



BULLETIN OF EU AND US INFLATION AND MACROECONOMIC ANALYSIS

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Instituto Flores de Lemus

N. 229

November 2013

Second Phase

Despite the fall in the differential, the euro area GDP will have recovered its pre-crisis level by the end of 2015, while the Spanish figure will still be 5.1 pp lower.

GROSS DOMESTIC PRODUCT IN SPAIN AND EURO AREA *

		Average rates					
		2013		2014		2015	
		Spain	Euro Area	Spain	Euro Area	Spain	Euro Area
Final consumption	Private	-2,5	-0,4	0,9	1,0	2,2	1,1
	Public	-2,3	0,3	-2,9	0,7	-2,2	1,0
Gross fixed capital formation	Construction	-6,8	-4,1	-1,6	-0,4	2,3	0,0
	Capital goods and grown assets	-10,5	-4,3	-3,8	2,5	1,9	4,6
		-6,3	-3,8	-1,1	0,8	2,5	1,9
Contribution domestic demand		-3,1	-0,9	-0,3	0,8	1,4	1,2
Exports of goods and services		4,2	1,6	5,4	4,4	5,9	4,6
Imports of goods and services		-1,3	0,4	3,5	4,0	5,9	4,2
Contribution foreign demand		1,8	0,5	0,6	0,3	0,0	0,3
Real GDP		-1,4 (±0.2)	-0,4 (±0.5)	0,4 (±1.4)	1,1 (±1.2)	1,4 (±1.7)	1,5 (±1.6)

* In brackets are 80% confidence intervals

Source: INE, EUROSTAT & BIAM (UC3M)

Date: October 31, 2013

Economic Outlook

P. 1

For the first time, this bulletin presents all our forecasts for 2015. They highlight weak inflation in both Spain and the euro area, even at the end of the forecasting period. The rate of recovery of domestic demand will not be high enough to add significant inflationist pressure before 2016. They also highlight a continued reduction in the differential between Spain and the euro area, both in industrial production and aggregate economic growth. This is in line with the increase in international confidence in the Spanish economy. The Spanish risk premium remained low throughout the last month and Spanish economic agents, public and private, financial and non-financial, have been successful in their access to the international markets. In average GDP growth, the euro area/Spain differential could fall from the 1 pp expected for 2013 to 0.1 pp in 2015.

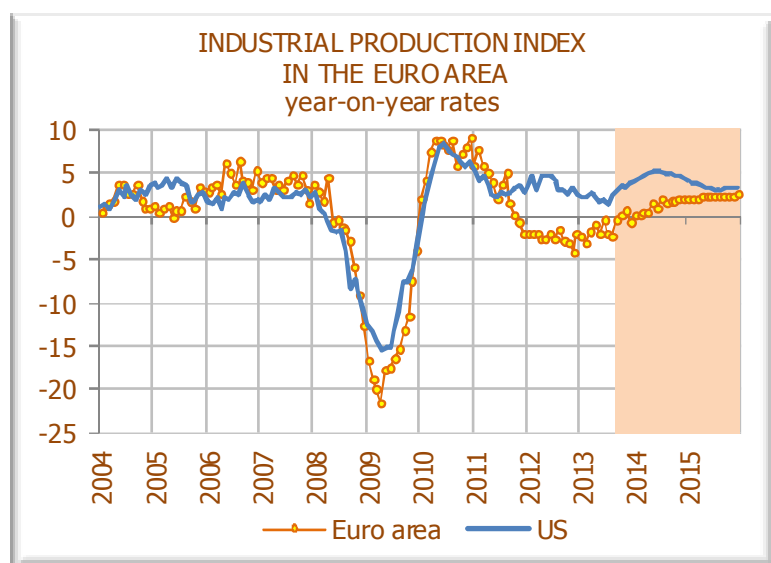
Spanish Economy: current status and pending issues

By Antoni Espasa

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The configuration of the Spanish economic crisis is largely internal: excessive indebtedness, inefficient and not very competitive production system and institutional decline. Its magnitude in cumulative terms is shown by a drop of 7.5% in the gross domestic product, a loss of 18.5% employment, 3.3 million jobs, and a 12.2% reduction in household consumption. However, the crisis impact has been reduced by 10.2 pp thanks to the good evolution of foreign trade. In order to overcome the crisis three things should occur simultaneously: a) a reduction in indebtedness by cutting public deficit and obtaining a balanced current account balance, b) the generation of stable growth based on the acquisition of know-how that adds value to our productive system, creating inter-sectoral economies of scale supported by generalised competitiveness gains, and c) the re-establishment of institutional effectiveness and efficiency.

Despite an improvement in both forecasts, convergence between IPI growth in Europe and the US will not be seen until mid-2015.



Source: Eurostat, Federal Reserve & BIAM (UC3M)

Date: October 21, 2013

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

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D.L.: M-18290-2013

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I. ECONOMIC OUTLOOK AND CONSIDERATIONS ABOUT THE SPANISH ECONOMY

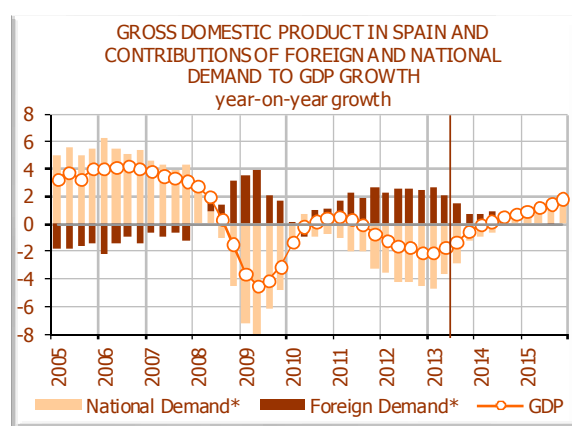
II.1. ECONOMIC OUTLOOK

For the first time, this bulletin presents all our forecasts for 2015. They highlight weak inflation in both Spain and the euro area, even at the end of the forecasting period. The rate of recovery of domestic demand will not be high enough to add significant inflationist pressure before 2016. They also highlight a continued reduction in the differential between Spain and the euro area, both in industrial production and aggregate economic growth. This is in line with the increase in international confidence in the Spanish economy. The Spanish risk premium remained low throughout the last month and Spanish economic agents, public and private, financial and non-financial, have been successful in their access to the international markets. In average GDP growth, the euro area/Spain differential could fall from the 1 pp expected for 2013 to 0.1 pp in 2015.

For the Spanish GDP, our expectations have improved for 2013 and 2014 to -1.4% (± 0.2) and 0.4% (± 1.4), respectively (table I.1). This is supported by the higher than expected increase in confidence indicators as of September, when the ESI was 96.8 points, the highest since February 2008 (with the exception of the abnormal peak in June 2011). The growth forecast for 2015 is 1.4% (± 1.7).

The expectations regarding domestic demand's contribution to growth remain unaltered for this year, at -3.1 pp. In 2014, however, the improved forecasts for private consumption and investment in construction counteract the worse public consumption expectations, so the negative contribution of domestic demand falls by 0.1 pp to 0.3 pp. In 2015, the growth in private consumption and investment will lead to the first positive contribution of domestic demand in 8 years, 1.4 pp (graph I.1).

Graph I.1



Source: INE & BIAM (UC3M)
Date: October 23, 2013

Table I.1

GROSS DOMESTIC PRODUCT IN SPAIN (*)								
		Annual average rates			Q-o-Q rates			
		2013	2014	2015	I-13	II-13	III-13	
Final consumption		Private	-2,5	0,9	2,2	-0,5	0,0	0,0
		Public	-2,3	-2,9	-2,2	0,0	0,9	-1,9
Gross fixed capital formation	Tangible fixed assets	Construction	-10,5	-3,8	1,9	-3,7	-4,5	-1,5
		Capital goods and grown assets	0,3	2,7	3,0	0,8	2,9	1,3
			-6,8	-1,6	2,3	-2,2	-1,9	-0,5
			-6,3	-1,1	2,5	-1,5	-2,1	-0,2
Contribution of domestic demand		-3,1	-0,3	1,4	-0,6	-0,2	-0,3	
Exports of goods and services		4,2	5,4	5,9	-3,8	6,0	-0,9	
Imports of goods and services		-1,3	3,5	5,9	-4,5	5,9	-1,8	
Contribution of foreign demand		1,8	0,6	0,0	0,2	0,1	0,3	
Real GDP		-1.4 (±0.2)	0.4 (±1.4)	1.4 (±1.7)	-0,4	-0,1	0,0	

* In brackets are 80% confidence intervals

Source: INE & BIAM (UC3M)
Date: October 23, 2013

Our export forecasts have improved thanks to better than expected competitiveness indicators and greater exports of goods and tourism. The improvement in import forecasts is greater, however, so foreign demand in 2014 will reduce its contribution to 0.6 pp. It will fall to 0 in 2015.

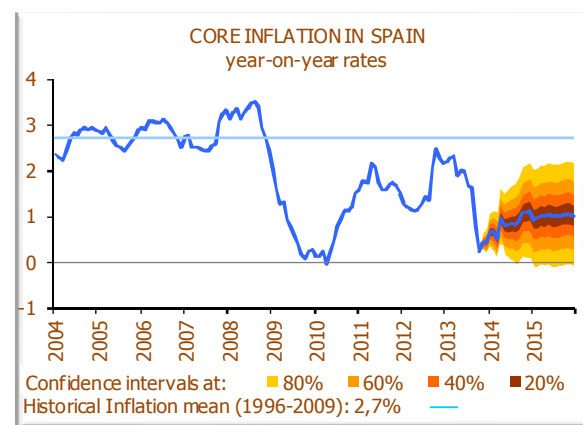
On the supply side, the industrial GVA improves consistent with our IPI forecasts, table I.2. The Spanish IPI could even register moderate positive growth in 2014, 0.8% (± 2.7). The growth rate forecast for 2015 is 1.3% (± 3.0)



In the euro area, stagnant public expenditure and a new drop in investment in construction could lead to slower growth in the third quarter, 0.1% compared with 0.3% in the second (table I.3). The average GDP growth forecast for 2014 remains at 1.1% (± 1.2). In 2015, we expect the euro area GDP to grow by an average 1.5% (± 1.6). The differential favourable to the euro area will gradually fall from 1 pp in 2013 to 0.1 pp in 2015.

On the other hand, average inflation in Spain could remain at 1.3% in both 2014 (± 1.3) and 2015 (± 1.4), less than the 1.5% (± 0.1) forecast for 2013 and much lower than its previous level (graph I.2). These forecasts, however, will probably be revised downwards on November 13. According to the first official estimate, in

Graph I.2



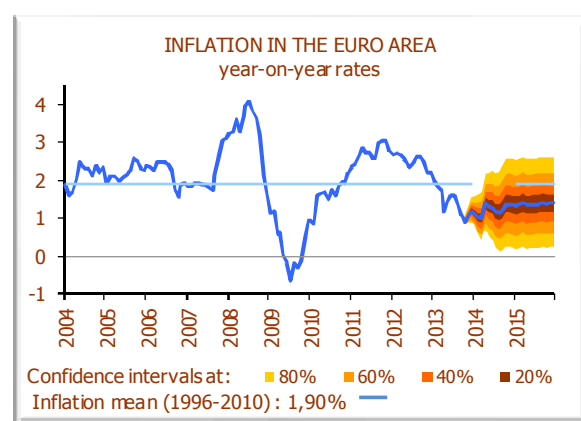
Source: INE & BIAM (UC3M)
Date: October 27, 2013

Table I.2

INDUSTRIAL PRODUCTION INDEX IN SPAIN				
Annual average rates				
	2012	2013	2014	2015
Consumption	-4,7	-1,3	1,3	1,0
Durable	-11,2	-10,9	-6,5	-2,0
Non-durable	-4,0	-0,4	1,9	1,2
Capital	-10,7	2,9	2,7	3,4
Intermedite	-7,2	-3,4	-0,5	0,6
Enery	0,9	-2,7	0,5	0,6
TOTAL	-5,9	-1,4 ($\pm 0,3$)	0,8 ($\pm 2,7$)	1,3 (± 3)
GVA Industry	-0,5	-2,6	1,1	1,8

Source: INE & BIAM (UC3M)
Date: October 21, 2013

Graph I.3



Source: EUROSTAT & BIAM (UC3M)
Date: October 27, 2013

Table I.3

GROSS DOMESTIC PRODUCT IN THE EURO AREA (*)							
		Average annual rates			Q-o-Q rates		
		2013	2014	2015	I-13	II-13	III-13
Final consumption	Private	-0,4	1,0	1,1	-0,2	0,1	0,3
	Public	0,3	0,7	1,0	0,0	0,5	0,0
Gross fixed capital formation	Construction	-4,1	-0,4	0,0	-2,3	0,0	-0,2
	Equipment	-4,3	2,5	4,6	-2,2	0,2	0,0
Contribution domestic demand		-3,8	0,8	1,9	-2,2	0,2	-0,6
Exports of goods and services		-0,9	0,8	1,2	-0,2	0,1	0,0
Imports of goods and services		1,6	4,4	4,6	-1,0	2,1	1,1
Contribution foreign demand		0,4	4,0	4,2	-1,0	1,6	1,1
Real GDP		0,5	0,3	0,3	0,0	0,2	0,0
		-0,4 ($\pm 0,5$)	1,1 ($\pm 1,2$)	1,5 ($\pm 1,6$)	-0,2	0,3	0,1

* In brackets are 80% confidence intervals

Source: EUROSTAT & BIAM (UC3M)
Date: October 31, 2013



October the year-on-year inflation rate in Spain fell to -0.1%, negative for the first time since 2009. This was not expected and does not even fall within our confidence intervals. So inflation will probably end the year at less than a year-on-year rate of 0.5%.

In the euro area, prices have also evolved downwards, with the first estimation of the October HICP at 0.7% instead of the forecast 0.9%. In the current context of slow recovery and inflation forecasts anchored beneath the ECB target, new lax monetary measures are more likely in the short or medium term, and there could even be another rate cut before the end of the year. As graph I.3 shows, euro area inflation will remain beneath 1.9% throughout the forecasting period (up to December 2105).

With regards to the Spanish labour market, the third quarter Active Population Survey was much as expected, with an increase in employment

and a fall in unemployment. The active population increased its rate of decline to 1.6%, largely due to a reduction in the foreign population of working age.

In the fourth quarter, employment in Spain could fall by a quarter-on-quarter rate of 1.4%, largely due to a seasonal effect. On average, employment will grow by 1.0% in 2015, after falling slightly by 0.2% in 2014 (table I.4). In year-on-year terms, net creation of employment is not expected until 3Q14. On average, the unemployment rate expected for 2013, 2014 and 2015 is now 26.5%, 26% and 25.2%, respectively.

Table I.4

ECONOMICALLY ACTIVE POPULATION SURVEY					
	year-on-year average rates				
	2011	2012	2013	2014	2015
Employed	-1,9	-4,5	-3,3	-0,2	1,0
Agriculture	-4,1	-0,9	-2,0	-1,4	-1,6
Industry	-2,1	-4,9	-5,9	-2,5	-0,7
Construction	-15,6	-17,6	-11,6	-5,4	-2,1
Services	0,0	-3,3	-2,2	0,7	1,7
Active	0,1	-0,2	-1,4	-0,9	-0,1
Unemployment rate	21,6	25,0	26,5	26,0	25,2

Source: INE & BIAM (UC3M)
Date: October 30, 2013



II.2. CONSIDERATIONS ABOUT THE SPANISH ECONOMY: CURRENT STATUS AND PENDING ISSUES

The configuration of the Spanish economic crisis is largely internal: excessive indebtedness, inefficient and not very competitive production system and institutional decline. Its magnitude in cumulative terms is shown by a drop of 7.5% in the gross domestic product, around triple the reduction in the euro area, by the loss of 18.5% employment, 3.3 million jobs, and a 12.2% reduction in household consumption, see figure II.2.1, compared with 0.9% in the EA. Inequality and poverty have grown and this, its social importance and impact aside, also generates uncertainty, with a negative impact on Spanish economic expectations. In any event, the crisis has been reduced by 10.2 percentage points thanks to the good evolution of foreign trade.

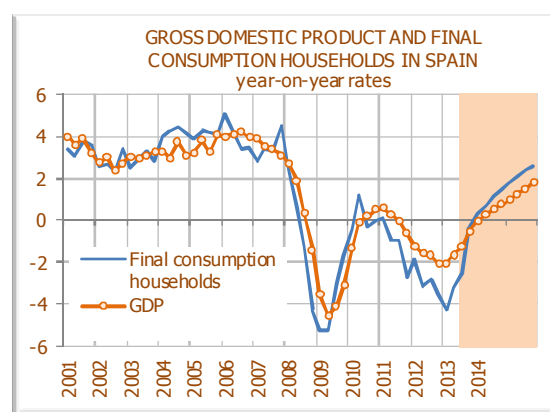
Consistent with the characteristics of the crisis, it will only be overcome by three things that should occur simultaneously. They are a) a reduction in indebtedness by cutting public deficit and obtaining a balanced or positive current account balance, b) the generation of stable growth based on the acquisition of know-how that adds value to our productive system, creating inter-sectoral economies of scale supported by generalised competitiveness gains, and c) the re-establishment of institutional effectiveness and efficiency. Note that achievement of the first does not guarantee accomplishment of the second.

The measures applied to the Spanish economy since May 2010 have not affected the three fronts simultaneously, and they were not designed based on efficiency criteria. The forecasts published in this Bulletin, see table II.2.1, show that the growth expected in the short term, 2013-2015, is quite moderate. With the uncertainty affecting macroeconomic variables, which must be quantified to ensure a valid diagnosis, our forecasts show very moderate growth until the end of 2014, with the risk of recession still a concern, followed by a clearly firmer period of growth in 2015, when the likelihood of it being over 1.4% is around 50%, see figure II.2.2. These forecasts are determined by recovery of private consumption, which will induce significant import growth. The contribution to GDP growth of exports in net terms, discounting imports, will thus be considerably reduced, figure II.2.3. The number of employed individuals is expected to grow in annual terms in mid-2014, and should be around 1.1% by the end of 2015. If this rate improves slightly in 2016, the level of employment registered at the end of 2007 should have returned in the second half of the 2020s, see figure II.2.4.

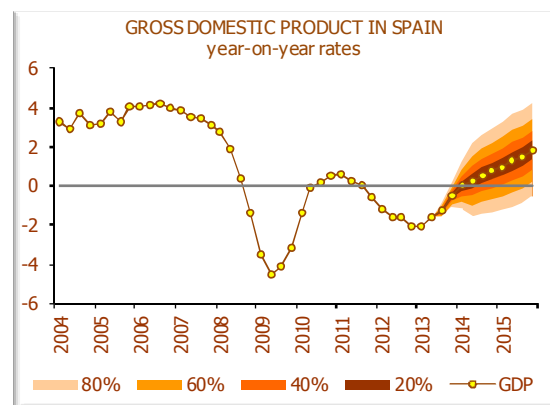
All this cannot be described as a solid exit from the

crisis. Simultaneous action is required on the three fronts mentioned above, based on a political-social pact in which the parties also undertake to ensure that each of the approved measures is previously suggested by a group of unquestionable experts forming a multidisciplinary, independent team, with a large proportion of foreigners. Such a pact would have immediate positive economic effects. Institutional regeneration must be a priority and should be based on a new electoral law and

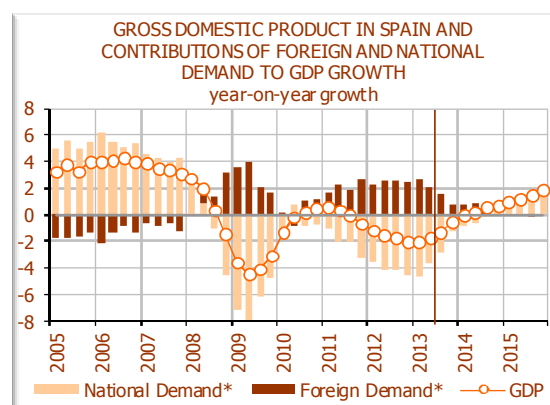
Graph II.2.1



Graph II.2.2



Graph II.2.3



Source: INE & BIAM (UC3M)
Date: October 17, 2013



political party legislation aimed at creating competition and ensuring that elected officials are more accountable to the people than to their own parties.

The permanent reduction of the fiscal deficit in the context of low growth, aimed at affecting social welfare services as little as possible, requires a global administrative reform which (1) will have to approach the dimension and structure of the public administrations, (2) must represent an in-depth study of the efficacy and efficiency of public expenditure and propose reforms, and (3) will design a process to formulate and evaluate public spending, in which all budgetary items are accompanied by the objectives to be achieved and a definition of indicators that will enable the subsequent evaluation of the results obtained and, if necessary, the demand of accountability.

Competitiveness requires lower unit labour costs (ULCs) than competitors and the best way to attain this is through productivity growth. If this is not attained soon, however, it will have to be attained by cutting salaries and operating margins to guarantee firms' survival. This way of increasing competitiveness can be useful in the short term, but a cut in ULCs based on lower wages will be impossible to maintain for longer periods.

There are two alternatives for overcoming the crisis in a firm and long-lasting manner, with or without a pact. Both are difficult but the second is much more uncertain and longer than the first. Finally, we cannot assume that the euro's survival for more than five to fifteen years is unquestionable, as it will depend on the economic convergence between European Monetary Union countries. To be prepared and advance as a country in that convergence process or to prepare for a possible rupture of the euro, the considerations made here appear to be particularly pertinent.

Graph II.2.4

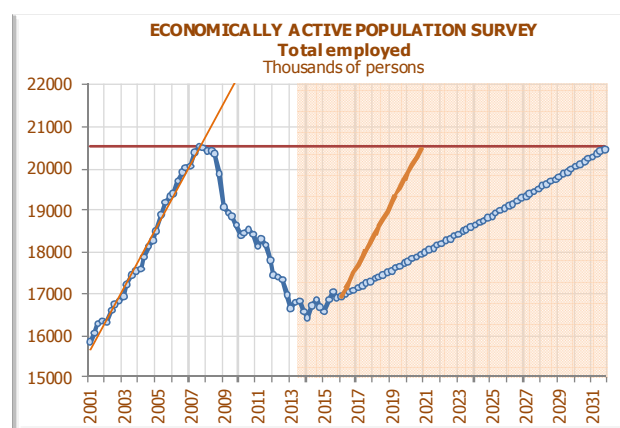


Table II.2.1

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	
				Tangible fixed assets									
		Private	Public	Construction	Capital goods and grown assets								
ANNUAL AVERAGE RATES	2009	-3,7	3,7	-16,6	-23,9	-18,5	-18,0	-6,9	-10,0	-17,2	3,1	-3,8	
	2010	0,2	1,5	-9,9	4,3	-6,4	-5,5	-0,3	11,7	9,3	0,1	-0,2	
	2011	-1,2	-0,5	-10,8	5,3	-6,3	-5,4	-1,8	7,6	-0,1	1,9	0,1	
	2012	-2,8	-4,8	-9,7	-3,9	-7,8	-7,0	-4,1	2,1	-5,7	2,5	-1,6	
	2013	-2,5	-2,3	-10,5	0,3	-6,8	-6,3	-3,1	4,2	-1,3	1,8	-1.4 (±0.2)	
	2014	0,9	-2,9	-3,8	2,7	-1,6	-1,1	-0,3	5,4	3,5	0,6	0.4 (±1.4)	
	2015	2,2	-2,2	1,9	3,0	2,3	2,5	1,4	5,9	5,9	0,0	1.4 (±1.7)	
Y-o-Y RATES	2012	I	-1,8	-4,9	-8,6	-2,9	-6,8	-6,0	-3,5	0,1	-6,9	2,2	-1,2
		II	-3,1	-4,4	-9,3	-4,3	-7,6	-6,9	-4,2	0,5	-7,7	2,6	-1,6
		III	-2,8	-4,9	-10,9	-3,8	-8,6	-7,5	-4,2	3,3	-4,6	2,5	-1,7
		IV	-3,5	-5,0	-10,0	-4,8	-8,3	-7,7	-4,5	4,4	-3,5	2,5	-2,1
	2013	I	-4,2	-3,3	-10,2	-4,1	-8,2	-7,5	-4,7	3,6	-4,8	2,7	-2,0
		II	-3,1	-2,4	-10,5	0,4	-6,7	-6,4	-3,7	9,2	3,1	2,0	-1,6
		III	-2,4	-1,3	-10,7	-0,2	-7,0	-6,7	-2,9	1,7	-3,2	1,6	-1.3 (±0.3)
		IV	-0,3	-1,9	-10,8	5,4	-5,3	-4,4	-1,3	2,4	0,1	0,8	-0.5 (±0.5)
	2014	I	0,4	-2,3	-8,0	4,7	-3,7	-3,3	-0,8	7,7	5,4	0,8	0 (±1)
		II	0,8	-4,2	-3,8	2,3	-1,7	-1,0	-0,6	3,4	0,8	0,8	0.3 (±1.5)
		III	1,1	-2,7	-2,4	1,4	-1,2	-0,7	-0,1	5,5	3,8	0,6	0.5 (±1.6)
		IV	1,4	-2,4	-0,7	2,5	0,3	0,7	0,4	5,2	4,3	0,3	0.8 (±1.7)
	2015	I	1,8	-2,4	0,4	3,1	1,4	1,7	0,9	5,5	5,2	0,1	1 (±1.8)
		II	2,1	-2,2	1,2	3,4	2,0	2,3	1,2	5,6	5,6	0,1	1.3 (±1.9)
		III	2,4	-2,3	2,4	3,6	2,8	3,0	1,5	6,0	6,3	-0,1	1.5 (±1.9)
		IV	2,6	-1,8	3,4	1,9	2,9	3,1	1,8	6,6	6,7	0,0	1.8 (±1.9)
Q-o-Q RATES	2012	I	0,2	-1,8	-3,5	0,1	-2,4	-1,7	-0,5	-3,1	-3,3	0,1	-0,4
		II	-1,1	0,0	-4,2	-1,8	-3,4	-3,3	-1,4	0,6	-2,2	0,9	-0,5
		III	-0,7	-3,0	-1,3	1,9	-0,2	0,2	-0,9	6,5	4,6	0,5	-0,4
		IV	-2,0	-0,3	-1,3	-5,0	-2,6	-3,0	-1,8	0,6	-2,6	1,0	-0,8
	2013	I	-0,5	0,0	-3,7	0,8	-2,2	-1,5	-0,6	-3,8	-4,5	0,2	-0,4
		II	0,0	0,9	-4,5	2,9	-1,9	-2,1	-0,2	6,0	5,9	0,1	-0,1
		III	0,0	-1,9	-1,5	1,3	-0,5	-0,2	-0,3	-0,9	-1,8	0,3	0,0
		IV	0,2	-0,8	-1,5	0,4	-0,8	-0,7	-0,2	1,3	0,8	0,2	0,0
	2014	I	0,2	-0,4	-0,7	0,1	-0,5	-0,4	-0,1	1,1	0,6	0,2	0,1
		II	0,4	-1,1	-0,1	0,6	0,1	0,2	0,0	1,8	1,2	0,2	0,2
		III	0,4	-0,3	-0,1	0,4	0,0	0,2	0,2	1,2	1,1	0,0	0,2
		IV	0,5	-0,5	0,2	1,5	0,6	0,7	0,3	1,1	1,3	-0,1	0,2
	2015	I	0,6	-0,4	0,5	0,7	0,5	0,6	0,3	1,4	1,4	0,0	0,3
		II	0,6	-1,0	0,7	0,8	0,7	0,8	0,4	1,9	1,7	0,1	0,5
		III	0,7	-0,4	1,0	0,6	0,9	0,9	0,5	1,5	1,8	-0,1	0,5
		IV	0,6	0,0	1,1	-0,1	0,7	0,8	0,5	1,6	1,6	0,0	0,6

Source: INE & BIAM (UC3M)

Date: October 23, 2013



II. THE ECONOMY IN THE EURO AREA

After 1.1% growth in 2014, the euro area GDP will grow by 1.5% in 2015, a little more than the Spanish figure.

In 2013 we expect the IPI to fall by an average annual rate of 1.2%, 0.5 pp less than previously forecast. Growth in 2014 will be 1.3%, 0.2 pp more than previously expected.

The drop in core inflation could reduce total inflation in 2014 to an average of 1.2% (± 0.8), compared with the 1.4% (± 0.05) forecast for this year.

Slow economic recovery will add no significant inflationist pressure, and we expect moderate average inflation in 2015, 1.4% (± 0.99).

Table II.1

MAIN VARIABLES AND INDICATORS IN THE EURO AREA						
Annual average rates						
			Forecasts			
			2010	2011	2012	2013 2014 2015
						(± 0.5) (± 1.2) (± 1.6)
GDP mp.¹			2.0	1.5	-0.6	-0.4 1.1 1.5
Demand	Private consumption		1.0	0.3	-1.4	-0.4 1.0 1.1
	Public consumption		0.6	-0.1	-0.6	0.3 0.7 1.0
	Gross fixed capital formation		-0.5	1.7	-3.7	-3.8 0.8 1.9
	Construction		-4.6	-0.3	-4.2	-4.1 -0.4 0.0
	Equipment		8.9	2.9	-7.3	-4.3 2.5 4.6
	Others		4.1	3.6	0.3	-0.3 3.0 4.8
	Contribution domestic demand*		1.3	0.7	-2.0	-0.9 0.8 1.2
	Exports of goods and services		11.3	6.7	2.7	1.6 4.4 4.6
	Imports of goods and services		9.8	4.6	-0.8	0.4 4.0 4.2
Contribution foreign demand*			0.8	0.8	1.4	0.5 0.3 0.3
Supply GVA	Agriculture, livestock breeding, forestry,...		-3.0	0.4	-4.6	-1.1 2.5 0.9
	Industry		9.3	3.1	-0.8	-0.9 1.7 2.7
	Manufacturing Industry		10.8	4.8	-1.3	-0.4 2.5 3.5
	Construction		-5.8	-1.6	-4.1	-4.0 -0.6 0.1
	Services		0.9	1.8	0.0	0.1 1.1 1.4
	Market services		0.8	2.0	0.0	-0.1 0.9 1.3
	Public administration, health and educ.		1.3	1.2	0.1	0.6 1.4 1.6
	Taxes		1.3	0.1	-1.9	-0.7 1.1 0.7
Prices (HICP²)						
Total			1.6	2.7	2.5	1.4 1.2 1.4
						(± 0.1) (± 0.9) (± 1)
Core			1.0	1.7	1.8	1.3 1.3 1.3
Processed food			0.9	3.3	3.1	2.3 2.2 2.2
Non-energy industrial goods			0.5	0.8	1.2	0.6 0.4 0.5
Services			1.4	1.8	1.8	1.5 1.5 1.5
Residual			4.7	7.6	5.8	1.9 1.0 1.9
Non-processed food			1.3	1.8	3.0	3.9 1.7 2.8
Energy			7.4	11.9	7.6	0.6 0.5 1.2
Labour market³						
Unemployment rate			10.1	10.2	11.4	11.9 11.8 11.3
Industrial production index (excluding construction)⁴						
Total			7.3	3.2	-2.4	-1.2 1.3 2.3
						(± 0.9) (± 2.2) (± 2.7)
Consumer goods			2.9	0.6	-2.4	-0.5 -0.2 0.3
Durable			2.7	0.6	-4.5	-3.9 -0.5 4.1
Non-durable			2.9	0.9	-2.1	-0.3 0.0 -0.3
Equipment			8.9	8.2	-1.1	-1.0 3.7 5.3
Intermediate			10.0	3.8	-4.4	-2.0 0.8 1.5
Energy			3.9	-4.7	-0.2	-0.6 -0.5 1.1

The figures in the shaded area are forecasts.

(1) Data adjusted for seasonality and working days effect.

Source: EUROSTAT & BIAM (UC3M)

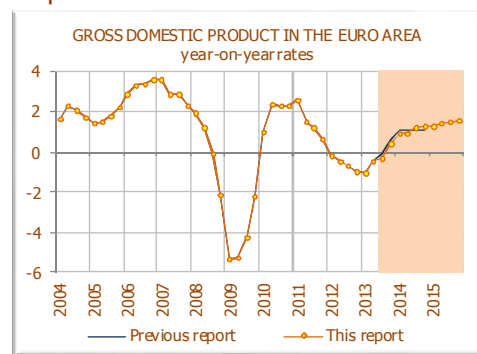
Date: (1) October 31, 2013

(2) October 27, 2013

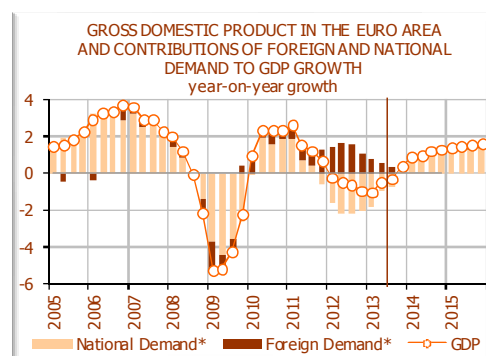
(3) October 31, 2013

(4) October 21, 2013

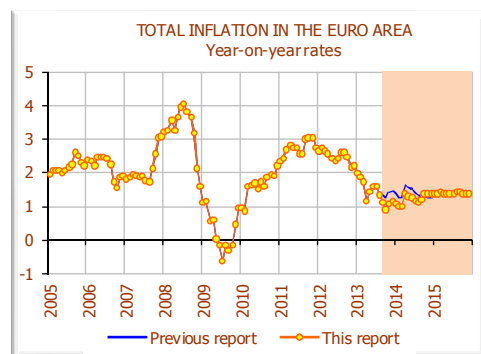
Graph II.1



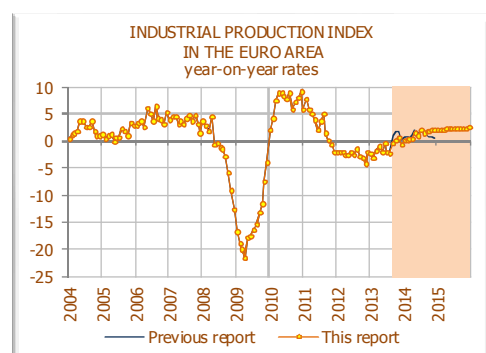
Graph II.2



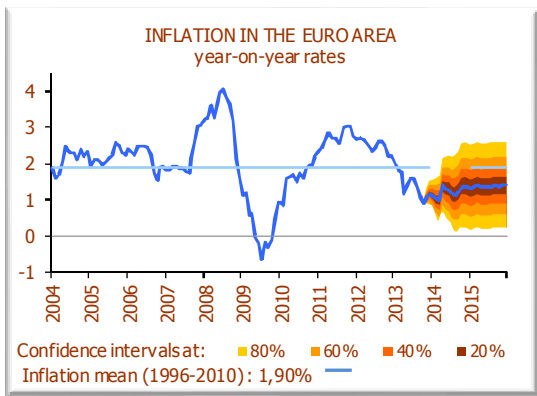
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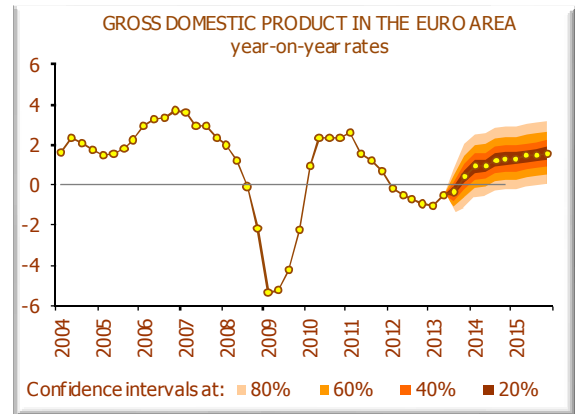
Graph II.4



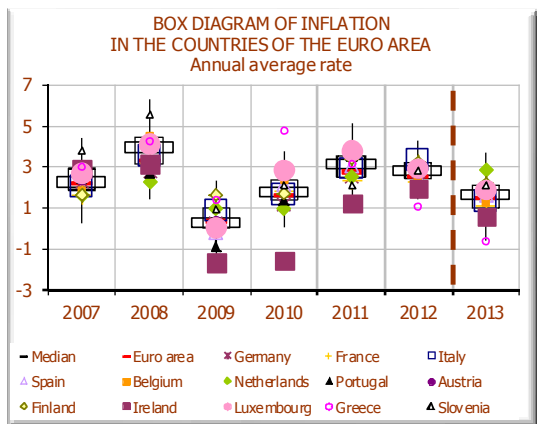
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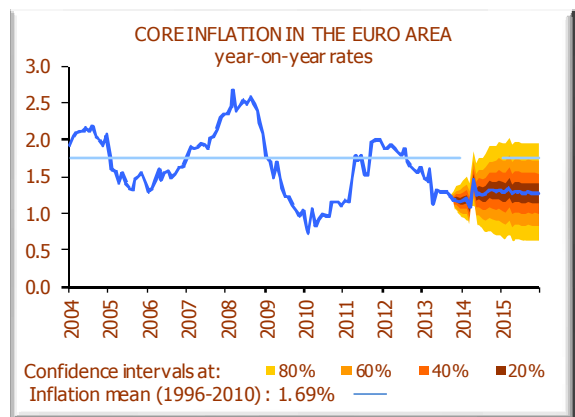
Graph II.6



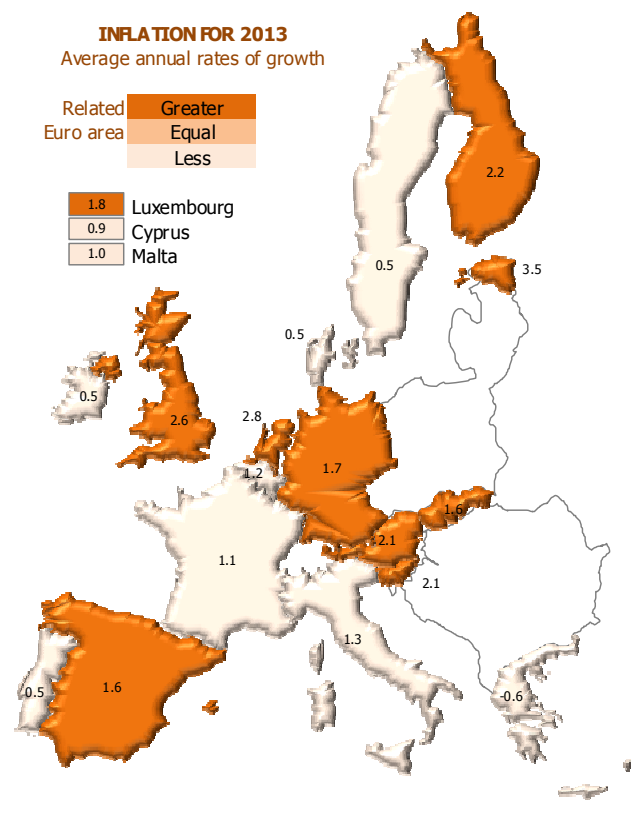
Graph II.7



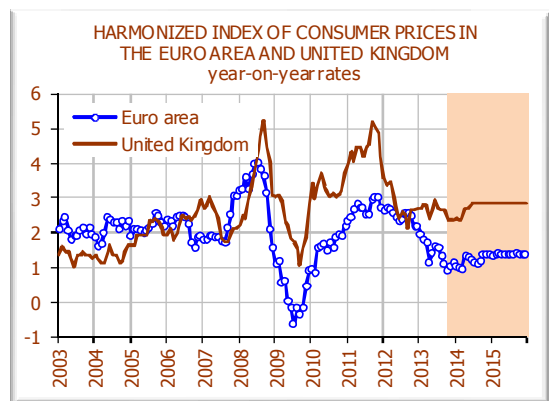
Graph II.8



Graph II.9



Graph II.10



II.1. MACROECONOMIC FORECASTS

The third estimation of the euro area economy's GDP confirmed that the recession was left behind in the second quarter, when it grew by a quarter-on-quarter 0.3%, after falling by 0.2% in the first. This is the first positive growth after six consecutive quarters of reductions. In 2014, recovery is expected to be consolidated. According to our forecasts, the year will register a 1.1% average annual growth rate, after falling by 0.4% in 2013.

The August Industrial Production Index (IPI) rose by 1%, after falling by 1% in July. Relative to a year earlier, its rate of decline increased to 2.1% from 1.9% in the previous month. The IPI growth forecast has now been revised downwards slightly for this year, and upwards slightly for the next. This year, the IPI is expected to register an average annual reduction of 1.2%, half a point less than our previous forecast. For 2014, we expected 1.3% growth, 0.2 pp more than previously anticipated. Our first forecast for 2015 is for an average annual IPI growth rate of 2.3%.

With regards to euro area soft data, the October Economic Sentiment Indicator grew by 0.9 pp to 97.8 points, after rising by 1.6 points in September. This increase was greater than expected. The preliminary manufacturing PMI also rose, by 0.2 pp to 51.3 points, with the service PMI falling by 1.3 to a total of 50.9, with a reduction in the growth of activity and new orders. The compound PMI fell by 0.7 pp in October, to 51.5 points, showing a clear drop in activity in the euro area.

We have revised our macro forecast for 2013 and 2014 with the latest information. The former is revised downwards and the latter remains unaltered. We have also estimated the first forecasts for 2015. The aggregate GDP forecast for 2013 is now an average annual decline of 0.4%, more than previously expected (0.2%); for 2014 the forecast remains at 1.1%. For 2015 recovery should have consolidated, registering close to its potential growth, 1.5%.

The euro area labour market is still weak, consistent with the evolution of economic activity. Indeed, in the second quarter the euro area economy destroyed employment and a quarter-on-quarter rate (corrected for seasonality) of 0.1%, better than the first quarter (0.4%). The favourable GDP forecast for the second quarter of 2013 is not expected to create net employment and at most could slow down its rate of decline.

