

**THE SPANISH BALANCE
OF PAYMENTS AND
INTERNATIONAL
INVESTMENT POSITION**

2004

BANCO DE **ESPAÑA**



THE SPANISH BALANCE OF PAYMENTS
AND INTERNATIONAL INVESTMENT POSITION 2004

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AND INTERNATIONAL INVESTMENT POSITION 2004**

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ABBREVIATIONS AND CONVENTIONAL SIGNS

bn	Billions (10 ⁹).
m	Millions.
ESP	Pesetas.
EUR	Euro.
Ø	Annual (1970 Ø) or quarterly data with this sign are averages of the monthly data of the year or quarter; series of monthly, thrice-monthly or weekly data are averages of the daily data for such periods.
...	Data not available.
–	Nil, non-existence of the event considered or insignificance of changes when expressed as rates of growth.
»	Amount less than half of the last digit indicated in the series.
*	Seasonally adjusted data.

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1 OVERVIEW

1 Overview

The main change in this edition of the annual report on the Balance of Payments and International Investment Position (IIP) with respect to previous years' editions is the revision of the Balance of Payments time series for the period 1995-2004. Since the publication of the March 2005 data, the Spanish Balance of Payments includes, in addition to the usual annual revisions, others arising from changes in methodology, estimation procedures and information sources used by the Banco de España. The new Balance of Payments time series better reflects the situation of Spain's foreign sector, and its methodology and components follow more closely the recommendations of the Balance of Payments Manual. Furthermore, it signifies a reduction in the differences with respect to the rest of the world account prepared by the INE, the institution with which the revision of the time series was co-ordinated, within the framework of the change of base year of the National Accounts.

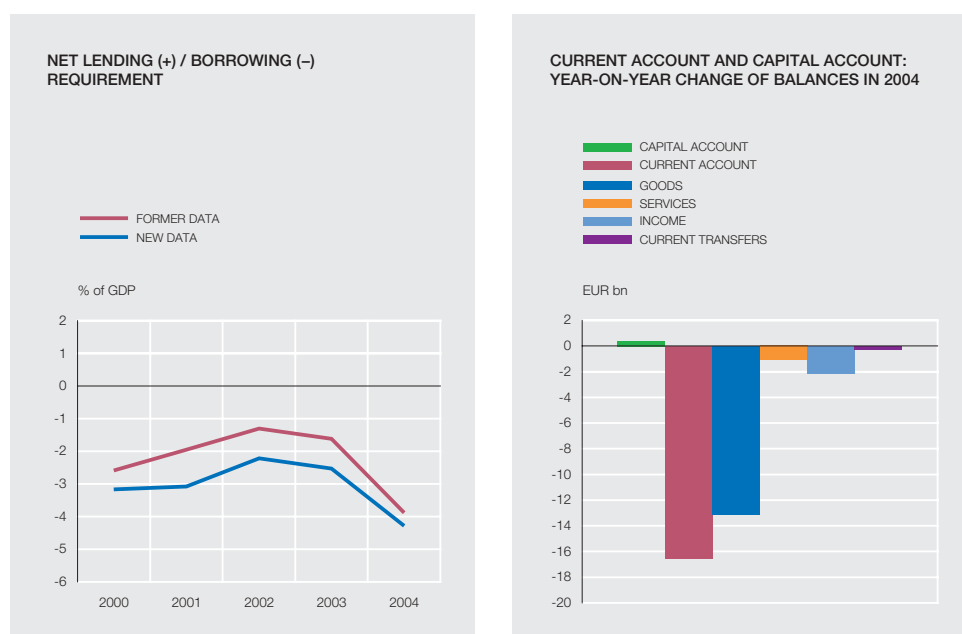
The main consequence of this revision of the data is that the net lending/net borrowing of the Spanish economy has deteriorated with respect to the previously published figure over the whole of the revised period (see Chart 1). Also, the errors and omissions, whose persistent sign and growing absolute value signalled the need to review the data, decreased considerably. Along with the revision of the time series, this edition begins the dissemination of a more extensive geographical breakdown of the main Balance of Payments and IIP headings, particularly direct investment flows and stocks.

The following is a summary of, firstly, the key developments in the Balance of Payments and the IIP in 2004 and, secondly, of the aforementioned changes introduced, particularly the revision of the time series.

In 2004 the international economic expansion, the stability of the financial markets and the dissipation of geopolitical uncertainty gave rise to an appropriate scenario for the recovery of both real and financial transactions around the world. As a result, international trade showed appreciable growth in the year (9% in annual terms), outstripping that of the world economy (5%). However, the change in monetary policy stance in certain areas, the sharp rise in oil prices and the magnification of imbalances in the United States led, despite the expansionary fiscal policy in some zones, to a gradual decline in economic buoyancy during the year. The expansion of the economy at global level was not equally intense in all areas. The United States and Asia (particularly China) continued to drive the world economy, while the euro area's problems in assuring a path of sustained growth persisted. Meanwhile, the Spanish economy saw strong domestic demand-led growth (3.1% in annual terms in 2004), which offset the strong negative contribution by foreign demand.

In this scenario the Spanish economy's borrowing requirement vis-à-vis the rest of the world increased notably, according to Balance of Payments data, to 4.3% of GDP, against 2.5% in 2003, representing the highest level since 1990. The rise in the borrowing requirement as a percentage of GDP is indicative of the moderate decrease in gross national saving, against a background of expansion of gross capital formation.

This behaviour of the borrowing requirement reflects the substantial increase in the current account deficit, which jumped from 3.6% of GDP in 2003 to 5.3% in 2004, an all-time high, since the capital account surplus held steady (1% of GDP). All sub-balances contributed to this increase, particularly the trade deficit which, spurred by the buoyancy of imports (which



SOURCE: Banco de España.

grew faster than exports), climbed to 6.3% of GDP in 2004, more than one percentage point higher than in the previous year. The deterioration of the trade balance extended to all geographical areas and all product groups, especially energy.

The strength of Spanish domestic demand, in contrast to that of the euro area as a whole, along with the appreciation of the euro and Spain's persistent positive inflation differentials, led to an increase in imports in real terms (9.8% on Customs figures). Contributing to this growth were imports of energy (up by 9.7% in real terms), against a background of significant oil price hikes (20% in euro terms). Meanwhile, the growth of exports (5.2% per annum in real terms, on Customs figures) was very moderate, to the point of being lower than that of the previous year and than that posted by the world markets. This gave rise to a decline in the market share of Spanish products, which had to contend with the economic situation of the euro area, the losses in competitiveness accumulated by the Spanish economy since it joined the euro area, the emergence of new competitors and Spain's productive and trade specialisation, with an under-representation of the more buoyant sectors.

The laboured growth and low consumer confidence in the euro area, the main source of tourists visiting Spain, affected the performance of travel in Spain in 2004, despite the appreciable recovery of global travel flows. To this factor should be added the growing international competition and the losses of competitiveness built up by the Spanish economy. Moreover, during 2004 evidence continued to accumulate of the existence of a structural change in the characteristics of tourists visiting Spain, reflected in a change in their average expenditure. As a result, travel receipts increased moderately, which, taken together with the buoyancy of payments, meant that the travel surplus decreased to 3.2% of GDP in that year. This decline, together with the larger deficit on other services, caused the surplus on the services balance to decrease to 2.7% of GDP.

The income and current transfers balances also worsened. The deficit on the former widened further following the correction posted in the previous two years, standing at 1.6% of GDP. All sectors except general government contributed to the widening of the income imbalance,

BALANCE OF PAYMENTS: BALANCES

TABLE 1.1

% of GDP

	2000	2001	2002	2003	2004
NET LENDING (+) / BORROWING (-) REQUIREMENT	-3.2	-3.1	-2.2	-2.5	-4.3
Current account	-4.0	-3.9	-3.3	-3.6	-5.3
Goods	-6.4	-5.7	-5.0	-5.1	-6.3
Services	3.3	3.4	3.1	3.0	2.7
<i>Travel</i>	4.1	4.0	3.5	3.5	3.2
<i>Other services</i>	-0.8	-0.6	-0.4	-0.5	-0.5
Income	-1.2	-1.8	-1.7	-1.5	-1.6
<i>Of which: reinvested earnings</i>	0.3	-0.2	-0.2	-0.1	-0.1
Current transfers	0.2	0.3	0.3	0.0	-0.0
Capital account	0.8	0.8	1.1	1.0	1.0
FINANCIAL ACCOUNT (a)	3.1	3.2	2.2	2.4	4.4
Excluding Banco de España	4.1	0.6	1.7	2.2	6.1
Direct investment	-3.2	-0.8	0.9	-0.2	-3.1
Portfolio investment	-0.2	-2.8	0.6	-3.4	10.2
Other investment	7.2	4.2	0.8	6.2	-1.2
Financial derivatives	0.3	-0.1	-0.7	-0.4	0.1
Banco de España (b)	-1.0	2.6	0.5	0.2	-1.7
ERRORS AND OMISSIONS	0.0	-0.1	0.0	0.1	-0.1

SOURCE: Banco de España.

a. Net change in liabilities less net change in assets.

b. A negative (positive) sign denotes an increase (decrease) in Banco de España foreign assets.

particularly other resident sectors (ORS). By instrument, this widening affected income from other investment (loans, deposits and repos) and, in particular, direct investment, while the deficit on portfolio investment was corrected slightly. Both payments and receipts on direct investment income grew significantly, against a background in which, on the one hand, the dividends distributed by Spanish firms reached record highs and, on the other, the dividends from Spanish subsidiaries in Latin America increased in line with the economic expansion of the region, although some uncertainties do persist. Meanwhile, the balance on current transfers declined substantially, and for the first time it showed a small deficit. Mention can be made of the increase in Spanish contributions to the European Union budget and of the payment of workers' remittances, driven by the expansion of immigration into Spain. Finally, the surplus on capital account, which depends in practice on capital transfers with the EU, remained at 1% of GDP.

The Spanish economy's net borrowing requirement, adding to which were the net outflows of direct investment and of other investment (basically loans, deposits and repos), was covered by capital inflows in the form of portfolio investment, mainly in the form of acquisitions of debt securities.

Spanish inward and outward capital flows took place against a background of gradual improvement in the external economic environment and on international financial markets, along with the favourable behaviour of the Spanish economy in 2004. The soundness of financial markets was reflected in the recovery in world bourses, the easy financing conditions, with

interest rates and risk premia at low levels, despite the rises in official rates in the US and the persistence of trade and fiscal imbalances in this economy.

Spanish foreign direct investment flows were driven by resident MFIs, whose investment reached a record level following the weakness shown in 2002 and 2003, in which the Latin-American crisis was instrumental. Foreign direct investment in Spain decreased appreciably, as it did in the whole of the euro area. However, it should be pointed out that this development was strongly influenced by the decline in transactions by foreign-equity holding companies (ETVE by their Spanish name) since, if these transactions are disregarded, foreign direct investment in Spain decreased by only 5.9% in annual terms. This decrease is explained, at least in part, by the moderate growth of the euro area, the main direct investor in Spain. As a result, there was a notable increase in net outflows in the form of direct investment in 2004, which rose to 3.1% of GDP.

Unlike net direct investment flows, net inflows of portfolio investment posted a record high (10.2% of GDP), in contrast to the net outflows seen since 1996. These net inflows reflect the fall in investment abroad, which stood at 3% of GDP, while foreign investment in Spain amounted to 13.2% of GDP, an all-time high. As regards portfolio investment abroad by Spain, the reduction was concentrated in debt securities issued by non-residents, while purchases of shares and other equity held practically unchanged. The behaviour of MFIs, excluding the Banco de España, largely explains the contraction in investment abroad, although the lower investment by ORS also contributed to this fall. The strong inflows of portfolio investment were concentrated, as in previous years, in public- and private-sector long-term debt securities. The asset securitisation markets, particularly the mortgage market, channelled the largest portion of these funds. Public debt also accounted for a considerable share, following the disinvestment of the previous year, against a backdrop of rising issuance by the Treasury. Finally, the considerably higher inward investment in equity securities was influenced by the financing of some direct investment transactions, and, if these were disregarded, there would be net disinvestment, as in 2003.

Meanwhile, other investment saw net outflows amounting to 1.2% of GDP in 2004, an exceptional figure if it is considered that, since 1995, other investment had been the main instrument through which the Spanish economy covered its financing requirements. These net outflows largely reflect the behaviour of Spanish MFIs which, to cover their financing needs arising from the loan-deposit gap, resorted to the foreign and Spanish securities markets (fixed-income and asset securitisation). This resulted in a decrease in the funds raised abroad in the form of loans and deposits. As regards the ORS sector, the financing received in the form of foreign loans continued to decrease, in line with the process of restructuring of non-financial corporations.

Spain's greater foreign financing needs were also reflected in its appreciably larger net debtor position which, excluding the Banco de España, amounted to 50.6% of GDP in 2004 (43.2% in 2003). When the Banco de España is included, the net debtor position decreases to 42.4% of GDP in 2004 (36% in 2003). Contributing to this increase were the appreciation of the euro, which reduced the value of Spanish assets abroad, and the upward trend of stock markets, which had a greater impact on equity liabilities, since they significantly exceeded assets. All institutional sectors contributed to this increase in the net debtor position, particularly MFIs, which was driven by the substantial growth of debt security liabilities. The net debtor position of general government rose after the correction in 2003, against a background of increasing debt security issuance. In 2004 there was a decrease in the net creditor position of ORS, basically associated with the strong growth in debt security liabilities, with securitised bonds per-

forming vigorously. Finally, 2004 witnessed the end of the downward trend in the net creditor position of the monetary authority initiated in 2001 basically as a result of an increase in its assets vis-à-vis the Eurosystem. In any event, this rise was insufficient to offset the change in the net positions of the rest of the sectors. In terms of instruments, in line with the aforementioned trend in balance-of-payments flows, the increase in the net debtor position was due to portfolio investment, only partially counteracted by decreases in the net debtor positions of direct investment and of other investment.

The most notable changes presented in this edition of the report are the inclusion of the revised series of the Balance of Payments and IIP for the period 1995-2004. The chapter on changes in this edition of the report describes the changes introduced, which basically affect the current account headings and errors and omissions. The most important of these changes, because of their future implications, are the full incorporation of the new method of calculating travel data and the introduction for the first time of an estimate of reinvested earnings on direct investment.

Furthermore, to enrich our analysis of the data, this edition expands the geographical breakdown of the Balance of Payments offered in other editions. In the case of the financial account, the breakdown includes, for the first time, the flows of the MFI sector. The published geographical breakdown of direct investment flows covers more areas and countries and, for the first time, there is also a geographical breakdown of the direct investment stock for 2003 and 2004, which includes the countries with the greatest weight in this heading. Finally, also included for the first time is a general geographical breakdown of the other components of the IIP.

2 THE BALANCE ON CURRENT AND CAPITAL ACCOUNTS IN 2004

2 The balance on current and capital accounts in 2004

2.1 Introduction

In 2004 the Spanish economy continued the phase of high growth initiated in the mid-1990s, against a background marked by general buoyancy of the world economy, which enjoyed the highest rate of growth seen in recent decades. According to the IMF, the world GDP grew by more than 5% despite the oil price rises in the second half of 2004 and the widening imbalances of the world economy, especially in the United States, which continue to affect financial flows at global level. As in the previous year, the international expansion was underpinned by the United States, which grew by 4.4%, and by the Asian and Latin American economies, especially China (9.5%), which accounted for 20% of world growth, while the euro area, despite faster growth, still failed to show clear signs of sustained recovery. The greater buoyancy of the world economy was reflected in the performance of international trade, which posted annual growth of 9% in 2004, according to World Trade Organisation (WTO) figures. The financial market stability and the lesser geopolitical uncertainty favoured world economic growth. However Q2 saw this buoyancy gradually moderate towards a more sustainable rate of expansion. This slowdown took place against a background marked by oil price rises which, although not significantly damaging the inflation outlook, did eventually lend support to the change in the monetary policy stance of certain countries. Despite the rise in US interest rates, the heightened imbalances associated with its sizeable external and fiscal deficits influenced the performance of the dollar, which depreciated further in 2004. It is precisely the persistence of these global financial imbalances that is one of the main risks to ongoing sustained growth at world level.

In Spain, the new base year 2000 National Accounts figures showed GDP growth in 2004 of 3.1%, against 2.9% in 2003, evidencing the persistence of a significant growth differential with the euro area. Expansion continued to be underpinned by domestic demand, the contribution of which amounted to 4.7 percentage points (3.8 in 2003), thanks to the brisker pace of final consumption (4.8% against 2.8% in 2003), while the growth rate of gross fixed capital formation moderated (4.4% against 5.4% in 2003), despite its rising trend during the year. By contrast, the negative contribution of external demand rose considerably (1.6% against 0.9% in 2003), as a result of the quickening of imports and the slowing of exports. The average rate of inflation in 2004 held at 3%, influenced by rising energy prices, since the CPI excluding unprocessed food and energy not only did not increase, but its growth rate moderated (2.7% in 2004 against 2.9% in 2003). The inflation differential with the euro area held at 1% on average in 2004.

As mentioned in the Overview, this chapter discusses the data in the revised time series published in June and coinciding with the release of the March 2005 balance of payments which introduced significant changes to certain headings of the current account balance. The methodological aspects of this revision are explained in Chapter 5 of this report (The Balance of Payments and the International Investment Position: Methodological Notes).

One of the key features of Spain's economic expansion in 2004 is the significant increase in the Spanish economy's net borrowing vis-à-vis the rest of the world. The recourse to external saving to finance domestic growth reflects expansion of gross capital formation, against a background of declining gross national saving as a percentage of GDP. On balance of payments figures, the Spanish economy's net borrowing amounted to €35,903 million in 2004, against €19,745 million in 2003. This increase basically arose from a widening of the current account deficit caused by the sharp increase in the trade imbalance. Accordingly, as a percentage of GDP, net borrowing stood at 4.3%, against 2.5% in 2003.

MERCHANDISE BALANCE

TABLE 2.1

Nominal rate of change

	AVERAGE 1993-2000	2001	2002	2003	2004	2004			
						Q1	Q2	Q3	Q4
Receipts (exports)	20.7	4.5	2.7	3.7	6.0	1.0	6.9	8.6	7.6
Payments (imports)	22.8	2.4	0.9	4.8	11.9	3.4	13.5	16.0	14.7

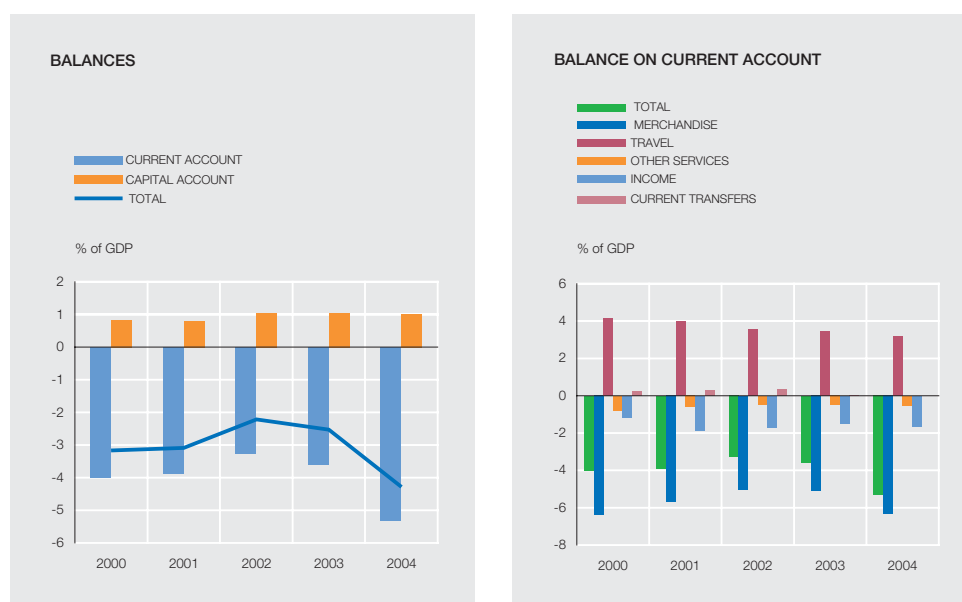
SOURCE: Banco de España.

The current account deficit widened substantially (by 59.3%) in 2004 to stand at 5.3% of GDP (3.6% in 2003). The capital account surplus increased moderately (by 4.7%), holding at 1% of GDP. The increase in the current account deficit was a result, firstly, of the sharp widening of the trade imbalance driven by high growth of imports, which outpaced that of exports (see Table 2.1). As a percentage of GDP, the trade deficit rose from 5.1% in 2003 to 6.3% in 2004, slightly below the level in 2000 (6.4%). The second most important reason for the rise in the current account deficit was the decrease in the services account surplus by 0.3 percentage points of GDP to 2.7% of GDP, in which both travel and other services played a part. Finally, the increase in the income deficit and the sharp reduction in the surplus on current transfers also explain, although to a lesser extent, the behaviour of the current account (see Chart 2.1). To examine more closely the external sector of Spain and identify a pattern in its behaviour that will help to characterise the deterioration in recent years as conjunctural or structural, this report includes a detailed analysis of the geographical breakdown of the main balance of payments headings (see Box 2.1 “Analysis of the geographical breakdown of the 2004 Spanish balance of payments”).

The change in the goods deficit in 2004 basically reflected the widening of the trade deficit in real terms, although also contributing was the deterioration in the real terms of trade. The growth rate of imports, driven by final demand and the strength of the euro¹, outstripped that of exports, which expanded more slowly than the international markets. In this respect, Spanish exports were subject to significant adverse factors, such as the cumulative appreciation of the euro in recent years (up by 17.3% in real effective terms against the developed countries between 2000 and 2004) and the moderate growth of the euro area, the principal Spanish export market. According to initial estimates of international trade, the share of Spanish exports in the world markets and in the euro area fell in 2004, amid growing competition from new areas such as the Asian economies and those of central and Eastern Europe. Indeed, the available information shows that the presence of these new competitors – whose sectoral specialisation is, in certain cases, relatively similar to that of Spain – increased notably in the main Spanish export markets². In recent years Spanish exports have been struggling to keep gaining market share, which points to a certain petering out of the positive factors stemming from EEC membership and the lower prices and costs than in the euro area as a whole. This highlights the need to improve the competitiveness of the Spanish economy through greater productivity and a pattern of specialisation focussed on the more buoyant sectors, which in principle are less sensitive to differences in relative costs and prices.

The sharp, rapid widening of the trade deficit is not a new phenomenon for the Spanish economy, since it has characterised most of the cyclical upturns in recent decades. Specifi-

1. Note that the impact of the appreciation of the euro is lessened by the fact that approximately 55% of Spanish imports and 60% of Spanish exports are from/to the euro area. 2. See Annual Report of the Banco de España, 2004.



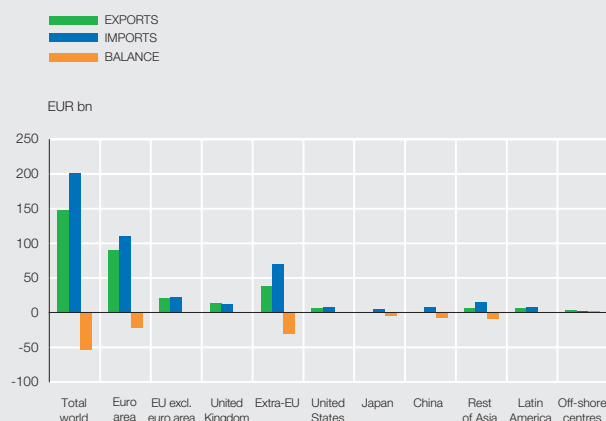
SOURCE: Banco de España.

cally, the late 1980s and early 1990s saw a similar process. In both cases, the increase in net borrowing following the deterioration of the trade deficit came after a prolonged phase of economic growth, being particularly strong in the late 1980s. However, there are differences between the two periods which suggest that the reasons for this greater recourse to external saving may also differ. This is indicated firstly by the differing behaviour of gross national saving in terms of GDP in the two periods. Thus the general upward trend in saving at the beginning of this decade contrasts with the downward trend in the early 1990s against a background of relative buoyancy of gross capital formation. Even more important is the differing behaviour of the institutional sectors in these periods. Most notable here is the correction of the general government deficit in the current cyclical phase, in contrast to the behaviour shown in the previous one. This has been insufficient to offset the greater net borrowing by non-financial corporations, which is rather higher than in the previous period, and the appreciable decline in the net lending of households, which became practically zero in 2004.

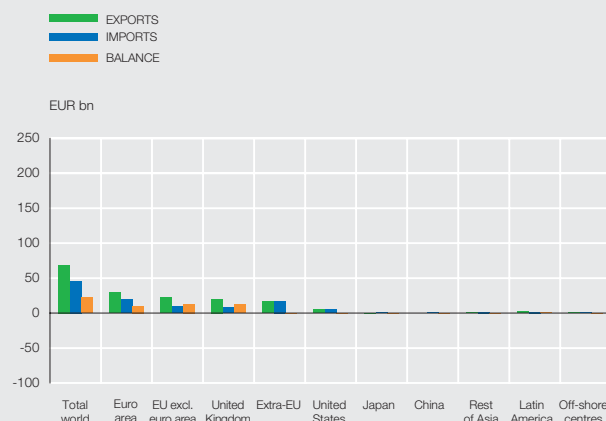
Analysis of the behaviour of the trade balance, which is chiefly responsible for the deterioration in the current account deficit, and of its principal determinants enables some of these differences to be identified. First, Spain's membership of the EEC spurred both economic growth and the widening of the trade deficit in the second half of the 1980s, following the dismantling of customs duties which led to considerably faster growth in imports than in exports. In recent years, the growth of imports has been underpinned by domestic demand and by the appreciation of the euro, whereas exports, given the growing competitive pressure, have not fully benefited from the recovery of the international markets. Second, both periods have seen significant losses in competitiveness, particularly the late 1980s and early 1990s, when the Spanish economy experienced inflationary pressures and significant appreciation of the peseta, underpinned by buoyant domestic spending and the high capital inflows recorded in that period. Finally, another factor contributing in both cases to the trade deficit was the rise in oil prices. Here, however, significant differences are apparent: in the early 1990s the oil price hike was temporary, coming as a result of the Gulf war, and was followed by a prolonged period of low oil prices. However, in the current upturn the oil price rise seems to be more persistent, basically stemming from the expansion of world oil demand, and coincides with an increase in the energy dependence of the Spanish economy which outpaces that seen in the late

GOODS AND SERVICES TRADE

GOODS TRADE



SERVICES TRADE



SOURCE: Banco de España.

Spain has been moving towards a more open economy in recent decades, in a process driven by membership, initially of the European Economic Community and subsequently of the euro area. This process, against a background of growing globalisation of economies and markets at world level, makes it all the more crucial to analyse Spain's trade and financial relations with the rest of the world and, in particular with the euro area, due to their importance in the development of the Spanish economy and in the transmission and effectiveness of economic policies.

This growing interest in the foreign sector has been reflected in a greater demand for statistical data to assess adequately the degree of exposure to external shocks. In this respect, the ECB¹ and the central banks of the euro area member countries began to publish in 2004 the geographical breakdown of the euro area's balance of payments and international investment position vis-à-vis its main trading partners². This box draws on that publication to broadly describe the geographical breakdown of Spain's balance of payments and, in the case of Spain's relations with euro area non-residents, to offer a comparison with the euro area aggregate balance of payments.

This analysis enables an assessment to be made of the relative importance of the different countries and geographical areas as trade and financial partners in 2004, and of their contribution to the net borrowing requirement in that year.

On balance of payments data, in 2004 the net borrowing requirement of the Spanish economy was €35,903 million (4.3% of GDP). From a geographical perspective, this net borrowing requirement is the result of the Spanish economy's substantial negative balances with the

euro area and with the area outside the European Union, which could not be offset by Spain's surplus with the United Kingdom and with Community institutions in 2004. The most notable feature of Spain's current account balance is the important position that the EU has in it. More specifically, this importance reflects the intense relations with the euro area, which represents nearly half of both inflows and outflows, and with the United Kingdom, which represents 15% of receipts and 10% of payments. Comparison of the euro area's current account with that of Spain³ shows that Spain has more intense relations with the United Kingdom than does the euro area (32% of the receipts and 20% of the current payments of Spain, against 20% and 17% of those of the euro area, respectively). By contrast, the Spain's current transactions with the United States are less intense than those of the euro area: 12% of both the receipts and payments of Spain, against 17% of receipts and 15% of payments of the euro area.

As regards the components of the current account, the goods balance confirms the importance of the trade relations with the EU, particularly with the euro area, which represents 60% of total exports and 55% of total imports, and accounts for 41% of Spain's total deficit in 2004. Spain's negative trade balance with the EU has widened in recent years, particularly with Germany, against a background of weak domestic demand in the euro area and of competition with the new EU members. Goods trade with EU members that do not belong to the euro area generates 1% of Spain's total trade deficit, although the United Kingdom has a significant weight in Spain's foreign trade (24% of exports to non-euro area countries), which is higher than the 18% share that it represents in the euro area's exports to the rest of the world. By contrast, Spain's trade relations with the countries of the latest EU enlargement are appreciably less intense than those of the euro area, since the enlargement countries account for around 11% of the euro area's total exports and imports, against 7% and 5%, respectively, of those of Spain.

1. The ECB began publishing the geographical breakdown of the euro area's balance of payments and international investment position in January 2005. See "Euro area balance of payments and international investment position vis-à-vis the main counterparties", ECB *Monthly Bulletin*, April 2005. The euro area data exclude transactions between euro area residents. 2. The ECB publishes a breakdown of the euro area's balance of payments which includes the EU, Japan, Denmark, Sweden, the United Kingdom, the United States, Canada, Switzerland and offshore centres and supranational institutions.

3. Hereafter, unless indicated otherwise, comparisons between Spain and the euro area refer to the related non-euro area balances of payments.

Further, the non-Community trade balance accounts for 58% of Spain's trade deficit, in which the share of Asia and the OPEC is significant; this contrasts with its moderate surplus with the euro area. As in the case of the total current account, Spain's trade relations with the United States are less significant than those with the euro area as a whole.

The services balance partially offsets the trade deficit, thanks to Spain's position as a major tourist destination, especially at European level. The euro area's weight in foreign trade in services is lower than that in foreign trade in goods, since it represents 43% of receipts and of payments, and 45% of the services surplus. This is largely due to the importance of the United Kingdom, which, as Spain's main tourism customer, contributes 56% of the surplus and accounts for 30% of total receipts and 17% of total payments for services (amounting to 52% of receipts from and 30% of payments to non-euro area countries). The geographical structure of Spain's international trade in services differs sharply from that of the euro area as a whole, whose services transactions with the United Kingdom are a good deal less significant (26% of receipts and 21% of payments). By contrast the share of the United States is higher than in the case of Spain, although its share in the Spanish services balance exceeds that of the trade account, standing at 13% of total receipts and 20% of total payments with non-euro area countries.

If trade in goods and trade in services are considered together, it can be seen that Spain's membership of the euro area has led to the concentration of international transactions with the other member countries. Specifically, nearly half of Spain's exports and imports are within the euro area, generating 38% of the overall goods and services deficit. However, Spain's positive balance with the United Kingdom enables it to post a small surplus with the EU as a whole, whereas it has a large deficit with the rest of the world.

The income balance⁴ reflects, to a greater or lesser extent, the structure of Spain's international investment position. In consonance with Spain's negative net investment positions, the income balances with the euro area, the United Kingdom and the United States show a deficit, whereas net inflows are received from Latin America, where foreign direct investment (FDI) by Spain is significant. In 2004 the bulk of income flows were to/from the rest of the euro area (60% of receipts and 54% of payments), followed by the United Kingdom (10% of receipts and 21% of payments) and Latin America (12% of receipts and 1% of payments). The structure of Spain's income balance differs from that of the euro area because of Spain's more intense relations with the United Kingdom and Latin America. Thus 29% and 26% of Spain's total income receipts from outside the euro area come from Latin America and the United Kingdom, respectively, while the weight of the United States is again lower than in the euro area as a whole. On the payments side, 46% of Spain's extra-euro area payments are to the United Kingdom (27% in the case of the euro area), 27% are to the United States (24% in the case of the euro area) and 11% are to offshore centres.

Notable as regards current and capital transfers is the importance of relations with Community institutions, which account for 64% of total receipts and 52% of total payments, and with which Spain has a positive balance of nearly 0.9% of GDP thanks to receipts from capital transfers. As a result, the relative importance of transfers to/from EU institutions exceeds that in the total euro area: in Spain they represent 64% of receipts and 61% of payments (extra-euro area), while in the euro area they amount to 59% of receipts and 56% of payments. Furthermore, the increase in the number of migrants in Spain has made for strong growth in fund transfers to Latin America in the form of migrants' remittances – up nearly fourfold since 1999 – to the extent that they represent 21% of current transfers abroad in 2004.

Finally, as regards the financial account⁵, in general terms the bulk of the financial flows between Spain and the rest of the world are to/from the rest of the EU, particularly the euro area, which accounts for more than half of the variation in assets and in liabilities, with a significant role being played by the United Kingdom (which in net terms contributes financing equal to more than that from the euro area as a whole), not only due to the importance of its economy, but also because of its status as an international financial centre. Offshore centres also act as international financial intermediaries, which explains the importance of the investments they receive from Spain and from the euro area.

The accounting chart shows that the geographical distribution of the financial flows between Spain and the rest of the world does not correlate with the current flows. The current account deficit with the euro area is slightly lower than the financing received from it (€16,485 million and €18,024 million, respectively). By contrast, in the case of the United Kingdom the imbalance between the current account and the financial account is very noticeable: Spain has a current account surplus of €9,229 million, while receiving financing of €35,384 million. As mentioned above, this situation may be due to the role played by the United Kingdom as an international financial centre. Finally, with the rest of the world Spain has a current account deficit (€35,554 million), which exists side by side with rather significant net outflows in Spain's financial account (€16,563 million, of which €23,409 million relate to financial flows to offshore centres and €5,777 million are to Latin America).

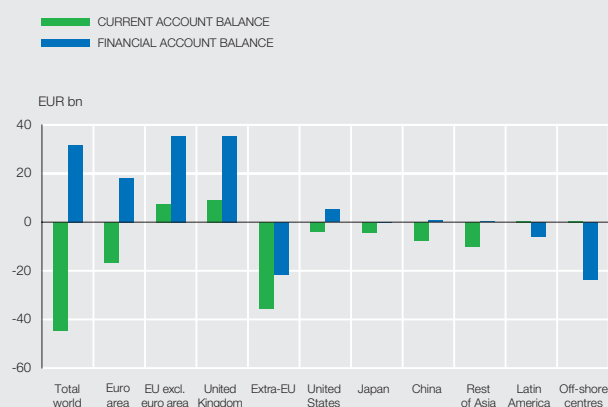
In direct investment, the fund outflows in 2004 amply exceeded inflows. On the asset flow side, Spanish investment in the EU represented nearly 75% of the total, driven by that in the United Kingdom, which exceeded that in the euro area (41% and 30%, respectively, of total receipts). As to the rest of the world, although investment in Latin America was up with respect to 2003 (representing 20% of the total and the bulk of flows to non-EU countries), it did not reach the levels of 1999 and 2000, when it represented 56% and 39%, respectively, of total foreign investment by Spain. In fact, the stock of Spanish direct investment in this region represents 31% of the total in 2004, and is exceeded only by the position with the EU (51% of the total, within which the euro area accounts for 39%). As regards for-

4. Investment income from portfolio investment liabilities is assigned according to the first-known counterparty and not according to the final holder.

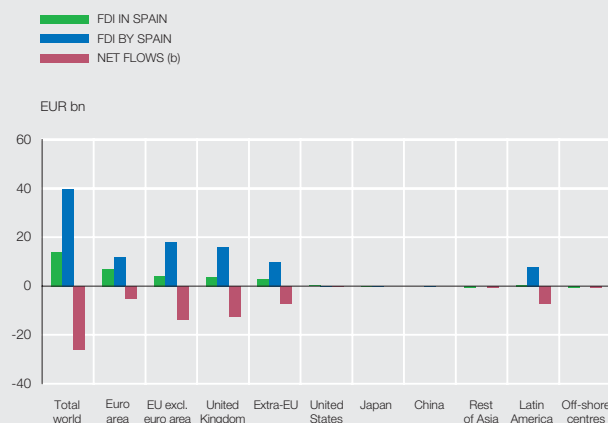
5. Includes all Banco de España assets except reserves. Portfolio investment liabilities are accounted for in accordance with the first counterparty principle.

FINANCIAL AND CURRENT ACCOUNTS AND DIRECT INVESTMENT

FINANCIAL AND CURRENT ACCOUNTS (a)



DIRECT INVESTMENT



SOURCE: Banco de España.

- a. A positive sign denotes capital inflows and a negative sign capital outflows.
 b. Positive net flows represent net capital inflows, i.e. an increase in liabilities.

ign direct investment in Spain⁶, in 2004 the main investor was the EU, most notably the euro area and the United Kingdom (48% and 29% of the total, respectively). Noteworthy in the rest of the world was the United States. In the stocks of outward foreign direct investment, there are substantial differences with respect to the euro area, since the weight of Latin America is appreciably higher in Spain (52% of the total outside the euro area), while the share of the United States and the United Kingdom is lower than in the euro area, according to international investment position information. In the case of inward FDI, the differences between Spain and the euro area are less pronounced. Specifically, the United Kingdom and the United States are the largest investors in the euro area and in Spain.

Portfolio investment flows are highly concentrated in the EU, being divided between the euro area and the United Kingdom. The significant net inflows recorded in this connection in 2004 offset the net capital outflows arising from direct and other investment. Since the introduction of the euro, the home bias in portfolio investment has decreased appreciably. Thus in 1997 the weight of foreign assets in the portfolio of residents was 7%, after having reached 28.5% in 2003⁷. The emergence of a European capital market enabling credit risk to be diversified without exchange risk exposure has stimulated investment by residents of Spain in the euro area. The relative importance of the different geographical areas can be appreciated in the breakdown of the portfolio investment position. In consonance with the concentration of portfolio investment flows in the EU (96% of the total), the euro area represents 68% of asset holdings abroad, well

above the United Kingdom (10% of the total). As to extra-Community countries, the United States represents 8% and tax havens 6%.

As to flows of other investment (loans, deposits and repos), 2004 saw net outflows, arising from flows to the euro area and from cancellations of deposits linked to preference share issues by Spanish monetary financial institutions through their subsidiaries in off-shore centres. The most significant areas are the euro area, which represents half of the stocks of both assets and liabilities, the United Kingdom (22% of asset-side investment and 20% of liability-side investment) and off-shore centres (5% of other investment on the asset side and 12% of that on the liability side). The United Kingdom's role as an international financial centre explains its importance in this type of investment, both in the case of Spain and in that of the euro area as a whole (36% of its stocks of liabilities under the "other investment" heading and 41% of its stocks of assets). For their part, the relative importance of off-shore centres is significantly higher in Spain than in the euro area as a whole. Relations with the United States are significant both in Spain and in the euro area, while Latin America represents nearly 10% of Spain's portfolio of extra-euro area assets.

The geographical breakdown of the financial account shows the importance of Spain's economic relations with the euro area and the United Kingdom. The euro area accounts for a significant portion of the current account deficit, although the negative goods balance with the euro area is partially offset by the capital transfers from EU institutions and by travel receipts.

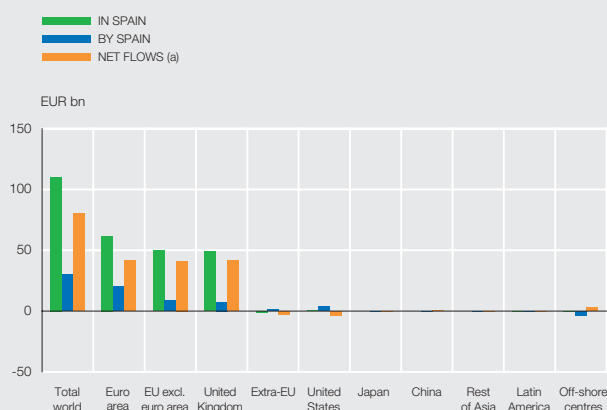
Spain's second most important economic partner is the United Kingdom, with which it has a surplus in goods and services, largely because the United Kingdom is Spain's largest tourism customer.

Although the euro area is Spain's main financial counterparty by volume of inflows and outflows, the United Kingdom is the leading net

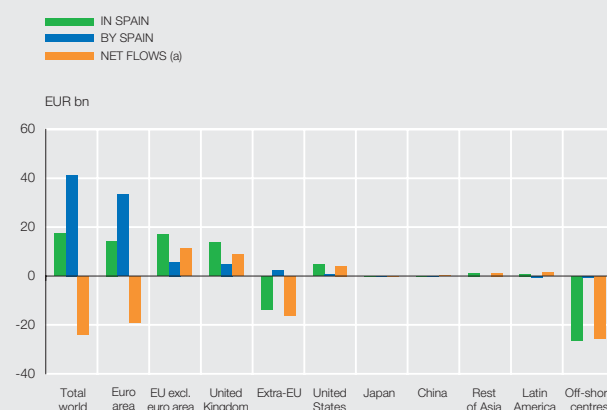
6. In all financial account components, the geographical assignment of liability flows is according to the first-known counterparty and not according to the final holder. The situation is similar regarding the international investment position. A more adequate source of information, given that it uses the end-investor criterion, is the Coordinated Portfolio Investment Survey (CPIS) compiled by the IMF from information provided by the authorities of the countries participating in this survey. 7. *Coordinated Portfolio Investment Survey (CPIS) and Financial Accounts of the Spanish Economy*.

PORTFOLIO INVESTMENT AND OTHER INVESTMENT

PORTFOLIO INVESTMENT



OTHER INVESTMENT



SOURCE: Banco de España.

a. Positive net flows represent net capital inflows, i.e. an increase in liabilities.

supplier of financing. In particular, 2004 was characterised by the receipt of significant inward portfolio investment, which made a key contribution to financing the current account deficit.

During the year, despite the relatively small volume of trade transactions with non-EU countries (34% of imports), non-EU countries accounted for more than half the current account deficit, which wid-

ened owing to Spain's scant presence in the more dynamic markets and to the economic weakness of the euro area. Spain is a net lender to non-EU countries (partly due to the significance of direct investment in Latin America). Finally, the intensity of Spain's current account and financial account flows with the United States is significantly lower than that indicated by the euro area's balance of payments.

1980s³. All these factors point to an increase in the net borrowing of the Spanish economy, which, although it can be financed without difficulty, might be signalling problems of competitiveness that cannot be corrected by a depreciation of the nominal exchange rate or a rise in interest rates, given Spain's membership of the euro area, and that may ultimately affect of the process of real convergence with the EU.

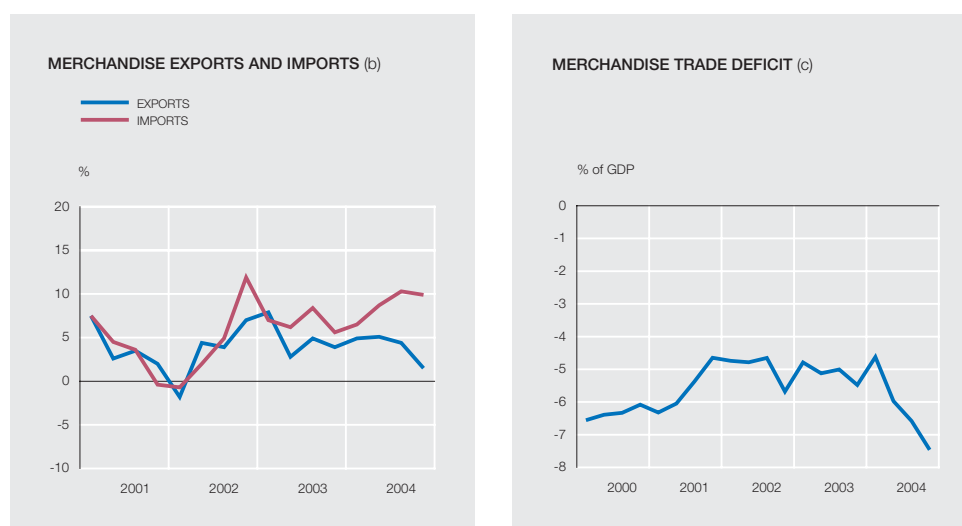
2.2 The current-account balance

2.2.1 GOODS BALANCE

According to balance of payments data, in 2004 the deficit on the goods balance increased appreciably in nominal terms and (by 32.9%) to €52,937 million (6.3% of GDP). Hence the widening of the trade deficit initiated in 2003 quickened, following the correction that had taken place in 2001 and 2002. As seen in Table 2.1, the deterioration in the trade balance in nominal terms was a result of an import growth rate (11.9%) appreciably higher than that of exports (6%). Contributing to this deterioration was a significant widening of the energy deficit. Furthermore, the upward trend of nominal imports during the year led to an expansion of the nominal trade deficit as 2004 unfolded.

On Quarterly National Accounts (QNA) data, goods imports in real terms grew appreciably faster than in 2003 as a whole (8.9%, against 6.8% in 2003), driven by the strength of final demand and underpinned by the cumulative appreciation of the euro. By contrast, the pace of export growth moderated (4%, against 4.8% in 2003), increasing more slowly than world markets, under the effects of the economy's cumulative loss in competitiveness and the euro area's

3. See N. Jiménez and X. Torres (2005), "La dependencia del petróleo de la economía española y de la UEM" (Oil dependence of the Spanish economy and of the euro area), *Boletín Económico*, Banco de España, January.



SOURCE: Instituto Nacional de Estadística.

- a. Seasonally adjusted data. Base year 2000.
- b. Year-on-year rate of change. In real terms.
- c. In nominal terms.

moderate growth. In 2004 the reduction of the export cover rate⁴ sharpened to 73.7% (77.8% in 2003), the lowest level for the last 10 years. By contrast, the penetration ratio for goods imports expressed in nominal terms⁵ rose to 23.8% of GDP (23% in 2003). As regards the year-on-year change in trade flows in 2004, both imports and exports quickened in the second half, in both nominal and real terms. However, Q4 saw a certain moderation in growth rates, particularly that of real exports (see Chart 2.2). Imports showed higher growth in the second half of 2004, in line with the behaviour of final demand, particularly gross fixed capital formation.

As in previous years' reports, detailed analysis of the trend and structure of foreign trade⁶ is based on the figures published by the Customs and Excise Department, which is the primary source of information for compiling the goods balance in the balance of payments and the QNA. Its trend in nominal terms, broken down by product group and geographical area, is shown in Table 2.2. Table 2.3 summarises the behaviour of imports and exports in terms of volume and prices, approximated by the unit value indices (UVIs) compiled by the Ministry of Economy and Finance. Finally, Table 2.4 shows the related percentage breakdown by geographical area and product group.

Before analysing the Customs information, it should be taken into account that certain methodological changes were made in 2004 which amounted to a revision of the data series in real terms⁷. Throughout the report, comparisons between the 2003 and 2004 data are made using the provisional series, since the final figures for 2004 are not yet available.

4. Defined as the ratio of goods exports to imports in balance of payment terms. 5. Defined as the ratio of goods imports (QNA estimate) to nominal GDP (base year 2000). 6. Appendix I to this publication reports the Spanish foreign trade time series for the period 1993-2004, drawing on Customs figures. They are broken down by product group and geographical area and are in greater detail than is the case in this chapter. 7. The first of these changes concerns the estimation of unit value indices, which now take the form of chain price indices rather than having fixed weights. Second, the classification of trade flows by economic destination of the goods has been revised. As a result of these changes, the figures compiled using the new methodology show lower growth rates for 2004 as a whole. The growth rate of real exports decreases from 5.4% to 5.2%, while that of imports declines from 10.7% to 9.8%. The revised 2003 figures show increases in rates of change of real trade flows: the growth rate of exports rises from 6.2% to 6.9%, while that of imports is up from 7% to 8%.

FOREIGN TRADE

TABLE 2.2

Nominal rate of change

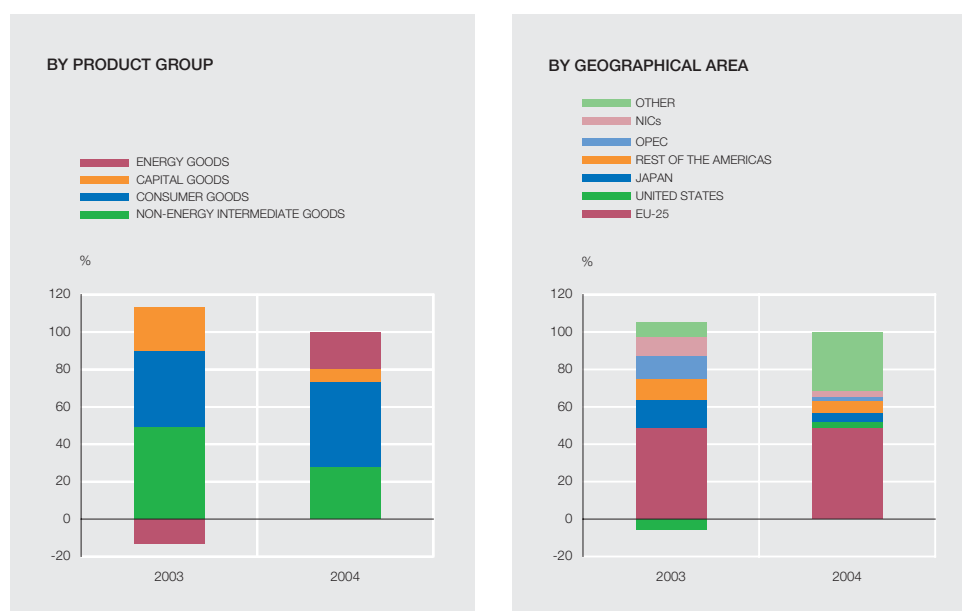
	TOTAL			CONSUMER GOODS			CAPITAL GOODS			NON-ENERGY INTERMEDIATE GOODS			ENERGY INTERMEDIATE GOODS		
	Ø 90-02	2003	2004 (a)	Ø 90-02	2003	2004 (a)	Ø 90-02	2003	2004 (a)	Ø 90-02	2003	2004 (a)	Ø 90-02	2003	2004 (a)
EXPORTS:															
TOTAL	12.1	3.6	6.3	13.2	3.3	2.4	11.3	5.9	11.0	12.0	2.5	7.4	11.5	23.4	25.4
OECD	12.0	3.8	6.0	12.8	3.7	2.4	11.4	4.9	9.5	11.8	2.9	7.8	13.5	24.9	23.4
EU (b)	12.4	4.5	5.0	13.4	5.0	0.9	11.2	4.5	9.7	12.1	3.3	7.1	15.3	24.0	26.2
Euro area	12.4	5.2	5.1	13.5	7.4	0.7	11.5	5.2	11.0	12.1	2.6	7.5	12.5	22.8	21.4
Germany	12.0	7.7	3.7	13.2	11.1	0.1	7.8	17.4	-0.1	12.6	2.9	7.6	52.7	13.0	53.7
France	12.0	4.6	7.3	12.8	5.5	3.9	12.2	5.2	20.7	11.7	2.7	6.9	11.6	17.1	20.5
Italy	12.4	6.9	-1.4	13.9	14.0	-9.2	13.5	-4.7	7.3	10.7	5.2	4.1	11.7	33.4	-38.2
United Kingdom	12.0	0.3	2.6	14.2	-6.3	1.8	12.5	4.8	-3.8	10.8	10.6	4.6	5.9	-6.1	158.0
US	8.2	-1.7	2.2	5.5	-4.7	2.5	18.3	-11.0	-18.9	9.8	2.2	8.5	13.9	11.0	-38.3
OPEC	9.5	-5.4	12.3	12.5	-14.5	8.1	16.5	4.1	22.7	9.6	-5.0	10.2	-1.2	0.1	114.9
CIS and other central and eastern European countries	22.8	7.0	2.3	37.3	0.2	2.5	22.4	19.3	12.4	20.6	9.5	-1.2	43.9	3.1	28.6
Rest of the Americas	14.6	2.2	3.5	20.1	22.1	-9.4	10.2	13.8	15.1	16.3	-11.1	4.6	36.8	40.5	38.4
NICs	14.9	-23.4	5.1	13.8	-17.7	7.6	35.8	-50.1	-4.0	13.7	-16.7	1.2	1 805.0	203.2	164.6
Rest of the world	11.7	7.8	9.6	15.2	-0.3	2.4	9.7	19.1	16.0	11.6	8.3	10.3	15.5	20.9	18.9
IMPORTS:															
TOTAL	10.3	5.6	12.5	12.6	8.5	13.9	8.5	6.4	14.6	10.5	5.4	9.2	12.2	1.2	20.9
OECD	9.8	5.4	10.9	11.9	7.3	14.1	7.8	2.9	11.2	10.1	5.1	7.9	11.8	10.9	28.8
EU	10.8	5.4	9.6	12.6	6.0	12.0	8.9	4.4	11.8	10.8	5.3	6.9	17.7	11.7	18.8
Euro area	11.0	5.3	10.2	12.7	6.4	11.9	9.2	5.3	12.8	11.1	4.5	7.5	14.9	20.9	27.6
Germany	10.3	6.8	11.0	12.9	6.6	16.0	8.4	12.2	12.4	10.4	4.7	7.0	22.4	12.8	62.1
France	11.8	3.4	6.5	15.6	9.1	6.5	10.9	-2.6	14.4	10.9	2.2	3.8	16.0	13.7	5.7
Italy	9.8	6.7	11.9	10.1	4.0	9.6	6.4	6.8	14.4	11.3	5.8	11.1	20.4	30.3	18.7
United Kingdom	10.4	3.8	7.5	12.6	5.6	15.6	8.6	-5.4	5.0	9.7	6.0	7.5	25.4	-1.3	-31.2
US	3.9	-4.8	9.5	12.0	-1.8	24.2	4.0	-19.5	5.8	4.3	0.9	9.1	1.8	-11.1	88.2
OPEC	11.7	1.9	11.2	22.5	2.4	17.2	40.4	10.2	39.9	20.1	2.2	-15.0	11.6	1.7	15.0
CIS and other central and eastern European countries	16.6	7.5	26.3	16.8	9.0	9.5	36.8	54.3	38.5	17.3	12.4	24.6	20.3	7.0	26.2
Rest of the Americas	9.8	12.9	7.7	13.7	27.6	1.5	34.3	74.0	-18.6	9.6	4.9	24.1	39.0	-38.1	-22.3
NICs	10.0	1.1	14.6	8.2	7.1	30.2	10.8	-1.3	22.7	13.4	-2.6	-8.1	1 226.0	97.4	-25.3
Rest of the world	15.2	7.6	21.0	19.6	10.1	14.0	23.5	32.8	37.1	12.3	9.5	24.6	18.2	-21.5	22.4

SOURCE: Banco de España.

a. Provisional data. Final data for 2003.

b. EU-15.

According to Customs data, 2004 saw a significantly faster deterioration in the nominal trade deficit, which increased by 31.1% (10.3% in 2003). As a percentage of GDP, the trade deficit rose by 1.2 percentage points to 7.2%. This was a result of the greater buoyancy of nominal imports, which grew by 12.5% (6.5% in 2003), as against a 6.3% rise in exports (5.4% in 2003). In the EU as a whole, nominal exports rose by 7.8% and imports by 8.3% in 2004. In the case of Spain, the higher rate of nominal purchases extended to all product groups, particularly consumer goods and capital goods, while exports were notable for the robustness of capital goods sales, which offset the moderation in the growth of consumer goods (see Table 2.2). The widening of the nominal trade deficit is largely explained by the trade imbalance in



SOURCE: Departamento de Aduanas.

a. Percentage of total change in nominal goods deficit accounted for by each caption.

real terms, which rose by 21.8% in 2004, driven by real imports. The contribution to this deficit made by the real terms of trade (calculated from the import and export UVIs), which worsened by 1.4%, was minor.

The widening of the trade deficit extended to practically all product groups and geographical areas, although to varying degrees (see Chart 2.3). As regards product groups, the balance of non-energy goods accounts for most of the increase in the nominal trade deficit, i.e. 80.4% (the percentage contribution to the growth of the trade deficit was 25 points), while energy products accounted for 19.6% of the total increase (the percentage contribution to the widening of the trade deficit stood at 6.1 points). Consumer goods, which went from a surplus to a slight deficit, were the major item, accounting for 45.1% of the total widening, followed by non-energy intermediate goods (28.2%). Finally, capital goods accounted for 7.1% of the total deterioration. As to geographical areas, the changes in the balance with the EU⁸ were largely responsible for the deterioration in the trade deficit (specifically, 48.2% of the total). Noteworthy within the area was Germany, with which the trade deficit has been significantly widening since the mid-1990s and which in 2004 accounted for nearly 18.8% of the total increase in the deficit. Outside the EU, although the correction of the deficit with the United States stalled, the trends of the immediately preceding years, reflecting a general deterioration of the trade balance, continued. The oil price rises are also reflected in the geographical breakdown of the trade account since the trade deficit with the OPEC widened significantly to account for 5.8% of the increase in the total deficit, ahead of the United States and Japan. Finally, mention should be made of the rapid expansion of the deficit with China (31.6%), which already accounts for 12.1% of the total.

Real exports grew less strongly than in the previous year (5.2% and 6.9%, respectively), despite expansion of the world markets, as shown in Table 2.3. This slowdown was basically the

8. Figures referring to the EU always include, unless otherwise indicated, the new member countries of the EU which joined on 1 May 2004.

FOREIGN TRADE BY PRODUCT GROUP

TABLE 2.3

Rate of change

		AVERAGE 1993-2002	2003 (a)	2004 (a)
IN REAL TERMS	EXPORTS			
	Total	10.1	6.9	5.2
	Capital goods	12.5	12.4	12.9
	Consumer goods	8.7	6.5	2.3
	<i>Food</i>	9.1	5.3	0.7
	<i>Non-food</i>	8.5	7.0	3.0
	Intermediate goods	10.3	6.2	6.3
	<i>Non-energy</i>	11.0	4.8	6.1
	<i>Energy</i>	1.0	42.8	10.1
	IMPORTS			
	Total	8.4	8.0	9.8
	Capital goods	7.4	14.8	14.9
	Consumer goods	7.5	10.9	13.4
	<i>Food</i>	7.5	10.0	7.8
	<i>Non-food</i>	7.5	11.2	15.0
	Intermediate goods	8.9	5.4	7.1
	<i>Non-energy</i>	10.8	6.2	6.6
	<i>Energy</i>	3.1	2.1	9.7
UNIT VALUE INDICES	EXPORTS			
	Total	2.4	-1.5	1.0
	Capital goods	-1.7	-9.5	-0.6
	Consumer goods	3.9	0.1	0.1
	<i>Food</i>	3.3	0.8	-0.3
	<i>Non-food</i>	4.1	-0.2	0.2
	Intermediate goods	2.6	-1.2	2.1
	<i>Non-energy</i>	2.0	-1.1	1.6
	<i>Energy</i>	10.1	-2.7	11.7
	IMPORTS			
	Total	2.5	-1.4	2.5
	Capital goods	1.8	-7.4	-2.2
	Consumer goods	2.9	0.0	0.4
	<i>Food</i>	2.0	-0.8	-0.1
	<i>Non-food</i>	3.3	0.2	0.6
	Intermediate goods	2.5	-0.8	4.5
	<i>Non-energy</i>	0.6	-1.1	3.2
	<i>Energy</i>	8.6	0.4	10.4

SOURCES: Departamento de Aduanas and Ministerio de Industria, Turismo y Comercio.

a. Provisional data.

result of export growth in nominal terms amounting to 6.3% year-on-year (5.4% in 2003), given the moderate increase of 1% in export prices. As a result of the moderate increase in export UVIs and of the growth in unit labour costs, the contraction in the export margins for the total economy sharpened, although it moderated appreciably in the particular case of manufacturing. In any event, the cumulative contraction in margins evidences the competitive

pressures faced by Spanish products after various years of euro appreciation and of positive inflation differentials. In this respect, the qualitative information furnished by the Export Survey shows that 2004 saw an improvement in the sector's perception of the trend in margins, which may indicate that the likelihood of additional corrections is low.

The lower growth of real exports with respect to 2003 was a result of moderation in the growth rate of consumer goods sales (2.3%, against 6.5% in 2003). This affected exports of food and other goods, particularly durables, which, in contrast to the rise in 2003, declined by 1.9% against a background of rising durable goods prices. The growth of exports was basically underpinned by capital goods sales, which grew by 12.9%, moderately higher than in 2003 (12.4%), thanks to the contribution from the strong growth in Q1. This took place against a background of a slight contraction (0.6%) in export prices, following the strong fall (by 9.5%) in 2003. Intermediate goods sales grew by 6.3%, similar to the previous year's rate, although in 2004 non-energy goods were more buoyant, while the growth rate of energy goods moderated appreciably.

Across the geographical areas, exports to the EU were less dynamic than those to the rest of the world, in line with the economic performance of the two areas. Real sales to the EU rose by 3.4%, against a 10% rise in those to the rest of the world, although the latter lost momentum as the year progressed. The growth rate of exports to the euro area moderated in 2004 to 4.2% (6% in 2003). As regards countries, worthy of comment among EU members was the notable slowdown in sales to Germany, Italy and the enlargement countries, while those to France, Portugal and the United Kingdom rose. In the rest of the world, exports picked up to Japan, China and the OPEC countries, while those to the United States grew at modest rates. Export prices increased modestly in both areas (1.3% in the EU and 0.3% in the rest of the world), partly correcting the cumulative decreases over the previous two years, which were particularly significant in the case of exports to non-Community countries. This may indicate that appreciation of the euro was not fully passed through by exporters to the prices of their products, which did not seem to prevent their share of the world markets from shrinking.

Finally, in terms of levels of technological intensity, the most dynamic export items in real terms were high-technology exports (11.7%), driven by airplanes and pharmaceuticals, while the other items in this group slowed. In second place were the medium/low-technology products, the growth of which rose to 9.8%, in contrast with appreciable moderation in the medium/high-technology branches (3.9%). In this group, the slowdown in motor vehicle sales, which account for one-quarter of manufacturing exports, reflects the competition from central and Eastern Europe. Finally, low-technology exports grew by only 3.2%. Important here were textiles and sundry manufactures, which face competition from the Asian economies, with an increasing role played by China. The share of medium/low- and low-technology products was relatively high (around 45% of total manufactures), whereas high-technology products only represented 9% of the total. This composition means that the sensitivity of Spanish products to changes in relative prices and costs is significant and it constrains their presence in the more dynamic markets amidst growing competitive pressure, with the consequent effect on the behaviour of export shares.

According to Customs statistics, the growth rate of imports, unlike that of exports, rose in both nominal and real terms. The growth rate of nominal imports rose from 6.5% in 2003 to 12.5% in 2004 (see Table 2.2). The data in real terms, which are summarised in Table 2.3, allow a more complete analysis. In 2004, the growth rate of imports in real terms rose again (to 9.8%, from 8% in 2003), although a certain moderation was apparent during the year. Import prices

grew by 2.5% in 2004, against a background of rising raw materials prices, especially that of oil⁹, partially correcting the 5.3% decrease from 2000 to 2003. It should be pointed out in this respect that the degree of pass-through of exchange rate movements to Spanish import prices was above the euro area average in both the long term and the short term. In fact, the pass-through in the long term would be total¹⁰.

In terms of product groups, capital goods were again the most dynamic item with a growth rate of 14.9%, similar to that in 2003, while the decline in their prices eased appreciably (by 2%, against 7.4% in 2003). The other items showed higher growth rates: consumer goods imports rose significantly (13.4%) in line with the growth of private consumption in 2004 and underpinned by non-food goods, which grew appreciably more rapidly than in 2003. However, in all cases consumer goods purchases slowed progressively during the year. In 2004 the rate of decline of prices under this heading again slowed, giving rise to a positive rate (0.4%). Imports of intermediate goods also posted a higher growth rate than in 2003 (7.1% against 5.4%), basically driven by the buoyancy of energy products. This took place despite the slightly more moderate growth of the industrial branches according to the National Accounts (0.7% against 0.9% in 2003), while the energy branches grew by 2.2% (1.4% in 2003). However, as in the case of consumer goods imports, growth moderated during 2004. Prices under this heading rose appreciably with respect to the previous year, particularly those of energy products in the second half.

Geographical analysis shows that goods imports from non-EU countries grew in real terms more rapidly than those from the EU (14.2% and 7.3%, respectively), in line with the strength of the euro. Purchases from the euro area increased appreciably (7.7%). The country breakdown shows a large increase in imports from China, followed by those from Eastern Europe and Latin America. The recovery in prices following the price adjustment in 2002 continued and, as a result, those of community imports rose by 2.3% and those of imports from the rest of the world were up by 2.8%, indicating that in the short-term the appreciation of the euro is not fully passing through to prices.

The behaviour of Spanish imports was consistent with the growth of final demand, which was underpinned by final consumption and by gross fixed capital formation. In the year as a whole, final consumption rose sharply (4.8% against 2.8% in 2003), to which must be added the strength of the euro, which aided the growth of consumer goods imports. Conversely, gross fixed capital formation grew more moderately in 2004 as a whole (4.4% against 5.4% in 2003), although in the second half its momentum increased thanks to investment in capital goods (2.1% in 2004 as a whole). This may have contributed to the increase in capital goods imports, the growth rate of which quickened appreciably in the second half, against a backdrop of contraction in their prices.

The structure of Spanish foreign trade in nominal terms, by geographical destination and by product group did not undergo significant changes in 2004 (see Table 2.4). As regards the first aspect, the lesser buoyancy of nominal exports to the EU was reflected in a slight decrease of 0.7 pp in its weight to 71% of the total, while in the rest of the world there were no appreciable changes. In terms of product groups, intermediate goods remained the main component, accounting along with consumer goods for somewhat more than 87.1% of total exports. The rise in intermediate and capital goods sales was reflected in a slight increase as a proportion of the

9. As in the case of exports, import prices are approximated via the unit value indices (UVI) calculated by the Ministry of Economy. 10. See J. M. Campa and J. M. González Mínguez (2004), "Has the pass-through of movements in the euro exchange rate into import prices changed since the start of EMU?", *Economic Bulletin*, Banco de España, January 2005.

STRUCTURE OF FOREIGN TRADE

TABLE 2.4

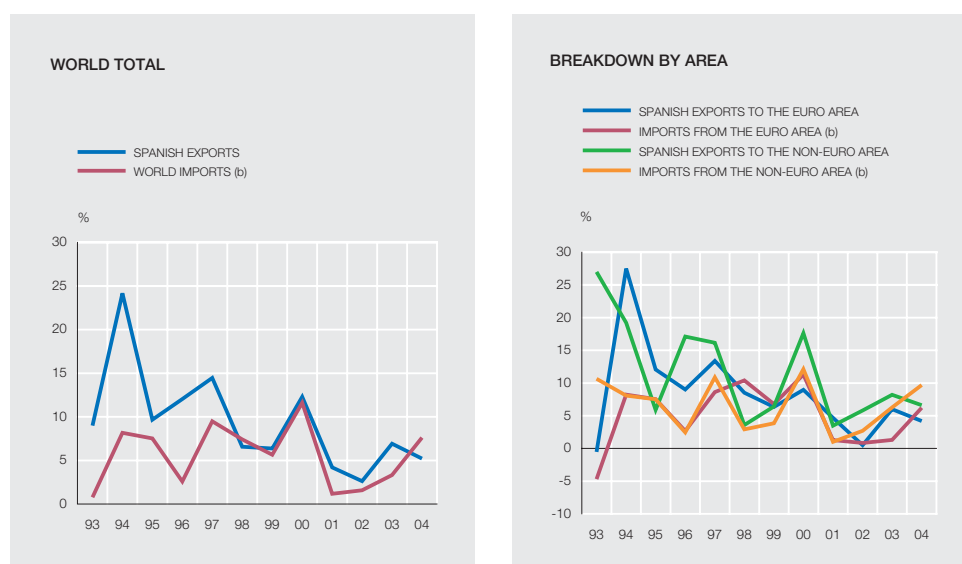
Percentage share in nominal terms

	SHARE IN TOTAL TRADE		BREAKDOWN OF TRADE IN THE AREA (a)					
			2003			2004 (b)		
	2003	2004 (b)	CONSUMER GOODS	CAPITAL GOODS	INTERMEDIATE GOODS	CONSUMER GOODS	CAPITAL GOODS	INTERMEDIATE GOODS
EXPORTS:								
TOTAL	100.0	100.0	41.3	12.3	46.4	39.8	12.8	47.3
OECD	81.9	81.7	44.3	11.3	44.4	42.9	11.6	45.5
EU (c)	71.8	71.0	45.5	11.1	43.4	43.8	11.5	44.7
Euro area	60.1	59.4	45.0	11.0	44.0	43.2	11.6	45.3
Germany	11.9	11.7	43.8	9.4	46.8	42.5	9.1	48.4
France	19.2	19.4	47.2	12.8	40.0	45.6	14.3	40.0
Italy	9.7	9.0	48.8	10.2	41.0	45.1	10.9	44.0
United Kingdom	9.3	9.0	52.7	12.0	35.3	52.5	11.1	36.5
US	4.1	4.0	32.2	11.6	56.2	32.4	9.2	58.5
OPEC	2.5	2.6	26.1	21.5	52.4	25.1	23.7	51.2
CIS and other central and eastern European countries	4.3	4.2	36.5	14.5	49.0	36.7	15.9	47.4
Rest of the Americas	3.1	3.0	28.5	21.8	49.7	25.1	24.2	50.7
NICs	0.9	0.9	22.4	14.5	63.1	23.0	13.0	64.0
Rest of the world	6.5	6.7	25.9	16.5	57.7	24.1	17.4	58.5
IMPORTS:								
TOTAL	100.0	100.0	28.3	16.0	55.7	28.7	16.3	55.1
OECD	74.9	73.8	28.2	17.9	53.9	29.1	17.9	53.1
EU	64.0	62.3	29.3	17.6	53.1	30.0	17.9	52.1
Euro area	55.3	54.2	29.4	17.5	53.1	29.8	17.9	52.2
Germany	16.3	16.1	29.6	20.9	49.5	31.0	21.1	47.9
France	16.1	15.2	32.3	14.3	53.4	32.2	15.3	52.5
Italy	9.1	9.1	25.8	19.0	55.2	25.3	19.3	55.4
United Kingdom	6.4	6.1	31.5	17.0	51.5	34.0	16.2	49.8
US	3.7	3.6	13.7	20.9	65.4	15.5	20.2	64.3
OPEC	6.3	6.2	5.0	0.5	94.6	5.2	0.6	94.2
CIS and other central and eastern European countries	4.4	4.9	13.8	17.8	68.4	12.0	19.5	68.5
Rest of the Americas	3.1	3.0	40.9	3.5	55.5	38.6	2.7	58.7
NICs	2.1	2.1	36.6	28.2	35.2	41.5	30.3	28.2
Rest of the world	9.2	9.9	45.6	12.3	42.1	43.1	13.8	43.2

SOURCE: Departamento de Aduanas.

- a. The figures show the structure of trade flows with each of the areas specified.
- b. Provisional data.
- c. EU-15.

total, at the expense of consumer goods, whose relative weight declined moderately. Nor were there significant changes in respect of imports in nominal terms. The most notable development was the decline in the weight of the EU from 64% of the total in 2003 to 62.3% in 2004. There were no significant changes in the other regions. By product group, intermediate goods remained by far the most significant item, accounting for around 55% of the total. Nevertheless, their relative weight fell slightly, despite the higher energy product purchases, as a result of the rise in capital and consumer goods imports.



SOURCES: OECD, Ministerio de Economía y Hacienda and Banco de España.

- a. Year-on-year real rates of change.
b. Series weighted by these countries' share in Spanish exports.

The performance of Spanish goods exports meant that, according to the data available as at the release of this report, Spain's share in the world markets fell in 2004. This confirms the trend towards stagnation of Spain's share in the world markets, which started after it joined the euro area. Geographical specialisation has adversely affected Spanish exports, since two-thirds of them are to the euro area, and so Spain's export markets grew by 6%, against 9% for world markets, according to the WTO. However, as Chart 2.4 illustrates, the weight of Spanish exports in the euro area has also decreased slightly. The specialisation of Spanish exports by product group may also have contributed to the worsening of Spain's share in world markets¹¹. This is because our exports are mostly in the medium-high and medium-low technological intensity branches, which face growing competition from the Asian economies and from central and Eastern European countries¹², and because the relative weight of the high-technology-content branches in Spanish exports is appreciably lower than the EU average. Additionally, the background against which Spanish products are losing market share is one marked by cumulative losses in competitiveness by Spain over recent years, partially alleviated by the containment of export prices which limited the impact of the euro's appreciation, and by the appearance of new competitors in Asia and Eastern Europe. In this respect, the available empirical evidence indicates that the sensitivity of Spanish exports to euro exchange rate fluctuations is higher than the euro area average¹³. On the import side, the significant momentum of imports was conducive to an increase in their import penetration index in nominal terms, after declines in the preceding three years.

