



# BULLETIN OF EU AND US INFLATION AND MACROECONOMIC ANALYSIS

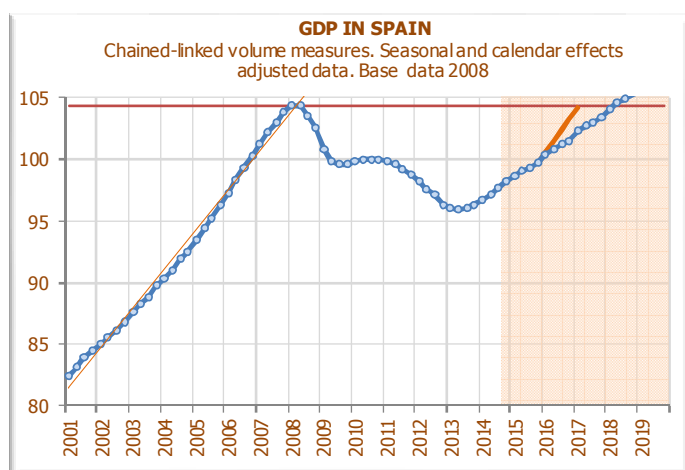
[www.uc3m.es/biam](http://www.uc3m.es/biam)

Instituto Flores de Lemus

N. 243 January 2015

Second Phase

**According to our forecasts, the Spanish GDP will not return to pre-crisis levels until 2018. If the average pre-crisis growth rate is reached, it will be at the end of 2016.**

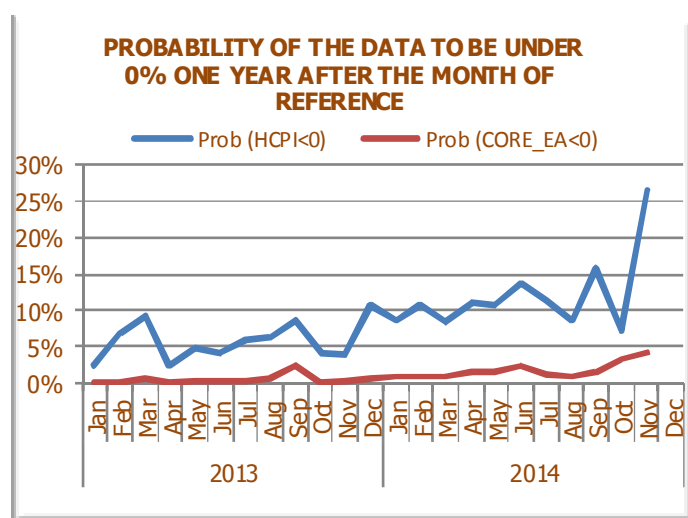


Forecast until IV-15 derived from BIAM models.  
Forecast from I-16 based on two alternative scenarios:  
-Y-o-y constant rate of 3.4% (average 00-08; orange line),  
-Y-o-y constant rate of 1.9% (forecasted in IV-15 after BIAM models; blue line).

Source: INE &amp; BIAM (UC3M)

Date: November 27, 2014

**Falling oil prices increase the probability of seeing negative euro area inflation in a years' time. The probability of the same being seen in core inflation is less than 5%.**



Source: EUROSTAT &amp; BIAM (UC3M)

Date: December 17, 2014

## Economic Outlook

P. 1

"The last Bulletin in 2014 examines whether the available data and forecasts support claims that the Spanish economy is no longer in crisis, and the extent to which it differs from the scenario expected for the euro area. It presents analyses based on the GDP and our forecasts, which provide objective elements on which our conclusions are based. Regarding the euro area economy at the end of 2014, the most highlighted aspect is the huge drop in oil prices that have lowered inflation expectations. The Bulletin considers that this fall is solely due to energy prices, and there has not been an increase in the factors that point to a deflationist scenario in the Monetary Union."

## Macroeconomic Forecasts euro area

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"In the third quarter of 2014, the euro area economy registered 0.2% quarter-on-quarter growth, in real terms and corrected for seasonality and calendar effect, confirming Eurostat's advance figure published in November. This figure was 0.1 pp more than the previous quarter and represents a 0.8% growth rate relative to a year earlier. The quarterly figure was 0.1 pp less than our forecast."

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

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\*The cut-off date for the statistics included in this Bulletin was December 19, 2014

## I. ECONOMIC OUTLOOK

*"The last Bulletin in 2014 examines whether the available data and forecasts support claims that the Spanish economy is no longer in crisis, and the extent to which it differs from the scenario expected for the euro area. It presents analyses based on the GDP and our forecasts, which provide objective elements on which our conclusions are based. Regarding the euro area economy at the end of 2014, the most highlighted aspect is the huge drop in oil prices that have lowered inflation expectations. The Bulletin considers that this fall is solely due to energy prices, and there has not been an increase in the factors that point to a deflationist scenario in the Monetary Union"*

The Spanish national accounts for this year unquestionably show that the economy registered positive quarterly growth in the three periods for which data are available, continuing the GDP growth trend that started in the third quarter of 2013. The Active Population Survey has also shown growing employment since the second quarter of 2014.

This underlying dynamics, plus the available indicators, support our average annual growth forecast for the Spanish economy as published last month: for 2014, 1.4% ( $\pm 0.1$ ) and for 2015, 1.9% ( $\pm 1.3$ ).

The Spanish economic scenario coincides with a less favourable performance in the euro area on a whole, where the 0.0% rate observed in the second quarter of the year even suggested a possibility of returning to negative rates. The current perspectives for the euro area, 0.9% ( $\pm 0.8$ ) for this year and 1.2% ( $\pm 1.2$ ) for the next, are clearly lower than their Spanish counterparts.

These differences in the forecasts supported the opinion that the Spanish economy is no longer in crisis, and that it had even become an example in the euro area.

An in-depth study of the data of the two economies, as shown in Table I.1, shows that both ideas are highly questionable.

The table shows the different impact of the crisis on branches of activity. The first two blocks compare the past and forecast situation with the values prior to the crisis. The third block, for Spain only, shows the evolution of employment. The following conclusions can be reached:

The Spanish GDP fell by more than twice the amount of the euro area during the crisis (last row of the "Relapse" block). This is because the Spanish recovery period was nearly a year shorter and four times less intense (last row of the "Recovery" block) and also because the fall

Table I.1

STRUCTURE OF THE CRISIS IN SPAIN AND THE EURO AREA														
		GDP								EMPLOYMENT				
		Total		Industry		Construction		Services		Total	Industry	Constructi on	Services	
				Sp	EA	Sp	EA	Sp	EA					
Initial Deep Recession	Starting Date	2008-3	2008-2	2008-3	2008-1	2008-3	2008-2	2008-3	2008-2	2007-4	2008-2	2007-4		
	Duration in quarters <sup>1</sup>	6	5	4	6	23	21	4	4	10	12	26		
	Cumulative change, %	-4.6	-5.7	-11.5	-17.3	-48.0	-23.5	-1.6	-2.4	-10.1	-23.1	-66.0		
Moderate Recovery	Starting Date	2010-1	2009-3	2009-3	2009-3		2009-3		2009-2	2010-2	2011-2			
	Duration in quarters <sup>1</sup>	4	9	7	8	12		11		2	2			
	Cumulative change, %	0.5	4.0	5.6	15.3	3.2		3.1		0.9	2.1			
Relapse (Until last observed data)	Starting Date	2011-1	2011-4	2011-2	2011-3		2012-3		2012-1	2010-4	2011-3		2010-4	
	Duration in quarters <sup>1</sup>	10	6	8	2		3		5	9	10		9	
	Cumulative change, %	-4.1	-1.5	-6.5	-1.3		-1.6		-0.5	-8.8	-12.7		-5.7	
	Crisis Total variation	-8.0	-3.3	-12.7	-6.0		-48.0		-23.4	0.0	0.2	-17.9	-31.4	-66.0
Total until 2014-3	Starting Date	2008-3	2008-2	2008-3	2008-1	2008-3	2008-2	2008-3	2008-2	2007-4	2008-2	2007-4	2010-4	
	Cumulative change, %	-6.4	-2.3	-11.9	-7.3	-47.6	-24.5	2.0	1.3	-15.7	-27.6	-63.1	-2.7	
	Cumulative change, thousand of people									3213.9	857.2	1724.7	256.5	
Cumulative effect until 2015-4 (incl. forecast)	Starting Date	2008-3	2008-2	2008-3	2008-1	2008-3	2008-2	2008-3	2008-2	2007-4	2008-2	2007-4	2010-4	
	Duration in quarters <sup>1</sup>													
	Cumulative change, %	-4.2	-0.4	-10.6	-4.9	-48.3	-22.2	5.3	3.6	-14.6	-27.5	-63.8	-1.6	
		Cumulative change, thousand of people								2995.2	853.0	858.6	230.6	
Unemployment rate in Spain: 2007-4: 8,6 / 2013-4: 26,0 / 2015-4 (forecasts): 24,2														

Notes: IPI in months

Employment: Seasonally adjusted by Tramo-Seats

Last observed figure; Employment: 2014-3; GDP: 2014-3

Source: INE, EUROSTAT & BIAM (UC3M)

Date: November 27, 2014



in the second recession was four times greater than that of the euro area (penultimate row of the "Relapse" block).

Since recovery began, both economies have moved approximately the same distance in relative terms, towards their respective initial situations, a third of the complete fall in the period, despite different growth rates (penultimate row of the "Total up to 2014-3" block).

If the current forecasts are maintained in each case, in 2015 the Spanish economy will have recovered half of what was lost in the crisis in GDP terms. However, the euro area will practically be back to its pre-crisis levels (last row of the "Cumulative effect up to 2015-4 (With forecasts) block").

The Spanish economy is therefore far from pre-crisis levels and, even though its growth forecasts are better than those of the euro area, it will take longer to reach those levels.

In any event, the euro area has not yet registered clear reactivation data. To date, the 28,700 million euros invested by the ECB in buying securitized assets and mortgage bonds on the secondary market have not affect either its balance sheet or net growth of credit to the private sector. However, the heavy interest cuts could be behind the considerable fall in the euro rate, 10.0% since May this year.

The concern in the second half of 2014 was that the Monetary Union could be embarking upon a deflationist process, a fear that led to unconventional monetary measures by the ECB, but the alarm could have been triggered by the latest inflation figures.

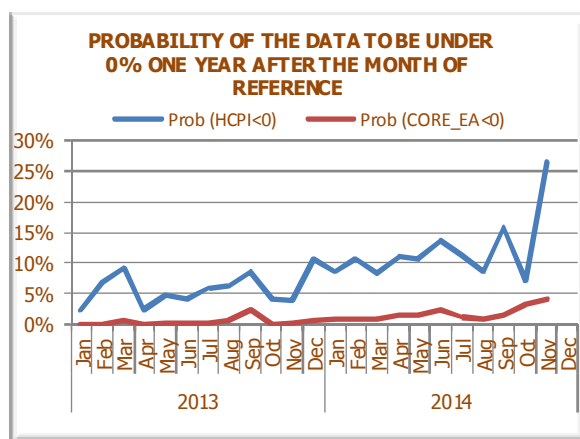
As Graph I.1 shows (blue line), the probability of seeing negative inflation in 12 months' time increased in November by approximately 20 pp, to over 25%.

However, this fall in inflation is in the context of falling oil prices since the autumn. According to Graph I.2, the price has fallen to just over 60 euros per barrel from the 100 euros registered at the beginning of the year.

Also, the probability of seeing negative core inflation in a years' time (Graph I.1 red line) has not reacted in the same way as general inflation, and continues to remain at very low levels.

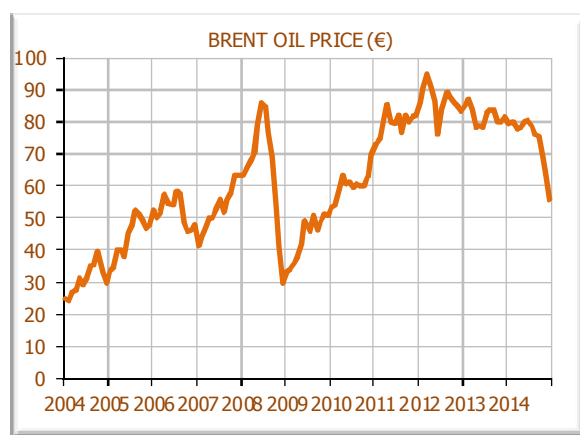
Considering these two factors, the drop in energy prices and unchanging core inflation expectations, the HICP does not appear to show a deflationist scenario; first, because the drop in energy prices for the euro area, eminently dependent on this, means production cost

Graph I.1



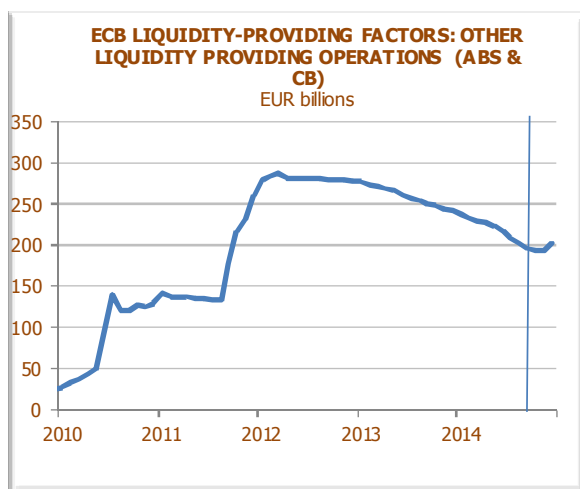
Source: INE & BIAM (UC3M)  
Date: December 17, 2014

Graph I.2



Source: US. Energy Information Administration  
Date: December 17, 2014

Graph I.3



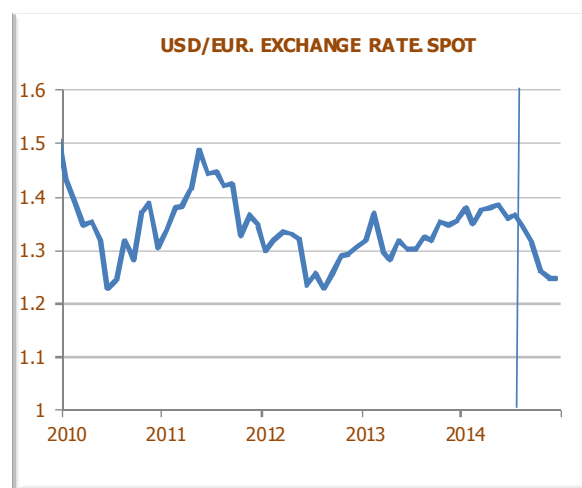
Source: ECB  
Date: December 19, 2014



savings now and in the short time. Secondly, unaltered core inflation expectations are largely based on the performance of service prices. They registered a small upwards surprise in the last month and their average annual growth forecast has increased to 1.2%. More than 1% annual growth in service prices is not typical of an economy in deflation.

In view of the above, the evolution of inflation in the last few months appears to be due more to a change in relative prices than to factors that generate deflation due to lack of demand.

Graph I.4



Source: ECB

Date: December 19, 2014



## II. THE ECONOMY IN THE EURO AREA

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

The observed value was close to the forecast, so euro area IPI expectations remain at average growth rates of 0.6% ( $\pm 0.5$ ) for 2014 and 0.9% ( $\pm 2.0$ ) for 2015.

Falling oil prices reduce the average annual inflation forecasts: 0.4% ( $\pm 0.01$ ) for 2014 and 0.3% ( $\pm 0.7$ ) for 2015. Not until 2016 do they exceed 1%.

Table II.1

MAIN VARIABLES AND INDICATORS IN THE EURO AREA							
Annual average rates							
				Forecasts			
				2014	2015	2016	
				( $\pm 0.8$ )	( $\pm 1.2$ )	( $\pm 1.6$ )	
GDP mp. <sup>1</sup>		2011	2012	2013			
		1.6	-0.6	-0.4	0.9	1.2	1.5
Dem and	Private consumption	0.3	-1.4	-0.6	0.7	0.9	1.0
	Public consumption	-0.1	-0.5	0.1	1.0	1.1	1.0
	Gross fixed capital formation	1.6	-3.8	-2.8	1.2	3.1	5.1
	Construction	-0.4	-4.0	-3.8	-0.5	2.0	4.2
	Equipment	3.6	-7.6	-0.9	3.7	5.0	6.4
	Others	2.6	0.1	0.3	1.2	0.9	1.0
	Contribution domestic demand*	0.8	-2.1	-0.8	0.9	1.3	1.7
	Exports of goods and services	6.6	2.7	1.5	2.6	2.9	2.9
	Imports of goods and services	4.6	-0.8	0.4	3.0	3.4	3.6
	Contribution foreign demand*	0.8	1.4	0.5	-0.1	-0.1	-0.2
Supply GVA	Agriculture, livestock breeding, forestry,...	0.2	-4.9	-0.3	1.8	-0.3	0.4
	Industry	3.1	-1.0	-0.5	0.0	1.2	1.3
	Manufacturing Industry	4.8	-1.4	-0.6	1.9	2.1	1.8
	Construction	-1.5	-4.1	-3.9	-0.8	1.4	2.9
	Services	1.7	0.1	0.1	1.0	1.4	1.6
	Market services	2.0	0.0	0.1	1.1	1.6	1.9
	Public administration, health and educ.	1.0	0.2	0.1	0.8	1.0	1.0
	Taxes	0.1	-1.9	-1.4	1.8	0.4	0.2
Prices (HICP <sup>2</sup> )							
Total		2.7	2.5	1.4	0.5	0.7	1.1
					( $\pm 1$ )	( $\pm 1$ )	( $\pm 1$ )
Core		1.7	1.8	1.3	1.0	0.9	1.0
Processed food		3.3	3.1	2.2	1.4	1.3	2.0
Non-energy industrial goods		0.8	1.2	0.6	0.2	0.2	0.2
Services		1.8	1.8	1.4	1.3	1.1	1.2
Residual		7.6	5.8	1.8	-1.2	0.2	1.7
Non-processed food		1.8	3.0	3.5	-0.8	1.1	1.7
Energy		11.9	7.6	0.6	-1.6	-0.5	1.7
Industrial production index (excluding construc		0.0	0.0	0.0	0.0	0.0	0.0
Total		3.4	-2.5	-0.6	0.7	0.9	1.1
					( $\pm 0.8$ )	( $\pm 2.1$ )	( $\pm 2.7$ )
Consumer goods		1.0	-2.4	-0.4	1.9	0.8	1.4
Durable		0.6	-4.9	-3.7	-1.8	-4.7	-2.6
Non-durables		0.9	-2.2	-0.1	2.9	1.6	2.0
Equipment		8.4	-1.1	-0.5	1.8	1.6	2.2
Intermediate		4.2	-4.5	-1.0	1.2	-0.2	0.5
Energy		-4.3	-0.4	-0.8	-4.9	0.3	-0.8

The figures in the shaded area are forecasts  
(1) Data adjusted for seasonality and working days effect

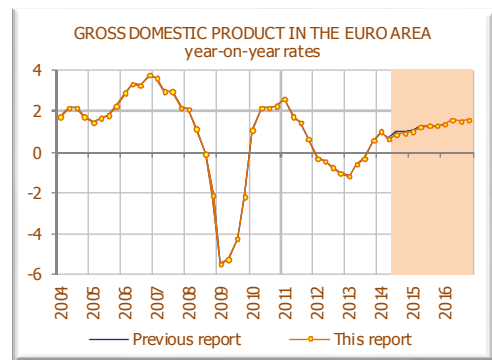
(1) In brackets are 80% confidence intervals

Source: EUROSTAT & BIAM (UC3M)

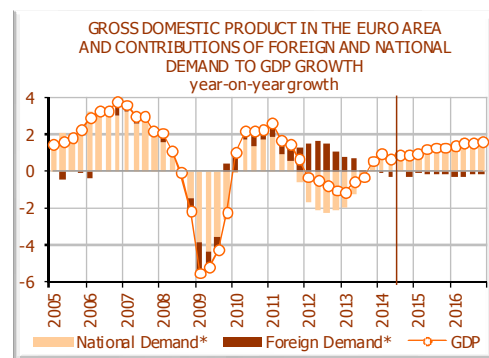
Date: (1) September 5, 2014 (2) December 17, 2014

(3) December 12, 2014

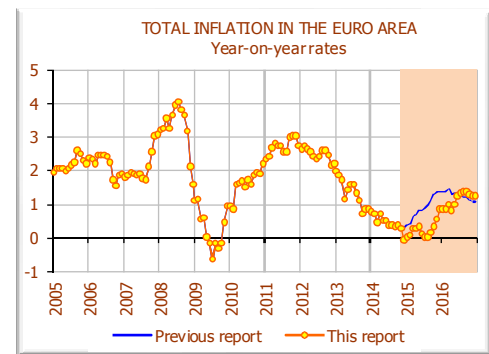
Graph II.1



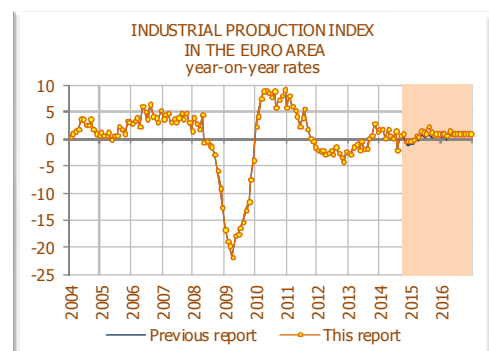
Graph II.2



Graph II.3

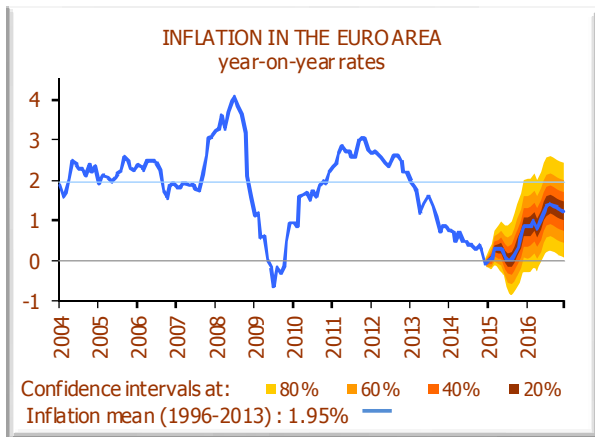


Graph II.4

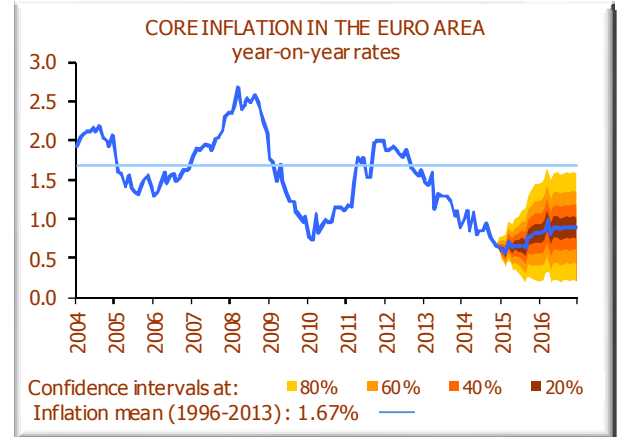




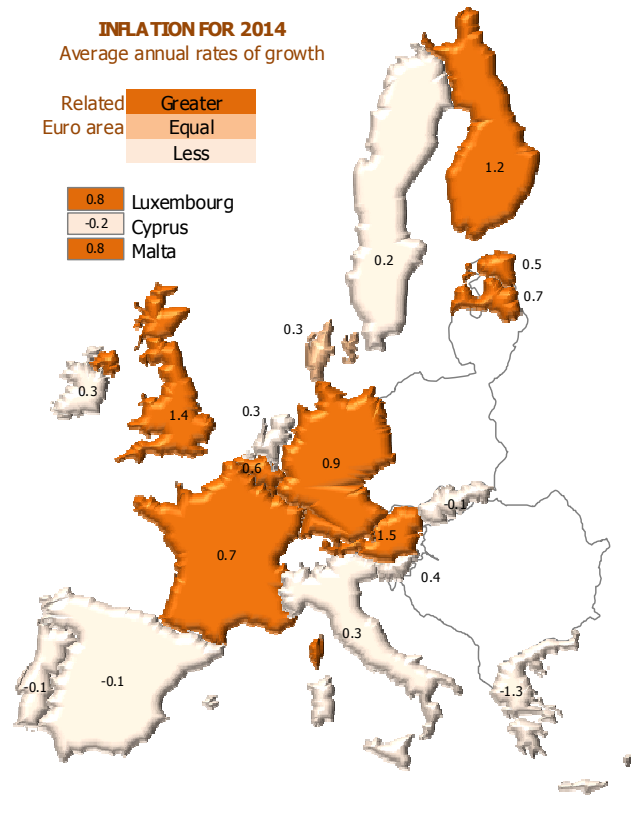
Graph II.5



Graph II.6



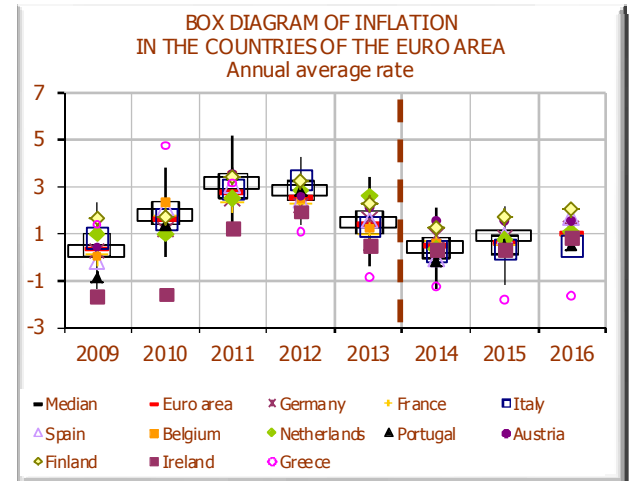
Graph II.7



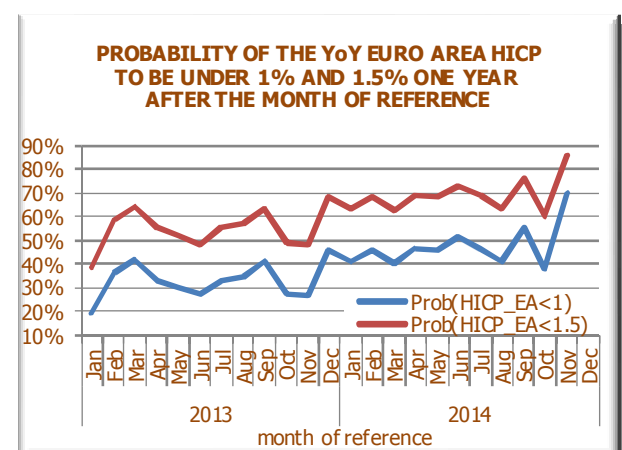
Source: EUROSTAT &amp; BIAM (UC3M)

Date: December 17, 2014

Graph II.8



Graph II.9





## II.1. MACROECONOMIC FORECASTS

In the third quarter of 2014, the euro area economy registered 0.2% quarter-on-quarter growth, in real terms and corrected for seasonality and calendar effect, confirming Eurostat's advance figure published in November. This figure was 0.1 pp more than the previous quarter and represents a 0.8% growth rate relative to a year earlier. The quarterly figure was 0.1 pp less than our forecast.

Quarterly GDP growth was solely based on domestic demand, which contributed 0.4 pp, while foreign demand reduced it by 0.2 pp. Within domestic demand, the most positive result was the growth of private consumption, which registered 0.5% quarterly growth, versus 0.2% in the previous quarter, an upwards innovation relative to our forecast. Exports registered 0.8% quarterly growth, significantly less than in the previous quarter (1.4%). Imports grew by a quarterly 1.2%, slightly less than in the previous three months. Import and export growth was lower than our forecast.

This average euro area GDP growth continues to disguise a large difference between its different economies. Germany has registered quarter-on-quarter growth again (0.1%), after the decline in the previous quarter (0.1%). France grew by 0.3%, after falling by 0.3% in the previous three months. Italy continued in recession and Spain registered 0.5% quarter-on-quarter growth.

Most of the euro area indicators showing recent information, referring to the fourth quarter, such as the confidence index in November, the same month's compound PMI, the October industrial production index, and so on, continue to show the euro area's lack of dynamism in the quarter.

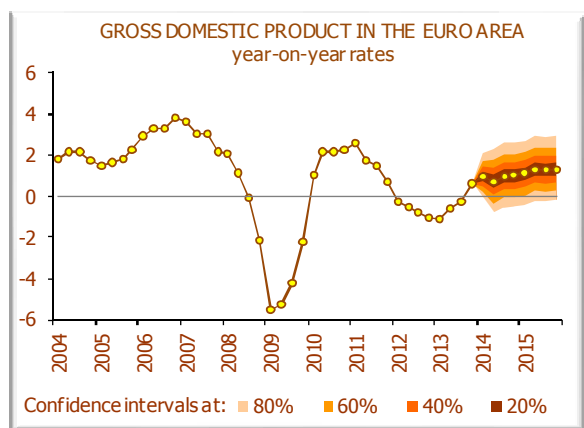
November's Economic Sentiment Indicator grew by 0.1 pp, after growing by 0.8 pp in October. The manufacturing PMI fell by 0.5 points in November to 50.1, the lowest since June 2013, and the service PMI fell by 1.2 points to 51.1, with the compound PMI falling by one point to a total of 51.1, the lowest growth rate in nearly eighteen months.

The euro area Industrial Production Index in October grew by 0.1% relative to the previous month, following September's higher growth rate (0.5%). Relative to a year earlier, the index grew by 0.7%. The IPI figure was less than our forecast, which anticipated a year-on-year rate of 1.2%.

Regarding the labour market, the last figure concerning employment in the euro area refers to the third quarter of 2014. In this period, employment grew by a quarter-on-quarter rate of 0.2%, following the previous quarter's 0.1%, and zero growth in the first. This is line with economic activity during 2014, and the opinion polls do not suggest firm recovery of employment in the short term. The most recently published euro area unemployment rate refers to October, when it was 11.5%, the same as in September, although it is 0.4 pp less than a year earlier.



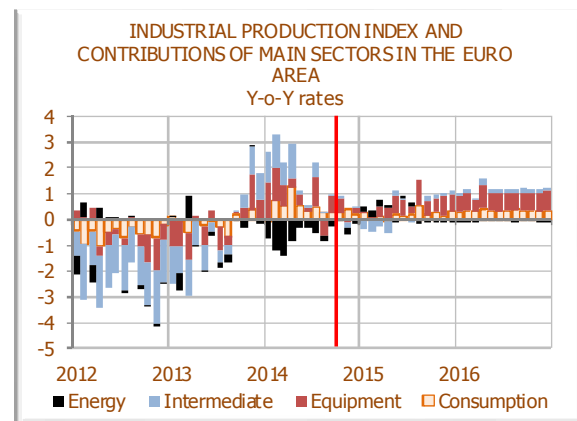
Graph II.1.1



Source: EUROSTAT &amp; BIAM (UC3M)

Date: September 5, 2014

Graph II.1.2



Source: EUROSTAT &amp; BIAM (UC3M)

Date: December 12, 2014

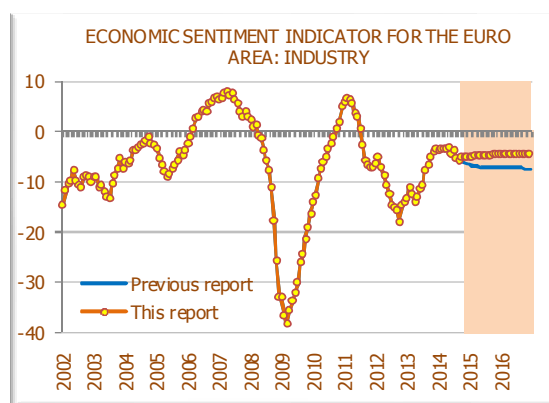
Table II.1.1

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

Source: EUROSTAT &amp; BIAM (UC3M)

Date: December 12, 2014

Graph II.1.3

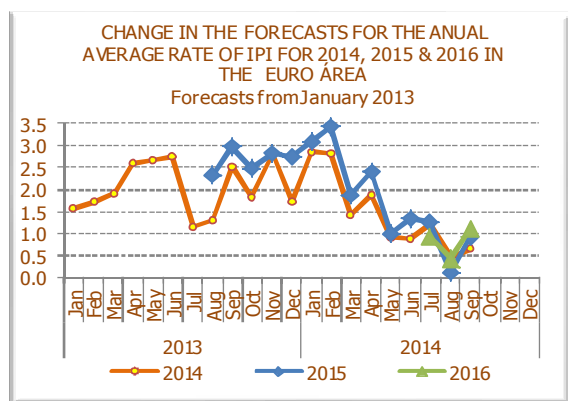


Source: INE &amp; BIAM (UC3M)

Date actual report: December 12, 2014

Date previous report: November 12, 2014

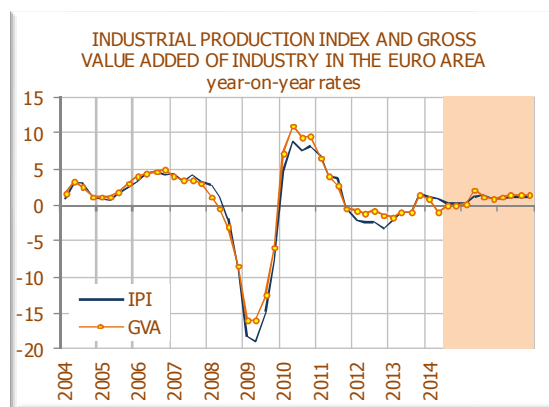
Graph II.1.4



Source: EUROSTAT &amp; BIAM (UC3M)

Date: December 12, 2014

Graph II.1.5



Source: EUROSTAT &amp; BIAM (UC3M)

Date: December 12, 2014



## GROSS DOMESTIC PRODUCT IN THE EURO AREA: DEMAND

Table II.1.2

GROSS DOMESTIC PRODUCT IN THE EURO AREA													
		Final Consumption		Gross Fixed Capital Formation				Domestic Demand (1)	Exports of goods and services	Imports of goods and services	Foreign Demand (1)	Real GDP	
		Private	Public	Construc- tion	Equipment	Other							
ANNUAL AVERAGE RATES	2011	0.3	-0.1	-0.4	3.6	2.6	1.6	0.8	6.6	4.6	0.8	1.6	
	2012	-1.4	-0.5	-4.0	-7.6	0.1	-3.8	-2.1	2.7	-0.8	1.4	-0.6	
	2013	-0.6	0.1	-3.8	-0.9	0.3	-2.8	-0.8	1.5	0.4	0.5	-0.4	
	2014	0.7	1.0	-0.5	3.7	1.2	1.2	0.9	2.6	3.0	-0.1	0.9 (±0.8)	
	2015	0.9	1.1	2.0	5.0	0.9	3.1	1.3	2.9	3.4	-0.1	1.2 (±1.2)	
	2016	1.0	1.0	4.2	6.4	1.0	5.1	1.7	2.9	3.6	-0.2	1.5 (±1.6)	
Y-o-Y rates	2013	I	-1.4	-0.2	-5.7	-6.5	-0.6	-5.3	-1.9	0.2	-1.7	0.8	-1.1
		II	-0.7	0.0	-4.5	-2.2	0.3	-3.4	-1.2	1.6	0.0	0.7	-0.6
		III	-0.5	0.5	-3.2	-0.6	0.1	-2.4	-0.4	1.0	0.8	0.1	-0.3
		IV	0.2	0.1	-1.5	6.0	1.5	-0.1	0.3	3.0	2.6	0.2	0.6
	2014	I	0.6	0.6	1.0	3.4	1.7	1.9	1.0	3.9	4.1	0.0	1.0
		II	0.7	0.7	-0.8	4.4	1.0	0.9	0.9	2.1	2.8	-0.2	0.7
		III	0.8	0.9	-1.3	5.7	1.1	1.0	0.8	2.5	2.5	0.1	0.9
		IV	0.8	1.7	-0.8	1.5	1.0	1.0	1.2	2.0	2.6	-0.2	0.9
	2015	I	0.8	1.2	-0.3	5.1	0.3	1.6	1.0	2.6	2.8	0.0	1.0
		II	0.7	1.2	2.0	5.1	1.1	3.2	1.4	2.9	3.4	-0.2	1.2
		III	1.0	1.1	3.2	4.9	1.1	3.9	1.5	3.1	3.6	-0.2	1.3
		IV	1.0	0.9	3.4	4.7	0.9	3.9	1.5	3.0	3.6	-0.2	1.3
	2016	I	1.0	0.9	3.5	5.5	0.8	4.3	1.6	3.0	3.6	-0.2	1.4
		II	1.2	1.1	4.5	6.1	1.2	5.1	1.8	2.9	3.7	-0.3	1.6
		III	0.9	0.9	4.3	6.6	1.0	5.2	1.7	2.9	3.5	-0.2	1.5
		IV	0.9	1.0	4.6	7.3	1.0	5.6	1.8	2.9	3.5	-0.2	1.6