Table II.1.1

INDUSTRIAL PRODUCTION INDEX				
Average rate of growth				
	2012	2013	2014	2015
Spain				
Consumption	-4.7	-1.3	1.3	1.0
Durable	-11.2	-10.9	-6.5	-2.0
Non-durable	-4.0	-0.4	1.9	1.2
Capital	-10.7	2.9	2.7	3.4
Intermediate	-7.2	-3.4	-0.5	0.6
Energy	0.9	-2.7	0.5	0.6
TOTAL	-5.9	-1.4	0.8	1.3
		(±0.3)	(±2.7)	(±3)
Euro area				
Consumption	-2.4	-0.5	-0.2	0.3
Durable	-4.5	-3.9	-0.5	4.1
Non-durable	-2.1	-0.3	0.0	-0.3
Capital	-1.1	-1.0	3.7	5.3
Intermediate	-4.4	-2.0	0.8	1.5
Energy	-0.2	-0.6	-0.5	1.1
TOTAL	-2.4	-1.2	1.3	2.3
		(±0.9)	(±2.2)	(±2.7)

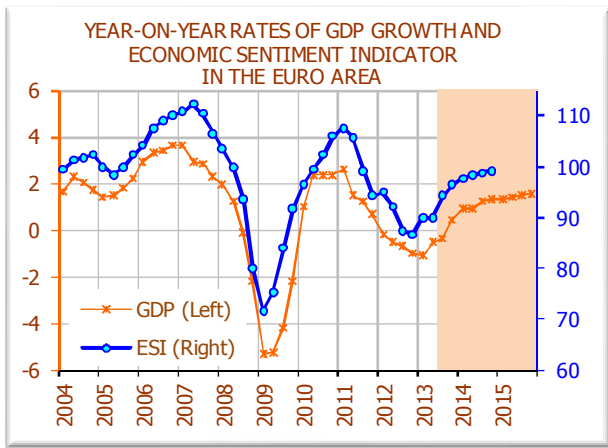
Source: EUROSTAT & BIAM (UC3M)

Date: October 21, 2013

On the other hand, the unemployment rate relative to the active population, adjusted for seasonality, remained stable at 12.2% in September, 0.6 pp more than a year earlier. It has remained stable since June after rising constantly for more than two years.



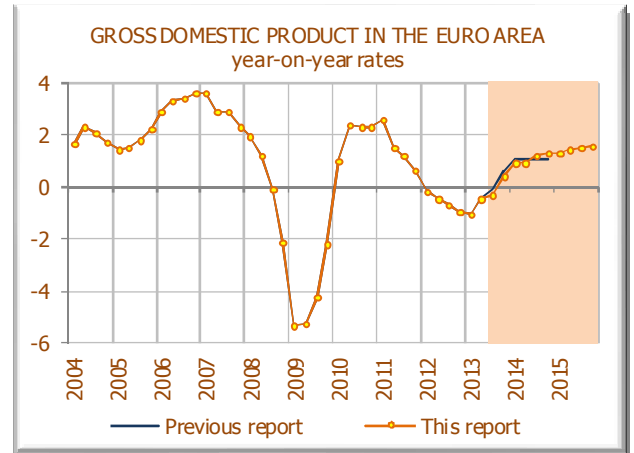
Graph II.1.1



Source: EUROSTAT & BIAM (UC3M)

Date: October 21, 2013

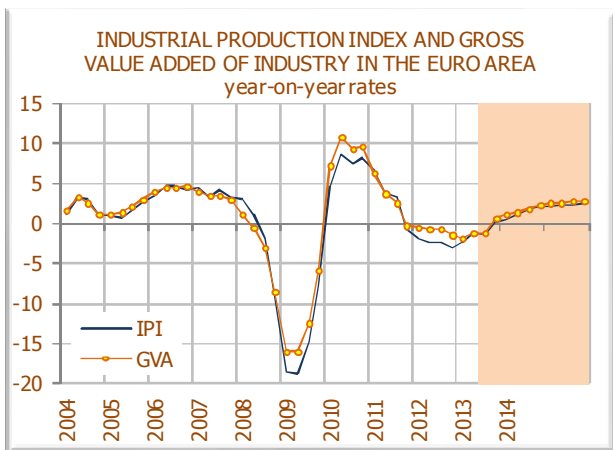
Graph II.1.2



Source: EUROSTAT & BIAM (UC3M)

Date: October 21, 2013

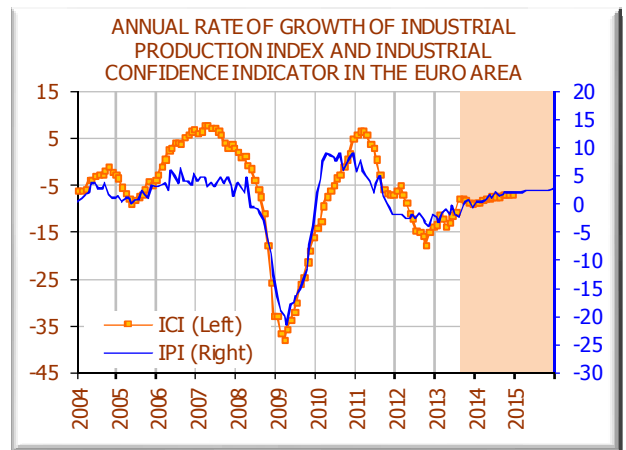
Graph II.1.3



Source: EUROSTAT & BIAM (UC3M)

Date: October 21, 2013

Graph II.1.4



Source: EUROSTAT & BIAM (UC3M)

Date: October 21, 2013



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	2009	-0.8	2.6	-9.7	-22.3	-5.3	-12.6	-3.5	-12.1	-10.6	-0.8	-4.2	
	2010	1.0	0.6	-4.6	8.9	4.1	-0.5	1.3	11.3	9.8	0.8	2.0	
	2011	0.3	-0.1	-0.3	2.9	3.6	1.7	0.7	6.7	4.6	0.8	1.5	
	2012	-1.4	-0.6	-4.2	-7.3	0.3	-3.7	-2.0	2.7	-0.8	1.4	-0.6	
	2013	-0.4	0.3	-4.1	-4.3	-0.3	-3.8	-0.9	1.6	0.4	0.5	-0.4 (±0.5)	
	2014	1.0	0.7	-0.4	2.5	3.0	0.8	0.8	4.4	4.0	0.3	1.1 (±1.2)	
	2015	1.1	1.0	0.0	4.6	4.8	1.9	1.2	4.6	4.2	0.3	1.5 (±1.6)	
Y-o-Y rates	2012	I	-1.3	-0.3	-3.8	-4.8	1.2	-2.6	-1.6	2.7	-0.8	1.4	-0.2
		II	-1.2	-0.6	-4.3	-7.2	0.6	-3.7	-2.2	3.4	-0.8	1.7	-0.5
		III	-1.6	-0.6	-3.8	-8.1	0.2	-3.9	-2.2	2.8	-1.1	1.6	-0.7
		IV	-1.4	-0.7	-4.8	-9.2	-0.8	-4.6	-2.0	1.9	-0.8	1.1	-0.9
	2013	I	-1.3	-0.5	-5.7	-8.3	-1.4	-5.6	-1.8	0.2	-1.8	0.8	-1.0
		II	-0.7	0.3	-4.0	-4.3	-0.7	-3.5	-1.0	1.3	0.0	0.5	-0.5
		III	-0.2	0.6	-3.9	-2.8	-0.4	-3.7	-0.7	1.8	0.8	0.4	-0.3
		IV	0.4	0.7	-2.6	-1.6	1.1	-2.4	0.1	3.2	2.6	0.3	0.4
	2014	I	0.9	0.8	-0.3	1.0	1.4	0.1	0.6	5.2	4.6	0.3	0.9
		II	1.0	0.6	-0.5	2.1	2.8	0.3	0.8	4.1	3.8	0.2	1.0
		III	1.0	0.7	-0.4	3.3	3.7	1.3	1.1	4.1	3.8	0.2	1.2
		IV	1.0	0.8	-0.4	3.7	4.2	1.5	1.1	4.2	3.9	0.2	1.3
	2015	I	1.1	0.9	-0.4	4.4	4.5	1.6	1.1	4.4	4.1	0.2	1.3
		II	1.1	1.0	-0.1	4.6	4.7	1.8	1.2	4.5	4.2	0.2	1.4
		III	1.1	1.1	0.1	4.7	4.8	2.0	1.3	4.6	4.3	0.2	1.5
		IV	1.1	1.1	0.5	4.9	5.0	2.3	1.4	4.7	4.4	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	
		Private	Public	Construc- tion	Equipment	Other							
ANNUAL AVERAGE RATES	2009	-0.8	2.6	-9.7	-22.3	-5.3	-12.6	-3.5	-12.1	-10.6	-0.8	-4.2	
	2010	1.0	0.6	-4.6	8.9	4.1	-0.5	1.3	11.3	9.8	0.8	2.0	
	2011	0.3	-0.1	-0.3	2.9	3.6	1.7	0.7	6.7	4.6	0.8	1.5	
	2012	-1.4	-0.6	-4.2	-7.3	0.3	-3.7	-2.0	2.7	-0.8	1.4	-0.6	
	2013	-0.4	0.3	-4.1	-4.3	-0.3	-3.8	-0.9	1.6	0.4	0.5	-0.4 (±0.5)	
	2014	1.0	0.7	-0.4	2.5	3.0	0.8	0.8	4.4	4.0	0.3	1.1 (±1.2)	
	2015	1.1	1.0	0.0	4.6	4.8	1.9	1.2	4.6	4.2	0.3	1.5 (±1.6)	
Q-on-Q rates	2012	I	-0.4	-0.3	-1.4	-3.1	1.1	-1.1	-0.4	0.7	0.0	0.3	-0.1
		II	-0.5	-0.3	-1.8	-4.0	-1.0	-1.9	-0.7	1.0	-0.2	0.5	-0.3
		III	-0.2	-0.3	-0.3	-1.7	0.0	-0.4	-0.3	0.6	0.3	0.2	-0.1
		IV	-0.4	0.1	-1.3	-0.7	-0.9	-1.2	-0.6	-0.5	-0.8	0.1	-0.5
	2013	I	-0.2	0.0	-2.3	-2.2	0.5	-2.2	-0.2	-1.0	-1.0	0.0	-0.2
		II	0.1	0.5	0.0	0.2	-0.2	0.2	0.1	2.1	1.6	0.2	0.3
		III	0.3	0.0	-0.2	0.0	0.3	-0.6	0.0	1.1	1.1	0.0	0.1
		IV	0.2	0.1	-0.1	0.5	0.6	0.2	0.2	1.0	0.9	0.0	0.3
	2014	I	0.2	0.2	0.0	0.3	0.9	0.4	0.3	1.0	0.9	0.0	0.3
		II	0.2	0.2	-0.2	1.3	1.1	0.4	0.3	1.0	0.9	0.0	0.3
		III	0.3	0.2	-0.1	1.1	1.1	0.4	0.3	1.1	1.0	0.0	0.3
		IV	0.3	0.2	-0.1	1.0	1.1	0.3	0.3	1.1	1.0	0.0	0.3
	2015	I	0.3	0.3	0.0	1.1	1.2	0.4	0.3	1.1	1.0	0.0	0.3
		II	0.3	0.3	0.2	1.4	1.3	0.7	0.4	1.2	1.1	0.0	0.4
		III	0.3	0.3	0.1	1.1	1.2	0.5	0.3	1.2	1.1	0.0	0.4
		IV	0.3	0.3	0.2	1.2	1.2	0.6	0.4	1.2	1.1	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

*Year-on-year rates

Source: EUROSTAT & BIAM (UC3M)

Date: October 31, 2013



GROSS DOMESTIC PRODUCT IN THE EURO AREA: SUPPLY

Table II.1.4

GROSS DOMESTIC PRODUCT IN THE EURO AREA											
		Agriculture, livestoch breeding, forestry...	Industry		Construction	Services			Taxes	Real GDP	
			Manufacturing industry			Market services	Public administration, ...				
ANNUAL AVERAGE RATES	2009	1.5	-15.1	-12.6	-7.6	-2.9	1.5	-1.8	-4.2	-4.2	
	2010	-3.0	10.8	9.3	-5.8	0.8	1.3	0.9	1.3	2.0	
	2011	0.4	4.8	3.1	-1.6	2.0	1.2	1.8	0.1	1.5	
	2012	-4.6	-1.3	-0.8	-4.1	0.0	0.1	0.0	-1.9	-0.6	
	2013	-1.1	-0.4	-0.9	-4.0	-0.1	0.6	0.1	-0.7	-0.4 (±0.5)	
	2014	2.5	2.5	1.7	-0.6	0.9	1.4	1.1	1.1	1.1 (±1.2)	
	2015	0.9	3.5	2.7	0.1	1.3	1.6	1.4	0.7	1.5 (±1.6)	
Y-o-Y rates	2012	I	-1.0	8.7	6.4	-1.2	2.3	1.2	2.0	3.1	2.6
		II	0.7	5.4	3.8	-2.8	2.1	1.2	1.9	0.2	1.5
		III	1.1	4.3	2.7	-2.1	2.0	1.2	1.8	-1.0	1.2
		IV	0.7	1.2	-0.3	-0.1	1.5	1.0	1.4	-1.8	0.7
	2013	I	-1.7	-0.8	-0.6	-3.7	0.6	0.3	0.5	-1.6	-0.2
		II	-4.3	-1.3	-0.8	-3.7	0.1	0.0	0.1	-2.1	-0.5
		III	-6.3	-1.1	-0.7	-3.7	-0.3	-0.3	-0.3	-1.7	-0.7
		IV	-6.3	-1.8	-1.4	-5.3	-0.5	0.3	-0.3	-2.1	-0.9
	2014	I	-3.0	-2.2	-1.9	-5.4	-0.7	0.4	-0.4	-2.5	-1.0
		II	-1.8	-0.5	-1.3	-4.5	-0.2	0.5	0.0	-0.8	-0.5
		III	0.4	-0.5	-1.1	-3.9	0.0	0.8	0.2	-0.4	-0.3
		IV	0.1	1.5	0.8	-2.3	0.5	0.7	0.5	1.0	0.4
	2015	I	1.5	3.3	2.5	-0.4	1.1	1.6	1.2	0.7	1.3
		II	0.8	3.5	2.7	0.0	1.2	1.6	1.3	0.8	1.4
		III	0.7	3.6	2.7	0.2	1.3	1.6	1.4	0.7	1.5
		IV	0.7	3.7	2.9	0.5	1.4	1.7	1.5	0.7	1.6

Table II.1.5

GROSS DOMESTIC PRODUCT IN THE EURO AREA											
		Agriculture, livestoch breeding, forestry...	Industry		Construction	Services			Taxes	Real GDP	
			Manufacturing industry			Market services	Public administration, ...				
ANNUAL AVERAGE RATES	2009	1.5	-15.1	-12.6	-7.6	-2.9	1.5	-1.8	-4.2	0.2	
	2010	-3.0	10.8	9.3	-5.8	0.8	1.3	0.9	1.3	-4.2	
	2011	0.4	4.8	3.1	-1.6	2.0	1.2	1.8	0.1	2.0	
	2012	-4.6	-1.3	-0.8	-4.1	0.0	0.1	0.0	-1.9	-0.6	
	2013	-1.1	-0.4	-0.9	-4.0	-0.1	0.6	0.1	-0.7	-0.4 (±0.5)	
	2014	2.5	2.5	1.7	-0.6	0.9	1.4	1.1	1.1	1.1 (±1.2)	
	2015	0.9	3.5	2.7	0.1	1.3	1.6	1.4	0.7	1.5 (±1.6)	
Q-on-Q rates	2012	I	-3.3	0.3	0.4	-1.4	0.0	-0.3	-0.1	0.2	-0.1
		II	-1.7	-0.7	-0.2	-1.4	-0.2	0.1	-0.1	-1.1	-0.3
		III	-1.6	0.2	0.0	-0.9	-0.1	0.0	-0.1	-0.2	-0.1
		IV	0.2	-1.6	-1.6	-1.8	-0.2	0.5	-0.1	-1.0	-0.5
	2013	I	0.1	-0.1	-0.2	-1.4	-0.1	-0.2	-0.1	-0.2	-0.2
		II	-0.5	1.1	0.5	-0.5	0.2	0.3	0.2	0.6	0.3
		III	0.6	0.1	0.1	-0.3	0.2	0.2	0.2	0.2	0.1
		IV	0.0	0.4	0.3	-0.1	0.2	0.3	0.3	0.4	0.3
	2014	I	1.5	0.6	0.1	0.0	0.3	0.4	0.3	0.3	0.3
		II	0.9	0.9	0.8	-0.2	0.2	0.3	0.3	0.1	0.3
		III	0.3	0.8	0.7	-0.1	0.3	0.4	0.3	0.2	0.3
		IV	0.2	0.7	0.7	-0.1	0.3	0.4	0.3	0.2	0.3
	2015	I	0.2	0.9	0.4	0.1	0.4	0.4	0.4	0.2	0.3
		II	0.1	1.1	0.9	0.2	0.3	0.4	0.3	0.2	0.4
		III	0.2	0.9	0.8	0.1	0.3	0.4	0.4	0.2	0.4
		IV	0.2	0.9	0.8	0.1	0.4	0.4	0.4	0.2	0.4

Data adjusted for seasonality and working days effect

The figures in the shaded area are forecasts

(1) Contribution to GDP growth

* Year-on-year rates

Source: EUROSTAT & BIAM (UC3M)

Date: October 31, 2013



INDUSTRIAL PRODUCTION INDEX IN THE EURO AREA

Table II.1.6

INDUSTRIAL PRODUCTION INDEX AND SECTORS IN THE EURO AREA										
		Consumer Goods			Capital Goods	Intermediate Goods	Energy	Total excluding energy	TOTAL	
		Durable	Non Durable	Total						
ANNUAL AVERAGE RATES	2009	-17.4	-3.3	-5.2	-21.2	-19.7	-5.1	-16.3	-15.1	
	2010	2.7	2.9	2.9	8.9	10.0	3.9	7.7	7.3	
	2011	0.6	0.9	0.6	8.2	3.8	-4.7	4.2	3.2	
	2012	-4.5	-2.1	-2.4	-1.1	-4.4	-0.2	-2.7	-2.4	
	2013	-3.9	-0.3	-0.5	-1.0	-2.0	-0.6	-1.2	-1.2 (±0.9)	
	2014	-0.5	0.0	-0.2	3.7	0.8	-0.5	1.5	1.3 (±2.2)	
	2015	4.1	-0.3	0.3	5.3	1.5	1.1	2.5	2.3 (±2.7)	
Y-o-Y rates	2012	I	-3.2	-2.5	-2.6	1.0	-4.0	-2.0	-1.9	-1.9
		II	-4.4	-2.5	-2.7	-1.3	-4.4	2.1	-2.8	-2.3
		III	-5.5	-1.8	-2.1	-0.8	-4.2	0.0	-2.5	-2.2
		IV	-5.1	-1.6	-2.2	-3.3	-4.9	-0.3	-3.4	-3.1
	2013	I	-4.5	-0.5	-0.3	-3.6	-3.6	0.2	-2.7	-2.3
		II	-4.1	-0.1	-0.6	-0.2	-2.2	-0.9	-1.1	-1.1
		III	-4.5	-0.3	-0.8	-1.6	-2.0	-2.1	-1.4	-1.4
		IV	-2.8	-0.1	-0.2	1.4	0.0	0.0	0.2	0.1
	2014	I	-2.6	0.1	-0.8	3.2	0.4	-2.2	0.7	0.4
		II	-1.3	0.0	-0.2	2.5	0.2	-0.7	1.3	1.1
		III	0.4	0.0	0.0	4.4	1.0	0.7	1.9	1.8
		IV	1.4	-0.1	0.1	4.6	1.4	0.7	2.2	2.0
	2015	I	3.2	-0.4	0.1	4.9	1.4	0.9	2.2	2.1
		II	3.9	-0.4	0.2	5.3	1.6	1.0	2.5	2.4
		III	4.8	-0.2	0.4	5.4	1.5	1.1	2.5	2.4
		IV	4.7	-0.2	0.5	5.5	1.6	1.2	2.7	2.5

Table II.1.7

INDUSTRIAL PRODUCTION INDEX IN THE EURO AREA							
Y-o-Y rates							
	2009	2010	2011	2012	2013	2014	2015
January	-16.5	2.2	5.8	-1.9	-2.3	0.3	2.0
February	-18.9	4.3	7.8	-1.9	-3.1	0.3	2.1
March	-19.8	7.5	6.0	-2.1	-1.6	0.5	2.1
April	-21.5	9.0	5.1	-2.6	-0.9	0.6	2.3
May	-17.7	8.9	4.2	-2.4	-2.0	1.6	2.3
June	-17.3	8.4	2.1	-1.9	-0.3	1.1	2.4
July	-16.2	7.8	3.7	-2.5	-1.9	2.0	2.3
August	-15.2	9.0	5.1	-1.4	-2.1	1.5	2.4
September	-13.1	6.0	1.6	-2.6	-0.4	1.9	2.5
October	-11.4	7.2	0.2	-3.1	0.3	1.9	2.5
November	-7.4	8.2	-0.5	-4.0	0.7	2.0	2.5
December	-3.9	9.1	-1.9	-2.0	-0.6	2.1	2.6

Data adjusted for seasonality and working days effect

The figures in the shaded area are forecasts

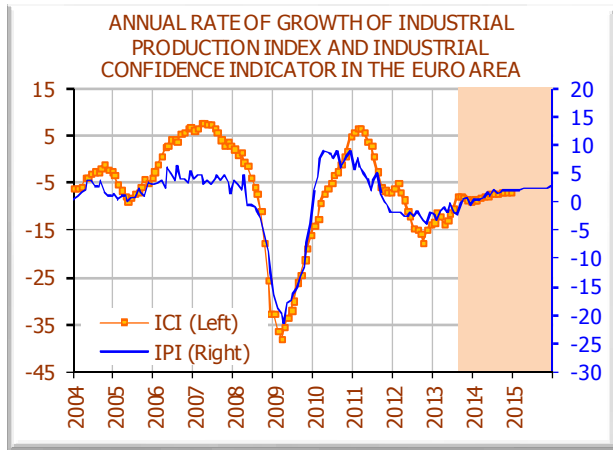
*Year-on-year rates

Source: EUROSTAT & BIAM (UC3M)

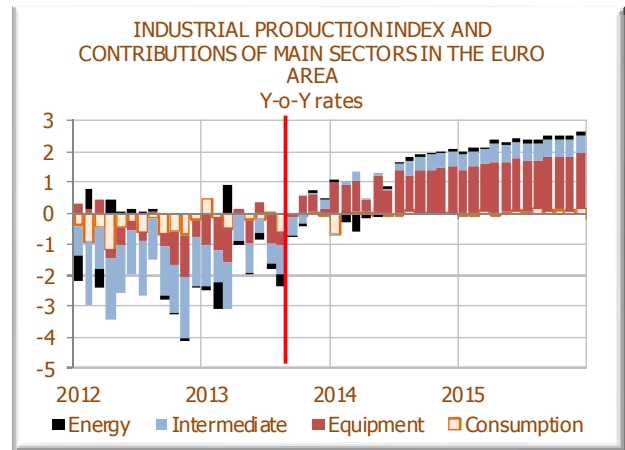
Date: October 21, 2013



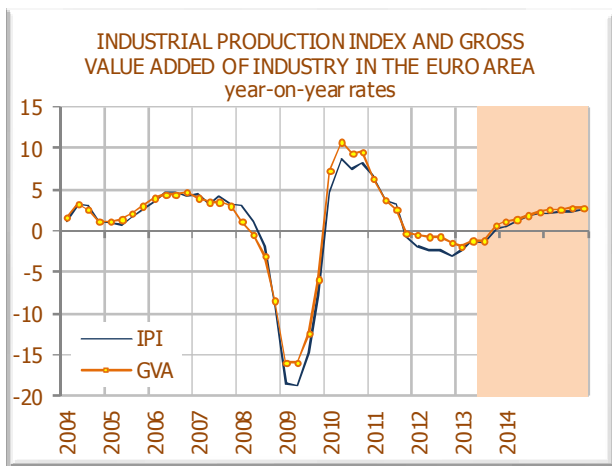
Graph II.1.5



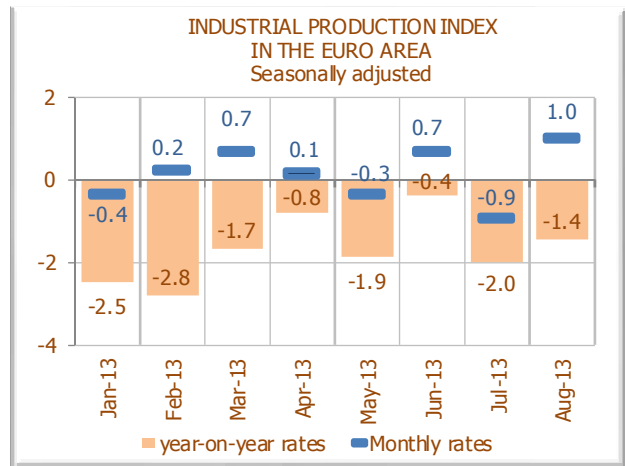
Graph II.1.6



Graph II.1.7



Graph II.1.8



1. Quarterly data, referred to aug-11 and may-11, respectively

Source: Datastream & BIAM (UC3M)

Date: October 21, 2013



II.2. INFLATION

In September, the euro area HICP fell by 0.2 pp to an annual rate of 1.1% instead of the forecast 1.3%. Prices grew by a monthly 0.9%. In the core component, prices grew by a year-on-year rate of 1.2%, less than 0.1 pp less than expected. Monthly inflation in this component was 2.4%.

Although most of them were moderate, all this month's innovations were negative. The innovation in the aggregate HICP exceeded the normal 80% confidence interval. This has been the usual pattern in the last few months, showing the deflationist pressure that continues to slow down economic recovery in the euro area.

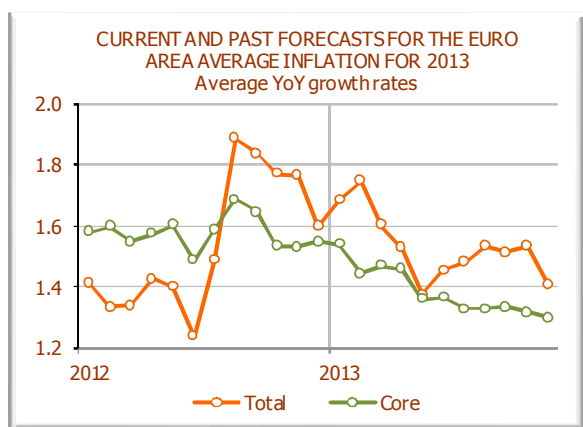
Our inflation forecasts have fallen in line with this month's innovations. We also present our 2015 forecasts for the first time. In the core component, with no significant innovations, our forecasts remain practically unaltered in all major groups. Their inflation rates will be similar to the current rates (table II.2.5), growing very slightly

at the end of the forecasting period. The average annual rate forecast for core inflation is 1.3% for 2013, 2014 and 2015. These central estimates could fluctuate around the following confidence intervals: ± 0.04 , ± 0.15 and ± 0.59 , respectively.

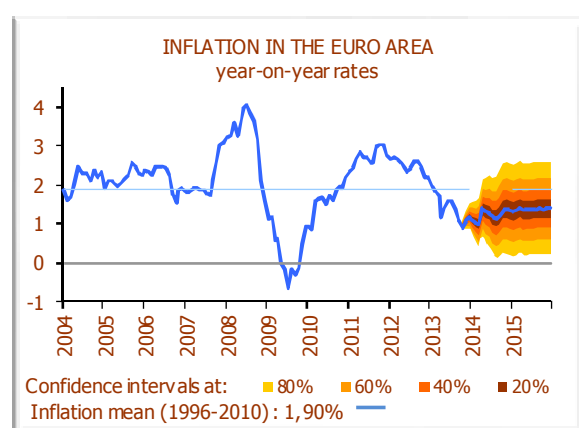
The intensity of the downwards innovations in the two core groups, unprocessed food and energy, has led to a considerable revision of our forecasts in the same direction. The forecast for this year has fallen by 0.1 pp to 1.4% (± 0.05), and for next year by 0.2 pp, to 1.2% (± 0.85). In 2015, average inflation could rise again to 1.4% (± 0.99), due to energy and unprocessed food.

With inflation much lower than the ECB target throughout the forecasting period, inflationist risk is certainly not the reason for maintaining such a lax monetary policy as we are currently seeing.

Graph II.2.1



Graph II.2.3



Graph II.2.2

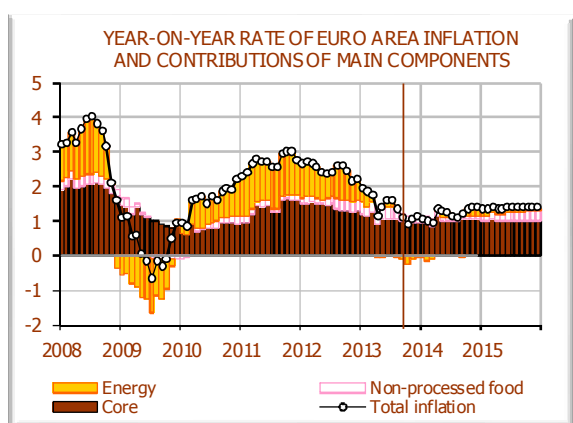


Table II.2.1

INFLATION IN THE EURO AREA *						
HICP	Annual rates		Annual average rates			
	2013		2012	2013	2014	2015
	September	October				
Core 81.69%	1.2	1.2 (±0.13)	1.8	1.3 (±0.04)	1.3 (±0.45)	1.3 (±0.59)
Total 100%	1.1	0.9 (±0.12)	2.5	1.4 (±0.05)	1.2 (±0.85)	1.4 (±0.99)

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

- (1) Year-on-year rate anterior
(2) Yearly average rate

Source: EUROSTAT & BIAM(UC3M)

Date: October 27, 2013

Source: EUROSTAT & BIAM(UC3M)

Date: October 27, 2013



FORECASTS ERRORS BY SECTORS, COUNTRIES IN THE EURO AREA, UNITED KINGDOM, SWEDEN AND DENMARK

Table II.2.2

INFLATION IN THE EURO AREA Annual rates, September, 2013				
Harmonized Index of Consumer Prices HICP	Weights 2013	Observed	Forecasts	Confidence Intervals*
Processed Food	120.25	2.43	2.44	± 0.38
Tobacco	24.21	5.36	5.75	
Processed food excluding tobacco	96.04	1.69	1.61	
Non-energy Industrial goods	273.64	0.38	0.52	± 0.21
Services	423.03	1.44	1.47	± 0.14
CORE	816.92	1.22	1.30	± 0.13
Non-processed food	73.45	2.92	4.04	± 0.72
Energy	109.63	-0.95	-0.14	± 0.86
RESIDUAL	183.08	0.53	1.45	± 0.57
TOTAL	1000	1.10	1.32	± 0.12

* Confidence intervals at 80% calculated with historical errors

Graph II.2.4

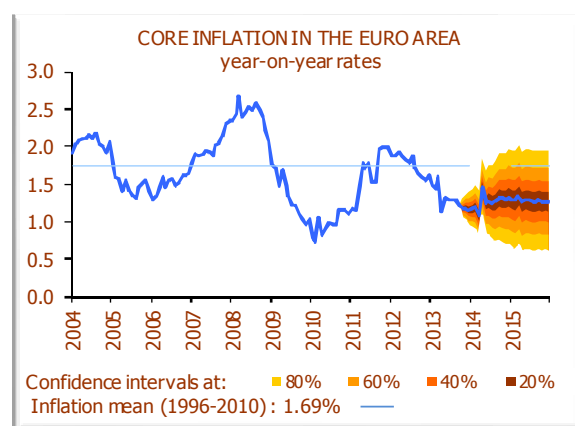


Table II.2.3

INFLATION IN THE EURO AREA Monthly rates, September, 2013				
Harmonized Index of Consumer Prices HICP	Weights 2013	Observed	Forecasts	Confidence Intervals*
Processed Food	120.25	0.05	0.06	± 0.38
Tobacco	24.21	0.06	0.43	
Processed food excluding tobacco	96.04	0.04	-0.04	
Non-energy Industrial goods	273.64	3.44	3.58	± 0.21
Services	423.03	-0.92	-0.90	± 0.14
CORE	816.92	0.63	0.70	± 0.13
Non-processed food	73.45	-1.08	0.00	± 0.72
Energy	109.63	0.47	1.29	± 0.86
RESIDUAL	183.08	-0.15	0.77	± 0.57
TOTAL	1000	0.49	0.71	± 0.12

* Confidence intervals at 80% calculated with historical errors

Table II.2.4

SUMMARY OF INFLATION IN THE EURO AREA (HICP) AND SPAIN (CPI)					
		Spain		Euro area	
		Total	Core	Total	Core
Annual average rates	2012	2.4	1.6	2.5	1.8
	2013	1.5	1.6	1.4	1.3
	2014	1.3	1.0	1.2	1.3
	2015	1.3	1.3	1.4	1.3
	Sep-13	0.3	0.8	1.1	1.2
y-o-y rates	Oct-13	0.3	0.6	0.9	1.2
	Nov-13	0.6	0.7	1.1	1.2
	Dec-14	1.7	1.3	1.4	1.3
	Dec-15	1.0	1.1	1.4	1.3

Source: EUROSTAT, INE & BIAM(UC3M)

Date: October 16, 2013



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				
Weights 2013		9.6%	2.4%	27.4%	42.3%	81.7%		7.3%	11.0%	18.3%			
ANNUAL AVERAGE RATE	2005	0.5	7.8	0.3	2.3	1.5		0.8	10.1	5.7	2.2		
	2006	1.6	3.9	0.6	2.0	1.5		2.8	7.7	5.5	2.2		
	2007	2.3	4.5	1.0	2.5	2.0		3.0	2.6	2.8	2.1		
	2008	6.8	3.2	0.8	2.6	2.4		3.5	10.3	7.3	3.3		
	2009	0.2	4.7	0.6	2.0	1.3		0.2	-8.1	-4.5	0.3		
	2010	-0.2	5.5	0.5	1.4	1.0		1.3	7.4	4.7	1.6		
	2011	2.8	5.1	0.8	1.8	1.7		1.8	11.9	7.6	2.7		
	2012	2.6	5.2	1.2	1.8	1.8		3.0	7.6	5.8	2.5		
	2013	1.6	4.7	0.6	1.5	1.3	± 0.04	3.9	0.6	1.9	1.4	± 0.05	
	2014	1.5	4.8	0.4	1.5	1.3	± 0.45	1.7	0.5	1.0	1.2	± 0.85	
	2015	1.6	4.7	0.5	1.5	1.3	± 0.59	2.8	1.2	1.9	1.4	± 0.99	
ANNUAL RATES (year-on-year rates)	2013	January	1.7	4.7	0.8	1.6	1.5		4.8	3.9	4.2	2.0	
		February	1.7	4.6	0.8	1.5	1.4		3.5	3.9	3.7	1.8	
		March	1.6	4.7	1.0	1.8	1.6		3.5	1.7	2.4	1.7	
		April	1.6	4.1	0.8	1.1	1.1		4.2	-0.4	1.4	1.2	
		May	1.7	3.8	0.8	1.5	1.3		5.1	-0.2	1.9	1.4	
		June	1.8	3.7	0.7	1.4	1.3		5.0	1.6	3.0	1.6	
		July	1.9	4.9	0.4	1.4	1.3		5.1	1.6	3.0	1.6	
		August	1.8	5.4	0.4	1.4	1.3		4.4	-0.3	1.5	1.3	
		September	1.7	5.4	0.4	1.4	1.2		2.9	-0.9	0.5	1.1	
		October	1.6	4.6	0.3	1.4	1.2	± 0.13	2.9	-2.2	-0.2	0.9	± 0.12
		November	1.4	5.0	0.3	1.5	1.2	± 0.18	2.9	-0.9	0.6	1.1	± 0.24
		December	1.4	5.2	0.3	1.4	1.2	± 0.23	2.7	-0.1	1.0	1.1	± 0.35
	2014	January	1.4	5.0	0.3	1.5	1.2	± 0.26	2.4	-0.5	0.7	1.1	± 0.47
		February	1.4	5.1	0.3	1.5	1.2	± 0.30	2.8	-1.5	0.2	1.0	± 0.58
		March	1.4	4.8	0.4	1.2	1.1	± 0.34	2.6	-0.9	0.5	1.0	± 0.68
		April	1.5	5.0	0.4	1.9	1.5	± 0.38	2.1	0.1	0.9	1.4	± 0.77
		May	1.5	5.2	0.4	1.5	1.3	± 0.43	1.5	1.5	1.5	1.3	± 0.86
		June	1.5	5.5	0.4	1.5	1.3	± 0.48	0.8	1.5	1.2	1.3	± 0.94
		July	1.4	4.6	0.4	1.5	1.2	± 0.51	0.9	0.6	0.7	1.1	± 1.01
		August	1.5	4.4	0.5	1.5	1.3	± 0.55	1.0	0.2	0.5	1.1	± 1.07
		September	1.6	4.5	0.6	1.5	1.3	± 0.58	2.0	-0.2	0.7	1.2	± 1.13
		October	1.6	4.6	0.6	1.5	1.3	± 0.60	1.5	1.8	1.7	1.4	± 1.18
		November	1.6	4.6	0.6	1.5	1.3	± 0.62	1.7	1.9	1.8	1.4	± 1.19
		December	1.6	4.6	0.6	1.5	1.3	± 0.64	1.7	1.7	1.7	1.4	± 1.20
	2015	January	1.6	4.7	0.5	1.5	1.3	± 0.66	1.8	1.6	1.7	1.4	± 1.20
		February	1.6	4.7	0.5	1.5	1.3	± 0.66	2.2	1.5	1.8	1.4	± 1.20
		March	1.6	4.7	0.6	1.6	1.3	± 0.67	2.3	1.5	1.8	1.4	± 1.20
		April	1.6	4.7	0.6	1.4	1.3	± 0.67	2.4	1.5	1.9	1.4	± 1.20
		May	1.6	4.7	0.6	1.5	1.3	± 0.67	2.4	1.3	1.8	1.4	± 1.20
		June	1.6	4.8	0.6	1.5	1.3	± 0.67	2.7	1.3	1.8	1.4	± 1.20
		July	1.6	4.8	0.5	1.5	1.3	± 0.67	2.9	1.2	1.9	1.4	± 1.20
		August	1.6	4.8	0.5	1.5	1.3	± 0.67	3.2	1.2	2.0	1.4	± 1.20
		September	1.6	4.8	0.5	1.5	1.3	± 0.67	3.4	1.2	2.0	1.4	± 1.20
		October	1.6	4.6	0.5	1.5	1.3	± 0.67	3.6	0.8	1.9	1.4	± 1.20
		November	1.6	4.7	0.5	1.5	1.3	± 0.67	3.6	0.7	1.9	1.4	± 1.20
		December	1.6	4.7	0.5	1.5	1.3	± 0.67	3.6	0.7	1.9	1.4	± 1.20

* Confidence intervals calculated with historical errors

The figures in the shaded area are forecasts

Source: EUROSTAT & BIAM(UC3M)

Date: October 27, 2013



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 2013			9.6%	2.4%	27.4%	42.3%	81.7%	7.3%	11.0%	18.3%	
MONTHLY RATES (Growth of the month over the previous month)	January	2012	0.2	0.4	-14.1	-3.6	-2.4	-0.4	-1.4	0.5	3.4
		2013	0.6	0.2	-14.9	-3.8	-2.6	-0.5	-1.5	0.8	0.5
		2014	0.5	0.2	-15.2	-3.9	-2.6	-0.5	-1.5	0.5	0.2
		2015	0.5	0.2	-15.5	-4.0	-2.7	-0.5	-1.5	0.6	-0.1
	February	2012	0.3	0.3	0.2	0.2	0.2	0.5	0.3	1.2	1.9
		2013	0.2	0.2	0.0	0.2	0.2	0.4	0.3	-0.1	2.2
		2014	0.3	0.2	0.1	0.2	0.2	0.4	0.3	0.3	-0.1
		2015	0.3	0.2	0.1	0.2	0.2	0.4	0.3	0.7	-0.1
	March	2012	0.5	0.2	16.0	3.6	2.6	0.1	1.3	0.5	2.8
		2013	0.6	0.1	16.8	3.8	2.7	0.4	1.5	0.6	-1.3
		2014	0.4	0.1	17.2	3.9	2.7	0.2	1.4	0.4	0.0
		2015	0.3	0.2	17.6	4.0	2.8	0.2	1.4	0.5	-0.1
	April	2012	0.7	0.1	2.3	0.7	0.5	0.3	0.4	-0.1	1.0
		2013	0.2	0.1	2.1	0.5	0.4	-0.4	0.0	0.5	-1.1
		2014	0.3	0.1	1.9	0.5	0.4	0.3	0.4	0.0	-0.2
		2015	0.4	0.1	1.8	0.5	0.4	0.1	0.3	0.1	-0.1
	May	2012	0.5	0.0	-0.1	0.0	0.1	-0.1	0.0	0.2	-2.8
		2013	0.1	0.2	0.1	0.0	0.1	0.3	0.2	1.1	-2.1
		2014	0.3	0.1	0.0	0.0	0.1	-0.1	0.0	0.6	0.0
		2015	0.3	0.1	0.0	0.0	0.1	0.0	0.0	0.6	-0.2
	June	2012	0.1	0.0	-1.2	-0.3	-0.2	0.3	0.1	0.8	-3.2
		2013	0.1	0.1	-1.2	-0.3	-0.2	0.3	0.1	0.7	0.2
		2014	0.4	0.1	-1.1	-0.3	-0.2	0.3	0.1	0.0	-0.1
		2015	0.4	0.1	-1.1	-0.3	-0.2	0.3	0.1	0.3	-0.2
	July	2012	0.3	0.0	-13.4	-3.4	-2.4	1.0	-0.7	-1.1	0.7
		2013	1.4	0.1	-13.8	-3.7	-2.4	1.0	-0.7	-1.0	1.5
		2014	0.5	0.1	-14.1	-3.7	-2.5	1.0	-0.7	-0.9	-0.1
		2015	0.5	0.1	-14.3	-3.8	-2.5	1.0	-0.7	-0.7	-0.1
	August	2012	0.0	0.1	0.4	0.0	0.1	0.3	0.2	-0.3	4.4
		2013	0.4	0.0	0.4	0.0	0.1	0.3	0.2	-0.9	0.4
		2014	0.3	0.1	0.4	0.1	0.1	0.3	0.2	-0.8	0.0
		2015	0.3	0.1	0.4	0.1	0.1	0.3	0.2	-0.6	-0.1
	September	2012	0.1	0.1	14.0	3.5	2.5	-0.9	0.7	0.4	1.7
		2013	0.1	0.0	14.5	3.4	2.4	-0.9	0.6	-1.1	0.9
		2014	0.2	0.1	14.9	3.6	2.5	-0.9	0.7	0.0	-0.2
		2015	0.2	0.1	15.2	3.6	2.5	-0.9	0.7	0.1	-0.1
	October	2012	1.4	0.2	2.2	0.6	0.6	0.0	0.3	1.0	-1.3
		2013	0.7	0.1	2.0	0.6	0.5	-0.1	0.2	1.0	-3.3
		2014	0.8	0.1	1.9	0.6	0.5	0.0	0.2	0.5	0.3
		2015	0.6	0.1	1.8	0.6	0.5	0.0	0.2	0.7	-0.3
	November	2012	0.0	0.3	0.4	0.1	0.2	-0.3	-0.1	0.6	-2.8
		2013	0.4	0.1	0.4	0.1	0.1	-0.3	-0.1	0.5	-0.5
		2014	0.4	0.1	0.4	0.1	0.2	-0.3	-0.1	0.6	0.0
		2015	0.5	0.1	0.4	0.1	0.2	-0.3	-0.1	0.6	-0.2
	December	2012	0.1	0.1	-1.3	-0.3	-0.2	1.1	0.5	0.7	-1.1
		2013	0.3	0.0	-1.2	-0.3	-0.1	1.0	0.4	0.5	0.4
		2014	0.4	0.1	-1.2	-0.2	-0.1	1.0	0.5	0.6	-0.1
		2015	0.4	0.1	-1.2	-0.2	-0.1	1.0	0.5	0.7	-0.2