In 2004 the Spanish economy continued to lose competitiveness vis-à-vis both the euro area and the rest of the world as a result of the euro's substantial appreciation in 2003 and 2004

11. The available evidence shows that this factor at least partly explains why it has been so difficult for the Spanish export share to grow in the last few years. See S. Bravo and C. García (2004), "Spanish export market share in the past decade", *Economic Bulletin*, Banco de España, April 2004. 12. The new members of the EU have a similar trade specialisation pattern to that of Spain, with a somewhat higher weight in the high and medium-high technological intensity branches. See E. Gordo (2004), "The effects of EU enlargement on the Spanish economy: productive structures and trade flows", *Economic Bulletin*, Banco de España, July 2004. 13. See Box III.1 of the Banco de España Annual Report 2002, "Differential effect of the euro's appreciation on exports by euro area countries".

COMPETITIVENESS

TABLE 2.5

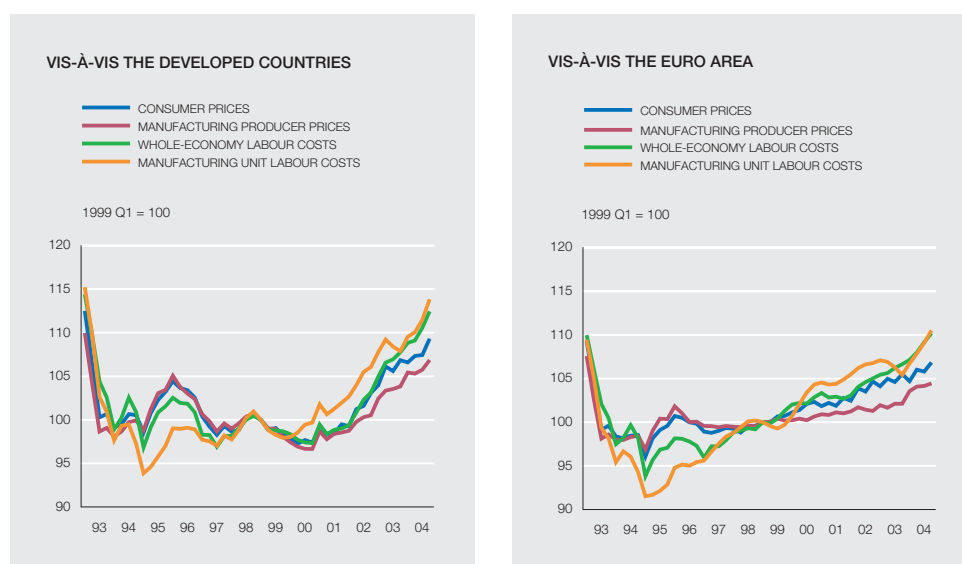
Rates of change, annual averages (a)

	NOMINAL COMPONENT	RELATIVE PRICES					COMPETITIVENESS INDICES				
		UNIT LABOUR COSTS	CONSUMER PRICES	UNIT LABOUR COSTS (MANUF.)	PRODUCER PRICES (MANUF.)	EXPORT PRICES	UNIT LABOUR COSTS	CONSUMER PRICES	UNIT LABOUR COSTS (MANUF.)	PRODUCER PRICES (MANUF.)	EXPORT PRICES
Vis-à-vis the developed countries											
1999	-1.6	1.3	1.1	0.9	0.9	2.2	-0.3	-0.5	-0.8	-0.8	0.5
2000	-3.0	1.4	1.5	3.0	1.0	0.8	-1.7	-1.5	-0.1	-2.0	-2.2
2001	0.5	0.8	0.7	1.7	0.8	-1.0	1.4	1.2	2.3	1.3	-0.4
2002	0.9	1.5	1.7	2.5	0.9	0.3	2.3	2.6	3.4	1.8	1.2
2003	3.0	1.9	1.3	0.5	0.8	0.1	4.9	4.3	3.5	3.8	3.0
2004	0.8	3.2	1.2	2.2	1.1	-0.1	4.0	1.9	3.0	1.9	0.7
Cumulative change on December 1998											
Dec-99	-3.9	1.8	1.2	0.4	0.8	2.2	-1.8	-2.8	-3.1	-3.1	-1.8
Dec-00	-5.2	2.9	3.0	4.8	2.2	4.2	-3.4	-2.4	-1.6	-3.1	-1.2
Dec-01	-4.5	3.4	3.8	5.6	2.6	2.4	-1.5	-0.9	0.6	-2.0	-2.2
Dec-02	-2.8	5.6	5.9	8.5	3.5	1.9	2.1	2.9	5.0	0.7	-0.9
Dec-03	0.0	7.8	6.9	8.1	4.3	2.3	7.1	6.8	7.4	4.3	2.3
Dec-04	0.8	11.7	8.1	12.5	5.9	2.5	11.9	9.0	12.7	6.7	3.3
Vis-à-vis the euro area											
1999	-0.1	1.4	1.2	0.1	1.1	1.9	1.3	1.1	0.0	1.0	1.7
2000	0.0	1.6	1.4	2.7	0.3	0.2	1.6	1.4	2.7	0.3	0.2
2001	0.0	0.8	0.4	1.6	0.4	-0.7	0.8	0.4	1.6	0.4	-0.7
2002	0.0	1.0	1.4	1.9	0.8	0.2	1.0	1.4	1.9	0.8	0.2
2003	0.0	1.5	1.1	0.1	1.0	0.8	1.5	1.1	0.1	1.0	0.8
2004	0.0	3.1	1.0	2.4	1.3	-0.1	3.1	1.0	2.4	1.3	-0.1
Cumulative change on December 1998											
Dec-99	0.0	2.2	1.1	-0.5	0.5	1.2	2.2	1.1	-0.6	0.5	1.2
Dec-00	0.0	3.4	2.7	3.7	1.2	3.0	3.4	2.7	3.6	1.2	3.0
Dec-01	0.0	3.5	3.1	4.1	1.4	1.0	3.5	3.2	4.1	1.4	1.0
Dec-02	0.0	5.4	5.1	6.3	2.3	1.1	5.3	5.1	6.3	2.3	1.1
Dec-03	0.0	7.3	5.9	5.7	3.4	2.1	7.3	5.9	5.6	3.4	2.2
Dec-04	0.0	11.2	7.0	10.3	4.9	2.7	11.1	7.0	10.3	4.9	2.7
Vis-à-vis the newly industrialised countries (b)											
1999	-9.6	-	0.7	-	2.1	-	-	-9.0	-	-7.7	-
2000	-14.7	-	1.7	-	1.5	-	-	-13.3	-	-13.4	-
2001	3.8	-	0.9	-	3.0	-	-	4.8	-	7.0	-
2002	4.9	-	2.5	-	0.5	-	-	7.6	-	5.4	-
2003	18.4	-	1.7	-	-1.4	-	-	20.5	-	16.8	-
2004	7.6	-	0.9	-	-2.8	-	-	8.5	-	4.6	-
Cumulative change on December 1998											
Dec-99	-15.4	-	1.3	-	0.5	-	-	-14.3	-	-15.0	-
Dec-00	-22.9	-	3.1	-	4.0	-	-	-20.5	-	-19.8	-
Dec-01	-19.5	-	5.1	-	7.2	-	-	-15.4	-	-13.7	-
Dec-02	-8.8	-	7.2	-	4.7	-	-	-2.2	-	-4.6	-
Dec-03	8.6	-	8.6	-	3.1	-	-	17.9	-	12.0	-
Dec-04	11.7	-	9.8	-	2.1	-	-	22.6	-	14.0	-

SOURCE: Banco de España.

a. Annual averages. Positive (negative) rate of change denote a loss (gain) in competitiveness.

b. Includes newly industrialised countries: Mexico, Korea, Singapore, Taiwan, Thailand, Hong Kong and Malaysia, not included in the group of the developed countries.



SOURCE: Banco de España.

a. An increase in the index denotes a loss in competitiveness, a decrease a gain.

and the persistence of positive price and cost growth differentials with respect to most of our competitors. It should also be pointed out that, depending on the index chosen, the size of the deterioration in Spain's competitive position varies appreciably (see Table 2.5 and Chart 2.5). Generally speaking, the deterioration in Spain's competitive position, although quickening as the year unfolded, was less than in 2003 because of the more moderate appreciation of the euro in 2004 than in 2003. The loss of competitiveness vis-à-vis developed countries was more significant than with respect to the euro area. In the latter case, this loss amounted to 7% in cumulative terms since 1999, according to the competitiveness indicator based on consumer prices. The rise in unit labour costs in Spain in 2004, which was higher than that in the euro area, meant that the indicator based on unit labour costs was the one showing the highest losses of competitiveness, both vis-à-vis the euro area and vis-à-vis the rest of the world.

The widening of the unit labour cost growth differential relative to the euro area in 2004 adds potential risks for the competitiveness of the Spanish economy in the medium-term, given the nominal stickiness of wage setting in Spain and the extension of indexation clauses, which can fuel inflationary pressure. This risk to competitiveness is even more important if the Spanish economy's pattern of specialisation is taken into account. Indeed, the recent qualitative information contained in the Export Survey indicates that international price competition and the exchange rate are the two main factors affecting export performance. In the medium-term, the competitive position is related to structural factors (such as productivity, investment in R&D and capital endowment), in which Spain has a significant unfavourable gap relative to the EU-15. In this connection, the Spanish economy's modest productivity growth affects the competitiveness of its exports.

In sum, the key feature of the performance of foreign trade flows in 2004 was the substantial increase in the trade deficit to 6.3% of GDP, i.e. above the levels in the early 1990s, as a result of the increase in real imports and of the changes in the terms of trade. Exports grew by less than the world markets, prompting a fall-off in Spain's share of trade. Influencing this fall-off were the geographical and product specialisation of Spain's foreign trade, whose presence in the more dynamic markets in recent years is limited, the strength of the euro and the persistent

inflation differential, which have led to an appreciable deterioration in Spain's competitiveness index vis-à-vis the developed countries (9.1% between 2001 and 2002). These factors seem to explain why Spanish exports have struggled to gain market share after Spain joined the euro area. All this points to the need for more active policies to boost productivity and specialisation in the more buoyant markets and branches of demand, which are less sensitive to price competition. Against this background, the foreseeable slowdown in the world markets¹⁴ can be expected to influence the development of Spanish foreign trade.

2.2.2 BALANCE OF SERVICES

In 2004 the surplus on the balance of services fell off by 4.6% after the modest increase in 2003, dropping to €22,231 million. As a percentage of GDP, the surplus again decreased, this time more sharply than in 2003, to stand at 2.7%. The worsening of the services balance was a result of changes in both the balance of travel¹⁵ and the balance of other services, and came about because of the higher growth rate of payments (8.9%, against 4.1% for receipts). This pattern was particularly marked in travel, where payments grew strongly (22%) in line with the trend of previous years, in contrast to the lower buoyancy of receipts (3.8%). Payments of other services increased by 5.8%, against 4.5% for receipts. On these data, the surplus on the travel caption decreased by 1.6% in nominal terms to stand at €26,604 million, equivalent to 3.2% of GDP (3.5% in 2003), the lowest level in recent years. The deficit on non-travel services widened again (17%) to €4,373 million. As a percentage of GDP, although up slightly, it remained at 0.5%.

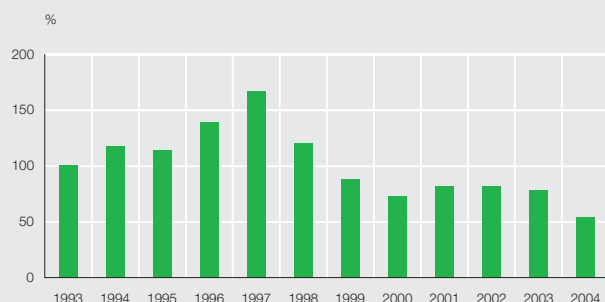
The subdued recovery shown by travel receipts in 2003 weakened in 2004, making for the fifth consecutive fall in its weight in GDP, this time by 0.2 pp to 4.3%. The growth in nominal receipts in 2004 was moderate at 3.8%. The determining factors of these recent developments in travel receipts are analysed together in Box 2.2 "Travel receipts: what factors explain its development in recent years?". Nominal payments grew by 22% in 2004, clearly the highest rate in the last 10 years. This sharp rise meant that its weight in GDP increased to 1.2%.

The QNA data confirm the above picture of weak performance by real receipts, which fell off by 1.8% in 2004. Thus the increase in the total number of travellers entering Spain in 2004 (4.6%), favoured by the recovery of world tourism flows during the year, was not manifested in a proportional increase in nominal receipts due to the smaller average expenditure per tourist. Under the current tourism scenario characterised by growing international competition, the changes in the characteristics and behaviour of demand were what determined the performance of nominal receipts. In addition, receipts were also affected by the economic situation of certain large European providers of tourists, by the occurrence of major sporting events in Portugal and Greece and by the strength of the euro. The appreciation of the euro against the currencies of certain emerging tourist destinations, along with the lower prices of long-haul flights, made these destinations more attractive in comparison with the Spanish market. Moreover, 2004 saw further losses in competitiveness vis-à-vis both customer markets and competitor markets, due to Spain's positive inflation differentials and to the appreciation of the euro. Finally, the 11 March attacks in Madrid temporarily affected Spanish tourism. In March and in the following two months, the real indicators reversed their favourable trend initiated in 2003 Q4, reflecting in part the uncertainty generated by those terrorist attacks. However, both the information gathered in the sector itself and the trend of the real indicators in the following months evidenced the localised and temporary impact of these events, which tended to disappear in the second half of the year. Despite the aforementioned developments, in 2004

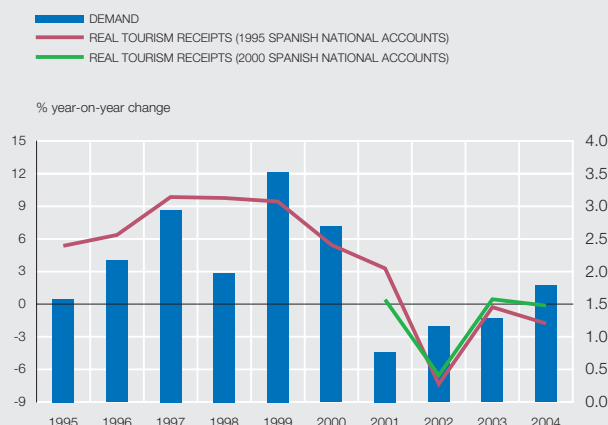
¹⁴ The forecasts of the World Trade Organisation (WTO) for 2005 are for world trade to grow by 6.5% (9% in 2004). ¹⁵ This caption includes goods and services purchased in Spain by travellers resident abroad who are travelling, over periods of less than one year, not only for personal reasons (including health and education), but also for business reasons. Hereafter, reference to this caption in the text will be under the name "travel", as in past editions.

TRAVEL RECEIPTS

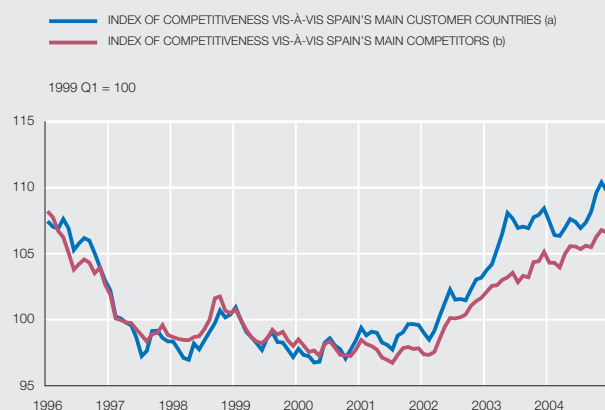
COVERAGE OF TRADE BALANCE BY TRAVEL



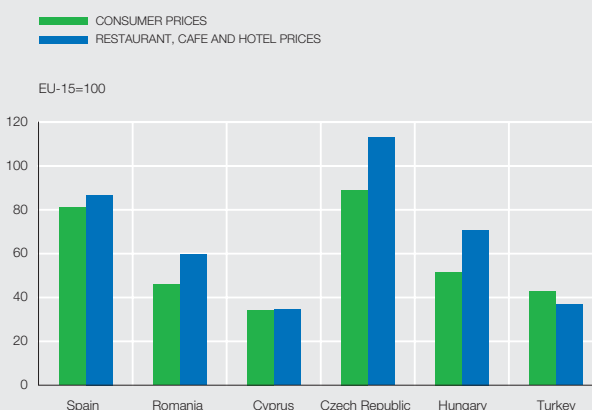
REAL TRAVEL RECEIPTS AND DEMAND



COMPETITIVENESS INDICES



RELATIVE CONSUMER PRICES IN 2003



SOURCES: INE, Eurostat, WTO and Banco de España.

- a. Includes consumer price indices of the EU-15 countries, Switzerland, United States, Canada, Mexico and Japan, weighted by their share in total foreign travellers staying in Spanish hotels.
 b. Includes consumer price indices of France, Greece, Italy, Portugal, Austria and Mexico, weighted by their share in world tourism.

For many years, the surplus on the balance of the tourism sector, approximated by the travel heading in the balance of payments has helped to limit (and in some periods has offset completely) the Spanish trade deficit. However, the progressive decline in this surplus in recent years against a background of rising trade deficits has notably decreased the coverage of the merchandise deficit by the travel surplus. This is mainly due to the behaviour of travel receipts, which fell from 5.2% of nominal GDP in 2000 to 4.3% in 2004¹. In real terms, National Accounts data show that travel receipts, which in the second half of the 1990s had risen notably, slowed in 2001 and 2002 (actually declining in 2002), recovering slightly in 2003 and 2004. The moderate growth of real travel receipts reflects, first, the slower growth of tourist numbers and, second, the scant buoyancy of aver-

age expenditure per tourist in real terms, associated with the stagnation of average daily expenditure and the decrease in the average stay of tourists in Spain.

As can be seen in the accompanying charts, the path of real travel receipts in recent years has been in line with their main determinants, namely foreign demand and competitiveness². As regards the first factor, the buoyant demand in the second half of the 1990s slowed in 2001 against a background of weakness in the major European economies, recovering moderately in subsequent years. In 2004 the rise in income in developed countries, particularly the euro area, contributed to the recovery of real travel receipts after two consecutive

1. Although in recent years travel payments have grown notably, and more so in 2004, they are still well below receipts.

2. Foreign demand and price competitiveness are approximated by the weighted average of GDP growth and of prices in customer countries, where the weights are based on the share of each country in the total number of foreign tourists, as given in FRONTUR statistics.

years of decline. As to the second factor, the behaviour of tourism sector prices and of the exchange rate further reduced the sector's declining competitiveness. Thus the Travel and hotels and restaurants heading of the CPI showed growth of 3.8% in 2004 as a whole, driven by restaurant, bar and cafe prices, while the prices of hotels and package tours showed much more moderate rises. Accordingly, 2004 followed the trend of previous years, in which tourism sector prices were driven upwards by the behaviour of complementary items, while hotels showed more moderate behaviour. In addition, the appreciation of the euro³ constrained the inflow of tourists from outside the euro area and made competing destinations more attractive⁴, since their prices decreased in dollar terms. As a result of these price developments, 2004 saw a further deterioration in price competitiveness both vis-à-vis competitor countries and vis-à-vis major customers.

The consequences of this price behaviour – which limits the ability of the Spanish economy to compete with other traditional destinations – are heightened by the intensification of competition from certain emerging destinations, particularly in the eastern Mediterranean and the EU enlargement countries, which compete in European markets with the mature destinations in the southern Mediterranean. Some of these countries compete directly with Spain in the “sun, sea

and sand” tourism segment and enjoy certain competitive advantages, such as low price levels⁵ and relatively unexploited natural resources, which have aided their tourist development in recent years. In fact, according to World Tourism Organisation data, most of these countries continued to grow notably in 2004. Thus, for example, on data available up to August, the number of tourists rose by 29.3% in Turkey, 6% in Croatia and Slovenia, 16.7% in Morocco, 18.5% in Tunisia and 49% in Egypt. Notable buoyancy was also shown by tourist arrivals in central and eastern Europe, which rose by 8% in the year as a whole. This contrasts with the more moderate growth of 3% in the number of tourists visiting Spain, which seems to indicate that other destinations benefited more from the recovery of tourist flows.

In short, the evidence shows that the moderation in travel receipts in Spain in recent years is explained not only by the weakness of foreign demand and the cumulative losses in price competitiveness, but also by the growing competition from emerging new destinations. This puts future travel receipts at risk, since their future recovery depends not only on the behaviour of their traditional determinants (demand and competitiveness), but also on the capacity to offer more differentiated and higher quality tourism services, against a background of increasingly intense international competition.

3. The exchange rate with respect to the dollar appreciated by 9.9%. 4. In this respect, the World Tourism Organisation reported that 2004 saw an increase in the number of Europeans visiting destinations in the Caribbean, Mexico and Brazil, among other places. See *WTO-world tourism barometer* (2004), vol. 2, no. 3.

5. For example, according to the price competitiveness index which the World Trade and Tourism Committee (WTTTC) compiles by combining hotel prices and a purchasing power parity index, the tourism prices in these countries are, on average, between 20% and 50% of those in Spain.

Spain retained its position as the second most important world tourist destination in terms of both receipts and the number of tourists received. As regards travel payments, their buoyancy was consistent with the recovery of foreign travel by Spaniards, who were encouraged by the lower uncertainty than in previous years, by the strength of the euro and by the climate of confidence in the Spanish economy.

To provide a more complete view of developments in the tourist industry in 2004 and to put in perspective the analysis of the balance of payments data, some of the main tourist indicators compiled by other official sources are described below. These include data on tourist flows drawn from the World Tourism Organisation (WTO), from the INE hotel occupancy survey on foreign visitors staying in hotels (EOH)¹⁶, from the statistics on tourists crossing borders (FRONTUR¹⁷ and FAMILITUR¹⁸) and, finally, from the survey on tourist spending at borders (EGATUR).

Generally, the main tourist indicators showed a modest recovery in 2004, which reflected the moderate growth in foreign tourist demand following two years of sluggishness (see Chart 2.6). According to the FRONTUR figures, the numbers of foreign travellers entering Spain grew more quickly in 2004 (4.6%, against 2.4% in 2003) as a result of the recovery of tourist inflows,

16. This INE survey is aimed at ascertaining the behaviour of a series of variables allowing the essential features of the hotel industry to be known. 17. Compiled by the Instituto de Estudios Turísticos (IET) in order to quantify and analyse inflows and outflows of tourists at Spanish borders. 18. Set of statistics compiled by the IET basically to quantify the flows of Spanish travellers between the various regional (autonomous) communities and abroad, which makes it an essential tool for analysing the travel behaviour of Spaniards.



SOURCES: World Tourism Organisation, Instituto de Estudios Turísticos, Ministerio de Economía y Hacienda and Banco de España.

a. In nominal terms.

b. Year-on-year rate of change.

which represent 62.5% of the total. The number of tourists visiting Spain increased by 3% in 2004 according to FRONTUR, which enabled a new historical high of more than 53.6 million tourists to be reached. This growth was, however, below the world rate which, according to the WTO, was 10%, although this figure was influenced by the recovery of tourism in Asia following the adverse results of 2003. Comparative analysis reveals that the growth of tourist inflows into Spain was higher than that of the main European countries in the Mediterranean area – such as Italy, Greece, Portugal and France – but lower than that of the central and Eastern European countries and of other destinations such as Turkey, Croatia, Morocco, Egypt and Tunisia. In most of these markets, tourist inflows rose significantly, although from levels appreciably lower than that of Spain. The growing competition from these destinations in the sun-and-sand segment, underpinned by lower prices, considerable promotion and appreciable expansion of infrastructure and services, generally enabled them to further increase their market share in 2004. As in the previous two years, inflows of excursionists were up by more than those of tourists, posting annual growth of 6.6%, although they showed a moderate slowdown with respect to the previous two years (8.3% and 8.7% in 2002 and 2003, respectively).

Disaggregated analysis of the FRONTUR statistics shows a recovery of tourist inflows from the EU which, after remaining flat in 2003, grew by 2.6% in 2004. Inflows from the rest of the world rose appreciably to 9.2% after three consecutive years of decline. By country of origin, the Portuguese and Italian markets, which account for around 9% of tourism demand in Spain, were the most buoyant, with growth of 19.4% and 10.3%, respectively. Negative rates, albeit only moderately so, were shown by France, Belgium and the Netherlands, prolonging the trend of 2003. As regards the two main markets, i.e. the United Kingdom and Germany, which together account for nearly 50% of total inflow, they ended the year with positive, albeit moderate, rates (2.9% and 2.7%, respectively). Germany, under the effects of its economic situation and the low level of consumer confidence, had not recorded positive growth since 1999. However, it must be said that inflows did not recover to 2002 levels as a result of this upturn, which was accompanied by a decrease in average stays. The inflows of UK tourists slowed appreci-

ably after the notable growth of the last five years (7% on average), although a new historical high was recorded, with somewhat more than 16 million tourists. Finally, the non-European markets were notable for the expansionary path of tourist inflows from Latin America, in contrast to the stagnation of the US market and the sharp fall-off in the Japanese market.

The available data indicate that the gradual change in the profile of tourists visiting Spain continued in 2004, with increased utilisation of low-cost airlines, a gradually declining average stay and greater recourse to non-hotel accommodation. All this brought a gradual decrease in the average daily expenditure per tourist and suggests a possible structural change in demand which, if it becomes entrenched, would give rise to an increase in the weight of the tourists that spend less. Specifically, according to the data of the EGATUR tourist spending survey, the nominal expenditure per tourist remained unchanged in 2004, while average daily expenditure grew modestly by 0.2% per annum. Meanwhile, according to FRONTUR data, the number of tourists using free accommodation (their own housing or that of friends and family) rose notably in 2004 (12.7%), compared with the more moderate growth of demand for hotel accommodation (2.1%). During the last eight years since 1997, the proportion of tourists using free accommodation has increased by eight percentage points and in 2004 accounted for around 22% of total stays.

As regards the changes in tourism price indicators, the CPI for travel and hotels and restaurants grew by 3.8% in 2004, which was a faster rate than that of the overall index but 0.4 pp less than in 2003. Disaggregated analysis of the CPI components for travel and hotels and restaurants showed that price rises in package tours and hotel accommodation moderated, while the supply of complementary services (restaurants, bars and cafes) showed greater growth. In the first two cases, the price containment may reflect the efforts by the tourism industry to meet competition from alternative destinations, which in 2004 continued to be favoured by lower price levels and by the sustained appreciation of the euro. In fact, in 2004 the tourism sector showed further losses of competitiveness, albeit more moderate than in 2003, due to the slower appreciation of the euro (see Table 2.6).

According to balance of payments data, nominal travel payments increased by 22% in 2004, well above the growth of 4.2% in 2003, thereby interrupting the moderating trend of the last three years. The movements in nominal flows in the previous two years were set against a background of high uncertainty and moderate deceleration in private consumption, which was eventually reflected in a contraction of tourism in which Spain acts as a provider of tourists. In real terms, according to QNA figures, travel payments increased by 21.8% in 2004, well above the annual growth of 5% in 2003. The recovery of nominal payments in 2004 was basically prompted by the renewed momentum of foreign travel by Spaniards (with growth of 17.1% in the year as a whole, according to FAMILITUR) and was consistent with the performance of private spending. Meanwhile, the gradual recovery of consumer confidence and the expansion of the Spanish economy favoured real tourism flows. Contributing to this behaviour were the easing of the geopolitical tensions of the previous two years, the significant cumulative appreciation of the euro (around 30% against the dollar in the last two years) and the sharp drop in air fares. All this lowered the cost of travel to certain long haul destinations, mainly in the Caribbean and Latin America.

In sum, despite an appreciable recovery of global tourist flows in 2004 against a more favourable and less uncertain international economic background, certain factors persisted which influenced the growth of tourism in Spain. The weak growth of the euro area and the low level of consumer confidence in certain major markets limited the recovery of tourist inflows, which, however, again reached historical highs. Tourism activity continued to develop in a scenario of

Rates of change

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Nominal income	9.3	9.4	12.1	12.5	12.7	10.3	5.5	-1.9	4.4	3.8
Real income (a)	5.4	6.3	9.9	9.8	9.4	5.4	3.3	-7.3	-0.3	-1.8
Nominal payments	1.9	13.5	7.4	14.5	16.5	17.0	13.1	5.3	4.2	22.0
Real payments (a)	-2.6	7.8	-1.4	10.3	12.3	9.3	9.2	4.9	5.0	21.8
Competitiveness index vis-à-vis the OECD measured in terms of consumer prices	1.3	2.3	-4.1	0.3	-0.5	-1.5	1.2	2.6	4.3	1.9
— Nominal component	-0.8	0.8	-4.3	-0.3	-1.6	-3.0	0.5	0.9	3.0	0.8
OECD GDP	2.5	3.1	3.6	2.7	3.3	3.9	1.1	1.6	2.2	3.6
MEMORANDUM ITEMS										
Number of foreign visitors lodged in Spanish hotels	6.4	4.4	7.3	10.7	32.7	1.3	-0.5	-1.5	2.4	1.4
Overnight stays by foreigners in Spanish hotels	3.5	-1.0	5.2	6.0	33.4	-3.5	-0.2	-5.3	0.8	-1.3
Number of tourists (FRONTUR)	—	3.7	9.2	9.7	7.8	2.4	4.6	4.5	-1.0	3.1

SOURCES: OECD, Instituto Nacional de Estadística, Instituto de Estudios Turísticos and Banco de España.

a. Spanish National Accounts figures, base year 1995.

growing international competition in which the loss of competitiveness vis-à-vis competitors and customers made it difficult to maintain market share. In 2004 there were further structural changes in demand which influenced nominal tourism receipts.

Turning to receipts and payments relating to non-travel services, although in 2004 they posted higher growth rates than in 2003, their momentum remained a good deal below that at the end of the 1990s, against a background of internationalisation of Spanish firms. As mentioned above, non-travel services receipts increased by 4.5% (2.3% in 2003), while the growth rate of payments rose from 3.5% in 2003 to 5.8% in 2004. This meant that the share in GDP of receipts and payments relating to non-travel services decreased once again, in contrast to the rising trend seen up to 2001. Thus the weight of receipts and payments in GDP fell by 0.1 pp in 2004 to stand at 3.8% and 4.3%, respectively. This took place against a background of sharp rises in international services transactions (16% in nominal terms, according to the WTO), particularly in transport, in line with the expansion of world trade. In the Spanish case, as indicated by the information provided by the Central Balance Sheet Data Office, non-travel services exports were influenced by the economic situation of the euro area, the region with which the bulk of Spanish non-travel services transactions take place. It should be mentioned that this did not prevent an appreciable improvement in the activity of services firms, particularly in transport, business services and real estate services. Accordingly, on National Accounts data the services branches recorded annual growth of 3.5% (2.8% in 2003).

Disaggregated analysis of non-travel services showed fairly uneven behaviour across the various headings. By far the two most important items are transport services and business services, which account for more than 70% of total receipts and payments relating to non-travel services. In the first case, the negative balance increased by 15.1% in 2004 after three consecutive years of correction, against a background of pick-up in the related receipts and payments (7.1% and 7.9%, respectively). As regards business services, the recovery of receipts, which were up by 6.6%, contrasted with the sluggishness of payments, the growth of which slowed further to 2.3%. This enabled a significant reduction of 28.6% in the deficit on this item.

SERVICES BALANCE COMPONENTS

TABLE 2.7

Rate of change

	RECEIPTS			PAYMENTS		
	EU	SPAIN		EU	SPAIN	
	2003	2003	2004	2003	2003	2004
Total services	-1.3	3.4	4.1	-1.8	3.6	8.9
Travel	-1.7	4.4	3.8	0.2	4.2	22.0
Other services	0.1	2.3	4.5	-2.1	3.5	5.8
Transport	-3.7	2.8	7.1	-3.2	1.8	7.9
Communications	4.8	-5.7	6.3	4.2	1.1	17.0
Construction	-2.3	-2.3	-6.2	-2.0	-3.2	88.8
Insurance	-4.8	8.3	4.8	8.0	32.0	17.7
Financial services	-4.4	15.5	0.0	-3.4	26.3	6.7
IT services	12.3	-2.6	-8.4	0.7	-11.5	-13.3
Royalties and income from intangible assets	0.6	19.8	-17.6	5.3	15.9	9.4
Business services	-0.2	2.7	6.6	-3.5	3.0	2.3
Cultural and leisure services	-3.0	1.4	7.5	-8.1	-4.9	2.1
Government services	-0.4	-18.0	11.3	-16.8	7.5	-2.3

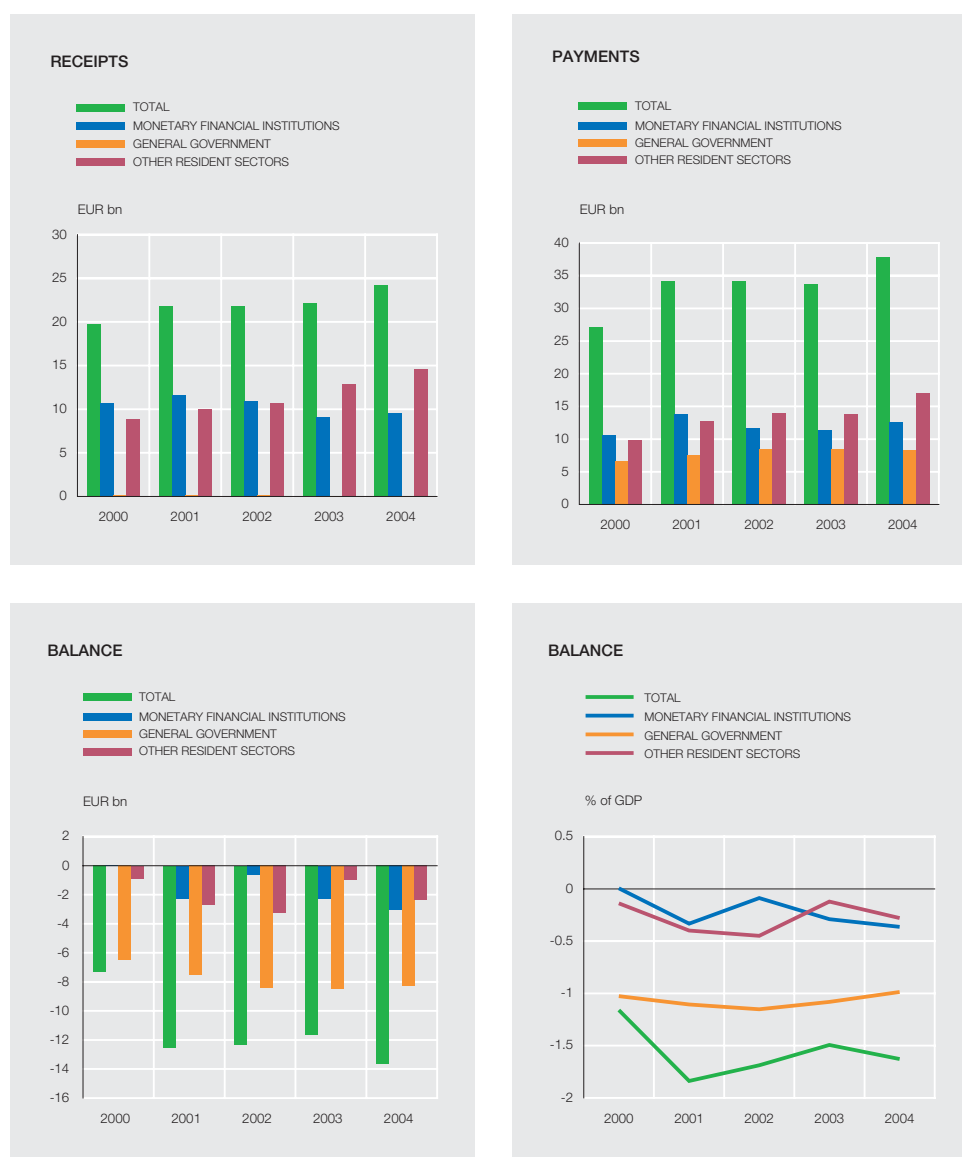
SOURCES: Eurostat and Banco de España.

There was a deterioration in other non-travel services (see Table 2.7), to which cultural and government services were an exception as a result of the buoyancy of receipts (7.5% and 11.3%, respectively) and the weak performance of payments (2.1% and -2.3%, respectively). Services relating to new technologies again posted a positive balance, which decreased slightly against a backdrop of falls in the related receipts and payments, being sharper in the latter. Nevertheless, on information available from the National Accounts with base year 1995, in 2004 the activity of the IT and R&D sector picked up sharply after several years of stagnation. The surplus on construction services decreased significantly (67.8%) because of the sharp increase in payments and the fall in receipts, in contrast to the increase in prior years. Receipts from financial and insurance services performed weakly, prompting a decrease in the balances of these headings. Finally, the significant decrease in receipts in the form of royalties and property income, along with the growth in payments, resulted in an appreciable widening of the deficit in this connection.

2.2.3 BALANCE OF INCOME

In 2004 the deficit on the balance of income started to grow again, after falling for two years. The increase of 18.1% took it to €13,701 million. As a percentage of GDP, this figure amounts to 1.6%, 0.1 pp more than a year earlier, but still below the 2002 level. This increase was basically due to the increased buoyancy of payments, which grew by 12.5%, against the 9.6% rise in receipts. Accordingly, the share in GDP of income receipts and payments moved up to 3% and 4.6%, respectively (2.9% and 4.4% in 2003), thereby reversing the downward path of the preceding two years, after the increase that marked the end of the 1990s.

Analysis by institutional sector reveals that, except for general government, all of them contributed to the widening of the income deficit, particularly "Other resident sectors" (ORS), as seen in Chart 2.7. The sharp increase in the ORS income deficit was a result of higher payments (up 22.9%) which, driven by income on direct and portfolio investments, outstripped the growth of receipts (13.8%). The monetary financial institutions (MFI) sector, excluding the Banco de España, saw a further widening in its deficit (13.2%), against a background of recovery in its re-



SOURCE: Banco de España.

ceipts and payments (9.2% and 10.5%, respectively). Particularly important in this sector was the growth in payments associated with income from fixed income securities. General government recorded a slightly smaller deficit than in 2003 thanks to the correction in the first half. This development took place against a backdrop characterised in recent years by a policy of Treasury debt management that has taken advantage of the low interest rates to reduce the debt interest burden¹⁹ and, in 2004, by a recovery of net public debt issuance (as the weight of general government debt in GDP continued its downward trend, ending 2004 at 46.6%, against 49% in 2003)²⁰. Finally, the surplus of the Banco de España declined by 18.1% in 2004 as a result of the decrease in income arising from assets vis-à-vis the Eurosystem linked to the TARGET system and in that arising from the participating interest in the ECB.

Table 2.8 gives a breakdown of investment income flows by instrument. It shows how the widening of the income deficit in 2004 extended to other investment and, in particular, to direct

¹⁹ The average interest rate on outstanding State debt has followed a downward path in recent years. Thus in 2004 it stood at 4.61%, against 4.82% in 2003. ²⁰ Data calculated using the GDP with base year 2000.

INCOME INVESTMENT BY INSTRUMENT

TABLE 2.8

Rate of change

	AVERAGE 1993–2001	2002	2003	2004
RECEIPTS				
Total investment income	10.3	0.4	1.2	9.8
<i>Direct investment</i>	35.6	16.8	25.6	13.6
<i>Portfolio investment</i>	28.3	33.0	1.6	21.3
<i>Other investment</i>	2.6	–29.6	–20.6	–13.7
PAYMENTS				
Total investment income	12.7	–0.3	–1.1	12.3
<i>Direct investment</i>	23.1	13.5	–9.6	25.8
<i>Portfolio investment</i>	11.4	8.8	9.3	12.7
<i>Other investment</i>	10.3	–14.9	–5.5	2.5

SOURCE: Banco de España.

investment, while portfolio investment was corrected slightly. Direct investment income receipts – which grew by 13.6%, as against growth of 25.8% in payments under this heading – moved against a background characterised by a significant increase in dividends from foreign subsidiaries. These dividends were influenced by the improvement in economic conditions in Latin America, where the investments of the major Spanish corporate groups are concentrated. Direct investment income payments were influenced by the notable increase in shareholder remuneration by Spanish firms, which reached a historical high under a policy influenced by the profits of recent years and the improvement in their financial position. Hence the direct investment income deficit increased substantially from €437 million in 2003 to €1,491 million in 2004. The investment portfolio income deficit decreased slightly (2.6%), thanks to the growth of income, which outstripped that of payments (21.3% and 12.7%, respectively), with a notable role played by fixed income instruments and shares. This performance of portfolio investment income receipts followed the sharp rise in outflows in investments of this type in 2003, against a backdrop of stability in financial markets and improvements in financial asset prices in 2004. The behaviour of portfolio investment income payments by ORS and by MFIs may have been at least partly influenced by the resort to mortgage asset securitisation and by the policy of fixed income security issuance by financial institutions, particularly MFIs and securitisation SPVs. Finally, the deficit balance of income from other investments (basically loans, deposits and repos) increased by 16.8% as a result – against a backdrop of strength of the euro and of rising MFI indebtedness to the rest of the world – of the appreciable fall-off in receipts and of the weak growth in payments (–13.7% and 2.5%, respectively).

2.2.4 BALANCE OF CURRENT
TRANSFERS

Before analysing the developments in this heading in 2004, it should be pointed out that the most significant change introduced by the 2004 Community budget was the commitment derived from the addition of 10 new Member States on 1 May 2004 in the framework of the 2000–2006 financial outlook. Against this backdrop, Spain's positive balance of current transfers was, as in 2003, trimmed significantly and for the first time showed a deficit (of €44 million), compared with a surplus of €232 million a year earlier. As a percentage of GDP, this negative balance was practically zero in both years, while the average for the past 10 years stood at 0.4% of GDP. This result was compatible with moderate growth in receipts and an appreciable moderation in payments with respect to the previous year (5.1% and 7.1%, respectively).

CURRENT AND CAPITAL TRANSFERS VIS-À-VIS THE EUROPEAN UNION

TABLE 2.9

EUR millions

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
RECEIPTS	6 913	10 542	9 926	10 408	12 221	13 515	10 857	12 185	14 950	16 615	15 907
Current transfers	4 707	5 978	5 208	6 408	7 117	7 268	6 327	7 308	7 806	8 191	8 161
Public											
ESF	464	1 472	1 270	1 816	1 746	1 969	797	1 085	1 795	1 653	1 774
Other	34	56	51	56	55	63	48	53	78	79	68
Private											
EAGGF (Guarantee) transfers	4 209	4 450	3 887	4 535	5 317	5 237	5 482	6 170	5 933	6 459	6 319
Capital transfers	2 206	4 564	4 718	4 000	5 104	6 247	4 530	4 877	7 144	8 425	7 746
ERDF	1 560	2 691	2 521	2 547	2 823	3 727	2 819	3 381	4 046	5 344	4 712
EAGGF (Guidance)	282	850	932	731	1 096	1 410	514	628	978	1 274	1 127
Cohesion Fund	364	1 023	1 265	723	1 184	1 111	1 197	869	2 121	1 807	1 908
PAYMENTS	4 829	3 702	4 443	5 412	5 915	6 324	6 558	6 676	6 603	7 942	8 098
Current transfers	4 723	3 607	4 389	5 341	5 774	6 238	6 450	6 629	6 517	7 814	7 960
Public											
Traditional own resources (a)	565	712	600	630	741	819	918	905	585	753	955
VAT resource	2 598	2 152	2 474	2 746	2 617	2 842	2 889	3 135	2 525	2 656	1 921
Additional resource (GNP)	1 560	743	1 315	1 966	2 416	2 578	2 643	2 589	3 406	4 405	5 084
Capital transfers	106	94	54	71	141	86	109	48	87	129	137
Private											
EDF	106	94	54	71	141	86	109	48	87	129	137
BALANCE	2 084	6 840	5 483	4 997	6 306	7 192	4 299	5 509	8 347	8 673	7 810

SOURCE: Dirección General de Presupuestos (Secretaría de Estado de Hacienda).

a. 25% (10% until 2002) of the amount of this item is not actually paid, since it is the amount that the Spanish state receives for administering the collection of these funds. In the balance of payments, the gross payment is included in current transfers and the 25% referred to the above in government services income.

Analysis by institutional sector shows that the fall-off in the current transfers surplus was concentrated on the private sector due to the appreciable increase in its payments, while the deficit traditionally shown by general government decreased (see Table 2.9). The change in the balance of general government was due to the significant (30.5%) growth of receipts and to the weak behaviour of payments (0.9%). After decreasing in 2003, the former rose thanks to transfers to general government not linked to the EU²¹ and to the rise in the amount of the European Social Fund (ESF) in the first half of 2005. The current transfers from the EU received by general government stood below the latest cash forecasts contained in the 2005 State budget (receipts from the ESF were €1,774 million, against the forecast of €2,030 million). For their part, current transfer payments by general government scarcely increased, as a result of the decline in payments not related to the EU. By contrast, those related to the EU increased by 2.6%, driven mainly by the GNI²² (gross national income) resource, which grew by 15.4% in line with the increase in the weight of Spain's GNI in the EU as a whole. In addition, the traditional own resources showed a high growth rate (26.8%), partly related to the higher rates applied in imports from the United States and to the suspension of the generalised system of

21. This heading includes receipts and payments relating to donations, taxes, social security and other. 22. The overall amount of the GNI-Resource is the difference between Community expenses and other receipts. The amount is distributed among the Member States in proportion to their respective GNIs.

The increase in immigrant flows into Spain in recent years is reflected directly in one of the balance of payments captions: workers' remittances. According to the fifth edition of the International Monetary Fund's Balance of Payments Manual (paragraph 302), workers' remittances include *current transfers by migrants who are employed in new economies and considered residents there. (A migrant is a person who comes to an economy and stays, or is expected to stay, for a year or more.) Workers remittances often involve related persons.* Although a broader view of the impact that immigrant flows have on the balance of payments would require looking also at other transactions recorded under other balance of payments headings (compensation of non-resident employees by residents and capital transfers by immigrants), immigrants' remittances are the transaction with non-residents in which the effect of immigration is largest in the case of Spain. In the period 1994-2004, the payments recorded in this connection in the Spanish balance of payments rose from an absolute value of €312 million to €3,436 million, representing 4.9% of total payments under the heading "current transfers" at the beginning of the period, against 21.6% at the end of the period. In terms of the net borrowing requirement, these payments rose from 0.3% to 1.2% in the same period.

Although the remittance payments recorded in the Spanish balance of payments seem to reflect adequately both the upward trend of the immigrant population in Spain and the change in its characteristics, there are doubts as to whether they capture the full intensity of these developments. This is suggested by comparison of the data with certain alternative sources of information on fund transfers abroad by immigrants: receipts in the main countries receiving remittances from Spain and transfers sent from Spain via currency exchange bureaux. In both these cases, the differences indicate that the balance of payments figure is understated by nearly 20%. This result confirms the limitations of the information system used to measure the caption. These limitations basically derive from the existence of high minimum reporting thresholds and from the as-yet scant financial integration of immigrants¹.

1. The information system used is based on reported cross-border receipts and payments. See "Immigrants' remittances in the balance of payments", *Spanish Balance of Payments and International Investment Position 2003*.

Two exercises were carried out in an attempt to quantify this understatement. First, the maximum flow of remittances that immigrants resident in Spain could send to their country of origin was estimated. This estimate, denoted "potential remittances"², was calculated from the information available on the stock of foreign population and from its characteristics, for which the basic information source used was the new Spanish Labour Force Survey (EPA 2005)³. Second, an econometric model was estimated for remittances sent by residents in Spain originally coming from the main counterpart countries.

The chart shows, first, potential remittances, defined as the disposable income of an immigrant after current expenses and social security contributions are deducted from salary income, and, second, the remittances recorded in the balance of payments. It can be seen that, except for the first few years of the period (1996 and 1997), potential remittances exceed recorded remittances. Also, this difference progressively increased during the period under study, coinciding with the increase in the immigrant population (the average year-on-year growth rates of the foreign population were 22.25% from 1997 to 2000 and 33.55% from 2001 to 2004). In 2004, estimated potential remittances amounted to €8,710 million, while recorded remittances were €3,436 million in that year. These figures indicate that the current figures are understated on average by a maximum of 51% for the period 2001-2004 and of 60.6% for the year 2004.

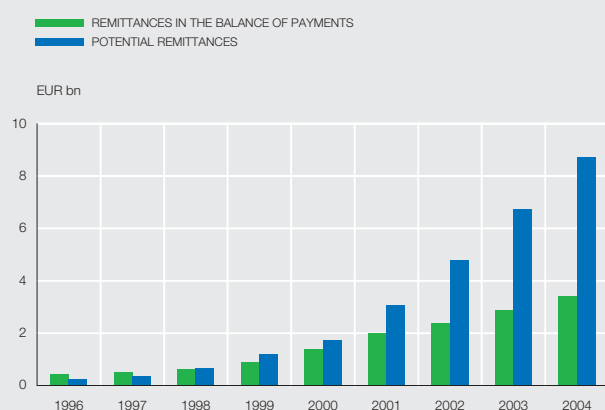
The data for the previous year, although pointing to an understatement of remittances in the balance of payments, do not allow its actual amount to be quantified. This quantification would require a knowledge of each group's propensity to remit funds, information which is currently unavailable.

In order to measure precisely the degree of understatement, a panel data econometric model was estimated for the variable "remittances

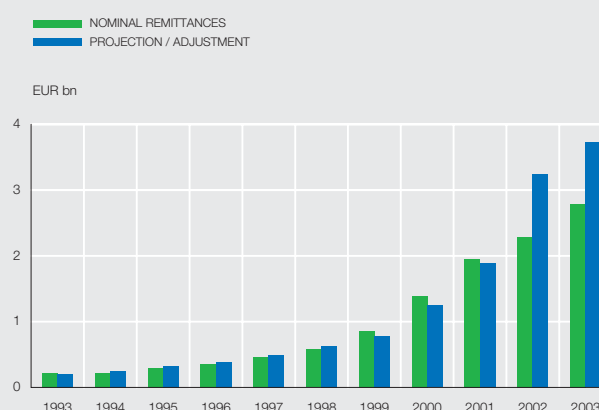
2. In this respect, we basically follow the 2003 potential remittances estimation exercise (see *Spanish Balance of Payments and International Investment Position 2003*). 3. The EPA 2005 gives figures for the foreign, total and employed populations for the period 1996-2003. The changes introduced in this statistical operation are intended to adapt it to the increasing number of foreigners resident in Spain. Basic elements in the revision are the updating of foreign population forecasts on the basis of the 2001 census and the modification of population weights.

DETERMINANTS OF IMMIGRANTS' REMITTANCES

IMMIGRANTS' REMITTANCES AND THEIR ESTIMATED POTENTIAL VALUE



MODEL ADJUSTMENT AND PROJECTION



sent from Spain to other countries" on the basis of the variables which, according to the remittance literature, are the main determinants of remittances⁴. The model differs significantly from the cited studies in that the dependent variable is not defined in terms of remittance income of the recipient countries, but rather in terms of remittances sent from the source country, which in our case is Spain. The first objective of the estimation exercise is to identify the basic determinants of remittances to the various countries. Its second objective is to use the model estimated for the period 1993-2000⁵ to make projections of the amount of remittances for the years 2001-2003. The basic equation used is as follows:

$$r_{it} = \alpha_i + \beta'z_{it} + v_{it} \quad i = 1, \dots, N; t = 1, \dots, T \quad [1]$$

Where r_{it} denotes the logarithm of remittance payments⁶ recorded in the Spanish balance of payments in year t made by residents of counterpart country i , α_i is a specific effect of country i and z_{it} is a vector of explanatory variables.

The explanatory variables to be included in the remittance equation were chosen taking into account the basic criteria given in the aforementioned remittance literature. A first approach in the literature hypothesises that the remittances sent are part of a contractual agreement between the family and the immigrant. The reasons for the transfer may be altruistic, the immigrant's own interest or an agreement between the immigrant and his or her family [Lucas and Stark (1985)]. Some variables relating to the altruistic motive are the economic situation of the immigrant's country of origin, which in the model is proxied by the difference in income between the country of origin and the host country, and demographic variables, such as the stock of foreign population and the average stay of immigrants in the country of residence. Regarding this latter variable, one of the altruistic model's predictions is that the remittances sent will decrease as the length of an immigrant's stay in the host country increases and the ties with the country of origin become weaker. A second approach in remittance literature is the portfolio approach, which characterises remittances as an investment decision [Straubhaar (1986) and Glytsos (1988)]⁷. In this investment decision, the immigrant takes into account the interest rate differential and expectations about future exchange rate movements⁸. The explanatory variables of the investment motive include the interest rate differential between the country of origin and Spain and the differential between the euro/dollar exchange rate and the country of origin's currency/dollar exchange rate⁹. The final variable takes into account the economic cycle of the immigrant's host country, which is defined by the GDP growth rate in Spain.

The sample of countries considered in estimating the model covers a significant proportion of the total remittance payments in the period analysed: 73.9% of the total in 1993 and 96.3% in 2003. The estimation is carried out separately for different areas¹⁰ because the reasons for remittances may differ from one area to another¹¹. In particular, in view of the income differences between Spain and certain countries in Latin America, Asia and Africa, it seems reasonable that altruistic reasons may be important in explaining the remittances by migrants from those countries. However, in the case of migrants from the European Union and the United States, the investment motive may outweigh the altruistic motive.

The results of the model confirm the existence of different explanatory factors in remittance payments, as postulated by remittance theory. In the case of Latin American, Asian and African countries, there is a positive relationship between the remittances sent, the stock of population of each nationality, the GDP growth rate in Spain and the relative depreciation of the currency of the immigrant's country of origin against the euro; and a negative relationship between the remittances sent to those countries and the GDP growth rate in the country of origin. In the case of European Union countries and the United States, the altruism variables are not significant, there being a positive relationship between the remittances sent and the interest rate differential. Finally, for the eastern European countries, a positive relationship is identified between the remittances sent, the stock of population of each nationality and the interest rate differential; and a negative relationship with the exchange rate differential. The following chart compares the adjustment (projection) of remittances, calculated using the remittance model estimate for the areas considered, with nominal remittances for the period 1993-2003. It can be seen that, for the period 2001-2003, the model predicts an average understatement in recorded remittances of 17.3%¹² (29% for 2002 and 25% for 2003).

In summary, the analysis conducted confirms that the immigrant remittance figures recorded in the balance of payments do not adequately reflect the behaviour of this heading in recent years. On average, the degree of understatement of the figures is slightly lower than that estimated by other procedures based on immigrant population characteristics and on information provided by currency exchange bureaux or by the main recipient countries of remittances sent from Spain, ranging from 17% estimated by the model to 48% based on potential remittances, for the period 2001-2003.

4. See, for example, Chami, Fullenkamp and Jahjah (2003), El-Sakka and McNabb (1999), Bougha-Hagbe (2004), Whaba (1991) and Solimano (2004). 5. This estimation period was chosen because the break in the recorded payment series in the year 2000 due to the elevation in January 2001 of the minimum reporting threshold in cross-border receipts and payments results in a loss of information. 6. Taken as euro-denominated remittance payments deflated using the consumer price index (CPI) with base year 1992. 7. According to balance of payments methodology, these remittances abroad should be recorded under the headings "Portfolio investment", "Direct investment" or "Other investment", depending on the characteristics of the transaction. 8. The exchange rate is a variable that is also related to the altruistic motive because of its effect on the purchasing power of the recipient of the remittance expressed in the currency of the immigrant's country of residence. 9. Given the characteristics of the immigrant population in Spain, it can be assumed that remittances for investment reasons are sent basically to the respective countries of origin.

10. Latin America (Argentina, Bolivia, Colombia, Ecuador, Brazil, Mexico, Peru, Dominican Republic and Venezuela), Africa and Asia (Morocco and Philippines), United States, EU-15 (Germany, Portugal, United Kingdom and France) and eastern Europe (Romania, Poland, Bulgaria and Russia). 11. Recorded remittance payments in which the counterpart country is the United States include remittances routed through this country to a final destination in another country. In view of this, and after analysis of the behaviour of the foreign population resident in Spain that came from the United States and from the EU, the model makes the assumption that remittance payments whose final destination is the United States have been growing since 1993 at a similar rate to remittance payments whose final destination is EU countries. The difference between the remittance payments to the United States recorded and those calculated using this criterion is reassigned among the countries with the highest weight in terms of fund transfers via remittance entities. 12. The projections for nominal remittances (in millions of euros) and the standard errors of the projected figure (in brackets) for each of the years 2001, 2002 and 2003 are 1,897.1 (276.1), 3,240.6 (567.0) and 3,725.7 (693.2), respectively.

preferences in goods from China. Both items offset the sharp decrease in VAT resource payments (by 27.7%), in line with the decrease in the percentage to be applied to the VAT base in 2004 (from 0.75% to 0.5%), which is partially offset by the fact that the Spanish VAT base increased faster than the EU average.

2004 saw a further reduction of 12.9% in the positive balance of the private sector, prompted by the stagnation of receipts and the rise in payments (17%). The sluggishness of receipts affected both immigrants' remittances and other items and was compatible with a decrease of 2.2% in transfers from the EU, influenced by the fall in Community funds received via EAGGF-Guarantee aid to the agricultural sector. Notably, the latest cash forecast in the 2005 State budget was for an increase of 5.3% in these funds to €6,804 million. On the payments side, immigrants' remittances kept up a significant growth rate (20.2%), in line with the increasing number of immigrants and the performance of employment. The buoyancy of this item in the last few years highlights the importance of immigration in the Spanish economy, and the need to adapt the tools of analysis to monitor this phenomenon better (see Box 2.3 "Which variables determine the recent behaviour of remittances in Spain?").

2.3 The capital account

The surplus on the capital account, which in practice depends on capital transfers to and from the EU in view of the scant significance of private transfers, widened moderately by 4.7% in 2004 to €8,548 million. As a percentage of GDP, there was a decrease of less than 0.1 pp which left the surplus at 1%. As a result of the enlargement of the EU, from 2007 Spain will gradually lose the net transfers of capital it receives from Community institutions.

The decrease in the capital account balance was due primarily to the fall of 11.8% in receipts via ERDF funds aimed at reducing EU interregional imbalances, which in terms of amount are the most important ones in the EU. However, this figure was better than the cash forecasts, which were for a decrease of 25.1% to €4,000 million. Contributing to a lesser extent was the decrease in the EAGGF-Guidance funds aimed at promoting rural areas, which contrasts with the forecasted increase in cash terms of 15.7%. These changes were not offset by the increase of 6.1% in receipts linked to the Cohesion Fund, which was well above the cash forecast for an appreciable reduction (by 15.5% to €1,520 million). Nor could the decrease in the capital account surplus be prevented by the rise in receipts linked to other sectors or by the fall of 45.5% in capital account payments which took place despite the increase of 6.8% in funds transferred to the EU under the European.

3 The financial account in 2004

3.1 Introduction

World financial flows in 2004 were influenced by a favourable international environment, which enabled the worldwide recovery of capital movements at world scale initiated in the previous year to continue more firmly.

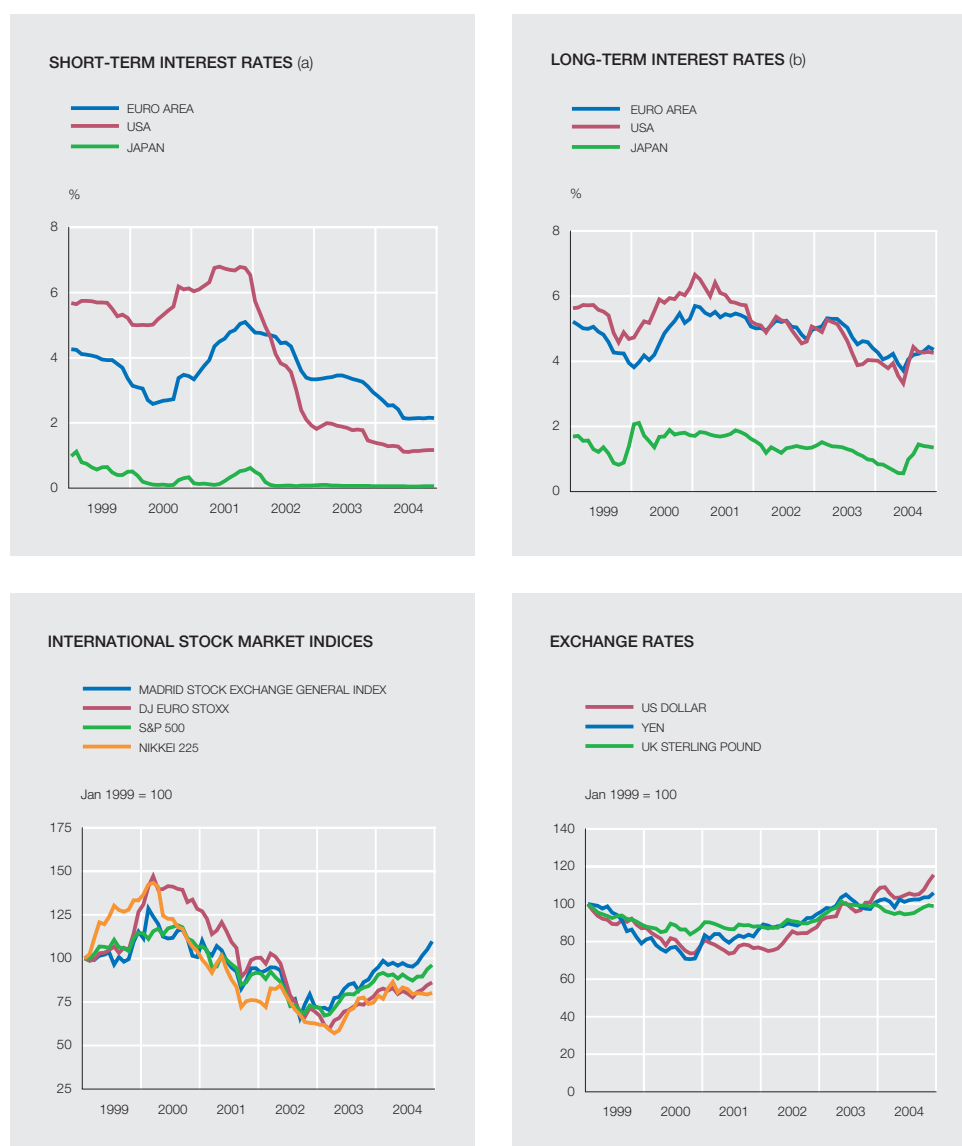
The world economy grew by around 5%, although some uncertainties persisted, such as the high oil prices and the widening of the imbalances in the US economy. Moreover, the international economy did not perform evenly in the various areas: whereas the United States and the emerging economies performed vigorously, the euro area confirmed its difficulty in achieving sustained growth. The backdrop was one of containment of inflationary pressure. This situation was reflected in the differing development of monetary policy in the United States and in the euro area (see Chart 3.1). The Federal Reserve raised its official interest rate five times during 2004 to 2.25% (–1% in real terms), from a historical low of 1% (–0.8% in real terms), with expectations of further rises in 2005. The ECB held its official rate unchanged at 2% (–0.4% in real terms) against a background of lower economic growth, absence of significant inflationary pressure (despite the oil price rises) and appreciation of the euro, which, on average and in real effective terms vis-à-vis developed countries, was 4.1% in 2004. As regards fiscal policy, the US budget deficit widened to 4.2% of GDP in 2004, while the current account deficit deteriorated to 5.6% of GDP. The euro area ended 2004 with a budget deficit equal to 2.6% of GDP, against 2.7% in 2003.

The performance of the debt markets differed from the first to the second half of 2004. The downward trend of 2003 continued in 2004 Q1, after which the 10-year public debt interest rate rose appreciably in Q2, particularly in the United States, in response to the Fed's announcements of a reversal in its monetary policy stance and the uncertainty about how oil price rises would affect inflation. In the second half of the year, however, long-term interest rates decreased – more sharply in the euro area than in the United States – to levels below those at the beginning of 2004 (3.69% and 4.23%, respectively), thereby reversing the spread in favour of US debt (see Chart 3.1). These events took place in a setting characterised by expectations of weak growth in the euro area, of less vigour in the US economy and of some uncertainty about the course of inflation, and, in the United States, by expectations that the Asian countries would purchase US bonds to prevent their currencies from appreciating. The decline in public debt yields, along with the lower risk premiums on corporate debt, made for generous financing conditions in the private sector. Against this background, the international bond markets were buoyant in both the developed countries and the emerging economies, as evidenced by the rises of 14.5% in the world volume of new issues and of 10.9% in net financing.

Equity markets in 2004 were influenced by the positive performance of corporate earnings and by the changes in expectations regarding economic growth and inflation, on which the oil price rises had a bearing in the second half. As a result, the world's main indices grew at rates that were significant (see Chart 3.1), albeit lower than in 2003 (around 12% in the United States and 10% in Europe), against a backdrop of decreasing volatility. In this setting, worldwide issues of equity securities grew by 78%¹; mergers and acquisitions activity also rose to the highest volume since the 2000 stock market crisis².

International financial flows in 2004 were in line with the economic and financial setting described above. In the case of foreign direct investment, the latest UNCTAD forecast³ indicates

1. *BIS Quarterly Review*, March 2005. 2. OECD (2005), *Financial Market Trends*, no. 88, March. 3. See section 3.2.



SOURCES: European Central Bank and Bank of Japan.

- a. Three-month interbank market interest rates.
b. Ten-year government bond yields.

that in 2004 world flows in dollars increased for the first time since 2001. The recovery was uneven across geographical areas: whereas flows to the US and to the developing countries increased appreciably, those to the euro area decreased sharply. Inflows of direct investment into Spain also fell significantly by 41.3% in 2004 (see Table 3.1), a feature shared by the euro area as a whole.

It is, however, necessary to point out that this development was strongly influenced by the decrease in transactions by foreign-equity holding companies (ETVE) since, disregarding these transactions, foreign direct investment in Spain decreased by only 5.9%. From a broader perspective, it should be noted that this decline has been a widespread phenomenon since 2001 and that, however, it has affected Spain less than the euro area as a whole. By contrast, foreign direct investment by Spain grew significantly under the influence of the new investment drive by the large resident banks. As a result, Spain significantly increased the magnitude of the net financing extended by it to other countries in the form of direct investment.

FINANCIAL ACCOUNT OF THE BALANCE OF PAYMENTS

TABLE 3.1

% of GDP

	2000	2001	2002	2003	2004
CURRENT ACCOUNT PLUS CAPITAL ACCOUNT BALANCE	-3.2	-3.1	-2.2	-2.5	-4.3
FINANCIAL ACCOUNT BALANCE (a)	4.1	0.6	1.7	2.2	6.1
Change in external liabilities (b)	25.9	14.1	15.6	16.2	16.9
Direct investment	6.8	4.7	5.7	2.9	1.6
<i>Monetary financial institutions</i>	<i>0.1</i>	<i>0.0</i>	<i>0.1</i>	<i>-0.1</i>	<i>-0.1</i>
<i>Other resident sectors</i>	<i>6.7</i>	<i>4.7</i>	<i>5.7</i>	<i>3.0</i>	<i>1.7</i>
Portfolio investment	10.1	4.6	4.9	5.0	13.2
General government	5.6	1.5	1.2	-1.0	2.5
Monetary financial institutions	2.3	1.4	2.0	3.4	5.9
Other resident sectors	2.2	1.6	1.7	2.5	4.8
Other investment	9.0	4.8	5.0	8.3	2.1
General government	0.2	0.1	0.2	-0.1	0.6
Monetary financial institutions	6.4	2.4	4.0	7.1	1.6
Other resident sectors	2.5	2.3	0.8	1.3	-0.1
Change in foreign assets (c)	22.1	13.4	13.3	13.6	11.0
Direct investment	10.0	5.4	4.8	3.1	4.8
<i>Monetary financial institutions</i>	<i>1.6</i>	<i>0.6</i>	<i>0.3</i>	<i>-0.9</i>	<i>1.6</i>
<i>Other resident sectors</i>	<i>8.4</i>	<i>4.8</i>	<i>4.5</i>	<i>4.0</i>	<i>3.2</i>
Portfolio investment	10.3	7.4	4.3	8.4	3.0
Monetary financial institutions	0.9	3.5	1.3	4.2	0.6
Other resident sectors	9.4	3.9	3.0	4.2	2.3
Other investment	1.8	0.6	4.2	2.0	3.3
General government	0.0	0.0	0.1	0.0	0.1
Monetary financial institutions	1.3	0.5	2.6	1.1	1.9
Other resident sectors	0.4	0.0	1.6	0.9	1.2
Financial derivatives (d)	0.3	-0.1	-0.7	-0.4	0.1
NET CHANGE IN FOREIGN ASSETS OF BANCO DE ESPAÑA (e)	-1.0	2.6	0.5	0.2	-1.7
Of which:					
Reserve assets	0.5	0.2	-0.5	1.7	0.6
Assets vis-à-vis the Eurosystem	-1.5	2.4	0.9	0.6	-1.6
Other net assets	0.0	0.0	0.1	-2.1	-0.6
MEMORANDUM ITEMS:					
FINANCIAL ACCOUNT BALANCE INCLUDING BANCO DE ESPAÑA	3.1	3.2	2.2	2.4	4.4
Errors and omissions (f)	0.0	-0.1	0.0	0.1	-0.1

SOURCE: Banco de España.

a. Excluding Banco de España.

b. A positive sign denotes an increase in liabilities, i.e. an inflow of capital.

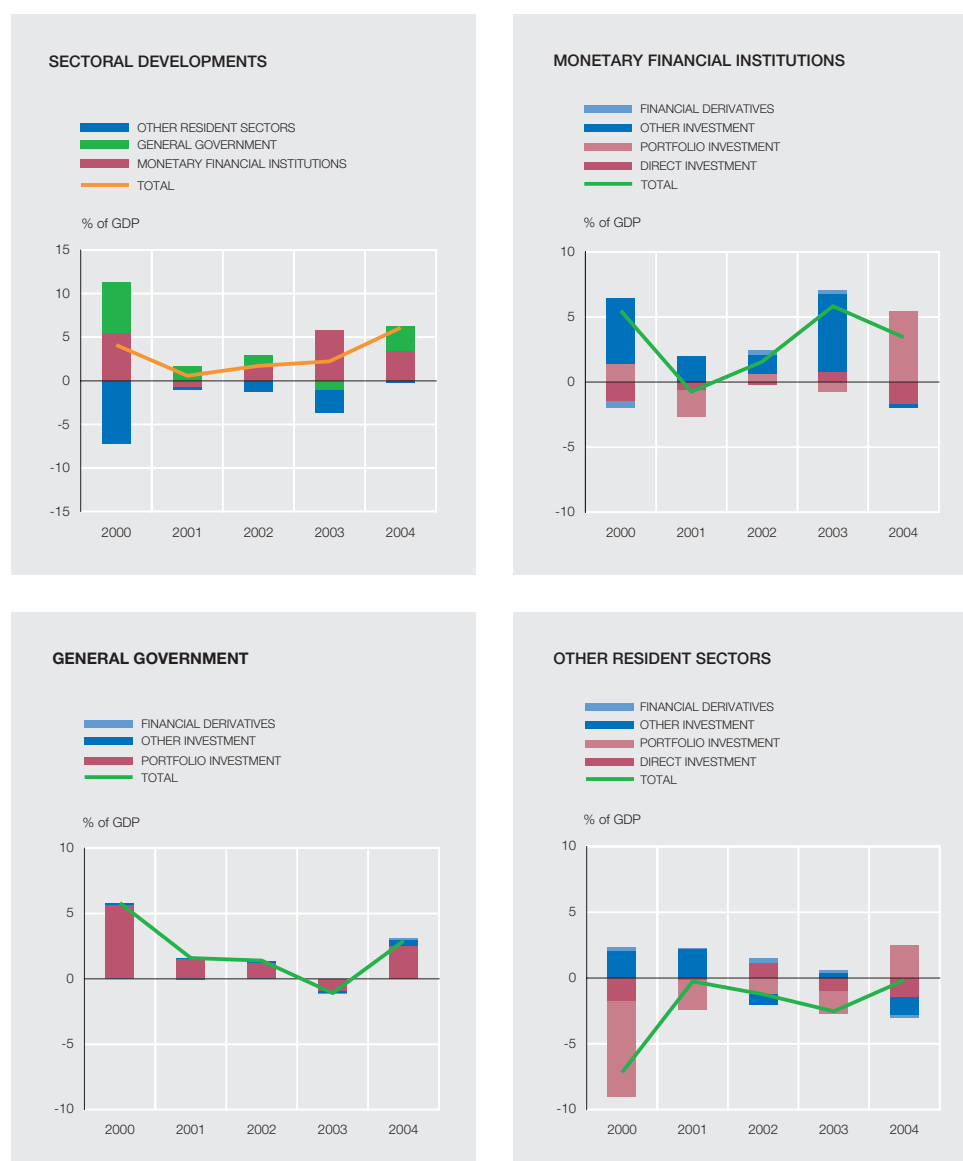
c. A positive sign denotes an increase in assets, i.e. an outflow of capital.

d. Derivatives are recorded net of netted out amounts and have been allocated, by convention, to the net change in assets.

e. A positive (negative) sign denotes a decrease (increase) in Banco de España foreign assets.

f. A positive (negative) sign denotes a receipt (payment) not recorded in another balance of payments caption.

