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BULLETIN OF EU AND US INFLATION AND MACROECONOMIC ANALYSIS

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Universidad Carlos III de Madrid
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Instituto Flores de Lemus

N. 237 July 2014 Second Phase

1994 20th ANNIVERSARY 2014

The negative innovations in domestic demand and the foreign sector have reduced the euro area growth forecast from 1.4% to 0.9% (±0.9) for 2014 and from 1.5% to 1.3% (±1.2) for 2015.

MAIN VARIABLES AND INDICATORS IN THE EURO AREA
Annual average rates

		2010	2011	2012	2013	Forecasts 2014	Forecasts 2015
GDP mp.[1]		1.9	1.6	-0.6	-0.4	0.9 (±0.9)	1.3 (±1.2)
Demand	Private consumption	1.0	0.3	-1.4	-0.6	0.7	1.1
	Public consumption	0.6	-0.1	-0.5	0.1	0.5	1.0
	Gross fixed capital formation	-0.6	1.6	-3.8	-2.8	1.8	1.7
	Construction	-4.6	-0.4	-4.0	-3.8	1.3	0.1
	Equipment	8.8	3.6	-7.6	-0.9	2.2	4.3
	Others	4.1	2.6	0.1	0.4	2.8	4.7
	Contribution domestic demand*	1.2	0.8	-2.1	-0.8	0.9	1.1
	Exports of goods and services	11.4	6.6	2.7	1.4	3.4	3.6
	Imports of goods and services	9.8	4.6	-0.8	0.4	3.7	3.6
	Contribution foreign demand*	0.7	0.8	1.4	0.4	0.0	0.1
Supply GVA	Agriculture, livestock breeding, forestry	-2.9	0.3	-4.9	-0.4	3.4	0.1
	Industry	9.4	3.1	-1.0	-0.5	0.7	2.3
	Manufacturing Industry	10.9	4.8	-1.3	-0.6	2.8	3.4
	Construction	-5.7	-1.6	-4.1	-3.9	0.4	-0.1
	Services	0.9	1.8	0.1	0.1	1.0	1.2
	Market services	0.8	2.0	0.0	0.1	1.0	1.2
	Public administration, health and edu	1.1	1.0	0.2	0.1	1.0	1.3
	Taxes	1.3	0.1	-1.9	-1.4	0.6	0.5

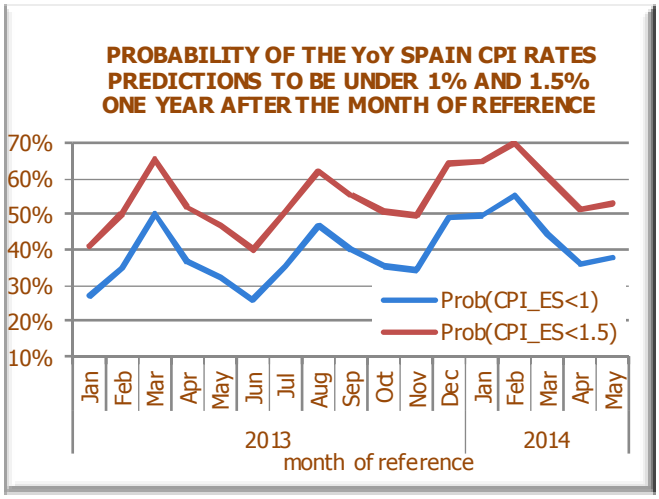
Source: EUROSTAT & BIAM (UC3M)
Date: June 4, 2014

Economic Outlook

P. 1

"The euro area figures are particularly significant in this issue of the Bulletin. The forecasts have been revised downwards with the first quarter figures. Also of interest are the action taken by the ECB in its June 6 meeting. It is currently taking an approach that is opposite the one applied by other major central banks and this could lead to the euro depreciating on the currency markets."

Probability of inflation in 12 months being less than 1% and 1.5%.



Source: INE & BIAM (UC3M)
Date: June 26, 2014

Saving, Investment and financing capacity(+)/requirements(-) of the Spanish economy

P. 42

"The Spanish economy has considerably corrected the high foreign trade disequilibrium accumulated in the last period of growth prior to the onset of the economic crisis, which began in the second half of the 1990s. One of the most immediate and visible effects of the adjustment caused by the crisis on the foreign sector was the correction of the current account deficit and respective need for financing. From the viewpoint of the institutional sectors, both households and firms corrected their debtor positions and soon presented a surplus..."

BULLETIN OF E.U. AN US INFLATION AND MACROECONOMIC ANALYSIS

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D.L.: M-18290-2013

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*The cut-off date for the statistics included in this Bulletin was June 30, 2014

I. ECONOMIC OUTLOOK

II.1. ECONOMIC OUTLOOK

"The euro area figures are particularly significant in this issue of the Bulletin. The forecasts have been revised downwards with the first quarter figures. Also of interest are the action taken by the ECB in its June 6 meeting. It is currently taking an approach that is opposite the one applied by other major central banks and this could lead to the euro depreciating on the currency markets."

In June the risk premiums of the countries most affected by the debt crisis in 2011 and 2012 continued to improve. This has been found in Greece, Ireland and Spain, although to a lesser extent in Portugal.

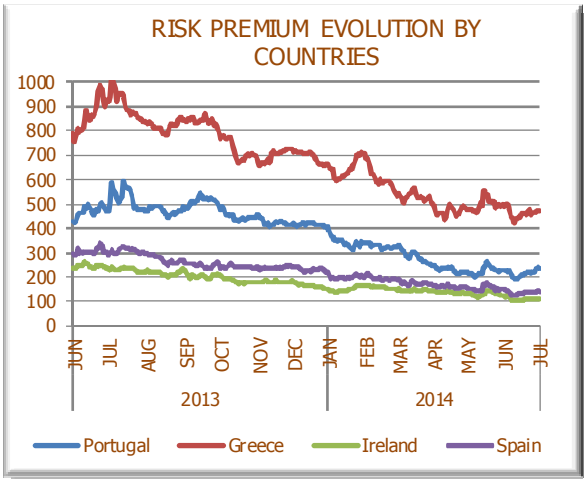
In this issue we update our euro area forecasts, following the second estimation calculated by EUROSTAT and the information available as of mid-June with regards to indicators. In line with observed growth that is much lower than expected, the forecasts have been revised downwards.

This reduction affects 2014 more than 2015. The average annual growth forecast for 2014 has gone from 1.4% to 0.9% (±0.9) and from 1.5% to 1.3% (±1.2) for 2015.

All this involved less growth in private consumption and exports, which registered the greatest downward innovations.

Private consumption is expected to grow by 0.7% in 2014 and 1.1% in 2015. The forecasts have fallen by 0.2 pp for each year.

Graph I.1



Source: www.datosmacro.com
Date: June 30, 2014

The export forecasts are for 3.4% growth this year and 3.6% the next, 0.4 pp and 0.5 pp, respectively, less than before. The net contribution of exports to growth this year will be zero, followed by 0.1 pp next year. The forecast has fallen by 0.2 pp this year and remains unaltered for 2015.

There have been no major changes on the supply side.

With regards to the Spanish economy, there was a downwards revision in the last Bulletin, with the average forecasts at 0.8% (±0.8) for this year and 1.3% (±1.7) for 2015.

Domestic demand will contribute 0.9 points in 2014 and 1.1 in 2015, largely due to household consumption, which is expected to grow by 1.7% this year and 2.1% the next. This will be due to the gradual increase in employment (0.3% in 2014 and 1.3% in 2015).

On the foreign demand side, from where most of the downwards revision stems, there will be a decrease of 0.1 pp this year and an increase of 0.2 pp the next.

The evolution of the foreign sector appears to have had a significant impact on the downwards revision in our growth forecasts for both the euro area and Spain.

To illustrate this, we show how the effective growth forecast for the Spanish export markets has been reduced; each forecast is estimated with the respective weight of each geographical area in total Spanish exports in 2013 (see Table I.1)

This decline is explained by worse growth perspectives for the euro area, and the BRICS, which in turn are due to a downwards innovation in economic growth.

Given the situation, it is logical that inflation levels remain low in the euro area, and very low in Spain. Together with the aforementioned credit and economic growth figures, this has clearly led to the radical change in monetary policy announced at the beginning of June by the ECB, based on three measures.

The interest rate is at its lowest ever, 0.15%.

Bank deposits in the ECB are applied a negative interest rate, -0.10%.

TLTRO in the amount of 400,000 million euros. The duration of the line is 4 years, and in the first two banks can use it to finance any type of operation; however, in the last two its use must be solely for credit to the productive system.

At the same time, it announced that work was beginning on a programme to purchase debt assets, the amount and duration of which have not yet been determined.

This change of position of the ECB involves it entering a scenario of quantitative expansion just when other major central banks have abandoned that approach, and are even anticipating interest rate increases. If the ECB sends a clear message that it will maintain this approach for as long as it takes for the economy to recover, the euro will probably depreciate, benefiting European exports.

These measures were published only a month ago, but no significant effects have yet been seen. Inflation is therefore expected to remain at low levels.

Inflation in the euro area this year is forecast at 0.6%, followed by 1.1% in 2015. The probability of average inflation being 1% this year, half the ECB target, is 99%. Next year the probability of the same occurring is nearly 50%. These rates appear to be too low in this economic context.

This is particularly true for the Spanish economy. Although deflation is ruled out, the forecasts of 0.2% for 2014 and 1.1% for 2015 are not what is needed by the Spanish public sector or Spanish households, with high levels of debt. Higher nominal growth would help to increase tax collections, reducing the burden of debt in real terms.

Table I.1

FORECAST OF GROWTH OF THE MAIN EXPORTS MARKETS IN SPAIN

	% SHARE FOR SPANISH EXPORTS	FORECASTS %			
		January 2014		June 2014	
	2013	2014	2015	2014	2015
Euro Area	46.0	1.4	1.5	0.9	1.3
European Union (except Euro Area countries)	11.2	1.5	2	1.6	2
United States	4.5	2.8	2.9	2.8	3.2
BRICS (except South Africa)	13.8	5.6	5.7	4.8	5.2
Brazil	1.4	2.4	2.7	1.5	2.7
Russia	3.6	2.3	2.7	1	2
Chinese	7.7	7.7	7.5	7.2	7
India	1.1	6.2	6.6	5.5	6.3
North Africa	7.1	2.8	3.3	3.5	4.5
Rest of Africa	5.4	5.3	5.4	4.7	5.1
Rest of Asia (except BRICS)	0.6	3.5	4.5	3.0	4.8
Latin America (except BRICS)	7.0	2.9	3.2	1.9	2.9
Rest of countries	4.4	3.2	3.4	3.5	3.8
Efective growth forecast of Exports markets*		3.3	3.5	2.9	3.4

* Geographically Weighted

Sources and Dates:

Winter Forecast EC: Februayr 24, 2014
Spring Forecast EC: May 5, 2014
World Bank Economic Prospects January: January 14, 2014
World Bank Economic Prospects June: June 12, 2014
BIAM: June 4, 2014
Ministry of Economy and Competitiveness : June 13, 2014

Table I.2

PROBABILITY OF THE YEAR-ON-YEAR SPANISH CPI FORECAST TO BE UNDER 1% OR UNDER 1.5%			
		Prob (CPI_ES<1)	Prob (CPI_ES<1.5)
	June	99.99%	99.99%
	July	99.96%	99.99%
	August	99.27%	99.98%
	September	91.59%	98.65%
	October	75.01%	91.25%
	November	69.89%	86.94%
	December	67.49%	84.00%
2015	January	59.19%	76.67%
	February	51.39%	68.83%
	March	43.14%	60.12%
	April	39.49%	55.63%
	Mayo	37.76%	53.12%
	June	42.05%	56.82%
	July	47.25%	61.71%
	August	47.89%	62.24%
	September	48.80%	63.11%
	October	50.02%	64.14%
	November	50.03%	63.91%
	December	51.36%	64.86%

Source: INE & BIAM (UC3M)
Date: June 26, 2014

Table I.3

PROBABILITY OF THE YEAR-ON-YEAR SPANISH CPI FORECAST TO BE UNDER 1% OR UNDER 1.5%			
		Prob (CPI_ES<1)	Prob (CPI_ES<1.5)
	June	99.99%	99.99%
	July	99.96%	99.99%
	August	99.27%	99.98%
	September	91.59%	98.65%
	October	75.01%	91.25%
	November	69.89%	86.94%
	December	67.49%	84.00%
2015	January	59.19%	76.67%
	February	51.39%	68.83%
	March	43.14%	60.12%
	April	39.49%	55.63%
	Mayo	37.76%	53.12%
	June	42.05%	56.82%
	July	47.25%	61.71%
	August	47.89%	62.24%
	September	48.80%	63.11%
	October	50.02%	64.14%
	November	50.03%	63.91%
	December	51.36%	64.86%

Source: EUROSTAT & BIAM (UC3M)
Date: June 26, 2014

[1]Actualización del Programa de Estabilidad y Crecimiento 20014-2017, documento de obligada presentación anual a las autoridades comunitarias.

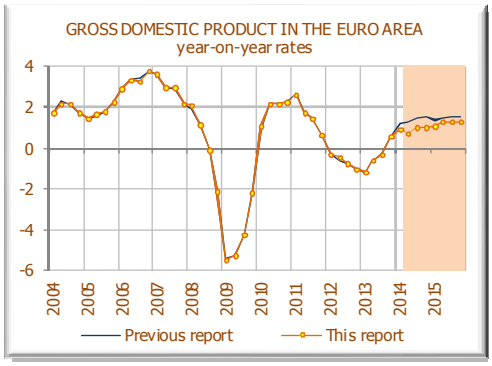
II. THE ECONOMY IN THE EURO AREA

The downwards surprise in the first quarter of 2014 caused a reduction in the euro area growth forecast: 0.9% (±0.9) for this year and 1.3% (±1.2) for the next.

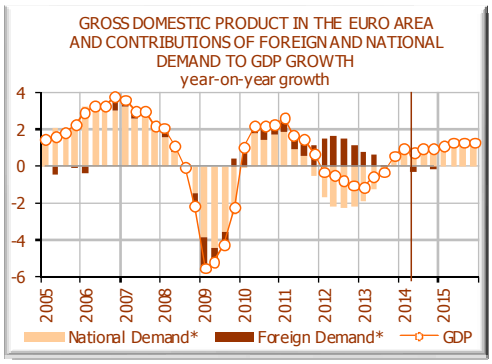
The April figure has improved the expectations for industry in the Euro Area. The forecast average annual IPI growth rate has risen to 1.9% (±1.5) for 2014 and 2.4% (±2.2) for 2015.

The average inflation forecasts for the euro area remains at 0.6% (±0.24) for 2014 and 1.1% (±0.94) for 2015.

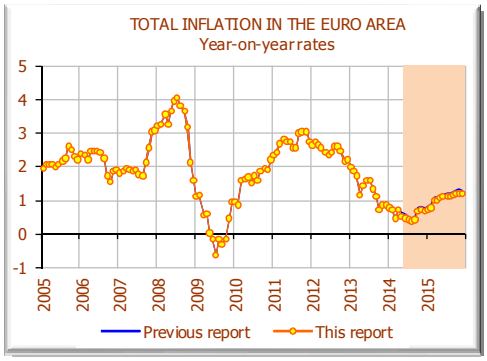
Graph II.1



Graph II.2



Graph II.3



Graph II.4

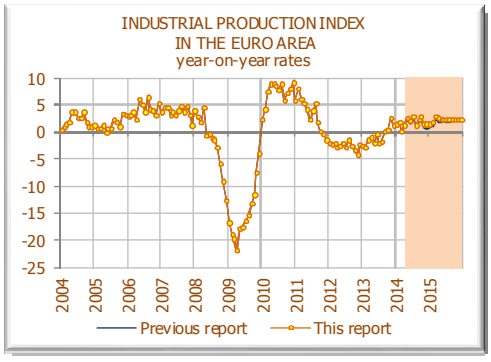


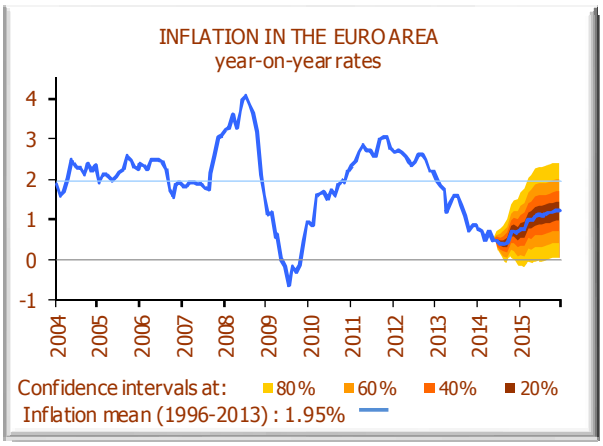
Table II.1

MAIN VARIABLES AND INDICATORS IN THE EURO AREA
Annual average rates

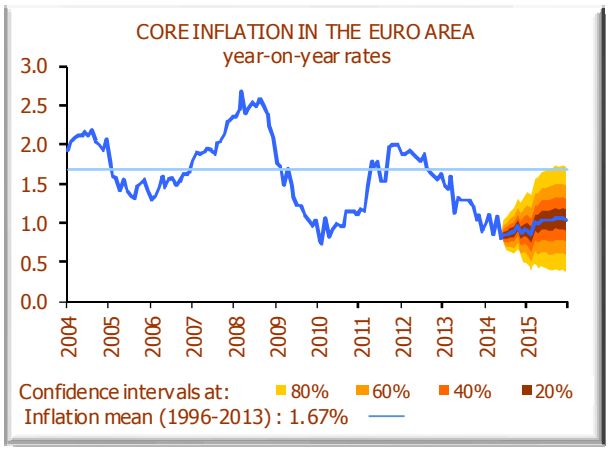
		2010	2011	2012	2013	Forecasts 2014	Forecasts 2015
GDP mp.[1]		1.9	1.6	-0.6	-0.4	**0.9 (±0.9)**	**1.3 (±1.2)**
Demand	Private consumption	1.0	0.3	-1.4	-0.6	**0.7**	**1.1**
	Public consumption	0.6	-0.1	-0.5	0.1	**0.5**	**1.0**
	Gross fixed capital formation	-0.6	1.6	-3.8	-2.8	**1.8**	**1.7**
	Construction	-4.6	-0.4	-4.0	-3.8	**1.3**	**0.1**
	Equipment	8.8	3.6	-7.6	-0.9	**2.2**	**4.3**
	Others	4.1	2.6	0.1	0.4	**2.8**	**4.7**
	Contribution domestic demand*	1.2	0.8	-2.1	-0.8	**0.9**	**1.1**
	Exports of goods and services	11.4	6.6	2.7	1.4	**3.4**	**3.6**
	Imports of goods and services	9.8	4.6	-0.8	0.4	**3.7**	**3.6**
	Contribution foreign demand*	0.7	0.8	1.4	0.4	**0.0**	**0.1**
Supply GVA	Agriculture, livestock breeding, forestry	-2.9	0.3	-4.9	-0.4	**3.4**	**0.1**
	Industry	9.4	3.1	-1.0	-0.5	**0.7**	**2.3**
	Manufacturing Industry	10.9	4.8	-1.3	-0.6	**2.8**	**3.4**
	Construction	-5.7	-1.6	-4.1	-3.9	**0.4**	**-0.1**
	Services	0.9	1.8	0.1	0.1	**1.0**	**1.2**
	Market services	0.8	2.0	0.0	0.1	**1.0**	**1.2**
	Public administration, health and edu	1.1	1.0	0.2	0.1	**1.0**	**1.3**
	Taxes	1.3	0.1	-1.9	-1.4	**0.6**	**0.5**
Prices (HICP[2])							
Total		1.6	2.7	2.5	1.4	**0.5 (±0.2)**	**1 (±0.9)**
Core		1.0	1.7	1.8	1.3	**0.9**	**1.0**
	Processed food	0.9	3.3	3.1	2.2	**1.5**	**1.9**
	Non-energy industrial goods	0.5	0.8	1.2	0.6	**0.2**	**0.3**
	Services	1.4	1.8	1.8	1.4	**1.2**	**1.2**
Residual		4.7	7.6	5.8	1.8	**-1.2**	**1.0**
	Non. processed food	1.3	1.8	3.0	3.5	**-1.3**	**1.1**
	Energy	7.4	11.9	7.6	0.6	**-1.2**	**0.9**
Industrial production index (excluding construction)[3]							
Total		7.3	3.4	-2.5	-0.7	**1.9 (±1.5)**	**2.4 (±2.2)**
Consumer goods		2.8	1.0	-2.4	-0.4	**2.3**	**2.2**
	Durables	2.7	0.7	-4.9	-3.6	**1.6**	**5.1**
	Non-durables	2.9	1.0	-2.1	0.1	**2.5**	**1.8**
Equipment		9.0	8.5	-1.1	-0.6	**2.3**	**3.0**
Intermediate		10.0	4.2	-4.5	-1.1	**3.2**	**2.6**
Energy		3.9	-4.5	-0.4	-0.8	**-4.8**	**0.2**

The figures in the shaded area are forecasts
(1) Data adjusted for seasonality and working days effect
(1) In brackets are 80% confidence intervals
Source: EUROSTAT & BIAM (UC3M)
Date: (1) June 4, 2014 (2) June 26, 2014
(3) June 12, 2014

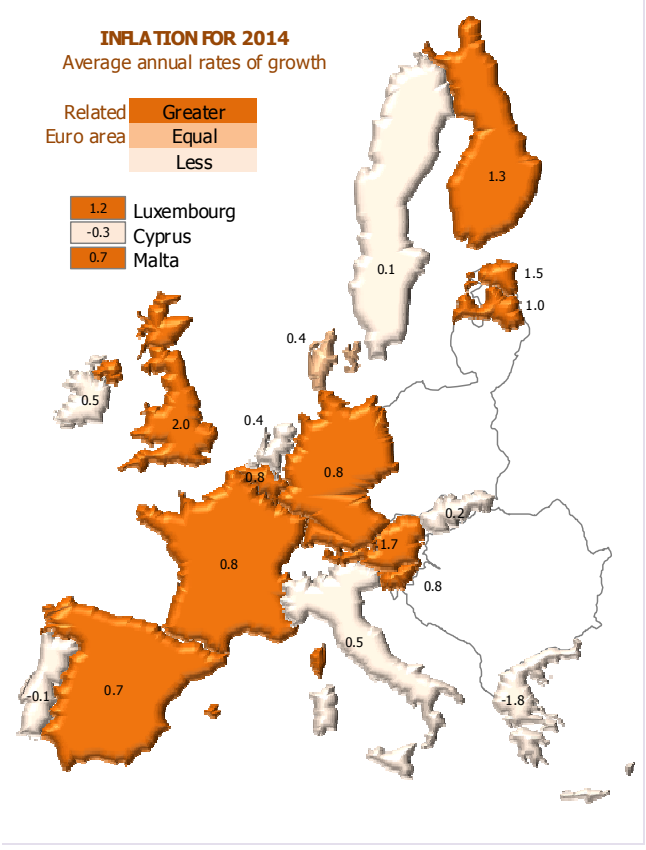
Graph II.5



Graph II.6



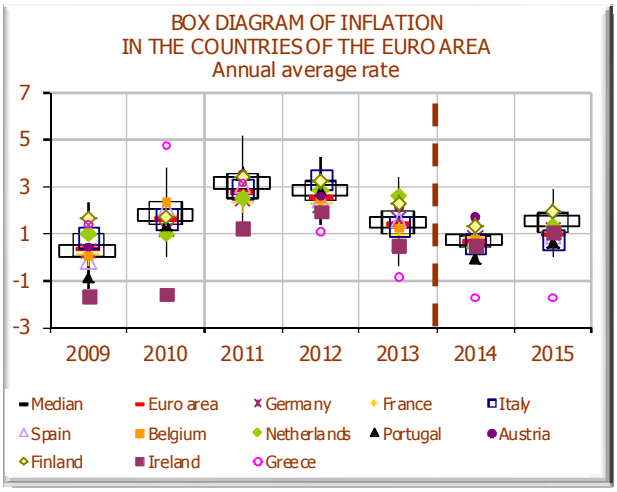
Graph II.7



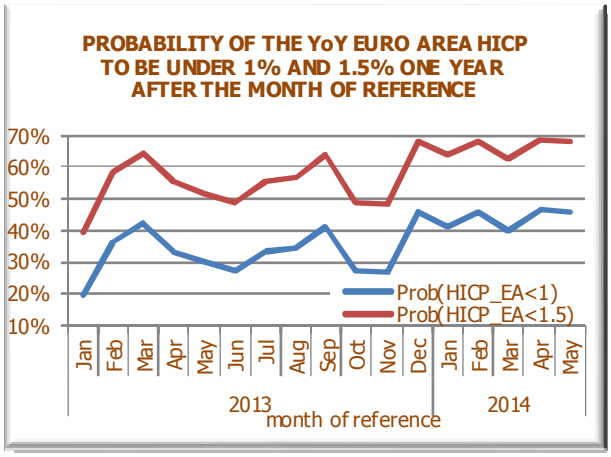
Source: EUROSTAT & BIAM(UC3M)

Date: June 26, 2014

Graph II.8



Graph II.9



II.1. MACROECONOMIC FORECASTS

In the first quarter of 2014, the euro area growth rate was 0.2%, 0.2 pp less than expected.

The growth rate expected after the last quarter of 2013 was reduced, largely due to less than expected growth in private consumption and exports.

On the supply side, the downwards innovations were found in the GVA of services and industry.

The aggregate GDP forecast has therefore fallen. The average annual rate forecast has gone from 1.4% to 0.9% (±0.9) for 2014 and from 1.5% to 1.3% (±1.2) for 2015.

The first quarter of the year was characterised by a very slow, yet positive evolution of the variables related to domestic demand. The retail sales, credit and employment figures were not very optimistic regarding speedier growth.

On the other hand, the export markets were affected by the tension derived from the end of the expansionary policy applied by the US monetary authorities. The steps taken by several emerging countries in order to prevent excessive depreciation of their currencies reduced demand in the euro area.

On the demand side, household consumption is expected to grow by 0.7% in 2014 and 1.1% in 2015. The public consumption forecast remains practically unaltered at 0.5% and 0.9%, respectively.

Gross Fixed Capital Formation has also undergone a heavy downwards revision. Although there was no innovation in the aggregate, there was in the components. After re-estimating growth for each one, the overall effect is negative. The total forecast has fallen by 0.6 pp for 2014 to 1.8%, and by 0.8 pp for 2015 to 1.7%.

The foreign sector has also been revised downwards. The contribution of the net balance of the foreign sector will be zero this year, and 0.1 pp next year.

On the supply side, industry and services have seen their average growth forecasts for 2014 and 2014 cut by approximately 0.2 pp.

This unconsolidated recovery occurs with inflation rates far from the 2% target. In view of the risk of expectations relating to much lower values, the ECB has decided to make a major change in its monetary policy.

The available data does not yet show the possible impact of the action taken. Depending on said impact, today's forecasts could well move upwards.

The Economic Sentiment Indicator edited by the European Commission decreased by 0.6 pp in June. All of the sectors with the exception of retail commerce were affected. Confidence receded in Germany (1.3 points), Italy (1.0 points) and fell by 0.8 pp in France. With regards to other opinion indicators, the preliminary manufacturing PMI in June fell by 0.3 pp to 51.9, due to poor exports.

In April, the IPI adjusted for working days, the series on which our forecast is based, rose by an annual rate of 1.4%, 0.2 pp more than forecast.

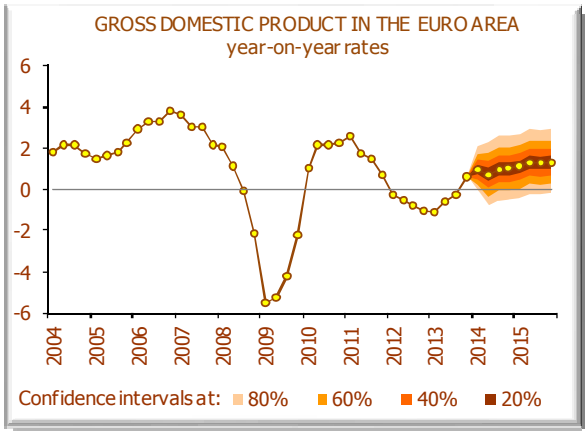
With the new information, it is estimated that the average growth rate of the euro area Industrial Production Index will be 1.9% (±1.5) in 2014 and 2.4% (±2.2) in 2015. The forecast has been revised upwards by 0.5 pp in both cases.

This month registered upwards innovations in intermediate goods, energy and consumer goods, representing around 70% of the index. They were partly counteracted by the downward innovations in capital and durable consumer goods, representing a total of 0.2 pp.

The variation in the growth rate of the trend can be used to analyse whether industrial production is accelerating or decelerating. In April, it was estimated at 2.1% after three months at 2.0%. According to this, growth of industrial production is accelerating.

The euro area labour market continues to be weak, and there are no perspectives of solid improvement in the short term. The last employment figures come from the National Accounts for the first quarter of 2014 and showed slight quarter-on-quarter growth (0.1%). Pending the employment figures for the first quarter, it appears that employment will continue to grow slightly, in view of the opinion indicators. The last unemployment figures published by Eurostat corresponding to march showed 18,913,000 people unemployed, 166,000 less than in march. The unemployment rate corrected for seasonality was 11.7%, 0.1 pp less than in the previous month.

Graph II.1.1



Source: EUROSTAT & BIAM (UC3M)

Date: June 4, 2014

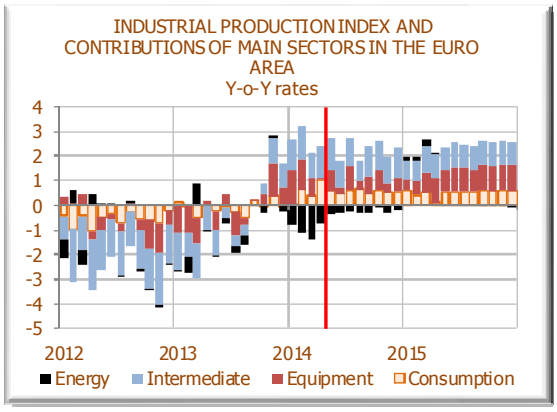
Table II.1.1

INDUSTRIAL PRODUCTION INDEX IN THE EURO AREA
Annual average rates

	2012	2013	2014	2015
Consumption	-2.4	-0.4	**2.3**	**2.2**
Durable	-4.9	-3.6	**1.6**	**5.1**
Non-durable	-2.1	0.1	**2.5**	**1.8**
Capital	-1.1	-0.6	**2.3**	**3.0**
Intermedite	-4.5	-1.1	**3.2**	**2.6**
Enery	-0.4	-0.8	**-4.8**	**0.2**
TOTAL	-2.5	-0.7	**1.9 (±1.5)**	**2.4 (±2.2)**

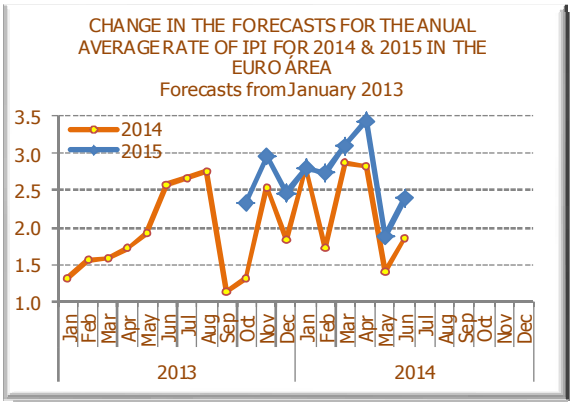
Source: EUROSTAT & BIAM (UC3M)
Date: June 12, 2014

Graph II.1.2



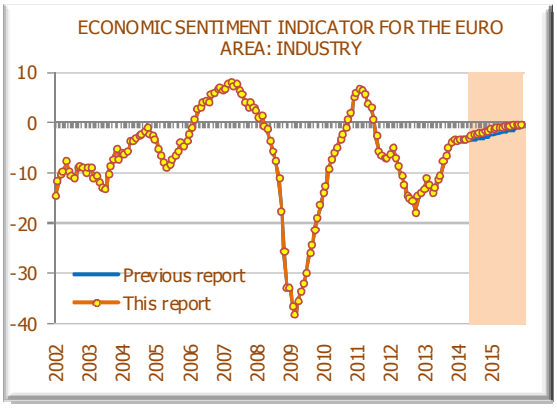
Source: EUROSTAT & BIAM (UC3M)
Date: June 12, 2014

Graph II.1.3



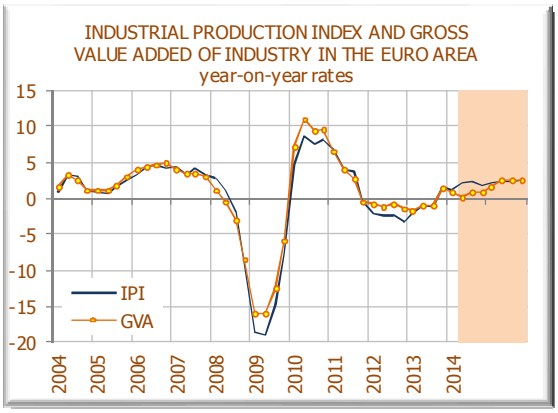
Source: EUROSTAT & BIAM (UC3M)
Date: June 12, 2014

Graph II.1.4



Source: INE & BIAM (UC3M)
Date actual report: June 12, 2014
Date previous report: May 14, 2014

Graph II.1.5



Source: EUROSTAT & BIAM (UC3M)
Date: June 12, 2014

GROSS DOMESTIC PRODUCT IN THE EURO AREA: DEMAND

Table II.1.2

GROSS DOMESTIC PRODUCT IN THE EURO AREA												
		Final Consumption		Gross Fixed Capital Formation				Domestic Demand (1)	Exports of goods and services	Imports of goods and services	Foreign Demand (1)	Real GDP
		Private	Public	Construction	Equipment	Other						
ANNUAL AVERAGE RATES	2009	-0.8	2.6	-9.7	-22.2	-5.2	-12.6	-3.6	-12.0	-10.6	-0.7	-4.3
	2010	1.0	0.6	-4.6	8.8	4.1	-0.6	1.2	11.4	9.8	0.7	1.9
	2011	0.3	-0.1	-0.4	3.6	2.6	1.6	0.8	6.6	4.6	0.8	1.6
	2012	-1.4	-0.5	-4.0	-7.6	0.1	-3.8	-2.1	2.7	-0.8	1.4	-0.6
	2013	-0.6	0.1	-3.8	-0.9	0.4	-2.8	-0.8	1.4	0.4	0.4	-0.4
	2014	**0.7**	**0.5**	**1.3**	**2.2**	**2.8**	**1.8**	**0.9**	**3.4**	**3.7**	**0.0**	**0.9 (±0.9)**
	2015	**1.1**	**1.0**	**0.1**	**4.3**	**4.7**	**1.7**	**1.1**	**3.6**	**3.6**	**0.1**	**1.3 (±1.2)**
Y-o-Y rates	2012 I	-1.2	-0.3	-3.6	-5.1	0.3	-2.7	-1.7	2.9	-0.7	1.5	-0.3
	2012 II	-1.2	-0.6	-3.9	-7.6	0.3	-3.8	-2.2	3.4	-0.8	1.7	-0.5
	2012 III	-1.6	-0.5	-3.7	-8.3	0.2	-3.9	-2.3	2.8	-0.9	1.5	-0.8
	2012 IV	-1.5	-0.7	-4.9	-9.6	-0.5	-4.7	-2.2	1.9	-0.8	1.1	-1.0
	2013 I	-1.4	-0.3	-5.7	-6.5	-0.5	-5.3	-1.9	0.2	-1.7	0.7	-1.1
	2013 II	-0.7	0.0	-4.5	-2.1	0.3	-3.4	-1.2	1.7	0.2	0.6	-0.6
	2013 III	-0.5	0.5	-3.2	-0.6	0.1	-2.4	-0.4	0.9	0.8	0.1	-0.3
	2013 IV	0.2	0.2	-1.6	5.9	1.5	-0.1	0.4	2.9	2.6	0.2	0.6
	2014 I	0.5	0.3	1.5	2.1	1.4	1.9	0.9	4.2	4.2	0.0	1.0
	2014 II	**0.6**	**0.4**	**1.7**	**2.6**	**2.6**	**1.9**	**1.0**	**2.8**	**3.6**	**-0.3**	**0.7**
	2014 III	**0.7**	**0.4**	**1.0**	**3.8**	**3.3**	**1.7**	**0.8**	**3.8**	**3.6**	**0.1**	**1.0**
	2014 IV	**0.9**	**0.9**	**1.0**	**0.3**	**3.9**	**1.6**	**1.2**	**3.0**	**3.5**	**-0.2**	**1.0**
	2015 I	**1.1**	**0.9**	**0.1**	**4.3**	**4.2**	**1.4**	**1.0**	**3.6**	**3.6**	**0.1**	**1.1**
	2015 II	**1.0**	**1.0**	**0.0**	**4.5**	**4.7**	**1.9**	**1.3**	**3.5**	**3.5**	**0.1**	**1.3**
	2015 III	**1.1**	**1.0**	**0.2**	**4.5**	**4.8**	**1.9**	**1.2**	**3.5**	**3.5**	**0.0**	**1.3**
	2015 IV	**1.1**	**1.1**	**0.2**	**3.8**	**5.0**	**1.7**	**1.3**	**3.8**	**3.8**	**0.1**	**1.3**

Table II.1.3

GROSS DOMESTIC PRODUCT IN THE EURO AREA												
		Final Consumption		Gross Fixed Capital Formation				Domestic Demand (1)	Exports of goods and services	Imports of goods and services	Foreign Demand (1)	Real GDP
		Private	Public	Construction	Equipment	Other						
ANNUAL AVERAGE RATES	2009	-0.8	2.6	-9.7	-22.2	-5.2	-12.6	-3.6	-12.0	-10.6	-0.7	-4.3
	2010	1.0	0.6	-4.6	8.8	4.1	-0.6	1.2	11.4	9.8	0.7	1.9
	2011	0.3	-0.1	-0.4	3.6	2.6	1.6	0.8	6.6	4.6	0.8	1.6
	2012	-1.4	-0.5	-4.0	-7.6	0.1	-3.8	-2.1	2.7	-0.8	1.4	-0.6
	2013	-0.6	0.1	-3.8	-0.9	0.4	-2.8	-0.8	1.4	0.4	0.4	-0.4
	2014	**0.7**	**0.5**	**1.3**	**2.2**	**2.8**	**1.8**	**0.9**	**3.4**	**3.7**	**0.0**	**0.9 (±0.9)**
	2015	**1.1**	**1.0**	**0.1**	**4.3**	**4.7**	**1.7**	**1.1**	**3.6**	**3.6**	**0.1**	**1.3 (±1.2)**
Q-on-Q rates	2012 I	-0.3	-0.3	-1.2	-3.4	0.9	-1.0	-0.4	0.9	0.1	0.3	-0.1
	2012 II	-0.6	-0.2	-1.5	-3.7	-1.2	-1.8	-0.7	0.9	-0.3	0.5	-0.2
	2012 III	-0.1	-0.3	-0.7	-1.7	0.7	-0.5	-0.4	0.7	0.3	0.2	-0.2
	2012 IV	-0.6	0.0	-1.6	-1.2	-0.9	-1.4	-0.7	-0.6	-1.0	0.2	-0.6
	2013 I	-0.2	0.2	-2.1	-0.1	0.9	-1.6	-0.1	-0.9	-0.8	-0.1	-0.2
	2013 II	0.2	0.1	-0.2	0.7	-0.3	0.1	0.0	2.4	1.6	0.3	0.4
	2013 III	0.1	0.2	0.7	-0.1	0.4	0.6	0.5	0.0	0.9	-0.4	0.1
	2013 IV	0.1	-0.3	0.0	5.4	0.5	0.9	0.0	1.4	0.8	0.3	0.3
	2014 I	0.1	0.3	1.0	-3.7	0.8	0.3	0.4	0.3	0.8	-0.2	0.2
	2014 II	**0.3**	**0.2**	**0.1**	**1.3**	**0.9**	**0.1**	**0.1**	**1.1**	**1.0**	**0.0**	**0.1**
	2014 III	**0.2**	**0.2**	**0.0**	**1.0**	**1.1**	**0.4**	**0.3**	**0.9**	**0.9**	**0.0**	**0.4**
	2014 IV	**0.2**	**0.2**	**0.1**	**1.8**	**1.1**	**0.7**	**0.3**	**0.6**	**0.7**	**0.0**	**0.3**
	2015 I	**0.3**	**0.2**	**0.0**	**0.1**	**1.2**	**0.1**	**0.3**	**0.9**	**0.9**	**0.0**	**0.3**
	2015 II	**0.3**	**0.3**	**0.0**	**1.5**	**1.3**	**0.6**	**0.3**	**0.9**	**0.9**	**0.0**	**0.3**
	2015 III	**0.3**	**0.3**	**0.1**	**1.1**	**1.2**	**0.5**	**0.3**	**0.9**	**0.9**	**0.0**	**0.3**
	2015 IV	**0.3**	**0.3**	**0.1**	**1.1**	**1.2**	**0.5**	**0.3**	**0.9**	**0.9**	**0.0**	**0.3**

