



BULLETIN OF EU AND US INFLATION AND MACROECONOMIC ANALYSIS

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ANNIVERSARY

The average annual growth forecasts for the Spanish economy considering the new 2010 base, are 1.4% (± 0.1) for 2014, 1.9% (± 1.3) for 2015 and 2.0% (± 1.7) for 2016.

MAIN VARIABLES AND INDICATORS IN SPAIN							
Annual average rates							
				Forecasts			
				2014	2015	2016	
				2014	2015	2016	
				(±0.3)	(±1.4)	(±1.4)	
GDP mp. ¹		-0.6	-2.1	-1.2	1.3 (±0.3)	1.9 (±1.4)	2 (±1.4)
Demand	Final consumption private	-2.0	-2.9	-2.3	2.3	2.6	2.6
	Final consumption public	-0.3	-3.7	-2.9	0.2	-1.0	-0.9
	Gross fixed capital formation	-6.3	-8.1	-3.8	2.7	3.4	2.9
	Tangible fixed assets	-7.2	-9.2	-4.2	2.6	3.6	3.1
	Construction	-10.6	-9.3	-9.2	-2.7	2.2	1.7
	Capital goods and grown assets	0.8	-9.0	5.6	11.6	6.1	5.5
	Contribution domestic demand*	-2.5	-4.3	-2.7	2.0	2.0	2.0
	Exports of goods and services	7.4	1.2	4.3	4.6	5.4	4.3
	Imports of goods and services	-0.8	-6.3	-0.5	7.6	6.5	4.4
	Contribution foreign demand*	1.9	2.2	1.4	-0.7	-0.1	0.0

Source: INE & BIAM (UC3M)

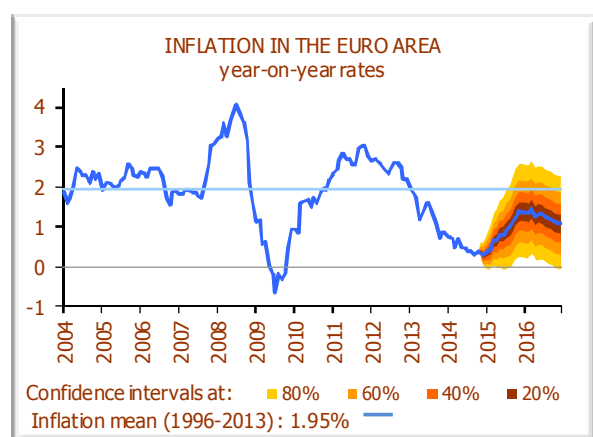
Date: November 27, 2014

Economic Outlook

P. 1

"The Spanish Quarterly Accounts for the third quarter of 2014 were published on 27 November 2014; they show some deceleration and growth largely based on internal factors. This is the first time that the accounts have been published with the 2010 Base, which involved an important revision in some of their components, especially final consumption of public administrations. According to the first estimate of quarterly growth in the euro area, which was 0.1%, Spain is growing faster than its economic area of reference. This Bulletin presents the most significant data relative to the unconventional steps taken by the European Central Bank in order to solve the problem of reduced growth and low inflation."

The average annual inflation forecasts for the euro area remain at 0.5% (± 0.03) for 2014 and 0.9% (± 0.76) for 2015. The forecast for 2017 is 1.2%.



Source: EUROSTAT & BIAM (UC3M)

Date: November 14, 2014

The cost of unemployment benefits in the last few years

P. 42

"After the onset of the crisis, the cost of the Spanish unemployment protection system started to grow considerably, as unemployment soared. Most of these costs refer to unemployment benefits, which totalled 31,687 million euros in 2012, and around 30,000 million in 2013, 3% and 2.9% of the GDP, respectively, when in 2007 the figure was practically half. In 2014 however, there could be a significant reduction relative to 2013."

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

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

I. ECONOMIC OUTLOOK

"The Spanish Quarterly Accounts for the third quarter of 2014 were published on 27 November 2014; they show some deceleration and growth largely based on internal factors. This is the first time that the accounts have been published with the 2010 Base, which involved an important revision in some of their components, especially final consumption of public administrations. According to the first estimate of quarterly growth in the euro area, which was 0.1%, Spain is growing faster than its economic area of reference. This Bulletin presents the most significant data relative to the unconventional steps taken by the European Central Bank order to solve the problem of reduced growth and low inflation."

The Spanish national accounts for the third quarter of this year showed what the leading indicators and the active population survey for the same period, then anticipated: growth with slight deceleration relative to the previous quarter.

The figure, a quarterly 0.5% and an annual 1.6%, is not comparable with our latest forecasts, which used the national accounts based on 2008.

This change of base in the National Accounts comes from the adoption of European Accounts System 2010, instead of the previous 1995. The new base has some improvements: inclusion of new statistical sources, methodological changes and the inclusion of activities belonging to the informal or non-regulated economy. The impact of the changes is different depending on the year, but an idea of its magnitude can be obtained by the fact that there could be < 3% increase in the level of the GDP series in 2010. Also, in the 2010 base, the GDP in 2010 registers

growth, while 2011 shows more than a 1% decline in the GDP. The fall in 2010 is also greater, having gone from 1.6% to 2.0% (see Graph I.1).

The demand aggregates with the most important revisions are final public consumption and gross fixed capital formation in capital goods.

The volatility of the former has been reduced and the observed part of 2014 has been revised downwards considerably (Graphs I.2 and I.3).

The revision in the latter (Graph I.4) was expected to be significant as most of the methodological changes involved items that are now classified as investment instead of expenditure.

As a result of the change, both the positive contribution of domestic demand and the negative contribution of foreign demand have grown, as can be seen on Graphs I.5 and I.6.

In view of the latest data, we have increased our forecast for average annual growth of the Spanish GDP, by 0.3 pp to 1.4% (± 0.1) for 2014, maintaining 1.9% (± 1.3) as the forecast for 2015.

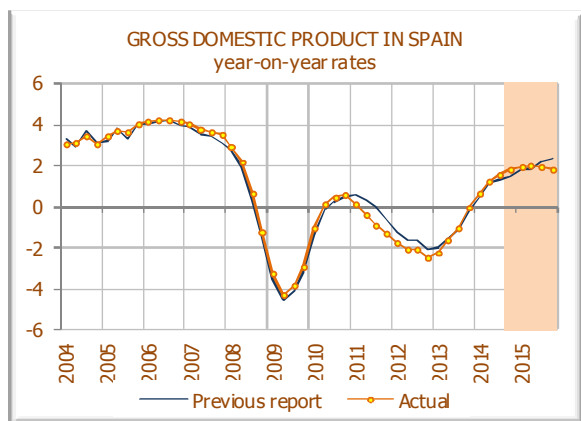
The fact that Spanish economic growth is based on internal factors more than was expected at the beginning of the year is associated to the low economic growth registered in the euro area.

The first estimation of quarterly growth was 0.2%, better than the 0.0% obtained in the third quarter. Even so, the provisional figure is less than our 0.3% forecast, which could lead to a decrease in the euro area growth forecasts, currently at 0.9% (± 0.8) for this year and 1.2% (± 1.2) for the next.

This relative onset of positive rates is due to the improvement in the area's four major economies. Germany registered 0.1% growth after falling by 0.1% in the previous quarter, France registered 0.3% after -0.1% in the previous quarter, Spain repeated 0.5%; Italy, although it continues to be negative, with 0.1%, has improved relative to the previous -0.2%.

The persistence of negative inflation rates, and low forecasts does not help to remove the impression that the euro area economy is uncomfortably near deflationist dynamics, which is why the ECB has established a series of unconventional monetary policy measures, in addition to the expansionary trend seen since before summer.

Graph I.1



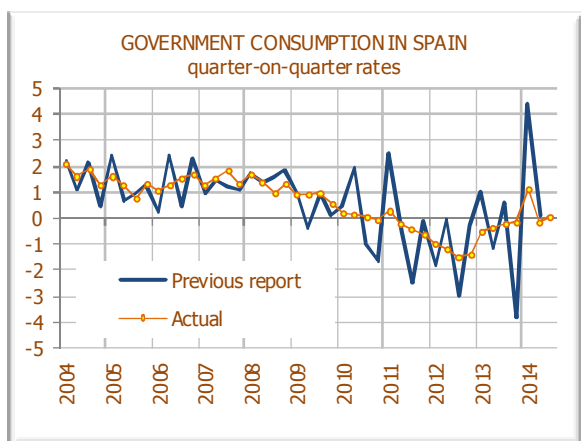
Source: INE & BIAM (UC3M)

Date this report: November 27, 2014

Date previous report: August 28, 2014



Graph I.2

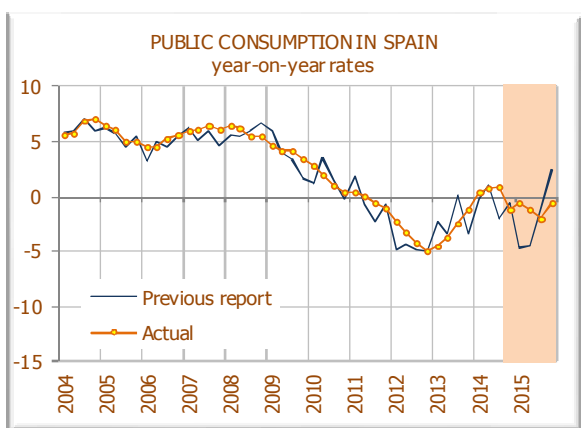


Source: INE & BIAM (UC3M)

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Graph I.3

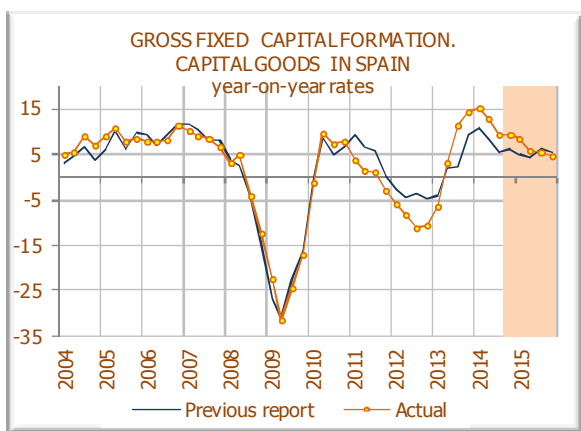


Source: INE & BIAM (UC3M)

Date this report: November 27, 2014

Date previous report: August 28, 2014

Graph I.4



Source: INE & BIAM (UC3M)

Date this report: November 27, 2014

Date previous report: August 28, 2014

In November, purchases of CBPP3 bonds totalled 7,900 million euros, taking the total to 12,700 million. This can be seen at the end of Graph I.5, which shows the balance of this type of position sustained by the ECB. The same can be seen on Graph I.6 regarding TLTROs.

ABSP purchasing operations had not started as this Bulletin was closed.

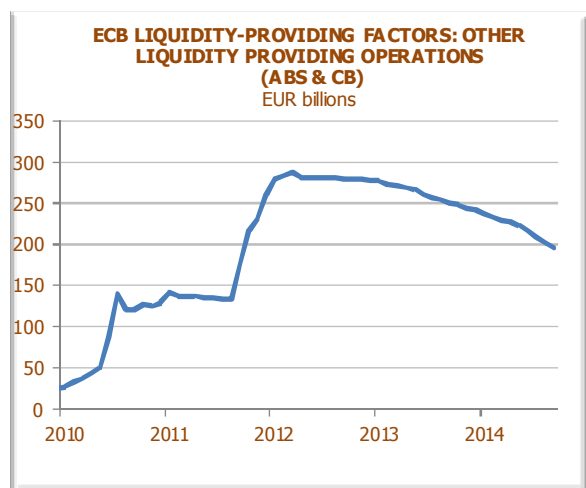
In view of the relatively slow dynamic seen in the rise of the ECB balance, a degree of uncertainty has arisen regarding the global volume to be reached by this unconventional policy. The words spoken by President Draghi at the beginning of November, saying that these programmes will end when the position of the ECB is similar to that of 2012, close to 3 billion euros, has partially put an end to specific criticism of the institution, both not that directed at the European authorities in general.

In all, it continues to seem convenient to demand decisive action on the fiscal side from the Community executive, to help to strengthen the monetary-side actions. In this respect, one of the first movements of the new European Commission, chaired by M. Junkers, was to announce a new public-private collaboration programme that aims to move 315,000 million euros in investment, using 20,000 of public resources.

The indebtedness of all the euro area countries, much higher than their past average levels, and especially in the peripheral countries, some of which present public debt/GDP ratios of more than 100%, continues to darken the perspectives of euro area recovery. In view of the low growth rate and low inflation, there is occasionally debate regarding the convenience of debt restructuring. The Bulletin will provide figures for this controversy in future issues.



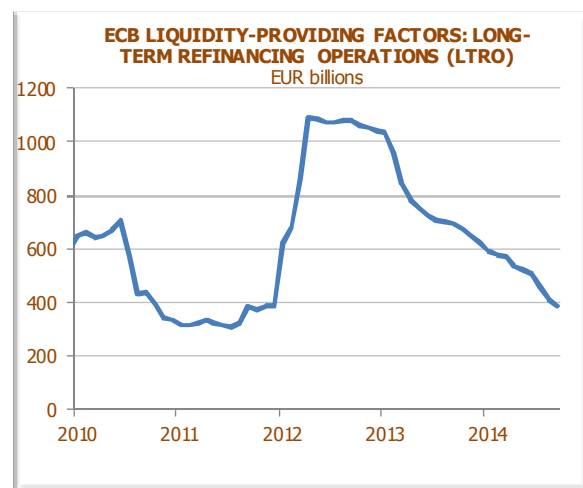
Graph I.5



Source: ECB

Date: November 27, 2014

Graph I.6



Source: ECB

Date: November 27, 2014

II. THE ECONOMY IN THE EURO AREA

The available data for the third quarter in the euro area economy show low growth, in line with our forecast of 0.9% (± 0.8) for this year and 1.2% (± 1.2) for the next.

Capital goods improve the euro area IPI forecast, with expected average growth of 0.6% (± 0.8) in 2014 and 0.9% (± 2.1) in 2015.

Core inflation grows less than expected, counteracting the opposite evolution of non-core inflation. The average annual inflation forecasts remain at 0.5% (± 0.03) for 2014 and 0.9% (± 0.76) for 2015. In 2017, it will be 1.2%.

Table II.1

MAIN VARIABLES AND INDICATORS IN THE EURO AREA						
Annual average rates						
			Forecasts			
			2011	2012	2013	2014 2015 2016
						(± 0.8) (± 1.2) (± 1.6)
GDP mp.¹			1.6	-0.6	-0.4	0.9 1.2 1.5
Demand	Private consumption		0.3	-1.4	-0.6	0.7 0.9 1.0
	Public consumption		-0.1	-0.5	0.1	1.0 1.1 1.0
	Gross fixed capital formation		1.6	-3.8	-2.8	1.2 3.1 5.1
	Construction		-0.4	-4.0	-3.8	-0.5 2.0 4.2
	Equipment		3.6	-7.6	-0.9	3.7 5.0 6.4
	Others		2.6	0.1	0.3	1.2 0.9 1.0
	Contribution domestic demand*		0.8	-2.1	-0.8	0.9 1.3 1.7
	Exports of goods and services		6.6	2.7	1.5	2.6 2.9 2.9
	Imports of goods and services		4.6	-0.8	0.4	3.0 3.4 3.6
	Contribution foreign demand*		0.8	1.4	0.5	-0.1 -0.1 -0.2
Supply GVA	Agriculture, livestock breeding, forestry,...		0.2	-4.9	-0.3	1.8 -0.3 0.4
	Industry		3.1	-1.0	-0.5	0.0 1.2 1.3
	Manufacturing Industry		4.8	-1.4	-0.6	1.9 2.1 1.8
	Construction		-1.5	-4.1	-3.9	-0.8 1.4 2.9
	Services		1.7	0.1	0.1	1.0 1.4 1.6
	Market services		2.0	0.0	0.1	1.1 1.6 1.9
	Public administration, health and educ.		1.0	0.2	0.1	0.8 1.0 1.0
	Taxes		0.1	-1.9	-1.4	1.8 0.4 0.2
Prices (HICP²)						
Total			2.7	2.5	1.4	0.5 0.7 1.1
						(± 1) (± 1) (± 1)
Core			1.7	1.8	1.3	1.0 0.9 1.0
Processed food			3.3	3.1	2.2	1.4 1.3 2.0
Non-energy industrial goods			0.8	1.2	0.6	0.2 0.2 0.2
Services			1.8	1.8	1.4	1.3 1.1 1.2
Residual			7.6	5.8	1.8	-1.2 0.2 1.7
Non-processed food			1.8	3.0	3.5	-0.8 1.1 1.7
Energy			11.9	7.6	0.6	-1.6 -0.5 1.7
Industrial production index (excluding construc			0.0	0.0	0.0	0.0 0.0 0.0
Total			3.4	-2.5	-0.6	0.7 0.9 1.1
						(± 0.8) (± 2.1) (± 2.7)
Consumer goods			1.0	-2.4	-0.4	1.9 0.8 1.4
Durables			0.6	-4.9	-3.7	-1.8 -4.7 -2.6
Non-durables			0.9	-2.2	-0.1	2.9 1.6 2.0
Equipment			8.4	-1.1	-0.5	1.8 1.6 2.2
Intermediate			4.2	-4.5	-1.0	1.2 -0.2 0.5
Energy			-4.3	-0.4	-0.8	-4.9 0.3 -0.8

The figures in the shaded area are forecasts

(1) Data adjusted for seasonality and working days effect

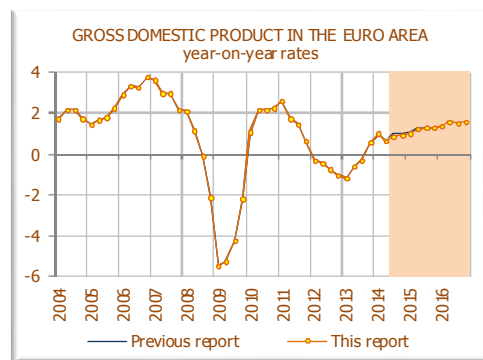
(1) In brackets are 80% confidence intervals

Source: EUROSTAT & BIAM (UC3M)

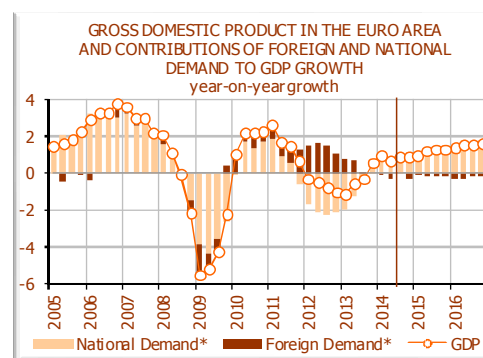
Date: (1) September 5, 2014 (2) November 14, 2014

(3) November 12, 2014

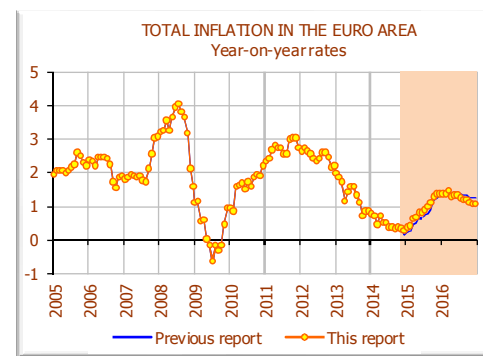
Graph II.1



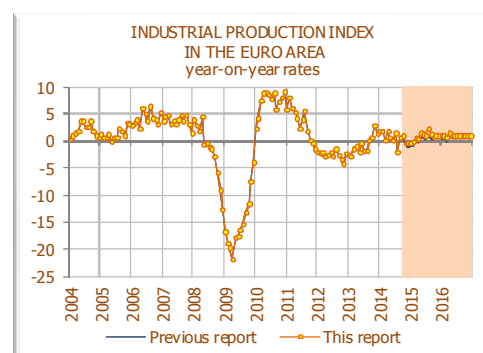
Graph II.2



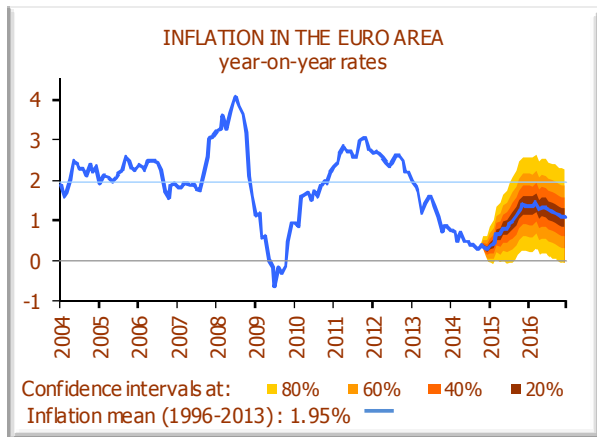
Graph II.3



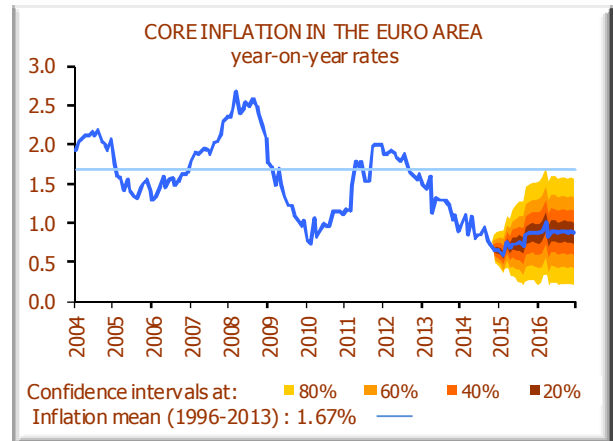
Graph II.4



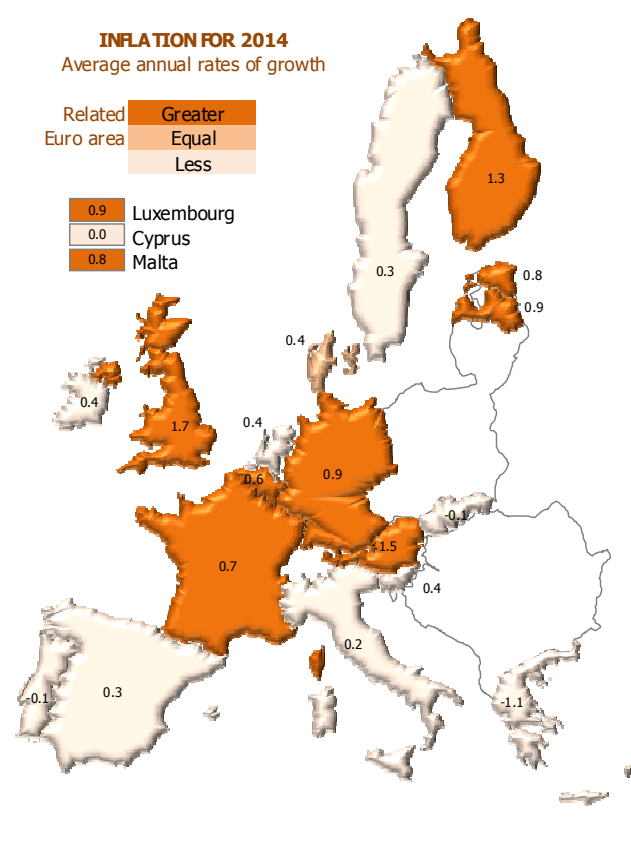
Graph II.5



Graph II.6



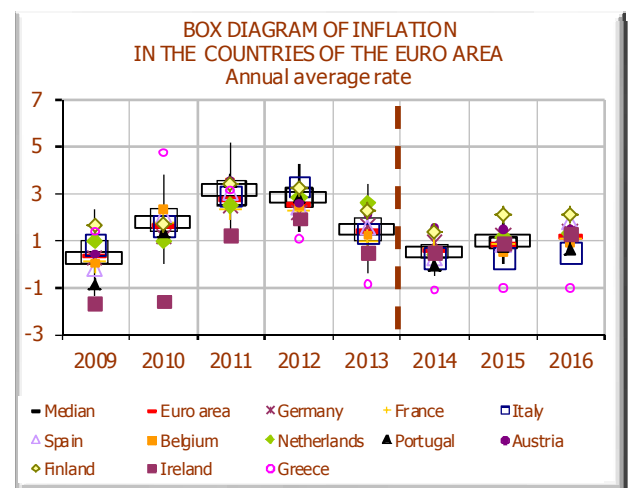
Graph II.7



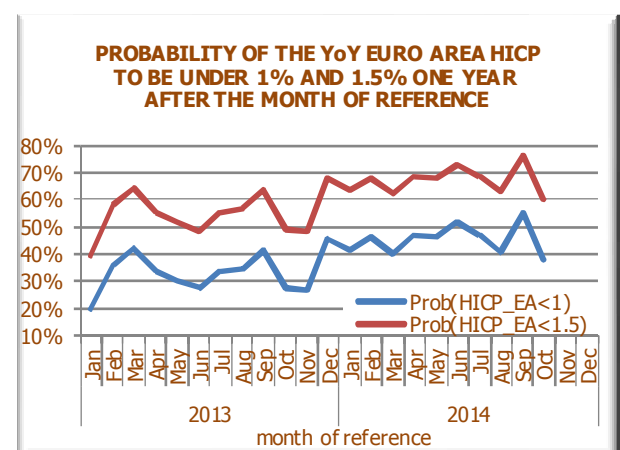
Source: EUROSTAT & BIAM (UC3M)

Date: November 14, 2014

Graph II.8



Graph II.9



II.1. MACROECONOMIC FORECASTS

In the last few months we have been referring to the deceleration of the euro area economy and a halt in the recovery process. Unlike in the previous quarters, this weakness was found with more intensity in the central countries; some of them presented recession in the second quarter of this year, although this situation is currently only found in Italy.

The preliminary estimate of euro area GDP growth in the third quarter of 2014 was a quarter-on-quarter rate of 0.2%, following 0.1% in the second and 0.3% in the first; these rates have been revised upwards by 0.1 pp. Relative to the same quarter a year earlier, growth remains at 0.8%. The main positive surprise was found in France, with 0.3% quarterly growth. Germany grew by 0.1% and Spain by 0.5%. However, Italy continued in recession as its GDP fell by 0.1%. These estimations show that the euro area economy is growing very slowly, reducing the risk of a third recession for the time being.

In September, the euro area's Industrial Production Index grew by a month-on-month rate of 0.6%, after falling by 1.4% in the previous month, largely due to capital goods (2.9%). Relative to a year earlier, the IPI grew by 1.1% in September, much better than forecast (0.6%). However, considering the entire third quarter, its average growth rate was 0.2%, showing significant deceleration relative to the second.

With the new industrial production information, the IPI forecast has been revised for this and the next two years. For this year we expect an average annual IPI growth rate of 0.7%, 0.2 pp more than the previous forecast, and for 2015 the forecast is 0.9%, 0.8 pp more. For 2016, the forecast average annual rate is 1.1%.

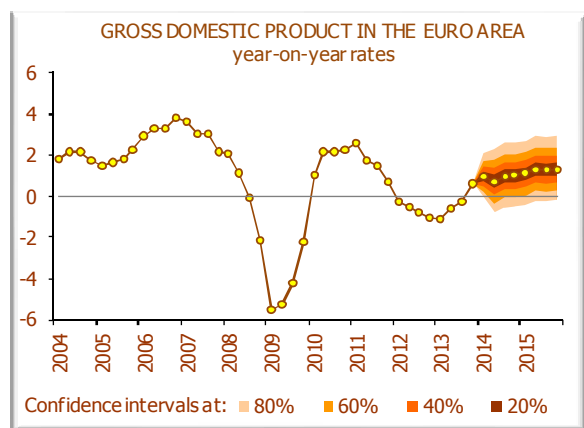
According to the European Commission, the preliminary confidence indices of the euro area economy show a reduction in November, continuing to show signs of weakness. The preliminary PMI of manufactured goods fell by 0.2 pp to 50.4 points and for services the PMI fell by one point to 51.3, the lowest level in eleven months. As a result the compound PMI was 51.4 points, 0.7 pp less than in the previous month.

The preliminary estimate of the euro area confidence index in November shows a reduction of half a point, to a total of -11.6. Other confidence indicators such as the ZEW index have evolved in the same direction.

The euro area labour market continues to show no dynamism, the same as economic activity. The employment figures for the second quarter showed quarter-on-quarter growth of 0.2%, better than the zero growth registered in the first. The activity growth perspectives for the second half of this year, and the different opinion polls, show no signs of improvement in employment. The latest unemployment rate published referred to September, and was 11.5%, as mentioned in our last Bulletin.



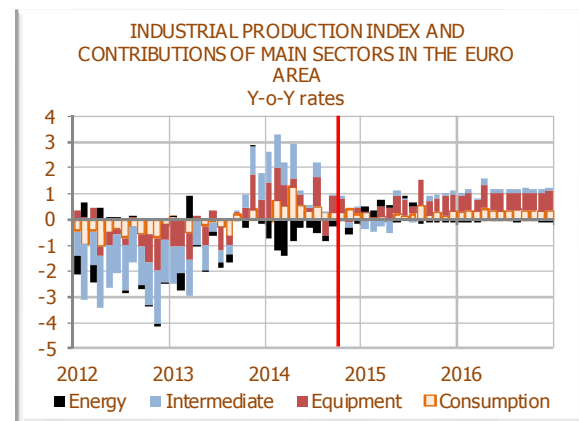
Graph II.1.1



Source: EUROSTAT & BIAM (UC3M)

Date: September 5, 2014

Graph II.1.2



Source: EUROSTAT & BIAM (UC3M)

Date: November 12, 2014

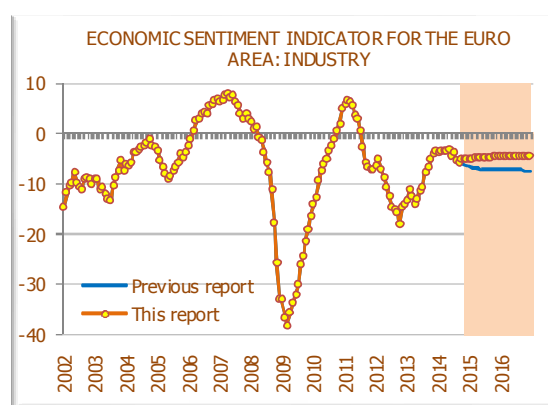
Table II.1.1

INDUSTRIAL PRODUCTION INDEX IN THE EURO AREA Annual average rates				
	2014	2015	2016	2017
Consumption	1.9	0.8	1.4	1.4
Durable	-1.8	-4.7	-2.6	-2.2
Non-durable	2.9	1.6	2.0	1.9
Capital	1.8	1.6	2.2	2.3
Intermediate	1.2	-0.2	0.5	0.5
Energy	-4.9	0.3	-0.8	-0.8
TOTAL	0.7 (±0.8)	0.9 (±2.1)	1.1 (±2.7)	1.1 (±2.7)
GVA Industry	1.3	1.0	-	-

Source: EUROSTAT & BIAM (UC3M)

Date: November 12, 2014

Graph II.1.3

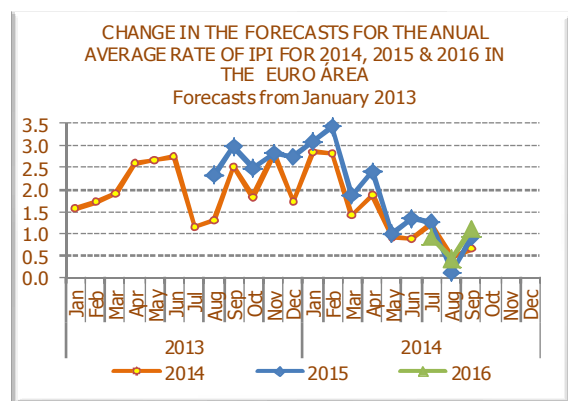


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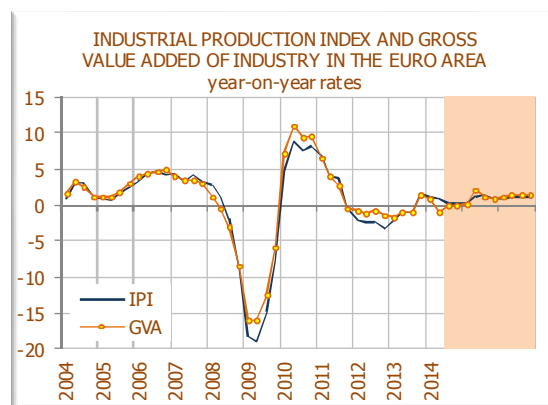
Graph II.1.4



Source: EUROSTAT & BIAM (UC3M)

Date: November 12, 2014

Graph II.1.5



Source: EUROSTAT & BIAM (UC3M)

Date: November 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	
				Construc- tion	Equipment	Other							
		Private	Public										
ANNUAL AVERAGE RATES	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	0.3	-2.8	-0.8	1.5	0.4	0.5	-0.4	
	2014	0.7	1.0	-0.5	3.7	1.2	1.2	0.9	2.6	3.0	-0.1	0.9 (±0.8)	
	2015	0.9	1.1	2.0	5.0	0.9	3.1	1.3	2.9	3.4	-0.1	1.2 (±1.2)	
	2016	1.0	1.0	4.2	6.4	1.0	5.1	1.7	2.9	3.6	-0.2	1.5 (±1.6)	
Y-o-Y rates	2013	I	-1.4	-0.2	-5.7	-6.5	-0.6	-5.3	-1.9	0.2	-1.7	0.8	-1.1
		II	-0.7	0.0	-4.5	-2.2	0.3	-3.4	-1.2	1.6	0.0	0.7	-0.6
		III	-0.5	0.5	-3.2	-0.6	0.1	-2.4	-0.4	1.0	0.8	0.1	-0.3
		IV	0.2	0.1	-1.5	6.0	1.5	-0.1	0.3	3.0	2.6	0.2	0.6
	2014	I	0.6	0.6	1.0	3.4	1.7	1.9	1.0	3.9	4.1	0.0	1.0
		II	0.7	0.7	-0.8	4.4	1.0	0.9	0.9	2.1	2.8	-0.2	0.7
		III	0.8	0.9	-1.3	5.7	1.1	1.0	0.8	2.5	2.5	0.1	0.9
		IV	0.8	1.7	-0.8	1.5	1.0	1.0	1.2	2.0	2.6	-0.2	0.9
	2015	I	0.8	1.2	-0.3	5.1	0.3	1.6	1.0	2.6	2.8	0.0	1.0
		II	0.7	1.2	2.0	5.1	1.1	3.2	1.4	2.9	3.4	-0.2	1.2
		III	1.0	1.1	3.2	4.9	1.1	3.9	1.5	3.1	3.6	-0.2	1.3
		IV	1.0	0.9	3.4	4.7	0.9	3.9	1.5	3.0	3.6	-0.2	1.3
	2016	I	1.0	0.9	3.5	5.5	0.8	4.3	1.6	3.0	3.6	-0.2	1.4
		II	1.2	1.1	4.5	6.1	1.2	5.1	1.8	2.9	3.7	-0.3	1.6
		III	0.9	0.9	4.3	6.6	1.0	5.2	1.7	2.9	3.5	-0.2	1.5
		IV	0.9	1.0	4.6	7.3	1.0	5.6	1.8	2.9	3.5	-0.2	1.6

