



# BULLETIN OF EU AND US INFLATION AND MACROECONOMIC ANALYSIS

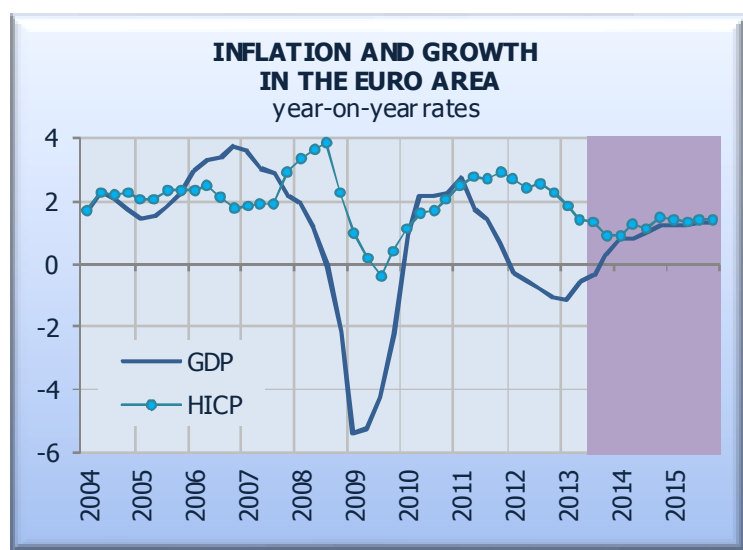
[www.uc3m.es/biam](http://www.uc3m.es/biam)

Instituto Flores de Lemus

N. 231 January 2014

Second Phase

**The euro area GDP and CPI growth forecasts remain firmly beneath 2% throughout the forecasting period.**



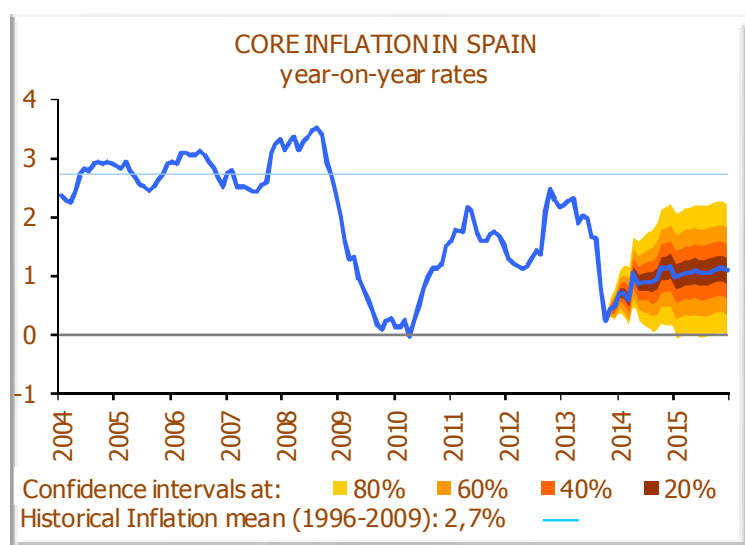
Source: EUROSTAT & BIAM (UC3M)  
Date: December 12, 2013

## Economic Outlook

P. 1

In the last 2 weeks after our last Bulletin was published, disaggregate information about the euro area GDP in 3Q13 has become available. As expected, quarterly growth fell by 0.2 pp to 0.1%, and there is no longer differential with the Spanish GDP (unfavourable to the latter for 17 consecutive quarters). Despite the fact that the FED has begun to withdraw incentives, the strength of the euro is weakening euro area exports, slightly reducing our GDP growth forecasts. Furthermore, as expected, year-on-year euro area inflation increased again, reducing deflation fears. In November, however, there was greater dispersion again between the inflation rates of members, with two countries even registering negative rates. This makes the ECB's job much more difficult.

**In Spain, weak domestic demand will keep core inflation beneath a year-on-year rate of 1% throughout the forecasting period.**



Source: INE & BIAM (UC3M)  
Date: December 13, 2013

## The recent evolution of the foreign sector according to the current account balance

P.41

During the economic crisis, the Spanish economy has been capable of correcting the high foreign disequilibrium generated in the previous period of growth, which peaked unprecedentedly in 2007 (10% of the GDP). This corrective process was fast in the first three years of the crisis; by 2010 it had fallen to 4.4% and a surplus of 1.1% is forecast for 2013. This speed was initially due to the cyclic component and subsequently to the adjustment process undergone by the economy, which has generated gains in competitiveness.

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

Director: **Antoni Espasa**

Coordination: **Santiago Sánchez Guiu**

Analysis of Financial Markets Consultant: **Esther Ruiz**

Inflation Analysis and Forecasts:

Spain and Euro Area: **Santiago Sánchez Guiu and César Castro**

United States: **Ángel Sánchez**

Macroeconomic Analysis and Forecasts:

Spain: **Nicolás Carrasco and Santiago Sánchez Guiu**

Euro Area: **Nicolás Carrasco and Macroeconomic Forecast and Analysis Laboratory**

Norway: **Gunnar Bardsen y Ragnar Nymoen**

Industrial Production Analysis:

Spain: **Santiago Sánchez Guiu and Cesar Castro**

Euro Area: **Santiago Sánchez Guiu**

USA: **Santiago Sánchez Guiu**

Composition: **Elena Arispe and Eva María Torijano**

Advisory Board:

**Paulina Beato, Guillermo de la Dehesa, José Luis Feito, Miguel Ángel Fernández de Pinedo, Alberto Lafuente, José Luis Larrea, José Luis Madariaga, Carlos Mas, Teodoro Millán, Emilio Ontiveros, Amadeo Petitbò, Federico Prades, Narcís Serra, Tomás de la Quadra-Salcedo, Javier Santiso, Xavier Vives, and Juan Urrutia (Chairman).**

BULLETIN OF EU & US INFLATION AND MACROECONOMIC ANALYSIS is an independent academic publication, monthly published by the Macroeconomic Forecast and Analysis Laboratory, Universidad Carlos III de Madrid. All rights reserved. Reproduction in part or whole is prohibited without prior permission of the Macroeconomic Forecast and Analysis Laboratory.

D.L.: M-18290-2013

Macroeconomic Forecast and Analysis Laboratory, Instituto Flores de Lemus

Universidad Carlos III de Madrid

C/ Madrid, 126 E-28903 Getafe (Madrid) Tel +34 91 624 98 89 Fax +34 91 624 93 05

[www. uc3m.es/boletin](http://www.uc3m.es/boletin) E-mail: [laborat@est-econ.uc3m.es](mailto:laborat@est-econ.uc3m.es)

|   |      |
|---|------|
| <b>I.1. ECONOMIC OUTLOOK</b>  | p.1  |
| <b>II. THE ECONOMY IN THE EURO AREA</b>   | p.4  |
| II.1. Macroeconomic Forecasts   | p.6  |
| Gross Domestic Product  | p.8  |
| Industrial Production Index   | p.10 |
| II.2. Inflation   | p.12 |
| II.3. Monetary Policy   | p.18 |
| <b>III. UNITED STATES</b>   |      |
| III.1. Industrial Production Index  | p.19 |
| III.2. Inflation  | p.20 |
| <b>IV. THE SPANISH ECONOMY</b>  | p.26 |
| IV.1. Macroeconomic Forecasts   | p.28 |
| Gross Domestic Product  | p.30 |
| Industrial Production Index   | p.32 |
| IV.2. Inflation   | p.34 |
| IV.3. The recent evolution of the foreign sector according to the current account balance | p.41 |
| <b>V. FORECASTS FOR DIFFERENT INSTITUTIONS</b>  | p.44 |
| <b>VI. ANNEX I: CHANGE IN FORECASTS AND DATA REVISION</b>                                 | p.45 |
| <b>VII. ANNEX II: SUMMARY OF FORECASTS FOR DIFFERENT AREAS</b>                            | p.55 |

\*The cut-off date for the statistics included in this Bulletin was December 18, 2013



# I. ECONOMIC OUTLOOK AND CONSIDERATIONS ABOUT THE SPANISH ECONOMY

## II.1. ECONOMIC OUTLOOK

*In the last 2 weeks after our last Bulletin was published, disaggregate information about the euro area GDP in 3Q13 has become available. As expected, quarterly growth fell by 0.2 pp to 0.1%, and there is no longer differential with the Spanish GDP (unfavourable to the latter for 17 consecutive quarters). Despite the fact that the FED has begun to withdraw incentives, the strength of the euro is weakening euro area exports, slightly reducing our GDP growth forecasts. Furthermore, as expected, year-on-year euro area inflation increased again, reducing deflation fears. In November, however, there was greater dispersion again between the inflation rates of members, with two countries even registering negative rates. This makes the ECB's job much more difficult.*

Much as expected, GDP growth in the euro area in 3Q13 was 0.1%. The euro area economy continues to grow but is incapable of strengthening its recovery rate. Domestic demand evolved well in the third quarter, with public and private consumption growing as expected and a clear upwards innovation in gross fixed capital formation. Nonetheless, the continued strength of the euro versus the dollar has had a significant effect on exports, the quarterly growth rate of which was only 0.2%

instead of the forecast 1.1%. In this context, the Fed has announced that it will start to withdraw incentives in January (reducing its monthly acquisition of assets from 85,000 to 75,000 million dollars). However, considering how fragile recovery is, the Fed will not be seeking a rapid solution, so the euro is not expected to fall beneath 1.35 dollars in the short term.

Our euro area growth forecasts are slightly worse due to an expected lower contribution of foreign demand (table I.1). The long-lasting appreciation of the euro versus the dollar appears to be the main reason. The GDP is expected to fall by an average of 0.4% ( $\pm 0.4$ ) this year, and grow by 1.0% ( $\pm 1.2$ ) in 2014 and 1.3% ( $\pm 1.6$ ) in 2015. These are modest values, evidently incapable of sustained creation of employment and of relieving the political and social tension that is threatening the European project.

On the other hand, in November euro area inflation rose by 0.2 pp after registering its lowest level since November 2010 in October (year-on-year 0.7%). The variation, however, was still less than 1%, too far from the historic average and the ECB target (graph I.1).

Table I.1

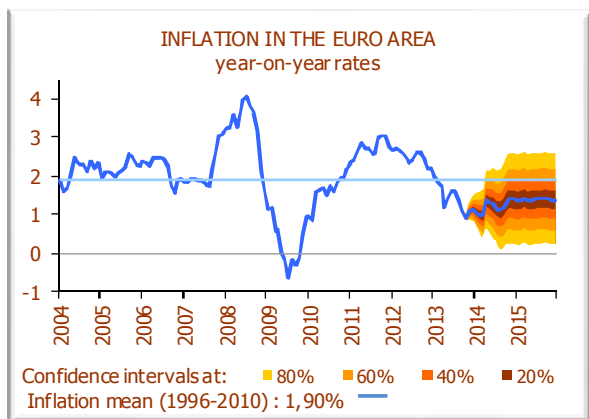
| GROSS DOMESTIC PRODUCT IN THE EURO AREA (*) |              |                       |                    |                      |             |        |       |
|---|--------------|-----------------------|--------------------|----------------------|-------------|--------|-------|
|   |              | Average annual rates  |                    |                      | Q-o-Q rates |        |       |
|   |              | 2013                  | 2014               | 2015                 | II-13       | III-13 | IV-13 |
| Final consumption                           | Private      | -0.4                  | 1.0                | 1.1                  | 0.2         | 0.1    | 0.4   |
|   | Public       | 0.3                   | 0.6                | 0.9                  | 0.0         | 0.2    | 0.2   |
| Gross fixed capital formation               | Construction | -4.1                  | -0.2               | -0.2                 | 0.0         | -0.2   | 0.0   |
|   | Equipment    | -4.1                  | 3.5                | 5.0                  | 0.2         | 0.3    | 0.9   |
|   |              | -3.4                  | 1.3                | 1.9                  | 0.2         | 0.4    | -0.6  |
| Contribution domestic demand                |              | -0.9                  | 1.0                | 1.2                  | 0.1         | 0.4    | 0.2   |
| Exports of goods and services               |              | 1.1                   | 3.6                | 3.8                  | 2.1         | 0.2    | 0.9   |
| Imports of goods and services               |              | 0.1                   | 3.8                | 3.8                  | 1.6         | 0.9    | 0.9   |
| Contribution foreign demand                 |              | 0.5                   | 0.0                | 0.1                  | 0.2         | -0.3   | 0.0   |
| Real GDP                                    |              | -0.4<br>( $\pm 0.4$ ) | 1<br>( $\pm 1.2$ ) | 1.3<br>( $\pm 1.6$ ) | 0.3         | 0.1    | 0.1   |

\* In brackets are 80% confidence intervals

Source: EUROSTAT & BIAM (UC3M)  
Date: December 12, 2013



Graph I.1



Source: EUROSTAT & BIAM (UC3M)  
Date: December 17, 2013

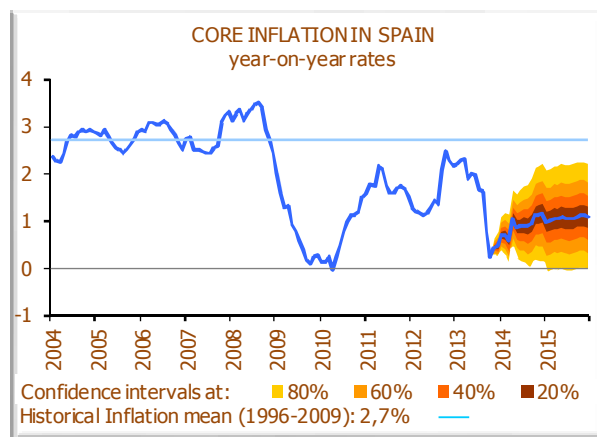
This month's small innovations do not change our average inflation forecasts for the euro area. They remain at 1.4%, 1.2% and 1.4% for 2013, 2014 and 2015, respectively.

Moreover, despite the increase in aggregate inflation, dispersion between the inflation rate of member countries grew again in November, making the ECB's job much more difficult. It grew by 0.9 pp, ranging from 2.1% in Estonia to Greece's -2.9%. Cyprus also registered a negative rate for the second consecutive month. In the other peripheral economies, inflation is very low but positive. The situation in Greece is critical, and the rapid decline in its domestic demand and labour market indicators suggest a long period of deflation. Our inflation forecasts by country are shown in table II.2.7, page 16.

In Spain, and as expected, the year-on-year inflation rate rose to 0.2%, after registering a negative rate in October. However, no other negative rates are expected during the forecasting period. Despite everything, the weakness of domestic demand will keep core inflation at around a year-on-year rate of 1% throughout this period (graph I.2).

In Spain, 2013 ends with numerous favourable signs of the onset of recovery: the country is no longer technically in recession (first quarterly GDP growth after 9 negative quarters), jobs have started to be created and registered unemployment has fallen in the last 3 months (both corrected for seasonality), the confidence of international investors in Spanish liabilities has grown (as shown by the return of non-resident capital to direct and portfolio

Graph I.2

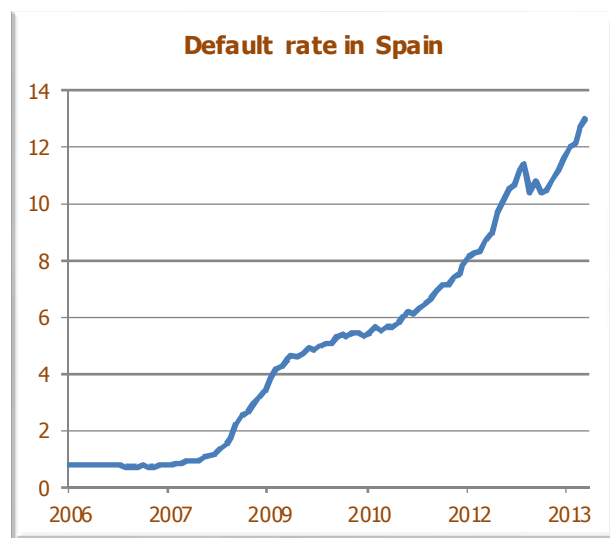


Source: INE & BIAM (UC3M)  
Date: December 13, 2013

investments and an important reduction in the Spanish risk premium, now less than 230 base points and stable), the good evolution of exports of goods and tourist services, the first positive growth in the retail trade and property prices, and so on.

Economic recovery, however, will be neither fast nor free from uncertainty, due to the numerous risks that still affect the Spanish economy, particularly a very high unemployment rate. The large unemployed population will continue to force other sectors to have a negative impact on recovery, especially the financial and public sectors. In the first, growth of the default rate (graph I.3)

Graph I.3



Source: Bank of Spain & BIAM (UC3M)  
Date: December 18, 2013



will continue to impede reactivation of credit to households and firms. In the second, the increase in the debt derived from unemployment benefits will continue to force the autonomous regions to prolong the fiscal consolidation process longer than initially expected, unless there is a change in the course of European policies.

In view of all this, despite the slight improvements in our forecasts last month, the Spanish GDP is not expected to exceed 0.2 pp of quarterly growth before the last quarter of 2014 (table I.2).

Table I.2

| 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-<br>tion             | Capital goods<br>and grown<br>assets |       |       |                     |                               |                               |                    |             |      |
| ANNUAL AVERAGE<br>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 | -2,4              | -1,4   | -10,3                         | 1,1                                  | -6,4  | -5,8  | -2,8                | 5,0                           | 0,2                           | 1,6                | -1,3 (±0,1) |      |
|                                 | 2014 | 1,4               | -2,5   | -5,6                          | 6,2                                  | -1,5  | -1,1  | 0,1                 | 6,8                           | 4,9                           | 0,6                | 0,7 (±1,3)  |      |
|                                 | 2015 | 2,3               | -0,8   | -2,2                          | 6,6                                  | 0,9   | 1,1   | 1,4                 | 6,3                           | 6,2                           | 0,1                | 1,5 (±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                 | -0,6   | 1,3                           | -3,7                                 | 0,6   | -2,2  | -1,6                | -0,4                          | -4,3                          | -4,5               | 0,0         | -0,4 |
|                                 |      | II                | 0,0    | -0,9                          | -4,7                                 | 3,8   | -1,8  | -2,0                | -0,5                          | 6,4                           | 5,2                | 0,4         | -0,1 |
|                                 |      | III               | 0,4    | 0,1                           | -1,0                                 | 1,1   | -0,2  | 0,2                 | 0,3                           | 2,2                           | 2,8                | -0,2        | 0,1  |
|                                 |      | IV                | 0,5    | -1,5                          | -0,8                                 | 2,0   | 0,3   | 0,2                 | 0,1                           | -0,8                          | -0,8               | 0,0         | 0,2  |
|                                 | 2014 | I                 | 0,3    | -0,7                          | -1,9                                 | 0,9   | -1,0  | -0,8                | -0,2                          | 1,5                           | 0,2                | 0,4         | 0,2  |
|                                 |      | II                | 0,4    | -0,4                          | -1,5                                 | 1,4   | -0,4  | -0,3                | 0,1                           | 3,1                           | 2,6                | 0,2         | 0,2  |
|                                 |      | III               | 0,4    | -0,3                          | -0,4                                 | 1,0   | 0,1   | 0,2                 | 0,2                           | 1,1                           | 1,0                | 0,0         | 0,2  |
|                                 |      | IV                | 0,5    | -0,2                          | -0,7                                 | 2,3   | 0,4   | 0,5                 | 0,3                           | 0,8                           | 0,9                | 0,0         | 0,3  |
|                                 | 2015 | I                 | 0,5    | -0,1                          | -1,0                                 | 1,7   | -0,1  | 0,0                 | 0,3                           | 1,9                           | 1,7                | 0,1         | 0,3  |
|                                 |      | II                | 0,7    | -0,2                          | -0,3                                 | 1,7   | 0,4   | 0,5                 | 0,4                           | 1,7                           | 1,8                | 0,0         | 0,4  |
|                                 |      | III               | 0,7    | -0,2                          | 0,2                                  | 1,4   | 0,6   | 0,7                 | 0,5                           | 1,3                           | 1,5                | -0,1        | 0,5  |
|                                 |      | IV                | 0,8    | -0,1                          | -0,1                                 | 0,8   | 0,2   | 0,3                 | 0,5                           | 1,6                           | 1,7                | 0,0         | 0,5  |

Source: INE &amp; BIAM (UC3M)

Date: December 2, 2013



## II. THE ECONOMY IN THE EURO AREA

**The strength of the euro is weakening exports and reduces the growth rate forecast for the next two years by 0.1 pp.**

**The IPI average growth forecast has fallen by around 0.5 pp for 2013, 2014 and 2015 to -0.9% ( $\pm 0.8$ ), 1.8% ( $\pm 2.1$ ) and 2.5% ( $\pm 2.7$ ), respectively.**

**This month's slight innovations have not changed our average inflation forecasts for the euro area, which remain at 1.4%, 1.2% and 1.4% for 2013, 2014 and 2015, respectively.**

Table II.1

| MAIN VARIABLES AND INDICATORS IN THE EURO AREA                          |   |  |               |                 |                   |   |
|---|---|--|---------------|-----------------|-------------------|---|
| Annual average rates  |   |  |               |                 |                   |   |
|   |   |  | Forecasts     |                 |                   |   |
|   |   |  | 2010          | 2011            | 2012              |   |
|   |   |  | 2013          | 2014            | 2015              |   |
|   |   |  | ( $\pm 0.4$ ) | 1 ( $\pm 1.2$ ) | 1.3 ( $\pm 1.6$ ) |   |
| <b>GDP mp.<sup>1</sup></b>  |   |  |               |                 |                   |   |
| <b>Demand</b>   | Private consumption                           |  | 1.0           | 0.3             | -1.4              | -0.4 1.0 1.1                              |
|   | Public consumption                            |  | 0.6           | -0.1            | -0.6              | 0.3 0.6 0.9                               |
|   | Gross fixed capital formation                 |  | -0.6          | 1.7             | -3.9              | -3.4 1.3 1.9                              |
|   | Construction                                  |  | -4.6          | -0.3            | -4.2              | -4.1 -0.2 -0.2                            |
|   | Equipment                                     |  | 8.9           | 2.9             | -7.3              | -4.1 3.5 5.0                              |
|   | Others  |  | 4.1           | 3.6             | 0.3               | -0.2 3.4 4.9                              |
|   | Contribution domestic demand*                 |  | 1.1           | 0.8             | -2.1              | -0.9 1.0 1.2                              |
|   | Exports of goods and services                 |  | 11.4          | 6.6             | 2.7               | 1.1 3.6 3.8                               |
|   | Imports of goods and services                 |  | 9.8           | 4.6             | -0.9              | 0.1 3.8 3.8                               |
|   |   |  | 0.8           | 0.8             | 1.4               | 0.5 0.0 0.1                               |
| <b>Supply GVA</b>   | Agriculture, livestock breeding, forestry,... |  | -3.0          | 0.3             | -4.7              | -1.4 1.9 0.9                              |
|   | Industry                                      |  | 9.3           | 3.1             | -1.0              | -0.8 1.5 2.3                              |
|   | Manufacturing Industry                        |  | 10.9          | 4.8             | -1.3              | -0.7 2.3 3.3                              |
|   | Construction                                  |  | -5.9          | -1.6            | -4.1              | -3.8 -0.5 -0.3                            |
|   | Services                                      |  | 0.9           | 1.7             | 0.0               | 0.0 1.0 1.3                               |
|   | 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               | 0.4 1.1 1.3                               |
|   | Taxes   |  | 1.3           | 0.1             | -1.9              | -0.9 0.7 0.4                              |
| <b>Prices (HICP<sup>2</sup>)</b>  |   |  |               |                 |                   |   |
| Total   |   |  | 1.6           | 2.7             | 2.5               | 1.4 1.2 1.4                               |
|   |   |  |               |                 |                   | ( $\pm 0.7$ ) ( $\pm 1$ )                 |
| Core  |   |  | 1.0           | 1.7             | 1.8               | 1.3 1.3 1.3                               |
| Processed food  |   |  | 0.9           | 3.3             | 3.1               | 2.2 2.1 2.2                               |
| Non-energy industrial goods   |   |  | 0.5           | 0.8             | 1.2               | 0.6 0.5 0.6                               |
| Services  |   |  | 1.4           | 1.8             | 1.8               | 1.4 1.5 1.5                               |
| Residual  |   |  | 4.7           | 7.6             | 5.8               | 1.8 0.8 1.9                               |
| Non-processed food  |   |  | 1.3           | 1.8             | 3.0               | 3.5 0.3 2.5                               |
| Energy  |   |  | 7.4           | 11.9            | 7.6               | 0.7 1.2 1.5                               |
| <b>Labour market<sup>3</sup></b>  |   |  |               |                 |                   |   |
| Unemployment rate   |   |  | 10.1          | 10.2            | 11.4              | 11.9 11.8 11.3                            |
| <b>Industrial production index (excluding construction)<sup>4</sup></b> |   |  |               |                 |                   |   |
| Total   |   |  | 7.3           | 3.4             | -2.5              | -0.9 1.8 2.5                              |
|   |   |  |               |                 |                   | ( $\pm 0.8$ ) ( $\pm 2.1$ ) ( $\pm 2.7$ ) |
| Consumer goods  |   |  | 2.8           | 1.0             | -2.4              | -0.8 -0.3 0.1                             |
| Durables  |   |  | 2.7           | 0.7             | -4.9              | -4.1 -1.7 3.2                             |
| Non-durables  |   |  | 2.9           | 1.0             | -2.1              | -0.3 0.0 -0.3                             |
| Equipment   |   |  | 9.0           | 8.4             | -1.2              | -0.9 3.3 4.9                              |
| Intermediate  |   |  | 10.0          | 4.1             | -4.6              | -1.0 2.7 2.4                              |
| Energy  |   |  | 3.9           | -4.4            | -0.4              | -1.1 -1.4 0.6                             |

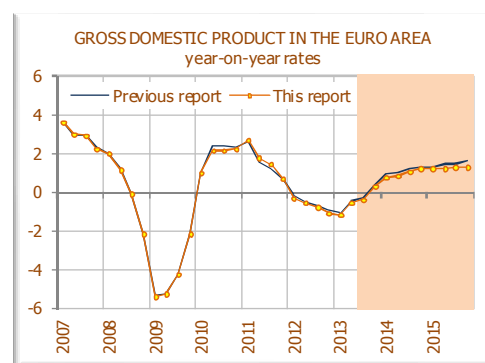
The figures in the shaded area are forecasts.

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

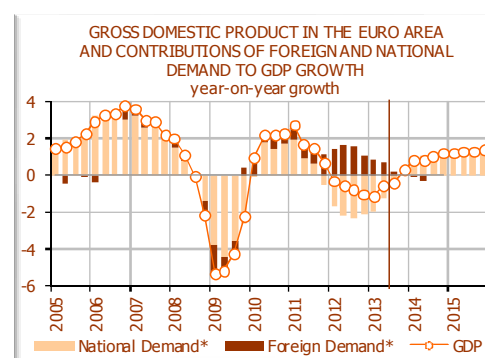
Source: EUROSTAT & BIAM (UC3M)

Date: (1) December 12, 2013 (2) December 17, 2013  
(3) October 31, 2013 (4) December 13, 2013

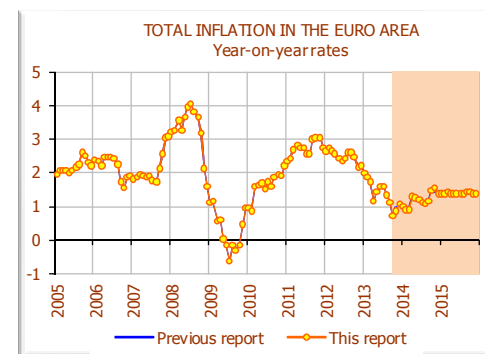
Graph II.1



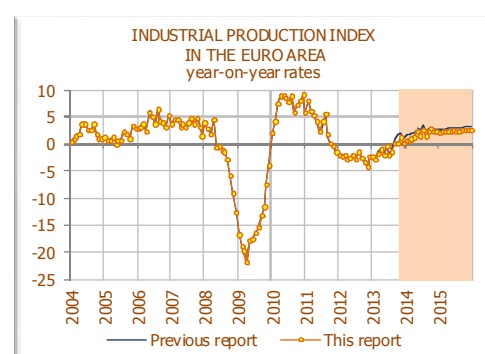
Graph II.2



Graph II.3

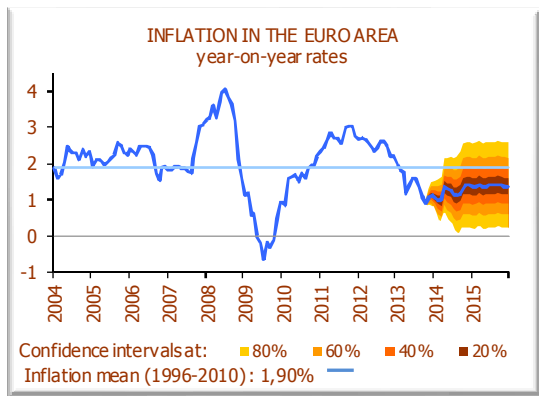


Graph II.4

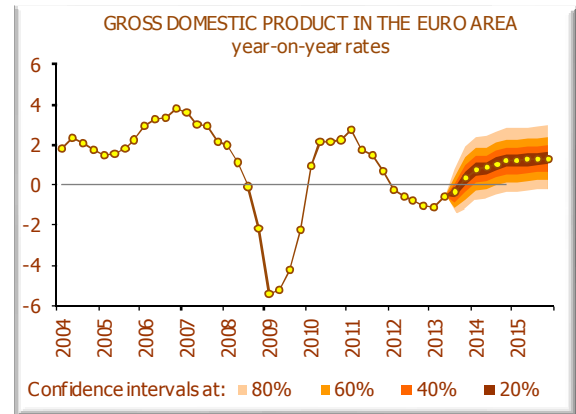




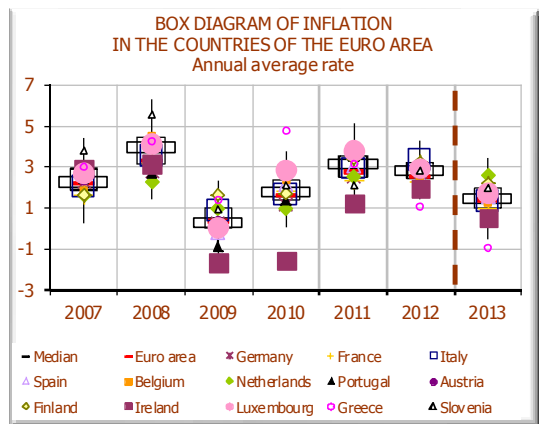
Graph II.5



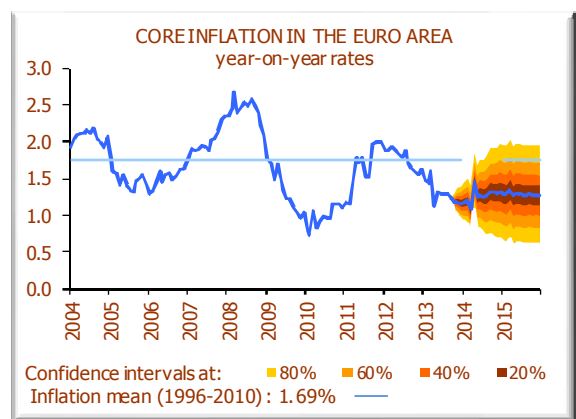
Graph II.6



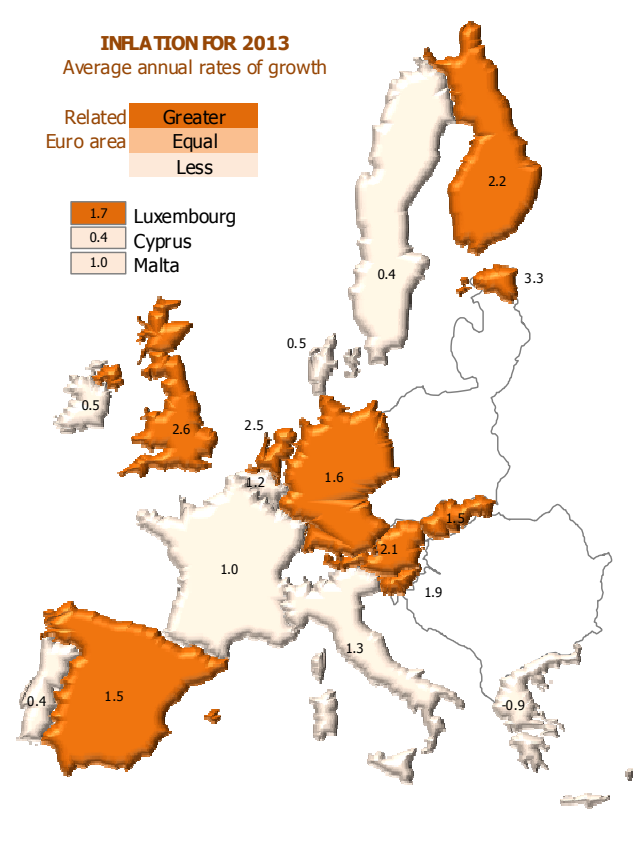
Graph II.7



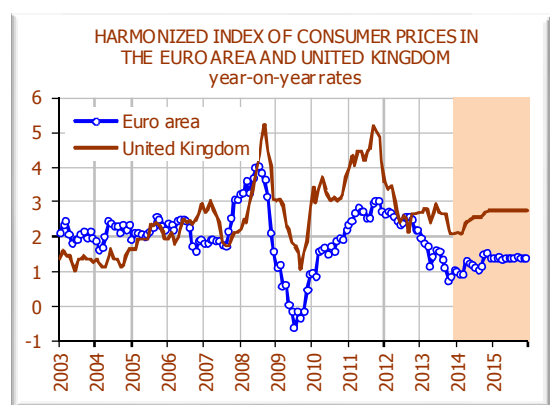
Graph II.8



Graph II.9



Graph II.10



## II.1. MACROECONOMIC FORECASTS

The euro area economy left the recession in the second quarter, with 0.3% quarter-on-quarter growth, although this rate fell to 0.1% in the third, in real terms and corrected for seasonality and calendar. In year-on-year terms, the GDP fell by 0.4%, compared with -0.6% in the previous quarter. In any event, the euro area is the major world area that took longest to overcome the crisis.

The slight GDP growth was due to domestic demand, which contributed 0.4 pp, compared with foreign demand's -0.3 pp. In volume, imports reduced their quarterly rate of variation from 1.6% in the second quarter to 0.9% in the third, and exports fell sharply from 2.1% to 0.2%, explaining reduced foreign demand. Private consumption grew by 0.1% in the quarter, 0.1 pp less than in the previous three months, which was worse than our forecast (0.3%).

November's Economic Sentiment Indicator (ESI) shows that confidence in the evolution of the euro economy continued to improve, rising by 0.8 pp, the same as in October. On the other hand, the manufacturing PMI rose by 0.2 pp to 51.5 points, and the service PMI fell by 0.7 pp to 50.9. In all the compound PMI fell by 0.4 pp (to 51.5).

The October Industrial Production Index fell by 1.1%, after also falling in September (0.2%). Relative to a year earlier, the index grew by 0.2%, making two consecutive positive months. The IPI growth forecast for 2013 has been revised downwards by 0.4 pp to an average annual reduction of 0.9%. For 2014, the forecast has fallen by 0.7 pp to 1.8% and for 2015 it has fallen by half a point to 2.5%.

The revision of the macro forecast for the euro area for 2013, 2014 and 2015, considering the latest indicators, has produced no change for 2013 and a reduction for 2014 and 2015. The GDP growth forecast remains at -0.4% for 2013. For 2014 it has fallen slightly and for 2015 we now expect average annual growth of 1%, 0.1 pp less than our previous estimate.

With regards to the labour market, the most recent figures still refer to the second quarter of 2013, when employment fell by 0.1%, less than

the 0.4% reduction in the previous three months. The opinion polls suggest that employment could stabilise in the second quarter. In October, the euro area unemployment rate was 12.1%, 0.1 pp less than in September.