Data adjusted for seasonality and working days effect
The figures in the shaded area are forecasts
(1) Contribution to GDP growth
(2) In brackets are 80% confidence intervals
*Year-on-year rates
Source: EUROSTAT & BIAM (UC3M)
Date: June 4, 2014

GROSS DOMESTIC PRODUCT IN THE EURO AREA: SUPPLY

Table II.1.4

GROSS DOMESTIC PRODUCT IN THE EURO AREA										
		Agriculture, livestoch breeding, forestry...	Industry		Construction	Services			Taxes	Real GDP
			Manufacturing industry			Market services	Public administration, ...			
ANNUAL AVERAGE RATES	2009	1.5	-15.0	-12.6	-7.5	-2.8	1.4	-1.8	-4.2	-4.3
	2010	-2.9	10.9	9.4	-5.7	0.8	1.1	0.9	1.3	1.9
	2011	0.3	4.8	3.1	-1.6	2.0	1.0	1.8	0.1	1.6
	2012	-4.9	-1.3	-1.0	-4.1	0.0	0.2	0.1	-1.9	-0.6
	2013	-0.4	-0.6	-0.5	-3.9	0.1	0.1	0.1	-1.4	-0.4
	2014	**3.4**	**2.8**	**0.7**	**0.4**	**1.0**	**1.0**	**1.0**	**0.6**	**0.9 (±0.9)**
	2015	**0.1**	**3.4**	**2.3**	**-0.1**	**1.2**	**1.3**	**1.2**	**0.5**	**1.3 (±1.2)**
Y-o-Y rates	2012 I	-0.9	8.7	6.5	-1.1	2.4	0.9	2.0	3.0	-0.3
	2012 II	0.6	5.4	3.9	-2.8	2.2	0.9	1.8	0.2	-0.5
	2012 III	1.0	4.3	2.8	-2.2	2.0	1.0	1.8	-0.8	-0.8
	2012 IV	0.5	1.2	-0.4	-0.1	1.5	1.0	1.4	-1.9	-1.0
	2013 I	-2.2	-0.9	-0.8	-3.8	0.5	0.5	0.5	-1.5	-1.1
	2013 II	-4.6	-1.4	-1.1	-3.7	0.2	0.3	0.2	-2.1	-0.6
	2013 III	-6.2	-1.2	-0.8	-3.7	-0.2	0.0	-0.2	-1.9	-0.3
	2013 IV	-6.6	-1.8	-1.4	-5.2	-0.5	0.2	-0.3	-2.1	0.6
	2014 I	-2.8	-2.1	-1.6	-5.3	-0.7	0.1	-0.5	-2.8	1.0
	2014 II	**-1.0**	**-0.8**	**-0.9**	**-4.9**	**-0.1**	**0.0**	**-0.1**	**-1.2**	**0.7**
	2014 III	**0.5**	**-1.1**	**-1.0**	**-3.6**	**0.3**	**0.2**	**0.3**	**-0.9**	**1.0**
	2014 IV	**1.9**	**1.8**	**1.5**	**-1.9**	**0.7**	**0.3**	**0.6**	**-0.5**	**1.0**
	2015 I	**0.5**	**3.2**	**1.6**	**-0.1**	**1.2**	**1.3**	**1.2**	**0.5**	**1.1**
	2015 II	**0.0**	**3.5**	**2.6**	**-0.1**	**1.2**	**1.3**	**1.2**	**0.6**	**1.3**
	2015 III	**-0.3**	**3.4**	**2.5**	**-0.1**	**1.2**	**1.3**	**1.2**	**0.5**	**1.3**
	2015 IV	**0.2**	**3.4**	**2.5**	**-0.1**	**1.2**	**1.3**	**1.3**	**0.6**	**1.3**

Table II.1.5

GROSS DOMESTIC PRODUCT IN THE EURO AREA										
		Agriculture, livestoch breeding, forestry...	Industry		Construction	Services			Taxes	Real GDP
			Manufacturing industry			Market services	Public administration, ...			
ANNUAL AVERAGE RATES	2009	1.5	-15.0	-12.6	-7.5	-2.8	1.4	-1.8	-4.2	0.2
	2010	-2.9	10.9	9.4	-5.7	0.8	1.1	0.9	1.3	-4.3
	2011	0.3	4.8	3.1	-1.6	2.0	1.0	1.8	0.1	1.9
	2012	-4.9	-1.3	-1.0	-4.1	0.0	0.2	0.1	-1.9	-0.6
	2013	-0.4	-0.6	-0.5	-3.9	0.1	0.1	0.1	-1.4	-0.4
	2014	**3.4**	**2.8**	**0.7**	**0.4**	**1.0**	**1.0**	**1.0**	**0.6**	**0.9 (±0.9)**
	2015	**0.1**	**3.4**	**2.3**	**-0.1**	**1.2**	**1.3**	**1.2**	**0.5**	**1.3 (±1.2)**
Q-on-Q rates	2012 I	-3.6	0.3	0.5	-1.2	0.0	-0.3	0.0	0.2	-0.1
	2012 II	-1.7	-0.6	-0.2	-1.3	-0.2	0.2	-0.1	-1.1	-0.2
	2012 III	-1.3	0.3	0.2	-1.2	-0.1	0.0	-0.1	-0.5	-0.2
	2012 IV	-0.2	-1.8	-1.8	-1.6	-0.2	0.3	-0.1	-0.7	-0.6
	2013 I	0.3	0.0	0.3	-1.3	-0.2	-0.4	-0.2	-0.5	-0.2
	2013 II	0.2	0.8	0.5	-0.8	0.4	0.1	0.3	0.5	0.4
	2013 III	0.2	0.0	0.1	0.1	0.3	0.2	0.2	-0.2	0.1
	2013 IV	1.2	1.0	0.6	0.1	0.2	0.4	0.2	-0.3	0.3
	2014 I	1.8	0.6	-0.3	0.5	0.2	0.1	0.2	0.6	0.2
	2014 II	**0.6**	**0.8**	**-0.1**	**0.0**	**0.3**	**0.3**	**0.3**	**0.1**	**0.1**
	2014 III	**0.4**	**0.9**	**0.7**	**0.0**	**0.3**	**0.4**	**0.3**	**0.2**	**0.4**
	2014 IV	**-0.4**	**0.8**	**0.6**	**0.0**	**0.3**	**0.3**	**0.3**	**0.1**	**0.3**
	2015 I	**-0.1**	**0.7**	**0.4**	**0.0**	**0.3**	**0.3**	**0.3**	**0.2**	**0.3**
	2015 II	**0.1**	**1.0**	**0.8**	**-0.1**	**0.3**	**0.3**	**0.3**	**0.2**	**0.3**
	2015 III	**0.1**	**0.8**	**0.6**	**0.0**	**0.3**	**0.3**	**0.3**	**0.1**	**0.3**
	2015 IV	**0.1**	**0.8**	**0.6**	**0.0**	**0.3**	**0.3**	**0.3**	**0.1**	**0.3**

Data adjusted for seasonality and working days effect
The figures in the shaded area are forecasts
(1) Contribution to GDP growth
(2) In brackets are 80% confidence intervals
* Year-on-year rates
Source: EUROSTAT & BIAM (UC3M)
Date: June 4, 2014

INDUSTRIAL PRODUCTION INDEX IN THE EURO AREA

Table II.1.6

INDUSTRIAL PRODUCTION INDEX AND SECTORS IN THE EURO AREA										
			Consumer Goods			Capital Goods	Intermediate Goods	Energy	Total excluding energy	TOTAL
			Durable	Non Durable	Total					
ANNUAL AVERAGE RATES		2009	-17.4	-3.4	-5.4	-21.2	-19.6	-5.1	-16.3	-15.1
		2010	2.7	2.9	2.8	9.0	10.0	3.9	7.8	7.3
		2011	0.7	1.0	1.0	8.5	4.2	-4.5	4.5	3.4
		2012	-4.9	-2.1	-2.4	-1.1	-4.5	-0.4	-2.7	-2.5
		2013	-3.6	0.1	-0.4	-0.6	-1.1	-0.8	-0.7	-0.7
		2014	**1.6**	**2.5**	**2.3**	**2.3**	**3.2**	**-4.8**	**2.7**	**1.9 (±1.5)**
		2015	**5.1**	**1.8**	**2.2**	**3.0**	**2.6**	**0.2**	**2.6**	**2.4 (±2.2)**
Y-o-Y rates	2012	I	-3.6	-2.5	-2.6	1.0	-4.1	-2.4	-2.0	-2.0
		II	-4.8	-2.4	-2.7	-1.2	-4.6	2.0	-2.8	-2.4
		III	-5.6	-1.8	-2.2	-0.9	-4.3	-0.3	-2.5	-2.3
		IV	-5.5	-1.8	-2.2	-3.3	-5.1	-0.5	-3.6	-3.3
	2013	I	-4.4	-0.3	-0.7	-3.7	-3.6	0.9	-2.7	-2.2
		II	-3.9	-0.1	-0.6	-0.3	-2.1	-1.0	-1.0	-1.0
		III	-3.7	-0.4	-0.7	-1.3	-0.8	-2.1	-0.9	-1.1
		IV	-2.7	1.0	0.4	2.7	2.5	-1.3	1.9	1.5
	2014	I	-0.1	1.7	1.5	3.9	3.3	-8.9	2.6	1.2
		II	**0.8**	**3.3**	**3.0**	**1.3**	**3.3**	**-4.7**	**2.8**	**2.0**
		III	**2.2**	**2.6**	**2.3**	**2.3**	**3.0**	**-3.0**	**2.9**	**2.3**
		IV	**3.5**	**2.3**	**2.4**	**1.9**	**3.3**	**-1.9**	**2.5**	**2.0**
	2015	**I**	**4.1**	**2.1**	**2.2**	**2.1**	**2.5**	**2.0**	**2.2**	**2.2**
		II	**4.9**	**1.3**	**1.7**	**3.2**	**2.6**	**-0.1**	**2.7**	**2.5**
		III	**5.7**	**1.9**	**2.4**	**3.2**	**2.6**	**-0.6**	**2.7**	**2.4**
		IV	**5.8**	**2.0**	**2.5**	**3.3**	**2.6**	**-0.7**	**2.9**	**2.5**

* In brackets are 80% confidence intervals
Source: EUROSTAT & BIAM (UC3M)

Date: June 12, 2014

INDUSTRIAL PRODUCTION INDEX IN THE EURO AREA

Table II.1.7

INDUSTRIAL PRODUCTION INDEX IN THE EURO AREA
Y-o-Y rates

	2009	2010	2011	2012	2013	**2014**	**2015**
January	-16.6	2.3	6.0	-1.9	-2.4	1.7	**1.7**
February	-18.8	4.4	8.0	-2.2	-2.9	1.8	**1.9**
March	-19.6	7.5	6.3	-2.0	-1.5	0.2	**2.9**
April	-21.8	9.0	5.5	-2.8	-0.9	1.4	**2.6**
May	-17.7	8.8	4.4	-2.5	-2.0	**2.7**	**2.3**
June	-17.3	8.5	2.3	-1.9	-0.3	**2.0**	**2.5**
July	-16.2	7.9	4.1	-2.7	-2.0	**2.9**	**2.4**
August	-15.2	9.0	5.5	-1.4	-1.6	**1.3**	**2.3**
September	-13.2	6.0	1.8	-2.6	0.2	**2.5**	**2.5**
October	-11.4	7.3	0.3	-3.3	0.5	**2.8**	**2.5**
November	-7.3	8.2	-0.3	-4.1	2.8	**1.6**	**2.5**
December	-3.8	9.1	-1.5	-2.3	1.3	**1.5**	**2.5**

Data adjusted for seasonality and working days effect
The figures in the shaded area are forecasts
*Year-on-year rates
Source: EUROSTAT & BIAM (UC3M)
Date: June 12, 2014

Table II.1.8

IPI ERRORS IN THE EURO AREA
year-on-year rates, April 2014

	Weights (1)	Observed (2)	**Forecast (3)**	Δ Revision EUROSTAT (4) mar-14	Error (5)
Durable goods	3	0.9	**1.7**	0.2	-0.8
Non-durables goods	20	5.0	**1.8**	0.6	3.2
TOTAL CONSUMPTION	24	4.5	**1.8**	0.6	2.8
Equipment	28	0.3	**1.5**	-0.1	-1.1
Intermediate	36	3.4	**2.6**	0.6	0.8
Energy	12	-6.7	**-8.0**	-0.2	1.3
TOTAL	100	1.4	**1.2**	0.3	0.2

(4) Industrial Production series is revised monthly by EUROSTAT.
(5) Error column is calculated as the difference between the columns (2) and (3).
Source: EUROSTAT & BIAM (UC3M)
Date: June 12, 2014

Table II.1.9

CHANGE IN THE FORECASTS FOR IP IN THE EURO AREA
Average annual rate, 2014

	Forecasts with observed data till:			
	mar-14	abr-14	Change	
Durable consumption	2.0	1.6	-0.4	↓
Non-durable consumption	1.2	2.5	1.3	↑
Total consumption	1.3	2.3	1.0	↑
Equipment	3.2	2.3	-0.9	↓
Intermediate	2.3	3.2	0.9	↑
Energy	-6.4	-4.8	1.6	↑
TOTAL	**1.41**	**1.86**	**0.45**	↑

Source: EUROSTAT & BIAM (UC3M)
Date: June 12, 2014

II.2. INFLATION

In May there was a downwards surprise in unprocessed food, manufactured goods and, finally, services, due to the impact of telecommunications.

In May, the Euro area HICP rose by 0.5% in its annual rate, as advanced by EUROSTAT and 0.1 pp less than our forecast (Table 2). The variation in the monthly rate was -0.1% (Table II.2.5).

The only statistically significant innovation was downwards in unprocessed food. Services and manufactured products also registered downwards innovations that were important, yet within the confidence interval. In the other groups, the difference between the forecast and observed figures did not statistically differ from zero (Table II.2.2).

Considering the May figures and innovations, our forecasts have been revised. As services and manufactured goods are in core inflation and unprocessed food is residual, there is a change in the two components of inflation.

Average core inflation is expected to be 0.9% (±0.14) in 2014 and 1.0% (±0.55) in 2015, in both cases 0.1 pp less than the April forecast (Table II.2.1).

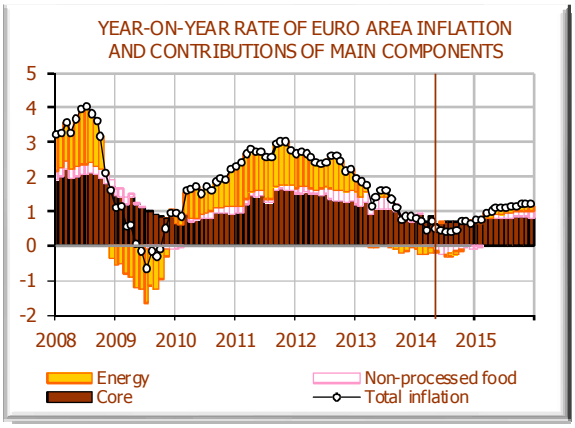
Average residual inflation is expected to be -1.2% this year and 1.0% the next, having fallen by 0.4 pp this year and 0.5 pp for 2015.

The total inflation forecast is also affected, and it is 0.5% (±0.24) for 2014 and 1.0% (±0.94) for 2015 (Table II.2.1).

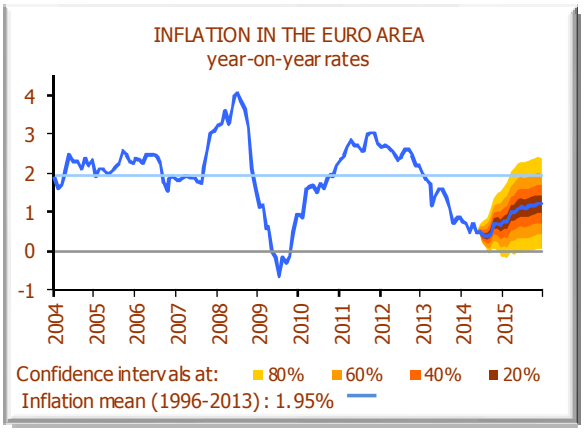
With the current data, the probability of annual inflation in the euro area being less than 1% in December is now 77.7%. Not even at the end of 2015 is it likely that it will be close to the target, as the probability of more than 1.5% annual inflation at that time is 39.7% (Table II.2.3).

This situation, together with the economic growth figures in the first quarter of 2014 for the euro area, justifies an intervention like that announced on June 6th by the ECB. A reduction in interest rates combined with a negative rate for ECB deposits, together with LTROs as an incentive for credit to SMEs, point to stimuli being generated by monetary policy.

Graph II.2.1



Graph II.2.2



Source: EUROSTAT & BIAM(UC3M)

Date: June 26, 2014

Graph II.2.3

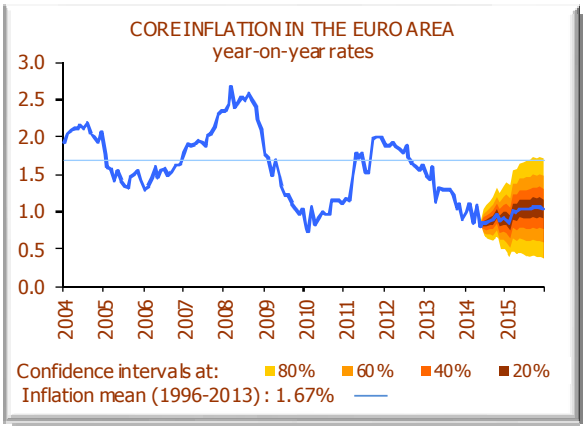


Table II.2.1

INFLATION IN THE EURO AREA*

HICP	Annual rates		Annual average rates			
	2014		2012	2013	**2014**	**2015**
	May	**June**				
Core 81.71%	0.8	**0.8 (±0.14)**	1.8	1.3	**0.9 (±0.14)**	**1 (±0.55)**
Total 100%	0.5	**0.5 (±0.12)**	2.5	1.4	**0.6 (±0.24)**	**1.1 (±0.94)**

*Intervals at 80% of confidence calculated with historical errors.
Source: EUROSTAT & BIAM(UC3M)

Date: June 26, 2014

FORECASTS ERRORS BY SECTORS IN THE EURO AREA,

Table II.2.2

INFLATION IN THE EURO AREA Annual rates, May, 2014				
Harmonized Index of Consumer Prices HICP	Weights 2014	Observed	Forecasts	Confidence Intervals*
Processed Food	122.72	1.52	1.47	± 0.38
Tobacco	23.94	3.63	3.86	
Processed food excluding tobacco	98.78	0.99	0.87	
Non-energy Industrial goods	266.60	0.00	0.14	± 0.21
Services	427.76	1.12	1.25	± 0.14
CORE	**817.08**	**0.81**	**0.91**	± 0.13
Non-processed food	74.85	-2.07	-1.19	± 0.72
Energy	108.07	-0.01	0.00	± 0.86
RESIDUAL	**182.92**	**-0.85**	**-0.48**	± 0.57
TOTAL	**1000**	**0.49**	**0.64**	± 0.12

* Confidence intervals at 80% calculated with historical errors

Table II.2.3

INFLATION IN THE EURO AREA Monthly rates, May, 2014				
Harmonized Index of Consumer Prices HICP	Weights 2014	Observed	Forecasts	Confidence Intervals*
Processed Food	122.72	0.08	0.03	± 0.38
Tobacco	23.94	0.07	0.28	
Processed food excluding tobacco	98.78	0.08	-0.03	
Non-energy Industrial goods	266.60	-0.07	0.07	± 0.21
Services	427.76	-0.17	-0.05	± 0.14
CORE	**817.08**	**-0.10**	**0.00**	± 0.13
Non-processed food	74.85	-0.28	0.62	± 0.72
Energy	108.07	-0.07	-0.05	± 0.86
RESIDUAL	**182.92**	**-0.15**	**0.23**	± 0.57
TOTAL	**1000**	**-0.11**	**0.04**	± 0.12

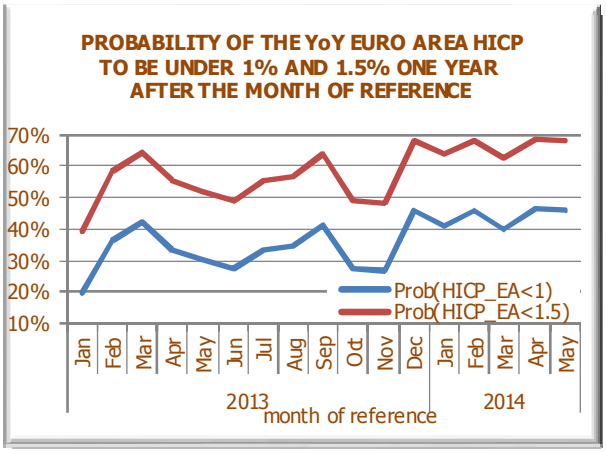
* Confidence intervals at 80% calculated with historical errors

Table II.2.4

PROBABILITY OF THE YEAR-ON-YEAR EURO AREA HICP FORECAST TO BE UNDER 1% OR UNDER 1.5%			
		Prob (HICP_EA<1)	Prob (HICP_EA<1.5)
2014	June	99.99%	99.99%
	July	99.88%	99.99%
	August	98.58%	99.99%
	September	94.04%	99.83%
	October	74.76%	96.22%
	November	70.49%	93.14%
	December	71.47%	91.97%
2015	January	65.05%	87.18%
	February	62.99%	84.49%
	March	51.41%	74.93%
	April	50.71%	73.18%
	May	45.98%	68.05%
	June	45.20%	66.46%
	July	45.55%	66.55%
	August	44.50%	65.46%
	September	43.18%	64.22%
	October	42.02%	63.08%
	November	41.16%	62.12%
	December	41.50%	62.18%

Source: EUROSTAT, INE & BIAM(UC3M)
Date: June 16, 2014

Graph II.2.4



Source: EUROSTAT & BIAM(UC3M)
Date: June 26, 2014

Table II.2.5

HARMONIZED INDEX OF CONSUMER PRICES AND COMPONENTS IN THE EURO AREA
Annual rates of growth

		HICP										
		Core						Residual				
		Processed food excluding tobacco	Tobacco	Non energy industrial goods	Services	TOTAL	80 % Confidence Intervals*	Non processed food	Energy	TOTAL	TOTAL	80 % Confidence Intervals*
	Weights 2014	9.9%	2.4%	26.7%	42.8%	81.7%		7.5%	10.8%	18.3%		
ANNUAL AVERAGE RATE	2005	0.5	7.8	0.3	2.3	1.5		0.8	10.1	5.7	2.2	
	2006	1.6	3.9	0.6	2.0	1.5		2.8	7.7	5.5	2.2	
	2007	2.3	4.5	1.0	2.5	2.0		3.0	2.6	2.8	2.1	
	2008	6.8	3.2	0.8	2.6	2.4		3.5	10.3	7.3	3.3	
	2009	0.2	4.7	0.6	2.0	1.3		0.2	-8.1	-4.5	0.3	
	2010	-0.2	5.5	0.5	1.4	1.0		1.3	7.4	4.7	1.6	
	2011	2.8	5.1	0.8	1.8	1.7		1.8	11.9	7.6	2.7	
	2012	2.6	5.2	1.2	1.8	1.8		3.0	7.6	5.8	2.5	
	2013	1.7	4.4	0.6	1.4	1.3		3.5	0.6	1.8	1.4	
	2014	**1.0**	**3.6**	**0.2**	**1.2**	**0.9**	**± 0.14**	**-1.3**	**-0.7**	**-0.9**	**0.6**	**± 0.24**
	2015	**1.3**	**4.4**	**0.3**	**1.2**	**1.0**	**± 0.55**	**1.1**	**1.4**	**1.3**	**1.1**	**± 0.94**
ANNUAL RATES (year-on-year rates)	2013 January	1.7	4.7	0.8	1.6	1.5		4.8	3.9	4.2	2.0	
	2013 February	1.7	4.6	0.8	1.5	1.4		3.5	3.9	3.7	1.8	
	2013 March	1.6	4.7	1.0	1.8	1.6		3.5	1.7	2.4	1.7	
	2013 April	1.6	4.1	0.8	1.1	1.1		4.2	-0.4	1.4	1.2	
	2013 May	1.7	3.8	0.8	1.5	1.3		5.1	-0.2	1.9	1.4	
	2013 June	1.8	3.7	0.7	1.4	1.3		5.0	1.6	3.0	1.6	
	2013 July	1.9	4.9	0.4	1.4	1.3		5.1	1.6	3.0	1.6	
	2013 August	1.8	5.4	0.4	1.4	1.3		4.4	-0.3	1.5	1.3	
	2013 September	1.7	5.4	0.4	1.4	1.2		2.9	-0.9	0.5	1.1	
	2013 October	1.7	4.0	0.3	1.2	1.0		1.4	-1.7	-0.5	0.7	
	2013 November	1.5	4.0	0.2	1.4	1.1		0.9	-1.1	-0.3	0.9	
	2013 December	1.5	4.0	0.3	1.0	0.9		1.5	0.0	0.6	0.8	
	2014 January	1.5	3.9	0.2	1.2	1.0		1.3	-1.2	-0.2	0.8	
	2014 February	1.3	4.1	0.4	1.3	1.1		0.9	-2.3	-1.0	0.7	
	2014 March	1.2	3.7	0.2	1.1	0.9		-0.1	-2.1	-1.3	0.5	
	2014 April	1.1	3.7	0.1	1.6	1.1		-0.7	-1.2	-1.0	0.7	
	2014 May	1.0	3.6	0.0	1.1	0.8		-2.1	0.0	-0.9	0.5	
	2014 June	**1.0**	**3.9**	**0.0**	**1.1**	**0.8**	**± 0.14**	**-3.1**	**0.1**	**-1.2**	**0.5**	**± 0.12**
	2014 July	**0.9**	**3.0**	**0.1**	**1.1**	**0.9**	**± 0.19**	**-3.1**	**-0.4**	**-1.5**	**0.4**	**± 0.25**
	2014 August	**1.0**	**2.8**	**0.2**	**1.1**	**0.9**	**± 0.23**	**-3.0**	**-0.8**	**-1.7**	**0.4**	**± 0.35**
	2014 September	**1.0**	**2.9**	**0.3**	**1.1**	**0.9**	**± 0.27**	**-1.9**	**-1.2**	**-1.5**	**0.4**	**± 0.47**
	2014 October	**0.9**	**3.5**	**0.2**	**1.3**	**1.0**	**± 0.31**	**-1.3**	**0.0**	**-0.5**	**0.7**	**± 0.58**
	2014 November	**0.9**	**3.9**	**0.2**	**1.1**	**0.9**	**± 0.34**	**-0.9**	**0.8**	**0.1**	**0.7**	**± 0.68**
	2014 December	**0.9**	**4.1**	**0.2**	**1.2**	**0.9**	**± 0.39**	**-1.4**	**0.2**	**-0.5**	**0.7**	**± 0.77**
	2015 January	**0.9**	**4.1**	**0.2**	**1.2**	**0.9**	**± 0.43**	**-1.4**	**1.0**	**0.0**	**0.7**	**± 0.86**
	2015 February	**1.0**	**4.1**	**0.0**	**1.2**	**0.8**	**± 0.48**	**-0.5**	**0.9**	**0.4**	**0.8**	**± 0.94**
	2015 March	**1.1**	**4.1**	**0.3**	**1.2**	**1.0**	**± 0.51**	**0.1**	**1.3**	**0.8**	**1.0**	**± 1.01**
	2015 April	**1.3**	**4.3**	**0.3**	**1.1**	**1.0**	**± 0.55**	**0.2**	**1.5**	**1.0**	**1.0**	**± 1.07**
	2015 May	**1.3**	**4.5**	**0.3**	**1.2**	**1.0**	**± 0.59**	**0.7**	**1.7**	**1.3**	**1.1**	**± 1.12**
	2015 June	**1.4**	**4.6**	**0.3**	**1.2**	**1.0**	**± 0.61**	**1.2**	**1.6**	**1.4**	**1.1**	**± 1.17**
	2015 July	**1.4**	**4.6**	**0.3**	**1.2**	**1.0**	**± 0.62**	**1.5**	**1.4**	**1.4**	**1.1**	**± 1.19**
	2015 August	**1.4**	**4.6**	**0.3**	**1.2**	**1.0**	**± 0.65**	**1.8**	**1.4**	**1.5**	**1.1**	**± 1.19**
	2015 September	**1.4**	**4.6**	**0.3**	**1.2**	**1.1**	**± 0.66**	**2.0**	**1.4**	**1.6**	**1.2**	**± 1.19**
	2015 October	**1.4**	**4.4**	**0.3**	**1.2**	**1.0**	**± 0.67**	**2.3**	**1.5**	**1.8**	**1.2**	**± 1.19**
	2015 November	**1.5**	**4.5**	**0.3**	**1.2**	**1.1**	**± 0.67**	**2.4**	**1.6**	**1.9**	**1.2**	**± 1.19**
	2015 December	**1.5**	**4.5**	**0.3**	**1.2**	**1.0**	**± 0.68**	**2.4**	**1.7**	**2.0**	**1.2**	**± 1.19**

* Confidence intervals calculated with historical errors
The figures in the shaded area are forecasts
Source: EUROSTAT & BIAM(UC3M)
Date: June 26, 2014

Table II.2.6

HARMONIZED INDEX OF CONSUMER PRICES AND COMPONENTS IN THE EURO AREA
Monthly rates of growth

			Harmonized Index of Consumer Prices								
			Core					Residual			
			Processed food excluding tobacco	Tobacco	Non energy industrial goods	Services	TOTAL	Non processed food	Energy	TOTAL	TOTAL
		Weights 2014	9.9%	2.4%	26.7%	42.8%	81.7%	7.5%	10.8%	18.3%	
MONTHLY RATES (Growth of the month over the previous month)	January	2012	0.4	0.2	-3.6	-0.4	-1.4	0.5	2.6	1.7	-0.8
		2013	0.2	0.6	-3.8	-0.5	-1.5	0.8	1.3	1.1	-1.0
		2014	0.3	0.5	-3.9	-0.4	-1.4	0.6	0.0	0.2	-1.1
		2015	**0.2**	**0.5**	**-3.9**	**-0.4**	**-1.4**	**0.6**	**0.8**	**0.7**	**-1.0**
	February	2012	0.3	0.3	0.2	0.5	0.3	1.2	1.1	1.2	0.5
		2013	0.2	0.2	0.2	0.4	0.3	-0.1	1.2	0.7	0.4
		2014	0.0	0.3	0.4	0.5	0.4	-0.5	0.1	-0.1	0.3
		2015	**0.2**	**0.3**	**0.2**	**0.5**	**0.3**	**0.4**	**0.0**	**0.2**	**0.3**
	March	2012	0.2	0.5	3.6	0.1	1.3	0.5	1.6	1.1	1.3
		2013	0.1	0.6	3.8	0.4	1.5	0.6	-0.6	-0.2	1.2
		2014	0.0	0.3	3.5	0.2	1.2	-0.5	-0.3	-0.4	0.9
		2015	**0.1**	**0.3**	**3.9**	**0.3**	**1.4**	**0.1**	**0.1**	**0.1**	**1.2**
	April	2012	0.1	0.7	0.7	0.3	0.4	-0.1	1.1	0.6	0.5
		2013	0.1	0.2	0.5	-0.4	0.0	0.5	-1.0	-0.4	-0.1
		2014	-0.1	0.1	0.4	0.1	0.2	-0.1	-0.1	-0.1	0.2
		2015	**0.1**	**0.3**	**0.4**	**0.0**	**0.2**	**0.0**	**0.1**	**0.1**	**0.2**
	May	2012	0.0	0.5	0.0	-0.1	0.0	0.2	-1.4	-0.8	-0.1
		2013	0.2	0.1	0.0	0.3	0.2	1.1	-1.2	-0.3	0.1
		2014	0.1	0.1	-0.1	-0.2	-0.1	-0.3	-0.1	-0.1	-0.1
		2015	**0.1**	**0.3**	**-0.1**	**-0.1**	**0.0**	**0.2**	**0.1**	**0.1**	**0.0**
	June	2012	0.0	0.1	-0.3	0.3	0.1	0.8	-1.7	-0.7	-0.1
		2013	0.1	0.1	-0.3	0.3	0.1	0.7	0.1	0.4	0.1
		2014	**0.1**	**0.4**	**-0.3**	**0.3**	**0.1**	**-0.3**	**0.2**	**0.0**	**0.1**
		2015	**0.1**	**0.4**	**-0.3**	**0.3**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**
	July	2012	0.0	0.3	-3.4	1.0	-0.7	-1.1	0.9	0.1	-0.5
		2013	0.1	1.4	-3.7	1.0	-0.7	-1.0	0.8	0.1	-0.5
		2014	**0.1**	**0.5**	**-3.7**	**0.9**	**-0.7**	**-1.0**	**0.3**	**-0.2**	**-0.6**
		2015	**0.1**	**0.5**	**-3.7**	**1.0**	**-0.7**	**-0.7**	**0.1**	**-0.2**	**-0.6**
	August	2012	0.1	0.0	0.0	0.3	0.2	-0.3	2.4	1.4	0.4
		2013	0.0	0.4	0.0	0.3	0.2	-0.9	0.5	-0.1	0.1
		2014	**0.1**	**0.3**	**0.1**	**0.3**	**0.2**	**-0.9**	**0.1**	**-0.3**	**0.1**
		2015	**0.1**	**0.3**	**0.1**	**0.3**	**0.2**	**-0.5**	**0.1**	**-0.2**	**0.1**
	September	2012	0.1	0.1	3.5	-0.9	0.7	0.4	1.1	0.8	0.7
		2013	0.0	0.1	3.4	-0.9	0.6	-1.1	0.5	-0.1	0.5
		2014	**0.0**	**0.2**	**3.5**	**-0.9**	**0.6**	**0.0**	**0.0**	**0.0**	**0.5**
		2015	**0.1**	**0.2**	**3.6**	**-0.9**	**0.7**	**0.2**	**0.0**	**0.1**	**0.6**
	October	2012	0.2	1.4	0.6	0.0	0.3	1.0	-0.5	0.1	0.2
		2013	0.2	0.1	0.6	-0.3	0.1	-0.5	-1.2	-0.9	-0.1
		2014	**0.1**	**0.7**	**0.5**	**-0.1**	**0.2**	**0.2**	**0.0**	**0.1**	**0.1**
		2015	**0.1**	**0.5**	**0.5**	**-0.1**	**0.1**	**0.5**	**0.1**	**0.3**	**0.2**
	November	2012	0.3	0.0	0.1	-0.3	-0.1	0.6	-1.4	-0.7	-0.2
		2013	0.1	0.0	0.1	-0.1	0.0	0.1	-0.8	-0.4	-0.1
		2014	**0.1**	**0.4**	**0.1**	**-0.3**	**-0.1**	**0.4**	**0.0**	**0.2**	**-0.1**
		2015	**0.2**	**0.4**	**0.1**	**-0.3**	**-0.1**	**0.5**	**0.1**	**0.2**	**0.0**
	December	2012	0.1	0.1	-0.3	1.1	0.5	0.7	-0.5	-0.1	0.4
		2013	0.0	0.1	-0.3	0.6	0.2	1.3	0.6	0.9	0.3
		2014	**0.0**	**0.3**	**-0.3**	**0.7**	**0.3**	**0.9**	**0.0**	**0.3**	**0.3**
		2015	**0.0**	**0.3**	**-0.3**	**0.7**	**0.3**	**0.9**	**0.1**	**0.4**	**0.3**

*The figures in the shaded area are forecasts
Source: EUROSTAT & BIAM(UC3M)
Date: June 26, 2014