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	
				Construc- tion	Equipment	Other							
Private	Public												
ANNUAL AVERAGE RATES	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	0.3	-2.8	-0.8	1.5	0.4	0.5	-0.4	
	2014	0.7	1.0	-0.5	3.7	1.2	1.2	0.9	2.6	3.0	-0.1	0.9 (±0.8)	
	2015	0.9	1.1	2.0	5.0	0.9	3.1	1.3	2.9	3.4	-0.1	1.2 (±1.2)	
	2016	1.0	1.0	4.2	6.4	1.0	5.1	1.7	2.9	3.6	-0.2	1.5 (±1.6)	
Q-on-Q rates	2013	I	-0.2	0.2	-2.1	0.0	0.9	-1.6	-0.2	-0.7	-0.8	0.0	-0.2
		II	0.2	0.0	-0.3	0.7	-0.4	0.1	0.1	2.2	1.5	0.3	0.4
		III	0.1	0.3	0.7	-0.1	0.5	0.6	0.5	0.2	1.1	-0.4	0.1
		IV	0.1	-0.4	0.1	5.3	0.5	0.9	0.0	1.3	0.7	0.3	0.3
	2014	I	0.2	0.7	0.4	-2.4	1.1	0.3	0.5	0.2	0.7	-0.2	0.2
		II	0.3	0.1	-2.0	1.7	-1.1	-0.8	-0.1	0.5	0.2	0.1	0.0
		III	0.2	0.4	0.2	1.2	0.6	0.6	0.4	0.6	0.8	-0.1	0.3
		IV	0.2	0.4	0.7	1.2	0.4	0.9	0.3	0.8	0.9	0.0	0.3
	2015	I	0.2	0.2	0.9	1.0	0.3	1.0	0.3	0.7	0.8	0.0	0.3
		II	0.2	0.1	0.2	1.7	-0.2	0.7	0.3	0.7	0.9	0.0	0.2
		III	0.4	0.3	1.4	1.1	0.5	1.2	0.5	0.7	1.0	-0.1	0.4
		IV	0.2	0.2	0.9	1.0	0.3	0.9	0.3	0.7	0.9	0.0	0.3
	2016	I	0.2	0.2	1.1	1.7	0.3	1.3	0.4	0.7	0.8	0.0	0.4
		II	0.3	0.3	1.1	2.3	0.1	1.5	0.5	0.7	0.9	-0.1	0.4
		III	0.2	0.2	1.2	1.6	0.3	1.4	0.4	0.7	0.8	0.0	0.4
		IV	0.2	0.2	1.2	1.6	0.2	1.4	0.4	0.7	0.8	0.0	0.4

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: September 5, 2014



GROSS DOMESTIC PRODUCT IN THE EURO AREA: SUPPLY

Table II.1.4

GROSS DOMESTIC PRODUCT IN THE EURO AREA											
		Agriculture, livestock breeding, forestry ...	Industry		Construction	Services			Taxes	Real GDP	
			Manufacturing industry			Market services	Public administration, ...				
ANNUAL AVERAGE RATES	2011	0.2	4.8	3.1	-1.5	2.0	1.0	1.7	0.1	1.6	
	2012	-4.9	-1.4	-1.0	-4.1	0.0	0.2	0.1	-1.9	-0.6	
	2013	-0.3	-0.6	-0.5	-3.9	0.1	0.1	0.1	-1.4	-0.4	
	2014	1.8	1.9	0.0	-0.8	1.1	0.8	1.0	1.8	0.9 (±0.8)	
	2015	-0.3	2.1	1.2	1.4	1.6	1.0	1.4	0.4	1.2 (±1.2)	
	2016	0.4	1.8	1.3	2.9	1.9	1.0	1.6	0.2	1.5 (±1.6)	
Y-o-Y rates	2013	I	-2.1	-0.9	-0.8	-3.8	0.5	0.5	0.5	-1.5	-1.1
		II	-4.6	-1.4	-1.1	-3.7	0.2	0.3	0.2	-2.1	-0.6
		III	-6.2	-1.2	-0.8	-3.8	-0.2	0.0	-0.2	-1.9	-0.3
		IV	-6.6	-1.9	-1.4	-5.2	-0.4	0.2	-0.3	-2.1	0.6
	2014	I	-2.7	-2.2	-1.6	-5.3	-0.6	0.1	-0.5	-2.8	1.0
		II	-0.9	-0.8	-0.9	-4.9	-0.1	0.0	-0.1	-1.2	0.7
		III	0.5	-1.1	-1.0	-3.6	0.3	0.1	0.2	-0.9	0.9
		IV	1.9	1.9	1.5	-1.9	0.7	0.4	0.6	-0.5	0.9
	2015	I	-1.3	1.9	0.3	-0.2	1.3	0.9	1.2	0.5	1.0
		II	-0.2	2.9	2.1	1.3	1.7	1.2	1.5	0.5	1.2
		III	0.0	2.0	1.3	2.1	1.6	0.9	1.4	0.2	1.3
		IV	0.2	1.7	1.0	2.3	1.7	0.9	1.5	0.2	1.3
	2016	I	0.2	1.7	1.3	2.1	1.8	0.9	1.5	0.2	1.4
		II	0.4	1.8	1.4	3.1	1.9	1.0	1.7	0.3	1.6
		III	0.4	1.7	1.3	2.9	1.9	1.0	1.7	0.2	1.5
		IV	0.4	1.8	1.4	3.2	2.0	1.0	1.7	0.3	1.6

Table II.1.5

GROSS DOMESTIC PRODUCT IN THE EURO AREA											
		Agriculture, livestock breeding, forestry...	Industry		Construction	Services			Taxes	Real GDP	
			Manufacturing industry			Market services	Public administration, ...				
ANNUAL AVERAGE RATES	2011	0.2	4.8	3.1	-1.5	2.0	1.0	1.7	0.1	1.6	
	2012	-4.9	-1.4	-1.0	-4.1	0.0	0.2	0.1	-1.9	-0.6	
	2013	-0.3	-0.6	-0.5	-3.9	0.1	0.1	0.1	-1.4	-0.4	
	2014	1.8	1.9	0.0	-0.8	1.1	0.8	1.0	1.8	0.9 (±0.8)	
	2015	-0.3	2.1	1.2	1.4	1.6	1.0	1.4	0.4	1.2 (±1.2)	
	2016	0.4	1.8	1.3	2.9	1.9	1.0	1.6	0.2	1.5 (±1.6)	
Q-on-Q rates	2013	I	0.4	0.0	0.3	-1.3	-0.2	-0.4	-0.2	-0.5	-0.2
		II	0.2	0.9	0.5	-0.8	0.4	0.1	0.3	0.5	0.4
		III	0.1	0.0	0.1	0.1	0.3	0.1	0.2	-0.2	0.1
		IV	1.2	1.0	0.6	0.1	0.2	0.5	0.3	-0.3	0.3
	2014	I	1.8	0.4	-0.3	0.4	0.3	0.1	0.2	1.8	0.2
		II	-1.2	-0.4	-1.3	-1.8	0.0	-0.1	0.0	0.0	0.0
		III	-0.1	1.3	1.1	0.3	0.5	0.5	0.5	0.4	0.3
		IV	-0.1	0.6	0.5	0.4	0.4	0.2	0.3	0.1	0.3
	2015	I	0.0	0.3	0.0	0.9	0.4	0.2	0.4	0.1	0.3
		II	0.0	0.6	0.5	-0.3	0.4	0.2	0.3	0.0	0.2
		III	0.1	0.4	0.3	1.0	0.5	0.3	0.4	0.1	0.4
		IV	0.0	0.3	0.2	0.5	0.4	0.2	0.4	0.0	0.3
	2016	I	0.1	0.3	0.3	0.7	0.5	0.2	0.4	0.1	0.4
		II	0.1	0.7	0.6	0.8	0.5	0.3	0.5	0.1	0.4
		III	0.1	0.3	0.3	0.9	0.5	0.3	0.4	0.1	0.4
		IV	0.1	0.4	0.3	0.8	0.5	0.2	0.4	0.1	0.4

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: September 5, 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	Capital Goods	Intermediate Goods	Energy									
ANNUAL AVERAGE RATES	2011	0.6	0.9	1.0	8.4	4.2	-4.3	4.4		3.4						
	2012	-4.9	-2.2	-2.4	-1.1	-4.5	-0.4	-2.8		-2.5						
	2013	-3.7	-0.1	-0.4	-0.5	-1.0	-0.8	-0.6		-0.6						
	2014	-1.8	2.9	1.9	1.8	1.2	-4.9	1.3		0.7 (±0.8)						
	2015	-4.7	1.6	0.8	1.6	-0.2	0.3	1.0		0.9 (±2.1)						
	2016	-2.6	2.0	1.4	2.2	0.5	-0.8	1.3		1.1 (±2.7)						
	2017	-2.2	1.9	1.4	2.3	0.5	-0.8	1.3		1.1 (±2.7)						
Y-o-Y rates	2013	I	-4.4	-0.5	-0.7	-3.6	-3.6	0.9	-2.7		-2.2					
		II	-4.1	0.0	-0.6	-0.2	-2.1	-1.0	-1.0		-1.0					
		III	-3.7	-0.5	-0.9	-1.3	-0.7	-2.1	-0.8		-1.0					
		IV	-2.5	0.8	0.6	2.8	2.5	-1.4	2.1		1.7					
	2014	I	-0.6	2.8	1.8	4.0	3.1	-9.1	2.7		1.3					
		II	-1.0	4.2	3.0	1.0	1.4	-5.1	1.6		0.9					
		III	-2.4	2.4	1.4	1.5	0.5	-3.3	0.7		0.3					
		IV	-3.1	2.2	1.3	0.7	-0.1	-1.6	0.4		0.2					
	2015	I	-5.2	1.6	0.5	0.6	-1.0	2.2	-0.1		0.2					
		II	-4.6	1.2	0.4	1.9	-0.1	0.2	1.2		1.1					
		III	-4.8	1.7	1.2	1.9	0.1	-0.5	1.7		1.5					
		IV	-4.4	1.8	1.0	2.1	0.4	-1.0	1.2		0.9					
	2016	I	-2.9	2.0	1.4	1.9	0.3	-0.8	1.1		0.9					
		II	-2.8	2.1	1.5	2.4	0.6	-0.8	1.4		1.2					
		III	-2.4	2.0	1.4	2.2	0.5	-0.8	1.3		1.1					
		IV	-2.2	1.9	1.4	2.2	0.5	-0.8	1.4		1.1					

* In brackets are 80% confidence intervals

Source: EUROSTAT & BIAM (UC3M)

Date: November 12, 2014



INDUSTRIAL PRODUCTION INDEX IN THE EURO AREA

Table II.1.7

INDUSTRIAL PRODUCTION INDEX IN THE EURO AREA							
Y-o-Y rates							
	2010	2011	2012	2013	2014	2015	2016
January	2.3	6.0	-1.9	-2.4	1.8	-0.2	0.9
February	4.4	8.0	-2.2	-2.8	1.8	-0.2	1.1
March	7.5	6.3	-2.0	-1.5	0.3	0.8	0.7
April	9.0	5.5	-2.7	-0.8	1.9	0.5	1.5
May	8.8	4.3	-2.5	-2.0	0.8	1.5	1.1
June	8.5	2.3	-1.9	-0.3	0.2	1.4	1.1
July	7.9	4.1	-2.8	-1.8	1.6	1.0	1.1
August	8.9	5.5	-1.4	-1.6	-1.9	2.4	1.1
September	6.0	1.8	-2.6	0.3	0.7	1.2	1.2
October	7.3	0.3	-3.3	0.6	1.2	0.9	1.1
November	8.2	-0.3	-4.1	2.9	-0.3	1.0	1.1
December	9.1	-1.4	-2.4	1.5	-0.5	1.0	1.1

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: November 12, 2014

Table II.1.8

IPI ERRORS IN THE EURO AREA					
year-on-year rates, September 2014					
	Weights (Base 2010) (1)	Observed (2)	Forecast (3)	Δ Revision EUROSTAT (4) ago-14	Error (5)
Durable goods	3	-3.3	4.5	1.2	-7.8
Non-durables goods	20	2.0	1.5	1.4	0.4
TOTAL CONSUMPTION	24	1.0	1.7	0.0	-0.7
Equipment	28	2.0	-0.2	1.5	2.2
Intermediate	36	0.0	0.5	1.2	-0.5
Energy	12	-2.5	-3.9	1.2	1.4
TOTAL	100	0.7	0.6	0.0	0.1

(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: November 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:			
	ago-14	sep-14	Change	
Durable consumption	-0.4	-1.8	-1.4	↓
Non-durable consumption	2.6	2.9	0.3	↑
Total consumption	1.9	1.9	0.0	↓
Equipment	1.0	1.8	0.8	↑
Intermediate	1.2	1.2	0.0	↓
Energy	-5.3	-4.9	0.4	↑
TOTAL	0.5	0.7	0.2	↑

Source: EUROSTAT & BIAM (UC3M)

Date: November 12, 2014



II.2. INFLATION

The euro area HICP increased by a year-on-year rate of 0.4% in October, coinciding with our estimation (Table II.2.2). The monthly variation was -0.1% (Table II.2.5).

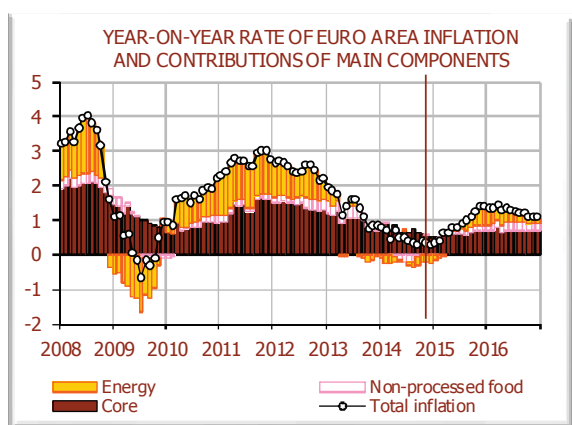
There were downwards innovations in Services and Manufactured goods, the latter due to the price decreases found in Apparel and Footwear in Germany. In Non-processed food and Energy there were upwards innovations, the latter explained by electricity and gas prices in France.

The month's core inflation was 0.7%, due to the described surprises in manufactured goods and service, representing a downwards innovation of 0.2 pp.

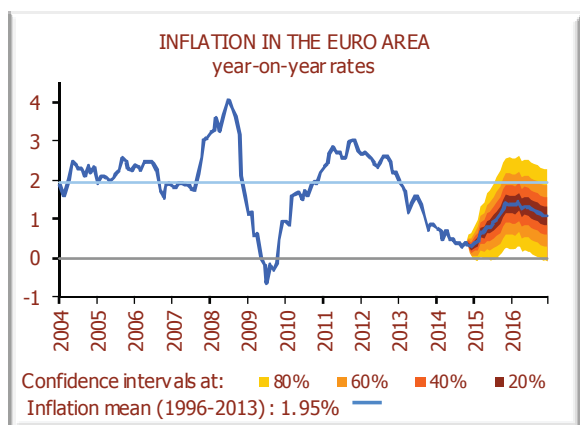
In line with these innovations, there have been changes in the forecasts for some groups:

- The forecast for processed food falls by 0.2 pp for 2015, to 0.5%. For 2016 it is 1.3%.
- The forecast for manufactured goods has been revised downwards by 0.3 pp for 2015, to 0.0%. In 2016, the forecast is -0.1%.

Graph II.2.1



Graph II.2.2



Source: EUROSTAT & BIAM(UC3M)

Date: November 14, 2014

- Services also has its forecasts revised downwards, but 0.1 pp for 2015, to 1.1%, and the same figure is forecast for 2016.

As a result, our core inflation forecast for the medium term has also been revised. The forecast average rate of 0.9% (± 0.23) for 2014 remains unaltered, but the forecast for next year has fallen by 0.1 pp to 0.8% (± 0.50). For 2016 and 2017, it will remain stable at 0.9% (± 0.70) in both years (Table II.2.1).

Due to the different surprised in the core and residual components, the forecast average annual growth for aggregate inflation remains unaltered, as shown in Table 1. For 2014, the figure remains at 0.5% (± 0.03), and in 2015 it will be 0.9% (± 0.76). Next month, annual inflation will remain at 0.4% (± 0.98).

Today's figures have an impact on global and core inflation perspectives in twelve months' time. Core inflation forecasts have fallen by 0.1 pp to 0.9%. However, the general inflation forecast has risen by 0.1 pp to 1.3%.

According to the current forecasts, the probability of average annual inflation being less than 1.0% in 2015 is 56.6%. This means that the probability of it being around 1.5%, close to the ECB's target, is only 15.7%.

Graph II.2.3

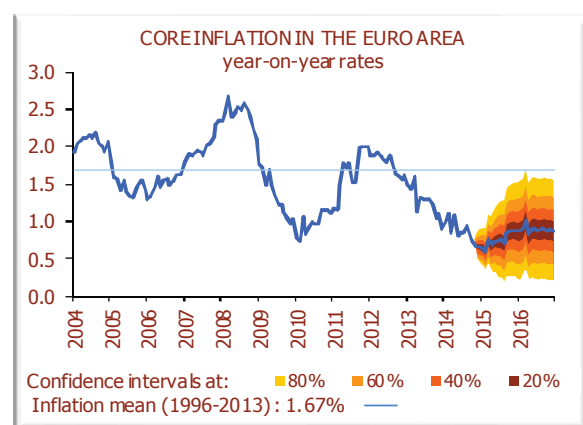


Table II.2.1

INFLATION IN THE EURO AREA*						
HICP	Annual rates		Annual average rates			
	2014		2014	2015	2016	2017
	October	November				
Core 81.71%	0.8	0.7 (± 0)	0.9 (± 0.23)	0.8 (± 0.5)	0.9 (± 0.7)	0.9 (± 0.7)
Total 100%	0.3	0.4 (± 0)	0.5 (± 0.03)	0.9 (± 0.76)	1 (± 0.97)	1.2 (± 0.97)

*Intervals at 80% of confidence calculated with historical errors.

Source: EUROSTAT & BIAM (UC3M)

Date: November 14, 2014



FORECASTS ERRORS BY SECTORS IN THE EURO AREA

Table II.2.2

INFLATION IN THE EURO AREA Annual rates, October, 2014				
Harmonized Index of Consumer Prices HICP	Weights 2014	Observed	Forecasts	Confidence Intervals*
Processed Food	122.72	0.82	0.95	± 0.38
Tobacco	23.94	2.49	2.89	
Processed food excluding tobacco	98.78	0.42	0.48	
Non-energy Industrial goods	266.60	-0.07	0.12	± 0.21
Services	427.76	1.23	1.38	± 0.14
CORE	817.08	0.73	0.89	± 0.13
Non-processed food	74.85	-0.03	-0.14	± 0.72
Energy	108.07	-1.97	-3.02	± 0.86
RESIDUAL	182.92	-1.20	-1.86	± 0.57
TOTAL	1000	0.38	0.39	± 0.12

* Confidence intervals at 80% calculated with historical errors

Table II.2.3

INFLATION IN THE EURO AREA Monthly rates, October, 2014				
Harmonized Index of Consumer Prices HICP	Weights 2014	Observed	Forecasts	Confidence Intervals*
Processed Food	122.72	0.05	0.18	± 0.38
Tobacco	23.94	0.28	0.68	
Processed food excluding tobacco	98.78	-0.01	0.05	
Non-energy Industrial goods	266.60	0.34	0.54	± 0.21
Services	427.76	-0.20	-0.06	± 0.14
CORE	817.08	0.02	0.17	± 0.13
Non-processed food	74.85	0.35	0.24	± 0.72
Energy	108.07	-0.88	-1.94	± 0.86
RESIDUAL	182.92	-0.38	-1.05	± 0.57
TOTAL	1000	-0.06	-0.05	± 0.12

* Confidence intervals at 80% calculated with historical errors

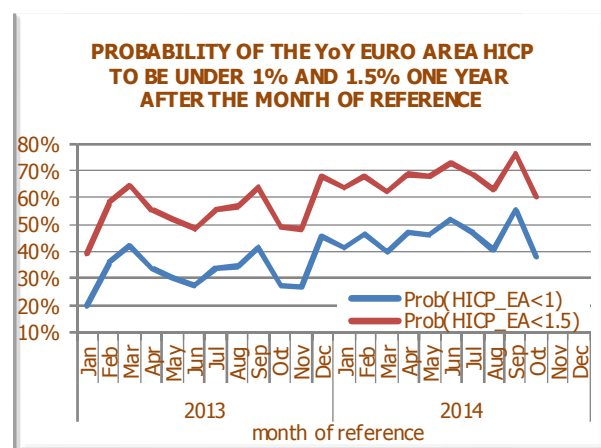
Table II.2.4

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	January	
	February	
	March	
	April	
	May	
	June	
	July	
	August	
	September	
	October	
	November	99.96%
	December	99.61%
2015	January	95.95%
	February	90.12%
	March	74.33%
	April	71.22%
	May	61.94%
	June	59.97%
	July	54.29%
	August	50.35%
	September	44.95%
	October	38.03%
	November	33.66%
	December	34.05%

Source: EUROSTAT & BIAM (UC3M)

Date: November 14, 2014

Graph II.2.4



Source: EUROSTAT & BIAM (UC3M)

Date: November 14, 2014



Table II.2.5

HARMONIZED INDEX OF CONSUMER PRICES AND COMPONENTS IN THE EURO AREA													
Annual rates of growth													
		HICP											
		Core				TOTAL80 % Confidence Intervals*			Residual		TOTAL80 % Confidence Intervals*		
		Processed food excluding tobacco	Tobacco	Non energy industrial goods	Services				Non processed food	Energy			TOTAL
Weights 2014		9.9%	2.4%	26.7%	42.8%	81.7%		7.5%	10.8%	18.3%			
ANNUAL AVERAGE RATE	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	0.8	3.1	0.1	1.2	0.9	± 0.23	-0.8	-1.5	-1.2	0.5	± 0.03	
	2015	0.5	3.8	0.0	1.1	0.8	± 0.50	1.5	1.6	1.5	0.9	± 0.76	
	2016	1.3	4.6	-0.1	1.1	0.9	± 0.70	1.7	1.6	1.6	1.0	± 0.97	
2017	1.2	4.7	0.1	1.1	0.9	± 0.70	2.7	2.7	2.7	1.2	± 0.97		
ANNUAL RATES (year-on-year rates)	2014	January	1.5	3.9	0.2	1.2	1.0		1.3	-1.2	-0.2	0.8	
		February	1.3	4.1	0.4	1.3	1.1		0.9	-2.3	-1.0	0.7	
		March	1.2	3.7	0.2	1.1	0.9		-0.1	-2.1	-1.3	0.5	
		April	1.1	3.7	0.1	1.6	1.1		-0.7	-1.2	-1.0	0.7	
		May	1.0	3.6	0.0	1.1	0.8		-2.1	0.0	-0.9	0.5	
		June	0.8	3.7	-0.1	1.3	0.8		-2.8	0.1	-1.1	0.5	
		July	0.8	2.3	0.0	1.3	0.8		-2.6	-1.0	-1.6	0.4	
		August	0.7	2.1	0.3	1.3	0.9		-2.4	-2.0	-2.2	0.4	
		September	0.6	2.3	0.2	1.1	0.8		-0.9	-2.3	-1.7	0.3	
		October	0.4	2.5	-0.1	1.2	0.7		0.0	-2.0	-1.2	0.4	
		November	0.3	2.8	0.0	1.1	0.7	± 0.13	0.3	-1.8	-1.0	0.4	± 0.12
		December	0.2	3.1	-0.1	1.1	0.7	± 0.18	-0.2	-2.2	-1.4	0.3	± 0.24
	2015	January	0.1	3.1	-0.1	1.1	0.6 ± 0.23		-0.3	-1.2	-0.8	0.4	± 0.35
		February	0.2	3.0	-0.2	1.1	0.6 ± 0.26		0.5	-1.0	-0.4	0.4	± 0.46
		March	0.2	3.1	0.1	1.1	0.7 ± 0.30		1.0	-0.3	0.3	0.7	± 0.57
		April	0.3	3.3	0.0	1.0	0.7 ± 0.34		1.1	0.3	0.6	0.7	± 0.68
		May	0.3	3.5	0.0	1.1	0.7 ± 0.38		1.5	0.7	1.1	0.8	± 0.77
		June	0.5	3.8	0.0	1.1	0.7 ± 0.44		1.7	0.8	1.2	0.8	± 0.85
		July	0.4	4.1	0.0	1.1	0.7 ± 0.50		1.8	1.5	1.7	0.9	± 0.93
		August	0.5	4.2	-0.1	1.1	0.7 ± 0.52		2.0	2.4	2.3	1.0	± 1.01
		September	0.6	4.1	0.2	1.1	0.8 ± 0.57		1.9	2.5	2.3	1.1	± 1.07
		October	0.7	4.3	0.2	1.1	0.9 ± 0.61		2.1	3.7	3.1	1.3	± 1.12
		November	0.8	4.3	0.2	1.1	0.9 ± 0.62		2.2	4.7	3.7	1.4	± 1.17
		December	0.9	4.3	0.1	1.1	0.9 ± 0.63		2.3	4.7	3.7	1.4	± 1.18
	2016	January	1.0	4.7	0.1	1.1	0.9 ± 0.65		2.4	4.5	3.7	1.4	± 1.19
		February	1.0	4.6	0.1	1.1	0.9 ± 0.67		2.2	4.3	3.4	1.4	± 1.19
		March	1.1	4.7	0.2	1.3	1.0 ± 0.68		2.4	4.1	3.4	1.4	± 1.19
		April	1.1	4.7	0.2	1.0	0.8 ± 0.68		2.7	3.7	3.3	1.3	± 1.19
		May	1.2	4.7	0.1	1.1	0.9 ± 0.69		3.1	3.4	3.3	1.3	± 1.19
		June	1.2	4.7	0.1	1.1	0.9 ± 0.69		3.4	3.1	3.2	1.3	± 1.19
		July	1.2	4.8	0.0	1.1	0.9 ± 0.69		3.3	2.7	2.9	1.3	± 1.19
		August	1.2	4.7	0.0	1.1	0.9 ± 0.69		3.1	2.4	2.7	1.2	± 1.19
		September	1.2	4.7	0.1	1.1	0.9 ± 0.69		2.9	2.2	2.5	1.2	± 1.19
		October	1.2	4.8	0.0	1.1	0.9 ± 0.69		2.5	2.0	2.2	1.1	± 1.19
		November	1.3	4.8	0.0	1.1	0.9 ± 0.69		2.3	1.8	2.0	1.1	± 1.19
		December	1.3	4.8	0.0	1.1	0.9 ± 0.69		2.5	1.7	2.0	1.1	± 1.19

* Confidence intervals calculated with historical errors

The figures in the shaded area are forecasts

Source: EUROSTAT & BIAM (UC3M)

Date: November 14, 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				TOTAL	Residual		TOTAL	TOTAL
			Processed food excluding tobacco	Tobacco	Non energy industrial goods	Services		Non processed food	Energy		
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	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	1.0	0.8	-1.0
		2016	0.2	0.8	-3.9	-0.4	-1.4	0.7	0.8	0.8	-1.0
	February	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	0.1	0.3	0.3	0.5	0.4	0.3	0.3	0.3	0.4
		2016	0.2	0.3	0.3	0.5	0.4	0.1	0.1	0.1	0.3
	March	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	0.0	0.3	3.9	0.3	1.4	0.1	0.4	0.2	1.2
		2016	0.1	0.3	4.0	0.4	1.5	0.3	0.1	0.2	1.3
	April	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	0.0	0.3	0.3	0.0	0.1	-0.1	0.5	0.2	0.2
		2016	0.1	0.4	0.3	-0.3	0.0	0.2	0.1	0.1	0.0
	May	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	0.0	-0.1	0.0	0.1	0.4	0.3	0.0
		2016	0.1	0.3	-0.1	0.1	0.0	0.6	0.1	0.3	0.1
	June	2013	0.1	0.1	-0.3	0.3	0.1	0.7	0.1	0.4	0.1
		2014	-0.1	0.1	-0.4	0.5	0.1	0.0	0.2	0.1	0.1
		2015	0.0	0.4	-0.4	0.4	0.1	0.2	0.3	0.3	0.1
		2016	0.1	0.4	-0.5	0.4	0.1	0.4	0.1	0.2	0.1
	July	2013	0.1	1.4	-3.7	1.0	-0.7	-1.0	0.8	0.1	-0.5
		2014	0.1	0.1	-3.7	0.9	-0.7	-0.8	-0.2	-0.5	-0.7
		2015	0.1	0.5	-3.7	0.9	-0.7	-0.7	0.4	0.0	-0.6
		2016	0.1	0.5	-3.7	0.9	-0.7	-0.8	0.0	-0.3	-0.6
	August	2013	0.0	0.4	0.0	0.3	0.2	-0.9	0.5	-0.1	0.1
		2014	0.0	0.2	0.4	0.3	0.3	-0.7	-0.6	-0.6	0.1
		2015	0.1	0.3	0.2	0.3	0.2	-0.5	0.4	0.0	0.2
		2016	0.1	0.2	0.3	0.3	0.3	-0.7	0.1	-0.3	0.2
	September	2013	0.0	0.1	3.4	-0.9	0.6	-1.1	0.5	-0.1	0.5
		2014	-0.1	0.3	3.3	-1.1	0.5	0.5	0.1	0.3	0.4
		2015	0.0	0.2	3.6	-1.0	0.6	0.4	0.2	0.3	0.6
		2016	0.0	0.2	3.7	-1.0	0.6	0.3	0.1	0.1	0.5
	October	2013	0.2	0.1	0.6	-0.3	0.1	-0.5	-1.2	-0.9	-0.1
		2014	0.0	0.3	0.3	-0.2	0.0	0.3	-0.9	-0.4	-0.1
		2015	0.1	0.5	0.3	-0.2	0.0	0.5	0.3	0.4	0.1
		2016	0.1	0.5	0.3	-0.2	0.0	0.1	0.0	0.1	0.0
	November	2013	0.1	0.0	0.1	-0.1	0.0	0.1	-0.8	-0.4	-0.1
		2014	0.0	0.4	0.1	-0.3	-0.1	0.4	-0.7	-0.2	-0.1
		2015	0.1	0.4	0.1	-0.2	-0.1	0.5	0.2	0.3	0.0
		2016	0.1	0.4	0.1	-0.2	-0.1	0.3	0.0	0.2	0.0
	December	2013	0.0	0.1	-0.3	0.6	0.2	1.3	0.6	0.9	0.3
		2014	-0.1	0.3	-0.3	0.7	0.2	0.8	0.2	0.4	0.3
		2015	0.0	0.3	-0.4	0.7	0.2	0.9	0.1	0.4	0.3
		2016	0.0	0.4	-0.5	0.7	0.2	1.1	0.1	0.5	0.3

*The figures in the shaded area are forecasts

Source: EUROSTAT & BIAM (UC3M)

