

**ECONOMIC BULLETIN**

**07/2005**

**BANCO DE ESPAÑA**





**All of the Banco de España's regular reports  
and publications can be found on the Internet  
at <http://www.bde.es>**

Reproduction for educational and non-commercial purposes is permitted  
provided that the source is acknowledged.

© Banco de España, Madrid, 2004  
ISSN: 1130 - 4987 (print)  
ISSN: 1695 - 9086 (online)  
Depósito legal: M. 31904 - 1990  
Printed in Spain by Artes Gráficas Coyve, S. A.

## ABBREVIATIONS

AIAF	Association of Securities Dealers	GDP	Gross domestic product
BCBS	Basel Committee on Banking Supervision	GFCF	Gross fixed capital formation
BE	Banco de España	GNP	Gross national product
BIS	Bank for International Settlements	GVA	Gross value added
CBSO	Central Balance Sheet Data Office	HICP	Harmonised index of consumer prices
CCR	Central Credit Register	IADB	Inter-American Development Bank
CEMLA	Center for Latin American Monetary Studies	ICT	Information and communications technology
CEPR	Centre for Economic Policy Research	IGAE	National Audit Office
CNE	Spanish National Accounts	IMF	International Monetary Fund
CNMV	National Securities Market Commission	INE	National Institute of Statistics
CPI	Consumer price index	INVERCO	Association of Collective Investment Institutions and Pension Funds
DGS	Directorate General of Insurance and Pension Funds	LIFFE	London International Financial Futures Exchange
EAGGF	European Agricultural Guidance and Guarantee Fund	MEFF	Financial Futures and Options Market
ECB	European Central Bank	MEFF RF	Fixed-income derivatives market
ECCO	ECB External Communications Committee	MEFF RV	Equity derivatives market
ECOFIN	Council of the European Communities (Economic and Financial Affairs)	MFI	Monetary financial institutions
EDP	Excessive Deficit Procedure	MMFs	Money market funds
EMU	Economic and Monetary Union	MROs	Main refinancing operations
EONIA	Euro overnight index average	NCBs	National central banks
EPA	Official Spanish Labour Force Survey	NPISHs	Non-profit institutions serving households
ERDF	European Regional Development Fund	OECD	Organisation for Economic Co-operation and Development
ESA 79	European System of Integrated Economic Accounts	OPEC	Organisation of Petroleum Exporting Countries
ESA 95	European System of National and Regional Accounts	PPP	Purchasing power parity
ESCB	European System of Central Banks	QNA	Quarterly National Accounts
EU	European Union	SCLV	Securities Clearing and Settlement Service
EU-15	Countries making up the European Union as at 31/04/04	SDRs	Special drawing rights
EU-25	Countries making up the European Union as from 1/5/04	SMEs	Small and medium-sized enterprises
EUROSTAT	Statistical Office of the European Communities	TARGET	Trans-European Automated Real-time Gross settlement Express Transfer system
FASE	Financial Accounts of the Spanish Economy	TFP	Total factor productivity
FDI	Foreign direct investment	ULCs	Unit labour costs
FIAMM	Money market funds	VAT	Value added tax
FIM	Securities funds	XBRL	Extensible Business Reporting Language
GDI	Gross disposable income		

## 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)
CZ	Czech Republic	CZK (Czech koruna)
DK	Denmark	DKK (Danish krone)
DE	Germany	EUR (euro)
EE	Estonia	EEK (Estonia kroon)
GR	Greece	EUR (euro)
ES	Spain	EUR (euro)
FR	France	EUR (euro)
IE	Ireland	EUR (euro)
IT	Italy	EUR (euro)
CY	Cyprus	CYP (Cyprus pound)
LV	Latvia	LVL (Latvian lats)
LT	Lithuania	LTL (Lithuanian litas)
LU	Luxembourg	EUR (euro)
HU	Hungary	HUF (Hungarian forint)
MT	Malta	MLT (Maltese lira)
NL	Netherlands	EUR (euro)
AT	Austria	EUR (euro)
PL	Poland	PLN (Polish zloty)
PT	Portugal	EUR (euro)
SI	Slovenia	SIT (Slovenian tolar)
SK	Slovakia	SKK (Slovakian koruna)
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 <sup>9</sup> ).
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.

**ECONOMIC BULLETIN JULY 2005**

## CONTENTS

### **Quarterly report on the Spanish economy**

- 1 Overview 13
- 2 The external environment of the euro area 20
- 3 The euro area and the monetary policy of the European Central Bank 25
- 4 The Spanish economy 39
- 5 Financial developments 59

### **Results of non-financial corporations in 2005 Q1 71**

**The wealth of Spanish households: a microeconomic comparison with the United States, Italy and the United Kingdom 87**

**Financial regulation: 2005 Q2 111**

**Economic indicators 1\***

**Articles in English and publications of the Banco de España 67\***

QUARTERLY REPORT ON THE SPANISH ECONOMY

## 1 Overview

The base year 2000 Spanish National Accounts (CNE 2000) data, released by INE in May, show significant changes in the estimated growth of the most important aggregates, such as output and employment. But they have not substantially altered the diagnosis of the recent performance of the Spanish economy, whose most characteristic features have been reinforced<sup>1</sup>. The high growth rate of economic activity (3.1% per annum in the period 2001-2004), underpinned by the momentum of domestic spending and, in particular, by household demand, and the capacity to generate employment (with an average increase of 2.7% over this same period) remain the key factors behind this performance, which places the Spanish economy among the group of developed economies that has posted the best results in recent years. The new estimates continue to highlight how this sound behaviour has been accompanied by less satisfactory results in the external sector sphere, and by comparatively high growth in costs and prices, when the euro area is taken as a reference. Nonetheless, the release of the CNE 2000 figures is still ongoing (for instance, the non-financial accounts of the institutional sectors are not yet available), and it will therefore be necessary to await such information to complete this analysis.

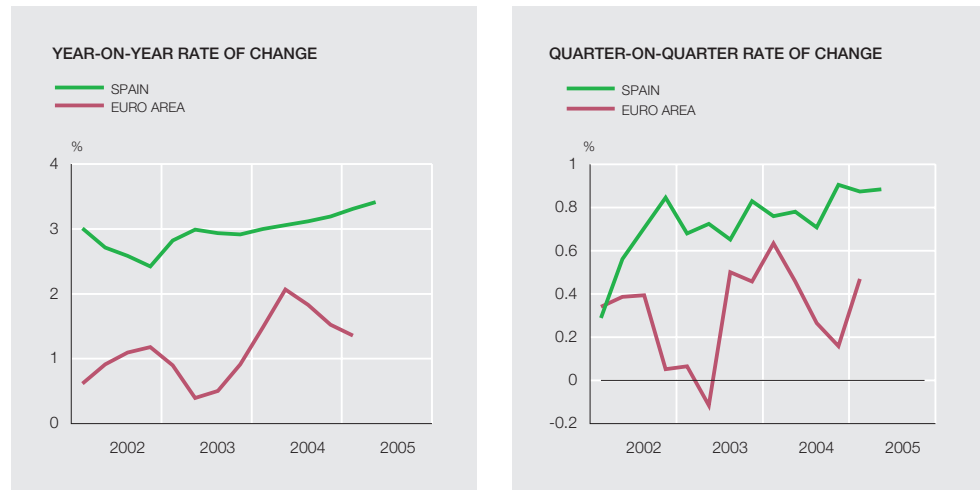
Over recent quarters the new QNA figures, in keeping with the CNE 2000 data, have shown the year-on-year growth of GDP, which stood at 3.3% in 2005 Q1, to be on a slightly rising path (see Chart 1). This mild acceleration has resulted from a marked surge in domestic demand, which climbed by 5.5% in Q1, underpinned by the buoyancy of all its components, and especially of investment in equipment. Meanwhile, the negative contribution of external demand to growth increased progressively, reaching -2.5 pp at the start of the year. The information for Q2 points to a further acceleration in output, with a 3.4% rise in relation to 2004 Q2, with its quarter-on-quarter growth rate holding at 0.9%. The job-creation figures, which have remained very favourable over recent months, corroborate this fresh acceleration. Further, there are certain signs that the briskly rising path of domestic demand may have been checked, with its rate of increase stabilising, while the negative contribution of the external sector would have lessened, as exports ceased to decline as they had in the first three months of the year. Nonetheless, the behaviour of domestic spending and net external demand remain very divergent, and there is still no significant turnaround perceptible in the composition of growth. The inflation rate stood slightly above 3% in June, so that the differential with the euro area is holding at around 1 pp.

Although the strong rise in oil prices has been the key development on the recent international economic scene, mention should also be made of the strength of the dollar and the recent reform of the exchange rate regime in China, which has formally pegged the value of its currency – the renminbi – to a basket of currencies. The fresh surge in the price of oil, which took it to highs of over \$60 per barrel in July, compounding those seen since the start of the year, has come about against the background of a notably buoyant world economy. Though the global economy has slowed in relation to the forceful pace witnessed in 2004 (5.1%), it has done so to a lesser extent than expected. Specifically, the US economy posted robust growth in the opening months of the year. Among the Asian economies, the increases in Chinese and Indian activity were at least as high as those in 2004, while Japanese growth in the first quarter was also surprisingly high, albeit without outpacing its early 2004 levels. However, there was a

---

1. See the article "La Contabilidad Nacional de España, base 2000. Principales cambios e implicaciones para los agregados macroeconómicos", in the June 2005 edition of the *Boletín Económico*.





SOURCES: ECB, INE and Banco de España.

a. Seasonally adjusted series.

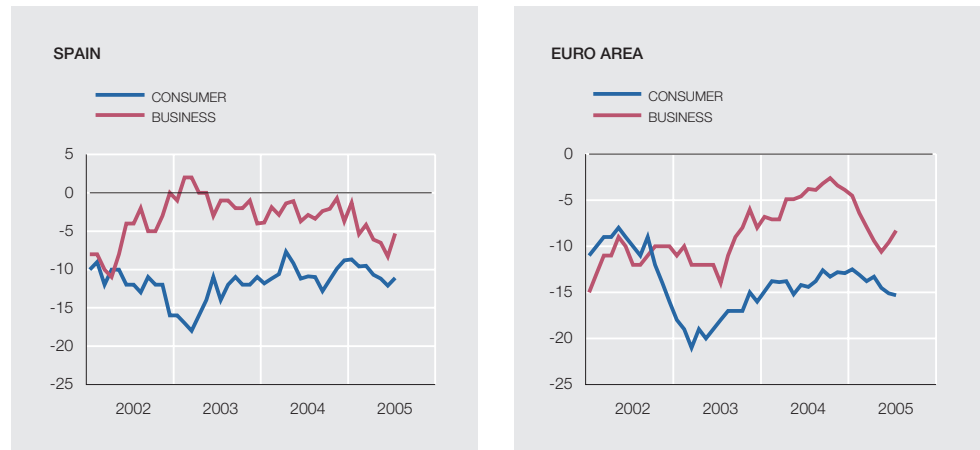
slowdown in activity in the south-east Asian countries, induced by weakening exports. Latin America also saw growth decline in the opening months of the year owing to the lower contribution of external demand and to the moderation of domestic demand; that said, GDP growth in the region as a whole stands at around 4%. In any event, the slowdown appears to have taken greater root in the new EU Member States and in the United Kingdom, while in the euro area growth remains flat at a low rate.

Overall, economic policies continue to be conducive to growth, given the general easing of inflation rates, although differences in stance are discernible depending on how expansionary the position of the different economies is. The Federal Reserve has announced successive rises in the federal funds rate, without this having yet entailed a clear tightening of monetary conditions. Long-term interest rates have thus held at very low levels, feeding through to the financing conditions on international markets and giving rise to a widespread reduction in risk premia and to a narrowing of sovereign debt spreads. In turn, the securities markets have posted moderate rises, which have been more significant in the euro area.

Despite the relatively sound results for the world economy at the onset of 2005, the short and medium-term risks for the international scenario have gradually heightened. Global imbalances and, in particular, the US external deficit have continued to widen, and the dollar's appreciation since the start of 2005 tends to hamper any mild absorption of such risks. There is, moreover, a possibility that long-term interest rates will ultimately rise, lessening the easiness of financing conditions.

Finally, the strong rise in oil prices and their high volatility have been accompanied by both upside and downside risks to their future course. Although the uncertainty associated with oil prices is widespread, the impact of their movements on global activity might be comparatively moderate in the light of the effects seen most recently.

As has been the case for more than four quarters, economic activity in the euro area in the first half of 2005 has remained notably sluggish. Growth in Q1, at a quarter-on-quarter rate of 0.5%, which was apparently better than that in the second half of 2004, was affected by a statistical adjustment to the German figures which, once taken into account, highlights anew



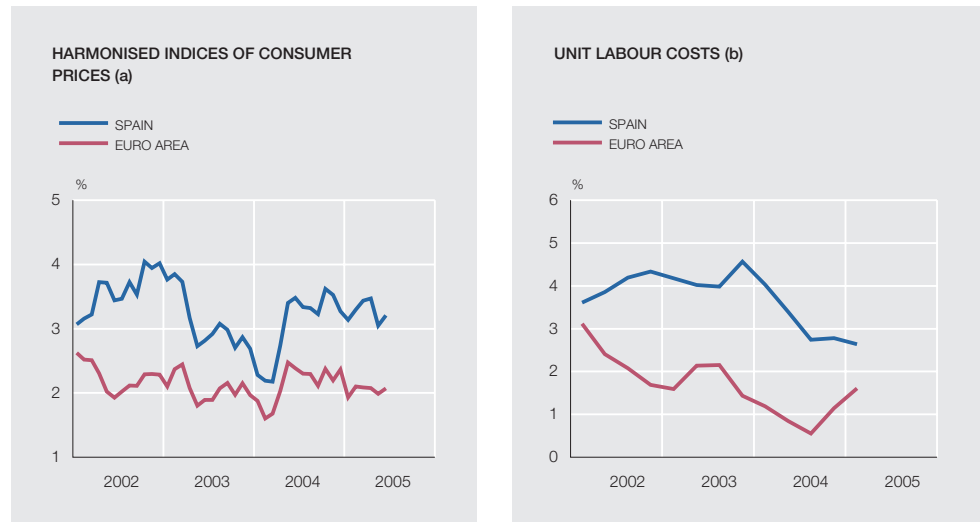
SOURCE: European Commission.

the scant momentum of European internal demand. And this was accompanied, on this occasion, by negative exports results, which were also seen in other geographical areas. The information for Q2 and the projections available for GDP growth in this period point to the continuing slackness of output, albeit with a somewhat more favourable composition as a bigger increase in internal demand and a rise in imports are taken on board. The consumption indicators remain depressed, however, reflecting the low level of confidence characterising household spending decisions (see Chart 2). Country by country, significant differences in behaviour persist, with the area's biggest economies – notably Italy, Germany and, to a lesser extent, France – continuing to post the worst figures.

Inflation in the euro area held at 2.1% during Q2, upheld by the increase in energy prices. Meantime, underlying inflation, measured by the less variable components of the HICP, stood at a much more moderate level (see Chart 3). The outlook for consumer price growth to the end of the year is one of stability around the current level, against the background of still-high oil prices. Nonetheless, while the pass-through of energy price increases to other related products cannot be ruled out, there are no signs that there will be widespread second-round effects on prices and wages to prevent inflation from resuming a rate of below 2% during the coming year. Indeed, the behaviour of wages remains very moderate. In these circumstances, the ECB Governing Council has kept its official interest rates stable, deeming current levels to be compatible with price stability and consistent with moderate economic growth. Both nominal and real interest rates are thus at historical lows, keeping monetary and financial conditions in the area relaxed.

Albeit with sizable differences across the member countries, the overall trend of public finances in the euro area reveals the difficulties in meeting the fiscal rules in place in the current low-growth setting. The degree of compliance with the fiscal targets set in the stability programmes remains limited and a significant number of countries, including Germany, France and Italy, are immersed in different stages of the excessive deficit procedures. The changes made by the European Council in March to the Stability and Growth Pact rules are already in force, though it is still too soon to assess whether the greater flexibility the new rules provide is accompanied by sufficiently stringent application, as the proper functioning of the Monetary Union requires.

The generous monetary and financial conditions in the euro area, the sound financial position of European corporations and the lesser pressure on the industries most exposed to interna-



SOURCES: Eurostat, ECB and INE.

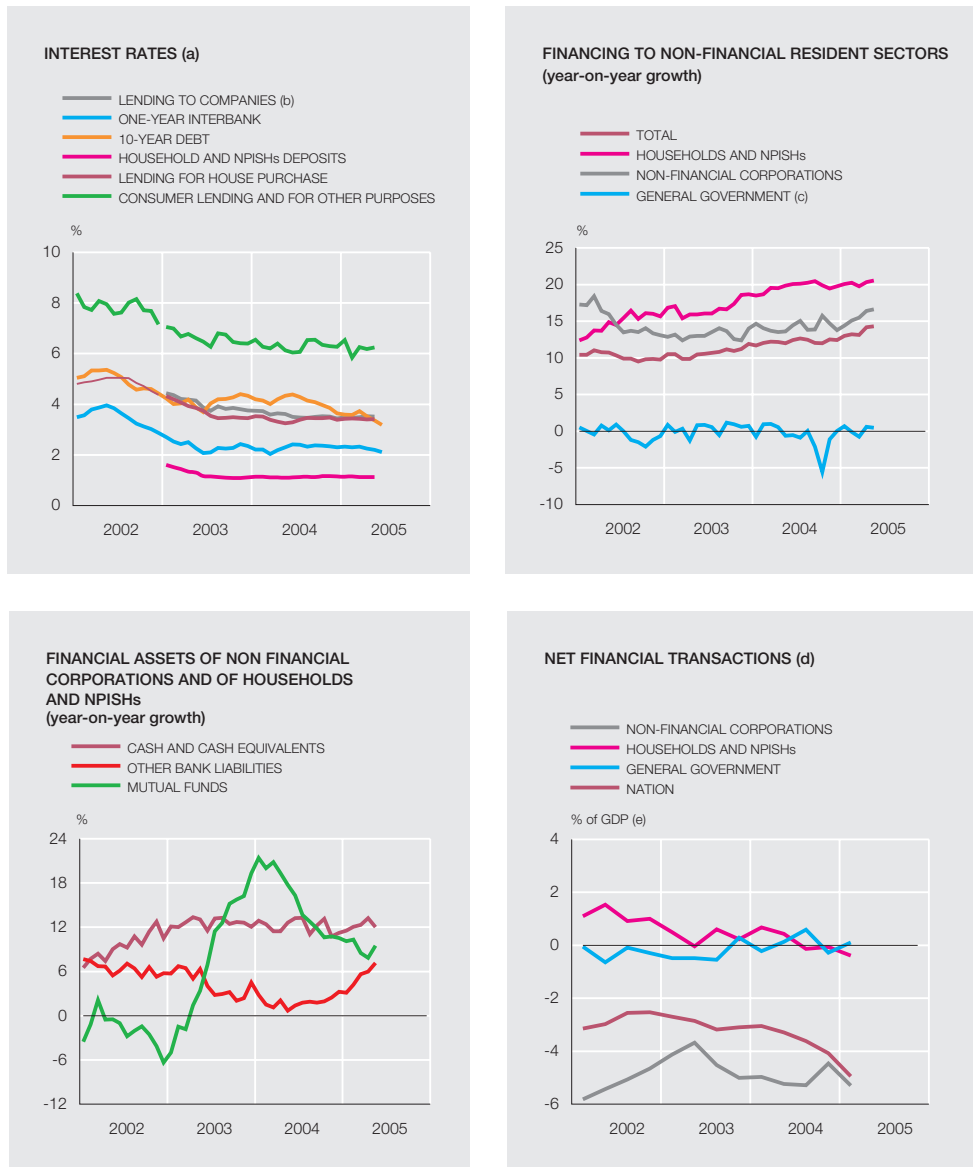
a. Year-on-year rate of change.

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

tional trade, in the light of recent foreign exchange market developments, shape a favourable situation for the region's economy to resume a growth rate more in keeping with its potential. Yet it cannot be ruled out that the low level of confidence consumers and businesses still show will continue to hold back the recovery, or that those more structural factors which have checked this recovery will continue to exert a similar effect. It is thus important that, following the course mapped and assumed by the European Council and the Commission, the Member State governments should adopt the measures needed to resolve the structural problems of their economies that are at the root of low growth.

Largely removed from the course followed by the core euro area economies, the Spanish economy saw high and slightly rising growth during 2004 and 2005 Q1. As indicated at the start of this Report, and on the basis of the indicators available, this trend is estimated to have held firm in Q2, placing year-on-year GDP growth at a rate of 3.4%. Although domestic demand tended to check the strong acceleration experienced in the previous quarters, and while the deterioration in net external demand was contained, no significant changes in the basic determinants of growth are discernible. These continue to turn on the easiness of monetary and financial conditions, underpinned by fresh rises in household wealth, on the growth of employment, which sustains their disposable income, and on the expansion of the world economy, which contributes to raising companies' demand expectations. While losses in price and cost competitiveness continue to be seen, set against still-low productivity gains, the course of the exchange rate has lessened the intensity of the pressures on those industries most exposed to competition.

The forceful buoyancy of household consumption since mid-2004 (at over 4.5%) has largely exceeded the estimated increase in household disposable income, giving rise to an appreciable reduction in the saving ratio. This behaviour is linked to the powerful effects being exerted on household spending by the rise in their wealth, driven by the increase in real-estate asset prices (which, despite having eased somewhat in Q2, are still showing no signs of a turnaround and continue to rise at a double-figures rate) and, more recently, by the rise on stock markets. The growth of residential investment, additionally boosted by the low cost of mort-



SOURCE: Banco de España.

a. There is a break, in January 2003, in the series of banking rates owing to changes in the data compilation statistical requirements.

c. Consolidated financing: net of securities and loans that are general government assets.

d. Cumulative four-quarter data.

gage financing, has hardly eased, as confirmed by the rate of increase of financing received by households in this connection, which stands at over 24%. As a result, households are estimated to have continued to increase their net demand for financing in 2005 to date, while their debt ratio has once more increased.

The rapid acceleration in investment in equipment last year is in step with the sound conditions in place for pursuing new investment projects, in an environment in which the cost of certain types of financing has even fallen. That explains why the growth of flows of borrowed funds at companies has increased to a rate of 16% (see Chart 4). Nonetheless, the information available on the behaviour of this spending component in recent months would suggest this acceleration has been curbed somewhat, though the related year-on-year growth rate remains high. The continued momentum of investment is largely linked to the increase in domestic con-

sumer demand and construction, but it is also tied to the expectations of growth in foreign markets and to companies' capacity to hold firm in such markets.

In this respect, the pick-up seen in goods exports in Q2, following the highly negative results obtained in Q1, gives credence to the perception that the decline in foreign sales in Q1 was partly due to a general fall-off in trade flows and not only to a further deterioration in the ability of Spanish products to maintain their position in foreign markets. The depreciation of the euro in the first half of 2005 has also helped enhance exports, an improvement which has spread to tourism. In turn, imports have been boosted by the growth of demand, which has been most marked in capital goods, although the course of the exchange rate is checking their growing rate of penetration in the domestic market. In sum, the data available point to net external demand subtracting less from growth in Q2, though it will continue to do so intensively. In any event, export growth continues to be below that of markets and the external deficit is widening rapidly, both of which trends confirm that the cumulative losses in competitiveness are bearing on the economy's capacity to generate value added.

The resilience of residential investment and the momentum of public investment explain why construction is the most dynamic branch of activity, with an increase of around 5.5% in its value added during the first half of the year. Likewise, the buoyancy of consumption would partly account for the growth of market services. The thrust of activity is concentrated in these two branches, while industry has been markedly slack, in line with the competitive pressures to which it is subject. From the standpoint of job creation, the pattern across the various productive activities is even more differentiated, and is reflected in apparent labour productivity. Hence in construction and market services, output per person employed is scarcely increasing or is even falling (as is the case of construction), while in industry, where employment has fallen off, productivity gains are proving high. As the recently released EPA (Labour Force Survey) data confirm, employment growth has stepped up in the first two quarters of 2005, at the level of both the economy as a whole and of the market economy, in step with value added, thereby holding the rate of increase of productivity at a very low rate of below 0.5%.

Notwithstanding the more moderate trend of wages highlighted by the new CNE 2000 figures (reflecting the presence of significant composition effects due to strong employment creation in low-wage jobs), the information available on wage-setting in 2005 points to an acceleration. This higher wage growth is prompted, first, by the impact of the indexation clauses of last year's collective bargaining agreements and, second, by the rise in wage settlements in newly signed agreements, which stand at 3.4%, though these agreements so far affect only a small number of wage-earners. The increase in compensation, combined with the scant rise in productivity, entails maintaining a rate of increase in unit labour costs that clearly outpaces that of other EU countries.

Price developments likewise point to a continuing and significant inflation differential. Although the CPI has slowed slightly over Q2 as a whole, its 12-month growth rate remains above 3%. This is due in part to the upward impact of dearer energy, but it also reflects the inertia of services prices, the growth rate of which has scarcely changed in recent years: their twelve-month rate in June was 3.7%, similar to the annual average for the two previous years. In these circumstances, the moderation in consumer goods prices, as a result of the inflow of lower-price imports, has merely made for greater duality between the inflation rates posted by the sectors exposed to and those sheltered from competition.

Undoubtedly, part of the difference in respect of the growth of costs and prices in Spain is attributable to the strength of demand. This very strength would lie behind the notable increase

seen in public revenue in the first half of the year, according to the State budget outturn figures. Indeed, these figures would be consistent with a higher-than-forecast general government surplus at the end of the year, albeit maintaining a neutral fiscal policy stance. However, given the pressure that the notable expansion of domestic demand is exerting on the productive system, it is vital here that fiscal policy should continue to be geared to stabilising expenditure and contributing to its orderly moderation.

The performance of the Spanish economy in the first half of 2005 shows scarcely any changes from its previous trends. In particular, there are still no perceptible signs of the imbalances that have built up in recent years being corrected. In this situation, it is important that the design of economic policy be oriented first, to preserving macroeconomic stability, and further, to reinforcing long-term growth potential, through a strategy of reforms geared to promoting productivity and to improving the economy's competitive bases. In this connection, the Government unveiled its "Ingenio 2010" programme in late June. This programme entails a broad range of measures designed to boost R+D+i activities and the development of the information society, in line with the Lisbon Agenda objectives. As is known, the Spanish economy lags somewhat behind the core European countries in these two areas. Conclusively closing this gap will be fundamental to achieving far-reaching advances in productivity growth.

## 2 The external environment of the euro area

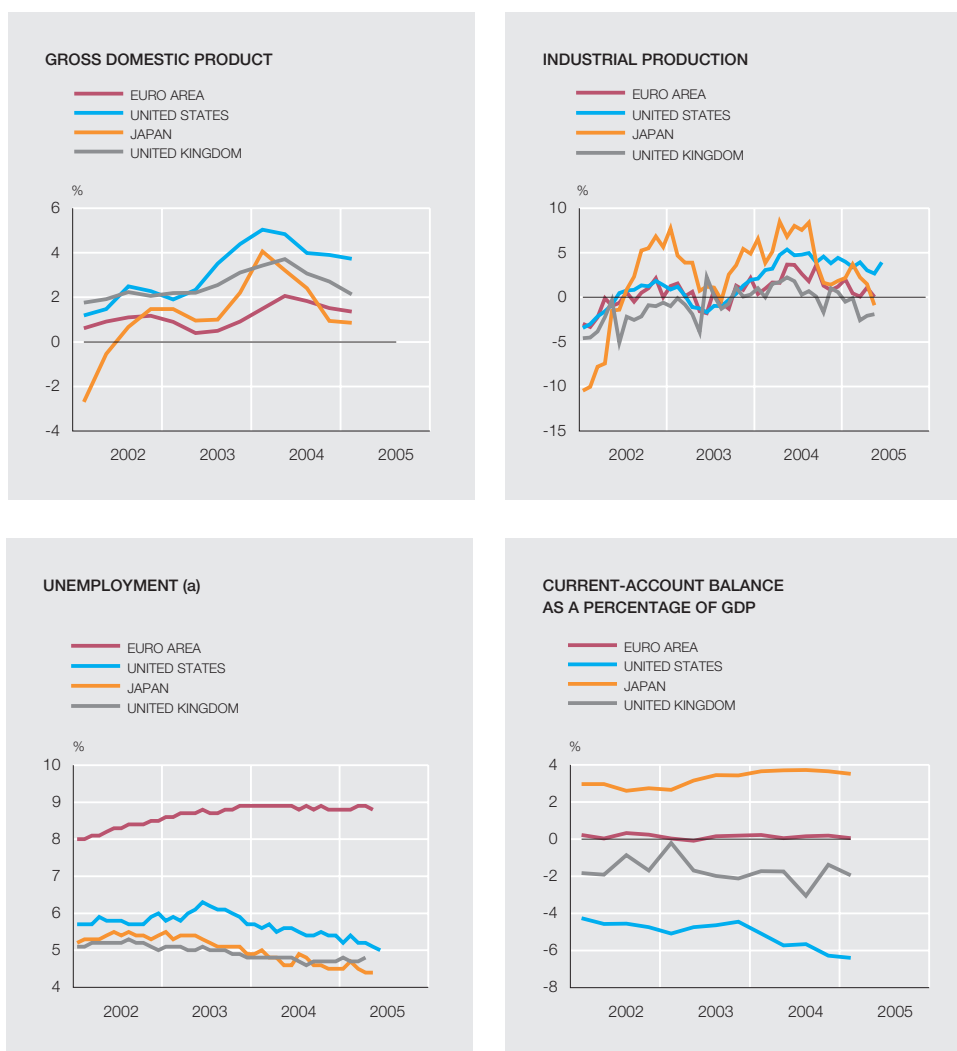
In 2005 Q2 the international economic outlook was affected by the rise in and high volatility of oil prices. After standing at a level of over \$55 per barrel at the start of the quarter, the price of Brent fell to \$48 per barrel in mid-May and subsequently rose by more than 25% to an all-time high of \$60 per barrel in the first week of July. This rise might be explained by the expectations of increased demand for crude in the second half of the year and a limited surplus production and refining capacity. Moreover, the prices of futures contracts remained above spot prices for an increasingly longer horizon, now stretching to 24 months.

As regards international financial developments, the dollar was notably strong, markedly so in relation to the euro. This was against an economic background characterised by the sustained momentum of the US economy, compared with the moderate growth and bleaker outlook in the euro area. The US Federal Reserve raised its official interest rate by a further quarter-point at the end of June to 3.25%. In its communiqué, the Fed signalled that the process of rate rises would continue in the coming months, whereby market expectations are factoring in a reference rate of between 3.75% and 4% at the end of the year. In turn, long-term interest rates in the United States continued to fall until late June, although they rebounded moderately thereafter. The spreads on low-grade corporate bonds tended to narrow, after widening strongly the previous quarter, largely as a result of the crisis in the automobile sector, while stock markets posted widespread though moderate gains. The emerging markets also performed favourably, especially the new EU Member States, and this was reflected in an across-the-board reduction in sovereign bond spreads and in stock market gains in most countries.

In the United States, GDP in Q1 increased by 3.8% in annualised quarter-on-quarter terms, following the upward revision of the initial two estimates. This meant an increase which was the same as that in 2004 Q4. In relation to the same quarter a year earlier, the related rise was 3.7%, compared with 3.9% the previous quarter. The composition of growth compared with the previous quarter is not very favourable, judging by the strong deceleration in business investment and the diminished momentum of private consumption, although the contribution of the external sector was less negative. The indicators for Q2 showed signs of something of a slump in activity to end-May, which may have been influenced by the rise in hydrocarbons prices. In June, however, there was a generalised improvement in indicators such as industrial production, the manufacturing and nonmanufacturing ISM indices, durable goods orders and retail sales. The latest employment data for June, though not extraordinary, point to a pick-up in the labour market. Indeed, the unemployment rate stood at 5%, the lowest figure for the past four years. The consumer price index has moved in step with energy prices: after rising in April, it gradually fell to a year-on-year rate of 2.5% in June. The underlying inflation rate, however, has held at a moderate level, standing at 2% in June. Finally, the imbalances in the US economy persist, although the fiscal situation has improved. The Government revised the federal deficit forecast for fiscal year 2005 down from 3.5% of GDP to 2.7%, thanks to the favourable course of revenue and to the containment of public spending. The trade deficit in 2005 to May grew by 20% compared with the same period a year earlier and, despite the favourable figure for May, it shows no sign of diminishing, all the more so given the strength of the dollar.

In Japan there was a strong and unexpected acceleration in growth in 2005 Q1, entailing a year-on-year change in GDP of 1.3% (compared with 0.6% in 2004 Q4), equivalent to 4.9% in annualised quarterly terms (against 0.2% the previous quarter). Underpinning this buoyancy was the favourable trend of private investment and consumption, which countered the dimin-

Year-on-year rate of change

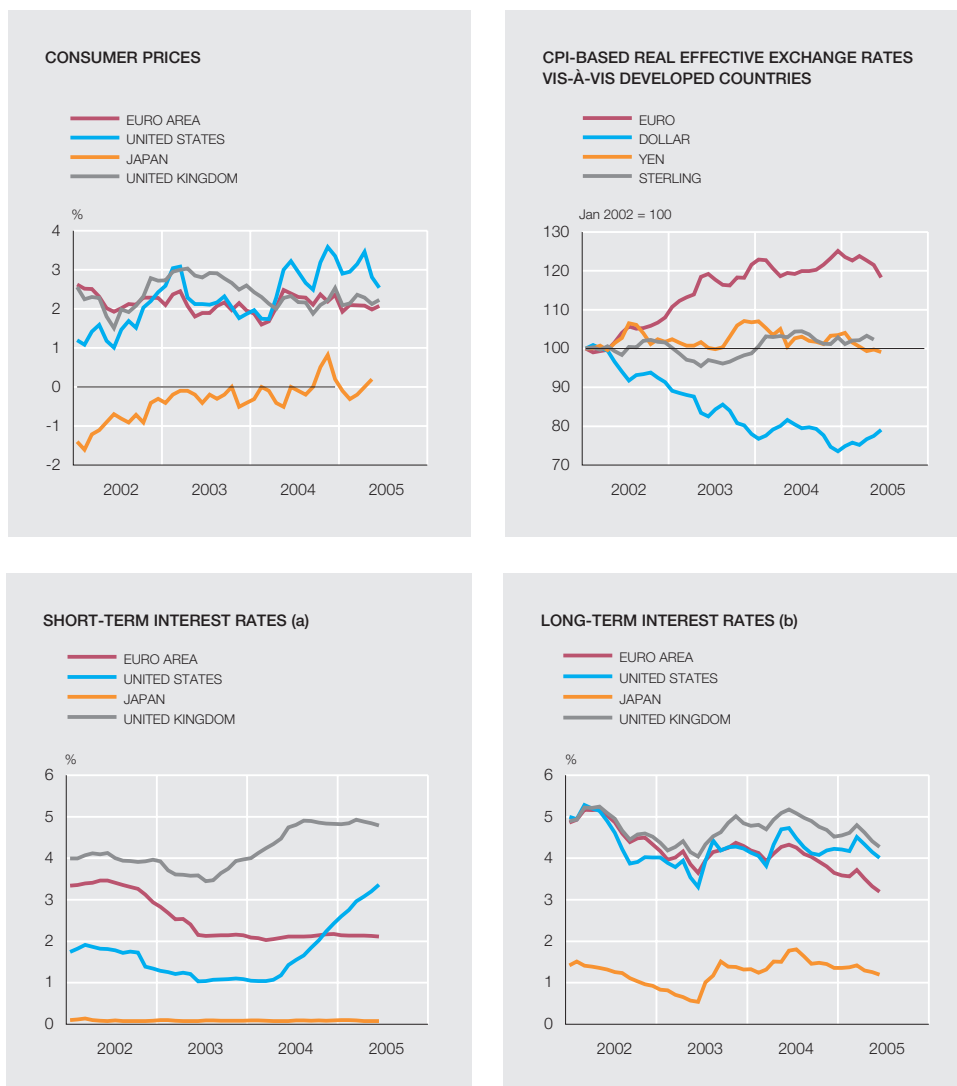


SOURCES: Banco de España, national statistics and Eurostat.

a. Percentage of the labour force.

ished momentum of external demand. The indicators for Q2 are ambivalent, meaning growth as strong as that in Q1 is not expected. On the supply side, industrial production slowed to May, while the business indices recovered slightly in May, and business confidence at the large manufacturing corporations (drawing on the Tankan survey) improved in Q2. On the demand side, retail sales performed erratically, and household income fell in May. By contrast, developments on the labour market in May were favourable, with job creation standing at a year-on-year rate of 0.7% after posting zero or negative rates, while the unemployment rate stood at 4.4%, the lowest figure for the past six years. One of the more adverse aspects was, however, the weakness of the external sector. Exports slowed strongly in May, despite the depreciation of the yen. In turn, imports quickened to 21.2% that same month, in line with higher oil prices. Lastly, deflationary pressures appear to have abated during the quarter. In May, the consumer price index posted a 12-month growth rate of 0.2%, compared with 0% in April and negative rates in the previous months. The underlying inflation rate was 0% in May, against -0.2% in April. Against this background, the Bank of Japan confirmed that it will maintain the current account target, although it will allow specific deviations in order to adjust the system's liquidity requirements.





SOURCE: Banco de España.

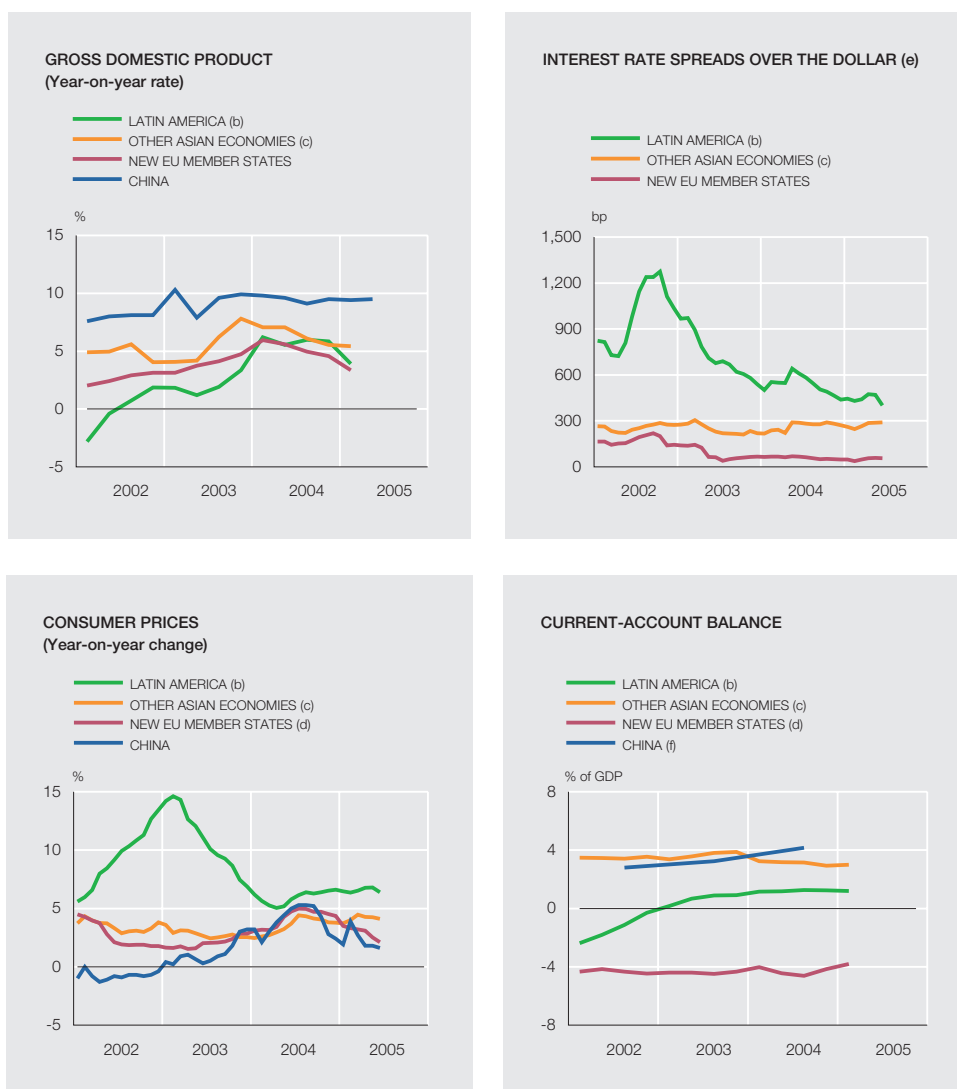
- a. Three-month interbank market interest rates.
- b. Ten-year government debt yields.

In the United Kingdom there was a clear slowdown in activity in the first half of the year. The initial estimate of GDP for Q2 indicates growth of 1.7% compared with the same period a year earlier, against 2.1% in Q1 and 2.7% in 2004 Q4 (1.5% in annualised quarterly terms, compared with 1.5% and 2.2% in the previous quarters). The data for Q1, the last to be broken down by demand component, showed that this slowdown was mainly due to the lower growth of private consumption and to external demand subtracting more from GDP growth. Despite the slight improvement in some indicators in June, the data for Q2 confirm that the deceleration has continued. As regards prices, the inflation rate, measured by the HCPI, increased once more from 1.9% in May to 2% in June, coinciding with the Bank of England's target. House prices continued to slow in June to an annual growth rate of between 2% and 4% for the main indices. Against this backdrop, the market has discounted a reduction in the official interest rate at the next Bank of England meeting, after its having held constant at 4.75% since August 2004.

In the new EU Member States, GDP growth slowed in 2005 Q1 as a result of the lesser buoyancy of domestic demand. The slowdown was most marked in Poland, Hungary and Slovenia. Nonethe-

**EMERGING ECONOMIES:  
MAIN MACROECONOMIC INDICATORS (a)**

CHART 7



SOURCES: National statistics and JP Morgan.

- a. Three-month interbank market interest rates.
- b. Argentina, Brazil, Chile, Mexico, Colombia, Venezuela and Peru.
- c. Malaysia, Korea, Indonesia, Thailand, Hong Kong, Singapore and Taiwan.
- d. Latvia, Lithuania, Estonia, Czech Republic, Hungary, Poland, Slovenia and Slovakia.
- e. JP Morgan EMBI spreads. The EU acceding country data relate to Hungary and Poland. The Asia aggregate does not include China.
- f. Annual data.

less, the partial indicators for Q2 point to a pick-up in growth, based on the sound industrial production and retail sales figures. The public finances position varies greatly from country to country: it is particularly worrying in Hungary and favourable in the Czech Republic and Slovakia. As for inflation, the consumer price index trended very favourably, although there was a rise in some countries in June. The sound behaviour of prices and the economic slowdown in Q1 allowed official interest rates to be cut in the main countries (Hungary, Poland and the Czech Republic). Finally, the currencies of Cyprus, Latvia and Malta joined the Exchange Rate Mechanism (ERM II) on 2 May. In general, the currencies in ERM II held stable at around their central parity, without any significant pressures.

In Asia, the Chinese economy was once again very dynamic, growing at a year-on-year rate of 9.5% in 2005 Q2, 0.1 pp up on Q1 and above the official forecasts. The indicators of activity,

especially industrial production and fixed assets investment and, to a lesser extent, retail sales, confirmed this buoyancy. The surplus on the trade balance has progressively widened during the year to \$9.7 billion in June. The reason is the slowdown in imports, to a year-on-year rate of around 15%, while exports have continued to grow at a rate of 30%. Despite the robustness of activity and the increase in producer prices, owing to dearer oil, the slowdown in food prices contributed to the reduction in the consumer price index in recent months to 1.6% year-on-year in June. Recently, moreover, the Chinese authorities have announced a reform of the exchange rate regime of the renminbi, pegging it formally to a basket of currencies with an initial central parity of 8.11 yuan per dollar and fluctuation bands of 0.3%, which entails a re-valuation of 2.1% against the dollar. In the other economies in the region, growth in India quickened in Q1 to 7% compared with the same quarter a year earlier, while growth slowed in south-east Asia, especially in Thailand and the Philippines. The slowdown in exports in Q2 was relatively generalised in south-east Asia, suggesting the moderation in growth is proving quite persistent.

There was a notable deceleration in growth in Latin America in Q1 to 4% from 5.8% at end-2004. Although this is partly due to a base effect, the loss of buoyancy in external demand – which subtracted almost 1 pp from growth – and the moderation of the rate of expansion of domestic demand should also be mentioned. The reduction in growth was particularly sharp in Brazil and Mexico. Nonetheless, the indicators for Q2 were relatively favourable, meaning the slowdown is not expected to intensify. The rise in inflation, which had prompted a continuation of the upward cycle in interest rates, has shown signs of moderating, especially in Brazil and Mexico, allowing these countries to ease their monetary policy. The financial indicators behaved soundly, despite the political turbulence in some countries.

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

In 2005 Q2, economic activity – and domestic demand in particular – remained sluggish in the euro area, in line with the trends observed since the second half of 2004. The latest information available for Q2 points on the whole to a moderation in GDP growth, which is only partly in response to the reversal of the calendar effects that tended to increase the figures for Q1. Taking a more medium-term view, the favourable monetary and financial conditions in place, along with the relatively sharp growth of world trade, should pave the way for a sustained recovery in economic activity. The main factors of uncertainty in this scenario of progressively strengthening activity stem from the persistence of high oil prices, from the possibility of a sharp correction in the existing global imbalances and from the low levels of consumer and business confidence.

Turning to inflation, the short-term outlook has been influenced by the materialisation of the risks highlighted in previous quarters concerning oil prices which, in the case of Brent oil, had risen to \$59 per barrel at the end of June. The combined effect of high oil prices and, to a lesser extent, of the recent depreciation of the euro may mean that inflation in the area will not dip below 2% over the rest of 2005. Further ahead in the medium term, inflationary expectations remain contained, largely as a result of the moderation of wage increases against a background of modest growth and sluggishness in the labour market. The factor of most uncertainty concerning future prices is the course of the price of oil.

In these circumstances, the ECB Governing Council has held official rates stable, considering that they will only be consistent with the favourable outlook for continuing price stability against a background of relatively sluggish economic activity.

Ultimately, the French and Dutch rejection of the European Constitution and the terrorist attacks on 7 July in London do not seem to have greatly impacted the financial and foreign exchange markets. However, the referendum results appear to have contributed to the moderate depreciation seen in the euro.

#### 3.1 *Economic developments*

On euro area National Accounts estimates for 2005 Q1, GDP increased by 0.5% in relation to the three previous months (see Table 1), thereby exceeding the growth recorded in the two preceding quarters. This acceleration can be explained by two factors which suggest that we are not yet at the start of a more sustained growth phase. These were, namely, the effects of a statistical adjustment which bore on the main economy of the area, and the reduction in imports. The contribution of internal demand, excluding inventories, was only 0.1 pp (after having grown by 0.6% in quarter-on-quarter terms in 2004 Q4), owing to the moderate growth in private consumption and the slide in gross fixed capital formation. The poor behaviour of this latter component was the result of the notable deterioration in investment in construction, due largely to the bad weather in Germany, while investment in equipment posted a growth rate of 0.5%, up on the previous quarter. Box 1 shows the course of the gross fixed capital formation components over the recent period. Government consumption held stable and the contribution of stockbuilding to growth was zero. Finally, the fall-off in purchases abroad offset the effect of the decline in exports and boosted the contribution to output of the external sector to 0.4 pp, more than half a point above the contribution in the final quarter of the previous year (see Chart 8).

The breakdown of National Accounts by country shows that the higher growth in the euro area as a whole in Q1 was due to the performance of the German economy, since the other coun-

	2003		2004			2005		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2 (a)	Q3 (b)
<b>GDP</b>								
Year-on-year growth	0.9	1.5	2.1	1.8	1.5	1.4		
Quarter-on-quarter growth	0.5	0.6	0.5	0.3	0.2	0.5		
European Commission forecasts (c)							(0.1 ; 0.5)	(0.2 ; 0.6)
<b>IPI (d)</b>								
Economic sentiment	97.6	98.6	99.9	100.6	100.9	99.0	96.3	
Industrial confidence	-8.0	-7.0	-5.0	-3.7	-3.3	-6.3	-10.0	
Manufacturing PMI	52.0	52.8	54.4	53.9	51.4	51.4	49.3	
Services confidence	10.7	11.3	11.7	12.0	11.0	10.7	9.0	
Services PMI	56.7	56.0	55.2	54.4	52.9	53.1	53.1	
Unemployment rate	8.8	8.9	8.9	8.9	8.8	8.8	8.8	
Consumer confidence	-16.0	-14.3	-14.3	-13.7	-13.0	-13.3	-14.3	
<b>HICP (d) (e)</b>								
HICP (d) (e)	2.0	1.7	2.4	2.1	2.4	2.1	2.1	
PPI (d) (e)	0.9	0.4	2.4	3.3	3.6	4.3	3.5	
Oil price in USD (e)	29.9	33.8	35.3	43.3	39.7	53.3	54.0	57.4
<b>Loans to the private sector (d) (e)</b>								
Loans to the private sector (d) (e)	5.5	5.4	6.1	6.5	7.1	7.6	7.6	
Euro area ten-year bond yield	4.4	4.2	4.4	4.2	3.8	3.7	3.4	3.3
US-euro area ten-year bond spread	-0.05	-0.11	0.28	0.14	0.36	0.67	0.80	0.84
Dollar/euro exchange rate (e)	1.263	1.222	1.216	1.241	1.362	1.296	1.209	1.197
Appreciation/depreciation of the euro (e)	20.4	-3.2	-3.8	-1.7	7.8	-4.8	-11.2	-12.2
Dow Jones EURO STOXX Broad index (e)	18.1	1.9	3.7	1.5	9.9	4.3	8.9	13.0

SOURCES: Eurostat, ECB and Banco de España.

a. The information in italics does not cover a full quarter.

b. Information available up to 19 July 2005.

c. Quarter-on-quarter growth forecasts.

d. Year-on-year growth.

e. End-period data. Figures for exchange rates and the stock market are percentage changes over the year.

tries posted a growth rate lower than or similar to that of the previous quarter. As mentioned, the significant acceleration in activity in Germany, which grew by 1% in quarter-on-quarter terms (-0.1% in 2004 Q4), includes an upward bias related to a statistical over-adjustment for working days in the final quarter of 2004. Component by component, this recovery was due, as in the rest of the area as a whole, to the notable reduction in imports which, along with the buoyancy of exports, meant that the contribution of the net external balance recovered to 1.6 pp, while all the internal demand components fell. French GDP slowed significantly owing to the loss of steam in private and government consumption and in exports. And Italy once again posted a negative rate of change in output (-0.5%) further to the zero contribution of domestic demand and the negative contribution of external demand, insofar as exports fell more than imports.

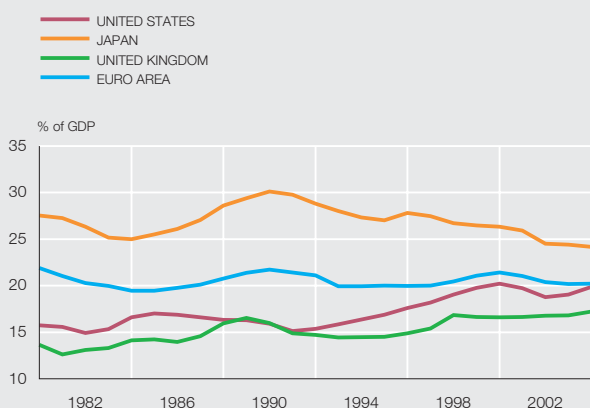
Across the branches of production, the higher growth rate of the euro area economy's value added was in response to the buoyancy of industry and of retail and wholesale trade, as the behaviour of construction and agriculture was less expansionary, and growth in the other industries remained moderate. As to the labour market there was a 0.2% increase in employment, the same as in the two previous quarters, which made for a slight recovery in year-on-year terms. This improvement, along with the year-on-year slowdown in output in 2005 Q1, resulted in a smaller increase in apparent labour productivity. Also on National Accounts data, unit labour costs increased by almost half a point in Q1 to 1.6%, the result both of the higher growth of compensation per employee (2%, compared with 1.8% the previous quarter) and of the diminished buoyancy of productivity. Nonetheless, the rise in unit labour costs was lower

Gross fixed capital formation (GFCF) is an especially important component of gross domestic product. This is true both in the short run, owing to its high volatility and procyclicality, and in the long run, when the path of GDP is heavily dependent on the economy's capital stock. The first chart shows that the weight of GFCF in euro area GDP has been highly stable over the last few decades, fluctuating at around 20%. This contrasts with the behaviour of this variable in the other main economies. In the United States and in the United Kingdom, GFCF has displayed an upward trend, with its weight in output increasing by some four percentage points since the beginning of the 1980s. In Japan, by contrast, following a major boom in the 1980s, its importance has been progressively falling.

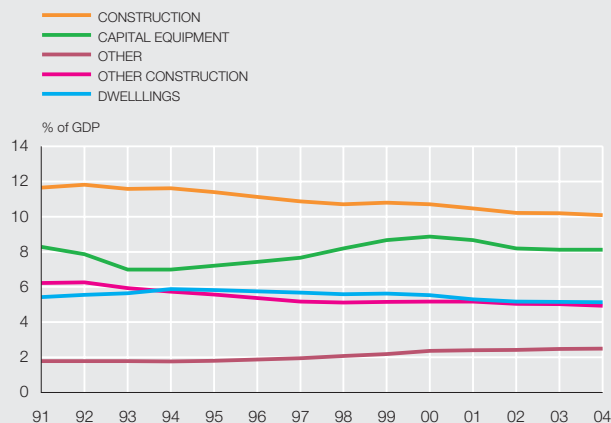
GFCF comprises the acquisition of goods of a very disparate nature and is the result of spending decisions by all the institutional sectors (companies, households and general government) that, in turn, have highly diverse determinants. Accordingly, it is useful to analyse the relative importance and the cyclical behaviour of the various components of GFCF, when broken down by type of goods and by type of investor. By product type, three sub-aggregates may be identified: capital equipment (which includes machinery and transport and IT

equipment); construction, which breaks down into dwellings and other construction (including public works and buildings and structures acquired by companies); and other. This latter component is more heterogeneous, ranging from trees and livestock to computer software, patents and entertainment, literary or artistic originals. As an illustration of the divergences seen in the behaviour of the three groups, in 2005 Q1 the growth rate of GFCF in the euro area was -0.4%, the result of a fall in construction of 1.3% that was partially offset by increases in investment in capital equipment and other goods of 0.5% and 0.8%, respectively. The second chart shows various distinguishing features of the behaviour of these three components. First, the cyclical behaviour of GFCF can be seen to be determined mainly by the behaviour of investment in capital equipment, whose weight in GDP has fluctuated at around 8%. The cyclical variability of the other two components of GFCF is lower and both seem to display trends, albeit with different signs. Construction has progressively declined in importance, its share in GDP falling by almost two percentage points between 1991 and 2004, to 10%. This reduction stemmed from both the dwellings and the other construction components. By contrast, other investment has progressively increased in importance, to 2.5% of GDP in 2004. Among other fac-

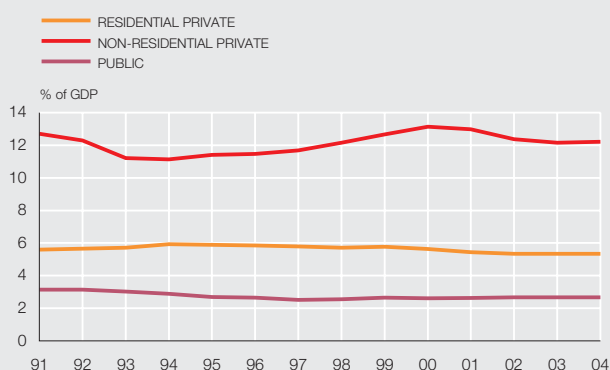
1. GROSS FIXED CAPITAL FORMATION



2. GFCF: BY TYPE OF GOODS



3. GFCF: BY SECTOR



4. GFCF: RECENT BEHAVIOUR



SOURCES: Eurostat and OECD

- a. Contribution to change in GFCF in each period.
- b. Percentage change in the periods indicated.

tors, this may be the result of the growing importance in the investment decisions of companies of certain intangible fixed assets, such as computer programs and patents.

When considering the classification of GFCF by investor sector, public and private investment are distinguished, with the latter being divided into residential (acquisition of dwellings by households) and non-residential (company investment). The third chart shows how, in line with the above comments regarding the acquisition of capital equipment, non-residential private investment (12.2% of GDP) displays the highest degree of volatility over the cycle. Meanwhile, the weight of residential private investment (5.3% of GDP), which would correspond to the item dwellings in the second chart, increased slightly at the beginning of the 1990s, as a consequence of the German housebuilding boom that followed reunification. Since then, it has fallen progressively, again in line with the negative behaviour of this component in Germany, despite its growing importance in coun-

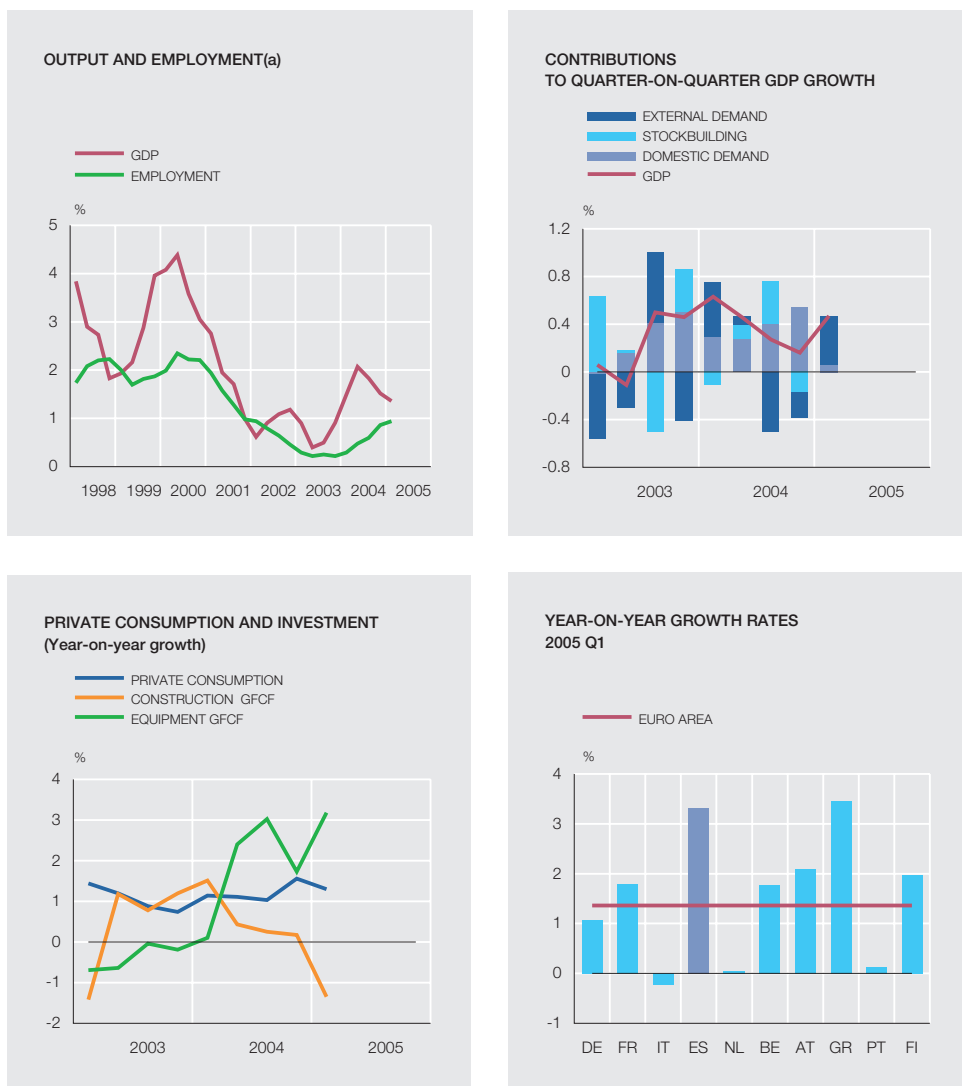
tries such as Spain. Finally, public investment is on a slightly downward trend, fluctuating at around 3% of GDP.

The fourth chart shows GFCF and its components (classified by type of goods and by sector) during the recent cyclical downturn and upturn. Between 2001 Q1 and 2003 Q2, GFCF in the euro area fell by about 4%, and then increased by somewhat more than 2% between that latter quarter and 2005 Q1. By product, the component making the largest contribution both to the reduction and to the recovery in GFCF was investment in capital equipment. Other investment, by contrast, made a positive contribution to the growth of GFCF in both phases, while the behaviour of construction was the opposite, with slight falls in both periods. In terms of the classification by sector, it was non-residential private investment that caused the movements in GFCF, while both public and residential private investment increased constantly, although moderately, in both phases.

than the increase in the GDP deflator (1.8% year-on-year), meaning business margins widened again in this period (see Chart 11).

The latest information on economic developments in Q2 points to a moderation of GDP growth in the euro area. As far as the supply-side indicators are concerned, the industrial production index (excluding construction) posted a very small increase in the April-May period compared with Q1. Both the European Commission's (EC) business confidence index and Reuters manufacturing PMI index worsened in relation to the average of the previous quarter. However, both indicators showed an improving profile in June, although the second of them was still below the level of 50, a value consistent with a contraction in activity (see Chart 9). The EC confidence indicator for construction also declined. In relation to activity in the services branch, the EC indicator worsened, and the PMI index held constant at a level of over 50 points, indicative of an expansion in the sector (see Table 1). As to employment, the surveys-based indicators available show a deterioration in Q2 in industry, and an unchanged situation in services and construction (see Chart 10). Despite the stability of the rate of employment generation, the unemployment rate has risen slightly and stood in May at 8.9%, 0.1 pp up on Q1.

From the demand standpoint, the indicators available point to the sluggishness of private consumption and investment in Q2. The pick-up in retail sales in May was unable to offset in full the decline the previous month, meaning that the average growth of the two months in relation to Q1 continued to post negative values. Further, both consumer and retail confidence worsened on Q1, with both reaching one of the lowest levels for the past year in June (see Chart 9). Finally, new car registrations improved slightly in Q2 compared with Q1, although their growth slowed in year-on-year terms. Turning to the demand for capital goods, and according to the half-yearly manufacturing investment survey conducted by the EC in April, industrial corporations anticipate growth in investment of 1% for 2005, a downward revision from the figure of 2% foreseen in November 2004. This estimate is, in any event, higher than the final figure for last year (-2%). As regards the foreseeable course of investment in Q2, both the assessment of industrial orders and the degree of capacity utilisation in the quarterly survey worsened in this period. Lastly, in the external sector, export data from the balance of payments for April and



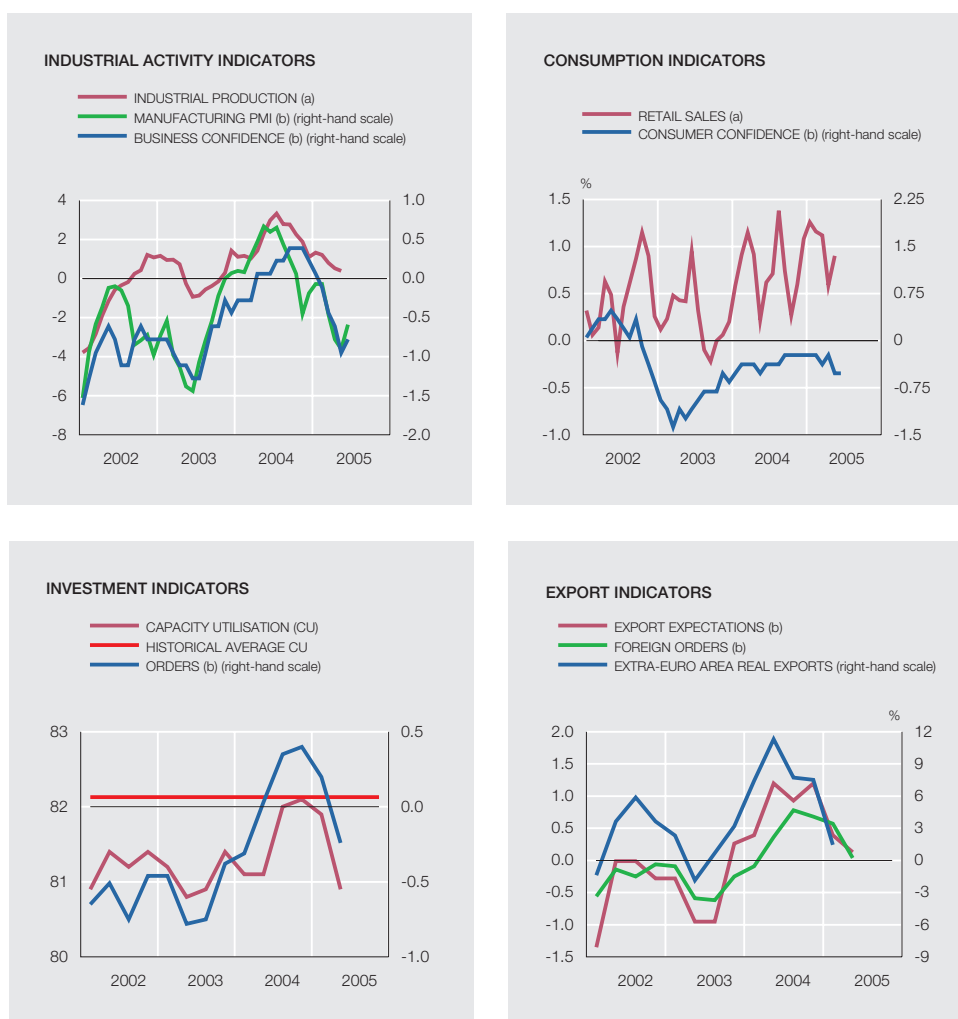
Sources: Eurostat and national statistics.

a. Year-on-year rates of change.

May point to a slight improvement. Nonetheless, both the quarterly indicator of export expectations in industry compiled by the EC and the monthly indicator of the assessment of foreign orders trended unfavourably during 2005 Q2. Finally, on the basis of the business confidence survey, stockbuilding has continued to increase above the desired levels.

In sum, the information available on economic developments in the euro area in Q2 points on the whole to a moderation in GDP growth in this period, which the European Commission foresees will stand in a range of 0.1%-0.5% (see Table 1). This slowdown would be due only in part to the reversal of the calendar effects affecting the Q1 figures, and it would reflect weak growth in most of the components. Nonetheless, domestic demand will foreseeably post a higher contribution than that in Q1, insofar as the strongly negative effect of investment in construction is corrected and the other components maintain their rate of increase. Despite the rise in exports, in line with the improvement in export markets, the pick-up in imports as a result of the improvement in final demand will probably be manifest in a lower contribution of external demand. In subsequent quarters, the favourable monetary and financial conditions in place, along with relatively high growth in world trade and the depreciation of the euro, should



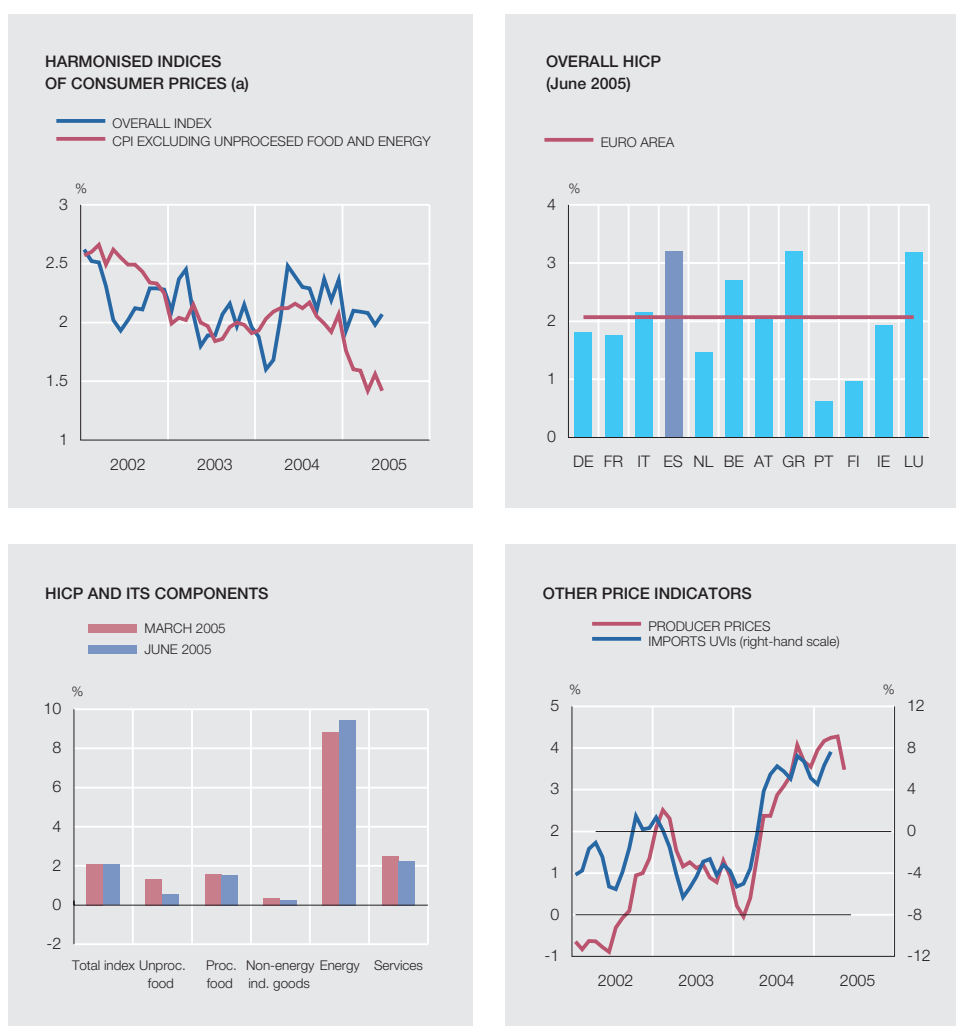


SOURCES: Eurostat and European Commission.

- a. Non-centred annual percentage changes, based on the quarterly moving average of the seasonally adjusted series.  
 b. Normalised data.

ultimately provide for the start of a sustained recovery in economic activity, in line with most of the forecasts available. However, behind this relatively favourable scenario for future economic developments in the euro area, there are essentially downside risks relating to the persistence of high oil prices, the possibility of a sharp correction in the current global imbalances, and the low levels of consumer and business confidence prevailing in the area.

The inflation indicators were generally relatively stable in Q2. As a result, the growth of the harmonised index of consumer prices (HICP) stood at 2.1% year-on-year in June, unchanged on the March figure (see Chart 10). Behind this performance of the aggregate index lies the slowdown in services and unprocessed food prices, and the higher rate of increase of energy goods. Consequently, the 12-month rate of change of the index that strips out these two types of goods held at levels that were generally below those in Q1, standing at 1.4% in June. As regards the country-by-country trend of the HICP, the divergences between the maximum and minimum rates of inflation are somewhat more than two percentage points (see Chart 10). The 12-month growth rate of producer prices in May was 3.5%, compared with 4.3% in March. The slowdown was due to the diminished buoyancy of the energy and intermediate goods components, since the rate of expansion of the other components scarcely changed.



SOURCES: Eurostat and European Central Bank.

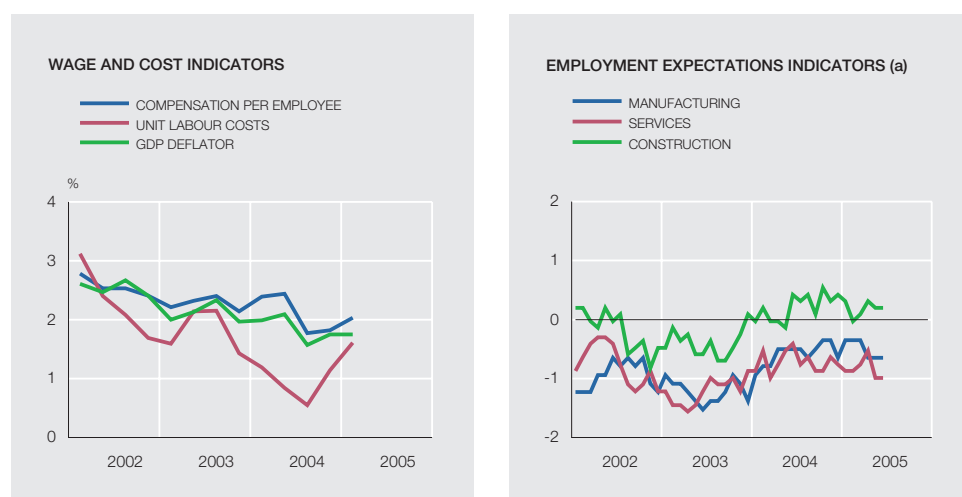
a. There is a break in January 2002 when the series was rebased to 2001.

Despite the moderation of the most stable core of inflation in Q2, the short-term outlook for prices has worsened somewhat. The progressive pass-through of the recent depreciation of the euro to the prices of the less volatile components and the fact oil prices will foreseeably hold at a high level, as futures market prices anticipate, may delay the attainment of an inflation rate below 2% over the rest of the year. Looking to the medium term, inflationary expectations will remain more contained, contributing to which will be wage restraint against a background of modest growth, a sluggish labour market and strong international competition. The biggest factor of uncertainty in respect of future inflation stems from oil prices and the influence they may exert on the future behaviour of wage demands.

According to the estimates published by the ECB, the balance of payments deficit on current account in the period to April 2005 amounted to €6.7 billion, compared with the surplus of €14.4 billion in the same period a year earlier. This reduction was essentially the result of the lower surplus on the balance of goods, which dipped from €38 billion in the January-April 2004 period to €18 billion in 2005, further to the bigger increase in imports than in exports. Bearing in mind, moreover, that there was a net outflow of capital in the form of direct and portfolio investment in the same period, the basic balance posted a deficit of €40.9 billion.

**EURO AREA. WAGE AND EMPLOYMENT INDICATORS**  
Year-on-year percentage changes

CHART 11



SOURCES: Eurostat and European Central Bank.

a. Expectations based on European Commission sentiment indicators. Normalised data.

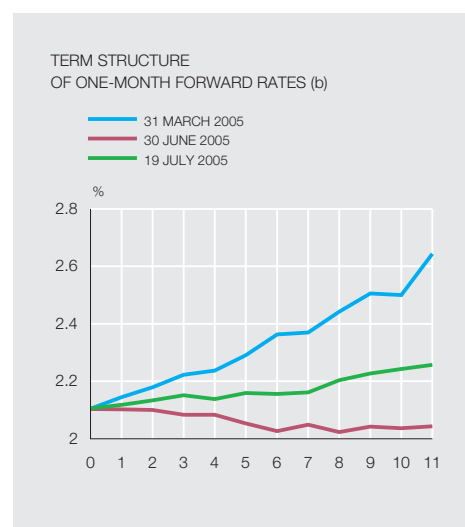
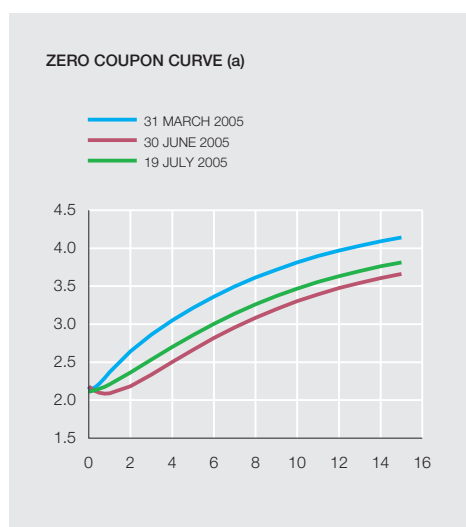
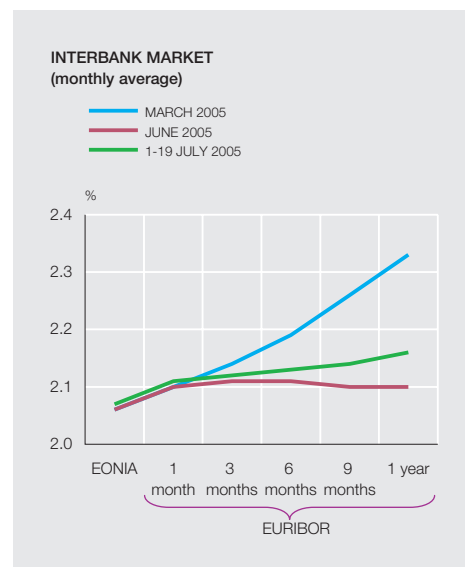
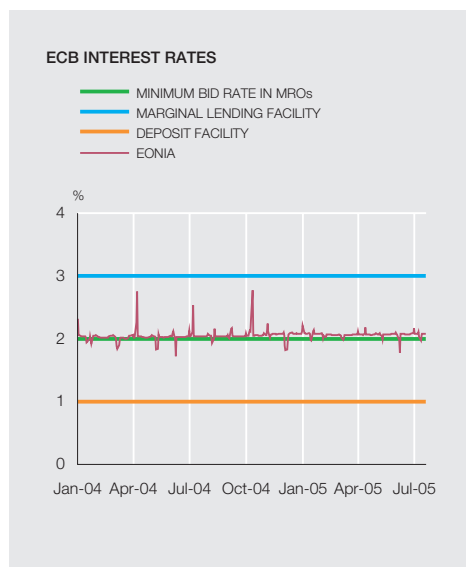
**GENERAL GOVERNMENT BUDGET BALANCES**  
OF EURO AREA COUNTRIES (a)

TABLE 2

% of GDP	2002	2003	2004	2004 (b)	2005 (c)	2005 (d)
Belgium	0.1	0.4	0.1	0.0	-0.2	0.0
Germany	-3.7	-3.8	-3.7	-3.3	-3.3	-3.0
Greece	-4.1	-5.2	-6.1	-1.2	-4.5	-3.7
Spain	-0.3	0.3	-0.3	0.0	0.0	0.1
France	-3.2	-4.2	-3.7	-3.6	-3.0	-2.9
Ireland	-0.4	0.2	1.3	-1.1	-0.6	-0.8
Italy	-2.6	-2.9	-3.2	-2.2	-3.6	-2.7
Luxembourg	2.3	0.5	-1.1	-1.8	-1.5	-1.0
Netherlands	-1.9	-3.2	-2.5	-2.3	-2.0	-2.6
Austria	-0.2	-1.1	-1.3	-0.7	-2.0	-1.9
Portugal	-2.7	-2.9	-2.9	-2.8	-4.9	-6.2
Finland	4.3	2.5	2.1	1.7	1.7	1.8
MEMORANDUM ITEM: euro area						
Primary balance	1.2	0.6	0.6		0.6	
Total balance	-2.4	-2.8	-2.7	-2.3	-2.6	-2.3
Public debt	69.5	70.8	71.3	69.8	71.7	70.6

SOURCES: European Commission, national stability programmes and Banco de España.

- a. As a percentage of GDP. Proceeds from the sale of UMTS licences not included. Deficit (-) / surplus (+). The deficits that exceed 3% of GDP have been shaded.  
 b. Targets of the stability programmes presented between November 2003 and January 2004.  
 c. European Commission forecasts (spring 2005).  
 d. Targets of the stability programmes presented between November 2004 and June 2005.



SOURCES: European Central Bank and Banco de España.

a. Estimated using swap market data.  
 b. Estimated using Euribor data.

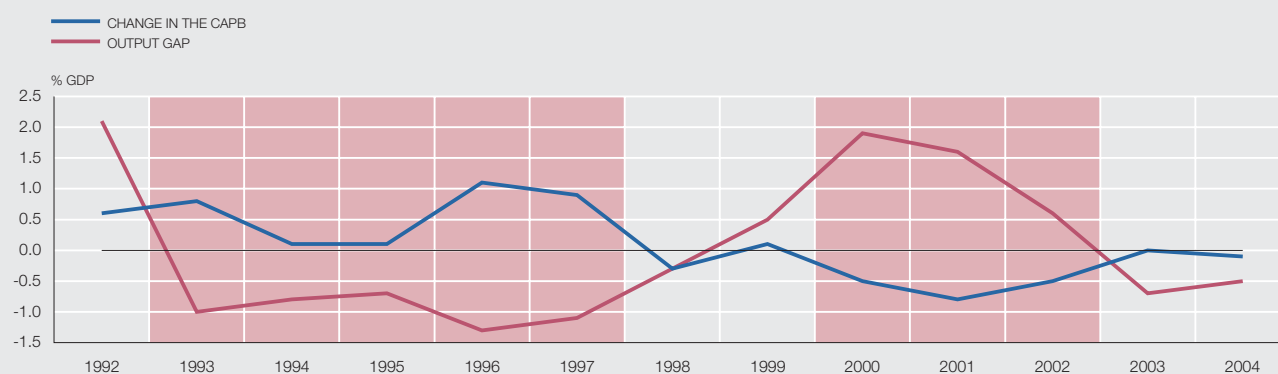
In the fiscal policy realm, the course of public finances in the euro area countries indicates that most members will not meet in 2005 the budgetary targets proposed in their stability programmes. In accordance with the European Commission's spring 2005 estimate, the euro area budget deficit will stand at 2.6% of GDP, a higher figure than the aggregation of the Member States' programmed budget deficits, and only 0.1 pp down on the previous year (see Table 2). Moreover, the European Commission's estimate of public debt as a proportion of GDP for 2005 is 71.7%, also above the figure implicit in the stability programmes. The lack of fiscal consolidation in 2005 would be in line with that observed in recent years, when the Stability and Growth Pact did not appear to have the same disciplining capacity as the Maastricht convergence criteria (see Box 2). The European Commission's forecasts also infer that, in the absence of additional measures, four euro area countries – Germany, Greece, Italy and Portugal – will have an excessive deficit in 2005. Further, based on Commission forecasts, the cyclically adjusted primary balance will be virtually unchanged in 2005 in relation to the previous year, whereby no fiscal policy impulse on growth is expected.

The ability of fiscal policy to offset fluctuations in economic activity has two facets. First, various budget headings (basically on the revenue side) are affected almost immediately by the business cycle, in such a way that they help to counter demand fluctuations (these are known as “automatic stabilisers”). Second, the authorities may decide to introduce discretionary fiscal measures of an expansionary (contractionary) nature when activity is weak (strong). The advantage of allowing the former mechanism to operate freely is commonly recognised, given that its impact on the economy is immediate and that its sign also changes automatically when the cyclical circumstances change. However, the advantage of using discretionary fiscal policy to stabilise cyclical fluctuations is more controversial, for two types of reasons. First, because there is a considerable lag from the time at which the change in the business cycle is perceived until the measures adopted to counter this change begin to take effect, so that countercyclical action may end up being procyclical. Second, because when expansionary measures are taken to combat a slowdown, with the intention that they should be temporary, they often end up becoming permanent, so that an upward bias is introduced into budget deficits. At all events, an obvious requirement that these policies should satisfy is that their use should be truly countercyclical.

This latter basic condition has not been satisfied by the discretionary fiscal policies applied in the euro area countries over the last decade. The adjoining chart depicts the change in the cyclically adjusted primary balance (as a percentage of GDP) and the output gap for the area as a whole in the period 1992-2004. An improvement in the cyclically adjusted primary balance indicates a contractionary discretionary fiscal policy stance, and vice versa. At the same time, an increase (reduction) in the output gap can be identified with an expanding (slowing) economy. Stabilising or countercyclical discretionary fiscal policies are those that involve an improvement in the cyclically adjusted primary balance during upturns and a deterioration during downturns. Accordingly, when a discretionary policy is stabilising, the changes in the output gap and in the cyclically adjusted primary balance will have the same sign. In this sense, the discretionary fiscal policies applied in the euro area since 1992 (see the areas shaded pink in the chart) have been destabilising during the periods 1993-1997 and 2000-2002, since the changes in these two variables had the opposite signs during those years.

Using the 156 observations obtained by taking the annual changes in these two variables for each country of the euro area in each of these 13 years, the table shows the proportion of occasions on which the

### 1. EURO AREA: OUTPUT GAP AND CYCLICALLY ADJUSTED PRIMARY BALANCE (CAPB)



### 2. PROPORTION OF OCCASIONS ON WHICH FISCAL POLICY HAS BEEN STABILISING OR DESESTABILISING

	$\Delta\text{GAP} > 0$ ("expansion")		$\Delta\text{GAP} < 0$ ("recession")	
	$\Delta\text{CAPB} < 0$ (procyclical FP)	$\Delta\text{CAPB} > 0$ (countercyclical FP)	$\Delta\text{CAPB} > 0$ (procyclical FP)	$\Delta\text{CAPB} < 0$ (countercyclical FP)
<b>PERCENTAGES OF EXPANSIONS AND RECESSIONS IN EACH PERIOD</b> (in brackets, absolute number of observations)				
1992 - 2004	61.8% (47)	38.2% (29)	60.0% (48)	40.0% (32)
1992 - 1997	46.4% (13)	53.6% (15)	70.5% (31)	29.5% (13)
1998 - 2004	70.8% (34)	29.2% (14)	47.2% (17)	52.8% (19)
<b>ELASTICITY: <math>\Delta\text{CAPB}</math> for each pp of <math>\Delta\text{GAP}</math></b>				
1992 - 2004	-0.74	0.97	-0.86	0.72
1992 - 1997	-0.53	1.78	-0.96	0.42
1998 - 2004	-0.85	0.49	-0.66	1.13

SOURCE: European Commission.

fiscal policy was stabilising (or countercyclical) and destabilising (or procyclical), distinguishing between upswings and downswings. During the period as a whole, discretionary fiscal policy was expansionary in somewhat more than 60% of cases when the economy was expanding, and contractionary in a similar proportion of the cases of slowing activity, which means that discretionary fiscal policy has tended to be destabilising over the time horizon considered. When these data are broken down into two sub-periods (up to 1997 and thereafter), it can be seen that they behaved very differently in each. Thus, while fiscal policy, until 1997, was mostly countercyclical during expansions and procyclical during recessions, from 1998 its behaviour was precisely the opposite. In sum, contractionary discretionary fiscal policies predominate in the first period (improvements in the cyclically adjusted primary balance), while expansionary ones predominate in the second (deteriorations in this variable).

These results may partly be explained by the abovementioned lags with which discretionary fiscal measures operate. As a result of these lags, the effects of the measures may occur when the cyclical conditions that gave rise to their adoption have already changed. However, in the light of the data presented, it may be plausibly concluded that the discretionary actions were not primarily guided by considerations of macroeconomic stabilisation, but by reasons of another kind. More specifically, the magnitude of the incentives to conduct disciplined fiscal policies in these two periods was probably very different. At the

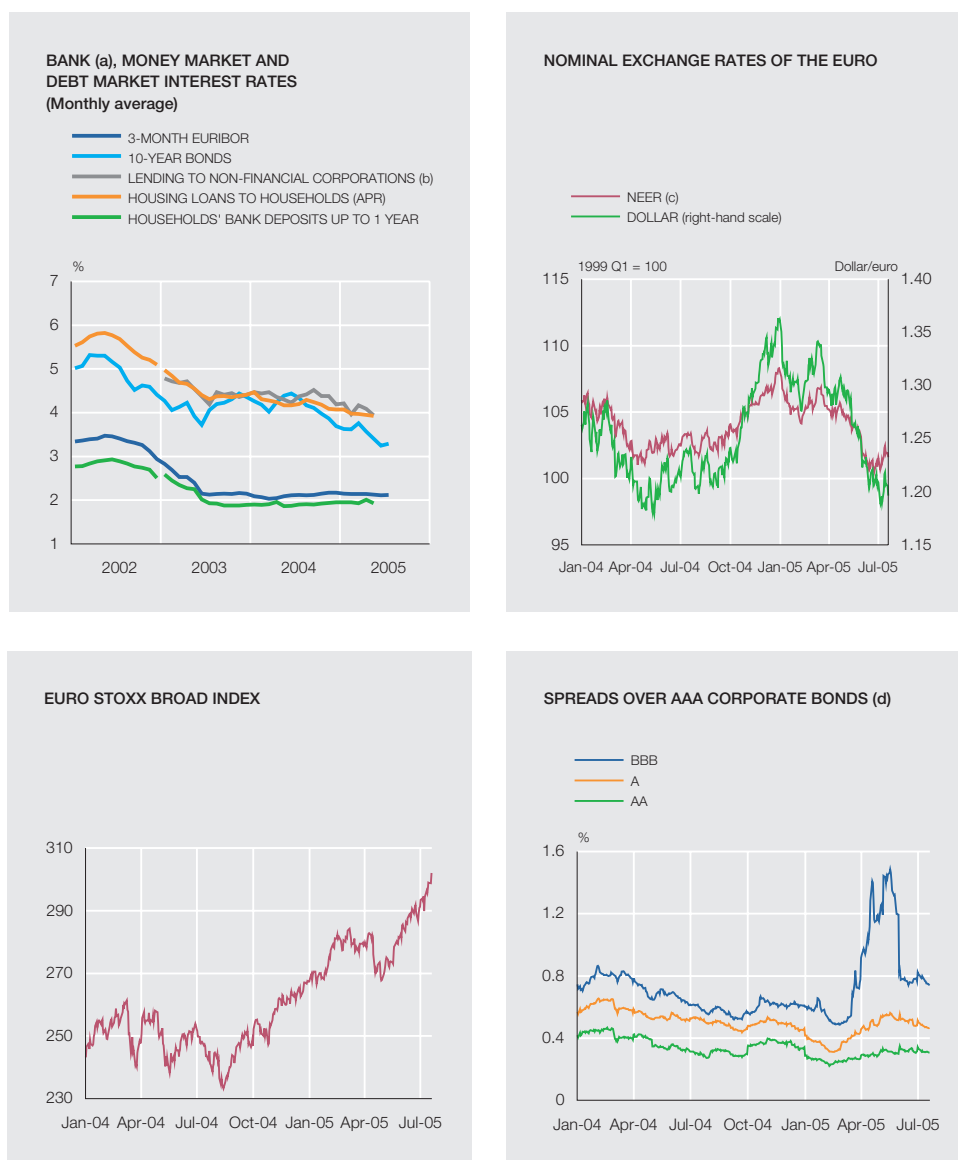
beginning of the 1990s, strongly deteriorating public finances gave rise to the perception that it was urgent to take decisive action to avoid the risk of unsustainable general government balances. Moreover, compliance with the convergence criteria for access to Stage Three of EMU operated, during these years, as a powerful spur to deficit correction. By contrast, when Monetary Union had been established, this incentive disappeared, being replaced by another (the Stability and Growth Pact, SGP) whose power to discipline governments has proved to be less strong. Moreover, during the years around the turn of the century, the improvement in the underlying budget position led to the erroneous perception that tax reductions could be made to improve economies' supply conditions, without the adoption of other measures to offset the impact on the balances of the reduction in revenues.

On the basis of the data presented, we cannot conclude unequivocally that discretionary fiscal policy is unable to stabilise activity, but it has been observed not to have done so in practice. At the same time, the data do not support the argument that the SGP has led to a reduction in the stabilising capacity of fiscal policy, which was already very low. As a corollary, it is inferred from the analysis that, in future, the SGP will need to be applied more rigorously for two reasons: to secure the consolidation of general government finances and to generate sufficient leeway to allow automatic stabilisers (an instrument to offset cyclical fluctuations whose use is less controversial) to operate freely.

In the course of 2005 Q2, Excessive Deficit Procedures (EDP) were initiated against Italy and Portugal. In Italy's case, the revision of the deficit to 3.2% in 2004, and the forecast that this variable would be clearly above 3% in 2005 and 2006, triggered the opening of the EDP by the Commission in June, a move subsequently supported by the ECOFIN on 12 July. In Portugal, the June update of the Stability Programme estimates a budget deficit of 6.8% for 2005, which would not dip below 3% until 2008. The Commission has issued an opinion under the provisions of article 104.5 of the Treaty in which it concludes that there is an excessive deficit in Portugal. At present, a pronouncement by ECOFIN is pending. Regarding the other EDP initiated, in Germany the Commission foresees a deficit of 3.3% for 2005; however, according to the German government the deficit this year will be 3.7% of GDP and will remain above 3% until 2007. In France, the risk that the budget deficit will exceed the figure of 3% envisaged by the Commission in 2005 is high, since it is intended to increase public investment in infrastructure and to introduce a series of measures on employment contracts, which might increase public spending. The Commission has concluded that, in connection with the EDP initiated against Greece in 2004, the measures needed to eliminate the excessive deficit in 2006, by the latest, are being taken. Finally, in the Netherlands, the government managed to bring the budget deficit below 3% of GDP in 2004, meaning the EDP initiated against this country will be derogated.