*The figures in the shaded area are forecasts

Source: EUROSTAT & BIAM(UC3M)

Date: October 27, 2013



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			
		Germany	France	Italy	Spain	Netherlands	Belgium	Austria	Greece	Portugal	Finland	Ireland	Slovakia	Slovenia	Luxembourg	Cyprus	Estonia	Malta				
Weights 2013 %		26.9	20.5	18.2	12.4	4.9	3.5	3.4	2.9	2.3	1.8	1.3	0.7	0.4	0.3	0.2	0.2	0.1				
ANNUAL AVERAGE RATE	2005	1.9	1.9	2.2	3.4	1.5	2.5	2.1	3.5	2.1	0.8	2.2	2.8	2.5	3.8	2.0	4.1	2.5	2.0	0.8	1.7	
	2006	1.8	1.9	2.2	3.6	1.7	2.3	1.7	3.3	3.0	1.3	2.7	4.3	2.5	3.0	2.2	4.4	2.6	2.3	1.5	1.9	
	2007	2.3	1.6	2.0	2.8	1.6	1.8	2.2	3.0	2.4	1.6	2.9	1.9	3.8	2.7	2.2	6.7	0.7	2.3	1.7	1.7	
	2008	2.8	3.2	3.5	4.1	2.2	4.5	3.2	4.2	2.7	3.9	3.1	3.9	5.5	4.1	4.4	10.6	4.7	3.6	3.3	3.6	
	2009	0.2	0.1	0.8	-0.2	1.0	0.0	0.4	1.3	-0.9	1.6	-1.7	0.9	0.9	0.0	0.2	0.2	1.8	2.2	1.9	1.1	
	2010	1.2	1.7	1.6	2.0	0.9	2.3	1.7	4.7	1.4	1.7	-1.6	0.7	2.1	2.8	2.6	2.7	2.0	3.3	1.9	2.2	
	2011	2.5	2.3	2.9	3.1	2.5	3.5	3.6	3.1	3.6	3.3	1.2	4.1	2.1	3.7	3.5	5.1	2.5	4.5	1.4	2.7	
	2012	2.1	2.2	3.3	2.4	2.8	2.5	2.6	1.0	2.8	3.2	1.9	3.7	2.8	2.9	3.1	4.2	3.2	2.8	0.9	2.4	
	2013	1.7	1.1	1.3	1.6	2.8	1.2	2.1	-0.6	0.5	2.2	0.5	1.6	2.1	1.8	0.9	3.5	1.0	2.6	0.5	0.5	
	2014	1.5	1.3	1.0	1.1	2.2	1.6	2.1	-0.9	1.3	2.1	0.5	1.5	2.2	2.1	1.6	3.2	1.4	2.7	0.7	1.5	
2015	1.4	1.3	1.2	0.9	2.4	1.8	2.1	-0.7	1.4	2.3	1.1	2.1	2.3	2.0	1.3	4.6	1.7	2.9	0.6	1.8		
Y-o-Y rates	2013	January	1.9	1.4	2.4	2.8	3.2	1.5	2.8	0.0	0.4	2.6	1.5	2.5	2.8	2.1	2.0	3.7	2.4	2.7	0.7	1.0
		February	1.8	1.2	2.0	2.9	3.2	1.4	2.6	0.1	0.2	2.5	1.2	2.2	2.9	2.4	1.8	4.0	1.8	2.8	0.5	1.0
		March	1.8	1.1	1.8	2.6	3.2	1.3	2.4	-0.2	0.7	2.5	0.6	1.9	2.2	2.0	1.3	3.8	1.4	2.8	0.5	0.7
		April	1.1	0.8	1.3	1.5	2.8	1.1	2.1	-0.6	0.4	2.4	0.5	1.7	1.6	1.7	0.1	3.4	0.9	2.4	0.0	0.4
		May	1.6	0.9	1.3	1.8	3.1	1.1	2.4	-0.3	0.9	2.5	0.5	1.8	1.6	1.4	0.2	3.6	0.8	2.7	0.3	0.6
		June	1.9	1.0	1.4	2.2	3.2	1.5	2.2	-0.3	1.2	2.3	0.7	1.7	2.2	2.0	0.8	4.1	0.6	2.9	0.5	0.6
		July	1.9	1.2	1.2	1.9	3.1	1.6	2.1	-0.5	0.8	2.5	0.7	1.6	2.8	1.8	0.7	3.9	0.9	2.7	0.8	0.4
		August	1.6	1.0	1.2	1.6	2.8	1.1	2.0	-1.0	0.2	2.0	0.0	1.4	2.2	1.7	0.1	3.6	0.7	2.7	0.8	0.1
		September	1.6	1.0	0.9	0.5	2.4	1.0	1.8	-1.0	0.3	1.8	0.0	1.1	1.5	1.5	0.3	2.6	0.6	2.7	0.5	0.2
		October	1.4	1.0	0.7	0.4	2.1	0.8	1.8	-1.3	0.3	1.7	0.1	1.0	1.5	1.6	0.6	2.5	0.6	2.3	0.4	0.3
		November	1.6	1.2	0.9	0.5	2.2	0.9	1.7	-1.2	0.6	1.8	0.3	1.1	1.8	1.7	1.2	3.1	0.4	2.4	0.6	0.4
		December	1.7	1.2	0.8	0.6	2.0	1.0	1.7	-1.2	0.4	1.7	0.4	1.2	1.8	2.0	1.3	3.4	0.9	2.4	0.5	0.6
	2014	January	1.6	1.2	0.7	1.3	2.0	1.4	1.8	-1.1	1.3	1.9	0.7	1.0	1.9	2.0	0.9	3.1	1.0	2.4	0.6	1.0
		February	1.4	1.2	0.7	1.3	2.0	1.3	1.9	-1.2	1.3	1.9	0.3	1.2	1.7	1.7	1.0	2.8	1.2	2.4	0.7	0.9
		March	1.4	1.1	0.7	1.2	2.0	1.4	2.0	-1.0	1.0	1.9	0.2	1.3	2.2	2.0	1.3	2.4	1.4	2.4	0.7	1.2
		April	1.6	1.3	1.0	1.2	2.2	1.6	2.1	-0.9	1.3	2.0	0.3	1.3	2.4	2.1	2.0	2.6	1.4	2.7	0.9	1.5
		May	1.6	1.4	1.1	1.3	2.2	1.7	2.0	-1.0	1.1	2.0	0.4	1.4	2.6	2.3	2.0	2.6	1.4	2.7	0.8	1.5
		June	1.5	1.4	1.1	1.2	2.1	1.6	2.0	-1.0	1.1	2.2	0.4	1.4	2.4	1.9	1.7	2.4	1.2	2.8	0.7	1.6
		July	1.4	1.4	1.0	1.1	2.0	1.5	2.1	-0.9	1.1	1.9	0.5	1.6	2.2	2.1	1.7	2.6	1.2	2.9	0.6	1.7
		August	1.5	1.3	1.0	1.0	2.2	1.6	2.1	-0.7	1.4	2.2	0.5	1.7	2.2	2.2	2.1	3.0	1.5	2.9	0.6	1.7
		September	1.4	1.3	1.0	1.0	2.4	1.7	2.2	-0.7	1.4	2.3	0.6	1.8	2.3	2.2	2.0	4.0	1.7	2.9	0.7	1.8
		October	1.5	1.3	1.2	1.0	2.4	1.8	2.2	-0.6	1.4	2.3	0.7	1.8	2.3	2.2	1.9	4.3	1.7	2.9	0.8	1.8
		November	1.5	1.3	1.2	0.9	2.4	1.8	2.2	-0.6	1.4	2.3	0.9	1.8	2.3	2.1	1.6	4.5	1.7	2.9	0.7	1.8
		December	1.5	1.3	1.3	0.9	2.4	1.8	2.2	-0.6	1.4	2.3	0.9	1.9	2.3	2.1	1.5	4.5	1.7	2.9	0.7	1.8
	2015	January	1.5	1.3	1.2	-0.1	2.4	1.7	2.2	-0.6	1.4	2.3	1.1	1.8	2.3	2.0	1.7	4.6	1.7	2.9	0.6	1.8
		February	1.4	1.3	1.2	-0.1	2.4	1.7	2.2	-0.6	1.4	2.3	0.9	1.8	2.3	2.1	1.8	4.6	1.7	2.9	0.6	1.8
		March	1.4	1.3	1.2	-0.1	2.4	1.8	2.1	-0.6	1.4	2.3	0.9	1.9	2.3	2.0	1.6	4.6	1.7	2.9	0.6	1.8
		April	1.4	1.3	1.2	-0.1	2.4	1.8	2.1	-0.7	1.4	2.3	1.0	2.0	2.3	2.0	1.1	4.6	1.7	2.9	0.5	1.8
		May	1.4	1.3	1.2	-0.1	2.4	1.8	2.2	-0.6	1.4	2.3	1.0	2.0	2.3	1.9	1.1	4.6	1.7	2.9	0.6	1.8
		June	1.4	1.3	1.2	-0.1	2.4	1.8	2.1	-0.6	1.4	2.3	1.0	2.0	2.3	2.0	1.3	4.6	1.7	2.9	0.6	1.8
		July	1.4	1.3	1.2	-0.1	2.4	1.8	2.1	-0.7	1.4	2.3	1.1	2.1	2.3	2.0	1.3	4.6	1.7	2.9	0.7	1.8
		August	1.4	1.3	1.2	-0.1	2.4	1.8	2.1	-0.7	1.4	2.3	1.1	2.2	2.3	2.0	1.1	4.6	1.7	2.9	0.7	1.8
		September	1.4	1.3	1.2	2.8	2.4	1.8	2.0	-0.7	1.4	2.3	1.1	2.3	2.3	1.9	1.1	4.6	1.7	2.9	0.6	1.8
		October	1.4	1.2	1.2	2.5	2.4	1.8	2.0	-0.8	1.4	2.3	1.2	2.3	2.3	2.0	1.1	4.6	1.7	2.9	0.6	1.8
		November	1.4	1.2	1.2	2.8	2.4	1.8	2.0	-0.8	1.4	2.3	1.3	2.3	2.3	2.0	1.3	4.6	1.7	2.9	0.6	1.8
		December	1.4	1.2	1.2	3.3	2.4	1.8	2.0	-0.8	1.4	2.3	1.3	2.3	2.3	2.0	1.3	4.6	1.7	2.9	0.6	1.8

* The figures in the shaded area are forecasts

Source: EUROSTAT & BIAM(UC3M)

Date: October 27, 2013



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			
			Germany	France	Italy	Spain	Netherlands	Belgium	Austria	Greece	Portugal	Finland	Ireland	Slovakia	Slovenia	Luxembourg	Cyprus	Estonia				Malta
Weights 2013 %			26.9	20.5	18.2	12.4	4.9	3.5	3.4	2.9	2.3	1.8	1.3	0.7	0.4	0.3	0.2	0.2	0.1			
MONTHLY RATES (Growth of the month over the previous month)	January	2012	-0.5	-0.4	-1.8	-1.7	0.1	-1.3	-0.5	-1.1	0.3	0.8	-0.4	1.5	-0.3	-0.5	-1.4	0.5	-1.1	-0.5	-0.6	0.4
		2013	-0.7	-0.6	-2.0	-1.8	0.0	-1.8	-0.6	-1.4	-1.3	0.0	-0.6	0.7	-0.6	-0.9	-0.8	0.6	-1.4	-0.5	-1.0	-0.5
		2014	-0.8	-0.6	-2.1	-1.1	0.0	-1.4	-0.6	-1.3	-0.4	0.2	-0.3	0.5	-0.4	-0.8	-1.2	0.3	-1.3	-0.4	-0.8	0.0
		2015	-0.8	-0.6	-2.1	-2.1	0.0	-1.5	-0.6	-1.3	-0.4	0.2	-0.1	0.4	-0.4	-0.9	-1.0	0.4	-1.3	-0.4	-0.9	0.0
	February	2012	0.9	0.5	0.2	0.0	1.0	2.4	0.5	-1.7	0.1	0.8	1.1	0.2	0.6	1.6	0.4	0.4	0.6	0.6	0.7	1.0
		2013	0.8	0.3	-0.2	0.1	1.0	2.4	0.3	-1.6	-0.1	0.6	0.8	0.0	0.7	1.9	0.2	0.7	0.0	0.6	0.6	1.0
		2014	0.6	0.3	-0.2	0.1	1.0	2.3	0.4	-1.6	-0.1	0.6	0.5	0.1	0.5	1.6	0.3	0.4	0.2	0.6	0.6	0.9
		2015	0.5	0.3	-0.2	0.1	1.0	2.3	0.4	-1.6	-0.1	0.6	0.4	0.2	0.5	1.7	0.3	0.4	0.2	0.6	0.6	0.9
	March	2012	0.4	0.9	2.5	2.2	1.4	0.1	1.2	2.9	1.2	0.5	1.0	0.3	1.0	0.5	1.4	1.0	1.5	0.3	0.5	0.6
		2013	0.4	0.8	2.3	1.9	1.3	0.0	1.0	2.5	1.7	0.5	0.4	0.0	0.3	0.1	0.9	0.8	1.1	0.3	0.5	0.3
		2014	0.5	0.7	2.3	1.8	1.3	0.1	1.1	2.6	1.4	0.5	0.3	0.1	0.8	0.3	1.2	0.4	1.3	0.3	0.5	0.5
		2015	0.5	0.7	2.3	1.8	1.3	0.1	1.0	2.6	1.4	0.5	0.2	0.2	0.8	0.3	1.0	0.4	1.3	0.3	0.5	0.5
	April	2012	0.1	0.2	0.9	1.1	0.5	0.0	0.3	0.8	0.3	0.2	0.0	0.2	1.2	0.4	1.5	0.4	3.4	0.6	0.3	0.0
		2013	-0.5	-0.1	0.3	0.1	0.1	-0.2	0.0	0.5	0.1	0.2	-0.1	0.0	0.6	0.1	0.2	0.1	2.9	0.2	-0.2	-0.3
		2014	-0.3	0.1	0.5	0.0	0.3	0.0	0.1	0.6	0.4	0.2	0.0	0.1	0.8	0.2	1.0	0.4	2.9	0.5	0.0	0.1
		2015	-0.3	0.1	0.6	0.0	0.3	0.0	0.1	0.6	0.4	0.2	0.1	0.2	0.8	0.2	0.6	0.4	2.9	0.5	-0.1	0.1
	May	2012	-0.2	-0.1	0.0	-0.2	-0.2	-0.1	-0.2	-0.3	-0.3	-0.1	0.0	0.1	0.3	-0.2	0.7	0.2	1.2	-0.1	0.0	0.0
		2013	0.3	0.1	0.0	0.1	0.0	-0.1	0.1	0.0	0.2	0.0	0.0	0.1	0.3	-0.5	0.8	0.4	1.1	0.2	0.2	0.2
		2014	0.2	0.2	0.1	0.2	0.0	0.0	0.0	-0.2	0.0	0.0	0.1	0.2	0.4	-0.2	0.8	0.4	1.1	0.2	0.1	0.1
		2015	0.2	0.2	0.1	0.2	0.0	0.0	0.0	-0.1	0.0	0.0	0.1	0.2	0.4	-0.3	0.8	0.4	1.1	0.2	0.1	0.1
	June	2012	-0.2	0.1	0.2	-0.2	-0.6	-0.1	0.0	-0.2	-0.2	0.1	-0.2	0.2	-0.6	-0.2	-0.1	0.1	1.1	-0.4	-0.3	-0.2
		2013	0.1	0.2	0.3	0.1	-0.5	0.3	-0.2	-0.2	0.1	-0.1	0.1	0.2	0.0	0.4	0.6	0.6	0.8	-0.2	-0.1	-0.2
		2014	0.1	0.2	0.2	0.0	-0.5	0.2	-0.1	-0.1	0.0	0.1	0.1	0.2	-0.1	0.1	0.2	0.4	0.7	0.0	-0.2	-0.1
		2015	0.1	0.2	0.2	0.0	-0.5	0.2	-0.1	-0.2	0.0	0.1	0.1	0.2	-0.1	0.1	0.4	0.4	0.7	0.0	-0.2	-0.1
	July	2012	0.4	-0.5	-1.7	-0.9	0.4	-1.3	-0.5	-1.4	0.2	-0.3	-0.1	0.0	-0.8	-0.8	-1.0	0.3	-0.3	0.2	-0.5	-0.1
		2013	0.4	-0.3	-1.8	-1.1	0.4	-1.3	-0.6	-1.6	-0.2	0.0	-0.1	-0.1	-0.3	-1.0	-1.1	0.2	0.1	-0.1	-0.1	-0.3
		2014	0.3	-0.4	-1.9	-1.3	0.2	-1.3	-0.6	-1.5	-0.1	-0.3	0.0	0.1	-0.5	-0.9	-1.1	0.4	0.0	-0.1	-0.3	-0.2
		2015	0.3	-0.4	-1.9	-1.3	0.2	-1.3	-0.6	-1.6	-0.1	-0.3	0.1	0.1	-0.5	-0.9	-1.1	0.4	0.0	-0.1	-0.2	-0.2
	August	2012	0.4	0.7	0.0	0.5	0.1	2.1	0.4	-1.2	-0.1	0.4	0.8	0.0	0.8	1.5	0.9	0.3	0.2	0.5	0.1	0.4
		2013	0.0	0.5	0.0	0.2	-0.2	1.6	0.2	-1.7	-0.7	-0.1	0.1	-0.2	0.2	1.4	0.3	-0.1	-0.1	0.5	0.1	0.1
		2014	0.1	0.4	0.0	0.2	-0.1	1.8	0.3	-1.5	-0.4	0.2	0.1	0.0	0.3	1.6	0.6	0.4	0.2	0.5	0.1	0.1
		2015	0.0	0.4	0.0	0.2	-0.1	1.8	0.3	-1.6	-0.4	0.2	0.1	0.1	0.3	1.6	0.4	0.4	0.2	0.5	0.1	0.1
	September	2012	0.0	-0.3	2.1	1.9	0.5	-0.1	1.1	2.5	0.4	0.6	-0.1	0.3	1.2	0.5	-0.1	0.4	-0.7	0.3	0.7	0.3
		2013	0.0	-0.2	1.8	0.8	0.1	-0.2	1.0	2.5	0.5	0.4	-0.1	0.0	0.4	0.4	0.1	-0.5	-0.8	0.3	0.4	0.3
		2014	-0.1	-0.2	1.7	0.8	0.3	-0.1	1.0	2.5	0.5	0.4	0.0	0.1	0.5	0.4	0.1	0.4	-0.6	0.3	0.6	0.4
		2015	-0.1	-0.2	1.7	3.7	0.3	-0.1	1.0	2.5	0.5	0.4	0.1	0.1	0.5	0.3	0.1	0.4	-0.6	0.3	0.5	0.4
	October	2012	0.1	0.2	0.3	0.5	0.8	0.2	0.3	0.7	0.1	0.2	-0.1	0.4	0.3	0.1	0.2	0.1	-0.7	0.6	0.1	-0.1
		2013	-0.1	0.1	0.0	0.4	0.5	0.0	0.2	0.5	0.2	0.1	0.0	0.3	0.3	0.1	0.5	0.0	-0.6	0.2	0.0	0.0
		2014	0.1	0.2	0.3	0.3	0.5	0.1	0.3	0.6	0.2	0.1	0.1	0.3	0.3	0.1	0.5	0.4	-0.6	0.2	0.1	0.0
		2015	0.1	0.2	0.3	0.0	0.5	0.1	0.3	0.5	0.2	0.1	0.1	0.2	0.3	0.1	0.4	0.4	-0.6	0.2	0.0	0.0
	November	2012	-0.2	-0.2	-0.3	-0.2	-0.5	-0.1	0.1	-0.3	-0.4	-0.1	-0.5	0.1	-0.2	-0.2	-1.0	-0.3	-1.9	0.2	-0.2	-0.2
		2013	0.0	0.0	-0.1	-0.1	-0.4	0.0	0.0	-0.2	-0.2	0.0	-0.2	0.2	0.1	-0.1	-0.4	0.2	-2.1	0.2	0.0	0.0
		2014	0.0	0.0	-0.1	-0.1	-0.4	0.0	0.1	-0.2	-0.2	0.0	-0.1	0.2	0.1	-0.2	-0.8	0.4	-2.1	0.2	-0.1	0.0
		2015	0.0	0.0	-0.1	0.2	-0.4	0.0	0.1	-0.3	-0.2	0.0	0.0	0.2	0.1	-0.2	-0.6	0.4	-2.1	0.2	-0.1	0.0
	December	2012	0.9	0.4	0.3	0.0	-0.1	0.2	0.2	-0.3	0.2	0.2	0.0	-0.1	-0.2	-0.3	-0.1	0.0	-0.6	0.5	0.2	-0.3
		2013	1.0	0.4	0.3	0.1	-0.2	0.3	0.3	-0.2	0.1	0.1	0.1	0.1	-0.3	0.0	0.0	0.3	-0.1	0.5	0.1	-0.1
		2014	1.0	0.4	0.3	0.0	-0.2	0.2	0.3	-0.2	0.1	0.1	0.1	0.1	-0.3	0.0	-0.1	0.4	-0.1	0.5	0.2	-0.1
		2015	1.0	0.4	0.3	0.5	-0.2	0.2	0.3	-0.2	0.1	0.1	0.1	0.2	-0.3	0.1	0.0	0.4	-0.1	0.5	0.2	-0.1

*The figures in the shaded area are forecasts

Source: EUROSTAT & BIAM(UC3M)

Date: October 27, 2013



II.3. MONETARY POLICY

In the euro area, the evolution of prices registered a downwards surprise, with the first estimate of the October HICP at a year-on-year rate of 0.7% instead of the expected 0.9%. As graph I.1 shows, euro area inflation will remain beneath the ECB target and its average previous level (1.9%) throughout the forecasting period. Despite the possible small downwards revision in the next update, our expectations currently point at average price growth in the euro area of 1.4% (± 0.05), 1.2% (± 0.85) and 1.4% (± 0.99), for 2013, 2014 and 2015, respectively.

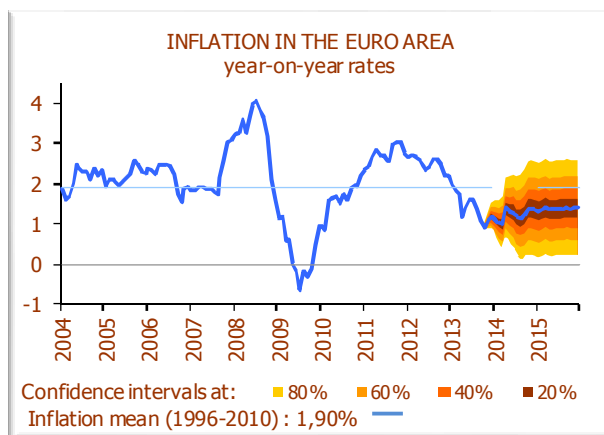
After the heavy downwards innovation in October inflation and in the current context of slow recovery with the European unemployment rate at its highest ever (12.2%), the likelihood of new lax monetary measures in the short or medium term has increased and they could even include a new rate cut before the end of the year. According to the recent evolution of the Euribor rate, this appears to be what the market is expecting. Despite October having ended at 0.54 points for the third consecutive month, it had fallen to 0.53 by November 4th.

On the other hand, the partial reactivation of the interbank markets in the last few months had led the Eonia rate to increase slightly, moving away from the deposit rate, as shown by graph I.2.

In this context, September saw the first reduction in the rate of decline of credit for the private sector, to a year-on-year rate of 1.9% after five consecutive months. There were also improvements in credit for both households and non-financial firms (graph I.3). The former increased its annual growth rate by nearly 0.1 pp to 0.12%, while the latter fell by 0.3pp to -3.5%.

As we mentioned last month, as well as a possible rate cut, the ECB could also announce a new round of LTROs, aimed at guaranteeing liquidity in the system in the current climate of slight recovery.

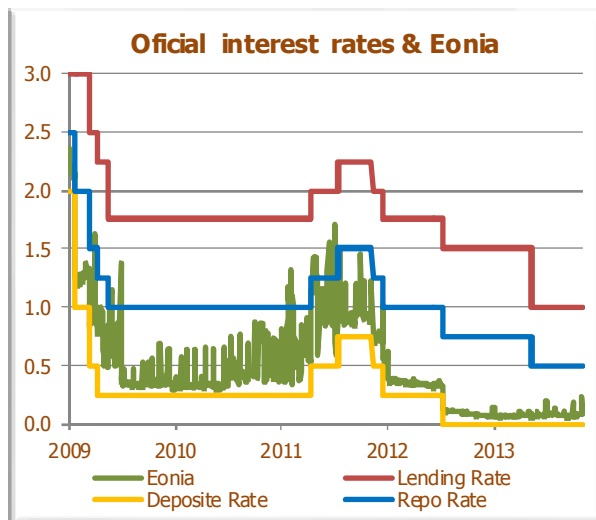
Graph II.3.1



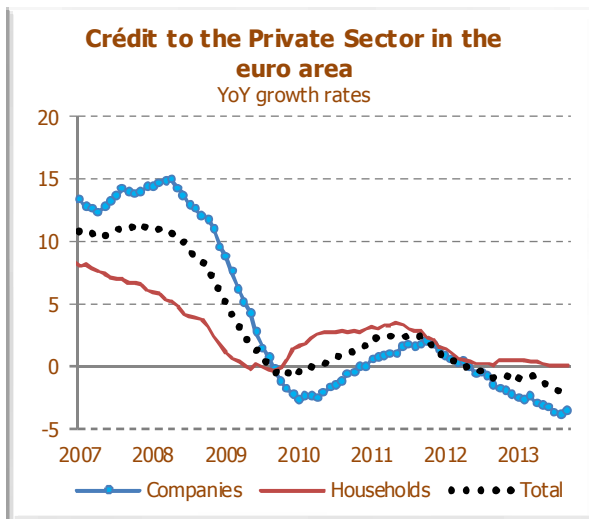
Source: EUROSTAT & BIAM(UC3M)

Date: October 27, 2013

Graph II.3.2



Graph II.3.3



Source: ECB & BIAM(UC3M)

Date: November 4, 2013



III. UNITED STATES

III.1. INDUSTRIAL PRODUCTION INDEX

IPI growth expectations for the US have improved again for 2013 and 2014, to 2.6% and 4.8%, respectively. In 2015 growth could fall slightly to 3.5%, affecting all groups.

Table III.1.1

INDUSTRIAL PRODUCTION INDEX AND SECTORS IN U.S.							
		Consumer Goods		Capital Goods	Intermediate Goods	TOTAL	
		Durable	Non Durable				
ANNUAL AVERAGE RATES	2009	-16.7	-3.9	-14.7	-11.3	-11.3	
	2010	7.3	-0.5	5.2	8.8	5.7	
	2011	5.0	0.6	2.5	4.7	3.4	
	2012	8.3	-0.2	5.0	4.2	3.6	
	2013	7.6	0.5	3.0	2.9	2.6	
	2014	10.6	0.2	5.4	5.6	4.8	
	2015	8.1	0.2	4.0	3.9	3.5	
Y-o-Y rates	2012	I	9.1	-1.5	4.3	5.0	3.7
		II	11.4	0.5	6.2	4.9	4.7
		III	7.2	0.1	5.1	3.8	3.4
		IV	5.7	0.2	4.4	3.0	2.8
	2013	I	5.8	1.7	3.3	2.1	2.4
		II	7.1	0.5	2.5	2.2	2.1
		III	7.7	-0.3	2.5	3.0	2.4
		IV	9.8	0.1	3.8	4.3	3.7
	2014	I	11.3	-0.2	4.8	5.3	4.4
		II	11.0	0.3	5.6	6.0	5.1
		III	10.6	0.5	5.8	6.0	5.1
		IV	9.5	0.3	5.2	5.2	4.5
	2015	I	8.2	0.4	4.6	4.5	3.9
		II	8.0	0.1	3.9	3.8	3.4
		III	7.9	0.1	3.6	3.5	3.2
		IV	8.4	0.1	3.8	3.8	3.4

Table III.1.2

INDUSTRIAL PRODUCTION INDEX AND SECTORS IN U.S.							
Y-on-Y rates							
	2009	2010	2011	2012	2013	2014	2015
January	-12.3	0.4	5.2	3.2	2.3	4.2	4.1
February	-13.1	1.5	4.1	4.8	2.2	4.5	4.0
March	-14.3	4.0	4.6	3.1	2.8	4.6	3.8
April	-15.4	5.8	3.6	4.7	2.6	4.8	3.6
May	-15.0	7.9	2.4	4.8	1.8	5.2	3.4
June	-15.0	8.6	2.4	4.6	1.9	5.2	3.3
July	-13.3	7.6	2.8	4.1	1.5	5.3	3.1
August	-11.2	7.2	2.6	3.1	2.6	5.1	3.1
September	-7.4	7.0	2.8	3.2	3.0	4.9	3.2
October	-7.5	6.3	3.4	2.5	3.6	4.6	3.3
November	-6.0	5.7	3.6	3.3	3.5	4.6	3.4
December	-3.1	6.4	2.9	2.5	3.9	4.3	3.5

Source: Federal Reserve & BIAM(UC3M)

Date: October 21, 2013



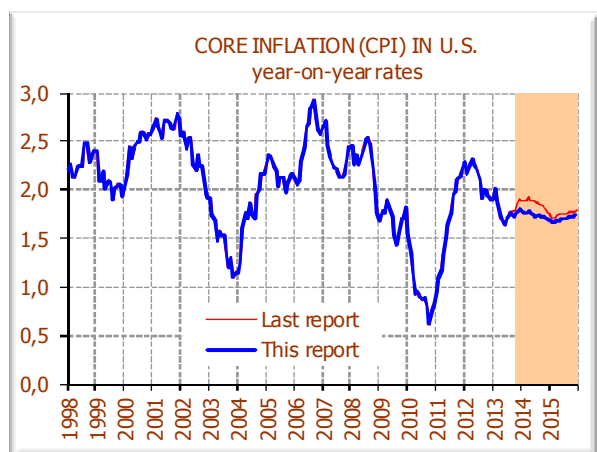
III.2. INFLATION

The aggregate CPI figures for September were much as forecast. The general CPI rose by 0.12% instead of the expected 0.14% and core inflation rose by 0.22% instead of the forecast 0.27%. The annual general CPI rate fell from 1.52% to 1.18%, due to a fall in the annual rate of fuel, while core inflation reduced its annual rate from 1.76% to 1.73%.

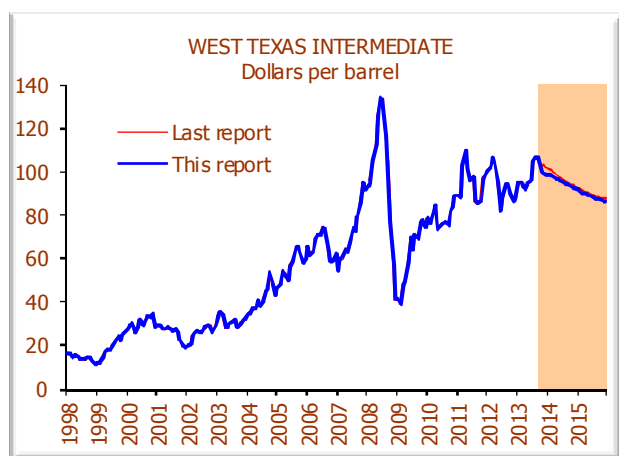
There were, however, significant downwards innovations in education (largely university fees), apparel and footwear (male). Although less significant but more relevant in relation to our forecasts, there was a downwards movement in home rental prices and owner's estimated rent of primary residence, which largely counteracted the upwards deviation registered in these items last month.

On the other hand, the production prices of non-durable industrial goods also fell, ratifying today's CPI figure.

Graph III.2.1



Graph III.2.2



Source: BLS & BIAM

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The prices of agricultural raw materials have risen slightly since last month.

West Texas and Brent oil prices have fallen slightly since last month. Our forecasts consider the future prices of both West Texas and Brent on the international markets, for which a considerable reduction is expected for next year.

For October, the annual general CPI is expected to fall to 0.96% as a result of energy prices, especially fuel, due to last year's rise. Indeed, for core inflation the forecast is stability at 1.73%. After November, the annual rates will gently start to rise but are not expected to exceed 2% during the forecasting period.

An annual rate of 1.28% is forecast for September for the core personal consumption expenditure index –core PCE.

Expectations are improving and our forecasts remain within the central interval established by the Fed in its last meeting².

Table III.2.1

DIFFERENT MEASURES OF INFLATION IN THE U.S.						
Annual rates of growth						
		Total	Core			
		CPI	CPI	PCE	MB-PCE	
Annual Average Rates	2011	3.2	1.7	1.4	1.4	
	2012	2.1	2.1	1.8	1.8	
	2013	1.4	1.8	1.3	1.2	
	2014	1.3	1.7	1.6	1.5	
	2015	1.5	1.7	1.7	1.6	
YEAR-ON-YEAR RATES	2013	January	1.6	1.9	1.5	1.4
		February	2.0	2.0	1.5	1.4
		March	1.5	1.9	1.4	1.3
		April	1.1	1.7	1.2	1.1
		May	1.4	1.7	1.2	1.1
		June	1.8	1.6	1.2	1.1
		July	2.0	1.7	1.1	1.1
		August	1.5	1.8	1.2	1.2
		September	1.2	1.7	1.3	1.2
		October	1.0	1.7	1.3	1.2
	November	1.2	1.8	1.3	1.3	
	2014	December	1.3	1.8	1.4	1.3
		January	1.4	1.8	1.3	1.2
		February	1.0	1.8	1.4	1.3
		March	1.1	1.8	1.5	1.4
		April	1.3	1.8	1.7	1.6

Source: BLS & BIAM

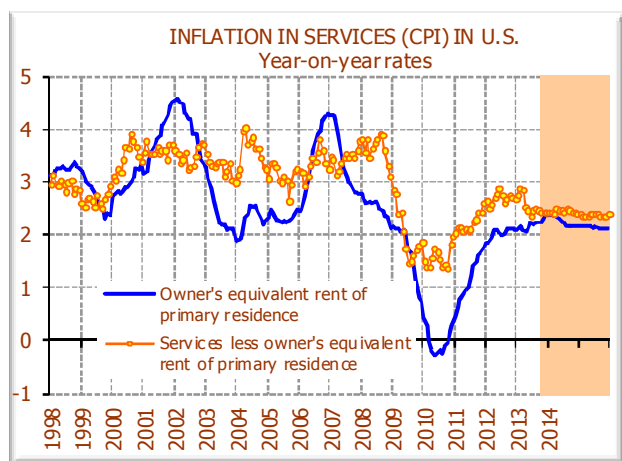
Date: October 16, 2013

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

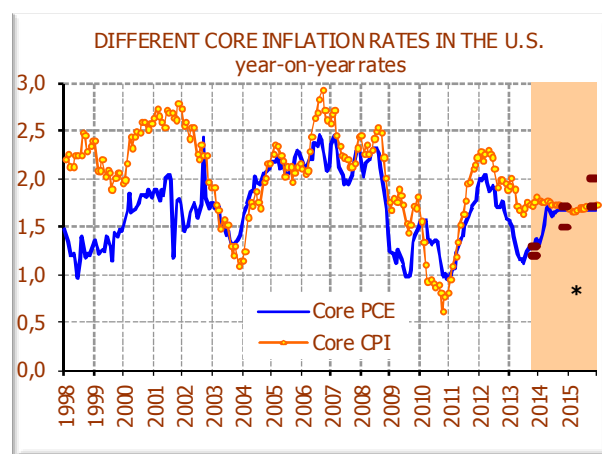
² <http://www.federalreserve.gov/monetarypolicy/files/fomcprojtabl20120913.pdf>



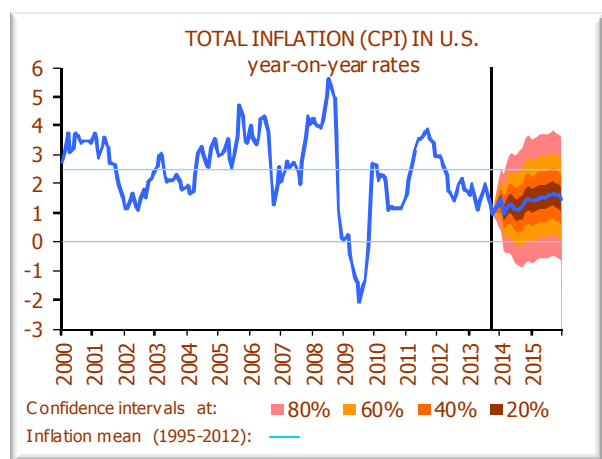
Graph III.2.3



Graph III.2.4



Graph III.2.5



Graph III.2.6

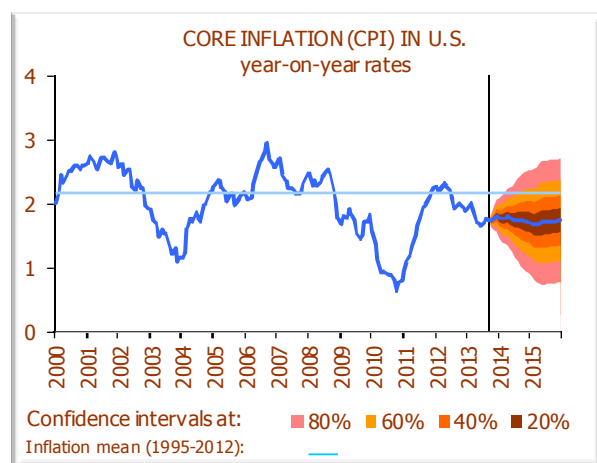


Table III.2.2

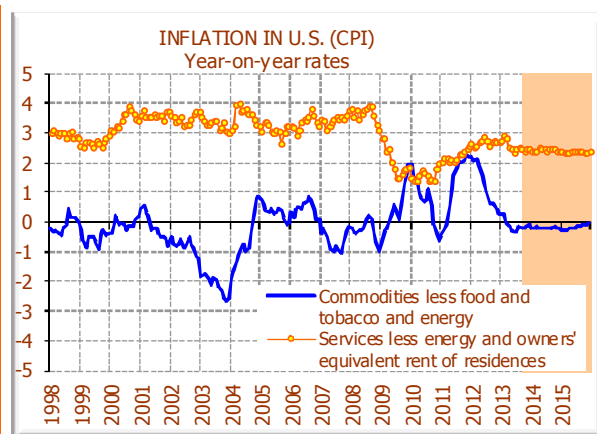
CONSUMER PRICE INDEX IN U.S. Monthly rates September, 2013				
	Relative Imp. Dec. 2012	Observed	Forecasts	Confidence Intervals*
TOTAL INFLATION	100,0	0,12	0,14	0,13
less Owner's equivalent rent of primary residence	77,4	0,09	0,10	0,16
CORE INFLATION	76,1	0,22	0,27	0,11
less Owner's equivalent rent of primary residence	53,5	0,23	0,26	0,14
Non-food and non-energy goods	19,6	0,39	0,55	0,26
Less tobacco	18,8	0,40	0,58	0,25
- Durable goods	8,8	-0,33	-0,43	0,31
- Non-durable goods	10,8	0,97	1,33	0,37
Non-energy services	56,6	0,17	0,17	0,11
- Services less Owner's equivalent rent of primary residence	33,9	0,14	0,10	0,17
- Owner's equivalent rent of primary residence	22,6	0,21	0,28	0,11
RESIDUAL INFLATION	23,9	-0,22	-0,26	0,38
Food	14,3	0,05	-0,03	0,24
Energy	9,6	-0,60	-0,58	0,90