Date: November 14, 2014



Table II.2.7

HARMONIZED INDICES OF CONSUMER PRICES BY COUNTRIES IN THE EURO AREA, UNITED KINGDOM, SWEDEN AND DENMARK																								
		Euro Area																			United Kingdom Sweden Denmark			
		Euro Area	Germany	France	Italy	Spain	Netherlands	Belgium	Austria	Greece	Portugal	Finland	Ireland	Slovakia	Slovenia	Luxembourg	Cyprus	Latvia	Estonia	Malta				
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	2007	2.1	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	3.3	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	0.3	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	1.6	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	2.7	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	2.5	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	1.4	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	0.5	0.9	0.7	0.2	0.3	0.4	0.6	1.5	-1.1	-0.1	1.3	0.4	-0.1	0.4	0.9	0.0	0.9	0.8	0.8	1.7	0.3	0.5	
	2015	0.7	1.2	0.8	0.2	0.8	1.2	0.5	1.4	-1.0	0.7	2.0	0.9	0.6	1.1	0.7	0.5	1.0	3.0	1.0	2.4	0.5	1.1	
	2016	1.4	1.4	1.0	0.5	1.8	1.3	0.9	1.5	-1.1	0.6	2.1	1.2	1.3	1.4	0.8	0.1	0.7	4.4	1.2	2.5	0.4	1.2	
2017	1.1	1.3	0.9	0.5	0.2	1.3	0.9	1.5	-1.0	0.6	2.1	1.5	1.8	1.4	0.7	0.4	0.4	4.4	1.2	2.5	0.4	1.2		
Y-o-Y rates	2014	January	0.8	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	0.7	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	0.5	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	0.7	1.1	0.8	0.6	0.3	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	1.9	0.5	0.4
		May	0.5	0.6	0.8	0.5	0.2	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	1.6	0.4	0.5
		June	0.5	0.8	0.6	0.3	0.0	0.3	0.7	1.7	-1.5	-0.2	1.1	0.5	-0.1	1.0	1.2	0.0	0.8	0.4	0.7	1.5	0.2	0.3
		July	0.4	0.7	0.6	0.1	-0.4	0.3	0.6	1.7	-0.8	-0.7	1.0	0.5	-0.2	0.3	1.2	0.9	0.6	0.0	0.6	1.3	0.0	0.3
		August	0.4	0.8	0.5	-0.1	-0.5	0.4	0.4	1.5	-0.2	-0.1	1.2	0.6	-0.2	0.0	0.7	0.8	0.8	-0.2	0.8	1.5	0.2	0.3
		September	0.3	0.7	0.4	0.0	0.7	0.2	0.2	1.4	-1.1	0.0	1.5	0.5	-0.1	-0.1	0.3	0.0	1.2	0.2	0.6	1.7	0.5	0.7
		October	0.4	1.0	0.6	0.0	0.8	0.6	0.3	1.5	-0.7	0.2	1.5	0.6	0.0	0.1	0.7	0.6	1.2	0.7	0.7	1.6	0.5	0.8
		November	0.3	1.0	0.7	0.2	0.8	0.7	0.2	1.5	-0.3	0.3	1.5	0.7	0.1	0.3	0.7	0.8	1.5	1.4	0.7	2.2	0.6	0.7
		December	0.2	1.1	0.6	0.0	0.9	0.5	0.1	1.2	-0.8	0.1	1.3	0.7	0.3	0.4	0.6	1.0	1.5	1.8	0.6	2.2	0.6	0.6
	2015	January	0.2	1.0	0.6	0.1	-0.1	0.9	0.3	1.4	-0.9	0.6	1.5	1.0	0.2	0.5	0.6	1.3	1.1	1.9	0.7	1.9	0.8	0.6
		February	0.3	1.0	0.4	0.0	-0.2	1.1	0.2	1.5	-1.0	0.7	1.7	0.8	0.3	0.9	0.8	1.1	1.1	2.1	0.4	2.0	0.5	0.9
		March	0.5	1.1	0.5	0.1	-0.1	1.2	0.2	1.5	-0.9	0.8	1.9	0.6	0.4	0.9	0.8	0.8	1.1	2.0	0.6	2.3	0.6	1.1
		April	0.5	1.1	0.6	0.2	-0.1	1.0	0.4	1.4	-0.8	0.7	2.0	0.7	0.5	1.1	0.6	0.7	0.9	2.2	1.1	2.4	0.4	1.2
		May	0.6	1.4	0.8	0.2	-0.1	1.2	0.4	1.4	-0.7	0.7	2.3	0.7	0.4	0.9	0.4	0.5	0.8	2.3	1.2	2.7	0.5	1.3
		June	0.6	1.2	0.9	0.2	-0.1	1.1	0.4	1.3	-0.9	0.7	2.3	0.7	0.5	0.8	0.4	0.5	0.7	2.4	0.9	2.5	0.5	1.4
		July	0.7	1.2	0.8	0.3	-0.2	1.1	0.4	1.4	-1.1	0.9	2.2	0.8	0.7	1.1	0.4	0.1	0.9	2.9	1.0	2.5	0.6	1.2
		August	0.8	1.3	0.8	0.3	-0.2	1.1	0.6	1.5	-1.3	0.7	2.2	0.8	0.8	1.3	0.7	0.2	1.3	3.5	1.0	2.5	0.5	1.2
		September	0.9	1.3	0.9	0.4	2.8	1.3	0.7	1.5	-1.0	0.6	2.1	0.9	0.8	1.4	0.9	0.5	1.0	4.0	1.2	2.5	0.4	1.2
		October	1.1	1.3	0.9	0.4	2.8	1.3	0.8	1.4	-1.2	0.6	2.1	1.0	0.9	1.4	0.8	0.1	0.9	4.2	1.2	2.5	0.4	1.2
		November	1.3	1.3	0.9	0.4	2.5	1.3	0.8	1.4	-1.3	0.6	2.1	1.1	1.0	1.4	0.8	0.1	1.0	4.3	1.2	2.5	0.4	1.2
		December	1.3	1.4	1.0	0.4	2.8	1.3	0.8	1.5	-1.1	0.6	2.1	1.1	1.1	1.4	0.9	-0.1	1.0	4.3	1.2	2.5	0.4	1.2
	2016	January	1.4	1.4	1.0	0.5	3.3	1.3	0.8	1.5	-1.1	0.6	2.1	1.3	1.0	1.4	0.9	-0.3	0.8	4.3	1.2	2.5	0.3	1.2
		February	1.4	1.4	1.0	0.5	3.3	1.3	0.8	1.5	-1.1	0.6	2.1	1.2	1.1	1.4	0.7	-0.2	0.9	4.4	1.2	2.5	0.4	1.2
		March	1.5	1.4	1.0	0.5	2.5	1.3	0.9	1.5	-1.1	0.6	2.1	1.1	1.2	1.4	0.7	0.1	0.7	4.4	1.2	2.5	0.4	1.2
		April	1.3	1.4	1.0	0.5	4.0	1.3	0.9	1.5	-1.1	0.6	2.1	1.1	1.2	1.4	0.7	0.1	0.6	4.4	1.2	2.5	0.4	1.2
		May	1.4	1.4	1.0	0.5	-0.2	1.3	0.9	1.5	-1.2	0.6	2.1	1.2	1.2	1.4	0.8	0.1	0.6	4.4	1.2	2.5	0.4	1.2
		June	1.4	1.4	1.1	0.5	2.1	1.3	0.9	1.5	-1.1	0.6	2.1	1.2	1.2	1.4	0.8	0.1	0.5	4.4	1.2	2.5	0.4	1.2
		July	1.4	1.4	1.1	0.5	3.1	1.3	0.9	1.5	-1.0	0.6	2.1	1.2	1.3	1.4	0.8	0.3	0.5	4.4	1.2	2.5	0.4	1.2
		August	1.3	1.3	1.1	0.5	1.1	1.3	0.9	1.5	-1.0	0.6	2.1	1.2	1.4	1.4	0.7	0.2	0.8	4.4	1.2	2.5	0.4	1.2
		September	1.3	1.3	1.1	0.5	-0.1	1.3	0.9	1.4	-1.1	0.6	2.1	1.3	1.5	1.4	0.7	0.1	0.7	4.4	1.2	2.5	0.5	1.2
		October	1.3	1.3	1.0	0.5	0.6	1.3	0.9	1.5	-1.0	0.6	2.1	1.4	1.5	1.4	0.7	0.3	0.6	4.4	1.2	2.5	0.4	1.2
		November	1.2	1.3	1.0	0.5	0.8	1.3	0.9	1.5	-0.9	0.6	2.1	1.4	1.6	1.4	0.7	0.3	0.6	4.4	1.2	2.5	0.5	1.2
		December	1.2	1.3	1.1	0.5	0.8	1.3	0.9	1.4	-1.0	0.6	2.1	1.4	1.6	1.4	0.7	0.4	0.6	4.4	1.2	2.5	0.5	1.2

* The figures in the shaded area are forecasts

Source: EUROSTAT & BIAM (UC3M)

Date: November 14, 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																		United Kingdom			Sweden	Denmark
			Euro Area	Germany	France	Italy	Spain	Netherlands	Belgium	Austria	Greece	Portugal	Finland	Ireland	Slovakia	Slovenia	Luxembourg	Cyprus	Latvia	Estonia					
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	2013	-1.0	-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	-1.1	-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	-1.1	-0.8	-0.6	-2.0	-2.8	-0.3	-1.7	-0.9	-1.1	-0.9	0.2	-0.4	0.2	-0.5	-0.9	-0.8	0.2	0.3	-1.4	0.0	0.2	0.2	
		2016	-1.0	-0.7	-0.6	-2.0	-2.4	-0.3	-1.7	-1.0	-1.0	-0.9	0.2	-0.2	0.2	-0.5	-1.0	-1.1	0.1	0.4	-1.4	0.0	0.2	0.2	
	February	2013	0.4	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	0.3	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	0.3	0.5	0.5	-0.4	-0.2	0.8	2.2	0.3	-1.2	-0.1	0.5	0.5	0.0	0.3	1.3	0.3	0.0	0.3	0.4	0.4	0.1	0.4	
		2016	0.3	0.5	0.5	-0.4	-0.3	0.8	2.2	0.3	-1.2	-0.1	0.5	0.4	0.1	0.3	1.2	0.5	0.0	0.4	0.4	0.4	0.2	0.4	
	March	2013	1.2	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	0.9	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	1.2	0.4	0.7	2.3	1.6	1.2	0.0	1.0	2.0	1.4	0.5	0.3	0.1	0.8	0.1	1.0	0.3	0.4	1.1	0.2	0.1	0.3	
		2016	1.3	0.4	0.7	2.3	0.9	1.2	0.0	0.9	2.0	1.4	0.5	0.3	0.1	0.8	0.1	1.2	0.1	0.4	1.1	0.2	0.1	0.3	
	April	2013	-0.1	-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	0.2	-0.3	0.0	0.6	0.6	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	0.2	0.2	-0.1	
		2015	0.2	-0.3	0.1	0.6	0.7	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	0.3	0.1	0.0	
		2016	0.0	-0.3	0.1	0.6	2.1	0.4	-0.1	0.1	0.4	0.3	0.2	0.1	0.1	0.7	0.0	0.6	0.2	0.4	2.4	0.3	0.1	0.0	
	May	2013	0.1	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	-0.1	-0.2	0.0	-0.1	0.0	-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	-0.4	-0.3	-0.2	
		2015	0.0	0.0	0.2	0.0	0.0	-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	-0.2	-0.1	
		2016	0.1	0.0	0.2	0.0	-4.1	-0.2	-0.1	0.1	-0.5	0.0	-0.1	0.1	0.2	0.6	-0.1	1.0	0.1	0.4	1.1	-0.1	-0.2	-0.1	
	June	2013	0.1	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	0.1	0.4	0.0	0.0	-0.1	-0.4	0.1	0.0	0.5	0.1	0.0	0.2	0.1	0.1	0.2	0.7	0.4	0.3	1.2	0.4	0.0	-0.2	
		2015	0.1	0.2	0.1	0.0	-0.1	-0.5	0.2	-0.1	0.3	0.1	0.1	0.2	0.2	-0.1	0.2	0.7	0.2	0.4	0.9	0.2	0.0	-0.1	
		2016	0.1	0.2	0.1	0.0	2.2	-0.5	0.2	0.0	0.4	0.1	0.1	0.2	0.2	-0.1	0.2	0.7	0.1	0.4	0.9	0.2	0.0	-0.1	
	July	2013	-0.5	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	-0.7	0.3	-0.4	-2.0	-1.5	0.3	-1.3	-0.7	-1.0	-0.6	-0.1	-0.1	-0.2	-1.0	-1.0	-0.3	-0.2	-0.2	0.0	0.1	0.2	0.3	
		2015	-0.6	0.3	-0.4	-1.9	-1.6	0.3	-1.3	-0.7	-1.2	-0.5	-0.3	0.0	0.0	-0.7	-1.0	-0.7	-0.1	0.4	0.0	0.1	0.3	0.1	
		2016	-0.6	0.3	-0.4	-1.9	-0.6	0.3	-1.3	-0.7	-1.2	-0.5	-0.3	0.1	0.1	-0.7	-1.0	-0.5	0.0	0.4	0.0	0.1	0.3	0.1	
	August	2013	0.1	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	0.1	0.5	-0.2	0.1	-0.1	1.4	0.0	-1.1	-0.1	0.2	0.3	-0.2	-0.1	0.9	0.1	-0.8	-0.2	0.2	0.4	-0.1	0.2	
		2015	0.2	0.1	0.5	-0.1	0.1	-0.1	1.6	0.1	-1.3	-0.3	0.2	0.2	-0.1	0.2	1.2	0.2	-0.4	0.4	0.2	0.4	-0.1	0.2	
		2016	0.2	0.1	0.5	-0.1	-1.9	-0.1	1.6	0.1	-1.2	-0.3	0.2	0.2	0.0	0.2	1.1	0.2	-0.2	0.4	0.2	0.4	-0.1	0.2	
	September	2013	0.5	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	0.4	-0.1	-0.4	1.9	2.0	0.0	-0.4	0.9	1.6	0.5	0.6	-0.3	0.1	0.3	0.0	-0.6	0.4	-0.1	-1.0	0.2	0.3	0.2	
		2015	0.5	-0.1	-0.3	1.9	5.1	0.1	-0.2	0.9	1.9	0.5	0.5	-0.1	0.1	0.4	0.1	-0.3	0.1	0.4	-0.8	0.2	0.1	0.2	
		2016	0.5	-0.1	-0.3	1.9	3.8	0.1	-0.2	0.9	1.8	0.5	0.5	0.0	0.1	0.4	0.1	-0.4	0.0	0.4	-0.8	0.2	0.2	0.2	
	October	2013	-0.1	-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	-0.1	0.0	0.1	0.2	0.1	0.1	0.0	0.1	0.2	0.1	0.1	-0.1	0.1	0.2	0.0	0.0	0.3	0.2	-0.6	0.3	0.2	-0.1	
		2015	0.2	0.0	0.1	0.2	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.0	0.1	0.2	-0.1	-0.4	0.1	0.4	-0.6	0.3	0.3	-0.1	
		2016	0.1	0.0	0.1	0.2	0.7	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.0	-0.2	0.1	0.4	-0.6	0.3	0.2	-0.1
	November	2013	-0.1	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	-1.3	-0.4	-0.5	-2.2	-0.6	-1.2	-0.2		
		2014	-0.1	0.2	0.1	-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	-0.1	0.3	-2.1	-0.1	-1.1	-0.3	
		2015	0.0	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	0.0	0.4	-2.1	-0.1	-1.1	-0.3	
		2016	0.0	0.2	0.0	-0.2	0.0	-0.5	0.0	0.0	-1.0	-0.2	0.0	0.1	0.1	0.0	-0.1	-1.2	0.0	0.4	-2.1	-0.1	-1.1	-0.3	
	December	2013	0.3	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	0.2	0.6	0.2	0.2	0.1	-0.1	0.3	0.5	0.3	0.2	0.1	0.1	0.0	-0.4	0.1	-0.3	0.0	0.3	0.0	0.6	0.5	0.4	
		2015	0.3	0.7	0.3	0.2	0.5	-0.1	0.3	0.6	0.5	0.2	0.1	0.1	0.1	-0.4	0.2	-0.4	0.0	0.4	0.0	0.6	0.5	0.4	
		2016	0.3	0.7	0.3	0.2	0.4	-0.1	0.3	0.6	0.5	0.2	0.1	0.1	0.1	-0.4	0.1	-0.4	0.0	0.4	0.0	0.6	0.5	0.4	

*The figures in the shaded area are forecasts

Source: EUROSTAT & BIAM (UC3M)

Date: November 14, 2014



II.3. MONETARY POLICY

In October 2014, the euro area year-on-year HICP was 0.4%, 0.1 pp higher than the previous month. The average annual inflation forecasts remained at 0.5% (± 0.03) for 2014 and 0.9% for 2015 (± 0.76), see Table II.3.1.

The likelihood of reaching the ECB inflation target, less than but close to 2%, next year is only 12.48%. In line with low inflation figures and forecasts for 2015, we estimate that average inflation will be less than 1.5% with a likelihood of 84.25%, and less than 1.0% with a likelihood of 56.40%.

In its November 6 meeting, the ECB maintained the official rates effective the previous month: 0.05% for major financing operations, 0.1% for marginal credit facilities and -0.2% for deposits (see Graph II.3.1). In his introductory speech, President Draghi did not announce new unconventional measures, but provided some details about the extension of existing programmes that should push the ECB balance sheet up to values close to the three billion euros registered at the beginning of 2012. Bond purchases from the CBPP3 programme totalled 7,900 million euros in November, with the total volume reaching 12,700 million. ABSPP programme purchases had not begun when the Bulletin was closed.

M3 growth continues to improve in August, with the year-on-year rate growing by 0.3 pp to 2.5%. The year-on-year rate for credit to the private sector continued to be negative, although its rate of decline fell by 0.3 pp to 1.2%. On the other hand, bank loans to non-financial firms decelerated by 0.2 pp to -2.0%. And the year-on-year growth rate of household credit fell by 0.1 pp to -0.5% from the previous month.

Table II.3.1

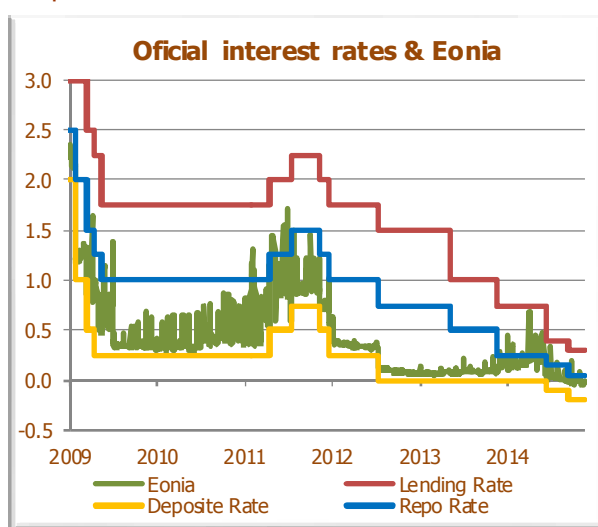
INFLATION IN THE EURO AREA *						
HICP	Annual rates		Annual average rates			
	2014		2014	2015	2016	2017
	October	November				
Core 81.71%	0.8	0.7 (± 0)	0.9 (± 0.23)	0.8 (± 0.5)	0.9 (± 0.7)	0.9 (± 0.7)
Total 100%	0.3	0.4 (± 0)	0.5 (± 0.03)	0.9 (± 0.76)	1 (± 0.97)	1.2 (± 0.97)

*Intervals at 80% of confidence calculated with historical errors.

Source: EUROSTAT & BIAM (UC3M)

Date: November 14, 2014

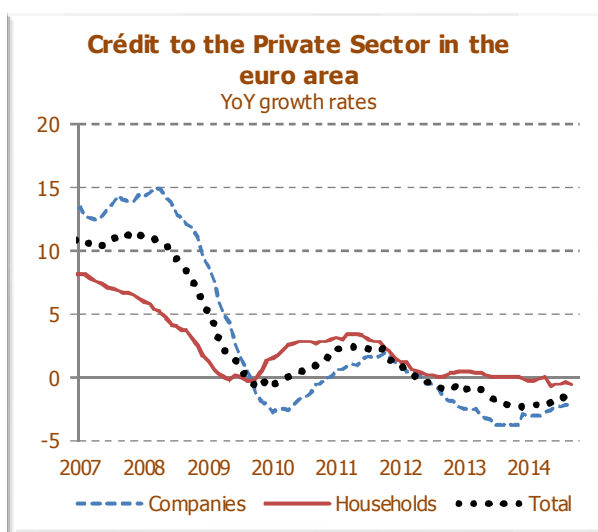
Graph II.3.1



Source: ECB & BIAM (UC3M)

Date: November 27, 2014

Graph II.3.2



Source: ECB & BIAM (UC3M)

Date: November 27, 2014



III. UNITED STATES

III.1. INDUSTRIAL PRODUCTION INDEX

In October, the US IPI grew by 5.1%, 0.1 pp more than expected. Durable consumption and capital goods registered a downwards surprise, with the rest moving in the opposite direction.

Average annual growth for 2014 remains at 4.3%, and for 2015 it has been revised upwards by 0.1 pp to 5.3%.

Table III.1.1

INDUSTRIAL PRODUCTION INDEX AND SECTORS IN U.S.							
Y-on-Y rates							
		Consumer Goods		Capital Goods	Intermediate Goods	TOTAL	
		Durable	Non Durable				
ANNUAL AVERAGE RATES	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	5.8	1.7	3.6	5.0	4.0	
	2015	5.7	1.1	3.9	6.0	4.4	
	2016	5.1	1.2	3.5	5.3	3.9	
	2017	5.6	1.2	3.8	5.7	4.4	
Y-o-Y rates	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	5.7	3.1	3.2	3.8	3.6
		II	5.5	1.7	3.5	5.1	4.0
		III	7.0	1.1	3.8	5.0	4.0
		IV	4.9	0.8	3.8	6.0	4.3
	2015	I	6.4	0.7	4.1	6.4	4.7
		II	5.9	1.2	4.1	6.0	4.6
		III	5.0	1.3	3.7	5.9	4.2
		IV	5.3	1.3	3.8	5.6	4.1
	2016	I	4.6	1.3	3.5	5.1	3.8
		II	4.9	1.2	3.4	5.2	3.8
		III	5.3	1.2	3.6	5.4	4.0
		IV	5.4	1.1	3.6	5.4	4.1

Table III.1.2

INDUSTRIAL PRODUCTION INDEX AND SECTORS IN U.S.							
Y-on-Y rates							
	2010	2011	2012	2013	2014	2015	2016
January	0.5	5.3	3.1	2.7	3.2	4.7	3.8
February	1.5	4.2	4.6	2.7	3.6	4.8	3.7
March	3.9	4.6	3.0	3.4	4.1	4.7	3.8
April	5.8	3.7	4.6	3.1	3.6	4.9	3.7
May	7.8	2.4	4.8	2.3	4.2	4.5	3.9
June	8.5	2.4	4.5	2.3	4.2	4.5	3.8
July	7.6	2.9	4.2	1.7	4.1	4.2	4.0
August	7.2	2.6	3.3	2.8	3.8	4.2	4.0
September	6.9	2.7	3.5	3.3	4.2	4.3	4.0
October	6.2	3.3	2.9	3.6	4.0	4.4	4.0
November	5.8	3.4	3.7	3.3	4.4	4.1	4.2
December	6.5	2.7	3.1	3.4	4.5	3.9	4.2

Source: Federal Reserve & BIAM (UC3M)

Date: November 17, 2014



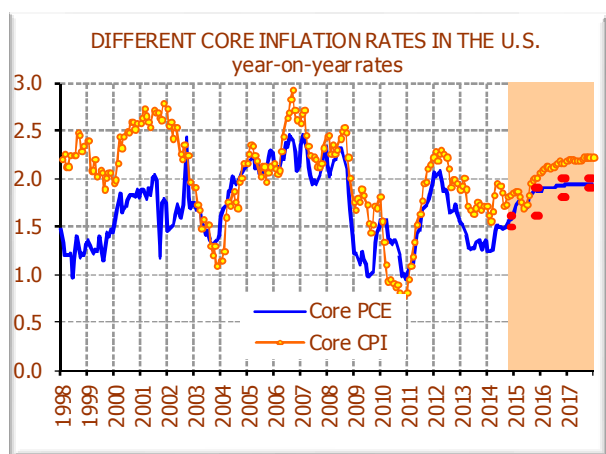
III.2. INFLATION

As mentioned in the report on the October CPI¹, four items stand out from the rest, two downwards and two upwards. The increase was greater than expected in medical and some transport services, while telephone services and used cars moved downwards.

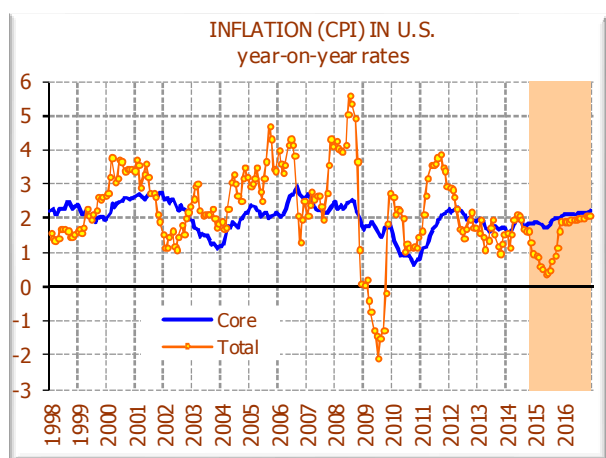
Outside core inflation, there was a downwards innovation in gas prices, while food evolved exactly as expected, both for households and others.

There have been some significant occurrences since last month regarding the leading indicators. First of all, oil prices continue to fall on the international markets, specifically West Texas. Secondly, production and import prices were a little lower than expected. And finally, the unemployment rate fell slightly more than expected, pushing our forecasts up.

Graph III.2.1



Graph III.2.2



Source: BLS & BIAM (UC3M)
This report: November 26, 2014
Last report: October 31, 2014

It can therefore be concluded that expectations have risen very slightly, basically due to the prices of some transport services, such as insurance.

In terms of the core personal consumption expenditure index –core PCE¹–, the forecast is an annual rate of 1.58% in November, compared with October's 1.55%.

The core PCE forecasts remain within the central interval established by the Fed at its last meeting², albeit near the top, for the entire period, including 2017 (Table III.2.1 and Graphs III.2.1 and III.2.2).

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	2013	1.5	1.8	1.3	1.2	
	2014	1.6	1.8	1.4	1.3	
	2015	0.9	1.9	1.8	1.6	
	2016	2.0	2.1	1.9	1.9	
	2017	2.1	2.2	1.9	1.9	
YEAR-ON-YEAR RATES	2014	May	2.1	2.0	1.5	1.4
		June	2.1	1.9	1.5	1.3
		July	2.0	1.9	1.5	1.3
		August	1.7	1.7	1.5	1.3
		September	1.7	1.7	1.5	1.3
		October	1.7	1.8	1.6	1.4
		November	1.3	1.8	1.6	1.4
		December	1.0	1.8	1.6	1.4
	2015	January	0.9	1.9	1.7	1.5
		February	0.8	1.9	1.7	1.6
		March	0.6	1.8	1.8	1.6
		April	0.5	1.8	1.7	1.6
		May	0.4	1.7	1.7	1.6
		June	0.4	1.7	1.7	1.5
		July	0.5	1.8	1.7	1.5

Source: BLS & BIAM (UC3M)

Date: November 26, 2014

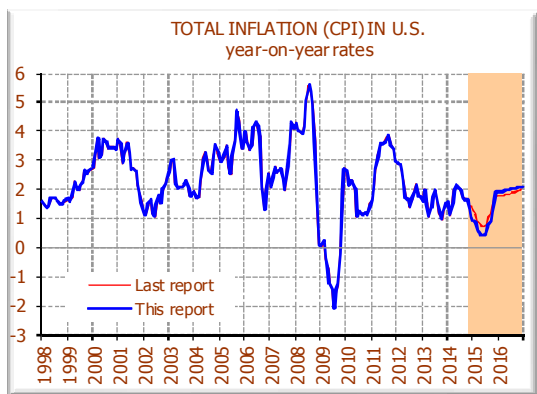
Note: These conclusions do not consider the April unemployment rate in the US, which was published after the report was completed. It would have probably represented an increase in our forecasts.

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

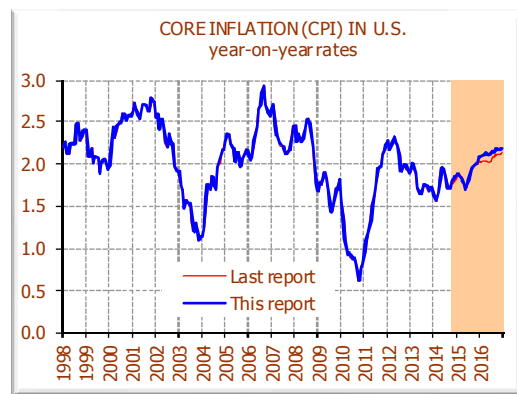
² <http://www.federalreserve.gov/monetarypolicy/files/fomcprojtbl20140917.pdf>



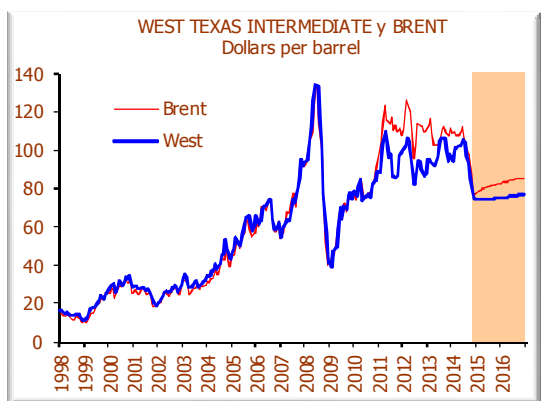
Graph III.2.3



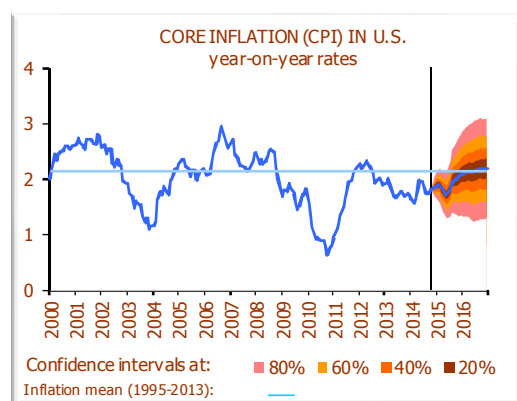
Graph III.2.4



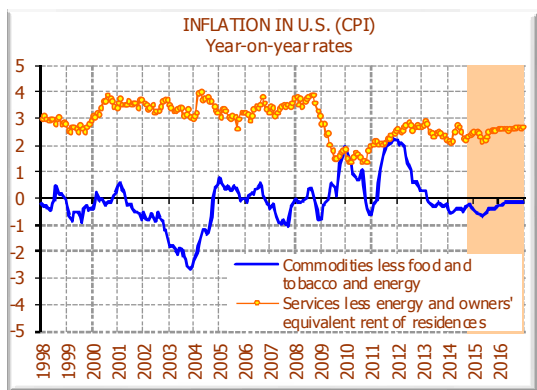
Graph III.2.5



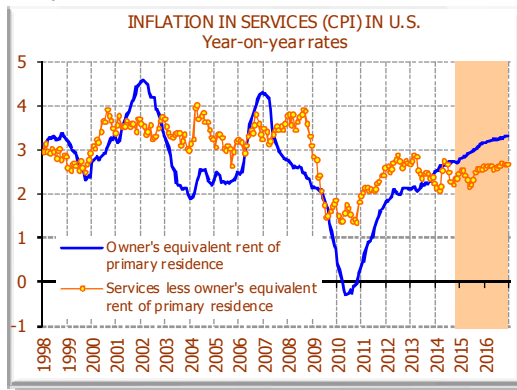
Graph III.2.6



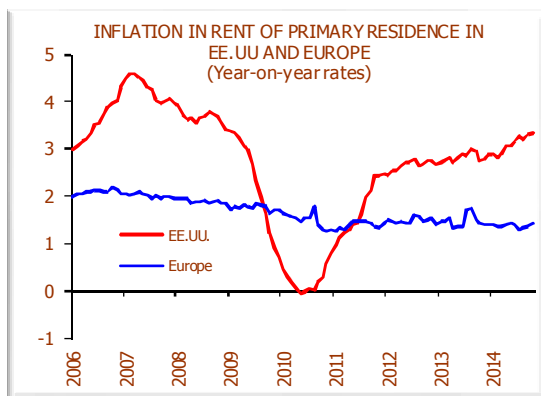
Graph III.2.7



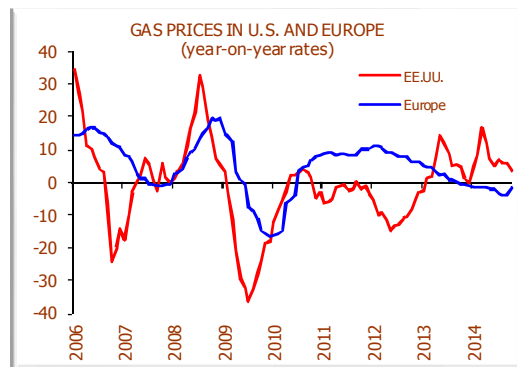
Graph III.2.8



Graph III.2.9



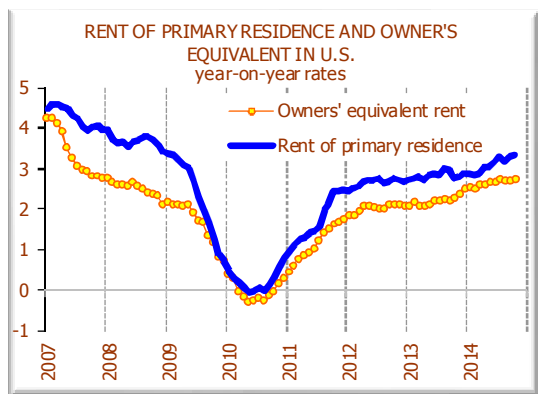
Graph III.2.10



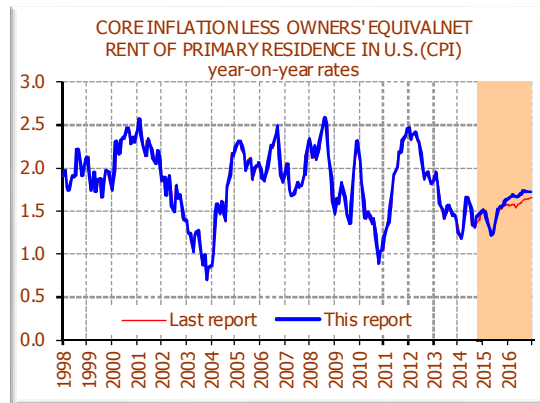
Source: BLS & BIAM (UC3M)
 This report: November 26, 2014
 Last report: October 31, 2014



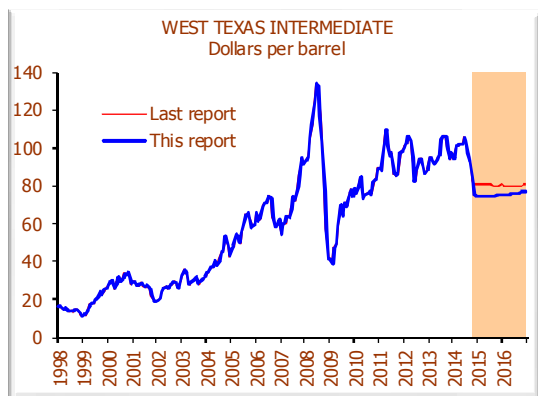
Graph III.2.11



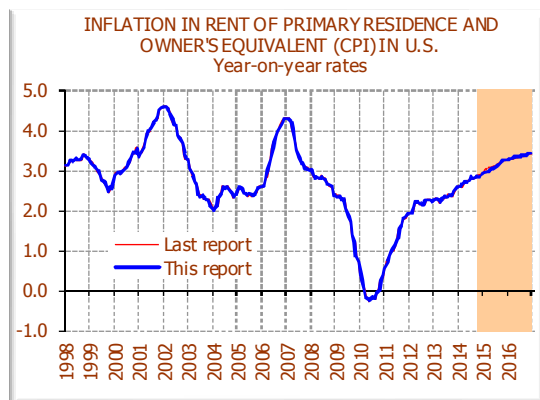
Graph III.2.12



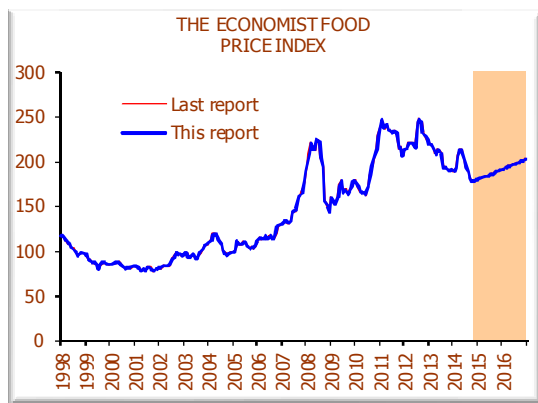
Graph III.2.13



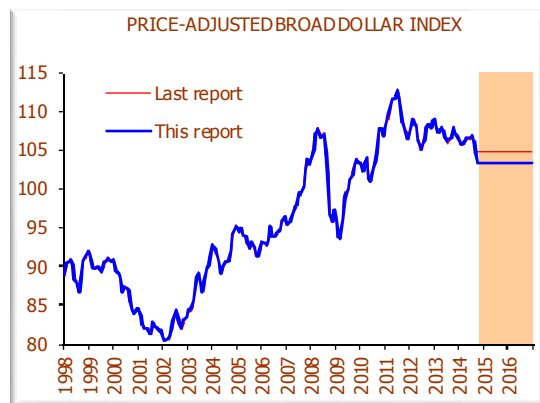
Graph III.2.14



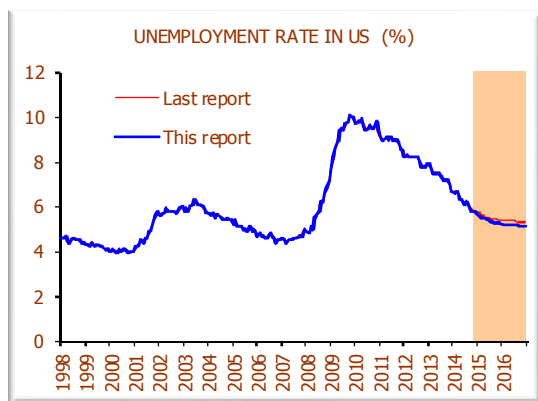
Graph III.2.15



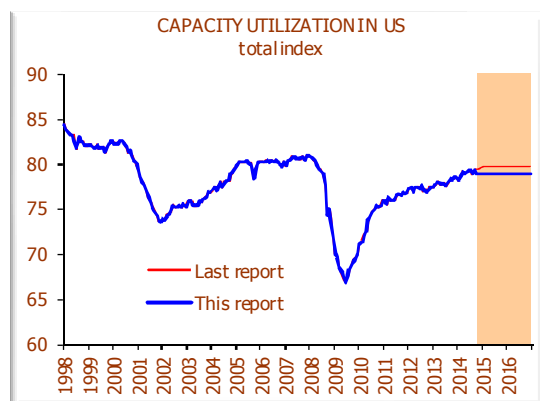
Graph III.2.16



Graph III.2.17



Graph III.2.18



Source: BLS & BIAM (UC3M)
This report: November 26, 2014
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Table III.2.2

