as the SSM Regulation), and in ECB Regulation (EU) 468/2014[15] of 16 April 2014 (known as the SSM Framework Regulation) on the reporting of supervisory financial information to national competent authorities (NCAs) by supervised entities.

Specifically, the Regulation supplements Decision ECB/2014/29 of 2 July 2014, on the provision to the European Central Bank of supervisory data reported to the national competent authorities by the supervised entities, pursuant to Commission Implementing Regulation (EU) No 680/2014.[16] It therefore determines the supervisory financial information[17] the supervised entities and their groups are to provide to the NCAs.

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

16 Commission Implementing Regulation (EU) No 680/2014 of 16 April 2014 establishes uniform requirements for all entities subject to Regulation (EU) 575/2013 regarding the provision to NCAs of information on certain areas, including consolidated financial information. Decision ECB/2014/29 specifies, among other things, the formats, frequency and timing of such submission of information, as well as the details of the quality checks that national competent authorities are to perform before submitting information to the ECB, pursuant to the Implementing Regulation.

17 In particular, it specifies the formats, frequency and timing of such submission of information.

ECB: powers to impose penalties

Council Regulation (EU) 2015/159 (ECB/2014/18) of 27 January 2014 has been published (OJ L of 3 February 2015) (hereinafter the Regulation), coming into force on 4 February 2014, amending Council Regulation (EC) 2532/98 of 23 November 1998, concerning the powers of the European Central Bank to impose sanctions.

The purpose of the Regulation is to adapt Regulation (EC) 2532/98[18] as regards the imposing of sanctions by the ECB in the case of infringements to its regulations or decisions concerning its role of prudential supervision of credit institutions, conferred upon it by Council Regulation (EU) 1024/2013 of 15 October 2013.

Specific rules have been established on the limits on fines and periodic penalty payments that the ECB may impose in the exercise of these functions, and a series of specific procedural rules have been established for imposing sanctions.

ECB: supervisory fees applicable to credit institutions

Decision (EU) 2015/530 of the European Central Bank of 11 February 2015 (OJ L of 28 March 2015) (hereinafter, the Decision) was published, coming into force on 29 March 2015, on the methodology and procedures for the determination and collection of data regarding fee factors used to calculate annual supervisory fees that credit institutions are required to pay, pursuant to Regulation (EU) 1163/2014 (ECB/2014/41).[19]

Institutions must therefore provide the data on the fee factors to NCAs using the templates given in the annex to the Decision. The frequency and timing with which this information is to be submitted is also specified, along with the types of quality checks the NCAs are to perform before submitting the fee factors to the ECB. Once the ECB completes the relevant verifications, the fee factors will be used to calculate the annual supervisory fees.

ECB: statistical data

Two provisions have been published regarding statistical data: *Council Regulation (EU) 2015/373 of 5 March 2015* (OJ L of 7 March 2015)(hereinafter, the Regulation), which came into force on 8 March 2015, amending Regulation (EC) No 2533/98 concerning the collection of statistical information by the European Central Bank, and *Decision (EU) 2015/32 (ECB/2014/62) of 29 December 2014* (OJ L of 9 January) (hereinafter, the Decision), which came into force on 9 January 2015), concerning the exemptions that may be granted under Regulation (EU) 1073/2013 of 18 October 2013 concerning statistics on the assets and liabilities of investment funds.

CHANGES IN THE WAY STATISTICAL INFORMATION IS OBTAINED

The changes introduced in Regulation (EC) No 2533/98 concerning the collection of statistical information derive from the tasks conferred upon the European Central Bank in relation to the prudential supervision of credit institutions in the European Union and in the various Member States, pursuant to Council Regulation (EU) 1024/2013 of 15 October 2013.

Thus, the European System of Central Banks (ESCB) may transmit confidential statistical information to authorities or bodies of the Member States and of the European Union

18 To date, Regulation (EC) 2532/98 has conferred powers on the ECB to impose sanctions in various areas of its competence, in particular the implementation of European Union monetary policy, the operation of payment systems, and the compilation of statistical data.

19 Regulation (EU) 1163/2014 (ECB/2014/41) of 22 October 2014 on supervisory fees applicable to credit institutions establishes, *inter alia*: 1) the arrangements for calculating the total amount of the annual supervisory fees to be levied in respect of supervised entities and supervised groups; 2) the methodology and criteria for calculating the annual supervisory fee; 3) the procedure for the collection by the ECB of the annual supervisory fees, pursuant to Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions. See "Financial regulation: 2014 Q4," Economic Bulletin, January 2015, Banco de España, pp. 15-16.

entrusted with the supervision of financial institutions, markets and infrastructure, and to the European Stability Mechanism (ESM) solely to the extent and with the level of detail necessary for the exercise of their respective tasks. On transmitting this confidential statistical information, the ESCB shall take all the necessary regulatory, administrative, technical and organisational measures to ensure the physical protection of confidential statistical information.

For their part, authorities or bodies receiving confidential statistical information shall take all the necessary regulatory, administrative, technical and organisational measures to ensure the physical and logical protection of confidential statistical information.

EXEMPTIONS FROM STATISTICAL REPORTING FOR INVESTMENT FUNDS

Regulation (EU) 1073/2013 provides that derogations from statistical reporting requirements may be granted to investment funds (IFs) that are subject to national accounting rules which allow the valuation of their assets less frequently than quarterly.[20] It further provides that the IF categories to which the national central banks (NCBs) have the discretion to grant derogations are to be decided by the Governing Council. This is the goal of Decision (EU) 2015/32, which expressly lists the aforementioned classes of funds of each of the Member States in its annex.

ECB: financial information and accounting

Guideline (EU) 2015/426 (ECB/2014/54) of 15 December 2014 (OJ L of 13 March 2015) (hereinafter, the Guideline), was published amending Guideline ECB/2010/20 on the legal framework for accounting and financial reporting in the European System of Central Banks; together with *Decision (EU) 2015/425 (ECB/2014/55) of 15 December 2014* (OJ L of 13 March 2015)(hereinafter, the Decision), amending Decision ECB/2010/21, on the annual accounts of the ECB. Both instruments, which came into force on 31 December 2014, incorporate certain technical clarifications on the valuation method applicable to securities held for monetary policy purposes, above all arising out of the adoption of Decision ECB/2014/40 of 15 October 2014 on the implementation of the third covered bond purchase programme, and ECB/2014/45 of 19 November 2014 on the implementation of the asset-backed securities purchase programme (mentioned above), as well as introducing other less significant technical changes.

ECB: Ethics Committee and Rules of Procedure

Decision (EU) 2015/433 (ECB/2014/59), of 17 December 2014 (OJ L 14 March 2015) (hereinafter, the Decision), was published, coming into force on 15 March 2015, concerning the establishment of an Ethics Committee and its Rules of Procedure.

ESTABLISHMENT AND COMPOSITION

The Decision establishes an Ethics Committee, which will be composed of three external members, at least one of whom is to be an external member of the Audit Committee.

The members of the Ethics Committee must be individuals of high repute from Member States, whose independence is beyond doubt and who have a sound understanding of the objectives, tasks and governance of the ECB, the ESCB, the Eurosystem and the SSM. They may not be current staff of the ECB or current members of bodies involved in the decision-making processes of the ECB, the national central banks or the national competent authorities.

20 Notwithstanding, these funds must continue to comply with the general statistical information requirements with a frequency compatible with their accounting requirements with respect to the time of valuing their assets.

APPOINTMENT OF MEMBERS

The members of the Ethics Committee will be appointed by the Governing Council. The Ethics Committee will designate its Chair. The term of office of the members of the Ethics Committee will be three years, renewable once. Their remuneration will be fixed by the Governing Council.

RESPONSIBILITIES

The Ethics Committee will advise on questions of ethics in response to individual requests in relation to legal acts adopted by the ECB. It will assume the responsibilities assigned to the Ethics Adviser appointed under the Code of Conduct for the members of the Governing Council and the responsibilities assigned to the ECB's Ethics Officer under the Supplementary Code of Ethics Criteria for the members of the Executive Board. It will report to the Audit Committee on the advice it has given and the extent to which this advice has been followed. It may also perform other activities related to this mandate, if so requested by the Governing Council. Finally, it will report annually to the Governing Council on the work it has undertaken.

Public access to ECB documents

Decision (EU) 2015/529 (ECB/2015/1) of 21 January 2015 amending Decision ECB/2004/3 (OJ L of 28 March 2015) (hereinafter the Decision) was published, coming into force on 4 March 2004, on public access to European Central Bank documents, i.e. documents the ECB issues or holds in relation to the performance of its tasks.

As a consequence of Regulation (EU) 1024/2013,[21] the Decision expands the powers of the ECB under which it may deny public access to documents if their disclosure would be prejudicial to the protection of the public interest in relation to: 1) the European Union's or a Member State's policy relating to the prudential supervision of credit institutions and other financial institutions; 2) the purpose of supervisory inspections; and 3) the soundness and security of financial market infrastructures, payment schemes or payment service providers.

Banco de España: discount rates and interchange fees received by payment service providers

CBE 1/2015, of 24 March 2015 was published (State Official Gazette (BOE) of 30 March 2015) (hereinafter, the Circular), coming into force on 31 March 2015, addressed to payment service providers, concerning information on the discount rates and interchange fees received.

The purpose of the Circular is to determine the content and other aspects relating to the information obligations of entities acting as payment service providers[22] (hereinafter, the entities) with respect to the interchange fees[23] and discount rates[24] applied to transactions conducted via point of sale terminals in Spain, by debit or credit card, pursuant to Law 18/2014 of 15 October 2014[25] promulgating urgent measures for growth, competitiveness and efficiency.

Under the aforementioned law, the Circular's scope of application is limited to entities established in Spain, such that it is not applicable to entities operating in Spain under the principle of freedom to provide services.

21 Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions.

22 Specifically, credit institutions, finance companies, payment entities, electronic money entities and the branches in Spain of foreign institutions of any of these types, are subject to this Circular.

23 The interchange fee is the commission or remuneration directly or indirectly paid for each transaction between the payment service providers of the payer and beneficiary intervening in a card payment transaction. For these purposes any net commission, remuneration or compensation received by the card issuing payment services provider in respect of payment operations or ancillary activities will be considered part of the interchange fee.

24 The discount rate is the commission or remuneration paid by the beneficiary of the payment transaction to the payment service provider for each card transaction, comprising the interchange fee, the processing and payment system fee, and the acquirer's margin.

25 See "Financial regulation: 2014 Q4," Economic Bulletin, January 2015, Banco de España, pp. 28-29.

These entities are to report quarterly to the Banco de España on their interchange fees and discount rates using the forms included in the Circular's annex.

The Banco de España will publish individualised information on its website identifying the entity acting as payment service provider including part of the information received quarterly in the reports, excluding information on the number and value of the payment transactions performed in each calendar quarter and the amount of the fees received. It will also publish all the information received in the reports in aggregated form, excluding the discount rates charged in three-party card payment systems.[26]

Entities will also publish on their websites the information in these reports on transactions conducted in each calendar quarter for the different card profiles and beneficiary activities, excluding information on the number and amount of payment transactions, and the total fees charged. This information is to be updated quarterly, at the same time as it is sent to the Banco de España.

Liquidity coverage applicable to credit institutions

Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 (OJ L of 17 January 2015) (hereinafter, the Regulation) was published, coming into force on 6 February 2015, to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council of 26 June 2013 on prudential requirements for credit institutions.[27]

The formula for liquidity coverage is stated in the Regulation and is equivalent to the ratio of the credit institution's liquidity buffer to the net liquidity outflows over a period of stress of 30 calendar days. Credit institutions are to hold a minimum liquidity coverage ratio of 100%, such that during this period they should be able to rapidly convert their liquid assets into cash, without resorting to liquidity from an NCB or public funds. If the ratio temporarily drops below this level, or it is foreseen that it will do so at any time, the institution must immediately notify the NCA and submit a plan for the timely restoration of compliance without undue delay. Until compliance has been restored, the institution must report on progress of the plan daily by the end of each business day, unless less frequent reporting is authorised. At the same time, the NCA will monitor the implementation of the restoration plan and may require a more speedy restoration if appropriate.

The Regulation also covers the assets making up the liquidity buffer; net outflows of liquidity, calculated as the sum of liquidity outflows less the sum of liquidity inflows, and stress scenarios as regards the liquidity coverage ratio.

Finally, two of its transitional provisions are: 1) the phased application of the liquidity ratio, which will be 60% of the liquidity coverage requirements as of 1 October 2015; 70% as of 1 January 2016; 80% as of 1 January 2017; and 100% as of 1 January 2018; and 2) the description of certain impaired asset management agencies sponsored by Member States,[28] such that the preferential bonds issued by these agencies may be considered tier 1 until 31 December 2023 without the application of a haircut.

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26 There are two payment card systems: three party and four party. In the three-party system there are three agents: the cardholder (payer), recipient merchant, and a single payment system provider for both. The four-party system, in which there are four types of agent, is more common: the cardholder, the payer's payment service provider (card issuing entity), the merchant receiving the payment, and finally, the recipient's payment service provider (entity owning the device allowing its use on the point-of-sale terminal).

27 Regulation (EU) 575/2013 imposed a liquidity coverage requirement on credit institutions, formulated in general terms as the obligation to hold "liquid assets, the sum of the values of which covers the liquidity outflows less the liquidity inflows under stressed conditions."

28 In Spain, Sareb (the asset management company for assets arising from bank restructuring).

Leverage ratio applicable to credit institutions and investment firms

Commission Delegated Regulation (EU) 2015/62 of 10 October 2014 (OJ L of 17 January 2015) (hereinafter, the Regulation) was published, coming into force on 18 January 2015, amending Regulation (EU) No 575/2013 of the European Parliament and the Council, with regard to the leverage ratio.[29]

The rules for this ratio were revised by the Basel Committee on 14 January 2014 to correct differences in their interpretation by certain credit institutions and investment firms (hereinafter, the entities), as regards the netting of collateral in securities financing and repurchase transactions, and to add further provisions on the measurement and netting in securities financing and repurchase transactions.

The purpose of Regulation is to adapt the provisions of Regulation (EU) 575/2013 to the standards agreed by the Basel Committee to correct these differences, so as to enhance the comparability of the leverage ratio disclosed by entities, and to help avoid misleading market participants as to institutions' real leverage.

Contributions to resolution mechanisms for credit institutions and investment firms

Commission Delegated Regulation (EU) 2015/63 of 21 October 2014 (OJ L of 17 January 2015), was published, coming into force on 6 February 2015, supplementing Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014[30] with regard to ex ante contributions to resolution financing arrangements by credit institutions and certain investment firms (hereinafter, the entities); and *Council Implementing Regulation (EU) 2015/81 of 19 December 2014* (OJ L of 22 January 2014) was published, coming into force on 23 January 2015, specifying uniform conditions of application of Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014,[31] with regard to ex ante contributions to the Single Resolution Fund (hereinafter, the Fund).

Delegated Regulation (EU) 2015/63 is applicable in all Member States, whereas Implementing Regulation (EU) 2015/81 is applicable in participating Member States. These are the euro area Member States and those other Member States that have established close cooperation,[32] pursuant to Council Regulation 1024/2013 of 15 October 2013, conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions.

INSTITUTIONS' CONTRIBUTIONS TO THE RESOLUTION FUNDING MECHANISMS

Directive 2014/59/EU requires Member States to establish resolution funding mechanisms in order to guarantee the effective implementation, by the national resolution authority (NRA), of the resolution instruments and powers. It also requires that, no later than 31 December 2024, the financial resources of the funding mechanisms reach at least 1% of the amount of covered deposits of all the institutions authorised in their territory. The contribution of each institution will be pro rata to the amount of its liabilities (excluding own funds) less covered deposits, with respect to the aggregate liabilities (excluding own funds) less covered deposits of all the institutions authorised in the territory of the Member State. These contributions will be adjusted in proportion to institutions' risk profiles.

29 Pursuant to Regulation (EU) 575/2013, the leverage ratio is calculated as an institution's capital measure divided by that institution's total exposure measure.
30 See "Financial regulation: 2014 Q2," Economic Bulletin, July-August 2014, Banco de España, pp. 52-54.
31 See "Financial regulation: 2014 Q3," Economic Bulletin, October 2014, Banco de España, pp. 73-79.
32 For close cooperation to exist, participating Member States must undertake, *inter alia*, to: 1) ensure that their competent national authority complies with the guidance or requests issued by the ECB; 2) provide full information on credit institutions established in their territory that the ECB may require in order to conduct a comprehensive evaluation of these entities; and 3) adopt any measures requested by the ECB in relation to credit institutions.

Delegated Regulation (EU) 2015/63 establishes rules specifying: 1) the methodology for the calculation of the contributions to be paid by institutions to resolution financing arrangements in a manner proportional to their risk profile;[33] 2) the obligations of institutions as regards the information they are to provide for the purposes of the calculation and payment of the contributions to resolution financing arrangements; and 3) the measures to enable verification by the national resolution authorities that the contributions have been paid correctly.

INSTITUTIONS' CONTRIBUTIONS TO THE FUND

Regulation (EU) 806/2014 establishes and regulates the Fund as a single funding mechanism for all Member States participating in the SSM and the Single Resolution Mechanism (SRM). This Fund must be used in institutions' resolution proceedings when the Single Resolution Board (hereinafter, the Board)[34] considers it necessary to ensure the effective application of the resolution instruments. The Board is also authorised to calculate the individual contributions of all the institutions authorised in the territories of the participating Member States.

Regulation (EU) 806/2014 also establishes that over the period 1 January 2016 to 31 December 2024 the Fund's available financial resources must reach at least 1% of the covered deposits of all the credit institutions authorised in the territories of the participating Member States. Under certain circumstances the Board may extend this period by up to four years. Similarly, the contribution of each institution, which must be collected at least annually, will be pro rata to the amount of its liabilities (excluding own funds) less covered deposits, with respect to the aggregate liabilities (excluding own funds) less covered deposits of all the institutions authorised in the territories of the participating Member States.

Implementing Regulation (EU) 2015/81 describes the calculation method for the annual contributions of each institution to the Fund, establishing a specific phased system for these contributions during the period 2016-2024. This system consists of part of the contributions being calculated on a pro rata basis according to the contribution basis of each institution with respect to the aggregate contribution basis of all the institutions authorised in the Member State (national basis), while the other part is calculated on a pro rata basis relative to the basis of contribution of all the authorised institutions in the participating Member States (SRM basis). It also sets annual contributions of small institutions on a lump sum basis varying according to the volume of assets and liabilities (net of own funds and covered deposits).

State debt: issuing conditions in 2015 and January 2016

Law 36/2014 of 26 December 2014[35] on the State Budget for 2015 authorised the Minister for Economic Affairs and Competitiveness to increase State debt this year with the limitation that the outstanding balance at the end of the year may not exceed that on 1 January 2015 by more than €49.5 million (the previous year's limit was €71 billion).

As usual in January, the Order providing for the creation of State debt in 2015 and January 2016 was published, namely *Ministerial Order ECC/4/2015 of 2 January 2013* (BOE of 14 January 2015), which includes standard collective action clauses (CAC) for the first time. Additionally, *Resolutions of the General Secretariat for the Treasury and Financial*

33 For this purpose, NRAs will assess the risk profile of institutions on the basis of the following four risk pillars, which are elaborated upon in the Regulation: 1) risk exposure; 2) stability and variety of sources of funding; 3) importance of an institution to the stability of the financial system or economy; and 4) additional risk indicators to be determined by the resolution authority.

34 The Board was created by Regulation (EU) 806/2014, which conferred the administration of the Fund upon it.

35 See "Financial regulation: 2014 Q4," Economic Bulletin, January 2015, Banco de España, pp. 31-32.

Policy (the Treasury) of 19 and 20 January 2015 (BOE of 20 and 21 January 2015, respectively) were published, providing for certain issues of Treasury bills and for medium- and long-term government bonds, and publishing the schedule of tenders for this year and January of next year.

The Ministerial Order came into force on 14 January 2015 and the Resolutions on 19 and 20 January 2015, respectively.

As in Order ECC/1/2014, 2 January 2014, providing for the creation of State debt in 2014 and January 2015, the CACs[36] applicable since 1 January 2013 to all public debt issues with maturities of over one year are included.

In general, the issue mechanisms and instruments in force are maintained; these include syndicated issuance, which consists of ceding some or all of an issue at an agreed price to a number of financial institutions that ensure its placement. Given the use of this mechanism in recent years, the Treasury regulates the procedure that is to be followed in these operations, which in general will be as follows: 1) new issues or new tranches of existing issues; 2) the Treasury will select the participating financial institutions, based on financial criteria, commercial capacity, or capacity to foster debt markets, granting them a mandate to lead the issue; 3) the issue price, and other characteristics, including the coupon or maturity date, will be determined by the Treasury, following consultations with the selected institutions; 4) the Treasury will inform the selected institutions of their duty to maintain confidentiality in all phases of the issue process; and 5) the selected institutions will look for investors to cover the issue, and will also have the option to submit applications for their own portfolio. If demand exceeds the envisaged issue volume, the selected institutions will present the Treasury with a proposal for the distribution of the issue. The latter will assess the suitability of the distribution proposed by the selected financial institutions, and may make modifications to improve investor diversification, or improve the conduct of the issue on the secondary market after issue.

Finally, the development and resolution of tenders will be configured in the same way as in 2014.

TREASURY BILLS

As in previous years, the Resolution sets out the schedule of auctions to be held in 2015 and January 2016. This gives the dates of ordinary Treasury bill auctions and their maturities, setting the issues and the auction notices at the same times as the publication of the schedule. Nevertheless, for reasons of demand or issuance policy, the Treasury may hold additional auctions to those announced.

MEDIUM- AND LONG-TERM GOVERNMENT BONDS

The Resolution sets out the schedule of auctions to be held in 2015 and January 2016, indicating the dates and maturities of ordinary tenders, setting the issues and the auction notices at the same times as the publication of the schedule. As in the previous year, with some exceptions, bond auctions will be held on the first and third Thursday of each month and both medium- and long-term government bonds may be offered.

36 The CACs are rules for aggregating representative majorities of holders of certain types of bonds. In the event of a proposed modification of a debt instruments' conditions, they avoid the need to obtain unanimity among all bondholders and thus make it possible to adopt binding modifications, avoiding a minority's being able to block solutions approved by the majority. This allows, for example, the bonds' terms governing their issue or management to be modified with the prior consent of the issuer and 1) a vote in favour by at least 75% of the total principal of the bonds in circulation represented by a duly called meeting of bondholders, or 2) a written resolution signed by or on behalf of the holders of at least 66% of the total principal of the bonds in circulation.

Collective investment institutions: amendment to the regulations

Royal Decree 83/2015 of 13 February 2015 was published (BOE, 14 February 2015) (hereinafter, the Royal Decree), coming into force on 15 February, amending Royal Decree 1082/2012 of 13 July 2012[37] approved the implementing Regulations of Law 35/2003 of 4 November 2012, on Collective Investment Institutions (CIIs).

The Royal Decree's objectives include: 1) completing the transposition of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers (AIFMs), (already begun with Law 22/2014 of 12 November 2014, regulating venture capital undertakings, collective investment undertakings of the closed-end kind, and amending Law 35/2003 of 4 November 2003 on CIIs); 2) integrating the regulations on depositaries, to improve their consistency, make them more systematic and compliant with the applicable delegated regulation;[38] and 3) incorporate into Spanish legislation the various aspects that reflect the permanent evolution and development of the collective investment market in Spain.

The main changes are set out below.

MANAGEMENT OF INVESTMENT FIRMS

It is established that investment firms may only appoint one CII management company (hereinafter, CIIMC), eliminating the previously existing joint-management arrangements, which allowed the general assembly, or by delegation from it, the board of directors, to decide that the management of the company's assets, either as a whole, or a particular portion of them, be entrusted to one or more CIIMCs or one or more entities authorised to provide investment services in Spain.

STRENGTHENING INVESTOR PROTECTION

The compulsory information that is to be included in the brochure of harmonised CIIs includes, in particular:

1) Detailed and up-to-date information on the management company's remuneration policy, including, at least, a description of the way in which remuneration and profits are calculated, the identity of the persons responsible for these calculations, and the composition of the remunerations committee, where applicable.

2) Description of the CII depositary's tasks and the conflicts of interest that may arise; description of any depositary functions delegated by the depositary; the list of third-party entities to which the depositary function may be delegated, and the possible conflicts of interest that may arise from such delegation.

3) Identification of the relevant CII manager when the latter is managed by a manager of this kind, who must be included in the prospectus and in the key investor information document.

The Royal Decree lays down that in the case of non-harmonised CIIs, the fund management firms managing or marketing them are to include extensive additional information in the prospectus. Fund management firms managing non-harmonised CIIs must provide the CNMV with all such information as the latter requires, in particular, periodic information on

37 See "Financial regulation: 2012 Q3," Economic Bulletin, October 2012, Banco de España, pp. 88-92.
38 Commission Delegated Regulation (EU) 231/2013 and regulations implementing Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014.

the main markets and instruments in which they trade on behalf of the CIIs they manage. Specifically, they are to provide information on the main instruments in which they trade, on markets of which they are a member or where they actively trade, and on the principal exposures and most important concentrations of each of the CIIs they manage.

INVESTMENT REGIME

Certain modifications have been made to the investment regime for harmonised CIIs. Thus, investments in securitisations are considered suitable assets, provided the originator retain at least 5%, pursuant to Commission Delegated Regulation (EU) 231/2013 of 19 December 2012, and are subject to the limits on securitisation positions envisaged in said Regulation. In relation to derivative financial instruments, the possibility is allowed that the underlying asset be the inflation rate in certain countries or geographical areas, provided that the rules for calculation, transparency and dissemination are equivalent to those established for the European Union's harmonised index of consumer prices.

HEDGE FUNDS

The following modifications are made regarding hedge funds:

1) The minimum initial disbursement of shares or units has been raised from €50,000 to €100,000. As in the previous regulations, this requirement is not applicable to investors deemed to be professional clients.

2) The possibility of marketing hedge funds to (non-professional) retail investors has been opened up, provided they make a minimum initial investment of €100,000 and acknowledge in writing that they are aware of the risks of the investment.

3) Apart from being able to invest in those derivative financial instruments permitted for other CIIs, they are allowed to invest in: 1) commodities for which there is a secondary market; 2) shares or units in hedge funds and similar foreign institutions; and 3) any other underlying asset whose use has been authorised by the CNMV or any combination of the foregoing. They may also invest in securitisations whose originator retains at least 5%, pursuant to Delegated Regulation (EU) 231/2013, and which are subject to the limits on securitisation positions envisaged in the delegated regulation.

4) CIIs that are marketed exclusively to professional clients may invest, without the liquidity principle applying to them, in invoices, loans, commercial paper commonly used in business transactions, and other similar assets, in financial assets linked to investment strategies with a time horizon of more than a year, and in derivative financial instruments, whatever the nature of the underlying asset, provided their liquidation does not result in a non-financial asset being brought onto the hedge fund's balance sheet. They may also grant loans, in which case they shall not be allowed to take on debt.[39]

Hedge fund management companies that invest in this kind of asset must also comply with a series of requirements that are set out in more detail in the Royal Decree.

FUND MANAGEMENT COMPANIES

The requirements for the delegation of the tasks of fund management companies have been updated and the sub-delegation of tasks has been regulated, such that the delegated

39 The limit on the debt of hedge funds that do not grant loans may not exceed five times their equity.

entity may in turn sub-delegate some of the tasks delegated to it, provided certain conditions are met.

In relation to the conditions for access to the activity, the minimum share capital has been reduced from €300,000 to €125,000 for fund management companies, but remains at €300,000 for self-managed investment companies (SMICs). Additionally, when the total value of the managed portfolios exceeds €250 million, fund management companies must increase their own funds by 0.02% of the amount of this value, while not exceeding €10 million. One new feature is that up to 50% of the additional amount of own funds may be covered by a guarantee of this same amount from a credit institution or insurance undertaking.

They are also required to cover possible risks deriving from professional liability in relation to the activities the fund management company managing non-harmonised CIIs, venture capital firms or collective investment undertakings of the closed-ended type may perform, either through additional own funds (equivalent to 0.01% of the assets of this kind of institution managed), or by taking out professional liability insurance.

Certain changes have been made to the application for authorisation to create a fund management company, such as compliance with the suitability requirements applicable to the individuals on the board of directors and serving as managing directors or equivalent, in terms similar to those applicable to investment firms and other entities providing investment services.

CII DEPOSITARIES

The Royal Decree sets out detailed regulations for depositaries, improving on the existing regulations[40] by making them more consistent and systematic, and adapting the functions, obligations and responsibilities to applicable European Union rules, in particular Commission Delegated Regulation (EU) 231/2013 of 19 December 2012. The specificities and exceptions applicable to depositaries for venture capital firms, collective investment undertakings of the closed-ended type, and hedge funds remain to be implemented.

Credit institutions and securities dealers and brokers may be depositaries, but may only use the denomination CII depositary in the context of the exercise of such tasks. The depositary's executives and directors must satisfy the suitability requirements laid down in the specific legislation.

The functions and obligations of the depositary are also updated, as in addition to the asset depositary and management function, and the monitoring and supervisory function, the following are added: 1) the financial asset custody function,[41] including the rules on the reuse of assets under custody; and 2) the registration of other non-custodiable assets, and cash control.

The depositary's intervention in the liquidation of the subscription and reimbursement of holdings is covered in detail. The depositary must ensure that all the income or payments deriving from the subscriptions or reimbursements are effectively made, crediting or

40 Order EHA 596/2008, of 5 March 2008, which will be definitively repealed once the adjustments developed by the CNMV completing the regulations on depositaries come into force.

41 Financial instruments that may be consigned in a financial instruments account, open in the depositary's books, are considered custodiable assets, provided these instruments are transferable between entities and their ownership and trading do not depend on a single central register external to the depositary, and all those that may be physically delivered to the latter.

debiting in the institution's cash accounts held with the depositary. It must also ensure that the subscriptions and reimbursements are made in accordance with the envisaged payment procedures, and in the way specified in the prospectus.[42]

The Royal Decree also lays down the rules for the delegation and sub-delegation of the depositary function, and the liability regime, such that the depositary will be liable for the loss of the instruments held in deposit, unless it can be shown that this loss occurred as a result of an external event beyond the depositary's reasonable control, despite the latter's efforts to avoid it.

RULES OF CONDUCT AND CONFLICTS OF INTEREST

Fund management companies, depositary institutions and those CIIs in the form of a company and whose overall management is not entrusted to a fund management company, marketing institutions, and those persons holding management and executive offices in any of the foregoing, are subject to certain rules of conduct that are updated in this Royal Decree.

It also sets out in more detail the rules on fund management companies' conflicts of interest to guarantee the independence and separation of tasks and responsibilities that may be considered incompatible with one another or which are liable to give rise to systemic conflicts of interest.

OTHER CHANGES

The additional provisions transpose Directive 2011/61/EU of 8 June 2011 in relation to the marketing of CII shares to professional investors with a passport.

Finally, it amends Royal Decree 1310/2005, of 4 November 2005, partially implementing Law 24/1988, 28 July 1988, on the Stock Market, as regards the admission of securities to trading on official secondary markets, public offers of sale or subscription and the prospectus required for these purposes. The amendments have two goals: firstly, to transpose Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading; secondly, to make minimum adjustments to adapt the aforementioned Royal Decree to Directive 2014/51/EU of the European Parliament and of the Council of 16 Apri 2014, regarding the powers of the European Securities Markets Authority (ESMA).

Credit rating agencies: regulatory implementation

Various Commission delegated regulations have been published implementing various sections of Regulation (EC) 1060/2009 of the European Parliament and of the Council of 16 September 2009,[43] on credit rating agencies, amended by Regulation (EU) 462/2013 of the European Parliament and of the Council of 21 May 2013.

Specifically, these are: *Commission Delegated Regulation (EU) 2015/1, of 30 September 2014* (OJ L of 6 January 2014), supplementing Regulation (EC) No 1060/2009 with regard to regulatory technical standards for the periodic reporting on fees charged by credit rating agencies for the purpose of ongoing supervision by the European Securities and Markets Authority; *Commission Delegated Regulation (EU) 2015/2, of 30 September 2014* (OJ L of

42 Subscriptions are generally made in the form of a non-negotiable cheque payable to the fund, transfer to an account in the fund's name, or a cash deposit made directly to the depositary. Reimbursements are generally made by the depositary following an express order issued by the management company. Reimbursements may be made in the form of a non-negotiable cheque payable to the investor, transfer to an account in the investor's name, or a cash deposit made directly to the investor.

43 See "Financial regulation: 2009 Q4," Economic Bulletin, January 2010, Banco de España, pp. 165-166.

6 January 2014), supplementing Regulation (EC) No 1060/2009 with regard to regulatory technical standards for the presentation of the information that credit rating agencies make available to the European Securities and Markets Authority, and *Commission Delegated Regulation (EU) 2015/3, of 30 September 2014* (OJ L of 6 January 2014), supplementing Regulation (EC) No 1060/2009 with regard to regulatory technical standards on disclosure requirements for structured finance instruments.

These delegated regulations came into force on 26 January 2015.

Second-chance mechanism, reduction of financial burden, and other social measures

Royal Decree-Law 1/2015, 27 February 2015 was published (State Official Gazette (BOE), 28 February 2015) (hereinafter, the Royal Decree-Law), coming into force on 1 March 2015, on the second-opportunity mechanism, reduction of financial burden, and other social measures.

From the fiscal and financial regulatory viewpoint the following sections stand out:

OUT-OF-COURT PAYMENT AGREEMENT

The main changes are: 1) the existing system has been made more flexible, assimilating it to the provisions for legally endorsable refinancing agreements regulated by the fourth additional provision of Law 22/2003, 9 July 2003, on bankruptcy; 2) the expansion of its scope of application to natural persons not considered business people, and with regulations for a simplified procedure; 3) the possibility of extending the effects of the agreement to dissenting secured creditors (previously, these creditors were only subject to the agreement voluntarily); and 4) strengthening the role of the bankruptcy mediator, introducing the possibility that the Official Chambers of Commerce, Industry, Navigation and Services act in this role if the debtor is a business person, or notaries, in the case of natural persons other than business persons.

In relation to the acceptance of out-of-court payment agreements, the same majorities as established for legally endorsable refinancing agreements–albeit calculated on the totality of the liabilities that may be affected by the agreement rather than on the financial liabilities–and the same measures will apply.

Lastly, the tasks and remuneration of the bankruptcy mediator are regulated. The mediator's remuneration will depend on the type of debtor, their assets and liabilities, and the success of the mediation.

DEBT RELIEF SYSTEM FOR NATURAL PERSONS

The Royal Decree-Law establishes a debt-relief system for natural persons in the framework of bankruptcy proceedings. This rests on two fundamental pillars: that the debtor is in good faith and that his or her assets have been liquidated or the bankruptcy proceedings deemed concluded due to insufficient assets.

Debtors will be understood to be acting in good faith provided a series of requirements are met: 1) that the bankruptcy has not been deemed blameworthy; 2) that the debtor has not been convicted by a final judgment for financial crimes, crimes against the socio-economic order, falsification of documents, crimes against the Treasury or social security system, or against workers' rights in the ten years preceding the declaration of bankruptcy; 3) that, meeting the requirements laid down in the law, an out-of-court payment agreement has at least been attempted; and 4) all the credits against the assets, privileged bankruptcy credits, and at least, 25% of the amount of ordinary bankruptcy credits have been satisfied, if no prior attempt has been made to reach an out-of-court payment agreement. The foregoing conditions having been met, if the bankruptcy administration and the creditors appearing express their agreement with the debtor's application or do not oppose it, the bankruptcy court may grant, on a provisional basis, the benefit of relief of the unmet liabilities.

Debtors not meeting requirement (4) may alternatively be considered to be in good faith if they meet requirements (1), (2) and (3) and agree to be subject to a payment plan, collaborate during the bankruptcy, have not obtained the benefit of relief in the last ten years, have not rejected a job offer suitable to their abilities in the four years previous to the bankruptcy, and accept that, for five years, this benefit is to be stated in the Public Bankruptcy Register. Any bankruptcy creditor will be entitled to apply to the bankruptcy judge for the revocation of the relief on the outstanding liabilities when the debtor, during the five years following its granting: 1) is in any of the circumstances that would have prevented granting of the benefit of cancellation of the outstanding liabilities; 2) fails to meet the obligation to pay the uncancelled debts in accordance with the terms of the payment plan; 3) experiences a substantial improvement in his or her economic situation such that he or she could pay all the outstanding debts without detriment to his or her maintenance obligations; or 4) the existence of hidden income, assets or rights is discovered. Once this period has expired, if the benefit has not been revoked, at the request of the debtor in bankruptcy, the bankruptcy court will issue an order recognising the cancellation of the outstanding liabilities from the bankruptcy to be definitive.

PROTECTION OF MORTGAGE DEBTORS

Certain amendments have been introduced to Royal Decree-Law 6/2012, 9 March 2012, on urgent measures to protect mortgage debtors without resources. Thus, in relation to the code of good practice for mortgage debtors, the subjective scope has been expanded, raising the annual ceiling for beneficiary families, which will be calculated based on the annual multipurpose income indicator (IPREM) in fourteen monthly payments, including as a new situation of special vulnerability that the debtor be aged over 60 –although not meeting the requirements to be considered a household[44]– and a new form of calculating the price limit of the immovable property acquired. Additionally, floor clauses in the contracts of debtors on the new exclusion threshold have been rendered definitively inapplicable.

Law 1/2013 of 14 May 2013 on measures to strengthen the protection of mortgagors, debt restructuring, and rented social housing has been amended to extend from two to four years the suspension of evictions when judicial or out-of-court foreclosure awards the creditor, or person acting in the creditor's name, the principal residence of persons in situations of particular vulnerability and in the economic situations envisaged in the aforementioned law. This extension began with the entry into force of the law, such that it will end on 15 May 2017.

TAX MEASURES

The changes introduced in Law 35/2006 of 28 November 2006 on personal income tax and partially amending the corporate income tax, non-resident income tax and wealth tax laws include the inclusion of the 43rd additional provision establishing the tax exemption of income received by debtors as a consequence of settlements and dation in payment of debts established in: 1) a court-approved agreement; 2) a court-endorsed refinancing agreement; 3) an out-of-court payment agreement; or 4) as a result of cancellation of outstanding liabilities, provided that the debts do not arise out of business activities.

44 Pursuant to Royal Decree-Law 6/2012, 9 March 2012, the household comprises the debtor, his or her spouse (not legally separated) or registered cohabiting partner, and the children, irrespective of age, who live in the family home, including those linked by a relationship of guardianship, custody or fostering.

OTHER CHANGES

The law's additional provisions make the following changes: 1) it allows Official Chambers of Commerce, Industry, Services and Navigation, and the Official Chamber of Commerce, Industry, Services and Navigation of Spain to perform functions of bankruptcy mediation and additional functions to support merchants in their activities; and 2) in relation to the adherence to the "Code of Good Practice of the viable restructuring of mortgage-backed debts on principle residences" it is automatically understood to be applicable to institutions that had adhered to previous versions of the code, unless they give express notice of their not wishing to adhere to the new version of the code within one month.

Deindexation of the Spanish economy

Law 2/2015, 30 March 2015 (hereinafter, the Law) was published (BOE, 31 March 2015), entering into force on 1 April 2015, on the deindexation of the Spanish economy. Its aim is to establish a regime based on the principle that monetary values are not revised in line with price indices or formulas containing them,[45] except in those cases where such a revision is indispensable.

The Law applies to: 1) revisions of any monetary value which the public sector has a role in determining, including all items subject to revision in the existing legislation, including, inter alia, prices of public contracts, levies, regulated prices and charges, subsidies, benefits, assistance, fines and penalties, or reference values; and 2) periodic or non-periodic reviews of income from rural and urban leases, consideration for service leasing agreements, supplies, and annuities or monetary values in any other contract between private individuals.

The Law's scope does not include: 1) collective wage bargaining; 2) pension revisions, revaluations or updates; and 3) financial instruments envisaged in Law 24/1988, 28 July 1988, such as negotiable securities and derivatives.

ARRANGEMENTS APPLICABLE IN THE PUBLIC SECTOR

In this area, the Law establishes: 1) specific arrangements for the predetermined periodic revision of monetary values; and 2) arrangements applicable to the non-predetermined periodic revision, and non-periodic revision of monetary values.

ARRANGEMENTS APPLICABLE IN THE PRIVATE SECTOR

Under the arrangements applicable to contracts between private parties, periodic revision of monetary values will only take place when expressly agreed, i.e. the parties remain free to agree as they see fit. In those cases where there is no such agreement or where the parties have explicitly agreed to apply a periodic revision mechanism, but do not state the reference index or methodology, the Competitiveness Guarantee Index, prepared as set out in the annex to the Law, will apply as the reference index.

07/4/2015.

45 Indexing, or index-linking, is a practice whereby the monetary value of economic variables is modified in line with changes in a price index over the course of a period.

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).

INTEREST RATES
AND INDICES OF SPANISH
COMPETITIVENESS

1 IMF Special Data Dissemination Standard (SDDS).

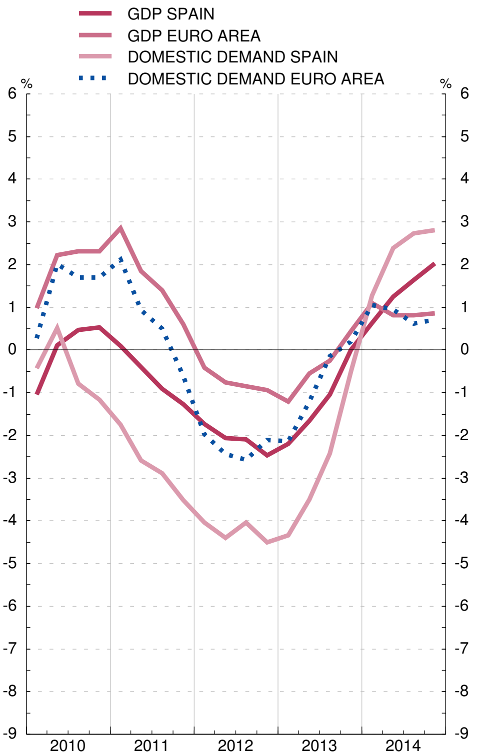
1.1. GROSS DOMESTIC PRODUCT. VOLUME CHAIN-LINKED INDICES, REFERENCE YEAR 2010=100. DEMAND COMPONENTS. SPAIN AND EURO AREA (a)

■ Series depicted in chart.

