

THE SPANISH ECONOMY

Recent Developments

**Quarterly bulletin
July-August 2010**



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DE ESPAÑA**

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DATA ON SPANISH ECONOMY

Table 1.- QNA: MAIN AGGREGATES OF DEMAND AND OUTPUT

Percentage change on previous year, chain-linked volume, except when indicated. Seasonal and calendar effects adjusted series.

	2008	2009	2010(1)	2009				2010	
				I	II	III	IV	I	II
Final consumption expenditure.....	0.9	-2.3	0.6	-2.2	-3.0	-2.3	-1.8	-0.3	1.5
- Households	-0.6	-4.3	0.8	-5.0	-5.5	-4.2	-2.6	-0.3	2.0
- NPISH (2)	0.9	1.0	1.1	0.9	1.0	1.2	0.8	0.9	1.3
- General Government	5.8	3.2	0.1	5.9	4.3	2.7	0.2	-0.2	0.4
Gross fixed capital formation.....	-4.8	-16.0	-8.8	-15.3	-18.0	-16.4	-14.0	-10.5	-7.0
- Equipment.....	-2.5	-24.8	1.7	-24.2	-31.5	-25.5	-16.9	-4.8	8.7
- Other products.....	-4.1	-16.2	-14.0	-12.1	-16.9	-18.7	-17.2	-15.4	-12.4
- Construction.....	-5.9	-11.9	-11.4	-12.2	-12.0	-11.7	-11.9	-11.4	-11.4
Stockbuilding inventories (3).....	0.1	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.1
Domestic demand (3)	-0.6	-6.4	-1.7	-6.2	-7.5	-6.5	-5.3	-2.8	-0.5
Exports of goods and services.....	-1.1	-11.6	9.7	-16.5	-15.8	-11.0	-2.1	8.8	10.5
Imports of goods and services.....	-5.3	-17.8	5.0	-21.5	-22.2	-17.2	-9.2	2.0	8.1
External demand (3).....	1.5	2.7	1.0	2.7	3.1	2.6	2.3	1.5	0.4
GDP AT MARKET PRICES	0.9	-3.7	-0.7	-3.5	-4.4	-3.9	-3.0	-1.3	-0.1
- GVA Agriculture, forestry and fishing...	-2.1	1.0	-2.9	0.4	0.7	1.6	1.5	-2.2	-3.5
- GVA Industry	-2.7	-13.6	-0.1	-12.7	-15.9	-14.8	-11.0	-2.3	2.2
- GVA Energy	5.8	-6.4	0.2	-5.5	-6.5	-7.3	-6.3	0.1	0.2
- GVA Construction.....	-1.6	-6.2	-6.4	-6.1	-6.3	-7.1	-5.4	-6.3	-6.4
- GVA Services	2.3	-1.0	0.0	-0.8	-1.6	-0.9	-0.9	-0.4	0.4

(1) Available data period. (2) Non-profit institutions serving households. (3) Contribution to GDP growth in percentage points.

Source: INE. *Quarterly National Accounts*.