Table II.1.1

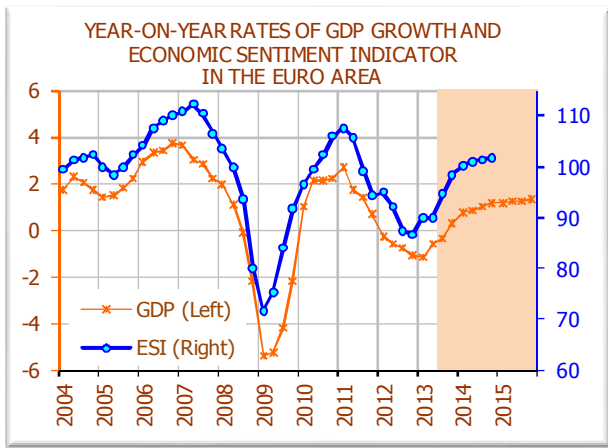
| <b>INDUSTRIAL PRODUCTION INDEX</b> |       |                              |                             |                             |
|------------------------------------|-------|------------------------------|-----------------------------|-----------------------------|
| Average rate of growth             |       |                              |                             |                             |
|                                    | 2012  | 2013                         | 2014                        | 2015                        |
| Spain                              |       |                              |                             |                             |
| Consumption                        | -4.8  | <b>-2.4</b>                  | <b>-1.0</b>                 | <b>1.2</b>                  |
| Durable                            | -13.6 | <b>-12.1</b>                 | <b>-6.0</b>                 | <b>-0.1</b>                 |
| Non-durable                        | -3.9  | <b>-1.3</b>                  | <b>1.0</b>                  | <b>1.3</b>                  |
| Capital                            | -11.0 | <b>1.4</b>                   | <b>3.7</b>                  | <b>5.4</b>                  |
| Intermediate                       | -8.9  | <b>-2.6</b>                  | <b>0.5</b>                  | <b>2.6</b>                  |
| Energy                             | 0.9   | <b>-2.4</b>                  | <b>0.7</b>                  | <b>0.8</b>                  |
| TOTAL                              | -6.4  | <b>-1.9</b><br><b>(±0,2)</b> | <b>0,3</b><br><b>(±2,5)</b> | <b>2,5</b><br><b>(±3)</b>   |
| Euro area                          |       |                              |                             |                             |
| Consumption                        | -2.4  | <b>-0.8</b>                  | <b>-0.3</b>                 | <b>0.1</b>                  |
| Durable                            | -4.9  | <b>-4.1</b>                  | <b>-1.7</b>                 | <b>3.2</b>                  |
| Non-durable                        | -2.1  | <b>-0.3</b>                  | <b>0.0</b>                  | <b>-0.3</b>                 |
| Capital                            | -1.2  | <b>-0.9</b>                  | <b>3.3</b>                  | <b>4.9</b>                  |
| Intermediate                       | -4.6  | <b>-1.0</b>                  | <b>2.7</b>                  | <b>2.4</b>                  |
| Energy                             | -0.4  | <b>-1.1</b>                  | <b>-1.4</b>                 | <b>0.6</b>                  |
| TOTAL                              | -2.5  | <b>-0.9</b><br><b>(±0.8)</b> | <b>1.8</b><br><b>(±2.1)</b> | <b>2.5</b><br><b>(±2.7)</b> |

Source: EUROSTAT & BIAM (UC3M)

Date: December 13, 2013



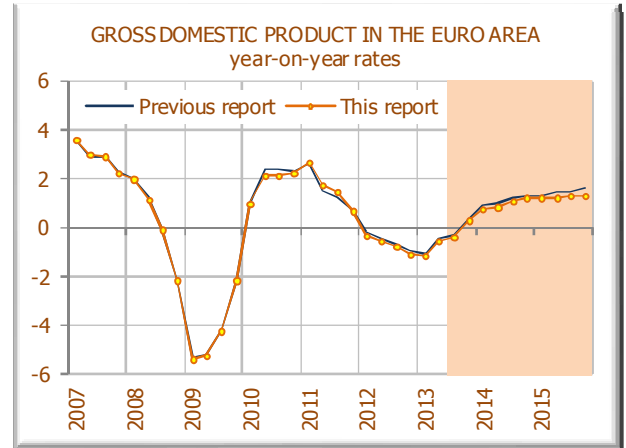
Graph II.1.1



Source: EUROSTAT &amp; BIAM (UC3M)

Date: December 13, 2013

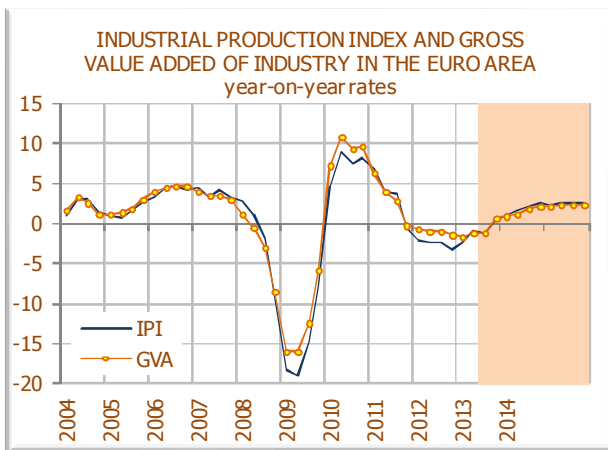
Graph II.1.2



Source: EUROSTAT &amp; BIAM (UC3M)

Date: December 13, 2013

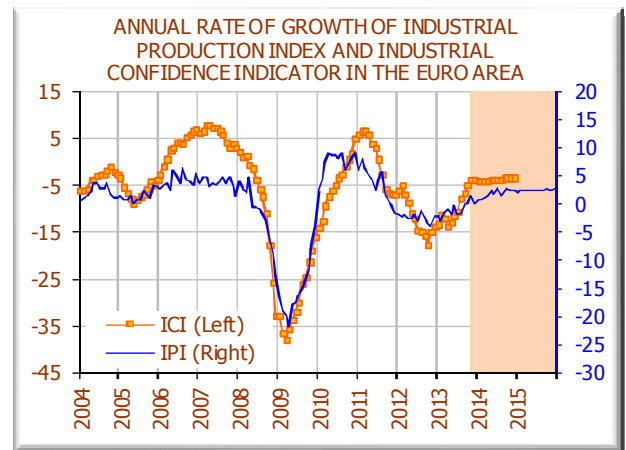
Graph II.1.3



Source: EUROSTAT &amp; BIAM (UC3M)

Date: December 13, 2013

Graph II.1.4



Source: EUROSTAT &amp; BIAM (UC3M)

Date: December 13, 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               | -4.3        |      |
|   | 2010 | 1.0               | 0.6    | -4.6                          | 8.9       | 4.1   | -0.6  | 1.1                 | 11.4                          | 9.8                           | 0.8                | 1.9         |      |
|   | 2011 | 0.3               | -0.1   | -0.3                          | 2.9       | 3.6   | 1.7   | 0.8                 | 6.6                           | 4.6                           | 0.8                | 1.6         |      |
|   | 2012 | -1.4              | -0.6   | -4.2                          | -7.3      | 0.3   | -3.9  | -2.1                | 2.7                           | -0.9                          | 1.4                | -0.7        |      |
|   | 2013 | -0.4              | 0.3    | -4.1                          | -4.1      | -0.2  | -3.4  | -0.9                | 1.1                           | 0.1                           | 0.5                | -0.4 (±0.4) |      |
|   | 2014 | 1.0               | 0.6    | -0.2                          | 3.5       | 3.4   | 1.3   | 1.0                 | 3.6                           | 3.8                           | 0.0                | 1 (±1.2)    |      |
|   | 2015 | 1.1               | 0.9    | -0.2                          | 5.0       | 4.9   | 1.9   | 1.2                 | 3.8                           | 3.8                           | 0.1                | 1.3 (±1.6)  |      |
| Y-o-Y rates                             | 2012 | I                 | -1.3   | -0.3                          | -3.8      | -4.8  | 1.2   | -2.8                | -1.7                          | 2.8                           | -0.8               | 1.5         | -0.3 |
|   |      | II                | -1.2   | -0.6                          | -4.3      | -7.2  | 0.6   | -3.8                | -2.2                          | 3.3                           | -0.8               | 1.6         | -0.6 |
|   |      | III               | -1.5   | -0.6                          | -3.8      | -8.1  | 0.2   | -4.2                | -2.3                          | 2.8                           | -1.1               | 1.6         | -0.8 |
|   |      | IV                | -1.4   | -0.7                          | -4.8      | -9.2  | -0.8  | -4.8                | -2.1                          | 1.9                           | -0.8               | 1.1         | -1.0 |
|   | 2013 | I                 | -1.3   | -0.2                          | -5.7      | -8.3  | -1.4  | -5.6                | -2.0                          | 0.1                           | -2.0               | 0.8         | -1.1 |
|   |      | II                | -0.6   | 0.1                           | -4.0      | -4.3  | -0.7  | -3.5                | -1.2                          | 1.4                           | -0.3               | 0.7         | -0.6 |
|   |      | III               | -0.4   | 0.5                           | -3.9      | -2.4  | -0.3  | -2.5                | -0.6                          | 0.9                           | 0.4                | 0.2         | -0.4 |
|   |      | IV                | 0.5    | 0.6                           | -2.5      | -0.9  | 1.4   | -1.9                | 0.3                           | 2.2                           | 2.3                | 0.0         | 0.3  |
|   | 2014 | I                 | 0.9    | 0.5                           | -0.2      | 2.0   | 1.8   | 0.8                 | 0.9                           | 4.1                           | 4.4                | -0.1        | 0.8  |
|   |      | II                | 0.9    | 0.6                           | -0.3      | 3.3   | 3.2   | 1.1                 | 1.1                           | 2.9                           | 3.6                | -0.2        | 0.8  |
|   |      | III               | 1.1    | 0.7                           | -0.2      | 4.2   | 4.0   | 1.1                 | 1.0                           | 3.6                           | 3.6                | 0.1         | 1.0  |
|   |      | IV                | 1.0    | 0.7                           | -0.3      | 4.4   | 4.4   | 2.1                 | 1.1                           | 3.7                           | 3.6                | 0.1         | 1.2  |
|   | 2015 | I                 | 1.0    | 0.8                           | -0.4      | 4.9   | 4.7   | 1.8                 | 1.1                           | 3.8                           | 3.7                | 0.1         | 1.2  |
|   |      | II                | 1.1    | 0.9                           | -0.2      | 4.9   | 4.8   | 1.9                 | 1.2                           | 3.8                           | 3.8                | 0.1         | 1.3  |
|   |      | III               | 1.1    | 0.9                           | -0.1      | 4.9   | 4.9   | 1.9                 | 1.2                           | 3.8                           | 3.8                | 0.1         | 1.3  |
|   |      | IV                | 1.1    | 1.0                           | 0.0       | 5.1   | 5.1   | 2.1                 | 1.3                           | 3.8                           | 3.8                | 0.0         | 1.3  |

Table II.1.3

| GROSS DOMESTIC PRODUCT IN THE EURO AREA |      |                   |        |                               |           |       |       |                     |                               |                               |                    |             |      |
|---|------|-------------------|--------|-------------------------------|-----------|-------|-------|---------------------|-------------------------------|-------------------------------|--------------------|-------------|------|
|   |      | Final Consumption |        | Gross Fixed Capital Formation |           |       |       | Domestic Demand (1) | Exports of goods and services | Imports of goods and services | Foreign Demand (1) | Real GDP    |      |
|   |      | Private           | Public | Construc-<br>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               | -4.3        |      |
|   | 2010 | 1.0               | 0.6    | -4.6                          | 8.9       | 4.1   | -0.6  | 1.1                 | 11.4                          | 9.8                           | 0.8                | 1.9         |      |
|   | 2011 | 0.3               | -0.1   | -0.3                          | 2.9       | 3.6   | 1.7   | 0.8                 | 6.6                           | 4.6                           | 0.8                | 1.6         |      |
|   | 2012 | -1.4              | -0.6   | -4.2                          | -7.3      | 0.3   | -3.9  | -2.1                | 2.7                           | -0.9                          | 1.4                | -0.7        |      |
|   | 2013 | -0.4              | 0.3    | -4.1                          | -4.1      | -0.2  | -3.4  | -0.9                | 1.1                           | 0.1                           | 0.5                | -0.4 (±0.4) |      |
|   | 2014 | 1.0               | 0.6    | -0.2                          | 3.5       | 3.4   | 1.3   | 1.0                 | 3.6                           | 3.8                           | 0.0                | 1 (±1.2)    |      |
|   | 2015 | 1.1               | 0.9    | -0.2                          | 5.0       | 4.9   | 1.9   | 1.2                 | 3.8                           | 3.8                           | 0.1                | 1.3 (±1.6)  |      |
| Q-on-Q rates                            | 2012 | I                 | -0.4   | -0.3                          | -1.4      | -3.1  | 1.1   | -1.1                | -0.4                          | 0.8                           | 0.0                | 0.3         | -0.1 |
|   |      | II                | -0.5   | -0.3                          | -1.8      | -4.0  | -1.0  | -1.9                | -0.7                          | 0.8                           | -0.2               | 0.4         | -0.3 |
|   |      | III               | -0.1   | -0.3                          | -0.3      | -1.7  | 0.0   | -0.6                | -0.3                          | 0.7                           | 0.3                | 0.2         | -0.1 |
|   |      | IV                | -0.5   | 0.1                           | -1.3      | -0.7  | -0.9  | -1.2                | -0.7                          | -0.5                          | -0.9               | 0.2         | -0.6 |
|   | 2013 | I                 | -0.2   | 0.3                           | -2.3      | -2.2  | 0.5   | -2.0                | -0.3                          | -1.0                          | -1.2               | 0.1         | -0.2 |
|   |      | II                | 0.2    | 0.0                           | 0.0       | 0.2   | -0.2  | 0.2                 | 0.1                           | 2.1                           | 1.6                | 0.2         | 0.3  |
|   |      | III               | 0.1    | 0.2                           | -0.2      | 0.3   | 0.4   | 0.4                 | 0.4                           | 0.2                           | 0.9                | -0.3        | 0.1  |
|   |      | IV                | 0.4    | 0.2                           | 0.0       | 0.9   | 0.7   | -0.6                | 0.2                           | 0.9                           | 0.9                | 0.0         | 0.1  |
|   | 2014 | I                 | 0.2    | 0.1                           | 0.0       | 0.6   | 0.9   | 0.8                 | 0.2                           | 0.8                           | 0.8                | 0.0         | 0.3  |
|   |      | II                | 0.2    | 0.2                           | -0.2      | 1.5   | 1.2   | 0.5                 | 0.3                           | 0.9                           | 0.9                | 0.0         | 0.3  |
|   |      | III               | 0.3    | 0.2                           | -0.1      | 1.2   | 1.1   | 0.4                 | 0.3                           | 0.9                           | 0.9                | 0.0         | 0.3  |
|   |      | IV                | 0.3    | 0.2                           | -0.1      | 1.1   | 1.1   | 0.4                 | 0.3                           | 1.0                           | 0.9                | 0.0         | 0.3  |
|   | 2015 | I                 | 0.3    | 0.2                           | -0.1      | 1.1   | 1.1   | 0.4                 | 0.3                           | 0.9                           | 0.9                | 0.0         | 0.3  |
|   |      | II                | 0.3    | 0.3                           | 0.0       | 1.5   | 1.3   | 0.6                 | 0.4                           | 1.0                           | 1.0                | 0.0         | 0.4  |
|   |      | III               | 0.3    | 0.3                           | 0.0       | 1.2   | 1.2   | 0.5                 | 0.3                           | 1.0                           | 1.0                | 0.0         | 0.3  |
|   |      | IV                | 0.3    | 0.3                           | 0.1       | 1.2   | 1.3   | 0.6                 | 0.3                           | 1.0                           | 1.0                | 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 &amp; BIAM (UC3M)

Date: December 12, 2013



## GROSS DOMESTIC PRODUCT IN THE EURO AREA: SUPPLY

Table II.1.4

| GROSS DOMESTIC PRODUCT IN THE EURO AREA |      |   |                           |       |              |                    |                                  |      |       |             |      |
|---|------|---|---------------------------|-------|--------------|--------------------|----------------------------------|------|-------|-------------|------|
|   |      | Agriculture,<br>livestoch<br>breeding,<br>forestry... | Industry                  |       | Construction | Services           |                                  |      | Taxes | Real<br>GDP |      |
|   |      |   | Manufacturing<br>industry |       |              | Market<br>services | Public<br>administration,<br>... |      |       |             |      |
| ANNUAL AVERAGE<br>RATES                 | 2009 | 1.5   | -15.1                     | -12.6 | -7.6         | -2.9               | 1.5                              | -1.8 | -4.2  | -4.3        |      |
|   | 2010 | -3.0  | 10.9                      | 9.3   | -5.9         | 0.8                | 1.3                              | 0.9  | 1.3   | 1.9         |      |
|   | 2011 | 0.3   | 4.8                       | 3.1   | -1.6         | 2.0                | 1.2                              | 1.7  | 0.1   | 1.6         |      |
|   | 2012 | -4.7  | -1.3                      | -1.0  | -4.1         | 0.0                | 0.1                              | 0.0  | -1.9  | -0.7        |      |
|   | 2013 | -1.4  | -0.7                      | -0.8  | -3.8         | -0.1               | 0.4                              | 0.0  | -0.9  | -0.4 (±0.4) |      |
|   | 2014 | 1.9   | 2.3                       | 1.5   | -0.5         | 0.9                | 1.1                              | 1.0  | 0.7   | 1 (±1.2)    |      |
|   | 2015 | 0.9   | 3.3                       | 2.3   | -0.3         | 1.3                | 1.3                              | 1.3  | 0.4   | 1.3 (±1.6)  |      |
| Y-o-Y rates                             | 2012 | I   | -1.0                      | 8.7   | 6.4          | -1.2               | 2.3                              | 1.2  | 2.0   | 3.1         | 2.7  |
|   |      | II  | 0.6                       | 5.4   | 3.9          | -2.8               | 2.1                              | 1.2  | 1.8   | 0.2         | 1.7  |
|   |      | III   | 1.1                       | 4.2   | 2.8          | -2.1               | 2.0                              | 1.2  | 1.8   | -1.0        | 1.4  |
|   |      | IV  | 0.6                       | 1.1   | -0.3         | -0.1               | 1.5                              | 1.0  | 1.4   | -1.8        | 0.7  |
|   | 2013 | I   | -1.8                      | -0.8  | -0.7         | -3.8               | 0.6                              | 0.3  | 0.5   | -1.6        | -0.3 |
|   |      | II  | -4.4                      | -1.4  | -1.0         | -3.6               | 0.2                              | 0.0  | 0.2   | -2.1        | -0.6 |
|   |      | III   | -6.3                      | -1.2  | -0.9         | -3.7               | -0.2                             | -0.2 | -0.2  | -1.7        | -0.8 |
|   |      | IV  | -6.4                      | -1.8  | -1.5         | -5.3               | -0.5                             | 0.3  | -0.3  | -2.1        | -1.0 |
|   | 2014 | I   | -2.9                      | -2.0  | -1.7         | -5.3               | -0.7                             | 0.4  | -0.4  | -2.5        | -1.1 |
|   |      | II  | -1.4                      | -0.7  | -1.1         | -4.5               | -0.2                             | 0.5  | 0.0   | -0.9        | -0.6 |
|   |      | III   | -0.4                      | -1.0  | -1.1         | -3.5               | 0.0                              | 0.5  | 0.1   | -0.8        | -0.4 |
|   |      | IV  | -0.7                      | 1.0   | 0.8          | -1.9               | 0.4                              | 0.4  | 0.4   | 0.5         | 0.3  |
|   | 2015 | I   | 1.8                       | 3.2   | 2.2          | -0.5               | 1.2                              | 1.3  | 1.2   | 0.5         | 1.2  |
|   |      | II  | 1.0                       | 3.3   | 2.3          | -0.4               | 1.2                              | 1.3  | 1.2   | 0.5         | 1.3  |
|   |      | III   | 0.5                       | 3.3   | 2.3          | -0.3               | 1.3                              | 1.3  | 1.3   | 0.4         | 1.3  |
|   |      | IV  | 0.3                       | 3.4   | 2.4          | -0.2               | 1.4                              | 1.4  | 1.4   | 0.4         | 1.3  |

Table II.1.5

| GROSS DOMESTIC PRODUCT IN THE EURO AREA |      |   |                           |       |              |                    |                                  |      |       |             |      |
|---|------|---|---------------------------|-------|--------------|--------------------|----------------------------------|------|-------|-------------|------|
|   |      | Agriculture,<br>livestoch<br>breeding,<br>forestry... | Industry                  |       | Construction | Services           |                                  |      | Taxes | Real<br>GDP |      |
|   |      |   | Manufacturing<br>industry |       |              | Market<br>services | Public<br>administration,<br>... |      |       |             |      |
| ANNUAL AVERAGE<br>RATES                 | 2009 | 1.5   | -15.1                     | -12.6 | -7.6         | -2.9               | 1.5                              | -1.8 | -4.2  | 0.2         |      |
|   | 2010 | -3.0  | 10.9                      | 9.3   | -5.9         | 0.8                | 1.3                              | 0.9  | 1.3   | -4.3        |      |
|   | 2011 | 0.3   | 4.8                       | 3.1   | -1.6         | 2.0                | 1.2                              | 1.7  | 0.1   | 1.9         |      |
|   | 2012 | -4.7  | -1.3                      | -1.0  | -4.1         | 0.0                | 0.1                              | 0.0  | -1.9  | -0.7        |      |
|   | 2013 | -1.4  | -0.7                      | -0.8  | -3.8         | -0.1               | 0.4                              | 0.0  | -0.9  | -0.4 (±0.4) |      |
|   | 2014 | 1.9   | 2.3                       | 1.5   | -0.5         | 0.9                | 1.1                              | 1.0  | 0.7   | 1 (±1.2)    |      |
| 2015                                    | 0.9  | 3.3   | 3.3                       | 2.3   | -0.3         | 1.3                | 1.3                              | 1.3  | 0.4   | 1.3 (±1.6)  |      |
| Q-on-Q rates                            | 2012 | I   | -3.3                      | 0.3   | 0.3          | -1.4               | 0.0                              | -0.3 | -0.1  | 0.2         | -0.1 |
|   |      | II  | -1.8                      | -0.7  | -0.2         | -1.2               | -0.2                             | 0.1  | -0.1  | -1.1        | -0.3 |
|   |      | III   | -1.4                      | 0.1   | 0.0          | -1.2               | -0.1                             | 0.1  | 0.0   | -0.2        | -0.1 |
|   |      | IV  | 0.0                       | -1.5  | -1.6         | -1.8               | -0.3                             | 0.4  | -0.1  | -1.0        | -0.6 |
|   | 2013 | I   | 0.3                       | 0.1   | 0.0          | -1.3               | -0.2                             | -0.2 | -0.2  | -0.2        | -0.2 |
|   |      | II  | -0.3                      | 0.7   | 0.5          | -0.4               | 0.3                              | 0.2  | 0.3   | 0.5         | 0.3  |
|   |      | III   | -0.4                      | -0.2  | 0.0          | -0.1               | 0.1                              | 0.2  | 0.1   | -0.1        | 0.1  |
|   |      | IV  | -0.3                      | 0.4   | 0.3          | -0.2               | 0.1                              | 0.2  | 0.2   | 0.3         | 0.1  |
|   | 2014 | I   | 1.4                       | 0.7   | 0.2          | 0.0                | 0.3                              | 0.3  | 0.3   | 0.2         | 0.3  |
|   |      | II  | 0.8                       | 0.9   | 0.8          | -0.2               | 0.2                              | 0.3  | 0.3   | 0.1         | 0.3  |
|   |      | III   | 0.6                       | 0.8   | 0.6          | -0.1               | 0.3                              | 0.3  | 0.3   | 0.2         | 0.3  |
|   |      | IV  | 0.2                       | 0.7   | 0.6          | -0.1               | 0.3                              | 0.3  | 0.3   | 0.1         | 0.3  |
|   | 2015 | I   | 0.1                       | 0.7   | 0.2          | -0.1               | 0.3                              | 0.4  | 0.3   | 0.1         | 0.3  |
|   |      | II  | 0.1                       | 1.0   | 0.8          | -0.1               | 0.3                              | 0.3  | 0.3   | 0.1         | 0.4  |
|   |      | III   | 0.1                       | 0.8   | 0.6          | 0.0                | 0.3                              | 0.3  | 0.3   | 0.1         | 0.3  |
|   |      | IV  | 0.1                       | 0.8   | 0.7          | 0.0                | 0.4                              | 0.3  | 0.4   | 0.1         | 0.4  |

Data adjusted for seasonality and working days effect

The figures in the shaded area are forecasts

(1) Contribution to GDP growth

\* Year-on-year rates

Source: EUROSTAT &amp; BIAM (UC3M)

Date: December 12, 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        | -5.4  | -21.2         | -19.7              | -5.1   | -16.3                  | -15.1       |
|  | 2010 | 2.7            | 2.9         | 2.8   | 9.0           | 10.0               | 3.9    | 7.8                    | 7.3         |
|  | 2011 | 0.7            | 1.0         | 1.0   | 8.4           | 4.1                | -4.4   | 4.4                    | 3.4         |
|  | 2012 | -4.9           | -2.1        | -2.4  | -1.2          | -4.6               | -0.4   | -2.7                   | -2.5        |
|  | 2013 | -4.1           | -0.3        | -0.8  | -0.9          | -1.0               | -1.1   | -0.9                   | -0.9 (±0.8) |
|  | 2014 | -1.7           | 0.0         | -0.3  | 3.3           | 2.7                | -1.4   | 2.2                    | 1.8 (±2.1)  |
|  | 2015 | 3.2            | -0.3        | 0.1   | 4.9           | 2.4                | 0.6    | 2.7                    | 2.5 (±2.7)  |
| Y-o-Y rates  | 2012 | I              | -3.6        | -2.5  | -2.6          | 1.0                | -4.2   | -2.3                   | -2.0        |
|  |      | II             | -4.8        | -2.4  | -2.7          | -1.3               | -4.6   | 2.0                    | -2.4        |
|  |      | III            | -5.6        | -1.8  | -2.2          | -0.9               | -4.4   | -0.3                   | -2.3        |
|  |      | IV             | -5.5        | -1.6  | -2.1          | -3.3               | -5.2   | -0.5                   | -3.3        |
|  | 2013 | I              | -4.7        | -0.3  | -0.8          | -3.4               | -3.6   | -0.1                   | -2.2        |
|  |      | II             | -3.9        | -0.2  | -0.7          | -0.1               | -2.0   | -1.1                   | -1.0        |
|  |      | III            | -3.8        | -0.5  | -0.8          | -1.3               | -0.8   | -1.8                   | -1.1        |
|  |      | IV             | -4.2        | -0.1  | -0.7          | 0.9                | 2.6    | -1.6                   | 0.5         |
|  | 2014 | I              | -3.7        | 0.1   | -0.6          | 2.8                | 2.8    | -3.1                   | 0.9         |
|  |      | II             | -2.5        | 0.1   | -0.4          | 2.1                | 2.9    | -2.0                   | 1.8         |
|  |      | III            | -1.2        | 0.1   | -0.3          | 3.8                | 2.8    | -1.1                   | 2.2         |
|  |      | IV             | 0.7         | 0.0   | 0.0           | 4.5                | 2.5    | 0.7                    | 2.5         |
|  | 2015 | I              | 2.3         | -0.4  | -0.1          | 4.6                | 2.4    | 0.5                    | 2.3         |
|  |      | II             | 2.9         | -0.4  | 0.0           | 5.0                | 2.4    | 0.6                    | 2.5         |
|  |      | III            | 3.7         | -0.3  | 0.2           | 5.0                | 2.4    | 0.7                    | 2.5         |
|  |      | IV             | 4.0         | -0.2  | 0.3           | 5.1                | 2.4    | 0.7                    | 2.6         |

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  | 6.0  | -1.9 | -2.4 | 0.9  | 2.2  |
| February                                     | -18.8 | 4.4  | 8.0  | -2.1 | -2.8 | 0.8  | 2.3  |
| March  | -19.7 | 7.5  | 6.2  | -2.0 | -1.6 | 1.0  | 2.3  |
| April  | -21.8 | 9.0  | 5.4  | -2.7 | -0.8 | 1.3  | 2.5  |
| May  | -17.7 | 8.8  | 4.3  | -2.5 | -1.9 | 2.3  | 2.5  |
| June   | -17.3 | 8.5  | 2.3  | -1.9 | -0.2 | 1.7  | 2.5  |
| July   | -16.2 | 7.9  | 4.2  | -2.7 | -2.0 | 2.7  | 2.5  |
| August                                       | -15.2 | 8.9  | 5.7  | -1.4 | -1.5 | 1.6  | 2.5  |
| September                                    | -13.1 | 6.0  | 1.8  | -2.6 | 0.2  | 2.3  | 2.5  |
| October                                      | -11.4 | 7.3  | 0.2  | -3.3 | 0.2  | 2.9  | 2.6  |
| November                                     | -7.4  | 8.1  | -0.4 | -4.0 | 1.2  | 2.3  | 2.6  |
| December                                     | -3.8  | 9.1  | -1.5 | -2.4 | 0.1  | 2.3  | 2.7  |

Data adjusted for seasonality and working days effect

The figures in the shaded area are forecasts

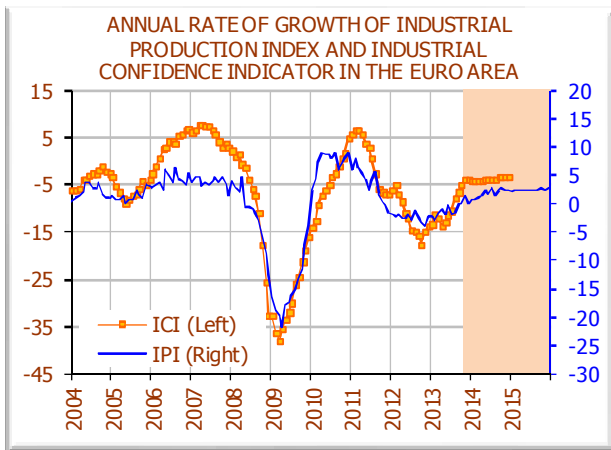
\*Year-on-year rates

Source: EUROSTAT &amp; BIAM (UC3M)

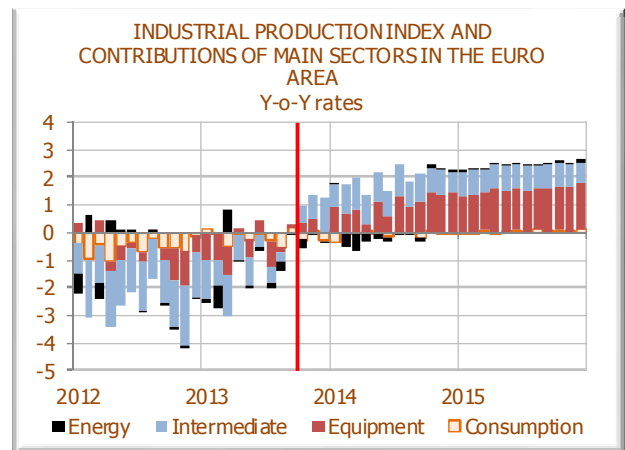
Date: December 13, 2013



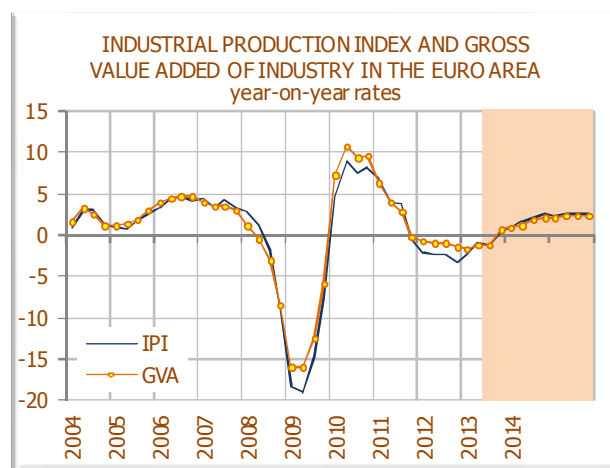
Graph II.1.5



Graph II.1.6



Graph II.1.7



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

Source: Datastream & BIAM (UC3M)

Date: December 13, 2013



## II.2. INFLATION

In November, the year-on-year euro area HICP increased by 0.2 pp to 0.9% instead of the expected 1%. This innovation was found in the residual component: unprocessed food and energy products. The monthly rate of variation of prices in November was -0.1%.

On the other hand, core inflation grew by 0.1 pp in November, to 1.1%, as recently forecast. This month there were small upwards and downwards innovations that counteracted each other, downwards in processed food and upwards in services. Relative to October, core prices remained unaltered (0.0% monthly variation).

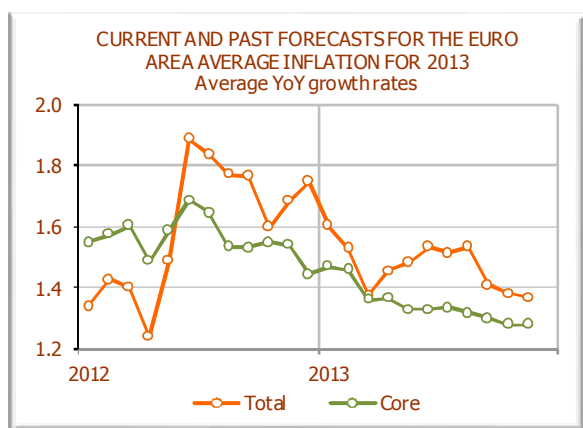
The leading indicators for the evolution of prices on international food and energy markets evolved much as expected. Together with the lack of significant innovations (all the deviations this month remained within their normal 80% confidence intervals except unprocessed food, tables II.2.2 and II.2.3), this enabled our forecasts to remain unaltered this month for both total and core inflation. The forecast average year-on-year rates for the euro area HICP remain

unchanged at 1.4% ( $\pm 0.01$ ), 1.2% ( $\pm 0.72$ ) and 1.4% ( $\pm 0.99$ ) for 2013, 2014 and 2015, respectively. The average variation in core inflation will be 1.3% every year, with confidence intervals of  $\pm 0.01$ ,  $\pm 0.38$  and  $\pm 0.59$ , respectively.

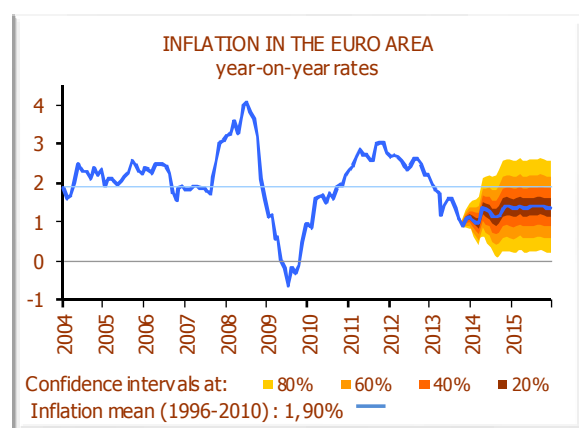
Despite having increased from a year-on-year rate of 0.7% in October, its lowest since November 2010, inflation in November still remained beneath 1%, too far from its historic average and the ECB target. In this context, and after the sluggishness of the European GDP in 3Q13, the recent ECB rate cut continues to be justified.

However, as mentioned last month, with credit at an all-time low, that decision is unlikely to bring inflation closer to the ECB target during the forecasting period. But that is not all. This month we have seen the reduced efficiency of the rate cut in relation to another of its motivations, the depreciation of the euro. In the last month, the euro increased heavily to very near the highest in two years.

Graph II.2.1



Graph II.2.3



Graph II.2.2

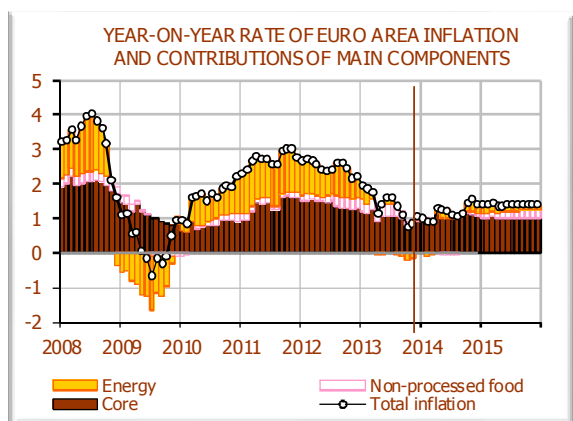


Table II.2.1

| INFLATION IN THE EURO AREA * |              |                              |                      |                              |                              |                              |
|------------------------------|--------------|------------------------------|----------------------|------------------------------|------------------------------|------------------------------|
| HICP                         | Annual rates |                              | Annual average rates |                              |                              |                              |
|                              | 2013         |                              | 2012                 | 2013                         | 2014                         | 2015                         |
|                              | November     | December                     |                      |                              |                              |                              |
| Core<br>81.69%               | 1.1          | <b>1.2</b><br>( $\pm 0.13$ ) | 1.8                  | <b>1.3</b><br>( $\pm 0.01$ ) | <b>1.3</b><br>( $\pm 0.38$ ) | <b>1.3</b><br>( $\pm 0.59$ ) |
| Total<br>100%                | 0.9          | <b>1.1</b><br>( $\pm 0.12$ ) | 2.5                  | <b>1.4</b><br>( $\pm 0.01$ ) | <b>1.2</b><br>( $\pm 0.72$ ) | <b>1.4</b><br>( $\pm 0.99$ ) |

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

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

Source: EUROSTAT & BIAM(UC3M)

Date: December 17, 2013

Source: EUROSTAT & BIAM(UC3M)

Date: December 17, 2013





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

Table II.2.2

| <b>INFLATION IN THE EURO AREA</b><br><b>Annual rates, November, 2013</b> |               |              |             |                       |
|--|---------------|--------------|-------------|-----------------------|
| Harmonized Index of Consumer Prices HICP                                 | Weights 2013  | Observed     | Forecasts   | Confidence Intervals* |
| Processed Food   | 120.25        | 2.04         | 2.15        | ± 0.38                |
| Tobacco  | 24.21         | 4.05         | 4.38        |                       |
| Processed food excluding tobacco   | 96.04         | 1.54         | 1.59        |                       |
| Non-energy Industrial goods  | 273.64        | 0.24         | 0.32        | ± 0.21                |
| Services   | 423.03        | 1.45         | 1.38        | ± 0.14                |
| <b>CORE</b>  | <b>816.92</b> | <b>1.11</b>  | <b>1.13</b> | ± 0.13                |
| Non-processed food   | 73.45         | 0.92         | 2.27        | ± 0.72                |
| Energy   | 109.63        | -1.08        | -0.72       | ± 0.86                |
| <b>RESIDUAL</b>  | <b>183.08</b> | <b>-0.30</b> | <b>0.45</b> | ± 0.57                |
| <b>TOTAL</b>   | <b>1000</b>   | <b>0.86</b>  | <b>1.00</b> | ± 0.12                |

\* Confidence intervals at 80% calculated with historical errors

Graph II.2.4

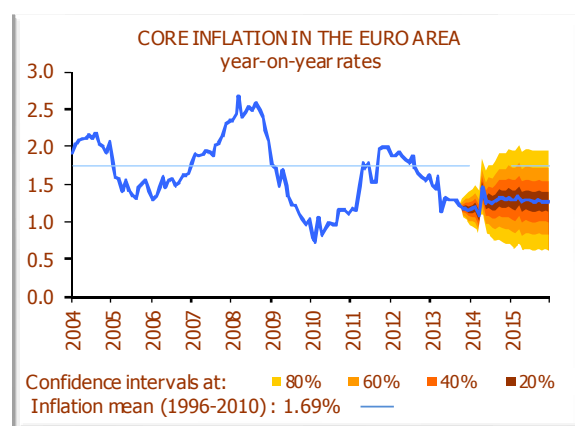


Table II.2.3

| <b>INFLATION IN THE EURO AREA</b><br><b>Monthly rates, November, 2013</b> |               |              |             |                       |
|---|---------------|--------------|-------------|-----------------------|
| Harmonized Index of Consumer Prices HICP                                  | Weights 2013  | Observed     | Forecasts   | Confidence Intervals* |
| Processed Food  | 120.25        | 0.13         | 0.24        | ± 0.38                |
| Tobacco   | 24.21         | 0.05         | 0.37        |                       |
| Processed food excluding tobacco  | 96.04         | 0.15         | 0.21        |                       |
| Non-energy Industrial goods   | 273.64        | 0.06         | 0.13        | ± 0.21                |
| Services  | 423.03        | -0.08        | -0.14       | ± 0.14                |
| <b>CORE</b>   | <b>816.92</b> | <b>-0.01</b> | <b>0.01</b> | ± 0.13                |
| Non-processed food  | 73.45         | 0.08         | 1.42        | ± 0.72                |
| Energy  | 109.63        | -0.78        | -0.42       | ± 0.86                |
| <b>RESIDUAL</b>   | <b>183.08</b> | <b>-0.44</b> | <b>0.31</b> | ± 0.57                |
| <b>TOTAL</b>  | <b>1000</b>   | <b>-0.08</b> | <b>0.07</b> | ± 0.12                |

\* Confidence intervals at 80% calculated with historical errors

Table II.2.4

| <b>SUMMARY OF INFLATION IN THE EURO AREA (HICP) AND SPAIN (CPI)</b> |               |              |            |                  |            |
|---|---------------|--------------|------------|------------------|------------|
|   |               | <b>Spain</b> |            | <b>Euro area</b> |            |
|   |               | Total        | Core       | Total            | Core       |
| Annual average rates  | 2012          | 2.4          | 1.6        | 2.5              | 1.8        |
|   | <b>2013</b>   | <b>1.4</b>   | <b>1.5</b> | <b>1.4</b>       | <b>1.3</b> |
|   | <b>2014</b>   | <b>1.1</b>   | <b>0.8</b> | <b>1.2</b>       | <b>1.3</b> |
|   | <b>2015</b>   | <b>1.1</b>   | <b>1.0</b> | <b>1.4</b>       | <b>1.3</b> |
|   |               |              |            |                  |            |
| y-o-y rates   | Oct-13        | -0.1         | 0.2        | 0.7              | 1.0        |
|   | Nov-13        | 0.2          | 0.4        | 0.9              | 1.1        |
|   | <b>Dec-13</b> | <b>0.3</b>   | <b>0.3</b> | <b>1.1</b>       | <b>1.2</b> |
|   | <b>Dec-14</b> | <b>1.5</b>   | <b>1.1</b> | <b>1.4</b>       | <b>1.3</b> |
|   | <b>Dec-15</b> | <b>0.9</b>   | <b>1.0</b> | <b>1.4</b>       | <b>1.3</b> |

Source: EUROSTAT, INE & BIAM(UC3M)

Date: December 17, 2013



Table II.2.5

| HARMONIZED INDEX OF CONSUMER PRICES AND COMPONENTS IN THE EURO AREA |      |   |         |                                   |          |                                       |        |                          |        |                                       |      |        |        |
|---|------|---|---------|-----------------------------------|----------|---------------------------------------|--------|--------------------------|--------|---------------------------------------|------|--------|--------|
| Annual rates of growth  |      |   |         |                                   |          |                                       |        |                          |        |                                       |      |        |        |
|   |      | HICP                                      |         |                                   |          |                                       |        |                          |        |                                       |      |        |        |
|   |      | Core                                      |         |                                   |          | TOTAL80 %<br>Confidence<br>Intervals* |        | Residual                 |        | TOTAL80 %<br>Confidence<br>Intervals* |      |        |        |
|   |      | Processed<br>food<br>excluding<br>tobacco | Tobacco | Non energy<br>industrial<br>goods | Services |                                       |        | Non<br>processed<br>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 | 1.7                                       | 4.5     | 0.6                               | 1.4      | 1.3                                   | ± 0.01 | 3.5                      | 0.7    | 1.8                                   | 1.4  | ± 0.01 |        |
|   | 2014 | 1.6                                       | 4.1     | 0.5                               | 1.5      | 1.3                                   | ± 0.38 | 0.3                      | 1.2    | 0.8                                   | 1.2  | ± 0.72 |        |
|   | 2015 | 1.6                                       | 4.6     | 0.6                               | 1.5      | 1.3                                   | ± 0.59 | 2.5                      | 1.5    | 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                                   | 1.7     | 4.0                               | 0.3      | 1.2                                   | 1.0    |                          | 1.4    | -1.7                                  | -0.5 | 0.7    |        |
|   |      | November                                  | 1.5     | 4.0                               | 0.2      | 1.4                                   | 1.1    |                          | 0.9    | -1.1                                  | -0.3 | 0.9    |        |
|   |      | December                                  | 1.5     | 4.3                               | 0.4      | 1.4                                   | 1.2    | ± 0.13                   | 0.7    | 0.6                                   | 0.6  | 1.1    | ± 0.12 |
|   | 2014 | January                                   | 1.5     | 4.1                               | 0.3      | 1.4                                   | 1.2    | ± 0.18                   | 0.4    | 0.1                                   | 0.2  | 1.0    | ± 0.24 |
|   |      | February                                  | 1.5     | 4.2                               | 0.4      | 1.5                                   | 1.2    | ± 0.23                   | 0.9    | -1.0                                  | -0.2 | 0.9    | ± 0.35 |
|   |      | March                                     | 1.5     | 3.9                               | 0.4      | 1.2                                   | 1.1    | ± 0.26                   | 0.7    | -0.1                                  | 0.2  | 0.9    | ± 0.47 |
|   |      | April                                     | 1.6     | 4.1                               | 0.4      | 1.9                                   | 1.5    | ± 0.30                   | 0.2    | 0.9                                   | 0.6  | 1.3    | ± 0.58 |
|   |      | May                                       | 1.6     | 4.3                               | 0.4      | 1.5                                   | 1.2    | ± 0.34                   | -0.3   | 2.4                                   | 1.3  | 1.2    | ± 0.68 |
|   |      | June                                      | 1.6     | 4.6                               | 0.5      | 1.5                                   | 1.3    | ± 0.38                   | -1.0   | 2.3                                   | 0.9  | 1.2    | ± 0.77 |
|   |      | July                                      | 1.6     | 3.6                               | 0.5      | 1.5                                   | 1.2    | ± 0.43                   | -1.0   | 1.5                                   | 0.5  | 1.1    | ± 0.86 |
|   |      | August                                    | 1.7     | 3.5                               | 0.5      | 1.5                                   | 1.3    | ± 0.48                   | -0.8   | 1.1                                   | 0.3  | 1.1    | ± 0.94 |
|   |      | September                                 | 1.7     | 3.6                               | 0.7      | 1.5                                   | 1.3    | ± 0.51                   | 0.3    | 0.6                                   | 0.5  | 1.2    | ± 1.01 |
|   |      | October                                   | 1.6     | 4.2                               | 0.6      | 1.8                                   | 1.4    | ± 0.55                   | 1.0    | 2.0                                   | 1.6  | 1.5    | ± 1.07 |
|   |      | November                                  | 1.6     | 4.5                               | 0.8      | 1.5                                   | 1.4    | ± 0.58                   | 1.4    | 3.1                                   | 2.4  | 1.5    | ± 1.13 |
|   |      | December                                  | 1.6     | 4.5                               | 0.6      | 1.5                                   | 1.3    | ± 0.60                   | 1.4    | 1.9                                   | 1.7  | 1.4    | ± 1.18 |
|   | 2015 | January                                   | 1.6     | 4.6                               | 0.6      | 1.5                                   | 1.3    | ± 0.62                   | 1.5    | 1.9                                   | 1.8  | 1.4    | ± 1.19 |
|   |      | February                                  | 1.6     | 4.6                               | 0.5      | 1.5                                   | 1.3    | ± 0.64                   | 1.9    | 1.9                                   | 1.9  | 1.4    | ± 1.20 |
|   |      | March                                     | 1.6     | 4.6                               | 0.6      | 1.6                                   | 1.3    | ± 0.66                   | 2.0    | 1.7                                   | 1.8  | 1.4    | ± 1.20 |
|   |      | April                                     | 1.6     | 4.6                               | 0.6      | 1.4                                   | 1.3    | ± 0.66                   | 2.1    | 1.7                                   | 1.8  | 1.4    | ± 1.20 |
|   |      | May                                       | 1.6     | 4.6                               | 0.6      | 1.5                                   | 1.3    | ± 0.67                   | 2.1    | 1.5                                   | 1.7  | 1.4    | ± 1.20 |
|   |      | June                                      | 1.6     | 4.6                               | 0.6      | 1.5                                   | 1.3    | ± 0.67                   | 2.4    | 1.5                                   | 1.8  | 1.4    | ± 1.20 |
|   |      | July                                      | 1.6     | 4.6                               | 0.5      | 1.5                                   | 1.3    | ± 0.67                   | 2.6    | 1.4                                   | 1.9  | 1.4    | ± 1.20 |
|   |      | August                                    | 1.6     | 4.7                               | 0.5      | 1.5                                   | 1.3    | ± 0.67                   | 2.9    | 1.4                                   | 2.0  | 1.4    | ± 1.20 |
|   |      | September                                 | 1.6     | 4.7                               | 0.6      | 1.5                                   | 1.3    | ± 0.67                   | 3.0    | 1.4                                   | 2.0  | 1.4    | ± 1.20 |
|   |      | October                                   | 1.6     | 4.5                               | 0.5      | 1.5                                   | 1.3    | ± 0.67                   | 3.3    | 1.2                                   | 2.0  | 1.4    | ± 1.20 |
|   |      | November                                  | 1.6     | 4.5                               | 0.5      | 1.5                                   | 1.3    | ± 0.67                   | 3.3    | 1.0                                   | 1.9  | 1.4    | ± 1.20 |
|   |      | December                                  | 1.6     | 4.6                               | 0.5      | 1.5                                   | 1.3    | ± 0.67                   | 3.3    | 1.0                                   | 1.9  | 1.4    | ± 1.20 |