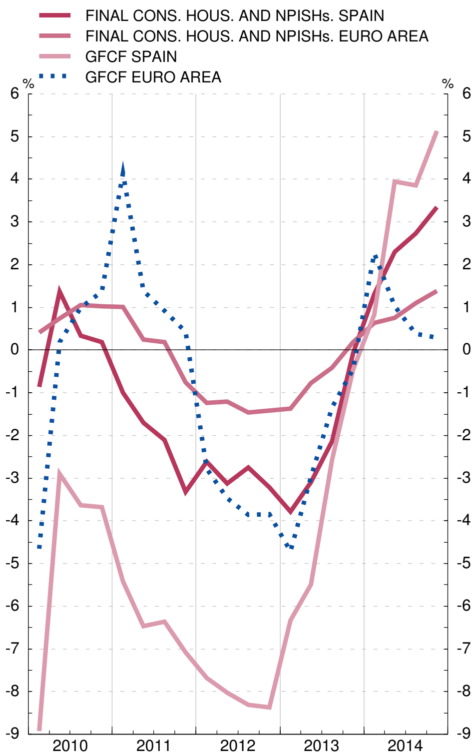
Annual percentage changes

		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	P	-0.6	1.7	-2.0	0.2	-0.3	-0.2	-6.3	1.7	-2.7	0.7	7.4	6.8	-0.8	4.6	1 075	9 794
12	P	-2.1	-0.7	-2.9	-1.3	-3.7	-0.1	-8.1	-3.5	-4.2	-2.3	1.2	2.6	-6.3	-1.0	1 055	9 846
13	A	-1.2	-0.4	-2.3	-0.6	-2.9	0.2	-3.8	-2.4	-2.7	-0.8	4.3	2.1	-0.5	1.3	1 049	9 936
12 *Q1*	P	-1.7	-0.4	-2.6	-1.2	-2.3	0.0	-7.7	-2.8	-4.0	-2.0	0.2	2.9	-7.9	-0.8	266	2 459
Q2	P	-2.1	-0.8	-3.1	-1.2	-3.2	-0.1	-8.0	-3.5	-4.4	-2.4	0.9	2.8	-7.4	-1.2	264	2 458
Q3	P	-2.1	-0.8	-2.7	-1.5	-4.3	-0.1	-8.3	-3.9	-4.0	-2.6	2.1	2.8	-4.6	-1.2	264	2 464
Q4	P	-2.5	-0.9	-3.2	-1.4	-5.0	-0.4	-8.4	-3.8	-4.5	-2.1	1.5	2.0	-5.3	-0.7	262	2 465
13 *Q1*	A	-2.2	-1.2	-3.8	-1.4	-4.5	-0.1	-6.3	-4.7	-4.3	-2.1	-0.0	1.1	-7.3	-1.0	262	2 464
Q2	A	-1.7	-0.6	-3.1	-0.8	-3.6	0.1	-5.5	-3.0	-3.5	-1.2	7.3	2.1	1.3	0.7	262	2 481
Q3	A	-1.0	-0.2	-2.1	-0.4	-2.4	0.4	-2.6	-1.3	-2.4	-0.1	4.9	1.8	0.5	2.3	262	2 489
Q4	A	0.0	0.4	-0.1	0.2	-1.1	0.5	-0.5	-0.4	-0.5	0.2	5.1	3.5	3.8	3.2	263	2 502
14 *Q1*	A	0.6	1.1	1.3	0.6	0.3	0.6	0.8	2.3	1.3	1.0	6.4	3.6	9.4	3.7	262	2 516
Q2	A	1.2	0.8	2.3	0.8	0.3	0.6	3.9	1.0	2.4	0.9	1.0	3.1	4.9	3.7	264	2 522
Q3	A	1.6	0.8	2.7	1.1	0.3	0.7	3.9	0.4	2.7	0.6	4.5	4.0	8.6	3.9	266	2 533
Q4	A	2.0	0.9	3.3	1.4	-0.5	0.8	5.1	0.3	2.8	0.7	4.7	4.1	7.7	4.0	267	2 546

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 2010) and Eurostat.

a. Spain: prepared in accordance with ESA2010, seasonally- and working-day-adjusted series; Euro area, prepared in accordance with ESA2010. b. Final consumption expenditure may take place on the domestic territory or abroad. 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.

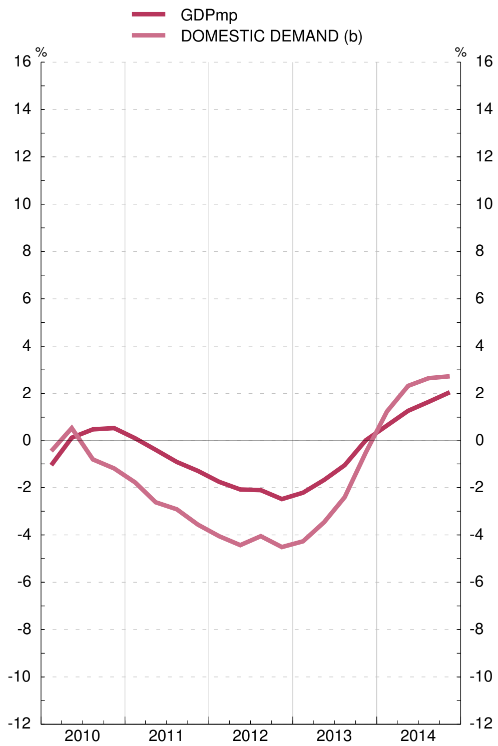
1.2. GROSS DOMESTIC PRODUCT. VOLUME CHAIN-LINKED INDICES. REFERENCE YEAR 2010=100. DEMAND COMPONENTS. SPAIN: BREAKDOWN (a)

■ Series depicted in chart.

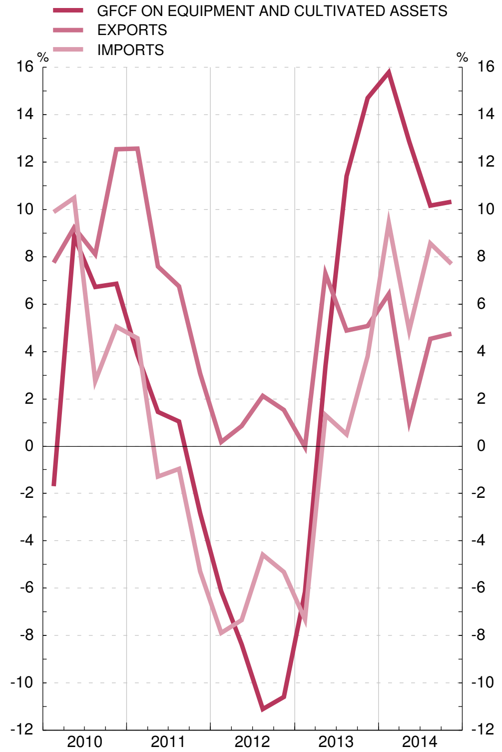
Annual percentage changes

		Gross fixed capital formation					Change in Stocks (b)	Exports of goods and services				Imports of goods and services				Memorandum items	
		Total	Tangible fixed assets			Intangible fixed assets		Total	Goods	Services	Of which	Total	Goods	Services	Of which	Domestic demand (b) (c)	GDP
			Total	Construc-tion	Equipment and cultivated assets						Final consumption of non-residents in economic territory				Final consumption of residents in the rest of the world		
		1	2	3	4 ■	5	6	7 ■	8	9	10	11 ■	12	13	14	15 ■	16 ■
11	P	-6.3	-7.2	-10.6	0.8	0.5	-0.0	7.4	8.0	6.1	6.0	-0.8	-0.3	-2.9	-4.7	-2.7	-0.6
12	P	-8.1	-9.2	-9.3	-9.0	-0.2	-0.1	1.2	1.2	1.0	-0.7	-6.3	-6.4	-6.0	-7.4	-4.3	-2.1
13	A	-3.8	-4.2	-9.2	5.6	-1.3	0.1	4.3	5.7	0.9	2.9	-0.5	0.4	-4.7	1.9	-2.7	-1.2
12 *Q1*	P	-7.7	-8.8	-10.1	-6.1	0.5	-0.3	0.2	-0.8	2.6	0.2	-7.9	-7.5	-10.3	-8.9	-4.1	-1.7
Q2	P	-8.0	-9.0	-9.3	-8.4	-1.0	-0.3	0.9	0.6	1.4	-1.3	-7.4	-7.7	-5.5	-2.5	-4.4	-2.1
Q3	P	-8.3	-9.7	-8.9	-11.1	1.0	0.3	2.1	2.3	1.8	0.6	-4.6	-4.8	-3.4	-9.4	-4.1	-2.1
Q4	P	-8.4	-9.4	-8.8	-10.6	-1.4	0.1	1.5	2.9	-1.5	-2.4	-5.3	-5.4	-4.9	-8.7	-4.5	-2.5
13 *Q1*	A	-6.3	-7.0	-7.4	-6.2	-2.3	0.3	-0.0	0.0	-0.3	0.9	-7.3	-8.3	-2.0	-3.3	-4.3	-2.2
Q2	A	-5.5	-6.4	-11.4	3.4	-0.0	0.3	7.3	10.4	0.2	2.3	1.3	2.3	-3.9	-1.8	-3.5	-1.7
Q3	A	-2.6	-2.6	-9.7	11.4	-2.7	-0.1	4.9	6.9	0.3	2.4	0.5	2.1	-7.4	4.4	-2.4	-1.0
Q4	A	-0.5	-0.5	-8.3	14.7	-0.3	-0.1	5.1	5.8	3.3	6.0	3.8	5.7	-5.2	8.4	-0.5	0.0
14 *Q1*	A	0.8	0.7	-7.4	15.8	1.8	0.3	6.4	6.7	5.7	6.2	9.4	10.1	5.9	6.8	1.2	0.6
Q2	A	3.9	4.3	-0.7	12.9	1.7	0.2	1.0	0.8	1.6	3.9	4.9	4.8	5.4	10.0	2.3	1.2
Q3	A	3.9	3.9	0.1	10.2	3.4	0.3	4.5	5.5	2.4	1.3	8.6	8.7	7.8	9.0	2.6	1.6
Q4	A	5.1	5.5	2.4	10.3	3.1	-0.1	4.7	5.3	3.4	3.3	7.7	7.5	8.7	8.7	2.7	2.0

GDP. DOMESTIC DEMAND
Annual percentage changes



GDP. DEMAND COMPONENTS
Annual percentage changes



Source: INE (Quarterly National Accounts of Spain. Base year 2010).
a. Prepared in accordance with ESA2010, seasonally- and working-day-adjusted series.
b. Contribution to GDPmp growth rate.
c. Residents' demand within and outside the economic territory.

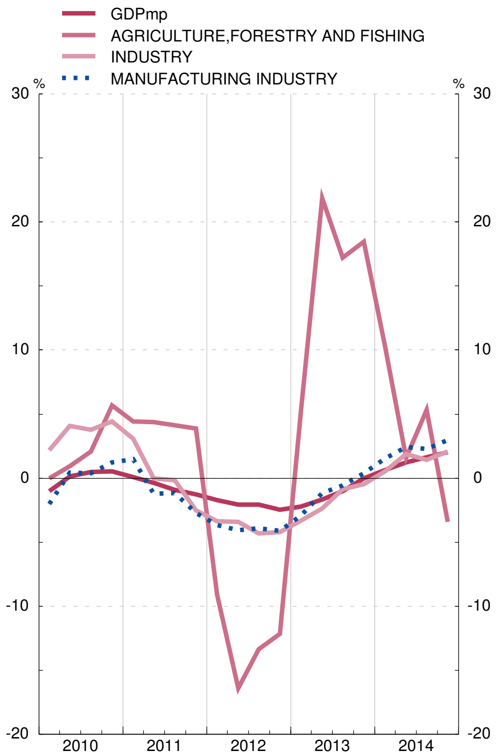
1.3. GROSS DOMESTIC PRODUCT. VOLUME CHAIN-LINKED INDICES. REFERENCE YEAR 2010=100. BRANCHES OF ACTIVITY. SPAIN (a)

■ Series depicted in chart.

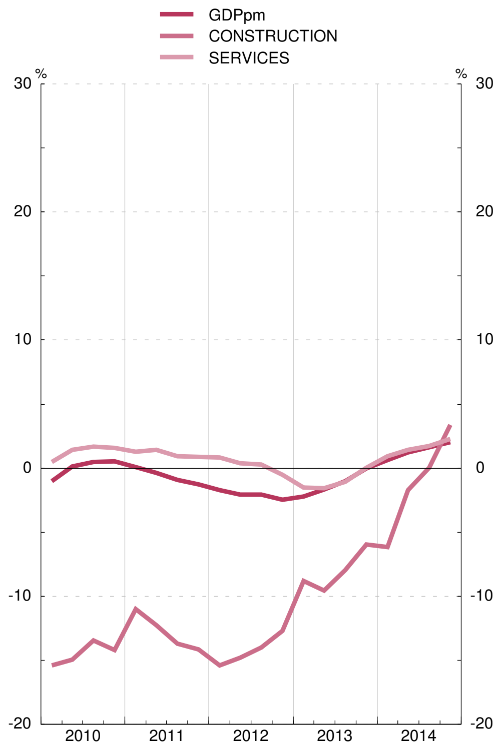
Annual percentage changes

		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	-0.6	4.2	0.1	-0.9	-12.7	1.1	1.3	-0.5	-2.0	3.0	2.7	0.5	0.8	-5.2
12	P	-2.1	-12.8	-3.8	-4.0	-14.3	0.2	0.4	2.6	-3.4	2.4	-0.5	-0.6	-0.3	-4.4
13	A	-1.2	15.6	-1.8	-1.1	-8.1	-1.0	-0.7	-2.8	-7.8	1.1	-1.1	-1.3	1.5	-1.5
12 *Q1*	P	-1.7	-9.1	-3.3	-3.7	-15.4	0.8	0.8	2.7	-2.1	2.6	1.0	-0.1	0.9	-4.9
Q2	P	-2.1	-16.4	-3.4	-4.1	-14.8	0.4	0.2	2.6	-2.5	2.0	0.2	-0.1	0.2	-4.4
Q3	P	-2.1	-13.4	-4.3	-3.9	-14.0	0.3	0.7	3.5	-4.2	2.4	0.0	-0.9	-0.4	-4.2
Q4	P	-2.5	-12.1	-4.2	-4.1	-12.7	-0.5	-0.0	1.6	-4.9	2.6	-3.2	-1.3	-1.9	-4.2
13 *Q1*	A	-2.2	5.3	-3.3	-2.9	-8.8	-1.5	-1.5	-3.2	-6.2	1.7	-2.4	-1.9	-0.3	-2.9
Q2	A	-1.7	21.9	-2.4	-1.2	-9.6	-1.6	-1.5	-2.9	-9.1	1.6	-2.4	-1.8	1.1	-1.5
Q3	A	-1.0	17.2	-0.9	-0.6	-8.0	-1.1	-0.8	-3.5	-7.9	0.3	-1.0	-0.9	1.4	-1.1
Q4	A	0.0	18.4	-0.5	0.4	-6.0	0.0	0.9	-1.6	-8.2	0.8	1.3	-0.7	3.8	-0.6
14 *Q1*	A	0.6	10.3	0.5	1.5	-6.2	0.9	1.9	1.3	-6.5	1.3	1.4	0.2	3.6	-0.0
Q2	A	1.2	1.6	1.9	2.4	-1.7	1.4	2.6	0.8	-5.3	1.9	2.0	0.6	2.4	0.5
Q3	A	1.6	5.3	1.5	2.3	0.0	1.7	3.0	2.0	-5.4	2.5	2.3	0.6	2.5	1.1
Q4	A	2.0	-3.4	2.1	3.0	3.4	2.3	3.7	2.4	-4.6	2.3	4.8	0.5	3.0	1.0

GDP. BRANCHES OF ACTIVITY
Annual percentage changes



GDP. BRANCHES OF ACTIVITY
Annual percentage changes



Source: INE (Quarterly National Accounts of Spain. Base year 2010).
a. Prepared in accordance with ESA2010, seasonally- and working-day-adjusted series.

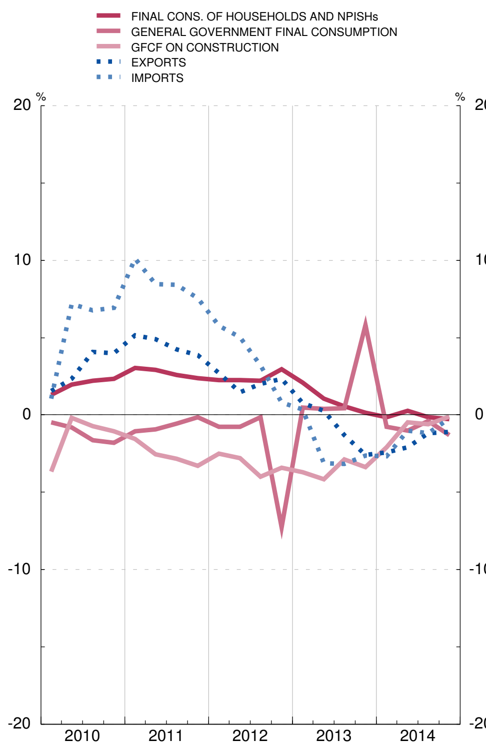
1.4. GROSS DOMESTIC PRODUCT. IMPLICIT DEFLATORS. SPAIN (a)

■ Series depicted in chart.

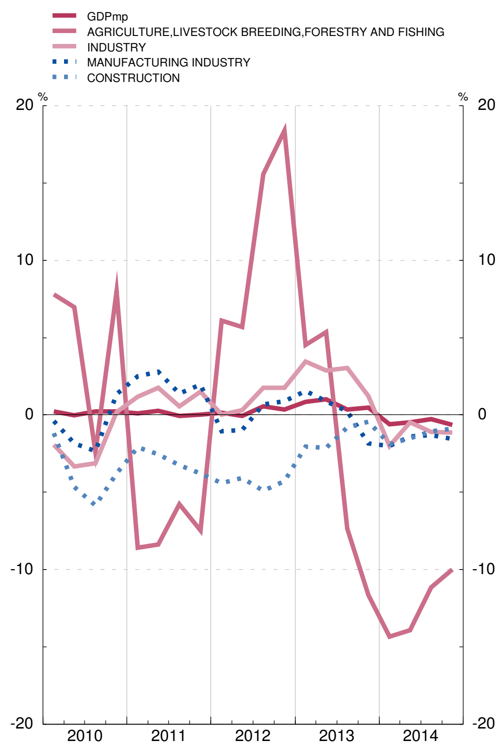
Annual percentage changes

		Demand components								Gross domestic product at market prices	Branches of activity											
		Final consumption of households and NPISHs (b)	General government final consumption	Gross fixed capital formation				Exports of goods and services	Imports of goods and services		Agriculture, livestock breeding, forestry and fishing	Industry		Construction	Services							
				Total	Tangible fixed assets		Intangible fixed asstes					Total	On which		Total	Trade, transport and accommodation	Information and communications	Financial and insurance activities	Real estate activities	Professional activities	Public administration, Health and Education	Artistic recreational and other services activities
					Construction	Equipment and cultivated assets							Manufacturing industry									
		1 ■	2 ■	3	4 ■	5	6	7 ■	8 ■	9 ■	10 ■	11 ■	12 ■	13 ■	14	15	16	17	18	19	20	21
11	P	2.7	-0.7	-1.3	-2.5	0.5	0.8	4.5	8.5	0.1	-7.6	1.2	2.2	-2.9	0.3	1.1	-0.9	-5.0	3.5	0.4	-0.9	0.4
12	P	2.4	-2.2	-1.5	-3.2	0.8	0.4	2.1	3.7	0.2	11.4	1.0	-0.1	-4.4	-0.2	0.8	-2.3	3.3	2.0	-1.2	-2.8	0.4
13	A	0.9	1.7	-3.1	-3.5	-4.2	0.9	-0.8	-2.2	0.7	-2.7	2.7	0.2	-1.4	-0.3	-0.4	-4.7	-5.4	1.1	-0.9	1.7	-1.6
12 *Q1*	P	2.2	-0.8	-1.0	-2.5	1.4	0.3	2.7	5.8	0.1	6.1	0.0	-1.1	-4.4	0.5	0.5	-2.1	7.7	2.5	-1.6	-0.8	-0.1
Q2	P	2.2	-0.7	-1.3	-2.8	1.1	0.3	1.5	5.0	-0.1	5.7	0.3	-1.0	-4.1	0.4	0.3	-2.0	15.8	2.1	-1.9	-2.2	0.1
Q3	P	2.2	-0.2	-2.1	-4.0	0.5	0.3	2.0	3.2	0.6	15.6	1.8	0.7	-4.9	-0.3	1.0	-2.4	-5.6	1.9	-1.6	-1.2	0.2
Q4	P	2.9	-7.3	-1.8	-3.4	0.2	0.5	2.3	0.8	0.3	18.4	1.8	0.9	-4.3	-1.4	1.4	-2.8	-4.0	1.6	0.5	-7.2	1.2
13 *Q1*	A	2.0	0.5	-3.0	-3.7	-3.3	0.9	0.8	0.3	0.8	4.5	3.5	1.6	-2.0	-0.2	0.4	-4.3	-6.7	1.1	-0.6	1.1	-1.2
Q2	A	1.0	0.4	-3.5	-4.1	-4.4	0.8	0.2	-3.1	1.0	5.3	2.9	0.9	-2.1	-0.7	0.0	-4.6	-7.0	1.0	-0.7	-0.2	-1.5
Q3	A	0.5	0.4	-2.8	-2.9	-4.6	1.1	-1.3	-3.2	0.4	-7.3	3.1	0.2	-0.8	-0.4	-0.6	-5.1	-3.3	1.2	-0.7	0.8	-1.8
Q4	A	0.1	5.8	-3.0	-3.4	-4.2	0.7	-2.6	-2.6	0.5	-11.7	1.2	-1.8	-0.4	0.2	-1.5	-4.8	-4.2	0.9	-1.7	5.6	-2.1
14 *Q1*	A	-0.2	-0.7	-1.8	-2.1	-2.3	0.7	-2.4	-2.7	-0.6	-14.3	-2.0	-2.0	-1.9	-0.2	-1.2	-4.8	8.0	0.8	-1.0	0.2	-0.6
Q2	A	0.2	-1.0	-0.3	-0.5	-0.5	0.6	-2.1	-1.0	-0.5	-13.9	-0.5	-1.4	-1.5	0.1	-0.6	-4.4	10.7	0.7	-1.4	0.1	-0.2
Q3	A	-0.2	-0.4	-0.4	-0.6	-0.3	0.2	-1.2	-1.2	-0.3	-11.2	-1.1	-1.3	-1.0	-0.0	-0.9	-4.7	14.5	0.3	-1.4	-0.0	-0.6
Q4	A	-0.3	-1.3	0.2	-0.1	0.5	0.2	-1.1	-0.2	-0.6	-10.0	-1.1	-1.5	-0.9	-0.5	-1.6	-4.4	12.6	0.1	-1.6	-0.3	-0.9

GDP. IMPLICIT DEFLATORS
Annual percentage changes



GDP. IMPLICIT DEFLATORS
Annual percentage changes



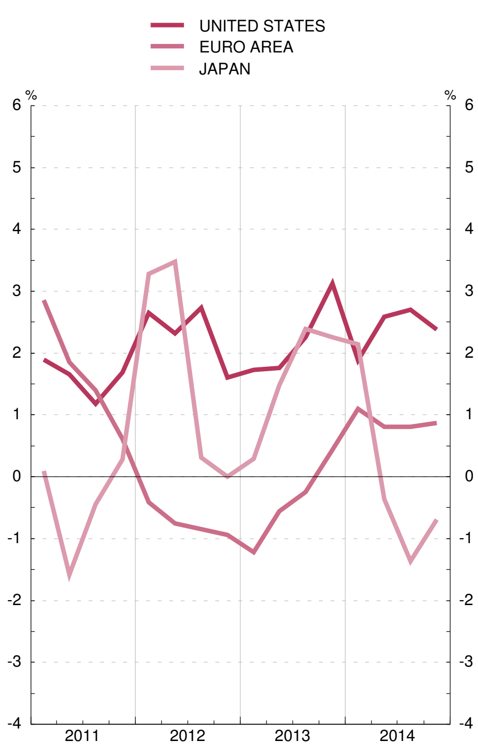
Source: INE (Quarterly National Accounts of Spain. Base year 2010).
a. Prepared in accordance with ESA2010, seasonally- and working-day-adjusted series.
b. Final consumption expenditure may take place on the domestic territory or abroad. It therefore includes residents' consumption abroad, which is subsequently deducted in Imports of goods and services.

2.1. INTERNATIONAL COMPARISON. GROSS DOMESTIC PRODUCT AT CONSTANT PRICES

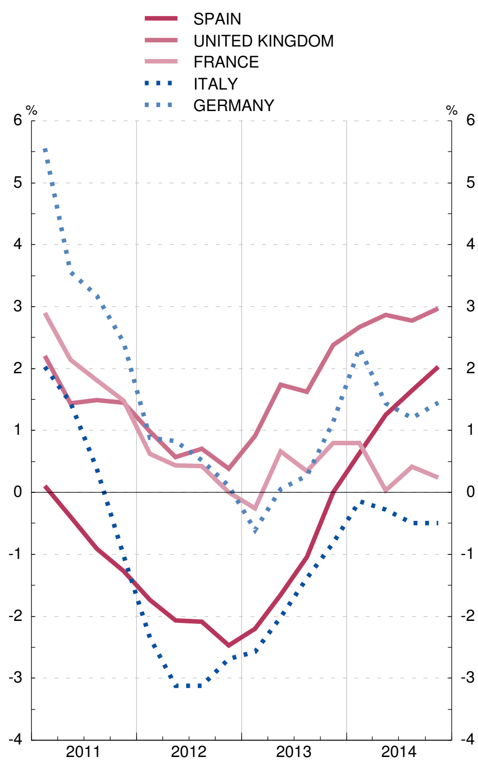
■ Series depicted in chart. *Annual percentage changes*

	OECD 1	European Union 2	Euro area 3 ■	Germany 4 ■	Spain 5 ■	United States 6 ■	France 7 ■	Italy 8 ■	Japan 9 ■	United Kingdom 10 ■
12	1.3	-0.4	-0.7	0.6	-2.1	2.3	0.4	-2.8	1.7	0.7
13	1.4	0.1	-0.4	0.2	-1.2	2.2	0.4	-1.7	1.6	1.7
14	1.8	1.3	0.9	1.6	1.4	2.4	0.4	-0.4	-0.1	2.8
11 *Q4*	1.6	0.8	0.6	2.4	-1.3	1.7	1.5	-1.0	0.3	1.5
12 *Q1*	1.8	-0.1	-0.4	0.9	-1.7	2.6	0.6	-2.3	3.3	1.0
Q2	1.6	-0.4	-0.8	0.8	-2.1	2.3	0.4	-3.1	3.5	0.6
Q3	1.2	-0.5	-0.8	0.5	-2.1	2.7	0.4	-3.1	0.3	0.7
Q4	0.7	-0.7	-0.9	0.1	-2.5	1.6	0.0	-2.7	0.0	0.4
13 *Q1*	0.8	-0.7	-1.2	-0.6	-2.2	1.7	-0.3	-2.6	0.3	0.9
Q2	1.1	-0.1	-0.6	0.1	-1.7	1.8	0.7	-2.0	1.5	1.7
Q3	1.6	0.2	-0.2	0.3	-1.0	2.3	0.3	-1.4	2.4	1.6
Q4	2.2	0.9	0.4	1.1	0.0	3.1	0.8	-0.8	2.3	2.4
14 *Q1*	1.9	1.4	1.1	2.3	0.6	1.9	0.8	-0.1	2.1	2.7
Q2	1.9	1.3	0.8	1.4	1.2	2.6	0.0	-0.3	-0.4	2.9
Q3	1.8	1.2	0.8	1.2	1.6	2.7	0.4	-0.5	-1.4	2.8
Q4	1.8	1.3	0.9	1.5	2.0	2.4	0.2	-0.5	-0.7	3.0

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.

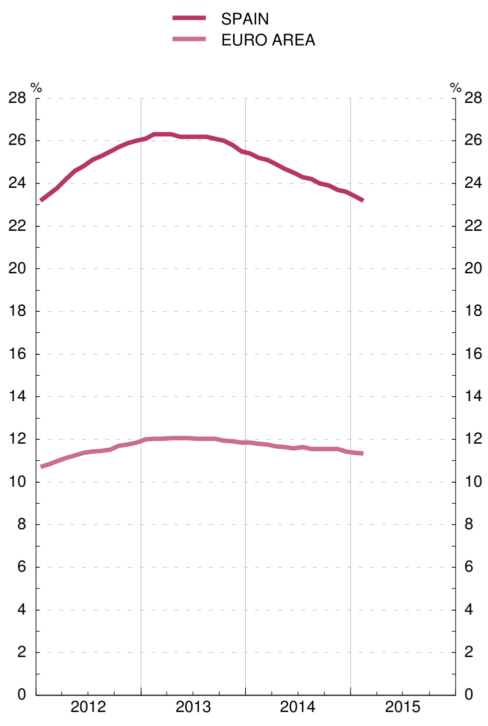
2.2. INTERNATIONAL COMPARISON. UNEMPLOYMENT RATES

■ Series depicted in chart.

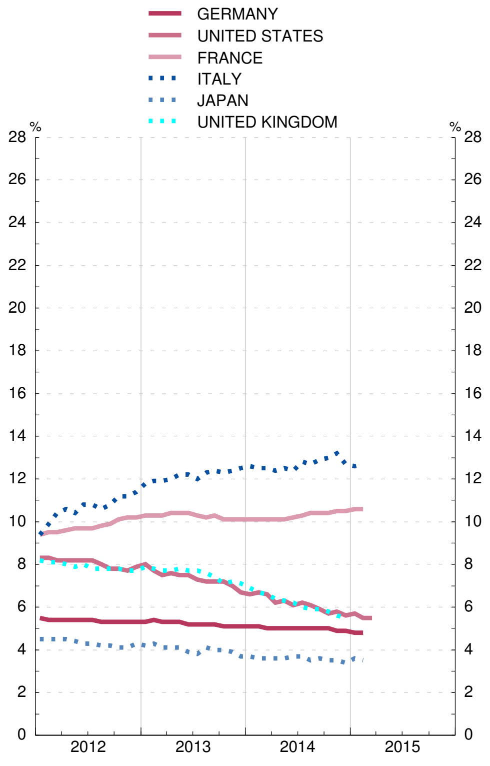
Percentages

	OECD 1	European Union 2	Euro area 3 ■	Germany 4 ■	Spain 5 ■	United States 6 ■	France 7 ■	Italy 8 ■	Japan 9 ■	United Kingdom 10 ■
12	7.9	10.5	11.4	5.4	24.8	8.1	9.8	10.6	4.3	7.9
13	7.9	10.9	12.0	5.2	26.1	7.4	10.3	12.2	4.0	7.6
14	7.3	10.2	11.6	5.0	24.5	6.1	10.3	12.7	3.6	6.1
13 *Oct*	7.8	10.7	11.9	5.1	26.0	7.2	10.1	12.3	4.0	7.1
Nov	7.7	10.7	11.9	5.1	25.8	7.0	10.1	12.4	3.9	7.2
Dec	7.6	10.6	11.9	5.1	25.5	6.7	10.1	12.5	3.7	7.1
14 *Jan*	7.6	10.6	11.8	5.1	25.4	6.6	10.1	12.6	3.7	6.9
Feb	7.6	10.5	11.8	5.1	25.2	6.7	10.1	12.5	3.6	6.7
Mar	7.5	10.4	11.7	5.0	25.1	6.6	10.1	12.5	3.6	6.6
Apr	7.4	10.3	11.7	5.0	24.9	6.2	10.1	12.4	3.6	6.4
May	7.4	10.3	11.6	5.0	24.7	6.3	10.1	12.5	3.6	6.3
Jun	7.3	10.2	11.6	5.0	24.5	6.1	10.2	12.4	3.7	6.2
Jul	7.4	10.2	11.6	5.0	24.3	6.2	10.3	12.8	3.7	6.0
Aug	7.3	10.1	11.5	5.0	24.2	6.1	10.4	12.7	3.5	5.9
Sep	7.3	10.1	11.5	5.0	24.0	5.9	10.4	12.9	3.6	5.9
Oct	7.2	10.1	11.5	5.0	23.9	5.7	10.4	13.0	3.5	5.8
Nov	7.2	10.0	11.5	4.9	23.7	5.8	10.5	13.2	3.5	5.6
Dec	7.0	9.9	11.4	4.9	23.6	5.6	10.5	12.7	3.4	5.5
15 *Jan*	7.1	9.9	11.4	4.8	23.4	5.7	10.6	12.6	3.6	...
Feb	7.0	9.8	11.3	4.8	23.2	5.5	10.6	12.7	3.5	...
Mar	...	...	...	...	...	5.5	...	...	...	...

UNEMPLOYMENT RATES



UNEMPLOYMENT RATES



Source: OECD.

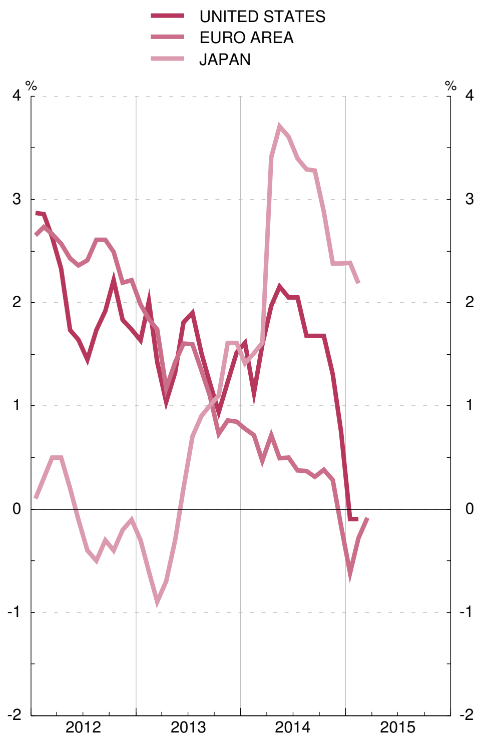
2.3. INTERNATIONAL COMPARISON. CONSUMER PRICES (a)

■ Series depicted in chart.

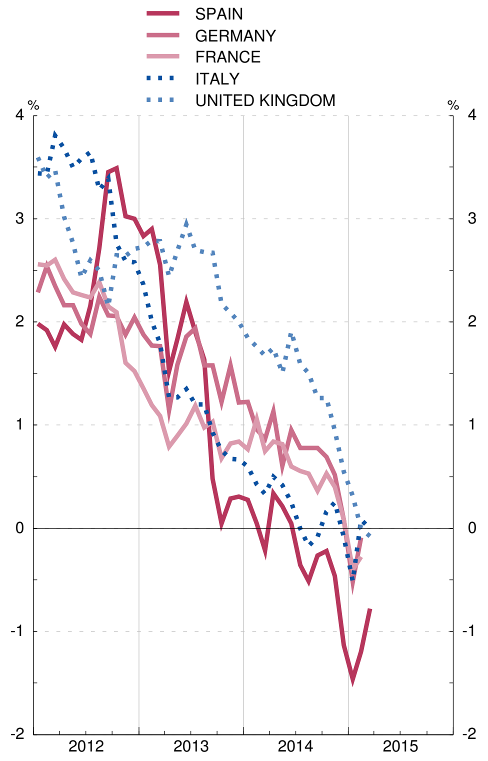
Annual percentage changes

	OECD	European Union	Euro area	Germany	Spain	United States	France	Italy	Japan	United Kingdom
	1	2	3 ■	4 ■	5 ■	6 ■	7 ■	8 ■	9 ■	10 ■
12	2.3	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
14	1.7	0.6	0.4	0.8	-0.2	1.6	0.6	0.2	2.7	1.5
13 *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	1.6	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	1.7	0.4	0.3	0.8	-0.3	1.7	0.4	-0.1	3.3	1.3
Oct	1.8	0.5	0.4	0.7	-0.2	1.7	0.5	0.2	2.9	1.3
Nov	1.5	0.3	0.3	0.5	-0.5	1.3	0.4	0.3	2.4	0.9
Dec	1.1	-0.1	-0.2	0.1	-1.1	0.7	0.1	-0.1	2.4	0.5
15 *Jan*	0.6	-0.5	-0.6	-0.5	-1.5	-0.1	-0.4	-0.5	2.4	0.3
Feb	0.6	-0.2	-0.3	-0.1	-1.2	-0.1	-0.3	0.1	2.2	-
Mar	...	...	-0.1	...	-0.8	...	...	-	...	-0.1

CONSUMER PRICES
Annual percentage changes



CONSUMER PRICES
Annual percentage changes



Sources: OECD, INE and Eurostat.
Note: The underlying series for this indicator are in Tables 26.11 and 26.15 of the BE Boletín Estadístico.
a. Harmonised Index of Consumer Prices for the EU countries.

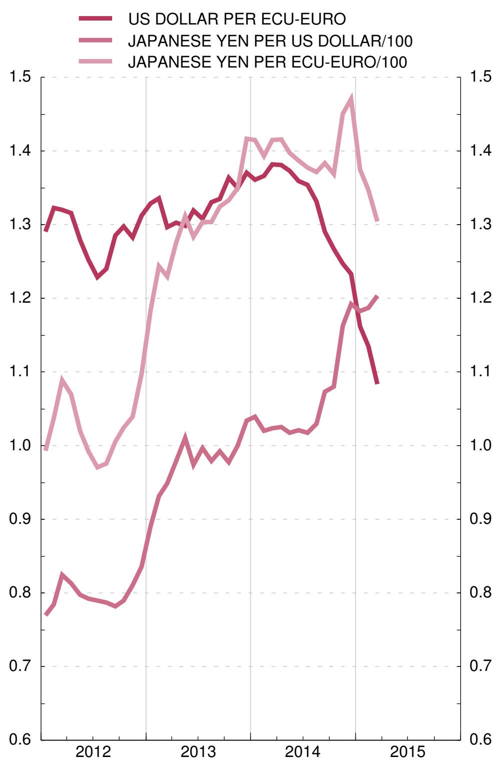
2.4. BILATERAL EXCHANGE RATES AND NOMINAL AND REAL EFFECTIVE EXCHANGE RATE INDICES FOR THE EURO, US DOLLAR AND JAPANESE YEN

■ Series depicted in chart.

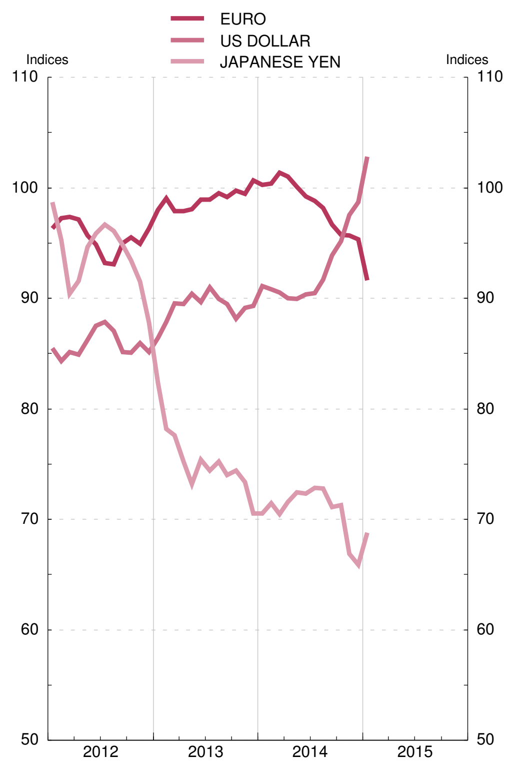
Average of daily data

	Exchange rates			Indices of the nominal effective exchange rate vis-à-vis the (a) developed countries 1999 QI=100			Indices of the real effective exchange rate vis-à-vis the developed countries (b) 1999 QI=100					
	US dollar per ECU/euro	Japanese yen per ECU/euro	Japanese yen per US dollar	Euro	US dollar	Japanese yen	Based on consumer prices			Based on producer prices		
							Euro	US dollar	Japanese yen	Euro	US dollar	Japanese yen
	1 ■	2 ■	3 ■	4	5	6	7 ■	8 ■	9 ■	10	11	12
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	72.1
14	1.3286	140.38	105.87	102.2	82.3	98.8	98.6	92.5	70.8	96.3	101.4	68.3
14 *J-M*	1.3698	140.81	102.80	103.9	80.6	100.1	100.7	90.8	70.8	97.9	99.4	68.0
15 *J-M*	1.1267	134.17	119.11	...	93.9	95.2	91.6	102.8	68.8	...	108.7	66.2
14 *Jan*	1.3610	141.47	103.94	103.4	80.9	99.4	100.3	91.1	70.5	97.5	99.5	67.7
Feb	1.3659	139.35	102.02	103.6	80.7	101.0	100.4	90.8	71.4	97.6	99.4	68.5
Mar	1.3823	141.48	102.35	104.6	80.3	100.1	101.3	90.5	70.5	98.5	99.4	67.8
Apr	1.3813	141.62	102.53	104.5	80.1	99.8	101.0	90.0	71.6	98.5	99.3	69.2
May	1.3732	139.74	101.76	103.8	79.9	100.7	100.1	90.0	72.4	97.9	99.1	69.9
Jun	1.3592	138.72	102.06	103.0	80.2	100.8	99.3	90.4	72.3	97.1	99.3	70.0
Jul	1.3539	137.72	101.72	102.6	80.0	101.2	98.8	90.4	72.8	96.6	99.2	70.4
Aug	1.3316	137.11	102.97	101.9	81.3	101.0	98.2	91.7	72.8	96.0	100.9	70.2
Sep	1.2901	138.39	107.28	100.4	83.4	98.5	96.7	93.9	71.1	94.7	103.3	68.6
Oct	1.2673	136.85	107.99	99.6	84.8	98.9	95.8	95.2	71.3	93.9	104.4	68.9
Nov	1.2472	145.03	116.28	99.5	87.0	92.7	95.7	97.5	66.9	94.0	106.1	64.8
Dec	1.2331	147.06	119.26	99.6	88.4	91.2	95.3	98.7	65.9	94.0	106.8	64.0
15 *Jan*	1.1621	137.47	118.28	...	91.8	94.5	91.6	102.8	68.8	...	108.7	66.2
Feb	1.1350	134.69	118.67	...	93.7	95.2	...	...	...	...	...	...
Mar	1.0838	130.41	120.34	...	96.2	96.0	...	...	...	...	...	...

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.

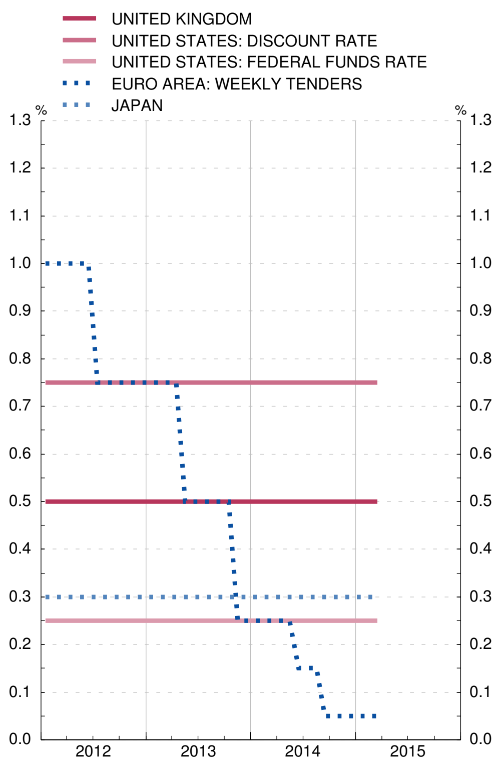
b. Obtained by multiplying the relative prices of each area/country (relation betwen its price index and the price index of the group) by the nominal effective exchange rate. A decline in the index denotes a depreciation of the real effective exchange rate and, may be interpreted as an improvement in 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		Japan (c)	United Kingdom (d)	OECD	Euro area	Germany	Spain	United States	France	Italy	Japan	United Kingdom
		Discount rate (b)	Federal funds rate											
	1 ■	2 ■	3 ■	4 ■	5 ■	6	7 ■	8	9	10 ■	11	12	13 ■	14 ■
12	0.75	0.75	0.25	0.30	0.50	0.76	0.57	-	-	0.34	-	-	0.08	0.83
13	0.25	0.75	0.25	0.30	0.50	0.53	0.22	-	-	0.28	-	-	0.06	0.51
14	0.05	0.75	0.25	0.30	0.50	0.47	0.21	-	-	0.22	-	-	0.07	0.54
13 *Oct*	0.50	0.75	0.25	0.30	0.50	0.49	0.23	-	-	0.21	-	-	0.05	0.52
Nov	0.25	0.75	0.25	0.30	0.50	0.48	0.22	-	-	0.18	-	-	0.07	0.52
Dec	0.25	0.75	0.25	0.30	0.50	0.48	0.27	-	-	0.19	-	-	0.06	0.52
14 *Jan*	0.25	0.75	0.25	0.30	0.50	0.49	0.29	-	-	0.18	-	-	0.07	0.52
Feb	0.25	0.75	0.25	0.30	0.50	0.51	0.29	-	0.70	0.20	-	-	0.07	0.52
Mar	0.25	0.75	0.25	0.30	0.50	0.49	0.31	-	-	0.19	-	-	0.10	0.52
Apr	0.25	0.75	0.25	0.30	0.50	0.49	0.33	-	-	0.18	-	-	0.04	0.53
May	0.25	0.75	0.25	0.30	0.50	0.51	0.32	-	0.55	0.20	-	-	0.06	0.53
Jun	0.15	0.75	0.25	0.30	0.50	0.48	0.24	-	-	0.23	-	-	0.06	0.54
Jul	0.15	0.75	0.25	0.30	0.50	0.46	0.21	-	-	0.23	-	-	0.07	0.56
Aug	0.15	0.75	0.25	0.30	0.50	0.49	0.19	-	0.42	0.28	-	-	0.07	0.56
Sep	0.05	0.75	0.25	0.30	0.50	0.44	0.10	-	-	0.25	-	-	0.06	0.56
Oct	0.05	0.75	0.25	0.30	0.50	0.41	0.08	-	-	0.22	-	-	0.06	0.56
Nov	0.05	0.75	0.25	0.30	0.50	0.41	0.08	-	0.37	0.20	-	-	0.06	0.56
Dec	0.05	0.75	0.25	0.30	0.50	0.43	0.08	-	0.22	0.27	-	-	0.06	0.56
15 *Jan*	0.05	0.75	0.25	0.30	0.50	-	0.06	-	-	0.32	-	-	0.06	0.56
Feb	0.05	0.75	0.25	0.30	0.50	-	0.05	-	0.20	0.31	-	-	0.06	0.56
Mar	0.05	0.75	0.25	0.30	0.50	-	0.03	-	-	0.33	-	-	0.06	0.56

OFFICIAL INTERVENTION INTEREST RATES



3-MONTH INTERBANK RATES

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

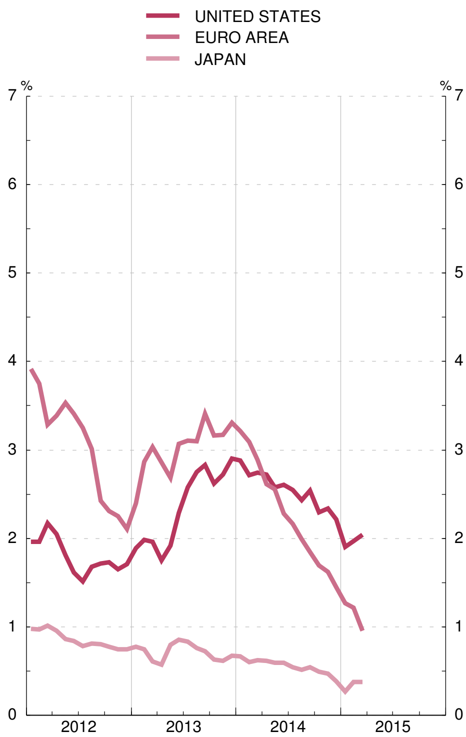
2.6. 10-YEAR GOVERNMENT BOND YIELDS ON DOMESTIC MARKETS

■ Series depicted in chart.