Portfolio investment flows also reflected the general economic and financial environment. As pointed out above, the favourable conditions of access to markets enabled the volume of issues in international markets for both bonds and equity to rise notably. The Spanish markets shared in this behaviour and in 2004 the debt market recorded one of the highest growth rates in the world – basically that of debt issued by the financial sector. This expansion was reflected



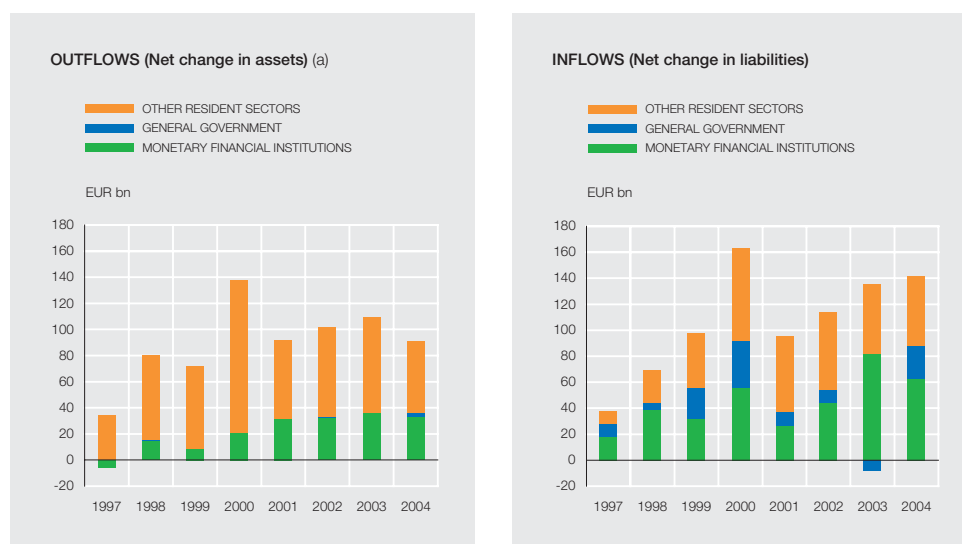
SOURCE: Banco de España.

a. Net change in liabilities minus net change in assets. Monetary financial institutions exclude the Banco de España.

in Spanish cross-border portfolio investment flows, and the net capital inflows in this regard were sufficient to cover the borrowing requirement of the Spanish economy. This behaviour differs substantially from that in 2003, when residents were responsible for net portfolio investment abroad (see Table 3.1).

By contrast, other investment (loans, deposits and repos), which in 2003 was the main form taken by the net inflows of capital into the Spanish economy, posted net outflows in 2004 (see Table 3.1), due to the lower funds raised abroad by resident credit institutions in the form of these instruments, in line with the expansion of their securities issuance.

The above analysis reveals the influence of the international economic and financial background on the capital flows between Spain and the rest of the world, in consonance with the process of international financial integration under way in the Spanish economy in recent years. The development of this growing financial integration of the Spanish economy is ana-



SOURCE: Banco de España.

a. Including financial derivatives, which are recorded net of netted out amounts and have been allocated, by convention, to the net change in assets.

lysed in Box 3.1 ("Financial integration of Spain"), which gives a breakdown by geographical location and instrument.

The behaviour of capital flows is reflected in the net result of the Financial Accounts of the Spanish Economy. All resident sectors contributed to the increase in borrowing derived from the net financial transactions of the nation. Borrowing by the non-financial private sector increased to 4.5% of GDP (3.8% in 2003) as a result of deterioration in the financial saving of households (which became small net borrowers) and of higher borrowing by non-financial corporations. These developments took place against a background of strength in residential investment and of recovery in investment in capital goods, while household gross saving decreased slightly to 6.7% of GDP. For its part, general government recorded net borrowing of 0.3% of GDP, against a surplus of 0.4% of GDP in 2003. However, these figures are influenced by a one-off transaction (the assumption of RENFE's debt by the State); excluding this, general government was a net lender (0.4% of GDP). Finally, monetary financial institutions reduced their net lending to 0.8% of GDP (1.5% in 2003).

To meet this borrowing requirement, non-financial corporations and households increased their recourse to domestic bank credit, encouraged by the low cost of borrowed funds and spurred by rising house prices. This prompted a further widening of the loans-deposits gap in 2004. To raise the required funds, resident monetary financial institutions had recourse to the domestic fixed-income market in an amount which represented a historical high, via bond issues, in the securitisation of bank assets (through securitisation vehicles) and preference share issues, as permitted in this latter case by a regulatory change in 2003 designed to encourage the issuance of these securities in Spain instead of through foreign subsidiaries⁴. Finally, gen-

4. See Law 19/2003 of 4 July 2003 on the legal framework for capital movements and for economic transactions with foreign countries and on certain measures to prevent capital laundering, which regulates the characteristics of preference shares and their taxation, and Law 62/2003 on fiscal, administrative and social measures, which exempts from transfer tax under the "corporate transactions" heading any transfers to Spain from the headquarters of the effective management or from the registered office of companies whose activity and sole corporate purpose consist of the issuance of preference shares and/or other financial instruments, provided that such companies were formed before 6 July 2003, the date of entry into force of Law 19/2003.

International capital flows have expanded notably in recent decades, with a general increase in the financial openness¹ of the developed countries, which between 1990 and 2003 tripled on average to more than 200% of GDP. In the emerging economies, these flows have been subject to fluctuations caused by the financial crises of the second half of the 1990s, and financial openness has therefore advanced less rapidly². The growth of international capital flows has been driven mainly by direct and portfolio investment, although the former decreased appreciably between 2001 and 2003. This was aided by the gradual lifting of restrictions on capital movements in most countries, supported in some regions by processes of economic and monetary integration, as in the euro area, although in certain economic areas these movements were more intense than in others. Both economic theory and empirical evidence suggest that financial integration contributes to overall economic growth by enabling more efficient allocation of capital among countries and greater diversification of risk in an economy, whether it be domestic or vis-à-vis the rest of the world. Additionally, the increase in international investment positions as a result of greater financial integration may also raise exposure to shocks in financial markets and to changes in agents' expectations, particularly if economic policies are not credible in the medium term. As a result, financial integration might be conducive to the transmission of shocks between economies and increase the volatility of financial flows and, therefore, of activity if foreign investment raises the leverage of domestic positions.

The above line of thought has prompted the development of an extensive literature on the measurement, determinants and implications of greater financial integration. Thus the heterogeneity of different markets and economies may imply different degrees of financial integration with the rest of the world, which should be reflected in the behaviour and geographical distribution of bilateral financial flows. Accordingly, it is important to have a disaggregation by geographical area and type of instrument of financial flows and balances with non-residents. This will enable the degree of bilateral financial integration to be approximated.

This box uses geographical breakdowns of the financial flows of the Spanish balance of payments to characterise the main features of the behaviour of Spanish financial integration with the rest of the world. Apart from being new, this analysis is important because of the significant increase in the financial openness of Spain in recent years. This, excluding the stock of financial assets and liabilities of the Banco de España, has increased from 71% of GDP in 1992 to 258.1% in 2004. This process has been driven by liberalisation of the capital markets and by membership of the European Economic Community (EEC) and the euro area.

The sample used in this Box includes the financial transactions in the period 1998-2004 in the form of direct investment (FDI) and portfolio investment between residents and non-residents, broken down geographically and, in the case of portfolio investment, by type of instrument (investment in shares and mutual funds, bonds

and notes, and money market instruments). The data include a total of 68 countries, which represent the bulk of Spanish direct and portfolio investment. Discrepancies between the sample total and the world total are generally scantily significant and, in any case, less than 2.3% of the related direct and portfolio investment subtotals for both asset flows and liability flows. In order to characterise the degree of financial integration of Spain, the countries are grouped into five main regions: North America (the United States and Canada), the euro area, the EU other than the euro area, Latin America and the rest of the world. Also, the breakdown of portfolio investment into fixed-income instruments and shares (except for those included in FDI) enables the degree of integration in different markets to be analysed.

At this point it should be noted that the results presented below should be viewed with caution, basically due to two factors³. First, as with the published Financial Account figures, the quarterly asset and liability flows of each type of investment are the net result of investment and disinvestment⁴. Consequently, in some cases, the degree of bilateral financial integration, measured as the sum of gross inflows and outflows of both assets and liabilities, may be underestimated. Second, the criterion of geographical allocation of flows sometimes coincides with that of the first-known counterparty, which may not coincide with the final issuer/holder, which is the relevant party for measuring bilateral integration⁵. This problem bears particularly on the case of portfolio investment liabilities, for which the available information relates not to the final holder, but rather to the first-known counterparty, which introduces an upward bias into the weights of countries acting as international financial centres, such as Luxembourg or the United Kingdom⁶.

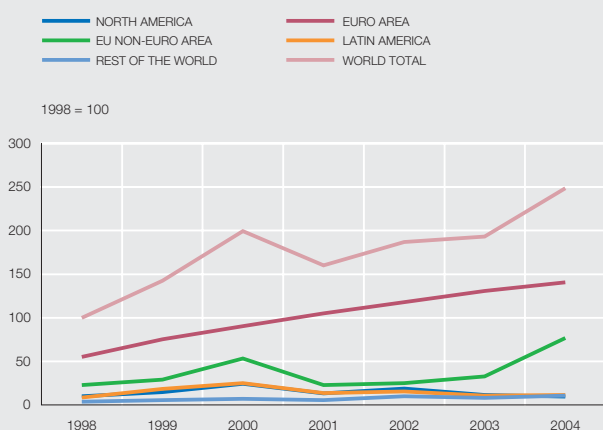
There are alternative measures for quantifying the financial integration of a country. As mentioned above, this Box approximates the degree of bilateral financial integration by taking the sum of the absolute value of the asset and liability flows between Spain and each of the other countries in the world. The accompanying chart shows this measure of Spain's bilateral financial integration, aggregated in four regions which in 2004 represented more than 95% of Spanish financial inflows and outflows. The increase in this indicator in the last six years is, at 150%, much higher than the increases in the same period in Spain's trade openness in goods and services (around 20%) and in world GDP (25%). Noteworthy in the breakdown by geographical region is the continuing expansion of the euro area and the significant rise in 2004 of the United Kingdom, which represents around 95% of the aggregate flows of the EU other than the euro area in the total period analysed. The flows with the EU, which tripled between 1998 in 2004, are, in total, 85% of the cross-border financial flows of Spain.

1. Measured as the sum of the stocks of financial assets and liabilities held by an economy with non-residents as a percentage of GDP. 2. See "Globalisation and external imbalances", *World Economic Outlook*, April 2005, IMF.

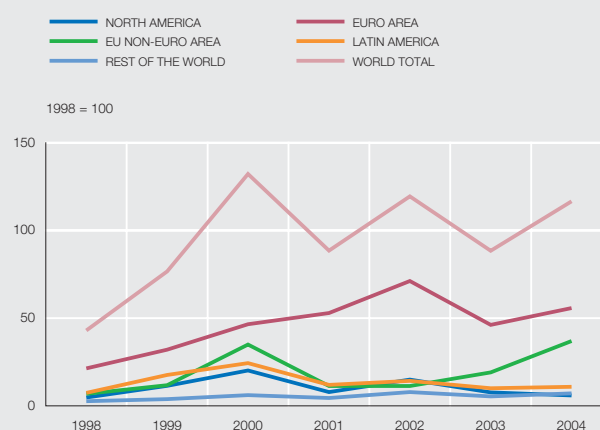
3. It should also be noted that the direct investment flows used in this box do not include reinvested earnings. See Chapter 5 of this report ("The balance of payments and the international investment position 2004: methodological notes"). 4. Note that in the case of financing granted to related companies, which is included in FDI, the application of the directional criterion implies that loans by a parent company to a foreign subsidiary are considered to be a disinvestment abroad by Spain. 5. In the case of portfolio investment, this problem will be largely resolved when the ECB's Centralised Security Database (CSDB) is implemented. 6. It is possible to analyse the geographical distribution of final holders by using the data in the Coordinated Investment Portfolio Survey (CIPS), which is described in Box 4.1 of this report, "Spain's stock of portfolio investment: analysis by geographical area and type of investment".

FINANCIAL INTEGRATION OF SPAIN

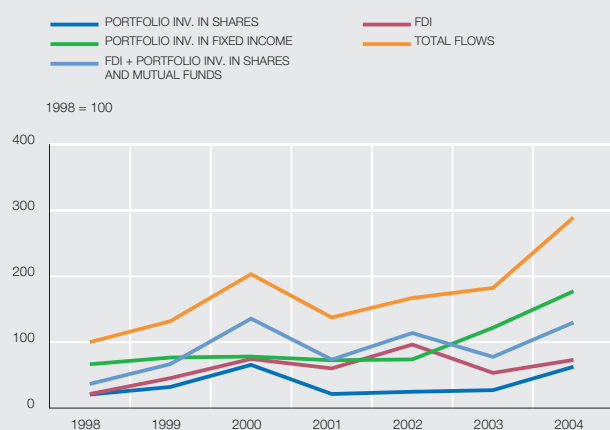
FINANCIAL INTEGRATION OF SPAIN. TOTAL FLOWS



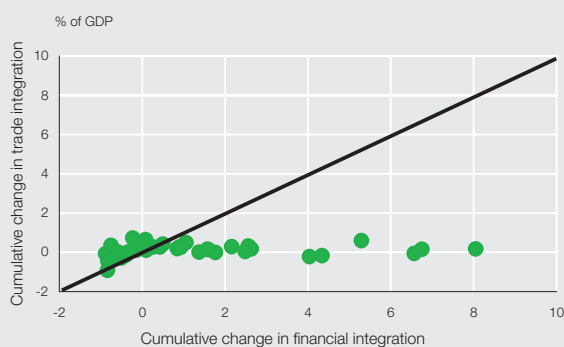
FINANCIAL INTEGRATION OF SPAIN. FDI AND PORTFOLIO INVESTMENT IN SHARES AND MUTUAL FUNDS



STANDARD DEVIATION OF THE FINANCIAL INTEGRATION OF SPAIN (a)



INCREASE IN THE FINANCIAL AND TRADE INTEGRATION OF SPAIN



SOURCE: Banco de España.

a. Standard deviation of the sum of the absolute value of the quarterly flows of financial assets and liabilities vis-à-vis 68 countries for each of the subcomponents considered.

By contrast, the financial integration with the rest of the world has decreased in recent years after the strong expansion of FDI in Latin America in the second half of the 1990s.

Since financial flows in fixed-income instruments may be influenced by special factors, such as purchases of securities by public institutions whose debt management policies may be affected by economic policy decisions, it is of interest to analyse also bilateral integration at the level of international investment in the form of FDI and portfolio investment in shares and mutual funds. As can be appreciated in the second chart, these flows practically tripled between 1998 and 2004. Although this growth exceeded that of the total flows, it is also true that it has been more volatile in the last six years. The euro area and

the United Kingdom continue to have the largest share of this type of investment, while the contribution of North America and Latin America has increased in comparison with the total flows, as a result of the significance of the flows of portfolio investment in shares in mutual funds between the United States and Spain and the flows of Spanish direct investment in Latin America, which were particularly important at the end of the 1990s. Thus in 2000 financial exchanges with these two regions in the form of direct and portfolio investment in shares and mutual funds represented more than one-third of the total, although their weight decreased to just 14% in 2004.

The uneven behaviour of the regions considered extends to most of the investment types examined in this Box. The increase in Spain's

bilateral financial integration with other countries has not been uniform, but rather concentrated mainly in those countries with which Spain was already more financially integrated in 1998, principally the euro area and the United Kingdom. This is reflected in increased dispersion of the bilateral financial integration indicator in the last six years, both in the case of portfolio investment in shares and mutual funds or in FDI and in the case of investment in fixed income (see accompanying chart).

The literature indicates that financial and trade integration tends to exhibit two-way feedback⁷. In the analysis period, Spain's trade openness – measured as the sum of bilateral imports and exports in goods and services – also increased appreciably from 56% of GDP in 1998 to 67% in 2004. However, the last graph shows that, for most of the countries whose financial and trade integration with Spain exceeds 1% of its GDP, the increase in financial integration has outstripped that in trade integration since 1998. This development,

which replicates the trend seen at world level⁸, might in part reflect the fact that the take-off of Spanish trade integration took place in the second half of the 1980s when Spain joined the EEC, approximately 10 years before that of its financial integration. It might also be due to the appreciable decrease in transaction costs associated with financial flows, which stimulates financial integration.

In sum, bilateral financial flows seem to confirm a substantial increase in Spain's financial integration with the rest of the world in the last six years, which has been particularly intense in the case of FDI and portfolio investment in the form of shares and mutual funds. This process has coincided with a significant increase in the geographical concentration of Spain's international financial flows with the rest of the world, which centre on the EU, especially the euro area, evidencing the euro area's influence on the greater bilateral financial integration of Spain.

7. See Note 2.

8. See, for example, IMF (2005), "Globalisation and external imbalances", *World Economic Outlook*, April, and P. Lane and G. M. Milesi-Ferreti (2003), "International financial integration", *IMF Staff Papers*, vol. 50, special issue edition.

eral government increased its net issuance of debt securities with respect to 2003, taking advantage of the low long-term interest rates to lengthen their average term. As noted above, the financing conditions and the active demand for securities of this type facilitated this greater supply of securities in the markets.

This situation affected the financial relations of the various resident sectors with the rest of the world (see Charts 3.2 and 3.3). The sector monetary financial institutions, excluding the Banco de España⁵ (MFIs), was again the main recipient of foreign funds, with €28,800 million, although their composition by instrument differed from that in 2003. Whereas in that year capital inflows were mainly in the form of foreign deposits and, to a lesser extent, of debt securities, in 2004 most foreign financing was through the acquisition of fixed-income securities by non-residents. Additionally, MFIs made use of asset securitisation through securitisation vehicles, and there was also an increase in purchases by non-residents of securities issued by these institutions, which, however, are classified as "Other resident sectors" (ORS) in the balance of payments. For its part, general government received net foreign financing of €23,417 million through purchases by non-residents of public debt securities. This investment reached its highest amount since 2000, in contrast to the net disinvestment in the preceding year, due to the recovery of long-term Treasury debt issues (although the outstanding balance of government debt as a percentage of GDP fell by two percentage points to 40.5% in 2004) and to public debt sales by resident MFIs. Finally, ORS extended a small amount of net foreign financing (€1,372 million), in contrast to the high net outflows of previous years. This change in behaviour was prompted by the lower outflows arising from foreign security purchases by resident mutual funds, which shifted a part of their investments to the domestic market, and by the sharp decrease in direct investment flows received by non-financial corporations, which offset the aforementioned increase in inflows arising from purchases by non-residents of asset-backed bonds.

In 2004 the Banco de España's reserve assets increased by €14,010 million; they relate mainly to its transactions vis-à-vis the Eurosystem.

5. Hereafter, unless otherwise indicated, excluding the Banco de España.

3.2 Direct investment

The behaviour of foreign direct investment (FDI) flows in 2004 was influenced, despite the favourable outlook, by the persistence of some of the factors that caused FDI flows to contract at the beginning of the current decade. According to UNCTAD preliminary estimates⁶ for 2004, the downward course of FDI flows in that year may have ended and a timid recovery may even be discernible. World capital inflows of direct investment grew by 6% per annum to \$612 billion⁷. However, this improvement was not uniform across geographical areas. Thus the flows to the United States were four times higher than those in 2003, meaning that this country was once again the main world recipient of FDI, and those to the developing countries grew by 47.4%, particularly those to the Asian economies, in line with the role of these areas as engines of world economic growth. The increase of 35.3% in flows to Latin America was similar to that in the eastern and central European countries (33.3%). By contrast, the flows to the euro area economies decreased sharply, particularly in Germany, Belgium and Luxembourg, in line with slow, weak economic recovery of this area and the uncertainties about its future course. The available ECB data for the euro area as a whole⁸ agree with these estimates, with a decrease in inward FDI, valued in euro, of 47.2%⁹, while the outward FDI flows of the euro area also fell, albeit more slowly, by 20.6%.

In any event, various factors suggest a favourable outlook for short- and medium-term FDI flows¹⁰. Notable among them are the growth prospects for 2005, the favourable performance of corporate earnings in 2004 and the completion of restructuring in multinational groups, the continuing generous financing conditions and the increase in mergers and acquisitions transactions in 2004. Along with these circumstances, the economic literature signals the influence on FDI and multinational activity exerted by microeconomic factors, such as technological intensity and corporate cost structure, which are summarised in Box 3.2 ("Multinational activity: theory and evidence for the Spanish case").

It has been remarked above that, as in the euro area, inward direct investment in Spain fell significantly (41.3%), but that, unlike in the euro area, outward flows increased appreciably (63.3%), as seen in Chart 3.4. Residents thus notably increased their net lending to the rest of the world in the form of direct investment to €26,345 million (3.1% of GDP) from €1,421 million (0.2% of GDP) in the previous year.

It should be noted that the significant decrease in transactions by foreign-security holding companies (ETVE, by their Spanish acronym)¹¹ has influenced the behaviour of total FDI flows¹². Since 1999, and particularly since the legislative amendments of 2000, these companies have been used by non-resident multinational groups to centralise in Spain their direct investments in third countries. These transactions, which are normally business restructurings, give rise simultaneously to holdings by Spanish ETVE in group non-resident subsidiaries and to holdings of the non-resident parent in Spanish ETVE. In 2004 these transactions amounted

6. UNCTAD, press released, *World FDI flows grew an estimated 6% in 2004, ending downturn*, UNCTAD/PRESS/PR/2005/002, January 2005. 7. All rates of change drawn from UNCTAD data are based on figures expressed in dollars. If the flows were measured in euro, inward direct investment would be 4.9% lower. 8. ECB (2005), *Monthly Bulletin*, March. 9. The euro area balance of payments excludes transactions between euro area countries, so the comparison of this figure with that of the individual euro area countries may be distorted. However, the changes in euro area FDI figures for different periods are a valid indicator. 10. See *Prospects for foreign direct investment and the strategies of transnational corporations, 2004-2005*. United Nations, 2004. 11. Foreign-security holding companies, frequently set up in recent years by non-resident multinational groups to centralise the holding of their foreign direct investments in third countries. See Corporate Income Tax Law 43/1995 and Title IV of Law 6/2000 on measures designed to support company internationalisation (see Spanish Official State Bulletin of 14 December 2000). To ensure that these transactions, which are difficult to estimate with the usual reporting system, are included in the balance of payments, information from the Investment Register of the Ministry of Industry, Tourism and Trade has begun to be used. This heading includes the transactions of other holding companies which are not strictly ETVE, but which, like them, have been established in Spain for the main purpose of channelling direct investment flows. 12. The difficulties in capturing the transactions of these corporations companies may give rise to significant subsequent revision of the direct investment data.

The expansion of multinational activity forms part of the process of globalisation that has characterised the development of the international economy in recent decades. The growing importance of multinational activity in production, trade and employment at world level – particularly notable in certain sectors and geographical areas – and the interest in identifying the factors that explain its expansion and how this has taken place, have prompted the development of a literature that seeks to explain multinational activity by means of microeconomic fundamentals. Instead of explaining empirical regularities by analysis of aggregate data, this literature focuses on the individual and sectoral characteristics of firms. The balance of payments heading *foreign direct investment* (FDI) is a reliable indicator of the trend of multinational activity, although not of its magnitude. This information is not disseminated in a standard way at firm level for reasons of confidentiality. The same is not true of FDI data disaggregated by economic sector², which, in the case of the Spanish balance of payments, have been published annually in this box since the edition containing the 2003 data.

First, this box analyses how the multinational activity is recorded in the balance of payments headings. This depends on the form that the multinational activity takes place. Next, a broad description is given of the theories of multinational activity with a basis in macroeconomic fundamentals, which can be divided into two main approaches: technological and contractual. Then, use is made of the

data disaggregated by Spanish FDI branch of activity for the period 1995-2004, which, combined with information on the major firms included in the Banco de España Central Balance Sheet Data Office (CBSO) for those years, make it possible to explore some of the determinants of multinational activity cited by the aforementioned literature³.

Multinational activity is identified and recorded in different ways in balance of payments statistics. If the multinational enterprise decides to control production, directly or indirectly, the activity is internationalised by the establishment of subsidiaries, branches or associates, so the multinational activity is basically reflected in FDI data⁴. By contrast, if production is moved to a third company resident abroad – through, for example, corporate agreements, franchises or offshore outsourcing –, the result of this internationalisation would be primarily reflected in the services sub-balance, specifically through royalties and licence rights. Therefore, as this second method of expansion of multinational activity becomes more important, as is frequently happening in the case of the services sector, the FDI data will be less

1. This paper is included in the Chapter III of the publication *The Spanish Balance of Payments and International Investment Position 2004*. 2. In the case of FDI via holding companies resident in Spain, they are reassigned to the main activity of the group in Spain.

3. Here it should be pointed out that the FDI data used in this box do not include transactions by so-called foreign-equity holding companies. Also, the asset or liability flows of balance of payments FDI are not gross, but rather include the net investment or divestment arising from each item. As a matter connected with this, financing to related companies is recorded using the directional criterion, and, therefore, there are transactions that are included as divestments when they are foreign investment by Spain. 4. For more information, see the IMF's Fifth Balance of Payments Manual, Chapter 5 of the publication *The Spanish Balance of Payments and International Investment Position 2004* ("The Balance of Payments and the International Investment Position: Methodological Notes") and the Benchmark Definition of Foreign Direct Investment put out by the OECD.

STYLISTED FEATURES OF MULTINATIONAL ACTIVITY AND OF FOREIGN DIRECT INVESTMENT FLOWS

STYLISTED FEATURES	EXPLANATORY THEORY
Macroeconomic	
Most FDI takes place between developed countries. Bilateral flows between pairs of developed economies are usual	Technological approach: horizontal FDI
Slight positive correlation between FDI and significant differences in capital endowment between investor and recipient countries	Technological approach: horizontal FDI
FDI inhibited by political and regulatory uncertainty	General
Growing importance of intra-firm trade	Technological approach: vertical FDI and contractual approach
FDI flows negatively associated with political and regulatory uncertainty	General
Industry level	
Multinationals have a greater presence in sectors with higher value added, product differentiation or technological intensity	Technological approach: horizontal FDI
Sectors with more significant R&D flows show greater dispersion of productivity	Technological approach: horizontal FDI
Firm level	
FDI flows negatively associated with plant economies of scale that are relatively high in relation to firm economies of scale	Technological approach: horizontal FDI
Positively associated with size	Technological approach: horizontal FDI
Positively associated with trade barriers, transport costs and other transaction costs	Technological approach: horizontal FDI
Growing importance of offshore outsourcing	Contractual approach
Growing heterogeneity of the forms in which production is internationalised	Contractual approach

KEY VARIABLES OF MODELS DESIGNED TO EXPLAIN MULTINATIONAL ACTIVITY

	KEY VARIABLES
TECHNOLOGICAL: HORIZONTAL FDI	Transport costs Trade barriers Plant and firm economies of scale Degree of product differentiation Capital and R&D intensity Dispersion of productivity in the industry
TECHNOLOGICAL: VERTICAL FDI	Differences in relative endowment of factors Differences in relative prices of factors Relative intensity of use of skilled labour (data disaggregated at industry level)
CONTRACTUAL APPROACH	Relative intensities of labour and capital (including human capital) Intensity of R&D expenditure Degree of product standardisation

representative as an indicator of its behaviour⁵. Nevertheless, in general it can be concluded that FDI is one of the most appropriate indicators for measuring multinational activity owing to its coverage, periodicity and international homogeneity, although this indicator is not so suitable for measuring its magnitude. For this reason, the FDI data can be supplemented with direct information on employment, production, sales and international trade transactions of multinational enterprises collected in the framework of FATS statistics.

If we focus on Spain's multinational activity abroad, the recent behaviour of FDI, of the related income and of the services generally reflects the processes of financial opening-up of the Spanish economy and of internationalisation of Spanish firms. FDI outflows showed notable buoyancy between 1995 and 2000, rising in that period from 0.8% of GDP to a high of 10.0%⁶, with Latin America accounting for a highly notable share of these investments. Subsequently, FDI outward flows decreased substantially under the influence of the economic difficulties and regulatory uncertainties in Latin America. Finally, in 2004 these flows recovered significantly by 63.3% to 4.8% of GDP. FDI income grew significantly in the past decade, particularly in the second half of the 1990s. Lower buoyancy was shown by receipts from royalties and licence rights, the growth of which was concentrated in the second half of the 1990s, while the last few years have been characterised by volatility in these items.

As noted above, the difficulties in explaining the reasons for and characteristics of multinational activity under traditional FDI theories, whose stylised features are summarised in the first table, have in recent years motivated the development of a new current of thought in which microeconomic fundamentals play an important role. These theories can be divided into two approaches or paradigms – technological (traditional theories) and contractual (new theories) – which are

largely complements rather than substitutes. This literature has centred on the importance of factors such as transport costs, economies of scale, technological intensity, the growing role of intra-firm trade, the possible impact of differences in factor endowments and the growing heterogeneity of the forms of internationalisation of production that do not necessarily entail FDI flows.

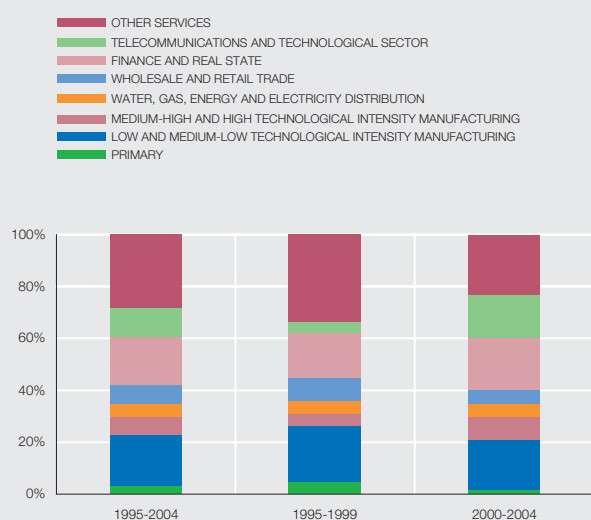
Under the technological approach, multinational activity arises when the advantages of the economy of direct investment firms (distance, prices and factor endowments) are combined with technological factors (firm and plant economies of scale), which are conducive to fragmentation of the productive process. They are listed in the second table. This paradigm in turn encompasses two broad explanatory frameworks: horizontal FDI and vertical FDI, the distinction between which is at times ambiguous at the empirical level. Horizontal FDI entails replicating the productive process abroad. Horizontal FDI theories emphasise the importance of transport costs, trade barriers and plant economies of scale in deciding whether to open a production plant abroad. The likelihood of opening one rises with increasing transport costs and corporate economies of scale (e.g. advertising and R&D expenditure) relative to plant economies. A paradigmatic case of horizontal FDI is the automobile sector, due to the coexistence of several of the factors mentioned above. However, the vertical FDI models are based on the capacity of multinational enterprises to exploit price differences in productive factors by means of geographical fragmentation of the productive process based on the differing factor intensities of the various productive phases. These models are able to explain the expansion of intra-firm trade, an important phenomenon in recent decades. It should be kept in mind that in any particular firm these two forms of foreign investment are complements, rather than substitutes. The manufacture of computer components is an example, since it is relocated to developing economies, while the research remains in the country of the parent.

The technological paradigm explains why a firm decides to carry out part of its production abroad, but does not offer grounds for the choice of whether to retain production within the firm or to move it offshore. By contrast, a primary aim of the contractual approach is to analyse the conditioning factors of this decision. The available evidence shows that in recent years, the offshore outsourcing of corpo-

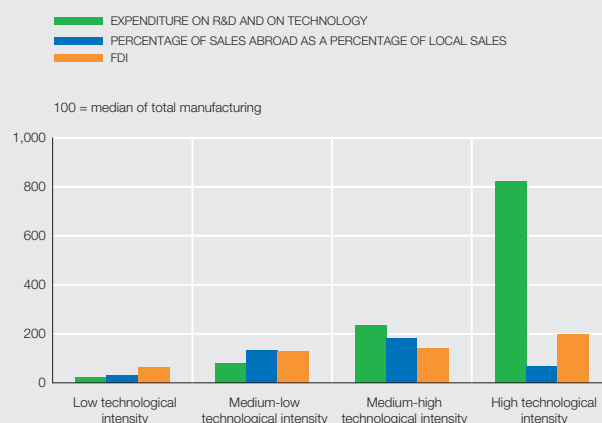
5. For this reason, the Inter-Agency Task Force of International Trade in Services (established by the UN Statistical Commission and formed also by the OECD, EUROSTAT, the IMF, UNCTAD and the WTO) is promoting statistics on the activity of foreign affiliates (Foreign Affiliates Trade Statistics, FATS). FATS statistics aim to measure the activity (in terms of employment, production, etc) of affiliates set up abroad and, to some extent, supplement foreign direct investment statistics. 6. A more detailed analysis can be found in the box "Recent behaviour of international capital flows: theory and empirical evidence" in Chapter III of the publication *The Spanish Balance of Payments and International Investment Position 2003*.

SPANISH OUTWARD FDI: BREAKDOWN BY ECONOMIC SECTOR AND TECHNOLOGICAL INTENSITY

SECTORAL BREAKDOWN



FDI IN MANUFACTURING AND TECHNOLOGICAL INTENSITY (a)



SOURCE: Banco de España.

a. The values of each variable are the median of each branch of technological intensity as a percentage of the median of total manufacturing, the value of which is taken as 100.

rate services has expanded sharply. This process is still at the early stages and is concentrated in a certain number of economies⁷. Contractual paradigm models treat the organisation and optimum size of firms as endogenous. This enables the heterogeneity of multinational activity to be viewed as arising within the firm, which can differ depending on its production lines. A possible outcome would be to retain the most technologically advanced lines in the parent, to outsource to an offshore location the production of the more labour-intensive goods or services and to carry out FDI operations for other more capital- or R&D-intensive products or less standard products (see accompanying table), as sometimes occurs in the technological sector.

Analysis of Spanish balance of payments FDI data broken down by economic activity group⁸ yields results that partially agree with the theoretical assumptions and general empirical trends mentioned above. Specifically, in the period 1995-2004 the higher value-added and technological-content sectors accounted for a higher share of multinational activity, although this development is influenced by the productive and trade specialisation of the Spanish economy. As shown in the accompanying chart, Spanish outward FDI is concentrated in the services sector, with around 70% of the total, as a result of the internationalisation of firms in the sector, which capitalised on the advantages of ownership achieved following the modernisation of the corporate sector. In addition, the cultural ties with Latin Amer-

ica and this area's growth potential acted as an incentive to the presence of Spanish firms in the region. Within services, the main sectors in terms of FDI outflows from Spain are finance and telecommunications (38.3% between the years 2000 and 2004). The FDI of this latter sector rose significantly from an average of 4.1% in 1995-1999 to 17.6% of the total in 2000-2004, while that of the financial sector grew a good deal less quickly, from an average of 16.7% in 1995-1999 to 20.7% of the total. Technological progress in these two sectors may have stimulated their activity abroad. Meanwhile, manufacturing, which represents more than 25% of the total, was driven by the medium-high and high technological intensity branches, despite which their relative weight continues to be low (8.9% in the period 2000-2004), in line with the composition of manufacturing exports. In this respect, it should be noted that the weight of high technological intensity branches in outward FDI is very low, below 1% of the total.

The use of data from the Banco de España CBSO (firm-level data sectorally grouped in the same manner as balance of payments FDI data) enables the relationship between investment activity and sectoral characteristics to be analysed. Aspects receiving particular attention are the relationship between outward FDI and R&D expenditure and the relative weight of sales abroad as a percentage of the total sales of the manufacturing firms forming part of the CBSO sample, grouped by technological intensity. As seen in the second chart, there is a positive relationship between technological intensity, R&D expenditure and outward FDI, which corroborates the stylised features mentioned above, and the horizontal FDI models and the contractual approach. On the other hand, the available sample fails to confirm a

7. See World Investment Report 2004, by the UNCTAD. 8. Note that transactions by foreign-equity holding companies are deducted.

clear relationship between the intensity of foreign trade activity (proxied by the mean of each manufacturing branch's foreign sales as a percentage of the total) and FDI, probably due to the scant importance in relative terms of foreign sales of high- and low-technology manufactures. This may confirm the existence of sectoral patterns of development of multinational activity depending on technological intensity, as reported by the empirical literature on this subject. The international presence of low and medium-low technological intensity sectors is initially based more on trade activity and subsequently, in certain cases, on FDI, while that of medium-high and, above all, high technological intensity sectors is based more on FDI.

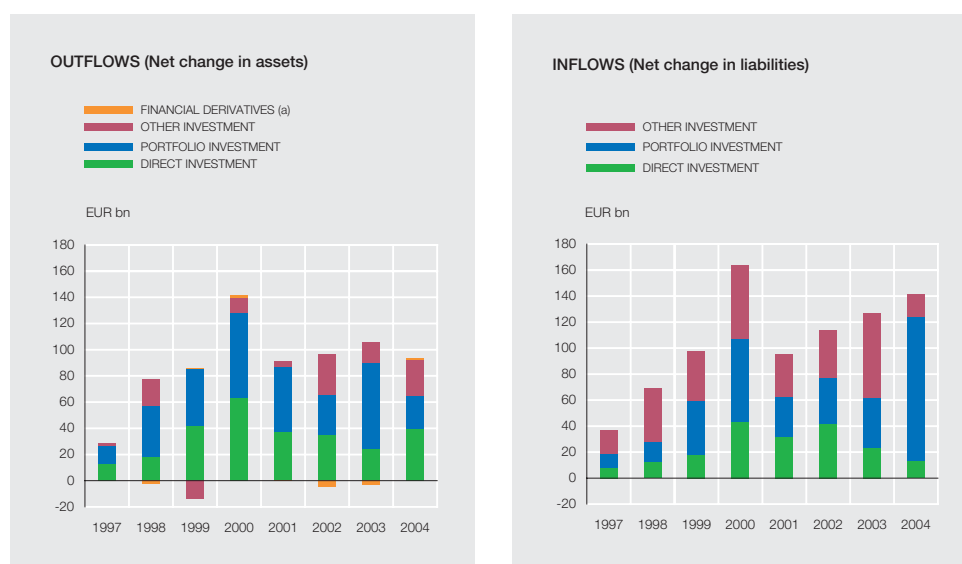
This analysis, with all its limitations, shows the importance in the Spanish case of certain of the factors signalled in microeconomic

theories as key to the development of multinational activity. This, however, does not detract from the importance of other basic factors in the process of internationalisation of the activity of Spanish firms, such as the modernisation of the Spanish economy, Spain's cultural affinity with Latin America and the processes of privatisation that took place in Spain and Latin America in the 1990s. In the period 1995-2004, Spanish outward FDI was mainly in the services sector and in low and medium-low technological intensity manufactures, although the financial and telecommunications sectors and high and medium-high technological intensity manufacturing have been gaining in relative importance. In an increasingly competitive environment, the modernisation of Spain's productive structure in the sectors with greater technological content and productivity is fundamental in order to continue spurring the foreign activity of Spanish firms.

to around €4,030 million in the case of foreign investment by Spain (€12,003 million in 2003) and €2,587 million in the case of foreign investment in Spain (€11,402 million in 2003); if these transactions are deducted, net lending by residents therefore decreases to €24,903 million (3% of GDP).

The sectoral and geographical breakdown of economic activity enables a deeper analysis of direct investment transactions in general, and of those carried out by ETVE in particular (see Tables 3.2 and 3.3). In 2004 the relative weight of ETVE in outflows and inflows decreased significantly to 10.1% and 19.2%, respectively, of the total in that year, against 49.2% and 49.6% of the total in 2003. These transactions are accounted for in the sector "real estate activities, business services", which largely explains why this caption decreased sharply between 2003 and 2004 both in FDI by Spain and in FDI in Spain (60.2% and 42.4%, respectively). From the geographical standpoint, in 2004 direct investment channelled through Spanish ETVE from the EU, including the United Kingdom, decreased appreciably in general terms, with the sharp disinvestment by the Netherlands being most notable. Inflows from the EU thus went from 49.4% of the total of these transactions in 2003 to just 16.5% in 2004. Investment from the United States also showed net disinvestment, while that from Latin America decreased moderately. By contrast, investment from Switzerland increased appreciably. In line with these developments, in 2004 the decrease in investment abroad by ETVE was concentrated in the EU (down from 91.2% of the total of these transactions in 2003 to 56.5% in 2004), while investment in Switzerland and in the new member countries of the EU picked up significantly to represent 29.4% and 30.9%. Investment in Latin America increased slightly by 1.9% to 19.7% of the total of these transactions. Finally, in 2004 investment in the United States returned to positive values, following disinvestment in 2003.

2004 saw notable expansion of *foreign direct investment by Spain* to €39,825 million (4.8% of GDP), up 63.3% on 2003 (see Chart 3.5). Excluding transactions by ETVE, investment amounted to €35,796 million (4.3% of GDP), practically triple that of the previous year (€12,389 million). Sectoral behaviour was very different from that of 2003, since a notable role was played by financial intermediation, which went from disinvestment of €172 million to investment of €16,767 million, representing 46.8% of the total, excluding ETVE. This new investment surge was concentrated in resident MFIs, with the most notable transactions being in the United Kingdom and Mexico by two major banks, which acquired majority holdings in the respective banking groups in those countries. By contrast, MFIs slackened the pace of their foreign ex-



SOURCE: Banco de España.

a. They are recorded net of netted out amounts and allocated, by convention, to the net change in assets.

pansion in the period 2002-2003, influenced by the difficulties of the Latin American countries, and this significantly affected their profit and loss accounts. The increase in the weight of the financial sector caused the relative share of the manufacturing sector's investments abroad (the second most important item) to decrease from 33.3% in 2003 to 15.7% in 2004, despite its appreciable rise in annual terms (35.9%).

The geographical distribution of asset flows of FDI after deducting transactions by ETVE reveals their considerable concentration in the EU (see Table 3.3). In the first case, the EU represented 77.3% of the total, excluding ETVE (54.3% in 2003), with notable shares by the United Kingdom (43.6% in 2004 and 14.4% in 2003), while that of the euro area remained unchanged despite the good earnings performance of Spanish firms and the generous financing conditions, which might be partially explained by the difficulties of the euro area in achieving sustained growth. The relative weight of investment in the new member countries of the EU decreased appreciably from 6.2% to 1.1%.

Noteworthy in the rest of the world was the rise in investment in Latin America from 8.4% in 2003 to 19.8% of the total in 2004, against a background of economic recovery of the region and of higher profits of subsidiaries in these countries (as indicated by the information furnished by the corporations reporting to the Central Balance Sheet Data Office). However, the outlook for the long term is less favourable, influenced as it is by the structural problems still persisting in these economies and by the growing competition from Asian economies for foreign investment in labour-intensive or low value-added sectors, in which Latin America has traditionally enjoyed a certain comparative advantage. Additional factors to be taken into account are the return to normality after the intense spate of privatisation of public-sector corporations in the 1990s (the main mechanism by which Spanish firms entered the area), the existence of uncertainty regarding the success of those privatisations and a certain reluctance to proceed further with them¹³.

13. UNCTAD (2004), *World Investment Report 2004: the shift toward services*.

DIRECT INVESTMENT FLOWS IN 2003 AND 2004

TABLE 3.2

Breakdown by economic sector

EUR million	SPANISH DIRECT INVESTMENT OUTFLOWS		SPANISH DIRECT INVESTMENT INFLOWS	
	2003	2004	2003	2004
Total	24 392.0	39 825.1	22 971.3	13 480.0
Agriculture, ranching, hunting, forestry and fishing	8.4	44.5	27.0	-23.5
Mining and quarrying	1 199.2	355.6	-46.0	5.3
Manufacturing	4 129.1	5 609.5	698.9	2 709.4
Electricity, gas and water supply	712.6	499.3	334.5	589.1
Construction	326.0	241.0	658.1	666.3
Wholesale and retail trade and repairs	1 149.6	182.3	-1 349.0	-2 430.7
Hotels and restaurants	16.4	334.3	259.1	-12.0
Transport, storage and communication	1 468.4	4 137.0	1 521.2	-1 621.2
Financial intermediation	-171.6	16 767.0	111.0	1 512.9
Real estate and business activities	13 298.5	7 659.5	16 557.4	6 587.9
<i>Of which: ETVE (a)</i>	<i>12 003.4</i>	<i>4 029.6</i>	<i>11 401.8</i>	<i>2 587.5</i>
Other services (b)	505.1	439.3	244.9	-410.5
Unclassified	1 750.2	3 556.0	3 954.2	5 907.1
<i>Real estate (c)</i>	<i>232.4</i>	<i>485.2</i>	<i>1 744.9</i>	<i>2 011.7</i>
<i>Other</i>	<i>1 517.8</i>	<i>3 070.8</i>	<i>2 209.3</i>	<i>3 895.3</i>

SOURCE: Banco de España.

a. Estimate based on CNAE classification. It includes the transactions of ETVE and other holding companies which are not strictly ETVE, but which, like them, have been established in Spain for the main purpose of channelling direct investment flows.

b. Other services include "Public administration, defence and compulsory social security", "Education", "Health and social work", "Other community, social and personal service activities", "Private households and employed persons" and "Extra-territorial organisations".

c. It includes investment in real estate unable to be classified under the CNAE classification, generally because it relates to purchases or sales of real estate by resident individuals.

Finally, the form of investment most commonly used by residents for investment abroad was that of share purchases through mergers and acquisitions. Indeed, cross-border transactions dominated the tender offers by Spanish firms in 2004. In addition, as remarked in section 3.3, the equity market became the main source of financing for these transactions through capital increases by the listed companies.

Foreign direct investment in Spain decreased notably by 41.3% in 2004, from €22,971 million in 2003 (2.9% of GDP) to €13,480 million (1.6% of GDP), as shown by Chart 3.6. If transactions by ETVE are excluded, the fall was smaller (5.9%), from €11,570 million in 2003 (1.5% of GDP) to €10,893 million (1.3% of GDP). As noted above, this behaviour was similar to that of the euro area as a whole.

Investment by the financial intermediation and manufacturing sectors rose significantly in 2004 (see Table 3.2), particularly in the case of the former, to represent 13.9% and 24.9%, respectively, of the total excluding ETVE (1% and 6% in 2003, respectively). Investment not linked to ETVE by the sector "real estate activities, business services", although declining by 22.4% with respect to 2003, remained the most important caption, with a share of 36.7%. Most noteworthy on the negative side were the categories of transport, storage and communications and of wholesale and retail trade and repairs, which saw significant net disinvestment.

DIRECT INVESTMENT FLOWS IN 2003 AND 2004

TABLE 3.3

Breakdown by geographical area

	SPANISH DIRECT INVESTMENT OUTFLOWS				SPANISH DIRECT INVESTMENT INFLOWS			
	2003		2004		2003		2004	
	TOTAL	ETVE (c)	TOTAL	ETVE (c)	TOTAL	ETVE (c)	TOTAL	ETVE (c)
WORLD TOTAL	24 392.0	12 003.4	39 825.1	4 029.6	22 971.3	11 401.8	13 480.0	2 587.5
European Union (a)	17 675.1	10 947.0	29 956.6	2 277.8	15 797.5	5 627.7	10 699.0	426.1
<i>Euro area</i>	11 579.5	7 555.0	12 056.9	511.8	6 632.0	3 424.0	6 422.1	277.1
Germany	5 198.5	4 227.1	492.9	288.4	-748.8	771.3	-1 178.9	69.5
France	1 077.5	367.3	2 058.4	183.1	-360.5	26.7	-2 781.5	-996.6
Netherlands	-587.4	468.7	1 652.5	-1 527.9	1 397.8	1 608.2	78.2	-4 019.4
Luxembourg	-548.4	241.7	1 678.0	884.1	3 803.4	922.6	1 695.1	735.1
Portugal	2 300.5	1 059.4	2 379.4	171.8	930.1	-517.2	2 155.6	45.9
<i>United Kingdom</i>	4 295.1	2 508.1	16 131.1	539.1	9 034.8	1 713.5	3 919.7	159.9
<i>EU new members (b)</i>	1 295.9	525.9	1 652.7	1 247.1	29.0	-28.3	53.1	-2.0
Switzerland	145.3	141.4	1 462.8	1 186.4	1 374.0	756.9	1 360.1	1 654.7
United States	2 176.6	-123.9	137.1	42.7	4 272.8	4 254.1	268.5	-828.9
Latin America	1 820.2	780.2	7 899.9	794.9	-199.0	-381.6	626.7	575.5
Argentina	-1 067.1	-457.4	-1 024.3	-18.0	13.6	-	21.5	0.2
Brazil	1 390.6	160.0	1 161.9	93.1	101.4	98.1	315.9	320.9
Chile	393.7	7.2	1 020.2	-1.5	-530.1	-534.4	8.7	8.7
Mexico	1 147.1	1 243.7	6 180.6	739.9	416.4	353.4	-39.9	3.9
<i>Morocco</i>	1 470.6	96.2	43.8	-	14.9	-	-7.2	-
<i>Japan</i>	18.8	7.0	78.8	6.9	-83.0	0.3	53.9	0.3
<i>Australia</i>	28.3	10.2	-707.6	1.0	4.1	0.5	28.9	0.5
MEMORANDUM ITEMS: OECD	21 401.6	12 228.1	37 172.6	4 266.6	23 043.1	12 215.4	12 802.5	2 014.9

SOURCE: Banco de España.

a. European Union: International institutions of the European Union, European Central Bank, France, Belgium, Netherlands, Germany, Italy, United Kingdom, Ireland, Denmark, Greece, Portugal, Luxembourg, Austria, Finland, Sweden, Cyprus, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Malta, Poland, Slovenia, Slovakia and their dependencies.

b. New member countries: Cyprus, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Malta, Poland, Slovenia and Slovakia.

c. Estimate based on CNAE classification. It includes the transactions of ETVE and other holding companies which are not strictly ETVE, but which, like them, have been established in Spain for the main purpose of channelling direct investment flows.

The same factors that explained the decrease in direct investment inflows in 2003 persisted in 2004. The delay in the economic recovery of the euro area, the main investor in Spain, is influencing the course of FDI flows into Spain. Also, according to the aforementioned UNCTAD report, the importance of the euro area countries as the preferred destination of investment by the developed countries is generally declining in favour of the developing countries. The search for more cost-competitive destinations seems to be the main reason for this decline, against a background of growing competitiveness and higher pressure to reduce corporate operating costs. In the case of Spain, this factor has been in the past one of the relative advantages in attracting FDI by other countries. However, for Spain to be able to benefit from the foreseeable increase in world FDI flows, it will be necessary to raise technological investment and human capital endowment in order to increase the competitiveness and appeal of Spanish firms in the international scenario.

CAPITAL OUTFLOWS (a)

CHART 3.5

Net change in foreign assets



SOURCE: Banco de España.

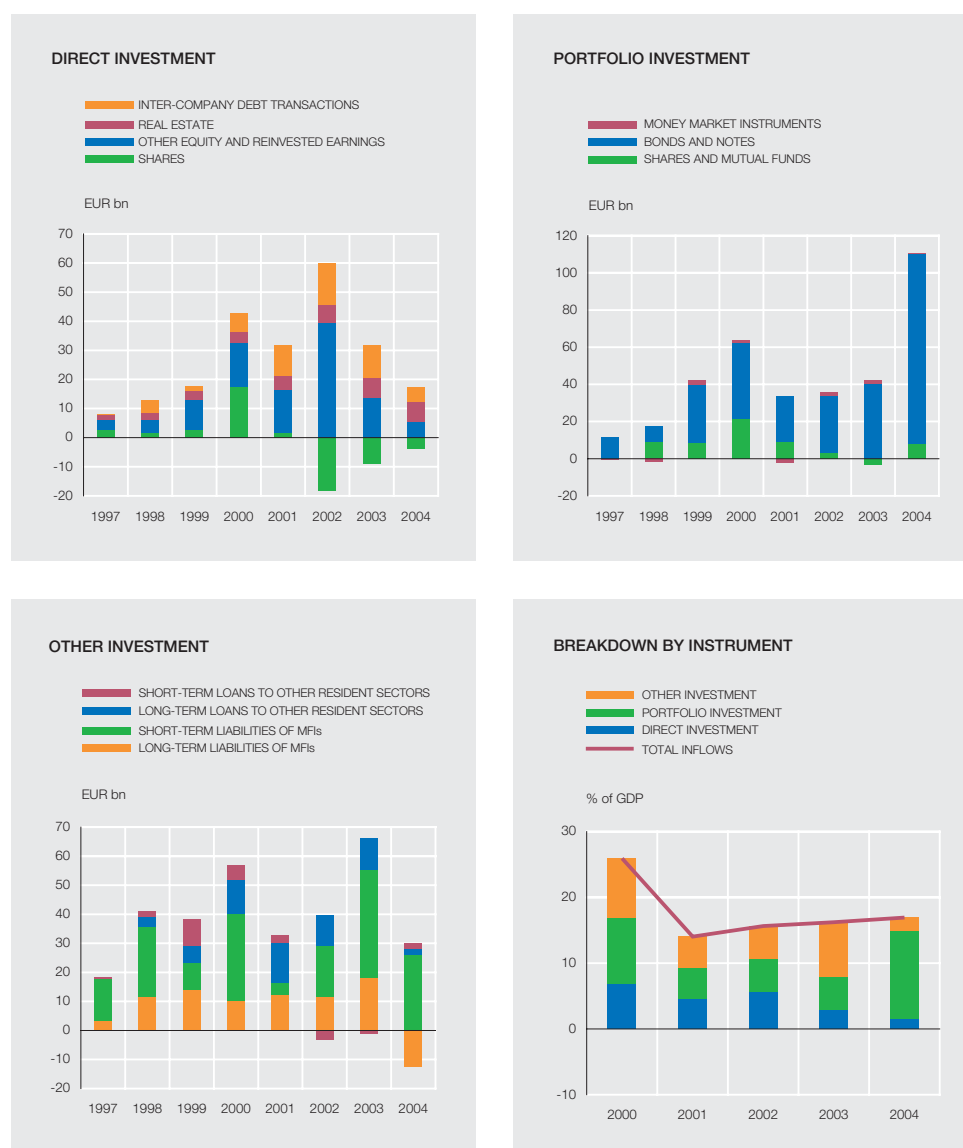
a. Excluding Banco de España.

Nevertheless, if these flows are analysed with a longer time horizon, the capital inflows in the form of FDI in Spain show a similar pattern to that of world flows in recent years. The annual volume of funds captured by the Spanish economy in the form of FDI in the phase of greatest expansion, i.e. the second half of the 1990s, grew uninterruptedly and more rapidly than world flows (55% and 43%, respectively, on average in the period 1996-2000). As a reflection of this significant increase, FDI flows into Spain rose from €7,344 million in 1996 (equivalent to 1.6% of GDP in that year) to a high of €42,955 million in 2000 (6.8% of GDP). This increase exceeded that in these flows as a percentage of world GDP, which represented 4.4% in 2000, against 1.3% in 1996. From 2000 onwards, and also in line with the world trend, FDI flows received by Spain started on a downward trend which was interrupted only by the rise in 2002. Thus, on balance of payments data, in 2003 and 2004 the annual FDI received by Spain fell by 44.9% and 41.3%, respectively. However, if the whole period in which FDI exhibited weakness (2001-2004) is considered, the behaviour of the flows into Spain has been more favourable than that of global FDI flows. Thus, on average, world FDI flows measured in euro decreased

CAPITAL INFLOWS (a)

CHART 3.6

Net change in foreign liabilities



SOURCE: Banco de España.

a. Excluding the Banco de España.

by 56.1% with respect to the high of 2000. This was a similar decline to that in the FDI flows into the EU (58.7%), but much more marked than that in the flows into Spain (36.1%)¹⁴.

As regards the geographical disaggregation of FDI inflows, the importance of the EU is even more marked than in asset flows (see Table 3.3), since in 2004 it represented 94.3% of the total, excluding ETVE (87.9% in 2003). In contrast to the case of asset FDI, the role of the United Kingdom diminished appreciably in 2004, its weight dropping to 34.5% due to the sharp fall of 48.6% in the annual FDI inflows from this country and to the increase of 91.6% in

¹⁴ The improved performance of FDI in Spain with respect to global FDI flows is consistent with the behaviour shown in that period by the Inward FDI Performance Index compiled by the UNCTAD. According to this index, which ranks countries by the amount of FDI received with respect to global FDI flows taking into account the size of their economy in the world economy, Spain is one of the countries that most improved its position in the world ranking of FDI recipients in 2001-2003. In Europe, only Slovakia and the Republic of Macedonia increased their attractiveness more than Spain.

those from the euro area. As a result, the euro area's share of FDI inflows excluding ETVE rose from 27.7% in 2003 to 56.4% in 2004, driven by investment from the Netherlands and Portugal, and despite the fall-off in those from Germany and France. Noteworthy in the rest of the world in 2004 was the increase in FDI from the United States, whose relative weight was 10.1% (0.2% in 2003).

The decline in FDI in Spain was concentrated in loans received from other non-resident firms in the same corporate group, which stood at the lowest level of recent years, and in purchases of equity holdings in resident firms. This decrease meant that in 2004 purchases by non-residents of property in Spain became the main component of FDI inflows (49%), despite the reversal in its strong growth of previous years, as it declined by 6.6% in 2004. The real estate investment caption has in recent years been the most buoyant of those included in FDI, and since 1994 has shown continuous growth which in the period 2000-2003 averaged nearly 22% per annum. However, as mentioned above, this trend was broken in 2004 as the nominal inflows of €7,073 million in 2003 gave way to €6,605 million in 2004, perhaps signalling a downturn. In general, it can be presumed that a significant part of real estate purchases by non-residents is for second homes in Spain, either for vacation use or for longer stays following retirement. Diverse statistics corroborate the importance of foreign demand for residential property. According to Instituto de Estudios Turísticos (Tourism Studies Institute) data, the inflows of foreign tourists staying in their own houses or those of relatives have grown continuously in recent years to account for 21.3% of total tourists in 2004 (15.7% in 2000). Additionally, according to the latest Population and Housing Census of the INE, which relates to 2001, the foreign population from the EU that is resident in Spain more than doubled since 1995. Around 60% of this population is from the United Kingdom, Germany and France, and 35% of the total from the EU are individuals near retirement age.

3.3 Portfolio investment

Spanish portfolio investment transactions with the rest of the world in 2004 took place in an international setting characterised by the marked buoyancy of securities markets worldwide¹⁵. Thus world debt securities issues grew in gross terms by 14.5% per annum to a historical high (\$3,303 billion) and, in net terms, by 10.9%. The rate of growth increased thanks to private issues by developed countries, particularly those belonging to the euro area, while issues by emerging countries posted historical highs and low-rated securities remained at high levels. The upturn in interest rates set in US monetary policy implementation stimulated debt issues in 2004 Q4 to take advantage of the still-generous financing conditions, characterised by low public debt interest rates and low corporate debt risk premiums, although in the year as a whole net issues by entities resident in the United States decreased. As a result, the largest debt security issuers were the euro area countries, which stepped up their net issues by 4.6%. Equity security issues on the world markets grew sharply (78.3% per annum), although, as usual, their volume was much lower than that of debt securities.

In Spain, the primary securities markets were far more buoyant than at world level and in the euro area. Net debt securities issues grew significantly (70% per annum) to €128,650 million, which was a historical high and represented around 20% of the total issues by euro area residents in 2004. Additionally, Spanish firms obtained funds through listed share issues amounting to more than €17,000 million, which were strongly influenced by certain significant corporate mergers and acquisitions. It should be pointed out that most of these debt and share issues were by resident MFIs, which in this way covered their liquidity needs derived from the widening of the loan-deposit gap and from the fresh surge in their direct investment abroad. This buoyancy of the primary markets, particularly the debt market, enhanced as it was by the

15. See Chapter 3, "The international debt securities market", of the *BIS Quarterly Review*, March 2005.

financing conditions, substantially influenced the behaviour of cross-border portfolio investment flows. As a result, investment by non-residents in securities issued by residents rose sharply and purchases by residents of assets issued by non-residents contracted notably. Lastly, it should be noted that, following the 2003 legislative change in the treatment of preference shares, residents issued €5,000 million of these securities on the domestic market, although the volume placed with non-resident investors was scant, as therefore was their effect on portfolio investment inflows. As mentioned in section 3.4, this was reflected in a decrease in inflows of other investment.

Accordingly, in 2004 portfolio investment was the main form taken by the net inflows of capital into the Spanish economy (see Chart 3.4). The net foreign funds received in this regard amounted to €85,805 million (10.2% of GDP), which was an all-time record and contrasted with the net outflows that had been customary since 1996. This intense flow of foreign capital was particularly notable in public and private debt security purchases, while non-residents again invested in Spanish equity securities, following the net disinvestment of 2003.

Outflows arising from *foreign portfolio investment by Spain* decreased by 61.9% in 2004 (see Chart 3.5) to €24,981 million (3% of GDP). This fall was concentrated in the purchase of debt securities issued by non-residents, which posted their lowest volume (€13,509 million) since 1997, in contrast to the historical high in 2003. Meanwhile, foreign purchases of shares and mutual funds remained nearly unchanged with respect to the previous year, when they rose notably, against a background of some rebalancing of agents' portfolios towards higher-risk assets following the 2000 stock market crisis. This process continues to be influenced at least partially by the relatively high levels of risk aversion that characterised the period 2003-2004¹⁶.

The behaviour of MFIs was crucial in explaining the contraction in portfolio investment abroad, since in 2004 debt securities purchases dropped to €2,580 million, against €32,582 in 2003. During 2004, MFIs concentrated their portfolio investment in private domestic debt securities, rather than in securities issued by non-residents, as occurred in 2003. This concentration was facilitated by the considerable increase in the supply of these securities in the Spanish market.

The behaviour of ORS was similar. Their investment abroad in debt securities decreased to €10,055 million, against €21,599 million in 2003, while their investment in Spanish securities increased, in line with the falling relative weight of foreign assets in the portfolio of resident mutual funds. As regards the geographical distribution of this investment, ORS stepped up their investment in securities issued by non-residents in the euro area, particularly the United Kingdom and United States, while reducing their investment in the euro area.

As indicated above, portfolio investment in equity securities remained at high levels (€11,472 million). Most of these transactions related to purchases of mutual fund shares issued in the euro area, while purchases of shares issued by non-residents decreased slightly. In this respect, the penetration of foreign managers in Spain increased in 2004. This was reflected in a rise in investment by residents, particularly Spanish mutual funds, in equity securities of entities domiciled abroad.

Foreign portfolio investment in Spain amounted to €110,785 million (13.2% of GDP), nearly triple that in 2003, which was a historical high (see Chart 3.6). As in previous years, most of

16. ECB (2004), "Risk aversion and developments in monetary aggregates", Box 2, *Monthly Bulletin*, December.

these flows were purchases by non-residents of long-term debt securities, which increased appreciably in both private and public debt. Equity securities declined in importance, although their amount was significant with respect to previous years and was highly influenced by various acquisitions of non-resident companies by Spanish firms, which were financed by the issuance of listed shares.

In the case of fixed-income securities, capital inflows amounted to €102,931 million, of which resident MFIs raised €39,805 million in the form of covered and other bonds, and ORS raised €42,011 million, mostly through asset-backed bonds. Hence the securitised assets market, particularly that for mortgage assets, channelled the highest volume of foreign funds, becoming one of the main sources of financing for the resident private sector. In fact, according to data issued by the European Securitisation Forum, Spain was second in Europe, behind the United Kingdom, in the volume of securitised asset issues, in line with the strong growth of mortgage credit in recent years. Public debt also had a significant weight, since purchases by non-residents reached their highest amount for the last few years (€21,119 million), in contrast to the net disinvestment of 2003, against a background of greater buoyancy of public issues, while Spanish public debt qualified for the highest credit rating assigned by international rating agencies.

As regards equity securities, in 2004 as a whole non-residents invested €7,854 million in listed shares of Spanish firms and resident mutual funds, as compared with disinvestment in the previous year. As noted in the preceding section, this figure was strongly influenced by the method used to finance various foreign direct investment transactions by Spanish firms, which issued new shares in payment of these investments, thereby affecting somewhat the annual figure. Excluding these transactions, the portfolio investments by non-residents in Spanish equity securities showed net disinvestment, in line with the preceding year's figure. This contrasted with the positive performance of the Spanish stock market in 2004, which rose by more than most of the major world stock markets. In any event, participation by non-residents in the Spanish stock market continued to be highly significant in 2004, accounting for more than half the trading volume of the Madrid Stock Exchange.

3.4 Other investment (loans, deposits and repos)

In 2004 residents extended net financing to the rest of the world in the form of loans, deposits and repos amounting to €9,777 million (1.2% of GDP). This was an exceptional figure if it is taken into account that, since 1995, other investment was the main way in which the Spanish economy met its borrowing requirement (see Chart 3.4). During 2004 the balance was influenced by the behaviour of resident MFIs, which raised an appreciably lower amount of funds abroad, while stepping up notably their investment abroad in the form of other investment, such that in the year as a whole they recorded net outflows¹⁷. As remarked in the previous section, resident credit institutions basically met their financing needs through recourse to the securities markets. There was therefore a significant decrease in the funds raised abroad in the form of deposits by non-resident institutions, which in 2003 were one of the main sources of funds to cover the loan-deposit gap, reflecting the localisation in Spain of issues that previously took place through subsidiaries located abroad.

Other Spanish investment abroad increased appreciably with respect to the 2003 levels (see Chart 3.5) from €15,973 million (1.9% of GDP) to €27,310 million (3.3% of GDP), with similar contributions to this growth by MFIs and ORS. In both cases, these flows were concentrated

¹⁷ Additionally, it should be noted that the figures for other foreign investment in Spain are influenced by the operations of a non-resident credit institution's subsidiary in Spain which, for some years, has been receiving funds in the form of deposits placed by other European institutions in the group to centralise the financial management of a part of the funds raised by these institutions. If these transactions are excluded, net outflows of other investment are even higher.

in the placement of deposits at euro area credit institutions. Nevertheless, in the case of MFIs, the deposits in other euro area countries decreased with respect to the previous year, unlike those placed in countries in the rest of the world, which grew notably.

Other foreign investment in Spain contracted sharply (see Chart 3.6) from €64,722 million in 2003 (8.3% of GDP) to €17,533 million (2.1% of GDP) in 2004. As in the case of foreign investment by Spain, the behaviour of the aggregate was determined by MFIs, which saw a decrease of more than 75% in the volume of funds raised by them in these instruments. As noted above, 2004 saw a change in the way that MFIs covered their liquidity needs derived from the widening of the loan-deposit gap. Thus in 2004 they resorted strongly to fixed-income securities issuance and to asset securitisation, which reached historical highs, rather than to the interbank market (particularly in the euro area) as they had been doing in previous years.

ORS, which lent €10,225 million of funds to the rest of the world in 2003, borrowed €1,067 million in 2004 as a whole. Since 2001, inflows of funds into this sector in the form of other investment have trended downwards, in line with the process of restructuring of the large resident corporate groups commenced in 2000. In the second half of the 1990s, Spanish multinationals initiated a process of international expansion, partly financed through a sharp increase in their external debt. Thus in 2000 inflows of other investment into the ORS sector reached a historical high, in line with the high in Spanish direct investment abroad. From that year, the economic crisis in certain countries which were the main recipients of Spanish FDI, along with the bursting of the technological bubble, forced these firms to start restructuring their balance sheets. As a result, in the period 2002-2004, their level of indebtedness decreased considerably, which naturally affected the volume of funds received in the form of foreign loans.

Finally, the financing obtained in 2004 by Spanish firms placing securities abroad (basically preference shares) through non-resident subsidiaries decreased significantly in the case of both credit institutions and non-financial corporations. In both cases, most of the funds raised by these issues were sent to the resident parent in the form of loans or deposits, giving rise to capital inflows in the caption "other investment"¹⁸. That said, in 2004 these issues recorded net redemptions, i.e. redemptions exceeded new issues. This affected the figures for other foreign investment in Spain, since it signified the repayment of loans and deposits linked to these issues. In this respect, it should be noted that in 2003 the new law on capital movements and cross-border economic transactions and on measures to prevent capital laundering introduced an additional provision regulating the issuance of preference shares and their tax treatment¹⁹. As a result of this provision, many of these issues are taking place in the Spanish market, so the balance of payments has recorded lower inflows of other investment.

3.5 Derivative financial instruments

Foreign transactions of resident sectors in 2004 involving financial derivatives gave rise to net capital inflows of €1,161 million, in contrast to net outflows of €3,435 million in 2003. Notable in 2004 were the currency swaps by resident credit institutions, which generated net outflows that offset the net inflows arising from transactions involving over-the-counter options issued by residents, normally on listed shares, and interest rate swaps. Finally, transactions involving futures traded on foreign markets continued to show significant volumes, influenced as they were by the easier access that domestic market operators have to the instruments traded on the main European derivatives markets via the MEFF links with EUREX (the Swiss-German

¹⁸. Since these firms merely act as financial entities that channel the funds raised abroad to the other firms in the group, the flows between them and the parent are not included as direct investment. ¹⁹. See Note 5 to this chapter.

market that is the world leader in derivatives trading) and with other European markets, such as the French MONEF and MATIF organisations.

3.6 Net assets of the Banco de España

In 2004 the net assets of the Banco de España increased by €14,010 million, compared with the decline of €1,575 million in 2003. The assets of the Banco de España vis-à-vis the Eurosystem increased by €13,760 million. Reserves fell by €5,147 million, which was more than offset by the increase in other net assets (€5,397 million). This latter item includes the portfolio investment of the Banco de España which, in 2004 as a whole, showed net outflows of €5,019 million, against €15,210 million in 2003, basically as public debt assets denominated in euro issued by euro area countries.

4 The International Investment Position In 2004

4.1 Introduction

In the international economic and financial environment discussed in previous chapters of this report, the growth of Spain's total net debit international investment position (IIP) accelerated in 2004, to 26.5%, against 22.9% in 2003 (see Table 4.1). As a result, the net debit position stood at €355,409 million (42.4% of GDP), an all-time high (see Chart 4.1). The increase in the net debit IIP stemmed from the notable growth in the stock of external liabilities (16.2%), to a volume of €1,269,329 million, which exceeded that of assets (12.7%), whose volume stood at €913,920 million.

Except during 2000, Spain's net debit position has grown continuously over the last decade, in line with the Spanish economy's general level of net borrowing during this period and against a background of strong expansion in the volume of external financial assets and liabilities. The economic literature sets great store by the degree of openness of an economy and the level of development and integration of its financial markets as key factors in understanding the medium-term trend in the stocks of its external assets and liabilities. The evidence available points to the existence of complementarity between trade and financial exchanges and to a positive relationship, through the reduction in transaction costs, between participation in international capital markets and the degree of sophistication and liberalisation of the financial markets¹. In the case of Spain, the evolution of these two factors explains the trend observed in recent decades for the stocks of assets and liabilities to grow.

The change in the IIP of an economy between two periods basically depends on three factors: (i) the financial transactions that have taken place, which are reflected in the balance of payments; (ii) the changes in the exchange rates of the currencies in which the external assets and liabilities are denominated, and (iii) the changes in the prices of such assets and liabilities, the changes in share and bond prices being a reasonable indicator thereof². It should be mentioned here that the exchange rate affects the international investment position directly (by the effect it has on the value of the stock), and indirectly (through its influence on economic agents' investment decisions). It should also be noted that this chapter refers to the financial flows of the balance of payments to the extent that they have influenced the IIP, but does not analyse the determinants of and changes in such flows. For such an analysis readers should refer to Chapter 3 ("The financial account in 2004").

As seen in Table 4.2, in 2004 the transactions reflected in the balance of payments explained the larger part of the change in the net IIP and in external assets and liabilities, in line with the increase in the Spanish economy's net borrowing (4.3% of GDP, against 2.5% in 2003). Thus, balance of payments flows accounted for 57.2% of the change in the net debit position, while the rise in financial instrument prices and the significant appreciation of the euro against the dollar made smaller contributions (see Table 4.3).

Carrying out the same exercise for each type of investment gives different results, since the impact of the exchange rate and of prices on stock changes may vary significantly³. This dis-

1. An empirical study of this question can be found in R. P. Lane (2000), "International investment positions: a cross-sectional analysis", *Journal of International Money and Finance*, 19, pp. 513-534. 2. Other adjustments, which only occur occasionally, relate to the reclassification of positions between headings. 3. In the case of other investment, the changes from one period to another would basically be explained by balance of payments flows and exchange rate movements, since it takes the form of non-negotiable instruments (mainly loans, deposits and repos). For this reason, in the case of liabilities, which are, moreover, basically denominated in euro, changes in stocks are basically explained by balance of payments flows. In the case of assets, however, the impact of exchange rate movements can be significant.

INTERNATIONAL INVESTMENT POSITION. SUMMARY

TABLE 4.1

EUR millions

	2002	2003	2004 Q1	2004 Q2	2004 Q3	2004 Q4
Net international investment position (A – L)	–228 633	–280 963	–298 159	–306 555	–317 144	–355 409
Excluding Banco de España	–289 261	–337 052	–358 674	–370 731	–374 089	–423 906
<i>Direct investment</i>	–16 301	–28 026	–20 679	–25 062	–22 121	–11 292
<i>Portfolio investment</i>	–100 793	–91 529	–123 800	–118 975	–141 914	–200 433
<i>Other investment (a)</i>	–172 167	–217 496	–214 195	–226 694	–210 053	–212 181
Banco de España	60 628	56 089	60 515	64 176	56 945	68 497

SOURCE: Banco de España.

a. Principally, loans, deposits and repos.

crepancy arises not only from the different characteristics of the instruments that make up the stocks of assets and liabilities of an economy, but also from the diversity of the sources of information and of the methods used to calculate their amount.