Table II.2.7

HARMONIZED INDICES OF CONSUMER PRICES BY COUNTRIES IN THE EURO AREA, UNITED KINGDOM, SWEDEN AND DENMARK

		Euro Area																				
		Germany	France	Italy	Spain	Netherlands	Belgium	Austria	Greece	Portugal	Finland	Ireland	Slovakia	Slovenia	Luxembourg	Cyprus	Latvia	Estonia	Malta	United Kingdom	Sweden	Denmark
Weights 2014 %		27.7	20.6	17.7	12.0	5.0	3.6	3.3	2.6	2.1	1.9	1.4	0.7	0.4	0.3	0.2	0.2	0.2	0.1			
ANNUAL AVERAGE RATE	2005	1.9	1.9	2.2	3.4	1.5	2.5	2.1	3.5	2.1	0.8	2.2	2.8	2.5	3.8	2.0	6.9	4.1	2.5	2.0	0.8	1.7
	2006	1.8	1.9	2.2	3.6	1.7	2.3	1.7	3.3	3.0	1.3	2.7	4.3	2.5	3.0	2.2	6.6	4.4	2.6	2.3	1.5	1.9
	2007	2.3	1.6	2.0	2.8	1.6	1.8	2.2	3.0	2.4	1.6	2.9	1.9	3.8	2.7	2.2	10.1	6.7	0.7	2.3	1.7	1.7
	2008	2.8	3.2	3.5	4.1	2.2	4.5	3.2	4.2	2.7	3.9	3.1	3.9	5.5	4.1	4.4	15.3	10.6	4.7	3.6	3.3	3.6
	2009	0.2	0.1	0.8	-0.2	1.0	0.0	0.4	1.3	-0.9	1.6	-1.7	0.9	0.9	0.0	0.2	3.3	0.2	1.8	2.2	1.9	1.1
	2010	1.2	1.7	1.6	2.0	0.9	2.3	1.7	4.7	1.4	1.7	-1.6	0.7	2.1	2.8	2.6	-1.2	2.7	2.0	3.3	1.9	2.2
	2011	2.5	2.3	2.9	3.1	2.5	3.5	3.6	3.1	3.6	3.3	1.2	4.1	2.1	3.7	3.5	4.2	5.1	2.5	4.5	1.4	2.7
	2012	2.1	2.2	3.3	2.4	2.8	2.5	2.6	1.0	2.8	3.2	1.9	3.7	2.8	2.9	3.1	2.3	4.2	3.2	2.8	0.8	2.4
	2013	1.6	1.0	1.3	1.5	2.6	1.2	2.1	-0.9	0.4	2.2	0.5	1.5	1.9	1.7	0.4	0.0	3.2	1.0	2.8	0.6	0.6
	2014	**0.8**	**0.8**	**0.5**	**0.7**	**0.4**	**0.8**	**1.7**	**-1.8**	**-0.1**	**1.3**	**0.5**	**0.2**	**0.8**	**1.2**	**-0.3**	**1.0**	**1.5**	**0.7**	**2.0**	**0.1**	**0.6**
	2015	**1.1**	**1.0**	**0.7**	**0.9**	**1.3**	**1.0**	**1.9**	**-1.8**	**0.6**	**1.9**	**1.1**	**1.0**	**1.8**	**1.5**	**0.3**	**0.9**	**4.3**	**1.1**	**2.6**	**0.3**	**1.2**
Y-o-Y rates	2013 January	1.9	1.4	2.4	2.8	3.2	1.5	2.8	0.0	0.4	2.6	1.5	2.5	2.8	2.1	2.0	0.6	3.7	2.4	3.7	1.7	2.3
	February	1.8	1.2	2.0	2.9	3.2	1.4	2.6	0.1	0.2	2.5	1.2	2.2	2.9	2.4	1.8	0.3	4.0	1.8	3.4	0.8	1.0
	March	1.8	1.1	1.8	2.6	3.2	1.3	2.4	-0.2	0.7	2.5	0.6	1.9	2.2	2.0	1.3	0.3	3.8	1.4	3.2	0.5	0.6
	April	1.1	0.8	1.3	1.5	2.8	1.1	2.1	-0.6	0.4	2.4	0.5	1.7	1.6	1.7	0.1	-0.4	3.4	0.9	2.4	0.1	0.4
	May	1.6	0.9	1.3	1.8	3.1	1.1	2.4	-0.3	0.9	2.5	0.5	1.8	1.6	1.4	0.2	-0.2	3.6	0.8	2.4	0.0	0.2
	June	1.9	1.0	1.4	2.2	3.2	1.5	2.2	-0.3	1.2	2.3	0.7	1.7	2.2	2.0	0.8	0.2	4.1	0.6	3.4	0.5	0.4
	July	1.9	1.2	1.2	1.9	3.1	1.6	2.1	-0.5	0.8	2.5	0.7	1.6	2.8	1.8	0.7	0.5	3.9	0.9	3.5	1.3	0.9
	August	1.6	1.0	1.2	1.6	2.8	1.1	2.0	-1.0	0.2	2.0	0.0	1.4	2.2	1.7	0.1	-0.1	3.6	0.7	3.1	1.0	0.5
	September	1.6	1.0	0.9	0.5	2.4	1.0	1.8	-1.0	0.3	1.8	0.0	1.1	1.5	1.5	0.3	-0.4	2.6	0.6	2.8	0.2	0.1
	October	1.2	0.7	0.8	0.0	1.3	0.7	1.5	-1.9	0.0	1.7	-0.1	0.7	1.1	1.0	-0.5	0.0	2.2	0.5	2.7	0.4	0.0
	November	1.6	0.8	0.7	0.3	1.2	0.9	1.5	-2.9	0.1	1.8	0.3	0.5	1.2	1.1	-0.8	-0.3	2.1	0.3	1.8	0.2	0.8
	December	1.2	0.8	0.7	0.3	1.4	1.2	2.0	-1.8	0.2	1.9	0.4	0.4	0.9	1.5	-1.3	-0.4	2.0	1.0	1.8	0.1	0.3
	2014 January	1.2	0.8	0.6	0.3	0.8	1.1	1.5	-1.4	0.1	1.9	0.3	0.0	0.9	1.5	-1.6	0.5	1.6	0.9	1.7	-0.4	0.2
	February	1.0	1.1	0.4	0.1	0.4	1.0	1.5	-0.9	-0.1	1.6	0.1	-0.1	0.2	0.8	-1.3	0.5	1.1	1.6	1.7	0.3	0.5
	March	0.9	0.7	0.3	-0.2	0.1	0.9	1.4	-1.5	-0.4	1.3	0.3	-0.2	0.6	0.8	-0.9	0.3	0.7	1.4	1.5	0.1	0.3
	April	1.1	0.8	0.6	1.2	0.6	0.9	1.6	-1.6	-0.1	1.3	0.4	-0.2	0.5	0.9	-0.4	0.8	0.8	0.5	2.1	0.3	0.6
	May	0.6	0.8	0.5	1.3	0.1	0.8	1.5	-2.1	-0.3	1.0	0.4	0.0	1.0	1.4	-0.1	0.8	0.6	0.4	2.2	0.4	0.8
	June	**0.7**	**0.8**	**0.5**	**1.1**	**0.1**	**0.7**	**1.6**	**-2.2**	**-0.2**	**1.2**	**0.4**	**0.0**	**1.0**	**1.1**	**-0.6**	**0.6**	**0.4**	**0.3**	**1.9**	**0.2**	**0.7**
	July	**0.6**	**0.7**	**0.5**	**1.0**	**-0.1**	**0.5**	**1.6**	**-2.2**	**-0.4**	**0.9**	**0.4**	**0.1**	**0.7**	**1.2**	**-0.5**	**0.9**	**0.5**	**0.2**	**1.6**	**-0.2**	**0.4**
	August	**0.7**	**0.7**	**0.5**	**1.0**	**0.1**	**0.6**	**1.7**	**-2.1**	**-0.1**	**1.2**	**0.5**	**0.3**	**0.8**	**1.2**	**-0.1**	**1.4**	**0.9**	**0.5**	**1.9**	**-0.1**	**0.5**
	September	**0.5**	**0.7**	**0.5**	**0.9**	**0.3**	**0.7**	**1.8**	**-2.1**	**-0.1**	**1.3**	**0.6**	**0.4**	**0.9**	**1.1**	**-0.2**	**1.3**	**1.8**	**0.7**	**2.1**	**0.3**	**0.8**
	October	**0.8**	**0.9**	**0.6**	**0.8**	**0.7**	**0.7**	**1.9**	**-1.8**	**0.1**	**1.3**	**0.8**	**0.4**	**1.1**	**1.5**	**0.3**	**1.3**	**2.5**	**0.7**	**2.0**	**0.2**	**0.9**
	November	**0.8**	**1.0**	**0.7**	**0.8**	**0.8**	**0.6**	**1.9**	**-1.4**	**0.2**	**1.3**	**0.8**	**0.6**	**1.2**	**1.5**	**0.5**	**1.5**	**3.3**	**0.8**	**2.6**	**0.3**	**0.8**
	December	**1.0**	**1.0**	**0.6**	**0.8**	**0.7**	**0.5**	**1.7**	**-1.8**	**0.0**	**1.0**	**0.9**	**0.7**	**1.4**	**1.4**	**0.7**	**1.5**	**3.8**	**0.6**	**2.6**	**0.3**	**0.7**
	2015 January	**1.0**	**1.0**	**0.7**	**-0.2**	**1.0**	**0.7**	**1.9**	**-1.9**	**0.6**	**1.3**	**1.1**	**0.7**	**1.5**	**1.4**	**0.8**	**1.1**	**3.9**	**0.8**	**2.3**	**0.5**	**0.7**
	February	**1.0**	**0.8**	**0.6**	**-0.2**	**1.2**	**0.8**	**1.9**	**-2.0**	**0.7**	**1.5**	**1.0**	**0.8**	**1.8**	**1.7**	**0.7**	**1.2**	**4.1**	**0.5**	**2.4**	**0.2**	**1.0**
	March	**1.0**	**1.0**	**0.7**	**-0.1**	**1.3**	**0.8**	**1.9**	**-1.9**	**0.7**	**1.7**	**0.8**	**0.9**	**1.9**	**1.8**	**0.5**	**1.1**	**4.0**	**0.7**	**2.7**	**0.3**	**1.3**
	April	**1.1**	**1.0**	**0.8**	**-0.1**	**1.1**	**0.9**	**1.9**	**-1.9**	**0.6**	**1.8**	**0.9**	**1.0**	**2.1**	**1.7**	**0.4**	**0.8**	**4.2**	**1.2**	**2.7**	**0.2**	**1.3**
	May	**1.3**	**1.1**	**0.7**	**-0.1**	**1.4**	**1.0**	**1.9**	**-1.7**	**0.6**	**2.0**	**1.0**	**0.9**	**1.9**	**1.4**	**0.2**	**0.8**	**4.4**	**1.2**	**2.7**	**0.2**	**1.3**
	June	**1.2**	**1.2**	**0.8**	**-0.1**	**1.4**	**1.0**	**1.9**	**-1.6**	**0.6**	**2.0**	**1.0**	**0.9**	**1.8**	**1.5**	**0.5**	**0.7**	**4.4**	**1.2**	**2.7**	**0.3**	**1.3**
	July	**1.2**	**1.1**	**0.7**	**-0.1**	**1.4**	**1.1**	**1.9**	**-1.6**	**0.6**	**2.0**	**1.1**	**1.0**	**1.8**	**1.5**	**0.5**	**0.7**	**4.4**	**1.2**	**2.7**	**0.5**	**1.3**
	August	**1.1**	**1.1**	**0.7**	**-0.1**	**1.4**	**1.1**	**1.8**	**-1.6**	**0.6**	**2.0**	**1.1**	**1.1**	**1.8**	**1.4**	**0.3**	**1.0**	**4.5**	**1.2**	**2.7**	**0.4**	**1.3**
	September	**1.1**	**1.1**	**0.7**	**2.8**	**1.4**	**1.1**	**1.8**	**-1.6**	**0.6**	**2.0**	**1.1**	**1.2**	**1.8**	**1.4**	**0.3**	**1.0**	**4.5**	**1.2**	**2.7**	**0.2**	**1.3**
	October	**1.1**	**1.1**	**0.7**	**2.5**	**1.4**	**1.1**	**1.7**	**-1.7**	**0.6**	**2.0**	**1.2**	**1.2**	**1.8**	**1.3**	**0.0**	**0.9**	**4.5**	**1.2**	**2.7**	**0.3**	**1.3**
	November	**1.1**	**1.1**	**0.7**	**2.8**	**1.4**	**1.2**	**1.7**	**-1.9**	**0.6**	**2.0**	**1.2**	**1.3**	**1.8**	**1.4**	**-0.1**	**1.0**	**4.5**	**1.2**	**2.7**	**0.2**	**1.3**
	December	**1.1**	**1.0**	**0.7**	**3.3**	**1.4**	**1.2**	**1.8**	**-1.7**	**0.6**	**2.0**	**1.3**	**1.4**	**1.8**	**1.4**	**-0.1**	**1.0**	**4.5**	**1.2**	**2.7**	**0.2**	**1.3**

* The figures in the shaded area are forecasts
Source: EUROSTAT & BIAM(UC3M)
Date: June 26, 2014

Table II.2.8

HARMONIZED INDICES OF CONSUMER PRICES BY COUNTRIES IN THE EURO AREA, UNITED KINGDOM, SWEDEN AND DENMARK

Monthly rates of growth

			Euro Area																			
			Germany	France	Italy	Spain	Netherlands	Belgium	Austria	Greece	Portugal	Finland	Ireland	Slovakia	Slovenia	Luxembourg	Cyprus	Latvia	Estonia	Malta	United Kingdom	Sweden	Denmark
		Weights 2014 %	27.7	20.6	17.7	12.0	5.0	3.6	3.3	2.6	2.1	1.9	1.4	0.7	0.4	0.3	0.2	0.2	0.2	0.1			
MONTHLY RATES (Growth of the month over the previous month)	January	2012	-0.5	-0.4	-1.8	-1.7	0.1	-1.3	-0.5	-1.1	0.3	0.8	-0.4	1.5	-0.3	-0.5	-1.4	0.8	0.5	-1.1	-0.5	-0.6	0.4
		2013	-0.7	-0.6	-2.0	-1.8	0.0	-1.8	-0.6	-1.4	-1.3	0.0	-0.6	0.7	-0.6	-0.9	-0.8	-0.2	0.6	-1.4	0.3	0.5	0.3
		2014	-0.7	-0.6	-2.1	-1.8	-0.6	-1.9	-1.1	-0.9	-1.4	-0.1	-0.6	0.3	-0.6	-0.9	-1.1	0.7	0.2	-1.5	0.2	0.0	0.2
		2015	**-0.7**	**-0.6**	**-2.0**	**-2.8**	**-0.3**	**-1.7**	**-0.9**	**-1.0**	**-0.8**	**0.2**	**-0.4**	**0.2**	**-0.5**	**-0.9**	**-1.0**	**0.3**	**0.4**	**-1.4**	**0.0**	**0.2**	**0.2**
	February	2012	0.9	0.5	0.2	0.0	1.0	2.4	0.5	-1.7	0.1	0.8	1.1	0.2	0.6	1.6	0.4	0.2	0.4	0.6	0.6	0.7	1.0
		2013	0.8	0.3	-0.2	0.1	1.0	2.4	0.3	-1.6	-0.1	0.6	0.8	0.0	0.7	1.9	0.2	-0.1	0.7	0.0	0.2	-0.2	-0.3
		2014	0.5	0.6	-0.3	-0.1	0.6	2.2	0.3	-1.1	-0.3	0.3	0.6	-0.1	0.0	1.2	0.5	0.0	0.2	0.7	0.3	0.4	0.1
		2015	**0.5**	**0.4**	**-0.4**	**-0.1**	**0.8**	**2.3**	**0.3**	**-1.2**	**-0.2**	**0.5**	**0.5**	**0.0**	**0.3**	**1.5**	**0.4**	**0.1**	**0.4**	**0.4**	**0.4**	**0.1**	**0.4**
	March	2012	0.4	0.9	2.5	2.2	1.4	0.1	1.2	2.9	1.2	0.5	1.0	0.3	1.0	0.5	1.4	0.6	1.0	1.5	0.3	0.5	0.6
		2013	0.4	0.8	2.3	1.9	1.3	0.0	1.0	2.5	1.7	0.5	0.4	0.0	0.3	0.1	0.9	0.5	0.8	1.1	0.2	0.2	0.2
		2014	0.3	0.5	2.2	1.6	1.1	0.0	0.9	1.8	1.4	0.3	0.5	0.0	0.7	0.0	1.3	0.3	0.4	1.0	-0.1	0.1	0.0
		2015	**0.4**	**0.7**	**2.3**	**1.6**	**1.2**	**0.1**	**1.0**	**2.0**	**1.4**	**0.5**	**0.4**	**0.1**	**0.8**	**0.2**	**1.1**	**0.2**	**0.4**	**1.1**	**0.2**	**0.1**	**0.3**
	April	2012	0.1	0.2	0.9	1.1	0.5	0.0	0.3	0.8	0.3	0.2	0.0	0.2	1.2	0.4	1.5	0.7	0.4	3.4	0.6	0.3	0.0
		2013	-0.5	-0.1	0.3	0.1	0.1	-0.2	0.0	0.5	0.1	0.2	-0.1	0.0	0.6	0.1	0.2	0.0	0.1	2.9	-0.2	-0.1	-0.2
		2014	-0.3	0.0	0.6	1.5	0.6	-0.2	0.1	0.4	0.3	0.1	0.0	0.0	0.5	0.2	0.7	0.5	0.2	1.9	0.4	0.0	0.1
		2015	**-0.3**	**0.1**	**0.6**	**1.5**	**0.4**	**-0.1**	**0.1**	**0.4**	**0.3**	**0.2**	**0.1**	**0.1**	**0.7**	**0.0**	**0.6**	**0.3**	**0.4**	**2.4**	**0.4**	**0.0**	**0.1**
	May	2012	-0.2	-0.1	0.0	-0.2	-0.2	-0.1	-0.2	-0.3	-0.3	-0.1	0.0	0.1	0.3	-0.2	0.7	0.0	0.2	1.2	-0.1	0.0	0.0
		2013	0.3	0.1	0.0	0.1	0.0	-0.1	0.1	0.0	0.2	0.0	0.0	0.1	0.3	-0.5	0.8	0.3	0.4	1.1	-0.1	-0.1	-0.3
		2014	-0.2	0.0	0.0	0.2	-0.5	-0.1	0.1	-0.6	0.1	-0.3	0.0	0.3	0.7	0.1	1.1	0.2	0.2	1.0	0.1	-0.1	0.0
		2015	**0.0**	**0.1**	**0.0**	**0.2**	**-0.2**	**-0.1**	**0.1**	**-0.4**	**0.0**	**-0.1**	**0.1**	**0.2**	**0.6**	**-0.1**	**1.0**	**0.2**	**0.4**	**1.1**	**0.1**	**-0.1**	**0.0**
	June	2012	-0.2	0.1	0.2	-0.2	-0.6	-0.1	0.0	-0.2	-0.2	0.1	-0.2	0.2	-0.6	-0.2	-0.1	0.0	0.1	1.1	-0.4	-0.3	-0.2
		2013	0.1	0.2	0.3	0.1	-0.5	0.3	-0.2	-0.2	0.1	-0.1	0.1	0.2	0.0	0.4	0.6	0.4	0.6	0.8	0.5	0.1	0.1
		2014	**0.2**	**0.1**	**0.2**	**0.0**	**-0.5**	**0.2**	**-0.1**	**-0.3**	**0.1**	**0.2**	**0.1**	**0.2**	**0.1**	**0.1**	**0.1**	**0.2**	**0.3**	**0.7**	**0.1**	**-0.1**	**0.0**
		2015	**0.1**	**0.2**	**0.2**	**0.0**	**-0.5**	**0.2**	**-0.2**	**-0.2**	**0.1**	**0.2**	**0.1**	**0.2**	**-0.1**	**0.2**	**0.4**	**0.2**	**0.4**	**0.7**	**0.1**	**0.0**	**0.0**
	July	2012	0.4	-0.5	-1.7	-0.9	0.4	-1.3	-0.5	-1.4	0.2	-0.3	-0.1	0.0	-0.8	-0.8	-1.0	-0.4	0.3	-0.3	0.2	-0.5	-0.1
		2013	0.4	-0.3	-1.8	-1.1	0.4	-1.3	-0.6	-1.6	-0.2	0.0	-0.1	-0.1	-0.3	-1.0	-1.1	-0.1	0.2	0.1	0.3	0.4	0.3
		2014	**0.3**	**-0.4**	**-1.9**	**-1.3**	**0.2**	**-1.5**	**-0.6**	**-1.6**	**-0.3**	**-0.3**	**-0.1**	**0.1**	**-0.6**	**-0.9**	**-1.1**	**0.2**	**0.3**	**0.0**	**0.1**	**0.0**	**0.0**
		2015	**0.3**	**-0.4**	**-1.9**	**-1.3**	**0.2**	**-1.4**	**-0.6**	**-1.6**	**-0.3**	**-0.3**	**0.0**	**0.1**	**-0.6**	**-1.0**	**-1.1**	**0.1**	**0.4**	**0.0**	**0.1**	**0.2**	**0.0**
	August	2012	0.4	0.7	0.0	0.5	0.1	2.1	0.4	-1.2	-0.1	0.4	0.8	0.0	0.8	1.5	0.9	-0.4	0.3	0.2	0.5	0.1	0.4
		2013	0.0	0.5	0.0	0.2	-0.2	1.6	0.2	-1.7	-0.7	-0.1	0.1	-0.2	0.2	1.4	0.3	-1.0	-0.1	-0.1	0.1	-0.2	0.1
		2014	**0.1**	**0.4**	**0.0**	**0.2**	**-0.1**	**1.7**	**0.3**	**-1.6**	**-0.4**	**0.2**	**0.2**	**0.0**	**0.3**	**1.4**	**0.6**	**-0.4**	**0.4**	**0.2**	**0.4**	**-0.1**	**0.2**
		2015	**0.1**	**0.4**	**0.0**	**0.2**	**-0.1**	**1.8**	**0.3**	**-1.6**	**-0.4**	**0.2**	**0.2**	**0.1**	**0.3**	**1.4**	**0.4**	**-0.2**	**0.4**	**0.2**	**0.4**	**-0.1**	**0.2**
	September	2012	0.0	-0.3	2.1	1.9	0.5	-0.1	1.1	2.5	0.4	0.6	-0.1	0.3	1.2	0.5	-0.1	0.4	0.4	-0.7	0.3	0.7	0.3
		2013	0.0	-0.2	1.8	0.8	0.1	-0.2	1.0	2.5	0.5	0.4	-0.1	0.0	0.4	0.4	0.1	0.0	-0.5	-0.8	0.1	-0.1	-0.2
		2014	**-0.1**	**-0.2**	**1.8**	**0.7**	**0.3**	**-0.2**	**1.0**	**2.5**	**0.5**	**0.4**	**0.1**	**0.0**	**0.5**	**0.3**	**0.1**	**-0.1**	**0.4**	**-0.6**	**0.2**	**0.3**	**0.2**
		2015	**-0.1**	**-0.2**	**1.7**	**3.6**	**0.3**	**-0.1**	**1.0**	**2.5**	**0.5**	**0.5**	**0.1**	**0.1**	**0.5**	**0.2**	**0.1**	**-0.1**	**0.4**	**-0.6**	**0.2**	**0.1**	**0.2**
	October	2012	0.1	0.2	0.3	0.5	0.8	0.2	0.3	0.7	0.1	0.2	-0.1	0.4	0.3	0.1	0.2	-0.2	0.1	-0.7	0.6	0.1	-0.1
		2013	-0.3	-0.1	0.1	0.0	-0.3	-0.1	0.0	-0.2	-0.1	0.1	-0.2	0.0	0.0	-0.4	-0.6	0.2	-0.3	-0.7	0.4	0.3	-0.2
		2014	**0.0**	**0.1**	**0.2**	**0.0**	**0.1**	**0.0**	**0.1**	**0.2**	**0.1**	**0.1**	**0.0**	**0.1**	**0.2**	**0.0**	**-0.1**	**0.1**	**0.4**	**-0.6**	**0.3**	**0.2**	**-0.1**
		2015	**0.0**	**0.1**	**0.2**	**-0.3**	**0.1**	**0.0**	**0.1**	**0.0**	**0.1**	**0.1**	**0.0**	**0.1**	**0.2**	**-0.1**	**-0.4**	**0.0**	**0.4**	**-0.6**	**0.3**	**0.3**	**-0.1**
	November	2012	-0.2	-0.2	-0.3	-0.2	-0.5	-0.1	0.1	-0.3	-0.4	-0.1	-0.5	0.1	-0.2	-0.2	-1.0	-0.1	-0.3	-1.9	0.2	-0.9	-0.9
		2013	0.2	0.0	-0.3	0.0	-0.6	0.1	0.0	-1.3	-0.3	0.0	-0.1	-0.2	-0.1	-0.1	-1.3	-0.4	-0.5	-2.2	-0.6	-1.2	-0.2
		2014	**0.2**	**0.0**	**-0.2**	**0.0**	**-0.5**	**0.0**	**0.0**	**-0.9**	**-0.2**	**0.0**	**0.0**	**0.0**	**0.0**	**-0.1**	**-1.1**	**-0.2**	**0.4**	**-2.1**	**-0.1**	**-1.1**	**-0.3**
		2015	**0.2**	**0.0**	**-0.2**	**0.3**	**-0.5**	**0.0**	**0.0**	**-1.1**	**-0.2**	**0.0**	**0.0**	**0.1**	**0.0**	**-0.1**	**-1.2**	**-0.1**	**0.4**	**-2.1**	**-0.1**	**-1.1**	**-0.3**
	December	2012	0.9	0.4	0.3	0.0	-0.1	0.2	0.2	-0.3	0.2	0.2	0.0	-0.1	-0.2	-0.3	-0.1	0.1	0.0	-0.6	0.6	0.6	1.0
		2013	0.5	0.4	0.3	0.0	0.1	0.4	0.8	0.8	0.3	0.4	0.1	-0.2	-0.5	0.1	-0.6	0.0	0.0	0.2	0.6	0.5	0.5
		2014	**0.7**	**0.4**	**0.2**	**0.0**	**-0.1**	**0.3**	**0.5**	**0.4**	**0.2**	**0.1**	**0.1**	**0.0**	**-0.4**	**0.1**	**-0.4**	**0.0**	**0.4**	**0.0**	**0.5**	**0.5**	**0.4**
		2015	**0.7**	**0.3**	**0.2**	**0.5**	**-0.1**	**0.3**	**0.6**	**0.6**	**0.2**	**0.1**	**0.1**	**0.1**	**-0.4**	**0.1**	**-0.4**	**0.0**	**0.4**	**0.0**	**0.5**	**0.5**	**0.4**

*The figures in the shaded area are forecasts

Source: EUROSTAT & BIAM(UC3M)

Date: June 26, 2014

II.3. MONETARY POLICY

In May 2014, the year-on-year euro area HICP rate was 0.5%, 0.1 pp less than our forecast. However, the average annual inflation forecasts remain at 0.6% (±0.24) for 2014 and 1.1% (±0.94) for 2015, see Table II.3.1.

The forecasts are far from the ECB target. The probability of reaching the target is 0.0% in 2014 and 15.9% next year. Not only that, but our forecasts show that average annual inflation in 2014 will be less than 1% with a probability of 95.8% and less than 1.5% with a probability of 99.9%. For 2015: 47.7% probability of it being less than 1% and 68.1% less than 1.5%.

On June 5th, the ECB reduced the interest rate on principal financing operations by 10 base points to its lowest ever, 0.15%; the marginal lending and deposit rates were established at 0.40% a nd -0.10%, respectively, and for the first time banks charge for looking after your money (see Graph II.3.1). With regards to unconventional monetary policy, an announcement was made of 400,000 million euros available to banks via TLTRO to encourage them to borrow at very low interest rates in order to lend to the private sector. This process, which will take place in September, together with the Fed interrupting the QE3 in October, will lead to a change in exchange rate patterns, with the euro depreciating versus the dollar.

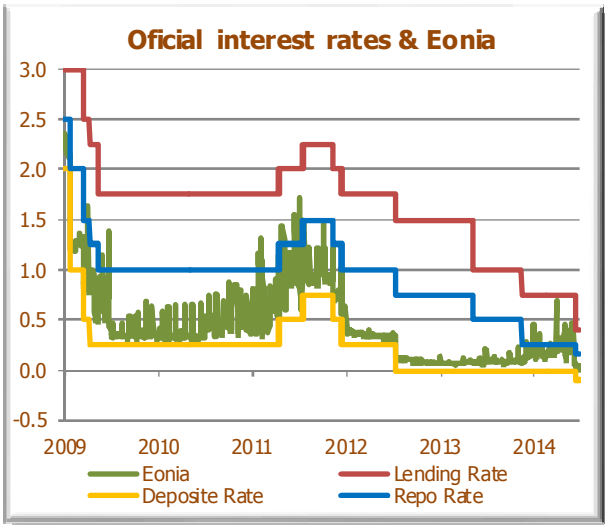
With regards to credit figures and growth of monetary mass in the euro area in May, there was a small improvement in the M3 aggregate, from 0.7% to 1.0%. The year-on-year growth rate of credit to the private sector fell by 2.0%. The same rate for household credit fell by 0.7 pp to -0.7%, while for non-financial firms it grew by 0.2 pp to -2.6% (Graph II.3.2).

Table II.3.1

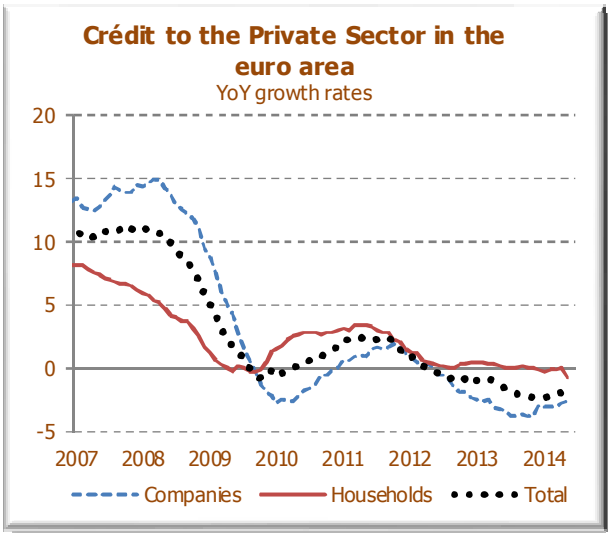
INFLATION IN THE EURO AREA*						
HICP	Annual rates		Annual average rates			
	2014		2012	2013	2014	2015
	May	June				
Core 81.71%	0.8	**0.8 (±0.14)**	1.8	1.3	**0.9 (±0.14)**	**1 (±0.55)**
Total 100%	0.5	**0.5 (±0.12)**	2.5	1.4	**0.6 (±0.24)**	**1.1 (±0.94)**

*Intervals at 80% of confidence calculated with historical errors.
Source: EUROSTAT & BIAM (UC3M)
Date: June 26, 2014

Graph II.3.1



Graph II.3.2



Source: ECB & BIAM(UC3M)
Date: June 30, 2014

III. UNITED STATES

III.1. INDUSTRIAL PRODUCTION INDEX

In May, the US IPI grew by 4.3%, 0.7 pp more than expected. There were upwards innovations in all components except non-durable consumption.

Revising our forecasts, growth will be 4.6%, 1.2 points more, in 2014, and 4.4% in 2015, 1.2 points more than our previous forecast.

Table III.1.1

INDUSTRIAL PRODUCTION INDEX AND SECTORS IN U.S.

			Consumer Goods		Capital Goods	Intermediate Goods	TOTAL
			Durable	Non Durable			
ANNUAL AVERAGE RATES		2009	-16.7	-3.9	-14.7	-11.3	-11.3
		2010	7.3	-0.5	5.2	8.8	5.7
		2011	5.0	0.6	2.4	4.7	3.3
		2012	8.1	0.1	4.7	4.5	3.8
		2013	7.6	1.0	3.0	3.2	2.9
		2014	**5.7**	**2.2**	**3.8**	**4.8**	**4.6**
		2015	**6.9**	**1.5**	**3.7**	**4.8**	**4.4**
Y-o-Y rates	2012	I	8.8	-1.4	3.9	4.9	3.6
		II	11.1	0.8	5.8	5.0	4.7
		III	7.0	0.5	4.7	4.4	3.7
		IV	5.5	0.5	4.3	3.9	3.2
	2013	I	6.1	1.9	3.3	3.0	2.9
		II	7.6	0.6	2.7	3.0	2.5
		III	8.1	-0.5	2.8	3.3	2.6
		IV	8.7	2.1	3.2	3.6	3.5
	2014	I	5.8	3.5	3.5	3.9	3.8
		II	**5.3**	**1.9**	**3.7**	**4.9**	**4.2**
		III	**5.5**	**2.2**	**4.0**	**5.2**	**5.2**
		IV	**6.3**	**1.4**	**3.9**	**5.0**	**5.1**
	2015	**I**	**7.6**	**1.1**	**4.0**	**5.3**	**5.3**
		II	**7.0**	**1.6**	**3.8**	**4.8**	**4.9**
		III	**6.8**	**1.5**	**3.5**	**4.5**	**3.8**
		IV	**6.2**	**1.7**	**3.5**	**4.5**	**3.9**

Table III.1.2

INDUSTRIAL PRODUCTION INDEX AND SECTORS IN U.S.
Y-on-Y rates

	2009	2010	2011	2012	2013	**2014**	**2015**
January	-12.3	0.5	5.3	3.1	2.7	3.3	**5.4**
February	-13.1	1.5	4.2	4.6	2.7	3.7	**5.4**
March	-14.3	3.9	4.6	3.0	3.4	4.3	**5.2**
April	-15.4	5.8	3.7	4.6	3.1	3.2	**5.7**
May	-15.0	7.8	2.4	4.8	2.3	4.3	**5.0**
June	-15.0	8.5	2.4	4.5	2.3	**5.2**	**3.9**
July	-13.3	7.6	2.9	4.2	1.7	**5.5**	**3.8**
August	-11.2	7.2	2.6	3.3	2.8	**5.2**	**3.8**
September	-7.4	6.9	2.7	3.5	3.3	**5.0**	**3.9**
October	-7.5	6.2	3.3	2.9	3.6	**4.8**	**4.0**
November	-6.0	5.8	3.4	3.7	3.3	**5.2**	**3.8**
December	-3.1	6.5	2.7	3.1	3.4	**5.2**	**3.7**

Source: Federal Reserve & BIAM(UC3M)
Date: June 16, 2014

III.2. INFLATION

May's core PCE[1] was exactly as forecast, with a monthly increase of 0.17% and the annual rate rising from 1.42% to 1.49%.

The core PCE forecasts for 2015 remain at the top of the central interval established by the Fed in its last meeting[2].

As mentioned in the May CPI report, there were upwards deviations in airline prices, hotel and motel rates and medical services. Because of this, inflation in services registered a monthly increase of 0.33% instead of the forecast 0.19%, with the annual rate rising from 2.56% to 2.71%. Non-energy industrial goods, however, performed exactly as expected. Core inflation, which includes services and non-energy industrial goods, rose by 0.22% instead of the expected 0.10%, taking the annual rate up from 1.83% to 1.96%.

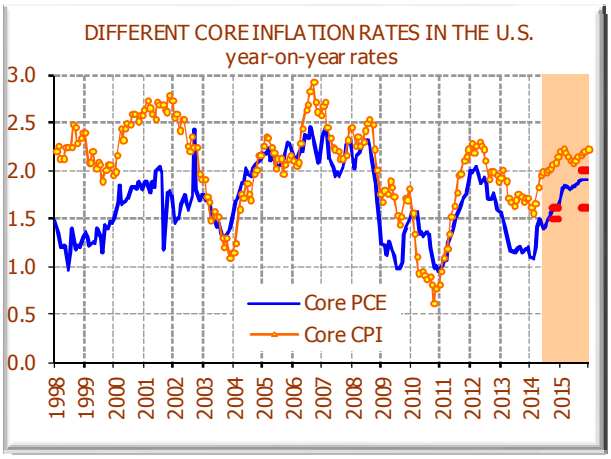
Import prices evolved much as expected. There were downwards movement in non-durable production prices. And finally, with regards to the activity indicators, the capacity of use of industry improved slightly while unemployment rate forecasts got slightly worse.

Although the core PCE was exactly as expected, our forecasts increase slightly due to the CPI. For June, we expect and annual general CPI rate of 2.16%, and the annual rate of core inflation is expected to increase slightly to 1.98%.

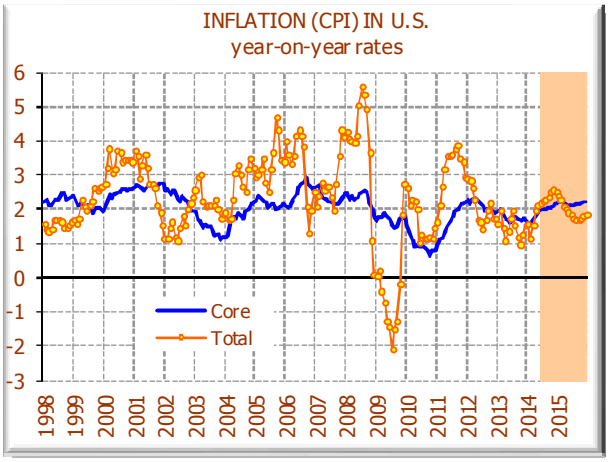
In terms of the core personal consumption expenditure index –core PCE-, the annual rate for June will be 1.39%, 0.1 pp less than in May.

For 2014, the core PCE forecasts remain at the top of the central interval established by the Fed at its last meeting[2], and near the top for 2015.

Graph III.2.1



Graph III.2.2



Source: BLS & BIAM
This report: June 26, 2014
Last report: May 30, 2014

Table III.2.1

DIFFERENT MEASURES OF INFLATION IN THE U.S.
Annual rates of growht

			Total	Core		
			CPI	CPI	PCE	MB-PCE
Annual Average Rates		2012	2.1	2.1	1.8	1.8
		2013	1.5	1.8	1.2	1.2
		2014	**2.1**	**1.9**	**1.4**	**1.3**
		2015	**1.9**	**2.2**	**1.8**	**1.8**
YEAR-ON-YEAR RATES	2013	September	1.2	1.7	1.2	1.1
		October	1.0	1.7	1.1	1.1
		November	1.2	1.7	1.2	1.2
		December	1.5	1.7	1.2	1.2
	2014	January	1.6	1.6	1.1	1.0
		February	1.1	1.6	1.1	1.0
		March	1.5	1.7	1.2	1.1
		April	2.0	1.8	1.4	1.3
		May	2.1	2.0	1.5	1.4
		June	**2.2**	**2.0**	**1.4**	**1.2**
		July	**2.2**	**2.0**	**1.4**	**1.2**
		August	**2.3**	**2.0**	**1.5**	**1.3**
		September	**2.4**	**2.0**	**1.6**	**1.4**
		October	**2.5**	**2.1**	**1.6**	**1.5**
		November	**2.6**	**2.1**	**1.6**	**1.5**
		December	**2.5**	**2.2**	**1.6**	**1.6**

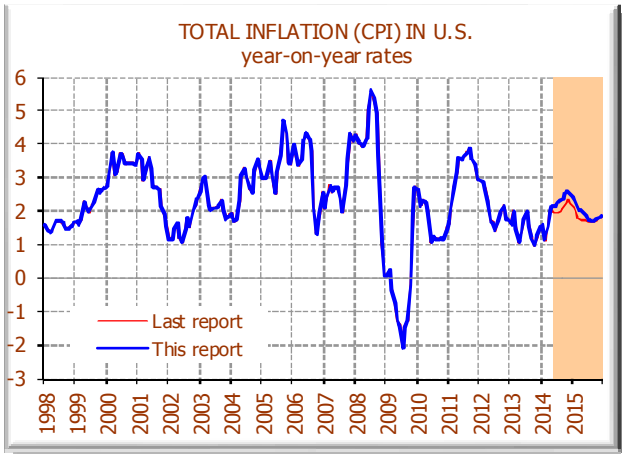
Source: BLS & BIAM
Date: June 26, 2014

Note: These conclusions do not consider the April unemployment rate in the US, which was published after the report was completed. It would have probably represented an increase in our forecasts.

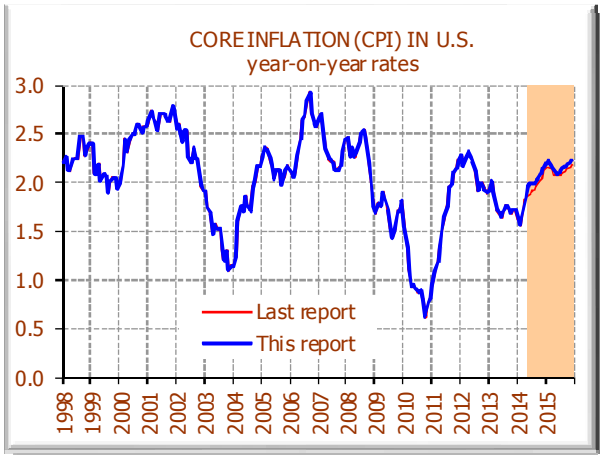
1 Adjusted rates are used for the PCE and not seasonally adjusted for the CPI.