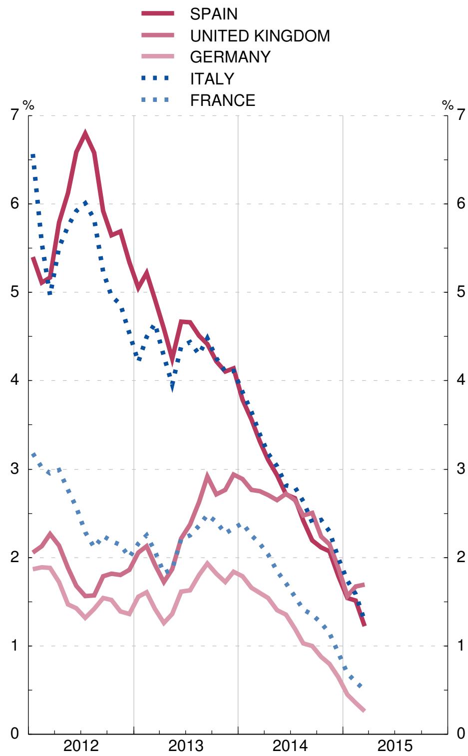
Percentages

	OECD 1	European Union 2	Euro area 3 ■	Germany 4 ■	Spain 5 ■	United States 6 ■	France 7 ■	Italy 8 ■	Japan 9 ■	United Kingdom 10 ■
12	2.35	3.36	3.05	1.49	5.85	1.80	2.53	5.49	0.86	1.74
13	2.44	2.79	3.01	1.57	4.56	2.35	2.20	4.31	0.72	2.03
14	2.26	2.11	2.28	1.16	2.72	2.55	1.66	2.89	0.55	2.14
13 *Oct*	2.61	2.91	3.16	1.76	4.22	2.62	2.39	4.25	0.63	2.26
Nov	2.63	2.82	3.17	1.68	4.11	2.72	2.27	4.10	0.61	2.31
Dec	2.75	2.91	3.31	1.80	4.14	2.90	2.33	4.11	0.67	2.50
14 *Jan*	2.72	2.81	3.21	1.76	3.78	2.88	2.38	3.87	0.67	2.48
Feb	2.58	2.66	3.09	1.56	3.56	2.72	2.25	3.65	0.60	2.37
Mar	2.54	2.54	2.89	1.51	3.31	2.74	2.15	3.40	0.62	2.34
Apr	2.48	2.42	2.61	1.46	3.10	2.72	2.03	3.23	0.62	2.30
May	2.35	2.28	2.55	1.33	2.93	2.58	1.84	3.12	0.60	2.27
Jun	2.31	2.17	2.28	1.26	2.71	2.60	1.71	2.92	0.59	2.35
Jul	2.23	2.07	2.16	1.11	2.67	2.55	1.56	2.79	0.54	2.31
Aug	2.11	1.90	1.99	0.95	2.42	2.43	1.41	2.63	0.51	2.12
Sep	2.13	1.81	1.85	0.92	2.20	2.54	1.35	2.40	0.54	2.08
Oct	1.97	1.70	1.69	0.79	2.11	2.30	1.26	2.42	0.49	1.82
Nov	1.95	1.61	1.62	0.72	2.07	2.34	1.14	2.29	0.47	1.72
Dec	1.80	1.41	1.45	0.59	1.79	2.21	0.92	1.99	0.39	1.52
15 *Jan*	...	...	1.27	0.39	1.54	1.90	0.67	1.70	0.27	1.21
Feb	...	...	1.21	0.30	1.51	1.97	0.60	1.56	0.38	1.59
Mar	...	...	0.96	0.23	1.23	2.04	0.51	1.29	0.38	1.59

10-YEAR GOVERNMENT BOND YIELDS



10-YEAR GOVERNMENT BOND YIELDS



Sources: ECB, Reuters and BE.

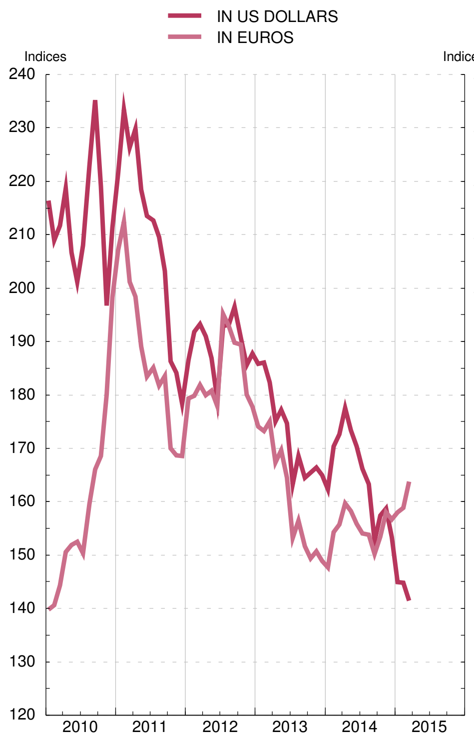
2.7 INTERNATIONAL MARKETS. NON-ENERGY COMMODITIES PRICE INDEX. CRUDE OIL AND GOLD PRICE.

■ Series depicted in chart.

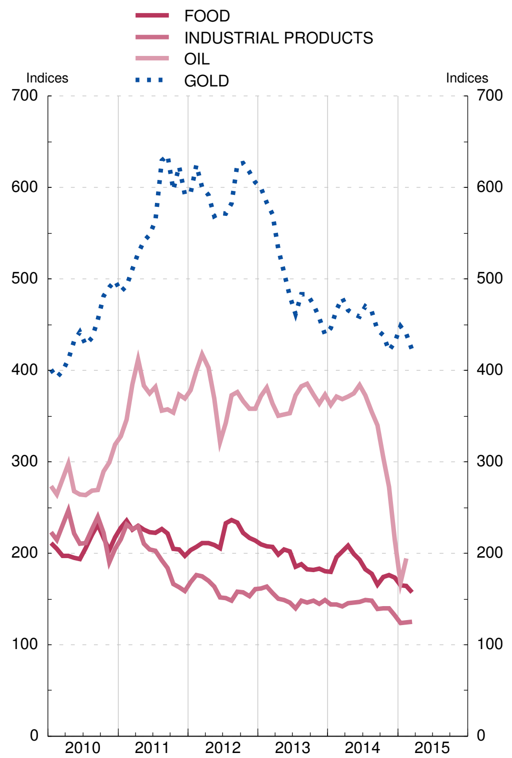
Base 2000 = 100

	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
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
14	154.8	164.8	185.6	143.1	141.6	143.7	340.6	99.3	453.9	1 266.1	30.64
14 *J-M*	152.5	168.4	192.3	143.4	153.4	139.2	367.2	109.2	463.7	1 293.7	30.35
15 *J-M*	160.2	143.7	161.9	124.6	119.4	126.8	...	53.9	436.6	1 218.0	34.81
14 *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	368.5	108.3	478.9	1 336.1	31.06
Apr	159.7	177.5	208.4	145.4	153.0	142.1	371.7	108.1	465.9	1 299.7	30.24
May	158.2	173.3	199.6	145.9	146.9	145.5	374.5	110.2	461.5	1 287.5	30.17
Jun	155.8	170.3	193.0	146.8	150.1	145.3	383.8	112.1	458.5	1 279.1	30.25
Jul	154.0	166.1	182.8	148.8	142.5	151.5	372.7	106.7	470.1	1 311.4	31.14
Aug	153.8	163.3	177.9	148.2	135.8	153.8	354.4	101.5	464.6	1 296.0	31.26
Sep	150.2	152.6	165.6	139.1	128.4	143.6	339.6	97.0	444.1	1 238.8	30.86
Oct	153.5	157.4	173.8	140.2	130.6	144.4	305.0	87.5	438.2	1 222.5	31.02
Nov	158.0	158.7	176.4	140.2	125.7	146.4	272.6	79.1	421.3	1 175.4	30.32
Dec	156.7	153.3	173.7	132.1	126.8	134.3	214.5	63.2	431.0	1 202.3	31.31
15 *Jan*	158.0	144.9	164.8	124.1	118.7	126.4	168.1	47.7	448.0	1 249.7	34.66
Feb	158.8	144.8	164.0	124.8	121.0	126.4	194.6	58.0	439.9	1 227.2	34.76
Mar	163.7	141.4	157.2	124.9	118.6	127.7	...	56.4	422.2	1 177.9	35.01

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

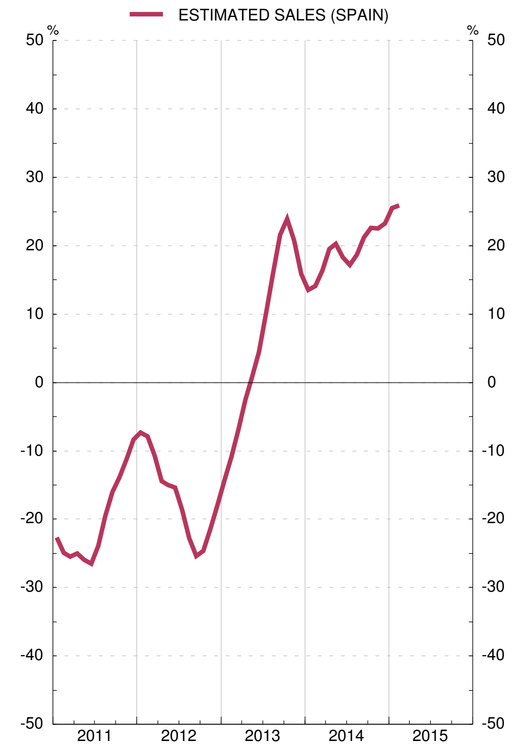
■ Series depicted in chart.

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
12		-31.6	-30.7	-18.0	-21.4	-22.3	-15.2	-13.1	-13.4	-11.2	87.6	88.0	94.4	84.6	97.1	84.9	84.3	-1.4
13		-25.3	-19.3	-12.1	-10.1	-18.7	-12.5	4.5	3.3	-3.8	84.2	84.6	91.5	80.9	96.7	80.8	79.7	-0.8
14	P	-9.7	4.2	-1.4	6.7	-10.0	-3.5	18.4	18.3	3.7	84.9	85.3	92.2	81.9	97.2	81.9	79.7	...
14 *J-M*	P	-15.2	2.1	-4.1	5.1	-11.2	-3.0	11.9	11.8	5.2	80.4	80.8	85.3	77.6	90.7	77.4	76.3	1.0
15 *J-M*	P	-0.6	14.0	4.1	12.6	-6.3	-1.6	...	...	...	...	...	...	...	...	...	...	...
14 *Apr*	P	-7.8	3.6	-1.4	6.9	-8.6	-2.4	29.1	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	-2.0	18.0	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	-1.1	24.2	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	-1.3	4.2	10.9	5.6	92.9	93.7	97.5	91.0	106.1	92.8	86.7	0.7
Aug	P	-6.4	9.5	1.0	9.0	-10.1	-3.7	15.4	14.1	4.0	83.7	83.6	95.0	82.0	100.3	82.0	73.8	2.0
Sep	P	-9.6	5.6	-0.2	6.9	-11.4	-6.6	27.0	26.2	2.5	83.2	83.6	91.3	77.7	95.5	79.4	79.2	...
Oct	P	-10.0	3.7	0.1	6.3	-11.1	-5.5	27.8	26.1	4.4	85.3	85.4	93.7	75.6	99.1	81.9	81.4	...
Nov	P	-11.8	-1.3	-4.2	6.9	-11.6	-5.2	18.9	17.4	0.3	81.9	82.0	88.2	80.5	93.4	76.7	76.7	...
Dec	P	-7.1	5.8	-	10.0	-10.9	-4.6	23.1	21.4	-0.1	102.8	104.1	110.2	119.4	117.5	97.3	91.1	...
15 *Jan*	P	-1.4	11.6	4.1	10.5	-8.5	-2.7	32.8	27.5	11.0	90.4	90.6	88.0	97.0	102.8	86.9	81.4	...
Feb	P	-2.1	14.4	2.7	12.9	-6.7	-1.3	26.9	26.1	8.1	76.0	75.5	80.8	69.2	84.9	71.7	74.1	...
Mar	P	1.7	16.1	5.5	14.5	-3.7	-0.7	...	...	...	...	...	...	...	...	...	...	...

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

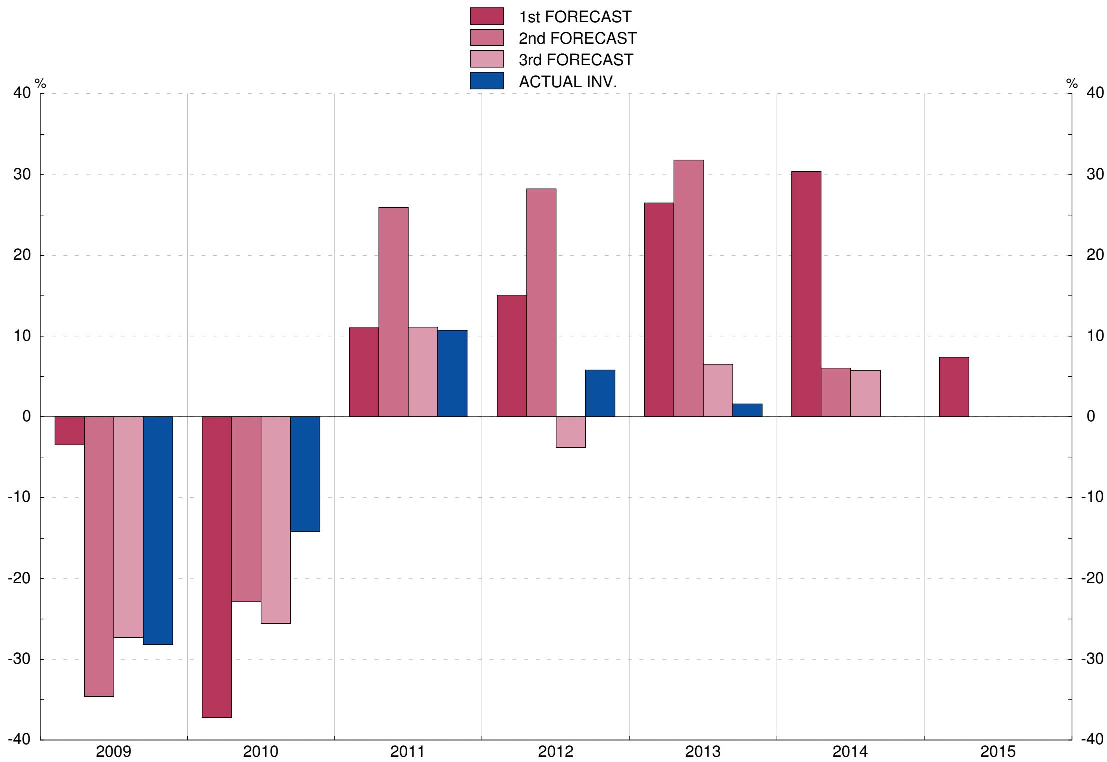
3.2. INVESTMENT IN INDUSTRY (EXCLUDING CONSTRUCTION): OPINION SURVEYS. SPAIN

■ Series depicted in chart.

Annual percentage changes at current prices

	ACTUAL INV. 1 ■	1st FORECAST 2 ■	2nd FORECAST 3 ■	3rd FORECAST 4 ■
09	-28	-4	-35	-27
10	-14	-37	-23	-26
11	11	11	26	11
12	6	15	28	-4
13	2	27	32	7
14	...	30	6	6
15	...	7	...	...

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.

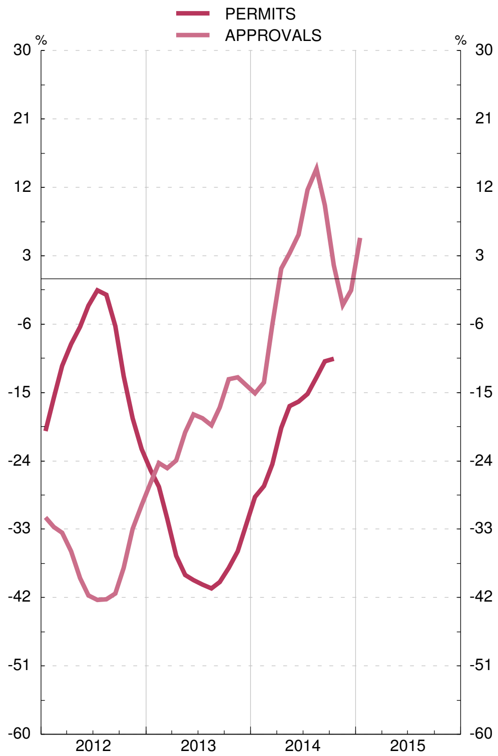
3.3. CONSTRUCTION. INDICATORS OF BUILDING STARTS AND CONSUMPTION OF CEMENT. SPAIN

■ Series depicted in chart.

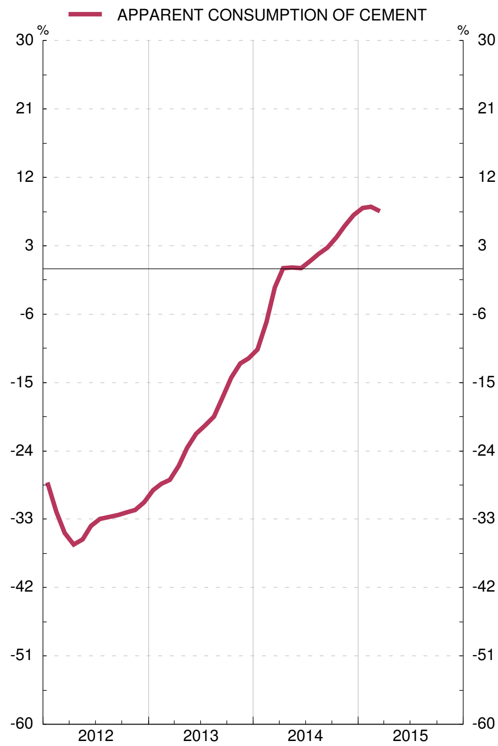
Annual percentage changes

		Permits: buildable floorage				Approvals: buildable floorage		Government tenders (budget)							Apparent consumption of cement
		Total	Residential	of which: Housing	Non-residential	Total	of which: Housing	Total: For the month	Total: Year to date	Building: Total	Building: Residential	Building: of which: Housing	Building: Non-residential	Civil engineering	
		1 ■	2	3	4	5 ■	6	7 ■	8	9	10	11	12	13	14 ■
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		-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	-21.0
14	P	...	...	...	...	-1.7	2.2	32.8	32.8	24.7	31.8	9.9	23.1	35.4	0.1
14 *J-M*	P	-16.9	-4.1	-2.2	-34.3	-16.7	-12.6	97.0	97.0	16.7	48.9	16.0	9.2	123.7	-4.5
15 *J-M*	P	...	...	...	...	...	...	...	...	...	...	...	...	...	8.4
13 *Dec*		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	-9.5
14 *Jan*	P	-7.1	21.4	20.0	-41.3	-5.6	-17.9	166.4	166.4	20.3	40.2	88.6	15.8	220.5	-15.9
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	99.0	97.0	28.3	299.6	277.8	-2.1	131.7	15.8
Apr	P	34.5	16.8	20.6	49.1	12.2	11.9	55.1	87.7	23.7	5.8	38.5	25.7	77.1	-5.9
May	P	8.8	30.4	39.5	-17.3	2.1	12.8	129.2	95.9	50.4	-53.2	-94.4	104.0	167.4	-2.9
Jun	P	-2.2	-1.4	42.6	-3.6	-9.5	8.9	3.8	79.8	58.0	-2.5	31.8	81.9	-9.3	-2.0
Jul	P	-10.8	-11.9	-14.4	-9.3	30.3	17.4	29.0	68.0	109.7	579.4	1 743.6	52.9	11.5	5.0
Aug	P	-58.1	-7.3	-9.8	-73.5	24.4	23.3	-17.9	52.0	20.0	46.3	700.3	16.6	-26.6	-3.2
Sep	P	15.0	-7.3	2.0	49.4	25.5	26.5	23.7	49.4	-29.5	14.8	-63.3	-33.6	56.0	6.1
Oct	P	-9.1	0.5	9.8	-22.2	-4.0	13.8	60.4	50.6	15.0	111.8	-54.9	10.0	76.6	4.2
Nov	P	...	...	...	...	-19.5	-7.8	-10.0	43.8	62.9	34.9	-7.2	70.7	-29.6	1.0
Dec	P	...	...	...	...	-18.7	-30.5	-24.9	32.8	-17.3	-32.9	-84.7	-10.5	-27.1	12.5
15 *Jan*	P	...	...	...	...	26.4	34.2	-49.4	-49.4	-2.7	-43.2	-43.8	8.5	-55.9	5.0
Feb	P	...	...	...	...	...	...	...	...	...	...	...	...	...	7.2
Mar	P	...	...	...	...	...	...	...	...	...	...	...	...	...	12.3

CONSTRUCTION
Trend obtained with TRAMO-SEATS



CONSTRUCTION
Trend obtained with TRAMO-SEATS



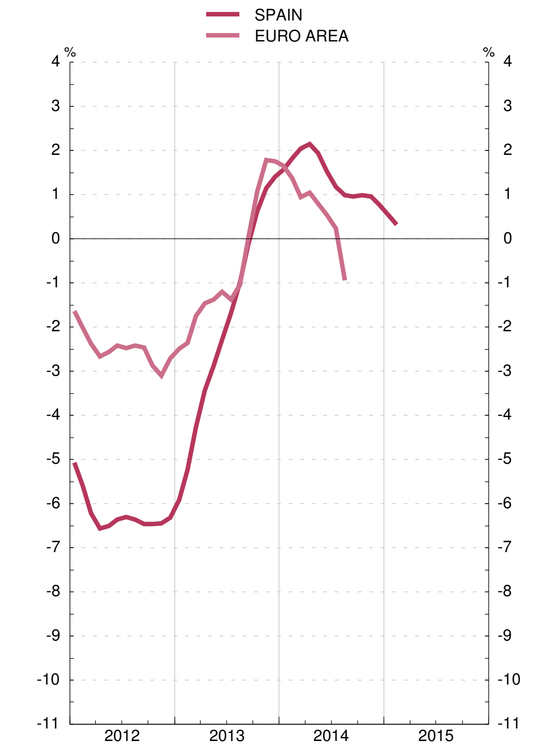
Sources: Ministerio de Fomento and Asociación de Fabricantes de Cemento de España.
Note: The underlying series for this indicator are in Tables 23.7, 23.8, and 23.9 of the BE Boletín estadístico.

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

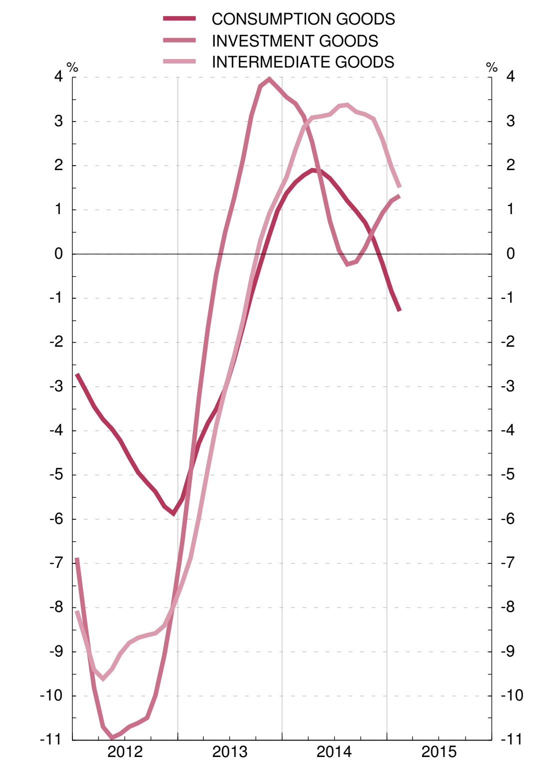
■ Series depicted in chart. *Annual percentage changes*

		Overall Index		By end-use of goods				By branch of activity (NACE 2009)			Memorandum item: euro area				
		Total		Consumer goods	Capital goods	Inter-mediate goods	Energy	Mining and quarrying	Manufac-turing	Electrity and gas supply	Total	of which	By end-use of goods		
		Original series	12-month %change 12									Manufac-turing	Consumer goods	Capital goods	Inter-mediate goods
		1	2 ■	3 ■	4 ■	5 ■	6	7	8	9	10 ■	11	12	13	14
12	M	91.8	-6.4	-4.8	-11.0	-8.9	0.9	-23.6	-7.5	0.1	-2.5	-2.7	-2.5	-1.1	-4.5
13	M	90.2	-1.7	-2.2	1.2	-2.6	-2.6	-14.3	-1.4	-3.9	-0.7	-0.7	-0.5	-0.6	-1.0
14	M	91.6	1.5	2.0	1.4	3.2	-1.6	0.0	2.3	-2.4	...	...	...	...	...
14 *J-F*	M	89.8	1.3	2.1	3.8	1.4	-2.6	-3.3	2.2	-2.7	1.9	3.6	2.5	4.9	3.5
15 *J-F*	M P	89.1	-0.7	-4.5	1.3	-0.1	1.6	-4.5	-1.2	2.7	...	...	...	...	...
13 *Nov*		91.8	-0.1	-1.3	3.6	-0.3	-2.3	-1.9	0.1	-1.8	2.7	3.0	1.3	4.4	3.0
Dec		83.5	4.1	4.9	6.9	3.4	1.5	3.7	4.7	1.4	1.5	2.0	0.2	2.4	3.2
14 *Jan*		89.5	-0.3	1.5	1.3	-0.6	-3.6	-2.4	0.5	-3.1	1.9	3.3	0.8	5.5	3.2
Feb		90.0	2.8	2.6	6.3	3.5	-1.6	-4.3	3.9	-2.3	1.9	3.9	4.1	4.3	3.7
Mar		95.4	8.1	8.8	12.8	10.1	-1.0	23.6	10.3	-4.8	0.3	2.3	2.3	2.8	2.6
Apr		89.8	-2.1	-3.5	-0.2	-2.2	-2.3	-3.6	-2.1	-3.4	1.9	3.3	6.0	1.2	3.6
May		95.7	0.6	0.3	-0.3	0.7	2.0	2.8	0.3	0.0	0.7	1.3	2.6	1.4	0.4
Jun		94.6	2.8	3.9	-0.3	4.1	2.4	-6.1	2.9	1.0	0.3	0.7	2.0	0.3	0.4
Jul		100.7	1.1	2.8	-0.8	3.9	-3.4	-6.8	2.1	-4.7	1.6	2.5	2.1	3.9	1.4
Aug		71.2	-2.4	-3.1	-10.9	3.3	-2.8	-1.5	-2.3	-2.6	-1.9	-1.5	1.0	-3.8	-1.1
Sep		96.0	3.6	5.3	3.2	3.8	1.1	2.1	4.1	2.9	...	...	...	...	...
Oct		98.4	0.9	1.3	-1.1	3.2	-1.4	-3.3	1.4	-1.1	...	...	...	...	...
Nov		91.5	-0.3	-1.0	-1.6	3.3	-3.6	-1.1	0.8	-5.4	...	...	...	...	...
Dec		86.1	3.1	4.8	5.4	5.4	-3.9	8.8	5.0	-3.8	...	...	...	...	...
15 *Jan*	P	87.3	-2.5	-7.3	-2.0	-2.0	2.9	-10.5	-3.6	4.2	...	...	...	...	...
Feb	P	91.0	1.1	-1.6	4.2	1.7	0.3	2.0	1.2	1.1	...	...	...	...	...

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.

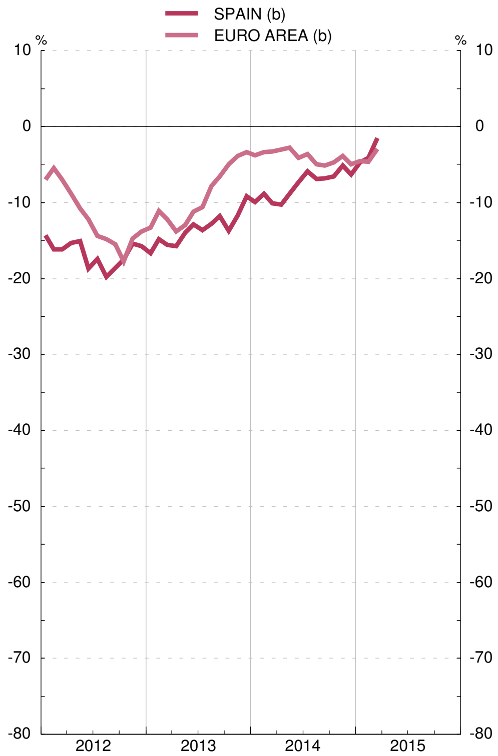
3.5. MONTHLY BUSINESS SURVEY: INDUSTRY (ECI) AND CONSTRUCTION (ECC). SPAIN AND EURO AREA (NACE 2009)(a)

■ Series depicted in chart.

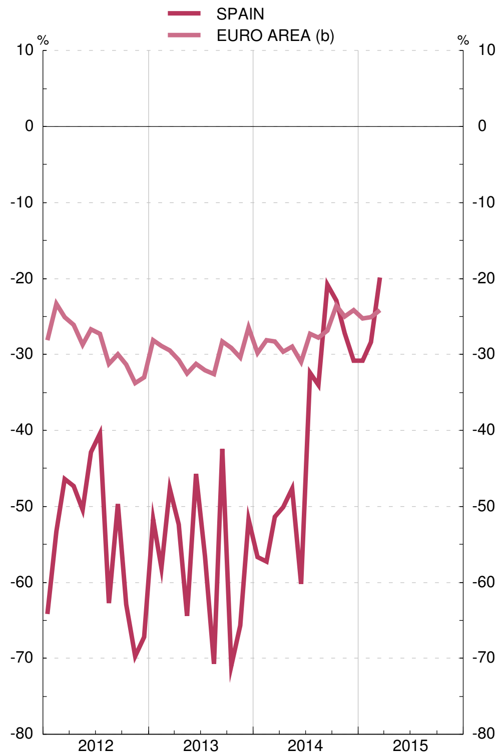
Percentage balances

		Industry,excluding construction (b)										Construction					Memorandum item: euro area (b) (c)		
		Industrial confidence indicator =(2-3+4)/3	Components of the industrial confidence indicator			Production	Foreign order-book levels	Industrial confidence indicator by sectors				Construction confidence indicator (CCI) =(11+12)/2	Components of the CCI		Production	Production expectations	Industry, excluding construction		Construction confidence indicator
			order-book levels	Stocks of finished products	Production expectations			Consumption	Investment	Intermediate goods	Other sectors		order-book levels	Employment expectations			Industrial confidence indicator	Order-book levels	
		1 ■	2	3	4	5	6	7	8	9	10	11 ■	12	13	14	15	16 ■	17	18 ■
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	-40	-9	-26	-30
14	M	-8	-17	9	3	0	-11	-3	-6	-12	-2	-41	-51	-31	-16	-24	-4	-15	-28
14 *J-M*	M	-10	-21	8	0	-2	-15	-5	-9	-13	-3	-55	-63	-47	-30	-45	-4	-17	-29
15 *J-M*	M	-3	-12	6	8	6	-5	-1	-0	-6	-4	-26	-34	-18	-12	-15	-4	-13	-25
13 *Dec*		-9	-25	5	2	-4	-20	-4	-13	-14	-10	-52	-50	-54	-9	-63	-3	-17	-26
14 *Jan*		-10	-20	8	-2	-3	-14	-1	-8	-16	-2	-57	-72	-41	-24	-56	-4	-17	-30
Feb		-9	-21	8	2	-5	-13	-6	-11	-9	-5	-57	-57	-58	-31	-54	-3	-16	-28
Mar		-10	-22	9	1	1	-17	-8	-9	-13	-2	-51	-61	-42	-35	-26	-3	-17	-28
Apr		-10	-19	10	-2	-2	-9	-5	-9	-13	-4	-50	-59	-41	-23	-21	-3	-14	-30
May		-9	-17	10	0	-1	-11	-4	-6	-12	-1	-48	-60	-36	-16	-41	-3	-14	-29
Jun		-7	-18	11	7	2	-14	-1	-11	-10	-4	-60	-69	-52	-15	-35	-4	-15	-31
Jul		-6	-16	8	6	-2	-9	-3	1	-11	-1	-32	-46	-19	-5	-8	-4	-15	-27
Aug		-7	-14	11	4	3	-7	-2	-6	-9	-7	-34	-49	-19	-12	-8	-5	-15	-28
Sep		-7	-14	10	3	-0	-10	-1	-7	-11	-0	-21	-35	-6	-11	-6	-5	-15	-27
Oct		-7	-13	13	6	2	-7	-2	-1	-15	0	-23	-29	-17	-6	-10	-5	-15	-24
Nov		-5	-13	8	5	6	-5	-3	2	-11	-	-27	-38	-16	-20	-7	-4	-13	-25
Dec		-6	-15	8	5	2	-11	-4	-2	-14	1	-31	-36	-26	4	-13	-5	-14	-24
15 *Jan*		-5	-14	8	8	1	-12	-2	2	-11	-8	-31	-36	-25	-8	-15	-5	-14	-25
Feb		-4	-12	7	7	7	-4	-2	-4	-6	-2	-28	-30	-27	-20	-33	-5	-15	-25
Mar		-2	-9	4	8	10	2	0	2	-3	-1	-20	-37	-3	-9	2	-3	-11	-24

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.

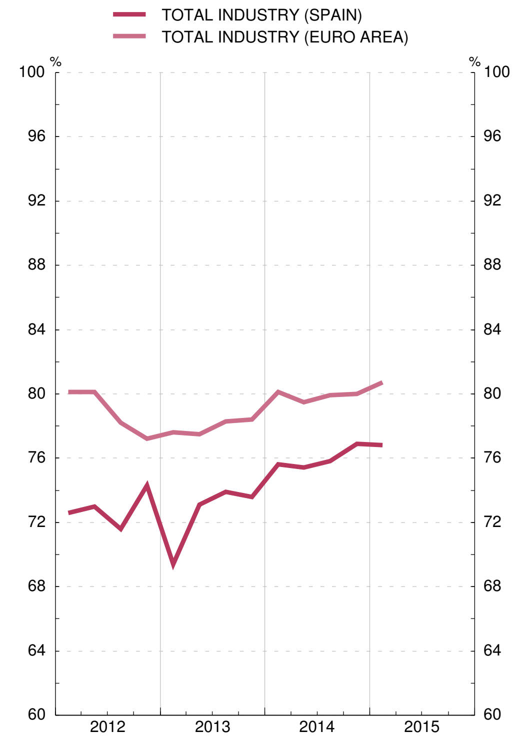
3.6. BUSINESS SURVEY (ECI): CAPACITY UTILISATION. SPAIN AND EURO AREA (NACE 2009) (a)

■ Series depicted in chart.

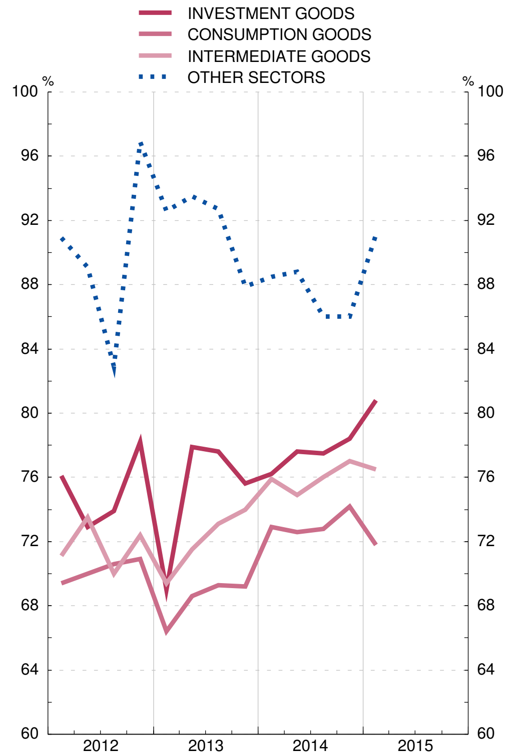
Percentages and percentage balances

	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 ■
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
14	75.9	76.6	17	73.1	73.9	13	77.4	77.8	11	76.0	76.3	25	87.3	92.3	1	79.9
14 *Q1-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
15 *Q1-Q1*	76.8	78.1	14	71.8	73.2	10	80.8	81.6	11	76.5	78.7	18	91.1	86.9	0	80.7
12 *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	79.9
Q4	76.9	77.1	15	74.2	75.0	8	78.4	76.5	12	77.0	77.2	23	86.0	93.7	0	80.0
15 *Q1*	76.8	78.1	14	71.8	73.2	10	80.8	81.6	11	76.5	78.7	18	91.1	86.9	0	80.7

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.

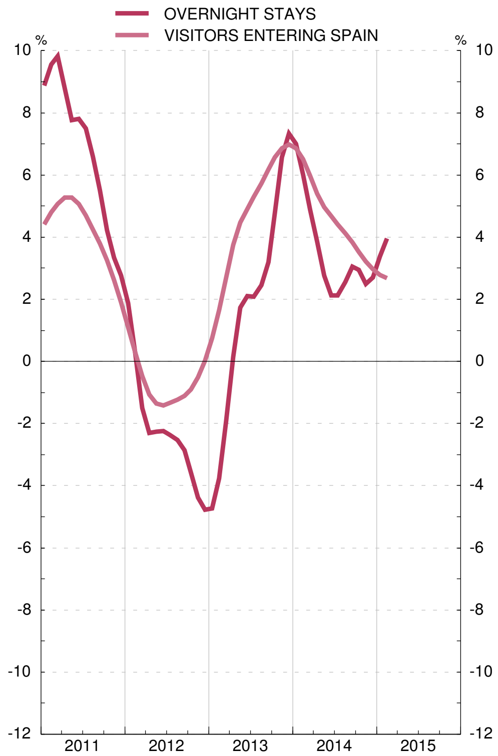
3.7. TOURISM AND TRANSPORT STATISTICS. SPAIN

■ Series depicted in chart.

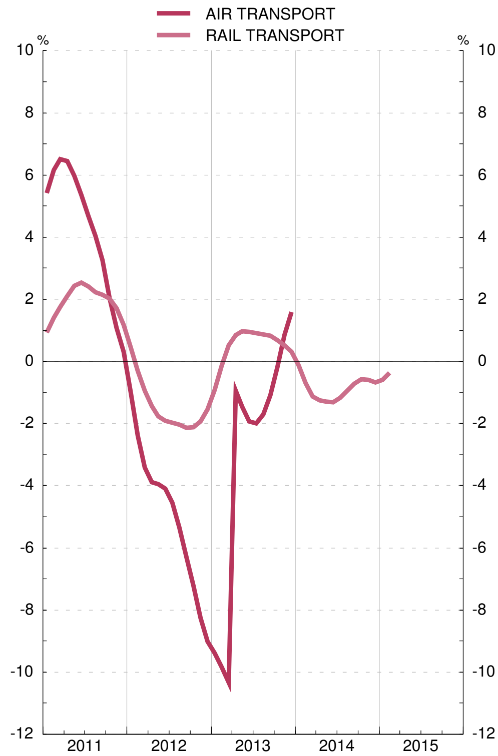
Annual percentage changes

		Hotel stays (a)		Overnight stays		Visitors entering Spain			Air transport				Maritime transport		Rail transport	
									Passengers							
		Total	Foreigners	Total	Foreigners	Total	Tourists	Day-trippers	Total	Domestic flights	International flights	Freight	Passengers	Freight	Passengers	Freight
		1	2	3 ■	4	5 ■	6	7	8 ■	9	10	11	12	13	14 ■	15
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		1.1	3.4	1.9	3.9	5.2	5.6	4.7	-3.5	-14.0	2.1	-1.3	8.7	-3.2	-0.7	-4.1
14	P	4.5	4.4	2.9	2.6	4.3	7.1	0.3	4.6	2.0	5.7	6.8	-6.1	4.2	0.6	15.0
14 *J-F*	P	6.5	8.3	6.5	9.4	7.4	11.8	2.6	2.8	-5.8	8.0	7.6	3.2	4.4	-0.7	6.8
15 *J-F*	P	6.5	5.9	4.2	1.8	1.9	4.5	-1.2	...	...	...	...	...	...	-0.9	...
13 *Nov*		7.1	5.3	8.9	6.2	9.8	10.3	9.1	3.4	-3.4	7.4	3.9	8.6	-0.8	-0.5	3.4
Dec		7.5	8.2	9.7	11.4	10.9	17.3	4.8	3.0	-4.9	8.0	3.7	8.3	-7.3	2.6	2.2
14 *Jan*	P	6.6	10.3	7.7	11.3	6.7	12.3	0.8	2.6	-7.3	8.6	6.3	5.5	5.2	0.1	5.5
Feb	P	7.1	6.3	5.9	7.5	8.1	11.2	4.5	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	4.1	3.6	4.2	9.2	-7.4	4.8	-3.3	18.5
Aug	P	5.0	5.2	2.7	2.2	3.6	8.8	-3.2	6.4	5.7	6.6	6.5	-8.5	-1.7	-0.1	14.9
Sep	P	4.9	5.0	3.7	2.8	3.7	8.1	-3.3	5.2	5.5	5.1	14.1	-20.8	3.7	9.3	19.9
Oct	P	7.0	6.4	5.1	4.3	5.4	7.8	1.5	5.1	5.4	4.9	5.7	-8.0	9.5	3.6	15.7
Nov	P	0.2	1.0	-0.1	1.8	3.7	2.9	4.7	3.2	1.7	3.9	3.4	-14.1	3.1	2.2	12.9
Dec	P	7.2	5.1	2.9	0.6	3.8	5.6	2.0	4.5	3.1	5.3	1.3	0.4	7.1	-3.8	24.7
15 *Jan*	P	7.6	5.4	4.1	1.0	2.2	3.6	0.6	5.7	2.8	7.3	1.7	...	...	-1.4	-0.9
Feb	P	5.7	6.5	4.3	2.6	1.5	5.3	-3.0	...	...	...	...	...	...	-0.5	...

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.