### 3.2 Monetary and financial developments

At its meetings held since March this year, the ECB Governing Council considered that the monetary policy stance continued to be in line with the maintenance of price stability in the medium term, while it was in step with the outlook under which the current phase of slack economic activity would be gradually left behind. Accordingly, the interest rates on the main

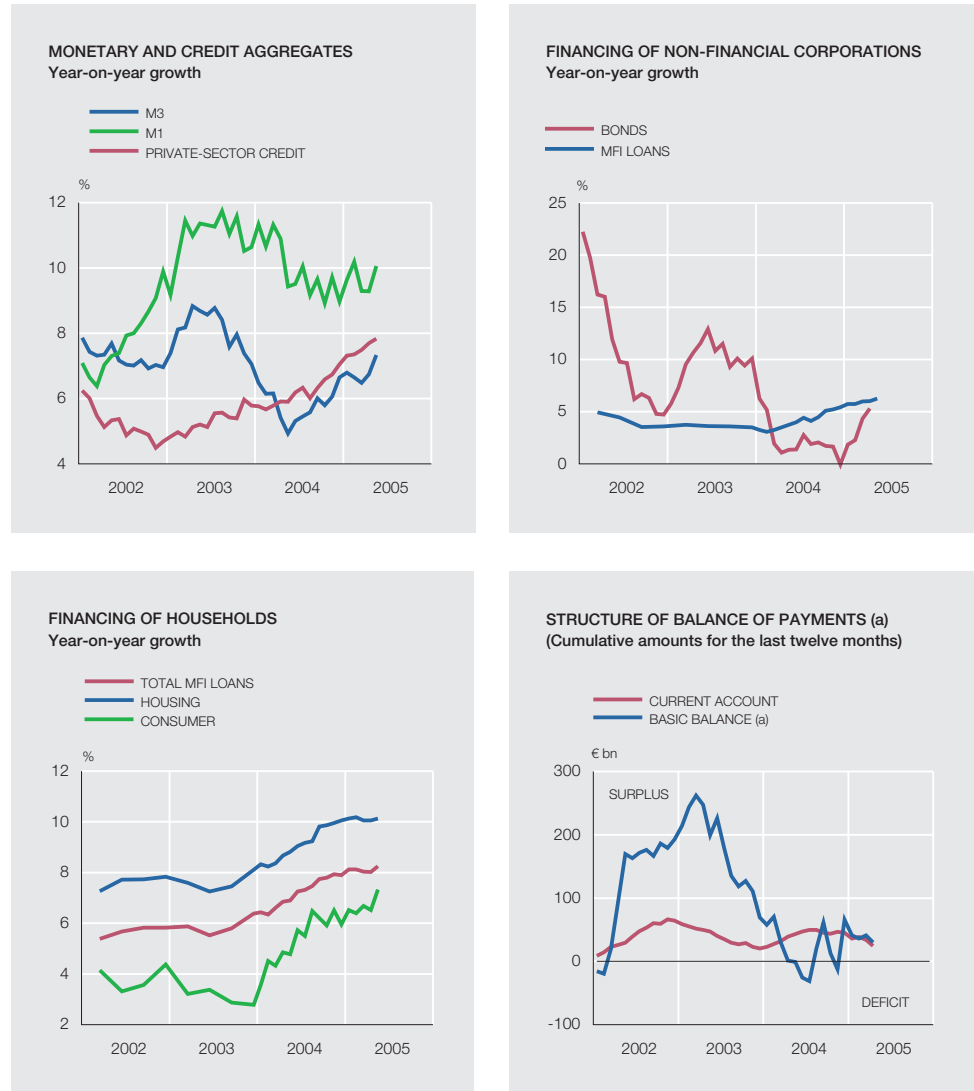


SOURCES: Banco de España and European Central Bank.

- a. Data drawn from new statistics on interest rates compiled by the ECB for new business.  
 b. Interest rates over five years.  
 c. Nominal effective exchange rate index. Narrow group of currencies defined by the ECB.  
 d. Euro-denominated bonds issued by non-financial corporations.

refinancing operations, on the deposit facility and on the marginal lending facility held at 2%, 1% and 3%, respectively (see Chart 12).

During April, money market interest rates declined at the longer-dated terms, meaning that, in late June, the profile of the one-month yield curve did not point to movements in official rates. However, in the first fortnight of July, the slope of the curve turned positive in the longer-dated segment, reflecting a deterioration in the inflation rate outlook, as a result of the recent course of oil prices (see Chart 12). On the debt markets, ten-year yields continued on the declining trend initiated in mid-2004, reaching their lowest level (around 3.2%) since the introduction of the euro in 1999 (see Chart 13). The decline in bond yields in the euro area appears to reflect the deterioration in economic growth expectations. As long-term debt yields in the United States have fallen by a lesser extent, US/euro area long-term



SOURCES: Banco de España and European Central Bank.

a. The basic balance is approximated by the sum of the balance on current account and direct and portfolio investment.

spreads have widened slightly in recent months, to 87 bp in July. On the information available to May, the interest rates applied by credit institutions to their lending and deposit operations held stable, generally, although the interest rates on loans granted to households for house purchases continued to move on a slightly declining trend, standing at 4% in May.

On the currency markets, the exchange rate of the euro continued on a depreciating trend in Q2 after the process was temporarily interrupted in March. In particular, the depreciation against the dollar was closely linked to the favourable news on the US economy which, along with the Federal Reserve interest rate rise and the widening of the differential with the euro area, was conducive to the appreciation of the US currency. Furthermore, the French and Dutch rejection of the European constitution added more downward pressure on the euro. As a result, the euro has depreciated by around 7.2% against the dollar since April. The euro also fell against the yen in Q2, although this trend has reversed to date in July. Sterling has vacillated against the euro in recent months, although the terrorist attacks accentuated slightly the



appreciation of the euro seen from early July. In nominal effective terms, the euro has depreciated by 3.3% since April (see Chart 13).

On the euro area equity markets, the recovery continued in May and June following the interruption in April. Low interest rates, favourable corporate results and the depreciation of the euro meant that the cumulative gain in relation to 2004 was higher than 10%. The terrorist attacks in London did not greatly impact the euro area stock markets, prompting only a one-off slide on 7 July. The behaviour of the different sectors was far from uniform in this period. Prices rose more strongly in the energy sector, as a result of higher oil prices, and prices in the technological, industrial and financial sectors followed suit. The volatility on the equity markets, after a slight rise in late April, saw a resumption of a declining trend in the following months.

In April and May, the rate of increase of the M3 monetary aggregate intensified, climbing to 7.3% in May, 0.8 pp up on March 2005 (see Chart 14). The acceleration was extensive to most of its components, but it was particularly concentrated in its less liquid instruments. The year-on-year growth rate of credit to the private sector has become progressively more buoyant since the start of the year, rising to 7.8% in May. Under loans, those granted to non-financial corporations quickened, while the rate of expansion of those extended to households held stable. Under the latter, loans for house purchase – the main component of bank financing to households – have held at a growth rate of around 10% since the beginning of the year, while the increase in consumer loans stepped up to a rate of 7.3% year-on-year in May. Among the larger countries, credit in Germany and Italy increased in relation to March, while it lost momentum in France. In Italy, despite the sluggishness of activity, private-sector loans both to households and corporations continued to climb at a rate outpacing that of the euro area average. In Spain, loans to non-financial corporations and households have continued to show fairly high growth rates, far higher than those of the euro area as a whole.

## 4 The Spanish economy

In May, the INE published the first data for the new Spanish National Accounts, with base year 2000 (CNE 2000), relating to the period 2000-2004. The main changes and implications of these data were analysed in detail in the June issue of the *Boletín Económico*. In general, the CNE 2000 data have raised the rate of growth of economic activity in recent years with respect to the base year 1995 estimates, also modifying the growth profile of some macroeconomic aggregates. In particular, these changes accentuated some features of the growth pattern of the Spanish economy in 2004, by estimating greater dynamism of private consumption and investment in construction, along with a smaller stimulus from investment in equipment and exports. The growth of GDP in that year was 3.1%, 0.4 percentage points higher than the CNE 1995 estimate. The INE has also published the new Quarterly National Accounts (QNA) series, including an estimate of 2005 Q1, which puts the rate of growth of activity in that period at 3.3%, thus prolonging the path of smooth acceleration that began in 2004 Q1.

The data available for 2005 Q2 suggest that GDP continued to accelerate, to reach an estimated year-on-year rate of 3.4%. As in recent years, this increase in activity was driven by the strength of domestic demand, which continued to expand at rates close to 5.5%, while external demand, in net terms, continued to make a sizeable negative contribution to GDP, although it was somewhat smaller than in Q1 (see Chart 15). As in Q1, private consumption and investment in capital equipment were the most dynamic components of domestic demand, while exports and imports displayed somewhat higher rates of expansion than in the previous quarter.

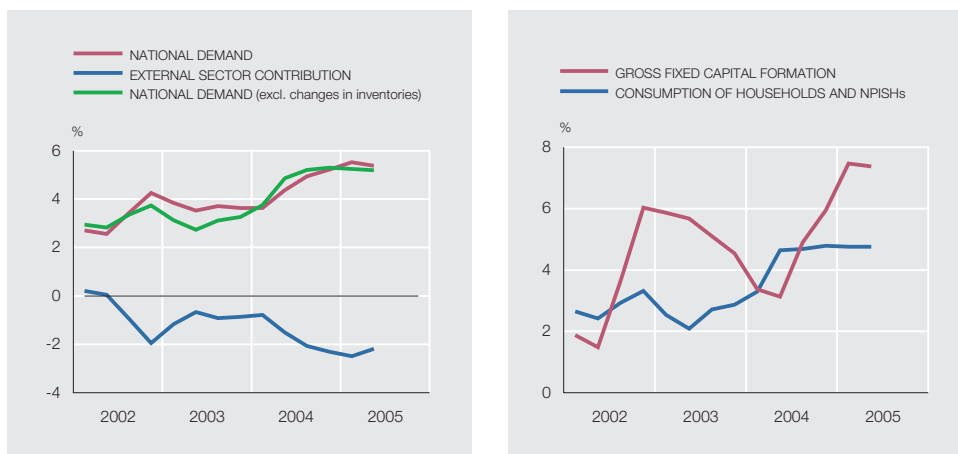
By sector, construction is estimated to have remained the most vigorous productive branch in Q2, with a similar year-on-year growth rate as in the period January-March (5.6%), while market services accelerated. Manufacturing continued to grow at moderate rates, of below 1%, and agriculture was the only branch that underwent a slowdown, similar to the one in Q1 (-1.8%). The employment indicators show continued expansion, although in some cases they have been distorted by the effects of the legalisation of immigrants that took place between February and May. This process has given rise to strong growth in new Social Security registrations. However, when this information is adjusted for the anticipated effects of the legalisation, new registrations still accelerated slightly in Q2, to a rate of somewhat more than 3%. The Spanish Labour Force Survey (EPA) data for Q2 also confirm the greater intensity of employment creation in that period. This means that the growth rate of apparent labour productivity must have been very low and close to its level in the last few quarters.

Muted productivity growth and the estimated pick-up in compensation per employee in Q2 would have led to an acceleration in unit labour costs, to rates of 3%. Despite this and rising energy prices, inflation, as measured by the CPI, fell slightly over the period, from 3.4% in March to 3.1% in June.

### 4.1 Demand

In 2005 Q1, Spanish households' final consumption expenditure grew at the high rate of 4.8% year-on-year, similar to the rate at the end of 2004. The latest information indicates that consumption conserved this strength in Q2, with a rate of expansion very close to that of Q1. This buoyancy is sustained by the favourable trend in household disposable income, by the rise in real net wealth in recent years and by the maintenance of generous financial conditions

Various indicators suggest that household consumption continued to grow at a high rate in Q2 (see Chart 16). All the components of the composite indicator of spending on consumer goods



SOURCES: INE and Banco de España.

a. Year-on-year percentage change based on seasonally adjusted series.

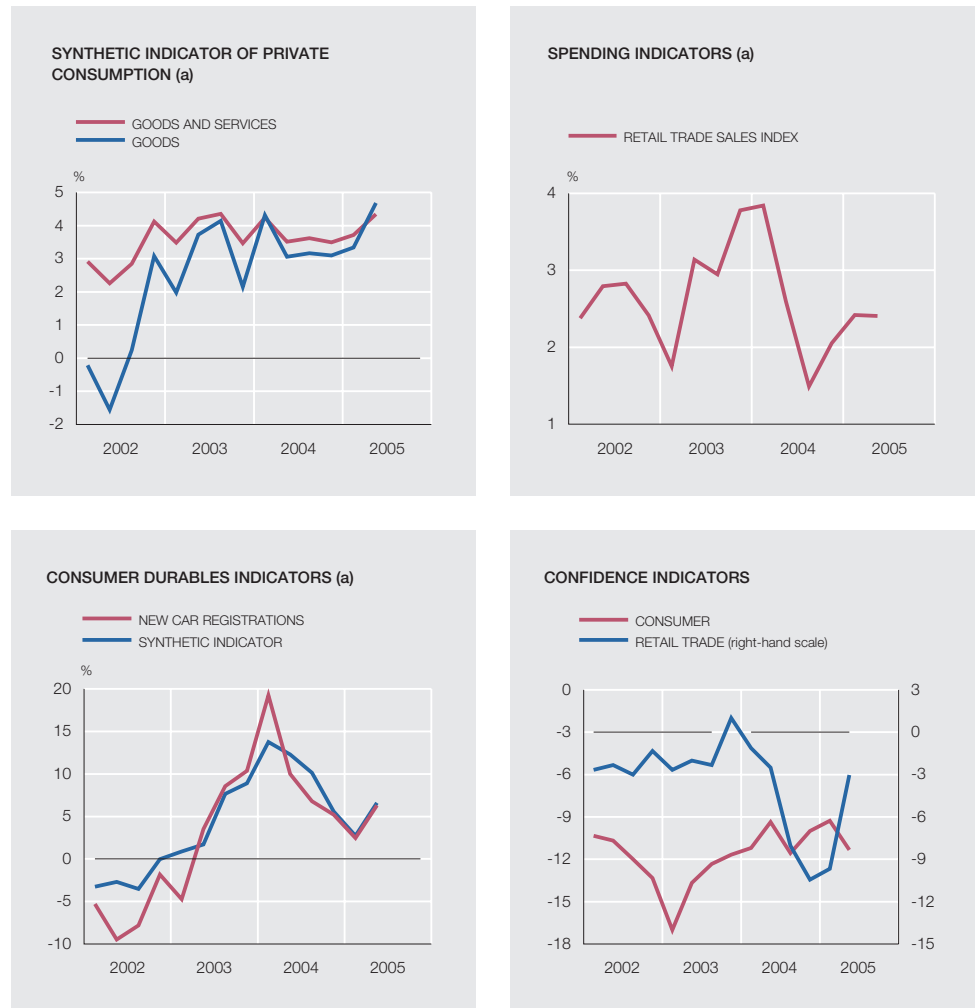
and services accelerated, while the trend growth rate of the index of total retail sales stabilised in this period. The retail confidence indicator, which improved significantly in 2005 Q2, and new car registrations point in the same direction. The consumer confidence indicator, however, declined, owing to less optimism about the general economic situation and employment.

The growth of employment and in compensation per employee continued to boost the growth of real disposable income. The higher estimated growth in compensation per employee, relative to 2004, is partly a reflection of the triggering of last year's indexation clauses. In any case, these favourable effects on income must have been offset, at least partially, by a smaller contribution from net general government transfers, as a consequence of the end of the impact of the latest fiscal reform and of the slowdown in social benefits, as well as of the strong rise in government revenues. Meanwhile, household wealth continued to grow at a high rate, driven by the rise in property prices and the increase in their net financial wealth, which was assisted by the increase in share prices since end-2004.

In 2005 Q1, general government final consumption decelerated, although its year-on-year rate remained high (6%, in real terms). In accordance with the still incomplete State budget outturn data for Q2, the slowdown continued in that period.

The sharp acceleration in investment in capital equipment at the end of 2004 continued at the beginning of 2005. The year-on-year growth rate in Q1 was 10.5%, up 3.2 percentage points from 2004 Q4. The information available suggests that this buoyancy extended into Q2 (see Chart 17). On the basis of incomplete information for Q2, the indicator of apparent investment in capital equipment increased at similar rates to those in Q1, basically as a result of the extraordinary vigour of the imports of such goods, while national production showed some slackness. In this respect, the business confidence indicator for the sector producing capital equipment continued to deteriorate in April and May, as in Q1. Capacity utilisation held at the 80% level it reached in Q1, the highest for the last four years, although the number of firms that considered their capacity excessive continued to rise.

The buoyancy of investment in capital equipment is based on several favourable factors. According to Quarterly Central Balance Sheet Data Office estimates, there was an increase in the profitability of non-financial corporations to Q1. This positive performance by company profits

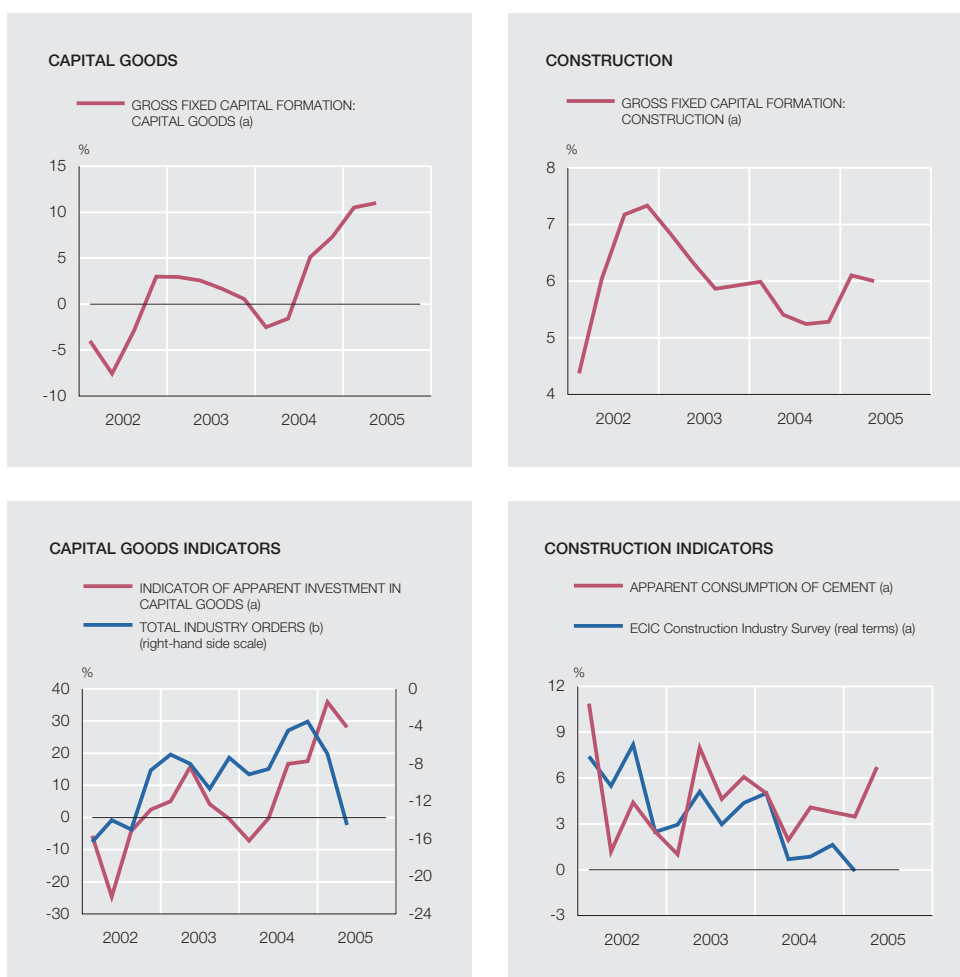


SOURCES: INE, European Commission, ANFAC and Banco de España.

a. Year-on-year percentage change based on the seasonally adjusted series.

was partly attributable to the dividends of foreign subsidiaries, which offset the higher financial and personnel expenses (arising from a larger recourse to external financing and from the increase in employment by these corporations) and the higher energy bill, due to rising oil prices. All this is conducive to the assignment of resources by Spanish firms to the financing of new investment projects. Moreover, financial conditions have continued to improve, as a consequence of the falls in long-term interest rates and the rise in stock markets, which improved significantly from end-April. However, the prolongation of this positive investment trend depends on the maintenance of demand expectations, and industrial order book data give rise to some uncertainty in this regard.

Investment in construction in 2005 Q1 grew by 6.1%, after rates of less than 5.5% were recorded during most of 2004. In the light of the latest conjunctural information, it is estimated that this buoyancy was sustained in Q2. The confidence indicator was below its levels in the previous two quarters, although the assessment remained more positive than in 2004 as a whole. Apparent cement consumption and the output of building materials tended to recover from their slackness in Q1 (owing to the incidence of Easter and the adverse weather conditions). For their part, indicators of Social Security registrations and registered unemployment were favourable in Q2, following their slight dip in Q1. The real value of the work carried out by



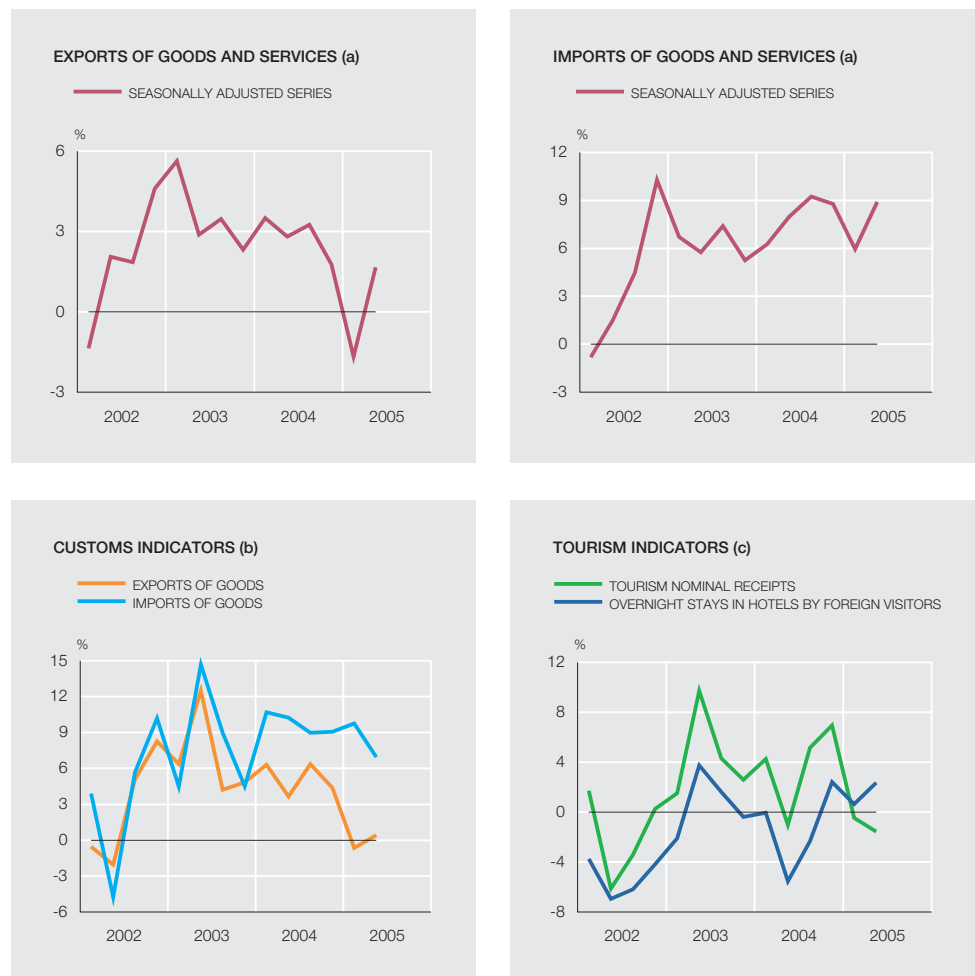
SOURCES: INE, European Commission, Ministerio de Fomento, OFICEMEN, Instituto Nacional de Empleo and Banco de España.

- a. Year-on-year percentage change based on the seasonally adjusted series.  
b. Level of original series.

construction companies, according to the Construction Industry Survey (ECIC), also decelerated in Q1, although this indicator seems to have lost some of its informative content; over the past year it has been showing much less buoyancy than the National Accounts data.

On ECIC data, distinguishing according to the type of work, in 2005 Q1 building grew at its lowest rate for the last ten years. However, in the case of residential building, the leading indicators point to a smooth acceleration to April. The strong buoyancy of the financing of residential investment supports this assessment, while foreign property investment showed an intensifying slowdown to March. As for non-residential building, both public tenders and approvals showed a considerable recovery in 2005 Q1, which could give rise to an increase in activity in this type of work in the coming quarters. Meanwhile, the ECIC data on civil construction projects have been somewhat slack since mid-2004.

According to the latest QNA data, in 2005 Q1, net external demand subtracted 2.5 pp from GDP growth, 0.2 pp more than in the previous quarter. The slowdown in real goods and services exports intensified in this period, to reach negative year-on-year growth rates (-1.7%), while real flows of imports lost momentum (6%). This widening of the external imbalance took place in a slightly less favourable international setting than in 2004, with the slowdown in world goods



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

- a. QNA data at constant prices.
- b. Deflated seasonally adjusted series.
- c. Seasonally adjusted series.

and services trade since the second half of last year extending into 2005 Q1. Also, the negative gap observed since the previous year between the growth in exports and in export markets, as a consequence of the cumulative loss of competitiveness vis-à-vis the developed countries in recent years, was maintained, against a background of euro appreciation. The still-incomplete information for 2005 Q2 indicates that net external demand made a somewhat less contractionary contribution, insofar as exports recovered somewhat, buoyed by the recent depreciation of the euro, while imports retained notable vigour, given the strength of final demand.

On QNA data, goods exports weakened notably in 2005 Q1, falling by 1.7% year-on-year, following their moderate growth of 1.5% in the previous quarter (see Chart 18). Customs foreign trade figures, for April and May, show a more favourable trend in goods exports, with a real increase of 3.5%. The trend in the indicator also projects a certain recovery in the coming months, followed by stabilisation at moderate positive levels, closer to the growth rate of Spanish export markets. The recovery in exports in April and May extended both to those to the EU, which grew by 1.4% in real terms, and, especially, to those to the rest of the world, with real growth of 9%. However, between January and May, exports to the EU fell by 0.7%, against a background of acceleration in their prices. Exports to France retained positive mo-

mentum and those to Germany slowed rapidly, following their increase in Q1, while those to Italy, the United Kingdom and Benelux, and to the most recent EU entrants fell. Meanwhile, real exports to the rest of the world increased by 1.3% in the first five months of 2005. By country, sales to Japan and to the United States fell (although they have picked up since), and those to OPEC, Russia and Latin American were more dynamic.

According to QNA data, tourism receipts in 2005 Q1, fell notably, in real terms (-3.2%), possibly more sharply than the real tourism indicators. As for Q2, the April data remained negative, but in May and June overnight stays in hotels by foreigners, one of the closest indicators of real tourist spending, turned positive again. Overall, in the first five months of the year overnight stays in hotels rose by 1.1%, although stays in other regulated establishments fell by 8.2% to May. Total real spending by foreign tourists hardly increased between January and May (1.3%); despite the notable increase in tourist arrivals (5.7% in the first half), the average spending per tourist has fallen by 3.5%. This fall in average spending is attributable to the new behaviour of tourists, who tend to stay for shorter periods, use low-cost airlines, shun packages and choose unregulated accommodation. Moreover, tourism has been hampered by the loss of competitiveness of the Spanish product, compared with those offered by other countries competing in the "sun and sand" segment. As for the main markets supplying tourists, in January-June the British market grew at a moderate rate (2.1%) and the recovery in the German market continued (4.6%), while French tourist numbers surged (13.3%). At the same time, exports of non-tourism services also slowed significantly in Q1, according to the QNA, since the weakness of tourism that quarter was noted in services for the transport of merchandise and travellers (the main heading).

In 2005 Q1, according to the QNA, real goods imports decelerated by 2.5 pp with respect to the previous quarter, as a consequence of the weakness of exports and of the acceleration in their prices, although they maintained a high growth rate (7.4%). The Customs data for April and May show a pick-up in imports, with real growth of 11.3% in those two months, partly reflecting the distortion caused by the different timing of Easter, although the trend in these figures suggests that they maintained a high growth rate in 2005 Q2, supported by the spur of investment in capital equipment, the recovery in exports and the sustained growth of final consumption spending. However, the slow rate of growth in industrial production and the rise in its prices, owing to the depreciation of the euro, may have robbed them of some of their momentum. By type of product, there was a notable surge in the growth of imports of capital equipment in the first five months of the year, with a real increase of 33.2%, basically reflecting the rise in the transport equipment and machinery items. Meanwhile, real imports of consumer goods grew at a year-on-year rate of 8.3%. Notable were the buoyancy of car purchases and the strength of imports of textiles and footwear, linked to the gradual liberalisation of world trade in these products. Finally, purchases of non-energy intermediate goods reflected a large rise in this period (9.8%), despite the substantial rise in oil prices on international markets.

Lastly, in terms of the QNA, in 2005 Q1, real services imports fell (-0.7%), as a result of the weakness of purchases of non-tourism services (-5.8%), while tourism payments remained highly buoyant (24.3%), which is explained by the strength of household consumer demand and by the appreciation of the euro.

## **4.2 Output and employment**

On QNA estimates, year-on-year growth of the value added of the market economy in Q1 was 3.4%, as against 3.2% in the previous quarter, with greater strength in all branches, especially in construction (see Chart 19).

The scant rainfall this year (only 63% of historical average levels) has affected agricultural activity appreciably in recent quarters. Thus, value added continued to fall in 2005 Q1 (by -1.8%,



SOURCES: Instituto Nacional de Estadística, Ministerio de Trabajo y Asuntos Sociales and Banco de España.

a. Year-on-year percentage rates based on seasonally adjusted series except in the case of the EPA. Employment in terms of full-time equivalent jobs. For incomplete quarters, the year-on-year rate for the period available within the quarter is taken.

b. Series linked by the Directorate General Economics, Statistics and Research of the Banco de España based on the control survey carried out using the methodology applied until 2004 Q4.



according to the QNA), although slightly less sharply than in the preceding quarter. This adverse performance stemmed from arable production and, more specifically, unirrigated crops, especially corn, whose estimated production was 32% down on 2004. Fruit production, by contrast, grew at high rates, partly as a result of the low level the previous year. Finally, animal farming shows signs of a slight pick-up, both in meat and milk production, but this branch is still estimated to have continued to decline in year-on-year terms in 2005 Q2 .

In 2005 Q1, there was a slight pick-up in activity in the industrial and energy branch, in contrast to the slowdown in the second half of 2004. On QNA estimates, growth in 2005 Q1 was 1.1%, up 0.3 pp from 2004 Q4. The acceleration in activity was especially marked in energy production (up 0.9 pp to 3%), although the growth rate of the industrial branch also rose by 0.3 pp to 0.9%). The buoyancy of industrial activity stemmed from the strength of investment in capital equipment and from higher demand for non-food consumer goods, given that exports, which had been the engine of industrial production in previous quarters were very depressed. The conjunctural information relating to 2005 Q2 suggests that this branch continued to grow at a modest rate, owing to the slack demand for national capital equipment. Thus, the growth rates of both the energy and non-energy components of the industrial production index (IPI) fell over the period April-May. The index of orders received (IOR), after correcting for calendar effects and discounting the increase in prices, confirms the slow momentum of industry, although it improved somewhat in May. Finally, opinion indicators (purchasing managers' indexes and the confidence indicator) declined over the quarter. However, in June there was a significant improvement in the purchasing managers' index, which could mark a turning point in the sector, and non-energy intermediate goods imports recovered in April and May. The acceleration in goods exports in April and May, with respect to Q1, could also be a sign of a more positive outlook for this branch of activity.

Construction made a strong start to 2005, by contrast to its slowdown during 2004. On QNA estimates, the activity of this branch accelerated by 0.8 pp in 2005 Q1, to reach a year-on-year rate of 5.6%. The available conjunctural information, discussed in the previous section, indicates that activity in this branch grew at a similar rate in Q2.

The pick-up in services in 2004 Q4 did not extend into 2005 Q1, the growth rate of this sector stabilising at 4%, according to QNA estimates. However, there were some changes in its two main components. On the one hand, the growth rate of non-market services dipped by 0.2 pp to 3.6%; on the other hand activity in market services accelerated by 0.1 pp, to a growth rate of 4.2%. The pick-up in the latter component continued in 2005 Q1, according to the available conjunctural information: the composite market services indicator (ISIS) accelerated in the period April-June; the deflated services sector activity indicators (IASS) compiled by the INE gained momentum in April and May, prolonging the acceleration recorded in March; the sector confidence indicator compiled by the European Commission increased appreciably in Q2, primarily as a result of the improvement in the outlook of employers; and, finally, Social Security registrations accelerated in Q2. Among the activities included in market services, wholesale and retail trade and repairs gained momentum in the period April-June, as shown by the acceleration of car sales in this period and the improvement in the confidence indicator for this sector; transport and communications also strengthened, albeit in a contained fashion, while real estate, renting and business activities remained highly buoyant.

According to QNA information, the smooth acceleration of employment<sup>2</sup> in recent quarters extended into 2005 Q1, with year-on-year growth of 3% (up 0.1 pp on the previous quarter).

---

2. In terms of full-time equivalent jobs.

Given that GDP growth in the same period showed a similar acceleration with respect to end-2004, the increase in apparent labour productivity, between January and March, held at the modest level of 0.3% (see Box 3 for a longer view of the recent behaviour of productivity). As for the conjunctural information, the main employment indicators<sup>3</sup> have generally coincided in the most recent months. Thus, a considerable upturn was seen in Social Security registrations to June. The growth rate of such registrations, in terms of end-month data, rose by more than one percentage point, to 3.9%, during Q2 (4.6% in June). Behind this notable acceleration in registrations are the effects of the legalisation of immigrants that began on 7 February, the first consequences of which have been apparent since April. However, even when those registrations attributable to this process are ignored, registrations in Q2 still displayed greater vigour than in Q1, returning to average growth of 3.1%, on end-month data. At the same time, hiring, which fell by 8.8% in Q1, rebounded even higher in Q2 (with an increase of 10%), so that in the first six months of the year it rose modestly with respect to the same period of the previous year. Finally, EPA (Spanish Labour Force Survey) data for Q2 indicate that employment remained highly buoyant in this period, with a net creation of 402,300 jobs. When this figure is corrected for the impact of the methodological changes introduced in 2005 Q1, the year-on-year change in employment was 5% (5.8% according to the uncorrected data), 0.7 pp more than in Q1. This increase in employment, along with a smooth acceleration in the labour force translated into a very significant reduction in unemployment (-9.6% year-on-year), which took the rate of unemployment to 9.3%.

On QNA data, employment displayed a favourable trend in all sectors in Q1, except agriculture, where the process of job shedding, that commenced at the beginning of last year continued. The EPA data for Q2 indicate that the buoyancy of employment in this quarter was underpinned by job creation in construction and services, while in agriculture and industry year-on-year growth of employment was close to zero. In particular, according to the corrected series in each case, the year-on-year growth of agricultural employment turned positive in Q2 (0.5%), after falling during the previous six months, while employment in industry slowed sharply, to 0.3%, 0.7 pp below the growth rate in Q1. Construction recorded year-on-year employment growth of 7.5%, although that was actually a slight slowdown from Q1. Finally, with the net creation of almost 360,000 jobs in Q2, employment in services accelerated strongly to a year-on-year growth rate of 6.2%, up more than one point from the previous quarter.

According to the National Accounts, the growth of total employment in Q1 was primarily due to the increase in the numbers of self-employed (whose year-on-year growth rate increased by almost one percentage point, to 3.4%), while dependent employment expanded at a rate of 3% year-on-year, 0.1 percentage point more than in the previous quarter. For their part, the EPA data indicate a very notable acceleration in dependent employment in Q2, to growth of 6.2%, up 1.5 pp from the beginning of the year. In the case of self-employed workers, there was a sharp fall year-on-year in this quarter (of 1.9%), interrupting the above-2% growth path of the previous five quarters. According to the statistics for social security registrations, self-employment was more buoyant in Q2, reaching a year-on-year growth rate of 5.6% in June.

As regards the duration of contracts, according to EPA data, the number of temporary employees again grew at a very high rate in 2005 Q2, heightening the buoyancy of recent quarters. In particular, the number of workers with temporary contracts increased at a rate of 13.2% in that quarter, almost 5 pp up from the first quarter and well above the rate of permanent employment in the same period (3%). As a result, the ratio of temporary to total employ-

---

3. The rates of the indicators mentioned in the text refer to gross data.

The low growth of apparent labour productivity, measured in terms of value added per employee, has been one of the basic features of the growth pattern of the Spanish economy in recent years. The path of this variable has been modified, to some extent, by the revision of the GDP and employment figures carried out by the INE following the publication of National Accounts figures with base year 2000 (CNE 2000), for the period 2000-2004. This box makes a preliminary analysis of the recent path of productivity, using a broad sectoral breakdown so as to identify the pattern in each sector.

The new CNE estimates have revised down the average labour productivity growth in the period 2001-2004 by 0.3 pp, so that the average growth of this variable was reduced to 0.2% for the total economy and to zero in the market economy. By branch of activity, the sharpest downward revisions were in agriculture (-1.8 pp) and in construction (-1.3 pp); they were connected to the higher employment growth assigned to these sectors. In the industrial branches, the downward revision was smaller (-0.4 pp), while in services, somewhat higher productivity growth was estimated (0.2 pp) than with CNE 1995, owing to the revision made to market services<sup>1</sup>.

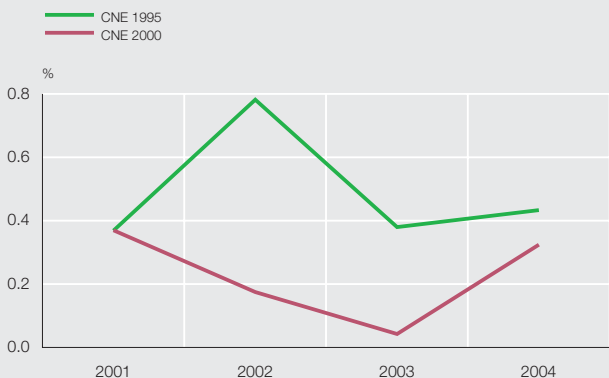
1. This upward revision to labour productivity may be partly explained by the increase in the value added figures in market services arising from the methodological change in the accounting for FISIM (financial intermediation services indirectly measured). At the same time, the upward revision to the job creation figures in this sector was small and considerably less than that made in the EPA figures.

In addition, the CNE 2000 has modified the profile of productivity growth estimated using the previous figures, with the result that productivity picked up slightly in 2004, following the slowdown in the previous two years, with growth of 0.3% in the total economy and 0.1% in the market economy (see adjoining chart). At the sectoral level, the profiles of labour productivity growth are smoother than previously. In agriculture and in construction this revision has resulted in very stable declines in productivity between 2001 and 2004 (around 0.6% in agriculture and 0.9% in construction). Meanwhile, in the industrial branches, there was a sharper downward revision to the previous estimates of more than 3% productivity growth in the last two years. Also, it should be noted that in market services the new estimates still show negative behaviour over the last two years, but without reaching the falls in productivity of more than one percentage point estimated using CNE 1995.

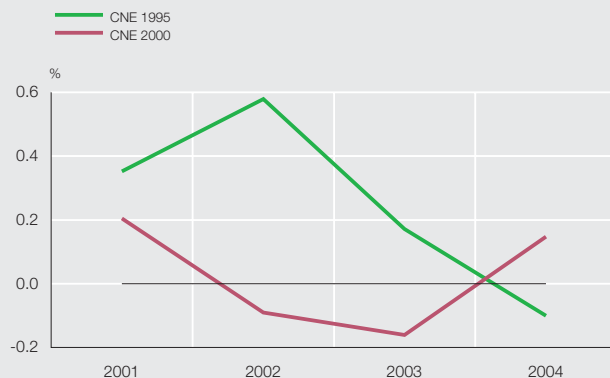
At a more disaggregated level, the CNE 2000 estimates indicate that, on average in the period 2001-2004, productivity growth in industry was broadly spread across the various sub-sectors, although chemicals, rubber and plastics and electrical equipment stand out for their dynamism, with average growth of more than 2%. On the negative side, textiles and wood and cork were notable, with falls in productivity in the period 2001-2004. Meanwhile, in the market services sector, productivity fell very sharply (by more than 1% per year) in three sub-sectors which account for 80% of the employment of the sector

VALUE ADDED PER EMPLOYEE

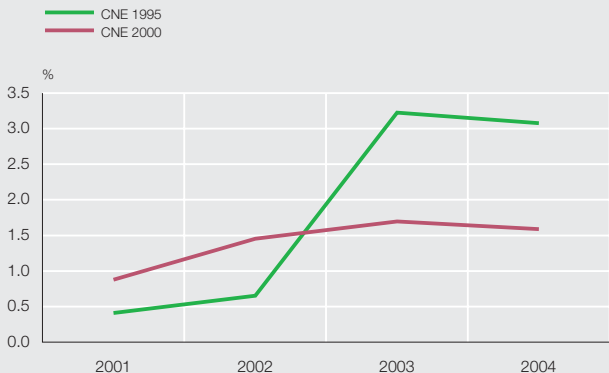
TOTAL ECONOMY



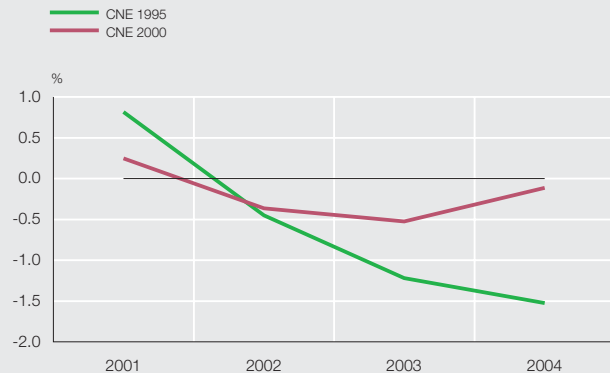
MARKET ECONOMY



INDUSTRY



MARKET SERVICES



SOURCE: INE

(distribution, hotels and restaurants and business services), where job creation has been very intense in recent years. Transport and communications posted positive, albeit rather low, productivity growth (0.6%) and, finally, the performance of productivity in financial intermediation was notable, with average growth in this period of 5.1%.

The lower productivity growth according to the CNE 2000 has not resulted in an upward revision to firms' unit labour costs, since the increase in compensation per employee has been revised downwards by even more. Thus, the increase in business margins is even

larger than previously estimated. In short, according to the sectoral information, the revisions made to productivity growth have been more intense in some cases, although the behaviour across sectors remains varied. In particular, there were declines in agriculture, construction and market services, which contrast with the annual increases in productivity of more than one percentage point in the industrial and non-market services sectors. It will be possible to analyse the behaviour of productivity in the Spanish economy in more detail when series of value added per employee with base year 2000 become available for a longer period and when total factor productivity has been estimated using the new information.

ment rose by more than 2 pp with respect to the same quarter last year, to 33.3%. The information provided by INEM contract statistics also showed a high degree of buoyancy in this second quarter (with a rise of 10.1%), recovering the levels displayed a year ago.

As regards the duration of the working day, full time employees recovered a higher rate of growth in this quarter, to 2.7%, closer to the level of last year, following the slowdown recorded in the first quarter. By contrast, the number of part-time employees slowed in the quarter, although it maintained very high year-on-year growth rates (28.5%). As a result, the part-time ratio declined by 0.3 pp from the previous quarter (to 12.8%), although it stood 2 pp higher than its level a year previously.

The labour force was more buoyant in 2005 Q2, with a growth rate of 3.4%, 0.1 pp more than in the preceding quarter. Behind this behaviour lies a significant increase in the participation rate, which reached 57.4%, one percentage point more than in the same period a year earlier. In 2005 Q2, the number of unemployed persons fell by 9.6% with respect to 2004 Q2, the rate of decline of unemployment intensifying. As a result, the rate of unemployment stood at 9.3%, 0.9 pp less than three months earlier and 1.4 pp below the level a year earlier. This positive performance by unemployment was partly confirmed by the most recent information provided by registered unemployment statistics, which showed a less intense decline in the number of unemployed persons: from a fall of 2.2% in Q1 to -3.6% between April and June.

### 4.3 Costs and prices

Compensation per employee, estimated within the framework of the QNA with base year 2000, increased by 2.9% in the economy as a whole in Q1, which was smaller than the increase recorded in the preceding period (3.1%). There was a similar slowdown in the market economy, where compensation grew by 2.8% and, to a greater or lesser extent, in all non-agricultural branches (see Chart 20). It should be stressed that the QNA base year 2000 estimates have involved a downward revision in the level of compensation per employee, both in the main aggregates (of 2.4% in the economy as a whole and of 4.7% in the market economy) and in the non-agricultural market branches, while the opposite has occurred in agriculture and non-market services. By contrast to the QNA, the Quarterly Labour Cost Survey (ETCL) shows an acceleration in the monthly labour cost per worker in 2005 Q1 to 3% year-on-year, from 2.7% in 2004 Q4, which stemmed from the acceleration in the non-wage component, the growth rate of which rose (by 1.2 pp) to 4.2%, while wage growth slowed slightly to 2.5% from 2.6% in the preceding period.



SOURCES: INE, Ministerio de Trabajo y Asuntos Sociales and Banco de España.

- a. Percentage change on same quarter a year earlier.
- b. Rates based on QNA seasonally adjusted series.
- c. Previous year's indexation clause.
- d. Settlement in the year to date.

The collective agreements registered in the first half of the current year reflect a wage settlement of 2.9%, similar to that agreed in 2004, before including indexation clauses. At the end of June, the number of workers with agreements for 2005 exceeded 5,500,000, most of whom (88.6%) were covered by revised agreements, with a settlement of 2.9%, while in newly signed agreements (affecting 633,000 workers) the settlement was half a point higher (3.4%). Overall, wage rates have been following the guidelines set by the Interconfederal Collective Bargaining Agreement (AINC) signed on 4 March by the social agents. However, given that there are still a large number of new agreements to be negotiated, it seems likely that by the end of the year the collective bargaining outcome will be somewhat higher settlements than those negotiated so far. The application of indexation clauses, which appeared in the agreements covering 77% of workers in December 2004, raised the settlements in 2004 to 3.6%, but their repercussions on labour costs will be felt in the current year, the impact being assessed as 0.6 pp, as compared with 0.2 pp in 2003. In the period to May, these clauses for 2005 were present in a similar percentage of agreements.

The moderation in the growth of compensation per employee in Q1 resulted in a smaller increase in labour costs per unit of value added, since the growth rate of value added per employee held steady. In particular, the labour cost per unit of value added decelerated by 0.2 pp to 2.5% in Q1. By contrast, the rate of growth of the value added deflator climbed to 4.1%, from 4% in the previous period. As a result of this divergent behaviour, the unit surplus increased by 6.7%, so that the widening of margins seen in previous quarters continued. In the market economy margins also widened, against a background of a cost slowdown similar to that in the economy as a whole, while the growth rate of prices held steady (see Chart 21).

In Q1 there were certain differences in the behaviour of the deflator and unit labour costs in the market economy and in the main branches that make it up. The deflator accelerated in industry and energy (also in agriculture), while in construction and in market services its growth was unchanged from 2004 Q4. By contrast, unit labour costs slowed in industry and energy and in



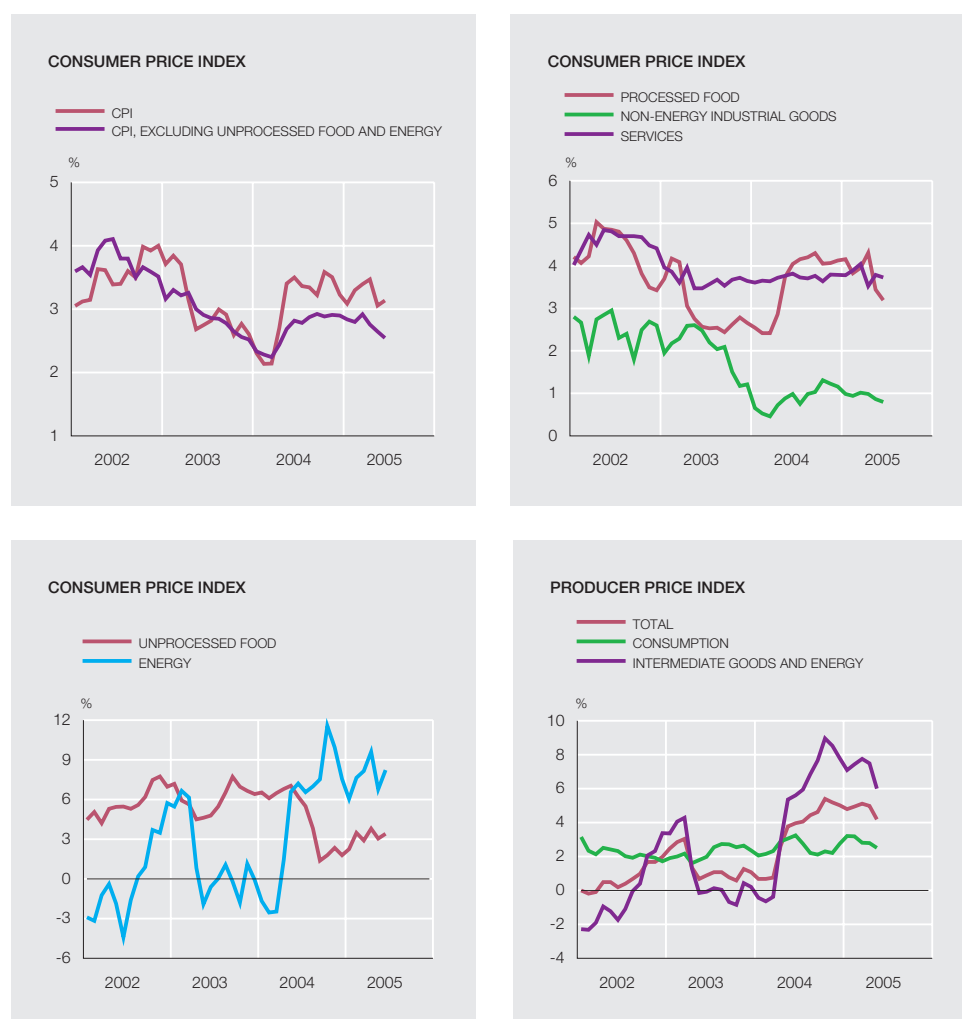
SOURCES: INE and Banco de España.

a. Percentage change on a year ago based on QNA seasonally adjusted series.

construction, remaining unchanged in market services. Despite these differences, the widening of margins was common to all branches of activity. The indicators available for Q2 show continuation of these patterns, although it is possible that price and cost increases, especially in industry and energy, are converging. When wage cost developments are analysed from the employer's viewpoint, i.e. deflating by the prices they face, as measured by the GVA deflator, the growth rate of compensation per employee (in real terms) in the market economy as a whole, can be seen to have turned negative again, favouring job creation.

The year-on-year growth rate of the final demand deflator increased by 0.1 pp to 4.2% in Q1, while that of the GDP deflator held steady at 4.2% and that of imports accelerated by 0.7 pp to 4.9%, as a consequence of the rise in oil prices and the depreciation of the euro

In Q1, the private consumption deflator slowed by 0.2 pp to a year-on-year growth rate of 3.4%, in contrast to the upward growth path last year. The CPI displayed a similar profile; it's year-on-year growth rate stood at 3.3% in Q1, 0.1 pp less than in the previous quarter. It fell again by 0.1 pp in Q2, while the CPI excluding unprocessed food and energy, after the stability displayed from last summer, declined by 0.3 pp to average growth of 2.6% in the period April-June (see Chart 22). As usual during the last twelve months, the most inflationary component was again energy prices, with average growth of 8.3%, the April increases in natural and calor gas having contributed to this outcome. In addition, fuel prices followed an upward

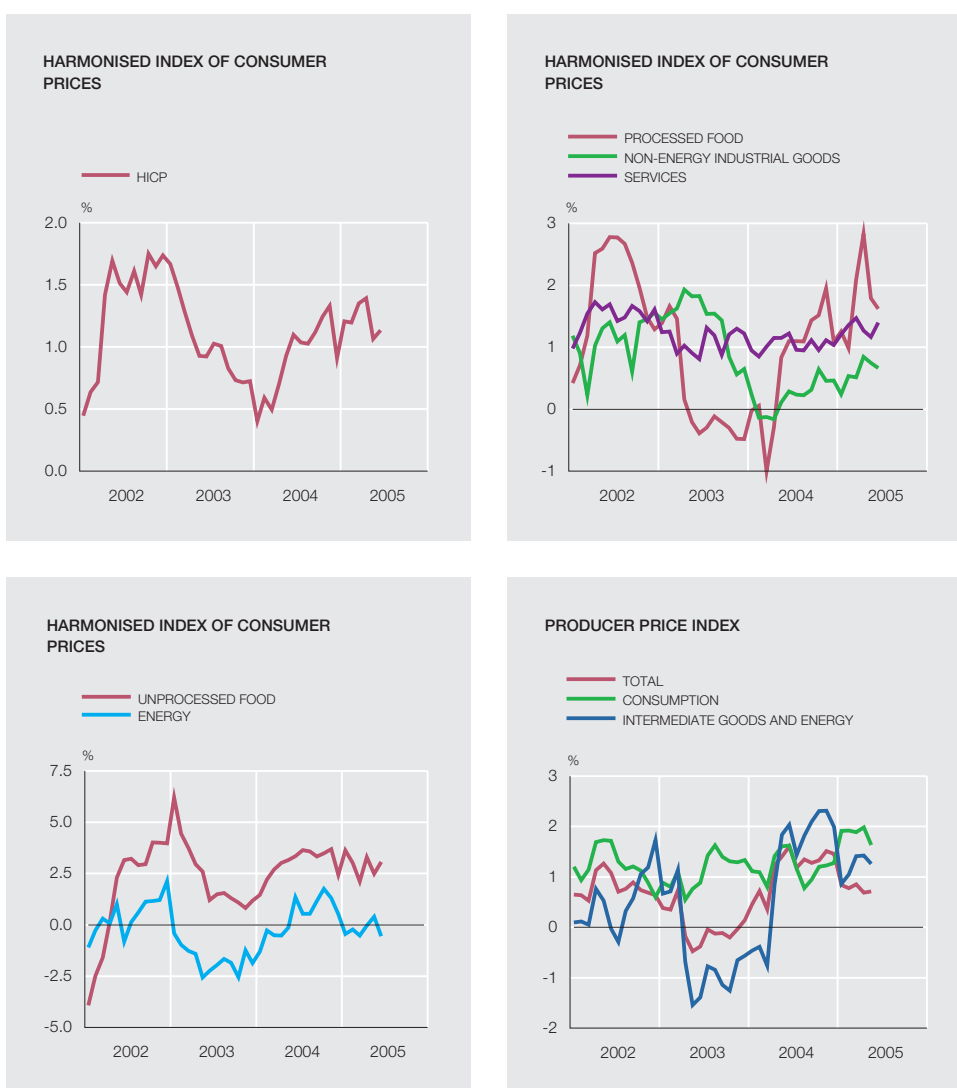


SOURCE: INE.

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

course during the quarter, in step with the trend in oil prices on international markets. In Q2, the average price of oil rose by three dollars a barrel. Meanwhile, the average year-on-year growth rate of unprocessed food prices increased by 0.5 pp, to 3.4% in Q2. That of fruit and vegetable items accelerated, possibly because of the cold weather in February. Owing to the methodology for incorporating the prices of these goods into the CPI (using moving averages), this has led to subsequent increases.

The slowdown in the CPI excluding unprocessed food and energy has been a reflection of the slower rate of growth of its three main components. Processed food prices decelerated by 0.4 pp in Q2, relative to Q1, taking the year-on-year growth rate to 3.6%. Services prices decelerated by 0.2 pp in Q2, to an average year-on-year rate of 3.7%. This was partly attributable to Easter, which entailed an acceleration in travel-related prices in March that was offset in the following month. In addition, the prices of telephony services continued to fall year-on-year, and the rise in prices in some transport services was partially curbed. Finally, the prices of non-energy industrial goods slowed by 0.1 pp, to an average year-on-year increase of 0.9% in Q2. In general, the prices of clothing and footwear behaved somewhat more moderately than last year, like the domestic producer prices for this kind of good.



SOURCES: Eurostat and Banco de España.

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

In Q2, Spanish inflation as measured by the HICP fell by 0.1 pp to 3.2%, while in the euro area as a whole inflation held unchanged at 2%, so that the differential narrowed by only 0.1 pp (see Chart 23). The reduction in inflation in services is somewhat greater in Spain than in the euro area, with the consequent decline in the differential. In any event, the increases in services prices are still very high, and hamper the convergence of Spanish with euro area inflation. As for goods, the differential widened in processed foods and in non-energy industrial goods, having slowed more sharply in the euro area than in Spain. Both energy and unprocessed food prices displayed a similar acceleration in Spain and the euro area.

The producer price index (PPI) increased by 0.3% in June, so that its year-on-year growth rose slightly to 4.4%, owing to the rise in energy producer prices. The year-on-year growth of producer prices of intermediate goods continued to moderate, so that it is now at half its level at the beginning of 2005, partly owing to the trend in the prices of metals. The year-on-year growth of the producer prices of capital equipment held very steady, at around 2%, while the year-on-year growth rate of the producer prices of consumer goods fell to 2.2%, owing to the ongoing moderation in the increases



	EUR m and %							
	Outturn 2004	Percentage change 2004/2003	Initial Budget 2005	JAN-MAR outturn Percentage change 2005/2004	Outturn			
					2004 JAN-JUN	2005 JAN-JUN	Percentage change	
1	2	3	4 = 3/1	5	6	7	8 = 7/6	
<b>1 REVENUE</b>	115,270	5.1	117,592	2.0	13.8	47,670	55,775	17.0
Direct taxes	58,668	3.8	63,689	8.6	23.0	19,337	23,592	22.0
<i>Personal income tax</i>	30,405	-7.4	33,703	10.8	16.6	13,608	16,572	21.8
<i>Corporate income tax</i>	26,019	18.7	27,901	7.2	--	4,587	6,012	31.0
<i>Other (a)</i>	2,244	26.5	2,085	-7.1	2.0	1,142	1,008	-11.7
Indirect taxes	41,350	5.8	43,051	4.1	18.7	21,385	25,418	18.9
VAT	29,108	7.3	30,015	3.1	22.0	15,214	19,320	27.0
<i>Excise duties</i>	9,751	-0.4	10,413	6.8	3.9	4,960	4,733	-4.6
<i>Other (b)</i>	2,491	14.9	2,623	5.3	14.5	1,211	1,366	12.9
Other net revenue	15,252	8.5	10,852	-28.9	-26.1	6,948	6,764	-2.7
<b>2 EXPENDITURE</b>	114,743	0.8	124,527	8.5	15.1	54,407	59,278	9.0
Wages and salaries	19,488	5.6	20,447	4.9	3.1	9,511	10,217	7.4
Goods and services	3,510	17.2	2,905	-17.2	-15.8	1,789	1,582	-11.6
Interest payments	16,760	-15.3	19,293	15.1	36.7	7,638	9,257	21.2
Current transfers	61,006	5.0	63,565	4.2	13.0	29,123	31,345	7.6
Contingency fund	...	...	...	...	...	...	...	...
Investment	7,104	-5.7	8,841	24.5	22.0	3,310	3,709	12.0
Capital transfers	6,875	-0.9	6,986	1.6	-3.1	3,036	3,169	4.4
<b>3 CASH-BASIS BALANCE (3 = 1 - 2)</b>	527	...	-6,935	...	--	-6,737	-3,503	...
<b>MEMORANDUM ITEM: NATIONAL ACCOUNTS</b>								
Resources	115,683	4.6	118,145	2.1	12.7	46,836	53,290	13.8
Uses	125,546	11.6	121,538	-3.2	5.2	52,184	54,484	4.4
<b>NET LENDING (+) OR BORROWING (-)</b>	-9,863	...	-3,392	...	...	-5,348	-1,194	...
(as a percentage of GDP)	-1.2	...	-0.4	...	...	-0.1	-0.6	...

SOURCE: Ministerio de Economía y Hacienda.

- a. Includes revenue from the tax on the income of non-residents.  
b. Includes taxes on insurance premiums and tariffs.

in the prices of non-durable consumer goods. The growth differential with the producer prices of the euro area stayed, in May, at 0.7 pp, similar to its level at the beginning of the year. Among the other price indicators, those received by farmers accelerated sharply over Q1, primarily on account of the strongly upward movement in vegetable and fruit prices. Finally, the deceleration in hotel prices in previous months has intensified, so that the prices in May were similar to those of the previous year.

#### 4.4 The State budget

The figures published for the State budget outturn to June, based on National Accounts methodology, show a deficit of €1,194 million (0.1% of GDP), as against the deficit of €5,348 million (0.6% of GDP) in the same period last year. This improvement was due to the dynamism of taxes, which boosted the growth of resources to 13.8%, while uses increased by 4.4% during this period (see Table 3). There was also an improvement in the State deficit in cash-basis terms. In the first half this deficit was €3,503 million, as against €6,737 million in the same period of last year. This reduction in the deficit contrasts strongly with the increase budgeted for the year as a whole, and is basically due to a much larger than expected increase in revenues, since payments increased in line with projections. As for the Social Security budget outturn, see Box 4.

The Social Security System posted a surplus of €7,488 million to April 2005, up €616 million (9%) from the same period of the previous year, with 7% growth in revenues and 6.4% growth in expenditure (see adjoining table).

Receipts from Social Security contributions rose by 7.1% to April, similar to the rate in the second half of 2004. Social Security registrations increased by 3.4% to June 2005, an acceleration from the growth recorded in the previous three years. If the 250,175 foreign workers registered during the period to 30 June as a consequence of the legalisation process are deducted, the growth in the number of registrations in the first half of 2005 is 3.1%, slightly above the rate recorded in 2004.

With regard to expenditure, that on contributory pensions grew by 6.9% to April, slightly below the projection for the year as a whole. The number of contributory pensions is following a very moderate path, and its growth held steady at 0.8%, the same rate as projected and as recorded in the previous year. Meanwhile, spending on sickness benefits increased by 8.3% in the

first four months of the year, well below the budget projection.

With respect to the State Public Employment Service (SPEE), whose data is not included in the adjoining table, which refers exclusively to the Social Security system, the contributions received increased by 6.6% to February, in line with the budget projection, while rebates on contributions in respect of employment-promoting contracts increased by 18.4% in the first two months of 2005, as compared with a budgeted freeze.

SPEE spending on unemployment benefits rose by 6.3% to May, as compared with the increase of 9.6% in 2004 as a whole. This slowdown was prompted by the behaviour of the number of beneficiaries, which grew by 2.3% to April, as against 5.6% on average in 2004. This behaviour was, in turn, the result of two opposing factors. On the one hand, there was a fall in registered unemployment of 1.3% in the first half of 2005, as against growth of 1.6% in the whole of the previous year. On the other hand, the eligibility ratio increased, to 58.8% to April 2005.

### SOCIAL SECURITY SYSTEM (a)

#### Transfers to regional governments allocated (b)

#### Current and capital transactions, in terms of recognised entitlements and obligations

EUR m and %

	Budget			Outturn JAN-APR		
	2004	2005	% change	2004	2005	% change
	1	2	3 = 2/1	4	5	6 = 5/4
1 REVENUE	82,217	90,040	9.5	28,895	30,917	7.0
1.1 Social security contributions (c)	76,753	83,915	9.3	26,932	28,840	7.1
1.2 Current transfers	4,672	4,874	4.3	1,688	1,646	-2.5
Other (d)	793	1,251	57.8	275	431	56.6
2 EXPENDITURE	78,691	84,100	6.9	22,023	23,429	6.4
2.1 Wages and salaries	1,907	1,998	4.8	579	647	11.8
2.2 Goods and services	1,497	1,566	4.6	370	417	12.9
2.3 Current transfers	74,775	80,060	7.1	21,026	22,329	6.2
Benefits	74,774	80,059	7.1	21,026	22,328	6.2
Contributory pensions	64,307	68,905	7.1	17,999	19,234	6.9
Sickness	5,312	5,925	11.5	1,556	1,686	8.3
Other	5,155	5,229	1.4	1,471	1,409	-4.2
Other current transfers	1	1	0.3	0	0	—
2.4 Other (e)	512	476	-7.0	48	35	-26.5
3 BALANCE	3,526	5,940	68.4	6,872	7,488	9.0

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

a. Only data relating to the system, not to the entire social security funds sector are given. This is because the figures for other social security funds are not available until April 2005.

b. Transfers from the ISM to the regional governments to finance transferred health-care and social services have been distributed among the various expenditure captions on the basis of the percentages obtained from the general government accounts for 1997.

c. Including surcharges and fines.

d. Excluding surcharges and fines.

e. Reduced by the disposal of investments.

It should be pointed out that the strong growth in revenues, both in National Accounts and cash-basis terms, partly reflects a certain lag in the rate of making rebates (especially those for corporate income tax and VAT), so that a slowdown in revenues is projected for the second half, although the projected growth rate is still above the initial forecast. In consequence, the State budget outturn in this first part of the year points to a better-than-expected outturn for the year as a whole. At the same time, the discrepancy between the two balances is basically due to the adjustment arising from the different accounting treatment of interest payments.

As for cash-basis revenues, these rose by 17% to June, owing to the strength of the main taxes, in sharp contrast to the budget forecast of a 2% increase for 2005 as a whole. However, the acceleration in revenues in Q2, in comparison with Q1, was attributable to the moderation in the rate of fall of non-tax revenues. IRPF (personal income tax) receipts increased by 21.8% (in particular, withholdings on earned income rose 16.4%, while the legalisation of immigrants is not expected to have a significant impact on these receipts). For their part, corporate income tax receipts, following the first payment on account in April, grew by 31% in the first half, although partly owing to delayed rebates. The buoyancy of VAT receipts intensified in Q2 (with growth of 27%). However, a significant lag has built up in the timing of rebates with respect to the previous year, which will probably be corrected in the second half, causing these revenues to slow. Even so, although it is very likely that receipts will still remain above the initial projection. Excise duties fell by 4.6%, following the moderate increase in Q1, owing especially to the trend in the hydrocarbon tax (with a fall of 12.7% to June, owing to the moderation in the consumption of these goods, given their high prices). As for the chapters aggregated under the heading "other net revenue", the decline recorded was determined by sharp reductions in the revenues from the Banco de España and in the funds received from the European Union (transfers that behave very erratically), although during Q2 these falls were partly offset by the recovery in the "charges" chapter.

Cash-basis expenditure, meanwhile, slowed in Q2, to a year-on-year growth rate of 9% in the first six months, in line with the budget projection. The slowdown was marked by interest payments, current transfers (with a weight of somewhat more than 50% of total expenditure) and investment. It should be noted, however, that the overall trend in expenditure should not be influenced by the restructuring of the railway system, given that the higher state interest payments and investment expenditure is offset, respectively, by lower volumes of current and capital transfers to RENFE, from 2005. Operating expenses (wages and salaries and goods and services), for their part, accelerated in Q2, although the goods and services item maintained negative rates, owing to the lower expenditure on elections, in comparison with a year earlier.

#### **4.5 The balance of payments and the capital account of the economy**

In the first four months of 2005, the overall balance on current and capital account was a deficit of €19,269 million, twice the level a year earlier (see Table 4). This result was basically a consequence of the notable deterioration in the current account balance, with the deficit doubling to €20,782 million and, to a lesser extent, of the slight fall in the capital transactions surplus, relative to the same period of 2004. The main current account items deteriorated, especially the trade deficit and the negative income balance, although the positive travel and current transfers balances also declined. By contrast, the non-travel services deficit improved slightly.

In the period January-April 2005, the trade deficit was €20,520 million, up €6,545 million from the same period a year earlier. In year-on-year terms, the negative balance increased by 47%, so that last year's deterioration intensified. This significant increase in the trade deficit stemmed from the weakness in this period of real export flows, and from the vigour of imports, against

		JANUARY-APRIL	
		2004	2005
EUR m			
<b>CREDITS</b>	CURRENT ACCOUNT	82,216	84,055
	Goods	48,220	49,884
	Services	19,079	19,177
	<i>Travel</i>	9,110	8,889
	<i>Other services</i>	9,969	10,288
	Income	8,151	8,152
	Current transfers	6,767	6,842
	CAPITAL ACCOUNT	1,960	1,673
	CURRENT + CAPITAL ACCOUNTS	84,177	85,728
	<b>DEBITS</b>	CURRENT ACCOUNT	92,621
Goods		62,194	70,404
Services		14,559	15,261
<i>Travel</i>		2,662	3,370
<i>Other services</i>		11,897	11,891
Income		10,770	13,032
Current transfers		5,097	6,140
CAPITAL ACCOUNT		228	160
CURRENT + CAPITAL ACCOUNTS		92,849	104,997
<b>BALANCES</b>		CURRENT ACCOUNT	-10,405
	Goods	-13,974	-20,520
	Services	4,520	3,916
	<i>Travel</i>	6,448	5,519
	<i>Other services</i>	-1,928	-1,603
	Income	-2,619	-4,880
	Current transfers	1,669	702
	CAPITAL ACCOUNT	1,732	1,513
	CURRENT + CAPITAL ACCOUNTS	-8,672	-19,269

SOURCE: Banco de España.

a. Provisional data.

a background of a widening in the growth differential vis-à-vis Spain's main trading partners, and also from the sharp increase in the energy bill, in step with the rise in oil prices on international markets.

As for the services balance, in the first four months of 2005 there was a surplus of €3,916 million, below the level of the same period of 2004. This deterioration is explained by the decline in the travel surplus (-14%), since the non-travel services deficit was corrected somewhat. Travel revenues fell by 2.4% in the first four months of the year (cutting short the recovery they displayed at the end of the previous year), in line with the slowdown in this period of the indicators of foreigner's overnight stays in hotels and tourist flats. For their part, driven by the strength of the euro, travel payments rose by 26.6% in the period January-April, sustaining the notable vigour that characterised them last year.

The negative income balance deteriorated significantly in the first four months of 2005, to stand at €4,880 million. Credits were notably slack (-0.3%), while debits rose by 20.7%, owing to the increase in payments made by financial institutions and by the resident non-financial private sector.

The current transfers surplus stood at €702 million, in the period January-April, less than half the level in the same period of 2004. Credits barely increased by 1.5%, despite the favourable behaviour of flows from the EU under EAGGF-Guarantee. However, those to the public sector under the European Social Fund fell. Debits, for their part, increased at a very high rate of 20.5%, basically as a consequence of the notable increase in payments made to the EU under GNP resource and VAT resource. Likewise, workers' remittances grew at a high rate, although somewhat more slowly than in 2004.

Finally, the capital account surplus stood at €1,513 million in the first four months of 2005, down somewhat from the same period of 2004. This deterioration is explained by the notable decline in transfers from the EU's Cohesion Fund and EAGGF-Guidance, while the structural funds received under the ERDF increased.

## 5 Financial developments<sup>4</sup>

### 5.1 Overview

In 2005 Q2 the financial conditions of households and Spanish corporations were shaped by an environment of falling interest rates in the money and public debt markets. Thus between March and June average one-year Euribor decreased by 23 basis points (bp) to 2.1%, making for a flat yield curve between the one-month and one-year maturities. Even sharper was the decrease in the ten-year Spanish bond yield, down 54 bp to 3.19%, a record low. These developments, along with the continuing moderate levels shown by the risk premia of Spanish firms, led to a further contraction in the cost of financing with fixed-income securities. According to the most recent information available, the bank lending rates to firms and households did not change significantly in April and May, remaining at low levels (see Chart 24).

In late April Spanish and international stock market prices resumed the upward path that had been arrested for the previous two months, against a background of low volatility, low long-term interest rates and generally favourable profit figures published by listed firms for 2005 Q1. The terrorist attacks of 7 July in London triggered sharp falls in European stock exchange indices, although they later quickly recovered. Hence on 11 July the Madrid Stock Market General Index had gained nearly 9% since the beginning of the year. This performance was very similar to that of the broad EURO STOXX index of the euro area stock exchanges and much better than that of the US S&P 500, which was up by 3% in this period. In Spain, moreover, these developments were accompanied by high trading volumes.

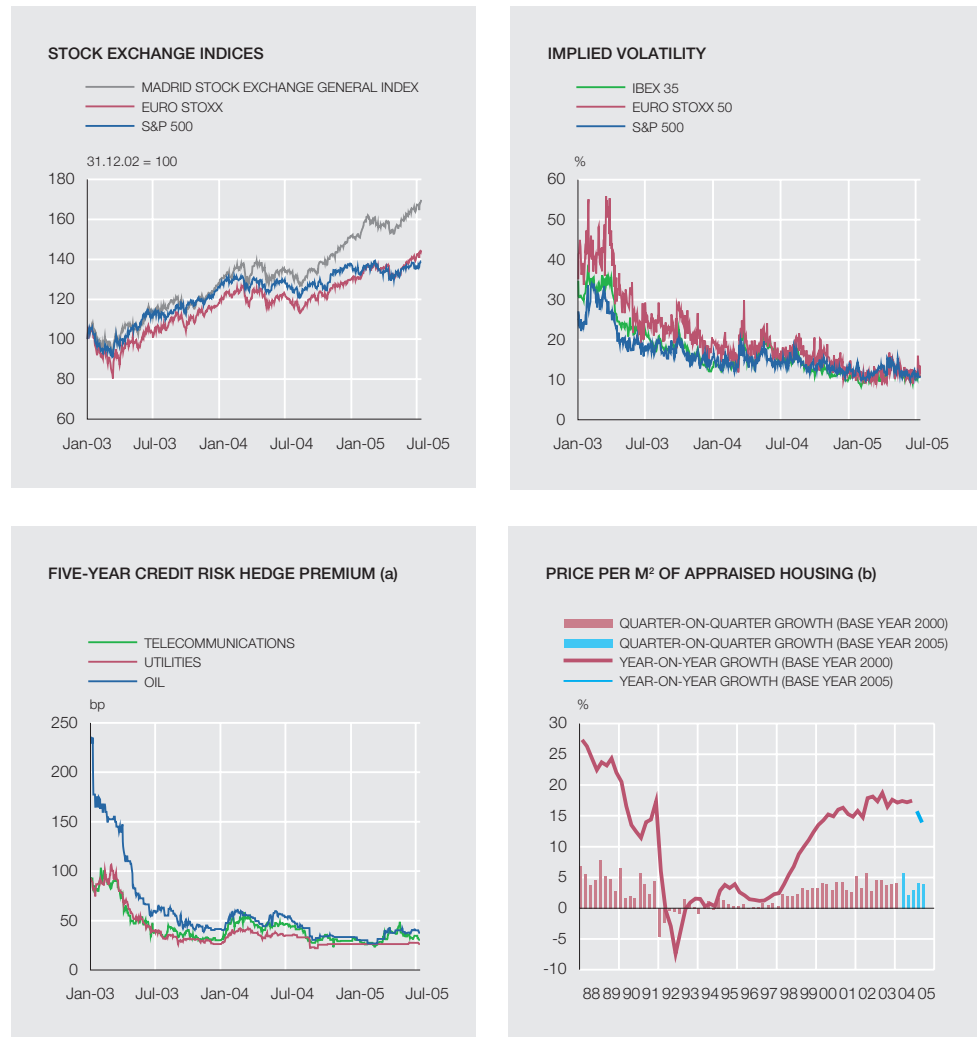
As regards the market value of property, the latest official housing ministry data showed a certain decrease in its year-on-year growth from 15.7% in Q1 to 13.9% in the following quarter. However, given the short history of the new series prepared by the Ministry (in principle, more volatile than the old one), it is still too early to judge whether this represents the beginning of a clear change in trend.

In this setting, the volume of financing received by the private sector in Q1 continued to show notable buoyancy. In particular, corporate borrowing accelerated and its year-on-year growth stood at nearly 16%. For their part, the liabilities of households maintained a brisk pace of growth of around 20%. The breakdown of credit from resident institutions by loan purpose indicates that the most noteworthy feature between January and March continued to be the leading role of the property and construction sector. Another feature was the firming of the expansionary path apparent during 2004 in the funds channelled to industry, which were up by nearly 10% in year-on-year terms. The provisional information available up to May indicates that the debt of firms and households continued to follow the same pattern of previous months.

The aforementioned developments were reflected in a further worsening of the indicators of financial pressure on households. Thus, according to the Financial Accounts for Q1, the debit balance of this sector's financial transactions reached the equivalent of 0.4% of GDP (see Table 5). In addition, the debt and financial burden of households in relation to gross disposable

---

4. The latest update of the Financial Accounts of the Spanish Economy (FASE) incorporates the revisions of the Spanish National Accounts (CNE) and of the Balance of Payments (see Methodological Note in the electronic update of the FASE). Also, the new CNE with base year 2000 entailed changes in the levels of financial indicators expressed as ratios of CNE variables, which in this Bulletin appear as a break in the year 2000, since these series are not available before that year. In the case of sectoral variables, use is made of provisional internal estimates consistent with the new CNE with base year 2000, since the sectoral accounts of the CNE have not yet been published. For this reason, the new levels of the indicators based on these variables should be interpreted with due caution.



SOURCES: Bloomberg, Credit Trade, Ministerio de Vivienda and Banco de España.

- a. Average asset-weighted premia. On 22.6.03 a change in the contractual conditions of European firms came into force. The new contract carries lower premia (around 10%)
- b. New statistic from 2004.

income (GDI) continued to increase, while their saving after debt service again decreased. However, their net wealth seems to have remained on its upward path, particularly insofar as its property component is concerned. The most recent provisional information indicates that both these trends have continued.

In the case of non-financial corporations, there were also increases in the aggregate debt/profit ratio and, of a moderate nature, in the interest burden. In addition, the debit balance of financial transactions increased notably to 5.3% of GDP, whereas the financing gap ceased to follow the slightly narrowing trend of previous quarters. However, the latest quarterly survey of the Central Balance Sheet Office (CBQ) indicates that the debt and financial burden ratios are holding steady against a backdrop of favourable profitability performance, which led to a further decrease in the synthetic indicator of financial pressure on investment and to the steady low levels reached by the employment indicator in recent months. Moreover, these developments were accompanied by an improvement in analysts' forecasts of listed companies' profits and greater buoyancy of lending to industry and, according to the Bank Lending Survey (EPB), of credit for investment in fixed capital.

% GDP (a)	2000	2001	2002	2003	2004				2005
					Q1	Q2	Q3	Q4	Q1
									Q1
National economy	-3.2	-3.4	-2.5	-3.1	-3.1	-3.3	-3.6	-4.1	-4.9
Non-financial corporations and households and NPISHs	-3.1	-4.4	-3.7	-4.8	-4.3	-4.8	-5.4	-4.5	-5.7
<i>Non-financial corporations</i>	-4.7	-5.8	-4.7	-5.0	-5.0	-5.2	-5.3	-4.5	-5.3
<i>Households and NPISHs</i>	1.6	1.4	1.0	0.2	0.7	0.4	-0.1	-0.1	-0.4
Financial institutions	0.8	1.5	1.4	1.4	1.5	1.4	1.2	0.7	0.6
General government	-0.9	-0.5	-0.3	0.3	-0.2	0.1	0.6	-0.3	0.1
MEMORANDUM ITEM:									
Financing gap (b)	-14.8	-9.1	-9.4	-9.6	-8.3	-9.2	-8.6	-7.1	-8.7

SOURCE: Banco de España.

a. Spanish National Accounts, base year 2000.

b. Financial resources that cover the gap between expanded gross capital formation (real and permanent financial investment) and gross saving.

The continuing upward trend in the price of financial and real assets, and the low interest rates, continued to be conducive to the expansion of private consumption and residential investment in the last few quarters. However, as mentioned in previous reports, the level reached by indicators of financial pressure on households and the evidence of house overpricing constituted factors of risk for household expenditure at the medium and long term.

In the case of firms, although their aggregate debt and financial burden again increased, certain recent data at the microeconomic level pointed to an improvement. Thus in recent quarters the earnings prospects of listed companies have been revised upwards, the synthetic indicators of financial pressure constructed from CBQ data have remained at low levels and an increase has been observed in the demand for financing to industrial firms and for that relating to investment in fixed capital. Overall, this evidence, together with the sounder position of large corporations and the generous financing conditions, makes for a favourable scenario for the continued buoyancy of productive investment.

## 5.2 Households

The financing conditions for households remained highly favourable in 2005 Q2. In May the interest rates applied by credit institutions in new lending stood around the low levels seen in the preceding months. Specifically, the rates for house purchase and for consumer and other loans were 3.4% and 6.3%, respectively, similar to those at end-2004. The EPB for January-March 2005 indicates that the terms offered to households on house purchase loans continued to tighten moderately while those for other loans to the sector eased further, with institutions intending to maintain these policies between April and June.

Between January and March, household debt maintained the brisk rate of increase of the preceding quarters, with growth of nearly 20% in year-on-year terms, as has been the case since mid-2004 (see Table 6). The expansion of liabilities continued to be conditioned by the behaviour of the house-purchase component of credit, which grew by around 24%, representing a flow equal to 9% of GDP in cumulative twelve-month terms, up 0.6 pp on the 2004 figure. This expansionary behaviour of funds relating to the financing of property affects house prices in the manner discussed in Box 5. Meanwhile, consumer and other loans slowed somewhat



% GDP (a)	2001	2002	2003	2004		2005
				Q3	Q4	Q1
<b>HOUSEHOLDS AND NPISHs</b>						
Financial transactions (assets)	7.5	8.2	9.2	10.4	10.0	10.1
Cash and cash equivalents	1.1	3.6	4.2	4.0	3.9	4.3
Other deposits and fixed-income securities (b)	3.4	1.6	-0.1	1.4	1.9	1.7
Shares and other equity (c)	-0.2	0.6	0.6	0.6	0.1	0.0
Mutual funds	0.8	0.2	2.3	1.7	1.5	1.3
<i>FIAMM</i>	1.2	0.7	0.6	-0.3	-0.2	-0.1
<i>FIM</i>	-0.5	-0.5	1.7	1.9	1.6	1.2
Insurance technical reserves	2.6	2.5	1.8	1.8	1.8	2.0
<i>Of which:</i>						
<i>Life assurance</i>	1.4	1.4	0.7	0.7	0.7	0.8
<i>Retirement</i>	0.9	0.9	0.9	0.8	0.9	0.9
<i>Other</i>	-0.1	-0.3	0.5	0.8	0.8	0.9
Financial transactions (liabilities)	6.1	7.2	9.0	10.5	10.0	10.5
Credit from resident financial institutions (d)	5.2	6.9	8.9	10.4	10.5	10.7
<i>House purchase credit (d)</i>	4.6	4.9	6.9	8.3	8.6	9.0
<i>Consumer and other credit (d)</i>	0.6	2.0	2.0	2.1	1.8	1.6
<i>Other</i>	0.9	0.3	0.1	0.1	-0.4	-0.2
<b>NON-FINANCIAL CORPORATIONS</b>						
Financial transactions (assets)	14.6	14.6	16.2	15.3	15.0	16.9
Cash and cash equivalents	1.6	1.6	0.8	1.1	1.0	1.2
Other deposits and fixed-income securities (b)	0.9	1.7	1.4	0.2	0.9	0.9
Shares and other equity	5.4	6.6	7.4	5.5	4.2	4.8
<i>Of which:</i>						
<i>Vis-à-vis the rest of the world</i>	3.9	4.8	4.5	3.3	2.6	3.4
<i>Other</i>	6.8	4.7	6.5	8.4	8.9	10.0
Financial transactions (liabilities)	20.5	19.3	21.2	20.6	19.5	22.2
Credit from resident financial institutions (d)	6.0	5.9	6.8	7.9	9.3	10.1
Foreign loans	3.8	2.7	2.7	1.7	0.5	0.9
Fixed-income securities (b)	0.0	-0.4	-0.2	0.0	0.0	0.0
Shares and other equity	4.9	5.9	5.2	3.9	2.7	2.7
<i>Other</i>	5.8	5.1	6.7	7.0	7.0	8.5
<b>MEMORANDUM ITEM: YEAR-ON-YEAR GROWTH RATES (%):</b>						
Financing (e)	15.4	14.1	16.0	16.7	16.3	17.4
Households and NPISHs	12.3	15.6	18.7	20.5	19.7	19.8
Non-financial corporations	17.7	13.1	14.0	13.9	13.8	15.5

SOURCE: Banco de España.

a. CNE, base year 2000.

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

c. Excluding mutual funds.

d. Including securitised loans.

e. Defined as the sum of bank credit extended by resident credit institutions, foreign loans, fixed-income securities and financing through securitisation vehicles.

to a more moderate rate of increase of 10%. The provisional information available for the period up to May points to the continued buoyancy of house purchase debts and a slight pick-up in funds for other purposes.

Portfolio decisions by households in Q1 showed the same pattern as in 2004 (see Table 6). Thus the volume of funds invested in financial assets was very similar to that in 2004, amounting to nearly 10% of GDP in cumulative twelve-month terms. The main instrument chosen was



SOURCE: Banco de España.

- a. For the sectoral National Accounts data, from 2000 a provisional estimate consistent with CNE base year 2000 is used.
- b. Includes bank credit and securitisation.
- c. Assets 1 = Total financial assets - "other".
- d. Assets 2 = Assets 1 - shares - shares in FIM.
- e. Calculated on the basis of the estimated changes in the stock of housing, in the average area per house and in the price per square metre.
- f. Estimated interest payments plus debt repayments.
- g. Balance of households' use of disposable income account.
- h. Gross saving less estimated debt repayments.

again liquid, lower-risk assets (cash and deposits), the holdings of which increased by an amount equal to 6% of GDP. By contrast, the amount of share purchases was zero and net subscriptions for mutual funds continued to decrease, falling to 1.3% of GDP. Finally, investment in insurance technical reserves rose slightly to 2% of GDP.

The expansion of credit meant that household debt, measured in terms of GDI, continued to grow, and in March it passed the 100% level (see Chart 25)<sup>5</sup>. This development, along with the stability of the cost of borrowing, resulted in the associated financial burden increasing further to levels approaching 14% of GDI, which in turn led to a decrease in the sector's saving after debt service. In line with these developments, Q1 saw the debit balance of the sector's net financial transactions rise to 0.4% of GDP in cumulative twelve-month terms. Nevertheless, the Spanish

5. In the Spanish National Accounts with base year 1995 these levels had already been reached at end-2004.

Loans and house prices are closely related. Thus a rise in property values increases the amount of the guarantees that households have for requesting loans, which stimulates demand for them. On the other hand, a higher volume of financing facilitates the acquisition of these assets which, when supply is fixed in the short run, will tend to lead to rises in the prices of that asset. There is some descriptive evidence at international level of episodes of 2-way feedback between upturns in these two variables. This resulted in a build-up of imbalances that were subsequently corrected more or less sharply, in some cases with a severe impact on the banking system and on the economy in general. It is thus relevant to analyse empirically the interaction between these aggregates in Spain, particularly at the present when they are both growing at high rates.

To analyse the interaction between house purchase financing and house prices in the Spanish economy, a model was estimated which describes the long-run relationship between these two variables and their short-run dynamics (including the adjustment of imbalances with respect to the long-run paths)<sup>1</sup>. The results obtained, which are set forth in the accompanying table, show a positive correlation between the two variables in the short run. Thus when there is growth of 1

percentage point in loans (house value), the rate of increase of property prices (debt for purchasing this asset) rose in the period by 0.15 (0.09) pp, indicating that the movements in these aggregates reinforce each other.

The results also show that when the loans are not at their long-run equilibrium level, the two variables analysed tend to move to re-establish it. Specifically, when the debt stands one percentage point above (below) the level consistent with its long-run determinants, there occurs in the immediately following quarter a decrease (increase) in loans of 0.13 pp, and property prices decline (rise) by 0.08 pp. This dynamic is maintained in succeeding terms, with an implicit correction of 6.2% of the gap each quarter, so these effects are prolonged over a long period. By contrast, deviations from the equilibrium path in the housing market are corrected only through downward or upward changes in property prices of 0.07 pp per percentage point of imbalance depending on whether the overvaluation is positive or negative.

1. See Gimeno and Martínez-Carrascal (2005): *The interaction between loans for house purchase and housing prices. An analysis for Spain*, mimeo, Banco de España.

#### RESULTS OF ESTIMATION OF A MODEL FOR HOUSE PURCHASE LOANS AND PROPERTY PRICES (Quarterly figures for 1984-2004) (a)

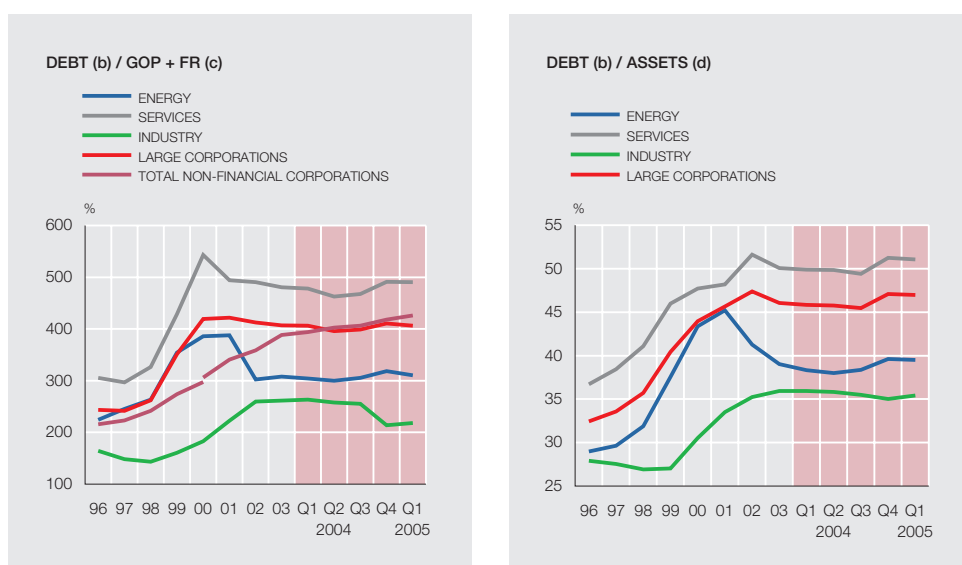
EXPLANATORY VARIABLE	Dependent variable	
	Loans (per household)	House price
Loan growth	—	0.150
House price growth	0.09	—
Labour income growth	0.23	—
Imbalance in loans (in previous quarter)	-0.13	-0.08
Imbalance in house prices (in previous quarter)	—	-0.07

a. The table shows the percentage changes (in one quarter) in each of the dependent variables (loans for house purchase and property prices) associated with a contemporaneous increase of one percentage point in the debt, property prices and labour income, and an imbalance of the same amount in each of the dependent variables in the previous quarter. All variables are expressed in real terms and labour income is corrected for outliers.

family expenditure survey shows that the percentage of households able to save held on a path of mild growth, standing at 38.5% in 2005 Q1, while the proportion of households reporting some degree of difficulty in getting to the end of the month decreased slightly to 54.7%.

Finally, in 2005 Q1 the sector's wealth again increased, mainly as a result of the upward trend in the price of property assets. As a result of this rise, the theoretical effort required to buy a new house increased once again: first, the financial burden in the first year of a theoretical loan that, at the current rates and terms, would finance 80% of the value of the property now represents 35% of GDI per household; and second, the house price/GDI per household ratio increased again<sup>6</sup>.

6. The changes in this ratio proxy the changes in the effort required to make the down payment for house purchase and in the time that a certain theoretical level of effort would have to be maintained to purchase a property and repay in full the standard associated loan.



SOURCE: Banco de España.

a. Indicators calculated drawing on the CBSO annual and quarterly surveys (CBA and CBQ), except the series «Total non-financial corporations», which was obtained from the National Accounts (CNE and FASE). From 2000, a provisional estimate consistent with the CNE with base year 2000 was used.

b. Interest-bearing borrowed funds.

c. Gross operating profit plus financial revenue.

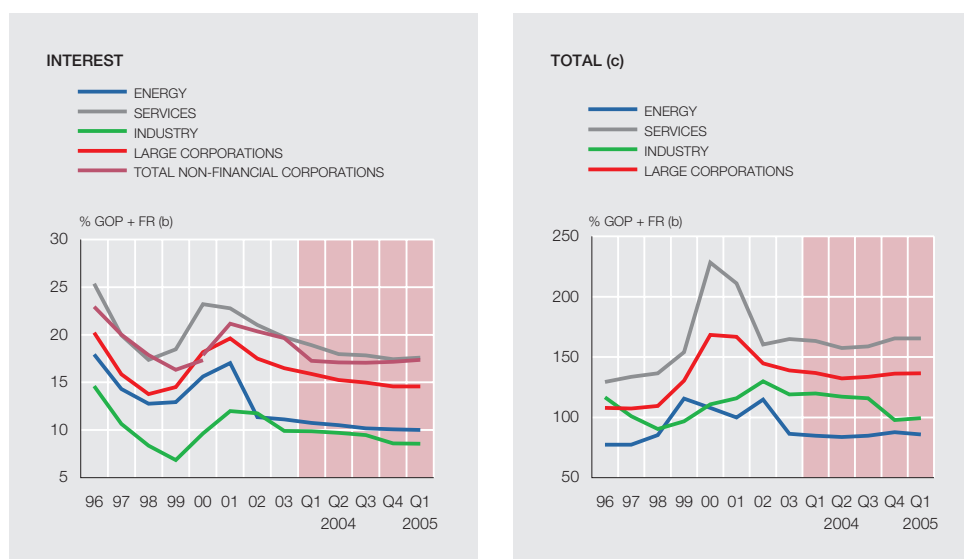
d. Defined as total inflation-adjusted assets less non-interest-bearing liabilities.

### 5.3 Non-financial corporations

The financing conditions of corporations underwent slight changes, remaining extremely favourable in the first quarter of the year. Thus in May the interest rates applied by credit institutions in new lending business held at low levels, standing at around 4% and 3% depending on the volume of the transaction. Furthermore, according to the EPB for Q1, the loan approval criteria were less strict, against a backdrop in which, in line with what had been expected, the demand perceived by institutions continued to accelerate significantly. Also, the surveyed institutions expected this pattern to hold between April and June. Meanwhile, the cost of financing on the fixed-income markets decreased owing to the downward course of public debt yields and to the continuing low level of risk premiums. Similarly, the upward path of stock exchange indices from May, along with their low volatility, improved the conditions for raising funds on the equity markets.

In this setting, the volume of liabilities-side transactions of corporations in Q1 was considerable, amounting to more than 22% of GDP in cumulative twelve-month terms, up 2.7 pp on the 2004 figure (see Table 6). As regards instruments, the main source of funds was loans, the flow of which amounted to 11% of GDP, since no fixed-income securities were issued and the funds in the form of shares and other equity were equal to 2.7% of GDP. Although lending from non-residents increased, the financing from resident institutions was again the most expansionary component. In terms of rates of change, the year-on-year growth of the debt in March stood at more than 15%, which represented an increase of more than 1 percentage point with respect to end-2004. According to the available data, this upward course was maintained through to May.

The breakdown of bank credit by productive activity continued to show a high buoyancy of funds for construction and real estate services, which in March grew by more than 22% and 42%, respectively, compared with the same period in 2004. Lending to industry again accelerated notably for the fourth quarter running, with a year-on-year rate of increase of nearly 10%.

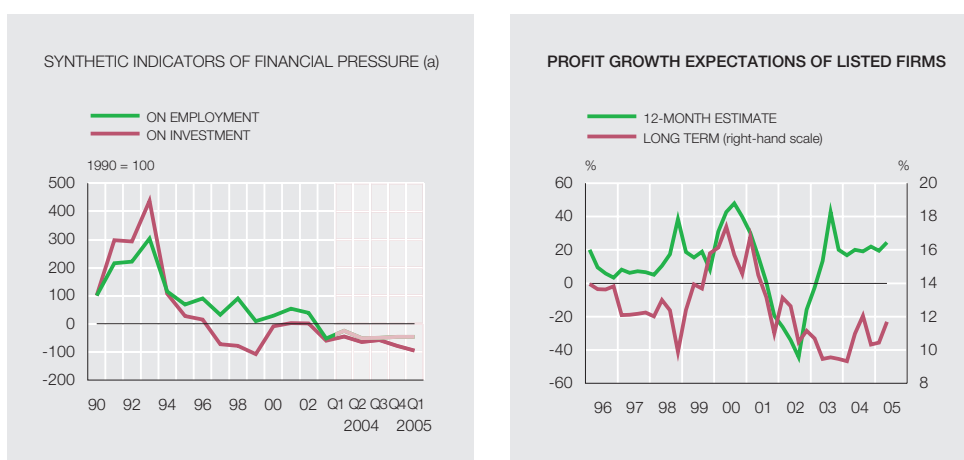


SOURCE: Banco de España.