Source: BLS & BIAM

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Graph III.2.7



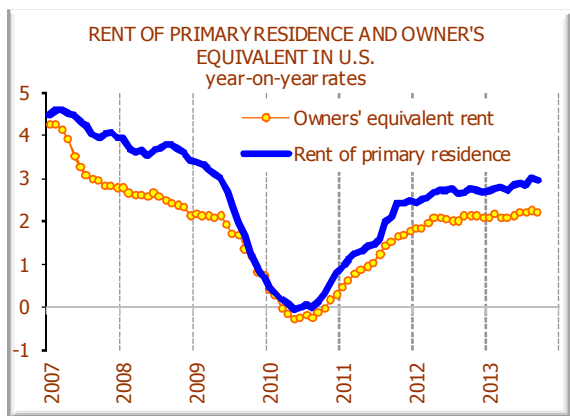
Source: BLS & BIAM

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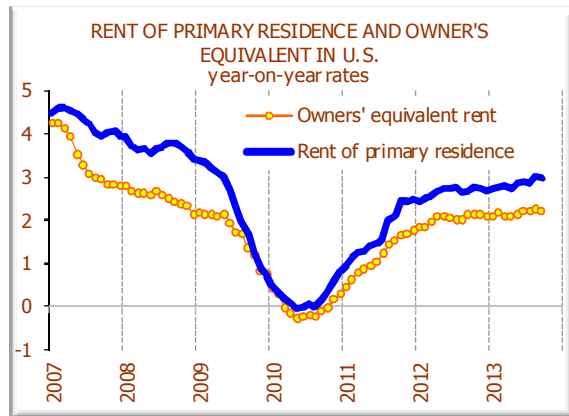
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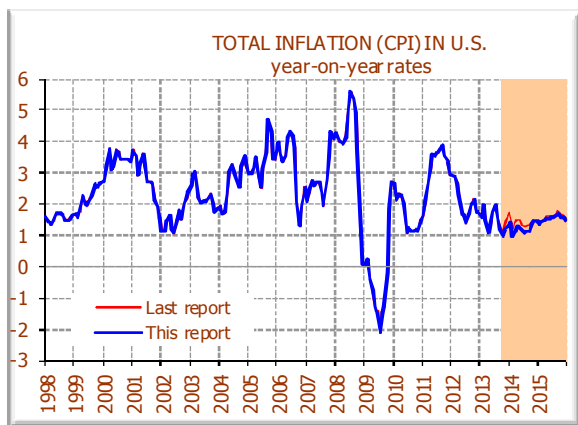
Graph III.2.8



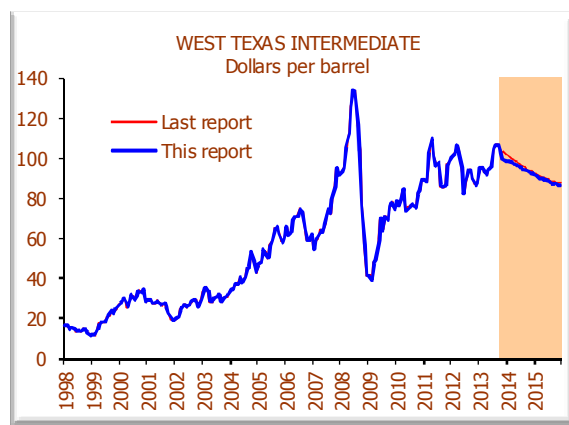
Graph III.2.9



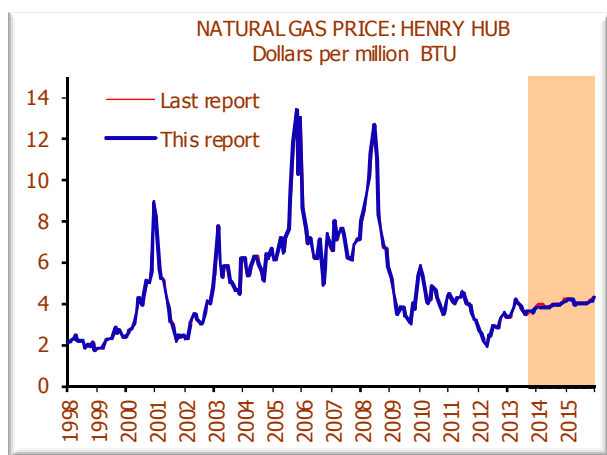
Graph III.2.10



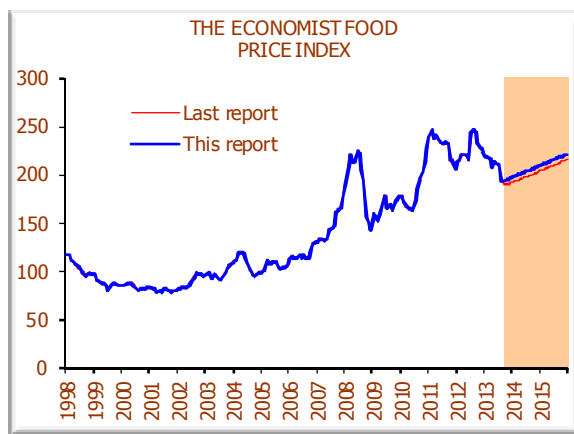
Graph III.2.11



Graph III.2.12



Graph III.2.13

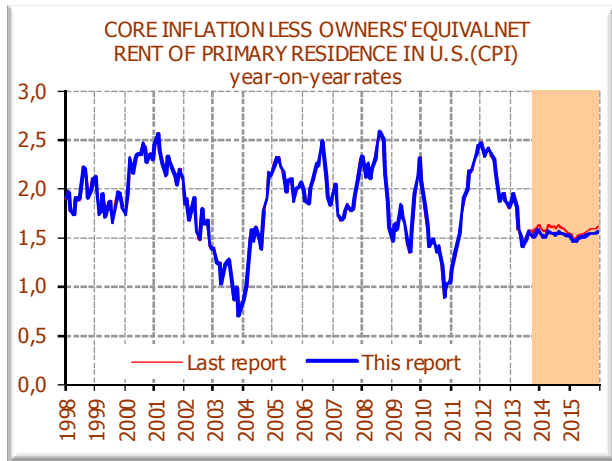


Source: BLS & BIAM

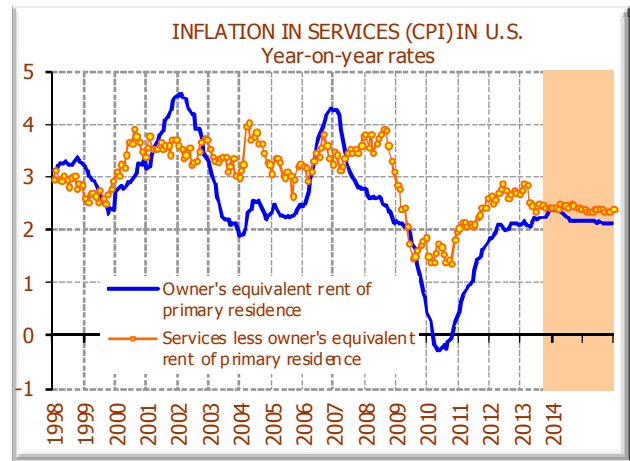
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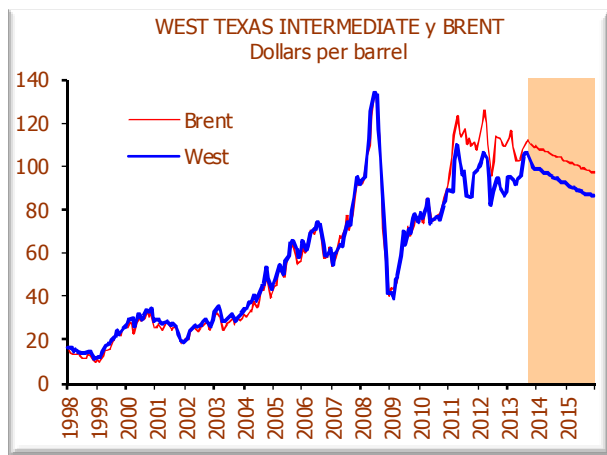
Graph III.2.14



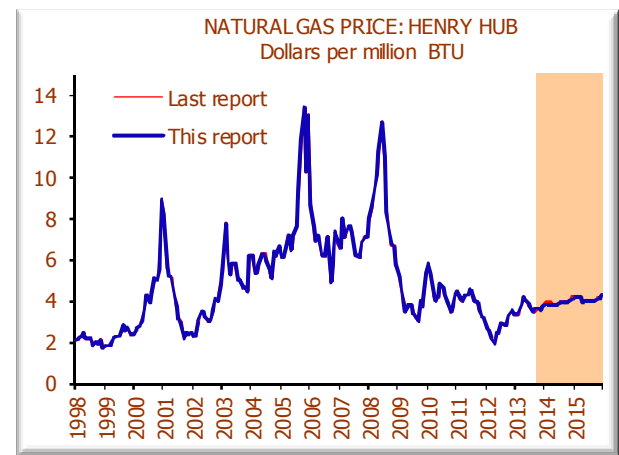
Graph III.2.15



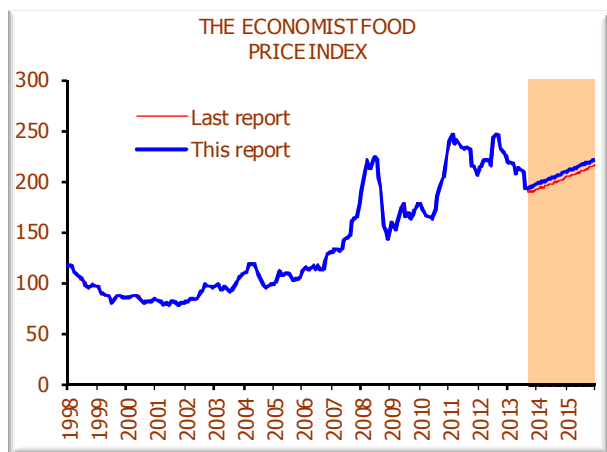
Graph III.2.15



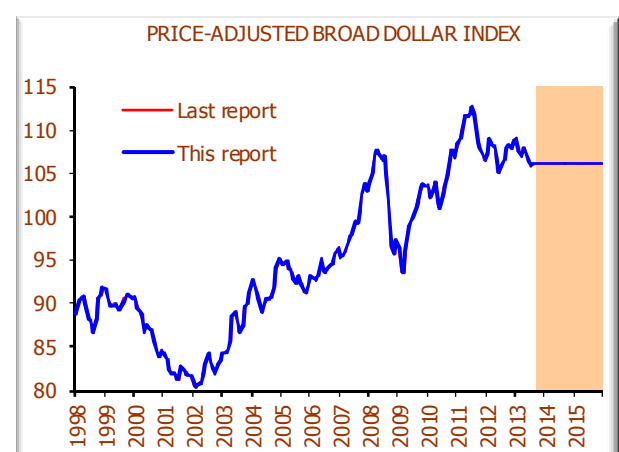
Graph III.2.16



Graph III.2.17



Graph III.2.18



Source: BLS & BIAM
Date: October 16, 2013

Table III.2.2

CONSUMER PRICE INDEX AND COMPONENTS IN USA															
Annual rates of growth															
		CPI													
		Core						TOTAL Confidence Intervals at 80% level			Residual			TOTAL 100% Confidence Intervals at 80% level	
		Non-energy commodities less food			Non-energy services						Food	Energy	TOTAL		
		Durables	Non durables	All	Owner's equivalent rent of primary residence	Other services	All								
IR December '12		8.8%	10.8%	19.6%	22.6%	33.9%	56.6%	76.1%		14.3%	9.6%	23.9%			
	2012	0.2	2.2	1.3	2.0	2.7	2.4	2.1		2.6	0.9	1.9	2.1		
	2013	-0.8	0.6	0.0	2.2	2.5	2.4	1.78	± 0.09	1.3	-0.9	0.4	1.44	± 0.28	
	2014	-0.8	0.5	-0.1	2.2	2.4	2.4	1.74	± 0.60	0.8	-1.9	-0.3	1.25	± 1.69	
	2015	-0.9	0.7	0.0	2.1	2.4	2.3	1.70	± 0.94	1.6	0.1	1.0	1.54	± 1.74	
ANNUAL RATES (growth of the month over the same month of the previous year)	2013	January	-0.5	1.1	0.4	2.1	2.7	2.5	1.9		1.6	-1.0	0.5	1.6	
		February	-0.6	1.1	0.3	2.1	2.9	2.6	2.0		1.6	2.3	1.9	2.0	
		March	-0.6	0.6	0.0	2.1	2.8	2.5	1.9		1.5	-1.6	0.2	1.5	
		April	-0.7	0.5	-0.1	2.1	2.5	2.3	1.7		1.5	-4.3	-0.9	1.1	
		May	-1.0	0.5	-0.2	2.1	2.5	2.3	1.7		1.4	-1.0	0.4	1.4	
		June	-1.1	0.5	-0.2	2.2	2.3	2.3	1.6		1.4	3.2	2.1	1.8	
		July	-1.3	0.7	-0.2	2.2	2.5	2.4	1.7		1.4	4.7	2.8	2.0	
		August	-1.1	0.8	0.0	2.2	2.5	2.4	1.8		1.4	-0.1	0.8	1.5	
		September	-0.64	0.42	-0.05	2.22	2.46	2.36	1.73		1.38	-3.05	-0.50	1.18	
		October	-0.52	0.30	-0.06	2.25	2.42	2.35	1.73	± 0.11	1.13	-4.91	-1.40	0.96	± 0.13
		November	-0.5	0.4	0.0	2.3	2.4	2.4	1.8	± 0.18	0.9	-2.8	-0.6	1.2	± 0.45
		December	-0.5	0.5	0.1	2.4	2.4	2.4	1.8	± 0.25	0.7	-1.8	-0.3	1.3	± 0.80
	2014	January	-0.6	0.4	-0.1	2.4	2.4	2.4	1.8	± 0.31	0.8	-0.2	0.4	1.4	± 1.12
		February	-0.7	0.4	-0.1	2.4	2.4	2.4	1.8	± 0.35	0.7	-4.5	-1.5	1.0	± 1.37
		March	-0.8	0.6	0.0	2.4	2.4	2.4	1.8	± 0.38	0.9	-3.1	-0.8	1.1	± 1.58
		April	-0.8	0.5	-0.1	2.3	2.5	2.4	1.8	± 0.42	0.5	-1.3	-0.2	1.3	± 1.72
		May	-0.9	0.6	-0.1	2.3	2.4	2.4	1.8	± 0.46	0.7	-1.6	-0.2	1.3	± 1.82
		June	-0.8	0.5	-0.1	2.2	2.5	2.4	1.7	± 0.52	0.7	-2.8	-0.8	1.1	± 1.92
		July	-0.7	0.4	-0.1	2.2	2.4	2.3	1.7	± 0.58	0.7	-3.1	-0.9	1.1	± 2.00
		August	-0.6	0.4	-0.1	2.2	2.5	2.3	1.7	± 0.64	0.7	-2.6	-0.7	1.2	± 2.07
		September	-0.9	0.6	0.0	2.2	2.5	2.3	1.7	± 0.71	0.8	-2.6	-0.6	1.2	± 2.13
		October	-0.9	0.6	0.0	2.2	2.4	2.3	1.7	± 0.75	0.9	-0.5	0.3	1.4	± 2.22
		November	-0.9	0.6	-0.1	2.2	2.4	2.3	1.7	± 0.80	1.0	0.0	0.6	1.4	± 2.26
		December	-1.0	0.6	-0.1	2.2	2.4	2.3	1.7	± 0.83	1.1	0.4	0.8	1.5	± 2.27
	2015	January	-1.1	0.7	-0.1	2.2	2.4	2.3	1.7	± 0.87	1.2	-0.8	0.4	1.4	± 2.28
		February	-1.1	0.7	-0.1	2.2	2.3	2.3	1.7	± 0.91	1.3	-0.2	0.7	1.4	± 2.29
		March	-1.0	0.6	-0.1	2.1	2.3	2.3	1.7	± 0.95	1.3	0.4	0.9	1.5	± 2.30
		April	-1.0	0.7	-0.1	2.1	2.4	2.3	1.7	± 0.99	1.6	0.5	1.1	1.6	± 2.31
		May	-1.0	0.7	-0.1	2.1	2.4	2.3	1.7	± 1.03	1.6	0.5	1.1	1.6	± 2.32
		June	-1.0	0.7	-0.1	2.1	2.4	2.3	1.7	± 1.07	1.6	0.4	1.1	1.6	± 2.33
		July	-0.9	0.7	0.0	2.1	2.4	2.3	1.7	± 1.09	1.7	0.4	1.1	1.6	± 2.34
		August	-0.9	0.7	0.0	2.1	2.4	2.3	1.7	± 1.12	1.7	0.7	1.3	1.6	± 2.35
		September	-0.8	0.7	0.0	2.1	2.4	2.3	1.7	± 1.14	1.8	1.2	1.5	1.7	± 2.36
		October	-0.8	0.7	0.1	2.1	2.4	2.3	1.7	± 1.15	1.8	0.3	1.2	1.6	± 2.37
		November	-0.8	0.7	0.1	2.1	2.4	2.3	1.7	± 1.16	1.9	-0.2	1.0	1.6	± 2.38
		December	-0.7	0.7	0.1	2.1	2.4	2.3	1.7	± 1.17	1.9	-1.6	0.5	1.5	± 2.39

Source: BLS & BIAM(UC3M)

Date: October 16, 2013



Table III.2.3

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 December '12			8.8%	10.8%	19.6%	22.6%	33.9%	56.6%	76.1%	14.3%	9.6%	23.9%	
MONTHLY RATES (Growth of the month over the previous month)	January	2012	0.1	0.0	0.0	0.2	0.3	0.3	0.2	0.6	2.0	1.2	0.4
		2013	0.2	0.0	0.1	0.2	0.4	0.3	0.3	0.4	0.5	0.4	0.3
		2014	0.1	-0.2	-0.1	0.2	0.4	0.3	0.2	0.4	2.1	1.1	0.4
		2015	0.0	-0.2	-0.1	0.2	0.4	0.3	0.2	0.5	0.9	0.7	0.3
	February	2012	0.3	0.6	0.5	0.1	0.3	0.2	0.3	-0.1	2.4	0.9	0.4
		2013	0.3	0.5	0.4	0.2	0.4	0.3	0.4	0.0	5.8	2.3	0.8
		2014	0.1	0.6	0.4	0.2	0.4	0.3	0.3	-0.1	1.2	0.4	0.4
		2015	0.1	0.6	0.4	0.2	0.4	0.3	0.3	0.0	1.7	0.7	0.4
	March	2012	0.1	1.2	0.7	0.2	0.3	0.3	0.4	0.1	4.5	1.9	0.8
		2013	0.2	0.6	0.4	0.1	0.3	0.2	0.3	0.0	0.6	0.2	0.3
		2014	0.0	0.9	0.5	0.2	0.2	0.2	0.3	0.2	2.1	0.9	0.4
		2015	0.1	0.8	0.5	0.2	0.2	0.2	0.3	0.2	2.7	1.2	0.5
	April	2012	0.3	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0.8	0.5	0.3
		2013	0.2	0.2	0.2	0.2	0.0	0.0	0.1	0.2	-1.9	-0.7	-0.1
		2014	0.2	0.1	0.1	0.1	0.1	0.1	0.1	-0.1	-0.1	-0.1	0.0
		2015	0.2	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1
	May	2012	0.3	-0.3	0.0	0.1	0.3	0.2	0.1	0.0	-2.1	-0.9	-0.1
		2013	0.1	-0.3	-0.2	0.2	0.2	0.2	0.1	-0.1	1.2	0.4	0.2
		2014	0.0	-0.3	-0.1	0.1	0.2	0.1	0.1	0.1	0.9	0.4	0.2
		2015	0.1	-0.3	-0.1	0.1	0.2	0.2	0.1	0.1	0.9	0.4	0.2
	June	2012	0.2	-0.5	-0.2	0.1	0.3	0.2	0.1	0.1	-2.5	-1.0	-0.1
		2013	0.0	-0.5	-0.3	0.2	0.2	0.2	0.1	0.1	1.7	0.8	0.2
		2014	0.1	-0.5	-0.3	0.1	0.2	0.2	0.1	0.0	0.5	0.2	0.1
		2015	0.1	-0.5	-0.3	0.1	0.2	0.2	0.1	0.1	0.4	0.2	0.1
	July	2012	0.0	-0.7	-0.4	0.2	0.1	0.1	0.0	0.0	-1.7	-0.7	-0.2
		2013	-0.2	-0.5	-0.3	0.2	0.2	0.2	0.1	0.1	-0.2	0.0	0.0
		2014	-0.1	-0.6	-0.4	0.2	0.2	0.2	0.1	0.1	-0.5	-0.1	0.0
		2015	0.0	-0.6	-0.3	0.2	0.2	0.2	0.1	0.2	-0.5	-0.1	0.0
	August	2012	-0.4	0.4	0.0	0.3	0.1	0.2	0.1	0.2	4.3	1.9	0.6
		2013	-0.2	0.5	0.1	0.3	0.2	0.2	0.2	0.2	-0.5	-0.1	0.1
		2014	-0.2	0.5	0.2	0.2	0.2	0.2	0.2	0.2	0.0	0.1	0.2
		2015	-0.1	0.5	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.2
	September	2012	-0.8	1.4	0.4	0.2	0.2	0.2	0.3	0.1	2.4	1.0	0.4
		2013	-0.33	0.97	0.39	0.21	0.14	0.17	0.22	0.05	-0.60	-0.22	0.12
		2014	-0.6	1.2	0.4	0.2	0.1	0.2	0.2	0.2	-0.6	-0.2	0.1
		2015	-0.5	1.2	0.4	0.2	0.1	0.2	0.2	0.2	-0.1	0.1	0.2
	October	2012	-0.4	0.7	0.2	0.2	0.2	0.2	0.2	0.2	-2.3	-0.8	0.0
		2013	-0.26	0.55	0.19	0.24	0.19	0.21	0.21	0.00	-4.14	-1.71	-0.26
		2014	-0.3	0.6	0.2	0.3	0.2	0.2	0.2	0.1	-2.1	-0.8	0.0
		2015	-0.2	0.6	0.2	0.3	0.2	0.2	0.2	0.2	-3.0	-1.1	-0.1
	November	2012	-0.2	-0.5	-0.4	0.2	0.1	0.1	0.0	0.0	-4.6	-1.9	-0.5
		2013	-0.2	-0.4	-0.3	0.2	0.1	0.1	0.0	-0.2	-2.5	-1.2	-0.3
		2014	-0.3	-0.4	-0.3	0.2	0.1	0.1	0.0	-0.1	-2.0	-0.9	-0.2
		2015	-0.3	-0.3	-0.3	0.2	0.1	0.1	0.0	-0.1	-2.5	-1.0	-0.2
	December	2012	-0.1	-1.2	-0.7	0.1	0.1	0.1	-0.1	0.2	-2.3	-0.8	-0.3
		2013	-0.1	-1.1	-0.7	0.2	0.1	0.2	-0.1	0.0	-1.3	-0.5	-0.2
		2014	-0.1	-1.1	-0.7	0.2	0.1	0.1	-0.1	0.1	-0.8	-0.2	-0.1
		2015	-0.1	-1.1	-0.7	0.2	0.1	0.2	0.0	0.2	-2.2	-0.7	-0.2

Source: BLS & BIAM(UC3M)

Date: October 16, 2013



IV. SPAIN

Our short and medium term forecasts for the Spanish GDP and labour market have improved slightly. The unemployment rate could fall to 25.9% again in 3Q13.

In 2015, average GDP growth will be 1.4% and employment will grow by 1.1%.

Contrary to previous expectations, the Spanish IPI could register positive average growth in 2014, 0.8% (± 2.7)

The year-on-year CPI fell in September to 0.34%, close to the forecast 0.49%. Fresh fruit registered a small deviation, as announced on September 27th.

Average total inflation in 2015 will remain at the 1.3% forecast for 2014.

Table IV.1

MAIN VARIABLES AND INDICATORS IN SPAIN						
Annual average rates						
			Forecasts			
			2010	2011	2012	
			2013	2014	2015	
			(± 0.2)	(± 1.4)	(± 1.7)	
GDP mp.¹			-0.2	0.1	-1.6	
Demand	Final consumption private		0.2	-1.2	-2.8	-2.5 0.9 2.2
	Final consumption public		1.5	-0.5	-4.8	-2.3 -2.9 -2.2
	Gross fixed capital formation		-5.5	-5.4	-7.0	-6.3 -1.1 2.5
	Tangible fixed assets		-6.4	-6.3	-7.8	-6.8 -1.6 2.3
	Construction		-9.9	-10.8	-9.7	-10.5 -3.8 1.9
	Capital goods and grown assets		4.3	5.3	-3.9	0.3 2.7 3.0
	Contribution domestic demand*		-0.3	-1.8	-4.1	-3.1 -0.3 1.4
	Exports of goods and services		11.7	7.6	2.1	4.2 5.4 5.9
	Imports of goods and services		9.3	-0.1	-5.7	-1.3 3.5 5.9
Contribution foreign demand*			0.1	1.9	2.5	1.8 0.6 0.0
Supply GVA	Agriculture, livestock breeding, forestry,...		1.9	5.6	-10.9	-4.0 -2.2 -2.0
	Industry		7.1	2.7	-0.5	-2.6 1.1 1.8
	Manufacturing Industry		4.6	1.3	-1.1	-2.0 0.7 1.4
	Construction		-16.5	-9.0	-8.6	-6.5 -4.4 -0.2
	Services		1.2	1.4	-0.3	-0.4 1.0 1.7
	Market services		0.8	1.6	-0.2	-0.5 1.5 2.4
	Public administration, health and educ.		2.4	1.1	-0.5	0.1 -0.4 -0.5
	Taxes		-0.6	-6.1	-4.9	-0.8 -0.6 1.0
Prices CPI²						
Total			1.8	3.2	2.4	1.5 1.3 1.3
Core			0.6	1.7	1.6	1.6 1 1.3
dec / dec			3.0	2.4	2.9	0.6 1.7 1.0
Foreign sector¹						
Balance of current account (bil€)			-46.0	-39.4	-8.9	11.4 20.9 -
Net lending or borrowing (% of GDP)			-3.8	-3.7	-0.2	1.6 2.5 -
Public Administration: Net lending or borrowing (% of GDP)			-9.7	-9.4	-7.0	- - -
Industrial production index (excluding construction)⁴			0.9	-1.8	-5.9	-1.4 0.8 1.3
			(± 0.3)	(± 2.7)	(± 3)	
ECONOMICALLY ACTIVE POPULATION SURVEY³						
Employed			-2.3	-1.9	-4.5	-3.3 -0.2 1.0
Agriculture			0.9	-4.1	-0.9	-2.0 -1.4 -1.6
Industry			-5.9	-2.1	-4.9	-5.9 -2.5 -0.7
Construction			-12.6	-15.6	-17.6	-11.6 -5.4 -2.1
Services			-0.3	0.0	-3.3	-2.2 0.7 1.7
Active			0.2	0.1	-0.2	-1.4 -0.9 -0.1
Unemployment rate			20.1	21.6	25.0	26.5 26.0 25.2

The figures in the shaded area are forecasts

(1) Data adjusted for seasonality and working days effect.

Source: INE & BIAM(UC3M)

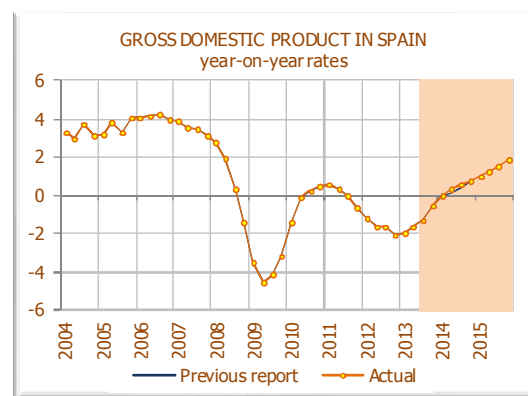
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(2) October 27, 2013

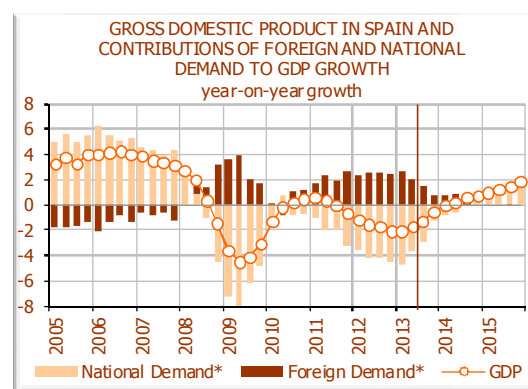
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(4) October 21, 2013

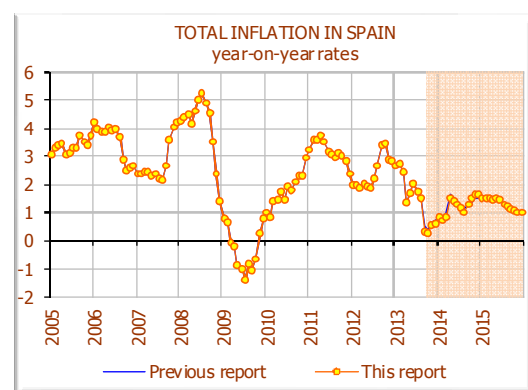
Graph IV.1



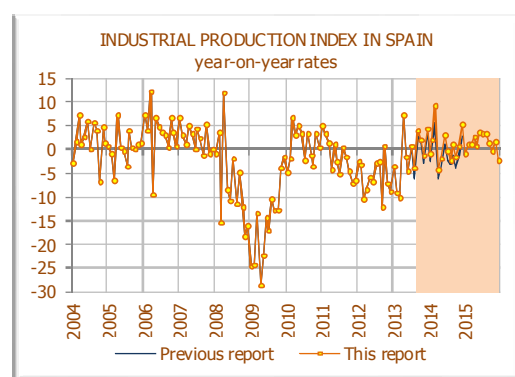
Graph IV.2



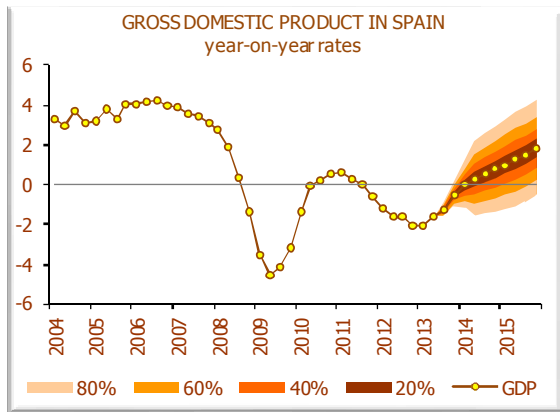
Graph IV.3



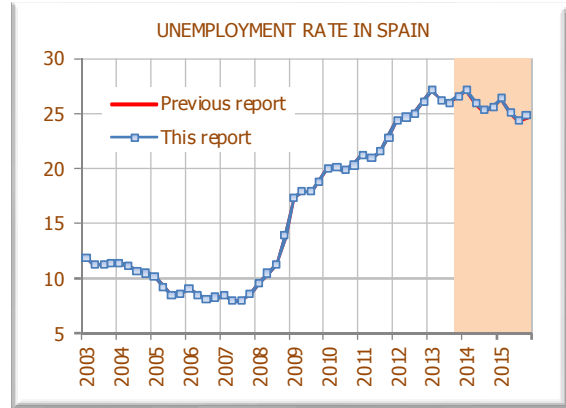
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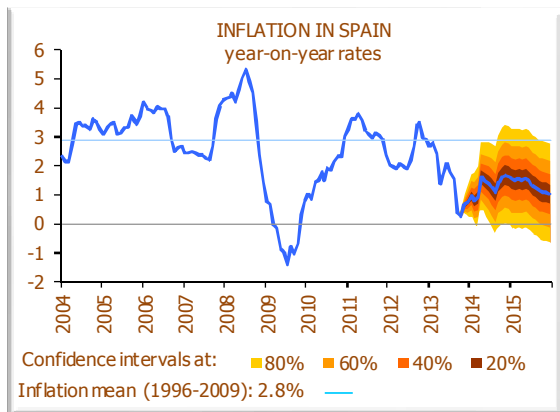
Graph IV.5



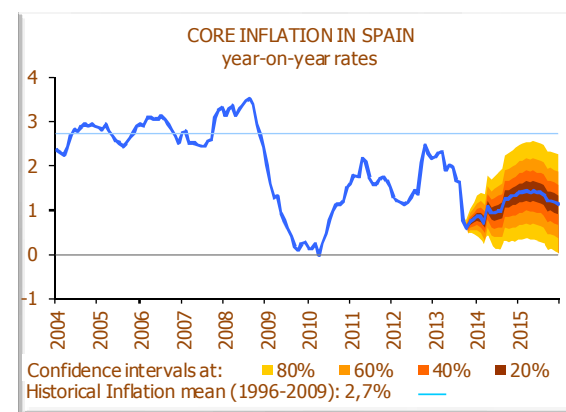
Graph IV.6



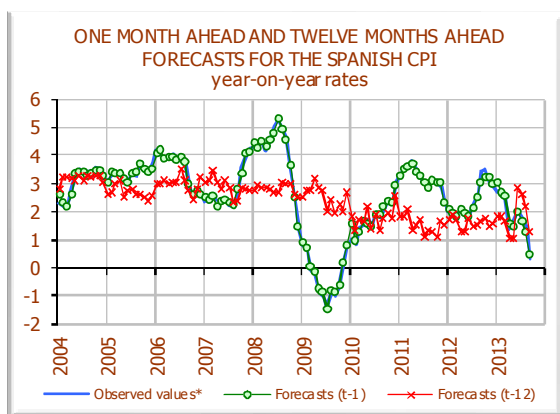
Graph IV.7



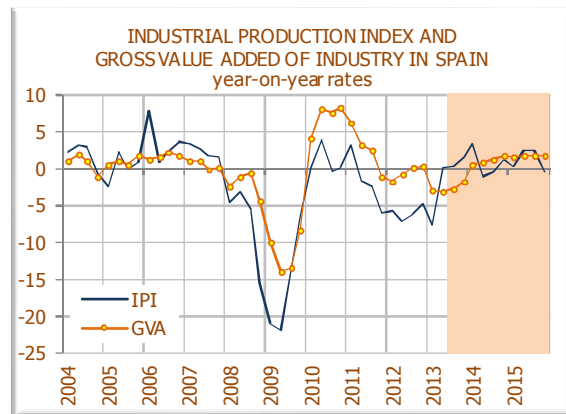
Graph IV.8



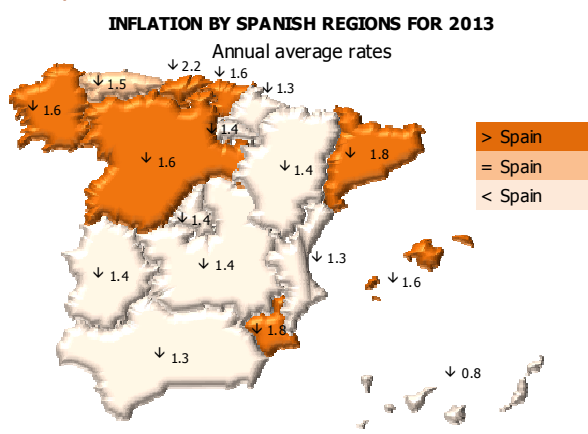
Graph IV.9



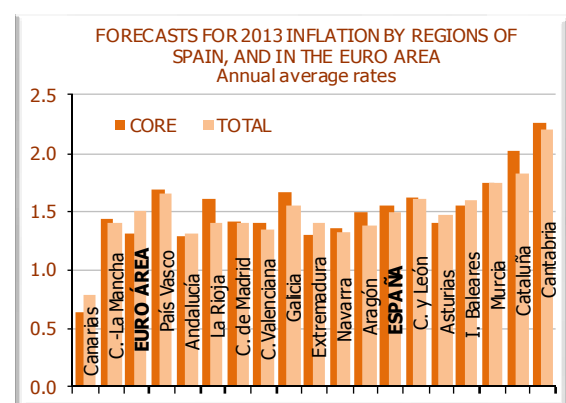
Graph IV.10



Graph IV.11



Graph IV.12



IV.1. MACROECONOMIC FORECASTS

In the last few months, we mentioned that signs of recovery were seen in the Spanish economy, anticipating the end of the recession. These expectations have materialised with the INE's publication of the advanced third quarter's GDP growth rate, year-on-year 0.1%.

The August Industrial Production Index (IPI) registered a year-on-year decline of 4%, which falls to 2% when corrected for calendar effect. This was better than our forecast of an annual rate of -6%. The IPI forecast for 2013 is an average annual decrease of 1.4%, 0.6 pp better than our previous forecast. For 2014, we expect 0.8% growth, followed by 1.3% in 2015.

In the third quarter, the Spanish labour market continued to improve, as in the previous two quarters. In the third quarter, 39,500 jobs were created, compared with a reduction of 97,000 in the same quarter of 2012. The annual decline was 2.87%, following the 3.6% registered in the previous quarter. This was in line with our forecast. The active population fell by 33,300 people, somewhat more than expected. Relative to a year earlier, it fell by 1.6% instead of the forecast 1.5%. Unemployment fell by 72,800 people, after increasing by 85,000 a year earlier. The decrease was less than our forecast. The unemployment rate fell by 0.3 pp relative to the previous quarter, to 26%, close to our forecast (25.93%).

The perspectives of an improvement have fallen slightly. The year-on-year rate for employment in the last quarter of 2013 is now forecast at -2.15% instead of the previously expected -2.04%. For 2014, we are forecasting -0.22% and for 2015, average growth of 1%, 170,000 jobs more than in the previous year.

The forecast average annual growth of the active population for 2013 is -1.4% instead of the previously expected 1.3%. For 2014 we continue to forecast -0.9% and in 2015 the active population will be more or less stable. For the last quarter of 2013, we expect unemployment to increase by 95,000 people, with the rate increasing by 0.6 pp to 26.6%, representing nearly six million unemployed (5,999,800). This year, the unemployment rate will be 26.5%, falling by half a point to 26% in 2014. In the first quarter of 2014 there will be 6.12 million unemployed, with an unemployment rate of more than 27%. It could fall by nearly one point in 2015, to 25.1%.