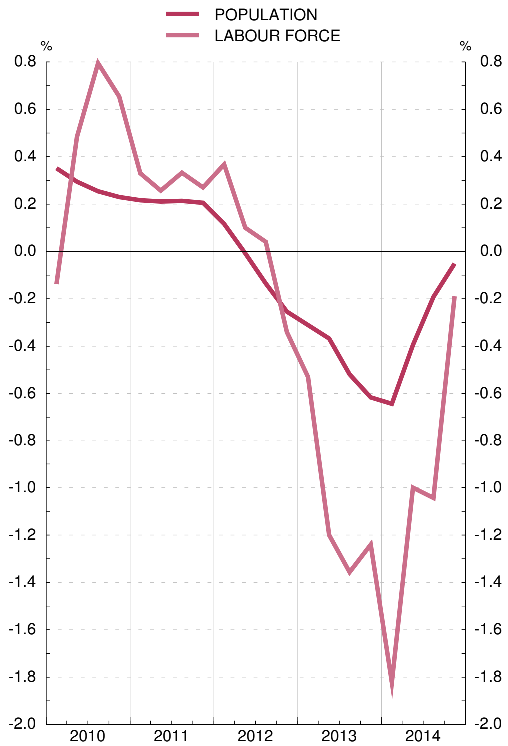
4.1. LABOUR FORCE. SPAIN

■ Series depicted in chart.

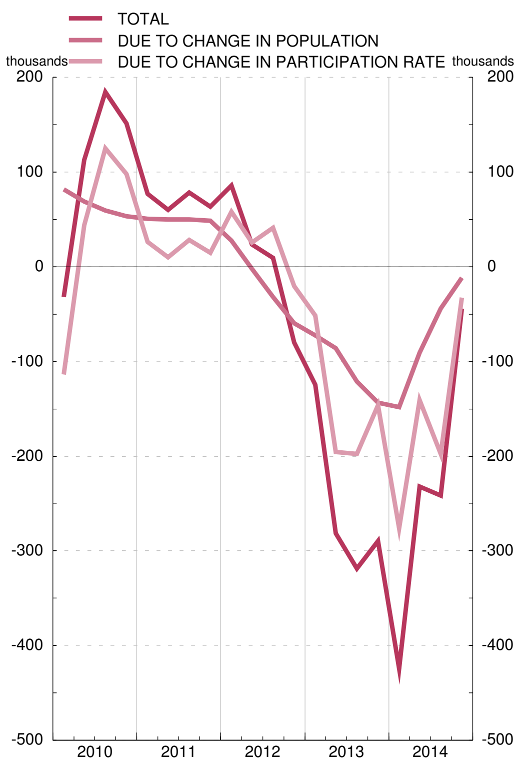
Thousands and annual percentage changes

	Population over 16 years of age: Thousands (1)	Population over 16 years of age: Annual change (Thousands) (2)	Population over 16 years of age: 4-quarter % change (3) ■	Participation rate (%) (4)	Labour force: Thousands (5)	Labour force: Annual change (a): Total (Thousands) (6) ■	Labour force: Annual change (a): Due to change in population over 16 years of age (Thousands) (7) ■	Labour force: Annual change (a): Due to change in partici-pation rate (Thousands) (8) ■	Labour force: 4-quarter % change (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-Q4* M	38 639	-176	-0.5	60.02	23 190	-1 014	-423	-591	-1.1
14 *Q1-Q4* M	38 515	-124	-0.3	59.60	22 955	-942	-295	-647	-1.0
12 *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
Q3	38 523	-74	-0.2	59.53	22 932	-242	-44	-198	-1.0
Q4	38 523	-20	-0.1	59.77	23 027	-44	-12	-32	-0.2

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

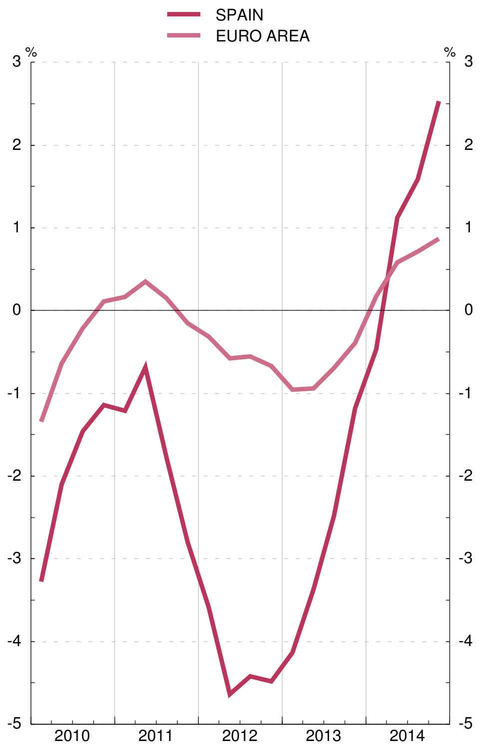
4.2. EMPLOYMENT AND WAGE-EARNERS. SPAIN AND EURO AREA

■ Series depicted in chart.

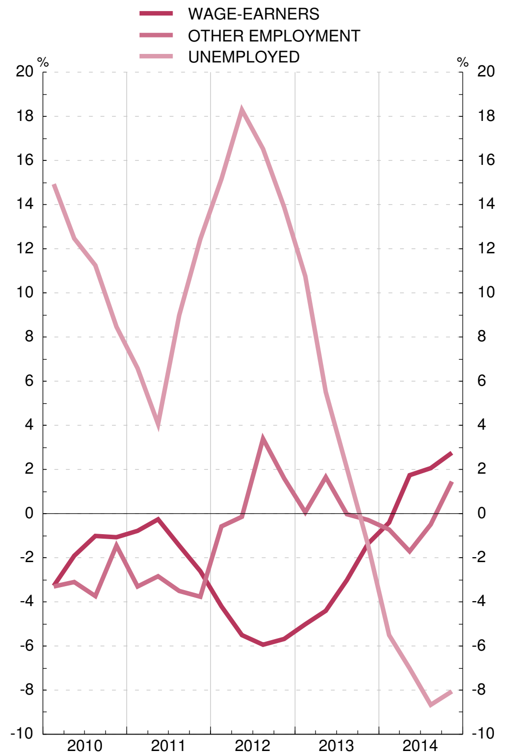
Thousands and annual percentage changes

	Employment									Unemployment				Memorandum item: euro area	
	Total			Wage-earners			Other								
	Thousands	Annual change (Thousands)	4-quarter % change	Thousands	Annual change (Thousands)	4-quarter % change	Thousands	Annual change (Thousands)	4-quarter % change	Thousands	Annual change (Thousands)	4-quarter % change	Unemployment rate	Employment 4-quarter % change	Unemployment 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	0.1	10.12
12 M	17 633	-789	-4.3	14 573	-821	-5.3	3 059	32	1.1	5 811	798	15.9	24.79	-0.5	11.33
13 M	17 139	-494	-2.8	14 069	-504	-3.5	3 070	11	0.3	6 051	240	4.1	26.10	-0.7	12.00
13 *Q1-Q4* M	17 139	-494	-2.8	14 069	-504	-3.5	3 070	11	0.3	6 051	240	4.1	26.10	-0.7	12.00
14 *Q1-Q4* M	17 344	205	1.2	14 286	217	1.5	3 058	-11	-0.4	5 610	-441	-7.3	24.44	0.6	11.63
12 *Q2*	17 759	-864	-4.6	14 720	-859	-5.5	3 038	-4	-0.1	5 731	887	18.3	24.40	-0.6	11.25
Q3	17 668	-817	-4.4	14 561	-918	-5.9	3 107	102	3.4	5 824	826	16.5	24.79	-0.6	11.47
Q4	17 339	-814	-4.5	14 289	-862	-5.7	3 051	48	1.6	6 021	734	13.9	25.77	-0.7	11.77
13 *Q1*	17 030	-735	-4.1	13 987	-737	-5.0	3 043	2	0.1	6 278	610	10.8	26.94	-1.0	12.02
Q2	17 161	-598	-3.4	14 072	-648	-4.4	3 088	50	1.7	6 047	316	5.5	26.06	-0.9	12.07
Q3	17 230	-438	-2.5	14 124	-437	-3.0	3 106	-1	-0.0	5 943	119	2.0	25.65	-0.7	12.02
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	11.91
14 *Q1*	16 951	-80	-0.5	13 930	-58	-0.4	3 021	-22	-0.7	5 933	-345	-5.5	25.93	0.2	11.80
Q2	17 353	192	1.1	14 318	245	1.7	3 036	-53	-1.7	5 623	-424	-7.0	24.47	0.6	11.63
Q3	17 504	274	1.6	14 413	289	2.0	3 091	-15	-0.5	5 428	-516	-8.7	23.67	0.7	11.58
Q4	17 569	434	2.5	14 483	390	2.8	3 086	44	1.5	5 458	-478	-8.1	23.70	0.9	11.51

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.

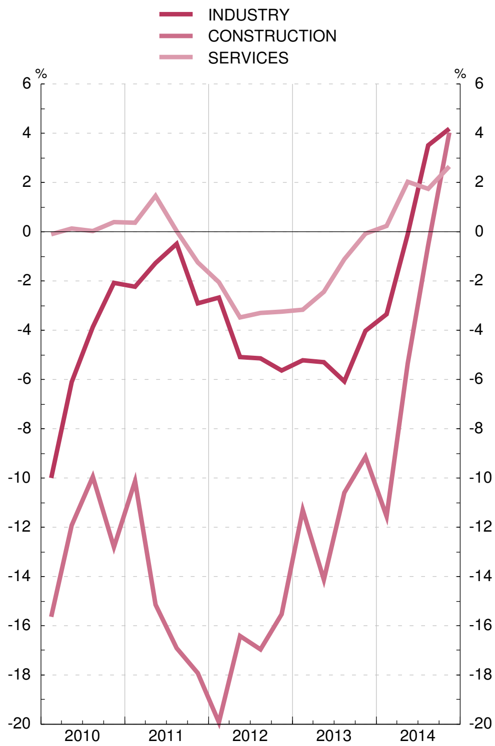
4.3. EMPLOYMENT BY BRANCH OF ACTIVITY. SPAIN (a)

■ Series depicted in chart.

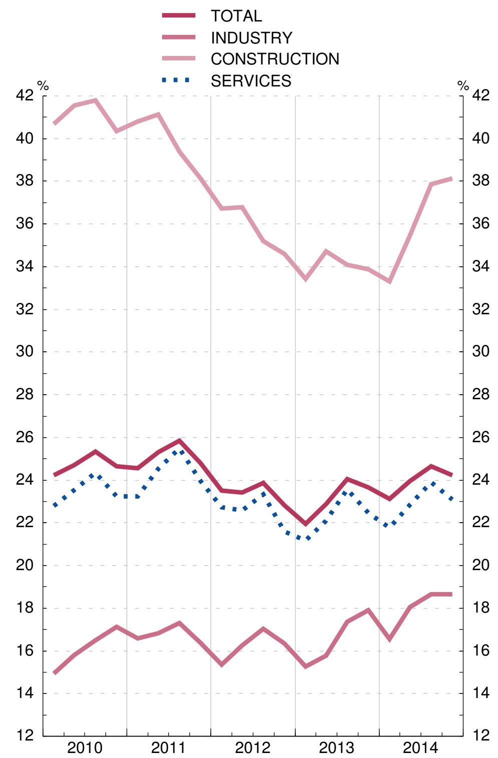
Annual percentage changes

	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-Q4* 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	-1.3
14 *Q1-Q4* M	1.2	1.5	24.0	-0.1	5.0	62.0	1.0	1.1	18.0	-3.5	-2.8	36.2	1.7	1.8	22.9	2.9
12 *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
Q3	1.6	2.0	24.6	-4.8	-1.9	57.8	3.5	3.6	18.6	-0.5	-0.9	37.9	1.8	2.1	23.9	1.9
Q4	2.5	2.8	24.2	-6.2	-6.5	60.3	4.2	4.4	18.7	4.0	4.7	38.1	2.6	2.7	23.1	2.9

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.

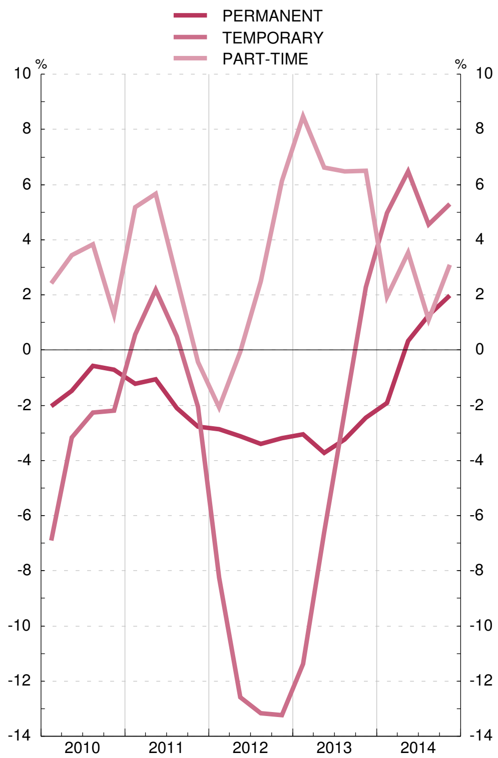
4.4. WAGE-EARNERS BY TYPE OF CONTRACT AND UNEMPLOYMENT BY DURATION. SPAIN.

■ Series depicted in chart.

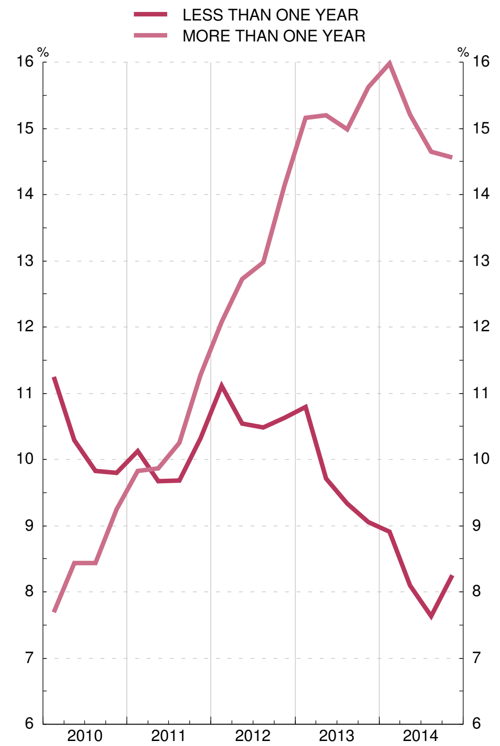
Thousands, annual percentage changes and %

	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-Q4* M	-348	-3.1	74	2.3	23.14	-344	-2.9	157	7.0	17.00	9.72	-10.1	15.24	16.1
14 *Q1-Q4* M	44	0.4	177	5.3	23.99	314	2.7	58	2.4	17.15	8.22	-16.3	15.10	-1.9
12 *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
Q3	135	1.3	155	4.6	24.64	264	2.2	26	1.1	16.22	7.63	-19.1	14.65	-3.2
Q4	213	2.0	177	5.3	24.24	314	2.7	75	3.1	17.36	8.26	-8.9	14.56	-7.0

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.

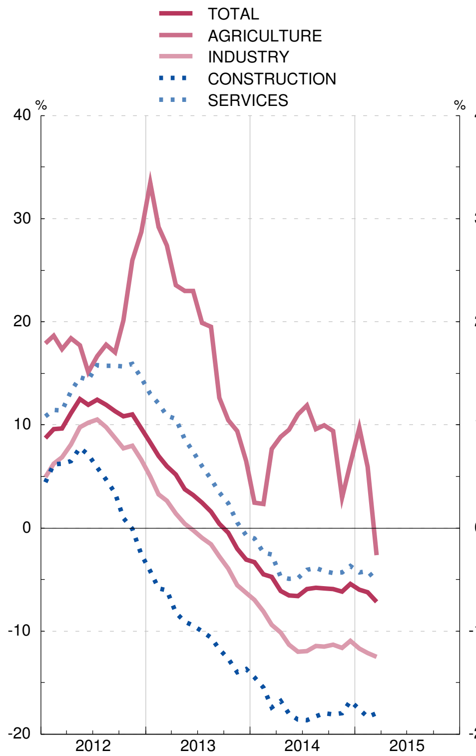
4.5. REGISTERED UNEMPLOYMENT BY BRANCH OF ACTIVITY. CONTRACTS AND PLACEMENTS. SPAIN

■ Series depicted in chart.

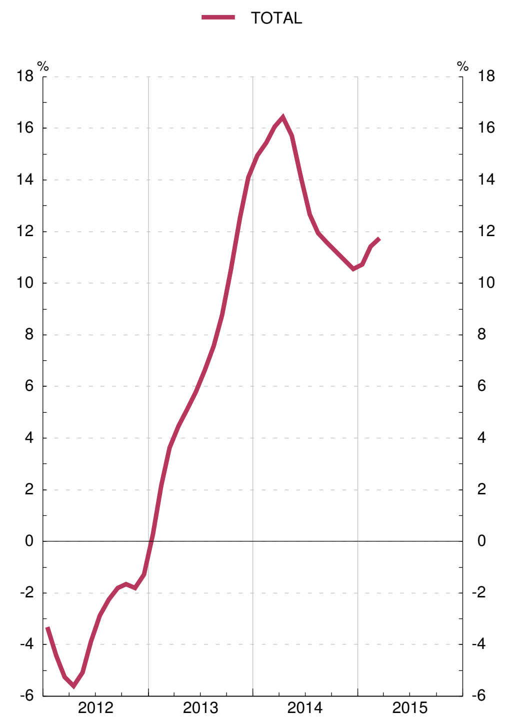
Thousands, annual percentage changes and %

	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 ■
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
14 M	4 576	-269	-5.6	1.7	-6.2	7.7	-6.8	-10.6	-17.4	-3.7	1 394	13.1	8.09	35.20	91.91	1 423	13.2
14 *J-M* M	4 808	-211	-4.2	1.9	-4.7	4.2	-5.1	-8.2	-15.8	-2.0	1 189	18.1	8.70	32.58	91.30	1 203	17.9
15 *J-M* M	4 497	-311	-6.5	-1.1	-6.9	4.3	-7.5	-12.1	-17.9	-4.6	1 346	13.2	9.53	34.03	90.47	1 338	11.2
14 *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
Oct	4 527	-285	-5.9	1.5	-6.6	9.4	-7.3	-11.3	-18.1	-4.3	1 702	7.6	8.75	38.22	91.25	1 742	7.0
Nov	4 512	-297	-6.2	1.1	-6.8	3.0	-7.3	-11.6	-17.9	-4.3	1 385	11.6	8.49	34.39	91.51	1 397	11.5
Dec	4 448	-254	-5.4	2.4	-6.1	6.2	-6.7	-10.9	-16.8	-3.7	1 384	7.2	7.21	33.48	92.79	1 442	11.6
15 *Jan*	4 526	-289	-6.0	-0.7	-6.4	9.7	-7.2	-11.7	-17.6	-4.3	1 368	8.6	8.79	32.14	91.21	1 321	3.9
Feb	4 512	-300	-6.2	-1.2	-6.7	5.9	-7.3	-12.1	-18.3	-4.2	1 227	12.5	9.80	34.32	90.20	1 237	12.3
Mar	4 452	-344	-7.2	-1.3	-7.7	-2.7	-8.0	-12.5	-17.9	-5.2	1 442	18.5	10.01	35.64	89.99	1 457	17.7

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.

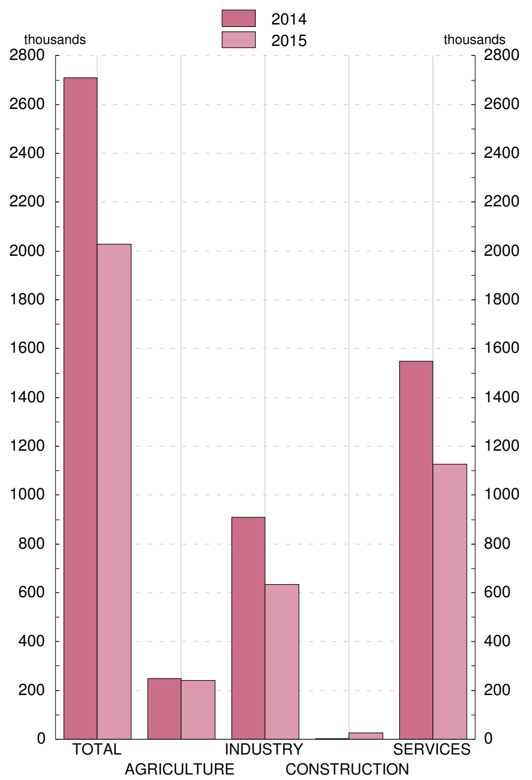
4.6. COLLECTIVE BARGAINING AGREEMENTS. SPAIN

■ Series depicted in chart.

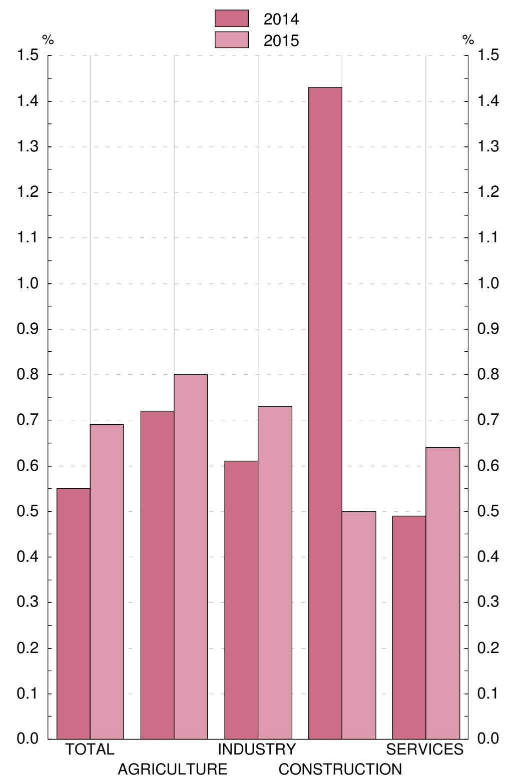
Thousands and %. Cumulative data

		As per month economic effects come into force (a)		As per month recorded														
				Employees affected								Average wage settlement (%)						
		Employees affected	Average wage settlement (b)(c)	Year of signature prior to economic effects year	Year of signature equal to economic effects year	Total	Annual change	Agriculture	Industry	Construction	Services	Year of signature prior to economic effects year	Year of signature equal to economic effects year	Total	Agriculture	Industry	Construction	Services
		1	2	3	4	5 ■	6	7 ■	8 ■	9 ■	10 ■	11	12	13 ■	14 ■	15 ■	16 ■	17 ■
12		10 099	1.00	...	...	6 078	-189	392	1 323	417	3 947	...	...	1.31	1.81	1.41	1.07	1.25
13	P	8 850	0.51	...	...	5 041	-1 038	229	1 411	351	3 049	...	...	0.57	0.95	0.49	0.58	0.58
14	P	5 876	0.58	3 171	1 585	4 756	-285	393	1 421	16	2 927	0.54	0.62	0.57	0.68	0.58	0.63	0.54
13 *Oct*	P	8 771	0.50	...	...	4 209	-625	189	1 287	338	2 395	...	...	0.55	0.94	0.49	0.59	0.55
Nov	P	8 779	0.50	...	...	4 580	-1 214	229	1 320	349	2 682	...	...	0.60	0.95	0.49	0.59	0.62
Dec	P	8 850	0.51	...	...	5 041	-1 038	229	1 411	351	3 049	...	...	0.57	0.95	0.49	0.58	0.58
14 *Jan*	P	5 282	0.56	953	13	966	478	36	223	0	706	0.61	0.02	0.60	1.00	0.79	-	0.52
Feb	P	5 286	0.56	1 669	30	1 699	898	176	380	3	1 140	0.60	0.42	0.60	0.66	0.90	1.46	0.49
Mar	P	5 292	0.56	2 536	173	2 709	1 557	248	908	4	1 549	0.55	0.53	0.55	0.72	0.61	1.43	0.49
Apr	P	5 577	0.57	2 749	318	3 067	1 642	265	1 016	4	1 783	0.56	0.61	0.56	0.74	0.62	1.42	0.51
May	P	5 580	0.57	2 952	549	3 500	1 795	306	1 193	4	1 998	0.55	0.49	0.54	0.70	0.58	1.41	0.49
Jun	P	5 607	0.57	2 981	622	3 603	1 527	308	1 232	4	2 059	0.55	0.52	0.54	0.70	0.59	1.31	0.49
Jul	P	5 762	0.58	3 009	759	3 768	1 333	310	1 238	4	2 216	0.54	0.59	0.55	0.70	0.59	1.29	0.51
Aug	P	5 776	0.58	3 038	836	3 874	482	312	1 290	4	2 267	0.54	0.57	0.55	0.70	0.58	1.21	0.51
Sep	P	5 788	0.58	3 060	1 137	4 197	478	313	1 336	5	2 544	0.54	0.62	0.56	0.70	0.58	1.22	0.54
Oct	P	5 869	0.58	3 100	1 227	4 327	118	313	1 350	7	2 658	0.54	0.64	0.57	0.70	0.58	0.79	0.55
Nov	P	5 876	0.58	3 130	1 289	4 418	-162	313	1 369	7	2 729	0.54	0.64	0.57	0.70	0.59	0.79	0.55
Dec	P	5 876	0.58	3 171	1 585	4 756	-285	393	1 421	16	2 927	0.54	0.62	0.57	0.68	0.58	0.63	0.54
15 *Jan*	P	1 924	0.66	1 031	4	1 035	68	40	371	26	597	0.63	0.51	0.63	0.99	0.59	0.50	0.64
Feb	P	1 924	0.66	1 611	21	1 632	-67	241	527	26	839	0.67	0.61	0.67	0.80	0.68	0.50	0.64
Mar	P	1 925	0.66	1 977	50	2 027	-682	241	634	26	1 126	0.69	0.39	0.69	0.80	0.73	0.50	0.64

EMPLOYEES AFFECTED
January - March



AVERAGE WAGE SETTLEMENT
January - March



Source: Ministerio de Empleo y Seguridad Social, Estadística de Convenios Colectivos de Trabajo.
a.The data include agreements registered after the end of the year.
b.Until 2010, includes revisions arising from indexation clauses.
c. 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.

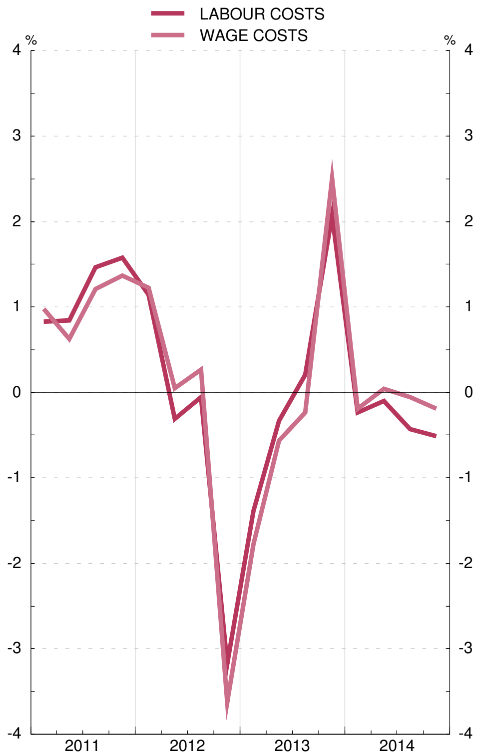
4.7. QUARTERLY LABOUR COSTS SURVEY

■ Series depicted in chart.

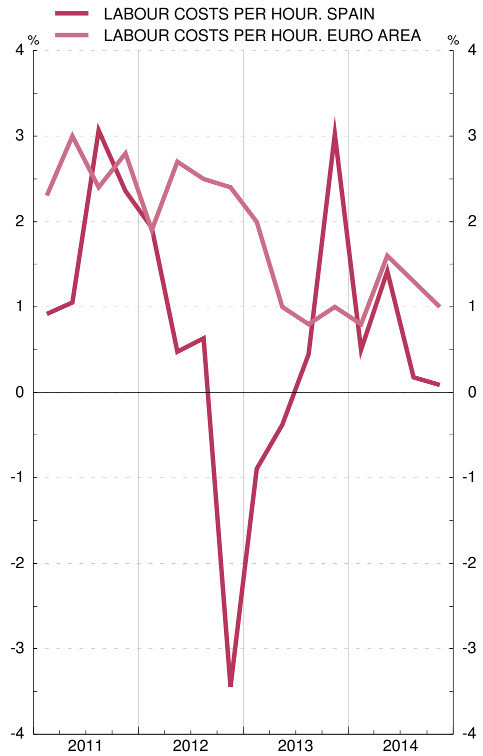
Annual percentage change

	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	2.6
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-Q4* 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
14 *Q1-Q4* M	-0.3	1.3	-0.2	-0.6	0.1	-0.1	1.5	0.7	-0.5	0.3	-1.0	0.5	1.2
12 *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	2.7
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	1.0
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	3.0	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	1.4	1.6
Q3	-0.4	1.0	0.4	-0.7	-0.1	-0.1	1.7	1.2	-0.4	0.3	-1.5	0.2	1.3
Q4	-0.5	1.4	-0.2	-0.9	-1.2	-0.2	0.9	1.1	-0.5	-0.8	-1.5	0.1	1.0

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.

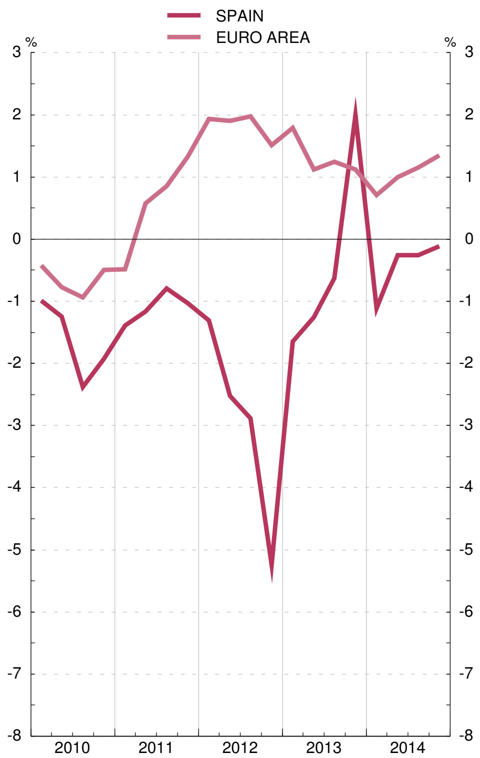
c. Whole economy, excluding agriculture, public administration, education, health and services not classified elsewhere.

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

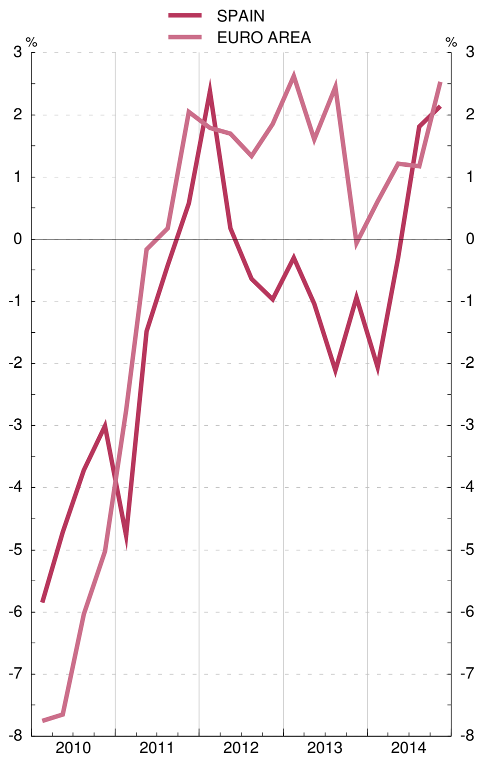
■ Series depicted in chart. *Annual percentage changes*

		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		-1.1	0.6	-1.5	-0.2	0.9	2.1	2.0	1.5	-0.6	1.7	-2.5	0.1
12	P	-3.0	1.8	0.2	1.7	-0.6	1.6	2.4	-0.2	-2.1	-0.8	-4.4	-0.5
13	P	-0.4	1.3	-1.1	1.6	1.7	1.7	2.1	0.3	-1.2	-0.4	-3.3	-0.7
12 *Q1*	P	-1.3	1.9	2.4	1.8	1.0	1.8	2.4	-0.1	-1.7	-0.4	-4.0	-0.3
Q2	P	-2.5	1.9	0.2	1.7	0.1	1.7	2.7	-0.2	-2.1	-0.8	-4.6	-0.6
Q3	P	-2.9	2.0	-0.6	1.3	-0.6	1.7	2.4	-0.3	-2.1	-0.8	-4.4	-0.6
Q4	P	-5.2	1.5	-1.0	1.8	-3.0	1.2	2.4	-0.3	-2.5	-0.9	-4.7	-0.7
13 *Q1*	P	-1.6	1.8	-0.3	2.6	0.5	1.5	2.2	-0.3	-2.2	-1.2	-4.3	-1.0
Q2	P	-1.3	1.1	-1.0	1.6	1.0	1.5	2.3	0.4	-1.7	-0.6	-3.9	-0.9
Q3	P	-0.6	1.2	-2.1	2.4	1.4	1.7	2.0	0.4	-1.0	-0.2	-3.0	-0.7
Q4	P	2.0	1.1	-0.9	-0.1	3.8	1.9	1.8	0.8	0.0	0.4	-1.8	-0.4
14 *Q1*	P	-1.1	0.7	-2.1	0.6	-0.1	1.6	1.1	0.9	0.6	1.1	-0.4	0.2
Q2	P	-0.3	1.0	-0.3	1.2	-0.0	1.2	0.2	0.2	1.2	0.8	1.0	0.6
Q3	P	-0.3	1.2	1.8	1.2	-0.3	1.2	-0.0	0.1	1.6	0.8	1.7	0.7
Q4	P	-0.1	1.3	2.1	2.5	-0.5	1.3	-0.4	-0.0	2.0	0.9	2.4	0.9

UNIT LABOUR COSTS: TOTAL
Annual percentage changes



UNIT LABOUR COSTS: INDUSTRY
Annual percentage changes



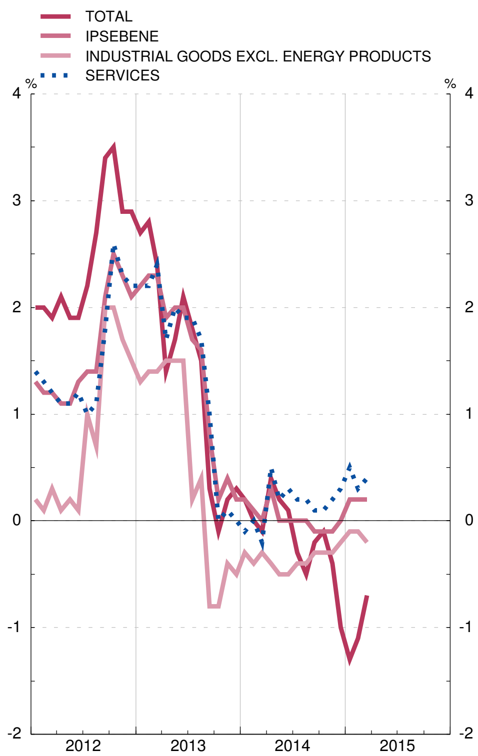
Sources: INE (Quarterly National Accounts of Spain. Base year 2010) and EUROSTAT.
a. Spain: prepared in accordance with ESA2010. SEASONALLY- AND WORKING-DAY-ADJUSTED SERIES.
b. Full-time equivalent employment.

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

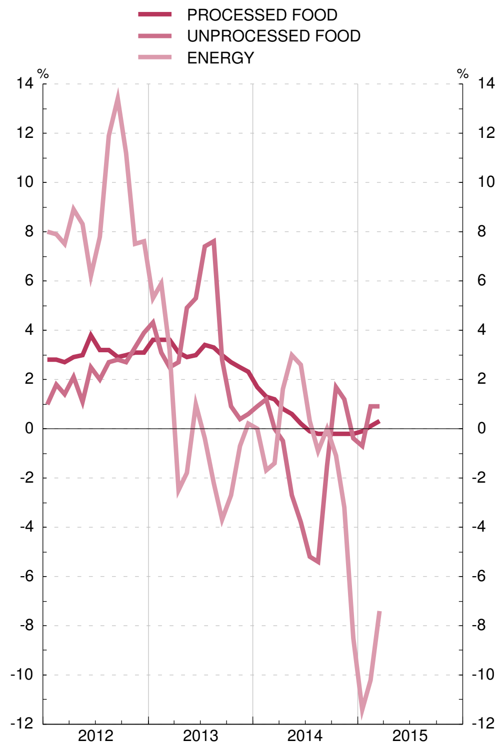
■ Series depicted in chart. *Indices and annual percentage changes*

	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
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
14 M	103.7	_	-0.1	-1.0	-1.2	0.4	-0.4	-0.8	0.2	0.0	...	...
14 *J-M* M	103.2	-0.4	0.0	-1.3	0.7	1.4	-0.3	-1.0	-0.1	0.1	108.4	-6.5
15 *J-M* M	102.2	-0.3	-1.0	-1.3	0.3	0.1	-0.1	-9.6	0.4	0.2	...	...
13 *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	-	111.7	-6.9
Jul	103.3	-0.9	-0.3	-1.2	-5.2	-0.1	-0.4	0.3	0.2	-	96.5	-10.0
Aug	103.5	0.2	-0.5	-1.0	-5.4	-0.2	-0.4	-0.9	0.2	-	97.6	-6.3
Sep	103.7	0.2	-0.2	-0.9	-1.5	-0.2	-0.3	-	0.1	-0.1	107.0	-5.7
Oct	104.2	0.5	-0.1	-0.4	1.7	-0.2	-0.3	-1.1	0.1	-0.1	107.4	-9.0
Nov	104.1	-0.1	-0.4	-0.5	1.2	-0.2	-0.3	-3.2	0.2	-0.1	107.8	-2.9
Dec	103.5	-0.6	-1.0	-1.0	-0.4	-0.2	-0.2	-8.5	0.3	-	...	...
15 *Jan*	101.8	-1.6	-1.3	-1.6	-0.7	-0.1	-0.1	-11.4	0.5	0.2	...	...
Feb	102.0	0.2	-1.1	-1.4	0.9	0.1	-0.1	-10.2	0.3	0.2	...	...
Mar	102.7	0.6	-0.7	-0.8	0.9	0.3	-0.2	-7.4	0.4	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.

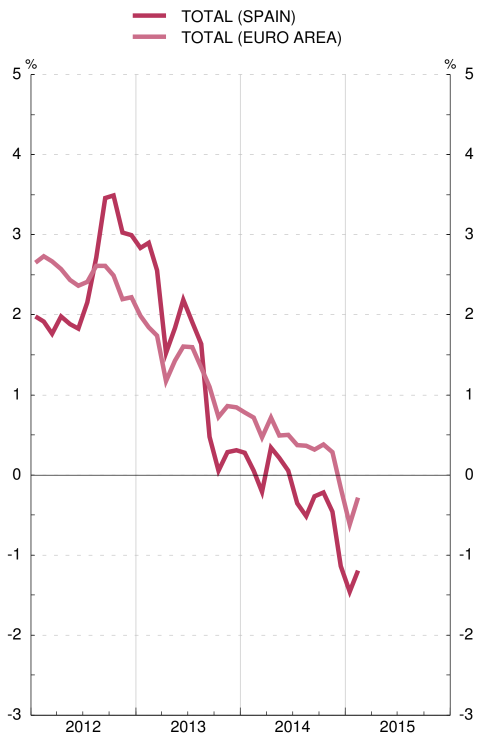
5.2. HARMONISED INDEX OF CONSUMER PRICES. SPAIN AND EURO AREA (2005=100) (a)

■ Series depicted in chart.

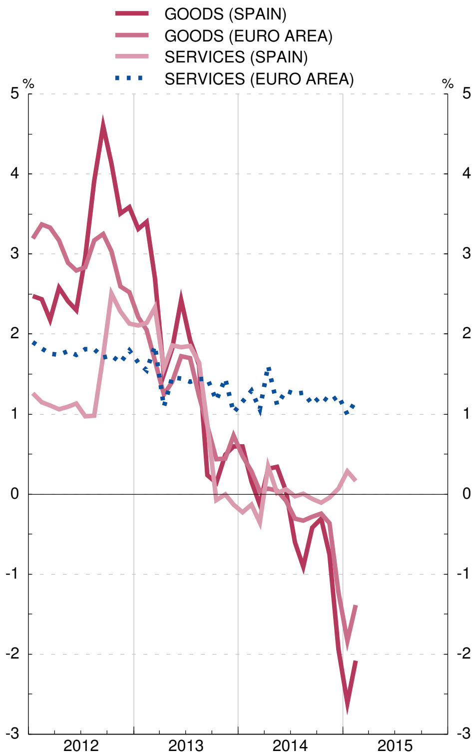
Annual percentage changes

		Total		Goods														Services	
						Food						Industrial							
		Spain	Euro area	Spain	Euro area	Total		Processed		Unprocessed		Spain	Euro area	Non-energy		Energy		Spain	Euro area
						Spain	Euro area	Spain	Euro area	Spain	Euro area			Spain	Euro area	Spain	Euro area		
		1 ■	2 ■	3 ■	4 ■	5	6	7	8	9	10	11	12	13	14	15	16	17 ■	18 ■
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
14	M	-0.2	0.4	-0.3	-0.2	-0.1	0.5	-0.1	1.2	-0.1	-0.8	-0.4	-0.5	-0.3	0.1	-0.8	-1.9	-0.0	1.2
14 *J-F*	M	0.2	0.7	0.4	0.4	1.4	1.6	1.1	1.9	1.6	1.1	-0.2	-0.3	0.0	0.3	-0.8	-1.8	-0.2	1.2
15 *J-F*	MP	-1.3	-0.4	-2.3	-1.6	0.0	0.2	-0.2	0.5	0.3	-0.2	-3.7	-2.6	-0.2	-0.1	-10.8	-8.6	0.2	1.1
13 *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		-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
Sep		-0.3	0.3	-0.4	-0.3	-0.6	0.3	-0.8	1.0	-0.5	-0.9	-0.3	-0.6	-0.5	0.2	-	-2.3	-0.1	1.1
Oct		-0.2	0.4	-0.3	-0.2	0.4	0.5	-0.8	0.8	1.6	-	-0.7	-0.6	-0.5	-0.1	-1.1	-2.0	-0.1	1.2
Nov		-0.5	0.3	-0.8	-0.4	0.2	0.5	-0.7	0.6	1.2	0.2	-1.3	-0.8	-0.3	-0.1	-3.2	-2.6	-	1.2
Dec		-1.1	-0.2	-1.9	-1.2	-0.2	-	-0.6	0.5	0.2	-1.0	-2.9	-1.8	-0.3	-	-8.4	-6.3	0.1	1.2
15 *Jan*		-1.5	-0.6	-2.6	-1.8	-0.3	-0.1	-0.4	0.4	-0.1	-0.8	-4.0	-2.8	-0.3	-0.1	-11.4	-9.3	0.3	1.0
Feb	P	-1.2	-0.3	-2.1	-1.4	0.3	0.5	-0.1	0.5	0.8	0.4	-3.5	-2.4	-0.2	-0.1	-10.1	-7.9	0.2	1.2

HARMONISED INDEX OF CONSUMER PRICES. TOTAL
Annual percentage changes



HARMONISED INDEX OF CONSUMER PRICES. COMPONENTS
Annual percentage changes



Source: Eurostat.