- a. Indicators calculated drawing on the CBSO annual and quarterly surveys (CBA and CBQ), except the series «Total non-financial corporations», which was obtained from the National Accounts (CNE and FASE). From 2000, a provisional estimate consistent with the CNE with base year 2000 was used.
- b. Gross operating profit plus financial revenue.
- c. Includes interest plus interest-bearing short-term debt.

## OTHER FINANCIAL INDICATORS OF NON-FINANCIAL CORPORATIONS

CHART 28

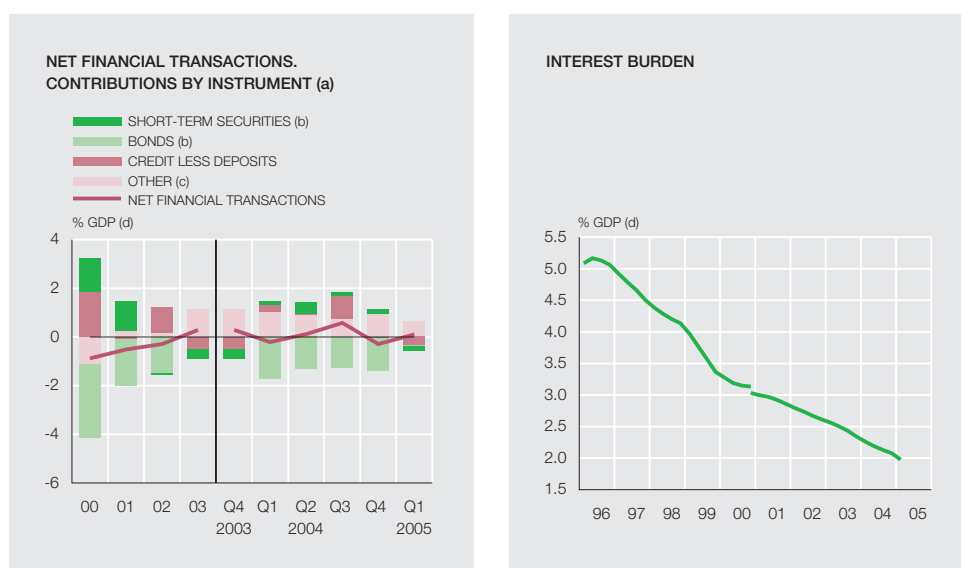


SOURCES: I/B/E/S and Banco de España.

- a. Indicators estimated drawing on the CBSO annual and quarterly surveys. A value above (below) 100 indicates more (less) financial pressure than the reference level.

In contrast, services (excluding real estate services) held on the mildly decelerating path seen throughout 2004. Finally, on CBQ information, large corporations continued to step up their borrowing, although at moderate rates.

On the assets side, the amount of non-financial corporations' transactions grew more moderately, moving up to 17% of GDP in cumulative twelve-month terms, nearly 2 pp more than in 2004. As regards instruments, there was an increase in the heading under which trade credit (included in the item "Other" in Table 6) is classified. Also notable was the recovery in investment in foreign shares by Spanish corporations.



SOURCE: Banco de España.

- a. A positive (negative) sign denotes an increase (decrease) in assets or a decrease (increase) in liabilities.
- b. Includes only liabilities transactions.
- c. Includes unpaid accrued interest on bonds.
- d. CNE, base year 2000, from 2000 Q4.

As a result of the aforementioned changes in assets-side and liabilities-side transactions, net borrowing by corporations increased notably in 2005 Q1 and stood, in cumulative twelve-month terms, at 5.3% of GDP, up 0.8 pp on the 2004 figure (see Table 5). This development, along with the incipient recovery in foreign direct investment, meant that the financing gap, i.e. the net external funds needed to undertake gross capital formation and direct investment abroad, reversed its recent downward trend and rose to 8.7% of GDP. However, this indicator is still below the levels seen at the beginning of the current decade.

Owing to the buoyancy of borrowed funds, the sector's indebtedness continued to rise and in March it stood at 426% of gross operating profit plus financial revenue (see Chart 26). This movement, against a background of steadiness in the cost of financing, resulted in a slight increase in interest payments, which however remained at moderate levels around 17% of profits (see Chart 27). On CBQ information, both the debt ratio and the financial burden of the reporting corporations as a whole remained relatively steady, and no significant differences between the productive branches were apparent. Moreover, the ordinary net profit of these corporations grew briskly at around 14%, reflecting an additional improvement in corporate profitability. However, this positive development is explained partly by the favourable performance of financial revenue (basically dividends), since gross operating profit grew more slowly (5.9%). As a result of all these developments, the synthetic indicator of financial pressure on investment decreased and that for employment held around the low levels of the previous quarter (see Chart 28).

Finally, analysts' expectations as to the earnings growth of listed non-financial corporations recovered in Q2. Thus in that period the expected growth of EBITDA for the next 12 months was relatively high at nearly 25%, compared with an average of 19% in 2004. The long-term annual rate of change of profit rose slightly to nearly 12%.

% GDP (a)	2001	2002	2003	2004		2005
				Q3	Q4	Q1
NET FINANCIAL TRANSACTIONS	-3.4	-2.5	-3.1	-3.6	-4.1	-4.9
FINANCIAL TRANSACTIONS (ASSETS)	11.0	13.0	12.9	11.5	12.3	13.5
Gold and SDRs	0.0	0.0	0.0	0.0	0.0	0.0
Cash and deposits	-2.6	3.3	0.7	4.2	3.6	3.7
Securities other than shares	6.9	4.1	6.5	1.5	1.7	2.4
<i>Of which:</i>						
<i>Credit institutions</i>	1.9	0.5	3.5	0.7	1.0	0.6
<i>Institutional investors (b)</i>	5.2	3.1	3.1	0.4	0.0	1.3
<i>Shares and other equity</i>	4.4	5.0	4.7	4.3	5.7	5.8
<i>Of which:</i>						
<i>Non-financial corporations</i>	3.9	4.8	4.5	3.3	2.6	3.4
<i>Institutional investors (b)</i>	0.4	-0.1	1.1	1.2	1.0	1.0
Loans	2.3	0.6	0.9	1.4	1.4	1.6
FINANCIAL TRANSACTIONS (LIABILITIES)	14.4	15.5	16.0	15.1	16.4	18.4
Deposits	2.5	4.0	6.9	2.9	1.7	2.2
Securities other than shares	2.9	4.3	5.3	10.7	12.2	12.6
<i>Financial institutions</i>	1.4	3.1	6.4	8.6	9.6	11.3
<i>Rest of resident sectors</i>	1.5	1.2	-1.1	2.1	2.6	1.4
Shares and other equity	4.4	4.0	1.1	-0.3	1.9	2.1
<i>Of which:</i>						
<i>Non-financial corporations</i>	3.8	3.3	1.3	0.3	0.9	1.3
Loans	4.2	3.3	3.2	2.5	1.6	2.1
Other, net (c)	0.5	0.0	-0.5	-0.7	-0.9	-0.6

SOURCE: Banco de España.

a. CNE, base year 2000.

b. Insurance corporations and portfolio investment institutions.

c. Includes the asset-side caption reflecting insurance technical reserves.

#### 5.4 General government

In 2005 Q1 the balance of the general government sector's net financial transactions was positive, making for a slight improvement in the sector's financial saving in cumulative four-quarter terms, which stood at 0.1% of GDP compared with -0.3% in 2004 (see Chart 29).

In terms of instruments, there was a net redemption of bonds by general government between January and March, although in cumulative four-quarter terms the funds raised in this way were practically nil. The net issuance of short-term securities in the first quarter of the year was positive and, in cumulative twelve-month terms, the funds received were also very low. Interest payments as a proportion of GDP continued to decrease thanks to the decline in financing costs.

#### 5.5 The rest of the world

The debit balance of the nation's financial transactions again worsened in 2005 Q1, reaching 4.9% of GDP in cumulative four-quarter terms, up 0.8 pp of GDP on 2004 (see Table 5). Sectoral analysis shows that the greater financing needs arose from the increase in the debit balance of households and non-financial corporations, which was not offset by the recovery in general government saving.

Investment in external assets by resident sectors in Q1 amounted to 13.5% of GDP in cumulative twelve-month terms, up 1.2 pp on the 2004 figure (see Table 7). There were slight chang-

**NET FINANCIAL ASSETS VIS-À-VIS THE REST OF THE WORLD (a)  
(Q4 data)**

TABLE 8

% GDP (b)	2000	2001	2002	2003	2004	2005 (c)
National economy	-26.1	-27.1	-30.0	-36.0	-42.1	-43.0
Non-financial corporations and households and NPISHs	-9.6	-10.6	-11.2	-13.6	-12.4	-11.6
Non-financial corporations	-16.6	-17.7	-18.0	-21.1	-20.6	-19.8
Households and NPISHs	6.9	7.0	6.8	7.5	8.2	8.2
Financial institutions	7.3	7.4	5.6	-1.3	-6.6	-8.6
Credit institutions (d)	-11.9	-14.1	-14.3	-21.7	-22.9	-24.3
Institutional investors (e)	20.1	23.3	23.4	26.4	26.6	27.5
Other financial institutions	-0.9	-1.8	-3.4	-6.0	-10.4	-11.8
General government	-23.7	-23.9	-24.4	-21.1	-23.0	-22.8

SOURCE: Banco de España.

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

b. CNE, base year 2000.

c. Q1 data

d. Defined in accordance with the First Banking Directive.

e. Insurance corporations and portfolio investment institutions.

es in the instruments with respect to the trends in 2004. Thus the volume of investment in currency and foreign deposits held steady as a proportion of GDP, while the acquisition of securities other than shares increased as a result of purchases by institutional investors. Moreover, the acquisition of shares and other equity abroad continued to account for a high percentage of the flows (5.8% of GDP), against a backdrop in which, on provisional balance of payments information, both direct and portfolio investment increased in buoyancy.

Net capital inflows amounted to the equivalent of 18.4% of GDP in cumulative twelve-month terms, up 2 pp on the volume posted in 2004. As regards instruments, there were increases in most headings, although the main source of funds was again the issuance of securities other than shares by financial institutions, which is the main way by which external funds are raised to cover the financing needs of Spain's economy.

Finally, as a result of these developments in inflows and outflows and of the changes in asset prices and the exchange rate, there was a fresh increase in the debit position of the Spanish economy vis-à-vis the rest of the world, which in 2005 Q1 stood at 43% of GDP. Sectorally speaking, these changes resulted in a worsening of the debit position of financial institutions, which was not offset by the improvement in the position of corporations and general government.

29.7.2005.



RESULTS OF NON-FINANCIAL CORPORATIONS IN 2005 Q1

## Results of non-financial corporations in 2005 Q1<sup>1</sup>

### Introduction

The information compiled by the Central Balance Sheet Data Office (CBSO) quarterly survey (CBQ) for 2005 Q1 shows that, overall, the non-financial corporations comprising this database started the year with growth in activity (as measured by nominal GVA) similar to that posted in 2004 Q1 (5%), although less than that for 2004 as a whole (6.1%). Despite this, employment picked up to a rate of 1.1% in 2005 Q1, which is very high for a group of firms with such particular employment characteristics as the CBQ reporting corporations. Also, the wage moderation of the preceding period continued and, after a long period of decline, there was an increase in financial costs, which was offset by a positive trend in dividends received, all of which resulted in an improvement in profitability.

The pace of activity was unchanged, despite the fact that the higher employment growth was expected to boost it. This may be explained by the alterations in the structure of the CBQ sample corporations' production account as a result of the sharp oil price rises. First, unlike in other economic sectors, the aggregate of CBQ corporations includes practically all the refining corporations, and second, it includes large non-refining corporations, for which oil is a major input. These two factors introduce a certain volatility into the performance of this small group of corporations, particularly in a period of sharp oil price rises like the recent one (for example, the GVA of refining and fuel marketing corporations<sup>2</sup> grew by nearly 80% in 2005 Q1 with respect to the same period of the previous year). The relative stability of oil prices between 2001 and 2003 enabled the aggregate "Total corporations except refining and fuel marketing corporations" to be used as a proxy for the behaviour of activity adjusted for these fluctuations. However, the significance and persistence of those price changes do not allow these inferences to be made from the latest data. Thus, if total refining and fuel marketing corporations are excluded from the aggregate, the GVA growth rate decreases to 2.6% in 2005 Q1, against 6.3% in the same period of 2004. This reflects a sharp increase in inputs in 2005 Q1, due to the effect of oil price rises in sectors such as transport (basically air transport) and electricity (in which the oil price rises have come on top of higher consumption of oil products, because the drought has reduced hydroelectric power generation) and in other industrial branches. However the growth in value of production of this aggregate of corporations rose from 4.6% in 2004 Q1 to 7.6% in 2005 Q1, which shows that activity as measured by production is moving more in step with employment.

As stated above, employment grew by 1.1% in 2005 Q1, a rate which not only exceeds the fall-off in 2004 Q1 (-0.6%), but is higher than the growth rates of this variable that began to be seen in the second half of that year. As in previous quarters, a staff reduction at a large telecommunications corporation appreciably lowered the rate of job creation of the aggregate. If that corporation is excluded, this variable rose by 1.7% in 2005 Q1, the highest employment growth rate reported in one quarter by the CBQ since 2000. Meanwhile, average compensation grew by 2.5% in 2005 Q1, which was down slightly on the previous year (2.9%) and confirmed the greatest wage moderation seen since 2004.

---

1. This article is based on the data provided to 14 June 2005 by the 677 corporations that reported information to the Central Balance Sheet Data Office. In terms of activity, these corporations account for 12.1% of the GVA of the sector non-financial corporations. As has become usual, this analysis of corporate performance in Q1 is based on a group of corporations with a lower coverage than that in subsequent quarters, when the proportion of GVA represented by the sample stabilises at around 15%. 2. The performance of fuel marketing corporations is very uneven compared with that of refining corporations, but their low weight in the sample and the fact that they are very directly affected by oil price fluctuations make it advisable to treat them together with refining corporations in this analysis.

**PROFIT AND LOSS ACCOUNT. YEAR-ON-YEAR CHANGES AND PROFIT RATIOS**  
**Growth rates of the same corporations on the same period a year earlier**

TABLE 1

	CBA STRUCTURE	CBA		CBQ		
	2003	2002	2003	04 Q1-Q4 / 03 Q1-Q4 (a)	04 Q1 / 03 Q1	05 Q1 / 04 Q1
<b>DATABASES</b>						
Number of corporations		8.419	8.084	797	833	677
Total national coverage		30.1%	28.4%	15.0%	15.5%	12.1%
<b>PROFIT AND LOSS ACCOUNT</b>						
1. VALUE OF OUTPUT	100.0	2.8	5.9	7.5	2.6	12.6
Of which:						
1. Net amount of turnover and other operating income	130.1	3.8	5.9	8.1	3.7	16.1
2. INPUTS (including taxes)	67.4	1.5	5.6	8.3	1.2	17.1
Of which:						
1. Net purchases	39.2	-1.1	3.8	9.3	-2.5	25.7
2. Other operating costs	27.9	6.4	7.7	7.1	7.1	5.3
S.1. GROSS VALUE ADDED AT FACTOR COSTS [1 – 2]	32.6	5.6	6.5	6.1	5.0	5.0
3. Personnel costs	16.6	5.3	4.5	2.9	2.3	3.6
S.2. GROSS OPERATING PROFIT [S.1 – 3]	15.9	5.9	8.7	8.6	7.2	5.9
4. Financial revenue	2.9	-6.0	8.4	3.4	8.3	19.4
5. Financial costs	2.9	-3.6	-1.8	-5.2	-7.7	6.0
6. Depreciation and operating provisions	6.9	3.2	4.7	-1.1	-1.4	-3.0
S.3. ORDINARY NET PROFIT [S.2 + 4 – 5 – 6]	9.0	7.7	16.1	18.0	21.2	14.1
7. Capital gains and extraordinary revenue	5.5	51.2	5.7	-38.4	-67.7	6.8
8. Capital losses and extraordinary expenses	3.4	34.1	-29.9	-14.8	-30.2	39.7
9. Other (net provisioning and income tax)	5.1	105.6	-33.3	2.4	-45.2	-0.8
S.4. NET PROFIT [S.3 + 7 – 8 – 9]	6.1	-81.3	(b)	-2.9	-12.8	8.8
NET PROFIT / GVA (S.4 / S.1)		2.0	18.8	22.2	24.6	28.7
<b>PROFIT RATIOS</b>						
	Formulas (c)					
R.1 Return on investment (before taxes)	(S.3+5.1)/NA	7.9	7.8	8.5	6.3	6.8
R.2 Interest on borrowed funds / interest-bearing borrowing	5.1/IBB	4.4	4.0	4.0	3.9	3.9
R.3 Ordinary return on equity (before taxes)	S.3/E	11.0	11.0	12.4	8.4	9.5
R.4 ROI - cost of debt (R.1 – R.2)	R.1–R.2	3.6	3.8	4.5	2.4	2.9

SOURCE: Banco de España.

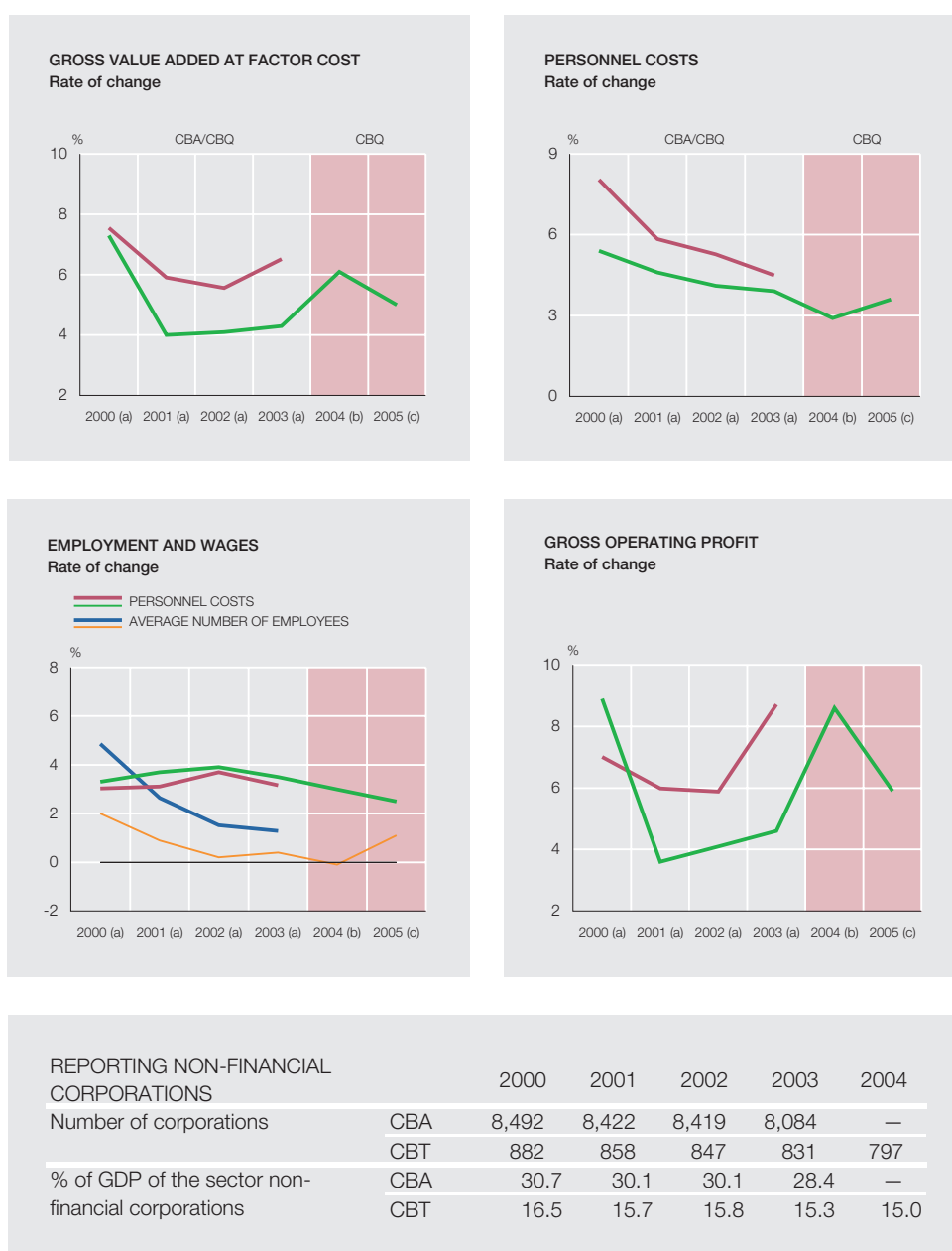
a. All the data in these columns have been calculated as the weighted average of the quarterly data.

b. Rate not calculable because the relevant figures are of opposite sign.

c. The variables in the formulas are expressed as absolute values. NA = Net Assets (net of non-interest-bearing borrowing); E = Equity; IBB = Interest-bearing borrowing; NA = E + IBB. The financial costs in the numerators of ratios R.1 and R.2 only include that portion of financial costs which is interest on borrowed funds (5.1) and not commissions and cash discounts (5.2).

Note: internal accounting movements have been edited out of items 4, 5, 7, 8 and 9.

The rate of job creation and the behaviour of average compensation explain why personnel costs rose by 3.6% in 2005 Q1, up more than one percentage point on the previous period. Given that activity behaved similarly to that in 2004 Q1, gross operating profit (5.9%) showed a rate of growth below that posted then (7.2%). Financial costs rose by 6%, basically due to the inflow of fresh borrowed funds, since interest rates were unchanged, thereby interrupting a declining trend initiated in 2003. However, the increase in financial costs was offset by the positive performance of financial revenue, basically in the form of dividends from foreign subsidiaries (rate of 19.4%), and this, together with a fall in depreciation and operating provisions, meant that ordinary net profit (ONP) continued to grow rapidly in 2005 Q1 (by 14.1%), in line with, although below, the rate of the previous two years, largely due to the results posted by refining corporations. This increase in ONP, along with the performance of financial costs, resulted in a net return on investment above that reported a year earlier. In addition, the ratio approximating the cost of debt held steady so that, yet another quarter, the difference be-



SOURCE: Banco de España.

- a. 2000, 2001, 2002 and 2003 data are the average data of the four quarters of each year (CBQ) relative to the previous year for the corporations reporting to the annual survey (CBA).
- b. Average of the four quarters of 2004 relative to the same period of 2003.
- c. Data for 2005 Q1 relative to the same period of 2004.

tween the return on investment and the cost of debt stood at a positive value (2.9), which was higher than that for the same period of 2004 (2.4). This growth of ONP did not pass through totally to final net profit (growth of 8.8%), due to the extraordinary expenses associated with exchange rate fluctuations and fixed asset write-downs. In any event, this performance of net profit is an improvement on that in the same period of 2004, when there were significant net falls in capital gains and extraordinary revenue.

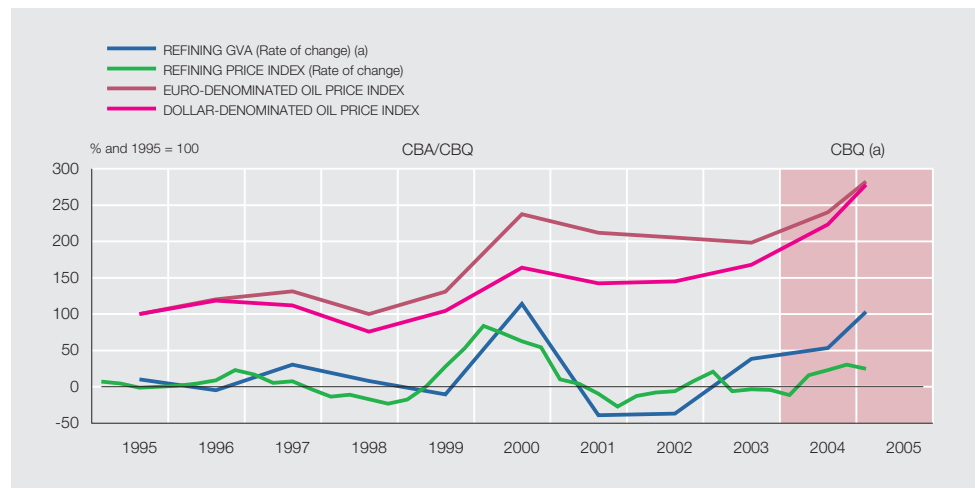
In short, the CBQ corporations began 2005 with stronger growth in the value of their output, while GVA was flatter. This was largely due to the fact that the composition of the CBQ sample



SOURCE: Banco de España.

- a. 2000, 2001, 2002 and 2003 data are the average data of the four quarters of each year (CBQ) relative to the previous year for the corporations reporting to the annual survey (CBA).  
b. Average of the four quarters of 2004 relative to the same period of 2003.  
c. Data for 2005 Q1 relative to the same period of 2004.

magnifies the effects of the high oil price growth, which manifest themselves in increased production costs and in narrower margins in certain productive sectors. These developments have not prevented the process of job creation, already apparent in 2004, from firming, and indeed gathering pace. Accordingly, although wage costs continued to move up at a moderate pace, personnel costs rose by more than in 2004. Despite the stagnation of value added growth and the increase in financial costs, the performance of dividends received enabled ONP to continue growing rapidly, at rates that were even higher than in 2004 Q1. The positive performance of net capital gains and extraordinary revenue in 2005 Q1, compared with the same period of 2004, accounts for the significant improvement in net profit for this period.



SOURCES: Banco de España and IMF.

a. 2004 and 2005 data relate to the CBQ.

Lastly, borrowing is increasing (this is the cause of the rise in financial costs) although the debt ratio is holding steady.

### Activity

The data compiled by the CBQ for 2005 Q1 from the information furnished by the reporting corporations show that the growth rate of productive activity was sustained, although slightly more moderate in terms of value added than that of previous quarters (see Table 1 and Chart 1). Thus the GVA in this period increased by 5%, the same rate as that in 2004 Q1, but lower than that for 2004 as a whole, when GVA grew by 6.1% spurred by the expansionary development in the second half of that year. In any event, it is useful to assess the impact on these growth rates of the sharp upturn in oil prices in the last quarter (see Chart 2). Obviously the over-representation of refining corporations in the CBQ sample means that, because the higher prices of their inputs are passed on to their outputs, their GVA increases more than proportionately compared with other corporations in the sample, and strongly influences the performance of the aggregate (the GVA of refining and fuel marketing corporations grew by nearly 80% in 2005 Q1). Excluding the refining and fuel marketing corporations from the sample results in a slowdown in the creation of value added, which in 2005 Q1 affects the non-financial corporations reporting to the CBQ in several of their activity aggregates (see Table 2.A). Thus, for the aggregate "Total corporations except refining and fuel marketing corporations" the GVA went from growth of 6.3% in 2004 Q1 to an increase of 2.6% in the same period of the current year. But this reflects the higher cost of oil inputs for the large corporations in the sample, which are major consumers of oil, as evidenced by the fact that the inputs of this aggregate of corporations went from growth of 3.4% in 2004 Q1 to growth of 11.3% in the same period of 2005. Although the corporations in this aggregate could not totally pass on these higher costs, their production (sales adjusted for the change in finished products) performed favourably in 2005 Q1 (up 7.6%, against 4.6% in the same period of the previous year), which lends a certain coherence to the employment behaviour referred to below.

The slowdown of GVA growth affected various economic sectors, although unevenly and for different reasons. The energy sector posted the highest GVA growth in 2005 Q1 with respect to the same period of the previous year (GVA was up by 8.8%, against -1% in 2004 Q1),

**VALUE ADDED, EMPLOYEES, PERSONNEL COSTS AND COMPENSATION PER EMPLOYEE  
BREAKDOWN BY SIZE AND MAIN ACTIVITY OF CORPORATIONS**  
Growth rate of the same corporations on the same period a year earlier

TABLE 2.A

	GROSS VALUE ADDED AT FACTOR COST				EMPLOYEES (AVERAGE FOR PERIOD)				PERSONNEL COSTS				COMPENSATION PER EMPLOYEE			
	CBA	CBQ			CBA	CBQ			CBA	CBQ			CBA	CBQ		
	2003	04 Q1- Q4 (a)	04 Q1	05 Q1	2003	04 Q1- Q4 (a)	04 Q1	05 Q1	2003	04 Q1- Q4 (a)	04 Q1	05 Q1	2003	04 Q1- Q4 (a)	04 Q1	05 Q1
Total	6.5	6.1	5.0	5.0	1.3	-0.1	-0.6	1.1	4.5	2.9	2.3	3.6	3.2	3.0	2.9	2.5
SIZE																
Small	5.1	—	—	—	0.9	—	—	—	5.9	—	—	—	5.0	—	—	—
Medium	6.4	4.0	6.6	2.3	2.1	-0.2	-0.6	1.5	6.9	3.9	2.7	4.7	4.7	4.1	3.3	3.1
Large	6.6	6.2	4.9	5.1	1.2	-0.1	-0.6	1.1	4.1	2.8	2.2	3.5	2.9	2.9	2.9	2.4
BREAKDOWN OF ACTIVITIES BEST REPRESENTED IN THE SAMPLE																
Energy	2.6	5.6	-1.0	8.8	-2.1	-1.1	-1.4	-0.6	1.3	2.9	2.5	2.6	3.5	4.0	4.0	3.2
Industry	4.9	6.2	1.3	2.0	-0.9	-1.0	-2.0	1.3	2.5	1.6	0.0	3.1	3.4	2.6	2.1	1.8
Wholesale and retail trade	8.3	7.7	10.2	4.6	5.6	4.0	4.0	2.5	8.9	5.9	5.6	5.1	3.1	1.8	1.5	2.5
Transport and communications	6.7	4.5	5.9	3.5	-0.7	-1.8	-1.9	-1.7	2.9	1.8	1.6	2.3	3.6	3.7	3.6	4.1

SOURCE: Banco de España.

which was explained by the performance of refining corporations. In the electricity sector, which is another major aggregate included in the energy sector, GVA decreased by -0.9%, compared with 4.5% a year earlier. Despite the high demand for electricity (up by more than 5%, according to information provided by Red Eléctrica de España), the higher power generation costs, against a background of lesser use of hydroelectric power stations due to weather conditions and, simultaneously, of higher costs arising from the mechanism designed in the Kyoto protocol (which had a negative net impact on the GVA of electricity corporations in 2005 Q1) caused a narrowing in margins, which explains the results posted by this sector's corporations.<sup>3</sup> The wholesale and retail trade sector reported the highest GVA growth after oil refining corporations, posting a rate of 4.6%, well behind the 10.2% recorded in 2004 Q1. As in the case of refining corporations, the wholesale and retail trade sector's performance was affected by the impact that oil prices have on the prices applied by refining corporations to fuel marketers. Thus, wholesalers and retailers, excluding fuel marketers, showed an increase in GVA of 6.4% in 2005 Q1, against 9.8% in 2004, this performance being affected by the slower growth of car sales relative to 2004 Q1. The transport and communications sector also saw its productive activity deteriorate slightly (3.5% for 2005 Q1, against 5.9% for the same period of 2004), reflecting both the higher costs borne by air transport corporations, affected by fuel price rises, and the slower growth of telecommunications corporations, which have had to bear significant promotion costs. Finally, in 2005 Q1 the industrial sector saw moderate GVA growth (2%) which, although higher than that a year earlier (1.3%), was well below the trend in the last two quarters of 2004. This performance

3. Law 1/2005 of 9 March 2005 regulating the regime for the trading of greenhouse gas emission allowances establishes a system for the issuance, transfer and trading of emission allowances. Under this law, corporations that emit above the allowances assigned to them must acquire supplementary allowances in an organised market managed by Iberclear. The first effects of this law became apparent in 2005 Q1. According to the information furnished by the electric utilities reporting to the Central Balance Sheet Data Office, inputs of nearly €50 million were recorded due to the purchase of allowances. This is one of the reasons for the -0.9% change in the GVA of the reporting electric utilities in that period. This method of recording exchanges of emission allowances as inputs in corporate accounting has yet to be confirmed in national accounting practices, since the alternative of considering them as exchanges of intangible assets has to be assessed.

**EMPLOYMENT AND PERSONNEL COSTS**  
**Details based on changes in staff levels**

TABLE 2.B

	TOTAL CBQ CORPORATIONS 05 Q1	CORPORATIONS INCREASING (OR NOT CHANGING) STAFF LEVELS	CORPORATIONS REDUCING STAFF LEVELS
Number of corporations	677	412	265
<b>PERSONNEL COSTS</b>			
Initial situation 04 Q1 (€m)	4.863,1	2.733,0	2.130,0
Rate 05 Q1 / 04 Q1	3,6	7,6	-1,5
<b>AVERAGE COMPENSATION</b>			
Initial situation 04 Q1 (€)	10.731,9	9.938,2	11.966,3
Rate 05 Q1 / 04 Q1	2,5	2,7	3,2
<b>NUMBER OF EMPLOYEES</b>			
Initial situation 04 Q1 (€ thousands)	453	275	178
Rate 05 Q1 / 04 Q1	1,1	4,8	-4,6
Permanent			
Initial situation 04 Q1 (€ thousands)	388	227	161
Rate 05 Q1 / 04 Q1	0,3	3,4	-4,0
Non-permanent			
Initial situation 04 Q1 (€ thousands)	65	48	17
Rate 05 Q1 / 04 Q1	5,7	11,2	-9,7

SOURCE: Banco de España.

was affected by the fall in the GVA of the transport equipment manufacturing and food, beverages and footwear sub-sectors. In sum, the industrial corporations did not show homogeneous performance in 2005 Q1, of which there is additional evidence in Box 1 on the performance of the CBQ industrial corporations.

As regards the situation of the business activities by market, the available CBQ information shows that domestic demand continues to be underpinned by productive activity. Table 3 shows how purchases and sales in Spain have gained in relative importance with respect to the situation a year ago. For its part, external activity still fails to show symptoms of recovery, in line with the picture suggested by other indicators, especially the balance of payments. Chart 3, which gives the distribution of corporations according to the increase in their GVA, without regard to size and economic sector, shows a significant increase in the percentage of corporations in which productive activity decreased. Table 2.A, which includes a breakdown by corporation size, shows that medium-sized corporations saw a substantial reduction in their levels of activity (growth of 2.3%, against 6.6% in 2004). These two items of information confirm that the further moderation in the pace of activity extends to practically all corporations in the sample, with an apparently greater impact on those of medium size.

**Employment and  
personnel costs**

In 2005 Q1 the personnel costs of the CBQ reporting corporations grew at a rate of 3.6%, nearly one-and-a-half percentage points above that reported a year earlier (2.3%). The increase in this heading is due to the behaviour of employment, which went from a reduction of -0.6% in 2004 Q1 to an increase of 1.1% in 2005 Q1, since average compensation grew by 2.5%, nearly half a point less than a year earlier.

The positive performance of employment in 2005 Q1 confirms the growth that, according to CBQ data, began in the second half of 2004. Moreover, the special characteristics of the corporations comprising the quarterly sample (large corporations with a major presence in sec-



**PURCHASES AND TURNOVER OF CORPORATIONS REPORTING DATA ON PURCHASING SOURCES AND SALES DESTINATIONS**  
Structure

TABLE 3

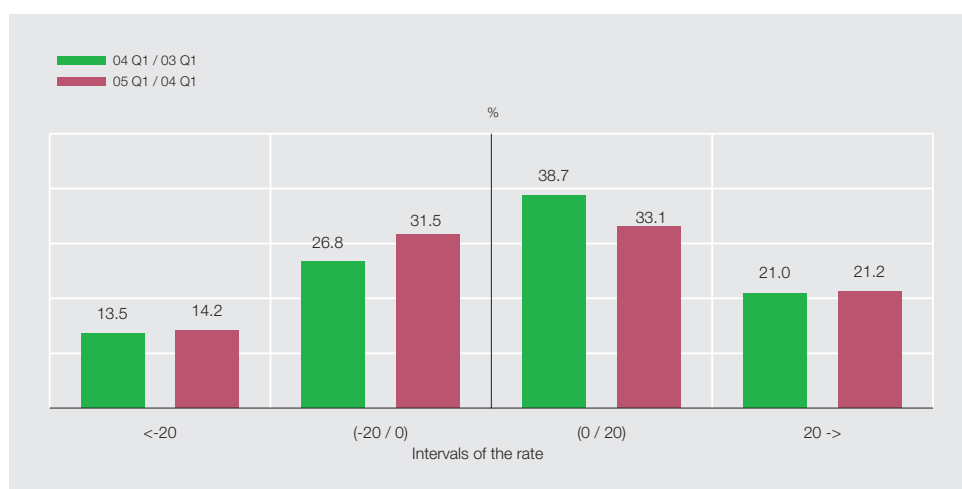
		CBA	CBQ		
		2003	04 Q1-Q4 (a)	04 Q1	05 Q1
Total corporations		8,084	797	677	677
Corporations reporting source/destination		8,084	768	657	657
Percentage of net purchases according to source	Spain	68.3	76.0	79.3	81.4
	Total abroad	31.7	24.0	20.7	18.6
	EU countries	19.2	17.8	15.5	13.3
	Third countries	12.5	6.2	5.2	5.3
Percentage of net purchases according to destination	Spain	82.9	87.6	88.1	88.6
	Total abroad	17.1	12.4	11.9	11.4
	EU countries	12.6	9.8	9.1	8.5
	Third countries	4.4	2.6	2.8	2.9

SOURCE: Banco de España.

a. All the data in this column have been calculated as the weighted average of the relevant quarterly data.

**DISTRIBUTION OF CORPORATIONS BY RATE OF CHANGE IN GVA AT FACTOR COST**

CHART 3



SOURCE: Banco de España.

tors undergoing processes of reorganisation), and the fact, repeatedly mentioned in previous articles, that a major staff reduction is under way in a large telecommunications corporation, lent a certain significance to the employment trend in the CBQ in this period. As regards sectors, it was wholesale and retail trade which, yet another quarter, saw the largest increase in staff (2.5%). This figure, however, is one-and-a-half percentage points down on that posted a year ago and ties in with the slowdown in activity in this sector. Furthermore, if the data for 2005 Q1 are compared with those for the same period of 2004, an improvement is noted in employment in the other economic sectors. Thus, although the energy sector showed slightly negative employment growth (the rate was -0.6%), it is significantly better than the figure a

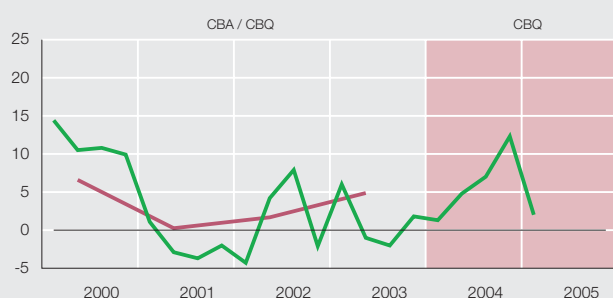
The sample of industrial corporations reporting to the CBQ posted moderate growth of GVA (2%) in 2005 Q1. This rate was higher than that reported in 2004 Q1 (1.3%), although below those in the second half of 2004, when capital goods investment rose significantly. The trend seen in the second half of 2004 did not continue into 2005 Q1, mainly because of the fall in GVA in the transport equipment manufacturing and food, beverages and tobacco sub-sectors. In the case of the former, there was some decline in trade margins linked to price-cutting policies, which, among other reasons, explains the fall in its GVA of -17.6%. The performance of the other industrial sectors was positive (GVA growth in these sectors as a whole was 9.5%), showing a trend more consistent with that reported in the second half of 2004. This trend is corroborated by an analysis of employment behaviour, since in 2005 Q1 the average number of employees grew by 1.3% in the industrial sector as a whole, which is the largest increase shown by this aggregate in the quarterly series since 2000. This phenomenon was seen in all industrial sub-sectors except food, beverages and tobacco, which continued to post negative rates. Average compensation grew by 1.8%, following the same pattern of moderation noted for

the total CBQ sample, and this, along with the behaviour of employment, caused personnel costs to grow by 3.1%. Given that this rate rose more quickly than that of GVA, the overall performance of activity and personnel costs led gross operating profit to grow by 0.5% in 2005 Q1. ONP, boosted by the receipt of dividends and the decrease in depreciation and operating provisions (-2.9%), picked up to a rate of 5.6%, which enabled industrial corporations to report increased profitability (the 2005 Q1 return on investment stood at 7.9%, up more than half a percentage point on the figure a year earlier. Since the cost of debt held at 3.8%, practically unchanged from the previous year, the difference between return on investment and the cost of debt continued at comfortable spreads, showing that industry profitability has not been affected by the absence of a clear take-off of productive activity. The major risks threatening these good prospects include, on the one hand, the upward trend in oil prices, which could generate imbalances and negatively affect the performance of the sector and, on the other, the hesitant course of the main economies of the main euro area economies, which are the natural export market of Spanish industrial corporations.

## PERFORMANCE OF THE INDUSTRIAL CORPORATIONS REPORTING TO THE CBSO

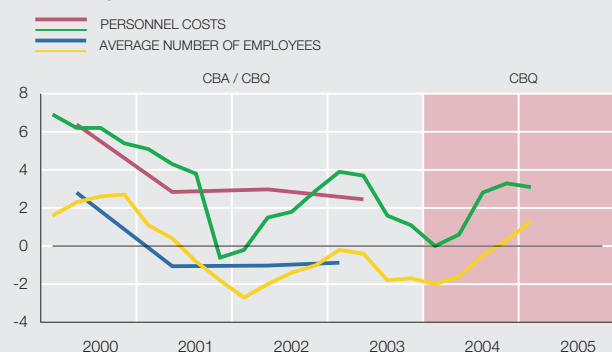
### GROSS VALUE ADDED AT FACTOR COST

Rate of change



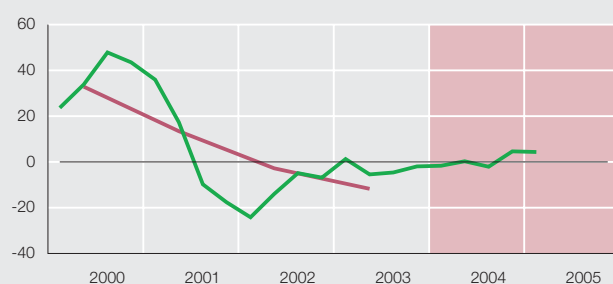
### EMPLOYMENT AND WAGES

Rate of change



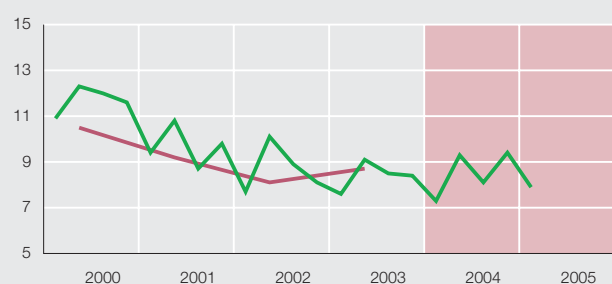
### FINANCIAL COSTS

Rate of change



### RETURN ON INVESTMENT

Ratios



### REPORTING INDUSTRIAL CORPORATIONS

		2000				2001				2002				2003				2004				2005			
Number of corporations	CBA	2,974				2,814				2,715				2,420				—				—			
	CBQ	431	411	390	376	402	392	380	363	389	375	365	354	367	361	351	343	345	336	328	305	264	—	—	—
% of GDP of the sub-sector industrial corporations	CBA	31.4				28.2				27.9				25.6				—				—			
	CBQ	26.6	26.6	25.2	25.4	22.2	21.7	20.6	21.0	21.0	21.1	20.3	19.3	20.3	20.1	18.7	18.6	20.6	20.8	18.9	19.2	15.0	—	—	—

SOURCE: Banco de España.

**PERSONNEL COSTS, EMPLOYEES AND AVERAGE COMPENSATION**  
**Percentage of corporations in specific situations**

TABLE 4

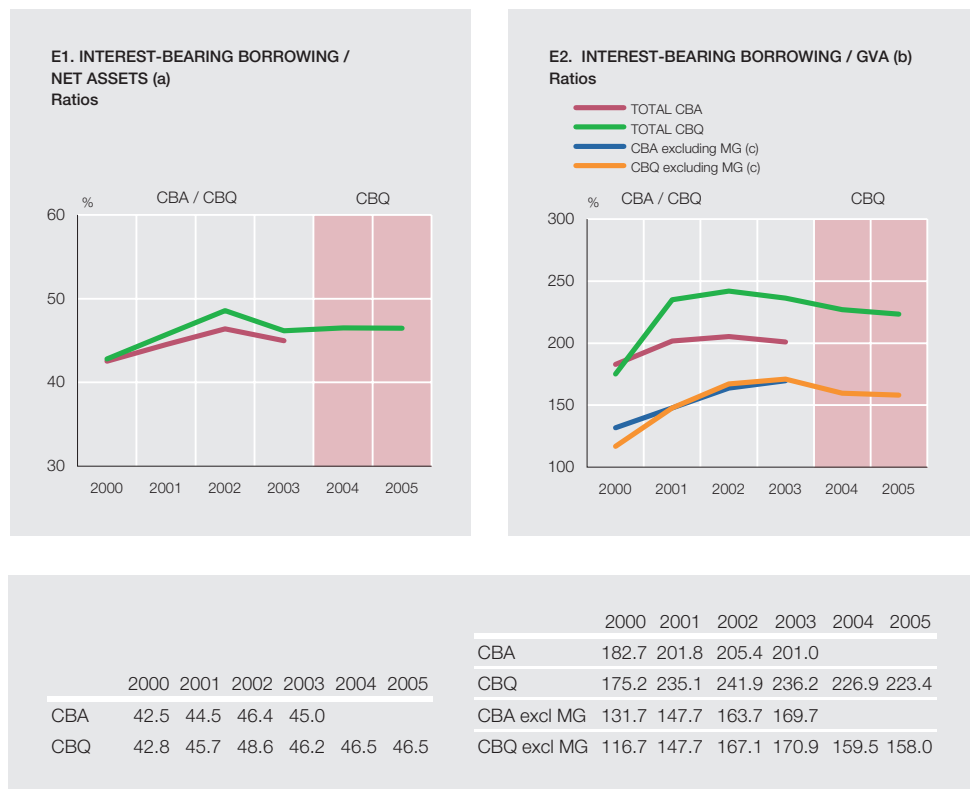
	CBA		CBQ			
	2002	2003	03 Q1-Q4 (a)	04 Q1-Q4 (a)	04 Q1	05 Q1
Number of corporations	8,419	8,084	831	797	833	677
<b>PERSONNEL COSTS</b>	100	100	100	100	100	100
Falling	27.8	25.4	31.1	32.3	33.5	29.4
Constant or rising	72.2	74.6	68.9	67.7	66.5	70.6
<b>AVERAGE NUMBER OF EMPLOYEES</b>	100	100	100	100	100	100
Falling	31.2	31.0	45.1	44.7	45.5	39.1
Constant or rising	68.8	69.0	54.9	55.3	54.5	60.9
<b>AVERAGE COMPENSATION RELATIVE TO INFLATION</b>	100	100	100	100	100	100
Lower growth (b)	47.1	37.4	43.6	46.8	42.3	53.0
Higher or same growth (b)	52.9	62.6	56.4	53.2	57.7	47.0

SOURCE: Banco de España.

- a. Weighted average of the relevant quarters for each column.  
 b. Twelve-month change in the CPI.

**DEBT RATIOS**

CHART 4



SOURCE: Banco de España.

- a. Ratio calculated from final balance sheet figures. Own funds include an adjustment to current prices.  
 b. Ratio calculated from final balance sheet figures. Interest-bearing borrowing includes an adjustment to eliminate intragroup debt (approximation to consolidated debt).  
 c. MG = Corporations in the sample that belong to the main reporting multinational groups.

**ENTRY INTO FORCE OF INTERNATIONAL FINANCIAL REPORTING STANDARDS. EFFECTS  
ON THE ACCOUNTING DATA OF CORPORATIONS IN THE FIRST PERIOD OF THEIR APPLICATION**

BOX 2

Regulation (EC) 1606/2002 of 19 July 2002 establishes that, for *each financial year starting on or after 1 January 2005*, corporations that have securities admitted to trading on EU stock exchanges must prepare their *consolidated annual accounts in conformity with IFRS*. Using the powers attributed to the Member States by this Regulation, Law 62/2003 of 30 December 2003 required the application of IFRS in Spain, exclusively in consolidated accounts, provided that, as at the balance sheet date, one or more companies of the group has issued securities admitted to trading on a regulated market of any EU Member State. In addition, in respect of corporations listed on any EU market that only publish individual annual accounts, law 62/2003 requires that they *state in the notes to their accounts* the main changes that would have arisen in equity and in the income statement if they had applied IFRS to prepare such statements. In short, *individual corporations* (whether quoted or unquoted) remain subject to the national rules and are, therefore, not affected by the application of IFRS when preparing their annual accounts, although quoted individual corporations will have to state in the notes to their annual accounts what the effect would have been on certain headings if they

had applied IFRS. Both matters have been reflected in Circular 1/2005 of the CNMV of 1 April 2005, which regulates the periodic public information that firms quoted on Spanish markets must supply on the occasion of the entry into force of IFRS.

The Central Balance Sheet Data Offices are currently analysing the impact of the introduction of IFRS in Europe. As regards Spain, it should be stressed that the number of non-financial corporations that will be required to present consolidated annual accounts and accounts with periodicity of less than a year (quarterly and half-yearly information requested by the CNMV) is very limited. Thus, barely 167 non-financial corporations, out of the almost one million non-financial corporations existing in Spain, according to December 2003 data (see Table 1), will have to prepare their consolidated accounts in accordance with IFRS. In terms of employment, these 167 corporations account for 3.5% of total employment. The rest of the non-financial corporations (i.e. unquoted public limited companies, private limited companies and other types) account for 96.5% of employment.

**NON-FINANCIAL CORPORATIONS IN SPAIN. 2003**

TABLE 1

	NUMBER (a)		EMPLOYEES (b)	GVA (b)
	Abs. number	%	%	%
TOTAL NON-FINANCIAL CORPORATIONS	980,572	100.00	100.00	100.00
1. Public limited companies	120,472	12.29	45.11	56.40
1. Quoted	167	0.02	3.52	10.69
1. Continuous market	106	0.01	3.43	10.45
Of which, IBEX-35	29	0.00	2.23	8.76
2. Floor trading	61	0.01	0.10	0.25
2. Unquoted	120,305	12.27	41.59	45.70
2. Private limited company	830,279	84.67	51.00	36.77
3. Other corporate status	29,821	3.04	3.89	6.83

a. Sources: Central Directory of Firms (DIRCE) of the National Institute of Statistics (INE) and author's calculations based on CNMV data.

b. Sources: INE and data estimated by the Banco de España Central Balance Sheet Data Office.

**IMPACT OF THE APPLICATION OF IFRS ON QUOTED NON-FINANCIAL GROUPS (CONSOLIDATED ACCOUNTS)  
Preliminary results for 2005 Q1**

TABLE 2

AGGREGATE	DIFFERENCE IFRS/PGC90. 2004 Q1 DATA (a)	
	Net turnover	Net profit or loss for the current period
	%	%
1. Energy	-9.2%	5.3%
2. Industry	-2.6%	-2.6%
3. Construction	0.3%	-1.8%
4. Market services	-1.2%	2.9%
TOTAL	-4.7%	3.3%

SOURCE: BE calculations based on CNMV data.

a. Estimated impact: (2004 Q1 value reported in 2005 - 2004 Q1 value reported in 2004)/2004 Q1 value reported in 2004, information available as at the date this article was prepared. The observed differences include those arising from the application of IFRS and other causes.

Complete information is not available on the impact of the application of IFRS on quoted corporations that present consolidated accounts. The information supplied by the companies to the CNMV enables the deviations in turnover and profit or loss for the period, which are not always attributable to the application of the new accounting framework, to be analysed. Table 2 sets out that impact and shows that *the impact on sales (net turnover) and profits has been of little significance in the set of firms analysed* (average reduction in turnover of around 4%, and increase in profit for the period of 3%). By sector of activity, the sharpest fall in sales entailed by the application of IFRS is in energy, basically owing to new criteria for the recording of consolidated revenue. For example, in the electricity sector purchase and sale transactions with the electricity pool are offset. The most common cause of the slight increase in profits in the various sectors of activity is the fact that amortisation of goodwill is not compulsory.

While the impact of the application of IFRS is small, both in terms of the small number of firms affected and their low weight, its repercussions on the Central Balance Sheet Data Office's annual and quarterly databases (CBA and CBQ) are, as yet, non-existent, and no direct impact is foreseen in the short run. The introduction of the new accounting rules is compulsory for (annual and quarterly) consolidat-

ed accounts and *the Central Balance Sheet Data Office only receives, edits and analyses individual accounting statements*. The Central Balance Sheet Data Office eliminates, through an internal editing process, the financing transactions of resident companies belonging to Spanish groups (dividends, financial costs/revenue arising from intra-group transactions), in order to avoid duplication and erratic behaviour in the growth rates of the aforesaid items that hamper the work of analysts. Accordingly, until the current Spanish General Chart of Accounts for individual accounts (PGC90) is adapted to IFRS, they will have no direct impact on the publications of the Central Balance Sheet Data Office. However, there may be a small indirect effect on the individual accounts of resident non-financial corporations that belong to quoted groups, insofar as the consolidation guidelines for the group entail changes in accounting criteria in the individual accounts for their adaptation to IFRS<sup>1</sup>. The Central Balance Sheet Data Office will analyse the impact that this second factor may have and will report its findings.

1. Which could be the case if the criterion in question is permitted by the PGC90. For example, a change in the method of measuring inventories from the LIFO method, permitted by the Spanish General Chart of Accounts but not by IFRS, to the FIFO method, which is accepted both by current Spanish legislation and by the IFRS.

year earlier, when job destruction of -1.4% took place. The industrial sector also saw an increase in the rate of change of average staff numbers, which at 1.3% was the most positive figure for this aggregate since 2000. This information seems to confirm the positive situation of the sector, despite the moderate growth of GVA in the latest period. Finally, the transport and communications sector, which, as noted above, includes a corporation that has undertaken a major staff reduction, saw employment decrease in 2005 Q1 at a rate (-1.7%) slightly below that of 2004 (-1.9%). If the effects of this staff reduction are eliminated, the rate of change for 2005 Q1 is 0.4%, thereby confirming the positive performance of employment in the other corporations in this sector.

Average wages grew by 2.5%, a rate which continues the trend towards greater moderation seen in 2004, a year in which wage costs rose by 2.9%. This same pattern of moderation was apparent in all sectors, although most notably in wholesale and retail trade and, in particular, industry, since wages grew more slowly in these sectors in 2005 Q1 (2.5% and 1.8%, respectively), in line with the behaviour of employment in the aforementioned two sectors. Table 2.B analyses the quarterly sample, separating corporations with a rise in employment from those in which it decreases. It shows that, as has become usual, the corporations with a net increase in employment were those in which compensation grew more slowly (2.7%), whereas those which reduced staff reported an increase in wage costs of 3.2% in the period in question. Finally, Table 4 shows that 2005 Q1 saw a significant increase in the percentage of corporations that created jobs, with a rise from 54.5% to 60.9%. Also noteworthy is the increase in the percentage of corporations in which personnel costs per worker grew more slowly than inflation: 53% in 2005 against 42.3% in 2004 Q1. In short, the available CBQ data confirm that the reporting corporations are generating jobs and at the same time maintaining a moderate rate of wage increases.

**GROSS OPERATING PROFIT, ORDINARY NET PROFIT, RETURN ON INVESTMENT AND ROI-COST OF DEBT (R.1-R.2). BREAKDOWN BY SIZE AND MAIN ACTIVITY OF CORPORATIONS**  
Ratios and growth rates of the same corporations on the same period a year earlier

TABLE 5

	GROSS OPERATING PROFIT				ORDINARY NET PROFIT				RETURN ON INVESTMENT (R.1)				ROI-COST OF DEBT (R.1 - R.2)			
	CBA	CBQ			CBA	CBQ			CBA	CBQ			CBA	CBQ		
	2003	Q1-Q4 (a)	04 Q1	05 Q1	2003	Q1-Q4 (a)	04 Q1	05 Q1	2003	Q1-Q4 (a)	04 Q1	05 Q1	2003	Q1-Q4 (a)	04 Q1	05 Q1
Total	8.7	8.6	7.2	5.9	16.1	18.0	21.2	14.1	7.8	8.5	6.3	6.8	3.8	4.5	2.4	2.9
SIZE																
Small	3.9	—	—	—	8.1	—	—	—	7.3	—	—	—	2.9	—	—	—
Medium	5.8	4.1	12.4	-0.7	14.3	13.1	23.3	-7.3	8.1	8.1	8.2	7.1	4.6	4.3	4.7	3.9
Large	9.2	8.7	7.0	6.1	16.5	18.2	21.1	15.0	7.8	8.5	6.2	6.8	3.8	4.5	2.3	2.9
BREAKDOWN OF ACTIVITIES BEST REPRESENTED IN THE SAMPLE																
Energy	3.1	6.4	-1.9	10.4	5.4	8.3	5.1	21.8	8.2	9.2	8.1	9.4	4.8	5.7	4.6	5.9
Industry	8.4	11.9	2.9	0.5	16.5	29.8	4.1	5.6	8.7	9.6	7.3	7.9	5.0	5.8	3.5	4.1
Wholesale and retail trade	7.4	10.1	15.9	4.1	8.6	8.7	18.5	3.8	11.5	10.5	11.4	11.5	7.6	6.5	7.4	7.2
Transport and communication	9.4	6.4	9.3	4.2	25.5	16.1	24.2	9.8	9.5	14.0	11.2	14.3	5.3	9.6	6.8	9.7

SOURCE: Banco de España.

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

**Profits, rates of return and debt**

The moderate course of GVA and the greater buoyancy of personnel costs due to the employment situation were conducive to lower growth in gross operating profit than in previous periods. In 2005 Q1 GOP grew by 5.9%, against 7.2% in the same period of 2004 and 8.6% in 2004 as a whole. These developments were strongly influenced by energy corporations, due to the positive impact of oil prices on refining corporations. Financial costs, unlike in previous quarters, posted growth (6%) in 2005 Q1. The following table explains the causes of these developments:

	<u>05 Q1/04 Q1</u>
<b>Change in financial costs</b>	<b>+0.6%</b>
A. Interest on borrowed funds (1+2)	+5.7%
1. Due to the cost (interest rate)	-0.5%
2. Due to the amount of interest-bearing debt	+6.2%
B. Commissions and cash discounts	+0.3%

In summary, in 2005 Q1 the increase in financial costs was basically due to the inflow of fresh financing, since the change due to interest rate fluctuations had practically no effect on this heading. Sectoral analysis of the available data indicates that the rise in financial costs was common to all sectors. In addition, corporations continued to resort to borrowing, taking advantage, albeit moderately, of the favourable financial conditions offered by the markets. As a result of the limited recourse to borrowing, in 2005 the debt ratios listed in Chart 4 showed a flat or slightly downward path, depending on which one is used. The ratio E1, which measures the proportion between interest-bearing borrowing and net assets, has held steady in 2005 to date, repeating the value reported in 2004 Q4. The ratio E2, which relates the level of interest-bearing borrowing<sup>4</sup> to the gross value-added, decreased slightly in 2005 Q1. The ratio E2 is also calculated for the group of Spanish multinationals (GM), in order to provide an approximate measure of their per-

4. Consolidated, i.e. after adjustment to eliminate inter-company financing within the group.

**STRUCTURE OF THE REPORTING CORPORATIONS' RETURN  
ON INVESTMENT AND ORDINARY RETURN ON EQUITY**

TABLE 6

	CBQ			
	RETURN ON INVESTMENT (R.1)		ORDINARY RETURN ON EQUITY (R.3)	
	04 Q1	05 Q1	04 Q1	05 Q1
Number of corporations	833	677	833	677
Percentage of corporations by R <= 0%	24.4	25.5	27.7	28.5
profitability bracket				
0% < R <= 5%	22.2	23.3	16.2	18.0
5% < R <= 10%	14.5	17.1	10.2	12.1
10% < R <= 15%	11.5	9.3	9.6	10.2
15% < R	27.4	24.8	36.3	31.2
MEMORANDUM ITEM: Average return	6.3	6.8	8.4	9.5

SOURCE: Banco de España.

formance and their level of debt. As seen in Chart 4, the debt of smaller corporations follows a course similar to that of the multinationals, but with a considerably lower level of debt.

The increase in financial costs was offset to some extent by the inflow of dividends from foreign subsidiaries (the growth of financial revenue was calculated at 19.4% in 2005 Q1) and by a slight decrease in depreciation and operating provisions. All this resulted in ordinary net profit growth (ONP) of 14.1% in 2005 Q1, which in any event was lower than the ONP growth in 2004 Q1. The overall growth of ONP and financial costs enabled corporations to maintain high levels of profitability in 2005 Q1. Thus in this period the return on investment was 6.8%, up half a percentage point on that posted in 2004 Q1. The results were similar across all sectors, with energy and transport and communications standing out because they showed higher gains in profitability than those achieved a year earlier. In addition, the ratio that approximates financial cost held at 3.9%, the same as in 2004 Q1 and, as a result, the ratio that measures the difference between profitability and the cost of debt in 2005 was clearly positive for Q1 (2.9) and even higher than in 2004 Q1. Finally, net profit in 2005 Q1 increased by 8.8%, a rate which was lower than that of ONP in the same period, due to significant extraordinary expenses reflecting the decreased value of certain investments abroad, which were negatively affected by exchange rate fluctuations and by write-downs in the transport sector. In any event, the net profit of CBQ corporations as a whole was up by 8.8% with respect to the same period a year earlier. As a percentage of gross value added, net profit grew from 24.6% in 2004 Q1 to 28.7% in 2005 Q1, and, to some extent, this sums up the situation of the CBQ non-financial corporations, which, despite the flatness of value-added growth, continue creating jobs and raising their profitability, thus contributing to the build-up of equity which, along with recourse to borrowing, can be used to finance new investment projects.

17.6.2005.

THE WEALTH OF SPANISH HOUSEHOLDS:  
A MICROECONOMIC COMPARISON WITH THE UNITED STATES,  
ITALY AND THE UNITED KINGDOM



## The wealth of Spanish households: a microeconomic comparison with the United States, Italy and the United Kingdom

The authors of this article are Olympia Bover, Carmen Martínez-Carrascal and Pilar Veilla of the Directorate General Economics, Statistics and Research.

### Introduction

The financial situation of households in Spain has changed significantly over the last few years. Particularly noteworthy is the upsurge in household debt relative to their gross available income which, by the end of 2004, had more than doubled since the middle of the previous decade. This increase in indebtedness has, nevertheless, been accompanied by a rise in household wealth – both financial and, more especially, housing-related – stemming from the increase in house prices and from high residential investment.

However, for a more precise assessment of the wealth position of Spanish households, it is necessary to carry out a more detailed analysis. Indeed, the analysis of differences in indebtedness or in the composition of wealth, according to income or age, will be important for drawing conclusions on aspects relating to macroeconomic and financial stability in the Spanish economy, such as possible sector vulnerability to unfavourable developments in financing costs, asset prices or incomes. The recent Spanish Survey on Household Finances (EFF) conducted by the Banco de España offers the possibility to analyse these issues<sup>1</sup>.

This article analyses the financial situation of Spanish households through comparisons with other countries, with a view to identifying both common and distinctive characteristics of the financial position of households in Spain. More specifically, the analysis compares Spain with the United States, Italy and the United Kingdom, where the detailed data needed to construct the variables needed in this analysis are readily available<sup>2</sup>. The comparisons drawn with the United States and the United Kingdom are of particular relevance, since the position of households in these two countries, particularly on account of their high ratios of indebtedness, is considered to be one of the determining factors in the countries' macroeconomic prospects.

In addition to this introduction, the article has six sections and one annex. The first describes the databases used, a more detailed description of which is given in the annex. Next follows an analysis of the distribution of net household wealth and income in the countries under review. The following section analyses the ownership and composition of household assets and liabilities for all households and for different population sub-groups, defined according to income level and age. In the case of indebted households, ratios that measure the magnitude of the debt contracted in relation to household income and wealth are also given. Finally, the last section sets out the main conclusions.

### Data used

This study analyses, country by country, the household surveys that contain greater information on household assets and liabilities. In the case of Spain, the first wave of the EFF, corresponding to 2002 and conducted by the Banco de España, is used. The *Indagine sui Bilanci delle Famiglie (IBF)* for 2002, undertaken by the Banca d'Italia, is the reference database used in the case of Italy. The United States is the country whose survey, the *Survey of Consumer Finances (SCF)*, conducted by the Board of Governors of the Federal Reserve System, presents

---

1. For more detailed results, see *Survey of Household Finances (EFF): description, methods, and preliminary results* (2004) and, for further information about this survey, see Bover (2004). 2. The results of this article may occasionally differ from those set out in the aforementioned article since, for the purposes of this study, in order to draw comparisons with other countries, valuables are excluded from the definition of wealth and the rate of inflation has been applied to 2001 income levels to express it in 2002 euros.

the greatest similarities with the EFF; the wave used corresponds to 2001. In the case of the United Kingdom, the database that best compares with the others is the British Household Panel Survey (BHPS) from 2000, which is conducted by the Institute for Social and Economic Research. For the purpose of this comparative analysis, the annex describes the most relevant characteristics of these surveys.

All monetary amounts are expressed in 2002 euros and have been adjusted for inflation, in the cases of the United States and the United Kingdom, and for purchasing power parity for 2002, in the case of the various countries vis-à-vis Spain.

In principle, for similar sample sizes, oversampling of wealthy households in some surveys but not in others may give rise to differences in the results of certain analyses (obviously, after weighting the observations by their population weights). These differences will be more relevant in the analyses in which the values at the high end of the distribution range play an important part, owing to the lack of observations in certain cells in the absence of oversampling.

In the cases considered here, in Italy and the United Kingdom there is no oversampling of wealthy households unlike for Spain and the United States, although the sample sizes are somewhat larger. Nevertheless, the analyses carried out as part of this study tend to use measurements that are less sensitive to extreme values at the high end of the distribution ranges. For example, priority is given to the use of the median instead of the mean as a measurement of position, and the use of the 25th and 75th percentiles instead of standard deviations (or more extreme percentiles) as measures of dispersion<sup>3</sup>.

From the annex, it can be seen that the surveys available for Spain and the United States are very similar. The surveys for Italy and the United Kingdom contain some irreconcilable differences in the information relating to household assets and income, which hinder the comparison of some of the variables studied with the corresponding data for Spain and the United States.

More specifically, the IBF slightly understates Italian household wealth, particularly financial wealth, because of the non-availability of information on the value of pension schemes (which, according to the information contained in the IBF and the Italian financial accounts, represent between 2% and 3% of total household assets). In the case of the United Kingdom, the degree of understatement is greater on account of the non-existence of information on business values and, above all, pension scheme values. The latter represent approximately 30% of total UK household assets. Last, the Italian IBF includes information on household income net of tax, whereas the surveys for the other countries rely on information based on gross income. Accordingly, it is important to bear in mind that the income levels and dispersion given for Italy are less than those that would result from its gross income.

These differences have been taken into account in the comparative analysis, but they should also be remembered when comparing the results given in the tables.

### ***Distribution of net wealth and income***

DISTRIBUTION OF NET WEALTH

Table 1 shows measures of the distribution of net wealth in the four countries under review, both for all households and for different groups of the population, defined according to income and age, employment situation and level of education of the head of household.

---

3. The median of a variable is the value that comes mid-way in its distribution. It is obtained by selecting the middle value when all of the values are arranged in increasing order of size. The 25th (75th) percentile is the value which, after ordering all observations in increasing order of size, has 25% (75%) of them below it and the remaining 75% (25%) above it.

The table shows that the distribution of wealth among Spanish households is the most equal of the four countries. Consequently, the dispersion, as measured by the relative difference between the 25th and the 75th percentiles, is considerably smaller in Spain (3.4%) than in the United States (75.3) and the United Kingdom (55.5), and also smaller than in Italy (9.9). Generally, this smaller dispersion is also maintained in more homogenous population groups.

Mean household wealth in Spain is less than in both Italy and – by a far larger margin – the United States. However, in the case of variables, such as wealth, that produce some very high values for a small number of households, the mean is not a good indicator of the representative household situation. In these cases, it is better to use the median because it is less sensitive to extreme values. In the case of cross-country comparisons like the one here, the comparison of mean values can also be particularly misleading, since means are more sensitive to the different sample designs used for each country and capture the high part of wealth distribution to a different degree. In fact, as the table shows, the median net wealth of Spanish households is somewhat higher than that in Italy and considerably higher than that in the United States. Despite the household sector, as a whole, having greater wealth in both of the other countries, the lower concentration of wealth in Spain means that the typical Spanish household has greater wealth, especially when compared with its US counterpart<sup>4</sup>.

According to income levels, these differences increase considerably for the bottom half of the distribution, but are reversed for the top half. In the case of households in the bottom half of the income distribution, these comparatively higher values for Spanish households are observed not only in the median, but also in the mean. This partly reflects the differences between the property market in Spain and in other countries, given that a much higher percentage of Spanish households at the bottom of the income distribution are homeowners.

Similarly, the analysis by age shows that the highest median wealth values for the youngest age group (households whose head is aged less than 35) are to be found in Italy and Spain, where they are much higher than in the United States. This situation may, however, reflect – at least partially – cross-country differences in patterns of household formation and of independence among the young<sup>5</sup>.

It is noteworthy that the difference in median values for the different levels of education in Spain is less than that observed in the rest of the countries, and that in the case of the United States the difference is particularly large.

According to employment situation, the self-employed have a higher median net wealth in all of the countries, along with a smaller dispersion. For this population group, the levels observed in Spain and Italy for both measures (median and dispersion) are similar and also much lower than in the US case.

As previously mentioned, the database used for the United Kingdom contains no information on the amount invested in pension schemes, which is very relevant in the case of this country

---

4. If, instead of adjusting for purchasing power parity, we adjust only for the exchange rate, the differences are less since no allowance is made for prices, which are higher in the United States than in Spain. For example, adjusting for the exchange rate, the median wealth for all US households would be €78,000 (compared with €56,400 for purchasing power parity), still significantly less than the €95,700 in Spain. By income or wealth levels, the differences in the lower part of the distribution between adjusting for purchasing power parity or for the exchange rate are much less than the values for all households. Accordingly, adjusting only for the exchange rate, the median for the two lower quintiles of income distribution in the United States would be €1,700 and €29,000, respectively, compared with €1,200 and €21,000 after adjusting for purchasing power parity. 5. According to the data analysed, 14% of heads of household in Spain and Italy, 17% in the United Kingdom and 23% in the United States are less than 35 years old.

**HOUSEHOLD NET WEALTH (a).  
DISTRIBUTION BY HOUSEHOLD CHARACTERISTICS**

Medians and averages in thousands of 2002 euro

Household characteristics	SPAIN			ITALY (c)		
	Median	Average	(p75-p25)/p25 (b)	Median	Average	(p75-p25)/p25
ALL HOUSEHOLDS	95.7 (2.6) (e)	152.5	3.4	90.8 (1.8)	156.5	9.9
<b>INCOME PERCENTILE</b>						
Less than 20	52.5	74.8	5.6	11.3	42.4	(f)
Between 20 and 40	77.8	99.2	3.3	54.5	74.2	18.1
Between 40 and 60	87.2	119.6	3.4	90.5	117.9	6.9
Between 60 and 80	114.7	165.1	2.7	130.6	165.8	2.0
Between 80 and 90	151.5	208.2	2.2	204.3	246.8	1.4
Between 90 and 100	243.1	398.7	2.6	344.0	516.7	2.1
<b>AGE OF HOUSEHOLD HEAD</b>						
Under 35	54.0	85.1	10.4	75.5	120.3	35.0
35-44	87.8	125.3	3.3	83.6	138.3	17.6
45-54	126.2	194.8	2.6	122.1	200.1	6.8
55-64	122.2	214.1	3.0	129.2	213.0	3.7
65-74	102.1	154.5	2.8	87.7	152.9	5.5
Over 74	76.8	119.8	2.8	59.6	104.5	11.9
<b>LABOUR MARKET SITUATION OF HOUSEHOLD HEAD</b>						
Employee	91.8	129.3	3.6	83.6	132.0	23.0
Self-employed	183.3	325.5	2.8	180.8	298.9	3.0
Retired	102.9	155.7	2.8	83.2	139.0	6.0
Other inactive or unemployed	64.3	96.0	5.2	31.6	75.3	(f)
<b>LEVEL OF EDUCATION OF HOUSEHOLD HEAD</b>						
Below secondary education	82.0	118.1	3.0	69.2	108.2	14.3
Secondary education	107.4	159.2	4.0	131.9	205.5	7.0
University education	155.9	273.7	3.2	203.7	316.4	2.5
<b>NET WEALTH PERCENTILE</b>						
Less than 25	7.4	12.4	48.7	1.6	2.8	(f)
Between 25 and 50	68.0	68.0	0.5	55.6	55.3	1.1
Between 50 and 75	126.4	131.2	0.4	132.5	134.3	0.5
Between 75 and 90	230.6	238.3	0.3	244.6	252.1	0.3
Between 90 and 100	475.6	637.6	0.7	525.3	705.7	0.8

SOURCES: Spain: Spanish Survey of Household Finances (EFF) 2002; Italy: Indagine sui Bilanci delle Famiglie (IBF) 2002; United States: Survey of Consumer Finances (SCF) 2001; United Kingdom: British Household Panel Survey (BHPS) 2000.

- a. The net wealth figures presented do not include either vehicles, jewellery or other valuables.  
b. Dispersion measure, where p25 is the value of the 25th percentile and p75 that of the 75th percentile.  
c. The wealth figures for Italy do not include pension schemes.  
d. The wealth figures for the United Kingdom do not include either pension schemes or business values.  
e. Bootstrap standard errors in brackets.  
f. 25th percentile nil or negative.

(30% of the total asset value), or on business values in the case of the self-employed. Consequently, the median values given for this country in the table are understated and cannot be compared with the values for the other countries.

**DISTRIBUTION OF INCOME**

Table 2 presents the results of an analysis for income, similar to that for wealth in Table 1. As can be seen, the asymmetry in the distribution of this variable is much smaller than for wealth, on account of the latter being the result of the accumulation of savings flows and intergenerational transfers.

TABLE 1

UNITED STATES			UNITED KINGDOM (d)			Household characteristics
Median	Average	(p75-p25)/p25	Median	Average	(p75-p25)/p25	
56.4 (2.5)	291.9	75.3	56.4 (1.3)	127.6	55.5	ALL HOUSEHOLDS
						<b>INCOME PERCENTILE</b>
1.2	36.2	(f)	4.4	54.3	(f)	Less than 20
21.0	78.6	777.3	31.3	107.5	(f)	Between 20 and 40
38.9	113.3	61.2	56.4	111.8	27.8	Between 40 and 60
91.7	207.6	7.2	63.6	126.3	8.8	Between 60 and 80
181.9	325.4	3.9	94.7	247.9	4.4	Between 80 and 90
618.0	1,696.7	5.2	160.6	230.9	3.4	Between 90 and 100
						<b>AGE OF HOUSEHOLD HEAD</b>
1.7	56.2	(f)	2.7	31.6	(f)	Under 35
46.6	187.1	47.3	42.4	91.7	26.2	35-44
88.6	362.0	16.2	84.8	129.5	5.5	45-54
120.5	546.1	10.8	112.6	187.1	5.4	55-64
118.5	503.3	7.5	101.0	213.3	11.5	65-74
110.5	352.0	6.6	62.4	137.6	52.0	Over 74
						<b>LABOUR MARKET SITUATION OF HOUSEHOLD HEAD</b>
37.8	162.9	115.6	48.0	96.3	16.0	Employee
253.0	935.2	10.9	111.3	201.2	5.1	Self-employed
80.5	337.7	20.3	82.3	180.9	40.7	Retired
0.9	132.4	(f)	0.0	56.7	(f)	Other inactive or unemployed
						<b>LEVEL OF EDUCATION OF HOUSEHOLD HEAD</b>
12.4	74.4	(f)	45.5	105.1	131.6	Below secondary education
34.9	128.5	157.1	57.4	121.1	28.6	Secondary education
103.4	457.7	22.9	106.6	226.3	8.5	University education
						<b>NET WEALTH PERCENTILE</b>
-0.7	-5.0	(f)	0.0	-3.6	(f)	Less than 25
22.2	24.5	2.6	21.8	25.3	3.3	Between 25 and 50
104.6	114.7	0.9	90.7	93.8	0.6	Between 50 and 75
312.8	330.8	0.6	199.5	206.0	0.4	Between 75 and 90
978.1	2,086.1	1.7	434.0	676.2	0.7	Between 90 and 100

The median income for Spain is very similar to that for the United Kingdom, albeit with a somewhat smaller dispersion, while the values for the United States are higher in the case of both measures. An analysis based on more homogenous groups reveals that, in general, the similarity between Spain and the United Kingdom is maintained by income and age group, and that in the United States the median values are higher for almost all groups.

The income data for Italy are net of tax, unlike for the other countries, with the result that their level is lower and their dispersion smaller than would be the case if gross income were used.

**HOUSEHOLD INCOME.  
DISTRIBUTION BY HOUSEHOLD CHARACTERISTICS**

TABLE 2

Medians in thousands of 2002 euro

Household characteristics	SPAIN		ITALY (a)		UNITED STATES		UNITED KINGDOM	
	Median	(p75-p25)/p25	Median	(p75-p25)/p25	Median	(p75-p25)/p25	Median	(p75-p25)/p25
ALL HOUSEHOLDS	22.8 (0.5) (b)	1.8	20.8 (0.3)	1.5	30.8 (1.0)	2.5	22.7 (0.3)	2.2
<b>INCOME PERCENTILE</b>								
Less than 20	7.9	0.7	8.6	0.6	7.8	0.8	7.4	0.6
Between 20 and 40	15.2	0.3	14.3	0.2	18.0	0.3	13.6	0.3
Between 40 and 60	22.8	0.2	20.8	0.2	30.0	0.3	22.7	0.3
Between 60 and 80	33.3	0.2	29.2	0.2	49.6	0.3	35.1	0.2
Between 80 and 90	48.6	0.2	39.4	0.1	75.8	0.2	48.2	0.1
Between 90 and 100	73.0	0.5	57.9	0.4	131.0	0.9	70.0	0.3
<b>AGE OF HOUSEHOLD HEAD</b>								
Under 35	24.1	1.2	22.7	1.2	25.7	2.1	23.5	1.8
35-44	25.0	1.5	23.1	1.2	39.9	1.9	33.2	1.1
45-54	30.0	1.6	27.8	1.2	42.5	2.1	35.9	1.5
55-64	26.3	1.6	24.0	1.4	35.1	2.6	25.4	1.7
65-74	17.1	1.9	16.1	1.3	21.7	2.9	14.5	1.4
Over 74	10.6	1.6	12.5	1.1	17.2	2.2	10.9	1.0
<b>LABOUR MARKET SITUATION OF HOUSEHOLD HEAD</b>								
Employee	27.7	1.3	24.2	1.2	36.6	1.9	34.2	1.1
Self-employed	31.3	1.5	29.5	1.4	48.7	3.1	31.8	1.4
Retired	17.4	1.7	16.0	1.3	16.3	2.7	12.4	1.3
Other inactive or unemployed	12.5	2.2	6.9	3.6	13.1	4.3	12.3	1.8
<b>LEVEL OF EDUCATION OF HOUSEHOLD HEAD</b>								
Below secondary education	18.1	1.7	16.3	1.2	13.1	2.1	16.3	2.1
Secondary education	26.8	1.3	27.8	1.0	26.5	2.0	29.9	1.7
University education	39.4	1.6	37.8	1.1	44.0	2.1	35.1	1.6
<b>NET WEALTH PERCENTILE</b>								
Less than 25	16.6	1.6	12.7	1.2	16.8	2.5	13.3	1.6
Between 25 and 50	19.6	1.6	16.3	1.1	25.4	1.9	23.1	1.8
Between 50 and 75	23.9	1.6	23.9	0.9	37.6	2.0	23.5	2.3
Between 75 and 90	31.0	1.5	32.6	0.8	54.3	1.5	29.0	1.8
Between 90 and 100	47.2	1.4	44.7	1.0	98.3	2.4	37.0	1.5

SOURCES: EFF 2002, IBF 2002, SCF 2001 and BHPS 2000.

a. In Italy's case, the concept of disposable income is net income, unlike in the other countries in which it is gross income.

b. Bootstrap standard errors in brackets.

**Composition of gross wealth**

DISTRIBUTION OF WEALTH BY ASSET TYPE<sup>6</sup>

Table 3 shows the contribution of real assets and financial assets to the value of gross household wealth (columns 1 and 2). The two categories have been broken down further into distinct items, as follows: the first category into main residence, other real estate properties and businesses related to self-employment (columns 3 to 5); and the second category into accounts and deposits, pension schemes, mutual funds, fixed-income securities, shares and other equity, and other financial assets (columns 6 to 11)<sup>7</sup>.

<sup>6</sup> In view of the non-availability of information on business and pension plan values, no comments are made as to the composition of asset portfolios for the United Kingdom. <sup>7</sup> Pension schemes include unit-linked or mixed life insurance.

As can be observed, the non-financial component has the greatest weight in all of the countries. However, while this component accounts for 56% of portfolio value in the United States, it amounts to more than 85% in Spain and Italy<sup>8</sup>. In the latter two countries, this contribution is high for all income groups and, although it diminishes slightly with income, the differences are small. In the case of lower-income population strata, the related figure is somewhat over 90%, whereas for the higher-income strata it is above 80%. In the United States, the variation observed is slightly larger (67.4% for low-income strata and 53.6% for high-income strata).

For all households, in all of the countries, the asset with the greatest weight is the main residence, although its importance is much greater in Spain and Italy (59%) than in the United States (28.5%). As household income increases, the contribution of this asset decreases in all of the countries. While it remains the main asset in Spain and Italy, with a weight of approximately 43% in the top decile, in the United States businesses related to self-employment is the largest portfolio component, accounting for about 24% of its total value compared with 18% in the case of the main residence.

Other real estate properties is the asset with the second largest weight in the portfolios of Spanish and Italian households, amounting to 21% and 16%, respectively, while in the United States, although the weight of these assets is also large (10%), it is less than that for businesses related to self-employment (17%) and pension schemes (15%). Consequently, Spain is the only country considered where the contribution to wealth of real estate properties other than the main residence is much higher than the contribution of all the financial assets put together.

Turning now to the financial component of wealth, important differences in composition can be observed among countries. Accounts and deposits are the main asset for Spanish (40%) and Italian households, with a contribution of almost three times that in the United States (15%), where pension schemes, mutual funds and shares and other equity have higher weights (33.5%, 23.1% and 21.5%, respectively). In Spain, shares and other equity owned directly<sup>9</sup> by households are the second most important financial asset (26.2%), followed by pension schemes (17.5%) and mutual funds (9.5%).

By income level, for the top income decile, shares are much more important in Spain, where they are the asset with the greatest weight in the financial portfolio (43%), much more so than pension schemes (19%) and mutual funds (10%). In the United States, however, all three asset types have a similar weight (27.6%, 27.6% and 23.3%, respectively).

#### OWNERSHIP OF DIFFERENT ASSET TYPES

Table 4 shows the percentages of households that own different types of real estate assets, from which it is possible to see how extended each asset is among households. Table 5 sets out an equivalent analysis for financial assets.

#### Ownership of real assets

In Spain, 82% of households are owner-occupiers, the highest percentage observed in the countries under analysis, whereas the other three countries all have similar percentages close to 70%. The differences are greater in the case of the lower income levels. While the percentage in all of the countries is as high as 90% in the case of households with incomes in the highest decile of the distribution, significant differences can be observed for the 20% with the

<sup>8</sup>. The difference in the financial component of the portfolio between Spain and Italy is, in fact, greater than that indicated in Table 3 (12.6% and 14.7%, respectively) given that the data used in the IBF do not include information on pension schemes. Accordingly, if this item were excluded from the Spanish data, the contribution of financial assets to the total would be 10.6%. <sup>9</sup>. In the case of the United States, unlisted shares and other equity are included in "other financial assets", but ownership is very limited.

**DISTRIBUTION OF THE VALUE OF HOUSEHOLDS' ASSETS,  
BY TYPE OF ASSET AND HOUSEHOLD CHARACTERISTICS (% OF TOTAL ASSETS)**

Household characteristics	Real assets as a	Financial assets	Main residence	Other real estate	Businesses
	percentage of	as a percentage			
	total assets	of total assets		properties	related to self-
					employment
	SPAIN		SPAIN		
ALL HOUSEHOLDS	87.4	12.6	58.5	21.2	7.7
INCOME PERCENTILE					
Less than 40	91.4	8.6	72.6	15.7	3.1
Between 40 and 60	90.9	9.2	65.3	19.6	6.0
Between 60 and 80	89.0	10.9	59.1	22.4	7.5
Between 80 and 90	87.4	12.7	55.8	22.0	9.6
Between 90 and 100	80.3	19.8	43.2	25.2	11.9
	UNITED STATES		UNITED STATES		
ALL HOUSEHOLDS	55.7	44.3	28.5	9.9	17.3
INCOME PERCENTILE					
Less than 40	67.4	32.6	51.9	7.9	7.7
Between 40 and 60	57.9	42.1	43.5	7.3	7.0
Between 60 and 80	56.0	44.0	39.9	7.9	8.2
Between 80 and 90	55.9	44.1	35.9	8.4	11.6
Between 90 and 100	53.6	46.4	17.9	11.5	24.3
	ITALY (a)		ITALY (a)		
ALL HOUSEHOLDS	85.3	14.7	59.1	16.4	9.8
INCOME PERCENTILE					
Less than 40	90.1	10.0	73.7	8.5	7.9
Between 40 and 60	87.3	12.6	68.8	14.0	4.5
Between 60 and 80	86.6	13.4	65.6	11.5	9.5
Between 80 and 90	81.6	18.4	59.1	13.6	8.9
Between 90 and 100	82.9	17.2	43.7	25.5	13.7
	UNITED KINGDOM (b)		UNITED KINGDOM (b)		
ALL HOUSEHOLDS	70.3	29.7	63.0	7.3	Not available (NA)
INCOME PERCENTILE					
Less than 40	64.4	35.4	59.1	5.4	NA
Between 40 and 60	72.5	27.4	65.9	6.6	NA
Between 60 and 80	79.6	20.3	71.4	8.3	NA
Between 80 and 90	57.6	42.3	51.4	6.2	NA
Between 90 and 100	77.8	22.2	67.7	10.1	NA

SOURCES: EFF 2002, SCF 2001, IBF 2002 and BHPS 2000.

- a. The percentages for Italy are not relative to total assets but to the sum of assets that are available, which excludes pension schemes.  
b. The percentages for the United Kingdom are not relative to total assets but to the sum of assets that are available, which excludes pension schemes and businesses related to self-employment.  
c. Other financial assets, excluding pensions schemes.

lowest incomes. Here, the percentage for Spain is much higher (74%) than in the other three countries, where the percentages range from 40% to 47%. These marked differences are maintained until the middle of the income distribution. The percentage of owner-occupiers among young households (less than 35 years old) is also higher in Spain (68%), followed by Italy (58%), the United Kingdom (51%) and the United States (40%).

Similarly, the percentage of households owning real estate properties other than the main residence is notably different among the countries. Spain is the country with the highest per-



TABLE 3

Accounts and deposits	Pension schemes and unit-linked or mixed life insurance	Mutual funds	Fixed-income securities	Shares and other equity	Other financial assets	Household characteristics
SPAIN						
5.0	2.2	1.2	0.3	3.3	0.6	ALL HOUSEHOLDS
INCOME PERCENTILE						
5.6	1.0	0.6	0.3	0.9	0.2	Less than 40
5.2	1.2	0.7	0.3	1.2	0.6	Between 40 and 60
5.3	1.9	1.2	0.4	1.7	0.4	Between 60 and 80
5.0	3.0	1.5	0.3	2.3	0.6	Between 80 and 90
4.3	3.8	2.0	0.2	8.5	1.0	Between 90 and 100
UNITED STATES						
6.5	14.8	10.2	2.3	9.5	0.9	ALL HOUSEHOLDS
INCOME PERCENTILE						
9.6	9.6	8.7	0.7	2.8	1.2	Less than 40
9.5	16.0	10.7	0.5	4.1	1.4	Between 40 and 60
6.8	19.0	9.1	1.9	6.7	0.5	Between 60 and 80
6.1	20.4	9.5	1.2	6.4	0.4	Between 80 and 90
5.7	12.9	10.8	3.2	12.8	1.0	Between 90 and 100
ITALY (a)						
8.2	Not available (NA)	2.3	2.4	1.0	0.8	ALL HOUSEHOLDS
INCOME PERCENTILE						
7.8	NA	0.4	0.6	0.3	0.9	Less than 40
9.1	NA	1.2	1.6	0.4	0.3	Between 40 and 60
7.2	NA	1.9	2.4	0.9	1.0	Between 60 and 80
11.5	NA	2.5	2.9	1.0	0.5	Between 80 and 90
7.0	NA	3.9	3.4	1.9	1.0	Between 90 and 100
UNITED KINGDOM (b)						
17.6	Not available (NA)			12.1 (c)		ALL HOUSEHOLDS
INCOME PERCENTILE						
28.0	NA			7.4		Less than 40
14.2	NA			13.1		Between 40 and 60
11.7	NA			8.6		Between 60 and 80
20.2	NA			22.1		Between 80 and 90
11.7	NA			10.5		Between 90 and 100

centage (30%), followed by Italy, the United States and the United Kingdom with 22%, 17% and 8.5%, respectively. Once again, the greatest differences vis-à-vis Italy and the United States are observed at the bottom of the income distribution. Accordingly, 18.5% of the 20% of the Spanish households with the lowest incomes own real estate property other than the main residence (more than three times that observed in the United States and twice that in the case of Italy), whereas at the top of the distribution this difference is considerably less; approximately half of Spanish, Italian and US households in this income group own other real estate assets. In the case of the United Kingdom, however, these percentages are much lower throughout the income distribution and even in the top decile only rise slightly above 15%.

On the other hand, the ownership of businesses related to self-employment is quite similar in the three countries for which information is available, and ranges between 12% and 13%.

**HOLDINGS OF REAL ASSETS: PERCENTAGE OF HOUSEHOLDS OWNING THE ASSET,  
BY TYPE OF ASSET AND HOUSEHOLD CHARACTERISTICS**

TABLE 4

% of households owning the asset						
Household characteristics	Main residence	Other real estate properties	Businesses relating to self-employment	Main residence	Other real estate properties	Businesses relating to self-employment
	SPAIN			ITALY		
ALL HOUSEHOLDS	81.9	30.1	12.4	69.0	22.4	12.7
INCOME PERCENTILE						
Less than 20	73.7	18.5	4.0	47.0	8.2	4.2
Between 20 and 40	79.0	22.9	8.5	62.8	15.2	8.0
Between 40 and 60	80.8	27.4	12.8	70.1	19.4	8.9
Between 60 and 80	85.1	33.5	15.3	77.4	27.5	15.4
Between 80 and 90	89.6	42.7	19.9	85.1	32.7	19.8
Between 90 and 100	92.3	53.7	22.6	89.9	50.7	34.1
AGE OF HOUSEHOLD HEAD						
Under 35	68.3	16.6	13.0	57.6	17.2	17.4
35-44	78.9	26.0	16.5	60.1	19.6	17.7
45-54	83.2	36.3	16.8	72.2	26.6	17.8
55-64	88.4	40.9	15.8	80.6	31.3	14.1
65-74	87.9	32.8	5.1	77.4	23.6	4.0
Over 74	84.1	23.8	1.3	68.5	15.2	0.9
UNITED STATES						
ALL HOUSEHOLDS	67.7	16.8	11.9	69.7	8.5	Not available (NA)
INCOME PERCENTILE						
Less than 20	39.8	5.1	2.4	42.4	4.3	NA
Between 20 and 40	57.1	10.6	7.1	54.6	4.3	NA
Between 40 and 60	65.2	12.7	8.8	74.1	7.6	NA
Between 60 and 80	81.8	18.2	11.8	83.7	10.1	NA
Between 80 and 90	90.1	27.4	18.2	90.8	15.4	NA
Between 90 and 100	94.3	45.9	38.8	94.9	16.4	NA
AGE OF HOUSEHOLD HEAD						
Under 35	39.9	5.7	7.0	51.3	5.1	NA
35-44	67.8	15.1	14.2	76.7	11.0	NA
45-54	76.3	21.6	17.1	82.3	11.6	NA
55-64	83.2	24.3	15.6	78.4	12.0	NA
65-74	82.5	22.9	11.6	70.9	6.4	NA
Over 74	76.2	19.4	2.4	57.6	4.2	NA

SOURCES: EFF 2002. IBF 2002. SCF 2001 and BHPS 2000.

Ownership of financial assets

As can be seen from Table 5, bank accounts and deposits are the financial assets most frequently found in household portfolios in all countries. Ownership of this type of asset is highest among Spanish households (98%, compared with 80.5% in the United Kingdom, where ownership is less frequent). By income group, the largest differences are concentrated in the lower-income strata; 95.5% of lower-income Spanish households own some assets of this type, considerably more than in the United States (70%), Italy (57%) and the United Kingdom (65%). Among higher-income households, these percentages are close to 100% in all of the countries.

Aside from bank accounts and deposits, pension schemes – owned by 24% of households – are the most common financial assets in Spain. Their popularity holds for all income levels, although the higher the income, the higher the ownership rate. In the United States, pension

schemes are also the most popular financial products (after bank accounts and deposits) for all income levels, but their degree of penetration is much greater than in Spain (61% of households).