Table IV.1.1

INDUSTRIAL PRODUCTION INDEX				
Average rate of growth				
	2012	2013	2014	2015
Spain				
Consumption	-4.7	-1.3	1.3	1.0
Durable	-11.2	-10.9	-6.5	-2.0
Non-durable	-4.0	-0.4	1.9	1.2
Capital	-10.7	2.9	2.7	3.4
Intermediate	-7.2	-3.4	-0.5	0.6
Energy	0.9	-2.7	0.5	0.6
TOTAL	-5.9	-1.4 (±0.3)	0.8 (±2.7)	1.3 (±3)
Euro area				
Consumption	-2.4	-0.5	-0.2	0.3
Durable	-4.5	-3.9	-0.5	4.1
Non-durable	-2.1	-0.3	0.0	-0.3
Capital	-1.1	-1.0	3.7	5.3
Intermediate	-4.4	-2.0	0.8	1.5
Energy	-0.2	-0.6	-0.5	1.1
TOTAL	-2.4	-1.2 (±0.9)	1.3 (±2.2)	2.3 (±2.7)

Source: INE & BIAM (UC3M)

Date: October 21, 2013

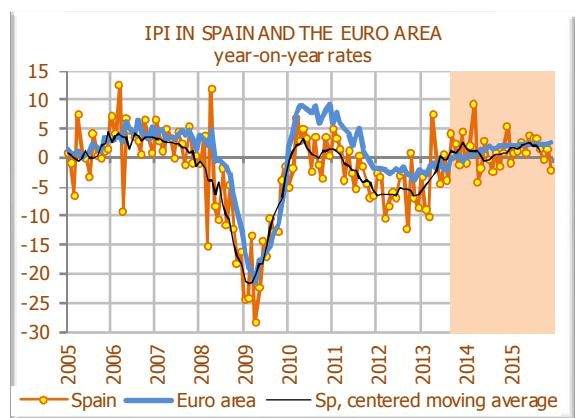
Table IV.1.2

CHANGE IN THE FORECASTS FOR IP IN SPAIN			
Average annual rate, 2013			
	Forecasts with observed data till:		
	Jul-13	Aug-13	Change
Durable consumption	-5.1	-6.5	-1.45 ↓
Non-durable consumption	-0.3	1.9	2.26 ↑
Total consumption	-0.7	1.3	1.97 ↑
Equipment	0.2	2.7	2.56 ↑
Intermediate	-3.4	-0.5	2.83 ↑
Energy	0.1	0.5	0.46 ↑
TOTAL	-1.27	0.84	2.12 ↑

Source: INE & BIAM (UC3M)

Date: October 21, 2013

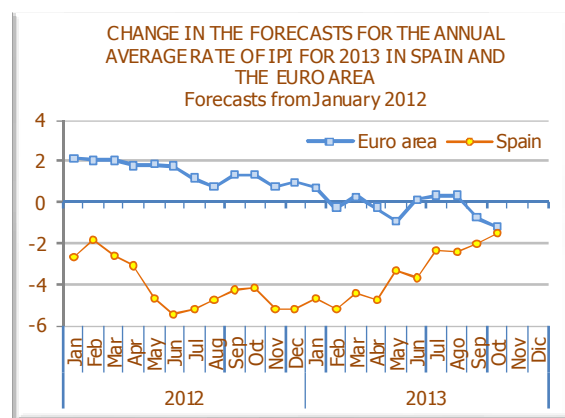
Graph IV.1.1



Source: INE & BIAM (UC3M)

Date: October 21, 2013

Graph IV.1.2



Source: INE & BIAM (UC3M)

Date: October 21, 2013



GROSS DOMESTIC PRODUCT IN THE SPAIN: DEMAND

Table IV.1.3

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	
				Tangible fixed assets									
		Private	Public	Construc- tion	Capital goods and grown assets								
ANNUAL AVERAGE RATES	2009	-3.7	3.7	-16.6	-23.9	-18.5	-18.0	-6.9	-10.0	-17.2	3.1	-3.8	
	2010	0.2	1.5	-9.9	4.3	-6.4	-5.5	-0.3	11.7	9.3	0.1	-0.2	
	2011	-1.2	-0.5	-10.8	5.3	-6.3	-5.4	-1.8	7.6	-0.1	1.9	0.1	
	2012	-2.8	-4.8	-9.7	-3.9	-7.8	-7.0	-4.1	2.1	-5.7	2.5	-1.6	
	2013	-2.5	-2.3	-10.5	0.3	-6.8	-6.3	-3.1	4.2	-1.3	1.8	-1.4 (±0.2)	
	2014	0.9	-2.9	-3.8	2.7	-1.6	-1.1	-0.3	5.4	3.5	0.6	0.4 (±1.4)	
	2015	2.2	-2.2	1.9	3.0	2.3	2.5	1.4	5.9	5.9	0.0	1.4 (±1.7)	
Y-o-Y RATES	2012	I	-1.8	-4.9	-8.6	-2.9	-6.8	-6.0	-3.5	0.1	-6.9	2.2	-1.2
		II	-3.1	-4.4	-9.3	-4.3	-7.6	-6.9	-4.2	0.5	-7.7	2.6	-1.6
		III	-2.8	-4.9	-10.9	-3.8	-8.6	-7.5	-4.2	3.3	-4.6	2.5	-1.7
		IV	-3.5	-5.0	-10.0	-4.8	-8.3	-7.7	-4.5	4.4	-3.5	2.5	-2.1
	2013	I	-4.2	-3.3	-10.2	-4.1	-8.2	-7.5	-4.7	3.6	-4.8	2.7	-2.0
		II	-3.1	-2.4	-10.5	0.4	-6.7	-6.4	-3.7	9.2	3.1	2.0	-1.6
		III	-2.4	-1.3	-10.7	-0.2	-7.0	-6.7	-2.9	1.7	-3.2	1.6	-1.3 (±0.3)
		IV	-0.3	-1.9	-10.8	5.4	-5.3	-4.4	-1.3	2.4	0.1	0.8	-0.5 (±0.5)
	2014	I	0.4	-2.3	-8.0	4.7	-3.7	-3.3	-0.8	7.7	5.4	0.8	0 (±1)
		II	0.8	-4.2	-3.8	2.3	-1.7	-1.0	-0.6	3.4	0.8	0.8	0.3 (±1.5)
		III	1.1	-2.7	-2.4	1.4	-1.2	-0.7	-0.1	5.5	3.8	0.6	0.5 (±1.6)
		IV	1.4	-2.4	-0.7	2.5	0.3	0.7	0.4	5.2	4.3	0.3	0.8 (±1.7)
	2015	I	1.8	-2.4	0.4	3.1	1.4	1.7	0.9	5.5	5.2	0.1	1 (±1.8)
		II	2.1	-2.2	1.2	3.4	2.0	2.3	1.2	5.6	5.6	0.1	1.3 (±1.9)
		III	2.4	-2.3	2.4	3.6	2.8	3.0	1.5	6.0	6.3	-0.1	1.5 (±1.9)
		IV	2.6	-1.8	3.4	1.9	2.9	3.1	1.8	6.6	6.7	0.0	1.8 (±1.9)

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	
				Tangible fixed assets									
		Private	Public	Construc- tion	Capital goods and grown assets								
ANNUAL AVERAGE RATES	2009	-3.7	3.7	-16.6	-23.9	-18.5	-18.0	-6.9	-10.0	-17.2	3.1	-3.8	
	2010	0.2	1.5	-9.9	4.3	-6.4	-5.5	-0.3	11.7	9.3	0.1	-0.2	
	2011	-1.2	-0.5	-10.8	5.3	-6.3	-5.4	-1.8	7.6	-0.1	1.9	0.1	
	2012	-2.8	-4.8	-9.7	-3.9	-7.8	-7.0	-4.1	2.1	-5.7	2.5	-1.6	
	2013	-2.5	-2.3	-10.5	0.3	-6.8	-6.3	-3.1	4.2	-1.3	1.8	-1.4 (±0.2)	
	2014	0.9	-2.9	-3.8	2.7	-1.6	-1.1	-0.3	5.4	3.5	0.6	0.4 (±1.4)	
	2015	2.2	-2.2	1.9	3.0	2.3	2.5	1.4	5.9	5.9	0.0	1.4 (±1.7)	
Q-o-Q RATES	2012	I	0.2	-1.8	-3.5	0.1	-2.4	-1.7	-0.5	-3.1	-3.3	0.1	-0.4
		II	-1.1	0.0	-4.2	-1.8	-3.4	-3.3	-1.4	0.6	-2.2	0.9	-0.5
		III	-0.7	-3.0	-1.3	1.9	-0.2	0.2	-0.9	6.5	4.6	0.5	-0.4
		IV	-2.0	-0.3	-1.3	-5.0	-2.6	-3.0	-1.8	0.6	-2.6	1.0	-0.8
	2013	I	-0.5	0.0	-3.7	0.8	-2.2	-1.5	-0.6	-3.8	-4.5	0.2	-0.4
		II	0.0	0.9	-4.5	2.9	-1.9	-2.1	-0.2	6.0	5.9	0.1	-0.1
		III	0.0	-1.9	-1.5	1.3	-0.5	-0.2	-0.3	-0.9	-1.8	0.3	0.0
		IV	0.2	-0.8	-1.5	0.4	-0.8	-0.7	-0.2	1.3	0.8	0.2	0.0
	2014	I	0.2	-0.4	-0.7	0.1	-0.5	-0.4	-0.1	1.1	0.6	0.2	0.1
		II	0.4	-1.1	-0.1	0.6	0.1	0.2	0.0	1.8	1.2	0.2	0.2
		III	0.4	-0.3	-0.1	0.4	0.0	0.2	0.2	1.2	1.1	0.0	0.2
		IV	0.5	-0.5	0.2	1.5	0.6	0.7	0.3	1.1	1.3	-0.1	0.2
	2015	I	0.6	-0.4	0.5	0.7	0.5	0.6	0.3	1.4	1.4	0.0	0.3
		II	0.6	-1.0	0.7	0.8	0.7	0.8	0.4	1.9	1.7	0.1	0.5
		III	0.7	-0.4	1.0	0.6	0.9	0.9	0.5	1.5	1.8	-0.1	0.5
		IV	0.6	0.0	1.1	-0.1	0.7	0.8	0.5	1.6	1.6	0.0	0.6

Data adjusted for seasonality and working days effect

*The figures in the shaded area are forecasts

(1)Contribution to GDP growth

Quarter-on-quarter rates

Source: INE & BIAM(UC3M)

Date: October 23, 2013



GROSS DOMESTIC PRODUCT IN THE SPAIN: SUPPLY

Table IV.1.5

GROSS DOMESTIC PRODUCT IN SPAIN											
		Agriculture, livestoch breeding, forestry...	Industry		Construction	Services			Taxes	Real GDP	
			Manufacturing industry			Market services	Public administration, ...				
ANNUAL AVERAGE RATES	2009	-3.3	-12.3	-11.4	-8.2	-1.9	2.3	-0.8	-5.4	-3.8	
	2010	1.9	4.6	7.1	-16.5	0.8	2.4	1.2	-0.6	-0.2	
	2011	5.6	1.3	2.7	-9.0	1.6	1.1	1.4	-6.1	0.1	
	2012	-10.9	-1.1	-0.5	-8.6	-0.2	-0.5	-0.3	-4.9	-1.6	
	2013	-4.0	-2.0	-2.6	-6.5	-0.5	0.1	-0.4	-0.8	-1.4 (±0.2)	
	2014	-2.2	0.7	1.1	-4.4	1.5	-0.4	1.0	-0.6	0.4 (±1.4)	
	2015	-2.0	1.4	1.8	-0.2	2.4	-0.5	1.7	1.0	1.4 (±1.7)	
Y-o-Y RATES	2012	I	-6.9	-2.8	-1.7	-9.1	0.8	0.4	0.7	-5.0	-1.2
		II	-12.6	-1.8	-0.7	-8.6	-0.1	-0.1	-0.1	-4.7	-1.6
		III	-11.2	0.1	0.2	-8.7	-0.1	-1.3	-0.4	-4.9	-1.7
		IV	-12.7	0.1	0.4	-7.7	-1.1	-1.1	-1.1	-5.1	-2.1
	2013	I	-6.2	-3.2	-3.0	-5.8	-1.5	0.0	-1.1	-2.6	-2.0
		II	-1.2	-2.2	-3.1	-5.9	-0.8	0.1	-0.8	-1.7	-1.6
		III	-4.1	-2.3	-2.7	-7.1	-0.6	0.3	-0.4	0.3	-1.3 (±0.3)
		IV	-4.2	-0.5	-1.6	-7.5	0.7	0.1	0.5	0.8	-0.5 (±0.5)
	2014	I	-3.0	0.5	0.6	-7.5	1.3	-0.1	0.9	-0.4	0 (±1)
		II	-2.2	0.3	0.9	-5.3	1.4	-0.8	1.0	-0.7	0.3 (±1.5)
		III	-1.5	0.7	1.2	-2.6	1.5	-0.4	1.0	-0.9	0.5 (±1.6)
		IV	-2.0	1.3	1.7	-2.0	1.7	-0.5	1.1	-0.6	0.8 (±1.7)
	2015	I	-1.9	1.2	1.6	-1.1	1.9	-0.5	1.3	0.3	1 (±1.8)
		II	-2.0	1.3	1.7	-0.4	2.2	-0.5	1.5	0.8	1.3 (±1.9)
		III	-2.0	1.5	1.9	0.1	2.5	-0.5	1.7	1.3	1.5 (±1.9)
		IV	-1.9	1.3	1.8	0.9	2.9	-0.3	2.1	1.6	1.8 (±1.9)

Table IV.1.6

GROSS DOMESTIC PRODUCT IN SPAIN											
		Agriculture, livestoch breeding, forestry...	Industry		Construction	Services			Taxes	Real GDP	
			Manufacturing industry			Market services	Public administration, ...				
ANNUAL AVERAGE RATES	2009	-3.3	-12.3	-11.4	-8.2	-1.9	2.3	-0.8	-5.4	-3.8	
	2010	1.9	4.6	7.1	-16.5	0.8	2.4	1.2	-0.6	-0.2	
	2011	5.6	1.3	2.7	-9.0	1.6	1.1	1.4	-6.1	0.1	
	2012	-10.9	-1.1	-0.5	-8.6	-0.2	-0.5	-0.3	-4.9	-1.6	
	2013	-4.0	-2.0	-2.6	-6.5	-0.5	0.1	-0.4	-0.8	-1.4 (±0.2)	
	2014	-2.2	0.7	1.1	-4.4	1.5	-0.4	1.0	-0.6	0.4 (±1.4)	
	2015	-2.0	1.4	1.8	-0.2	2.4	-0.5	1.7	1.0	1.4 (±1.7)	
Q-o-Q RATES	2012	I	-8.4	3.3	2.1	-2.7	0.5	-2.5	-0.3	-1.9	-0.4
		II	-6.4	-0.6	0.1	-3.0	-0.6	1.3	-0.1	-0.7	-0.5
		III	1.7	-0.4	-0.7	-1.8	0.0	-0.1	0.0	-1.8	-0.4
		IV	0.1	-2.0	-1.1	-0.5	-1.0	0.1	-0.7	-0.8	-0.8
	2013	I	-1.5	-0.1	-1.2	-0.6	0.1	-1.3	-0.3	0.6	-0.4
		II	-1.4	0.4	0.0	-3.1	0.1	1.4	0.2	0.2	-0.1
		III	-1.4	-0.5	-0.3	-3.1	0.2	0.1	0.4	0.2	0.0
		IV	0.0	-0.3	-0.1	-0.9	0.2	0.0	0.2	-0.3	0.0
	2014	I	-0.3	0.9	0.9	-0.6	0.7	-1.5	0.1	-0.5	0.1
		II	-0.5	0.2	0.3	-0.7	0.2	0.6	0.3	-0.1	0.2
		III	-0.6	-0.1	0.1	-0.4	0.3	0.5	0.4	0.0	0.2
		IV	-0.5	0.3	0.4	-0.3	0.5	-0.2	0.3	0.1	0.2
	2015	I	-0.2	0.8	0.9	0.2	0.8	-1.5	0.2	0.3	0.3
		II	-0.6	0.3	0.4	0.0	0.6	0.6	0.6	0.4	0.5
		III	-0.7	0.1	0.2	0.1	0.6	0.5	0.6	0.4	0.5
		IV	-0.4	0.1	0.3	0.5	0.9	0.0	0.7	0.4	0.6

Data adjusted for seasonality and working days effect

The figures in the shaded area are forecasts

(1)Contribution to GDP growth

Quarter-on-quarter rates

Source: INE & BIAM(UC3M)

Date: October 23, 2013



INDUSTRIAL PRODUCTION INDEX IN SPAIN

Table IV.1.7

INDUSTRIAL PRODUCTION INDEX AND SECTORS IN SPAIN										
Y-o-Y rates										
		Consumer Goods						Total excluding energy	TOTAL	
		Durable	Non Durable	Total	Capital Goods	Intermediate Goods	Energy			
ANNUAL AVERAGE RATES	2009	-28.3	-5.5	-8.8	-22.5	-21.4	-8.6	-17.4	-16.2	
	2010	-7.4	1.9	0.9	-3.3	2.7	2.5	0.6	0.9	
	2011	-10.8	-0.3	-1.4	0.3	-2.6	-3.6	-1.4	-1.8	
	2012	-11.2	-4.0	-4.7	-10.7	-7.2	0.9	-7.1	-5.9	
	2013	-10.9	-0.4	-1.3	2.9	-3.4	-2.7	-1.2	-1.4 (±0.3)	
	2014	-6.5	1.9	1.3	2.7	-0.5	0.5	0.9	0.8 (±2.7)	
	2015	-2.0	1.2	1.0	3.4	0.6	0.6	1.4	1.3 (±3)	
Y-o-Y RATES	2012	I	-10.5	-2.6	-3.4	-10.1	-7.6	0.1	0.1	-5.7
		II	-13.2	-3.4	-4.4	-13.8	-7.6	-0.6	-0.6	-7.0
		III	-12.4	-5.0	-5.6	-11.5	-7.5	2.4	2.4	-6.2
		IV	-8.8	-4.9	-5.3	-7.2	-6.1	1.5	1.5	-4.8
	2013	I	-15.7	-7.1	-7.8	-6.0	-9.3	-5.1	-5.1	-7.6
		II	-10.6	1.2	0.0	5.2	-2.2	-1.0	-1.0	0.2
		III	-8.0	1.7	0.9	6.4	-1.3	-3.3	-3.3	0.5
		IV	-9.0	3.0	2.0	6.3	0.0	-1.3	-1.3	1.6
	2014	I	-4.5	5.0	4.2	6.8	1.7	1.2	1.2	3.4
		II	-7.2	-0.3	-0.8	0.6	-2.5	0.1	0.1	-1.0
		III	-10.5	0.5	-0.3	0.9	-1.3	0.0	0.0	-0.4
		IV	-4.1	2.6	2.1	2.9	0.1	0.8	0.8	1.4
	2015	I	-3.9	0.7	0.4	2.2	-0.5	0.3	0.3	0.4
		II	-0.9	2.9	2.6	4.7	1.6	1.0	1.0	2.5
		III	0.6	2.8	2.6	5.0	1.9	1.0	1.0	2.6
		IV	-3.5	-1.3	-1.5	1.9	-0.7	0.0	0.0	-0.3

Table IV.1.8

INDUSTRIAL PRODUCTION INDEX IN SPAIN							
y-o-y rates							
	2009	2010	2011	2012	2013	2014	2015
January	-24.5	-5.0	5.0	-2.6	-3.4	-0.9	-0.8
February	-24.3	-1.9	3.3	-3.2	-9.0	1.9	1.0
March	-13.5	6.8	1.3	-10.5	-10.0	9.2	1.1
April	-28.4	3.0	-4.0	-8.4	7.5	-4.1	2.7
May	-22.3	5.1	1.2	-5.9	-1.6	-1.8	0.9
June	-14.3	3.2	-2.6	-6.9	-4.6	3.0	3.8
July	-16.9	-2.3	-5.2	-2.9	0.6	-0.2	3.3
August	-10.6	3.4	0.3	-2.5	-4.0	-2.3	3.2
September	-12.7	-1.1	-1.4	-12.1	4.0	1.0	1.4
October	-12.8	-3.5	-4.5	0.9	2.2	-1.5	-0.4
November	-4.0	3.4	-7.0	-7.0	-1.3	0.9	1.6
December	-1.5	0.4	-6.5	-8.6	4.3	5.4	-2.2

The figures in the shaded area are forecasts.

Source: INE & BIAM(UC3M)

Date: October 21, 2013



Table IV.1.9

INDUSTRIAL PRODUCTION INDEX BY ECONOMIC ACTIVITIES IN SPAIN												
Y-o-Y rates												
			Weights	2013			Average annual rates					
				Jun	Jul	Aug	2012	2013	2014	2015		
IPI Total	B Mining and quarrying	05 Mining of coal and lignite	4.2	352.9	282.9	-42.2	-19.2	-43.1	-14.2	-21.4		
		08 Other mining and quarrying	13.6	-0.1	-4.7	-19.7	-21.5	-12.0	-7.5	-1.5		
			17.8	15.0	9.4	-25.3	-19.1	-19.0	-8.5	-4.4		
	D Manufacture Industries	10 Manufacture of food products	107.5	-4.1	4.8	0.8	-4.0	-0.7	0.3	-0.4		
		11 Manufacture of beverages	32.6	-11.7	0.9	0.6	-0.7	-0.8	-5.0	-2.9		
		12 Manufacture of tobacco products	4.5	-24.9	-9.2	38.5	-0.8	-1.8	-3.4	-0.8		
		13 Manufacture of textiles	17.1	-4.8	10.6	-14.9	-4.3	1.1	-3.4	3.2		
		14 Manufacture of wearing apparel	18.0	-16.9	-12.7	-10.1	-4.2	-9.8	-9.1	-7.3		
		15 Manufacture of leather and related products	8.8	-11.1	-4.0	-14.2	-5.9	-6.7	-5.3	-3.1		
		16 Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	21.4	-5.6	-0.3	-4.1	-14.0	-2.6	2.3	6.5		
		17 Manufacture of paper and paper products	26.2	-5.1	-0.9	-9.1	0.2	-2.0	0.9	3.3		
		18 Printing and reproduction of recorded media	22.7	-15.3	-10.2	-17.7	-14.2	-10.6	-4.1	-2.6		
		19 Manufacture of coke and refined petroleum products	34.7	3.2	-10.6	-6.6	4.5	2.3	2.3	3.4		
		20 Manufacture of chemicals and chemical products	58.2	-10.1	-2.4	2.9	-0.7	-3.7	2.2	2.2		
		21 Manufacture of basic pharmaceutical products and pharmaceutical preparations	24.3	-3.3	2.3	7.4	1.8	2.5	4.4	5.1		
		22 Manufacture of rubber and plastic products	34.2	2.6	2.6	-4.2	-9.1	0.9	1.5	-1.1		
		23 Manufacture of other non-metallic mineral products	80.5	-8.5	-4.5	-8.5	-16.6	-6.1	-2.4	2.8		
		24 Manufacture of basic metals	43.2	-1.2	-1.7	-1.2	-8.5	0.7	1.9	-0.4		
		25 Manufacture of fabricated metal products, except machinery and equipment	106.7	-4.1	1.3	-7.6	-14.7	-0.4	0.1	3.5		
		26 Manufacture of computer, electronic and optical products	16.4	-14.7	2.0	-19.6	-16.0	-4.1	-4.8	-15.7		
		27 Manufacture of electrical equipment	36.6	-8.7	-3.9	-11.6	-1.3	-5.1	2.8	4.4		
		28 Manufacture of machinery and equipment n.e.c.	53.5	2.8	8.3	-0.3	-1.3	4.7	5.6	2.5		
		29 Manufacture of motor vehicles, trailers and semi-trailers	74.3	3.6	7.1	8.1	-10.5	5.7	7.5	3.7		
		30 Manufacture of other transport equipment	21.0	-6.4	-6.2	-18.0	-13.1	-5.3	-5.4	-4.7		
		31 Manufacture of furniture	27.6	-15.7	-10.6	-21.1	-14.3	-10.9	-5.7	-0.5		
		32 Other manufacturing	17.7	5.3	7.4	-4.2	-6.7	3.0	1.7	2.0		
		33 Repair and installation of machinery and equipment	2.8	-6.5	5.1	5.5	-6.9	2.7	0.9	0.4		
					890.4	-4.5	0.5	-3.3	-6.4	-0.8	1.1	1.4
		D Electricity, gas, steam and air conditioning supply			91.8	-7.4	1.1	-6.5	-0.1	-4.5	-0.2	-0.1
					1000	-4.6	0.6	-4.0	-5.9	-1.4	0.8	1.3

Source: INE & BIAM(UC3M)

Date: October 21, 2013



IV.2. INFLATION

In September, the year-on-year CPI fell to 0.34%, close to the forecast 0.49%. The deviation was found in fresh fruit, as announced on September 27th.

Average total inflation in 2015 will remain at 1.3%, the rate also forecast for 2014.

Much as expected, the year-on-year CPI rate in Spain fell by 1.2 pp in September, to 0.34%, instead of the forecast 0.49%: Except for fresh fruit and vegetables, there were no other significant innovations. Prices fell by a monthly rate of 0.2%.

The year-on-year core rate fell by 0.8 pp to 0.8%, as expected, so our forecasts remain unaltered. As shown by table 3, core inflation will rise slight to end 2015 at an average rate of 1.3%, after

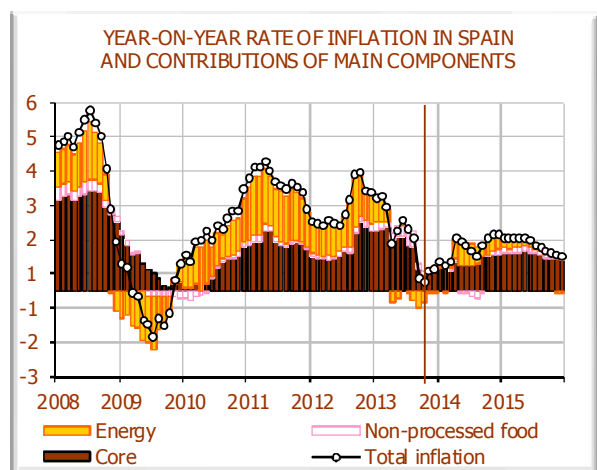
registering 1.0% in 2014. The average variation in the core component this year will be 1.6%, which will be counteracted by a drop in energy inflation. Average total inflation in 2015 and 2014 will remain at 1.3%.

As for the forecasting profile, after rising to 1.7% at the end of 2014, inflation in December 2015 will be 1%, much lower than average. This not only due to lower energy prices but also to the expected slow recovery of domestic demand, still incapable of pushing prices up significantly.

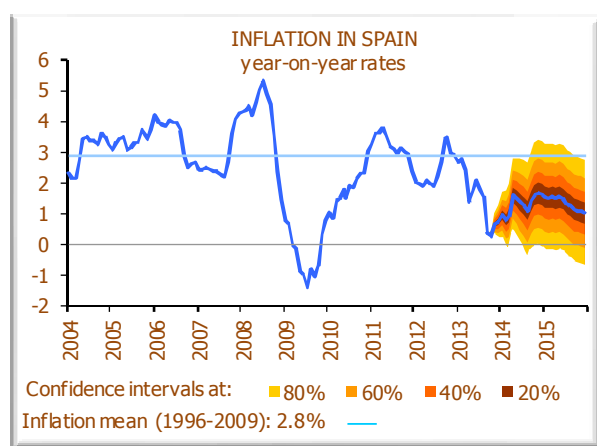
The slight deviation of our total inflation forecasts was found in the non-residual component, in both unprocessed food and energy. As anticipated last month, there was a downwards innovation in fresh fruit. After the heavy price increases registered from May to August, our forecasts anticipated that they would be undone from September to November. The price cut in September, however, was greater than expected, so the cuts in the next two months will be of lesser import. Our forecasts remain practically unaltered. After the 3.5% and 0% expected for 2013 and 2014, respectively, these prices could start to rise again in 2015, ending the year with 2.0% average growth.

Finally, energy prices could moderate their decline in October, due to electricity and fuel prices. Likewise, our long-term expectations for the item have also been revised upwards slightly, largely due to a small increase in the future prices of Brent oil in euros.

Graph IV.2.1



Graph IV.2.2



Source: INE & BIAM(UC3M)
Date: October 27, 2013

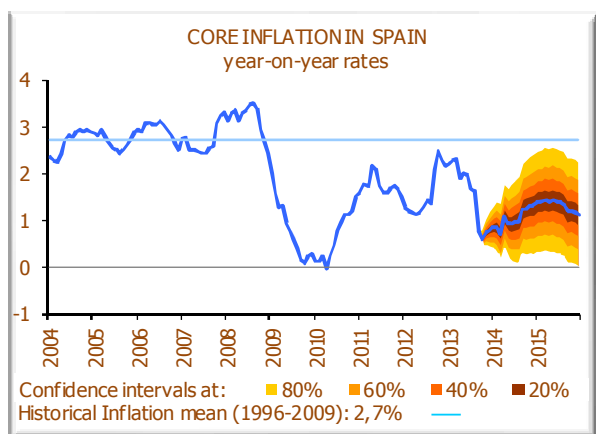
Table IV.2.1

INFLATION IN SPAIN						
CPI	Annual rates		Average annual rates			
	2013		2012	2013	2014	2015
Core	September	October				
81.41%	0.8	0.6 (±0.19)	1.6	1.6 (±0.07)	1 (±0.79)	1.3 (±0.94)
Total						
100%	0.3	0.3 (±0.18)	2.4	1.5 (±0.08)	1.3 (±1.35)	1.3 (±1.46)

Source: INE & BIAM(UC3M)
Date: October 11, 2013

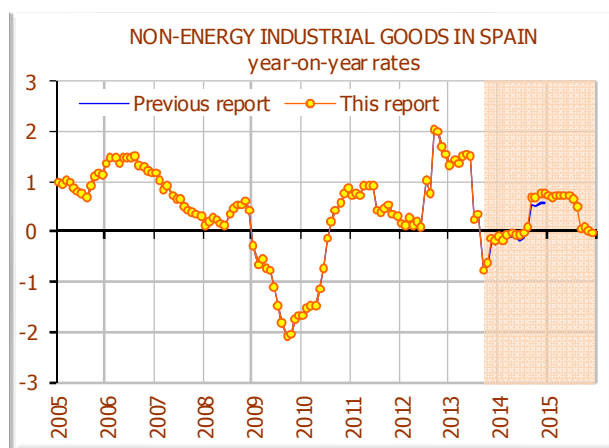


Graph IV.2.3



Source: INE & BIAM(UC3M)
Date: October 27, 2013

Graph IV.2.4



Source: INE & BIAM(UC3M)
Date: October 27, 2013

Table IV.2.2

INFLATION IN SPAIN Annual rates, October, 2013				
Consumer Price Index CPI	Weights 2013	Observed	Forecasts	Confidence Intervals at 80%
Processed food	14,67	2,68	2,68	± 0.43
Non-energy industrial goods	26,99	-0,80	-0,62	± 0.31
Services	39,74	-0,01	0,63	± 0.2
CORE	81,41	0,22	0,57	± 0.19
Non-processed food	6,41	0,94	1,93	± 1.11
Energy	12,18	-2,75	-2,68	± 0.69
RESIDUAL	18,59	-1,47	-1,00	± 0.72
TOTAL	100	-0,10	0,27	± 0.18

Source: INE & BIAM (UC3M)
Date: September 12, 2013



Table IV.2.3

INFLATION BY COMPONENTS IN THE CONSUMER PRICE INDEX OF SPAIN										
Annual average rates										
				Weights 2013	2010	2011	2012	2013	2014	2015
CPI Total	Core Inflation	Processed food	AE less tobacco & fats	11.9	-1.2	2.1	2.4	1.7	1.6	1.7
			Oils & Fats	0.6	-2.6	0.4	2.9	18.7	0.6	-0.1
			Tobacco	2.1	15.0	13.3	7.2	7.5	9.1	9.4
				14.7	1.0	3.8	3.1	3.2	2.7	2.7
		Non energy industrial goods	Vehicles	4.7	-1.1	2.9	1.2	-1.8	2.2	3.3
			Footwear	1.7	0.5	0.6	0.5	0.4	0.4	0.4
			Clothing	6.2	-0.6	0.1	0.2	-0.1	0.1	0.1
			Rest	14.3	-0.2	0.1	1.0	1.8	-0.4	-0.2
				27.0	-0.5	0.6	0.8	0.6	0.2	0.5
		Services	Postal services	0.0	4.5	3.6	3.2	3.2	2.0	2.0
			Cultural services	1.8	1.4	1.4	3.8	4.6	1.9	1.7
			Education	0.9	2.1	1.9	2.0	2.0	1.4	1.5
			Hotels	0.8	0.2	1.3	0.1	-0.3	1.0	1.0
			Health	2.6	2.7	2.5	1.6	1.9	2.1	2.2
			Household equipment	2.1	2.5	2.6	2.1	1.8	2.2	2.6
			Restaurants	10.8	1.3	1.6	0.9	0.6	0.5	1.0
			Telephone	3.8	-0.4	-0.7	-3.6	-3.3	-2.5	-1.0
			Transports	5.9	2.2	2.7	2.7	2.2	1.9	2.5
			Package holidays	1.4	-4.6	3.3	5.7	4.1	3.8	3.2
			University	0.5	3.3	3.4	9.7	19.0	5.2	3.0
			Housing	5.8	1.7	1.6	1.2	1.0	0.9	1.3
			Rest	3.3	1.6	2.0	3.1	4.3	1.0	1.0
				39.7	1.3	1.8	1.5	1.6	1.0	1.4
			81.4	0.6	1.7	1.6	1.6	1.0	1.3	
	Residual Inflation	Non processed foods	Meat	2.4	-1.9	2.5	1.8	1.2	2.0	3.1
			Fruits	1.2	-1.2	1.0	4.6	9.4	-5.3	1.7
			Eggs	0.2	-1.1	-1.1	15.3	2.0	-0.6	-0.2
			Vegetables	0.8	1.3	-0.4	0.6	0.1	0.5	1.3
			Mollusc	0.5	3.2	5.1	0.5	0.9	3.3	3.7
			Potatoes	0.3	7.6	1.6	-3.5	21.9	7.9	3.4
			Fish	1.1	1.3	2.7	0.9	0.3	-0.3	-0.1
				6.4	0.0	1.8	2.3	3.4	0.2	2.0
		Energy	Fuels	6.9	16.9	15.6	8.1	0.2	1.1	0.4
			Heat energy	0.5	24.7	27.3	11.2	-2.4	-2.2	-2.1
			Electricity and gas	4.8	4.2	14.3	9.6	-0.1	7.7	2.5
				12.2	12.5	15.7	8.9	0.1	3.4	1.1
				18.6	7.6	10.4	6.5	1.3	2.2	1.5
				100.0	1.8	3.2	2.4	1.5	1.3	1.3

* The figures in the shaded area are forecasts

Source: INE & BIAM(UC3M)

Date: October 27, 2013



Table IV.2.4

CONSUMER PRICE INDEX AND COMPONENTS IN SPAIN													
Annual rates of growth													
		Consumer Prices Index											
		Core					Residual					TOTAL 100%	Confidence intervals at 80% *
		Processed food excluding tobacco	Tobacco	Non energy industrial goods	Services	TOTAL	Confidence intervals at 80% *	Non processed food	Energy	TOTAL			
Weights 2013		12,6%	2,0%	27,0%	39,7%	81,4%		6,4%	12,2%	18,6%			
AVERAGE ANNUAL RATES	2005	3,0	6,6	0,9	3,8	2,7		3,3	9,6	6,5	3,4		
	2006	3,9	1,5	1,4	3,9	2,9		4,4	8,0	6,3	3,5		
	2007	3,0	8,8	0,7	3,9	2,7		4,7	1,7	3,2	2,8		
	2008	6,9	3,5	0,3	3,9	3,2		4,0	11,9	8,5	4,1		
	2009	-0,7	11,7	-1,3	2,4	0,8		-1,3	-9,0	-5,4	-0,3		
	2010	-1,2	15,0	-0,5	1,3	0,6		0,0	12,5	7,6	1,8		
	2011	2,1	13,3	0,6	1,8	1,7		1,8	15,7	10,4	3,2		
	2012	2,4	7,2	0,8	1,5	1,6		2,3	8,9	6,5	2,4		
	2013	2,5	7,5	0,6	1,6	1,6	± 0,07	3,4	0,1	1,3	1,5	± 0,08	
	2014	1,6	9,1	0,2	1,0	1,0	± 0,79	0,2	3,4	2,2	1,3	± 1,35	
2015	1,6	9,4	0,5	1,4	1,3	± 0,94	2,0	1,1	1,5	1,3	± 1,46		
Year-on-year rates	2013	January	2,6	9,7	1,3	2,2	2,2		4,3	5,3	4,9	2,7	
		February	2,6	9,9	1,4	2,2	2,3		3,1	5,9	5,0	2,8	
		March	2,6	9,9	1,4	2,4	2,3		2,5	3,2	3,0	2,4	
		April	2,6	5,8	1,5	1,7	1,9		2,7	-2,5	-0,7	1,4	
		May	2,6	4,5	1,5	2,0	2,0		4,9	-1,8	0,5	1,7	
		June	2,8	4,5	1,5	1,9	2,0		5,3	1,0	2,5	2,1	
		July	2,7	7,1	0,2	1,9	1,7		7,4	-0,4	2,3	1,8	
		August	2,7	7,1	0,4	1,7	1,6		7,6	-2,2	1,1	1,5	
		September	2,3	7,0	-0,8	1,0	0,8		2,8	-3,7	-1,5	0,3	
		October	1,9	7,1	-0,6	0,6	0,6	± 0,19	1,9	-2,7	-1,0	0,3	± 0,18
		November	1,7	7,6	-0,1	0,7	0,7	± 0,29	0,6	-0,4	0,0	0,6	± 0,36
		December	1,6	9,6	-0,2	0,7	0,8	± 0,38	0,3	-0,1	0,1	0,6	± 0,55
	2014	January	1,5	8,0	-0,1	0,9	0,8	± 0,47	0,4	1,3	1,0	0,9	± 0,77
		February	1,5	8,3	-0,2	0,9	0,8	± 0,55	1,0	-0,2	0,3	0,7	± 0,94
		March	1,5	8,3	-0,1	0,6	0,7	± 0,62	1,9	1,0	1,3	0,8	± 1,06
		April	1,6	9,3	0,0	1,2	1,1	± 0,69	1,6	4,6	3,5	1,5	± 1,18
		May	1,6	9,5	0,0	0,9	0,9	± 0,76	-0,1	5,8	3,6	1,4	± 1,30
		June	1,6	9,6	-0,1	0,9	0,9	± 0,82	-0,9	5,3	3,0	1,3	± 1,41
		July	1,6	8,4	0,0	1,0	0,9	± 0,89	-2,4	4,8	2,1	1,2	± 1,49
		August	1,6	8,2	0,1	1,0	1,0	± 0,94	-3,2	3,7	1,1	1,0	± 1,56
		September	1,6	9,6	0,7	1,1	1,2	± 0,99	-0,5	3,0	1,7	1,3	± 1,63
		October	1,6	9,9	0,7	1,1	1,2	± 1,03	0,8	3,9	2,7	1,5	± 1,70
		November	1,6	9,8	0,8	1,1	1,3	± 1,05	2,1	3,9	3,2	1,7	± 1,72
		December	1,6	10,4	0,8	1,1	1,3	± 1,08	2,3	3,6	3,1	1,7	± 1,74
	2015	January	1,7	10,5	0,7	1,3	1,4	± 1,09	2,2	2,3	2,3	1,5	± 1,74
		February	1,7	10,1	0,7	1,3	1,4	± 1,10	1,9	2,2	2,1	1,5	± 1,74
		March	1,7	10,1	0,7	1,4	1,4	± 1,11	1,8	2,2	2,0	1,5	± 1,74
		April	1,6	10,3	0,7	1,3	1,4	± 1,12	2,2	1,9	2,0	1,5	± 1,74
		May	1,6	10,4	0,7	1,4	1,4	± 1,14	2,7	1,8	2,1	1,6	± 1,74
		June	1,6	8,6	0,7	1,4	1,4	± 1,14	2,2	1,7	1,9	1,5	± 1,74
		July	1,6	8,9	0,7	1,4	1,4	± 1,14	2,1	0,7	1,2	1,3	± 1,74
		August	1,6	8,9	0,5	1,4	1,3	± 1,14	1,8	0,7	1,1	1,3	± 1,74
		September	1,6	9,2	0,0	1,4	1,2	± 1,14	1,8	0,6	1,0	1,1	± 1,74
		October	1,5	9,3	0,1	1,4	1,2	± 1,14	1,9	0,0	0,7	1,1	± 1,74
		November	1,5	9,3	0,0	1,4	1,2	± 1,14	1,9	-0,2	0,6	1,0	± 1,74
		December	1,5	7,8	0,0	1,4	1,1	± 1,14	1,8	-0,2	0,5	1,0	± 1,74

* Confidence intervals calculated with historical errors

*The figures in the shaded area are Forecasts

Source: INE & BIAM(UC3M)

Date: October 27, 2013



Table IV.2.5

CONSUMER PRICE INDEX AND COMPONENTS IN SPAIN											
Monthly rates of growth											
			Consumer Prices Index								
			Core				TOTAL	Residual		TOTAL	TOTAL 100%
			Processed food excluding tobacco	Tobacco	Non energy industrial goods	Services		Non processed food	Energy		
Weights 2013			12.6%	2.0%	27.0%	39.7%	81.4%	6.4%	12.2%	18.6%	
MONTHLY RATES (Growth of the month over the previous month)	January	2012	0.3	0.0	-4.7	-0.3	-1.7	0.2	2.3	1.6	-1.1
		2013	0.2	3.5	-4.9	-0.3	-1.6	0.7	0.1	0.3	-1.3
		2014	0.2	2.0	-4.8	-0.2	-1.6	0.7	1.5	1.2	-1.1
		2015	0.2	2.1	-4.8	0.0	-1.5	0.6	0.3	0.4	-1.2
	February	2012	0.2	0.2	-0.4	0.1	0.0	0.0	1.1	0.7	0.1
		2013	0.2	0.4	-0.3	0.2	0.0	-1.1	1.7	0.7	0.2
		2014	0.2	0.7	-0.4	0.2	0.0	-0.4	0.3	0.0	0.0
		2015	0.2	0.3	-0.4	0.3	0.0	-0.7	0.2	-0.1	0.0
	March	2012	0.1	0.0	1.2	0.2	0.5	0.1	2.1	1.4	0.7
		2013	0.1	0.0	1.1	0.4	0.6	-0.5	-0.6	-0.6	0.4
		2014	0.2	0.0	1.2	0.1	0.5	0.4	0.5	0.5	0.5
		2015	0.1	0.0	1.2	0.2	0.5	0.3	0.5	0.4	0.5
	April	2012	0.1	3.9	2.7	0.5	1.2	0.6	2.9	2.1	1.4
		2013	0.1	0.0	2.9	-0.3	0.8	0.7	-2.7	-1.5	0.4
		2014	0.2	0.9	2.9	0.3	1.2	0.3	0.7	0.6	1.1
		2015	0.1	1.2	2.9	0.3	1.1	0.7	0.4	0.5	1.0
	May	2012	0.1	1.4	0.7	-0.3	0.2	-0.6	-1.9	-1.5	-0.1
		2013	0.1	0.3	0.7	0.0	0.3	1.6	-1.2	-0.2	0.2
		2014	0.1	0.4	0.7	-0.3	0.1	-0.2	0.0	-0.1	0.1
		2015	0.1	0.5	0.7	-0.2	0.2	0.3	-0.1	0.1	0.1
	June	2012	-0.1	0.0	-0.3	0.3	0.0	1.2	-2.4	-1.1	-0.2
		2013	0.1	0.0	-0.3	0.2	0.0	1.6	0.4	0.8	0.1
		2014	0.1	0.1	-0.3	0.2	0.0	0.6	-0.1	0.2	0.0
		2015	0.0	-1.6	-0.4	0.2	0.0	0.1	-0.1	0.0	0.0
	July	2012	0.0	0.2	-2.9	0.5	-0.7	-0.4	3.2	1.9	-0.2
		2013	-0.1	2.7	-4.1	0.5	-1.0	1.6	1.8	1.7	-0.5
		2014	0.0	1.6	-4.0	0.6	-1.0	0.0	1.3	0.8	-0.6
		2015	0.0	1.8	-4.1	0.6	-1.0	-0.2	0.3	0.1	-0.8
	August	2012	0.2	0.2	-0.5	0.6	0.2	0.9	3.0	2.3	0.6
		2013	0.1	0.3	-0.4	0.4	0.1	1.0	1.2	1.1	0.3
		2014	0.1	0.1	-0.2	0.4	0.2	0.1	0.1	0.1	0.1
		2015	0.1	0.1	-0.4	0.4	0.1	-0.2	0.1	0.0	0.1
	September	2012	0.6	0.1	2.4	0.0	0.9	0.4	2.1	1.5	1.0
		2013	0.2	0.0	1.2	-0.8	0.0	-4.0	0.5	-1.1	-0.2
		2014	0.2	1.2	1.8	-0.7	0.3	-1.0	-0.2	-0.5	0.1
		2015	0.2	1.5	1.3	-0.7	0.1	-0.9	-0.3	-0.5	0.0
	October	2012	0.6	-0.2	3.0	0.6	1.3	-0.2	-1.8	-1.3	0.9
		2013	0.1	0.0	3.1	0.3	1.2	-0.9	-0.7	-0.8	0.8
		2014	0.1	0.3	3.1	0.3	1.2	0.3	0.1	0.2	1.0
		2015	0.1	0.4	3.2	0.3	1.2	0.5	-0.5	-0.1	0.9
	November	2012	0.4	-0.4	1.0	-0.4	0.2	0.6	-2.8	-1.6	-0.1
		2013	0.3	0.0	1.5	-0.4	0.4	-0.8	-0.5	-0.6	0.2
		2014	0.3	-0.1	1.6	-0.3	0.4	0.5	-0.5	-0.1	0.3
		2015	0.3	-0.1	1.5	-0.3	0.4	0.6	-0.7	-0.2	0.3
	December	2012	0.2	0.3	-0.5	0.4	0.0	1.1	-0.3	0.2	0.1
		2013	0.1	2.1	-0.5	0.4	0.1	0.6	0.0	0.3	0.1
		2014	0.1	2.7	-0.5	0.4	0.1	0.9	-0.3	0.1	0.1
		2015	0.1	1.3	-0.5	0.4	0.1	0.7	-0.3	0.1	0.1

* The figures in the shaded area are Forecasts

Source: INE & BIAM(UC3M)

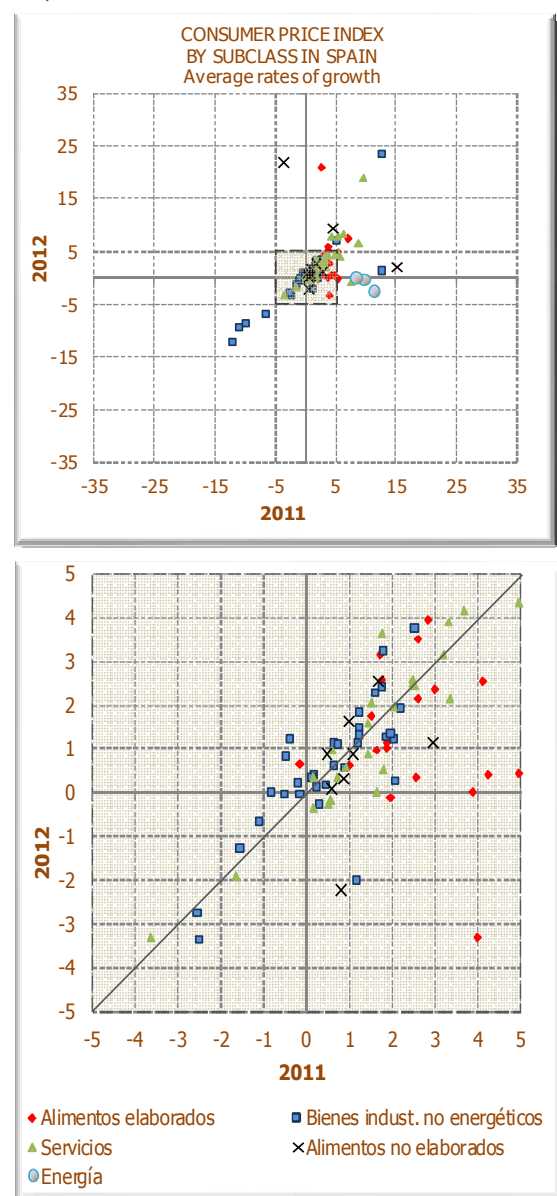
Date: October 27, 2013



INFLATION FORECASTING BY SUBCLASS IN SPAIN

The tables and graphs show the observed values for 2010, 2011 and 2012 and Forecasts for 2013 and 2014, according to the five special groups.