Table II.1.3

GROSS DOMESTIC PRODUCT IN THE EURO AREA													
		Final Consumption		Gross Fixed Capital Formation				Domestic Demand (1)	Exports of goods and services	Imports of goods and services	Foreign Demand (1)	Real GDP	
		Private	Public	Construc- tion	Equipment	Other							
ANNUAL AVERAGE RATES	2011	0.3	-0.1	-0.4	3.6	2.6	1.6	0.8	6.6	4.6	0.8	1.6	
	2012	-1.4	-0.5	-4.0	-7.6	0.1	-3.8	-2.1	2.7	-0.8	1.4	-0.6	
	2013	-0.6	0.1	-3.8	-0.9	0.3	-2.8	-0.8	1.5	0.4	0.5	-0.4	
	2014	0.7	1.0	-0.5	3.7	1.2	1.2	0.9	2.6	3.0	-0.1	0.9 (±0.8)	
	2015	0.9	1.1	2.0	5.0	0.9	3.1	1.3	2.9	3.4	-0.1	1.2 (±1.2)	
	2016	1.0	1.0	4.2	6.4	1.0	5.1	1.7	2.9	3.6	-0.2	1.5 (±1.6)	
Q-on-Q rates	2013	I	-0.2	0.2	-2.1	0.0	0.9	-1.6	-0.2	-0.7	-0.8	0.0	-0.2
		II	0.2	0.0	-0.3	0.7	-0.4	0.1	0.1	2.2	1.5	0.3	0.4
		III	0.1	0.3	0.7	-0.1	0.5	0.6	0.5	0.2	1.1	-0.4	0.1
		IV	0.1	-0.4	0.1	5.3	0.5	0.9	0.0	1.3	0.7	0.3	0.3
	2014	I	0.2	0.7	0.4	-2.4	1.1	0.3	0.5	0.2	0.7	-0.2	0.2
		II	0.3	0.1	-2.0	1.7	-1.1	-0.8	-0.1	0.5	0.2	0.1	0.0
		III	0.2	0.4	0.2	1.2	0.6	0.6	0.4	0.6	0.8	-0.1	0.3
		IV	0.2	0.4	0.7	1.2	0.4	0.9	0.3	0.8	0.9	0.0	0.3
	2015	I	0.2	0.2	0.9	1.0	0.3	1.0	0.3	0.7	0.8	0.0	0.3
		II	0.2	0.1	0.2	1.7	-0.2	0.7	0.3	0.7	0.9	0.0	0.2
		III	0.4	0.3	1.4	1.1	0.5	1.2	0.5	0.7	1.0	-0.1	0.4
		IV	0.2	0.2	0.9	1.0	0.3	0.9	0.3	0.7	0.9	0.0	0.3
	2016	I	0.2	0.2	1.1	1.7	0.3	1.3	0.4	0.7	0.8	0.0	0.4
		II	0.3	0.3	1.1	2.3	0.1	1.5	0.5	0.7	0.9	-0.1	0.4
		III	0.2	0.2	1.2	1.6	0.3	1.4	0.4	0.7	0.8	0.0	0.4
		IV	0.2	0.2	1.2	1.6	0.2	1.4	0.4	0.7	0.8	0.0	0.4

Data adjusted for seasonality and working days effect

The figures in the shaded area are forecasts

(1) Contribution to GDP growth

(2) In brackets are 80% confidence intervals

\*Year-on-year rates

Source: EUROSTAT &amp; BIAM (UC3M)

Date: September 5, 2014



## GROSS DOMESTIC PRODUCT IN THE EURO AREA: SUPPLY

Table II.1.4

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

Table II.1.5

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

Data adjusted for seasonality and working days effect

The figures in the shaded area are forecasts

(1) Contribution to GDP growth

(2) In brackets are 80% confidence intervals

\* Year-on-year rates

Source: EUROSTAT &amp; BIAM (UC3M)

Date: September 5, 2014



## INDUSTRIAL PRODUCTION INDEX IN THE EURO AREA

Table II.1.6

INDUSTRIAL PRODUCTION INDEX AND SECTORS IN THE EURO AREA										
		Consumer Goods			Capital Goods	Intermediate Goods	Energy	Total excluding energy	TOTAL	
		Durable	Non Durable	Total						
ANNUAL AVERAGE RATES	2011	0.6	0.9	1.0	8.4	4.2	-4.3	4.4	3.4	
	2012	-4.9	-2.2	-2.4	-1.1	-4.5	-0.4	-2.8	-2.5	
	2013	-3.7	-0.1	-0.4	-0.5	-1.0	-0.8	-0.6	-0.6	
	2014	-1.8	2.9	1.9	1.8	1.2	-4.9	1.3	0.7 (±0.8)	
	2015	-4.7	1.6	0.8	1.6	-0.2	0.3	1.0	0.9 (±2.1)	
	2016	-2.6	2.0	1.4	2.2	0.5	-0.8	1.3	1.1 (±2.7)	
	2017	-2.2	1.9	1.4	2.3	0.5	-0.8	1.3	1.1 (±2.7)	
Y-o-Y rates	2013	I	-4.4	-0.5	-0.7	-3.6	-3.6	0.9	-2.7	-2.2
		II	-4.1	0.0	-0.6	-0.2	-2.1	-1.0	-1.0	-1.0
		III	-3.7	-0.5	-0.9	-1.3	-0.7	-2.1	-0.8	-1.0
		IV	-2.5	0.8	0.6	2.8	2.5	-1.4	2.1	1.7
	2014	I	-0.6	2.8	1.8	4.0	3.1	-9.1	2.7	1.3
		II	-1.0	4.2	3.0	1.0	1.4	-5.1	1.6	0.9
		III	-2.4	2.4	1.4	1.5	0.5	-3.3	0.7	0.3
		IV	-3.1	2.2	1.3	0.7	-0.1	-1.6	0.4	0.2
	2015	I	-5.2	1.6	0.5	0.6	-1.0	2.2	-0.1	0.2
		II	-4.6	1.2	0.4	1.9	-0.1	0.2	1.2	1.1
		III	-4.8	1.7	1.2	1.9	0.1	-0.5	1.7	1.5
		IV	-4.4	1.8	1.0	2.1	0.4	-1.0	1.2	0.9
	2016	I	-2.9	2.0	1.4	1.9	0.3	-0.8	1.1	0.9
		II	-2.8	2.1	1.5	2.4	0.6	-0.8	1.4	1.2
		III	-2.4	2.0	1.4	2.2	0.5	-0.8	1.3	1.1
		IV	-2.2	1.9	1.4	2.2	0.5	-0.8	1.4	1.1

\* In brackets are 80% confidence intervals

Source: EUROSTAT &amp; BIAM (UC3M)

Date: December 12, 2014



## INDUSTRIAL PRODUCTION INDEX IN THE EURO AREA

Table II.1.7

INDUSTRIAL PRODUCTION INDEX IN THE EURO AREA							
Y-o-Y rates							
	2010	2011	2012	2013	2014	2015	2016
January	2.3	6.0	-1.9	-2.4	1.8	-0.4	1.2
February	4.4	8.0	-2.2	-2.8	1.8	-0.4	1.4
March	7.5	6.3	-2.0	-1.5	0.3	0.6	1.1
April	9.0	5.5	-2.7	-0.8	1.9	0.4	1.8
May	8.8	4.3	-2.5	-2.0	0.8	1.4	1.5
June	8.5	2.3	-1.9	-0.3	0.2	1.3	1.5
July	7.9	4.1	-2.8	-1.8	1.6	0.9	1.5
August	8.9	5.5	-1.4	-1.6	-1.9	2.4	1.5
September	6.0	1.8	-2.6	0.3	0.6	1.1	1.5
October	7.3	0.3	-3.3	0.6	1.0	1.2	1.5
November	8.2	-0.3	-4.1	2.9	-0.5	1.3	1.5
December	9.1	-1.4	-2.4	1.5	-0.7	1.3	1.5

Data adjusted for seasonality and working days effect

The figures in the shaded area are forecasts

\*Year-on-year rates

Source: EUROSTAT & BIAM (UC3M)

Date: December 12, 2014

Table II.1.8

IPI ERRORS IN THE EURO AREA					
year-on-year rates, October 2014					
	Weights (Base 2010) (1)	Observed (2)	Forecast (3)	Δ Revision EUROSTAT (4) sep-14	Error (5)
Durable goods	3	0.2	-3.7	-0.7	3.9
Non-durables goods	20	3.8	2.4	-0.3	1.3
TOTAL CONSUMPTION	24	2.9	1.1	-0.2	1.8
Equipment	28	1.4	2.0	-0.5	-0.6
Intermediate	36	-0.4	0.1	-0.6	-0.5
Energy	12	-2.5	-0.6	-0.4	-1.9
TOTAL	100	1.0	1.2	-0.5	-0.1

(4) Industrial Production series is revised monthly by EUROSTAT.

(5) Error column is calculated as the difference between the columns (2) and (3).

Source: EUROSTAT & BIAM (UC3M)

Date: December 12, 2014

Table II.1.9

CHANGE IN THE FORECASTS FOR IP IN THE EURO AREA				
Average annual rate, 2014				
	Forecasts with observed data till:			
	sep-14	oct-14	Change	
Durable consumption	-1.8	-1.2	0.6	↑
Non-durable consumption	2.9	3.1	0.2	↑
Total consumption	1.9	2.1	0.3	↑
Equipment	1.8	1.6	-0.2	↓
Intermediate	1.2	1.1	-0.2	↓
Energy	-4.9	-5.4	-0.5	↓
<b>TOTAL</b>	<b>0.7</b>	<b>0.6</b>	<b>-0.1</b>	↓

Source: EUROSTAT & BIAM (UC3M)

Date: December 12, 2014



## II.2. INFLATION

Year-on-year euro area inflation, measured by the variation in the HICP, was 0.3% in November, 0.1 pp less than our forecast (Table II.2.2). The index's monthly variation was -0.2% (Table II.2.5).

The main innovation was downwards in energy. Services registered an upwards innovation that compensated manufactured goods and processed food.

This compensation between these three groups has positioned the core forecast perfectly in line with the observed figure of 0.7%.

Therefore, the core inflation forecast hardly changes. The average rate expected for 2014, 0.9% ( $\pm 0.01$ ), remains unaltered and the forecast for next year falls to 0.7% ( $\pm 0.37$ ). For 2016 and 2017, the forecast remains at 0.9% ( $\pm 0.58$ ) for both years (Table II.2.1). In this component, there has been a slight upwards revision in services, 0.1 pp in 2015 to 1.2%, and the same figure is expected in 2016.

This month's most important revision is in the energy CPI, especially affecting the forecast for 2015. The November figures lead us to expect an

average annual decline of 3.8%, while a month ago the forecast was an average increase of 1.6% (Table II.2.4).

In view of the above, there has been a reduction in forecast total inflation. For 2014 it has fallen by 0.1 pp to 0.4% ( $\pm 0.01$ ), and for 2015 by 0.6 pp to 0.3% ( $\pm 0.7$ ). The average inflation forecast for 2016 is currently 1.1% ( $\pm 0.97$ ).

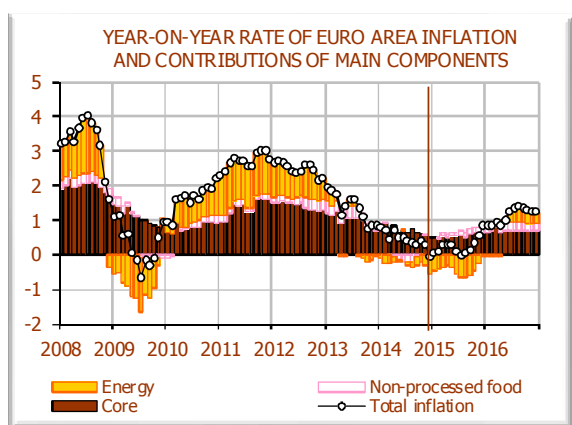
In December we are expecting annual inflation to fall to -0.1% ( $\pm 0.13$ ).

As shown on Graph II.2.4, the probability of euro area inflation being less than 1.5% next year is close to 90%, and close to 70% if we consider the possibility of it being less than 1%.

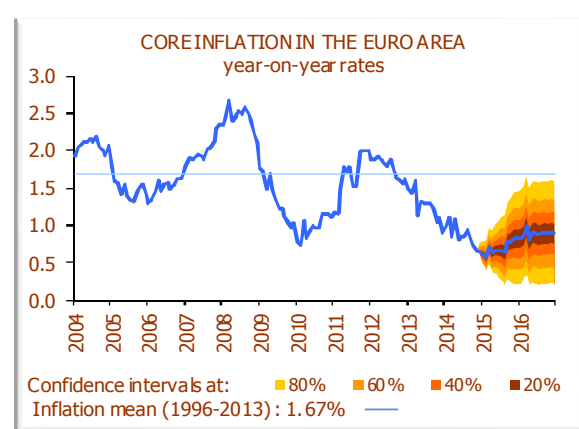
The probability of average inflation next year being less than 1.5% is currently 1.2%.

This means that there are practically no options for euro area prices next year to meet the ECB target. However service prices were revised upwards this month. Should this trend continue, it could show some acceleration in domestic demand in the area.

Graph II.2.1



Graph II.2.3



Graph II.2.2

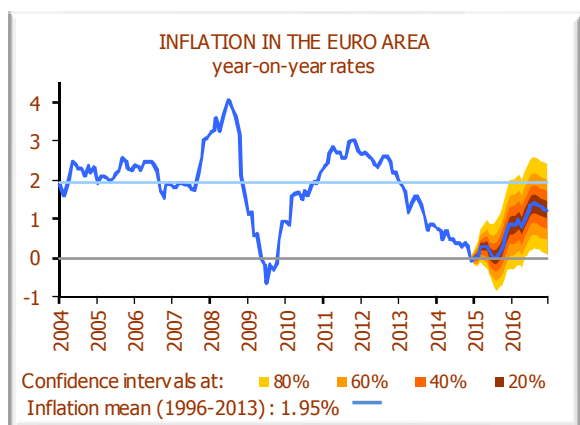


Table II.2.1

INFLATION IN THE EURO AREA*						
HICP	Annual rates		Annual average rates			
	2014		2014	2015	2016	2017
	November	December				
Core 81.71%	0.8	0.6 ( $\pm 0.13$ )	0.9 ( $\pm 0.01$ )	0.7 ( $\pm 0.37$ )	0.9 ( $\pm 0.58$ )	0.9 ( $\pm 0.7$ )
Total 100%	0.3	-0.1 ( $\pm 0.12$ )	0.4 ( $\pm 0.01$ )	0.3 ( $\pm 0.7$ )	1.1 ( $\pm 0.97$ )	1.2 ( $\pm 0.97$ )

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

Date: December 17, 2014

Source: EUROSTAT & BIAM(UC3M)

Date: December 17, 2014





## FORECASTS ERRORS BY SECTORS IN THE EURO AREA

Table II.2.2

INFLATION IN THE EURO AREA Annual rates, November, 2014				
Harmonized Index of Consumer Prices HICP	Weights 2014	Observed	Forecasts	Confidence Intervals*
Processed Food	122.72	0.62	0.79	± 0.38
Tobacco	23.94	2.67	2.82	
Processed food excluding tobacco	98.78	0.12	0.30	
Non-energy Industrial goods	266.60	-0.07	-0.01	± 0.21
Services	427.76	1.15	1.05	± 0.14
<b>CORE</b>	<b>817.08</b>	<b>0.66</b>	<b>0.66</b>	± 0.13
Non-processed food	74.85	0.23	0.29	± 0.72
Energy	108.07	-2.55	-1.85	± 0.86
<b>RESIDUAL</b>	<b>182.92</b>	<b>-1.42</b>	<b>-0.98</b>	± 0.57
<b>TOTAL</b>	<b>1000</b>	<b>0.28</b>	<b>0.35</b>	± 0.12

\* Confidence intervals at 80% calculated with historical errors

Table II.2.3

INFLATION IN THE EURO AREA Monthly rates, November, 2014				
Harmonized Index of Consumer Prices HICP	Weights 2014	Observed	Forecasts	Confidence Intervals*
Processed Food	122.72	-0.07	0.10	± 0.38
Tobacco	23.94	0.22	0.37	
Processed food excluding tobacco	98.78	-0.14	0.03	
Non-energy Industrial goods	266.60	0.06	0.12	± 0.21
Services	427.76	-0.15	-0.25	± 0.14
<b>CORE</b>	<b>817.08</b>	<b>-0.08</b>	<b>-0.08</b>	± 0.13
Non-processed food	74.85	0.34	0.40	± 0.72
Energy	108.07	-1.38	-0.66	± 0.86
<b>RESIDUAL</b>	<b>182.92</b>	<b>-0.67</b>	<b>-0.22</b>	± 0.57
<b>TOTAL</b>	<b>1000</b>	<b>-0.18</b>	<b>-0.11</b>	± 0.12

\* Confidence intervals at 80% calculated with historical errors

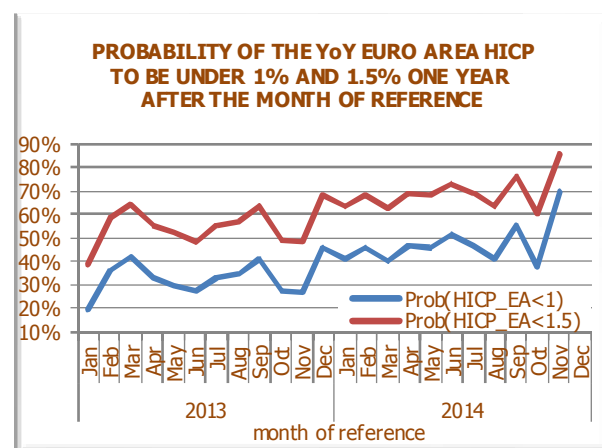
Table II.2.4

PROBABILITY OF THE YEAR-ON-YEAR EURO AREA HICP FORECAST TO BE UNDER 1% OR UNDER 1.5%		
	Prob (HICP_EA<1)	Prob (HICP_EA<1.5)
2014	January	
	February	
	March	
	April	
	May	
	June	
	July	
	August	
	September	
	October	
	November	
	<b>December</b>	<b>99.99%</b>
2015	<b>January</b>	<b>99.63%</b>
	<b>February</b>	<b>98.05%</b>
	<b>March</b>	<b>90.86%</b>
	<b>April</b>	<b>88.00%</b>
	<b>May</b>	<b>84.83%</b>
	<b>June</b>	<b>88.91%</b>
	<b>July</b>	<b>89.44%</b>
	<b>August</b>	<b>87.58%</b>
	<b>September</b>	<b>83.03%</b>
	<b>October</b>	<b>76.88%</b>
	<b>November</b>	<b>68.64%</b>
	<b>December</b>	<b>56.93%</b>

Source: EUROSTAT &amp; BIAM (UC3M)

Date: December 17, 2014

Graph II.2.4



Source: EUROSTAT &amp; BIAM (UC3M)

Date: December 17, 2014



Table II.2.5

HARMONIZED INDEX OF CONSUMER PRICES AND COMPONENTS IN THE EURO AREA													
Annual rates of growth													
		HICP											
		Core				TOTAL80 % Confidence Intervals*			Residual		TOTAL80 % Confidence Intervals*		
		Processed food excluding tobacco	Tobacco	Non energy industrial goods	Services				Non processed food	Energy			TOTAL
Weights 2014		9.9%	2.4%	26.7%	42.8%	81.7%		7.5%	10.8%	18.3%			
ANNUAL AVERAGE RATE	2007	2.3	4.5	1.0	2.5	2.0		3.0	2.6	2.8	2.1		
	2008	6.8	3.2	0.8	2.6	2.4		3.5	10.3	7.3	3.3		
	2009	0.2	4.7	0.6	2.0	1.3		0.2	-8.1	-4.5	0.3		
	2010	-0.2	5.5	0.5	1.4	1.0		1.3	7.4	4.7	1.6		
	2011	2.8	5.1	0.8	1.8	1.7		1.8	11.9	7.6	2.7		
	2012	2.6	5.2	1.2	1.8	1.8		3.0	7.6	5.8	2.5		
	2013	1.7	4.4	0.6	1.4	1.3		3.5	0.6	1.8	1.4		
	2014	0.8	3.1	0.1	1.2	0.9	± 0.01	-0.8	-1.8	-1.4	0.4	± 0.01	
	2015	-0.3	3.6	0.0	1.2	0.7	± 0.37	1.5	-3.9	-1.7	0.3	± 0.70	
	2016	1.0	4.6	0.0	1.2	0.9	± 0.58	1.7	2.4	2.1	1.1	± 0.97	
2017	0.8	4.7	0.1	1.2	0.9	± 0.58	2.7	2.2	2.4	1.2	± 0.97		
ANNUAL RATES (year-on-year rates)	2014	January	1.5	3.9	0.2	1.2	1.0		1.3	-1.2	-0.2	0.8	
		February	1.3	4.1	0.4	1.3	1.1		0.9	-2.3	-1.0	0.7	
		March	1.2	3.7	0.2	1.1	0.9		-0.1	-2.1	-1.3	0.5	
		April	1.1	3.7	0.1	1.6	1.1		-0.7	-1.2	-1.0	0.7	
		May	1.0	3.6	0.0	1.1	0.8		-2.1	0.0	-0.9	0.5	
		June	0.8	3.7	-0.1	1.3	0.8		-2.8	0.1	-1.1	0.5	
		July	0.8	2.3	0.0	1.3	0.8		-2.6	-1.0	-1.6	0.4	
		August	0.7	2.1	0.3	1.3	0.9		-2.4	-2.0	-2.2	0.4	
		September	0.6	2.3	0.2	1.1	0.8		-0.9	-2.3	-1.7	0.3	
		October	0.4	2.5	-0.1	1.2	0.7		0.0	-2.0	-1.2	0.4	
		November	0.1	2.7	-0.1	1.2	0.7		0.2	-2.6	-1.4	0.3	
		December	-0.1	2.9	-0.2	1.2	0.6	± 0.13	-0.3	-5.1	-3.2	-0.1	± 0.12
	2015	January	-0.4	2.9	-0.2	1.2	0.6	± 0.18	-0.3	-4.1	-2.5	0.0	± 0.24
		February	-0.3	2.9	-0.3	1.2	0.6	± 0.23	0.5	-4.0	-2.1	0.1	± 0.35
		March	-0.4	2.9	0.1	1.2	0.7	± 0.26	1.0	-3.3	-1.5	0.3	± 0.46
		April	-0.4	3.1	0.0	1.1	0.6	± 0.30	1.0	-2.8	-1.2	0.3	± 0.57
		May	-0.4	3.3	0.0	1.2	0.7	± 0.34	1.5	-3.3	-1.3	0.3	± 0.67
		June	-0.4	3.6	0.0	1.2	0.7	± 0.38	1.7	-5.1	-2.3	0.1	± 0.76
		July	-0.4	3.9	0.0	1.2	0.7	± 0.44	1.8	-6.1	-2.9	0.0	± 0.85
		August	-0.4	4.1	-0.2	1.2	0.6	± 0.50	2.0	-5.7	-2.6	0.0	± 0.93
		September	-0.3	4.0	0.2	1.2	0.8	± 0.53	1.9	-5.6	-2.5	0.2	± 1.00
		October	-0.2	4.1	0.2	1.2	0.8	± 0.57	2.2	-4.4	-1.7	0.3	± 1.07
		November	0.0	4.3	0.2	1.2	0.8	± 0.62	2.3	-2.6	-0.6	0.6	± 1.12
		December	0.2	4.3	0.1	1.2	0.8	± 0.63	2.4	0.0	0.9	0.8	± 1.17
	2016	January	0.3	4.6	0.1	1.2	0.8	± 0.63	2.5	-0.1	0.9	0.8	± 1.18
		February	0.4	4.6	0.1	1.2	0.9	± 0.66	2.2	-0.1	0.9	0.9	± 1.19
		March	0.5	4.6	0.2	1.4	1.0	± 0.67	2.4	-0.1	0.9	1.0	± 1.19
		April	0.6	4.6	0.2	1.0	0.8	± 0.68	2.7	-0.4	0.9	0.8	± 1.19
		May	0.7	4.7	0.2	1.2	0.9	± 0.69	3.1	0.4	1.5	1.0	± 1.19
		June	0.8	4.7	0.1	1.2	0.9	± 0.69	3.4	2.3	2.7	1.2	± 1.19
		July	0.8	4.7	0.0	1.2	0.9	± 0.69	3.3	3.7	3.5	1.4	± 1.19
		August	0.9	4.7	0.1	1.2	0.9	± 0.69	3.1	4.1	3.7	1.4	± 1.19
		September	0.9	4.7	0.1	1.2	0.9	± 0.69	2.9	3.9	3.5	1.4	± 1.19
		October	0.9	4.7	0.1	1.2	0.9	± 0.69	2.4	3.7	3.2	1.3	± 1.19
		November	1.0	4.8	0.1	1.2	0.9	± 0.69	2.3	3.3	2.9	1.3	± 1.19
		December	1.0	4.8	0.0	1.2	0.9	± 0.69	2.5	3.0	2.8	1.2	± 1.19

\* Confidence intervals calculated with historical errors

The figures in the shaded area are forecasts

Source: EUROSTAT &amp; BIAM (UC3M)

Date: December 17, 2014



Table II.2.6

HARMONIZED INDEX OF CONSUMER PRICES AND COMPONENTS IN THE EURO AREA											
Monthly rates of growth											
			Harmonized Index of Consumer Prices								
			Core				TOTAL	Residual		TOTAL	TOTAL
			Processed food excluding tobacco	Tobacco	Non energy industrial goods	Services		Non processed food	Energy		
Weights 2014			9.9%	2.4%	26.7%	42.8%	81.7%	7.5%	10.8%	18.3%	
MONTHLY RATES (Growth of the month over the previous month)	January	2013	0.2	0.6	-3.8	-0.5	-1.5	0.8	1.3	1.1	-1.0
		2014	0.3	0.5	-3.9	-0.4	-1.4	0.6	0.0	0.2	-1.1
		2015	0.0	0.5	-3.9	-0.4	-1.4	0.6	1.1	0.9	-1.0
		2016	0.2	0.8	-3.9	-0.4	-1.4	0.7	1.0	0.9	-1.0
	February	2013	0.2	0.2	0.2	0.4	0.3	-0.1	1.2	0.7	0.4
		2014	0.0	0.3	0.4	0.5	0.4	-0.5	0.1	-0.1	0.3
		2015	0.0	0.3	0.3	0.5	0.4	0.3	0.2	0.3	0.3
		2016	0.2	0.3	0.4	0.5	0.4	0.1	0.3	0.2	0.4
	March	2013	0.1	0.6	3.8	0.4	1.5	0.6	-0.6	-0.2	1.2
		2014	0.0	0.3	3.5	0.2	1.2	-0.5	-0.3	-0.4	0.9
		2015	-0.1	0.3	3.9	0.3	1.4	0.1	0.3	0.2	1.2
		2016	0.1	0.3	4.0	0.4	1.5	0.3	0.3	0.3	1.3
	April	2013	0.1	0.2	0.5	-0.4	0.0	0.5	-1.0	-0.4	-0.1
		2014	-0.1	0.1	0.4	0.1	0.2	-0.1	-0.1	-0.1	0.2
		2015	0.0	0.3	0.3	0.0	0.1	-0.1	0.4	0.2	0.2
		2016	0.0	0.4	0.3	-0.3	0.0	0.2	0.2	0.2	0.0
	May	2013	0.2	0.1	0.0	0.3	0.2	1.1	-1.2	-0.3	0.1
		2014	0.1	0.1	-0.1	-0.2	-0.1	-0.3	-0.1	-0.1	-0.1
		2015	0.0	0.3	-0.1	-0.1	-0.1	0.1	-0.6	-0.3	-0.1
		2016	0.1	0.3	-0.1	0.1	0.0	0.6	0.2	0.4	0.1
	June	2013	0.1	0.1	-0.3	0.3	0.1	0.7	0.1	0.4	0.1
		2014	-0.1	0.1	-0.4	0.5	0.1	0.0	0.2	0.1	0.1
		2015	0.0	0.4	-0.4	0.4	0.1	0.2	-1.7	-0.9	-0.1
		2016	0.0	0.4	-0.5	0.4	0.1	0.4	0.2	0.3	0.1
	July	2013	0.1	1.4	-3.7	1.0	-0.7	-1.0	0.8	0.1	-0.5
		2014	0.1	0.1	-3.7	0.9	-0.7	-0.8	-0.2	-0.5	-0.7
		2015	0.1	0.5	-3.7	0.9	-0.7	-0.7	-1.3	-1.0	-0.7
		2016	0.1	0.5	-3.7	0.9	-0.7	-0.8	0.1	-0.3	-0.6
	August	2013	0.0	0.4	0.0	0.3	0.2	-0.9	0.5	-0.1	0.1
		2014	0.0	0.2	0.4	0.3	0.3	-0.7	-0.6	-0.6	0.1
		2015	0.0	0.3	0.2	0.3	0.2	-0.5	-0.2	-0.3	0.1
		2016	0.1	0.2	0.3	0.3	0.3	-0.7	0.1	-0.2	0.2
	September	2013	0.0	0.1	3.4	-0.9	0.6	-1.1	0.5	-0.1	0.5
		2014	-0.1	0.3	3.3	-1.1	0.5	0.5	0.1	0.3	0.4
		2015	0.0	0.2	3.6	-1.0	0.6	0.4	0.3	0.3	0.6
		2016	0.0	0.2	3.7	-1.0	0.6	0.2	0.2	0.2	0.5
	October	2013	0.2	0.1	0.6	-0.3	0.1	-0.5	-1.2	-0.9	-0.1
		2014	0.0	0.3	0.3	-0.2	0.0	0.3	-0.9	-0.4	-0.1
		2015	0.1	0.5	0.3	-0.2	0.0	0.6	0.4	0.5	0.1
		2016	0.1	0.5	0.3	-0.2	0.0	0.1	0.1	0.1	0.0
	November	2013	0.1	0.0	0.1	-0.1	0.0	0.1	-0.8	-0.4	-0.1
		2014	-0.1	0.2	0.1	-0.2	-0.1	0.3	-1.4	-0.7	-0.2
		2015	0.1	0.4	0.1	-0.2	0.0	0.4	0.4	0.4	0.0
		2016	0.1	0.4	0.1	-0.2	0.0	0.3	0.1	0.2	0.0
	December	2013	0.0	0.1	-0.3	0.6	0.2	1.3	0.6	0.9	0.3
		2014	-0.2	0.3	-0.3	0.6	0.2	0.8	-2.1	-0.9	0.0
		2015	0.0	0.3	-0.4	0.6	0.2	0.9	0.5	0.7	0.3
		2016	0.0	0.4	-0.5	0.6	0.2	1.1	0.1	0.5	0.3

\*The figures in the shaded area are forecasts

Source: EUROSTAT &amp; BIAM (UC3M)