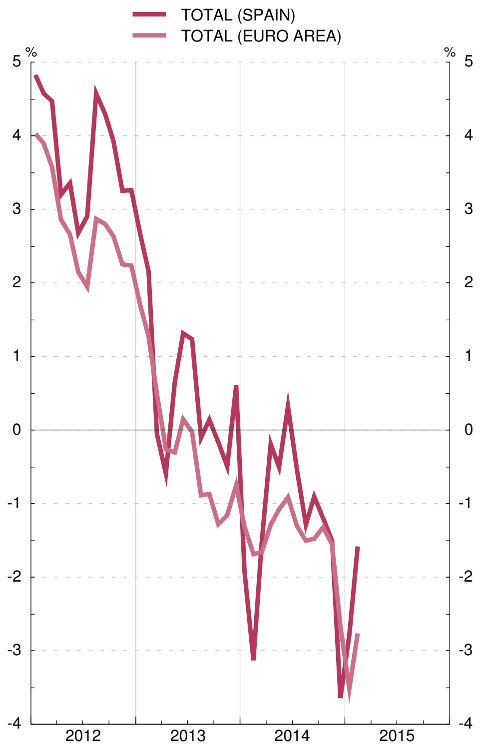
a. Since January 2011 the rules of Commission Regulation (EC) No 330/2009 on the treatment of seasonal products have been incorporated. This has prompted a break in the series. The series constructed with the new methodology are only available from January 2010. The year-on-year rates of change presented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

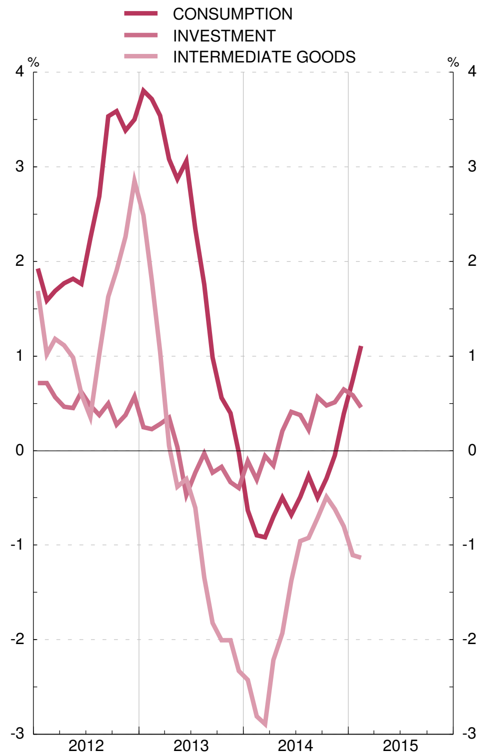
■ Series depicted in chart. *Annual percentage changes*

		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
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
14	M P	110.2	_	-1.3	_	-0.5	_	0.2	_	-1.5	_	-3.1	-1.5	0.1	0.4	-1.1	-4.4
14 *J-F*	M	109.9	_	-2.5	_	-0.8	_	-0.2	_	-2.6	_	-5.7	-1.5	0.6	0.3	-1.7	-3.9
15 *J-F*	M P	107.5	_	-2.2	_	0.9	_	0.5	_	-1.1	_	-8.4	-3.1	-0.8	0.7	-1.7	-9.2
13 *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	-1.6	-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	0.6	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	0.5	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	-1.3	0.7	0.2	-1.5	-3.6
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		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	0.4	-0.9	-2.5
Jul		111.6	0.1	-0.5	0.2	-0.5	0.2	0.4	-0.0	-1.0	-0.1	-0.7	-1.3	0.2	0.4	-0.6	-4.1
Aug		110.6	-0.9	-1.3	0.3	-0.3	0.0	0.2	-0.2	-0.9	-3.3	-3.7	-1.5	-0.0	0.4	-0.6	-4.9
Sep		111.3	0.6	-0.9	-0.2	-0.5	0.2	0.6	0.1	-0.7	2.2	-2.4	-1.5	-0.4	0.5	-0.5	-4.5
Oct		110.3	-0.8	-1.2	-0.2	-0.3	-0.1	0.5	-0.1	-0.5	-2.7	-4.0	-1.3	-0.6	0.6	-0.4	-4.1
Nov		109.1	-1.2	-1.5	0.0	-0.1	-0.1	0.5	-0.3	-0.6	-4.1	-5.5	-1.6	-0.6	0.6	-0.5	-4.9
Dec	P	107.9	-1.1	-3.6	0.2	0.4	0.1	0.6	-0.3	-0.8	-4.1	-13.4	-2.7	-0.7	0.6	-1.0	-8.3
15 *Jan*	P	107.4	-0.5	-2.8	0.3	0.7	0.2	0.6	-0.2	-1.1	-2.0	-10.4	-3.5	-0.9	0.7	-1.7	-10.5
Feb	P	107.6	0.2	-1.6	0.2	1.1	-0.3	0.5	-0.3	-1.1	1.1	-6.4	-2.8	-0.7	0.7	-1.8	-8.0

PRODUCER PRICE INDEX. TOTAL
Annual percentage changes



PRODUCER PRICE INDEX. COMPONENTS
Annual percentage changes



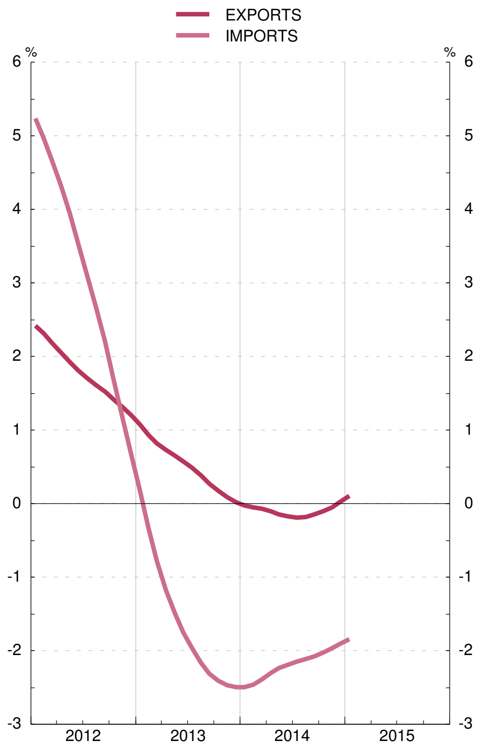
Sources: INE and ECB.
Note: The underlying series for this indicator, for Spain, are in Table 25.3 of the BE Boletín estadístico.
a. For annual periods: average growth for each year on the previous year.

5.4. UNIT VALUE INDICES FOR SPANISH FOREIGN TRADE

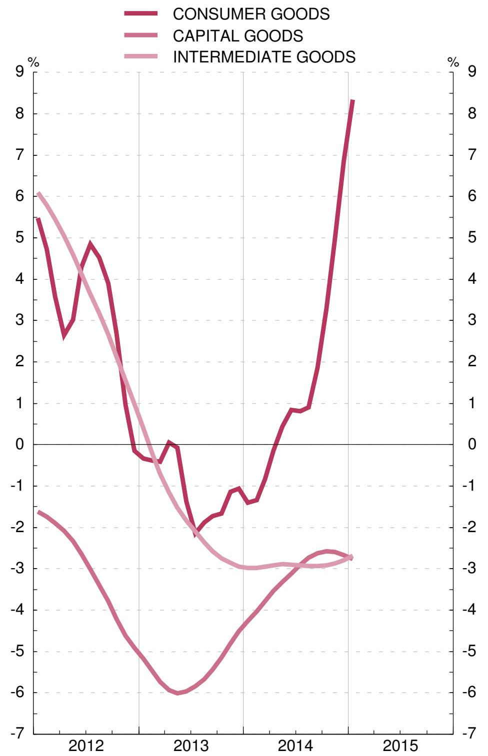
■ Series depicted in chart. *Annual percentage changes*

	Exports/dispatches						Imports/arrivals					
	Total	Consumer goods	Capital goods	Intermediate goods: Total	Intermediate goods: Energy	Intermediate goods: Non-energy	Total	Consumer goods	Capital goods	Intermediate goods: Total	Intermediate goods: Energy	Intermediate goods: Non-energy
	1 ■	2	3	4	5	6	7 ■	8 ■	9 ■	10 ■	11	12
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
14	-1.0	0.3	-2.1	-1.6	-5.2	-1.4	-2.4	1.1	-2.1	-3.5	-6.8	-1.6
14 *J-J*	-2.2	-0.9	-2.4	-2.8	-4.3	-2.8	-6.7	-2.7	-1.9	-8.3	-12.1	-5.1
15 *J-J*	0.1	3.0	-2.2	-1.5	-22.1	0.5	-2.8	9.9	-3.8	-7.1	-28.3	2.8
13 *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
Aug	-4.1	-2.1	-2.6	-5.3	-11.3	-5.1	-1.7	-0.9	10.4	-2.9	-7.4	-0.4
Sep	1.4	3.7	-9.9	2.1	1.5	1.0	-3.6	1.1	-4.6	-5.1	-11.2	-1.9
Oct	-2.3	-0.7	-10.0	-1.9	-6.1	-1.5	-2.0	3.8	7.7	-4.8	-11.1	-2.4
Nov	-1.3	0.4	0.0	-2.6	-5.3	-2.0	-2.2	3.4	3.4	-4.9	-11.7	-1.5
Dec	-1.5	-2.3	-1.5	-0.9	-18.1	0.2	-1.8	7.9	-2.7	-5.3	-16.4	-0.7
15 *Jan*	0.1	3.0	-2.2	-1.5	-22.1	0.5	-2.8	9.9	-3.8	-7.1	-28.3	2.8

EXPORT AND IMPORT UNIT VALUE INDICES (a)



IMPORT UNIT VALUE INDICES BY PRODUCT GROUP (a)



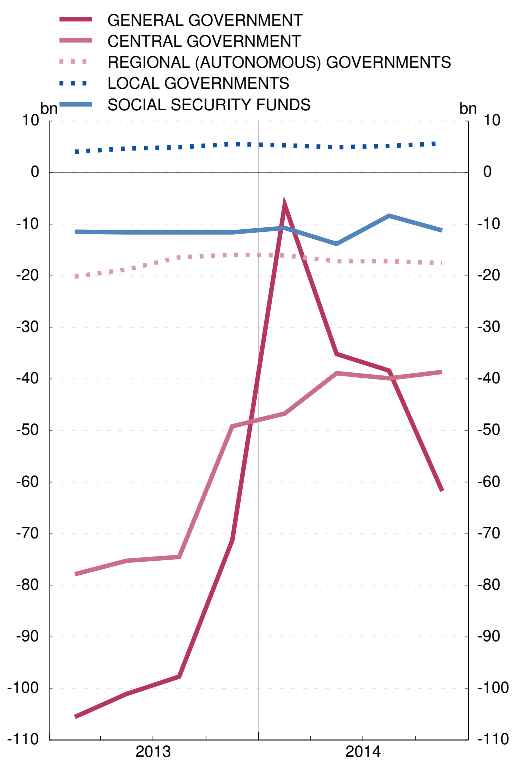
Sources: ME, MHAP and BE.
Note: The underlying series for this indicator are in the Tables 18.6 and 18.7 of the Boletín Estadístico.
a. Annual percentage changes (trend obtained with TRAMO-SEATS).

6.1. GENERAL GOVERNMENT. NET LENDING (+)/NET BORROWING (-)

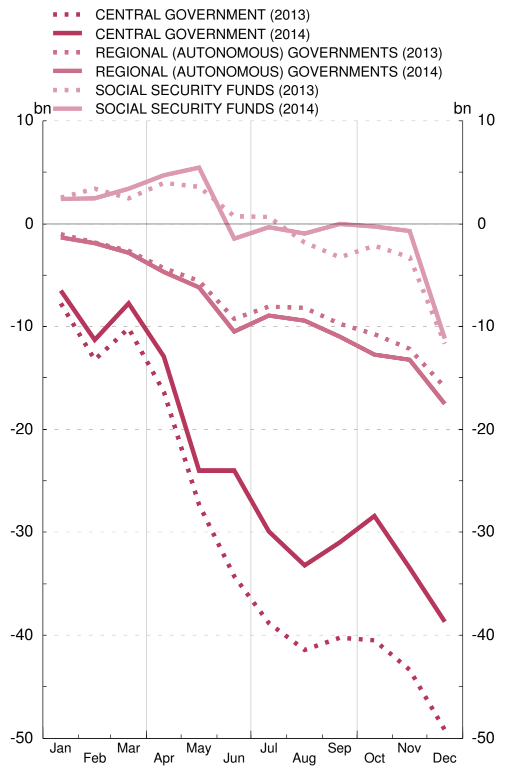
■ Series depicted in chart. *EUR millions*

		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 ■
13	A	-71 291	-49 190	-45 321	-15 932	5 474	-11 643
14	A	-61 741	-38 672	-40 068	-17 529	5 662	-11 202
14 *Q1*	A	-6 325	-7 774	-9 570	-2 855	928	3 376
Q2	A	-28 887	-16 210	-16 986	-7 644	-172	-4 861
Q3	A	-3 245	-6 966	-6 042	-505	2 755	1 471
Q4	A	-23 284	-7 722	-7 470	-6 525	2 151	-11 188
14 *J-J*	A	...	-6 514	-6 241	-1 340	...	2 396
15 *J-J*	A	...	-6 684	-6 128	-649	...	1 784
14 *Mar*	A	...	3 516	3 383	-967	...	901
Apr	A	...	-5 158	-5 041	-1 862	...	1 346
May	A	...	-11 047	-11 505	-1 489	...	707
Jun	A	...	-5	-440	-4 293	...	-6 914
Jul	A	...	-5 946	-5 712	1 566	...	1 158
Aug	A	...	-3 290	-2 825	-499	...	-653
Sep	A	...	2 270	2 495	-1 572	...	966
Oct	A	...	2 563	2 296	-1 743	...	-250
Nov	A	...	-5 089	-5 072	-468	...	-456
Dec	A	...	-5 196	-4 694	-4 314	...	-10 482
15 *Jan*	A	...	-6 684	-6 128	-649	...	1 784

NET LENDING (+)/NET BORROWING (-)
By level of government.4-quarter moving average



NET LENDING (+)/NET BORROWING (-)
By level of government. Cumulative data from January. Monthly information



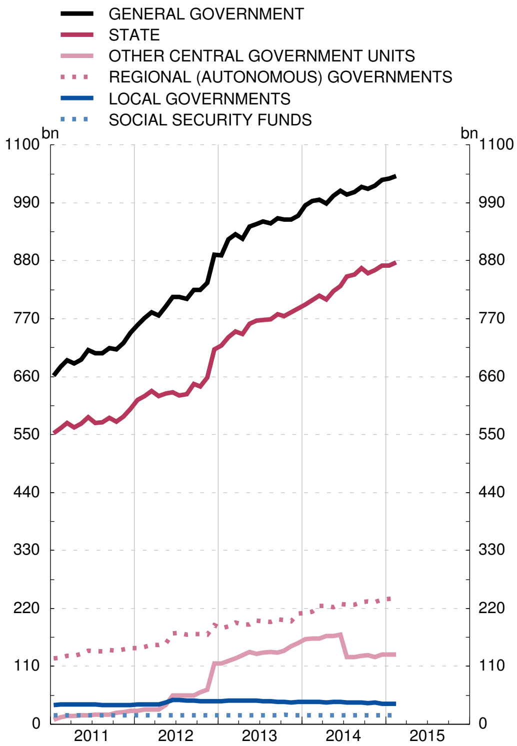
SOURCE: Ministerio de Hacienda y Administraciones Públicas (IGAE).
a. Detailed operations are published in indicator 6.3.
b. The breakdown by regional (autonomous) government is published in indicator 6.6.

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

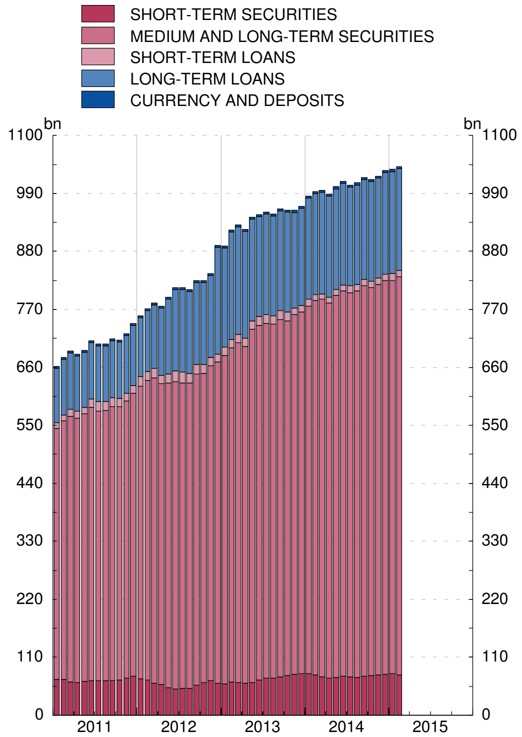
■ Series depicted in chart. *EUR millions*

		Total (a)	By government sector: Central government b): State	Other units	Regional (autonomous) governments	Local governments	Social security funds	Debt held by general government (consolidation)	By instrument: Currency and deposits	Securities other than shares: Total	Short-term	Long-term	Loans: 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
10		649 259	544 790	6 767	123 419	35 453	17 169	78 338	3 584	534 226	68 929	465 297	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	74 185	536 514	129 146	15 232	113 915
12		890 978	711 474	114 932	188 407	44 007	17 188	185 030	3 681	669 887	60 576	609 311	217 409	15 139	202 270
13	P	966 170	789 028	153 935	209 761	42 115	17 187	245 857	3 696	765 746	78 977	686 769	196 728	12 078	184 649
13 *Sep*	P	961 233	779 068	135 609	199 737	43 108	17 190	213 479	3 714	750 773	72 755	678 018	206 745	16 714	190 031
Oct	P	957 830	774 927	140 242	198 224	42 161	17 747	215 472	3 690	748 408	75 624	672 784	205 732	16 331	189 401
Nov	P	957 767	782 423	147 682	195 600	41 818	17 195	226 951	3 688	760 164	77 512	682 652	193 914	12 486	181 429
Dec	P	966 170	789 028	153 935	209 761	42 115	17 187	245 857	3 696	765 746	78 977	686 769	196 728	12 078	184 649
14 *Jan*	P	985 121	796 203	161 933	211 177	42 038	17 187	243 417	3 712	776 220	78 615	697 604	205 190	13 776	191 414
Feb	P	994 056	804 942	162 513	213 801	42 267	17 188	246 655	3 712	787 114	76 530	710 584	203 230	10 783	192 447
Mar	P	995 834	813 206	162 689	224 964	41 913	17 188	264 126	3 726	788 962	72 474	716 487	203 146	10 720	192 426
Apr	P	988 692	806 390	167 540	224 151	41 908	17 192	268 488	3 737	782 294	70 736	711 557	202 661	10 281	192 379
May	P	1 002 729	821 941	167 504	222 200	42 648	17 189	268 752	3 767	796 702	71 667	725 035	202 261	10 634	191 626
Jun	P	1 012 596	831 414	170 468	228 207	41 995	17 203	276 691	3 804	804 833	74 652	730 181	203 959	11 546	192 413
Jul	P	1 006 246	850 012	127 494	227 719	40 898	17 196	257 072	3 849	801 645	73 032	728 613	200 752	13 335	187 417
Aug	P	1 010 023	854 390	127 459	226 679	41 280	17 199	256 984	3 857	805 595	72 271	733 324	200 571	12 070	188 502
Sep	P	1 020 303	865 657	129 553	232 068	40 789	17 200	264 964	3 863	815 106	74 078	741 029	201 333	11 676	189 657
Oct	A	1 016 884	856 245	130 597	232 643	40 694	17 189	260 484	3 844	810 904	74 759	736 145	202 136	12 595	189 541
Nov	A	1 022 946	862 809	127 994	231 557	40 729	17 202	257 344	3 852	817 297	77 028	740 269	201 797	11 971	189 826
Dec	A	1 033 857	870 763	131 881	236 747	38 363	17 188	261 086	3 847	825 101	77 611	747 490	204 908	11 668	193 240
15 *Jan*	A	1 035 473	870 797	131 980	238 001	38 592	17 188	261 086	3 865	825 106	78 991	746 115	206 503	13 329	193 174
Feb	A	1 040 752	877 434	131 947	238 790	38 778	17 193	263 390	3 874	832 215	76 299	755 915	204 663	12 199	192 464

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.

a. The most recent data to have been checked against those of the regional (autonomous) governments and the six largest municipalities correspond to September 2014.

b. Since July 2014, the debt (loans and securities) of the Fund for the Financing of Payments to Suppliers has been included in the debt of the State instead of in Other Central Government Units, owing to the integration of the latter into the State as from that date.

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

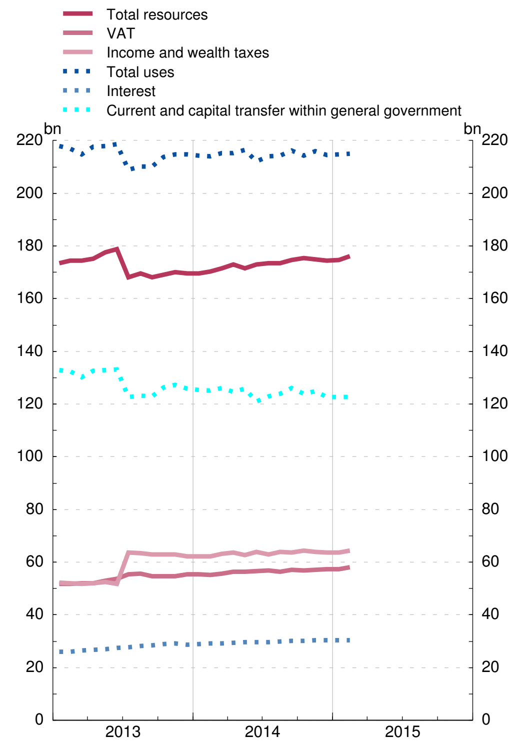
■ Series depicted in chart.

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
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
14	A	-40 068	174 521	57 395	22 425	10 233	63 543	20 925	214 589	18 023	30 359	122 709	2 939	40 559	-30 234	127 759	157 993
14 *J-F*	A	-12 953	22 394	10 240	4 013	789	5 500	1 852	35 347	2 631	4 808	20 744	61	7 103	-11 392	21 313	32 705
15 *J-F*	A	-11 818	23 892	10 893	3 942	400	6 431	2 226	35 710	2 745	4 840	20 801	158	7 166	-9 345	23 645	32 990
14 *Feb*	A	-6 712	11 349	5 326	2 119	354	2 566	984	18 061	1 312	2 274	10 220	34	4 221	4 464	16 092	11 629
Mar	A	3 383	20 148	8 035	1 519	1 871	7 398	1 325	16 765	1 332	2 541	10 002	32	2 858	-2 979	6 774	9 753
Apr	A	-5 041	13 050	3 763	1 728	691	5 706	1 162	18 091	1 313	2 474	10 383	41	3 880	-730	13 440	14 170
May	A	-11 505	6 003	2 830	1 895	452	-421	1 247	17 508	1 307	2 532	10 710	24	2 935	-3 308	7 654	10 961
Jun	A	-440	18 988	7 452	1 797	589	6 863	2 287	19 428	2 374	2 478	10 672	146	3 758	-8 793	3 855	12 649
Jul	A	-5 712	16 303	3 820	1 878	568	6 591	3 446	22 015	1 322	2 619	15 230	49	2 795	-335	20 242	20 577
Aug	A	-2 825	11 403	2 569	1 681	552	5 285	1 316	14 228	1 285	2 607	8 003	12	2 321	424	8 739	8 315
Sep	A	2 495	18 240	7 888	2 075	827	5 799	1 651	15 745	1 329	2 503	9 550	87	2 276	-4 006	4 847	8 853
Oct	A	2 296	17 979	3 828	1 908	456	10 065	1 722	15 683	1 330	2 627	8 770	130	2 826	7 624	22 836	15 213
Nov	A	-5 072	11 228	3 416	2 241	382	3 573	1 616	16 300	1 311	2 516	9 339	165	2 969	-3 002	7 448	10 450
Dec	A	-4 694	18 785	3 554	1 690	3 056	7 184	3 301	23 479	2 489	2 654	9 306	2 192	6 838	-3 736	10 609	14 345
15 *Jan*	A	-6 128	11 306	4 923	1 896	253	3 077	1 157	17 434	1 453	2 582	10 586	126	2 687	-6 690	6 273	12 962
Feb	A	-5 690	12 586	5 970	2 046	147	3 354	1 069	18 276	1 292	2 258	10 215	32	4 479	-2 655	17 372	20 028

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).

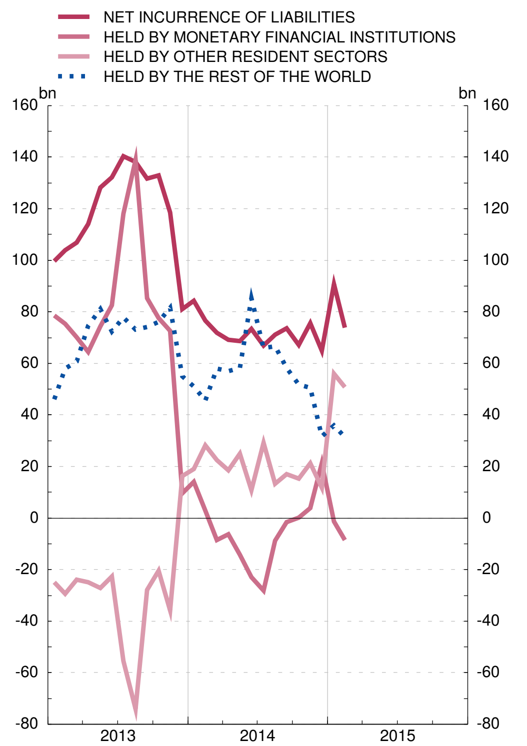
6.4. STATE FINANCIAL TRANSACTIONS. SPAIN

■ 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	Of which: In currencies other than the peseta/euro	By instrument: Short-term debt securities	By instrument: Long-term debt securities (a)	By instrument: Banco de España loans	By instrument: Other marketable liabilities (b)	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
13	P	-45 321	35 678	-2 400	80 999	-34	18 293	55 694	-876	8 014	-127	25 886	9 546	16 340	55 113	81 125
14	A	-40 068	24 802	-91	64 870	240	-1 806	63 406	-946	131	4 085	33 154	21 290	11 864	31 715	60 785
14 *J-F*	A	-12 953	-2 975	-0	9 978	3	-1 656	15 609	-	210	-4 185	9 694	9 823	-129	284	14 163
15 *J-F*	A	-11 818	7 082	1	18 900	4	1 354	5 676	-	20	11 850	18 900	-19 979	38 879	-	7 050
14 *Feb*	A	-6 712	775	-0	7 487	2	-971	11 984	-	202	-3 728	3 029	-932	3 961	4 458	11 215
Mar	A	3 383	11 126	-1	7 743	2	-2 664	13 429	-	326	-3 348	5 006	3 468	1 538	2 737	11 091
Apr	A	-5 041	-12 391	2	-7 350	-15	-1 585	-8 153	-946	966	2 368	-6 480	-72	-6 408	-870	-9 718
May	A	-11 505	9 442	-0	20 947	2	865	17 947	-	34	2 101	11 874	2 912	8 962	9 073	18 846
Jun	A	-440	12 845	-89	13 285	2	-143	12 498	-	6	923	-5 182	-184	-4 998	18 467	12 362
Jul	A	-5 712	-16 756	0	-11 044	2	-53	-10 612	-	-2 545	2 167	3 048	-9 678	12 726	-14 092	-13 210
Aug	A	-2 825	4 435	-2	7 260	2	318	6 086	-	336	519	5 376	16 732	-11 356	1 884	6 741
Sep	A	2 495	12 224	0	9 729	2	2 296	11 509	-	-20	-4 057	9 450	8 970	480	279	13 786
Oct	A	2 296	-11 761	0	-14 057	-3	-170	-13 400	-	38	-525	-10 791	-5 443	-5 347	-3 267	-13 532
Nov	A	-5 072	7 308	0	12 380	241	400	8 633	-	305	3 042	-2 103	-5 278	3 175	14 483	9 338
Dec	A	-4 694	11 305	-1	15 999	2	585	9 861	-	474	5 079	13 261	38	13 223	2 738	10 920
15 *Jan*	A	-6 128	22 112	5 990	28 240	2	1 405	-4 838	-	11	31 661	28 240	-11 864	40 104	-	-3 422
Feb	A	-5 690	-15 029	-5 989	-9 339	2	-52	10 514	-	9	-19 811	-9 339	-8 115	-1 225	-	10 472

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

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



Source: BE.

a. Including Treasury Bills with a maturity of more than one year..

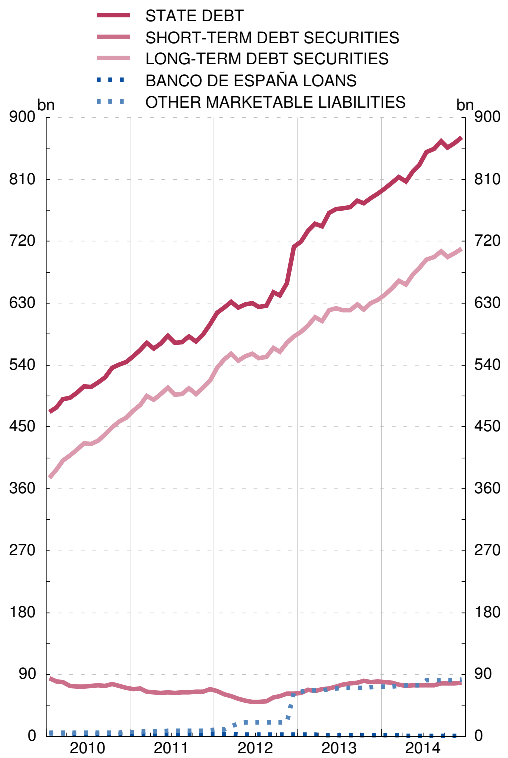
b. Includes other loans, non-negotiable securities, coined money and Caja General de Depósitos (General Deposit Fund).

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

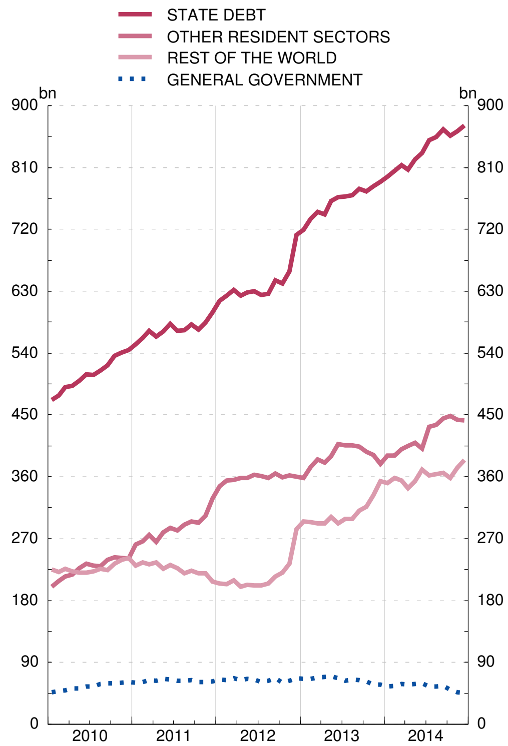
■ Series depicted in chart. *EUR millions*

		Liabilities outstanding according to the methodology of the Excessive Deficit Procedure (PDE) (a)										Memorandum item:				
		Of which:		By instruments				By counterpart sector				Deposits at the Banco de España including Treasury liquidity tenders	Guarantees given			
		Total	In currencies other than euro	Short-term debt securities	Long-term debt securities (b)	Banco de España loans	Other marketable liabilities (c)	Held by resident sectors: Total	Held by resident sectors: General Government	Held by resident sectors: Other resident sectors	Rest of the world		Total	Of which: to other General Government units	Of which: to FEEF (d)	Of which: to credit institutions
		1 ■	2	3 ■	4 ■	5 ■	6 ■	7	8 ■	9 ■	10 ■	11	12	13	14	15
10		544 790	0	70 484	463 580	4 082	6 644	302 636	61 170	241 466	242 154	28 898	73 560	6 000	-	59 506
11		598 995	0	68 639	517 630	3 499	9 228	391 375	62 613	328 763	207 620	30 616	99 748	23 851	2 993	64 659
12		711 474	0	62 627	581 314	2 915	64 619	427 727	67 328	360 399	283 748	35 000	168 165	26 608	30 820	68 399
13	P	789 028	240	80 045	634 407	1 943	72 633	435 741	57 387	378 354	353 287	20 284	165 358	31 954	35 145	46 607
14 *Feb*	A	804 942	242	78 291	651 864	1 943	72 844	446 556	55 885	390 671	358 386	27 766	158 369	30 454	37 300	39 550
Mar	A	813 206	241	75 581	662 512	1 943	73 169	458 334	58 443	399 892	354 871	31 797	146 523	28 299	34 668	32 853
Apr	A	806 390	243	73 962	657 320	972	74 136	462 992	57 955	405 037	343 398	18 659	143 736	28 299	35 693	30 583
May	A	821 941	246	74 808	671 991	972	74 170	468 098	58 219	409 879	353 842	29 627	143 645	28 299	36 307	29 962
Jun	A	831 414	250	74 640	681 627	972	74 176	460 705	59 291	401 413	370 709	29 705	143 761	28 299	36 922	29 512
Jul	A	850 012	252	74 561	693 049	972	81 430	487 877	55 250	432 627	362 135	19 264	143 802	28 299	38 516	28 273
Aug	A	854 390	251	74 850	696 802	972	81 766	490 269	55 161	435 108	364 121	22 340	133 844	28 299	38 516	18 373
Sep	A	865 657	257	77 129	705 810	972	81 746	499 858	55 466	444 392	365 798	27 997	132 659	28 299	38 516	17 473
Oct	A	856 245	255	76 949	696 540	972	81 784	498 297	49 986	448 311	357 947	24 080	126 984	28 299	38 516	11 935
Nov	A	862 809	251	77 344	702 404	972	82 089	489 510	46 146	443 364	373 298	30 865	121 406	25 009	38 823	9 486
Dec	A	870 763	257	77 926	709 307	972	82 558	486 732	45 135	441 597	384 031	29 125	120 483	24 809	39 127	8 662
15 *Jan*	A	870 797	266	79 321	707 931	972	82 574	465 827	45 135	420 692	404 970	47 857	119 535	24 809	39 742	7 310
Feb	A	877 434	275	78 436	716 834	972	81 192	...	47 416	...	...	34 497	118 472	24 809	39 435	6 641

STATE. LIABILITIES OUTSTANDING
By instrument. Billions of euro



STATE. LIABILITIES OUTSTANDING
By counterpart sector. Billions of euro



SOURCE: BE.

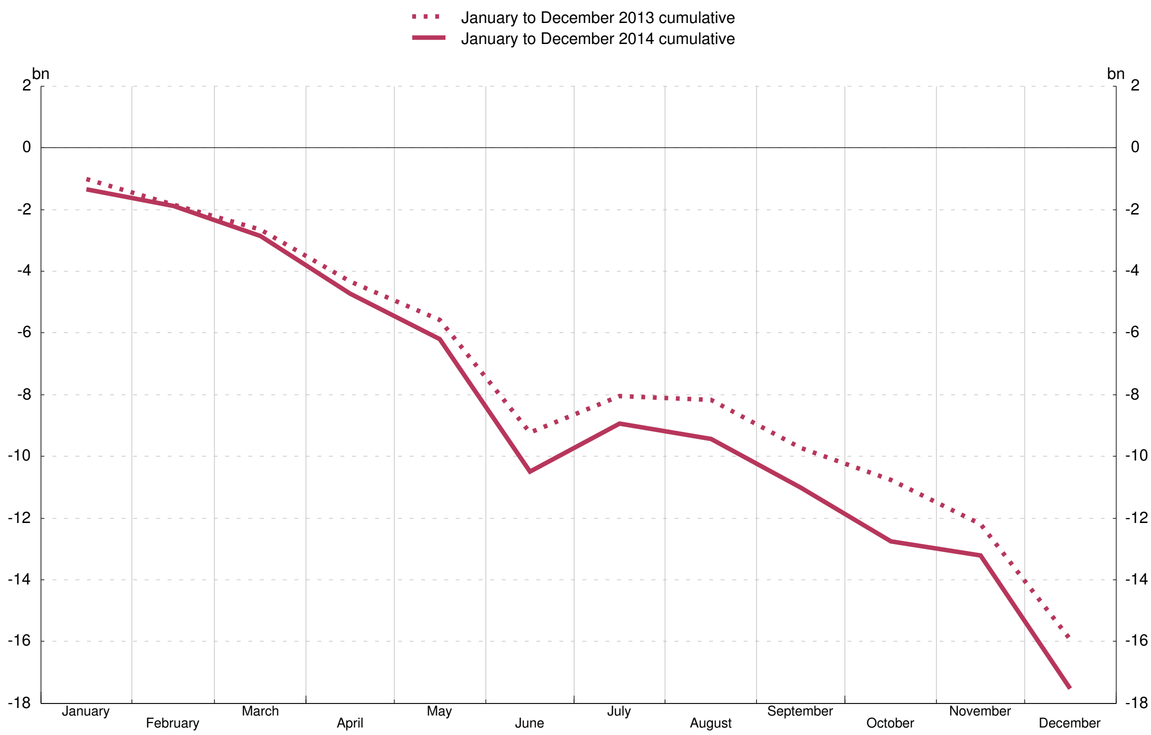
a. Included from July 2014 is the debt (loans and securities) of the Fund for the Financing of Payments to Suppliers, which was integrated into the State as from that date.
b. Including Treasury Bills with a maturity of more than one year.
c. Includes loans from European Stability Mechanism (ESM), other loans, non-negotiable securities and coined money.
d. European Financial Stability Facility.

6.6. REGIONAL (AUTONOMOUS) GOVERNMENTS. NET LENDING (+)/NET BORROWING (-)

EUR millions

		Total	Andalucía	Aragón	Princ. de Asturias	Illes Balears	Canarias	Cantabria	Castilla-La Mancha	Castilla y León	Cataluña	Extremadura	Galicia	La Rioja	Comun. de Madrid	Región de Murcia	Comun. Foral Navarra	País Vasco	Comun. Valenciana
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
13 *Q3*	A	-498	-308	-66	-11	41	83	18	87	254	-506	110	193	2	-110	-107	41	-32	-187
Q4	A	-6 199	-286	-272	-204	-284	-228	-70	-433	-376	-1 447	-107	-173	-70	-362	-408	214	-404	-1 289
14 *Q1*	A	-2 855	-640	-138	7	7	-8	-28	-135	-111	-918	-130	-128	-28	-655	-97	98	15	34
Q2	A	-7 644	-1 255	-171	-148	-146	-143	-87	-279	-366	-1 709	-251	-346	-42	-1 122	-288	-198	-305	-788
Q3	A	-505	-132	50	71	10	74	51	46	144	-435	73	142	6	-183	-86	11	90	-437
Q4	A	-6 525	382	-292	-208	-329	-302	-115	-298	-268	-2 090	-113	-225	-31	-688	-295	-32	-442	-1 179
14 *J-J*	A	-1 340	-283	-24	8	-	-6	-17	-73	-70	-388	-35	33	-10	-227	-75	-36	-33	-104
15 *J-J*	A	-649	-180	-40	8	15	1	-22	-59	-	-52	-34	71	51	-174	-34	41	-11	-230
14 *Mar*	A	-967	-216	-64	-11	22	15	-14	-13	4	-418	-40	-86	-12	-142	20	-83	10	61
Apr	A	-1 862	-202	-28	-7	-19	-165	-6	-66	-47	-543	-61	-108	-	-267	-75	18	-49	-237
May	A	-1 489	-294	-33	-34	-34	51	-28	-24	-47	-341	-53	-40	-11	-238	-72	-147	-95	-49
Jun	A	-4 293	-759	-110	-107	-93	-29	-53	-189	-272	-825	-137	-198	-31	-617	-141	-69	-161	-502
Jul	A	1 566	232	109	108	171	139	52	79	174	172	79	228	15	50	24	-63	-72	69
Aug	A	-499	-26	-39	-7	-44	-18	-1	-10	-13	-184	-38	-30	-4	-9	-43	81	101	-215
Sep	A	-1 572	-338	-20	-30	-117	-47	-	-23	-17	-423	32	-56	-5	-224	-67	-7	61	-291
Oct	A	-1 743	-377	-68	-35	-74	40	-28	-76	-124	-459	-38	-27	-1	-231	-92	160	-56	-257
Nov	A	-468	228	-53	1	-76	-54	-10	-	20	-342	-20	-96	-6	-256	-85	-124	696	-291
Dec	A	-4 314	531	-171	-174	-179	-288	-77	-222	-164	-1 289	-55	-102	-24	-201	-118	-68	-1 082	-631
15 *Jan*	A	-649	-180	-40	8	15	1	-22	-59	-	-52	-34	71	51	-174	-34	41	-11	-230

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



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

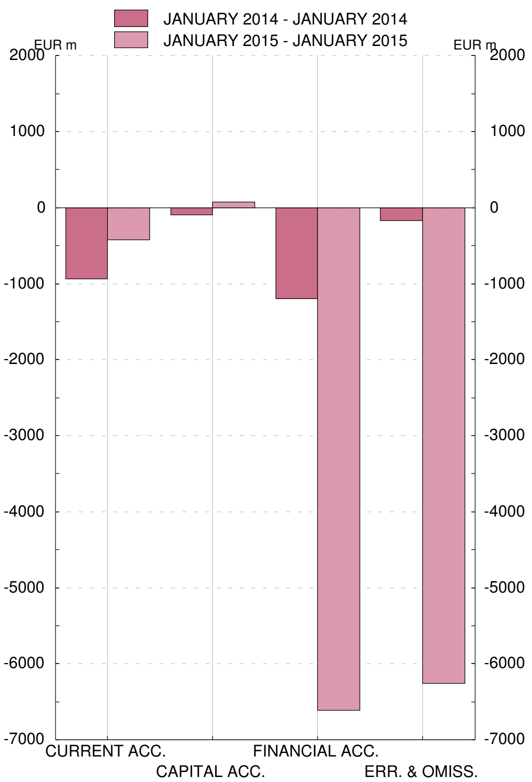
7.1. SPANISH BALANCE OF PAYMENTS VIS-à-VIS OTHER EURO AREA RESIDENTS AND THE REST OF THE WORLD. Summary

■ Series depicted in chart.

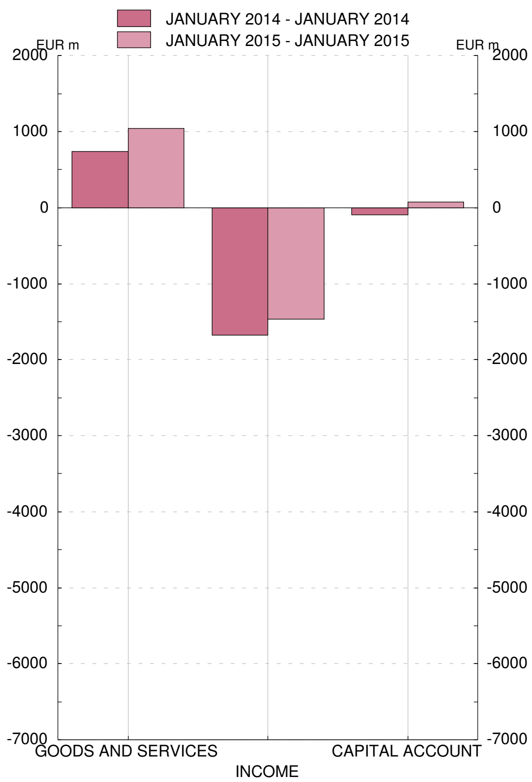
EUR millions

		Current account (a)									Capital account (balance) (a)	Current account plus capital account (balance)	Financial account (balance) (b)	Errors and omissions
		Total (balance)	Goods and services					Primary and secondary income						
			Balance	Credits		Debits		Balance	Credits	Debits				
				of which:		of which:								
				Total	Travel	Total	Travel							
		1=2+7 ■	2=3-5 ■	3	4	5	6	7=8-9 ■	8	9	10 ■	11=1+10	12 ■	13=12-11 ■
12	P	-2 985	16 452	319 883	45 268	303 431	12 012	-19 436	61 302	80 738	5 244	2 260	149	-2 111
13	P	15 081	35 731	331 075	47 110	295 344	12 360	-20 650	56 686	77 336	6 884	21 965	40 583	18 618
14	P	8 491	27 238	340 179	49 067	312 941	13 665	-18 747	57 956	76 703	4 456	12 946	32 581	19 634
14 *J-J*	P	-935	738	25 105	2 982	24 367	828	-1 673	4 658	6 331	-92	-1 026	-1 198	-171
15 *J-J*	A	-426	1 043	25 180	3 060	24 136	937	-1 469	4 721	6 190	70	-355	-6 615	-6 259
13 *Oct*	P	1 922	3 803	30 405	4 545	26 601	1 181	-1 881	3 722	5 603	358	2 280	-1 994	-4 274
Nov	P	1 099	1 814	26 687	2 876	24 874	1 175	-714	5 902	6 617	196	1 295	7 767	6 472
Dec	P	2 800	833	26 011	2 477	25 178	982	1 966	9 984	8 017	1 674	4 474	12 847	8 372
14 *Jan*	P	-935	738	25 105	2 982	24 367	828	-1 673	4 658	6 331	-92	-1 026	-1 198	-171
Feb	P	-2 148	1 358	25 191	2 527	23 833	863	-3 506	3 620	7 125	48	-2 099	-1 339	761
Mar	P	-594	1 013	27 898	3 003	26 885	860	-1 607	4 403	6 010	1 535	941	4 118	3 177
Apr	P	-720	1 286	26 422	3 163	25 136	913	-2 005	4 209	6 215	497	-223	2 760	2 983
May	P	-322	2 745	28 389	4 057	25 644	773	-3 067	4 375	7 442	767	444	-2 435	-2 879
Jun	P	1 151	3 184	30 114	4 872	26 930	1 325	-2 034	4 760	6 794	440	1 591	13 443	11 852
Jul	P	1 650	4 409	31 593	6 096	27 184	1 505	-2 759	3 980	6 739	49	1 699	-329	-2 028
Aug	P	1 865	3 607	26 710	6 652	23 103	1 549	-1 742	3 552	5 294	335	2 200	2 302	102
Sep	P	1 217	2 740	31 588	5 513	28 848	1 489	-1 523	3 875	5 398	32	1 250	-1 828	-3 078
Oct	P	1 113	2 988	31 657	4 736	28 669	1 255	-1 875	3 928	5 803	211	1 324	13 023	11 699
Nov	P	2 419	2 209	27 700	2 951	25 492	1 222	211	6 195	5 984	262	2 681	10 918	8 236
Dec	P	3 795	962	27 811	2 516	26 850	1 084	2 833	10 401	7 568	371	4 165	-6 855	-11 020
15 *Jan*	A	-426	1 043	25 180	3 060	24 136	937	-1 469	4 721	6 190	70	-355	-6 615	-6 259

SUMMARY



CURRENT ACCOUNT



Sources: BE. Data compiled in accordance with the IMF Balance of Payments Manual (6th edition,2009).