Table 2.- ACTIVITY AND DOMESTIC DEMAND INDICATORS

Percentage change on previous year or balance

	2009	2010(1)	2009		2010			Latest Data
			III	IV	I	II (1)	III (1)	
Activity								
Social Security contributors.....	-5.8	-2.3	-6.0	-4.6	-3.0	-1.9	-1.6	Aug
Industrial production index (IPI) (filtered) (2)	-15.8	1.4	-14.6	-5.6	0.3	2.9	0.5	Jul
Industrial capacity utilisation (%)	70.0	70.8	67.9	68.8	68.9	70.9	72.7	III
Industrial sentiment indicator (balances in %)	-31.2	-16.0	-29.3	-24.0	-20.1	-13.9	-13.1	Aug
Electricity power consumption (3).....	-4.3	3.3	-2.1	-1.4	2.8	4.4	2.6	Aug
Cement consumption.....	-32.4	-14.5	-24.9	-16.7	-18.7	-12.0	-12.8	Aug
Surface to be built (projects)	-51.4	-22.7	-47.9	-40.7	-24.8	-19.5	-	May
Official bidding	-8.2	-38.4	-1.4	-17.0	-50.4	-5.9	-	May
Construction confidence indicator (balances in %)	-30.5	-25.9	-26.2	-24.4	-24.9	-24.3	-29.9	Aug
Railway traffic (goods) (4)	-28.4	13.1	-32.4	-7.7	4.5	20.9	15.4	Aug
Air-traffic (passengers)	-8.0	1.9	-5.0	-0.8	3.5	-0.6	3.6	Aug
Foreign tourist.....	-8.8	0.4	-7.7	-3.5	0.3	-3.1	4.3	Aug
Demand								
IPI, consumer goods (filtered) (2).....	-8.2	1.3	-8.6	-1.7	0.4	2.5	0.5	Jul
Consumer goods imports (volume).....	-6.1	-5.7	-3.4	3.7	-10.8	2.8	-13.4	Jul
Consumer goods availabilities (adjusted)	-10.7	-2.6	-8.7	-3.4	-6.7	1.3	-1.6	Jul
New car registrations.....	-18.1	21.8	-0.7	29.8	44.7	35.3	-23.8	Aug
Consumer Confidence Indicator (balances in %)	-28.2	-21.1	-20.6	-19.9	-18.2	-22.9	-22.8	Aug
IPI, capital goods (filtered) (2).....	-22.1	-2.3	-20.2	-10.3	-2.4	-1.7	-4.0	Jul
Capital goods imports (volume)	-27.0	7.0	-23.4	-16.9	-1.2	13.0	15.8	Jul
Capital goods availabilities (adjusted)	-27.0	-6.9	-25.5	-6.1	-4.6	-11.1	-0.8	Jul
Households and business financing (5).....	2.8	-2.2	2.6	-0.1	-1.8	-2.4	-2.9	Jul

(1) Available data period. (2) Adjusted for calendar effect. (3) Adjusted for calendar and temperature effects. (4) Mt-Km. (5) Deflated by CPI. (-) Not available.

Sources: MTIN, INE, REE, OFICEMEN, MFOM, RENFE, AENA, IET, DA, DGT, CE, BE and MEH.

Table 3.- FOREIGN SECTOR (1)

	2008 (p)	2009 (p)	2009			2010			
			II	III	IV	I	II	May	June
Imports cif (Million €) (2)	23,521	17,370	16,706	17,201	18,494	18,365	20,307	20,378	20,914
Exports fob (Million €) (2)	15,682	13,188	13,327	12,806	14,216	14,244	15,680	16,213	16,203
Trade balance (Million €) (2)	-7,839	-4,182	-3,379	-4,395	-4,279	-4,121	-4,627	-4,165	-4,711
Imports (% Δ on p.y.): Volume	-2.9	-17.4	-25.7	-13.8	-1.7	8.8	16.6	19.9	14.7
Price	3.7	-10.6	-9.8	-14.0	-11.3	-1.2	4.3	5.2	6.5
Exports (% Δ on p.y.): Volume	1.9	-9.8	-14.7	-9.6	4.3	17.4	14.9	20.7	13.5
Price	1.8	-6.7	-6.3	-8.8	-7.3	-2.2	2.4	4.1	2.7
Current and capital account balance: Million € ..	-8,375	-4,520	-3,594	-3,137	-4,324	-4,777	-3,827	-2,949	-3,458
% GDP.....	-9.2	-5.1	-4.0	-3.7	-4.7	-5.5	-4.2	..	..
Net external reserves (Million €) (3)	14,546	19,578	15,142	18,301	19,578	20,918	24,353	23,870	24,353

(1) Monthly average. (2) Customs basis. (3) End of period data. (..) Not applicable. (p) Provisional.