2 http://www.federalreserve.gov/monetarypolicy/files/fomcprojtabl20140618.pdf

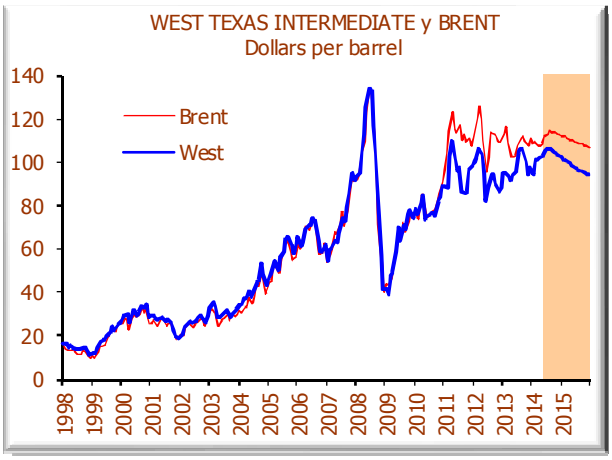
Graph III.2.3



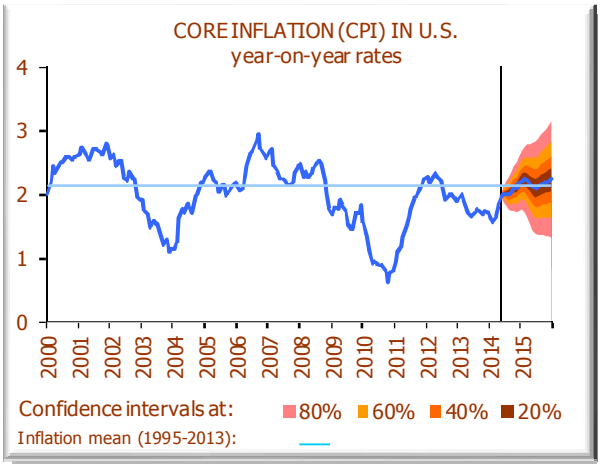
Graph III.2.4



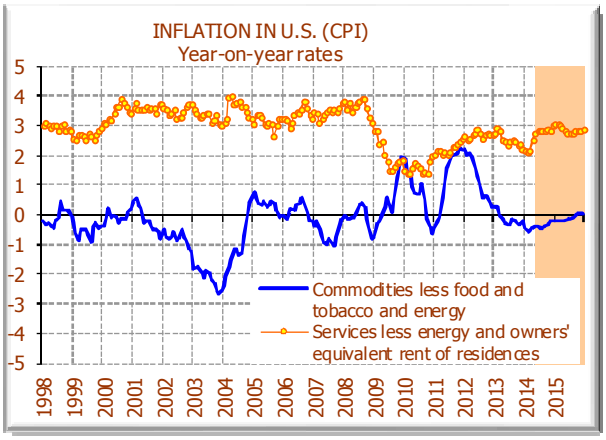
Graph III.2.5



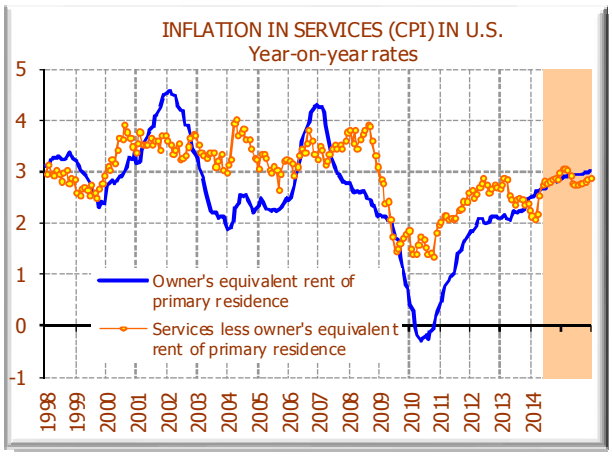
Graph III.2.6



Graph III.2.7



Graph III.2.8



Source: BLS & BIAM
This report: June 26, 2014
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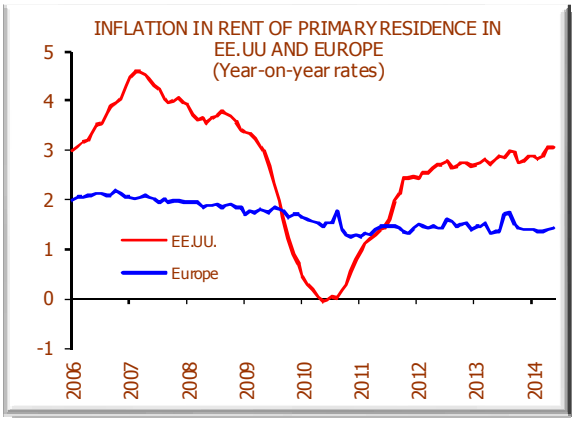
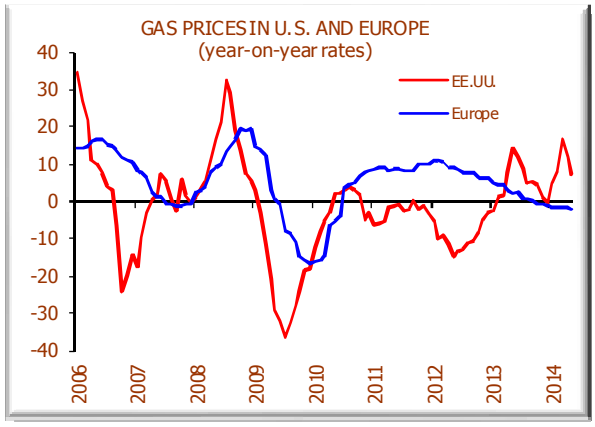
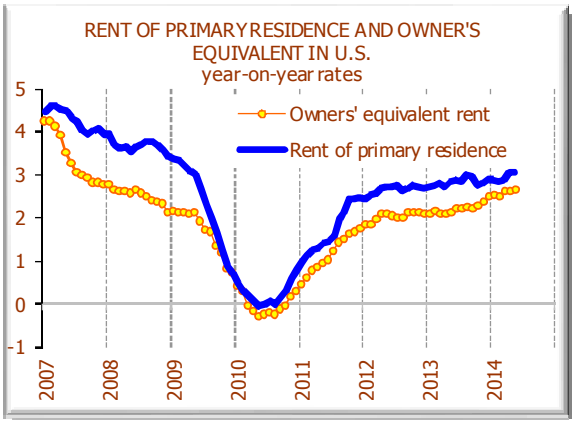
Graph III.2.9



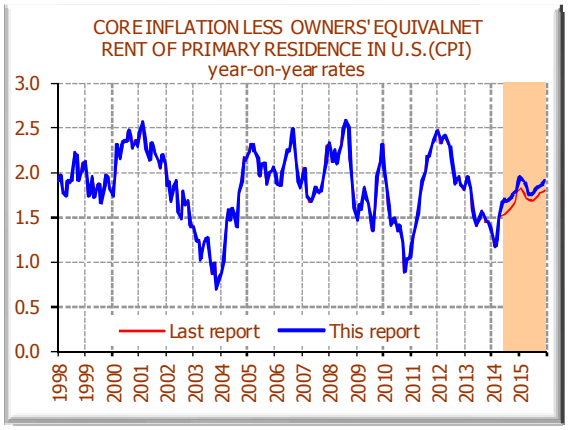
Graph III.2.10



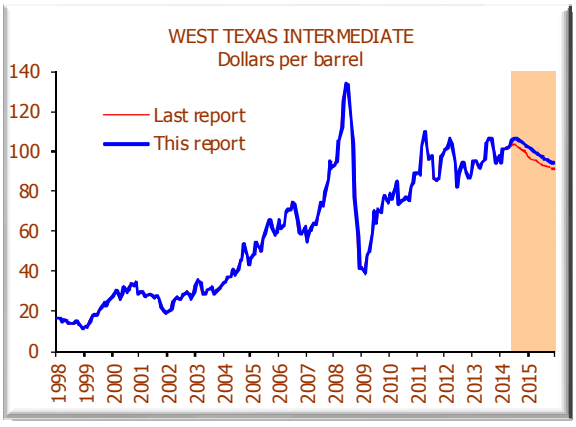
Graph III.2.11



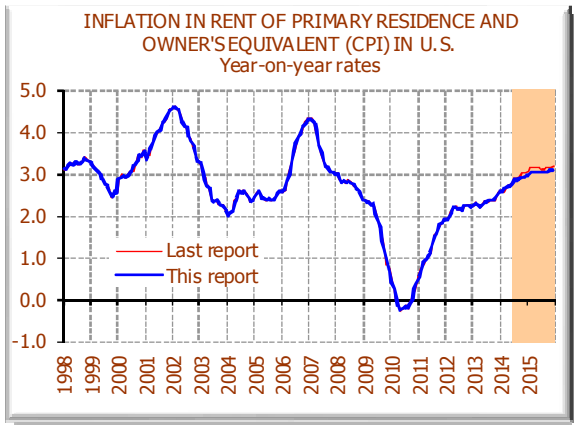
Graph III.2.12



Graph III.2.13



Graph III.2.14



Source: BLS & BIAM
This report: June 26, 2014
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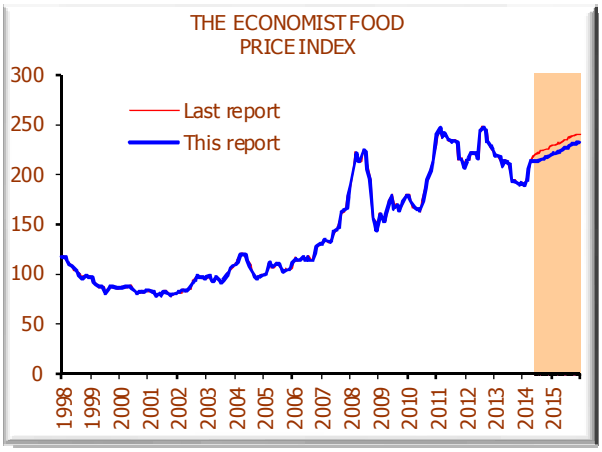
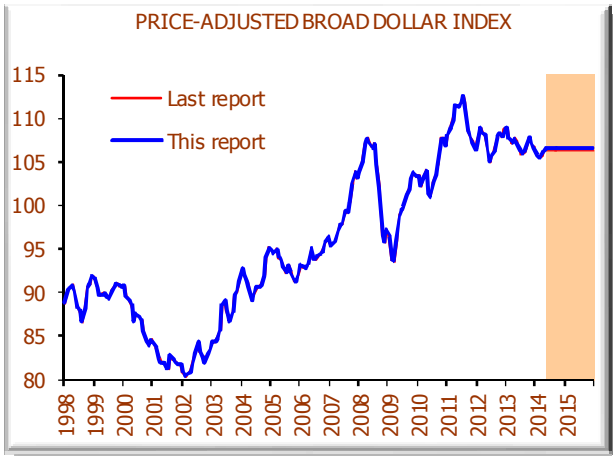
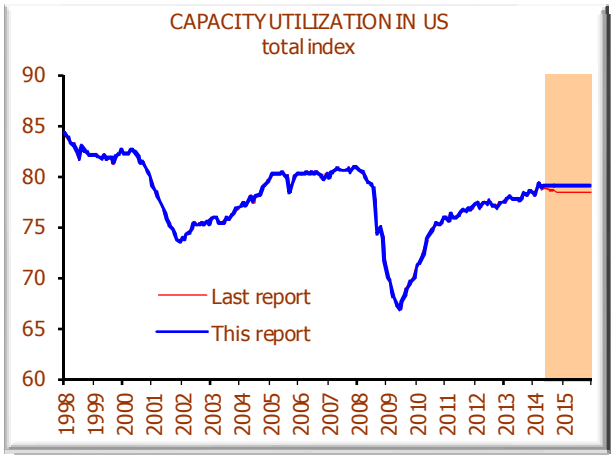
Graph III.2.15



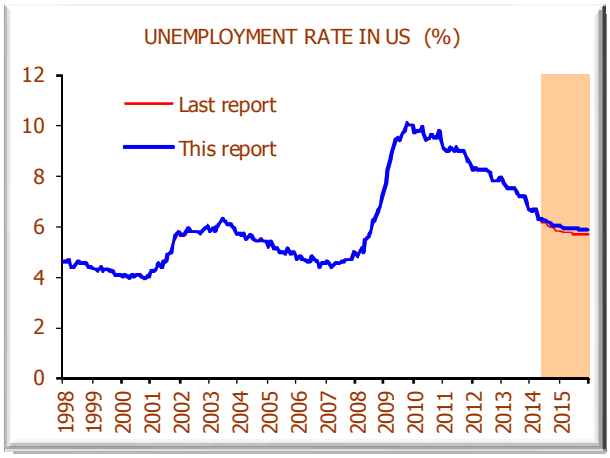
Graph III.2.16



Graph III.2.17



Graph III.2.18



Source: BLS & BIAM
This report: June 26, 2014
Last report: May 30, 2014

Table III.2.2

CONSUMER PRICE INDEX AND COMPONENTS IN USA
Annual rates of growth

			CPI													CORE PCE
			Core							Residual						
			Non-energy commodities less food			Non-energy services			TOTAL	Confidence Intervals at 80% level	Food	Energy	TOTAL	TOTAL 100%	Confidence Intervals at 80% level	
			Durables	Non durables	All	Owner's equivalent rent of primary residence	Other services	All								
IR Diciembre '13			9.2%	10.5%	19.7%	22.5%	34.8%	57.4%	77.1%		13.9%	9.0%	22.9%			
		2012	0.2	2.2	1.3	2.0	2.7	2.4	2.1		2.6	0.9	1.9	2.1		1.8
		2013	-0.8	0.6	0.0	2.2	2.5	2.4	1.8		1.4	-0.7	0.5	1.5		1.2
		2014	**-1.2**	**0.6**	**-0.3**	**2.7**	**2.6**	**2.7**	**1.9**	**± 0.30**	**2.4**	**3.2**	**2.7**	**2.1**	**± 1.00**	**1.4**
		2015	**-0.8**	**0.7**	**0.0**	**2.9**	**2.9**	**2.9**	**2.2**	**± 0.86**	**3.3**	**-2.0**	**1.2**	**1.9**	**± 1.58**	**1.8**
ANNUAL RATES (growth of the month over the same month of the previous year)	2013	January	-0.5	1.1	0.4	2.1	2.7	2.5	1.9		1.6	-1.0	0.5	1.6		1.5
		February	-0.6	1.1	0.3	2.1	2.9	2.6	2.0		1.6	2.3	1.9	2.0		1.5
		March	-0.6	0.6	0.0	2.1	2.8	2.5	1.9		1.5	-1.6	0.2	1.5		1.4
		April	-0.7	0.5	-0.1	2.1	2.5	2.3	1.7		1.5	-4.3	-0.9	1.1		1.2
		May	-1.0	0.5	-0.2	2.1	2.5	2.3	1.7		1.4	-1.0	0.4	1.4		1.2
		June	-1.1	0.5	-0.2	2.2	2.3	2.3	1.6		1.4	3.2	2.1	1.8		1.2
		July	-1.3	0.7	-0.2	2.2	2.5	2.4	1.7		1.4	4.7	2.8	2.0		1.1
		August	-1.1	0.8	0.0	2.2	2.5	2.4	1.8		1.4	-0.1	0.8	1.5		1.2
		September	-0.6	0.4	-0.1	2.2	2.5	2.4	1.7		1.4	-3.1	-0.5	1.2		1.2
		October	-0.6	0.2	-0.1	2.3	2.4	2.3	1.7		1.3	-4.8	-1.3	1.0		1.1
		November	-0.7	0.2	-0.2	2.4	2.4	2.4	1.7		1.2	-2.4	-0.3	1.2		1.2
		December	-0.8	0.5	-0.1	2.5	2.2	2.3	1.7		1.1	0.5	0.8	1.5		1.2
	2014	January	-1.0	0.2	-0.3	2.5	2.1	2.3	1.6		1.1	2.1	1.5	1.6		1.1
		February	-1.1	0.2	-0.4	2.5	2.1	2.2	1.6		1.4	-2.5	-0.2	1.1		1.1
		March	-1.2	0.4	-0.3	2.6	2.2	2.3	1.7		1.7	0.4	1.1	1.5		1.2
		April	-1.1	0.4	-0.3	2.6	2.5	2.6	1.8		1.9	3.3	2.4	2.0		1.4
		May	-1.3	0.7	-0.2	2.6	2.7	2.7	2.0		2.5	3.3	2.8	2.1		**1.5**
		June	**-1.3**	**0.7**	**-0.2**	**2.7**	**2.8**	**2.8**	**2.0**	**± 0.11**	**2.5**	**3.4**	**2.8**	**2.2**	**± 0.12**	**1.4**
		July	**-1.3**	**0.5**	**-0.3**	**2.8**	**2.8**	**2.8**	**2.0**	**± 0.18**	**2.6**	**3.8**	**3.1**	**2.2**	**± 0.44**	**1.4**
		August	**-1.3**	**0.5**	**-0.3**	**2.7**	**2.8**	**2.8**	**2.0**	**± 0.25**	**2.7**	**4.3**	**3.3**	**2.3**	**± 0.78**	**1.5**
		September	**-1.4**	**0.7**	**-0.3**	**2.8**	**2.8**	**2.8**	**2.0**	**± 0.30**	**2.9**	**4.5**	**3.5**	**2.4**	**± 1.08**	**1.6**
		October	**-1.4**	**0.8**	**-0.2**	**2.8**	**2.9**	**2.9**	**2.1**	**± 0.34**	**3.0**	**5.4**	**4.0**	**2.5**	**± 1.33**	**1.6**
		November	**-1.3**	**1.0**	**-0.1**	**2.8**	**2.8**	**2.8**	**2.1**	**± 0.37**	**3.1**	**6.0**	**4.2**	**2.6**	**± 1.52**	**1.6**
		December	**-1.2**	**0.8**	**-0.1**	**2.8**	**3.0**	**2.9**	**2.2**	**± 0.41**	**3.2**	**4.4**	**3.7**	**2.5**	**± 1.65**	**1.6**
	2015	**January**	**-1.1**	**0.9**	**-0.1**	**2.9**	**3.1**	**3.0**	**2.2**	**± 0.44**	**3.4**	**2.5**	**3.1**	**2.4**	**± 1.75**	**1.7**
		February	**-1.2**	**0.8**	**-0.1**	**2.9**	**3.1**	**3.0**	**2.2**	**± 0.50**	**3.4**	**1.4**	**2.6**	**2.3**	**± 1.84**	**1.8**
		March	**-1.1**	**0.8**	**-0.1**	**2.9**	**3.0**	**3.0**	**2.2**	**± 0.56**	**3.4**	**-1.0**	**1.6**	**2.1**	**± 1.91**	**1.8**
		April	**-1.1**	**0.8**	**-0.1**	**2.9**	**2.9**	**2.9**	**2.1**	**± 0.62**	**3.4**	**-1.0**	**1.6**	**2.0**	**± 1.98**	**1.8**
		May	**-1.0**	**0.7**	**-0.1**	**2.9**	**2.8**	**2.8**	**2.1**	**± 0.69**	**3.2**	**-1.4**	**1.3**	**1.9**	**± 2.05**	**1.8**
		June	**-0.9**	**0.7**	**0.0**	**2.9**	**2.7**	**2.8**	**2.1**	**± 0.73**	**3.2**	**-1.8**	**1.1**	**1.9**	**± 2.12**	**1.8**
		July	**-0.8**	**0.7**	**0.0**	**2.9**	**2.7**	**2.8**	**2.1**	**± 0.77**	**3.2**	**-3.2**	**0.5**	**1.7**	**± 2.16**	**1.8**
		August	**-0.6**	**0.7**	**0.1**	**2.9**	**2.8**	**2.8**	**2.1**	**± 0.80**	**3.3**	**-4.0**	**0.3**	**1.7**	**± 2.17**	**1.9**
		September	**-0.6**	**0.7**	**0.1**	**3.0**	**2.8**	**2.9**	**2.2**	**± 0.84**	**3.3**	**-4.0**	**0.3**	**1.7**	**± 2.18**	**1.9**
		October	**-0.5**	**0.7**	**0.1**	**3.0**	**2.8**	**2.9**	**2.2**	**± 0.88**	**3.3**	**-3.8**	**0.4**	**1.8**	**± 2.19**	**1.9**
		November	**-0.5**	**0.7**	**0.1**	**3.0**	**2.8**	**2.9**	**2.2**	**± 0.92**	**3.3**	**-3.6**	**0.5**	**1.8**	**± 2.20**	**1.9**
		December	**-0.5**	**0.7**	**0.1**	**3.0**	**2.9**	**2.9**	**2.2**	**± 0.95**	**3.3**	**-3.5**	**0.6**	**1.9**	**± 2.21**	**1.9**

Source: BLS & BIAM(UC3M)
Date: June 26, 2014

Table III.2.3

CONSUMER PRICE INDEX AND COMPONENTS IN USA
Monthly rates of growth

			CPI										
			Core						Residual				
			Non-energy commodities less food			Non-energy services			TOTAL			TOTAL	TOTAL 100%
			Durables	Non durables	All	Owner's equivalent rent	Other services	All		Food	Energy		
		IR Diciembre '13	9.2%	10.5%	19.7%	22.5%	34.8%	57.4%	77.1%	13.9%	9.0%	22.9%	
MONTHLY RATES (Growth of the month over the previous month)	January	2012	0.1	0.0	0.0	0.2	0.3	0.3	0.2	0.6	2.0	1.2	0.4
		2013	0.2	0.0	0.1	0.2	0.4	0.3	0.3	0.4	0.5	0.4	0.3
		2014	0.0	-0.3	-0.2	0.2	0.3	0.3	0.2	0.4	2.1	1.1	0.4
		2015	**0.0**	**-0.3**	**-0.2**	**0.3**	**0.4**	**0.3**	**0.2**	**0.6**	**0.3**	**0.5**	**0.3**
	February	2012	0.3	0.6	0.5	0.1	0.3	0.2	0.3	-0.1	2.4	0.9	0.4
		2013	0.3	0.5	0.4	0.2	0.4	0.3	0.4	0.0	5.8	2.3	0.8
		2014	0.1	0.5	0.3	0.2	0.4	0.3	0.3	0.3	1.0	0.6	0.4
		2015	**0.1**	**0.5**	**0.3**	**0.2**	**0.4**	**0.3**	**0.3**	**0.3**	**0.0**	**0.1**	**0.3**
	March	2012	0.1	1.2	0.7	0.2	0.3	0.3	0.4	0.1	4.5	1.9	0.8
		2013	0.2	0.6	0.4	0.1	0.3	0.2	0.3	0.0	0.6	0.2	0.3
		2014	0.1	0.9	0.5	0.2	0.4	0.3	0.4	0.3	3.5	1.6	0.6
		2015	**0.1**	**0.8**	**0.5**	**0.2**	**0.3**	**0.3**	**0.3**	**0.3**	**1.1**	**0.6**	**0.4**
	April	2012	0.3	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0.8	0.5	0.3
		2013	0.2	0.2	0.2	0.2	0.0	0.0	0.1	0.2	-1.9	-0.7	-0.1
		2014	0.3	0.2	0.2	0.2	0.3	0.3	0.3	0.4	0.9	0.6	0.3
		2015	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**	**0.4**	**0.9**	**0.6**	**0.3**
	May	2012	0.3	-0.3	0.0	0.1	0.3	0.2	0.1	0.0	-2.1	-0.9	-0.1
		2013	0.1	-0.3	-0.2	0.2	0.2	0.2	0.1	-0.1	1.2	0.4	0.2
		2014	-0.1	-0.1	-0.1	0.2	0.4	0.3	0.2	0.4	1.3	0.8	0.3
		2015	**0.0**	**-0.2**	**-0.1**	**0.2**	**0.3**	**0.3**	**0.2**	**0.2**	**0.9**	**0.5**	**0.2**
	June	2012	0.2	-0.5	-0.2	0.1	0.3	0.2	0.1	0.1	-2.5	-1.0	-0.1
		2013	0.0	-0.5	-0.3	0.2	0.2	0.2	0.1	0.1	1.7	0.8	0.2
		2014	**-0.1**	**-0.5**	**-0.3**	**0.2**	**0.3**	**0.2**	**0.1**	**0.2**	**1.7**	**0.8**	**0.3**
		2015	**0.1**	**-0.5**	**-0.2**	**0.2**	**0.2**	**0.2**	**0.1**	**0.1**	**1.2**	**0.6**	**0.2**
	July	2012	0.0	-0.7	-0.4	0.2	0.1	0.1	0.0	0.0	-1.7	-0.7	-0.2
		2013	-0.2	-0.5	-0.3	0.2	0.2	0.2	0.1	0.1	-0.2	0.0	0.0
		2014	**-0.1**	**-0.6**	**-0.4**	**0.2**	**0.2**	**0.2**	**0.1**	**0.2**	**0.2**	**0.2**	**0.1**
		2015	**0.0**	**-0.6**	**-0.4**	**0.2**	**0.2**	**0.2**	**0.1**	**0.2**	**-1.2**	**-0.3**	**0.0**
	August	2012	-0.4	0.4	0.0	0.3	0.1	0.2	0.1	0.2	4.3	1.9	0.6
		2013	-0.2	0.5	0.1	0.3	0.2	0.2	0.2	0.2	-0.5	-0.1	0.1
		2014	**-0.2**	**0.5**	**0.1**	**0.3**	**0.2**	**0.2**	**0.2**	**0.3**	**-0.1**	**0.1**	**0.2**
		2015	**-0.1**	**0.5**	**0.2**	**0.3**	**0.2**	**0.2**	**0.2**	**0.3**	**-0.9**	**-0.2**	**0.1**
	September	2012	-0.8	1.4	0.4	0.2	0.2	0.2	0.3	0.1	2.4	1.0	0.4
		2013	-0.3	1.0	0.4	0.2	0.1	0.2	0.2	0.0	-0.6	-0.2	0.1
		2014	**-0.5**	**1.2**	**0.4**	**0.3**	**0.2**	**0.2**	**0.3**	**0.2**	**-0.4**	**0.0**	**0.2**
		2015	**-0.4**	**1.2**	**0.5**	**0.3**	**0.2**	**0.2**	**0.3**	**0.2**	**-0.4**	**0.0**	**0.2**
	October	2012	-0.4	0.7	0.2	0.2	0.2	0.2	0.2	0.2	-2.3	-0.8	0.0
		2013	-0.3	0.4	0.1	0.3	0.1	0.2	0.2	0.1	-4.0	-1.6	-0.3
		2014	**-0.3**	**0.6**	**0.2**	**0.3**	**0.2**	**0.2**	**0.2**	**0.2**	**-3.2**	**-1.2**	**-0.1**
		2015	**-0.2**	**0.6**	**0.2**	**0.3**	**0.2**	**0.2**	**0.2**	**0.3**	**-3.0**	**-1.0**	**-0.1**
	November	2012	-0.2	-0.5	-0.4	0.2	0.1	0.1	0.0	0.0	-4.6	-1.9	-0.5
		2013	-0.3	-0.5	-0.4	0.3	0.1	0.2	0.0	-0.1	-2.3	-1.0	-0.2
		2014	**-0.2**	**-0.4**	**-0.3**	**0.3**	**0.1**	**0.2**	**0.0**	**0.0**	**-1.7**	**-0.7**	**-0.1**
		2015	**-0.2**	**-0.4**	**-0.3**	**0.3**	**0.1**	**0.2**	**0.1**	**0.0**	**-1.5**	**-0.6**	**-0.1**
	Dicember	2012	-0.1	-1.2	-0.7	0.1	0.1	0.1	-0.1	0.2	-2.3	-0.8	-0.3
		2013	-0.2	-0.9	-0.6	0.3	0.0	0.1	-0.1	0.1	0.6	0.3	0.0
		2014	**-0.1**	**-1.1**	**-0.6**	**0.3**	**0.1**	**0.2**	**0.0**	**0.2**	**-0.9**	**-0.2**	**-0.1**
		2015	**-0.1**	**-1.1**	**-0.6**	**0.3**	**0.1**	**0.2**	**0.0**	**0.3**	**-0.8**	**-0.1**	**0.0**

Source: BLS & BIAM(UC3M)
Date: June 26, 2014

IV. SPAIN

The domestic demand and employment leading indicators show acceleration of growth in the second quarter. Those referring to the foreign sector indicate possibly less than expected growth.

The negative surprise in capital goods has led to a downwards revision in average annual IPI growth to 2.1% (±1.1) in 2014. For 2015 the forecast has risen to 3.2% (±2.9).

Revisions in the non-core component of the CPI have increased inflation forecasts slightly. They have gone to 0.2% (±0.40) for 2014 and to 1.1% (±1.41) for 2015.

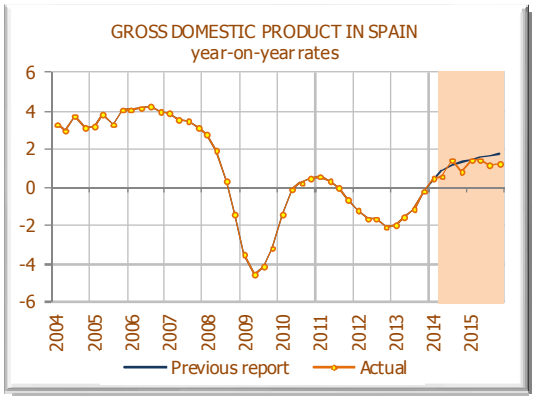
Table IV.1

MAIN VARIABLES AND INDICATORS IN SPAIN
Annual average rates

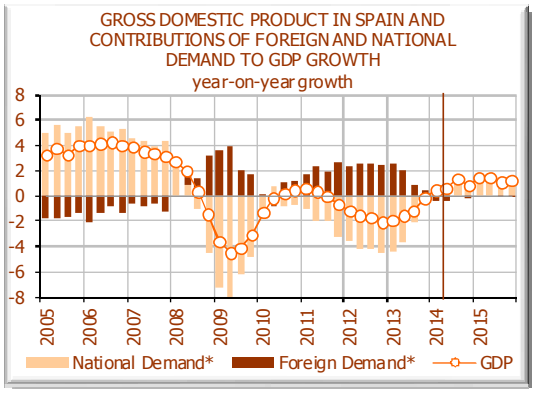
		2010	2011	2012	Forecasts	Forecasts 2014	Forecasts 2015
GDP mp.[1]		-0.2	0.1	-1.6	-1.2	**0.8 (±0.8)**	**1.3 (±1.7)**
Demand	Final consumption private	0.2	-1.2	-2.8	-2.1	**1.7**	**2.1**
	Final consumption public	1.5	-0.5	-4.8	-2.3	**-1.3**	**-1.9**
	Gross fixed capital formation	-5.5	-5.4	-7.0	-5.1	**0.8**	**1.5**
	Tangible fixed assets	-6.4	-6.3	-7.8	-5.5	**0.1**	**1.2**
	Construction	-9.9	-10.8	-9.7	-9.6	**-6.1**	**-3.7**
	Capital goods and grown assets	4.3	5.3	-3.9	2.2	**10.7**	**9.5**
	Contribution domestic demand*	-0.3	-1.8	-4.1	-2.7	**0.9**	**1.1**
	Exports of goods and services	11.7	7.6	2.1	4.9	**3.6**	**4.8**
	Imports of goods and services	9.3	-0.1	-5.7	0.4	**4.0**	**4.6**
	Contribution foreign demand*	0.1	1.9	2.5	1.5	**-0.1**	**0.2**
Supply GVA	Agriculture, livestock breeding, forestry,...	1.9	5.6	-10.9	1.1	**5.9**	**-0.7**
	Industry	7.1	2.7	-0.5	-1.2	**1.2**	**1.7**
	Manufacturing Industry	4.6	1.3	-1.1	-0.9	**1.7**	**1.4**
	Construction	-16.5	-9.0	-8.6	-7.7	**-8.2**	**-7.3**
	Services	1.2	1.4	-0.3	-0.5	**1.8**	**2.6**
	Market services	0.8	1.6	-0.2	-0.5	**2.3**	**3.3**
	Public administration, health and educ.	2.4	1.1	-0.5	-0.6	**0.8**	**0.7**
	Taxes	-0.6	-6.1	-4.9	-1.2	**-1.3**	**-1.7**
Prices CPI[2]							
	Total	1.8	3.2	2.4	1.4	**0.2 (±0.4)**	**1.1 (±1.4)**
	Core	0.6	1.7	1.6	1.4	**0.2 (±0.3)**	**0.9 (±0.9)**
	dec / dec	3.0	2.4	2.9	0.3	**0.6**	**1.0**
Foreign sector[1]							
	Balance of current account (bill€)	-46.0	-41.9	-12.4	**8.2**	**18.7**	**-**
	Net lending or borrowing (% of GDP)	-3.8	-3.6	-0.6	**1.5**	**2.4**	**-**
	Public Administration: Net lending or borrowing (% of GDP)	-9.7	-9.4	-7.0	**-**	**-**	**-**
Industrial production index (excluding construction)[4]		0.9	-2.0	-6.3	-1.7	**2.1 (±1.1)**	**3.2 (±2.9)**
ECONOMICALLY ACTIVE POPULATION SURVEY[3]							
Employed		-2.0	-1.6	-4.3	-2.8	**0.3**	**1.3**
Agriculture		-0.3	-3.9	-1.6	-0.9	**4.1**	**-2.1**
Industry		-5.6	-1.7	-4.6	-5.2	**-2.7**	**-1.1**
Construction		-12.6	-15.0	-17.3	-11.4	**-7.5**	**-3.0**
Services		0.1	0.2	-3.0	-1.7	**1.2**	**2.2**
Active		0.4	0.3	0.0	-1.1	**-1.7**	**-1.0**
Unemployment rate		19.9	21.4	24.8	26.1	**24.6**	**22.9**
EMPLOYED BY NATIONAL ACCOUNTS [1]							
Employed		-2.3	-2.2	-4.8	-3.4	**-**	**-**

The figures in the shaded area are forecasts
(1) Data adjusted for seasonality and working days effect
(1) In brackets are 80% confidence intervals
Source: INE & BIAM(UC3M)
Dates: (1) May 29, 2014 (2) June 26, 2014
(3) June 6, 2014 (4) June 6, 2014

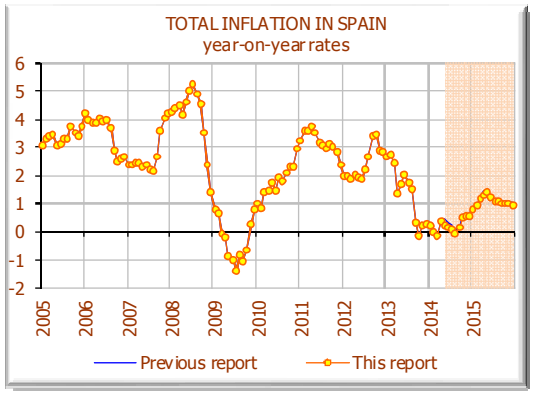
Graph IV.1



Graph IV.2



Graph IV.3



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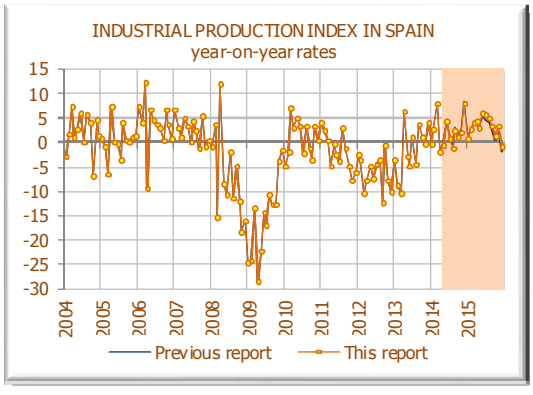

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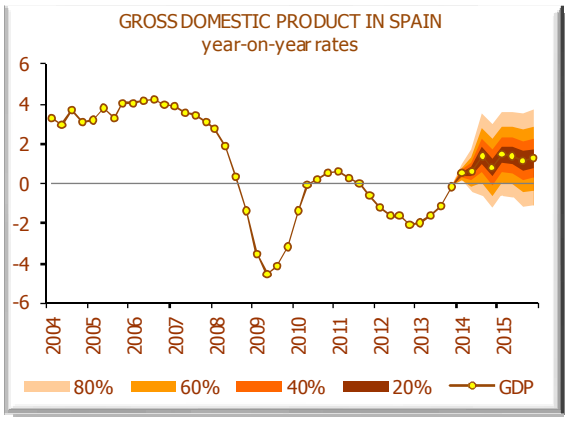

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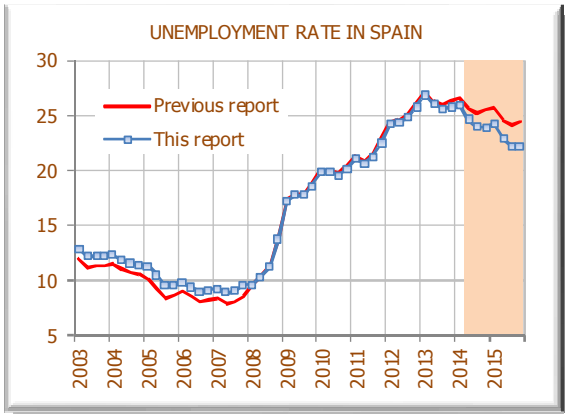

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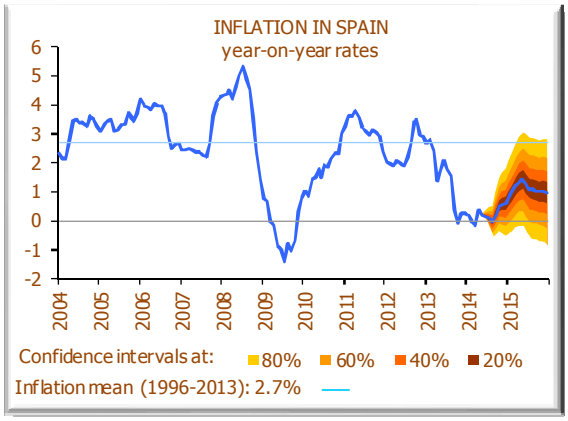

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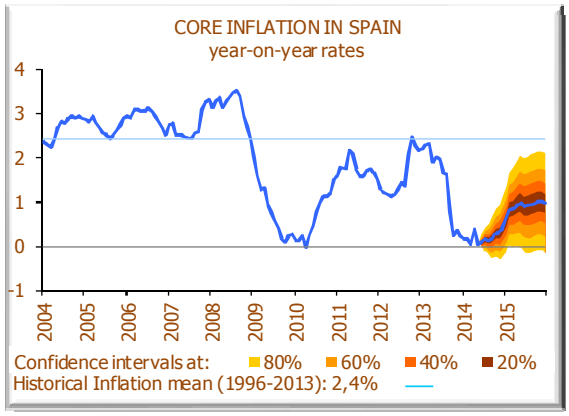

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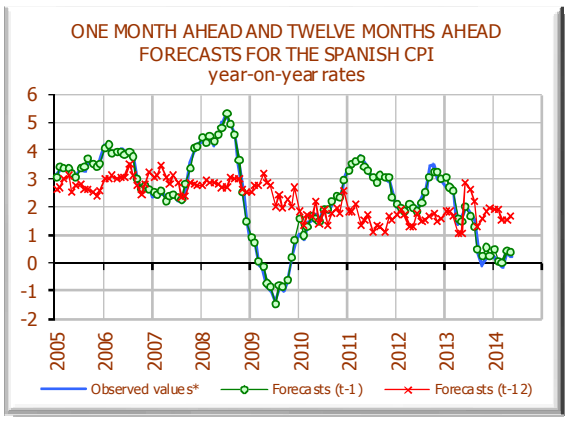
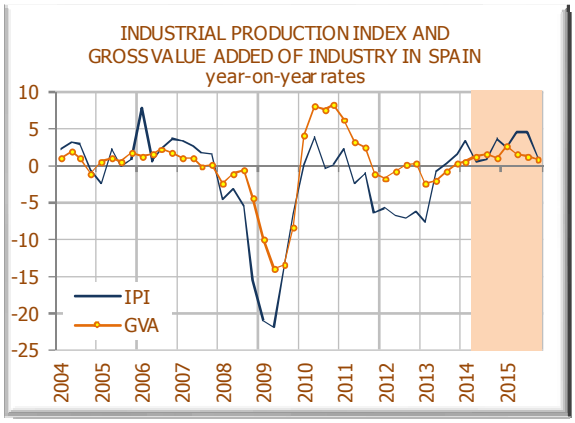
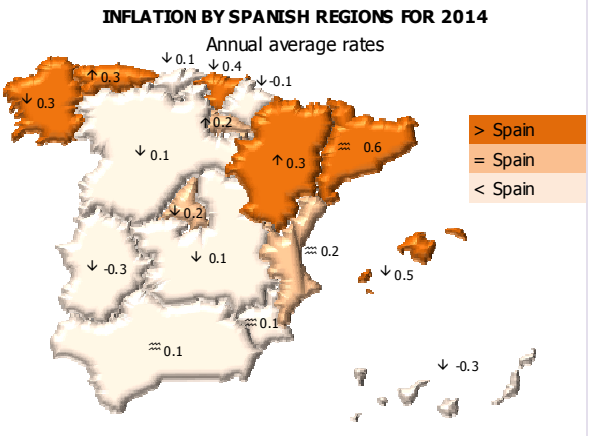


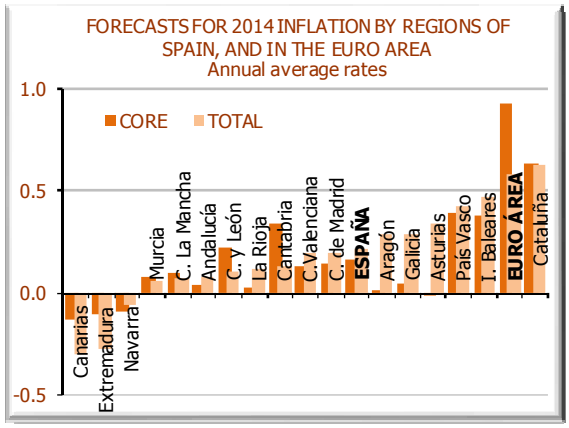
Graph IV.10



Graph IV.11



Graph IV.12



IV.1. MACROECONOMIC FORECASTS

In the first quarter of this year, the Spanish economy registered a surprising quarter-on-quarter growth rate of 0.4%, in real terms and with data corrected for seasonality and calendar effect, after registering 0.2% in the fourth quarter of last year. The surprise was largely due to heavy growth of public consumption, with a quarter-on-quarter rate of 4.4%.

The expansionary trend of the GDP in the first quarter might be due to an upwards bias due to abnormal growth in the public sector. The most recent Spanish economic indicators published in May and June show that the Spanish economy will continue to recover, especially domestic demand, but that strength could be somewhat more intense than in the first quarter, when that bias is eliminated.

Industry grew in April. The qualitative indicators improved considerably in May and June, as did the labour market indicators. The direct consumption indicators such as the Retail Trade Index and consumer confidence anticipate good household consumption in the second quarter. The Spanish macro forecast is not updated this month, but we can expect the revision to be upwards for the second quarter and the year as a whole.

The Economic Sentiment Indicator grew by 2.2 points in June, after increasing by 4 in the previous month. The ESI is now at 104.1 points, back to the level registered in the summer of 2007. In June there were falls in construction and the retail trade and increases in the other sectors.

The April Industrial Production Index (IPI) fell by a year-on-year rate of 1.9%, after growing by 8.1% in the previous month, largely due to Holy Week, which was in April this year and in March in 2013. This figure was very close to our forecast, which estimated a year-on-year reduction of 2%. When corrected for seasonality and calendar, the index in April shows a year-on-year growth rate of 4.3%, much more than the previous month's 0.9%.

Considering the April IPI and the May industrial confidence index, our industrial production forecasts have been revised upwards. We expect the IPI to register average annual growth rates of 2.1% and 3.2%, respectively, in 2014 and 2015. This represents 2 pp and 1.9 pp, respectively, more than our previous estimate.

With regards to the labour market, the latest information consists of Social Security contributors and registered unemployment, which evolved favourably in the second quarter and represented a significant improvement over the first.