In this respect, price changes would basically affect negotiable financial instruments, for which a market price exists, with the impact on the valuation of stocks of external assets and liabilities depending, in turn, on the incorporation of such prices into the information systems used to estimate the different IIP headings⁴. In 2004, as seen in Table 4.3, the stock markets most relevant to Spain's portfolio-investment assets and liabilities generally rose. In the case of liabilities, it should be taken into account that the concentration of non-residents' portfolio investment in equities in a small number of companies means that the change in the IBEX 35 does not always accurately reflect the impact of price changes on their trend. On the assets side of portfolio investment in equities, the prominence of European markets, which rose by 6.9% (see Table 4.3) should be noted. In the rest of the world, only the United States was at all significant under this heading, representing around 10% of all equity portfolio investment assets. The US market also rose significantly.

RECONCILIATION OF CHANGE IN STOCK WITH BALANCE OF PAYMENTS FLOWS (a)

TABLE 4.2

EUR millions

	NET (b)				ASSETS				LIABILITIES			
	CHANGE IN STOCK	FLOW	DIFFERENCE IN LEVELS	% DIFFERENCE (c)	CHANGE IN STOCK	FLOW	DIFFERENCE IN LEVELS	% DIFFERENCE (c)	CHANGE IN STOCK	FLOW	DIFFERENCE IN LEVELS	% DIFFERENCE (c)
2002	–30 409	–17 345	–13 064	5.0	53 738	96 724	–42 986	–6.9	84 147	114 069	–29 922	–3.4
2003	–47 791	–20 736	–27 055	9.4	81 101	106 000	–24 899	–3.7	128 892	126 736	2 156	0.2
2004	–86 854	–49 683	–37 171	11.0	90 462	92 115	–1 653	–0.2	177 316	141 798	35 518	3.3

SOURCE: Banco de España.

a. Excluding Banco de España.

b. A (–) sign denotes a larger change in liabilities than in assets.

c. Difference between the change in the stock and the balance of payments flow, in terms of stock at beginning of the period.

4. See Chapter 5 ("The balance of payments and the international investment position: methodological notes").

Prices, interest rates and exchange rates

	STOCK EXCHANGE INDICES (a)			EXCHANGE RATE (b)		LONG-TERM INTEREST RATE (c)		
	IBEX 35	EUROSTOXX 50	S&P 500	DOLLAR	POUND	EURO AREA	US	UK
2002	-28.1	-33.3	-21.4	-1.0	3.6	4.41	4.03	4.49
2003	28.2	9.1	20.2	15.3	9.3	4.36	4.26	4.94
2004	17.4	6.9	9.0	5.9	-1.0	3.69	4.23	4.58

SOURCES: ECB and Banco de España.

a. Cumulative rate of change. End-period data.

b. Cumulative rate of change, calculated with respect to the mean of the final month of the same period of the previous year. National currency per euro.

c. Mean of the final month of the period.

Meanwhile, reflecting the currency composition of the IIP, changes in the exchange rate had a significant influence in the case of assets, while in that of liabilities their influence was much smaller, owing to the importance of euro-denominated positions. Thus, in the case of other investment liabilities, which are basically denominated in euro, the impact of exchange-rate changes is insignificant. As regards those headings in which the exchange rate may have an appreciable influence, it should be noted that in 2004 the dollar fell against the euro by 5.9%, with the whole of this depreciation occurring in the final quarter. As for the pound sterling and the Japanese yen, the euro held quite steady in the first case (depreciating by 1%), while against the yen it appreciated by 5.1%.

4.2 Composition by institutional sector

In 2004, all sectors, with the exception of the monetary authorities, contributed to the widening of the debit position (see Chart 4.1), especially monetary financial institutions, excluding the Banco de España⁵, and general government, while the contribution of other resident sectors was significantly smaller. The sign and magnitude of the contributions of the various sectors to the net position as a percentage of GDP were broadly similar to the general patterns recorded since 2000, with relatively small net credit positions for the monetary authorities and other resident sectors, and larger net debit positions for general government, and especially monetary financial institutions.

As in 2003, the sector monetary financial institutions (MFIs) was still the one to contribute most to the widening of the Spanish economy's net debit position (see Chart 4.1). However, in 2004, the rate of widening of the debit balance of MFIs moderated appreciably in comparison with 2003 (18.7% and 38.3%, respectively), to reach €240,007 million (see Chart 4.2). All in all, as a percentage of GDP, the net debit position of MFIs increased by almost three percentage points, to 28.7% of GDP. The upward trend in the debit balance of MFIs, temporarily interrupted in 2001, therefore continued, against a background of a widening gap between the supply and demand for funds.

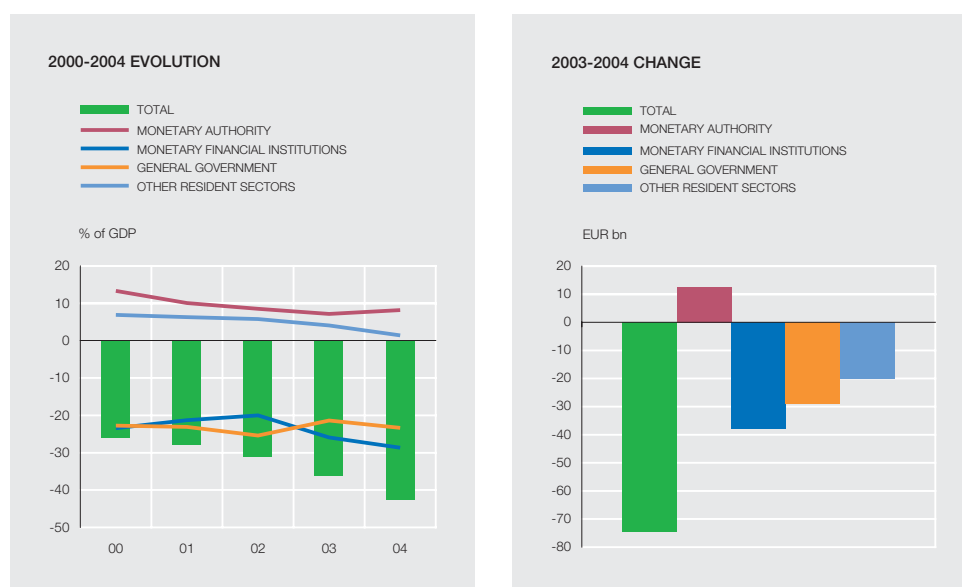
In 2004, the general government sector contributed to the widening of the net debit position of the Spanish economy to a smaller extent than the MFI sector. However, its debit balance increased by 17.4% relative to December 2003 (in contrast to the decline recorded last year, for the first time since 1994), to €195,747 million or 23.4% of GDP (up two percentage points from end-2003). This increase is explained by the notable rise in non-residents' portfolio in-

5. Unless otherwise indicated, monetary financial institutions shall be understood to exclude the Banco de España.

NET IIP BY SECTOR

CHART 4.1

2000-2004 evolution and 2003-2004 change



SOURCE: Banco de España.

vestment in public debt securities, to the highest amount for the last three years, in contrast to the net divestment of the previous year.

The credit position of other resident sectors (ORSs) continued to be corrected, falling in 2004 (see Chart 4.2) at a much faster rate than in 2003 (62.8% and 24.5%, respectively). As a result, the credit position of other resident sectors stood at €11,848 million, or 1.4% of GDP, as against 4.1% of GDP at end-2003. This decline derived from stronger growth in liabilities than in assets (16.6% and 11.7%, respectively), against a background of euro appreciation and rising financial instrument prices. According to balance of payments data, the net external financing granted by ORSs decreased appreciably, which was a result, at least in part, of the lower purchases of foreign securities by portfolio investment institutions.

In contrast to the 7.5% decline recorded in 2003, the net credit position of the monetary authority increased notably in 2004 (22.1%). As a result, the credit balance of the monetary authority reached €68,497 million, or 8.2% of GDP (7.2% in 2003). The decline in this balance as a percentage of GDP that began in 2001 was thus halted. The increase was basically driven by assets vis-à-vis the Eurosystem (which rose from €18,269 million in December 2003 to €31,909 million at the end of 2004) and also by other net assets, which increased from €16,591 million in December 2003 to €22,082 million in the same month of 2004. By contrast, reserve assets fell significantly (to €14,505 million from €21,229 million in December 2003).

These developments were reflected in the absence of significant changes in the sectoral structure of the Spanish economy's external assets and liabilities (see Table 4.4). On the assets side, the weight of ORSs decreased slightly, to 63% of total assets, in favour of the monetary authority (7.5% of total assets)⁶, while the weight of the other sectors was unchanged. On the

6. The sectoral composition of assets is affected by the fact that a large part of the investment of Spanish MFIs in the capital of non-resident companies is channelled through holding companies, which are included in the sector other resident sectors.



SOURCE: Banco de España.

liabilities side, other resident sectors and MFIs together accounted for about 84% of total liabilities, although their share fell slightly in favour of general government, whose weight increased by 0.2 percentage points to 16.1% of total liabilities.

4.3 Composition by type of investment

The net debit position of the Spanish economy, excluding the Banco de España, increased by 25.8% in 2004, to €423,906 million (50.6% of GDP)⁷, so that the upward trend of 2002 and 2003 strengthened. However, the behaviour of the various types of instrument differed from previous years. Thus, the widening of the net debit position in 2004 is explained by the strong increase in the portfolio-investment debit balance, since, after increasing in 2003, the debit balances of other investment and, in particular, of direct investment fell. As a result, the balances by type of investment, as a percentage of GDP, followed diverging trends (see Chart 4.3). While the portfolio-investment net debit position more than doubled, from 11.7% of GDP to 23.9%, having generally followed an upward path from 1997, the debit balance of other invest-

INTERNATIONAL INVESTMENT POSITION

TABLE 4.4

Distribution by sector
% of total

	MONETARY AUTHORITY		MFIs		GENERAL GOVERNMENT		ORSs	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Average 1999-2001	12.7	0.0	26.7	38.2	1.2	18.6	59.3	43.1
2002	8.4	0.1	28.5	36.9	1.0	20.0	62.1	43.0
2003	6.9	0.0	28.6	39.8	0.8	15.9	63.6	44.3
2004	7.5	0.0	28.5	39.5	0.9	16.1	63.0	44.5

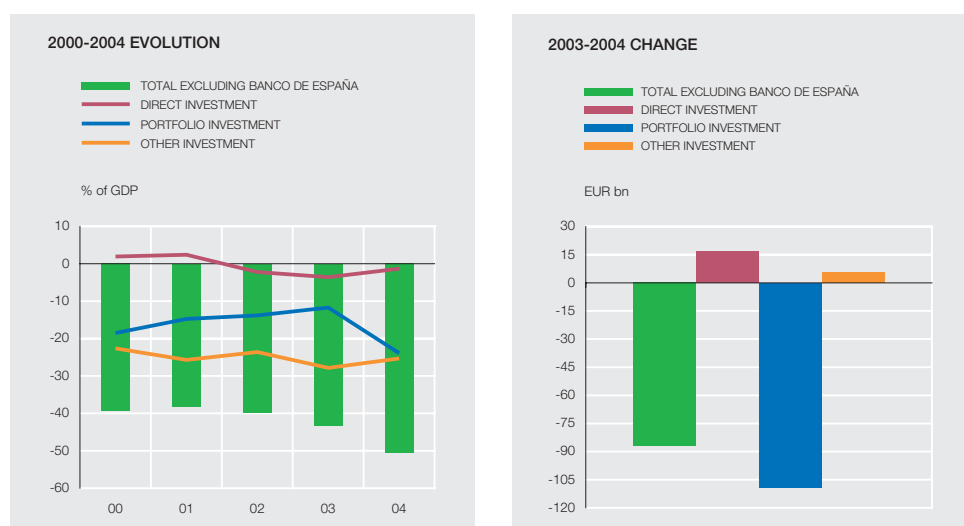
SOURCE: Banco de España.

7. The IIP data analysed in this section exclude the Banco de España, since the importance of this sector lies not so much in the composition by instrument of its investment as in its status as monetary authority. See F. López Vicente (2003), "La Posición de Inversión Internacional de España en el período 1992-2002", *Boletín Económico*, Banco de España, June 2003.

NET IIP BY INSTRUMENT

CHART 4.3

2000-2004 evolution and 2003-2004 change (a)



SOURCE: Banco de España.

a. Excluding Banco de España.

ment, after rising significantly in 2003, decreased by 2.5 percentage points of GDP in 2004 to 25.3%. Meanwhile, there was a significant correction to the direct-investment net debit position, which fell to 1.3% of GDP (3.6% in 2003). This was below its level in 2002, when the net position in respect of this type of instrument turned negative again, following the credit balances of previous years.

Respect to the composition by instrument foreign assets and liabilities of the Spanish economy, excluding Banco de España, there was not any significant change on assets, so portfolio investment continued to be the most relevant. On the liabilities side, changes were more important, as a result of the strong growth of portfolio investment, and the smaller increases on the other investment and direct investment liabilities. All this implied a significant increase of the portfolio investment weight on the total, up to 44.5% at the expense, especially, of the other investment (see table 4.5).

INTERNATIONAL INVESTMENT POSITION

TABLE 4.5

Breakdown by instrument (a)

% of total

	DIRECT INVESTMENT		PORTFOLIO INVESTMENT		OTHER INVESTMENT	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Average 1999-2001	33.2	21.5	35.7	39.6	31.1	38.9
2002	33.1	23.6	38.1	37.8	28.8	38.7
2003	31.0	22.0	42.4	38.7	26.5	39.3
2004	31.7	21.3	42.5	44.5	25.8	34.2

SOURCE: Banco de España.

a. Excluding Banco de España.



SOURCE: Banco de España.

a. Excluding Banco de España.

4.3.1 DIRECT INVESTMENT

In 2004, and in the final quarter of the year in particular, there was a significant reduction in the direct-investment net debit position (59.7%), to €11,292 million. There was also a significant decline in this debit balance as a percentage of GDP (from 3.6% in 2003 to 1.3%). The moderation in the rate of growth of liabilities and the rise in assets (see Chart 4.4), following the appreciable expansion in direct investment liabilities in the immediately preceding years, lay behind these trends.

The decline in the direct-investment debit balance in 2004, despite the appreciation of the euro, is largely explained by the behaviour of the direct investment flows recorded in the balance of payments, especially in the case of assets (see Table 4.6). Note that the impact of stock market gains weakens insofar as only some of the direct investment positions are valued at market prices.

In 2004, there was a large net outflow of direct investment (€26,345 million), which was well above the amount in 2003 (€1,421 million). This increase was the result of an appreciable contraction in foreign investment in Spain and of the rise in Spanish investment abroad, dis-

DIRECT INVESTMENT

TABLE 4.6

Reconciliation of the change in the IIP stock with the balance of payments flows (a)

EUR millions

	NET (b)			ASSETS			LIABILITIES		
	CHANGE IN STOCK	FLOW	% DIFFERENCE (c)	CHANGE IN STOCK	FLOW	% DIFFERENCE (c)	CHANGE IN STOCK	FLOW	% DIFFERENCE (c)
2002	32 637	6 905	-157.5	5 610	34 761	-13.4	38 247	41 666	-1.7
2003	11 725	1 421	80.6	11 159	24 392	-5.9	22 885	22 971	0.0
2004	16 734	26 345	34.3	33 676	39 825	-2.6	16 941	13 480	1.3

SOURCE: Banco de España.

a. Excluding Banco de España.

b. A (-) sign denotes a larger change in liabilities than in assets.

c. Difference between the change in the stock and the balance of payments flow, in terms of the stock at the beginning of the period.

cussed in the previous chapter. Also, the significant decline in the transactions of ETVEs affected the behaviour of total FDI flows⁸.

Spain's stock of foreign direct investment grew by 14.4% in 2004, to €267,909 million, a significantly larger rise than in 2003 (5%). Even so, this heading was far less dynamic than in the late 1990s and in 2001 (see Chart 4.4). As a result, as a percentage of GDP, Spain's stock of foreign direct investment rose by two percentage points, to 32%, following two years of decline that cut short the upward trend of the late 1990s.

Balance of payments flows, which expanded significantly (from €24,392 million in 2003 to €39,825 million), explain most of the change in the stock of FDI abroad (see Table 4.6). As regards the exchange rate, in 2004 the euro appreciated against the dollar and the yen, and depreciated slightly against the sterling pound, so that its direct effect⁹ on the equivalent value in euro of external assets would have been negative. Finally, the impact on the trend in this heading of transactions carried out by ETVEs which, as already mentioned, declined in the period considered, should also be noted. Excluding these transactions, outward FDI flows rose from €12,399 million in 2003 to €35,796 million in 2004.

By component, the stock of intercompany debt transactions recovered by 23.7%, following the decline in 2003, and displayed greater buoyancy than investment in shares and other equity¹⁰ (13.8%). Naturally, most of Spain's foreign direct investment falls within this component (93.4% of the total).

By geographical area, as at 31 December 2004, most of the stock of Spain's foreign direct investment was located in the EU (51.3% of the total), whose weight increased by 5.2 percentage points (see Table 4.7). The euro area accounted for 39.1% of the total (39.6% in 2003). In gen-

8. ETVEs are *Empresas de Tenencia de Valores Extranjeros* (foreign-equity holding companies), which have been established frequently in recent years by non-resident multinational groups in order to centralise the holding of their direct investments in third countries. See Law 43/1995 on Corporate Income Tax and Title IV of Law 6/2000 on measures to support the internationalisation of companies (BOE of 14 December 2000). Information from the Investment Register of the Ministry of Industry, Tourism and Trade is used to ensure that these transactions are included in the balance of payments. The difficulty in identifying these transactions may result in delays in their inclusion in the balance of payments, which may entail significant revisions to the direct investment and, consequently, stock data, that will affect comparisons of changes in recent periods with respect to past periods. 9. The term direct is used to refer to the effect that a change in the exchange rate has on the value of the stock and thus to distinguish it from the indirect effect on the investment decisions of economic agents. 10. This heading includes reinvested earnings.

DIRECT INVESTMENT IIP IN 2003 AND 2004

TABLE 4.7

Breakdown by geographical area and selected economies

EUR millions

	FOREIGN DIRECT INVESTMENT BY SPAIN		FOREIGN DIRECT INVESTMENT IN SPAIN	
	TOTAL		TOTAL	
	2003	2004	2003	2004
WORLD TOTAL	234 233.4	267 909.0	262 259.5	279 200.9
European Union (a)	107 940.3	137 522.8	188 746.2	200 060.6
Euro area	92 656.1	104 704.3	135 386.1	144 042.4
Germany	11 151.1	11 287.7	23 391.7	22 448.3
France	7 683.0	9 657.4	20 691.1	17 117.4
Netherlands	15 408.1	17 902.9	39 093.1	39 562.7
Luxembourg	30 866.3	32 134.1	23 129.0	27 938.3
Portugal	13 232.5	15 297.3	7 107.8	9 081.5
United Kingdom	10 554.3	26 464.7	50 162.8	52 526.4
UE new members (b)	3 284.5	4 827.0	357.8	416.5
Switzerland	8 646.7	9 969.2	9 884.4	10 657.0
United States	22 000.8	19 999.3	47 149.4	48 577.5
Latin America	79 007.5	84 250.5	4 514.5	5 063.0
Argentina	24 092.2	22 967.0	222.4	234.9
Brazil	22 895.7	23 140.0	584.4	872.9
Chile	7 578.3	8 212.2	983.0	991.9
Mexico	11 402.9	17 322.5	1 317.3	1 252.9
Morocco	1 806.5	1 826.0	113.1	107.2
Japan	1 770.6	1 785.5	1 820.5	1 762.7
Australia	1 542.8	775.8	129.2	153.2
MEMORANDUM ITEM: OECD	154 525.0	188 331.9	253 013.9	267 378.6

SOURCE: Banco de España.

a. European Union: International institutions of the European Union, European Central Bank, France, Belgium, Netherlands, Germany, Italy, United Kingdom, Ireland, Denmark, Greece, Portugal, Luxembourg, Austria, Finland, Sweden, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Malta, Poland, Slovenia and Slovakia, and the corresponding dependencies of their economic territory.

b. New members: Cyprus, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Malta, Poland, Slovenia and Slovakia.

eral terms, during 2004, the relative share of the EU countries increased, with the exceptions of Germany and Luxembourg (although the latter country continued to be the principal investment destination, with 12% of the total). These developments stemmed from the appreciation of the euro and from a significant transaction in the United Kingdom, so that the share of the latter country rose to 9.9% from 4.5% in 2003. The second most important area is Latin America, although its relative weight fell slightly, to 31.4% of the total (33.7% in 2003), followed at a great distance by the United States, whose share in the total fell significantly, against a background of dollar weakness (from 9.4% in 2003 to 7.5% in 2004). Within Latin America, only the share of Mexico increased (from 4.9% in 2003 to 6.5%). In the rest of the world only Switzerland had a significant weight, with 3.7% of the total. Finally, although Spain's FDI in the new EU members has been notably dynamic in recent years, with the stock rising from €2,103 million in 2000 to €4,829 in 2004, its relative importance in total direct investment is still small (1.8%).

The stock of foreign direct investment in Spain increased by 6.5% in 2004 (see Chart 4.4), to €279,201 million, which shows that the slowdown in capital inflows in 2003 continued in 2004 (from €22,971 million in 2003 to €13,480 million in 2004), following a period of notable buoyancy that began in 1999. As a percentage of GDP, the stock of foreign direct investment in

Spain fell by 0.3 percentage points during 2004, to 33.3% of GDP, so that the upward trend in foreign direct investment relative to GDP, which characterised the second half of the 1990s, was cut short.

As mentioned in section 1 of this chapter, the external direct investment liabilities are basically denominated in euro and only some are subject to fluctuations due to price changes. Consequently, the change in the stock was largely caused by the sharp decline in inward FDI (see Table 4.6). As in the case of outward FDI, the reduction in transactions carried out by ETVEs also had a negative effect on the buoyancy of inward FDI. Excluding these transactions, the decline in inward FDI in 2004 was 5.9% (41.3%, if such transactions are included).

By component, intercompany debt transactions and shares and other equity grew at similar rates (7.4% and 6.2%, respectively), although it was the latter item which contributed to the modest increase in the stock of foreign investment in Spain, given its weight in total investment (76.6%).

The geographical variations in the FDI liabilities were smaller than in the case of assets (see Table 4.7). Most of the stock continued to be concentrated in the EU (71.7% of the total), the relative weight of which remained practically constant despite the decline in inward FDI from the euro area (which accounted for 51.6% of the total), against a background of sharper falls in flows from the rest of the world and euro appreciation. Notable within the EU are the UK, the Netherlands and Luxembourg, which account for 43% of the total stock, while there was a decline of 1.8 percentage points in the weight of France, to 6.1% of the total. In the rest of the world, the position of the United States is by far the most important, representing 17.4% of the total at end-2004 (18% in 2003), despite the fact that inflows of direct investment from this country fell significantly in 2004. The next most important non-Community country investor is, a long way behind, Switzerland, with 3.8% of the total stock.

4.3.2 PORTFOLIO INVESTMENT

In 2004, the portfolio-investment net debit position widened notably (119% in annual terms), to €200,433 million, so that the downtrend that had prevailed since 2000 was cut short. As a percentage of GDP, the portfolio-investment net debit position doubled, to 23.9%, against a background of strongly expanding domestic private debt markets. This figure is slightly below the historic highs reached in the second half of the 1990s, when the ratio of public debt to GDP also reached an historic high of 68.2% of GDP in 1996. The increase in the debit balance was attributable to highly buoyant external liabilities, the rate of growth of which increased to 35.8% per annum, since assets displayed a more moderate growth rate of 12.1%, as against the significant increase in the previous year (24.8%).

The growth of the Spanish economy's portfolio-investment asset and liability positions during 2004 took place against an international background characterised by highly dynamic securities markets (both fixed-income and equity) at the world level, and especially in the euro area. The change in Spain's portfolio-investment net debit position largely reflects the behaviour of balance of payments flows in 2004 (see Table 4.8), with a net portfolio investment inflow of more than €85,000 million euro, as compared to a net outflow the previous year. The impact of the exchange rate and financial asset prices on the change in the stock was much smaller¹¹.

¹¹ The information system currently used to estimate portfolio investment flows in the balance of payments is the general system, which is essentially based on registered institutions' declarations of receipts and payments, while the stocks are estimated using the new information system for negotiable securities, essentially based on the declarations of securities depository institutions (see the *The Spanish balance of payments and international investment position, 2003*, of the Banco de España, for a more detailed description). The very fact that the stocks and flows are estimated using different information systems may lead to some differences in addition to those mentioned.

PORTFOLIO INVESTMENT

TABLE 4.8

Reconciliation of the IIP stock with the balance of payments flows (a)

EUR millions

	NET (b)			ASSETS			LIABILITIES		
	CHANGE IN STOCK	FLOW	% DIFFERENCE (c)	CHANGE IN STOCK	FLOW	% DIFFERENCE (c)	CHANGE IN STOCK	FLOW	% DIFFERENCE (c)
Total									
2002	-455	-4 726	4.3	24 159	31 173	3.0	24 614	35 899	3.4
2003	9 264	26 592	17.2	63 619	65 634	0.8	54 355	39 042	4.3
2004	-108 903	-85 805	25.2	38 729	24 981	4.3	147 633	110 786	8.9
Equities									
2002	3 301	-3 131	9.2	-23 884	40	32.1	-27 184	3 171	21.1
2003	-18 969	14 497	50.5	11 942	11 455	1.0	30 912	-3 042	29.0
2004	-20 115	3 620	27.8	15 217	11 473	6.0	35 332	7 854	18.6
Fixed income									
2002	-3 756	-1 594	7.0	48 042	31 134	10.7	51 798	32 728	10.1
2003	28 233	12 095	46.7	51 676	54 179	1.2	23 443	42 084	7.7
2004	-88 788	-89 424	10.1	23 512	13 508	3.9	112 300	102 932	3.5

SOURCE: Banco de España.

a. Excluding Banco de España.

b. A (-) sign denotes a larger change in liabilities than in assets.

c. Difference between the change in the stock and the balance of payments flow, in terms of the stock at the beginning of the period.

In the first case the impact was moderate, since most of Spain's stock of portfolio investment is denominated in euro and, in the case of the positions in sterling pounds and US dollars (the next most important), the depreciation of the euro against the former partly offset the appreciation against the latter. As for prices, the impact of the positive equity market developments on the assets and liabilities in the form of equities should be noted.

In 2004, the rate of growth of Spain's stock of foreign portfolio investment moderated with respect to 2003 (12.1%, against 24.8% the previous year). In absolute terms the stock was €359,154 million (see Chart 4.4), which entailed a rise of almost 0.2 percentage points of GDP, to 42.9%.

The slower growth of the stock of foreign portfolio investment stemmed from the behaviour of long-term debt securities (the main instrument in which foreign investment in Spanish negotiable securities takes place), whose growth slowed from 23.6% in 2003 to 8.6% in 2004, to reach a total of €268,022 million. This was a consequence of the lower purchases of this type of security (which had reached an historic high in 2003) by MFIs and ORSs (which include mutual funds). However, these sectors increased their purchases of domestic securities, given the strong momentum of this type of issuance in Spain. However, changes in the prices of fixed-income assets had a significant effect on the value of the stock in 2004. Table 4.8 shows that the change in the stock was almost double the amount of the balance of payments flows, partly offsetting the contraction in external purchases. As regards the stock of equities, the strong impulse of the previous year was sustained, with growth of 24.3% (23.5% in 2003), as a consequence of the strength of purchases by residents and the rise in share prices on international stock markets, which maintained their good momentum in 2004. As a result, the relative weight of bonds in total portfolio investment fell from 77% in 2003 to 74.6% in 2004, re-

flecting a shift in the composition of flows of portfolio investment abroad towards equities, against a background of rising share markets. The impact of exchange rate changes was small, since most of these financial assets are denominated in euro. The mild depreciation in the European currency against the sterling pound partly offset the direct negative impact of the appreciation of the euro against the dollar.

By geographical area, most portfolio-investment assets are in the form of securities issued by euro area residents (66.8% of the total). This concentration is greater in the case of equities (77.8%) than in that of fixed-income securities (61.2%). The main destinations outside the euro area are, in both cases, the United Kingdom and the United States. The stock of securities issued in tax havens is also significant, although it has declined in importance in recent years (6.7% in 2004, against 8.4% in 2003). This stock is basically in the form of debt securities issued by the subsidiaries of large resident companies which, especially since 2003, has fallen significantly, as a result of new legislation favouring the issuance of such securities in Spain¹².

In 2004, the stock of foreign portfolio investment in Spain increased sharply to €559,586 million, with a further acceleration in its growth rate to 35.8% (up from 15.2% in 2003) (see Chart 4.4). This rate of change is significantly higher than at the beginning of the current decade, when there was a notable moderation in the buoyancy of foreign portfolio investment following the bursting of the stock market bubble, and is slightly higher than in the second half of the 1990s, a period marked by significant public-debt issuance by the Treasury and substantial Spanish stock market gains. As a percentage of GDP, portfolio investment liabilities increased significantly in 2004, from 52.8% at end-2003 to 66.8% at end-2004, thereby re-establishing the upward trend in this ratio, following its virtual stagnation in the period 2000-2002.

These developments were, first, a result of the balance of payments flows in 2004 (see Table 4.8), although, as will be seen below, the impact of other factors was relevant in the case of equities. Inflows of portfolio investment in 2004 were almost triple those of 2003, owing to the buoyancy of purchases of private fixed income and Spanish public debt. Reflecting the foregoing, the growth of the stock of portfolio investment liabilities was concentrated in bonds, which recorded a notable increase (43.8%), while the stock of shares (including shares in mutual funds) grew more moderately (23.9%). In the latter case, favourable price developments had a significant impact since, as mentioned above, the flows recorded in the balance of payments were moderate (see Table 4.8). Finally, money market instruments declined by 5.7%, but, given their low weight, this did not prevent the stock of foreign portfolio investment in Spain from rising.

With regard to the geographical distribution of portfolio investment liabilities, the IIP is broken down geographically according to the country of the first known non-resident counterpart¹³. Accordingly, to analyse their composition, taking into account the creditor country, it is best to use the detailed geographical information of the portfolio assets of other countries vis-à-vis Spain contained in the latest edition of the Coordinated Portfolio Investment Survey (CPIS), with data for 2003, which is analysed in more detail in Box 4.1: "Spain's stock of portfolio investment: an analysis by geographical area and type of investment". According to the CPIS, at end-2003, the main investors in Spain were euro area countries (69.5% of the total), in par-

12. Law 19/2003 of 4 July 2003 on capital movements and cross-border economic transactions, and on certain measures to prevent money laundering, which regulates the characteristics of preference shares and their taxation; and Law 62/2003 on fiscal, administrative and social measures which, under the corporate transactions heading, exempts from the tax on property transfers and documented legal acts the transfer to Spain of the head office of companies whose activity and sole object are the issuance of preference shares and/or other financial instruments, and which were incorporated before 6 July 2003, the date of entry into force of Law 19/2003. **13.** See Box 4.1: "Spain's stock of portfolio investment: analysis by geographical area and type of investment".

SPAIN'S STOCK OF PORTFOLIO INVESTMENT ABROAD

Breakdown by geographical area and by instrument (a)

EUR millions

	EQUITIES		FIXED INCOME		TOTAL	
	2002	2003	2002	2003	2002	2003
Germany	4 232	6 592	35 431	45 060	39 663	51 652
Italy	2 426	3 006	32 161	42 596	34 587	45 602
France	5 916	9 347	19 936	33 854	25 852	43 201
Netherlands	3 374	3 648	33 042	34 120	36 416	37 768
United Kingdom	11 070	10 767	14 733	19 695	25 803	30 462
United States	5 544	6 957	16 808	22 157	22 352	29 114
Cayman Islands	36	95	24 115	25 268	24 151	25 363
Luxembourg	9 824	13 840	1 795	2 901	11 619	16 741
Belgium	472	459	4 957	5 633	5 429	6 092
Ireland	937	2 465	2 693	3 125	3 630	5 590
Other	6 879	8 863	22 880	25 921	29 759	34 784
Total	50 710	66 039	208 551	260 331	259 261	326 370
Memorandum item: euro area	29 562	41 466	135 509	175 077	165 071	216 543

SOURCE: Banco de España.

a. Excluding the Banco de España.

The increase at the international level in the degree of financial openness of economies is enabling world savings to be more efficiently allocated and is helping to boost GDP growth. However, it is also increasing the degree of interdependence between economies. In this context, a disaggregated analysis of financial flows, by geographical area and by type of investment (direct, portfolio or other investment) or instrument (bonds, shares, etc) enables the vulnerability of an economy to sudden changes in particular markets and areas to be deduced. With this aim in mind, this box briefly analyses the information contained in the Coordinated Portfolio Investment Survey (CPIS) on Spain's portfolio-investment position in 2002 and 2003. This information, which is consistent with the international investment position (IIP) data, offers greater detail by country, and therefore enables certain aspects to be investigated that cannot be investigated using IIP data.

The International Monetary Fund (IMF) sponsored the CPIS on account of the recommendations of the Godeaux report¹, which revealed the existence of serious problems in measuring international capital flows and portfolio investment flows in particular. The CPIS was launched in 1998, to collect data relating to 1 December 1997, and, since 2001, has been conducted annually. Currently the CPIS collects data, for more than sixty countries, on the stock of foreign portfolio-investment assets valued at market prices, with a breakdown by instrument and country of residence of the issuer of the securities², compiled using a common methodology, so that international comparisons can be made.

The benefits of having this information available are notable, but the biggest contribution of the CPIS is that it is the only source that enables reliable information to be obtained on the geographical distribution of portfolio investment liabilities according to the country of residence of the ultimate investor, which is the analytically relevant criterion. The other information systems available do not enable these details to be obtained, since their geographical breakdowns are based on the residence of the financial intermediaries through which the investment is channelled.

The 2002 and 2003 CPIS data on Spain's stock of portfolio investment abroad (assets) and of foreign portfolio investment in Spain (liabilities) are analysed below³. Reserve assets and claims on international organisations have been excluded from this analysis, since the CPIS does not include any information on their geographical breakdown.

On the assets side, all securities categories grew significantly in 2003, especially fixed-income securities issued by euro area residents. Equities grew less rapidly, owing to the increase in purchases of this type of security and to the positive price developments on stock markets. As regards the geographical distribution of the stock of assets, the December 2003 data show a high degree of concentration since, of the more than eighty countries in which Spain held portfolio-investment asset positions, ten alone accounted for 90% of the total. The main investment destinations were the euro area countries (66.3%), which was similar to the case in the rest of the euro area economies.

1. International Monetary Fund (1992), *Report on the measurement of international capital flows*, September 1992. 2. In addition, breakdowns may also be provided voluntarily of the assets according to the institutional sector of the holder of the securities and the currency of denomination and of the liabilities by geographical area and by instrument.

3. In order to maintain consistency in the comparison of the data supplied by these two sources, the unrevised IIP data on Spain's stock of portfolio investment are used, which are the data given in this chapter.

STOCK OF FOREIGN PORTFOLIO INVESTMENT IN SPAIN

Breakdown by geographical area and by instrument, and comparison with CPIS data (a). 2003

EUR millions

	EQUITY SECURITIES		DEBT SECURITIES		TOTAL		WEIGHT IN TOTAL (%)	
	FKC	EI	FKC	EI	FKC	EI	FKC	EI
France	18 977	17 626	28 252	68 104	47 229	85 731	11.4	23.3
Germany	11 072	12 306	21 597	49 637	32 669	61 943	7.9	16.8
United States	33 901	34 680	5 308	6 133	39 209	40 813	9.4	11.1
United Kingdom	10 905	8 875	75 253	17 968	86 158	26 843	20.8	7.3
Luxembourg	42 792	13 247	14 675	13 551	57 467	26 799	13.8	7.3
Netherlands	5 163	4 366	4 957	16 985	10 119	21 351	2.4	5.8
Ireland	595	3 346	2 303	17 894	2 898	21 240	0.7	5.8
Japan	141	2 946	362	14 282	503	17 229	0.1	4.7
Belgium	5 205	1 882	87 093	12 712	92 298	14 594	22.2	4.0
Italy	2 549	3 410	2 128	9 060	4 677	12 470	1.1	3.4
Unassigned	-621	0	23 100	0	22 479	0	5.4	0.0
Other	17 199	12 053	2 188	27 622	19 387	39 675	4.7	10.8
Total liabilities	147 878	114 738	267 217	253 949	415 095	368 687	100.0	100.0

SOURCES: Banco de España and IMF.

a. FKC: geographical assignment of liabilities under the first-known counterparty principle. EI: geographical assignment by end-investor based on the stock of assets of the creditor countries.

Of these, the asset positions in Germany, Italy and France grew most with respect to 2002, owing to the high volume of purchases of fixed-income securities issued by residents of such countries by Spanish residents in 2003.

The geographical distribution of the stock of Spanish portfolio-investment assets largely reflects that of fixed-income securities, since they represent the majority (79.8% in 2003 and 80.4% in 2002). Most of Spain's assets vis-à-vis the euro area countries were in the form of fixed-income securities (around 77%). Equities were unimportant, except in the case of Luxembourg (83%) and Ireland (44%), where the weight of mutual funds was high. In the United Kingdom, the proportion of investment in equities was also significant (35%), while in the United States this percentage fell to 24%. Finally, it should be noted that, as regards the Cayman Islands, Spanish assets were basically in the form of preference shares issued by subsidiaries of Spanish companies, which are classified as fixed-income securities in the balance of payments.

The CPIS also offers richer information on institutional sectors than that normally disseminated in the IIP; in particular, it gives an additional breakdown of other resident sectors (ORSs)⁴. In December 2003, this sector accounted for 69.1% of Spain's total stock of portfolio investment abroad, as against 71.7% in 2002, most of which it

held in the form of long-term fixed-income securities (70.6% of their foreign portfolio). Within ORSs, 85.9% of their stock of fixed-income assets was held by financial corporations, especially insurance companies and mutual funds, while households held 10.8%. At the same time, ORSs was also the sector with the highest share of the stock of equities (95.1%), which represented 27.8% of their foreign portfolio. Most of these investments (80.1% of the total held by ORSs) were held by financial corporations. Meanwhile, the foreign portfolio of MFLs was mostly in the form of long-term fixed-income securities (89.6%), mainly issued in the euro area.

Turning to the stock of foreign portfolio investment in Spain, it is also concentrated in fixed-income securities, although their share fell slightly in 2003 (64.1% of the total, as against 67.3% in 2002), especially the share of the long term ones. Equities accounted for 32.7% and 35.9% of the total in 2002 and 2003, respectively. Most of the investment of euro area residents is in fixed-income securities (79%), while outside the euro area, although these securities still comprise the majority of the investment, their weight is lower. In particular, in the United Kingdom and in the United States equities accounted for most of the stock of portfolio investment in Spain (around 50% and 80% of the total, respectively). As for the geographical distribution, it should be noted first that if this information is to be truly useful for economic analysis then it needs to be based on the country of residence of the ultimate investor. However, in practice, it is impossible for information compilers to know this, so that liabilities are normally assigned to the country of the financial intermediary which manages the investment (the first known counterparty). The CPIS enables the

4. ORSs consist of non-monetary financial institutions, which include mutual funds and securitisation SPVs, financial auxiliaries, insurance companies and pension funds, non-financial corporations and households and non-profit institutions. For more information, see Chapter 5.

magnitude of this problem to be appreciated, by making it possible to compare data on the liabilities of country A that are assigned to country B, with the data on the assets that country B assigns to country A. According to the data on assets vis-à-vis Spain provided by creditor countries participating in the CPIS for 2003⁵, the country holding most portfolio investment assets in Spain is France, whose share increased significantly in 2003 (23.3% of the total, against 18.8% in 2002), followed by Germany (15.3% and 16.8% in 2002 and 2003, respectively). These shares contrast with the data on Spain's liabilities according to the first known counterpart, which place the United

Kingdom and Luxembourg in first and second positions, consistent with their roles as international financial centres and centres for the location of important financial intermediaries specialised in securities custody.

In terms of the ultimate investor, the most notable characteristic of the stock of foreign portfolio investment in Spain is its high degree of concentration, since just ten countries account for around 90% of the total. The euro area countries are the largest investors, with a weight of close to 70% of the total (France and Germany alone account for around 40% of the total). As for countries outside the euro area, Spain's liabilities are concentrated in the United States, United Kingdom and Japan (which together account for around 25% of the total). As mentioned above, the share of equities of these countries, particularly that of the United States, was relatively more significant than that of the euro area.

5. The latest data available refer to the 2003 CPIS, which may be consulted at <http://www.imf.org/external/np/sta/pi/cpis.htm>. Note that these data do not include Spain's portfolio liabilities that correspond to the reserve assets of other countries, since their geographical distribution is confidential. However, this does not affect the percentage geographical distribution obtained from the data declared by other countries, since only 2.2% of Spain's liabilities correspond to the reserve assets of other countries.

ticular France (23.2%) and Germany (16.8%). The holdings of these investors in Spain were concentrated in long-term fixed-income securities (79%). As regards non-euro area residents, the main investors were the United States (11% of the total) and the United Kingdom (7.6%), who, by contrast, showed a greater preference for equities, particularly the United States, which held, at end-2003, 85% of its portfolio of Spanish securities in the form of shares and mutual funds.

4.3.3 OTHER INVESTMENT

The net debit position of other investment contracted slightly in 2004 (by 2.4%), in contrast to the rise of 26.3% in 2003 (see Chart 4.4), to stand at €212,181 million (25.3% of GDP). As indicated in Chapter 3, this was because assets, which grew by 9%, were more buoyant than liabilities, which only grew by 3.1%. The growth of liabilities was determined by the lower recourse to external financing by resident MFIs through loans, deposits and repos, which was replaced by increased issuance of debt securities on domestic markets, as reflected in the widening of Spain's portfolio-investment debit position.

The stock of assets rose by 9% in 2004, to stand at €218,345 million, in contrast to the modest growth recorded in 2003 as a whole. Thus, in 2004, the upward path of previous years resumed. However, as a percentage of GDP, these assets, which have been fluctuating at around 26% since 1999, held steady.

In the case of Spain's other investment abroad, changes in stocks from one period to another are basically explained by investment transactions and, to a lesser extent, by exchange rate changes since, as these investments are in the form of non-negotiable instruments (basically loans, deposits and repos) the effect of price changes is not significant. Thus, in 2004, the growth of other investment by Spain was broadly determined by the behaviour of balance of payments flows, which accelerated strongly in the first three quarters of the year, while the appreciation of the euro against the dollar had an opposing effect, reducing the value of the balance in euro of residents' positions in dollars (see Table 4.9).

By instrument, most of Spain's other investment is in the form of deposits and repos, both of resident MFIs and ORSs (36.8% and 33.2% of the total, respectively), this being the component that accounted for most of the growth in other investment assets.

OTHER INVESTMENT

TABLE 4.9

Reconciliation of the change in the IIP stock with the balance of payments flows (a)

EUR millions

	NET (b)			ASSETS			LIABILITIES		
	CHANGE IN STOCK	FLOW	% DIFFERENCE (c)	CHANGE IN STOCK	FLOW	% DIFFERENCE (c)	CHANGE IN STOCK	FLOW	% DIFFERENCE (c)
2002	2 683	-5 712	-4.8	23 970	30 791	-4.0	21 286	36 502	-4.4
2003	-45 329	-48 749	-2.0	6 323	15 973	-5.0	51 652	64 722	-3.6
2004	5 315	9 777	2.1	18 057	27 310	-4.6	12 742	17 533	-1.1

SOURCE: Banco de España.

a. Excluding Banco de España.

b. A (-) sign denotes a larger change in liabilities than in assets.

c. Difference between the change in the stock and the balance of payments flow, in terms of the stock at the beginning of the period.

Analysis of the data by geographical area shows that the balance of these transactions was mostly concentrated inside the EU (80.3% of the total), which has been gaining weight in the total in recent years (79.1% in 2003). The importance of the United Kingdom, which represents 22.9% of the total, should be noted¹⁴.

The stock of liabilities rose by 3.1%, to €430,526, which resulted in a decline of 0.2 percentage points in their weight in GDP, to 51.4%, in contrast to the increase in 2003, when inflows of other investment to Spain were the main instrument used to cover the net borrowing of the Spanish economy. Except in 2003, the growth in the stock of other investment in Spain has moderated significantly in recent years (see Chart 4.4).

The main factor explaining this trend are balance of payments flows (see Table 4.9) which, as mentioned in the previous chapter, fell in the period analysed relative to the same period of 2003. As the stock of other investment liabilities is basically denominated in euro, exchange rate changes cannot be expected to have a significant impact. The increase in absolute terms in the stock of other investment in Spain is concentrated in deposits and repos of MFIs, which represented 75.8% of the total at end-2004, an increase of 2.8%. Meanwhile, loans, the second most important component, only increased by 2.5%, owing to the growth in loans granted to general government, which slightly exceeded the decline in loans granted by non-residents to ORSs.

By geographical area, the holders of most of these liabilities are located in the EU (77.1% of the total), and this concentration has increased in recent years (up from 71.9% in 2003). As in the case of assets, the United Kingdom also plays an important role which is tending to increase (accounting for 19.9% of the total stock in 2004, as against 17.3% in 2003). By contrast, the decline in the weight of financing from tax havens, which fell from 18.5% of the total stock in 2003 to 11.7% in 2004, continued. This is partly related to the cancellation of deposits linked to the issuance of preference shares by subsidiaries of Spanish multinational groups in these territories.

¹⁴. The financing granted to Latin America represents a small percentage of the total, but, according to BIS data, Spanish banks lead international financing in this region, providing 33.9% of the total, followed by the United States (22.9%).

5 THE BALANCE OF PAYMENTS AND THE INTERNATIONAL INVESTMENT POSITION:
METHODOLOGICAL NOTES

5 The balance of payments and the international investment position: methodological notes

5.1 Introduction

As mentioned above, the main change in the 2004 edition of the Balance of Payments is the revision of the time series for the period 1995-2004, carried out in co-ordination with the publication by the INE, in May 2005, of data for GDP and its components, within the framework of the new Spanish National Accounts base year of 2000. This revision is basically a consequence of the changes made to the reporting system used, and is one more step in the process of adaptation to the current economic and financial context, already mentioned in previous editions of this report, which affects almost all the countries belonging to the European Union to a greater or lesser extent. In 2004, coinciding with the modification of certain assumptions, calculation procedures and information sources that led to the revision of the time series (to which a special section of this chapter is devoted), the new method for obtaining the travel heading data (in use since 2002, but only to calculate the trend and not the level of the heading) was fully introduced and, for the first time, data have been estimated for the reinvested earnings of direct investment enterprises, one of the main areas in which the Spanish balance of payments had been failing to follow the methodological guidelines laid down by the 5th edition of the IMF Balance of Payments Manual. Also, in 2004, the data of the Investment Register of the Directorate General for Trade and Investment of the Ministry of Industry, Tourism and Trade have been more fully exploited, to incorporate the transactions of foreign-equity holding companies (*empresas de tenencia de valores extranjeros* or ETVEs), which are difficult to estimate using the foreign receipts and payments system, and to identify foreign direct investment in Spain in the form of purchases of listed shares. With the publication of the revised data for the period 1995-2004, these transactions are included in direct investment rather than in portfolio investment, where they were recorded previously (although the annual report did provide a separate estimate of the amount of these transactions).

All the methodological changes and uses of new sources of information are detailed in the section on changes introduced. They are also included in the updated table summarising the main changes in the compilation of the balance of payments since 1999. As regards the dissemination of the new information, coinciding with the publication of this report, the geographical detail of the balance of payments data has been widened considerably, and for the first time this detail is offered for the international investment position. Also, in this edition of the annual report, data broken down by country and geographical area are supplied for the first time for the services headings. In 2005, these data will begin to be disseminated on a quarterly basis at the Banco de España website (<http://www.bde.es>), along with a breakdown of services by item (previously only available annually).

Besides the extraordinary revisions relating to methodological changes and information sources, it is worth mentioning the reasons for the normal data revisions. In the case of the balance of payments, these revisions, which relate to the two previous years and arise from the correction of errors or the inclusion of transactions whose information has been received late, are normally made each year when the January data are published. On this occasion, owing to the revision of the time series, these regular revisions were postponed to the time of publication of the March 2005 data and they related to the previous three years.

The most important of the revisions affecting the current account is that arising from the inclusion in the data for the year prior to the latest year disseminated (2003 in this case) of the revised goods trade figures published by the Customs and Excise Department (*Departamento de Aduanas de la Agencia Estatal de la Administración Tributaria*). In the rest of the current

account the main error corrections arise in income, owing to rectifications which, in many cases, stem from an inappropriate separation of the income and principal of a transaction.

In the financial account, the most important revisions have affected credit system transactions, especially those that require the recording of a large gross volume of transactions, such as those relating to sales/purchases of public debt outright or under repos or sell and buy-back transactions, and deposit transactions. Note that the great majority of these revisions relate to the breakdown by heading rather than to the total net flow. For example, in the case of transactions in Spanish public debt, even though the revisions of the headings affected (foreign portfolio investment in general government securities in Spain, and credit system repos) may be significant, the aggregate revision of the net flow of investment plus purchases minus sales is relatively smaller. Likewise, in the case of the deposits of monetary financial institutions, the most significant changes affect their breakdown in terms of assets and liabilities rather than the net flow of liabilities less assets.

The normal revisions to the international investment position data, which are made when the quarterly data are compiled, affect the current and the two previous years (except when the data for the first quarter of each year are compiled, when the three previous years are revised). These revisions are generally attributable to the incorporation of updated information in the information sources used and to the same factors as mentioned for the financial account of the balance of payments, when the latter is the main source for estimating the stocks.

The balance of payments data in Chapter 6 of this report are strictly consistent with Chapter 16 of the June 2005 edition of the Banco de España's *Boletín Estadístico*. The corresponding time series, which, as mentioned above, have been revised from 1995 onwards (compiled using the methodology of the 5th edition of the IMF Balance of Payments Manual) have been available on a monthly basis, since 1990, for the balance of payments, and on a quarterly basis, since 1992, for the international investment position (for reserve assets the periodicity is monthly and the start date January 1962), and can be found in the statistics section of the Banco de España's website (<http://www.bde.es>)¹. Note that the *Boletín Estadístico* also includes additional tables with details of the international investment position: breakdowns by lender and borrower of the outstanding credit received from abroad by non-credit sectors; and the composition of reserve assets.

The international investment position is compiled using the same information and represents the same general economic phenomenon as the account of stocks of financial assets and liabilities vis-à-vis the rest of the world of the *Financial Accounts of the Spanish Economy*. The Banco de España publishes, in an annual monograph with this title, this other statistic, which is compiled following the methodology established by the 1995 version of the European System of National and Regional Accounts (ESA 95). Even though the reference methodology is not the same, it should be noted that the conceptual scope of both statistics is very similar, so that their aggregate results are similar. In fact, the IMF, when compiling the 5th edition of its Balance of Payments Manual, moved in this homogenising direction, to the point that the balance of payments and international investment position statistics compiled under the 5th edition, unlike those compiled under previous editions, are consistent with Revision 4 of the System of National Accounts (SNA 1993). However, the different data compilation and cut-off dates for these statistics explain further discrepancies that may exist at a given moment between these two information sources.

1. There also exist time series for the period 1980-1990, compiled by the Secretary of State for Trade, in accordance with the 4th edition of the IMF Balance of Payments Manual.

With regard to the presentation of the data in this report on the balance of payments and international investment position, as mentioned above, the main recent change, i.e. the separate presentation of the Banco de España's transactions and stocks, has been retained. It is important to note that this change merely involves a reallocation of information, which continues to be compiled strictly in accordance with the methodological guidelines of the 5th edition of the IMF Balance of Payments Manual. For purposes of international comparability, the IMF has to present the data in its publications in a similar way for all countries. In response to a singular phenomenon like monetary union, it has thus had to opt for a uniform accounting solution. This solution, which involves including the change in the assets of the euro area national central banks vis-à-vis the Eurosystem, and their other assets and liabilities that are not reserves, in the totals of the relevant headings, leaves only the reserves as the final counterpart of the rest of the euro area's balance of payments. The IMF's solution is not only consistent with the presentation for most countries, but also with that of the overall euro area aggregate balance of payments vis-à-vis the rest of the world. However it gives rise to serious problems for the analysis of the balance of payments of each country considered on its own.

For all the foregoing reasons, the dual presentation of the financial account of the balance of payments and of the international investment position is retained in this publication:

- In the tables summarising the main headings of the balance of payments and of the international investment position, the financial account has been broken down into that of the Banco de España and that of other sectors. The financial account of the Banco de España provides separate information on its reserves and on the change in the balance of its account with the Eurosystem, given the different analytical significance of these items, in the context of Spain's membership of a monetary union with a single currency. Moreover, for the sake of clarity of presentation, the net amount of other assets and liabilities of the Banco de España has also been included, which basically reflects the portfolio investment assets and the liabilities associated with the reserves. Section 5.2.5 of this chapter describes the content of each of the headings of the balance of payments, so that readers may find there a brief explanation of each of those making up the financial account of the Banco de España.
- In the breakdown tables, offering the most disaggregated information, it was decided to maintain the presentation of the standard components of the 5th edition of the IMF Balance of Payments Manual, thereby ensuring international comparability. As a result, the transactions of the Banco de España, other than reserves, appear under the other investments heading and, from 2002, also in portfolio investment, albeit separated from those of other monetary financial institutions. All the tables specify clearly the content of each heading in terms of its coverage of the various institutional sectors, so that there can be no confusion in this respect.

Also in relation to the presentation of data, the sign convention used in recording balance of payments transactions is explicitly indicated in the footnotes to all the tables of Chapter 6. Note that, in the specific case of reserves, it was decided to use the same convention in all the tables. Specifically, increases in reserves (which involve a net payment abroad as the country's assets increase) have been recorded with a negative sign and reductions therein with a positive sign.

With respect to the tables relating to the distribution of the transactions by geographical area, it is worth reaffirming that, in the case of the financial account, this distribution is, on many

occasions, based on the allocation to the country of the first known counterpart. This fact should be taken into account by analysts, especially in relation to the liabilities of portfolio investment, in which the country of the first counterpart may often not coincide with that of the ultimate party to the transaction. On the assets side, as explained below, although in many transactions the ISIN (International Securities Identification Number) is used, from which the issuer's country can generally be identified, it is not always possible to ensure the correct geographical allocation of issues. It should also be recalled that as financial derivatives are recorded as net assets and liabilities they cannot be distributed geographically.

This chapter is organised as follows. Following this introduction, Section 5.2 is devoted to the balance of payments statistics, describing the information sources, the conceptual framework determined by the general criteria of residence, valuation and others; the classification of the transactions by heading and sector; the structure and content of the tables of Chapter 6 and, lastly, certain specific aspects of each heading. Section 5.3 contains the following points relating to the international investment position: information sources and valuation criteria; procedures for obtaining positions; structure and content of the tables of Chapter 7; specific notes for each heading and main differences between the change in the stocks of the international investment position and the flows of the balance of payments. Finally, Section 5.4 explains the most important changes in the revision of time series, in the dissemination of statistics and in the reporting systems.

5.2 Balance of payments. Methodology

5.2.1 INFORMATION SOURCES

a. Trade balance

For the trade balance, the Spanish balance of payments uses as its basic source the foreign trade statistics compiled by the Customs and Excise Department, albeit with the relevant adjustments. Section I.4.1 of the 1993 report described the data-collection methods applied by the Customs and Excise Department, with particular attention to the Intrastat system used for compiling intra-Community trade figures since the lifting of customs borders. The broad outlines of the description given there remain valid. Interested readers will find abundant information on this subject published by the Customs and Excise Department, and they may learn of the practical workings of the system from the resolutions issued annually which detail the applicable regulations. The latest resolution, dated 26 January 2005, was published in the Official State Gazette of 8 February 2005. Moreover, the Banco de España's *Boletín Estadístico* of April 1995 provided methodological notes on foreign trade statistics, with a summary of the data-collection system in general and of Intrastat in particular.

The differences that data users will find between the foreign trade figures published by the Customs and Excise Department and those of the trade balance of the Spanish balance of payments mostly arise from the accounting guidelines set out in the 5th edition of the IMF Manual. First, imports, which in the statistics published by the Customs and Excise Department are valued CIF, are adjusted to their FOB value for inclusion in the balance of payments. This requires estimating the freight and insurance specifically associated with the imports recorded by Customs and Excise, which are services that may have been provided by residents or non-residents. The freight and insurance that has to be deducted from the Customs and Excise CIF figures for imports has been estimated on the basis of information provided by the INE and in co-ordination therewith, in order to ensure consistency between the rest of the world account in the National Accounts and in the balance of payments. For the same reason, the estimate made for the National Accounts of intra-Community goods trade that is not reported, as the transactions involved come below the Intrastat reporting threshold, has been added to the Customs and Excise figures for imports and exports. Also the amounts corresponding to arrivals and dispatches of goods leased out under operational leases have been deducted. The aforementioned adjustments in the time series were revised, at the same time as the National Accounts base year was changed, as explained in the changes introduced section.

There are also other differences in the content and valuation of goods trade according to Customs and Excise and the Spanish balance of payments. Notable, due to their relative importance, are the inclusion in the balance of payments of imports and exports of merchandise which do not cross borders and, therefore, are not included in the Customs and Excise trade statistics.

It should be borne in mind that the use of customs data to estimate the trade balance means that all goods trade is included, even that involving direct short-term financing between suppliers and their customers. Moreover, transactions are generally recorded in the period when the merchandise is physically moved (see, the exceptions to this general rule that follow from Section 5.2.2.b of this chapter). Since, as later noted, the financial account does not reflect data for short-term trade credit, the counterpart of these transactions, not charged or paid for when recorded, appears under the errors and omissions heading. As a result, a portion of this heading is attributable to leads and lags in foreign trade, reflecting the time elapsing between the physical movement of goods at borders and the relevant receipt or payment of their amount.

b. Other transactions

In compiling the other transactions of the Spanish balance of payments, the Banco de España collects data directly from the following groups of declarants:

a) Deposit institutions

These institutions, made up of banks, savings banks and credit co-operatives, are required to report transactions with non-residents both on their own account and on behalf of customers, in accordance with Banco de España Circular 15/1992. For reporting purposes, transactions of customers are the responsibility of the resident party to the transaction, which has to provide the data to the deposit institution for their presentation to the Banco de España. When the amount settled by an institution is the net amount of several transactions (on its own or its customers' behalf), the institution has to include the details of the gross amounts in its declarations.

In addition, under the new reporting system on negotiable securities, whose rules are contained in Banco de España Circular 2/2001, resident deposit institutions shall furnish monthly information, security by security, on stocks of negotiable securities and on transactions relating to negotiable securities carried out with non-residents, on their own account or on their customer's behalf.

b) Other financial institutions registered with the Banco de España or the CNMV (Spanish National Securities Market Commission)

Institutions of this type (specialised credit institutions, money market funds and non-monetary financial institutions) that carry out transactions with non-residents on their customers' behalf declare directly to the Banco de España all operations on behalf of their resident customers as well as any transaction on their own account. Thus, for the purposes of compulsory reporting, they operate under the same regulations set out in Circular 15/1992 that apply to the institutions listed in a) above.

Institutions that operate with non-residents solely on their own account can choose between directly reporting all transactions to the Banco de España, in accordance with the regulations in Circular 15/1992, or using the services of deposit institutions to declare transactions with non-residents settled through

these institutions. In the latter case, they are subject to the same regulations applicable to non-financial legal entities and individuals.

Like deposit institutions, these institutions are also obliged to comply with the information requirements established by Circular 2/2001.

c) Holders of demand or savings accounts with non-resident credit institutions

All residents in this category must inform the Banco de España of the opening and closing of accounts of this nature and of the gross amounts of all transactions settled through them, in accordance with the regulations in Banco de España Circular 24/1992.

d) Holders of inter-company accounts with non-resident enterprises

All resident companies that have accounts with non-resident non-bank enterprises (usually, but not necessarily, with companies in the same economic group) must report to the Banco de España the opening and closing of these accounts, and the gross amounts of all transactions credited or debited through them, in accordance with the regulations in Circular 24/1992. Thus, the reporting requirements of this group are regulated by the same circular that applies to the group in the preceding paragraph. However, the separation of the two accounts is important from the standpoint of the balance of payments and economic analysis, because the changes in their balances are assigned to different headings in the balance of payments, as is explained below.

e) Parties to offsetting transactions with non-residents

Offsetting is understood to encompass any operation not giving rise to a settlement via credits or debits in a bank or inter-company account, due to the fact it involves a receipt and a payment of the same amount with opposite signs. Residents engaging in transactions of this nature with non-residents must report them directly to the Banco de España, in accordance with the regulations in Circular 6/2000.

One special case of this type of transaction is merchandise trade financed through direct credit between sellers and their customers. Circular 6/2000 regulates the reporting requirements for transactions in this category, which are applicable only when the maturity of the credit exceeds one year. Short-term trade credit will, therefore, appear under the errors and omissions heading, with this omission (strictly speaking, it is not an error) being a very significant part of this heading. Moreover, precisely because it is not an error, its behaviour is linked to that of other macroeconomic variables (e.g. interest rates and exchange rate expectations) and, consequently, it cannot be treated as a random variable, and its sign and behaviour may follow systematic patterns over a given period.

f) Residents performing transactions with negotiable securities directly through non-resident intermediaries

Resident investors carrying out transactions with negotiable securities directly through a non-resident financial intermediary must provide information, security

by security, on their stocks of negotiable securities and transactions involving negotiable securities, directly to the Banco de España, in accordance with the rules of Circular 2/2001.

In principle, the information collected from the aforementioned groups covers the full range of transactions with non-residents: those implemented through resident financial institutions; those implemented directly by resident financial institutions on their own behalf; transactions settled through bank or inter-company accounts abroad; and those which do not give rise to any settlement, i.e. offsetting transactions. A specific problem arises in the distribution by heading of transactions involving less than EUR 12,500, whose content is not subject to reporting requirements even though the amount involved is known. Here the main indicator used is the distribution by heading of transactions in the next bracket up, even though this obviously reduces the statistical reliability of headings incorporating a large volume of such transactions, as is the case of travel, private transfers (with emigrants' remittances being particularly significant in recent years) and other headings covering personal services.

Also notable, in relation to information sources, is the increasing use of information provided by other institutions and by other departments of the Banco de España. This information sometimes supplements that supplied by the main sources and at other times replaces it. In this respect, the new estimates of travel credits and insurance services may be highlighted in the services account. In the income account, the information supplied by Iberclear (the Securities Registration, Clearing and Settlement Systems Management Company) is used to calculate the income from portfolio investment. For their part, transfers include data supplied by the Treasury to estimate transfers to and from the EU (current transfers) and direct information from the CESCE (Spain's official export credit company) (capital transfers). Data from the Investment Register of the Ministry of Industry, Tourism and Trade and from the Banco de España's Central Balance Sheet Data Office have been taken into account to calculate direct investment. The use of these external sources in the Spanish balance of payments shall be commented upon in greater detail in the sections dedicated to each heading.

Finally, other sources of information, used to obtain the institutional sector and the economic sector and to assign the data geographically, should be noted. The institutional sector is obtained from a database of the Banco de España's Directorate General Economics, Statistics and Research using the NIF (taxpayer I.D. number) of the resident declared in the balance of payments information. This database includes data from numerous sources, such as the official registers of the Banco de España, the Directorate General of Insurance, the CNMV, etc. The economic sector is also obtained from the NIF, using a database that relates it to the sector and which includes data from the Banco de España's Central Balance Sheet Data Office and the INE's Central Directory of Corporations (DIRCE) and also data available in the Banco de España's Balance of Payments Department on firms that report information directly. For its part, the country of non-resident issuers of negotiable securities included in portfolio assets is obtained from the first two digits of the ISIN. As these digits, in the case of issues on international markets, may give the wrong country or may not be sufficient to identify the country, a database supplied by the Bank for International Settlements is used, which gives the country for each ISIN. The geographical assignment of the heading other investments of monetary financial institutions is made by supplementing the information reported by credit institutions to the Balance of Payments Department with the accounting statements that such institutions submit in accordance with Circular 4/1991 (these rules are currently contained in the new Circular 4/2004, although for data published in this report Circular 4/1991 is still the relevant one).

5.2.2 CONCEPTUAL FRAMEWORK

The Spanish balance of payments is compiled under the guidelines of the 5th edition of the IMF Balance of Payments Manual. This section does not go into a detailed description of the 5th edition's many chapters which give form to what it calls the conceptual framework of the balance of payments, because the Manual is sufficiently detailed, as far as concepts such as economic territory and residence, the valuation criteria for transactions, the time of recording, etc. are concerned, to act as a direct reference. Accordingly, areas posing no special problems are only briefly summarised in this report. Other areas, however, call for somewhat more detailed treatment, because of their importance in correctly interpreting the data.

a. Residence

The balance of payments records the transactions between the residents of a country and the rest of the world, irrespective of their nationality. The IMF considers an institutional unit to be a resident unit when it has a centre of economic interest in the territory of a country.

Although the 5th edition of the Manual devotes a chapter to explaining the concept of residence, the application of this concept inevitably leaves certain decisions to the discretion of the data compiler. According to the IMF, "an enterprise is said to have a center of economic interest and to be a resident unit of a country (economic territory) when the enterprise is engaged in a significant amount of production of goods and/or services there or when the enterprise owns land or buildings located there". Thus, in practice, the concept is imprecise, to the extent that the IMF itself recommends considering the permanence of an enterprise in the country for one year or more as a guideline for residence.

The above definition of the concept of residence is important because the scope and contents of the headings in the balance of payments pivot essentially on this definition. Indeed, entry into foreign markets — services markets in particular — through the creation of subsidiaries or branches is a widespread practice. Cross-border services entailing the physical movement of the supplier of the service have given way to the creation of commercial establishments which, in many cases, are resident units of the country where the services are provided. In such cases, the only flows which figure in the balance of payments are those related to direct investment and income generated in the form of profits, with the resulting loss of information on the nature of the services bought or sold. The provision of services through a resident commercial establishment is such a widespread phenomenon that international organisations in charge of negotiating the liberalisation of international markets, and specifically the World Trade Organisation, have begun to compile statistics on resident commercial establishments that are subsidiaries or branches of parent companies located in other territories to make up for the loss of information in the balance of payments data relating to services trade.

b. Time of recording the transaction: the accrual principle

Transactions should be recorded in the balance of payments at their accrued value. According to IMF terminology, this means that "transactions are recorded when economic value is created, transformed, exchanged, transferred, or extinguished". Thus, the flows recorded do not necessarily coincide with the liquid proceeds and payments generated. In fact, very often the transactions in the balance of payments do not give rise to liquid proceeds and payments, and in other cases they are recorded at a different time. But, in practice, the application of this principle to all transactions with non-residents proves complicated and costly, and many transactions are therefore recorded at the time when the proceeds or payments are generated.

In the Spanish balance of payments, the accrual principle is applied to merchandise trade, payments to non-residents of interest on euro-denominated bonds issued by Spanish general government and in the recording of the reinvested earnings of direct investment enterprises. In the rest of the balance of payments, the cash-basis principle is generally applied to liquid proceeds and payments, although (as indicated in the previous section) many transactions that

generate no payments, such as offsetting transactions and transactions credited or debited in inter-company accounts, or payments much smaller than the gross value recorded, are also reflected.

Merchandise trade is generally recorded on an accrual basis, when the actual transaction occurs, because customs statistics are used as the source of information. Nonetheless, in intra-Community trade, due to the lifting of customs borders, time lags can arise between the physical movement of goods and their statistical declaration and recording. This is especially so in the provisional monthly data, which are those used for closing the latest annual balance of payments report, in this case the 2004 report. The Customs and Excise Department revises its monthly data on an accrual basis by assigning the transactions to the periods in which they actually occurred when it publishes the revised figures of the previous year.

In the income account, investment-income payments to non-residents arising from interest on peseta- and euro-denominated bonds issued by the Spanish general government sector have been recorded since 1993 taking into account the interest accrued, not the interest paid. If the interest accrued in the period is greater than that paid, this change also entails recording the counterpart entry of the difference, i.e. the accrued interest pending payment, as an increase in foreign investment in general government bonds. If the interest accrued in the period is less than that paid, the change entails carrying the difference as a decrease in the aforementioned investment.

The 5th edition of the IMF Manual expressly recommends the application of the accrual accounting convention in recording interest income. Paragraph 282 of the Manual edited by the IMF in 1993 establishes the following: "Dividends are recorded as of the date they are payable. Interest income is recorded on an accrual basis. If the interest is not actually paid, an income entry is recorded under the appropriate instrument and a counterpart entry is made in the financial account to reflect an increase in the claim associated with non-payment". This recording of income on an accrual basis thus signifies that interest accrued during the related period will in turn be recorded in the financial account as an increase in investment.

Although the IMF recommends applying this accounting principle to all portfolio investment, excluding equities, in both asset- and liabilities-side transactions, and whatever the currency in which they are denominated and the institutional sector involved, the difficulties posed by the estimate compared with the straightforwardness of the cash-basis principle are evident. In Spain's case, however, itemised information from the data of Iberclear is available, which enables a detailed estimate to be made of income accrued on negotiable securities booked in it. The application of the accrual principle has been confined to date to operations in book-entry government bonds, which cover virtually all euro-denominated bonds issued by the Spanish Treasury and those issued by other general government sectors that are booked in Iberclear. The reporting system for portfolio investment, established by Banco de España Circular 2/2001, which enables information to be obtained on portfolio investment security by security, together with the detailed information that will be contained in the Centralised Securities Database currently being set up by the European Central Bank will enable the accrual principle to be applied in future in the calculation of the income on all the securities included under this heading.

Meanwhile, paragraph 383 of the 5th edition of the IMF Manual states as follows: "Reinvested earnings of direct investment enterprises are recorded in the balance of payments in the periods in which the income is earned". Further, direct investors' shares of reinvested earnings are deemed to provide additional capital to the enterprises and to increase the value of an econo-

my's stock of foreign assets and liabilities. Consequently, when they are recorded in the balance of payments, direct investment income and direct investment capital entries shall be made. This year, coinciding with the time series revision, estimates of reinvested earnings of resident and non-resident direct investment enterprises have been included for the first time in the investment income and direct investment headings. Both estimates are based on the calculation of average rates of return applied to direct investment position data. In the case of enterprises resident in Spain, the estimate has been obtained from accounting information from the Banco de España Central Balance Sheet Data Office, with data extrapolated to the whole non-financial corporations sector. The reinvested earnings of non-resident enterprises have been calculated using the flows of reinvested earnings published by Eurostat for the European Union vis-à-vis the main counterpart countries of Spanish direct investment abroad (see the changes introduced section for a more detailed explanation of these new estimates).

c. Valuation. Flows and stocks

The Spanish balance of payments has been compiled in euro since 1999. The time series, compiled in pesetas up to December 1998, have been converted to euro at the irrevocable exchange rate of ESP 166.386 /euro. The domestic currency is commonly used as the valuation unit in most developed countries and in nearly all of Europe. In fact, the IMF only expressly recommends the use of alternative units of account in countries with volatile currencies.

Transactions are declared in their original currency, using for their translation into euro the average exchange rate of the ten-day period when they take place in the case of transactions declared by financial institutions, and the month's average exchange rate in all other cases (obviously, transactions carried out before 1999 in the currencies of the euro area countries have been translated into euro by simply multiplying their irrevocable exchange rates). Thus, the Spanish balance of payments adheres closely to the theoretical principle of valuation in the 5th edition of the IMF Manual, which recommends that all transactions be valued at the market rate in effect on the date of the transaction. In this respect, the IMF leaves no room for doubt. The estimates of the different entries in the balance of payments should not reflect changes induced by fluctuations in exchange rates or in the market prices of the financial assets and liabilities in question. Nor should the balance of payments record the discrepancies which may arise in using a single currency to value the receipts and payments of operations related to offsetting or to the buying or selling of currencies, since these are, by definition, identical in the original transaction agreed between the parties.

The importance of this valuation principle should be stressed, because it is essential for understanding the relationship between stocks and flows or, in other words, the relationship between the balance of payments and the international investment position. The 5th edition of the Manual defines the international investment position as the value of the stock of each financial asset and liability defined in the standard components of the balance of payments. For each standard component in the financial account, the international investment position should reflect the value of the stock of this type of asset or liability at the beginning of the year and its value at year-end. The difference between the two must be equal to: the flow recorded in the balance of payments, which reflects the transactions in these assets or liabilities that actually took place; plus the change in the value of the stock induced by swings in the exchange rate; plus the change caused by movements in the price of the related assets or liabilities (in addition to several other adjustments; see paragraph 466 of the 5th edition of the IMF Manual).

The 5th edition of the Manual thus establishes explicit links between an economy's holdings of financial assets and liabilities and the changes, or flows, in the related financial instruments. It does this by establishing, for each of the headings that together form the account reflecting financial transactions, the corresponding stock or international investment position.