\* Confidence intervals calculated with historical errors

The figures in the shaded area are forecasts

Source: EUROSTAT &amp; BIAM(UC3M)

Date: December 17, 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 | 0.4                                 | 0.2     | -3.6                        | -0.4     | -1.4  | 0.5                | 2.6    | 1.7   | -0.8  |
|   |           | 2013 | 0.2                                 | 0.6     | -3.8                        | -0.5     | -1.5  | 0.8                | 1.3    | 1.1   | -1.0  |
|   |           | 2014 | 0.2                                 | 0.5     | -3.9                        | -0.5     | -1.5  | 0.5                | 0.8    | 0.7   | -1.1  |
|   |           | 2015 | 0.2                                 | 0.5     | -4.0                        | -0.5     | -1.5  | 0.6                | 0.8    | 0.7   | -1.1  |
|   | February  | 2012 | 0.3                                 | 0.3     | 0.2                         | 0.5      | 0.3   | 1.2                | 1.1    | 1.2   | 0.5   |
|   |           | 2013 | 0.2                                 | 0.2     | 0.2                         | 0.4      | 0.3   | -0.1               | 1.2    | 0.7   | 0.4   |
|   |           | 2014 | 0.2                                 | 0.3     | 0.2                         | 0.4      | 0.3   | 0.4                | 0.1    | 0.2   | 0.3   |
|   |           | 2015 | 0.2                                 | 0.3     | 0.2                         | 0.4      | 0.3   | 0.7                | 0.0    | 0.3   | 0.3   |
|   | March     | 2012 | 0.2                                 | 0.5     | 3.6                         | 0.1      | 1.3   | 0.5                | 1.6    | 1.1   | 1.3   |
|   |           | 2013 | 0.1                                 | 0.6     | 3.8                         | 0.4      | 1.5   | 0.6                | -0.6   | -0.2  | 1.2   |
|   |           | 2014 | 0.2                                 | 0.4     | 3.9                         | 0.2      | 1.4   | 0.4                | 0.2    | 0.3   | 1.2   |
|   |           | 2015 | 0.2                                 | 0.3     | 4.0                         | 0.2      | 1.4   | 0.5                | 0.0    | 0.2   | 1.2   |
|   | April     | 2012 | 0.1                                 | 0.7     | 0.7                         | 0.3      | 0.4   | -0.1               | 1.1    | 0.6   | 0.5   |
|   |           | 2013 | 0.1                                 | 0.2     | 0.5                         | -0.4     | 0.0   | 0.5                | -1.0   | -0.4  | -0.1  |
|   |           | 2014 | 0.1                                 | 0.3     | 0.5                         | 0.3      | 0.4   | 0.0                | 0.1    | 0.1   | 0.3   |
|   |           | 2015 | 0.1                                 | 0.4     | 0.5                         | 0.1      | 0.3   | 0.1                | 0.0    | 0.1   | 0.2   |
|   | May       | 2012 | 0.0                                 | 0.5     | 0.0                         | -0.1     | 0.0   | 0.2                | -1.4   | -0.8  | -0.1  |
|   |           | 2013 | 0.2                                 | 0.1     | 0.0                         | 0.3      | 0.2   | 1.1                | -1.2   | -0.3  | 0.1   |
|   |           | 2014 | 0.1                                 | 0.3     | 0.0                         | -0.1     | 0.0   | 0.6                | 0.2    | 0.3   | 0.0   |
|   |           | 2015 | 0.1                                 | 0.3     | 0.0                         | 0.0      | 0.0   | 0.6                | 0.0    | 0.2   | 0.1   |
|   | June      | 2012 | 0.0                                 | 0.1     | -0.3                        | 0.3      | 0.1   | 0.8                | -1.7   | -0.7  | -0.1  |
|   |           | 2013 | 0.1                                 | 0.1     | -0.3                        | 0.3      | 0.1   | 0.7                | 0.1    | 0.4   | 0.1   |
|   |           | 2014 | 0.1                                 | 0.4     | -0.3                        | 0.3      | 0.1   | 0.0                | 0.1    | 0.0   | 0.1   |
|   |           | 2015 | 0.1                                 | 0.4     | -0.3                        | 0.3      | 0.1   | 0.3                | 0.0    | 0.1   | 0.1   |
|   | July      | 2012 | 0.0                                 | 0.3     | -3.4                        | 1.0      | -0.7  | -1.1               | 0.9    | 0.1   | -0.5  |
|   |           | 2013 | 0.1                                 | 1.4     | -3.7                        | 1.0      | -0.7  | -1.0               | 0.8    | 0.1   | -0.5  |
|   |           | 2014 | 0.1                                 | 0.5     | -3.7                        | 1.0      | -0.7  | -0.9               | 0.1    | -0.3  | -0.6  |
|   |           | 2015 | 0.1                                 | 0.5     | -3.8                        | 1.0      | -0.7  | -0.7               | 0.0    | -0.3  | -0.6  |
|   | August    | 2012 | 0.1                                 | 0.0     | 0.0                         | 0.3      | 0.2   | -0.3               | 2.4    | 1.4   | 0.4   |
|   |           | 2013 | 0.0                                 | 0.4     | 0.0                         | 0.3      | 0.2   | -0.9               | 0.5    | -0.1  | 0.1   |
|   |           | 2014 | 0.1                                 | 0.3     | 0.1                         | 0.3      | 0.2   | -0.8               | 0.1    | -0.3  | 0.1   |
|   |           | 2015 | 0.1                                 | 0.3     | 0.1                         | 0.3      | 0.2   | -0.5               | 0.0    | -0.2  | 0.1   |
|   | September | 2012 | 0.1                                 | 0.1     | 3.5                         | -0.9     | 0.7   | 0.4                | 1.1    | 0.8   | 0.7   |
|   |           | 2013 | 0.0                                 | 0.1     | 3.4                         | -0.9     | 0.6   | -1.1               | 0.5    | -0.1  | 0.5   |
|   |           | 2014 | 0.1                                 | 0.2     | 3.6                         | -0.9     | 0.7   | 0.1                | 0.0    | 0.0   | 0.6   |
|   |           | 2015 | 0.1                                 | 0.2     | 3.6                         | -0.9     | 0.7   | 0.2                | 0.0    | 0.1   | 0.6   |
|   | October   | 2012 | 0.2                                 | 1.4     | 0.6                         | 0.0      | 0.3   | 1.0                | -0.5   | 0.1   | 0.2   |
|   |           | 2013 | 0.2                                 | 0.1     | 0.6                         | -0.3     | 0.1   | -0.5               | -1.2   | -0.9  | -0.1  |
|   |           | 2014 | 0.1                                 | 0.7     | 0.6                         | -0.1     | 0.2   | 0.2                | 0.1    | 0.2   | 0.2   |
|   |           | 2015 | 0.1                                 | 0.5     | 0.5                         | -0.1     | 0.2   | 0.5                | 0.0    | 0.2   | 0.2   |
|   | November  | 2012 | 0.3                                 | 0.0     | 0.1                         | -0.3     | -0.1  | 0.6                | -1.4   | -0.7  | -0.2  |
|   |           | 2013 | 0.1                                 | 0.0     | 0.1                         | -0.1     | 0.0   | 0.1                | -0.8   | -0.4  | -0.1  |
|   |           | 2014 | 0.1                                 | 0.4     | 0.2                         | -0.3     | -0.1  | 0.5                | 0.2    | 0.3   | 0.0   |
|   |           | 2015 | 0.1                                 | 0.4     | 0.2                         | -0.3     | -0.1  | 0.5                | 0.0    | 0.2   | 0.0   |
|   | December  | 2012 | 0.1                                 | 0.1     | -0.3                        | 1.1      | 0.5   | 0.7                | -0.5   | -0.1  | 0.4   |
|   |           | 2013 | 0.1                                 | 0.3     | -0.1                        | 1.0      | 0.5   | 0.5                | 1.1    | 0.9   | 0.6   |
|   |           | 2014 | 0.1                                 | 0.4     | -0.2                        | 1.0      | 0.5   | 0.5                | 0.1    | 0.3   | 0.4   |
|   |           | 2015 | 0.1                                 | 0.4     | -0.2                        | 1.0      | 0.5   | 0.6                | 0.0    | 0.3   | 0.4   |

\*The figures in the shaded area are forecasts

Source: EUROSTAT &amp; BIAM(UC3M)

Date: December 17, 2013



Table II.2.7

| HARMONIZED INDICES OF CONSUMER PRICES BY COUNTRIES IN THE EURO AREA,<br>UNITED KINGDOM, SWEDEN AND DENMARK |      |           |        |       |       |             |         |         |        |          |         |         |          |          |            |        |         |       |  |     |     |     |
|--|------|-----------|--------|-------|-------|-------------|---------|---------|--------|----------|---------|---------|----------|----------|------------|--------|---------|-------|--|-----|-----|-----|
|  |      | Euro Area |        |       |       |             |         |         |        |          |         |         |          |          |            |        |         |       | United<br>Kingdom<br><br>Sweden<br><br>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 | 1.6       | 1.0    | 1.3   | 1.5   | 2.5         | 1.2     | 2.1     | -0.9   | 0.4      | 2.2     | 0.5     | 1.5      | 1.9      | 1.7        | 0.4    | 3.3     | 1.0   | 2.6  | 0.4 | 0.5 |     |
|  | 2014 | 1.5       | 1.0    | 0.7   | 1.1   | 1.3         | 1.6     | 1.8     | -2.9   | 0.8      | 2.0     | 0.5     | 0.8      | 1.8      | 1.5        | -0.4   | 1.9     | 1.3   | 2.5  | 0.5 | 1.4 |     |
| 2015   | 1.5  | 1.2       | 1.0    | 1.0   | 1.9   | 1.7         | 1.9     | -2.0    | 1.1    | 2.2      | 1.0     | 1.6     | 2.1      | 1.6      | 0.1        | 4.5    | 1.6     | 2.8   | 0.4  | 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   | 1.2    | 0.7   | 0.7   | 0.0         | 1.3     | 0.7     | 1.5    | -1.9     | 0.0     | 1.7     | -0.1     | 0.7      | 1.1        | 1.0    | -0.5    | 2.2   | 0.5  | 2.2 | 0.2 | 0.3 |
|  |      | November  | 1.7    | 0.9   | 0.6   | 0.3         | 1.2     | 0.9     | 1.5    | -2.9     | 0.1     | 1.8     | 0.3      | 0.5      | 1.2        | 1.1    | -0.8    | 2.1   | 0.3  | 2.1 | 0.3 | 0.3 |
|  |      | December  | 1.6    | 0.9   | 0.5   | 0.3         | 1.1     | 1.0     | 1.5    | -2.8     | -0.1    | 1.6     | 0.4      | 0.6      | 1.2        | 1.4    | -0.6    | 2.1   | 0.7  | 2.1 | 0.2 | 0.5 |
|  | 2014 | January   | 1.6    | 0.8   | 0.4   | 1.3         | 1.0     | 1.4     | 1.5    | -3.0     | 0.8     | 1.9     | 0.6      | 0.3      | 1.3        | 1.4    | -1.0    | 1.7   | 0.9  | 2.1 | 0.3 | 1.0 |
|  |      | February  | 1.3    | 0.8   | 0.4   | 1.3         | 1.0     | 1.3     | 1.5    | -3.2     | 0.8     | 1.9     | 0.3      | 0.5      | 1.1        | 1.2    | -1.0    | 1.3   | 1.0  | 2.1 | 0.4 | 0.8 |
|  |      | March     | 1.4    | 0.8   | 0.5   | 1.2         | 1.0     | 1.4     | 1.6    | -3.1     | 0.5     | 1.9     | 0.2      | 0.6      | 1.6        | 1.5    | -0.7    | 0.8   | 1.2  | 2.1 | 0.4 | 1.1 |
|  |      | April     | 1.6    | 1.0   | 0.7   | 1.2         | 1.2     | 1.6     | 1.8    | -3.0     | 0.7     | 1.9     | 0.3      | 0.6      | 1.8        | 1.4    | -0.2    | 1.1   | 1.2  | 2.4 | 0.6 | 1.5 |
|  |      | May       | 1.5    | 1.1   | 0.8   | 1.3         | 1.2     | 1.7     | 1.6    | -3.1     | 0.5     | 1.9     | 0.3      | 0.7      | 2.0        | 1.6    | -0.3    | 1.0   | 1.2  | 2.4 | 0.5 | 1.4 |
|  |      | June      | 1.5    | 1.1   | 0.8   | 1.2         | 1.1     | 1.6     | 1.7    | -3.1     | 0.5     | 2.1     | 0.4      | 0.7      | 1.8        | 1.2    | -0.6    | 0.8   | 1.1  | 2.6 | 0.4 | 1.5 |
|  |      | July      | 1.4    | 1.1   | 0.8   | 1.1         | 1.0     | 1.5     | 1.7    | -3.0     | 0.5     | 1.8     | 0.5      | 0.8      | 1.6        | 1.4    | -0.6    | 1.0   | 1.0  | 2.6 | 0.3 | 1.6 |
|  |      | August    | 1.5    | 1.0   | 0.7   | 1.1         | 1.2     | 1.6     | 1.8    | -2.9     | 0.8     | 2.2     | 0.5      | 1.0      | 1.7        | 1.5    | -0.3    | 1.4   | 1.4  | 2.6 | 0.3 | 1.6 |
|  |      | September | 1.4    | 1.0   | 0.7   | 1.0         | 1.4     | 1.7     | 1.9    | -2.9     | 0.8     | 2.2     | 0.6      | 1.1      | 1.8        | 1.5    | -0.3    | 2.3   | 1.5  | 2.6 | 0.4 | 1.7 |
|  |      | October   | 1.7    | 1.2   | 0.8   | 1.0         | 1.8     | 1.8     | 2.0    | -2.6     | 1.0     | 2.2     | 0.7      | 1.2      | 2.0        | 1.8    | 0.2     | 3.0   | 1.5  | 2.7 | 0.6 | 1.6 |
|  |      | November  | 1.6    | 1.3   | 1.0   | 1.0         | 1.9     | 1.8     | 2.0    | -2.2     | 1.1     | 2.2     | 0.8      | 1.3      | 2.1        | 1.7    | 0.3     | 3.9   | 1.6  | 2.8 | 0.5 | 1.8 |
|  |      | December  | 1.6    | 1.3   | 1.0   | 0.9         | 1.9     | 1.8     | 2.0    | -2.2     | 1.1     | 2.2     | 0.8      | 1.4      | 2.1        | 1.7    | 0.1     | 4.2   | 1.6  | 2.8 | 0.6 | 1.8 |
|  | 2015 | January   | 1.6    | 1.2   | 1.0   | 0.0         | 1.9     | 1.7     | 2.0    | -2.1     | 1.1     | 2.2     | 1.0      | 1.3      | 2.1        | 1.7    | 0.3     | 4.4   | 1.6  | 2.8 | 0.5 | 1.8 |
|  |      | February  | 1.5    | 1.2   | 1.0   | 0.0         | 1.9     | 1.7     | 2.0    | -1.9     | 1.1     | 2.2     | 0.9      | 1.3      | 2.1        | 1.7    | 0.4     | 4.4   | 1.6  | 2.8 | 0.4 | 1.8 |
|  |      | March     | 1.5    | 1.2   | 1.0   | 0.0         | 1.9     | 1.8     | 1.9    | -1.9     | 1.1     | 2.2     | 0.9      | 1.4      | 2.1        | 1.6    | 0.2     | 4.5   | 1.6  | 2.8 | 0.5 | 1.8 |
|  |      | April     | 1.5    | 1.2   | 1.0   | 0.0         | 1.9     | 1.8     | 1.9    | -1.9     | 1.1     | 2.2     | 0.9      | 1.4      | 2.1        | 1.6    | 0.0     | 4.5   | 1.6  | 2.8 | 0.4 | 1.8 |
|  |      | May       | 1.5    | 1.2   | 1.0   | 0.0         | 1.9     | 1.8     | 2.0    | -1.8     | 1.1     | 2.2     | 1.0      | 1.5      | 2.1        | 1.5    | 0.1     | 4.5   | 1.6  | 2.8 | 0.4 | 1.8 |
|  |      | June      | 1.5    | 1.2   | 1.0   | 0.0         | 1.9     | 1.8     | 1.9    | -1.9     | 1.1     | 2.2     | 1.0      | 1.5      | 2.1        | 1.6    | 0.3     | 4.5   | 1.6  | 2.8 | 0.4 | 1.8 |
|  |      | July      | 1.5    | 1.2   | 1.0   | 0.0         | 1.9     | 1.8     | 1.9    | -1.9     | 1.1     | 2.2     | 1.0      | 1.6      | 2.1        | 1.6    | 0.3     | 4.5   | 1.6  | 2.8 | 0.5 | 1.8 |
|  |      | August    | 1.5    | 1.2   | 1.0   | 0.0         | 1.9     | 1.8     | 1.9    | -1.9     | 1.1     | 2.2     | 1.1      | 1.7      | 2.1        | 1.6    | 0.1     | 4.5   | 1.6  | 2.8 | 0.5 | 1.8 |
|  |      | September | 1.5    | 1.2   | 1.0   | 2.8         | 1.9     | 1.8     | 1.9    | -1.9     | 1.1     | 2.2     | 1.1      | 1.7      | 2.1        | 1.5    | 0.1     | 4.5   | 1.6  | 2.8 | 0.5 | 1.8 |
|  |      | October   | 1.5    | 1.2   | 1.0   | 2.6         | 1.9     | 1.8     | 1.8    | -2.0     | 1.1     | 2.2     | 1.2      | 1.8      | 2.1        | 1.5    | -0.2    | 4.5   | 1.6  | 2.8 | 0.4 | 1.8 |
|  |      | November  | 1.4    | 1.1   | 1.0   | 2.9         | 1.9     | 1.8     | 1.8    | -2.2     | 1.1     | 2.2     | 1.3      | 1.9      | 2.1        | 1.5    | -0.2    | 4.5   | 1.6  | 2.8 | 0.4 | 1.8 |
|  |      | December  | 1.4    | 1.1   | 1.0   | 3.4         | 1.9     | 1.8     | 1.8    | -2.2     | 1.1     | 2.2     | 1.3      | 1.9      | 2.1        | 1.5    | -0.1    | 4.5   | 1.6  | 2.8 | 0.4 | 1.8 |

\* The figures in the shaded area are forecasts

Source: EUROSTAT &amp; BIAM(UC3M)

Date: December 17, 2013



Table II.2.8

| HARMONIZED INDICES OF CONSUMER PRICES BY COUNTRIES IN THE EURO AREA,<br>UNITED KINGDOM, SWEDEN AND DENMARK |           |      |           |        |       |       |             |         |         |        |          |         |         |          |          |            |        |         |                                     |      |      |       |
|--|-----------|------|-----------|--------|-------|-------|-------------|---------|---------|--------|----------|---------|---------|----------|----------|------------|--------|---------|-------------------------------------|------|------|-------|
| Monthly rates of growth  |           |      |           |        |       |       |             |         |         |        |          |         |         |          |          |            |        |         |                                     |      |      |       |
|  |           |      | Euro Area |        |       |       |             |         |         |        |          |         |         |          |          |            |        |         | United Kingdom<br>Sweden<br>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<br>(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  | -0.9  | 0.0         | -1.4    | -0.7    | -1.5   | -0.4     | 0.2     | -0.3    | 0.5      | -0.4     | -0.8       | -1.2   | 0.2     | -1.3                                | -0.4 | -0.8 | 0.0   |
|  |           | 2015 | -0.8      | -0.6   | -2.1  | -1.8  | 0.0         | -1.5    | -0.6    | -1.4   | -0.4     | 0.2     | -0.1    | 0.3      | -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 | 0.5       | 0.3    | -0.2  | 0.1   | 1.0         | 2.3     | 0.4     | -1.9   | -0.1     | 0.6     | 0.5     | 0.1      | 0.5      | 1.6        | 0.2    | 0.3     | 0.2                                 | 0.6  | 0.6  | 0.9   |
|  |           | 2015 | 0.5       | 0.3    | -0.2  | 0.1   | 1.0         | 2.3     | 0.4     | -1.7   | -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       | 0.8    | 2.4   | 1.8   | 1.3         | 0.1     | 1.1     | 2.6    | 1.4      | 0.5     | 0.3     | 0.1      | 0.8      | 0.3        | 1.2    | 0.3     | 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    | 0.3      | 0.2     | 0.0     | 0.1      | 0.8      | 0.0        | 0.7    | 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    | 0.3      | 0.2     | 0.0     | 0.2      | 0.8      | 0.0        | 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       | 0.7    | 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  | -1.2  | 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   | 0.0         | 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   | 0.0         | 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 | -0.3      | -0.1   | 0.1   | 0.0   | -0.3        | -0.1    | 0.0     | -0.2   | -0.1     | 0.1     | -0.2    | 0.0      | 0.0      | -0.4       | -0.6   | -0.3    | -0.7                                | 0.1  | -0.2 | 0.1   |
|  |           | 2014 | 0.0       | 0.1    | 0.2   | 0.0   | 0.1         | 0.0     | 0.1     | 0.2    | 0.1      | 0.1     | -0.1    | 0.1      | 0.2      | -0.1       | 0.0    | 0.4     | -0.6                                | 0.2  | -0.1 | 0.0   |
|  |           | 2015 | 0.0       | 0.1    | 0.2   | -0.3  | 0.1         | 0.0     | 0.1     | 0.0    | 0.1      | 0.1     | 0.0     | 0.1      | 0.2      | -0.2       | -0.4   | 0.4     | -0.6                                | 0.2  | -0.1 | 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 | 0.3       | 0.0    | -0.4  | 0.0   | -0.6        | 0.1     | 0.0     | -1.3   | -0.3     | 0.0     | -0.1    | -0.2     | -0.1     | -0.1       | -1.3   | -0.5    | -2.2                                | 0.1  | -0.1 | -0.2  |
|  |           | 2014 | 0.2       | 0.0    | -0.2  | 0.0   | -0.5        | 0.1     | 0.0     | -0.9   | -0.2     | 0.0     | 0.0     | 0.0      | 0.0      | -0.2       | -1.2   | 0.4     | -2.1                                | 0.2  | -0.1 | -0.1  |
|  |           | 2015 | 0.2       | 0.0    | -0.2  | 0.3   | -0.5        | 0.1     | 0.0     | -1.1   | -0.2     | 0.0     | 0.1     | 0.1      | 0.0      | -0.2       | -1.2   | 0.4     | -2.1                                | 0.2  | -0.1 | -0.1  |
|  | 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 | 0.9       | 0.4    | 0.3   | 0.0   | -0.3        | 0.3     | 0.3     | -0.2   | 0.1      | 0.1     | 0.1     | 0.0      | -0.2     | 0.0        | 0.0    | 0.0     | -0.1                                | 0.5  | 0.1  | -0.1  |
|  |           | 2014 | 0.9       | 0.4    | 0.3   | 0.0   | -0.3        | 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 | 0.9       | 0.4    | 0.3   | 0.5   | -0.3        | 0.2     | 0.3     | -0.2   | 0.1      | 0.1     | 0.1     | 0.1      | -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 &amp; BIAM(UC3M)

Date: December 17, 2013



## II.3. MONETARY POLICY

In November, euro area inflation grew by 0.2 pp, after the low year-on-year rate in October (0.7%, the lowest since November 2010). However, the variation in prices was less than 1%, still too far from the past average and the ECB target (graph II.3.1).

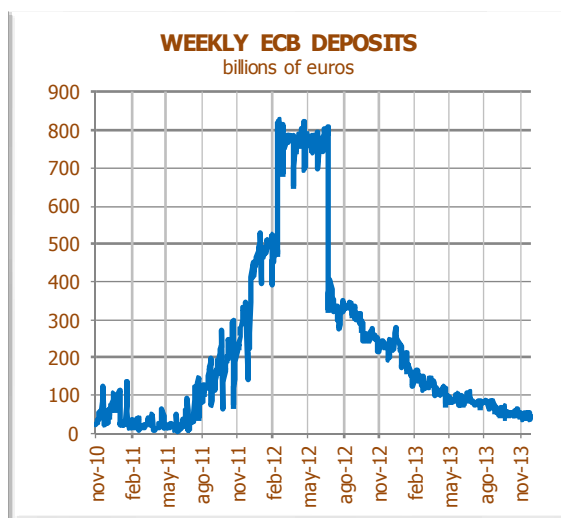
Furthermore, despite the increase in aggregate inflation, November saw greater dispersion between member States' inflation rates, which makes the ECB's job even more difficult. Said dispersion grew in November by 0.9 pp, from Estonia's 2.1% to Greece's -2.9%. Cyprus also registered deflation, for the second consecutive month. In the other peripheral economies inflation is low, but positive.

In this context, after the European GDP's sluggishness in 3Q13, the ECB's recent rate cut is still justified. However, as mentioned last month, with credit at an all-time low, that decision is unlikely to bring inflation close to the ECB target within the forecasting horizon. But that's not all. This month we have seen how inefficient the rate cut has been in relation to another of its objectives, the depreciation of the euro. It rose heavily in the last month to nearly its highest in more than two years.

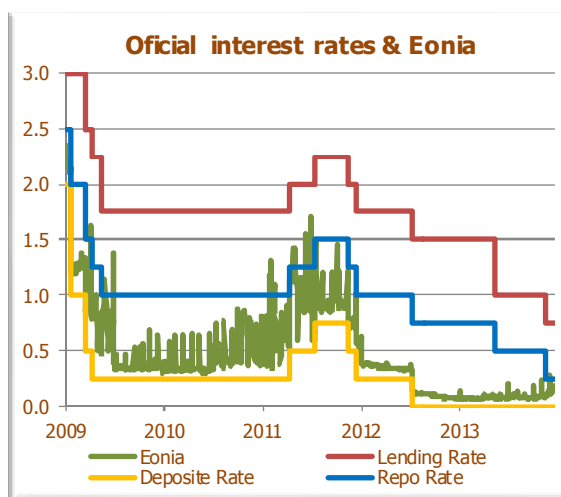
The continued reduction in credit to the non-financial private sector contrasts with the apparent reactivation of the interbank market, as the Eonia rate is now more volatile. Indeed, it exceeded the ECB rate in the last week of November for the first time since June 2011 (graph II.3.2).

The high returns on public debt continue to attract most European bank investments, as they grant even less credit to households and firms. Aware of this, the ECB has announced some kind of measure to penalise sovereign debt as a mechanism to stimulate credit.

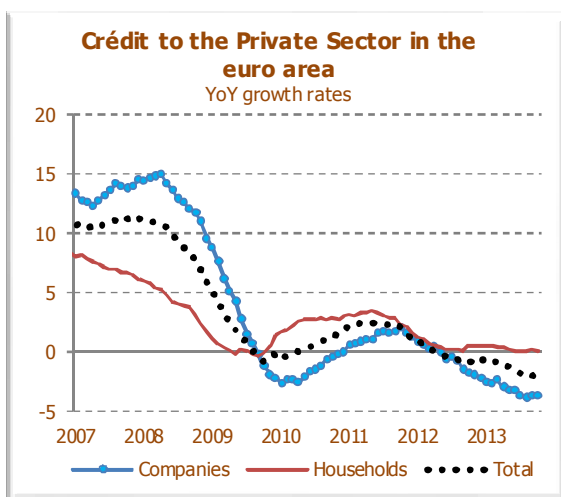
Graph II.3.1



Graph II.3.2



Graph II.3.3



Source: ECB & BIAM(UC3M)

Date: December 17, 2013



### III. UNITED STATES

#### III.1. INDUSTRIAL PRODUCTION INDEX

The US IPI grew by 3.3% in November, only 0.3 pp more than expected. Our forecasts remain practically unaltered this month, at an average growth rate of 2.6%, 4.2% and 3.6% to 2013, 2014 and 2015, respectively.

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            | 0.7         | 3.0           | 2.8                | 2.6   |     |
|   | 2014 | 11.2           | 1.1         | 4.2           | 4.6                | 4.2   |     |
|   | 2015 | 9.7            | 0.9         | 3.7           | 3.9                | 3.6   |     |
| 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         | -0.5          | 2.6                | 3.0   | 2.4 |
|   |      | IV             | 9.9         | 1.0           | 3.5                | 3.8   | 3.5 |
|   | 2014 | I              | 11.9        | 0.7           | 3.7                | 4.4   | 3.9 |
|   |      | II             | 11.5        | 1.2           | 4.4                | 4.9   | 4.4 |
|   |      | III            | 11.0        | 1.4           | 4.5                | 4.9   | 4.4 |
|   |      | IV             | 10.5        | 1.0           | 4.1                | 4.4   | 4.0 |
|   | 2015 | I              | 9.6         | 1.1           | 4.1                | 4.3   | 3.9 |
|   |      | II             | 9.6         | 0.9           | 3.7                | 3.8   | 3.6 |
|   |      | III            | 9.7         | 0.8           | 3.5                | 3.6   | 3.4 |
|   |      | IV             | 9.8         | 1.0           | 3.6                | 3.8   | 3.6 |

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        | <b>3.7</b> | <b>4.0</b> |
| February  | -13.1 | 1.5  | 4.1  | 4.8  | 2.2        | <b>4.0</b> | <b>4.0</b> |
| March   | -14.3 | 4.0  | 4.6  | 3.1  | 2.8        | <b>4.0</b> | <b>3.9</b> |
| April   | -15.4 | 5.8  | 3.6  | 4.7  | 2.6        | <b>4.2</b> | <b>3.8</b> |
| May   | -15.0 | 7.9  | 2.4  | 4.8  | 1.9        | <b>4.6</b> | <b>3.5</b> |
| June  | -15.0 | 8.6  | 2.4  | 4.6  | 1.9        | <b>4.5</b> | <b>3.5</b> |
| July  | -13.3 | 7.6  | 2.8  | 4.1  | 1.5        | <b>4.6</b> | <b>3.3</b> |
| August  | -11.2 | 7.2  | 2.6  | 3.1  | 2.6        | <b>4.4</b> | <b>3.4</b> |
| September                                       | -7.4  | 7.0  | 2.8  | 3.2  | 3.0        | <b>4.1</b> | <b>3.5</b> |
| October   | -7.5  | 6.3  | 3.4  | 2.5  | 3.5        | <b>3.8</b> | <b>3.7</b> |
| November  | -6.0  | 5.7  | 3.6  | 3.3  | 3.3        | <b>4.2</b> | <b>3.5</b> |
| December  | -3.1  | 6.4  | 2.9  | 2.5  | <b>3.6</b> | <b>4.0</b> | <b>3.6</b> |

Source: Federal Reserve & BIAM(UC3M)

Date: December 13, 2013

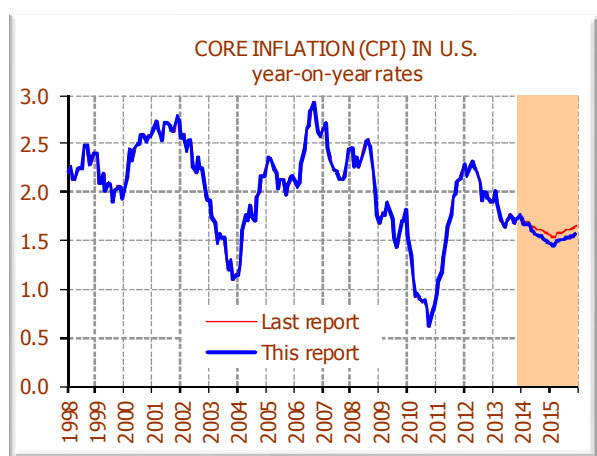


## III.2. INFLATION

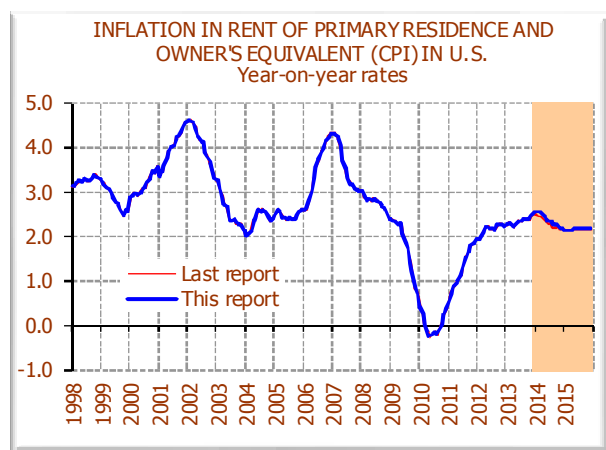
The November CPI, in aggregate terms, was as expected. The general CPI fell by 0.20% instead of the forecast 0.24% and the annual rate rose from 0.96% to 1.24%, largely due to fuel. In December we expect the annual CPI rate to rise to 1.46%, as a result of last year's energy prices, especially fuel. Core inflation is expected to remain stable, at 1.75% in December.

In terms of the core personal consumption expenditure index (core PCE), the annual rate expected for November is 1.12%. In all, our forecasts remain towards the bottom of the central interval established by the Fed in its last meeting.

Graph III.2.1



Graph III.2.2



Source: BLS & BIAM  
 This report: December 17, 2013  
 Last report: December 8, 2013

Table III.2.1

| DIFFERENT MEASURES OF INFLATION IN THE U.S. |      |           |      |     |        |     |
|---|------|-----------|------|-----|--------|-----|
| Annual rates of growth                      |      |           |      |     |        |     |
|   |      | Total     | Core |     |        |     |
|   |      | CPI       | CPI  | PCE | MB-PCE |     |
| Annual<br>Average<br>Rates                  | 2011 | 3.2       | 1.7  | 1.4 | 1.4    |     |
|   | 2012 | 2.1       | 2.1  | 1.8 | 1.8    |     |
|   | 2013 | 1.5       | 1.8  | 1.2 | 1.2    |     |
|   | 2014 | 1.1       | 1.6  | 1.4 | 1.3    |     |
|   | 2015 | 1.2       | 1.5  | 1.6 | 1.6    |     |
| YEAR-ON-YEAR RATES                          | 2013 | 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 | 1.2    | 1.1 |
|   |      | October   | 1.0  | 1.7 | 1.1    | 1.0 |
|   |      | November  | 1.2  | 1.7 | 1.1    | 1.0 |
|   |      | December  | 1.5  | 1.8 | 1.2    | 1.1 |
|   | 2014 | January   | 1.3  | 1.7 | 1.1    | 1.0 |
|   |      | February  | 0.7  | 1.7 | 1.2    | 1.0 |
|   |      | March     | 0.9  | 1.7 | 1.3    | 1.1 |
|   |      | April     | 1.2  | 1.7 | 1.5    | 1.3 |

Source: BLS & BIAM  
 Date: December 17, 2013

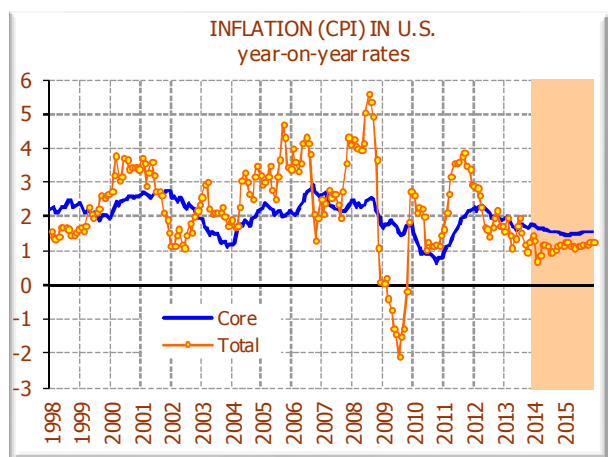
<sup>1</sup> Adjusted rates are used for the PCE and not seasonally adjusted for the CPI.