INFLATION BY COMPONENTS IN THE CONSUMER PRICE INDEX OF USA											
Annual average rates											
				Importancia relativa Diciembre 2013	2010	2011	2012	2013	2014	2015	2016
CPI Total	Residual Inflation	Food	Food at home	8.638	0.3	4.8	2.5	0.9	2.3	2.4	2.5
			Food away from home	5.704	1.3	2.3	2.8	2.1	2.4	2.6	2.7
				13.891	0.8	3.7	2.6	1.4	2.4	2.5	2.6
		Energy	Fuel oil	0.275	14.7	22.5	-0.4	-1.2	2.4	-14.2	-2.1
			Utility gas service	0.834	-2.1	-2.8	-9.6	4.7	6.9	-3.9	0.2
			Electricity	2.872	0.2	1.9	-0.1	2.1	3.4	-1.7	-1.9
			Motor fuel	5.065	18.4	26.5	3.3	-2.8	-3.6	-15.4	0.6
				9.046	9.5	15.4	0.9	-0.7	-0.3	-9.9	-0.4
				22.937	4.0	8.3	1.9	0.5	1.3	-2.4	1.5
	Core Inflation	Non energy industrial goods	Used cars and trucks	1.673	12.7	4.1	0.9	-0.3	-0.5	-3.3	-0.4
			Other durables	7.528	-1.0	0.3	0.0	-0.9	-1.5	-1.1	-1.0
			Nondurables less tobacco	9.806	0.0	1.4	2.1	0.4	0.4	0.5	0.4
			Tobacco	0.703	10.5	3.4	2.2	2.7	2.9	2.5	2.5
				19.710	1.1	1.3	1.3	0.0	-0.3	-0.4	-0.1
		Services	Owner's equivalent rent of residences	22.505	0.0	1.2	2.0	2.2	2.7	3.0	3.2
			Rent of primary residence	6.977	0.2	1.7	2.7	2.8	3.1	3.5	3.8
			Medical care services	5.847	3.5	3.1	3.9	3.1	2.3	2.2	2.5
			Transportation services	5.571	3.5	3.1	1.8	2.6	1.9	2.0	2.2
			Communication	2.534	0.0	-1.1	0.5	-0.1	-0.3	-1.1	0.1
			Education	3.049	4.4	4.2	4.0	3.7	3.3	3.3	3.4
			Other services	10.870	-0.1	1.8	2.8	2.3	2.5	2.7	2.6
				57.353	0.9	1.8	2.4	2.4	2.5	2.7	2.9
				77.063	1.0	1.7	2.1	1.8	1.8	1.9	2.1
				100.000	1.6	3.2	2.1	1.5	1.6	0.9	2.0

Source: BLS & BIAM (UC3M)

Date: November 26, 2014

Table III.2.3

MAIN INDICATORS USED IN CPI USA										
Annual average rates										
			2010	2011	2012	2013	2014	2015	2016	
INDICATORS	Activity indicators	Unemployment rate	3.8	-7.2	-9.6	-9.0	-15.9	-12.8	-4.2	
		Capacity utilization	7.5	3.3	1.3	0.9	1.3	-0.1	0.0	
	Dollar Index If (-) the dollar has appreciated	Price-adjusted Broad Dollar Index	4.8	5.4	-2.1	-0.1	-1.7	-1.9	0.0	
		Nominal Broad Dollar Index	3.7	4.8	-2.7	-1.2	-2.5	-2.2	0.0	
	Raw agricultural products	The economist	10.6	25.4	21.0	15.8	-5.6	-4.2	6.2	
	Energy	West Texas	28.8	19.5	-0.8	4.0	-3.5	-21.0	1.8	
		Henry Hub	11.0	-8.9	-31.1	35.4	18.7	-10.8	-0.4	
	Import Price Indexes	Durables	-1.1	0.3	0.2	-1.1	-1.2	-1.2	-0.3	
		Nondurables	1.2	2.5	2.5	1.1	1.9	0.6	0.8	
	Producer Price Index- Commodities	Durables	0.5	1.7	2.4	0.8	1.0	1.0	1.2	
		Nondurables	3.0	4.2	3.7	2.9	3.3	2.2	2.2	

Source: BLS & BIAM (UC3M)

Date: November 26, 2014



Table III.2.4

CONSUMER PRICE INDEX AND COMPONENTS IN USA															CORE	
Annual rates of growth																
		CPI														
		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%				
	2013	-0.8	0.6	0.0	2.2	2.5	2.4	1.8		1.4	-0.7	0.5	1.5		1.3	
	2014	-1.3	0.6	-0.3	2.7	2.4	2.5	1.78	± 0.11	2.4	-0.3	1.3	1.64	± 0.37	1.4	
	2015	-1.5	0.6	-0.4	3.0	2.4	2.7	1.88	± 0.61	2.5	-9.9	-2.4	0.88	± 1.57	1.8	
	2016	-0.9	0.6	-0.1	3.2	2.6	2.9	2.14	± 0.88	2.6	-0.4	1.5	2.00	± 1.62	1.9	
ANNUAL RATES (growth of the month over the same month of the previous year)	2014	January	-1.0	0.2	-0.3	2.5	2.1	2.3	1.6		1.1	2.1	1.5	1.6		1.2
		February	-1.1	0.2	-0.4	2.5	2.1	2.2	1.6		1.4	-2.5	-0.2	1.1		1.2
		March	-1.2	0.4	-0.3	2.6	2.2	2.3	1.7		1.7	0.4	1.1	1.5		1.3
		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	-1.5	0.9	-0.2	2.6	2.7	2.7	1.9		2.3	3.2	2.6	2.1		1.5
		July	-1.4	0.6	-0.3	2.7	2.5	2.6	1.9		2.5	2.6	2.5	2.0		1.5
		August	-1.4	0.5	-0.4	2.7	2.3	2.5	1.7		2.7	0.4	1.7	1.7		1.5
		September	-1.5	0.8	-0.3	2.7	2.2	2.4	1.7		3.0	-0.6	1.5	1.7		1.5
		October	-1.35	0.87	-0.18	2.72	2.34	2.49	1.81		3.07	-1.58	1.21	1.66		1.55
		November	-1.37	0.98	-0.13	2.70	2.37	2.50	1.83	± 0.11	3.02	-5.72	-0.42	1.32	± 0.12	1.58
		December	-1.5	0.8	-0.3	2.7	2.5	2.6	1.8	± 0.18	3.0	-9.3	-1.9	1.0	± 0.43	1.6
	2015	January	-1.6	0.8	-0.3	2.8	2.5	2.6	1.9	± 0.25	3.1	-10.4	-2.3	0.9	± 0.77	1.7
		February	-1.8	0.8	-0.4	2.8	2.5	2.7	1.9	± 0.30	2.9	-10.7	-2.6	0.8	± 1.07	1.7
		March	-1.8	0.7	-0.4	2.8	2.4	2.6	1.8	± 0.34	2.8	-12.5	-3.4	0.6	± 1.30	1.8
		April	-1.9	0.7	-0.5	2.9	2.3	2.5	1.8	± 0.37	2.7	-12.4	-3.5	0.5	± 1.49	1.7
		May	-1.8	0.6	-0.5	2.9	2.2	2.5	1.7	± 0.40	2.4	-12.8	-3.8	0.4	± 1.62	1.7
		June	-1.6	0.5	-0.5	2.9	2.2	2.5	1.7	± 0.44	2.4	-12.8	-3.9	0.4	± 1.71	1.7
		July	-1.4	0.5	-0.4	3.0	2.3	2.6	1.8	± 0.49	2.3	-12.8	-3.9	0.5	± 1.80	1.7
		August	-1.3	0.6	-0.3	3.0	2.5	2.7	1.9	± 0.54	2.3	-11.0	-3.1	0.8	± 1.88	1.8
		September	-1.3	0.5	-0.3	3.1	2.6	2.8	2.0	± 0.61	2.2	-9.8	-2.6	0.9	± 1.94	1.9
		October	-1.3	0.6	-0.3	3.1	2.6	2.8	2.0	± 0.67	2.2	-7.7	-1.6	1.2	± 2.00	1.9
		November	-1.3	0.6	-0.3	3.1	2.6	2.8	2.0	± 0.71	2.3	-2.9	0.4	1.6	± 2.07	1.9
		December	-1.1	0.5	-0.2	3.2	2.6	2.8	2.1	± 0.75	2.4	-0.3	1.5	1.9	± 2.11	1.9
	2016	January	-1.0	0.6	-0.2	3.2	2.6	2.8	2.1	± 0.78	2.5	-0.5	1.4	1.9	± 2.09	1.9
		February	-1.0	0.6	-0.1	3.2	2.6	2.8	2.1	± 0.82	2.5	-0.9	1.3	1.9	± 2.08	1.9
		March	-0.8	0.6	-0.1	3.2	2.6	2.9	2.1	± 0.85	2.4	-1.1	1.1	1.9	± 2.08	1.9
		April	-0.9	0.7	0.0	3.2	2.6	2.9	2.1	± 0.89	2.6	-0.9	1.3	2.0	± 2.09	1.9
		May	-0.8	0.6	0.0	3.2	2.6	2.8	2.1	± 0.93	2.5	-0.5	1.4	2.0	± 2.10	1.9
		June	-0.8	0.6	-0.1	3.2	2.6	2.9	2.1	± 0.96	2.6	-0.3	1.5	2.0	± 2.13	1.9
		July	-0.8	0.6	-0.1	3.2	2.6	2.9	2.1	± 0.99	2.6	-0.3	1.5	2.0	± 2.13	1.9
		August	-0.8	0.6	-0.1	3.3	2.7	2.9	2.2	± 1.01	2.6	-0.2	1.6	2.0	± 2.13	1.9
		September	-0.8	0.6	-0.1	3.3	2.7	2.9	2.2	± 1.02	2.6	-0.1	1.6	2.0	± 2.12	1.9
		October	-0.8	0.6	-0.1	3.3	2.7	2.9	2.2	± 1.04	2.6	0.0	1.7	2.1	± 2.13	1.9
		November	-0.8	0.5	-0.1	3.3	2.7	2.9	2.2	± 1.05	2.7	0.1	1.7	2.1	± 2.13	1.9
		December	-0.8	0.5	-0.1	3.3	2.7	2.9	2.2	± 1.05	2.7	0.1	1.8	2.1	± 2.14	1.9

Source: BLS & BIAM (UC3M)

Date: November 26, 2014



Table III.2.5

CONSUMER PRICE INDEX AND COMPONENTS IN USA													
Monthly rates of growth													
			CPI									TOTAL 100%	
			Core						Residual				
			Non-energy commodities less food			Non-energy services			TOTAL	Food	Energy		TOTAL
			Durables	Non durables	All	Owner's equivalent rent	Other services	All					
IR Diciembre '13	9.2%	10.5%	19.7%	22.5%	34.8%	57.4%	77.1%	13.9%					
MONTHLY RATES (Growth of the month over the previous month)	January	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	-0.1	-0.3	-0.2	0.3	0.4	0.3	0.2	0.5	0.8	0.6	0.3
		2016	-0.1	-0.3	-0.2	0.3	0.4	0.3	0.2	0.5	0.6	0.6	0.3
	February	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	0.0	0.5	0.3	0.2	0.4	0.3	0.3	0.1	0.7	0.4	0.3
		2016	0.1	0.5	0.3	0.2	0.4	0.3	0.3	0.2	0.3	0.2	0.3
	March	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	0.0	0.8	0.4	0.2	0.3	0.3	0.3	0.2	1.5	0.7	0.4
		2016	0.2	0.8	0.5	0.2	0.3	0.3	0.3	0.1	1.3	0.6	0.4
	April	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	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.9	0.5	0.3
		2016	0.1	0.3	0.2	0.2	0.2	0.2	0.2	0.5	1.2	0.7	0.3
	May	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	0.8	0.4	0.2
		2016	0.1	-0.3	-0.1	0.2	0.2	0.2	0.2	0.0	1.2	0.5	0.2
	June	2013	0.0	-0.5	-0.3	0.2	0.2	0.2	0.1	0.1	1.7	0.8	0.2
		2014	-0.2	-0.3	-0.2	0.2	0.1	0.2	0.1	0.0	1.5	0.6	0.2
		2015	0.0	-0.4	-0.2	0.2	0.2	0.2	0.1	0.0	1.6	0.6	0.2
		2016	0.0	-0.4	-0.2	0.2	0.2	0.2	0.1	0.1	1.7	0.7	0.2
	July	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	-0.7	-0.4	0.2	0.1	0.1	0.0	0.3	-0.8	-0.1	0.0
		2015	0.0	-0.7	-0.3	0.3	0.2	0.2	0.1	0.2	-0.8	-0.2	0.0
		2016	0.0	-0.7	-0.4	0.3	0.2	0.2	0.1	0.2	-0.8	-0.2	0.0
	August	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	0.3	0.0	0.3	0.0	0.1	0.1	0.3	-2.7	-0.9	-0.2
		2015	-0.1	0.4	0.2	0.3	0.1	0.2	0.2	0.3	-0.6	-0.1	0.1
		2016	-0.1	0.4	0.2	0.3	0.2	0.2	0.2	0.3	-0.6	0.0	0.1
	September	2013	-0.3	1.0	0.4	0.2	0.1	0.2	0.2	0.0	-0.6	-0.2	0.1
		2014	-0.4	1.3	0.5	0.2	0.1	0.1	0.2	0.3	-1.5	-0.4	0.1
		2015	-0.4	1.2	0.5	0.3	0.1	0.2	0.3	0.3	-0.2	0.1	0.2
		2016	-0.4	1.2	0.5	0.3	0.2	0.2	0.3	0.2	-0.1	0.1	0.2
	October	2013	-0.3	0.4	0.1	0.3	0.1	0.2	0.2	0.1	-4.0	-1.6	-0.3
		2014	-0.21	0.53	0.19	0.27	0.25	0.26	0.24	0.22	-4.99	-1.87	-0.25
		2015	-0.3	0.6	0.2	0.3	0.3	0.3	0.3	0.2	-2.8	-0.9	0.0
		2016	-0.2	0.6	0.2	0.3	0.2	0.3	0.3	0.3	-2.7	-0.8	0.0
	November	2013	-0.3	-0.5	-0.4	0.3	0.1	0.2	0.0	-0.1	-2.3	-1.0	-0.2
		2014	-0.36	-0.38	-0.37	0.27	0.14	0.19	0.05	-0.15	-6.37	-2.56	-0.55
		2015	-0.3	-0.4	-0.3	0.3	0.1	0.2	0.1	-0.1	-1.4	-0.6	-0.1
		2016	-0.3	-0.4	-0.4	0.3	0.1	0.2	0.1	0.0	-1.3	-0.5	-0.1
	December	2013	-0.2	-0.9	-0.6	0.3	0.0	0.1	-0.1	0.1	0.6	0.3	0.0
		2014	-0.3	-1.1	-0.7	0.3	0.0	0.1	-0.1	0.1	-3.2	-1.1	-0.3
		2015	-0.2	-1.1	-0.7	0.3	0.1	0.2	0.0	0.2	-0.6	-0.1	0.0
		2016	-0.2	-1.1	-0.7	0.3	0.1	0.2	0.0	0.2	-0.6	0.0	0.0

Source: BLS & BIAM (UC3M)

Date: November 26, 2014



IV. SPAIN

The GDP growth forecasts have improved for 2014 to 1.4% (± 0.1) and remain at 1.9% (± 1.3) for 2015. Regional growth rates appear to increase their dispersion as in the indicators improve.

In September, the IPI grew more than expected, taking the average growth forecasts for 2014 to 2.0% (± 0.2); the 2015 forecast has fallen to 2.3% (± 2.5) due to the evolution of the confidence index.

The downwards surprise registered in October does not change the average inflation forecast for 2014, which remains at 0.0% (± 0.04), but it reduces the forecast for 2015 to 0.8% (± 1.25). For 2016 and 2017, the forecast is also 0.8% (± 0.96).

Table IV.1

MAIN VARIABLES AND INDICATORS IN SPAIN						
Annual average rates						
			Forecasts			
			2011	2012	2013	2014 2015 2016
						(± 0.3) (± 1.4) (± 1.4)
GDP mp.¹			-0.6	-2.1	-1.2	1.3 1.9 2
Demand	Final consumption private		-2.0	-2.9	-2.3	2.3 2.6 2.6
	Final consumption public		-0.3	-3.7	-2.9	0.2 -1.0 -0.9
	Gross fixed capital formation		-6.3	-8.1	-3.8	2.7 3.4 2.9
	Tangible fixed assets		-7.2	-9.2	-4.2	2.6 3.6 3.1
	Construction		-10.6	-9.3	-9.2	-2.7 2.2 1.7
	Capital goods and grown assets		0.8	-9.0	5.6	11.6 6.1 5.5
	Contribution domestic demand*		-2.5	-4.3	-2.7	2.0 2.0 2.0
	Exports of goods and services		7.4	1.2	4.3	4.6 5.4 4.3
	Imports of goods and services		-0.8	-6.3	-0.5	7.6 6.5 4.4
			1.9	2.2	1.4	-0.7 -0.1 0.0
Supply GVA	Agriculture, livestock breeding, forestry, Industry		4.2	-12.8	15.6	7.8 3.2 0.3
	Manufacturing Industry		0.1	-3.8	-1.8	1.2 1.3 1.4
	Construction		-0.9	-4.0	-1.1	2.1 1.2 1.2
	Services		-12.7	-14.3	-8.1	-2.1 -0.5 -2.1
	Market services		1.1	0.2	-1.0	1.4 2.5 2.9
	Public administration, health and educ		1.4	0.5	-0.9	1.7 3.2 3.6
	Taxes		0.5	-0.6	-1.3	0.3 0.3 0.9
			-5.2	-4.4	-1.5	1.5 0.6 1.3
			0.0	0.0	0.0	0.0 0.0 0.0
Prices CPI²			1.8	3.2	1.4	0 0.7 0.8
			0.6	1.7	1.4	0 0.7 0.6
			2.0	2.7	0.2	(± 0.1) (± 1.3) (± 1.4)
						(± 0.1) (± 0.8) (± 1)
						0.1 1.0 0.8
Foreign sector			-39.0	-12.4	8.0	- - -
			-3.6	-0.6	1.5	- - -
			-9.6	-10.6	-7.1	- - -
Industrial production index (excluding construction) ³			-2.0	-6.4	-1.7	2 2.3 3.2
						(± 0.2) (± 2.3) (± 3)
ECONOMICALLY ACTIVE POPULATION SURVEY⁴						
Employed			-1.6	-4.3	-2.8	1.0 1.7 -
Agriculture			-3.9	-1.6	-0.9	1.2 -1.3 -
Industry			-1.7	-4.6	-5.2	0.5 1.8 -
Construction			-15.0	-17.3	-11.4	-4.4 0.9 -
Services			0.2	-3.0	-1.7	1.5 1.9 -
Active			0.3	0.0	-1.1	-1.2 -0.6 -
Unemployment rate			21.4	24.8	26.1	24.5 22.7 -
EMPLOYED BY NATIONAL ACCOUNTS¹						
Employed			-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)

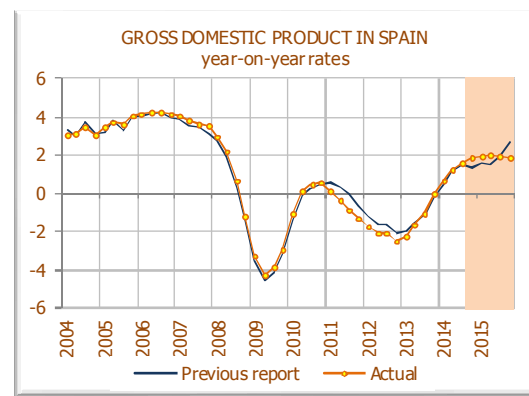
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(2) November 13, 2014

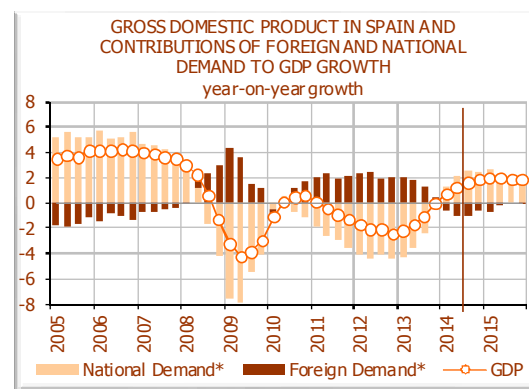
(3) November 7, 2014

(4) November 7, 2014

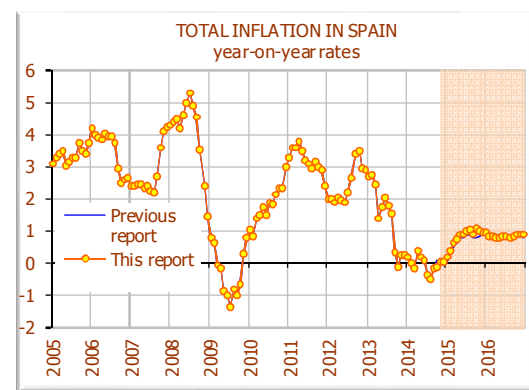
Graph IV.1



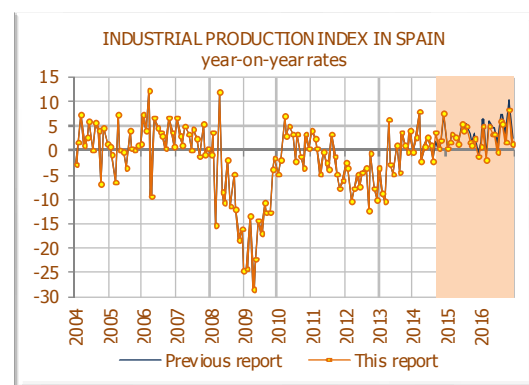
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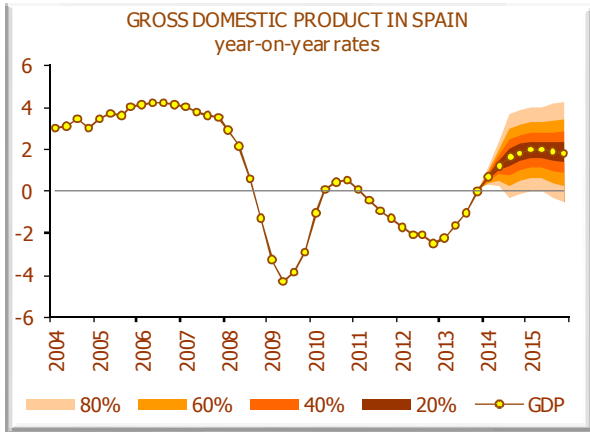
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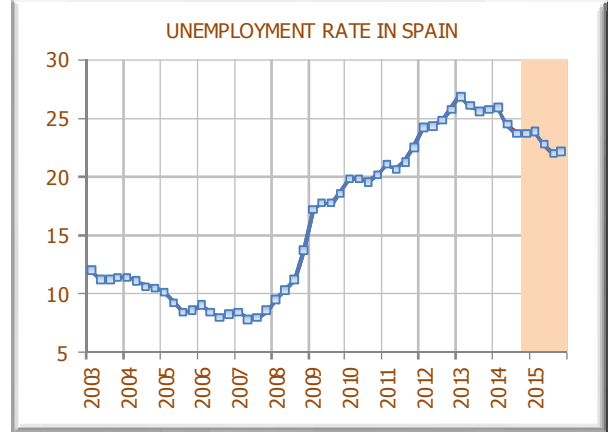
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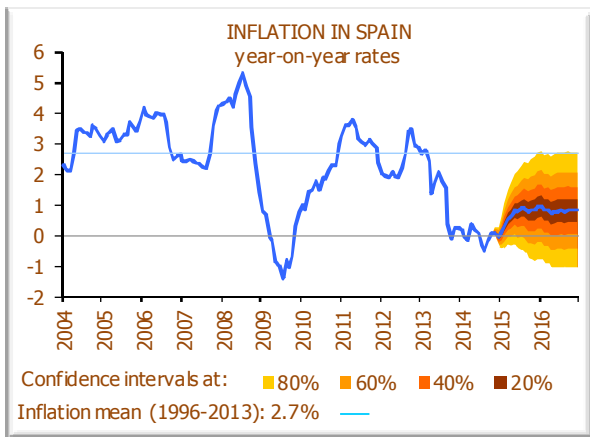
Graph IV.5



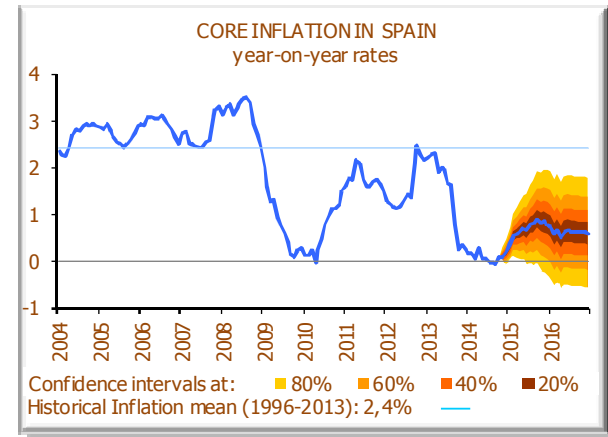
Graph IV.6



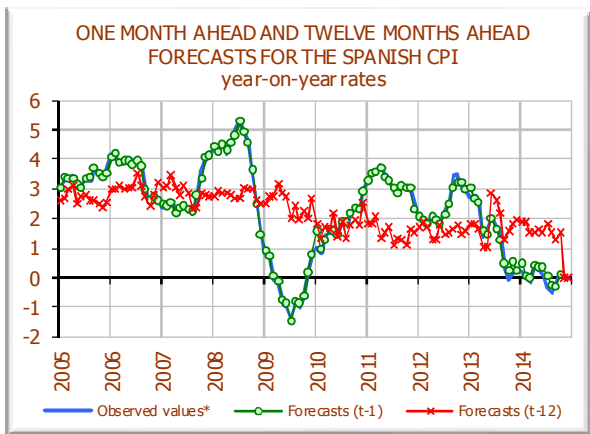
Graph IV.7



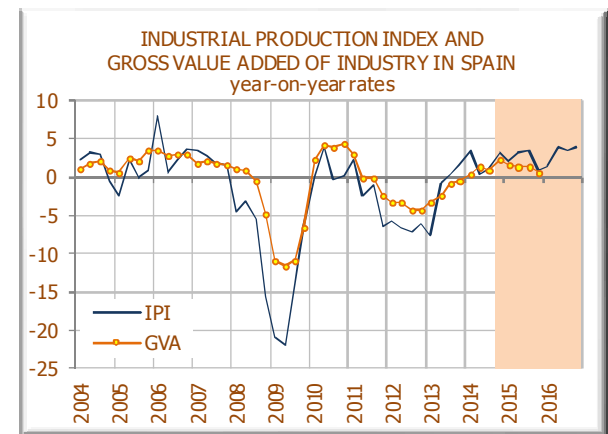
Graph IV.8



Graph IV.9



Graph IV.10



IV.1. MACROECONOMIC FORECASTS

From July to September 2014, considering the new 2010-based data, the Spanish GDP grew by a quarterly rate of 0.5%, the same as in the previous quarter. The year-on-year rate showed a 1.6% increase, higher than the previous quarter's 1.3%.

The general trend detected is a deceleration in domestic demand, except for public consumption, and acceleration in foreign demand, with a reduced negative contribution compared with the previous quarter.

On the other hand, the effect of changing to the 2010 Base is clear. We recommend the graphs on pages 54 and 55, which show its effects.

Starting with domestic demand, according to the 2010 Base, private consumption grew by 0.8% from the previous 0.9%.

Regarding Gross Fixed Capital Formation (GFCF), it grew by 1.0% from the previously observed 1.7%. The component that leads the deceleration process is investment in equipment, which has grown by 1.7% from the previous 3.8%. Construction, however, after growing by 0.8% in the second quarter, supported by the exceptional increase in non-residential construction, moderated its growth to 0.6%, supported by the 1.23% quarterly increase in housing construction. This component had not grown since mid-2007.

The final consumption of the public administrations grew by 0.1% in the third quarter, representing an increase from the 0.1% decline registered in the previous period.

According to the above data, domestic demand contributed 0.7 percentage points to third quarter growth, versus 0.8 pp in the second.

Regarding foreign demand, both imports and exports practically doubled their growth rates. The former went to 4.7% from 2.6% and the latter to 3.5% from 1.3%. In all, the foreign sector's contribution was less negative this quarter, 0.2 pp versus the previous 0.3 pp.

On the supply side, the quarter's growth was largely based on market services (0.8%), although 4.4% growth was registered in the farming and fishery sector. Industry did not grow, however, and construction only grew by 0.1%.

Considering the figures published by the INE¹ plus the new indicators available to date, our forecast has been revised upwards by 0.3 pp for the 2014 average, to 1.4% (± 0.1) and it remains at 1.9% (± 1.3) for 2015. We also present our first growth estimate for 2016, which is 2.0% (± 1.7).

The figures pertaining to the fourth quarter of 2014 are still scarce, and the only data available refers solely to October. At the moment, they confirm the mild deceleration shown in our forecast, which expects 0.5% growth in the last quarter of the year, with a more moderate increase in consumption.

¹<http://www.ine.es/prensa/np846.pdf>



Table IV.1.1

GROSS DOMESTIC PRODUCT IN SPAIN (*)								
			Annual average rates			Q-o-Q rates		
			2013	2014	2015	I-14	II-14	III-14
Final consumption		Private	2.3	2.6	2.6	0.6	0.9	0.8
		Public	0.2	-1.0	-0.9	1.1	-0.1	0.1
Gross fixed capital formation	Tangible fixed assets	Construction	-2.7	2.2	1.7	-1.7	0.8	0.6
		Capital goods and grown assets	11.6	6.1	5.5	2.0	3.8	1.7
			2.6	3.6	3.1	-0.3	2.0	1.1
			2.7	3.4	2.9	0.1	1.7	1.0
			Contribution of domestic demand	2.0	2.0	2.0	0.5	0.8
Exports of goods and services			4.6	5.4	4.3	0.0	1.3	3.5
Imports of goods and services			7.6	6.5	4.4	0.5	2.6	4.7
Contribution of foreign demand			-0.7	-0.1	0.0	-0.2	-0.3	-0.2
Real GDP			1.3	1.9	2.0	0.3	0.5	0.5

* In brackets are 80% confidence intervals

Source: INE & BIAM (UC3M)

Date: November 27, 2014

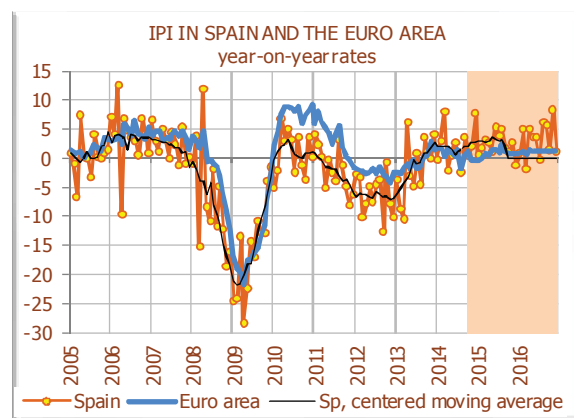
Table IV.1.2

INDUSTRIAL PRODUCTION INDEX IN SPAIN				
Annual average rates				
	2014	2015	2016	2017
Consumption	2.6	2.6	3.0	3.9
Durable	-1.5	3.9	7.1	7.5
Non-durable	3.0	2.5	2.7	3.6
Capital	1.3	0.9	3.9	4.1
Intermediate	3.6	3.3	4.1	4.2
Energy	-0.4	1.9	0.9	1.5
TOTAL	2	2.3	3.1	3.6
	(±0.2)	(±2.5)	(±3)	(±3)
GVA Industry (pro memoria)	1.2	1.3	1.4	-

Table IV.1.3

CHANGE IN THE FORECASTS FOR IP IN SPAIN			
Average annual rate, 2014			
	Forecasts with observed data till:		
	Aug-14	Sep-14	Change
Durable consumption	0.2	-1.5	-1.8 ↓
Non-durable consumption	2.4	3.0	0.6 ↑
Total consumption	2.2	2.6	0.4 ↑
Equipment	0.4	1.3	0.9 ↑
Intermediate	3.8	3.6	-0.2 ↓
Energy	-0.4	-0.4	-0.1 ↓
TOTAL	2.04	2.04	0.0 ↓

Graph IV.1.1



Source: INE & BIAM (UC3M)