Sources: DA, BE and MEH.

Table 4.- EMPLOYMENT AND UNEMPLOYMENT

Annual percentage change and level in the latest quarter

	2008	2009	2008			2009				2010		Thousands
			II	III	IV	I	II	III	IV	I	II	
Labour force survey												
Labour force	3.0	0.8	3.1	2.9	2.9	2.3	1.2	0.2	-0.4	-0.4	0.2	23.12
Employment	-0.5	-6.8	0.3	-0.8	-3.0	-6.4	-7.2	-7.3	-6.1	-3.6	-2.5	18.48
Agriculture	-5.0	-4.0	-4.4	-4.1	-4.7	-3.0	-4.2	-6.4	-2.6	-0.3	-1.1	0.78
- Non agriculture	-0.3	-6.9	0.5	-0.7	-3.0	-6.6	-7.4	-7.3	-6.2	-3.8	-2.5	17.70
Industry.....	-1.1	-13.3	0.9	-1.0	-6.7	-12.5	-13.7	-14.9	-11.9	-10.4	-6.4	2.62
Construction	-10.9	-23.0	-7.9	-13.0	-20.7	-25.9	-24.6	-23.3	-17.3	-15.9	-11.6	1.70
Services	2.1	-2.5	2.1	1.9	1.5	-1.3	-2.7	-2.8	-3.3	-0.6	-0.4	13.38
Wage earners	-0.5	-6.0	0.4	-0.7	-3.4	-5.8	-6.6	-6.5	-5.0	-3.7	-2.4	15.36
- Public sector.....	1.6	3.5	2.3	2.0	4.0	5.4	3.7	3.7	1.2	1.9	1.1	3.09
- Private sector.....	-0.9	-8.0	0.0	-1.3	-4.9	-8.1	-8.8	-8.8	-6.4	-5.1	-3.2	12.28
Unemployed	41.3	60.2	35.3	45.0	66.4	84.5	73.7	58.7	34.9	15.0	12.3	4.65
Unemployment rate (% labour force).....	11.3	18.0	10.4	11.3	13.9	17.4	17.9	17.9	18.8	20.0	20.1	-
Employment offices (*)												
Registered unemployment	24.6	43.5	18.8	26.0	42.5	51.4	52.9	43.5	29.8	18.5	12.6	3.97

(*) Latest available Aug.

Sources: INE (Labour Force Survey) and SPEE.

Table 5.- PRICES AND WAGES

Annual percentage change

	2008	2009	2009						2010							
			Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.
Consumer price index																
Total	4.1	-0.3	-1.4	-0.8	-1.0	-0.7	0.3	0.8	1.0	0.8	1.4	1.5	1.8	1.5	1.9	1.8
Food	5.7	0.2	-0.3	-0.2	-0.5	-0.5	-0.5	-0.5	-0.7	-0.9	-0.3	-0.1	0.3	1.0	0.8	1.1
Non food	3.6	-0.4	-1.7	-1.0	-1.2	-0.7	0.5	1.1	1.5	1.3	1.9	1.9	2.1	1.6	2.2	2.0
Underlying (1)	3.2	0.8	0.6	0.4	0.1	0.1	0.2	0.3	0.1	0.1	0.2	-0.1	0.2	0.4	0.8	1.0
Industry excluded energy	0.3	-1.3	-1.5	-1.8	-2.1	-2.1	-1.7	-1.7	-1.7	-1.5	-1.5	-1.5	-1.1	-0.8	-0.1	0.2
Services	3.9	2.4	2.1	1.9	1.8	1.6	1.6	1.6	1.2	1.1	1.3	0.8	1.0	1.0	1.4	1.5
Energy.....	11.9	-9.0	-15.9	-10.2	-10.2	-6.6	1.9	7.5	11.4	9.9	13.9	16.7	16.4	10.9	11.8	8.9
Wages																
Collective bargaining (2)	3.6	2.3	2.7	2.7	2.6	2.6	2.6	2.3	1.6	1.5	1.4	1.3	1.3	1.3	1.3	1.3
Total wage cost per worker (3) .	5.1	3.2	..	..	3.1	..	..	2.7	..	..	1.9	..	..	1.8	..	..