In this chapter, Section 5.3 on the international investment position explains in greater detail the valuation criteria used in compiling this statistic and its relationship to the corresponding flows.

d. Classification of financial flows by change in assets and change in liabilities. Signs used

In the tables in Chapter 6, the transactions of the financial account are recorded as the net change in the assets or net change in the liabilities of resident units vis-à-vis non-resident units. The data reflect only the net asset-side flows (residents' purchases of assets vis-à-vis non-residents, less their sales and redemptions) and the net liabilities-side flows (purchases by non-residents of assets issued by residents, less their sales and redemptions). This is due to the fact that the recording of gross flows is no longer of significance given the extraordinary mobility of capital, which has increased the flow of purchases and sales of financial assets exponentially. This is not only true of assets involving negotiable securities in the traditional sense, but also applies to virtually the entire range of assets and liabilities, now characterised by high mobility produced by financial and technological innovation.

Indeed, the participation of resident and non-resident securities-dealer companies and securities agencies, clearing services, settlement agencies and financial intermediaries in the placement of negotiable securities among customers, whether residents or non-residents, generates figures for gross capital flows that may have no economic significance other than the greater complexity of the intermediation between the final agents handling the transaction. Even in the case of credit and loan transactions, where the significance of gross flows involving the provision or repayment of funds is apparently clearer, frequently complex mechanisms (revolving credit, syndicated loans with the entry and departure of resident and non-resident financial institutions into and from the syndicate) can give rise to gross flows between the borrower and diverse lenders of different nationalities that do not have the same significance as traditional loans with a specific borrower, lender and repayment terms.

The signs with which items are posted in the balance of payments require an accounting convention. Even in the case of current-account transactions, the sign could differ depending on whether it was sought to highlight the standpoint of the resident or that of the non-resident involved in the transaction. Hence a merchandise export is a receipt for the exporting resident but a payment for the non-resident purchaser. The Spanish balance of payments adopts the angle of the resident. However, in the financial account this accounting convention would not alone suffice to define unequivocally the phenomenon it is sought to reflect. For example, an increase in a resident's assets vis-à-vis a non-resident involves a payment abroad, i.e. an outflow. If what it is sought to show in a table is the fact that a country's assets increase or decrease, they would have to be recorded with a positive sign in the former case and a negative sign in the latter. But if the criterion adopted is to record financial transactions taking into account the fact that they give rise to a receipt, or a payment, the increase in assets would have to be recorded with a negative sign and the decrease with a positive sign. Since all standpoints are valid, whether that of the resident or non-resident, and whether combined with different criteria to represent the increase or decrease in the related assets or liabilities, each table in Chapter 6 of this publication details (as earlier indicated) the accounting convention used.

The errors and omissions heading is merely an adjustment for the difference between total credits and total debits. Consequently, it does not feature as a heading in the current, capital or financial account. In the tables in Chapter 6, it is recorded separately as a balancing item. If its sign is positive (negative), this indicates there is an understatement (overstatement), through errors or omissions, in the net balance of the sum of the current and capital accounts, i.e. of the nation's net lending/borrowing in relation to the net financial-account balance.

Notably, in the case of direct investment flows, the accounting recommendation for assets and liabilities calls for several additional details, because the IMF establishes the “direction” criterion for the classification of these transactions, as explained in Section 5.2.5.c. under the heading “Direct investment”.

5.2.3 CLASSIFICATION OF TRANSACTIONS BY HEADING AND INSTITUTIONAL SECTOR

a. Classification by heading

The transactions of the Spanish balance of payments are structured around three basic accounts: the current, capital and financial accounts.

The *current account* is divided into four basic sub-accounts: goods, services (including travel), income and transfers. Notably, labour income and investment income thus have their own accounts, separate from that of services.

The *capital account* includes capital transfers and the disposal and acquisition of non-produced, non-financial assets. In the Spanish case, capital transfers are by far the most sizeable heading in this account. The specific notes on these two headings (see Section 5.2.5) give the details of their contents.

The *financial account* is structured so that the transactions of the Banco de España are treated separately. There is thus one account with the transactions of the various sectors, excluding the Banco de España, and another with the central bank's transactions. There are four sub-accounts under the first account, differentiated by the type of assets and liabilities whose form the corresponding transactions take: direct investment, portfolio investment, other investment and financial derivatives. The first three offer itemised information of asset- and liabilities-side transactions, while financial derivatives are recorded as change in liabilities minus change in assets. Transactions are allocated to the various institutional sectors according to the sector to which the resident party to the transaction belongs. Institutional sectorisation is also used in the investment-income balance. The definition of the institutional sectors is explained under heading b of this section.

As regards the basic contents of the various sub-accounts of the financial account, direct investment includes investments that reflect the investor's objective of obtaining a lasting benefit from the investee enterprise, achieving a significant degree of influence in its management. For practical purposes, the 5th edition of the Manual defines the owner of 10% or more of the capital of a direct investment enterprise as a direct investor. This rule is not conclusive as the guideline acknowledges that a smaller percentage may entail a controlling interest in the company (and, conversely, that a share of more than 10% may not signify control). But the IMF recommends using this percentage as the basic dividing line between direct investment and portfolio investment in the form of shareholdings. Naturally, direct investment also encompasses other forms of participation in capital which, by their very nature, meet the definition of permanent investment (funds allocated to branches, for example). Investment in real estate is also recorded under this heading. Moreover, the direct investment heading should include both the flows of the original transaction, which determined the party's status as a direct investor, and all subsequent financing flows of any nature, not only in the form of new purchases of shares and bonds but also trade-related and financial loans, irrespective of whether they are short- or long-term. This broad definition allows for the possibility that there may be elements that introduce some volatility into the behaviour of this heading. In this respect, inter-company loans — especially short-term loans — are likely to be more sensitive to interest rates, in their different terms, and to exchange rate expectations than equity holdings, where expected profitability is the basic explanatory variable, and one that is generally less volatile in the short-term. The foreseeable volatility of the flows thus recorded is increased if the financing flows between companies indirectly related via their links to the same multinational group are also included.

Portfolio investment records transactions in negotiable securities, with the exception of share-holdings that fall within the definition of direct investment. Financial derivatives are not included, even if they are negotiable. This account is divided into three main components: shares, bonds and notes, and money market instruments. The specific contents of each of these headings in the Spanish balance of payments are described in detail in Section 5.2.5.

The *other investment* account essentially records loan transactions, covering both trade-related and financial loans, with separate short- and long-term categories, and deposits, including foreign-currency holdings. It is worth mentioning that, for accounting purposes, the 5th edition of the Manual considers transactions involving securities with repurchase agreements as similar to secured loans or deposits. Specifically, repo sales to non-residents by residents should be recorded, under change in liabilities, as loans received if the seller is not a credit institution, and as foreign deposits in Spain if the seller is a credit institution. Residents' repo purchases of securities held by non-residents should be recorded, under change in assets, as deposits abroad if the non-resident is a credit institution, and as loans abroad if the non-resident is not a credit institution. As a result, repos and sell/buy-back transactions are included in the other investment account. Admittedly, in the data in Chapter 6, all repos and sell/buy-back transactions by resident credit institutions are recorded under a single heading. But it is important to highlight their theoretical status as loans or deposits (the accounting experts of international organisations agree here), because this is not a mere accounting convention but rather reflects a decision based on their greater resemblance to, and substitutability for, this type of asset. In other words, the determinants of the demand for this type of asset in investors' portfolios are more similar to those of loans and deposits than to the determinants of portfolio investment in listed securities. The way they are recorded is therefore based on analytical and theoretical reasons and not just more or less arbitrary accounting conventions.

Financial derivatives cover all instruments of this nature that can be valued because there is a market price for the underlying asset, irrespective of whether it is traded or not on organised markets, and irrespective of what the underlying asset is. Section 5.2.5 describes the specific content of this heading in the Spanish balance of payments.

Lastly, the *financial account of the Banco de España's foreign transactions* includes the change in reserves, the change in the Banco de España's account with the Eurosystem, and the other foreign assets and liabilities of this institution. Section 5.2.5, which explains the content of each heading in the balance of payments, describes these transactions. Moreover, in each table of Chapter 6 where they appear, a footnote to the table gives the accounting convention used for the sign of the change therein. Suffice it to say here that, in the summary tables of the main balance of payments headings, the other external assets and liabilities of the Banco de España (excluding reserves and the account with the Eurosystem) have been included in a single line as the net balance of liabilities minus assets. Meantime, in the subsequent detailed tables, they are broken down into change in assets, on one hand, and change in liabilities, on the other.

b. Classification by institutional sector

The investment income account and the various headings of the financial account are broken down into the following three institutional sectors:

- 1 *Monetary financial institutions sector*
 - 1 Banco de España
 - 2 Other monetary financial institutions
 - 1 Credit institutions
 - 1 Banks
 - 2 Savings banks

- 3 Credit co-operative banks
 - 4 Specialised credit institutions
 - 5 Instituto de Crédito Oficial
- 2 Money market funds (MMFs = FIAMMs)
- 2 *General government sector*
 - 1 Central government
 - 1 State
 - 2 Central government agencies (including central government public corporations)
 - 2 Regional (autonomous) governments and their agencies (including regional government public corporations)
 - 3 Local government and its agencies (including local government public corporations)
 - 4 Social security funds
 - 1 Social Security System
 - 2 Other social security funds
- 3 *Other resident sectors*
 - 1 Non-monetary financial corporations (excluding insurance corporations and pension funds)
 - 1 Financial intermediaries
 - 1 Portfolio investment institutions (except money market funds)
 - a) Closed-end investment companies (SIMs)
 - b) Open-end investment companies (SIMCAVs)
 - c) Capital-market mutual funds (FIMs)
 - 2 Securities dealer companies
 - 3 Securitisation special purpose vehicles
 - 4 Venture capital funds and companies
 - 5 Real estate investment institutions
 - a) Real estate investment companies
 - b) Real estate mutual funds
 - 6 Financial holding corporations
 - 7 Preference share issuing special purpose vehicles
 - 2 Financial auxiliaries
 - 1 Deposit guarantee funds
 - 2 Portfolio management companies and the management companies of other financial institutions and insurance corporations
 - 3 Official market governing bodies
 - 4 Securities agencies
 - 5 Rating agencies
 - 6 Appraisal companies
 - 7 Mortgage market regulation funds
 - 8 Guarantee companies
 - 9 Comisión Liquidadora de Entidades Aseguradoras
 - 10 Currency-exchange bureaux
 - 11 Securities clearing and settlement companies
 - 12 Holding corporations performing activities of financial auxiliaries
 - 2 Insurance corporations and pension funds
 - 1 Private insurance corporations
 - 2 Non-profit insurance entities
 - 3 Consorcio de Compensación de Seguros
 - 4 Pension funds

- 3 Non-financial corporations
- 4 Households and non-profit institutions

Transactions are allocated to the various institutional sectors according to the sector to which the resident party to the transaction belongs. Thus, if a resident bank purchases US Treasury bills, the transaction is recorded as a portfolio investment abroad (changes in assets) by the monetary financial institutions (MFIs) sector. By contrast, if a foreign bank purchases Spanish Treasury bills, the transaction is recorded as a foreign portfolio investment (changes in liabilities) in the general government sector. It should be borne in mind that, for foreign investment in Spain, the institutional sector is allocated in accordance with the final recipient of the investment, who is not necessarily the recipient of the corresponding payment, nor the party reporting the operation to the Banco de España. Indeed, for foreign investments in negotiable securities issued by residents on the secondary market, the resident seller can be any holder of the securities, the broker appearing as the agent settling the transaction. However, using the issuer's fiscal identification number ensures appropriate allocation of the transaction to the institutional sector to which it belongs.

5.2.4 STRUCTURE AND CONTENTS OF THE TABLES IN CHAPTER 6

The tables in Chapter 6, namely those showing the balance of payments data, have been structured in accordance with the 5th edition of the IMF Manual's framework of accounts, sub-accounts and headings for standard components described above. The specific contents of each heading are explained in the next section.

The table of contents at the beginning of this report gives a detailed list of the tables. The data for 2004 are presented in the tables whose headings begin with 6.1, and the revised 2003 figures in those with 6.2. The data revised from 1995 can be consulted in the CSV files that accompany the tables of Chapter 6 in the electronic version of this publication, available at the Banco de España website. Both sets of data (for 2004 and 2003) contain the same number of tables, with the same content and numbering; except for the new table 6.1.12, which gives a geographical breakdown of direct investment and which, since this is the first year it has been published in this report, has only been included in 2004 with a longer time series. The first table reflects the annual data of the main headings of the current, capital and financial accounts, while the others give, for each heading, the annual data and the estimated quarterly data for each of the two years. The first two tables are a summary of the main headings, and the rest contain more detailed, disaggregated data. These first two tables include the change made in 2000 so as to show the transactions of the Banco de España on their own; the bulk of the financial transactions of the other sectors are under the heading financial account excluding Banco de España.

As regards the tables presenting the details of the current account, specifically for 2004 and 2003, Tables 6.1.3 and 6.2.3 give the estimates of the different services headings. Tables 6.1.4 and 6.2.4 contain the disaggregation of investment income by institutional sector. The breakdown by instrument appears in Tables 6.1.5 and 6.2.5. Tables 6.1.6 and 6.2.6 provide a breakdown of current transfers by institutional sector, including the disaggregated data for those whose counterpart is the EU.

The data of the capital account are presented in Tables 6.1.7 and 6.2.7. Here, too, capital transfers are disaggregated by institutional sector, and the data for transfers from the EU are also shown.

The headings for which a breakdown was made of the transactions of the financial account are given in two tables with similar information but with alternative presentations. In the first, Tables 6.1.8 and 6.2.8, a disaggregation of the transactions of the institutional sectors is given

for the main types of financial instrument. In the second, Tables 6.1.9 and 6.2.9, the disaggregated data of the transactions of each institutional sector are presented by instrument. For the reasons given in Section 5.1 of this chapter, a table with a presentation similar to that used by the IMF in its publications has been retained to provide for readier international comparability. Thus, in Tables 6.1.8 and 6.2.8, the heading other investment includes the Banco de España, albeit as a sector different from other MFIs, with reserves as an independent heading. Conversely, in Tables 6.1.9 and 6.2.9, all the financial transactions of the Banco de España, and not only reserves, are presented separately, as in the first two summary tables.

It should be noted that the former Tables 6.1.10 and 6.2.10, which gave estimates for the breakdown of foreign investment in Spain in listed shares between direct and portfolio investment, using data from the Investment Register of the Ministry of Industry, Tourism and Trade have been discontinued. The reason for this change is that the transactions corresponding to direct investment under this heading have now been incorporated into the data published in this report and into the monthly series of the *Boletín Estadístico* and the *Economic Bulletin*. Tables 6.1.11 and 6.2.11 have been maintained and renumbered as 6.1.10 and 6.2.10, showing, for 2004 and 2003 respectively, the total flows of foreign direct investment, with details of the amount made through foreign-equity holding companies (ETVEs) resident in Spain. As a consequence of the institution of a special tax regime² offering significant advantages to Spanish foreign-equity holding companies (ETVEs), such firms have frequently been used in recent years by non-resident multinational groups to centralise the holding of their foreign direct investments in third countries. This has led to the recording in the balance of payments of increases in liabilities arising from the holding of the non-resident parent company in the resident ETVE, and increases in assets arising from the foreign holdings of the Spanish ETVE, of a similar and normally large magnitude. Thus, although the impact of these transactions on net assets and liabilities is smaller, it is very important to identify the flows corresponding to these companies separately, in order to be able to correctly analyse developments in Spanish foreign direct investment. Note that, in these cases, the Spanish resident firm simply records the transactions in its balance sheet without any capital contribution being made and, therefore, their transactions should not be included with those determining Spanish direct investment abroad or with those determining foreign direct investment in Spain.

For this reason, in order to facilitate economic analysis, Tables 6.1.10, for 2003 and 6.2.10, for 2002, give an estimate of the flows of direct investment from and to ETVEs resident in Spain³. The estimate is based on the breakdown of direct investment according to the economic activity (NACE) of the resident enterprise, taking the sector management activities of holding companies. As a result, the data given may include, along with ETVEs, other holding companies that, while not themselves ETVEs, have performed similar transactions, so that, in practice, they are a good estimate of the transactions that, for the reasons mentioned, distort the analysis of the direct investment data. Note that this conception of an ETVE does not include holding companies that have carried out direct investment transactions or have been the object of the same, when the transactions involve an actual contribution of funds between Spain and the rest of the world. These firms have been classified in the economic sector corresponding to the main activity of the group in Spain, when it has been possible to determine this.

For their part, Tables 6.1.11 and 6.2.11 contain estimates of the main headings of the balance of payments for a set of economic and geographical areas, selected from among those regularly used by international organisations, and some individual countries.

2. See Law 43/1995 on corporate income tax and Law 6/2000. 3. No estimate is yet available for the stock of direct investment.

It should be noted that, for the first time, disaggregated information is disseminated on the transactions of MFIs by country. By contrast, the recording of financial derivatives on a net basis (changes in liabilities less changes in assets) precludes their geographical breakdown. In addition, several factors that particularly limit the information content of several items should be borne in mind. In this respect, it is worth recalling that information on transactions involving less than EUR 12,500 is not available, and their distribution by country was estimated by using as an indicator the breakdown of the rest of the transactions of the different headings to which they were assigned. Further, in most foreign portfolio investment in Spain, declarants designate as the country of the transaction that of the residence of the institution which manages and has custody of the related securities. This explains the large volume of operations of this type in countries such as the United Kingdom.

5.2.5 NOTES ON EACH HEADING

a. Current account

a) Trade balance

This heading covers goods that cross the country's borders and those involving no physical crossing of borders, in addition to goods procured by carriers (fuel or any other type of supply).

As earlier noted, the data for merchandise that crosses borders are those furnished by the Customs and Excise Department, to which some adjustments are made. In the case of imports the most significant adjustment is that made to record imports in the balance of payments at their FOB value, rather than CIF, which is how they are valued in the Customs and Excise foreign trade statistics. The data this year incorporate, for the first time, an estimate, obtained from information supplied by the INE, of that part of foreign trade exempt from declaration under the Intrastat system for measuring intra-Community trade. This estimate is incorporated into the data for 1995 onwards. Also from that year, a new adjustment to the Customs and Excise figures has been made to deduct the net amount of the arrivals and dispatches of goods leased out under operational leases. Merchandise that crosses borders temporarily for this purpose is included in the Customs and Excise statistics at its gross value, so that with this adjustment the net amounts are approximated, not the gross, to the requirements of the Balance of Payments Manual, which excludes operational leases from merchandise imports and exports, including them in services (see the chapter on changes introduced for further details of the new adjustments introduced). The 2003 data are the revised figures of the Customs and Excise Department. The 2004 data are provisional. Also, due to the lack of more precise information, the total value of merchandise crossing borders is recorded, either as exports or imports, even if it is moved solely for the purpose of repairs, despite the IMF's recommendation that only the net value of such operations be recorded.

b) Travel

This heading covers the goods and services purchased in an economy by non-resident travellers who, for business or personal reasons (including health and education), stay in the country for less than a year. The data-collection system used for this heading in the Spanish balance of payments does not allow a breakdown of the reasons for this type of travel.

As explained in greater detail in the changes introduced section, the travel figures in the time series from 1995 onwards have been revised. Based on the January 2000

data, the estimates of credits incorporate the results of a summary model that combines the information from the survey of spending at borders (EGATUR) with that obtained from surveys of tourist establishments. Specifically, with the new method, spending on hotel, campsite, rural and tourist apartment accommodation is obtained from occupancy and price surveys. Spending by travellers on items other than accommodation, as well as that of travellers who do not stay in the aforementioned establishments is obtained from the EGATUR spending structures.

To avoid a break in the time series, data have been estimated back to 1995, on a consistent basis. In the case of debits, the estimates are based on the information available on payments made using means other than euro banknotes (basically, bank transfers, credit cards and foreign banknotes).

c) Transportation

The transportation headings cover freight and passenger transport as well as ancillary transport services. The latter cover a broad range of services provided in ports, airports and other terminal facilities, such as loading and unloading, storage and warehousing, and, in general, expenses related to the stop-over of the different means of transportation. Fuel and other merchandise, recorded in the trade balance, are excluded. Time chartering with crew is included. The freight data have been revised back to 1995, to be consistent with the estimates made by the INE with the new National Accounts base year of 2000.

d) Communication services

This heading records postal and courier services, services related to the transmission of sound, images and information by telex, facsimile, telegram, cable, broadcasting, satellite, electronic mail, etc.

e) Construction services

The data for construction services reflect the application of a precise definition of the concept of residence to the firms involved, for the purpose of distinguishing between transactions that can be recorded as construction services in the strict sense and those which should figure as flows between companies related by direct investment links. As a result, the corresponding receipts for construction services reflect those rendered by resident companies, while payments reflect those rendered by non-residents, when there is no branch or subsidiary in the country where the construction works take place.

Data users should be aware that, in headings such as this, the dividing line between the sub-account of services and that of direct investment is somewhat blurred. Moreover, even though only the value of the service should be reflected, this heading possibly includes items of a different nature, owing to the difficulties of identifying the various components of transactions that are often billed together.

f) Insurance services

Insurance services include the National Accounts estimates on the value of the service in the strict sense. In the case of reinsurance, receipts reflect the net

amount of the reinsurance policy purchased, and payments reflect that of the reinsurance policy provided.

In addition to freight insurance, this heading encompasses life assurance, contributions to pension funds, personal accident, health, traffic accidents, general liability, fire, property damage insurance, etc., and reinsurance. Not included are Social Security benefits and payments, which are posted in the balance of transfers. Also excluded is export credit insurance, which is recorded under the financial services heading.

g) Financial services

This covers the broad range of financial intermediary services. Though not an exhaustive list, this heading encompasses commissions and expenses relating to: foreign investment, such as the issue, placement and redemption of securities and, in general, brokerage fees for direct and portfolio investment and the sale/purchase of real estate; commissions and expenses relating to the acquisition and placement of funds in deposits; bank drafts; cheques paid and certified; money changing; travellers' cheques; loans received and extended; financial leases; credit cards; swaps; options; futures operations; administrative services and asset management; treasury management; financial consultancy; factoring; letters of credit, underwriting and credit insurance, etc. Naturally, not included are the receipts and payments linked to the principal and to the returns generated by the abovementioned transactions, which are recorded in the financial account and in the income account, respectively.

h) Computer and information services

This heading records receipts and payments relating to: hardware services, taken to mean the assessment and configuration of computer equipment, including maintenance and repairs; software services, such as the development and start-up of software, including the analysis, design, installation, programming and maintenance of the system; news agency services, including the provision of news, feature articles, photographs, etc.; computerised data processing, including their recording, transfer to other equipment, etc.; and, in general, services relating to databases. This heading does not cover the purchase of non-customised software supplies or training services, which are posted under the heading other business services.

i) Other business services

In addition to merchanting and operational leases, this heading includes, under the generic classification other business services, professional and technical services, a broad range of transactions of this type which do not fit into other categories. Like any heading defined by exclusion, it reflects a large number of diverse transactions whose quantitative significance is gauged in relation to other more precisely defined headings. Merely by way of example, it covers advertising and market research; research and development; legal, accounting, consulting, architectural, engineering, translation and interpretation, security and training services, etc. It also includes services rendered by parent companies to their subsidiaries, branches and associates that are billed as part of the overheads of the parent company.

The business services in this heading include commissions and fees relating to merchandise imports and exports, as well as merchanting (triangular transactions whereby residents purchase goods abroad from non-residents for their subsequent sale to other non-residents, without importing them to and exporting them from national territory). The net receipts from these triangular transactions (the difference between the amount of the sale and of the purchase of the merchandise) are recorded as an export of services.

Operational leases include leases with purchase options for transport equipment and means of transportation, as well as leases of means of transportation without crew. Not included are the principal and interest of financial leases, which are recorded in the financial account and in the income account, respectively.

j) Personal, cultural and recreational services

This heading covers audiovisual services and other personal, cultural and recreational services.

Audiovisual services include the production of films and radio and television programmes, as well as their distribution rights sold to the media. Fees paid to actors, producers, etc. are also included. However, they do not cover the royalties received for films, musical recordings, books, etc., which are entered under the heading royalties and licence fees.

The item for other cultural and recreational services reflects the receipts and payments derived from services of this nature not included under the previous heading, such as circuses, theatres, orchestras, museums, libraries, sports events, etc. Also included are subscriptions to newspapers and periodicals.

k) Government services

Included here are the receipts and payments linked to the expenses of embassies, consulates, military units, etc. and expenditure relating to the provision by the Spanish government of services associated with health, education, administrative costs, tourism offices, educational institutions, etc.

l) Royalties and licence fees

This heading records the receipts and payments for the rights to use patents, trademarks, designs and inventions, and copyright fees. Excluded are the rights derived from the distribution of films and audiovisual productions, which are recorded under audiovisual services.

m) Labour income

The compensation of short-term, border and seasonal employees is included here. This is one of the headings where the data-collection system employed has a number of shortcomings, such as the probable omission of part of this income spent in the territory where it is earned, in addition to the loss of information due to the exemption from declaring transactions of less than EUR 12,500.

n) Investment income

Investment income is presented in the same breakdown by instrument as in the corresponding headings in the financial account, reflecting the income generated by the assets and liabilities in each heading. In view of this, only a few points need be clarified, and these are addressed below.

Users are reminded that the investment income payments of the general government sector on its euro-denominated securities are recorded on an accrual basis. In this connection, see Section 5.2.2.b. above.

The general system for collecting information on transactions does not adequately cover undistributed earnings and transfers from direct investors to subsidiaries and branches to offset losses. Undistributed earnings have been estimated and incorporated into the data published in this report, and in the *Boletín Estadístico* and *Economic Bulletin* from the publication of the March 2005 data, starting with the 1995 data. The estimation method used is explained in the chapter on changes introduced.

The interest on subsidiary/parent company loans is recorded under the same criterion used for flows of principal (described under the heading "Direct investment" in Section 5.2.5.c), i.e. interest paid by non-resident parent companies to their resident subsidiaries is computed as a decrease in payments from direct investment income, and interest payments of resident parent companies to their non-resident subsidiaries are computed as a decrease in proceeds from direct investment income.

Transfers related to income from rentals or any other form of real estate operation are also included as returns on investment. The valuation differences in real estate sale/purchase transactions are generally recorded in the same way as any sale/purchase of assets, i.e. in the financial account and not as income.

According to the guidelines in the 5th edition of the Manual, all financial derivatives should be included as such in the financial account, even if the underlying instruments are interest rates or other types of income. Although the guidelines for reporting these transactions establish that derivatives in the strict sense should be reported separately from other financial transactions with which they are associated, this might not always be the case. As a result, interest rate swaps and forward rate agreements (FRAs), when associated with another transaction (a loan, for instance), are treated as the interest flows of said transaction, and are thus implicitly included, in net terms, in the investment income of the category corresponding to the underlying instrument. When these instruments are traded separately, they are treated, correctly, as financial derivatives, and are therefore not included in income. Several additional observations on the recording problems posed by derivatives transactions can be found under the heading "Financial derivatives" in Section 5.2.5.c.

As to the returns on transactions in negotiable securities, it is difficult to arrive at separate estimates for these returns and their principal. Specifically, neither the profit generated by holdings in mutual funds nor the yields on debt securities issued at a discount are included as income. Interest on the repurchase agree-

ments of MFIs is correctly treated, but there are greater doubts regarding the interest on these transactions when they are carried out by non-credit sectors, although they are quantitatively less significant. Nor are adjustments made in the financial account and the income balance to correct the effects of accrued interest, except in the case of securities issued in euro by the general government sector.

o) Current transfers

The distinction between current and capital transfers is difficult to draw, not only in practice but also conceptually. The 5th edition of the Manual prefers to define capital transfers and to record, by exclusion, all others as current transfers. The broad characteristics of the two, as defined in the Manual, are given below.

According to the 5th edition of the IMF Manual, “first, a transfer in kind is a capital transfer when it consists of: (i) the transfer of ownership of a fixed asset or (ii) the waiving of a claim by a creditor when no counterpart is received in return. Second, a transfer of cash is a capital transfer when it is linked to, or conditional on, the acquisition or disposal of a fixed asset (for example, an investment grant) by one or both parties to the transaction. A capital transfer should result in a commensurate change in the stocks of assets of one or both parties to the transaction. Capital transfers also may be distinguished by being large and infrequent, but capital transfers cannot be defined in terms of size or frequency. Current transfers consist of all transfers that are not transfers of capital. Current transfers directly affect the level of disposable income and should influence the consumption of goods or services. That is, current transfers reduce the income and consumption possibilities of the donor and increase the income and consumption possibilities of the recipient.”

In practice, the difference is not readily distinguished. In the tables in Chapter 6, current transfers of the private sector record: workers’ remittances; taxes; Social Security contributions; donations for the acquisition of consumer goods; salaries to personnel providing services abroad in aid programmes; food pensions; inheritances; literary, artistic and scientific awards, among others; prizes from lotteries; dues paid to charitable, recreational, cultural, scientific and sports organisations, etc. Also included is that part of the current transactions of insurance companies which is not recorded as service charges, i.e. claims plus premiums less service charges. Likewise, the receipts from the EU via EAGGF-Guarantee are included as transfers to the private sector.

In quantitative terms, the most significant current transfers of the general government sector are those whose counterpart is the EU. Among the most important receipts are those relating to job creation and training (ESF). The most notable items on the payments side are the funds known as the “VAT resource” and “additional resource (GNI)”. The receipts generated by the proceeds from collection services provided to Community institutions are recorded as receipts from services rendered.

b. Capital account

a) Capital transfers

The capital transfers of the private sector mainly show the flow of funds generated by the settlement of migrants’ net worth, including changes in ownership

from non-resident to resident, and their assets and liabilities, upon moving to Spain and vice-versa. Owing to the data-collection system used for the Spanish balance of payments, the coverage of these transactions is incomplete.

In quantitative terms, the most important item under the capital transfers heading is the part reflecting the receipts of the general government sector in the form of EU funds. Particularly notable are the funds for regional development (ERDF) and the “cohesion funds” which, in the Spanish case, are assigned entirely for structural improvements in industrial and environmental projects. Also included here are EAGGF-Guidance funds.

In addition, in accordance with Eurostat guidelines, capital transfers of general government now include as payments the indemnities paid by the CESCE for risks it assumes on behalf of the Spanish Treasury. When these indemnities are paid to a resident creditor (the exporter or bank which financed the transaction), the debit in the capital account has a counterpart credit entry in the financial account as the cancellation of this asset. The possible repayments received by the CESCE from non-residents as a result of the risk assumed are recorded as credits in the form of capital transfers from the general government sector.

b) Acquisition of non-produced, intangible assets

The capital account should record, together with capital transfers, the acquisition/disposal of non-produced, non-financial assets. Citing the 5th edition of the IMF Balance of Payments Manual, this heading comprises “transactions associated with tangible assets that may be used or needed for production of goods and services but have not themselves been produced (e.g. land and subsoil assets) and transactions associated with non-produced, intangible assets (e.g. patents, copyrights, trademarks, franchises, etc. and leases or other transferable contracts). However, in the case of resident/non-resident transactions in land (including subsoil assets), all acquisition/disposal is deemed to occur between resident units, and the non-resident acquires a financial claim on a notional resident unit. The only exception concerns land purchased or sold by a foreign embassy when the purchase or sale involves a shift of the land from one economic territory to another. In such instances, a transaction in land between residents and non-residents is recorded under acquisition/disposal of non-produced, non-financial assets”. Note that, in practice, since that part of the purchase/sale of land and subsoil assets reflected here is of only minimal significance (and, moreover, the related data are not available), the heading only records the purchase/sale of the aforementioned non-produced, intangible assets, and this is therefore the designation used in the tables.

c. Financial account

The headings in the financial account reflect the net change in the corresponding assets and liabilities, and this is expressly indicated in the related tables of Sections 6.1 and 6.2. Nonetheless, in the following sections, for the sake of clarity, this facet (the recording of flows) is not indicated in each case, and the word “net change” is often omitted, even though, strictly speaking, it should be used in all cases.

Direct investment

Before describing the components of this heading, it should be noted that the classification structure of direct investment flows shows certain particularities regarding the change in assets and the change in liabilities of the economy. Classification under this heading is based first

on the “direction” of investment; second, on the investment instrument involved (shares, loans, etc); and third, on whether these instruments are assets or liabilities, i.e. whether the resident transacting the operation is a creditor or debtor.

Briefly, this means that transactions between a parent company resident in Spain and its subsidiaries or branches abroad would be recorded as follows: financing of any type extended by the resident parent company to its non-resident subsidiaries or branches would be included in Spanish investment abroad, as occurs in the case of the other transactions in the financial account. By contrast, financing of any type extended by non-resident subsidiaries or branches to their Spanish parent company are classified as a decrease in Spanish investment abroad, rather than as a foreign investment in Spain, as would be the case in the absence of a direct investment relationship.

Likewise, the financing extended by non-resident parent companies to their resident subsidiaries or branches would be recorded under foreign investment in Spain, and the financing extended by resident subsidiaries or branches to the non-resident parent company would be classified as a decrease in foreign investment in Spain.

The application of this principle, which is clear in cases such as the above, is more difficult when it comes to corporate groups with complex structures. For instance, when two companies, one a resident of Spain and the other a non-resident, have cross-holdings in each other's share capital of more than 10%, the financing extended by the resident company to the non-resident should be classified as a Spanish investment abroad, and the financing extended by the non-resident company to the resident as foreign investment in Spain. In other words, in this case, the treatment would be the same as that applied to the rest of the financial account.

In the most complex cases involving major multinational groups, the correct classification of transactions would require determining the direct investment relationship of the two intervening companies. On many occasions, that proves extremely complicated.

Direct investment is divided into shares, other equity, inter-company debt transactions, and real estate.

a) Shares

Included here are subscriptions and sale/purchase transactions in shares if the investor's participation amounts to 10% or more of the issuing company's share capital. This heading also covers purchases of subscription rights by direct investors. Transactions are recorded at the effective amount received or paid, excluding commissions and expenses.

b) Other equity

Other equity includes the purchase and sale of securities representing capital other than shares, funding to branches or establishments, and, in general, any other form of participation in firms that does not materialise in shares. Also included in this heading are capital contributions to companies in the process of incorporation or for capital increases and funding for the operating expenses of branches or establishments lacking own funds, if such funding is not a loan or does not require repayment.

c) Reinvested earnings

Reinvested earnings are included as direct-investment capital transactions, as a balancing entry to the amounts included in the income account. That is to say, in the case of Spanish foreign direct investment, undistributed earnings (losses) give rise to an increase (decline) in such investment and to a receipt (negative receipt) of direct investment income. Likewise, such transactions are recorded in foreign direct investment in Spain and in the related income.

The share of the direct investor (in proportion to its direct share in the share capital) in the earnings or losses that subsidiaries or associates have not distributed as dividends and the earnings of branches that have not been remitted to the direct investor are included.

d) Inter-company debt transactions

This heading includes, in general, the loan transactions between parent companies and their subsidiaries or investee companies and between subsidiaries of the same group, unless the latter are credit institutions. As recommended in the 5th edition of the IMF Manual, the lending or deposit transactions between credit institutions are included under the heading for other investment, even though they are transactions between parent companies and their subsidiaries.

Specifically, this heading covers the loans extended by parent companies to their subsidiaries and investee companies, as well as the repayable advances extended to branches or establishments, minus loans in the reverse direction, i.e. those extended by branches and subsidiaries to their own direct investors which, as explained above, are subtracted from the former. Also included are loans extended between companies of the same group, even though they are not direct loans from the parent companies to their subsidiaries or vice versa. In accordance with the guidelines of the 5th edition of the IMF Manual, the loans extended by resident subsidiaries of a non-resident company to other non-resident companies in the group, other than the parent company, are included in Spanish direct investment abroad, while the amounts received by resident subsidiaries of a non-resident company in the form of loans extended by other non-resident subsidiaries are included under foreign direct investment in Spain.

In addition to financing in the form of loans between direct investors and their subsidiaries or branches, this heading encompasses the changes in the balances of inter-company accounts. Inter-company accounts are understood to mean accounts between subsidiaries and parents, or between companies in the same group, where mutual transactions — or transactions of the corporate group with third parties — are settled.

These transactions give rise to changes in the balances of inter-company accounts, which constitute a credit extended to or received from the parent company, or from the group company in charge of treasury management. This credit should be included under foreign investment in Spain in the item for inter-company debt transactions if the resident enterprise is a resident subsidiary or branch of the parent company, and under Spanish Investment abroad if the resident company is a direct investor.

Lastly, excluded from this heading are the loans extended by investment companies established in countries considered to be tax havens to their resident direct investors. Such loans are included in the change in liabilities under other investment.

e) Real estate

This heading comprises purchases of property, or other real rights related to real estate, including purchases of property under time-share schemes and the acquisition of real estate through financial leases.

Portfolio investment

Portfolio investment is divided into shares and mutual funds, bonds and notes, and money market instruments.

a) Shares and mutual funds

This includes the subscription, sale and purchase of shares and subscription rights that do not constitute direct investment, as well as the sale and purchase of holdings in mutual funds. These transactions are recorded at the effective amount paid or received, excluding commissions and expenses.

b) Bonds and notes and money market instruments

Transactions in debt securities are presented distinguishing between bonds and notes on the one hand (in general, securities issued with an initial maturity of more than one year) and money market instruments on the other (mostly securities issued with an initial maturity of one year or less, although 18-month Treasury bills are included). Transactions in securities issued with a maturity of more than one year are always classified as bonds and notes, even though their residual maturity at the time of the investment is less than one year. Transactions in securities issued with a term of one year or less are recorded under money market instruments.

Transactions involving any type of debt security are included, solely on the condition that they can be traded on Spanish or foreign markets, irrespective of whether they are issues denominated in euro or foreign currency. Conversely, investment in debt securities that are not negotiable is recorded under other investment. However, it should be pointed out that some issues, such as euronotes and commercial paper, are included in the portfolio investment heading because of their negotiability, even though they are not traded on organised markets and are placed in circulation through private offerings.

The institutional sector corresponding to these transactions is assigned according to the sector to which the resident issuer belongs, in the case of liabilities, and the sector of the resident subscriber or buyer of the securities, in the case of assets. Thus, the securities issued by non-residents, initially subscribed by credit institutions and subsequently sold to other residents, figure under the MFIs heading.

Excluded from this heading are non-residents' repo operations involving debt securities issued by residents. These are included in other investment, in the resident sector that carries out the operation, as change in assets (purchases by residents) or change in liabilities (sales by residents).

This heading reflects, by exclusion, the changes in financial assets and liabilities with non-residents that are not recorded as direct or portfolio investment or as reserves. It essentially consists of loan and deposit transactions. Included are repo transactions (including sell/buy-back transactions) between residents and non-residents, involving securities issued by either party, which the Spanish balance of payments treats as secured loans or deposits. For a description of the system used to classify repos as loans or deposits, see the related paragraph on other investment in Section 5.2.3.a. above.

The classification of a number of financial instruments under this heading or under the portfolio investment heading does not always rest on unequivocal criteria, and inevitably leaves certain decisions to the discretion of the compiler. In principle, this heading covers any asset or liability instrumented through a private contract or through the issue of non-negotiable debt securities. Recall, however, that some of these issues, such as private issues of notes, commercial paper, euronotes, etc., are recorded as portfolio investment owing to their negotiability, even if they are not traded on organised markets.

Specifically, other investment includes loans between residents and non-residents (excluding, as already noted, those extended by enterprises belonging to the same economic group, except when they are transactions between credit institutions, which are recorded entirely under this heading, even though they are carried out between institutions of the same group); trade credits with payment deferrals of more than one year extended directly by the supplier to the buyer; credits of third-party financial firms; financial leases for purchases of goods; sight and time deposits at credit institutions; assets derived from executions of guarantees; purchases of non-negotiable financial instruments; and repo transactions⁴.

In addition, the long-term assets in the general government sector encompass membership quotas for international organisations. Lastly, the deposits heading includes, within the assets of other resident sectors, the change in the outstanding balance of foreign banknotes held by residents.

In practice, the separate measurement of the deposits of MFIs by liabilities and assets poses numerous difficulties. In the data in this report, a distinction is drawn between sight deposits by assets and by liabilities only for the years 1998 onwards, using information from the balance sheets of credit institutions. For earlier years, this separation could not be made, and, consequently, for those years only the net flow of liabilities minus assets is available. These have been conventionally allocated by assigning to assets, those denominated in foreign currencies, and to liabilities, those denominated in pesetas. Section I.5.5.3 of the *Spanish Balance of Payments*, 1994 explains in detail why the reliability of the information on the total net flow (liabilities minus assets) in this heading is much greater. In the same section, readers interested in this matter will also find several observations — which are, on the whole, still valid — concerning the relationship between these flows as well as information on the deposits and accounts of the credit system contained in the balance sheets of credit institutions.

From the data for 2002 this heading includes, on the assets side, an estimate of the net amount of euro banknotes purchased by residents from non-residents, basically as a result of

4. The recording of repos under the heading other investment, rather than under portfolio investment, makes it difficult to compare the data in the Spanish balance of payments with those of Iberclear relating to non-resident transactions in Spanish public debt. A detailed analysis of the differences is given in previous years' reports, in particular The Spanish Balance of Payments, 1993, Section I.7.2.2. This analysis remains broadly valid.

travellers' payments for tourism services. This estimate has been revised in accordance with that made under the travel heading.

Financial derivatives

As discussed in previous editions of these methodological notes, in 1997 the IMF revised the guidelines of the 5th edition of the Balance of Payments Manual on the treatment of financial derivatives in its publication *The Statistical measurement of financial derivatives* (IMF Statistics Department, November 1997). The most significant change with respect to its initial recommendations was the clarification that any financial derivative which can be valued because a market price exists for its underlying asset should be recorded in the financial account, regardless of whether it is traded on organised markets and irrespective of the type of underlying asset. The revised text of the Manual recommended including as investment income in the current account those derivatives whose underlying assets are interest rates; in addition, it excludes from the financial account certain derivatives that are not traded on organised markets.

The IMF also decided to classify financial derivatives in a separate account, instead of including them under portfolio investment as another component.

Nonetheless, the IMF acknowledges the practical difficulties of its recommendations. Specifically, in reporting systems such as Spain's, the separation of the price of the derivative and of its underlying asset continues to pose problems when the contract is executed upon delivery of the underlying asset. Likewise, the classification of derivatives transactions by asset or liability is difficult not only from a practical standpoint, but also conceptually, since certain instruments go from one category to another depending on the price of the underlying asset. In fact, because of this problem, the European Central Bank decided to record financial derivatives in the euro area balance of payments as the net amount of change in liabilities less change in assets, and the same procedure is applied in this report.

The data in this report include options issued over the counter or on organised markets, financial futures issued over the counter or on organised markets, warrants on shares and debt securities, forward sales/purchases of currencies, FRAs, currency and interest rate swaps and swaps on indices or any other type of asset.

In accordance with the methodology recommended by the IMF, over-the-counter options transactions are recorded at the amount of the premium, excluding commissions and expenses, although at times it is difficult to distinguish between these two items. In such cases, commissions are possibly included in the price of the options. At maturity, if the option expires without being exercised, no entry is made under this heading. If the option is exercised and settled in cash, the amount paid or received is recorded: if it is exercised with the purchase or sale of the underlying instrument, the difference between the strike price and the market price of the underlying asset is included in financial derivatives, and the purchase or sale of the underlying instrument is recorded at its market price under the heading in which the transactions with this instrument are included (for example, bonds and notes, money market instruments, etc.). In the latter case, given its complexity, the treatment may not always be correct.

Investment in organised financial futures and options markets is recorded at the amount of the premium plus or minus the successive payments that reflect profit or loss, excluding the margin deposit, which is included in other investment.

Transactions in warrants are recorded at the amount paid or received, and the settlement is treated in the same manner as in the case of over-the-counter options.

Forward sales/purchases of currency, FRAs, currency and interest rate swaps, and other swaps are recorded as the difference between the amounts paid and received. Nonetheless, when these instruments are associated with another transaction, they may be incorrectly re-recorded under the corresponding heading of the transaction, given the practical difficulties in distinguishing between them.

The financial account of the Banco de España records the changes in its foreign assets and liabilities, broken down into the change in reserves, the change in Banco de España claims on the Eurosystem and the change in its other foreign assets and liabilities.

Since EMU has been in place, Member States' reserves are defined as the liquid assets in foreign currency that their national central banks hold vis-à-vis residents of non-EMU countries. Therefore, they do not include any type of euro-denominated asset or claims in foreign currency on euro area residents. Since January 2000, entries under this heading have followed the guidelines laid down by the IMF in the document *Data Template on International Reserves and Foreign Currency Liquidity, Operational Guidelines*, October 1999 (<http://dsbb.imf.org/guide.htm>). This is the key reference for readers interested in the detailed breakdown of this heading. The Banco de España publishes all the information required by the IMF in this document, both on reserves in the strict sense of the term and the general liquidity in foreign currency of the Banco de España and the Treasury, and on the liabilities constituting a specific or contingent short-term drain on such liquidity. The full data can be found on the Banco de España website in the Statistics section (Balance of payments, Statistical data).

The heading *Banco de España claims on the Eurosystem* includes claims of the Spanish central bank on the other euro area central banks and on the European Central Bank. The main changes here are those arising from the settlement of cross-border transactions between residents and non-residents via Target. As explained below, in these transactions the Banco de España and the rest of the Eurosystem are an interface to the residents and non-residents that are the final parties to the transaction. In addition, since January 1999, it includes the changes in the Banco de España's claims on the ECB as a result of the transfer of reserves and the relevant updates. It would be beyond the scope of these methodological notes to offer a detailed and rigorous analysis of the working of Target. Nonetheless, for readers not familiar with this settlement system, a brief outline of its workings might be useful. If a Spanish resident importer has to make a payment to a French resident, the Banco de España debits the account that the importer's Spanish bank holds with it (and this bank will evidently have debited in turn its client's account) and credits its account with the French central bank. The latter will credit the account of the French bank with which, in turn, the exporter who is the final recipient of the funds has its account. As a result of the transaction, there is a change in the balance of a Spanish bank's account with the Banco de España (in addition to the bank's transaction with its client), and a transaction by the Banco de España with a central bank of the Eurosystem (besides the transactions between French residents).

The Spanish balance of payments does not show the transaction between the Banco de España and the Spanish bank, nor that between the latter and its client, as what are involved are transactions between residents. Double-entry accounting would show an import payment and a receipt relating to the reduction in the balance of the Banco de España's account with the Bank of France, i.e. with the Eurosystem. Although in practice the arrangements are more complex (since November 2000, settlement through Target by novation has added complexity), the final result is the same as far as the accounting entry in the balance of payments is concerned. Given the quantitative significance of cross-border transactions between residents and non-residents settled through Target, there is no need to underscore its importance in the

balance of payments. From an analytical standpoint, however, it should be stressed that Target's relevance transcends the mere quantitative significance of the heading, as is explained in the annex.

Note that, despite its generic name "claims on the Eurosystem", this account, which is actually a mutual account, can have a positive (credit) or negative (debit) balance at different moments in time. Since the balance of payments shows flows, i.e. the change in the balances of this account, the sign these flows receive in the balance of payments depends on the accounting convention used, but this is irrespective of whether, at a given time, its balance is positive or negative. In the footnotes to the tables in Chapter 6, the accounting convention used is specified: an increase in the net asset balance of this account (an increase in the absolute value of its balance, if it is a credit balance; a reduction in the absolute value of its balance, if it is a debit balance; change from a debit to a credit position) is recorded in the tables of Chapter 6 with a negative sign. A reduction in the net asset balance (a reduction in the absolute value of its balance, if it is a credit balance; an increase in the absolute value of its balance, if it is a debit balance; change from a credit to a debit position) is recorded in the tables of Chapter 6 with a positive sign. In Tables 6.1.9 and 6.2.9, in which the standard IMF presentation has been chosen, the change in the balance of this account appears under the heading other Spanish investment abroad, along with other assets of the Banco de España (except reserves). As explained earlier, the fact that, in these tables, this account is incorporated into assets (Investment abroad) or into liabilities (Foreign investment) is another accounting convention, since its balance can be a credit or debit one. As in the Spanish case it is the credit balance that has prevailed since the onset of EMU, it has been decided to include this heading in the above-mentioned tables under other investment abroad.

Other net assets include the net change in the other Banco de España liabilities and assets not included in the two foregoing headings. As earlier indicated in the summary tables in Chapter 6, and in Tables 6.1.8 and 6.2.8, they have been measured as the change in liabilities minus that in assets. In Tables 6.1.9 and 6.2.9, the assets appear either in other Spanish investment abroad along with the Banco de España account or (since 2002) in portfolio investment, and the liabilities in other foreign investment in Spain. The assets include those Banco de España investments (other than those of the account with the Eurosystem) which, by their nature, cannot be considered as reserves. It should be noted that included here are the Banco de España's contributions to the ECB's capital, as well as the financial asset counterpart of the transfer of part of its reserves to the ECB in 1998 and 1999, and the relevant successive updates. The liabilities also include certain foreign liabilities of the Banco de España, likewise of limited significance, and liabilities referred to by the IMF as "liabilities linked to reserves", where those transactions involving borrowing by the monetary authorities that generate, in turn, changes in reserves are reflected. Notable here are gold swaps and financing obtained by repo transactions.

5.3 International Investment Position. Methodology

The International Investment Position (IIP) statistic presents the external financial assets and liabilities balances of an economy following the same structure and from the same perspective as the corresponding balance of payments flows. It is compiled under the same framework of methodological rules laid down in the 5th edition of the IMF Balance of Payments Manual. Accordingly, as far as the classification of assets and liabilities is concerned, everything stated in Section 5.2.3 of this chapter is still valid. It should merely be noted that the IIP data for Spain presented in this report do not include financial derivatives, owing to the absence of reliable information. In future, information will be available for the sector other MFIs from a new accounting statement contained in Banco de España Circular 4/2004, which establishes "public and confidential financial reporting rules and formats". As far as the breakdown by institutional sector is concerned, its scope is also identical to that of the balance of payments (see Section 5.2.3).

The 5th edition of the IMF Manual requires that all external assets and liabilities be valued at the prevailing market price. In certain specific cases (direct investment), however, book value may be used, although it is pointed out that such valuation must be revised regularly in line with market value. As for the exchange rate applicable to translate foreign currency balances into the currency of presentation of the position, the 5th edition of the Manual suggests using the average market exchange rate (the average of the buying and selling rates) of the date to which the position refers.

Under these criteria, the final position of a period will be equal to the position at the start of the period plus the transactions conducted during that period (normally reflected in the balance of payments), plus the valuation changes that have arisen during the period considered (due both to changes in exchange rates and in the prices of the financial assets and liabilities), plus other changes in the volume of financial assets and liabilities, such as the unilateral cancellation of a loan by the creditor.

The IIP time series are presented in Chapter 7 and published in the Banco de España's *Boletín Estadístico*. Readers should also note that the Banco de España began to disseminate Spain's external debt statistics in 2003. These quarterly statistics are distinguished from the liabilities of the IIP insofar as they do not include liabilities in the form of equity holdings or financial derivatives. However, liabilities are classified in the external debt statistics differently from in the IIP, so that these are complementary statistics. The quarterly external debt series, commencing in December 2002, are available in the Banco de España's *Economic Bulletin* and at its website.

5.3.1 DATA SOURCES AND VALUATION PRINCIPLES

The main statistical sources providing information for the compilation of the Spanish IIP are:

1 Banco de España

The Banco de España has the information on reserve assets, along with that on the rest of its foreign assets and liabilities included in the IIP.

2 Financial institutions

Banco de España Circular 4/1991 of 14 June 1991 established the accounting standards to be applied by credit institutions and the formats for the financial statements they must periodically submit to the Banco de España. These rules are now contained in the new Circular 4/2004, but the former circular is still the relevant one for the data published in this report. This Circular applies and adapts to the credit institutions sector the accounting standards of the Spanish Commercial Code, the Law on public limited companies (*Ley de Sociedades Anónimas*) and other legal provisions specifically applicable to them. For some headings of the IIP, credit institutions' stocks of financial assets and liabilities vis-à-vis the rest of the world have been obtained directly from their balance sheets. The valuation principles used by this source, which are to be found in rule three of the aforementioned Circular, are set out below:

a) Assets

General principle: assets representing claims on persons or goods are valued at cost. There are, however, certain exceptions, which are described below.

Fixed assets are recorded at cost net of the related depreciation, and only increases in value pursuant to specific legislation are allowed. Assets leased under financial leases are not recorded as fixed assets by the lessor but as credit granted. In the case of the lessee, the goods leased are, in addition to being considered credit received, are included under fixed assets (provided that there is no reasonable doubt that the purchase option will be exercised).

Assets purchased at a discount, except for negotiable securities, are recorded at their redemption value. The difference between the amount recorded and the price paid is recorded in a set-off account until the asset disappears from the balance sheet.

Securities included in trading portfolios⁵ are valued at market prices. Variable-yield securities not included in trading portfolios are valued at cost, adjusted where applicable for the legally established write-downs or restate-ments. In this respect, the institutions write down listed securities on a quarterly basis, adjusting their value to the lower of the average market price of the quarter or the end-quarter price. They do this either by directly writing off the assets, which is mandatory if the valuation corrections are irreversible realised losses, or by creating a security price fluctuation reserve (in which case the external assets are not affected). Unlisted securities are valued according to the prudent judgement of the institution, and must be written down in the same way as listed securities if the company has fictitious assets or losses, in no case exceeding the theoretical value deduced from the company's balance sheet.

As from December 2003, the information obtained through the reporting system for negotiable securities regulated by Circular 2/2001, with data available from December 2002, has been used to obtain the portfolio investment of all sectors, including MFIs. This system provides security-by-security data, at market prices, on stocks of negotiable securities and transactions relating to negotiable securities between residents and non-residents.

b) Liabilities

Shares and other equity are recorded at their nominal value issued as of the date of communication.

c) Translation of foreign currency into euro

Credits and debits are denominated in the currency in which they are to be redeemed, irrespective of whether they are initially paid or received in another currency. Shares and other equity are denominated in the currency in which the issuer declares their nominal value. Foreign currencies are translated into euro by applying the average spot market exchange rate as of the date to which the balance sheet refers or, in default thereof, that of the last business day. This principle does not apply to uncovered fixed assets (investment in property for own use, significant stakes of a permanent nature and capital

5. Trading portfolios include those fixed-income and variable-yield securities that institutions hold among their assets in order to obtain short-term profits from price swings.

endowments to branches abroad), and they are translated at the exchange rate prevailing on their purchase date. For assets and liabilities denominated in the currencies of the euro area countries, the irrevocable exchange rate vis-à-vis the euro has been used.

d) Separation of loans and deposits

The distinction between loans and deposits is difficult to draw and varies according to the criterion used. The convention adopted for external assets and liabilities is the following:

Assets vis-à-vis the external sector: included as deposits are the assets of resident credit institutions vis-à-vis non-resident credit institutions. Capital endowments of branches abroad are not included, being recorded as shares and other equity. The assets of resident credit institutions vis-à-vis non-residents other than credit institutions are included as loans.

Liabilities vis-à-vis the external sector: included as deposits are all the liabilities of resident credit institutions vis-à-vis non-residents (credit institutions and other).

3 Iberclear (Securities Registration, Clearing and Settlement Systems Management Company)

Iberclear provides information, on a security-by-security basis, of its securities accounts when their holders are non-resident, including those held with other central securities depository institutions. Information is available on the nominal amounts and the amounts at market prices.

4 Register of external loans received and extended by resident sectors other than the credit system

This statistic is compiled by the Banco de España from the accounting-administrative documents created for the monitoring of external loans extended and received and of non-negotiable securities issued by residents, other than the credit system, in favour of non-residents. A detailed description can be found in the notes of the October 1995 *Boletín Estadístico* and in the *Economic Bulletin* of the same month. The figures obtained from this source include both the loans extended and received and euronotes, commercial paper and loans of related companies (parent companies and subsidiaries), although the data have been correctly distributed between direct investment (parent/subsidiary and subsidiary/parent loans and loans between indirectly related companies), portfolio investment (euronotes, commercial paper, etc.) and other investment (all other loans).

5 The Spanish balance of payments

This Banco de España statistic has been used to construct the stocks, by accumulation of flows, when there are no reliable census statistics for a specific financial instrument, such as the direct investment of other resident sectors, which is currently the main statistical gap.

6 Bank for International Settlements

The data released by this institution were used to estimate the initial stocks of assets, as at December 1992, held by non-financial resident sectors with non-resident credit institutions.

7 Other data sources

The Banco de España has a highly detailed database on securities issued by resident institutions, both in euro and in foreign currency. The information is obtained from Iberclear, the CNMV and numerous specialised publications. As in the case of the balance of payments, the database of negotiable securities of the Bank for International Settlements is also used to obtain, from the ISIN, the country of non-resident issuers of portfolio assets.

5.3.2 PROCEDURE FOR OBTAINING POSITIONS

The stocks of the financial instruments making up the asset and liability positions at a given date are basically estimated by one of the following procedures:

Direct. From the sources of information available, when they provide the data in stocks. This is the case for most of the series on the credit system's assets and liabilities in loans and deposits, whose data come from current financial statements, and which are in most cases valued at market prices; the stocks of negotiable securities of all sectors, which are obtained from the reporting system regulated by Circular 2/2001; and the loans extended and received by other resident sectors, which are obtained from the register of such loans.

Accumulation of flows. In those items in which this procedure is used the initial end-1992 stock has, unless indicated otherwise, been taken as the starting point. This, in turn, has normally been estimated by accumulation of flows, adjusted for the exchange-rate valuation effect, where applicable, from the balance of payments on a cash basis, available since 1959. The stocks compiled since 1993 have been obtained by adding to the initial stock the flows of the items of the financial account of the balance of payments, with an exchange rate valuation adjustment where necessary. This adjustment has been made by applying to the accumulated flows the average market exchange rate as of the date to which the position refers. Also, these accumulated flows have been adjusted for the changes in the prices of financial instruments in those cases in which this effect has been significant and for which information is available.

5.3.3 STRUCTURE AND CONTENTS OF THE TABLES IN CHAPTER 7

Chapter 7 contains the data on Spain's IIP, estimated using the methodology and data sources described in the previous section. A summary table with annual data since 1994 is published along with two more detailed tables with quarterly data for 2003 and 2004. This edition also includes a table for each year with a breakdown by country and by economic and geographical area. As pointed out above, the estimates for successive quarters and the revisions of the provisional data for previous quarters will be published in Chapter 16 of the Banco de España's *Boletín Estadístico* and in electronic format on the Banco de España website, as and when they become available.

The summary table, similar in form to the corresponding balance of payments summary tables, separates the Banco de España position from that of the other institutional sectors. The analytical reasons for this design are the same as in the case of the balance of payments, and they are explained in detail in the introductory section. To provide for readier international comparability, the presentation of the breakdown tables is similar to that in the IMF publications, with the assets- and liabilities-side position of the Banco de España separated from that

of the other MFIs. The presentation is thus similar to that of Tables 6.1.8 and 6.2.8 of the balance of payments. Note that none of the IIP tables show data on financial derivatives.

Both Spanish investment abroad and foreign investment in Spain are broken down into their three main categories (direct, portfolio and other investment), with disaggregated information for each one, in accordance with the financial instrument in which the investment is embodied. In addition, in portfolio investment and other investment a breakdown is given, for each instrument, of the position by institutional sector. Spanish investment abroad also includes, separately, reserves.

Readers are reminded that the table of contents at the beginning of the report gives a detailed list of the IIP tables as they appear in Chapter 7.

5.3.4 SPECIFIC NOTES FOR EACH HEADING

The headings of the IIP tables coincide with those of the Balance of Payments Manual, with the aforementioned exception that they do not include information on financial derivatives.

a. International investment position, excluding Banco de España

a) Direct investment

Spanish investment abroad (residents' financial assets)

The content of this heading practically coincides with the guidelines of the 5th edition of the IMF Manual. The heading shares and other equity comprises equity securities and any other form of equity interest in a company which meets the requirements set out in the 5th edition of the Manual. The content of the section shares and other equity shares issued by resident companies that are not listed or in the process of being listed on the stock market and direct investment in listed shares. The other forms of equity interest consist of residents' ownership interests in non-resident companies and entities other than shares, such as capital endowments to branches and establishments, investment in the form of joint accounts, jointly held property, foundations, consortia, co-operatives and joint ventures. It also includes the contributions of resident parent companies to their non-resident branches and establishments for current maintenance expenses and offsetting of losses, as well as for the acquisition of property for the start-up of the establishment. It also comprises residents' real property abroad, including that held on a time-share basis.

The financing to related enterprises includes that extended by resident parent companies (other than credit institutions) to their non-resident subsidiaries and associates, irrespective of the type, instrument or term, and that extended by Spanish subsidiaries to other non-resident companies of the group other than the parent company, deducting from this amount the financing received by the resident parent company from non-resident subsidiaries. This heading also includes the balance of inter-company accounts if the resident company is the parent of the non-resident one.

MFIs' stocks are essentially taken from their financial statements, and those of other resident sectors are obtained by accumulation of flows, which include, for the first time, reinvested earnings (see Section 5.2.5.c), except loans, which are obtained from the above-mentioned register. In those cases in which flows have accumulated, they are adjusted for exchange rate valuation effects. However, due to a lack of adequate information, the accumulation of flows has not been adjusted for changes in the price of the assets, which constitutes a limitation in the estimates of this heading.

b) Portfolio investment, excluding Banco de España

The various instruments of this heading coincide with those in the 5th edition of the IMF Manual. The data have been obtained from the new reporting system for negotiable securities regulated by Circular 2/2001, which provides direct information on stocks, security by security, at market prices.

c) Other investment, excluding Banco de España

The items under this heading encompass the various investments indicated in the 5th edition of the Manual. The resident MFI sector's repos and sell/buy-back transactions with non-residents other than credit institutions are classified as loans, while those involving resident and non-resident credit institutions and all other transactions by other resident sectors (mostly with credit institutions) are classified as deposits. In addition, credits to aid development (FAD credits) granted by the Government to other countries to finance the acquisition of goods and services from residents are included as loans.

Loans extended by MFIs to non-residents are obtained directly from the balance sheets of credit institutions, while those extended by other resident sectors are obtained from the register of loans. The data on deposits between credit institutions are taken from the balance sheets of the credit institutions themselves. Those of other resident sectors are obtained, until 1993 inclusive, from the Bank for International Settlements, and, thereafter, by adding balance of payments flows to the initial 1993 stock, adjusting those deposits denominated in foreign currency for the exchange rate valuation effect.

Finally, the heading other assets includes the insurance technical reserves set aside by non-resident institutions and Spain's interests in international agencies.

Since 2002 this heading has included an estimate of the net amount of euro banknotes purchased by residents from non-residents, basically as a result of travellers' payments for tourism services.

Foreign investment in Spain
(residents' liabilities)

a) Direct investment

The heading "shares and other equity" includes shares issued by resident companies that are not listed or in the process of being listed on the stock market and direct investment in listed shares, calculated by supplementing the balance of payments information with information from the Investment Register of the Ministry of Industry, Tourism and Trade. It also includes non-residents' ownership interests in resident companies and enterprises other than shares, such as capital endowments to branches and establishments, investment in the form of joint accounts, jointly held property, foundations, consortia, co-operatives and joint ventures. It also includes the contributions of non-resident parent companies to their resident branches and establishments for current maintenance expenses and offsetting of losses, as well as for the acquisition of property for the start-up of the establishment. Finally, this heading includes properties located in Spanish territory owned by non-residents, including those held on a time-share basis.

Financing to related enterprises includes all types of financing, whatever the instrument or term, extended by non-resident parent companies to their resident subsidiaries and associates, and the financing extended by non-resident subsidiaries to other resident companies of the same group other than the parent company. The financing received by a non-resident parent company from its resident subsidiaries is deducted (financing by non-resident credit institutions to their branches and associates in Spain which are themselves credit institutions is not included). Inter-company account balances are included in this heading when the non-resident company is the parent of the resident or when two enterprises are indirectly related because they belong to the same group.

The data on MFIs' shares and other equity and on financing to related enterprises have been obtained as stocks, drawing on the information in MFIs' balance sheets and in the register of loans. The data on the shares and other equity of other resident sectors have been calculated by means of the accumulation of balance of payments flows, which include, for the first time, reinvested earnings (see Section 5.2.5.c), adjusted for exchange rate variations, but not for price changes, this being a limitation of these estimates.

b) Portfolio investment

The series on shares and mutual funds include the shares and the instruments representing shares issued by residents that are listed on or in the process of being listed on a stock market or are traded on foreign markets, except those which are direct investments. This heading covers the shares of non-residents in resident fixed-income, variable-yield, mortgage and mixed mutual funds.

The stocks data have been obtained using the new securities reporting system, which supplies direct information on stocks, security by security, at market prices.

c) Other investment, excluding Banco de España

This covers liabilities not included in other categories, as indicated by the 5th edition of the Manual. The loans heading includes, in addition to these instruments and credit in the strict sense, the debts incurred by residents as a consequence of the execution of guarantees and collateral given by non-residents. It also includes the balance of the account between general government and the European Union, repo purchases of assets by non-residents from residents other than credit institutions. Conversely, such purchases by non-residents (normally credit institutions) from resident credit institutions are classified with deposits. As to statistical sources, the loans received by general government and other resident sectors are obtained directly from the register of loans. The information on deposits and repos is drawn from the financial statements of resident credit institutions.

The data on loans refer strictly to loans and credits. In other words, loans received by general government do not include either euronotes or commercial paper. These, as mentioned above, are recorded as foreign portfolio investment in Spain. As to loans received by other resident sectors, these include neither loans between parent companies and subsidiaries or companies of the same group (which

are recorded as direct investment, applying the directional principle described in the corresponding paragraph relative to the balance of payments) nor the private placements of negotiable securities (which, like those of general government, are recorded as portfolio investment).

Lastly, the heading other liabilities includes reinsurance deposits with non-residents.

b. International investment
position of the Banco de España

The *foreign assets* of the Banco de España include reserves, the Banco de España account with the Eurosystem and other, less significant foreign assets. Their content was explained in Section 5.2.5.c under the heading “Financial account of the Banco de España”, in the detailed description of the equivalent balance of payments headings, and is thus not repeated here. It need only be recalled that all assets making up the reserves (whose main components are monetary gold, the position in the IMF, SDRs and convertible currencies) have been valued since 1998 at market prices. Since January 1999 the convertible currency component has included solely assets denominated in currencies other than the euro vis-à-vis countries not forming part of the euro area. As earlier indicated, the Banco de España *Boletín Estadístico* and website (in the balance of payments section under the statistics heading) publish detailed information on the reserves and other components of liquidity in foreign currency of the Banco de España and the Spanish Treasury. These data are compiled following IMF guidelines (see the reference in Section 5.2.5.c under the heading “Financial account of the Banco de España”).

The *external liabilities* of the Banco de España were also described under the above-mentioned heading. Here, too, the IMF and Banco de España website references are valid. Along with the breakdown of reserve assets, the website publishes information on the central bank’s predetermined and contingent liabilities, and those of the Treasury.

5.3.5 MAIN DIFFERENCES
BETWEEN CHANGES IN THE
STOCKS OF THE IIP AND THE
BALANCE OF PAYMENTS

The changes in the IIP between two points in time and the related transactions of the balance of payments should differ, primarily because of the changes arising in exchange rates and as set prices during the period. Nonetheless, there are differences between the two statistics FLOWS attributable to other causes, arising basically from the different sources of the data. The most important differences of this type are:

a) Sectorisation

The balance of payments shows the flows of foreign investment in Spain in the different sectors, assigning them to those which purchase the asset from the non-residents. However, given the current data-collection system, the redistribution of assets which takes place subsequently among the resident sectors is not taken into account. This redistribution is recorded, at least in part, in the stocks of the IIP. are:

b) Assets and liabilities relating to insurance

Insurance technical reserves are included in the IIP but are recorded only partially in the balance of payments.

c) Repos

As mentioned above, in the IIP, repo purchases of securities by resident MFIs from non-residents other than credit institutions are treated as loans, while those

between resident credit institutions and non-resident credit institutions, as well as all those carried out by other resident sectors, are treated as deposits. Repo purchases of securities by non-residents from resident credit institutions are also treated as deposits, and those from other resident sectors as loans. The balance of payments presents these operations separately when they are conducted by resident MFIs, and records them under the general heading "loans and deposits" when they are transacted by other resident sectors.

5.4 Changes introduced

This section briefly describes the main changes introduced, during 2004 or for the first time in this edition of the report, in relation to the balance of payments, international investment position and related statistics (external debt and international reserves). This year, the most important changes consist of the revision of the balance of payments time series, the introduction of changes in the statistical tables presented in order to provide more detailed information and, finally, on the progress achieved in designing and implementing new sources of information.

5.4.1 REVISION OF THE BALANCE OF PAYMENTS TIME SERIES

As mentioned in the introduction to this chapter, in coordination with the publication by the INE in May 2005 of the GDP and its components within the framework of the new base year of 2000 for the Spanish National Accounts, a revision was carried out of the time series of some of the main balance of payments headings for the period 1995-2004. The new monthly data are freely available via the Internet on the Banco de España website. This revision chiefly affects the current account, although other changes impinge less significantly on the capital account and the financial account. This section describes the main changes made in the revision, after first discussing the aims and the results obtained.

The main aim of the revision is to improve the quality of the estimates of certain balance of payments headings which, as a result of the limitations that in recent years have been building up in the external sector statistics compilation systems based on foreign receipts and payments records, did not properly reflect the reality that they were intended to approximate. Therefore, to some extent, this is one more step in the process of data source adaptation that faces the external sector statistics compilation system, as mentioned in previous editions of this monograph.

At the same time the revision aims to remedy certain limitations in the data disseminated to date in meeting the requirements of the 5th edition of the Balance of Payments Manual. Notable in this respect is the inclusion for the first time of an estimate of the reinvested earnings from Spanish inward and outward direct investment.

Finally, the revision is also intended to bring the balance of payments data, specifically those of the balance of payments current account and capital account, more closely into line with those of the rest of the world account in the National Accounts. These two statistics underwent a process of methodological harmonisation at the beginning of the past decade and, accordingly, the net lending/borrowing requirement vis-à-vis the rest of the world on National Accounts figures should now show results very similar to the sum of the balances of the current account and the capital account in the balance of payments. Despite this, owing basically to the characteristics of the information sources available (as regards periodicity, lag between the availability of data and the period to which they refer, and available breakdowns, such as the geographical one) and to the dissemination and revision schedules of the two statistics, it is difficult to achieve a total harmonisation of the data. This revision is one more step in that process of harmonisation; since it incorporates into the balance of payments various information sources and estimation procedures that were already being included in the National Accounts and the main changes have been introduced on a coordinated basis by the

NET LENDING (+) / BORROWING (–) OF THE SPANISH ECONOMY

TABLE 5.1

EUR millions

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Previous series	5 036.0	5 330.0	7 849.0	3 081.0	–6 560.0	–15 812.0	–12 780.0	–9 142.0	–12 066.0	–31 007.0
<i>As a percentage of GDP (base year 1995)</i>	1.2	1.1	1.6	0.6	–1.2	–2.6	–2.0	–1.3	–1.6	–3.9
New series	3 032.0	3 350.0	4 982.0	–520.0	–10 407.0	–19 952.0	–20 959.0	–16 153.0	–19 745.0	–35 903.0
<i>As a percentage of GDP (base year 1995)</i>	0.7	0.7	1.0	–0.1	–1.8	–3.3	–3.2	–2.3	–2.7	–4.5
<i>As a percentage of GDP (base year 2000)</i>	na	na	na	na	na	–3.2	–3.1	–2.2	–2.5	–4.3
Difference (a)	–2 004.0	–1 980.0	–2 867.0	–3 601.0	–3 847.0	–4 140.0	–8 179.0	–7 011.0	–7 679.0	–4 896.0
<i>As a percentage of GDP (base year 1995)</i>	–0.5	–0.4	–0.6	–0.7	–0.7	–0.7	–1.3	–1.0	–1.0	–0.6

SOURCES: INE and Balance of Payments of the Banco de España.

a. A negative sign denotes that the revision of the heading involves lower net lending or greater net borrowing of the Spanish economy.

institutions responsible for compiling the two statistics. Despite this, certain discrepancies still persist and will be eliminated in the near future. The most important is the criterion used in accounting for a part of portfolio investment income.

In carrying out the revision, various procedures have been combined. Depending on the case, and as described later on for each of the headings affected, the changes consist of using alternative information sources to those used so far, of introducing new estimation methods based on the newly incorporated sources or on those traditionally used, or of simply updating the assumptions implicit in their implementation in order to adapt them to the new circumstances.

In summary, the revision of the time series means that the balance of payments reflects more reliably the reality of the Spanish external sector, follows more closely the methodological recommendations of the Balance of Payments Manual and differs to a lesser degree from the data in the rest of the world account in the National Accounts.

Table 5.1 compares the revised series of net lending/borrowing of the Spanish economy for the period 1995-2004 with the previously published one, both expressed in millions of euro and in percentage of GDP. It should be noted that the revised series includes, in addition to the impact of the exceptional changes mentioned above, the revisions normally made to balance of payments figures as fresh information becomes available⁶ or errors in initial estimates are corrected.