Date: November 7, 2014



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	0.3	1.5	-10.1	5.1	-6.1	-4.9	-0.3	9.4	6.9	0.3	0.0	
	2010	-2.0	-0.3	-10.6	0.8	-7.2	-6.3	-2.5	7.4	-0.8	1.9	-0.6	
	2011	-2.9	-3.7	-9.3	-9.0	-9.2	-8.1	-4.3	1.2	-6.3	2.2	-2.1	
	2012	-2.3	-2.9	-9.2	5.6	-4.2	-3.8	-2.7	4.3	-0.5	1.4	-1.2	
	2013	2.3	0.2	-2.7	11.6	2.6	2.7	2.0	4.6	7.6	-0.7	1.3	
	2014	2.6	-1.0	2.2	6.1	3.6	3.4	2.0	5.4	6.5	-0.1	1.9	
	2015	2.6	-0.9	1.7	5.5	3.1	2.9	2.0	4.3	4.4	0.0	2.0	
Y-o-Y RATES	2012	I	-2.6	-2.3	-10.1	-6.1	-8.8	-7.7	-4.1	0.2	-7.9	2.3	-1.7
		II	-3.1	-3.2	-9.3	-8.4	-9.0	-8.0	-4.4	0.9	-7.4	2.4	-2.1
		III	-2.7	-4.3	-8.9	-11.1	-9.7	-8.3	-4.0	2.1	-4.6	1.9	-2.1
		IV	-3.2	-5.0	-8.8	-10.6	-9.4	-8.4	-4.5	1.5	-5.3	2.0	-2.5
	2013	I	-3.8	-4.5	-7.4	-6.2	-7.0	-6.3	-4.3	0.0	-7.3	2.1	-2.2
		II	-3.1	-3.6	-11.4	3.4	-6.4	-5.5	-3.5	7.3	1.3	1.8	-1.7
		III	-2.1	-2.4	-9.7	11.4	-2.6	-2.6	-2.4	4.9	0.5	1.3	-1.0
		IV	-0.1	-1.1	-8.3	14.7	-0.5	-0.5	-0.4	5.1	3.8	0.4	0.0
	2014	I	1.3	0.5	-8.1	15.4	0.0	0.5	1.3	6.3	8.9	-0.6	0.7
		II	2.2	0.7	-2.0	12.7	3.5	3.2	2.2	1.5	4.8	-0.9	1.3
		III	2.7	0.9	-1.2	9.5	2.9	3.1	2.6	4.6	8.2	-1.0	1.6 (±0.4)
		IV	3.0	-1.2	0.7	9.4	4.1	4.1	2.4	6.2	8.6	-0.6	1.9 (±0.9)
	2015	I	2.8	-0.5	2.5	8.5	4.8	4.4	2.7	6.9	9.7	-0.7	2 (±1.6)
		II	2.6	-1.1	2.3	5.9	3.7	3.5	2.2	6.6	7.7	-0.2	2 (±1.6)
		III	2.4	-2.0	2.1	5.3	3.3	3.1	1.8	4.3	4.2	0.1	1.9 (±1.8)
		IV	2.4	-0.5	1.8	4.6	2.8	2.7	2.0	4.0	4.6	-0.1	1.8 (±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	Construction	Capital goods and grown assets								
ANNUAL AVERAGE RATES	2009	0.3	1.5	-10.1	5.1	-6.1	-4.9	-0.3	9.4	6.9	0.3	0.0	
	2010	-2.0	-0.3	-10.6	0.8	-7.2	-6.3	-2.5	7.4	-0.8	1.9	-0.6	
	2011	-2.9	-3.7	-9.3	-9.0	-9.2	-8.1	-4.3	1.2	-6.3	2.2	-2.1	
	2012	-2.3	-2.9	-9.2	5.6	-4.2	-3.8	-2.7	4.3	-0.5	1.4	-1.2	
	2013	2.3	0.2	-2.7	11.6	2.6	2.7	2.0	4.6	7.6	-0.7	1.3	
	2014	2.6	-1.0	2.2	6.1	3.6	3.4	2.0	5.4	6.5	-0.1	1.9	
	2015	2.6	-0.9	1.7	5.5	3.1	2.9	2.0	4.3	4.4	0.0	2.0	
Q-o-Q RATES	2012	I	-0.2	-1.0	-3.4	-3.4	-3.4	-3.0	-1.3	0.4	-2.1	0.7	-0.6
		II	-0.7	-1.2	-1.3	-3.5	-2.0	-1.9	-1.0	-1.1	-2.5	0.4	-0.6
		III	-0.6	-1.5	-2.1	-2.8	-2.3	-1.8	-0.6	2.8	2.2	0.1	-0.5
		IV	-1.7	-1.4	-2.3	-1.2	-2.0	-2.0	-1.5	-0.4	-3.0	0.8	-0.8
	2013	I	-0.8	-0.5	-1.9	1.3	-0.8	-0.8	-1.2	-1.2	-4.1	0.8	-0.3
		II	0.0	-0.3	-5.5	6.3	-1.4	-1.0	-0.1	6.1	6.5	0.0	-0.1
		III	0.4	-0.2	-0.3	4.7	1.6	1.2	0.4	0.5	1.4	-0.3	0.1
		IV	0.3	-0.1	-0.9	1.7	0.1	0.2	0.4	-0.2	0.2	-0.1	0.3
	2014	I	0.6	1.1	-1.7	2.0	-0.3	0.1	0.5	0.0	0.5	-0.2	0.3
		II	0.9	-0.1	0.8	3.8	2.0	1.7	0.8	1.3	2.6	-0.3	0.5
		III	0.8	0.1	0.6	1.7	1.1	1.0	0.7	3.5	4.7	-0.2	0.5
		IV	0.6	-2.3	1.0	1.7	1.3	1.2	0.2	1.3	0.5	0.3	0.5
	2015	I	0.5	1.9	0.0	1.1	0.4	0.4	0.7	0.6	1.6	-0.3	0.4
		II	0.6	-0.8	0.7	1.2	0.9	0.8	0.4	1.0	0.7	0.1	0.5
		III	0.6	-0.8	0.4	1.2	0.7	0.7	0.4	1.3	1.3	0.1	0.4
		IV	0.7	-0.8	0.6	1.0	0.8	0.7	0.4	1.0	1.0	0.1	0.5

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: November 27, 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	2.1	0.0	3.6	-14.5	0.9	2.4	1.3	0.1	0.0	
	2010	4.2	-0.9	0.1	-12.7	1.4	0.5	1.1	-5.2	-0.6	
	2011	-12.8	-4.0	-3.8	-14.3	0.5	-0.6	0.2	-4.4	-2.1	
	2012	15.6	-1.1	-1.8	-8.1	-0.9	-1.3	-1.0	-1.5	-1.2	
	2013	7.8	2.1	1.2	-2.1	1.7	0.3	1.4	1.5	1.3	
	2014	3.2	1.2	1.3	-0.5	3.2	0.3	2.5	0.6	1.9	
	2015	0.3	1.2	1.4	-2.1	3.6	0.9	2.9	1.3	2.0	
Y-o-Y RATES	2012	I	-9.1	-3.7	-3.3	-15.4	1.1	-0.1	0.8	-4.9	-1.7
		II	-16.4	-4.1	-3.4	-14.8	0.5	-0.1	0.4	-4.4	-2.1
		III	-13.4	-3.9	-4.3	-14.0	0.7	-0.9	0.3	-4.2	-2.1
		IV	-12.1	-4.1	-4.2	-12.7	-0.3	-1.3	-0.5	-4.2	-2.5
	2013	I	5.3	-2.9	-3.3	-8.8	-1.4	-1.9	-1.5	-2.9	-2.2
		II	21.9	-1.2	-2.4	-9.6	-1.5	-1.8	-1.6	-1.5	-1.7
		III	17.2	-0.6	-0.9	-8.0	-1.2	-0.9	-1.1	-1.1	-1.0
		IV	18.4	0.4	-0.5	-6.0	0.3	-0.7	0.0	-0.6	0.0
	2014	I	13.9	1.6	0.3	-6.1	1.1	0.2	0.8	0.6	0.7
		II	3.8	2.0	1.4	-1.8	1.6	0.4	1.3	1.5	1.3
		III	8.4	1.9	0.9	-0.4	1.9	0.6	1.6	2.4	1.6 (±0.4)
		IV	5.7	2.8	2.3	-0.1	2.3	0.2	1.8	1.3	1.9 (±0.9)
	2015	I	3.3	1.5	1.6	0.6	2.8	0.5	2.2	0.7	2 (±1.6)
		II	6.6	1.4	1.3	-0.3	3.3	0.0	2.4	0.0	2 (±1.6)
		III	2.3	1.3	1.4	-0.8	3.3	-0.2	2.5	0.8	1.9 (±1.8)
		IV	0.8	0.6	0.7	-1.4	3.4	0.8	2.7	1.5	1.8 (±1.9)

Table IV.1.7

Table IV.17

GROSS DOMESTIC PRODUCT IN SPAIN											
		Agriculture, livestock breeding, forestry...	Industry		Construction	Services			Taxes	Real GDP *	
			Manufacturing industry			Market services	Public administration, ...				
ANNUAL AVERAGE RATES	2009	2.1	0.0	3.6	-14.5	0.9	2.4	1.3	0.1	0.0	
	2010	4.2	-0.9	0.1	-12.7	1.4	0.5	1.1	-5.2	-0.6	
	2011	-12.8	-4.0	-3.8	-14.3	0.5	-0.6	0.2	-4.4	-2.1	
	2012	15.6	-1.1	-1.8	-8.1	-0.9	-1.3	-1.0	-1.5	-1.2	
	2013	7.8	2.1	1.2	-2.1	1.7	0.3	1.4	1.5	1.3	
	2014	3.2	1.2	1.3	-0.5	3.2	0.3	2.5	0.6	1.9	
	2015	0.3	1.2	1.4	-2.1	3.6	0.9	2.9	1.3	2.0	
Q-o-Q RATES	2012	I	-10.8	-0.9	-0.8	-4.9	0.6	-0.5	0.4	-1.8	-0.6
		II	-8.0	-1.9	-1.5	-3.1	-0.1	0.6	0.1	-1.1	-0.6
		III	3.9	-0.2	-1.0	-3.0	0.2	-1.1	-0.1	-1.8	-0.5
		IV	3.1	-1.1	-0.9	-2.4	-1.0	-0.3	-0.8	0.5	-0.8
	2013	I	6.9	0.4	0.1	-0.7	-0.5	-1.2	-0.6	-0.5	-0.3
		II	6.5	-0.2	-0.6	-3.8	-0.2	0.7	0.0	0.4	-0.1
		III	-0.1	0.4	0.6	-1.3	0.5	-0.1	0.3	-1.4	0.1
		IV	4.1	-0.2	-0.6	-0.3	0.4	-0.1	0.3	0.9	0.3
	2014	I	2.9	1.6	0.9	-0.8	0.3	-0.3	0.2	0.7	0.3
		II	-3.0	0.2	0.5	0.5	0.4	0.9	0.5	1.4	0.5
		III	4.4	0.2	0.0	0.1	0.8	0.1	0.6	-0.5	0.5
		IV	1.5	0.7	0.7	0.1	0.8	-0.5	0.5	-0.2	0.5
	2015	I	0.5	0.3	0.3	-0.1	0.8	0.0	0.6	0.1	0.5
		II	0.2	0.2	0.3	-0.4	0.8	0.4	0.7	0.5	0.5
		III	0.1	0.1	0.1	-0.4	0.9	-0.1	0.6	0.2	0.4
		IV	0.1	0.0	0.0	-0.5	0.9	0.4	0.8	0.3	0.5

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: November 27, 2014



INDUSTRIAL PRODUCTION INDEX IN SPAIN

Table IV.1.8

INDUSTRIAL PRODUCTION INDEX AND SECTORS IN SPAIN										
Y-o-Y rates										
		Consumer Goods								
		Durable	Non Durable	Total	Capital Goods	Intermediate Goods	Energy	Total excluding energy	TOTAL *	
ANNUAL AVERAGE RATES	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	-6.4	
	2013	-12.2	-1.2	-2.2	1.2	-2.6	-2.6	-1.6	-1.7	
	2014	-1.5	3.0	2.6	1.3	3.6	-0.4	2.2	2 (±0.2)	
	2015	3.9	2.5	2.6	0.9	3.3	1.9	2.4	2.3 (±2.5)	
	2016	7.1	2.7	3.0	3.9	4.1	0.9	3.7	3.1 (±3)	
	2017	7.5	3.6	3.9	4.1	4.2	1.5	4.0	3.6 (±3)	
Y-o-Y RATES	2013	I	-18.1	-6.5	-7.5	-6.7	-9.4	-5.9	-5.9	-7.6
		II	-12.2	-0.8	-1.8	3.5	-1.4	-2.7	-2.7	-0.7
		III	-8.1	0.8	0.0	2.9	-0.2	-0.9	-0.9	0.3
		IV	-9.7	1.8	0.8	5.6	1.2	-0.9	-0.9	1.6
	2014	I	-1.0	4.7	4.3	6.9	4.3	-2.1	-2.1	3.5
		II	-4.0	0.6	0.2	-0.3	0.9	0.7	0.7	0.4
		III	-4.7	2.3	1.8	-1.2	4.0	-2.1	-2.1	1.0
		IV	3.5	4.3	4.2	0.0	5.4	2.0	2.0	3.2
	2015	I	1.8	1.8	1.8	-2.0	3.0	4.6	4.6	1.9
		II	5.6	4.4	4.5	0.9	4.4	1.4	1.4	3.1
		III	7.0	3.8	4.0	4.0	4.1	1.2	1.2	3.4
		IV	1.5	0.0	0.1	1.0	1.7	0.4	0.4	0.8
	2016	I	4.0	0.7	0.9	1.8	2.1	-0.3	-0.3	1.3
		II	7.9	3.5	3.8	4.9	5.1	1.3	1.3	4.0
		III	7.7	3.2	3.5	4.0	4.5	1.3	1.3	3.5
		IV	8.4	3.4	3.8	4.7	4.7	1.5	1.5	3.8

Table IV.1.9

INDUSTRIAL PRODUCTION INDEX IN SPAIN							
y-o-y rates							
	2010	2011	2012	2013	2014	2015	2016
January	-4.9	4.0	-2.7	-3.6	-0.3	5.1	0.8
February	-2.0	2.4	-3.4	-8.7	2.8	4.2	4.9
March	6.8	0.3	-10.3	-10.4	8.1	4.4	-1.7
April	3.0	-4.9	-7.8	6.2	-2.1	2.6	5.0
May	5.1	-0.2	-4.8	-3.0	0.6	0.2	3.5
June	3.3	-2.4	-7.4	-4.7	2.8	1.4	3.5
July	-2.3	-4.0	-4.4	0.9	1.1	1.1	-0.2
August	3.5	3.2	-3.5	-4.4	-2.3	1.8	6.1
September	-1.2	-1.1	-12.5	3.6	3.6	0.6	5.5
October	-3.6	-4.8	-0.6	1.1	0.5	1.0	1.6
November	3.5	-7.9	-7.8	-0.1	2.2	0.7	8.4
December	0.4	-6.3	-10.2	4.1	7.6	-0.5	1.3

The figures in the shaded area are forecasts.

In brackets are 80% confidence intervals

Source: INE & BIAM (UC3M)

Date: November 7, 2014



Table IV.1.10

INDUSTRIAL PRODUCTION INDEX BY ECONOMIC ACTIVITIES IN SPAIN											
Y-o-Y rates											
				Weights	2014			Average annual rates			
					May	Jun	Jul	2013	2014	2015	2016
IPI Total	B Mining and quarrying	05 Mining of coal and lignite	2.6	43.8	-14.0	-25.4	-31.5	1.2	-1.8	-6.2	
		08 Other mining and quarrying	8.6	-2.6	-4.3	-1.9	-10.8	0.5	1.4	4.0	
			11.2	2.8	-8.4	-8.8	-14.3	-1.1	-0.4	2.0	
	D Manufacture Industries	10 Manufacture of food products	121.3	0.4	5.3	5.2	-0.8	4.5	1.3	1.4	
		11 Manufacture of beverages	35.1	8.0	6.0	6.5	-3.0	3.3	-2.6	-0.9	
		12 Manufacture of tobacco products	3.0	5.4	23.9	6.3	-3.1	-1.6	0.1	1.2	
		13 Manufacture of textiles	11.0	1.6	7.7	6.9	1.1	3.6	7.7	4.4	
		14 Manufacture of wearing apparel	13.3	-6.9	-1.8	-3.7	3.6	-6.7	-5.0	-4.8	
		15 Manufacture of leather and related products	7.6	3.8	8.5	10.6	-2.9	3.4	1.3	1.5	
		16 Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	14.8	6.8	10.8	6.6	-3.5	6.2	6.8	8.6	
		17 Manufacture of paper and paper products	27.0	-4.4	0.2	1.3	-1.3	0.4	3.3	3.6	
		18 Printing and reproduction of recorded media	22.8	-5.6	1.2	-3.6	-10.2	0.0	4.2	1.7	
		19 Manufacture of coke and refined petroleum products	17.5	-0.3	3.7	-3.6	-0.3	1.2	2.3	4.3	
		20 Manufacture of chemicals and chemical products	59.8	1.6	4.5	4.3	-1.2	4.1	2.8	4.0	
		21 Manufacture of basic pharmaceutical products and pharmaceutical preparations	32.6	-1.3	-2.0	-2.3	2.9	-1.0	6.0	6.3	
		22 Manufacture of rubber and plastic products	42.5	1.7	3.6	2.7	1.3	4.7	2.8	4.6	
		23 Manufacture of other non-metallic mineral products	51.9	1.5	2.9	0.6	-7.4	2.9	2.6	4.2	
		24 Manufacture of basic metals	37.6	2.7	6.4	1.6	-1.6	4.3	2.8	3.7	
		25 Manufacture of fabricated metal products, except machinery and equipment	87.7	-2.7	-5.2	-2.8	-1.5	0.2	2.5	5.9	
		26 Manufacture of computer, electronic and optical products	14.3	-1.0	19.9	8.5	-6.3	13.6	1.7	-7.7	
		27 Manufacture of electrical equipment	32.4	1.7	4.4	1.2	-5.4	5.4	7.8	7.8	
		28 Manufacture of machinery and equipment n.e.c.	42.1	-6.3	-4.2	-6.3	1.1	-2.9	1.3	2.1	
		29 Manufacture of motor vehicles, trailers and semi-trailers	64.9	8.8	13.1	12.9	6.4	8.6	2.9	2.9	
		30 Manufacture of other transport equipment	27.5	-4.5	-11.9	-6.9	-9.5	-2.8	-0.8	-0.1	
		31 Manufacture of furniture	18.7	-10.0	-1.7	-1.9	-14.1	-2.4	1.0	3.7	
		32 Other manufacturing	11.0	-3.2	7.1	1.1	6.9	2.6	2.3	3.9	
		33 Repair and installation of machinery and equipment	23.5	-3.5	-2.3	1.7	-3.5	-0.6	3.2	2.5	
				819.7	0.3	2.9	2.1	-1.4	2.7	2.4	3.2
			D Electricity, gas, steam and air conditioning supply	143.9	0.0	1.0	-4.7	-3.9	-1.4	1.3	2.3
			E Water collection, treatment and supply	25.1	10.7	7.3	1.7	3.9	1.6	4.8	5.5
				999.89	0.6	2.8	1.1	-1.7	2.0	2.3	3.1

Source: INE & BIAM (UC3M)

Date: November 7, 2014



IV.2. INFLATION

In October, the annual variation of the Spanish CPI was -0.1%, 0.2 pp less than our forecast.

The forecasting error is largely in the Services group, with prices falling much more than expected, plus a negative surprise in Energy.

Air and Road transport, plus Culture, are the reason for the downwards surprise in services. This has pushed down the core component of inflation, an annual -0.1%.

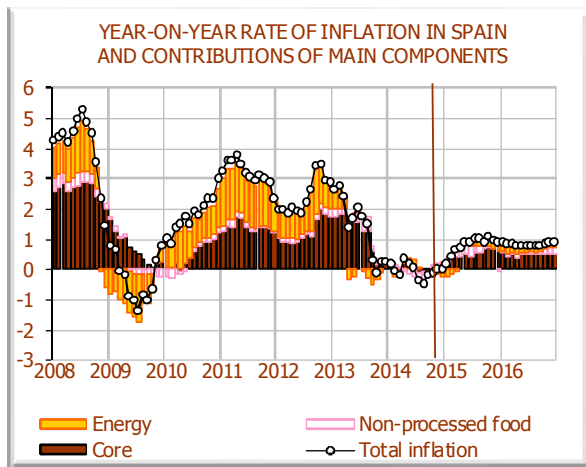
Outside core inflation, the energy underwent a revision. This was due to falling oil prices which, in view of future market prices, will be sustained over time.

The downwards revision of services and energy changes the general inflation forecast in the same direction. The revision affects the 2015 and 2016

figures, which are revised downwards by 0.2 pp, to 0.8% for both years.

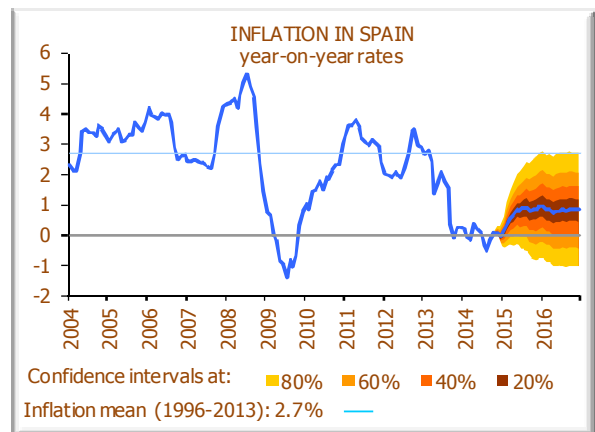
The October figure can be classified as a downwards surprise due to the negative core inflation figure. If the consumption growth forecasts for the next few quarters, largely based on the creation of employment, are accurate, core inflation should soon cease to be negative.

Graph IV.2.1



Source: INE & BIAM (UC3M)
Date: November 13, 2014

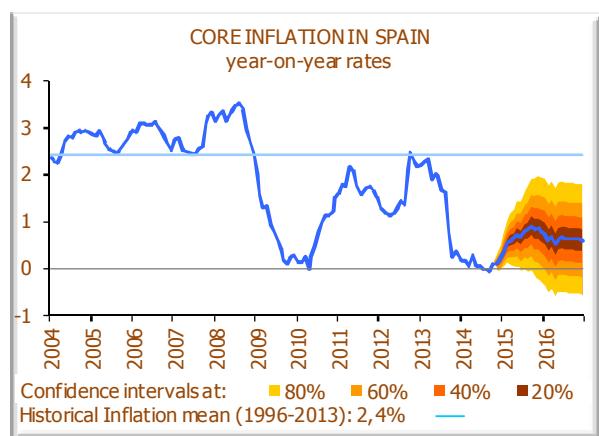
Graph IV.2.2



Source: INE & BIAM (UC3M)
Date: November 13, 2014



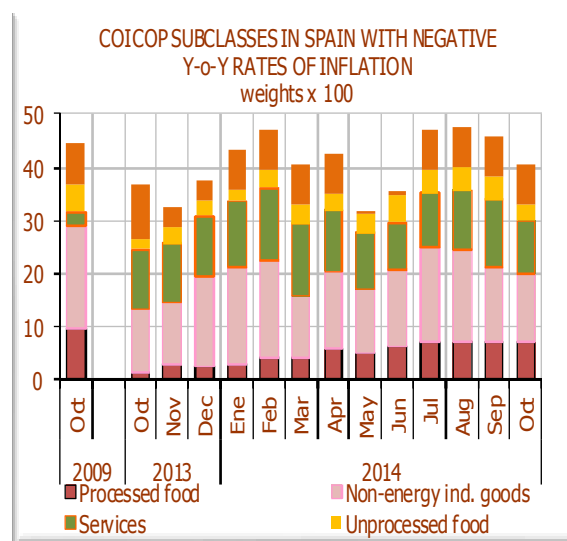
Graph IV.2.3



Source: INE & BIAM (UC3M)

Date: November 13, 2014

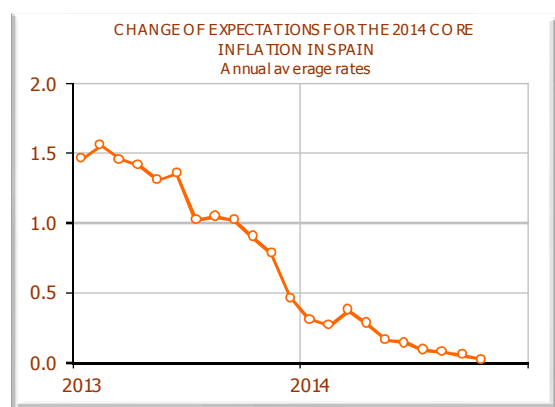
Graph IV.2.4



Source: INE & BIAM (UC3M)

Date: November 13, 2014

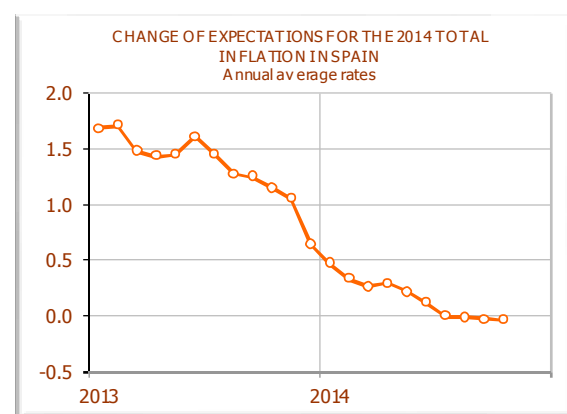
Graph IV.2.5



Source: INE & BIAM (UC3M)

Date: November 13, 2014

Graph IV.2.6



Source: INE & BIAM (UC3M)

Date: November 13, 2014

Table IV.2.1

INFLATION IN SPAIN						
CPI	Annual rates		Average annual rates			
	2014		2014	2015	2016	2017
	October	November				
Core 81.41%	-0.1	0 (±0.19)	0 (±0.04)	0.7 (±0.77)	0.6 (±0.96)	0.6 (±0.96)
Total 100%	-0.1	0 (±0.18)	0 (±0.04)	0.8 (±1.24)	0.8 (±1.45)	0.8 (±1.45)

In brackets are 80% confidence intervals

Source: INE & BIAM (UC3M)

Date: November 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	Oct	Nov	Dic	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
PROCESSED FOOD	96.0	14.2	29.4	27.3	29.1	40.9	41.5	60.4	52.4	61.4	69.4	69.4	69.4	72.8
NON-ENERGY INDUSTRIAL GOODS	195.1	122.6	118.7	171.3	184.4	183.1	117.3	142.7	118.3	145.7	180.6	174.2	143.4	125.6
SERVICES	26.3	112.2	112.8	116.1	124.3	137.6	135.6	114.4	106.3	87.7	101.6	112.0	126.1	101.8
CORE CPI	317.3	249.0	260.9	314.7	337.8	361.5	294.3	317.5	277.1	294.7	351.6	355.6	338.9	300.2
NON-PROCESSED FOOD	49.4	17.2	30.8	28.6	21.1	35.4	35.0	35.0	37.2	52.9	43.3	45.8	44.9	30.5
NON-ENERGY CPI	366.7	266.3	291.6	343.4	358.9	397.0	329.3	352.5	314.2	347.7	394.9	401.4	383.8	330.7
ENERGY	78.1	107.8	38.7	38.7	74.4	74.4	74.4	74.4	5.3	5.3	74.4	74.4	74.4	74.4
TOTAL WEIGHTS	444.8	374.0	330.3	382.1	433.2	471.3	403.7	426.8	319.5	353.0	469.3	475.8	458.2	405.1

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: November 13, 2014

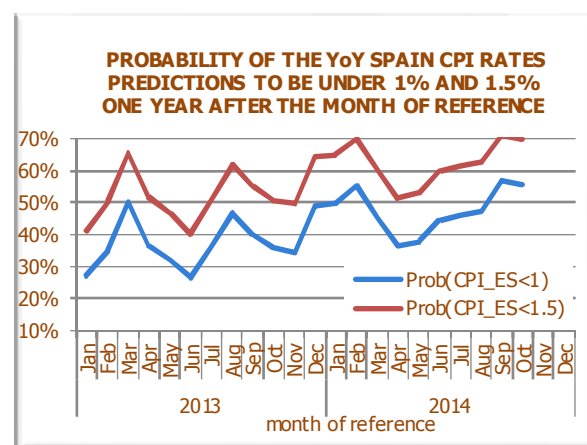
Table IV.2.3

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	January		
	February		
	March		
	April		
	May		
	June		
	July		
	August		
	September		
	October		
	November	99.98%	99.99%
	December	98.88%	99.97%
2015	January	91.51%	98.66%
	February	79.24%	93.36%
	March	65.89%	84.55%
	April	61.04%	79.52%
	May	53.49%	72.04%
	June	53.51%	70.67%
	July	49.84%	66.41%
	August	48.70%	64.54%
	September	52.68%	67.49%
	October	47.21%	61.72%
	November	50.38%	64.51%
	December	52.18%	66.08%

Source: INE & BIAM (UC3M)

Date: November 13, 2014

Graph IV.2.7



Source: INE & BIAM (UC3M)

Date: November 13, 2014



Table IV.2.4

INFLATION BY COMPONENTS IN THE CONSUMER PRICE INDEX OF SPAIN									
Annual average rates									
			Weights 2014	2011	2012	2013	2014	2015	2016
CPI Total	Core Inflation	Processed food	AE less tobacco & fats	11.9	0.4	0.4	0.4	0.4	0.4
			Oils & Fats	0.6	2.4	2.4	2.4	2.5	2.3
			Tobacco	2.0	4.8	5.1	5.0	5.1	5.2
				14.5	1.0	3.8	3.2	0.4	1.4
		Non energy industrial goods	Vehicles	4.4	2.9	1.2	-2.0	0.7	4.1
			Footwear	1.7	0.6	0.5	0.4	0.7	0.1
			Clothing	5.9	0.1	0.2	-0.1	-0.1	0.1
			Rest	14.5	0.1	1.0	1.7	-1.1	-1.1
				26.5	-0.5	0.6	0.6	-0.4	0.1
		Services	Postal services	0.0	3.0	3.0	3.0	3.0	3.0
			Cultural services	1.8	-0.1	-0.1	-0.1	-0.1	-0.1
			Education	0.9	2.3	2.3	2.3	2.3	2.3
			Hotels	0.7	3.2	3.2	3.2	3.2	3.2
			Health	2.7	2.2	2.2	2.2	2.2	2.2
			Household equipment	2.1	0.8	0.7	0.7	0.7	0.7
			Restaurants	10.5	1.1	1.1	1.1	1.1	1.1
			Telephone	3.6	-1.3	-1.3	-1.3	-1.3	-1.3
			Transports	5.8	1.5	1.4	1.4	1.5	1.5
			Package holidays	1.4	0.7	0.4	0.3	0.5	0.5
			University	0.6	3.0	3.0	3.0	3.0	3.0
			Housing	5.9	0.8	0.7	0.8	0.8	0.7
			Rest	3.4	1.3	1.3	1.3	1.3	1.3
				39.6	1.3	1.8	1.4	0.2	0.7
				80.6	0.6	1.7	1.4	0.0	0.7
	Residual Inflation	Non processed foods	Meat	2.6	0.7	2.5	1.7	0.0	-0.8
			Fruits	1.4	1.0	4.6	9.8	-3.7	8.4
			Eggs	0.2	-1.8	7.4	10.7	-3.3	-2.3
			Vegetables	0.9	-0.4	0.6	0.4	0.4	4.4
			Mollusc	0.6	6.5	1.6	0.0	4.3	4.2
			Potatoes	0.3	13.6	-11.4	18.7	0.2	-7.0
			Fish	1.2	1.6	2.9	0.1	1.2	1.8
				7.3	0.0	1.8	3.4	-0.7	2.6
		Energy	Fuels	6.9	1.9	1.8	1.8	1.8	1.8
			Heat energy	0.5	0.5	0.4	0.4	0.4	0.4
			Electricity and gas	4.7	0.0	0.0	0.0	0.0	0.0
				12.1	12.5	15.7	0.0	-0.1	0.7
				19.4	7.6	10.4	1.3	-0.3	1.4
				100.0	1.8	3.2	1.4	0.0	0.8

* The figures in the shaded area are forecasts

Source: INE & BIAM (UC3M)

Date: November 13, 2014



Table IV.2.5

CONSUMER PRICE INDEX AND COMPONENTS IN SPAIN															
Annual rates of growth															
		Consumer Prices Index													
		Core				TOTAL			Residual		TOTAL		Confidence intervals at 80% *		
		Processed food excluding tobacco	Tobacco	Non energy industrial goods	Services				Non processed food	Energy					
Weights 2014		13.1%	2.0%	26.3%	39.8%	81.4%		6.7%	12.1%	18.6%					
AVERAGE ANNUAL RATES	2007	3.9	1.5	1.4	3.9	2.9		4.4	8.0	6.3	3.5				
	2008	3.0	8.8	0.7	3.9	2.7		4.7	1.7	3.2	2.8				
	2009	6.9	3.5	0.3	3.9	3.2		4.0	11.9	8.5	4.1				
	2010	-0.7	11.7	-1.3	2.4	0.8		-1.3	-9.0	-5.4	-0.3				
	2011	-1.7	15.0	-0.5	1.3	0.6		0.0	12.5	7.6	1.8				
	2012	1.5	13.3	0.6	1.8	1.7		1.8	15.7	10.4	3.2				
	2013	2.5	7.3	0.6	1.4	1.4		3.4	0.0	1.3	1.4				
	2014	0.0	2.4	-0.4	0.2	0.0 ± 0.04		-0.7	-0.1	-0.3	0.0 ± 0.04				
	2015	0.7	5.7	0.1	0.7	0.7 ± 0.77		2.6	0.7	1.4	0.8 ± 1.24				
	2016	0.6	5.7	-0.3	1.0	0.6 ± 0.96		1.6	1.8	1.7	0.8 ± 1.24				
2017	0.5	5.3	-0.3	1.0	0.6 ± 0.96		2.8	1.1	1.7	0.8 ± 1.45					
Year-on-year rates	2014	January	1.3	3.8	-0.3	-0.1	0.2		0.9	0.0	0.3	0.2			
		February	1.0	3.4	-0.4	0.0	0.1		1.2	-1.7	-0.7	0.0			
		March	0.8	3.4	-0.3	-0.2	0.0		0.0	-1.4	-0.9	-0.1			
		April	0.4	3.4	-0.4	0.5	0.3		-0.5	1.6	0.9	0.4			
		May	0.1	3.1	-0.5	0.2	0.0		-2.7	3.0	1.0	0.2			
		June	-0.2	3.1	-0.5	0.3	0.0		-3.8	2.6	0.3	0.1			
		July	-0.2	1.2	-0.4	0.2	0.0		-5.2	0.3	-1.7	-0.3			
		August	-0.4	1.0	-0.4	0.2	0.0		-5.4	-0.9	-2.5	-0.5			
		September	-0.4	1.1	-0.3	0.1	-0.1		-1.5	0.0	-0.6	-0.2			
		October	-0.4	1.0	-0.3	0.1	-0.1		1.7	-1.1	-0.1	-0.1			
		November	-0.4	1.0	-0.3	0.3	0.0 ± 0.19		2.4	-1.2	0.1	0.0 ± 0.18			
		December	-0.3	3.1	-0.3	0.4	0.1 ± 0.29		2.2	-1.8	-0.3	0.0 ± 0.35			
	2015	January	-0.1	4.7	-0.3	0.6	0.3 ± 0.38		2.1	-1.6	-0.2	0.2 ± 0.55			
		February	0.2	4.8	0.1	0.5	0.5 ± 0.47		2.2	-1.2	0.1	0.4 ± 0.76			
		March	0.3	4.8	0.2	0.6	0.5 ± 0.56		3.5	-0.2	1.2	0.7 ± 0.93			
		April	0.6	5.8	0.2	0.5	0.6 ± 0.63		3.5	0.3	1.5	0.7 ± 1.05			
		May	0.7	6.2	0.2	0.6	0.6 ± 0.70		5.1	0.2	2.0	0.9 ± 1.18			
		June	1.0	4.6	0.2	0.5	0.6 ± 0.77		5.2	0.4	2.2	0.9 ± 1.29			
		July	1.0	5.5	0.1	0.7	0.7 ± 0.85		3.3	1.4	2.2	1.0 ± 1.40			
		August	1.1	5.5	0.1	0.7	0.7 ± 0.92		3.1	1.7	2.2	1.0 ± 1.50			
		September	1.1	6.7	0.2	0.9	0.8 ± 1.00		2.6	0.3	1.2	0.9 ± 1.58			
		October	1.0	7.1	0.2	0.9	1.0 ± 1.07		1.0	2.0	1.7	1.1 ± 1.66			
		November	0.9	7.0	0.2	1.0	0.8 ± 1.11		0.1	2.4	1.6	1.0 ± 1.74			
		December	0.8	5.4	0.2	1.0	0.8 ± 1.14		-0.1	2.4	1.5	0.9 ± 1.77			
	2016	January	0.7	5.1	0.0	1.0	0.7 ± 1.17		0.3	2.5	1.7	0.9 ± 1.78			
		February	0.7	5.2	-0.4	1.0	0.6 ± 1.17		0.9	2.4	1.8	0.8 ± 1.78			
		March	0.7	5.2	-0.4	1.2	0.7 ± 1.18		0.5	2.3	1.6	0.9 ± 1.80			
		April	0.6	5.5	-0.3	0.8	0.5 ± 1.18		1.3	2.1	1.8	0.8 ± 1.83			
		May	0.6	5.6	-0.3	1.0	0.6 ± 1.19		0.9	2.0	1.6	0.8 ± 1.87			
		June	0.6	6.8	-0.3	1.0	0.6 ± 1.19		1.0	1.9	1.5	0.8 ± 1.90			
		July	0.6	6.5	-0.4	1.0	0.6 ± 1.19		1.3	1.7	1.6	0.8 ± 1.90			
		August	0.6	6.6	-0.4	1.0	0.6 ± 1.19		1.2	1.6	1.4	0.8 ± 1.90			
		September	0.6	5.7	-0.4	1.0	0.6 ± 1.19		1.8	1.5	1.6	0.8 ± 1.90			
		October	0.6	5.4	-0.3	1.0	0.6 ± 1.19		2.8	1.4	1.9	0.9 ± 1.90			
		November	0.6	5.3	-0.3	1.0	0.6 ± 1.19		3.3	1.3	2.0	0.9 ± 1.90			
		December	0.6	5.5	-0.4	1.0	0.6 ± 1.19		3.7	1.3	2.2	0.9 ± 1.90			