<sup>2</sup> <http://www.federalreserve.gov/monetarypolicy/files/fomcprojtab20120913.pdf>

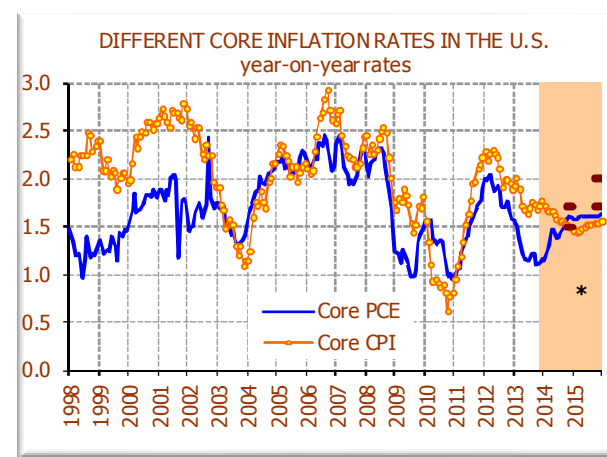




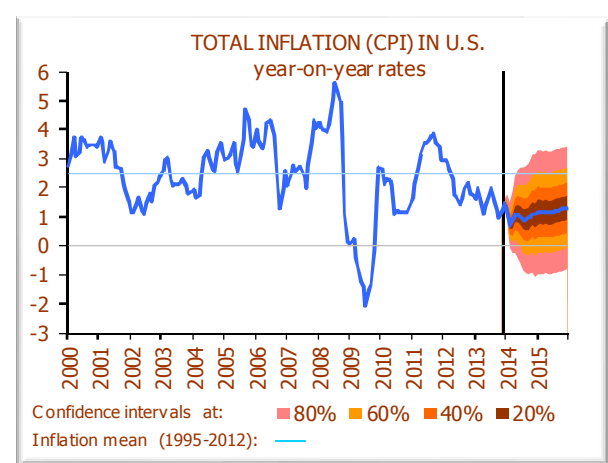
Graph III.2.3



Graph III.2.4



Graph III.2.5



Graph III.2.6

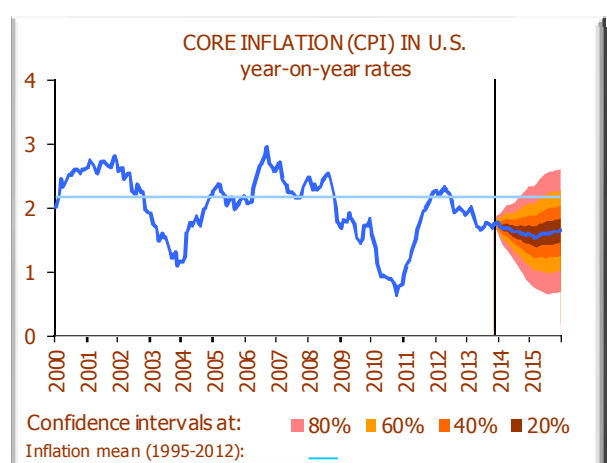


Table III.2.2

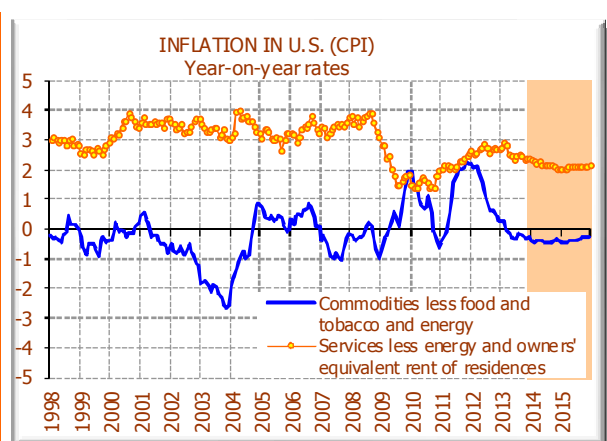
| CONSUMER PRICE INDEX IN U.S.<br>Monthly rates November, 2013 |                               |          |              |                          |
|--|-------------------------------|----------|--------------|--------------------------|
|  | Relative<br>Imp.<br>Dec. 2012 | Observed | Forecasts    | Confidence<br>Intervals* |
| <b>TOTAL INFLATION</b>                                       | 100.0                         | -0.20    | <b>-0.24</b> | 0.12                     |
| less Owner's equivalent rent of primary residence            | 77.4                          | -0.35    | <b>-0.39</b> | 0.16                     |
| <b>CORE INFLATION</b>  | 76.1                          | 0.03     | <b>0.04</b>  | 0.11                     |
| less Owner's equivalent rent of primary residence            | 53.5                          | -0.08    | <b>-0.05</b> | 0.14                     |
| Non-food and non-energy goods                                | 19.6                          | -0.42    | <b>-0.33</b> | 0.26                     |
| Less tobacco   | 18.8                          | -0.43    | <b>-0.34</b> | 0.25                     |
| - Durable goods  | 8.8                           | -0.34    | <b>-0.30</b> | 0.30                     |
| - Non-durable goods  | 10.8                          | -0.48    | <b>-0.36</b> | 0.37                     |
| Non-energy services  | 56.6                          | 0.19     | <b>0.17</b>  | 0.11                     |
| - Services less Owner's equivalent rent of primary residence | 33.9                          | 0.12     | <b>0.11</b>  | 0.17                     |
| - Owner's equivalent rent of primary residence               | 22.6                          | 0.30     | <b>0.25</b>  | 0.11                     |
| <b>RESIDUAL INFLATION</b>                                    | 23.9                          | -0.97    | <b>-1.14</b> | 0.38                     |
| Food   | 14.3                          | -0.10    | <b>-0.20</b> | 0.24                     |
| Energy   | 9.6                           | -2.26    | <b>-2.52</b> | 0.89                     |

Source: BLS &amp; BIAM

This report: December 17, 2013

Last report: December 8, 2013

Graph III.2.7



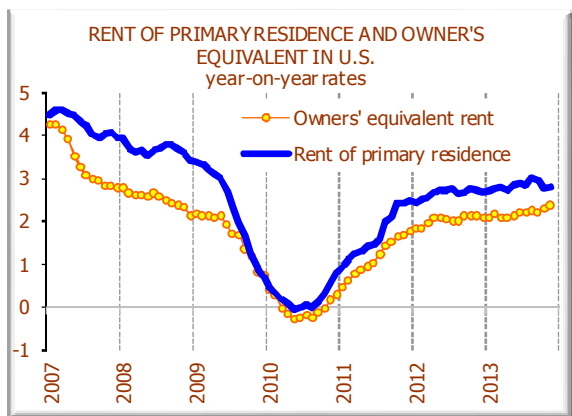
Source: BLS &amp; BIAM

This report: December 17, 2013

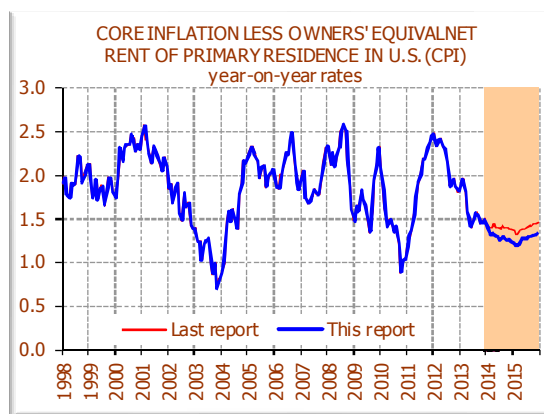
Last report: December 8, 2013



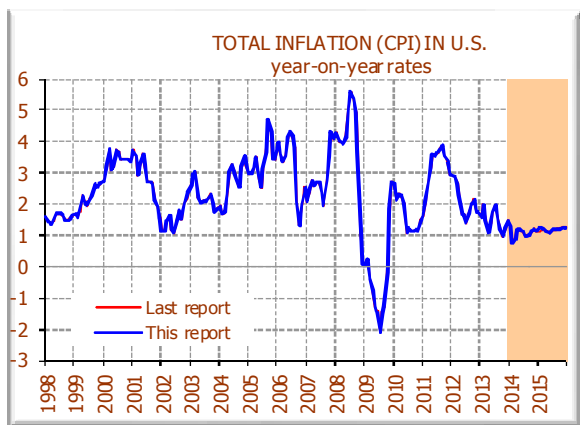
Graph III.2.8



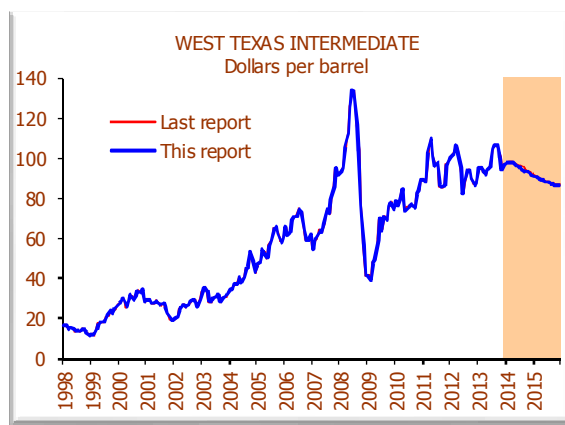
Graph III.2.9



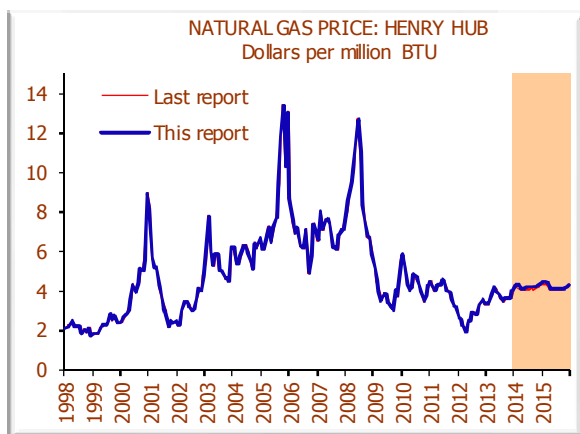
Graph III.2.10



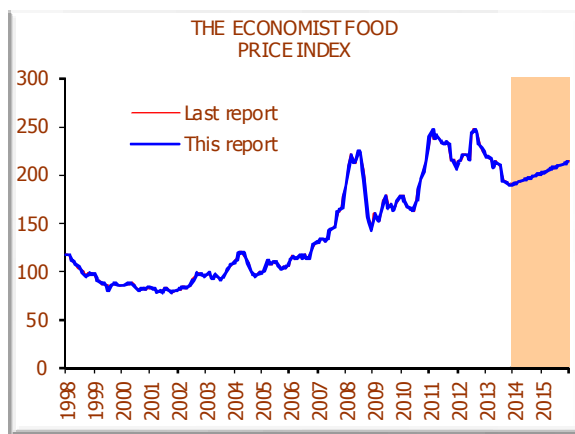
Graph III.2.11



Graph III.2.12

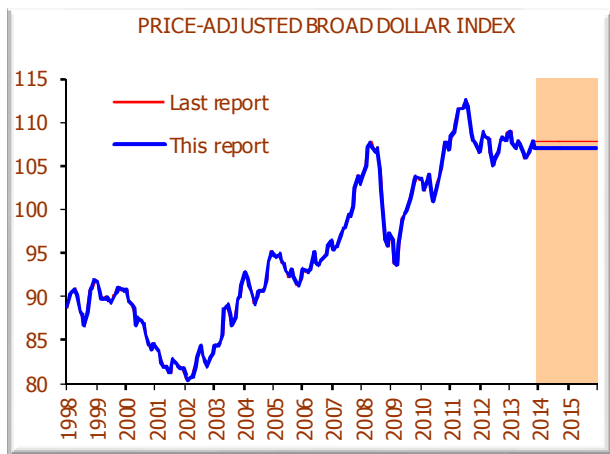


Graph III.2.13

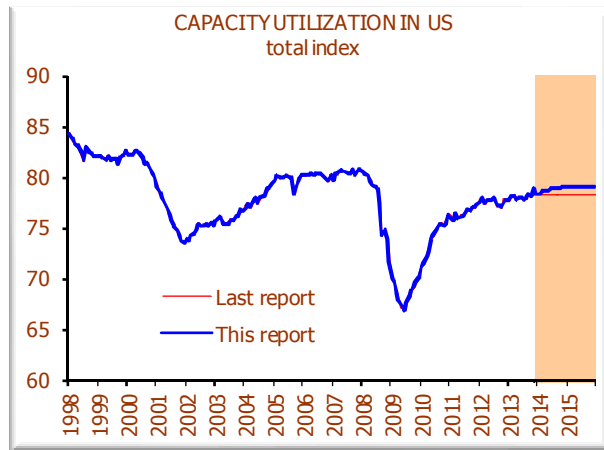


Source: BLS & BIAM  
 This report: December 17, 2013  
 Last report: December 8, 2013

Graph III.2.14



Graph III.2.15



Graph III.2.16



Source: BLS & BIAM

This report: December 17, 2013

Last report: December 8, 2013

Table III.2.3

| CONSUMER PRICE INDEX AND COMPONENTS IN USA                                  |      |                                     |              |       |   |                |       |   |        |        |          |        |       |  |        |
|---|------|-------------------------------------|--------------|-------|---|----------------|-------|---|--------|--------|----------|--------|-------|--|--------|
| Annual rates of growth  |      |                                     |              |       |   |                |       |   |        |        |          |        |       |  |        |
|   |      | CPI                                 |              |       |   |                |       |   |        |        |          |        |       |  |        |
|   |      | Core                                |              |       |   |                |       | TOTAL<br>Confidence<br>Intervals<br>at 80%<br>level |        |        | Residual |        |       | TOTAL<br>100%<br>Confidence<br>Intervals at<br>80% level |        |
|   |      | Non-energy<br>commodities less food |              |       | Non-energy services                                   |                |       |   |        |        | Food     | Energy | TOTAL |  |        |
|   |      | Durables                            | Non durables | All   | Owner's<br>equivalent rent<br>of primary<br>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   | 1.77  | ± 0.04 | 1.4    | -0.7     | 0.5    | 1.46  | ± 0.10   |        |
|   | 2014 | -1.0                                | 0.3          | -0.3  | 2.3   | 2.2            | 2.2   | 1.59  | ± 0.51 | 0.9    | -2.6     | -0.5   | 1.08  | ± 1.57   |        |
|   | 2015 | -1.2                                | 0.6          | -0.2  | 2.1   | 2.1            | 2.1   | 1.51  | ± 0.93 | 1.6    | -2.0     | 0.2    | 1.19  | ± 1.65   |        |
| 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                           | -0.6         | 0.4   | -0.1  | 2.2            | 2.5   | 2.4   | 1.7    |        | 1.4      | -3.1   | -0.5  | 1.2  |        |
|   |      | October                             | -0.6         | 0.2   | -0.1  | 2.3            | 2.4   | 2.3   | 1.7    |        | 1.3      | -4.8   | -1.3  | 1.0  |        |
|   |      | November                            | -0.70        | 0.20  | -0.20   | 2.37           | 2.40  | 2.39  | 1.72   |        | 1.17     | -2.4   | -0.3  | 1.24   |        |
|   |      | December                            | -0.58        | 0.29  | -0.10   | 2.47           | 2.38  | 2.42  | 1.77   | ± 0.11 | 1.02     | -0.21  | 0.53  | 1.47   | ± 0.12 |
|   | 2014 | January                             | -0.7         | 0.2   | -0.2  | 2.5            | 2.3   | 2.4   | 1.7    | ± 0.18 | 1.0      | -1.5   | 0.0   | 1.3  | ± 0.44 |
|   |      | February                            | -0.9         | 0.2   | -0.3  | 2.5            | 2.3   | 2.4   | 1.7    | ± 0.25 | 0.9      | -6.8   | -2.3  | 0.7  | ± 0.79 |
|   |      | March                               | -1.0         | 0.4   | -0.2  | 2.5            | 2.2   | 2.3   | 1.7    | ± 0.30 | 1.1      | -5.5   | -1.6  | 0.9  | ± 1.11 |
|   |      | April                               | -1.0         | 0.3   | -0.3  | 2.4            | 2.3   | 2.3   | 1.7    | ± 0.34 | 0.7      | -1.7   | -0.2  | 1.2  | ± 1.36 |
|   |      | May                                 | -1.0         | 0.4   | -0.3  | 2.4            | 2.2   | 2.3   | 1.6    | ± 0.38 | 0.9      | -1.4   | 0.0   | 1.2  | ± 1.56 |
|   |      | June                                | -1.0         | 0.3   | -0.3  | 2.3            | 2.2   | 2.2   | 1.6    | ± 0.42 | 0.8      | -1.9   | -0.3  | 1.1  | ± 1.70 |
|   |      | July                                | -0.9         | 0.2   | -0.3  | 2.3            | 2.1   | 2.2   | 1.6    | ± 0.46 | 0.8      | -2.9   | -0.7  | 1.0  | ± 1.80 |
|   |      | August                              | -0.9         | 0.2   | -0.3  | 2.2            | 2.2   | 2.2   | 1.6    | ± 0.51 | 0.8      | -3.2   | -0.8  | 1.0  | ± 1.90 |
|   |      | September                           | -1.1         | 0.3   | -0.3  | 2.2            | 2.1   | 2.2   | 1.5    | ± 0.57 | 0.9      | -2.8   | -0.6  | 1.0  | ± 1.97 |
|   |      | October                             | -1.1         | 0.4   | -0.3  | 2.2            | 2.1   | 2.1   | 1.5    | ± 0.64 | 0.9      | -1.5   | -0.1  | 1.1  | ± 2.04 |
|   |      | November                            | -1.1         | 0.5   | -0.2  | 2.1            | 2.1   | 2.1   | 1.5    | ± 0.71 | 0.9      | -0.8   | 0.2   | 1.2  | ± 2.11 |
|   |      | December                            | -1.2         | 0.5   | -0.2  | 2.1            | 2.0   | 2.1   | 1.5    | ± 0.75 | 1.0      | -1.5   | 0.0   | 1.1  | ± 2.19 |
|   | 2015 | January                             | -1.3         | 0.5   | -0.3  | 2.1            | 2.0   | 2.1   | 1.5    | ± 0.79 | 1.1      | -0.6   | 0.5   | 1.2  | ± 2.23 |
|   |      | February                            | -1.3         | 0.5   | -0.3  | 2.1            | 2.0   | 2.0   | 1.4    | ± 0.82 | 1.2      | -0.6   | 0.5   | 1.2  | ± 2.24 |
|   |      | March                               | -1.2         | 0.5   | -0.3  | 2.1            | 2.0   | 2.0   | 1.5    | ± 0.86 | 1.3      | -1.4   | 0.2   | 1.2  | ± 2.25 |
|   |      | April                               | -1.3         | 0.6   | -0.2  | 2.1            | 2.1   | 2.1   | 1.5    | ± 0.90 | 1.6      | -2.3   | 0.0   | 1.1  | ± 2.26 |
|   |      | May                                 | -1.2         | 0.5   | -0.2  | 2.1            | 2.1   | 2.1   | 1.5    | ± 0.94 | 1.6      | -2.7   | -0.2  | 1.1  | ± 2.27 |
|   |      | June                                | -1.2         | 0.5   | -0.2  | 2.1            | 2.1   | 2.1   | 1.5    | ± 0.98 | 1.6      | -2.6   | -0.1  | 1.1  | ± 2.28 |
|   |      | July                                | -1.2         | 0.5   | -0.2  | 2.1            | 2.1   | 2.1   | 1.5    | ± 1.02 | 1.7      | -2.4   | 0.0   | 1.2  | ± 2.29 |
|   |      | August                              | -1.1         | 0.6   | -0.2  | 2.1            | 2.1   | 2.1   | 1.5    | ± 1.06 | 1.8      | -2.4   | 0.1   | 1.2  | ± 2.30 |
|   |      | September                           | -1.1         | 0.6   | -0.1  | 2.1            | 2.1   | 2.1   | 1.5    | ± 1.08 | 1.8      | -2.4   | 0.1   | 1.2  | ± 2.31 |
|   |      | October                             | -1.0         | 0.6   | -0.1  | 2.1            | 2.1   | 2.1   | 1.5    | ± 1.10 | 1.9      | -2.5   | 0.1   | 1.2  | ± 2.32 |
|   |      | November                            | -1.0         | 0.6   | -0.1  | 2.1            | 2.1   | 2.1   | 1.5    | ± 1.12 | 1.9      | -2.4   | 0.2   | 1.2  | ± 2.33 |
|   |      | December                            | -1.0         | 0.6   | -0.1  | 2.1            | 2.1   | 2.1   | 1.6    | ± 1.13 | 2.0      | -2.3   | 0.3   | 1.3  | ± 2.34 |

Source: BLS &amp; BIAM(UC3M)

Date: December 17, 2013



Table III.2.4

| CONSUMER PRICE INDEX AND COMPONENTS IN USA                     |           |      |                                     |                 |       |                               |                   |       |          |       |        |               |       |
|--|-----------|------|-------------------------------------|-----------------|-------|-------------------------------|-------------------|-------|----------|-------|--------|---------------|-------|
| Monthly rates of growth  |           |      |                                     |                 |       |                               |                   |       |          |       |        |               |       |
|  |           |      | CPI                                 |                 |       |                               |                   |       |          |       |        | TOTAL<br>100% |       |
|  |           |      | Core                                |                 |       |                               |                   |       | Residual |       |        |               |       |
|  |           |      | Non-energy commodities<br>less food |                 |       | Non-energy services           |                   |       | TOTAL    | Food  | Energy |               | TOTAL |
|  |           |      | Durables                            | Non<br>durables | All   | Owner's<br>equivalent<br>rent | Other<br>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<br>(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                           | 0.3               | 0.3   | 0.2      | 0.4   | -0.8   | -0.1          | 0.1   |
|  |           | 2015 | 0.0                                 | -0.2            | -0.1  | 0.2                           | 0.3               | 0.3   | 0.2      | 0.5   | 0.2    | 0.4           | 0.2   |
|  | 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  | 0.0    | 0.0           | 0.2   |
|  |           | 2015 | 0.1                                 | 0.6             | 0.3   | 0.2                           | 0.4               | 0.3   | 0.3      | 0.0   | 0.0    | 0.0           | 0.2   |
|  | 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   | 2.0    | 0.9           | 0.4   |
|  |           | 2015 | 0.1                                 | 0.8             | 0.5   | 0.1                           | 0.2               | 0.2   | 0.3      | 0.2   | 1.2    | 0.6           | 0.3   |
|  | 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                           | 0.0               | 0.1   | 0.1      | -0.1  | 2.0    | 0.7           | 0.2   |
|  |           | 2015 | 0.2                                 | 0.1             | 0.2   | 0.1                           | 0.1               | 0.1   | 0.1      | 0.1   | 1.1    | 0.5           | 0.2   |
|  | 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                           | 0.1               | 0.1   | 0.0      | 0.1   | 1.5    | 0.6           | 0.2   |
|  |           | 2015 | 0.0                                 | -0.3            | -0.1  | 0.1                           | 0.2               | 0.1   | 0.1      | 0.1   | 1.1    | 0.5           | 0.2   |
|  | June      | 2012 | 0.2                                 | -0.5            | -0.2  | 0.1                           | 0.3               | 0.2   | 0.1      | 0.1   | -2.5   | -1.0          | -0.1  |
|  |           | 2013 | 0.0                                 | -0.5            | -0.3  | 0.2                           | 0.2               | 0.2   | 0.1      | 0.1   | 1.7    | 0.8           | 0.2   |
|  |           | 2014 | 0.0                                 | -0.5            | -0.3  | 0.1                           | 0.2               | 0.2   | 0.0      | 0.0   | 1.2    | 0.5           | 0.2   |
|  |           | 2015 | 0.1                                 | -0.5            | -0.3  | 0.1                           | 0.2               | 0.2   | 0.1      | 0.1   | 1.4    | 0.6           | 0.2   |
|  | July      | 2012 | 0.0                                 | -0.7            | -0.4  | 0.2                           | 0.1               | 0.1   | 0.0      | 0.0   | -1.7   | -0.7          | -0.2  |
|  |           | 2013 | -0.2                                | -0.5            | -0.3  | 0.2                           | 0.2               | 0.2   | 0.1      | 0.1   | -0.2   | 0.0           | 0.0   |
|  |           | 2014 | -0.1                                | -0.6            | -0.4  | 0.2                           | 0.2               | 0.2   | 0.0      | 0.1   | -1.3   | -0.5          | -0.1  |
|  |           | 2015 | -0.1                                | -0.6            | -0.4  | 0.2                           | 0.2               | 0.2   | 0.1      | 0.2   | -1.1   | -0.3          | 0.0   |
|  | August    | 2012 | -0.4                                | 0.4             | 0.0   | 0.3                           | 0.1               | 0.2   | 0.1      | 0.2   | 4.3    | 1.9           | 0.6   |
|  |           | 2013 | -0.2                                | 0.5             | 0.1   | 0.3                           | 0.2               | 0.2   | 0.2      | 0.2   | -0.5   | -0.1          | 0.1   |
|  |           | 2014 | -0.2                                | 0.5             | 0.2   | 0.2                           | 0.2               | 0.2   | 0.2      | 0.2   | -0.8   | -0.2          | 0.1   |
|  |           | 2015 | -0.1                                | 0.5             | 0.2   | 0.2                           | 0.2               | 0.2   | 0.2      | 0.3   | -0.8   | -0.2          | 0.1   |
|  | September | 2012 | -0.8                                | 1.4             | 0.4   | 0.2                           | 0.2               | 0.2   | 0.3      | 0.1   | 2.4    | 1.0           | 0.4   |
|  |           | 2013 | -0.3                                | 1.0             | 0.4   | 0.2                           | 0.1               | 0.2   | 0.2      | 0.0   | -0.6   | -0.2          | 0.1   |
|  |           | 2014 | -0.5                                | 1.2             | 0.4   | 0.2                           | 0.1               | 0.1   | 0.2      | 0.1   | -0.2   | 0.0           | 0.2   |
|  |           | 2015 | -0.5                                | 1.2             | 0.4   | 0.2                           | 0.1               | 0.1   | 0.2      | 0.2   | -0.3   | 0.0           | 0.2   |
|  | October   | 2012 | -0.4                                | 0.7             | 0.2   | 0.2                           | 0.2               | 0.2   | 0.2      | 0.2   | -2.3   | -0.8          | 0.0   |
|  |           | 2013 | -0.3                                | 0.4             | 0.1   | 0.3                           | 0.1               | 0.2   | 0.2      | 0.1   | -4.0   | -1.6          | -0.3  |
|  |           | 2014 | -0.4                                | 0.5             | 0.1   | 0.2                           | 0.1               | 0.2   | 0.1      | 0.2   | -2.8   | -1.0          | -0.1  |
|  |           | 2015 | -0.3                                | 0.5             | 0.2   | 0.2                           | 0.1               | 0.1   | 0.1      | 0.2   | -2.8   | -1.0          | -0.1  |
|  | November  | 2012 | -0.2                                | -0.5            | -0.4  | 0.2                           | 0.1               | 0.1   | 0.0      | 0.0   | -4.6   | -1.9          | -0.5  |
|  |           | 2013 | -0.34                               | -0.48           | -0.42 | 0.30                          | 0.12              | 0.19  | 0.03     | -0.10 | -2.26  | -0.97         | -0.20 |
|  |           | 2014 | -0.3                                | -0.4            | -0.4  | 0.2                           | 0.1               | 0.1   | 0.0      | -0.1  | -1.5   | -0.7          | -0.1  |
|  |           | 2015 | -0.3                                | -0.4            | -0.4  | 0.2                           | 0.1               | 0.1   | 0.0      | -0.1  | -1.4   | -0.6          | -0.1  |
|  | 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 | -0.02                               | -1.15           | -0.65 | 0.23                          | 0.09              | 0.15  | -0.05    | 0.06  | -0.07  | 0.01          | -0.04 |
|  |           | 2014 | -0.1                                | -1.1            | -0.7  | 0.2                           | 0.1               | 0.1   | -0.1     | 0.1   | -0.9   | -0.3          | -0.1  |
|  |           | 2015 | -0.1                                | -1.1            | -0.7  | 0.2                           | 0.1               | 0.1   | -0.1     | 0.2   | -0.8   | -0.2          | -0.1  |

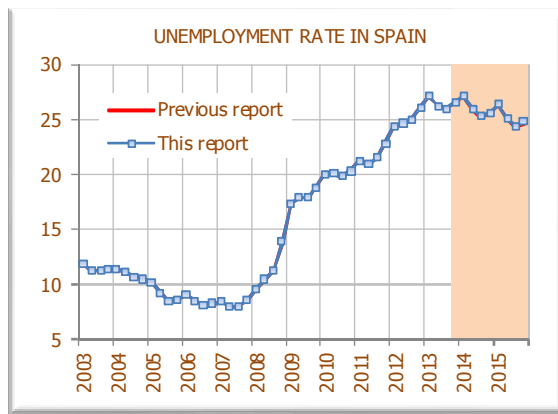
Source: BLS &amp; BIAM(UC3M)

Date: December 17, 2013

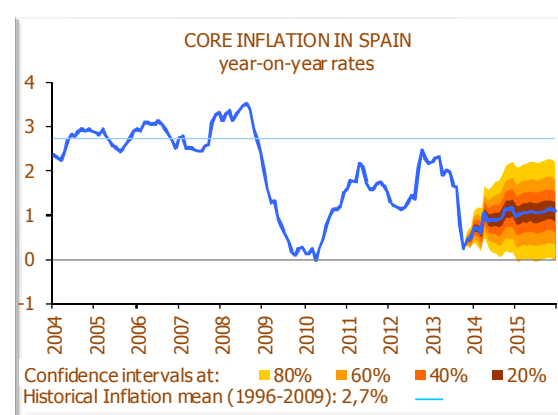




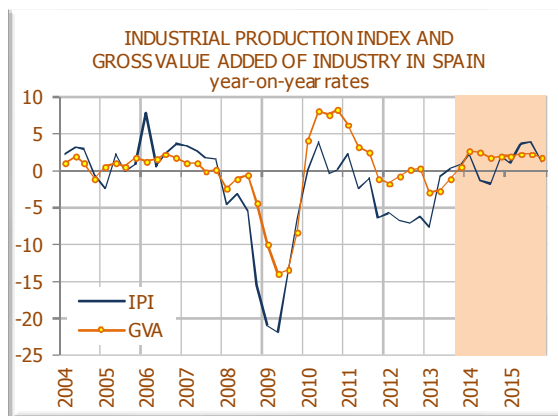
### Graph IV.6



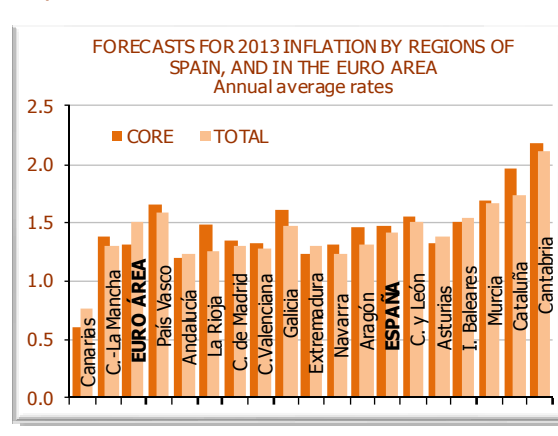
### Graph IV.8



### Graph IV.10



### Graph IV.12



## IV.1. MACROECONOMIC FORECASTS

The Spanish economy left the recession in the third quarter of 2013 when it registered 0.1% quarter-on-quarter GDP growth, in real terms and corrected for calendar effect, after falling by 0.1% in the previous three months. This was the first positive rate in nine quarters, discussed in last month's Bulletin.

One of the most significant aspects of the third quarter's national accounts is that, for the first time in numerous quarters, domestic demand was also involved in recovery, after reducing GDP growth for many quarters, and also that foreign demand made a negative contribution, also for the first time in a long period. The information available for the fourth quarter continues to suggest that recovery will start to be consolidated, as expected.

The Spanish Economic Sentiment Indicator for November, edited by the European Commission, increased by nearly a point and a half to a total of 96. All components moved upwards, with construction rising by 4.4 points, followed by industry (2.5), the retail trade (2.4), services (2.3) and consumers (0.2 points).

In October, the Spanish Industrial Production Index rose by a year-on-year rate of 1.8%, nearly two points less than in September, and beneath our forecast (3%). In quarter-on-quarter terms corrected for seasonality and calendar, the IPI fell by 0.8%, after growing in the two previous months.

The IPI forecast has been revised downwards for 2013 and 2014 but upwards for 2015. We now expect an average annual decline of 1.9% for 2013, instead of the previously forecast 1.4%. Durable consumer goods will have the most negative evolution, with average annual rates of decline of over 12%. For 2014, the global IPI forecast is expected to grow by an average of 0.3%, with 2015 registering 2.5% average annual growth.

In the third quarter, according to the active population survey, the Spanish labour market continued to show relative improvement, and the October and November Social Security contributors and registered unemployment figures, which were discussed in our previous two reports, were a positive surprise and this trend

continues. In view of these monthly figures, which are better than expected, our EPA employment and unemployment forecasts will probably soon be revised upwards for the former and downwards for the latter. That forecast estimated a year-on-year decline in employment of 2.2%, compared with 2.9% in the third quarter, and a 0.6 pp increase (largely seasonal) in the unemployment rate, to 26.6%.





Table IV.1.1

| INDUSTRIAL PRODUCTION INDEX |       |                              |                             |                             |
|-----------------------------|-------|------------------------------|-----------------------------|-----------------------------|
| Average rate of growth      |       |                              |                             |                             |
|                             | 2012  | 2013                         | 2014                        | 2015                        |
| Spain                       |       |                              |                             |                             |
| Consumption                 | -4.8  | <b>-2.4</b>                  | <b>-1.0</b>                 | <b>1.2</b>                  |
| Durable                     | -13.6 | <b>-12.1</b>                 | <b>-6.0</b>                 | <b>-0.1</b>                 |
| Non-durable                 | -3.9  | <b>-1.3</b>                  | <b>1.0</b>                  | <b>1.3</b>                  |
| Capital                     | -11.0 | <b>1.4</b>                   | <b>3.7</b>                  | <b>5.4</b>                  |
| Intermediate                | -8.9  | <b>-2.6</b>                  | <b>0.5</b>                  | <b>2.6</b>                  |
| Energy                      | 0.9   | <b>-2.4</b>                  | <b>0.7</b>                  | <b>0.8</b>                  |
| TOTAL                       | -6.4  | <b>-1.9</b><br><b>(±0.2)</b> | <b>0.3</b><br><b>(±2.5)</b> | <b>2.5</b><br><b>(±3)</b>   |
| Euro area                   |       |                              |                             |                             |
| Consumption                 | -2.4  | <b>-0.8</b>                  | <b>-0.3</b>                 | <b>0.1</b>                  |
| Durable                     | -4.9  | <b>-4.1</b>                  | <b>-1.7</b>                 | <b>3.2</b>                  |
| Non-durable                 | -2.1  | <b>-0.3</b>                  | <b>0.0</b>                  | <b>-0.3</b>                 |
| Capital                     | -1.2  | <b>-0.9</b>                  | <b>3.3</b>                  | <b>4.9</b>                  |
| Intermediate                | -4.6  | <b>-1.0</b>                  | <b>2.7</b>                  | <b>2.4</b>                  |
| Energy                      | -0.4  | <b>-1.1</b>                  | <b>-1.4</b>                 | <b>0.6</b>                  |
| TOTAL                       | -2.5  | <b>-0.9</b><br><b>(±0.8)</b> | <b>1.8</b><br><b>(±2.1)</b> | <b>2.5</b><br><b>(±2.7)</b> |

Source: INE &amp; BIAM (UC3M)

Date: December 13, 2013

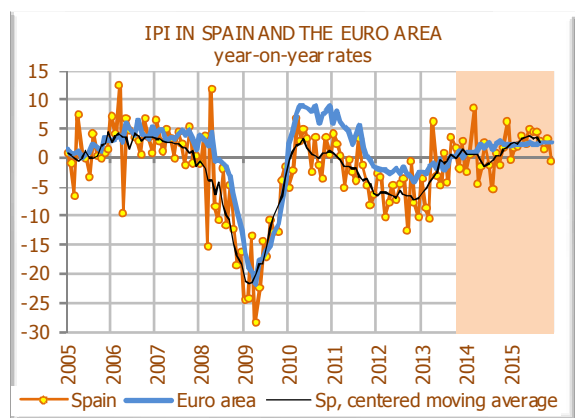
Table IV.1.2

| CHANGE IN THE FORECASTS FOR IP IN SPAIN |                                    |             |              |   |
|---|------------------------------------|-------------|--------------|---|
| Average annual rate, 2013               |                                    |             |              |   |
|   | Forecasts with observed data till: |             |              |   |
|   | Sep-13                             | Oct-13      | Change       |   |
| Durable consumption                     | -6.5                               | -6.0        | 0.52         | ↑ |
| Non-durable consumption                 | 1.9                                | 1.0         | -0.89        | ↓ |
| Total consumption                       | 1.3                                | -1.0        | -2.26        | ↓ |
| Equipment                               | 2.7                                | 3.7         | 0.96         | ↑ |
| Intermediate                            | -0.5                               | 0.5         | 1.00         | ↑ |
| Energy                                  | 0.5                                | 0.7         | 0.13         | ↑ |
| <b>TOTAL</b>                            | <b>0.84</b>                        | <b>0.34</b> | <b>-0.50</b> | ↓ |

Source: INE &amp; BIAM (UC3M)

Date: December 13, 2013

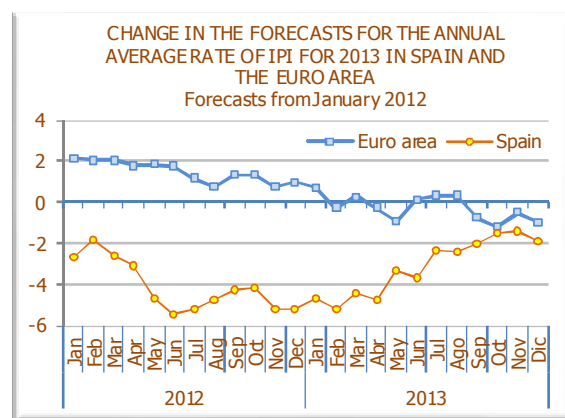
Graph IV.1.1



Source: INE &amp; BIAM (UC3M)

Date: December 13, 2013

Graph IV.1.2



Source: INE &amp; BIAM (UC3M)

Date: December 13, 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 | -2.4              | -1.4   | -10.3                         | 1.1                            | -6.4  | -5.8  | -2.8                | 5.0                           | 0.2                           | 1.6                | -1.3 (±0.1) |             |
|                                 | 2014 | 1.4               | -2.5   | -5.6                          | 6.2                            | -1.5  | -1.1  | 0.1                 | 6.8                           | 4.9                           | 0.6                | 0.7 (±1.3)  |             |
|                                 | 2015 | 2.3               | -0.8   | -2.2                          | 6.6                            | 0.9   | 1.1   | 1.4                 | 6.3                           | 6.2                           | 0.1                | 1.5 (±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                 | -4.3   | -2.0                          | -10.2                          | -4.3  | -8.2  | -7.5                | -4.5                          | 3.1                           | -4.7               | 2.5         | -2.0        |
|                                 |      | II                | -3.3   | -2.8                          | -10.7                          | 1.0   | -6.6  | -6.3                | -3.8                          | 9.1                           | 2.5                | 2.2         | -1.6        |
|                                 |      | III               | -2.2   | 0.3                           | -10.3                          | 0.2   | -6.6  | -6.3                | -2.4                          | 4.7                           | 0.7                | 1.3         | -1.1        |
|                                 |      | IV                | 0.3    | -1.0                          | -9.8                           | 7.7   | -3.9  | -3.2                | -0.5                          | 3.2                           | 2.4                | 0.3         | -0.2 (±0.4) |
|                                 | 2014 | I                 | 1.1    | -3.0                          | -8.2                           | 8.1   | -2.7  | -2.5                | -0.4                          | 9.6                           | 7.4                | 0.7         | 0.4 (±0.9)  |
|                                 |      | II                | 1.5    | -2.5                          | -5.1                           | 5.6   | -1.4  | -0.8                | 0.3                           | 6.1                           | 4.8                | 0.5         | 0.7 (±1.3)  |
|                                 |      | III               | 1.5    | -2.9                          | -4.5                           | 5.5   | -1.1  | -0.8                | 0.2                           | 5.0                           | 3.0                | 0.7         | 0.9 (±1.6)  |
|                                 |      | IV                | 1.5    | -1.6                          | -4.4                           | 5.8   | -0.9  | -0.5                | 0.4                           | 6.7                           | 4.8                | 0.7         | 1 (±1.7)    |
|                                 | 2015 | I                 | 1.8    | -1.0                          | -3.5                           | 6.6   | 0.0   | 0.3                 | 0.9                           | 7.1                           | 6.4                | 0.3         | 1.2 (±1.7)  |
|                                 |      | II                | 2.1    | -0.8                          | -2.3                           | 6.9   | 0.9   | 1.1                 | 1.3                           | 5.6                           | 5.6                | 0.1         | 1.3 (±1.9)  |
|                                 |      | III               | 2.5    | -0.7                          | -1.7                           | 7.3   | 1.4   | 1.6                 | 1.6                           | 5.8                           | 6.1                | 0.0         | 1.6 (±1.9)  |
|                                 |      | IV                | 2.8    | -0.6                          | -1.2                           | 5.7   | 1.1   | 1.3                 | 1.8                           | 6.6                           | 7.0                | -0.1        | 1.7 (±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 | -2.4              | -1.4   | -10.3                         | 1.1                            |      | -6.4  | -5.8                | -2.8                          | 5.0                           | 0.2                | 1.6      | -1.3 (±0.1) |      |
|                                 | 2014 | 1.4               | -2.5   | -5.6                          | 6.2                            |      | -1.5  | -1.1                | 0.1                           | 6.8                           | 4.9                | 0.6      | 0.7 (±1.3)  |      |
|                                 | 2015 | 2.3               | -0.8   | -2.2                          | 6.6                            |      | 0.9   | 1.1                 | 1.4                           | 6.3                           | 6.2                | 0.1      | 1.5 (±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                 | -0.6   | 1.3                           | -3.7                           | 0.6  |       | -2.2                | -1.6                          | -0.4                          | -4.3               | -4.5     | 0.0         | -0.4 |
|                                 |      | II                | 0.0    | -0.9                          | -4.7                           | 3.8  |       | -1.8                | -2.0                          | -0.5                          | 6.4                | 5.2      | 0.4         | -0.1 |
|                                 |      | III               | 0.4    | 0.1                           | -1.0                           | 1.1  |       | -0.2                | 0.2                           | 0.3                           | 2.2                | 2.8      | -0.2        | 0.1  |
|                                 |      | IV                | 0.5    | -1.5                          | -0.8                           | 2.0  |       | 0.3                 | 0.2                           | 0.1                           | -0.8               | -0.8     | 0.0         | 0.2  |
|                                 | 2014 | I                 | 0.3    | -0.7                          | -1.9                           | 0.9  |       | -1.0                | -0.8                          | -0.2                          | 1.5                | 0.2      | 0.4         | 0.2  |
|                                 |      | II                | 0.4    | -0.4                          | -1.5                           | 1.4  |       | -0.4                | -0.3                          | 0.1                           | 3.1                | 2.6      | 0.2         | 0.2  |
|                                 |      | III               | 0.4    | -0.3                          | -0.4                           | 1.0  |       | 0.1                 | 0.2                           | 0.2                           | 1.1                | 1.0      | 0.0         | 0.2  |
|                                 |      | IV                | 0.5    | -0.2                          | -0.7                           | 2.3  |       | 0.4                 | 0.5                           | 0.3                           | 0.8                | 0.9      | 0.0         | 0.3  |
|                                 | 2015 | I                 | 0.5    | -0.1                          | -1.0                           | 1.7  |       | -0.1                | 0.0                           | 0.3                           | 1.9                | 1.7      | 0.1         | 0.3  |
|                                 |      | II                | 0.7    | -0.2                          | -0.3                           | 1.7  |       | 0.4                 | 0.5                           | 0.4                           | 1.7                | 1.8      | 0.0         | 0.4  |
|                                 |      | III               | 0.7    | -0.2                          | 0.2                            | 1.4  |       | 0.6                 | 0.7                           | 0.5                           | 1.3                | 1.5      | -0.1        | 0.5  |
|                                 |      | IV                | 0.8    | -0.1                          | -0.1                           | 0.8  |       | 0.2                 | 0.3                           | 0.5                           | 1.6                | 1.7      | 0.0         | 0.5  |