According to the new figures, the sum of the balance of payments current account and capital account, i.e. the equivalent to the net lending/borrowing of the Spanish economy vis-à-vis the rest of the world, deteriorated during the whole of the revised period with respect to that initially published: an annual average of EUR 4.6 billion (0.7% of GDP with base year 1995) in the period. The deterioration in net lending/borrowing due to the inclusion of new data increases

6. Usually, coinciding with the publication of balance of payments data for the first month of each year, the data for the two previous years are revised to include in them the latest foreign trade data and the corrections of errors or information shortfalls detected after the successive end-month closings. On this occasion, exceptionally and for practical reasons, the data for the last four years were revised.

NET LENDING (+) / BORROWING (–) OF THE SPANISH ECONOMY

TABLE 5.2

Annual averages. EUR millions

	1995-2004	1995-1999	2000-2004
Previous series	–6 607.1	2 947.2	–16 161.4
<i>As a percentage of GDP (base year 1995)</i>	–0.8	0.7	–2.3
New series	–11 227.5	87.4	–22 542.4
<i>As a percentage of GDP (base year 1995)</i>	–1.5	0.1	–3.2
<i>As a percentage of GDP (base year 2000)</i>	<i>na</i>	<i>na</i>	–3.1
Difference (a)	–4 620.4	–2 859.8	–6 381.0
<i>As a percentage of GDP (base year 1995)</i>	–0.7	–0.6	–0.9

SOURCES: INE and Balance of Payments of the Banco de España.

a. A negative sign denotes that the revision of the heading involves lower net lending or greater net borrowing of the Spanish economy.

throughout the series, reflecting the progressively greater need to revise the information system put in place in 1992 and scarcely altered since then (see Table 5.2). Evidence of this need was the size reached by the heading errors and omissions, an indicator of the quality of estimates of the items composing the balance of payments statistic. The size of this heading decreased considerably following the revision of the series, from EUR -4.8 billion on average in the revision period 1995-2004 to EUR -0.8 billion after it⁷.

The change in the net lending/borrowing of the Spanish economy reflects the overall impact of changes to the following balance of payments headings: merchandise, travel, freight transport services and investment income. Table 5.3 shows what impact the revision had on the headings affected.

As can be seen, the increase in the net borrowing requirement is basically because of the changes made to the trade balance and to the services balance, particularly in the heading travel. Thus the trade deficit in the period 1995-2004 widened by EUR 1.3 billion, to which must be added the decrease of EUR 2.6 billion in the services surplus, of which EUR 1.5 billion were a result of the smaller surplus in the heading travel. Regarding the time variations in each item as a result of the revision, although in all cases the revision is more significant in the current decade, this is particularly so in travel and in the trade balance.

By contrast, Table 5.4 shows that whereas in the trade balance and in the heading other services the revision is much more significant in debits than in credits, in the case of travel the revision is particularly significant in credits.

The main revisions made in each heading are described below. Before looking in detail at the changes that had a more significant impact on the data, mention should be made of other less important changes: The European Development Fund was allocated to current transfers rather than to capital transfers, in accordance with the allocation being made by both the National

7. The balance of payments errors and omissions heading is not by itself an indicator of the quality of this statistic. Since it is the net result of all the cumulative errors in the various items, a low errors and omissions figure may arise from significant errors in different headings that offset each other. However, the existence in the Spanish balance of payments of errors and omissions with a constant sign and a growing absolute value was a sign of bias in the measurement of certain headings which, in general, meant that the current and capital account deficit was understated and whose impact grew as the gross figures recorded became larger.

BALANCE OF PAYMENTS REVISIONS

TABLE 5.3

EUR millions

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Merchandise	-188.0	164.0	-711.0	-785.0	-1 390.0	-2 453.0	-2 204.0	-1 908.0	-1 996.0	-1 053.0
Services	-860.0	-1 123.0	-1 559.0	-1 845.0	-2 331.8	-3 213.0	-4 173.0	-3 973.0	-3 964.0	-2 936.0
Travel	-171.0	-380.0	-633.0	-954.0	-1 358.7	-1 790.0	-3 016.0	-2 653.0	-2 519.0	-1 739.0
Freight and transport related insurance	-694.0	-745.6	-933.6	-911.3	-992.6	-1 430.0	-1 231.0	-1 324.0	-1 343.0	-1 184.0
Income	-955.0	-1 018.0	-589.0	-961.0	-50.2	1 614.0	-1 642.0	-1 025.0	-1 018.0	-874.0
Of which: reinvested earnings	-954.2	-1 019.5	-591.9	-963.1	-46.4	1 612.8	-1 634.6	-1 411.6	-995.0	-824.4
Other adjustments	-1.0	-3.0	-8.0	-10.0	-75.0	-88.0	-160.0	-105.0	-701.0	-33.0
Net borrowing or lending (a)	-2 004.0	-1 980.0	-2 867.0	-3 601.0	-3 847.0	-4 140.0	-8 179.0	-7 011.0	-7 679.0	-4 896.0
Financial account (net change in liabilities – net change in assets)	954.0	1 018.0	590.0	960.0	106.0	-1 531.0	1 384.0	1 233.0	1 242.0	508.0
Errors and omissions (b)	1 050.0	962.0	2 277.0	2 641.0	3 741.0	5 671.0	6 795.0	5 778.0	6 437.0	4 388.0

SOURCE: Balance of Payments of the Banco de España.

a. A negative sign denotes that the revision of the heading involves lower net lending or higher net borrowing of the Spanish economy.

b. A positive sign denotes a reduction in errors and omissions.

Accounts and Eurostat in the EU balance of payments; improvements were made in accounting for tax data within the balance of current transfers, through revision of their allocation among institutional sectors, which affected the distribution of receipts and payments but not their net amount; and, finally, the receipts and payments arising from reinsurance services were recalculated to bring them more into line with the methodological principle to be followed, which in this case is to allocate net receipts from reinsurance accepted to services exports and net payments for reinsurance ceded to imports.

a. Trade balance

As described elsewhere in this chapter, the basic source used in calculating the trade balance is the foreign trade statistics compiled by the Customs Department of the State Tax Agency. To these data, the balance of payments makes certain adjustments to adapt them to the methodology set out in the Balance of Payments Manual. The most important adjustments to date have been: deduction of the insurance and freight payments included in the CIF value of imports in foreign trade data, in order to record them FOB in the balance of payments (CIF/FOB adjustment); and the inclusion of transactions involving the purchase or sale of goods which, because they do not cross borders, are not included in foreign trade figures.

The amount of the trade balance data revision is the combined result of the following: changing the assumptions used to make the two adjustments mentioned in the preceding paragraph; including an estimate of the transactions that, because they do not exceed the established thresholds, are exempt from reporting under the Intrastat intra-Community trade measurement system; and adjusting for double counting in the temporary import and export transactions register relating to operational leases.

Of the four components mentioned, the changes in the CIF/FOB adjustment and, to a lesser extent, the estimate of intra-Community transactions below the reporting threshold and the operational lease adjustment, explain the bulk of the revision.

Following is a brief description of the reasons for the aforementioned adjustments and of how their treatment differs from that prior to the revision of the time series.

REVISIONS OF THE BALANCE OF PAYMENTS

TABLE 5.4

Annual averages. EUR millions

	1995-2004			1995-1999			2000-2004		
	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE
Merchandise	-228.1	1 024.2	-1 252.3	169.4	751.2	-581.8	-625.6	1 297.2	-1 922.8
Services	-1 123.4	1 474.3	-2 597.7	-410.6	1 133.0	-1 543.6	-1 836.2	1 815.6	-3 651.8
Travel	-1 096.1	422.4	-1 518.5	-518.6	175.0	-693.6	-1 673.6	669.8	-2 343.4
Freight and transport related insurance	397.0	1 476.1	-1 079.1	372.6	1 228.4	-855.8	421.4	1 723.8	-1 302.4
Income	1 349.4	2 001.3	-651.9	1 300.2	2 015.0	-714.8	1 398.6	1 987.6	-589.0
Of which: reinvested earnings	1 205.2	1 888.0	-682.8	1 300.3	2 015.3	-715.0	1 110.2	1 760.7	-650.5
Transfers	-431.1	-312.6	-118.5	-173.2	-153.6	-19.6	-689.0	-471.6	-217.4
Net borrowing or lending (a)	-433.2	4 187.2	-4 620.4	885.8	3 745.6	-2 859.8	-1 752.2	4 628.8	-6 381.0
Errors and omissions									
Correction			3 974.1			2 134.0			5 814.2
Revised			-836.6			-1 630.8			-42.4

SOURCE: Balance of Payments of the Banco de España.

a. A negative sign denotes that the revision of the heading involves lower net lending or higher net borrowing of the Spanish economy.

Regarding the CIF/FOB adjustment, it should be recalled that, under balance of payments methodology, imports must be valued at the border of the exporting country, i.e. they must be recorded in the balance of payments excluding freight and insurance linked to their transport from their place of origin to that border. These costs, when they involve the provision of a service by non-residents to residents, must be recorded in the services balance. Since the foreign trade data include imports at their CIF value, it is necessary to make an adjustment that is calculated using the estimates of freight and insurance on merchandise trade that are made for the National Accounts. The calculation of this adjustment has been changed for the two reasons explained below.

First, the estimate of the amount of freight and insurance which is required to make this adjustment has been carried out since 1992 using the percentage that results from dividing the cost of freight and insurance by the total value of imports in 1990, the year when these ratios were estimated from National Accounts information⁸. Up to 2004 this percentage had not been changed and it was thus very necessary to do so to reflect the changes in international trade patterns, in the nature of Spanish imports and exports and in the freight and insurance market. Coinciding with the revision of the National Accounts to adapt them to the new base year of 2000⁹, a specific estimate was made of freight for each year taking into account the freight industry data and the source of the purchases.

However, there is some uncertainty as to what extent imports are actually valued in CIF terms in foreign trade data. Therefore, it was necessary to establish certain assumptions for determining this, given that the adjustment must be made only to the extent that imports are declared on a CIF basis.

⁸. The merchandise imports figure issued by the Customs Department was reduced by 4.5%. ⁹. When the balance of payments time series was revised, the National Accounts data with base year 2000 were not available for the period 1995-1999. Therefore, for these years account has been taken of the estimated value for freight by type of transport, distinguishing between merchandise exports and merchandise imports, in 2000, and of the path shown during those years by the estimates obtained from the National Accounts with base year 1995.

REVISION OF THE MERCHANDISE BALANCE

TABLE 5.5

EUR millions

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<i>CIF/FOB adjustment</i>	-28.1	212.0	-630.1	-787.1	-780.6	-1 572.5	-1 959.4	-1 419.2	-646.3	-952.0
<i>Merchandise that does not cross borders</i>	-0.0	0.0	0.0	0.0	-505.0	-1 243.5	-593.7	-625.7	-583.5	273.7
<i>Temporary exports/imports</i>	81.7	148.6	278.6	409.9	563.5	1 013.7	950.7	939.0	933.4	654.0
<i>Imports below Intrastat threshold</i>	-242.0	-195.0	-357.0	-414.0	-668.0	-657.0	-602.0	-801.0	-977.0	-1 111.6
<i>Merchandise (a)</i>	-188.0	164.0	-711.0	-785.0	-1 390.0	-2 453.0	-2 204.0	-1 908.0	-1 996.0	-1 053.0

SOURCE: Balance of Payments of the Banco de España.

a. A negative sign denotes that the revision of the heading involves lower net lending or higher borrowing of the Spanish economy.

The update of the data and basic assumptions for making this adjustment to the merchandise imports figure provided by the Customs Department, gave rise to a reduction in the amount of the adjustment, and thus to an increase in the amount of imports. As a result, the trade deficit widened in annual average terms by EUR 0.9 billion in the period 1995-2004 with respect to the previously published figures.

As indicated above, the balance of payments includes the amounts of purchases and sales of merchandise that does not cross borders and is not declared to Customs since there is no passage across a border using foreign receipt or payment information relating to this type of transaction. The data revision is in this case basically concerned with the changes made in the systems for settling intra-group transactions in multinational enterprises in the last few years, particularly since the start of the third stage of EMU.

The expansion since 1999 of the centralised cash management systems used by multinational enterprises to reduce costs has, in terms of the receipt and payment reporting system (which continues to be a prime source of balance of payments data), led to an increase in the transactions that are communicated to the Banco de España through the "inter-company accounts" system and do not give rise to settlements through bank accounts. As a result of this expansion and of some of its consequences in the reporting procedure, basically due to the differing concentration of receipts and payments and to the existence of a reporting simplification threshold for individual transactions (currently EUR 12,500), the payments associated with these transactions were understated in relative terms, making it necessary to change the procedure for estimating them as from 1999. Under the new procedure, which is incorporated in the revision of the time series, these transactions are estimated having regard to their weight in the total trade during the last year for which the information from the foreign receipts and payments register was still considered representative, i.e. 1998, and to the changes in this weight as a result of variations in the structure of foreign trade. This new calculation procedure gave rise to an increase in the balance-of-payments deficit amounting to EUR 0.5 billion in annual average terms for the period 1999-2004.

As regards transactions exempt from reporting under the Intrastat system for intra-Community trade, the change consisted of including an estimate of the transactions that do not exceed the stipulated reporting thresholds. Included in this case is the estimate of the relevant amounts that was already being recorded in National Accounts data and which is obtained from companies' VAT reports to the State Tax Agency. As a result of the inclusion of these

transactions, the net payments under the trade balance increased by EUR 6.0 billion in annual average terms in the revised series.

Finally, a change was made to avoid the double counting of temporary goods exports or imports, such as those subject to rental or operational leasing contracts. These goods, which are included in the foreign trade figures, were simultaneously being included in the services balance, under the goods rental caption. To avoid this double counting, the foreign trade data have to be adjusted. The value to be deducted is obtained by using information reported to the Banco de España, such as operational leasing transactions with non-residents. These data include only the amount of the service, whereas the Customs Department data include the gross amounts, i.e. the total of the import (export) and subsequent export (import). Therefore the adjustment made understates that which should be made to goods imports and to goods exports but approximates well the net amount of the two. Unlike the other revisions affecting the trade balance, this adjustment improves its balance over the revision period as a whole (by EUR 0.6 billion in annual average terms).

b. Travel

The revision of the travel time series came about as a result of the introduction of a new estimation procedure which, although used indirectly since the introduction of euro banknotes in January 2002, had not been fully reflected in the data disseminated so far. Indeed, since January 2002 the procedure used for calculating travel data in the balance of payments has been the one described below. This new method produced results that were not comparable with those obtained in the years immediately prior to 2002, making it necessary to resort to a revision of the series level. This revision was postponed in order to co-ordinate it with the other revisions of the balance of payments and the National Accounts carried out to change the base year of the latter statistic. Meanwhile, the new estimation method was used to calculate the rates of change of the data since 2002.

The results of the new calculation method were consistent with signs that the balance-of-payments travel surplus has been overstated since the mid-1990s. First, bilateral comparison by international working groups of the balance-of-payments travel data of Spain and of the other EU countries, which are the main counterparts of Spain's travel receipts and payments, disclosed a persistent overstatement of receipts and an understatement of payments relating to travel in Spain's balance of payments. The size of this difference and the constantness of its sign sounded an alarm regarding the bias that might be building up in the estimates of receipts and payments in this heading. An additional sign of the need to revise balance-of-payments travel data was their poor correlation with the main real indicators in the travel industry in recent years.

Moreover, the degree of uncertainty in estimates of travel data based on reported receipts and payments has risen progressively in recent years for diverse reasons. Among these are the growing difficulty in classifying the counterpart transactions of foreign banknote purchases from, and Spanish banknote sales to, correspondents by Spanish credit institutions and of receipts from, and payments to, non-residents via credit cards, which were attributed practically in full to travel and, in particular, the difficulties in classifying the transactions exempt from reporting because they do not exceed the threshold. The raising of this reporting threshold from EUR 3,005 to EUR 12,500 at the beginning of 2001 increased the problems in the period immediately preceding the changeover to the euro.

As mentioned above, the introduction of euro banknotes and coins and the consequent disappearance of a large part of the information used to calculate the heading made it necessary to replace the estimation procedure used since 1992 to calculate travel receipts and payments

which, as noted earlier, was based on the general foreign receipts and payments system¹⁰. In order to establish a method by which balance of payments data could continue to be calculated reliably after the phasing-out of the peseta, a working group had been set up in the preceding years by the Instituto de Estudios Turísticos (Institute of Tourism Studies), the INE and the Banco de España. This initiative resulted in a new statistical method which, from January 2002 onwards, enabled travel receipts and payments to be calculated and which now serves as a basis for revising the time series.

As regards travel receipts, the new estimation procedure, which is set forth in summary form in the methodological note of the 2002 edition of this publication, combines the information from the Survey on Tourist Spending (EGATUR), the earliest data of which relates to 2001, with that provided by other tourism industry indicators, basically overnight stays in hotels and apartments and hotel price indicators. The receipts figure obtained using the new methodology for 2002 confirmed the overstatement of data obtained using the previous procedure based on the general foreign receipts and payments reporting system. Accordingly, a revision was undertaken of the estimations made for assignment to the travel heading of transactions below the threshold and thus exempt from reporting, of those settled using credit cards and of those involving banknotes, which resulted in the revision of the time series of the heading from 1995, the year in which the data obtained from the previous procedure are considered to accurately reflect the phenomenon. As indicated above, the revision of the series level and the full incorporation of the new calculation procedure were postponed with a view to carrying it out on a co-ordinated basis with that of the other balance of payments headings and of the National Accounts, while the rates of change were adjusted from 2002.

The data presented here incorporate directly the estimates obtained using the new procedure for the period 2000-2004¹¹ and the revision of the estimations for the years 1995-1999. It should be pointed out that the revision, in addition to affecting the annual amounts of the heading, will entail changes in its monthly breakdown, which will now basically reflect the time at which purchased goods and services are consumed by travellers, instead of the time at which the associated expenses are settled, for example by tour operators. The review of the time series results in a reduction in travel receipts with respect to the previously published figure by 3.6% in annual average terms over the whole period considered. As can be expected, given that the problems posed by the accurate measurement of this phenomenon and, thus the bias, have grown with the passing of time, the adjustment has been much more significant in recent years: 4.6% in 2000-2004 and 2.1% in 1995-1999.

Regarding travel payments, unlike the situation with receipts, there is still no definitive estimation procedure. In the absence of other indicators, the information furnished by the general foreign receipts and payments system continues to be the main source of information, although since 2002, following the loss of a large part of the data on foreign banknote purchases and sales, the information on payments settled using credit cards and via bank transfers constitutes the basis of the estimation system, under the assumption that the components corresponding to the lost information behave like credit card settlements. The revision of the time series is in this case based solely on the revision of the assignment procedures for transactions below the threshold, for banknote purchases and sales and for credit card settlements, which was carried out simultaneously with that of receipts. As a result of this change in

10. There is a detailed description in the methodological notes in The Spanish Balance of Payments 2002 (Banco de España) of the implications of the euro cash changeover on the general reporting system for foreign receipts and payments, and of its impact on the method used until then to estimate the travel heading of the balance of payments. **11.** The 2004 data were obtained with the estimation method using the results of the new EGATUR survey, which introduced a break in the series that, for the time being, is difficult to quantify.

level, the new payments series was, on average, 7.5% higher than the previously published one. As in the case of receipts, the revision is much more significant in the period 2000-2004 (9.3% per year on average) than in the period 1995-1999 (4.2% on average).

c. Freight

The procedure used to estimate freight was modified to reflect the changes in the transport market and in the structure of exports and imports. The new estimates are obtained from the National Accounts with the new base year of 2000, for the years 2000-2004, and replace the estimates included in the previous data, based on the 1990 transport structure. This improvement to the estimation of freight and insurance has been reflected in higher net payments in the services balance, amounting to EUR 1.1 billion in annual average terms during the period 1995-2004 as a whole.

d. Reinvested earnings on direct investment

The Balance of Payments Manual establishes that corporate profits from direct investment (branches, establishments and firms in which the ownership interest amounts to 10% or more of the share capital) that are not transferred to the investor must be accounted for as income in the period in which the profit arises. The counterpart of this income must be recorded in the financial account as an addition to the investor's capital contribution to the firm in which the direct investment is made. Coinciding with a review of the time series, the Spanish balance of payments includes, for the first time, an estimate of the reinvested earnings on direct investment for the years 1995-2002. From now on, this estimate will be included in the data of the successive periods.

The procedure used to estimate the reinvested earnings on Spanish direct investment abroad and on foreign investment in Spain are different, being determined in each case by the available information sources. As regards earnings on foreign investment in Spain, which from now on are included as payments in the income sub-balance offset against capital inflows of the same amount in foreign direct investment in Spain, they were estimated using the information available in the Central Balance Sheet Data Office (CBSO) on the net saving and own funds of firms. The net saving/own funds ratio thus obtained was applied to the stock of equity capital of foreign direct investment in Spain in the international investment position.

The absence of information equivalent to that mentioned in the preceding paragraph relating to non-resident firms in which resident firms hold investments, made it necessary to use a different calculation method for reinvested earnings on Spanish direct investment abroad. From 1995 onwards these profits are included as receipts in the income sub-balance and the counterpart is recorded as capital outflows under the heading Spanish direct investment abroad. In this case the estimate takes as a basis the reinvested earnings on direct investment abroad by EU countries¹². This information was used to calculate profitability ratios for the direct investments made by these countries in the geographical areas and countries of significance in Spanish direct investment abroad, on the assumption that the returns and the profit distribution policies of the firms in which Spain invests in those areas are similar to those of the firms in which the other EU countries invest. The ratios were applied to the balances of equity holdings resulting from Spanish direct investment abroad in the international investment position, taking into account their geographical distribution.

It should be pointed out that the inclusion of the reinvested earnings data in the balance of payments means that all countries that do so have to make major revisions to their figures in the latest periods for which they have been published, owing to the lag with which the final data are obtained. In the case of Spain, the fact that the estimate of this heading is based on

12. These figures are available in Eurostat's NewChronos database.

the preliminary data published by other countries and on CBSO information, which are not always available by the closing date, will mean that the figures for the most recent years will be subject to frequent revisions which may be significant. It should also be taken into account that the estimates can only be made for annual periods, so the monthly figures are calculated by prorating these estimates over the twelve months of the year.

The inclusion of reinvested earnings in the revision of the time series gives rise to a change in the balance of the current account which, in annual average terms, and as the net amount of receipts minus payments, amounts to net payments of EUR 0.7 billion for the period 1995-2004 as a whole.

e. Financial account

The changes to the financial account resulting from the revision of the time series were less significant than those to the current and capital accounts. Besides the aforementioned recording of the counterpart of reinvested earnings under the direct investment headings, other changes should be mentioned. Thus, coinciding with the revision of the time series (and using information from the Foreign Investment Register of the Ministry of Industry, Tourism and Trade), direct investment transactions additional to those that were included in 2003 affecting 2002 and 2003 were incorporated. On this occasion, the additional transactions affect the years 2001-2004. As mentioned earlier in this chapter (see, for example, Section 5.2.4), these transactions, which relate to restructurings by non-resident multinational groups through foreign-equity holding companies (ETVE by their Spanish acronym) set up in Spain, are carried out for their own sake and do not involve any foreign receipts or payments. For this reason, they are captured with a certain lag and, on occasions, only after checking the information obtained from the foreign transactions reporting system against that collected in the aforementioned Foreign Investment Register.

Finally, mention should be made of another change to the data on foreign direct investment in Spain coinciding with the revision of the time series: the inclusion in the main tables of this monograph, in those disseminated in the Banco de España's Boletín Estadístico, and periodically in the Banco de España's website freely accessible to the public on the Internet, of direct investments by non-residents through the acquisition of listed shares of Spanish firms when these acquisitions exceed 10% of the capital of the issuing firm. As indicated in the methodological notes of previous editions of this monograph, these transactions were not included in the foreign direct investment data in the monthly balance of payments, but rather in portfolio investment data, and information on their amount was only provided in the additional tables of the annual monograph. Now, using the information on significant holdings in listed firms that is available at the Directorate General for Trade and Investment, these transactions from 1995 to 2004 were included in the direct investment data and they were deducted from the heading portfolio investment. From now on these transactions will be included regularly within the shares and other equity item in direct investment capital and deducted from portfolio investment when the data for each full year are closed and revised for the first time.

5.4.2 CHANGES IN THE DISSEMINATION OF STATISTICS

In this edition of the annual report on the Balance of Payments and IIP, for the first time, the data on the financial account of the balance of payments with a geographical breakdown cover all sectors. A breakdown is included for the MFI sector which was not previously provided because the general reporting system does not provide the geographical counterparty for MFI loan and deposit transactions. The distribution of these transactions by country is being estimated for 2003 onwards, by supplementing the balance of payments general reporting system with the balance sheets of credit institutions. At the same time the degree of detail offered by Tables 6.1.11 and 6.2.11 has been widened, with some geographical, as well as economic, areas and some individual countries included.

The tables in previous editions that separated the listed shares issued by residents that had to be considered direct investment from those that had to be considered portfolio investment have been discontinued. The data of the Investment Register of the Ministry of Industry, Tourism and Trade have been used to incorporate this distinction in the balance of payments time series for direct investment and portfolio investment from 1995.

Geographical IIP data are included for the first time in this publication. A general IIP table is provided in Chapter 7, with some areas and countries, and in Chapter 4, for economic analysis, a specific direct investment one, with greater details of the most important countries under this heading. Meanwhile, Box 3.1 offers a summary of the data provided by the Banco de España to the IMF's Co-ordinated Portfolio Investment Survey. This box details the most important individual country issuers of negotiable securities held by residents, distinguishing between variable-yield and fixed-income investment. In the case of liabilities, given that the Spanish data do not identify the country of the end-holder of securities issued by residents, but rather the country of the first known counterparty, data are provided that have been calculated by the IMF on the basis of the contributions of all the countries on their assets side vis-à-vis Spain.

In order to enrich the economic analysis of the financial account, Chapter 3 includes tables of direct investment flows that were, in the last edition, included in the same chapter in a box analysing direct investment by country and sector of economic activity. A geographical breakdown is presented both for total flows of direct investment and for those corresponding to ETVEs (the usefulness of the former would be considerably reduced if the latter were not provided). The aim of the geographical breakdown is to include all those areas and countries that are significant for Spain. With the set of counterpart countries that are presented individually, a coverage of about 80-85% of all flows in both directions is achieved. In addition, a table of direct investment flows by sector of economic activity is presented. The main categories of the Spanish national classification of economic activities (CNAE), some of which have been aggregated, have been selected. The sector to which the transactions are allocated is always that of the resident company involved in the transaction.

For various reasons, the data offered in these tables must be interpreted with caution. First, the very nature of direct investment transactions means that the trend in this heading is determined by very large one-off transactions, so that any delay in the capture of a transaction may have a significant impact on the geographical or sectoral composition of this investment. This limitation is especially important in the case of the transactions of ETVEs; as no funds are actually contributed, but rather holdings exchanged, these transactions are very difficult to capture, so that there are frequently delays in the information, with the result that the direct investment heading is potentially subject to significant revisions. Second, any analysis by sector of economic activity should be made in very general terms, since most companies belong to groups engaged in more than one activity. For example, it is difficult to know whether to assign certain companies to the activities of production or of marketing of goods, which in many cases are classified in different sectors. Finally, it should be emphasised that the results presented are not directly comparable with those published by the Ministry of Industry, Tourism and Trade, on the basis of its Investment Register, owing to methodological differences between them.

5.4.3 CHANGES IN INFORMATION SYSTEMS

The work commenced in previous years to adapt the reporting system used to the new challenges posed by the current context of economic and financial integration continued during 2004, and significant results were obtained in the specific case of the headings "other services" and "portfolio investment". In the first case, the work focused on the design of a new

survey to measure international trade in services, and in the second, on the development of the ECB's Centralised Securities Database.

a. Other services

The process of change in the information sources used to estimate the services headings of the balance of payments, implemented in 2002 in the case of travel, advanced significantly in 2004 with the development of a new system to measure "other services"¹³. The design of an alternative system for reporting foreign receipts and payments was particularly urgent for this type of transaction, owing to the impact of the €12,500 threshold for reporting transactions and its possible increase to €50,000 in 2006 for transfers in euro between credit institutions resident in the European Union. As a result, in line with the recommendations by competent international bodies that are already being applied by other countries a project has been launched in collaboration with the INE, to collect basic information on services through a system made up of different statistical sources, in which the surveys of companies and other resident units will perform a fundamental role. The result of this collaboration agreement with the INE is the new survey of international trade in services.

The aim of this new survey is to gather information on the value of imports and exports of services by residents of Spain vis-à-vis non-residents. The data obtained will be used not only in the compilation of the balance of payments statistics, but also in the preparation of the National Accounts of the Spanish economy in conformity with Regulation (EC) No 184/2005 of the European Parliament and of the Council on Community statistics concerning balance of payments, international trade in services and foreign direct investment, and ECB Guideline 2004/15 on the statistical reporting requirements of the ECB in the field of balance of payments and international investment position statistics, and the international reserves template.

The work on this new statistical operation commenced in 2002 with the analysis of the population under study. The aim of this initial work was twofold: first, to evaluate the suitability of a survey to estimate the heading, taking into account the characteristics of the reporting population, and, second, to select the appropriate framework population for extracting the sample and presenting the results. Having obtained the results of this analysis, work commenced on the preparation of the framework and of the relevant sample, and on the design of questionnaires. In 2004, a pilot exercise was performed, in order to assess, under real conditions, the decisions taken until then; and in 2005, after incorporating certain modifications arising from the results obtained in the pilot phase, a new survey was launched.

To analyse the population under study the data on foreign receipts and payments available at the Banco de España was used¹⁴, taking into account different thresholds and the maximum breakdown by type of service required by international bodies. The study was approached from both a static and a dynamic standpoint, that is to say, the main characteristics of the population and their stability over the period considered (1999-2002) were analysed, with special attention to the role of the major declarants¹⁵ and the participation of individuals in international trade in services. The main results were as follows: a) the reporting population was highly concentrated (16.5% had a coverage of 90%); b) low exporter/importer correlation (only

13. The heading other services includes: transport, communication, construction, insurance, financial, IT and organisation services, royalties, licence fees, business, personal, recreational and cultural, and government services not included in the foregoing. **14.** The Banco de España receives information, basically, from the following groups: deposit institutions, other financial institutions entered in official BE and CNMV registers, holders of sight or savings accounts with non-resident credit institutions, and parties to offsetting transactions with non-residents. The information obtained refers to the foreign receipts and payments of any resident. **15.** When identifying the large reporting entities their representativeness by type of service and their stability in the population were taken into account.

16% declared exports and imports); c) instability of the relevant population (57% of the population had been operating for only one year), although the “stable” population gives an appropriate level of coverage by type of service; d) the major declarants were not representative of other headings of the balance of payments, and e) individual participation was barely significant. These results point to the convenience of a survey addressed to companies and other entities and the need for a specific directory of persons who trade internationally in services, which should be updated periodically.

To prepare the aforementioned directory, the information on declarants of foreign receipts and payments to the Banco de España was a good starting point. Thus, sources were studied to supplement the Banco de España register to design and update the framework and it was decided to use the monthly VAT declarations of large companies¹⁶ and of exporting companies of the AEAT (state tax agency) and of the INE's Central Directory of Corporations (DIRCE)¹⁷. The use of the AEAT registers seemed appropriate, taking into account the strong foreign orientation of the large VAT declaring companies. However, this source had certain limitations, since it only enabled companies that export and large companies that import and/or export, goods and/or services in both cases, to be identified. The analysis of the correlation between companies with goods operations and companies with services operations in the foreign receipts and payments data enabled the conclusion to be reached that this circumstance would not significantly affect the use of the aforementioned register.

In parallel with the process of compilation of the framework population, a questionnaire was designed requesting monthly information — to be sent within seven days of the end of the month in question — on the value of exports and imports, with a very detailed breakdown by type of service, including the transaction currency, the counterpart country and the relationship between the company supplying the service and the recipient. In March 2004, the pilot phase of a new statistical operation was commenced, with the sending of the aforementioned questionnaire to a sample of firms selected from the Banco de España's records. The surveying continued until December of the same year and, throughout the period, was conducted voluntarily. The performance of the pilot exercise was essential to evaluate the suitability of the design of the questionnaire and the quality of the information obtained. For some of the periods analysed, besides the high rate of failure to respond, the results show an undervaluation of the exports declared and an overvaluation in the case of imports, as compared with information available at the Banco de España on foreign receipts and payments. The distribution by type of service was also very different. The results obtained seemed to be affected by various factors: the fact that the survey was not compulsory, its monthly periodicity (entailing a high information burden for the respondents), the completion deadlines (very demanding, taking into account the availability of the information according to the accounting processes) the level of detail required, the failure by many firms to include exports and imports of services not linked to their main activity and, finally, specific difficulties were detected in certain sectors, owing to the greater complexity for them of the information required by balance of payments methodology.

After analysing the results obtained in the pilot phase, a number of changes were introduced and, in January 2005, the new Survey of International Trade in Services was launched, with the characteristics described below.

16. Those with an annual turnover of over €6 million. **17.** The DIRCE, obtained from administrative sources and statistical files, consists of an organised set of information with data on the identification, location, territorial distribution and classification by size and economic activity of “corporate” and “local” type units. Its aims, inter alia, are to make it possible to obtain sub-populations of units that serve as a basis for the formation of frameworks for surveys, on their own or as a supplement to other equally accessible sources, and to detect the control of the statistical demand for information on corporations.

The survey is now compulsory and conducted on a quarterly basis, with a period of one month for its completion. Two questionnaires have been designed: a) a detailed questionnaire, in which the value of exports and imports is requested with the maximum breakdown by type of service required by international bodies (51 headings), the individual counterpart country and, in the questionnaire corresponding to the last quarter of the year, the distribution by transaction currency of total exports and imports for the year¹⁸, and b) a simplified questionnaire, requesting a narrower breakdown by type of service than the detailed one (10 aggregated headings) and the weight in total exports and imports of the three main counterpart countries. The detailed questionnaire is addressed to those firms that, according to the foreign receipts and payments information, achieve a high level of coverage by heading of services and at the same time belong to the “stable” population. The simplified questionnaire is addressed to the other sample units.

As regards the sample design, using the Banco de España’s records, the DIRCE and the AEAT, mentioned above, four sub-samples are obtained with their own grossing up factors. First, from the population of firms belonging to the “stable” population a self-represented sample is extracted that accounts for approximately 75% of total international services trade transactions. Second, two sub-samples are obtained from the register of large firms declaring VAT, those firms that form part of the “stable” population having first been excluded: the first, consisting of firms that report having performed international transactions for VAT purposes, and the second, composed of those firms that do not report having performed foreign transactions for such purposes and that, according to the Banco de España’s records, do perform international services trade transactions. Finally, a fourth sub-sample is extracted from the DIRCE, having first excluded firms corresponding to the aforementioned sub-populations, those with less than ten employees and individuals. Both in the case of the VAT records and in the case of the DIRCE, the samples are obtained by sampling managed in accordance with the characteristics of the non-stable population of the Banco de España (size and economic activity).

During 2005, further modifications may be introduced in the light of the results obtained with the new quarterly questionnaires. Also, this year, the work relating to implementation of the new information system for the other services heading of the balance of payments shall be focused on the development of models for estimating the monthly data. When their suitability is ensured, the statistical operation described will replace the system for reporting foreign receipts and payments currently used by the Banco de España. However, in future, the Banco de España’s records of foreign receipts and payments will continue to provide information to update the directory of firms that makes up the population under study and to carry out exercises for quality control of the results of the new system.

b. Portfolio investment

In recent years, the work relating to the design and implementation of new sources of information has, in the case of the portfolio investment heading, been closely linked to the Banco de España’s participation in the Centralised Securities Database (CSDB) project, and this link will continue to exist in the coming years. Basically, the national central banks (NCBs) of the EU countries are participating in this project, which is co-ordinated by the European Central Bank (ECB)¹⁹. The object is to have security-by-security reference information on securities issued or held by euro area residents.

¹⁸ The currencies indicated in the questionnaire are the euro, dollar, pound sterling, yen and others. ¹⁹ It was decided to set up a working group (Business Coordination Group, BCG) to implement this project, in which the Banco de España is represented by its Statistics and Central Balance Sheet Data Office Department. The Balance of Payments Department is also collaborating with this working group.

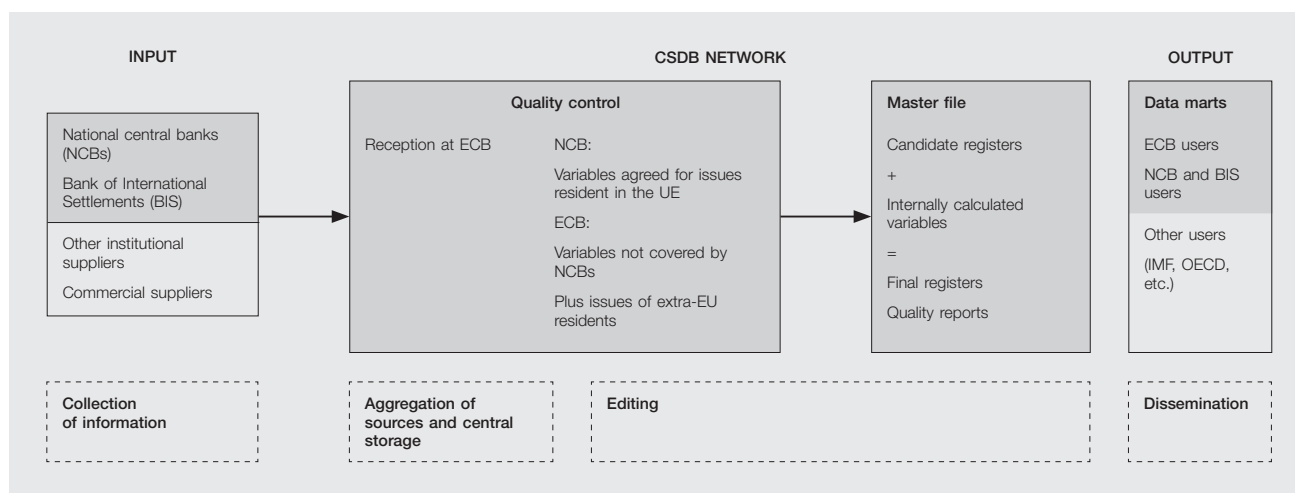
The process of improving information sources to estimate portfolio investment has already begun, with the incorporation into the international investment position statistics, at the time of publication of the 2003 Q4 data, of the results obtained using the new system for reporting negotiable securities transactions and stocks, on a security-by-security basis, established by Banco de España Circular 2/2001. Although this new reporting system has enabled a substantial improvement to be made with regard to fulfilment of the methodological requirements established for portfolio investment²⁰, the future CSDB will enable it to become fully operational, ensuring, on one hand, that the quality of the data obtained is higher and, on the other, access to new information not currently available.

The aspects mentioned in the previous paragraph are crucial to meet the requirements for portfolio investment statistics contained in the ECB Guideline ECB/2004/15 of 16 July 2004²¹. Among other matters, the new Guideline establishes, first, that the requirement for security-by-security collection systems is compulsory (from March 2008) and, second, the provision of transaction and position data broken down by issuer sector, in the case of portfolio investment assets in the form of securities issued by euro area residents (from June 2006), and by issue currency (euro/non-euro), in the case of fixed-income securities (from June 2005)²². Ultimately, these requirements will enable a sectoral breakdown to be obtained of the liability data for euro area portfolio investment²³, and the euro's role as an investment currency to be assessed.

The CSDB project has three phases. The aim of the first phase, which is close to conclusion, has basically consisted of the design of the database, the selection of the suppliers of information, the loading of the data and the establishment of the channels necessary for an initial transmission of the information. Thus, the work carried out by the Banco de España has focused on defining the statistical requirements, assessing the costs necessary for the incorporation and analysis of the new information and designing the associated IT processes. During the second phase, planned to begin in mid-2005, a system of on-line access will be designed and the coverage and quality of the information shall both be improved. In the third phase, which is not planned to commence before 2007, the aim will be to supplement the available information with that corresponding to the holders of securities.

The CSDB information comes from both the institutional and the commercial suppliers²⁴ and each of them supplies highly detailed information²⁵, on a security-by-security basis. Certain rules have been established for combining these sources, which determine the priority to be given to the information reported, in the event that it varies according to the supplier, in order to obtain a single version (considered the best) of each variable or attribute for each of the securities. In this way a much higher level of quality is achieved than for the information supplied individually, which, moreover, is enhanced with information calculated internally by the system. As regards the quality of the data, it should be mentioned that it is the participating NCBs who

20. Specifically, as regards the valuation of stock data at market prices. 21. Published in the Official Journal of the European Union on 30 November 2004. 22. These dates are conditional upon progress on the CSDB project; moreover, the ESCB shall assess whether the information coverage and the data exchange mechanism are sufficient to enable the established quality standards to be met. 23. This is so, because the foreign investment in securities issued by euro area residents is calculated as the difference between the total liabilities issued by euro area residents and their holdings of these same securities. 24. The institutional suppliers are the EU NCBs, the Bank for International Settlements, the national statistics offices of Ireland and the United Kingdom, the US Federal Reserve and the Bank of Japan. The Banco de España provides information relating to securities issued by residents of Spain. The first data was reported in November 2004. The commercial suppliers selected are the following: Telekurs, Dealogic, FT Interactive Data, Reuters and Association of National Numbering Agencies Service Bureau. Data from the ECB's Financial Market Database System are also included. 25. There are hundreds of variables associated with each security, including characteristics of the issuer (name, country, sectoral classification, economic activity, credit rating, etc.), of the instrument (type, issue, redemption, coupons, currency, issued amount, outstanding amount, prices, accrual, dividends, etc.), of the market, of the depositor, etc.



are responsible for its guarantee in the case of securities issued by residents of EU countries, while the ECB guarantees the quality of the information in the case of non-EU issues.

Scheme 5.1 summarises the structure of the CSDB and the main functions assumed by the participants.

The information of this securities database is structured into four major blocks: a) equities (listed and unlisted shares, other equity and mutual funds); b) fixed income (short and long-term); c) prices, and d) corporate events. The latter block includes events of various kinds that may affect the life of a security, by introducing a change of a structural nature at a given moment (company mergers, splits, strips, conversions, changes to the repayment schedule, etc.) The possibility of incorporating information on financial derivatives is currently under discussion. Apart from these four major blocks, there is another block, resulting from automation of the tasks of quality control of the data received, made up of a number of editing messages, obtained by applying the defined consistency and validation rules and by comparing the information received from the various suppliers.

As mentioned above, on-line access to the CSDB is not planned until the second phase of the project. Provisionally, an information exchange mechanism has been designed for the first phase of the project, consisting of the extraction and sending of files (data marts) on a monthly basis. They were sent for the first time in February 2005. Although the information in these files of initial results cannot be exploited, the files are useful for assessing the suitability of the IT processes designed for incorporating CSDB information and comparing it with that obtained from the current, security-by-security, reporting system. Three levels of access to the information have been defined for when the second phase is completed. The first will enable the raw data received directly from each of the suppliers of information to be consulted and will be granted to those institutions involved in tasks relating to the quality control of CSDB information or in the compilation of portfolio investment statistics. The second level will permit access to the final version of each security obtained by the system after combining the best sources of data. Finally, a third level of access to aggregate data will exist, permitting reports to be obtained from the final version of the records. These reports will be in the public domain, provided that the statistics are published.

Initially, it was planned that the future CSDB would be used basically for statistical purposes (compilation and production), but its tasks broadened over time to include new objectives

MAIN METHODOLOGICAL AND PRESENTATIONAL MODIFICATIONS INTRODUCED IN THE BALANCE OF PAYMENTS AND THE INTERNATIONAL INVESTMENT POSITION SINCE THE TIME SERIES WERE REVISED IN 1999

TABLE 5.6

YEAR	CHANGE	REMARKS
1999	Use of information supplied directly by air transport companies in a new procedure for calculating air transport.	Affects the credits and debits of the heading and the estimation of other services headings.
	Adaptation of the recording of insurance to IMF and Eurostat recommendations.	Insurance services are measured using National Accounts estimates. The difference with respect to premiums and claims is allocated to current transfers or to the financial account.
2000	Grouping of financial transactions of the Banco de España in a specific heading in the summary tables.	Affects the presentation of the balance of payments and international investment position data.
	Inclusion in a separate heading, of the "net lending/net borrowing of the Spanish economy" (sum of the current and capital accounts).	Previously details were only given of the current and capital account.
	Separation of financial derivatives into a specific heading, recording the net amount of the change in liabilities less the change in assets.	They were previously included in the change in assets.
2002	Estimation of the financial counterpart, i.e. the net financial asset, of external transactions settled using euro banknotes.	The net financial asset is included under the heading other investment of other resident sectors.
	Separate inclusion, in the instrument and sector-breakdown tables, of the Banco de España's portfolio investment transactions.	Affects the presentation of the balance of payments and international investment position data.
2003	Incorporation, from the 2002 data, of a new reporting system for calculating IIP portfolio investment.	The time series of investment in shares and mutual funds in the case of the sector other resident sectors in the international investment position has been revised to eliminate the methodological break. In the rest of the headings the break is considered minor.
	Incorporation of information from the Investment Register of the Directorate General for Trade and Investment of the Ministry of Economy, to include transactions difficult to detect using the balance of payments system.	Gives rise to greater revisions of previously disseminated figures.
2004	Use of new INE estimates for 2000-2004 for the CIF/FOB adjustment to the Customs and Excise figures for imports and to measure freight services.	The new estimates have been made using the new National Accounts data with base year 2000 and revising the previous assumptions. Revision of the time series affects the data from 1995 for the merchandise (imports) and freight (credits and debits) headings.
	Deduction of the Customs and Excise figures from an estimate of the temporary exports and imports of goods obtained from the information on operational lease services in the foreign receipts and payments register.	Involves a revision of the merchandise heading from 1995, to avoid double counting of operational leases in the balance of payments. These transactions continue to be recorded in services.
	Inclusion in the Customs and Excise figures of an estimate of intra-Community goods trade transactions below the Intrastat reporting threshold.	The new estimates are consistent with those incorporated in the new National Accounts data with base year 2000. Involves a revision to the merchandise series from 1995.
	Revision of the estimate of the figures for merchandise that does not cross borders, from the information supplied by the foreign receipts and payments register.	Involves a revision of the merchandise series from 1999, the year from which the previous method of estimation introduces bias into the data.
	Revision of the level of the travel series, incorporating in the credits from 2001 the results obtained using the new method of estimation that combines EGATUR and real indicators for the tourism sector, and incorporating in the credits prior to 2001, and in debits for the whole period, the results obtained with the usual procedure following the revision of the implicit assumptions.	The results of the new method are incorporated directly into the credits of the heading from 2000 and the time series (credits and debits) are revised from 1995.
	Reassignment of EU transfers corresponding to the European Development Fund to the heading current transfers, in line with the treatment applied by both the National Accounts and Eurostat.	These transactions were previously recorded as capital transfers. The series are revised from 1995.
	Incorporation of an estimate of the reinvested earnings of direct investment firms obtained from information supplied by the Central Balance Sheet Data Office, Balance of Payments and EUROSTAT.	Affects, in the balance of payments, the headings of reinvested earnings included in direct investment income, and shares and other equity of direct investment and, therefore, the IIP. The new estimates are incorporated from 1995.
	Monthly reassignment of the specific transactions of foreign investment in listed shares in Spain to the direct investment or portfolio investment heading, as appropriate, in the balance of payments.	Carried out with information provided by the Ministry of Industry, Tourism and Trade. The balance of payments series are revised from 1995.

(economic, financial stability and operations analysis), which make the project even more important. From the statistical standpoint, given the specific difficulties of compiling the portfolio investment heading, the CSDB is considered essential, not only because it will give access to information as yet unavailable (sector of non-resident issuers and currency of issue), but also because it will enable information collection to be homogenised across the euro area, thereby ensuring the quality of the aggregate balance of payments figures. Moreover, in future, access to the CSDB will make it possible to address one of the outstanding methodological challenges: the calculation of accrued income for all portfolio investment, with the same criteria applied to the assets and liabilities of the heading.

6.1 THE SPANISH BALANCE OF PAYMENTS IN 2004

BALANCE OF PAYMENTS IN 2003 AND 2004: MAIN COMPONENTS

TABLE 6.1.1

Annual data

EUR millions	2003			2004		
	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET
Current account	242 717.8	270 627.7	-27 909.9	256 692.0	301 142.7	-44 450.7
Trade balance	139 754.4	179 593.3	-39 838.8	148 105.6	201 042.7	-52 937.1
Services	65 689.4	42 388.5	23 300.9	68 387.3	46 156.4	22 230.9
Travel	35 047.1	8 009.9	27 037.2	36 376.3	9 772.1	26 604.2
Other services	30 642.2	34 378.6	-3 736.4	32 011.0	36 384.3	-4 373.2
Income	22 569.6	34 173.2	-11 603.6	24 747.2	38 448.0	-13 700.7
Labour	456.8	402.7	54.1	469.0	527.8	-58.8
Investment	22 112.9	33 770.6	-11 657.7	24 278.3	37 920.2	-13 641.9
Current transfers	14 704.4	14 472.7	231.7	15 451.8	15 495.6	-43.8
Capital account	9 649.3	1 483.9	8 165.3	9 350.7	803.1	8 547.6
CURRENT AND CAPITAL ACCOUNTS	252 367.1	272 111.6	-19 744.5	266 042.7	301 945.8	-35 903.1
	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL - NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL - NCA)
FINANCIAL ACCOUNT (a)	-	-	18 875.8	-	-	36 834.0
Excluding Banco de España	-	-	17 301.1	-	-	50 844.0
Direct investment	-	-	-1 420.7	-	-	-26 345.1
Spanish investment abroad	-	24 392.0	-24 392.0	-	39 825.1	-39 825.1
Foreign investment in Spain	22 971.3	-	22 971.3	13 480.0	-	13 480.0
Portfolio investment	-	-	-26 592.1	-	-	85 804.6
Spanish investment abroad	-	65 633.7	-65 633.7	-	24 980.9	-24 980.9
Foreign investment in Spain	39 041.7	-	39 041.7	110 785.5	-	110 785.5
Other investment (b)	-	-	48 748.5	-	-	-9 776.7
Spanish investment abroad	-	15 973.1	-15 973.1	-	27 309.7	-27 309.7
<i>Monetary financial institutions</i>	-	8 571.7	-8 571.7	-	15 815.5	-15 815.5
<i>General government</i>	-	98.4	-98.4	-	1 206.5	-1 206.5
<i>Other resident sectors</i>	-	7 303.0	-7 303.0	-	10 287.7	-10 287.7
Foreign investment in Spain	64 721.7	-	64 721.7	17 533.1	-	17 533.1
<i>Monetary financial institutions</i>	55 385.4	-	55 385.4	13 559.2	-	13 559.2
<i>General government</i>	-889.0	-	-889.0	5 040.7	-	5 040.7
<i>Other resident sectors</i>	10 225.3	-	10 225.3	-1 066.9	-	-1 066.9
Financial derivatives	-	-	-3 434.7	-	-	1 161.2
Banco de España	-	-	1 574.8	-	-	-14 010.0
Reserves	-	-	13 625.9	-	-	5 147.0
Claims on the Eurosystem	-	-	4 382.0	-	-	-13 760.0
Other net assets	-	-	-16 433.2	-	-	-5 397.0
ERRORS AND OMISSIONS	-	-	868.7	-	-	-930.9

SOURCE: Banco de España.

a. Changes in assets and liabilities are both net of repayments.

b. Mainly loans, repo operations and deposits.

ACCOUNTING CONVENTION:

Financial account excluding Banco de España:

NCA: A positive (negative) sign denotes an increase (decrease) in assets; it is thus a capital outflow (inflow).**NCL:** A positive (negative) sign denotes an increase (decrease) in liabilities; it is thus a capital inflow (outflow).**NCL - NCA:** A positive (negative) sign denotes a capital inflow (outflow).

Banco de España: A positive (negative) sign denotes a decrease (increase) in Banco de España claims on the rest of the world.

Errors and omissions: A positive (negative) sign denotes a credit (debit) not recorded in any other Balance of Payments heading.

BALANCE OF PAYMENTS: MAIN COMPONENTS

TABLE 6.1.2

Quaterly data

EUR millions	2004	2004			
		Q1	Q2	Q3	Q4
CREDITS					
Currents account	256 692.0	60 853.4	65 924.5	63 509.5	66 404.6
Trade balance	148 105.6	35 721.0	38 571.3	34 227.9	39 585.4
Services	68 387.3	14 190.7	16 608.2	20 848.6	16 739.8
Travel	36 376.3	6 791.8	8 671.5	12 879.4	8 033.5
Other services	32 011.0	7 398.8	7 936.7	7 969.2	8 706.3
Income	24 747.2	5 210.8	7 381.2	5 319.2	6 836.0
Labour	469.0	121.6	120.0	112.0	115.3
Investment	24 278.3	5 089.2	7 261.2	5 207.2	6 720.7
Current transfers	15 451.8	5 730.9	3 363.8	3 113.7	3 243.4
Capital account	9 350.7	1 359.2	3 047.4	2 384.8	2 559.3
Current and capital accounts	266 042.7	62 212.6	68 972.0	65 894.3	68 963.8
DEBITS					
Current account	301 142.7	68 179.6	77 251.4	74 659.3	81 052.3
Trade balance	201 042.7	45 455.9	51 693.5	49 029.1	54 864.3
Services	46 156.4	10 884.5	11 158.1	12 095.4	12 018.4
Travel	9 772.1	2 081.0	2 087.6	2 958.5	2 644.9
Other services	36 384.3	8 803.4	9 070.5	9 136.9	9 373.5
Income	38 448.0	7 779.4	10 840.9	9 680.0	10 147.7
Labour	527.8	147.2	107.0	143.0	130.5
Investment	37 920.2	7 632.2	10 733.9	9 536.9	10 017.2
Current transfers	15 495.6	4 059.9	3 558.8	3 855.0	4 021.9
Capital account	803.1	178.8	202.2	262.0	160.1
Current and capital accounts	301 945.8	68 358.5	77 453.5	74 921.3	81 212.4
BALANCES					
Current account	-44 450.7	-7 326.2	-11 326.8	-11 149.9	-14 647.8
Trade balance	-52 937.1	-9 734.8	-13 122.2	-14 801.1	-15 278.9
Services	22 230.9	3 306.2	5 450.1	8 753.3	4 721.4
Travel	26 604.2	4 710.8	6 583.9	9 920.9	5 388.6
Other services	-4 373.2	-1 404.6	-1 133.8	-1 167.6	-667.2
Income	-13 700.7	-2 568.6	-3 459.7	-4 360.8	-3 311.7
Labour	-58.8	-25.6	13.0	-31.0	-15.2
Investment	-13 641.9	-2 543.0	-3 472.7	-4 329.7	-3 296.6
Current transfers	-43.8	1 671.0	-195.1	-741.2	-778.5
Capital account	8 547.6	1 180.4	2 845.3	2 122.8	2 399.2
Current and capital accounts	-35 903.1	-6 145.9	-8 481.6	-9 027.1	-12 248.6
FINANCIAL ACCOUNT (NCL – NCA) (a)					
Excluding Banco de España (NCL – NCA)	50 844.0	11 567.0	11 567.9	2 119.7	25 589.4
Spanish investment abroad (NCA)	92 115.7	20 132.6	34 780.5	14 309.9	22 892.7
Direct investment	39 825.1	4 419.4	7 704.4	6 076.7	21 624.6
Portfolio investment	24 980.9	6 706.1	15 640.3	-3 145.2	5 779.7
Other investment (b)	27 309.7	9 007.2	11 435.8	11 378.4	-4 511.6
Monetary financial institutions	15 815.5	5 256.8	9 338.4	8 441.9	-7 221.6
General government	1 206.5	531.1	-226.9	264.1	638.2
Other resident sectors	10 287.7	3 219.3	2 324.3	2 672.4	2 071.8
Foreign investment in Spain (NCL)	141 798.6	31 588.8	46 168.5	16 371.9	47 669.4
Direct investment	13 480.0	-1 558.0	8 814.6	1 718.0	4 505.5
Portfolio investment	110 785.5	30 574.0	13 355.3	21 492.9	45 363.3
Other investment (b)	17 533.1	2 572.8	23 998.7	-6 839.0	-2 199.4
Monetary financial institutions	13 559.2	-248.1	25 956.2	-10 053.8	-2 095.1
General government	5 040.7	528.8	182.4	1 412.4	2 917.1
Other resident sectors	-1 066.9	2 292.0	-2 139.9	1 802.4	-3 021.4
Financial derivatives (NCL – NCA)	1 161.2	110.9	179.9	57.7	812.6
Banco de España (NCL – NCA)	-14 010.0	-4 850.5	-4 342.8	7 427.8	-12 244.5
Reserves	5 147.0	3 634.1	795.9	316.4	400.6
Claims on the Eurosystem	-13 760.0	-4 858.0	-4 933.0	7 437.0	-11 406.0
Other net assets	-5 397.0	-3 626.6	-205.7	-325.6	-1 239.1
ERRORS AND OMISSIONS	-930.9	-570.7	1 256.5	-520.5	-1 096.2

SOURCE: Banco de España.

a. Changes in assets and liabilities are both net of repayments.

b. Mainly loans, repo operations and deposits.

ACCOUNTING CONVENTION:

Financial account excluding Banco de España:

NCA: A positive (negative) sign denotes an increase (decrease) in assets; it is thus a capital outflow (inflow).**NCL:** A positive (negative) sign denotes an increase (decrease) in liabilities; it is thus a capital inflow (outflow).**NCL – NCA:** A positive (negative) sign denotes a capital inflow (outflow).

Banco de España: A positive (negative) sign denotes a decrease (increase) in Banco de España claims on the rest of the world.

Errors and omissions: A positive (negative) sign denotes a credit (debit) not recorded in any other Balance of Payments heading.

BALANCE OF SERVICES BY COMPONENT

TABLE 6.1.3

EUR millions	2004	2004			
		Q1	Q2	Q3	Q4
CREDITS	68 387.3	14 190.7	16 608.2	20 848.6	16 739.8
Travel	36 376.3	6 791.8	8 671.5	12 879.4	8 033.5
Transportation	11 257.8	2 550.7	2 902.3	2 880.2	2 924.6
Freight	4 076.3	979.0	1 062.2	944.3	1 090.8
Passenger transport	3 971.0	873.5	1 055.4	1 058.2	983.9
<i>Air transport</i>	<i>3 855.0</i>	<i>856.3</i>	<i>1 030.2</i>	<i>1 024.8</i>	<i>943.6</i>
<i>Overland and other transport</i>	<i>36.0</i>	<i>5.7</i>	<i>7.7</i>	<i>9.6</i>	<i>13.0</i>
<i>Sea transport</i>	<i>80.0</i>	<i>11.5</i>	<i>17.5</i>	<i>23.8</i>	<i>27.2</i>
Other (a)	3 210.5	698.2	784.7	877.6	850.0
Communication services	981.2	189.3	183.3	275.2	333.4
Construction services	874.1	192.1	189.4	242.3	250.3
Insurance services	436.6	116.9	117.2	106.1	96.3
Financial services	1 680.0	375.2	408.1	422.6	474.1
Computer and information services	2 355.4	576.9	586.1	565.7	626.7
Other business services	12 643.3	2 927.9	3 114.4	3 064.8	3 536.1
Merchanting (b)	1 603.3	280.0	446.0	406.4	471.0
Operational leasing (c)	239.4	41.3	56.6	71.6	69.9
Miscellaneous business, professional and technical	10 800.6	2 606.6	2 611.8	2 586.9	2 995.3
Personal, cultural and recreational services	773.0	170.9	195.2	197.4	209.6
Audiovisual	340.3	88.8	85.3	80.2	86.0
Other cultural and recreational services	432.7	82.1	109.8	117.2	123.6
Government services	619.1	149.7	152.6	153.6	163.2
Royalties and license fees	390.5	149.2	88.2	61.3	91.9
DEBITS	46 156.4	10 884.5	11 158.1	12 095.4	12 018.4
Travel	9 772.1	2 081.0	2 087.6	2 958.5	2 644.9
Transportation	12 522.7	2 792.9	3 155.3	3 191.8	3 382.8
Freight	8 181.3	1 844.1	2 083.9	2 030.7	2 222.6
Passenger transport	2 157.7	454.6	522.5	586.4	594.2
<i>Air transport</i>	<i>2 116.5</i>	<i>445.1</i>	<i>517.7</i>	<i>573.6</i>	<i>580.1</i>
<i>Overland and other transport</i>	<i>13.9</i>	<i>5.8</i>	<i>2.3</i>	<i>2.9</i>	<i>2.9</i>
<i>Sea transport</i>	<i>27.3</i>	<i>3.7</i>	<i>2.5</i>	<i>9.9</i>	<i>11.2</i>
Other (a)	2 183.7	494.2	548.9	574.6	566.0
Communication services	1 281.5	253.6	360.7	316.7	350.5
Construction services	690.2	160.0	141.3	217.5	171.4
Insurance services	907.8	171.5	252.8	302.7	180.8
Financial services	1 608.1	366.9	473.6	359.2	408.4
Computer and information services	1 282.8	361.1	346.3	284.3	291.2
Other business services	13 825.4	3 323.5	3 393.4	3 463.9	3 644.7
Merchanting (b)	1 066.3	245.5	284.1	269.0	267.7
Operational leasing (c)	1 035.1	305.1	230.6	288.5	210.8
Miscellaneous business, professional and technical	11 724.1	2 772.9	2 878.7	2 906.3	3 166.2
Personal, cultural and recreational services	1 533.5	415.6	370.8	392.3	354.8
Audiovisual	1 023.1	300.9	248.4	232.6	241.2
Other cultural and recreational services	510.4	114.7	122.4	159.7	113.5
Government services	293.1	74.2	62.0	57.9	99.0
Royalties and license fees	2 439.2	884.3	514.2	550.6	490.1

SOURCE: Banco de España.

- a. Includes transport support and auxiliary services.
b. Includes other trade-related services.
c. Includes rental of transportation without crew.

BALANCE OF SERVICES BY COMPONENT (cont'd)

TABLE 6.1.3

EUR millions	2004	2004			
		Q1	Q2	Q3	Q4
BALANCE	22 230.9	3 306.2	5 450.1	8 753.3	4 721.4
Travel	26 604.2	4 710.8	6 583.9	9 920.9	5 388.6
Transportation	-1 264.9	-242.2	-253.0	-311.6	-458.1
Freight	-4 105.0	-865.1	-1 021.7	-1 086.4	-1 131.8
Passenger transport	1 813.3	418.9	532.9	471.9	389.6
Air transport	1 738.5	411.2	512.4	451.2	363.6
Overland and other transport	22.1	-0.1	5.4	6.7	10.1
Sea transport	52.7	7.8	15.0	13.9	16.0
Other (a)	1 026.8	204.0	235.8	303.0	284.0
Communication services	-300.4	-64.3	-177.4	-41.5	-17.1
Construction services	183.9	32.1	48.0	24.8	79.0
Insurance services	-471.2	-54.6	-135.6	-196.6	-84.4
Financial services	71.9	8.3	-65.5	63.4	65.7
Computer and information services	1 072.6	215.8	239.8	281.5	335.5
Other business services	-1 182.1	-395.5	-279.0	-399.0	-108.5
Merchanting (b)	537.1	34.5	161.9	137.3	203.3
Operational leasing (c)	-795.6	-263.8	-174.0	-217.0	-140.9
Miscellaneous business, professional and technical	-923.5	-166.3	-266.9	-319.4	-170.9
Personal, cultural and recreational services	-760.5	-244.7	-175.6	-195.0	-145.2
Audiovisual	-682.8	-212.1	-163.1	-152.4	-155.2
Other cultural and recreational services	-77.7	-32.6	-12.6	-42.6	10.0
Government services	326.0	75.6	90.5	95.7	64.2
Royalties and license fees	-2 048.7	-735.2	-426.1	-489.3	-398.2

SOURCE: Banco de España.

a. Includes transport support and auxiliary services.

b. Includes other trade-related services.

c. Includes rental of transportation without crew.

INVESTMENT INCOME BY SECTOR

TABLE 6.1.4

EUR millions	2004	2004			
		Q1	Q2	Q3	Q4
Credits	24 278.3	5 089.2	7 261.2	5 207.2	6 720.7
Monetary financial institutions	9 552.3	2 623.5	1 772.7	2 632.2	2 524.0
General government	67.6	16.3	18.8	14.7	17.8
Other resident sectors	14 658.4	2 449.4	5 469.8	2 560.3	4 178.9
Debits	37 920.2	7 632.2	10 733.9	9 536.9	10 017.2
Monetary financial institutions	12 593.8	2 835.2	2 865.6	3 262.5	3 630.5
General government	8 327.7	2 106.7	1 979.7	2 172.1	2 069.3
Other resident sectors	16 998.8	2 690.3	5 888.6	4 102.4	4 317.4
Balance	-13 641.9	-2 543.0	-3 472.7	-4 329.7	-3 296.6
Monetary financial institutions	-3 041.5	-211.8	-1 092.9	-630.3	-1 106.5
General government	-8 260.1	-2 090.4	-1 960.9	-2 157.3	-2 051.5
Other resident sectors	-2 340.3	-240.8	-418.9	-1 542.1	-138.6

SOURCE: Banco de España.

INVESTMENT INCOME BY INSTRUMENT

TABLE 6.1.5

EUR millions	2004	2004			
		Q1	Q2	Q3	Q4
Credits	24 278.3	5 089.2	7 261.2	5 207.2	6 720.7
Direct investment income	8 797.2	868.2	3 627.0	1 352.9	2 949.1
Portfolio investment income	10 668.3	3 037.3	2 675.8	2 517.4	2 437.9
<i>Distributed dividends</i>	<i>1 175.4</i>	<i>114.4</i>	<i>725.5</i>	<i>75.9</i>	<i>259.7</i>
<i>Other portfolio investment</i>	<i>9 493.0</i>	<i>2 922.9</i>	<i>1 950.3</i>	<i>2 441.5</i>	<i>2 178.2</i>
Other investment income	4 812.8	1 183.7	958.4	1 336.9	1 333.7
Debits	37 920.2	7 632.2	10 733.9	9 536.9	10 017.2
Direct investment income (a)	10 287.8	1 134.6	4 050.4	2 362.3	2 740.5
Portfolio investment income (b)	15 460.4	3 642.5	3 954.6	3 703.9	4 159.5
<i>Distributed dividends (b)</i>	<i>3 353.3</i>	<i>787.2</i>	<i>1 065.1</i>	<i>808.7</i>	<i>692.3</i>
<i>Other negotiable securities investments</i>	<i>12 107.1</i>	<i>2 855.4</i>	<i>2 889.4</i>	<i>2 895.2</i>	<i>3 467.1</i>
Other investment income	12 172.0	2 855.0	2 728.9	3 470.8	3 117.3

SOURCE: Banco de España.

a. Does not include income from direct investment in listed shares; includes income from portfolio investment in unlisted shares.

b. Includes income from direct investment in listed shares; does not include income from portfolio investment in unlisted shares.

CURRENT TRANSFERS BY SECTOR

TABLE 6.1.6

EUR millions	2004	2004			
		Q1	Q2	Q3	Q4
CREDITS	15 451.8	5 730.9	3 363.8	3 113.7	3 243.4
General government	2 965.3	607.6	848.7	432.1	1 076.9
<i>Of which: with the EU</i>	<i>1 848.9</i>	<i>395.3</i>	<i>416.2</i>	<i>255.5</i>	<i>781.9</i>
Other sectors	12 486.5	5 123.3	2 515.1	2 681.6	2 166.5
Workers' remittances	4 179.2	968.2	1 040.8	1 153.8	1 016.4
Other transfers	8 307.3	4 155.1	1 474.3	1 527.8	1 150.1
<i>Of which: with the EU</i>	<i>6 319.3</i>	<i>3 709.6</i>	<i>981.4</i>	<i>1 043.6</i>	<i>584.7</i>
DEBITS	15 495.6	4 059.9	3 558.8	3 855.0	4 021.9
General government	9 006.5	2 654.7	1 998.3	2 198.6	2 155.0
<i>Of which: with the EU</i>	<i>8 404.6</i>	<i>2 490.7</i>	<i>1 825.9</i>	<i>2 065.5</i>	<i>2 022.5</i>
Other sectors	6 489.1	1 405.2	1 560.6	1 656.4	1 867.0
Workers' remittances	3 481.0	772.4	837.6	897.5	973.5
Other transfers	3 008.1	632.8	723.0	758.9	893.4
BALANCE	-43.8	1 671.0	-195.1	-741.2	-778.5
General government	-6 041.2	-2 047.1	-1 149.6	-1 766.5	-1 078.0
<i>Of which: with the EU</i>	<i>-6 555.7</i>	<i>-2 095.4</i>	<i>-1 409.7</i>	<i>-1 810.0</i>	<i>-1 240.6</i>
Other sectors	5 997.3	3 718.0	954.5	1 025.2	299.5
Workers' remittances	698.1	195.7	203.2	256.3	42.9
Other transfers	5 299.2	3 522.3	751.3	768.9	256.7
<i>Of which: with the EU</i>	<i>6 319.3</i>	<i>3 709.6</i>	<i>981.4</i>	<i>1 043.6</i>	<i>584.7</i>

SOURCES: Banco de España and Dirección General del Tesoro y Política Financiera (Ministerio de Economía y Hacienda).

CAPITAL ACCOUNT

TABLE 6.1.7

EUR millions	2004	2004			
		Q1	Q2	Q3	Q4
CREDITS	9 350.7	1 359.2	3 047.4	2 384.8	2 559.3
Capital transfers	9 070.3	1 332.6	3 036.3	2 164.2	2 537.1
General government	8 029.5	1 054.0	2 777.0	1 927.7	2 270.8
<i>Of which: with the EU</i>	<i>7 746.2</i>	<i>965.7</i>	<i>2 724.5</i>	<i>1 840.8</i>	<i>2 215.2</i>
Other sectors	1 040.8	278.7	259.3	236.5	266.3
Disposal of non-produced intangible assets	280.4	26.6	11.1	220.6	22.1
DEBITS	803.1	178.8	202.2	262.0	160.1
Capital transfers	541.5	139.7	126.6	154.8	120.5
General government	106.7	39.6	19.9	31.2	16.0
<i>Of which: with the EU</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>
Other sectors	434.8	100.1	106.6	123.6	104.5
Acquisition of non-produced intangible assets	261.6	39.2	75.6	107.2	39.6
BALANCE	8 547.6	1 180.4	2 845.3	2 122.8	2 399.2
Capital transfers	8 528.8	1 193.0	2 909.8	2 009.4	2 416.6
General government	7 922.8	1 014.4	2 757.1	1 896.5	2 254.8
<i>Of which: with the EU</i>	<i>7 746.2</i>	<i>965.7</i>	<i>2 724.5</i>	<i>1 840.8</i>	<i>2 215.2</i>
Other sectors	606.0	178.6	152.7	112.9	161.8
Disposal/acquisition of non-produced intangible assets	18.8	–12.6	–64.5	113.4	–17.5

SOURCES: Banco de España and Dirección General del Tesoro y Política Financiera (Ministerio de Economía y Hacienda).

EUR millions	2004	2004			
		Q1	Q2	Q3	Q4
Spanish investment abroad (NCA)	111 199.7	28 587.2	39 858.5	7 198.9	35 555.1
Direct investment	39 825.1	4 419.4	7 704.4	6 076.7	21 624.6
<i>Monetary financial institutions</i>	12 986.9	2 527.2	-480.7	-1 994.4	12 934.8
<i>Other resident sectors</i>	26 838.3	1 892.2	8 185.2	8 071.1	8 689.8
Portfolio investment (including Banco de España)	29 999.1	10 384.1	15 904.5	-3 047.2	6 757.7
<i>Banco de España</i>	5 018.2	3 678.0	264.3	98.0	977.9
<i>Other monetary financial institutions</i>	4 633.7	4 795.8	3 541.9	-4 706.5	1 002.4
<i>General government</i>	871.6	-3.0	2.8	295.9	575.9
<i>Other resident sectors</i>	19 475.6	1 913.3	12 095.6	1 265.3	4 201.4
Other investment (including Banco de España) (b)	41 375.5	13 783.8	16 249.5	4 169.4	7 172.8
<i>Banco de España</i>	14 065.7	4 776.6	4 813.7	-7 209.0	11 684.5
<i>Other monetary financial institutions</i>	15 815.5	5 256.8	9 338.4	8 441.9	-7 221.6
<i>General government</i>	1 206.5	531.1	-226.9	264.1	638.2
<i>Other resident sectors</i>	10 287.7	3 219.3	2 324.3	2 672.4	2 071.8
Foreign investment in Spain (NCL)	141 725.5	31 558.8	46 107.7	16 372.3	47 686.7
Direct investment	13 480.0	-1 558.0	8 814.6	1 718.0	4 505.5
<i>Monetary financial institutions</i>	-1 113.8	-926.3	-439.6	80.0	172.2
<i>Other resident sectors</i>	14 593.8	-631.7	9 254.2	1 638.0	4 333.4
Portfolio investment	110 785.5	30 574.0	13 355.3	21 492.9	45 363.3
<i>Monetary financial institutions</i>	49 710.8	14 269.4	6 398.7	4 763.6	24 279.2
<i>General government</i>	21 118.9	11 066.1	3 668.5	2 961.0	3 423.4
<i>Other resident sectors</i>	39 955.8	5 238.6	3 288.1	13 768.4	17 660.8
Other investment (including Banco de España) (b)	17 460.0	2 542.7	23 937.9	-6 838.5	-2 182.1
<i>Banco de España</i>	-73.0	-30.0	-60.7	0.4	17.3
<i>Other monetary financial institutions</i>	13 559.2	-248.1	25 956.2	-10 053.8	-2 095.1
<i>General government</i>	5 040.7	528.8	182.4	1 412.4	2 917.1
<i>Other resident sectors</i>	-1 066.9	2 292.0	-2 139.9	1 802.4	-3 021.4
Financial derivatives (NCL – NCA)	1 161.2	110.9	179.9	57.7	812.6
<i>Monetary financial institutions</i>	79.6	51.8	115.2	-679.9	592.5
<i>General government</i>	-665.1	-39.7	-132.1	-2.6	-490.6
<i>Other resident sectors</i>	1 746.6	98.9	196.9	740.3	710.6
Reserves	5 147.0	3 634.1	795.9	316.4	400.6

SOURCE: Banco de España.

a. Changes in assets and liabilities are both net of repayments.

b. Mainly loans, repo operations and deposits.