Date: December 17, 2014



Table II.2.7

HARMONIZED INDICES OF CONSUMER PRICES BY COUNTRIES IN THE EURO AREA, UNITED KINGDOM, SWEDEN AND DENMARK																								
		Euro Area																		United Kingdom Sweden Denmark				
		Euro Area	Germany	France	Italy	Spain	Netherlands	Belgium	Austria	Greece	Portugal	Finland	Ireland	Slovakia	Slovenia	Luxembourg	Cyprus	Latvia	Estonia				Malta	
Weights 2014 %			27.7	20.6	17.7	12.0	5.0	3.6	3.3	2.6	2.1	1.9	1.4	0.7	0.4	0.3	0.2	0.2	0.2	0.1				
ANNUAL AVERAGE RATE	2007	2.1	2.3	1.6	2.0	2.8	1.6	1.8	2.2	3.0	2.4	1.6	2.9	1.9	3.8	2.7	2.2	10.1	6.7	0.7	2.3	1.7	1.7	
	2008	3.3	2.8	3.2	3.5	4.1	2.2	4.5	3.2	4.2	2.7	3.9	3.1	3.9	5.5	4.1	4.4	15.3	10.6	4.7	3.6	3.3	3.6	
	2009	0.3	0.2	0.1	0.8	-0.2	1.0	0.0	0.4	1.3	-0.9	1.6	-1.7	0.9	0.9	0.0	0.2	3.3	0.2	1.8	2.2	1.9	1.1	
	2010	1.6	1.2	1.7	1.6	2.0	0.9	2.3	1.7	4.7	1.4	1.7	-1.6	0.7	2.1	2.8	2.6	-1.2	2.7	2.0	3.3	1.9	2.2	
	2011	2.7	2.5	2.3	2.9	3.1	2.5	3.5	3.6	3.1	3.6	3.3	1.2	4.1	2.1	3.7	3.5	4.2	5.1	2.5	4.5	1.4	2.7	
	2012	2.5	2.1	2.2	3.3	2.4	2.8	2.5	2.6	1.0	2.8	3.2	1.9	3.7	2.8	2.9	3.1	2.3	4.2	3.2	2.8	0.8	2.4	
	2013	1.4	1.6	1.0	1.3	1.5	2.6	1.2	2.1	-0.9	0.4	2.2	0.5	1.5	1.9	1.7	0.4	0.0	3.2	1.0	2.8	0.6	0.6	
	2014	0.4	0.9	0.7	0.3	-0.1	0.3	0.6	1.5	-1.3	-0.1	1.2	0.3	-0.1	0.4	0.8	-0.2	0.7	0.5	0.8	1.4	0.2	0.3	
	2015	0.3	0.8	0.5	0.3	0.9	0.7	0.4	1.5	-1.9	0.5	1.7	0.3	0.5	0.9	0.1	-0.3	0.3	0.9	0.9	1.8	0.3	0.7	
	2016	1.1	1.2	0.8	0.5	1.7	1.0	0.8	1.5	-1.7	0.5	2.0	0.8	1.2	1.4	0.3	-0.3	0.2	4.2	1.1	2.2	0.3	1.0	
2017	1.1	1.3	1.0	0.7	0.2	1.0	0.8	1.5	-1.7	0.5	2.0	1.2	1.7	1.4	0.2	-0.2	0.1	4.2	1.1	2.2	0.3	1.0		
Y-o-Y rates	2014	January	0.8	1.2	0.8	0.6	0.3	0.8	1.1	1.5	-1.4	0.1	1.9	0.3	0.0	0.9	1.5	-1.6	0.5	1.6	0.9	1.7	-0.4	0.2
		February	0.7	1.0	1.1	0.4	0.1	0.4	1.0	1.5	-0.9	-0.1	1.6	0.1	-0.1	0.2	0.8	-1.3	0.5	1.1	1.6	1.7	0.3	0.5
		March	0.5	0.9	0.7	0.3	-0.2	0.1	0.9	1.4	-1.5	-0.4	1.3	0.3	-0.2	0.6	0.8	-0.9	0.3	0.7	1.4	1.5	0.1	0.3
		April	0.7	1.1	0.8	0.6	0.3	0.6	0.9	1.6	-1.6	-0.1	1.3	0.4	-0.2	0.5	0.9	-0.4	0.8	0.8	0.5	1.9	0.5	0.4
		May	0.5	0.6	0.8	0.5	0.2	0.1	0.8	1.5	-2.1	-0.3	1.0	0.4	0.0	1.0	1.4	-0.1	0.8	0.6	0.4	1.6	0.4	0.5
		June	0.5	0.8	0.6	0.3	0.0	0.3	0.7	1.7	-1.5	-0.2	1.1	0.5	-0.1	1.0	1.2	0.0	0.8	0.4	0.7	1.5	0.2	0.3
		July	0.4	0.7	0.6	0.1	-0.4	0.3	0.6	1.7	-0.8	-0.7	1.0	0.5	-0.2	0.3	1.2	0.9	0.6	0.0	0.6	1.3	0.0	0.3
		August	0.4	0.8	0.5	-0.1	-0.5	0.4	0.4	1.5	-0.2	-0.1	1.2	0.6	-0.2	0.0	0.7	0.8	0.8	-0.2	0.8	1.3	0.3	0.3
		September	0.3	0.7	0.4	0.0	-0.3	0.2	0.2	1.4	-1.1	0.0	1.5	0.5	-0.1	-0.1	0.3	0.0	1.2	0.2	0.6	0.9	0.3	0.2
		October	0.4	0.8	0.6	0.1	-0.2	0.4	0.3	1.4	-1.8	0.1	1.2	0.4	0.0	0.1	0.4	0.3	0.7	0.5	0.7	0.8	0.2	0.3
		November	0.3	0.8	0.6	0.4	-0.5	0.3	0.1	1.5	-1.2	0.1	1.1	0.2	0.0	0.1	0.2	0.0	0.9	0.0	0.6	1.4	0.3	0.2
		December	-0.1	0.9	0.6	0.3	0.1	0.1	-0.1	1.3	-1.6	-0.1	0.8	0.2	0.1	0.2	0.1	0.3	0.9	-0.2	0.5	1.4	0.3	0.1
	2015	January	0.0	0.9	0.6	0.3	-0.1	0.4	0.2	1.5	-1.8	0.4	1.1	0.5	0.0	0.3	0.1	0.6	0.5	-0.2	0.6	1.1	0.6	0.1
		February	0.1	0.9	0.4	0.3	-0.1	0.6	0.1	1.5	-2.0	0.6	1.3	0.4	0.2	0.6	0.2	0.4	0.5	-0.2	0.3	1.2	0.3	0.3
		March	0.3	1.0	0.6	0.4	-0.1	0.7	0.1	1.5	-1.8	0.6	1.5	0.1	0.2	0.7	0.2	0.0	0.4	-0.3	0.5	1.5	0.3	0.6
		April	0.3	1.0	0.7	0.4	-0.1	0.5	0.3	1.5	-1.8	0.5	1.6	0.2	0.3	0.9	-0.1	-0.1	0.2	-0.2	1.0	1.6	0.2	0.7
		May	0.3	1.1	0.7	0.4	-0.1	0.8	0.3	1.5	-1.6	0.4	1.8	0.2	0.3	0.7	-0.4	-0.3	0.1	-0.1	1.1	1.9	0.2	0.8
		June	0.1	0.7	0.6	0.3	-0.1	0.7	0.3	1.4	-1.8	0.5	1.9	0.1	0.3	0.6	-0.3	-0.4	-0.1	-0.1	0.8	1.7	0.3	0.9
		July	0.0	0.6	0.4	0.3	-0.1	0.6	0.3	1.4	-2.0	0.6	1.8	0.2	0.5	0.9	-0.3	-0.8	0.1	0.5	0.9	1.7	0.4	0.7
		August	0.0	0.6	0.3	0.3	-0.1	0.6	0.4	1.5	-2.2	0.4	1.8	0.2	0.6	1.1	0.0	-0.7	0.5	1.0	0.9	1.9	0.3	0.7
		September	0.2	0.6	0.5	0.3	2.8	0.8	0.6	1.5	-1.9	0.4	1.7	0.3	0.6	1.2	0.1	-0.4	0.2	1.5	1.1	2.2	0.3	1.0
		October	0.3	0.7	0.5	0.2	2.8	0.9	0.6	1.5	-1.7	0.4	1.9	0.5	0.7	1.3	0.2	-0.6	0.4	1.9	1.1	2.2	0.3	1.0
		November	0.6	0.7	0.5	0.2	2.5	1.0	0.7	1.5	-1.9	0.5	2.0	0.6	0.8	1.3	0.4	-0.4	0.5	3.2	1.1	2.2	0.3	1.0
		December	0.8	0.8	0.5	0.2	2.9	1.0	0.7	1.6	-1.8	0.5	2.0	0.7	0.9	1.4	0.5	-0.6	0.5	3.8	1.1	2.2	0.3	1.0
	2016	January	0.8	0.9	0.5	0.2	3.3	1.0	0.7	1.5	-1.7	0.5	2.0	0.8	0.9	1.4	0.5	-0.8	0.3	4.0	1.1	2.2	0.2	1.0
		February	0.9	0.9	0.5	0.2	3.3	1.0	0.7	1.5	-1.7	0.5	2.0	0.7	1.0	1.4	0.3	-0.7	0.3	4.1	1.1	2.2	0.3	1.0
		March	1.0	0.9	0.6	0.3	2.5	1.0	0.8	1.5	-1.7	0.5	2.0	0.7	1.0	1.4	0.3	-0.4	0.2	4.2	1.1	2.2	0.3	1.0
		April	0.8	0.9	0.6	0.3	4.1	1.0	0.8	1.5	-1.7	0.5	2.0	0.7	1.1	1.4	0.3	-0.4	0.1	4.2	1.1	2.2	0.3	1.0
		May	1.0	1.0	0.7	0.3	-0.3	1.0	0.8	1.5	-1.8	0.5	2.0	0.8	1.1	1.4	0.4	-0.3	0.1	4.2	1.1	2.2	0.3	1.0
		June	1.2	1.2	0.9	0.4	2.1	1.0	0.8	1.5	-1.7	0.5	2.0	0.8	1.1	1.4	0.4	-0.3	0.0	4.2	1.1	2.2	0.3	1.0
		July	1.4	1.4	1.0	0.5	3.2	1.0	0.8	1.5	-1.6	0.5	2.0	0.8	1.2	1.4	0.4	-0.1	0.1	4.2	1.1	2.2	0.2	1.0
		August	1.4	1.4	1.1	0.6	1.1	1.0	0.8	1.5	-1.6	0.5	2.0	0.8	1.3	1.4	0.3	-0.1	0.3	4.2	1.1	2.2	0.3	1.0
		September	1.4	1.4	1.1	0.6	-0.2	1.0	0.8	1.5	-1.7	0.5	2.0	0.9	1.3	1.4	0.3	-0.3	0.2	4.2	1.1	2.2	0.3	1.0
		October	1.3	1.4	1.1	0.7	-0.2	1.0	0.8	1.5	-1.7	0.5	2.0	1.0	1.3	1.4	0.3	-0.2	0.2	4.2	1.1	2.2	0.3	1.0
		November	1.3	1.4	1.1	0.7	0.6	1.0	0.8	1.5	-1.6	0.5	2.0	1.1	1.4	1.4	0.2	-0.2	0.3	4.2	1.1	2.2	0.3	1.0
		December	1.2	1.4	1.1	0.7	0.9	1.0	0.8	1.5	-1.7	0.5	2.0	1.1	1.5	1.4	0.2	-0.1	0.3	4.2	1.1	2.2	0.3	1.0

\* The figures in the shaded area are forecasts

Source: EUROSTAT &amp; BIAM (UC3M)

Date: December 17, 2014



Table II.2.8

HARMONIZED INDICES OF CONSUMER PRICES BY COUNTRIES IN THE EURO AREA, UNITED KINGDOM, SWEDEN AND DENMARK																									
Monthly rates of growth																									
			Euro Area																		United Kingdom			Sweden	Denmark
			Euro Area	Germany	France	Italy	Spain	Netherlands	Belgium	Austria	Greece	Portugal	Finland	Ireland	Slovakia	Slovenia	Luxembourg	Cyprus	Latvia	Estonia					
Weights 2014 %			27.7	20.6	17.7	12.0	5.0	3.6	3.3	2.6	2.1	1.9	1.4	0.7	0.4	0.3	0.2	0.2	0.2	0.1					
MONTHLY RATES (Growth of the month over the previous month)	January	2013	-1.0	-0.7	-0.6	-2.0	-1.8	0.0	-1.8	-0.6	-1.4	-1.3	0.0	-0.6	0.7	-0.6	-0.9	-0.8	-0.2	0.6	-1.4	0.3	0.5	0.3	
		2014	-1.1	-0.7	-0.6	-2.1	-1.8	-0.6	-1.9	-1.1	-0.9	-1.4	-0.1	-0.6	0.3	-0.6	-0.9	-1.1	0.7	0.2	-1.5	0.2	0.0	0.2	
		2015	-1.0	-0.7	-0.6	-2.0	-2.1	-0.3	-1.7	-0.9	-1.1	-0.9	0.2	-0.4	0.2	-0.5	-0.9	-0.8	0.2	0.1	-1.4	0.0	0.2	0.2	
		2016	-1.0	-0.7	-0.6	-2.0	-1.6	-0.3	-1.7	-1.0	-1.1	-0.9	0.2	-0.2	0.2	-0.5	-1.0	-1.1	0.1	0.3	-1.4	0.0	0.2	0.2	
	February	2013	0.4	0.8	0.3	-0.2	0.1	1.0	2.4	0.3	-1.6	-0.1	0.6	0.8	0.0	0.7	1.9	0.2	-0.1	0.7	0.0	0.2	-0.2	-0.3	
		2014	0.3	0.5	0.6	-0.3	-0.1	0.6	2.2	0.3	-1.1	-0.3	0.3	0.6	-0.1	0.0	1.2	0.5	0.0	0.2	0.7	0.3	0.4	0.1	
		2015	0.3	0.5	0.4	-0.4	-0.1	0.8	2.2	0.3	-1.2	-0.1	0.5	0.5	0.0	0.3	1.3	0.3	0.0	0.2	0.4	0.4	0.1	0.3	
		2016	0.4	0.5	0.5	-0.4	-0.2	0.8	2.2	0.3	-1.2	-0.1	0.5	0.4	0.1	0.3	1.2	0.5	0.0	0.3	0.4	0.4	0.2	0.3	
	March	2013	1.2	0.4	0.8	2.3	1.9	1.3	0.0	1.0	2.5	1.7	0.5	0.4	0.0	0.3	0.1	0.9	0.5	0.8	1.1	0.2	0.2	0.2	
		2014	0.9	0.3	0.5	2.2	1.6	1.1	0.0	0.9	1.8	1.4	0.3	0.5	0.0	0.7	0.0	1.3	0.3	0.4	1.0	-0.1	0.1	0.0	
		2015	1.2	0.4	0.7	2.3	1.6	1.2	0.0	1.0	2.0	1.4	0.5	0.3	0.1	0.8	0.1	1.0	0.2	0.3	1.1	0.1	0.1	0.3	
		2016	1.3	0.4	0.7	2.3	0.9	1.2	0.0	0.9	2.0	1.4	0.5	0.3	0.1	0.8	0.1	1.2	0.1	0.3	1.1	0.1	0.1	0.3	
	April	2013	-0.1	-0.5	-0.1	0.3	0.1	0.1	-0.2	0.0	0.5	0.1	0.2	-0.1	0.0	0.6	0.1	0.2	0.0	0.1	2.9	-0.2	-0.1	-0.2	
		2014	0.2	-0.3	0.0	0.6	0.6	0.6	-0.2	0.1	0.4	0.3	0.1	0.0	0.0	0.5	0.2	0.7	0.5	0.2	1.9	0.2	0.2	-0.1	
		2015	0.2	-0.3	0.1	0.6	0.6	0.4	-0.1	0.1	0.4	0.3	0.2	0.0	0.1	0.7	-0.1	0.5	0.2	0.3	2.4	0.3	0.1	0.0	
		2016	0.0	-0.3	0.1	0.6	2.1	0.4	-0.1	0.1	0.4	0.3	0.2	0.1	0.1	0.7	-0.1	0.6	0.1	0.3	2.4	0.3	0.1	0.0	
	May	2013	0.1	0.3	0.1	0.0	0.1	0.0	-0.1	0.1	0.0	0.2	0.0	0.0	0.1	0.3	-0.5	0.8	0.3	0.4	1.1	-0.1	-0.1	-0.3	
		2014	-0.1	-0.2	0.0	-0.1	0.0	-0.5	-0.1	0.1	-0.6	0.1	-0.3	0.0	0.3	0.7	0.1	1.1	0.2	0.2	1.0	-0.4	-0.3	-0.2	
		2015	-0.1	-0.1	0.1	-0.1	0.0	-0.2	-0.1	0.1	-0.4	0.0	-0.1	0.0	0.2	0.6	-0.2	0.9	0.2	0.3	1.1	-0.1	-0.2	-0.1	
		2016	0.1	0.0	0.2	0.0	-4.2	-0.2	-0.1	0.1	-0.5	0.0	-0.1	0.1	0.2	0.6	-0.2	1.0	0.1	0.3	1.1	-0.1	-0.2	-0.1	
	June	2013	0.1	0.1	0.2	0.3	0.1	-0.5	0.3	-0.2	-0.2	0.1	-0.1	0.1	0.2	0.0	0.4	0.6	0.4	0.6	0.8	0.5	0.1	0.1	
		2014	0.1	0.4	0.0	0.0	-0.1	-0.4	0.1	0.0	0.5	0.1	0.0	0.2	0.1	0.1	0.2	0.7	0.4	0.3	1.2	0.4	0.0	-0.2	
		2015	-0.1	0.0	-0.1	-0.1	0.0	-0.4	0.2	-0.1	0.3	0.1	0.1	0.2	0.2	-0.1	0.2	0.7	0.2	0.3	0.9	0.2	0.0	-0.1	
		2016	0.1	0.2	0.1	0.0	2.4	-0.4	0.2	0.0	0.4	0.1	0.1	0.2	0.2	-0.1	0.2	0.7	0.1	0.3	0.9	0.2	0.0	-0.1	
	July	2013	-0.5	0.4	-0.3	-1.8	-1.1	0.4	-1.3	-0.6	-1.6	-0.2	0.0	-0.1	-0.1	-0.3	-1.0	-1.1	-0.1	0.2	0.1	0.3	0.4	0.3	
		2014	-0.7	0.3	-0.4	-2.0	-1.5	0.3	-1.3	-0.7	-1.0	-0.6	-0.1	-0.1	-0.2	-1.0	-1.0	-0.3	-0.2	-0.2	0.0	0.1	0.2	0.3	
		2015	-0.7	0.2	-0.6	-2.0	-1.6	0.3	-1.3	-0.7	-1.2	-0.5	-0.3	0.0	0.0	-0.7	-1.0	-0.7	-0.1	0.3	0.0	0.1	0.3	0.2	
		2016	-0.6	0.3	-0.4	-1.9	-0.6	0.3	-1.3	-0.7	-1.2	-0.5	-0.3	0.1	0.1	-0.7	-1.0	-0.5	0.0	0.3	0.0	0.1	0.3	0.2	
	August	2013	0.1	0.0	0.5	0.0	0.2	-0.2	1.6	0.2	-1.7	-0.7	-0.1	0.1	-0.2	0.2	1.4	0.3	-1.0	-0.1	-0.1	0.1	-0.2	0.1	
		2014	0.1	0.1	0.5	-0.2	0.1	-0.1	1.4	0.0	-1.1	-0.1	0.2	0.3	-0.2	-0.1	0.9	0.1	-0.8	-0.2	0.2	0.1	0.1	0.1	
		2015	0.1	0.1	0.4	-0.2	0.1	-0.1	1.6	0.1	-1.3	-0.3	0.2	0.2	-0.1	0.2	1.2	0.2	-0.4	0.3	0.2	0.3	-0.1	0.1	
		2016	0.2	0.1	0.5	-0.1	-1.9	-0.1	1.6	0.1	-1.2	-0.3	0.2	0.2	0.0	0.2	1.1	0.2	-0.2	0.3	0.2	0.3	0.0	0.1	
	September	2013	0.5	0.0	-0.2	1.8	0.8	0.1	-0.2	1.0	2.5	0.5	0.4	-0.1	0.0	0.4	0.4	0.1	0.0	-0.5	-0.8	0.1	-0.1	-0.2	
		2014	0.4	-0.1	-0.4	1.9	1.0	0.0	-0.4	0.9	1.6	0.5	0.6	-0.3	0.1	0.3	0.0	-0.6	0.4	-0.1	-1.0	-0.3	-0.1	-0.3	
		2015	0.6	-0.1	-0.3	1.9	4.0	0.1	-0.2	0.9	1.8	0.5	0.5	-0.1	0.1	0.4	0.1	-0.3	0.1	0.3	-0.8	0.1	-0.1	0.0	
		2016	0.5	-0.1	-0.3	1.9	2.7	0.1	-0.2	0.9	1.8	0.5	0.5	0.0	0.1	0.4	0.1	-0.4	0.0	0.3	-0.8	0.1	-0.1	0.0	
	October	2013	-0.1	-0.3	-0.1	0.1	0.0	-0.3	-0.1	0.0	-0.2	-0.1	0.1	-0.2	0.0	0.0	-0.4	-0.6	0.2	-0.3	-0.7	0.4	0.3	-0.2	
		2014	-0.1	-0.2	0.1	0.2	0.1	-0.1	0.0	0.0	-0.9	0.0	-0.2	-0.3	0.1	0.1	-0.3	-0.3	-0.2	-0.1	-0.6	0.3	0.2	-0.1	
		2015	0.1	0.0	0.1	0.2	0.1	0.0	0.0	0.0	-0.7	0.1	0.1	-0.1	0.1	0.2	-0.2	-0.5	-0.1	0.3	-0.6	0.3	0.3	-0.1	
		2016	0.0	0.0	0.1	0.2	0.0	0.0	0.0	0.0	-0.7	0.1	0.1	0.0	0.2	0.2	-0.2	-0.4	0.0	0.3	-0.6	0.3	0.2	-0.1	
	November	2013	-0.1	0.2	0.0	-0.3	0.0	-0.6	0.1	0.0	-1.3	-0.3	0.0	-0.1	-0.2	-0.1	-1.3	-0.4	-0.5	-2.2	-0.6	-1.2	-0.2	-0.2	
		2014	-0.2	0.2	0.0	-0.1	-0.2	-0.7	-0.2	0.1	-0.7	-0.4	-0.1	-0.3	-0.2	-0.1	-0.4	-1.6	-0.2	-0.9	-2.2	-0.1	-1.1	-0.3	
		2015	0.0	0.2	0.0	-0.1	-0.5	-0.6	0.0	0.1	-0.9	-0.3	-0.1	-0.1	0.0	0.0	-0.2	-1.4	-0.1	0.3	-2.2	-0.1	-1.1	-0.3	
		2016	0.0	0.2	0.0	-0.1	0.3	-0.6	0.0	0.1	-0.8	-0.3	-0.1	0.0	0.1	0.0	-0.2	-1.5	-0.1	0.3	-2.2	-0.1	-1.1	-0.3	
	December	2013	0.3	0.5	0.4	0.3	0.0	0.1	0.4	0.8	0.8	0.3	0.4	0.1	-0.2	-0.5	0.1	-0.6	0.0	0.0	0.2	0.6	0.5	0.5	
		2014	0.0	0.7	0.3	0.2	0.6	-0.1	0.3	0.5	0.4	0.2	0.1	0.1	-0.1	-0.4	0.1	-0.3	0.0	-0.2	0.0	0.6	0.5	0.4	
		2015	0.3	0.8	0.4	0.2	0.9	-0.1	0.3	0.6	0.5	0.2	0.1	0.1	0.0	-0.4	0.2	-0.4	-0.1	0.3	0.0	0.6	0.5	0.4	
		2016	0.3	0.7	0.4	0.3	1.2	-0.1	0.3	0.6	0.5	0.2	0.1	0.1	0.1	-0.4	0.1	-0.3	0.0	0.3	0.0	0.6	0.5	0.4	

\*The figures in the shaded area are forecasts

Source: EUROSTAT &amp; BIAM (UC3M)

Date: December 17, 2014



## II.3. MONETARY POLICY

In November 2014, the year-on-year rate of the euro area HICP was 0.3%, 0.1 pp less than the previous month. The impact of falling oil prices reduces the average annual inflation forecasts to 0.4% ( $\pm 0.01$ ) in 2014 and, with a 0.6 pp reduction, to 0.3% ( $\pm 0.7$ ) in 2015, see Table II.3.1.

Considering the information available in the historic error of the models, the probability of being near the ECB inflation target, less than but close to 2%, is 0.0% in 2014 and just 1.2% for next year.

In its 17 December meeting, the ECB took no steps regarding the official rates, maintaining those applicable to major financing operations at 0.05%, and marginal credit and deposit facilities at 0.1% and -0.2%, respectively (see Graph II.3.1). No steps were taken either in respect of unconventional measures. CBPP3 programme purchases totalled 7,000 million euros up to the second week in December, taking its total volume to 24,800 million. Regarding the ABSPP programme, the operations performed in December total 400 million euros, taking the total to 800 million.

Examining the private sector credit figures in October, they continued to fall, although the rate of decline fell by 0.1 pp to 1.1%. For non-financial firms, the rate of decline fell by 0.2 pp to 1.8%. Household credits fell again, with the rate of decline reduced by 0.1 pp to 0.5%.

The variation in monetary mass in October was also published. The MS aggregate maintained the year-on-year rate of growth registered in the previous month, 2.5%.

Table II.3.1

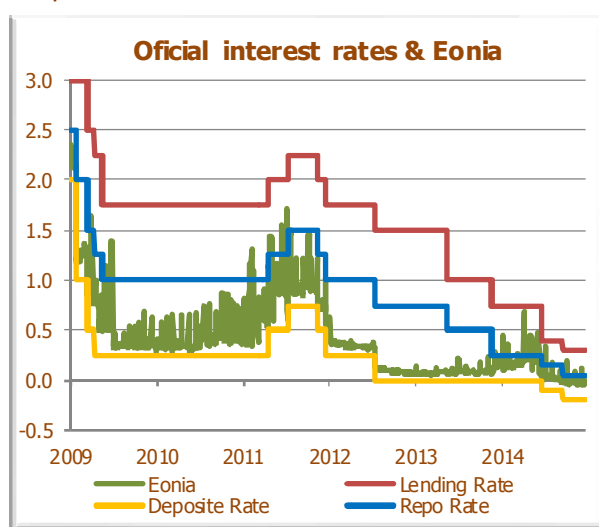
INFLATION IN THE EURO AREA*						
HICP	Annual rates		Annual average rates			
	2014		2014	2015	2016	2017
	November	December				
Core 81.71%	0.8	0.6 ( $\pm 0.13$ )	0.9 ( $\pm 0.01$ )	0.7 ( $\pm 0.37$ )	0.9 ( $\pm 0.58$ )	0.9 ( $\pm 0.7$ )
Total 100%	0.3	-0.1 ( $\pm 0.12$ )	0.4 ( $\pm 0.01$ )	0.3 ( $\pm 0.7$ )	1.1 ( $\pm 0.97$ )	1.2 ( $\pm 0.97$ )

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

Source: EUROSTAT & BIAM (UC3M)

Date: December 17, 2014

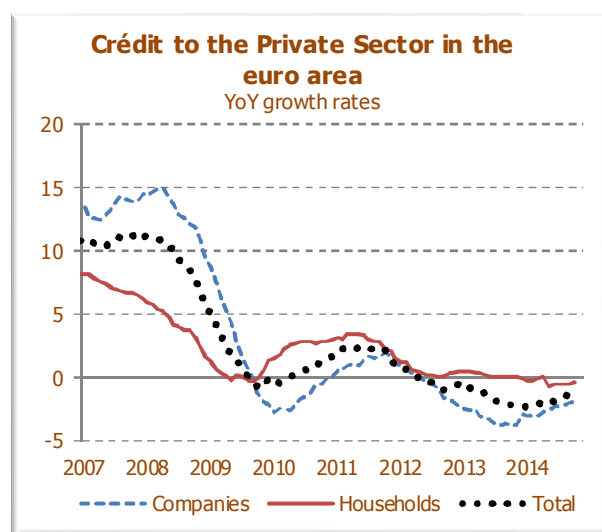
Graph II.3.1



Source: ECB & BIAM (UC3M)

Date: December 19, 2014

Graph II.3.2



Source: ECB & BIAM (UC3M)

Date: December 19, 2014



### III. UNITED STATES

#### III.1. INDUSTRIAL PRODUCTION INDEX

In November, the US IPI grew by 4.4%, 1.1 points less than expected. The forecasting error is equal to the revision applied to the October figure.

Average annual growth in 2014 falls by 0.2 pp to 4.1%; for 2015, average growth expectations have been revised upwards to 6.2%.

Table III.1.1

INDUSTRIAL PRODUCTION INDEX AND SECTORS IN U.S.							
Y-on-Y rates							
		Consumer Goods		Capital Goods	Intermediate Goods	TOTAL	
		Durable	Non Durable				
ANNUAL AVERAGE RATES	2011	5.0	0.6	2.4	4.7	3.3	
	2012	8.1	0.1	4.7	4.5	3.8	
	2013	7.6	1.0	3.0	3.2	2.9	
	2014	5.8	2.2	3.7	5.1	4.0	
	2015	5.5	2.8	4.5	6.3	4.4	
	2016	5.3	2.6	3.9	5.5	3.9	
	2017	5.6	2.6	4.3	6.0	4.4	
Y-o-Y rates	2013	I	6.1	1.9	3.3	3.0	2.9
		II	7.6	0.6	2.7	3.0	2.5
		III	8.1	-0.5	2.8	3.3	2.6
		IV	8.7	2.1	3.2	3.6	3.5
	2014	I	5.7	3.1	3.2	3.8	3.6
		II	5.6	1.7	3.5	5.1	4.0
		III	6.9	1.4	3.6	5.1	4.0
		IV	5.0	2.4	4.3	6.4	4.3
	2015	I	6.1	2.5	4.7	6.8	4.7
		II	5.6	3.0	4.6	6.3	4.6
		III	4.9	3.0	4.5	6.2	4.2
		IV	5.4	2.7	4.1	5.7	4.1
	2016	I	4.9	2.6	3.9	5.3	3.8
		II	5.2	2.5	3.8	5.4	3.8
		III	5.6	2.5	4.0	5.6	4.0
		IV	5.5	2.6	4.1	5.7	4.1

Table III.1.2

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

Source: Federal Reserve & BIAM (UC3M)

Date: December 15, 2014





## III.2. INFLATION

The November CPI registered a monthly decline of 0.54%, practically as expected (-0.55%), with the annual rate falling to 1.32%. Regarding core inflation, it fell by 0.07% instead of growing as expected by 0.05%, with the annual rate falling from 1.81% to 1.70%.

Four items are highlighted in core inflation, three downwards and one upwards. The increase was greater than expected in real rental prices, with downwards movements in telephone services and industrial goods overall.

Indeed, non-energy industrial goods fell by a monthly 0.75% instead of the forecast 0.37%, so the annual rate fell from -0.18% to -0.51%.

Owner's estimated rent of primary residence was as expected.

Outside core inflation, fuel and food prices were higher than forecast.

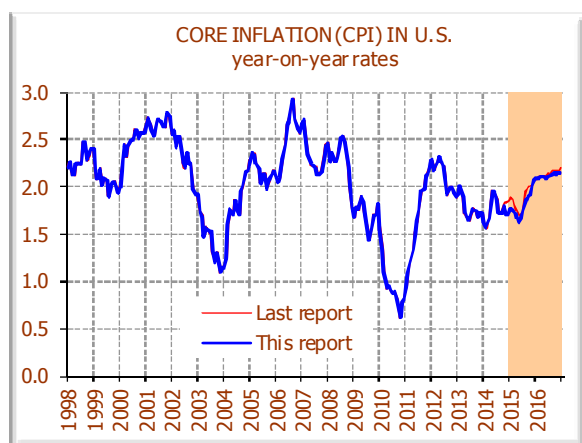
As for the leading indicators, some significant changes have occurred since last month; firstly, the heavy drop in international oil prices, specifically West Texas. Secondly, the prices of agricultural raw materials rose instead of falling as expected. And finally, the unemployment rate fell slightly less than forecast.

In all, we can conclude that the core CPI forecast remains largely unaltered unlike the general CPI, which we expect to be temporarily negative in 2015.

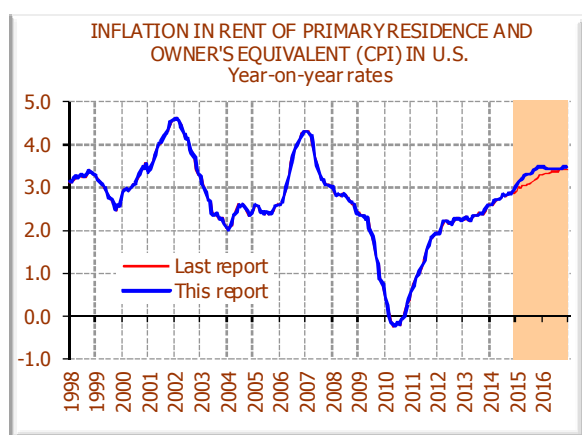
In terms of the core personal consumption expenditure index –core PCE<sup>1</sup>–, the annual rate forecast for November is 1.54%.

The core PCE forecast remains within the central interval established by the Fed in its last meeting<sup>2</sup>, although practically on the upper limit for the entire period considered, up to 2017.

Graph III.2.1



Graph III.2.2



Source: BLS & BIAM (UC3M)  
This report: December 17, 2014  
Last report: November 26, 2014

Table III.2.1

DIFFERENT MEASURES OF INFLATION IN THE U.S.						
Annual rates of growth						
		Total	Core			
		CPI	CPI	PCE	MB-PCE	
Annual Average Rates	2013	1.5	1.8	1.3	1.2	
	2014	1.6	1.8	1.4	1.3	
	2015	0.1	1.8	1.8	1.6	
	2016	2.1	2.1	1.9	1.9	
	2017	2.2	2.2	1.9	1.9	
YEAR-ON-YEAR RATES	2014	May	2.1	2.0	1.5	1.4
		June	2.1	1.9	1.5	1.3
		July	2.0	1.9	1.5	1.3
		August	1.7	1.7	1.5	1.3
		September	1.7	1.7	1.5	1.3
		October	1.7	1.8	1.6	1.4
		November	1.3	1.7	1.5	1.3
		December	0.7	1.7	1.6	1.4
	2015	January	0.1	1.8	1.6	1.5
		February	-0.1	1.8	1.7	1.5
		March	-0.3	1.7	1.8	1.6
		April	-0.3	1.7	1.7	1.6
		May	-0.4	1.6	1.7	1.6
		June	-0.4	1.7	1.7	1.5
		July	-0.3	1.7	1.7	1.5

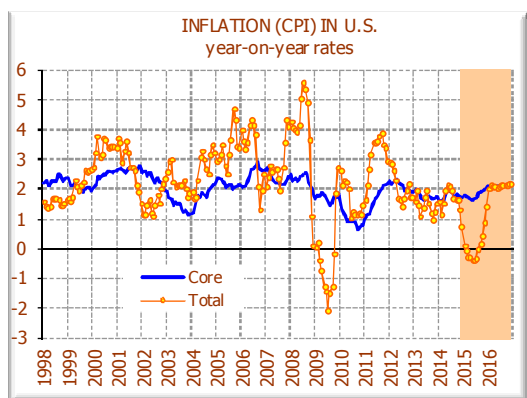
Source: BLS & BIAM (UC3M)  
Date: December 17, 2014

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

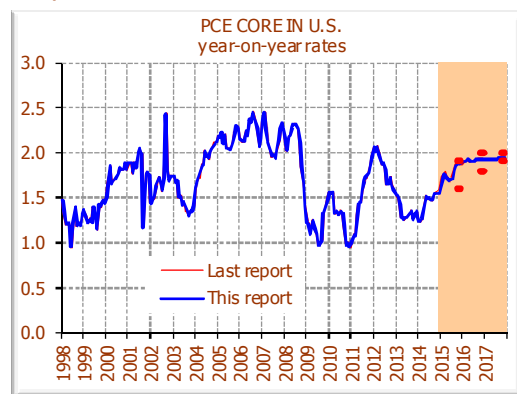
<sup>2</sup> <http://www.federalreserve.gov/monetarypolicy/files/fomcprojtbl20140917.pdf>



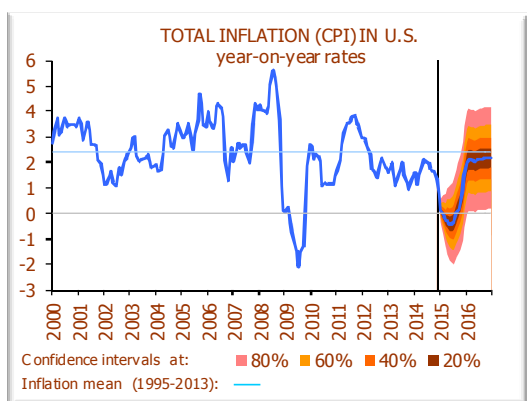
Graph III.2.3



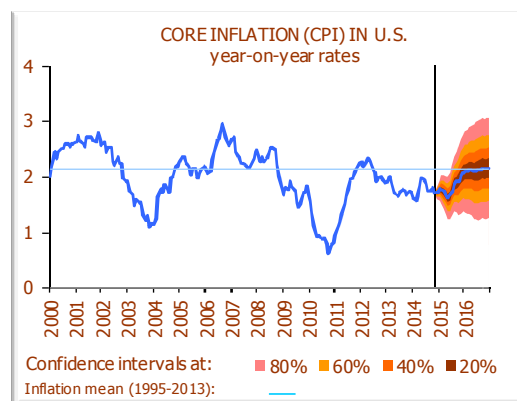
Graph III.2.4



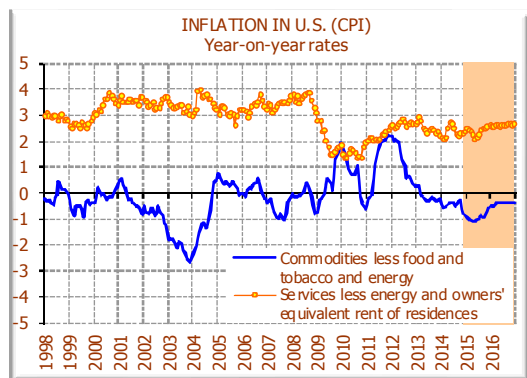
Graph III.2.5



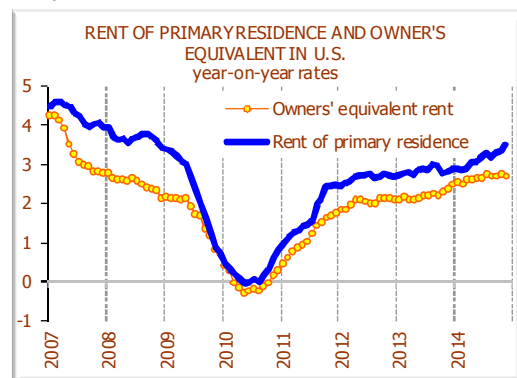
Graph III.2.6



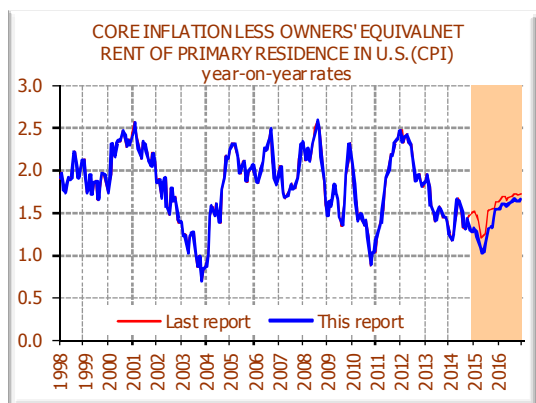
Graph III.2.7



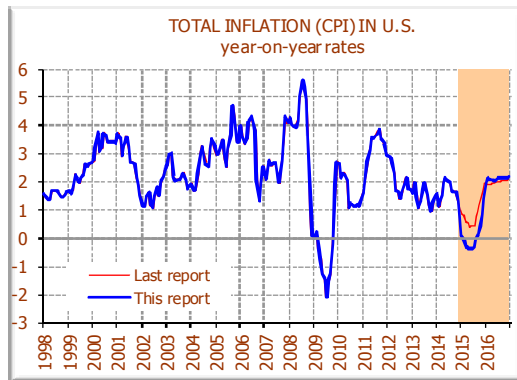
Graph III.2.8



Graph III.2.9



Graph III.2.10



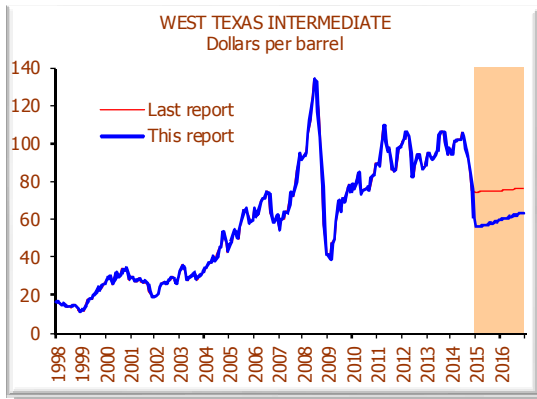
Source: BLS &amp; BIAM (UC3M)