Graph IV.2.5



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

Source: INE & BIAM(UC3M)

Date: October 27, 2013

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

Table IV.2.6

CONSUMER PRICE INDEX BY SUBCLASS IN SPAIN									
Annual average rates of growth									
	Weights 2013	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	0.0	1.6	0.7
Flours and cereals	1.6	8.7	0.5	-3.4	3.4	1.9	1.0	1.5	1.9
Bread	15.2	8.9	0.0	-0.3	0.7	1.0	0.6	0.4	0.6
Pastry goods, cakes, mixes and doughs for bakery products	9.6	7.5	1.6	-0.1	3.0	3.0	2.4	2.0	2.5
Farinaceous-based products	1.2	18.5	-5.8	-1.6	4.6	2.6	0.4	0.2	1.3
Delicatessen type meat products	16.6	3.3	0.4	0.0	1.0	1.8	2.6	2.3	2.4
Processed meat products	3.2	4.8	2.3	-0.8	1.3	4.1	2.5	1.8	2.2
Preserved and processed fish	6.8	5.3	0.7	0.0	4.2	3.8	5.2	3.3	3.4
Milk	8.9	15.6	-8.3	-5.2	-0.3	1.7	3.2	2.7	1.0
Other dairy products	7.6	7.6	-2.2	-3.3	5.6	4.0	-3.3	-3.5	-3.2
Cheeses	6.8	10.0	-0.4	-0.2	0.9	2.0	-0.1	1.6	2.2
Preserved fruits, nuts and dried fruits	2.7	2.1	0.4	-1.4	0.9	2.8	3.9	3.4	1.8
Dried pulses and vegetables	0.8	10.8	-1.0	-0.8	4.9	5.5	5.0	0.3	0.6
Frozen and preserved pulses and vegetables	3.4	7.8	0.7	-1.0	1.6	2.6	3.5	2.6	1.0
Sugar	1.2	0.3	-6.9	-9.0	19.4	4.9	0.5	-0.8	0.4
Chocolates and confectionery	5.2	5.3	0.5	-0.1	1.8	1.6	1.0	2.4	2.8
Other food products	3.5	8.7	4.2	0.2	2.4	2.6	2.2	3.9	4.1
Coffee, cocoa and infusions	3.4	7.1	1.3	-0.1	10.1	5.5	-0.1	1.9	2.5
Mineral water, soft drinks, fruit and vegetable juices	7.7	4.0	3.0	-2.3	0.6	1.5	1.8	1.9	2.3
Spirits and liqueurs	1.4	4.5	1.9	1.7	1.6	-0.2	0.7	2.8	2.4
Wines	3.3	4.7	0.1	-0.8	0.5	3.8	5.7	2.1	2.0
Beer	3.0	5.5	4.3	0.7	2.2	1.9	1.1	2.2	2.9
Tobacco	20.5	3.5	11.7	15.0	13.3	7.2	7.5	9.1	9.4
Butter and margarine	0.6	16.2	0.7	-1.6	7.3	4.2	0.4	1.9	1.1
Oils	4.9	1.1	-12.4	-2.8	-0.3	2.7	3.8	0.4	-0.2
PF INFLATION IN SPAIN	6.5	0.9	1.0	3.8	3.1	3.2	2.7	2.7	2.7
Standard deviation (σ)*	0.03	0.03	0.03	0.03	0.03	0.03	0.1	1.6	1.9
TOTAL INFLATION IN SPAIN	4.1	-0.3	1.8	3.2	2.4	2.4	1.5	1.3	1.3

* For observed rates (2007-2012) 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 2013	2008	2009	2010	2011	2012	2013	2014	2015
NON-ENERGY INDUSTRIAL GOODS (NEIG)									
Men's outerwear	20.4	0.1	-2.0	-0.5	0.5	0.9	0.6	-2.9	0.4
Men's underwear	1.4	1.2	0.0	0.9	1.3	2.0	1.2	-1.8	1.0
Women's outerwear	26.9	0.5	-2.3	-1.5	-0.2	-0.5	0.8	-3.3	-0.9
Women's underwear	2.4	1.4	0.0	0.9	1.7	1.2	1.5	-2.3	0.4
Children's and infants' garments	9.7	0.6	-1.4	-0.2	0.1	-0.4	1.2	-2.7	0.1
Men's footwear	6.3	1.3	0.0	0.1	0.5	0.5	0.2	0.1	0.1
Women's footwear	8.3	1.6	-0.7	1.0	0.8	0.6	0.6	0.6	0.6
Children's and infants' footwear	3.2	1.3	-0.5	0.1	0.5	0.3	0.2	0.3	0.4
Motor vehicles	40.3	-0.5	-4.1	-1.2	3.0	1.2	-2.0	2.3	3.2
Other vehicles	2.0	-2.4	1.0	0.0	1.2	1.2	1.2	1.6	2.3
Spare parts and maintenance accessories	1.5	4.6	-0.7	1.3	2.5	2.1	0.3	1.5	3.9
Materials for the maintenance and repair of the dwelling	2.6	5.1	3.0	1.4	2.4	1.6	2.3	1.4	1.9
Water supply	10.0	4.9	5.7	2.1	2.6	5.1	7.1	2.5	2.8
Furniture	13.2	3.9	1.1	1.1	1.8	0.6	1.1	0.8	1.0
Other equipments	2.3	2.7	0.5	0.4	2.2	0.7	1.1	1.4	2.0
Household textiles	5.9	2.2	0.5	0.2	2.0	-0.5	0.0	-0.2	-0.2
Refrigerators, washing machines and dishwashers	4.0	-1.9	-1.0	-1.8	-2.2	-1.6	-1.2	-2.4	-1.7
Cookers and ovens	1.3	-0.8	0.1	-1.6	-1.4	-1.1	-0.7	-1.8	-1.0
Heating and air conditioning	2.2	-0.5	0.8	0.7	-1.0	-0.2	0.2	-0.8	0.0
Other household appliances	1.3	-0.2	0.5	0.5	-1.3	0.2	0.4	-1.4	-1.1
Glassware, crockery and cutlery	0.9	3.1	2.6	1.9	3.4	1.7	2.4	1.6	1.6
Other kitchen utensils and furnishing	1.1	3.7	2.6	2.2	2.2	1.2	1.9	1.4	1.7
Tools and accessories for house and garden	2.4	3.0	1.9	2.3	2.8	1.2	1.3	1.3	1.6
Cleaning household articles	12.7	1.7	1.9	-0.8	0.0	1.8	1.3	0.5	0.9
Other non-durable household articles	3.8	2.7	1.4	1.1	2.9	2.0	1.4	1.4	1.4
Medicines and other pharmaceutical products	9.3	-6.5	-6.3	-5.3	-6.0	12.5	23.4	1.2	-0.4
Therapeutic appliances and equipment	6.4	3.6	1.0	0.0	-0.7	-2.5	-3.4	0.3	0.7
Equip. for the reception, recording and reproduction of sound and pictures	5.1	-12.7	-13.7	-8.6	-10.9	-11.0	-9.4	-10.0	-11.5
Photographic and cinematographic equipments	1.0	-18.0	-18.5	-14.0	-14.5	-12.2	-12.1	-18.9	-28.1
Information processing equipments	3.7	-21.5	-13.3	-6.1	-11.5	-10.1	-8.4	-14.4	-15.7
Recording media	1.9	-0.9	-0.4	-0.1	-1.3	-6.6	-7.0	-0.6	-0.1
Games and toys	6.0	-0.4	-1.8	-2.5	-3.0	-2.6	-2.8	-2.4	-1.9
Other recreational and sporting articles	0.9	1.1	-0.6	-0.1	-0.2	-0.8	0.0	0.1	0.0
Gardens, plants, flowers and pets	6.0	5.3	2.8	2.1	2.1	2.5	3.8	1.8	2.1
Books	7.1	2.0	2.2	1.2	3.0	0.1	0.4	-1.0	0.3
Newspapers and magazines	6.8	2.2	3.6	2.6	2.5	2.2	1.9	1.9	1.9
Stationery materials	2.5	3.7	3.2	1.7	2.7	1.8	3.3	2.4	2.5
Personal care articles	18.5	2.2	0.8	0.0	1.0	0.3	-0.2	-0.1	0.2
Jewellery, costume jewellery, clocks and watches	3.3	11.1	7.5	12.5	15.2	12.7	1.5	-0.2	3.4
Other articles for personal use	2.9	1.1	-0.6	0.4	0.3	-0.2	0.0	0.7	0.7
NEIG INFLATION IN SPAIN	0.3	-1.3	-0.5	0.6	0.8	0.8	0.6	0.2	0.5
Standard deviation (σ)*	0.02	0.02	0.02	0.02	0.02	0.02	0.1	0.7	0.9
TOTAL INFLATION IN SPAIN	4.1	-0.3	1.8	3.2	2.4	2.4	1.5	1.3	1.3

* For observed rates (2007-2012) 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.2.7

CONSUMER PRICE INDEX BY SUBCLASS IN SPAIN									
Annual average rates of growth									
	Weights 2013	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	2.5	2.8	4.0
Other services related to vehicles	3.3	3.3	1.3	-0.4	0.5	1.5	2.1	0.9	1.6
Railway transport	2.0	3.7	5.5	4.9	3.3	7.6	-0.8	-10.3	-16.0
Road transport	6.7	4.2	5.3	1.7	2.8	5.5	4.8	3.9	5.0
Air transport	3.5	13.7	3.0	0.6	5.4	4.4	7.8	5.3	7.0
Other transport services	2.8	7.3	7.0	5.5	2.5	8.6	6.5	4.0	4.7
Insurances connected with transport	19.0	2.0	1.3	1.8	2.8	0.5	-0.2	0.7	0.8
Restaurants, bars, coffee bars, canteens	103.4	4.7	2.2	1.3	1.6	0.9	0.6	0.5	1.0
Hotels and other lodgings	7.6	4.2	-1.4	0.2	1.3	0.1	-0.3	1.0	1.0
Package holidays	14.2	4.5	0.2	-4.6	3.3	5.7	4.1	3.8	3.2
Higher education	5.6	5.2	5.3	3.3	3.4	9.7	19.0	5.2	3.0
Postal services	0.2	2.8	2.8	4.5	3.6	3.2	3.2	2.0	2.0
Telephone services	37.4	0.6	0.1	-0.4	-0.7	-3.6	-3.3	-2.5	-1.0
Rentals for housing	26.9	4.2	3.1	1.1	1.0	0.5	-0.2	-0.2	0.0
Services for the maintenance and repair of the dwelling	9.8	5.1	1.4	0.4	0.9	0.2	0.4	0.0	0.5
Sewerage collection	22.0	3.4	3.8	3.0	2.7	2.5	2.6	2.7	3.2
Out-of-hospital medical and paramedical services	4.8	4.9	2.2	1.4	1.5	0.7	0.4	1.3	1.4
Dental services	10.0	3.2	2.4	1.3	0.9	0.6	1.0	0.2	0.1
Hospital services	1.2	3.4	0.9	-0.8	0.1	-1.6	-1.9	-2.2	-2.0
Medical insurances	9.6	4.7	6.9	5.6	5.1	3.7	4.2	5.0	5.3
Recreational and sporting services	8.3	1.7	2.1	1.1	1.5	1.8	0.5	1.4	1.8
Cultural services	10.3	3.6	3.1	1.6	1.3	5.3	7.7	2.3	1.6
Education	9.0	3.4	2.5	2.1	1.9	2.0	2.0	1.4	1.5
Repair of footwear	0.2	6.2	4.2	3.5	3.9	2.5	2.5	3.0	3.8
Domestic service and other household services	13.1	4.8	3.0	1.9	1.7	1.4	1.6	1.5	1.9
Insurances connected with the dwelling	7.4	3.5	4.4	3.6	4.2	3.3	2.2	3.4	3.7
Personal care services	16.2	4.0	1.4	1.4	1.7	1.7	3.6	-0.1	0.0
Social services	3.9	4.6	4.0	2.5	2.0	1.4	0.9	2.0	1.9
Other insurances	6.4	3.9	4.5	2.6	3.4	5.0	4.4	2.8	2.8
Financial services	0.5	4.7	3.6	5.1	4.3	1.6	0.0	0.4	0.5
Other services	6.0	2.2	2.2	0.6	1.3	6.2	8.4	1.3	1.3
Repair of household appliances	1.0	4.3	4.2	2.9	3.7	3.3	3.9	2.4	2.7
SER INFLATION IN SPAIN	3.9	2.4	1.3	1.8	1.5	1.6	1.0	1.4	1.4
Standard deviation (σ)*	0.01	0.01	0.01	0.01	0.01	0.01	0.1	0.6	0.8
TOTAL INFLATION IN SPAIN	4.1	-0.3	1.8	3.2	2.4	1.5	1.3	1.3	1.3

* For observed rates (2007-2012) 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

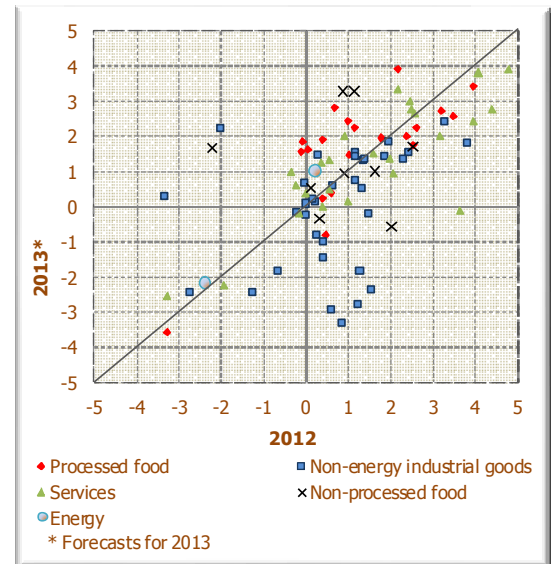
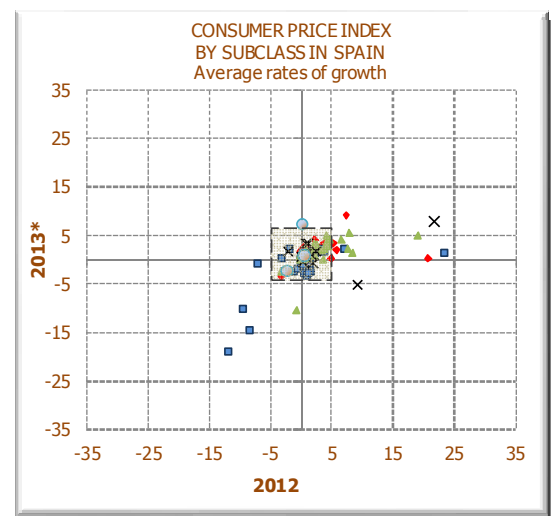
CONSUMER PRICE INDEX BY SUBCLASS IN SPAIN									
Annual average rates of growth									
	Weights 2013	2008	2009	2010	2011	2012	2013	2014	2015
NON-PROCESSED FOOD (NPF)									
Beef	8.3	4.0	1.7	0.5	1.6	3.0	1.2	3.3	4.6
Pork	5.8	1.6	-3.8	-2.1	2.3	1.7	2.5	1.7	2.7
Sheep meat	2.7	5.3	1.9	-3.1	1.6	0.8	-2.2	1.7	2.7
Poultry	7.7	4.3	-1.9	-4.0	4.3	1.0	1.6	1.0	1.7
Other meats, viscera and other non-meat edibles	1.4	7.0	-1.5	-2.6	1.0	1.1	0.9	1.0	3.9
Fresh fish	11.7	1.2	-4.6	1.3	2.7	0.9	0.3	-0.3	-0.1
Crustaceans and molluscs	5.5	-0.2	-2.2	3.2	5.1	0.5	0.9	3.3	3.7
Eggs	1.9	10.7	1.2	-1.1	-1.1	15.3	2.0	-0.6	-0.2
Fresh fruits	13.1	9.4	0.3	-1.2	1.0	4.6	9.4	-5.3	1.7
Fresh pulses and vegetables	9.0	2.4	2.1	1.3	-0.4	0.6	0.1	0.5	1.3
Potatoes and processed potato products	2.9	-1.7	-7.0	7.6	1.6	-3.5	21.9	7.9	3.4
NPF INFLATION IN SPAIN	4.0	-1.3	0.0	1.8	2.3	3.4	0.2	2.0	2.0
Standard deviation (σ)*	0.05	0.05	0.05	0.05	0.05	0.05	0.2	2.0	2.1
TOTAL INFLATION IN SPAIN	4.1	-0.3	1.8	3.2	2.4	1.5	1.3	1.3	1.3

* For observed rates (2007-2012) 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 2013	2008	2009	2010	2011	2012	2013	2014	2015
ENERGY (ENE)									
Electricity and gas	33.3	8.7	2.1	4.2	14.3	9.6	-0.1	7.7	2.5
Other fuels	14.4	23.5	-32.7	24.7	27.3	11.2	-2.4	-2.2	-2.1
Fuels and lubricants	5.4	13.0	-15.2	16.9	15.6	8.1	0.2	1.1	0.4
ENE INFLATION IN SPAIN	11.9	-9.0	12.5	15.7	8.9	0.1	3.4	1.1	1.1
Standard deviation (σ)*	0.08	0.08	0.08	0.08	0.08	0.08	0.5	7.4	8.3
TOTAL INFLATION IN SPAIN	4.1	-0.3	1.8	3.2	2.4	1.5	1.3	1.3	1.3

* For observed rates (2007-2012) 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.2.6



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

Source: INE & BIAM(UC3M)

Date: October 27, 2013



IV.3. THE EVOLUTION OF THE PUBLIC ACCOUNTS IN THE LAST FEW YEARS

The current economic and financial crisis in Spain is increasing the unemployment rate, generating considerable disequilibria in the public accounts and correcting our traditional foreign trade deficit. In 2007 the current account deficit was 10% of the GDP. This has rapidly corrected itself since the onset of the crisis. The labour market problem, however, with a 26.5% unemployment rate forecast for 2013), and the public account problem are much more difficult to correct.

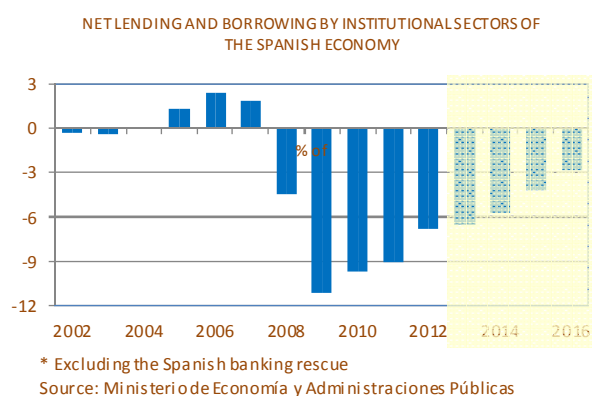
IV.3.1. Introduction

The decline in the public accounts of the Spanish economy in the first few years of the crisis was huge, with the 1.9% GDP surplus in 2007 becoming a 4.5% deficit in 2008 and 11.2% in 2009. From then on the deficit started to fall, reaching 6.8% in 2012. The target for 2013 is 6.5%. These deficits do not include the aid received by the banking system.

While these high public deficit figures have been in place, public debt relative to the GDP started to rise at the onset of the crisis, and by 2012 it was 85.9%; it is expected to rise to 94.2% by the end of 2013. Note that the public debt/GDP ratio the year before the crisis was 34%, one of the lowest in the euro area.

The proposed state budget for 2014 establishes a public deficit target of 5.8% of the GDP for 2014, 4.2% for 2015 and 2.8% for 2016 (see graph IV.3.1.1). This was established by the

Graph IV.3.1.1



Source: Ministerio de Hacienda y Administraciones Públicas
Date: November 4, 2013

ECOFIN on June 21st. Last year the deficit of the autonomous regions was 6.8%, representing a reduction of 2.3 points.

IV.3.2. Public income and expenditure in 2013

Information about the budgetary performance of public income and expenditure for this year is available for the first eight months in National Accounts terms and in cash terms for the first nine. Note that public income and spending information is not available for all administrations.

In national accounts terms, the State's non-financial income in 2012 totalled 122,678 million euros, with non-financial expenditure reaching 166,411 million, so that year's deficit was 43,733 million euros, 4.3% of the GDP. In the first eight months of 2013, the difference between public income and expenditure was -47,579 million euros, 2.2% less than in the same period of the previous year. This deficit represents 4.6% of the GDP, slightly less than in the same period of 2012 (4.7%).

Non-financial spending increased by 6.4% in the first eight months of 2013, largely due to current transfers and interest. Non-financial income increased by 13.3%, representing 68,841 million. Public income and spending in the first eight months of 2013, in national accounts terms, represents a deficit of 45,579 million euros, 2.2% less than the deficit accumulated in the same period of 2012, and 4.7% of the GDP.

If public income and expenditure is considered in cash terms (see table IV.3.2.1), the State registered a deficit of 41,760 million up to September 2013, a 20.3% increase. The target for 2013 of reducing it by 0.3 pp to 6.5% is a very modest reduction. Nonetheless, the likelihood of reaching this target is not high at this time.



Table IV.3.2.1

IMPLEMENTATION OF GENERAL STATE BUDGETS						
Cumulative quantities in million € and annual rates						
	2012 Settlement	2013 Budget	%	Settlement JANUARY - SEPTEMBER		
				2012	2013	%
1. NON- FINANCIAL INCOME	123.344	127.025	3,0	80.085	79.174	-1,1
Taxes	75.643	106.916	41,3	40.063	64.115	60,0
Direct taxes	52.053	66.181	27,1	28.278	37.774	33,6
Personal income taxes	26.532	42.251	59,2	16.341	27.692	69,5
Corporate	21.435	19.012	-11,3	9.583	7.352	-23,3
Other	4.086	4.918	20,4	2.354	2.730	16,0
Indirect taxes	23.590	40.734	72,7	11.786	26.341	123,5
VAT	16.384	28.272	72,6	7.328	18.459	151,9
Excise taxes	4.285	9.578	123,5	2.251	5.844	159,6
Other	2.921	2.884	-1,3	2.207	2.038	-7,6
Other income	47.701	20.109	-57,8	40.022	15.059	-62,4
2. NON-FINANCIAL PAYMENTS	152.357	165.087	8,4	114.738	120.934	5,4
Personnel	26.851	27.672	3,1	19.749	19.833	0,4
Purchases	3.528	2.857	-19,0	1.961	1.915	-2,3
Interests	26.055	38.615	48,2	20.734	22.479	8,4
Current transfers	84.244	81.751	-3,0	66.287	69.968	5,6
Contingency fund	-	2.595	-	0	0	0,0
Real investment	6.762	3.903	-42,3	3.178	3.046	-4,2
Capital transfers	4.917	7.695	56,5	2.829	3.692	30,5
3. CASH BALANCE (1-2)	-29.013	-38.063	31,2	-34.653	-41.760	20,5
Memorandum item (National accounts)						
Non financial resources	122.678			60.746	68.841	13,3
Non financial employment (PDE)	166.411			109.384	116.420	6,4
NET LENDING (+)	0					
OR NET BORROWING (-)	-43.733			-48.638	-47.579	-2,2
% of GDP	-4,25			-4,73	-4,62	

Source: Ministerio de Hacienda y Administraciones Públicas
Date: November 4, 2013



IV.3.3. Evolution of Spanish public debt

Spanish public debt is expected to end 2013 at 94.2% of the GDP, after registering 85.9% in 2012. For 2014, it could be 99.8%. Before the crisis, public debt was tending to decrease (see table IV.3.3.1 and graph IV.3.3.1). The falling evolution of Spanish public debt relative to the GDP led to a 36.1% ratio in 2007, around 30 points less than the euro area overall.

However, since the onset of the crisis, Spanish public debt has grown much more than that of the euro area (see graph IV.3.3.1). In 2012 the ratio was 85% and the expected figure for 2013 is 94.2%, similar to that of the euro area. However, when compared with other

peripheral countries, our public debt is considerably lower (see table I.3.3.1).

With the onset of the crisis, public income fell significantly as a result of the effect of automatic stabilisers, taking the public deficit in 2009 to 11.2% of the GDP. The steps taken in 2010 reduced it to 9.7%, followed by 9.1% in 2011, 6.8% in 2012 and a commitment to reduce it even further, to 6.5% in 2013, 5.8% in 2014 and 3% in 2016.

The public debt forecasts for 2014 show 99.8% of the GDP, and it could well remain at around 100% until 2016, providing that the public deficit indeed remains at 3% or lower in that year. This possibility is supported by a heavy cut in the risk premium, which is now at around 250 base points, 100 less than a couple of months ago, which reduces the cost of financing public debt.

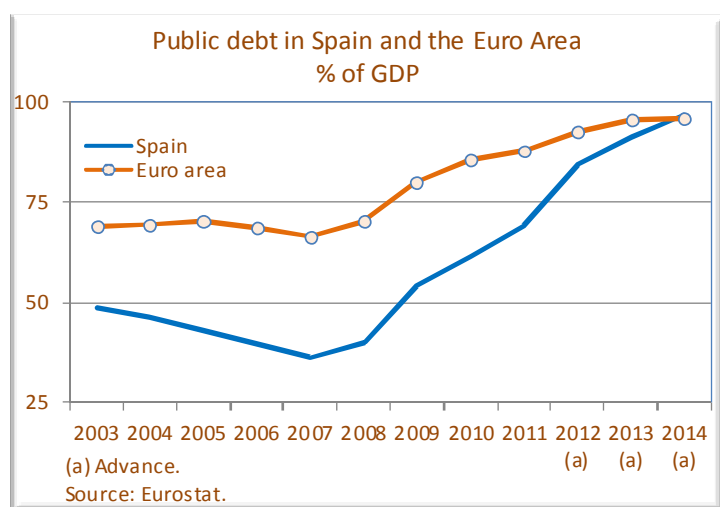
Table IV.3.3.1

Net external liabilities (% of GDP)						
	2007	2008	2009	2010	2011	2012
Germany	-4,1	-1,6	-7,8	-5,9	-2,9	-9,4
Ireland	-212,0	-159,6	-212,2	-294,4	-329,3	-396,7
Greece	69,3	76,3	88,2	102,9	98,3	121,5
Spain	68,5	76,2	88,3	92,0	93,5	90,3
France	10,8	19,1	21,3	29,7	29,2	35,0
Italy	41,4	40,6	45,2	51,8	49,4	55,5
Portugal	64,0	75,2	84,8	83,2	85,9	102,3
United Kingdom	43,3	37,3	45,7	45,6	44,1	31,7

Source: Eurostat.

Date: November 4, 2013

Graph IV.3.3.1



Date: November 4, 2013



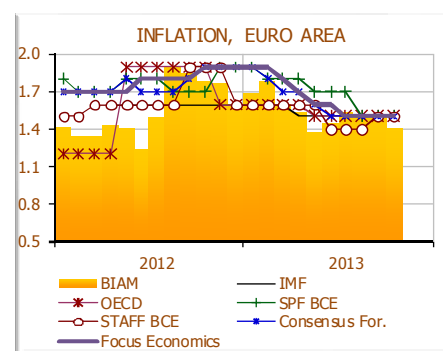
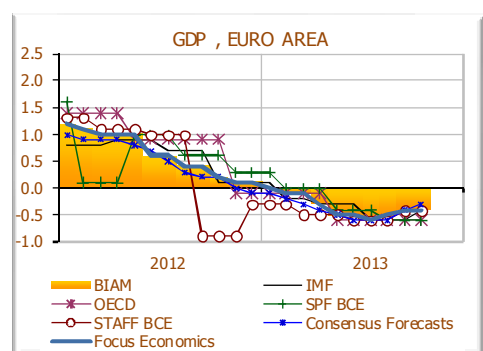
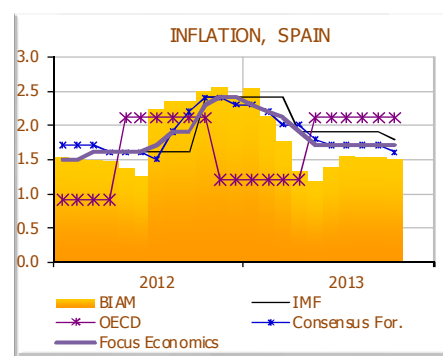
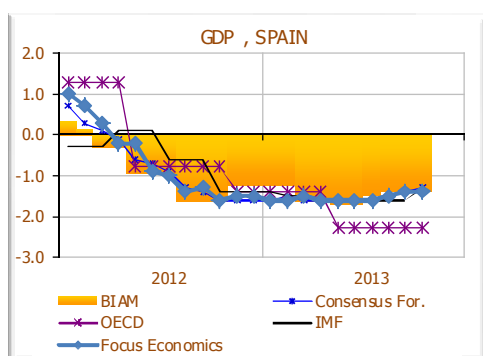
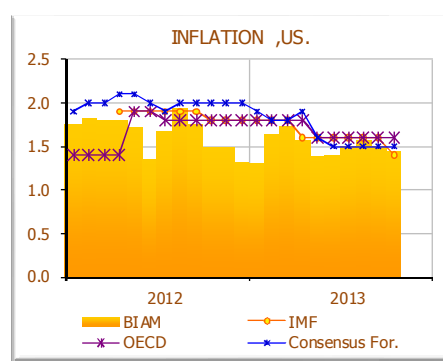
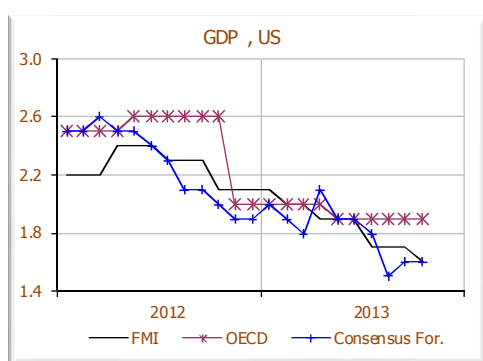
V. FORECASTS OF DIFFERENT INSTITUTIONS

		FORECASTS FOR DIFFERENT INSTITUTIONS															
		UNITED STATES				SPAIN					EURO AREA						
		Consensus Forecasts ¹	BIAM ²	IMF ³	OECD ⁴	Consensus Forecasts	Focus Economics ⁵	BIAM	IMF	OECD	Consensus Forecasts	Focus Economics	BIAM	IMF	ECB SPF ⁶	ECB Staff ⁷	OECD
GDP	2013	1.6	-	1.6	1.9	-1.3	-1.4	-1.4	-1.3	-2.3	-0.3	-0.4	-0.4	-0.4	-0.6	-0.4	-0.6
	2014	2.6	-	2.6	2.8	0.5	0.6	0.4	0.2	0.1	0.9	1.0	1.1	1.0	0.9	1.0	1.1
CPI	2013	1.5	1.4	1.4	1.6	1.6	1.7	1.5	1.8	2.1	1.5	1.5	1.4	1.5	1.5	1.5	1.5
	2014	1.8	1.3	1.5	1.9	1.3	1.1	1.3	1.5	1.2	1.4	1.5	1.2	1.5	1.5	1.3	1.2

1. Consensus Forecasts, October, 2013
2. BIAM. Bulletin of EU & US Inflation and Macroeconomic Analysis, October, 2013
3. IMF, October, 2013
4. OECD. Economic Outlook, June, 2013
5. Focus Economics, October, 2013
6. BCE SPF, "Survey of Professional Forecasters", August, 2013
7. BCE STAFF, staff macroeconomic projection for the Euro Area. Point forecast for interval. September, 2013

EVOLUTION OF FORECASTS FOR 2013

Annual average rates



VI. FORECASTS FOR THE NORWEGIAN ECONOMY 2013Q3-2017Q4

By Professors Gunnar Bardsen and Ragnar Nymoen

Forecasts are presented for the third quarter of 2013 until the end of 2017 of important macroeconomic variables, using The Norwegian Aggregate Model (NAM). Information about the model and a disclaimer are in the box at the back of the document.

Table 1 contains a summary in the form of annual forecasts of the main variables.

The detailed quarterly forecasts are presented in Figures 1-4 below, each consisting of four graphs. Starting from upper left, going to upper right and then to lower left, and ending at lower right, the four panels of each Figure are referred to as a)-d). The distance between the dashed (red) lines represents the approximate 70% prediction intervals. Hence, future realizations within the intervals are considered as more likely events than realizations outside the intervals. Wide intervals indicate more uncertainty than narrow intervals. The graphs show that uncertainty is increasing with the length of the forecast horizon. The same will be true for the annual point forecasts in Table 1: The point forecasts for the year 2014 are more uncertain than the 2013 forecasts. 2015 forecasts will have wider prediction intervals than 2014 forecasts, and so on.

Table 1

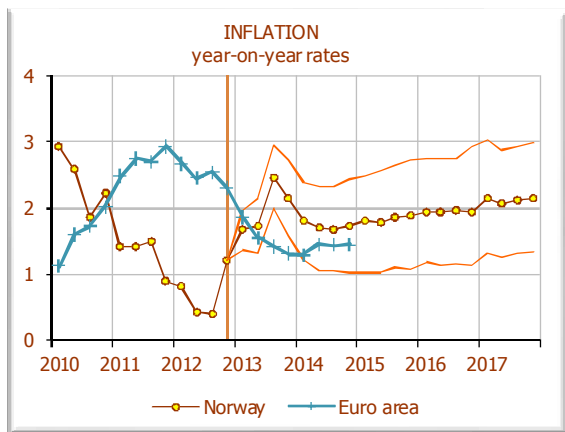
POINT FORECASTS ON ANNUAL BASIS					
	2013	2014	2015	2016	2017
GDP mainland, % change	3.2	3.6	3.2	4.4	3.1
Consumer prices, % change	2.0	1.8	1.9	2.0	2.2
Wage costs, % change	3.5	3.0	3.1	3.3	3.6
Core price index, % change	1.3	1.5	1.6	1.7	1.8
Import prices, % change	0.4	1.8	2.2	2.3	2.1
Real credit, % change	4.1	5.2	7.4	9.1	9.6
Exchange rate index, % change	-2.0	1.2	1.5	1.4	0.6
Unemployment rate, in %	3.2	3.2	3.2	3.2	3.1
Bank interest rate, in %	4.8	4.6	4.7	5.0	5.4
Real bank interest rate, in %	2.8	2.8	2.8	3.0	3.2
Money market interest rate, in %	2.0	2.6	3.0	3.5	4.0
Money policy interest rate, in %	1.6	2.0	2.3	2.9	3.4



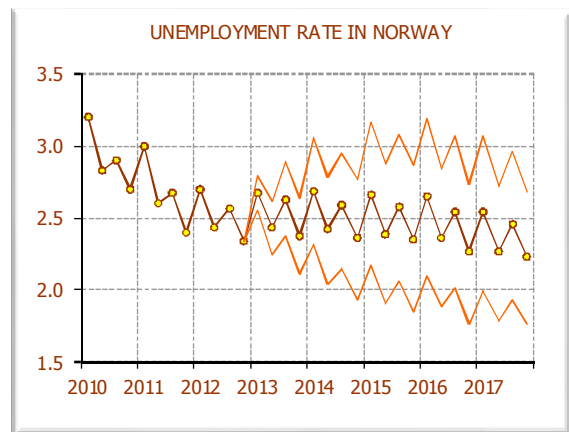
Figure 1 shows NAM forecasts of four headline variables: CPI inflation, the rate of unemployment, the average nominal interest rate on loans in Norwegian banks, and real credit growth. CPI inflation is forecasted to increase to 2%, then falling back, before again approaching 2% in 2017. The rate of unemployment (panel b) is forecasted to decrease slowly, with normal seasonal variation, towards 3%. Panel c) shows the domestic interest rate, represented by the average bank loan rate. The bank lending rate is forecasted to fall for the rest of 2013 and most of 2014, before starting to increase. This reflects low interest rates abroad as well as a long forecast period with a low policy interest rate in Norway. According to the model, the interest paid on bank loans stays below 6% for the length of the forecast period. The final panel in Figure 1 displays real credit growth, which is projected to increase to a representative growth rate of above 9% at the end of the period.

Figure 1

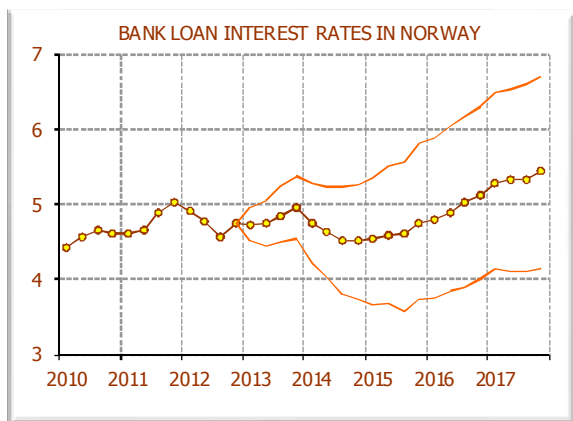
A)



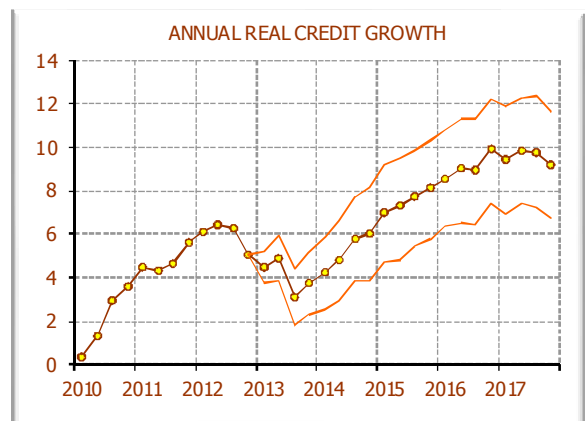
B)



C)



D)



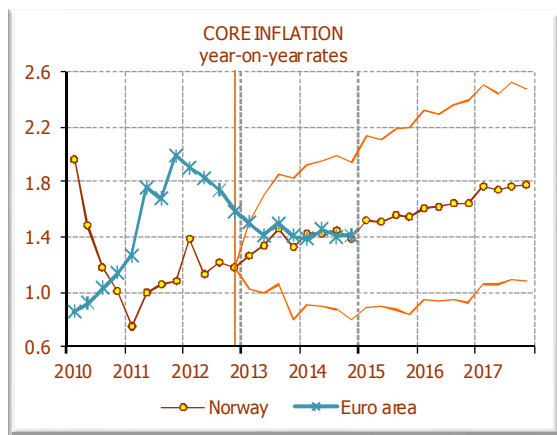
NAM forecasts for the period 2013q3-2017q4 with 68% prediction intervals (represented by the dotted lines). Data for the period 2011q1-2013q1 are included for reference.