ACCOUNTING CONVENTION:

NCA: A positive (negative) sign denotes an increase (decrease) in assets; it is thus a capital outflow (inflow).**NCL:** A positive (negative) sign denotes an increase (decrease) in liabilities; it is thus a capital inflow (outflow).**NCL – NCA:** A positive (negative) sign denotes a capital inflow (outflow).

Reserves: A positive (negative) sign denotes a decrease (increase) in the reserves.

EUR millions	2004	2004			
		Q1	Q2	Q3	Q4
GENERAL GOVERNMENT (NCL – NCA)	23 416.4	11 027.1	3 942.8	3 810.7	4 635.7
Portfolio investment (NCL – NCA)	20 247.3	11 069.1	3 665.7	2 665.0	2 847.5
<i>Spanish investment abroad (NCA)</i>	<i>871.6</i>	<i>–3.0</i>	<i>2.8</i>	<i>295.9</i>	<i>575.9</i>
Bonds and notes	871.6	–2.9	2.8	295.9	575.8
<i>Foreign investment in Spain (NCL)</i>	<i>21 118.9</i>	<i>11 066.1</i>	<i>3 668.5</i>	<i>2 961.0</i>	<i>3 423.4</i>
Bonds and notes	22 025.1	11 734.5	3 911.3	2 971.6	3 407.8
Money market instruments	–906.2	–668.4	–242.8	–10.6	15.6
Other investment (NCL – NCA) (b)	3 834.2	–2.3	409.3	1 148.3	2 278.8
<i>Spanish investment abroad (NCA)</i>	<i>1 206.5</i>	<i>531.1</i>	<i>–226.9</i>	<i>264.1</i>	<i>638.2</i>
Long-term loans and deposits	804.1	187.5	92.4	173.7	350.5
Short-term loans and deposits	402.5	343.6	–319.3	90.4	287.7
<i>Foreign investment in Spain (NCL)</i>	<i>5 040.7</i>	<i>528.8</i>	<i>182.4</i>	<i>1 412.4</i>	<i>2 917.1</i>
Long-term loans	4 209.5	374.9	89.8	138.6	3 606.1
Short-term loans	831.2	153.9	92.6	1 273.8	–689.1
Financial derivatives (NCL – NCA)	–665.1	–39.7	–132.1	–2.6	–490.6
OTHER RESIDENT SECTORS (NCL – NCA)	–1 372.2	–26.9	–12 005.9	5 940.3	4 720.3
Direct investment (NCL – NCA)	–12 244.4	–2 523.9	1 069.0	–6 433.1	–4 356.5
<i>Spanish investment abroad (NCA)</i>	<i>26 838.3</i>	<i>1 892.2</i>	<i>8 185.2</i>	<i>8 071.1</i>	<i>8 689.8</i>
Shares	9 763.6	–1 870.8	3 145.3	4 574.3	3 914.7
Other equity	11 935.9	1 220.2	4 077.0	843.6	5 795.1
Reinvested earnings	405.0	101.3	101.3	101.3	101.3
Intercompany debt transactions	3 953.5	2 265.1	661.6	2 388.4	–1 361.5
Real estate	780.2	176.5	200.0	163.5	240.3
<i>Foreign investment in Spain (NCL)</i>	<i>14 593.8</i>	<i>–631.7</i>	<i>9 254.2</i>	<i>1 638.0</i>	<i>4 333.4</i>
Unlisted shares	–2 437.8	–1 339.7	596.9	280.4	–1 975.5
Other equity	3 931.8	–379.6	3 099.7	83.8	1 127.9
Reinvested earnings	1 409.5	352.4	352.4	352.4	352.4
Intercompany debt transactions	5 085.3	–781.9	3 272.6	–725.4	3 320.0
Real estate	6 605.1	1 517.1	1 932.6	1 646.9	1 508.6
Portfolio investment (NCL – NCA)	20 480.2	3 325.3	–8 807.5	12 503.1	13 459.3
<i>Spanish investment abroad (NCA)</i>	<i>19 475.6</i>	<i>1 913.3</i>	<i>12 095.6</i>	<i>1 265.3</i>	<i>4 201.4</i>
Listed shares and mutual funds	9 421.4	4 433.3	5 467.2	–2 185.5	1 706.4
Bonds and notes	11 388.9	–1 553.9	6 163.3	2 911.5	3 868.0
Money market instruments	–1 334.7	–966.2	465.2	539.3	–1 373.0
<i>Foreign investment in Spain (NCL)</i>	<i>39 955.8</i>	<i>5 238.6</i>	<i>3 288.1</i>	<i>13 768.4</i>	<i>17 660.8</i>
Listed shares	–2 055.1	118.1	–6 320.0	4 845.2	–698.3
Bonds and notes	40 865.6	5 043.4	9 599.7	8 089.1	18 133.3
Money market instruments	1 145.3	77.0	8.4	834.1	225.8
Other investment (NCL – NCA) (b)	–11 354.6	–927.2	–4 464.2	–869.9	–5 093.2
<i>Spanish investment abroad (NCA)</i>	<i>10 287.7</i>	<i>3 219.3</i>	<i>2 324.3</i>	<i>2 672.4</i>	<i>2 071.8</i>
Long-term loans and deposits	359.6	–90.6	207.3	92.3	150.6
Short-term loans and deposits	9 928.1	3 309.9	2 117.1	2 580.1	1 921.1
<i>Foreign investment in Spain (NCL)</i>	<i>–1 066.9</i>	<i>2 292.0</i>	<i>–2 139.9</i>	<i>1 802.4</i>	<i>–3 021.4</i>
Long-term loans	–2 147.4	1 250.9	–460.4	860.5	–3 798.4
Short-term loans	1 080.6	1 041.1	–1 679.5	941.9	777.0
Financial derivatives (NCL – NCA)	1 746.6	98.9	196.9	740.3	710.6

SOURCE: Banco de España.

a. Changes in assets and liabilities are both net of repayments.

b. Mainly loans, repo operations and deposits.

ACCOUNTING CONVENTION:

NCA: A positive (negative) sign denotes an increase (decrease) in assets; it is thus a capital outflow (inflow).**NCL:** A positive (negative) sign denotes an increase (decrease) in liabilities; it is thus a capital inflow (outflow).**NCL – NCA:** A positive (negative) sign denotes a capital inflow (outflow).

EUR millions	2004	2004			
		Q1	Q2	Q3	Q4
MONETARY FINANCIAL INSTITUTIONS, EXCLUDING BANCO DE ESPAÑA (NCL – NCA)	28 799.8	566.8	19 630.9	–7 631.3	16 233.3
Direct investment (NCL – NCA)	–14 100.6	–3 453.5	41.1	2 074.3	–12 762.6
<i>Spanish investment abroad (NCA)</i>	<i>12 986.9</i>	<i>2 527.2</i>	<i>–480.7</i>	<i>–1 994.4</i>	<i>12 934.8</i>
Shares	12 663.3	2 455.8	–551.0	–2 049.4	12 807.9
Other equity	37.0	6.9	7.9	–9.6	31.7
Reinvested earnings	255.6	63.9	63.9	63.9	63.9
Real estate	31.0	0.6	–1.5	0.7	31.2
Foreign investment in Spain (NCL)	–1 113.8	–926.3	–439.6	80.0	172.2
Unlisted shares	–1 394.3	–956.2	–463.9	33.3	–7.5
Other equity	205.0	11.0	5.4	27.8	160.8
Reinvested earnings	75.5	18.9	18.9	18.9	18.9
Portfolio investment (NCL – NCA)	45 077.1	9 473.5	2 856.8	9 470.0	23 276.8
<i>Spanish investment abroad (NCA)</i>	<i>4 633.7</i>	<i>4 795.8</i>	<i>3 541.9</i>	<i>–4 706.5</i>	<i>1 002.4</i>
Listed shares and mutual funds	2 051.6	866.3	916.0	–171.8	441.1
Bonds and notes	413.8	1 495.2	1 982.4	–3 313.7	249.9
Money market instruments	2 168.3	2 434.3	643.5	–1 220.9	311.4
Foreign investment in Spain (NCL)	49 710.8	14 269.4	6 398.7	4 763.6	24 279.2
Listed shares	9 908.6	1 344.9	–1 970.1	–2 390.8	12 924.6
Bonds and notes	39 816.3	12 932.7	8 375.2	7 041.4	11 467.0
Money market instruments	–14.1	–8.3	–6.4	112.9	–112.5
Other investment (NCL – NCA) (b)	–2 256.3	–5 504.9	16 617.8	–18 495.7	5 126.6
<i>Spanish investment abroad (NCA)</i>	<i>15 815.5</i>	<i>5 256.8</i>	<i>9 338.4</i>	<i>8 441.9</i>	<i>–7 221.6</i>
Long-term	3 609.5	1 509.5	1 206.2	613.8	280.0
Short-term	12 206.0	3 747.3	8 132.2	7 828.1	–7 501.6
<i>Loans</i>	<i>1 377.1</i>	<i>–414.9</i>	<i>1 006.6</i>	<i>521.5</i>	<i>263.9</i>
<i>Repurchase agreements</i>	<i>130.2</i>	<i>4 640.3</i>	<i>–3 725.2</i>	<i>3 180.3</i>	<i>–3 965.2</i>
<i>Deposits</i>	<i>10 698.7</i>	<i>–478.0</i>	<i>10 850.8</i>	<i>4 126.2</i>	<i>–3 800.3</i>
Foreign investment in Spain (NCL)	13 559.2	–248.1	25 956.2	–10 053.8	–2 095.1
Long-term	–12 516.5	–3 461.7	–3 617.5	–3 519.6	–1 917.7
Short-term	26 075.7	3 213.6	29 573.7	–6 534.2	–177.4
<i>Repurchase agreements</i>	<i>–7 669.2</i>	<i>–7 679.4</i>	<i>10 089.2</i>	<i>–8 319.8</i>	<i>–1 759.1</i>
<i>Deposits</i>	<i>33 744.9</i>	<i>10 893.0</i>	<i>19 484.6</i>	<i>1 785.6</i>	<i>1 581.7</i>
Financial derivatives (NCL – NCA)	79.6	51.8	115.2	–679.9	592.5
BANCO DE ESPAÑA (NCL – NCA)	–14 010.0	–4 850.5	–4 342.8	7 427.8	–12 244.5
Portfolio investment (NCL – NCA)	–5 018.2	–3 678.0	–264.3	–98.0	–977.9
Other investment (NCL – NCA)	–14 138.8	–4 806.6	–4 874.4	7 209.4	–11 667.2
<i>Spanish investment abroad (NCA)</i>	<i>14 065.7</i>	<i>4 776.6</i>	<i>4 813.7</i>	<i>–7 209.0</i>	<i>11 684.5</i>
<i>Foreign investment in Spain (NCL)</i>	<i>–73.0</i>	<i>–30.0</i>	<i>–60.7</i>	<i>0.4</i>	<i>17.3</i>
Reserves	5 147.0	3 634.1	795.9	316.4	400.6

SOURCE: Banco de España.

a. Changes in assets and liabilities are both net of repayments.

b. Mainly loans, repo operations and deposits.

ACCOUNTING CONVENTION:

NCA: A positive (negative) sign denotes an increase (decrease) in assets; it is thus a capital outflow (inflow).**NCL:** A positive (negative) sign denotes an increase (decrease) in liabilities; it is thus a capital inflow (outflow).**NCL – NCA:** A positive (negative) sign denotes a capital inflow (outflow).

DIRECT INVESTMENT

TABLE 6.1.10

EUR millions	2004	2004			
		Q1	Q2	Q3	Q4
Direct investment					
Spanish investment abroad (NCA)	39 825.1	4 419.4	7 704.4	6 076.7	21 624.6
Of which: ETVE (a)	4 029.6	−633.2	3 188.6	740.6	733.6
Foreign investment in Spain (NCL)	13 480.0	−1 558.0	8 814.6	1 718.0	4 505.5
Of which: ETVE (a)	2 587.5	−599.7	2 518.6	193.0	475.6

SOURCE: Banco de España.

a. Estimate based on the CNAE classification. It includes the transactions of ETVE companies and of other holding companies which are not strictly ETVE, but which, like them, have been established in Spain for the main purpose of channelling direct investment flows.

BALANCE OF PAYMENTS IN 2004

TABLE 6.1.11

Breakdown by selected economic areas (a)

EUR millions	WORLD TOTAL			EUROPE			EUROPEAN UNION		
	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE
CURRENT ACCOUNT	256 692.0	301 142.7	-44 450.7	207 833.7	218 772.1	-10 938.4	192 605.1	201 510.3	-8 905.2
Goods	148 105.6	201 042.7	-52 937.1	118 708.1	143 772.6	-25 064.5	110 038.0	132 052.6	-22 014.5
Services	68 387.3	46 156.4	22 230.9	57 321.3	33 296.9	24 024.4	52 184.7	29 075.8	23 108.9
Travel	36 376.3	9 772.1	26 604.2	32 635.2	6 834.3	25 800.9	30 804.7	5 957.9	24 846.8
Other services	32 011.0	36 384.3	-4 373.2	24 686.1	26 462.6	-1 776.5	21 380.0	23 117.9	-1 737.9
Labour income	469.0	527.8	-58.8	320.6	275.3	45.4	270.0	235.9	34.1
Investment income	24 278.3	37 920.2	-13 641.9	18 312.2	30 608.3	-12 296.2	17 684.0	29 628.4	-11 944.4
Monetary financial institutions	9 552.3	12 593.8	-3 041.5	7 645.7	9 500.9	-1 855.2	7 496.9	9 171.8	-1 674.9
General government	67.6	8 327.7	-8 260.1	11.0	7 820.0	-7 809.0	10.3	7 814.8	-7 804.5
Other resident sectors	14 658.4	16 998.8	-2 340.3	10 655.5	13 287.4	-2 631.9	10 176.8	12 641.7	-2 465.0
Current transfers	15 451.8	15 495.6	-43.8	13 171.5	10 819.0	2 352.5	12 428.4	10 517.7	1 910.8
CAPITAL ACCOUNT	9 350.7	803.1	8 547.6	8 697.6	505.3	8 192.4	8 480.4	443.5	8 036.9
	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL - NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL - NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL - NCA)
FINANCIAL ACCOUNT (excluding Banco de España) (b)	...	...	...	...	...	...	...	...	...
Monetary financial institutions	62 156.2	33 436.0	28 720.2	77 004.3	28 903.3	48 101.0	76 634.7	25 845.1	50 789.6
Direct investment (c)	-1 113.8	12 986.9	-14 100.6	-399.0	9 134.2	-9 533.2	-407.9	8 644.0	-9 051.9
Portfolio investment	49 710.8	4 633.7	45 077.1	49 020.6	3 131.0	45 889.6	49 004.3	1 944.2	47 060.0
Other investment	13 559.2	15 815.5	-2 256.3	28 382.8	16 638.1	11 744.6	28 038.3	15 256.9	12 781.4
General government	26 159.6	2 078.2	24 081.4	28 444.3	1 391.2	27 053.1	28 432.4	1 345.8	27 086.5
Portfolio investment	21 118.9	871.6	20 247.3	23 352.8	880.0	22 472.8	23 340.9	879.7	22 461.1
Other investment	5 040.7	1 206.5	3 834.2	5 091.5	511.2	4 580.2	5 091.5	466.1	4 625.4
Other resident sectors	53 482.8	56 601.5	-3 118.8	51 004.2	52 764.0	-1 759.8	48 907.7	51 012.6	-2 104.9
Direct investment (c)	14 593.8	26 838.3	-12 244.4	12 756.3	23 127.8	-10 371.5	11 106.9	21 312.6	-10 205.7
Portfolio investment	39 955.8	19 475.6	20 480.2	39 720.9	20 298.0	19 422.8	39 631.8	20 424.3	19 207.5
Other investment	-1 066.9	10 287.7	-11 354.6	-1 473.0	9 338.1	-10 811.1	-1 830.9	9 275.7	-11 106.7

SOURCE: Banco de España.

a. The difference between the world total amounts and the sum of the geographical areas corresponds to geographically unassigned information, which in no case represents large amounts, and to amounts corresponding to international organisations other than the European Union.

b. Derivatives not included.

c. In the case of direct investment, the change in assets corresponds to Spain's investment abroad, which includes, among other transactions, loans received by Spanish parent companies from their non-resident subsidiaries, which reduce such investment. Likewise, the change in liabilities corresponds to foreign investment in Spain, which includes loans granted by Spanish subsidiary companies to their non-resident parents (see Chapter V).

NOTE:

EUROPEAN UNION: International institutions of the European Union, European Central Bank, France, Belgium, Netherlands, Germany, Italy, United Kingdom, Ireland, Denmark, Greece, Portugal, Luxembourg, Austria, Finland, Sweden, Cyprus, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Malta, Poland, Slovenia, Slovakia and their dependencies.

BALANCE OF PAYMENTS IN 2004 (cont'd)

TABLE 6.1.11

Breakdown by selected economic areas (a)

EUR millions	EURO AREA			UNITED KINGDOM			SWEDEN		
	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE
CURRENT ACCOUNT	136 532.6	153 017.2	-16 484.6	38 149.0	28 919.8	9 229.2	2 679.9	3 233.5	-553.6
Goods	89 229.6	110 721.8	-21 492.2	13 861.0	12 520.2	1 340.8	1 523.6	2 661.7	-1 138.1
Services	29 669.7	19 764.8	9 904.9	20 316.8	7 891.1	12 425.7	1 013.3	461.0	552.3
Travel	15 709.5	3 754.0	11 955.6	13 975.4	1 899.7	12 075.8	704.0	72.8	631.3
Other services	13 960.1	16 010.8	-2 050.7	6 341.3	5 991.5	349.9	309.2	388.2	-79.0
Labour income	185.1	186.3	-1.2	78.7	36.9	41.8	1.7	2.3	-0.6
Investment income	14 721.3	20 701.6	-5 980.2	2 478.2	8 074.5	-5 596.4	98.6	82.4	16.2
<i>Monetary financial institutions</i>	<i>6 084.3</i>	<i>5 719.0</i>	<i>365.3</i>	<i>1 249.9</i>	<i>3 396.4</i>	<i>-2 146.4</i>	<i>31.3</i>	<i>11.0</i>	<i>20.3</i>
<i>General government</i>	<i>10.0</i>	<i>5 435.6</i>	<i>-5 425.6</i>	<i>-</i>	<i>2 152.5</i>	<i>-2 152.5</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Other resident sectors</i>	<i>8 627.1</i>	<i>9 547.0</i>	<i>-919.9</i>	<i>1 228.3</i>	<i>2 525.7</i>	<i>-1 297.4</i>	<i>67.3</i>	<i>71.4</i>	<i>-4.1</i>
Current transfers	2 727.0	1 642.8	1 084.2	1 414.4	397.1	1 017.3	42.8	26.1	16.6
CAPITAL ACCOUNT	465.2	309.2	156.1	239.9	102.1	137.8	5.4	27.4	-22.1
	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL - NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL - NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL - NCA)
FINANCIAL ACCOUNT (excluding Banco de España) (b)	...	...	...	...	...	...	...	...	...
Monetary financial institutions	41 203.5	1 225.4	39 978.1	34 761.9	23 323.2	11 438.7	-9.7	649.9	-659.6
Direct investment (c)	-497.5	-3 954.5	3 457.0	85.0	12 556.7	-12 471.6	4.1	0.1	4.0
Portfolio investment	29 503.9	-5 518.7	35 022.6	19 530.6	6 940.9	12 589.7	4.2	193.3	-189.1
Other investment	12 197.1	10 698.6	1 498.5	15 146.2	3 825.6	11 320.6	-18.0	456.5	-474.5
General government	14 837.0	1 280.8	13 556.2	10 782.5	-0.2	10 782.8	-11.0	-	-11.0
Portfolio investment	12 106.3	880.0	11 226.2	10 814.0	-0.3	10 814.3	-11.0	-	-11.0
Other investment	2 730.7	400.8	2 329.9	-31.5	-	-31.5	-	-	-
Other resident sectors	26 780.2	43 702.6	-16 922.4	21 240.2	4 950.5	16 289.7	177.3	140.4	36.9
Direct investment (c)	6 919.6	16 011.3	-9 091.7	3 834.7	3 574.5	260.2	145.3	42.3	103.1
Portfolio investment	20 417.5	19 455.6	962.0	18 733.6	368.6	18 365.0	21.2	101.1	-79.9
Other investment	-557.0	8 235.6	-8 792.6	-1 328.0	1 007.5	-2 335.5	10.8	-3.0	13.8

SOURCE: Banco de España.

a. The difference between the world total amounts and the sum of the geographical areas corresponds to geographically unassigned information, which in no case represents large amounts, and to amounts corresponding to international organisations other than the European Union.

b. Derivatives not included.

c. In the case of direct investment, the change in assets corresponds to Spain's investment abroad, which includes, among other transactions, loans received by Spanish parent companies from their non-resident subsidiaries, which reduce such investment. Likewise, the change in liabilities corresponds to foreign investment in Spain, which includes loans granted by Spanish subsidiary companies to their non-resident parents (see Chapter V).

NOTE:

EURO AREA: France, Belgium, Luxembourg, Netherlands, Germany, Italy, Ireland, Portugal, Austria, Finland, Greece and European Central Bank.

BALANCE OF PAYMENTS IN 2004 (cont'd)

TABLE 6.1.11

Breakdown by selected economic areas (a)

EUR millions	DENMARK			NEW MEMBERS			EUROPEAN INSTITUTIONS		
	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE
CURRENT ACCOUNT	1 628.7	1 896.5	-267.8	4 980.8	5 346.5	-365.7	8 634.1	9 087.8	-453.7
Goods	1 055.1	1 501.7	-446.5	4 368.7	4 647.2	-278.5	-	-	-
Services	452.9	300.6	152.3	384.7	629.0	-244.3	347.3	20.3	327.0
Travel	290.9	82.5	208.4	122.6	149.0	-26.4	2.2	-	2.2
Other services	162.0	218.1	-56.0	262.1	480.0	-217.9	345.1	20.3	324.8
Labour income	3.0	2.5	0.4	1.6	6.8	-5.3	-	1.0	-1.0
Investment income	90.1	79.2	10.8	184.4	43.7	140.7	111.4	646.9	-535.5
<i>Monetary financial institutions</i>	<i>35.7</i>	<i>7.7</i>	<i>28.1</i>	<i>26.3</i>	<i>37.8</i>	<i>-11.4</i>	<i>69.4</i>	<i>-</i>	<i>69.4</i>
<i>General government</i>	<i>-</i>	<i>0.1</i>	<i>-0.1</i>	<i>0.3</i>	<i>-</i>	<i>0.3</i>	<i>-</i>	<i>226.6</i>	<i>-226.6</i>
<i>Other resident sectors</i>	<i>54.3</i>	<i>71.5</i>	<i>-17.2</i>	<i>157.8</i>	<i>5.9</i>	<i>151.8</i>	<i>42.1</i>	<i>420.3</i>	<i>-378.2</i>
Current transfers	27.6	12.4	15.2	41.4	19.8	21.6	8 175.4	8 419.5	-244.1
CAPITAL ACCOUNT	4.5	3.1	1.5	6.6	1.8	4.9	7 758.8	-	7 758.8
	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL - NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL - NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL - NCA)
FINANCIAL ACCOUNT (excluding Banco de España) (b)	...	...	...	...	...	...	...	...	...
Monetary financial institutions	-104.7	78.0	-182.7	778.5	572.2	206.3	5.2	-3.6	8.8
Direct investment (c)	0.5	0.1	0.4	-	41.7	-41.7	-	-	-
Portfolio investment	-34.1	330.0	-364.1	-0.4	2.4	-2.8	-	-3.6	3.6
Other investment	-71.1	-252.0	180.9	778.8	528.1	250.7	5.2	-	5.2
General government	431.5	-	431.5	-0.1	-4.4	4.3	2 392.3	69.6	2 322.7
Portfolio investment	431.5	-	431.5	-	-	-	-	-0.1	0.1
Other investment	-	-	-	-0.1	-4.4	4.3	2 392.3	69.7	2 322.7
Other resident sectors	139.6	194.6	-55.0	63.7	1 956.8	-1 893.1	506.7	39.7	466.9
Direct investment (c)	154.1	72.6	81.5	53.1	1 611.0	-1 557.9	0.1	-	0.1
Portfolio investment	-14.9	118.6	-133.6	2.4	313.8	-311.4	472.0	39.6	432.4
Other investment	0.4	3.4	-3.0	8.3	32.1	-23.8	34.6	0.1	34.4

SOURCE: Banco de España.

a. The difference between the world total amounts and the sum of the geographical areas corresponds to geographically unassigned information, which in no case represents large amounts, and to amounts corresponding to international organisations other than the European Union.

b. Derivatives not included.

c. In the case of direct investment, the change in assets corresponds to Spain's investment abroad, which includes, among other transactions, loans received by Spanish parent companies from their non-resident subsidiaries, which reduce such investment. Likewise, the change in liabilities corresponds to foreign investment in Spain, which includes loans granted by Spanish subsidiary companies to their non-resident parents (see Chapter V).

NOTE:

NEW MEMBERS: Cyprus, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Malta, Poland, Slovenia and Slovakia.

BALANCE OF PAYMENTS IN 2004 (cont'd)

TABLE 6.1.11

Breakdown by selected economic areas (a)

EUR millions	REST OF EUROPE			SWITZERLAND			NORTH AMERICA		
	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE
CURRENT ACCOUNT	15 228.6	17 261.8	-2 033.2	5 924.4	6 388.9	-464.5	15 659.8	19 752.3	-4 092.6
Goods	8 670.1	11 720.0	-3 050.0	1 671.3	2 908.0	-1 236.7	6 984.6	7 956.0	-971.4
Services	5 136.6	4 221.1	915.5	3 230.5	2 516.6	713.9	5 590.3	5 657.2	-66.9
Travel	1 830.5	876.4	954.1	729.3	152.7	576.5	2 531.9	1 687.2	844.7
Other services	3 306.1	3 344.7	-38.6	2 501.2	2 363.9	137.4	3 058.4	3 970.0	-911.6
Labour income	50.6	39.4	11.3	37.6	23.7	13.8	65.2	75.0	-9.7
Investment income	628.2	979.9	-351.8	399.8	803.5	-403.7	1 732.3	4 617.7	-2 885.4
<i>Monetary financial institutions</i>	<i>148.8</i>	<i>329.1</i>	<i>-180.3</i>	<i>40.1</i>	<i>208.1</i>	<i>-168.0</i>	<i>627.5</i>	<i>657.1</i>	<i>-29.5</i>
<i>General government</i>	<i>0.7</i>	<i>5.2</i>	<i>-4.5</i>	<i>-</i>	<i>3.2</i>	<i>-3.2</i>	<i>1.9</i>	<i>451.8</i>	<i>-449.9</i>
<i>Other resident sectors</i>	<i>478.7</i>	<i>645.7</i>	<i>-166.9</i>	<i>359.7</i>	<i>592.1</i>	<i>-232.4</i>	<i>1 102.9</i>	<i>3 508.8</i>	<i>-2 405.9</i>
Current transfers	743.1	301.3	441.7	585.2	137.1	448.2	1 287.3	1 446.5	-159.2
CAPITAL ACCOUNT	217.2	61.8	155.5	125.0	42.1	83.0	275.9	59.2	216.6
	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL - NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL - NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL - NCA)
FINANCIAL ACCOUNT (excluding Banco de España) (b)	...	...	...	...	...	...	...	...	...
Monetary financial institutions	369.6	3 058.2	-2 688.6	67.1	-35.0	102.1	4 986.1	2 023.3	2 962.8
Direct investment (c)	8.9	490.2	-481.3	9.0	-1.6	10.7	16.9	-40.0	56.8
Portfolio investment	16.3	1 186.8	-1 170.4	18.2	43.7	-25.5	614.2	2 164.7	-1 550.5
Other investment	344.5	1 381.2	-1 036.8	39.9	-77.1	116.9	4 355.0	-101.4	4 456.4
General government	11.9	45.4	-33.4	13.1	0.5	12.6	-276.2	2.8	-279.0
Portfolio investment	11.9	0.3	11.7	13.1	-	13.1	-256.3	1.1	-257.4
Other investment	-	45.1	-45.2	-	0.5	-0.5	-19.9	1.7	-21.6
Other resident sectors	2 096.5	1 751.4	345.1	1 709.8	1 156.1	553.7	1 642.2	1 885.8	-243.6
Direct investment (c)	1 649.4	1 815.2	-165.8	1 351.1	1 464.5	-113.4	610.4	-291.4	901.8
Portfolio investment	89.1	-126.3	215.3	33.6	-321.1	354.7	588.1	1 378.8	-790.7
Other investment	357.9	62.4	295.6	325.1	12.8	312.4	443.7	798.4	-354.7

SOURCE: Banco de España.

a. The difference between the world total amounts and the sum of the geographical areas corresponds to geographically unassigned information, which in no case represents large amounts, and to amounts corresponding to international organisations other than the European Union.

b. Derivatives not included.

c. In the case of direct investment, the change in assets corresponds to Spain's investment abroad, which includes, among other transactions, loans received by Spanish parent companies from their non-resident subsidiaries, which reduce such investment. Likewise, the change in liabilities corresponds to foreign investment in Spain, which includes loans granted by Spanish subsidiary companies to their non-resident parents (see Chapter V).

NOTE:

REST OF EUROPE: Countries not included in the European Union.

BALANCE OF PAYMENTS IN 2004 (cont'd)

TABLE 6.1.11

Breakdown by selected economic areas (a)

EUR millions	UNITED STATES			CANADA			CENTRAL AND SOUTH AMERICA		
	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE
CURRENT ACCOUNT	14 360.9	18 350.5	-3 989.6	1 298.7	1 388.9	-90.2	13 827.8	14 731.2	-903.4
Goods	6 311.9	7 087.6	-775.7	672.7	856.5	-183.9	7 237.0	7 838.1	-601.2
Services	5 071.2	5 169.9	-98.7	519.0	486.3	32.8	2 649.5	2 530.3	119.2
Travel	2 420.6	1 474.6	945.9	111.4	212.6	-101.2	668.6	692.0	-23.4
Other services	2 650.7	3 695.3	-1 044.7	407.7	273.7	134.0	1 981.0	1 838.3	142.7
Labour income	64.4	71.9	-7.5	0.9	3.1	-2.2	58.6	116.1	-57.5
Investment income	1 649.0	4 587.6	-2 938.6	83.3	30.1	53.2	3 348.8	1 955.6	1 393.2
<i>Monetary financial institutions</i>	<i>598.9</i>	<i>652.7</i>	<i>-53.8</i>	<i>28.6</i>	<i>4.4</i>	<i>24.3</i>	<i>739.9</i>	<i>1 884.9</i>	<i>-1 145.0</i>
<i>General government</i>	<i>1.9</i>	<i>451.8</i>	<i>-449.9</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>20.8</i>	<i>4.1</i>	<i>16.6</i>
<i>Other resident sectors</i>	<i>1 048.2</i>	<i>3 483.1</i>	<i>-2 434.9</i>	<i>54.7</i>	<i>25.7</i>	<i>28.9</i>	<i>2 588.2</i>	<i>66.6</i>	<i>2 521.6</i>
Current transfers	1 264.5	1 433.5	-169.1	22.8	12.9	9.9	533.9	2 291.0	-1 757.0
CAPITAL ACCOUNT	270.9	53.1	217.9	4.9	6.2	-1.2	228.6	172.0	56.5
	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL - NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL - NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL - NCA)
FINANCIAL ACCOUNT (excluding Banco de España) (b)	...	...	...	...	...	...	...	...	...
Monetary financial institutions	4 616.0	2 088.6	2 527.5	370.0	-65.3	435.3	-25 871.3	825.3	-26 696.6
Direct investment (c)	16.9	-40.0	56.9	-	0.1	-	1.6	3 671.4	-3 669.8
Portfolio investment	257.9	2 207.6	-1 949.8	356.3	-43.0	399.3	-129.4	-1 550.9	1 421.4
Other investment	4 341.3	-79.0	4 420.4	13.7	-22.4	36.0	-25 743.4	-1 295.2	-24 448.2
General government	-275.4	2.8	-278.2	-0.8	-	-0.8	-5.3	189.0	-194.4
Portfolio investment	-255.5	1.1	-256.6	-0.8	-	-0.8	-5.0	-9.4	4.3
Other investment	-19.9	1.7	-21.6	-	-	-	-0.3	198.4	-198.7
Other resident sectors	1 244.3	2 556.2	-1 311.9	397.9	-670.4	1 068.3	288.7	1 183.9	-895.2
Direct investment (c)	251.7	177.1	74.6	358.7	-468.5	827.2	706.2	3 952.4	-3 246.2
Portfolio investment	545.5	1 582.5	-1 036.9	42.5	-203.6	246.2	-444.6	-2 830.4	2 385.8
Other investment	447.1	796.6	-349.6	-3.4	1.7	-5.1	26.9	61.8	-34.8

SOURCE: Banco de España.

a. The difference between the world total amounts and the sum of the geographical areas corresponds to geographically unassigned information, which in no case represents large amounts, and to amounts corresponding to international organisations other than the European Union.

b. Derivatives not included.

c. In the case of direct investment, the change in assets corresponds to Spain's investment abroad, which includes, among other transactions, loans received by Spanish parent companies from their non-resident subsidiaries, which reduce such investment. Likewise, the change in liabilities corresponds to foreign investment in Spain, which includes loans granted by Spanish subsidiary companies to their non-resident parents (see Chapter V).

BALANCE OF PAYMENTS IN 2004 (cont'd)

TABLE 6.1.11

Breakdown by selected economic areas (a)

EUR millions	AFRICA			ASIA			JAPAN		
	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE
CURRENT ACCOUNT	6 929.9	14 330.8	-7 400.9	10 016.7	31 546.3	-21 529.6	1 636.1	5 901.9	-4 265.8
Goods	6 049.5	12 410.8	-6 361.3	8 230.3	28 322.9	-20 092.6	1 217.3	5 325.4	-4 108.0
Services	692.7	1 522.7	-829.9	1 285.8	2 661.1	-1 375.3	357.3	498.3	-141.0
Travel	61.8	287.3	-225.5	374.9	232.5	142.4	154.6	21.5	133.1
Other services	630.9	1 235.3	-604.4	910.9	2 428.6	-1 517.7	202.6	476.7	-274.1
Labour income	11.6	14.3	-2.7	7.2	22.6	-15.4	2.0	7.8	-5.8
Investment income	128.1	90.7	37.4	147.1	194.8	-47.7	41.1	56.7	-15.6
<i>Monetary financial institutions</i>	<i>29.6</i>	<i>48.8</i>	<i>-19.1</i>	<i>60.3</i>	<i>119.4</i>	<i>-59.0</i>	<i>22.6</i>	<i>12.8</i>	<i>9.7</i>
<i>General government</i>	<i>13.6</i>	<i>-</i>	<i>13.6</i>	<i>19.1</i>	<i>13.3</i>	<i>5.8</i>	<i>-</i>	<i>11.9</i>	<i>-11.9</i>
<i>Other resident sectors</i>	<i>84.9</i>	<i>41.9</i>	<i>43.0</i>	<i>67.7</i>	<i>62.2</i>	<i>5.5</i>	<i>18.6</i>	<i>32.0</i>	<i>-13.4</i>
Current transfers	47.9	292.3	-244.4	346.2	344.8	1.4	18.3	13.8	4.6
CAPITAL ACCOUNT	109.1	35.1	74.0	20.1	20.6	-0.5	2.4	2.6	-0.2
	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL - NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL - NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL - NCA)
FINANCIAL ACCOUNT (excluding Banco de España) (b)	...	...	...	...	...	...	...	...	...
Monetary financial institutions	1 045.1	1.8	1 043.2	457.5	-283.9	741.3	-69.6	-133.3	63.7
Direct investment (c)	0.3	-	0.3	-733.5	-1.1	-732.4	1.2	0.9	0.3
Portfolio investment	-0.6	-12.6	12.0	-14.0	-5.2	-8.8	-0.5	-5.7	5.2
Other investment	1 045.3	14.4	1 030.9	1 205.0	-277.5	1 482.6	-70.3	-128.5	58.2
General government	-1.0	26.5	-27.5	-43.3	11.3	-54.6	-41.1	-	-41.1
Portfolio investment	-0.4	-	-0.4	-13.2	-	-13.2	-11.0	-	-11.0
Other investment	-0.6	26.5	-27.1	-30.0	11.3	-41.3	-30.0	-	-30.0
Other resident sectors	35.0	584.1	-549.0	147.3	104.5	42.8	-10.7	273.8	-284.5
Direct investment (c)	14.9	554.5	-539.6	151.8	175.5	-23.6	52.7	77.9	-25.2
Portfolio investment	18.3	-3.3	21.7	60.2	-106.9	167.1	0.5	185.2	-184.8
Other investment	1.8	32.9	-31.1	-64.8	35.9	-100.7	-63.8	10.6	-74.4

SOURCE: Banco de España.

a. The difference between the world total amounts and the sum of the geographical areas corresponds to geographically unassigned information, which in no case represents large amounts, and to amounts corresponding to international organisations other than the European Union.

b. Derivatives not included.

c. In the case of direct investment, the change in assets corresponds to Spain's investment abroad, which includes, among other transactions, loans received by Spanish parent companies from their non-resident subsidiaries, which reduce such investment. Likewise, the change in liabilities corresponds to foreign investment in Spain, which includes loans granted by Spanish subsidiary companies to their non-resident parents (see Chapter V).

BALANCE OF PAYMENTS IN 2004 (cont'd)

TABLE 6.1.11

Breakdown by selected economic areas (a)

EUR millions	CHINA			OCEANIA AND POLAR REGIONS			OECD		
	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE
CURRENT ACCOUNT	1 301.6	8 646.8	-7 345.2	1 259.5	880.6	378.9	224 741.3	243 359.3	-18 618.0
Goods	1 169.2	7 968.3	-6 799.1	894.9	699.3	195.6	125 970.5	156 574.5	-30 604.0
Services	96.6	580.0	-483.3	178.2	137.4	40.8	63 484.5	39 034.7	24 449.8
Travel	4.5	40.9	-36.4	103.8	38.7	65.0	35 385.1	8 101.9	27 283.2
Other services	92.1	539.0	-446.9	74.4	98.7	-24.2	28 099.3	30 932.8	-2 833.4
Labour income	0.2	3.5	-3.2	0.7	2.2	-1.5	398.3	355.5	42.8
Investment income	21.3	5.4	15.9	162.8	32.9	129.9	20 422.8	35 218.3	-14 795.5
<i>Monetary financial institutions</i>	<i>11.3</i>	<i>5.3</i>	<i>6.0</i>	<i>63.7</i>	<i>21.1</i>	<i>42.6</i>	<i>8 517.6</i>	<i>10 125.9</i>	<i>-1 608.3</i>
<i>General government</i>	<i>6.5</i>	<i>-</i>	<i>6.5</i>	<i>-</i>	<i>7.4</i>	<i>-7.4</i>	<i>19.4</i>	<i>8 282.0</i>	<i>-8 262.6</i>
<i>Other resident sectors</i>	<i>3.5</i>	<i>0.1</i>	<i>3.4</i>	<i>99.1</i>	<i>4.4</i>	<i>94.7</i>	<i>11 885.8</i>	<i>16 810.4</i>	<i>-4 924.6</i>
Current transfers	14.2	89.6	-75.4	23.0	8.8	14.1	14 465.2	12 176.3	2 289.0
CAPITAL ACCOUNT	3.6	2.6	1.0	4.2	4.6	-0.4	8 924.0	583.3	8 340.7
	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL - NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL - NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL - NCA)
FINANCIAL ACCOUNT (excluding Banco de España) (b)	...	...	...	...	...	...	...	...	...
Monetary financial institutions	39.6	-133.9	173.5	1 081.1	1 823.7	-742.5	82 972.6	35 369.3	47 603.3
Direct investment (c)	-	0.3	-0.3	-	0.7	-0.7	-380.6	12 702.4	-13 083.0
Portfolio investment	-	-24.7	24.7	220.0	1 190.1	-970.1	49 838.8	5 669.2	44 169.6
Other investment	39.6	-109.6	149.2	861.1	632.9	228.3	33 514.4	16 997.7	16 516.7
General government	-	-7.7	7.7	-1 958.9	-	-1 958.9	26 163.2	1 358.0	24 805.2
Portfolio investment	-	-	-	-1 958.9	-	-1 958.9	21 121.7	880.8	20 240.9
Other investment	-	-7.7	7.7	-	-	-	5 041.5	477.3	4 564.2
Other resident sectors	4.6	-494.1	498.6	47.2	-41.3	88.5	52 085.4	56 900.5	-4 815.1
Direct investment (c)	4.8	71.5	-66.8	38.3	-707.1	745.4	13 183.2	24 470.2	-11 287.0
Portfolio investment	-0.2	-575.5	575.3	12.9	666.4	-653.5	40 025.4	22 306.6	17 718.9
Other investment	-	9.9	-9.9	-4.0	-0.6	-3.3	-1 123.2	10 123.7	-11 246.9

SOURCE: Banco de España.

a. The difference between the world total amounts and the sum of the geographical areas corresponds to geographically unassigned information, which in no case represents large amounts, and to amounts corresponding to international organisations other than the European Union.

b. Derivatives not included.

c. In the case of direct investment, the change in assets corresponds to Spain's investment abroad, which includes, among other transactions, loans received by Spanish parent companies from their non-resident subsidiaries, which reduce such investment. Likewise, the change in liabilities corresponds to foreign investment in Spain, which includes loans granted by Spanish subsidiary companies to their non-resident parents (see Chapter V).

NOTE:

OECD: International institutions of the European Union, European Central Bank, France, Belgium, Netherlands, Germany, Italy, United Kingdom, Ireland, Denmark, Greece, Portugal, Luxembourg, Iceland, Norway, Sweden, Finland, Switzerland, Austria, Turkey, USA, Canada, Japan, Australia, New Zealand, Mexico, Czech Republic, Hungary, Poland and South Korea, and their dependencies.

BALANCE OF PAYMENTS IN 2004 (cont'd)

TABLE 6.1.11

Breakdown by selected economic areas (a)

EUR millions	NAFTA			OPEC			NICS		
	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE
CURRENT ACCOUNT	19 193.6	21 994.3	-2 800.7	4 660.1	13 245.8	-8 585.7	1 636.1	4 680.1	-3 044.0
Goods	9 281.7	9 596.1	-314.4	3 847.7	12 047.6	-8 199.9	1 336.8	4 124.4	-2 787.6
Services	6 385.7	6 140.4	245.3	510.5	961.9	-451.4	270.7	500.7	-230.0
Travel	2 890.4	1 850.9	1 039.5	103.5	26.5	77.0	44.3	31.8	12.5
Other services	3 495.2	4 289.5	-794.3	407.0	935.4	-528.4	226.4	468.9	-242.5
Labour income	80.6	82.1	-1.5	7.6	23.3	-15.7	1.9	3.6	-1.7
Investment income	2 061.6	4 695.1	-2 633.6	145.0	126.1	18.9	11.0	30.0	-19.0
<i>Monetary financial institutions</i>	<i>836.2</i>	<i>717.8</i>	<i>118.5</i>	<i>87.8</i>	<i>100.0</i>	<i>-12.2</i>	<i>6.5</i>	<i>24.6</i>	<i>-18.1</i>
<i>General government</i>	<i>8.6</i>	<i>451.8</i>	<i>-443.2</i>	<i>13.4</i>	<i>-</i>	<i>13.3</i>	<i>-</i>	<i>1.4</i>	<i>-1.4</i>
<i>Other resident sectors</i>	<i>1 216.8</i>	<i>3 525.6</i>	<i>-2 308.8</i>	<i>43.8</i>	<i>26.0</i>	<i>17.8</i>	<i>4.5</i>	<i>4.0</i>	<i>0.5</i>
Current transfers	1 384.1	1 480.6	-96.6	149.3	86.9	62.4	15.7	21.4	-5.7
CAPITAL ACCOUNT	307.8	86.6	221.2	133.7	33.5	100.2	1.6	0.3	1.3
	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL - NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL - NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL - NCA)
FINANCIAL ACCOUNT (excluding Banco de España) (b)	...	...	...	...	...	...	...	...	...
Monetary financial institutions	5 474.8	5 698.2	-223.4	1 023.1	47.1	976.0	494.8	11.6	483.2
Direct investment (c)	17.1	3 529.4	-3 512.2	0.4	2.2	-1.8	-	1.6	-1.6
Portfolio investment	595.3	2 168.2	-1 572.9	-4.7	78.2	-82.9	-6.7	24.5	-31.2
Other investment	4 862.4	0.7	4 861.7	1 027.4	-33.4	1 060.8	501.5	-14.5	516.0
General government	-275.6	-26.6	-249.0	-0.1	14.4	-14.5	-2.3	-	-2.3
Portfolio investment	-255.7	0.9	-256.6	-0.1	0.1	-0.2	-2.3	-	-2.3
Other investment	-19.9	-27.5	7.6	-	14.3	-14.3	-	-	-
Other resident sectors	1 344.5	4 370.7	-3 026.1	132.8	379.2	-246.5	41.7	-5.4	47.1
Direct investment (c)	570.2	2 319.9	-1 749.7	74.2	380.5	-306.4	15.7	-27.0	42.6
Portfolio investment	324.0	1 229.4	-905.4	62.7	-4.4	67.2	23.1	25.3	-2.1
Other investment	450.3	821.4	-371.0	-4.1	3.2	-7.3	3.0	-3.6	6.6

SOURCE: Banco de España.

a. The difference between the world total amounts and the sum of the geographical areas corresponds to geographically unassigned information, which in no case represents large amounts, and to amounts corresponding to international organisations other than the European Union.

b. Derivatives not included.

c. In the case of direct investment, the change in assets corresponds to Spain's investment abroad, which includes, among other transactions, loans received by Spanish parent companies from their non-resident subsidiaries, which reduce such investment. Likewise, the change in liabilities corresponds to foreign investment in Spain, which includes loans granted by Spanish subsidiary companies to their non-resident parents (see Chapter V).

NOTES:

NAFTA: USA, Canada and Mexico.

OPEC: Algeria, Libya, Nigeria, Venezuela, Iraq, Iran, Saudi Arabia, Kuwait, Qatar, United Arab Emirates and Indonesia.

NEWLY INDUSTRIALISED COUNTRIES (NICS): Singapore, South Korea, Taiwan and Hong Kong.

BALANCE OF PAYMENTS IN 2004 (cont'd)

TABLE 6.1.11

Breakdown by selected economic areas (a)

EUR millions	ASEAN			COMMONWEALTH OF INDEPENDENT STATES			TAX HAVENS		
	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE
CURRENT ACCOUNT	1 265.8	4 357.7	-3 092.0	1 480.5	4 920.4	-3 440.0	5 162.3	4 745.8	416.5
Goods	1 074.8	3 787.9	-2 713.1	1 217.8	4 499.4	-3 281.6	3 197.8	1 649.0	1 548.8
Services	164.9	460.0	-295.1	234.6	360.5	-125.9	818.5	1 128.2	-309.6
Travel	6.5	67.2	-60.7	159.9	55.5	104.4	259.1	576.7	-317.6
Other services	158.4	392.8	-234.4	74.7	304.9	-230.2	559.5	551.5	8.0
Labour income	0.4	2.2	-1.7	1.5	3.7	-2.2	25.8	7.9	17.9
Investment income	18.8	24.7	-5.9	10.9	34.0	-23.1	688.4	1 839.7	-1 151.3
Monetary financial institutions	4.2	22.6	-18.4	4.5	33.0	-28.6	289.1	1 773.6	-1 484.5
General government	10.4	-	10.4	0.8	-	0.8	2.3	7.5	-5.2
Other resident sectors	4.2	2.1	2.1	5.6	1.0	4.6	396.9	58.6	338.3
Current transfers	6.8	83.0	-76.2	15.6	22.8	-7.2	431.8	121.0	310.8
CAPITAL ACCOUNT	6.9	5.3	1.6	70.8	2.9	67.9	26.1	21.9	4.2
	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL - NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL - NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL - NCA)
FINANCIAL ACCOUNT (excluding Banco de España) (b)	...	...	...	...	...	...	...	...	...
Monetary financial institutions	503.2	2.0	501.2	226.9	51.9	175.1	-26 998.3	-1 213.6	-25 784.7
Direct investment (c)	-	-3.7	3.7	0.2	0.2	-	-734.6	19.4	-754.0
Portfolio investment	1.9	20.5	-18.5	2.4	1.7	0.8	-128.7	-728.3	599.6
Other investment	501.2	-14.8	516.1	224.3	50.0	174.3	-26 135.0	-504.7	-25 630.3
General government	-	11.0	-10.9	0.1	0.8	-0.7	-0.2	-5.7	5.5
Portfolio investment	-	-	-	0.1	0.1	-	-0.2	-9.4	9.2
Other investment	-	11.0	-11.0	-	0.7	-0.7	-	3.7	-3.7
Other resident sectors	-2.3	53.9	-56.2	68.0	233.8	-165.9	127.8	-2 494.4	2 622.2
Direct investment (c)	-4.1	38.0	-42.1	56.0	166.9	-110.9	284.3	-63.7	348.0
Portfolio investment	-0.1	16.0	-16.0	5.9	26.6	-20.7	-184.4	-2 463.1	2 278.7
Other investment	1.9	-0.1	1.9	6.0	40.3	-34.3	27.9	32.4	-4.5

SOURCE: Banco de España.

a. The difference between the world total amounts and the sum of the geographical areas corresponds to geographically unassigned information, which in no case represents large amounts, and to amounts corresponding to international organisations other than the European Union.

b. Derivatives not included.

c. In the case of direct investment, the change in assets corresponds to Spain's investment abroad, which includes, among other transactions, loans received by Spanish parent companies from their non-resident subsidiaries, which reduce such investment. Likewise, the change in liabilities corresponds to foreign investment in Spain, which includes loans granted by Spanish subsidiary companies to their non-resident parents (see Chapter V).

NOTES:

ASEAN: Thailand, Indonesia, Malaysia, Brunei, Singapore, Philippines, Vietnam, Cambodia, Democratic Republic of Laos and Myanmar.

CIS: Russia, Ukraine, Belarus, Moldova, Armenia, Azerbaijan, Kazakhstan, Turkmenistan, Uzbekistan, Tajikistan, Kyrgyzstan and Georgia.

TAX HAVENS: Andorra, Antigua and Barbuda, Anguilla, Dutch Antilles, Barbados, Bahrain, Bermuda, Bahamas, Belize, Cook Islands, Dominica, Grenada, Guernsey, Gibraltar, Hong Kong, Isle of Man, Jersey, Jamaica, St. Kitts and Nevis, Cayman Islands, Lebanon, St. Lucia, Liechtenstein, Liberia, Marshall Islands, Montserrat, Maldives, Nauru, Niue, Panama, Philippines, Singapore, Turks and Caicos, St. Vincent and the Grenadines, British Virgin Islands, US Virgin Islands, Vanuatu and Samoa.

DIRECT INVESTMENT

TABLE 6.1.12

Breakdown by selected geographical and economic areas (a)

EUR millions	1999	2000	2001	2002	2003	2004
SPANISH INVESTMENT ABROAD						
WORLD TOTAL	41 658.4	63 184.7	36 996.7	34 761.0	24 392.0	39 825.1
EUROPE	14 436.3	29 279.1	23 417.3	22 683.6	17 907.5	32 262.0
European Union	12 408.0	27 046.4	22 057.3	21 029.9	17 675.1	29 956.6
EU-15	12 155.2	25 362.4	21 833.0	20 949.1	16 379.2	28 303.9
Euro area	11 175.7	22 716.1	21 113.1	19 734.6	11 579.5	12 056.9
Germany	660.9	5 434.4	2 322.7	2 155.7	5 198.5	492.9
Austria	207.1	353.9	117.8	266.1	20.8	49.0
Belgium	781.3	-1 384.2	638.0	141.7	277.0	718.5
Finland	14.9	217.0	30.1	56.1	0.2	17.6
France	1 963.6	707.4	564.3	1 541.1	1 077.5	2 058.4
Greece	2.1	14.9	107.1	448.5	392.3	74.9
Netherlands	1 344.9	2 778.1	4 233.9	5 654.0	-587.4	1 652.5
Ireland	84.3	187.3	514.2	497.2	868.5	799.2
Italy	172.9	1 466.3	2 437.4	1 373.1	1 483.3	2 057.3
Luxembourg	5 755.1	9 350.3	8 931.1	6 364.3	548.4	1 678.0
Portugal	190.7	3 605.6	1 216.4	1 236.9	2 300.5	2 379.4
Other EU-15	979.4	2 646.3	719.9	1 214.5	4 798.6	16 246.1
United Kingdom	645.0	1 953.9	705.4	1 104.0	4 295.1	16 131.1
Denmark	287.3	606.4	20.4	13.2	93.0	72.6
Sweden	45.1	71.1	-5.9	97.3	410.4	42.4
New members	252.9	1 684.0	224.3	80.8	1 295.9	1 652.7
Rest of Europe	2 028.2	2 232.7	1 360.0	1 653.7	232.4	2 305.4
Switzerland	1 901.2	1 957.0	1 322.9	1 359.4	145.3	1 462.8
NORTH AMERICA	3 125.8	7 738.3	2 439.0	1 712.8	2 390.6	-331.3
United States	3 335.8	7 725.5	2 368.0	1 670.2	2 176.6	137.1
CENTRAL AND SOUTH AMERICA	24 087.6	25 827.3	11 280.6	6 822.6	2 045.2	7 623.9
Argentina	13 409.2	3 701.8	2 026.9	2 726.2	-1 067.1	-1 024.3
Brazil	3 617.8	12 582.6	3 435.1	-1 811.6	1 390.6	1 161.9
Chile	4 376.9	856.5	239.0	-11.4	393.7	1 020.2
Mexico	1 419.7	4 455.5	3 123.5	3 785.1	1 147.1	6 180.6
AFRICA	83.9	-127.2	-590.7	456.1	1 916.3	554.5
Morocco	46.5	45.3	11.7	58.1	1 470.6	43.8
ASIA	158.1	327.3	402.5	1 605.7	78.9	174.4
China	26.9	64.1	15.5	27.9	40.2	71.9
Japan	27.5	30.7	279.0	1 468.0	18.8	78.8
Newly industrialised countries (NICs)	45.8	109.4	26.3	14.3	15.4	-25.4
OCEANIA AND POLAR REGIONS	-239.7	127.2	34.6	1 460.4	28.9	-706.4
Memorandum item:						
OECD	18 748.2	41 408.3	29 211.0	30 995.6	21 401.6	37 172.6

SOURCE: Banco de España.

a. The difference between the world total amounts and the sum of the geographical areas corresponds to geographically unassigned information, which in no case represents large amounts, and to amounts corresponding to international organisations other than the European Union.

NOTES:

EUROPEAN UNION: International institutions of the European Union, European Central Bank, France, Belgium, Netherlands, Germany, Italy, United Kingdom, Ireland, Denmark, Greece, Portugal, Luxembourg, Austria, Finland, Sweden, Cyprus, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Malta, Poland, Slovenia, Slovakia and their dependencies.

EU-15: international institutions of the European Union, European Central Bank, France, Belgium, Netherlands, Germany, Italy, United Kingdom, Ireland, Denmark, Greece, Portugal, Luxembourg, Austria, Finland, Sweden and their dependencies.

OTHER EU-15: United Kingdom, Denmark and Sweden.

NEW MEMBERS: Cyprus, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Malta, Poland, Slovenia and Slovakia.

REST OF EUROPE: Countries not included in the European Union.

NEWLY INDUSTRIALISED COUNTRIES (NICs): Singapore, South Korea, Taiwan and Hong Kong.

OECD: International institutions of the European Union, European Central Bank, France, Belgium, Netherlands, Germany, Italy, United Kingdom, Ireland, Denmark, Greece, Portugal, Luxembourg, Iceland, Norway, Sweden, Finland, Switzerland, Austria, Turkey, USA, Canada, Japan, Australia, New Zealand, Mexico, Czech Republic, Hungary, Poland and South Korea, and their dependencies.

Breakdown by selected geographical and economic areas (a)

EUR millions	1999	2000	2001	2002	2003	2004
FOREIGN INVESTMENT IN SPAIN						
WORLD TOTAL	17 593.0	42 954.8	31 672.1	41 666.4	22 971.3	13 480.0
EUROPE	10 096.0	30 758.6	28 956.5	23 816.8	17 535.4	12 357.3
European Union	9 685.5	29 316.2	26 988.7	23 443.9	15 797.5	10 699.0
EU-15	9 671.3	29 295.9	26 836.3	23 369.1	15 768.6	10 645.8
Euro area	5 650.6	10 248.5	23 843.9	18 028.2	6 632.0	6 422.1
Germany	1 394.8	2 170.7	1 004.3	3 659.6	-748.8	-1 178.9
Austria	49.3	121.7	11.9	57.8	28.8	-5.7
Belgium	580.7	212.7	3 331.0	-1 138.4	-528.7	5 987.4
Finland	45.0	51.5	31.5	76.7	59.5	10.9
France	366.8	1 241.3	3 906.5	2 528.8	-360.5	-2 781.5
Greece	5.1	4.1	13.8	99.1	5.4	4.1
Netherlands	1 351.0	3 048.0	4 077.4	6 821.9	1 397.8	78.2
Ireland	29.1	315.6	228.5	208.4	1 383.7	206.6
Italy	537.0	597.1	768.2	1 305.3	661.2	250.3
Luxembourg	914.4	1 744.1	2 125.0	8 724.1	3 803.4	1 695.1
Portugal	382.5	745.8	8 346.0	-4 315.3	930.1	2 155.6
Other EU-15	4 020.7	19 047.4	2 992.3	5 341.0	9 135.6	4 223.8
United Kingdom	3 953.2	18 404.0	2 838.9	5 249.0	9 034.8	3 919.7
Denmark	-20.4	162.4	-62.6	155.5	-4.9	154.6
Sweden	82.5	474.3	216.5	-62.3	110.0	149.4
New members	14.1	20.4	152.5	74.8	29.0	53.1
Rest of Europe	410.5	1 442.3	1 967.8	372.8	1 737.8	1 658.3
Switzerland	138.6	1 105.0	1 590.8	-146.5	1 374.0	1 360.1
NORTH AMERICA	7 068.3	11 777.6	2 119.6	16 006.6	5 476.6	627.3
United States	7 039.7	11 784.0	2 104.1	14 968.2	4 272.8	268.5
CENTRAL AND SOUTH AMERICA	277.1	242.4	362.7	1 707.3	-103.3	707.9
Argentina	7.4	18.9	-20.5	45.7	13.6	21.5
Brazil	-2.3	5.7	15.1	-181.8	101.4	315.9
Chile	-1.1	-2.6	-11.2	1 507.5	-530.1	8.7
Mexico	67.3	57.3	386.2	89.7	416.4	-39.9
AFRICA	18.6	20.3	38.9	-79.9	29.7	15.2
Morocco	7.0	11.5	8.6	-69.6	14.9	-7.2
ASIA	67.2	170.1	249.9	203.5	40.7	-581.7
China	0.7	1.2	3.6	2.7	-1.8	4.8
Japan	-18.3	89.2	98.8	127.8	-83.0	53.9
Newly industrialised countries (NICs)	9.9	22.3	34.5	14.0	-3.3	15.7
OCEANIA AND POLAR REGIONS	60.7	-19.8	5.8	4.4	4.0	38.3
Memorandum item:						
OECD	17 127.3	42 522.8	31 448.8	39 716.0	23 043.1	12 802.5

SOURCE: Banco de España.

a. The difference between the world total amounts and the sum of the geographical areas corresponds to geographically unassigned information, which in no case represents large amounts, and to amounts corresponding to international organisations other than the European Union.

NOTES:

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EU-15: international institutions of the European Union, European Central Bank, France, Belgium, Netherlands, Germany, Italy, United Kingdom, Ireland, Denmark, Greece, Portugal, Luxembourg, Austria, Finland, Sweden and their dependencies.

OTHER EU-15: United Kingdom, Denmark and Sweden.

NEW MEMBERS: Cyprus, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Malta, Poland, Slovenia and Slovakia.

REST OF EUROPE: Countries not included in the European Union.

NEWLY INDUSTRIALISED COUNTRIES (NICs): Singapore, South Korea, Taiwan and Hong Kong.

OECD: International institutions of the European Union, European Central Bank, France, Belgium, Netherlands, Germany, Italy, United Kingdom, Ireland, Denmark, Greece, Portugal, Luxembourg, Iceland, Norway, Sweden, Finland, Switzerland, Austria, Turkey, USA, Canada, Japan, Australia, New Zealand, Mexico, Czech Republic, Hungary, Poland and South Korea, and their dependencies.

6.2 THE SPANISH BALANCE OF PAYMENTS IN 2003 (REVISED DATA)

BALANCE OF PAYMENTS IN 2002 AND 2003: MAIN COMPONENTS

TABLE 6.2.1

Annual data

EUR millions	2002			2003		
	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET
Current account	234 955.0	258 769.8	-23 814.7	242 717.8	270 627.7	-27 909.9
<i>Trade balance</i>	<i>134 816.3</i>	<i>171 325.9</i>	<i>-36 509.7</i>	<i>139 754.4</i>	<i>179 593.3</i>	<i>-39 838.8</i>
Services	63 523.1	40 914.4	22 608.7	65 689.4	42 388.5	23 300.9
Travel	33 557.0	7 686.9	25 870.1	35 047.1	8 009.9	27 037.2
Other services	29 966.1	33 227.4	-3 261.4	30 642.2	34 378.6	-3 736.4
Income	22 288.0	34 588.6	-12 300.6	22 569.6	34 173.2	-11 603.6
Labour	445.5	440.3	5.3	456.8	402.7	54.1
Investment	21 842.5	34 148.3	-12 305.9	22 112.9	33 770.6	-11 657.7
Current transfers	14 327.7	11 940.9	2 386.8	14 704.4	14 472.7	231.7
Capital account	8 594.2	931.9	7 662.3	9 649.3	1 483.9	8 165.3
CURRENT AND CAPITAL ACCOUNTS	243 549.3	259 701.7	-16 152.4	252 367.1	272 111.6	-19 744.5
	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL-NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL-NCA)
FINANCIAL ACCOUNT (a)	-	-	15 987.8	-	-	18 875.8
Excluding Banco de España	-	-	12 427.0	-	-	17 301.1
<i>Direct investment</i>	<i>-</i>	<i>-</i>	<i>6 905.3</i>	<i>-</i>	<i>-</i>	<i>-1 420.7</i>
Spanish investment abroad	-	34 761.0	-34 761.0	-	24 392.0	-24 392.0
Foreign investment in Spain	41 666.4	-	41 666.4	22 971.3	-	22 971.3
<i>Portfolio investment</i>	<i>-</i>	<i>-</i>	<i>4 725.5</i>	<i>-</i>	<i>-</i>	<i>-26 592.1</i>
Spanish investment abroad	-	31 173.4	-31 173.4	-	65 633.7	-65 633.7
Foreign investment in Spain	35 898.9	-	35 898.9	39 041.7	-	39 041.7
<i>Other investment (b)</i>	<i>-</i>	<i>-</i>	<i>5 711.6</i>	<i>-</i>	<i>-</i>	<i>48 748.5</i>
Spanish investment abroad	-	30 790.5	-30 790.5	-	15 973.1	-15 973.1
<i>Monetary financial institutions</i>	<i>-</i>	<i>18 619.4</i>	<i>-18 619.4</i>	<i>-</i>	<i>8 571.7</i>	<i>-8 571.7</i>
<i>General government</i>	<i>-</i>	<i>489.8</i>	<i>- 489.8</i>	<i>-</i>	<i>98.4</i>	<i>-98.4</i>
<i>Other resident sectors</i>	<i>-</i>	<i>11 681.3</i>	<i>-11 681.3</i>	<i>-</i>	<i>7 303.0</i>	<i>-7 303.0</i>
Foreign investment in Spain	36 502.1	-	36 502.1	64 721.7	-	64 721.7
<i>Monetary financial institutions</i>	<i>29 337.1</i>	<i>-</i>	<i>29 337.1</i>	<i>55 385.4</i>	<i>-</i>	<i>55 385.4</i>
<i>General government</i>	<i>1 566.7</i>	<i>-</i>	<i>1 566.7</i>	<i>-889.0</i>	<i>-</i>	<i>-889.0</i>
<i>Other resident sectors</i>	<i>5 598.3</i>	<i>-</i>	<i>5 598.3</i>	<i>10 225.3</i>	<i>-</i>	<i>10 225.3</i>
Financial derivatives	-	-	-4 915.6	-	-	-3 434.7
Banco de España	-	-	3 560.8	-	-	1 574.8
Reserves	-	-	-3 629.9	-	-	13 625.9
Claims on the Eurosystem	-	-	6 506.0	-	-	4 382.0
Other net assets	-	-	684.7	-	-	-16 433.2
ERRORS AND OMISSIONS	-	-	164.6	-	-	868.7

SOURCE: Banco de España.

a. Changes in assets and liabilities are both net of repayments.

b. Mainly loans, repo operations and deposits.

ACCOUNTING CONVENTION:

Financial account excluding Banco de España:

NCA: A positive (negative) sign denotes an increase (decrease) in assets; it is thus a capital outflow (inflow).**NCL:** A positive (negative) sign denotes an increase (decrease) in liabilities; it is thus a capital inflow (outflow).**NCL-NCA:** A positive (negative) sign denotes a capital inflow (outflow).

Banco de España: A positive (negative) sign denotes a decrease (increase) in Banco de España claims on the rest of the world.

Errors and omissions: A positive (negative) sign denotes a credit (debit) not recorded in any other Balance of Payments heading.

BALANCE OF PAYMENTS: MAIN COMPONENTS

TABLE 6.2.2

Quaterly data

EUR millions	2003	2003			
		Q1	Q2	Q3	Q4
CREDITS					
Current account	242 717.8	59 861.7	60 682.3	60 890.7	61 283.2
Trade balance	139 754.4	35 382.6	36 088.2	31 509.9	36 773.7
Services	65 689.4	13 732.4	16 530.1	19 952.8	15 474.0
Travel	35 047.1	6 509.4	8 886.9	12 246.4	7 404.4
Other services	30 642.2	7 223.0	7 643.3	7 706.4	8 069.6
Income	22 569.6	5 159.7	5 656.4	6 253.9	5 499.6
Labour	456.8	107.9	112.9	126.4	109.5
Investment	22 112.9	5 051.8	5 543.5	6 127.5	5 390.1
Current transfers	14 704.4	5 586.9	2 407.6	3 174.1	3 535.8
Capital account	9 649.3	2 064.3	2 486.5	1 742.0	3 356.4
Current and capital accounts	252 367.1	61 926.0	63 168.8	62 632.7	64 639.6
DEBITS					
Current account	270 627.7	65 746.3	67 744.4	66 670.8	70 466.3
Trade balance	179 593.3	43 955.9	45 538.5	42 267.4	47 831.5
Services	42 388.5	10 185.3	10 177.0	10 952.0	11 074.1
Travel	8 009.9	1 701.0	1 697.3	2 502.6	2 109.0
Other services	34 378.6	8 484.4	8 479.7	8 449.4	8 965.0
Income	34 173.2	8 068.9	8 501.2	9 845.9	7 757.2
Labour	402.7	98.5	102.8	95.1	106.3
Investment	33 770.6	7 970.4	8 398.5	9 750.8	7 650.9
Current transfers	14 472.7	3 536.1	3 527.6	3 605.4	3 803.5
Capital account	1 483.9	228.8	245.0	226.2	783.9
Current and capital accounts	272 111.6	65 975.0	67 989.4	66 897.0	71 250.2
BALANCES					
Current account	-27 909.9	-5 884.6	-7 062.1	-5 780.1	-9 183.1
Trade balance	-39 838.8	-8 573.3	-9 450.3	-10 757.5	-11 057.7
Services	23 300.9	3 547.1	6 353.1	9 000.7	4 399.9
Travel	27 037.2	4 808.5	7 189.6	9 743.8	5 295.4
Other services	-3 736.4	-1 261.4	-836.5	-743.1	-895.5
Income	-11 603.6	-2 909.2	-2 844.8	-3 592.0	-2 257.6
Labour	54.1	9.4	10.2	31.3	3.2
Investment	-11 657.7	-2 918.6	-2 855.0	-3 623.3	-2 260.8
Current transfers	231.7	2 050.8	-1 120.1	-431.3	-267.7
Capital account	8 165.3	1 835.6	2 241.5	1 515.8	2 572.5
Current and capital accounts	-19 744.5	-4 049.0	-4 820.6	-4 264.3	-6 610.6
FINANCIAL ACCOUNT (NCL-NCA) (a)	18 875.8	4 206.8	4 242.1	4 998.3	5 428.5
Excluding Banco de España (NCL-NCA)	17 301.1	5 999.4	6 760.2	2 583.5	1 957.9
Spanish investment abroad (NCA)	105 998.9	30 740.2	17 531.7	29 259.9	28 467.2
Direct investment	24 392.0	7 004.8	2 997.0	7 006.7	7 383.5
Portfolio investment	65 633.7	20 400.8	14 053.2	21 353.0	9 826.7
Other investment (b)	15 973.1	3 334.6	481.5	900.1	11 256.9
Monetary financial institutions	8 571.7	-1 947.4	-1 927.3	-85.0	12 531.4
General government	98.4	138.6	26.8	150.6	-217.7
Other resident sectors	7 303.0	5 143.4	2 382.0	834.5	-1 056.8
Foreign investment in Spain (NCL)	126 734.7	38 553.6	25 489.7	32 229.1	30 462.3
Direct investment	22 971.3	9 193.9	5 549.9	3 504.3	4 723.2
Portfolio investment	39 041.7	6 897.9	12 417.9	2 698.6	17 027.3
Other investment (b)	64 721.7	22 461.8	7 521.9	26 026.2	8 711.8
Monetary financial institutions	55 385.4	19 137.2	7 889.4	20 796.8	7 561.9
General government	-889.0	-828.5	-559.9	1 452.4	-953.0
Other resident sectors	10 225.3	4 153.1	192.5	3 776.9	2 102.9
Financial derivatives (NCL-NCA)	-3 434.7	-1 814.1	-1 197.7	-385.7	-37.2
Banco de España (NCL-NCA)	1 574.8	-1 792.6	-2 518.1	2 414.9	3 470.6
Reserves	13 625.9	1 590.0	2 962.4	5 616.8	3 456.7
Claims on the Eurosystem	4 382.0	-1 687.0	-2 429.0	4 551.0	3 947.0
Other net assets	-16 433.2	-1 695.6	-3 051.5	-7 752.9	-3 933.1
ERRORS AND OMISSIONS	868.7	-157.8	578.5	-734.1	1 182.1

SOURCE: Banco de España.

- a. Changes in assets and liabilities are both net of repayments.
b. Mainly loans, repo operations and deposits.

ACCOUNTING CONVENTION:

Financial account excluding Banco de España:

NCA: A positive (negative) sign denotes an increase (decrease) in assets; it is thus a capital outflow (inflow).**NCL:** A positive (negative) sign denotes an increase (decrease) in liabilities; it is thus a capital inflow (outflow).**NCL-NCA:** A positive (negative) sign denotes a capital inflow (outflow).

Banco de España: A positive (negative) sign denotes a decrease (increase) in Banco de España claims on the rest of the world.

Errors and omissions: A positive (negative) sign denotes a credit (debit) not recorded in any other Balance of Payments heading.