Another prominent feature is the low direct ownership rate of fixed-income securities among Spanish households. Indeed, these securities are the least popular financial asset type across all income and age groups. This low ownership rate (only 1.9% of households own this type of asset) is not, however, observed in other countries. In the United Kingdom and Italy, these assets are one of the most popular among households, after bank accounts and deposits, with ownership rates of 29.5% and 14%, respectively, and 19% in the United States.

### **Composition of indebtedness**

#### DISTRIBUTION BY PURPOSE OF DEBT

Table 6 shows the distribution of value of debt by purpose for Spanish, US and Italian households. In the case of the United Kingdom, the BHPS classification of liabilities is according to guarantee (mortgage or non-mortgage). The table also shows the debt incurred as a percentage of the total assets held, both for all households and the income levels considered.

The level of debt incurred by Spanish households amounts to a moderate percentage of their assets (8.7%), which, while lower than in the United States (12.6%), is higher than in Italy, where it is only 3.5%<sup>10</sup>. The low value observed in the case of Italy reflects the limited use of mortgage loans in that country where, historically, such loans were practically non-existent on account of the legal difficulties in executing guarantees in the event of non-payment. More recently, following reforms of the legal procedures, credit levels have begun to increase.

For the lower income levels, the median level for this percentage in Spain (6%) is lower than that observed for all households, unlike in the United States (15%) and Italy (4.5%). Indeed, for indebted households with incomes in the bottom 40% of the distribution, the differences between Spain and Italy here are considerably smaller than for all households.

By purpose of debt, the liabilities incurred to finance investment in housing or financial assets (or home refurbishments) account for 88% of the total value of Spanish household debt, higher than in the United States (82%) and, more especially, Italy (65%). In the case of the United Kingdom, mortgage debt amounts to 88% of the total, although this type of financing cannot be compared with property investment debt, given the importance that the financing of consumer spending using the value of a property as collateral has in this country.

For approximately half of the lower-income households, the proportion of debt used to finance consumption and education is much higher in Italy and the United States than in Spain (31%, 34% and 15%, respectively). This situation helps clarify why, for lower-income households, debt accounts for a higher proportion of assets in the United States and even in Italy (where resorting to credit is more limited), as will be seen later on.

Indebtedness to finance education, which cannot really be considered consumption, is higher in the United States than in Spain or Italy. Accordingly, 3.4% of US household liabilities are used to invest in human capital; in the case of lower-income households the percentage rises to 10%. By contrast, according to the EFF, the amount of debt incurred for this purpose is insignificant in Spain, while the Italian survey does not even consider this use among possible reasons for indebtedness. This lower level of private investment

---

<sup>10</sup> Owing to the non-availability of information on pension schemes and businesses related to self-employment in the United Kingdom, the ratio for this country has an upward bias and it is not therefore possible to draw comparisons with other countries.

**HOLDINGS OF FINANCIAL ASSETS: PERCENTAGE OF HOUSEHOLDS OWNING THE ASSET, BY TYPE OF ASSET AND HOUSEHOLD CHARACTERISTICS**

Household characteristics	% of households owning the asset					
	Accounts and deposits	Mutual funds	Fixed-income securities	Pensions schemes and unit-linked or mixed life insurance	Shares and other equity	Other financial assets
<b>SPAIN</b>						
ALL HOUSEHOLDS	98.2	7.2	1.9	24.1	12.5	4.5
<b>INCOME PERCENTILE</b>						
Less than 20	95.5	2.4	1.0	4.8	3.9	3.5
Between 20 and 40	97.8	2.9	1.0	15.6	6.5	2.6
Between 40 and 60	98.7	5.4	2.2	22.0	8.9	4.6
Between 60 and 80	99.3	9.5	2.3	30.5	14.9	4.3
Between 80 and 90	99.4	11.9	2.6	39.1	19.3	5.3
Between 90 and 100	99.8	19.9	3.4	55.6	37.1	9.9
<b>AGE OF HOUSEHOLD HEAD</b>						
Under 35	97.9	5.6	0.8	19.8	9.0	4.8
35-44	97.9	7.1	1.8	31.9	13.1	6.7
45-54	97.6	9.3	2.3	38.7	16.3	7.0
55-64	98.3	8.8	1.7	32.1	15.1	3.6
65-74	98.9	6.6	2.0	6.2	10.5	1.6
Over 74	99.0	4.3	2.9	2.4	8.0	1.1
<b>UNITED STATES</b>						
ALL HOUSEHOLDS	91.1	21.2	18.8	61.2	21.3	9.6
<b>INCOME PERCENTILE</b>						
Less than 20	70.4	5.1	4.1	23.0	3.7	6.4
Between 20 and 40	89.3	11.1	11.8	45.9	10.6	10.7
Between 40 and 60	95.8	19.3	15.0	62.0	16.2	10.0
Between 60 and 80	98.7	24.9	26.5	81.8	25.8	9.0
Between 80 and 90	99.8	33.3	33.1	89.0	36.8	11.3
Between 90 and 100	99.7	55.0	37.9	91.1	60.7	12.8
<b>AGE OF HOUSEHOLD HEAD</b>						
Under 35	86.0	12.7	12.9	50.2	17.4	10.6
35-44	90.7	19.1	23.9	67.4	21.6	9.7
45-54	92.3	23.6	22.8	71.6	22.1	9.1
55-64	93.6	28.8	18.5	68.2	26.6	11.0
65-74	93.8	25.8	14.8	59.3	20.5	8.4
Over 74	94.7	25.1	17.3	44.4	21.8	8.2

SOURCES: EFF 2002, IBF 2002, SCF 2001 and BHPS 2000.

in human capital in Spain (and Italy) is due, in part, to a greater public provision of education.

**HOUSEHOLDS WITH OUTSTANDING DEBTS**

In Spain, the liabilities of the household sector are accounted for by just under half of the population, given that 44% of households have some type of outstanding debt (see Table 7). This proportion is much higher than in Italy (22%) and lower than in the United Kingdom (61%) and the United States (75%). While the differences between Spain, Italy and the United Kingdom are relatively stable in all population strata, there is a particularly pronounced divergence between Spain and the United States in the lower-income population strata (16% and 49%, respectively).

By purpose of debt, the percentage of households that have incurred debts to finance consumption is relatively similar in Spain and Italy, both for all households and by income level. Between

TABLE 5

Accounts and deposits	Mutual funds	Fixed-income securities	Pension schemes and unit-linked and mixed life insurance	Shares and other equity	Other financial assets	Household characteristics
ITALY						
85.8	12.1	14.2	8.6	9.7	7.2	ALL HOUSEHOLDS
INCOME PERCENTILE						
57.2	1.0	1.8	1.9	0.5	3.3	Less than 20
82.9	3.2	4.9	2.6	2.6	4.4	Between 20 and 40
92.6	7.5	13.2	6.7	4.8	5.1	Between 40 and 60
97.1	18.0	19.2	11.8	13.7	7.1	Between 60 and 80
98.5	25.1	27.5	16.7	20.8	12.6	Between 80 and 90
99.2	36.3	36.6	23.6	33.2	19.6	Between 90 and 100
AGE OF HOUSEHOLD HEAD						
86.8	9.8	9.2	9.1	6.4	8.3	Under 35
90.8	13.0	13.4	15.5	13.7	9.6	35-44
90.9	16.8	17.0	12.6	13.3	10.2	45-54
86.9	15.7	19.4	6.4	11.5	7.8	55-64
79.5	10.3	14.5	2.4	7.3	3.6	65-74
74.9	4.3	10.6	0.7	2.2	1.4	Over 74
UNITED KINGDOM						
80.5	20.8	29.5	18.4	29.7	6.1	ALL HOUSEHOLDS
INCOME PERCENTILE						
65.2	5.9	16.3	2.7	10.7	2.8	Less than 20
72.1	14.1	24.0	5.9	17.6	3.7	Between 20 and 40
82.6	19.5	30.8	18.3	31.2	5.6	Between 40 and 60
88.7	26.3	31.7	27.4	37.1	8.2	Between 60 and 80
92.4	31.8	41.2	37.5	47.8	10.4	Between 80 and 90
96.9	46.9	50.3	40.6	59.9	10.7	Between 90 and 100
AGE OF HOUSEHOLD HEAD						
72.5	9.7	15.7	19.4	20.7	4.4	Under 35
81.0	19.7	24.8	27.8	33.3	5.8	35-44
83.9	26.2	35.3	32.0	36.6	6.3	45-54
83.8	33.0	37.3	23.2	39.3	8.0	55-64
80.9	28.2	38.9	4.0	30.0	8.2	65-74
82.0	11.3	28.7	0.8	19.8	4.5	Over 74

Spain and the United states, the difference is considerable (for all households, 20.5% and 62%, respectively), although for low-income levels it is even greater (8% and 40%, respectively).

Nevertheless, despite the fact that three-quarters of all US households have outstanding debts and that more than 60% rely on credit merely to finance consumption, it is also worth highlighting that 15% do so to finance investment in education. The proportion of families that use credit for this purpose is relatively stable by income level but, as mentioned previously, in the case of lower-income households these debts account for a greater share of their indebtedness. By age group, 30% of households whose head is aged less than 35 have incurred debts to finance investment in human capital, a percentage not so different from the 39% observed for the acquisition of real estate property or financial assets.

### ***The financial situation of indebted households***

In the analysis of the degree of financial burden on households with debts outstanding, different measures can provide useful information: the ratio of regular debt payments

**DISTRIBUTION OF THE VALUE OF HOUSEHOLD DEBT  
BY HOUSEHOLD CHARACTERISTICS (% OF TOTAL DEBT)**

TABLE 6

%				
SPAIN				
Household characteristics	Purchase of main residence, other real estate properties, investment and home refurbishments	Purchase of vehicles and other goods and services		Memorandum: debt as a percentage of total assets
ALL HOUSEHOLDS	87.8	12.2		8.7
INCOME PERCENTILE				
Less than 40	85.3	14.7		6.2
Between 40 and 60	85.1	14.9		9.8
Between 60 and 80	88.6	11.4		10.0
Between 80 and 90	87.7	12.3		9.7
Between 90 and 100	90.3	9.8		8.5
UNITED STATES				
Household characteristics	Purchase of main residence, other real estate properties, investment and home refurbishments	Purchase of vehicles and other goods and services (excluding education)	Education	Memorandum: debt as a percentage of total assets
ALL HOUSEHOLDS	82.2	14.4	3.4	12.6
INCOME PERCENTILE				
Less than 40	65.9	24.2	10.0	15.2
Between 40 and 60	75.5	19.4	5.1	20.3
Between 60 and 80	81.5	15.6	2.9	19.2
Between 80 and 90	83.7	13.8	2.5	19.4
Between 90 and 100	89.3	9.0	1.7	7.7
ITALY				
Household characteristics	Purchase of main residence, other real estate properties, investment and home refurbishments	Purchase of vehicles and other goods and services		Memorandum: debt as a percentage of total assets (a)
ALL HOUSEHOLDS	64.8	35.2		3.5
INCOME PERCENTILE				
Less than 40	69.2	30.8		4.5
Between 40 and 60	69.8	30.2		3.4
Between 60 and 80	65.6	34.4		4.6
Between 80 and 90	69.0	31.0		2.7
Between 90 and 100	55.7	44.3		2.7
UNITED KINGDOM				
Household characteristics	Mortgage debt	Non-mortgage debt		Memorandum: debt as a percentage of total assets (b)
ALL HOUSEHOLDS	88.1	11.9		16.6
INCOME PERCENTILE				
Less than 40	80.1	19.9		5.7
Between 40 and 60	87.0	13.0		14.6
Between 60 and 80	88.1	11.9		22.8
Between 80 and 90	89.6	10.4		17.2
Between 90 and 100	89.8	10.2		23.8

SOURCES: EFF 2002, SCF 2001, IBF 2002 and BHPS 2000.

a. The percentages for Italy are not relative to total assets but to the sum of assets that are available, which excludes pension schemes.

b. The percentages for the United Kingdom are not relative to total assets but to the sum of assets that are available, which excludes pension schemes and businesses related to self-employment.

**PERCENTAGE OF HOUSEHOLDS WITH DEBT OUTSTANDING,  
BY PURPOSE OR TYPE OF DEBT AND HOUSEHOLD CHARACTERISTICS**

TABLE 7

% of households with debt outstanding							
Household characteristics	SPAIN			ITALY			
	Purchase of main residence, other real estate properties, investment and home refurbishments	Purchase of vehicles and other goods and services	Some type of debt	Purchase of main residence, other real estate properties, investment and home refurbishments	Purchase of vehicles and other goods and services	Some type of debt	
ALL HOUSEHOLDS	30.5	20.5	43.6	11.1	14.5	22.1	
INCOME PERCENTILE							
Less than 20	9.3	7.7	15.9	3.4	7.9	10.1	
Between 20 and 40	22.7	19.7	37.4	8.2	12.4	18.8	
Between 40 and 60	33.1	24.2	49.2	8.9	15.6	21.9	
Between 60 and 80	39.0	26.7	54.2	16.5	17.9	29.6	
Between 80 and 90	44.1	24.4	57.5	16.5	16.1	27.8	
Between 90 and 100	52.8	23.6	64.7	20.3	20.6	32.3	
AGE OF HOUSEHOLD HEAD							
Under 35	52.3	26.0	64.7	15.7	19.0	30.1	
35-44	49.3	26.7	63.5	18.6	21.4	34.2	
45-54	32.9	27.0	51.9	13.9	20.8	30.0	
55-64	23.5	22.4	41.0	9.1	12.7	18.8	
65-74	8.8	10.2	17.0	3.1	5.6	7.9	
Over 74	3.8	1.5	5.3	1.3	1.4	2.5	
Household characteristics	UNITED STATES				UNITED KINGDOM		
	Purchase of main residence, other real estate properties, investment and home refurbishments	Purchase of vehicles and other goods and services (excluding education)	Education	Some type of debt	Mortgage debt	Non-mortgage debt	Some type of debt
ALL HOUSEHOLDS	46.8	62.0	14.6	75.1	40.3	45.8	60.7
INCOME PERCENTILE							
Less than 20	15.2	40.0	12.5	48.8	8.5	22.2	27.2
Between 20 and 40	27.0	61.8	14.1	69.8	15.8	30.3	38.7
Between 40 and 60	45.5	69.1	16.2	81.0	41.5	52.6	68.3
Between 60 and 80	63.6	73.7	16.8	85.5	61.1	62.3	81.5
Between 80 and 90	79.3	73.0	14.6	91.5	71.4	66.0	86.3
Between 90 and 100	79.4	54.5	12.2	85.3	75.4	62.8	88.7
AGE OF HOUSEHOLD HEAD							
Under 35	39.0	72.4	30.3	82.7	49.8	71.2	84.8
35-44	61.3	73.8	15.0	88.6	72.6	67.2	89.9
45-54	62.1	68.4	13.7	84.6	62.6	59.2	82.5
55-64	51.2	59.4	9.3	75.6	32.7	46.0	59.4
65-74	33.3	42.8	2.5	56.8	8.3	17.3	23.0
Over 74	10.3	24.1	0.1	29.2	3.5	6.0	9.1

SOURCES: EFF 2002, IBF 2002, SCF 2001 and BHPS 2000.

**DEBT TO INCOME RATIOS OF HOUSEHOLDS WITH DEBT OUTSTANDING,  
BY HOUSEHOLD CHARACTERISTICS**

TABLE 8

Household characteristics	SPAIN		ITALY (a)		UNITED STATES		UNITED KINGDOM	
	Median	75th percentile	Median	75th percentile	Median	75th percentile	Median	75th percentile
ALL HOUSEHOLDS WITH DEBT	70.8	153.3	38.2	105.5	76.8	163.6	95.5	189.3
INCOME PERCENTILE								
Less than 20	125.1	376.3	52.0	250.0	57.5	207.4	63.9	498.8
Between 20 and 40	85.0	205.3	43.0	149.7	47.2	148.9	28.6	193.5
Between 40 and 60	84.8	169.8	37.5	97.8	72.7	181.7	87.6	213.7
Between 60 and 80	71.2	143.2	33.1	104.8	99.4	167.3	116.6	192.7
Between 80 and 90	50.9	117.5	30.4	30.4	102.1	157.1	112.9	162.6
Between 90 and 100	52.6	94.9	37.6	85.5	79.7	127.0	141.5	234.5
AGE OF HOUSEHOLD HEAD								
Under 35	129.3	220.1	46.0	147.0	75.0	168.2	141.5	234.5
35-44	84.2	173.4	45.8	118.3	101.0	184.1	140.9	211.4
45-54	46.6	113.9	33.1	86.3	82.3	157.9	81.8	152.7
55-64	40.3	103.9	29.2	91.9	68.2	153.0	34.9	103.4
65-74	25.5	60.0	25.4	57.7	51.9	133.4	16.7	69.6
Over 74	41.6	137.9	27.8	38.4	19.9	91.4	8.1	58.4

SOURCES: EFF 2002, IBF 2002, SCF 2001 and BHPS 2000.

a. In Italy's case the concept of disposable income is net income, unlike in other countries in which it is gross income.

(including repayment of principal and interest) to income and the ratios of debt to income and debt to wealth. While the first measure reflects the ability to honour financial commitments in the short term, the latter two provide greater information about the debt burden over a longer horizon. In this section, Tables 8 and 9 refer to the second type of measure, since comparisons between countries cannot be made with the information available for the first measure. The tables give the median values and the 75th percentile of the distribution of the ratios of debt to income and wealth. This is because the analysis of the top part of the distribution of the financial burden indicators is of particular importance when studying the impact of an adverse development in the capacity to honour debt repayments.

DEBT TO INCOME

In Spain, outstanding debts amount to 71% of the gross income of the median indebted household (see Table 8). This percentage is similar to that observed in the United States (77%), but lower than that in the United Kingdom (95.5%). Italy is, by far, the country with the lowest median household indebtedness (38.2% in terms of net income and possibly even lower in terms of gross income).

However, these median ratios mask significant heterogeneity among different population segments, meaning that, even between Spain and the United States – which have a similar ratio for all households – considerable differences between groups can be observed. Although for all households the highest median by far is observed in the United Kingdom, the larger ratios correspond to the wealthiest households in the country (in the top part of the income distribution) and to the youngest ones (those with a higher income growth potential). The same can be said of the United States, where the ratio of debt to income increases with the level of income, whereas in Spain and Italy the opposite occurs, with the households with comparatively higher ratios being those with lower incomes.



**DEBT TO GROSS WEALTH RATIOS OF HOUSEHOLDS WITH DEBT OUTSTANDING,  
BY HOUSEHOLD CHARACTERISTICS**

TABLE 9

Household characteristics	SPAIN		ITALY (a)		UNITED STATES		UNITED KINGDOM (b)	
	Median	75th percentile	Median	75th percentile	Median	75th percentile	Median	75th percentile
ALL HOUSEHOLDS WITH DEBT	18.0	41.0	12.0	37.4	36.2	82.2	46.5	84.2
INCOME PERCENTILE								
Less than 20	21.6	53.1	40.0	500.0	81.8	1,026.0	218.8	(c)
Between 20 and 40	19.1	47.7	30.7	78.4	48.2	147.4	66.7	6,307.5
Between 40 and 60	18.7	44.3	13.5	52.2	45.6	95.2	46.0	89.5
Between 60 and 80	19.8	40.3	11.6	34.4	37.6	68.5	46.5	75.2
Between 80 and 90	15.3	32.4	6.2	6.2	29.3	55.9	41.7	65.1
Between 90 and 100	16.0	29.1	5.9	15.7	17.7	34.9	34.8	59.1
AGE OF HOUSEHOLD HEAD								
Under 35	36.9	58.3	18.3	48.3	83.9	299.2	82.4	566.8
35-44	21.6	43.1	17.1	52.4	43.3	80.2	53.4	81.5
45-54	12.3	26.8	7.3	26.7	30.3	61.8	29.5	55.0
55-64	11.1	27.3	6.6	26.3	16.9	39.4	15.3	41.4
65-74	8.1	18.3	5.6	12.1	10.0	27.1	5.0	24.8
Over 74	10.5	17.6	3.3	7.0	5.3	32.7	3.5	19.6

SOURCES: EFF 2002, IBF 2002, SCF 2001 and BHPS 2000.

- a. The wealth figures for Italy do not include pension schemes.
- b. The wealth figures for the United Kingdom do not include pension schemes or values of businesses.
- c. Over 25% of the observations have zero gross wealth.

In fact, the level of indebtedness in relation to income of households in the bottom half of the income distribution is, in contrast to what is observed for all households, much higher in Spain than in the other countries. More specifically, for indebted households with lower incomes (below the first quintile of income), the median ratio is 125% in Spain, 64% in the United Kingdom and 57.5% in the United States. For the next income segment, the ratio is 85% in Spain, 29% in the United Kingdom and 47% in the United States.

DEBT TO WEALTH

Table 9 sets out the distribution of the ratios of debt to gross assets. The non-availability of information on pension schemes and businesses related to self-employment in the United Kingdom means that the ratio for this country is overstated, with the result that it can only be used as a maximum value.

For the median indebted household, Spanish household debt implies a low proportion of its assets (18%), although slightly higher than in Italy (12%)<sup>11</sup>, but lower than in the United States (36%). These differences are more significant in the case of households in the bottom part of the income distribution. Thus, indebted Spanish households with income levels below the fifth quintile have a smaller ratio (22%) than in the United States (82%) and even Italy (40%). For indebted households in the next income segment, the ratio is 19% in Spain, 31% in Italy and 48% in the United States.

<sup>11</sup> The ratio given for Italy may be slightly overstated, given the non-availability of information on pension schemes, although, as previously mentioned, they play only a minor role in this country, at least as far as the household sector as a whole is concerned. By contrast, in the United Kingdom the importance of this type of asset in household portfolios means that the overstatement of the ratio given may possibly be much greater.

The discrepancies between countries in the levels of this ratio stem partly from differences in the composition of debt. Thus, a substantial proportion of Spanish household liabilities are used to finance the acquisition of real estate assets, while the weight of loans to finance consumption is rather low. By contrast, in the United States and Italy, the debt incurred for this purpose has a much greater weight, especially in the case of lower-income households, as previously mentioned.

It is also true that indebtedness to finance investment in education in the United States is significant, unlike in Spain (and Italy), especially for households in the bottom part of the income distribution. However, human capital is not included in the calculation of wealth.

A further aspect to be taken into account on assessing Spanish indebted households' debt to wealth ratios is that assets are made up, in a large proportion, of real estate property. As a result, this ratio largely depends on the price of a single asset, namely housing. Moreover, especially in the case of lower-income households, much of the value of their wealth is in their principal dwelling, which in turn meets their lodging needs.

## **Conclusions**

This article has compared the financial position of Spanish households with that of households in the United States, Italy and the United Kingdom. This comparative study allows several worthwhile conclusions to be drawn and highlights the usefulness of analysis based on types of households for assessing the wealth position of households.

The analysis conducted firstly shows that the distribution of net wealth is more equitable in Spain than in the other countries considered. Further, median wealth is higher than that in the other countries analysed, especially in the bottom half of the income distribution.

This situation reflects, in part, significant differences in the composition of assets seen in the four countries. In the analysis, Spain is the country where the proportion of households owning their main dwelling and that of owners of other real estate assets are highest. This difference is even more marked for households in the bottom half of the income distribution. The information on the contribution of real estate properties to the total volume of assets is along the same lines, and points to Spain as the country where financial assets have least weight.

The study of the composition of liabilities shows that Spain is the country where debt to finance consumption is of least significance. Once again, this difference between Spain and the other countries is even greater for households in the lower part of the income distribution.

In terms of financial situation, the median debt ratios in Spain are at moderate levels. However, indebted households in the bottom half of the income distribution in Spain bear greater debts relative to their income than those of the other countries analysed. At the same time, however, these debts account for a much lower proportion of their assets than is the case for the other countries. Naturally, this stems from their greater propensity to purchase, and finance via loans, their principal dwelling.

Accordingly, any comparison of the wealth position of indebted Spanish households relative to that of the other countries should take into account Spain's greater dependence on changes in real estate property prices. In this respect, it should be borne in mind that not only are such assets generally less liquid than financial instruments, but also that, insofar as households' main asset is the house in which they live, they have greater dif-

difficulties in adjusting the size and composition of their wealth in the face of adverse shocks.

18.4.2005.

## **REFERENCES**

- BANCO DE ESPAÑA (2004). "Survey of Household Finances (EFF): description, methods, and preliminary results", Economic Bulletin, January 2005.
- BOVER, O. (2004). The Spanish Survey of Household Finances (EFF): description and methods of the 2002 wave, Occasional Paper no. 0409, Banco de España.

## ANNEX: Description of the financial surveys used

### ***Spain: Survey of Household Finances (EFF) 2002***

The EFF includes an extensive range of questions to households on their real and financial assets, liabilities, income (labour and non-labour), expenditure and socio-demographic characteristics, for a sample of more than 5,000 households. A significant characteristic of this survey, shared with the US SCF, is that it includes an oversampling of the wealthiest households in order to be able to study financial behaviour in the upper bracket of the wealth distribution.

### ***Italy: Indagine sui Bilanci delle Famiglie (IBF) 2002***

The Italian survey on household income and wealth, conducted every two years, interviews approximately 8,000 households and, since 1989, a portion of these have been interviewed again in successive editions of the IBF.

Regarding the comparison made in this article, one limitation of these data is the lack of information on the value of household pension schemes. According to the aggregated Financial Accounts, pensions schemes for households as a whole account for a similar proportion of the total value of household assets in Italy and Spain. However, it is not known whether the distribution for the different types of household is also similar. A further difference with the data from the EFF, the SCF and the BHPS is that the income included in the IBF is net of taxes.

### ***United States: Survey of Consumer Finances (SCF) 2001***

In its current form, the SCF has been conducted every three years in the United States since 1989. It provides highly detailed information on household wealth. The sample, of some 4,500 households, includes a random part and one with an oversampling of the wealthiest households.

### ***United Kingdom: British Household Panel Survey (BHPS) 2000***

The annually conducted British household panel survey includes information on various socio-economic variables at the individual and household levels for the period between 1991 and 2002. The sample comprises approximately 9,000 households, which are interviewed again in each edition of the BHPS<sup>1</sup>. Although the survey on which this panel is based is annual, some questions - on financial assets and non-mortgage debts - are not posed every year. Accordingly, we have used the closest comparable wave with the EFF in which this information is available, corresponding to the year 2000.

This panel is the only data source allowing the household financial situation in the United Kingdom to be analysed, though it does have certain limitations in this connection which should be taken into account. The most important of these is that it does not include information on the value of businesses for households with self-employed members, or on the value of pension schemes. The lack of information on the value of the latter is particularly problematic since, according to the UK aggregate Financial Accounts, they account, for all households, for around 30% of household assets and they are the second most significant asset after real assets. Further, for the financial assets on which information is included, the breakdown is fairly limited in respect of amounts (it only allows a distinction to be drawn between the amount invested in deposits and other assets).

Another difficulty with the use of the BHPS wealth variables is the absence of generalised imputation when there is a failure to respond to questions on the value of the various assets and debts considered. That is contrary to the EFF and the SCF, which do include overall imputation processes. As for the IBF, it does not envisage as part of the sample those households which do not respond to certain key questions.

---

1. Northern Ireland was not included until 2001.

Specifically, when a household does not answer one or more of these questions, the BHPS provides imputed values for revenue, the value of the house in which it resides and mortgage debt, but it does not do so for unanswered questions on the value of non-mortgage debt, real estate properties other than the main residence, bank accounts and deposits, and financial assets. For 30.2% of the households present in the sample available for the year 2000, there is no information for one or more of these variables for one or more members of the family unit<sup>2</sup>.

Any analysis based exclusively on households with these questions completed might give rise to significant biases in the results. To address this problem, this paper has devised imputations for the unanswered values of the variables mortgage debt, real estate properties other than the main residence, accounts and deposits, and other financial assets, using randomisations from regression predictions<sup>3</sup>.

---

**2.** To obtain the quantitative variables at the household level drawing on the information relating to each household member, the value of the variable in question is added for all the household components. In those cases where there is no figure for one of the individuals, that household cannot be used in the analysis. **3.** For more information on imputation methods and their rationale, see Bover (2004).



### **Introduction**

In 2005 Q2, the number of new financial provisions was small relative to the preceding period.

In relation to the euro area and the single monetary policy, four provisions were enacted. First, the Banco de España amended the general clauses applicable to monetary policy operations to adapt them to the new guidelines recently published by the European Central Bank (ECB). Second, the ECB published three new guidelines in Q2. The first two in relation to the reporting requirements for money, banking and government finance statistics; and the third relating to the management of the foreign reserve assets of the ECB by the national central banks and the legal documentation for operations involving the foreign reserve assets of the ECB.

In the area of EU financial institutions, two significant provisions have been issued, which seek to adapt Spanish law to two Community directives in the financial sphere. The first is the partial transposition of the Community directive on the supervision of financial conglomerates, to which all financial institutions and other entities integrated in a financial conglomerate will have to adapt. The second concerns the Community directive on the reorganisation and winding up of credit institutions, leaving outside its scope all those actions that, with the same name, can be taken by credit institution deposit guarantee funds.

In relation to the securities market, four provisions have been enacted. The first modifies the formats for the reporting of periodic public information by securities-issuing institutions, to adapt them to the International Financial Reporting Standards, and to include information relating to transactions with related parties. The second determines the investment rules for the balances of credit accounts of an instrumental and temporary nature that securities-dealer companies and securities agents maintain with their clients. The third establishes a number of instructions to facilitate compliance by the management companies of securitisation SPVs with the requirement to send to the Directorate General of the Treasury and Financial Policy (the Treasury) the necessary information to monitor the risk assumed by the State under the guarantees granted to *FT-Pyme*. And the fourth details the content and structure of the annual report on corporate governance of savings banks that issue securities admitted to trading on official securities markets.

### **Banco de España: amendment of the general clauses applicable to monetary policy operations**

The Law of Autonomy of the Banco de España, Law 13/1994 of 1 June 1994<sup>1</sup>, adapted the legal status of the Banco de España to the provisions of the Treaty on European Union on monetary policy, relations with the Treasury and future links between the former and the ESCB. Later, implementing the mandate of the Law of Autonomy, the Regulation of the Banco de España was published by means of the Resolution of 14 November 1996<sup>2</sup> of the Governing Council of this institution (amended by the Resolution of 22 February 2000, and finally repealed by the Resolution of 28 March 2000, which is currently in force), which constitutes the basic and highest ranking provision of the rules of self-government of the institution. Subsequently, a Resolution of 11 December 1998 of the Executive Commission of the Banco de España established the general clauses applicable to monetary policy operations, constituting the general framework for such operations in accordance with the guidelines of the ECB. These clauses have recently been amended.

---

1. See "Regulación financiera: segundo trimestre de 1994", *Boletín Económico*, July-August 1994, Banco de España, pp. 86-92. 2. See "Regulación financiera: cuarto trimestre de 1996", *Boletín Económico*, January 1997, Banco de España, pp. 104-106.

In effect, the Resolution of 4 March 2005 of the Executive Commission of the Banco de España (BOE of 19 May 2005), amending the Resolution of 11 December 1998<sup>3</sup>, as a result of adoption by the ECB of Guideline ECB/2005/2 of 3 February 2005 (OJEU of 2 May 2005), amending Guideline ECB/2000/7 of 31 August 2000 on monetary policy instruments and procedures of the Eurosystem, has been adopted owing to recent changes to the definition and implementation of monetary policy in the euro area.

The most important changes are summarised below:

Clause three, “legal rules for the establishment of collateral”, revises the quick tender procedure. This procedure is basically used for fine tuning operations when it is deemed desirable to have a rapid impact on the liquidity situation in the market. With effect from this provision, quick tenders will now be executed within a time frame of 90 minutes (previously one hour) and will continue to be restricted to a limited set of counterparties.

Clause six, “collateral assets”, provides, like the previous Resolution, that the Banco de España shall not accept as collateral those assets issued or secured by the counterparty or by another entity with which the former has close links. For these purposes, the Resolution defines close links<sup>4</sup> as existing, when the counterparty is linked to the issuer of the debt instrument provided as collateral in any of the following ways:

- a) The counterparty owns 20% or more of the capital of the issuer, directly or through other undertakings; or
- b) the issuer owns 20% or more of the capital of the counterparty, directly or through other undertakings; or
- c) a third party owns the majority of the capital of the counterparty and the majority of the capital of the issuer, either directly or indirectly, through one or more undertakings in which that third party owns the majority of the capital.

As regards the valuation of the collateral, the section dedicated to shares has been removed, this instrument having been subsumed in the following sections. Also, the revision of the valuation of collateral is carried out periodically, without specifying the frequency (previously daily).

Finally, the annex to the Resolution contains the consolidated text of the General Clauses Applicable to the Monetary Policy Operations of the Banco de España (adopted by Resolution of its Executive Commission of 11 December 1998), with the amendments introduced by the Resolutions of such Executive Commission of 23 July 1999 (BOE of 7 August 1999), 26 October 1999 (BOE of 7 December 1999), 10 October 2000 (BOE of 20 December 2000), 19 April 2002 (BOE of 29 June 2002) and 23 December 2003 (BOE of 5 March 2004), and by this Resolution, which entered into force on 30 May 2005.

**European Central Bank:  
reporting requirements for  
money, banking and  
government finance  
statistics**

The Guideline ECB/2005/4 of the European Central Bank of 15 February 2005 (OJEU of 29 April 2005) amending Guideline ECB/2003/2 of 6 February 2003, concerning certain statistical requirements of the ECB and the procedures for reporting by the national central banks (NCBs) of statistical information in the field of money and banking statistics, as a consequence of the

---

3. See “Financial regulation: fourth quarter 1998”, *Economic bulletin*, January 1999, Banco de España, pp. 79-82. 4. The previous Resolution defined close links in the same terms as the fifth indent of Article 1 of Directive 77/780/EEC OJ L 322 of 17 December 1977, as amended by Directive 95/26/EC OJ L 168 of 29 June 1995.



accession of the new Member States on 1 May 2004, and of the expiry of certain transitional reporting arrangements and derogations, as well as new NCB statistical reporting requirements in the field of money and banking statistics, has been published.

At the same time, the Guideline ECB/2005/5 of the European Central Bank of 17 February 2005 (OJEU of 29 April 2005) on the statistical reporting requirements of the ECB and the procedures for exchanging statistical information within the ESCB in the field of government finance statistics, facilitates the fulfilment of the ESCB's tasks. The purpose of this Guideline is the establishment of efficient procedures for the exchange of government finance statistics within the ESCB to ensure that the ESCB has timely government finance statistics meeting its needs and that there is compatibility between them and the forecasts of the same variables prepared by the NCBs or by the competent national authorities.

**European Central Bank:  
amendment of rules for  
the management of  
foreign reserve assets**

Guideline ECB/2005/6 of the European Central Bank of 11 March 2005 (OJEU of 29 April 2005) amending Guideline ECB/2000/1 on the management of foreign reserve assets of the ECB by the national central banks and the legal documentation for operations involving the foreign reserve assets of the ECB was adopted.

Besides updating Guideline ECB/2000/1, the ECB introduces the use of the Master Agreement for Financial Transactions (2004 revised edition) of the Banking Federation of the European Union for all collateralised operations involving the ECB's foreign reserve assets (comprising repurchase agreements, reverse repurchase agreements, buy/sell-back agreements and sell/buy-back agreements) where the counterparties are incorporated or organised under the laws of any of the EU-15 countries or Switzerland, and for all over-the-counter derivative operations involving the ECB's foreign reserve assets.

**Supervision of financial  
conglomerates**

Recent financial market developments have led to the setting up of financial groups offering services and products in different markets, known as *financial conglomerates*.

In Spain, Law 13/1992 of 1 June 1992<sup>5</sup> on own funds and supervision of financial institutions on a consolidated basis established a system of joint prudential supervision of the activities of mixed-financial groups, namely those engaging simultaneously in banking or securities services and insurance. Also, a set of special supervision rules was established applicable to unconsolidated mixed groups. The law was structured around a number of solvency requirements apart from those established in the (individual or consolidated) sectoral framework for banks, securities entities and insurance undertakings, considered individually, or groups with homogeneous financial activities.

At the Community level, the Directive 2002/87/EC of the European Parliament and of the Council of 16 December 2002<sup>6</sup> on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate and amending certain directives was approved. The scope of application of this Directive was the supplementary supervision of the regulated financial entities of a financial conglomerate with significant cross-sectoral financial activities. It covered all financial activities identified by sectoral financial legislation and all entities principally engaged in such activities, including asset management companies and mixed financial holding companies.

---

5. See "Regulación financiera: segundo trimestre de 1992", *Boletín Económico*, July-August 1992, Banco de España, pp. 82-86. 6. See "Financial regulation: 2003 Q1", *Economic bulletin*, April 2003, Banco de España, pp. 92-95.

To incorporate part of this Directive into Spanish law, Law 5/2005 of 22 April 2005 has been published (BOE of 23 April 2005) on the supervision of financial conglomerates, amending other laws of the financial sector and aiming to establish a prudential regime specifically applicable to financial conglomerates, and to advance towards greater consistency between the different sectoral legislation applicable to homogeneous groups, and between such legislation and that specific to financial conglomerates.

#### DEFINITIONS AND SCOPE OF APPLICATION

The Law designs a new supervision system, to be applied to credit institutions, investment firms and insurance and reinsurance undertakings, as well as the management companies of collective investment institutions and pension funds (referred to generically both by the Directive and the Law as *regulated entities*) forming part of a financial conglomerate.

Also, the Law considers a group<sup>7</sup> to be a financial conglomerate when the following circumstances arise simultaneously: a) the controlling entity of the group is a regulated entity or the activities of the group are primarily in the financial sector b) at least one of the group entities belongs to the insurance sector and another to the banking sector or investment services sector and c) the consolidated or aggregated activities of the group entities included in the insurance sector, and those of the group entities included in the banking and investment services sectors are significant<sup>8</sup>.

The Law is applicable to those financial conglomerates in which:

- a) The controlling entity is a Spanish regulated entity.
- b) The controlling entity is a mixed financial holding company<sup>9</sup> with registered office in Spain, and at least one of the controlled entities is a Spanish regulated entity.
- c) The controlling entity being a mixed financial holding company, all the controlled entities are Spanish regulated entities, or the controlled regulated entity with the highest balance sheet total in the most important financial sector is Spanish.
- d) In other cases, the regulated entity with the highest balance sheet total in the most important financial sector is Spanish.

Likewise subject to this Law and its implementing provisions are: Spanish entities that form part of a financial conglomerate subject to supplementary supervision by the competent authorities of other European Union Member States, and regulated entities of former mixed groups that do not fulfil the condition of having significant activity in both types of business and, therefore, cannot be classified as financial conglomerates, according to the provisions implementing the Law.

#### SUPPLEMENTARY SUPERVISION

The Law establishes a set of measures to facilitate the exercise of supplementary supervision. Thus, without prejudice to the prudential requirements applicable to them individually or on a

---

7. Entities shall be considered to belong to the same group when they constitute a decision-making unit among themselves, or they have an equity interest, that is to say a right over the capital of other companies that, creating a durable link with them, is intended to contribute to the activity of the company and, in any case, the ownership, direct or indirect, of at least 20% of the capital or voting rights. 8. Activities in a financial sector shall be considered significant when the smallest sector exceeds a relative limit (the average of the ratio of the balance sheet total of that sector to the balance sheet total of the financial sector entities in the group and the ratio of the solvency requirements of the same sector to the total solvency requirements of the financial sector entities in the group is greater than 10%) or an absolute limit (balance sheet total of €6 billion). 9. A controlling entity, other than a regulated entity, which together with its subsidiaries, at least one of which is a regulated entity, and other entities, constitutes a financial conglomerate shall be considered a mixed financial holding company.

consolidated basis in accordance with sectoral legislation, the regulated entities of financial conglomerates shall maintain, at all times, at the level of the financial conglomerate, a sufficient volume of own funds or solvency margin in relation to the investments made or risks assumed, whose criteria shall be established in regulations. Also, they shall respect the quantitative limits on risks and intra-group operations and other requirements that may be determined in regulations.

At the same time, a co-ordinator shall be appointed for each financial conglomerate, this being the competent authority that shall be responsible for exercising and co-ordinating supplementary supervision, within a framework in which a large number of authorities may be involved, if the financial conglomerate is sectorally and geographically highly diversified.

The tasks of the co-ordinator, with regard to supplementary supervision of the regulated entities of a financial conglomerate, are the following:

- a) The co-ordination of the gathering and dissemination of the relevant or essential information, including the dissemination of information which is of importance for a competent authority's supervisory task under sectoral rules.
- b) Supervisory overview and assessment of the financial situation of a financial conglomerate.
- c) Assessment of compliance with the obligations contained in the Law and in its implementing provisions.
- d) Assessment of the financial conglomerate's structure, organisation and internal control systems.
- e) Planning and co-ordination of supervisory activities, when necessary to fulfil the objectives of supplementary supervision and, in all cases, in critical situations.
- f) Such other tasks as may be assigned thereto by the implementing provisions of this Law.

#### CO-OPERATION BETWEEN COMPETENT AUTHORITIES

The Law lays down a number of obligations for co-operation and consultation between all the competent authorities involved in the supervision of a single financial conglomerate. In this respect, the competent Spanish authorities (whenever they are responsible for performing the tasks of co-ordinator or are responsible for supervision on a consolidated basis of a group of financial entities integrated in financial conglomerates) shall establish co-ordination agreements with the other competent authorities of the same financial conglomerate. They shall also enter into such agreements when, being competent authorities, they are requested to do so by the authorities of other EU Member States performing the tasks of co-ordinator. This information-exchange regime may be extended to central banks, the ESCB and the ECB.

#### GROUPS OF THIRD STATES

The problem of financial conglomerates of third States whose regulated entities operate in Spain has been addressed, the principle of reciprocity being the underlying rationale for the rules applicable to this type of entity. In this respect, when the competent Spanish authorities are responsible for performing the tasks of co-ordinator, they shall confirm whether regulated entities whose controlling entity is a regulated entity or a mixed financial holding company with registered office outside the European Union are subject to supervision by an authority of a third country equivalent to that provided for in this Law and in its implementing provisions,

since if they are not, then the supervision regime provided for therein shall be applicable to them.

AMENDMENT OF THE SECTORAL  
RULES FOR FINANCIAL ENTITIES

Finally, it should be noted that the Law amends certain sectoral rules for credit institutions (Law 13/1985 of 25 May 1985 on investment ratios, own funds and reporting obligations for financial intermediaries, and Law 26/1988 of 29 July 1988 on the discipline and intervention of credit institutions), for securities-dealer companies, securities agencies and investment firms (Law 24/1988 of 28 July 1988 on the securities market) and for insurance undertakings (consolidated text of the law for the regulation and supervision of private insurance, approved by Legislative Royal Decree 6/2004 of 29 October 2004), to adjust them to its content, as well as to the provisions of Directive 2002/87/EC.

Prominent amongst these rules is that which establishes, as a new deduction from the own funds (computed for the purposes of their minimum solvency requirements) of credit institutions, securities institutions and insurance undertakings, the cross-holdings between them, which were previously treated less strictly.

***Reorganisation and  
winding up of credit  
institutions***

The globalisation of economic activity and technological innovation have given rise, among other aspects, to the need to co-ordinate the regulation and supervision of financial services. The European Union has been especially affected by these factors and has adopted a number of harmonisation and co-ordination measures in this area, leading to Directive 2001/24/EC of the European Parliament and of the Council of 4 April 2001<sup>10</sup> on the reorganisation and winding up of credit institutions, which regulates the rules for and treatment of the adoption of reorganisation measures and winding-up proceedings affecting Community credit institutions with cross-border activity. This directive, on the basis of the principle of unity and universality, tries to solve and facilitate the adoption of measures and the opening of proceedings in the European Union. For this purpose it departs from basic principles, such as the mutual recognition of decisions and co-ordination between the various authorities involved in such proceedings.

Recently Law 6/2005 of 22 April 2005 (BOE of 23 April 2005) on the reorganisation and winding-up of credit institutions has been published. This Law incorporates into Spanish law the provisions of Directive 2001/24/EEC, as well as various aspects of the treatment of credit institutions in difficulty relating to insolvency proceedings in the terms envisaged in Law 22/2003 of 9 July 2003 on insolvency.

The reorganisation measures referred to by this Law do not include those actions that, with the same name, can be adopted by deposit guarantee funds in relation to credit institutions in accordance with Royal Decree 2606/1996 of 20 December 1996.

DEFINITIONS AND SCOPE OF  
APPLICATION

For the purposes of the Law, reorganisation measures are understood to be those adopted by the administrative or judicial authorities of an EU member state that are intended to preserve or restore the financial situation of a credit institution and that could affect the pre-existing rights of third parties unrelated to the institution. Winding-up proceedings are those opened and monitored by the administrative or judicial authorities of an EU Member State with the aim of realising assets and settling liabilities under the supervision of such authorities, including where the proceedings are terminated by a composition or other, similar measure.

This Law shall be applicable to: credit institutions authorised in Spain which have at least one branch or provide services without a permanent establishment in another Member State; to

---

<sup>10</sup>. See "Financial regulation: 2001 Q2", *Economic bulletin*, July 2001, Banco de España, pp. 85-86.

credit institutions authorised in another Member State which also have at least one branch or provide services without a permanent establishment in Spain; and to the branches in Spain of foreign credit institutions not authorised in an EU Member State, when such credit institutions have at least one branch in another Member State.

Following the scheme of Directive 2001/24/EC, the Law is based on the principles of “competition” and “law” of the Member State in which the credit institution has been authorised, with certain exceptions. Accordingly, Spanish law shall be applicable to the insolvency of credit institutions authorised in Spain which have branches in other EU Member States and its effects shall be recognised automatically in such States. These principles are consistent with European law on the taking up and pursuit of the business of credit institutions, which conceives of the credit institution and its branches from a unitary perspective as subject to the supervision of the competent authorities of the State in which the authorisation has been issued, which is valid throughout the European Union.

REORGANISATION MEASURES  
AND WINDING-UP PROCEEDINGS  
FOR CREDIT INSTITUTIONS  
AUTHORISED IN SPAIN THAT HAVE  
BRANCHES OR PROVIDE  
SERVICES WITHOUT A  
PERMANENT ESTABLISHMENT IN  
EU MEMBER STATES

The Spanish judicial authorities shall be solely responsible for determining the application to a credit institution authorised in Spain, including its branches in other Member States of the European Union, of a reorganisation measure<sup>11</sup> or a winding-up proceeding<sup>12</sup>. Such authorities shall, without delay, advise the competent supervisory authorities of the various host Member States, through the Banco de España, of their decision to adopt a reorganisation measure or to open a winding-up proceeding and its repercussions.

If such authorities consider it necessary for some reorganisation measure to be applied to the branches of credit institutions authorised in another Member State, they shall be obliged to advise the competent supervisory authorities of the home Member State of that fact.

Both the adoption of reorganisation measures and the opening of winding-up proceedings shall be announced in the “Official Journal of the European Union” and in at least two national newspapers in each of the host Member States.

REORGANISATION MEASURES  
AND WINDING-UP PROCEEDINGS  
FOR CREDIT INSTITUTIONS NOT  
AUTHORISED IN AN EU MEMBER  
STATE

The Spanish judicial authorities shall advise the competent supervisory authorities of the various host Member States, without delay and by all possible means, of their decision to adopt a reorganisation measure or to open winding up proceedings and their repercussions, in respect of the branches of foreign credit institutions not authorised in an EU Member State. The Spanish judicial authorities shall coordinate their actions with the administrative or judicial authorities of the various host States. The liquidators, if any, shall also endeavour to co-ordinate their activities.

REORGANISATION MEASURES  
ADOPTED AND WINDING UP  
PROCEEDINGS OPENED IN  
OTHER EUROPEAN UNION  
MEMBER STATES

When a reorganisation measure has been adopted or winding up proceedings have been opened in respect of a credit institution authorised in an EU Member State, which has a least one branch or which provides services in Spain, such measure or proceeding shall be fully effective in Spain as soon as it is fully effective in the Member State in which such measure has been adopted or such proceedings have been opened. Having received the relevant notification from the competent supervisory authority, the Banco de España shall, through the BOE, announce the decision to adopt the reorganisation measure or to open the winding up proceedings.

---

**11.** The opening of insolvency proceedings in the terms provided for in Law 22/2003 of 9 July 2003 on insolvency shall be deemed to be a reorganisation measure in Spain. **12.** The opening of the winding-up phase of insolvency proceedings in accordance with the provisions of Law 22/2003 of 9 July 2003 on insolvency shall be deemed to be a winding-up proceeding in Spain.

As a result of the transposition of Directive 2001/24/EC, the Law incorporates a number of amendments to the Banking Law of 31 December 1946 and to Law 26/1988 of 29 July 1988 on the discipline and intervention of credit institutions with regard, respectively, to the legal rules governing the withdrawal of authorisation and the winding up of credit institutions.

Finally, the law shall only be applicable to those reorganisation measures adopted and those winding up proceedings opened after its entry into force. The reorganisation measures adopted and the winding-up proceedings opened prior to such date shall be regulated by the laws applicable when they were adopted or opened.

**Modification of the formats for the reporting of periodic public information by entities issuing securities and information on transactions with related parties**

A Ministerial Order of 18 January 1991<sup>13</sup> established the content of the formats for the reporting of periodic public information by entities that issue securities admitted to trading on stock exchanges and authorised the National Securities Market Commission (CNMV) to modify such formats.

Subsequently, Regulation 1606/2002 of the European Parliament and of the Council of 19 July 2002 provided that entities shall prepare their consolidated accounts for each financial year starting on or after 1 January 2005 in conformity with the International Financial Reporting Standards (IFRS) if, at their balance sheet date, their securities are admitted to trading on a regulated market.

As regards transactions with related parties<sup>14</sup>, Law 24/1988 of 28 July 1988, as amended by Law 44/2002 of 22 November 2002<sup>15</sup> on measures to reform the financial system, provided that companies that issue securities admitted to trading on some official secondary market shall necessarily include in the half-yearly information required by law, quantified information on all the transactions carried out by the company with related parties. Recently, Order EHA/3050/2004 of 15 September 2004 specifically authorised the CNMV to determine the form and degree of detail of the information that has to be supplied.

Against this background, it became necessary to modify the reporting formats to enable financial information to be sent in accordance with IFRS and information on transactions with related parties to be included. As a result, *CCNMV 1/2005 of 1 April 2005* (BOE of 6 April 2005) has now been published, which amends the formats contained in the *CCNMV 2/2002* of 27 November 2002 for the reporting of periodic public information by entities that issue securities admitted to trading on stock exchanges and requires the recognition and measurement policies of the adopted IFRS to be applied in their preparation.

Four transitional provisions were included in the Circular to explain the process of transition from the accounting policies currently in force to the use of the recognition and measurement policies of the adopted IFRS.

The first provides that those companies, other than credit institutions, required to prepare consolidated annual accounts that, as at year end, have only issued fixed-income securities admitted to trading on a stock exchange, shall apply the adopted IFRS from 1 January 2007, when they have not applied them previously.

13. See "Regulación financiera: primer trimestre de 1991", *Boletín Económico*, Banco de España, April 1991, p. 52. 14. For the purposes of the Law, a party is considered related to another when one of them, or a group acting in concert, exercises or has the ability to exercise directly or indirectly, by virtue of the pacts or agreements between shareholders, control over the other or a significant influence over the taking of the financial and operating decisions of the other. 15. See "Financial regulation: 2002 Q4", *Boletín Económico*, January 2003, Banco de España, pp. 101-113.

According to the second provision, the comparative information to be included in the column for the previous year in the periodic public information that has to be submitted in the first year in which the consolidated annual accounts are presented in conformity with the adopted IFRS, shall be prepared in accordance with the recognition and measurement policies that the entity must apply to prepare its first consolidated annual accounts in accordance with the adopted IFRS, unless some international financial reporting standard permits an exception to be made.

The third transitional provision establishes the manner of presentation of the half-yearly periodic public information when the first year in conformity with the adopted IFRS commences in 2005.

Finally, the fourth provision covers the case of entities that adopt the IFRS for the first time before 1 January 2006, and decide of their own volition to report specifically on the effect, in the opening balance sheet of the year that commences in 2004, of the transition from the accounting policies generally accepted in Spain to the adopted IFRS.

As regards transactions with related parties, the Circular introduces a new section in the formats for reporting half-yearly periodic public information in which transactions with related parties must be detailed. This obligation shall apply for the first time to the half-yearly information to be reported as from 30 June 2005. The information on transactions with related parties shall be broken down by related party, with quantified information on each party that can be aggregated in the case of items with a similar content. However, information will have to be provided on the individual nature of those transactions with related parties that are significant in amount or relevant to a proper understanding of the periodic public information.

In addition, in accordance with Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of the transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, it has been considered necessary to standardise and complete the information supplied to the securities markets in the formats for reporting half-yearly periodic public information on issues of debt securities.

Currently, such information has to be broken down in the formats for reporting periodic public information under the heading of *issuance, repayment and redemption of debt securities*, in the significant events section. This reporting requirement means that every issuer of debt securities admitted to trading on a regulated market must make public without delay any new loan issues, and in particular any associated guarantee or security, that may have a relevant effect on the consolidated financial statements of the entity reporting the periodic public information. In this respect, a new section is introduced into the format for reporting half-yearly periodic public information, which incorporates two types of breakdown. The first refers to the various information that has to be provided on the main features of the debt securities issued by entities required to report half-yearly periodic public information or by a company included in the consolidated accounts of such an entity. The second breakdown, which complements the first one, refers to the issuance of debt securities, when an entity included in the consolidated accounts of the entity reporting the information has given some type of guarantee.

Finally, it is established that the Circular, which came into force on 7 April, will apply to quarterly and half-yearly periodic public information reported as from 31 March 2005 and 30 June 2005, respectively. In consequence, those institutions that present their consolidated

annual accounts for the year commencing in 2005, in accordance with the adopted IFRS, shall prepare the periodic public information for that year in accordance with the recognition and measurement policies of the adopted IFRS, including the periodic public information for 2005 Q1.

**Securities-dealer companies and securities agencies: rules for investment of the credit balances of the accounts of an instrumental and temporary nature that they maintain for their clients**

According to Royal Decree 867/2001 of 20 July 2001<sup>16</sup> on the legal regime for investment firms, securities-dealer companies and securities agencies may maintain accounts of a temporary and instrumental nature to hold funds for customers for the execution of transactions on their behalf. The maintenance of these accounts is an exception to the rule prohibiting securities-dealer companies and securities agencies from receiving funds from the public in the form of deposits or similar instruments.

Given the exceptional nature of these balances, their maintenance is subject to compliance with certain specific conditions, one of which requires that the balances on accounts of an instrumental and temporary nature that these entities open for their customers in order to hold funds for the execution of transactions on their behalf, must be invested in such categories of low-risk liquid assets as the Ministry of Economy may determine.

Pursuant to the powers granted in the Royal Decree, *Order EHA/848/2005 of 18 March 2005* (BOE of 6 April 2005) has been published, which determines the rules for investment of the balances of accounts of an instrumental and temporary nature that securities-dealer companies and securities agencies maintain for their clients.

The Order establishes the categories of low-risk, liquid assets in which the balances of these accounts should be invested, and also indicates certain situations in which the investment by securities-dealer companies and securities agencies in such assets is subject to tighter CNMV-established restrictions.

The low-risk, liquid assets specified by the Order (for the purposes of investment of the balances of client accounts of an instrumental and temporary nature) are the following: sight deposits with credit institutions that are subject to prudential supervision and have their registered office in an EU or OECD Member State; and reverse repos, with a residual maturity of two days or less and a zero weighting for credit-risk purposes.

When securities-dealer companies or securities agencies are in a situation of risk arising in connection with their solvency, results, viability, liquidity or organisational deficiencies, the CNMV may take one or both of the following precautionary measures: 1) to require such balances to be invested exclusively in sight deposits, and 2) to require the balances to be invested individually in the name of each of the clients to which they belong, so that in no event may title to such balances correspond to the securities-dealer company or securities agency, or be assigned to another customer.

Finally, the Order includes a single additional provision, applicable exclusively to certain collective investment companies. Specifically, those collective investment companies that passed a resolution in 2004 to exclude their shares from official stock exchange trading, and those that pass such a resolution during 2005, provided that they apply for the relevant delisting before 30 June 2006, are exempted from certain reporting obligations of listed companies.

---

<sup>16</sup>. See "Financial regulation: 2001 Q3", Economic Bulletin, Banco de España, October 2001, pp. 98-101.



**Securitisation SPV  
Management Companies:  
reporting obligations**

Law 49/1998 of 30 December 1998 on the 1999 State Budget<sup>17</sup>, gave powers to the Ministry of Economy to guarantee fixed-income securities issued by securitisation SPVs, set up in accordance with agreements entered into by the Ministry with their management companies and, at the same time, to establish the rules and requirements to which such agreements should be subject.

Subsequently, the Ministerial Order of 28 May 1999<sup>18</sup> regulated the status and content of the promotion agreements that the Ministry of the Economy could enter into (through the Treasury) with securitisation SPV management companies to promote the setting up of securitisation SPVs which, under the trade name *FTPyme*, may benefit from a State guarantee for the fixed-income securities they issue in order to support business financing. Subsequently, the successive State budget laws have authorised the State to guarantee fixed-income securities issued by securitisation SPVs set up in accordance with agreements between the State and securitisation SPV management companies registered at the CNMV, in order to improve the financing of productive business activity.

Recently, Law 2/2004 of 27 December 2004 on the 2005 State Budget required Management Companies to report to the Treasury the necessary information to monitor the risk assumed by the State under the guarantees, in particular that relating to the total volume of the principal pending repayment on the fixed-income securities issued by securitisation SPVs and to the non-payment or default rate of the assets in the securitised portfolio.

To facilitate the performance of this obligation, the Treasury has published a *Resolution of 23 June 2005* (BOE of 30 June 2005), which establishes instructions for the performance of their reporting obligations by Securitisation SPV Management Companies to support business financing.

In this respect, Management Companies must report to the Treasury, after the date of each payment to the holders of the securities issued by the SPV, as specified in the annex to this Resolution, the following information:

- The identifying particulars of the SPV, specifying the date of generation of the data, as well as the name of the SPV and of the Management Company
- In relation to the portfolio of securitised assets, the amount of claims not yet due and the early repayment rates in annualised terms for the last month, quarter and year shall be specified, as at the payment date.
- With regard to the doubtful assets of the securitised portfolio of assets, the number of outstanding claims, the amount not yet due and the amount of past-due principal and interest since the date the SPV was set up, taking into account any recoveries made.
- In relation to the liabilities of the SPV, details shall be given for each class, series and tranche of fixed-income securities issued by the SPV of the balance thereof as at the date of its setting up and after each payment date.
- For each class, series and tranche of securities issued, details shall be given of the interest rate paid at the payment date, their estimated average life in years and the next date of payment to their holders.

<sup>17</sup>. See "Financial regulation: fourth quarter 1998", Economic Bulletin, Banco de España, January 1999, p. 109. <sup>18</sup>. See "Financial regulation: second quarter of 1999, Economic Bulletin, July 1999, Banco de España, p. 66-67.

- Finally, the balance of the reserve fund shall be reported, where applicable, on each payment date, stating the initial amount at the date the SPV was set up, the minimum amount required and the balance after the payment date.

As regards the reporting period, the information shall be sent within ten business days following the payment date of the securities issued by the SPV.

***Annual report on corporate governance and other information of savings banks that issue securities admitted to trading on official securities markets***

The Order ECO/354/2004 of 17 February 2004<sup>19</sup> on the Annual report on corporate governance and other information of savings banks that issue securities admitted to trading on official securities markets, gave powers to the CNMV to specify the content and structure of the annual report on corporate governance, and to determine the technical and legal specifications of the information that savings banks that issue such securities may publish, where applicable, on their website on similar issues.

Pursuant to such powers, the CNMV has published *CCNMV 2/2005 of 21 April 2005* (BOE of 29 April 2005) on the annual report on corporate governance and other information of savings banks that issue securities admitted to trading on official securities markets.

The Circular stresses that all the information included by the institutions subject to it in their annual report on corporate governance and on their websites, whether its publication is mandatory or voluntary, shall be clear, complete, correct and accurate, and no information may be included that owing to its bias, the shortness of the period it covers, its incomparability, the failure to include the appropriate warnings or for any other reason, may mislead or confuse or not enable the investor to form a well-founded opinion of the institution.

ANNUAL REPORT ON  
CORPORATE GOVERNANCE

The Circular contains a detailed outline of the structure and content of the report, some of whose points should only be completed if the savings bank has issued non-voting equity units, which shall include a summary of the report prepared annually by the investment committee.

The preparation and content of the annual report on corporate governance of a savings bank shall be the responsibility of its board of directors, which shall give due notification thereof to the CNMV as a significant event. Also, it shall be made available to investors at the institution's website, as well as by other means. Publication of the annual report on corporate governance as a significant event may be carried out no later than the day on which the first announcement is made to call the ordinary general assembly to approve the institution's annual accounts for the same year as such report.

In the event that the Control Commission has pronounced unfavourably on some section of the annual report on corporate governance or has proposed suspending the resolution, the savings bank shall notify the CNMV immediately of a significant event indicating this circumstance, and send additional information with the actions arising from the pronouncement of the Control Commission.

Meanwhile, institutions that have issued securities listed on Spanish official secondary markets and that are fully controlled, whether directly or indirectly, by a savings bank may send the annual report on corporate governance of the controlling savings bank. In that case, the controlled savings bank shall send annually to the CNMV a copy of the report prepared by its control-

---

<sup>19</sup>. See "Financial regulation: 2004 Q1", Economic Bulletin, Banco de España, April 2004, pp. 96-97. 90-92.-{}-

ling savings bank, together with a letter indicating that it is in the situation referred to and identifying the controlling savings bank.

The first annual report on corporate governance shall be approved during the first half of 2005. It shall only be distributed to the ordinary General Assembly called to approve the annual accounts of the institution for the year 2004, if approved by the Board of Directors before the adoption of the resolution to call such Assembly.

INFORMATION THAT MUST BE  
INCLUDED ON SAVINGS BANKS'  
WEBSITES

Savings banks that issue securities admitted to trading on official securities markets shall have a website with a registered Internet domain name. Each institution shall assign the necessary resources to ensure that its website may be easily located on the Internet with the most frequently used search engines.

The content shall be presented in a structured and hierarchised fashion with succinct and explanatory titles, so that it can all be accessed rapidly and directly, without charge to the user. In the site map or any other list of contents on the website, specific reference shall be made to, at least, the latest published annual report on corporate governance and the significant events. The technical structure of the website and the files supporting its content shall enable users to navigate and access the site with IT products commonly used in the Internet environment, and with a response time that does not make consultations unfeasible. In the event of any significant discrepancy between the information contained on the website of the savings bank and the information contained in the public registers of the CNMV, the institution shall be obliged to eliminate such discrepancy as soon as possible.

The general manager shall be responsible for keeping the information on the website, required by order ECO/354/2004 or supplied voluntarily, up-to-date and for co-ordinating its content with the documents filed and entered in the relevant public registers.

Finally, the annexes to the Circular set out what information savings banks have to include on their websites.

## ECONOMIC INDICATORS

### Changes

#### *Indicators 1.1 to 1.4*

Main macroeconomic magnitudes

#### *Indicator 4.8*

Unit labour costs

Indicators 1.1 to 1.4 and 4.8 have been updated with the base year 2000 Spanish National Accounts data, released by INE on 19 May 2005, in relation to the annual series 2000-2004 and the quarterly series 2001 Q1-2005 Q1. The base year 2000 has replaced the base year 1995, the figures used until the above-mentioned date. For further details, see [www.ine.es](http://www.ine.es) .

## CONTENTS

These indicators are continuously updated on the Banco de España's website. For those statistics whose source is the Banco de España, a data dissemination calendar giving the exact or approximate release date over the following three months is updated on the last day of each week (<http://www.bde.es/infoest/htmls/calenda.pdf>). Where the dissemination dates shown in the calendar are approximate, the firm date shall be specified one week before the data are released.

MAIN MACROECONOMIC MAGNITUDES	1.1	Gross domestic product. Volume chain-linked indices, reference year 2000 = 100. Demand components. Spain and euro area	7*
	1.2	Gross domestic product. Volume chain-linked indices, reference year 2000 = 100 Demand components. Spain	8*
	1.3	Gross domestic product. Volume chain-linked indices, reference year 2000 = 100 Branches of activity. Spain	9*
	1.4	Gross domestic product. Implicit deflators. Spain	10*
INTERNATIONAL ECONOMY	2.1	International comparison. Gross domestic product at constant prices	11*
	2.2	International comparison. Unemployment rates	12*
	2.3	International comparison. Consumer prices	13*
	2.4	Bilateral exchange rates and nominal and real effective exchange rate indices for the euro. US dollar and Japanese yen	14*
	2.5	Official intervention interest rates and short-term interest rates	15*
	2.6	10-year government bond yields on domestic markets	16*
	2.7	International markets: non-energy commodities price index. Crude oil and gold price	17*
NATIONAL DEMAND AND ACTIVITY	3.1	Indicators of private consumption. Spain and euro area	18*
	3.2	Investment in industry (excluding construction): opinion surveys. Spain	19*
	3.3	Construction. Indicators of building starts and consumption of cement. Spain	20*
	3.4	Industrial production index. Spain and euro area	21*
	3.5	Monthly business survey: industry and construction. Spain and euro area	22*
	3.6	Business survey: capacity utilisation. Spain and euro area	23*
	3.7	Tourism and transport statistics. Spain	24*
LABOUR MARKET	4.1	Labour force. Spain	25*
	4.2	Employment and wage-earners. Spain and euro area	26*
	4.3	Employment by branch of activity. Spain	27*
	4.4	Wage-earners by type of contract and unemployment by duration. Spain	28*
	4.5	Registered unemployment by branch of activity. Contracts and placements. Spain	29*
	4.6	Collective bargaining agreements	30*
	4.7	Quarterly labour costs survey	31*
	4.8	Unit labour costs. Spain and euro area	32*

PRICES	5.1	Consumer price index. Spain	33*
	5.2	Harmonised index of consumer prices. Spain and euro area	34*
	5.3	Producer price index. Spain and euro area	35*
	5.4	Unit value indices for Spanish foreign trade	36*
GENERAL GOVERNMENT	6.1	State resources and uses according to the National Accounts. Spain	37*
	6.2	State financial transactions. Spain <sup>1</sup>	38*
	6.3	State: liabilities outstanding. Spain <sup>1</sup>	39*
BALANCE OF PAYMENTS, FOREIGN TRADE AND INTERNATIONAL INVESTMENT POSITION	7.1	The Spanish balance of payments vis-à-vis other euro area residents and the rest of the world. Current account <sup>1</sup>	40*
	7.2	The Spanish balance of payments vis-à-vis other euro area residents and the rest of the world. Financial account	41*
	7.3	Spanish foreign trade with other euro area countries and with the rest of the world. Exports and dispatches	42*
	7.4	Spanish foreign trade with other euro area countries and with the rest of the world. Imports and arrivals	43*
	7.5	Spanish foreign trade with other euro area countries and with the rest of the world. Trade balance: geographical distribution	44*
	7.6	Spanish international investment position vis-à-vis other euro area residents and the rest of the world. Summary <sup>1</sup>	45*
	7.7	Spanish international investment position vis-à-vis other euro area residents and the rest of the world. Breakdown by investment <sup>1</sup>	46*
	7.8	Spanish reserve assets <sup>1</sup>	47*
	7.9	Spanish external debt vis-à-vis other euro area residents and the rest of the world. Summary <sup>1</sup>	48*
FINANCIAL VARIABLES	8.1	Consolidated balance sheet of the Eurosystem, and balance sheet of the Banco de España. Net lending to credit institutions and its counterparts	49*
	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	50*
	8.3	Cash and cash equivalents, other liabilities of credit institutions and mutual funds shares of non-financial corporations resident in Spain	51*
	8.4	Cash and cash equivalents, other liabilities of credit institutions and mutual funds shares of households and NPISHs resident in Spain	52*
	8.5	Financing of non-financial sectors resident in Spain	53*
	8.6	Financing of non-financial corporations, resident in Spain	54*
	8.7	Financing of households and NPISHs resident in Spain	55*
	8.8	Net financing of Spain's general government	56*
	8.9	Lending by credit institutions to other resident sectors. Breakdown by end-use	57*
	8.10	Profit and loss account of banks, savings banks and credit co-operatives resident in Spain	58*
	8.11	Mutual funds resident in Spain	59*
	8.12	Share price indices and turnover on securities markets. Spain and euro area	60*

1. IMF Special Data Dissemination Standard (SDDS).

INTEREST RATES  
AND EXCHANGE RATES

9.1	Interest rates. Eurosystem and money market. Euro area and Spain	61*
9.2	Interest rates: Spanish short-term and long-term securities markets <sup>1</sup>	62*
9.3	Interest rates on new business. Credit institutions (CBE 4/2002)	63*
9.4	Indices of Spanish competitiveness vis-à-vis the EU-15 and the euro area	64*
9.5	Indices of Spanish competitiveness vis-à-vis the developed countries	65*

1. IMF Special Data Dissemination Standard (SDDS).

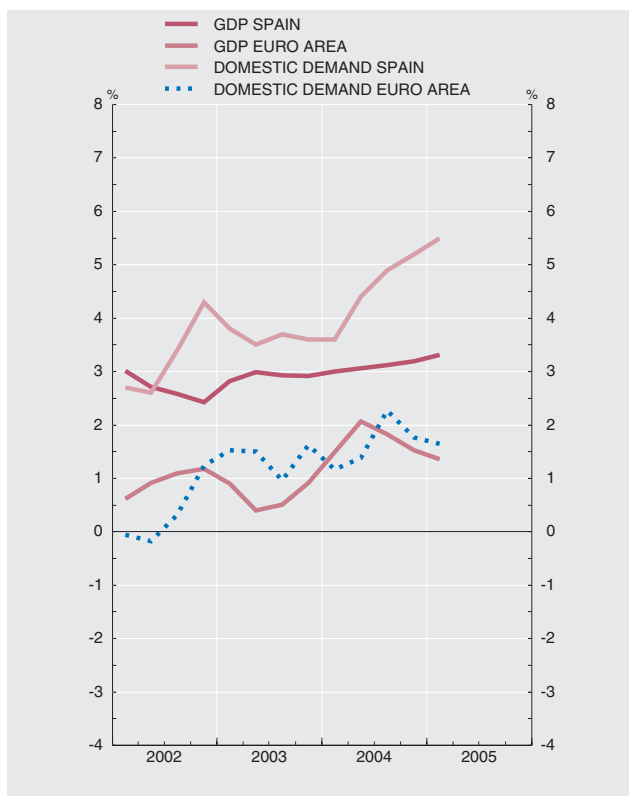
### 1.1. GROSS DOMESTIC PRODUCT. VOLUME CHAIN-LINKED INDICES, REFERENCE YEAR 2000=100.DEMAND COMPONENTS. SPAIN AND EURO AREA (a)

■ Series depicted in chart.

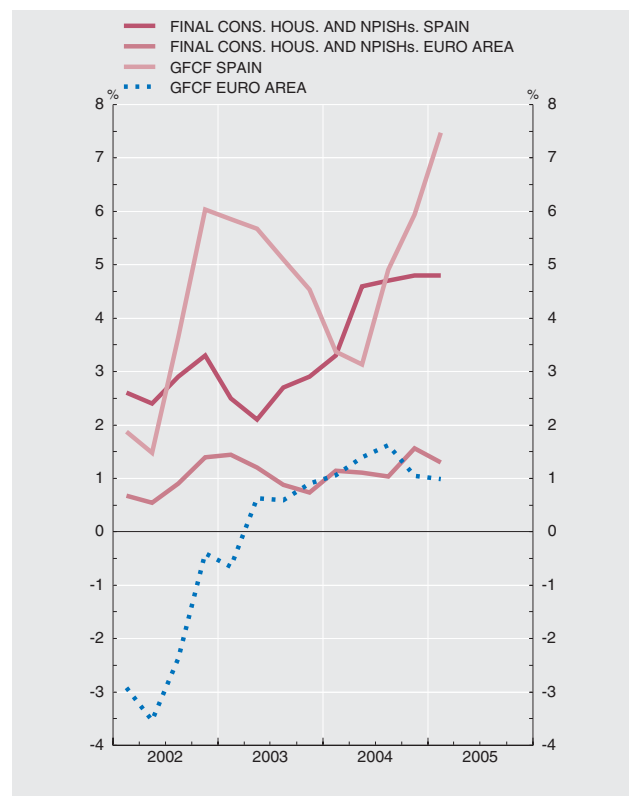
Annual percentage changes

		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) (e)		
		Spain	Euro area	Spain	Euro area (b)	Spain	Euro area (c)	Spain	Euro area	Spain	Euro area	Spain	Euro area (d)	Spain	Euro area (d)	Spain	Euro area	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
<b>02</b>	P	2.7	0.9	2.8	0.9	4.5	2.6	3.3	-2.3	3.3	0.3	1.8	2.1	3.8	0.5	729	7 124	
<b>03</b>	P	2.9	0.7	2.6	1.1	3.9	1.3	5.3	0.4	3.7	1.4	3.6	0.6	6.3	2.6	781	7 324	
<b>04</b>	P	3.1	1.7	4.4	1.2	6.4	2.6	4.4	1.3	4.5	1.6	2.8	5.8	8.1	5.8	838	7 588	
<b>02</b>	Q2	P	2.7	0.9	2.4	0.5	4.8	3.0	1.5	-3.5	2.6	0.9	2.1	2.2	1.5	-0.6	181	1 774
	Q3	P	2.6	1.1	2.9	0.9	4.6	2.6	3.7	-2.4	3.4	1.1	1.9	3.5	4.5	1.6	184	1 791
	Q4	P	2.4	1.2	3.3	1.4	4.2	2.2	6.0	-0.4	4.3	1.2	4.6	3.7	10.3	4.1	186	1 800
<b>03</b>	Q1	P	2.8	0.9	2.5	1.4	4.0	0.9	5.9	-0.6	3.8	0.9	5.6	2.5	6.7	4.3	190	1 810
	Q2	P	3.0	0.4	2.1	1.2	3.7	0.7	5.7	0.6	3.5	0.4	2.9	-1.1	5.8	1.7	194	1 819
	Q3	P	2.9	0.5	2.7	0.9	3.7	1.2	5.1	0.6	3.7	0.5	3.5	0.4	7.4	1.7	197	1 842
	Q4	P	2.9	0.9	2.9	0.7	4.1	2.3	4.5	0.9	3.6	0.9	2.3	0.7	5.2	2.5	200	1 852
<b>04</b>	Q1	P	3.0	1.5	3.3	1.1	5.4	2.6	3.4	1.1	3.6	1.5	3.5	3.3	6.2	2.5	204	1 874
	Q2	P	3.1	2.1	4.6	1.1	6.3	2.9	3.1	1.4	4.4	2.1	2.8	7.6	8.0	6.1	208	1 895
	Q3	P	3.1	1.8	4.7	1.0	7.1	2.8	4.9	1.6	4.9	1.8	3.2	6.2	9.2	7.7	212	1 905
	Q4	P	3.2	1.5	4.8	1.6	6.7	2.1	5.9	1.1	5.2	1.5	1.8	6.1	8.8	7.0	215	1 914
<b>05</b>	Q1	P	3.3	1.4	4.8	1.3	6.0	1.8	7.5	1.0	5.5	1.4	-1.7	3.9	6.0	4.8	219	1 932

**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 2000) and Eurostat.

a. Spain: prepared in accordance with ESA95, seasonally- and working-day-adjusted series (see Economic bulletin April 2002); Euro area, prepared in accordance with ESA95.

b. Euro area, private consumption.

c. Euro area, government consumption.

d. Exports and imports comprise goods and services and include cross-border trade within the euro area.

e. Billions of euro.



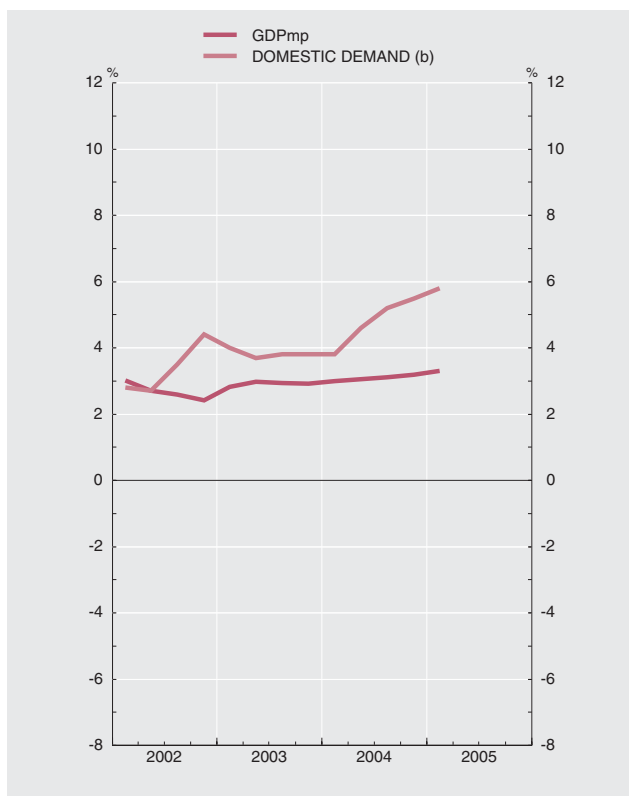
**1.2. GROSS DOMESTIC PRODUCT. VOLUME CHAIN-LINKED INDICES. REFERENCE YEAR 2000=100. DEMAND COMPONENTS. SPAIN: BREAKDOWN (a)**

■ Series depicted in chart.

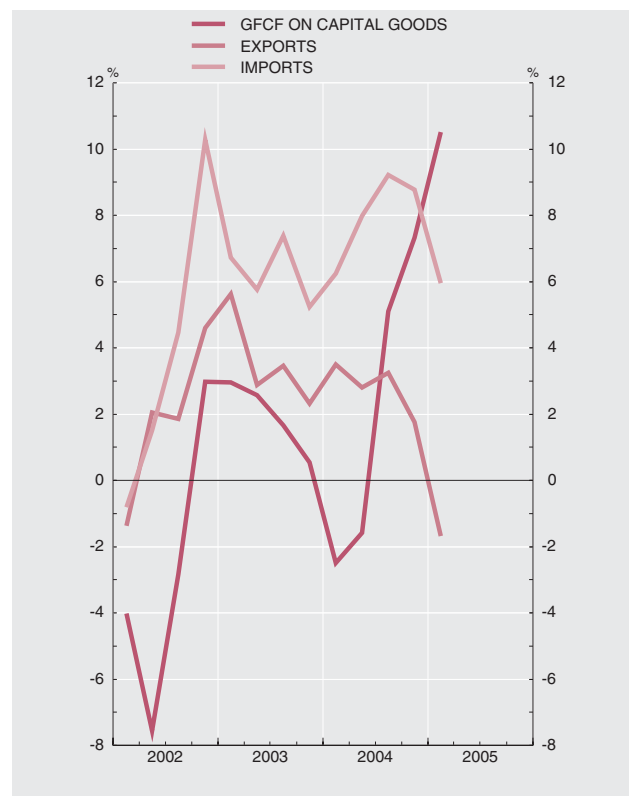
Annual percentage changes

		Gross fixed capital formation				Change in Stocks (b)	Exports of goods and services				Imports of goods and services				Memorandum items:	
		Total	Capital goods	Construction	Other products		Total	Goods	Final consumption of non-residents in economic territory	Services	Total	Goods	Final consumption of residents in the rest of the world	Services	Domestic demand (b)	GDP
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>02</b>	P	3.3	-2.9	6.2	5.0	0.0	1.8	3.4	-6.5	4.3	3.8	4.4	1.8	0.9	3.4	2.7
<b>03</b>	P	5.3	1.9	6.2	7.8	0.2	3.6	4.8	0.5	0.8	6.3	6.8	5.1	3.8	3.8	2.9
<b>04</b>	P	4.4	2.1	5.5	4.4	-0.1	2.8	4.0	-0.1	0.3	8.1	8.9	20.7	1.2	4.8	3.1
<b>02 Q2</b>	P	1.5	-7.6	6.0	3.7	-0.0	2.1	4.4	-10.1	6.0	1.5	2.0	1.4	-1.0	2.7	2.7
<b>Q3</b>	P	3.7	-2.8	7.2	4.3	0.0	1.9	3.9	-7.9	4.1	4.5	4.9	3.6	2.7	3.5	2.6
<b>Q4</b>	P	6.0	3.0	7.3	7.1	0.1	4.6	7.0	-4.1	3.3	10.3	11.9	1.2	3.6	4.4	2.4
<b>03 Q1</b>	P	5.9	3.0	6.8	7.6	0.2	5.6	7.9	-2.1	3.7	6.7	7.0	0.8	6.4	4.0	2.8
<b>Q2</b>	P	5.7	2.6	6.3	8.6	0.3	2.9	2.8	4.9	1.1	5.8	6.2	3.6	4.0	3.7	3.0
<b>Q3</b>	P	5.1	1.7	5.9	8.3	0.2	3.5	4.9	0.2	-	7.4	8.4	5.7	2.4	3.8	2.9
<b>Q4</b>	P	4.5	0.5	5.9	6.6	0.1	2.3	3.9	-1.0	-1.6	5.2	5.6	10.1	2.3	3.8	2.9
<b>04 Q1</b>	P	3.4	-2.5	6.0	4.7	-0.0	3.5	4.9	1.0	-0.8	6.2	6.5	17.4	2.8	3.8	3.0
<b>Q2</b>	P	3.1	-1.6	5.4	3.3	-0.1	2.8	5.1	-4.7	-0.2	8.0	8.7	20.2	1.7	4.6	3.1
<b>Q3</b>	P	4.9	5.1	5.2	3.6	-0.2	3.2	4.4	0.6	0.3	9.2	10.3	20.6	1.1	5.2	3.1
<b>Q4</b>	P	5.9	7.3	5.3	5.9	-0.2	1.8	1.5	2.7	2.0	8.8	9.9	24.1	-0.7	5.5	3.2
<b>05 Q1</b>	P	7.5	10.5	6.1	7.2	-0.1	-1.7	-1.7	-3.3	0.1	6.0	7.4	24.4	-5.8	5.8	3.3

**GDP. DOMESTIC DEMAND**  
Annual percentage changes



**GDP. DEMAND COMPONENTS**  
Annual percentage changes



Source: INE (Quarterly National Accounts of Spain. Base year 2000).

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

b. Contribution to GDPmp growth rate.

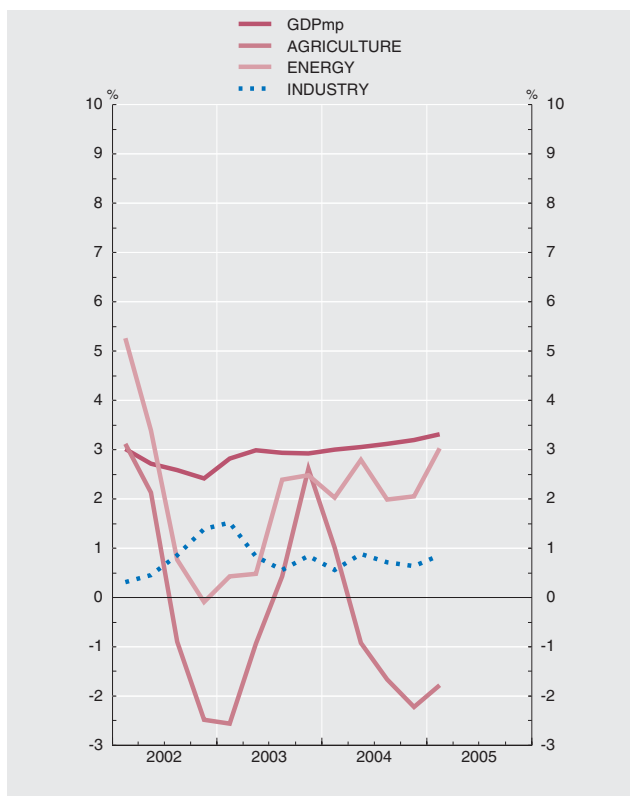
1.3. GROSS DOMESTIC PRODUCT. VOLUME CHAIN-LINKED INDICES. REFERENCE YEAR 2000=100. BRANCHES OF ACTIVITY. SPAIN (a)

■ Series depicted in chart.

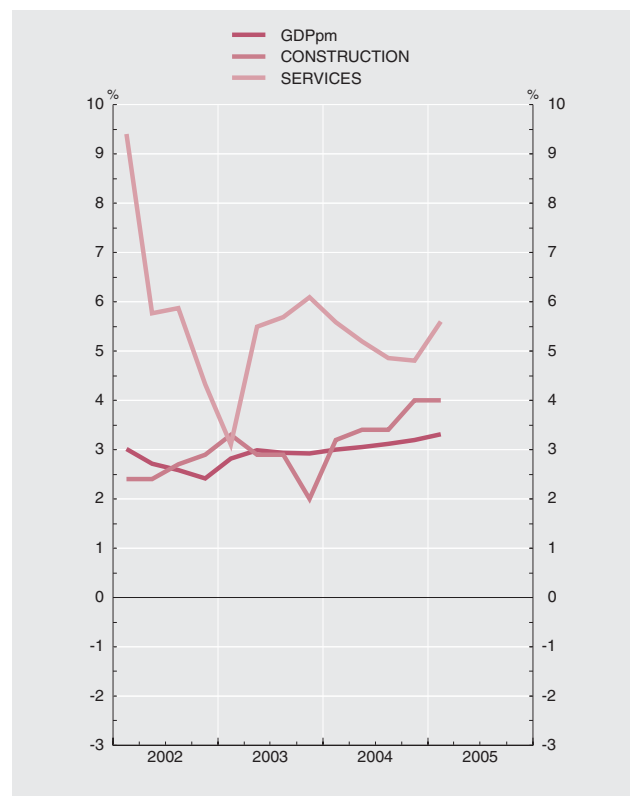
Annual percentage changes

		1	2	3	4	5	Services			9	10	11
							6	7	8			
		Gross domestic product at market prices	Agriculture and fisheries	Energy	Industry	Construction	Total	Market services	Non-market services	VAT on products	Net taxes linked to imports	Other net taxes on products
02	P	2.7	0.4	2.3	0.7	6.3	2.6	2.6	2.7	2.3	-0.3	8.1
03	P	2.9	-0.1	1.4	0.9	5.1	2.8	2.7	3.2	5.3	5.9	8.7
04	P	3.1	-1.0	2.2	0.7	5.1	3.5	3.6	3.1	2.5	12.2	6.3
02	Q2	2.7	2.1	3.4	0.4	5.8	2.4	2.4	2.7	6.1	-0.7	5.8
	Q3	2.6	-0.9	0.8	0.9	5.9	2.7	2.5	3.3	0.6	1.1	10.0
	Q4	2.4	-2.5	-0.1	1.4	4.3	2.9	3.0	2.5	-1.9	1.9	9.5
03	Q1	2.8	-2.6	0.4	1.5	3.1	3.3	3.1	4.1	1.3	3.8	9.6
	Q2	3.0	-0.9	0.5	0.8	5.5	2.9	2.9	3.2	7.1	4.8	6.4
	Q3	2.9	0.4	2.4	0.6	5.7	2.9	3.0	2.7	4.3	7.4	7.4
	Q4	2.9	2.6	2.5	0.8	6.1	2.0	1.7	3.0	8.8	7.7	11.3
04	Q1	3.0	1.0	2.0	0.6	5.6	3.2	3.3	2.9	1.3	12.7	9.3
	Q2	3.1	-0.9	2.8	0.9	5.2	3.4	3.5	2.8	0.1	13.1	10.4
	Q3	3.1	-1.7	2.0	0.7	4.9	3.4	3.5	3.0	4.7	11.0	6.0
	Q4	3.2	-2.2	2.1	0.6	4.8	4.0	4.1	3.8	3.9	12.2	0.1
05	Q1	3.3	-1.8	3.0	0.9	5.6	4.0	4.2	3.6	4.2	7.1	-0.6

GDP. BRANCHES OF ACTIVITY  
Annual percentage changes



GDP. BRANCHES OF ACTIVITY  
Annual percentage changes



Source: INE (Quarterly National Accounts of Spain. Base year 2000).

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

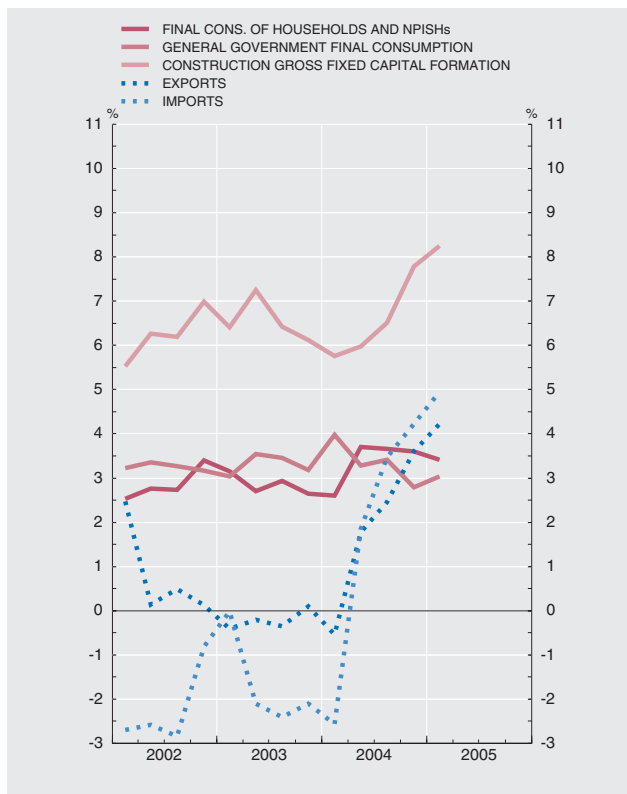
### 1.4. GROSS DOMESTIC PRODUCT. IMPLICIT DEFLATORS. SPAIN (a)

■ Series depicted in chart.

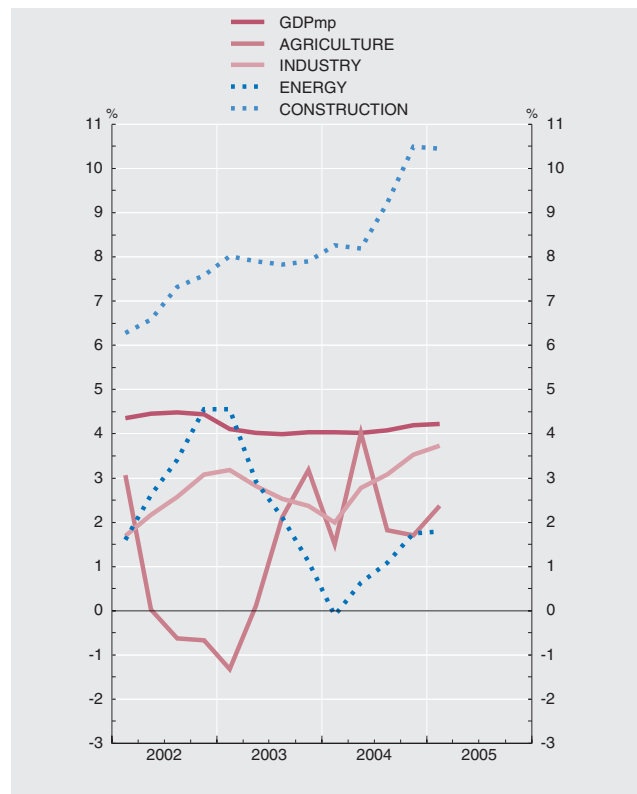
Annual percentage changes

		Demand components							Branches of activity							
		Final consumption of households and NPISHs	General government final consumption	Gross fixed capital formation			Exports of goods and services	Imports of goods and services	Gross domestic product at market prices	Agriculture and fisheries	Energy	Industry	Construction	Of which		
				Capital goods	Construction	Other products								Services	Market services	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	
<b>02</b>	P	2.9	3.3	1.6	6.2	4.7	0.8	-2.2	4.4	0.4	3.0	2.4	6.9	5.0	3.3	
<b>03</b>	P	2.8	3.3	2.1	6.5	4.6	-0.2	-1.7	4.0	1.0	2.7	2.7	7.9	3.8	3.3	
<b>04</b>	P	3.4	3.4	3.1	6.5	5.8	1.8	1.7	4.1	2.3	0.8	2.8	9.0	3.5	3.5	
<b>02</b>	Q2	P	2.8	3.4	2.2	6.3	5.1	0.1	-2.6	4.5	0.0	2.6	2.2	6.6	5.2	3.2
	Q3	P	2.7	3.3	1.2	6.2	4.4	0.5	-2.8	4.5	-0.6	3.4	2.6	7.3	4.9	3.4
	Q4	P	3.4	3.2	1.8	7.0	5.1	0.1	-0.8	4.4	-0.7	4.6	3.1	7.6	4.4	3.2
<b>03</b>	Q1	P	3.1	3.0	1.0	6.4	3.5	-0.4	-0.0	4.1	-1.3	4.6	3.2	8.0	3.9	3.4
	Q2	P	2.7	3.5	2.4	7.2	5.1	-0.2	-2.1	4.0	0.1	2.9	2.8	7.9	3.8	3.4
	Q3	P	2.9	3.5	2.4	6.4	4.9	-0.4	-2.4	4.0	2.1	2.1	2.5	7.8	3.8	3.4
	Q4	P	2.6	3.2	2.5	6.1	4.7	0.1	-2.1	4.0	3.2	1.1	2.4	7.9	3.9	3.2
<b>04</b>	Q1	P	2.6	4.0	2.4	5.8	5.2	-0.5	-2.6	4.0	1.5	-0.1	2.0	8.3	3.8	4.1
	Q2	P	3.7	3.3	3.1	6.0	6.0	1.8	1.9	4.0	4.0	0.6	2.8	8.2	3.4	3.4
	Q3	P	3.7	3.4	3.5	6.5	5.8	2.5	3.5	4.1	1.8	1.1	3.1	9.2	3.4	3.6
	Q4	P	3.6	2.8	3.5	7.8	6.3	3.6	4.2	4.2	1.7	1.7	3.5	10.5	3.3	2.9
<b>05</b>	Q1	P	3.4	3.0	3.5	8.2	6.3	4.2	4.9	4.2	2.4	1.8	3.7	10.5	3.3	3.0

GDP. IMPLICIT DEFLATORS  
Annual percentage changes



GDP. IMPLICIT DEFLATORS  
Annual percentage changes



Source: INE (Quarterly National Accounts of Spain. Base year 2000).