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 assets exceeds the net change in financial liabilities) means a net credit outflow, i.e. a net foreign loan to the rest of the world (increase in the creditor position or decrease in the debtor position).

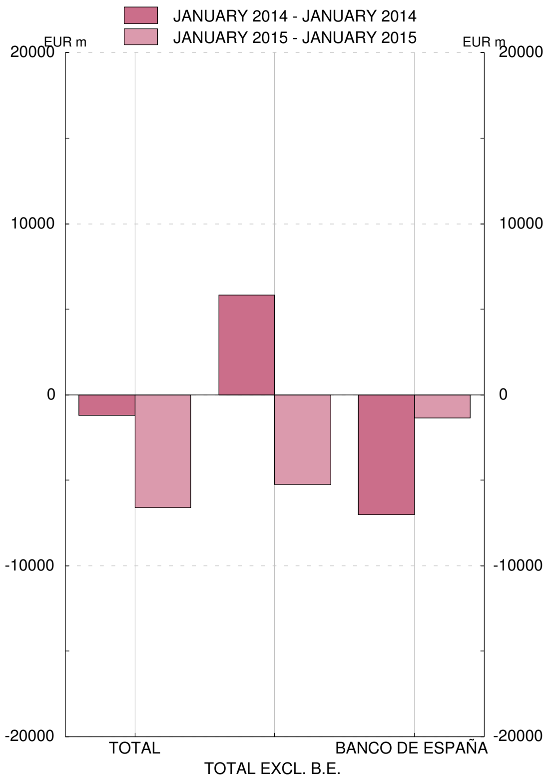
7.2. SPANISH BALANCE OF PAYMENTS VIS-à-VIS OTHER EURO AREA RESIDENTS AND THE REST OF THE WORLD. FINANCIAL ACCOUNT

■ Series depicted in chart.

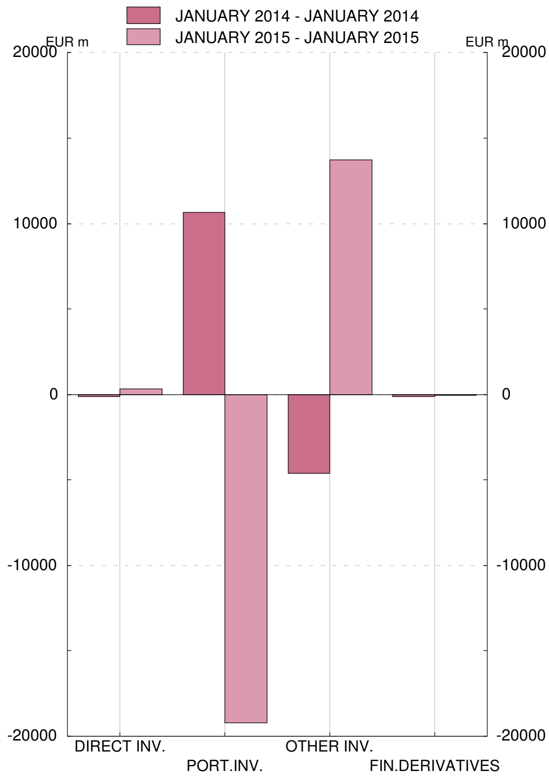
EUR millions

		Financial account (NCA-NCL)	Total, excluding Banco de España: Total (NCA-NCL)	Direct investment: Balance (NCA-NCL)	Direct investment: NCA	Direct investment: NCL	Portfolio investment: Balance (NCA-NCL)	Portfolio investment: NCA	Portfolio investment: NCL	Other investment (a): Balance (NCA-NCL)	Other investment (a): NCA	Other investment (a): NCL	Net finan-cial deriva-tives (NCA-NCL)	Banco de España: Total (NCA-NCL)	Banco de España: Reser-ves	Banco de España: Net position with Euro-system (b)	Banco de España: Other
		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+ 15+16 ■	14	15	16
12	P	149	173 665	-23 099	-3 908	19 191	55 403	3 758	-51 645	149 710	44 866	-104 844	-8 349	-173 516	2 211	-162 366	-13 361
13	P	40 583	-73 599	-11 979	19 453	31 432	-34 853	-6 283	28 571	-27 807	-55 854	-28 047	1 039	114 182	535	123 660	-10 012
14	P	32 581	8 246	5 867	23 131	17 264	8 068	51 447	43 380	-7 319	383	7 702	1 630	24 335	3 891	23 819	-3 375
14 *J-J*	P	-1 198	5 813	-116	4 054	4 170	10 664	8 314	-2 350	-4 602	-3 189	1 412	-134	-7 011	37	-7 411	363
15 *J-J*	A	-6 615	-5 250	313	3 172	2 859	-19 216	8 336	27 552	13 707	3 706	-10 001	-54	-1 365	-109	-2 052	796
13 *Oct*	P	-1 994	-5 754	-7 178	-1 113	6 065	-372	-3 663	-3 292	1 959	-2 539	-4 498	-163	3 760	124	4 341	-705
Nov	P	7 767	-14 875	1 717	3 487	1 770	-16 316	4 785	21 101	-574	-5 146	-4 572	298	22 642	-5	22 928	-282
Dec	P	12 847	-14 056	1 411	1 888	477	-18 681	-631	18 049	2 017	1 474	-542	1 197	26 903	-20	27 571	-648
14 *Jan*	P	-1 198	5 813	-116	4 054	4 170	10 664	8 314	-2 350	-4 602	-3 189	1 412	-134	-7 011	37	-7 411	363
Feb	P	-1 339	9 570	4 300	5 195	895	7 158	4 732	-2 425	-1 735	-4 991	-3 256	-153	-10 909	-101	-11 002	194
Mar	P	4 118	-875	-76	3 614	3 690	-1 862	6 614	8 477	575	5 965	5 390	489	4 993	26	5 049	-82
Apr	P	2 760	7 212	-2 554	-216	2 338	13 086	8 305	-4 782	-3 269	2 646	5 915	-51	-4 451	103	-3 472	-1 082
May	P	-2 435	-7 454	-1 248	815	2 064	-14 919	-1 337	13 582	9 183	12 975	3 792	-469	5 019	-80	5 684	-585
Jun	P	13 443	-1 290	4 158	6 581	2 424	-22 672	-1 320	21 352	16 821	8 074	-8 747	405	14 733	96	15 367	-730
Jul	P	-329	7 322	-9 475	-1 474	8 001	23 043	3 985	-19 058	-6 402	-2 285	4 117	157	-7 652	45	-6 967	-730
Aug	P	2 302	-376	-4 230	1 420	5 650	10 366	10 782	416	-6 540	-15 452	-8 912	27	2 679	-8	3 135	-449
Sep	P	-1 828	-3 195	6 025	2 081	-3 944	-1 077	2 841	3 918	-8 024	9 607	17 631	-119	1 367	40	1 648	-322
Oct	P	13 023	4 403	2 077	3 073	997	20 556	8 143	-12 413	-19 051	-3 241	15 810	821	8 620	30	10 184	-1 594
Nov	P	10 918	-1 358	3 877	4 168	291	-7 183	8 806	15 988	1 610	13 480	11 870	338	12 276	2 634	9 195	447
Dec	P	-6 855	-11 525	3 130	-6 182	-9 312	-29 092	-8 417	20 675	14 116	-23 207	-37 323	320	4 670	1 067	2 409	1 194
15 *Jan*	A	-6 615	-5 250	313	3 172	2 859	-19 216	8 336	27 552	13 707	3 706	-10 001	-54	-1 365	-109	-2 052	796

**FINANCIAL ACCOUNT
(NCA-NCL)**



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



Sources: BE. Data compiled in accordance with the IMF Balance of Payments Manual (6th edition).

a. Mainly, loans, deposits and repos.

b. A positive (negative) sign indicates an increase (decrease) in the reserves and/or claims of the BE with the Eurosystem and/or other assets and liabilities fo the BE.

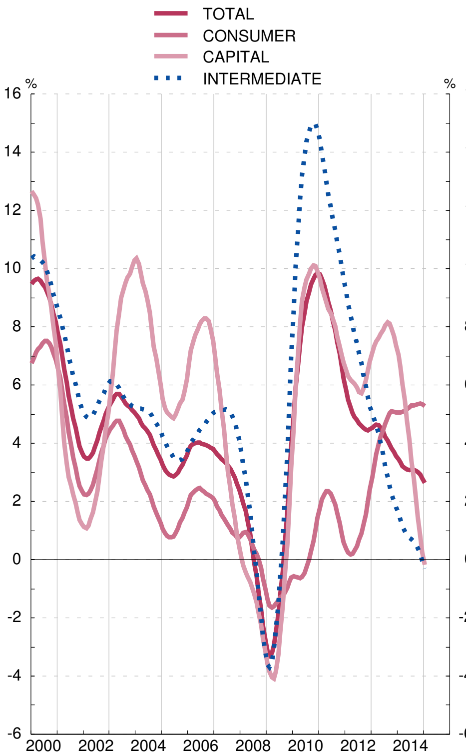
7.3. SPANISH FOREIGN TRADE WITH OTHER EURO AREA COUNTRIES AND WITH THE REST OF THE WORLD
EXPORTS AND DISPATCHES

■ Series depicted in chart.

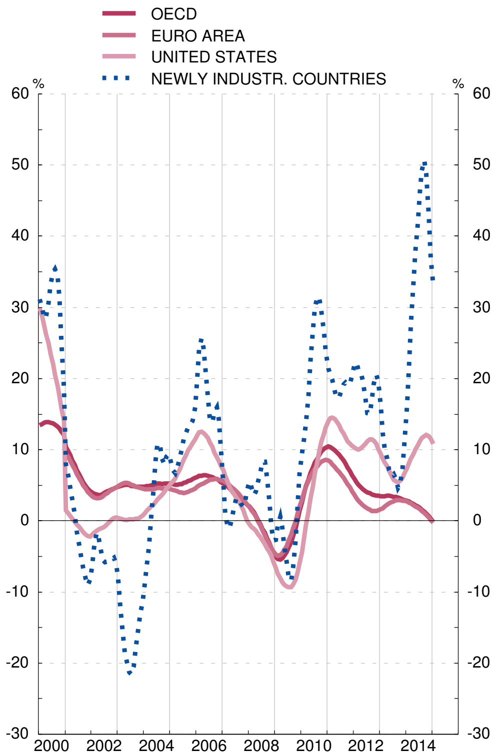
Eur millions and annual percentage changes

		Total			By product (deflated data) (a)					By geographical area (nominal data)							
							Intermediate			EU 28		OECD					
		EUR millions	Nominal	Deflated (a)	Consumer	Capital	Total	Energy	Non-energy	Total	Euro Area	Total	of which: United States	OPEC	Other American countries	China	Newly industrialised countries
		1	2	3 ■	4 ■	5 ■	6 ■	7	8	9	10 ■	11 ■	12 ■	13	14	15	16 ■
07		185 023	8.6	5.8	3.0	4.4	8.1	6.6	8.1	8.0	8.6	7.1	-1.1	22.3	-12.5	23.5	-0.8
08		189 228	2.3	0.7	2.4	-5.6	0.6	19.0	-0.6	-0.1	-0.5	-0.4	1.4	30.1	1.0	1.2	4.2
09		159 890	-15.5	-9.4	-3.4	-14.1	-12.8	-19.9	-12.2	-15.5	-13.3	-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		235 814	4.3	4.5	5.8	15.8	2.2	0.1	2.4	3.1	2.4	...	-2.9	...	20.5	4.2	-1.7
14	P	240 035	2.5	3.5	5.6	9.3	1.4	9.1	1.1	4.0	4.0	4.4	23.4	-4.5	-6.9	4.9	46.4
13 *Dec*	P	18 313	2.9	5.5	4.4	9.5	5.2	-24.3	7.9	1.9	5.0	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	5.6	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	-2.9	-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	-1.1	-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	16.1	14.0	28.3	-23.9	-15.5	-0.3	63.2
Aug	P	16 342	-5.1	-1.0	-1.8	-11.8	0.9	19.1	-0.7	-3.8	-3.9	-2.3	17.2	-20.3	-27.2	-17.3	57.5
Sep	P	21 199	9.6	8.1	9.2	39.0	3.2	38.7	0.8	9.6	8.9	11.8	28.9	17.8	-7.7	41.4	56.4
Oct	P	22 347	4.1	6.6	3.9	16.4	6.7	7.9	6.6	2.4	3.1	4.0	37.8	6.9	-8.4	-5.4	117.7
Nov	P	19 944	3.2	4.5	7.8	-6.1	4.3	-5.7	5.1	0.8	0.2	2.8	53.5	15.3	7.0	9.9	21.6
Dec	P	19 353	5.7	7.2	11.0	2.4	5.7	50.4	2.8	4.9	4.1	3.6	36.3	15.3	11.0	16.3	34.2
15 *Jan*	P	17 895	-2.9	-3.0	8.4	-19.6	-7.4	-15.7	-6.8	0.2	-1.4	-0.2	13.1	-6.4	-5.8	-24.5	-28.2

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.

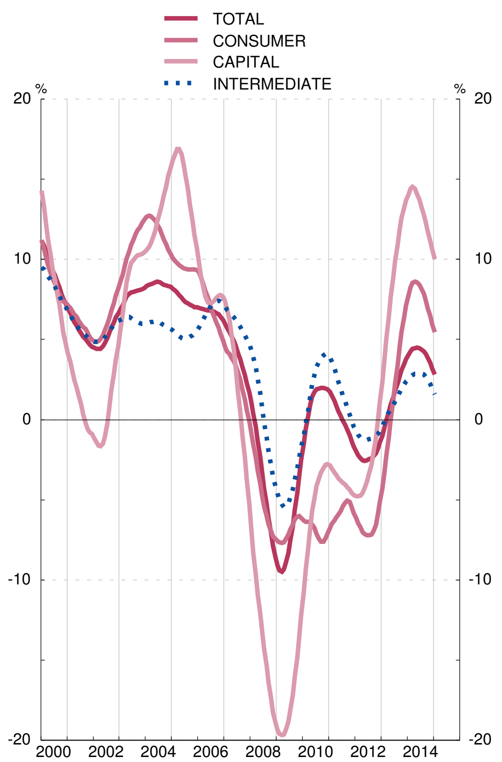
7.4. SPANISH FOREIGN TRADE WITH OTHER EURO AREA COUNTRIES AND WITH THE REST OF THE WORLD IMPORTS AND ARRIVALS

■ Series depicted in chart.

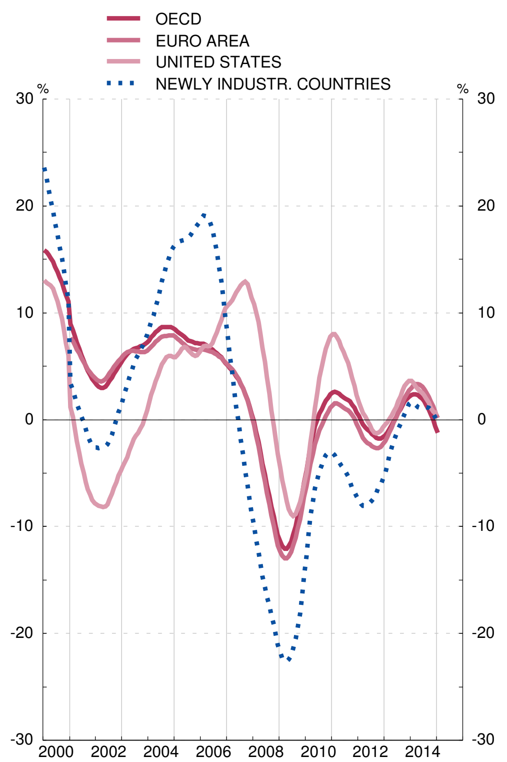
Eur millions and annual percentage changes

		Total: EUR millions	Total: Nominal	Total: Deflated (a) ■	By product (deflated data) (a): Consumer ■	By product: Capital ■	By product: Intermediate: Total ■	By product: Intermediate: Energy	By product: Intermediate: Non-energy	By geographical area (nominal data): EU 28: Total	EU 28: Euro Area ■	OECD: Total ■	OECD: of which: United States ■	OPEC	Other American countries	China	Newly industrialised countries ■
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
07		285 038	8.5	7.6	5.8	10.8	7.8	4.0	8.9	10.5	11.0	9.7	16.4	-6.3	-6.8	28.7	-3.7
08		283 388	-0.6	-4.5	-6.4	-14.3	-1.9	5.8	-3.9	-8.2	-8.5	-7.3	12.9	37.4	16.6	10.8	-16.1
09		206 116	-27.3	-17.5	-12.1	-31.4	-17.5	-9.9	-20.0	-23.8	-25.6	-24.6	-25.1	-38.6	-31.1	-29.5	-31.6
10		240 056	16.5	11.3	-4.1	9.0	19.0	3.3	24.5	9.8	7.9	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	-5.8	...	-9.1	...	9.1	-4.8	-12.4
13		252 347	-2.2	2.2	0.8	13.1	1.7	0.8	1.8	-0.3	-0.6	...	4.7	...	-15.7	-2.2	0.7
14	P	264 507	5.8	8.3	12.1	18.7	6.1	4.3	6.9	9.5	9.2	8.0	2.5	-2.3	-3.7	13.7	3.6
13 *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	8.0	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	23.4	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	8.3	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
Aug	P	19 114	0.5	2.2	2.9	-1.0	2.1	4.3	1.3	-2.2	0.5	-2.3	4.6	1.6	-6.0	10.0	-7.6
Sep	P	23 573	7.5	11.5	13.9	25.8	9.3	5.8	10.3	8.9	7.6	10.6	22.7	-3.4	5.8	20.3	11.5
Oct	P	24 587	7.7	9.9	5.0	10.6	11.5	15.5	10.3	10.1	8.3	6.7	-15.9	22.2	4.7	16.0	20.2
Nov	P	21 500	2.0	4.3	4.7	2.2	4.4	0.3	5.6	4.4	2.6	3.0	-13.1	-6.4	-5.6	15.2	3.2
Dec	P	21 174	5.1	7.0	6.3	16.3	6.2	10.5	4.9	8.2	7.9	8.0	-20.8	10.3	-8.5	18.7	-7.1
15 *Jan*	P	20 491	-3.6	-0.8	-1.3	23.2	-2.6	-15.7	1.3	3.8	2.6	-1.1	-10.4	-27.1	-12.0	12.7	2.0

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



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



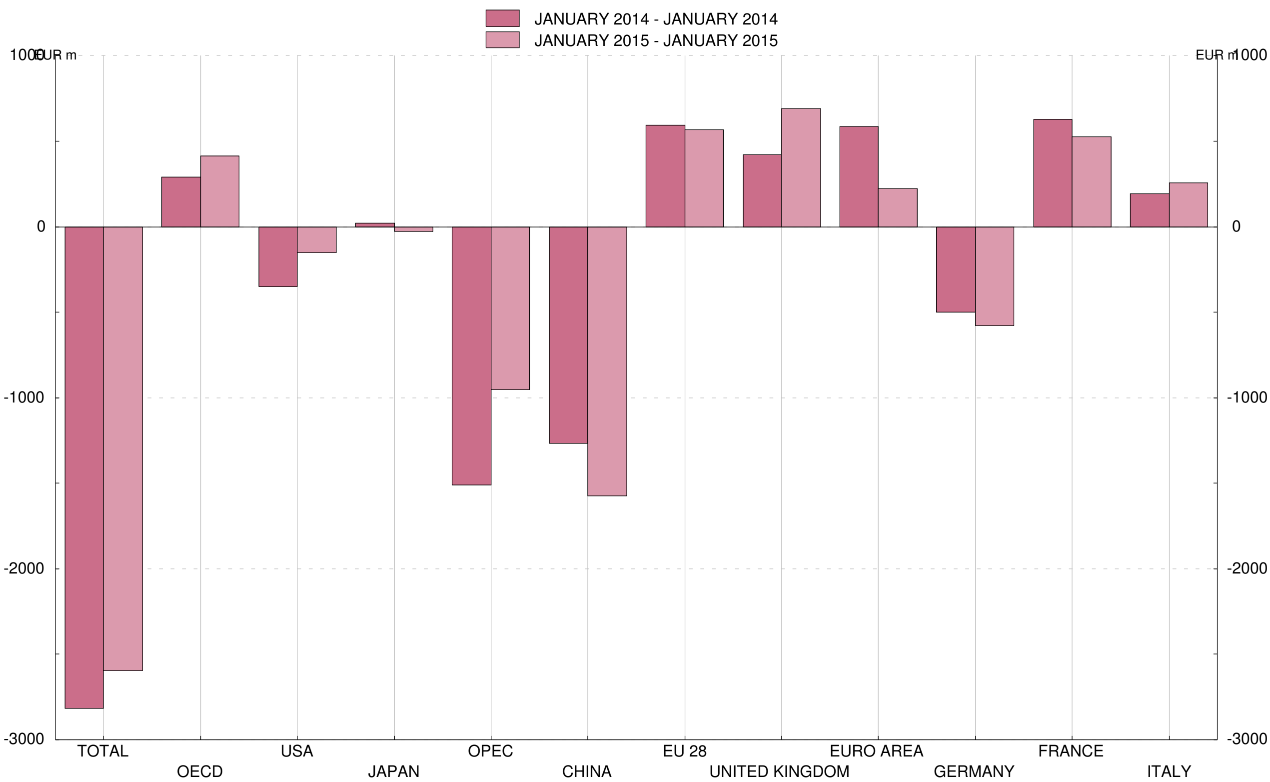
Sources: ME, MHAP y BE.
Note: The underlying series for this indicator are in Tables 18.2 and 18.3 of the Boletín estadístico.
The monthly series are provisional data, while the annual series are the final foreign trade data.
a. Series deflated by unit value indices .

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

EUR millions

		World total	European Union (EU 28)							OECD			OPEC	Other American countries	China	Newly industrialised countries
			Total	Euro area				Other EU 28		Total	Of which:					
				Total	Of which:			Total	Of which:		United States	Japan				
					Germany	France	Italy		United Kingdom							
		1	2=3+7	3	4	5	6	7	8	9	10	11	12	13	14	15
08		-94 160	-26 033	-26 162	-19 612	3 019	-6 608	129	356	-39 729	-3 739	-3 663	-20 561	-4 971	-18 340	-3 296
09		-46 227	-8 922	-6 540	-9 980	6 787	-1 847	-2 382	187	-15 709	-2 742	-1 958	-10 701	-2 641	-12 471	-1 532
10		-53 276	-4 816	-1 886	-8 598	7 904	-477	-2 929	597	-11 261	-3 058	-2 054	-16 216	-4 267	-16 253	-1 252
11		-47 910	3 559	1 387	-8 984	8 590	219	2 172	2 955	-1 751	-2 956	-1 389	-19 066	-5 312	-15 317	-1 116
12		-31 831	12 203	7 306	-4 118	9 222	656	4 897	3 778	...	-858	-859	...	-5 124	-14 023	83
13		-16 533	17 058	10 573	-4 360	10 639	1 563	6 485	6 134	...	-1 575	-183	...	-979	-13 470	6
14	P	-24 472	11 223	6 338	-7 085	8 642	1 704	5 054	5 454	10 299	332	-21	-17 278	-1 481	-15 686	1 395
13 *Dec*	P	-1 830	548	269	-528	703	-51	308	414	844	-269	-75	-1 208	-90	-1 261	34
14 *Jan*	P	-2 818	1 168	586	-501	628	191	593	422	289	-351	20	-1 511	-121	-1 265	20
Feb	P	-1 622	1 493	809	-474	788	125	700	815	1 311	-93	6	-1 405	129	-1 212	38
Mar	P	-2 054	852	383	-480	756	115	479	548	961	99	-25	-1 539	-12	-1 060	58
Apr	P	-2 155	387	75	-576	330	-1	334	380	576	58	-19	-1 053	-274	-1 028	131
May	P	-1 756	1 230	673	-529	784	110	570	607	1 211	30	-43	-1 625	-80	-1 187	87
Jun	P	-1 477	967	370	-645	795	30	614	674	1 099	9	44	-1 365	-96	-1 204	54
Jul	P	-1 827	1 307	1 031	-423	1 150	189	291	397	1 050	90	18	-1 608	-8	-1 473	180
Aug	P	-2 772	1 157	582	-409	629	141	581	527	1 186	26	39	-1 880	-358	-1 366	151
Sep	P	-2 374	1 049	822	-716	877	288	246	301	792	-18	-0	-1 343	-503	-1 595	108
Oct	P	-2 240	698	433	-906	652	302	281	374	815	154	36	-1 623	-142	-1 551	281
Nov	P	-1 555	687	619	-660	705	229	79	128	709	136	-40	-1 039	-103	-1 241	125
Dec	P	-1 822	227	-44	-766	548	-15	284	281	301	193	-58	-1 288	87	-1 504	162
15 *Jan*	P	-2 596	783	223	-580	527	257	566	692	415	-150	-26	-951	-64	-1 572	-74

CUMULATIVE TRADE BALANCE



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.

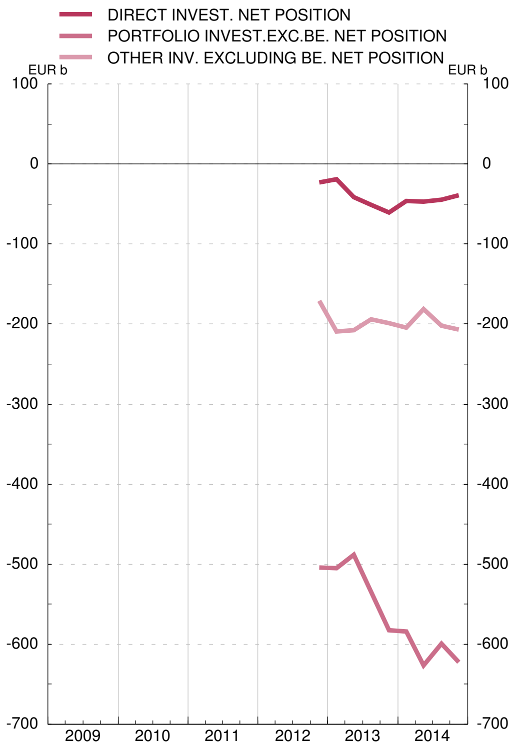
7.6. SPANISH INTERNATIONAL INVESTMENT POSITION VIS-à-VIS OTHER EURO AREA RESIDENTS AND THE REST OF THE WORLD. SUMMARY

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-liab.)	Direct investment: Assets	Direct investment: Liabilities	Portfolio investment: Net position (assets-liab.)	Portfolio investment: Assets	Portfolio investment: Liabilities	Other investment: Net position (assets-liab.)	Other investment: Assets	Other investment: Liabilities	Financial derivatives Net position (assets - liabil.)	Banco de España: Banco de España Net position (assets-liabil.)	Banco de España: Reserves	Banco de España: Net position vis-à-vis the Eurosystem	Banco de España: Other
	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 a 16	14	15	16
06	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
07	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
08	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
09	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
10	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
11 *Q4*	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
12 *Q1*	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Q2	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Q3	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Q4	-949	-696	-23	521	543	-504	287	791	-171	388	558	2	-254	38	-333	41
13 *Q1*	-946	-732	-19	539	559	-505	301	806	-209	386	595	2	-214	40	-292	38
Q2	-942	-735	-42	522	564	-488	297	786	-208	379	586	2	-207	35	-278	36
Q3	-973	-777	-51	518	569	-535	301	836	-194	348	542	2	-196	35	-264	32
Q4	-984	-839	-60	522	582	-583	310	893	-199	348	547	3	-144	34	-209	31
14 *Q1*	-991	-835	-46	537	583	-584	338	922	-205	345	550	-1	-156	34	-222	32
Q2	-998	-858	-47	543	590	-626	353	980	-181	369	551	-3	-140	35	-204	30
Q3	-991	-849	-44	558	603	-599	375	973	-202	366	568	-4	-142	37	-207	28
Q4	-990	-874	-39	555	595	-622	384	1 006	-207	354	561	-6	-115	41	-185	28

INTERNATIONAL INVESTMENT POSITION

COMPONENTS OF THE POSITION



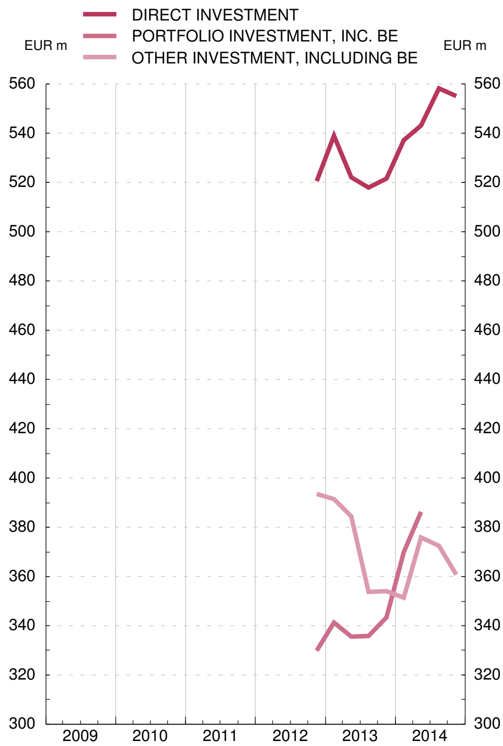
Source: BE.
a. See note b to table 17.21 of the Boletín Estadístico.

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

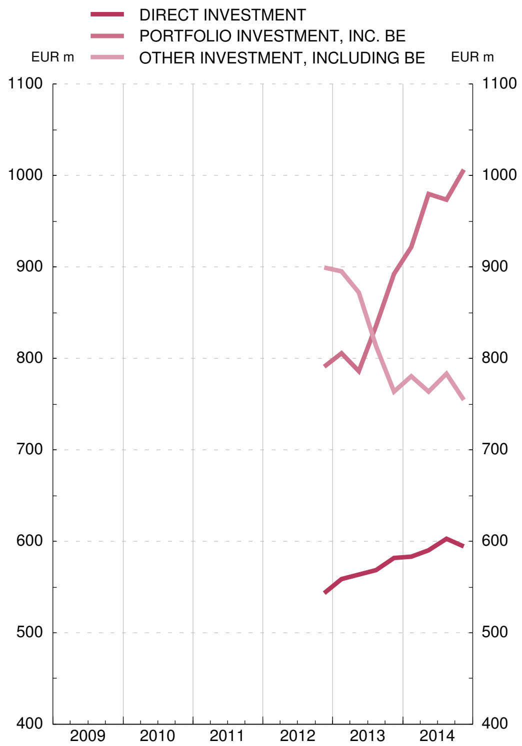
End-of-period stocks in EUR millions

	Direct investment				Portfolio investment, including Banco de España				Other investment, including Banco de España		Financial derivatives including BE	
	Assets		Liabilities		Assets		Liabilities		Assets	Liabilities	Assets	Liabili-ties
	Equity and fund shares	Debt instruments	Equity and fund shares	Debt instruments	Equity and fund shares	Debt securities	Equity and fund shares	Debt securities				
	1	2	3	4	5	6	7	8	9	10	11	12
06	...	...	...	...	...	...	...	...	...	...	...	...
07	...	...	...	...	...	...	...	...	...	...	...	...
08	...	...	...	...	...	...	...	...	...	...	...	...
09	...	...	...	...	...	...	...	...	...	...	...	...
10	...	...	...	...	...	...	...	...	...	...	...	...
11 *Q4*	...	...	...	...	...	...	...	...	...	...	...	...
12 *Q1*	...	...	...	...	...	...	...	...	...	...	...	...
Q2	...	...	...	...	...	...	...	...	...	...	...	...
Q3	...	...	...	...	...	...	...	...	...	...	...	...
Q4	443	78	345	199	101	229	179	612	393	899	149	146
13 *Q1*	459	80	355	203	115	227	182	623	392	895	139	137
Q2	444	79	361	203	119	216	180	606	384	872	121	118
Q3	440	78	367	202	126	210	216	619	354	814	117	115
Q4	442	80	376	206	137	206	238	655	354	764	98	96
14 *Q1*	450	88	377	207	147	225	251	671	351	780	96	96
Q2	453	90	380	210	156	229	276	704	376	764	101	104
Q3	471	87	384	218	167	238	277	697	372	783	110	114
Q4	468	87	388	207	181	234	273	734	361	755	110	116

SPANISH INVESTMENT ABROAD



FOREIGN INVESTMENT IN SPAIN



Source: BE.

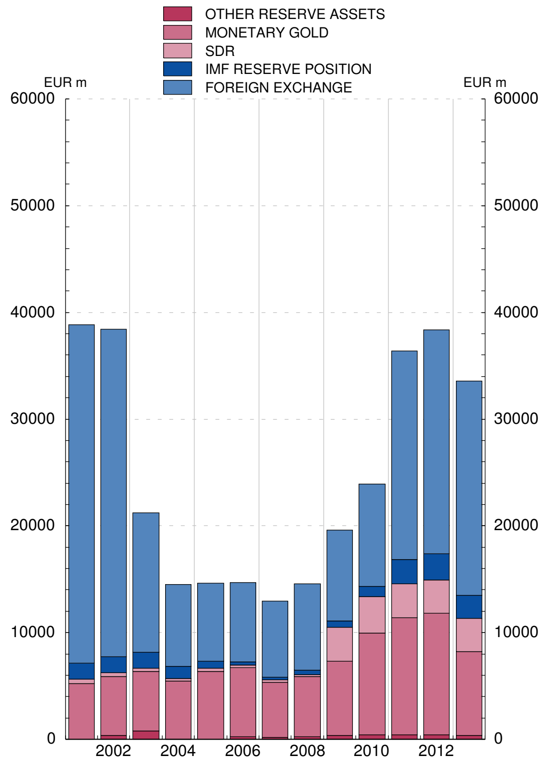
a. See note b to table 17.21 of the Boletín Estadístico.

7.8. SPANISH RESERVE ASSETS

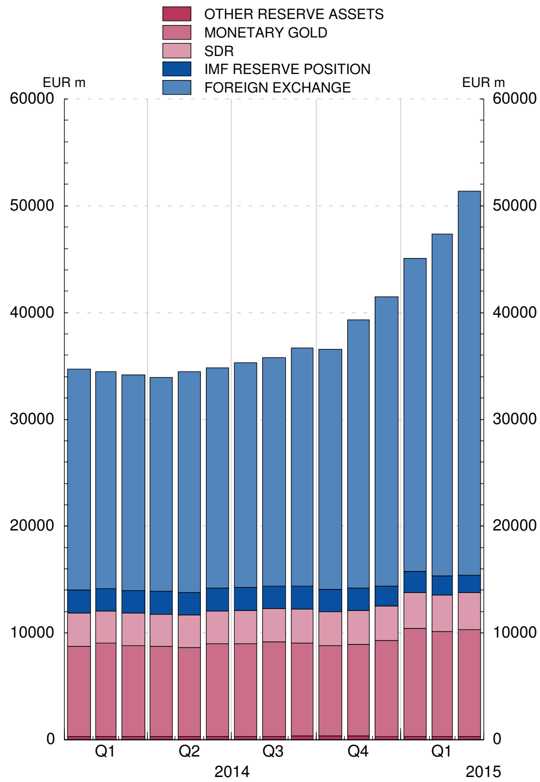
■ Series depicted in chart. *End-of-period stocks in EUR millions*

	Reserve assets						Memorandum item: gold
	Total	Foreign exchange	Reserve position in the IMF	SDRs	Monetary gold	Other reserve assets	Millions of troy ounces
	1	2 ■	3 ■	4 ■	5 ■	6 ■	7
09	19 578	8 518	541	3 222	6 938	358	9.1
10	23 905	9 564	995	3 396	9 555	395	9.1
11	36 402	19 578	2 251	3 163	11 017	394	9.1
12	38 347	20 984	2 412	3 132	11 418	401	9.1
13	33 587	20 093	2 152	3 122	7 888	332	9.1
13 *Oct*	35 060	20 511	2 278	3 136	8 801	334	9.1
Nov	34 544	20 480	2 238	3 143	8 339	344	9.1
Dec	33 587	20 093	2 152	3 122	7 888	332	9.1
14 *Jan*	34 733	20 701	2 139	3 171	8 399	323	9.1
Feb	34 442	20 307	2 093	3 020	8 706	315	9.1
Mar	34 196	20 258	2 097	3 029	8 497	316	9.1
Apr	33 957	20 046	2 157	3 024	8 418	311	9.1
May	34 463	20 701	2 078	3 062	8 314	309	9.1
Jun	34 834	20 645	2 115	3 071	8 704	299	9.1
Jul	35 282	21 036	2 138	3 106	8 693	309	9.1
Aug	35 768	21 391	2 106	3 128	8 832	311	9.1
Sep	36 684	22 322	2 125	3 200	8 706	330	9.1
Oct	36 592	22 497	2 130	3 176	8 432	358	9.1
Nov	39 328	25 109	2 117	3 161	8 587	354	9.1
Dec	41 469	27 076	1 888	3 233	8 943	328	9.1
15 *Jan*	45 050	29 282	1 975	3 377	10 089	327	9.1
Feb	47 377	32 049	1 782	3 393	9 828	325	9.1
Mar	51 349	35 938	1 614	3 486	9 987	325	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.
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', 2013 (https://www.imf.org/external/np/sta/ir/IRProcessWeb/pdf/guide2013.pdf)

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	
			Debt securities s/t (a)	Loans,trade credits and other liabilities (b)	Debt securities l/t (a)	Loans,trade credits and other liabilities		Debt securities s/t	Deposits	Loans,trade credits and other liabilities	Debt securities l/t	Deposits
	1	2	3	4	5	6	7	8	9	10	11	12
10 *Q4*	...	...	...	...	...	...	...	...	...	...	...	...
11 *Q1*	...	...	...	...	...	...	...	...	...	...	...	...
Q2	...	...	...	...	...	...	...	...	...	...	...	...
Q3	...	...	...	...	...	...	...	...	...	...	...	...
Q4	...	...	...	...	...	...	...	...	...	...	...	...
12 *Q1*	...	...	...	...	...	...	...	...	...	...	...	...
Q2	...	...	...	...	...	...	...	...	...	...	...	...
Q3	...	...	...	...	...	...	...	...	...	...	...	...
Q4	1 709 534	341 651	14 010	77	225 299	102 266	490 352	1 800	211 194	2 725	154 845	119 788
13 *Q1*	1 721 346	358 134	12 025	108	240 996	105 005	532 003	1 506	248 824	1 960	163 103	116 612
Q2	1 680 020	357 788	12 780	248	237 032	107 727	515 384	1 410	248 180	2 684	156 230	106 880
Q3	1 633 911	385 095	14 978	1 138	260 071	108 908	460 835	1 444	226 220	2 522	148 111	82 538
Q4	1 623 119	425 197	26 818	332	287 927	110 120	449 545	1 651	215 446	2 239	146 999	83 210
14 *Q1*	1 656 888	431 599	28 972	18	301 521	101 088	455 931	1 938	218 904	2 599	150 537	81 953
Q2	1 676 790	462 761	46 340	453	313 896	102 072	456 777	2 303	218 564	4 037	150 109	81 764
Q3	1 697 778	458 309	47 958	1 651	307 623	101 078	470 125	2 780	235 772	3 391	148 022	80 160
Q4	1 694 611	495 466	57 224	809	335 374	102 059	467 412	3 621	246 487	2 726	148 311	66 267

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 (c)	Short-term	Long -term	Total	Short-term		Long-term		Total	Vis-à-vis		
		Deposits	Special drawing rights (allocations)		Debt securities s/t	Loans,trade credits and other liabilities	Debt securities l/t	Loans,trade credits and other liabilities		Direct investors	Direct investment enterprises	Fellow enterpri-ses
	13	14	15	16	17	18	19	20	21	22	23	24
10 *Q4*	...	...	...	...	...	...	...	...	...	...	...	...
11 *Q1*	...	...	...	...	...	...	...	...	...	...	...	...
Q2	...	...	...	...	...	...	...	...	...	...	...	...
Q3	...	...	...	...	...	...	...	...	...	...	...	...
Q4	...	...	...	...	...	...	...	...	...	...	...	...
12 *Q1*	...	...	...	...	...	...	...	...	...	...	...	...
Q2	...	...	...	...	...	...	...	...	...	...	...	...
Q3	...	...	...	...	...	...	...	...	...	...	...	...
Q4	340 640	337 344	3 296	338 053	6 064	27 371	210 142	94 476	198 837	47 066	39 326	112 445
13 *Q1*	300 492	297 184	3 308	327 307	6 680	30 067	199 047	91 511	203 410	47 079	40 540	115 790
Q2	286 044	282 791	3 253	317 750	6 935	29 924	191 544	89 347	203 054	46 413	41 757	114 885
Q3	271 919	268 706	3 213	314 064	6 848	29 313	187 933	89 969	201 999	45 470	45 723	110 806
Q4	216 992	213 830	3 162	325 669	3 437	32 613	187 811	101 809	205 716	45 457	44 480	115 778
14 *Q1*	230 438	227 269	3 169	332 278	4 552	33 685	183 379	110 661	206 642	43 817	48 445	114 380
Q2	213 045	209 844	3 201	334 134	4 736	33 227	186 329	109 841	210 073	43 657	49 933	116 484
Q3	215 436	212 105	3 331	335 526	5 037	35 437	185 307	109 744	218 383	44 078	52 952	121 352
Q4	193 758	190 386	3 372	330 955	5 333	35 137	183 726	106 759	207 020	44 809	46 884	115 327

Source: BE.

a. See note b to table 17.09 of the Boletín Estadístico.

b. See note b to table 17.11 of the Boletín Estadístico.

c. 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 *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
Oct	480 000	91 221	417 154	-	-	257	28 631	288 777	972 659	79 858	561 915	201 824	191 223
Nov	474 620	103 760	399 875	-	-	144	29 159	290 858	976 005	72 851	562 897	195 100	183 762
Dec	506 285	110 831	429 556	-	-	138	34 241	279 468	999 398	64 557	566 006	218 481	226 817
15 *Jan*	527 989	128 640	456 509	-	-	740	57 899	297 251	1 005 172	69 948	585 434	192 434	230 738
Feb	481 684	135 790	387 228	-	-	446	41 780	251 321	1 004 298	61 435	588 807	225 606	230 364
Mar	436 119	140 623	344 586	-	-	209	49 298	198 667	1 010 181	64 599	594 510	281 602	237 452

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 *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
Oct	154 788	27 338	127 455	-	-	0	5	200 926	-6 436	-51 132	45 925	532	35 571	62 018	11 430
Nov	150 994	27 417	123 583	-	-	-	6	191 981	-6 436	-45 785	44 835	5 786	36 553	59 853	11 235
Dec	141 338	21 115	120 508	-	-	0	285	190 903	-6 436	-56 469	46 567	733	39 500	64 270	13 341
15 *Jan*	141 490	26 984	114 942	-	-	-	436	195 486	-6 436	-57 889	45 667	2 093	40 694	64 955	10 329
Feb	132 010	48 280	83 792	-	-	-	63	187 936	-6 436	-62 925	43 930	126	41 649	65 332	13 434
Mar	123 819	53 920	69 985	-	-	12	97	187 900	-6 436	-69 351	43 900	690	44 985	68 957	11 706

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

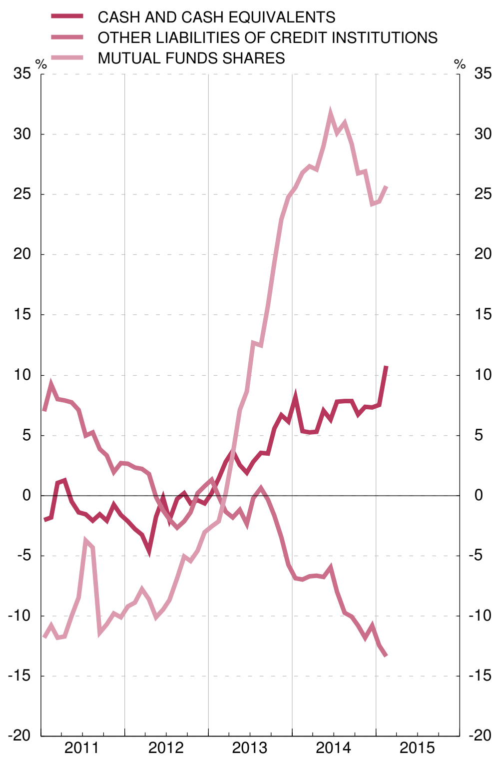
8.2 CASH AND CASH EQUIVALENTS, OTHER LIABILITIES OF CREDIT INSTITUTIONS AND MUTUAL FUNDS SHARES OF NON-FINANCIAL CORPORATIONS, HOUSEHOLDS AND NPISHS RESIDENT IN SPAIN (a)

■ Series depicted in chart.