Table IV.1.1

GROSS DOMESTIC PRODUCT IN SPAIN (*)			Annual average rates			Q-o-Q rates		
			2013	**2014**	**2015**	IV-13	I-14	**II-14**
Final consumption		Private	-2.1	**1.7**	**2.1**	0.5	0.4	**0.3**
		Public	-2.3	**-1.3**	**-1.9**	-3.9	4.4	**-2.6**
Gross fixed capital formation	Tangible fixed assets	Construction	-9.6	**-6.1**	**-3.7**	-0.1	-3.3	**-1.9**
		Capital goods and grown assets	2.2	**10.7**	**9.5**	1.7	2.4	**3.6**
			-5.5	**0.1**	**1.2**	0.6	-1.1	**0.3**
			-5.1	**0.8**	**1.5**	0.7	-0.6	**0.3**
Contribution of domestic demand			-2.7	**0.9**	**1.1**	-0.3	1.0	**-0.3**
Exports of goods and services			4.9	**3.6**	**4.8**	0.8	-0.4	**0.1**
Imports of goods and services			0.4	**4.0**	**4.6**	-0.6	1.5	**-0.7**
Contribution of foreign demand			1.5	**-0.1**	**0.2**	0.4	-0.6	**0.3**
Real GDP			-1.2	**0.8 (±0.8)**	**1.3 (±1.7)**	0.2	0.4	**0.0**

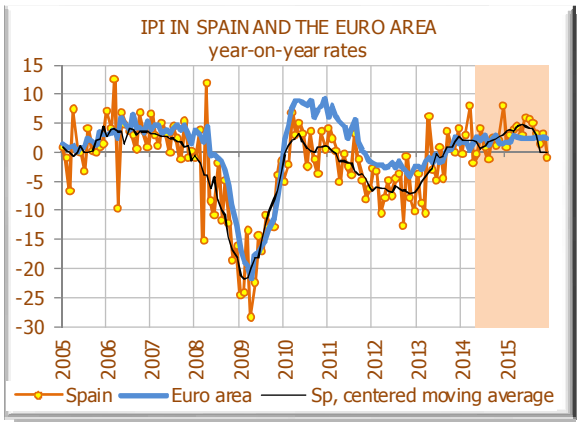
*In brackets are 80% confidence intervals

Source: INE & BIAM (UC3M)
Date: May 29, 2014

Table IV.1.2

INDUSTRIAL PRODUCTION INDEX IN SPAIN Annual avarage rates	2012	2013	**2014**	**2015**
Consumption	-4.8	-2.2	**1.9**	**2.1**
Durable	-13.6	-12.2	**-1.4**	**3.8**
Non-durable	-3.9	-1.2	**2.2**	**1.9**
Capital	-11.0	1.2	**5.6**	**6.9**
Intermedite	-8.9	-2.6	**2.8**	**3.9**
Enery	0.9	-2.6	**-2.5**	**-0.2**
TOTAL	-6.3	-2.8	**2.1 (±1.1)**	**3.2 (±2.9)**
GVA Industry	-0.5	-1.2	**1.2**	**1.7**

Graph IV.1.1



Source: INE & BIAM (UC3M)
Date: June 6, 2014

Table IV.1.3

CHANGE IN THE FORECASTS FOR IP IN SPAIN Average annual rate, 2014	Forecasts with observed data till:			
	Mar-14	Apr-14	Change	
Durable consumption	-2.0	-1.4	0.6	↑
Non-durable consumptio	2.1	2.2	0.1	↑
Total consumption	1.8	1.9	0.1	↑
Equipment	7.6	5.6	-1.9	↓
Intermediate	3.0	2.8	-0.1	↓
Energy	-2.9	-2.5	0.4	↑
TOTAL	**2.45**	**2.11**	**-0.3**	↓

GROSS DOMESTIC PRODUCT IN THE SPAIN: DEMAND

Table IV.1.4

GROSS DOMESTIC PRODUCT IN SPAIN												
		Final Consumption		Gross Fixed Capital Formation				Domestic Demand (1)	Exports of goods and services	Imports of goods and services	Foreign Demand (1)	Real GDP (2)
				Tangible fixed assets								
		Private	Public	Construc-tion	Capital goods and grown assets							
ANNUAL AVERAGE RATES	2009	-3.7	3.7	-16.6	-23.9	-18.5	-18.0	-6.9	-10.0	-17.2	3.1	-3.8
	2010	0.2	1.5	-9.9	4.3	-6.4	-5.5	-0.3	11.7	9.3	0.1	-0.2
	2011	-1.2	-0.5	-10.8	5.3	-6.3	-5.4	-1.8	7.6	-0.1	1.9	0.1
	2012	-2.8	-4.8	-9.7	-3.9	-7.8	-7.0	-4.1	2.1	-5.7	2.5	-1.6
	2013	-2.1	-2.3	-9.6	2.2	-5.5	-5.1	-2.7	4.9	0.4	1.5	-1.2
	2014	**1.7**	**-1.3**	**-6.1**	**10.7**	**0.1**	**0.8**	**0.9**	**3.6**	**4.0**	**-0.1**	**0.8 (±0.8)**
	2015	**2.1**	**-1.9**	**-3.7**	**9.5**	**1.2**	**1.5**	**1.1**	**4.8**	**4.6**	**0.2**	**1.3 (±1.7)**
Y-o-Y RATES	2012 I	-1.8	-4.9	-8.6	-2.9	-6.8	-6.0	-3.5	0.1	-6.9	2.2	-1.2
	2012 II	-3.1	-4.4	-9.3	-4.3	-7.6	-6.9	-4.2	0.5	-7.7	2.6	-1.6
	2012 III	-2.8	-4.9	-10.9	-3.8	-8.6	-7.5	-4.2	3.3	-4.6	2.5	-1.7
	2012 IV	-3.5	-5.0	-10.0	-4.8	-8.3	-7.7	-4.5	4.4	-3.5	2.5	-2.1
	2013 I	-4.2	-2.3	-9.8	-4.1	-7.9	-7.2	-4.5	2.9	-4.9	2.5	-1.9
	2013 II	-3.0	-3.4	-10.1	1.7	-6.1	-5.8	-3.7	9.5	3.2	2.1	-1.6
	2013 III	-1.7	0.2	-9.8	2.2	-5.6	-5.3	-2.1	3.5	0.6	1.0	-1.1
	2013 IV	0.7	-3.5	-8.6	9.5	-2.5	-1.7	-0.5	3.7	2.7	0.4	-0.2
	2014 I	1.6	-0.2	-8.7	11.1	-1.7	-1.1	0.8	8.1	9.3	-0.3	0.5
	2014 II	**1.8**	**-1.7**	**-6.1**	**10.6**	**0.1**	**1.0**	**0.9**	**1.2**	**2.3**	**-0.4**	**0.6 (±0.4)**
	2014 III	**1.7**	**-1.7**	**-4.6**	**9.6**	**0.8**	**1.4**	**1.0**	**2.7**	**1.6**	**0.4**	**1.4 (±0.9)**
	2014 IV	**1.7**	**-1.7**	**-5.0**	**11.4**	**1.4**	**1.9**	**1.0**	**2.5**	**3.2**	**-0.2**	**0.8 (±1.7)**
	2015 I	**1.8**	**-1.9**	**-3.7**	**10.7**	**1.7**	**2.0**	**1.0**	**4.2**	**3.0**	**0.4**	**1.4 (±1.7)**
	2015 II	**2.0**	**-1.9**	**-3.6**	**9.4**	**1.2**	**1.6**	**1.2**	**5.8**	**5.2**	**0.2**	**1.4 (±1.9)**
	2015 III	**2.2**	**-1.9**	**-4.1**	**10.1**	**1.2**	**1.6**	**1.3**	**4.5**	**5.1**	**-0.1**	**1.1 (±1.9)**
	2015 IV	**2.3**	**-1.9**	**-3.6**	**7.8**	**0.6**	**1.1**	**1.3**	**4.8**	**5.1**	**-0.1**	**1.3 (±1.9)**

Table IV.1.5

GROSS DOMESTIC PRODUCT IN SPAIN												
		Final Consumption		Gross Fixed Capital Formation				Domestic Demand (1)	Exports of goods and services	Imports of goods and services	Foreign Demand (1)	Real GDP (2)
				Tangible fixed assets								
		Private	Public	Construc-tion	Capital goods and grown assets							
ANNUAL AVERAGE RATES	2009	-3.7	3.7	-16.6	-23.9	-18.5	-18.0	-6.9	-10.0	-17.2	3.1	-3.8
	2010	0.2	1.5	-9.9	4.3	-6.4	-5.5	-0.3	11.7	9.3	0.1	-0.2
	2011	-1.2	-0.5	-10.8	5.3	-6.3	-5.4	-1.8	7.6	-0.1	1.9	0.1
	2012	-2.8	-4.8	-9.7	-3.9	-7.8	-7.0	-4.1	2.1	-5.7	2.5	-1.6
	2013	-2.1	-2.3	-9.6	2.2	-5.5	-5.1	-2.7	4.9	0.4	1.5	-1.2
	2014	**1.7**	**-1.3**	**-6.1**	**10.7**	**0.1**	**0.8**	**0.9**	**3.6**	**4.0**	**-0.1**	**0.8 (±0.8)**
	2015	**2.1**	**-1.9**	**-3.7**	**9.5**	**1.2**	**1.5**	**1.1**	**4.8**	**4.6**	**0.2**	**1.3 (±1.7)**
Q-o-Q RATES	2012 I	0.2	-1.8	-3.5	0.1	-2.4	-1.7	-0.5	-3.1	-3.3	0.1	-0.4
	2012 II	-1.1	0.0	-4.2	-1.8	-3.4	-3.3	-1.4	0.6	-2.2	0.9	-0.5
	2012 III	-0.7	-3.0	-1.3	1.9	-0.2	0.2	-0.9	6.5	4.6	0.5	-0.4
	2012 IV	-2.0	-0.3	-1.3	-5.0	-2.6	-3.0	-1.8	0.6	-2.6	1.0	-0.8
	2013 I	-0.4	1.0	-3.3	0.9	-1.9	-1.2	-0.3	-4.5	-4.6	0.0	-0.3
	2013 II	0.1	-1.1	-4.6	4.2	-1.5	-1.9	-0.5	7.0	6.1	0.3	-0.1
	2013 III	0.5	0.6	-0.9	2.4	0.3	0.7	0.5	0.6	2.1	-0.5	0.1
	2013 IV	0.5	-3.9	-0.1	1.7	0.6	0.7	-0.3	0.8	-0.6	0.4	0.2
	2014 I	0.4	4.4	-3.3	2.4	-1.1	-0.6	1.0	-0.4	1.5	-0.6	0.4
	2014 II	**0.3**	**-2.6**	**-1.9**	**3.6**	**0.3**	**0.3**	**-0.3**	**0.1**	**-0.7**	**0.3**	**0.0**
	2014 III	**0.5**	**0.6**	**0.7**	**1.5**	**1.1**	**1.1**	**0.6**	**2.2**	**1.3**	**0.3**	**0.9**
	2014 IV	**0.5**	**-3.9**	**-0.5**	**3.4**	**1.1**	**1.1**	**-0.3**	**0.6**	**1.0**	**-0.1**	**-0.4**
	2015 I	**0.5**	**4.2**	**-2.0**	**1.7**	**-0.8**	**-0.6**	**1.0**	**1.3**	**1.4**	**0.0**	**1.0**
	2015 II	**0.6**	**-2.6**	**-1.8**	**2.4**	**-0.2**	**0.0**	**-0.2**	**1.6**	**1.4**	**0.1**	**0.0**
	2015 III	**0.6**	**0.6**	**0.2**	**2.2**	**1.0**	**1.0**	**0.7**	**0.9**	**1.2**	**-0.1**	**0.6**
	2015 IV	**0.6**	**-3.9**	**0.0**	**1.3**	**0.5**	**0.6**	**-0.3**	**0.8**	**1.0**	**0.0**	**-0.3**

Data adjusted for seasonality and working days effect
*The figures in the shaded area are forecasts
(1) Contribution to GDP growth
(2) In brackets are 80% confidence intervals
Quarter-on-quarter rates
Source: INE & BIAM(UC3M)
Date: May 29, 2014

GROSS DOMESTIC PRODUCT IN THE SPAIN: SUPPLY

Table IV.1.6

GROSS DOMESTIC PRODUCT IN SPAIN										
		Agriculture, livestoch breeding, forestry...	Industry		Construction	Services			Taxes	Real GDP *
			Manufacturing industry			Market services	Public administration, ...			
ANNUAL AVERAGE RATES	2009	-3.3	-12.3	-11.4	-8.2	-1.9	2.3	-0.8	-5.4	-3.8
	2010	1.9	4.6	7.1	-16.5	0.8	2.4	1.2	-0.6	-0.2
	2011	5.6	1.3	2.7	-9.0	1.6	1.1	1.4	-6.1	0.1
	2012	-10.9	-1.1	-0.5	-8.6	-0.2	-0.5	-0.3	-4.9	-1.6
	2013	1.1	-0.9	-1.2	-7.7	-0.5	-0.6	-0.5	-1.2	-1.2
	2014	**5.9**	**1.7**	**1.2**	**-8.2**	**2.3**	**0.8**	**1.8**	**-1.3**	**0.8 (±0.8)**
	2015	**-0.7**	**1.4**	**1.7**	**-7.3**	**3.3**	**0.7**	**2.6**	**-1.7**	**1.3 (±1.7)**
Y-o-Y RATES	2012 I	-6.9	-2.8	-1.7	-9.1	0.8	0.4	0.7	-5.0	-1.2
	2012 II	-12.6	-1.8	-0.7	-8.6	-0.1	-0.1	-0.1	-4.7	-1.6
	2012 III	-11.2	0.1	0.2	-8.7	-0.1	-1.3	-0.4	-4.9	-1.7
	2012 IV	-12.7	0.1	0.4	-7.7	-1.1	-1.1	-1.1	-5.1	-2.1
	2013 I	-4.1	-2.5	-2.5	-7.0	-1.6	0.4	-1.1	-2.0	-1.9
	2013 II	3.9	-1.2	-2.1	-8.3	-0.6	-2.0	-0.9	-1.0	-1.6
	2013 III	0.9	-0.8	-0.8	-7.8	-0.5	-0.8	-0.6	-0.8	-1.1
	2013 IV	4.1	1.2	0.3	-7.7	0.8	-0.2	0.5	-1.2	-0.2
	2014 I	6.8	1.7	0.7	-8.4	1.6	0.2	0.8	3.3	0.5
	2014 II	**5.7**	**1.4**	**1.4**	**-7.3**	**1.7**	**1.7**	**1.7**	**-4.1**	**0.6 (±0.4)**
	2014 III	**7.8**	**2.1**	**1.5**	**-7.7**	**3.1**	**1.1**	**2.6**	**-2.1**	**1.4 (±0.9)**
	2014 IV	**3.3**	**1.7**	**1.1**	**-9.7**	**2.8**	**0.2**	**2.2**	**-2.3**	**0.8 (±1.7)**
	2015 I	**0.5**	**2.0**	**2.7**	**-8.1**	**3.6**	**1.2**	**3.3**	**-6.4**	**1.4 (±1.7)**
	2015 II	**-0.6**	**1.5**	**1.5**	**-7.3**	**3.4**	**0.8**	**2.6**	**-0.2**	**1.4 (±1.9)**
	2015 III	**-1.4**	**1.4**	**1.4**	**-7.2**	**3.0**	**0.5**	**2.3**	**-0.3**	**1.1 (±1.9)**
	2015 IV	**-1.4**	**0.6**	**1.0**	**-6.5**	**3.2**	**0.5**	**2.4**	**0.3**	**1.3 (±1.9)**

Table IV.1.7

GROSS DOMESTIC PRODUCT IN SPAIN										
		Agriculture, livestoch breeding, forestry...	Industry		Construction	Services			Taxes	Real GDP *
			Manufacturing industry			Market services	Public administration, ...			
ANNUAL AVERAGE RATES	2009	-3.3	-12.3	-11.4	-8.2	-1.9	2.3	-0.8	-5.4	-3.8
	2010	1.9	4.6	7.1	-16.5	0.8	2.4	1.2	-0.6	-0.2
	2011	5.6	1.3	2.7	-9.0	1.6	1.1	1.4	-6.1	0.1
	2012	-10.9	-1.1	-0.5	-8.6	-0.2	-0.5	-0.3	-4.9	-1.6
	2013	1.1	-0.9	-1.2	-7.7	-0.5	-0.6	-0.5	-1.2	-1.2
	2014	**5.9**	**1.7**	**1.2**	**-8.2**	**2.3**	**0.8**	**1.8**	**-1.3**	**0.8 (±0.8)**
	2015	**-0.7**	**1.4**	**1.7**	**-7.3**	**3.3**	**0.7**	**2.6**	**-1.7**	**1.3 (±1.7)**
Q-o-Q RATES	2012 I	-8.4	3.3	2.1	-2.7	0.5	-2.5	-0.3	-1.9	-0.4
	2012 II	-6.4	-0.6	0.1	-3.0	-0.6	1.3	-0.1	-0.7	-0.5
	2012 III	1.7	-0.4	-0.7	-1.8	0.0	-0.1	0.0	-1.8	-0.4
	2012 IV	0.1	-2.0	-1.1	-0.5	-1.0	0.1	-0.7	-0.8	-0.8
	2013 I	0.6	0.6	-0.8	-1.9	0.0	-1.0	-0.2	1.3	-0.3
	2013 II	1.5	0.8	0.6	-4.3	0.4	-1.1	0.1	0.3	-0.1
	2013 III	-1.3	-0.1	0.6	-1.3	0.1	1.1	0.4	-1.6	0.1
	2013 IV	3.3	-0.1	0.0	-0.4	0.2	0.8	0.4	-1.2	0.2
	2014 I	3.2	1.0	-0.5	-2.6	0.8	-0.6	0.1	5.9	0.4
	2014 II	**0.4**	**0.5**	**1.3**	**-3.2**	**0.6**	**0.4**	**0.9**	**-6.9**	**0.0**
	2014 III	**0.7**	**0.6**	**0.7**	**-1.7**	**1.5**	**0.5**	**1.3**	**0.5**	**0.9**
	2014 IV	**-1.1**	**-0.4**	**-0.4**	**-2.6**	**0.0**	**-0.1**	**-0.1**	**-1.4**	**-0.4**
	2015 I	**0.5**	**1.3**	**1.1**	**-0.9**	**1.5**	**0.5**	**1.2**	**1.4**	**1.0**
	2015 II	**-0.7**	**0.1**	**0.2**	**-2.4**	**0.4**	**-0.1**	**0.2**	**-0.7**	**0.0**
	2015 III	**-0.1**	**0.4**	**0.6**	**-1.5**	**1.1**	**0.2**	**0.9**	**0.4**	**0.6**
	2015 IV	**-1.1**	**-1.2**	**-0.8**	**-1.9**	**0.2**	**-0.1**	**0.1**	**-0.8**	**-0.3**

Data adjusted for seasonality and working days effect
The figures in the shaded area are forecasts
(1) Contribution to GDP growth
(2) In brackets are 80% confidence intervals
Quarter-on-quarter rates
Source: INE & BIAM(UC3M)
Date: May 29, 2014

INDUSTRIAL PRODUCTION INDEX IN SPAIN

Table IV.1.8

INDUSTRIAL PRODUCTION INDEX AND SECTORS IN SPAIN
Y-o-Y rates

		Consumer Goods			Capital Goods	Intermediate Goods	Energy	Total excluding energy	TOTAL *
		Durable	Non Durable	Total					
ANNUAL AVERAGE RATES	2009	-28.3	-5.5	-8.8	-22.5	-21.3	-8.6	-17.4	-16.2
	2010	-7.4	1.9	0.9	-3.3	2.7	2.5	2.4	0.9
	2011	-11.4	-0.9	-2.0	0.1	-2.7	-2.9	18.6	-2.0
	2012	-13.6	-3.9	-4.8	-11.0	-8.9	0.9	-7.4	-6.3
	2013	-12.2	-1.2	-2.2	1.2	-2.6	-2.6	-1.6	-2.8
	2014	**-1.4**	**2.2**	**1.9**	**5.6**	**2.8**	**-2.5**	**2.8**	**2.1 (±1.1)**
	2015	**3.8**	**1.9**	**2.1**	**6.9**	**3.9**	**-0.2**	**4.0**	**3.2 (±2.9)**
Y-o-Y RATES	2012 I	-12.6	-2.5	-3.5	-9.4	-8.5	0.4	0.4	-5.7
	2012 II	-14.3	-2.1	-3.4	-12.5	-9.4	0.9	0.9	-6.6
	2012 III	-14.3	-5.6	-6.4	-13.1	-9.2	1.5	1.5	-7.0
	2012 IV	-13.2	-5.2	-6.0	-9.0	-8.4	1.0	1.0	-6.1
	2013 I	-18.1	-6.5	-7.5	-6.7	-9.4	-5.9	-5.9	-7.6
	2013 II	-12.2	-0.8	-1.8	3.5	-1.4	-2.7	-2.7	-0.7
	2013 III	-8.1	0.8	0.0	2.9	-0.2	-0.9	-0.9	0.3
	2013 IV	-9.7	1.8	0.8	5.6	1.2	-0.9	-0.9	1.6
	2014 I	-1.0	4.7	4.2	6.9	4.4	-2.1	-2.1	3.5
	2014 II	**-2.8**	**-0.3**	**-0.5**	**3.5**	**1.0**	**-1.7**	**-1.7**	**0.6**
	2014 III	**-5.3**	**1.0**	**0.6**	**5.5**	**1.9**	**-4.9**	**-4.9**	**0.8**
	2014 IV	**3.4**	**3.4**	**3.4**	**6.8**	**4.3**	**-0.9**	**-0.9**	**3.6**
	2015 I	**1.7**	**1.0**	**1.0**	**5.7**	**2.9**	**0.8**	**0.8**	**2.5**
	2015 II	**5.1**	**3.9**	**4.0**	**8.4**	**4.9**	**-0.2**	**-0.2**	**4.5**
	2015 III	**6.9**	**3.5**	**3.8**	**9.1**	**5.7**	**-0.1**	**-0.1**	**4.6**
	2015 IV	**1.7**	**-0.5**	**-0.4**	**4.6**	**2.1**	**-1.3**	**-1.3**	**1.3**

Table IV.1.9

INDUSTRIAL PRODUCTION INDEX IN SPAIN
y-o-y rates

	2009	2010	2011	2012	2013	2014	2015
January	-24.5	-5.0	4.0	-2.6	-3.6	-0.3	**0.8**
February	-24.2	-2.0	2.5	-3.4	-8.7	2.8	**2.8**
March	-13.5	6.8	0.4	-10.3	-10.4	8.1	**3.9**
April	-28.4	3.0	-5.0	-7.8	6.2	-1.9	**4.4**
May	-22.2	5.1	-0.2	-4.9	-3.0	**-0.5**	**3.1**
June	-14.3	3.3	-2.4	-7.3	-4.7	**4.3**	**6.0**
July	-17.0	-2.3	-4.0	-4.4	0.9	**0.7**	**5.6**
August	-10.6	3.5	3.1	-3.5	-4.4	**-1.2**	**5.0**
September	-12.7	-1.1	-1.2	-12.4	3.6	**2.3**	**3.4**
October	-12.7	-3.6	-4.7	-0.6	1.1	**1.1**	**1.5**
November	-3.9	3.4	-7.9	-7.8	-0.1	**2.1**	**3.4**
December	-1.5	0.4	-6.3	-10.2	4.1	**8.1**	**-0.9**

The figures in the shaded area are forecasts.
In brackets are 80% confidence intervals
Source: INE & BIAM(UC3M)
Date: June 6, 2014

Table IV.1.10

INDUSTRIAL PRODUCTION INDEX BY ECONOMIC ACTIVITIES IN SPAIN
Y-o-Y rates

		Weights	2013			Average annual rates			
			Oct	Nov	Dec	2012	2013	2014	2015
IPI Total	B Mining and quarrying								
	05 Mining of coal and lignite	**2.6**	-27.6	-1.6	38.1	-7.5	-31.5	**-6.7**	**-15.7**
	08 Other mining and quarrying	**8.6**	-1.6	-1.5	-3.1	-28.4	-10.8	**-0.2**	**2.9**
		11.2	-7.4	-1.9	3.7	-23.6	-14.3	-4.1	-0.8
	D Manufacture Industries								
	10 Manufacture of food products	**121.3**	0.3	-1.6	7.9	-3.1	-0.8	**3.4**	**1.6**
	11 Manufacture of beverages	**35.1**	-3.5	-11.2	2.1	-0.5	-3.0	**0.6**	**-1.8**
	12 Manufacture of tobacco products	**3.0**	3.6	-9.4	-16.3	0.6	-3.1	**-5.3**	**0.2**
	13 Manufacture of textiles	**11.0**	1.8	0.6	4.9	-5.0	1.1	**3.0**	**8.5**
	14 Manufacture of wearing apparel	**13.3**	7.3	14.7	-5.0	-7.0	3.6	**-2.9**	**0.1**
	15 Manufacture of leather and related products	**7.6**	7.4	2.5	8.4	-8.6	-2.9	**3.0**	**2.2**
	16 Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	**14.8**	7.1	-3.2	3.4	-16.6	-3.5	**4.5**	**8.1**
	17 Manufacture of paper and paper products	**27.0**	1.3	-1.8	-1.0	-0.3	-1.3	**1.7**	**4.2**
	18 Printing and reproduction of recorded media	**22.8**	-3.9	-6.6	-1.0	-10.3	-10.2	**-5.4**	**-2.7**
	19 Manufacture of coke and refined petroleum products	**17.5**	-5.2	-12.3	-2.8	6.1	-0.3	**3.4**	**4.8**
	20 Manufacture of chemicals and chemical products	**59.8**	-0.4	2.4	-0.7	-7.0	-1.2	**3.1**	**3.9**
	21 Manufacture of basic pharmaceutical products and pharmaceutical preparations	**32.6**	1.5	12.4	12.9	-0.3	2.9	**0.7**	**7.5**
	22 Manufacture of rubber and plastic products	**42.5**	4.0	4.5	6.4	-8.8	1.3	**6.3**	**3.4**
	23 Manufacture of other non-metallic mineral products	**51.9**	-2.2	-0.4	5.0	-16.9	-7.4	**2.0**	**4.1**
	24 Manufacture of basic metals	**37.6**	3.1	6.2	11.2	-7.4	-1.6	**2.3**	**1.1**
	25 Manufacture of fabricated metal products, except machinery and equipment	**87.7**	-1.0	-2.1	4.9	-15.5	-1.5	**5.0**	**8.0**
	26 Manufacture of computer, electronic and optical products	**14.3**	2.1	5.9	-1.6	-18.8	-6.3	**6.2**	**-7.2**
	27 Manufacture of electrical equipment	**32.4**	1.2	-9.0	-3.3	-9.7	-5.4	**2.0**	**6.9**
	28 Manufacture of machinery and equipment n.e.c.	**42.1**	2.6	3.2	9.4	-0.1	1.1	**-3.1**	**-0.2**
	29 Manufacture of motor vehicles, trailers and semi-trailers	**64.9**	14.4	6.7	10.8	-11.2	6.4	**10.7**	**6.0**
	30 Manufacture of other transport equipment	**27.5**	3.5	-0.1	-8.7	-2.2	-9.5	**-0.8**	**0.9**
	31 Manufacture of furniture	**18.7**	-8.1	-11.0	-8.4	-15.7	-14.1	**-2.9**	**2.6**
	32 Other manufacturing	**11.0**	4.8	-7.2	4.6	-1.6	6.9	**4.8**	**5.0**
	33 Repair and installation of machinery and equipment	**23.5**	3.9	5.3	13.7	-13.2	-3.5	**-1.8**	**0.3**
		819.7	1.8	0.1	4.7	-7.5	-1.4	**2.8**	**3.4**
	D Electricity, gas, steam and air conditioning supply	**143.9**	-2.9	-1.8	1.4	0.1	-3.9	**-1.6**	**1.7**
	E Water collection, treatment and supply	**25.1**	5.6	3.4	4.8	2.6	3.9	**3.4**	**6.1**
		999.89	1.1	-0.1	4.1	-6.3	-1.7	**2.1**	**3.2**

Source: INE & BIAM(UC3M)
Date: June 6, 2014

IV.2. INFLATION

The year-on-year Spanish CPI was 0.2% in May. Monthly inflation was 0%.

There were downwards innovations in processed food and non-energy industrial goods.

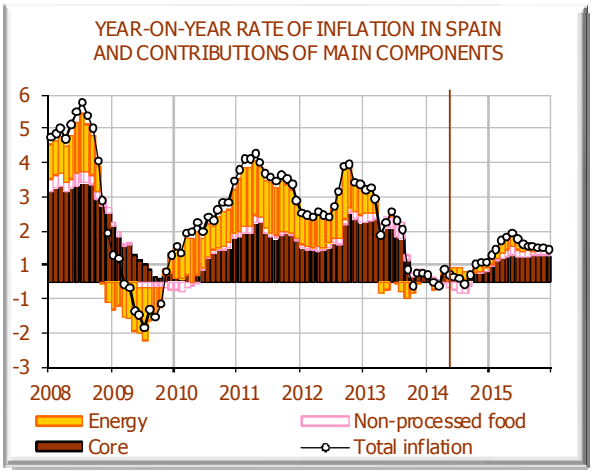
Core inflation registered an annual rate of 0.0%, which has reduced the expectations to 0.2% (±0.25) for 2014 and 0.9% (±0.91) for 2015.

The forecast for residual inflation, energy and unprocessed food, was updated on 26th June with the figures from the Oil Bulletin, edited by the European Commission, the financial markets and the prices of fresh produce compiled by the Ministry of Agriculture.

The result was an increase in the forecast for this component, which represents 18.6% of the CPI, increasing to an average of 0.4% for 2014 and 1.9% for 2015.

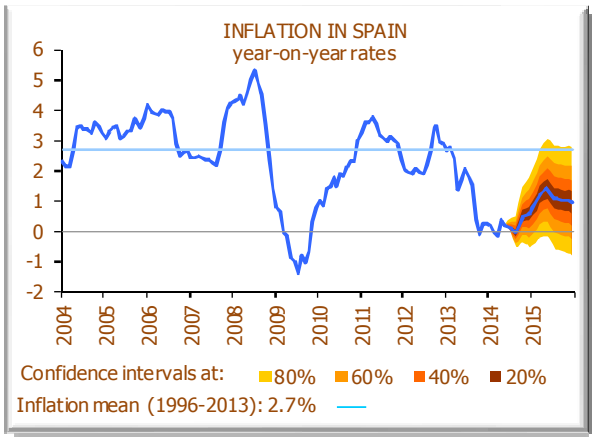
The overall effect of this month's information has changed the total CPI forecast. The average inflation forecast for 2014 is 0.2% (±0.40), followed by 1.1% (±1.42) for 2015. The monthly figure forecast for June is 0.2% (±0.18).

Graph IV.2.1



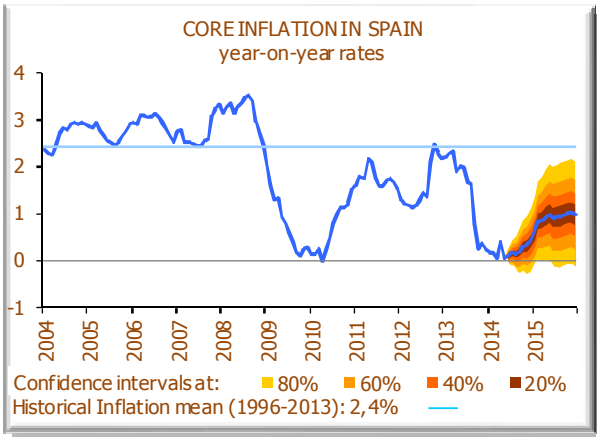
Source: INE & BIAM(UC3M)
Date: June 26, 2014

Graph IV.2.2



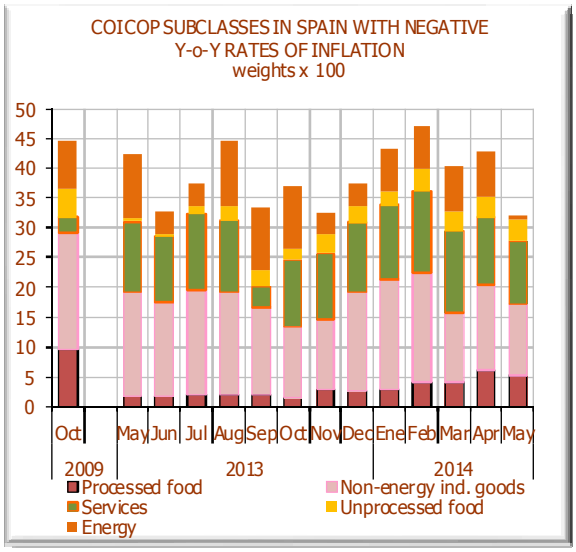
Source: INE & BIAM(UC3M)
Date: June 26, 2014

Graph IV.2.3



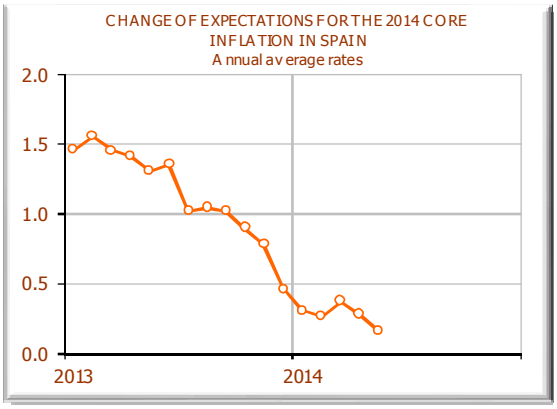
Source: INE & BIAM(UC3M)
Date: June 26, 2014

Graph IV.2.4



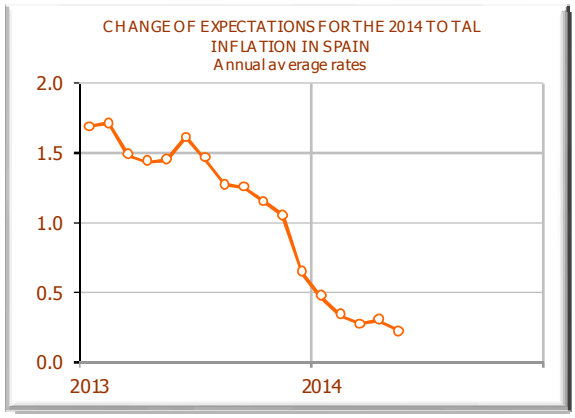
Source: INE & BIAM(UC3M)
Date: June 26, 2014

Graph IV.2.5



Source: INE & BIAM(UC3M)
Date: June 26, 2014

Graph IV.2.6



Source: INE & BIAM(UC3M)
Date: June 26, 2014

Table IV.2.1

INFLATION IN SPAIN						
CPI	Annual rates 2014		Average annual rates			
	May	**June**	2012	2013	**2014**	**2015**
Core 81.41%	0.0	**0.1 (±0.19)**	1.6	1.4	**0.2 (±0.25)**	**0.9 (±0.91)**
Total 100%	0.2	**0.2 (±0.18)**	2.4	1.4	**0.2 (±0.4)**	**1.1 (±1.42)**

In brackets are 80% confidence intervals
Source: INE & BIAM(UC3M)
Date: June 13, 2014

Table IV.2.2

COICOP SUBCLASSES IN SPAIN WITH NEGATIVE Y-o-Y RATES[1] OF INFLATION BY SPECIAL GROUP Weights x 1000													
Special Group	2009	2013								2014			
	Oct[2]	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
PROCESSED FOOD	96.0	15.9	15.9	19.3	18.7	20.2	14.2	29.4	27.3	29.1	40.9	41.5	60.4	52.4
NON-ENERGY INDUSTRIAL GOODS	195.1	159.1	163.2	158.5	180.8	155.7	122.6	118.7	171.3	184.4	183.1	117.3	142.7	118.3
SERVICES	26.3	109.2	101.6	119.9	119.2	104.4	112.2	112.8	116.1	124.3	137.6	135.6	114.4	106.3
CORE CPI	317.3	284.3	280.7	297.7	318.8	280.3	249.0	260.9	314.7	337.8	361.5	294.3	317.5	277.1
NON-PROCESSED FOOD	49.4	6.9	6.9	13.7	22.7	26.7	17.2	30.8	28.6	21.1	35.4	35.0	35.0	37.2
NON-ENERGY CPI	366.7	291.1	287.6	311.4	341.5	307.0	266.3	291.6	343.4	358.9	397.0	329.3	352.5	314.2
ENERGY	78.1	0.0	33.3	33.3	107.8	107.8	107.8	38.7	38.7	74.4	74.4	74.4	74.4	5.3
TOTAL WEIGHTS	444.8	326.0	320.9	344.7	398.9	414.8	374.0	330.3	382.1	433.2	471.3	403.7	426.8	319.5

[1] Estimated impact (see table 2) of the main 2012 fiscal measures in each group.
[2] October, 2009: month with the higher weight in subclasses with negative rates.

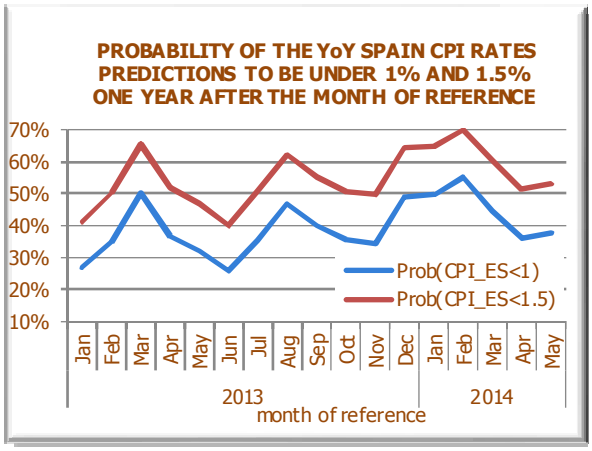
Source: INE & BIAM(UC3M)
Date: June 26, 2014

Table IV.2.3

PROBABILITY OF THE YEAR-ON-YEAR SPANISH CPI FORECAST TO BE UNDER 1% OR UNDER 1.5%			
		Prob (CPI_ES<1)	Prob (CPI_ES<1.5)
2014	June	99.99%	99.99%
	July	99.96%	99.99%
	August	99.27%	99.98%
	September	91.59%	98.65%
	October	75.01%	91.25%
	November	69.89%	86.94%
	December	67.49%	84.00%
2015	January	59.19%	76.67%
	February	51.39%	68.83%
	March	43.14%	60.12%
	April	39.49%	55.63%
	Mayo	37.76%	53.12%
	June	42.05%	56.82%
	July	47.25%	61.71%
	August	47.89%	62.24%
	September	48.80%	63.11%
	October	50.02%	64.14%
	November	50.03%	63.91%
	December	51.36%	64.86%

Source: INE & BIAM(UC3M)
Date: June 26, 2014

Graph IV.2.7



Source: INE & BIAM(UC3M)
Date: June 26, 2014

Table IV.2.4

INFLATION BY COMPONENTS IN THE CONSUMER PRICE INDEX OF SPAIN
Annual average rates

				Weights 2014	2010	2011	2012	2013	2014	2015
CPI Total	Core Inflation	Processed food	AE less tobacco & fats	11.9	-1.2	2.1	2.4	1.7	**0.8**	**1.0**
			Oils & Fats	0.6	-2.6	0.4	2.9	17.9	**-10.6**	**-5.3**
			Tobacco	2.0	15.0	13.3	7.2	7.3	**3.3**	**7.5**
				14.5	1.0	3.8	3.1	3.2	**0.7**	**1.6**
		Non energy industrial goods	Vehicles	4.4	-1.1	2.9	1.2	-2.0	**0.6**	**4.0**
			Footwear	1.7	0.5	0.6	0.5	0.4	**1.1**	**1.4**
			Clothing	5.9	-0.6	0.1	0.2	-0.1	**-0.1**	**0.0**
			Rest	14.5	-0.2	0.1	1.0	1.7	**-1.1**	**-0.9**
				26.5	-0.5	0.6	0.8	0.6	**-0.3**	**0.3**
		Services	Postal services	0.0	4.5	3.6	3.2	3.2	**0.3**	**3.0**
			Cultural services	1.8	1.4	1.4	3.8	4.2	**-0.1**	**1.9**
			Education	0.9	2.1	1.9	2.0	1.9	**1.1**	**1.3**
			Hotels	0.7	0.2	1.3	0.1	-0.6	**0.7**	**1.0**
			Health	2.7	2.7	2.5	1.6	1.9	**2.0**	**2.1**
			Household equipment	2.1	2.5	2.6	2.1	1.8	**1.8**	**2.1**
			Restaurants	10.5	1.3	1.6	0.9	0.6	**0.5**	**1.0**
			Telephone	3.6	-0.4	-0.7	-3.6	-4.3	**-5.6**	**-2.1**
			Transports	5.8	2.2	2.7	2.7	2.2	**0.8**	**1.5**
			Package holidays	1.4	-4.6	3.3	5.7	3.3	**1.9**	**2.3**
			University	0.6	3.3	3.4	9.7	18.3	**3.4**	**3.0**
			Housing	5.9	1.7	1.6	1.2	0.9	**0.3**	**0.6**
			Rest	3.4	1.6	2.0	3.1	4.2	**1.1**	**1.3**
				39.6	1.3	1.8	1.5	1.4	**0.3**	**1.1**
				80.6	0.6	1.7	1.6	1.4	**0.2**	**0.9**
	Residual Inflation	Non processed foods	Meat	2.6	-1.9	2.5	1.8	1.0	**1.0**	**2.7**
			Fruits	1.4	-1.2	1.0	4.6	9.8	**-6.5**	**3.6**
			Eggs	0.2	-1.1	-1.1	15.3	1.7	**-3.7**	**-1.8**
			Vegetables	0.9	1.3	-0.4	0.6	0.4	**-1.9**	**2.0**
			Mollusc	0.6	3.2	5.1	0.5	1.0	**5.7**	**4.4**
			Potatoes	0.3	7.6	1.6	-3.5	20.3	**-12.3**	**0.1**
			Fish	1.2	1.3	2.7	0.9	0.3	**2.4**	**-0.2**
				7.3	0.0	1.8	2.3	3.4	**-1.0**	**2.2**
		Energy	Fuels	6.9	16.9	15.6	8.1	0.2	**-0.9**	**1.6**
			Heat energy	0.5	24.7	27.3	11.2	-2.4	**-2.0**	**0.1**
			Electricity and gas	4.7	4.2	14.3	9.6	-0.2	**5.1**	**1.9**
				12.1	12.5	15.7	8.9	0.0	**1.3**	**1.7**
				19.4	7.6	10.4	6.5	1.3	**0.4**	**1.9**
				100.0	1.8	3.2	2.4	1.4	**0.2**	**1.1**

* The figures in the shaded area are forecasts
Source: INE & BIAM(UC3M)
Date: June 26, 2014