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

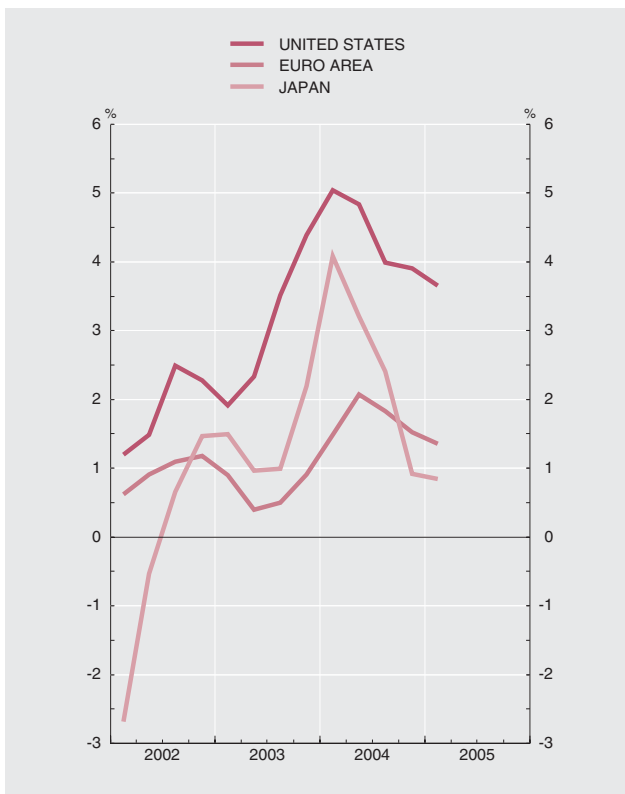
## 2.1. INTERNATIONAL COMPARISON. GROSS DOMESTIC PRODUCT AT CONSTANT PRICES

■ Series depicted in chart.

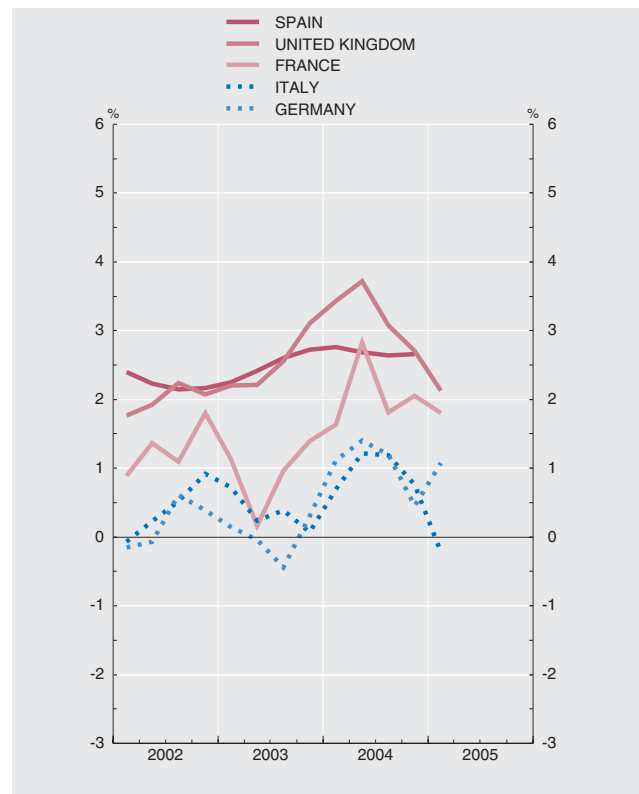
Annual percentage changes

	1	2	3	4	5	6	7	8	9	10
	OECD	EU-15	Euro area	Germany	Spain	United States	France	Italy	Japan	United Kingdom
<b>02</b>	1.6	1.1	0.9	0.2	2.2	1.9	1.3	0.4	-0.3	2.0
<b>03</b>	2.1	1.0	0.7	-0.0	2.5	3.0	0.9	0.4	1.4	2.5
<b>04</b>	3.4	2.0	1.7	1.0	2.7	4.4	2.1	1.0	2.6	3.2
<b>02</b>	0.8	0.8	0.6	-0.1	2.4	1.2	0.9	-0.1	-2.7	1.8
Q1	1.4	1.1	0.9	-0.1	2.3	1.5	1.4	0.2	-0.5	1.9
Q2	2.1	1.3	1.1	0.6	2.2	2.5	1.1	0.5	0.7	2.2
Q3	2.2	1.3	1.2	0.4	2.1	2.3	1.8	0.9	1.5	2.1
Q4										
<b>03</b>	1.8	1.1	0.9	0.1	2.1	1.9	1.1	0.7	1.5	2.2
Q1	1.6	0.7	0.4	-0.0	2.5	2.3	0.2	0.2	1.0	2.2
Q2	2.1	0.8	0.5	-0.4	2.6	3.5	1.0	0.4	1.0	2.6
Q3	2.8	1.3	0.9	0.3	2.8	4.4	1.4	0.1	2.2	3.1
Q4										
<b>04</b>	3.7	1.8	1.5	1.1	2.7	5.0	1.6	0.7	4.1	3.4
Q1	3.8	2.4	2.1	1.4	2.6	4.8	2.8	1.2	3.2	3.7
Q2	3.3	2.1	1.8	1.2	2.6	4.0	1.8	1.2	2.4	3.1
Q3	2.9	1.8	1.5	0.5	2.7	3.9	2.1	0.8	0.9	2.7
Q4										
<b>05</b>	...	1.5	1.4	1.1	...	3.7	1.8	-0.2	0.8	2.1
Q1										

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.

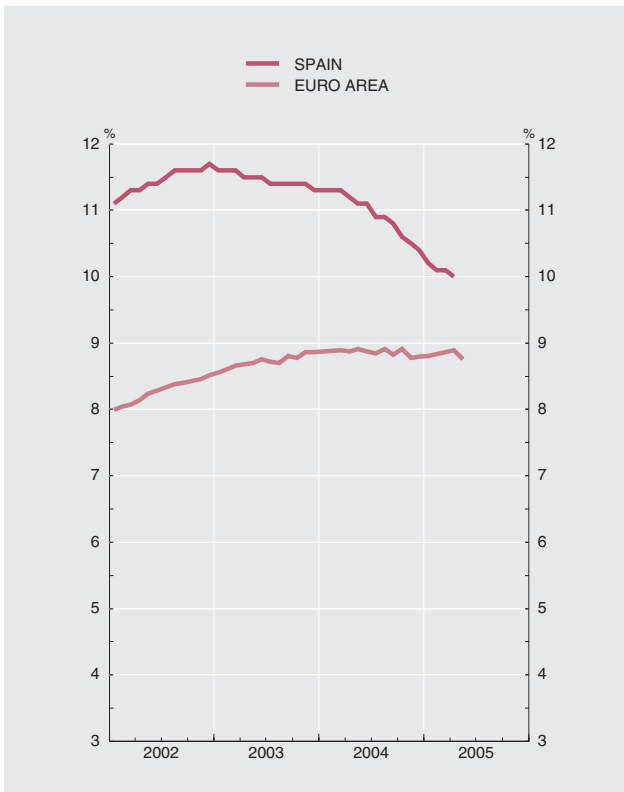
## 2.2. INTERNATIONAL COMPARISON. UNEMPLOYMENT RATES

■ Series depicted in chart.

Percentages

	1	2	3	4	5	6	7	8	9	10
	OECD	EU-15	Euro area	Germany	Spain	United States	France	Italy	Japan	United Kingdom
<b>02</b>	6.9	7.6	8.3	8.2	11.4	5.8	8.9	8.6	5.4	5.1
<b>03</b>	7.1	8.0	8.7	9.1	11.5	6.0	9.5	8.4	5.3	5.0
<b>04</b>	6.9	8.1	8.9	9.6	10.9	5.5	9.7	8.0	4.7	4.6
<b>03 Dec</b>	7.0	8.1	8.9	9.5	11.3	5.7	9.7	8.2	4.9	4.8
<b>04 Jan</b>	7.0	8.1	8.9	9.4	11.3	5.7	9.7	8.2	5.0	4.7
<i>Feb</i>	7.0	8.1	8.9	9.4	11.3	5.6	9.6	8.2	5.0	4.7
<i>Mar</i>	7.0	8.1	8.9	9.5	11.3	5.7	9.6	8.2	4.7	4.7
<i>Apr</i>	6.9	8.1	8.9	9.5	11.2	5.6	9.6	8.1	4.7	4.7
<i>May</i>	6.9	8.1	8.9	9.6	11.1	5.6	9.6	8.1	4.6	4.7
<i>Jun</i>	6.9	8.1	8.9	9.5	11.1	5.6	9.7	8.1	4.6	4.7
<i>Jul</i>	6.9	8.0	8.8	9.6	10.9	5.5	9.6	7.9	4.9	4.6
<i>Aug</i>	6.9	8.1	8.9	9.8	10.9	5.4	9.7	7.9	4.8	4.5
<i>Sep</i>	6.8	8.0	8.8	9.5	10.8	5.4	9.7	7.9	4.6	4.6
<i>Oct</i>	6.8	8.1	8.9	9.9	10.6	5.5	9.6	8.0	4.7	4.6
<i>Nov</i>	6.8	8.0	8.8	9.4	10.5	5.4	9.7	8.0	4.5	4.6
<i>Dec</i>	6.8	8.0	8.8	9.5	10.4	5.4	9.7	8.0	4.4	4.6
<b>05 Jan</b>	6.7	8.0	8.8	9.6	10.2	5.2	9.7	...	4.5	4.7
<i>Feb</i>	6.8	8.1	8.8	9.7	10.1	5.4	9.8	...	4.7	4.5
<i>Mar</i>	6.7	8.1	8.9	9.8	10.1	5.2	9.8	...	4.5	...
<i>Apr</i>	6.7	8.1	8.9	10.0	10.0	5.2	9.8	...	4.4	...
<i>May</i>	...	...	8.8	...	...	5.1	...	...	...	...

UNEMPLOYMENT RATES



UNEMPLOYMENT RATES



Sources: ECB and OECD.

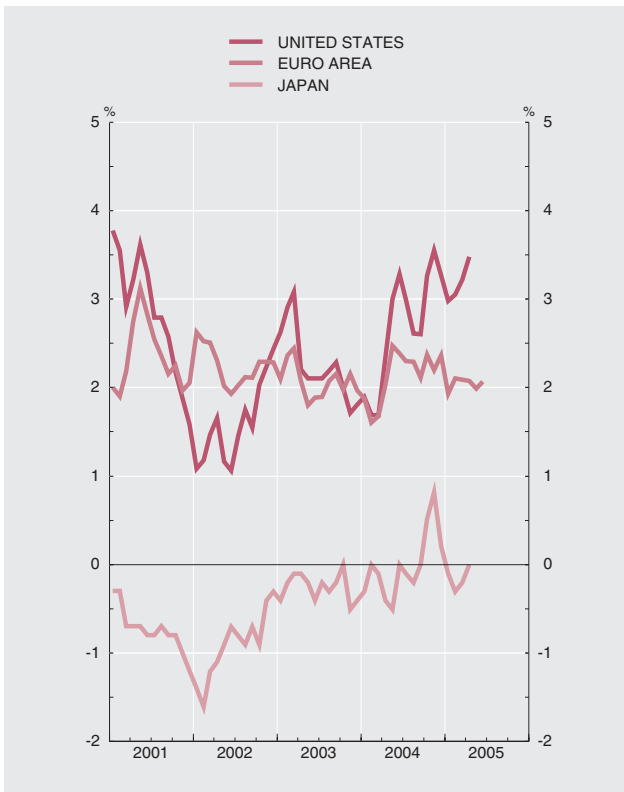
### 2.3. INTERNATIONAL COMPARISON. CONSUMER PRICES (a)

■ Series depicted in chart.

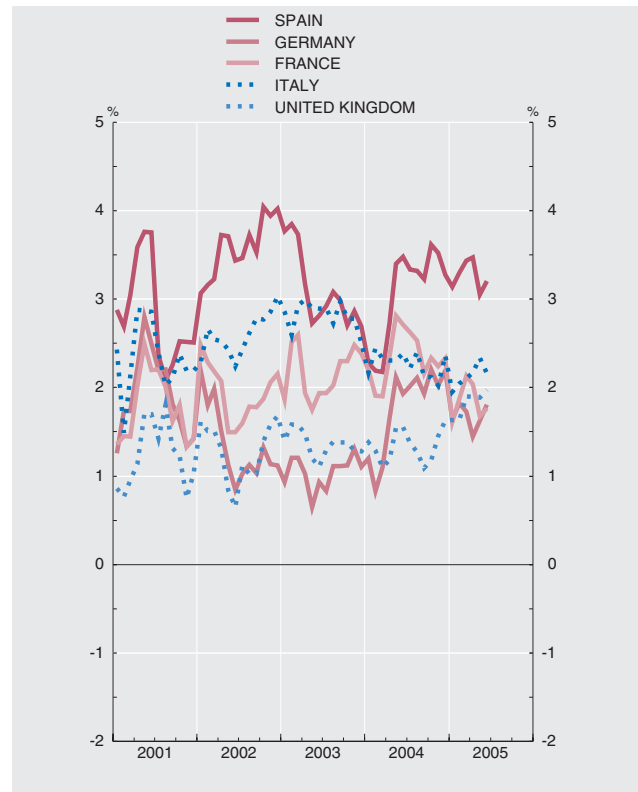
Annual percentage changes

	OECD 1	EU-15 2	Euro area 3	Germany 4	Spain 5	United States 6	France 7	Italy 8	Japan 9	United Kingdom 10
<b>01</b>	3.5	2.2	2.3	1.9	2.8	2.8	1.8	2.3	-0.7	1.2
<b>02</b>	2.6	2.1	2.3	1.4	3.6	1.6	1.9	2.6	-0.9	1.3
<b>03</b>	2.5	2.0	2.1	1.0	3.1	2.3	2.2	2.8	-0.3	1.4
<b>04</b>	2.5	2.0	2.1	1.8	3.0	2.7	2.3	2.3	-0.0	1.3
<b>04 Jan</b>	2.0	1.8	1.9	1.2	2.3	1.9	2.2	2.2	-0.3	1.4
<b>Feb</b>	1.8	1.5	1.6	0.8	2.2	1.7	1.9	2.4	-	1.3
<b>Mar</b>	1.9	1.5	1.7	1.1	2.2	1.7	1.9	2.3	-0.1	1.1
<b>Apr</b>	2.1	1.8	2.0	1.7	2.7	2.3	2.4	2.3	-0.4	1.2
<b>May</b>	2.7	2.3	2.5	2.1	3.4	3.0	2.8	2.3	-0.5	1.5
<b>Jun</b>	2.8	2.2	2.4	1.9	3.5	3.3	2.7	2.4	-	1.6
<b>Jul</b>	2.7	2.1	2.3	2.0	3.3	3.0	2.6	2.2	-0.1	1.4
<b>Aug</b>	2.6	2.1	2.3	2.1	3.3	2.6	2.5	2.4	-0.2	1.3
<b>Sep</b>	2.5	1.9	2.1	1.9	3.2	2.6	2.2	2.1	-	1.1
<b>Oct</b>	2.8	2.1	2.4	2.2	3.6	3.3	2.3	2.1	0.5	1.2
<b>Nov</b>	3.0	2.0	2.2	2.0	3.5	3.5	2.2	2.0	0.8	1.5
<b>Dec</b>	2.8	2.2	2.4	2.2	3.3	3.3	2.3	2.4	0.2	1.6
<b>05 Jan</b>	2.5	1.8	1.9	1.6	3.1	3.0	1.6	2.0	-0.1	1.6
<b>Feb</b>	2.5	2.0	2.1	1.8	3.3	3.1	1.9	2.0	-0.3	1.6
<b>Mar</b>	2.5	2.0	2.1	1.7	3.4	3.2	2.1	2.1	-0.2	1.9
<b>Apr</b>	2.8	2.0	2.1	1.4	3.5	3.5	2.0	2.2	-	1.9
<b>May</b>	...	1.9	2.0	1.6	3.0	...	1.7	2.3	...	1.9
<b>Jun</b>	...	2.0	2.1	1.8	3.2	...	1.8	2.2	...	2.0

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.

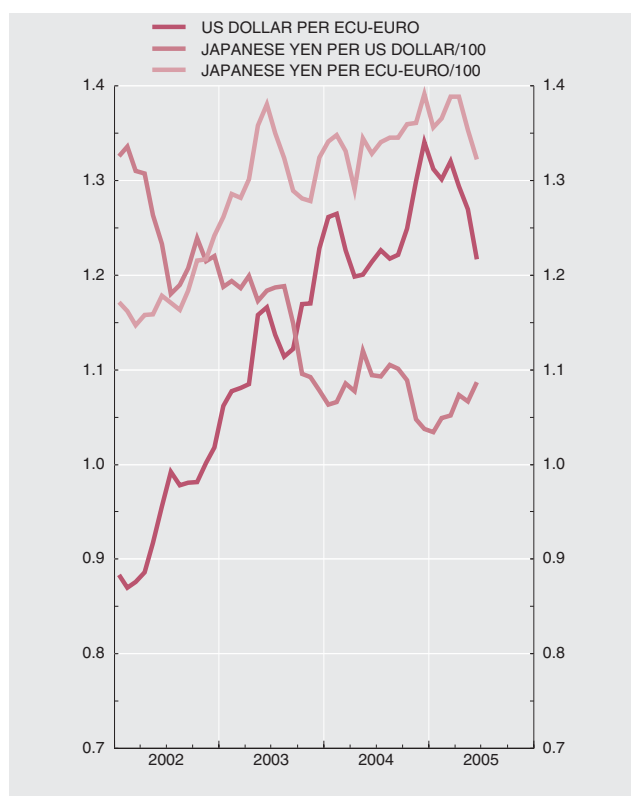
## 2.4. BILATERAL EXCHANGE RATES AND NOMINAL AND REAL EFFECTIVE EXCHANGE RATE INDICES FOR THE EURO, US DOLLAR AND JAPANESE YEN

■ Series depicted in chart.

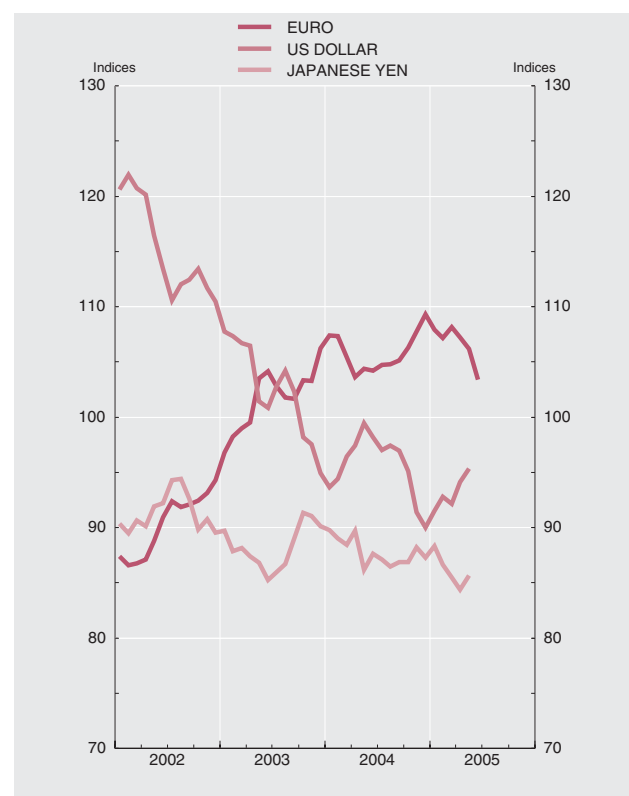
Average of daily data

	Exchange rates			Indices of the nominal effective exchange rate vis-à-vis the (a) developed countries 1999 Q1=100			Indices of the real effective exchange rate vis-à-vis the developed countries (b) 1999 Q1=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	
02	0.9454	118.08	125.18	89.2	110.5	101.1	90.3	115.3	91.4	91.9	113.3	90.9
03	1.1313	130.98	115.93	99.9	97.5	99.9	101.7	102.5	88.3	102.2	102.8	88.0
04	1.2433	134.41	108.18	103.8	89.7	101.5	105.9	95.6	87.8	105.3	96.6	87.6
04 J-J	1.2274	133.08	108.47	103.4	90.9	101.9	105.4	96.6	88.4	105.0	97.4	88.4
05 J-J	1.2856	136.24	106.02	104.5	86.7	101.7	106.7	93.2	86.1	105.6	94.4	86.3
04 Apr	1.1985	129.08	107.72	101.6	91.6	103.7	103.7	97.4	89.7	103.2	98.2	89.8
04 May	1.2007	134.48	112.02	102.4	93.3	99.9	104.4	99.5	86.2	103.9	100.4	85.9
04 Jun	1.2138	132.86	109.46	102.3	91.8	101.6	104.2	98.2	87.7	103.7	98.6	87.6
04 Jul	1.2266	134.08	109.32	102.8	90.7	101.0	104.7	97.0	87.1	104.4	97.4	87.2
04 Aug	1.2176	134.54	110.50	102.7	91.2	100.4	104.8	97.4	86.5	104.4	98.0	86.3
04 Sep	1.2218	134.51	110.09	103.0	90.7	100.7	105.1	96.9	86.9	104.6	97.7	86.4
04 Oct	1.2490	135.97	108.89	104.2	88.8	100.6	106.3	95.1	86.8	105.5	97.0	85.8
04 Nov	1.2991	136.09	104.77	105.6	85.3	102.3	107.7	91.4	88.2	106.6	93.4	87.6
04 Dec	1.3408	139.14	103.78	107.1	84.3	101.8	109.3	90.0	87.3	108.4	91.8	87.4
05 Jan	1.3119	135.63	103.38	105.8	85.2	103.3	107.9	91.5	88.3	107.2	93.2	88.1
05 Feb	1.3014	136.55	104.93	105.1	86.0	102.1	107.1	92.8	86.6	106.6	94.3	86.7
05 Mar	1.3201	138.83	105.18	106.0	85.2	101.1	108.2	92.1	85.5	107.5	94.1	85.4
05 Apr	1.2938	138.84	107.31	105.1	86.7	100.1	107.2	94.1	84.4	106.0	95.9	85.0
05 May	1.2694	135.37	106.66	104.0	87.7	101.7	106.2	95.3	85.6	104.6	...	...
05 Jun	1.2165	132.22	108.69	101.2	89.4	101.7	103.4	...	...	101.6	...	...

### EXCHANGE RATES



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



Sources: ECB and BE.

(a) Geometric mean -calculated using a double weighting system based on 1995-97 manufacturing trade of changes in the spot price of each currency against the currencies of the other developed countries. A fall in the index denotes a depreciation of the currency against those of the other developed countries.

(b) Obtained by multiplying the relative prices of each area/country (relation between its price index and the price index of the group) by the nominal effective exchange rate.

A decline in the index denotes a depreciation of the real effective exchange rate and, may be interpreted as an improvement in that area/country's competitiveness.

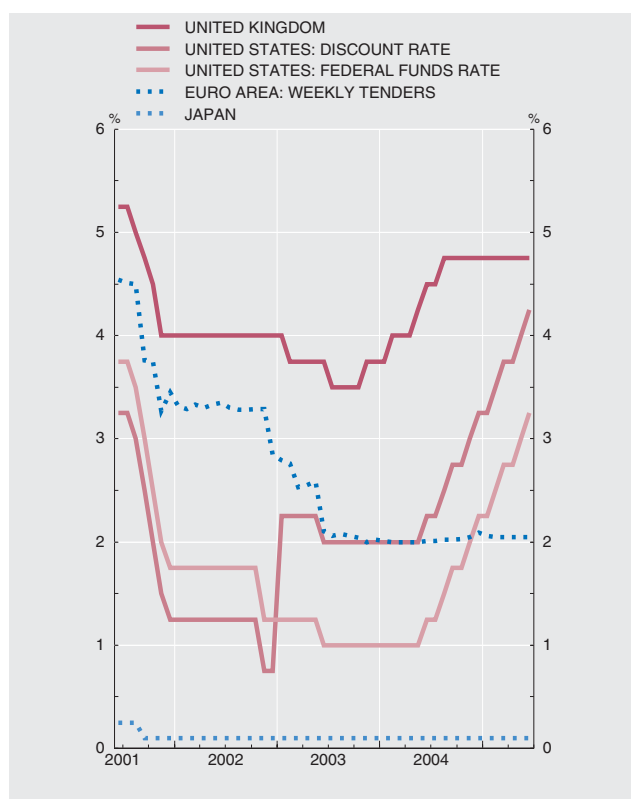
## 2.5. OFFICIAL INTERVENTION INTEREST RATES AND SHORT-TERM INTEREST RATES

■ Series depicted in chart.

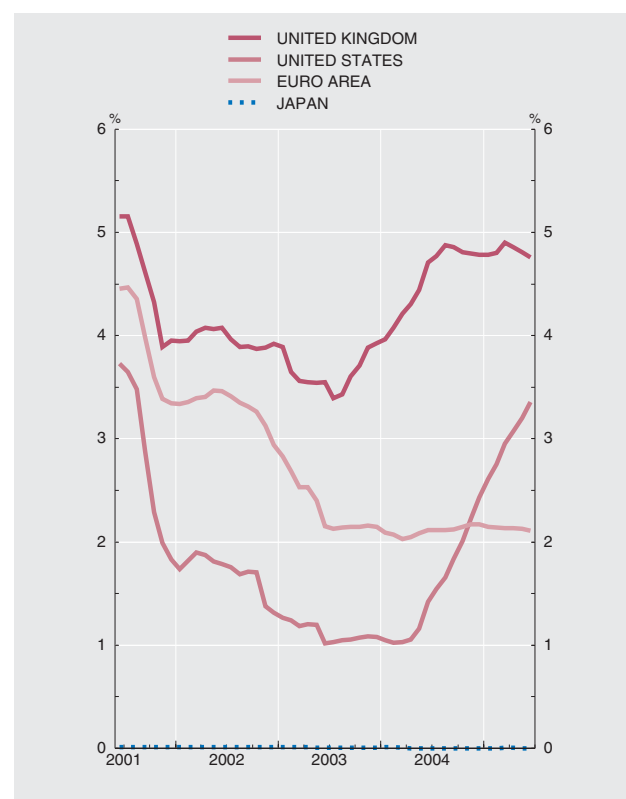
Percentages

	Official intervention interest rates					3-month interbank rates									
	Euro area (a)	United States		Japan (c)	United Kingdom (d)	OECD (6)	EU-15 (7)	Euro area (8)	Germany (9)	Spain (10)	United States (11)	France (12)	Italy (13)	Japan (14)	United Kingdom (15)
		Discount rate (b)	Federal funds rate												
<b>02</b>	2.75	0.75	1.67	0.10	4.00	2.21	3.42	3.32	-	-	1.71	-	-	0.01	3.96
<b>03</b>	2.00	2.00	1.10	0.10	3.75	1.63	2.55	2.33	-	-	1.12	-	-	0.01	3.64
<b>04</b>	2.00	3.25	1.40	0.10	4.75	1.75	2.48	2.11	-	-	1.54	-	-	0.00	4.55
<b>04 Jan</b>	2.00	2.00	1.00	0.10	3.75	1.53	2.39	2.09	-	-	1.05	-	-	0.01	3.96
<b>Feb</b>	2.00	2.00	1.00	0.10	4.00	1.51	2.39	2.07	-	-	1.02	-	-	0.01	4.08
<b>Mar</b>	2.00	2.00	1.00	0.10	4.00	1.50	2.37	2.03	-	-	1.03	-	-	0.01	4.21
<b>Apr</b>	2.00	2.00	1.00	0.10	4.00	1.52	2.39	2.05	-	-	1.06	-	-	0.00	4.30
<b>May</b>	2.00	2.00	1.00	0.10	4.25	1.58	2.44	2.09	-	-	1.16	-	-	0.00	4.44
<b>Jun</b>	2.00	2.25	1.25	0.10	4.50	1.71	2.50	2.11	-	-	1.42	-	-	0.00	4.71
<b>Jul</b>	2.00	2.25	1.25	0.10	4.50	1.76	2.52	2.12	-	-	1.54	-	-	0.00	4.77
<b>Aug</b>	2.00	2.50	1.50	0.10	4.75	1.81	2.53	2.11	-	-	1.66	-	-	0.00	4.88
<b>Sep</b>	2.00	2.75	1.75	0.10	4.75	1.89	2.53	2.12	-	-	1.83	-	-	0.00	4.85
<b>Oct</b>	2.00	2.75	1.75	0.10	4.75	1.97	2.55	2.15	-	-	2.01	-	-	0.00	4.81
<b>Nov</b>	2.00	3.00	2.00	0.10	4.75	2.07	2.56	2.17	-	-	2.23	-	-	0.00	4.79
<b>Dec</b>	2.00	3.25	2.25	0.10	4.75	2.15	2.56	2.17	-	-	2.43	-	-	0.00	4.78
<b>05 Jan</b>	2.00	3.25	2.25	0.10	4.75	2.21	2.54	2.15	-	-	2.61	-	-	0.00	4.79
<b>Feb</b>	2.00	3.50	2.50	0.10	4.75	2.26	2.54	2.14	-	-	2.76	-	-	0.00	4.80
<b>Mar</b>	2.00	3.75	2.75	0.10	4.75	2.35	2.55	2.14	-	-	2.95	-	-	0.01	4.90
<b>Apr</b>	2.00	3.75	2.75	0.10	4.75	2.40	2.54	2.14	-	-	3.07	-	-	0.01	4.86
<b>May</b>	2.00	4.00	3.00	0.10	4.75	2.44	2.53	2.13	-	-	3.20	-	-	0.00	4.81
<b>Jun</b>	2.00	4.25	3.25	0.10	4.75	2.49	2.50	2.11	-	-	3.36	-	-	0.00	4.76

### OFFICIAL INTERVENTION INTEREST RATES



### 3-MONTH INTERBANK RATES



Sources: 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.



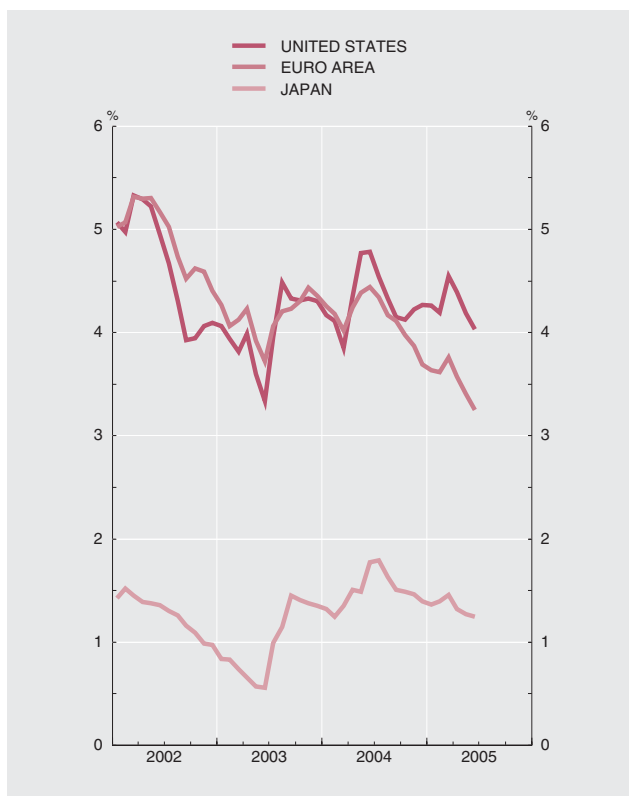
## 2.6. 10-YEAR GOVERNMENT BOND YIELDS ON DOMESTIC MARKETS

■ Series depicted in chart.

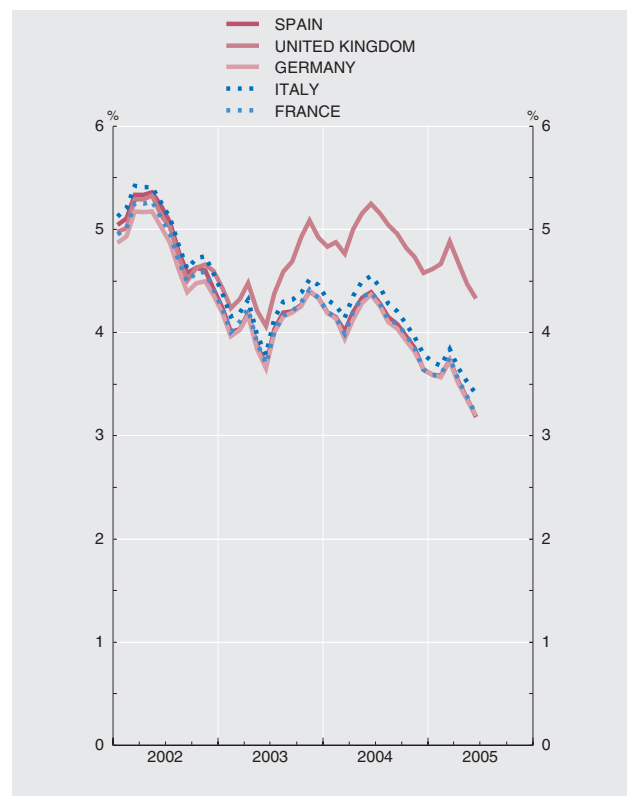
Percentages

	1	2	3	4	5	6	7	8	9	10
	OECD	EU-15	Euro area	Germany	Spain	United States	France	Italy	Japan	United Kingdom
<b>02</b>	4.27	4.92	4.92	4.80	4.96	4.65	4.88	5.04	1.27	4.93
<b>03</b>	3.68	4.22	4.16	4.10	4.12	4.04	4.13	4.24	0.99	4.53
<b>04</b>	3.87	4.26	4.14	4.07	4.10	4.31	4.10	4.24	1.50	4.93
<b>04 Jan</b>	3.82	4.33	4.26	4.19	4.19	4.17	4.20	4.32	1.32	4.83
<b>04 Feb</b>	3.77	4.29	4.18	4.14	4.15	4.11	4.15	4.26	1.24	4.88
<b>04 Mar</b>	3.61	4.14	4.02	3.94	4.01	3.86	3.99	4.15	1.35	4.77
<b>04 Apr</b>	3.93	4.34	4.24	4.13	4.20	4.35	4.20	4.35	1.51	5.00
<b>04 May</b>	4.16	4.50	4.39	4.29	4.33	4.77	4.34	4.50	1.49	5.16
<b>04 Jun</b>	4.24	4.56	4.44	4.37	4.39	4.79	4.39	4.55	1.77	5.25
<b>04 Jul</b>	4.10	4.46	4.34	4.26	4.28	4.54	4.28	4.44	1.79	5.15
<b>04 Aug</b>	3.93	4.30	4.17	4.10	4.15	4.33	4.12	4.28	1.63	5.04
<b>04 Sep</b>	3.80	4.24	4.11	4.04	4.08	4.15	4.09	4.20	1.50	4.96
<b>04 Oct</b>	3.74	4.12	3.98	3.92	3.97	4.13	3.98	4.08	1.49	4.82
<b>04 Nov</b>	3.73	4.01	3.87	3.82	3.85	4.22	3.86	3.96	1.46	4.74
<b>04 Dec</b>	3.66	3.82	3.69	3.65	3.64	4.27	3.64	3.79	1.39	4.58
<b>05 Jan</b>	3.63	3.77	3.63	3.59	3.59	4.26	3.58	3.72	1.36	4.62
<b>05 Feb</b>	3.60	3.76	3.62	3.57	3.58	4.20	3.59	3.68	1.40	4.66
<b>05 Mar</b>	3.83	3.93	3.76	3.73	3.73	4.55	3.76	3.84	1.46	4.88
<b>05 Apr</b>	3.66	3.73	3.57	3.51	3.53	4.39	3.55	3.66	1.32	4.69
<b>05 May</b>	3.49	3.56	3.41	3.35	3.36	4.19	3.38	3.52	1.27	4.47
<b>05 Jun</b>	3.36	3.40	3.25	3.19	3.19	4.04	3.20	3.41	1.24	4.33

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.

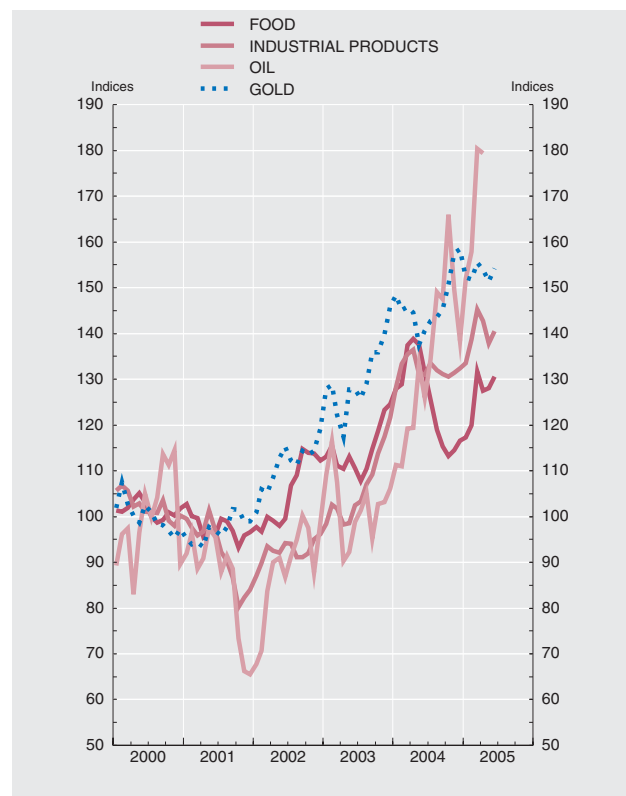
2000 = 100

	Non-energy commodity price index (a)						Oil		Gold		
	Euro index	US dollar index					Index (b)	Brent North sea	Index (c)	US dollars per troy ounce	Euro per gram
	General	General	Food	Industrial products				US dollars per barrel			
				Total	Non-food agricultural products	Metals					
1	2	3	4	5	6	7	8	9	10	11	
<b>00</b>	103.8	101.6	101.4	102.2	101.9	100.8	100.0	28.5	100.0	279.0	9.68
<b>01</b>	100.2	95.0	97.7	91.9	94.8	88.4	86.1	24.6	97.2	271.1	9.74
<b>02</b>	99.3	99.5	105.2	92.4	101.0	84.7	88.5	25.0	111.1	310.0	10.55
<b>03</b>	92.2	110.7	114.4	106.2	118.7	95.5	102.3	28.9	130.3	363.6	10.33
<b>04</b>	97.4	128.3	125.5	132.2	131.5	130.7	133.8	38.3	146.7	409.2	10.58
<b>04 J-J</b>	102.2	133.0	133.7	132.6	138.1	126.5	120.1	33.7	143.7	400.7	10.49
<b>05 J-J</b>	95.4	131.9	125.9	139.7	128.2	146.0	...	49.3	153.2	427.3	10.61
<b>04 May</b>	105.7	134.5	137.6	131.2	141.2	121.8	133.3	37.6	137.5	383.6	10.28
<b>04 Jun</b>	101.8	131.0	131.4	131.0	135.2	125.9	125.9	35.3	140.7	392.4	10.38
<b>04 Jul</b>	99.1	128.9	125.5	133.5	133.4	131.5	134.3	38.4	142.7	398.1	10.43
<b>04 Aug</b>	96.3	124.6	119.0	132.0	132.8	129.5	149.0	42.5	143.6	400.5	10.57
<b>04 Sep</b>	94.1	122.2	115.4	131.2	128.5	131.1	147.5	43.3	145.3	405.3	10.67
<b>04 Oct</b>	91.2	120.7	113.2	130.6	118.5	137.4	166.0	49.8	150.7	420.5	10.82
<b>04 Nov</b>	88.3	121.7	114.5	131.4	118.5	138.8	149.6	43.0	157.5	439.4	10.87
<b>04 Dec</b>	86.7	123.4	116.6	132.4	118.0	140.9	138.4	39.7	158.4	441.8	10.60
<b>05 Jan</b>	89.5	124.4	117.3	133.4	121.2	140.4	151.9	44.1	152.2	424.6	10.40
<b>05 Feb</b>	91.2	128.1	119.9	138.7	127.2	145.0	157.8	45.4	151.8	423.4	10.46
<b>05 Mar</b>	96.5	137.6	131.7	145.2	132.1	152.4	180.4	53.3	155.4	433.5	10.57
<b>05 Apr</b>	96.0	134.2	127.6	142.8	129.7	149.9	179.4	51.1	153.9	429.2	10.67
<b>05 May</b>	96.6	132.3	128.0	137.8	129.2	142.5	...	48.0	151.4	422.3	10.69
<b>05 Jun</b>	102.8	134.9	130.5	140.6	129.7	146.1	...	54.0	154.3	430.4	10.86

NON-ENERGY COMMODITY PRICE INDEX



PRICE INDICES FOR NON-ENERGY COMMODITIES, OIL AND GOLD



Sources: The Economist, IMF, ECB and BE.

(a) The weights are based on the value of the world commodity imports during the period 1999-2001.

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

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

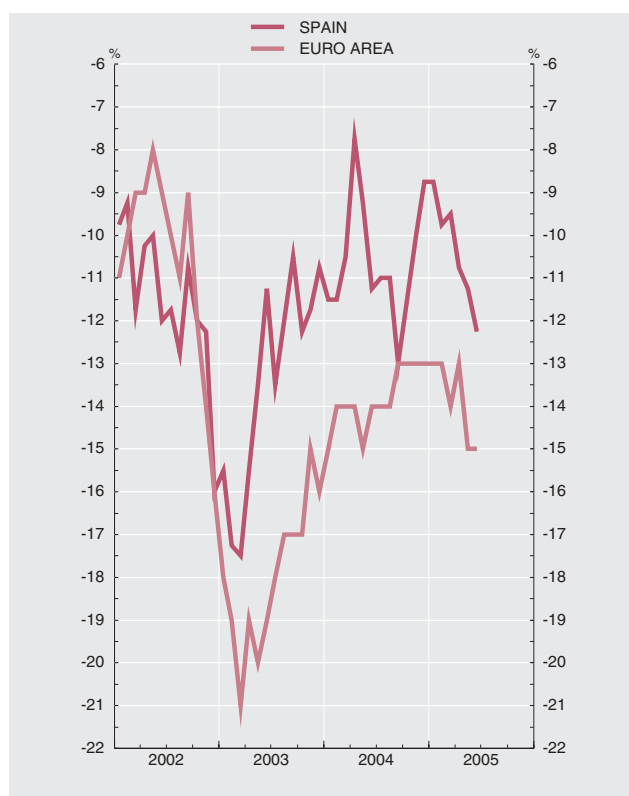
### 3.1. INDICATORS OF PRIVATE CONSUMPTION. SPAIN AND EURO AREA

■ Series depicted in chart.

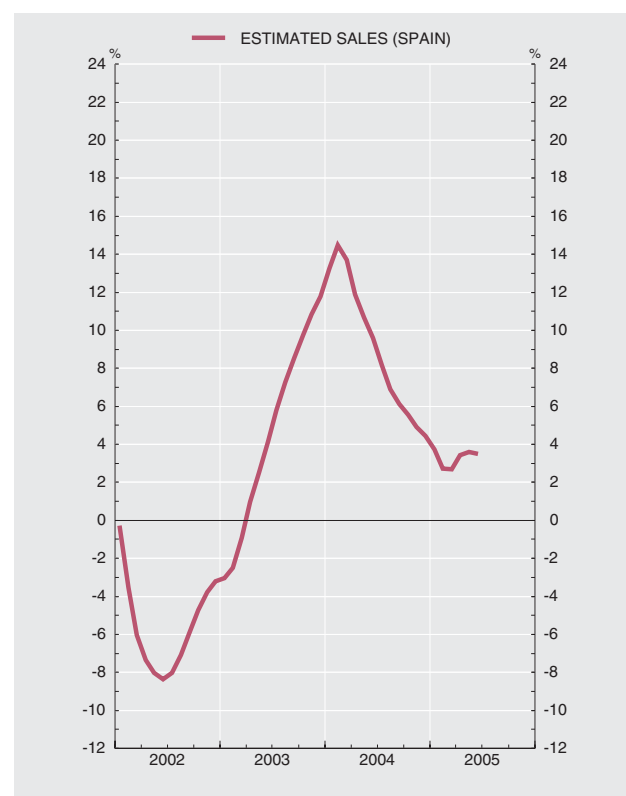
Annual percentage changes

	Opinion surveys (net percentages)						New car registrations and sales			Retail trade: sales index						
	Consumers			Retail trade confidence index	Memorandum item: euro area		of which			Memorandum item: euro area	General index			By type of product (deflated indices)		Memorandum item: euro area deflated index
	Confidence index	General economic situation: anticipated trend	Household economic situation: anticipated trend		Consumer confidence index	Retail trade confidence index	Registrations	Private use	Estimated sales		Registrations	Nominal	of which		Food (b)	
				Deflated (a)						Large retail outlets (a)						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
02	-12	-7	-1	-2	-11	-17	-6.0	-5.6	-6.6	-4.1	5.7	2.2	-0.7	1.7	2.8	0.3
03	-13	-9	-2	-2	-18	-12	6.0	4.0	3.8	-1.5	5.7	2.9	5.2	0.8	4.2	0.4
04	P -11	-4	-1	-6	-14	-8	10.8	12.2	9.8	0.9	5.5	2.8	4.4	0.4	4.5	0.8
04 J-J	P -10	-4	-1	-2	-14	-8	15.9	18.4	14.6	2.0	6.1	3.9	5.5	0.5	6.1	0.7
05 J-J	A -10	-6	-1	-7	-14	-8	3.2	3.1	2.6	0.6	...	...	...	...	...	...
04 Jul	P -11	-2	-1	-6	-14	-9	4.8	7.8	3.8	-1.6	6.4	3.1	7.3	0.7	4.8	1.0
Aug	P -11	-7	-1	-9	-14	-7	9.1	10.7	7.3	-9.4	2.6	-0.5	0.1	-4.0	2.3	1.2
Sep	P -13	-6	-2	-10	-13	-9	7.2	8.6	6.2	-0.5	3.8	0.9	2.3	-0.9	2.2	0.5
Oct	P -12	-5	-1	-11	-13	-7	-1.3	-2.1	-1.7	4.0	2.6	-1.0	3.6	-0.5	-1.2	0.0
Nov	P -10	-6	-1	-10	-13	-10	13.6	10.4	13.4	4.7	8.5	4.9	4.1	3.4	6.0	1.4
Dec	P -9	-2	2	-10	-13	-7	4.0	7.3	3.2	1.9	5.6	2.6	2.9	2.6	2.6	1.4
05 Jan	P -9	-2	-	-10	-13	-6	6.0	4.9	6.0	1.5	3.4	0.7	2.9	-1.5	2.0	1.0
Feb	P -10	-4	-1	-12	-13	-8	0.2	-2.0	-0.7	-2.3	4.3	1.3	4.1	1.0	1.4	1.4
Mar	P -10	-5	-1	-7	-14	-10	-2.4	0.4	-3.4	1.7	4.8	1.7	6.2	1.5	1.7	1.4
Apr	P -11	-7	-2	-2	-13	-8	7.7	14.0	6.5	1.0	7.1	3.6	5.8	0.8	5.4	-1.0
May	A -11	-9	-1	-2	-15	-8	7.8	3.0	7.1	-4.2	4.8	2.1	1.6	-0.2	3.6	2.1
Jun	A -12	-9	-2	-6	-15	-9	1.6	-0.8	1.8	6.1	...	...	...	...	...	...

#### CONSUMER CONFIDENCE INDEX



#### CAR SALES Trend obtained with TRAMO-SEATS



Sources: European Commission, European Economy, Supplement B, INE, Dirección General de Tráfico, Asociación Nacional de Fabricantes de Automóviles y Camiones and ECB.

a. Until December 2002, deflated by the total CPI. From January 2003, INE.

b. Until December 2002, deflated by the food component of the CPI. From January 2003, INE.

c. Until December 2002, deflated by the total CPI excluding foods, beverages, and tobacco. From January 2003, INE.

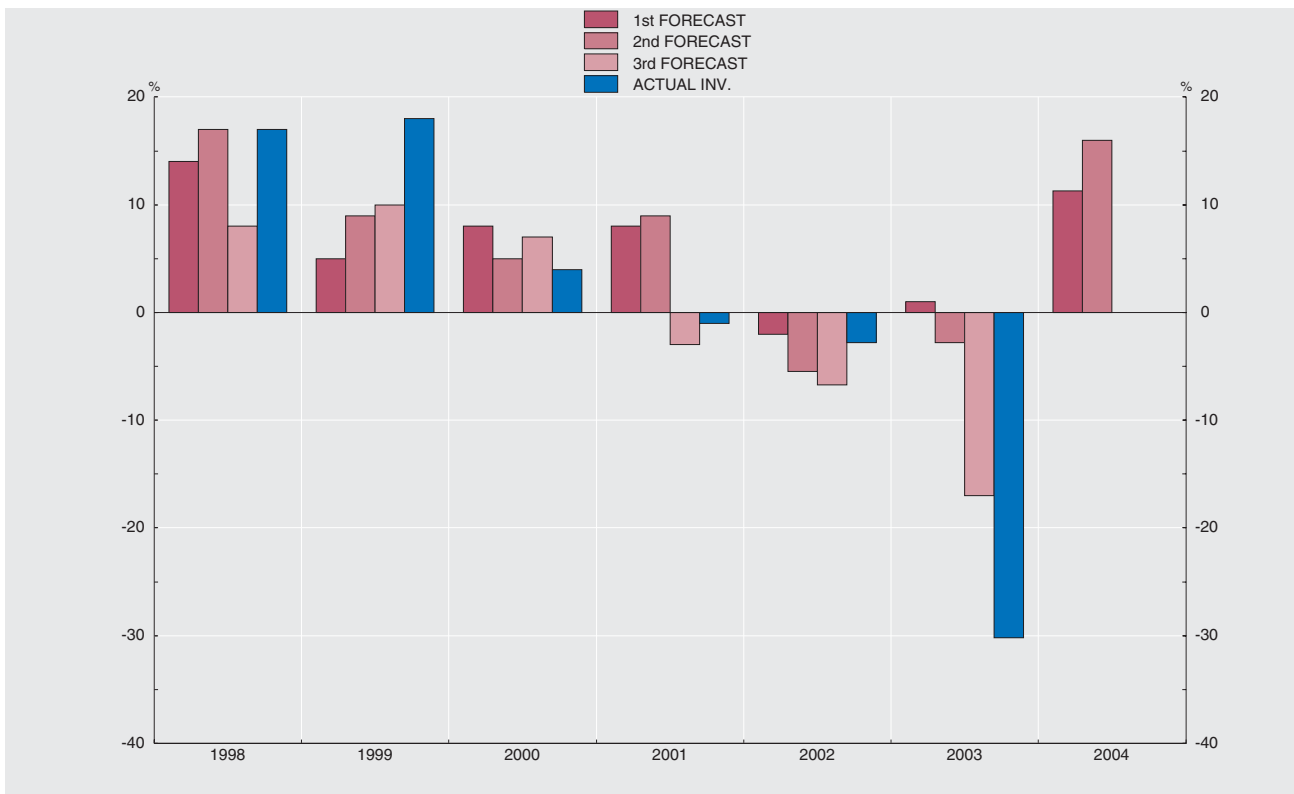
### 3.2. INVESTMENT IN INDUSTRY (EXCLUDING CONSTRUCTION): OPINION SURVEYS. SPAIN

■ Series depicted in chart.

Annual percentage changes at current prices

	1	2	3	4	
	ACTUAL INV.	1st FORECAST	2nd FORECAST	3rd FORECAST	
98	17	14	17	8	
99	18	5	9	10	
00	4	8	5	7	
01	-1	8	9	-3	
02	-3	-2	-6	-7	
03	-30	1	-3	-17	
04	...	11	16	...	

INVESTMENT IN INDUSTRY  
Annual rates of change



Source: Ministerio de Industria, Turismo y Comercio.

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

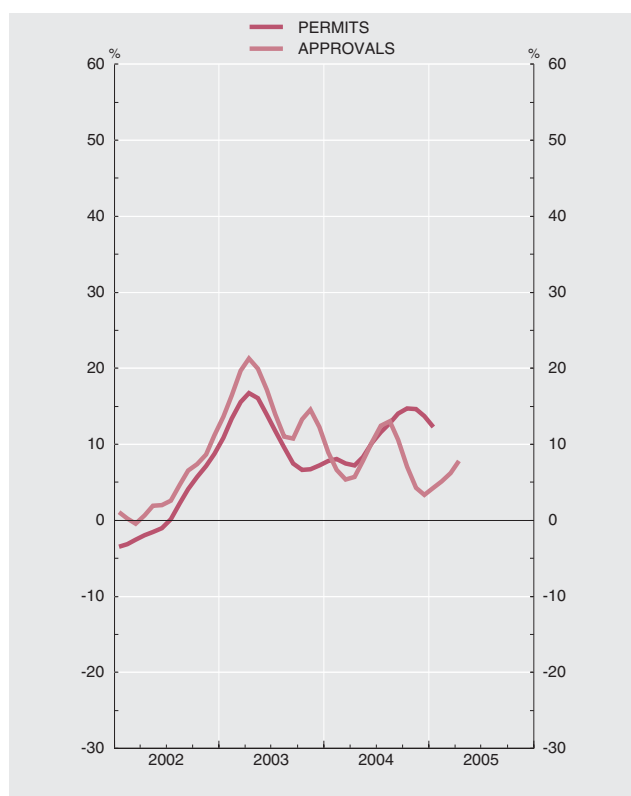
### 3.3. CONSTRUCTION. INDICATORS OF BUILDING STARTS AND CONSUMPTION OF CEMENT. SPAIN

■ Series depicted in chart.

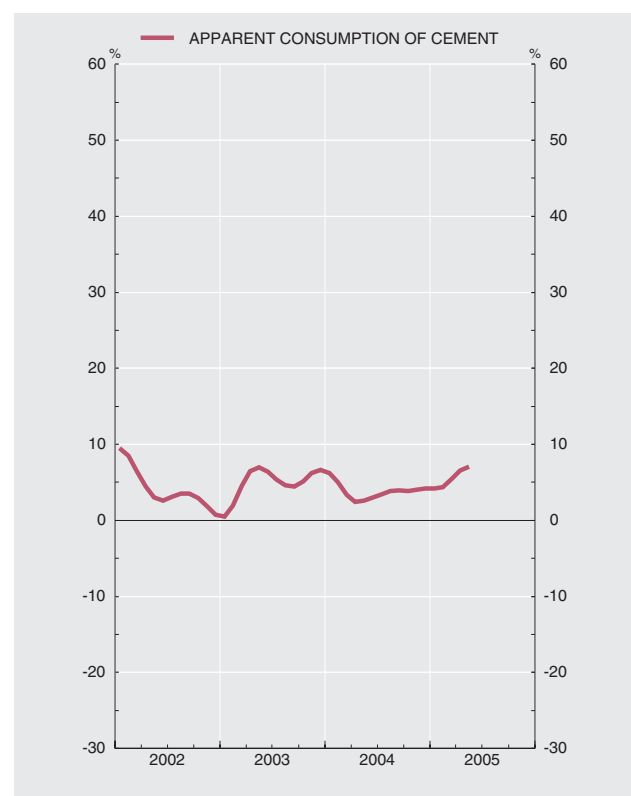
Annual percentage changes

	Permits: buildable floorage				Approvals: buildable floorage		Government tenders (budget)						Apparent consumption of cement	
	Total	of which		Non-residential	Total	Housing	Total		Building			Civil engineering		
		Residential	Housing				For the month	Year to date	Total	of which				
										Residential	Housing			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
02	-0.3	2.8	3.4	-11.7	3.0	4.1	13.1	13.1	-2.2	-15.2	3.9	3.4	20.0	4.7
03	12.4	14.6	14.7	3.0	17.5	19.9	-10.9	-10.9	-0.3	-11.7	35.4	3.8	-14.8	4.8
04	12.4	13.1	13.9	9.4	6.3	9.9	17.9	17.9	3.2	30.9	-0.5	-5.1	24.2	3.8
04 J-M	3.3	2.3	4.0	8.5	3.5	7.6	-18.4	-18.4	-43.0	-47.5	-53.7	-41.2	-7.7	3.0
05 J-M	...	...	...	...	...	...	...	...	...	...	...	...	...	5.4
04 Feb	29.3	29.6	31.4	28.2	4.3	10.4	83.4	24.2	-18.0	33.5	-64.6	-36.4	147.2	6.4
Mar	4.2	3.1	4.7	9.6	13.1	20.9	-28.0	-3.0	-59.8	7.5	82.7	-67.6	-13.5	6.8
Apr	-2.1	-4.9	-2.4	18.0	0.8	3.6	-8.5	-4.0	-25.0	-62.4	-31.5	-11.1	-1.2	-0.1
May	-10.1	-10.1	-10.5	-10.2	2.2	10.4	-62.5	-18.4	-40.2	-32.8	125.6	-42.7	-68.3	-0.7
Jun	32.6	26.3	25.6	70.5	18.6	20.6	74.4	-6.0	62.2	162.7	277.6	35.9	77.3	7.9
Jul	3.2	1.3	2.0	13.2	5.3	10.0	87.9	7.6	1.8	114.5	170.2	-12.9	152.9	-1.0
Aug	14.2	18.4	20.0	-2.8	33.9	39.3	97.0	15.2	30.8	226.0	-68.0	-20.4	140.1	8.8
Sep	27.9	31.2	29.0	14.0	10.1	13.7	-12.6	13.4	6.6	91.6	71.1	-8.8	-19.3	4.9
Oct	6.0	9.5	10.6	-9.5	-5.7	-4.5	4.4	12.6	65.7	65.7	6.8	65.8	-14.0	-6.1
Nov	39.3	44.5	44.8	15.4	14.8	16.1	60.0	15.2	160.2	176.1	175.8	156.6	28.8	12.8
Dec	16.4	22.0	21.0	-4.8	-5.8	-0.5	55.0	17.9	145.0	365.4	259.0	102.9	19.1	6.1
05 Jan	4.4	6.0	4.9	-87.8	4.7	13.2	62.9	62.9	20.8	117.9	-17.8	-1.1	74.6	1.5
Feb	...	...	...	...	6.8	5.8	-38.8	4.6	25.8	-52.7	91.5	84.7	-52.3	1.0
Mar	...	...	...	...	3.0	-3.2	7.9	5.8	102.3	110.3	-16.4	99.2	-12.2	-2.7
Apr	...	...	...	...	7.6	12.9	61.4	16.3	102.4	229.3	213.0	82.5	47.7	16.0
May	...	...	...	...	...	...	...	...	...	...	...	...	...	11.3

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.

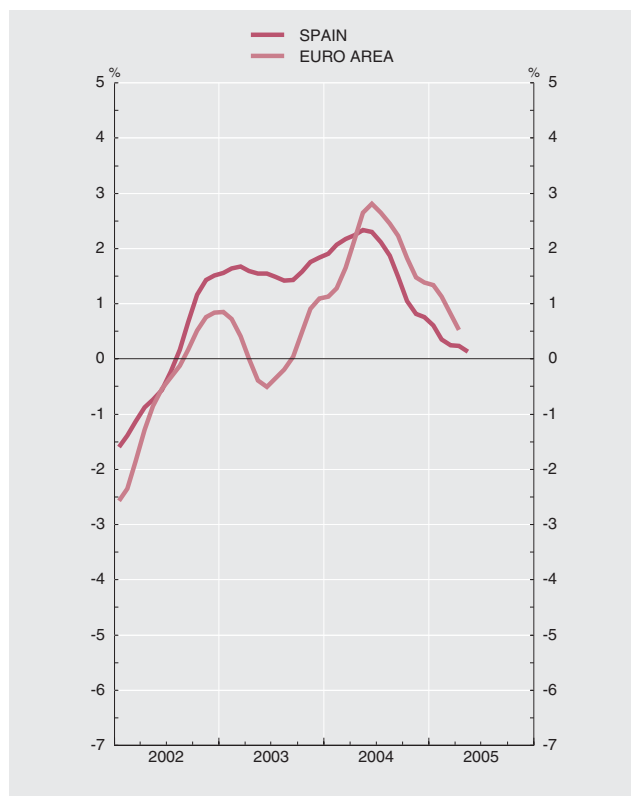
### 3.4. INDUSTRIAL PRODUCTION INDEX. SPAIN AND EURO AREA

■ Series depicted in chart.

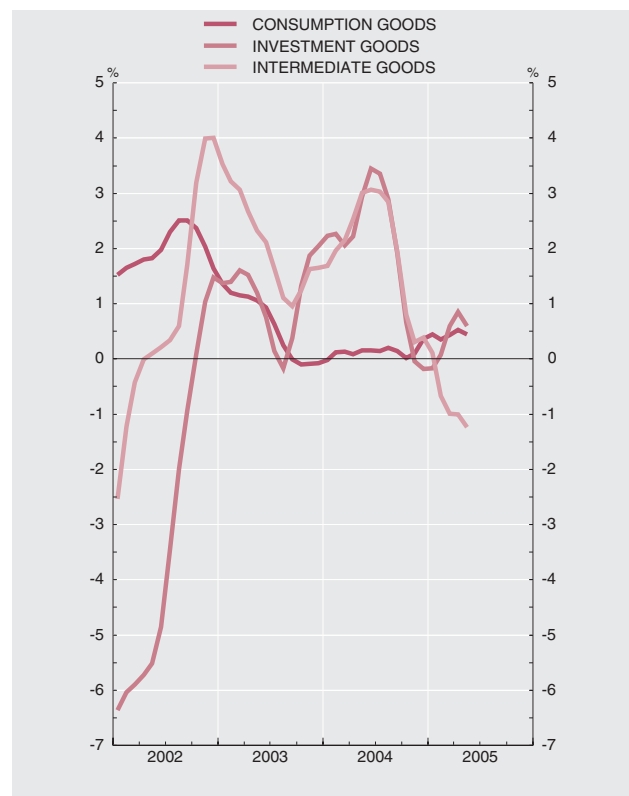
Annual percentage changes

		Overall Index		By end-use of goods				By branch of activity			Memorandum item: euro area				
		Total		Consumption	Investment	Inter-mediate goods	Energy	Mining and quarrying	Manufacturing	Production and distribution of electricity, gas and water	of wich		By end-use of goods		
		Original series	12-month %change 12								Total	Manufacturing	Consumption	Investment	Inter-mediate goods
		1	2	3	4	5	6	7	8	9	10	11	12	13	14
02	MP	98.9	0.1	2.3	-4.9	1.4	0.0	-0.5	0.4	0.0	-0.5	-0.8	-0.4	-1.7	-0.1
03	MP	100.5	1.6	0.5	0.8	2.1	3.9	0.0	1.5	2.9	0.3	-0.0	-0.4	-0.2	0.4
04	MP	102.3	1.8	0.0	1.9	1.9	4.9	-4.8	1.2	7.0	1.9	2.0	0.5	2.9	1.8
04 J-M	MP	103.3	2.0	-	1.5	2.1	6.4	-4.3	1.4	7.7	1.7	1.7	0.9	1.8	1.4
05 J-M	MP	103.3	-	0.3	0.1	-1.1	2.6	-6.7	-0.5	5.3	...	...	...	...	...
04 Feb	P	101.1	1.8	-0.5	1.6	2.1	6.0	-6.5	1.6	4.2	1.0	1.2	0.1	0.1	1.9
Mar	P	112.6	7.2	7.9	6.0	5.3	12.7	1.1	6.4	15.3	1.7	1.4	1.8	1.9	-0.0
Apr	P	99.8	0.7	-2.8	-1.6	2.6	6.7	-5.4	-0.2	10.7	1.6	1.8	0.9	2.0	1.7
May	P	106.8	2.7	0.3	3.1	3.0	6.5	-7.6	2.1	9.9	3.7	3.9	2.4	5.3	3.0
Jun	P	110.3	5.7	2.4	11.2	5.4	5.4	-0.7	5.4	7.9	3.6	4.0	1.4	6.6	3.1
Jul	P	110.1	-	-3.3	2.5	0.6	2.5	-8.7	-0.6	6.8	2.7	2.8	-0.2	3.9	3.4
Aug	P	73.3	5.3	4.6	6.6	7.9	1.9	-5.5	6.0	3.1	1.8	2.3	0.4	4.7	1.6
Sep	P	107.7	3.8	2.5	6.6	2.5	7.0	-7.4	3.4	9.6	3.6	3.6	0.7	6.2	3.2
Oct	P	104.8	-7.0	-9.1	-10.2	-5.9	-0.6	-16.4	-8.0	4.1	1.3	1.2	-1.1	4.8	1.4
Nov	P	109.6	4.3	4.5	4.1	3.5	6.1	3.6	3.9	7.6	0.8	0.2	-0.5	0.7	0.8
Dec	P	95.5	1.2	1.4	-1.7	1.1	4.8	2.3	0.4	6.4	1.2	0.8	1.0	-0.5	1.1
05 Jan	P	96.8	0.8	1.1	-4.7	0.6	7.8	-10.1	-0.3	10.9	2.3	3.0	2.2	2.9	3.2
Feb	P	100.1	-1.0	-1.7	-1.4	-2.0	3.6	-11.6	-2.0	7.7	0.5	0.1	-0.2	1.3	0.2
Mar	P	105.0	-6.7	-7.0	-6.7	-8.7	-0.4	-16.2	-7.7	2.9	0.1	-0.7	-1.0	1.6	-0.5
Apr	P	107.1	7.3	9.8	11.7	6.0	0.2	0.6	8.1	1.3	1.0	1.9	0.6	2.8	0.3
May	P	107.3	0.5	0.7	1.9	-0.6	1.5	4.8	0.2	2.9	...	...	...	...	...

INDUSTRIAL PRODUCTION INDEX  
Trend obtained with TRAMO-SEATS



INDUSTRIAL PRODUCTION INDEX  
Trend obtained with TRAMO-SEATS



Sources: INE and BCE.

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

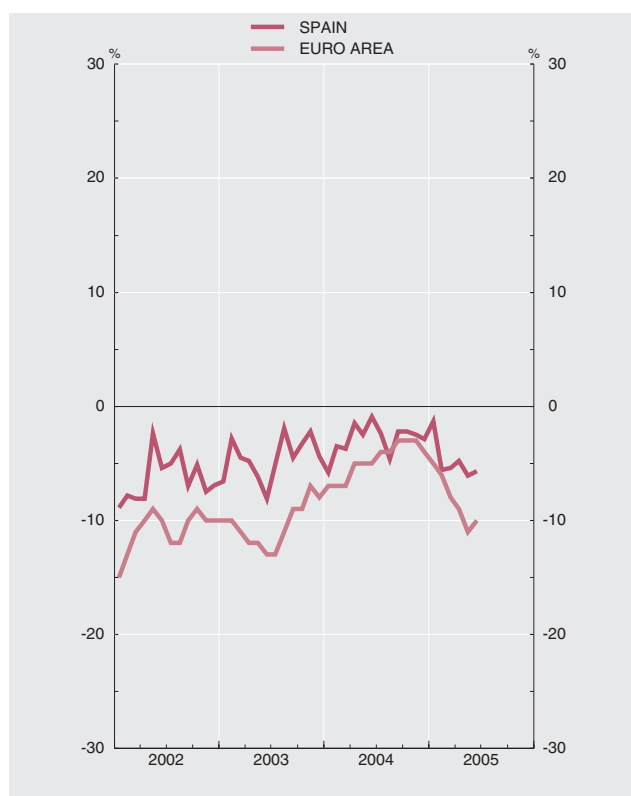
### 3.5. MONTHLY BUSINESS SURVEY: INDUSTRY AND CONSTRUCTION. SPAIN AND EURO AREA

■ Series depicted in chart.

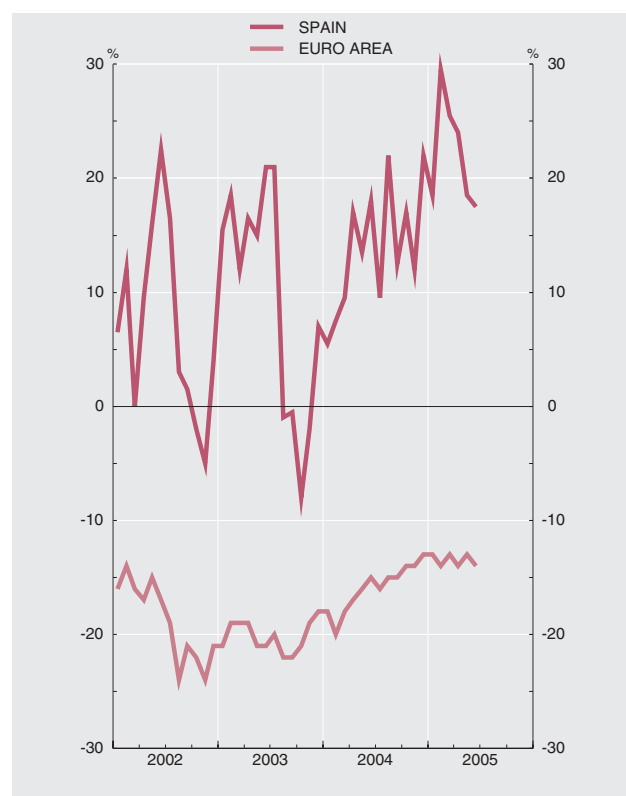
Percentage balances

		Industry, excluding construction										Construction				Memorandum item: euro area				
		Business climate indicator (a)	Production over the last three months	Trend in production (a)	Total orders (a)	Foreign orders	Stocks of finished products (a)	Business climate indicator				Business climate indicator	Production	Orders	Trend		Industry, excluding construction		Construction climate indicator	
								Consumption (a)	Investment (a)	Intermediate goods (a)	Other sectors (a)				Production	Orders	Business climate indicator	Order Book		
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
02	M	-6	-2	5	-13	-20	11	-7	-7	-6	1	7	10	13	11	25	-11	-25	-19	
03	M	-5	4	8	-11	-20	10	-1	-3	-9	1	10	9	20	30	19	-10	-25	-20	
04	M	-3	4	10	-8	-17	11	-3	1	-5	0	14	7	21	30	26	-5	-16	-16	
04	J-J	M	-3	1	10	-9	-21	10	-3	0	-5	12	1	16	35	27	-6	-19	-17	
05	J-J	M	-5	-1	8	-10	-18	12	-3	-4	-7	-0	22	23	38	37	21	-8	-17	-14
04	Mar	-4	-8	13	-13	-27	12	-4	3	-7	-1	10	-12	18	29	40	-7	-22	-18	
	Apr	-2	5	11	-6	-19	9	-1	-1	-2	-0	17	14	21	43	44	-5	-16	-17	
	May	-3	3	13	-10	-21	10	-3	1	-4	-	14	10	25	35	20	-5	-18	-16	
	Jun	-1	7	11	-6	-13	7	0	1	-3	0	18	12	17	46	13	-5	-16	-15	
	Jul	-2	11	8	-6	-15	9	-4	1	-3	0	10	27	15	34	24	-4	-12	-16	
	Aug	-5	12	5	-7	-9	12	-8	-1	-4	-0	22	25	35	38	34	-4	-13	-15	
	Sep	-2	5	13	-6	-13	14	-2	3	-5	-4	13	2	22	19	17	-3	-12	-15	
	Oct	-2	8	11	-5	-9	12	-6	3	-2	-2	17	24	20	31	32	-3	-11	-14	
	Nov	-3	-1	13	-8	-16	13	-3	-1	-3	1	12	-8	33	16	37	-3	-12	-14	
	Dec	-3	3	10	-7	-12	12	-1	-1	-6	-	22	15	28	9	13	-4	-12	-13	
05	Jan	-1	2	8	-3	-15	9	-2	-5	1	-1	19	12	27	44	38	-5	-11	-13	
	Feb	-6	-4	6	-11	-17	12	-4	-2	-9	-0	30	-1	56	21	6	-6	-15	-14	
	Mar	-5	-7	7	-10	-17	12	-6	-4	-6	-1	26	-8	46	29	17	-8	-17	-13	
	Apr	-5	-5	10	-12	-20	13	-4	-1	-8	-1	24	38	33	49	16	-9	-19	-14	
	May	-6	2	8	-12	-21	14	-2	-7	-9	1	19	55	36	48	20	-11	-21	-13	
	Jun	-6	6	8	-12	-21	13	-2	-2	-11	-1	18	42	30	28	27	-10	-21	-14	

INDUSTRIAL BUSINESS CLIMATE  
Percentage balances



CONSTRUCTION BUSINESS CLIMATE  
Percentage balances



Sources: Ministerio de Industria, Turismo y Comercio and ECB.  
a. Seasonally adjusted.

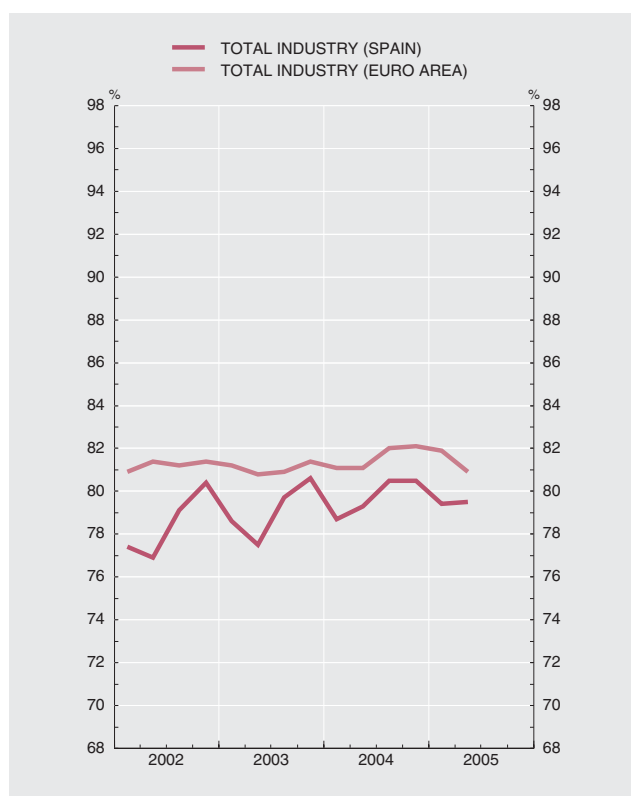
### 3.6. BUSINESS SURVEY: CAPACITY UTILISATION. SPAIN AND EURO AREA

■ Series depicted in chart.

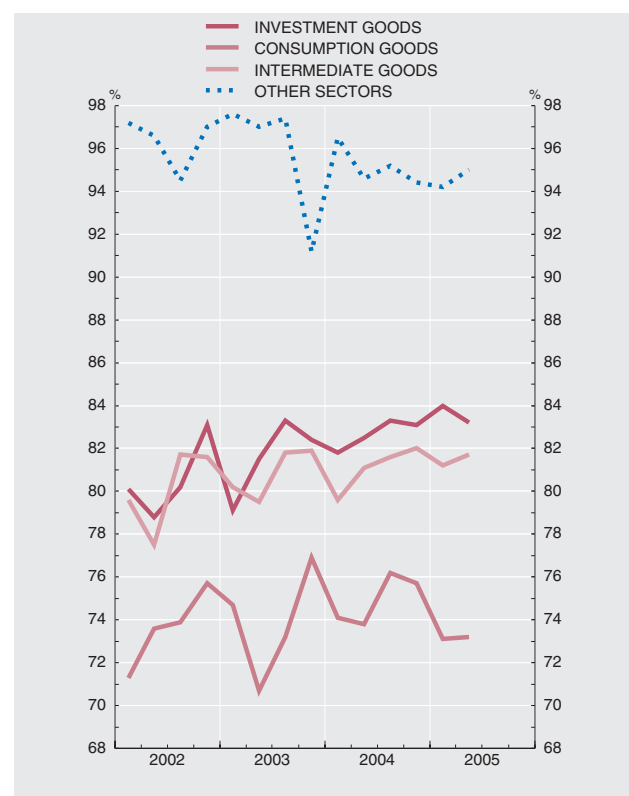
Percentages and percentage balances

	Total industry			Consumer goods			Investment goods			Intermediate goods			Other sectors			Memo- randum item: euro area capacity utilisa- tion (%)
	Capacity utilisation		Installed capacity  (Per- centage balan- ces)	Capacity utilisation		Installed capacity  (Per- centage balan- ces)	Capacity utilisation		Installed capacity  (Per- centage balan- ces)	Capacity utilisation		Installed capacity  (Per- centage balan- ces)	Capacity utilisation		Installed capacity  (Per- centage balan- ces)	
	Over last three months  (%)	Forecast  (%)		Over last three months  (%)	Forecast  (%)		Over last three months  (%)	Forecast  (%)		Over last three months  (%)	Forecast  (%)		Over last three months  (%)	Forecast  (%)		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
<b>02</b>	78.5	80.4	6	73.6	76.0	6	80.6	82.6	12	80.1	81.7	3	96.3	96.4	-	81.2
<b>03</b>	79.1	80.9	6	73.9	76.7	7	81.6	83.0	7	80.9	82.2	5	95.8	95.6	-1	81.1
<b>04</b>	79.8	81.0	6	75.0	76.6	7	82.7	83.5	6	81.1	82.3	5	95.2	95.2	2	81.6
<b>04 Q1-Q2</b>	79.0	80.7	8	74.0	76.0	9	82.2	83.3	9	80.4	82.2	7	95.6	95.5	-	81.1
<b>05 Q1-Q2</b>	79.5	81.5	4	73.2	76.1	4	83.6	85.0	3	81.5	83.0	4	94.6	95.8	-	81.4
<b>02 Q4</b>	80.4	81.0	5	75.7	76.1	4	83.1	83.9	12	81.6	82.4	2	97.0	97.1	-	81.4
<b>03 Q1</b>	78.6	80.6	3	74.7	77.4	2	79.1	81.8	6	80.2	81.6	4	97.6	96.8	-	81.2
<b>03 Q2</b>	77.5	80.0	5	70.7	75.4	7	81.5	82.2	5	79.5	81.4	4	97.0	97.4	-2	80.8
<b>03 Q3</b>	79.7	80.9	7	73.2	75.3	6	83.3	84.3	9	81.8	82.5	7	97.4	96.9	-	80.9
<b>03 Q4</b>	80.6	82.0	8	76.9	78.5	13	82.4	83.8	7	81.9	83.2	6	91.2	91.1	-	81.4
<b>04 Q1</b>	78.7	80.2	10	74.1	75.8	13	81.8	82.8	10	79.6	81.4	7	96.5	96.4	-	81.1
<b>04 Q2</b>	79.3	81.2	6	73.8	76.2	5	82.5	83.8	8	81.1	83.0	7	94.6	94.6	-	81.1
<b>04 Q3</b>	80.5	81.2	6	76.2	77.5	9	83.3	83.5	4	81.6	82.0	5	95.2	95.5	-	82.0
<b>04 Q4</b>	80.5	81.3	2	75.7	76.8	2	83.1	84.0	2	82.0	82.6	1	94.4	94.1	6	82.1
<b>05 Q1</b>	79.4	81.2	4	73.1	75.9	3	84.0	84.8	4	81.2	82.6	4	94.2	95.0	-	81.9
<b>05 Q2</b>	79.5	81.7	5	73.2	76.3	6	83.2	85.1	3	81.7	83.4	5	95.0	96.6	-	80.9

CAPACITY UTILISATION. TOTAL INDUSTRY  
Percentages



CAPACITY UTILISATION. BY TYPE OF GOOD  
Percentages



Sources: Ministerio de Industria, Turismo y Comercio and ECB.



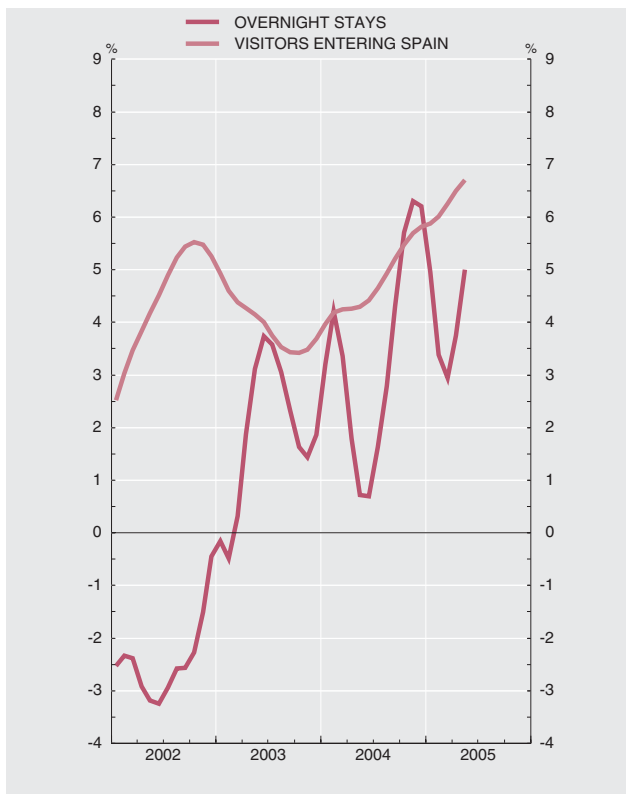
### 3.7. TOURISM AND TRANSPORT STATISTICS. SPAIN

■ Series depicted in chart.

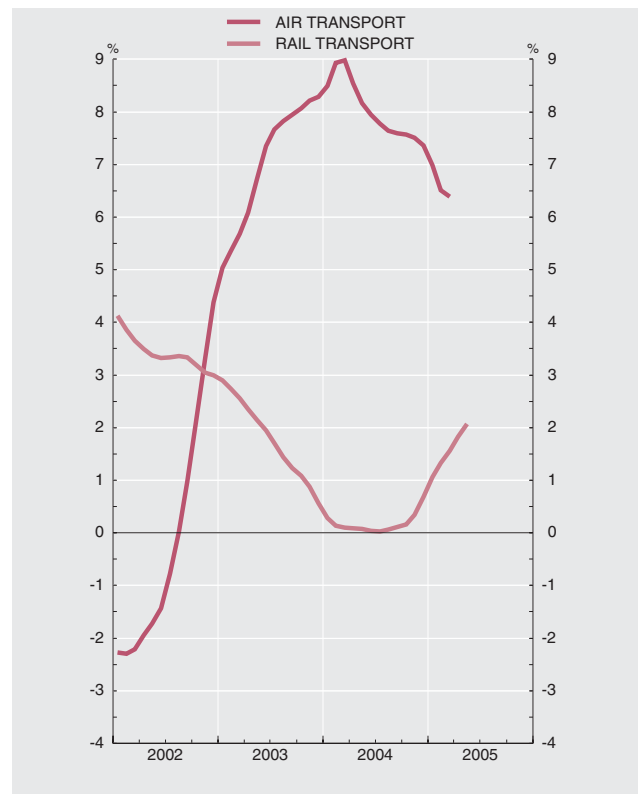
Annual percentage changes

	Hotel stays (a)		Overnight stays		Visitors entering Spain			Air transport				Maritime transport		Rail transport	
	Total	Foreigners	Total	Foreigners	Total	Tourists	Day-trip-ers	Passengers			Freight	Passen-gers	Freight	Passen-gers	Freight
								Total	Domestic flights	Internation-al flights					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
02	-0.1	-1.5	-2.7	-5.3	5.7	4.5	8.3	-1.0	-2.2	-0.3	-0.7	4.2	5.0	3.8	2.8
03	3.8	2.2	2.4	0.7	2.4	-1.0	8.7	7.4	8.1	7.0	0.5	-3.3	4.8	1.4	2.1
04	6.8	1.4	3.0	-1.3	4.6	2.8	7.7	8.0	9.8	6.8	9.1	10.6	6.8	-1.5	-1.1
04 J-M	6.3	1.9	2.0	-2.4	6.0	2.1	12.5	9.2	10.9	8.0	8.4	10.8	3.9	-2.0	7.7
05 J-M	5.2	1.3	3.6	-0.1	6.1	5.1	7.6	...	...	...	...	...	...	5.1	...
04 Feb	14.6	11.3	10.3	5.8	17.3	9.3	30.1	15.6	13.4	17.5	7.4	7.5	9.2	0.4	6.7
Mar	7.1	2.7	2.2	-2.8	0.6	-2.0	4.5	10.1	13.3	7.8	13.2	3.2	7.8	-4.2	14.9
Apr	3.4	-1.3	0.3	-5.6	4.6	-1.8	15.8	7.0	8.5	5.9	9.0	8.7	10.9	-6.5	11.8
May	3.8	-0.6	-1.7	-4.6	3.6	3.1	4.6	7.3	14.9	2.8	11.5	27.3	3.8	2.1	6.5
Jun	3.4	-4.6	-0.9	-6.2	-1.5	-3.2	2.0	6.1	12.2	2.6	14.6	17.8	9.4	2.2	12.8
Jul	6.6	-0.3	2.0	-2.8	3.4	0.6	9.4	8.0	8.1	7.9	11.1	11.1	10.0	-2.5	-9.3
Aug	6.3	1.2	2.3	-2.9	-0.4	-0.8	0.3	5.3	8.7	3.3	12.5	12.0	14.2	1.9	5.6
Sep	7.2	4.2	3.9	2.4	4.6	5.7	2.5	6.8	7.1	6.6	11.0	-1.0	10.0	2.1	-10.1
Oct	12.7	3.8	8.0	2.4	10.9	8.8	14.9	9.7	8.7	10.2	0.6	19.7	3.4	-6.2	-29.4
Nov	6.9	5.6	5.9	5.4	6.9	9.2	3.9	6.7	9.9	3.9	7.5	15.3	4.5	-1.6	1.1
Dec	8.4	1.4	9.6	4.0	9.4	12.9	5.3	9.7	9.5	9.9	11.7	-0.0	10.6	-1.6	-13.2
05 Jan	6.9	7.5	6.9	6.9	5.6	5.3	5.9	9.9	10.0	9.7	4.2	9.8	44.1	4.3	-3.4
Feb	2.0	0.8	1.2	-0.8	1.2	-0.8	3.8	2.9	5.5	0.7	-1.1	-18.5	5.3	1.2	-12.8
Mar	10.5	0.1	9.5	-2.2	17.8	16.3	20.0	12.2	14.1	10.8	-3.3	33.6	8.9	-0.5	-22.8
Apr	-1.4	-3.6	-6.7	-5.5	-0.7	0.0	-1.7	...	...	...	...	...	...	15.9	...
May	8.1	3.8	8.0	2.3	7.6	5.4	11.6	...	...	...	...	...	...	5.3	...

**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 Table 23.15 of the BE Boletín estadístico.

a. From January 2003, the information for Galicia is based on total figures for hotel stays and overnight stays for the month. The directory of hotels has been reviewed thoroughly.

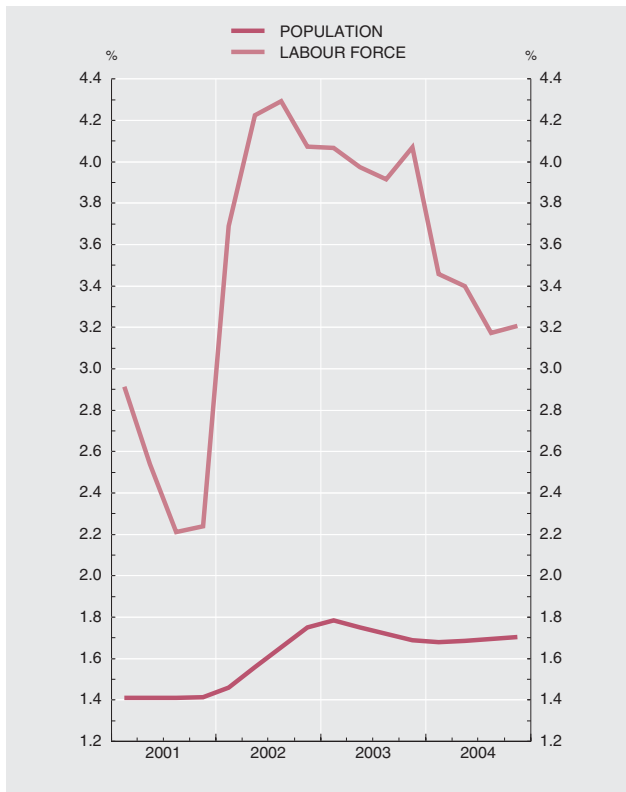
#### 4.1. LABOUR FORCE. SPAIN

■ Series depicted in chart.

Thousands and annual percentage changes

		Population over 16 years of age				Labour force				
		Thousands	Annual change	4-quarter % change	Participation rate (%) (a)	Thousands (a)	Annual change (b)			4-quarter % change
							Total	Due to change in population over 16 years of age	Due to change in participation rate	
		1	2	3	4	5	6	7	8	9
02	M	34 615	547	1.6	54.27	18 786	735	297	438	4.1
03	M	35 215	601	1.7	55.48	19 538	753	333	419	4.0
04	M	35 811	596	1.7	56.36	20 184	646	336	311	3.3
04	Q1-Q1M	35 583	587	1.7	55.89	19 888	664	328	336	3.5
05	Q1-Q1MP	36 188	604	1.7	56.90	20 592	705	344	361	3.5
02	Q3	34 692	565	1.7	54.61	18 944	780	308	471	4.3
	Q4	34 846	600	1.8	54.63	19 037	745	328	418	4.1
03	Q1	34 996	613	1.8	54.93	19 223	751	337	414	4.1
	Q2	35 142	605	1.8	55.30	19 432	743	334	408	4.0
	Q3	35 288	597	1.7	55.79	19 685	742	333	409	3.9
	Q4	35 434	588	1.7	55.91	19 812	775	329	446	4.1
04	Q1	35 583	587	1.7	55.89	19 888	664	328	336	3.5
	Q2	35 735	593	1.7	56.23	20 093	661	333	327	3.4
	Q3	35 887	598	1.7	56.60	20 310	624	339	286	3.2
	Q4	36 038	604	1.7	56.74	20 447	636	343	293	3.2
05	Q1	36 188	604	1.7	56.90	20 592	705	344	361	3.5

LABOUR FORCE SURVEY  
Annual percentage change



LABOUR FORCE  
Annual changes



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

a. the new definition of unemployment applies from 2001 Q1 onwards, entailing a break in the series. (See [www.ine.es](http://www.ine.es)).

b. Col.7 = (col.5/col.1) x annual change in col.1. Col. 8 = (annual change in col.4/100) x col.1(t-4).

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

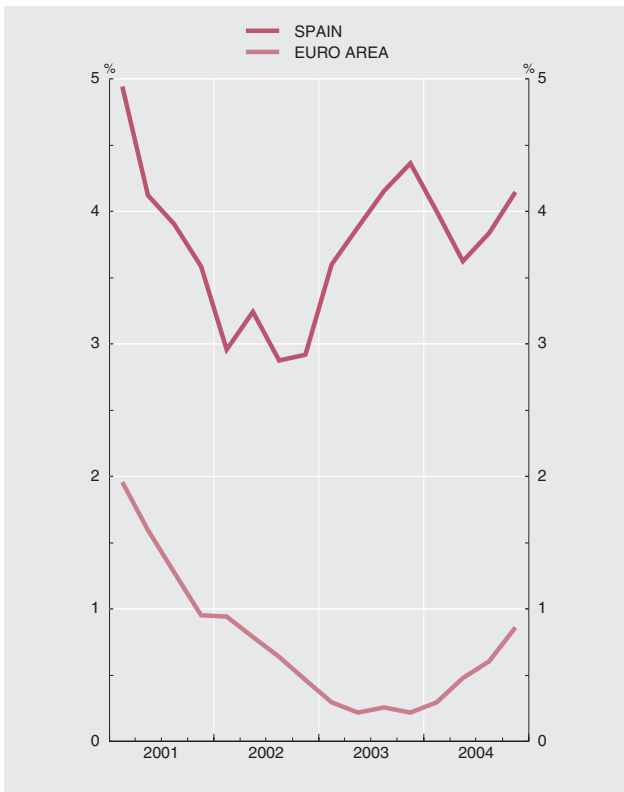
## 4.2. EMPLOYMENT AND WAGE-EARNERS. SPAIN AND EURO AREA

■ Series depicted in chart.