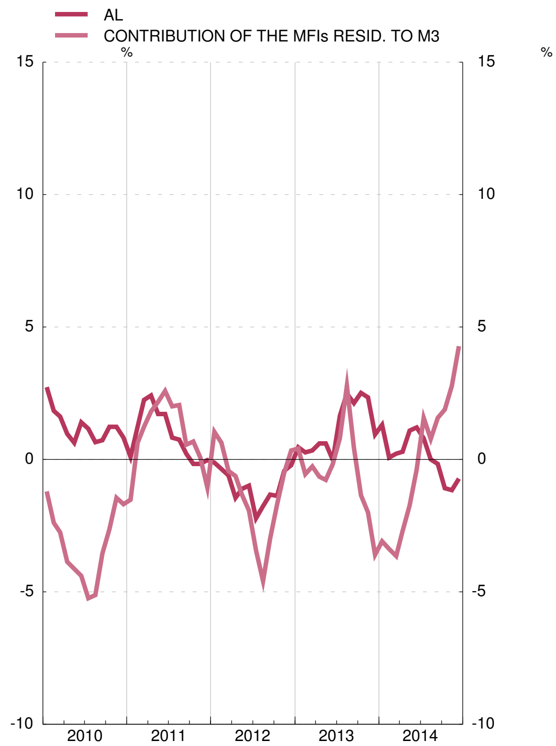
EUR millions and %

		Cash and cash equivalents				Other liabilities of credit institutions					Mutual funds shares (b)				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 (c)			Other deposits (d)	Repos + credit institutions' securities	Deposits in branches abroad			Fixed income in EUR (e)	Other	AL (f)	Contribution of the MFIs resid. to M3
		1	2 ■	3	4	5	6 ■	7	8	9	10	11 ■	12	13	14 ■	15 ■
12		506 551	-0.7	-3.1	-0.1	580 209	0.8	-0.2	7.8	12.3	134 897	-3.0	-10.0	-0.5	-0.2	0.3
13		537 676	6.1	-5.8	8.8	546 763	-5.8	0.7	-48.3	-32.1	168 370	24.8	38.7	20.2	1.0	-3.6
14	A	576 976	7.3	-8.0	10.3	487 795	-10.8	-11.0	-9.6	22.7	209 142	24.2	25.0	23.9	-0.7	4.3
13 *Nov*		531 472	6.7	-6.0	9.6	550 549	-3.5	4.4	-52.6	-33.2	164 781	23.0	36.5	18.5	2.3	-2.0
Dec		537 676	6.1	-5.8	8.8	546 763	-5.8	0.7	-48.3	-32.1	168 370	24.8	38.7	20.2	1.0	-3.6
14 *Jan*		535 132	8.2	-5.5	11.2	542 089	-6.9	0.0	-55.7	-26.0	172 038	25.6	41.5	20.3	1.3	-3.1
Feb		525 508	5.3	-5.5	7.7	538 212	-7.0	-0.7	-56.0	-28.8	176 025	26.8	42.8	21.6	0.1	-3.4
Mar	P	538 509	5.3	-7.1	7.9	532 634	-6.7	-1.0	-56.6	-22.8	180 821	27.3	38.7	23.5	0.2	-3.6
Apr	P	533 536	5.3	-7.8	8.2	526 828	-6.7	-1.8	-51.6	-32.4	183 840	27.1	37.7	23.4	0.3	-2.7
May	P	549 666	7.0	-8.2	10.3	523 632	-6.8	-3.1	-44.3	-29.9	188 532	29.0	37.2	26.2	1.1	-1.7
Jun	P	566 028	6.3	-8.4	9.4	519 301	-6.0	-3.7	-32.1	-11.8	193 916	31.7	33.0	31.3	1.2	-0.4
Jul	P	559 515	7.8	-8.3	11.2	511 924	-8.0	-5.7	-35.1	-19.8	197 142	30.1	31.5	29.6	0.8	1.6
Aug	P	564 024	7.9	-8.5	11.3	505 219	-9.7	-7.3	-39.1	-22.6	199 822	31.0	31.8	30.7	-0.0	0.8
Sep	P	562 288	7.9	-9.0	11.3	500 383	-10.1	-7.7	-39.8	-20.7	203 257	29.2	30.7	28.7	-0.2	1.6
Oct	P	554 662	6.7	-8.8	9.8	493 988	-10.8	-9.2	-32.5	-10.9	204 798	26.8	29.3	25.8	-1.1	1.9
Nov	P	570 714	7.4	-8.6	10.5	485 617	-11.8	-10.7	-28.8	4.9	209 170	26.9	27.9	26.6	-1.2	2.8
Dec	A	576 976	7.3	-8.0	10.3	487 795	-10.8	-11.0	-9.6	22.7	209 142	24.2	25.0	23.9	-0.7	4.3
15 *Jan*	A	575 558	7.6	-7.8	10.5	474 706	-12.4	-12.5	-12.8	15.3	214 080	24.4	22.4	25.2	-1.4	2.3
Feb	A	582 138	10.8	-7.6	14.3	466 270	-13.4	-13.9	-5.7	15.9	221 249	25.7	20.5	27.7	-0.5	3.7

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, whichincludes deposits in Spanish bank branches abroad.
b. It includes open-ended investment companies.
c. Current accounts, savings accounts and deposits redeemable at up to 3 months' notice.
d. Deposits redeemable at over 3 months' notice and time deposits.
e. The series includes the old categories of Money market funds and Fixed income mutual funds in euros.
f. Defined as cash and cash equivalents, other liabilities of credit institutions and Fixed income mutual funds shares in euros.

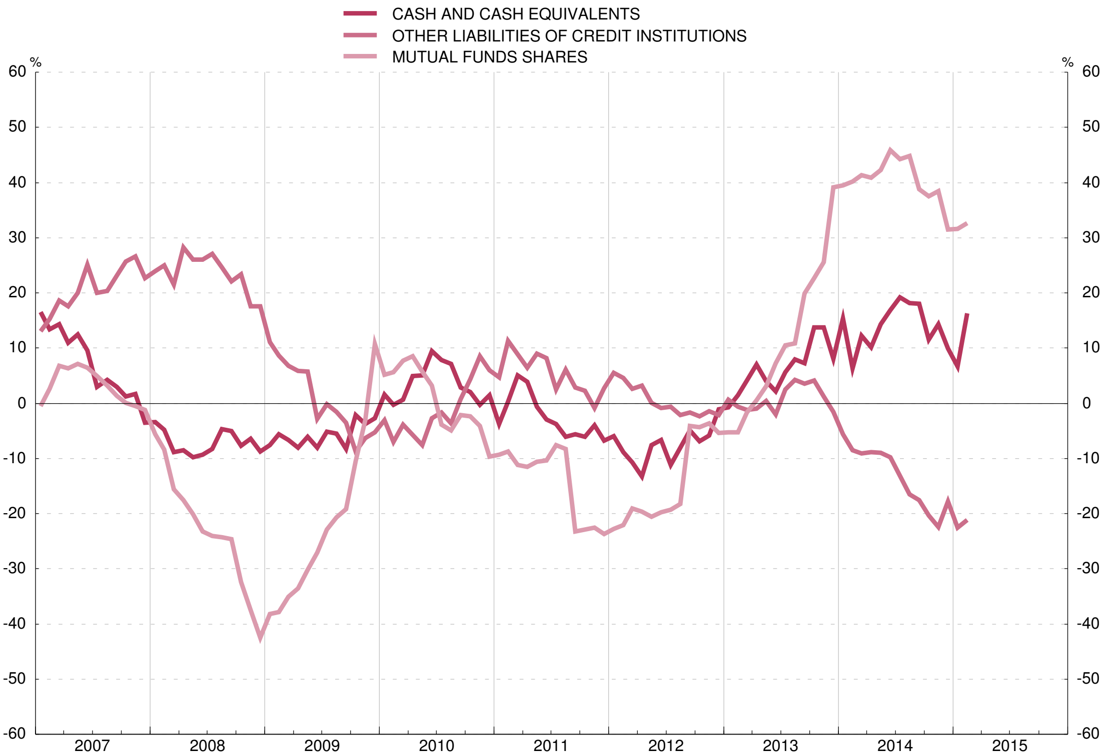
8.3 CASH AND CASH EQUIVALENTS, OTHER LIABILITIES OF CREDIT INSTITUTIONS AND MUTUAL FUNDS SHARES OF NON-FINANCIAL CORPORATIONS RESIDENT IN SPAIN (a)

■ Series depicted in chart.

EUR millions and %

		Cash and cash equivalents (b)		Other liabilities of credit institutions				Mutual funds shares (c)			
						Annual growth rate				Annual growth rate	
		Stocks	Annual growth rate	Stocks	Annual growth rate	Other deposits (d)	Repos + credit instit.' securit.+ dep. in branches abroad	Stocks	Annual growth rate	Fixed income in EUR (e)	Other
		1	2 ■	3	4 ■	5	6	7	8 ■	9	10
12		109 970	-1.1	119 399	-2.1	-7.1	9.9	17 121	-5.4	-4.9	-5.5
13		118 790	8.0	117 489	-1.6	3.7	-12.2	23 822	39.1	71.1	32.1
14	A	130 585	9.9	96 630	-17.8	-20.9	-10.3	31 313	31.4	40.1	29.0
13 *Nov*		118 405	13.7	117 163	1.2	12.8	-20.9	22 519	25.6	56.1	19.0
Dec		118 790	8.0	117 489	-1.6	3.7	-12.2	23 822	39.1	71.1	32.1
14 *Jan*		120 788	15.4	113 594	-5.6	5.4	-27.9	24 209	39.5	71.3	32.3
Feb		114 341	6.4	109 841	-8.5	1.2	-29.6	24 629	40.1	69.6	33.4
Mar	P	126 069	12.3	107 675	-9.1	0.5	-31.3	26 253	41.3	67.2	35.3
Apr	P	120 418	10.1	106 546	-8.8	-0.2	-28.7	26 537	40.9	64.2	35.4
May	P	129 172	14.3	106 670	-9.0	-3.1	-23.4	27 027	42.3	61.2	37.7
Jun	P	135 005	16.9	103 895	-9.8	-4.4	-23.0	28 380	45.8	50.2	44.6
Jul	P	128 690	19.2	101 132	-13.1	-7.9	-26.1	28 761	44.3	47.2	43.5
Aug	P	133 339	18.1	99 519	-16.5	-11.0	-30.1	29 088	44.8	46.3	44.4
Sep	P	133 890	18.0	98 323	-17.5	-13.1	-29.1	30 199	38.8	42.9	37.7
Oct	P	127 428	11.6	94 620	-20.3	-16.2	-31.3	30 523	37.5	44.5	35.6
Nov	P	135 369	14.3	90 951	-22.4	-20.0	-28.7	31 182	38.5	46.1	36.3
Dec	A	130 585	9.9	96 630	-17.8	-20.9	-10.3	31 313	31.4	40.1	29.0
15 *Jan*	A	128 814	6.6	87 926	-22.6	-24.4	-17.3	31 867	31.6	37.1	30.0
Feb	A	132 996	16.3	86 563	-21.2	-23.8	-13.0	32 681	32.7	35.0	32.0

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. It includes open-ended investment companies.

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

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

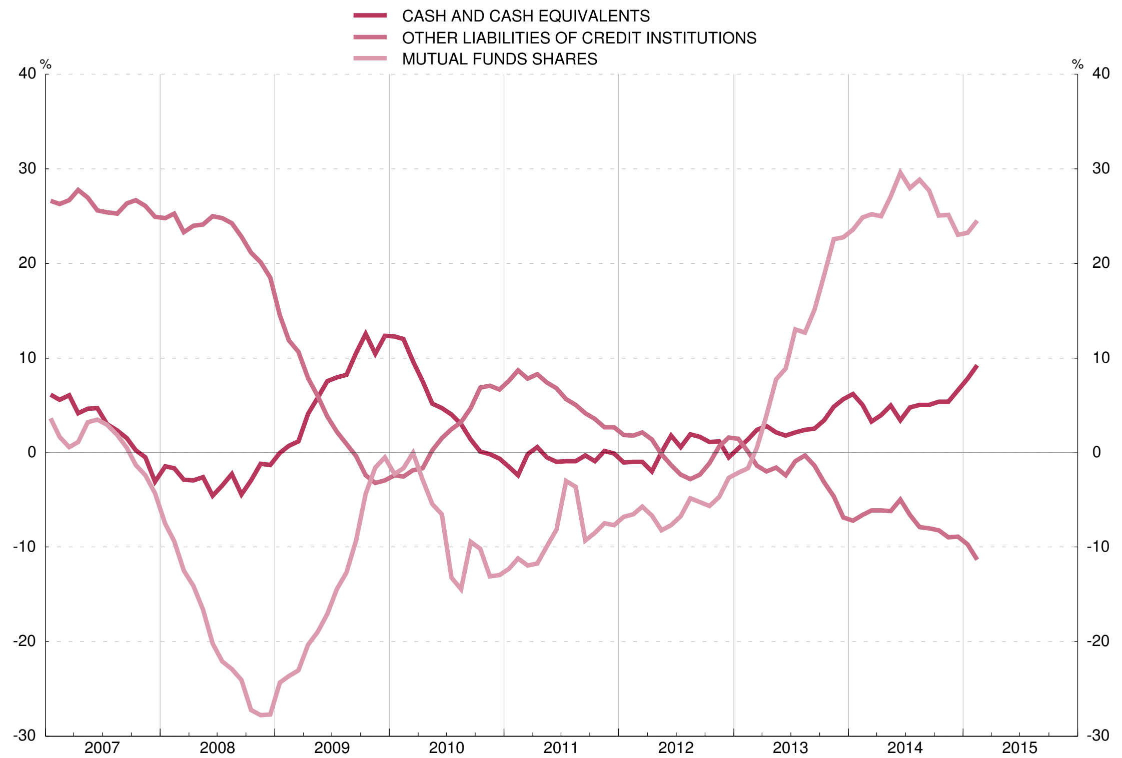
8.4 CASH AND CASH EQUIVALENTS, OTHER LIABILITIES OF CREDIT INSTITUTIONS AND MUTUAL FUNDS SHARES OF HOUSEHOLDS AND NPISHS RESIDENT IN SPAIN (a)

■ Series depicted in chart.

EUR millions and %

		Cash and cash equivalents				Other liabilities of credit institutions				Mutual funds shares (b)			
		Stocks	Annual growth rate	Annual growth rate: Cash	Annual growth rate: Deposits (c)	Stocks	Annual growth rate	Annual growth rate: Other deposits (d)	Annual growth rate: Repos + credit instit.' securit.+ dep. in branches abroad	Stocks	Annual growth rate	Annual growth rate: Fixed income in EUR (e)	Annual growth rate: Other
		1	2 ■	3	4	5	6 ■	7	8	9	10 ■	11	12
12		396 582	-0.5	-2.2	-0.0	460 810	1.6	1.2	6.0	117 776	-2.7	-10.5	0.4
13		418 886	5.6	-5.5	8.8	429 274	-6.8	0.2	-84.2	144 547	22.7	35.4	18.3
14	A	446 391	6.6	-7.6	10.1	391 165	-8.9	-9.1	7.0	177 829	23.0	23.1	23.0
13 *Nov*		413 066	4.8	-5.6	7.9	433 386	-4.6	2.8	-82.2	142 262	22.6	34.4	18.4
Dec		418 886	5.6	-5.5	8.8	429 274	-6.8	0.2	-84.2	144 547	22.7	35.4	18.3
14 *Jan*		414 344	6.2	-5.2	9.5	428 494	-7.2	-1.0	-85.4	147 830	23.6	38.4	18.4
Feb		411 167	5.1	-5.1	7.9	428 371	-6.6	-1.0	-86.6	151 396	24.9	39.9	19.7
Mar	P	412 441	3.3	-6.7	6.1	424 959	-6.1	-1.3	-87.7	154 567	25.2	35.6	21.5
Apr	P	413 118	4.0	-7.4	7.2	420 281	-6.1	-2.1	-86.2	157 303	25.0	34.8	21.4
May	P	420 495	5.0	-7.8	8.6	416 963	-6.2	-3.1	-82.5	161 504	27.1	34.6	24.3
Jun	P	431 023	3.4	-8.0	6.4	415 406	-5.0	-3.6	-50.6	165 535	29.6	31.0	29.0
Jul	P	430 824	4.8	-8.0	8.2	410 792	-6.6	-5.3	-56.2	168 381	28.0	29.7	27.3
Aug	P	430 685	5.1	-8.1	8.5	405 699	-7.9	-6.5	-62.9	170 734	28.9	30.0	28.4
Sep	P	428 398	5.0	-8.6	8.6	402 060	-8.0	-6.6	-70.6	173 058	27.7	29.2	27.1
Oct	P	427 233	5.3	-8.4	8.9	399 368	-8.2	-7.8	-29.8	174 275	25.1	27.5	24.1
Nov	P	435 346	5.4	-8.2	8.8	394 666	-8.9	-8.8	-17.3	177 989	25.1	25.6	24.9
Dec	A	446 391	6.6	-7.6	10.1	391 165	-8.9	-9.1	7.0	177 829	23.0	23.1	23.0
15 *Jan*	A	446 745	7.8	-7.4	11.6	386 780	-9.7	-10.2	27.2	182 213	23.3	20.5	24.4
Feb	A	449 141	9.2	-7.2	13.3	379 708	-11.4	-12.0	55.5	188 568	24.6	18.6	27.0

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. It includes open-ended investment companies.

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

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

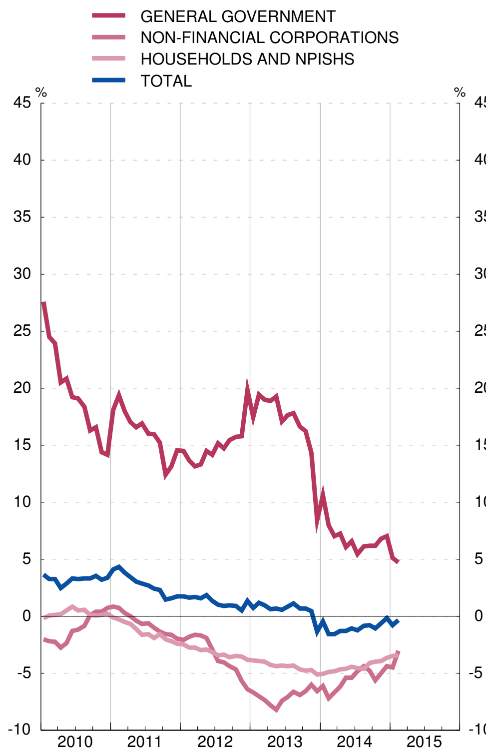
e. The series includes the old categories of Money market funds and Fixed income mutual funds in euros.

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

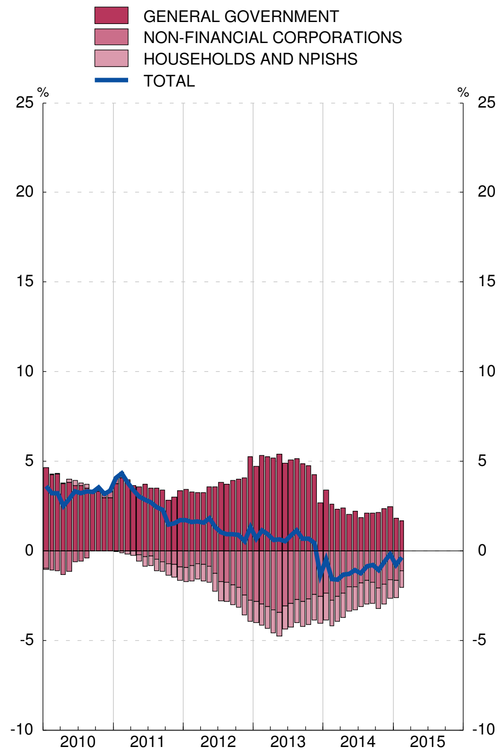
■ Series depicted in chart. *EUR millions and %*

	Total: Stocks	Total: Effective flow	Total: Annual growth rate ■	Annual growth rate: General government (b) ■	Annual growth rate: Non-financial corp. and households and NPISHs	By sectors: Non-financial corporations ■	By sectors: Households and NPISHs ■	By instruments: Credit institutions loans, secur. funds & loans tr. to AMC(c)	By instruments: Securities other than shares	By instruments: External loans	Contribution to col. 3: General government (b) ■	Contribution to col. 3: Non-financial corp. and households and NPISHs	By sectors: Non-financial corporations ■	By sectors: Households and NPISHs ■	By instrumentss: Credit institutions' loans & securit. funds	By instrumentss: Securities other than shares	By instrumentss: External loans
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
12	2 804 707	37 451	1.3	19.8	-5.3	-6.4	-3.8	-5.8	14.2	-7.2	5.3	-3.9	-2.7	-1.2	-3.5	0.3	-0.7
13	2 742 461	-38 141	-1.4	8.4	-5.9	-6.6	-5.1	-7.1	3.8	-1.8	2.7	-4.0	-2.5	-1.5	-4.0	0.1	-0.2
14 A	2 725 703	-4 703	-0.2	7.0	-4.1	-4.4	-3.7	-5.3	1.6	0.6	2.5	-2.6	-1.6	-1.0	-2.7	0.0	0.1
13 *Nov*	2 765 396	-655	0.4	14.3	-5.5	-6.0	-4.7	-6.5	4.7	-2.3	4.3	-3.8	-2.4	-1.4	-3.7	0.1	-0.2
Dec	2 742 461	-20 434	-1.4	8.4	-5.9	-6.6	-5.1	-7.1	3.8	-1.8	2.7	-4.0	-2.5	-1.5	-4.0	0.1	-0.2
14 *Jan*	2 764 793	12 862	-0.5	10.6	-5.7	-6.1	-5.1	-7.0	2.5	-0.6	3.4	-3.9	-2.4	-1.5	-3.9	0.1	-0.1
Feb	2 754 774	-7 945	-1.6	8.0	-6.2	-7.2	-4.9	-7.2	-1.5	-2.0	2.6	-4.2	-2.7	-1.4	-3.9	-0.0	-0.2
Mar P	2 751 643	-1 218	-1.6	7.0	-5.9	-6.7	-4.8	-7.2	-0.2	-0.3	2.3	-3.9	-2.5	-1.4	-3.9	-0.0	-0.0
Apr P	2 740 535	-10 518	-1.3	7.2	-5.5	-6.2	-4.6	-6.9	-0.7	0.7	2.4	-3.7	-2.3	-1.4	-3.7	-0.0	0.1
May P	2 749 631	10 345	-1.3	6.1	-5.0	-5.4	-4.6	-6.4	1.0	0.8	2.1	-3.3	-2.0	-1.3	-3.4	0.0	0.1
Jun P	2 768 071	10 748	-1.1	6.5	-5.0	-5.4	-4.4	-6.4	2.7	0.6	2.2	-3.3	-2.0	-1.3	-3.4	0.1	0.1
Jul P	2 750 696	-15 481	-1.2	5.5	-4.7	-4.9	-4.5	-6.5	-0.3	4.0	1.9	-3.1	-1.8	-1.3	-3.5	-0.0	0.4
Aug P	2 750 711	850	-0.8	6.1	-4.5	-4.4	-4.6	-6.5	0.1	4.9	2.1	-2.9	-1.6	-1.3	-3.4	0.0	0.5
Sep P	2 754 171	5 350	-0.8	6.1	-4.5	-4.8	-4.1	-6.3	2.9	3.1	2.1	-2.9	-1.7	-1.2	-3.3	0.1	0.3
Oct P	2 737 109	-13 405	-1.1	6.2	-4.9	-5.6	-4.0	-6.4	1.3	1.5	2.1	-3.2	-2.1	-1.1	-3.4	0.0	0.1
Nov P	2 747 349	12 079	-0.6	6.8	-4.5	-5.0	-3.9	-6.0	1.4	1.3	2.4	-3.0	-1.8	-1.1	-3.1	0.0	0.1
Dec A	2 725 703	-8 369	-0.2	7.0	-4.1	-4.4	-3.7	-5.3	1.6	0.6	2.5	-2.6	-1.6	-1.0	-2.7	0.0	0.1
15 *Jan* A	2 715 376	-4 166	-0.8	5.1	-4.1	-4.5	-3.5	-5.2	1.9	0.3	1.8	-2.6	-1.6	-1.0	-2.7	0.1	0.0
Feb A	2 718 419	4 060	-0.4	4.7	-3.2	-3.0	-3.4	-4.7	9.0	1.1	1.7	-2.0	-1.1	-1.0	-2.4	0.3	0.1

FINANCING OF NON-FINANCIAL SECTORS
Annual percentage change



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



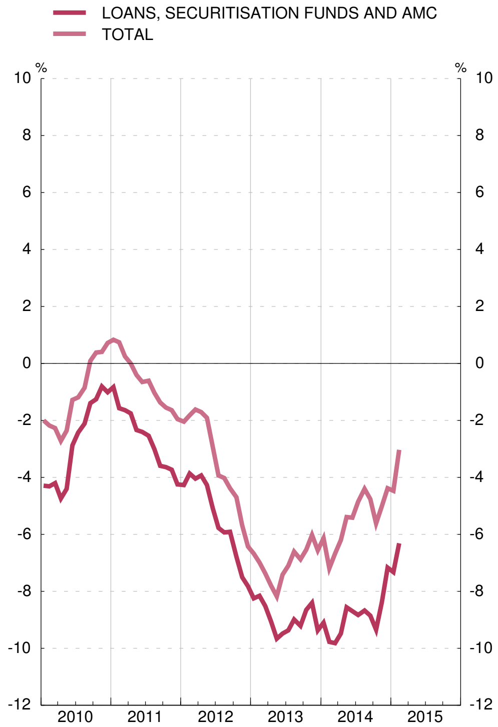
Source: BE.
a. The annual percentage changes are calculated as the effective flow of the period / the stock at the beginning of the period.
b. Total liabilities (consolidated). Inter-general government liabilities are deduced.
c. Including loans transferred to SAREB, which is an Asset Management Corporation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

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

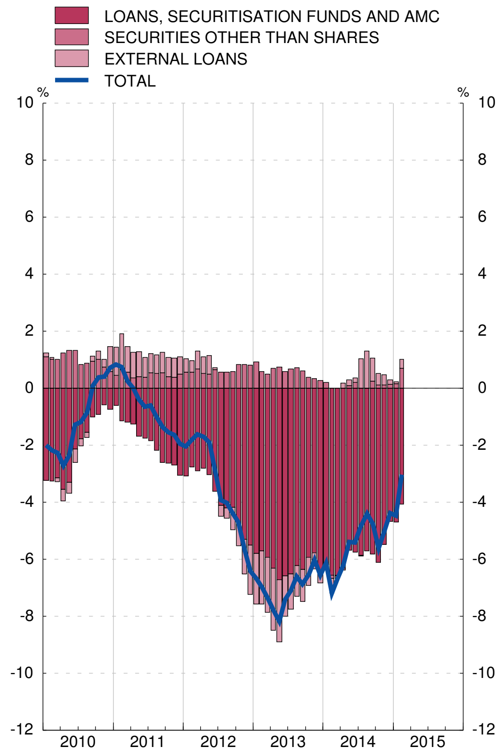
■ Series depicted in chart. *EUR millions and %*

				Resident credit institutions' loans, off-balance-sheet securitised loans & loans transf. to AMC (c)			Securities other than shares (b)				External loans			Memorandum items: off-balance-sheet securitised and transferred to AMC loans (c)
	Stocks	Effective flow	Annual growth rate	Stocks	Annual growth rate	Contribution to col.3	Stocks	of which: Issues by resident financ. subsid.	Annual growth rate	Contribution to col.3	Stocks	Annual growth rate	Contribution to col.3	
	1	2	3 ■	4	5 ■	6 ■	7	8	9	10 ■	11	12	13 ■	14
12	1 082 851	-76 783	-6.4	736 625	-7.8	-5.5	77 653	60 331	14.2	0.8	268 573	-7.2	-1.7	28 680
13	993 308	-71 010	-6.6	646 868	-9.4	-6.4	80 615	60 529	3.8	0.3	265 826	-1.8	-0.5	37 970
14 A	943 489	-43 646	-4.4	579 133	-7.2	-4.7	81 937	60 851	1.6	0.1	282 419	0.6	0.1	34 753
13 *Nov*	1 013 471	-4 390	-6.0	662 328	-8.4	-5.8	81 241	60 458	4.7	0.3	269 901	-2.3	-0.6	38 755
Dec	993 308	-18 410	-6.6	646 868	-9.4	-6.4	80 615	60 529	3.8	0.3	265 826	-1.8	-0.5	37 970
14 *Jan*	1 001 301	-1 748	-6.1	641 675	-9.1	-6.2	81 159	60 507	2.5	0.2	278 467	-0.6	-0.1	38 058
Feb	986 075	-13 437	-7.2	633 766	-9.8	-6.6	76 767	56 448	-1.5	-0.1	275 542	-2.0	-0.5	37 666
Mar P	984 302	-458	-6.7	627 624	-9.8	-6.6	78 193	56 529	-0.2	-0.0	278 485	-0.3	-0.1	37 454
Apr P	983 138	-852	-6.2	623 693	-9.5	-6.3	78 993	56 673	-0.7	-0.0	280 452	0.7	0.2	37 717
May P	980 453	-1 865	-5.4	618 778	-8.6	-5.7	81 293	58 204	1.0	0.1	280 382	0.8	0.2	37 609
Jun P	984 996	-3 625	-5.4	612 657	-8.7	-5.8	81 763	58 719	2.7	0.2	290 576	0.6	0.1	37 630
Jul P	982 666	-835	-4.9	605 237	-8.8	-5.9	80 413	57 577	-0.3	-0.0	297 016	4.0	1.0	37 153
Aug P	982 860	559	-4.4	599 243	-8.7	-5.7	80 584	57 711	0.1	0.0	303 032	4.9	1.3	36 745
Sep P	977 412	-4 253	-4.8	594 347	-8.8	-5.8	83 173	59 831	2.9	0.2	299 892	3.1	0.8	36 695
Oct P	966 672	-7 839	-5.6	585 674	-9.3	-6.1	82 445	60 439	1.3	0.1	298 553	1.5	0.4	36 335
Nov P	967 105	1 930	-5.0	587 737	-8.4	-5.5	82 404	60 487	1.4	0.1	296 964	1.3	0.4	35 919
Dec A	943 489	-11 224	-4.4	579 133	-7.2	-4.7	81 937	60 851	1.6	0.1	282 419	0.6	0.1	34 753
15 *Jan* A	934 686	-2 900	-4.5	572 148	-7.3	-4.7	82 713	60 024	1.9	0.2	279 826	0.3	0.1	33 313
Feb A	935 227	1 325	-3.0	571 683	-6.3	-4.1	83 658	60 551	9.0	0.7	279 887	1.1	0.3	33 224

FINANCING OF NON-FINANCIAL CORPORATIONS
Annual percentage change



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



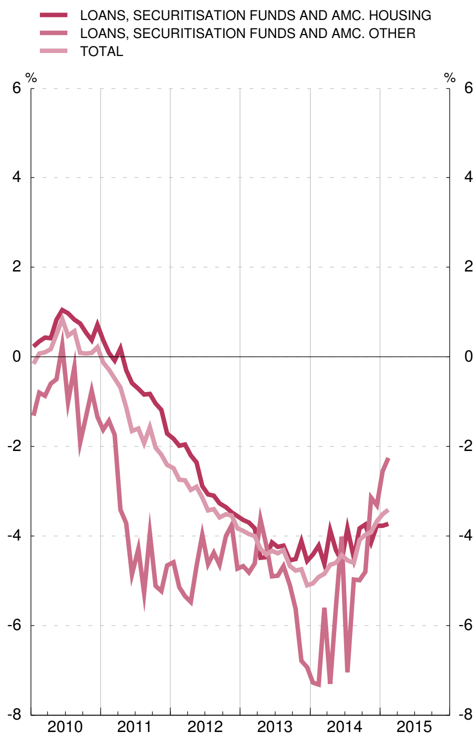
Source: BE.
a. The annual percentage changes are calculated as the effective flow of the period / the stock at the beginning of the period.
b. Includes issues of resident financial subsidiaries of non-financial corporations, insofar as the funds raised in these issues are routed to the parent company 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)

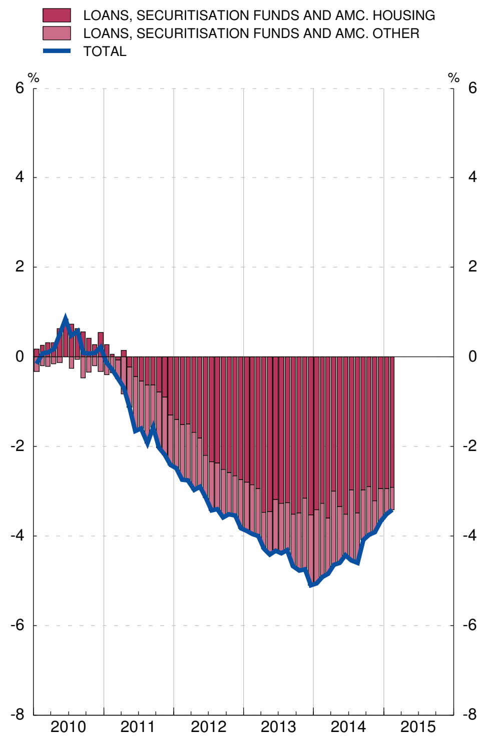
■ Series depicted in chart. *EUR millions and %*

		Total			Resident credit institutions' loans, off-balance-sheet securitised loans & loans transf.to AMC. Housing (b)			Resident credit institutions' loans off-balance-sheet securitised loans & loans transf.to AMC. Other (b)			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	Housing	Other
		1	2	3 ■	4	5 ■	6 ■	7	8 ■	9 ■	10	11
12		830 879	-33 213	-3.8	641 948	-3.6	-2.7	188 930	-4.7	-1.1	8 813	801
13		782 982	-42 324	-5.1	610 846	-4.6	-3.5	172 136	-6.9	-1.6	6 451	450
14	A	748 357	-28 743	-3.7	585 250	-3.8	-2.9	163 108	-3.3	-0.7	5 480	502
13 *Nov*		794 159	3 798	-4.7	615 385	-4.1	-3.2	178 774	-6.8	-1.6	6 397	627
Dec		782 982	-10 427	-5.1	610 846	-4.6	-3.5	172 136	-6.9	-1.6	6 451	450
14 *Jan*		778 371	-4 341	-5.1	608 438	-4.4	-3.4	169 933	-7.3	-1.6	5 948	444
Feb		774 644	-3 442	-4.9	606 754	-4.2	-3.3	167 889	-7.3	-1.7	6 059	444
Mar	P	771 507	-2 539	-4.8	602 406	-4.6	-3.6	169 101	-5.6	-1.3	5 982	437
Apr	P	768 705	-2 523	-4.6	605 791	-3.9	-3.0	162 914	-7.3	-1.6	5 873	488
May	P	766 449	-1 829	-4.6	600 439	-4.3	-3.3	166 010	-5.6	-1.3	5 815	491
Jun	P	770 479	4 506	-4.4	597 839	-4.6	-3.5	172 640	-4.0	-0.9	5 562	669
Jul	P	761 785	-8 296	-4.5	600 163	-3.8	-3.0	161 621	-7.0	-1.6	5 534	632
Aug	P	757 828	-3 487	-4.6	593 635	-4.5	-3.5	164 193	-5.0	-1.1	5 489	572
Sep	P	756 457	-677	-4.1	591 265	-3.8	-3.0	165 192	-5.0	-1.1	5 434	568
Oct	P	753 553	-2 147	-4.0	589 337	-3.7	-2.9	164 215	-4.8	-1.1	5 352	588
Nov	P	757 297	4 087	-3.9	587 387	-4.1	-3.2	169 910	-3.1	-0.7	5 301	572
Dec	A	748 357	-8 055	-3.7	585 250	-3.8	-2.9	163 108	-3.3	-0.7	5 480	502
15 *Jan*	A	745 217	-2 883	-3.5	582 922	-3.8	-2.9	162 295	-2.6	-0.6	5 404	483
Feb	A	742 441	-2 544	-3.4	581 647	-3.7	-2.9	160 793	-2.3	-0.5	5 514	365

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).

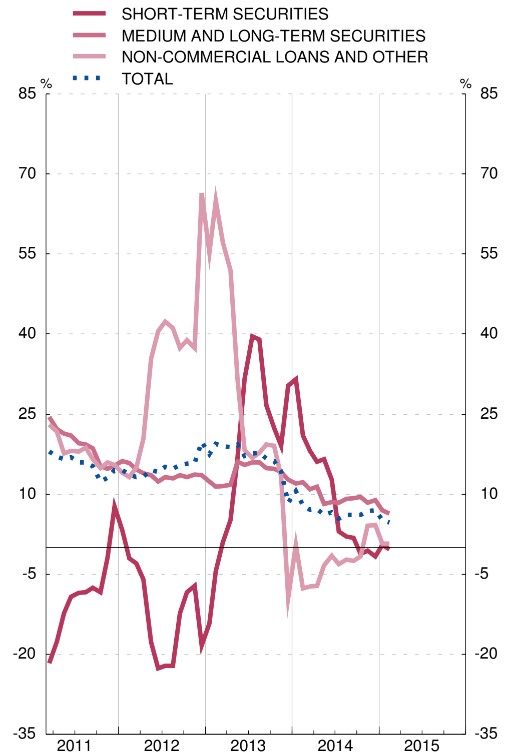
8.8. GROSS FINANCING OF SPAIN'S GENERAL GOVERMENT

■ Series depicted in chart.

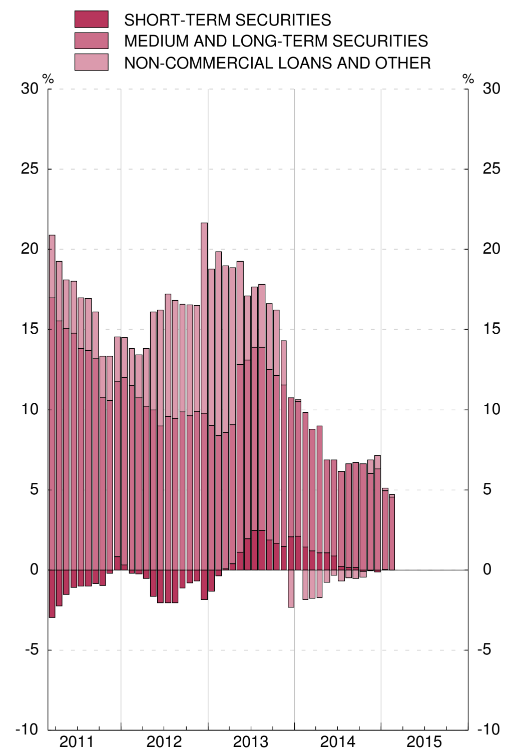
EUR millions and %

		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 ■
10		649 259	80 559	14.2	68 929	-17 466	-20.2	-3.1	465 297	79 014	20.5	13.9	115 033	19 010	19.8	3.3
11		743 531	94 272	14.5	74 185	5 257	7.6	0.8	536 514	71 217	15.3	11.0	132 831	17 798	15.5	2.7
12		890 978	147 447	19.8	60 576	-13 609	-18.3	-1.8	609 311	72 797	13.6	9.8	221 090	88 259	66.4	11.9
13	P	966 170	75 193	8.4	78 977	18 400	30.4	2.1	686 769	77 458	12.7	8.7	200 424	-20 666	-9.3	-2.3
13 *Sep*	P	961 233	9 637	16.6	72 755	1 951	26.6	1.9	678 018	6 323	14.8	10.6	210 459	1 363	19.3	4.1
Oct	P	957 830	-3 402	16.2	75 624	2 869	22.4	1.7	672 784	-5 235	14.7	10.5	209 422	-1 037	19.1	4.1
Nov	P	957 767	-63	14.3	77 512	1 888	19.1	1.5	682 652	9 868	14.1	10.1	197 603	-11 820	13.3	2.8
Dec	P	966 170	8 404	8.4	78 977	1 464	30.4	2.1	686 769	4 118	12.7	8.7	200 424	2 822	-9.3	-2.3
14 *Jan*	P	985 121	18 951	10.6	78 615	-361	31.6	2.1	697 604	10 835	12.0	8.4	208 902	8 477	0.5	0.1
Feb	P	994 056	8 934	8.0	76 530	-2 086	21.0	1.4	710 584	12 980	12.2	8.4	206 942	-1 959	-7.7	-1.9
Mar	P	995 834	1 778	7.0	72 474	-4 055	18.1	1.2	716 487	5 903	11.0	7.6	206 872	-70	-7.3	-1.8
Apr	P	988 692	-7 142	7.2	70 736	-1 738	16.1	1.1	711 557	-4 930	11.4	7.9	206 398	-474	-7.2	-1.7
May	P	1 002 729	14 038	6.1	71 667	931	16.5	1.1	725 035	13 478	8.1	5.8	206 027	-371	-3.4	-0.8
Jun	P	1 012 596	9 867	6.5	74 652	2 985	12.7	0.9	730 181	5 146	8.5	6.0	207 763	1 736	-1.5	-0.3
Jul	P	1 006 246	-6 351	5.5	73 032	-1 620	3.0	0.2	728 613	-1 568	8.4	5.9	204 601	-3 162	-3.1	-0.7
Aug	P	1 010 023	3 777	6.1	72 271	-761	2.1	0.2	733 324	4 711	9.2	6.5	204 428	-173	-2.2	-0.5
Sep	P	1 020 303	10 280	6.1	74 078	1 806	1.8	0.1	741 029	7 705	9.3	6.6	205 197	769	-2.5	-0.5
Oct	A	1 016 884	-3 419	6.2	74 759	681	-1.1	-0.1	736 145	-4 884	9.4	6.6	205 980	784	-1.6	-0.4
Nov	A	1 022 946	6 062	6.8	77 028	2 269	-0.6	-0.1	740 269	4 124	8.4	6.0	205 649	-331	4.1	0.8
Dec	A	1 033 857	10 910	7.0	77 611	583	-1.7	-0.1	747 490	7 221	8.8	6.3	208 755	3 106	4.2	0.9
15 *Jan*	A	1 035 473	1 617	5.1	78 991	1 380	0.5	0.0	746 115	-1 375	7.0	4.9	210 367	1 612	0.7	0.1
Feb	A	1 040 752	5 279	4.7	76 299	-2 691	-0.3	-0.0	755 915	9 800	6.4	4.6	208 537	-1 830	0.8	0.2

GROSS FINANCING OF GENERAL GOVERNMENT
Annual percentage changes



GROSS FINANCING OF GENERAL GOVERNMENT
Contributions to the annual percentage change



FUENTE: BE.

a.Debt according to Excessive Deficit Procedure (EDP).Consolidated nominal gross debt.

b.Including coined money and Caja General de Depositos

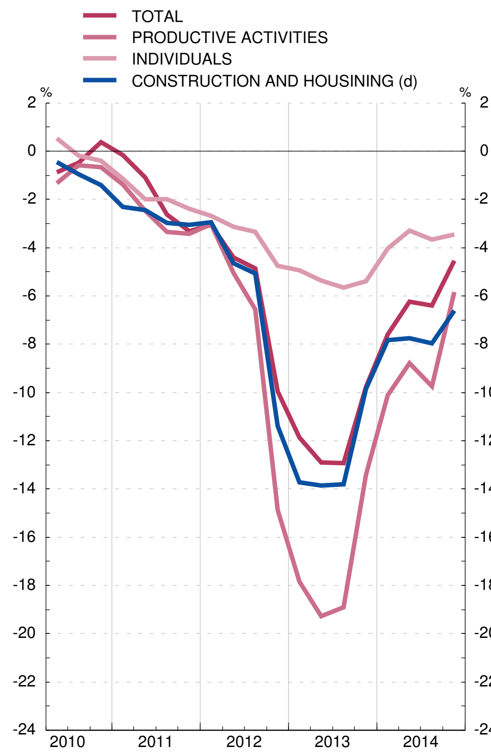
8.9 LENDING BY CREDIT INSTITUTIONS AND CFI's TO OTHER RESIDENT SECTORS. BREAKDOWN BY END-USE.