This report: December 17, 2014

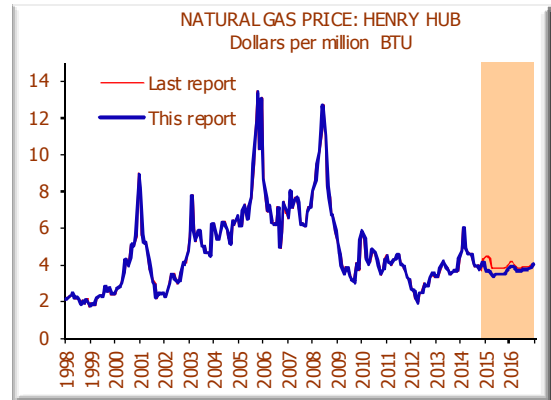
Last report: November 26, 2014



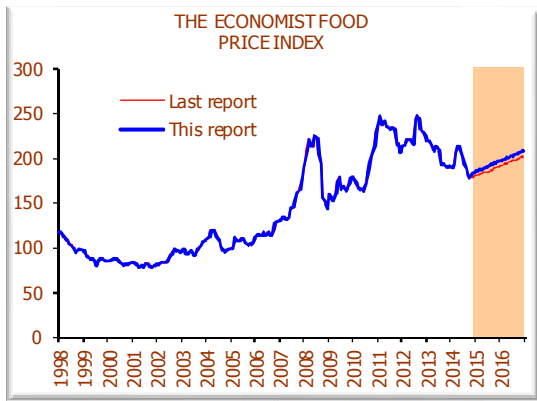
Graph III.2.11



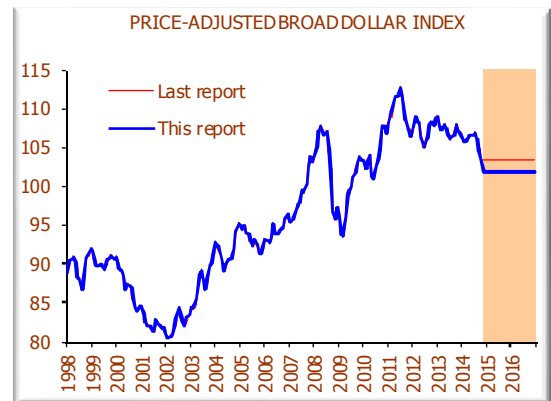
Graph III.2.12



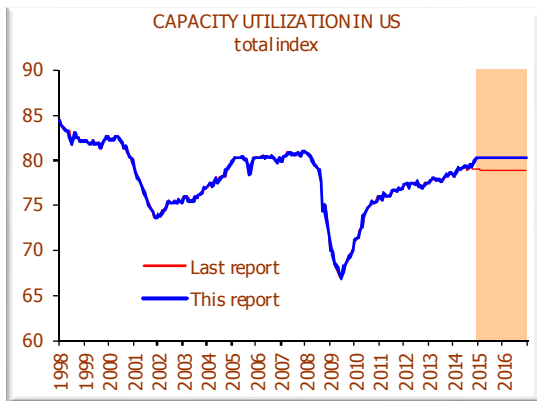
Graph III.2.13



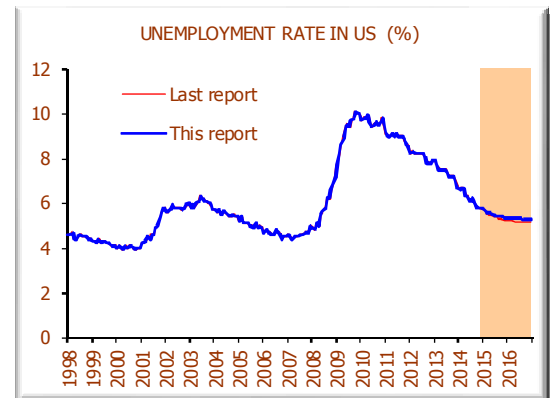
Graph III.2.14



Graph III.2.15



Graph III.2.16



Source: BLS & BIAM (UC3M)  
This report: December 17, 2014  
Last report: November 26, 2014



Table III.2.2

INFLATION BY COMPONENTS IN THE CONSUMER PRICE INDEX OF USA												Changes from the previous report		
Annual average rates														
				Importancia relativa Diciembre 2013	2010	2011	2012	2013	2014	2015	2016	2014	2015	2016
CPI Total	Residual Inflation	Food	Food at home	8.638	0.3	4.8	2.5	0.9	2.4	2.8	2.7	0.0	0.4	0.2
			Food away from home	5.704	1.3	2.3	2.8	2.1	2.4	2.9	2.9	0.0	0.3	0.3
				13.891	0.8	3.7	2.6	1.4	2.4	2.9	2.8	0.0	0.3	0.2
		Energy	Fuel oil	0.275	14.7	22.5	-0.4	-1.2	2.3	-23.5	-5.0	-0.1	-9.2	-2.9
			Utility gas service	0.834	-2.1	-2.8	-9.6	4.7	7.0	-8.1	2.3	0.0	-4.2	2.0
			Electricity	2.872	0.2	1.9	-0.1	2.1	3.5	-2.3	-3.5	0.1	-0.5	-1.5
			Motor fuel	5.065	18.4	26.5	3.3	-2.8	-3.8	-29.0	4.1	-0.2	-13.6	3.4
				9.046	9.5	15.4	0.9	-0.7	-0.4	-18.3	0.7	-0.1	-8.4	1.1
				22.937	4.0	8.3	1.9	0.5	1.2	-5.6	2.1	0.0	-3.1	-0.2
	Core Inflation	Non energy industrial goods	Used cars and trucks	1.673	12.7	4.1	0.9	-0.3	-0.5	-4.4	-1.0	0.0	-1.1	-0.6
			Other durables	7.528	-1.0	0.3	0.0	-0.9	-1.6	-1.6	-1.1	-0.1	-0.4	-0.2
			Nondurables less tobacco	9.806	0.0	1.4	2.1	0.4	0.4	0.1	0.2	-0.1	-0.3	-0.2
			Tobacco	0.703	10.5	3.4	2.2	2.7	3.0	2.8	2.8	0.1	0.3	0.2
				19.710	1.1	1.3	1.3	0.0	-0.3	-0.8	-0.3	-0.1	-0.4	-0.2
		Services	Owner's equivalent rent of residences	22.505	0.0	1.2	2.0	2.2	2.7	3.1	3.3	0.0	0.2	0.1
			Rent of primary residence	6.977	0.2	1.7	2.7	2.8	3.2	3.8	3.9	0.0	0.3	0.1
			Medical care services	5.847	3.5	3.1	3.9	3.1	2.4	2.7	3.0	0.0	0.5	0.5
			Transportation services	5.571	3.5	3.1	1.8	2.6	1.9	1.5	1.8	0.0	-0.6	-0.3
			Communication	2.534	0.0	-1.1	0.5	-0.1	-0.4	-1.6	-0.3	-0.1	-0.6	-0.4
			Education	3.049	4.4	4.2	4.0	3.7	3.3	3.4	3.4	0.0	0.0	-0.4
			Other services	10.870	-0.1	1.8	2.8	2.3	2.5	2.5	2.5	0.0	-0.2	-0.4
				57.353	0.9	1.8	2.4	2.4	2.5	2.7	2.9	0.0	0.0	0.0
				77.063	1.0	1.7	2.1	1.8	1.8	1.8	2.1	0.0	-0.1	0.0
			100.000	1.6	3.2	2.1	1.5	1.6	0.1	2.1	0.0	-0.8	0.1	

Source: BLS &amp; BIAM (UC3M)

Date: December 17, 2014

Table III.2.3

INFLATION BY COMPONENTS IN THE CONSUMER PRICE INDEX OF USA Annual average rates												Changes from the previous report		
				Importancia relativa Diciembre 2013	2010	2011	2012	2013	2014	2015	2016	2014	2015	2016
CPI Total	Residual Inflation	Food	Food at home	8.638	0.3	4.8	2.5	0.9	2.4	2.8	2.7	0.0	0.4	0.2
			Food away from home	5.704	1.3	2.3	2.8	2.1	2.4	2.9	2.9	0.0	0.3	0.3
				13.891	0.8	3.7	2.6	1.4	2.4	2.9	2.8	0.0	0.3	0.2
		Energy	Fuel oil	0.275	14.7	22.5	-0.4	-1.2	2.3	-23.5	-5.0	-0.1	-9.2	-2.9
			Utility gas service	0.834	-2.1	-2.8	-9.6	4.7	7.0	-8.1	2.3	0.0	-4.2	2.0
			Electricity	2.872	0.2	1.9	-0.1	2.1	3.5	-2.3	-3.5	0.1	-0.5	-1.5
			Motor fuel	5.065	18.4	26.5	3.3	-2.8	-3.8	-29.0	4.1	-0.2	-13.6	3.4
				9.046	9.5	15.4	0.9	-0.7	-0.4	-18.3	0.7	-0.1	-8.4	1.1
				22.937	4.0	8.3	1.9	0.5	1.2	-5.6	2.1	0.0	-3.1	-0.2
	Core Inflation	Non energy industrial goods	Used cars and trucks	1.673	12.7	4.1	0.9	-0.3	-0.5	-4.4	-1.0	0.0	-1.1	-0.6
			Other durables	7.528	-1.0	0.3	0.0	-0.9	-1.6	-1.6	-1.1	-0.1	-0.4	-0.2
			Nondurables less tobacco	9.806	0.0	1.4	2.1	0.4	0.4	0.1	0.2	-0.1	-0.3	-0.2
			Tobacco	0.703	10.5	3.4	2.2	2.7	3.0	2.8	2.8	0.1	0.3	0.2
				19.710	1.1	1.3	1.3	0.0	-0.3	-0.8	-0.3	-0.1	-0.4	-0.2
		Services	Owner's equivalent rent of residences	22.505	0.0	1.2	2.0	2.2	2.7	3.1	3.3	0.0	0.2	0.1
			Rent of primary residence	6.977	0.2	1.7	2.7	2.8	3.2	3.8	3.9	0.0	0.3	0.1
			Medical care services	5.847	3.5	3.1	3.9	3.1	2.4	2.7	3.0	0.0	0.5	0.5
			Transportation services	5.571	3.5	3.1	1.8	2.6	1.9	1.5	1.8	0.0	-0.6	-0.3
			Communication	2.534	0.0	-1.1	0.5	-0.1	-0.4	-1.6	-0.3	-0.1	-0.6	-0.4
			Education	3.049	4.4	4.2	4.0	3.7	3.3	3.4	3.4	0.0	0.0	-0.4
			Other services	10.870	-0.1	1.8	2.8	2.3	2.5	2.5	2.5	0.0	-0.2	-0.4
				57.353	0.9	1.8	2.4	2.4	2.5	2.7	2.9	0.0	0.0	0.0
				77.063	1.0	1.7	2.1	1.8	1.8	1.8	2.1	0.0	-0.1	0.0
			100.000	1.6	3.2	2.1	1.5	1.6	0.1	2.1	0.0	-0.8	0.1	

Source: BLS &amp; BIAM (UC3M)

Date: December 17, 2014



Table III.2.4

CONSUMER PRICE INDEX AND COMPONENTS IN USA																		
Annual rates of growth																		
		CPI																
		Core						TOTAL			Residual		TOTAL		TOTAL		Confidence Intervals at 80% level	
		Non-energy commodities less food			Non-energy services						Food	Energy						
		Durables	Non durables	All	Owner's equivalent rent of primary residence	Other services	All	Food	Energy									
IR Dicembre '13		9.2%	10.5%	19.7%	22.5%	34.8%	57.4%	77.1%			13.9%	9.0%	22.9%					
	2013	-0.8	0.6	0.0	2.2	2.5	2.4	1.8			1.4	-0.7	0.5	1.5				
	2014	-1.4	0.5	-0.3	2.7	2.4	2.5	1.76	± 0.11	2.4	-0.4	1.2	1.62	± 0.37				
	2015	-2.1	0.3	-0.8	3.1	2.4	2.7	1.81	± 0.60	2.9	-18.3	-5.6	0.10	± 1.56				
	2016	-1.1	0.4	-0.3	3.3	2.6	2.9	2.11	± 0.87	2.8	0.7	2.1	2.11	± 1.61				
ANNUAL RATES (growth of the month over the same month of the previous year)	2014	January	-1.0	0.2	-0.3	2.5	2.1	2.3	1.6		1.1	2.1	1.5	1.6				
		February	-1.1	0.2	-0.4	2.5	2.1	2.2	1.6		1.4	-2.5	-0.2	1.1				
		March	-1.2	0.4	-0.3	2.6	2.2	2.3	1.7		1.7	0.4	1.1	1.5				
		April	-1.1	0.4	-0.3	2.6	2.5	2.6	1.8		1.9	3.3	2.4	2.0				
		May	-1.3	0.7	-0.2	2.6	2.7	2.7	2.0		2.5	3.3	2.8	2.1				
		June	-1.5	0.9	-0.2	2.6	2.7	2.7	1.9		2.3	3.2	2.6	2.1				
		July	-1.4	0.6	-0.3	2.7	2.5	2.6	1.9		2.5	2.6	2.5	2.0				
		August	-1.4	0.5	-0.4	2.7	2.3	2.5	1.7		2.7	0.4	1.7	1.7				
		September	-1.5	0.8	-0.3	2.7	2.2	2.4	1.7		3.0	-0.6	1.5	1.7				
		October	-1.4	0.9	-0.2	2.7	2.3	2.5	1.8		3.1	-1.6	1.2	1.7				
		November	-1.73	0.58	-0.51	2.71	2.31	2.47	1.70		3.18	-4.84	0.03	1.32				
		December	-2.04	0.45	-0.71	2.77	2.39	2.54	1.71	± 0.11	3.20	-11.18	-2.47	0.75	± 0.12			
	2015	January	-2.2	0.5	-0.8	2.8	2.5	2.6	1.8	± 0.18	3.3	-18.4	-5.3	0.1	± 0.43			
		February	-2.3	0.5	-0.8	2.9	2.5	2.7	1.8	± 0.25	3.2	-20.2	-6.2	-0.1	± 0.77			
		March	-2.4	0.4	-0.9	3.0	2.4	2.6	1.7	± 0.30	3.1	-21.5	-6.9	-0.3	± 1.07			
		April	-2.5	0.4	-1.0	3.0	2.3	2.6	1.7	± 0.34	3.0	-20.8	-6.7	-0.3	± 1.30			
		May	-2.4	0.3	-1.0	3.1	2.1	2.5	1.6	± 0.37	2.8	-20.9	-6.9	-0.4	± 1.49			
		June	-2.2	0.1	-0.9	3.1	2.1	2.5	1.7	± 0.40	2.8	-20.9	-7.0	-0.4	± 1.61			
		July	-2.1	0.2	-0.9	3.2	2.3	2.6	1.7	± 0.44	2.7	-21.0	-7.1	-0.3	± 1.71			
		August	-1.9	0.3	-0.8	3.2	2.5	2.8	1.9	± 0.48	2.7	-19.3	-6.2	0.0	± 1.79			
		September	-1.9	0.2	-0.8	3.3	2.5	2.8	1.9	± 0.54	2.6	-18.0	-5.6	0.1	± 1.87			
		October	-2.0	0.2	-0.8	3.3	2.5	2.8	1.9	± 0.60	2.7	-16.0	-4.6	0.4	± 1.93			
		November	-1.7	0.4	-0.6	3.4	2.5	2.9	2.0	± 0.67	2.7	-12.4	-3.0	0.9	± 1.99			
		December	-1.4	0.4	-0.4	3.4	2.6	2.9	2.1	± 0.71	2.8	-7.1	-0.8	1.4	± 2.06			
	2016	January	-1.3	0.4	-0.4	3.4	2.6	2.9	2.1	± 0.74	2.8	-0.4	1.7	2.0	± 2.10			
		February	-1.3	0.4	-0.4	3.4	2.6	2.9	2.1	± 0.78	2.8	1.1	2.2	2.1	± 2.08			
		March	-1.1	0.4	-0.3	3.3	2.6	2.9	2.1	± 0.81	2.7	0.7	2.0	2.1	± 2.07			
		April	-1.1	0.5	-0.3	3.3	2.6	2.9	2.1	± 0.85	2.9	0.2	2.0	2.1	± 2.07			
		May	-1.1	0.4	-0.3	3.3	2.6	2.9	2.1	± 0.89	2.8	0.3	1.9	2.0	± 2.08			
		June	-1.1	0.4	-0.3	3.3	2.6	2.9	2.1	± 0.92	2.9	0.7	2.1	2.1	± 2.09			
		July	-1.1	0.4	-0.3	3.3	2.6	2.9	2.1	± 0.96	2.8	1.0	2.2	2.1	± 2.12			
		August	-1.0	0.4	-0.3	3.3	2.7	2.9	2.1	± 0.98	2.8	1.0	2.2	2.1	± 2.12			
		September	-1.1	0.4	-0.3	3.3	2.7	2.9	2.1	± 1.00	2.8	1.0	2.2	2.1	± 2.12			
		October	-1.1	0.4	-0.3	3.3	2.7	2.9	2.1	± 1.02	2.8	1.0	2.2	2.2	± 2.10			
		November	-1.0	0.4	-0.3	3.3	2.7	2.9	2.1	± 1.03	2.8	1.1	2.3	2.2	± 2.11			
		December	-1.0	0.4	-0.3	3.3	2.7	2.9	2.2	± 1.04	2.8	1.1	2.3	2.2	± 2.12			

Source: BLS &amp; BIAM (UC3M)

Date: December 17, 2014



Table III.2.5

CONSUMER PRICE INDEX AND COMPONENTS IN USA													
Monthly rates of growth													
			CPI									TOTAL 100%	
			Core						Residual				
			Non-energy commodities less food			Non-energy services			TOTAL	Food	Energy		TOTAL
			Durables	Non durables	All	Owner's equivalent rent	Other services	All					
IR Diciembre '13			9.2%	10.5%	19.7%	22.5%	34.8%	57.4%	77.1%	13.9%	9.0%	22.9%	
MONTHLY RATES (Growth of the month over the previous month)	January	2013	0.2	0.0	0.1	0.2	0.4	0.3	0.3	0.4	0.5	0.4	0.3
		2014	0.0	-0.3	-0.2	0.2	0.3	0.3	0.2	0.4	2.1	1.1	0.4
		2015	-0.2	-0.3	-0.3	0.3	0.4	0.3	0.2	0.5	-6.2	-1.9	-0.3
		2016	-0.1	-0.3	-0.2	0.3	0.4	0.3	0.2	0.6	0.6	0.6	0.3
	February	2013	0.3	0.5	0.4	0.2	0.4	0.3	0.4	0.0	5.8	2.3	0.8
		2014	0.1	0.5	0.3	0.2	0.4	0.3	0.3	0.3	1.0	0.6	0.4
		2015	0.0	0.5	0.3	0.3	0.4	0.3	0.3	0.2	-1.2	-0.3	0.2
		2016	0.1	0.5	0.3	0.2	0.4	0.3	0.3	0.2	0.4	0.2	0.3
	March	2013	0.2	0.6	0.4	0.1	0.3	0.2	0.3	0.0	0.6	0.2	0.3
		2014	0.1	0.9	0.5	0.2	0.4	0.3	0.4	0.3	3.5	1.6	0.6
		2015	0.0	0.8	0.4	0.3	0.3	0.3	0.3	0.3	1.8	0.8	0.4
		2016	0.2	0.8	0.5	0.3	0.3	0.3	0.3	0.2	1.4	0.6	0.4
	April	2013	0.2	0.2	0.2	0.2	0.0	0.0	0.1	0.2	-1.9	-0.7	-0.1
		2014	0.3	0.2	0.2	0.2	0.3	0.3	0.3	0.4	0.9	0.6	0.3
		2015	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.3	1.7	0.8	0.3
		2016	0.1	0.3	0.2	0.2	0.2	0.2	0.2	0.5	1.2	0.8	0.3
	May	2013	0.1	-0.3	-0.2	0.2	0.2	0.2	0.1	-0.1	1.2	0.4	0.2
		2014	-0.1	-0.1	-0.1	0.2	0.4	0.3	0.2	0.4	1.3	0.8	0.3
		2015	0.0	-0.2	-0.1	0.2	0.3	0.3	0.2	0.2	1.2	0.5	0.3
		2016	0.1	-0.3	-0.1	0.2	0.3	0.2	0.2	0.0	1.3	0.5	0.2
	June	2013	0.0	-0.5	-0.3	0.2	0.2	0.2	0.1	0.1	1.7	0.8	0.2
		2014	-0.2	-0.3	-0.2	0.2	0.1	0.2	0.1	0.0	1.5	0.6	0.2
		2015	0.0	-0.4	-0.2	0.2	0.2	0.2	0.1	0.0	1.5	0.5	0.2
		2016	0.0	-0.4	-0.2	0.2	0.2	0.2	0.1	0.1	1.9	0.7	0.2
	July	2013	-0.2	-0.5	-0.3	0.2	0.2	0.2	0.1	0.1	-0.2	0.0	0.0
		2014	-0.1	-0.7	-0.4	0.2	0.1	0.1	0.0	0.3	-0.8	-0.1	0.0
		2015	0.0	-0.7	-0.4	0.3	0.2	0.2	0.1	0.2	-0.9	-0.2	0.0
		2016	0.0	-0.7	-0.4	0.3	0.2	0.2	0.1	0.2	-0.7	-0.1	0.0
	August	2013	-0.2	0.5	0.1	0.3	0.2	0.2	0.2	0.2	-0.5	-0.1	0.1
		2014	-0.2	0.3	0.0	0.3	0.0	0.1	0.1	0.3	-2.7	-0.9	-0.2
		2015	-0.1	0.4	0.1	0.3	0.1	0.2	0.2	0.3	-0.5	0.0	0.1
		2016	-0.1	0.4	0.2	0.3	0.2	0.2	0.2	0.3	-0.5	0.0	0.2
	September	2013	-0.3	1.0	0.4	0.2	0.1	0.2	0.2	0.0	-0.6	-0.2	0.1
		2014	-0.4	1.3	0.5	0.2	0.1	0.1	0.2	0.3	-1.5	-0.4	0.1
		2015	-0.4	1.2	0.5	0.3	0.1	0.2	0.3	0.3	0.0	0.2	0.2
		2016	-0.4	1.2	0.5	0.3	0.2	0.2	0.3	0.2	0.0	0.1	0.2
	October	2013	-0.3	0.4	0.1	0.3	0.1	0.2	0.2	0.1	-4.0	-1.6	-0.3
		2014	-0.2	0.5	0.2	0.3	0.2	0.3	0.2	0.2	-5.0	-1.9	-0.3
		2015	-0.2	0.5	0.2	0.3	0.3	0.3	0.3	0.2	-2.7	-0.8	0.0
		2016	-0.2	0.6	0.2	0.3	0.2	0.3	0.2	0.3	-2.7	-0.7	0.0
	November	2013	-0.3	-0.5	-0.4	0.3	0.1	0.2	0.0	-0.1	-2.3	-1.0	-0.2
		2014	-0.72	-0.77	-0.75	0.28	0.08	0.16	-0.07	0.01	-5.50	-2.12	-0.54
		2015	-0.4	-0.6	-0.5	0.3	0.1	0.2	0.0	0.0	-1.3	-0.4	-0.1
		2016	-0.4	-0.6	-0.5	0.3	0.1	0.2	0.0	0.0	-1.3	-0.4	-0.1
	December	2013	-0.2	-0.9	-0.6	0.3	0.0	0.1	-0.1	0.1	0.6	0.3	0.0
		2014	-0.52	-1.08	-0.82	0.32	0.04	0.15	-0.10	0.12	-6.10	-2.21	-0.57
		2015	-0.2	-1.1	-0.7	0.3	0.1	0.2	0.0	0.2	-0.5	0.0	0.0
		2016	-0.2	-1.1	-0.7	0.3	0.1	0.2	0.0	0.3	-0.5	0.0	0.0

Source: BLS &amp; BIAM (UC3M)

Date: December 17, 2014



## IV. SPAIN

The GDP growth forecasts remain at 1.4% ( $\pm 0.1$ ) for 2014 and 1.9% ( $\pm 1.3$ ) for 2015; quarterly growth decelerates from October to December.

The 0.1 pp upwards surprise in the October IPI has not significantly changed the average annual growth forecasts: 2.0% ( $\pm 0.2$ ) for 2014 and 2.3% ( $\pm 2.3$ ) for 2015.

The drop in energy prices and unprocessed food leaves the average inflation forecasts beneath zero: -0.1% ( $\pm 0.02$ ) for 2014 and -0.1% ( $\pm 1.13$ ) for 2015.

Table IV.1

MAIN VARIABLES AND INDICATORS IN SPAIN						
Annual average rates						
			Forecasts			
			2014	2015	2016	
GDP mp. <sup>1</sup>			-0.6	-2.1	-1.2	1.3 ( $\pm 0.3$ )
Demand	Final consumption private	-2.0	-2.9	-2.3	2.3	1.9 ( $\pm 1.4$ )
	Final consumption public	-0.3	-3.7	-2.9	2.6	2.6
	Gross fixed capital formation	-6.3	-8.1	-3.8	0.2	-1.0 -0.9
	Tangible fixed assets	-7.2	-9.2	-4.2	2.7	3.4 2.9
	Construction	-10.6	-9.3	-9.2	2.6	3.6 3.1
	Capital goods and grown assets	0.8	-9.0	5.6	-2.7	2.2 1.7
	Contribution domestic demand*	-2.5	-4.3	-2.7	11.6	6.1 5.5
	Exports of goods and services	7.4	1.2	4.3	2.0	2.0 2.0
	Imports of goods and services	-0.8	-6.3	-0.5	7.6	6.5 4.4
Supply GVA	Contribution foreign demand*	1.9	2.2	1.4	-0.7	-0.1 0.0
	Agriculture, livestock breeding, forestry, Industry	4.2	-12.8	15.6	7.8	3.2 0.3
	Manufacturing Industry	0.1	-3.8	-1.8	1.2	1.3 1.4
	Construction	-0.9	-4.0	-1.1	2.1	1.2 1.2
	Services	-12.7	-14.3	-8.1	-2.1	-0.5 -2.1
	Market services	1.1	0.2	-1.0	1.4	2.5 2.9
	Public administration, health and educ	1.4	0.5	-0.9	1.7	3.2 3.6
	Taxes	0.5	-0.6	-1.3	0.3	0.3 0.9
		-5.2	-4.4	-1.5	1.5	0.6 1.3
Prices CPI <sup>2</sup>			0.0	0.0	0.0	0.0 0.0 0.0
Total			1.8	3.2	1.4	( $\pm 0.1$ ) ( $\pm 1.3$ ) ( $\pm 1.4$ )
Core			0.6	1.7	1.4	0 ( $\pm 0.1$ ) ( $\pm 0.8$ ) ( $\pm 1$ )
dec / dec			2.0	2.7	0.2	0.1 1.0 0.8
Foreign sector						
Balance of current account (bil€)			-39.0	-12.4	8.0	- - -
Net lending or borrowing (% of GDP)			-3.6	-0.6	1.5	- - -
Public Administration: Net lending or borrowing (% of GDP)			-9.6	-10.6	-7.1	- - -
Industrial production index (excluding construction) <sup>3</sup>			-2.0	-6.4	-1.7	2 ( $\pm 0.2$ )
						2.3 ( $\pm 2.3$ )
						3.2 ( $\pm 3$ )
ECONOMICALLY ACTIVE POPULATION SURVEY <sup>4</sup>						
Employed			-1.6	-4.3	-2.8	1.0 1.7
Agriculture			-3.9	-1.6	-0.9	1.2 -1.3
Industry			-1.7	-4.6	-5.2	0.5 1.8
Construction			-15.0	-17.3	-11.4	-4.4 0.9
Services			0.2	-3.0	-1.7	1.5 1.9
Active			0.3	0.0	-1.1	-1.2 -0.6
Unemployment rate			21.4	24.8	26.1	24.5 22.7
EMPLOYED BY NATIONAL ACCOUNTS <sup>1</sup>						
Employed			-2.2	-4.8	-3.4	- - -

The figures in the shaded area are forecasts

(1) Data adjusted for seasonality and working days effect

(1) In brackets are 80% confidence intervals

Source: INE & BIAM (UC3M)

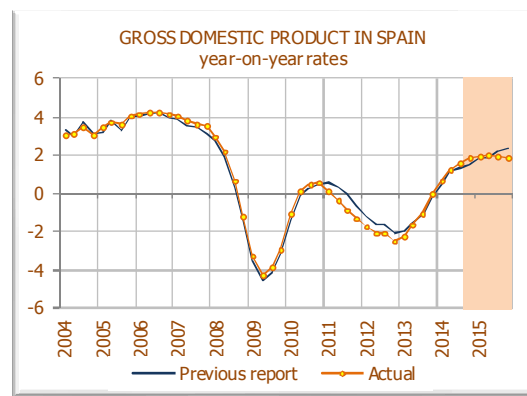
Dates: (1) November 27, 2014

(2) December 12, 2014

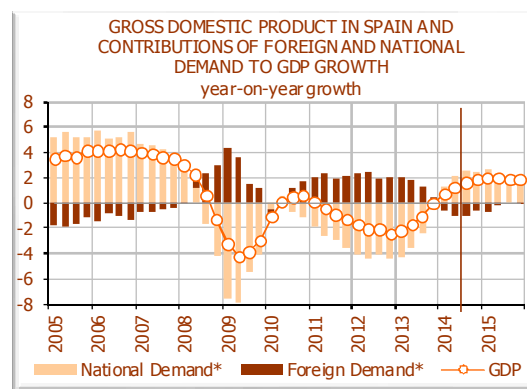
(3) December 5, 2014

(4) December 5, 2014

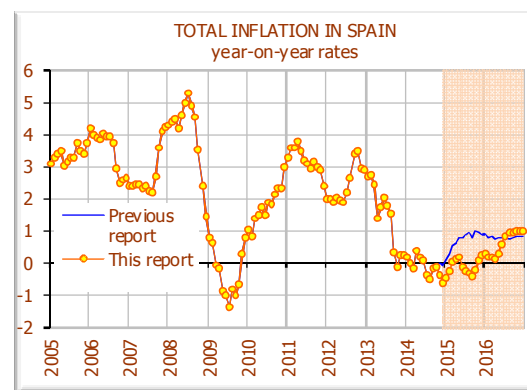
Graph IV.1



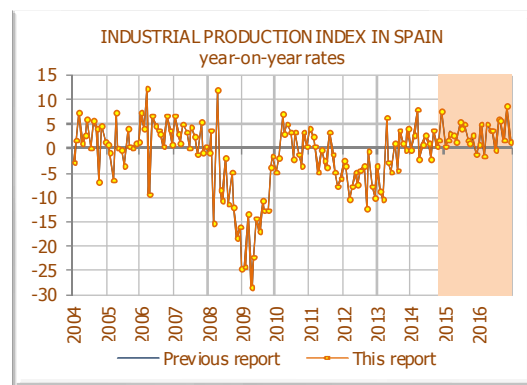
Graph IV.2



Graph IV.3

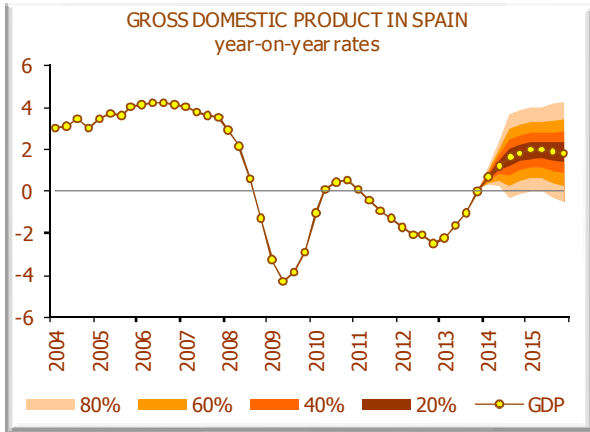


Graph IV.4





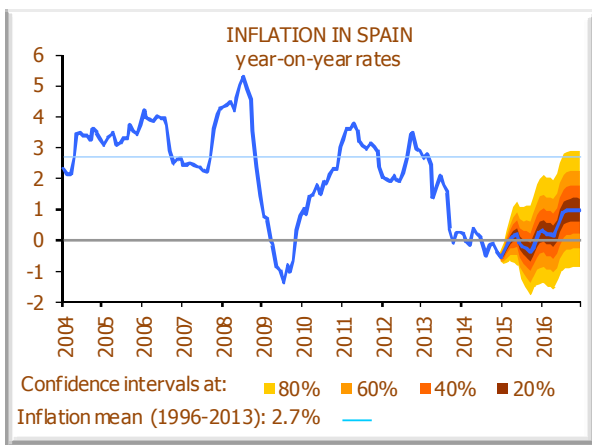
Graph IV.5



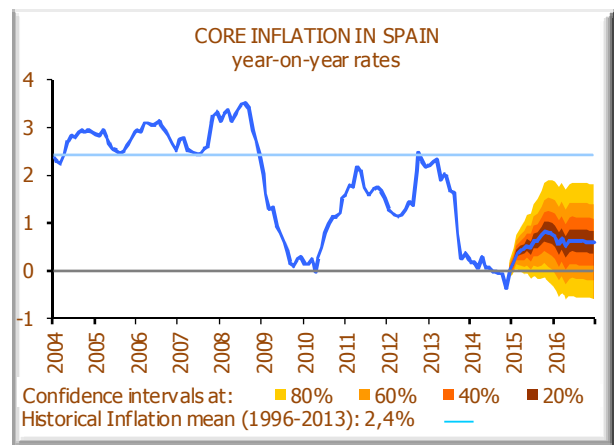
Graph IV.6



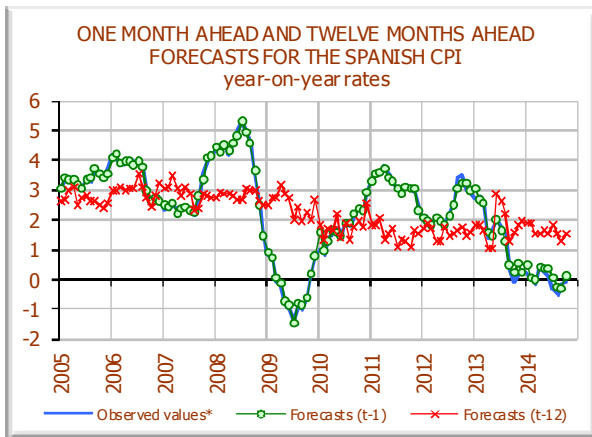
Graph IV.7



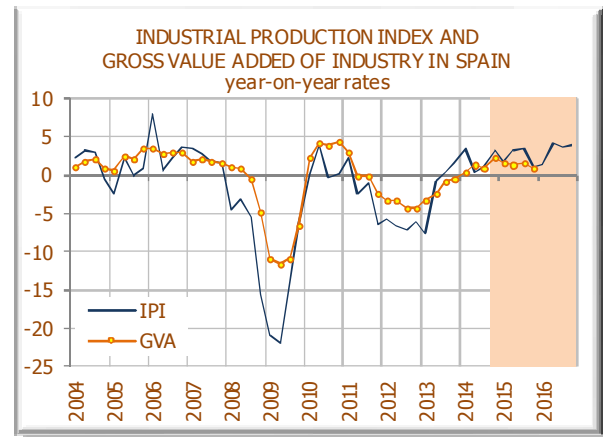
Graph IV.8



Graph IV.9



Graph IV.10



## IV.1. MACROECONOMIC FORECASTS

In the third quarter of 2014, the Spanish economy continued the growth trend that started a year earlier. According to the national accounts, the quarter-on-quarter GDP growth rate was 0.5%, in real terms and corrected for seasonality and calendar, the same as in the previous quarter. In year-on-year terms, the GDP grew by 1.6%, 0.3 pp more than the previous quarter. This figure and our forecasts were discussed in last month's Bulletin.