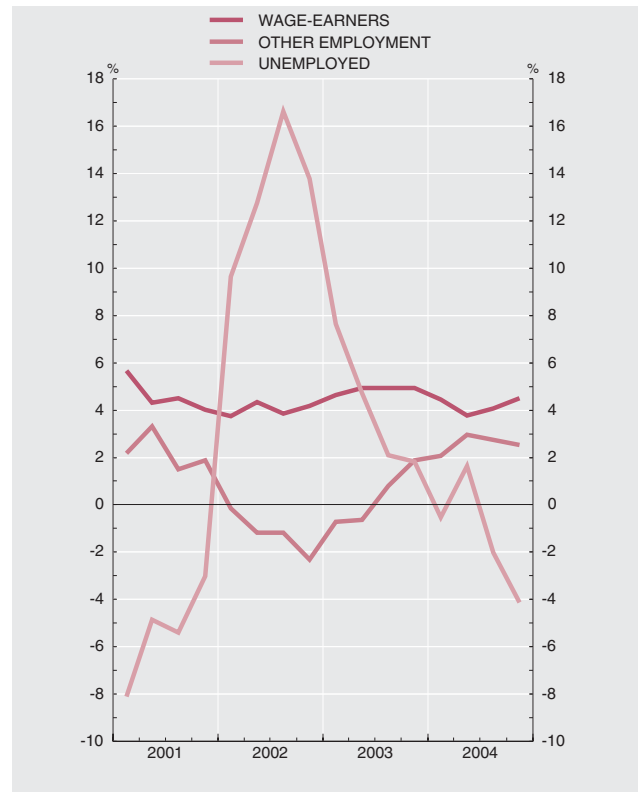
Thousands and annual percentage changes

		Employment									Unemployment			Memorandum item: euro area			
		Total			Wage-earners			Other			Thousands	Annual change	4-quarter % change	Unemployment rate	Employment 4-quarter % change	Unemployment rate	
		Thousands	Annual change	4-quarter % change	Thousands	Annual change	4-quarter % change	Thousands	Annual change	4-quarter % change							
		1	2	3	4	5	6	7	8	9	(a)	(a)	14	15			
02	M	16 630	484	3.0	13 472	522	4.0	3 158	-38	-1.2	2 155	251	13.2	11.47	0.7	8.27	
03	M	17 296	666	4.0	14 127	656	4.9	3 169	10	0.3	2 242	87	4.0	11.48	0.2	8.72	
04	M	17 971	675	3.9	14 721	593	4.2	3 250	82	2.6	2 214	-29	-1.3	10.97	0.6	8.86	
04	Q1-Q1M	17 600	677	4.0	14 375	612	4.4	3 225	65	2.1	2 287	-12	-0.5	11.50	0.3	8.88	
05	Q1-Q1MP	18 493	892	5.1	14 977	602	4.2	3 516	291	9.0	2 100	-188	-8.2	10.20	0.9	8.83	
02	Q3	16 763	469	2.9	13 622	506	3.9	3 142	-37	-1.2	2 181	311	16.6	11.51	0.6	8.37	
	Q4	16 825	477	2.9	13 699	551	4.2	3 127	-74	-2.3	2 212	268	13.8	11.62	0.5	8.47	
03	Q1	16 924	588	3.6	13 764	611	4.6	3 160	-23	-0.7	2 300	163	7.6	11.96	0.3	8.60	
	Q2	17 241	644	3.9	14 078	664	4.9	3 163	-20	-0.6	2 191	99	4.7	11.28	0.2	8.71	
	Q3	17 459	696	4.2	14 293	672	4.9	3 166	25	0.8	2 226	45	2.1	11.31	0.3	8.74	
	Q4	17 560	734	4.4	14 375	676	4.9	3 185	59	1.9	2 252	40	1.8	11.37	0.2	8.83	
04	Q1	17 600	677	4.0	14 375	612	4.4	3 225	65	2.1	2 287	-12	-0.5	11.50	0.3	8.88	
	Q2	17 866	625	3.6	14 609	531	3.8	3 256	93	3.0	2 227	36	1.6	11.08	0.5	8.89	
	Q3	18 129	670	3.8	14 876	583	4.1	3 253	87	2.7	2 181	-45	-2.0	10.74	0.6	8.86	
	Q4	18 288	728	4.1	15 022	648	4.5	3 266	81	2.5	2 159	-93	-4.1	10.56	0.9	8.83	
05	Q1	P	18 493	892	5.1	14 977	602	4.2	3 516	291	9.0	2 100	-188	-8.2	10.20	0.9	8.83

EMPLOYMENT  
Annual percentage changes



LABOUR FORCE: COMPONENTS  
Annual percentage changes



Sources: INE (Labour Force Survey: 2005 methodology), and ECB.

a. the new definition of unemployment applies from 2001 Q1 onwards, entailing a break in the series. (See [www.ine.es](http://www.ine.es)).

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

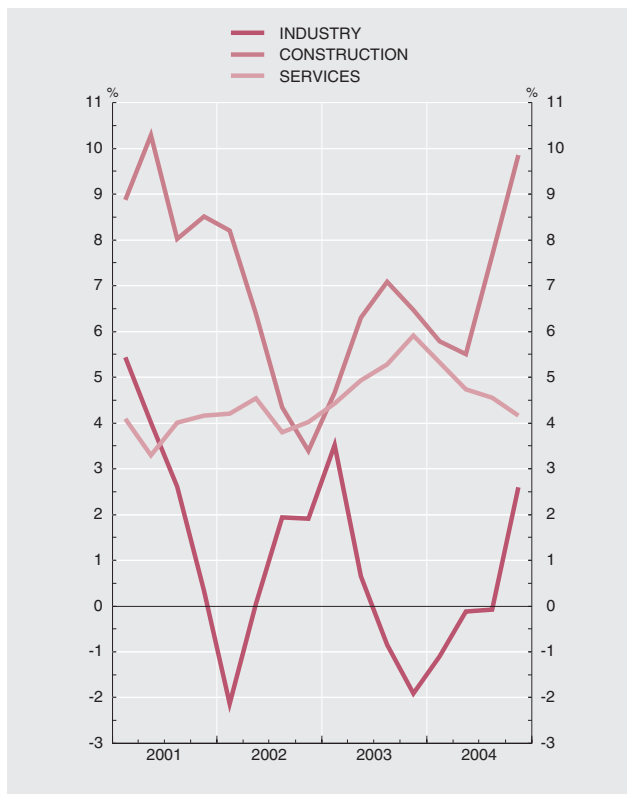
### 4.3. EMPLOYMENT BY BRANCH OF ACTIVITY. SPAIN (a)

■ Series depicted in chart.

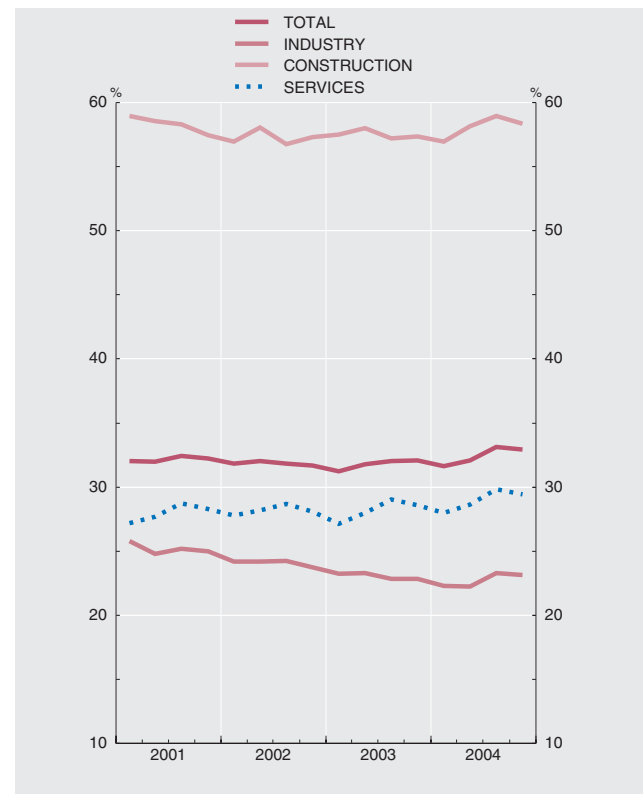
Annual percentage changes

		Total			Agriculture			Industry			Construction			Services			Memorandum item: employment in			
		Employment	Wage-earners	Proportion of temporary employment	Employment	Wage-earners	Proportion of temporary employment	Employment	Wage-earners	Proportion of temporary employment	Employment	Wage-earners	Proportion of temporary employment	Employment	Wage-earners	Proportion of temporary employment	Branches other than agriculture	Branches other than agriculture excluding general government	Services excluding general government	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
02	M	3.0	4.0	31.8	-4.8	-4.0	60.4	0.4	0.7	24.1	5.5	5.9	57.3	4.1	5.3	28.2	3.5	3.4	4.2	
03	M	4.0	4.9	31.8	-0.4	3.7	60.6	0.3	-0.0	23.0	6.1	7.5	57.5	5.1	6.0	28.2	4.3	4.1	5.2	
04	M	3.9	4.2	32.4	-0.2	3.9	62.1	0.3	1.0	22.7	7.2	6.4	58.1	4.7	4.8	29.0	4.2	4.2	4.9	
04	Q1-Q1M	4.0	4.4	1.3	2.6	8.4	-0.2	-1.1	-0.5	-4.1	5.8	5.5	-1.0	5.3	5.6	3.1	4.1	4.2	5.8	
05	Q1-Q1MP	5.1	4.2	0.8	-1.4	-8.5	-3.1	2.6	0.9	3.1	5.1	3.4	-3.9	6.4	6.0	3.2	5.5	...	...	
02	Q3	2.9	3.9	31.8	-6.3	-6.0	55.4	1.9	2.0	24.2	4.3	4.8	56.8	3.8	4.8	28.7	3.5	3.6	4.0	
	Q4	2.9	4.2	31.7	-5.8	-6.0	61.3	1.9	2.2	23.7	3.4	4.2	57.3	4.0	5.4	28.1	3.5	3.4	4.0	
03	Q1	3.6	4.6	31.2	-6.0	-5.2	63.9	3.5	3.0	23.2	4.7	6.2	57.5	4.4	5.5	27.1	4.3	4.2	4.3	
	Q2	3.9	4.9	31.8	-1.6	3.4	59.7	0.6	0.0	23.3	6.3	8.0	58.0	4.9	6.1	28.0	4.2	3.9	4.6	
	Q3	4.2	4.9	32.0	2.6	5.4	56.7	-0.8	-0.8	22.8	7.1	8.6	57.2	5.3	6.1	29.0	4.2	4.0	5.2	
	Q4	4.4	4.9	32.1	4.0	12.7	61.9	-1.9	-2.1	22.8	6.5	7.1	57.4	5.9	6.5	28.6	4.4	4.5	6.5	
04	Q1	4.0	4.4	31.6	2.6	8.4	63.7	-1.1	-0.5	22.3	5.8	5.5	56.9	5.3	5.6	28.0	4.1	4.2	5.8	
	Q2	3.6	3.8	32.1	-0.5	1.9	61.0	-0.1	0.6	22.2	5.5	4.1	58.2	4.7	4.8	28.6	3.9	4.0	5.2	
	Q3	3.8	4.1	33.1	0.2	7.5	60.3	-0.1	0.6	23.3	7.7	6.5	58.9	4.6	4.6	29.8	4.0	4.1	4.7	
	Q4	4.1	4.5	32.9	-3.1	-1.7	63.5	2.6	3.3	23.1	9.8	9.4	58.3	4.2	4.3	29.4	4.6	4.4	3.7	
05	Q1	P	5.1	4.2	31.9	-1.4	-8.5	61.7	2.6	0.9	23.0	5.1	3.4	54.7	6.4	6.0	28.9	5.5	...	...

EMPLOYMENT  
Annual percentage changes



TEMPORARY EMPLOYMENT  
Percentages



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

a. Branches of activity in accordance with NACE-93.

Notes: The underlying series of this indicator are in Tables 24.4 and 24.6 of the BE Boletín estadístico.

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

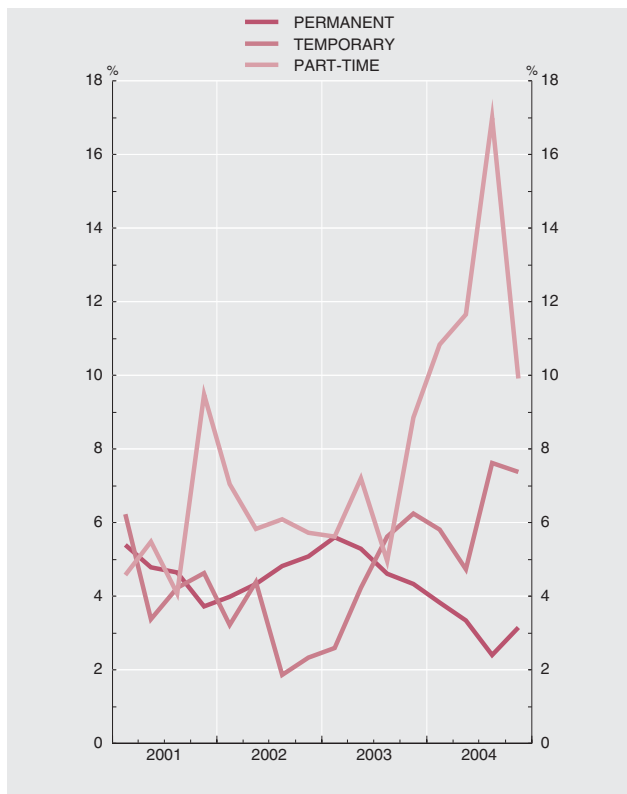
#### 4.4. WAGE-EARNERS BY TYPE OF CONTRACT AND UNEMPLOYMENT BY DURATION. SPAIN. (a)

■ Series depicted in chart.

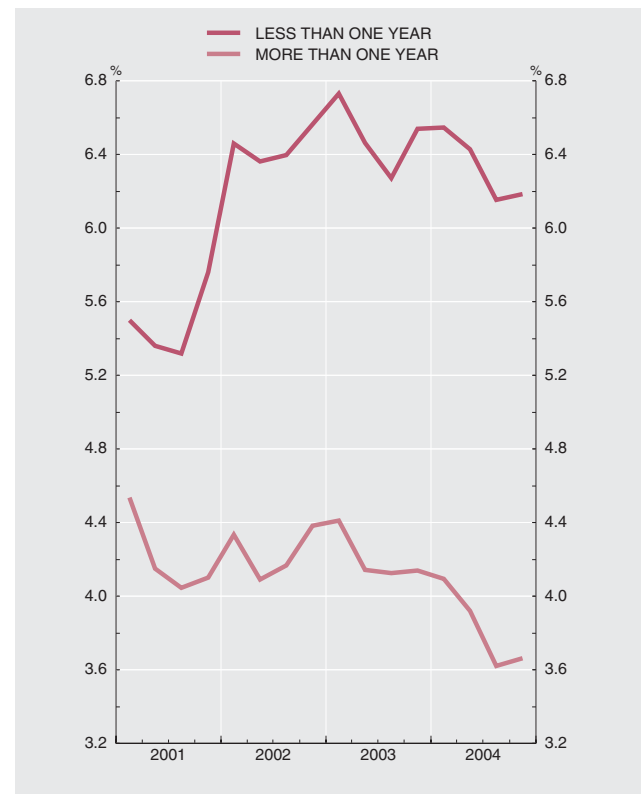
Thousands, annual percentage changes and %

		Wage-earners										Unemployment							
		By type of contract					By duration of working day					By duration				% of unemployed that would accept a job (a)			
		Permanent		Temporary			Full-time		Part-time			Less than one year		More than one year					
		Annual change	4-quarter % change	Annual change	4-quarter % change	Proportion of temporary employment	Annual change	4-quarter % change	Annual change	4-quarter % change	As % for wage earners	Unemployment rate	4-quarter % change	Unemployment rate	4-quarter % change	Entailing a change of residence	Whith a lower wage	Requiring fever skills	
		Thousands		Thousands			Thousands		Thousands			(a)		(a)					
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
02	M	400	4.6	122	2.9	31.84	458	3.8	65	6.2	8.30	6.45	22.3	4.24	5.0	20.16	43.32	48.93	
03	M	455	4.9	201	4.7	31.77	581	4.7	75	6.7	8.44	6.50	4.9	4.20	3.0	19.99	42.30	47.61	
04	M	306	3.2	288	6.4	32.44	447	3.5	146	12.3	9.10	6.33	0.6	3.82	-6.0	18.20	42.19	47.33	
04	Q1-Q1M	362	3.8	250	5.8	31.63	485	3.9	127	10.8	9.00	6.55	0.7	4.09	-3.9	17.99	42.10	47.98	
05	Q1-Q1MP	375	3.8	227	5.0	31.88	-52	-0.4	654	50.5	13.00	6.18	-2.3	3.03	-23.3	...	...	...	
02	Q3	427	4.8	79	1.9	31.83	443	3.7	63	6.1	8.03	6.40	25.4	4.17	7.4	20.63	41.13	46.97	
	Q4	452	5.1	99	2.3	31.66	489	4.1	62	5.7	8.35	6.57	18.6	4.38	11.2	19.76	43.91	48.94	
03	Q1	502	5.6	109	2.6	31.22	549	4.6	62	5.6	8.48	6.73	8.4	4.41	5.9	20.63	42.70	47.97	
	Q2	483	5.3	181	4.2	31.78	583	4.7	81	7.2	8.60	6.46	5.6	4.14	5.3	20.54	44.07	49.43	
	Q3	428	4.6	243	5.6	32.03	617	4.9	54	5.0	8.03	6.27	1.9	4.13	2.9	19.47	38.58	43.80	
	Q4	405	4.3	271	6.2	32.06	574	4.6	101	8.9	8.66	6.54	3.7	4.14	-1.7	19.34	43.87	49.23	
04	Q1	362	3.8	250	5.8	31.63	485	3.9	127	10.8	9.00	6.55	0.7	4.09	-3.9	17.99	42.10	47.98	
	Q2	320	3.3	211	4.7	32.07	390	3.0	141	11.6	9.26	6.43	2.8	3.92	-2.1	18.77	42.48	47.89	
	Q3	234	2.4	349	7.6	33.13	388	2.9	195	17.0	9.03	6.15	1.2	3.62	-9.5	18.25	41.60	46.07	
	Q4	308	3.2	340	7.4	32.94	525	4.0	123	9.9	9.11	6.19	-2.4	3.66	-8.6	17.78	42.57	47.38	
05	Q1	P	375	3.8	227	5.0	31.88	-52	-0.4	654	50.5	13.00	6.18	-2.3	3.03	-23.3	...	...	...

WAGE-EARNERS  
Annual percentage changes



UNEMPLOYMENT  
Unemployment rate



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

a. the new definition of unemployment applies from 2001 Q1 onwards, entailing a break in the series. (See [www.ine.es](http://www.ine.es)).

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

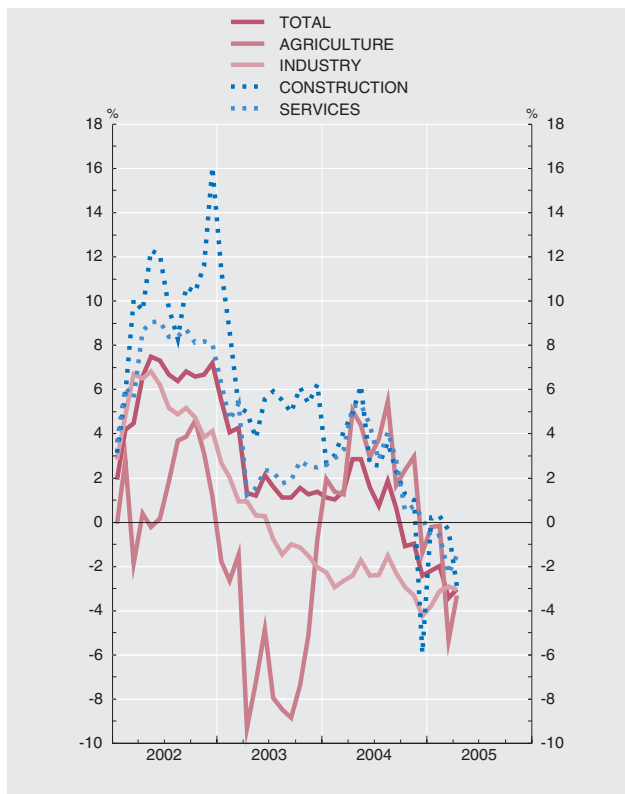
#### 4.5. REGISTERED UNEMPLOYMENT BY BRANCH OF ACTIVITY. CONTRACTS AND PLACEMENTS. SPAIN

■ Series depicted in chart.

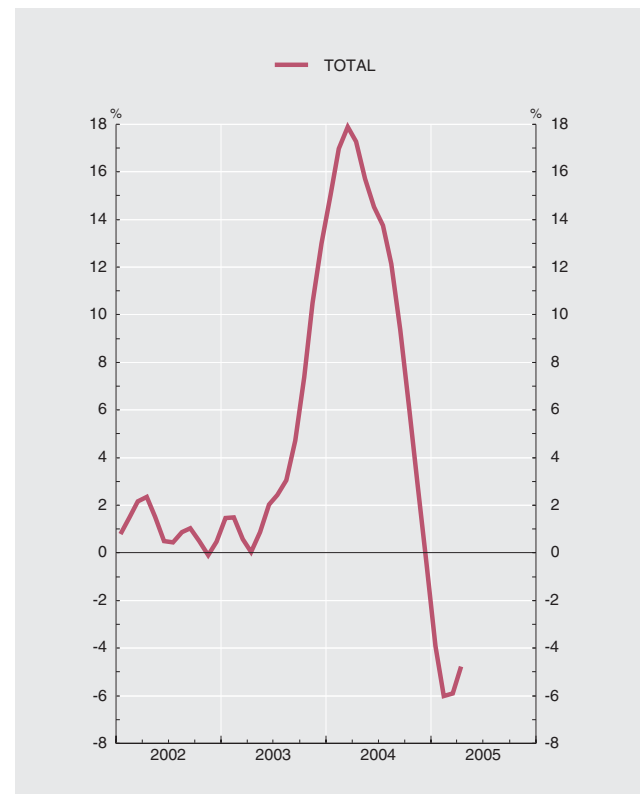
Thousands, annual percentage changes and %

		Registered unemployment										Contracts					Placements	
		Total			First time job-seekers		Previously employed					Total		Percentage of total			Total	
		Thousands	Annual change	12 month % change	12 month % change	12-month % change						Thousands	12 month % change	Permanent	Part time	Temporary	Thousands	12 month % change
						Total	Agriculture	Branches other than agriculture			Total							
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		
02	M	1 621	92	6.0	-0.7	7.2	1.6	7.4	5.1	9.9	7.6	1 182	0.9	9.05	20.80	90.95	1 145	1.0
03	M	1 658	36	2.2	0.4	2.5	-5.5	2.8	-0.1	6.2	2.9	1 222	3.4	8.67	21.21	91.33	1 193	4.2
04	M	1 671	13	0.8	-5.2	1.8	2.6	1.8	-2.6	2.2	2.9	1 363	11.5	8.67	22.71	91.33	1 336	12.0
04 J-A	M	1 741	27	1.6	-3.1	2.4	2.4	2.4	-2.6	3.7	3.5	1 363	15.1	9.55	20.92	90.45	1 348	18.0
05 J-A	M	1 695	-46	-2.6	-9.6	-1.6	-2.3	-1.5	-3.2	-0.7	-1.3	1 286	-5.6	10.28	21.87	89.72	1 239	-8.1
04 Mar		1 744	24	1.4	-3.6	2.3	1.3	2.3	-2.7	4.1	3.3	1 421	26.0	10.20	22.19	89.80	1 409	29.7
Apr		1 705	47	2.8	-2.5	3.8	5.1	3.7	-2.4	4.9	5.2	1 257	19.4	10.09	21.94	89.91	1 234	21.7
May		1 654	46	2.9	-4.4	4.1	4.4	4.1	-1.7	6.2	5.3	1 279	6.9	9.60	22.11	90.40	1 253	8.0
Jun		1 626	25	1.6	-5.5	2.9	2.9	2.9	-2.4	2.6	4.4	1 392	16.0	8.43	22.30	91.57	1 350	16.2
Jul		1 585	12	0.7	-5.7	1.8	3.7	1.8	-2.4	2.6	2.8	1 487	14.2	7.45	23.45	92.55	1 450	14.2
Aug		1 598	29	1.9	-5.1	3.0	5.5	2.9	-1.5	3.6	4.1	1 125	15.9	7.23	22.01	92.77	1 111	16.6
Sep		1 618	11	0.7	-6.1	1.8	1.7	1.8	-2.3	2.3	2.8	1 476	15.0	8.36	24.18	91.64	1 445	14.0
Oct		1 649	-18	-1.1	-7.8	0.0	2.4	-0.0	-2.9	1.3	0.5	1 472	-5.5	8.68	26.26	91.32	1 434	-6.2
Nov		1 683	-16	-1.0	-7.7	0.1	3.0	0.1	-3.3	1.0	0.7	1 447	12.3	8.63	24.87	91.37	1 414	10.7
Dec		1 670	-41	-2.4	-8.2	-1.5	-1.4	-1.5	-4.2	-5.9	0.2	1 223	7.6	7.49	23.64	92.51	1 183	4.8
05 Jan		1 723	-39	-2.2	-9.3	-1.1	-0.2	-1.1	-3.8	0.2	-0.7	1 285	-7.6	9.30	20.17	90.70	1 255	-8.9
Feb		1 717	-35	-2.0	-8.8	-0.9	-0.2	-0.9	-3.1	0.3	-0.6	1 230	-11.0	10.98	21.72	89.02	1 175	-14.2
Mar		1 684	-60	-3.4	-10.6	-2.3	-5.3	-2.2	-2.9	-0.3	-2.3	1 307	-8.0	10.76	22.91	89.24	1 248	-11.5
Apr		1 654	-52	-3.0	-9.4	-2.0	-3.3	-2.0	-3.0	-2.9	-1.5	1 323	5.3	10.07	22.68	89.93	1 278	3.6

REGISTERED UNEMPLOYMENT  
Annual percentage changes



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



Source: Instituto Nacional de Empleo, Estadística de Empleo.

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

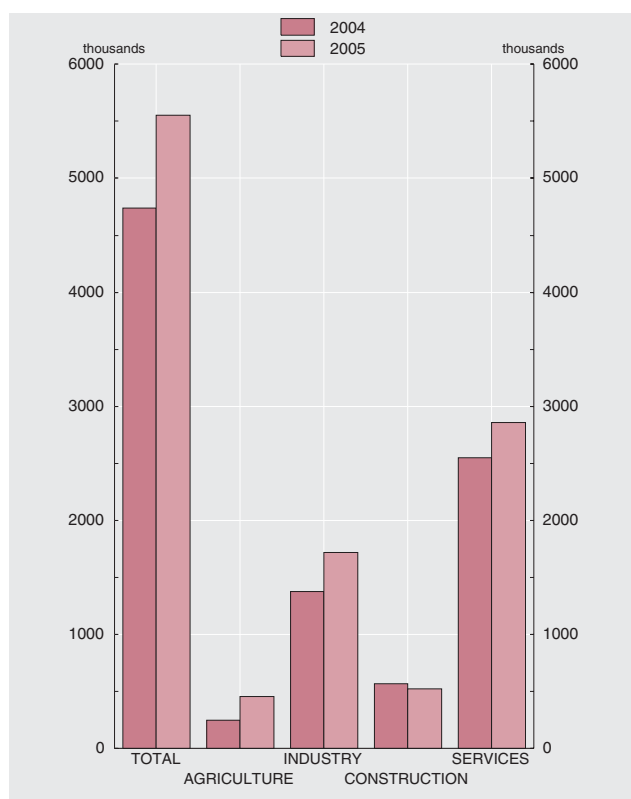
#### 4.6. COLLECTIVE BARGAINING AGREEMENTS

■ Series depicted in chart.

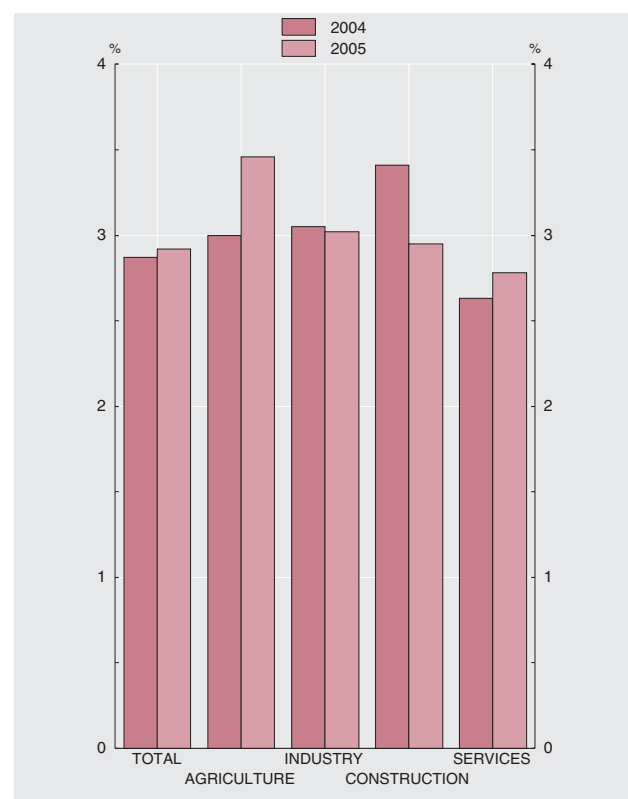
Thousands and %

	As per month economic effects come into force(a)		As per month recorded														
	Employees affected	Average wage settlement	Employees affected (a)							Average wage settlement (%)							
			Automatic adjustment	Newly signed agreements	Total	Annual change	Agriculture	Industry	Construction	Services	Automatic adjustment	Newly signed agreements	Total	Agriculture	Industry	Construction	Services
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
<b>02</b>	9 697	3.85	5 528	2 280	7 808	202	589	2 538	771	3 910	2.82	3.62	3.05	3.49	2.84	3.52	3.03
<b>03</b>	9 995	3.68	5 482	2 665	8 147	339	711	2 421	848	4 166	3.49	3.53	3.50	3.59	3.21	4.75	3.41
<b>04</b>	9 052	3.61	5 207	2 594	7 801	-347	629	2 351	1 046	3 774	2.93	3.04	2.96	3.53	2.96	3.43	2.75
<b>03 Dec</b>	9 995	3.68	5 482	2 665	8 147	339	711	2 421	848	4 166	3.49	3.53	3.50	3.59	3.21	4.75	3.41
<b>04 Jan</b>	8 390	3.61	2 882	0	2 882	-650	126	1 046	77	1 633	2.85	3.29	2.85	2.51	3.09	3.40	2.70
<b>Feb</b>	8 405	3.61	3 099	4	3 103	-948	169	1 094	131	1 709	2.90	3.32	2.90	3.23	3.06	3.49	2.71
<b>Mar</b>	8 457	3.60	4 102	9	4 111	-284	239	1 305	192	2 375	2.84	3.42	2.84	3.02	3.06	3.46	2.65
<b>Apr</b>	8 635	3.59	4 335	172	4 506	-26	241	1 357	468	2 441	2.86	3.33	2.88	3.02	3.06	3.41	2.66
<b>May</b>	8 819	3.59	4 335	406	4 740	-64	246	1 378	568	2 548	2.86	2.99	2.87	3.00	3.05	3.41	2.63
<b>Jun</b>	8 855	3.59	4 539	520	5 059	12	247	1 435	583	2 795	2.89	2.98	2.90	3.00	3.05	3.41	2.71
<b>Jul</b>	8 863	3.59	4 797	796	5 593	213	253	1 512	667	3 162	2.89	2.99	2.90	3.01	3.04	3.41	2.72
<b>Aug</b>	8 864	3.59	4 842	1 131	5 973	-96	262	1 731	763	3 216	2.89	2.98	2.91	3.04	2.98	3.41	2.74
<b>Sep</b>	8 939	3.60	5 005	1 743	6 748	-212	325	2 094	877	3 451	2.90	2.93	2.90	2.99	2.96	3.41	2.73
<b>Oct</b>	9 050	3.61	5 073	1 943	7 017	-460	331	2 229	927	3 530	2.90	2.92	2.91	2.95	2.96	3.41	2.74
<b>Nov</b>	9 052	3.61	5 187	2 279	7 466	-341	497	2 301	1 046	3 622	2.93	3.00	2.95	3.32	2.96	3.43	2.76
<b>Dec</b>	9 052	3.61	5 207	2 594	7 801	-347	629	2 351	1 046	3 774	2.93	3.04	2.96	3.53	2.96	3.43	2.75
<b>05 Jan</b>	5 385	2.92	3 268	2	3 269	387	398	1 220	93	1 558	2.73	2.00	2.72	3.37	2.75	2.98	2.52
<b>Feb</b>	5 385	2.92	3 988	3	3 991	888	399	1 483	93	2 016	2.79	2.64	2.79	3.37	2.96	2.99	2.54
<b>Mar</b>	5 386	2.92	4 581	181	4 762	651	410	1 565	283	2 503	2.82	3.63	2.85	3.38	2.95	3.00	2.69
<b>Apr</b>	5 436	2.92	4 805	189	4 994	488	410	1 650	309	2 625	2.85	3.61	2.88	3.38	3.00	3.05	2.70
<b>May</b>	5 548	2.92	4 919	633	5 553	813	454	1 719	523	2 856	2.87	3.37	2.92	3.46	3.02	2.95	2.78

EMPLOYEES AFFECTED  
January-May



AVERAGE WAGE SETTLEMENT  
January-May



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

#### 4.7. QUARTERLY LABOUR COSTS SURVEY

■ Series depicted in chart.

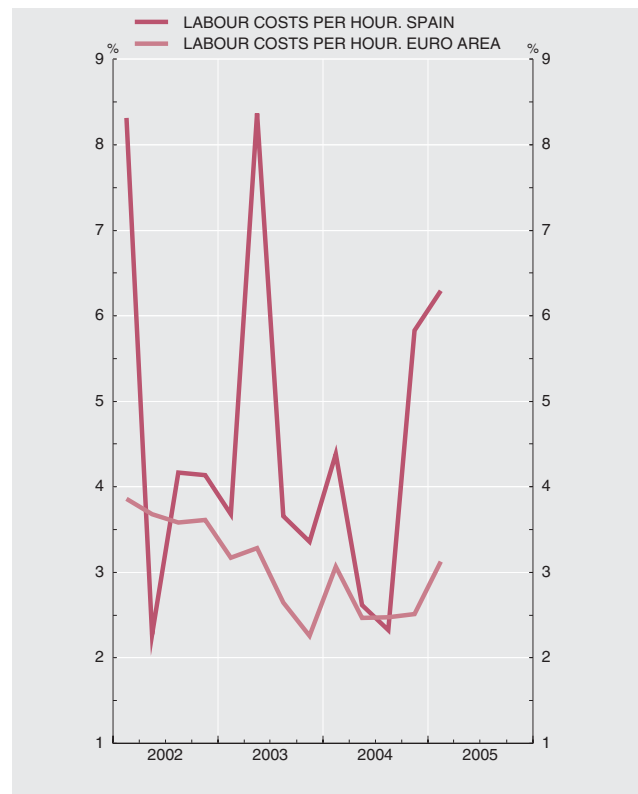
Annual percentage change

		Labour costs					Wage costs					Other costs per worker and month	memorandum item: euro area total hourly labour costs (a)
		Monthly earnings				Per hour worked	Monthly earnings				Per hour worked		
		Total	Industry	Construction	Services		Total	Industry	Construction	Services			
1	2	3	4	5	6	7	8	9	10	11	12		
02	M	4.4	4.8	4.8	4.4	4.6	3.9	4.7	4.1	3.8	4.1	6.0	3.7
03	M	4.2	4.7	6.3	3.8	4.7	3.8	4.4	5.0	3.5	4.3	5.4	2.8
04	M	3.0	3.4	5.2	2.6	3.8	2.8	3.3	4.2	2.5	3.6	3.6	2.6
04	Q1-Q1M	3.5	4.3	6.0	2.9	4.4	3.2	4.0	5.2	2.7	4.1	4.4	3.1
05	Q1-Q1M	3.0	3.6	3.2	2.9	6.3	2.5	3.2	2.4	2.5	5.8	4.2	3.1
02	Q3	4.3	5.0	5.2	4.1	4.2	3.8	4.9	4.2	3.6	3.7	5.8	3.6
	Q4	4.6	5.4	4.7	4.4	4.1	3.9	5.0	4.4	3.6	3.5	6.6	3.6
03	Q1	5.2	5.2	6.0	5.0	3.7	4.9	5.0	5.1	4.8	3.3	6.0	3.2
	Q2	4.6	5.5	6.3	4.0	8.4	4.2	5.1	4.9	3.9	8.0	5.5	3.3
	Q3	3.6	4.4	6.4	2.9	3.7	3.1	3.7	5.1	2.6	3.1	5.2	2.6
	Q4	3.7	3.9	6.3	3.3	3.4	3.3	3.7	5.1	3.0	3.0	5.0	2.3
04	Q1	3.5	4.3	6.0	2.9	4.4	3.2	4.0	5.2	2.7	4.1	4.4	3.1
	Q2	3.2	2.7	5.5	3.2	2.6	3.1	2.9	4.1	3.2	2.5	3.5	2.5
	Q3	2.5	3.2	5.5	1.9	2.3	2.2	3.3	4.6	1.6	2.0	3.4	2.5
	Q4	2.7	3.4	4.0	2.4	5.8	2.6	3.3	3.1	2.5	5.7	3.0	2.5
05	Q1	3.0	3.6	3.2	2.9	6.3	2.5	3.2	2.4	2.5	5.8	4.2	3.1

PER WORKER AND MONTH  
Annual percentage change



PER HOUR WORKED  
Annual percentage change



Sources: INE (Quarterly labour costs survey) 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. Whole economy, excluding the agriculture, public administration, education and health sectors.



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

■ Series depicted in chart.

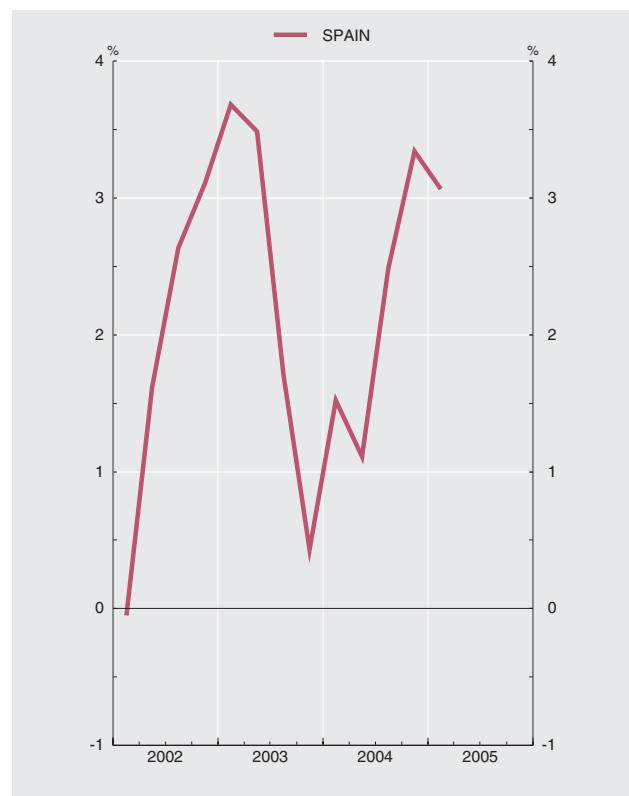
Annual percentage changes

		Whole-economy unit labour costs		Compensation per employee		Productivity						Memorandum item: unit labour costs in manufacturing		
		Spain	Euro area	Spain (b)	Euro area	Spain	Euro area	Output		Employment		Spain (c)	Euro area	
								Spain	Euro area	Spain (b)	Euro area			
		1	2	3	4	5	6	7	8	9	10	11	12	
<b>02</b>	P	3.0	2.3	3.3	2.6	0.3	0.2	2.7	0.9	2.3	0.7	1.8	...	
<b>03</b>	P	2.7	1.8	3.1	2.3	0.4	0.4	2.9	0.7	2.5	0.2	2.3	...	
<b>04</b>	P	2.7	0.9	3.1	2.1	0.4	1.2	3.1	1.7	2.7	0.6	2.1	...	
<b>02</b>	Q2	P	3.2	2.4	3.2	2.5	0.1	0.1	2.7	0.9	2.6	0.8	1.6	...
	Q3	P	3.1	2.1	3.5	2.5	0.3	0.4	2.6	1.1	2.3	0.6	2.6	...
	Q4	P	2.8	1.7	3.2	2.4	0.4	0.7	2.4	1.2	2.0	0.5	3.1	...
<b>03</b>	Q1	P	3.0	1.6	3.4	2.2	0.5	0.6	2.8	0.9	2.3	0.3	3.7	...
	Q2	P	2.5	2.1	3.1	2.3	0.6	0.2	3.0	0.4	2.4	0.2	3.5	...
	Q3	P	2.5	2.1	2.8	2.4	0.3	0.2	2.9	0.5	2.6	0.3	1.7	...
	Q4	P	2.8	1.4	3.1	2.1	0.3	0.7	2.9	0.9	2.6	0.2	0.4	...
<b>04</b>	Q1	P	2.7	1.2	3.1	2.4	0.4	1.2	3.0	1.5	2.6	0.3	1.5	...
	Q2	P	2.6	0.8	3.2	2.4	0.6	1.6	3.1	2.1	2.5	0.5	1.1	...
	Q3	P	2.7	0.6	3.2	1.8	0.4	1.2	3.1	1.8	2.7	0.6	2.5	...
	Q4	P	2.8	1.1	3.1	1.8	0.3	0.7	3.2	1.5	2.9	0.9	3.3	...
<b>05</b>	Q1	P	2.6	1.6	2.9	2.0	0.3	0.4	3.3	1.4	3.0	0.9	3.1	...

UNIT LABOUR COSTS: TOTAL  
Annual percentage changes



UNIT LABOUR COSTS: MANUFACTURING  
Annual percentage changes



Sources: INE (Quarterly National Accounts of Spain. Base year 2000) and ECB.

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

b. Full-time equivalent employment.

c. Industry.

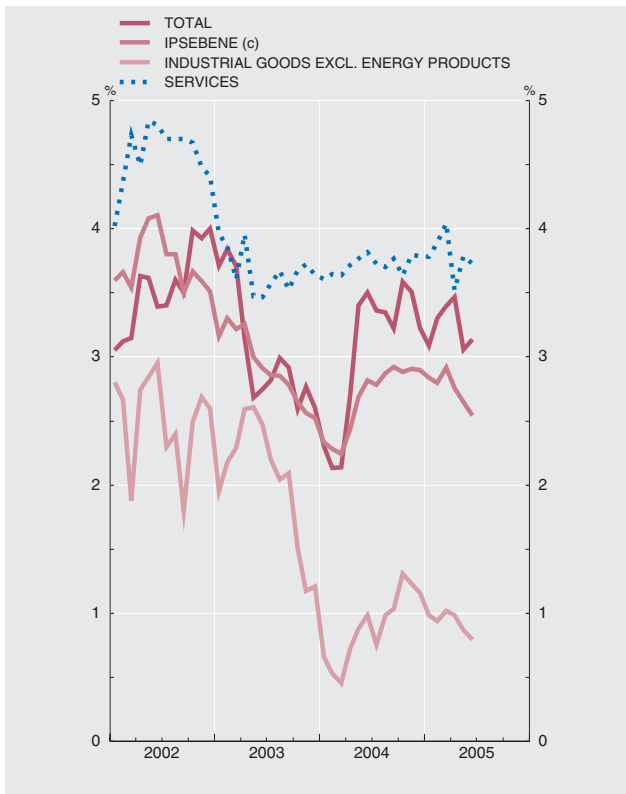
## 5.1. CONSUMER PRICE INDEX. SPAIN (2001=100) (a)

■ Series depicted in chart.

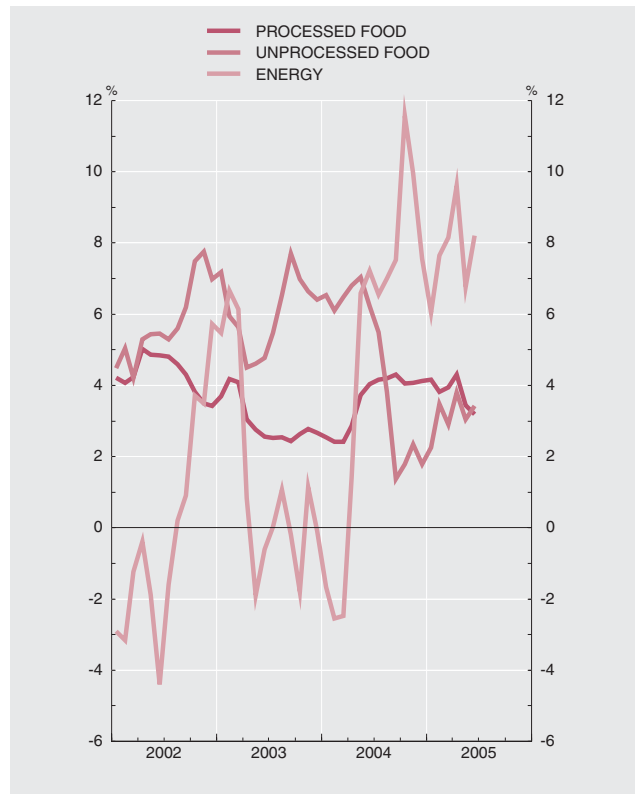
Indices and annual percentage changes

		Total (100%)				Annual percentage change (12-month % change)						Memorandum item: prices for agricultural products (2000=100)	
		Original series	Month-on-month % change	12-month % change (b)	Cumulative % change during year (c)	Unprocessed food	Processed food	Industrial goods excl. energy products (e)	Energy	Services	IPSEBENE (d)	Original series	12-month % change (a)
		1	2	3	4	5	6	7	8	9	10	11	12
02	M	103.5	—	3.5	4.0	5.8	4.3	2.5	-0.1	4.6	3.7	100.4	-2.6
03	M	106.7	—	3.0	2.6	6.0	3.0	2.0	1.4	3.7	2.9	105.8	5.5
04	M	109.9	—	3.0	3.2	4.6	3.6	0.9	4.9	3.7	2.7	106.8	0.9
04 J-J	M	109.0	0.4	2.7	0.7	6.5	3.0	0.7	1.4	3.7	2.5	113.9	4.3
05 J-J	M	112.5	0.3	3.2	0.7	3.1	3.8	0.9	7.7	3.8	2.8	...	...
04 Mar		108.2	0.7	2.1	0.0	6.5	2.4	0.5	-2.5	3.6	2.2	111.8	1.3
Apr		109.7	1.4	2.7	1.4	6.8	2.9	0.7	1.4	3.7	2.4	115.1	3.3
May		110.4	0.6	3.4	2.0	7.0	3.7	0.9	6.6	3.8	2.7	121.2	7.1
Jun		110.5	0.2	3.5	2.2	6.2	4.0	1.0	7.2	3.8	2.8	121.3	12.0
Jul		109.7	-0.8	3.4	1.4	5.5	4.2	0.8	6.6	3.7	2.8	108.4	11.2
Aug		110.2	0.4	3.3	1.8	3.8	4.2	1.0	7.0	3.7	2.9	93.7	-5.4
Sep		110.4	0.2	3.2	2.0	1.4	4.3	1.0	7.5	3.8	2.9	93.2	-10.4
Oct		111.5	1.0	3.6	3.1	1.8	4.0	1.3	11.6	3.6	2.9	100.4	-5.1
Nov		111.8	0.3	3.5	3.3	2.3	4.1	1.2	9.9	3.8	2.9	104.8	-0.4
Dec		111.7	-0.1	3.2	3.2	1.8	4.1	1.2	7.6	3.8	2.9	111.3	2.5
05 Jan		110.8	-0.8	3.1	-0.8	2.3	4.2	1.0	6.1	3.8	2.8	115.2	8.4
Feb		111.0	0.3	3.3	-0.6	3.5	3.8	0.9	7.6	3.9	2.8	120.5	12.2
Mar		111.9	0.8	3.4	0.2	2.9	4.0	1.0	8.2	4.0	2.9	126.5	13.2
Apr		113.5	1.4	3.5	1.6	3.8	4.3	1.0	9.6	3.5	2.8	...	...
May		113.7	0.2	3.1	1.8	3.0	3.4	0.9	6.8	3.8	2.6	...	...
Jun		114.0	0.2	3.1	2.1	3.4	3.2	0.8	8.2	3.7	2.5	...	...

CONSUMER PRICE INDEX. TOTAL AND COMPONENTS  
Annual percentage changes



CONSUMER PRICE INDEX. COMPONENTS  
Annual percentage changes



Sources: INE, Ministerio de Agricultura, Pesca y Alimentación and BE.

Note: The underlying series for this indicator are in Tables 25.2 and 25.8 of the BE Boletín estadístico.

a. There is a break in January 2002 owing to the 2001 re-basing. There is no solution to this via the habitual legal links. Consequently, for the year 2002, the official rates of change cannot be obtained from the indices. The detailed methodological notes can be consulted on the INE Internet site ([www.ine.es](http://www.ine.es)).

b. For annual periods: average growth for each year on the previous year. c. For annual periods: December-on-December growth rate.

d. Index of non-energy processed goods and service prices. e. Official INE series from January 2002.

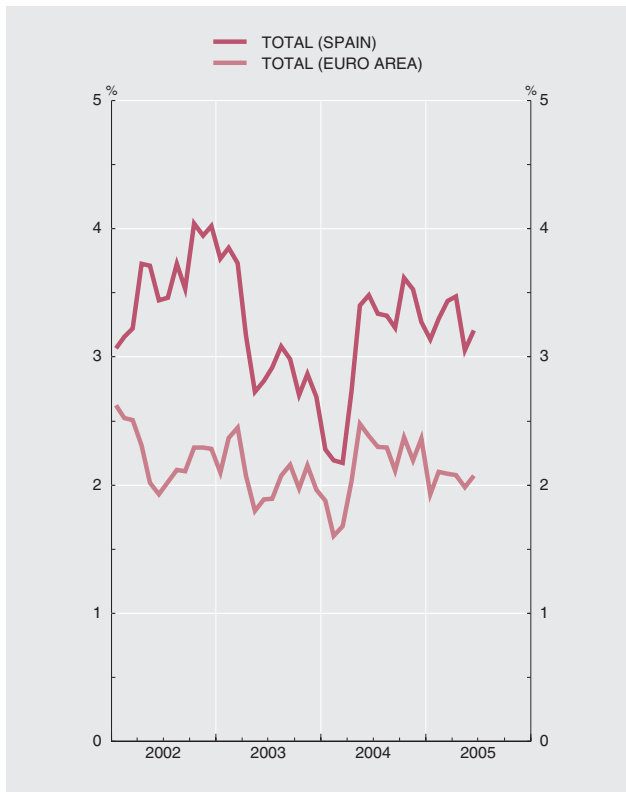
## 5.2. HARMONISED INDEX OF CONSUMER PRICES. SPAIN AND EURO AREA (1996=100) (a)

■ Series depicted in chart.

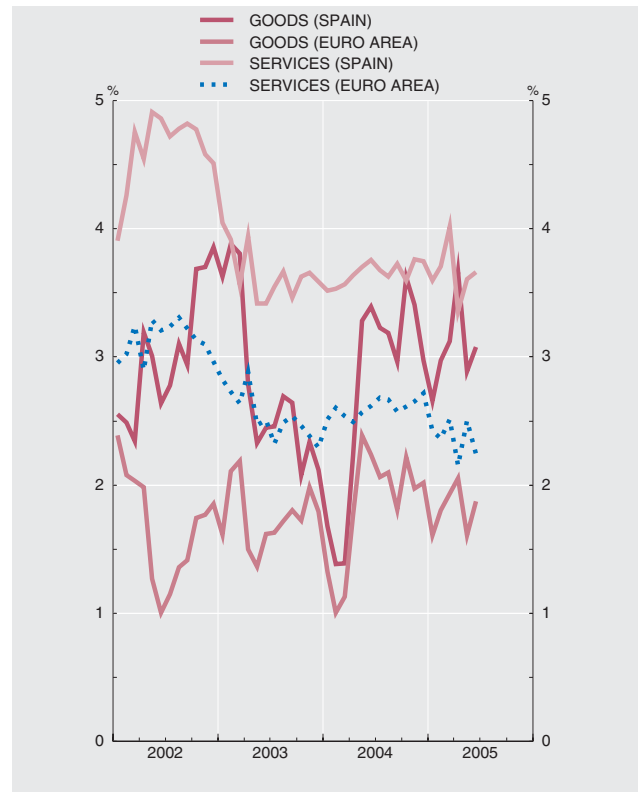
Annual percentage changes

		Total		Goods												Services				
		Spain	Euro area	Spain	Euro area	Food						Industrial						Spain	Euro area	
						Total		Processed		Unprocessed		Spain	Euro area	Non-energy		Energy				
						Spain	Euro area	Spain	Euro area	Spain	Euro area			Spain	Euro area	Spain	Euro area			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18			
02	M	3.6	2.3	3.0	1.7	4.8	3.1	4.9	3.1	4.7	3.1	1.9	1.0	2.6	1.5	-0.2	-0.6	4.6	3.1	
03	M	3.1	2.1	2.8	1.8	4.0	2.8	3.5	3.3	4.6	2.1	2.0	1.2	2.2	0.8	1.3	3.0	3.7	2.5	
04	M	3.1	2.1	2.7	1.8	3.9	2.3	4.2	3.4	3.7	0.6	2.0	1.6	1.0	0.8	4.8	4.5	3.7	2.6	
04	J-J	M	2.7	2.0	2.2	1.6	4.2	3.0	3.8	3.7	4.5	1.8	1.0	1.0	0.9	0.8	1.4	1.6	3.6	2.6
05	J-J	MP	3.3	2.0	3.1	1.8	3.6	1.4	3.7	2.0	3.5	0.6	2.6	2.0	0.9	0.3	8.0	8.2	3.7	2.4
04	Mar		2.2	1.7	1.4	1.1	3.7	3.1	3.2	4.1	4.4	1.7	-0.1	0.1	0.6	0.7	-2.5	-2.0	3.6	2.5
	Apr		2.7	2.0	2.2	1.8	4.2	2.9	3.6	3.9	4.7	1.6	1.0	1.2	0.9	1.0	1.5	2.0	3.6	2.5
	May		3.4	2.5	3.3	2.4	4.8	3.1	4.7	3.9	4.9	1.7	2.3	2.1	1.0	0.9	6.6	6.7	3.7	2.6
	Jun		3.5	2.4	3.4	2.2	4.8	2.8	4.9	3.8	4.7	1.2	2.5	2.0	1.1	0.9	7.2	5.9	3.8	2.6
	Jul		3.3	2.3	3.2	2.1	4.6	2.6	4.9	3.8	4.3	0.7	2.3	1.8	0.9	0.7	6.6	5.9	3.7	2.7
	Aug		3.3	2.3	3.2	2.1	4.1	2.1	4.8	3.6	3.4	-0.2	2.6	2.1	1.1	0.9	7.0	6.5	3.6	2.7
	Sep		3.2	2.1	3.0	1.8	3.3	1.4	4.7	3.3	1.9	-1.5	2.7	2.0	1.1	0.8	7.5	6.4	3.7	2.6
	Oct		3.6	2.4	3.6	2.2	3.3	1.2	4.4	2.8	2.2	-1.2	3.8	2.7	1.4	0.8	11.6	9.8	3.6	2.6
	Nov		3.5	2.2	3.4	2.0	3.5	1.0	4.2	2.3	2.7	-1.0	3.4	2.5	1.3	0.8	9.9	8.7	3.8	2.7
	Dec		3.3	2.4	3.0	2.0	3.3	2.0	4.2	3.2	2.4	-	2.7	2.0	1.3	0.8	7.6	6.9	3.7	2.7
05	Jan		3.1	1.9	2.7	1.6	3.5	1.5	4.1	2.8	2.9	-0.6	1.9	1.7	0.7	0.5	5.7	6.2	3.6	2.4
	Feb		3.3	2.1	3.0	1.8	3.7	1.9	3.6	2.6	3.8	0.7	2.3	1.8	0.7	0.2	7.5	7.7	3.7	2.4
	Mar		3.4	2.1	3.1	1.9	3.6	1.5	3.7	1.6	3.4	1.3	2.7	2.2	0.9	0.4	8.4	8.8	4.0	2.5
	Apr		3.5	2.1	3.7	2.1	4.2	1.3	4.4	1.7	4.0	0.8	3.3	2.4	1.1	0.3	10.1	10.2	3.4	2.2
	May		3.0	2.0	2.9	1.6	3.4	1.3	3.3	1.5	3.5	1.0	2.6	1.8	1.1	0.4	7.2	6.9	3.6	2.5
	Jun	P	3.2	2.1	3.1	1.9	3.3	1.2	3.2	1.5	3.5	0.6	2.9	2.2	1.0	0.3	8.9	9.4	3.7	2.2

HARMONISED INDEX OF CONSUMER PRICES. TOTAL  
Annual percentage changes



HARMONISED INDEX OF CONSUMER PRICES. COMPONENTS  
Annual percentage changes



Source: Eurostat.

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

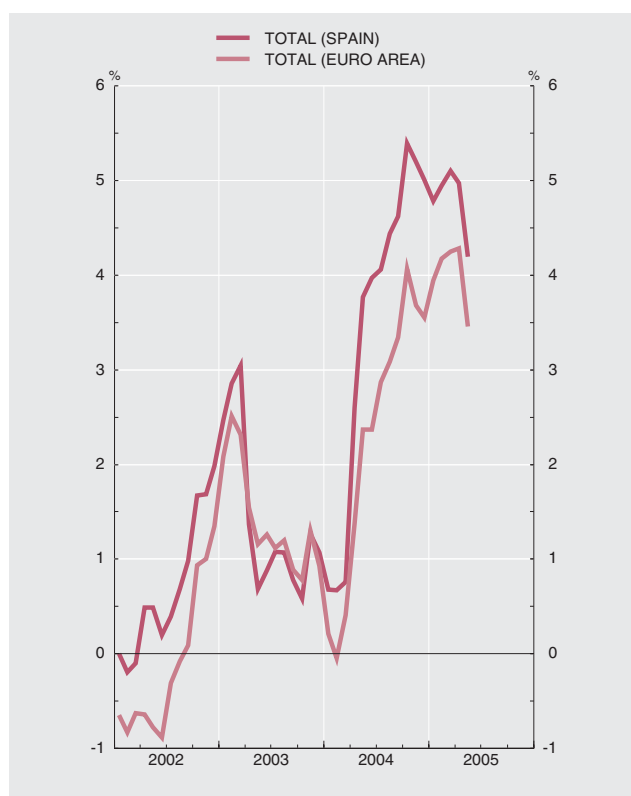
### 5.3. PRODUCER PRICE INDEX. SPAIN AND EURO AREA (a)

■ Series depicted in chart.

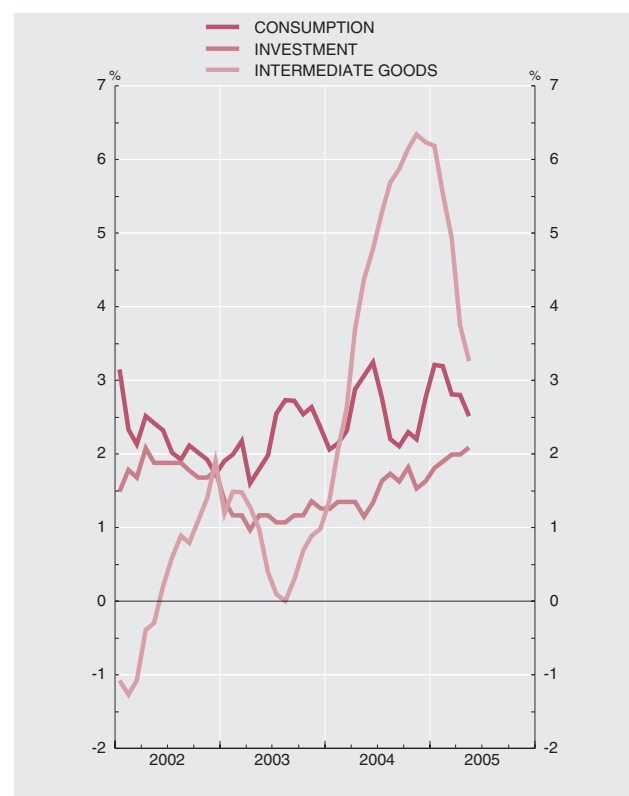
Annual percentage changes

		Total (100%)		Consumption (32.1%)		Investment (18.3%)		Intermediate (31.6%)		Energy (18.0%)		Memorandum item: euro area						
		Original series	Month-on-month % change	12-month % change	Month-on-month % change	12-month % change	Month-on-month % change	12-month % change	Month-on-month % change	12-month % change	Month-on-month % change	12-month % change	Total 12-month % change	Consumption	Investment	Intermediate	Energy	
														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			
02	MP	102.4	-	0.7	-	2.2	-	1.8	-	0.2	-	-1.3	-0.1	1.0	0.9	-0.3	-2.3	
03	MP	103.9	-	1.4	-	2.3	-	1.2	-	0.8	-	1.3	1.4	1.1	0.3	0.8	3.8	
04	MP	107.4	-	3.4	-	2.5	-	1.5	-	4.5	-	5.3	2.3	1.3	0.7	3.5	3.9	
04	J-M	MP	105.9	-	1.7	-	2.5	-	1.3	-	2.8	-	-1.4	0.9	1.3	0.4	1.6	-0.2
05	J-M	MP	110.9	-	4.8	-	2.9	-	2.0	-	4.7	-	11.7	4.0	1.0	1.6	4.4	10.6
04	Feb	P	105.1	0.6	0.7	0.5	2.1	0.3	1.3	1.2	2.0	-0.5	-5.4	-0.0	1.0	0.3	0.9	-3.5
	Mar	P	105.8	0.7	0.8	0.7	2.3	0.1	1.3	0.8	2.6	1.5	-5.6	0.4	1.5	0.3	1.5	-2.8
	Apr	P	106.6	0.8	2.6	0.4	2.9	0.1	1.3	1.1	3.7	1.3	1.4	1.5	0.5	2.3	1.2	
	May	P	107.3	0.7	3.8	0.4	3.1	-	1.2	0.6	4.4	2.3	7.2	2.4	1.4	0.6	2.9	5.5
	Jun	P	107.4	0.1	4.0	0.3	3.2	0.2	1.3	-	4.8	-0.3	7.1	2.4	1.6	0.7	3.3	4.5
	Jul	P	107.7	0.3	4.1	0.2	2.8	0.2	1.6	0.2	5.3	0.8	7.2	2.9	1.6	0.9	4.3	5.3
	Aug	P	108.3	0.6	4.4	-0.2	2.2	0.1	1.7	0.3	5.7	2.6	9.0	3.1	1.4	0.9	4.8	5.6
	Sep	P	108.6	0.3	4.6	0.1	2.1	-	1.6	0.4	5.9	1.2	11.0	3.3	1.2	0.9	5.0	7.3
	Oct	P	109.4	0.7	5.4	-0.1	2.3	0.2	1.8	0.5	6.2	3.1	14.2	4.1	1.1	1.1	5.5	10.1
	Nov	P	109.3	-0.1	5.2	-0.1	2.2	-	1.5	0.3	6.3	-0.9	12.6	3.7	1.0	1.1	5.5	8.3
	Dec	P	109.0	-0.3	5.0	0.3	2.8	0.1	1.6	-	6.2	-2.1	10.7	3.6	1.5	1.3	5.4	7.0
05	Jan	P	109.5	0.5	4.8	0.8	3.2	0.6	1.8	0.8	6.2	-0.5	8.8	3.9	1.3	1.6	5.5	8.4
	Feb	P	110.3	0.7	4.9	0.4	3.2	0.4	1.9	0.5	5.5	1.5	11.0	4.2	1.3	1.7	5.2	10.0
	Mar	P	111.2	0.8	5.1	0.4	2.8	0.2	2.0	0.2	4.9	3.4	13.1	4.3	0.9	1.7	4.5	11.8
	Apr	P	111.9	0.6	5.0	0.4	2.8	0.1	2.0	-	3.7	2.6	14.5	4.3	0.8	1.5	3.7	13.2
	May	P	111.8	-0.1	4.2	0.1	2.5	0.1	2.1	0.1	3.3	-0.8	11.0	3.5	0.9	1.5	3.0	9.7

PRODUCER PRICE INDEX. TOTAL  
Annual percentage changes



PRODUCER PRICE INDEX. COMPONENTS  
Annual percentage changes



Sources: INE and ECB.

Note: The underlying series for this indicator, for Spain, are in Table 25.3 of the BE Boletín estadístico.

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

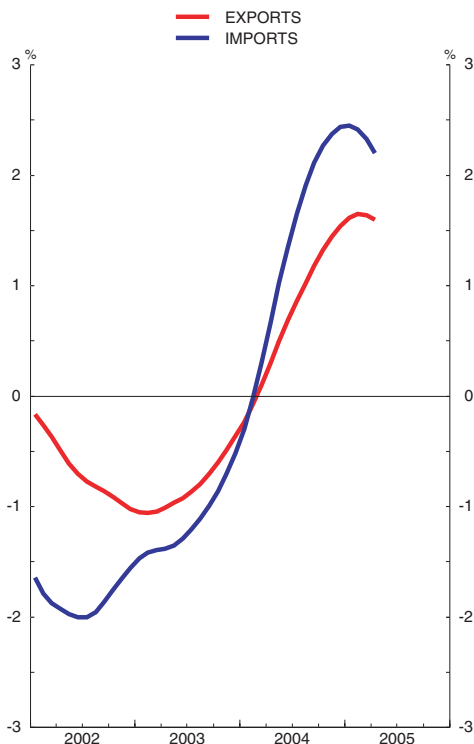
#### 5.4. UNIT VALUE INDICES FOR SPANISH FOREIGN TRADE

■ Series depicted in chart.

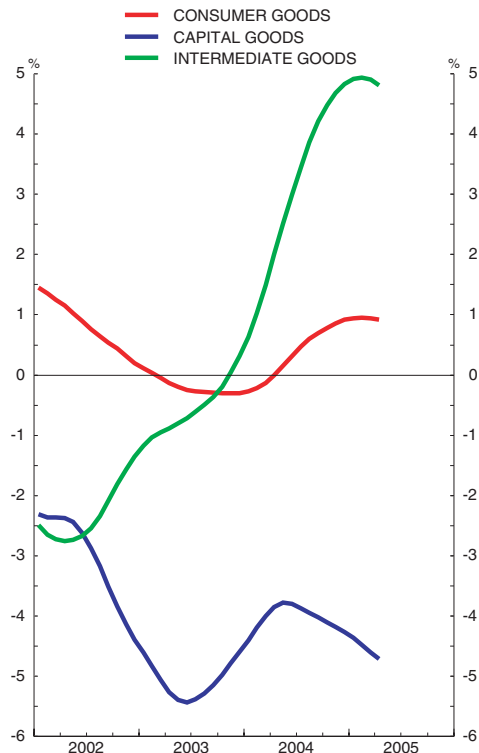
Annual percentage changes

	Exports/dispatches						Imports/arrivals					
	Total	Consumer goods	Capital goods	Intermediate goods			Total	Consumer goods	Capital goods	Intermediate goods		
				Total	Energy	Non-energy				Total	Energy	Non-energy
1	2	3	4	5	6	7	8	9	10	11	12	
<b>02</b>	-1.0	0.4	1.0	-2.3	-5.0	-2.1	-3.1	-0.0	-2.5	-4.3	-6.7	-3.6
<b>03</b>	-1.5	0.0	-9.6	-1.2	-1.7	-1.1	-1.3	-0.1	-7.3	-0.7	0.7	-1.1
<b>04</b>	1.0	-0.0	-0.6	2.1	12.3	1.6	2.4	0.5	-2.0	4.5	11.2	3.3
<b>04 J-A</b>	-1.6	-1.8	-4.4	-0.7	-7.9	-0.3	-2.4	-3.2	-0.7	-2.2	-9.4	-0.5
<b>05 J-A</b>	4.5	2.5	2.5	6.4	34.3	5.0	5.1	2.0	-4.7	8.8	25.1	5.3
<b>03 Nov</b>	-0.7	0.9	-5.1	-1.4	-7.6	-1.0	-2.3	-0.7	-1.4	-3.2	-3.0	-3.1
<b>Dec</b>	0.1	2.5	-11.1	0.7	-2.8	0.9	-2.9	-1.8	-8.6	-2.3	-5.9	-1.4
<b>04 Jan</b>	-3.0	-2.8	-8.2	-1.9	1.2	-2.1	-4.1	-2.1	-3.4	-4.9	-11.7	-3.0
<b>Feb</b>	-2.7	-3.7	-2.5	-1.7	-19.4	-0.7	-4.3	-5.0	-3.0	-4.0	-12.8	-2.1
<b>Mar</b>	0.2	-0.1	-6.7	1.9	-8.4	2.4	-1.6	-1.2	-1.5	-1.6	-12.0	0.7
<b>Apr</b>	-0.9	-0.7	-0.1	-1.1	-5.6	-0.7	0.2	-4.5	5.1	1.7	-0.9	2.3
<b>May</b>	1.8	3.5	1.3	0.5	-0.5	0.5	5.6	2.9	5.1	7.0	16.7	5.4
<b>Jun</b>	3.0	2.2	4.8	3.2	19.3	2.4	1.4	-2.9	3.2	3.3	16.3	1.1
<b>Jul</b>	0.5	-1.7	-1.9	2.8	29.0	1.6	3.8	5.0	-9.8	6.4	17.0	4.1
<b>Aug</b>	2.0	-0.9	2.8	3.9	15.9	3.0	6.8	4.4	-1.8	9.9	20.9	6.9
<b>Sep</b>	1.0	0.1	-2.3	2.2	23.8	1.0	5.4	0.8	-3.1	9.6	21.5	6.9
<b>Oct</b>	3.9	4.2	5.2	3.6	34.6	1.9	5.2	1.7	-7.3	9.7	30.9	5.8
<b>Nov</b>	3.5	0.9	0.5	6.6	33.1	5.3	4.6	1.8	-3.0	7.5	27.4	3.6
<b>Dec</b>	2.2	-1.4	0.2	5.2	23.8	4.1	5.8	4.2	-3.7	9.4	19.9	7.1
<b>05 Jan</b>	5.1	2.7	-0.5	7.8	35.5	6.3	5.0	3.4	-1.6	7.2	16.7	4.8
<b>Feb</b>	5.4	4.2	6.9	6.1	40.8	4.6	5.4	1.0	-1.9	9.3	23.2	6.5
<b>Mar</b>	4.8	4.4	2.8	5.4	25.1	4.4	5.3	2.6	-7.6	9.7	27.8	5.6
<b>Apr</b>	2.7	-1.2	1.0	6.2	36.6	4.7	4.6	0.8	-7.5	9.1	32.8	4.2

EXPORT AND IMPORT UNIT VALUE INDICES (a)



IMPORT UNIT VALUE INDICES BY PRODUCT GROUP (a)



FUENTES: ME y BE.

Nota: Las series de base de este indicador figuran en el Boletín Estadístico del Banco de España, capítulo 17, cuadros 6 y 7.

a. Tasas de variación interanual (tendencia obtenida con TRAMO-SEATS).

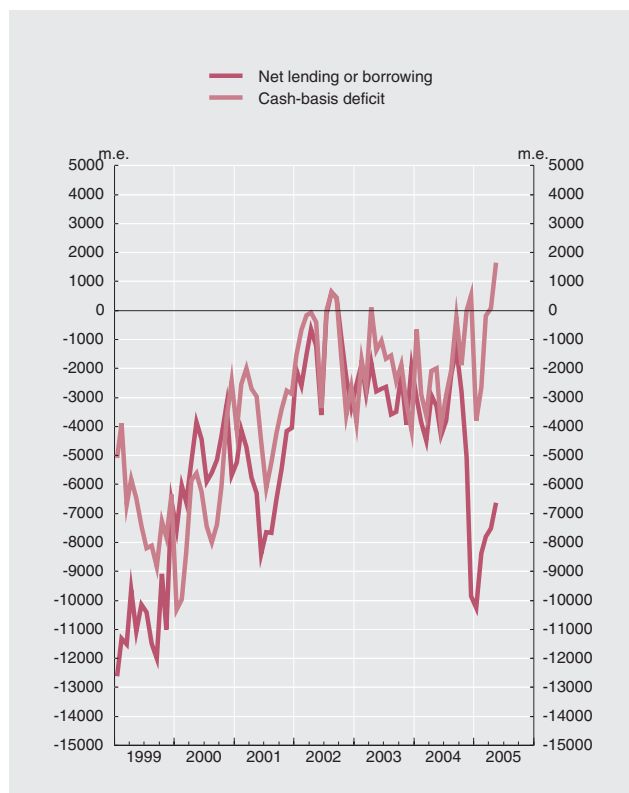
## 6.1. STATE RESOURCES AND USES ACCORDING TO THE NATIONAL ACCOUNTS (A). SPAIN

■ Series depicted in chart.

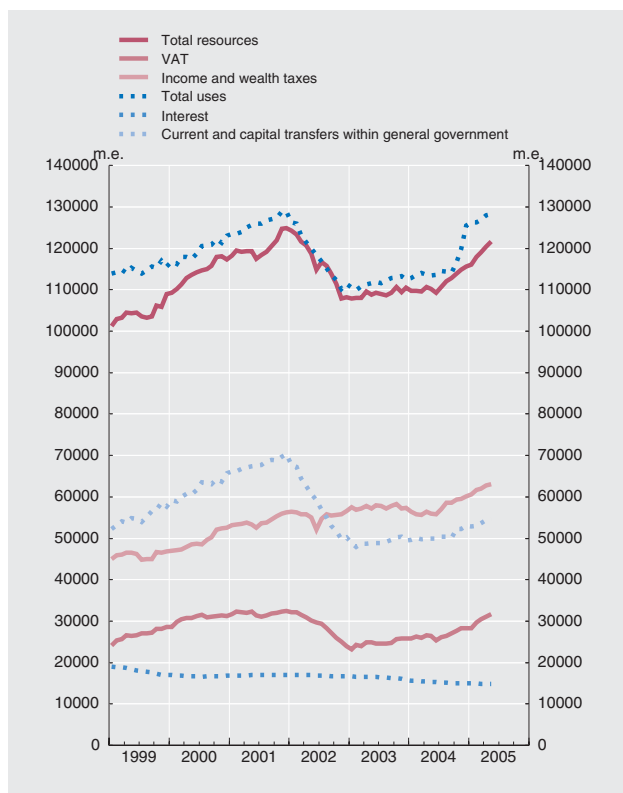
EUR millions

		Current and capital resources						Current and capital uses						Memorandum item: cash-basis deficit				
		Net lending (+) or borrowing (-)	Total	Value added tax (VAT)	Other taxes on products and imports	Interest and other income on property	Income and wealth taxes	Other	Total	Compensation of employees	Interest	Current and capital transfers within general government	Investment grants and other capital transfers	Other	Cash-basis deficit	Revenue	Expenditure	
																		1=2-8
99		-6 585	109 009	28 574	16 408	5 877	46 886	11 264	115 594	17 363	16 959	57 721	3 034	20 517	-6 354	110 370	116 724	
00		-5 675	117 346	31 262	17 171	5 210	52 526	11 177	123 021	15 806	16 809	65 703	3 705	20 998	-2 431	118 693	121 124	
01		-4 046	124 838	32 433	17 838	6 913	56 267	11 387	128 884	16 067	17 030	70 319	3 379	22 089	-2 884	125 193	128 077	
02	P	-3 336	108 150	24 005	11 431	5 319	56 616	10 779	111 486	16 978	16 666	50 217	3 318	24 307	-2 626	108 456	111 082	
03	A	-1 937	110 544	25 764	10 918	5 029	57 415	11 418	112 481	17 670	15 806	49 406	2 695	26 904	-4 132	109 655	113 787	
04	A	-9 863	115 683	28 230	10 991	4 588	60 063	11 811	125 546	18 866	15 005	52 995	7 519	31 161	527	115 270	114 743	
04	J-M	A	3 980	46 490	16 261	4 434	1 890	19 903	4 002	42 510	6 815	6 293	19 248	948	9 206	2 370	46 889	44 518
05	J-M	A	7 215	52 533	19 741	4 539	1 423	22 934	3 896	45 318	7 196	6 054	20 952	853	10 263	3 489	53 369	49 880
04	Jun	A	-9 147	1 517	-1 486	1 103	145	297	1 458	10 664	2 372	1 226	4 585	272	2 209	-9 107	782	9 889
	Jul	A	5 689	15 047	4 757	803	178	9 020	289	9 358	1 437	1 291	4 456	135	2 039	2 708	15 824	13 117
	Aug	A	-86	7 906	-1 613	895	278	7 771	575	7 992	1 360	1 242	3 651	100	1 639	92	7 290	7 198
	Sep	A	409	8 928	3 049	1 088	161	3 541	1 089	8 519	1 434	1 213	3 746	228	1 898	1 424	8 808	7 384
	Oct	A	6 833	18 696	5 831	749	181	11 631	304	11 863	1 385	1 275	7 094	264	1 845	5 622	18 605	12 983
	Nov	A	-5 696	7 413	1 340	881	615	3 183	1 394	13 109	1 530	1 210	4 368	3 851	2 150	113	7 787	7 674
	Dec	A	-11 845	9 686	91	1 038	1 140	4 717	2 700	21 531	2 533	1 255	5 847	1 721	10 175	-2 696	9 285	11 981
05	Jan	A	83	8 142	-797	888	239	7 182	630	8 059	1 292	1 281	3 208	3	2 275	-6 812	9 956	16 768
	Feb	A	8 249	17 055	12 341	851	183	2 987	693	8 806	1 308	1 150	4 318	63	1 967	6 784	15 623	8 840
	Mar	A	-5 192	4 971	1 153	811	186	1 880	941	10 163	1 572	1 195	4 761	441	2 194	-2 983	5 439	8 422
	Apr	A	9 277	18 654	6 263	966	238	10 477	710	9 377	1 590	1 211	4 539	154	1 883	10 150	18 510	8 360
	May	A	-5 202	3 711	781	1 023	577	408	922	8 913	1 434	1 217	4 126	192	1 944	-3 651	3 840	7 491

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



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



Source: Ministerio de Economía y Hacienda (IGAE).

(a) Except in interest rate swaps, where the EDP criterion is followed. That is to say, the net outcome of these transactions is considered to be interest and not financial transactions (the ESA 95 criterion), whereby they influence the calculation of net lending or borrowing.

## 6.2. STATE FINANCIAL TRANSACTIONS (A). SPAIN

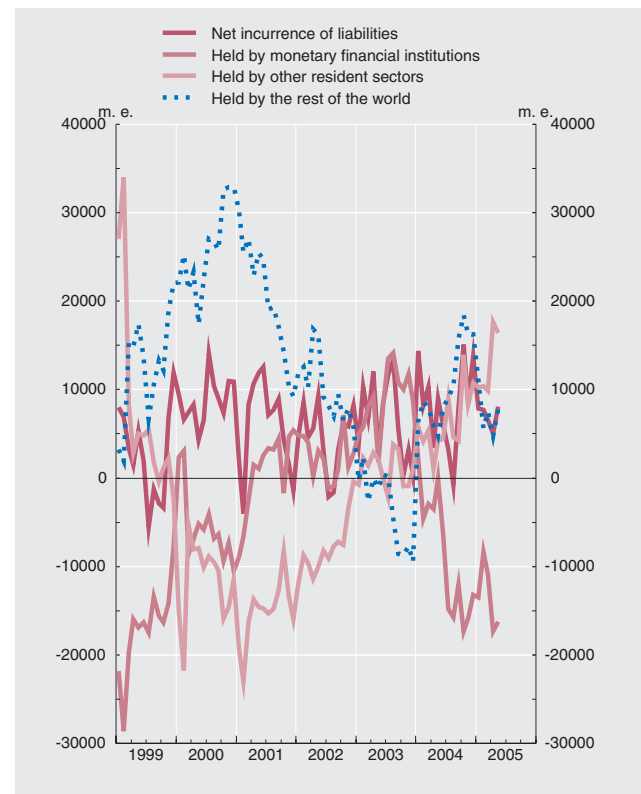
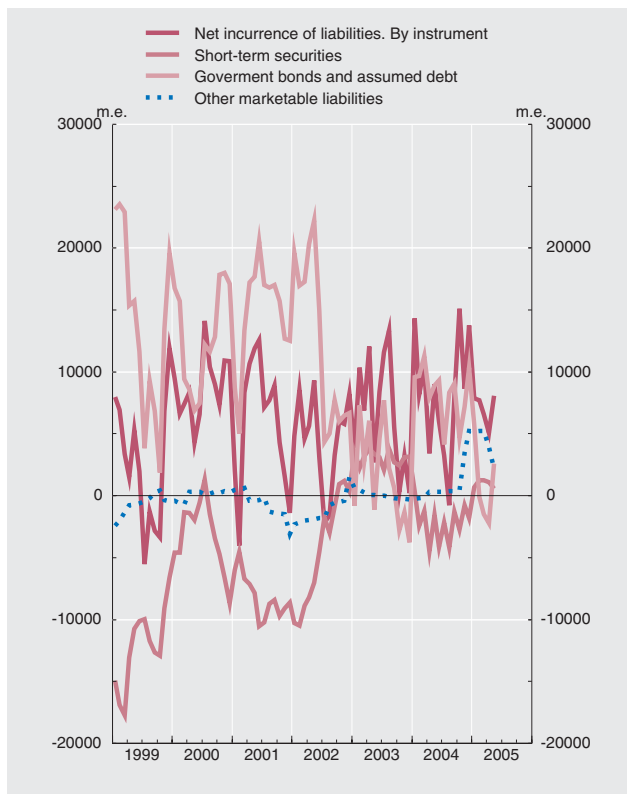
■ Series depicted in chart.

EUR millions

	Net lending (+) or net borrowing(-)	Net acquisition of financial assets		Net incurrence of liabilities										Net incurrence of liabilities (excluding other accounts payable)			
		Total	Of which	Total	Of which	By instrument					By counterpart sector						
						Deposits at the Banco de España	In currencies other than the peseta/euro	Short-term securities	Government bonds and assumed debt	Banco de España loans	Other marketable liabilities (b)	Other accounts payable	Held by resident sectors			Rest of the world	
													Total		Monetary financial institutions		Other resident sectors
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15			
99	-6 585	5 337	4 574	11 922	209	-6 629	19 592	-499	-446	-96	-10 103	-7 734	-2 369	22 026	12 018		
00	-5 675	5 191	5 690	10 866	1 162	-8 683	17 127	-499	283	2 638	-22 058	-10 554	-11 504	32 924	8 228		
01	-4 046	-5 445	-20 141	-1 399	803	-8 616	12 521	-499	-3 101	-1 704	-10 605	5 387	-15 992	9 206	305		
02	P	-3 336	4 872	-95	8 208	-888	346	6 655	-486	1 488	2 422	2 798	-375	5 785	8 002		
03	A	-1 937	-1 699	0	238	-135	3 146	-3 761	-486	-281	1 620	9 710	8 664	1 047	-9 472	-1 381	
04	A	-9 863	3 896	-0	13 759	-660	-1 813	10 356	-486	5 204	498	-2 488	-13 231	10 743	16 247	13 261	
04	J-M	A	3 980	13 319	0	9 339	-895	-1 737	10 920	-	272	-116	-2 697	-6 201	3 505	12 036	9 455
05	J-M	A	7 215	10 857	-0	3 642	-2 334	665	3 171	-	-2 769	2 574	-21	-9 190	9 170	3 662	1 067
04	Jun	A	-9 147	-7 328	-1	1 819	31	-2 882	5 038	-	58	-394	-81	325	-406	1 900	2 213
	Jul	A	5 689	-2 705	0	-8 394	-1 224	2 877	-12 939	-	-9	1 677	-7 516	-7 675	159	-878	-10 071
	Aug	A	-86	-2 854	-0	-2 768	19	-2 735	1 146	-	13	-1 193	-154	-1 861	1 706	-2 614	-1 575
	Sep	A	409	9 576	1	9 167	-15	2 883	5 232	-	3	1 049	2 904	3 572	-668	6 264	8 118
	Oct	A	6 833	9 506	12 897	2 673	1 206	-1 534	-7 868	-	0	12 074	169	-6 632	6 801	2 504	-9 401
	Nov	A	-5 696	-8 594	-12 897	-2 898	22	2 738	5 434	-	3 052	-14 121	-1 130	3 824	-4 955	-1 767	11 224
	Dec	A	-11 845	-7 025	-0	4 820	196	-1 423	3 393	-486	1 815	1 522	6 018	1 417	4 601	-1 198	3 298
05	Jan	A	83	-264	0	-347	-19	2 712	-2 202	-	-38	-820	-4 710	-4 511	-200	4 363	473
	Feb	A	8 249	4 830	-0	-3 419	-1 192	-3 174	-2 553	-	-10	2 317	-1 297	-838	-459	-2 122	-5 736
	Mar	A	-5 192	-1 876	0	3 316	-1 138	1 779	1 729	-	-32	-159	3 840	1 320	2 519	-524	3 475
	Apr	A	9 277	7 587	275	-1 690	-3	-2 662	2 045	-	-974	-99	-1 576	-5 345	3 769	-114	-1 591
	May	A	-5 202	580	-275	5 782	18	2 010	4 151	-	-1 715	1 336	3 723	183	3 540	2 059	4 446

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

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



Source: BE.

(a) Except in interest rate swaps, where the EDP criterion is followed. That is to say, the net outcome of these transactions is considered to be interest and not financial transactions (the ESA 95 criterion), whereby they influence the calculation of net lending or borrowing.

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

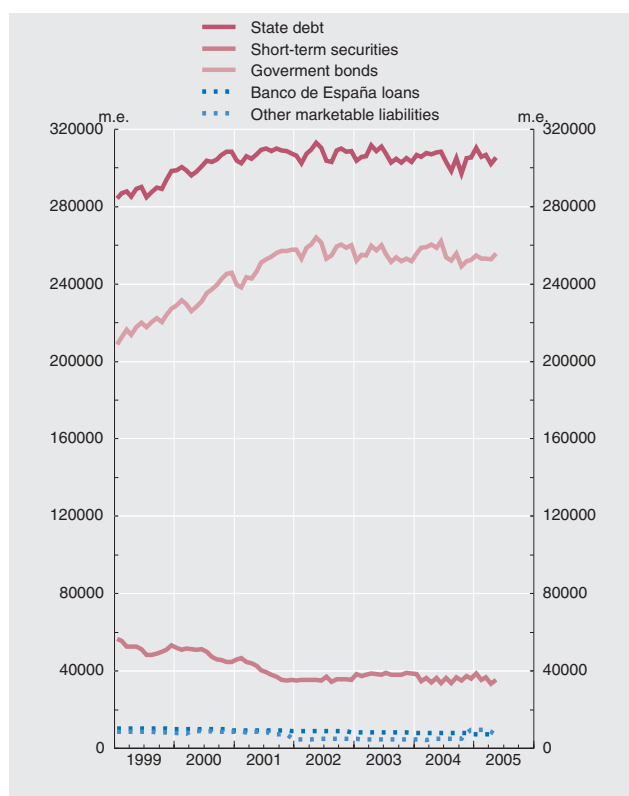
### 6.3. STATE: LIABILITIES OUTSTANDING. SPAIN

■ Series depicted in chart.

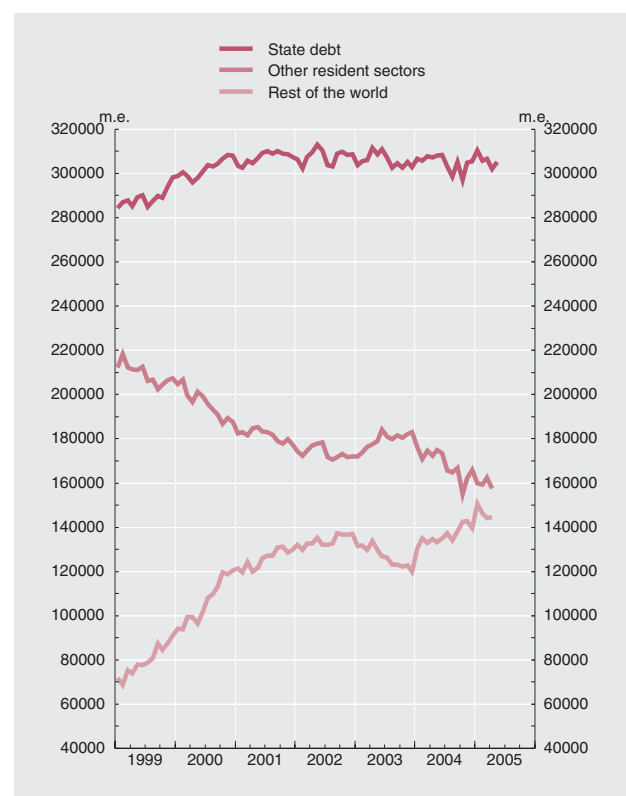
EUR millions

	Liabilities outstanding (excluding other accounts payable)										Memorandum item:		
	State debt according to the methodology of the excessive deficit procedure	of which	By instrument					By counterpart sector				Deposits at the Banco de España	Guarantees given (contingent liabilities). Outstanding level
			In currencies other than the peseta/euro	Short-term securities	Government bonds and assumed debt	Banco de España loans	Other marketable liabilities (a)	Held by resident sectors			Rest of the world		
								Total	General government	Other resident sectors			
1	2	3	4	5	6	7	8	9	10	11	12		
<b>96</b>	263 963	20 434	81 084	152 302	10 814	19 763	210 489	529	209 960	54 003	15 195	8 185	
<b>97</b>	274 168	23 270	71 730	180 566	10 578	11 295	211 530	445	211 085	63 083	9 829	7 251	
<b>98</b>	284 153	30 048	59 939	205 189	10 341	8 684	215 200	305	214 895	69 258	10 273	6 412	
<b>99</b>	298 378	7 189	53 142	227 157	9 843	8 236	207 458	150	207 308	91 070	14 846	5 310	
<b>00</b>	308 212	8 197	44 605	245 717	9 344	8 546	188 482	695	187 787	120 424	20 536	5 430	
<b>01</b>	307 434	7 611	35 428	257 721	8 845	5 440	179 118	1 474	177 644	129 791	395	5 460	
<b>02</b>	P 308 792	5 823	35 459	260 060	8 359	4 914	177 561	5 648	171 913	136 880	300	6 819	
<b>03</b>	P 302 968	5 105	38 704	251 827	7 873	4 564	192 399	9 460	182 940	120 029	300	6 821	
<b>04</b>													
<b>May</b>	A 308 093	5 192	36 491	258 883	7 873	4 846	188 249	13 457	174 792	133 301	300	6 531	
<b>Jun</b>	A 308 495	5 215	33 625	262 091	7 873	4 906	187 737	14 291	173 446	135 049	300	6 483	
<b>Jul</b>	A 303 060	4 068	36 497	253 794	7 873	4 895	179 555	13 793	165 761	137 298	300	6 449	
<b>Aug</b>	A 298 595	4 065	33 775	252 037	7 873	4 909	180 190	15 552	164 638	133 956	300	6 424	
<b>Sep</b>	A 305 080	3 958	36 659	255 647	7 873	4 900	182 721	15 773	166 948	138 132	300	6 304	
<b>Oct</b>	A 297 219	3 949	35 149	249 297	7 873	4 900	169 986	15 110	154 875	142 344	13 197	7 002	
<b>Nov</b>	A 304 910	3 869	37 333	251 761	7 873	7 942	179 510	17 240	162 270	142 640	300	7 227	
<b>Dec</b>	A 305 529	3 267	36 033	252 362	7 388	9 746	182 967	17 138	165 829	139 700	300	7 186	
<b>05</b>													
<b>Jan</b>	A 310 453	3 380	38 732	254 615	7 388	9 718	176 232	16 255	159 977	150 476	300	7 041	
<b>Feb</b>	A 305 643	3 313	35 550	253 052	7 388	9 653	175 449	16 152	159 297	146 346	300	7 032	
<b>Mar</b>	A 306 704	3 301	36 739	252 954	7 388	9 624	180 027	17 455	162 572	144 132	300	7 100	
<b>Apr</b>	A 302 020	3 343	33 380	252 749	7 388	8 504	177 401	19 784	157 617	144 403	575	6 987	
<b>May</b>	A 305 293	3 426	35 370	255 733	7 388	6 802	...	19 784	...	...	300	6 949	

#### STATE. LIABILITIES OUTSTANDING By instrument



#### STATE. LIABILITIES OUTSTANDING By counterpart sector



Source: BE.

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



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

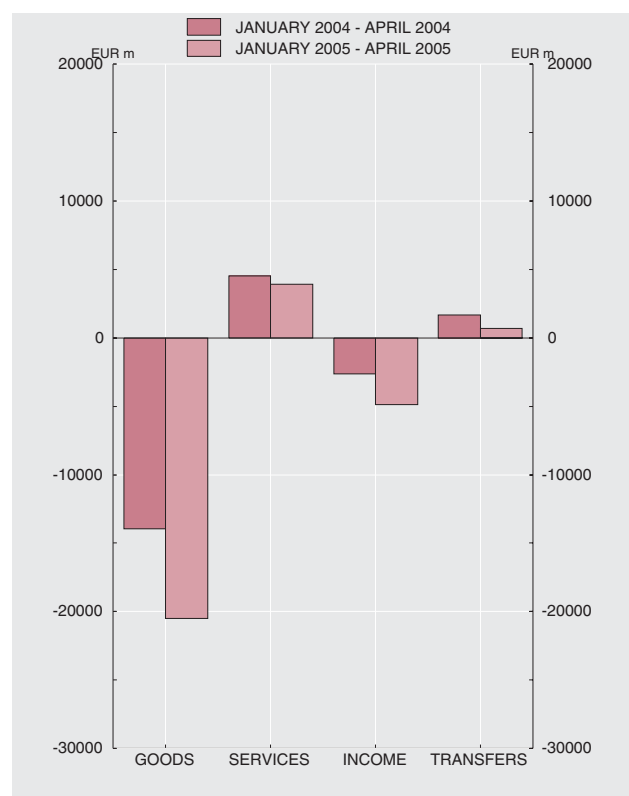
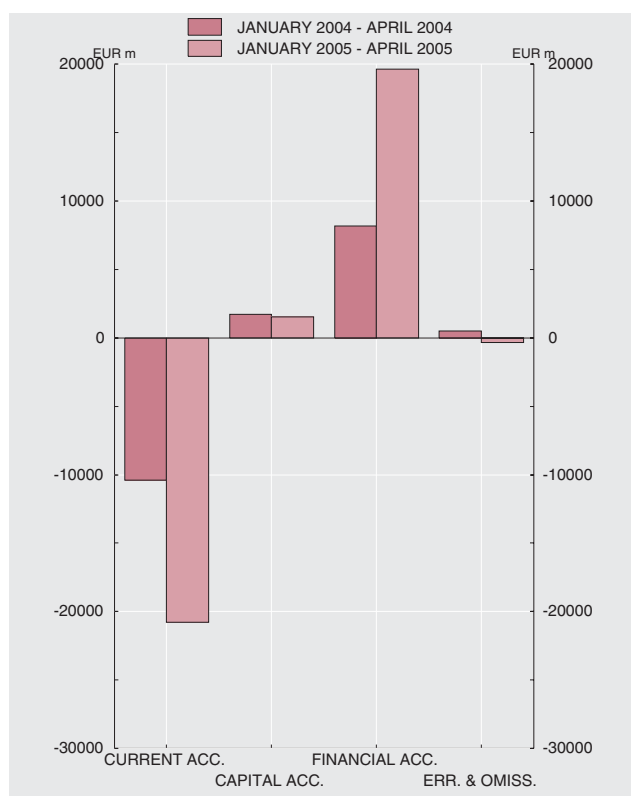
■ Series depicted in chart.