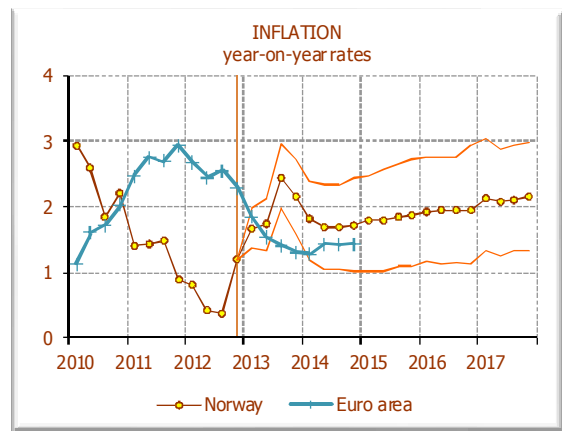
Figure 2 gives an overview of the development in inflation rates, by showing inflation adjusted for energy and taxes (CPI-AET), so-called core inflation, in panel a), CPI inflation and wage cost growth in panels b) and c), and import price growth (panel d). Core inflation is forecasted to increase slightly towards 1.8% in 2017. CPI inflation is strongly influenced by a projected increase in electricity prices in the third quarter of 2013. The wage inflation is forecasted at 4.2% in 2013 and around 4% annually for the rest of the forecast period. In the last graph in Figure 2 we see that import price inflation is forecasted to increase somewhat during 2013. For the period as a whole, this factor in the inflation process is stabilizing around below 2%.

Figure 2

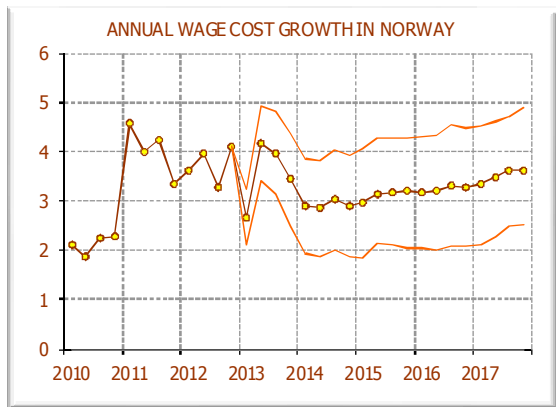
A)



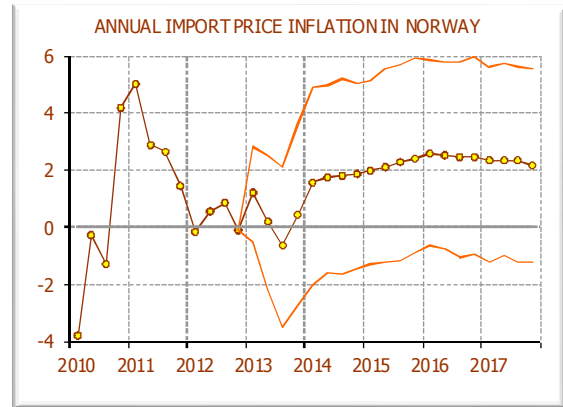
B)



C)



D)



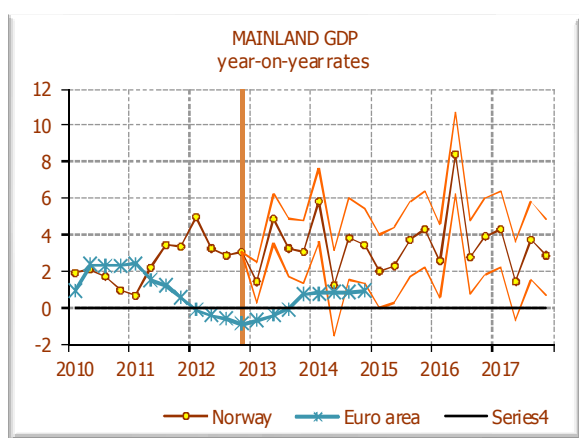
NAM forecasts for the period 2013q3-2017q4 with 68% prediction intervals (represented by the dotted lines).



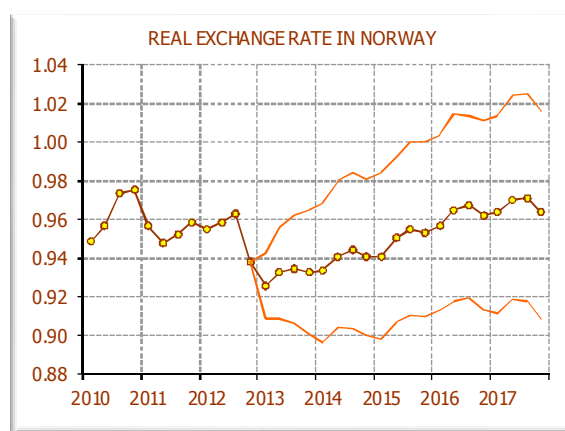
Four important real variables are shown in Figure 3. Panel a) shows real GDP growth for the mainland economy. The forecast for 2013 is 2%. Panels b) and c) of Figure 3 show two important explanatory variables for mainland GDP: the real exchange rate and the domestic real interest rate. According to the evidence contained in NAM, the real exchange rate is practically constant (graph b). Note, however, that the path of the real exchange rate is fairly uncertain. The forecasted real interest rate on bank loans stays below 3.5% over most of the period. GDP growth is a main factor behind the stabilization of the unemployment rate shown in Figure 1 above, and in graph d) in Figure 3 which contains the Labour Force Survey measure of the slightly falling rate of unemployment.

Figure 3

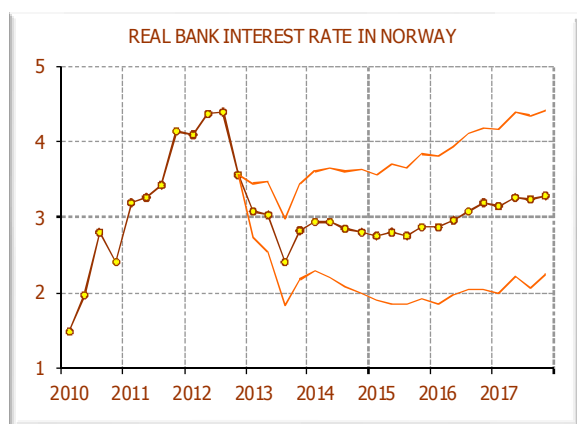
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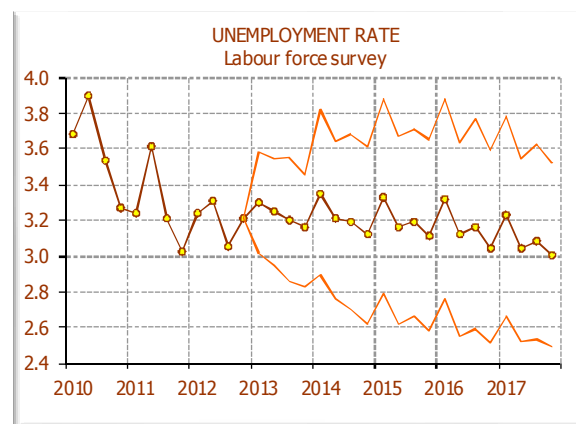
B)



C)



D)



NAM forecasts for the period 2013q3-2017q4 with 68% prediction intervals (represented by the dotted lines).

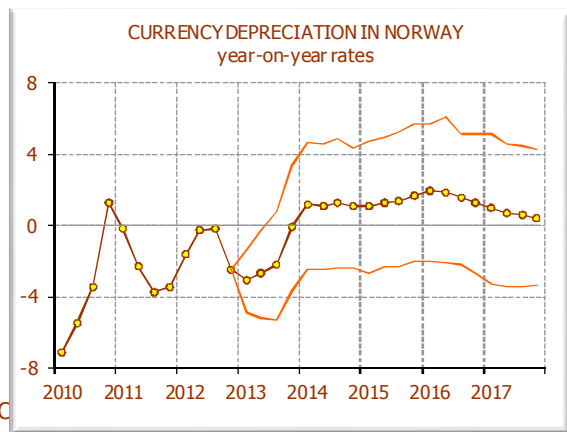


Figure 4 takes a closer look at some financial variables: the depreciation of the nominal exchange rate, key interest rates, and domestic real credit growth. Panel a) shows the rate of nominal currency depreciation (the four quarter rate of change in the trade weighted nominal exchange rate). The international value of the krone is projected to depreciate overall during 2013, and the weakening of the currency is continuing until 2015, reflecting reactions to an estimated “overvaluation” earlier in 2011-12.

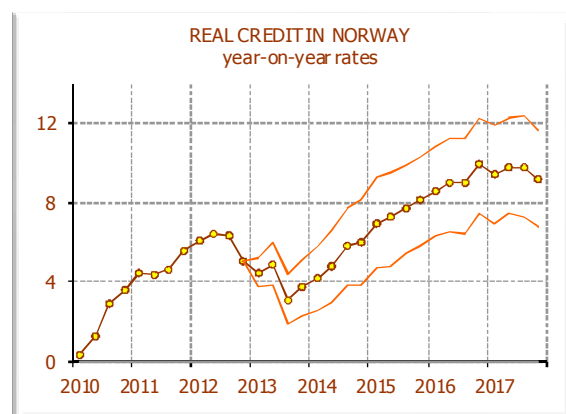
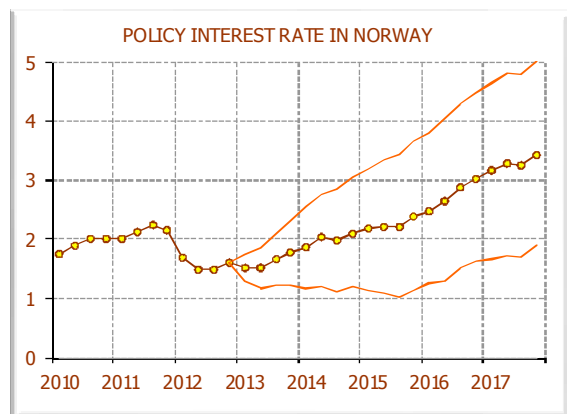
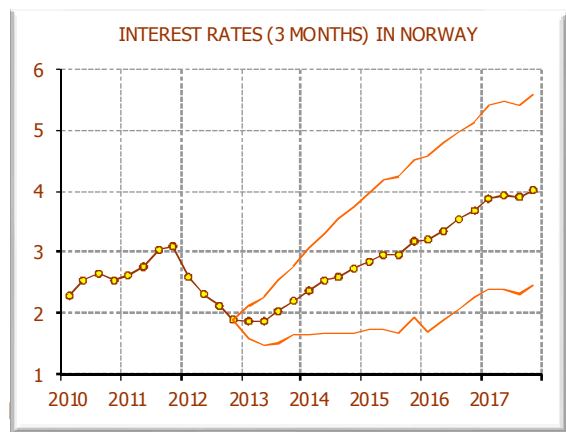
The money market interest rate (panel b) is forecasted to increase to a level around 4% in 2017. This is due to the projected evolution of the sight deposit rate (Norges Bank’s monetary policy instrument) shown in panel c) over the same period, and increased liquidity. According to the model, the low interest rate level induces credit growth to continue to increase for most of the period (panel d). Note that GDP growth is also related to credit growth, which is captured by NAM in two important ways. First, the easing of credit supply affects the GDP growth rate positively. Second, higher GDP growth increases the demand for loans.

Figure 4

A)



B)



NAM forecasts for the period 2013q3-2017q4 with 68% prediction intervals (represented by the dotted lines).



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About NAM and disclaimer

Model developers are Gunnar Bårdsen (<http://www.svt.ntnu.no/iso/gunnar.bardsen>) and Ragnar Nymoen (<http://folk.uio.no/rnymoen/>).

Norwegian Aggregate Model (NAM) is an econometric model project which extends from the early econometric assessment of wage- and price-inflation in Nymoen (1991), further developed in Bårdsen, Fisher, and Nymoen (1998), Bårdsen and Fisher (1999), and the monetary transmission model of Bårdsen and Klovland (2000).

Earlier versions of the model are documented in Bårdsen and Nymoen (2001), Bårdsen, Jansen, and Nymoen (2003) Bårdsen, Eitrheim, Jansen, and Nymoen (2005) and Bårdsen and Nymoen (2009). NAM is used for both research purposes and for teaching. The macroeconomic data is from the model databases of Statistics Norway (KVARTS model) and Norges Bank (FPAS database).

Earlier forecasts can be found at

<http://www.svt.ntnu.no/iso/gunnar.bardsen/nam/forecasts/index.html> <http://folk.uio.no/rnymoen/NAM/Forecasts.html>

Evaluations of past forecast performance can be found at

<http://www.svt.ntnu.no/iso/gunnar.bardsen/nam/evaluation/index.html>

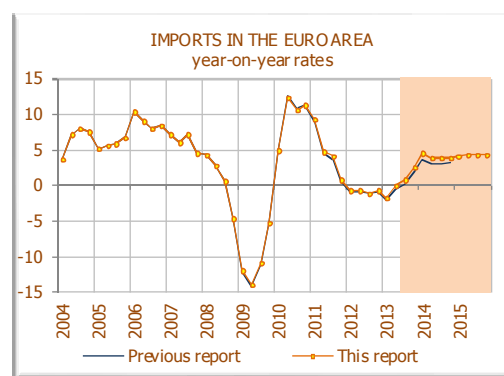
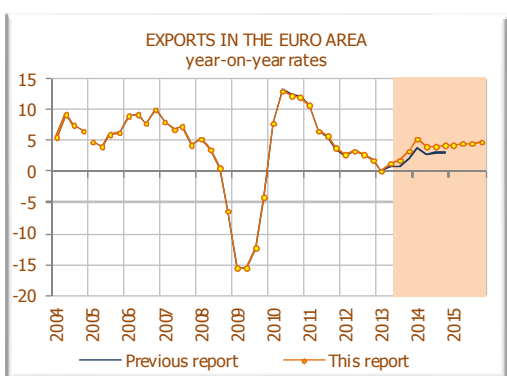
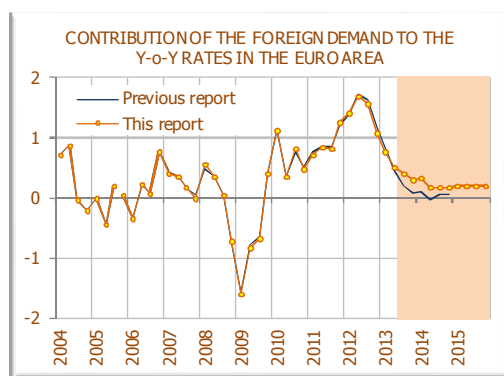
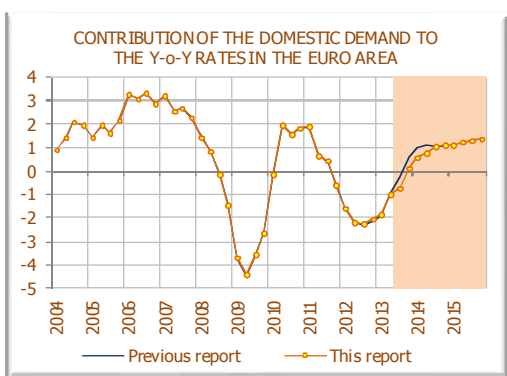
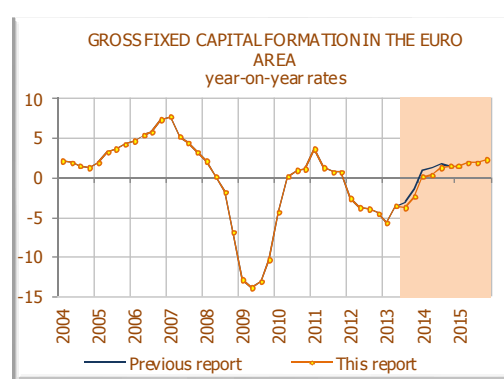
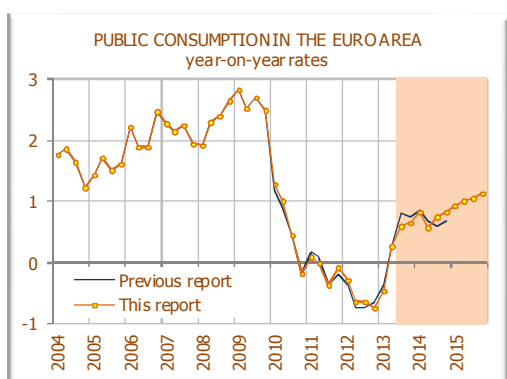
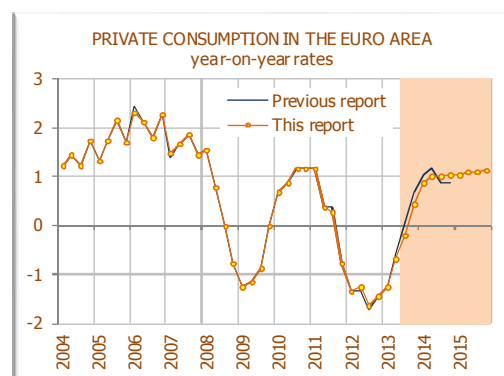
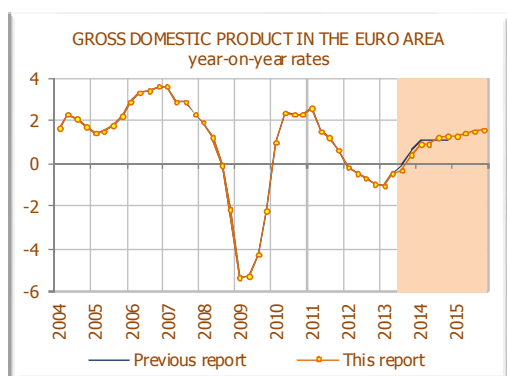
NAM relies on data provided by the macroeconometric research unit in Statistics Norway, and on data from the macroeconomic database of The Norwegian Central Bank.

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COMPONENTS OF GROSS DOMESTIC PRODUCT DEMAND IN THE EURO AREA

Year-on-year rates



Source: EUROSTAT & BIAM (UC3M)

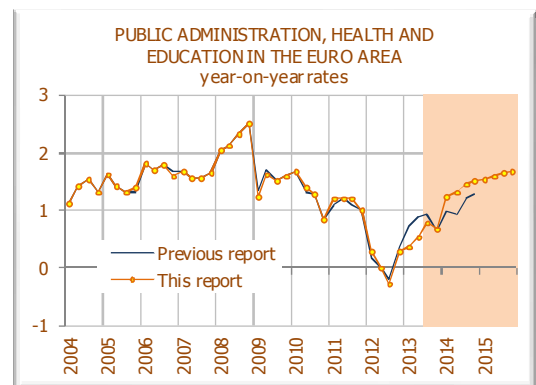
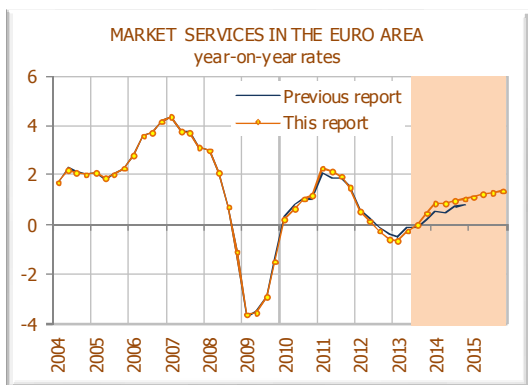
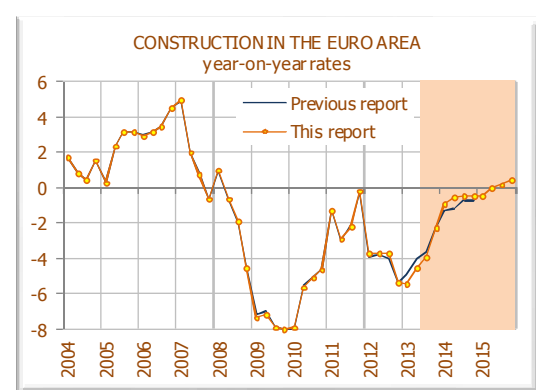
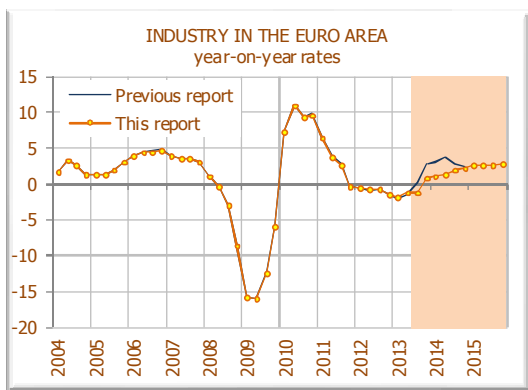
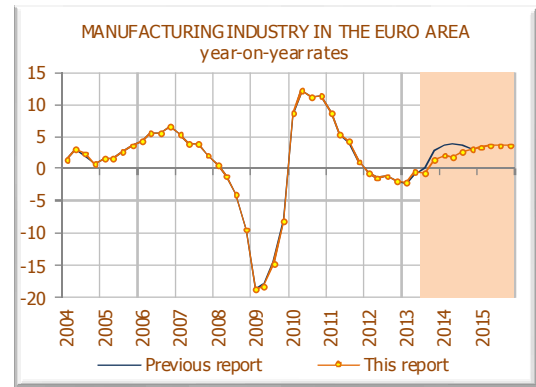
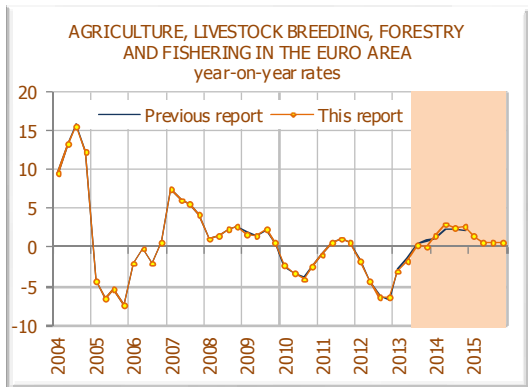
Date this report: October 31, 2013

Date previous report: September 13, 2013



COMPONENTS OF GROSS DOMESTIC PRODUCT SUPPLY IN THE EURO AREA

Year-on-year rates



Source: EUROSTAT & BIAM (UC3M)

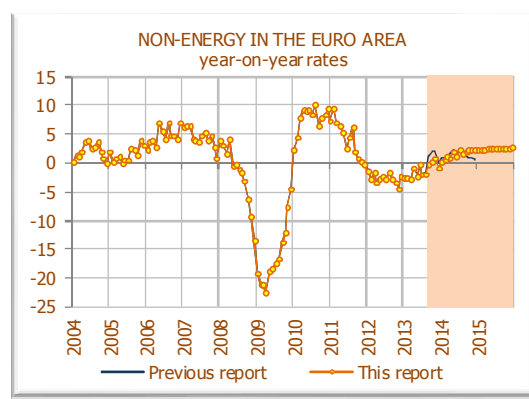
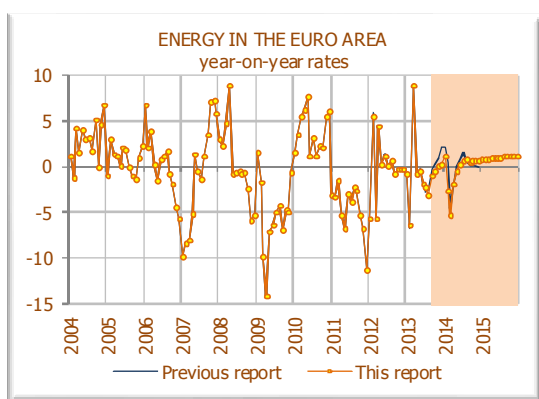
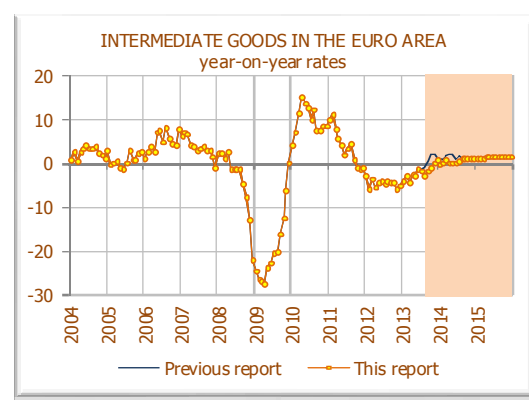
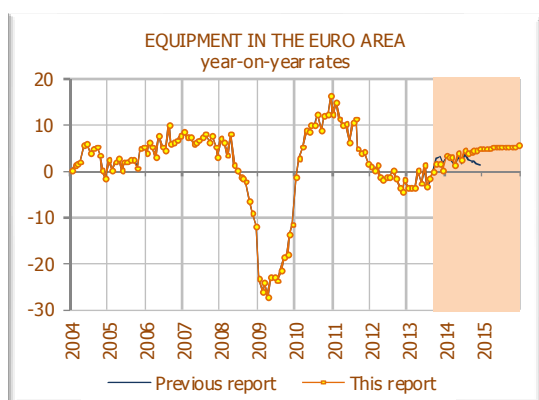
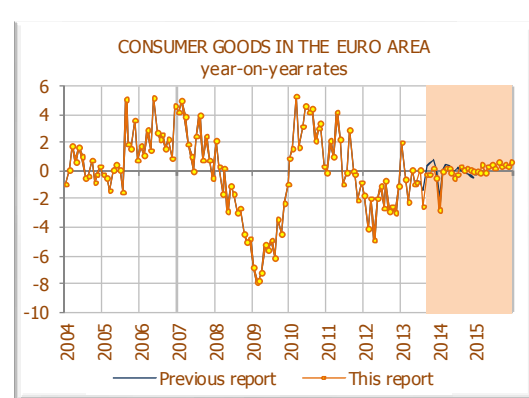
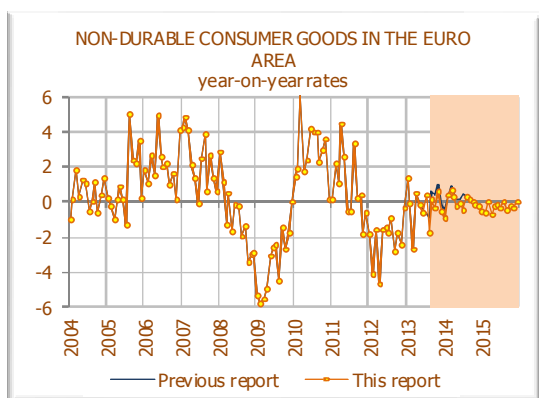
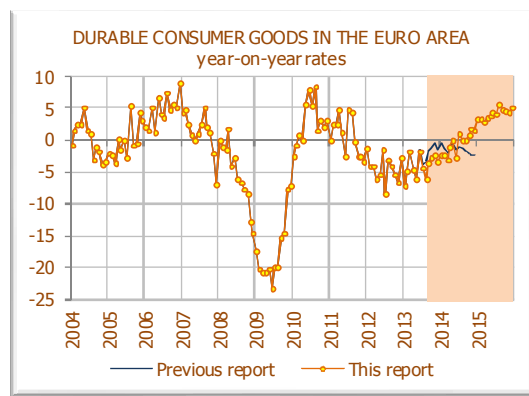
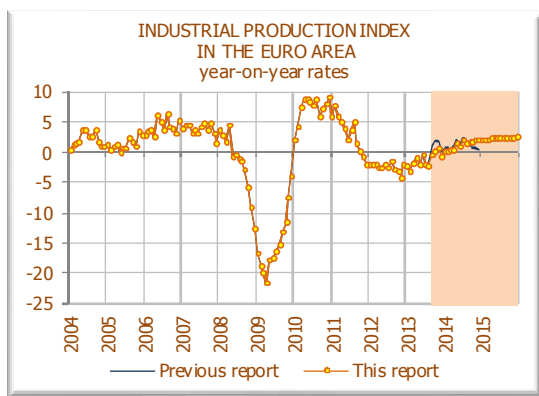
Date this report: October 31, 2013

Date previous report: September 13, 2013



COMPONENTS OF INDUSTRIAL PRODUCTION INDEX IN THE EURO AREA

Year-on-year rates



Source: EUROSTAT & BIAM (UC3M)

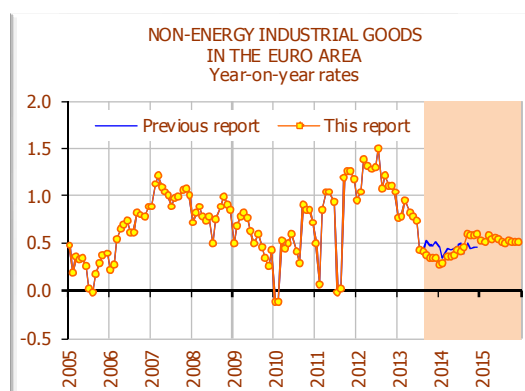
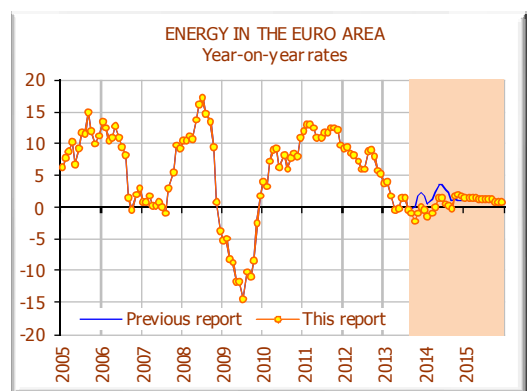
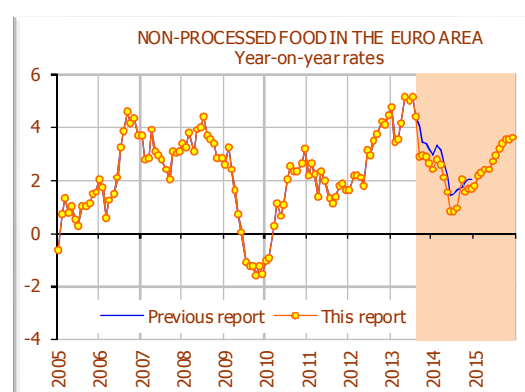
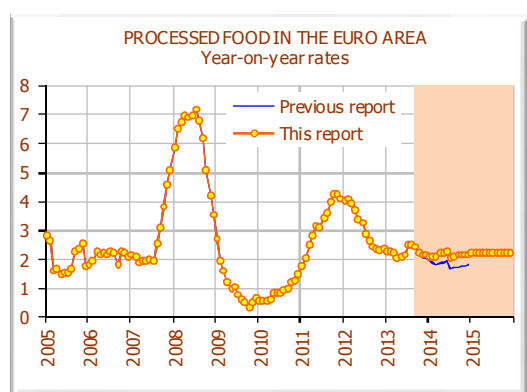
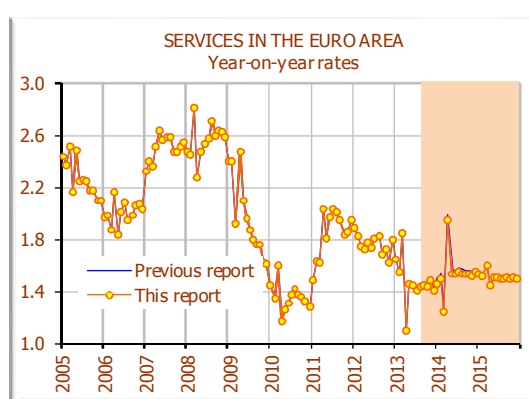
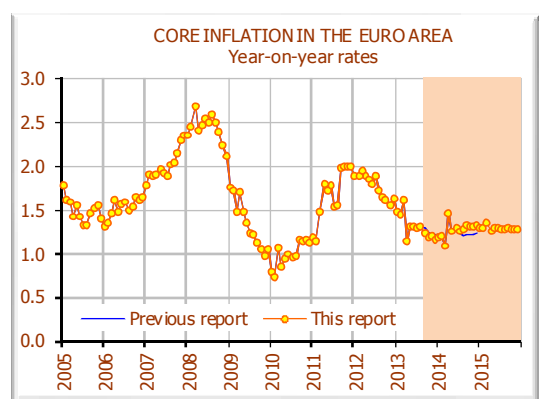
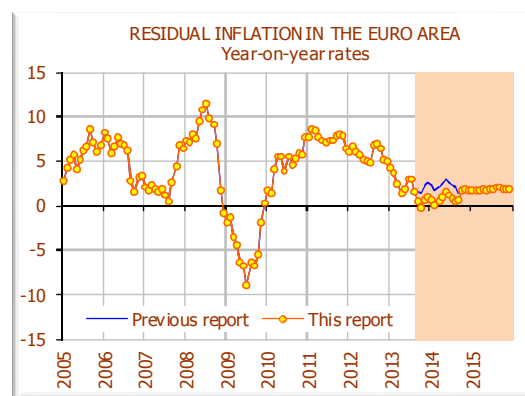
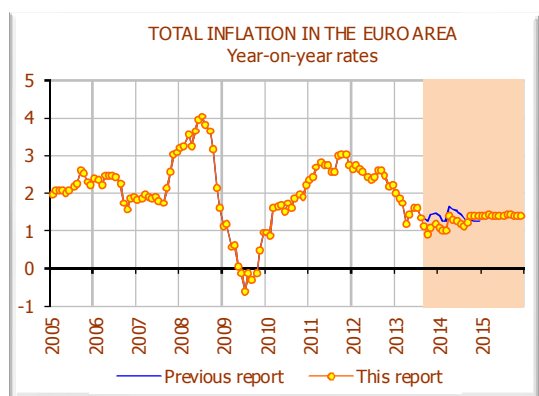
Date this report: October 21, 2013

Date previous report: September 27, 2013



COMPONENTS OF HARMONISED INDEX OF CONSUMER PRICES IN THE EURO AREA

Year-on-year rates



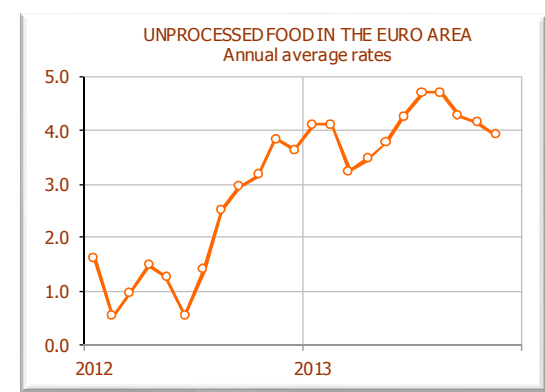
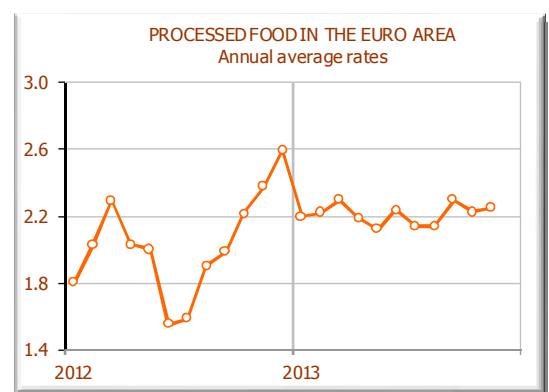
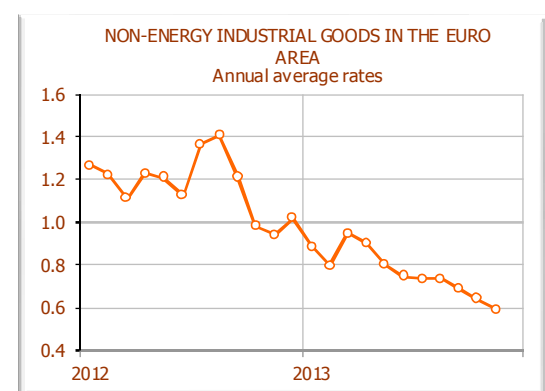
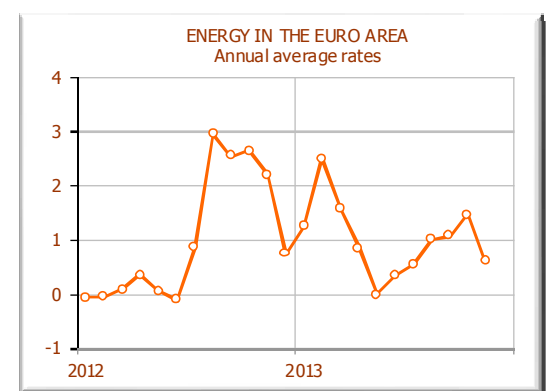
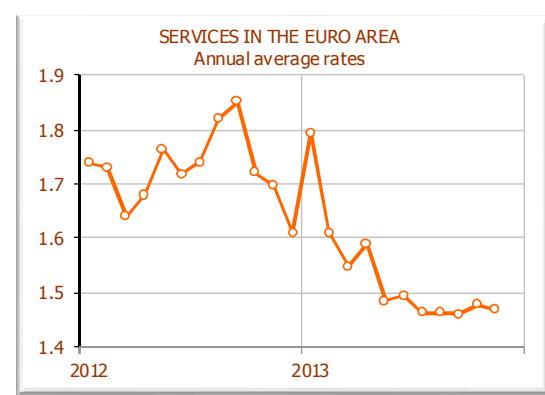
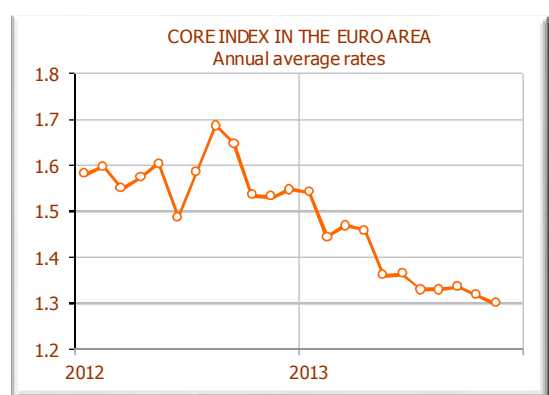
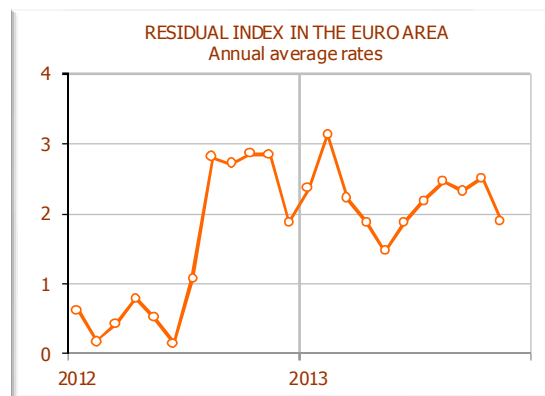
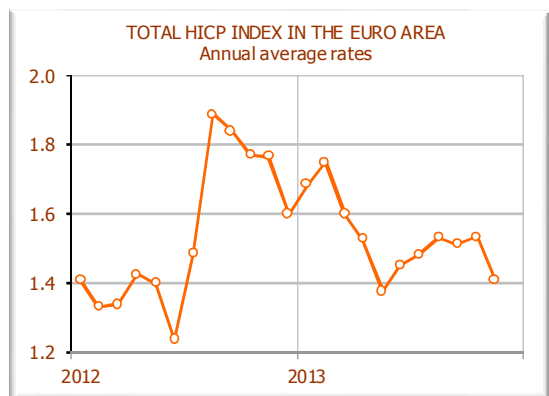
Source: EUROSTAT & BIAM (UC3M)

Date this report: October 27, 2013

Date previous report: September 27, 2013



CHANGES OF EXPECTATIONS FOR THE ANNUAL AVERAGE 2013 RATE OF INFLATION IN THE SPECIAL GROUPS OF THE EURO AREA SINCE JANUARY 2012