Growth continues to depend on domestic demand, especially private consumption thanks to the improvement in the labour market, and also on investment in capital goods. Foreign demand continued to hinder growth, for the third consecutive quarter. The information available for the fourth quarter continues to suggest that the recovery process will continue, as anticipated in last month's forecasts.

The Spanish Economic Sentiment Indicator (ESI) edited by the European Commission for November increased by nearly one point (0.9), to 104.2 points, after falling by 0.7 pp in October.

In October, the Spanish Industrial Production Index (IPI) registered a year-on-year increase of 0.6%, in line with our forecast (0.5%). In month-on-month terms corrected for seasonality and calendar, the IPI fell by 0.5%, after growing by 0.6% the previous month. Considering the new information our forecast remains unaltered for 2014 and 2015 and has been revised upwards slightly for 2016 and 2017. We continue to expect

an average annual IPI growth rate of 2% for 2014 and 2.3% for 2015; as before durable consumer goods will present the most negative evolution in 2014, with an average annual decline of more than 1.6%. For 2016, the global IPI forecast shows average annual growth of 3.1%, followed by 3.6% in 2017.

According to the Active Population Survey, in the third quarter the Spanish labour market continued to improve, as has been the case since the end of last year. The Social Security contributors and registered unemployment figures in October and November presented a positive surprise. Indeed, November saw SS contributors rise by 5,200 people, in a month when they usually fall significantly due to seasonal factors. When corrected for seasonality, there was a month-on-month increase of 95,000 contributors, 0.6% versus the previous month's 0.1%. Relative to a year earlier the growth rate was 2.5%, half a point higher than last October. Registered unemployment fell by 14,700 people in the month, and when corrected for seasonality the figure was 51,200. Relative to a year earlier, there were nearly 300,000 less unemployed. In view of these monthly unemployment and employment figures, better than expected, our forecast estimated at the end of October will shortly be revised, probably upwards for employment and downwards for unemployment.



Table IV.1.1

GROSS DOMESTIC PRODUCT IN SPAIN (*)								
			Annual average rates			Q-o-Q rates		
			2013	2014	2015	II-14	III-14	IV-14
Final consumption		Private	-2.3	2.3	2.6	0.9	0.8	0.6
		Public	-2.9	0.2	-1.0	-0.1	0.1	-2.3
Gross fixed capital formation	Tangible fixed assets	Construction	-9.2	-2.7	2.2	0.8	0.6	1.0
		Capital goods and grown assets	5.6	11.6	6.1	3.8	1.7	1.7
			-4.2	2.6	3.6	2.0	1.1	1.3
			-3.8	2.7	3.4	1.7	1.0	1.2
			Contribution of domestic demand	-2.7	2.0	2.0	0.8	0.7
Exports of goods and services			4.3	4.6	5.4	1.3	3.5	1.3
Imports of goods and services			-0.5	7.6	6.5	2.6	4.7	0.5
Contribution of foreign demand			1.4	-0.7	-0.1	-0.3	-0.2	0.3
Real GDP			-1.2	1.3	1.9	0.5	0.5	0.5

\* In brackets are 80% confidence intervals

Source: INE & BIAM (UC3M)

Date: November 27, 2014

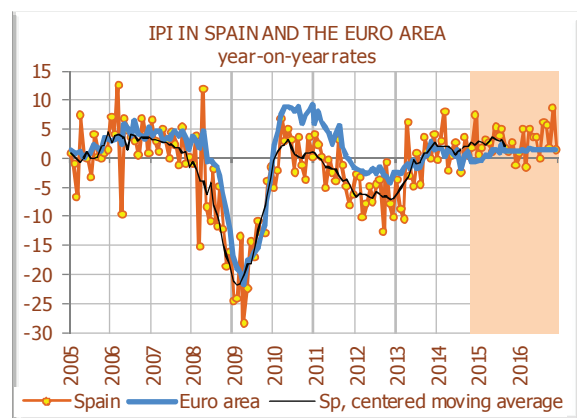
Table IV.1.2

INDUSTRIAL PRODUCTION INDEX IN SPAIN				
Annual average rates				
	2014	2015	2016	2017
Consumption	<b>2.8</b>	<b>2.9</b>	<b>3.3</b>	<b>4.1</b>
Durable	<b>-1.6</b>	<b>4.1</b>	<b>7.2</b>	<b>7.7</b>
Non-durable	<b>3.1</b>	<b>2.8</b>	<b>3.0</b>	<b>3.8</b>
Capital	<b>1.7</b>	<b>1.8</b>	<b>4.5</b>	<b>4.7</b>
Intermediate	<b>3.5</b>	<b>3.2</b>	<b>4.1</b>	<b>4.1</b>
Energy	<b>-1.0</b>	<b>0.7</b>	<b>0.4</b>	<b>1.0</b>
TOTAL	<b>2 (±0.2)</b>	<b>2.3 (±2.3)</b>	<b>3.2 (±3)</b>	<b>3.7 (±3)</b>
GVA Industry (pro memoria)	<b>1.2</b>	<b>1.3</b>	<b>1.4</b>	-

Table IV.1.3

CHANGE IN THE FORECASTS FOR IP IN SPAIN			
Average annual rate, 2014			
	Forecasts with observed data till:		
	Sep-14	Oct-14	Change
Durable consumption	-1.5	-1.6	0.0 ↓
Non-durable consumption	3.0	3.1	0.2 ↑
Total consumption	2.6	2.8	0.1 ↑
Equipment	1.3	1.7	0.3 ↑
Intermediate	3.6	3.5	-0.1 ↓
Energy	-0.4	-1.0	-0.6 ↓
<b>TOTAL</b>	<b>2.04</b>	<b>2.01</b>	<b>0.0 ↓</b>

Graph IV.1.1



Source: INE & BIAM (UC3M)

Date: December 5, 2014

## GROSS DOMESTIC PRODUCT IN THE SPAIN: DEMAND

Table IV.1.4

GROSS DOMESTIC PRODUCT IN SPAIN													
		Final Consumption		Gross Fixed Capital Formation				Domestic Demand (1)	Exports of goods and services	Imports of goods and services	Foreign Demand (1)	Real GDP (2)	
				Tangible fixed assets									
		Private	Public	Constru- c- tion	Capital goods and grown assets								
ANNUAL AVERAGE RATES	2009	0.3	1.5	-10.1	5.1	-6.1	-4.9	-0.3	9.4	6.9	0.3	0.0	
	2010	-2.0	-0.3	-10.6	0.8	-7.2	-6.3	-2.5	7.4	-0.8	1.9	-0.6	
	2011	-2.9	-3.7	-9.3	-9.0	-9.2	-8.1	-4.3	1.2	-6.3	2.2	-2.1	
	2012	-2.3	-2.9	-9.2	5.6	-4.2	-3.8	-2.7	4.3	-0.5	1.4	-1.2	
	2013	2.3	0.2	-2.7	11.6	2.6	2.7	2.0	4.6	7.6	-0.7	1.3	
	2014	2.6	-1.0	2.2	6.1	3.6	3.4	2.0	5.4	6.5	-0.1	1.9	
	2015	2.6	-0.9	1.7	5.5	3.1	2.9	2.0	4.3	4.4	0.0	2.0	
Y-o-Y RATES	2012	I	-2.6	-2.3	-10.1	-6.1	-8.8	-7.7	-4.1	0.2	-7.9	2.3	-1.7
		II	-3.1	-3.2	-9.3	-8.4	-9.0	-8.0	-4.4	0.9	-7.4	2.4	-2.1
		III	-2.7	-4.3	-8.9	-11.1	-9.7	-8.3	-4.0	2.1	-4.6	1.9	-2.1
		IV	-3.2	-5.0	-8.8	-10.6	-9.4	-8.4	-4.5	1.5	-5.3	2.0	-2.5
	2013	I	-3.8	-4.5	-7.4	-6.2	-7.0	-6.3	-4.3	0.0	-7.3	2.1	-2.2
		II	-3.1	-3.6	-11.4	3.4	-6.4	-5.5	-3.5	7.3	1.3	1.8	-1.7
		III	-2.1	-2.4	-9.7	11.4	-2.6	-2.6	-2.4	4.9	0.5	1.3	-1.0
		IV	-0.1	-1.1	-8.3	14.7	-0.5	-0.5	-0.4	5.1	3.8	0.4	0.0
	2014	I	1.3	0.5	-8.1	15.4	0.0	0.5	1.3	6.3	8.9	-0.6	0.7
		II	2.2	0.7	-2.0	12.7	3.5	3.2	2.2	1.5	4.8	-0.9	1.3
		III	2.7	0.9	-1.2	9.5	2.9	3.1	2.6	4.6	8.2	-1.0	1.6 (±0.4)
		IV	3.0	-1.2	0.7	9.4	4.1	4.1	2.4	6.2	8.6	-0.6	1.9 (±0.9)
	2015	I	2.8	-0.5	2.5	8.5	4.8	4.4	2.7	6.9	9.7	-0.7	2 (±1.6)
		II	2.6	-1.1	2.3	5.9	3.7	3.5	2.2	6.6	7.7	-0.2	2 (±1.6)
		III	2.4	-2.0	2.1	5.3	3.3	3.1	1.8	4.3	4.2	0.1	1.9 (±1.8)
		IV	2.4	-0.5	1.8	4.6	2.8	2.7	2.0	4.0	4.6	-0.1	1.8 (±1.9)

Table IV.1.5

GROSS DOMESTIC PRODUCT IN SPAIN													
		Final Consumption		Gross Fixed Capital Formation				Domestic Demand (1)	Exports of goods and services	Imports of goods and services	Foreign Demand (1)	Real GDP (2)	
				Tangible fixed assets									
		Private	Public	Construc- tion	Capital goods and grown assets								
ANNUAL AVERAGE RATES	2009	0.3	1.5	-10.1	5.1	-6.1	-4.9	-0.3	9.4	6.9	0.3	0.0	
	2010	-2.0	-0.3	-10.6	0.8	-7.2	-6.3	-2.5	7.4	-0.8	1.9	-0.6	
	2011	-2.9	-3.7	-9.3	-9.0	-9.2	-8.1	-4.3	1.2	-6.3	2.2	-2.1	
	2012	-2.3	-2.9	-9.2	5.6	-4.2	-3.8	-2.7	4.3	-0.5	1.4	-1.2	
	2013	2.3	0.2	-2.7	11.6	2.6	2.7	2.0	4.6	7.6	-0.7	1.3	
	2014	2.6	-1.0	2.2	6.1	3.6	3.4	2.0	5.4	6.5	-0.1	1.9	
	2015	2.6	-0.9	1.7	5.5	3.1	2.9	2.0	4.3	4.4	0.0	2.0	
Q-o-Q RATES	2012	I	-0.2	-1.0	-3.4	-3.4	-3.4	-3.0	-1.3	0.4	-2.1	0.7	-0.6
		II	-0.7	-1.2	-1.3	-3.5	-2.0	-1.9	-1.0	-1.1	-2.5	0.4	-0.6
		III	-0.6	-1.5	-2.1	-2.8	-2.3	-1.8	-0.6	2.8	2.2	0.1	-0.5
		IV	-1.7	-1.4	-2.3	-1.2	-2.0	-2.0	-1.5	-0.4	-3.0	0.8	-0.8
	2013	I	-0.8	-0.5	-1.9	1.3	-0.8	-0.8	-1.2	-1.2	-4.1	0.8	-0.3
		II	0.0	-0.3	-5.5	6.3	-1.4	-1.0	-0.1	6.1	6.5	0.0	-0.1
		III	0.4	-0.2	-0.3	4.7	1.6	1.2	0.4	0.5	1.4	-0.3	0.1
		IV	0.3	-0.1	-0.9	1.7	0.1	0.2	0.4	-0.2	0.2	-0.1	0.3
	2014	I	0.6	1.1	-1.7	2.0	-0.3	0.1	0.5	0.0	0.5	-0.2	0.3
		II	0.9	-0.1	0.8	3.8	2.0	1.7	0.8	1.3	2.6	-0.3	0.5
		III	0.8	0.1	0.6	1.7	1.1	1.0	0.7	3.5	4.7	-0.2	0.5
		IV	0.6	-2.3	1.0	1.7	1.3	1.2	0.2	1.3	0.5	0.3	0.5
	2015	I	0.5	1.9	0.0	1.1	0.4	0.4	0.7	0.6	1.6	-0.3	0.4
		II	0.6	-0.8	0.7	1.2	0.9	0.8	0.4	1.0	0.7	0.1	0.5
		III	0.6	-0.8	0.4	1.2	0.7	0.7	0.4	1.3	1.3	0.1	0.4
		IV	0.7	-0.8	0.6	1.0	0.8	0.7	0.4	1.0	1.0	0.1	0.5

Data adjusted for seasonality and working days effect

\*The figures in the shaded area are forecasts

(1) Contribution to GDP growth

(2) In brackets are 80% confidence intervals

Quarter-on-quarter rates

Source: INE &amp; BIAM (UC3M)

Date: November 27, 2014



## GROSS DOMESTIC PRODUCT IN THE SPAIN: SUPPLY

Table IV.1.6

GROSS DOMESTIC PRODUCT IN SPAIN											
		Agriculture, livestoch breeding, forestry...	Industry		Construction	Services			Taxes	Real GDP *	
			Manufacturing industry			Market services	Public administration, ...				
ANNUAL AVERAGE RATES	2009	2.1	0.0	3.6	-14.5	0.9	2.4	1.3	0.1	0.0	
	2010	4.2	-0.9	0.1	-12.7	1.4	0.5	1.1	-5.2	-0.6	
	2011	-12.8	-4.0	-3.8	-14.3	0.5	-0.6	0.2	-4.4	-2.1	
	2012	15.6	-1.1	-1.8	-8.1	-0.9	-1.3	-1.0	-1.5	-1.2	
	2013	7.8	2.1	1.2	-2.1	1.7	0.3	1.4	1.5	1.3	
	2014	3.2	1.2	1.3	-0.5	3.2	0.3	2.5	0.6	1.9	
	2015	0.3	1.2	1.4	-2.1	3.6	0.9	2.9	1.3	2.0	
Y-o-Y RATES	2012	I	-9.1	-3.7	-3.3	-15.4	1.1	-0.1	0.8	-4.9	-1.7
		II	-16.4	-4.1	-3.4	-14.8	0.5	-0.1	0.4	-4.4	-2.1
		III	-13.4	-3.9	-4.3	-14.0	0.7	-0.9	0.3	-4.2	-2.1
		IV	-12.1	-4.1	-4.2	-12.7	-0.3	-1.3	-0.5	-4.2	-2.5
	2013	I	5.3	-2.9	-3.3	-8.8	-1.4	-1.9	-1.5	-2.9	-2.2
		II	21.9	-1.2	-2.4	-9.6	-1.5	-1.8	-1.6	-1.5	-1.7
		III	17.2	-0.6	-0.9	-8.0	-1.2	-0.9	-1.1	-1.1	-1.0
		IV	18.4	0.4	-0.5	-6.0	0.3	-0.7	0.0	-0.6	0.0
	2014	I	13.9	1.6	0.3	-6.1	1.1	0.2	0.8	0.6	0.7
		II	3.8	2.0	1.4	-1.8	1.6	0.4	1.3	1.5	1.3
		III	8.4	1.9	0.9	-0.4	1.9	0.6	1.6	2.4	1.6 (±0.4)
		IV	5.7	2.8	2.2	-0.1	2.3	0.2	1.8	1.3	1.9 (±0.9)
	2015	I	3.3	1.5	1.6	0.6	2.8	0.5	2.2	0.7	2 (±1.6)
		II	6.6	1.4	1.3	-0.3	3.3	0.0	2.4	0.0	2 (±1.6)
		III	2.3	1.3	1.5	-0.8	3.3	-0.2	2.5	0.8	1.9 (±1.8)
		IV	0.8	0.6	0.8	-1.4	3.4	0.7	2.7	1.5	1.8 (±1.9)

Table IV.1.7

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

Data adjusted for seasonality and working days effect

The figures in the shaded area are forecasts

(1) Contribution to GDP growth

(2) In brackets are 80% confidence intervals

Quarter-on-quarter rates

Source: INE &amp; BIAM (UC3M)

Date: November 27, 2014



## INDUSTRIAL PRODUCTION INDEX IN SPAIN

Table IV.1.8

INDUSTRIAL PRODUCTION INDEX AND SECTORS IN SPAIN										
Y-o-Y rates										
		Consumer Goods								
		Durable	Non Durable	Total	Capital Goods	Intermediate Goods	Energy	Total excluding energy	TOTAL *	
ANNUAL AVERAGE RATES	2011	-11.4	-0.9	-2.0	0.1	-2.7	-2.9	18.6	-2.0	
	2012	-13.6	-3.9	-4.8	-11.0	-8.9	0.9	-7.4	-6.4	
	2013	-12.2	-1.2	-2.2	1.2	-2.6	-2.6	-1.6	-1.7	
	2014	-1.6	3.1	2.8	1.7	3.5	-1.0	2.3	2 (±0.2)	
	2015	4.1	2.8	2.9	1.8	3.2	0.7	2.7	2.3 (±2.3)	
	2016	7.2	3.0	3.3	4.5	4.1	0.4	3.9	3.2 (±3)	
	2017	7.7	3.8	4.1	4.7	4.1	1.0	4.3	3.7 (±3)	
Y-o-Y RATES	2013	I	-18.1	-6.5	-7.5	-6.7	-9.4	-5.9	-5.9	-7.6
		II	-12.2	-0.8	-1.8	3.5	-1.4	-2.7	-2.7	-0.7
		III	-8.1	0.8	0.0	2.9	-0.2	-0.9	-0.9	0.3
		IV	-9.7	1.8	0.8	5.6	1.2	-0.9	-0.9	1.6
	2014	I	-1.0	4.7	4.3	6.9	4.3	-2.1	-2.1	3.5
		II	-4.0	0.6	0.2	-0.3	0.9	0.7	0.7	0.4
		III	-5.1	2.5	1.8	-1.4	3.8	-1.8	-1.8	1.0
		IV	3.8	4.9	4.8	1.6	5.2	-0.8	-0.8	3.1
	2015	I	1.8	2.2	2.1	-0.9	2.8	2.9	2.9	1.9
		II	5.7	4.7	4.8	2.1	4.2	-0.2	-0.2	3.1
		III	7.4	4.2	4.5	5.2	4.1	-0.5	-0.5	3.4
		IV	1.5	0.2	0.3	1.3	1.6	0.7	0.7	1.0
	2016	I	4.2	1.0	1.2	2.4	2.1	-0.8	-0.8	1.3
		II	8.1	3.8	4.1	5.5	5.0	0.8	0.8	4.1
		III	7.9	3.5	3.8	4.6	4.5	0.8	0.8	3.6
		IV	8.5	3.6	3.9	5.2	4.6	1.0	1.0	3.9

Table IV.1.9

INDUSTRIAL PRODUCTION INDEX IN SPAIN							
y-o-y rates							
	2010	2011	2012	2013	2014	2015	2016
January	-4.9	4.0	-2.7	-3.6	-0.3	3.3	0.8
February	-2.0	2.4	-3.4	-8.7	2.8	2.6	5.0
March	6.8	0.3	-10.3	-10.4	8.1	2.7	-1.7
April	3.0	-4.9	-7.8	6.2	-2.1	1.0	5.1
May	5.1	-0.2	-4.8	-3.0	0.6	-1.4	3.6
June	3.3	-2.4	-7.4	-4.7	2.8	-0.2	3.6
July	-2.3	-4.0	-4.4	0.9	1.1	-0.3	-0.2
August	3.5	3.2	-3.5	-4.4	-2.3	0.7	6.2
September	-1.2	-1.1	-12.5	3.6	3.6	-2.0	5.6
October	-3.6	-4.8	-0.6	1.1	0.6	2.2	1.6
November	3.5	-7.9	-7.8	-0.1	1.9	1.0	8.5
December	0.4	-6.3	-10.2	4.1	7.5	-1.0	1.4

The figures in the shaded area are forecasts.

In brackets are 80% confidence intervals

Source: INE & BIAM (UC3M)

Date: December 5, 2014



Table IV.1.10

INDUSTRIAL PRODUCTION INDEX BY ECONOMIC ACTIVITIES IN SPAIN												
Y-o-Y rates												
			Weights	2014			Average annual rates					
				May	Jun	Jul	2013	2014	2015	2016		
IPI Total	B Mining and quarrying	05 Mining of coal and lignite	2.6	43.8	-14.0	-25.4	-31.5	1.0	-1.6	-6.0		
		08 Other mining and quarrying	8.6	-2.6	-4.3	-1.9	-10.8	0.2	1.5	4.1		
			11.2	2.8	-8.4	-8.8	-14.3	-1.4	-0.3	2.1		
	D Manufacture Industries	10 Manufacture of food products	121.3	0.4	5.3	5.2	-0.8	4.4	1.4	1.5		
		11 Manufacture of beverages	35.1	8.0	6.0	6.5	-3.0	3.2	-2.5	-0.8		
		12 Manufacture of tobacco products	3.0	5.4	23.9	6.3	-3.1	-1.7	0.2	1.2		
		13 Manufacture of textiles	11.0	1.6	7.7	6.9	1.1	3.5	7.8	4.5		
		14 Manufacture of wearing apparel	13.3	-6.9	-1.8	-3.7	3.6	-6.8	-4.9	-4.7		
		15 Manufacture of leather and related products	7.6	3.8	8.5	10.6	-2.9	3.3	1.4	1.6		
		16 Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	14.8	6.8	10.8	6.6	-3.5	5.9	6.8	8.7		
		17 Manufacture of paper and paper products	27.0	-4.4	0.2	1.3	-1.3	0.3	3.4	3.7		
		18 Printing and reproduction of recorded media	22.8	-5.6	1.2	-3.6	-10.2	-0.2	4.3	1.8		
		19 Manufacture of coke and refined petroleum products	17.5	-0.3	3.7	-3.6	-0.3	1.1	2.4	4.4		
		20 Manufacture of chemicals and chemical products	59.8	1.6	4.5	4.3	-1.2	4.0	2.9	4.0		
		21 Manufacture of basic pharmaceutical products and pharmaceutical preparations	32.6	-1.3	-2.0	-2.3	2.9	-1.1	6.1	6.4		
		22 Manufacture of rubber and plastic products	42.5	1.7	3.6	2.7	1.3	4.6	2.9	4.7		
		23 Manufacture of other non-metallic mineral products	51.9	1.5	2.9	0.6	-7.4	2.7	2.7	4.3		
		24 Manufacture of basic metals	37.6	2.7	6.4	1.6	-1.6	4.2	2.9	3.8		
		25 Manufacture of fabricated metal products, except machinery and equipment	87.7	-2.7	-5.2	-2.8	-1.5	0.0	2.5	5.9		
		26 Manufacture of computer, electronic and optical products	14.3	-1.0	19.9	8.5	-6.3	13.4	1.9	-7.6		
		27 Manufacture of electrical equipment	32.4	1.7	4.4	1.2	-5.4	5.2	7.9	7.9		
		28 Manufacture of machinery and equipment n.e.c.	42.1	-6.3	-4.2	-6.3	1.1	-3.0	1.4	2.2		
		29 Manufacture of motor vehicles, trailers and semi-trailers	64.9	8.8	13.1	12.9	6.4	8.6	3.0	3.0		
		30 Manufacture of other transport equipment	27.5	-4.5	-11.9	-6.9	-9.5	-2.9	-0.7	0.0		
		31 Manufacture of furniture	18.7	-10.0	-1.7	-1.9	-14.1	-2.6	1.1	3.8		
		32 Other manufacturing	11.0	-3.2	7.1	1.1	6.9	2.5	2.4	4.0		
		33 Repair and installation of machinery and equipment	23.5	-3.5	-2.3	1.7	-3.5	-0.7	3.4	2.6		
					819.7	0.3	2.9	2.1	-1.4	2.6	2.5	3.3
		D Electricity, gas, steam and air conditioning supply			143.9	0.0	1.0	-4.7	-3.9	-1.5	1.4	2.4
		E Water collection, treatment and supply			25.1	10.7	7.3	1.7	3.9	1.5	4.9	5.6
				999.89	0.6	2.8	1.1	-1.7	2.0	2.3	3.2	

Source: INE &amp; BIAM (UC3M)

Date: December 5, 2014





## IV.2. INFLATION

The annual variation in the Spanish CPI in November was -0.4%, 0.4 pp less than our forecast.

The forecasting error is nearly all due to the residual component, which includes unprocessed food and energy. The rest of the special groups evolved in line with the forecast.

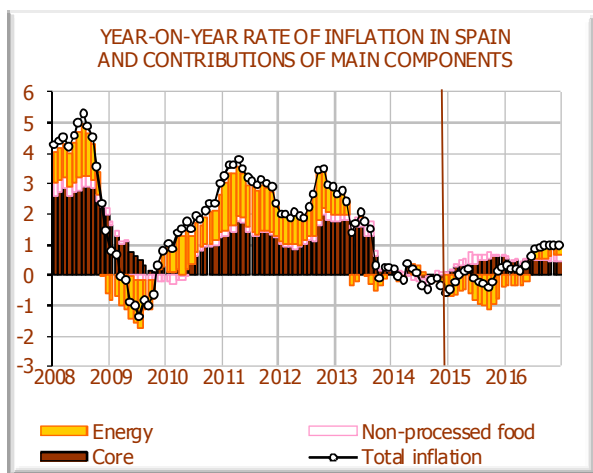
All energy components evolved downwards especially electricity and gas, in line with falling oil prices. In unprocessed food, the prices of some citric fruit, fish and molluscs explain the downwards surprise.

Annual core inflation was -0.1%, in line with our forecast. The average core inflation forecast remains at 0.0% ( $\pm 0.02$ ) for 2014 and 0.6% ( $\pm 0.70$ ) for 2015.

However, the downwards revision of the residual component reduced our average inflation forecasts. We are forecasting an average annual price increase of -0.1% ( $\pm 0.02$ ) for 2014. A similar reduction is forecast for 2015, -0.1% ( $\pm 1.13$ ), and the CPI will not grow until 2016, when the rate will be 0.6% ( $\pm 1.45$ ).

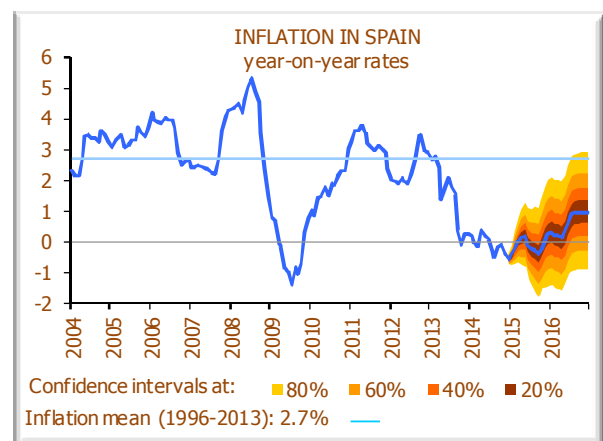
The Spanish economy is in a low inflation scenario, circumstantially negative due to energy prices. With the expected increase in activity, positive core inflation figures should soon be seen.

Graph IV.2.1



Source: INE & BIAM (UC3M)  
Date: December 12, 2014

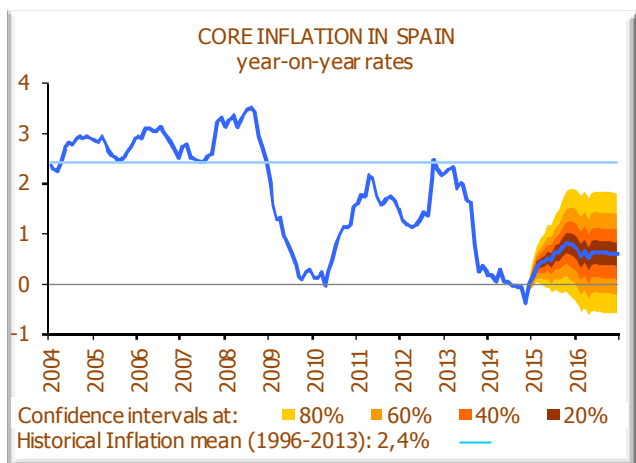
Graph IV.2.2



Source: INE & BIAM (UC3M)  
Date: December 12, 2014



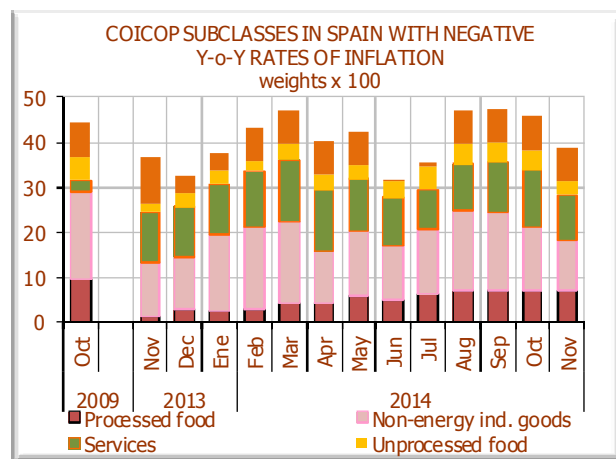
Graph IV.2.3



Source: INE &amp; BIAM (UC3M)

Date: December 12, 2014

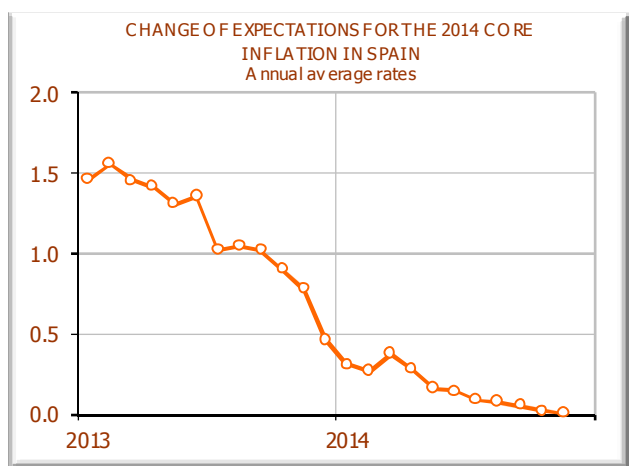
Graph IV.2.4



Source: INE &amp; BIAM (UC3M)

Date: December 12, 2014

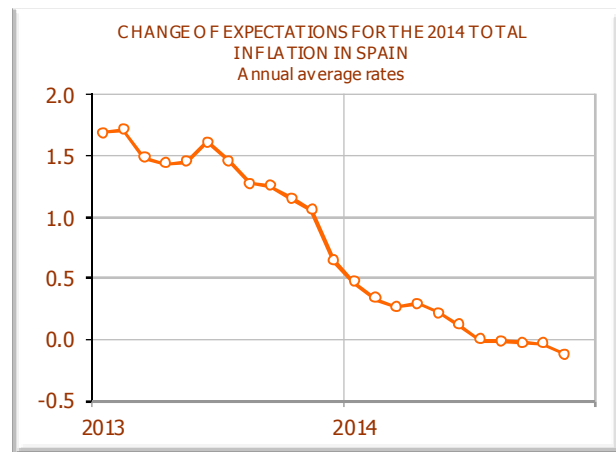
Graph IV.2.5



Source: INE &amp; BIAM (UC3M)

Date: December 12, 2014

Graph IV.2.6



Source: INE &amp; BIAM (UC3M)

Date: December 12, 2014

Table IV.2.1

INFLATION IN SPAIN						
CPI	Annual rates 2014		Average annual rates			
	November	December	2014	2015	2016	2017
Core 81.41%	-0.1	<b>0</b> (±0.19)	<b>0</b> (±0.02)	<b>0.6</b> (±0.7)	<b>0.6</b> (±0.99)	<b>0.6</b> (±0.99)
Total 100%	-0.4	<b>-0.6</b> (±0.18)	<b>-0.1</b> (±0.02)	<b>-0.1</b> (±1.13)	<b>0.6</b> (±1.45)	<b>0.9</b> (±1.45)

In brackets are 80% confidence intervals

Source: INE &amp; BIAM (UC3M)

Date: December 12, 2014



Table IV.2.2

COICOP SUBCLASSES IN SPAIN WITH NEGATIVE Y-o-Y RATES <sup>1</sup> OF INFLATION BY SPECIAL GROUP															
Weights x 1000															
Special Group	2009	2013			2014										
	Oct <sup>2</sup>	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
PROCESSED FOOD	96.0	14.2	29.4	27.3	29.1	40.9	41.5	60.4	52.4	61.4	69.4	69.4	69.4	72.8	71.6
NON-ENERGY INDUSTRIAL GOODS	195.1	122.6	118.7	171.3	184.4	183.1	117.3	142.7	118.3	145.7	180.6	174.2	143.4	125.6	110.8
SERVICES	26.3	112.2	112.8	116.1	124.3	137.6	135.6	114.4	106.3	87.7	101.6	112.0	126.1	101.8	101.3
<b>CORE CPI</b>	<b>317.3</b>	<b>249.0</b>	<b>260.9</b>	<b>314.7</b>	<b>337.8</b>	<b>361.5</b>	<b>294.3</b>	<b>317.5</b>	<b>277.1</b>	<b>294.7</b>	<b>351.6</b>	<b>355.6</b>	<b>338.9</b>	<b>300.2</b>	<b>283.7</b>
NON-PROCESSED FOOD	49.4	17.2	30.8	28.6	21.1	35.4	35.0	35.0	37.2	52.9	43.3	45.8	44.9	30.5	28.0
<b>NON-ENERGY CPI</b>	<b>366.7</b>	<b>266.3</b>	<b>291.6</b>	<b>343.4</b>	<b>358.9</b>	<b>397.0</b>	<b>329.3</b>	<b>352.5</b>	<b>314.2</b>	<b>347.7</b>	<b>394.9</b>	<b>401.4</b>	<b>383.8</b>	<b>330.7</b>	<b>311.8</b>
ENERGY	78.1	107.8	38.7	38.7	74.4	74.4	74.4	74.4	5.3	5.3	74.4	74.4	74.4	74.4	74.4
<b>TOTAL WEIGHTS</b>	<b>444.8</b>	<b>374.0</b>	<b>330.3</b>	<b>382.1</b>	<b>433.2</b>	<b>471.3</b>	<b>403.7</b>	<b>426.8</b>	<b>319.5</b>	<b>353.0</b>	<b>469.3</b>	<b>475.8</b>	<b>458.2</b>	<b>405.1</b>	<b>386.1</b>

<sup>1</sup> Estimated impact (see table 2) of the main 2012 fiscal measures in each group.

<sup>2</sup> October, 2009: month with the higher weight in subclasses with negative rates.