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 &amp; BIAM(UC3M)

Date: December 2, 2013



## GROSS DOMESTIC PRODUCT IN THE SPAIN: SUPPLY

Table IV.1.5

| GROSS DOMESTIC PRODUCT IN SPAIN |      |   |                           |       |              |                    |                                  |      |       |             |             |
|---------------------------------|------|---|---------------------------|-------|--------------|--------------------|----------------------------------|------|-------|-------------|-------------|
|                                 |      | Agriculture,<br>livestoch<br>breeding,<br>forestry... | Industry                  |       | Construction | Services           |                                  |      | Taxes | Real<br>GDP |             |
|                                 |      |   | Manufacturing<br>industry |       |              | Market<br>services | Public<br>administration,<br>... |      |       |             |             |
| ANNUAL AVERAGE<br>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 | -2.8  | -1.4                      | -1.5  | -6.3         | -0.3               | -0.9                             | -0.5 | -1.6  | -1.3 (±0.1) |             |
|                                 | 2014 | -1.8  | 1.3                       | 2.2   | -3.9         | 2.6                | -1.6                             | 1.5  | -3.0  | 0.7 (±1.3)  |             |
|                                 | 2015 | -1.0  | 1.2                       | 2.1   | -2.3         | 3.5                | -1.6                             | 2.2  | -1.6  | 1.5 (±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   | -6.3                      | -3.1  | -3.0         | -6.0               | -1.5                             | 0.1  | -1.1  | -2.4        | -2.0        |
|                                 |      | II  | 0.5                       | -1.9  | -2.6         | -6.5               | -0.7                             | -1.8 | -0.9  | -1.3        | -1.6        |
|                                 |      | III   | -2.1                      | -1.5  | -1.0         | -6.2               | -0.4                             | -0.7 | -0.5  | -1.6        | -1.1        |
|                                 |      | IV  | -3.1                      | 0.8   | 0.6          | -6.5               | 1.2                              | -1.4 | 0.5   | -1.0        | -0.2 (±0.4) |
|                                 | 2014 | I   | -1.5                      | 1.6   | 2.6          | -6.0               | 2.0                              | -1.7 | 1.1   | -2.9        | 0.4 (±0.9)  |
|                                 |      | II  | -2.3                      | 1.2   | 2.4          | -3.6               | 2.6                              | -1.3 | 1.6   | -4.2        | 0.7 (±1.3)  |
|                                 |      | III   | -1.9                      | 1.1   | 1.8          | -3.2               | 2.8                              | -1.9 | 1.6   | -2.2        | 0.9 (±1.6)  |
|                                 |      | IV  | -1.4                      | 1.4   | 2.1          | -2.8               | 2.9                              | -1.5 | 1.8   | -2.8        | 1 (±1.7)    |
|                                 | 2015 | I   | -1.3                      | 1.2   | 2.1          | -2.8               | 3.0                              | -1.6 | 1.8   | -1.8        | 1.2 (±1.7)  |
|                                 |      | II  | -1.1                      | 1.3   | 2.3          | -2.4               | 3.2                              | -1.6 | 2.0   | -1.3        | 1.3 (±1.9)  |
|                                 |      | III   | -0.8                      | 1.5   | 2.4          | -2.0               | 3.6                              | -1.5 | 2.3   | -1.7        | 1.6 (±1.9)  |
|                                 |      | IV  | -0.7                      | 0.7   | 1.8          | -1.8               | 4.1                              | -1.6 | 2.6   | -1.4        | 1.7 (±1.9)  |

Table IV.1.6

| GROSS DOMESTIC PRODUCT IN SPAIN |      |   |                           |       |              |                    |                                  |      |       |             |      |
|---------------------------------|------|---|---------------------------|-------|--------------|--------------------|----------------------------------|------|-------|-------------|------|
|                                 |      | Agriculture,<br>livestoch<br>breeding,<br>forestry... | Industry                  |       | Construction | Services           |                                  |      | Taxes | Real<br>GDP |      |
|                                 |      |   | Manufacturing<br>industry |       |              | Market<br>services | Public<br>administration,<br>... |      |       |             |      |
| ANNUAL AVERAGE<br>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 | -2.8  | -1.4                      | -1.5  | -6.3         | -0.3               | -0.9                             | -0.5 | -1.6  | -1.3 (±0.1) |      |
|                                 | 2014 | -1.8  | 1.3                       | 2.2   | -3.9         | 2.6                | -1.6                             | 1.5  | -3.0  | 0.7 (±1.3)  |      |
|                                 | 2015 | -1.0  | 1.2                       | 2.1   | -2.3         | 3.5                | -1.6                             | 2.2  | -1.6  | 1.5 (±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   | -1.6                      | 0.0   | -1.3         | -0.8               | 0.1                              | -1.3 | -0.2  | 0.8         | -0.4 |
|                                 |      | II  | 0.4                       | 0.6   | 0.5          | -3.4               | 0.3                              | -0.6 | 0.0   | 0.5         | -0.1 |
|                                 |      | III   | -1.0                      | -0.1  | 0.8          | -1.5               | 0.3                              | 1.0  | 0.5   | -2.2        | 0.1  |
|                                 |      | IV  | -0.9                      | 0.3   | 0.5          | -0.9               | 0.5                              | -0.5 | 0.3   | -0.1        | 0.2  |
|                                 | 2014 | I   | 0.0                       | 0.8   | 0.7          | -0.3               | 0.9                              | -1.6 | 0.3   | -1.1        | 0.2  |
|                                 |      | II  | -0.4                      | 0.1   | 0.3          | -1.0               | 0.8                              | -0.2 | 0.5   | -0.8        | 0.2  |
|                                 |      | III   | -0.6                      | -0.1  | 0.2          | -1.0               | 0.5                              | 0.4  | 0.5   | -0.2        | 0.2  |
|                                 |      | IV  | -0.3                      | 0.6   | 0.7          | -0.5               | 0.6                              | -0.1 | 0.5   | -0.7        | 0.3  |
|                                 | 2015 | I   | 0.0                       | 0.6   | 0.8          | -0.3               | 1.1                              | -1.6 | 0.4   | -0.1        | 0.3  |
|                                 |      | II  | -0.2                      | 0.3   | 0.5          | -0.6               | 0.9                              | -0.2 | 0.6   | -0.3        | 0.4  |
|                                 |      | III   | -0.3                      | 0.0   | 0.3          | -0.6               | 0.9                              | 0.5  | 0.8   | -0.6        | 0.5  |
|                                 |      | IV  | -0.2                      | -0.2  | 0.2          | -0.4               | 1.1                              | -0.2 | 0.8   | -0.4        | 0.5  |

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 &amp; BIAM(UC3M)

Date: December 2, 2013



## INDUSTRIAL PRODUCTION INDEX IN SPAIN

Table IV.1.7

| INDUSTRIAL PRODUCTION INDEX AND SECTORS IN SPAIN |      |                |             |       |               |                    |        |                        |             |      |
|--|------|----------------|-------------|-------|---------------|--------------------|--------|------------------------|-------------|------|
| Y-o-Y rates                                      |      |                |             |       |               |                    |        |                        |             |      |
|  |      | Consumer Goods |             |       |               |                    |        |                        |             |      |
|  |      | Durable        | Non Durable | Total | Capital Goods | Intermediate Goods | Energy | Total excluding energy | TOTAL       |      |
| ANNUAL AVERAGE RATES                             | 2009 | -28.3          | -5.5        | -8.8  | -22.5         | -21.3              | -8.6   | -17.4                  | -16.2       |      |
|  | 2010 | -7.4           | 1.9         | 0.9   | -3.3          | 2.7                | 2.5    | 2.4                    | 0.9         |      |
|  | 2011 | -11.4          | -0.9        | -2.0  | 0.1           | -2.7               | -2.9   | 18.6                   | -2.0        |      |
|  | 2012 | -13.6          | -3.9        | -4.8  | -11.0         | -8.9               | 0.9    | -7.4                   | -6.4        |      |
|  | 2013 | -12.1          | -1.3        | -2.4  | 1.4           | -2.6               | -2.4   | -1.8                   | -1.9 (±0.2) |      |
|  | 2014 | -6.0           | 1.0         | -1.0  | 3.7           | 0.5                | 0.7    | 0.3                    | 0.3 (±2.5)  |      |
|  | 2015 | -0.1           | 1.3         | 1.2   | 5.4           | 2.6                | 0.8    | 2.8                    | 2.5 (±3)    |      |
| Y-o-Y RATES                                      | 2012 | I              | -12.6       | -2.5  | -3.5          | -9.4               | -8.5   | 0.4                    | 0.4         | -5.6 |
|  |      | II             | -14.3       | -2.1  | -3.4          | -12.5              | -9.4   | 0.9                    | 0.9         | -6.6 |
|  |      | III            | -14.3       | -5.6  | -6.4          | -13.1              | -9.2   | 1.5                    | 1.5         | -7.1 |
|  |      | IV             | -13.2       | -5.2  | -6.0          | -9.0               | -8.4   | 1.0                    | 1.0         | -6.1 |
|  | 2013 | I              | -18.1       | -6.5  | -7.5          | -6.7               | -9.4   | -5.9                   | -5.9        | -7.6 |
|  |      | II             | -12.2       | -0.8  | -1.8          | 3.5                | -1.4   | -2.7                   | -2.7        | -0.8 |
|  |      | III            | -8.1        | 0.8   | 0.0           | 2.9                | -0.2   | -0.9                   | -0.9        | 0.4  |
|  |      | IV             | -9.4        | 1.7   | -0.3          | 6.2                | 1.2    | -0.2                   | -0.2        | 0.9  |
|  | 2014 | I              | -4.1        | 3.4   | 1.0           | 6.4                | 2.4    | 2.9                    | 2.9         | 2.2  |
|  |      | II             | -7.3        | -1.3  | -3.4          | 1.1                | -1.7   | 0.5                    | 0.5         | -1.2 |
|  |      | III            | -10.0       | 0.0   | -2.6          | 3.8                | -0.1   | -2.5                   | -2.5        | -1.7 |
|  |      | IV             | -2.7        | 2.2   | 1.2           | 3.8                | 1.5    | 1.8                    | 1.8         | 2.0  |
|  | 2015 | I              | -2.8        | 0.3   | 0.0           | 3.7                | 1.1    | 0.4                    | 0.4         | 1.2  |
|  |      | II             | 1.0         | 3.1   | 2.8           | 6.5                | 3.5    | 1.2                    | 1.2         | 3.7  |
|  |      | III            | 2.9         | 2.9   | 2.9           | 7.2                | 4.1    | 1.3                    | 1.3         | 4.0  |
|  |      | IV             | -1.4        | -0.8  | -0.9          | 4.4                | 1.7    | 0.3                    | 0.3         | 1.4  |

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 | 4.0  | -2.6  | -3.6        | <b>-2.4</b> | <b>-0.4</b> |
| February                             | -24.2 | -2.0 | 2.5  | -3.4  | -8.8        | <b>0.7</b>  | <b>1.8</b>  |
| March                                | -13.5 | 6.8  | 0.4  | -10.3 | -10.4       | <b>8.5</b>  | <b>2.1</b>  |
| April                                | -28.4 | 3.0  | -5.0 | -7.8  | 6.3         | <b>-4.5</b> | <b>3.8</b>  |
| May                                  | -22.2 | 5.1  | -0.2 | -4.8  | -3.1        | <b>-1.7</b> | <b>2.3</b>  |
| June                                 | -14.3 | 3.3  | -2.4 | -7.3  | -4.8        | <b>2.5</b>  | <b>5.0</b>  |
| July                                 | -17.0 | -2.3 | -4.0 | -4.5  | 1.0         | <b>-1.2</b> | <b>4.6</b>  |
| August                               | -10.6 | 3.5  | 3.1  | -3.5  | -4.3        | <b>-5.5</b> | <b>4.5</b>  |
| September                            | -12.7 | -1.1 | -1.2 | -12.4 | 3.7         | <b>0.8</b>  | <b>2.9</b>  |
| October                              | -12.7 | -3.6 | -4.7 | -0.6  | 1.8         | <b>-1.1</b> | <b>1.3</b>  |
| November                             | -3.9  | 3.4  | -7.9 | -7.8  | <b>-1.8</b> | <b>1.7</b>  | <b>3.3</b>  |
| December                             | -1.5  | 0.4  | -6.3 | -10.2 | <b>2.8</b>  | <b>6.3</b>  | <b>-0.6</b> |

The figures in the shaded area are forecasts.

Source: INE & BIAM(UC3M)

Date: December 13, 2013



Table IV.1.9

| INDUSTRIAL PRODUCTION INDEX BY ECONOMIC ACTIVITIES IN SPAIN |                          |  |         |       |       |       |                      |       |      |       |      |     |
|---|--------------------------|--|---------|-------|-------|-------|----------------------|-------|------|-------|------|-----|
| Y-o-Y rates   |                          |  |         |       |       |       |                      |       |      |       |      |     |
|   |                          |  | Weights | 2013  |       |       | Average annual rates |       |      |       |      |     |
|   |                          |  |         | Jul   | Aug   | Sep   | 2012                 | 2013  | 2014 | 2015  |      |     |
| IPI Total   | B Mining and quarrying   | 05 Mining of coal and lignite  | 4.2     | 110.5 | -34.1 | -8.3  | -19.2                | -30.8 | -1.2 | -5.1  |      |     |
|   |                          | 08 Other mining and quarrying  | 13.6    | -3.0  | -16.3 | 5.9   | -21.5                | -8.8  | -4.1 | 0.6   |      |     |
|   |                          |  | 17.8    | 7.9   | -20.7 | 2.9   | -19.1                | -13.8 | -3.6 | -0.5  |      |     |
|   | D Manufacture Industries | 10 Manufacture of food products  | 107.5   | 4.6   | 0.4   | 8.7   | -4.0                 | -0.1  | 0.1  | 0.3   |      |     |
|   |                          | 11 Manufacture of beverages  | 32.6    | 1.2   | 0.9   | -1.1  | -0.7                 | -0.5  | -4.5 | -1.6  |      |     |
|   |                          | 12 Manufacture of tobacco products   | 4.5     | -4.6  | 31.6  | -13.1 | -0.8                 | -4.6  | -4.2 | -0.5  |      |     |
|   |                          | 13 Manufacture of textiles   | 17.1    | 9.5   | -12.1 | 9.1   | -4.3                 | 1.9   | 0.6  | 6.5   |      |     |
|   |                          | 14 Manufacture of wearing apparel  | 18.0    | -9.9  | -9.0  | 11.4  | -4.2                 | -6.9  | -5.4 | -2.5  |      |     |
|   |                          | 15 Manufacture of leather and related products   | 8.8     | -2.2  | -11.9 | 17.7  | -5.9                 | -3.8  | -1.4 | 1.1   |      |     |
|   |                          | 16 Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials | 21.4    | 0.7   | -2.7  | 5.3   | -14.0                | -3.0  | 1.6  | 6.2   |      |     |
|   |                          | 17 Manufacture of paper and paper products   | 26.2    | -0.4  | -8.8  | -1.2  | 0.2                  | -2.4  | 0.4  | 3.6   |      |     |
|   |                          | 18 Printing and reproduction of recorded media   | 22.7    | -7.7  | -16.1 | -8.5  | -14.2                | -10.1 | -4.5 | -1.6  |      |     |
|   |                          | 19 Manufacture of coke and refined petroleum products  | 34.7    | -9.2  | -7.7  | -0.7  | 4.5                  | 0.8   | 0.9  | 3.4   |      |     |
|   |                          | 20 Manufacture of chemicals and chemical products  | 58.2    | -1.9  | 1.4   | 4.9   | -0.7                 | -4.0  | 1.5  | 2.6   |      |     |
|   |                          | 21 Manufacture of basic pharmaceutical products and pharmaceutical preparations  | 24.3    | 2.9   | 4.9   | 2.6   | 1.8                  | 1.3   | 3.5  | 5.1   |      |     |
|   |                          | 22 Manufacture of rubber and plastic products  | 34.2    | 2.5   | -4.3  | 6.5   | -9.1                 | 0.2   | 1.4  | 0.1   |      |     |
|   |                          | 23 Manufacture of other non-metallic mineral products  | 80.5    | -3.2  | -7.1  | -1.1  | -16.6                | -6.6  | -4.2 | 2.2   |      |     |
|   |                          | 24 Manufacture of basic metals   | 43.2    | -1.0  | -1.5  | 2.2   | -8.5                 | 0.0   | 1.2  | 0.4   |      |     |
|   |                          | 25 Manufacture of fabricated metal products, except machinery and equipment  | 106.7   | 1.9   | -7.9  | 6.0   | -14.7                | -1.1  | 0.0  | 3.8   |      |     |
|   |                          | 26 Manufacture of computer, electronic and optical products  | 16.4    | 2.3   | -15.8 | 10.6  | -16.0                | -3.7  | -3.6 | -11.3 |      |     |
|   |                          | 27 Manufacture of electrical equipment   | 36.6    | -2.7  | -10.5 | 2.7   | -1.3                 | -4.5  | 3.0  | 4.7   |      |     |
|   |                          | 28 Manufacture of machinery and equipment n.e.c.   | 53.5    | 7.8   | -1.8  | 6.9   | -1.3                 | 3.1   | 3.8  | 2.7   |      |     |
|   |                          | 29 Manufacture of motor vehicles, trailers and semi-trailers   | 74.3    | 6.5   | 5.3   | 6.8   | -10.5                | 3.0   | 3.6  | 2.9   |      |     |
|   |                          | 30 Manufacture of other transport equipment  | 21.0    | -4.9  | -14.5 | -1.1  | -13.1                | -5.2  | -5.1 | -3.0  |      |     |
|   |                          | 31 Manufacture of furniture  | 27.6    | -7.6  | -15.4 | 0.3   | -14.3                | -8.9  | -3.5 | 1.7   |      |     |
|   |                          | 32 Other manufacturing   | 17.7    | 6.5   | -5.6  | 8.6   | -6.7                 | 2.0   | 1.2  | 2.6   |      |     |
|   |                          | 33 Repair and installation of machinery and equipment  | 2.8     | 4.9   | 4.5   | 10.7  | -6.9                 | 1.7   | 0.4  | 1.1   |      |     |
|   |                          |  |         |       | 890.4 | 0.9   | -3.6                 | 4.3   | -6.4 | -1.3  | 0.4  | 1.9 |
|   |                          | D Electricity, gas, steam and air conditioning supply  |         |       | 91.8  | 1.4   | -6.6                 | -1.0  | -0.1 | -4.6  | -0.7 | 0.5 |
|   |                          |  |         |       | 1000  | 1.0   | -4.3                 | 3.7   | -6.4 | -1.9  | 0.3  | 2.5 |

Source: INE &amp; BIAM(UC3M)

Date: December 13, 2013



IV.2. INFLATION

As forecast, the Spanish year-on-year CPI rate was 0.2%, 0.3 pp higher than the previous month. With few exceptions, all groups increased their year-on-year rates, with the rate of decline of energy products falling by 2 pp to 0.7%. Prices grew by a monthly rate of 0.2%. Core inflation was also as forecast, with a year-on-year and monthly rate of 0.4%. Therefore, the purchasing power of Spanish pensioners will be maintained next year, thanks to a 0.25% increase in their benefits.

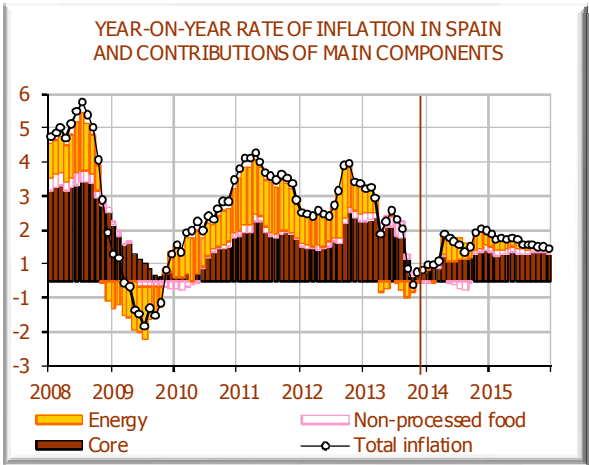
Our average core inflation forecasts remain unaltered for this year and 2015, at 1.5% ( $\pm 0.70$ ) and 1.0% ( $\pm 1.01$ ), respectively. For 2014, they have fallen by 0.1 pp to 0.8% ( $\pm 0.84$ ), largely due to the motor vehicle sector. This is primarily because of the PIVE 4 Plan which, according to recent information, could be extended until

January next year, a month more than initially intended. The inflation forecast for other core sectors remains unaltered, as our previous estimates coincided with the observed figures in November.

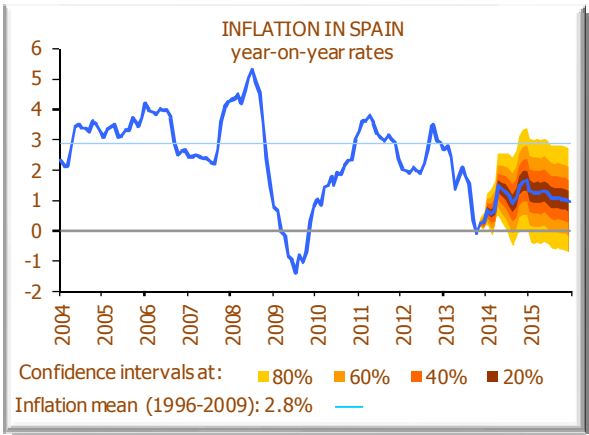
Our total inflation forecasts also remain unaltered for the entire forecasting period, at 1.4% ( $\pm 0.01$ ), 1.1% ( $\pm 1.12$ ) and 1.1% ( $\pm 1.44$ ) for 2013, 2014 and 2015, respectively. The small increase in energy inflation expectations counteracts the expected fall in core inflation. The appreciation of the euro in the last few weeks (it is close to its highest in the last two years, 1.38 dollars) was not enough to counteract the growth in future Brent oil prices.

Although last month's deflation fears were unfounded, neither is there heavy internal inflationist pressure. The increase in total inflation in November was primarily due to energy. Indeed, core inflation could remain at around 1% throughout the forecasting period, showing the sluggishness of the recovery of Spanish domestic demand.

Graph IV.2.1



Graph IV.2.2



Source: INE & BIAM(UC3M)  
Date: December 13, 2013

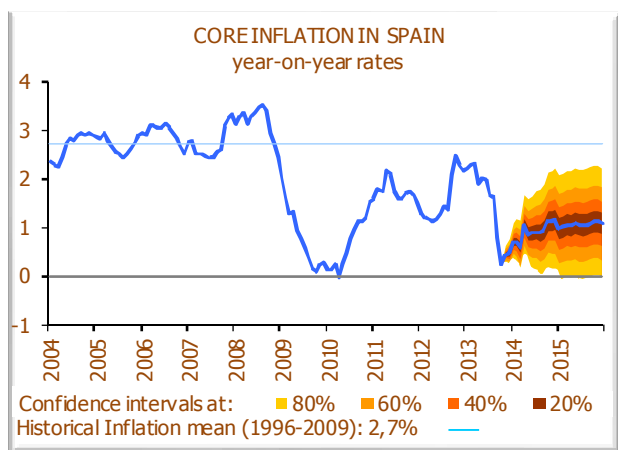
Table IV.2.1

| INFLATION IN SPAIN |              |                |                      |                |                |                |
|--------------------|--------------|----------------|----------------------|----------------|----------------|----------------|
| CPI                | Annual rates |                | Average annual rates |                |                |                |
|                    | 2013         |                | 2012                 | 2013           | 2014           | 2015           |
|                    | November     | December       |                      |                |                |                |
| Core<br>81.41%     | 0.4          | 0.3<br>(±0.19) | 1.6                  | 1.5<br>(±0.7)  | 0.8<br>(±0.84) | 1<br>(±1.01)   |
| Total<br>100%      | 0.2          | 0.3<br>(±0.18) | 2.4                  | 1.4<br>(±0.01) | 1.1<br>(±1.12) | 1.1<br>(±1.44) |

Source: INE & BIAM(UC3M)  
Date: December 13, 2013



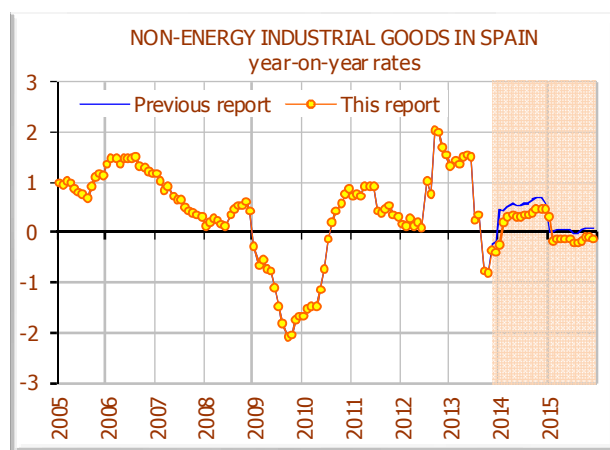
Graph IV.2.3



Source: INE &amp; BIAM(UC3M)

Date: December 13, 2013

Graph IV.2.4



Source: INE &amp; BIAM(UC3M)

Date: December 13, 2013

Table IV.2.2

| INFLATION IN SPAIN<br>Annual rates, November, 2013 |                 |              |              |                                   |
|--|-----------------|--------------|--------------|-----------------------------------|
| Consumer Price Index<br>CPI                        | Weights<br>2013 | Observed     | Forecasts    | Confidence<br>Intervals at<br>80% |
| Processed food                                     | 14.67           | 2.49         | 2.66         | ± 0.43                            |
| Non-energy industrial<br>goods                     | 26.99           | -0.37        | -0.26        | ± 0.31                            |
| Services   | 39.74           | 0.08         | 0.12         | ± 0.2                             |
| <b>CORE</b>  | <b>81.41</b>    | <b>0.36</b>  | <b>0.43</b>  | <b>± 0.19</b>                     |
| Non-processed food                                 | 6.41            | 0.42         | -0.19        | ± 1.11                            |
| Energy   | 12.18           | -0.73        | -0.92        | ± 0.69                            |
| <b>RESIDUAL</b>                                    | <b>18.59</b>    | <b>-0.32</b> | <b>-0.65</b> | <b>± 0.72</b>                     |
| <b>TOTAL</b>                                       | <b>100</b>      | <b>0.23</b>  | <b>0.22</b>  | <b>± 0.18</b>                     |

Source: INE &amp; BIAM (UC3M)

Date: September 12, 2013



Table IV.2.3

| INFLATION BY COMPONENTS IN THE CONSUMER PRICE INDEX OF SPAIN |                       |                                   |                        |                 |      |      |      |      |      |      |
|--|-----------------------|-----------------------------------|------------------------|-----------------|------|------|------|------|------|------|
| Annual average rates   |                       |                                   |                        |                 |      |      |      |      |      |      |
|  |                       |                                   |                        | Weights<br>2013 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| CPI Total  | Core<br>Inflation     | Processed<br>food                 | AE less tobacco & fats | 11.9            | -1.2 | 2.1  | 2.4  | 1.8  | 1.7  | 1.7  |
|  |                       |                                   | Oils & Fats            | 0.6             | -2.6 | 0.4  | 2.9  | 17.8 | -1.7 | 5.2  |
|  |                       |                                   | Tobacco                | 2.1             | 15.0 | 13.3 | 7.2  | 7.3  | 7.0  | 8.9  |
|  |                       |                                   |                        | 14.7            | 1.0  | 3.8  | 3.1  | 3.2  | 2.3  | 2.9  |
|  |                       | Non energy<br>industrial<br>goods | Vehicles               | 4.7             | -1.1 | 2.9  | 1.2  | -2.0 | 3.9  | 1.2  |
|  |                       |                                   | Footwear               | 1.7             | 0.5  | 0.6  | 0.5  | 0.4  | 0.5  | 0.5  |
|  |                       |                                   | Clothing               | 6.2             | -0.6 | 0.1  | 0.2  | -0.1 | 0.0  | 0.0  |
|  |                       |                                   | Rest                   | 14.3            | -0.2 | 0.1  | 1.0  | 1.7  | -0.7 | -0.6 |
|  |                       |                                   | 27.0                   | -0.5            | 0.6  | 0.8  | 0.6  | 0.3  | -0.1 |      |
|  |                       | Services                          | Postal services        | 0.0             | 4.5  | 3.6  | 3.2  | 3.2  | 3.0  | 3.0  |
|  |                       |                                   | Cultural services      | 1.8             | 1.4  | 1.4  | 3.8  | 4.3  | 0.6  | 1.0  |
|  |                       |                                   | Education              | 0.9             | 2.1  | 1.9  | 2.0  | 1.9  | 1.1  | 1.3  |
|  |                       |                                   | Hotels                 | 0.8             | 0.2  | 1.3  | 0.1  | -0.5 | 0.1  | 0.0  |
|  |                       |                                   | Health                 | 2.6             | 2.7  | 2.5  | 1.6  | 1.9  | 2.0  | 2.2  |
|  |                       |                                   | Household equipment    | 2.1             | 2.5  | 2.6  | 2.1  | 1.8  | 2.2  | 2.2  |
|  |                       |                                   | Restaurants            | 10.8            | 1.3  | 1.6  | 0.9  | 0.6  | 0.4  | 0.9  |
|  |                       |                                   | Telephone              | 3.8             | -0.4 | -0.7 | -3.6 | -4.3 | -4.5 | -2.0 |
|  |                       |                                   | Transports             | 5.9             | 2.2  | 2.7  | 2.7  | 2.2  | 1.8  | 2.3  |
|  |                       |                                   | Package holidays       | 1.4             | -4.6 | 3.3  | 5.7  | 3.5  | 2.1  | 2.6  |
|  |                       |                                   | University             | 0.5             | 3.3  | 3.4  | 9.7  | 18.3 | 3.4  | 3.0  |
|  |                       |                                   | Housing                | 5.8             | 1.7  | 1.6  | 1.2  | 0.9  | 0.8  | 1.2  |
|  |                       | Rest                              | 3.3                    | 1.6             | 2.0  | 3.1  | 4.2  | 0.6  | 0.8  |      |
|  |                       |                                   | 39.7                   | 1.3             | 1.8  | 1.5  | 1.4  | 0.6  | 1.1  |      |
|  |                       |                                   | 81.4                   | 0.6             | 1.7  | 1.6  | 1.5  | 0.8  | 1.0  |      |
|  | Residual<br>Inflation | Non<br>processed<br>foods         | Meat                   | 2.4             | -1.9 | 2.5  | 1.8  | 1.0  | 0.6  | 2.6  |
|  |                       |                                   | Fruits                 | 1.2             | -1.2 | 1.0  | 4.6  | 10.0 | -2.0 | 1.7  |
|  |                       |                                   | Eggs                   | 0.2             | -1.1 | -1.1 | 15.3 | 1.8  | -1.6 | -0.4 |
|  |                       |                                   | Vegetables             | 0.8             | 1.3  | -0.4 | 0.6  | -0.8 | -3.6 | 1.3  |
|  |                       |                                   | Mollusc                | 0.5             | 3.2  | 5.1  | 0.5  | 1.0  | 3.9  | 3.9  |
|  |                       |                                   | Potatoes               | 0.3             | 7.6  | 1.6  | -3.5 | 20.4 | 3.6  | 3.1  |
|  |                       |                                   | Fish                   | 1.1             | 1.3  | 2.7  | 0.9  | 0.5  | 0.0  | 0.0  |
|  |                       |                                   |                        | 6.4             | 0.0  | 1.8  | 2.3  | 3.3  | -0.2 | 1.9  |
|  |                       | Energy                            | Fuels                  | 6.9             | 16.9 | 15.6 | 8.1  | 0.3  | 1.5  | 1.0  |
|  |                       |                                   | Heat energy            | 0.5             | 24.7 | 27.3 | 11.2 | -2.4 | -0.3 | -1.1 |
|  |                       |                                   | Electricity and gas    | 4.8             | 4.2  | 14.3 | 9.6  | -0.2 | 7.4  | 2.5  |
|  |                       |                                   |                        | 12.2            | 12.5 | 15.7 | 8.9  | 0.1  | 3.6  | 1.5  |
|  |                       |                                   |                        | 18.6            | 7.6  | 10.4 | 6.5  | 1.2  | 2.2  | 1.6  |
|  |                       |                                   |                        | 100.0           | 1.8  | 3.2  | 2.4  | 1.4  | 1.1  | 1.1  |

\* The figures in the shaded area are forecasts

Source: INE & BIAM(UC3M)

Date: December 13, 2013





Table IV.2.4

| CONSUMER PRICE INDEX AND COMPONENTS IN SPAIN |      |                                  |         |                             |          |        |                               |                    |        |       |   |            |            |
|--|------|----------------------------------|---------|-----------------------------|----------|--------|-------------------------------|--------------------|--------|-------|---|------------|------------|
| Annual rates of growth                       |      |                                  |         |                             |          |        |                               |                    |        |       |   |            |            |
|  |      | Consumer Prices Index            |         |                             |          |        |                               |                    |        |       |   |            |            |
|  |      | Core                             |         |                             |          |        |                               | Residual           |        |       | TOTAL 100%<br>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                              | 7.3     | 0.6                         | 1.4      | 1.5    | ± 0.70                        |                    | 3.3    | 0.1   | 1.2   | 1.4 ± 0.01 |            |
|  | 2014 | 1.5                              | 7.0     | 0.3                         | 0.6      | 0.8    | ± 0.84                        |                    | -0.2   | 3.6   | 2.2   | 1.1 ± 1.12 |            |
| 2015   | 1.9  | 8.9                              | -0.1    | 1.1                         | 1.0      | ± 1.01 |                               | 1.9                | 1.5    | 1.6   | 1.1 ± 1.44                                  |            |            |
| 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     | 7.2                         | -0.8     | 0.0    | 0.2                           |                    |        | 0.9   | -2.7  | -1.5       | -0.1       |
|  |      | November                         | 1.6     | 7.6                         | -0.4     | 0.1    | 0.4                           |                    |        | 0.4   | -0.7  | -0.3       | 0.2        |
|  |      | December                         | 1.5     | 7.3                         | -0.4     | 0.1    | 0.3                           | ± 0.19             |        | -0.2  | 0.3   | 0.2        | 0.3 ± 0.18 |
|  | 2014 | January                          | 1.4     | 5.7                         | -0.2     | 0.3    | 0.4                           | ± 0.29             |        | -0.2  | 1.2   | 0.7        | 0.5 ± 0.36 |
|  |      | February                         | 1.3     | 6.1                         | 0.2      | 0.3    | 0.6                           | ± 0.38             |        | 0.5   | -0.2  | 0.0        | 0.5 ± 0.55 |
|  |      | March                            | 1.3     | 6.1                         | 0.3      | 0.0    | 0.4                           | ± 0.47             |        | 1.4   | 1.1   | 1.2        | 0.6 ± 0.77 |
|  |      | April                            | 1.5     | 7.1                         | 0.3      | 0.8    | 0.9                           | ± 0.55             |        | 0.9   | 4.7   | 3.3        | 1.4 ± 0.94 |
|  |      | May                              | 1.5     | 7.3                         | 0.3      | 0.5    | 0.7                           | ± 0.62             |        | -0.7  | 6.0   | 3.5        | 1.3 ± 1.06 |
|  |      | June                             | 1.5     | 7.4                         | 0.3      | 0.5    | 0.7                           | ± 0.69             |        | -1.5  | 5.6   | 2.9        | 1.2 ± 1.18 |
|  |      | July                             | 1.5     | 6.2                         | 0.3      | 0.6    | 0.8                           | ± 0.76             |        | -3.0  | 5.1   | 2.1        | 1.0 ± 1.30 |
|  |      | August                           | 1.6     | 6.0                         | 0.3      | 0.5    | 0.8                           | ± 0.82             |        | -3.8  | 4.0   | 1.1        | 0.8 ± 1.41 |
|  |      | September                        | 1.6     | 7.3                         | 0.4      | 0.6    | 0.8                           | ± 0.89             |        | -1.0  | 3.3   | 1.7        | 1.0 ± 1.49 |
|  |      | October                          | 1.6     | 7.6                         | 0.5      | 0.9    | 1.0                           | ± 0.94             |        | 1.2   | 4.2   | 3.1        | 1.4 ± 1.56 |
|  |      | November                         | 1.7     | 7.5                         | 0.5      | 0.9    | 1.0                           | ± 0.99             |        | 1.6   | 4.6   | 3.5        | 1.5 ± 1.63 |
|  |      | December                         | 1.8     | 9.8                         | 0.5      | 0.9    | 1.1                           | ± 1.03             |        | 2.1   | 3.7   | 3.1        | 1.5 ± 1.70 |
|  | 2015 | January                          | 1.9     | 9.9                         | 0.3      | 0.9    | 1.1                           | ± 1.05             |        | 2.1   | 2.9   | 2.7        | 1.4 ± 1.72 |
|  |      | February                         | 1.9     | 9.5                         | -0.2     | 1.0    | 0.9                           | ± 1.08             |        | 1.8   | 2.8   | 2.5        | 1.2 ± 1.74 |
|  |      | March                            | 1.9     | 9.5                         | -0.1     | 1.0    | 1.0                           | ± 1.09             |        | 1.7   | 2.6   | 2.3        | 1.2 ± 1.74 |
|  |      | April                            | 1.9     | 9.7                         | -0.1     | 1.0    | 1.0                           | ± 1.10             |        | 2.1   | 2.3   | 2.2        | 1.2 ± 1.74 |
|  |      | May                              | 1.9     | 9.9                         | -0.1     | 1.1    | 1.0                           | ± 1.11             |        | 2.6   | 2.1   | 2.3        | 1.3 ± 1.74 |
|  |      | June                             | 1.9     | 8.1                         | -0.1     | 1.1    | 1.0                           | ± 1.12             |        | 2.1   | 2.0   | 2.1        | 1.2 ± 1.74 |
|  |      | July                             | 1.9     | 8.3                         | -0.2     | 1.2    | 1.0                           | ± 1.14             |        | 2.0   | 1.0   | 1.4        | 1.1 ± 1.74 |
|  |      | August                           | 1.8     | 8.4                         | -0.2     | 1.2    | 1.0                           | ± 1.14             |        | 1.7   | 1.0   | 1.2        | 1.0 ± 1.74 |
|  |      | September                        | 1.8     | 8.7                         | -0.2     | 1.2    | 1.0                           | ± 1.14             |        | 1.7   | 0.9   | 1.1        | 1.1 ± 1.74 |
|  |      | October                          | 1.8     | 8.8                         | -0.1     | 1.2    | 1.1                           | ± 1.14             |        | 1.7   | 0.4   | 0.9        | 1.0 ± 1.74 |
|  |      | November                         | 1.8     | 8.7                         | -0.1     | 1.2    | 1.1                           | ± 1.14             |        | 1.7   | 0.2   | 0.7        | 1.0 ± 1.74 |
|  |      | December                         | 1.8     | 7.1                         | -0.1     | 1.2    | 1.0                           | ± 1.14             |        | 1.5   | 0.0   | 0.6        | 0.9 ± 1.74 |

\* Confidence intervals calculated with historical errors

\*The figures in the shaded area are Forecasts

Source: INE &amp; BIAM(UC3M)