* Confidence intervals calculated with historical errors

*The figures in the shaded area are Forecasts

Source: INE & BIAM (UC3M)

Date: November 13, 2014



Table IV.2.6

CONSUMER PRICE INDEX AND COMPONENTS IN SPAIN											
Monthly rates of growth											
			Consumer Prices Index								
			Core				TOTAL	Residual			TOTAL 100 %
			Processed food excluding tobacco	Tobacco	Non energy industrial goods	Services		Non processed food	Energy	TOTAL	
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	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	0.2	1.6	-4.7	-0.2	-1.6	0.8	0.2	0.4	-1.2
		2016	0.2	1.3	-4.8	-0.2	-1.6	1.2	0.3	0.7	-1.2
	February	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	0.2	0.2	0.0	0.3	0.2	-0.6	0.4	0.0	0.1
		2016	0.1	0.2	-0.3	0.2	0.0	0.0	0.3	0.2	0.1
	March	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	0.3	0.5	-0.3	0.7	0.3	0.5
		2016	0.1	0.0	1.2	0.5	0.6	-0.7	0.6	0.1	0.5
	April	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	0.4	1.1	0.2	0.7	0.5	1.0
		2016	-0.1	1.2	2.9	0.0	0.9	1.0	0.6	0.7	0.9
	May	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	-0.2	0.1	0.9	0.2	0.4	0.2
		2016	0.0	0.5	0.7	0.0	0.3	0.5	0.0	0.2	0.2
	June	2013	0.1	0.0	-0.3	0.2	0.0	1.6	0.4	0.8	0.1
		2014	-0.3	0.0	-0.4	0.3	0.0	0.4	0.0	0.2	0.0
		2015	-0.1	-1.6	-0.4	0.3	-0.1	0.6	0.2	0.3	0.0
		2016	-0.1	-0.4	-0.4	0.3	0.0	0.7	0.0	0.3	0.0
	July	2013	-0.1	2.7	-4.1	0.5	-1.0	1.6	1.8	1.7	-0.5
		2014	-0.1	0.7	-4.0	0.4	-1.1	0.2	-0.6	-0.3	-0.9
		2015	0.0	1.6	-4.0	0.6	-1.0	-1.7	0.5	-0.3	-0.9
		2016	0.0	1.3	-4.1	0.6	-1.0	-1.4	0.4	-0.3	-0.9
	August	2013	0.1	0.3	-0.4	0.4	0.1	1.0	1.2	1.1	0.3
		2014	0.0	0.2	-0.3	0.4	0.1	0.7	0.0	0.2	0.2
		2015	0.1	0.1	-0.3	0.5	0.2	0.4	0.3	0.3	0.2
		2016	0.1	0.2	-0.3	0.5	0.1	0.2	0.1	0.2	0.2
	September	2013	0.2	0.0	1.2	-0.8	0.0	-4.0	0.5	-1.1	-0.2
		2014	0.2	0.0	1.3	-0.9	0.0	-0.1	1.4	0.8	0.2
		2015	0.1	1.2	1.3	-0.7	0.1	-0.5	0.0	-0.2	0.0
		2016	0.1	0.3	1.4	-0.7	0.1	0.1	-0.1	-0.1	0.1
	October	2013	0.2	0.0	3.0	-0.4	0.8	-2.0	-0.8	-1.2	0.4
		2014	0.2	0.0	3.0	-0.4	0.8	1.2	-1.9	-0.8	0.5
		2015	0.1	0.3	3.0	-0.1	0.9	-0.4	-0.2	-0.3	0.7
		2016	0.1	0.0	3.0	-0.1	0.9	0.6	-0.3	0.0	0.7
	November	2013	0.1	0.0	1.5	-0.3	0.4	0.1	-0.7	-0.5	0.2
		2014	0.3	-0.1	1.4	-0.3	0.5	0.7	-0.8	-0.2	0.3
		2015	0.2	-0.1	1.5	-0.3	0.4	-0.1	-0.4	-0.3	0.2
		2016	0.1	-0.2	1.5	-0.3	0.4	0.3	-0.5	-0.2	0.3
	December	2013	0.0	0.0	-0.6	0.2	-0.1	1.3	0.7	0.9	0.1
		2014	0.1	2.1	-0.6	0.3	0.0	1.0	0.0	0.4	0.1
		2015	0.0	0.6	-0.7	0.3	0.0	0.7	0.0	0.2	0.0
		2016	0.1	0.8	-0.7	0.3	-0.1	1.1	-0.1	0.4	0.0

* The figures in the shaded area are Forecasts

Source: INE & BIAM (UC3M)

Date: November 13, 2014



INFLATION FORECASTING BY SUBCLASS IN SPAIN¹

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.

Table IV.2.7

CONSUMER PRICE INDEX BY SUBCLASS IN SPAIN									
Annual average rates of growth									
	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	-1.1	-0.8
Flours and cereals	1.7	8.7	0.5	-3.4	3.4	1.9	1.1	-1.1	0.3
Bread	15.2	8.9	0.0	-0.3	0.7	1.0	0.6	-0.3	-0.2
Pastry goods, cakes, mixes and doughs for bakery products	10.0	7.5	1.6	-0.1	3.0	3.0	2.3	-0.4	1.2
Farinaceous-based products	1.2	18.5	-5.8	-1.6	4.6	2.6	0.6	-1.4	-1.5
Delicatessen type meat products	17.4	3.3	0.4	0.0	1.0	1.8	2.6	1.3	0.8
Processed meat products	3.4	4.8	2.3	-0.8	1.3	4.1	2.6	0.5	0.8
Preserved and processed fish	7.2	5.3	0.7	0.0	4.2	3.8	5.1	1.1	2.2
Milk	9.3	15.6	-8.3	-5.2	-0.3	1.7	3.4	2.8	-0.1
Other dairy products	7.4	7.6	-2.2	-3.3	5.6	4.0	-3.3	-1.4	-1.3
Cheeses	7.0	10.0	-0.4	-0.2	0.9	2.0	0.2	2.3	1.3
Preserved fruits, nuts and dried fruits	2.8	2.1	0.4	-1.4	0.9	2.8	4.1	5.4	0.4
Dried pulses and vegetables	0.9	10.8	-1.0	-0.8	4.9	5.5	5.1	-0.3	-0.1
Frozen and preserved pulses and vegetables	3.5	7.8	0.7	-1.0	1.6	2.6	3.5	1.7	-0.2
Sugar	1.1	0.3	-6.9	-9.0	19.4	4.9	0.3	-7.5	-3.8
Chocolates and confectionery	5.3	5.3	0.5	-0.1	1.8	1.6	0.9	0.1	1.6
Other food products	3.7	8.7	4.2	0.2	2.4	2.6	2.0	0.0	-0.9
Coffee, cocoa and infusions	3.6	7.1	1.3	-0.1	10.1	5.5	-0.2	-1.4	1.2
Mineral water, soft drinks, fruit and vegetable juices	8.0	4.0	3.0	-2.3	0.6	1.5	1.8	0.0	-0.1
Spirits and liqueurs	1.4	4.5	1.9	1.7	1.6	-0.2	0.6	1.7	1.8
Wines	3.4	4.7	0.1	-0.8	0.5	3.8	5.5	-3.5	-0.7
Beer	3.2	5.5	4.3	0.7	2.2	1.9	1.4	1.8	2.6
Tobacco	20.0	3.5	11.7	15.0	13.3	7.2	7.3	2.5	5.9
Butter and margarine	0.6	16.2	0.7	-1.6	7.3	4.2	0.0	-1.9	8.7
Oils	5.4	1.1	-12.4	-2.8	-0.3	2.7	20.0	-9.6	4.5
PF INFLATION IN SPAIN									
Standard deviation (σ)*	1.67	1.67	1.67	1.67	1.67	1.67	1.67	0.1	1.6
TOTAL INFLATION IN SPAIN									
	0.7	0.9	0.8	0.8	0.7	0.8	0.7	0.7	0.7

* 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 growth									
	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	-0.1	-0.9
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	0.3	0.0
Women's footwear	7.8	1.6	-0.7	1.0	0.8	0.6	0.7	1.2	0.6
Children's and infants' footwear	3.0	1.3	-0.5	0.1	0.5	0.3	0.1	0.1	-0.4
Motor vehicles	40.9	-0.5	-4.1	-1.2	3.0	1.2	-2.2	0.8	4.0
Other vehicles	1.9	-2.4	1.0	0.0	1.2	1.2	1.3	0.5	2.3
Spare parts and maintenance accessories	1.6	4.6	-0.7	1.3	2.5	2.1	0.3	-1.0	3.2
Materials for the maintenance and repair of the dwelling	2.3	5.1	3.0	1.4	2.4	1.6	2.2	-0.1	0.5
Water supply	10.9	4.9	5.7	2.1	2.6	5.1	7.0	3.0	2.6
Furniture	12.3	3.9	1.1	1.1	1.8	0.6	1.0	-0.5	-0.3
Other equipments	2.0	2.7	0.5	0.4	2.2	0.7	1.1	-0.3	1.0
Household textiles	5.6	2.2	0.5	0.2	2.0	-0.5	-0.4	-2.1	-1.8
Refrigerators, washing machines and dishwashers	3.8	-1.9	-1.0	-1.8	-2.2	-1.6	-1.3	-4.7	-3.9
Cookers and ovens	1.2	-0.8	0.1	-1.6	-1.4	-1.1	-0.8	-3.2	-2.1
Heating and air conditioning	2.2	-0.5	0.8	0.7	-1.0	-0.2	0.3	-3.4	-2.0
Other household appliances	1.2	-0.2	0.5	0.5	-1.3	0.2	0.4	-1.9	-1.5
Glassware, crockery and cutlery	0.9	3.1	2.6	1.9	3.4	1.7	2.3	-0.5	0.4
Other kitchen utensils and furnishing	1.1	3.7	2.6	2.2	2.2	1.2	1.8	0.1	0.4
Tools and accessories for house and garden	2.4	3.0	1.9	2.3	2.8	1.2	1.2	-0.2	0.5
Cleaning household articles	12.9	1.7	1.9	-0.8	0.0	1.8	1.3	-0.3	0.2
Other non-durable household articles	3.9	2.7	1.4	1.1	2.9	2.0	1.3	-0.1	0.0
Medicines and other pharmaceutical products	9.7	-6.5	-6.3	-5.3	-6.0	12.5	23.2	0.6	-0.7
Therapeutic appliances and equipment	6.3	3.6	1.0	0.0	-0.7	-2.5	-3.4	-1.4	-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	-8.2	-10.3
Photographic and cinematographic equipments	1.0	-18.0	-18.5	-14.0	-14.5	-12.2	-12.0	-13.0	-19.9
Information processing equipments	3.5	-21.5	-13.3	-6.1	-11.5	-10.1	-8.0	-11.1	-15.4
Recording media	1.8	-0.9	-0.4	-0.1	-1.3	-6.6	-7.1	-2.8	-1.0
Games and toys	5.5	-0.4	-1.8	-2.5	-3.0	-2.6	-2.9	-4.1	-3.7
Other recreational and sporting articles	0.9	1.1	-0.6	-0.1	-0.2	-0.8	-0.2	-3.6	-0.3
Gardens, plants, flowers and pets	6.2	5.3	2.8	2.1	2.1	2.5	3.7	0.6	1.0
Books	7.1	2.0	2.2	1.2	3.0	0.1	0.8	0.2	0.0
Newspapers and magazines	6.7	2.2	3.6	2.6	2.5	2.2	1.8	1.3	1.6
Stationery materials	2.5	3.7	3.2	1.7	2.7	1.8	3.2	0.2	0.4
Personal care articles	18.1	2.2	0.8	0.0	1.0	0.3	-0.2	-0.9	-0.5
Jewellery, costume jewellery, clocks and watches	3.2	11.1	7.5	12.5	15.2	12.7	1.1	-5.5	0.2
Other articles for personal use	2.8	1.1	-0.6	0.4	0.3	-0.2	-0.2	-1.4	-2.1
NEIG INFLATION IN SPAIN									
Standard deviation (σ)*	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.1	0.7
TOTAL INFLATION IN SPAIN									
	0.7	0.9	0.8	0.8	0.7	0.8	0.7	0.7	0.7

* 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

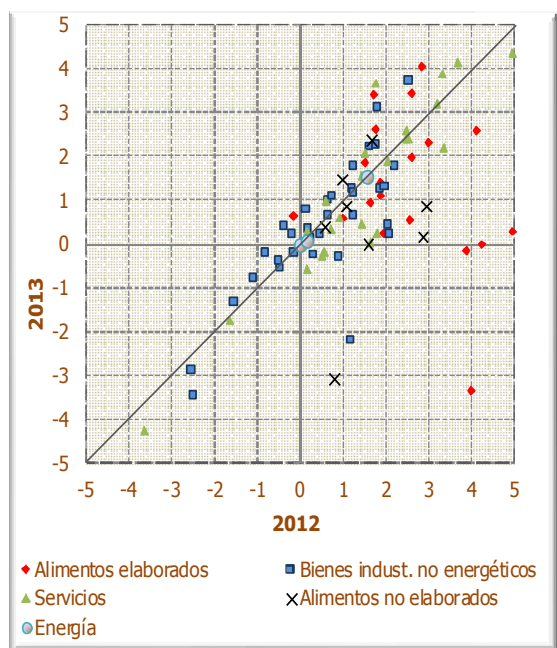
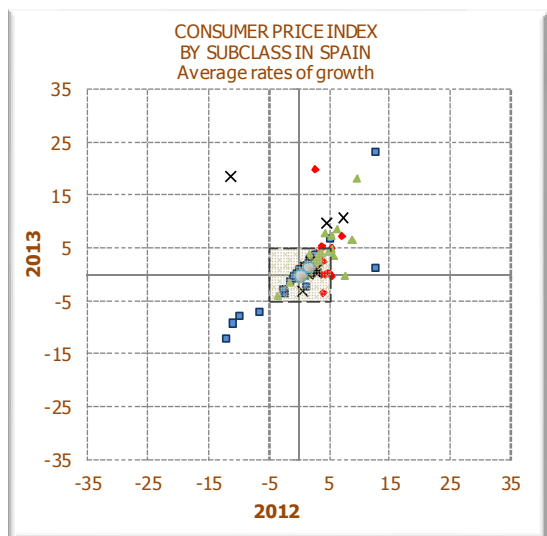
Table IV.2.8

CONSUMER PRICE INDEX BY SUBCLASS IN SPAIN									
Annual average rates of growth									
	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	0.3	0.9
Other services related to vehicles	3.3	3.3	1.3	-0.4	0.5	1.5	2.0	-1.3	-1.2
Railway transport	2.1	3.7	5.5	4.9	3.3	7.6	-0.5	0.7	7.2
Road transport	6.8	4.2	5.3	1.7	2.8	5.5	4.8	2.1	1.7
Air transport	3.5	13.7	3.0	0.6	5.4	4.4	7.8	8.6	13.7
Other transport services	2.9	7.3	7.0	5.5	2.5	8.6	6.6	1.3	2.7
Insurances connected with transport	18.6	2.0	1.3	1.8	2.8	0.5	-0.3	0.6	0.0
Restaurants, bars, coffee bars, canteens	102.2	4.7	2.2	1.3	1.6	0.9	0.6	0.4	0.7
Hotels and other lodgings	7.3	4.2	-1.4	0.2	1.3	0.1	-0.6	1.5	3.1
Package holidays	13.9	4.5	0.2	-4.6	3.3	5.7	3.3	0.9	0.0
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	-5.7	-2.6
Rentals for housing	27.3	4.2	3.1	1.1	1.0	0.5	-0.2	-0.7	-0.3
Services for the maintenance and repair of the dwelling	9.3	5.1	1.4	0.4	0.9	0.2	0.3	-0.7	-0.6
Sewerage collection	22.4	3.4	3.8	3.0	2.7	2.5	2.6	1.4	1.7
Out-of-hospital medical and paramedical services	5.0	4.9	2.2	1.4	1.5	0.7	0.3	0.7	1.7
Dental services	10.5	3.2	2.4	1.3	0.9	0.6	1.0	0.1	0.0
Hospital services	1.2	3.4	0.9	-0.8	0.1	-1.6	-1.8	-2.1	-2.2
Medical insurances	10.2	4.7	6.9	5.6	5.1	3.7	4.2	5.2	4.5
Recreational and sporting services	8.0	1.7	2.1	1.1	1.5	1.8	0.2	0.1	1.6
Cultural services	10.1	3.6	3.1	1.6	1.3	5.3	7.2	-0.9	-1.3
Education	9.5	3.4	2.5	2.1	1.9	2.0	1.9	1.1	1.8
Repair of footwear	0.2	6.2	4.2	3.5	3.9	2.5	2.4	1.6	3.4
Domestic service and other household services	13.0	4.8	3.0	1.9	1.7	1.4	1.5	1.0	1.9
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	0.1
Social services	4.0	4.6	4.0	2.5	2.0	1.4	0.5	0.6	2.0
Other insurances	6.8	3.9	4.5	2.6	3.4	5.0	4.4	4.0	3.1
Financial services	0.5	4.7	3.6	5.1	4.3	1.6	0.0	-0.1	-0.3
Other services	6.6	2.2	2.2	0.6	1.3	6.2	8.4	0.6	1.5
Repair of household appliances	1.1	4.3	4.2	2.9	3.7	3.3	3.9	0.8	1.2
SER INFLATION IN SPAIN									
Standard deviation (σ)*	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.1	0.7
TOTAL INFLATION IN SPAIN									
	0.7	0.9	0.8	0.8	0.7	0.8	0.7	0.7	0.7

* 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

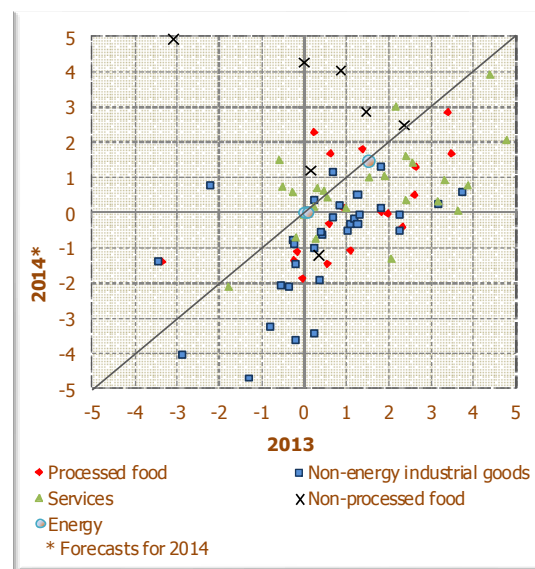
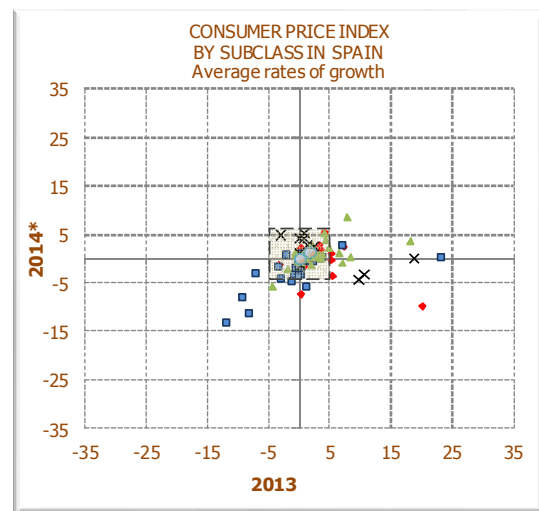
CONSUMER PRICE INDEX BY SUBCLASS IN SPAIN									
Annual average rates of growth									
	Weights 2014	2008	2009	2010	2011	2012	2013	2014	2015
NON-PROCESSED FOOD (NPF)									
Beef	0.0	4.0	1.7	0.5	1.6	3.0	0.9	4.0	0.8
Pork	8.3	1.6	-3.8	-2.1	2.3	1.7	2.4	2.5	-1.2
Sheep meat	5.9	5.3	1.9	-3.1	1.6	0.8	-3.1	4.9	0.4
Poultry	2.5	4.3	-1.9	-4.0	4.3	1.0	1.5	2.8	-1.1
Other meats, viscera and other non-meat edibles	8.3	7.0	-1.5	-2.6	1.0	1.1	0.8	5.1	0.5
Fresh fish	11.0	0.8	-3.7	-0.7	1.6	2.9	0.1	1.2	1.0
Crustaceans and molluscs	2.2	0.2	-2.0	0.1	6.5	1.6	0.0	4.3	5.2
Eggs	5.6	10.5	4.3	-0.3	-1.8	7.4	10.7	-3.3	-1.9
Fresh fruits	2.2	9.4	0.3	-1.2	1.0	4.6	9.8	-4.2	6.4
Fresh pulses and vegetables	14.4	2.4	2.1	1.3	-0.4	0.6	0.4	-1.2	2.2
Potatoes and processed potato products	9.2	-3.6	-0.3	-4.8	13.6	-11.4	18.7	0.2	-6.9
NPF INFLATION IN SPAIN									
Standard deviation (σ)*		3.0	2.8	3.1	2.8	2.2	2.8	2.2	1.9
		2.42	2.42	2.42	2.42	2.42	2.42	0.3	2.0
TOTAL INFLATION IN SPAIN									
		0.7	0.9	0.8	0.8	0.7	0.8	0.7	0.7
* 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 growth									
	Weights 2014	2008	2009	2010	2011	2012	2013	2014	2015
ENERGY (ENE)									
Electricity and gas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other fuels	32.1	0.5	0.3	0.3	0.2	0.2	0.1	0.0	0.0
Fuels and lubricants	15.0	1.7	1.7	1.6	1.6	1.6	1.5	1.5	1.5
ENE INFLATION IN SPAIN									
Standard deviation (σ)*		1.0	1.0	0.9	0.9	0.9	0.9	0.9	0.8
		6.21	6.21	6.21	6.21	6.21	6.21	0.5	6.9
TOTAL INFLATION IN SPAIN									
		0.7	0.9	0.8	0.8	0.7	0.8	0.7	0.7
* 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.2.8



The graph below zooms on the grey area marked in the previous figure.
 Source: INE & BIAM (UC3M)
 Date: November 13, 2014

Graph IV.2.9



The graph below zooms on the grey area marked in the previous figure.

Source: INE & BIAM (UC3M)

Date: November 13, 2014



IV.3. The cost of unemployment benefits in the last few years

After the onset of the crisis, the cost of the Spanish unemployment protection system started to grow considerably, as unemployment soared. Most of these costs refer to unemployment benefits, which totalled 31,687 million euros in 2012, and around 30,000 million in 2013, 3% and 2.9% of the GDP, respectively, when in 2007 the figure was practically half. In 2014 however, there could be a significant reduction relative to 2013.

IV.3.1. Introduction

The high disequilibrium of the labour market, with 23.7% unemployment in the third quarter of 2014, is a problem for the Spanish economy and involves significant economic and social costs. The economic costs include the opportunity cost of being unemployed, which represents a loss of production and economic growth and, ultimately, a reduction in income and welfare. Secondly, it has a negative effect on the public accounts; this possibly the most direct cost that can easily be used to quantify unemployment.

This cost affects both public income and expenditure, as income tax and VAT payments fall and there are also less Social Security contributors. On the expenditure side, a rise in unemployment automatically generates an increase in public spending in unemployment benefits.

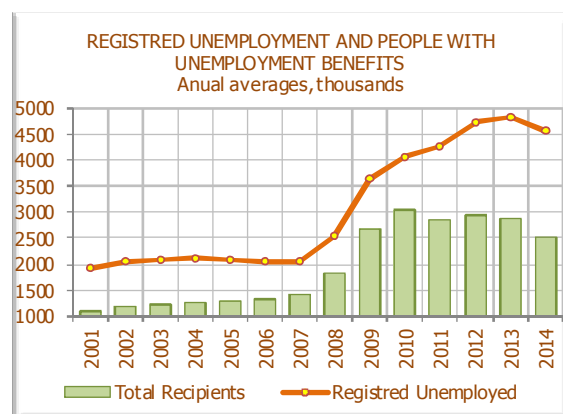
IV.3.2. Evolution of unemployment benefit receivers

In the Spanish unemployment protection system not all unemployed have access to unemployment benefits. Graph IV.3.2.1 shows the positive relationship between the number of unemployed and the number who receive unemployment benefits. In 2013, average annual registered unemployment totalled 4,845,300 and the number of beneficiaries was only 2.86 million, 2.6% less than the previous year. In the first ten months of 2014, registered unemployment tended to fall, totalling 4.527 million people in October. For 2014 the total is forecast as 4.57 million, around 270,000 less than in 2013.

The number of people receiving unemployment benefits grew considerably in the first few years of the crisis (see Graph IV.3.2.1). The total in 2013 was 2.86 million. For 2014, the forecast is 2.2 million, 344,000 less than in 2013.

According to these figures, in 2013 there were close to two million unemployed in Spain (1.98 million) receiving no benefits, and in 2014 this

Graph IV.3.2.1



Source: MESS

Date: November 30, 2014

number will be much more than two million (2.058 million). The proportion of beneficiaries relative to total registered unemployment gives an idea of the level of coverage provided by the unemployment protection system. The ratio was 62.3% in 2013, 3.5 points less than in the previous year (see Graph IV.3.2.2), after rising considerably in the first few years of the crisis. The subsequent reduction is due to the heavy increase in long-term unemployment.

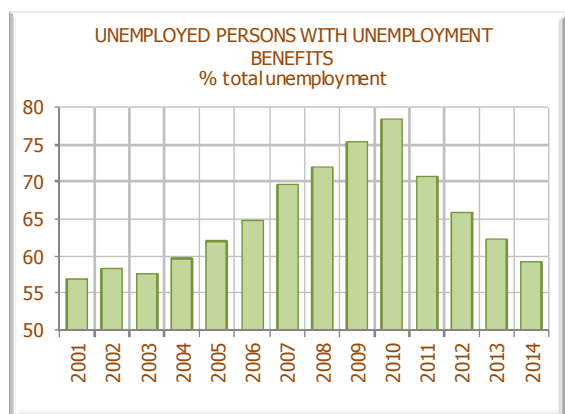
In 2013, the total number of people receiving unemployment benefits (Graph IV.3.2.3) was 2,865,200, 2.6% less than the previous year. In 2014, it is expected to fall to 2.52 million, 12% less than in 2013.

The number of contributive benefits is expected to increase in 2014 to 1.05 million, versus 1.3 million in 2013. This item has usually represented the majority (see Graph IV.3.2.3). However, in 2011 other benefits exceeded them for the first time, largely due to the growth of long-term unemployment.

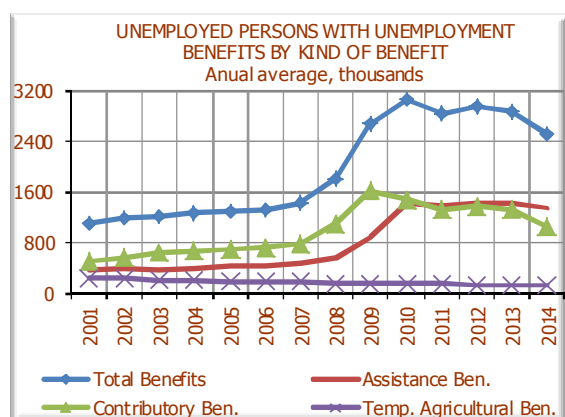
It is clear that most of these benefit recipients, after the period in which they are received, continue to be unemployed and, if they meet a series of conditions, they start to receive a different benefit. In 2013, these people totalled 1,420,900, when there were only 400,000 in the year before the crisis. This benefit includes people adhered to the Active Insertion Income programme, which is usually extended annually and represents a benefit of around 430 euros. In 2014, its beneficiaries are expected to grow by 10.2% relative to the previous year. Finally, these benefits include subsidised temporary farm workers that continue to exist in the rural areas of Andalusia, but are falling. In 2014, they are expected to fall by 4.1%.



Graph IV.3.2.2



Graph IV.3.2.3



Source: MESS
Date: November 30, 2014

IV.3.3. Unemployment benefit expenditure

Unemployment benefit expenditure is expected to fall significantly in 2014, from 5,543 million to 24,261 million euros, and from 2.8% to 2.3% of the GDP (see Graphs IV.3.3.1 and IV.3.3.2). During the crisis, this figure has nearly doubled, as the total in 2007 was 15,299.7 million euros, 1.4% of the GDP. In 2014, the total amount of contributive benefits is expected to be 16,240 million euros (see Graph IV.3.3.1), nearly 5,000 million less than in 2013.

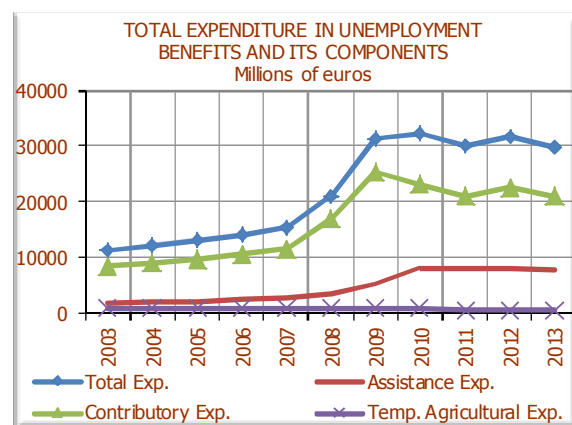
Expenditure in other benefits in 2013 was 5,618.3 million euros and the forecast for 2014 is 5,472 million, 2.6% less. This reduction is due to the increase in the AIA programme, providing a smaller payment. Expenditure in benefits for subsidised temporary farm workers in 2014 is expected to be 663 million, 5.8% less than the previous year.

Graph IV.3.3.3 shows the evolution of the rates of variation of expenditure in benefits and registered unemployment. It shows a close relationship between total benefit expenditure and registered unemployment. Both types of benefit evolve similarly, albeit with some lag, as

contributive benefits are replaced by the other kind when they come to an end.

The average unemployment benefit per worker fell slightly in 2009, largely due to the increase in other benefit recipients. In 2013, the average benefit was 10,400 euros per year, and the average for 2014 is expected to be 9,600 euros. The average contributive benefit in 2013 was 16,100 euros per year, and it is expected to fall to 15,500 euros in 2014.