Source: INE & BIAM (UC3M)

Date: December 12, 2014

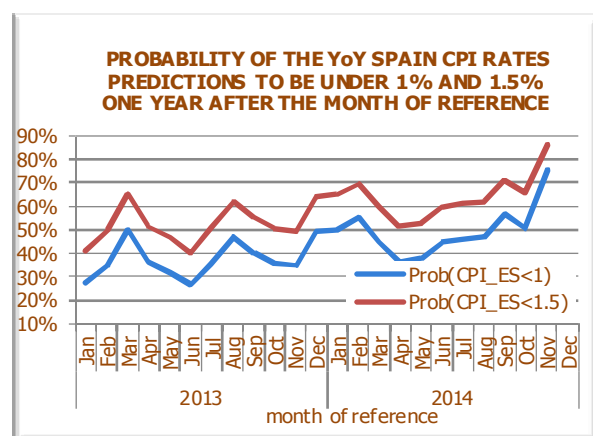
Table IV.2.3

PROBABILITY OF THE YEAR-ON-YEAR SPANISH CPI FORECAST TO BE UNDER 1% OR UNDER 1.5%			
		Prob (CPI_ES<1)	Prob (CPI_ES<1.5)
2014	January		
	February		
	March		
	April		
	May		
	June		
	July		
	August		
	September		
	October		
	November		
	December	99.99%	99.99%
2015	January	99.33%	99.95%
	February	95.60%	99.17%
	March	88.20%	96.34%
	April	83.02%	93.30%
	May	78.90%	90.31%
	June	84.18%	92.75%
	July	85.60%	93.19%
	August	85.13%	92.60%
	September	85.88%	92.78%
	October	81.03%	89.36%
	November	73.82%	84.10%
	December	70.58%	81.59%

Source: INE & BIAM (UC3M)

Date: December 12, 2014

Graph IV.2.7



Source: INE & BIAM (UC3M)

Date: December 12, 2014



Table IV.2.4

INFLATION BY COMPONENTS IN THE CONSUMER PRICE INDEX OF SPAIN										
Annual average rates										
				Weights 2014	2011	2012	2013	2014	2015	2016
CPI Total	Core Inflation	Processed food	AE less tobacco & fats	11.9	0.4	0.4	0.4	0.3	0.3	0.3
			Oils & Fats	0.6	2.5	2.5	2.5	2.5	2.4	2.5
			Tobacco	2.0	4.8	5.1	5.0	5.1	5.2	5.2
				14.5	1.0	3.8	3.2	0.3	1.2	1.2
		Non energy industrial goods	Vehicles	4.4	2.9	1.2	-2.0	0.7	4.1	0.0
			Footwear	1.7	0.6	0.5	0.4	0.6	-0.1	0.0
			Clothing	5.9	0.1	0.2	-0.1	-0.1	0.2	0.0
			Rest	14.5	0.1	1.0	1.7	-1.1	-1.1	0.0
				26.5	-0.5	0.6	0.6	-0.4	0.1	0.1
		Services	Postal services	0.0	3.0	3.0	3.0	3.0	3.0	3.0
			Cultural services	1.8	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
			Education	0.9	2.3	2.3	2.3	2.3	2.3	2.3
			Hotels	0.7	1.4	1.4	1.4	1.4	1.4	1.4
			Health	2.7	2.1	2.1	2.1	2.1	2.1	2.1
			Household equipment	2.1	0.8	0.6	0.6	0.6	0.6	0.6
			Restaurants	10.5	1.1	1.1	1.1	1.1	1.1	1.1
			Telephone	3.6	-1.3	-1.3	-1.3	-1.3	-1.3	-1.3
			Transports	5.8	1.3	1.3	1.3	1.3	1.4	1.4
			Package holidays	1.4	2.4	2.0	1.9	2.1	2.2	2.6
			University	0.6	3.0	3.0	3.0	3.0	3.0	3.0
			Housing	5.9	0.7	0.7	0.7	0.7	0.7	0.7
			Rest	3.4	0.9	0.9	0.9	0.9	0.9	0.9
				39.6	1.3	1.8	1.4	0.1	0.6	0.6
				80.6	0.6	1.7	1.4	0.0	0.6	0.6
	Residual Inflation	Non processed foods	Meat	2.6	0.7	2.5	1.7	0.0	-0.8	0.0
			Fruits	1.4	1.0	4.6	9.8	-4.1	8.7	0.0
			Eggs	0.2	-1.8	7.4	10.7	-3.3	-2.3	0.0
			Vegetables	0.9	-0.4	0.6	0.4	-0.4	2.9	0.0
			Mollusc	0.6	6.5	1.6	0.0	4.3	4.2	0.0
			Potatoes	0.3	13.6	-11.4	18.7	0.2	-7.0	0.0
			Fish	1.2	1.6	2.9	0.1	1.2	1.8	0.0
				7.3	0.0	1.8	3.4	-0.9	2.4	2.4
		Energy	Fuels	6.9	2.8	2.8	2.7	2.7	2.6	2.6
			Heat energy	0.5	2.9	2.8	2.7	2.6	2.5	2.4
			Electricity and gas	4.7	0.0	0.0	0.0	0.0	0.0	0.0
				12.1	12.5	15.7	0.0	-0.5	-6.0	-6.0
				19.4	7.6	10.4	1.3	-0.6	-2.9	-2.9
				100.0	1.8	3.2	1.4	-0.1	-0.1	-0.1

\* The figures in the shaded area are forecasts

Source: INE &amp; BIAM (UC3M)

Date: December 12, 2014



Table IV.2.5

CONSUMER PRICE INDEX AND COMPONENTS IN SPAIN																
Annual rates of growth																
		Consumer Prices Index														
		Core				TOTAL		Residual		TOTAL		TOTAL		Confidence intervals at 80% *		
		Processed food excluding tobacco	Tobacco	Non energy industrial goods	Services			Non processed food	Energy							
Weights 2014		13.1%	2.0%	26.3%	39.8%	81.4%			6.7%	12.1%	18.6%					
AVERAGE ANNUAL RATES	2007	3.9	1.5	1.4	3.9	2.9			4.4	8.0	6.3	3.5				
	2008	3.0	8.8	0.7	3.9	2.7			4.7	1.7	3.2	2.8				
	2009	6.9	3.5	0.3	3.9	3.2			4.0	11.9	8.5	4.1				
	2010	-0.7	11.7	-1.3	2.4	0.8			-1.3	-9.0	-5.4	-0.3				
	2011	-1.7	15.0	-0.5	1.3	0.6			0.0	12.5	7.6	1.8				
	2012	1.5	13.3	0.6	1.8	1.7			1.8	15.7	10.4	3.2				
	2013	2.5	7.3	0.6	1.4	1.4			3.4	0.0	1.3	1.4				
	2014	0.0	2.4	-0.4	0.1	0.0	± 0.02		-0.9	-0.5	-0.6	-0.1	± 0.02			
	2015	0.5	5.7	0.1	0.6	0.6	± 0.70		2.4	-6.0	-2.9	-0.1	± 1.13			
	2016	0.6	5.7	-0.3	1.0	0.6	± 0.99		1.3	0.3	0.7	0.6	± 1.13			
2017	0.5	5.3	-0.3	1.0	0.6	± 0.99		2.6	1.8	2.1	0.9	± 1.45				
Year-on-year rates	2014	January	1.3	3.8	-0.3	-0.1	0.2			0.9	0.0	0.3	0.2			
		February	1.0	3.4	-0.4	0.0	0.1			1.2	-1.7	-0.7	0.0			
		March	0.8	3.4	-0.3	-0.2	0.0			0.0	-1.4	-0.9	-0.1			
		April	0.4	3.4	-0.4	0.5	0.3			-0.5	1.6	0.9	0.4			
		May	0.1	3.1	-0.5	0.2	0.0			-2.7	3.0	1.0	0.2			
		June	-0.2	3.1	-0.5	0.3	0.0			-3.8	2.6	0.3	0.1			
		July	-0.2	1.2	-0.4	0.2	0.0			-5.2	0.3	-1.7	-0.3			
		August	-0.4	1.0	-0.4	0.2	0.0			-5.4	-0.9	-2.5	-0.5			
		September	-0.4	1.1	-0.3	0.1	-0.1			-1.5	0.0	-0.6	-0.2			
		October	-0.4	1.0	-0.3	0.1	-0.1			1.7	-1.1	-0.1	-0.1			
		November	-0.5	1.0	-0.3	0.2	-0.1			1.1	-2.0	-0.9	-0.4			
		December	-0.4	3.1	-0.3	0.2	0.0	± 0.19		1.2	-5.6	-3.1	-0.6	± 0.18		
	2015	January	-0.3	4.7	-0.3	0.4	0.2	± 0.29		1.1	-5.6	-3.1	-0.5	± 0.35		
		February	0.0	4.8	0.1	0.3	0.4	± 0.39		1.4	-5.2	-2.7	-0.2	± 0.55		
		March	0.1	4.8	0.2	0.4	0.4	± 0.48		2.8	-4.3	-1.6	0.0	± 0.76		
		April	0.4	5.8	0.2	0.3	0.4	± 0.57		3.1	-3.8	-1.2	0.1	± 0.93		
		May	0.5	6.2	0.2	0.4	0.5	± 0.64		5.1	-4.8	-1.2	0.2	± 1.05		
		June	0.8	4.6	0.2	0.3	0.5	± 0.71		5.0	-6.7	-2.4	-0.1	± 1.18		
		July	0.8	5.5	0.1	0.5	0.6	± 0.78		2.9	-7.6	-3.7	-0.2	± 1.29		
		August	0.9	5.5	0.1	0.5	0.6	± 0.85		2.6	-7.9	-4.0	-0.3	± 1.40		
		September	0.8	6.7	0.2	0.7	0.7	± 0.93		2.3	-9.1	-4.9	-0.4	± 1.50		
		October	0.8	7.1	0.2	0.9	0.8	± 1.01		0.9	-7.4	-4.3	-0.2	± 1.58		
		November	0.7	7.0	0.2	0.9	0.8	± 1.09		1.3	-6.1	-3.4	0.1	± 1.66		
		December	0.7	5.4	0.2	0.9	0.8	± 1.13		0.5	-3.2	-1.8	0.2	± 1.75		
	2016	January	0.6	5.1	0.0	0.9	0.7	± 1.16		1.0	-2.7	-1.3	0.3	± 1.77		
		February	0.6	5.2	-0.4	0.9	0.5	± 1.19		1.2	-2.6	-1.2	0.2	± 1.78		
		March	0.6	5.2	-0.4	1.1	0.6	± 1.19		0.1	-2.7	-1.6	0.2	± 1.79		
		April	0.6	5.5	-0.3	0.7	0.5	± 1.19		0.8	-2.7	-1.4	0.1	± 1.81		
		May	0.6	5.6	-0.3	1.0	0.6	± 1.20		0.2	-1.7	-1.0	0.3	± 1.84		
		June	0.5	6.8	-0.3	1.0	0.6	± 1.21		0.5	0.4	0.5	0.6	± 1.88		
		July	0.5	6.5	-0.4	1.0	0.6	± 1.22		1.1	2.4	1.9	0.9	± 1.92		
		August	0.5	6.6	-0.4	1.0	0.6	± 1.22		1.0	3.0	2.2	0.9	± 1.92		
		September	0.5	5.7	-0.4	1.0	0.6	± 1.22		1.7	2.9	2.4	1.0	± 1.92		
		October	0.5	5.4	-0.3	1.0	0.6	± 1.22		2.2	2.7	2.6	1.0	± 1.92		
		November	0.5	5.3	-0.3	1.0	0.6	± 1.22		2.6	2.6	2.6	1.0	± 1.92		
		December	0.5	5.5	-0.4	1.0	0.6	± 1.22		2.9	2.4	2.6	1.0	± 1.92		

\* Confidence intervals calculated with historical errors

\*The figures in the shaded area are Forecasts

Source: INE &amp; BIAM (UC3M)

Date: December 12, 2014



Table IV.2.6

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 2014			13.1%	2.0%	26.3%	39.8%	81.4%	6.7%	12.1%	18.6%	
MONTHLY RATES (Growth of the month over the previous month)	January	2013	0.2	3.5	-4.9	-0.3	-1.6	0.7	0.1	0.3	-1.3
		2014	0.1	0.1	-4.7	-0.4	-1.7	0.9	0.0	0.3	-1.3
		2015	0.2	1.6	-4.7	-0.2	-1.6	0.7	0.0	0.3	-1.2
		2016	0.2	1.3	-4.8	-0.2	-1.6	1.3	0.5	0.8	-1.2
	February	2013	0.2	0.4	-0.3	0.2	0.0	-1.1	1.7	0.7	0.2
		2014	-0.1	0.0	-0.4	0.3	0.0	-0.8	0.0	-0.3	0.0
		2015	0.1	0.2	0.0	0.3	0.2	-0.4	0.4	0.1	0.2
		2016	0.1	0.2	-0.3	0.2	0.0	-0.3	0.5	0.2	0.1
	March	2013	0.1	0.0	1.1	0.4	0.6	-0.5	-0.6	-0.6	0.4
		2014	-0.1	0.0	1.2	0.2	0.5	-1.6	-0.3	-0.8	0.2
		2015	0.1	0.0	1.2	0.3	0.5	-0.1	0.7	0.4	0.5
		2016	0.1	0.0	1.2	0.5	0.6	-1.2	0.7	0.0	0.5
	April	2013	0.1	0.0	2.9	-0.3	0.8	0.7	-2.7	-1.5	0.4
		2014	-0.3	0.0	2.8	0.4	1.0	0.2	0.3	0.3	0.9
		2015	-0.1	0.9	2.8	0.4	1.1	0.5	0.7	0.6	1.0
		2016	-0.1	1.2	2.9	0.0	0.9	1.2	0.7	0.9	0.9
	May	2013	0.1	0.3	0.7	0.0	0.3	1.6	-1.2	-0.2	0.2
		2014	-0.2	0.0	0.7	-0.3	0.1	-0.7	0.2	-0.1	0.0
		2015	0.0	0.4	0.7	-0.2	0.1	1.2	-0.8	-0.1	0.1
		2016	0.0	0.5	0.7	0.0	0.3	0.6	0.2	0.3	0.3
	June	2013	0.1	0.0	-0.3	0.2	0.0	1.6	0.4	0.8	0.1
		2014	-0.3	0.0	-0.4	0.3	0.0	0.4	0.0	0.2	0.0
		2015	-0.1	-1.6	-0.4	0.3	-0.1	0.4	-2.0	-1.1	-0.3
		2016	-0.1	-0.4	-0.4	0.3	0.0	0.7	0.1	0.4	0.0
	July	2013	-0.1	2.7	-4.1	0.5	-1.0	1.6	1.8	1.7	-0.5
		2014	-0.1	0.7	-4.0	0.4	-1.1	0.2	-0.6	-0.3	-0.9
		2015	0.0	1.6	-4.0	0.6	-1.0	-1.9	-1.5	-1.6	-1.1
		2016	0.0	1.3	-4.1	0.6	-1.0	-1.3	0.4	-0.2	-0.9
	August	2013	0.1	0.3	-0.4	0.4	0.1	1.0	1.2	1.1	0.3
		2014	0.0	0.2	-0.3	0.4	0.1	0.7	0.0	0.2	0.2
		2015	0.1	0.1	-0.3	0.5	0.2	0.4	-0.4	-0.1	0.1
		2016	0.1	0.2	-0.3	0.5	0.1	0.3	0.2	0.3	0.2
	September	2013	0.2	0.0	1.2	-0.8	0.0	-4.0	0.5	-1.1	-0.2
		2014	0.2	0.0	1.3	-0.9	0.0	-0.1	1.4	0.8	0.2
		2015	0.1	1.2	1.3	-0.7	0.1	-0.4	0.0	-0.1	0.1
		2016	0.1	0.3	1.4	-0.7	0.1	0.2	0.0	0.1	0.1
	October	2013	0.2	0.0	3.0	-0.4	0.8	-2.0	-0.8	-1.2	0.4
		2014	0.2	0.0	3.0	-0.4	0.8	1.2	-1.9	-0.8	0.5
		2015	0.1	0.3	3.0	-0.2	0.9	-0.3	-0.1	-0.1	0.7
		2016	0.1	0.0	3.0	-0.2	0.9	0.3	-0.2	0.0	0.7
	November	2013	0.1	0.0	1.5	-0.3	0.4	0.1	-0.7	-0.5	0.2
		2014	0.2	-0.1	1.4	-0.3	0.4	-0.5	-1.6	-1.2	-0.1
		2015	0.1	-0.1	1.5	-0.3	0.4	-0.2	-0.3	-0.2	0.2
		2016	0.1	-0.2	1.5	-0.3	0.4	0.2	-0.5	-0.2	0.2
	December	2013	0.0	0.0	-0.6	0.2	-0.1	1.3	0.7	0.9	0.1
		2014	0.1	2.1	-0.6	0.3	0.0	1.3	-3.1	-1.4	-0.1
		2015	0.0	0.6	-0.7	0.3	0.0	0.5	-0.1	0.2	0.0
		2016	0.0	0.8	-0.7	0.3	-0.1	0.8	-0.2	0.2	0.0

\* The figures in the shaded area are Forecasts

Source: INE &amp; BIAM (UC3M)

Date: December 12, 2014



INFLATION FORECASTING BY SUBCLASS IN SPAIN<sup>1</sup>

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

Table IV.2.7

CONSUMER PRICE INDEX BY SUBCLASS IN SPAIN									
Annual average rates of growth									
	Weights 2014	2008	2009	2010	2011	2012	2013	2014	2015
<b>PROCESSED FOOD AND TOBACCO (PF)</b>									
Rice	0.9	18.8	16.8	-9.4	1.0	3.9	-0.2	-0.7	1.8
Flours and cereals	1.7	8.7	0.5	-3.4	3.4	1.9	1.1	-1.1	0.1
Bread	15.2	8.9	0.0	-0.3	0.7	1.0	0.6	-0.3	-0.1
Pastry goods, cakes, mixes and doughs for bakery products	10.0	7.5	1.6	-0.1	3.0	3.0	2.3	-0.6	0.4
Farinaceous-based products	1.2	18.5	-5.8	-1.6	4.6	2.6	0.6	-1.0	-0.3
Delicatessen type meat products	17.4	3.3	0.4	0.0	1.0	1.8	2.6	1.3	1.0
Processed meat products	3.4	4.8	2.3	-0.8	1.3	4.1	2.6	0.4	0.5
Preserved and processed fish	7.2	5.3	0.7	0.0	4.2	3.8	5.1	1.0	1.5
Milk	9.3	15.6	-8.3	-5.2	-0.3	1.7	3.4	2.7	-1.0
Other dairy products	7.4	7.6	-2.2	-3.3	5.6	4.0	-3.3	-1.4	-1.2
Cheeses	7.0	10.0	-0.4	-0.2	0.9	2.0	0.2	2.2	1.2
Preserved fruits, nuts and dried fruits	2.8	2.1	0.4	-1.4	0.9	2.8	4.1	5.5	1.4
Dried pulses and vegetables	0.9	10.8	-1.0	-0.8	4.9	5.5	5.1	-0.5	-0.9
Frozen and preserved pulses and vegetables	3.5	7.8	0.7	-1.0	1.6	2.6	3.5	1.7	-0.1
Sugar	1.1	0.3	-6.9	-9.0	19.4	4.9	0.3	-9.4	-15.5
Chocolates and confectionery	5.3	5.3	0.5	-0.1	1.8	1.6	0.9	0.1	1.5
Other food products	3.7	8.7	4.2	0.2	2.4	2.6	2.0	-0.1	-1.8
Coffee, cocoa and infusions	3.6	7.1	1.3	-0.1	10.1	5.5	-0.2	-1.5	0.8
Mineral water, soft drinks, fruit and vegetable juices	8.0	4.0	3.0	-2.3	0.6	1.5	1.8	0.1	0.4
Spirits and liqueurs	1.4	4.5	1.9	1.7	1.6	-0.2	0.6	1.6	1.4
Wines	3.4	4.7	0.1	-0.8	0.5	3.8	5.5	-3.5	-0.9
Beer	3.2	5.5	4.3	0.7	2.2	1.9	1.4	1.8	2.3
Tobacco	20.0	3.5	11.7	15.0	13.3	7.2	7.3	2.4	5.7
Butter and margarine	0.6	16.2	0.7	-1.6	7.3	4.2	0.0	-3.9	-2.7
Oils	5.4	1.1	-12.4	-2.8	-0.3	2.7	20.0	-9.1	8.0
<b>PF INFLATION IN SPAIN</b>									
Standard deviation ( $\sigma$ )*	1.75	1.75	1.75	1.75	1.75	1.75	1.75	0.1	1.5
<b>TOTAL INFLATION IN SPAIN</b>									
	0.9	1.0	0.9	0.9	0.8	0.9	0.8	0.8	0.8

\* For observed rates (2008-2013) 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 2014	2008	2009	2010	2011	2012	2013	2014	2015
<b>NON-ENERGY INDUSTRIAL GOODS (NEIG)</b>									
Men's outerwear	19.0	0.1	-2.0	-0.5	0.5	0.9	-0.3	-0.7	-0.2
Men's underwear	1.3	1.2	0.0	0.9	1.3	2.0	0.4	-0.5	-0.4
Women's outerwear	25.0	0.5	-2.3	-1.5	-0.2	-0.5	-0.5	-2.1	-1.8
Women's underwear	2.2	1.4	0.0	0.9	1.7	1.2	0.7	0.0	-0.2
Children's and infants' garments	9.6	0.6	-1.4	-0.2	0.1	-0.4	0.4	-0.6	-0.6
Men's footwear	5.8	1.3	0.0	0.1	0.5	0.5	0.3	0.3	-0.2
Women's footwear	7.8	1.6	-0.7	1.0	0.8	0.6	0.7	1.1	0.1
Children's and infants' footwear	3.0	1.3	-0.5	0.1	0.5	0.3	0.1	0.1	-0.4
Motor vehicles	40.9	-0.5	-4.1	-1.2	3.0	1.2	-2.2	0.8	4.3
Other vehicles	1.9	-2.4	1.0	0.0	1.2	1.2	1.3	0.3	2.1
Spare parts and maintenance accessories	1.6	4.6	-0.7	1.3	2.5	2.1	0.3	-1.2	2.7
Materials for the maintenance and repair of the dwelling	2.3	5.1	3.0	1.4	2.4	1.6	2.2	-0.1	0.0
Water supply	10.9	4.9	5.7	2.1	2.6	5.1	7.0	3.0	2.8
Furniture	12.3	3.9	1.1	1.1	1.8	0.6	1.0	-0.6	-0.7
Other equipments	2.0	2.7	0.5	0.4	2.2	0.7	1.1	-0.5	-0.6
Household textiles	5.6	2.2	0.5	0.2	2.0	-0.5	-0.4	-2.2	-2.1
Refrigerators, washing machines and dishwashers	3.8	-1.9	-1.0	-1.8	-2.2	-1.6	-1.3	-4.8	-3.9
Cookers and ovens	1.2	-0.8	0.1	-1.6	-1.4	-1.1	-0.8	-3.2	-1.9
Heating and air conditioning	2.2	-0.5	0.8	0.7	-1.0	-0.2	0.3	-3.4	-1.6
Other household appliances	1.2	-0.2	0.5	0.5	-1.3	0.2	0.4	-1.9	-1.0
Glassware, crockery and cutlery	0.9	3.1	2.6	1.9	3.4	1.7	2.3	-0.7	-0.1
Other kitchen utensils and furnishing	1.1	3.7	2.6	2.2	2.2	1.2	1.8	0.0	0.2
Tools and accessories for house and garden	2.4	3.0	1.9	2.3	2.8	1.2	1.2	-0.3	0.0
Cleaning household articles	12.9	1.7	1.9	-0.8	0.0	1.8	1.3	-0.3	0.4
Other non-durable household articles	3.9	2.7	1.4	1.1	2.9	2.0	1.3	-0.1	0.1
Medicines and other pharmaceutical products	9.7	-6.5	-6.3	-5.3	-6.0	12.5	23.2	0.7	-0.8
Therapeutic appliances and equipment	6.3	3.6	1.0	0.0	-0.7	-2.5	-3.4	-1.4	-1.4
Equip for the reception, recording and reproduction of sound and pictures	4.7	-12.7	-13.7	-8.6	-10.9	-11.0	-9.3	-8.2	-9.8
Photographic and cinematographic equipments	1.0	-18.0	-18.5	-14.0	-14.5	-12.2	-12.0	-12.7	-18.4
Information processing equipments	3.5	-21.5	-13.3	-6.1	-11.5	-10.1	-8.0	-11.1	-15.8
Recording media	1.8	-0.9	-0.4	-0.1	-1.3	-6.6	-7.1	-3.1	-1.8
Games and toys	5.5	-0.4	-1.8	-2.5	-3.0	-2.6	-2.9	-3.8	-3.0
Other recreational and sporting articles	0.9	1.1	-0.6	-0.1	-0.2	-0.8	-0.2	-3.9	-2.2
Gardens, plants, flowers and pets	6.2	5.3	2.8	2.1	2.1	2.5	3.7	0.5	0.4
Books	7.1	2.0	2.2	1.2	3.0	0.1	0.8	0.2	0.4
Newspapers and magazines	6.7	2.2	3.6	2.6	2.5	2.2	1.8	1.0	0.9
Stationery materials	2.5	3.7	3.2	1.7	2.7	1.8	3.2	0.2	0.8
Personal care articles	18.1	2.2	0.8	0.0	1.0	0.3	-0.2	-0.8	-0.7
Jewellery, costume jewellery, clocks and watches	3.2	11.1	7.5	12.5	15.2	12.7	1.1	-5.6	0.7
Other articles for personal use	2.8	1.1	-0.6	0.4	0.3	-0.2	-0.2	-1.4	-1.6
<b>NEIG INFLATION IN SPAIN</b>									
Standard deviation ( $\sigma$ )*	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.0	0.7
<b>TOTAL INFLATION IN SPAIN</b>									
	0.9	1.0	0.9	0.9	0.8	0.9	0.8	0.8	0.8

\* For observed rates (2008-2013) 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

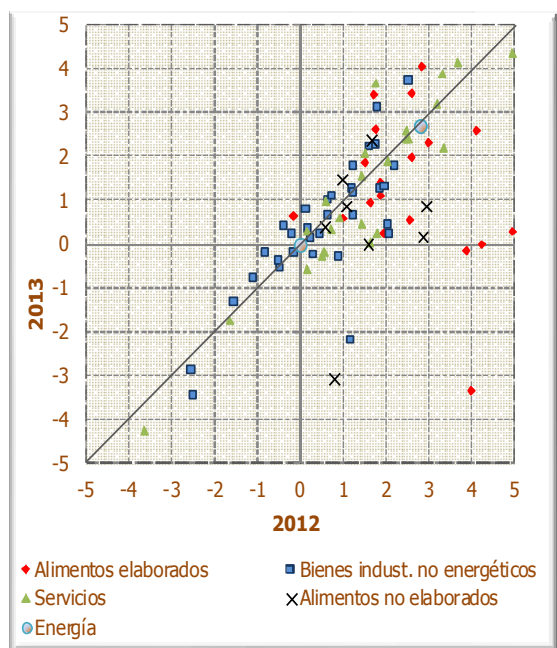
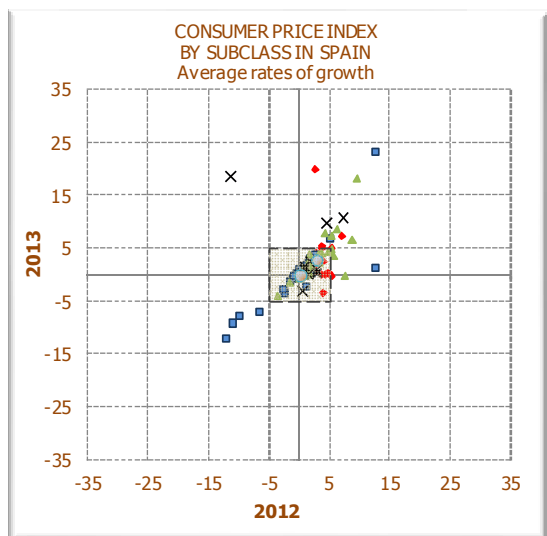
Table IV.2.8

CONSUMER PRICE INDEX BY SUBCLASS IN SPAIN									
Annual average rates of growth									
	Weights 2014	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	0.3	0.8
Other services related to vehicles	3.3	3.3	1.3	-0.4	0.5	1.5	2.0	-1.3	-0.6
Railway transport	2.1	3.7	5.5	4.9	3.3	7.6	-0.5	0.5	1.2
Road transport	6.8	4.2	5.3	1.7	2.8	5.5	4.8	2.1	2.4
Air transport	3.5	13.7	3.0	0.6	5.4	4.4	7.8	4.9	1.0
Other transport services	2.9	7.3	7.0	5.5	2.5	8.6	6.6	1.3	3.3
Insurances connected with transport	18.6	2.0	1.3	1.8	2.8	0.5	-0.3	0.7	0.8
Restaurants, bars, coffee bars, canteens	102.2	4.7	2.2	1.3	1.6	0.9	0.6	0.4	0.7
Hotels and other lodgings	7.3	4.2	-1.4	0.2	1.3	0.1	-0.6	1.8	0.7
Package holidays	13.9	4.5	0.2	-4.6	3.3	5.7	3.3	1.5	2.3
Higher education	6.0	5.2	5.3	3.3	3.4	9.7	18.3	3.0	1.8
Postal services	0.2	2.8	2.8	4.5	3.6	3.2	3.2	0.3	3.0
Telephone services	36.5	0.6	0.1	-0.4	-0.7	-3.6	-4.3	-6.0	-3.3
Rentals for housing	27.3	4.2	3.1	1.1	1.0	0.5	-0.2	-0.7	-0.7
Services for the maintenance and repair of the dwelling	9.3	5.1	1.4	0.4	0.9	0.2	0.3	-0.8	-0.5
Sewerage collection	22.4	3.4	3.8	3.0	2.7	2.5	2.6	1.5	2.0
Out-of-hospital medical and paramedical services	5.0	4.9	2.2	1.4	1.5	0.7	0.3	0.7	0.6
Dental services	10.5	3.2	2.4	1.3	0.9	0.6	1.0	0.2	-0.1
Hospital services	1.2	3.4	0.9	-0.8	0.1	-1.6	-1.8	-2.2	-2.4
Medical insurances	10.2	4.7	6.9	5.6	5.1	3.7	4.2	5.2	5.7
Recreational and sporting services	8.0	1.7	2.1	1.1	1.5	1.8	0.2	-0.7	-2.0
Cultural services	10.1	3.6	3.1	1.6	1.3	5.3	7.2	-0.9	-0.8
Education	9.5	3.4	2.5	2.1	1.9	2.0	1.9	1.0	1.7
Repair of footwear	0.2	6.2	4.2	3.5	3.9	2.5	2.4	1.5	2.1
Domestic service and other household services	13.0	4.8	3.0	1.9	1.7	1.4	1.5	0.9	1.6
Insurances connected with the dwelling	7.8	3.5	4.4	3.6	4.2	3.3	2.2	3.0	2.5
Personal care services	15.9	4.0	1.4	1.4	1.7	1.7	3.6	0.2	0.1
Social services	4.0	4.6	4.0	2.5	2.0	1.4	0.5	0.3	0.0
Other insurances	6.8	3.9	4.5	2.6	3.4	5.0	4.4	4.1	3.2
Financial services	0.5	4.7	3.6	5.1	4.3	1.6	0.0	0.1	-0.2
Other services	6.6	2.2	2.2	0.6	1.3	6.2	8.4	0.8	0.4
Repair of household appliances	1.1	4.3	4.2	2.9	3.7	3.3	3.9	0.7	1.0
<b>SER INFLATION IN SPAIN</b>									
Standard deviation ( $\sigma$ )*	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.0	0.6
<b>TOTAL INFLATION IN SPAIN</b>									
	0.9	1.0	0.9	0.9	0.8	0.9	0.8	0.8	0.8

\* For observed rates (2008-2013) 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

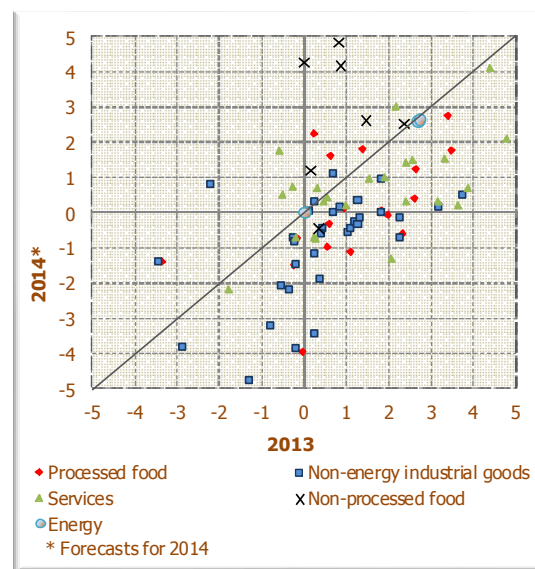
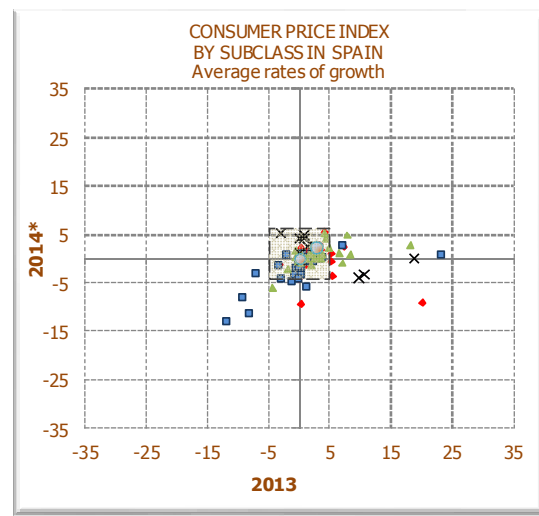
CONSUMER PRICE INDEX BY SUBCLASS IN SPAIN									
Annual average rates of growth									
	Weights 2014	2008	2009	2010	2011	2012	2013	2014	2015
NON-PROCESSED FOOD (NPF)									
Beef	0.0	4.0	1.7	0.5	1.6	3.0	0.9	4.2	0.6
Pork	8.3	1.6	-3.8	-2.1	2.3	1.7	2.4	2.5	-0.9
Sheep meat	5.9	5.3	1.9	-3.1	1.6	0.8	-3.1	5.1	1.0
Poultry	2.5	4.3	-1.9	-4.0	4.3	1.0	1.5	2.6	-1.7
Other meats, viscera and other non-meat edibles	8.3	7.0	-1.5	-2.6	1.0	1.1	0.8	4.8	-0.4
Fresh fish	11.0	0.8	-3.7	-0.7	1.6	2.9	0.1	1.2	1.8
Crustaceans and molluscs	2.2	0.2	-2.0	0.1	6.5	1.6	0.0	4.3	4.2
Eggs	5.6	10.5	4.3	-0.3	-1.8	7.4	10.7	-3.3	-2.3
Fresh fruits	2.2	9.4	0.3	-1.2	1.0	4.6	9.8	-4.1	8.7
Fresh pulses and vegetables	14.4	2.4	2.1	1.3	-0.4	0.6	0.4	-0.4	2.9
Potatoes and processed potato products	9.2	-3.6	-0.3	-4.8	13.6	-11.4	18.7	0.2	-7.0
NPF INFLATION IN SPAIN		3.4	3.0	3.4	3.2	2.5	3.2	2.6	2.0
Standard deviation (σ)*		2.46	2.46	2.46	2.46	2.46	2.46	0.2	1.9
TOTAL INFLATION IN SPAIN		0.9	1.0	0.9	0.9	0.8	0.9	0.8	0.8
* For observed rates (2008-2013) the standard deviation σ is for errors one-period ahead and for the forecast rates for errors n-period ahead, with n equal the number of periods to know the observed data									

Graph IV.2.8



The graph below zooms on the grey area marked in the previous figure.  
 Source: INE & BIAM (UC3M)  
 Date: December 12, 2014

Graph IV.2.9



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

Source: INE & BIAM (UC3M)