Date: December 13, 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 | 0.1                              | 2.0     | -4.7                        | -0.1     | -1.6  | 0.6                | 1.0    | 0.8   | -1.1       |
|   |           | 2015 | 0.2                              | 2.1     | -4.8                        | -0.1     | -1.6  | 0.6                | 0.2    | 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     | 0.1                         | 0.2      | 0.2   | -0.4               | 0.3    | 0.0   | 0.2        |
|   |           | 2015 | 0.2                              | 0.3     | -0.4                        | 0.3      | 0.1   | -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                | 0.7    | 0.6   | 0.5        |
|   |           | 2015 | 0.2                              | 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                         | 0.5      | 1.3   | 0.3                | 0.8    | 0.6   | 1.1        |
|   |           | 2015 | 0.2                              | 1.2     | 2.9                         | 0.5      | 1.3   | 0.7                | 0.4    | 0.5   | 1.1        |
|   | 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               | 0.1    | 0.0   | 0.1        |
|   |           | 2015 | 0.1                              | 0.5     | 0.7                         | -0.2     | 0.2   | 0.4                | -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                | 0.0    | 0.2   | 0.0        |
|   |           | 2015 | 0.1                              | -1.6    | -0.3                        | 0.3      | 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 | 0.2                              | 0.1     | -0.4                        | 0.4      | 0.1   | 0.1                | 0.1    | 0.1   | 0.1        |
|   |           | 2015 | 0.2                              | 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     | 1.3                         | -0.7     | 0.1   | -0.9               | -0.2   | -0.4  | 0.0        |
|   |           | 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 | 0.2                              | 0.0     | 3.0                         | -0.4     | 0.8   | -2.0               | -0.8   | -1.2  | 0.4        |
|   |           | 2014 | 0.2                              | 0.3     | 3.0                         | -0.1     | 1.0   | 0.3                | 0.1    | 0.2   | 0.8        |
|   |           | 2015 | 0.2                              | 0.4     | 3.1                         | -0.1     | 1.0   | 0.4                | -0.4   | -0.1  | 0.8        |
|   | November  | 2012 | 0.4                              | -0.4    | 1.0                         | -0.4     | 0.2   | 0.6                | -2.8   | -1.6  | -0.1       |
|   |           | 2013 | 0.1                              | 0.0     | 1.5                         | -0.3     | 0.4   | 0.1                | -0.7   | -0.5  | 0.2        |
|   |           | 2014 | 0.3                              | -0.1    | 1.5                         | -0.3     | 0.4   | 0.5                | -0.4   | -0.1  | 0.3        |
|   |           | 2015 | 0.2                              | -0.1    | 1.5                         | -0.3     | 0.4   | 0.5                | -0.6   | -0.2  | 0.3        |
|   | December  | 2012 | 0.2                              | 0.3     | -0.5                        | 0.4      | 0.0   | 1.1                | -0.3   | 0.2   | 0.1        |
|   |           | 2013 | 0.0                              | 0.0     | -0.5                        | 0.4      | 0.0   | 0.2                | 0.8    | 0.6   | 0.1        |
|   |           | 2014 | 0.1                              | 2.1     | -0.5                        | 0.4      | 0.1   | 0.8                | -0.1   | 0.2   | 0.1        |
|   |           | 2015 | 0.1                              | 0.6     | -0.6                        | 0.4      | 0.0   | 0.7                | -0.2   | 0.1   | 0.1        |

\* The figures in the shaded area are Forecasts

Source: INE & BIAM(UC3M)

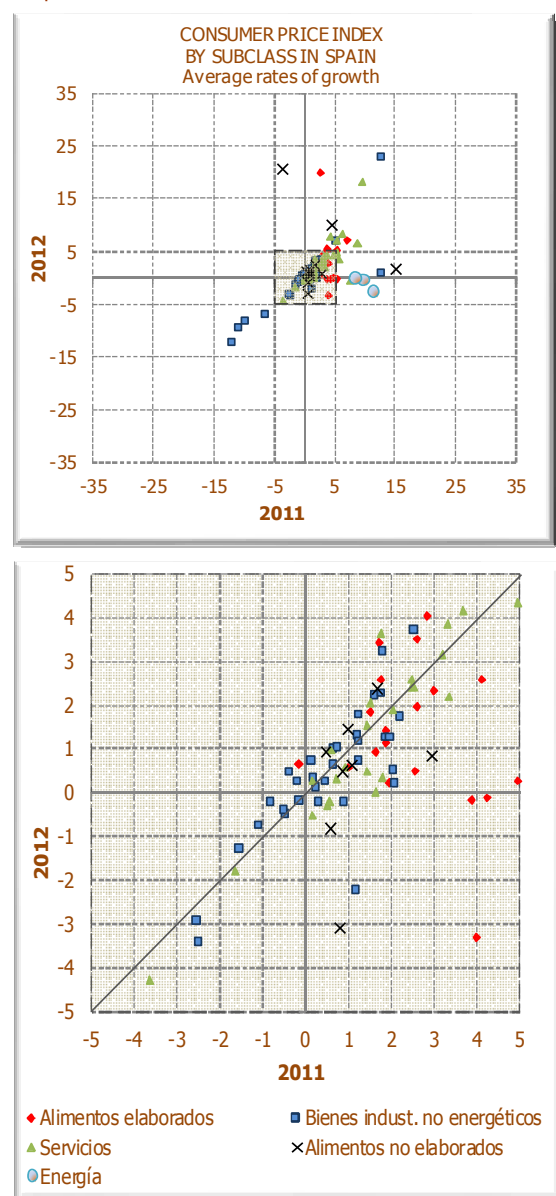
Date: December 13, 2013



## 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: December 13, 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       |
| <b>PROCESSED FOOD AND TOBACCO (PF)</b>                    |              |             |            |            |            |            |            |            |            |
| Rice  | 0.9          | 18.8        | 16.8       | -9.4       | 1.0        | 3.9        | -0.1       | 0.3        | -7.9       |
| Flours and cereals  | 1.6          | 8.7         | 0.5        | -3.4       | 3.4        | 1.9        | 1.1        | 1.8        | -6.6       |
| Bread   | 15.2         | 8.9         | 0.0        | -0.3       | 0.7        | 1.0        | 0.6        | 0.2        | -8.0       |
| Pastry goods, cakes, mixes and doughs for bakery products | 9.6          | 7.5         | 1.6        | -0.1       | 3.0        | 3.0        | 2.3        | 1.8        | -6.0       |
| Farinaceous-based products                                | 1.2          | 18.5        | -5.8       | -1.6       | 4.6        | 2.6        | 0.5        | 0.6        | -7.0       |
| Delicatessen type meat products                           | 16.6         | 3.3         | 0.4        | 0.0        | 1.0        | 1.8        | 2.6        | 2.2        | -6.2       |
| Processed meat products                                   | 3.2          | 4.8         | 2.3        | -0.8       | 1.3        | 4.1        | 2.6        | 2.1        | -6.2       |
| Preserved and processed fish                              | 6.8          | 5.3         | 0.7        | 0.0        | 4.2        | 3.8        | 5.1        | 2.6        | -5.4       |
| Milk  | 8.9          | 15.6        | -8.3       | -5.2       | -0.3       | 1.7        | 3.4        | 4.3        | -7.6       |
| Other dairy products                                      | 7.6          | 7.6         | -2.2       | -3.3       | 5.6        | 4.0        | -3.3       | -3.8       | -11.7      |
| Cheeses   | 6.8          | 10.0        | -0.4       | -0.2       | 0.9        | 2.0        | 0.2        | 3.3        | -6.2       |
| Preserved fruits, nuts and dried fruits                   | 2.7          | 2.1         | 0.4        | -1.4       | 0.9        | 2.8        | 4.0        | 4.5        | -6.0       |
| Dried pulses and vegetables                               | 0.8          | 10.8        | -1.0       | -0.8       | 4.9        | 5.5        | 5.1        | 0.9        | -7.9       |
| Frozen and preserved pulses and vegetables                | 3.4          | 7.8         | 0.7        | -1.0       | 1.6        | 2.6        | 3.5        | 2.6        | -7.4       |
| Sugar   | 1.2          | 0.3         | -6.9       | -9.0       | 19.4       | 4.9        | 0.3        | -1.9       | -7.9       |
| Chocolates and confectionery                              | 5.2          | 5.3         | 0.5        | -0.1       | 1.8        | 1.6        | 0.9        | 2.0        | -5.8       |
| Other food products                                       | 3.5          | 8.7         | 4.2        | 0.2        | 2.4        | 2.6        | 2.0        | 1.4        | -7.3       |
| Coffee, cocoa and infusions                               | 3.4          | 7.1         | 1.3        | -0.1       | 10.1       | 5.5        | -0.2       | 1.0        | -6.1       |
| Mineral water, soft drinks, fruit and vegetable juices    | 7.7          | 4.0         | 3.0        | -2.3       | 0.6        | 1.5        | 1.9        | 2.2        | -6.2       |
| Spirits and liqueurs                                      | 1.4          | 4.5         | 1.9        | 1.7        | 1.6        | -0.2       | 0.7        | 2.9        | -6.0       |
| Wines   | 3.3          | 4.7         | 0.1        | -0.8       | 0.5        | 3.8        | 5.5        | 1.1        | -6.6       |
| Beer  | 3.0          | 5.5         | 4.3        | 0.7        | 2.2        | 1.9        | 1.4        | 3.2        | -5.5       |
| Tobacco   | 20.5         | 3.5         | 11.7       | 15.0       | 13.3       | 7.2        | 7.3        | 7.0        | -9.7       |
| Butter and margarine                                      | 0.6          | 16.2        | 0.7        | -1.6       | 7.3        | 4.2        | -0.1       | 1.8        | -2.9       |
| Oils  | 4.9          | 1.1         | -12.4      | -2.8       | -0.3       | 2.7        | 19.9       | -2.1       | -4.9       |
| <b>PF INFLATION IN SPAIN</b>                              | <b>6.5</b>   | <b>0.9</b>  | <b>1.0</b> | <b>3.8</b> | <b>3.1</b> | <b>3.2</b> | <b>3.2</b> | <b>2.3</b> | <b>2.9</b> |
| Standard deviation ( $\sigma$ )*                          | 0.88         | 0.88        | 0.88       | 0.88       | 0.88       | 0.88       | 0.9        | 1.9        | 2.1        |
| <b>TOTAL INFLATION IN SPAIN</b>                           | <b>4.1</b>   | <b>-0.3</b> | <b>1.8</b> | <b>3.2</b> | <b>2.4</b> | <b>1.4</b> | <b>1.1</b> | <b>1.1</b> | <b>1.1</b> |

\* For observed rates (2007-2012) the standard deviation  $\sigma$  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        |
| <b>NON-ENERGY INDUSTRIAL GOODS (NEIG)</b>                                  |              |             |             |            |            |            |            |            |             |
| Men's outerwear  | 20.4         | 0.1         | -2.0        | -0.5       | 0.5        | 0.9        | -0.2       | -1.3       | -9.8        |
| Men's underwear  | 1.4          | 1.2         | 0.0         | 0.9        | 1.3        | 2.0        | 0.5        | 0.0        | -8.9        |
| Women's outerwear  | 26.9         | 0.5         | -2.3        | -1.5       | -0.2       | -0.5       | -0.5       | -3.1       | -18.7       |
| Women's underwear  | 2.4          | 1.4         | 0.0         | 0.9        | 1.7        | 1.2        | 0.7        | -1.1       | -9.2        |
| Children's and infants' garments   | 9.7          | 0.6         | -1.4        | -0.2       | 0.1        | -0.4       | 0.5        | -1.2       | -9.4        |
| Men's footwear   | 6.3          | 1.3         | 0.0         | 0.1        | 0.5        | 0.5        | 0.3        | 0.3        | -8.5        |
| Women's footwear   | 8.3          | 1.6         | -0.7        | 1.0        | 0.8        | 0.6        | 0.7        | 0.8        | -8.2        |
| Children's and infants' footwear   | 3.2          | 1.3         | -0.5        | 0.1        | 0.5        | 0.3        | 0.1        | 0.3        | -8.3        |
| Motor vehicles   | 40.3         | -0.5        | -4.1        | -1.2       | 3.0        | 1.2        | -2.2       | 3.8        | -7.8        |
| Other vehicles   | 2.0          | -2.4        | 1.0         | 0.0        | 1.2        | 1.2        | 1.3        | 4.8        | -7.9        |
| Spare parts and maintenance accessories                                    | 1.5          | 4.6         | -0.7        | 1.3        | 2.5        | 2.1        | 0.2        | 3.5        | -6.9        |
| Materials for the maintenance and repair of the dwelling                   | 2.6          | 5.1         | 3.0         | 1.4        | 2.4        | 1.6        | 2.2        | 1.0        | -7.0        |
| Water supply   | 10.0         | 4.9         | 5.7         | 2.1        | 2.6        | 5.1        | 7.0        | 2.2        | -6.1        |
| Furniture  | 13.2         | 3.9         | 1.1         | 1.1        | 1.8        | 0.6        | 1.0        | 0.2        | -8.0        |
| Other equipments   | 2.3          | 2.7         | 0.5         | 0.4        | 2.2        | 0.7        | 1.1        | 1.0        | -6.9        |
| Household textiles   | 5.9          | 2.2         | 0.5         | 0.2        | 2.0        | -0.5       | -0.4       | -1.9       | -10.0       |
| Refrigerators, washing machines and dishwashers                            | 4.0          | -1.9        | -1.0        | -1.8       | -2.2       | -1.6       | -1.3       | -2.7       | -10.1       |
| Cookers and ovens  | 1.3          | -0.8        | 0.1         | -1.6       | -1.4       | -1.1       | -0.7       | -1.7       | -9.3        |
| Heating and air conditioning   | 2.2          | -0.5        | 0.8         | 0.7        | -1.0       | -0.2       | 0.3        | -0.7       | -8.6        |
| Other household appliances   | 1.3          | -0.2        | 0.5         | 0.5        | -1.3       | 0.2        | 0.4        | -1.8       | -9.6        |
| Glassware, crockery and cutlery  | 0.9          | 3.1         | 2.6         | 1.9        | 3.4        | 1.7        | 2.3        | 0.9        | -7.2        |
| Other kitchen utensils and furnishing                                      | 1.1          | 3.7         | 2.6         | 2.2        | 2.2        | 1.2        | 1.8        | 1.2        | -7.1        |
| Tools and accessories for house and garden                                 | 2.4          | 3.0         | 1.9         | 2.3        | 2.8        | 1.2        | 1.2        | 0.8        | -7.2        |
| Cleaning household articles  | 12.7         | 1.7         | 1.9         | -0.8       | 0.0        | 1.8        | 1.3        | 0.3        | -7.8        |
| Other non-durable household articles                                       | 3.8          | 2.7         | 1.4         | 1.1        | 2.9        | 2.0        | 1.3        | 0.7        | -7.5        |
| Medicines and other pharmaceutical products                                | 9.3          | -6.5        | -6.3        | -5.3       | -6.0       | 12.5       | 23.2       | -0.6       | -9.2        |
| Therapeutic appliances and equipment                                       | 6.4          | 3.6         | 1.0         | 0.0        | -0.7       | -2.5       | -3.4       | -0.2       | -7.8        |
| Equip. for the reception, recording and reproduction of sound and pictures | 5.1          | -12.7       | -13.7       | -8.6       | -10.9      | -11.0      | -9.3       | -9.4       | -18.2       |
| Photographic and cinematographic equipments                                | 1.0          | -18.0       | -18.5       | -14.0      | -14.5      | -12.2      | -12.0      | -18.7      | -33.5       |
| Information processing equipments  | 3.7          | -21.5       | -13.3       | -6.1       | -11.5      | -10.1      | -8.1       | -13.2      | -22.4       |
| Recording media  | 1.9          | -0.9        | -0.4        | -0.1       | -1.3       | -6.6       | -7.0       | -1.0       | -8.6        |
| Games and toys   | 6.0          | -0.4        | -1.8        | -2.5       | -3.0       | -2.6       | -2.9       | -3.1       | -10.1       |
| Other recreational and sporting articles                                   | 0.9          | 1.1         | -0.6        | -0.1       | -0.2       | -0.8       | -0.2       | -0.1       | -8.4        |
| Gardens, plants, flowers and pets  | 6.0          | 5.3         | 2.8         | 2.1        | 2.1        | 2.5        | 3.7        | 1.2        | -6.7        |
| Books  | 7.1          | 2.0         | 2.2         | 1.2        | 3.0        | 0.1        | 0.8        | 1.3        | -7.3        |
| Newspapers and magazines   | 6.8          | 2.2         | 3.6         | 2.6        | 2.5        | 2.2        | 1.7        | 1.7        | -6.8        |
| Stationery materials   | 2.5          | 3.7         | 3.2         | 1.7        | 2.7        | 1.8        | 3.2        | 2.4        | -6.3        |
| Personal care articles   | 18.5         | 2.2         | 0.8         | 0.0        | 1.0        | 0.3        | -0.2       | -0.2       | -8.3        |
| Jewellery, costume jewellery, clocks and watches                           | 3.3          | 11.1        | 7.5         | 12.5       | 15.2       | 12.7       | 1.2        | -2.5       | -6.8        |
| Other articles for personal use  | 2.9          | 1.1         | -0.6        | 0.4        | 0.3        | -0.2       | -0.2       | 0.0        | -8.5        |
| <b>NEIG INFLATION IN SPAIN</b>   | <b>0.3</b>   | <b>-1.3</b> | <b>-0.5</b> | <b>0.6</b> | <b>0.8</b> | <b>0.6</b> | <b>0.6</b> | <b>0.3</b> | <b>-0.1</b> |
| Standard deviation ( $\sigma$ )*   | 0.38         | 0.38        | 0.38        | 0.38       | 0.38       | 0.38       | 0.4        | 0.6        | 0.8         |
| <b>TOTAL INFLATION IN SPAIN</b>  | <b>4.1</b>   | <b>-0.3</b> | <b>1.8</b>  | <b>3.2</b> | <b>2.4</b> | <b>1.4</b> | <b>1.1</b> | <b>1.1</b> | <b>1.1</b>  |

\* For observed rates (2007-2012) the standard deviation  $\sigma$  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<br>2013 | 2008        | 2009       | 2010       | 2011       | 2012       | 2013       | 2014       | 2015       |
| <b>SERVICES (SER)</b>                                   |                 |             |            |            |            |            |            |            |            |
| Maintenance and repair services                         | 21.1            | 4.8         | 4.1        | 2.8        | 2.6        | 2.5        | 2.4        | 2.3        | -5.8       |
| Other services related to vehicles                      | 3.3             | 3.3         | 1.3        | -0.4       | 0.5        | 1.5        | 2.1        | 0.9        | -7.8       |
| Railway transport                                       | 2.0             | 3.7         | 5.5        | 4.9        | 3.3        | 7.6        | -0.6       | -7.6       | -18.6      |
| Road transport  | 6.7             | 4.2         | 5.3        | 1.7        | 2.8        | 5.5        | 4.8        | 4.0        | -4.7       |
| Air transport   | 3.5             | 13.7        | 3.0        | 0.6        | 5.4        | 4.4        | 7.9        | 6.5        | -2.3       |
| Other transport services                                | 2.8             | 7.3         | 7.0        | 5.5        | 2.5        | 8.6        | 6.6        | 4.3        | -4.8       |
| Insurances connected with transport                     | 19.0            | 2.0         | 1.3        | 1.8        | 2.8        | 0.5        | -0.3       | 0.5        | -8.6       |
| Restaurants, bars, coffee bars, canteens                | 103.4           | 4.7         | 2.2        | 1.3        | 1.6        | 0.9        | 0.6        | 0.4        | -24.4      |
| Hotels and other lodgings                               | 7.6             | 4.2         | -1.4       | 0.2        | 1.3        | 0.1        | -0.5       | 0.1        | -23.8      |
| Package holidays  | 14.2            | 4.5         | 0.2        | -4.6       | 3.3        | 5.7        | 3.5        | 2.1        | -22.8      |
| Higher education  | 5.6             | 5.2         | 5.3        | 3.3        | 3.4        | 9.7        | 18.3       | 3.4        | -23.3      |
| Postal services   | 0.2             | 2.8         | 2.8        | 4.5        | 3.6        | 3.2        | 3.2        | 3.0        | -22.8      |
| Telephone services                                      | 37.4            | 0.6         | 0.1        | -0.4       | -0.7       | -3.6       | -4.3       | -4.5       | -26.4      |
| Rentals for housing                                     | 26.9            | 4.2         | 3.1        | 1.1        | 1.0        | 0.5        | -0.2       | -0.3       | -8.7       |
| Services for the maintenance and repair of the dwelling | 9.8             | 5.1         | 1.4        | 0.4        | 0.9        | 0.2        | 0.3        | -0.8       | -8.8       |
| Sewerage collection                                     | 22.0            | 3.4         | 3.8        | 3.0        | 2.7        | 2.5        | 2.6        | 2.9        | -5.5       |
| Out-of-hospital medical and paramedical services        | 4.8             | 4.9         | 2.2        | 1.4        | 1.5        | 0.7        | 0.3        | 1.5        | -6.5       |
| Dental services   | 10.0            | 3.2         | 2.4        | 1.3        | 0.9        | 0.6        | 1.0        | 0.6        | -7.7       |
| Hospital services                                       | 1.2             | 3.4         | 0.9        | -0.8       | 0.1        | -1.6       | -1.8       | -1.3       | -9.3       |
| Medical insurances                                      | 9.6             | 4.7         | 6.9        | 5.6        | 5.1        | 3.7        | 4.2        | 4.3        | -4.3       |
| Recreational and sporting services                      | 8.3             | 1.7         | 2.1        | 1.1        | 1.5        | 1.8        | 0.4        | 0.4        | -7.0       |
| Cultural services                                       | 10.3            | 3.6         | 3.1        | 1.6        | 1.3        | 5.3        | 7.2        | 0.7        | -7.7       |
| Education   | 9.0             | 3.4         | 2.5        | 2.1        | 1.9        | 2.0        | 1.9        | 1.1        | -24.2      |
| Repair of footwear                                      | 0.2             | 6.2         | 4.2        | 3.5        | 3.9        | 2.5        | 2.4        | 3.0        | -5.3       |
| Domestic service and other household services           | 13.1            | 4.8         | 3.0        | 1.9        | 1.7        | 1.4        | 1.6        | 1.5        | -6.9       |
| Insurances connected with the dwelling                  | 7.4             | 3.5         | 4.4        | 3.6        | 4.2        | 3.3        | 2.2        | 3.4        | -5.2       |
| Personal care services                                  | 16.2            | 4.0         | 1.4        | 1.4        | 1.7        | 1.7        | 3.6        | -0.2       | -8.2       |
| Social care services                                    | 3.9             | 4.6         | 4.0        | 2.5        | 2.0        | 1.4        | 0.5        | 0.5        | -6.7       |
| Other insurances  | 6.4             | 3.9         | 4.5        | 2.6        | 3.4        | 5.0        | 4.4        | 2.6        | -5.7       |
| Financial services                                      | 0.5             | 4.7         | 3.6        | 5.1        | 4.3        | 1.6        | 0.0        | 0.2        | -7.9       |
| Other services  | 6.0             | 2.2         | 2.2        | 0.6        | 1.3        | 6.2        | 8.4        | 1.0        | -7.0       |
| Repair of household appliances                          | 1.0             | 4.3         | 4.2        | 2.9        | 3.7        | 3.3        | 3.9        | 2.0        | -6.3       |
| <b>SER INFLATION IN SPAIN</b>                           | <b>3.9</b>      | <b>2.4</b>  | <b>1.3</b> | <b>1.8</b> | <b>1.5</b> | <b>1.4</b> | <b>1.4</b> | <b>0.6</b> | <b>1.1</b> |
| Standard deviation ( $\sigma$ )*                        | 0.53            | 0.53        | 0.53       | 0.53       | 0.53       | 0.53       | 0.5        | 0.7        | 0.9        |
| <b>TOTAL INFLATION IN SPAIN</b>                         | <b>4.1</b>      | <b>-0.3</b> | <b>1.8</b> | <b>3.2</b> | <b>2.4</b> | <b>1.4</b> | <b>1.1</b> | <b>1.1</b> | <b>1.1</b> |

\* For observed rates (2007-2012) the standard deviation  $\sigma$  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

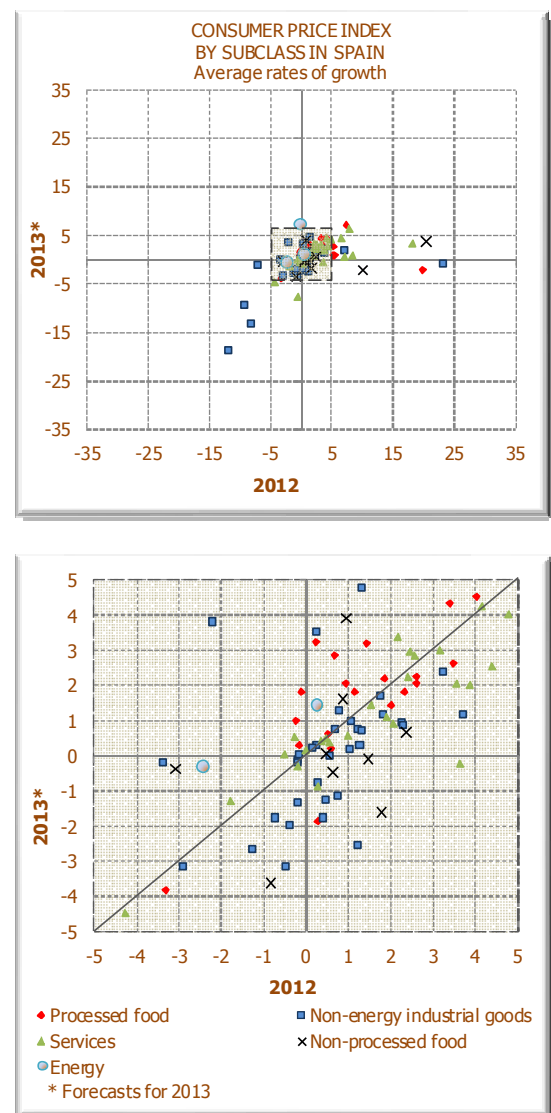
| CONSUMER PRICE INDEX BY SUBCLASS IN SPAIN       |                 |             |            |            |            |            |            |             |            |
|---|-----------------|-------------|------------|------------|------------|------------|------------|-------------|------------|
| Annual average rates of growth                  |                 |             |            |            |            |            |            |             |            |
|   | Weights<br>2013 | 2008        | 2009       | 2010       | 2011       | 2012       | 2013       | 2014        | 2015       |
| <b>NON-PROCESSED FOOD (NPF)</b>                 |                 |             |            |            |            |            |            |             |            |
| Beef  | 8.3             | 4.0         | 1.7        | 0.5        | 1.6        | 3.0        | 0.9        | 1.6         | -5.0       |
| Pork  | 5.8             | 1.6         | -3.8       | -2.1       | 2.3        | 1.7        | 2.4        | 0.7         | -6.6       |
| Sheep meat                                      | 2.7             | 5.3         | 1.9        | -3.1       | 1.6        | 0.8        | -3.1       | -0.4        | -7.7       |
| Poultry   | 7.7             | 4.3         | -1.9       | -4.0       | 4.3        | 1.0        | 1.5        | -0.1        | -7.3       |
| Other meats, viscera and other non-meat edibles | 1.4             | 7.0         | -1.5       | -2.6       | 1.0        | 1.1        | 0.6        | -0.5        | -5.7       |
| Fresh fish                                      | 11.7            | 1.2         | -4.6       | 1.3        | 2.7        | 0.9        | 0.5        | 0.0         | -16.9      |
| Crustaceans and molluscs                        | 5.5             | -0.2        | -2.2       | 3.2        | 5.1        | 0.5        | 1.0        | 3.9         | -13.7      |
| Eggs  | 1.9             | 10.7        | 1.2        | -1.1       | -1.1       | 15.3       | 1.8        | -1.6        | -17.0      |
| Fresh fruits                                    | 13.1            | 9.4         | 0.3        | -1.2       | 1.0        | 4.6        | 10.0       | -2.0        | -15.0      |
| Fresh pulses and vegetables                     | 9.0             | 2.4         | 2.1        | 1.3        | -0.4       | 0.6        | -0.8       | -3.6        | -15.3      |
| Potatoes and processed potato products          | 2.9             | -1.7        | -7.0       | 7.6        | 1.6        | -3.5       | 20.4       | 3.6         | -13.2      |
| <b>NPF INFLATION IN SPAIN</b>                   | <b>4.0</b>      | <b>-1.3</b> | <b>0.0</b> | <b>1.8</b> | <b>2.3</b> | <b>3.3</b> | <b>3.3</b> | <b>-0.2</b> | <b>1.9</b> |
| Standard deviation ( $\sigma$ )*                | 0.88            | 0.88        | 0.88       | 0.88       | 0.88       | 0.88       | 0.8        | 1.9         | 2.1        |
| <b>TOTAL INFLATION IN SPAIN</b>                 | <b>4.1</b>      | <b>-0.3</b> | <b>1.8</b> | <b>3.2</b> | <b>2.4</b> | <b>1.4</b> | <b>1.1</b> | <b>1.1</b>  | <b>1.1</b> |

\* For observed rates (2007-2012) the standard deviation  $\sigma$  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<br>2013 | 2008        | 2009        | 2010        | 2011       | 2012       | 2013       | 2014       | 2015       |
| <b>ENERGY (ENE)</b>                       |                 |             |             |             |            |            |            |            |            |
| Electricity and gas                       | 33.3            | 8.7         | 2.1         | 4.2         | 14.3       | 9.6        | -0.2       | 7.4        | 2.5        |
| Other fuels                               | 14.4            | 23.5        | -32.7       | 24.7        | 27.3       | 11.2       | -2.4       | -0.3       | -1.1       |
| Fuels and lubricants                      | 5.4             | 13.0        | -15.2       | 16.9        | 15.6       | 8.1        | 0.3        | 1.5        | 1.0        |
| <b>ENE INFLATION IN SPAIN</b>             | <b>11.9</b>     | <b>-9.0</b> | <b>12.5</b> | <b>15.7</b> | <b>8.9</b> | <b>0.1</b> | <b>3.6</b> | <b>1.5</b> | <b>1.5</b> |
| Standard deviation ( $\sigma$ )*          | 1.57            | 1.57        | 1.57        | 1.57        | 1.57       | 1.57       | 1.7        | 7.2        | 8.0        |
| <b>TOTAL INFLATION IN SPAIN</b>           | <b>4.1</b>      | <b>-0.3</b> | <b>1.8</b>  | <b>3.2</b>  | <b>2.4</b> | <b>1.4</b> | <b>1.1</b> | <b>1.1</b> | <b>1.1</b> |

\* For observed rates (2007-2012) the standard deviation  $\sigma$  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: December 13, 2013



### IV.3. THE RECENT EVOLUTION OF THE FOREIGN SECTOR ACCORDING TO THE CURRENT ACCOUNT BALANCE

During the economic crisis, the Spanish economy has been capable of correcting the high foreign disequilibrium generated in the previous period of growth, which peaked unprecedentedly in 2007 (10% of the GDP). This corrective process was fast in the first three years of the crisis; by 2010 it had fallen to 4.4% and a surplus of 1.1% is forecast for 2013. This speed was initially due to the cyclic component and subsequently to the adjustment process undergone by the economy, which has generated gains in competitiveness.

#### IV.3.1. Introduction

In 2013, the Spanish economy has a positive current account balance, after correcting the persistent deficit created in the last period of growth, which began around 1997 and ended in mid-2007. By that time, the economy had accumulated an unprecedented current account deficit representing 10% of the GDP.

In the first two years of the crisis, the correction process was due to a heavy drop in imports due to the decline in domestic demand, which was not fully counteracted by the reduction in

exports. However, exports started to be dynamic in 2010, strengthening the foreign deficit correction process.

#### IV.3.2. Analysis of the current account balance and its components

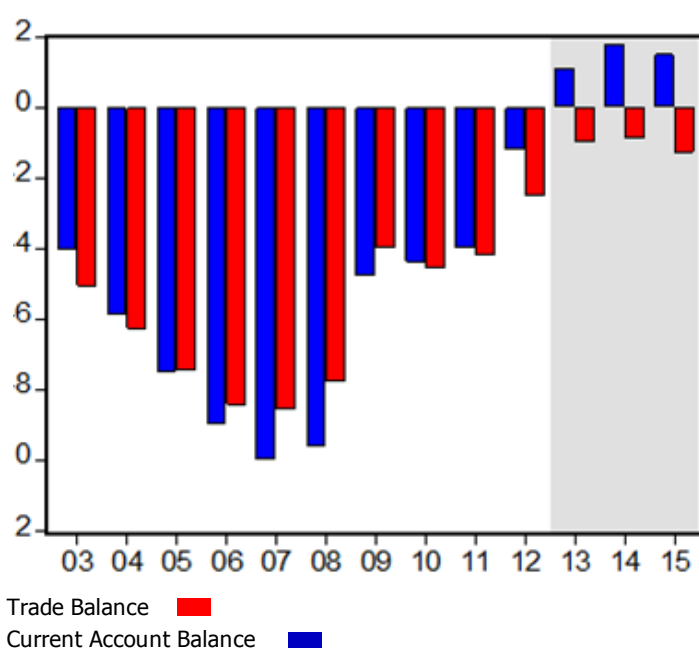
The deficit fell to a low level in 2012, 12,453 million euros (1.2% of the GDP), from a three times higher level in the previous year (41,642 million euros, 4% of the GDP). Indeed, the balance registered a superavit in the third and fourth quarters.

This year the process has continued and, although there was a deficit again in the first quarter, the surplus registered in the second continued in the third. In the first three quarters of 2013, the current account balance shows a 0.4% surplus, contrasting with the previous year's 2.2% deficit. The forecast for 2013 is for a 1.1% surplus, and this trend is expected to continue in 2014 and 2015.

The current account balance continues to be closely linked to the balance of trade (see graphs IV.3.2.1 and IV.3.2.2), which is the main

Graph IV.3.2.1

#### Trade & Current Account Balance (% of GDP)



Source: INE & BIAM  
Date: December 17, 2013



reason why it was negative most years up to 2012. In that year, the trade deficit fell by 40.9% to 25,809 million euros, around 17,849 million less than the previous year, and -2.5% of the GDP. In the first three quarters of 2013, the trade deficit fell more than the previous year, by 69.6%, to 6,901 million euros, 0.9% of the GDP.

The trade deficit forecast for 2013 and 2014 shows that it will be -1% and 0.9% of the GDP, respectively, but could fall to 1.3% in 2015. The improvement in 2013 and 2014 is supported by a continued weak domestic demand.

The tourist balance continued to be positive, 28,501 million euros in the first three quarters of 2014, more than four times the trade deficit and 3.7% higher than a year earlier; it represented 3.8% of the GDP, versus 3.6% in the same period of 2012.

Traditionally, the other services balance is negative other than rare exceptions, although it was positive in the first three quarters of 2013 (0.1% of the GDP), versus -0.1% in the same period of 2012. In the first three quarters of 2013, the joint goods and services balance, which is usually more useful when

analysing the evolution of the Spanish foreign sector, was positive, representing 2.9% of the GDP, compared with 0.6% in the same period last year.

The primary income balance continued to be negative in the first three quarters of 2013, albeit 16.2% lower than in 2012. The deficit totalled 11,676 million euros, 1.5% of the GDP compared with 1.8% in the previous year.

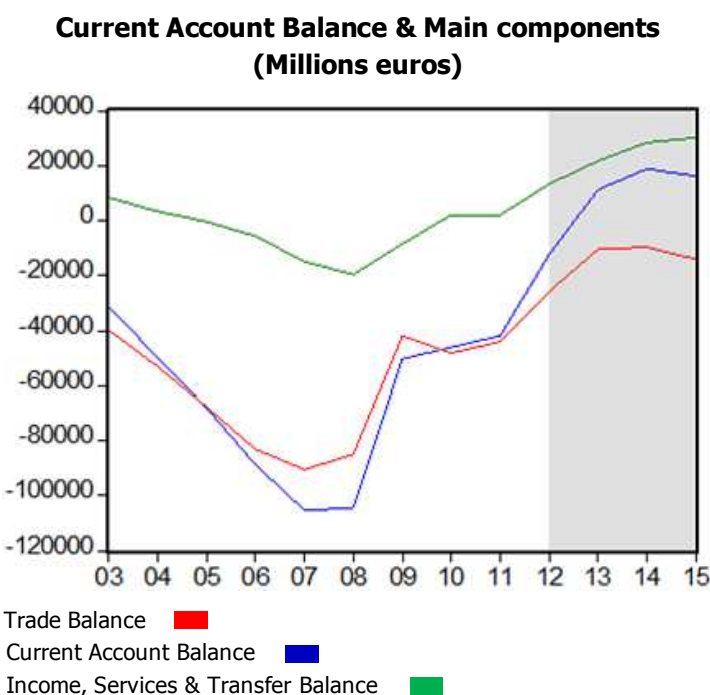
Current transfers registered a negative balance of 7,324 million euros, 3.5% more than in the same period of 2012. The deficit represented 1% of the GDP, slightly greater (-0.9%) than the previous year.

#### IV.3.3. The Spanish economy's capacity (+) or need (-) for financing

Capacity or need for financing (graph Iv.3.3.1) is obtained by adding the capital transfers balance to the current account balance.

The Spanish economy has needed financing from the start of this century, a need that fell sharply in 2008 to 9.2%. The heavy adjustment undertaken by firms, households and the public sector significantly reduced the need for financing in 2012. In the first three

Graph IV.3.2.2



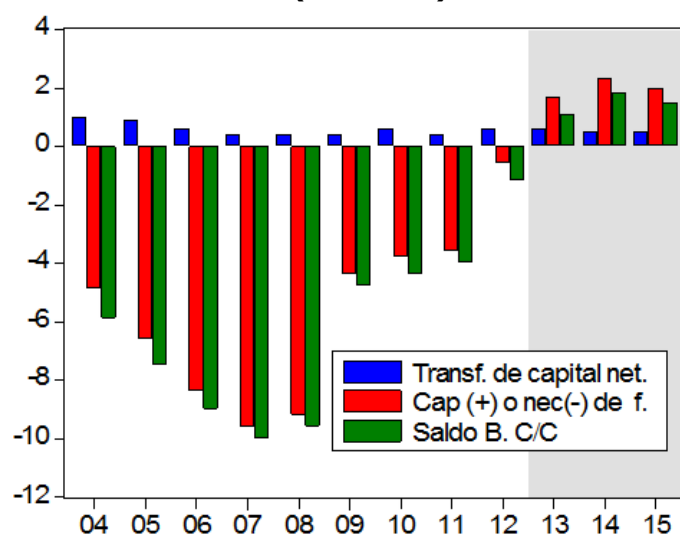
Source: INE & BIAM  
Date: December 17, 2013



quarters of 2013, the Spanish economy presented a financing capacity of 8,026 million euros, 1.1% of the GDP, versus a need for financing of 13,134 million in the same period of 2012. The perspectives are that in 2013, 2014 and 2015 the Spanish economy will change from its traditional debtor status to creditor status relative to the rest of the world. Indeed, our estimates show a financing capacity of 1.7% of the GDP for this year, 2.3% for 2014 and 2% for 2015.