(1) Consumer price index not including energy and unprocessed food. (2) Monthly data refer to the collective agreements registered until the respective month. Annual data include the application of wage revisions clauses. (3) Monthly data refer to the quarter ending in the respective month. (..) Not applicable.

Sources: INE and MTIN.

Table 6.- PUBLIC SECTOR: STATE OPERATIONS

	Million €				Annual percentage change			
	2008	2009	2009	2010	2008	2009	2009	2010
			Jul.	Jul.			Jul.	Jul.
1. Receipts	129335	102038	57757	76330	-19.1	-21,1	-24.8	32.2
Direct taxes	74096	54096	28048	33754	-23.6	-27,0	-28.5	20.3
Indirect taxes	39229	28664	19456	34347	-19.0	-26,9	-33.7	76.5
Other revenues	16011	19277	10253	8229	11.1	20,4	25.4	-19.7
2. Expenditure	148082	189319	108703	106011	6.0	27,8	24.5	-2.5
Wages, goods and services	29819	31430	17399	17816	6.0	5,4	4.5	2.4
Interests	15929	17650	14792	16569	9.6	10,8	12.4	12.0
Current transfers	82755	112412	60066	57395	6.5	35,8	24.5	-4.4
Capital outlays	19579	27828	16447	14231	1.2	42,1	77.3	-13.5
3.- Cash deficit (2-1)	18747	87281	50946	29681	-	365,6	382.8	-41.7
4.- Changes in financial assets	29034	29007	10583	462	139.0	-0,1	-	-95.6
5.- Borrowing requirement (3+4)	47781	116288	61529	30142	-	143,4	-	-51.0

Source: MEH.

Table 7.- MONETARY AND FINANCIAL SECTOR

	2008	2009	2010	2010						
				Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.
Financing of the economy (1)										
Total financing (loans and securities)	7.5	4.0	2,7	3,0	2,2	2,6	2,9	2,7	-	-
Non financial corporations and household	6.4	-1.0	-0.9	-1,5	-1,7	-1,3	-0,7	-0,9	-	-
General government	13.6	29.5	18.8	23,9	20,3	20,5	19,1	18,8	-	-
Interest rates (period averages)										
Intervention rate (2)	2.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
3 mon. euribor rate	4.63	1.23	0.74	0.64	0.64	0.69	0.73	0.85	0.90	0.88
1 yr. euribor rate	4.81	1.62	1.29	1.22	1.23	1.25	1.28	1.37	1.42	1.42
10 yr. gov. bond yield	4.36	3.97	4.10	3.83	3.90	4.08	4.56	4.43	4.04	4.08
Loans. Synthetic rate	6.19	3.84	3.25	3,27	3,22	3,16	3,18	3,28	-	-
Deposits. Synthetic rate	3.02	1.53	1.32	1,30	1,36	1,30	1,37	1,51	-	-
Exchange rates (period averages)										
Dollar/Eur	1.471	1.393	1.314	1.357	1.341	1.257	1.221	1.277	1.289	1.291
Yen/Eur	152.33	130.23	118.87	123.03	125.33	115.83	110.99	111.73	110.04	119.10
Effective (Index: 1999 Q1= 100)	113.04	113.75	104.69	107.43	106.14	102.82	100.66	102.47	102.07	101.80
Stock exchange (3)										
Madrid (Index Dec 1985=100)	1263.1	1053.6	1064.7	1123.1	1086.7	966.6	960.8	1088.6	1052.7	1089.0

(1) Year-on-year percentage change. For annual data, December on December.(2) Last rate of each period. (3) Last day of the month. For annual data, period averages.

Source: BE and ECB.



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