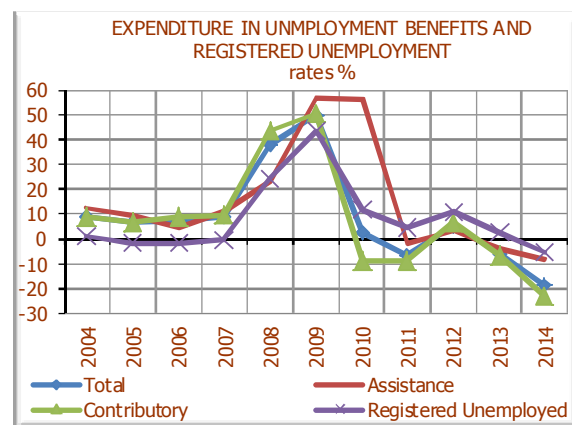
Graph IV.3.3.1



Graph IV.3.3.2



Graph IV.3.3.3



Source: MESS
Date: November 30, 2014



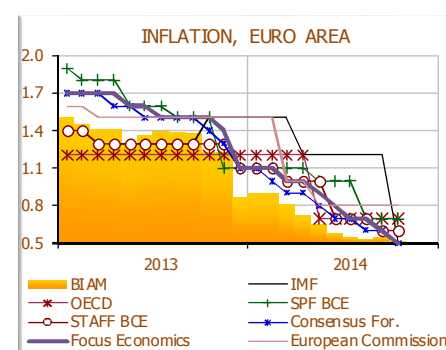
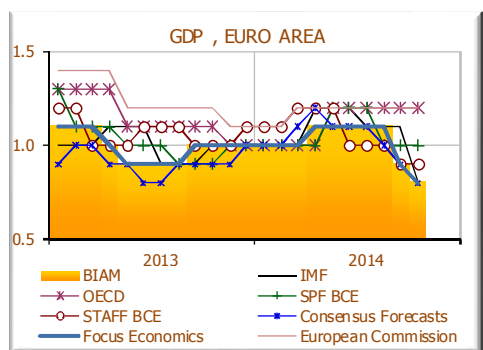
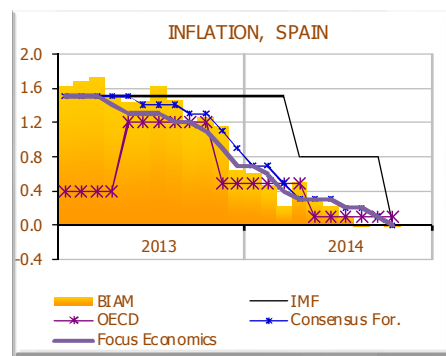
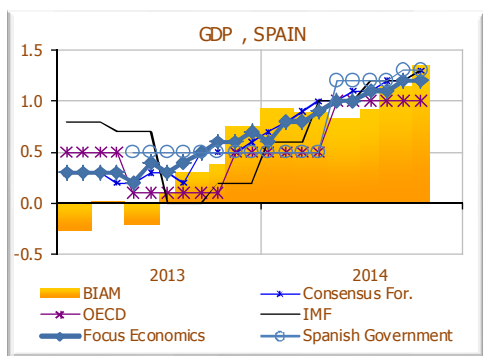
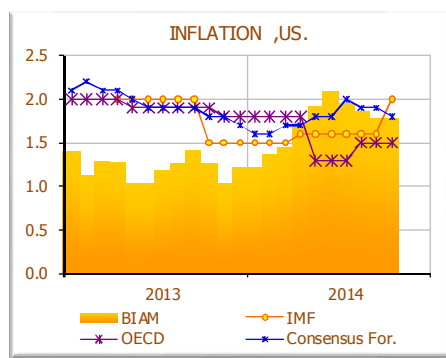
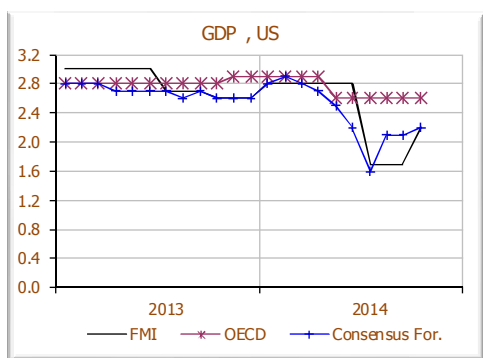
V. FORECASTS OF DIFFERENT INSTITUTIONS

FORECASTS FOR DIFFERENT 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	-	2.2	2.6	1.3	1.2	1.4	1.3	1.0	1.3	0.8	0.8	0.9	0.8	1.0	0.9	1.2
	2015	3.1	-	3.1	3.5	1.9	1.8	1.9	1.7	1.5	2.0	1.2	1.2	1.2	1.3	1.7	1.6	1.7
CPI	2014	1.8	1.8	2.0	1.5	0.0	0.0	0.0	0.0	0.1	-	0.5	0.5	0.5	0.5	0.7	0.6	0.7
	2015	1.8	1.5	2.1	1.7	0.7	0.6	0.7	0.6	0.5	-	1.0	1.0	0.7	0.9	1.1	1.1	1.2

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

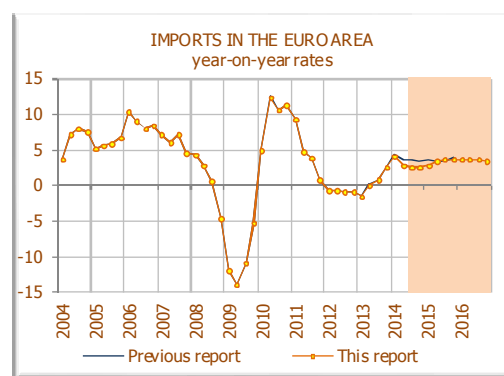
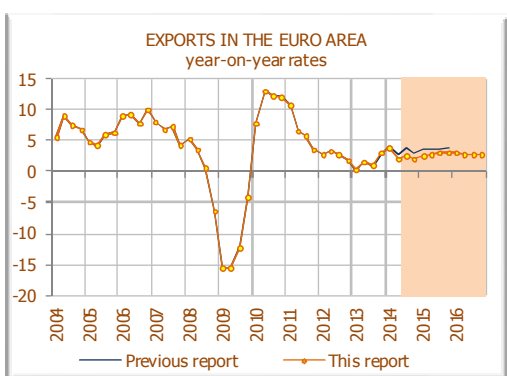
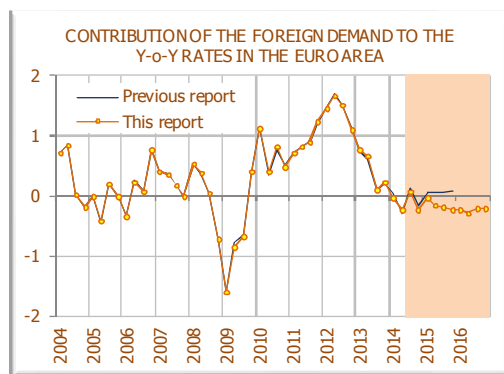
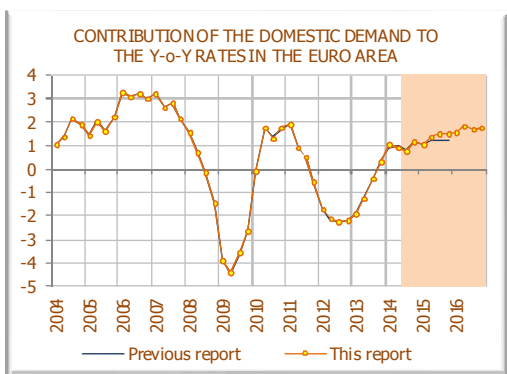
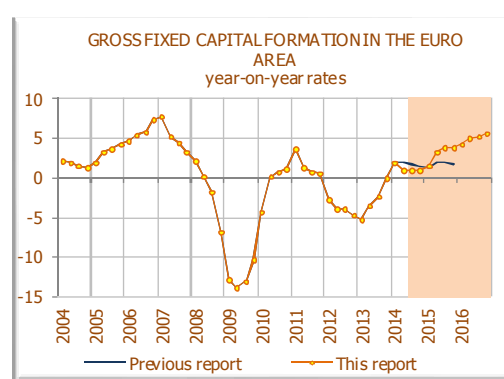
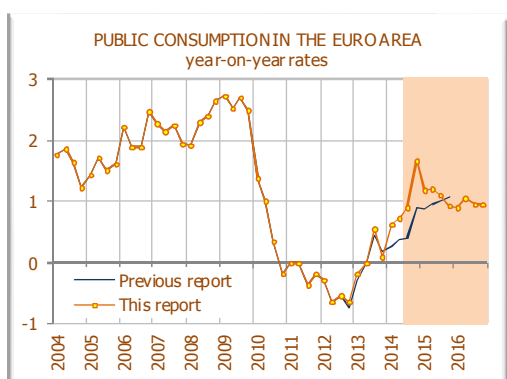
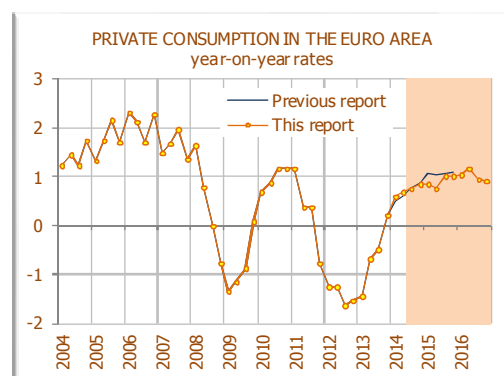
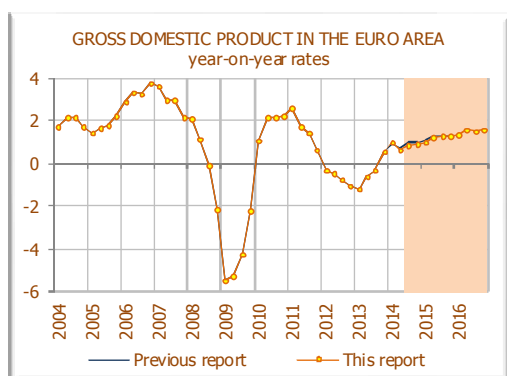
EVOLUTION OF FORECASTS FOR 2014

Annual average rates



COMPONENTS OF GROSS DOMESTIC PRODUCT DEMAND IN THE EURO AREA

Year-on-year rates



Source: EUROSTAT & BIAM (UC3M)

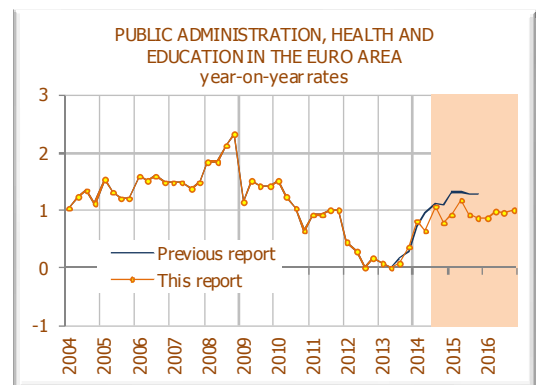
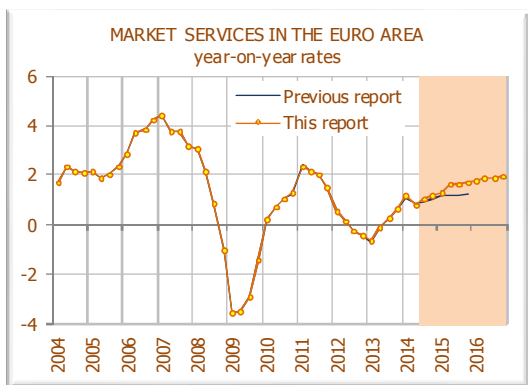
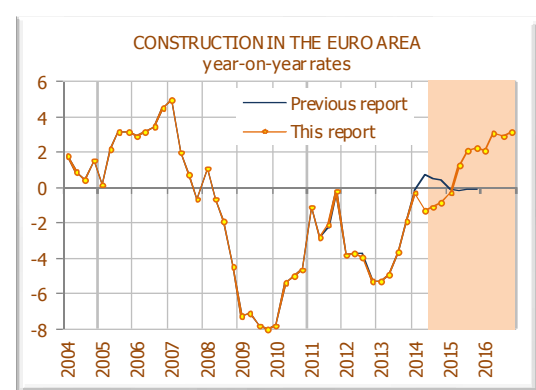
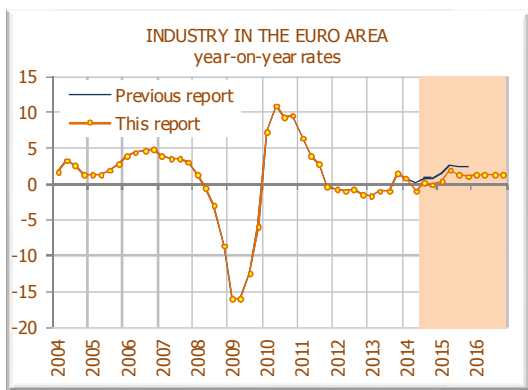
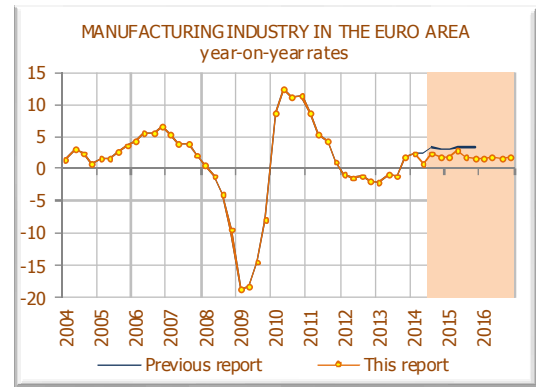
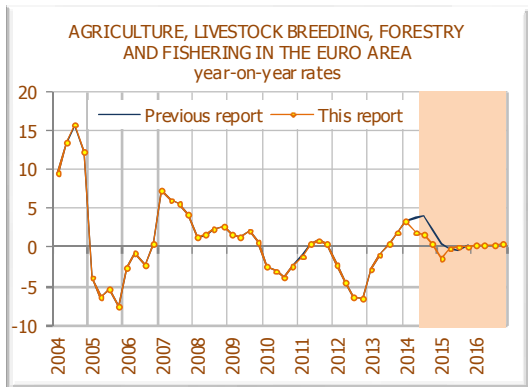
Date this report: September 5, 2014

Date previous report: June 4, 2014



COMPONENTS OF GROSS DOMESTIC PRODUCT SUPPLY IN THE EURO AREA

Year-on-year rates



Source: EUROSTAT & BIAM (UC3M)

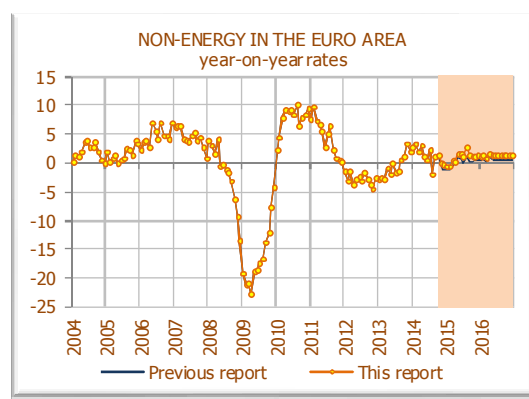
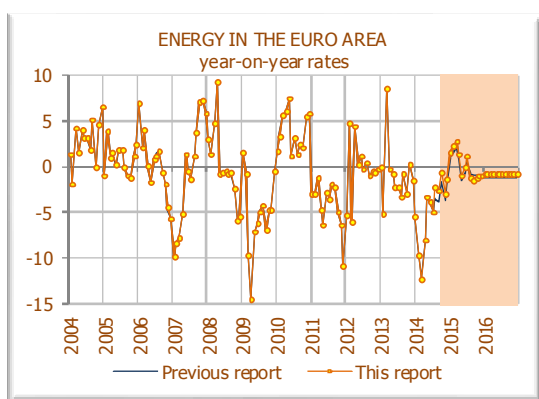
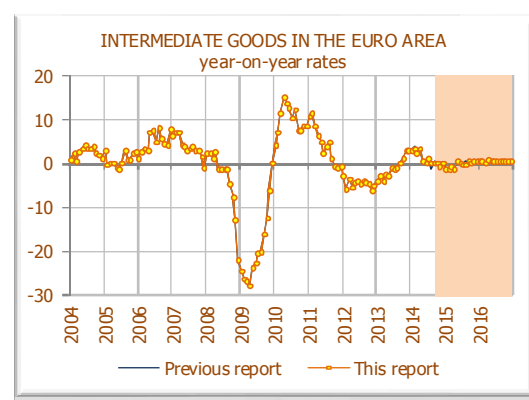
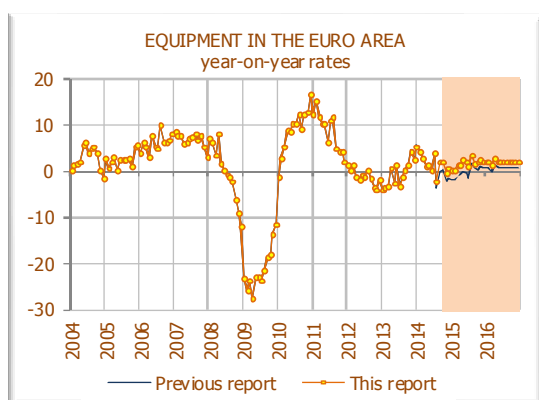
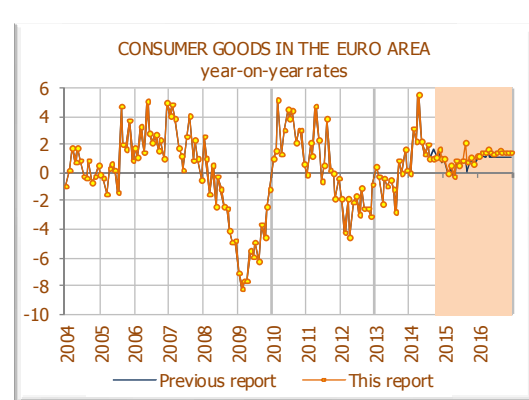
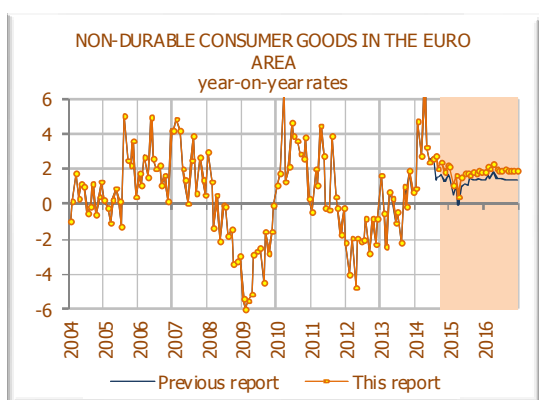
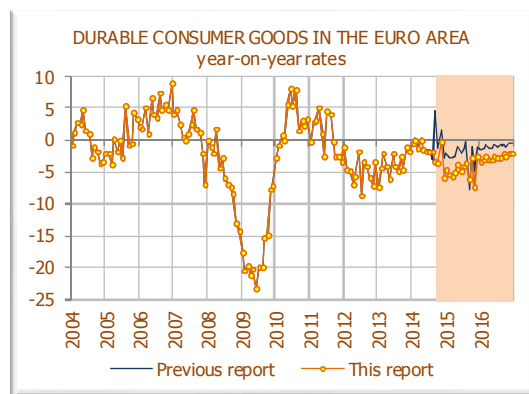
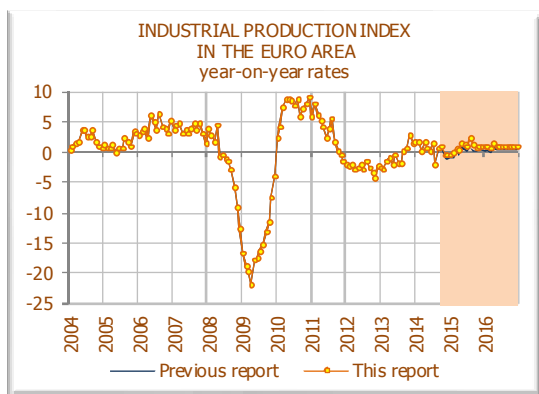
Date this report: September 5, 2014

Date previous report: June 4, 2014



COMPONENTS OF INDUSTRIAL PRODUCTION INDEX IN THE EURO AREA

Year-on-year rates



Source: EUROSTAT & BIAM (UC3M)

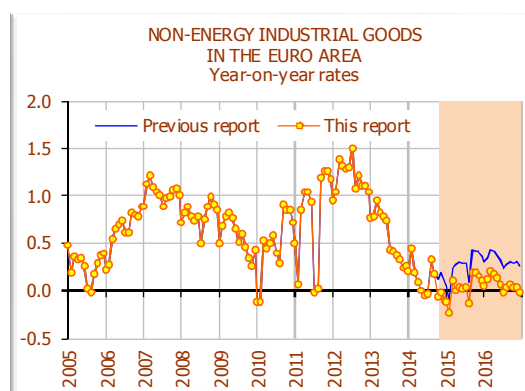
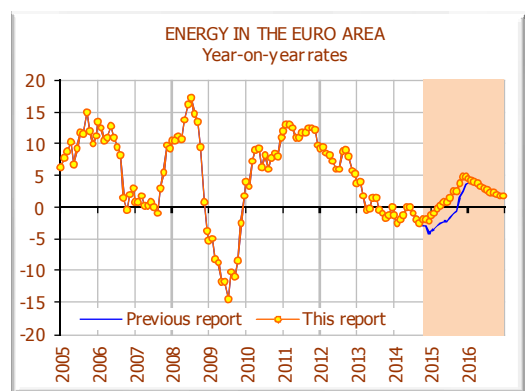
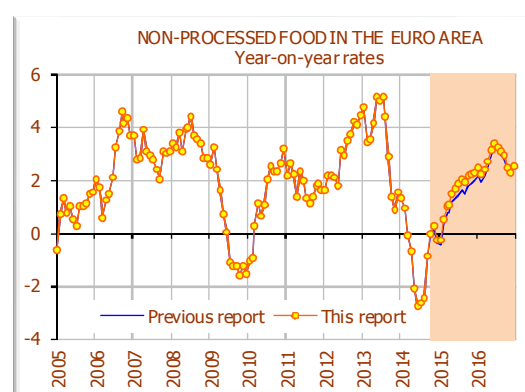
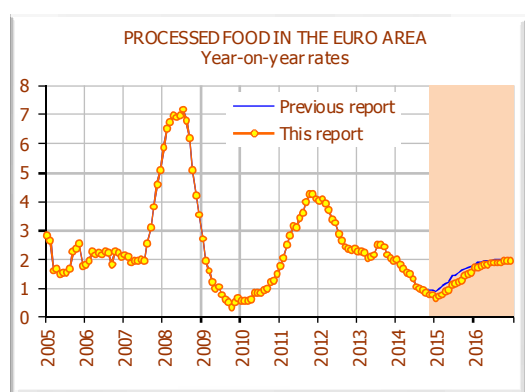
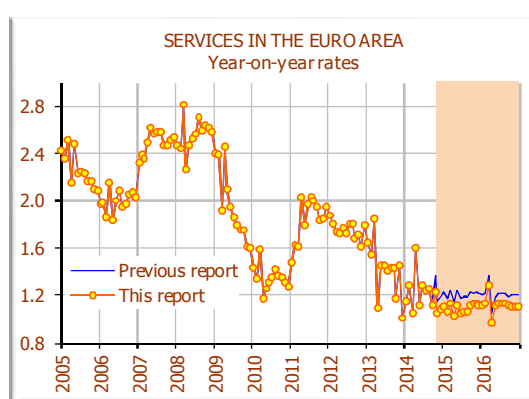
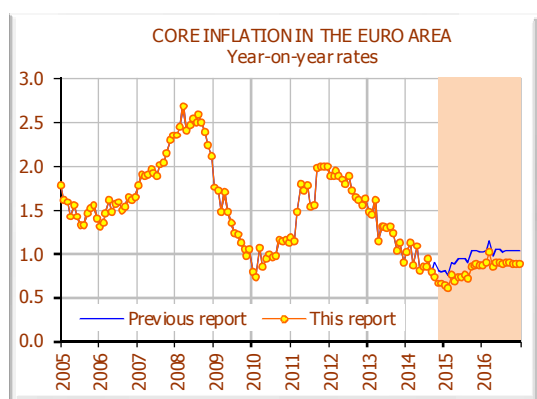
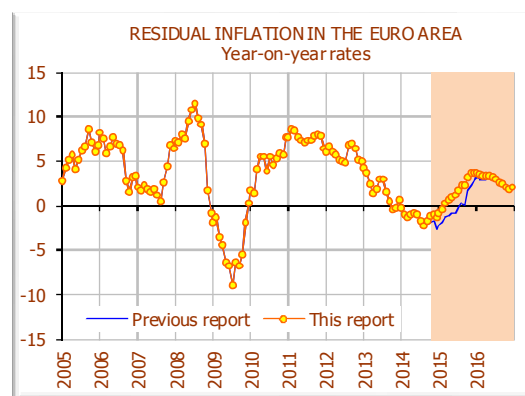
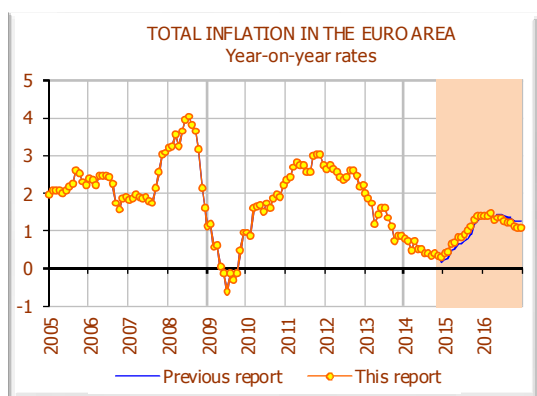
Date this report: November 12, 2014

Date previous report: October 14, 2014



COMPONENTS OF HARMONISED INDEX OF CONSUMER PRICES IN THE EURO AREA

Year-on-year rates



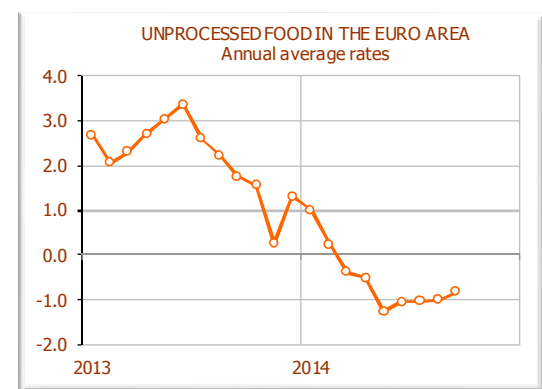
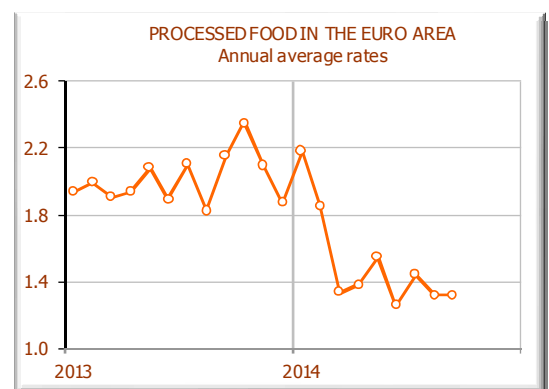
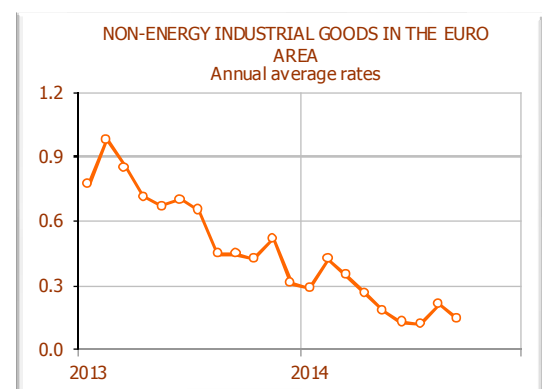
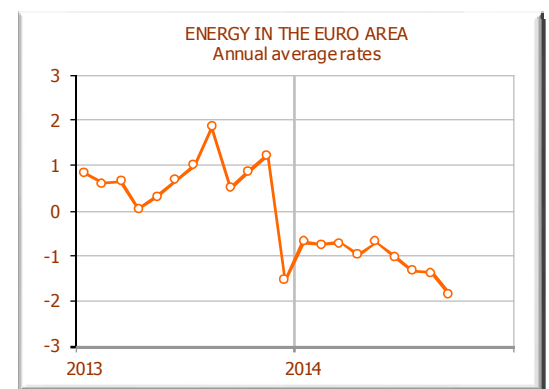
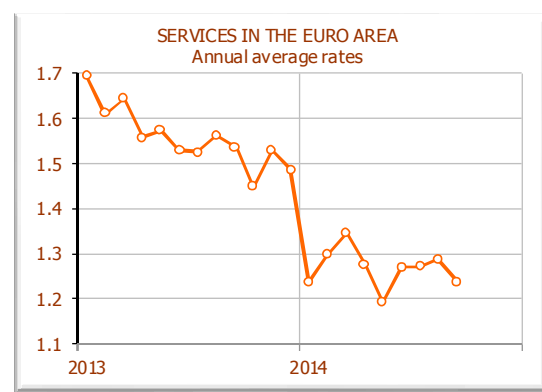
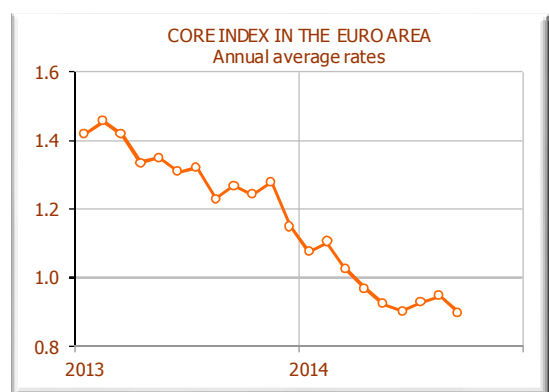
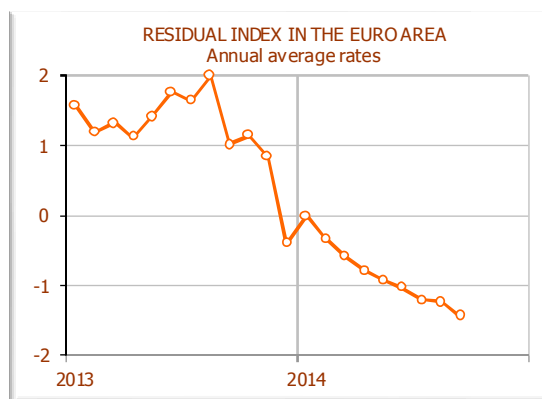
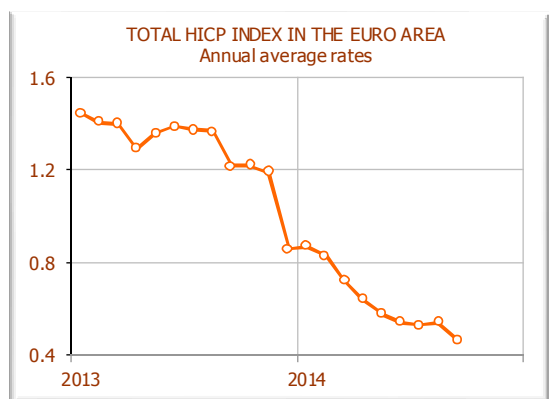
Source: EUROSTAT & BIAM (UC3M)

Date this report: November 14, 2014

Date previous report: October 16, 2014



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

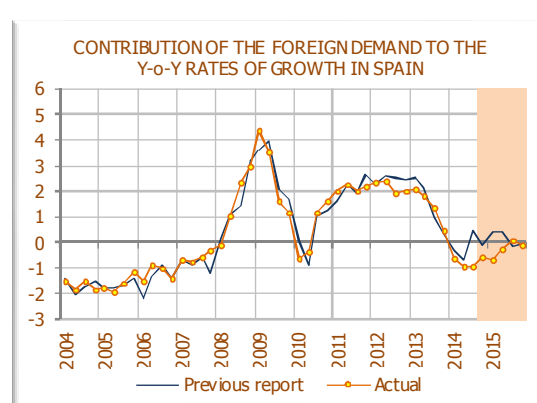
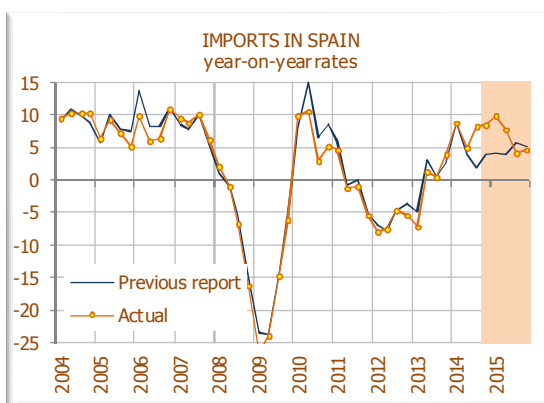
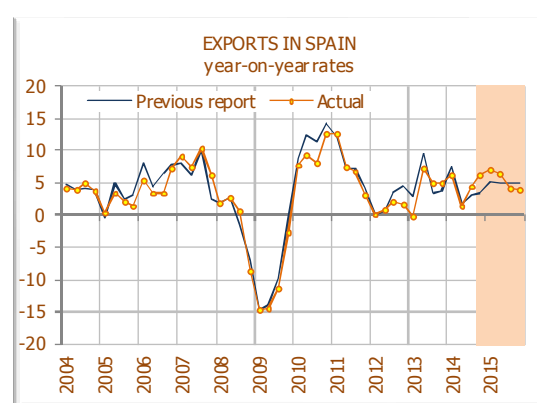
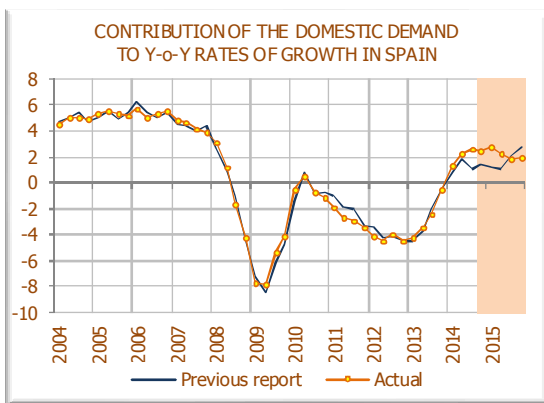
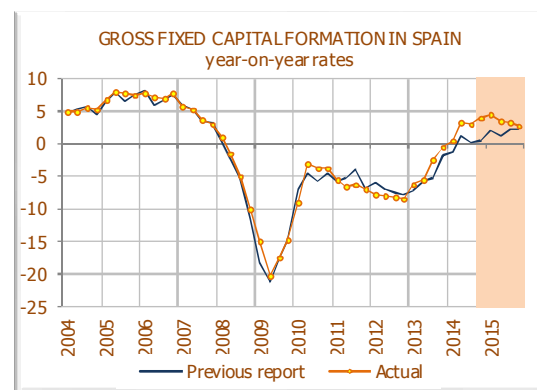
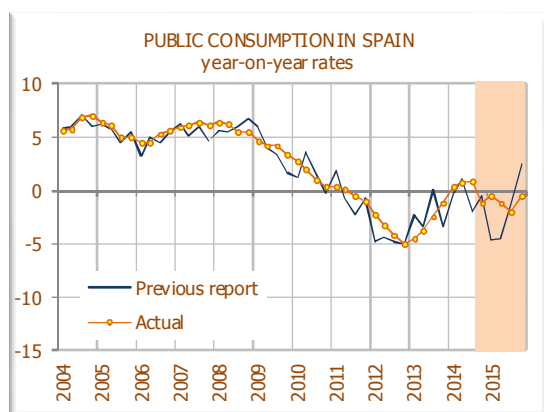
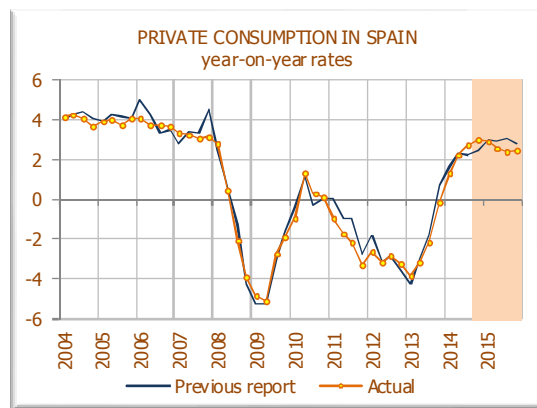
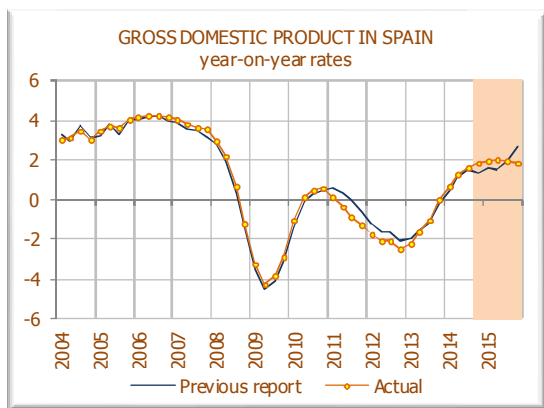