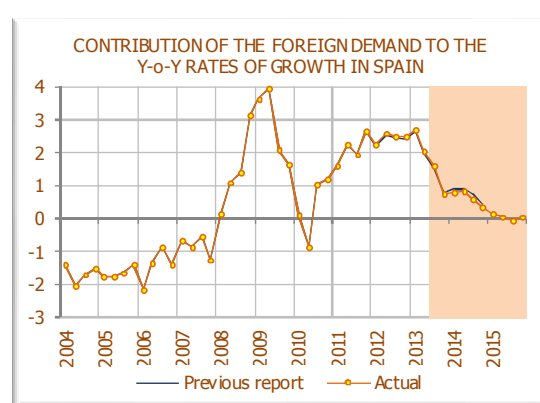
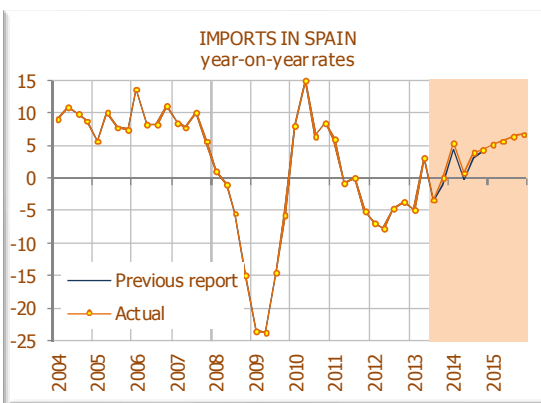
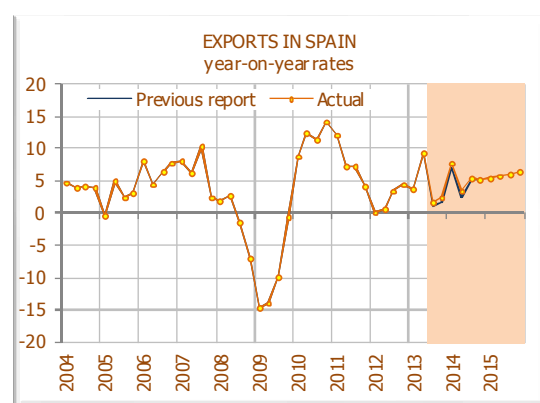
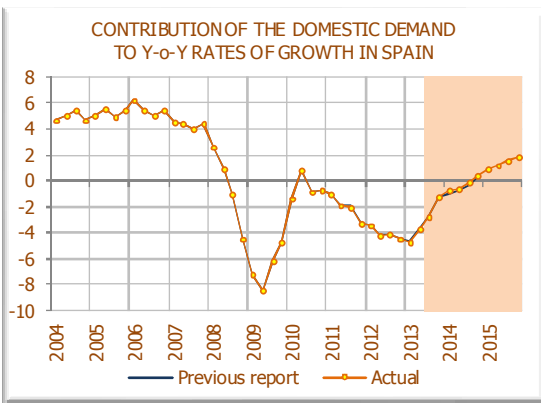
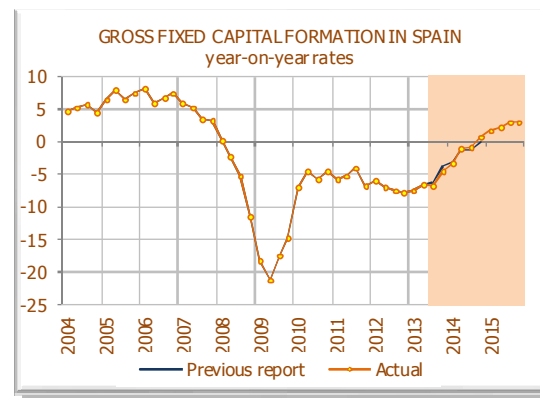
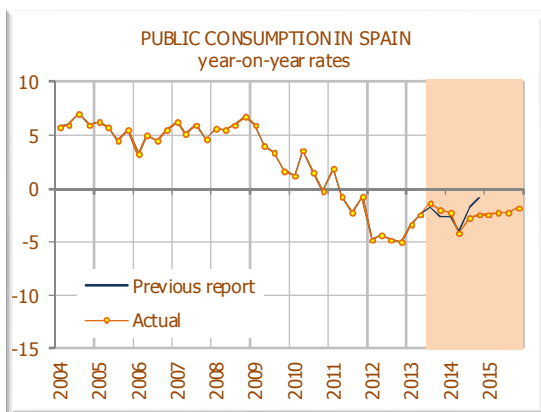
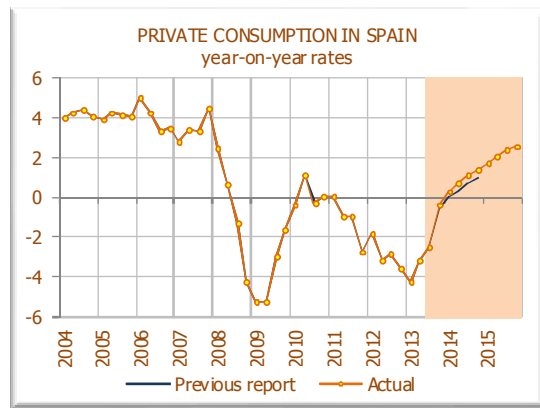
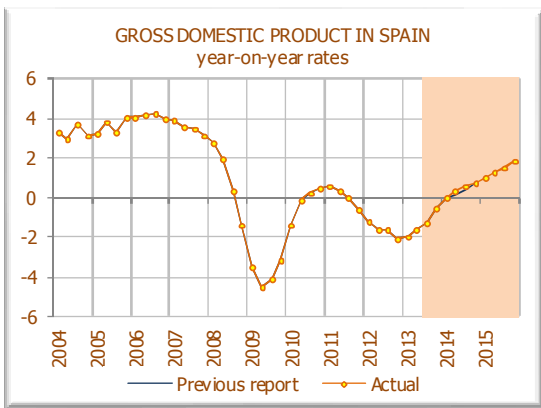
Source: EUROSTAT & BIAM (UC3M)

Date: October 27, 2013



GROSS DOMESTIC PRODUCT IN SPAIN: DEMAND SIDE

Year-on-year rates

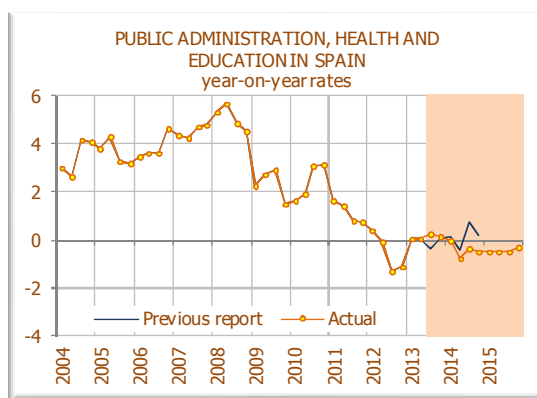
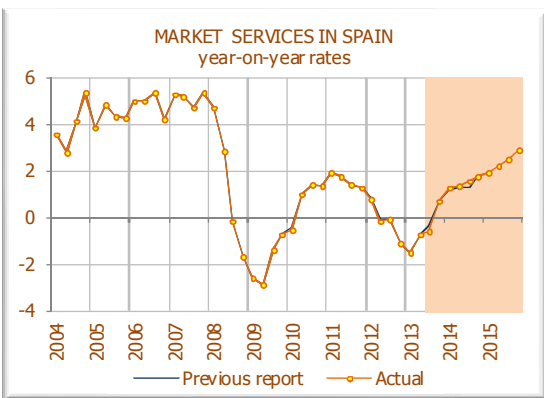
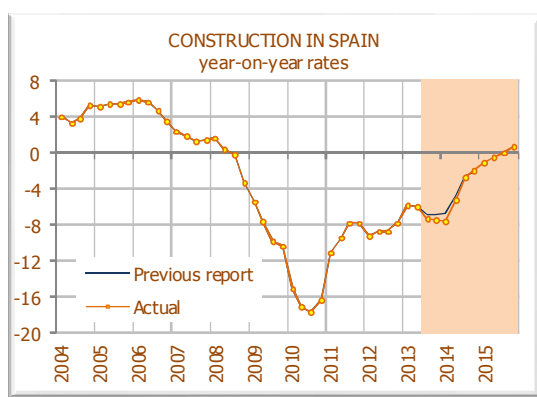
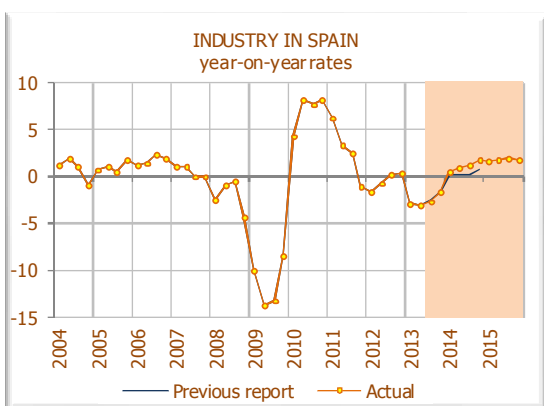
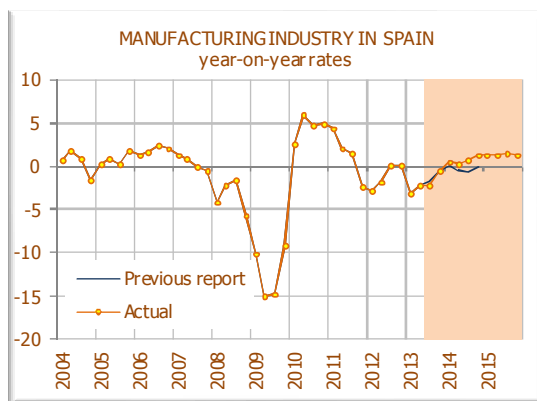
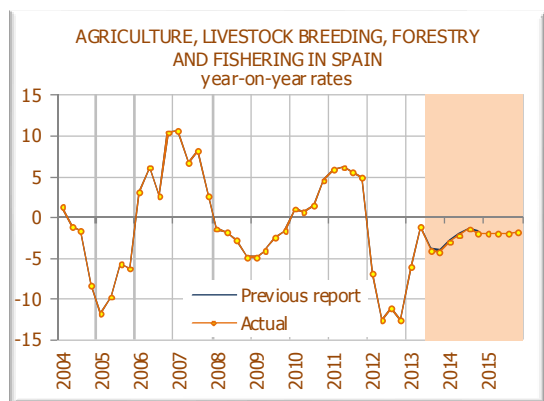


Source: INE & BIAM (UC3M).
Date this report: October 23, 2013
Date previous report: September 2, 2013



GROSS DOMESTIC PRODUCT IN SPAIN: SUPPLY SIDE

Year-on year rates



Source: INE & BIAM (UC3M)

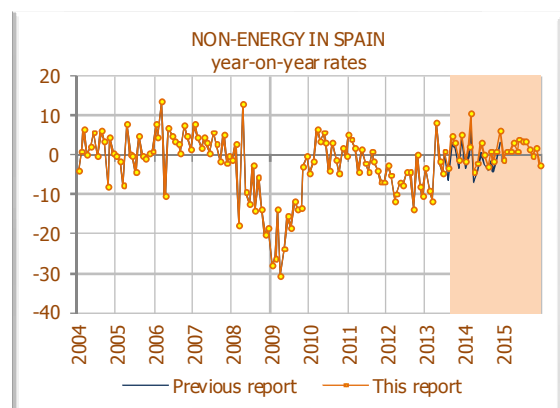
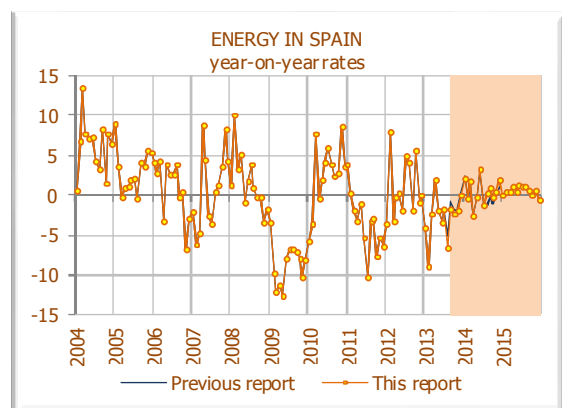
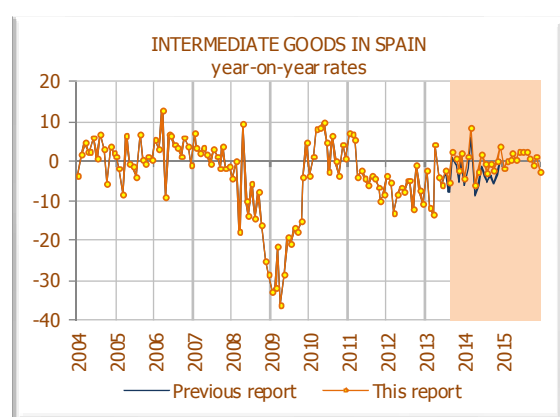
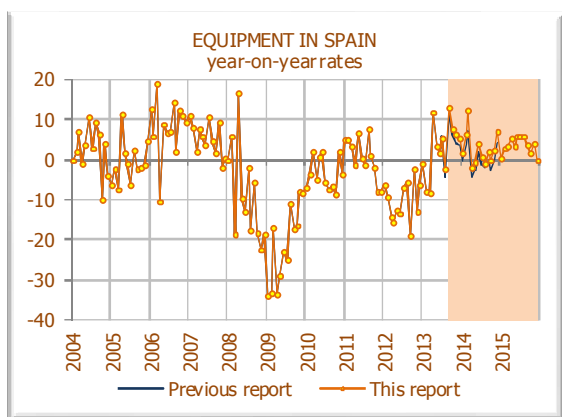
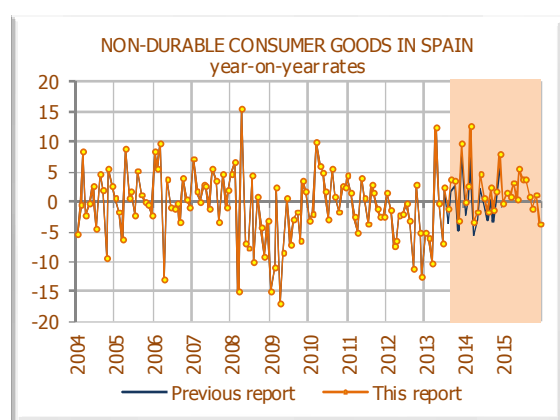
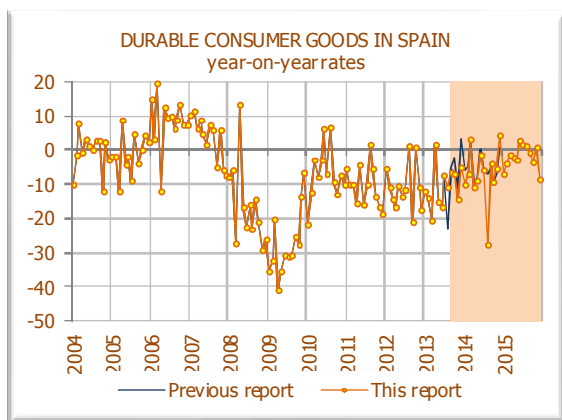
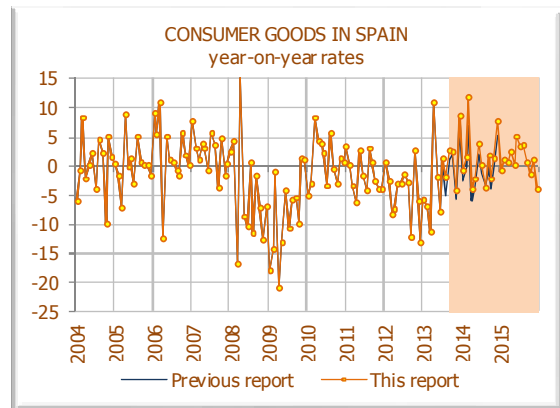
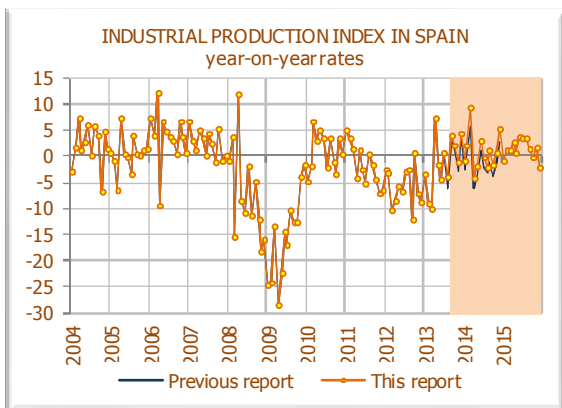
Date this report: October 23, 2013

Date previous report: September 2, 2013



INDUSTRIAL PRODUCTION IN SPAIN

Year-on-year rates



Source: INE & BIAM (UC3M)

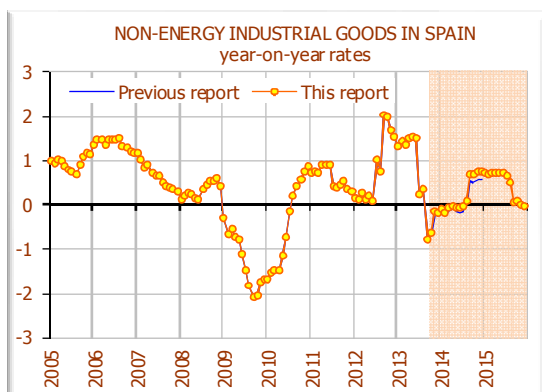
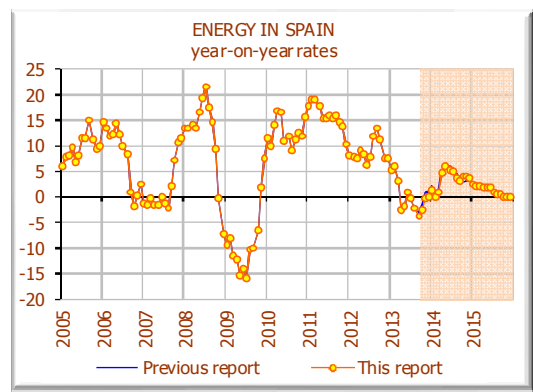
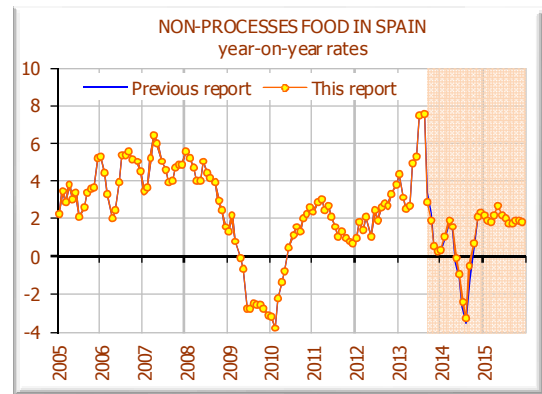
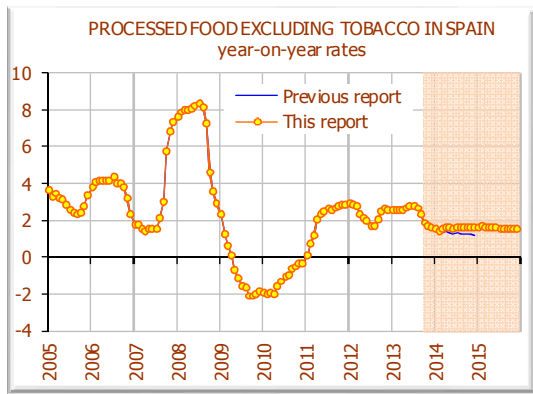
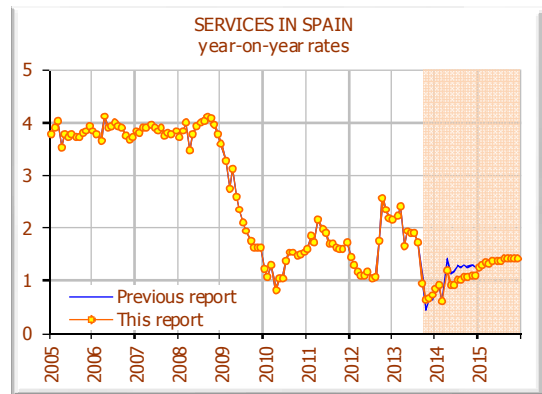
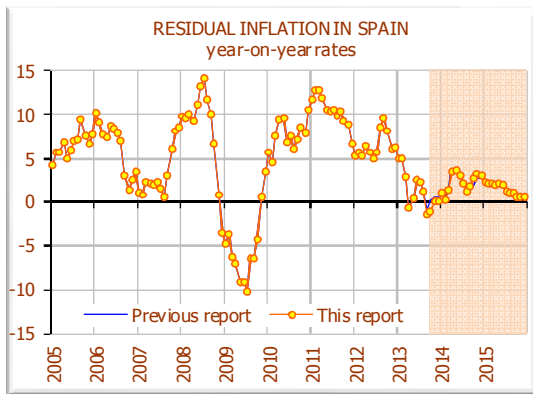
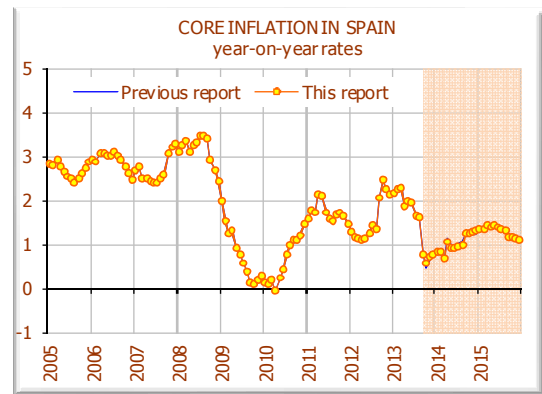
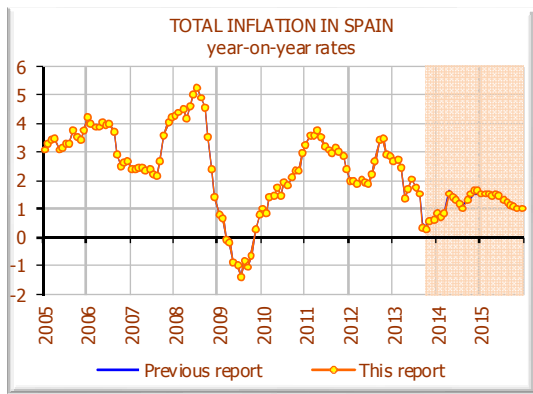
Date this report: October 21, 2013

Date previous report: September 27, 2013



ANNUAL RATE OF INFLATION BY SPECIAL GROUPS IN SPAIN

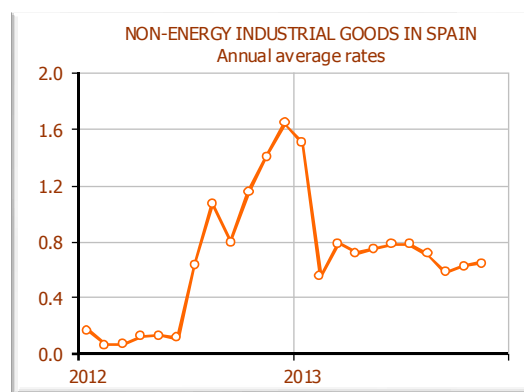
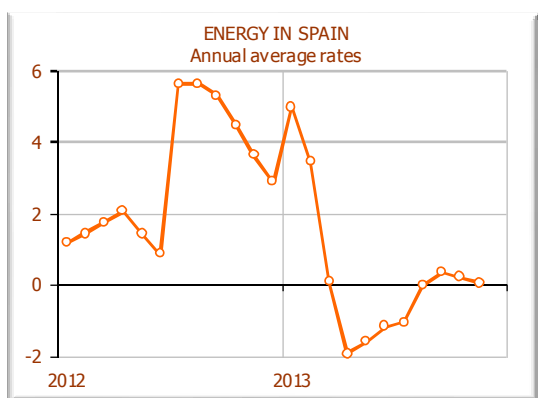
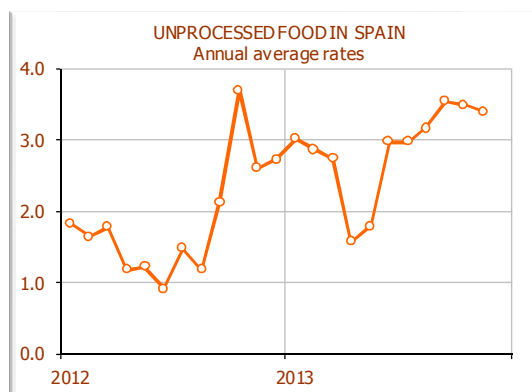
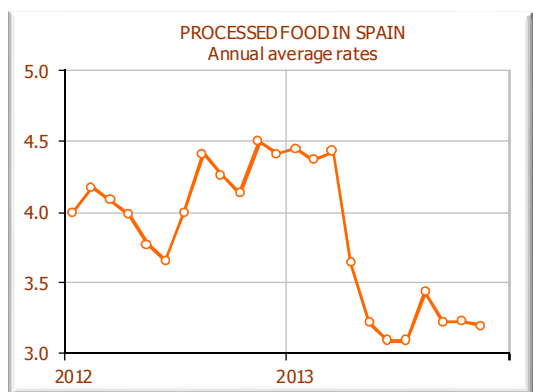
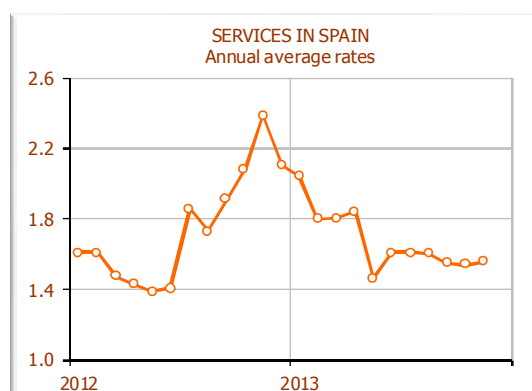
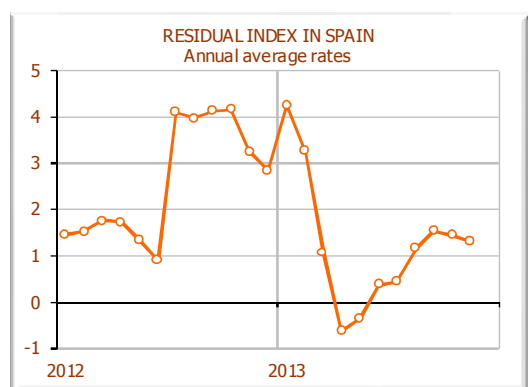
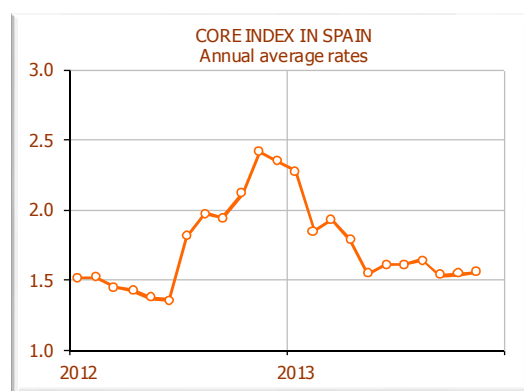
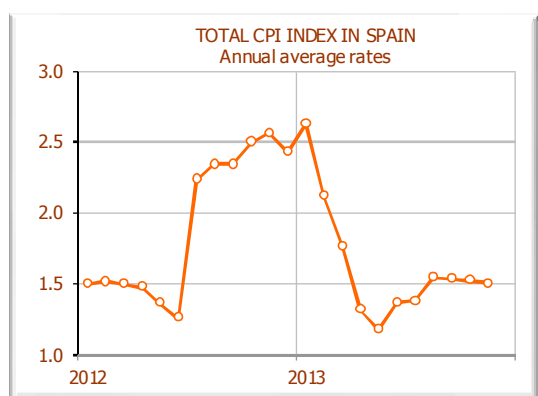
Year-on year rates



Source: INE & BIAM (UC3M).
Date this report: October 27, 2013
Date previous report: September 27, 2013



CHANGES OF EXPECTATIONS FOR THE ANNUAL AVERAGE 2013 RATE OF INFLATION IN THE SPECIAL GROUPS OF SPAIN SINCE JANUARY 2012



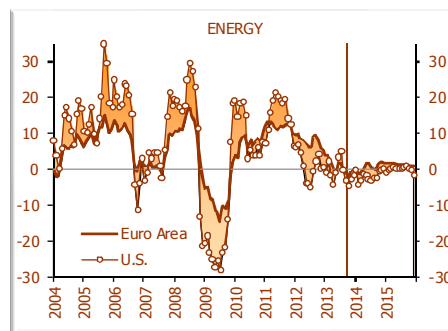
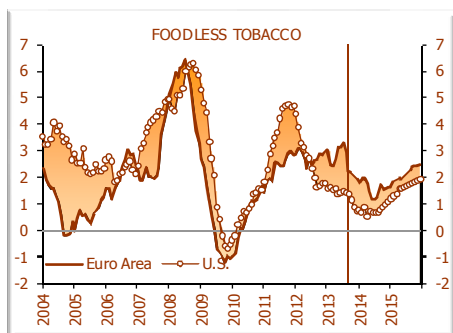
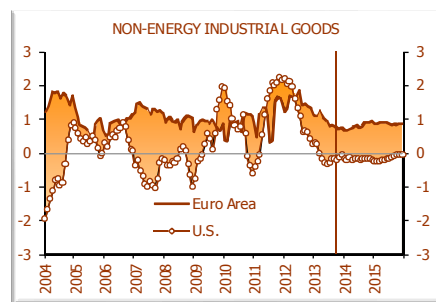
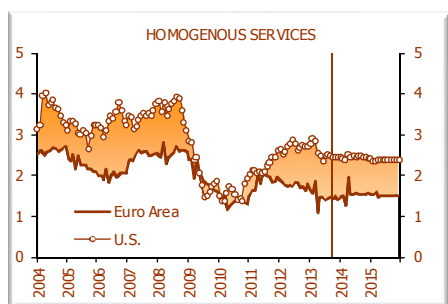
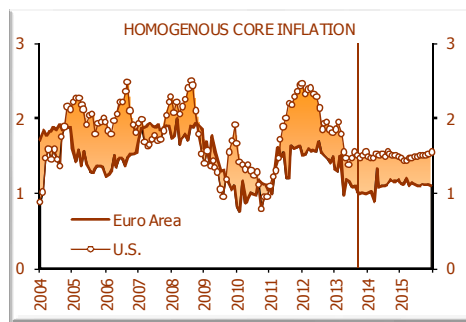
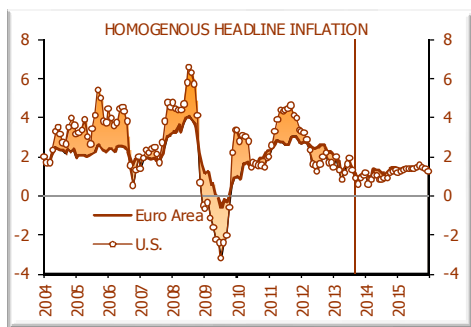
Note: These graphs show the average anual CPI growth rates forecast in the Bulletin published in the month on the abscissa
Source: INE & BIAM (UC3M)
Date: October 27, 2013



VIII. 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 2013	2007	2008	2009	2010	2011	2012	Forecasts		
USA: RI Dec 2012							2013	2014	2015
TOTAL									
less Owner's equivalent rent of primary residence									
Euro area 100.0	2.1	3.3	0.3	1.6	2.7	2.5	1.4	1.2	1.4
U.S. 77.4	2.7	4.3	-1.0	2.2	3.8	2.1	1.2	1.0	1.4
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 69.7	1.9	1.8	1.4	1.0	1.4	1.5	1.1	1.1	1.1
U.S. 54.3	1.8	2.1	1.4	1.2	1.8	2.1	1.6	1.5	1.5
COMPONENTS OF HOMOGENOUS CORE INFLATION									
Services less Owner's equivalent rent of primary residence									
Euro area 42.3	2.5	2.6	2.0	1.4	1.8	1.8	1.5	1.5	1.5
U.S. 33.9	3.4	3.6	2.0	1.6	2.2	2.7	2.5	2.4	2.4
Non-energy industrial goods less Tobacco									
Euro area 27.4	1.0	0.8	0.6	0.5	0.8	1.2	0.6	0.4	0.5
U.S. 20.4	-0.7	-0.3	0.5	0.7	1.2	1.2	-0.1	-0.2	-0.2
EXCLUDED COMPONENTS FROM HOMOGENOUS CORE INFLATION									
Food less Tobacco									
Euro area 16.9	2.6	5.3	0.2	0.5	2.4	2.8	2.6	1.6	2.1
U.S. 14.3	4.0	5.5	1.8	0.8	3.7	2.6	1.3	0.8	1.6
Energy									
Euro area 11.0	2.6	10.3	-8.1	7.4	11.9	7.6	0.6	0.5	1.2
U.S. 9.6	5.5	13.9	-18.4	9.5	15.4	0.9	-0.9	-1.9	0.1



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.

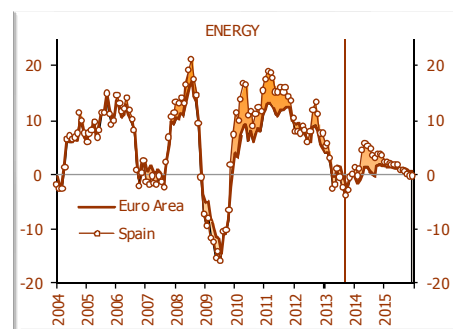
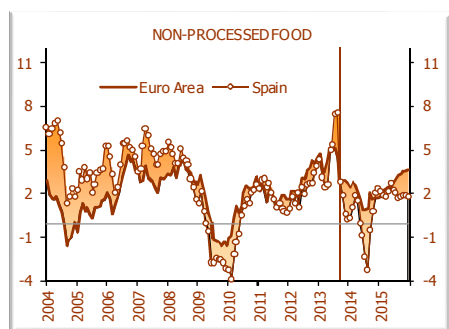
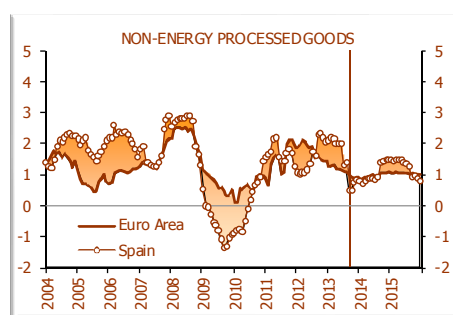
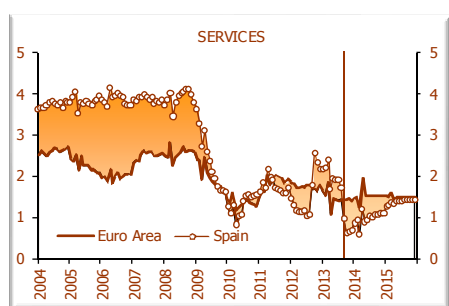
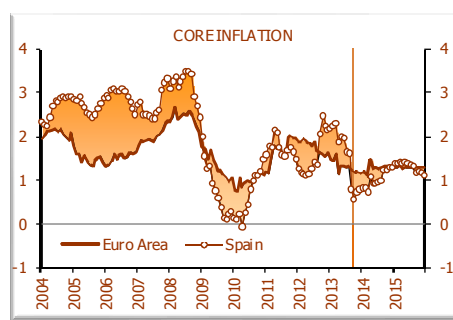
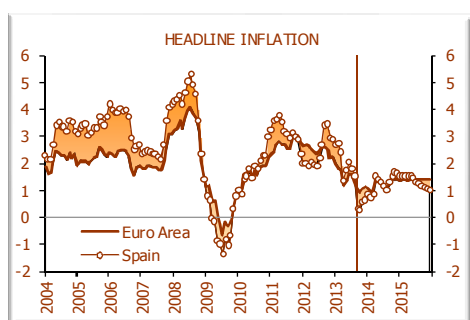
Source: EUROSTAT, BLS & BIAM (UC3M)

Date: October 27, 2013



EURO AREA– SPAIN

INFLATION IN SPAIN (CPI) AND IN THE EURO AREA (HICP)										
Annual average rates										
	Weights 2013	2007	2008	2009	2010	2011	2012	Forecasts		
								2013	2014	2015
TOTAL										
Spain	100.0	2.8	4.1	-0.3	1.8	3.2	2.4	1.5	1.3	1.3
Euro area	100.0	2.1	3.3	0.3	1.6	2.7	2.5	1.4	1.2	1.4
CORE INFLATION										
Processed food, Non-energy industrial goods and Services										
Spain	81.4	2.7	3.2	0.8	0.6	1.7	1.6	1.6	1.0	1.3
Euro area	81.7	2.0	2.4	1.3	1.0	1.7	1.8	1.3	1.3	1.3
COMPONENTS OF CORE INFLATION										
Processed food										
Spain	14.7	3.7	6.5	0.9	1.0	3.8	3.1	3.2	2.7	2.7
Euro area	12.0	2.8	6.1	1.1	0.9	3.3	3.1	2.3	2.2	2.2
Non-energy industrial goods										
Spain	27.0	0.7	0.3	-1.3	-0.5	0.6	0.8	0.6	0.2	0.5
Euro area	27.4	1.0	0.8	0.6	0.5	0.8	1.2	0.6	0.4	0.5
Services										
Spain	39.7	3.9	3.9	2.4	1.3	1.8	1.5	1.6	1.0	1.4
Euro area	42.3	2.5	2.6	2.0	1.4	1.8	1.8	1.5	1.5	1.5
COMPONENTS OF RESIDUAL INFLATION										
Non-processed food										
Spain	6.4	4.7	4.0	-1.3	0.0	1.8	2.3	3.4	0.2	2.0
Euro area	7.3	3.0	3.5	0.2	1.3	1.8	3.0	3.9	1.7	2.8
Energy										
Spain	12.2	1.7	11.9	-9.0	12.5	15.7	8.9	0.1	3.4	1.1
Euro area	11.0	2.6	10.3	-8.1	7.4	11.9	7.6	0.6	0.5	1.2



Source: EUROSTAT, INE & BIAM (UC3M)
Date: October 27, 2013





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BIMA CC.AA	<i>Inflation forecasts by sectors and by Spanish Regions. Introduction to quarterly economic growth forecasts by Spanish Regions. Statistic appendix with update of a large data base with economic indicators for all Spanish Regions.</i>
Diagnosis update service (Monthly reports)	<i>Forecasts update service: 12 hours after the publication for the Spanish CPI, the Euro Area HCPI, the U.S. CPI and the U.S. PCE. Throughout the month for the macroeconomic forecasts and economic indicators for Spain, the Euro Area and the U.S.</i>
Consultancy service and support for research	<i>Immediate access to the working papers developed within the Bulletin. Access to the Bulletin's data bank upon individual request. Consultancy service by BIAM experts on issues related to the Bulletin. Inclusion of the Collaborator Institution's logo in the Bulletin and in the website.</i>

B. QUARTERLY REPORTS³ ABOUT THE QUARTERLY GROWTH OF THE SPANISH CC.AA. AND OTHER SERVICES

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 imposed by chain indices.

B1. Quarterly report about a specific CA	<i>Quarterly Forecasts and comparative analysis with Spain and the Euro Area of annual and quarterly rates of GDP growth in one Spanish Region. Cyclic Analysis of growth profile and comparison of the chosen region with Spain and the Euro Area. Access to database of economic indicators for a specific region.</i>
B2. Quarterly report about all CCAA	<i>Quarterly Forecasts and comparative analysis with Spain and the Euro Area of annual and quarterly rates of GDP growth in all the Spanish Regions. Cyclic Analysis of growth profile and comparison of each region with Spain and the Euro Area. Access to database of economic indicators for a specific region.</i>
B3. Access to the data set of economic indicators of one CCAA	<i>Monthly update of a database of high-frequency indicators of economic activity covering the main economic sectors, including credit data and fiscal situation, for a specific region (about 15 monthly and quarterly indicators).</i>
B4. Access to the data set of economic indicators of all CCAA	<i>Monthly update of a database of high-frequency indicators of economic activity covering the main economic sectors, including credit data and fiscal situation, for all Spanish regions (about 255 monthly and quarterly indicators).</i>

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¹ Reports are for the only use of the client.

² Prices are valid until December 31st, 2013. 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 These subscribers will also receive the electronic version, providing the type of distribution remains unaltered

⁵ 50% discount when you subscribe to any subscription modalities of quarterly growth regions. (B1 or B2)

⁶ The e-mail distribution may be changed without notice by urgent mail distribution.

INDICATORS CALENDAR

OCTOBER

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

NOVEMBER

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

Notas:

ESI: Economic Sentiment Indicator
CPI: Consumer Prices Index
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

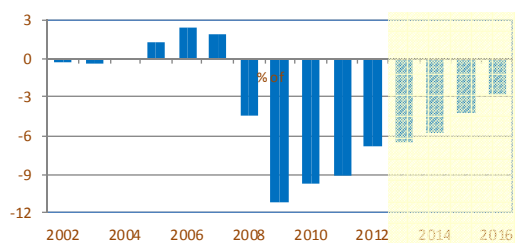


Special article: The evolution of the Spanish public accounts in the last few years.

The economic crisis has generated considerable disequilibrium, with the labour market and public accounts being the most difficult to correct, given their heavy inertia.

During the crisis, the evolution of public deficit, which peaked in 2009 (11.2% of the GDP) added nearly 60 points to the public debt/GDP ratio, which will end the year at close to 95%, one of the highest in the euro area. Also, in the last few years the weight of regional debt relative to total Spanish foreign debt has increased considerably, and continues to do so.

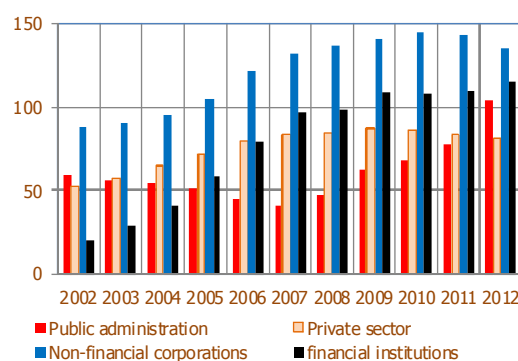
NET LENDING AND BORROWING BY INSTITUTIONAL SECTORS OF THE SPANISH ECONOMY



* Excluding the Spanish banking rescue

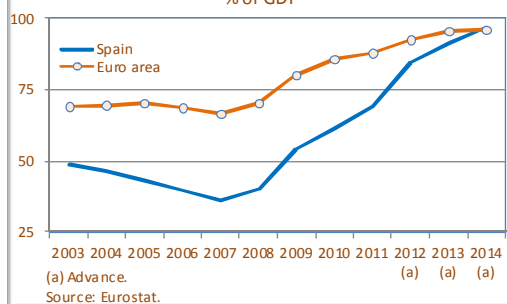
Source: Ministerio de Economía y Administraciones Públicas

DEBT BY INSTITUTIONAL SECTORS IN SPAIN
% of GDP



Source: Banco de España.

Public debt in Spain and the Euro Area
% of GDP



(a) Advance.
Source: Eurostat.

Government gross debt (% of GDP)

	2009	2010	2011	2012(a)	2013(a)	2014(a)
Germany	74,5	82,4	80,4	81,9	81,1	78,6
Ireland	64,8	92,1	106,4	117,6	123,3	119,5
Greece	129,7	148,3	170,3	156,9	175,2	175,0
Spain	53,9	61,5	69,3	84,2	91,3	96,8
France	79,2	82,4	85,8	90,2	94,0	96,2
Italy	116,4	119,3	120,8	127,0	131,4	132,2
Portugal	83,7	94,0	108,3	123,6	123,0	124,3
Euro area	80,0	85,6	88,0	92,7	95,5	96,0
United Kingdom	67,8	79,4	85,5	90,0	95,5	98,7

(a) Forecasts spring 2013.

Source: Eurostat.

Net external liabilities
(% of GDP)

	2007	2008	2009	2010	2011	2012
Germany	-4,1	-1,6	-7,8	-5,9	-2,9	-9,4
Ireland	-212,0	-159,6	-212,2	-294,4	-329,3	-396,7
Greece	69,3	76,3	88,2	102,9	98,3	121,5
Spain	68,5	76,2	88,3	92,0	93,5	90,3
France	10,8	19,1	21,3	29,7	29,2	35,0
Italy	41,4	40,6	45,2	51,8	49,4	55,5
Portugal	64,0	75,2	84,8	83,2	85,9	102,3
United Kingdom	43,3	37,3	45,7	45,6	44,1	31,7

Source: Eurostat.

Date: November 4, 2013



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