EUR millions

	Current account (a)													Capital account (balance)	Current account plus capital account (balance)	Financial account (balance) (b)	Errors and omissions (17=-(15+16))
	Total (balance)	Goods			Services				Income			Current transfers (balance)					
		Balance	Receipts	Payments	Balance	Receipts		Payments		Balance	Receipts		Payments				
						Of which		Of which									
						Total	Tourism and travel	Total	Tourism and travel								
1=2+5+10+13	2=3-4	3	4	5=6-8	6	7	8	9	10=-11-12	11	12	13	14	15=1+14	16	17=	
02	-23 815	-36 510	134 816	171 326	22 609	63 523	33 557	40 914	7 687	-12 301	22 288	34 589	2 387	7 662	-16 152	15 988	165
03	-27 910	-39 839	139 754	179 593	23 301	65 689	35 047	42 389	8 010	-11 604	22 570	34 173	232	8 165	-19 745	18 876	869
04	P -44 451	-52 937	148 106	201 043	22 231	68 387	36 376	46 156	9 772	-13 701	24 747	38 448	-44	8 548	-35 903	36 834	-931
04 J-A	P -10 405	-13 974	48 220	62 194	4 520	19 079	9 110	14 559	2 662	-2 619	8 151	10 770	1 669	1 732	-8 672	8 171	501
05 J-A	P -20 782	-20 520	49 884	70 404	3 916	19 177	8 889	15 261	3 370	-4 880	8 152	13 032	702	1 513	-19 269	19 620	-351
04 Jan	P -936	-2 947	10 829	13 776	1 218	4 714	2 312	3 496	694	-731	1 579	2 309	1 524	218	-717	1 517	-800
Feb	P -2 393	-3 165	11 665	14 830	1 029	4 404	2 071	3 376	668	-585	1 844	2 429	329	551	-1 842	2 028	-186
Mar	P -3 998	-3 623	13 227	16 850	1 060	5 072	2 408	4 012	719	-1 252	1 788	3 041	-182	411	-3 587	3 172	415
Apr	P -3 078	-4 239	12 499	16 738	1 214	4 889	2 318	3 675	581	-51	2 940	2 991	-2	552	-2 526	1 455	1 072
May	P -3 314	-4 079	12 851	16 930	2 112	5 633	2 936	3 521	599	-1 354	1 734	3 087	6	1 867	-1 447	1 104	343
Jun	P -4 935	-4 804	13 221	18 026	2 124	6 087	3 417	3 963	907	-2 055	2 708	4 763	-200	426	-4 509	4 667	-158
Jul	P -3 874	-4 400	13 017	17 417	2 881	7 251	4 308	4 370	1 013	-1 966	2 296	4 262	-389	595	-3 279	3 484	-204
Aug	P -2 433	-4 845	8 972	13 817	3 172	6 976	4 616	3 804	998	-843	1 413	2 256	83	1 218	-1 214	1 706	-492
Sep	P -4 843	-5 556	12 239	17 795	2 701	6 622	3 956	3 921	948	-1 551	1 611	3 162	-436	310	-4 533	4 358	175
Oct	P -3 562	-4 761	13 148	17 909	2 458	6 444	3 622	3 986	945	-785	2 001	2 786	-474	306	-3 256	4 524	-1 268
Nov	P -4 951	-4 979	13 948	18 928	1 249	5 137	2 352	3 888	897	-743	2 464	3 207	-477	416	-4 535	4 863	-328
Dec	P -6 134	-5 538	12 489	18 027	1 015	5 159	2 059	4 144	803	-1 783	2 371	4 155	172	1 677	-4 457	3 958	500
05 Jan	P -4 439	-4 651	11 028	15 679	1 342	5 023	2 485	3 681	860	-1 313	1 855	3 168	182	511	-3 928	4 591	-663
Feb	P -3 769	-4 455	12 270	16 725	964	4 546	2 069	3 582	832	-1 261	1 379	2 640	983	139	-3 630	4 133	-503
Mar	P -6 560	-5 631	13 028	18 658	743	4 861	2 184	4 118	958	-1 541	2 118	3 659	-132	555	-6 005	4 713	1 292
Apr	P -6 014	-5 783	13 558	19 342	866	4 747	2 151	3 880	719	-766	2 799	3 565	-331	308	-5 706	6 183	-478

### SUMMARY

### CURRENT ACCOUNT



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

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

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

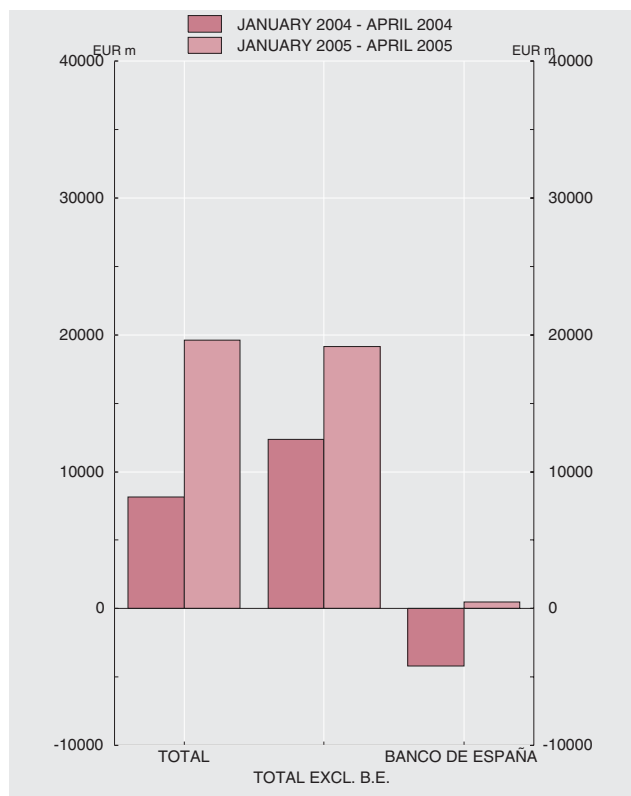
## 7.2. THE SPANISH BALANCE OF PAYMENTS VIS-à-VIS OTHER EURO AREA RESIDENTS AND THE REST OF THE WORLD. FINANCIAL ACCOUNT (a)

■ Series depicted in chart.

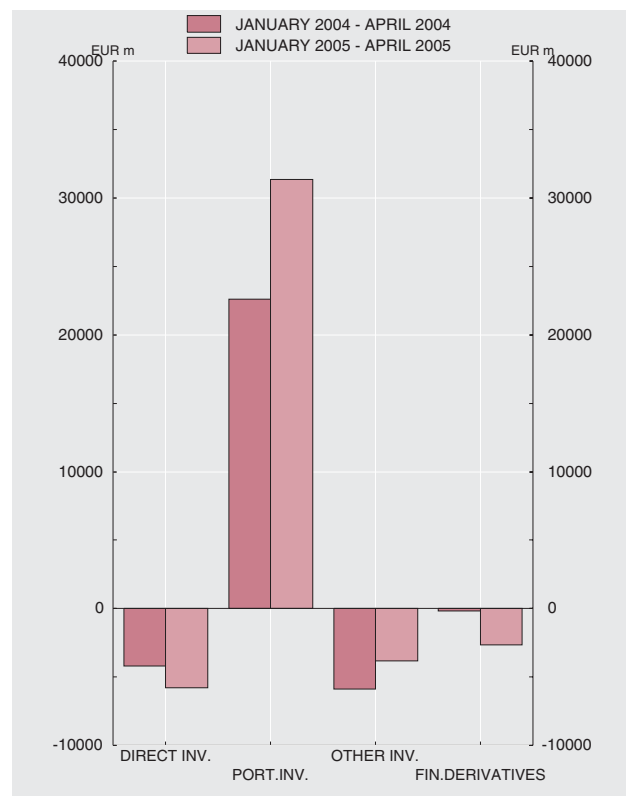
EUR millions

Financial account (NCL- NCA)	Total, excluding Banco de España											Banco de España					
	Total (NCL- NCA)	Direct investment			Portfolio investment			Other investment (d)			Net financial derivatives (NCL- NCA)	Balance (NCL- NCA)	Re- serves (e)	Claims with the Euro- system (e)	Other net assets (NCL- NCA)		
		Balance (NCL- NCA)	Spanish invest- ment abroad (NCA)	Foreign invest- ment in Spain (NCL) (b)	Balance (NCL- NCA)	Spanish invest- ment abroad (NCA)	Foreign invest- ment in Spain (NCL) (c)	Balance (NCL- NCA)	Spanish invest- ment abroad (NCA)	Foreign invest- ment in Spain (NCL)							
	1= 2+13	2=3+6+ 9+12	3=5-4	4	5	6=8-7	7	8	9=11-10	10	11	12	13=14+ 15+16	14	15	16	
02	15 988	12 427	6 905	34 761	41 666	4 726	31 173	35 899	5 712	30 790	36 502	-4 916	3 561	-3 630	6 506	685	
03	18 876	17 301	-1 421	24 392	22 971	-26 592	65 634	39 042	48 749	15 973	64 722	-3 435	1 575	13 626	4 382	-16 433	
04	36 834	50 844	-26 345	39 825	13 480	85 805	24 981	110 786	-9 777	27 310	17 533	1 161	-14 010	5 147	-13 760	-5 397	
04 J-A	P	8 171	12 383	-4 181	5 813	1 633	22 625	13 356	35 981	-5 867	16 988	11 121	-194	-4 212	4 355	-4 288	-4 279
05 J-A	P	19 620	19 129	-5 772	11 390	5 618	31 375	9 436	40 811	-3 832	27 311	23 479	-2 642	492	1 738	7 749	-8 996
04 Jan	P	1 517	8 629	-341	713	371	7 862	981	8 844	833	9 526	10 359	275	-7 111	1 320	-7 132	-1 299
Feb	P	2 028	-2 691	-323	-345	-668	13 538	1 071	14 609	-15 947	3 920	-12 028	41	4 719	1 393	4 690	-1 365
Mar	P	3 172	5 629	-5 313	4 051	-1 262	2 467	4 654	7 121	8 680	-4 438	4 242	-205	-2 458	921	-2 416	-963
Apr	P	1 455	816	1 797	1 394	3 191	-1 243	6 650	5 407	568	7 980	8 548	-305	638	720	570	-652
May	P	1 104	7 313	46	553	599	-6 650	7 172	522	13 610	-2 308	11 302	308	-6 209	-107	-6 473	370
Jun	P	4 667	3 439	-733	5 758	5 025	5 608	1 818	7 426	-1 614	5 763	4 149	178	1 228	182	970	76
Jul	P	3 484	9 883	-2 139	3 460	1 321	11 053	-202	10 851	1 011	-530	481	-42	-6 400	69	-6 330	-139
Aug	P	1 706	-6 080	-1 046	1 819	773	-1 798	2 149	351	-3 012	-370	-3 381	-224	7 786	28	7 650	108
Sep	P	4 358	-1 684	-1 174	798	-376	15 383	-5 092	10 291	-16 217	12 278	-3 939	324	6 041	219	6 117	-295
Oct	P	4 524	32 951	-3 131	3 304	173	10 381	3 207	13 587	25 373	-4 924	20 449	328	-28 426	344	-27 589	-1 181
Nov	P	4 863	-7 530	-12 531	13 526	995	20 724	1 696	22 420	-17 124	422	-16 701	1 401	12 393	12	13 138	-758
Dec	P	3 958	169	-1 457	4 794	3 337	8 479	877	9 356	-5 937	-10	-5 947	-917	3 789	44	3 045	700
05 Jan	P	4 591	2 190	-1 102	3 499	2 397	7 881	-1 201	6 680	-3 864	9 128	5 264	-726	2 401	94	2 351	-45
Feb	P	4 133	11 985	1 693	1 250	2 943	11 837	3 329	15 165	-1 900	6 294	4 394	355	-7 852	112	-5 202	-2 763
Mar	P	4 713	-1 997	-5 462	4 363	-1 099	8 427	5 239	13 665	-3 726	8 086	4 360	-1 236	6 710	1 343	9 579	-4 212
Apr	P	6 183	6 950	-902	2 279	1 377	3 231	2 069	5 301	5 657	3 803	9 461	-1 036	-767	189	1 021	-1 976

### FINANCIAL ACCOUNT



### FINANCIAL ACCOUNT, EXCLUDING BANCO DE ESPAÑA Breakdown



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

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

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

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

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

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

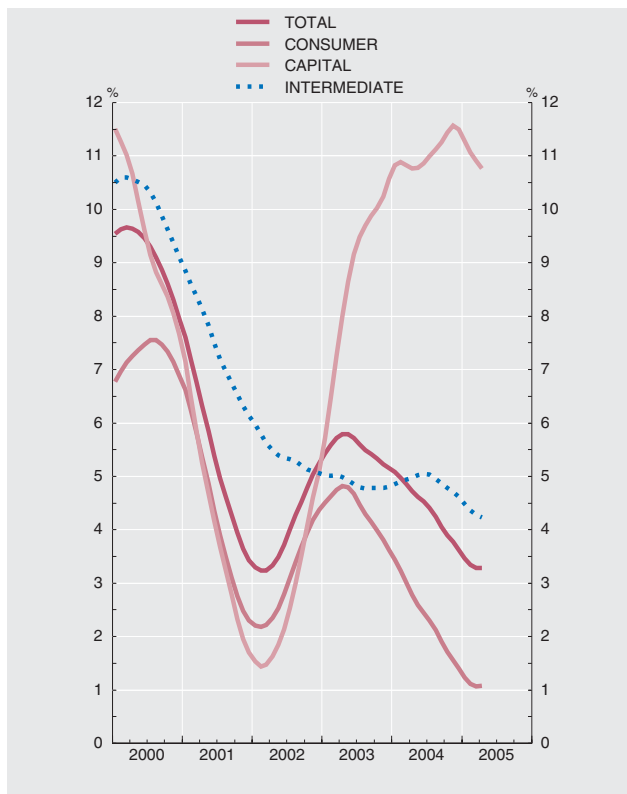
■ Series depicted in chart.

Eur millions and annual percentage changes

	Total			By product (deflated data) (a)					By geographical area (nominal data)							
	EUR millions	Nominal	De-flated (a)	Consumer	Capital	Intermediate			EU 25		OECD		OPEC	Other American countries	Newly industrialised countries	
						Total	Energy	Non-energy	Total	of which: EU 15	of which: Euro area	Total				United States
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
<b>01</b>	129 771	4.5	4.2	3.7	-1.4	5.7	-22.8	7.5	6.3	6.0	5.1	4.5	-6.6	8.3	-6.1	-6.6
<b>02</b>	133 268	2.7	3.7	3.9	-3.5	4.8	4.7	4.7	2.6	2.1	1.2	3.3	2.4	10.1	-19.8	5.7
<b>03</b>	138 119	3.6	5.2	4.2	11.9	4.8	24.7	3.9	4.4	4.5	5.2	3.8	-1.7	-5.4	2.2	-23.4
<b>04</b>	146 460	6.4	5.2	2.3	12.9	6.3	12.1	6.2	4.9	5.2	5.3	5.9	2.2	11.1	7.8	6.8
<b>04 Mar</b>	13 080	6.8	6.5	5.6	16.5	5.6	23.1	4.8	3.4	3.3	3.9	6.4	13.5	14.1	-0.6	-14.7
<b>Apr</b>	12 361	0.7	1.6	-2.1	-6.7	6.2	-11.1	7.3	-0.0	-0.3	-0.5	1.6	-4.9	7.1	-10.7	8.5
<b>May</b>	12 702	2.8	1.0	-2.6	16.0	1.7	22.5	0.7	1.4	2.0	-0.2	3.1	2.7	-21.1	-3.1	-3.0
<b>Jun</b>	13 084	12.0	8.7	3.9	22.2	10.4	9.2	10.5	8.9	9.5	9.4	10.6	1.8	11.2	-4.2	23.0
<b>Jul</b>	12 881	12.7	12.1	6.0	30.5	14.0	23.5	13.5	11.6	12.3	12.8	12.5	3.9	7.8	20.0	27.5
<b>Aug</b>	8 891	7.5	5.5	8.0	-0.2	4.5	-6.9	5.4	5.2	6.2	6.1	6.5	2.4	10.0	23.9	26.6
<b>Sep</b>	12 103	3.4	2.3	2.0	-11.7	5.1	-4.1	5.7	2.8	3.1	3.3	2.6	-0.3	-6.0	30.2	5.9
<b>Oct</b>	13 002	-0.5	-4.3	-9.6	1.0	-0.7	0.7	-0.8	-1.8	-1.4	-1.7	-1.4	-7.9	27.6	-10.3	-21.1
<b>Nov</b>	13 779	18.0	14.0	11.6	34.8	12.6	10.7	12.7	16.4	16.5	17.0	16.6	22.5	38.8	-1.6	39.0
<b>Dec</b>	12 350	6.7	4.4	1.9	4.2	7.2	26.8	6.3	5.7	5.1	7.0	5.9	8.8	64.9	-17.2	9.0
<b>05 Jan</b>	10 905	1.9	-3.1	-5.2	-16.7	1.3	-5.9	1.8	3.5	3.8	5.3	3.5	9.6	8.7	-39.8	15.1
<b>Feb</b>	12 141	5.3	-0.1	-3.1	-9.0	4.1	-37.0	6.8	6.9	7.0	7.0	4.5	-8.9	15.8	6.4	-0.0
<b>Mar</b>	12 885	-1.5	-6.0	-12.3	-3.8	-1.0	-5.4	-0.8	-0.5	-0.4	-0.2	-2.3	-14.3	7.6	8.8	-1.0
<b>Apr</b>	13 405	8.4	5.6	6.5	13.6	3.6	-4.8	4.0	4.8	5.3	6.5	5.2	10.7	47.6	21.3	1.7

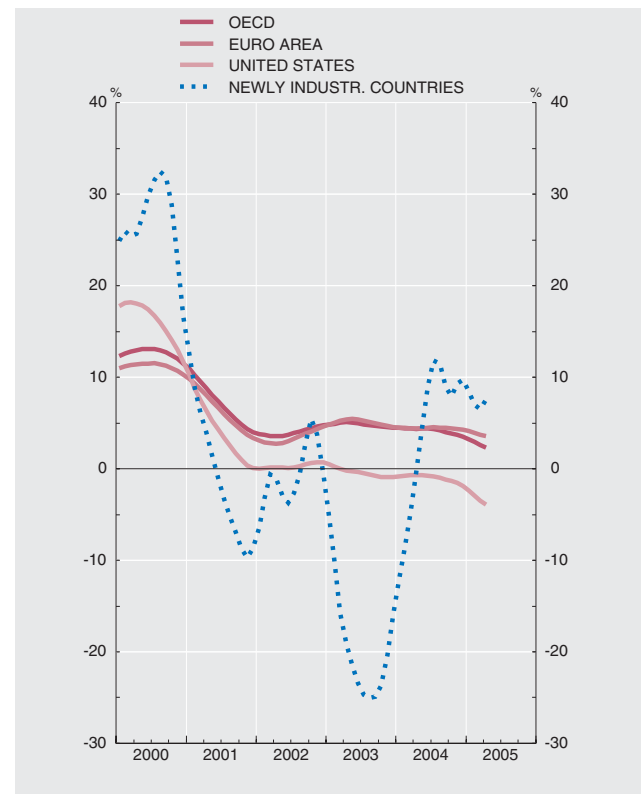
#### BY PRODUCT

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



#### BY GEOGRAPHICAL AREA

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



SOURCES: ME y BE.

Note: The underlying series for this indicator are in Tables 17.4 and 17.5 of the Boletín estadístico.

a. Series deflated by unit value indices.

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

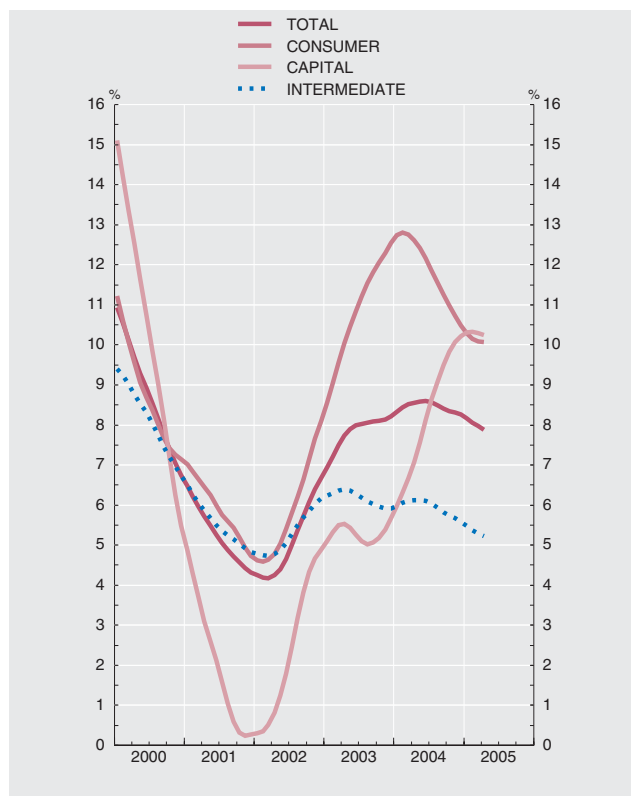
■ Series depicted in chart.

Eur millions and annual percentage changes

	Total			By product (deflated data) (a)					By geographical area (nominal data)							
	EUR millions	Nominal	De-flated (a)	Consumer	Capital	Intermediate			EU 25		OECD		OPEC	Other American countries	Newly industrialised countries	
						Total	Energy	Non-energy	Total	of which:	Total	United States				
	1	2	3	4	5	6	7	8	9	EU 15	Euro area	12	13	14	15	16
<b>01</b>	173 210	2.2	3.4	6.4	-2.0	3.2	-1.0	4.3	3.5	3.0	3.8	2.6	-10.1	-8.1	3.7	-2.2
<b>02</b>	175 268	1.2	4.3	5.0	-5.4	5.9	5.6	5.9	1.6	1.3	1.9	0.9	-8.5	-11.0	5.7	2.4
<b>03</b>	185 114	5.6	7.1	9.6	12.9	4.8	1.0	5.7	5.9	5.4	5.3	5.8	-4.8	1.9	12.9	1.1
<b>04</b>	207 130	12.5	9.8	13.3	14.9	7.1	10.0	6.6	9.8	9.6	10.1	11.3	10.7	12.2	10.8	14.6
<b>04 Mar</b>	17 440	11.3	13.1	21.0	4.2	11.0	8.4	11.5	8.7	7.5	7.8	11.2	8.9	-9.2	55.7	1.7
<b>Apr</b>	17 216	10.5	10.2	19.4	1.3	7.8	12.4	6.7	8.4	6.9	8.5	10.2	15.8	-4.0	10.2	1.5
<b>May</b>	17 429	8.6	2.8	7.6	-2.7	1.8	20.1	-1.6	8.9	8.0	9.7	7.7	-9.3	29.6	-8.7	4.9
<b>Jun</b>	18 575	20.4	18.8	25.0	15.6	16.4	23.0	15.1	16.0	15.9	15.6	18.6	27.7	13.3	24.5	20.5
<b>Jul</b>	17 958	15.9	11.6	5.8	48.6	8.4	3.7	9.6	15.5	15.6	15.3	15.3	0.7	15.1	8.7	8.3
<b>Aug</b>	14 258	17.9	10.5	13.0	12.6	8.5	16.7	6.4	10.7	10.3	9.1	14.1	26.8	32.3	17.7	21.5
<b>Sep</b>	18 389	11.1	5.3	10.9	0.2	3.6	9.4	2.2	3.8	4.4	5.4	6.9	19.1	34.5	31.9	13.2
<b>Oct</b>	18 393	7.1	1.8	2.6	13.6	-0.8	3.0	-1.5	4.8	4.9	6.1	6.4	16.2	6.2	-27.9	16.2
<b>Nov</b>	19 466	19.7	14.5	15.9	21.8	12.4	6.0	13.9	13.7	14.7	14.9	15.9	28.1	31.8	-1.6	31.4
<b>Dec</b>	18 546	16.9	10.5	7.0	49.2	4.2	12.3	2.3	14.5	15.8	18.2	15.4	-15.4	18.1	-12.7	50.2
<b>05 Jan</b>	16 185	13.9	8.5	3.4	21.7	8.7	6.0	9.4	11.0	12.1	12.7	12.2	-6.0	7.1	14.9	9.4
<b>Feb</b>	17 235	13.0	7.2	12.0	18.6	2.9	24.4	-1.3	8.1	9.1	8.9	7.1	-0.4	32.8	21.2	7.2
<b>Mar</b>	19 315	10.8	5.1	4.3	43.0	-0.6	18.2	-4.4	6.1	7.4	7.0	5.7	-8.7	41.9	12.4	14.2
<b>Apr</b>	19 929	15.8	10.7	6.8	50.5	5.9	3.3	6.4	8.3	8.6	8.4	11.7	33.1	60.6	19.8	24.1

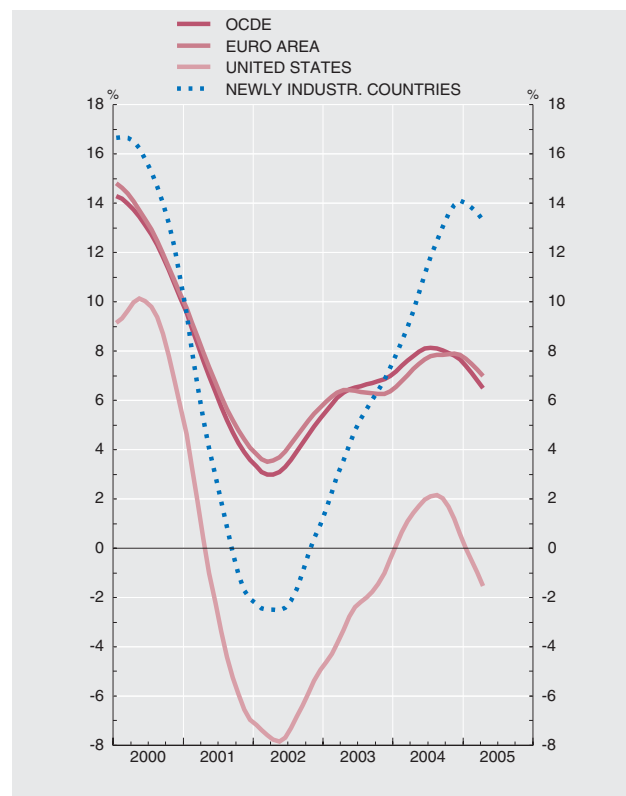
### BY PRODUCTS

Annual percentage changes (trend obtained with TRAMO SEATS method)



### BY GEOGRAPHICAL AREA

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



SOURCES: ME y BE.

Note: The underlying series for this indicator are in Tables 17.2 and 17.3 of the Boletín estadístico.

a. Series deflated by unit value indices.

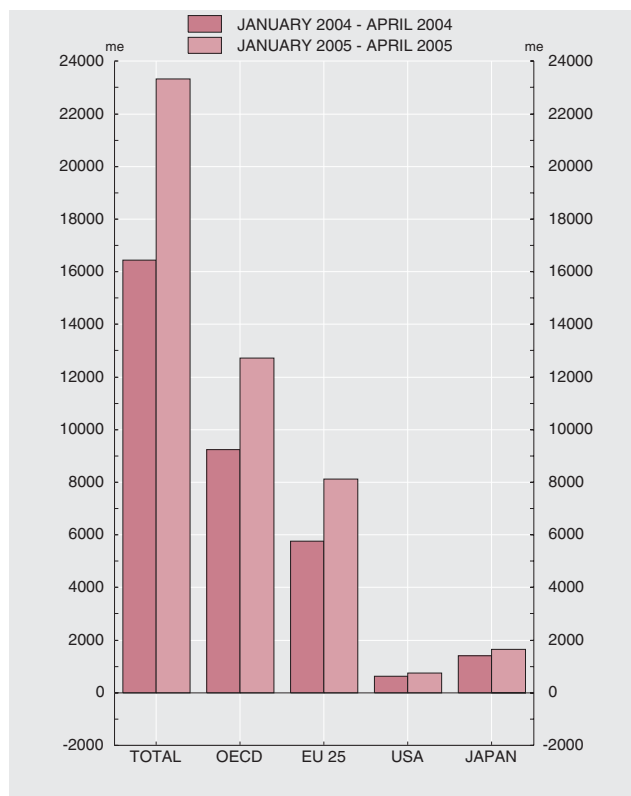
**7.5. SPANISH FOREIGN TRADE WITH OTHER EURO AREA COUNTRIES AND WITH THE REST OF THE WORLD.  
TRADE BALANCE. GEOGRAPHICAL DISTRIBUTION**

■ Series depicted in chart.

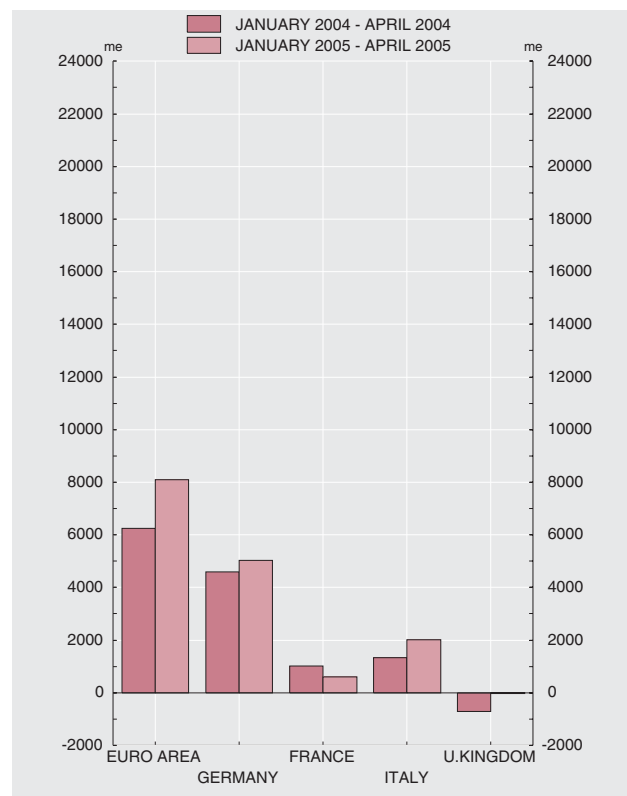
EUR millions

	European Union (EU 25)										OECD			Other American countries	Newly industrialised countries	
	World total	Total	European Union (EU 15)							United Kingdom	Other EU 15 members	Total	of which:			
			Total	Euro area			United States of América	Japan	OPEC							
				Total	Germany	France							Italy			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15		
00	-45 291	-19 173	-20 065	-17 816	-9 828	-4 873	-4 272	-1 861	-388	-27 681	-2 707	-3 616	-10 879	936	-2 151	
01	-43 439	-17 290	-17 987	-17 474	-11 539	-3 683	-4 283	-462	-51	-26 363	-2 219	-3 159	-9 501	420	-2 176	
02	-42 000	-16 612	-17 543	-18 385	-12 970	-3 436	-3 312	1 430	-587	-24 004	-1 416	-3 224	-7 771	-897	-2 176	
03	-46 995	-19 048	-19 322	-19 450	-13 731	-3 239	-3 517	1 035	-907	-27 616	-1 170	-3 855	-8 187	-1 467	-2 600	
04	P	-60 670	-25 512	-25 086	-25 125	-16 297	-3 174	-5 552	543	-504	-36 459	-1 665	-4 516	-9 020	-1 758	-3 098
04 J-A		-16 449	-5 946	-5 767	-6 238	-4 594	-1 012	-1 326	713	-241	-9 250	-618	-1 399	-2 689	-528	-895
05 J-A		-23 328	-8 096	-8 111	-8 108	-5 032	-614	-2 011	39	-42	-12 718	-754	-1 653	-3 752	-917	-1 062
04 Apr		-4 855	-2 005	-1 945	-1 950	-1 410	-173	-473	55	-50	-2 865	-136	-374	-572	-302	-216
04 May		-4 727	-2 069	-1 990	-2 169	-1 740	-114	-392	196	-16	-2 887	-168	-357	-901	-79	-254
04 Jun		-5 490	-2 441	-2 368	-2 322	-1 630	-40	-531	62	-109	-3 513	-188	-442	-698	-224	-278
04 Jul		-5 077	-2 275	-2 266	-2 380	-1 736	-208	-489	176	-62	-3 048	-43	-386	-802	-134	-220
04 Aug		-5 367	-2 201	-2 193	-1 955	-1 118	-309	-436	-206	-32	-3 050	-166	-294	-848	-168	-223
04 Sep		-6 286	-2 330	-2 302	-2 218	-1 473	-98	-525	-19	-65	-3 362	-197	-390	-961	-410	-243
04 Oct		-5 391	-2 614	-2 551	-2 454	-1 362	-339	-528	-97	1	-3 506	-81	-388	-673	-126	-275
04 Nov		-5 687	-2 217	-2 216	-2 121	-1 335	-63	-608	-124	29	-3 462	-273	-450	-887	-112	-303
04 Dec		-6 196	-3 420	-3 434	-3 267	-1 308	-991	-718	-158	-9	-4 381	70	-410	-562	24	-407
05 Jan		-5 280	-1 395	-1 400	-1 530	-1 199	-47	-380	101	29	-2 627	-169	-457	-896	-207	-259
05 Feb		-5 093	-1 763	-1 816	-1 914	-1 256	-166	-492	133	-34	-2 645	-173	-332	-843	-145	-229
05 Mar		-6 431	-2 445	-2 489	-2 407	-1 117	-363	-608	-62	-20	-3 568	-125	-479	-1 056	-207	-281
05 Apr		-6 524	-2 494	-2 406	-2 257	-1 459	-37	-530	-132	-17	-3 878	-286	-385	-957	-358	-293

CUMULATIVE TRADE DEFICIT



CUMULATIVE TRADE DEFICIT



SOURCE: ME.

Note: The underlying series for this indicator are in Tables 17.3 and 17.5 of the Boletín Estadístico.

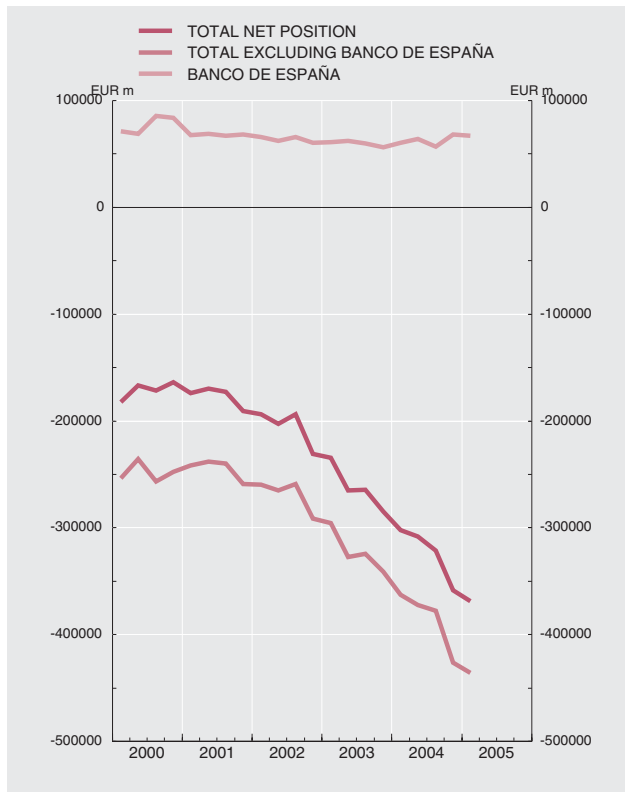
## 7.6. SPANISH INTERNATIONAL INVESTMENT POSITION VIS-À-VIS OTHER EURO AREA RESIDENTS AND THE REST OF THE WORLD SUMMARY

■ Series depicted in chart.

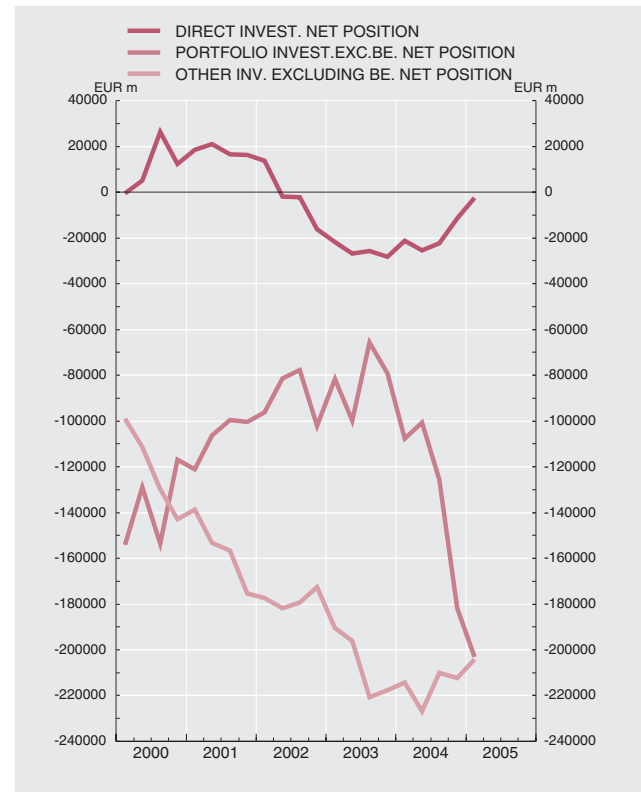
End-of-period stocks in EUR millions

	Net international investment position (assets-liabil.)	Total excluding Banco de España									Banco de España				
		Net position excluding Banco de España (assets-liabil.)	Direct investment			Portfolio investment			Other investment			Banco de España net position (assets-liabil.)	Reserves	Assets vis-à-vis the Euro-system	Other net assets (assets-liabil.)
			Net position (assets-liabil.)	Spanish investment abroad (assets)	Foreign investment in Spain (liabil.)	Net position (assets-liabil.)	Spanish investment abroad (assets)	Foreign investment in Spain (liabil.)	Net position (assets-liabil.)	Spanish investment abroad (assets)	Foreign investment in Spain (liabil.)				
<b>97</b>	-124 372	-188 683	-47 635	48 368	96 003	-124 510	33 269	157 779	-16 539	141 396	157 935	64 311	64 174	-	137
<b>98</b>	-163 245	-215 787	-44 505	63 539	108 044	-136 322	73 126	209 447	-34 961	158 696	193 657	52 542	52 095	-	447
<b>99</b>	-168 264	-241 991	-7 287	117 500	124 787	-140 886	127 387	268 272	-93 818	149 562	243 380	73 727	37 288	36 028	411
<b>00</b>	-163 708	-247 665	12 220	180 246	168 026	-116 852	193 682	310 535	-143 033	162 942	305 975	83 957	38 234	45 278	445
<b>01</b>	-190 829	-259 296	16 336	217 464	201 128	-100 338	232 647	332 985	-175 294	169 551	344 845	68 466	38 865	29 156	445
<b>02 Q1</b>	-193 645	-259 692	13 783	220 543	206 760	-96 175	245 082	341 257	-177 299	174 490	351 790	66 047	41 015	26 173	-1 142
<b>02 Q2</b>	-202 560	-265 045	-1 934	211 008	212 943	-81 381	245 723	327 104	-181 730	180 990	362 720	62 485	36 400	26 005	80
<b>02 Q3</b>	R -193 583	-259 258	-2 105	213 316	215 421	-77 863	240 550	318 428	-179 275	186 203	365 478	65 674	38 425	27 657	-407
<b>02 Q4</b>	-230 672	-291 313	-16 271	223 083	239 353	-102 593	256 806	359 399	-172 450	193 825	366 275	60 642	38 431	22 650	-440
<b>03 Q1</b>	-234 567	-295 592	-21 763	226 437	248 200	-83 276	278 284	361 560	-190 553	194 115	384 668	61 025	35 436	24 337	1 252
<b>03 Q2</b>	-265 023	-327 465	-26 793	225 425	252 218	-104 557	287 341	391 898	-196 115	193 650	389 765	62 442	31 326	26 766	4 350
<b>03 Q3</b>	-264 400	-324 158	-25 590	232 017	257 607	-77 863	309 568	387 431	-220 705	192 721	413 426	59 758	25 395	22 216	12 148
<b>03 Q4</b>	-285 078	-341 157	-28 281	234 250	262 531	-95 312	319 783	415 096	-172 564	200 385	417 949	56 079	21 229	18 269	16 581
<b>04 Q1</b>	-302 008	-362 532	-21 156	244 119	265 275	-127 069	332 900	459 969	-214 308	210 001	424 309	60 525	17 578	23 071	19 876
<b>04 Q2</b>	-308 368	-372 598	-25 490	248 999	274 488	-120 271	347 896	468 167	-226 838	221 129	447 967	64 231	16 245	27 941	20 045
<b>04 Q3</b>	-321 157	-377 931	-22 512	253 744	276 255	-145 365	344 383	489 748	-210 054	229 264	439 318	56 774	15 889	20 504	20 381
<b>04 Q4</b>	-358 382	-426 468	-11 600	267 833	279 433	-202 648	359 258	561 905	-212 220	218 792	431 013	68 086	14 505	31 909	21 672
<b>05 Q1</b>	-368 764	-436 065	-2 457	281 350	283 807	-229 443	367 536	596 978	-204 165	240 361	444 526	67 301	13 321	25 181	28 800

### INTERNATIONAL INVESTMENT POSITION



### COMPONENTS OF THE POSITION



Source: BE.

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

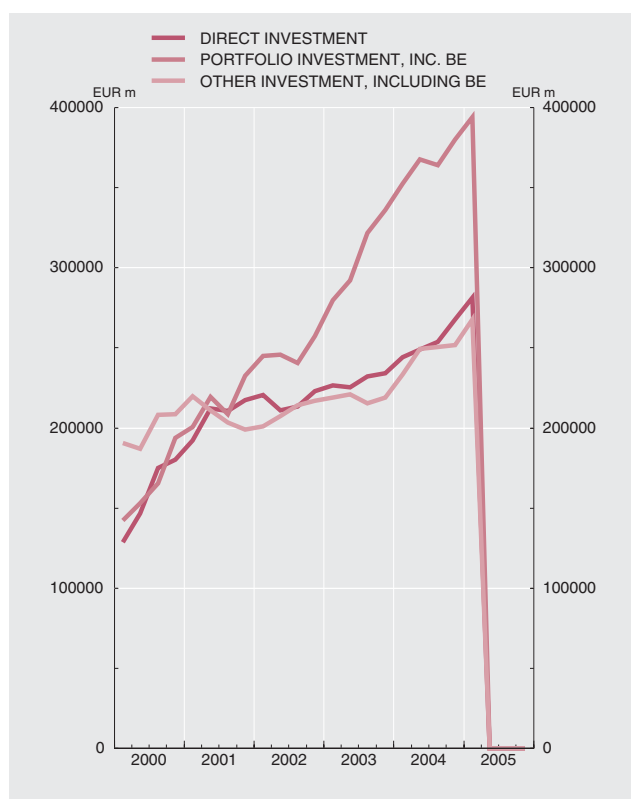
## 7.7. SPANISH INTERNATIONAL INVESTMENT POSITION VIS-À-VIS OTHER EURO AREA RESIDENTES AND THE REST OF THE WORLD BREAKDOWN BY INVESTMENT

■ Series depicted in chart.

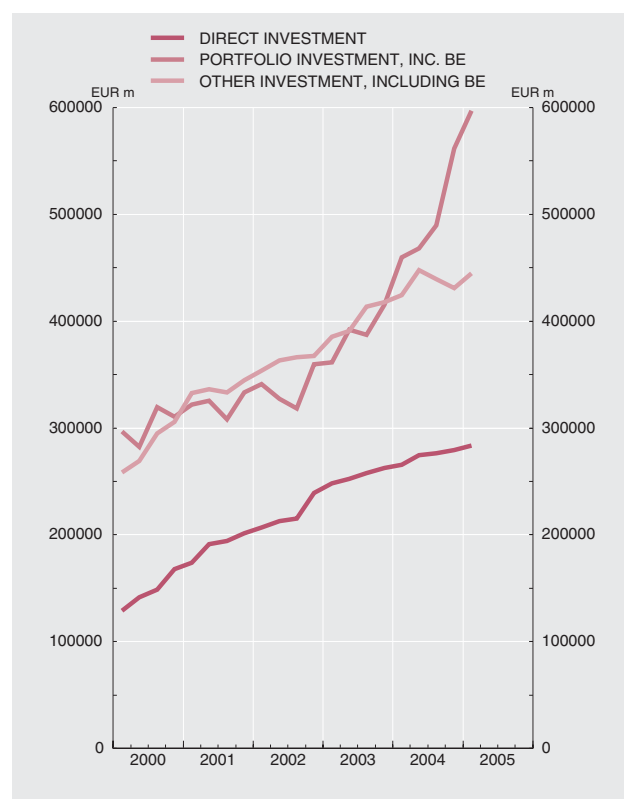
End-of-period stocks in EUR millions

	Direct investment				Portfolio investment, including Banco de España				Other investment, including Banco de España	
	Spanish investment abroad		Foreign investment in Spain		Spanish investment abroad		Foreign investment in Spain		Spanish investment abroad	Foreign investment in Spain
	Shares and other equities	Intercompany debt transactions	Shares and other equities	Intercompany debt transactions	Shares and mutual funds	Debt securities	Shares and mutual funds	Debt securities		
1	2	3	4	5	6	7	8	9	10	
<b>97</b>	45 227	3 141	83 046	12 957	9 917	23 352	75 414	82 364	141 579	157 981
<b>98</b>	57 849	5 690	90 760	17 284	20 250	52 876	116 698	92 750	159 195	193 708
<b>99</b>	110 031	7 469	106 535	18 251	42 282	85 105	145 948	122 324	186 034	243 414
<b>00</b>	167 151	13 095	142 844	25 182	83 918	109 764	147 521	163 014	208 665	305 975
<b>01</b>	197 233	20 231	164 360	36 768	74 596	158 052	144 151	188 834	199 152	344 845
<b>02 Q1</b>	199 984	20 559	161 532	45 228	75 496	169 586	148 497	192 760	201 109	353 377
<b>02 Q2</b>	194 364	16 644	168 040	44 903	65 225	180 498	128 578	198 526	207 440	363 085
<b>02 Q3</b>	R 195 529	17 788	168 310	47 112	56 624	183 926	103 690	214 738	214 305	366 330
<b>02 Q4</b>	206 268	16 815	188 898	50 456	50 712	206 581	116 967	242 432	216 920	367 646
<b>03 Q1</b>	209 136	17 301	198 182	50 018	47 089	232 800	116 359	245 201	218 897	385 465
<b>03 Q2</b>	208 085	17 340	201 738	50 480	51 400	240 716	133 812	258 086	220 861	390 636
<b>03 Q3</b>	216 213	15 804	204 784	52 823	56 847	264 737	130 593	256 839	215 382	413 739
<b>03 Q4</b>	219 927	14 323	201 283	61 247	62 677	273 334	147 878	267 218	219 099	418 041
<b>04 Q1</b>	227 390	16 729	204 595	60 680	70 575	281 824	153 501	306 468	233 512	424 371
<b>04 Q2</b>	231 583	17 416	210 683	63 806	75 270	292 239	149 108	319 059	249 503	447 968
<b>04 Q3</b>	234 206	19 538	213 041	63 214	71 014	293 157	150 702	339 047	250 361	439 318
<b>04 Q4</b>	250 128	17 705	213 738	65 695	78 052	302 019	183 210	378 695	251 575	431 028
<b>05 Q1</b>	261 525	19 825	215 962	67 845	79 625	314 349	184 800	412 178	267 903	444 527

### SPANISH INVESTMENT ABROAD



### FOREIGN INVESTMENT IN SPAIN



Source: BE.

Nota: See footnote to Indicator 7.6

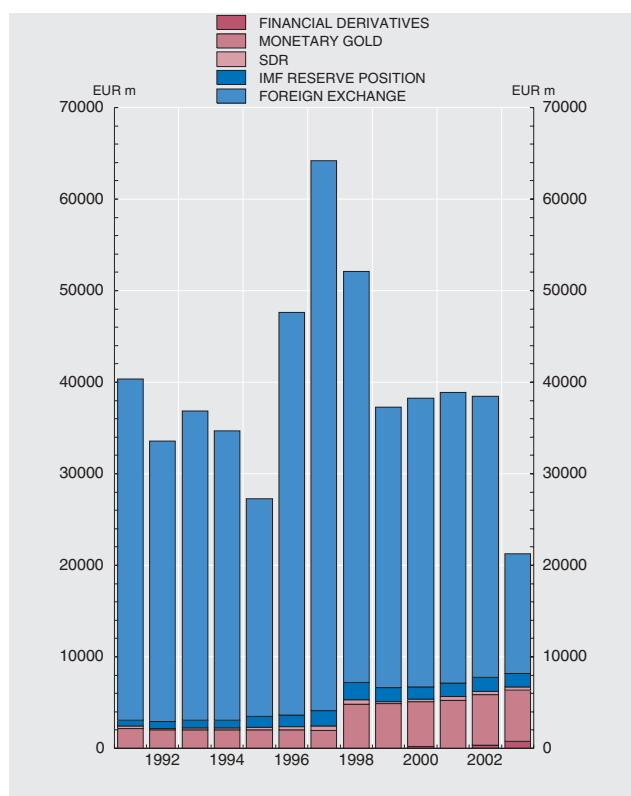
## 7.8. SPANISH RESERVE ASSETS

■ Series depicted in chart.

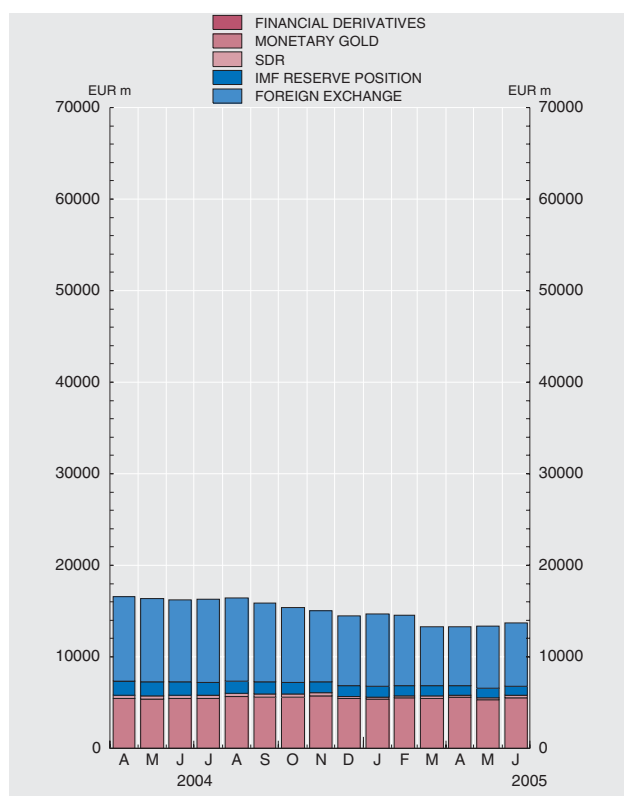
EUR millions

	Reserve assets						Memorandum item: gold
	Total	Foreign exchange	Reserve position in the IMF	SDRs	Monetary gold	Financial derivatives	Millions of troy ounces
	1	2	3	4	5	6	7
<b>00</b>	38 234	31 546	1 271	312	4 931	175	16.8
<b>01</b>	38 865	31 727	1 503	398	5 301	-63	16.8
<b>02</b>	38 431	30 695	1 518	337	5 500	382	16.8
<b>03</b>	21 229	13 073	1 476	328	5 559	793	16.8
<b>04 Jan</b>	19 497	11 984	1 499	333	5 424	258	16.8
<i>Feb</i>	18 015	10 609	1 429	332	5 349	296	16.8
<i>Mar</i>	17 578	9 790	1 532	337	5 823	95	16.8
<i>Apr</i>	16 539	9 200	1 537	343	5 459	-	16.8
<i>May</i>	16 368	9 094	1 517	344	5 413	-	16.8
<i>Jun</i>	16 245	8 985	1 464	346	5 451	-	16.8
<i>Jul</i>	16 272	9 078	1 398	348	5 448	-	16.8
<i>Aug</i>	16 415	9 073	1 345	346	5 651	-	16.8
<i>Sep</i>	15 889	8 627	1 324	346	5 591	-	16.8
<i>Oct</i>	15 368	8 138	1 264	343	5 623	-	16.8
<i>Nov</i>	15 061	7 796	1 197	337	5 729	1	16.8
<i>Dec</i>	14 505	7 680	1 156	244	5 411	15	16.8
<b>05 Jan</b>	14 712	7 962	1 142	250	5 453	-94	16.8
<i>Feb</i>	14 576	7 719	1 107	253	5 531	-35	16.8
<i>Mar</i>	13 321	6 490	1 117	255	5 549	-90	16.8
<i>Apr</i>	13 276	6 439	1 000	256	5 667	-87	16.8
<i>May</i>	13 356	6 782	1 022	262	5 577	-286	16.6
<i>Jun</i>	13 672	6 895	989	269	5 846	-327	16.2

RESERVE ASSETS  
END-OF-YEAR POSITIONS



RESERVE ASSETS  
END-OF-MONTH POSITIONS



Source: BE.

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



**7.9. SPAIN'S EXTERNAL DEBT VIS-À-VIS OTHER EURO AREA RESIDENTS AND THE REST OF THE WORLD. SUMMARY**
*End-of-period positions*
*EUR millions*

	General government							Other monetary financial institutions				
	Total	Short-term		Long-term			Total	Short-term		Long-term		
		Money market instruments	Loans	Bonds and notes	Loans	Trade credits		Money market instruments	Deposits	Bonds and notes	Deposits	
1	2	3	4	5	6	7	8	9	10	11	12	
<b>02 Q4</b>	672 115	194 649	1 461	1 072	179 644	12 473	-	307 780	346	154 007	34 190	119 237
<b>03 Q1</b>	693 724	183 827	2 196	710	168 451	12 470	-	328 247	315	165 842	39 596	122 493
Q2	714 150	188 663	3 069	267	173 146	12 181	-	339 679	323	170 814	44 803	123 739
Q3	741 776	180 679	3 560	1 780	163 164	12 175	-	362 690	353	183 340	49 196	129 801
Q4	768 186	176 496	4 386	335	159 152	12 623	-	374 346	326	187 752	56 575	129 693
<b>04 Q1</b>	814 267	192 144	3 676	489	174 928	13 051	-	392 698	361	186 529	72 324	133 485
Q2	855 121	189 034	3 270	428	172 191	13 144	-	425 960	353	207 118	79 812	138 676
Q3	866 679	195 525	3 136	1 755	177 265	13 368	-	424 052	362	198 299	89 418	135 974
Q4	903 476	205 305	2 956	705	184 800	16 845	-	427 636	301	194 246	101 018	132 071
<b>05 Q1</b>	952 037	206 501	2 600	1 024	185 181	17 695	-	456 927	467	202 197	121 962	132 301

**7.9. (CONT'D.) SPAIN'S 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	Short-term	Total	Short-term			Long-term			Total	Vis-à-vis		
		Deposits		Money market instruments	Loans	Other liabilities	Bonds and notes	Loans	Trade credits		Other liabilities	Direct investors	Subsidiaries
13	14	15	16	17	18	19	20	21	22	23	24	25	
<b>02 Q4</b>	1 371	1 371	106 278	3 001	19 895	78	23 790	58 757	450	307	62 036	32 569	29 468
<b>03 Q1</b>	798	798	117 795	2 678	19 112	123	31 964	62 935	446	537	63 058	32 529	30 529
Q2	870	870	119 510	2 497	17 755	167	34 248	63 830	437	576	65 429	32 735	32 694
Q3	313	313	126 895	2 418	20 330	168	38 148	64 922	419	491	71 198	32 383	38 815
Q4	92	92	134 325	2 297	19 243	-	44 482	67 506	404	393	82 927	38 253	44 674
<b>04 Q1</b>	62	62	145 935	2 321	20 164	359	52 859	69 159	405	669	83 428	35 003	48 425
Q2	1	1	152 033	2 561	18 386	229	60 871	68 955	402	626	88 094	35 772	52 322
Q3	0	0	158 788	3 312	18 760	634	65 553	69 597	392	538	88 314	36 340	51 974
Q4	16	16	176 767	4 043	19 031	1 175	85 577	66 021	413	507	93 753	37 586	56 167
<b>05 Q1</b>	0	0	193 277	4 274	20 720	787	97 695	68 889	405	507	95 333	38 252	57 081

Source: BE.

**8.1.a CONSOLIDATED BALANCE SHEET OF THE EUROSISTEM. NET LENDING TO CREDIT INSTITUTIONS AND ITS COUNTERPARTS**
*Average of daily data, EUR millions*

	Net lending							Counterparts							
	Total	Open market operations				Standing facilities		Autonomous factors					Other liabilities (net) in euro	Actual reserves of credit institutions	Debt certificates
		Main refinancing operations	Longer-term refinancing operations	Fine-tuning and structural reverse operations (net)	Other	Marginal lending facility	Deposit facility	Total	Bank-notes	Net liabilities to general government	Gold and net assets in foreign currency	Other (net)			
<b>04 Jan</b>	275 539	229 365	45 909	-	23	352	109 135 688	421 010	-2 873	306 360	23 910	2 600	136 198	1 054	
<i>Feb</i>	273 026	217 065	56 000	-	14	237	290 135 227	417 374	2 714	303 312	18 450	2 293	134 453	1 054	
<i>Mar</i>	283 136	218 533	64 999	-	48	84	528 145 578	423 041	9 494	299 843	12 886	1 713	134 791	1 054	
<i>Apr</i>	289 267	213 955	75 000	-	-1	449	135 151 317	434 742	4 739	310 312	22 148	689	136 207	1 054	
<i>May</i>	292 238	217 976	75 001	-619	1	129	249 153 524	439 836	4 579	311 341	20 449	940	136 720	1 054	
<i>Jun</i>	315 670	240 727	75 000	-	3	121	181 176 467	447 220	20 992	310 497	18 753	751	137 398	1 054	
<i>Jul</i>	328 587	253 319	75 001	-	-1	370	102 186 453	457 756	21 532	300 848	8 013	1 314	139 766	1 054	
<i>Aug</i>	327 230	252 433	74 998	-	2	41	244 184 518	463 568	13 127	299 826	7 649	1 224	140 434	1 054	
<i>Sep</i>	330 874	255 818	74 999	-	5	224	173 189 407	463 363	17 605	298 817	7 256	1 443	138 969	1 054	
<i>Oct</i>	330 710	255 309	75 001	-	10	442	51 188 106	468 150	10 658	298 569	7 866	1 803	139 747	1 054	
<i>Nov</i>	339 060	263 841	75 000	295	16	169	261 196 810	472 556	17 770	298 041	4 525	1 971	140 136	144	
<i>Dec</i>	352 610	278 196	75 000	-652	14	164	112 209 818	493 999	9 424	296 742	3 136	3 317	139 475	-	
<b>05 Jan</b>	345 223	269 024	75 714	381	0	203	99 204 736	490 694	8 798	280 795	-13 960	1 852	138 635	-	
<i>Feb</i>	358 741	277 826	80 749	125	-1	121	78 217 765	488 278	26 949	280 344	-17 118	825	140 152	-	
<i>Mar</i>	363 955	278 761	85 217	-152	-0	218	87 220 986	495 751	27 381	279 511	-22 636	373	142 597	-	
<i>Apr</i>	366 616	276 523	90 002	-	-1	200	108 223 659	502 026	26 012	287 206	-17 174	-98	143 054	-	
<i>May</i>	361 885	271 865	90 000	-	8	93	81 214 859	511 289	10 493	286 876	-20 047	611	146 415	-	
<i>Jun</i>	379 967	290 273	90 002	-169	20	145	305 232 941	518 749	24 141	286 606	-23 343	818	146 207	-	

**8.1.b BALANCE SHEET OF THE BANCO DE ESPAÑA. NET LENDING TO CREDIT INSTITUTIONS AND ITS COUNTERPARTS**
*Average of daily data, EUR millions*

	Net lending							Counterparts									
	Total	Open market operations				Standing facilities		Autonomous factors					Other liabilities (net) in euro		Actual reserves of credit institutions	Banco de España certificates	
		Main refinancing operations	Longer-term refinancing operations	Fine-tuning and structural reverse operations (net)	Other	Marginal lending facility	Deposit facility	Total	Bank-notes	Net liabilities to general government	Gold and net assets in foreign currency	Other (net)	Total	Of euro area residents			Rest
<b>04 Jan</b>	27 131	26 821	306	-	4	0	- 31 118	61 418	5 215	23 579	-11 936	-17 059	-16 088	-970	13 071	-	
<i>Feb</i>	24 426	23 140	1 284	-	2	-	- 29 157	60 837	5 076	22 214	-14 541	-16 993	-15 976	-1 017	12 262	-	
<i>Mar</i>	25 205	23 147	2 035	-	29	-	6 30 229	61 787	6 007	21 501	-16 064	-17 935	-16 675	-1 260	12 911	-	
<i>Apr</i>	24 386	21 735	2 618	-	0	32	- 33 475	63 565	5 800	20 812	-15 078	-22 119	-20 109	-2 010	13 030	-	
<i>May</i>	22 748	19 387	3 363	-	-2	-	- 35 358	63 690	7 633	20 683	-15 281	-25 148	-23 226	-1 922	12 538	-	
<i>Jun</i>	25 288	22 049	3 242	-	-1	-	2 38 291	64 808	8 776	20 671	-14 622	-26 221	-24 367	-1 854	13 218	-	
<i>Jul</i>	22 648	19 955	2 692	-	0	0	- 37 135	66 720	5 930	20 153	-15 361	-27 805	-26 029	-1 776	13 318	-	
<i>Aug</i>	26 132	24 479	1 652	-	1	-	1 37 297	66 578	6 180	20 080	-15 381	-24 634	-22 733	-1 901	13 469	-	
<i>Sep</i>	30 412	28 714	1 698	-	2	-	2 36 239	65 816	6 062	20 057	-15 583	-19 736	-18 003	-1 733	13 909	-	
<i>Oct</i>	28 088	25 882	2 201	-	6	0	- 38 575	66 286	8 347	19 975	-16 083	-24 539	-23 012	-1 527	14 052	-	
<i>Nov</i>	22 313	20 361	1 931	2	9	11	- 36 719	66 473	8 591	19 962	-18 382	-27 803	-26 391	-1 411	13 396	-	
<i>Dec</i>	24 540	22 266	2 270	-	4	-	0 36 123	69 795	4 360	19 942	-18 089	-26 265	-25 035	-1 230	14 682	-	
<b>05 Jan</b>	25 136	22 414	2 721	-	1	-	0 37 359	69 878	5 213	18 833	-18 899	-26 045	-24 869	-1 176	13 821	-	
<i>Feb</i>	24 353	21 467	2 882	-	1	2	- 37 045	69 247	6 501	18 821	-19 883	-26 880	-25 629	-1 250	14 187	-	
<i>Mar</i>	26 496	23 987	2 540	-30	-2	0	- 35 977	70 599	7 890	18 811	-23 701	-24 017	-22 653	-1 364	14 536	-	
<i>Apr</i>	29 675	26 863	2 809	-	3	-	0 33 212	71 134	6 329	19 220	-25 030	-18 113	-16 452	-1 662	14 576	-	
<i>May</i>	29 050	26 029	3 020	-	2	0	1 33 933	71 959	7 008	19 178	-25 856	-19 224	-16 640	-2 584	14 341	-	
<i>Jun</i>	28 526	25 508	3 017	-	6	-	5 35 021	73 124	8 845	18 997	-27 950	-21 561	-18 951	-2 610	15 065	-	

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

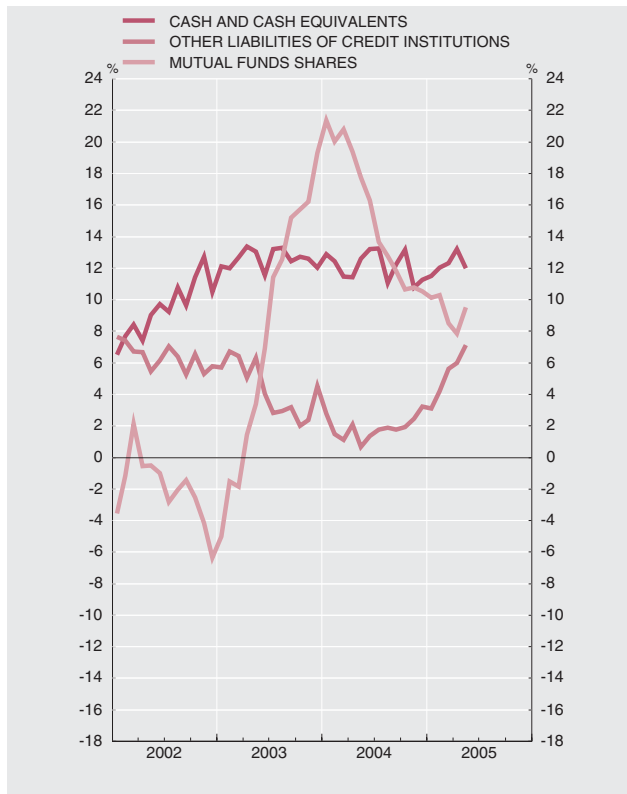
## 8.2 CASH AND CASH EQUIVALENTS, OTHER LIABILITIES OF CREDIT INSTITUTIONS AND MUTUAL FUNDS SHARES (a) OF NON-FINANCIAL CORPORATIONS, HOUSEHOLDS AND NPISHS RESIDENT IN SPAIN

■ Series depicted in chart.

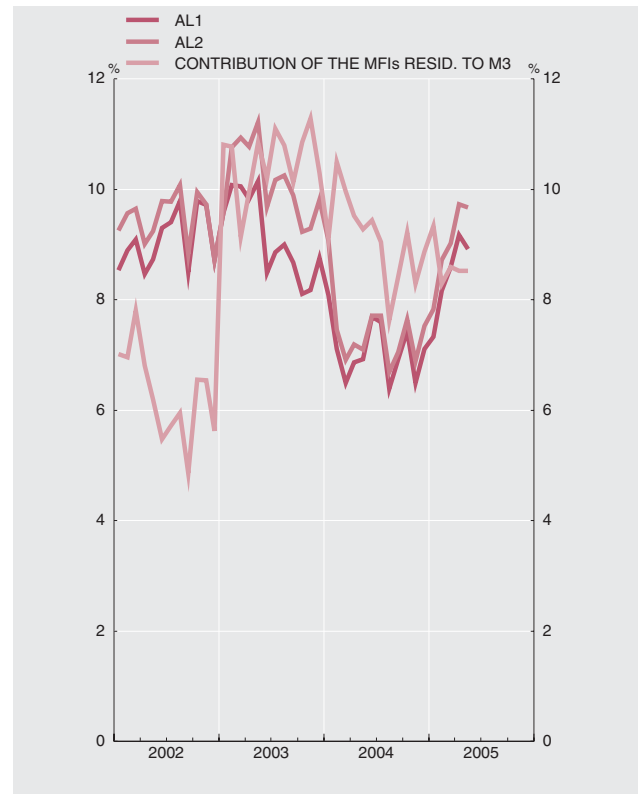
EUR millions and %

	Cash and cash equivalents					Other liabilities of credit institutions					Mutual funds shares				Memorandum items			
	Stocks	12-month % change	12-month % change			Stocks	12-month % change	12-month % change			Stocks	12-month % change	12-month % change			12-month % change		
			Cash	Sight deposits	Savings deposits (b)			Other deposits (c)	Repos + credit institutions' securities	Deposits in branches abroad			Money market funds	Fixed income mutual funds in EUR	Other mutual funds	AL1 (d)	AL2 (e)	Contribution of the MFIs resid. to M3
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
<b>02</b>	321 911	10.5	22.2	10.3	6.5	265 690	5.8	6.9	1.6	5.0	145 758	-6.4	14.1	8.6	-21.3	8.7	8.7	5.6
<b>03</b>	360 693	12.0	20.9	7.8	13.1	277 689	4.5	2.2	14.9	-0.7	173 917	19.3	10.1	30.7	20.2	8.8	9.8	10.3
<b>04</b>	401 284	11.3	19.3	10.6	8.4	286 648	3.2	8.4	-12.6	-8.2	192 210	10.5	-1.1	14.5	15.8	7.1	7.5	8.9
<b>04 Feb</b>	358 985	12.4	21.0	8.6	13.1	275 187	1.5	2.1	5.4	-16.9	179 508	20.0	3.4	13.4	36.2	7.1	7.5	10.5
<b>Mar</b>	363 756	11.5	20.7	7.4	12.2	274 987	1.1	3.0	-0.3	-17.1	183 325	20.8	3.1	14.1	38.1	6.5	6.9	10.0
<b>Apr</b>	363 715	11.4	20.9	7.2	12.2	275 784	2.1	3.6	1.5	-14.4	185 263	19.4	2.9	12.6	35.4	6.9	7.2	9.5
<b>May</b>	371 327	12.6	20.6	10.2	11.9	274 800	0.7	2.4	-3.1	-9.7	185 781	17.7	3.5	10.0	32.6	6.9	7.1	9.3
<b>Jun</b>	388 989	13.2	20.4	12.5	11.0	273 641	1.4	3.4	-2.8	-12.2	186 948	16.3	3.9	8.1	29.8	7.7	7.7	9.4
<b>Jul</b>	390 272	13.3	21.4	12.4	10.7	272 821	1.8	4.1	-2.7	-16.1	186 664	13.6	-0.1	9.6	25.7	7.6	7.7	9.0
<b>Aug</b>	381 678	11.1	20.3	9.2	9.2	276 077	1.9	4.8	-2.5	-21.4	187 711	12.8	-1.0	11.5	23.3	6.4	6.7	7.6
<b>Sep</b>	388 979	12.2	20.9	11.2	9.6	274 149	1.8	5.5	-9.2	-12.2	187 269	11.8	-1.8	9.2	23.0	6.9	7.1	8.4
<b>Oct</b>	388 998	13.2	20.6	13.2	10.0	276 279	1.9	7.4	-14.4	-15.5	188 439	10.6	-1.8	11.0	18.8	7.4	7.6	9.2
<b>Nov</b>	392 891	10.8	19.6	10.3	7.6	278 536	2.5	8.1	-14.3	-15.9	190 665	10.8	-1.7	13.3	17.6	6.5	6.9	8.3
<b>Dec</b>	401 284	11.3	19.3	10.6	8.4	286 648	3.2	8.4	-12.6	-8.2	192 210	10.5	-1.1	14.5	15.8	7.1	7.5	8.9
<b>05 Jan</b>	396 589	11.5	19.5	11.3	8.3	285 064	3.1	8.7	-8.8	-28.5	194 486	10.1	1.0	16.0	12.7	7.3	7.8	9.3
<b>Feb</b>	402 218	12.0	18.8	12.1	9.0	286 708	4.2	9.3	-8.9	-22.4	198 006	10.3	2.1	17.8	11.4	8.2	8.7	8.3
<b>Mar</b>	408 519	12.3	18.3	12.2	9.7	290 441	5.6	8.8	-3.0	-9.1	198 909	8.5	-1.9	15.8	10.8	8.6	9.0	8.6
<b>Apr</b>	P 411 788	13.2	17.6	15.0	9.3	292 260	6.0	9.5	-0.7	-21.3	199 792	7.8	-2.5	18.5	8.5	9.2	9.7	8.5
<b>May</b>	P 415 930	12.0	16.3	13.1	8.8	294 425	7.1	10.0	3.0	-20.7	203 453	9.5	-4.0	21.7	11.3	8.9	9.7	8.5

NON-FINANCIAL CORPORATIONS, HOUSEHOLDS AND NPISHS  
Annual percentage change



NON-FINANCIAL CORPORATIONS, HOUSEHOLDS AND NPISHS  
Annual percentage change



Source: BE.

(a) This concept refers to the instruments included in the headings of the table, issued by resident credit institutions and mutual funds. The exception is column 10, which includes deposits in Spanish bank branches abroad.

(b) Deposits redeemable at up to and including 3 months' notice.

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

(d) Defined as cash and cash equivalents, other liabilities of credit institutions and money market fund shares.

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

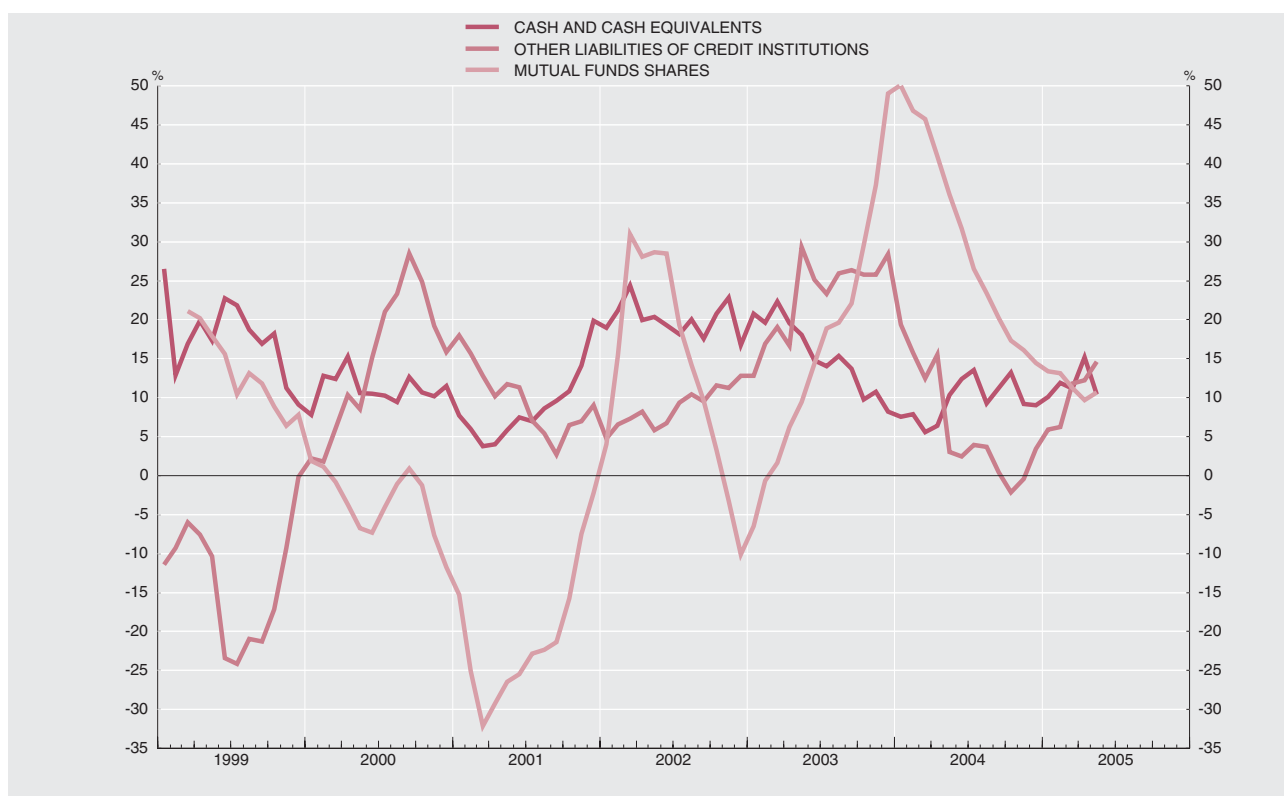
### 8.3 CASH AND CASH EQUIVALENTS, OTHER LIABILITIES OF CREDIT INSTITUTIONS AND MUTUAL FUNDS SHARES OF NON-FINANCIAL CORPORATIONS RESIDENT IN SPAIN (a)

■ Series depicted in chart.

EUR millions and %

	Cash and cash equivalents				Other liabilities of credit institutions				Mutual funds shares (b)				
	Stocks	Annual growth rate	Annual growth rate		Stocks	Annual growth rate	Annual growth rate		Stocks	Annual growth rate	Annual growth rate		
			Cash and shigt deposits	Saving deposits (c)			Other deposits (d)	Repos + credit instit.' securit.+ dep. in branches abroad			Money market funds	Fixed income mutual funds in EUR	Other mutual funds
1	2	3	4	5	6	7	8	9	10	11	12	13	
<b>02</b>	77 652	16.7	16.0	39.5	49 423	12.8	19.1	9.4	13 730	-10.2	16.3	2.5	-25.7
<b>03</b>	84 017	8.2	7.9	15.6	63 455	28.4	39.2	22.1	20 465	49.0	10.3	76.0	61.9
<b>04</b>	91 617	9.0	9.8	-9.0	65 614	3.4	24.6	-10.7	23 418	14.4	25.7	10.2	11.5
<b>04 Feb</b>	82 354	7.9	8.4	-4.6	59 050	15.8	30.4	7.3	21 825	46.8	17.4	41.1	69.5
<b>04 Mar</b>	84 465	5.6	5.9	-2.5	59 288	12.5	33.8	0.6	22 606	45.8	24.2	36.4	65.0
<b>04 Apr</b>	82 928	6.4	6.4	5.5	59 737	15.5	34.4	4.5	23 021	41.0	27.4	29.7	55.9
<b>04 May</b>	86 699	10.3	10.7	1.7	58 938	3.0	11.7	-3.2	23 263	36.1	31.4	22.0	47.1
<b>04 Jun</b>	92 288	12.4	12.8	2.1	57 471	2.5	9.8	-3.1	23 587	31.7	35.0	15.7	39.0
<b>04 Jul</b>	89 826	13.5	13.6	10.1	56 968	4.0	10.6	-1.3	23 064	26.5	31.1	14.2	30.9
<b>04 Aug</b>	86 663	9.2	9.3	7.4	59 187	3.7	10.7	-1.7	22 706	23.4	31.3	13.0	24.9
<b>04 Sep</b>	90 115	11.3	11.4	8.1	57 542	0.4	12.9	-9.1	22 178	20.2	31.5	7.6	21.2
<b>04 Oct</b>	88 202	13.2	13.6	4.0	57 561	-2.1	17.8	-16.2	22 528	17.3	29.3	8.5	16.1
<b>04 Nov</b>	90 453	9.2	9.7	-2.2	59 231	-0.4	19.7	-15.2	23 006	16.1	27.3	9.8	14.0
<b>04 Dec</b>	91 617	9.0	9.8	-9.0	65 614	3.4	24.6	-10.7	23 418	14.4	25.7	10.2	11.5
<b>05 Jan</b>	89 730	10.1	10.8	-4.3	62 596	5.9	28.4	-9.9	23 976	13.4	16.5	14.6	11.3
<b>05 Feb</b>	92 133	11.9	11.4	25.3	62 749	6.3	29.4	-10.1	24 689	13.1	8.2	19.0	12.5
<b>05 Mar</b>	93 871	11.1	10.8	21.5	66 292	11.8	30.2	-1.9	25 141	11.2	-5.0	19.9	14.7
<b>05 Apr</b>	95 523	15.2	15.3	12.2	67 063	12.3	29.7	-0.8	25 257	9.7	-10.6	23.8	13.2
<b>05 May</b>	95 755	10.4	10.3	15.3	67 528	14.6	30.3	1.4	25 750	10.7	-16.6	28.2	17.1

#### NON-FINANCIAL CORPORATIONS Annual percentage change



Source: BE.

(a) To December 2002 the frequency of this information was quarterly. The annual growth rates for months for which there is no information have been calculated using the figure obtained from the linear interpolation of the quarterly data.

(b) This concept refers to the instruments included in the headings of the table, issued by resident credit institutions and mutual funds. The exception is column 8, which includes deposits in Spanish bank branches abroad.

(c) Deposits redeemable at up to and including 3 months' notice.

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

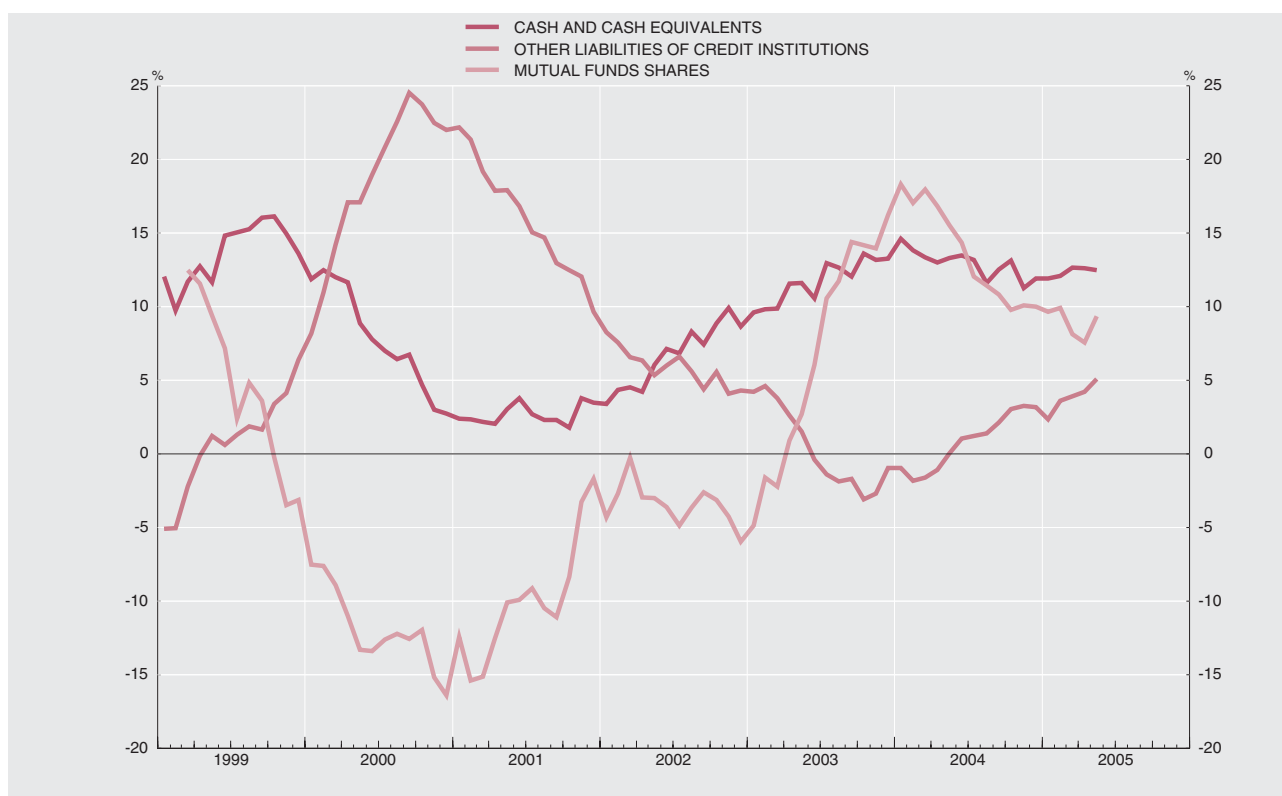
## 8.4 CASH AND CASH EQUIVALENTS, OTHER LIABILITIES OF CREDIT INSTITUTIONS AND MUTUAL FUNDS SHARES OF HOUSEHOLDS AND NPISHS RESIDENT IN SPAIN (a)

■ 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			Stocks	Annual growth rate	Annual growth rate		Stocks	Annual growth rate	Annual growth rate		
			Cash	Shigt deposits	Saving deposits (c)			Other deposits (d)	Repos + credit instit. securit. + dep. in branches abroad			Money market funds	Fixed income mutual funds in EUR	Other mutual funds
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
<b>02</b>	244 258	8.7	19.4	6.9	5.9	216 267	4.3	5.8	-3.7	132 028	-6.0	13.9	9.3	-20.8
<b>03</b>	276 676	13.3	21.2	8.2	13.0	214 234	-0.9	-1.4	1.9	153 452	16.2	10.1	25.9	15.8
<b>04</b>	309 667	11.9	19.7	11.7	8.8	221 034	3.2	6.1	-13.0	168 793	10.0	-3.8	15.1	16.4
<b>04 Feb</b>	276 631	13.8	21.4	9.2	13.5	216 137	-1.8	-0.8	-7.2	157 683	17.1	2.0	10.2	32.4
<b>04 Mar</b>	279 291	13.4	21.0	9.4	12.6	215 699	-1.6	-0.1	-9.3	160 719	18.0	1.0	11.4	34.9
<b>04 Apr</b>	280 788	13.0	21.2	8.5	12.3	216 047	-1.1	0.4	-8.8	162 242	16.8	0.3	10.5	32.8
<b>04 May</b>	284 627	13.3	21.0	10.0	12.1	215 862	0.0	1.2	-6.1	162 518	15.5	0.5	8.4	30.8
<b>04 Jun</b>	296 701	13.5	20.7	12.5	11.2	216 170	1.1	2.5	-6.8	163 360	14.4	0.5	7.1	28.6
<b>04 Jul</b>	300 446	13.2	21.8	11.4	10.7	215 853	1.2	3.3	-10.0	163 600	12.0	-3.4	9.0	25.0
<b>04 Aug</b>	295 015	11.6	20.6	9.4	9.2	216 891	1.4	4.0	-12.4	165 005	11.4	-4.4	11.3	23.1
<b>04 Sep</b>	298 864	12.5	21.3	11.3	9.7	216 608	2.1	4.5	-10.7	165 091	10.8	-5.2	9.4	23.3
<b>04 Oct</b>	300 796	13.1	21.0	12.8	10.1	218 718	3.1	6.0	-13.1	165 911	9.8	-4.9	11.4	19.2
<b>04 Nov</b>	302 438	11.3	20.0	11.1	7.8	219 305	3.3	6.5	-14.1	167 659	10.1	-4.6	13.7	18.1
<b>04 Dec</b>	309 667	11.9	19.7	11.7	8.8	221 034	3.2	6.1	-13.0	168 793	10.0	-3.8	15.1	16.4
<b>05 Jan</b>	306 859	11.9	20.0	11.9	8.6	222 469	2.3	6.0	-17.2	170 511	9.7	-0.7	16.2	12.9
<b>05 Feb</b>	310 085	12.1	19.2	12.8	8.7	223 958	3.6	6.7	-13.6	173 317	9.9	1.4	17.6	11.2
<b>05 Mar</b>	314 648	12.7	18.7	13.8	9.5	224 149	3.9	5.8	-7.0	173 768	8.1	-1.6	15.2	10.2
<b>05 Apr</b>	316 265	12.6	17.9	14.6	9.3	225 197	4.2	6.7	-9.8	174 536	7.6	-1.5	17.8	7.8
<b>05 May</b>	320 175	12.5	16.5	16.2	8.7	226 896	5.1	7.0	-6.0	177 704	9.3	-2.3	20.8	10.4

### HOUSEHOLDS AND NPISH Annual percentage change



Source: BE.

(a) To December 2002 the frequency of this information was quarterly. The annual growth rates for months for which there is no information have been calculated using the figure obtained from the linear interpolation of the quarterly data.

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

(c) Deposits redeemable at up to and including 3 months' notice.

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

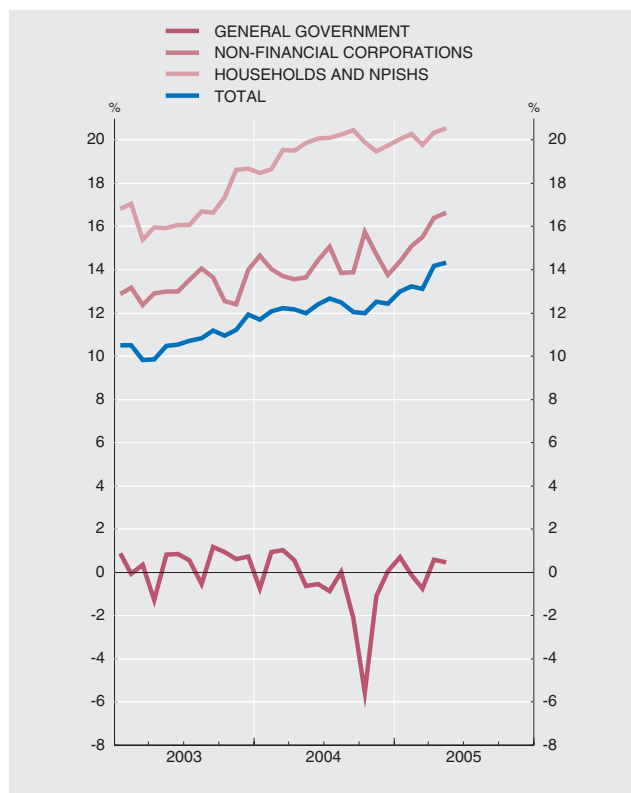
## 8.5. FINANCING OF NON-FINANCIAL SECTORS RESIDENT IN SPAIN (a)

■ Series depicted in chart.

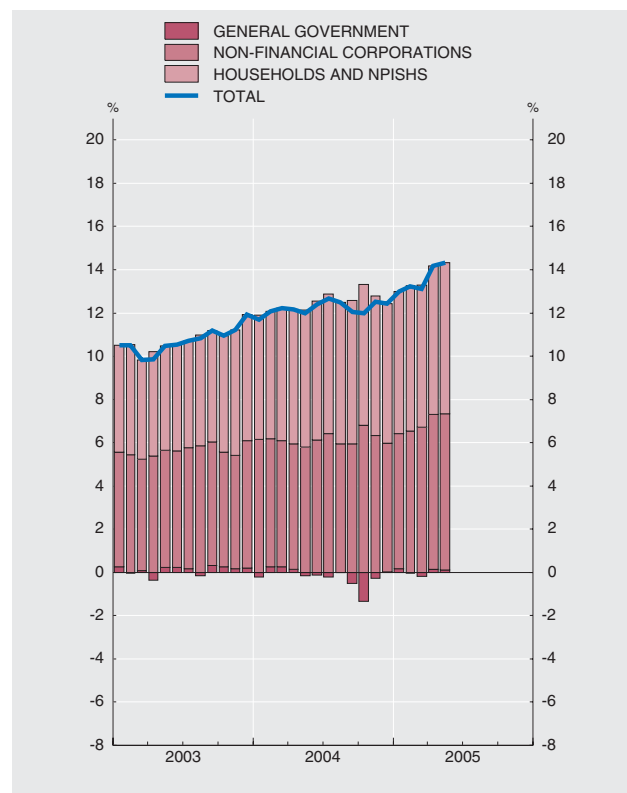
EUR millions and %

	Total				Annual growth rate							Contribution to col. 3					Memorandum items: securitisation funds	
	Stocks	Effective flow	Annual growth rate	General government (b)	Non-financial corp. and households and NPISHs					General government (b)	Non-financial corp. and households and NPISHs							
					By sectors		By instruments				By sectors		By instruments					
					Non-financial corporations	Households and NPISHs	Credit institutions' loans & securit. funds	Securities other than shares	External loans		Non-financial corporations	Households and NPISHs	Credit institutions' loans & securit. funds	Securities other than shares	External loans			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
<b>02</b>	1 197 865	106 949	9.8	-0.7	14.1	13.1	15.6	14.4	-16.7	16.4	-0.2	10.0	5.4	4.6	8.4	-0.2	1.8	38 508
<b>03</b>	1 347 266	142 686	11.9	0.7	16.0	14.0	18.7	16.5	-7.8	15.3	0.2	11.7	5.9	5.8	10.0	-0.1	1.8	55 970
<b>04</b>	1 518 714	167 576	12.4	0.0	16.3	13.8	19.7	19.4	0.2	2.4	0.0	12.4	6.0	6.5	12.1	0.0	0.3	79 098
<b>04 Feb</b>	1 360 697	4 109	12.1	0.9	16.0	14.0	18.7	16.6	-4.2	14.7	0.2	11.8	5.9	5.9	10.1	-0.0	1.7	56 565
<b>04 Mar</b>	1 383 286	20 581	12.2	1.0	16.2	13.7	19.5	17.0	0.9	13.1	0.3	12.0	5.8	6.1	10.4	0.0	1.6	57 862
<b>04 Apr</b>	1 385 132	2 127	12.2	0.6	16.1	13.5	19.5	16.9	2.3	13.2	0.1	12.0	5.8	6.2	10.4	0.0	1.6	59 126
<b>04 May</b>	1 403 162	16 275	12.0	-0.6	16.3	13.6	19.9	17.2	-1.5	12.9	-0.2	12.1	5.8	6.3	10.6	-0.0	1.5	59 892
<b>04 Jun</b>	1 433 124	30 067	12.4	-0.5	16.9	14.4	20.1	17.8	2.0	13.1	-0.1	12.6	6.1	6.4	11.0	0.0	1.5	64 644
<b>04 Jul</b>	1 450 247	17 075	12.7	-0.9	17.2	15.1	20.1	18.4	-0.1	12.4	-0.2	12.9	6.4	6.5	11.4	-0.0	1.5	68 968
<b>04 Aug</b>	1 446 134	-3 538	12.5	0.0	16.6	13.8	20.2	18.1	-2.7	10.6	0.0	12.5	5.9	6.5	11.2	-0.0	1.3	69 518
<b>04 Sep</b>	1 455 624	8 951	12.1	-2.1	16.7	13.9	20.5	18.4	0.7	9.2	-0.5	12.6	5.9	6.6	11.5	0.0	1.1	68 535
<b>04 Oct</b>	1 461 545	6 512	12.0	-5.5	17.5	15.8	19.9	19.0	-1.7	11.4	-1.3	13.3	6.8	6.5	11.9	-0.0	1.4	71 582
<b>04 Nov</b>	1 487 291	25 563	12.5	-1.1	16.8	14.7	19.5	18.4	-1.9	9.7	-0.3	12.8	6.3	6.4	11.6	-0.0	1.2	74 455
<b>04 Dec</b>	1 518 714	29 815	12.4	0.0	16.3	13.8	19.7	19.4	0.2	2.4	0.0	12.4	6.0	6.5	12.1	0.0	0.3	79 098
<b>05 Jan</b>	1 537 392	18 822	13.0	0.7	16.8	14.4	20.0	20.1	1.4	1.7	0.2	12.8	6.2	6.6	12.6	0.0	0.2	77 907
<b>05 Feb</b>	1 543 654	7 800	13.2	-0.1	17.3	15.1	20.3	20.2	0.6	4.0	-0.0	13.3	6.5	6.7	12.7	0.0	0.5	74 891
<b>05 Mar</b>	1 567 867	21 925	13.1	-0.7	17.4	15.5	19.8	20.1	0.7	4.6	-0.2	13.3	6.7	6.6	12.7	0.0	0.6	76 582
<b>05 Apr</b>	P 1 586 429	16 955	14.2	0.6	18.1	16.4	20.3	20.8	2.6	5.2	0.1	14.0	7.2	6.9	13.4	0.0	0.7	78 781
<b>05 May</b>	P 1 607 260	20 862	14.3	0.5	18.3	16.6	20.5	20.9	1.1	6.4	0.1	14.2	7.2	7.0	13.4	0.0	0.8	81 424

FINANCING OF NON-FINANCIAL SECTORS  
Annual percentage change



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



Source: BE.

GENERAL NOTE: Tables 8.2 to 8.7 were revised in September 2000, to take into account the criteria used to compile the Financial Accounts of the Spanish economy in accordance with ESA 95 (see the box appearing in the article "Evolución reciente de la economía española" in the September 2000 edition of the Boletín Económico).