Table IV.2.5

CONSUMER PRICE INDEX AND COMPONENTS IN SPAIN
Annual rates of growth

		Consumer Prices Index										
		Core						Residual				
		Processed food excluding tobacco	Tobacco	Non energy industrial goods	Services	TOTAL	Confidence intervals at 80% *	Non processed food	Energy	TOTAL	TOTAL 100%	Confidence intervals at 80% *
	Weights 2014	13.1%	2.0%	26.3%	39.8%	81.4%		6.7%	12.1%	18.6%		
AVERAGE ANNUAL RATES	2005	3.0	6.6	0.9	3.8	2.7		3.3	9.6	6.5	3.4	
	2006	3.9	1.5	1.4	3.9	2.9		4.4	8.0	6.3	3.5	
	2007	3.0	8.8	0.7	3.9	2.7		4.7	1.7	3.2	2.8	
	2008	6.9	3.5	0.3	3.9	3.2		4.0	11.9	8.5	4.1	
	2009	-0.7	11.7	-1.3	2.4	0.8		-1.3	-9.0	-5.4	-0.3	
	2010	-1.7	15.0	-0.5	1.3	0.6		0.0	12.5	7.6	1.8	
	2011	1.5	13.3	0.6	1.8	1.7		1.8	15.7	10.4	3.2	
	2012	2.4	7.2	0.8	1.5	1.6		2.3	8.9	6.5	2.4	
	2013	2.5	7.3	0.6	1.4	1.4		3.4	0.0	1.3	1.4	
	2014	**0.2**	**3.3**	**-0.3**	**0.3**	**0.2**	**± 0.25**	**-1.0**	**1.3**	**0.4**	**0.2**	**± 0.40**
	2015	**0.7**	**7.5**	**0.3**	**1.1**	**0.9**	**± 0.91**	**2.2**	**1.7**	**1.9**	**1.1**	**± 1.42**
Year-on-year rates	2013 January	2.6	9.7	1.3	2.2	2.2		4.3	5.3	4.9	2.7	
	2013 February	2.6	9.9	1.4	2.2	2.3		3.1	5.9	5.0	2.8	
	2013 March	2.6	9.9	1.4	2.4	2.3		2.5	3.2	3.0	2.4	
	2013 April	2.6	5.8	1.5	1.7	1.9		2.7	-2.5	-0.7	1.4	
	2013 May	2.6	4.5	1.5	2.0	2.0		4.9	-1.8	0.5	1.7	
	2013 June	2.8	4.5	1.5	1.9	2.0		5.3	1.0	2.5	2.1	
	2013 July	2.7	7.1	0.2	1.9	1.7		7.4	-0.4	2.3	1.8	
	2013 August	2.7	7.1	0.4	1.7	1.6		7.6	-2.2	1.1	1.5	
	2013 September	2.3	7.0	-0.8	1.0	0.8		2.8	-3.7	-1.5	0.3	
	2013 October	1.9	7.2	-0.8	0.0	0.2		0.9	-2.7	-1.5	-0.1	
	2013 November	1.6	7.6	-0.4	0.1	0.4		0.4	-0.7	-0.3	0.2	
	2013 December	1.4	7.3	-0.5	0.0	0.2		0.6	0.2	0.4	0.3	
	2014 January	1.3	3.8	-0.3	-0.1	0.2		0.9	0.0	0.3	0.2	
	2014 February	1.0	3.4	-0.4	0.0	0.1		1.2	-1.7	-0.7	0.0	
	2014 March	0.8	3.4	-0.3	-0.2	0.0		0.0	-1.4	-0.9	-0.1	
	2014 April	0.4	3.4	-0.4	0.5	0.3		-0.5	1.6	0.9	0.4	
	2014 May	0.1	3.1	-0.5	0.2	0.0		-2.7	3.0	1.0	0.2	
	2014 June	**0.0**	**3.2**	**-0.5**	**0.3**	**0.1**	**± 0.19**	**-3.1**	**2.8**	**0.6**	**0.2**	**± 0.18**
	2014 July	**0.0**	**2.1**	**-0.3**	**0.3**	**0.1**	**± 0.29**	**-4.7**	**2.6**	**-0.2**	**0.1**	**± 0.35**
	2014 August	**-0.1**	**1.9**	**-0.3**	**0.3**	**0.1**	**± 0.39**	**-4.9**	**1.8**	**-0.7**	**0.0**	**± 0.55**
	2014 September	**-0.1**	**3.2**	**-0.3**	**0.3**	**0.2**	**± 0.48**	**-1.4**	**1.2**	**0.2**	**0.2**	**± 0.77**
	2014 October	**-0.1**	**3.5**	**-0.3**	**0.6**	**0.3**	**± 0.57**	**0.4**	**2.1**	**1.4**	**0.5**	**± 0.94**
	2014 November	**0.0**	**3.4**	**-0.3**	**0.6**	**0.3**	**± 0.64**	**0.8**	**2.3**	**1.7**	**0.6**	**± 1.06**
	2014 December	**0.0**	**5.6**	**-0.3**	**0.7**	**0.4**	**± 0.71**	**1.1**	**1.5**	**1.3**	**0.6**	**± 1.18**
	2015 January	**0.1**	**7.2**	**-0.2**	**0.9**	**0.6**	**± 0.77**	**1.1**	**1.8**	**1.5**	**0.8**	**± 1.29**
	2015 February	**0.3**	**7.3**	**0.3**	**1.0**	**0.8**	**± 0.84**	**0.7**	**2.1**	**1.6**	**1.0**	**± 1.40**
	2015 March	**0.4**	**7.3**	**0.3**	**1.0**	**0.8**	**± 0.91**	**2.3**	**2.9**	**2.7**	**1.2**	**± 1.49**
	2015 April	**0.6**	**8.3**	**0.3**	**1.1**	**0.9**	**± 0.98**	**2.7**	**3.2**	**3.0**	**1.3**	**± 1.57**
	2015 May	**0.8**	**8.8**	**0.3**	**1.1**	**1.0**	**± 1.05**	**3.6**	**3.0**	**3.2**	**1.4**	**± 1.64**
	2015 June	**0.8**	**7.0**	**0.3**	**1.0**	**0.9**	**± 1.09**	**3.0**	**2.7**	**2.8**	**1.3**	**± 1.72**
	2015 July	**0.8**	**7.3**	**0.3**	**1.0**	**0.9**	**± 1.11**	**2.6**	**1.5**	**1.9**	**1.1**	**± 1.74**
	2015 August	**0.9**	**7.3**	**0.3**	**1.1**	**0.9**	**± 1.14**	**2.6**	**1.1**	**1.7**	**1.1**	**± 1.75**
	2015 September	**0.9**	**7.6**	**0.3**	**1.1**	**1.0**	**± 1.13**	**2.1**	**1.0**	**1.4**	**1.0**	**± 1.75**
	2015 October	**0.9**	**7.7**	**0.3**	**1.1**	**1.0**	**± 1.13**	**2.0**	**0.5**	**1.0**	**1.0**	**± 1.77**
	2015 November	**0.9**	**7.7**	**0.3**	**1.1**	**1.0**	**± 1.13**	**1.9**	**0.4**	**1.0**	**1.0**	**± 1.80**
	2015 December	**0.9**	**6.1**	**0.3**	**1.2**	**1.0**	**± 1.13**	**2.0**	**0.3**	**0.9**	**1.0**	**± 1.84**

* Confidence intervals calculated with historial errors
*The figures in the shaded area are Forecasts
Source: INE & BIAM(UC3M)
Date: June 26, 2014

Table IV.2.6

CONSUMER PRICE INDEX AND COMPONENTS IN SPAIN
Monthly rates of growth

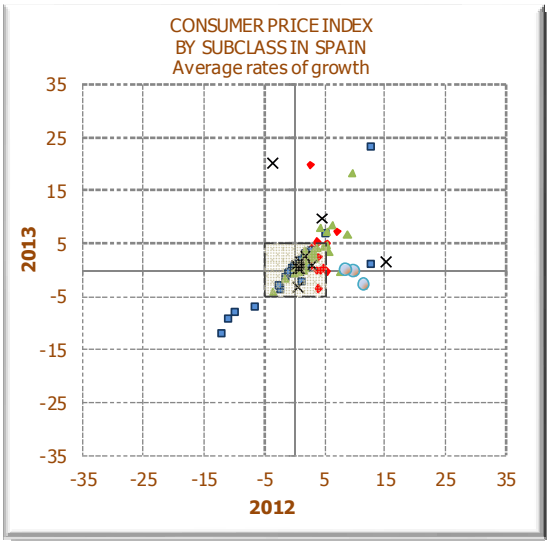
			Consumer Prices Index								
			Core					Residual			
			Processed food excluding tobacco	Tobacco	Non energy industrial goods	Services	TOTAL	Non processed food	Energy	TOTAL	TOTAL 100%
		Weights 2014	13.1%	2.0%	26.3%	39.8%	81.4%	6.7%	12.1%	18.6%	
MONTHLY RATES (Growth of the month over the previous month)	January	2012	0.3	0.0	-4.7	-0.3	-1.7	0.2	2.3	1.6	-1.1
		2013	0.2	3.5	-4.9	-0.3	-1.6	0.7	0.1	0.3	-1.3
		2014	0.1	0.1	-4.7	-0.4	-1.7	0.9	0.0	0.3	-1.3
		2015	**0.1**	**1.6**	**-4.6**	**-0.2**	**-1.5**	**0.9**	**0.3**	**0.5**	**-1.1**
	February	2012	0.2	0.2	-0.4	0.1	0.0	0.0	1.1	0.7	0.1
		2013	0.2	0.4	-0.3	0.2	0.0	-1.1	1.7	0.7	0.2
		2014	-0.1	0.0	-0.4	0.3	0.0	-0.8	0.0	-0.3	0.0
		2015	**0.1**	**0.2**	**0.1**	**0.3**	**0.2**	**-1.1**	**0.2**	**-0.3**	**0.1**
	March	2012	0.1	0.0	1.2	0.2	0.5	0.1	2.1	1.4	0.7
		2013	0.1	0.0	1.1	0.4	0.6	-0.5	-0.6	-0.6	0.4
		2014	-0.1	0.0	1.2	0.2	0.5	-1.6	-0.3	-0.8	0.2
		2015	**0.1**	**0.0**	**1.2**	**0.2**	**0.5**	**0.0**	**0.5**	**0.3**	**0.5**
	April	2012	0.1	3.9	2.7	0.5	1.2	0.6	2.9	2.1	1.4
		2013	0.1	0.0	2.9	-0.3	0.8	0.7	-2.7	-1.5	0.4
		2014	-0.3	0.0	2.8	0.4	1.0	0.2	0.3	0.3	0.9
		2015	**-0.1**	**0.9**	**2.8**	**0.5**	**1.2**	**0.6**	**0.5**	**0.5**	**1.0**
	May	2012	0.1	1.4	0.7	-0.3	0.2	-0.6	-1.9	-1.5	-0.1
		2013	0.1	0.3	0.7	0.0	0.3	1.6	-1.2	-0.2	0.2
		2014	-0.2	0.0	0.7	-0.3	0.1	-0.7	0.2	-0.1	0.0
		2015	**0.0**	**0.4**	**0.7**	**-0.3**	**0.1**	**0.2**	**0.0**	**0.1**	**0.1**
	June	2012	-0.1	0.0	-0.3	0.3	0.0	1.2	-2.4	-1.1	-0.2
		2013	0.1	0.0	-0.3	0.2	0.0	1.6	0.4	0.8	0.1
		2014	**0.0**	**0.1**	**-0.3**	**0.3**	**0.0**	**0.6**	**0.2**	**0.3**	**0.1**
		2015	**0.0**	**-1.6**	**-0.4**	**0.3**	**0.0**	**0.1**	**0.0**	**0.0**	**0.0**
	July	2012	0.0	0.2	-2.9	0.5	-0.7	-0.4	3.2	1.9	-0.2
		2013	-0.1	2.7	-4.1	0.5	-1.0	1.6	1.8	1.7	-0.5
		2014	**0.0**	**1.6**	**-3.9**	**0.6**	**-1.0**	**-0.2**	**1.5**	**0.9**	**-0.6**
		2015	**0.0**	**1.8**	**-3.9**	**0.6**	**-0.9**	**-0.6**	**0.3**	**0.0**	**-0.8**
	August	2012	0.2	0.2	-0.5	0.6	0.2	0.9	3.0	2.3	0.6
		2013	0.1	0.3	-0.4	0.4	0.1	1.0	1.2	1.1	0.3
		2014	**0.1**	**0.1**	**-0.3**	**0.4**	**0.1**	**0.7**	**0.4**	**0.5**	**0.2**
		2015	**0.1**	**0.1**	**-0.3**	**0.4**	**0.1**	**0.8**	**0.1**	**0.3**	**0.2**
	September	2012	0.6	0.1	2.4	0.0	0.9	0.4	2.1	1.5	1.0
		2013	0.2	0.0	1.2	-0.8	0.0	-4.0	0.5	-1.1	-0.2
		2014	**0.2**	**1.2**	**1.3**	**-0.7**	**0.1**	**-0.2**	**-0.1**	**-0.1**	**0.0**
		2015	**0.2**	**1.5**	**1.3**	**-0.7**	**0.1**	**-0.7**	**-0.3**	**-0.4**	**0.0**
	October	2012	0.6	-0.2	3.0	0.6	1.3	-0.2	-1.8	-1.3	0.9
		2013	0.2	0.0	3.0	-0.4	0.8	-2.0	-0.8	-1.2	0.4
		2014	**0.2**	**0.3**	**2.9**	**-0.1**	**0.9**	**-0.1**	**0.1**	**0.0**	**0.7**
		2015	**0.2**	**0.4**	**3.0**	**-0.1**	**0.9**	**-0.1**	**-0.4**	**-0.3**	**0.7**
	November	2012	0.4	-0.4	1.0	-0.4	0.2	0.6	-2.8	-1.6	-0.1
		2013	0.1	0.0	1.5	-0.3	0.4	0.1	-0.7	-0.5	0.2
		2014	**0.2**	**-0.1**	**1.5**	**-0.3**	**0.4**	**0.5**	**-0.5**	**-0.1**	**0.3**
		2015	**0.2**	**-0.1**	**1.5**	**-0.3**	**0.4**	**0.5**	**-0.6**	**-0.2**	**0.3**
	December	2012	0.2	0.3	-0.5	0.4	0.0	1.1	-0.3	0.2	0.1
		2013	0.0	0.0	-0.6	0.2	-0.1	1.3	0.7	0.9	0.1
		2014	**0.0**	**2.1**	**-0.6**	**0.3**	**0.0**	**1.4**	**-0.1**	**0.4**	**0.1**
		2015	**0.0**	**0.6**	**-0.7**	**0.3**	**0.0**	**1.5**	**-0.2**	**0.4**	**0.1**

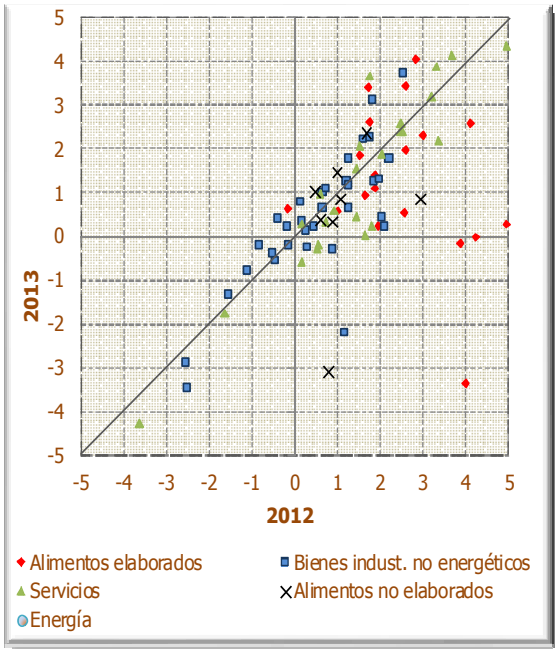
* The figures in the shaded area are Forecasts
Source: INE & BIAM(UC3M)
Date: June 26, 2014

INFLATION FORECASTING BY SUBCLASS IN SPAIN[1]

The tables and graphs show the observed values for 2011, 2012 and 2013 and Forecasts for 2014 and 2015, according to the five special groups.

Graph IV.2.8





The graph below zooms on the grey area marked in the previous figure.
Source: INE & BIAM(UC3M)
Date: June 26, 2014

1. There exists a small agregation causad by the fat that sume sub-group contains goods and services taht belong to different spacial groups.

Table IV.2.7

CONSUMER PRICE INDEX BY SUBCLASS IN SPAIN
Annual average rates of growht

	Weights 2014	2008	2009	2010	2011	2012	2013	2014	2015
PROCESSED FOOD AND TOBACCO (PF)									
Rice	0.9	18.8	16.8	-9.4	1.0	3.9	-0.2	**0.0**	**1.2**
Flours and cereals	1.7	8.7	0.5	-3.4	3.4	1.9	1.1	**-1.2**	**0.7**
Bread	15.2	8.9	0.0	-0.3	0.7	1.0	0.6	**-0.2**	**0.1**
Pastry goods, cakes, mixes and doughs for bakery products	10.0	7.5	1.6	-0.1	3.0	3.0	2.3	**0.1**	**1.9**
Farinaceous-based products	1.2	18.5	-5.8	-1.6	4.6	2.6	0.6	**-0.9**	**0.0**
Delicatessen type meat products	17.4	3.3	0.4	0.0	1.0	1.8	2.6	**1.4**	**1.3**
Processed meat products	3.4	4.8	2.3	-0.8	1.3	4.1	2.6	**1.0**	**1.6**
Preserved and processed fish	7.2	5.3	0.7	0.0	4.2	3.8	5.1	**1.3**	**2.4**
Milk	9.3	15.6	-8.3	-5.2	-0.3	1.7	3.4	**2.7**	**-0.2**
Other dairy products	7.4	7.6	-2.2	-3.3	5.6	4.0	-3.3	**-1.3**	**-1.1**
Cheeses	7.0	10.0	-0.4	-0.2	0.9	2.0	0.2	**2.6**	**1.9**
Preserved fruits, nuts and dried fruits	2.8	2.1	0.4	-1.4	0.9	2.8	4.1	**5.9**	**1.9**
Dried pulses and vegetables	0.9	10.8	-1.0	-0.8	4.9	5.5	5.1	**0.1**	**0.4**
Frozen and preserved pulses and vegetables	3.5	7.8	0.7	-1.0	1.6	2.6	3.5	**1.9**	**0.3**
Sugar	1.1	0.3	-6.9	-9.0	19.4	4.9	0.3	**-5.5**	**-1.0**
Chocolates and confectionery	5.3	5.3	0.5	-0.1	1.8	1.6	0.9	**0.4**	**2.1**
Other food products	3.7	8.7	4.2	0.2	2.4	2.6	2.0	**-0.1**	**-1.8**
Coffee, cocoa and infusions	3.6	7.1	1.3	-0.1	10.1	5.5	-0.2	**-0.9**	**1.9**
Mineral water, soft drinks, fruit and vegetable juices	8.0	4.0	3.0	-2.3	0.6	1.5	1.8	**0.8**	**1.4**
Spirits and liqueurs	1.4	4.5	1.9	1.7	1.6	-0.2	0.6	**2.0**	**2.1**
Wines	3.4	4.7	0.1	-0.8	0.5	3.8	5.5	**-2.4**	**0.8**
Beer	3.2	5.5	4.3	0.7	2.2	1.9	1.4	**1.9**	**2.8**
Tobacco	20.0	3.5	11.7	15.0	13.3	7.2	7.3	**3.3**	**7.5**
Butter and margarine	0.6	16.2	0.7	-1.6	7.3	4.2	0.0	**-2.1**	**1.1**
Oils	5.4	1.1	-12.4	-2.8	-0.3	2.7	20.0	**-11.6**	**-6.1**
PF INFLATION IN SPAIN		**6.5**	**0.9**	**1.0**	**3.8**	**3.1**	**3.2**	**0.7**	**1.6**
Standard deviation (σ)*		0.04	0.04	0.04	0.04	0.04	0.04	**0.4**	**1.8**
TOTAL INFLATION IN SPAIN		**4.1**	**-0.3**	**1.8**	**3.2**	**2.4**	**1.4**	**0.2**	**1.1**

* For observed rates (2008-2013) the standard deviation σ is for errors one-period ahead and for the forecast rates for errors n period ahead, with n equal the number of periods to know the observed data

CONSUMER PRICE INDEX BY SUBCLASS IN SPAIN
Annual average rates of growht

	Weights 2014	2008	2009	2010	2011	2012	2013	2014	2015
NON-ENERGY INDUSTRIAL GOODS (NEIG)									
Men's outerwear	19.0	0.1	-2.0	-0.5	0.5	0.9	-0.3	**-0.8**	**-0.5**
Men's underwear	1.3	1.2	0.0	0.9	1.3	2.0	0.4	**-0.6**	**-0.4**
Women's outerwear	25.0	0.5	-2.3	-1.5	-0.2	-0.5	-0.5	**-2.1**	**-1.9**
Women's underwear	2.2	1.4	0.0	0.9	1.7	1.2	0.7	**0.3**	**-0.1**
Children's and infants' garments	9.6	0.6	-1.4	-0.2	0.1	-0.4	0.4	**-0.5**	**-0.6**
Men's footwear	5.8	1.3	0.0	0.1	0.5	0.5	0.3	**0.7**	**0.8**
Women's footwear	7.8	1.6	-0.7	1.0	0.8	0.6	0.7	**1.6**	**1.9**
Children's and infants' footwear	3.0	1.3	-0.5	0.1	0.5	0.3	0.1	**0.6**	**1.1**
Motor vehicles	40.9	-0.5	-4.1	-1.2	3.0	1.2	-2.2	**0.6**	**4.0**
Other vehicles	1.9	-2.4	1.0	0.0	1.2	1.2	1.3	**1.4**	**3.9**
Spare parts and maintenance accessories	1.6	4.6	-0.7	1.3	2.5	2.1	0.3	**-0.8**	**4.1**
Materials for the maintenance and repair of the dwelling	2.3	5.1	3.0	1.4	2.4	1.6	2.2	**-0.3**	**0.4**
Water supply	10.9	4.9	5.7	2.1	2.6	5.1	7.0	**3.0**	**2.8**
Furniture	12.3	3.9	1.1	1.1	1.8	0.6	1.0	**-0.6**	**-0.3**
Other equipments	2.0	2.7	0.5	0.4	2.2	0.7	1.1	**-0.6**	**0.8**
Household textiles	5.6	2.2	0.5	0.2	2.0	-0.5	-0.4	**-2.6**	**-2.4**
Refrigerators, washing machines and dishwashers	3.8	-1.9	-1.0	-1.8	-2.2	-1.6	-1.3	**-4.6**	**-3.4**
Cookers and ovens	1.2	-0.8	0.1	-1.6	-1.4	-1.1	-0.8	**-3.2**	**-1.9**
Heating and air conditioning	2.2	-0.5	0.8	0.7	-1.0	-0.2	0.3	**-2.5**	**-0.9**
Other household appliances	1.2	-0.2	0.5	0.5	-1.3	0.2	0.4	**-2.4**	**-2.2**
Glassware, crockery and cutlery	0.9	3.1	2.6	1.9	3.4	1.7	2.3	**-0.2**	**0.9**
Other kitchen utensils and furnishing	1.1	3.7	2.6	2.2	2.2	1.2	1.8	**0.2**	**0.7**
Tools and accessories for house and garden	2.4	3.0	1.9	2.3	2.8	1.2	1.2	**-0.2**	**0.6**
Cleaning household articles	12.9	1.7	1.9	-0.8	0.0	1.8	1.3	**-0.4**	**0.1**
Other non-durable household articles	3.9	2.7	1.4	1.1	2.9	2.0	1.3	**-0.1**	**0.2**
Medicines and other pharmaceutical products	9.7	-6.5	-6.3	-5.3	-6.0	12.5	23.2	**0.9**	**-0.9**
Therapeutic appliances and equipment	6.3	3.6	1.0	0.0	-0.7	-2.5	-3.4	**-1.5**	**-0.2**
Equip.for the reception, recording and reproduction of sound and pictures	4.7	-12.7	-13.7	-8.6	-10.9	-11.0	-9.3	**-8.6**	**-10.6**
Photographic and cinematographic equipments	1.0	-18.0	-18.5	-14.0	-14.5	-12.2	-12.0	**-14.5**	**-23.9**
Information processing equipments	3.5	-21.5	-13.3	-6.1	-11.5	-10.1	-8.0	**-11.6**	**-16.0**
Recording media	1.8	-0.9	-0.4	-0.1	-1.3	-6.6	-7.1	**-2.1**	**-0.6**
Games and toys	5.5	-0.4	-1.8	-2.5	-3.0	-2.6	-2.9	**-3.4**	**-2.7**
Other recreational and sporting articles	0.9	1.1	-0.6	-0.1	-0.2	-0.8	-0.2	**-2.2**	**0.2**
Gardens, plants, flowers and pets	6.2	5.3	2.8	2.1	2.1	2.5	3.7	**0.7**	**1.4**
Books	7.1	2.0	2.2	1.2	3.0	0.1	0.8	**0.3**	**0.4**
Newspapers and magazines	6.7	2.2	3.6	2.6	2.5	2.2	1.8	**1.0**	**1.2**
Stationery materials	2.5	3.7	3.2	1.7	2.7	1.8	3.2	**0.6**	**1.3**
Personal care articles	18.1	2.2	0.8	0.0	1.0	0.3	-0.2	**-1.0**	**-0.6**
Jewellery, costume jewellery, clocks and watches	3.2	11.1	7.5	12.5	15.2	12.7	1.1	**-4.8**	**2.1**
Other articles for personal use	2.8	1.1	-0.6	0.4	0.3	-0.2	-0.2	**-1.4**	**-1.7**
NEIG INFLATION IN SPAIN		**0.3**	**-1.3**	**-0.5**	**0.6**	**0.8**	**0.6**	**-0.3**	**0.3**
Standard deviation (σ)*		0.02	0.02	0.02	0.02	0.02	0.02	**0.2**	**0.8**
TOTAL INFLATION IN SPAIN		**4.1**	**-0.3**	**1.8**	**3.2**	**2.4**	**1.4**	**0.2**	**1.1**

* For observed rates (2008-2013) the standard deviation σ is for errors one-period ahead and for the forecast rates for errors n period ahead, with n equal the number of periods to know the observed data

Table IV.2.8

CONSUMER PRICE INDEX BY SUBCLASS IN SPAIN
Annual average rates of growht

	Weights 2014	2008	2009	2010	2011	2012	2013	2014	2015
SERVICES (SER)									
Maintenance and repair services	21.1	4.8	4.1	2.8	2.6	2.5	2.4	**0.6**	**1.4**
Other services related to vehicles	3.3	3.3	1.3	-0.4	0.5	1.5	2.0	**-1.0**	**-0.5**
Railway transport	2.1	3.7	5.5	4.9	3.3	7.6	-0.5	**0.0**	**2.6**
Road transport	6.8	4.2	5.3	1.7	2.8	5.5	4.8	**2.4**	**2.5**
Air transport	3.5	13.7	3.0	0.6	5.4	4.4	7.8	**6.1**	**7.7**
Other transport services	2.9	7.3	7.0	5.5	2.5	8.6	6.6	**1.4**	**3.0**
Insurances connected with transport	18.6	2.0	1.3	1.8	2.8	0.5	-0.3	**-0.2**	**0.0**
Restaurants, bars, coffee bars, canteens	102.2	4.7	2.2	1.3	1.6	0.9	0.6	**0.5**	**1.0**
Hotels and other lodgings	7.3	4.2	-1.4	0.2	1.3	0.1	-0.6	**0.7**	**1.0**
Package holidays	13.9	4.5	0.2	-4.6	3.3	5.7	3.3	**1.9**	**2.3**
Higher education	6.0	5.2	5.3	3.3	3.4	9.7	18.3	**3.4**	**3.0**
Postal services	0.2	2.8	2.8	4.5	3.6	3.2	3.2	**0.3**	**3.0**
Telephone services	36.5	0.6	0.1	-0.4	-0.7	-3.6	-4.3	**-5.6**	**-2.1**
Rentals for housing	27.3	4.2	3.1	1.1	1.0	0.5	-0.2	**-0.8**	**-0.9**
Services for the maintenance and repair of the dwelling	9.3	5.1	1.4	0.4	0.9	0.2	0.3	**-0.5**	**0.1**
Sewerage collection	22.4	3.4	3.8	3.0	2.7	2.5	2.6	**1.8**	**2.7**
Out-of-hospital medical and paramedical services	5.0	4.9	2.2	1.4	1.5	0.7	0.3	**0.5**	**2.4**
Dental services	10.5	3.2	2.4	1.3	0.9	0.6	1.0	**0.0**	**0.8**
Hospital services	1.2	3.4	0.9	-0.8	0.1	-1.6	-1.8	**-2.8**	**-2.2**
Medical insurances	10.2	4.7	6.9	5.6	5.1	3.7	4.2	**5.4**	**3.8**
Recreational and sporting services	8.0	1.7	2.1	1.1	1.5	1.8	0.2	**0.1**	**3.1**
Cultural services	10.1	3.6	3.1	1.6	1.3	5.3	7.2	**-0.2**	**0.8**
Education	9.5	3.4	2.5	2.1	1.9	2.0	1.9	**1.1**	**1.3**
Repair of footwear	0.2	6.2	4.2	3.5	3.9	2.5	2.4	**1.8**	**3.6**
Domestic service and other household services	13.0	4.8	3.0	1.9	1.7	1.4	1.5	**1.1**	**2.0**
Insurances connected with the dwelling	7.8	3.5	4.4	3.6	4.2	3.3	2.2	**3.0**	**2.4**
Personal care services	15.9	4.0	1.4	1.4	1.7	1.7	3.6	**0.1**	**0.2**
Social services	4.0	4.6	4.0	2.5	2.0	1.4	0.5	**0.8**	**2.0**
Other insurances	6.8	3.9	4.5	2.6	3.4	5.0	4.4	**3.9**	**3.2**
Financial services	0.5	4.7	3.6	5.1	4.3	1.6	0.0	**-0.1**	**-0.2**
Other services	6.6	2.2	2.2	0.6	1.3	6.2	8.4	**0.6**	**1.7**
Repair of household appliances	1.1	4.3	4.2	2.9	3.7	3.3	3.9	**0.6**	**1.1**
SER INFLATION IN SPAIN		**3.9**	**2.4**	**1.3**	**1.8**	**1.5**	**1.4**	**0.3**	**1.1**
Standard deviation (σ)*		0.02	0.02	0.02	0.02	0.02	0.02	**0.2**	**0.7**
TOTAL INFLATION IN SPAIN		**4.1**	**-0.3**	**1.8**	**3.2**	**2.4**	**1.4**	**0.2**	**1.1**

* For observed rates (2008-2013) the standard deviation σ is for errors one-period ahead and for the forecast rates for errors n period ahead, with n equal the number of periods to know the observed data

CONSUMER PRICE INDEX BY SUBCLASS IN SPAIN
Annual average rates of growht

	Weights 2014	2008	2009	2010	2011	2012	2013	2014	2015
NON-PROCESSED FOOD (NPF)									
Beef	0.0	4.0	1.7	0.5	1.6	3.0	0.9	**1.4**	**3.9**
Pork	8.3	1.6	-3.8	-2.1	2.3	1.7	2.4	**0.0**	**1.9**
Sheep meat	5.9	5.3	1.9	-3.1	1.6	0.8	-3.1	**2.2**	**2.6**
Poultry	2.5	4.3	-1.9	-4.0	4.3	1.0	1.5	**0.6**	**1.8**
Other meats, viscera and other non-meat edibles	8.3	7.0	-1.5	-2.6	1.0	1.1	0.8	**2.0**	**3.6**
Fresh fish	11.0	1.2	-4.6	1.3	2.7	0.9	0.3	**2.4**	**-0.2**
Crustaceans and molluscs	2.2	-0.2	-2.2	3.2	5.1	0.5	1.0	**5.7**	**4.4**
Eggs	5.6	10.7	1.2	-1.1	-1.1	15.3	1.7	**-3.7**	**-1.8**
Fresh fruits	2.2	9.4	0.3	-1.2	1.0	4.6	9.8	**-6.5**	**3.6**
Fresh pulses and vegetables	14.4	2.4	2.1	1.3	-0.4	0.6	0.4	**-1.9**	**2.0**
Potatoes and processed potato products	9.2	-1.7	-7.0	7.6	1.6	-3.5	20.3	**-12.3**	**0.1**
NPF INFLATION IN SPAIN		**4.0**	**-1.3**	**0.0**	**1.8**	**2.3**	**3.4**	**-1.0**	**2.2**
Standard deviation (σ)*		0.07	0.07	0.07	0.07	0.07	0.07	**0.6**	**2.1**
TOTAL INFLATION IN SPAIN		**4.1**	**-0.3**	**1.8**	**3.2**	**2.4**	**1.4**	**0.2**	**1.1**

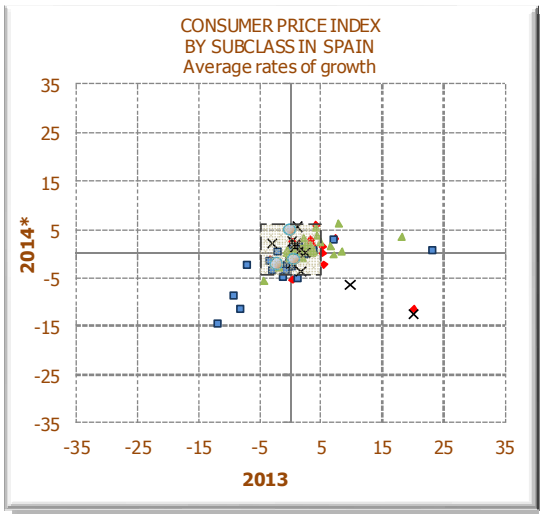
* For observed rates (2008-2013) the standard deviation σ is for errors one-period ahead and for the forecast rates for errors n period ahead, with n equal the number of periods to know the observed data

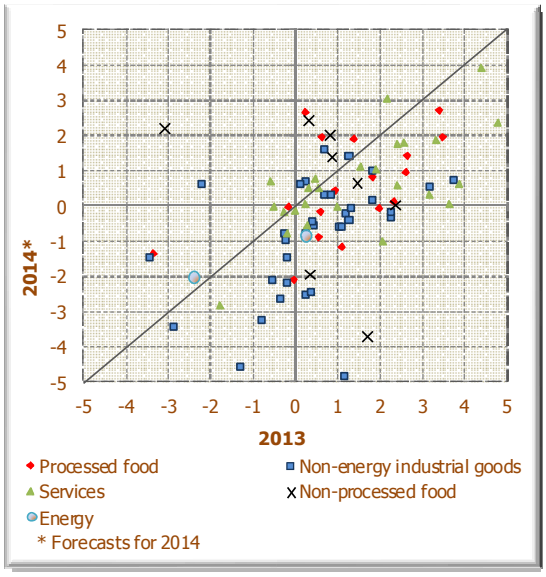
CONSUMER PRICE INDEX BY SUBCLASS IN SPAIN
Annual average rates of growht

	Weights 2014	2008	2009	2010	2011	2012	2013	2014	2015
ENERGY (ENE)									
Electricity and gas	0.0	8.7	2.1	4.2	14.3	9.6	-0.2	**5.1**	**1.9**
Other fuels	32.1	23.5	-32.7	24.7	27.3	11.2	-2.4	**-2.0**	**0.1**
Fuels and lubricants	15.0	13.0	-15.2	16.9	15.6	8.1	0.2	**-0.9**	**1.6**
ENE INFLATION IN SPAIN		**11.9**	**-9.0**	**12.5**	**15.7**	**8.9**	**0.0**	**1.3**	**1.7**
Standard deviation (σ)*		0.08	0.08	0.08	0.08	0.08	0.08	**1.8**	**7.8**
TOTAL INFLATION IN SPAIN		**4.1**	**-0.3**	**1.8**	**3.2**	**2.4**	**1.4**	**0.2**	**1.1**

* For observed rates (2008-2013) the standard deviation σ is for errors one-period ahead and for the forecast rates for errors n period ahead, with n equal the number of periods to know the observed data

Graph IV.2.9





The graph below zooms on the grey area marked in the previous figure.
Source: INE & BIAM(UC3M)
Date: June 26, 2014

IV.3. Saving, Investment and financing capacity(+)/requirements(-) of the Spanish economy

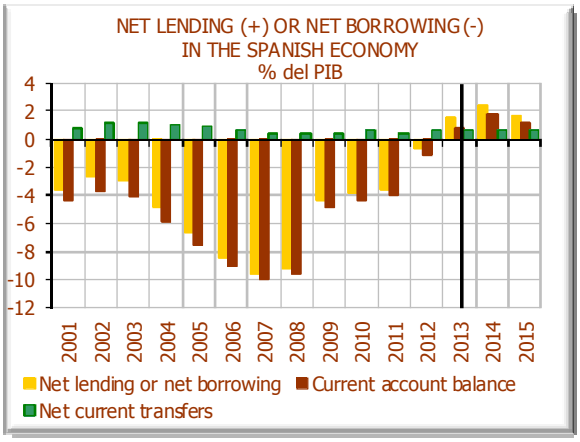
The Spanish economy has considerably corrected the high foreign trade disequilibrium accumulated in the last period of growth prior to the onset of the economic crisis, which began in the second half of the 1990s. One of the most immediate and visible effects of the adjustment caused by the crisis on the foreign sector was the correction of the current account deficit and respective need for financing. From the viewpoint of the institutional sectors, both households and firms corrected their debtor positions and soon presented a surplus. On the other hand, the public sector moved in the opposite direction and generated a high deficit in the first few years of the crisis, which was cause for concern.

IV.3.1. The foreign deficit from the perspective of savings and investment

After it joined the euro area, the Spanish economy's need for financing rose considerably (see Graph IV.3.1.1). A period of heavy reduction began in 2008, with the onset of the economic crisis. This adjustment process led to a very low need for financing in 2012 (0.6% of the GDP) and in 2013 the Spanish economy swapped its traditional debtor status for creditor status, by registering financing capacity in the amount of 1.5% of the GDP (see Graph IV.3.1.1), which will last through 2014 and 2015.

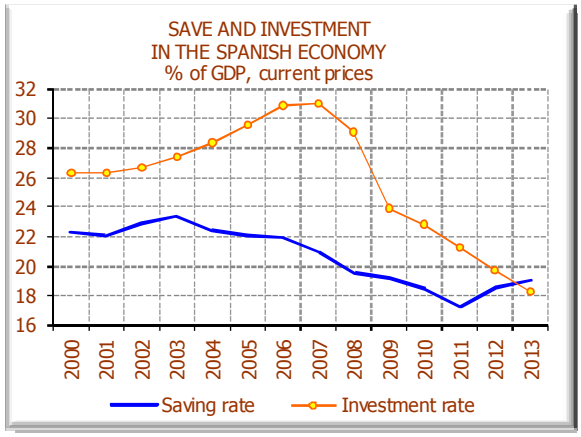
The current account deficit and, therefore, need for financing, can also be interpreted as the difference between national savings and investment. Graph IV.3.1.2 shows the evolution of savings and investment in terms of proportion of the GDP, i.e. the respective saving and investment rates. The difference between them is financing capacity or requirements. The graph also shows that this growing need for financing was due to dynamic investment, which gained importance in relation to the GDP. This was largely due to the property

Graph IV.3.1.1



Source: INE & BIAM(UC3M)
Date: June 25, 2014

Graph IV.3.1.2



Source: INE & BIAM(UC3M)
Date: June 25, 2014

boom, although the investment rate also grew if we exclude housing investment. With the onset of the crisis, the global investment rate started to fall heavily and this process has not yet come to an end.

All its components contributed to the fall in investment during the crisis, although the most significant was construction. The savings rate grew slightly until 2004, after which it started to fall until it rose again in 2012, to 18.5% of the GDP, 1.2 points more than in 2011; this trend continued in 2013.

IV.3.2. An analysis of financing capacity(+)/ requirements(-) by institutional sector

The analysis of the Spanish economies financing requirements by institutional sector shows that at the onset of the crisis households and firms started to correct their debtor position. The former registered a surplus as soon as in 2008, and the latter in 2010, while the public sector evolved in the opposite direction, going from a 2% surplus in 2007 to a high deficit in 2009 (11.1% of the GDP).

Traditionally, the household sector has registered financing capacity and savings exceeded the only investment, housing, and the remaining savings were used to finance other sectors or reduce debt. However, in the mid-90s its financing capacity started to fall, and from 2004 its savings were less than its investment and it began to need financing, leading to a deficit of 1.8% of the GDP in 2006 and 2.7% in 2007 (see Graph IV.3.2.1).

When the construction bubble burst in 2007, the household investment rate started to progressively decline and the savings rate increased heavily in the first two years of the crisis, with this growth rate subsequently diminishing, but significantly remaining above the investment rate. Households

then returned to their traditional role of registering financing capacity. The household savings rate relative to the GDP rose heavily in the first two years of the crisis, going from 6.6% of the GDP in 2007 to 12.3% in 2009, subsequently returning to 6.9% in 2012 and 2013.