Graph IV.3.3.1

**Spanish Net lending—net borrowing capacity  
(% of GDP)**



Net Capital Transfers ■  
 Net lending—Net Borrowing Capacity ■  
 Current Account Balance ■

Source: INE & BIAM

Date: December 17, 2013





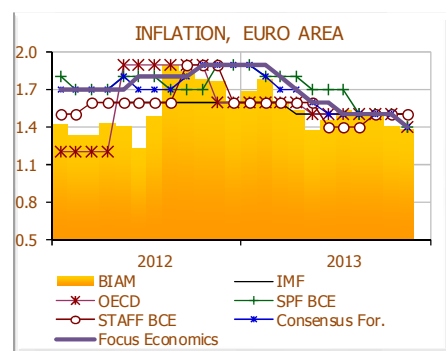
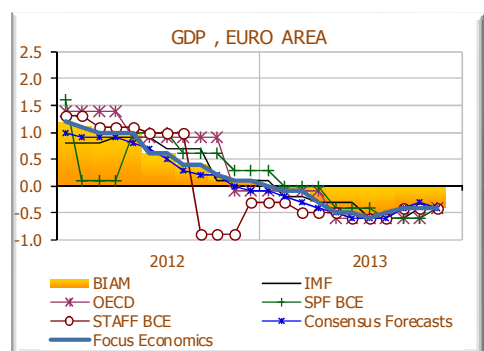
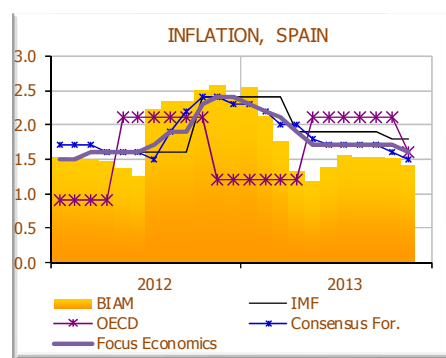
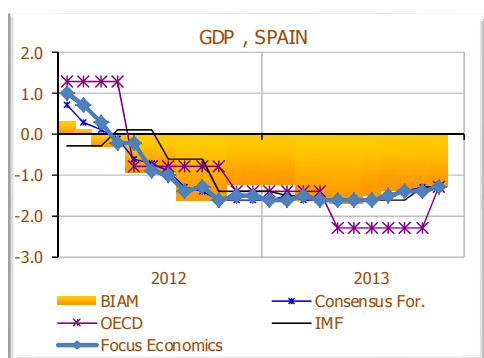
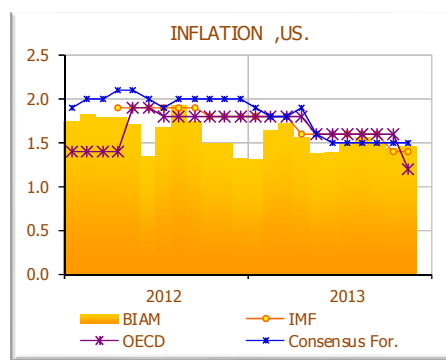
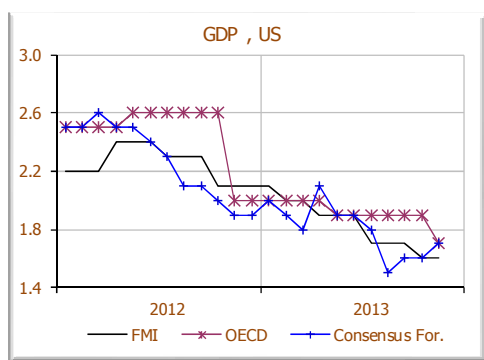
## V. FORECASTS OF DIFFERENT INSTITUTIONS

|     |      | FORECASTS FOR DIFFERENT INSTITUTIONS |                   |                  |                   |                        |                                 |      |      |      |                        |                    |      |      |                      |                        |      |
|-----|------|--------------------------------------|-------------------|------------------|-------------------|------------------------|---------------------------------|------|------|------|------------------------|--------------------|------|------|----------------------|------------------------|------|
|     |      | UNITED STATES                        |                   |                  |                   | SPAIN                  |                                 |      |      |      | EURO AREA              |                    |      |      |                      |                        |      |
|     |      | Consensus<br>Forecasts <sup>1</sup>  | BIAM <sup>2</sup> | IMF <sup>3</sup> | OECD <sup>4</sup> | Consensus<br>Forecasts | Focus<br>Economics <sup>5</sup> | BIAM | IMF  | OECD | Consensus<br>Forecasts | Focus<br>Economics | BIAM | IMF  | ECB SPF <sup>6</sup> | ECB Staff <sup>7</sup> | OECD |
| GDP | 2013 | 1.7                                  | -                 | 1.6              | 1.7               | -1.3                   | -1.3                            | -1.3 | -1.3 | -1.3 | -0.4                   | -0.4               | -0.4 | -0.4 | -0.4                 | -0.4                   | -0.4 |
|     | 2014 | 2.6                                  | -                 | 2.6              | 2.9               | 0.5                    | 0.6                             | 0.7  | 0.2  | 0.5  | 0.9                    | 1.0                | 1.0  | 1.0  | 1.0                  | 1.0                    | 1.0  |
| CPI | 2013 | 1.5                                  | 1.5               | 1.4              | 1.2               | 1.5                    | 1.6                             | 1.4  | 1.8  | 1.6  | 1.4                    | 1.4                | 1.4  | 1.5  | 1.4                  | 1.5                    | 1.4  |
|     | 2014 | 1.8                                  | 1.0               | 1.5              | 1.6               | 1.1                    | 0.9                             | 1.1  | 1.5  | 0.5  | 1.3                    | 1.4                | 1.2  | 1.5  | 1.5                  | 1.3                    | 1.2  |

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

### EVOLUTION OF FORECASTS FOR 2013

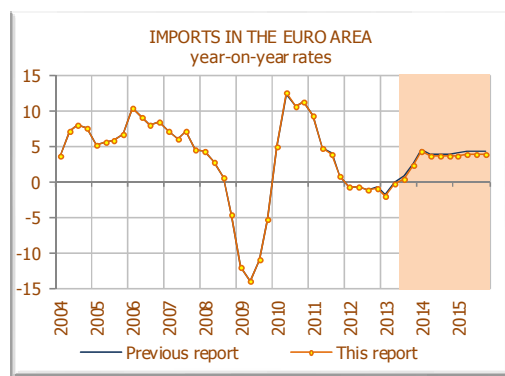
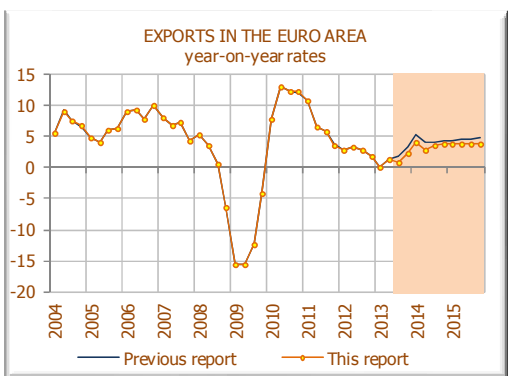
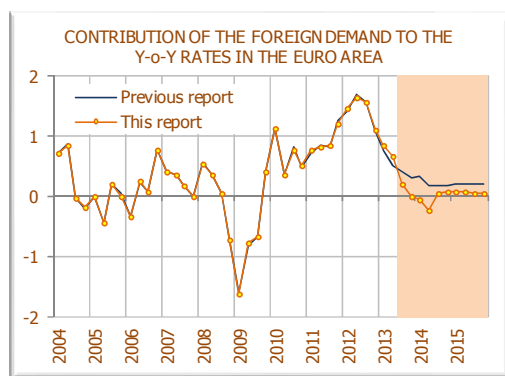
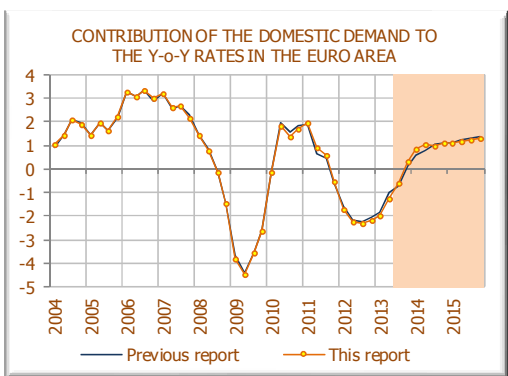
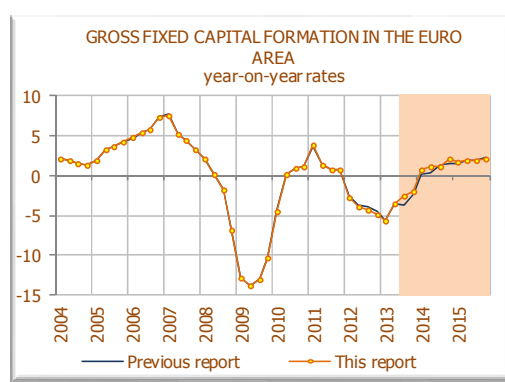
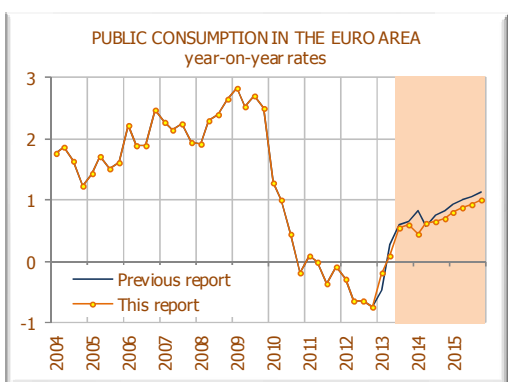
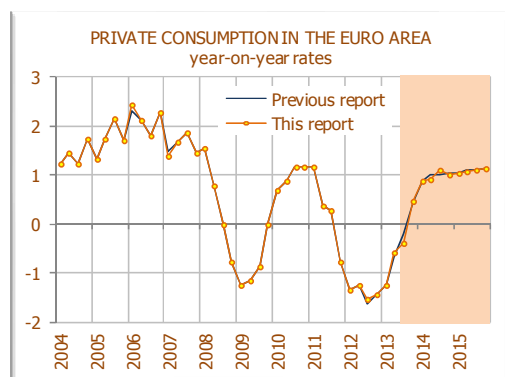
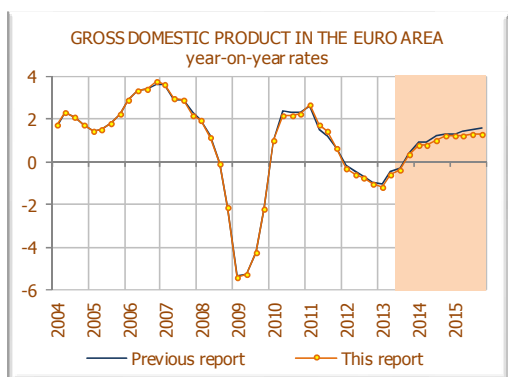
Annual average rates





## COMPONENTS OF GROSS DOMESTIC PRODUCT DEMAND IN THE EURO AREA

### Year-on-year rates

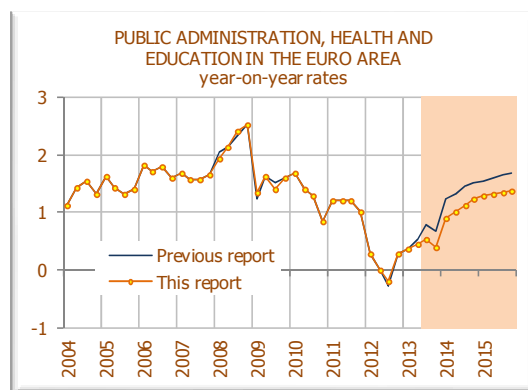
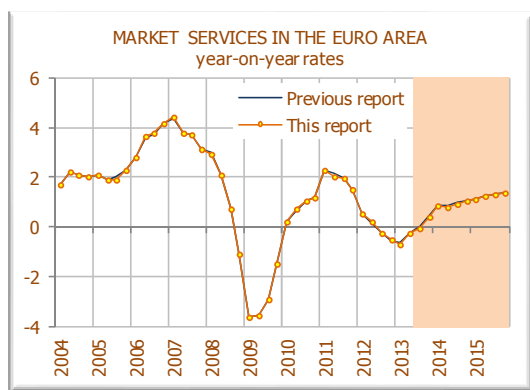
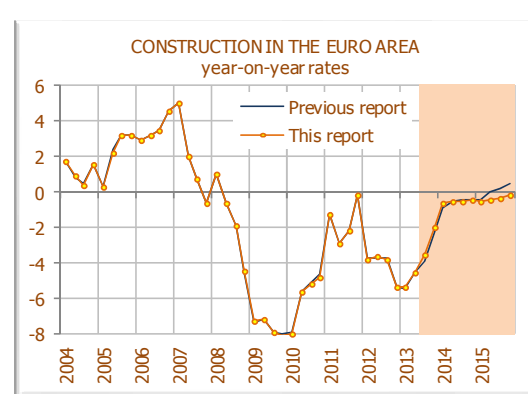
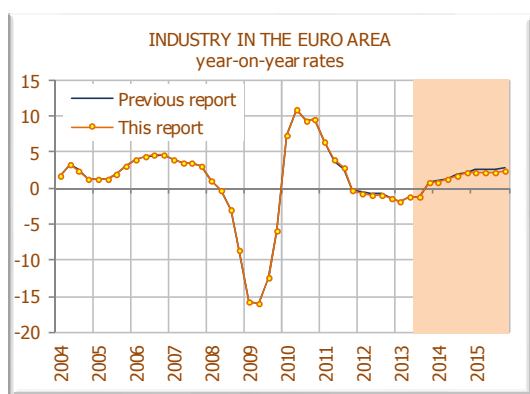
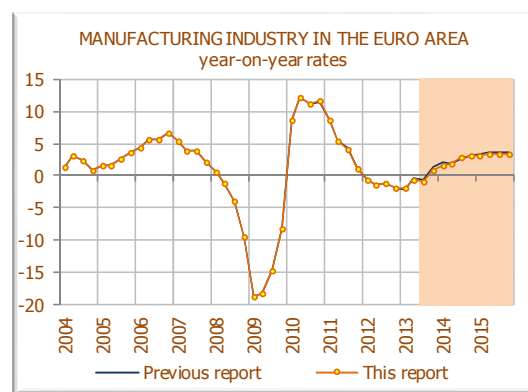
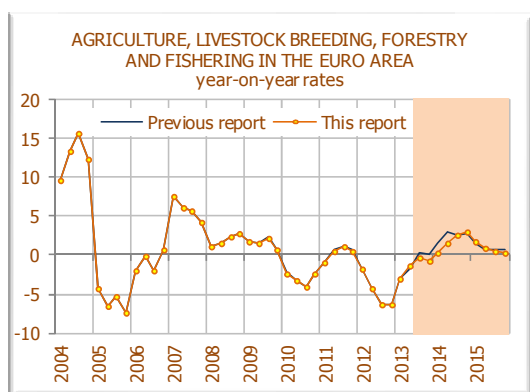


Source: EUROSTAT & BIAM (UC3M)  
Date this report: December 12, 2013  
Date previous report: October 31, 2013



# COMPONENTS OF GROSS DOMESTIC PRODUCT SUPPLY IN THE EURO AREA

## Year-on-year rates



Source: EUROSTAT & BIAM (UC3M)

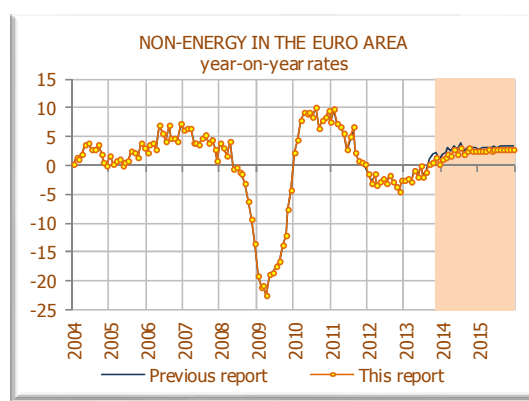
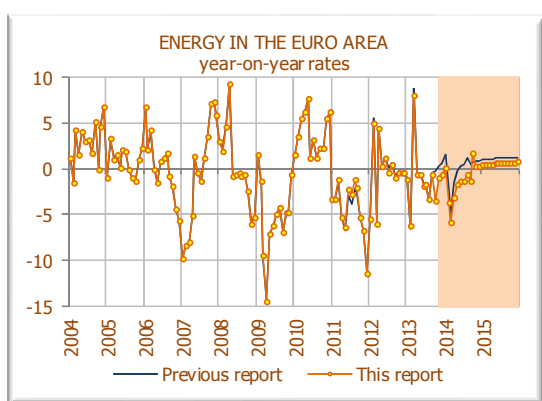
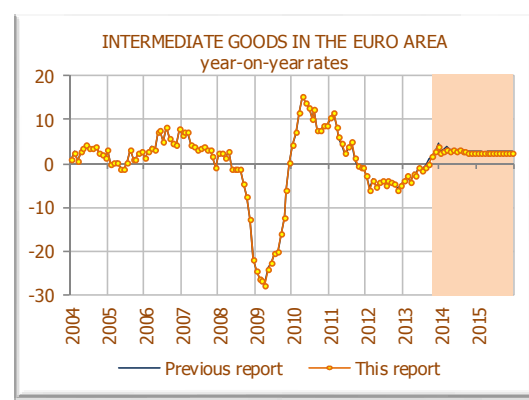
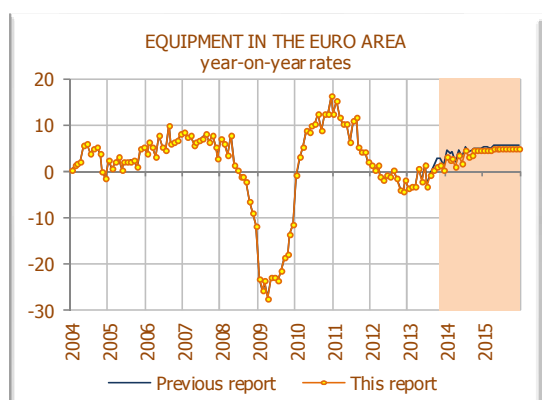
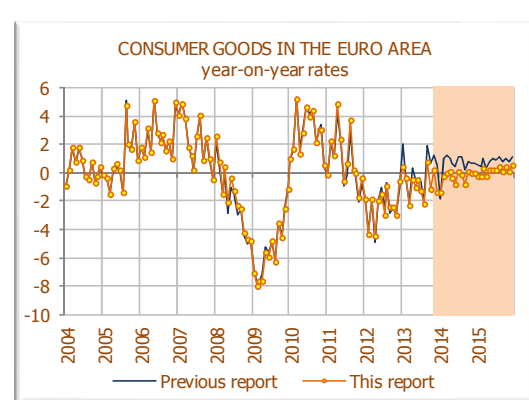
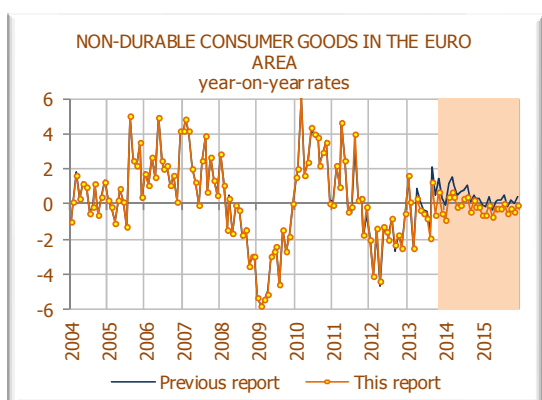
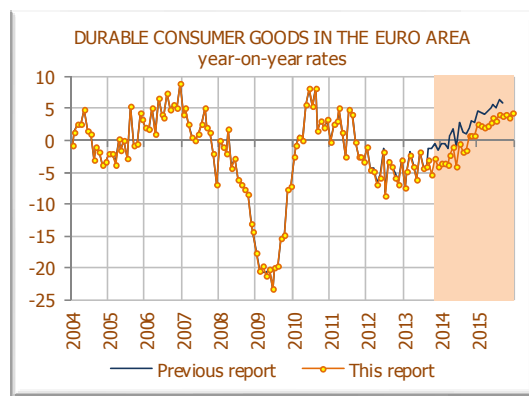
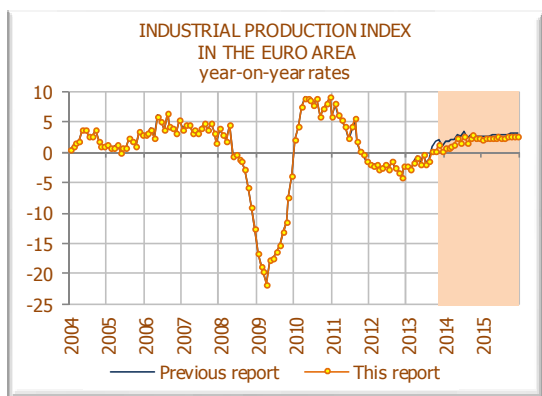
Date this report: December 12, 2013

Date previous report: October 31, 2013



# COMPONENTS OF INDUSTRIAL PRODUCTION INDEX IN THE EURO AREA

## Year-on-year rates



Source: EUROSTAT & BIAM (UC3M)

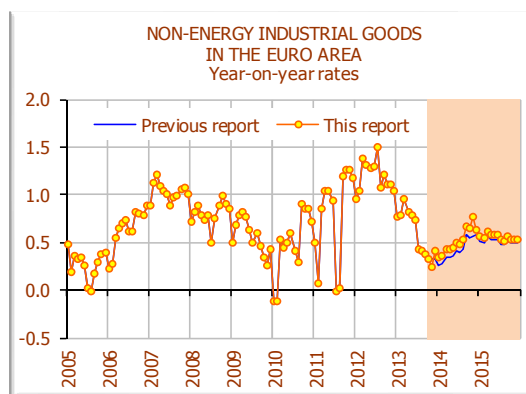
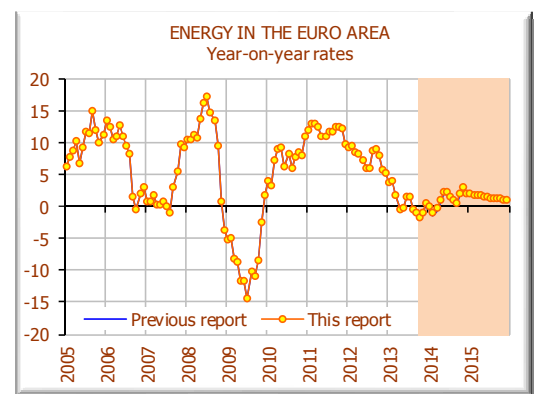
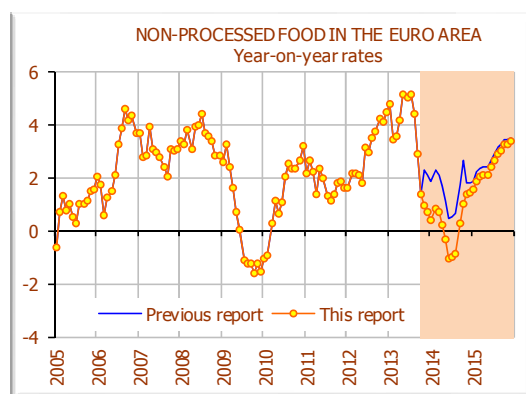
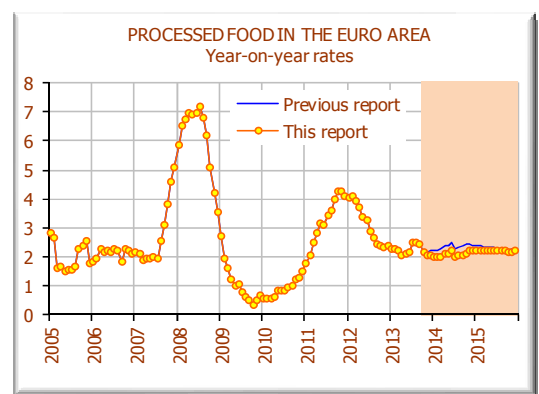
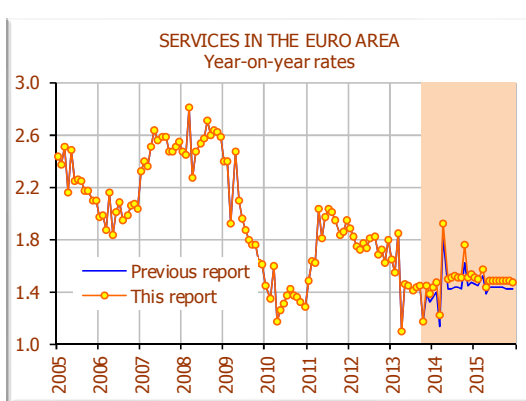
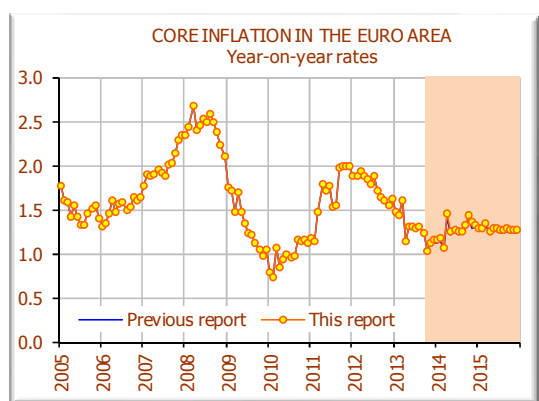
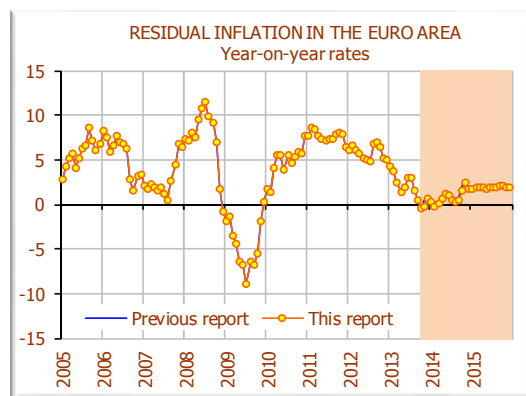
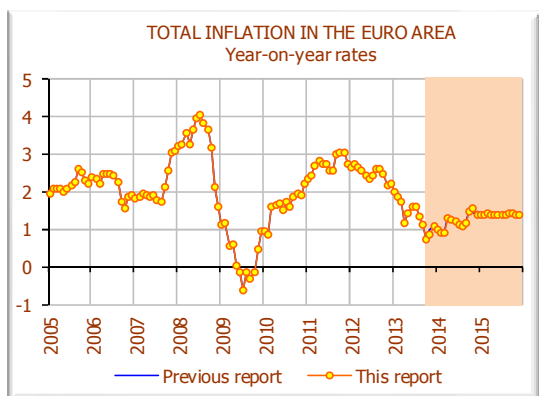
Date this report: December 13, 2013

Date previous report: November 20, 2013



# COMPONENTS OF HARMONISED INDEX OF CONSUMER PRICES IN THE EURO AREA

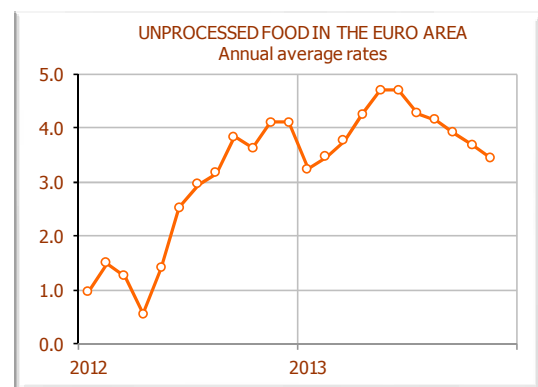
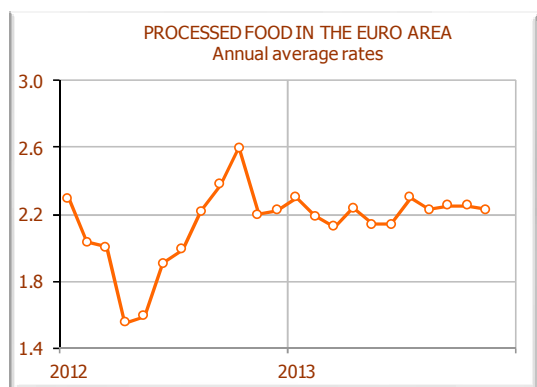
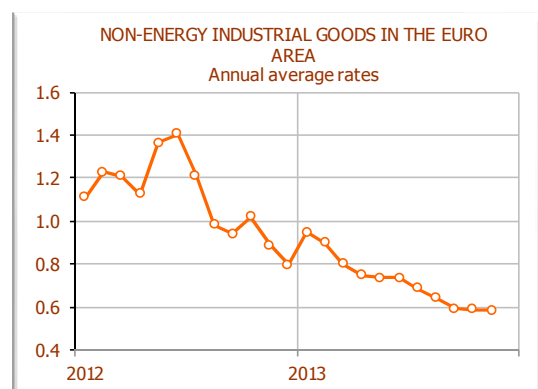
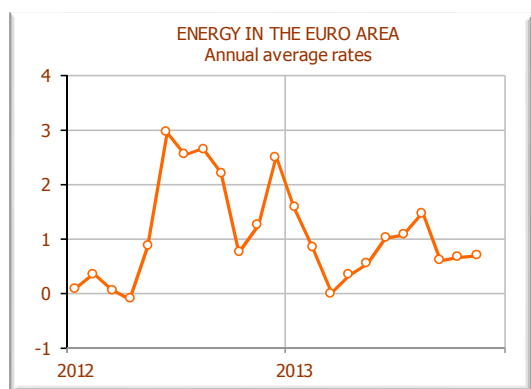
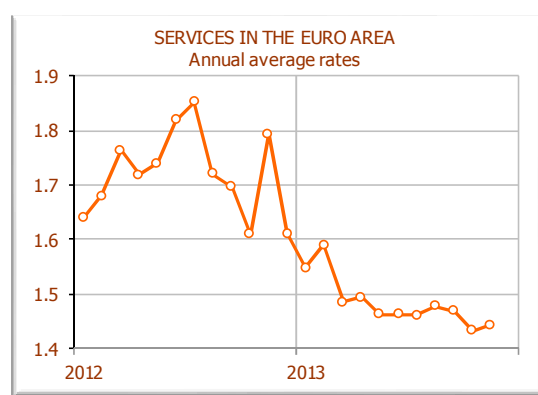
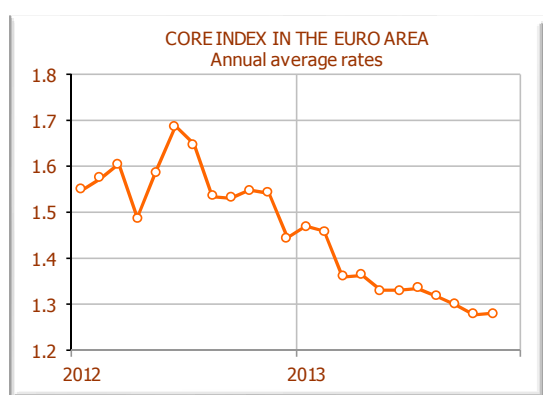
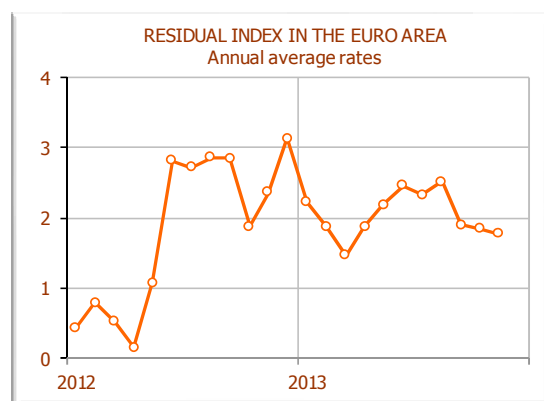
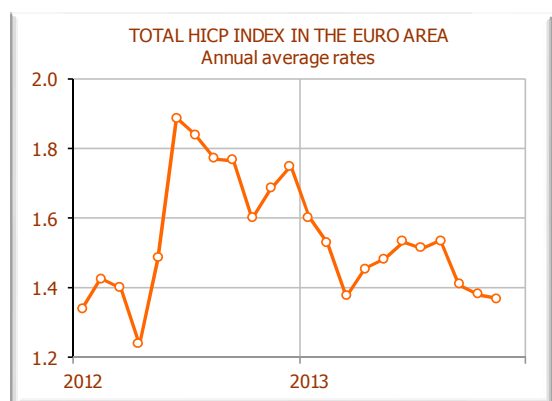
## Year-on-year rates



Source: EUROSTAT & BIAM (UC3M)  
Date this report: December 17, 2013  
Date previous report: November 15, 2013



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

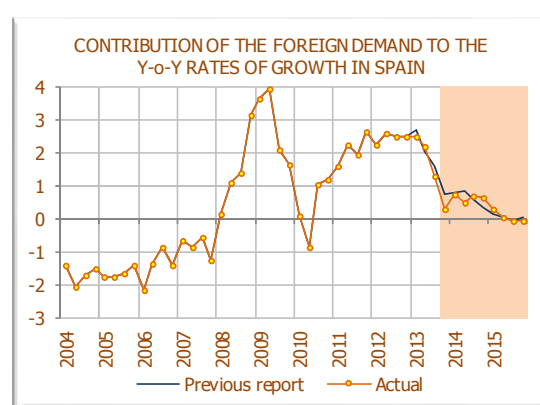
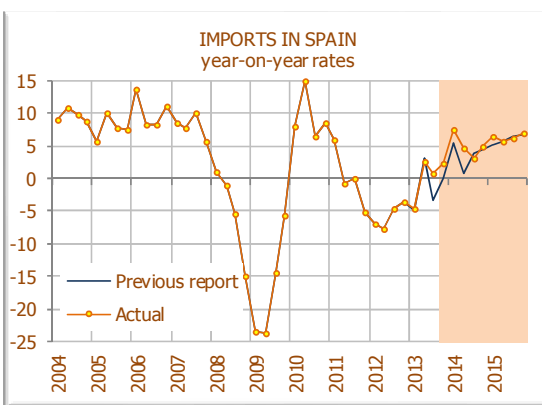
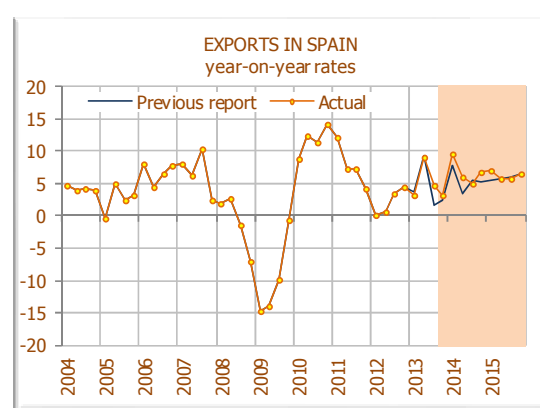
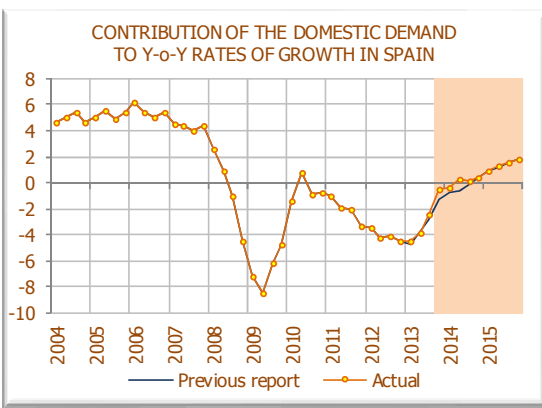
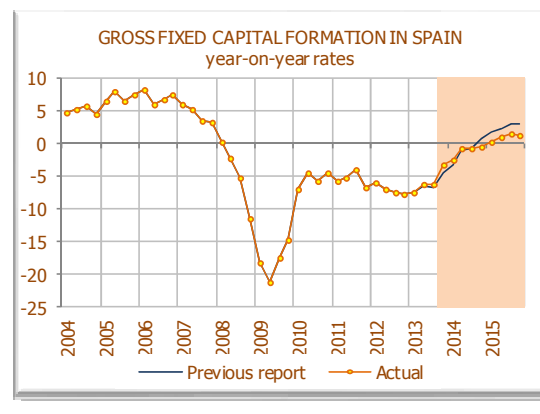
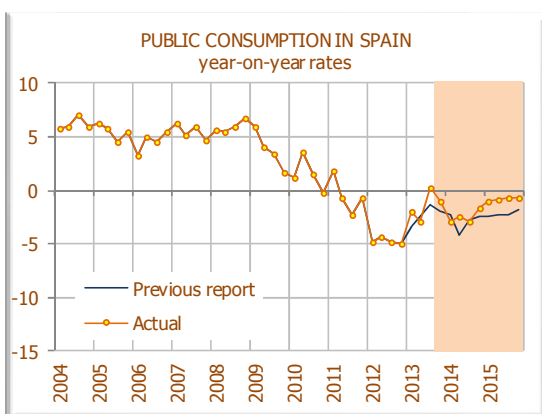
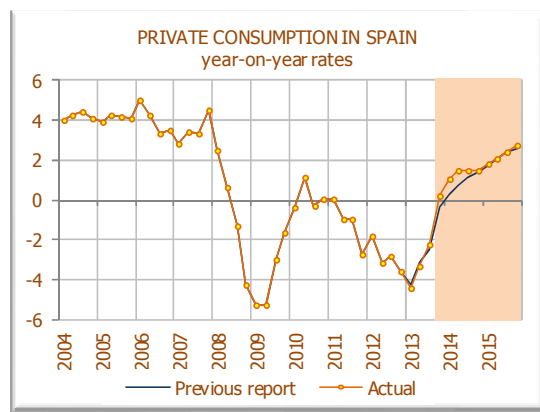
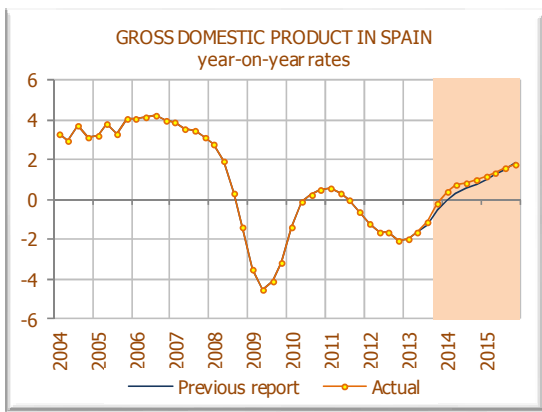


Source: EUROSTAT & BIAM (UC3M)  
Date: December 17, 2013



## GROSS DOMESTIC PRODUCT IN SPAIN: DEMAND SIDE

### Year-on-year rates



Source: INE & BIAM (UC3M).