Date: December 12, 2014





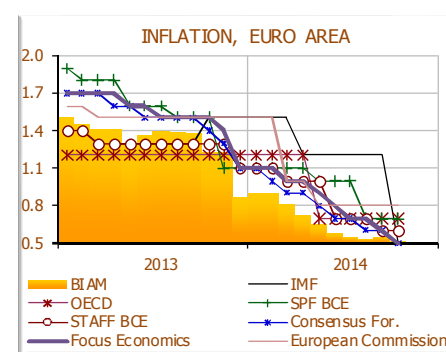
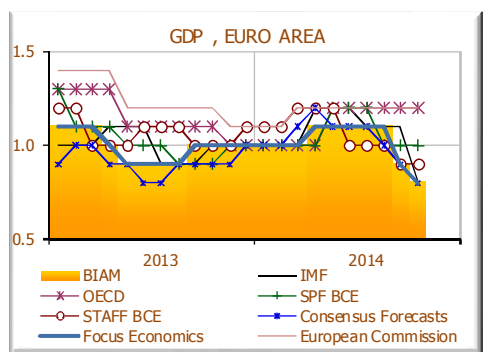
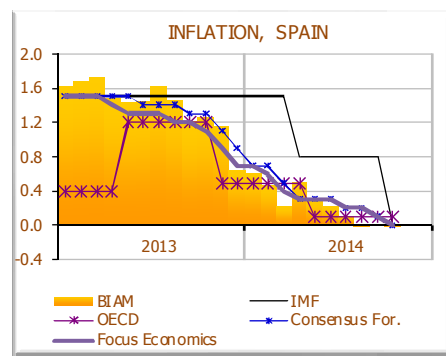
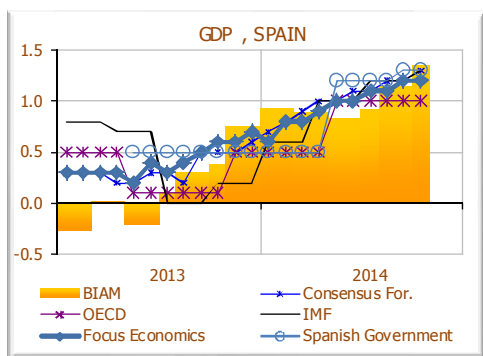
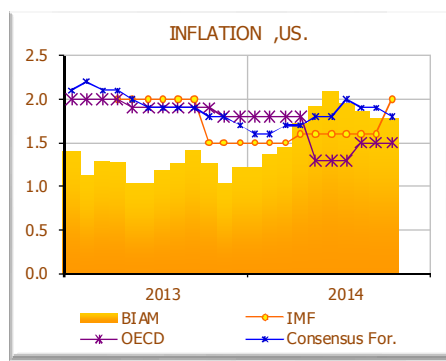
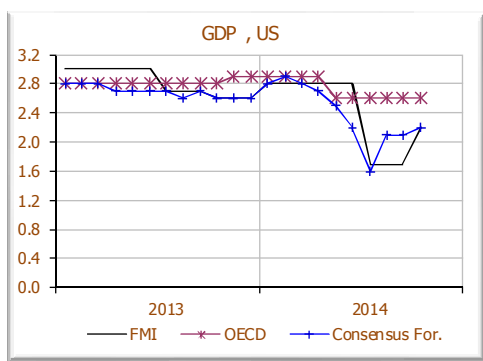
## V. FORECASTS OF DIFFERENT INSTITUTIONS

FORECASTS FOR DIFFERENT INSTITUTIONS																		
Annual average rates																		
	UNITED STATES				SPAIN						EURO AREA							
	Consensus Forecasts <sup>1</sup>	BIMA <sup>2</sup>	IMF <sup>3</sup>	OECD <sup>4</sup>	Consensus Forecasts Focus Economics <sup>5</sup>	BIMA	IMF	OECD	Spanish Government <sup>6</sup>	Consensus Forecasts Focus Economics	BIMA	IMF	ECB SPF <sup>7</sup>	ECB Staff <sup>8</sup>	OECD	European Commission <sup>9</sup>		
GDP	2014	2.2	-	2.2	2.6	1.3	1.2	1.3	3.3	1.0	1.3	0.8	0.8	0.9	2.8	1.0	0.9	1.2
	2015	3.1	-	3.1	3.5	1.9	1.8	1.9	3.7	1.5	2.0	1.2	1.2	1.2	3.3	1.7	1.6	1.7
CPI	2014	1.8	1.6	3.0	1.5	0.0	0.0	-0.1	1.0	0.1	-	0.5	0.5	0.4	1.5	0.7	0.6	0.7
	2015	1.8	0.1	3.1	1.7	0.7	0.6	-0.1	0.6	0.5	-	1.0	1.0	0.3	1.9	1.1	1.1	1.2

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

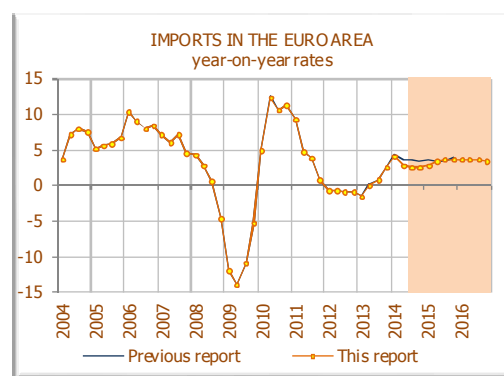
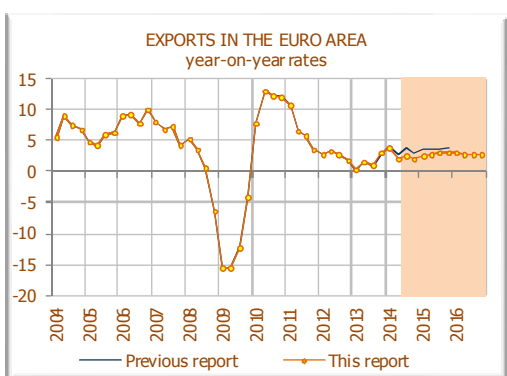
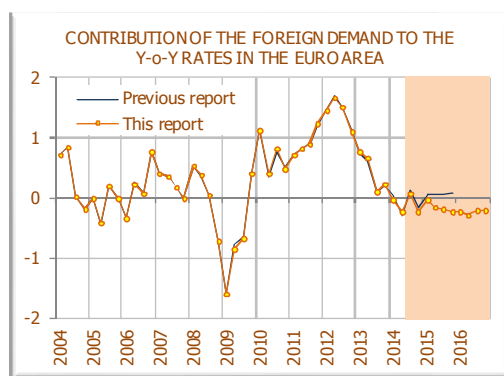
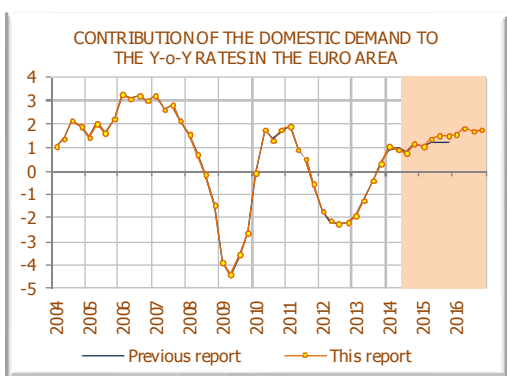
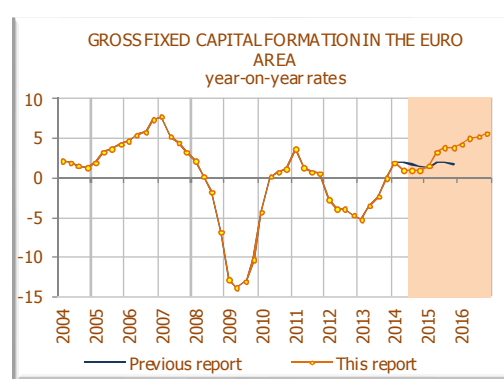
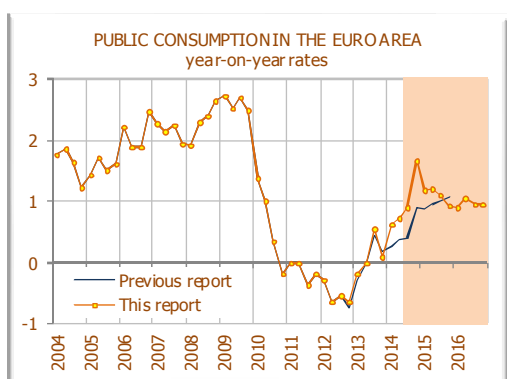
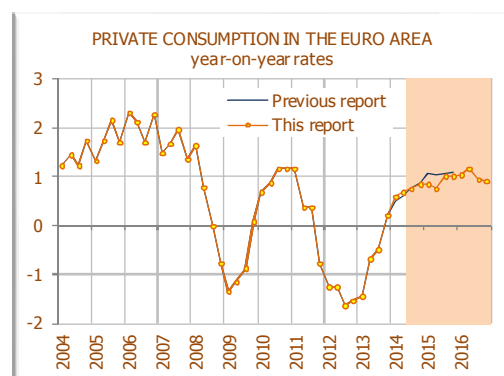
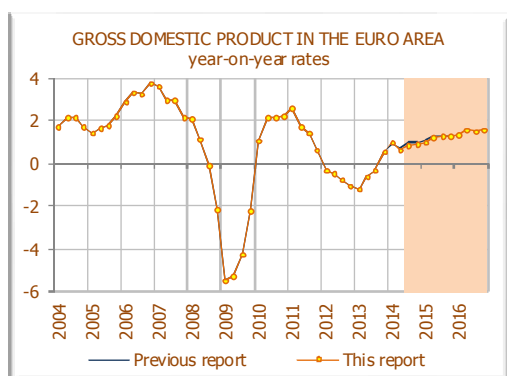
## EVOLUTION OF FORECASTS FOR 2014

Annual average rates



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

### Year-on-year rates



Source: EUROSTAT & BIAM (UC3M)

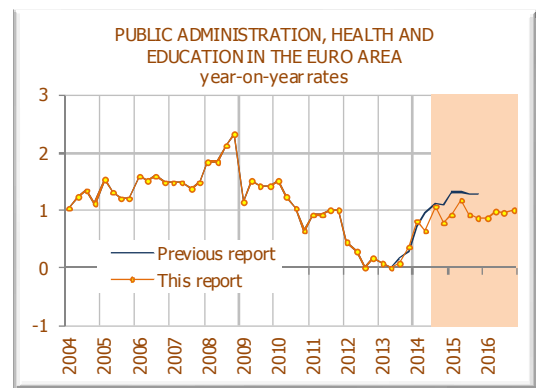
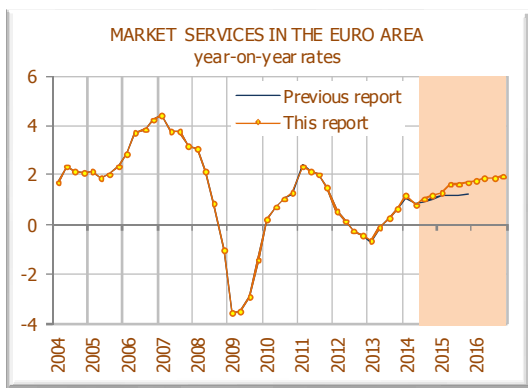
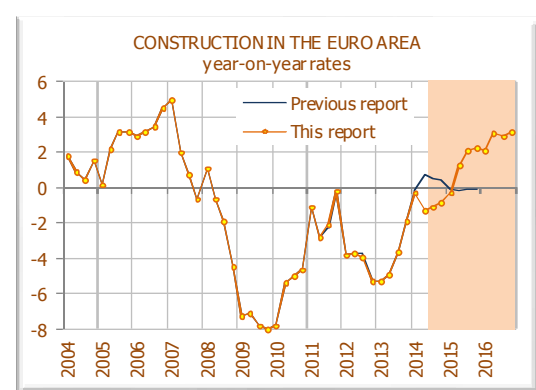
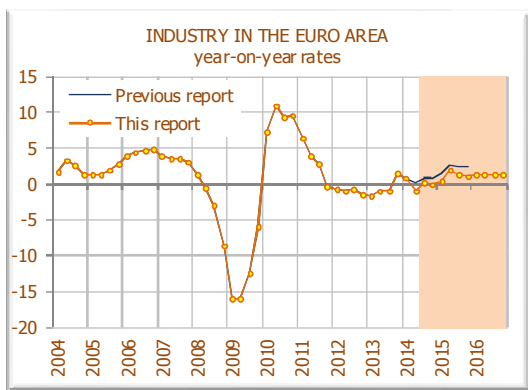
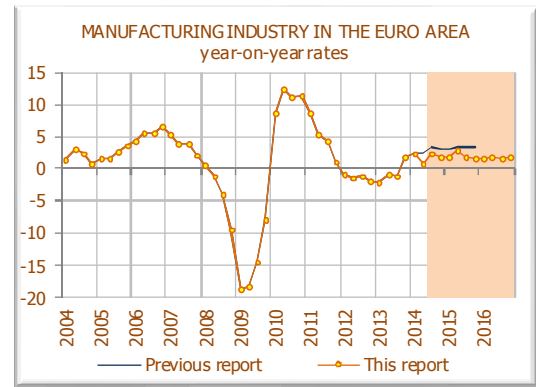
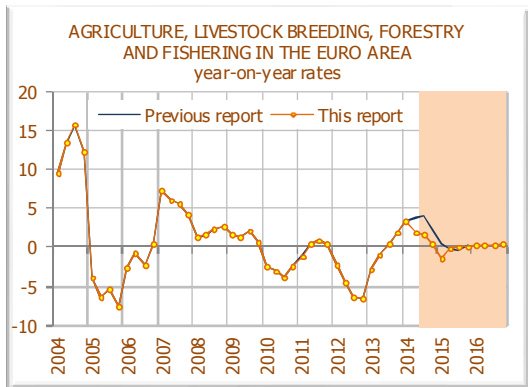
Date this report: September 5, 2014

Date previous report: June 4, 2014



# COMPONENTS OF GROSS DOMESTIC PRODUCT SUPPLY IN THE EURO AREA

## Year-on-year rates



Source: EUROSTAT & BIAM (UC3M)

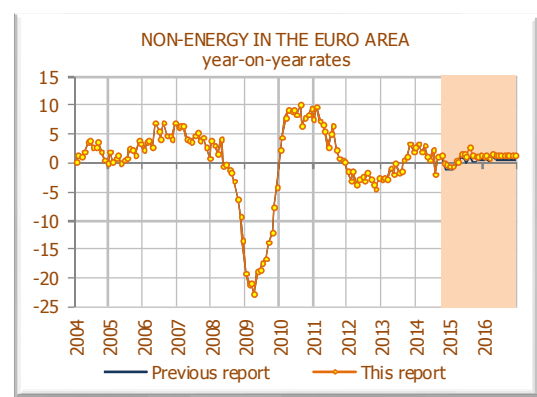
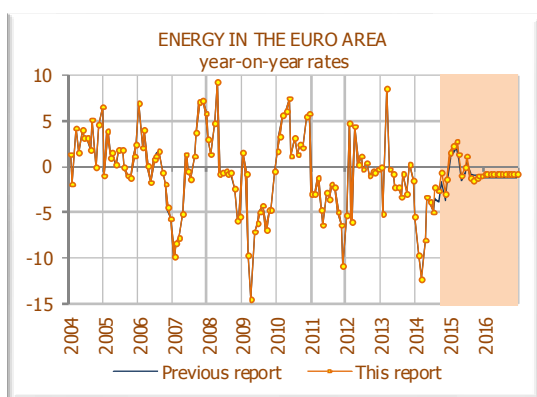
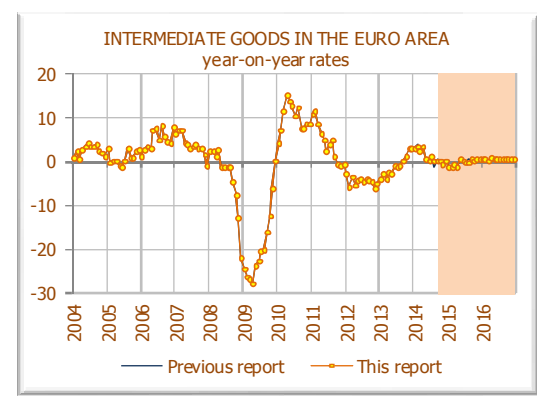
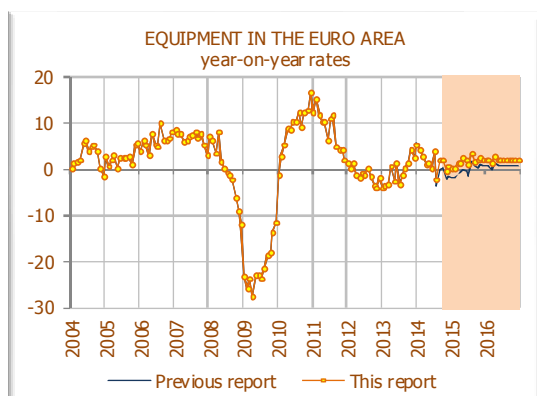
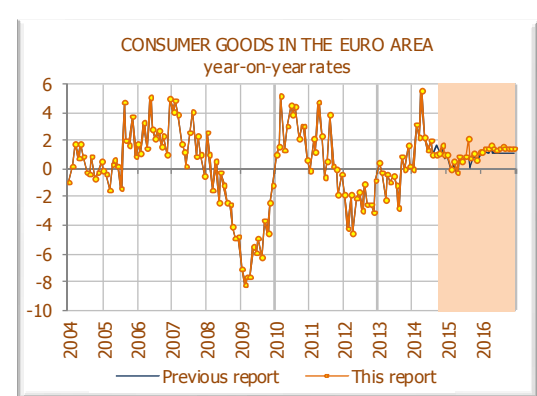
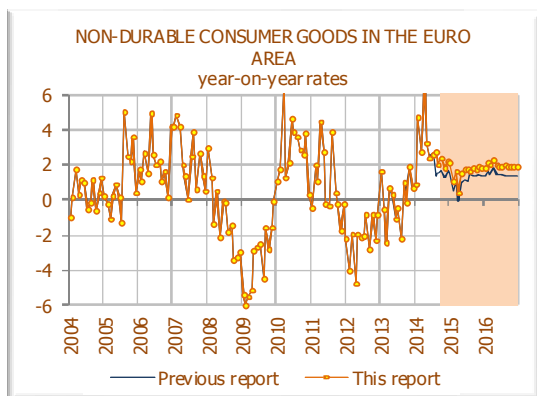
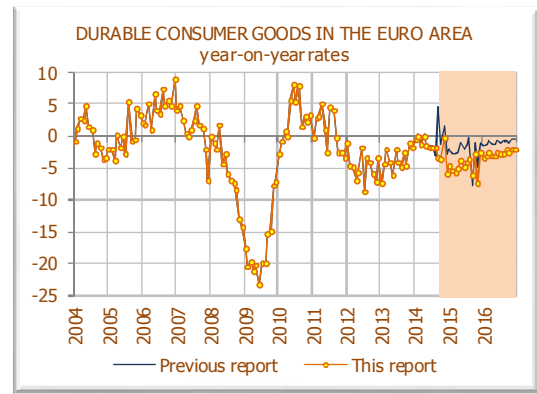
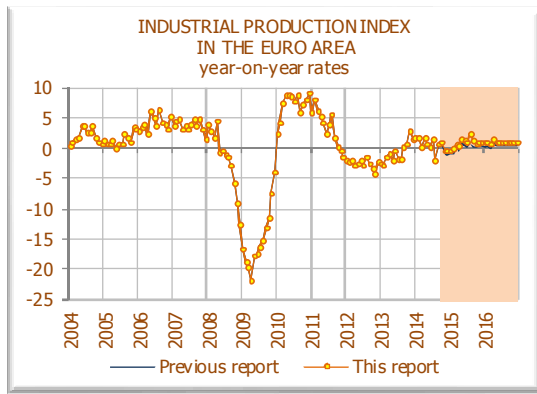
Date this report: September 5, 2014

Date previous report: June 4, 2014



# COMPONENTS OF INDUSTRIAL PRODUCTION INDEX IN THE EURO AREA

## Year-on-year rates



Source: EUROSTAT & BIAM (UC3M)

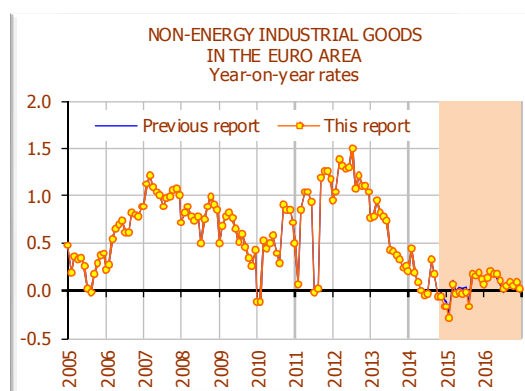
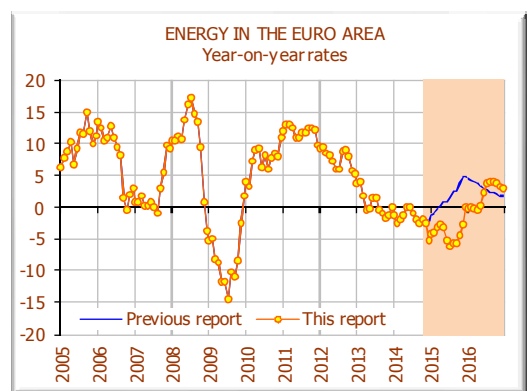
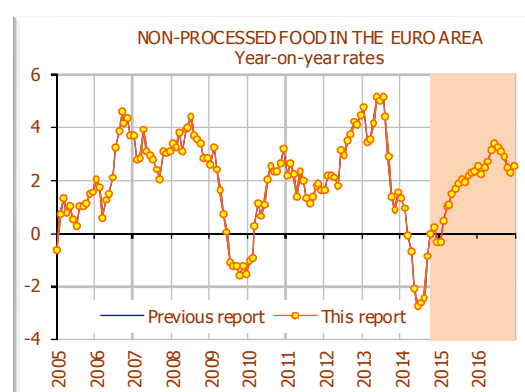
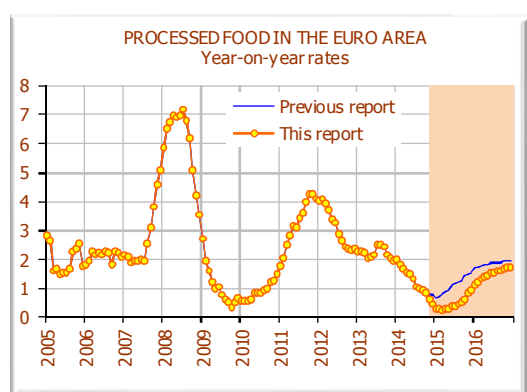
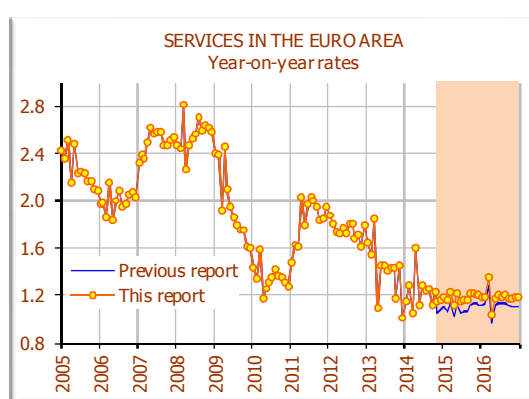
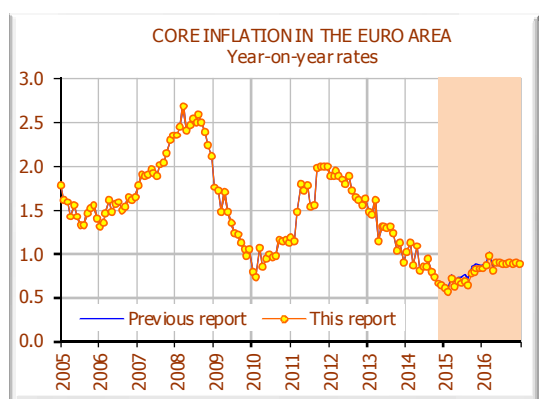
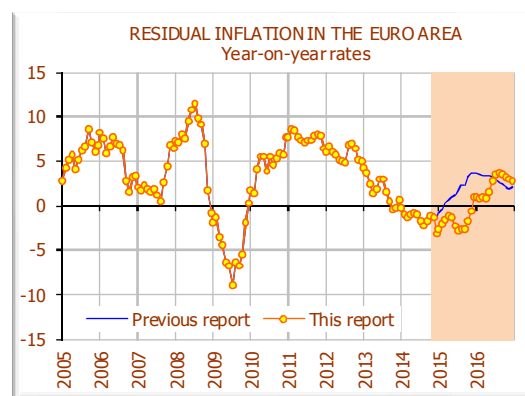
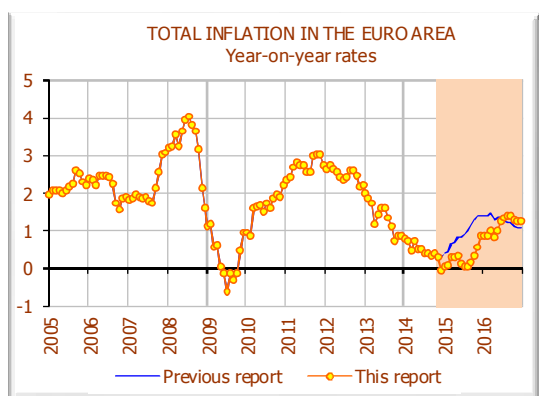
Date this report: December 12, 2014

Date previous report: November 12, 2014



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

## Year-on-year rates



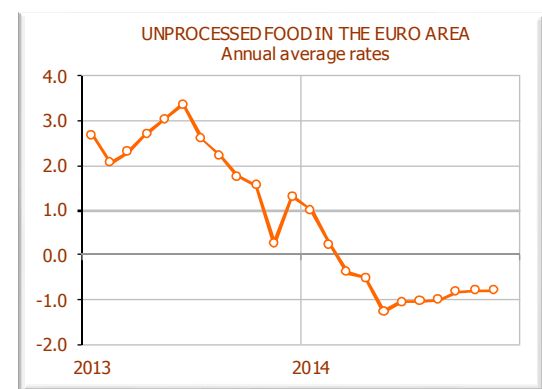
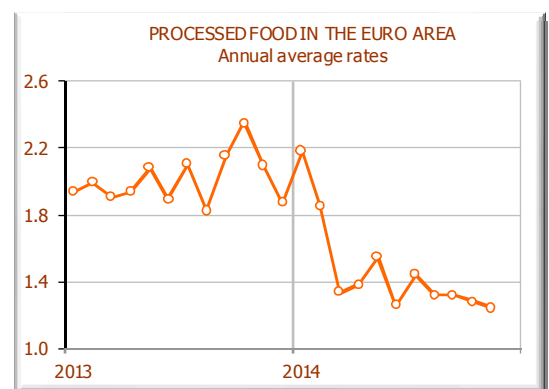
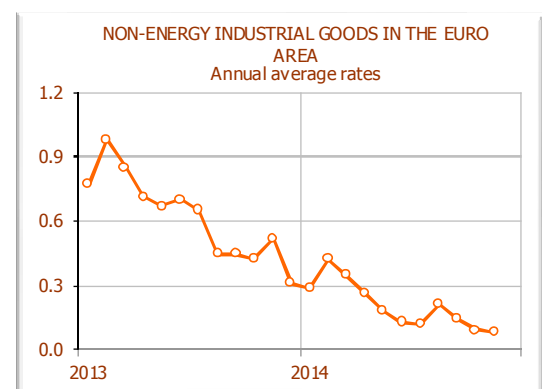
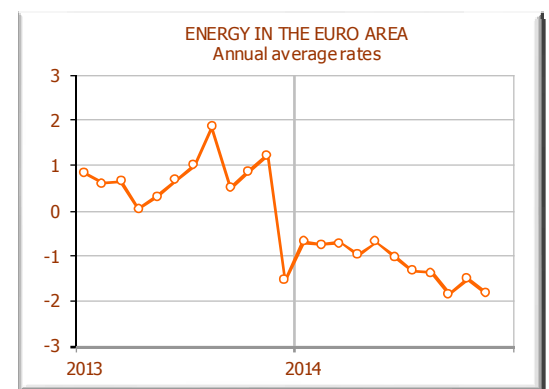
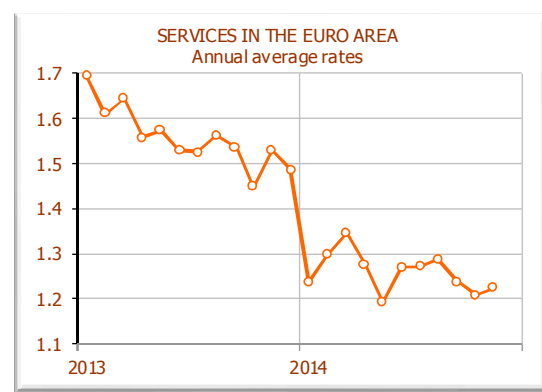
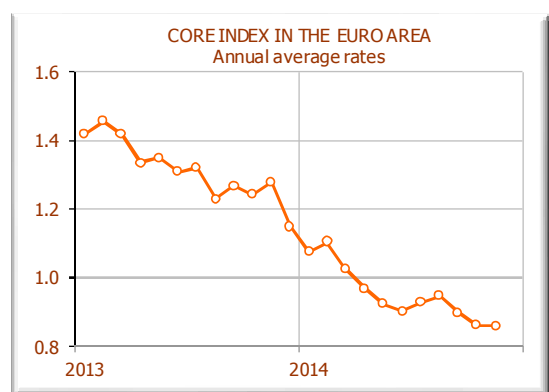
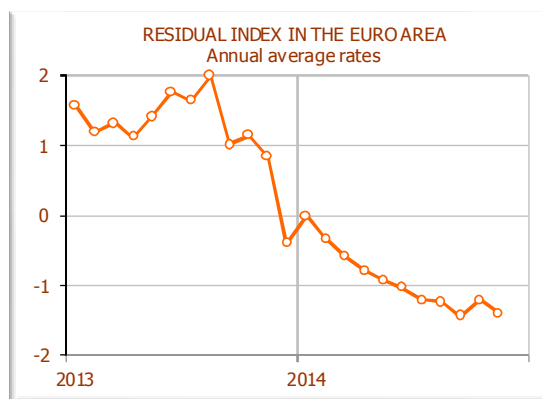
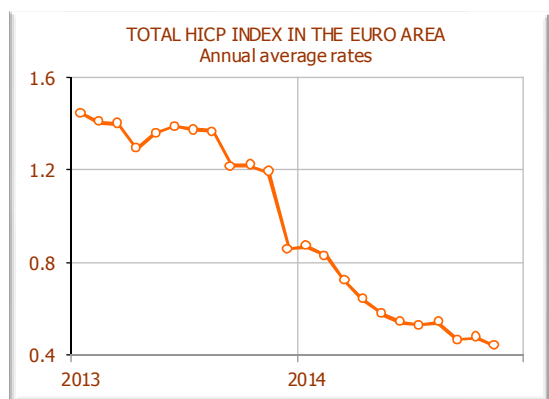
Source: EUROSTAT & BIAM (UC3M)

Date this report: December 17, 2014

Date previous report: November 14, 2014



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

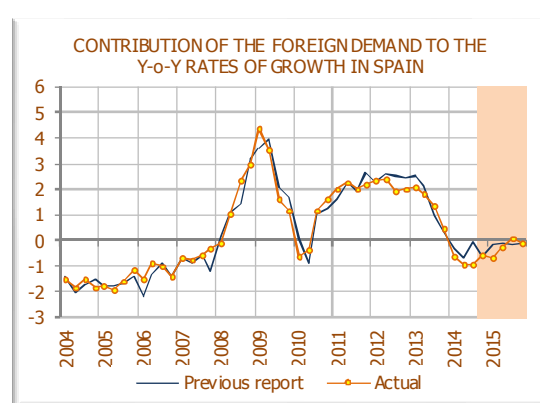
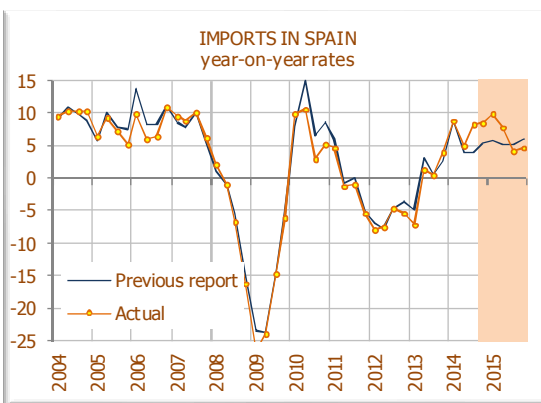
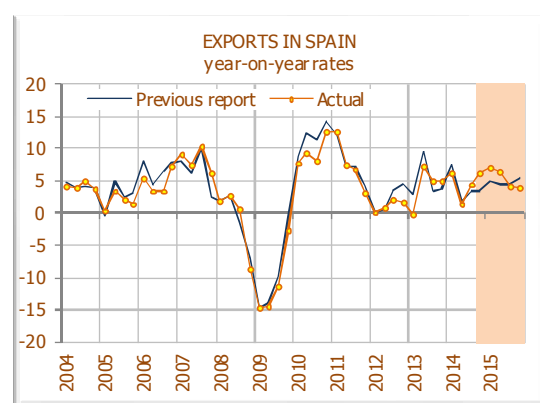
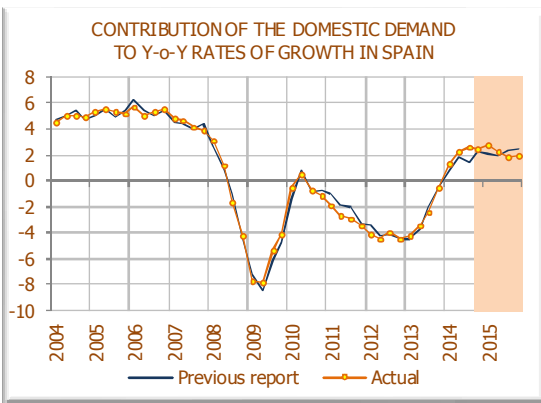
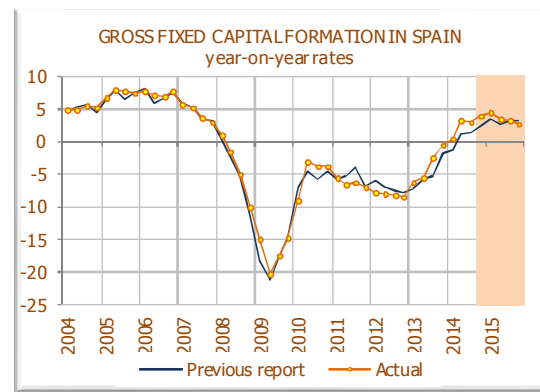
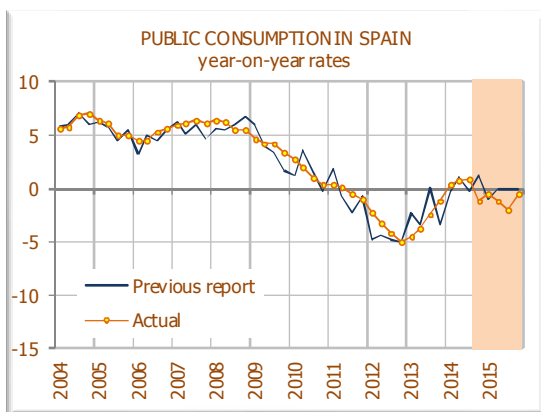
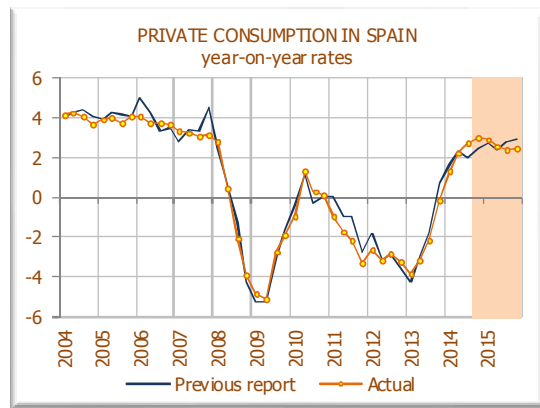
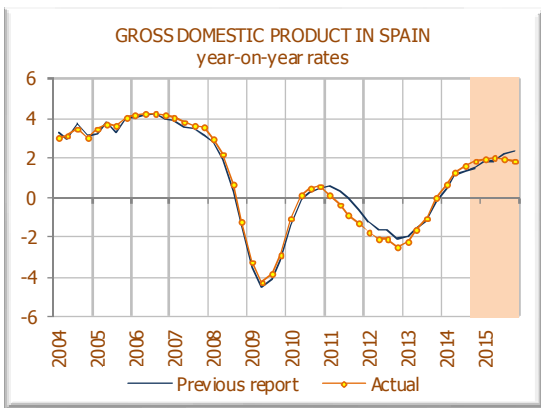