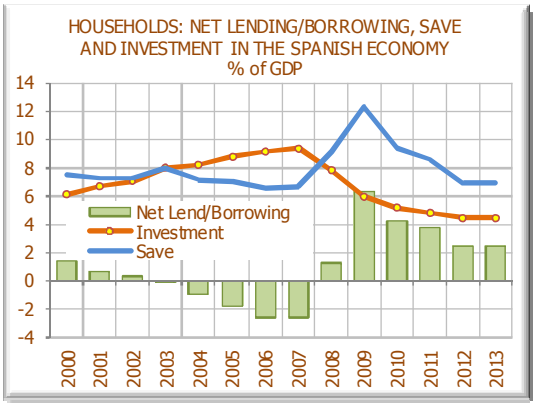
Up to 2007, non-financial firms registered most foreign fund requirements. After then, they began to correct their high debtor position and by 2008 the ratio had fallen by more than 3 points. In 2009 it fell to 0.9% of the GD and in 2010 registered a small surplus; in the following years it continued to present financing capacity, reaching 4.3% of the GDP in 2013. The sudden change in the financial status of non-financial firms after the onset of the crisis was due to sinking investment and slight recovery of savings.

The Spanish public sector has traditionally registered a deficit and resorted to foreign markets for its financing needs. In 2001, they were close to 0.6% of the GDP but, it registered a surplus in 2005, 2006 and 2007. In 2008, with the onset of the crisis, the public sector generated a significant deficit (4.5% of the GDP), which rose considerably in 2009 (11.1%). It remained at 9.6% in 2010 and 2011 and was -7.1% in 2013 (see Graph IV.3.2.3). The sudden increase in public deficit was due to both a fall in income and a heavy increase in expenditure.

Financial firms usually present a moderate financing capacity as their savings exceed their investments (see Graph IV.3.2.3). However, in 2012 this capacity increased significantly to 6.4% of the GDP, more than in any other year.

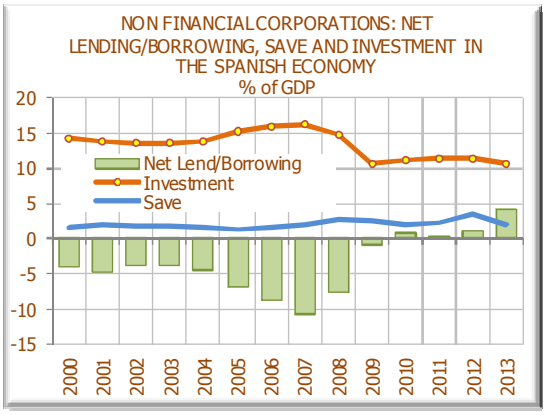
Comparing Graphs IV.3.2.4 and IV.3.2.5, it is clear that the reduction in the Spanish economy's financing requirements and the surplus in 2013 was completely due to the non-financial private sector. The effort made by the non-financial private sector relative to the public sector is even larger if we consider that, in the year before the crisis, the private sector registered a deficit and the public sector a surplus.

Graph IV.3.2.1

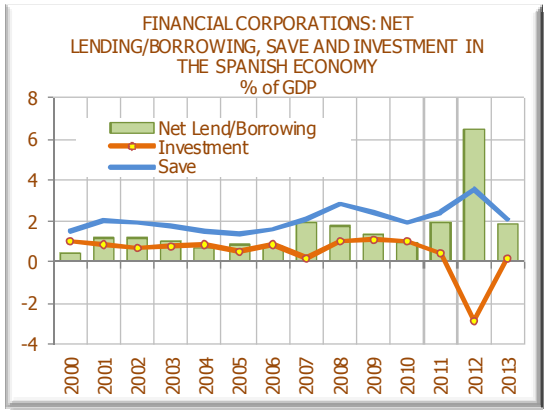


Source: INE & BIAM(UC3M)
Date: June 25, 2014

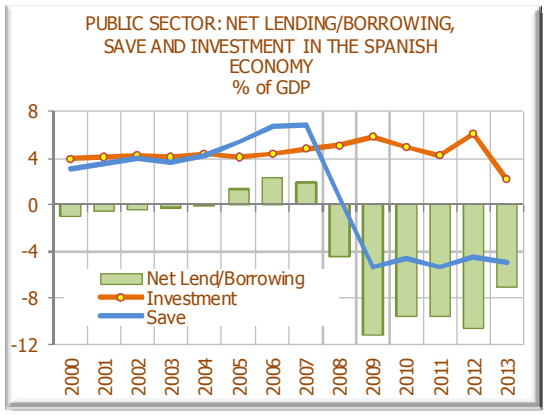
Graph IV.3.2.2



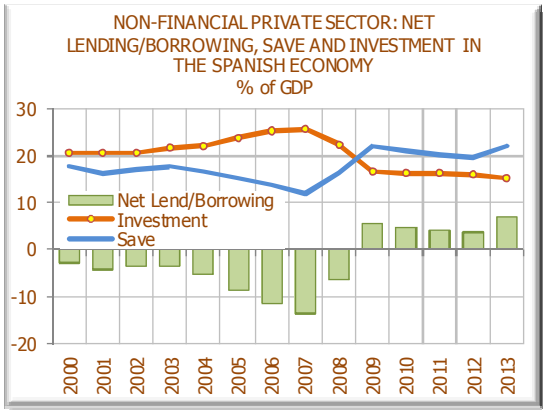
Graph IV.3.2.3



Graph IV.3.2.4



Graph IV.3.2.5



V. FORECASTS OF DIFFERENT INSTITUTIONS

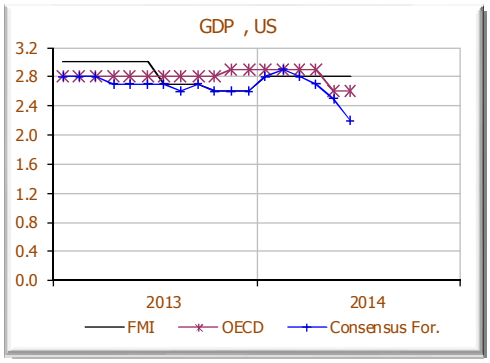
FORECASTS FOR DIFERENT INSTITUTIONS
Annual average rates

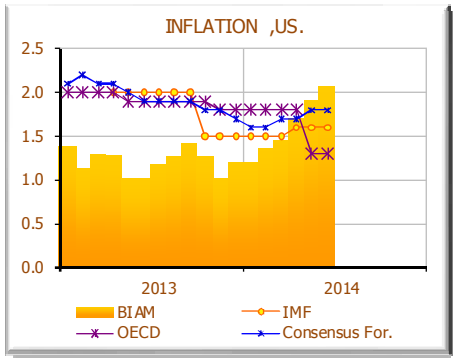
		UNITED STATES				SPAIN						EURO AREA							
		Consensus Forecasts [1]	BIMA [2]	IMF [3]	OECD [4]	Consensus Forecasts	Focus Economics [5]	BIMA	IMF	OECD	Spanish Government [6]	Consensus Forecasts	Focus Economics	BIMA	IMF	ECB SPF [7]	ECB Staff [8]	OECD	European Commission [9]
GDP	2014	2.2	-	2.8	2.6	1.1	1.0	0.8	1.0	1.0	1.2	1.1	1.1	0.9	1.2	1.1	1.0	1.2	1.2
	2015	3.1	-	3.0	3.5	1.6	1.5	1.3	1.3	1.5	1.8	1.5	1.5	1.3	1.5	1.5	1.7	1.7	1.7
CPI	2014	1.8	2.1	1.6	1.3	0.3	0.3	0.2	0.8	0.1	-	0.7	0.8	0.6	1.2	0.9	0.7	0.7	0.8
	2015	1.9	1.9	2.0	1.6	0.9	0.9	1.1	1.1	0.5	-	1.2	1.3	1.1	1.6	1.3	1.1	1.1	1.2

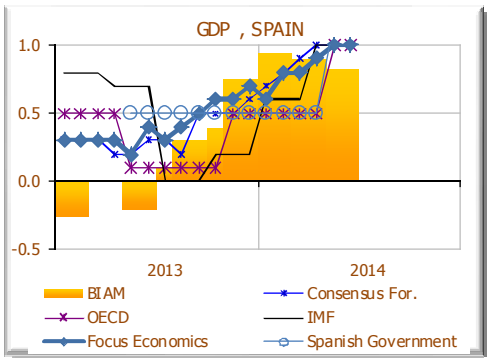
1. Consensus Forecasts, June, 2014
2. BIAM. Bulletin of EU & US Inflation and Macroeconomic Analysis, June, 2014
3. IMF, April, 2013
4. OECD. Economic Outlook, May, 2014
5. Focus Economics, June, 2014
6. Spanish Goverment, May, 2014
7. ECB SPF, "Survey of Professional Forecasters", May, 2014
8. ECB STAFF, staff macroeconomic projection for the Euro Área. Point forecast for interval. June, 2014
9. European Commission, May, 2014

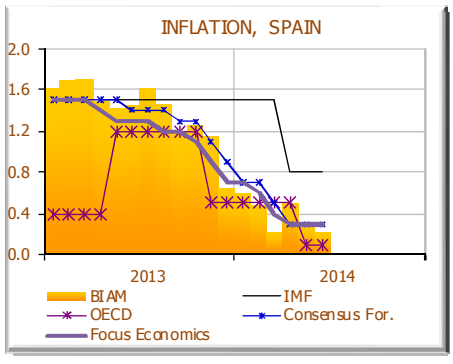
EVOLUTION OF FORECASTS FOR 2014

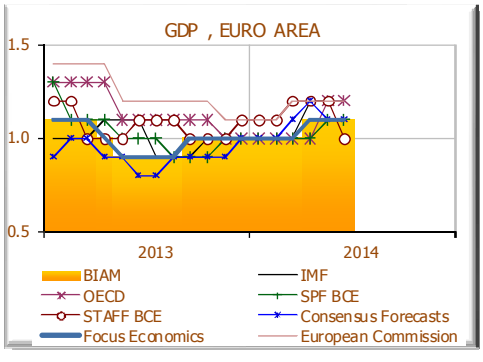
Annual average rates

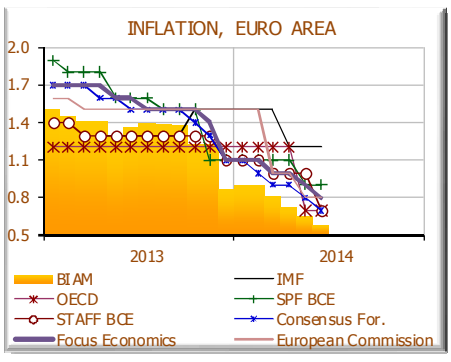








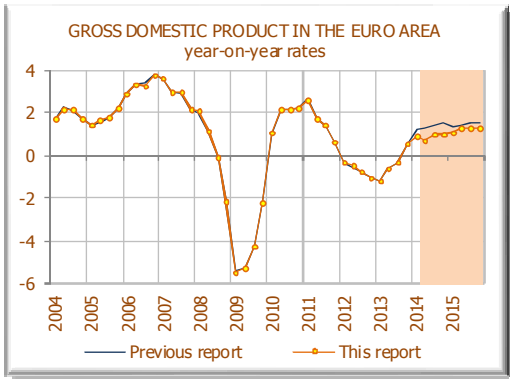


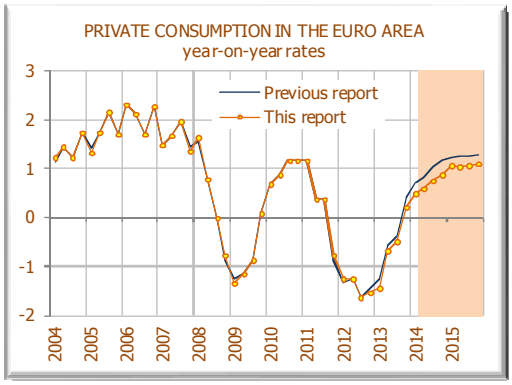


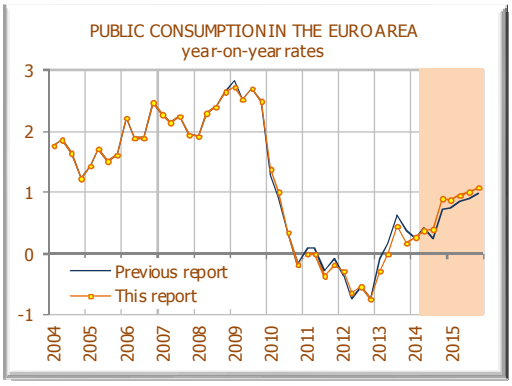
VI. ANNEX I: CHANGE IN FORECASTS AND DATA REVISION

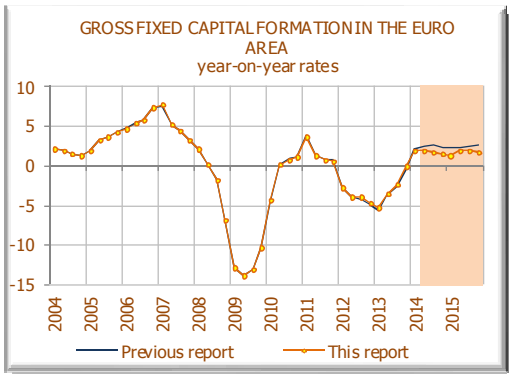
COMPONENTS OF GROSS DOMESTIC PRODUCT DEMAND IN THE EURO AREA

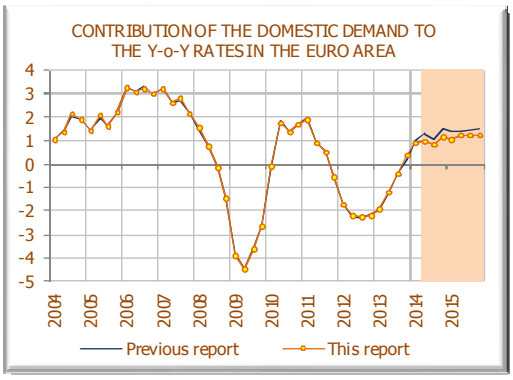
Year-on-year rates

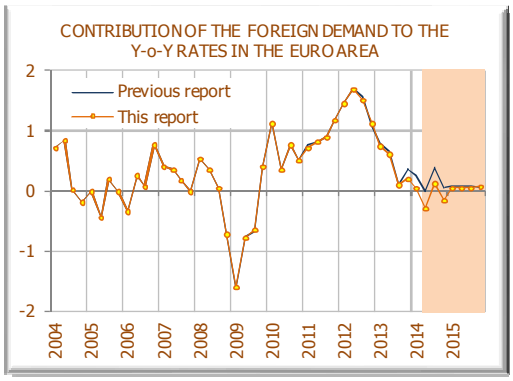


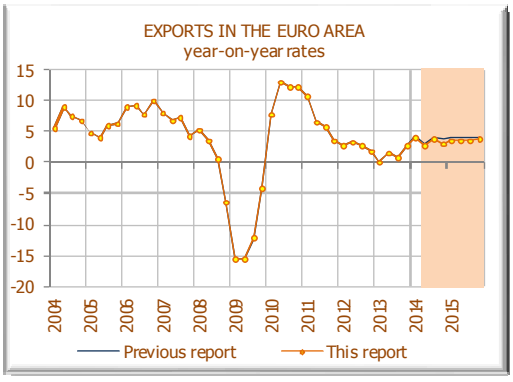


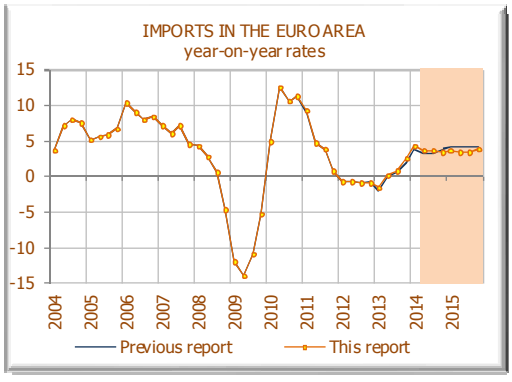








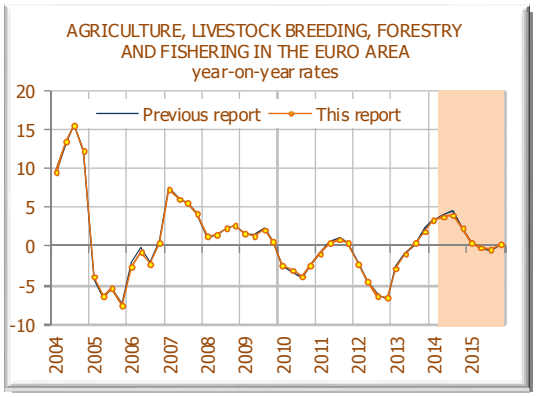


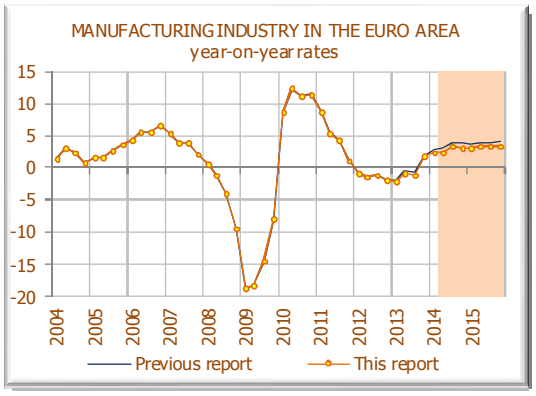


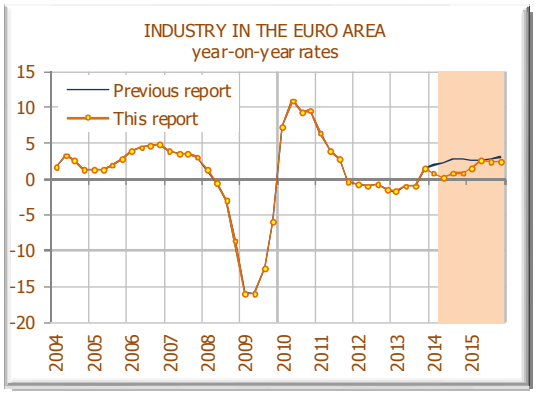
Source: EUROSTAT & BIAM (UC3M)
Date this report: June 4, 2014
Date previous report: March 21, 2014

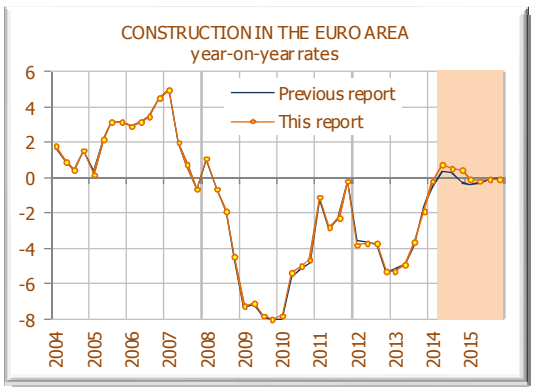
COMPONENTS OF GROSS DOMESTIC PRODUCT SUPPLY IN THE EURO AREA

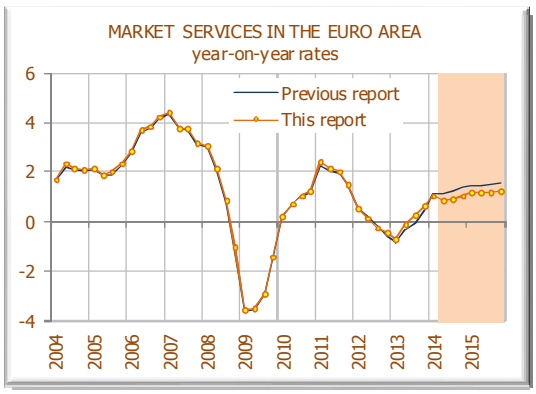
Year-on-year rates

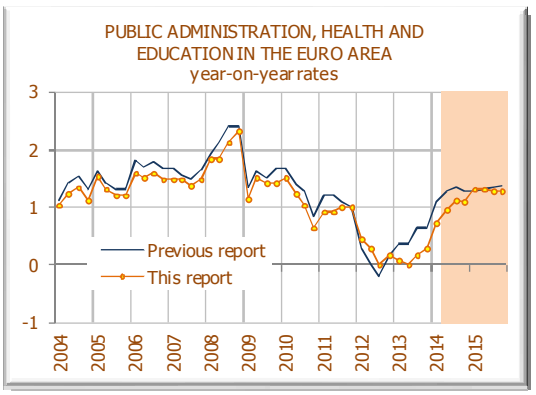








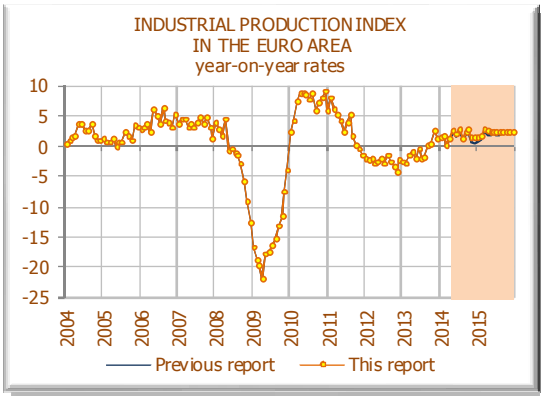


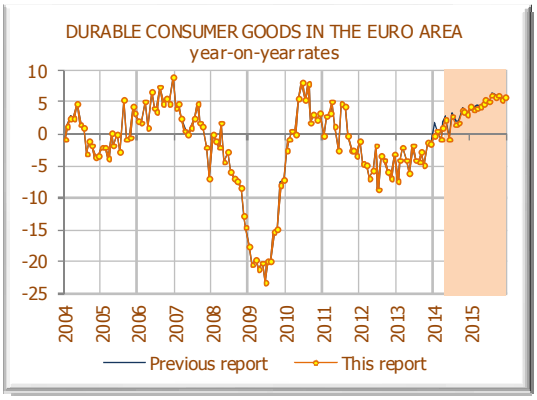


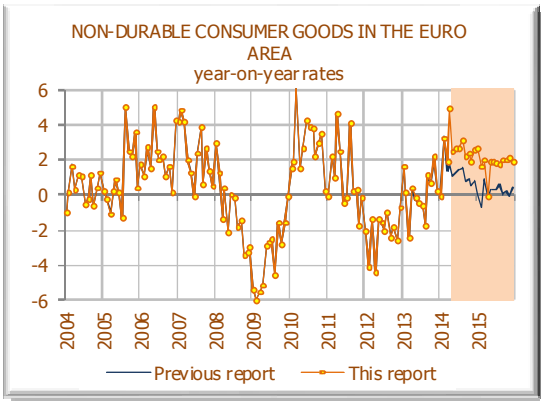
Source: EUROSTAT & BIAM (UC3M)
Date this report: June 4, 2014
Date previous report: March 21, 2014

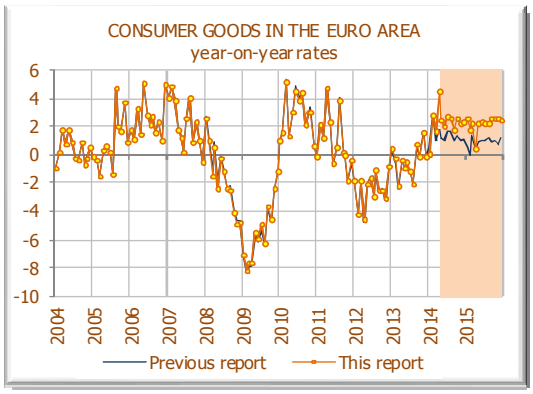
COMPONENTS OF INDUSTRIAL PRODUCTION INDEX IN THE EURO AREA

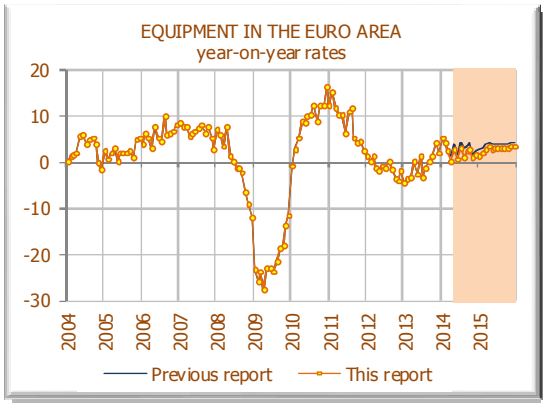
Year-on-year rates

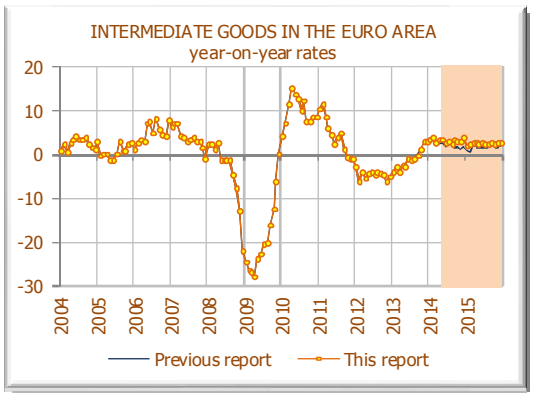


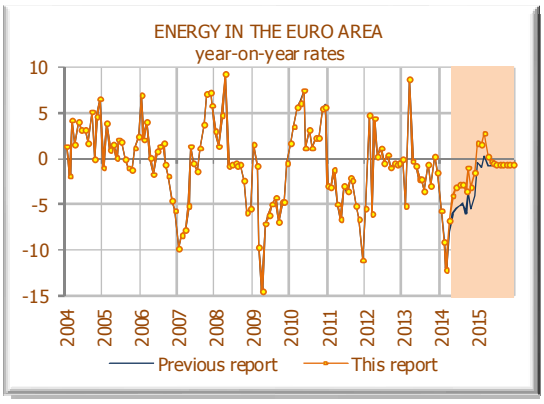


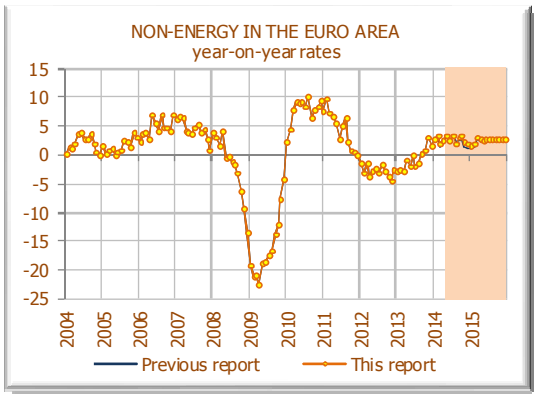








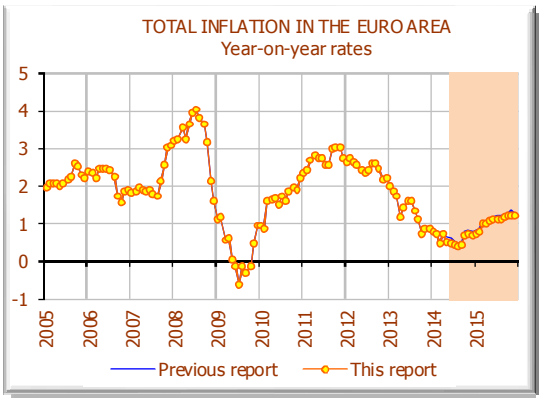


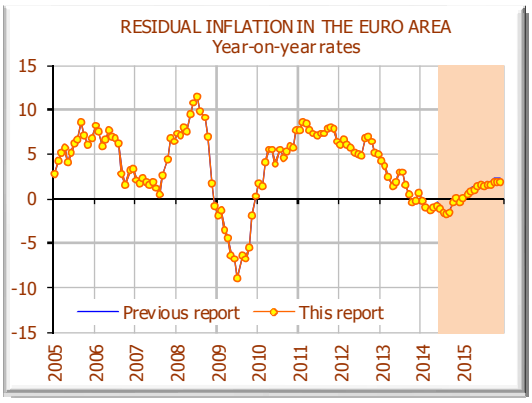


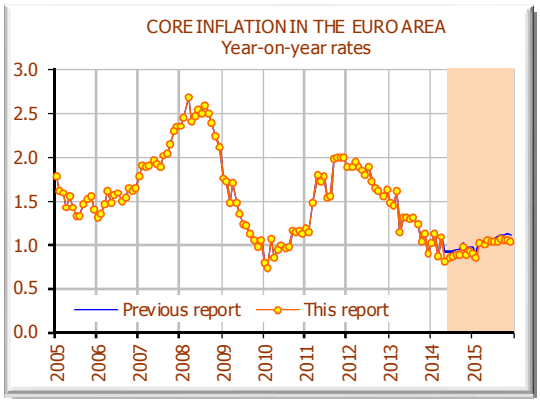
Source: EUROSTAT & BIAM (UC3M)
Date this report: June 12, 2014
Date previous report: May 14, 2014

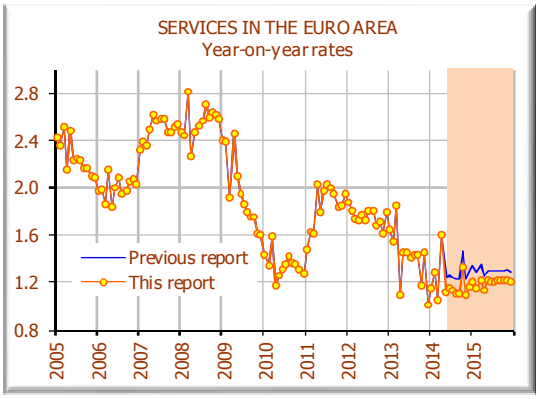
COMPONENTS OF HARMONISED INDEX OF CONSUMER PRICES IN THE EURO AREA

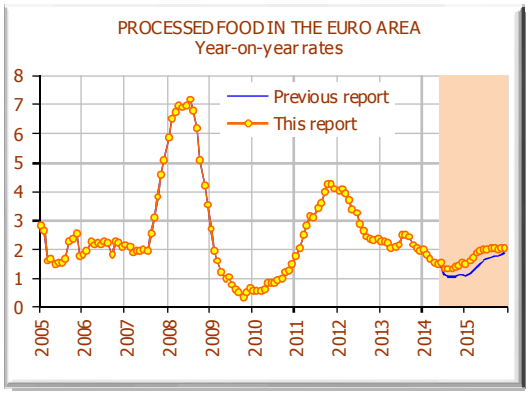
Year-on-year rates

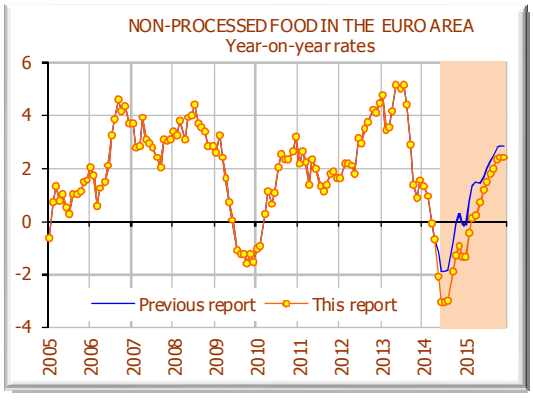


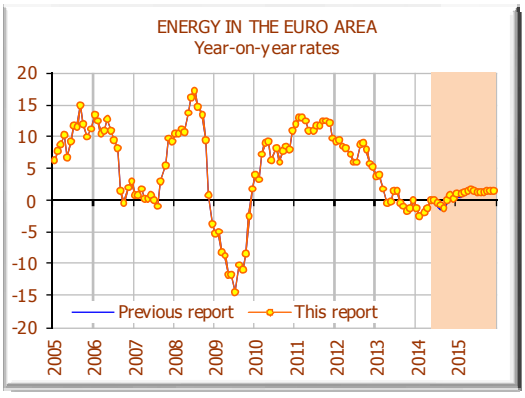


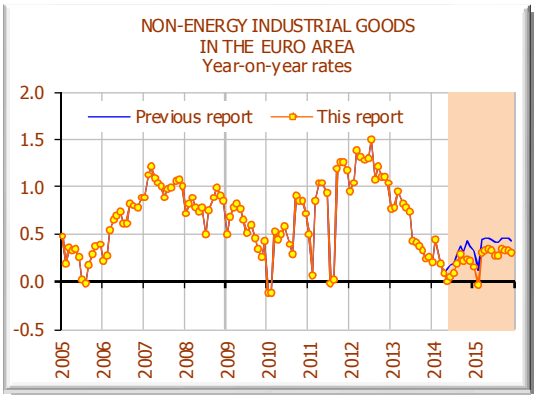






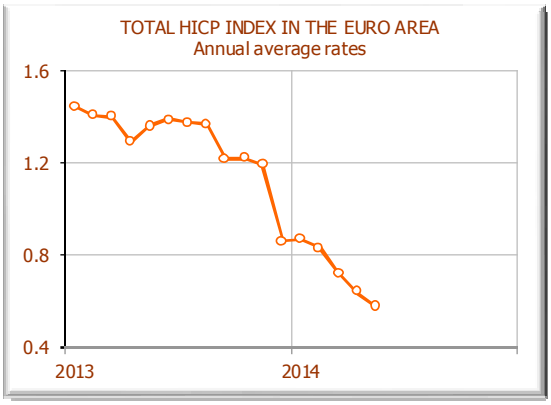


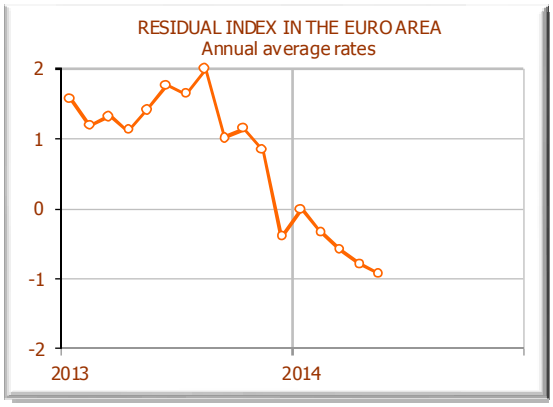


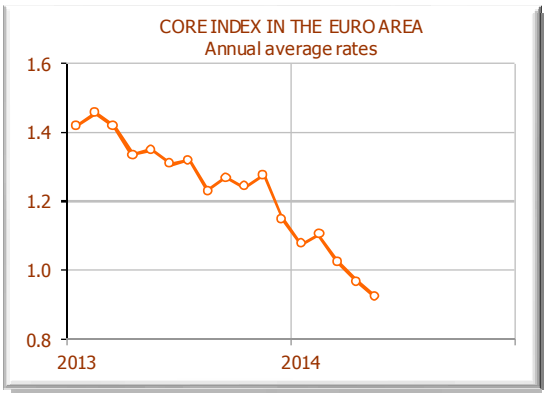


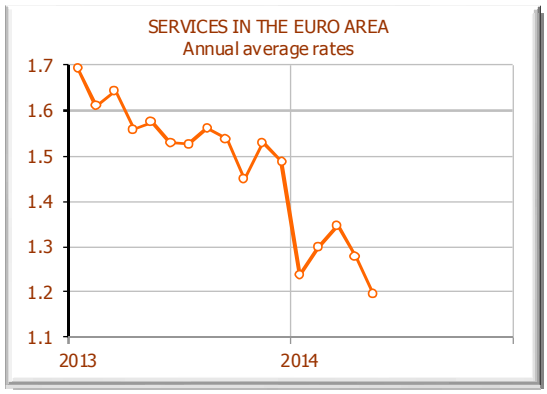
Source: EUROSTAT & BIAM (UC3M)
Date this report: June 26, 2014
Date previous report: May 15, 2014

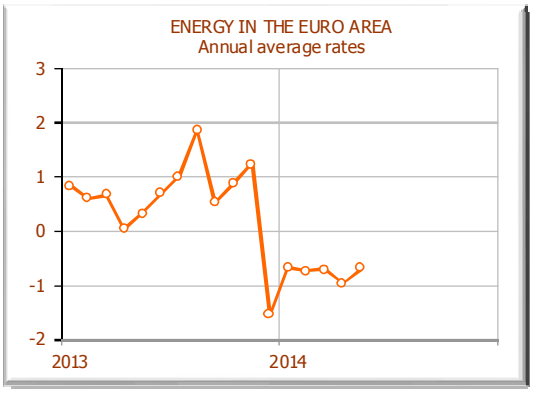
CHANGES OF EXPECTATIONS FOR THE ANNUAL AVERAGE 2014 RATE OF INFLATION IN THE SPECIAL GROUPS OF THE EURO AREA SINCE JANUARY 2013

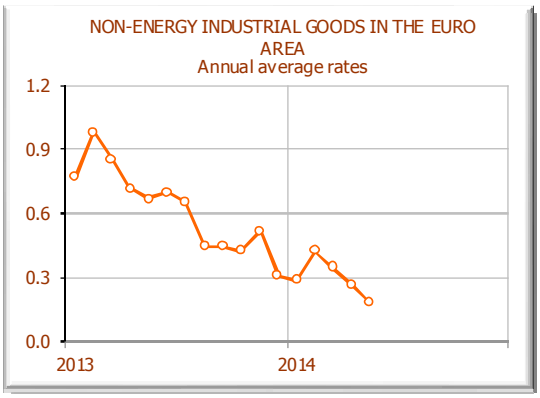


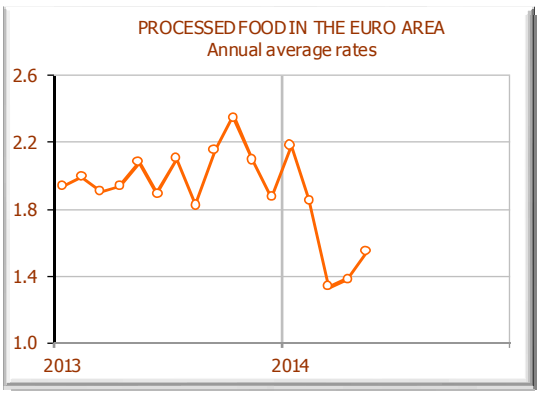


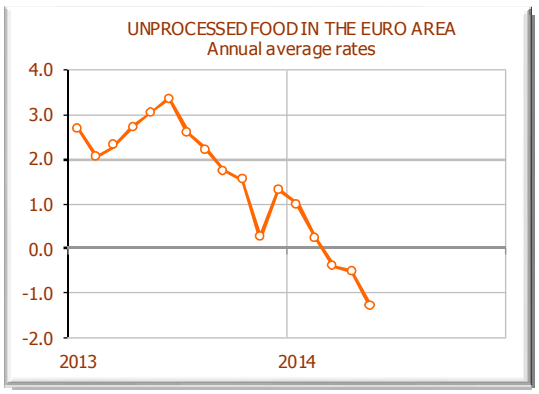






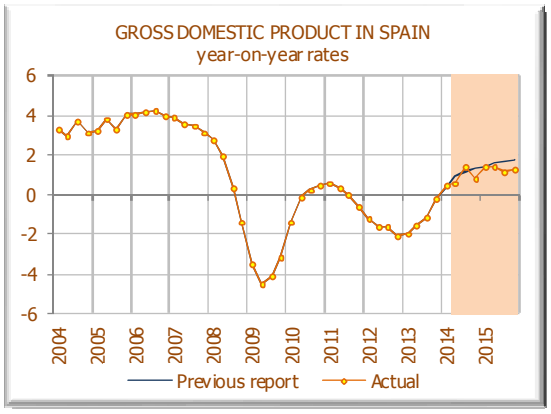


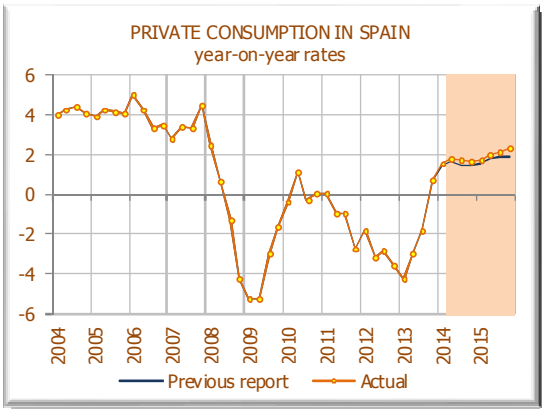


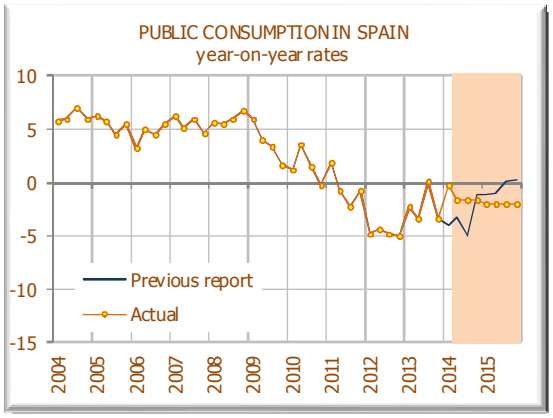


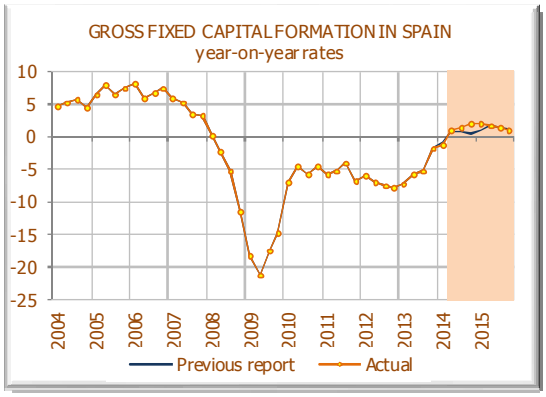
Source: EUROSTAT & BIAM (UC3M)
Date: June 26, 2014