■ Series depicted in chart.

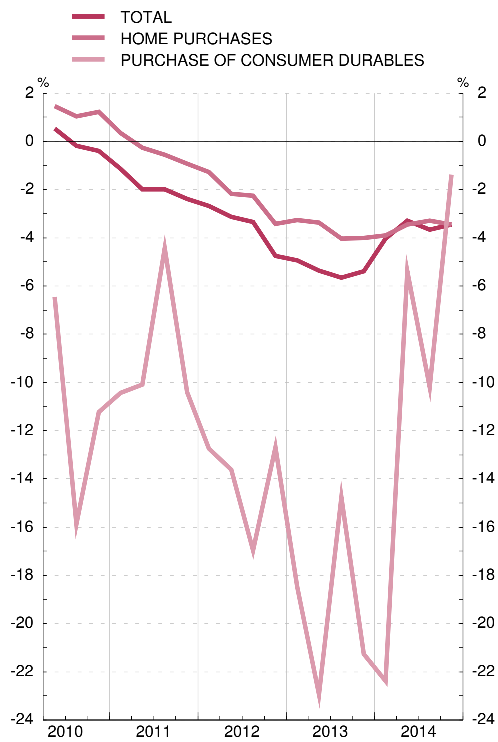
EUR millions and percentages

	Total (a)	Financing of productive activities: Total	Agriculture and fisheries	Industry excluding construction	Construction	Services: Total	Services, of which: Real estate activities	Financing of individuals: Total	Home purchases and improvements: Total	Home purchases and improvements, of which: Purchases	Purchases of consumer durables	Other (b)	Financing of private non-profit institutions	Unclassified	Memorandum item: construction and housing (d)
	1 ■	2 ■	3	4	5	6	7	8 ■	9	10 ■	11 ■	12	13	14	15 ■
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 *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	1 423 178	693 553	17 571	110 307	55 436	510 239	161 218	713 717	595 437	573 393	25 321	92 959	6 376	9 532	812 091
Q3	1 386 860	671 336	17 793	108 673	53 403	491 467	156 197	697 741	586 086	564 252	24 459	87 196	6 972	10 811	795 686
Q4	P 1 380 222	674 082	17 693	112 271	49 754	494 364	150 328	690 203	579 823	558 003	29 252	81 128	5 962	9 976	779 905

CREDIT BY END-USE
Annual percentage changes (c)



CREDIT TO INDIVIDUALS BY END-USE
Annual percentages changes (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.

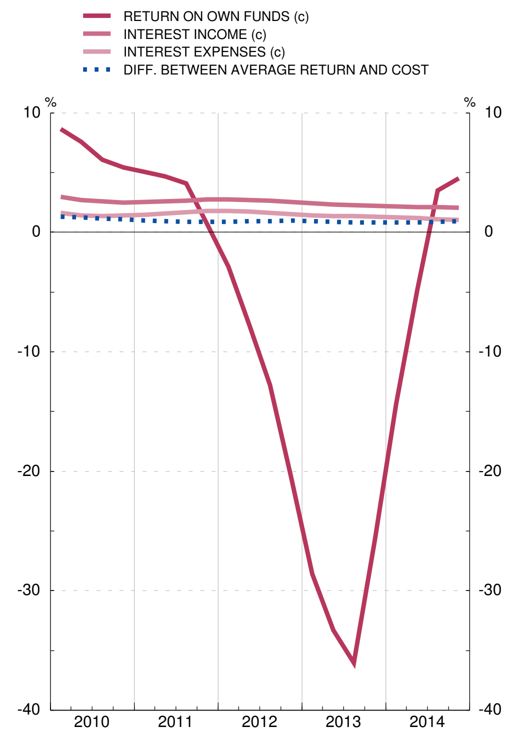
d. Including: construction, real estate activities and home purchases and improvements

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

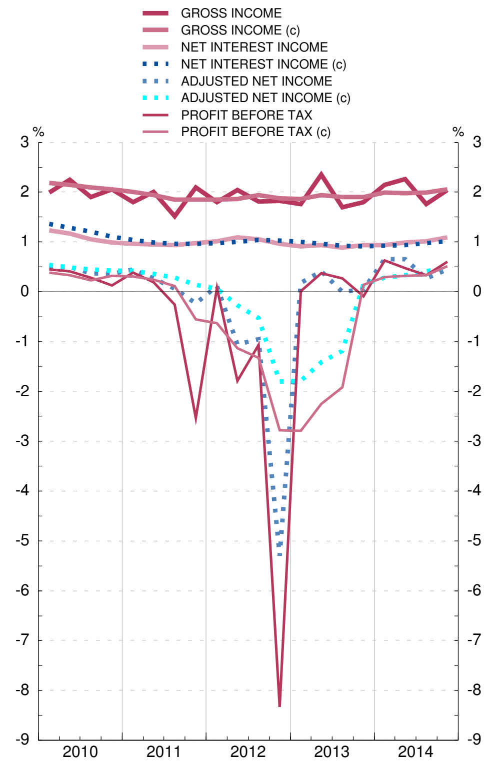
■ Series depicted in chart.

	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
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
Q3	2.0	1.0	1.0	0.7	1.8	1.0	0.5	0.5	0.3	0.2	0.3	4.1	2.2	1.3	0.9
Q4	2.0	0.9	1.1	1.0	2.0	1.0	0.5	0.6	0.4	-0.1	0.6	6.2	2.2	1.2	0.9

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



PROFIT AND LOSS ACCOUNT
Percentages of the adjusted average balance sheet



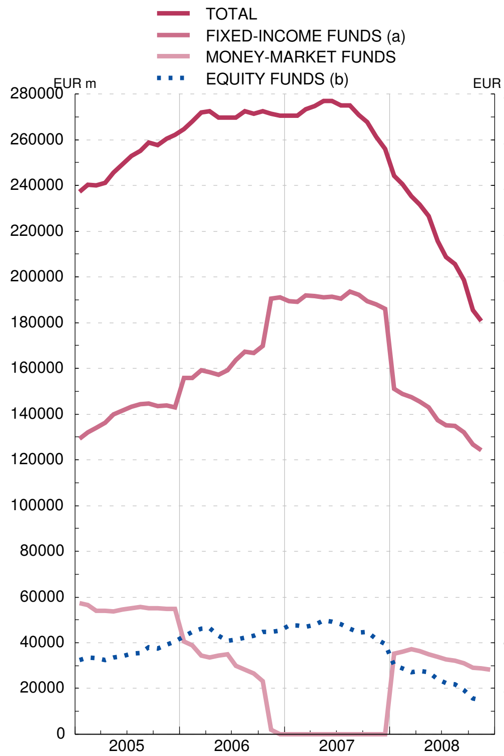
Source: BE.
Note: The underlying series for this indicator are in Table 4.36 of the BE Boletín estadístico.
a. Profit before tax divided by own funds.
b. Only those financial assets and liabilities which respectively give rise to financial income and costs have been considered to calculate the averge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

8.11. MUTUAL FUNDS RESIDENT IN SPAIN

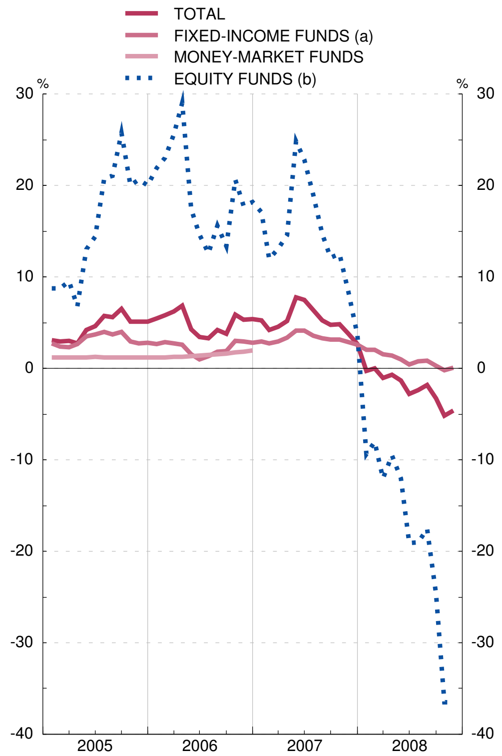
■ Series depicted in chart. *EUR millions*

	Total				Money-market funds				Fixed-income funds (a)				Equity funds (b)				Others funds (c)
		Of which				Of which				Of which				Of which			
	Net asset value	Monthly change	Net funds inves- ted	Return over last 12 months	Net asset value	Monthly change	Net funds inves- ted	Return over last 12 months	Net asset value	Monthly change	Net funds inves- ted	Return over last 12 months	Net asset value	Monthly change	Net funds inves- ted	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.

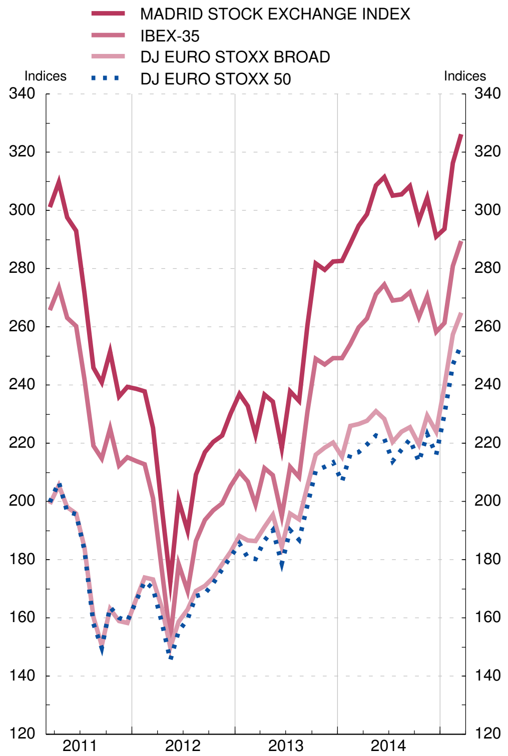
8.12. SHARE PRICE INDICES AND TURNOVER ON SECURITIES MARKETS. SPAIN AND EURO AREA

■ Series depicted in chart.

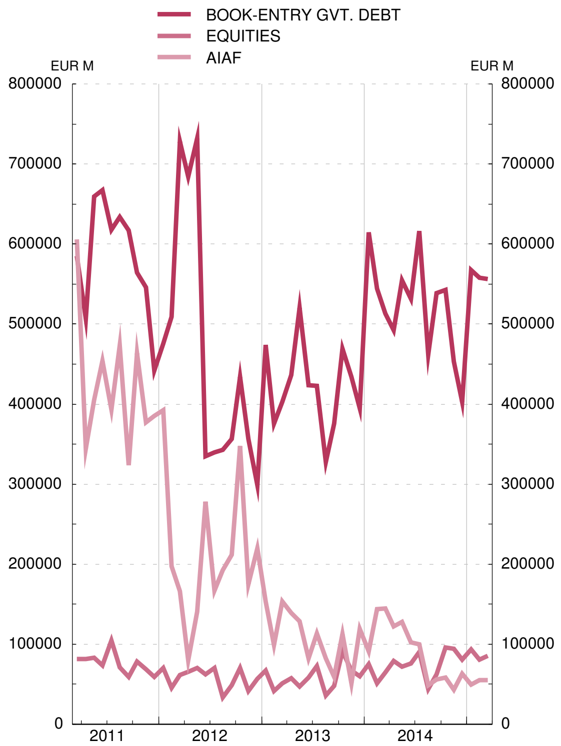
Indices, EUR millions and thousands of contracts

	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
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	1 073.64	10 529.84	320.84	3 167.93	884 349	38 114	6 267 303	1 099 992	-	26 367	-	7 236
15 A	1 117.36	11 029.43	362.32	3 547.62	260 558	9 328	1 681 328	159 734	-	5 225	-	1 951
13 *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	1 094.63	10 728.80	319.65	3 172.63	44 238	2 459	462 166	48 558	...	1 205	...	542
Sep	1 104.62	10 825.50	321.96	3 225.93	62 114	2 656	538 956	55 548	...	2 109	...	583
Oct	1 062.15	10 477.80	313.30	3 113.32	95 633	3 425	543 022	58 337	...	2 550	...	875
Nov	1 090.60	10 770.70	327.56	3 250.93	94 176	2 743	452 975	42 990	...	2 165	...	622
Dec	1 042.46	10 279.50	319.67	3 146.43	80 799	3 764	403 149	62 765	...	2 960	...	630
15 *Jan*	1 051.80	10 403.30	342.26	3 351.44	93 850	2 489	567 722	49 790	...	1 626	...	771
Feb	1 132.91	11 178.30	367.25	3 599.00	80 983	2 735	557 632	55 109	...	1 503	...	567
Mar P	1 168.87	11 521.10	377.92	3 697.38	85 725	4 104	555 974	54 835	...	2 095	...	613

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)

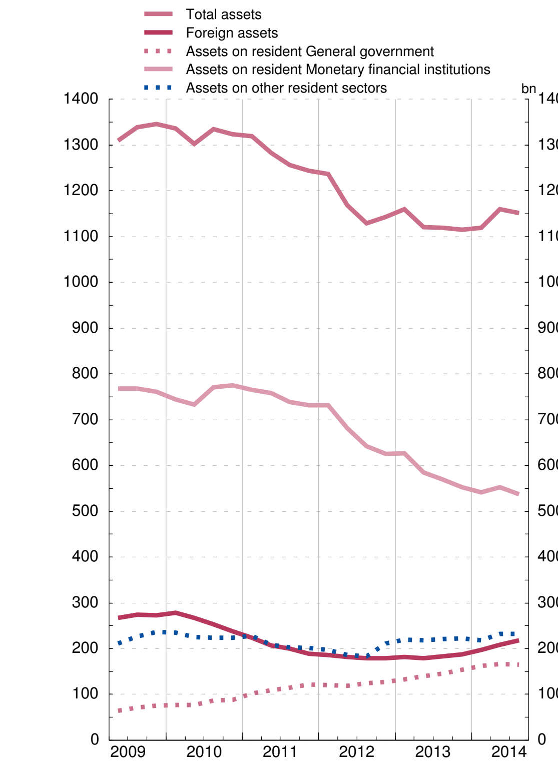
8.13. OTHER FINANCIAL CORPORATIONS (a): CONSOLIDATED FINANCIAL BALANCE SHEET (b)

■ Series depicted in chart.

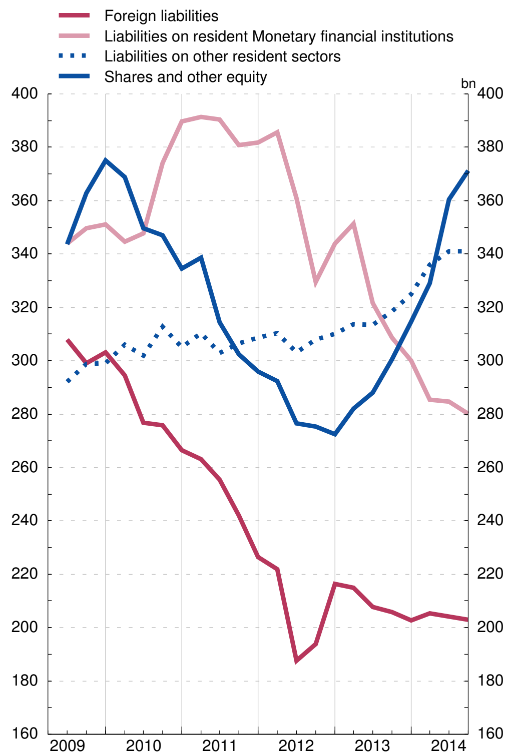
EUR billions

	Net financial assets	Net foreign assets			Net claims on resident General government			Net claims on resident Monetary financial institutions (c)			Net claims on other resident sectors (d)			Shares and other equity	Rest of other Liabi-lities (net)	Pro memoria: Total financial assets
		Net	Assets	Liabilities	Net	Assets	Liabi-lities	Net	Assets	Liabi-lities	Net	Assets	Liabi-lities			
	1=2+5+8+11-14-15	2=3-4	3 ■	4 ■	5=6-7	6 ■	7 ■	8=9-10	9 ■	10 ■	11=12-13	12 ■	13 ■	14	15	16=3+6+9+12 ■
06	13	26	330	304	61	61	-	418	484	66	-26	247	273	487	-22	1 121
07	8	-44	315	359	56	56	-	501	663	162	-21	268	289	504	-20	1 301
08	26	-73	252	325	59	60	2	441	739	298	-96	190	286	318	-14	1 240
09	31	-30	273	303	72	75	3	409	760	351	-62	237	299	375	-16	1 346
10 *Q4*	47	-28	238	266	85	88	3	385	774	390	-82	223	305	335	-22	1 323
11 *Q1*	38	-39	224	263	99	102	3	374	765	391	-83	227	310	339	-26	1 318
Q2	35	-48	207	255	106	109	3	367	758	390	-94	209	303	314	-19	1 283
Q3	36	-42	200	242	112	115	3	358	739	381	-104	202	307	302	-14	1 256
Q4	41	-38	188	226	120	122	1	350	732	382	-107	201	309	296	-12	1 243
12 *Q1*	45	-35	187	222	120	120	-	346	732	386	-113	198	310	292	-19	1 236
Q2	57	-6	181	188	119	119	-	320	681	361	-117	186	303	277	-18	1 168
Q3	36	-15	178	194	124	124	-	313	642	329	-124	184	308	275	-14	1 129
Q4	15	-37	179	216	126	127	1	282	626	344	-100	211	310	273	-17	1 142
13 *Q1*	15	-34	181	215	131	133	2	275	626	351	-95	219	314	282	-19	1 159
Q2	7	-28	180	208	138	139	2	263	584	322	-96	218	313	288	-19	1 121
Q3	3	-22	184	206	143	145	2	261	570	309	-97	221	318	300	-18	1 120
Q4	-10	-16	187	203	152	154	2	252	552	300	-103	222	325	315	-19	1 115
14 *Q1*	-18	-8	197	205	161	162	2	256	541	285	-118	218	336	329	-20	1 119
Q2	-13	4	209	204	165	167	2	268	553	285	-110	232	341	360	-19	1 159
Q3	-24	15	218	203	163	165	2	257	537	280	-109	232	341	371	-21	1 151

FINANCIAL ASSETS



LIABILITIES



SOURCE: Financial accounts of the spanish economy

(a) Consisting of Investment funds (Collective investment funds including monetary funds), Limitied scope financial institutions and money lenders, Insurance companies and Pension funds, Other financial intermediaries and Financial auxiliaries

(b) Consolidation refers to the netting of the asset and liability positions (intra-sectoral) between corporations that comprise an economic sector or group of economic sectors, in this case, those included under the institutional grouping of Other financial corporations

(c) Except Money market funds which are included among the corporations under the institutional grouping of Other financial corporations

(d) Non-financial corporations, Households and Non-profit institutions serving households

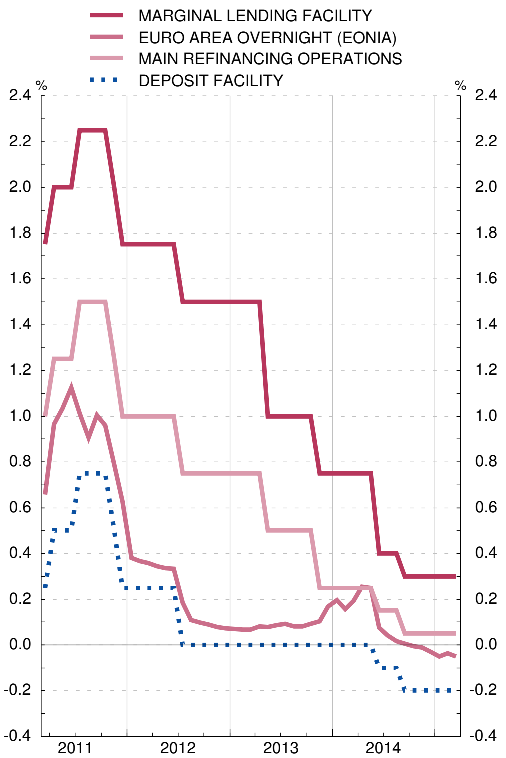
9.1. INTEREST RATES. EUROSYSTEM AND MONEY MARKET. EURO AREA AND SPAIN

■ Series depicted in chart.

Averages of daily data. Percentages per annum

	Eurosystem monetary policy operations				Money market													
	Main refinancing operations: weekly tenders	Longer term refinancing operations: monthly tenders	Standing facilities		Euro area: deposits (Euribor) (a)					Spain								
			Marginal lending	Deposit						Non-transferable deposits					Government-securities repos			
					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
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	0.05	0.05	0.30	-0.20	0.095	0.13	0.21	0.31	0.48	0.11	0.18	0.45	-	0.55	0.09	0.14	0.24	-
15 A	0.05	0.05	0.30	-0.20	-0.046	-0.00	0.05	0.12	0.26	-0.02	0.05	0.20	-	-	-0.05	0.02	0.06	0.17
13 *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	0.254	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	0.30	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	-
Oct	0.05	0.05	0.30	-0.20	-0.004	0.01	0.08	0.18	0.34	0.03	0.03	-	-	-	-0.01	0.03	0.06	-
Nov	0.05	0.05	0.30	-0.20	-0.012	0.01	0.08	0.18	0.34	0.02	0.06	0.37	-	-	-0.01	0.06	0.12	-
Dec	0.05	0.05	0.30	-0.20	-0.030	0.02	0.08	0.18	0.33	0.01	0.04	0.22	-	-	-0.03	0.14	0.30	-
15 *Jan*	0.05	0.05	0.30	-0.20	-0.051	0.01	0.06	0.15	0.30	-0.04	0.04	-	-	-	-0.07	0.01	0.08	0.17
Feb	0.05	0.05	0.30	-0.20	-0.036	0.00	0.05	0.13	0.26	-0.00	0.07	0.20	-	-	-0.02	0.04	0.04	-
Mar	0.05	0.05	0.30	-0.20	-0.050	-0.01	0.03	0.10	0.21	-0.03	0.05	-	-	-	-0.06	0.00	0.06	-

EUROSYSTEM: MONETARY POLICY OPERATIONS AND EURO AREA OVERNIGHT DEPOSITS



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

Source: ECB (columns 1 to 8).

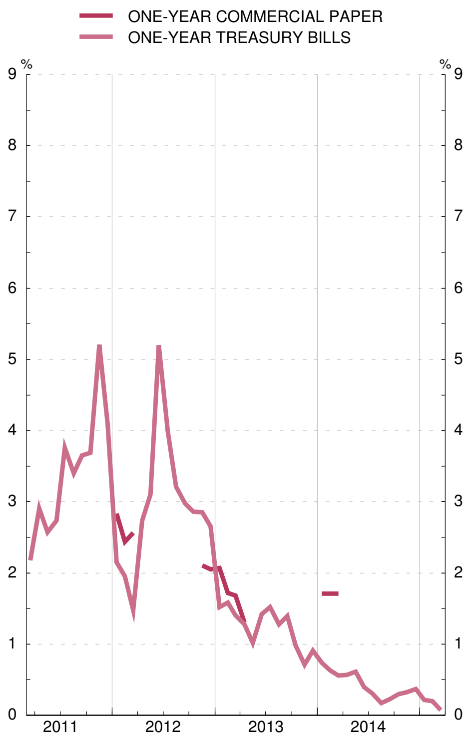
a. To December 1998, synthetic euro area rates have been calculated on the basis of national rates weighted by GDP

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

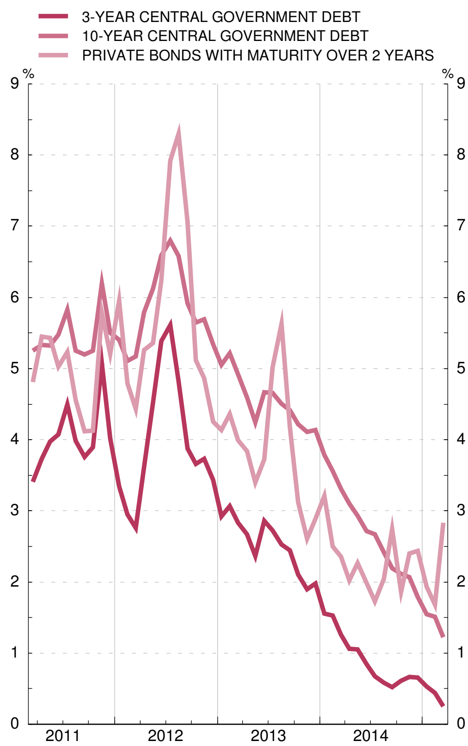
■ Series depicted in chart. *Percentages per annum*

	Short-term securities				Long-term securities							
	One-year Treasury bills		One-year commercial paper		Central Government debt							Private bonds with a maturity of over two years traded on the AIAF
	Marginal rate at issue	Secondary market: outright spot purchases between market members	Rate at issue	Secondary market: outright spot purchases	Marginal rate at issue					Secondary market. Book-entry debt. Outright spot purchases between market members		
					3-year bonds	5-year bonds	10-year bonds	15-year bonds	30-year bonds	At 3-years	At 10-years	
	1 ■	2	3 ■	4	5	6	7	8	9	10 ■	11 ■	12 ■
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	0.43	0.41	1.71	0.97	1.01	1.52	2.73	3.62	3.77	0.92	2.72	2.30
15 A	0.16	0.13	-	0.73	0.40	0.50	1.44	2.07	2.62	0.40	1.42	2.16
13 *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
Sep	0.23	0.18	-	0.70	0.58	-	2.29	-	3.61	0.52	2.20	2.74
Oct	0.30	0.30	-	0.47	-	0.29	2.23	2.91	-	0.61	2.11	1.86
Nov	0.32	0.31	-	0.72	0.68	1.08	2.15	-	3.47	0.67	2.07	2.40
Dec	0.37	0.35	-	0.66	0.60	0.90	1.75	-	-	0.66	1.79	2.44
15 *Jan*	0.22	0.19	-	0.77	0.58	0.87	1.66	2.28	2.71	0.53	1.54	1.93
Feb	0.20	0.15	-	0.82	0.41	0.19	1.63	1.94	2.51	0.44	1.51	1.68
Mar	0.07	0.06	-	0.60	0.20	0.40	1.05	1.98	-	0.25	1.23	2.83

PRIMARY MARKET



SECONDARY MARKET



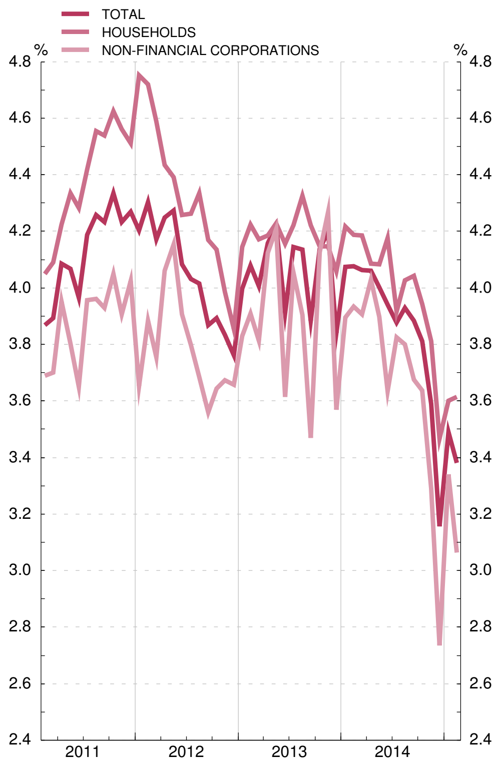
Sources: Main issuers (column 3); AIAF (columns 4 and 12).

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

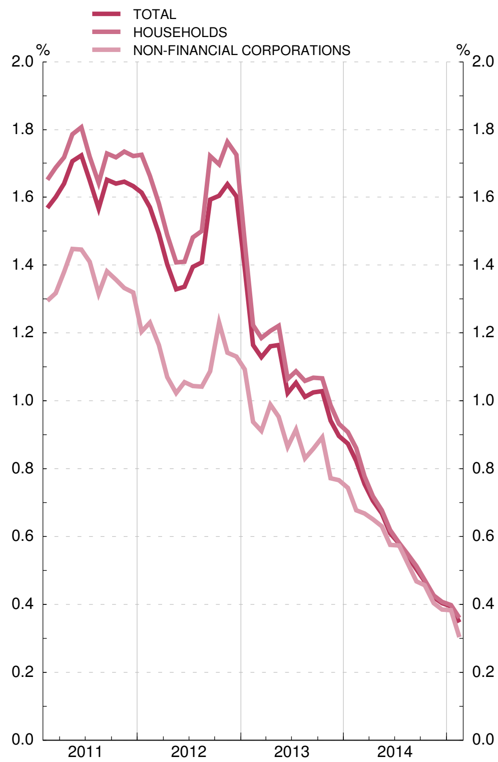
■ Series depicted in chart. *Percentages*

		Loans (APRC) (b)							Deposits (NDER) (b)								
		Synthetic rate (d)	Households and NPISH			Non-financial corporations			Synthetic rate (d)	Households and NPISH				Non-financial corporations			
			Synthetic rate	House purchase	Consumption and other	Synthetic rate	Up to EUR 1 million	Over EUR 1 million (c)		Synthetic rate	Overnight and redeemable at notice	Time	Repos	Synthetic rate	Overnight	Time	Repos
		1 ■	2 ■	3	4	5 ■	6	7	8 ■	9 ■	10	11	12	13 ■	14	15	16
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		3.16	3.47	2.64	6.41	2.74	4.16	2.08	0.40	0.41	0.17	0.64	0.42	0.39	0.31	0.50	0.46
15	A	3.38	3.61	2.69	6.94	3.06	4.22	2.17	0.35	0.36	0.18	0.54	0.33	0.30	0.27	0.38	0.11
13 *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	7.46	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	4.19	3.31	7.28	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		4.06	4.08	3.19	7.36	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	3.17	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	4.18	3.31	7.14	3.63	4.91	3.00	0.61	0.62	0.19	0.98	0.21	0.58	0.43	0.82	0.10
Jul		3.88	3.92	3.05	7.10	3.83	4.93	2.90	0.58	0.58	0.20	0.92	0.58	0.57	0.39	0.86	0.16
Aug		3.93	4.03	3.07	7.45	3.80	4.80	3.00	0.54	0.55	0.19	0.86	0.37	0.52	0.40	0.73	0.09
Sep		3.88	4.04	3.10	7.37	3.67	4.54	2.91	0.50	0.51	0.17	0.81	0.60	0.47	0.38	0.62	0.12
Oct		3.81	3.94	3.02	7.21	3.64	4.53	2.74	0.47	0.47	0.17	0.74	0.51	0.46	0.35	0.63	0.15
Nov		3.59	3.81	2.88	7.01	3.29	4.32	2.43	0.42	0.43	0.17	0.66	0.48	0.40	0.35	0.50	0.30
Dec		3.16	3.47	2.64	6.41	2.74	4.16	2.08	0.40	0.41	0.17	0.64	0.42	0.39	0.31	0.50	0.46
15 *Jan*		3.49	3.60	2.66	6.94	3.34	4.54	2.34	0.40	0.40	0.17	0.62	0.41	0.38	0.33	0.49	0.17
Feb	P	3.38	3.61	2.69	6.94	3.06	4.22	2.17	0.35	0.36	0.18	0.54	0.33	0.30	0.27	0.38	0.11

LOANS
SYNTHETIC RATES



DEPOSITS
SYNTHETIC RATES



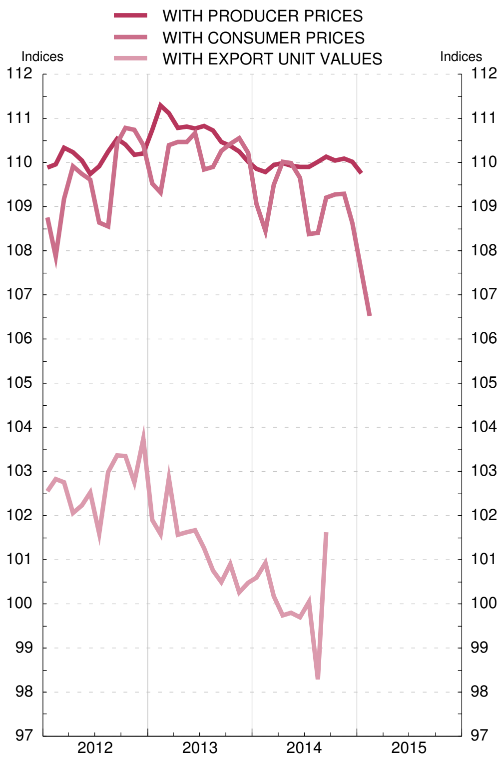
Source: BE.
a. This table is included among the IMF's requirements to meet the Special Data Dissemination Standards (SDDS)
b. APRC: annual percentage rate of charge. NEDR: narrowly defined effective rate, which is the same as the APRC without including commissions.
c. Calculated by adding to the NDER 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

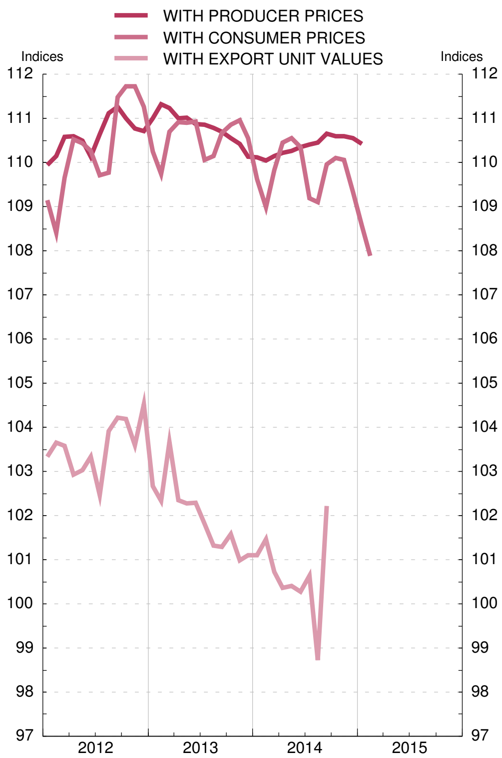
■ Series depicted in chart. *Base 1999 QI = 100*

	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 ■
12	110.1	109.6	104.3	102.7	101.4	108.6	108.0	102.9	101.7	110.6	110.3	105.8	119.6	103.6
13	110.7	110.2	102.7	101.3	101.9	108.6	108.1	100.8	99.8	110.8	110.6	103.7	115.3	102.0
14	110.0	109.2	100.8	...	101.7	108.1	107.3	99.1	...	110.4	109.8	101.9	113.8	...
13 *Q1*	111.0	109.8	103.5	102.1	101.8	109.1	107.8	101.7	100.7	111.2	110.2	104.5	116.3	102.9
Q2	110.8	110.5	102.8	101.6	101.9	108.8	108.5	100.9	100.2	111.0	110.9	103.9	116.0	102.3
Q3	110.7	110.0	102.5	100.8	102.0	108.5	107.9	100.5	99.3	110.8	110.3	103.3	113.7	101.5
Q4	110.2	110.4	102.2	100.5	101.9	108.2	108.3	100.3	99.1	110.4	110.8	103.1	115.3	101.2
14 *Q1*	109.9	109.0	101.6	100.6	101.9	107.8	107.0	99.8	99.1	110.1	109.5	102.6	112.9	101.1
Q2	109.9	109.9	101.7	99.7	101.7	108.1	108.0	100.0	98.4	110.3	110.5	102.8	114.2	100.3
Q3	110.0	108.7	100.6	100.0	101.6	108.3	106.9	99.0	98.8	110.5	109.4	101.8	113.8	100.5
Q4	110.1	109.1	99.4	...	101.6	108.3	107.4	97.9	...	110.6	109.8	100.7	114.3	...
14 *Jun*	109.9	109.6	101.7	99.7	101.6	108.1	107.9	100.0	98.5	110.3	110.4	102.8	114.2	100.3
Jul	109.9	108.4	...	100.0	101.6	108.2	106.7	...	98.9	110.4	109.2	...	...	100.6
Aug	110.0	108.4	...	98.3	101.7	108.2	106.6	...	97.1	110.5	109.1	...	...	98.7
Sep	110.1	109.2	100.6	101.6	101.6	108.4	107.5	99.0	100.4	110.7	110.0	101.8	113.8	102.2
Oct	110.1	109.3	...	...	101.5	108.4	107.6	...	...	110.6	110.1	...	...	...
Nov	110.1	109.3	...	...	101.6	108.4	107.6	...	...	110.6	110.1	...	...	...
Dec	110.0	108.6	...	...	101.6	108.3	106.9	...	...	110.5	109.3	...	...	...
15 *Jan*	109.8	107.5	...	...	101.5	108.2	106.0	...	...	110.4	108.6	...	...	...
Feb	...	106.5	...	...	101.1	...	105.4	...	...	...	107.9	...	...	...
Mar	...	...	...	...	100.8	...	...	...	...	...	...	...	...	...

INDICES OF SPANISH COMPETITIVENESS VIS À VIS THE EU-28



INDICES OF SPANISH COMPETITIVENESS VIS À VIS THE EURO AREA



Source: BE.

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

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

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

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

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

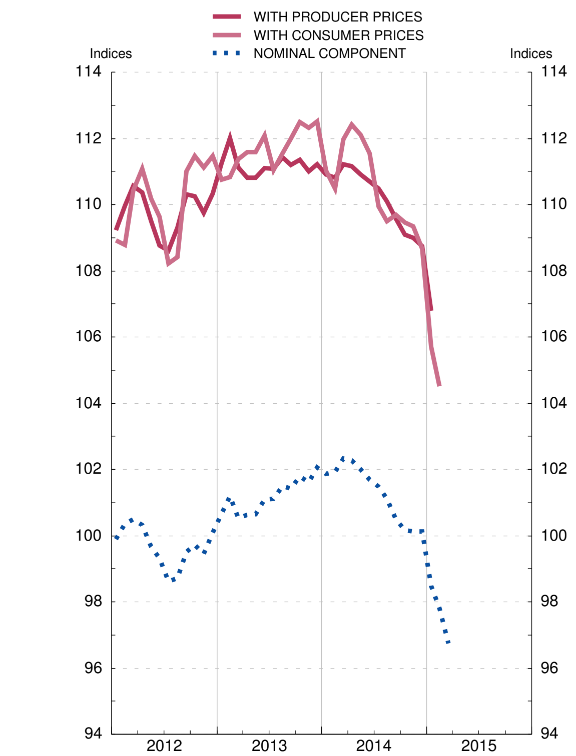
■ Series depicted in chart.

Base 1999 QI = 100

	Vis-à-vis developed countries									Vis-à-vis industrialised countries				
	Total (a)				Nominal compon-ent (b)	Prices component (c)				Total (a)		Nominal compon-ent (b)	Prices component(c)	
	Based on producer prices	Based on consumer prices	Based on manufac - turing unit labour costs (d)	Based on export unit values		Based on producer prices	Based on consumer prices	Based on manufac - turing unit labour costs (d)	Based on export unit values	Based on producer prices	Based on consumer prices		Based on producer prices	Based on consumer prices
	1 ■	2 ■	3	4 ■	5 ■	6	7	8	9	10 ■	11 ■	12 ■	13	14
12	111.4	111.7	120.6	103.0	100.4	111.0	111.3	120.2	103.3	109.7	110.1	99.7	110.1	110.4
13	112.9	113.4	118.3	102.2	101.7	111.0	111.5	116.3	101.1	111.2	111.7	101.2	109.9	110.4
14	112.1	112.4	116.8	...	101.7	110.2	110.5	114.9	...	110.2	110.5	101.3	108.8	109.1
13 *Q1*	113.1	112.7	119.4	102.8	101.4	111.5	111.1	117.7	102.1	111.4	111.0	100.8	110.6	110.1
Q2	112.9	113.7	118.8	102.4	101.6	111.1	111.9	117.0	101.5	110.9	111.8	100.8	110.0	110.9
Q3	113.0	113.2	116.6	101.8	101.8	110.9	111.2	114.5	100.6	111.2	111.5	101.3	109.8	110.0
Q4	112.8	114.0	118.4	101.8	102.1	110.5	111.7	116.0	100.4	111.2	112.4	101.8	109.2	110.4
14 *Q1*	112.4	112.6	116.5	101.8	102.1	110.1	110.2	114.1	100.3	111.0	111.2	102.0	108.8	109.0
Q2	112.3	113.4	117.7	101.0	102.0	110.1	111.1	115.4	99.7	110.9	112.0	102.0	108.8	109.8
Q3	112.0	111.7	116.5	100.9	101.5	110.3	110.0	114.7	100.1	110.1	109.7	101.0	108.9	108.6
Q4	111.8	111.9	116.7	...	101.3	110.4	110.5	115.3	...	108.9	109.2	100.1	108.8	109.0
14 *Jun*	112.2	113.0	117.7	101.0	101.8	110.2	111.0	115.4	99.9	110.7	111.6	101.7	108.9	109.7
Jul	112.1	111.6	...	101.2	101.7	110.3	109.8	...	100.2	110.5	109.9	101.5	108.9	108.3
Aug	112.0	111.4	...	99.3	101.6	110.3	109.7	...	98.4	110.1	109.5	101.1	108.9	108.3
Sep	112.0	112.0	116.5	102.4	101.3	110.5	110.6	114.7	101.7	109.6	109.7	100.5	109.1	109.2
Oct	111.7	112.0	...	...	101.2	110.4	110.7	...	...	109.1	109.5	100.2	108.9	109.3
Nov	111.8	112.1	...	...	101.3	110.4	110.7	...	...	109.0	109.3	100.1	108.9	109.2
Dec	111.7	111.5	...	...	101.3	110.3	110.0	...	...	108.7	108.7	100.1	108.6	108.5
15 *Jan*	110.5	109.3	...	...	100.3	110.3	109.0	...	...	106.8	105.7	98.5	108.4	107.3
Feb	...	108.2	...	...	99.8	...	108.5	...	...	...	104.5	97.8	...	106.9
Mar	...	...	...	...	99.1	...	...	...	...	...	...	96.7	...	...

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.