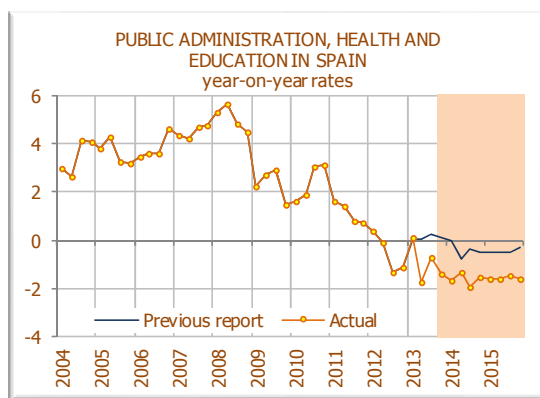
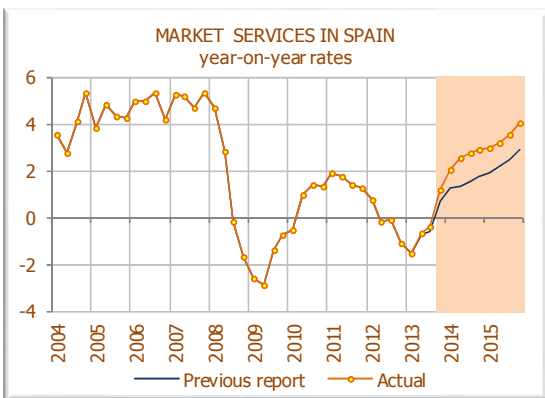
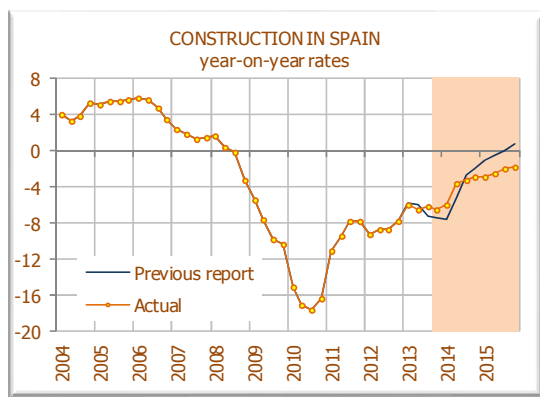
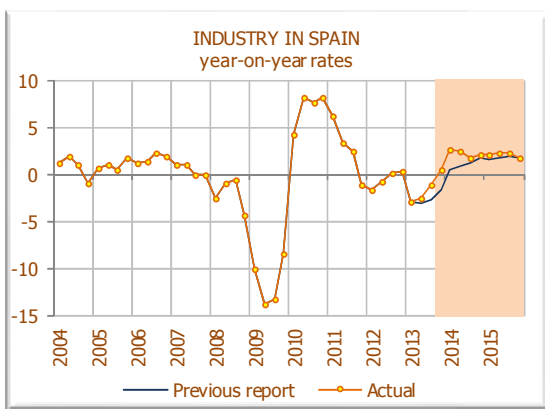
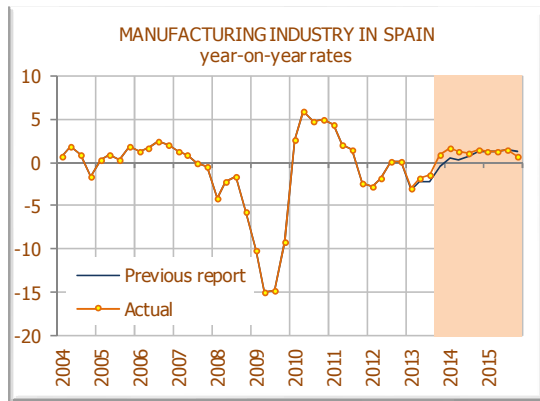
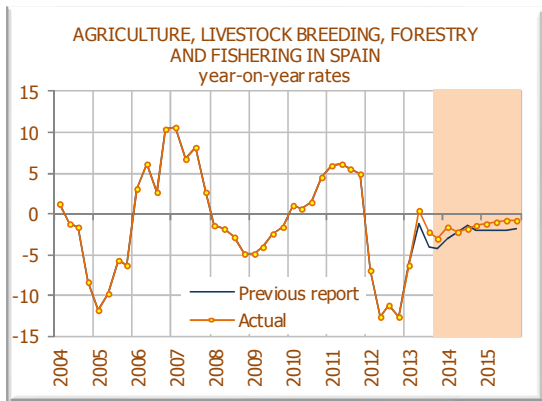
Date this report: December 2, 2013

Date previous report: October 23, 2013



## GROSS DOMESTIC PRODUCT IN SPAIN: SUPPLY SIDE

### Year-on year rates



Source: INE & BIAM (UC3M)

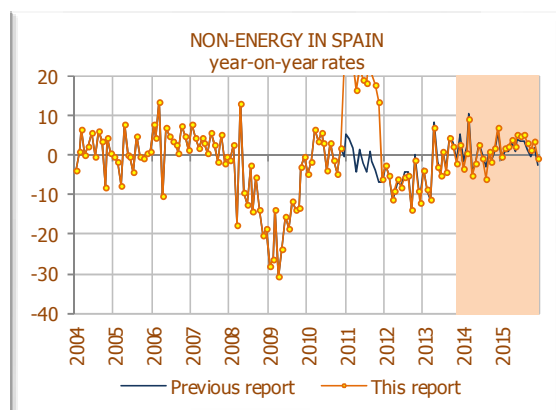
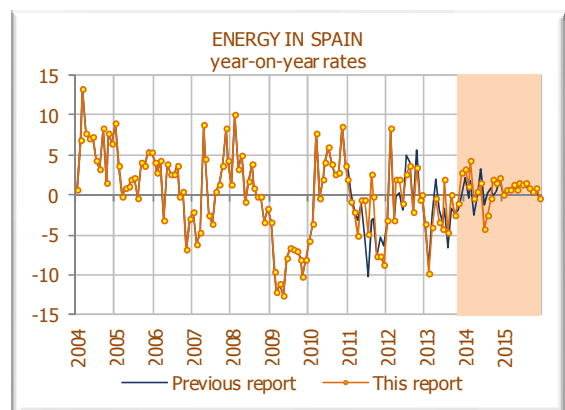
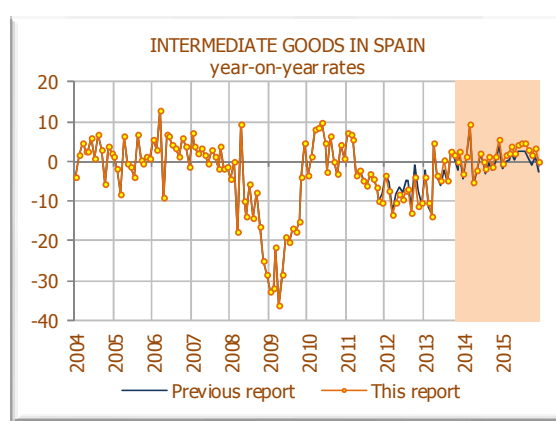
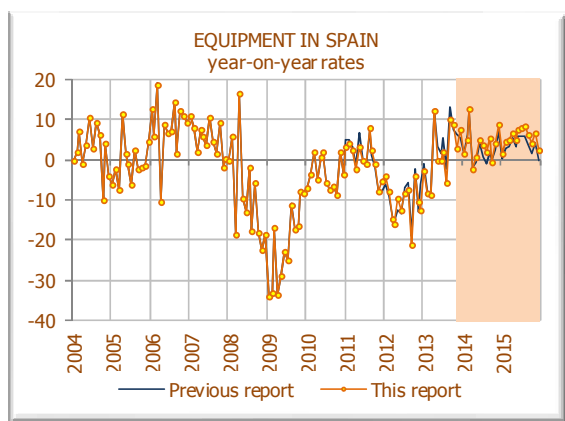
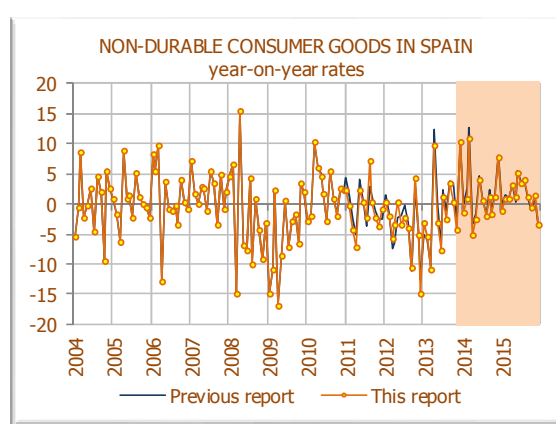
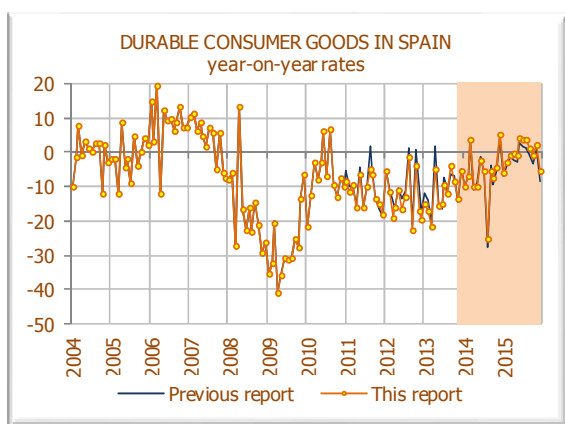
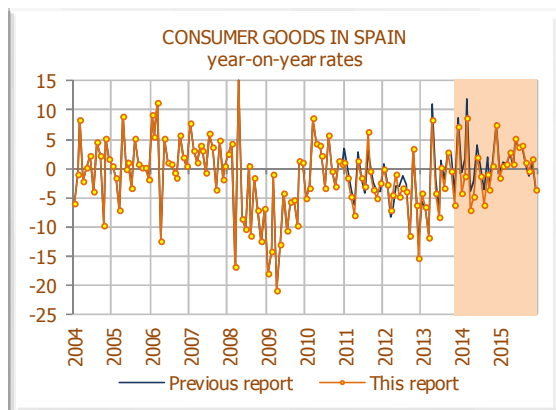
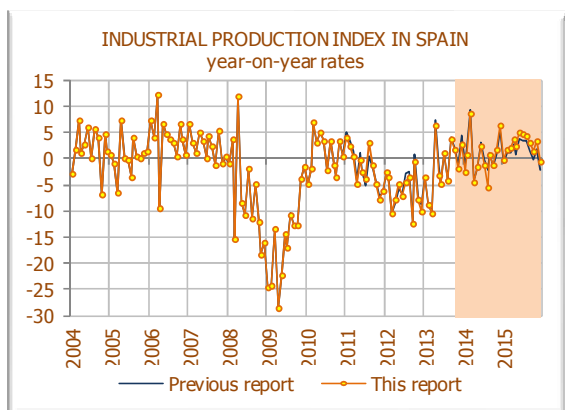
Date this report: December 2, 2013

Date previous report: October 23, 2013



## INDUSTRIAL PRODUCTION IN SPAIN

### Year-on-year rates



Source: INE & BIAM (UC3M)

Date this report: December 13, 2013

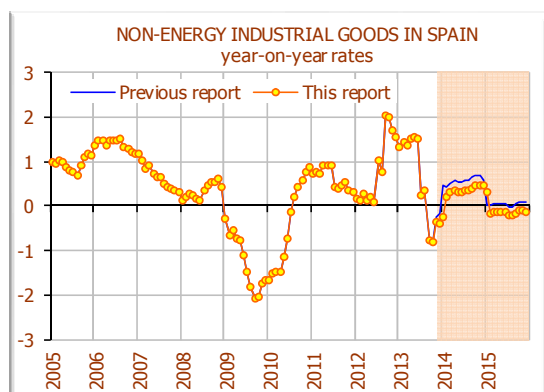
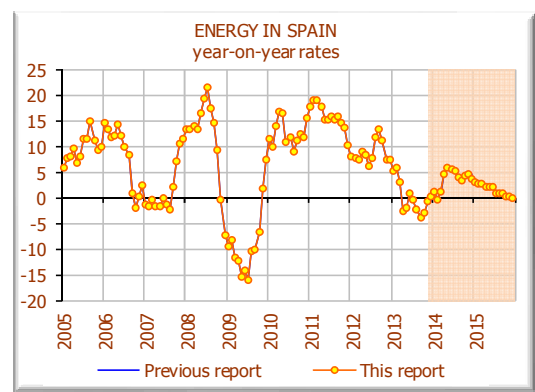
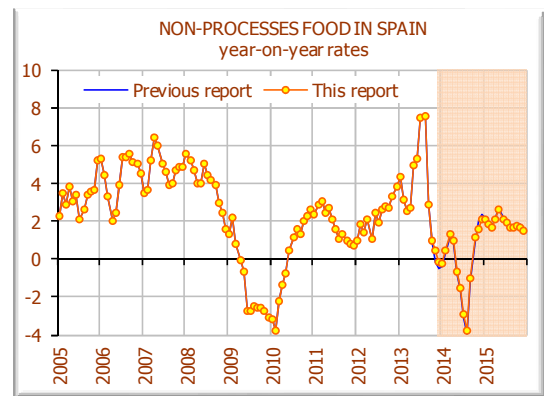
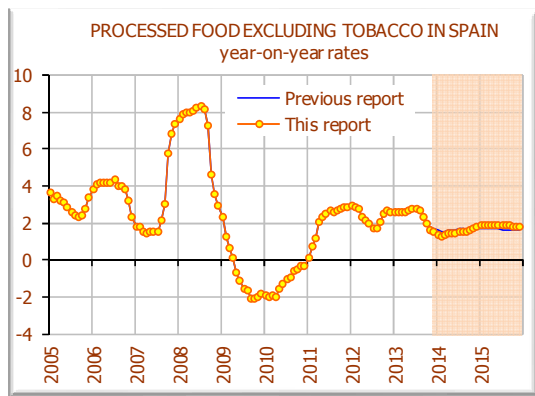
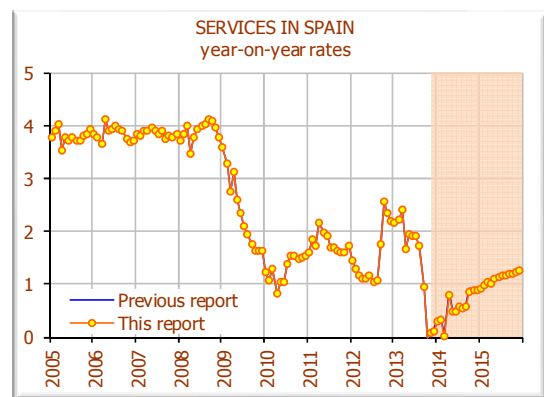
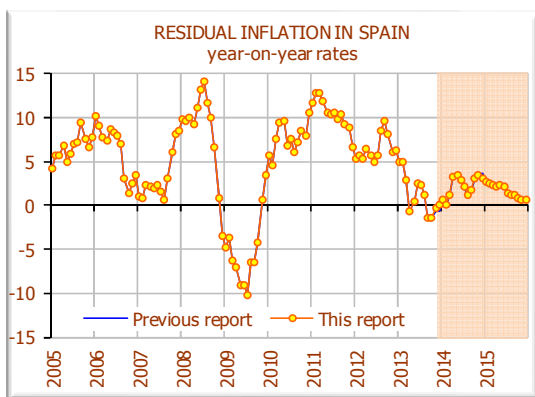
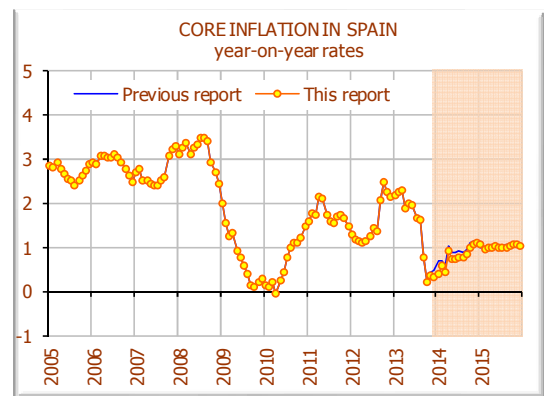
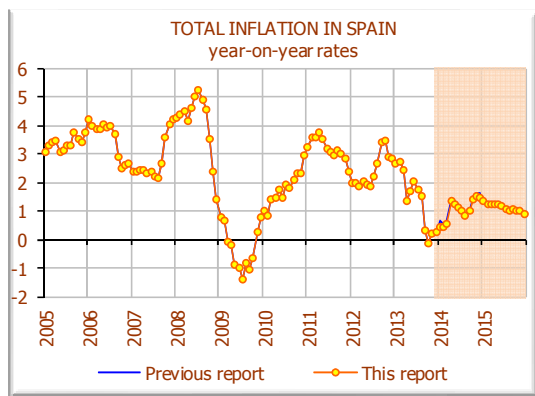
Date previous report: November 20, 2013





## ANNUAL RATE OF INFLATION BY SPECIAL GROUPS IN SPAIN

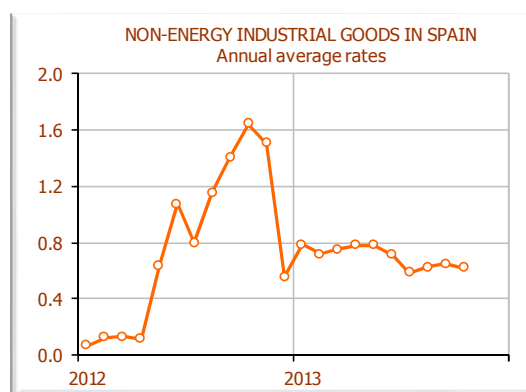
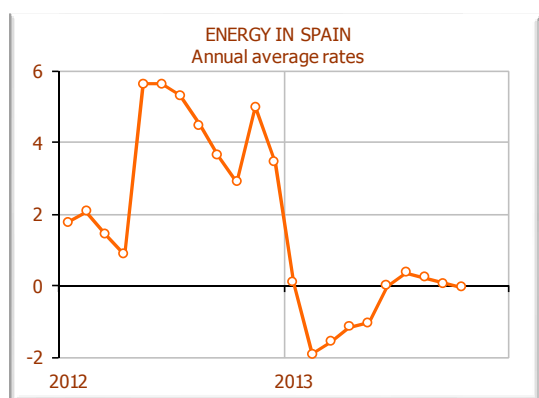
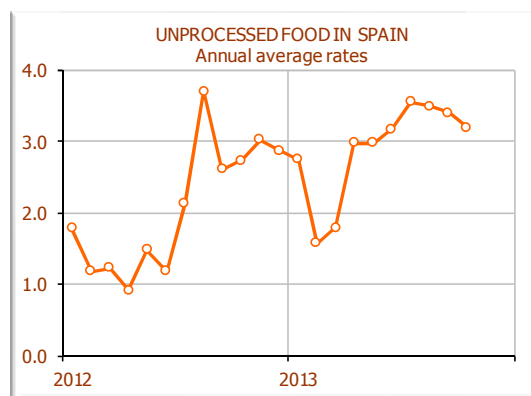
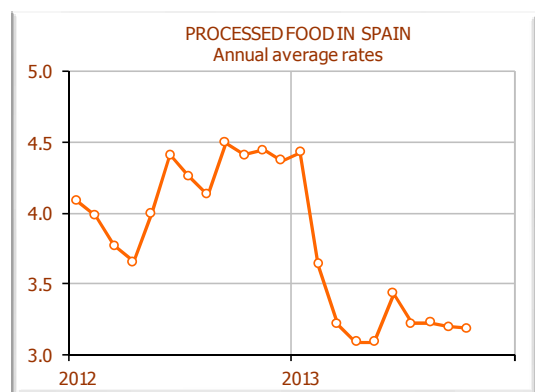
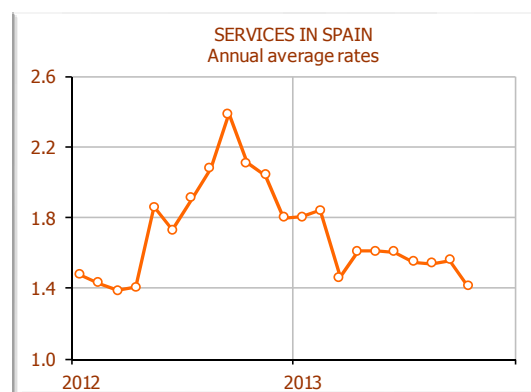
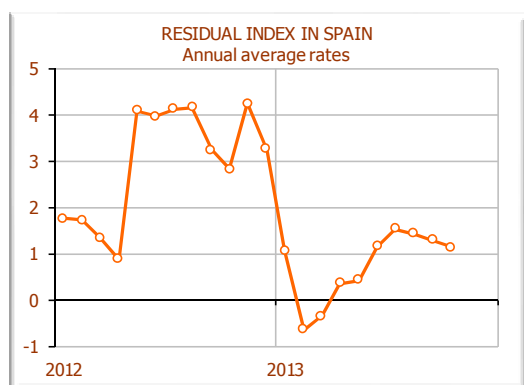
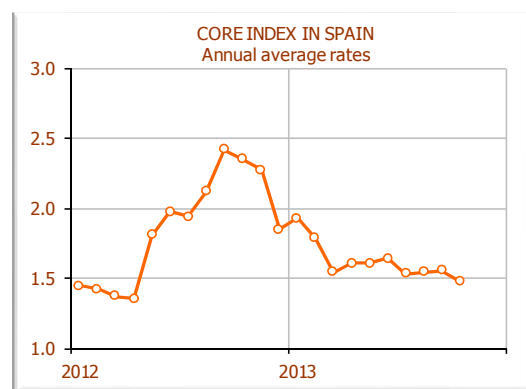
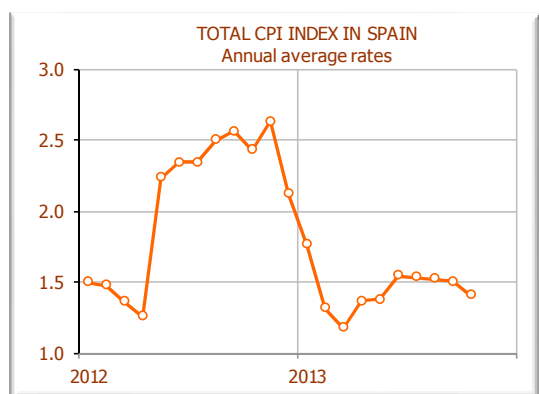
### Year-on-year rates



Source: INE & BIAM (UC3M).  
 Date this report: December 13, 2013  
 Date previous report: November 13, 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)

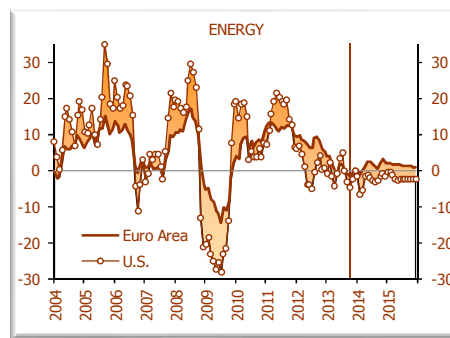
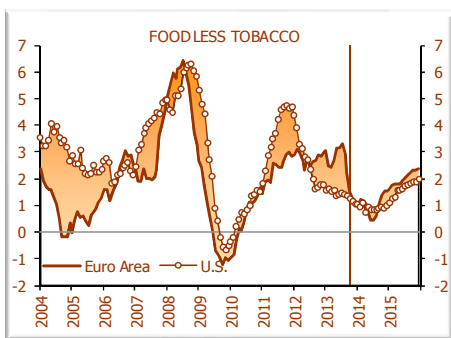
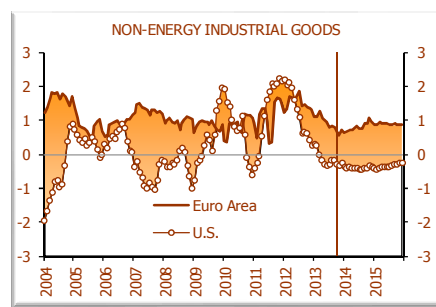
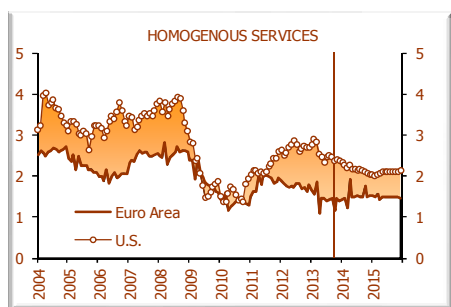
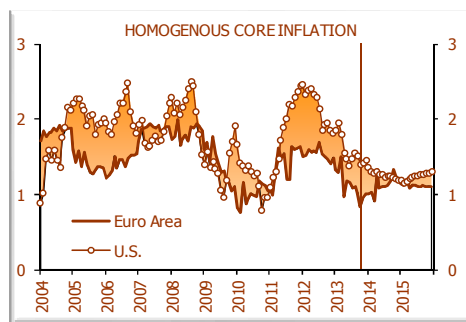
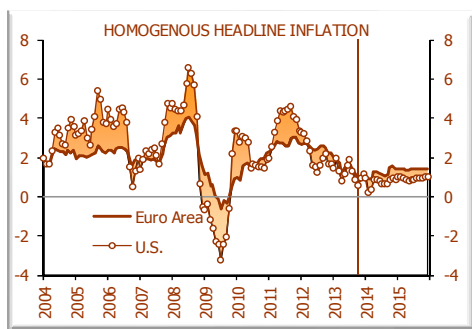
Date: December 13, 2013



## VII. ANNEX II: SUMMARY OF FORECASTS FOR DIFFERENT AREAS

### EURO AREA– U.S.

| HOMOGENOUS INFLATION IN THE EURO AREA AND U.S.  |      |      |       |      |      |      |           |      |      |
|---|------|------|-------|------|------|------|-----------|------|------|
| Annual average rates  |      |      |       |      |      |      |           |      |      |
| EA: Weights 2013  | 2007 | 2008 | 2009  | 2010 | 2011 | 2012 | Forecasts |      |      |
| USA: RI Dec 2012  |      |      |       |      |      |      | 2013      | 2014 | 2015 |
| <b>TOTAL</b>  |      |      |       |      |      |      |           |      |      |
| 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       | 0.7  | 0.9  |
| <b>HOMOGENOUS CORE INFLATION</b>  |      |      |       |      |      |      |           |      |      |
| - Non-energy industrial goods and Services, less Processed Food in the Euro area.<br>- Non-energy industrial goods less Tobacco in U.S.<br>- 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       | 1.3  | 1.2  |
| <b>COMPONENTS OF HOMOGENOUS CORE INFLATION</b>  |      |      |       |      |      |      |           |      |      |
| 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  | 1.4       | 1.5  | 1.5  |
| U.S. 33.9   | 3.4  | 3.6  | 2.0   | 1.6  | 2.2  | 2.7  | 2.5       | 2.2  | 2.1  |
| Non-energy industrial goods less Tobacco  |      |      |       |      |      |      |           |      |      |
| Euro area 27.4  | 1.0  | 0.8  | 0.6   | 0.5  | 0.8  | 1.2  | 0.6       | 0.5  | 0.6  |
| U.S. 20.4   | -0.7 | -0.3 | 0.5   | 0.7  | 1.2  | 1.2  | -0.2      | -0.4 | -0.4 |
| <b>EXCLUDED COMPONENTS FROM HOMOGENOUS CORE INFLATION</b>   |      |      |       |      |      |      |           |      |      |
| Food less Tobacco   |      |      |       |      |      |      |           |      |      |
| Euro area 16.9  | 2.6  | 5.3  | 0.2   | 0.5  | 2.4  | 2.8  | 2.4       | 1.0  | 2.0  |
| U.S. 14.3   | 4.0  | 5.5  | 1.8   | 0.8  | 3.7  | 2.6  | 1.4       | 0.9  | 1.6  |
| Energy  |      |      |       |      |      |      |           |      |      |
| Euro area 11.0  | 2.6  | 10.3 | -8.1  | 7.4  | 11.9 | 7.6  | 0.7       | 1.2  | 1.5  |
| U.S. 9.6  | 5.5  | 13.9 | -18.4 | 9.5  | 15.4 | 0.9  | -0.7      | -2.6 | -2.0 |



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

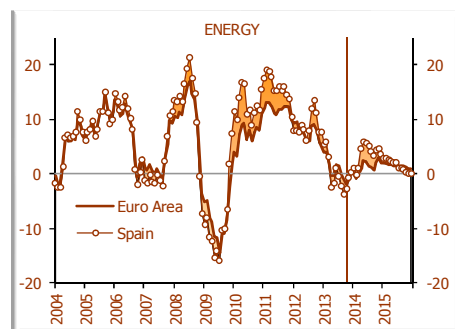
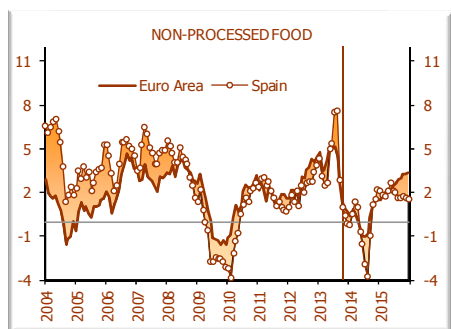
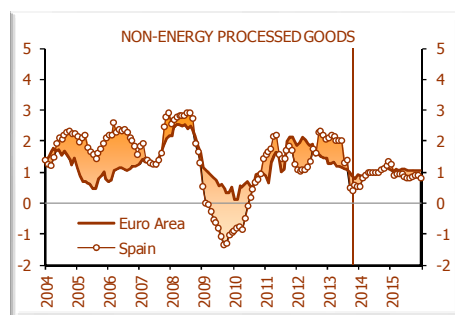
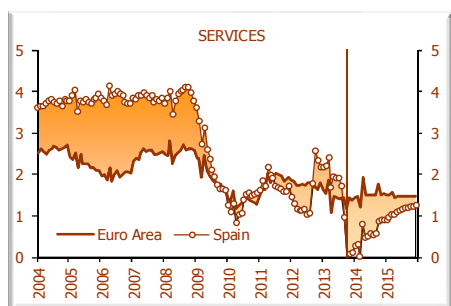
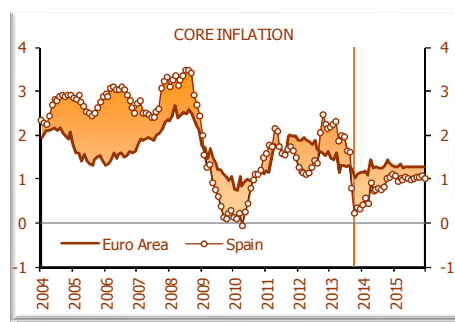
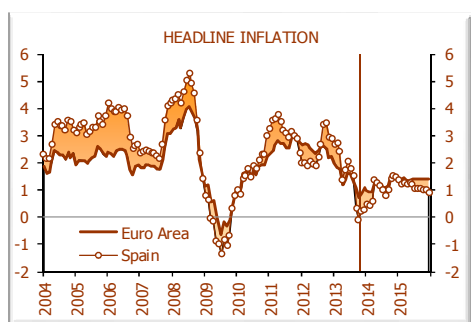
Source: EUROSTAT, BLS & BIAM (UC3M)

Date: December 17, 2013



## EURO AREA– SPAIN

| INFLATION IN SPAIN (CPI) AND IN THE EURO AREA (HICP)     |                 |      |      |      |      |      |      |           |      |      |  |
|--|-----------------|------|------|------|------|------|------|-----------|------|------|--|
| Annual average rates                                     |                 |      |      |      |      |      |      |           |      |      |  |
|  | Weights<br>2013 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | Forecasts |      |      |  |
|  |                 |      |      |      |      |      |      | 2013      | 2014 | 2015 |  |
| <b>TOTAL</b>   |                 |      |      |      |      |      |      |           |      |      |  |
| Spain  | 100.0           | 2.8  | 4.1  | -0.3 | 1.8  | 3.2  | 2.4  | 1.4       | 1.1  | 1.1  |  |
| Euro area  | 100.0           | 2.1  | 3.3  | 0.3  | 1.6  | 2.7  | 2.5  | 1.4       | 1.2  | 1.4  |  |
| <b>CORE INFLATION</b>                                    |                 |      |      |      |      |      |      |           |      |      |  |
| Processed food, Non-energy industrial goods and Services |                 |      |      |      |      |      |      |           |      |      |  |
| Spain  | 81.4            | 2.7  | 3.2  | 0.8  | 0.6  | 1.7  | 1.6  | 1.5       | 0.8  | 1.0  |  |
| Euro area  | 81.7            | 2.0  | 2.4  | 1.3  | 1.0  | 1.7  | 1.8  | 1.3       | 1.3  | 1.3  |  |
| <b>COMPONENTS OF CORE INFLATION</b>                      |                 |      |      |      |      |      |      |           |      |      |  |
| Processed food   |                 |      |      |      |      |      |      |           |      |      |  |
| Spain  | 14.7            | 3.7  | 6.5  | 0.9  | 1.0  | 3.8  | 3.1  | 3.2       | 2.3  | 2.9  |  |
| Euro area  | 12.0            | 2.8  | 6.1  | 1.1  | 0.9  | 3.3  | 3.1  | 2.2       | 2.1  | 2.2  |  |
| Non-energy industrial goods                              |                 |      |      |      |      |      |      |           |      |      |  |
| Spain  | 27.0            | 0.7  | 0.3  | -1.3 | -0.5 | 0.6  | 0.8  | 0.6       | 0.3  | -0.1 |  |
| Euro area  | 27.4            | 1.0  | 0.8  | 0.6  | 0.5  | 0.8  | 1.2  | 0.6       | 0.5  | 0.6  |  |
| Services   |                 |      |      |      |      |      |      |           |      |      |  |
| Spain  | 39.7            | 3.9  | 3.9  | 2.4  | 1.3  | 1.8  | 1.5  | 1.4       | 0.6  | 1.1  |  |
| Euro area  | 42.3            | 2.5  | 2.6  | 2.0  | 1.4  | 1.8  | 1.8  | 1.4       | 1.5  | 1.5  |  |
| <b>COMPONENTS OF RESIDUAL INFLATION</b>                  |                 |      |      |      |      |      |      |           |      |      |  |
| Non-processed food                                       |                 |      |      |      |      |      |      |           |      |      |  |
| Spain  | 6.4             | 4.7  | 4.0  | -1.3 | 0.0  | 1.8  | 2.3  | 3.3       | -0.2 | 1.9  |  |
| Euro area  | 7.3             | 3.0  | 3.5  | 0.2  | 1.3  | 1.8  | 3.0  | 3.5       | 0.3  | 2.5  |  |
| Energy   |                 |      |      |      |      |      |      |           |      |      |  |
| Spain  | 12.2            | 1.7  | 11.9 | -9.0 | 12.5 | 15.7 | 8.9  | 0.1       | 3.6  | 1.5  |  |
| Euro area  | 11.0            | 2.6  | 10.3 | -8.1 | 7.4  | 11.9 | 7.6  | 0.7       | 1.2  | 1.5  |  |



Source: EUROSTAT, INE &amp; BIAM (UC3M)

Date: December 13, 2013





## SUBSCRIPTION FORM FOR 2014<sup>1,2</sup>

Full Name: .....  
 Company: .....  
 Address of sending: .....  
 Fiscal Address: .....  
 Telephone: ..... Fax: ..... E-Mail: ..... VAT Number: .....

☐ Bank cheque

Authorised signature:

☐ Bank transfer

☐ Credit card

Date:

### A. MONTHLY REPORTS

|   |   |
|---|---|
| <b>BIMA</b>   | Analysis and forecast of macroeconomic and labour market variables for Spain and the Euro Area. Inflation forecasts for Spain, the Euro Area and the U.S. Debate / research articles written by in-house and external experts.  |
| <b>BIMA CC.AA</b>                                   | 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.  |
| <b>Diagnosis update service (Monthly reports)</b>   | 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.   |
| <b>Consultancy service and support for research</b> | 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. |

### B. QUARTERLY REPORTS<sup>3</sup> 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.

|  |   |
|--|---|
| <b>B1. Quarterly report about a specific CA</b>                      | 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. |
| <b>B2. Quarterly report about all CCAA</b>                           | 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.  |
| <b>B3. Access to the data set of economic indicators of one CCAA</b> | 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).   |
| <b>B4. Access to the data set of economic indicators of all CCAA</b> | 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).  |

| A. TERMS OF SUBSCRIPTION - Monthly edition<br>(Annual Subscription Rates VAT NOT Included)         |                               |                                  | B. TERMS OF SUBSCRIPTION - Quarterly reports about the quarterly growth of the Spanish CCAA<br>(Annual Subscription Rates VAT NOT Included) |                         |                                  |
|--|-------------------------------|----------------------------------|---|-------------------------|----------------------------------|
| <b>BIAM</b>  | via e-mail <sup>6</sup>       | 350 € <input type="checkbox"/>   | <b>B1. Quarterly report about a specific CA</b>   | 2 hard copies           | 2,000 € <input type="checkbox"/> |
|  | via regular mail <sup>4</sup> | 430 € <input type="checkbox"/>   |   | via regular mail        |                                  |
| <b>BIAM CC.AA<sup>5</sup></b>  | via e-mail <sup>6</sup>       | 350 € <input type="checkbox"/>   | <b>B2. Quarterly report about all CCAA</b>  | 2 hard copies           | 3,000 € <input type="checkbox"/> |
|  | via regular mail <sup>4</sup> | 430 € <input type="checkbox"/>   |   | via regular mail        |                                  |
| <b>BIAM + BIAM CC.AA</b>   | via e-mail <sup>6</sup>       | 520 € <input type="checkbox"/>   | <b>B1 + B2</b>  | 2 hard copies           | 3,200 € <input type="checkbox"/> |
|  | via regular mail <sup>4</sup> | 650 € <input type="checkbox"/>   |   | via regular mail        |                                  |
| <b>Diagnosis update service (Monthly reports)</b>  | via e-mail <sup>6</sup>       | 1,900 € <input type="checkbox"/> | <b>B3. Access to the data set of economic indicators of one CCAA</b>  | via e-mail <sup>6</sup> | 120 € <input type="checkbox"/>   |
| <b>BIAM or BIAM CC.AA + Diagnosis update service</b>   | via e-mail <sup>6</sup>       | 2,120 € <input type="checkbox"/> | <b>B4. Access to the data set of economic indicators of all CCAA</b>  | via e-mail <sup>6</sup> | 250 € <input type="checkbox"/>   |
| <b>BIAM + BIAM CC.AA + Diagnosis update service</b>  | via e-mail <sup>6</sup>       | 2,200 € <input type="checkbox"/> | <b>BIAM + BIAM CC.AA (B4 included) + Diagnosis update service + B1 + B2</b>   | via e-mail <sup>6</sup> | 4,500 € <input type="checkbox"/> |
| <b>Consultancy service and support for research + Diagnosis update service + BIAM + BIAM CC.AA</b> | via e-mail <sup>6</sup>       | 4,000 € <input type="checkbox"/> | <b>BIAM + BIAM CC.AA (include B4) + Diagnosis update service + B1 + B2 + Consultancy service and support for research</b>                   | via e-mail <sup>6</sup> | 5,500 € <input type="checkbox"/> |

<sup>1</sup> Reports are for the only use of the client.

<sup>2</sup> Prices are valid until December 31<sup>st</sup>, 2014. Shipping included.

<sup>3</sup> 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.

<sup>4</sup> These subscribers will also receive the electronic version, providing the type of distribution remains unaltered

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

<sup>6</sup> The e-mail distribution may be changed without notice by urgent mail distribution.



## INDICATORS CALENDAR

### DECEMBER

|                       |   |  |                            |                         |    |    |
|-----------------------|---|--|----------------------------|-------------------------|----|----|
|                       |   |  |                            |                         |    | 1  |
| 2                     | 3                                       | 4  | 5                          | 6                       | 7  | 8  |
|                       |   | Euro Area GDP<br>(3 <sup>th</sup> Quarter) | Spanish IPI<br>(October)   |                         |    |    |
| 9                     | 10                                      | 11   | 12                         | 13                      | 14 | 15 |
|                       |   |  | Euro Area IPI<br>(October) | Spain CPI<br>(November) |    |    |
| 16                    | 17                                      | 18   | 19                         | 20                      | 21 | 22 |
|                       | Euro Area HICP<br>USA CPI<br>(November) |  |                            |                         |    |    |
| 23                    | 24                                      | 25   | 26                         | 27                      | 28 | 29 |
| USA PCE<br>(November) |   |  |                            |                         |    |    |
| 30                    | 31                                      |  |                            |                         |    |    |

### ENERO

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

*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



# BULLETIN OF EU AND US INFLATION AND MACROECONOMIC ANALYSIS

[www.uc3m.es/biam](http://www.uc3m.es/biam)

Instituto Flores de Lemus

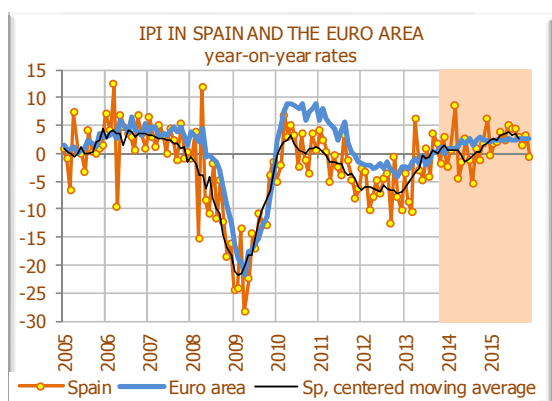
**The downwards innovations in October have slightly reduced the Spanish and euro area IPI forecasts.**

**However, unlike for Europe, our Spanish IPI expectations are much higher than the estimates in the last 12 months, and the differential with Europe has fallen significantly.**

| INDUSTRIAL PRODUCTION INDEX |       |               |               |               |
|-----------------------------|-------|---------------|---------------|---------------|
| Average rate of growth      |       |               |               |               |
|                             | 2012  | 2013          | 2014          | 2015          |
| Spain                       |       |               |               |               |
| Consumption                 | -4.8  | <b>-2.4</b>   | <b>-1.0</b>   | <b>1.2</b>    |
| Durable                     | -13.6 | <b>-12.1</b>  | <b>-6.0</b>   | <b>-0.1</b>   |
| Non-durable                 | -3.9  | <b>-1.3</b>   | <b>1.0</b>    | <b>1.3</b>    |
| Capital                     | -11.0 | <b>1.4</b>    | <b>3.7</b>    | <b>5.4</b>    |
| Intermediate                | -8.9  | <b>-2.6</b>   | <b>0.5</b>    | <b>2.6</b>    |
| Energy                      | 0.9   | <b>-2.4</b>   | <b>0.7</b>    | <b>0.8</b>    |
| TOTAL                       | -6.4  | <b>(±0.2)</b> | <b>(±2.5)</b> | <b>(±3)</b>   |
| Euro area                   |       |               |               |               |
| Consumption                 | -2.4  | <b>-0.8</b>   | <b>-0.3</b>   | <b>0.1</b>    |
| Durable                     | -4.9  | <b>-4.1</b>   | <b>-1.7</b>   | <b>3.2</b>    |
| Non-durable                 | -2.1  | <b>-0.3</b>   | <b>0.0</b>    | <b>-0.3</b>   |
| Capital                     | -1.2  | <b>-0.9</b>   | <b>3.3</b>    | <b>4.9</b>    |
| Intermediate                | -4.6  | <b>-1.0</b>   | <b>2.7</b>    | <b>2.4</b>    |
| Energy                      | -0.4  | <b>-1.1</b>   | <b>-1.4</b>   | <b>0.6</b>    |
| TOTAL                       | -2.5  | <b>(±0.8)</b> | <b>(±2.1)</b> | <b>(±2.7)</b> |

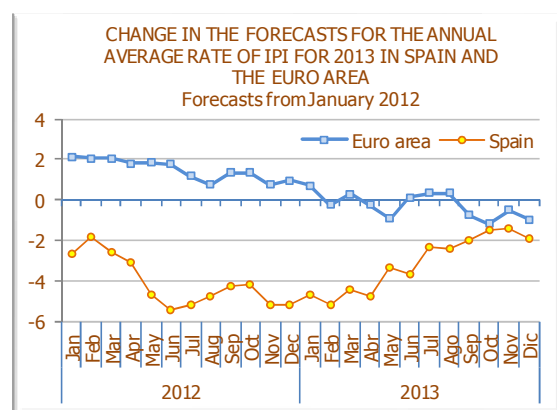
| CHANGE IN THE FORECASTS FOR IP IN SPAIN |                                    |             |                |
|---|------------------------------------|-------------|----------------|
| Average annual rate, 2013               |                                    |             |                |
|   | Forecasts with observed data till: |             |                |
|   | Sep-13                             | Oct-13      | Change         |
| Durable consumption                     | -6.5                               | -6.0        | 0.52 ↑         |
| Non-durable consumption                 | 1.9                                | 1.0         | -0.89 ↓        |
| Total consumption                       | 1.3                                | -1.0        | -2.26 ↓        |
| Equipment                               | 2.7                                | 3.7         | 0.96 ↑         |
| Intermediate                            | -0.5                               | 0.5         | 1.00 ↑         |
| Energy                                  | 0.5                                | 0.7         | 0.13 ↑         |
| <b>TOTAL</b>                            | <b>0.84</b>                        | <b>0.34</b> | <b>-0.50 ↓</b> |

| CHANGE IN THE FORECASTS FOR IP IN THE EURO AREA |                                    |              |                |
|---|------------------------------------|--------------|----------------|
| Average annual rate, 2013                       |                                    |              |                |
|   | Forecasts with observed data till: |              |                |
|   | sep-13                             | oct-13       | Change         |
| Durable consumption                             | -3.1                               | -4.1         | -1.0 ↓         |
| Non-durable consumption                         | 0.2                                | -0.3         | -0.4 ↓         |
| Total consumption                               | 0.0                                | -0.8         | -0.8 ↓         |
| Equipment                                       | -0.4                               | -0.9         | -0.5 ↓         |
| Intermediate                                    | -0.8                               | -1.0         | -0.2 ↓         |
| Energy  | -0.5                               | -1.1         | -0.6 ↓         |
| <b>TOTAL</b>                                    | <b>-0.48</b>                       | <b>-0.95</b> | <b>-0.47 ↓</b> |



Source: INE, EUROSTAT & BIAM (UC3M)

Date: December 13, 2013



For information about subscriptions see  
SUBSCRIPTION FORM inside this issue

[www.uc3m.es/boletin](http://www.uc3m.es/boletin)

Follow us on:



FUNDACIÓN  
URRUTIA ELEJALDE  
FOUNDATION



Fundación  
Universidad Carlos III