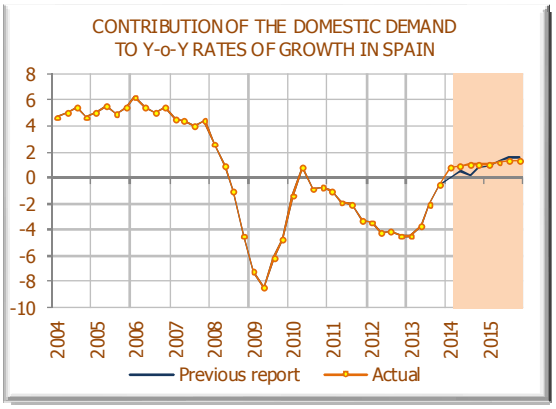
GROSS DOMESTIC PRODUCT IN SPAIN: DEMAND SIDE
Year-on year rates

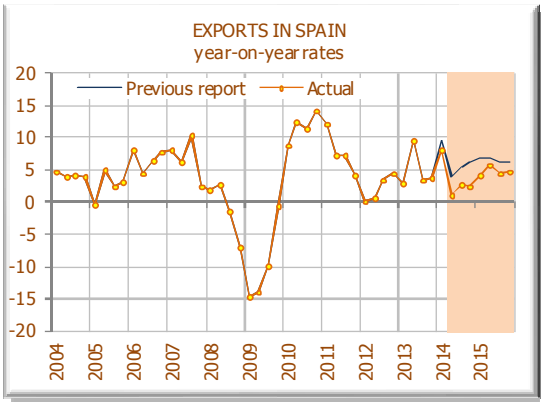


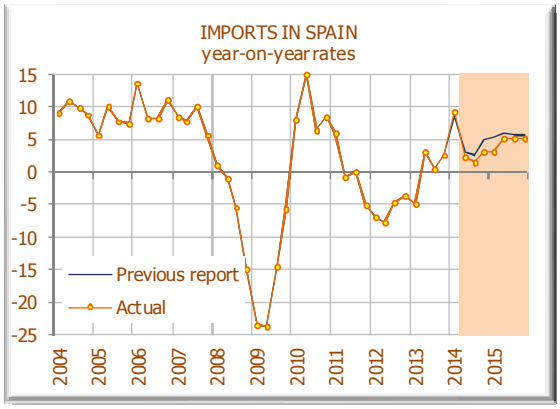


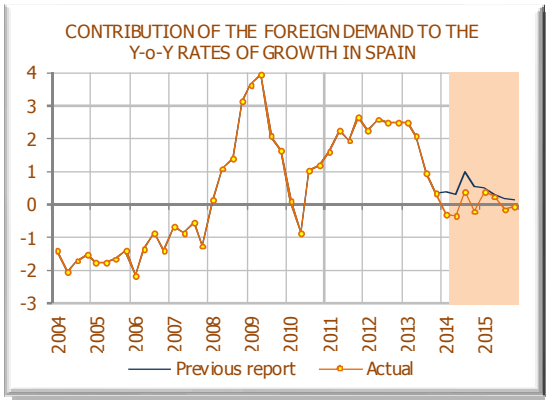






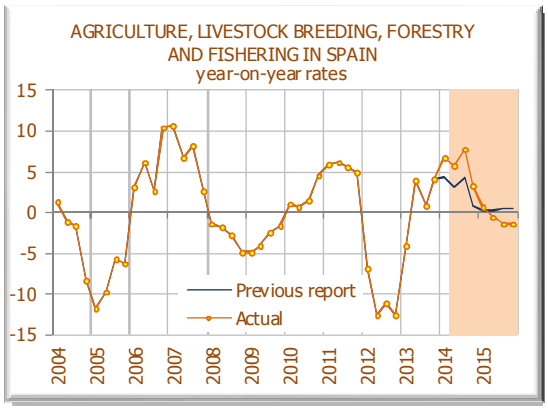


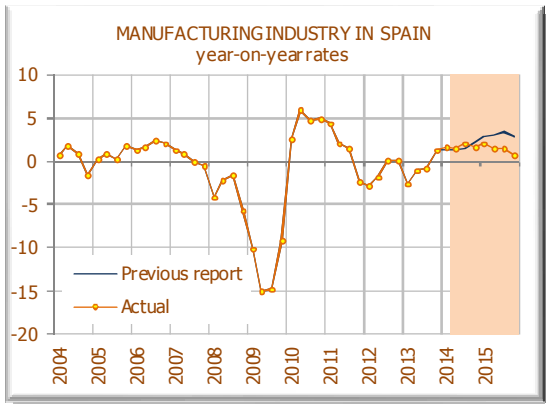


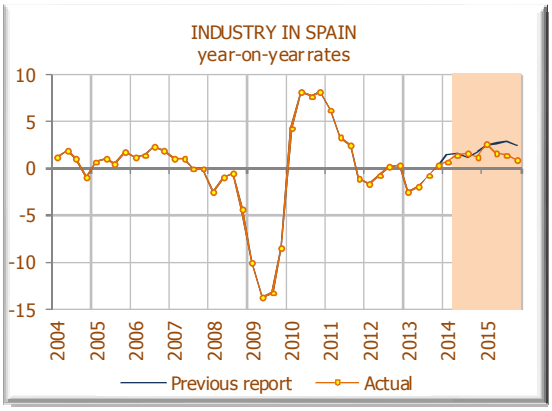


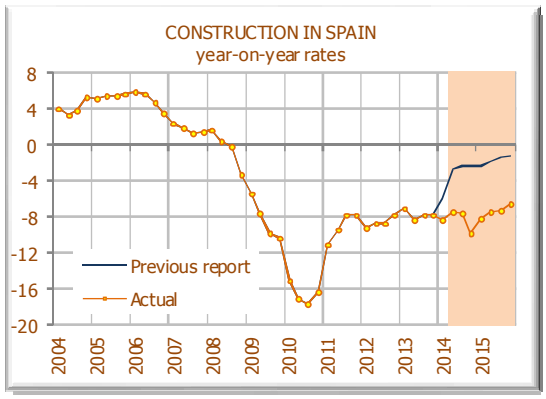
Source: INE & BIAM (UC3M).
Date this report: May 29, 2014
Date previous report: February 27, 2014

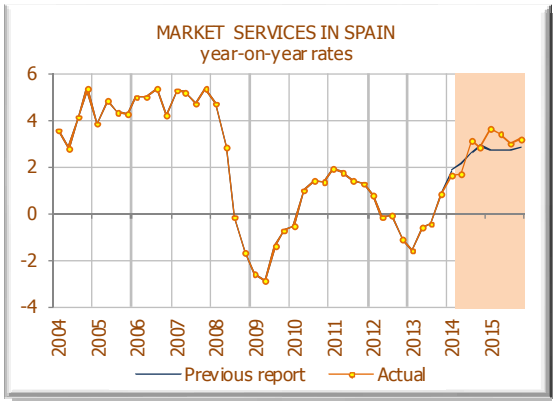
GROSS DOMESTIC PRODUCT IN SPAIN: SUPPLY SIDE
Year-on year rates

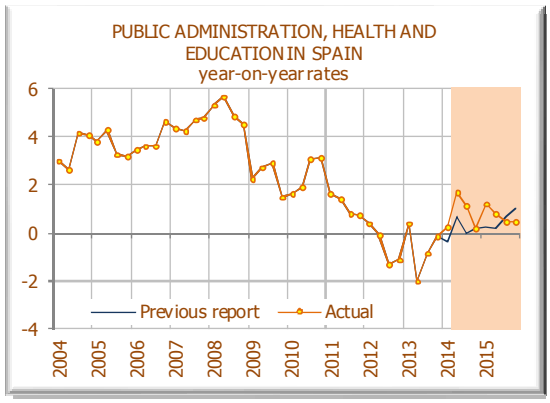






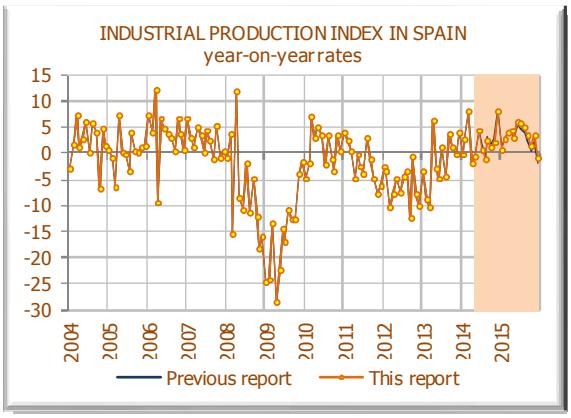


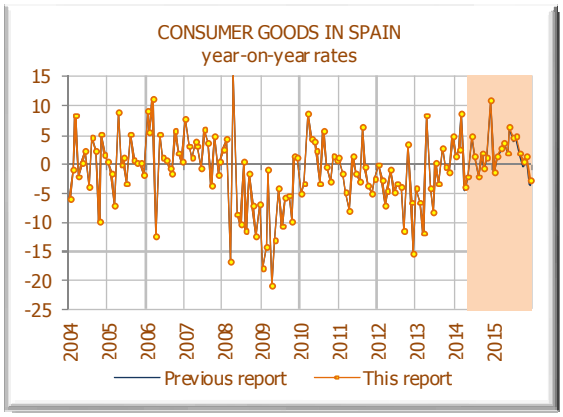


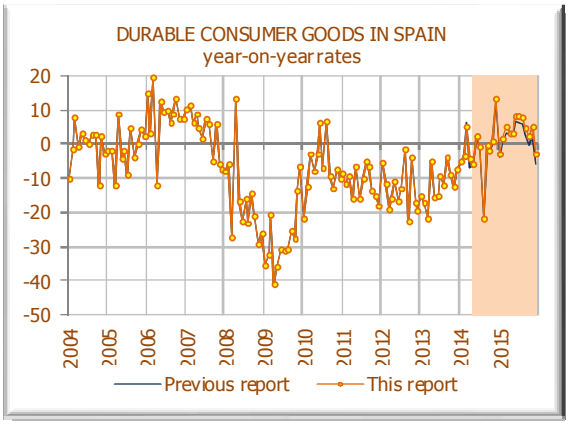


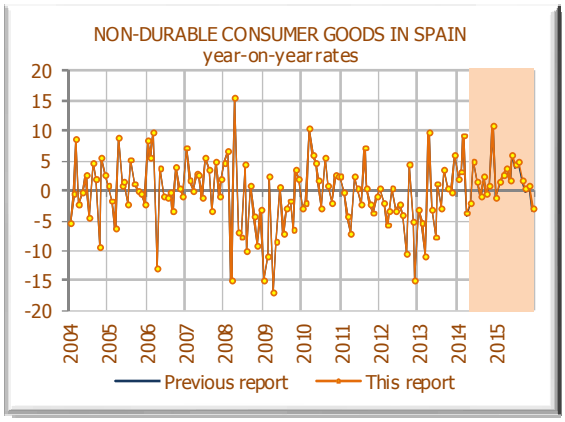
Source: INE & BIAM (UC3M)
Date this report: May 29, 2014
Date previous report: February 27, 2014

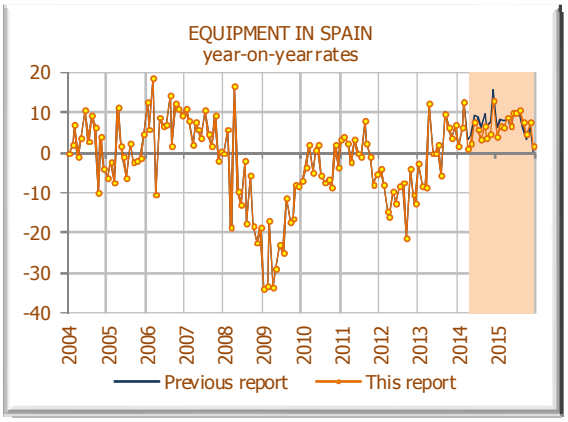
INDUSTRIAL PRODUCTION IN SPAIN
Year-on year rates

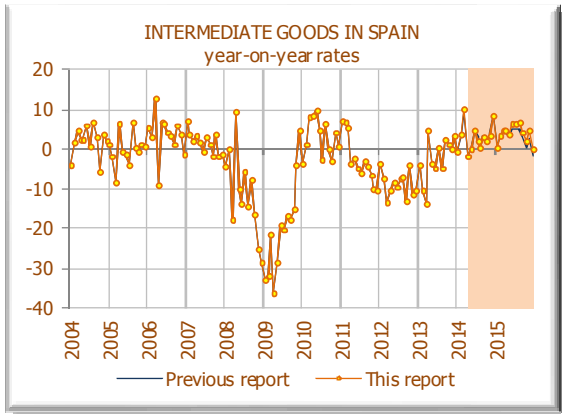


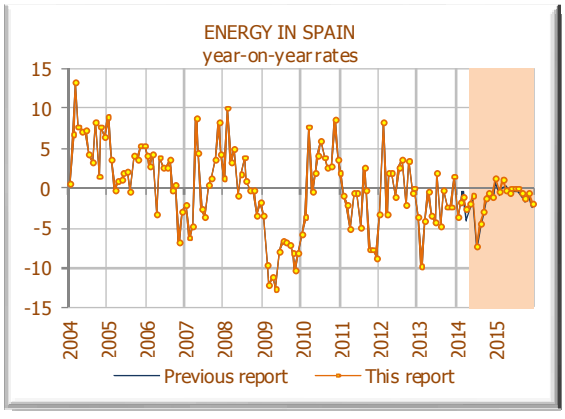


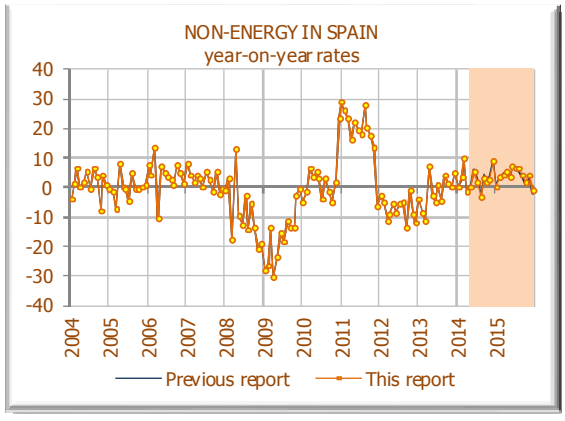






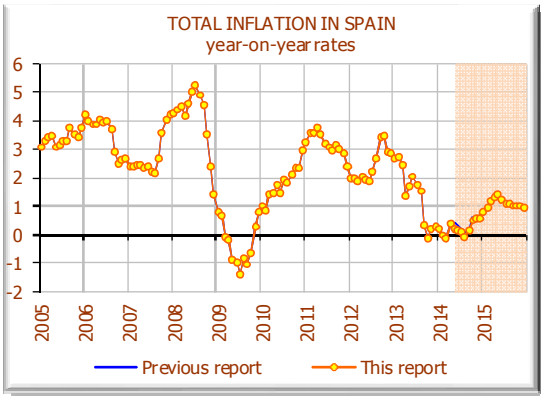


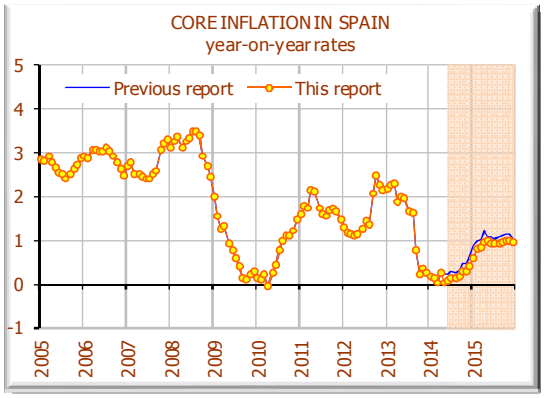


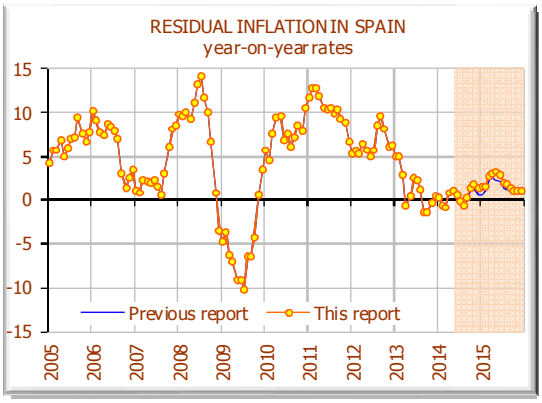


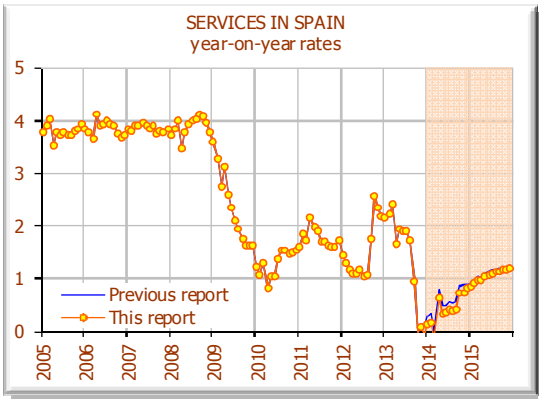
Source: INE & BIAM (UC3M)
Date this report: June 6, 2014
Date previous report: May 8, 2014

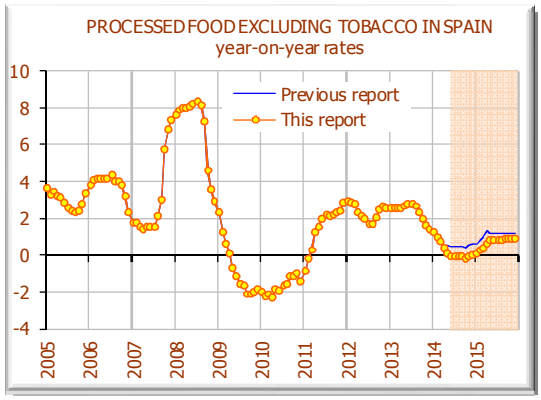
ANNUAL RATE OF INFLATION BY SPECIAL GROUPS IN SPAIN
Year-on year rates

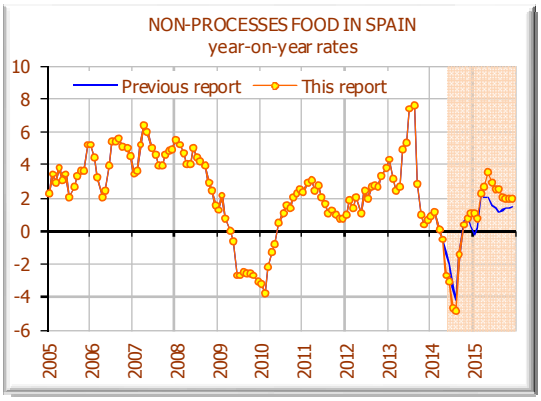


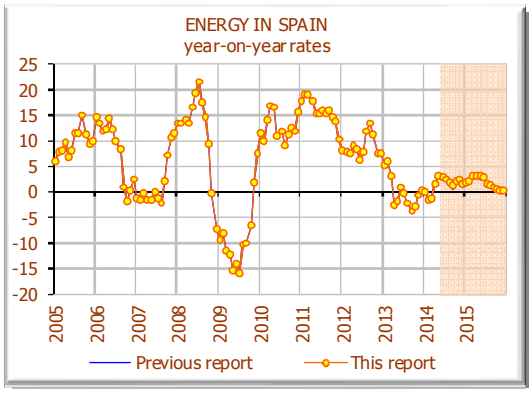


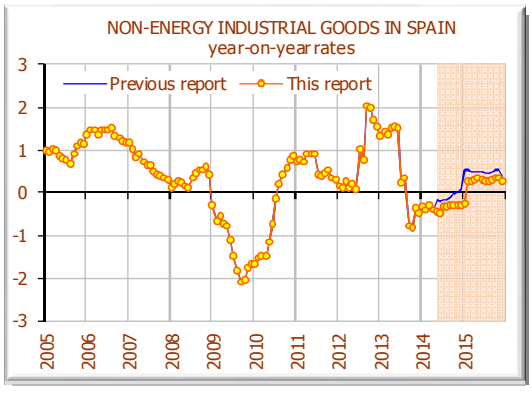






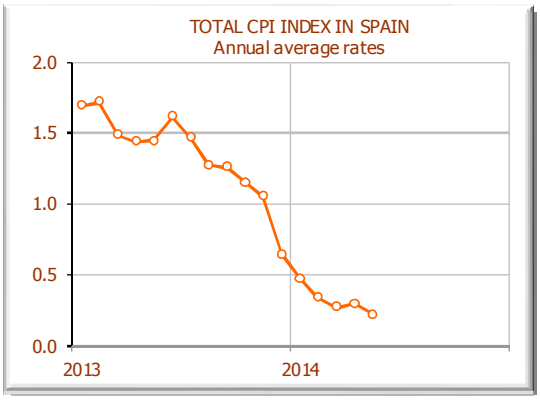


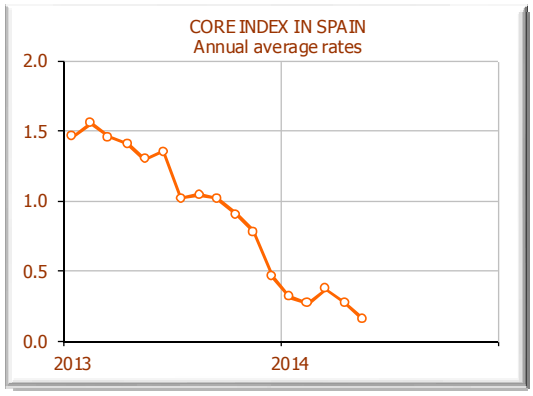


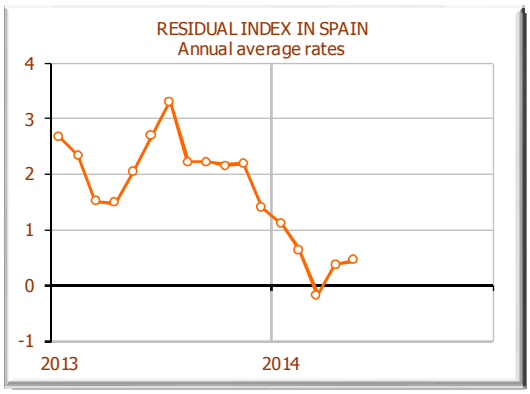


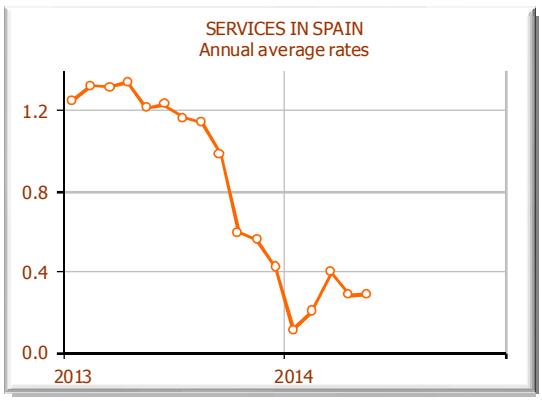
Source: INE & BIAM (UC3M).
Date this report: June 26, 2014
Date previous report: May 14, 2014

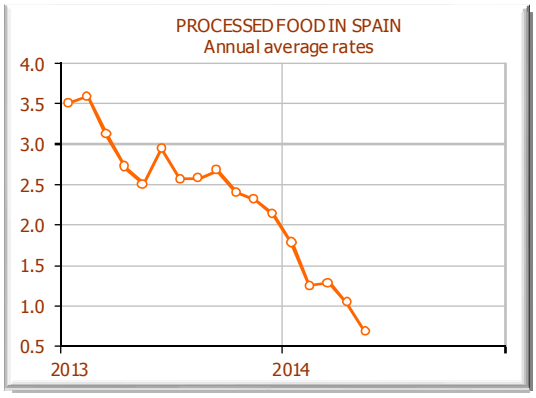
CHANGES OF EXPECTATIONS FOR THE ANNUAL AVERAGE 2014 RATE OF INFLATION IN THE SPECIAL GROUPS OF SPAIN SINCE JANUARY 2013

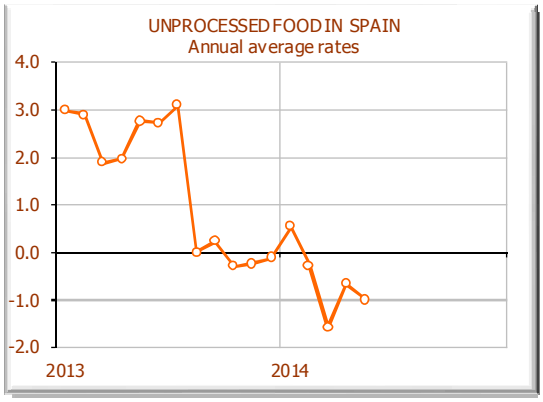


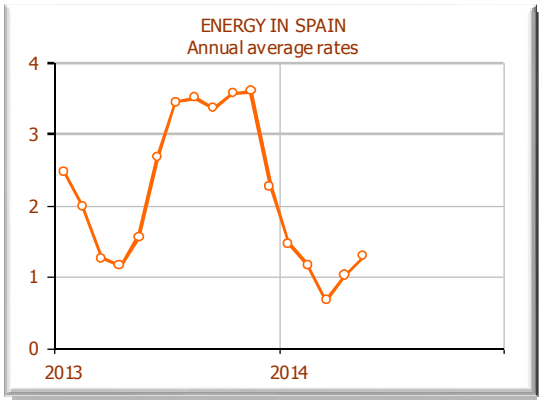


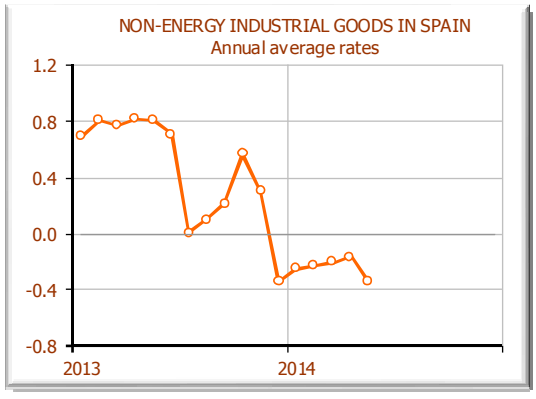












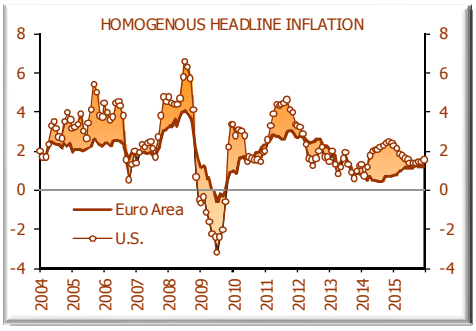
Note: These graphs show the average anual CPI growth rates forecast in the Bulletin published in the month on the abscissa
Source: INE & BIAM (UC3M)
Date: June 26, 2014

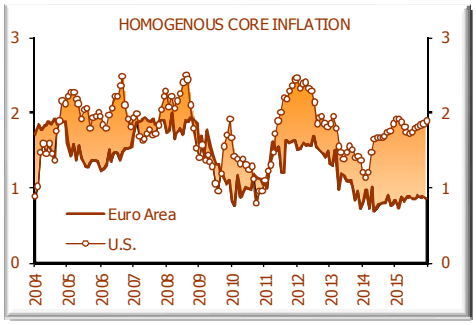
VII. ANNEX II: SUMMARY OF FORECASTS FOR DIFFERENT AREAS

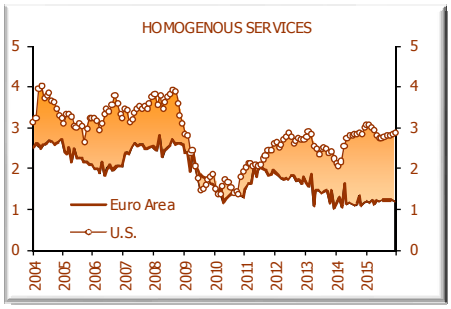
EURO AREA– U.S.

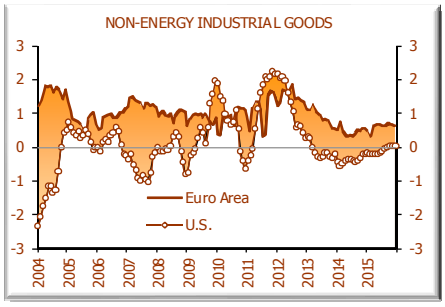
HOMOGENOUS INFLATION IN THE EURO AREA AND U.S.
Annual average rates

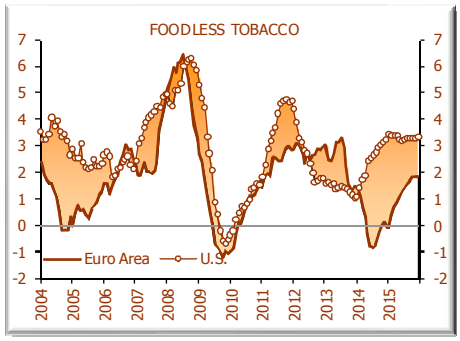
EA: Weights 2014 USA: RI Dec 2012		2007	2008	2009	2010	2011	2012	2013	Forecasts 2014	Forecasts 2015
TOTAL										
less Owner's equivalent rent of primary residence										
Euro area	100.0	2.1	3.3	0.3	1.6	2.7	2.5	1.4	**0.6**	**1.1**
U.S.	77.5	2.7	4.3	-1.0	2.2	3.8	2.1	1.3	**1.9**	**1.6**
HOMOGENOUS CORE INFLATION										
- Non-energy industrial goods and Services, less Processed Food in the Euro area.										
- Non-energy industrial goods less Tobacco in U.S.										
- Services less Owner's equivalent rent of primary residence in U.S.										
Euro area	69.4	1.9	1.8	1.4	1.0	1.4	1.5	1.1	**0.8**	**0.9**
U.S.	55.2	1.8	2.1	1.4	1.2	1.8	2.1	1.6	**1.6**	**1.8**
COMPONENTS OF HOMOGENOUS CORE INFLATION										
Services less Owner's equivalent rent of primary residence										
Euro area	42.8	2.5	2.6	2.0	1.4	1.8	1.8	1.4	**1.2**	**1.2**
U.S.	34.8	3.4	3.6	2.0	1.6	2.2	2.7	2.5	**2.6**	**2.9**
Non-energy industrial goods less Tobacco										
Euro area	26.7	1.0	0.8	0.6	0.5	0.8	1.2	0.6	**0.2**	**0.3**
U.S.	20.4	-0.7	-0.1	0.5	0.7	1.2	1.2	-0.2	**-0.4**	**-0.1**
EXCLUDED COMPONENTS FROM HOMOGENOUS CORE INFLATION										
Food less Tobacco										
Euro area	17.4	2.6	5.3	0.2	0.5	2.4	2.8	2.5	**0.0**	**1.2**
U.S.	13.9	4.0	5.5	1.8	0.8	3.7	2.6	1.4	**2.4**	**3.3**
Energy										
Euro area	10.8	2.6	10.3	-8.1	7.4	11.9	7.6	0.6	**-0.7**	**1.4**
U.S.	9.0	5.5	13.9	-18.4	9.5	15.4	0.9	-0.7	**3.2**	**-2.0**

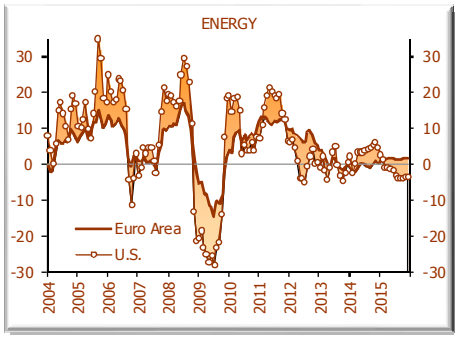












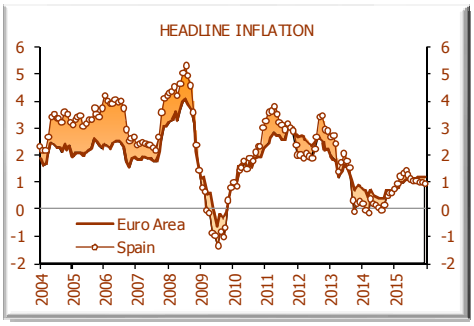
1. Excluding owner´s equivalent rent of primary residence. 2.This homogeneous measure of core inflation does not coincide with the usual measure of core inflation for the euro area nor for the USA. It has been constructed in order to compare the data inthe euro area and in the USA.

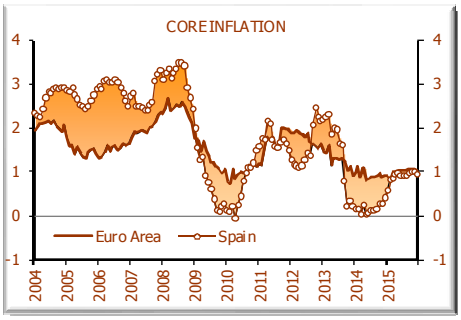
Source: EUROSTAT, BLS & BIAM (UC3M)

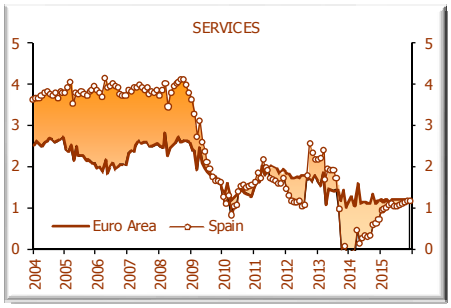
Date: June 26, 2014

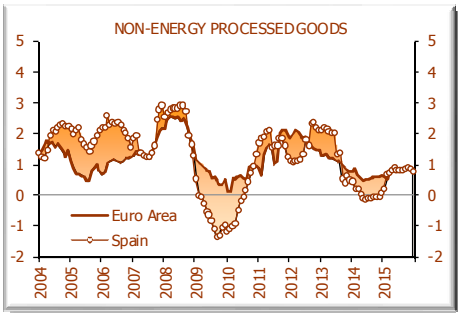
EURO AREA– SPAIN

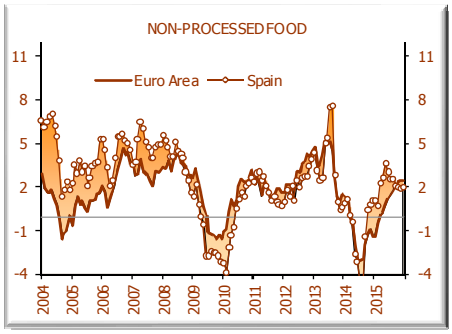
INFLATION IN SPAIN (CPI) AND IN THE EURO AREA (HICP) Annual average rates	Weights 2014	2007	2008	2009	2010	2011	2012	2013	Forecasts 2014	Forecasts 2015
TOTAL										
Spain	100.0	2.8	4.1	-0.3	1.8	3.2	2.4	1.4	**0.2**	**1.1**
Euro area	100.0	2.1	3.3	0.3	1.6	2.7	2.5	1.4	**0.6**	**1.1**
CORE INFLATION										
Processed food, Non-energy industrial goods an Services										
Spain	81.4	2.7	3.2	0.8	0.6	1.7	1.6	1.4	**0.2**	**0.9**
Euro area	81.7	2.0	2.4	1.3	1.0	1.7	1.8	1.3	**0.9**	**1.0**
COMPONENTS OF CORE INFLATION										
Processed food										
Spain	15.1	3.7	6.5	0.9	1.0	3.8	3.1	3.2	**0.7**	**1.6**
Euro area	12.3	2.8	6.1	1.1	0.9	3.3	3.1	2.2	**1.5**	**1.9**
Non-energy industrial goods										
Spain	26.3	0.7	0.3	-1.3	-0.5	0.6	0.8	0.6	**-0.3**	**0.3**
Euro area	26.7	1.0	0.8	0.6	0.5	0.8	1.2	0.6	**0.2**	**0.3**
Services										
Spain	39.8	3.9	3.9	2.4	1.3	1.8	1.5	1.4	**0.3**	**1.1**
Euro area	42.8	2.5	2.6	2.0	1.4	1.8	1.8	1.4	**1.2**	**1.2**
COMPONENTS OF RESIDUAL INFLATION										
Non-processed food										
Spain	6.7	4.7	4.0	-1.3	0.0	1.8	2.3	3.4	**-1.0**	**2.2**
Euro area	7.5	3.0	3.5	0.2	1.3	1.8	3.0	3.5	**-1.3**	**1.1**
Energy										
Spain	12.1	1.7	11.9	-9.0	12.5	15.7	8.9	0.0	**1.3**	**1.7**
Euro area	10.8	2.6	10.3	-8.1	7.4	11.9	7.6	0.6	**-0.7**	**1.4**

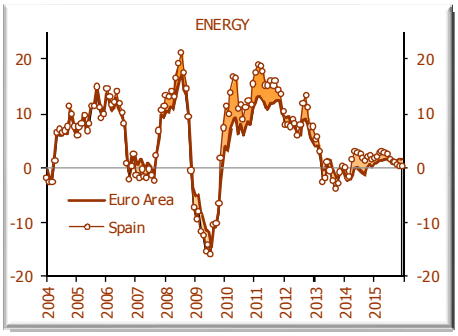












Source: EUROSTAT, INE & BIAM (UC3M)
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INDICATORS CALENDAR

JUNE

						1
2	3 Euro Area HICP (A.D. May)	4 Euro Area GDP (1ST Quarter)	5	6 Spain IPI (April)	7	8
9	10	11	12 Euro Area IPI (April)	13 Spain HICP (May)	14	15
16 Euro Area HICP (May)	17 USA CPI (May)	18	19	20	21	22
23	24	25	26 USA PCE (May)	27 Spain HICP Flash (A.D. June)	28	29
30 Euro Area HICP (A.D. June)						

JULY

	1	2	3	4	5	6
7 Spain IPI (May)	8	9	10	11 Spain HICP (June)	12	13
14 Euro Area IPI (April)	15	16	17 Euro Area HICP (June)	18	19	20
21	22 USA CPI (June)	23	24 Spain EAPS (2nd Quarter)	25	26	27
28	29	30 Spain HICP Flash (A.D. July)	31 Euro Area HICP (A.D. July)			

HICP: Harmonised Index of Consumer Price
QNA: Quarterly National Accounts
PCE: The Personal Consumption Expenditure Price Index
EAPS Economically Active Population Survey
IPI: Industrial Production Index
A.D.: Advanced Indicator

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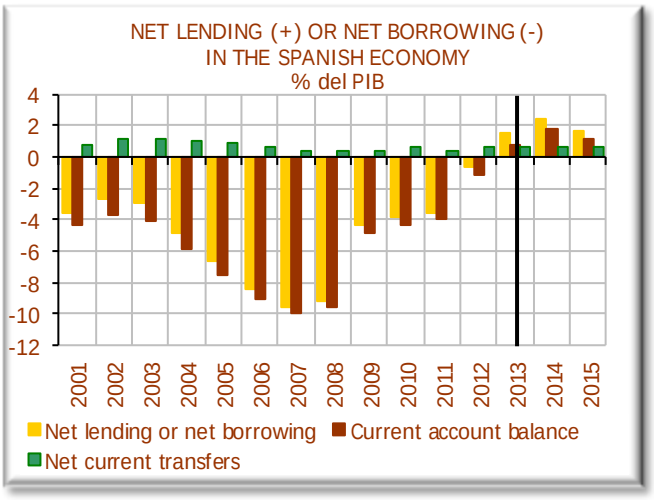
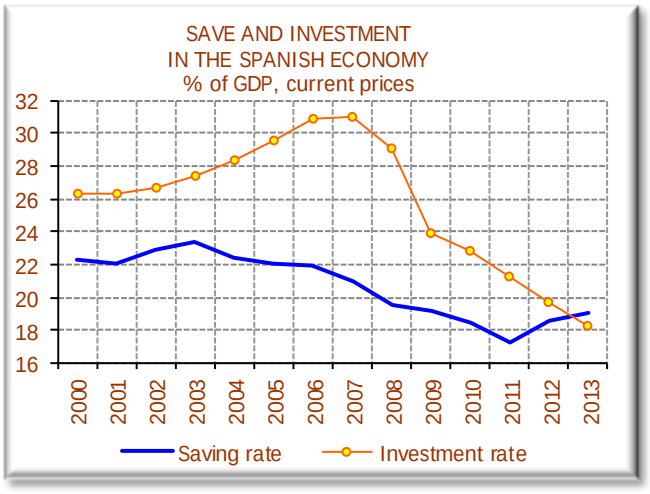
The overall improvement in financing capacity in Spain in the last few years is largely due to households and firms, which registered financing capacity in 2013.

The improvement in financing requirements found after the Spanish economic crisis was largely due to the heavy fall in investment.





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