Source: EUROSTAT & BIAM (UC3M)  
Date: December 17, 2014



## GROSS DOMESTIC PRODUCT IN SPAIN: DEMAND SIDE

### Year-on-year rates

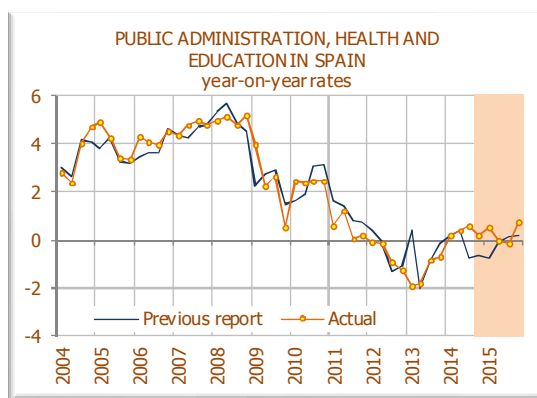
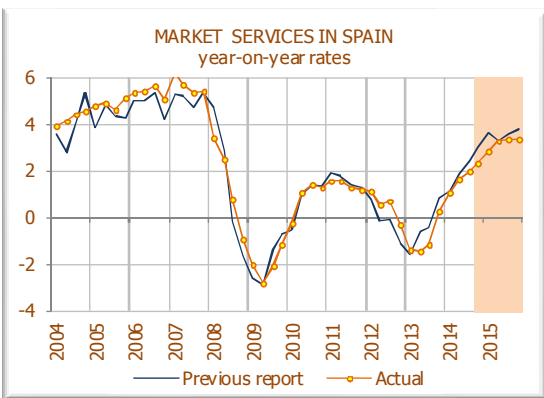
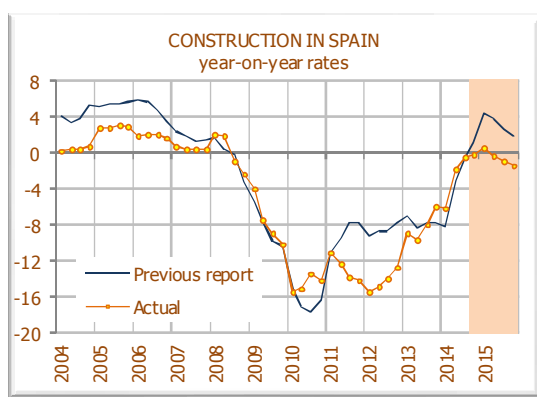
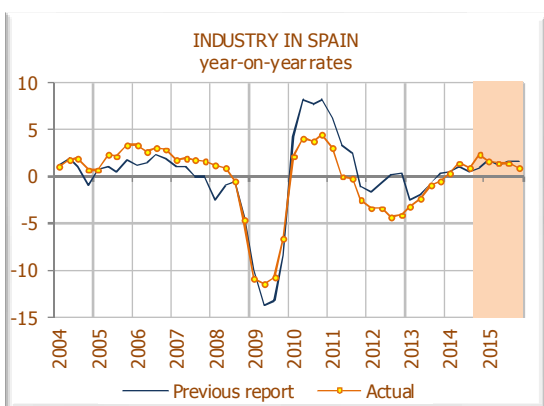
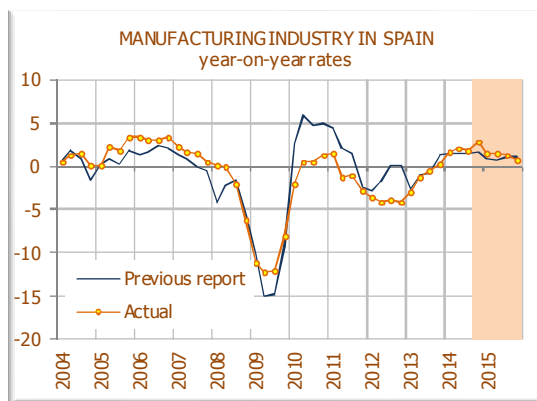
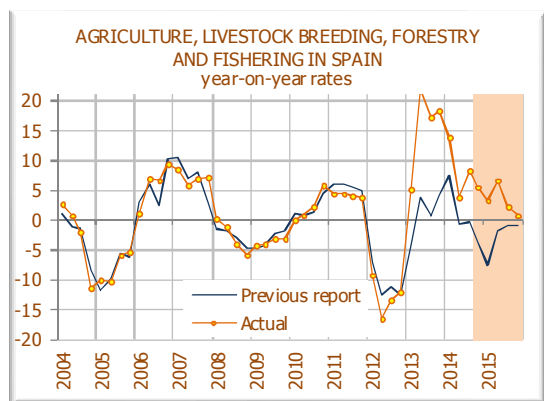


Source: INE & BIAM (UC3M).  
Date this report: November 27, 2014  
Date previous report: August 28, 2014



## GROSS DOMESTIC PRODUCT IN SPAIN: SUPPLY SIDE

### Year-on-year rates



Source: INE & BIAM (UC3M)

Date this report: November 27, 2014

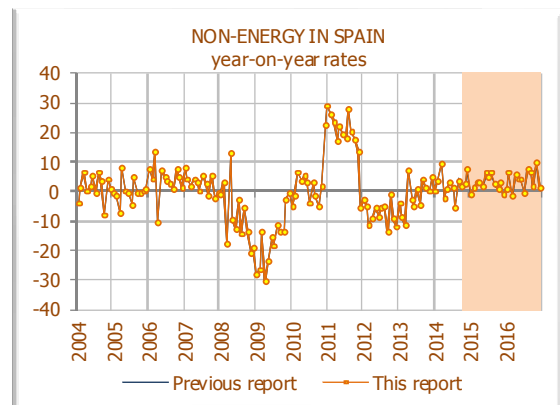
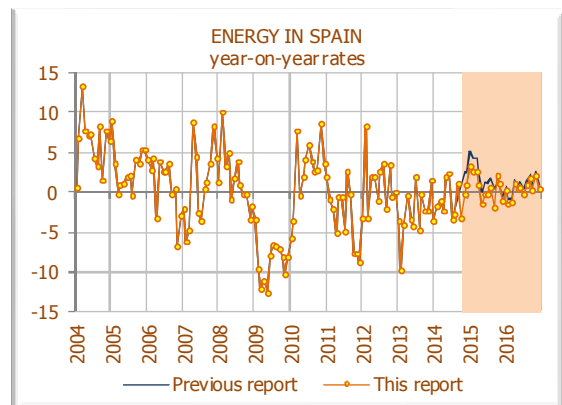
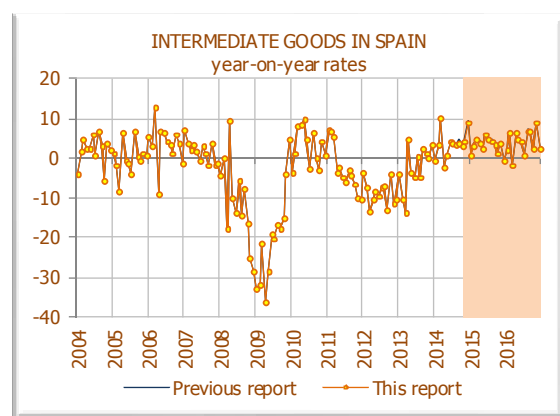
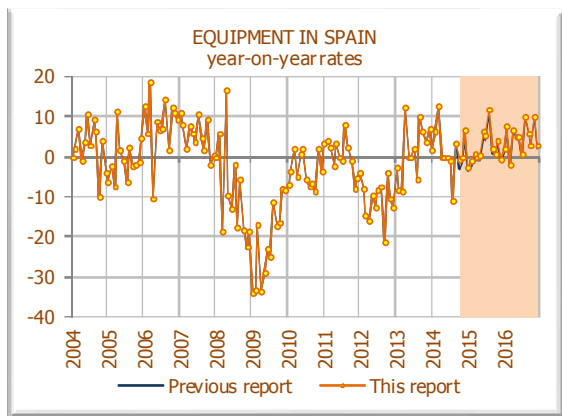
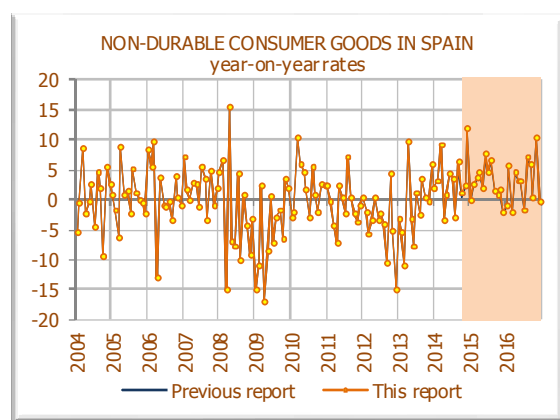
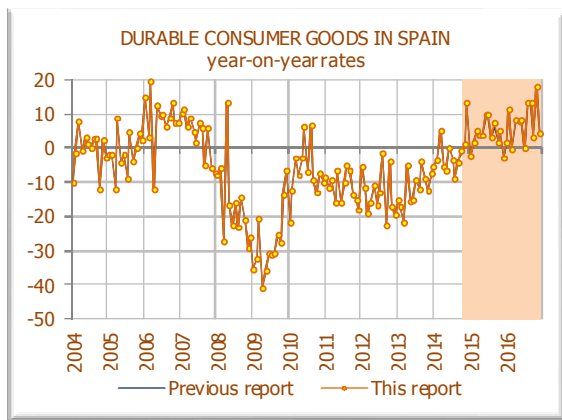
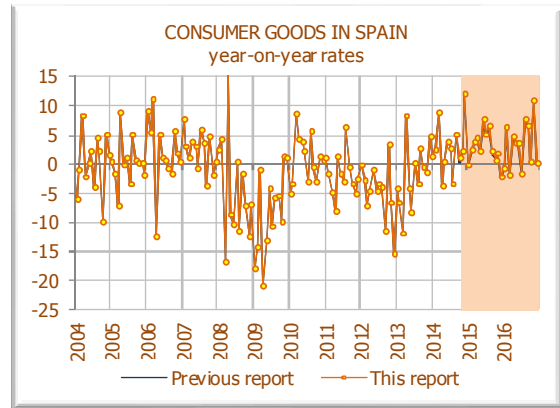
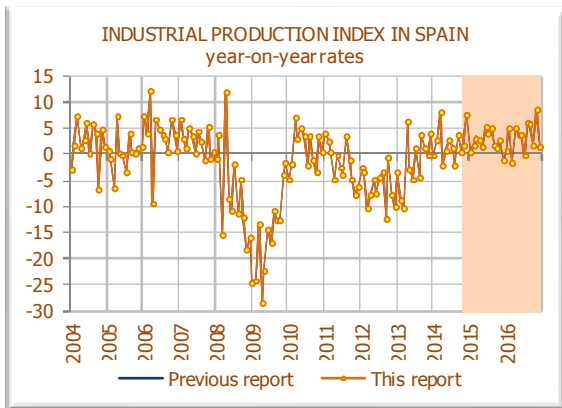
Date previous report: August 28, 2014





## INDUSTRIAL PRODUCTION IN SPAIN

### Year-on-year rates



Source: INE & BIAM (UC3M)

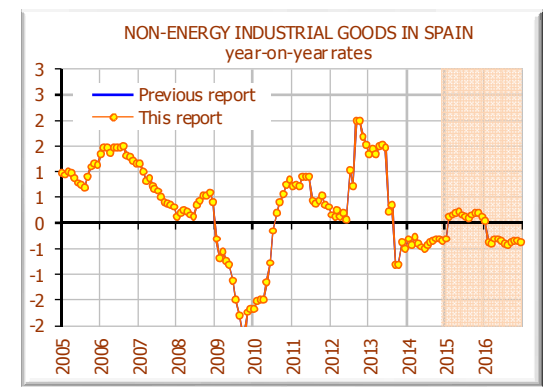
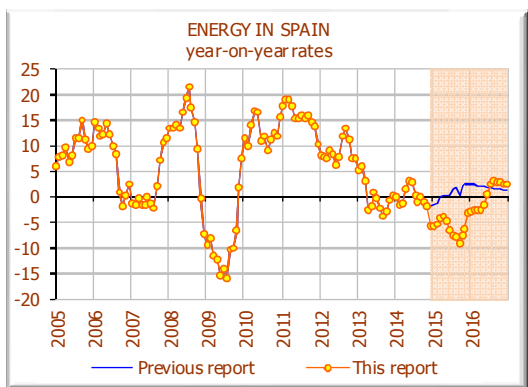
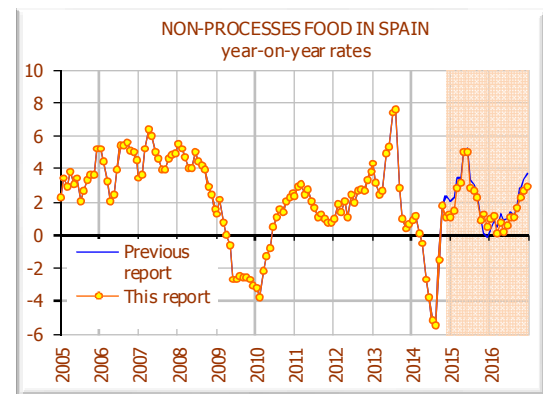
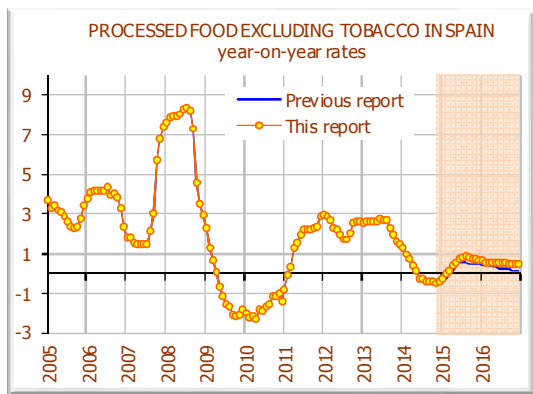
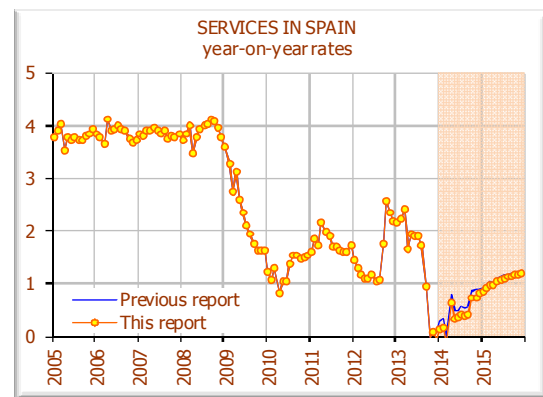
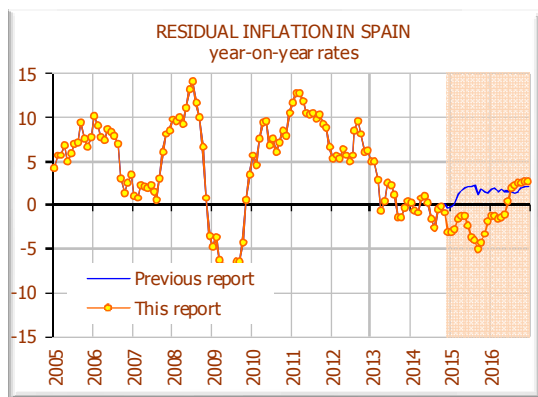
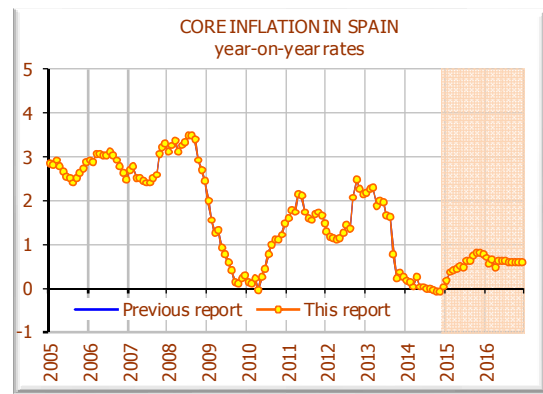
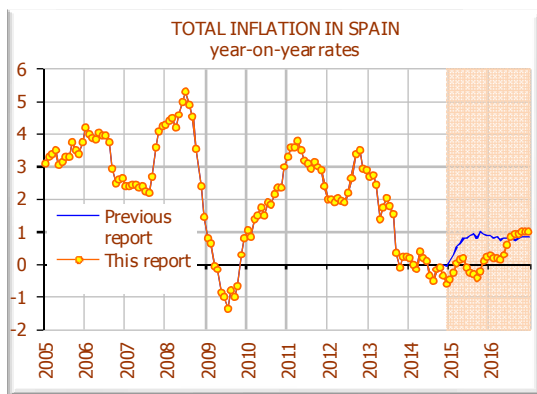
Date this report: December 5, 2014

Date previous report: November 7, 2014



## ANNUAL RATE OF INFLATION BY SPECIAL GROUPS IN SPAIN

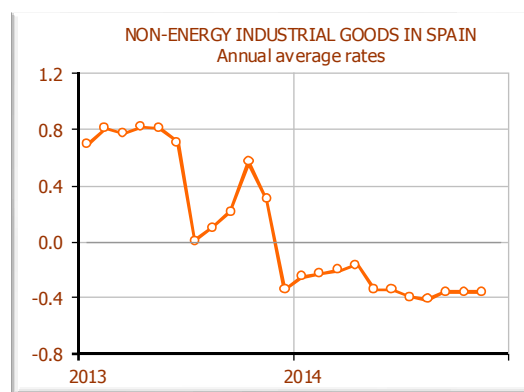
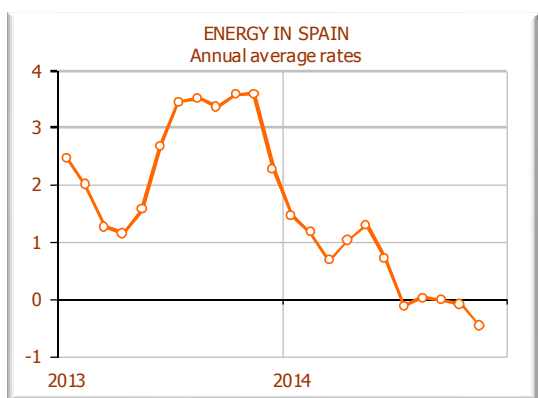
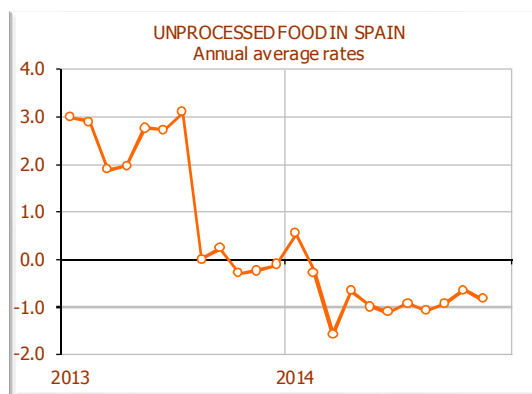
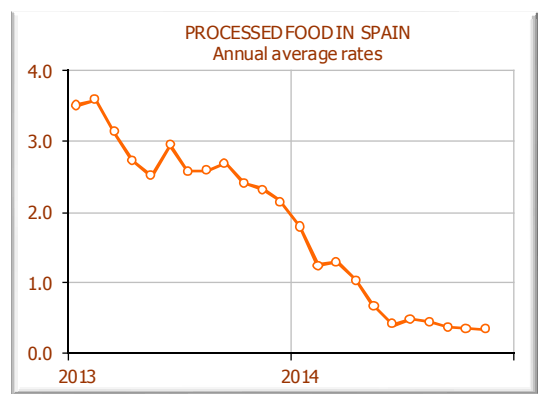
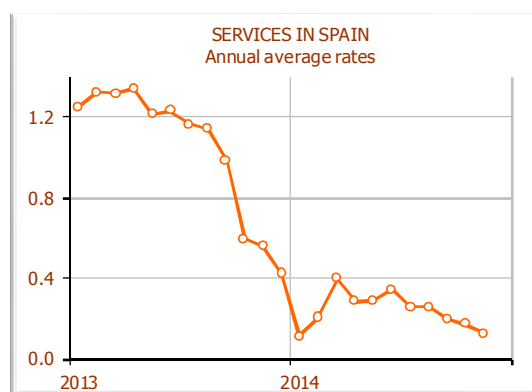
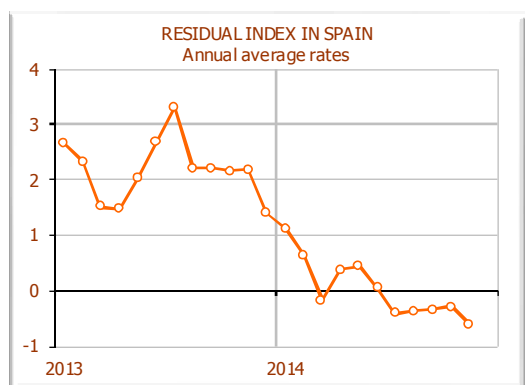
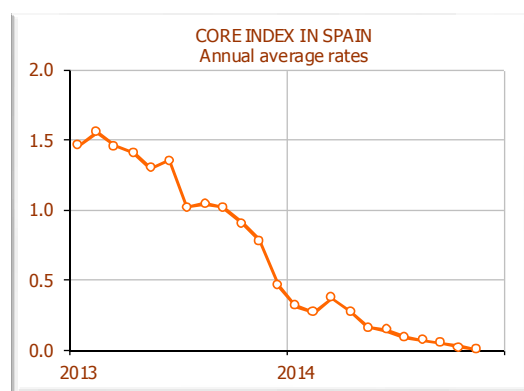
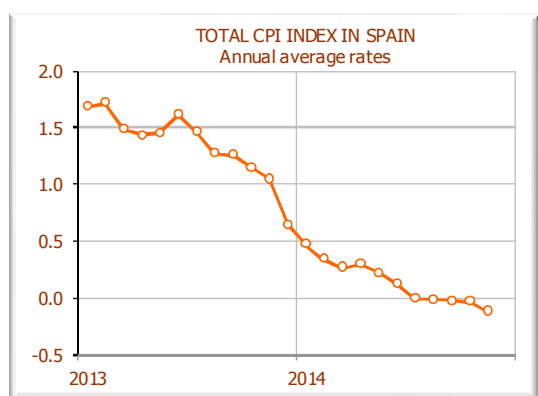
### Year-on-year rates



Source: INE & BIAM (UC3M).  
Date this report: December 12, 2014  
Date previous report: November 13, 2014



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



Note: These graphs show the average anual CPI growth rates forecast in the Bulletin published in the month on the abscissa

Source: INE & BIAM (UC3M)

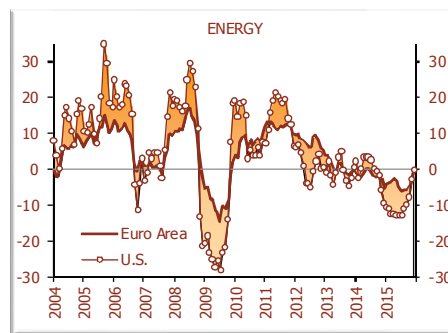
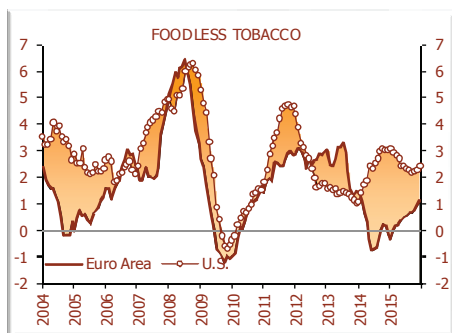
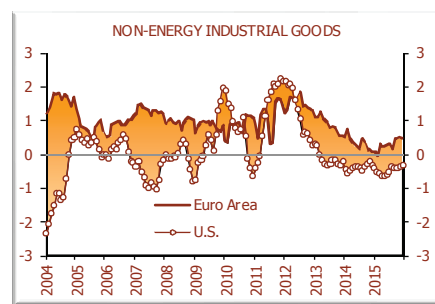
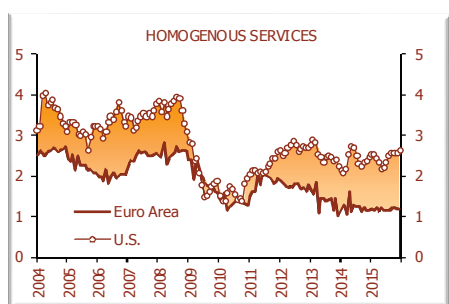
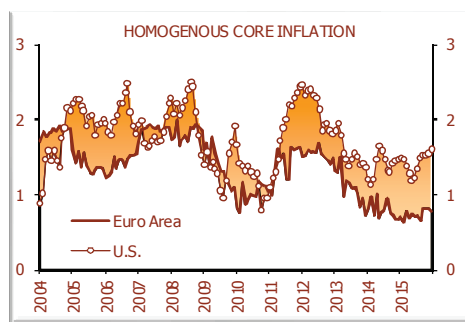
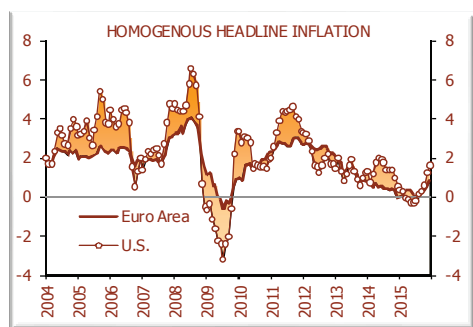
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## VII. ANNEX II: SUMMARY OF FORECASTS FOR DIFFERENT AREAS

### EURO AREA– U.S.

HOMOGENOUS INFLATION IN THE EURO AREA AND U.S.									
Annual average rates									
EA: Weights 2014	2008	2009	2010	2011	2012	2013	Predicciones		
USA: RI Dec 2012							2014	2015	2016
<b>TOTAL</b>									
less Owner's equivalent rent of primary residence									
Euro area 100.0	3.3	0.3	1.6	2.7	2.5	1.4	0.4	0.3	1.1
U.S. 77.5	4.3	-1.0	2.2	3.8	2.1	1.3	1.3	0.3	1.6
<b>HOMOGENOUS CORE INFLATION</b>									
- Non-energy industrial goods and Services, less Processed Food in the Euro area.									
- Non-energy industrial goods less Tobacco in U.S.									
- Services less Owner's equivalent rent of primary residence in U.S.									
Euro area 69.4	1.8	1.4	1.0	1.4	1.5	1.1	0.8	0.7	0.7
U.S. 55.2	2.1	1.4	1.2	1.8	2.1	1.6	1.4	1.4	1.7
<b>COMPONENTS OF HOMOGENOUS CORE INFLATION</b>									
Services less Owner's equivalent rent of primary residence									
Euro area 42.8	2.6	2.0	1.4	1.8	1.8	1.4	1.2	1.2	1.2
U.S. 34.8	3.6	2.0	1.6	2.2	2.7	2.5	2.4	2.4	2.6
Non-energy industrial goods less Tobacco									
Euro area 26.7	0.8	0.6	0.5	0.8	1.2	0.6	0.1	0.0	0.0
U.S. 20.4	-0.1	0.5	0.7	1.2	1.2	-0.2	-0.4	-0.5	-0.2
<b>EXCLUDED COMPONENTS FROM HOMOGENOUS CORE INFLATION</b>									
Food less Tobacco									
Euro area 17.4	5.3	0.2	0.5	2.4	2.8	2.5	0.1	0.5	1.3
U.S. 13.9	5.5	1.8	0.8	3.7	2.6	1.4	2.4	2.5	2.6
Energy									
Euro area 10.8	10.3	-8.1	7.4	11.9	7.6	0.6	-1.8	-3.9	2.4
U.S. 9.0	13.9	-18.4	9.5	15.4	0.9	-0.7	-0.3	-9.9	-0.4



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.

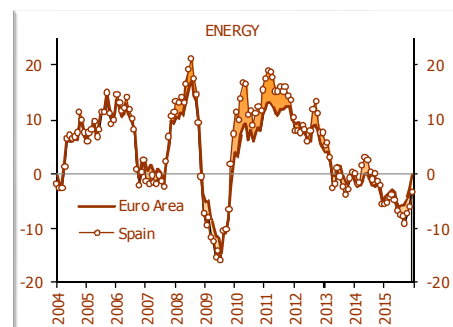
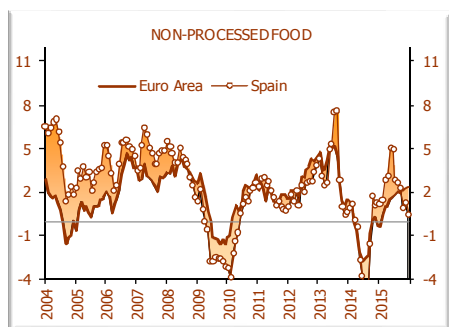
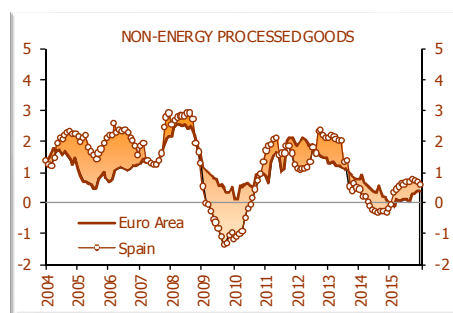
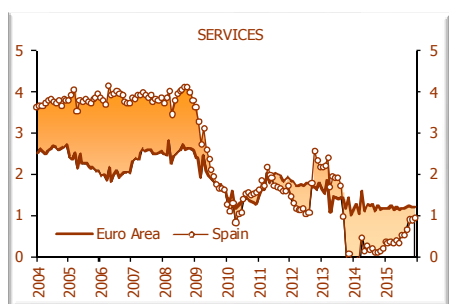
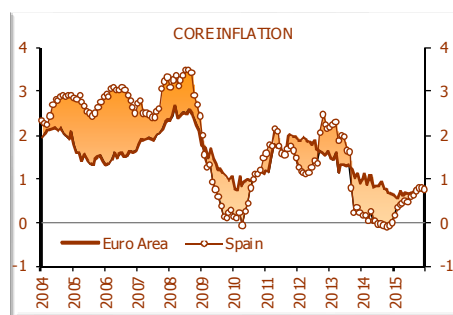
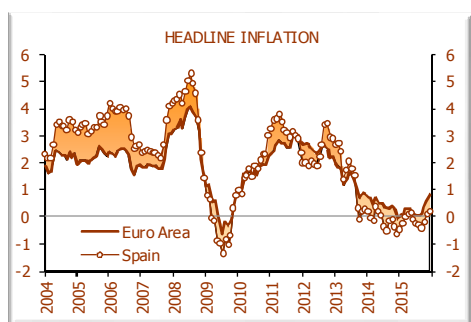
Source: EUROSTAT, BLS & BIAM (UC3M)

Date: December 17, 2014



## EURO AREA– SPAIN

INFLATION IN SPAIN (CPI) AND IN THE EURO AREA (HICP)											
Annual average rates											
	Weights 2014	2008	2009	2010	2011	2012	2013	Predicciones			
								2014	2015	2016	
<b>TOTAL</b>											
Spain	100.0	2.8	4.1	-0.3	1.8	3.2	1.4	-0.1	-0.1	0.6	
Euro area	100.0	3.3	0.3	1.6	2.7	2.5	1.4	0.4	0.3	1.1	
<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	1.4	0.0	0.6	0.6	
Euro area	81.7	2.4	1.3	1.0	1.7	1.8	1.3	0.9	0.7	0.9	
<b>COMPONENTS OF CORE INFLATION</b>											
Processed food											
Spain	15.1	3.7	6.5	0.9	1.0	3.8	3.2	0.3	1.2	1.3	
Euro area	12.3	6.1	1.1	0.9	3.3	3.1	2.2	1.2	0.5	1.7	
Non-energy industrial goods											
Spain	26.3	0.7	0.3	-1.3	-0.5	0.6	0.6	-0.4	0.1	-0.3	
Euro area	26.7	0.8	0.6	0.5	0.8	1.2	0.6	0.1	0.0	0.0	
Services											
Spain	39.8	3.9	3.9	2.4	1.3	1.8	1.4	0.1	0.6	1.0	
Euro area	42.8	2.6	2.0	1.4	1.8	1.8	1.4	1.2	1.2	1.2	
<b>COMPONENTS OF RESIDUAL INFLATION</b>											
Non-processed food											
Spain	6.7	4.7	4.0	-1.3	0.0	1.8	3.4	-0.9	2.4	1.3	
Euro area	7.5	3.5	0.2	1.3	1.8	3.0	3.5	-0.8	1.5	1.7	
Energy											
Spain	12.1	1.7	11.9	-9.0	12.5	15.7	0.0	-0.5	-6.0	0.3	
Euro area	10.8	10.3	-8.1	7.4	11.9	7.6	0.6	-1.8	-3.9	2.4	



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

Date: December 12, 2014





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<b>B4. Access to the data set of economic indicators of all CCAA</b>	<i>Monthly update of a database of high-frequency indicators of economic activity covering the main economic sectors, including credit data and fiscal situation, for all Spanish regions (about 255 monthly and quarterly indicators).</i>

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

## INDICATORS CALENDAR

### NOVEMBER

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

### DECEMBER

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

HICP: Harmonised Index of Consumer Price

QNA: Quarterly National Accounts

PCE: The Personal Consumption Expenditure Price Index

EAPS Economically Active Population Survey

IPI: Industrial Production Index

A.D.: Advanced Indicator





# BULLETIN OF EU AND US INFLATION AND MACROECONOMIC ANALYSIS

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Instituto Flores de Lemus

**The aggregate effect of the double recession reduced the Spanish GDP by 8.0%, while the euro area figure was only 3.3%.**

**With the last observed figure, Spain had recovered 1.6pp of growth, versus 1 pp in the euro area. According to the forecasts, at the end of 2015, the Spanish GDP will be 4.2 pp beneath the pre-crisis level, compared with only 0.4 pp for the euro area.**

STRUCTURE OF THE CRISIS IN SPAIN AND THE EURO AREA													
		GDP								EMPLOYMENT			
		Total		Industry		Construction		Services		Total	Industry	Construction	Services
		Sp	EA	Sp	EA	Sp	EA	Sp	EA				
<b>Initial Deep Recession</b>	Starting Date	2008-3	2008-2	2008-3	2008-1	2008-3	2008-2	2008-3	2008-2	2007-4	2008-2	2007-4	
	Duration in quarters <sup>1</sup>	6	5	4	6	23	21	4	4	10	12	26	
	Cumulative change, %	-4.6	-5.7	-11.5	-17.3	-48.0	-23.5	-1.6	-2.4	-10.1	-23.1	-66.0	
<b>Moderate Recovery</b>	Starting Date	2010-1	2009-3	2009-3	2009-3			2009-3	2009-2	2010-2	2011-2		
	Duration in quarters <sup>1</sup>	4	9	7	8			12	11	2	2		
	Cumulative change, %	0.5	4.0	5.6	15.3			3.2	3.1	0.9	2.1		
<b>Relapse (Until last observed data)</b>	Starting Date	2011-1	2011-4	2011-2	2011-3			2012-3	2012-1	2010-4	2011-3		2010-4
	Duration in quarters <sup>1</sup>	10	6	8	2			3	5	9	10		9
	Cumulative change, %	-4.1	-1.5	-6.5	-1.3			-1.6	-0.5	-8.8	-12.7		-5.7
Crisis Total variation		-8.0	-3.3	-12.7	-6.0	-48.0	-23.4	0.0	0.2	-17.9	-31.4	-66.0	-6.5
<b>Total until 2014-3</b>	Starting Date	2008-3	2008-2	2008-3	2008-1	2008-3	2008-2	2008-3	2008-2	2007-4	2008-2	2007-4	2010-4
	Cumulative change, %	-6.4	-2.3	-11.9	-7.3	-47.6	-24.5	2.0	1.3	-15.7	-27.6	-63.1	-2.7
	Cumulative change, thousand of people									3213.9	857.2	1724.7	256.5
<b>Cumulative effect until 2015-4 (incl. forecast)</b>	Starting Date	2008-3	2008-2	2008-3	2008-1	2008-3	2008-2	2008-3	2008-2	2007-4	2008-2	2007-4	2010-4
	Duration in quarters <sup>1</sup>												
	Cumulative change, %	-4.2	-0.4	-10.6	-4.9	-48.3	-22.2	5.3	3.6	-14.6	-27.5	-63.8	-1.6
Cumulative change, thousand of people										2995.2	853.0	858.6	230.6

**Unemployment rate in Spain: 2007-4: 8,6 / 2013-4: 26,0 / 2015-4 (forecasts): 24,2**

Notes: IPI in months

Employment: Seasonally adjusted by Tramo-Seats

Last observed figure; Employment: 2014-3; GDP: 2014-3

Source: INE, EUROSTAT & BIAM (UC3M)

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