Source: EUROSTAT & BIAM (UC3M)
Date: November 14, 2014



GROSS DOMESTIC PRODUCT IN SPAIN: DEMAND SIDE

Year-on-year rates

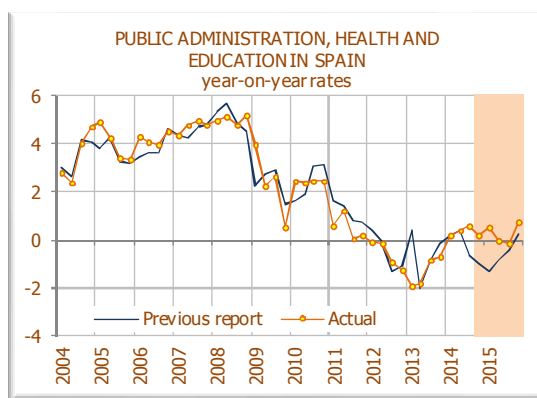
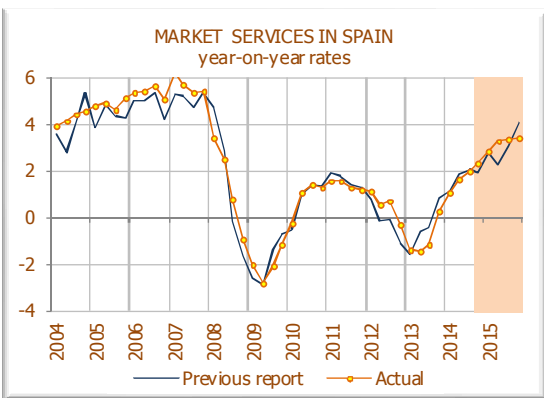
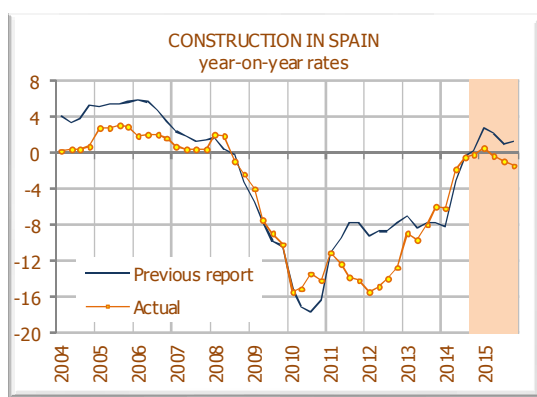
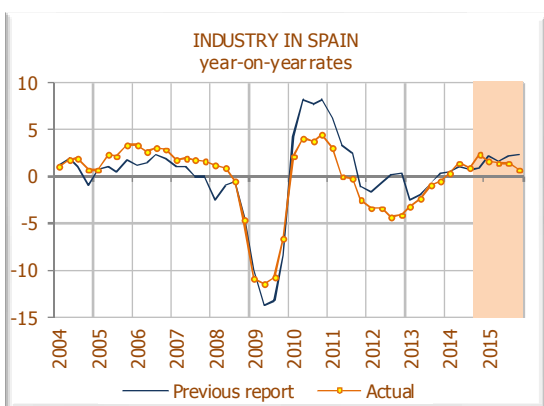
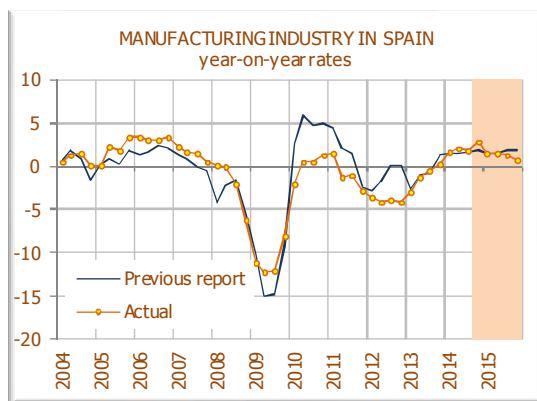
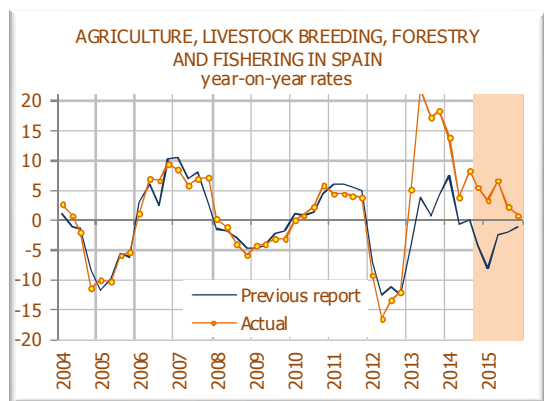


Source: INE & BIAM (UC3M).
Date this report: November 27, 2014
Date previous report: August 28, 2014



GROSS DOMESTIC PRODUCT IN SPAIN: SUPPLY SIDE

Year-on-year rates



Source: INE & BIAM (UC3M)

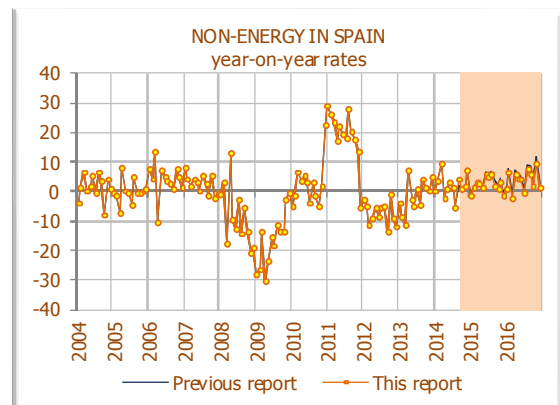
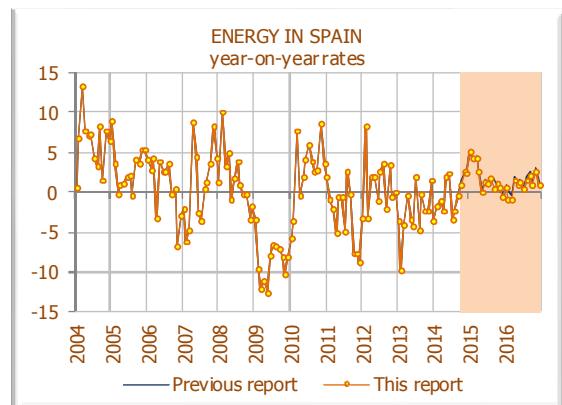
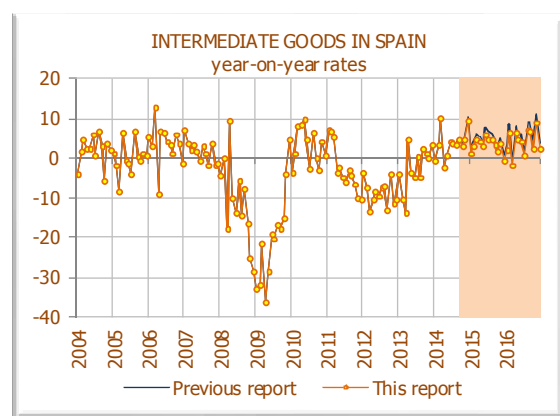
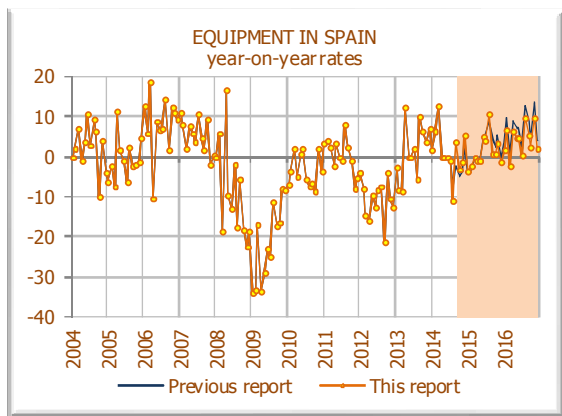
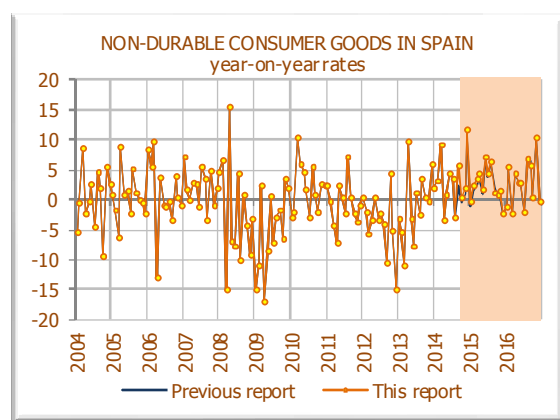
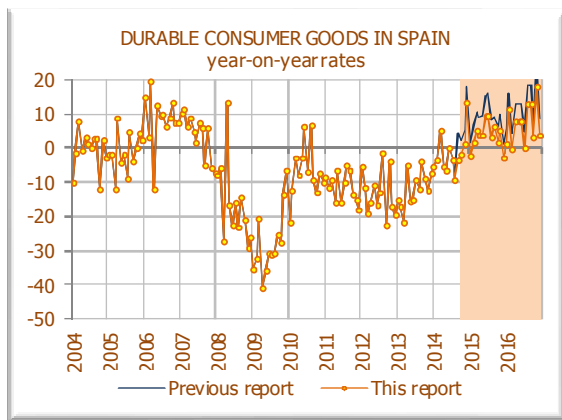
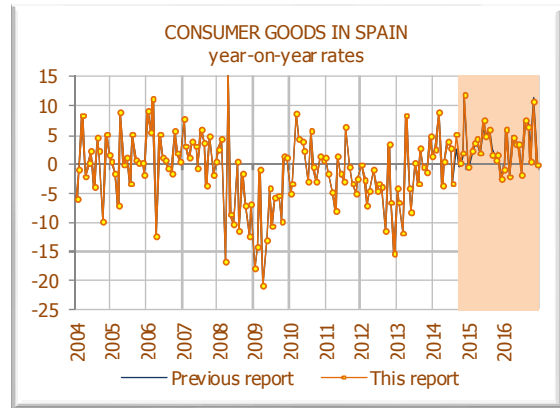
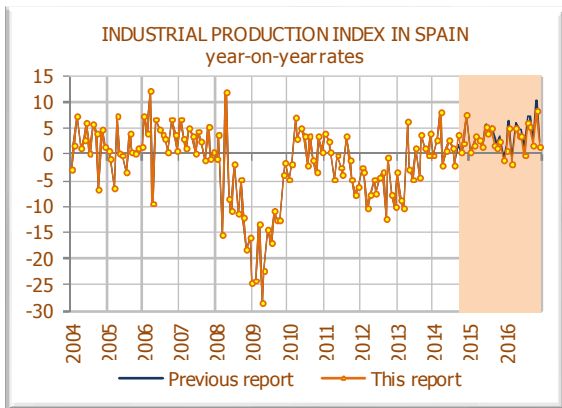
Date this report: November 27, 2014

Date previous report: August 28, 2014



INDUSTRIAL PRODUCTION IN SPAIN

Year-on-year rates



Source: INE & BIAM (UC3M)

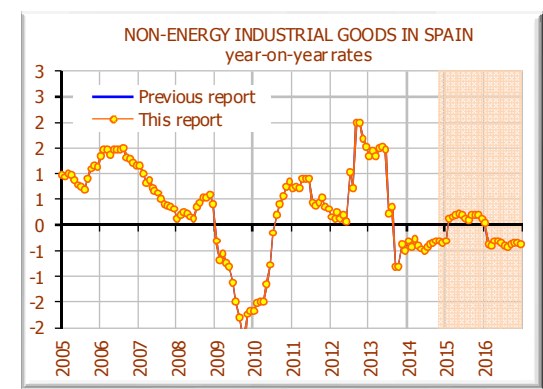
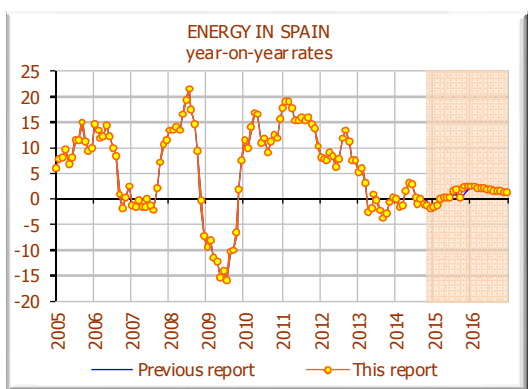
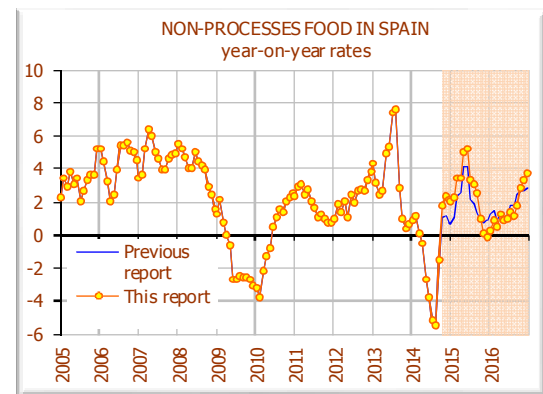
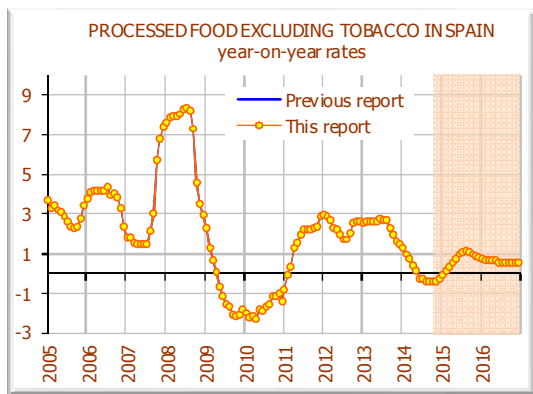
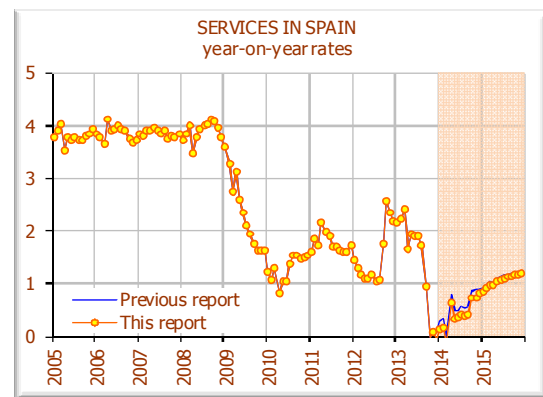
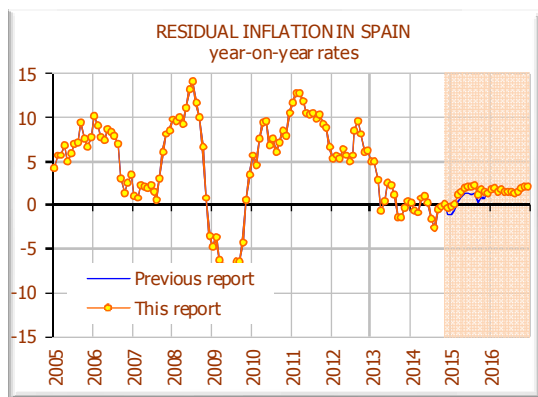
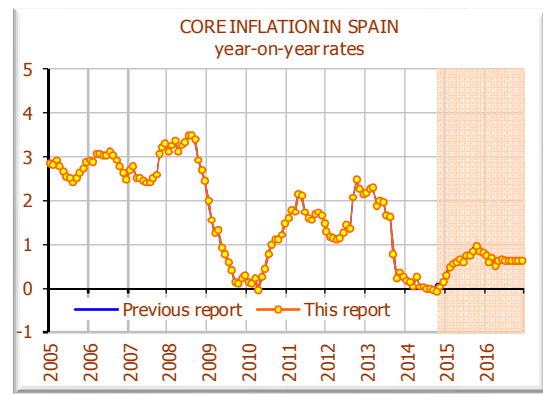
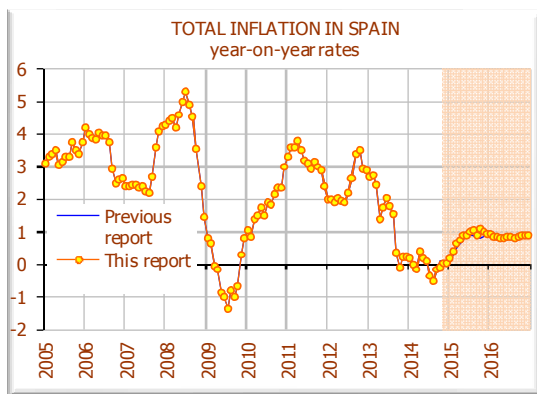
Date this report: November 7, 2014

Date previous report: October 8, 2014



ANNUAL RATE OF INFLATION BY SPECIAL GROUPS IN SPAIN

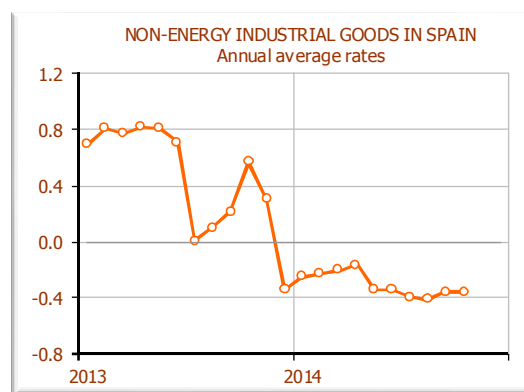
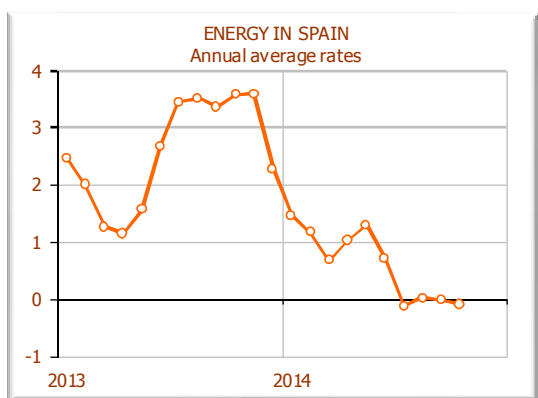
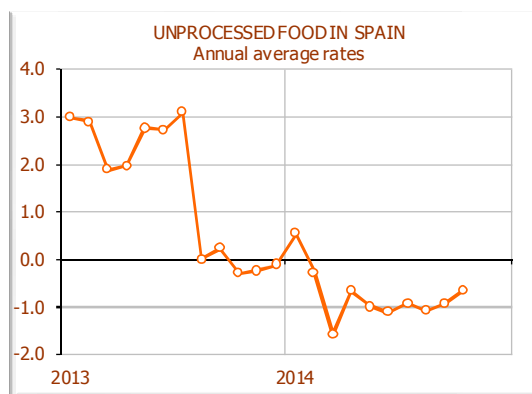
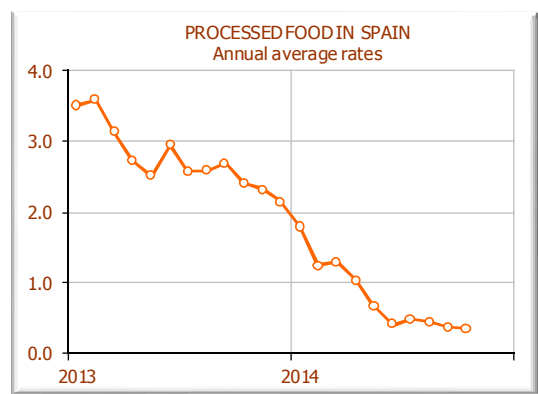
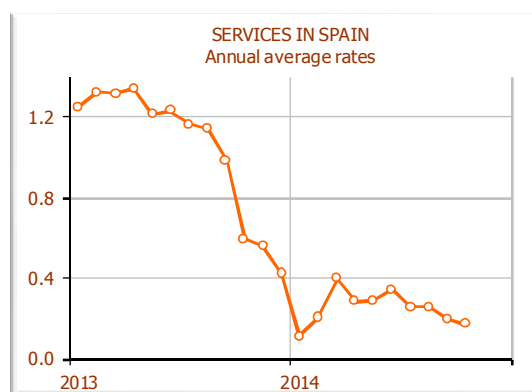
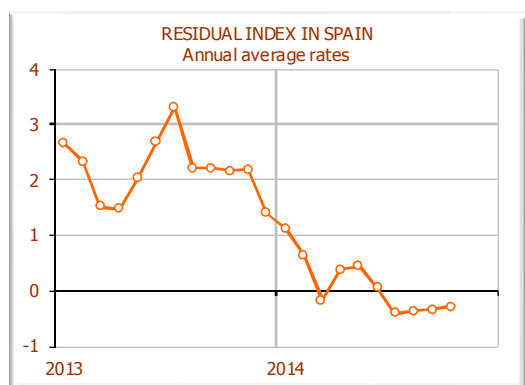
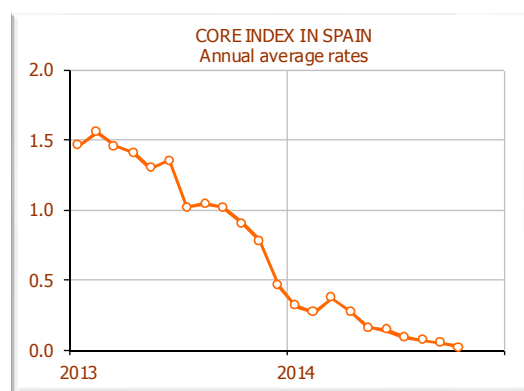
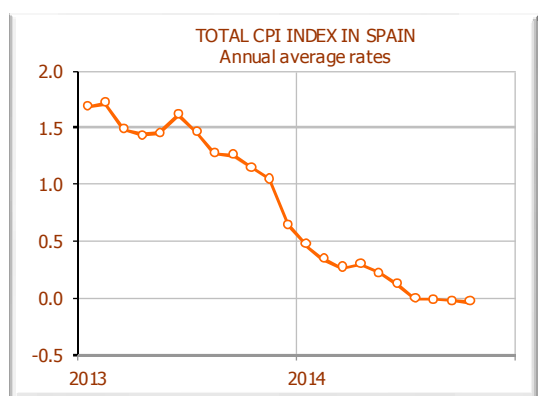
Year-on-year rates



Source: INE & BIAM (UC3M).
Date this report: November 13, 2014
Date previous report: October 24, 2014



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



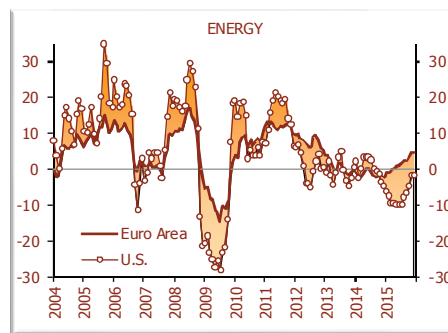
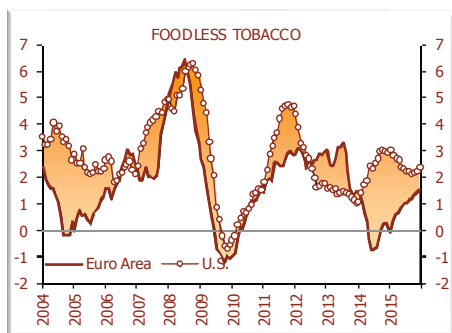
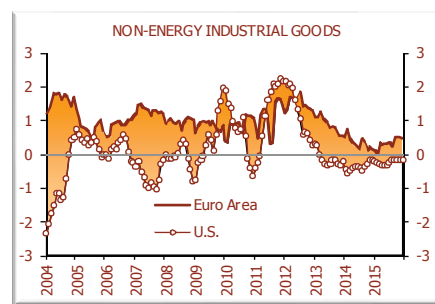
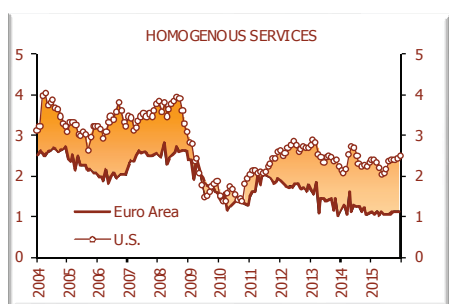
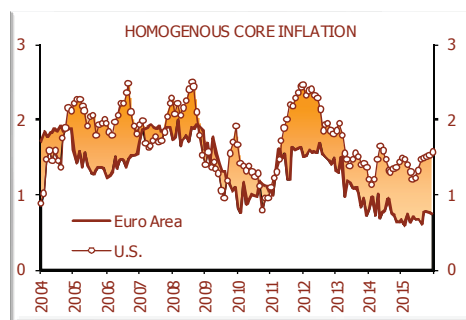
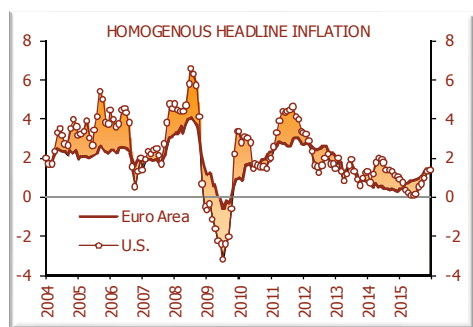
Note: These graphs show the average anual CPI growth rates forecast in the Bulletin published in the month on the abscissa
Source: INE & BIAM (UC3M)
Date: November 13, 2014



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	2008	2009	2010	2011	2012	2013	Predicciones		
USA: RI Dec 2012							2014	2015	2016
TOTAL									
less Owner's equivalent rent of primary residence									
Euro area 100.0	3.3	0.3	1.6	2.7	2.5	1.4	0.5	0.9	1.0
U.S. 77.5	4.3	-1.0	2.2	3.8	2.1	1.3	1.4	0.6	1.5
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	1.8	1.4	1.0	1.4	1.5	1.1	0.8	0.7	0.7
U.S. 55.2	2.1	1.4	1.2	1.8	2.1	1.6	1.4	1.4	1.6
COMPONENTS OF HOMOGENOUS CORE INFLATION									
Services less Owner's equivalent rent of primary residence									
Euro area 42.8	2.6	2.0	1.4	1.8	1.8	1.4	1.2	1.1	1.1
U.S. 34.8	3.6	2.0	1.6	2.2	2.7	2.5	2.3	2.3	2.5
Non-energy industrial goods less Tobacco									
Euro area 26.7	0.8	0.6	0.5	0.8	1.2	0.6	0.1	0.0	-0.1
U.S. 20.4	-0.1	0.5	0.7	1.2	1.2	-0.2	-0.4	-0.2	-0.1
EXCLUDED COMPONENTS FROM HOMOGENOUS CORE INFLATION									
Food less Tobacco									
Euro area 17.4	5.3	0.2	0.5	2.4	2.8	2.5	0.1	0.9	1.5
U.S. 13.9	5.5	1.8	0.8	3.7	2.6	1.4	2.3	2.4	2.5
Energy									
Euro area 10.8	10.3	-8.1	7.4	11.9	7.6	0.6	-1.5	1.6	1.6
U.S. 9.0	13.9	-18.4	9.5	15.4	0.9	-0.7	0.2	-7.1	-1.1



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 in the euro area and in the USA.

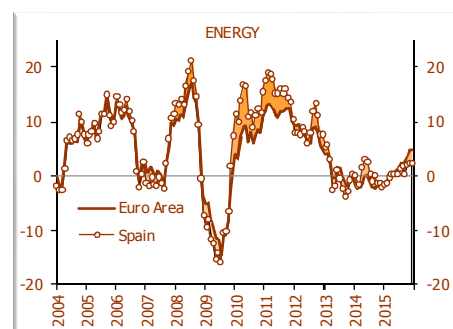
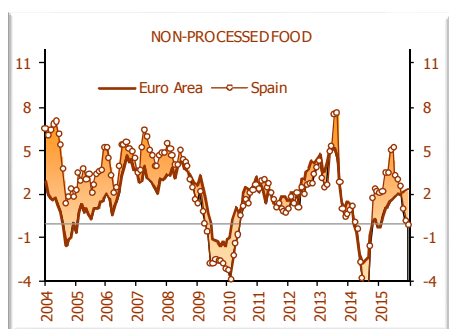
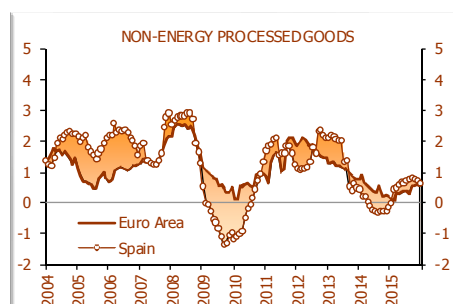
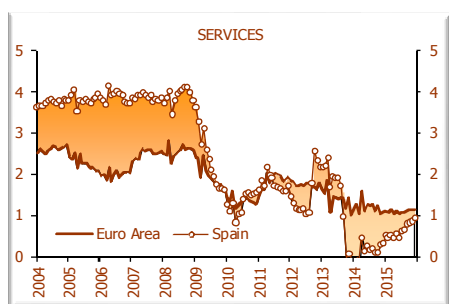
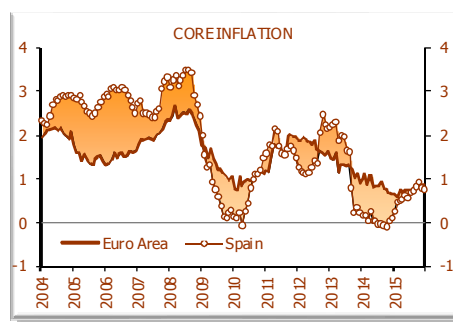
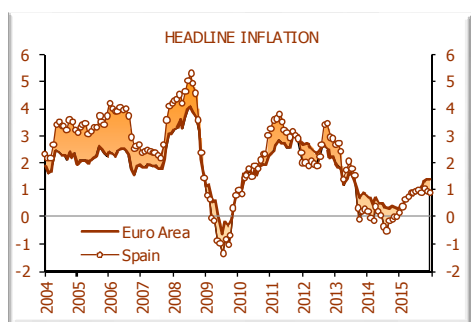
Source: EUROSTAT, BLS & BIAM (UC3M)

Date: November 14, 2014



EURO AREA– SPAIN

INFLATION IN SPAIN (CPI) AND IN THE EURO AREA (HICP)											
Annual average rates											
	Weights 2014	2008	2009	2010	2011	2012	2013	Predicciones			
								2014	2015	2016	
TOTAL											
Spain	100.0	2.8	4.1	-0.3	1.8	3.2	1.4	0.0	0.8	0.8	
Euro area	100.0	3.3	0.3	1.6	2.7	2.5	1.4	0.5	0.9	1.0	
CORE INFLATION											
Processed food, Non-energy industrial goods and Services											
Spain	81.4	2.7	3.2	0.8	0.6	1.7	1.4	0.0	0.6	0.6	
Euro area	81.7	2.4	1.3	1.0	1.7	1.8	1.3	0.9	0.8	0.9	
COMPONENTS OF CORE INFLATION											
Processed food											
Spain	15.1	3.7	6.5	0.9	1.0	3.8	3.2	0.4	1.4	1.3	
Euro area	12.3	6.1	1.1	0.9	3.3	3.1	2.2	1.3	1.1	1.9	
Non-energy industrial goods											
Spain	26.3	0.7	0.3	-1.3	-0.5	0.6	0.6	-0.4	0.1	-0.3	
Euro area	26.7	0.8	0.6	0.5	0.8	1.2	0.6	0.1	0.0	-0.1	
Services											
Spain	39.8	3.9	3.9	2.4	1.3	1.8	1.4	0.2	0.6	0.9	
Euro area	42.8	2.6	2.0	1.4	1.8	1.8	1.4	1.2	1.1	1.1	
COMPONENTS OF RESIDUAL INFLATION											
Non-processed food											
Spain	6.7	4.7	4.0	-1.3	0.0	1.8	3.4	-0.7	2.6	1.6	
Euro area	7.5	3.5	0.2	1.3	1.8	3.0	3.5	-0.8	1.5	1.7	
Energy											
Spain	12.1	1.7	11.9	-9.0	12.5	15.7	0.0	-0.1	0.7	1.8	
Euro area	10.8	10.3	-8.1	7.4	11.9	7.6	0.6	-1.5	1.6	1.6	



Source: EUROSTAT, INE & BIAM (UC3M)
Date: November 13, 2014





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Obtained by econometric models with composite leading indicators for each Spanish Region, which are used for quarterization and prediction of GDP for each region. The quarterly interpolations and predictions of each region are consistent with the average annual figure of each region. In addition, each quarterly GDP data for all regions are consistent with the correspondent national aggregate and all taking into account the nonlinear constraints impose by chain indices.

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¹ Reports are for the only use of the client.

² Prices are valid until December 31st, 2014. Shipping included.

³ Delivery within 5 days of the publication of the Quarterly National Accounts (QNA) of Spain. In case IFL finds it appropriate, this forecast report will be updated and sent to the clients after the publication of the Quarterly National Accounts (QNA) of Spain.

⁴ The e-mail distribution may be changed without notice by urgent mail distribution.

INDICATORS CALENDAR

NOVEMBER

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

DECEMBER

1	2	3	4	5 Spain IPI (October)	6	7
8	9	10	11	12 Spain CPI (November) Euro Area IPI (October)	13	14
15	16	17 Euro Area HICP USA CPI (November)	18	19	20	21
22	23 USA PCE (November)	24	25	26	27	28
29	30 Spain HICP (A.D. December)	31				

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



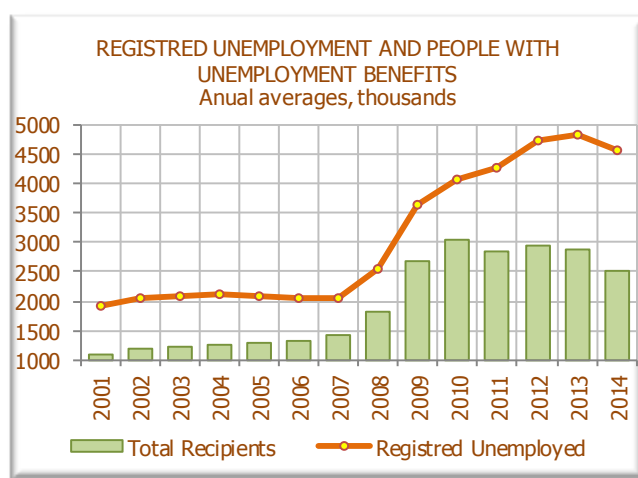
BULLETIN OF EU AND US INFLATION AND MACROECONOMIC ANALYSIS

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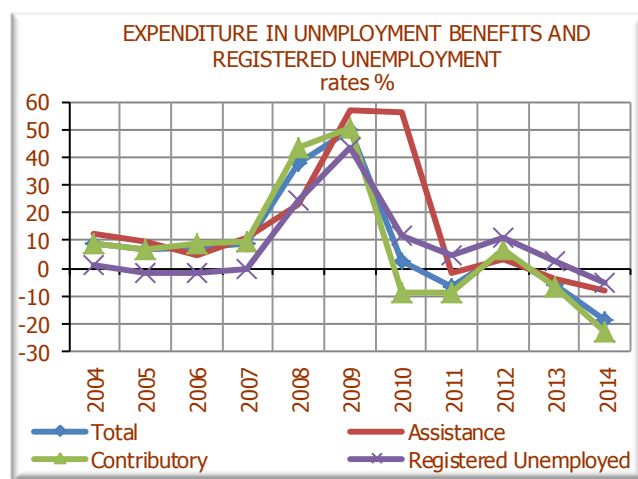
Instituto Flores de Lemus

In 2013, there were 1.98 million unemployed in Spain with no public benefits. In 2014, this figure will reach 2,058 million.

In 2014, the improvement in the labour market will reduce unemployment benefit expenditure which, due to the volume of long-term unemployment, will affect contributive benefits the most.



Source: MESS
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