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

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

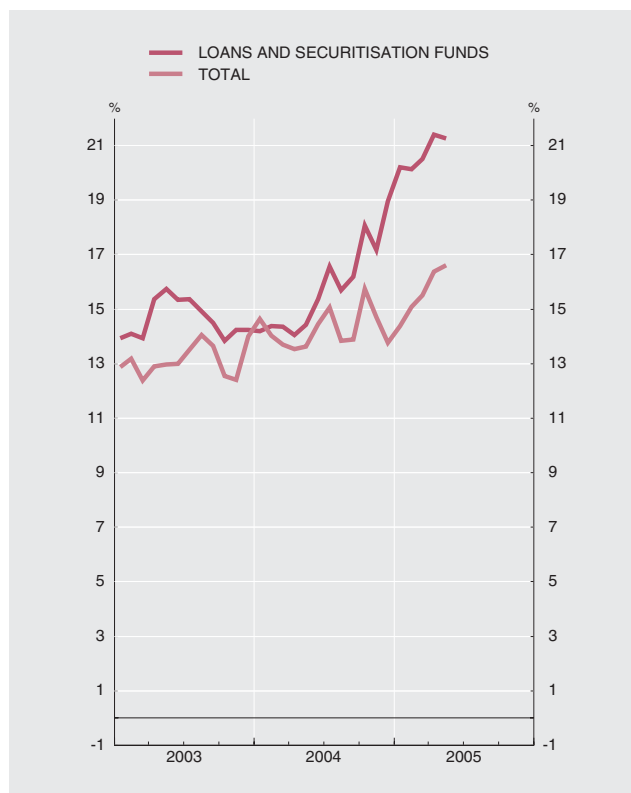
## 8.6. FINANCING OF NON-FINANCIAL CORPORATIONS RESIDENT IN SPAIN (a)

■ Series depicted in chart.

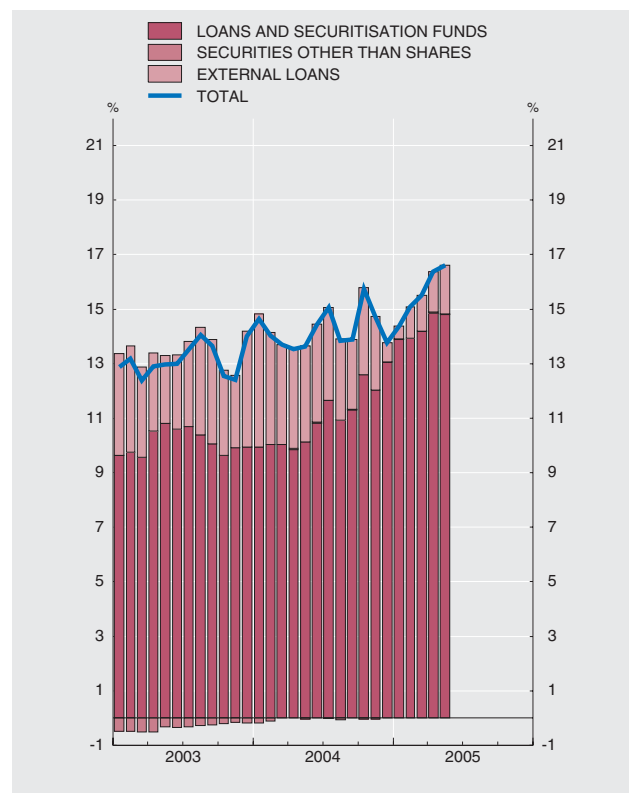
EUR millions and %

	Total			Resident credit institutions' loans and securitisation funds			Securities other than shares			External loans			Memorandum items: securitisation funds
	Stocks	Effective flow	Annual growth rate	Stocks	Annual growth rate	Contribution to col.3	Stocks	Annual growth rate	Contribution to col.3	Stocks	Annual growth rate	Contribution to col.3	
	1	2	3	4	5	6	7	8	9	10	11	12	13
<b>02</b>	505 204	58 649	13.1	352 703	13.1	9.1	11 903	-16.7	-0.5	140 599	16.4	4.5	20 468
<b>03</b>	583 200	70 788	14.0	402 345	14.3	9.9	10 971	-7.8	-0.2	169 884	15.3	4.2	24 076
<b>04</b>	667 843	80 282	13.8	477 928	18.9	13.1	10 992	0.2	0.0	178 923	2.4	0.7	32 357
<b>04 Feb</b>	589 877	1 550	14.0	407 955	14.4	10.0	11 641	-4.2	-0.1	170 282	14.7	4.1	23 708
<b>04 Mar</b>	599 462	7 535	13.7	414 511	14.4	10.0	11 993	0.9	0.0	172 958	13.1	3.7	23 589
<b>04 Apr</b>	606 230	7 023	13.5	420 826	14.0	9.9	11 855	2.3	0.0	173 549	13.2	3.6	24 096
<b>04 May</b>	611 717	3 696	13.6	425 548	14.4	10.1	11 686	-1.5	-0.0	174 483	12.8	3.5	23 696
<b>04 Jun</b>	623 016	11 350	14.4	435 431	15.4	10.8	11 896	2.0	0.0	175 688	13.1	3.6	24 092
<b>04 Jul</b>	634 636	11 550	15.1	446 446	16.6	11.7	11 608	-0.1	-0.0	176 582	12.4	3.4	24 105
<b>04 Aug</b>	630 601	-3 496	13.8	442 821	15.7	10.9	11 386	-2.7	-0.1	176 395	10.5	3.0	24 643
<b>04 Sep</b>	637 627	6 424	13.9	448 801	16.2	11.3	11 789	0.7	0.0	177 038	9.1	2.6	24 406
<b>04 Oct</b>	654 015	16 951	15.8	461 711	18.1	12.6	11 546	-1.7	-0.0	180 758	11.3	3.2	26 940
<b>04 Nov</b>	654 463	231	14.7	465 604	17.2	12.0	11 185	-1.9	-0.0	177 675	9.7	2.7	29 227
<b>04 Dec</b>	667 843	11 684	13.8	477 928	18.9	13.1	10 992	0.2	0.0	178 923	2.4	0.7	32 357
<b>05 Jan</b>	678 012	10 291	14.4	486 114	20.2	13.9	11 222	1.4	0.0	180 676	1.6	0.5	31 720
<b>05 Feb</b>	682 279	5 782	15.1	489 552	20.1	13.9	11 706	0.6	0.0	181 021	4.0	1.1	28 013
<b>05 Mar</b>	696 084	11 462	15.5	499 056	20.5	14.2	12 075	0.7	0.0	184 953	4.5	1.3	27 942
<b>05 Apr</b> P	711 108	13 412	16.4	510 401	21.4	14.9	12 160	2.6	0.1	188 548	5.2	1.5	27 113
<b>05 May</b> P	717 124	6 037	16.6	515 599	21.3	14.8	11 812	1.1	0.0	189 714	6.3	1.8	26 714

FINANCING OF NON-FINANCIAL CORPORATIONS  
Annual percentage change



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



Source: BE.

GENERAL NOTE: Tables 8.2 to 8.7 were revised in September 2000, to take into account the criteria used to compile the Financial Accounts of the Spanish economy in accordance with ESA 95 (see the box appearing in the article "Evolución reciente de la economía española" in the September 2000 edition of the Boletín Económico).

(a) The annual percentage changes are calculated as the effective flow of the period / the stock at the beginning of the period. To December 2002 the frequency of this information was quarterly. The annual growth rates for months for which there is no information have been calculated using the figure obtained from the linear interpolation of the quarterly data.

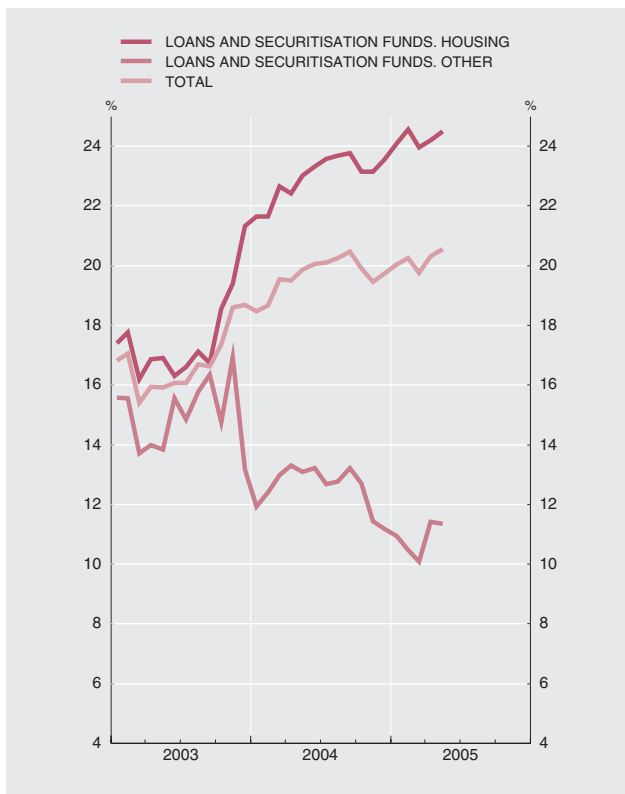
## 8.7. FINANCING OF HOUSEHOLDS AND NPISHS RESIDENT IN SPAIN (a)

■ Series depicted in chart.

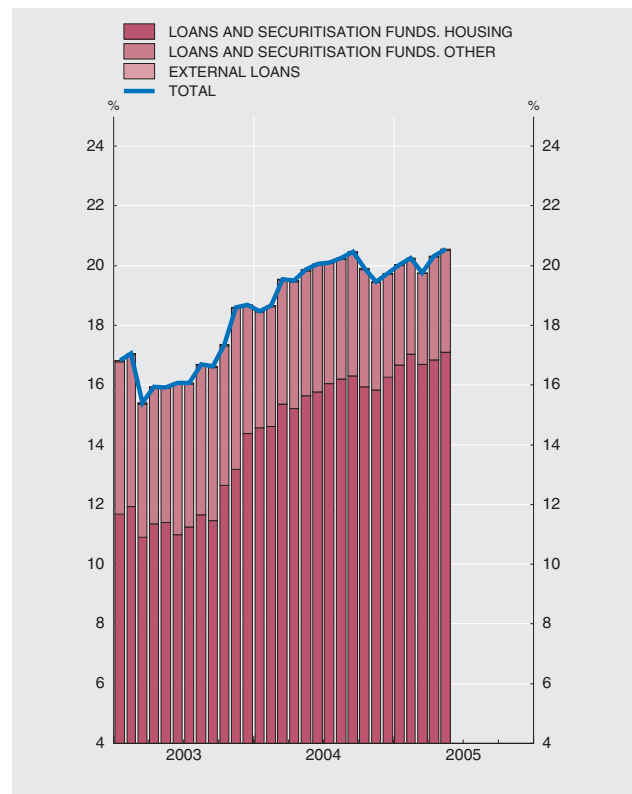
EUR millions and %

	Total			Resident credit institutions' loans and securitisation funds. Housing			Resident credit institutions' loans and securitisation funds. Other			External loans			Memorandum items: securitisation funds	
	Stocks	Effective flow	Annual growth rate	Stocks	Annual growth rate	Contribution to col.3	Stocks	Annual growth rate	Contribution to col.3	Stocks	Annual growth rate	Contribution to col.3	Housing	Other
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
<b>02</b>	372 251	50 439	15.6	251 195	16.6	11.1	120 443	13.6	4.5	613	27.0	0.0	16 109	1 931
<b>03</b>	441 300	69 542	18.7	304 729	21.3	14.4	135 850	13.2	4.3	722	17.7	0.0	28 771	3 124
<b>04</b>	527 947	87 136	19.7	376 499	23.6	16.3	150 588	11.2	3.4	860	19.2	0.0	42 674	4 068
<b>04 Feb</b>	451 063	5 783	18.7	312 657	21.6	14.6	137 656	12.4	4.0	749	19.1	0.0	29 733	3 124
<b>04 Mar</b>	459 492	8 471	19.5	319 914	22.7	15.4	138 819	13.0	4.2	759	20.8	0.0	31 178	3 095
<b>04 Apr</b>	467 613	8 148	19.5	325 516	22.4	15.2	141 331	13.3	4.3	766	20.4	0.0	31 935	3 095
<b>04 May</b>	475 334	7 757	19.9	331 959	23.0	15.7	142 595	13.1	4.2	780	20.4	0.0	33 101	3 095
<b>04 Jun</b>	487 526	12 245	20.1	339 021	23.3	15.8	147 707	13.2	4.3	798	21.0	0.0	37 484	3 068
<b>04 Jul</b>	494 949	7 446	20.1	346 916	23.6	16.0	147 223	12.7	4.0	810	19.9	0.0	41 795	3 068
<b>04 Aug</b>	498 055	3 143	20.2	350 630	23.7	16.2	146 605	12.8	4.0	819	20.7	0.0	41 612	3 263
<b>04 Sep</b>	504 358	6 365	20.5	355 949	23.8	16.3	147 578	13.2	4.1	830	19.5	0.0	40 928	3 201
<b>04 Oct</b>	511 080	6 749	19.9	361 631	23.2	15.9	148 609	12.7	3.9	840	18.5	0.0	40 480	4 163
<b>04 Nov</b>	521 818	10 771	19.5	368 520	23.1	15.8	152 444	11.4	3.6	854	19.5	0.0	41 102	4 126
<b>04 Dec</b>	527 947	6 218	19.7	376 499	23.6	16.3	150 588	11.2	3.4	860	19.2	0.0	42 674	4 068
<b>05 Jan</b>	534 105	6 178	20.0	382 474	24.1	16.7	150 755	10.9	3.3	876	18.2	0.0	42 156	4 032
<b>05 Feb</b>	541 982	7 900	20.3	389 451	24.6	17.0	151 645	10.5	3.2	886	18.3	0.0	42 880	3 997
<b>05 Mar</b>	549 826	7 900	19.8	396 551	24.0	16.7	152 384	10.1	3.1	892	17.5	0.0	44 794	3 846
<b>05 Apr</b> P	562 181	12 360	20.3	404 256	24.2	16.8	157 027	11.4	3.4	898	17.3	0.0	46 258	5 410
<b>05 May</b> P	572 548	10 377	20.5	413 255	24.5	17.1	158 384	11.4	3.4	909	16.5	0.0	49 591	5 119

FINANCING OF HOUSEHOLDS AND NPISHS  
Annual percentage change



FINANCING OF HOUSEHOLDS AND NPISHS  
Contributions to the annual percentage change



Source: BE.

GENERAL NOTE: Tables 8.2 to 8.7 were revised in September 2000, to take into account the criteria used to compile the Financial Accounts of the Spanish economy in accordance with ESA 95 (see the box appearing in the article "Evolución reciente de la economía española" in the September 2000 edition of the Boletín Económico).

(a) The annual percentage changes are calculated as the effective flow of the period / the stock at the beginning of the period. To December 2002 the frequency of this information was quarterly. The annual growth rates for months for which there is no information have been calculated using the figure obtained from de linear interpolation of the quarterly data.



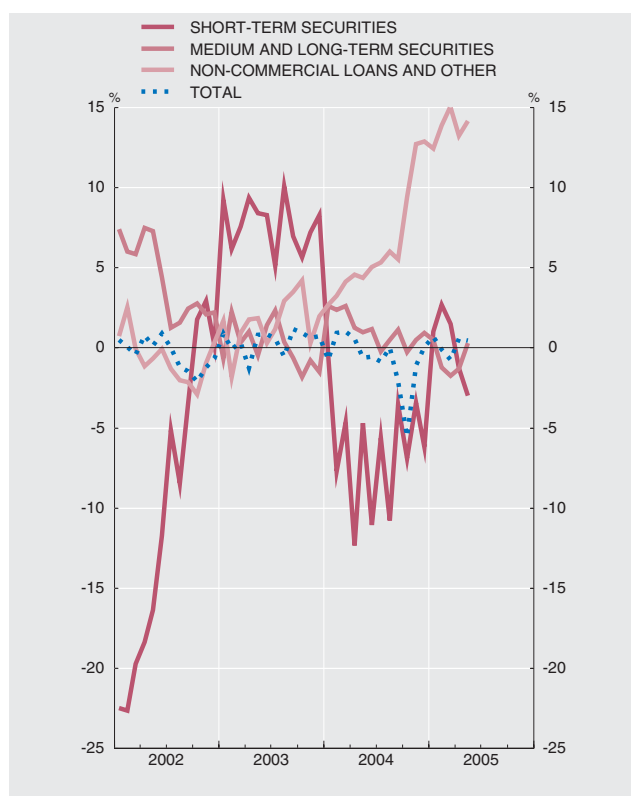
## 8.8. NET FINANCING OF SPAIN'S GENERAL GOVERNMENT

■ Series depicted in chart.

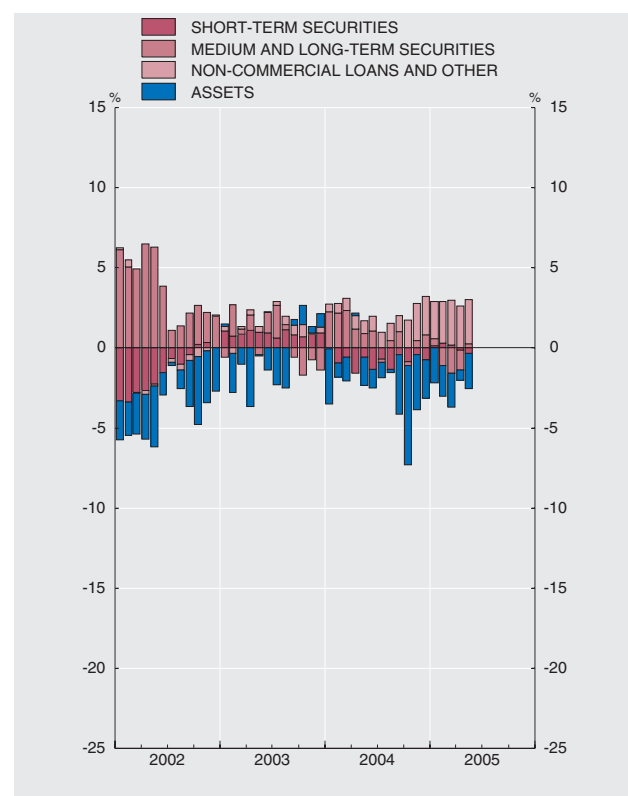
EUR millions and %

	Net financing			Monthly change in stocks						12-month % change in stocks				Contribution to 12-month % change in net stocks of liabilities				
				Liabilities (a)			Assets			Liabilities			Assets	Liabilities			Assets	
	Net stock of liabilities	Monthly change (columns 4-8-9)	12-month % change of col. 1	Total	Securities		Non-commercial loans and other (b)	Deposits at the Banco de España	Other deposits (c)	Total	Securities		Non-commercial loans and other (a)	Assets	Securities		Non-commercial loans and other (a)	Assets
					Short-term	Medium and long-term					Short-term	Medium and long-term			Short-term	Medium and long-term		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
<b>02</b>	320 409	-2 139	-0.7	6 597	59	6 352	185	1 785	6 950	1.7	0.2	2.2	0.3	15.2	0.0	2.0	0.1	-2.7
<b>03</b>	322 766	2 356	0.7	-240	3 049	-4 431	1 142	1 767	-4 363	-0.1	8.3	-1.5	2.0	-3.9	1.0	-1.4	0.4	0.8
<b>04</b>	P 322 923	157	0.0	7 849	-2 456	2 694	7 611	-1 817	9 509	2.0	-6.2	0.9	12.9	12.1	-0.8	0.8	2.4	-2.4
<b>03 Dec</b>	322 766	8 263	0.7	829	-242	-1 037	2 108	275	-7 709	-0.1	8.3	-1.5	2.0	-3.9	1.0	-1.4	0.4	0.8
<b>04 Jan</b>	P 322 981	215	-0.8	4 136	-236	3 670	702	-1 730	5 651	2.3	-0.6	2.6	2.7	19.8	-0.1	2.3	0.5	-3.4
<b>Feb</b>	P 319 757	-3 224	0.9	-867	-3 632	2 968	-203	-11	2 367	1.5	-7.7	2.4	3.3	4.1	-0.9	2.2	0.6	-0.9
<b>Mar</b>	P 324 332	4 575	1.0	2 824	1 618	629	577	499	-2 250	2.1	-4.6	2.6	4.1	7.6	-0.6	2.3	0.7	-1.5
<b>Apr</b>	P 311 289	-13 043	0.6	265	-2 315	1 454	1 127	3 306	10 003	0.3	-12.3	1.2	4.6	-0.5	-1.6	1.2	0.9	0.1
<b>May</b>	P 316 111	4 822	-0.6	701	2 654	-1 721	-232	-61	-4 061	0.9	-4.7	1.0	4.4	7.7	-0.6	0.9	0.8	-1.7
<b>Jun</b>	P 322 583	6 472	-0.5	852	-2 846	3 418	280	-70	-5 550	0.5	-11.1	1.2	5.1	5.6	-1.3	1.1	0.9	-1.2
<b>Jul</b>	P 320 662	-1 921	-0.9	-4 483	2 966	-8 370	920	-2 007	-556	0.1	-5.6	-0.2	5.3	4.7	-0.7	-0.2	1.0	-1.0
<b>Aug</b>	P 317 478	-3 185	0.0	-5 422	-2 834	-1 820	-768	55	-2 292	0.2	-10.8	0.5	6.0	0.9	-1.3	0.4	1.1	-0.2
<b>Sep</b>	P 313 639	-3 839	-2.1	6 473	2 854	3 878	-259	-43	10 355	1.3	-3.5	1.1	5.5	18.1	-0.4	1.0	1.0	-3.7
<b>Oct</b>	P 296 450	-17 189	-5.5	-4 711	-1 504	-5 616	2 408	11 558	920	0.5	-6.9	-0.3	9.4	27.6	-0.9	-0.2	1.7	-6.2
<b>Nov</b>	P 311 011	14 561	-1.1	6 745	2 149	3 996	600	12 925	5 109	1.9	-3.4	0.5	12.7	15.3	-0.4	0.5	2.3	-3.4
<b>Dec</b>	P 322 923	11 913	0.0	1 336	-1 329	207	2 458	-389	10 188	2.0	-6.2	0.9	12.9	12.1	-0.8	0.8	2.4	-2.4
<b>05 Jan</b>	A 325 275	2 352	0.7	5 577	2 621	2 431	526	2 095	1 131	2.4	1.0	0.5	12.4	10.4	0.1	0.5	2.3	-2.2
<b>Feb</b>	A 319 393	-5 882	-0.1	-4 472	-3 059	-2 041	628	209	1 201	1.5	2.7	-1.2	13.9	8.7	0.3	-1.1	2.6	-1.9
<b>Mar</b>	A 321 957	2 564	-0.7	1 631	1 207	-945	1 369	193	-1 125	1.1	1.5	-1.7	15.1	10.1	0.2	-1.6	2.8	-2.1
<b>Apr</b>	A 313 140	-8 817	0.6	-435	-3 320	2 697	188	584	7 798	1.0	-1.2	-1.3	13.2	2.4	-0.1	-1.2	2.6	-0.6
<b>May</b>	A 317 587	4 448	0.5	5 264	1 968	2 998	299	-316	1 132	2.1	-3.0	0.3	14.2	8.9	-0.4	0.3	2.7	-2.2

NET FINANCING OF GENERAL GOVERNMENT  
Annual percentage changes



NET FINANCING OF GENERAL GOVERNMENT  
Contributions to the annual percentage change



Source: BE.

a.Consolidated: deducted securities and loans held by other General Government units.

b.Including coined money and Caja General de Depositos.

c.Tax collection accounts are not included.

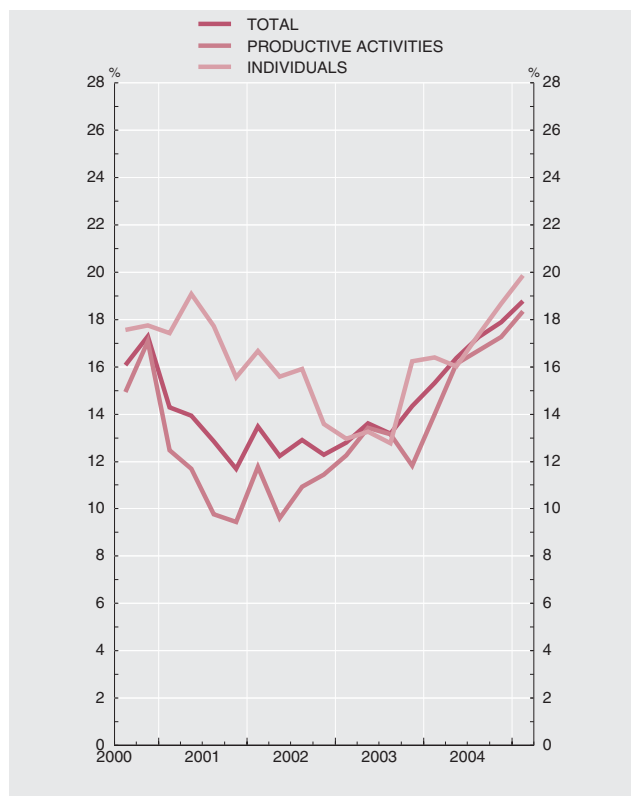
## 8.9 LENDING BY CREDIT INSTITUTIONS TO OTHER RESIDENT SECTORS. BREAKDOWN BY END-USE.

■ Series depicted in chart.

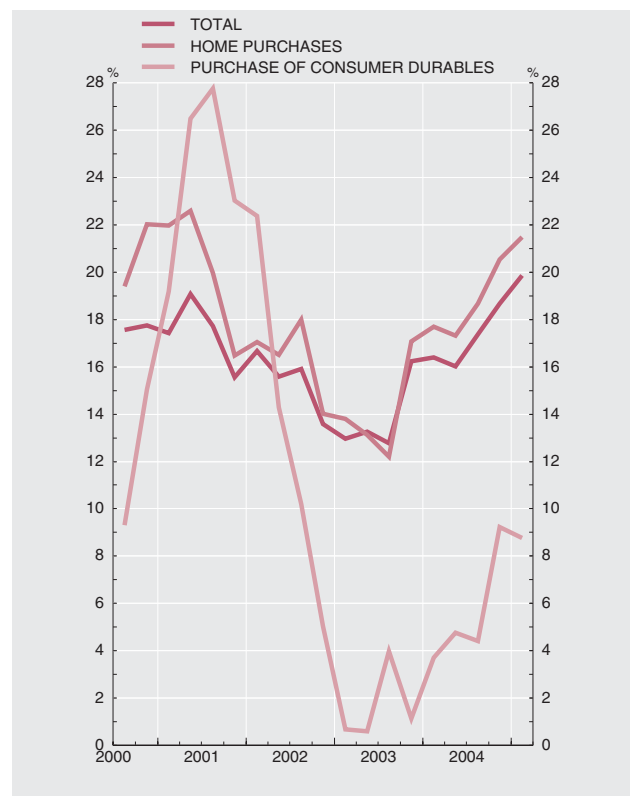
EUR millions and percentages

	Financing of productive activities						Financing of individuals						Financing of private non-profit entities	Unclassified
	Total (a)	Total	Agriculture and fisheries	Industry excluding construction	Construction	Services	Total	Home purchases and improvements			Other (b)			
								Total	Purchases	Improvements				
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
<b>02</b>	701 663	368 466	15 122	85 762	57 376	210 206	320 053	235 086	224 830	10 256	34 741	50 227	2 324	10 819
<b>03</b>	802 212	411 986	16 402	85 829	65 784	243 972	372 013	275 958	263 192	12 766	35 136	60 919	3 002	15 212
<b>04</b>	945 697	483 061	18 104	90 487	78 372	296 097	441 443	333 826	317 268	16 557	38 379	69 238	3 677	17 517
<b>02 Q1</b>	640 193	334 865	13 420	82 689	47 487	191 269	293 673	214 354	205 404	8 949	34 671	44 648	2 382	9 273
<b>02 Q2</b>	664 446	343 191	13 980	81 235	50 770	197 207	308 555	225 521	216 080	9 441	35 466	47 568	2 287	10 413
<b>03 Q3</b>	680 806	351 950	14 281	82 834	53 777	201 057	316 697	234 668	224 849	9 819	35 072	46 957	2 339	9 820
<b>04 Q4</b>	701 663	368 466	15 122	85 762	57 376	210 206	320 053	235 086	224 830	10 256	34 741	50 227	2 324	10 819
<b>03 Q1</b>	722 204	375 901	15 138	86 559	56 975	217 229	331 747	244 498	233 729	10 769	34 910	52 339	2 285	12 271
<b>03 Q2</b>	754 872	389 249	15 712	87 015	59 431	227 091	349 500	256 010	244 414	11 596	35 676	57 814	2 512	13 608
<b>03 Q3</b>	770 523	398 206	16 462	87 240	61 902	232 601	357 146	264 453	252 316	12 136	36 468	56 225	2 651	12 520
<b>04 Q4</b>	802 212	411 986	16 402	85 829	65 784	243 972	372 013	275 958	263 192	12 766	35 136	60 919	3 002	15 212
<b>04 Q1</b>	832 734	428 517	16 973	85 326	68 171	258 047	386 179	288 736	275 107	13 629	36 201	61 242	3 108	14 930
<b>04 Q2</b>	878 477	452 030	17 102	86 636	72 362	275 930	405 486	301 537	286 744	14 793	37 374	66 575	3 183	17 777
<b>04 Q3</b>	903 590	464 652	17 655	88 360	75 494	283 143	419 230	315 021	299 447	15 574	38 075	66 134	3 426	16 281
<b>04 Q4</b>	945 697	483 061	18 104	90 487	78 372	296 097	441 443	333 826	317 268	16 557	38 379	69 238	3 677	17 517
<b>05 Q1</b>	989 196	507 164	18 188	93 815	83 421	311 740	462 910	351 757	334 224	17 532	39 375	71 778	3 548	15 574

**CREDIT BY END-USE**  
Annual percentage changes



**CREDIT TO INDIVIDUALS BY END-USE**  
Annual percentage changes



Source: BE.

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

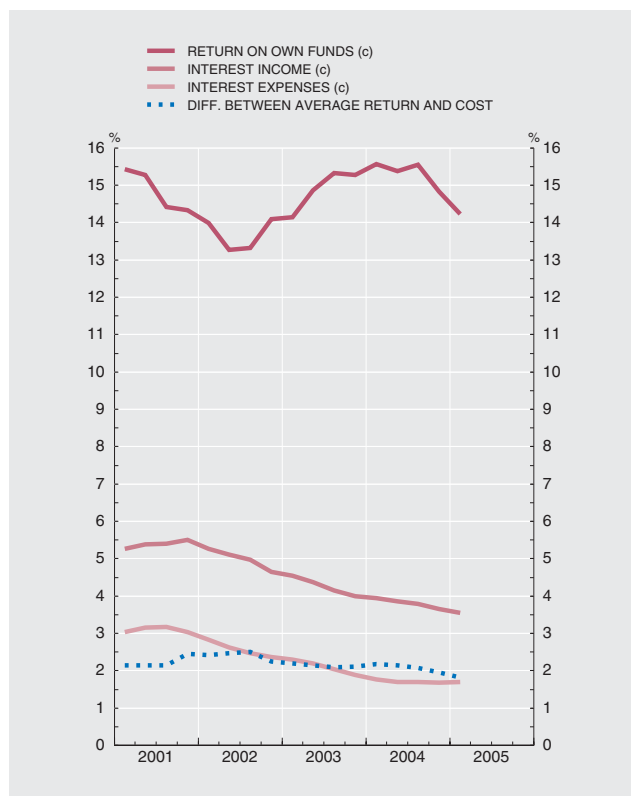
(b) Includes loans and credit to households for the purchase of land and rural property, the purchase of securities, the purchase of current goods and services not considered to be consumer durables (e.g. loans to finance travel expenses) and for various end-uses not included in the foregoing.

## 8.10. PROFIT AND LOSS ACCOUNT OF BANKS, SAVINGS BANKS AND CREDIT CO-OPERATIVES RESIDENT IN SPAIN

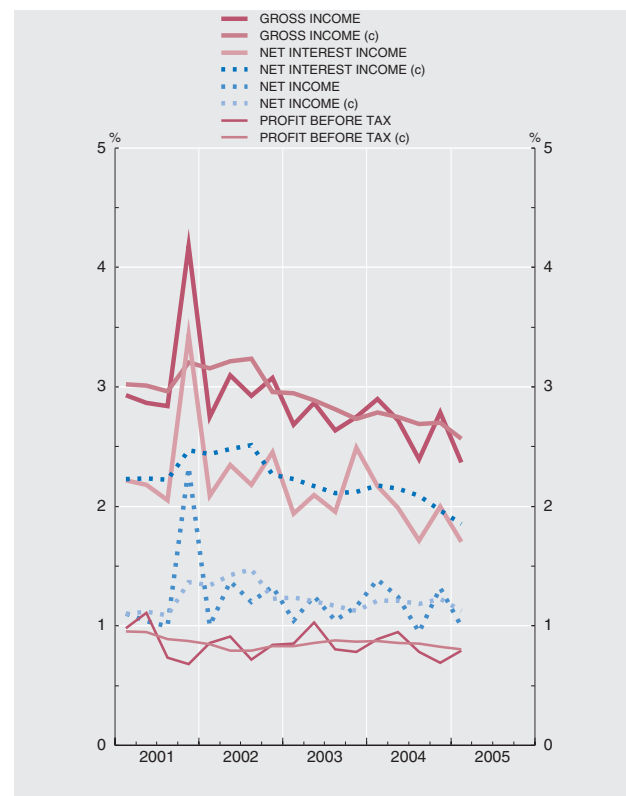
■ Series depicted in chart.

	As a percentage of the adjusted average balance sheet										Percentages				
	1	2	3	4	5	6	7		8	9	10	11	12	13	14
							Of which:	Staff costs							
Interest income	Interest expenses	Net interest income	Non interest income and expenses	Gross income	Operating expenses:		Net income	Provisions and other income and expenses	Profit before tax	Return on own funds (a)	Average return on lending operations (b)	Average cost of borrowing operations (b)	Difference (12-13)		
<b>02</b>	4.8	2.4	2.5	0.6	3.1	1.7	1.0	1.3	-1.6	0.8	14.6	5.0	2.7	2.3	
<b>03</b>	4.2	1.8	2.5	0.3	2.7	1.6	0.9	1.2	-1.0	0.8	14.4	4.3	2.2	2.1	
<b>04</b>	3.7	1.7	2.0	0.8	2.8	1.5	0.9	1.3	-1.6	0.7	11.6	3.9	1.9	1.9	
<b>02 Q1</b>	4.5	2.4	2.1	0.7	2.7	1.7	1.0	1.0	-0.1	0.9	14.5	5.7	3.3	2.4	
<b>Q2</b>	4.7	2.4	2.3	0.8	3.1	1.7	1.0	1.4	-0.5	0.9	15.0	5.5	3.0	2.5	
<b>Q3</b>	4.6	2.4	2.2	0.7	2.9	1.7	1.0	1.2	-0.5	0.7	12.2	5.3	2.8	2.5	
<b>Q4</b>	4.8	2.4	2.5	0.6	3.1	1.7	1.0	1.3	-0.5	0.8	14.6	5.0	2.7	2.3	
<b>03 Q1</b>	4.0	2.1	1.9	0.7	2.7	1.6	1.0	1.0	-0.2	0.8	14.8	4.9	2.7	2.2	
<b>Q2</b>	4.0	1.9	2.1	0.8	2.9	1.6	1.0	1.3	-0.2	1.0	17.9	4.7	2.5	2.1	
<b>Q3</b>	3.7	1.7	2.0	0.7	2.6	1.6	0.9	1.0	-0.2	0.8	14.0	4.4	2.3	2.1	
<b>Q4</b>	4.2	1.8	2.5	0.3	2.7	1.6	0.9	1.2	-0.4	0.8	14.4	4.3	2.2	2.1	
<b>04 Q1</b>	3.8	1.7	2.2	0.7	2.9	1.5	0.9	1.4	-0.5	0.9	15.9	4.2	2.0	2.2	
<b>Q2</b>	3.7	1.7	2.0	0.7	2.7	1.5	0.9	1.2	-0.3	0.9	17.1	4.1	1.9	2.1	
<b>Q3</b>	3.4	1.7	1.7	0.7	2.4	1.4	0.9	1.0	-0.2	0.8	14.7	4.0	1.9	2.1	
<b>Q4</b>	3.7	1.7	2.0	0.8	2.8	1.5	0.9	1.3	-0.6	0.7	11.6	3.9	1.9	1.9	
<b>05 Q1</b>	3.4	1.7	1.7	0.7	2.4	1.4	0.8	1.0	-0.2	0.8	13.5	3.8	1.9	1.8	

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



PROFIT AND LOSS ACCOUNT  
Percentages of the adjusted average balance sheet



Source: BE.

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

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

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

(c) Average of the last four quarters.

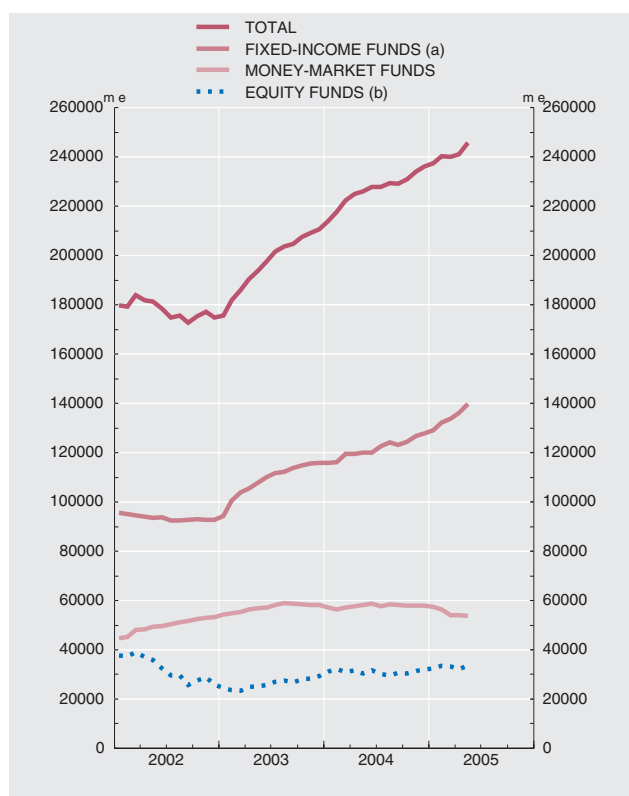
## 8.11. MUTUAL FUNDS RESIDENT IN SPAIN

■ Series depicted in chart.

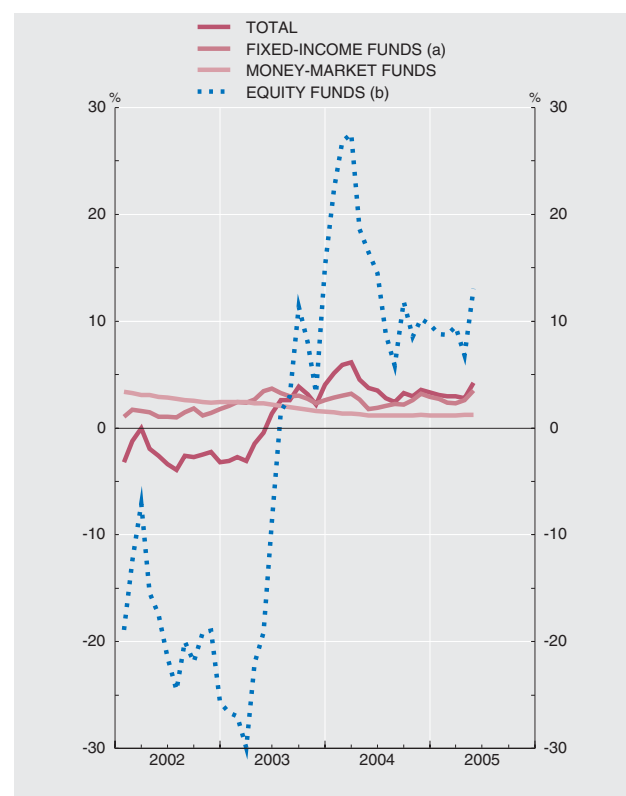
EUR millions

	Total				Money-market funds				Fixed-income funds (a)				Equity funds (b)				Others funds (c)
	Net asset value	Of which		Return over last 12 months	Net asset value	Of which		Return over last 12 months	Net asset value	Of which		Return over last 12 months	Net asset value	Of which		Return over last 12 months	
		Monthly change	Net funds invested			Monthly change	Net funds invested			Monthly change	Net funds invested			Monthly change	Net funds invested		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
<b>02</b>	174 733	-6 590	1 274	-3.2	53 366	9 536	8 327	2.4	92 742	-4 504	-5 581	1.7	26 067	-11 427	-1 794	-25.7	2 558
<b>03</b>	210 627	35 894	28 077	4.0	58 054	4 688	3 830	1.5	115 819	23 077	20 129	2.6	29 401	3 334	-202	15.1	7 353
<b>04</b>	236 088	25 461	18 250	3.3	57 989	-66	-744	1.2	127 735	11 917	10 445	2.9	32 023	2 622	480	9.7	18 341
<b>04 Feb</b>	217 640	3 617	2 284	5.9	56 357	-828	-892	1.4	116 217	339	-230	3.0	32 208	1 107	473	26.8	12 857
<b>Mar</b>	222 254	4 615	4 899	6.2	57 102	745	685	1.3	119 477	3 259	2 553	3.2	30 782	-1 426	-199	27.5	14 894
<b>Apr</b>	225 006	2 752	2 889	4.6	57 582	481	441	1.3	119 465	-11	515	2.6	31 578	796	621	18.6	16 380
<b>May</b>	225 991	984	1 576	3.7	58 295	712	671	1.2	119 904	439	1 019	1.8	30 404	-1 174	-669	16.5	17 387
<b>Jun</b>	227 806	1 816	800	3.5	58 666	371	311	1.2	119 975	71	316	1.9	31 647	1 243	66	14.5	17 518
<b>Jul</b>	227 862	56	719	2.8	57 743	-923	-984	1.2	122 510	2 535	1 936	2.1	30 096	-1 552	-216	8.8	17 514
<b>Aug</b>	229 421	1 559	1 318	2.4	58 502	759	707	1.2	124 031	1 521	1 115	2.3	29 565	-531	-300	5.9	17 323
<b>Sep</b>	229 216	-204	-963	3.3	58 129	-373	-435	1.2	123 035	-996	45	2.2	30 552	987	-81	11.9	17 500
<b>Oct</b>	230 916	1 700	486	3.0	57 981	-148	-207	1.2	124 401	1 366	1 254	2.6	30 473	-79	-294	8.5	18 062
<b>Nov</b>	233 934	3 017	1 484	3.6	57 888	-93	-153	1.2	126 651	2 251	1 589	3.2	31 323	850	180	10.2	18 071
<b>Dec</b>	236 088	2 155	741	3.3	57 989	101	40	1.2	127 735	1 084	812	2.9	32 023	700	-90	9.7	18 341
<b>05 Jan</b>	237 309	1 220	171	3.1	57 368	-621	-684	1.2	129 162	1 427	1 029	2.7	32 489	466	-76	8.8	18 290
<b>Feb</b>	240 300	2 991	1 933	2.9	56 366	-1 002	-1 057	1.2	132 155	2 993	2 760	2.4	33 574	1 084	465	8.7	18 205
<b>Mar</b>	240 060	-240	30	3.0	54 000	-2 366	-2 419	1.2	133 898	1 743	1 741	2.3	33 335	-238	143	9.5	18 827
<b>Apr</b>	241 150	1 091	1 674	2.8	54 063	63	7	1.2	136 126	2 228	1 977	2.6	32 334	-1 001	-310	6.8	18 628
<b>May</b>	245 737	4 586	...	4.2	53 820	-243	...	1.2	139 748	3 622	...	3.5	33 512	1 179	...	13.0	18 657

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.

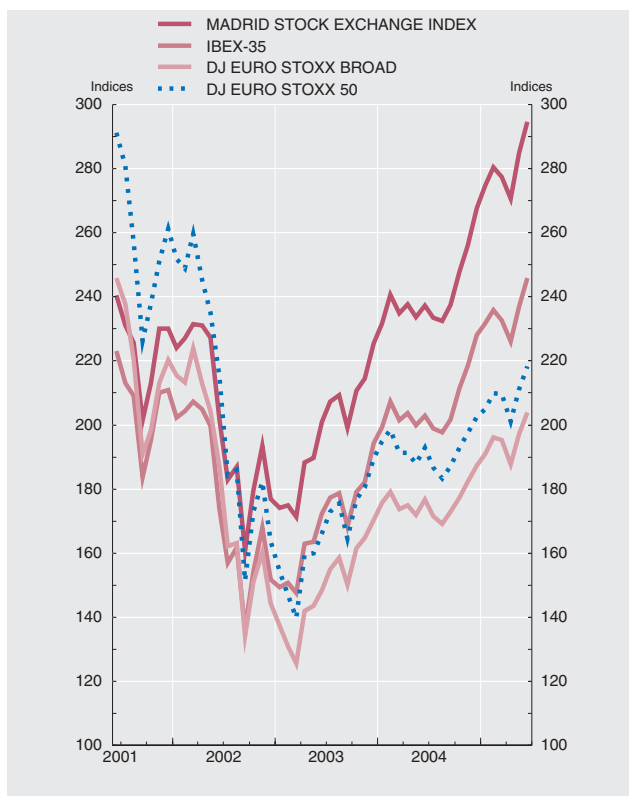
## 8.12. SHARE PRICE INDICES AND TURNOVER ON SECURITIES MARKETS. SPAIN AND EURO AREA

■ Series depicted in chart.

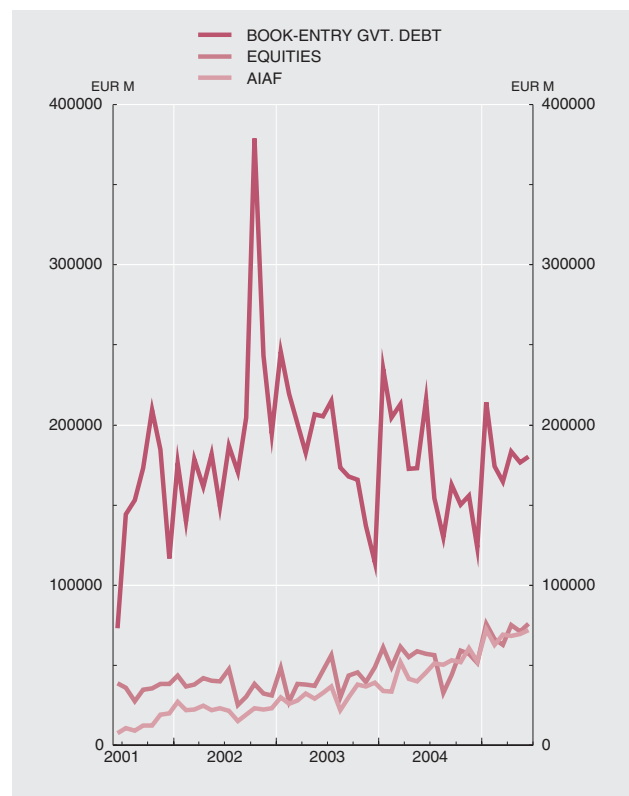
Indices, EUR millions and thousands of contracts

	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
<b>03</b>	706.88	6 727.59	212.92	2 413.39	499 745	74 346	2 234 366	380 204	-	11 677	1	3 653
<b>04</b>	863.25	8 195.58	251.25	2 800.48	643 542	82 790	2 090 447	566 600	-	8 495	0	4 473
<b>05</b>	A 1 004.74	9 346.39	278.60	3 047.57	427 624	44 560	1 093 595	414 082	-	4 603	-	2 497
<b>04 Mar</b>	841.46	8 018.10	247.90	2 787.49	61 389	7 877	213 010	52 067	-	1 064	0	471
<b>Apr</b>	851.91	8 109.50	249.62	2 787.48	55 268	6 795	172 710	41 488	-	402	0	374
<b>May</b>	837.42	7 959.30	245.43	2 736.83	58 788	6 625	172 908	40 128	-	621	0	386
<b>Jun</b>	850.50	8 078.30	252.24	2 811.08	57 168	7 528	215 732	45 679	-	726	0	358
<b>Jul</b>	836.80	7 919.30	244.74	2 720.05	56 271	7 640	154 223	51 245	...	362	...	376
<b>Aug</b>	832.79	7 869.50	241.33	2 670.79	32 632	5 457	129 720	50 308	...	398	...	324
<b>Sep</b>	850.78	8 029.20	246.83	2 726.30	44 141	7 021	162 746	53 188	...	854	...	335
<b>Oct</b>	888.40	8 418.30	253.20	2 811.72	59 228	7 030	150 295	51 843	...	733	...	370
<b>Nov</b>	917.68	8 693.00	260.21	2 876.39	57 052	6 546	155 757	60 867	...	882	...	400
<b>Dec</b>	959.06	9 080.80	267.38	2 951.24	51 572	6 405	123 480	52 341	...	1 101	...	358
<b>05 Jan</b>	983.75	9 223.90	272.56	2 984.59	76 049	6 420	214 225	72 492	...	747	...	409
<b>Feb</b>	1 004.92	9 391.00	280.02	3 058.32	66 419	5 676	174 280	62 893	...	990	...	414
<b>Mar</b>	994.40	9 258.80	278.89	3 055.73	62 722	7 491	164 770	69 095	...	916	...	422
<b>Apr</b>	970.02	9 001.60	267.92	2 930.10	75 282	8 902	183 502	68 311	...	542	...	462
<b>May</b>	1 020.21	9 427.10	281.26	3 076.70	71 094	8 654	176 431	69 387	...	499	...	376
<b>Jun</b>	P 1 055.65	9 783.20	291.17	3 181.54	76 059	7 417	180 388	71 904	...	910	...	414

SHARE PRICE INDICES  
JAN 1994 = 100



TURNOVER ON SECURITIES MARKETS



Sources: Madrid, Barcelona, Bilbao and Valencia Stock Exchanges (columns 1, 2, 5 and 6); Reuters (columns 3 and 4); AIAF (column 8) and Spanish Financial Futures Market (MEFFSA) (columns 9 to 12)

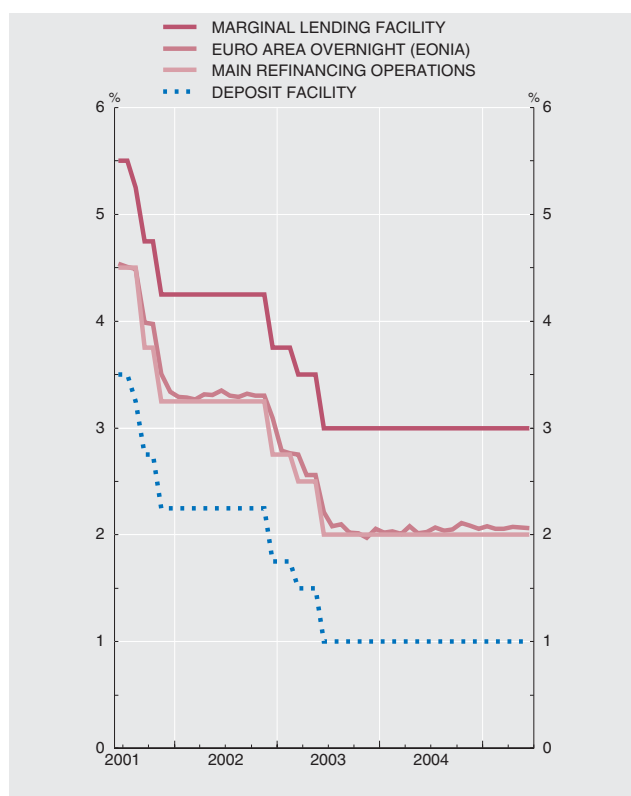
## 9.1. INTEREST RATES. EUROSISTEM AND MONEY MARKET. EURO AREA AND SPAIN

■ Series depicted in chart.

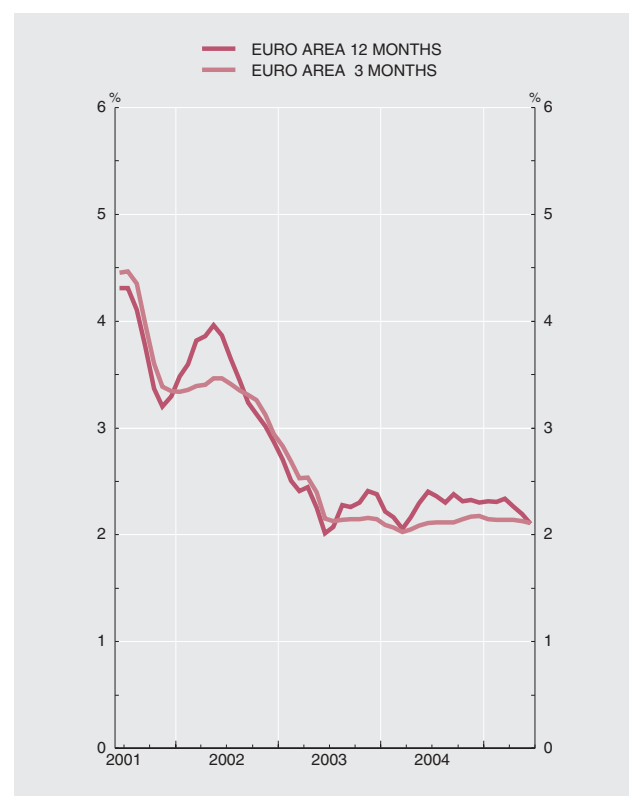
Averages of daily data. Percentages per annum

	Eurosystem monetary policy operations				Money market													
	Main refinancing operations: weekly tenders	Longer term refinancing operations: monthly tenders	Standing facilities		Euro area: deposits (Euribor) (a)					Spain								
			Marginal lending	Deposit	Over-night (EONIA)	1-month	3-month	6-month	1-year	Non-transferable deposits				Government securities repos				
	1	2	3	4	5	6	7	8	9	Over-night	1-month	3-month	1-year	Over-night	1-month	3-month	1-year	
10	11	12	13	14	15	16	17											
03	2.00	2.12	3.00	1.00	2.32	2.35	2.33	2.31	2.34	2.31	2.34	2.33	2.35	2.26	2.26	2.21	2.23	
04	2.00	2.12	3.00	1.00	2.05	2.08	2.11	2.15	2.27	2.04	2.06	2.10	2.29	1.99	1.99	1.99	2.14	
05	A	-	2.06	3.00	1.00	2.07	2.11	2.13	2.17	2.25	2.06	2.09	2.13	2.25	2.02	2.02	2.03	2.15
04 Mar	2.00	-	3.00	1.00	2.01	2.04	2.03	2.02	2.06	2.00	2.02	2.03	2.03	1.94	1.95	1.93	1.87	
Apr	2.00	2.01	3.00	1.00	2.08	2.05	2.05	2.06	2.16	2.06	2.03	2.03	2.18	1.96	1.94	1.95	2.12	
May	2.00	2.04	3.00	1.00	2.02	2.06	2.09	2.14	2.30	2.01	2.05	2.08	2.30	1.97	1.96	1.97	2.18	
Jun	2.00	-	3.00	1.00	2.03	2.08	2.11	2.19	2.40	2.03	2.06	2.10	2.41	1.99	1.98	1.99	2.15	
Jul	2.00	2.07	3.00	1.00	2.07	2.08	2.12	2.19	2.36	2.05	2.06	2.11	2.40	2.00	1.98	2.01	2.29	
Aug	2.00	2.06	3.00	1.00	2.04	2.08	2.11	2.17	2.30	2.03	2.06	2.11	2.33	2.00	2.00	2.01	2.22	
Sep	2.00	2.06	3.00	1.00	2.05	2.08	2.12	2.20	2.38	2.05	2.07	2.11	2.38	2.02	2.00	2.02	2.29	
Oct	2.00	2.10	3.00	1.00	2.11	2.09	2.15	2.19	2.32	2.09	2.07	2.15	2.37	2.05	2.00	2.04	2.22	
Nov	2.00	2.05	3.00	1.00	2.09	2.11	2.17	2.22	2.33	2.08	2.09	2.16	2.34	2.06	2.04	2.06	-	
Dec	2.00	2.12	3.00	1.00	2.05	2.17	2.17	2.21	2.30	2.05	2.15	2.17	2.30	2.02	2.05	2.06	-	
05 Jan	2.00	2.09	3.00	1.00	2.08	2.11	2.15	2.19	2.31	2.07	2.10	2.14	2.33	2.04	2.04	2.05	2.17	
Feb	2.00	2.08	3.00	1.00	2.06	2.10	2.14	2.19	2.31	2.06	2.08	2.13	2.30	2.02	2.03	2.04	2.17	
Mar	2.00	2.09	3.00	1.00	2.06	2.10	2.14	2.19	2.34	2.05	2.09	2.13	2.33	1.98	2.03	2.03	2.22	
Apr	2.00	2.08	3.00	1.00	2.08	2.10	2.14	2.17	2.27	2.07	2.09	2.13	2.24	2.01	2.00	2.03	2.18	
May	2.00	2.08	3.00	1.00	2.07	2.10	2.13	2.14	2.19	2.07	2.08	2.12	2.19	2.02	2.02	2.02	-	
Jun	2.00	2.06	3.00	1.00	2.06	2.10	2.11	2.11	2.10	2.06	2.08	2.10	2.11	2.02	2.01	2.01	2.01	

EUROSISTEM: 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

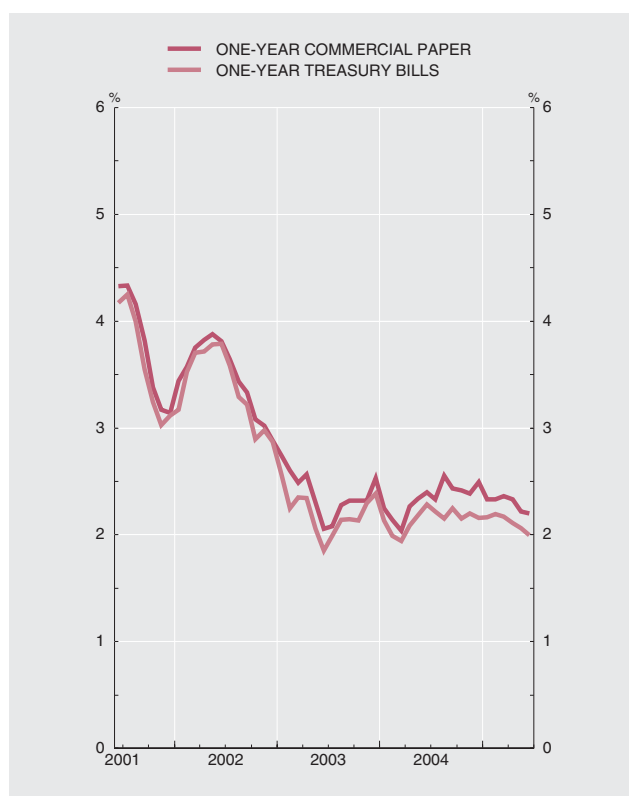
## 9.2. INTEREST RATES: SPANISH SHORT-TERM AND LONG-TERM SECURITIES MARKETS

■ Series depicted in chart.

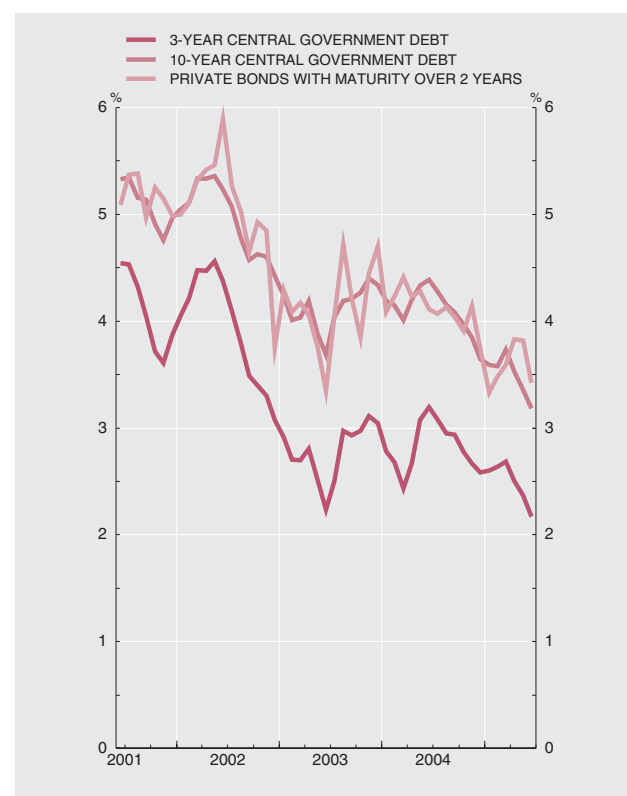
Percentages per annum

	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	
03	2.21	2.21	2.38	2.34	2.66	3.19	4.11	4.46	4.90	2.78	4.12	4.14
04	2.15	2.17	2.34	2.25	2.79	3.22	4.02	4.27	4.73	2.82	4.10	4.11
05	2.12	2.13	2.29	2.29	2.36	2.85	3.52	3.70	3.92	2.49	3.50	3.58
04 Mar	1.95	2.08	2.04	1.97	-	3.29	-	4.24	-	2.43	4.01	4.41
Apr	2.09	2.08	2.26	2.16	-	3.03	-	-	4.91	2.67	4.20	4.23
May	2.18	2.14	2.34	2.30	2.93	-	-	4.63	-	3.08	4.33	4.28
Jun	2.29	2.30	2.40	2.26	3.15	-	4.44	-	-	3.20	4.39	4.11
Jul	2.22	2.24	2.33	2.28	-	3.53	-	4.51	-	3.08	4.28	4.07
Aug	2.15	2.16	2.56	2.38	-	-	-	-	-	2.95	4.15	4.13
Sep	2.25	2.17	2.44	2.36	2.78	-	4.13	-	4.71	2.94	4.08	4.04
Oct	2.15	2.17	2.41	2.31	-	3.19	-	4.10	-	2.78	3.97	3.91
Nov	2.20	2.25	2.39	2.38	2.63	-	3.79	-	4.41	2.67	3.85	4.14
Dec	2.16	2.20	2.50	2.29	-	2.86	3.57	3.71	-	2.58	3.64	3.74
05 Jan	2.17	2.23	2.33	2.34	2.58	-	3.54	-	-	2.60	3.59	3.33
Feb	2.19	2.20	2.33	2.34	-	2.85	-	3.70	-	2.64	3.58	3.48
Mar	2.17	2.19	2.36	2.35	-	-	3.68	-	-	2.69	3.73	3.59
Apr	2.11	2.12	2.33	2.30	-	3.07	-	-	-	2.50	3.53	3.83
May	2.06	2.07	2.22	2.22	-	2.84	3.32	-	-	2.37	3.36	3.82
Jun	2.00	1.98	2.20	2.17	2.14	-	-	-	3.92	2.17	3.19	3.42

### PRIMARY MARKET



### SECONDARY MARKET



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

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

Percentages

	Loans (APRC) (a)							Deposits (NEDR) (a)								
	Synthetic rate (c)	Households and NPISH			Non-financial corporations			Synthetic rate (c)	Households and NPISH				Non-financial corporations			
		Synthetic rate	House purchase	Consumption and other	Synthetic rate	Up to EUR 1 million	Over EUR 1 million (b)		Synthetic rate	Over-night and redeemable at notice	Time	Repos	Synthetic rate	Over-night	Time	Repos
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
<b>03</b>																
May	4.46	4.76	3.85	6.62	4.14	4.68	3.67	1.33	1.30	0.48	2.13	2.45	1.42	0.78	2.33	2.51
Jun	4.28	4.65	3.75	6.48	3.87	4.48	3.45	1.19	1.16	0.44	1.94	2.19	1.27	0.77	2.03	2.16
Jul	4.11	4.44	3.55	6.28	3.75	4.38	3.25	1.15	1.14	0.42	1.94	2.05	1.18	0.66	1.97	2.05
Aug	4.24	4.54	3.45	6.80	3.91	4.47	3.45	1.14	1.12	0.42	1.89	2.02	1.20	0.69	1.98	1.97
Sep	4.19	4.53	3.46	6.76	3.82	4.35	3.38	1.12	1.10	0.41	1.87	2.04	1.20	0.68	1.98	2.02
Oct	4.17	4.45	3.48	6.46	3.86	4.41	3.39	1.11	1.08	0.40	1.84	2.03	1.21	0.68	1.98	2.00
Nov	4.13	4.43	3.46	6.41	3.80	4.37	3.33	1.12	1.09	0.39	1.88	1.97	1.21	0.69	2.03	1.97
Dec	4.09	4.41	3.46	6.40	3.75	4.25	3.40	1.13	1.11	0.39	1.93	2.05	1.20	0.66	2.01	1.98
<b>04</b>																
Jan	4.14	4.51	3.53	6.55	3.74	4.32	3.29	1.15	1.14	0.39	1.99	1.93	1.18	0.68	1.98	1.95
Feb	4.08	4.40	3.51	6.27	3.73	4.22	3.27	1.15	1.14	0.39	1.99	1.96	1.18	0.66	2.02	1.99
Mar	3.95	4.29	3.39	6.20	3.59	4.17	3.13	1.12	1.11	0.39	1.93	2.00	1.15	0.66	1.91	1.99
Apr	3.98	4.30	3.31	6.40	3.64	4.14	3.14	1.13	1.12	0.39	1.95	2.01	1.17	0.65	1.99	1.96
May	3.90	4.16	3.25	6.13	3.61	4.18	3.13	1.11	1.09	0.38	1.92	1.94	1.16	0.66	1.96	1.96
Jun	3.85	4.18	3.29	6.04	3.50	4.15	3.09	1.12	1.11	0.37	2.00	2.06	1.14	0.64	2.01	1.98
Jul	3.88	4.24	3.38	6.07	3.48	4.14	3.03	1.13	1.12	0.37	2.04	2.07	1.16	0.66	1.98	1.99
Aug	3.97	4.44	3.46	6.54	3.46	4.21	2.88	1.15	1.14	0.38	2.03	2.00	1.19	0.68	1.97	2.00
Sep	3.98	4.42	3.45	6.54	3.51	4.13	2.99	1.14	1.13	0.38	2.01	1.98	1.17	0.67	2.00	2.00
Oct	3.95	4.34	3.45	6.34	3.53	4.15	2.95	1.19	1.16	0.39	2.08	2.01	1.28	0.70	2.28	2.03
Nov	3.95	4.36	3.48	6.29	3.51	4.13	2.94	1.18	1.16	0.38	2.08	2.02	1.26	0.69	2.23	2.04
Dec	3.87	4.27	3.39	6.27	3.44	4.12	3.01	1.17	1.15	0.39	2.06	2.11	1.24	0.68	2.06	2.03
<b>05</b>																
Jan	3.94	4.36	3.43	6.53	3.49	4.21	2.89	1.16	1.14	0.39	2.02	2.04	1.23	0.73	2.05	2.09
Feb	3.83	4.16	3.44	5.85	3.47	4.09	2.91	1.16	1.15	0.40	2.04	2.09	1.20	0.70	2.03	2.05
Mar	3.89	4.26	3.42	6.26	3.48	4.04	2.98	1.15	1.13	0.39	2.03	2.06	1.19	0.70	2.03	2.00
Apr	3.89	4.23	3.41	6.18	3.53	4.03	3.01	1.15	1.13	0.39	2.02	2.08	1.21	0.72	2.02	2.03
May	3.89	4.26	3.42	6.25	3.51	4.06	2.99	1.14	1.12	0.38	2.02	2.08	1.19	0.73	1.97	2.01

LOANS SYNTHETIC RATES

DEPOSITS SYNTHETIC RATES



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

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

c. 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.



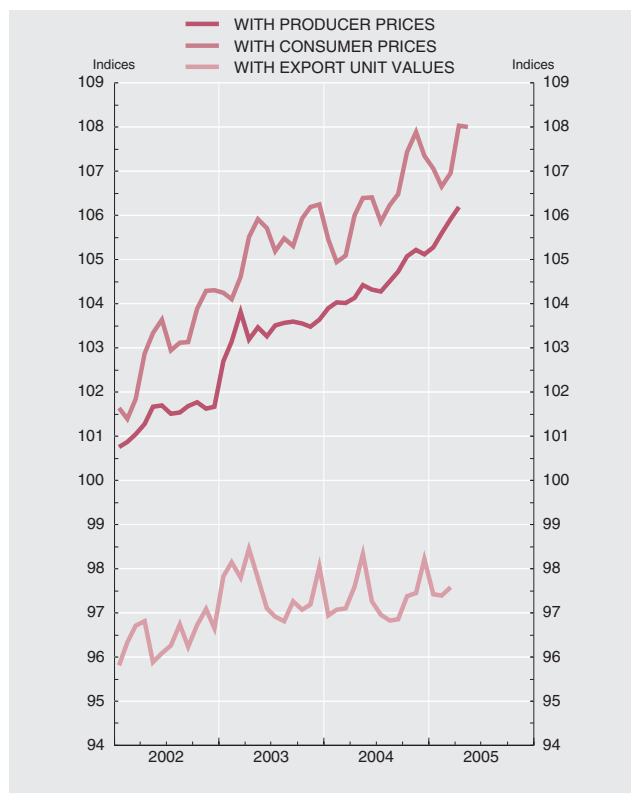
## 9.4 INDICES OF SPANISH COMPETITIVENES VIS-À-VIS THE EU-15 AND THE EURO AREA

■ Series depicted in chart.

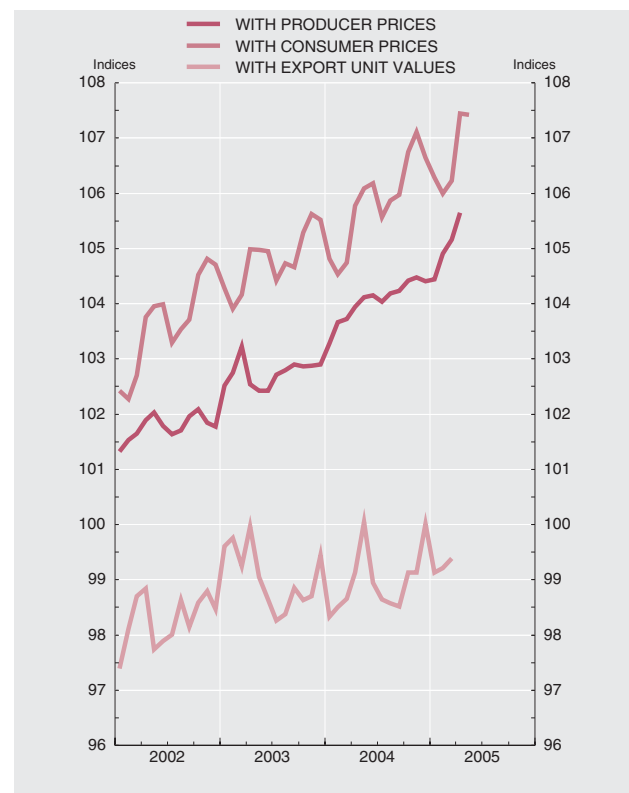
Base 1999 Q1 = 100

	Vis-à-vis the EU-15									Vis-à-vis the euro area			
	Total (a)				Nominal component (b)	Price component (c)				Based on producer prices	Based on consumer prices	Based on manufacturing unit labour costs	Based on export unit values
	Based on producer prices	Based on consumer prices	Based on manufacturing unit labour costs	Based on export unit values		Based on producer prices	Based on consumer prices	Based on manufacturing unit costs	Based on export unit values				
1	2	3	4	5	6	7	8	9	10	11	12	13	
<b>02</b>	101.4	103.0	105.3	96.4	99.1	102.4	104.0	106.3	97.4	101.8	103.6	105.9	98.3
<b>03</b>	103.4	105.4	107.0	97.5	100.1	103.3	105.2	106.8	97.4	102.7	104.8	106.0	99.0
<b>04</b>	104.5	106.3	109.2	97.3	99.9	104.6	106.4	109.3	97.4	104.1	105.8	108.5	99.0
<b>03 Q2</b>	103.3	105.7	107.2	97.8	100.3	103.0	105.4	106.9	97.5	102.5	105.0	106.0	99.2
<b>Q3</b>	103.6	105.3	106.9	97.0	100.3	103.3	105.0	106.6	96.7	102.8	104.6	105.7	98.5
<b>Q4</b>	103.6	106.1	107.0	97.4	100.2	103.3	105.9	106.8	97.2	102.9	105.5	105.8	98.9
<b>04 Q1</b>	104.0	105.2	107.4	97.0	100.0	104.0	105.2	107.4	97.1	103.6	104.7	106.7	98.5
<b>Q2</b>	104.3	106.3	108.4	97.7	99.7	104.6	106.5	108.7	98.0	104.1	106.0	107.8	99.4
<b>Q3</b>	104.5	106.2	109.6	96.9	99.8	104.7	106.4	109.8	97.0	104.1	105.8	109.1	98.6
<b>Q4</b>	105.1	107.6	111.4	97.7	100.2	105.0	107.4	111.3	97.5	104.4	106.8	110.5	99.4
<b>05 Q1</b>	105.6	106.9	...	97.5	100.2	105.4	106.7	...	97.3	104.8	106.2	...	99.2
<b>04 Sep</b>	104.7	106.5	...	96.9	100.0	104.8	106.5	...	96.9	104.2	106.0	...	98.5
<b>Oct</b>	105.1	107.4	...	97.4	100.1	104.9	107.3	...	97.3	104.4	106.7	...	99.1
<b>Nov</b>	105.2	107.9	...	97.5	100.2	105.0	107.6	...	97.2	104.5	107.1	...	99.1
<b>Dec</b>	105.1	107.3	...	98.2	100.2	104.9	107.2	...	98.1	104.4	106.6	...	100.0
<b>05 Jan</b>	105.3	107.1	...	97.4	100.2	105.0	106.8	...	97.2	104.4	106.3	...	99.1
<b>Feb</b>	105.6	106.7	...	97.4	100.1	105.5	106.5	...	97.3	104.9	106.0	...	99.2
<b>Mar</b>	105.9	107.0	...	97.6	100.2	105.7	106.8	...	97.4	105.2	106.2	...	99.4
<b>Apr</b>	106.2	108.0	...	...	100.0	106.2	108.0	...	...	105.7	107.4	...	...
<b>May</b>	...	108.0	...	...	100.0	...	108.0	...	...	...	107.4	...	...
<b>Jun</b>	...	...	...	...	99.8	...	...	...	...	...	...	...	...

### INDICES OF SPANISH COMPETITIVENESS VIS À VIS THE EU-15



### INDICES OF SPANISH COMPETITIVENESS VIS À VIS THE EURO AREA



Source: BE.

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

(b) Geometric mean calculated using a double weighting system based on 1995-1997 manufacturing foreign trade figures.

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

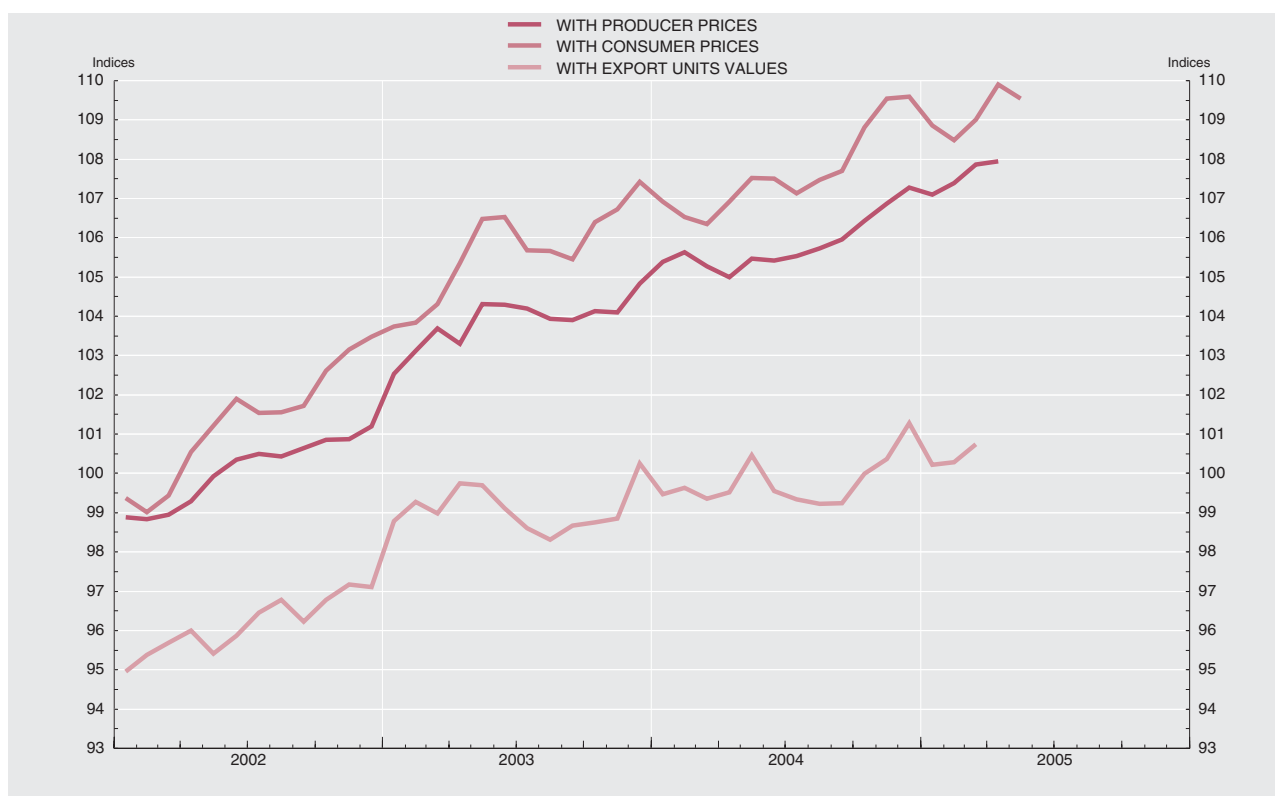
## 9.5 INDICES OF SPANISH COMPETITIVENESS VIS-À-VIS THE DEVELOPED COUNTRIES

■ Series depicted in chart.

Base 1999 Q1 = 100

	Total (a)				Nominal component (b)	Price component (c)			
	Based on producer prices	Based on consumer	Based on manufacturing unit labour costs	Based on export unit values		Based on producer prices	Based on consumer prices	Based on manufacturing unit labour cost	Based on export unit values
	1	2	3	4	5	6	7	8	9
<b>02</b>	100.1	101.3	104.4	96.2	97.1	103.1	104.3	107.5	99.0
<b>03</b>	103.9	105.6	108.0	99.1	100.0	103.9	105.6	108.0	99.1
<b>04</b>	105.8	107.7	111.2	99.8	100.8	105.0	106.9	110.4	99.0
<b>03 Q2</b>	104.0	106.1	108.5	99.5	100.3	103.6	105.8	108.2	99.2
<b>Q3</b>	104.0	105.6	108.0	98.5	100.1	103.9	105.5	107.8	98.4
<b>Q4</b>	104.4	106.8	108.4	99.3	100.4	103.9	106.4	108.0	98.9
<b>04 Q1</b>	105.4	106.6	109.5	99.5	100.9	104.5	105.7	108.6	98.6
<b>Q2</b>	105.3	107.3	110.1	99.8	100.3	105.0	107.0	109.8	99.6
<b>Q3</b>	105.7	107.4	111.5	99.3	100.5	105.2	106.9	110.9	98.7
<b>Q4</b>	106.9	109.3	113.8	100.5	101.4	105.4	107.8	112.3	99.2
<b>05 Q1</b>	107.5	108.8	...	100.4	101.5	105.9	107.2	...	99.0
<b>04 Sep</b>	106.0	107.7	...	99.2	100.7	105.3	107.0	...	98.6
<b>Oct</b>	106.4	108.8	...	100.0	101.0	105.4	107.7	...	99.0
<b>Nov</b>	106.9	109.5	...	100.4	101.4	105.4	108.1	...	99.0
<b>Dec</b>	107.3	109.6	...	101.3	101.7	105.4	107.7	...	99.5
<b>05 Jan</b>	107.1	108.9	...	100.2	101.5	105.5	107.3	...	98.7
<b>Feb</b>	107.4	108.5	...	100.3	101.4	106.0	107.0	...	98.9
<b>Mar</b>	107.9	109.0	...	100.7	101.6	106.2	107.3	...	99.2
<b>Apr</b>	107.9	109.9	...	...	101.3	106.6	108.5	...	...
<b>May</b>	...	109.5	...	...	101.0	...	108.4	...	...
<b>Jun</b>	...	...	...	...	100.3	...	...	...	...

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



Source: BE.

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

(b) Geometric mean calculated using a double weighting system based on 1995-1997 manufacturing foreign trade figures.

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

ARTICLES PUBLISHED IN THE ECONOMIC BULLETIN

## ARTICLES PUBLISHED IN THE ECONOMIC BULLETIN

JUL 2000	Quarterly report on the Spanish economy 9 Results of non-financial corporations in 2000 Q1 51 Presentation of the financial accounts of the Spanish economy 63 Financial regulation: second quarter of 2000 81
OCT 2000	Quarterly report on the Spanish economy 9 Results of non-financial corporations in 2000 Q2 59 Financial regulation: 2000 Q3 71
JAN 2001	Quarterly report on the Spanish economy 9 Results of non-financial corporations in 1999 and the first three quarters of 2000 53 Financial regulation: 2000 Q4 69
APR 2001	Quarterly report on the Spanish economy 9 Results of non-financial corporations in 2000 Q4 and summary year-end data 53 Financial regulation: 2001 Q1 67
JUL 2001	Quarterly report on the Spanish economy 9 Results of non-financial corporations in 2001 Q1 55 The opening up of the network industries to competition: regulatory aspects and effects on prices 67 Financial regulation: 2001 Q2 79
OCT 2001	Quarterly report on the Spanish economy 9 Results of non-financial corporations in 2001 Q2 55 The implications of the conversion of prices into euro for inflation 67 The contribution of information and communication technologies to the growth of the Spanish economy 73 Using indicators to monitor real convergence 81 Financial regulation: 2001 Q3 89
JAN 2002	Quarterly report on the Spanish economy 9 Results of non-financial corporations in 2000 and the first three quarters of 2001 57 Quality bias in the measurement of prices: empirical evidence and macroeconomic implications for Spain 71 Financial regulation: 2001 Q4 85
APR 2002	Quarterly report on the Spanish economy 9 Results of non-financial corporations in 2001 Q4 and summary year-end data 55 Financial regulation: 2002 Q1 67
JUL 2002	Quarterly report on the Spanish economy 9 Results of non-financial corporations in 2002 Q1 55 The new framework for the Spanish regional (autonomous) governments 67 Financial regulation: 2002 Q2 75
OCT 2002	Address by the Governor of the Banco de España, Jaime Caruana, to the Spanish Parliamentary Budget Committee 9 Quarterly report on the Spanish economy 13 Results of non-financial corporations to 2002 Q2 63 The housing market in Spain 75 Productive investment in the recent cycle 85 Financial regulation: 2002 Q3 93
JAN 2003	Quarterly report on the Spanish economy 9 Results of non-financial corporations in 2001 and in the first three quarters of 2002 55 Persistent inflation differentials in Europe 71 The effects of economic integration on the specialisation and geographical distribution of industrial activity in the EU countries 77 The Spanish experience in EU accession 89 The significance of sectoral composition in recent stock market developments 95 Financial regulation: 2002 Q4 101
APR 2003	Quarterly report on the Spanish economy 9 Results of non-financial corporations in 2002 Q4 and summary year-end data 55 The Argentine crisis a year on 67

	How relevant are balance-of-payments disequilibria in the industrialised countries? The case of the euro area and the United States 73 Financial regulation: 2003 Q1 83
JUL 2003	Quarterly report on the Spanish economy 9 Results of non-financial corporations in 2003 Q1 57 Comparative analysis of export demand for manufactures in the euro area countries 67 Financial regulation: 2003 Q2 77
OCT 2003	Quarterly report on the Spanish economy 9 Results of non-financial corporations in 2003 Q2 57 House prices in Spain 69 The determinants of competitiveness and its indicators for the Spanish economy 75 Financial regulation: 2003 Q3 89
JAN 2004	Quarterly report on the Spanish economy 9 Results of non-financial corporations in 2002 and in the first three quarters of 2003 57 Determination of manufacturing exports in the euro area countries using a supply-demand model 73 Financial regulation: 2003 Q4 83
APR 2004	Quarterly report on the Spanish economy 9 Results of non-financial corporations in 2003 Q4 and summary year-end data 55 Half-yearly report on the Latin-American economy 65 A comparison between bank rates in Spain and in the euro area Web Spanish export market share in the past decade 81 Financial regulation: 2004 Q1 91
JUL 2004	Quarterly report on the Spanish economy 9 Results of non-financial corporations in 2004 Q1 69 The effects of UE enlargement on the Spanish economy: productive structures and trade flows 83 An estimate of the equilibrium interest rate in the United States and Germany 97 Financial regulation: 2004 Q2 105
OCT 2004	Quarterly report on the Spanish economy 13 Results of non-financial corporations to 2004 Q2 69 Half-yearly report on the Latin American economy 77 Financial regulation: 2004 Q3 103
JAN 2005	Quarterly report on the Spanish economy 13 Results of non-financial corporations in 2003 and in the first three quarters of 2004 69 Survey of Household Finances (EFF): description, methods, and preliminary results 89 Has the pass-through of movements in the euro exchange rate into import prices changed since the start of EMU? 111 Financial regulation: 2004 Q4 125
APR 2005	Quarterly report on the Spanish economy 13 Results of non-financial corporations to 2004 Q4 and summary year-end data 71 Half-yearly report on the Latin American economy 87 Financial regulation: 2005 Q1 113
JUL 2005	Quarterly report on the Spanish economy 13 Results of non-financial corporations in 2005 Q1 71 The wealth of Spanish households: a microeconomic comparison with the United States, Italy and the United Kingdom 87 Financial regulation: 2005 Q2 111

## BANCO DE ESPAÑA PUBLICATIONS

### Studies and reports

#### REGULAR

Annual Report (in Spanish and English)  
Economic Bulletin (quarterly) (the Spanish version is monthly)  
Financial Stability Report (in Spanish and English) (half-yearly)  
Memoria del Servicio de Reclamaciones (annual)  
Mercado de Deuda Pública (annual)  
Report on Banking Supervision in Spain (in Spanish and English) (annual)  
The Spanish Balance of Payments and International Investment Position (in Spanish and English) (annual)

#### NON-PERIODICAL

Central Balance Sheet Data Office: commissioned studies  
Notas de Estabilidad Financiera

#### ECONOMIC STUDIES

- 73 OLYMPIA BOVER AND PILAR VELILLA: Hedonic house prices without characteristics: the case of new multiunit housing (2001). (The Spanish original of this publication has the same number.)
- 74 MARIO IZQUIERDO AND M.<sup>a</sup> DE LOS LLANOS MATEA: Hedonic prices for personal computers in Spain during the 90s (2001). (The Spanish original of this publication has the same number.)
- 75 PABLO HERNÁNDEZ DE COS: Empresa pública, privatización y eficiencia (2004).
- 76 FRANCISCO DE CASTRO FERNÁNDEZ: Una evaluación macroeconómica de la política fiscal en España (2005).

#### ECONOMIC HISTORY STUDIES

- 42 SEBASTIÁN COLL AND JOSÉ IGNACIO FORTEA: Guía de fuentes cuantitativas para la historia económica de España. Vol. II: Finanzas y renta nacional (2002).
- 43 ELENA MARTÍNEZ RUIZ: El sector exterior durante la autarquía. Una reconstrucción de las balanzas de pagos de España, 1940-1958. Revised edition (2003).
- 44 INÉS ROLDÁN DE MONTAUD: La banca de emisión en Cuba (1856-1898) (2004).
- 45 ALFONSO HERRANZ LONCÁN: La dotación de infraestructuras en España, 1844-1935 (2004).

#### WORKING PAPERS

- 00533 ÓSCAR J. ARCE: Reflections on fiscalist divergent price-paths.
- 0534 M.<sup>a</sup> DE LOS LLANOS MATEA AND MIGUEL PÉREZ: Diferencias en la evolución de los precios de los alimentos frescos por tipo de establecimiento.
- 0535 JOSÉ MANUEL MARQUÉS, FERNANDO NIETO AND ANA DEL RÍO: Una aproximación a los determinantes de la financiación de las sociedades no financieras en España.
- 0536 S. FABIANI, M. DRUANT, I. HERNANDO, C. KWAPIL, B. LANDAU, C. LOUPIAS, F. MARTINS, T. MATHÄ, R. SABBATINI, H. STAHL AND A. STOKMAN: The pricing behaviour of firms in the euro area: new survey evidence.
- 0537 LUIS J. ÁLVAREZ AND I. HERNANDO: The price setting behaviour of Spanish firms: evidence from survey data.

#### OCCASIONAL PAPERS

- 0501 JOSÉ RAMÓN MARTÍNEZ-RESANO: Size and heterogeneity matter. A microstructure-based analysis of regulation of secondary markets for government bonds.
- 0502 ALICIA GARCÍA HERRERO, SERGIO GAVILÁ AND DANIEL SANTABÁRBARA: China's banking reform: an assessment of its evolution and possible impact.
- 0503 ANA BUISÁN, DAVID LEARMONTH AND MARÍA SEBASTIÁ-BARRIEL: An industry approach to understanding export performance: stylised facts and empirical estimation.

---

**Note:** The full list of each series is given in the Publications Catalogue.

All publications are available in electronic format, with the exception of statistical and miscellaneous publications and texts of the Human Resources Development Division.

## MISCELLANEOUS PUBLICATIONS<sup>1</sup>

- BANCO DE ESPAÑA: Monedas de Oro de la Colección del Banco de España (1991). € 48.08.  
PEDRO MARTÍNEZ MÉNDEZ: Los beneficios de la banca (1970-1989) (1991). € 12.50.  
MARÍA JOSÉ TRUJILLO MUÑOZ: La potestad normativa del Banco de España: el régimen dual establecido en la Ley de Autonomía (1995). € 3.13.  
BANCO DE ESPAÑA: Tauromaquia. Catálogo comentado sobre la Tauromaquia, de Francisco de Goya, referido a una primera tirada de esta serie, propiedad del Banco de España (1996). € 5.  
JUAN LUIS SÁNCHEZ-MORENO GÓMEZ: Circular 8/1990, de 7 de septiembre. Concordancias legales (1996). € 6.25.  
RAMÓN SANTILLÁN: Memorias (1808-1856) (1996) (\*\*).  
BANCO DE ESPAÑA. SERVICIO DE ESTUDIOS (Ed.): La política monetaria y la inflación en España (1997) (\*).  
BANCO DE ESPAÑA: La Unión Monetaria Europea: cuestiones fundamentales (1997). € 3.01.  
TERESA TORTELLA: Los primeros billetes españoles: las «Cédulas» del Banco de San Carlos (1782-1829) (1997). € 28.13.  
JOSÉ LUIS MALO DE MOLINA, JOSÉ VIÑALS AND FERNANDO GUTIÉRREZ (Ed.): Monetary policy and inflation in Spain (1998) (\*\*\*)  
VICTORIA PATXOT: Medio siglo del Registro de Bancos y Banqueros (1947-1997) (1999). Book and disquette: € 5.31.  
PEDRO TEDDE DE LORCA: El Banco de San Fernando (1829-1856) (1999) (\*).  
BANCO DE ESPAÑA (Ed.): Arquitectura y pintura del Consejo de la Reserva Federal (2000). € 12.02.  
PABLO MARTÍN ACEÑA: El Servicio de Estudios del Banco de España (1930-2000) (2000). € 9.02.  
TERESA TORTELLA: Una guía de fuentes sobre inversiones extranjeras en España (1780-1914) (2000). € 9.38.  
VICTORIA PATXOT AND ENRIQUE GIMÉNEZ-ARNAU: Banqueros y bancos durante la vigencia de la Ley Cambó (1922-1946) (2001). € 5.31.  
BANCO DE ESPAÑA: El camino hacia el euro. El real, el escudo y la peseta (2001). 45 €.  
BANCO DE ESPAÑA: El Banco de España y la introducción del euro (2002). Free copy.  
BANCO DE ESPAÑA: Spanish banknotes 1940-2001 (2004). 30 €. (In Spanish and English.)

## Statistics

- Boletín de Operaciones (daily) (available only in electronic format on the website)  
Boletín del Mercado de Deuda Pública (daily) (available only in electronic format on the website)  
Boletín estadístico (monthly)  
Central de Balances. Resultados anuales de las empresas no financieras (annual monograph)  
Financial accounts of the Spanish economy (bilingual Spanish/English edition) (annual)

## Financial legislation and official registers

- Circulares a entidades de crédito<sup>2</sup>  
Circulares del Banco de España. Recopilación (four-monthly)  
Registros de Entidades (annual) (available only in electronic format on the website)

## Training

- BANCO DE ESPAÑA: Cálculo mercantil (con ejercicios resueltos).  
PEDRO PEDRAJA GARCÍA: Contabilidad y análisis de balances en la banca (tomo I) (1999).  
PEDRO PEDRAJA GARCÍA: Contabilidad y análisis de balances en la banca (tomo II) (1998).  
JESÚS MARÍA RUIZ AMESTOY: Matemática financiera (2001).  
JESÚS MARÍA RUIZ AMESTOY: Matemática financiera (ejercicios resueltos) (1994).  
UBALDO NIETO DE ALBA: Matemática financiera y cálculo bancario.  
LUIS A. HERNANDO ARENAS: Tesorería en moneda extranjera.

## EUROPEAN CENTRAL BANK PUBLICATIONS

- Spanish editions of:  
Annual Report  
Monthly Bulletin  
Other publications

1. All publications are distributed by the Banco de España, except those indicated with (\*), (\*\*) or (\*\*\*), which are respectively distributed by Alianza Editorial, Editorial Tecnos and Macmillan (London). Prices include 4 % VAT. 2. Available only on the Banco de España website until it is included in the publication *Circulares del Banco de España. Recopilación*.

**BANCO DE ESPAÑA**

Unidad de Publicaciones  
Alcalá, 522; 28027 Madrid  
Telephone +34 91 338 6363. Fax +34 91 338 6488  
e-mail: Publicaciones@bde.es  
www.bde.es