BALANCE OF SERVICES BY COMPONENT

TABLE 6.2.3

EUR millions	2003	2003			
		Q1	Q2	Q3	Q4
CREDITS	65 689.4	13 732.4	16 530.1	19 952.8	15 474.0
Travel	35 047.1	6 509.4	8 886.9	12 246.4	7 404.4
Transportation	10 508.3	2 295.5	2 651.4	2 800.1	2 761.3
Freight	3 882.4	975.8	1 001.0	876.9	1 028.7
Passenger transport	3 732.6	727.3	960.1	1 085.0	960.2
<i>Air transport</i>	<i>3 644.1</i>	<i>710.8</i>	<i>946.3</i>	<i>1 054.9</i>	<i>932.0</i>
<i>Overland and other transport</i>	<i>27.1</i>	<i>6.5</i>	<i>6.3</i>	<i>7.4</i>	<i>6.8</i>
<i>Sea transport</i>	<i>61.4</i>	<i>10.0</i>	<i>7.4</i>	<i>22.7</i>	<i>21.3</i>
Other (a)	2 893.3	592.5	690.3	838.1	772.5
Communication services	924.1	207.1	166.9	282.4	267.7
Construction services	930.9	166.9	222.2	238.3	303.6
Insurance services	416.2	54.6	110.3	115.5	135.9
Financial services	1 680.8	388.9	510.9	358.2	422.7
Computer and information services	2 573.7	612.4	613.9	671.4	676.0
Other business services	11 864.9	3 104.1	2 901.8	2 815.0	3 044.0
Merchanting (b)	1 150.4	296.1	311.5	324.3	218.4
Operational leasing (c)	133.9	24.1	38.5	39.7	31.5
Miscellaneous business, professional and technical	10 580.7	2 783.9	2 551.7	2 451.0	2 794.1
Personal, cultural and recreational services	718.0	129.0	199.2	191.5	198.2
Audiovisual	272.3	64.1	67.9	58.1	82.1
Other cultural and recreational services	445.7	64.9	131.3	133.4	116.1
Government services	557.0	134.2	129.5	140.9	152.3
Royalties and license fees	468.2	130.2	137.3	93.1	107.6
DEBITS	42 388.5	10 185.3	10 177.0	10 952.0	11 074.1
Travel	8 009.9	1 701.0	1 697.3	2 502.6	2 109.0
Transportation	11 607.4	2 661.4	2 894.1	3 021.6	3 030.1
Freight	7 540.7	1 844.6	1 901.7	1 798.4	1 996.1
Passenger transport	1 991.6	373.7	461.8	643.9	512.1
<i>Air transport</i>	<i>1 965.2</i>	<i>368.4</i>	<i>456.0</i>	<i>635.8</i>	<i>505.1</i>
<i>Overland and other transport</i>	<i>6.2</i>	<i>0.8</i>	<i>1.5</i>	<i>1.6</i>	<i>2.3</i>
<i>Sea transport</i>	<i>20.2</i>	<i>4.6</i>	<i>4.3</i>	<i>6.5</i>	<i>4.8</i>
Other (a)	2 075.1	443.1	530.7	579.4	521.9
Communication services	1 093.9	237.0	265.3	297.3	294.4
Construction services	364.7	102.2	55.3	112.0	95.2
Insurance services	771.4	91.6	196.0	224.5	259.3
Financial services	1 505.2	482.2	377.5	296.7	348.8
Computer and information services	1 481.1	406.3	335.5	365.1	374.1
Other business services	13 521.4	3 489.6	3 361.1	3 179.6	3 491.1
Merchanting (b)	1 087.4	259.1	272.2	263.9	292.3
Operational leasing (c)	1 071.2	355.6	235.9	271.2	208.5
Miscellaneous business, professional and technical	11 362.8	2 874.9	2 853.0	2 644.5	2 990.3
Personal, cultural and recreational services	1 501.8	375.2	360.2	369.1	397.3
Audiovisual	1 088.0	276.3	276.6	244.0	291.1
Other cultural and recreational services	413.8	98.9	83.6	125.2	106.1
Government services	303.0	69.9	77.2	66.0	89.9
Royalties and license fees	2 228.8	568.9	557.4	517.6	585.0

SOURCE: Banco de España.

a. Includes transport support and auxiliary services.

b. Includes other trade-related services.

c. Includes rental of transportation without crew.

BALANCE OF SERVICES BY COMPONENT (cont'd)

TABLE 6.2.3

EUR millions	2003	2003			
		Q1	Q2	Q3	Q4
BALANCE	23 300.9	3 547.1	6 353.1	9 000.7	4 399.9
Travel	27 037.2	4 808.5	7 189.6	9 743.8	5 295.4
Transportation	-1 099.1	-365.9	-242.8	-221.5	-268.8
Freight	-3 658.3	-868.8	-900.6	-921.4	-967.4
Passenger transport	1 741.0	353.6	498.2	441.1	448.1
<i>Air transport</i>	<i>1 678.9</i>	<i>342.5</i>	<i>490.3</i>	<i>419.1</i>	<i>427.0</i>
<i>Overland and other transport</i>	<i>20.9</i>	<i>5.7</i>	<i>4.8</i>	<i>5.9</i>	<i>4.5</i>
<i>Sea transport</i>	<i>41.2</i>	<i>5.4</i>	<i>3.1</i>	<i>16.2</i>	<i>16.5</i>
Other (a)	818.2	149.3	159.6	258.7	250.5
Communication services	-169.8	-29.9	-98.4	-14.9	-26.6
Construction services	566.3	64.7	166.9	126.2	208.4
Insurance services	-355.2	-37.0	-85.8	-109.1	-123.3
Financial services	175.6	-93.3	133.4	61.6	74.0
Computer and information services	1 092.6	206.1	278.3	306.3	301.9
Other business services	-1 656.5	-385.5	-459.3	-364.6	-447.1
Merchanting (b)	63.0	37.0	39.4	60.4	-73.8
Operational leasing (c)	-937.4	-331.4	-197.4	-231.5	-177.0
Miscellaneous business, professional and technical	-782.1	-91.1	-301.3	-193.5	-196.3
Personal, cultural and recreational services	-783.7	-246.1	-161.0	-177.6	-199.0
Audiovisual	-815.7	-212.2	-208.6	-185.9	-209.0
Other cultural and recreational services	31.9	-33.9	47.7	8.3	10.0
Government services	254.0	64.3	52.2	75.0	62.5
Royalties and license fees	-1 760.6	-438.7	-420.1	-424.5	-477.3

SOURCE: Banco de España.

- a. Includes transport support and auxiliary services.
b. Includes other trade-related services.
c. Includes rental of transportation without crew.

INVESTMENT INCOME BY SECTOR

TABLE 6.2.4

EUR millions	2003	2003			
		Q1	Q2	Q3	Q4
Credits	22 112.9	5 051.8	5 543.5	6 127.5	5 390.1
Monetary financial institutions	9 133.9	2 773.1	2 010.6	2 218.3	2 131.9
General government	98.6	28.1	29.0	18.7	22.8
Other resident sectors	12 880.4	2 250.6	3 503.9	3 890.5	3 235.4
Debits	33 770.6	7 970.4	8 398.5	9 750.8	7 650.9
Monetary financial institutions	11 400.5	2 911.5	2 705.1	2 798.5	2 985.4
General government	8 541.6	2 275.0	2 005.7	2 227.5	2 033.4
Other resident sectors	13 828.4	2 783.9	3 687.7	4 724.8	2 632.2
Balance	-11 657.7	-2 918.6	-2 855.0	-3 623.3	-2 260.8
Monetary financial institutions	-2 266.6	-138.4	-694.6	-580.2	-853.5
General government	-8 443.1	-2 247.0	-1 976.7	-2 208.8	-2 010.6
Other resident sectors	-948.0	-533.2	-183.8	-834.2	603.2

SOURCE: Banco de España.

INVESTMENT INCOME BY INSTRUMENT

TABLE 6.2.5

EUR millions	2003	2003			
		Q1	Q2	Q3	Q4
Credits	22 112.9	5 051.8	5 543.5	6 127.5	5 390.1
Direct investment income	7 739.6	848.2	1 884.9	2 747.4	2 259.0
Portfolio investment income	8 793.5	2 479.6	2 246.4	2 144.7	1 922.8
<i>Distributed dividends</i>	<i>732.7</i>	<i>120.8</i>	<i>369.8</i>	<i>123.3</i>	<i>118.8</i>
<i>Other portfolio investment</i>	<i>8 060.8</i>	<i>2 358.8</i>	<i>1 876.7</i>	<i>2 021.4</i>	<i>1 804.0</i>
<i>Other investment income</i>	<i>5 579.8</i>	<i>1 724.0</i>	<i>1 412.1</i>	<i>1 235.5</i>	<i>1 208.2</i>
Debits	33 770.6	7 970.4	8 398.5	9 750.8	7 650.9
Direct investment income (a)	8 176.2	1 378.8	2 346.9	2 879.0	1 571.4
Portfolio investment income (b)	13 713.6	3 413.3	3 176.1	3 866.1	3 258.1
<i>Distributed dividends (b)</i>	<i>3 149.5</i>	<i>777.2</i>	<i>589.0</i>	<i>1 223.9</i>	<i>559.5</i>
<i>Other negotiable securities investments</i>	<i>10 564.1</i>	<i>2 636.2</i>	<i>2 587.0</i>	<i>2 642.3</i>	<i>2 698.6</i>
<i>Other investment income</i>	<i>11 880.8</i>	<i>3 178.2</i>	<i>2 875.5</i>	<i>3 005.6</i>	<i>2 821.5</i>

SOURCE: Banco de España.

a. Does not include income from direct investment in listed shares; includes income from portfolio investment in unlisted shares.

b. Includes income from direct investment in listed shares; does not include income from portfolio investment in unlisted shares.

CURRENT TRANSFERS BY SECTOR

TABLE 6.2.6

EUR millions	2003	2003			
		Q1	Q2	Q3	Q4
CREDITS	14 704.4	5 586.9	2 407.6	3 174.1	3 535.8
General government	2 271.8	409.2	160.4	418.8	1 283.4
<i>Of which: with the EU</i>	<i>1 731.6</i>	<i>143.5</i>	<i>91.3</i>	<i>390.4</i>	<i>1 106.4</i>
Other sectors	12 432.6	5 177.7	2 247.2	2 755.3	2 252.5
Workers' remittances	4 172.6	961.4	1 027.1	1 158.9	1 025.2
Other transfers	8 260.0	4 216.3	1 220.1	1 596.4	1 227.3
<i>Of which: with the EU</i>	<i>6 459.2</i>	<i>3 836.7</i>	<i>814.7</i>	<i>1 141.5</i>	<i>666.3</i>
DEBITS	14 472.7	3 536.1	3 527.6	3 605.4	3 803.5
General government	8 925.3	2 156.0	2 258.4	2 241.0	2 270.0
<i>Of which: with the EU</i>	<i>8 193.2</i>	<i>2 008.0</i>	<i>2 027.6</i>	<i>2 061.2</i>	<i>2 096.4</i>
Other sectors	5 547.4	1 380.1	1 269.2	1 364.5	1 533.5
Workers' remittances	2 896.2	638.1	696.1	757.1	804.9
Other transfers	2 651.2	742.1	573.1	607.4	728.7
BALANCE	231.7	2 050.8	-1 120.1	-431.3	-267.7
General government	-6 653.5	-1 746.8	-2 098.0	-1 822.2	-986.6
<i>Of which: with the EU</i>	<i>-6 461.6</i>	<i>-1 864.5</i>	<i>-1 936.3</i>	<i>-1 670.8</i>	<i>-990.0</i>
Other sectors	6 885.2	3 797.5	978.0	1 390.8	718.9
Workers' remittances	1 276.4	323.3	331.0	401.8	220.3
Other transfers	5 608.8	3 474.2	647.0	989.0	498.6
<i>Of which: with the EU</i>	<i>6 459.2</i>	<i>3 836.7</i>	<i>814.7</i>	<i>1 141.5</i>	<i>666.3</i>

SOURCES: Banco de España and Dirección General del Tesoro y Política Financiera (Ministerio de Economía y Hacienda).

EUR millions	2003	2003			
		Q1	Q2	Q3	Q4
CREDITS	9 649.3	2 064.3	2 486.5	1 742.0	3 356.4
Capital transfers	9 567.6	2 040.0	2 473.5	1 707.6	3 346.4
General government	8 732.0	1 835.9	2 259.3	1 518.8	3 117.9
<i>Of which: with the EU</i>	<i>8 416.5</i>	<i>1 711.0</i>	<i>2 209.0</i>	<i>1 422.2</i>	<i>3 074.3</i>
Other sectors	835.6	204.1	214.2	188.8	228.5
Disposal of non-produced intangible assets	81.6	24.3	12.9	34.4	10.0
DEBITS	1 483.9	228.8	245.0	226.2	783.9
Capital transfers	1 115.8	156.5	109.1	124.2	725.9
General government	188.0	81.1	37.9	40.8	28.3
<i>Of which: with the EU</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>
Other sectors	927.8	75.5	71.2	83.4	697.7
Acquisition of non-produced intangible assets	368.1	72.3	135.9	102.0	58.0
BALANCE	8 165.3	1 835.6	2 241.5	1 515.8	2 572.5
Capital transfers	8 451.8	1 883.5	2 364.4	1 583.5	2 620.5
General government	8 544.0	1 754.9	2 221.4	1 478.0	3 089.7
<i>Of which: with the EU</i>	<i>8 416.5</i>	<i>1 711.0</i>	<i>2 209.0</i>	<i>1 422.2</i>	<i>3 074.3</i>
Other sectors	–92.2	128.6	143.0	105.5	–469.2
Disposal/acquisition of non-produced intangible assets	–286.5	–48.0	–122.9	–67.7	–48.0

SOURCES: Banco de España and Dirección General del Tesoro y Política Financiera (Ministerio de Economía y Hacienda).

EUR millions	2003	2003			
		Q1	Q2	Q3	Q4
Spanish investment abroad (NCA)	116 851.5	33 570.5	23 126.8	31 908.2	28 245.9
Direct investment	24 392.0	7 004.8	2 997.0	7 006.7	7 383.5
<i>Monetary financial institutions</i>	-6 706.3	-1 253.0	-71.5	303.1	-5 684.8
<i>Other resident sectors</i>	31 098.3	8 257.8	3 068.4	6 703.7	13 068.4
Portfolio investment (including Banco de España)	80 842.9	21 517.9	17 205.4	28 599.6	13 520.0
<i>Banco de España</i>	15 209.2	1 117.1	3 152.2	7 246.6	3 693.3
<i>Other monetary financial institutions</i>	32 517.3	13 082.7	5 111.7	13 581.7	741.3
<i>General government</i>	-1.6	-1.9	-4.2	-	4.5
<i>Other resident sectors</i>	33 118.0	7 320.1	8 945.8	7 771.3	9 080.9
<i>Other investment (including Banco de España) (b)</i>	11 616.5	5 047.9	2 924.5	-3 698.1	7 342.3
<i>Banco de España</i>	-4 356.6	1 713.3	2 442.9	-4 598.3	-3 914.6
<i>Other monetary financial institutions</i>	8 571.7	-1 947.4	-1 927.3	-85.0	12 531.4
<i>General government</i>	98.4	138.6	26.8	150.6	-217.7
<i>Other resident sectors</i>	7 303.0	5 143.4	2 382.0	834.5	-1 056.8
Foreign investment in Spain (NCL)	125 536.1	38 001.4	25 604.3	31 675.5	30 254.9
Direct investment	22 971.3	9 193.9	5 549.9	3 504.3	4 723.2
<i>Monetary financial institutions</i>	-443.1	-21.7	1 229.8	-902.7	-748.4
<i>Other resident sectors</i>	23 414.4	9 215.6	4 320.0	4 407.1	5 471.6
Portfolio investment	39 041.7	6 897.9	12 417.9	2 698.6	17 027.3
<i>Monetary financial institutions</i>	26 846.2	5 839.1	6 234.8	3 779.7	10 992.7
<i>General government</i>	-7 545.0	-5 811.6	4 212.1	-5 082.8	-862.8
<i>Other resident sectors</i>	19 740.4	6 870.4	1 971.0	4 001.6	6 897.4
<i>Other investment (including Banco de España) (b)</i>	63 523.1	21 909.6	7 636.6	25 472.6	8 504.4
<i>Banco de España</i>	-1 198.6	-552.2	114.6	-553.6	-207.4
<i>Other monetary financial institutions</i>	55 385.4	19 137.2	7 889.4	20 796.8	7 561.9
<i>General government</i>	-889.0	-828.5	-559.9	1 452.4	-953.0
<i>Other resident sectors</i>	10 225.3	4 153.1	192.5	3 776.9	2 102.9
Financial derivatives (NCL-NCA)	-3 434.7	-1 814.1	-1 197.7	-385.7	-37.2
<i>Monetary financial institutions</i>	-1 908.8	-882.1	-1 007.8	-193.5	174.6
<i>General government</i>	45.0	-19.8	7.5	45.5	11.9
<i>Other resident sectors</i>	-1 570.9	-912.2	-197.4	-237.7	-223.7
Reserves	13 625.9	1 590.0	2 962.4	5 616.8	3 456.7

SOURCE: Banco de España.

- a. Changes in assets and liabilities are both net of repayments.
b. Mainly loans, repo operations and deposits.

ACCOUNTING CONVENTION:

NCA: A positive (negative) sign denotes an increase (decrease) in assets; it is thus a capital outflow (inflow).**NCL:** A positive (negative) sign denotes an increase (decrease) in liabilities; it is thus a capital inflow (outflow).**NCL-NCA:** A positive (negative) sign denotes a capital inflow (outflow).

Reserves: A positive (negative) sign denotes a decrease (increase) in the reserves.

EUR millions	2003	2003			
		Q1	Q2	Q3	Q4
GENERAL GOVERNMENT (NCL-NCA)	-8 485.8	-6 796.5	3 637.0	-3 735.5	-1 590.8
Portfolio investment (NCL-NCA)	-7 543.4	-5 809.6	4 216.3	-5 082.8	-867.3
<i>Spanish investment abroad (NCA)</i>	<i>-1.6</i>	<i>-1.9</i>	<i>-4.2</i>	<i>-</i>	<i>4.5</i>
Bonds and notes	3.3	3.0	-4.2	-	4.5
<i>Foreign investment in Spain (NCL)</i>	<i>-7 545.0</i>	<i>-5 811.6</i>	<i>4 212.1</i>	<i>-5 082.8</i>	<i>-862.8</i>
Bonds and notes	-10 490.4	-6 660.9	3 648.1	-5 603.8	-1 873.8
Money market instruments	2 945.4	849.3	564.0	521.1	1 011.0
Other investment (NCL-NCA) (b)	-987.4	-967.1	-586.8	1 301.8	-735.4
<i>Spanish investment abroad (NCA)</i>	<i>98.4</i>	<i>138.6</i>	<i>26.8</i>	<i>150.6</i>	<i>-217.7</i>
Long-term loans and deposits	396.8	107.5	83.2	64.0	142.1
Short-term loans and deposits	-298.3	31.1	-56.3	86.6	-359.7
<i>Foreign investment in Spain (NCL)</i>	<i>-889.0</i>	<i>-828.5</i>	<i>-559.9</i>	<i>1 452.4</i>	<i>-953.0</i>
Long-term loans	208.7	12.1	-234.6	-61.0	492.3
Short-term loans	-1 097.8	-840.6	-325.3	1 513.4	-1 445.3
Financial derivatives (NCL-NCA)	45.0	-19.8	7.5	45.5	11.9
OTHER RESIDENT SECTORS (NCL-NCA)	-19 710.1	-1 394.3	-8 110.1	-3 361.5	-6 844.2
Direct investment (NCL-NCA)	-7 683.9	957.8	1 251.6	-2 296.6	-7 596.7
<i>Spanish investment abroad (NCA)</i>	<i>31 098.3</i>	<i>8 257.8</i>	<i>3 068.4</i>	<i>6 703.7</i>	<i>13 068.4</i>
Shares	17 760.6	1 510.5	1 149.1	4 371.5	10 729.6
Other equity	13 845.7	5 804.7	1 368.6	3 557.1	3 115.4
Reinvested earnings	292.3	73.1	73.1	73.1	73.1
Intercompany debt transactions	-1 188.6	803.0	381.9	-1 386.3	-987.2
Real estate	388.2	66.7	95.8	88.2	137.5
<i>Foreign investment in Spain (NCL)</i>	<i>23 414.4</i>	<i>9 215.6</i>	<i>4 320.0</i>	<i>4 407.1</i>	<i>5 471.6</i>
Unlisted shares	-8 223.4	2 068.6	250.0	-868.7	-9 673.4
Other equity	11 938.1	5 307.9	1 223.8	800.3	4 606.2
Reinvested earnings	1 397.2	349.3	349.3	349.3	349.3
Intercompany debt transactions	11 230.1	-260.3	742.8	2 348.1	8 399.6
Real estate	7 072.3	1 750.1	1 754.2	1 778.1	1 789.9
Portfolio investment (NCL-NCA)	-13 377.6	-449.6	-6 974.7	-3 769.6	-2 183.5
<i>Spanish investment abroad (NCA)</i>	<i>33 118.0</i>	<i>7 320.1</i>	<i>8 945.8</i>	<i>7 771.3</i>	<i>9 080.9</i>
Listed shares and mutual funds	11 519.1	493.9	2 244.2	3 952.9	4 828.2
Bonds and notes	21 274.3	6 806.0	6 109.9	4 035.3	4 323.2
Money market instruments	324.6	20.2	591.7	-216.8	-70.5
<i>Foreign investment in Spain (NCL)</i>	<i>19 740.4</i>	<i>6 870.4</i>	<i>1 971.0</i>	<i>4 001.6</i>	<i>6 897.4</i>
Listed shares	-2 365.9	2 355.0	-2 872.6	336.8	-2 185.1
Bonds and notes	22 930.3	4 860.0	5 042.7	3 815.3	9 212.3
Money market instruments	-823.9	-344.5	-199.2	-150.4	-129.8
Other investment (NCL-NCA) (b)	2 922.4	-990.3	-2 189.5	2 942.4	3 159.7
<i>Spanish investment abroad (NCA)</i>	<i>7 303.0</i>	<i>5 143.4</i>	<i>2 382.0</i>	<i>834.5</i>	<i>-1 056.8</i>
Long-term loans and deposits	1 250.8	359.8	706.0	-40.3	225.2
Short-term loans and deposits	6 052.2	4 783.6	1 676.0	874.7	-1 282.1
<i>Foreign investment in Spain (NCL)</i>	<i>10 225.3</i>	<i>4 153.1</i>	<i>192.5</i>	<i>3 776.9</i>	<i>2 102.9</i>
Long-term loans	10 482.1	4 656.6	1 490.7	1 223.5	3 111.3
Short-term loans	-256.8	-503.5	-1 298.2	2 553.3	-1 008.4
Financial derivatives (NCL-NCA)	-1 570.9	-912.2	-197.4	-237.7	-223.7

SOURCE: Banco de España.

a. Changes in assets and liabilities are both net of repayments.

b. Mainly loans, repo operations and deposits.

ACCOUNTING CONVENTION:

NCA: A positive (negative) sign denotes an increase (decrease) in assets; it is thus a capital outflow (inflow).**NCL:** A positive (negative) sign denotes an increase (decrease) in liabilities; it is thus a capital inflow (outflow).**NCL-NCA:** A positive (negative) sign denotes a capital inflow (outflow).

EUR millions	2003	2003			
		Q1	Q2	Q3	Q4
MONETARY FINANCIAL INSTITUTIONS, EXCLUDING BANCO DE ESPAÑA (NCL-NCA)	45 496.9	14 190.2	11 233.3	9 680.5	10 392.9
Direct investment (NCL-NCA)	6 263.2	1 231.3	1 301.3	-1 205.8	4 936.4
<i>Spanish investment abroad (NCA)</i>	<i>-6 706.3</i>	<i>-1 253.0</i>	<i>-71.5</i>	<i>303.1</i>	<i>-5 684.8</i>
Shares	-6 997.9	-1 318.7	-225.3	247.0	-5 700.9
Other equity	99.1	16.0	104.2	7.9	-29.1
Reinvested earnings	195.8	49.0	49.0	49.0	49.0
Real estate	-3.3	0.7	0.6	-0.8	-3.8
<i>Foreign investment in Spain (NCL)</i>	<i>-443.1</i>	<i>-21.7</i>	<i>1 229.8</i>	<i>-902.7</i>	<i>-748.4</i>
Unlisted shares	-637.9	-47.4	9.7	1.5	-601.7
Other equity	112.0	5.0	1 199.5	-925.0	-167.5
Reinvested earnings	82.8	20.7	20.7	20.7	20.7
Portfolio investment (NCL-NCA)	-5 671.1	-7 243.7	1 123.1	-9 802.0	10 251.4
<i>Spanish investment abroad (NCA)</i>	<i>32 517.3</i>	<i>13 082.7</i>	<i>5 111.7</i>	<i>13 581.7</i>	<i>741.3</i>
Listed shares and mutual funds	-64.1	154.7	-507.4	178.2	110.4
Bonds and notes	28 196.4	11 504.8	2 764.3	12 000.7	1 926.6
Money market instruments	4 385.0	1 423.2	2 854.8	1 402.8	-1 295.8
<i>Foreign investment in Spain (NCL)</i>	<i>26 846.2</i>	<i>5 839.1</i>	<i>6 234.8</i>	<i>3 779.7</i>	<i>10 992.7</i>
Listed shares	-676.2	-383.6	357.8	-1 241.4	591.0
Bonds and notes	27 668.0	6 221.0	5 909.3	5 090.3	10 447.3
Money market instruments	-145.5	1.6	-32.3	-69.2	-45.6
Other investment (NCL-NCA) (b)	46 813.6	21 084.6	9 816.7	20 881.8	-4 969.5
<i>Spanish investment abroad (NCA)</i>	<i>8 571.7</i>	<i>-1 947.4</i>	<i>-1 927.3</i>	<i>-85.0</i>	<i>12 531.4</i>
Long-term	4 664.4	2 101.2	551.8	-278.8	2 290.2
Short-term	3 907.4	-4 048.6	-2 479.1	193.8	10 241.2
<i>Loans</i>	<i>-156.7</i>	<i>-75.4</i>	<i>-157.4</i>	<i>2 141.5</i>	<i>-2 065.4</i>
<i>Repurchase agreements</i>	<i>-2 029.1</i>	<i>-2 913.9</i>	<i>-1 810.0</i>	<i>-3 017.2</i>	<i>5 712.1</i>
<i>Deposits</i>	<i>6 093.1</i>	<i>-1 059.3</i>	<i>-511.6</i>	<i>1 069.5</i>	<i>6 594.6</i>
<i>Foreign investment in Spain (NCL)</i>	<i>55 385.4</i>	<i>19 137.2</i>	<i>7 889.4</i>	<i>20 796.8</i>	<i>7 561.9</i>
Long-term	17 992.3	5 213.8	3 987.9	4 306.7	4 483.8
Short-term	37 393.1	13 923.4	3 901.5	16 490.1	3 078.1
<i>Repurchase agreements</i>	<i>14 405.0</i>	<i>6 197.3</i>	<i>3 443.8</i>	<i>2 844.2</i>	<i>1 919.6</i>
<i>Deposits</i>	<i>22 988.1</i>	<i>7 726.1</i>	<i>457.7</i>	<i>13 645.9</i>	<i>1 158.5</i>
Financial derivatives (NCL-NCA)	-1 908.8	-882.1	-1 007.8	-193.5	174.6
BANCO DE ESPAÑA (NCL-NCA)	1 574.8	-1 792.6	-2 518.1	2 414.9	3 470.6
Portfolio investment (NCL-NCA)	-15 209.2	-1 117.1	-3 152.2	-7 246.6	-3 693.3
Other investment (NCL-NCA)	3 158.0	-2 265.5	-2 328.3	4 044.7	3 707.2
<i>Spanish investment abroad (NCA)</i>	<i>-4 356.6</i>	<i>1 713.3</i>	<i>2 442.9</i>	<i>-4 598.3</i>	<i>-3 914.6</i>
<i>Foreign investment in Spain (NCL)</i>	<i>-1 198.6</i>	<i>-552.2</i>	<i>114.6</i>	<i>-553.6</i>	<i>-207.4</i>
Reserves	13 625.9	1 590.0	2 962.4	5 616.8	3 456.7

SOURCE: Banco de España.

- a. Changes in assets and liabilities are both net of repayments.
b. Mainly loans, repo operations and deposits.

ACCOUNTING CONVENTION:

NCA: A positive (negative) sign denotes an increase (decrease) in assets; it is thus a capital outflow (inflow).**NCL:** A positive (negative) sign denotes an increase (decrease) in liabilities; it is thus a capital inflow (outflow).**NCL-NCA:** A positive (negative) sign denotes a capital inflow (outflow).

EUR millions	2003	2003			
		Q1	Q2	Q3	Q4
Direct investment					
Spanish investment abroad (NCA)	24 392.0	7 004.8	2 997.0	7 006.7	7 383.5
Of which: ETVE (a)	12 003.4	5 481.6	1 488.9	2 491.1	2 541.8
Foreign investment in Spain (NCL)	22 971.3	9 193.9	5 549.9	3 504.3	4 723.2
Of which: ETVE (a)	11 401.8	5 011.3	1 788.2	2 204.2	2 398.1

SOURCE: Banco de España.

a. Estimate based on the CNAE classification. It includes the transactions of ETVE companies and of other holding companies which are not strictly ETVE, but which, like them, have been established in Spain for the main purpose of channelling direct investment flows.

BALANCE OF PAYMENTS IN 2003

TABLE 6.2.11

Breakdown by selected economic areas (a)

EUR millions	WORLD TOTAL			EUROPE			EUROPEAN UNION		
	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE
CURRENT ACCOUNT	242 717.8	270 627.7	-27 909.9	196 694.1	198 105.6	-1 411.5	182 709.4	183 677.9	-968.5
Goods	139 754.4	179 593.3	-39 838.8	112 340.2	130 258.1	-17 917.9	105 196.1	121 062.7	-15 866.6
Services	65 689.4	42 388.5	23 300.9	55 022.8	30 888.4	24 134.4	49 367.2	26 732.5	22 634.7
Travel	35 047.1	8 009.9	27 037.2	31 506.5	5 637.0	25 869.5	29 582.9	4 808.6	24 774.4
Other services	30 642.2	34 378.6	-3 736.4	23 516.3	25 251.4	-1 735.1	19 784.3	21 923.9	-2 139.7
Labour income	456.8	402.7	54.1	320.0	229.3	90.7	276.1	197.3	78.8
Investment income	22 112.9	33 770.6	-11 657.7	16 500.7	26 486.0	-9 985.3	16 019.4	25 671.7	-9 652.3
Monetary financial institutions	9 133.9	11 400.5	-2 266.6	6 467.0	7 430.3	-963.3	6 261.2	7 097.5	-836.3
General government	98.6	8 541.6	-8 443.1	24.4	7 985.8	-7 961.4	24.1	7 971.8	-7 947.7
Other resident sectors	12 880.4	13 828.4	-948.0	10 009.3	11 070.0	-1 060.6	9 734.1	10 602.4	-868.3
Current transfers	14 704.4	14 472.7	231.7	12 510.4	10 243.8	2 266.6	11 850.6	10 013.7	1 836.9
CAPITAL ACCOUNT	9 649.3	1 483.9	8 165.3	9 166.3	1 092.9	8 073.3	8 986.9	1 025.6	7 961.4
	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL-NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL-NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL-NCA)
FINANCIAL ACCOUNT (excluding Banco de España) (b)	...	...	...	...	...	...	...	...	...
Monetary financial institutions	81 788.6	34 382.8	47 405.8	84 076.2	36 490.8	47 585.3	85 592.9	36 075.8	49 517.0
Direct investment (c)	-443.1	-6 706.3	6 263.2	-271.0	946.8	-1 217.8	-293.8	940.5	-1 234.3
Portfolio investment	26 846.2	32 517.3	-5 671.1	26 456.0	27 782.9	-1 326.9	26 737.7	27 369.2	-631.4
Other investment	55 385.4	8 571.7	46 813.6	57 891.2	7 761.2	50 130.0	59 148.9	7 766.2	51 382.7
General government	-8 434.0	96.8	-8 530.8	-8 205.2	-246.1	-7 959.1	-8 275.3	-279.4	-7 996.0
Portfolio investment	-7 545.0	-1.6	-7 543.4	-7 568.6	1.8	-7 570.4	-7 638.7	1.8	-7 640.5
Other investment	-889.0	98.4	-987.4	-636.6	-247.9	-388.7	-636.6	-281.1	-355.5
Other resident sectors	53 380.2	71 519.3	-18 139.1	47 397.4	54 241.6	-6 844.2	46 222.2	53 578.5	-7 356.3
Direct investment (c)	23 414.4	31 098.3	-7 683.9	17 806.4	16 960.7	845.7	16 091.3	16 734.6	-643.3
Portfolio investment	19 740.4	33 118.0	-13 377.6	19 968.5	29 943.4	-9 974.9	20 102.4	29 489.0	-9 386.6
Other investment	10 225.3	7 303.0	2 922.4	9 622.5	7 337.5	2 285.0	10 028.5	7 354.9	2 673.6

SOURCE: Banco de España.

a. The difference between the world total amounts and the sum of the geographical areas corresponds to geographically unassigned information, which in no case represents large amounts, and to amounts corresponding to international organisations other than the European Union.

b. Derivatives not included.

c. In the case of direct investment, the change in assets corresponds to Spain's investment abroad, which includes, among other transactions, loans received by Spanish parent companies from their non-resident subsidiaries, which reduce such investment. Likewise, the change in liabilities corresponds to foreign investment in Spain, which includes loans granted by Spanish subsidiary companies to their non-resident parents (see Chapter V).

NOTE:

EUROPEAN UNION: International institutions of the European Union, European Central Bank, France, Belgium, Netherlands, Germany, Italy, United Kingdom, Ireland, Denmark, Greece, Portugal, Luxembourg, Austria, Finland, Sweden, Cyprus, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Malta, Poland, Slovenia, Slovakia and their dependencies.

BALANCE OF PAYMENTS IN 2003 (cont'd)

TABLE 6.2.11

Breakdown by selected economic areas (a)

EUR millions	EURO AREA			UNITED KINGDOM			SWEDEN		
	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE
CURRENT ACCOUNT	129 739.3	140 309.2	-10 569.9	35 470.0	24 929.5	10 540.4	2 529.7	3 209.9	-680.2
Goods	84 915.4	101 459.0	-16 543.6	13 549.0	11 672.3	1 876.7	1 365.0	2 685.7	-1 320.7
Services	28 968.7	18 908.0	10 060.6	18 374.5	6 448.6	11 925.9	957.9	399.7	558.2
Travel	15 540.0	3 050.6	12 489.4	12 981.9	1 531.8	11 450.2	679.5	63.6	615.9
Other services	13 428.6	15 857.4	-2 428.8	5 392.6	4 916.8	475.8	278.5	336.2	-57.7
Labour income	182.6	154.1	28.6	86.9	35.0	51.8	1.4	1.4	-
Investment income	13 301.9	18 383.8	-5 082.0	2 356.6	6 441.0	-4 084.4	94.0	103.6	-9.6
<i>Monetary financial institutions</i>	<i>5 103.2</i>	<i>4 829.9</i>	<i>273.3</i>	<i>996.0</i>	<i>2 195.4</i>	<i>-1 199.4</i>	<i>40.6</i>	<i>15.9</i>	<i>24.7</i>
<i>General government</i>	<i>22.5</i>	<i>5 663.1</i>	<i>-5 640.5</i>	<i>1.0</i>	<i>2 059.5</i>	<i>-2 058.4</i>	<i>0.2</i>	<i>-</i>	<i>0.2</i>
<i>Other resident sectors</i>	<i>8 176.1</i>	<i>7 890.8</i>	<i>285.3</i>	<i>1 359.6</i>	<i>2 186.2</i>	<i>-826.6</i>	<i>53.3</i>	<i>87.7</i>	<i>-34.4</i>
Current transfers	2 370.8	1 404.3	966.5	1 102.9	332.6	770.4	111.3	19.5	91.8
CAPITAL ACCOUNT	396.4	914.8	-518.4	156.3	103.3	53.0	3.7	4.2	-0.5
	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL-NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL-NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL-NCA)
FINANCIAL ACCOUNT (excluding Banco de España) (b)	...	...	...	...	...	...	...	...	...
Monetary financial institutions	55 436.0	35 924.6	19 511.4	30 631.3	196.4	30 434.9	-145.5	-123.6	-21.9
Direct investment (c)	43.4	919.6	-876.2	-342.5	-1.1	-341.4	5.2	-0.5	5.7
Portfolio investment	25 346.0	24 162.2	1 183.9	1 499.0	3 344.6	-1 845.6	6.7	-125.3	132.0
Other investment	30 046.6	10 842.8	19 203.7	29 474.8	-3 147.1	32 621.9	-157.4	2.1	-159.6
General government	-6 698.9	-299.3	-6 399.6	-686.4	-0.1	-686.3	-183.4	-	-183.4
Portfolio investment	-6 706.5	1.8	-6 708.3	-707.1	-0.1	-707.0	-183.6	-	-183.6
Other investment	7.6	-301.1	308.7	20.7	-	20.7	0.2	-	0.2
Other resident sectors	26 472.7	46 197.6	-19 724.9	16 496.4	5 955.7	10 540.7	76.3	318.5	-242.2
Direct investment (c)	6 588.6	10 659.9	-4 071.4	9 377.3	4 296.3	5 081.0	104.8	410.9	-306.1
Portfolio investment	15 268.0	28 844.4	-13 576.3	4 384.4	1 046.3	3 338.1	0.8	-121.6	122.4
Other investment	4 616.1	6 693.3	-2 077.2	2 734.7	613.2	2 121.5	-29.2	29.3	-58.5

SOURCE: Banco de España.

a. The difference between the world total amounts and the sum of the geographical areas corresponds to geographically unassigned information, which in no case represents large amounts, and to amounts corresponding to international organisations other than the European Union.

b. Derivatives not included.

c. In the case of direct investment, the change in assets corresponds to Spain's investment abroad, which includes, among other transactions, loans received by Spanish parent companies from their non-resident subsidiaries, which reduce such investment. Likewise, the change in liabilities corresponds to foreign investment in Spain, which includes loans granted by Spanish subsidiary companies to their non-resident parents (see Chapter V).

NOTE:

EURO AREA: France, Belgium, Luxembourg, Netherlands, Germany, Italy, Ireland, Portugal, Austria, Finland, Greece and European Central Bank.

BALANCE OF PAYMENTS IN 2003 (cont'd)

TABLE 6.2.11

Breakdown by selected economic areas (a)

EUR millions	DENMARK			NEW MEMBERS			EUROPEAN INSTITUTIONS		
	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE
CURRENT ACCOUNT	1 527.5	1 799.7	-272.2	4 848.9	4 545.6	303.4	8 593.0	8 884.0	-291.1
Goods	1 014.9	1 482.6	-467.8	4 351.8	3 761.0	590.7	-	2.0	-2.0
Services	386.7	228.5	158.2	398.9	715.2	-316.3	280.5	32.5	248.0
Travel	251.7	45.8	205.9	129.3	116.5	12.8	0.5	0.3	0.2
Other services	135.0	182.6	-47.6	269.6	598.7	-329.0	280.0	32.2	247.7
Labour income	2.6	1.9	0.6	2.7	3.9	-1.3	-	1.0	-1.0
Investment income	91.2	73.0	18.2	60.5	47.7	12.8	114.1	622.7	-508.6
<i>Monetary financial institutions</i>	<i>40.5</i>	<i>13.3</i>	<i>27.2</i>	<i>16.9</i>	<i>43.0</i>	<i>-26.1</i>	<i>64.0</i>	<i>-</i>	<i>64.0</i>
<i>General government</i>	<i>-</i>	<i>0.2</i>	<i>-0.2</i>	<i>0.3</i>	<i>-</i>	<i>0.3</i>	<i>-</i>	<i>249.0</i>	<i>-249.0</i>
<i>Other resident sectors</i>	<i>50.7</i>	<i>59.4</i>	<i>-8.7</i>	<i>43.2</i>	<i>4.6</i>	<i>38.6</i>	<i>50.1</i>	<i>373.7</i>	<i>-323.6</i>
Current transfers	32.1	13.7	18.4	35.1	17.8	17.4	8 198.4	8 225.9	-27.5
CAPITAL ACCOUNT	3.9	1.7	2.2	2.8	1.5	1.3	8 423.9	0.1	8 423.8
	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL-NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL-NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL-NCA)
FINANCIAL ACCOUNT (excluding Banco de España) (b)	...	...	...	...	...	...	...	...	...
Monetary financial institutions	-161.5	6.3	-167.8	-199.2	100.9	-300.1	31.7	-28.8	60.5
Direct investment (c)	0.1	-	0.1	-	22.5	-22.5	-	-	-
Portfolio investment	-114.4	-60.9	-53.5	0.4	77.3	-77.0	-	-28.8	28.8
Other investment	-47.2	67.2	-114.4	-199.6	1.1	-200.6	31.7	-	31.7
General government	-41.4	-	-41.4	-0.2	-4.2	4.0	-665.1	24.2	-689.3
Portfolio investment	-41.4	-	-41.4	-0.2	-	-0.2	-	-	-
Other investment	-	-	-	-	-4.2	4.2	-665.1	24.1	-689.2
Other resident sectors	-4.9	-156.3	151.4	27.1	1 350.7	-1 323.6	3 155.6	-81.0	3 236.6
Direct investment (c)	-5.0	93.0	-98.0	29.0	1 273.4	-1 244.5	-4.2	-	-4.2
Portfolio investment	5.6	-273.8	279.4	1.4	75.1	-73.6	442.0	-81.3	523.3
Other investment	-5.5	24.4	-30.0	-3.3	2.2	-5.5	2 717.8	0.3	2 717.4

SOURCE: Banco de España.

a. The difference between the world total amounts and the sum of the geographical areas corresponds to geographically unassigned information, which in no case represents large amounts, and to amounts corresponding to international organisations other than the European Union.

b. Derivatives not included.

c. In the case of direct investment, the change in assets corresponds to Spain's investment abroad, which includes, among other transactions, loans received by Spanish parent companies from their non-resident subsidiaries, which reduce such investment. Likewise, the change in liabilities corresponds to foreign investment in Spain, which includes loans granted by Spanish subsidiary companies to their non-resident parents (see Chapter V).

NOTE:

NEW MEMBERS: Cyprus, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Malta, Poland, Slovenia and Slovakia.

BALANCE OF PAYMENTS IN 2003 (cont'd)

TABLE 6.2.11

Breakdown by selected economic areas (a)

EUR millions	REST OF EUROPE			SWITZERLAND			NORTH AMERICA		
	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE
CURRENT ACCOUNT	13 984.7	14 427.7	-443.0	6 309.1	5 691.0	618.1	15 818.1	17 592.3	-1 774.2
Goods	7 144.1	9 195.4	-2 051.3	1 606.6	2 358.8	-752.2	6 772.1	7 008.8	-236.7
Services	5 655.6	4 155.9	1 499.7	3 924.5	2 581.1	1 343.4	5 299.4	5 549.1	-249.8
Travel	1 923.6	828.4	1 095.1	843.1	130.3	712.8	2 300.5	1 428.7	871.9
Other services	3 732.0	3 327.5	404.6	3 081.4	2 450.8	630.6	2 998.8	4 120.4	-1 121.6
Labour income	43.9	32.0	11.9	36.0	20.7	15.3	60.7	48.9	11.8
Investment income	481.3	814.3	-333.0	241.5	619.4	-377.9	2 181.0	3 725.3	-1 544.3
<i>Monetary financial institutions</i>	<i>205.8</i>	<i>332.8</i>	<i>-127.0</i>	<i>76.5</i>	<i>172.3</i>	<i>-95.8</i>	<i>938.8</i>	<i>657.7</i>	<i>281.1</i>
<i>General government</i>	<i>0.3</i>	<i>14.0</i>	<i>-13.7</i>	<i>-</i>	<i>14.0</i>	<i>-14.0</i>	<i>2.5</i>	<i>472.8</i>	<i>-470.2</i>
<i>Other resident sectors</i>	<i>275.2</i>	<i>467.6</i>	<i>-192.3</i>	<i>164.9</i>	<i>433.1</i>	<i>-268.2</i>	<i>1 239.7</i>	<i>2 594.8</i>	<i>-1 355.2</i>
Current transfers	659.8	230.1	429.7	500.5	111.0	389.5	1 504.9	1 260.2	244.7
CAPITAL ACCOUNT	179.4	67.3	111.9	83.9	57.3	26.6	96.0	61.6	34.4
	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL-NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL-NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL-NCA)
FINANCIAL ACCOUNT (excluding Banco de España) (b)	...	...	...	...	...	...	...	...	...
Monetary financial institutions	-1 516.7	415.0	-1 931.7	-819.5	13.2	-832.7	2 313.0	5 027.9	-2 714.9
Direct investment (c)	22.8	6.3	16.5	22.4	3.7	18.7	-184.6	316.0	-500.5
Portfolio investment	-281.7	413.7	-695.5	-309.2	-17.5	-291.8	356.0	3 543.8	-3 187.8
Other investment	-1 257.7	-5.0	-1 252.7	-532.7	27.0	-559.6	2 141.6	1 168.2	973.4
General government	70.1	33.3	36.9	-133.3	-	-133.3	-404.7	3.6	-408.3
Portfolio investment	70.1	-	70.1	-133.3	-	-133.3	-386.9	0.9	-387.8
Other investment	-	33.2	-33.2	-	-	-	-17.7	2.8	-20.5
Other resident sectors	1 175.2	663.1	512.1	687.1	336.5	350.6	5 855.7	3 805.4	2 050.2
Direct investment (c)	1 715.1	226.1	1 489.0	1 351.7	141.6	1 210.0	5 661.2	2 074.7	3 586.5
Portfolio investment	-133.9	454.4	-588.3	-231.8	214.6	-446.3	70.0	1 890.9	-1 821.0
Other investment	-406.0	-17.4	-388.6	-432.7	-19.7	-413.1	124.5	-160.2	284.7

SOURCE: Banco de España.

a. The difference between the world total amounts and the sum of the geographical areas corresponds to geographically unassigned information, which in no case represents large amounts, and to amounts corresponding to international organisations other than the European Union.

b. Derivatives not included.

c. In the case of direct investment, the change in assets corresponds to Spain's investment abroad, which includes, among other transactions, loans received by Spanish parent companies from their non-resident subsidiaries, which reduce such investment. Likewise, the change in liabilities corresponds to foreign investment in Spain, which includes loans granted by Spanish subsidiary companies to their non-resident parents (see Chapter V).

NOTE:

REST OF EUROPE: Countries not included in the European Union.

BALANCE OF PAYMENTS IN 2003 (cont'd)

TABLE 6.2.11

Breakdown by selected economic areas (a)

EUR millions	UNITED STATES			CANADA			CENTRAL AND SOUTH AMERICA		
	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE
CURRENT ACCOUNT	14 695.4	16 485.2	-1 789.8	1 122.4	1 105.1	17.3	12 972.7	14 011.6	-1 038.9
Goods	6 119.1	6 425.6	-306.5	652.7	582.9	69.8	6 990.4	7 116.7	-126.1
Services	4 933.6	5 164.4	-230.8	365.6	384.1	-18.5	2 712.8	1 862.0	850.8
Travel	2 181.1	1 273.5	907.6	119.4	155.0	-35.6	596.2	576.0	20.3
Other services	2 752.5	3 890.9	-1 138.4	246.2	229.1	17.1	2 116.5	1 286.0	830.5
Labour income	58.5	46.4	12.1	2.2	2.5	-0.3	54.8	56.1	-1.3
Investment income	2 108.0	3 598.4	-1 490.5	73.2	125.8	-52.6	2 740.7	2 778.1	-37.4
Monetary financial institutions	912.0	650.7	261.3	26.8	5.9	20.9	1 391.8	2 760.5	-1 368.7
General government	2.5	472.8	-470.3	0.1	-	0.1	28.5	0.1	28.4
Other resident sectors	1 193.5	2 475.0	-1 281.5	46.3	119.9	-73.6	1 320.5	17.4	1 303.0
Current transfers	1 476.2	1 250.3	225.9	28.7	9.9	18.8	473.9	2 198.8	-1 724.9
CAPITAL ACCOUNT	90.6	58.1	32.4	5.4	3.5	1.9	234.7	186.0	48.6
	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL-NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL-NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL-NCA)
FINANCIAL ACCOUNT (excluding Banco de España) (b)	...	...	...	...	...	...	...	...	...
Monetary financial institutions	2 027.0	5 202.9	-3 175.9	325.7	-175.0	500.8	-7 163.1	-7 972.6	809.4
Direct investment (c)	-184.6	316.0	-500.6	-	-	-	1.4	-7 944.1	7 945.4
Portfolio investment	25.7	3 496.0	-3 470.3	330.3	47.7	282.5	-9.4	704.2	-713.5
Other investment	2 185.9	1 390.9	795.0	-4.6	-222.8	218.2	-7 155.1	-732.5	-6 422.6
General government	-404.1	3.6	-407.8	-0.6	-	-0.6	7.6	67.0	-59.4
Portfolio investment	-386.4	0.9	-387.2	-0.6	-	-0.6	7.6	-2.6	10.2
Other investment	-17.7	2.8	-20.5	-	-	-	-	69.6	-69.6
Other resident sectors	4 710.9	3 594.8	1 116.1	1 144.8	210.6	934.2	-256.2	10 677.7	-10 933.9
Direct investment (c)	4 457.4	1 860.6	2 596.8	1 203.8	214.1	989.8	-104.7	9 989.2	-10 093.9
Portfolio investment	127.7	1 894.3	-1 766.6	-57.7	-3.4	-54.4	-174.9	703.6	-878.5
Other investment	125.8	-160.1	285.9	-1.3	-0.1	-1.2	23.4	-15.1	38.5

SOURCE: Banco de España.

a. The difference between the world total amounts and the sum of the geographical areas corresponds to geographically unassigned information, which in no case represents large amounts, and to amounts corresponding to international organisations other than the European Union.

b. Derivatives not included.

c. In the case of direct investment, the change in assets corresponds to Spain's investment abroad, which includes, among other transactions, loans received by Spanish parent companies from their non-resident subsidiaries, which reduce such investment. Likewise, the change in liabilities corresponds to foreign investment in Spain, which includes loans granted by Spanish subsidiary companies to their non-resident parents (see Chapter V).

BALANCE OF PAYMENTS IN 2003 (cont'd)

TABLE 6.2.11

Breakdown by selected economic areas (a)

EUR millions	AFRICA			ASIA			JAPAN		
	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE
CURRENT ACCOUNT	6 136.9	13 119.8	-6 982.9	9 148.3	25 926.8	-16 778.5	1 411.5	5 079.1	-3 667.6
Goods	5 359.3	11 440.7	-6 081.4	7 606.4	23 141.1	-15 534.7	1 003.0	4 461.8	-3 458.7
Services	579.9	1 372.9	-793.0	1 269.8	2 333.3	-1 063.5	342.1	528.4	-186.3
Travel	43.5	204.9	-161.5	470.9	129.0	341.9	160.1	17.4	142.6
Other services	536.5	1 168.0	-631.5	798.9	2 204.3	-1 405.4	182.0	510.9	-328.9
Labour income	8.4	15.1	-6.7	7.9	20.8	-12.9	3.7	8.0	-4.3
Investment income	135.2	54.2	81.0	162.7	217.8	-55.1	45.3	67.9	-22.6
<i>Monetary financial institutions</i>	<i>32.6</i>	<i>46.5</i>	<i>-13.9</i>	<i>74.2</i>	<i>125.3</i>	<i>-51.1</i>	<i>25.6</i>	<i>14.0</i>	<i>11.6</i>
<i>General government</i>	<i>19.8</i>	<i>-</i>	<i>19.8</i>	<i>19.8</i>	<i>21.2</i>	<i>-1.4</i>	<i>-</i>	<i>19.8</i>	<i>-19.8</i>
<i>Other resident sectors</i>	<i>82.8</i>	<i>7.7</i>	<i>75.1</i>	<i>68.7</i>	<i>71.3</i>	<i>-2.6</i>	<i>19.7</i>	<i>34.1</i>	<i>-14.4</i>
Current transfers	54.1	236.9	-182.9	101.5	213.8	-112.3	17.4	13.1	4.3
CAPITAL ACCOUNT	108.9	91.9	16.9	36.2	42.9	-6.7	3.2	2.4	0.9
	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL-NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL-NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL-NCA)
FINANCIAL ACCOUNT (excluding Banco de España) (b)	...	...	...	...	...	...	...	...	...
Monetary financial institutions	-77.6	17.0	-94.6	854.1	-474.3	1 328.4	48.6	-250.1	298.8
Direct investment (c)	0.3	3.6	-3.3	10.9	-30.3	41.3	1.3	1.0	0.2
Portfolio investment	-7.3	-	-7.3	-25.6	-85.5	60.0	25.8	-80.3	106.1
Other investment	-70.6	13.4	-84.1	868.7	-358.4	1 227.1	21.6	-170.8	192.4
General government	429.5	-5.1	434.7	-287.0	11.4	-298.4	-247.2	-	-247.2
Portfolio investment	429.5	-	429.5	-52.4	-	-52.4	-12.6	-	-12.6
Other investment	-	-5.1	5.1	-234.6	11.4	-246.1	-234.6	-	-234.6
Other resident sectors	539.4	2 003.4	-1 464.1	-149.3	700.1	-849.3	-174.0	4.4	-178.4
Direct investment (c)	29.4	1 912.7	-1 883.3	29.8	109.3	-79.5	-84.3	17.7	-102.0
Portfolio investment	3.6	-7.9	11.5	-131.8	563.9	-695.7	-43.9	-15.4	-28.6
Other investment	506.3	98.6	407.7	-47.3	26.9	-74.2	-45.8	2.0	-47.8

SOURCE: Banco de España.

a. The difference between the world total amounts and the sum of the geographical areas corresponds to geographically unassigned information, which in no case represents large amounts, and to amounts corresponding to international organisations other than the European Union.

b. Derivatives not included.

c. In the case of direct investment, the change in assets corresponds to Spain's investment abroad, which includes, among other transactions, loans received by Spanish parent companies from their non-resident subsidiaries, which reduce such investment. Likewise, the change in liabilities corresponds to foreign investment in Spain, which includes loans granted by Spanish subsidiary companies to their non-resident parents (see Chapter V).

BALANCE OF PAYMENTS IN 2003 (cont'd)

TABLE 6.2.11

Breakdown by selected economic areas (a)

EUR millions	CHINA			OCEANIA AND POLAR REGIONS			OECD		
	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE
CURRENT ACCOUNT	1 259.0	6 799.2	-5 540.2	1 032.5	814.3	218.2	213 937.8	219 860.4	-5 922.6
Goods	1 112.0	6 291.3	-5 179.3	686.0	626.3	59.8	119 257.2	141 523.5	-22 266.3
Services	80.4	460.1	-379.6	193.9	127.0	67.0	60 986.5	36 397.8	24 588.7
Travel	3.7	19.3	-15.6	129.3	34.2	95.1	33 976.7	6 651.7	27 325.1
Other services	76.7	440.8	-364.1	64.6	92.8	-28.2	27 009.7	29 746.1	-2 736.4
Labour income	0.2	2.1	-1.9	0.4	1.7	-1.3	382.3	285.3	97.0
Investment income	47.9	5.8	42.1	132.9	52.2	80.7	19 282.2	30 200.4	-10 918.1
Monetary financial institutions	16.8	5.5	11.3	36.4	17.6	18.7	7 842.2	8 026.8	-184.6
General government	8.5	-	8.5	1.5	-	1.5	40.1	8 478.4	-8 438.3
Other resident sectors	22.7	0.3	22.4	95.0	34.5	60.5	11 399.9	13 695.2	-2 295.2
Current transfers	18.4	39.9	-21.5	19.3	7.2	12.1	14 029.6	11 453.4	2 576.2
CAPITAL ACCOUNT	2.1	1.4	0.8	3.9	2.3	1.6	9 202.4	1 190.9	8 011.5
	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL-NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL-NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL-NCA)
FINANCIAL ACCOUNT (excluding Banco de España) (b)	...	...	...	...	...	...	...	...	...
Monetary financial institutions	-140.2	-89.6	-50.6	613.0	1 473.1	-860.1	87 767.7	41 781.8	45 985.9
Direct investment (c)	-	0.4	-0.4	-	0.7	-0.7	-454.6	241.8	-696.4
Portfolio investment	0.2	0.1	0.1	76.5	709.2	-632.7	26 902.2	31 769.0	-4 866.8
Other investment	-140.4	-90.0	-50.4	536.5	763.1	-226.6	61 320.1	9 770.9	51 549.1
General government	-	-14.2	14.2	25.8	-1.7	27.5	-8 818.0	-271.1	-8 546.9
Portfolio investment	-	-	-	25.8	-1.7	27.5	-7 929.0	1.2	-7 930.1
Other investment	-	-14.2	14.2	-	-	-	-889.0	-272.3	-616.7
Other resident sectors	-1.0	44.7	-45.7	5.1	209.8	-204.8	53 094.8	60 232.5	-7 137.8
Direct investment (c)	-1.8	39.8	-41.6	4.0	28.1	-24.2	23 497.8	21 159.8	2 338.0
Portfolio investment	0.7	1.1	-0.5	5.1	181.6	-176.5	19 922.9	31 944.0	-12 021.1
Other investment	0.1	3.7	-3.6	-4.0	0.1	-4.1	9 674.1	7 128.8	2 545.4

SOURCE: Banco de España.

a. The difference between the world total amounts and the sum of the geographical areas corresponds to geographically unassigned information, which in no case represents large amounts, and to amounts corresponding to international organisations other than the European Union.

b. Derivatives not included.

c. In the case of direct investment, the change in assets corresponds to Spain's investment abroad, which includes, among other transactions, loans received by Spanish parent companies from their non-resident subsidiaries, which reduce such investment. Likewise, the change in liabilities corresponds to foreign investment in Spain, which includes loans granted by Spanish subsidiary companies to their non-resident parents (see Chapter V).

NOTE:

OECD: International institutions of the European Union, European Central Bank, France, Belgium, Netherlands, Germany, Italy, United Kingdom, Ireland, Denmark, Greece, Portugal, Luxembourg, Iceland, Norway, Sweden, Finland, Switzerland, Austria, Turkey, USA, Canada, Japan, Australia, New Zealand, Mexico, Czech Republic, Hungary, Poland and South Korea, and their dependencies.

BALANCE OF PAYMENTS IN 2003 (cont'd)

TABLE 6.2.11

Breakdown by selected economic areas (a)

EUR millions	NAFTA			OPEC			NICS		
	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE
CURRENT ACCOUNT	19 656.5	19 456.6	199.9	4 203.7	11 925.7	-7 722.0	1 587.5	4 095.1	-2 507.6
Goods	8 984.1	8 386.2	597.9	3 433.8	10 841.9	-7 408.2	1 280.1	3 576.5	-2 296.4
Services	6 245.8	5 937.4	308.4	518.5	862.2	-343.7	260.4	461.1	-200.6
Travel	2 646.4	1 578.4	1 068.0	150.7	22.1	128.6	42.0	14.9	27.1
Other services	3 599.3	4 359.0	-759.6	367.8	840.1	-472.3	218.4	446.1	-227.7
Labour income	64.8	54.4	10.3	5.1	14.5	-9.4	0.8	2.0	-1.2
Investment income	2 750.9	3 783.9	-1 033.0	130.0	136.0	-6.0	13.4	43.6	-30.1
<i>Monetary financial institutions</i>	<i>1 370.8</i>	<i>730.8</i>	<i>640.0</i>	<i>100.9</i>	<i>111.6</i>	<i>-10.7</i>	<i>9.9</i>	<i>30.2</i>	<i>-20.3</i>
<i>General government</i>	<i>14.2</i>	<i>472.8</i>	<i>-458.5</i>	<i>11.7</i>	<i>0.1</i>	<i>11.6</i>	<i>-</i>	<i>1.0</i>	<i>-1.0</i>
<i>Other resident sectors</i>	<i>1 365.8</i>	<i>2 580.4</i>	<i>-1 214.5</i>	<i>17.4</i>	<i>24.4</i>	<i>-6.9</i>	<i>3.5</i>	<i>12.3</i>	<i>-8.8</i>
Current transfers	1 611.0	1 294.7	316.3	116.3	71.1	45.2	32.7	12.0	20.7
CAPITAL ACCOUNT	121.2	99.5	21.8	119.1	44.0	75.1	1.7	1.6	0.1
	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL-NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL-NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL-NCA)
FINANCIAL ACCOUNT (excluding Banco de España) (b)	...	...	...	...	...	...	...	...	...
Monetary financial institutions	2 277.0	3 967.9	-1 690.9	67.3	56.5	10.8	-69.0	-140.1	71.1
Direct investment (c)	-184.5	-704.1	519.6	0.4	-1.1	1.5	0.1	1.4	-1.3
Portfolio investment	370.3	3 389.7	-3 019.5	15.4	45.1	-29.6	-63.6	-0.2	-63.4
Other investment	2 091.2	1 282.3	808.9	51.5	12.6	38.9	-5.4	-141.2	135.8
General government	-406.5	-22.3	-384.2	402.0	27.7	374.3	-38.7	-	-38.7
Portfolio investment	-388.8	1.1	-389.8	402.0	-	402.0	-38.7	-	-38.7
Other investment	-17.7	-23.4	5.6	-	27.7	-27.7	-	-	-
Other resident sectors	6 292.7	5 908.4	384.3	113.5	172.7	-59.3	-110.2	35.5	-145.7
Direct investment (c)	6 077.5	4 241.9	1 835.6	77.7	119.4	-41.7	-3.4	14.0	-17.4
Portfolio investment	91.9	1 876.3	-1 784.4	31.5	-6.9	38.3	-106.1	16.0	-122.1
Other investment	123.3	-209.8	333.1	4.3	60.2	-55.9	-0.7	5.5	-6.2

SOURCE: Banco de España.

a. The difference between the world total amounts and the sum of the geographical areas corresponds to geographically unassigned information, which in no case represents large amounts, and to amounts corresponding to international organisations other than the European Union.

b. Derivatives not included.

c. In the case of direct investment, the change in assets corresponds to Spain's investment abroad, which includes, among other transactions, loans received by Spanish parent companies from their non-resident subsidiaries, which reduce such investment. Likewise, the change in liabilities corresponds to foreign investment in Spain, which includes loans granted by Spanish subsidiary companies to their non-resident parents (see Chapter V).

NOTES:

NAFTA: USA, Canada and Mexico.

OPEC: Algeria, Libya, Nigeria, Venezuela, Iraq, Iran, Saudi Arabia, Kuwait, Qatar, United Arab Emirates and Indonesia.

NEWLY INDUSTRIALISED COUNTRIES (NICS): Singapore, South Korea, Taiwan and Hong Kong.

BALANCE OF PAYMENTS IN 2003 (cont'd)

TABLE 6.2.11

Breakdown by selected economic areas (a)

EUR millions	ASEAN			COMMONWEALTH OF INDEPENDENT STATES			TAX HAVENS		
	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE	CREDITS	DEBITS	BALANCE
CURRENT ACCOUNT	1 243.5	4 202.2	-2 958.7	1 452.7	3 665.6	-2 212.9	5 140.8	5 644.4	-503.6
Goods	1 064.7	3 680.3	-2 615.6	1 115.3	3 292.9	-2 177.6	3 374.3	1 673.9	1 700.4
Services	148.9	437.1	-288.2	298.9	320.8	-21.9	802.6	1 169.6	-367.0
Travel	6.1	33.3	-27.2	218.1	75.5	142.7	223.5	516.5	-293.0
Other services	142.8	403.8	-261.0	80.8	245.3	-164.5	579.1	653.0	-74.0
Labour income	1.0	2.5	-1.5	1.5	3.0	-1.5	25.2	7.9	17.3
Investment income	21.0	25.4	-4.4	28.6	32.9	-4.3	780.2	2 696.9	-1 916.7
Monetary financial institutions	6.8	17.7	-11.0	4.3	32.4	-28.1	366.2	2 649.7	-2 283.5
General government	8.9	0.4	8.5	0.6	-	0.6	4.2	1.4	2.8
Other resident sectors	5.3	7.3	-2.0	23.7	0.5	23.2	409.8	45.8	364.0
Current transfers	7.9	56.9	-48.9	8.4	16.0	-7.6	158.5	96.2	62.3
CAPITAL ACCOUNT	15.2	24.3	-9.1	71.0	1.4	69.6	35.2	6.9	28.3
	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL-NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL-NCA)	NET CHANGES IN LIABILITIES (NCL)	NET CHANGES IN ASSETS (NCA)	NET (NCL-NCA)
FINANCIAL ACCOUNT (excluding Banco de España) (b)	...	...	...	...	...	...	...	...	...
Monetary financial institutions	436.6	-171.5	608.1	255.1	20.6	234.5	-8 050.6	-262.3	-7 788.3
Direct investment (c)	-	-33.2	33.2	0.1	-	0.1	8.0	-65.3	73.3
Portfolio investment	-61.1	-5.1	-56.0	1.6	1.7	-0.1	-73.6	554.8	-628.4
Other investment	497.7	-133.2	630.9	253.4	18.9	234.4	-7 985.0	-751.8	-7 233.2
General government	-1.2	17.5	-18.6	-0.1	16.6	-16.7	-43.8	8.5	-52.3
Portfolio investment	-1.2	-	-1.2	-0.1	-	-0.1	-43.8	-2.8	-41.0
Other investment	-	17.5	-17.5	-	16.6	-16.6	-	11.3	-11.3
Other resident sectors	-78.0	26.3	-104.3	77.7	49.9	27.8	106.4	709.2	-602.7
Direct investment (c)	-12.0	10.8	-22.7	60.4	27.1	33.4	329.1	-69.7	398.8
Portfolio investment	-69.0	9.2	-78.3	15.2	16.6	-1.4	-254.2	793.9	-1 048.1
Other investment	3.0	6.3	-3.3	2.1	6.3	-4.2	31.5	-15.0	46.5

SOURCE: Banco de España.

- a. The difference between the world total amounts and the sum of the geographical areas corresponds to geographically unassigned information, which in no case represents large amounts, and to amounts corresponding to international organisations other than the European Union.
- b. Derivatives not included.
- c. In the case of direct investment, the change in assets corresponds to Spain's investment abroad, which includes, among other transactions, loans received by Spanish parent companies from their non-resident subsidiaries, which reduce such investment. Likewise, the change in liabilities corresponds to foreign investment in Spain, which includes loans granted by Spanish subsidiary companies to their non-resident parents (see Chapter V).

NOTES:

ASEAN: Thailand, Indonesia, Malaysia, Brunei, Singapore, Philippines, Vietnam, Cambodia, Democratic Republic of Laos and Myanmar.

CIS: Russia, Ukraine, Belarus, Moldova, Armenia, Azerbaijan, Kazakhstan, Turkmenistan, Uzbekistan, Tajikistan, Kyrgyzstan and Georgia.

TAX HAVENS: Andorra, Antigua and Barbuda, Anguilla, Dutch Antilles, Barbados, Bahrain, Bermuda, Bahamas, Belize, Cook Islands, Dominica, Grenada, Guernsey, Gibraltar, Hong Kong, Isle of Man, Jersey, Jamaica, St. Kitts and Nevis, Cayman Islands, Lebanon, St. Lucia, Liechtenstein, Liberia, Marshall Islands, Montserrat, Maldives, Nauru, Niue, Panama, Philippines, Singapore, Turks and Caicos, St. Vincent and the Grenadines, British Virgin Islands, US Virgin Islands, Vanuatu and Samoa.

7.1 NET INTERNATIONAL INVESTMENT POSITION. SUMMARY: 1995-2004

INTERNATIONAL INVESTMENT POSITION

Summary

TABLE 7.1.1

EUR millions	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
TOTAL NET POSITION (ASSETS-LIABILITIES)	-97 110.5	-110 522.0	-124 276.3	-163 243.3	-168 052.5	-163 356.9	-190 418.2	-228 632.9	-280 963.1	-355 409.2
Net position excluding Banco de España (assets – liabilities)	-124 476.3	-157 924.5	-188 587.7	-215 785.7	-241 795.8	-247 326.6	-258 852.0	-289 261.0	-337 051.9	-423 905.9
Direct investment: net position (assets – liabilities)	-53 787.1	-54 842.5	-47 634.6	-44 505.0	-7 286.9	12 220.5	16 336.2	-16 300.8	-28 026.2	-11 291.9
<i>Spanish investment abroad</i>	26 657.0	33 126.3	48 368.4	63 538.7	117 499.9	180 246.4	217 464.0	223 074.1	234 233.4	267 909.0
<i>Foreign investment in Spain</i>	80 444.1	87 968.8	96 002.9	108 043.7	124 786.9	168 025.9	201 127.8	239 374.9	262 259.5	279 200.9
Portfolio investment: net position (assets – liabilities)	-85 894.3	-105 003.3	-124 509.7	-136 321.7	-140 885.6	-116 852.6	-100 337.9	-100 793.2	-91 529.4	-200 432.6
<i>Spanish investment abroad</i>	13 786.8	17 421.6	33 269.1	73 125.6	127 386.7	193 682.1	232 647.3	256 805.8	320 424.3	359 153.6
<i>Foreign investment in Spain</i>	99 681.0	122 424.9	157 778.8	209 447.4	268 272.3	310 534.7	332 985.1	357 599.0	411 953.7	559 586.2
Other investment: net position (assets – liabilities)	15 205.1	1 921.3	-16 443.5	-34 959.0	-93 623.3	-142 694.5	-174 850.3	-172 167.1	-217 496.3	-212 181.4
<i>Spanish investment abroad</i>	128 911.4	132 171.4	141 491.5	158 697.9	149 756.5	163 280.5	169 994.7	193 964.1	200 287.3	218 344.6
<i>Foreign investment in Spain</i>	113 706.3	130 250.2	157 934.9	193 656.9	243 379.7	305 975.0	344 845.0	366 131.2	417 783.6	430 526.0
Banco de España: net position (assets – liabilities)	27 365.8	47 402.5	64 311.4	52 542.4	73 743.3	83 969.8	68 433.8	60 628.2	56 088.8	68 496.7
Reserves	27 263.3	47 658.1	64 174.5	52 095.2	37 287.9	38 233.9	38 865.3	38 431.5	21 228.8	14 505.3
Claims on the Eurosystem	0.0	0.0	0.0	0.0	36 028.0	45 278.3	29 156.4	22 650.1	18 269.3	31 909.1
Other net assets (assets – liabilities)	102.5	-255.6	136.9	447.2	427.5	457.5	412.1	-453.4	16 590.7	22 082.4

SOURCE: Banco de España.

7.2 INTERNATIONAL INVESTMENT POSITION IN 2004

INTERNATIONAL INVESTMENT POSITION

TABLE 7.2.1

Spanish investment abroad

EUR millions	2004			
	Q1	Q2	Q3	Q4
Direct investment	244 179.9	249 073.1	253 813.1	267 909.0
Shares and other equity	227 389.7	231 582.7	234 205.8	250 212.3
Intercompany debt transactions	16 790.2	17 490.5	19 607.3	17 696.7
Portfolio investment (including Banco de España)	353 157.0	368 186.0	366 429.5	379 967.8
Shares and mutual fund shares	70 537.7	75 182.9	70 920.9	77 871.1
<i>Monetary financial institutions</i>	<i>4 156.7</i>	<i>4 607.0</i>	<i>4 784.6</i>	<i>5 507.5</i>
<i>Other resident sectors</i>	<i>66 381.1</i>	<i>70 575.9</i>	<i>66 136.3</i>	<i>72 363.6</i>
Bonds and notes	265 813.2	275 008.4	278 280.0	286 783.0
<i>Banco de España</i>	<i>14 015.8</i>	<i>15 391.1</i>	<i>16 470.7</i>	<i>18 760.7</i>
<i>Other monetary financial institutions</i>	<i>93 242.8</i>	<i>96 064.5</i>	<i>93 101.5</i>	<i>94 427.4</i>
<i>General government</i>	<i>50.9</i>	<i>18.5</i>	<i>312.8</i>	<i>894.2</i>
<i>Other resident sectors</i>	<i>158 503.8</i>	<i>163 534.3</i>	<i>168 395.1</i>	<i>172 700.7</i>
Money market instruments	16 806.1	17 994.6	17 228.6	15 313.7
<i>Banco de España</i>	<i>5 482.5</i>	<i>4 221.4</i>	<i>3 316.6</i>	<i>2 053.5</i>
<i>Other monetary financial institutions</i>	<i>8 087.2</i>	<i>9 343.8</i>	<i>8 864.6</i>	<i>9 780.4</i>
<i>Other resident sectors</i>	<i>3 236.4</i>	<i>4 429.5</i>	<i>5 047.4</i>	<i>3 479.8</i>
Other investment (including Banco de España)	233 443.3	249 396.9	250 408.2	251 537.6
Loans	33 600.4	34 726.5	34 016.3	34 140.5
<i>General government</i>	<i>5 086.0</i>	<i>5 134.8</i>	<i>5 144.9</i>	<i>4 956.1</i>
<i>Monetary financial institutions</i>	<i>26 905.8</i>	<i>27 819.5</i>	<i>27 076.5</i>	<i>27 450.8</i>
<i>Other resident sectors</i>	<i>1 608.7</i>	<i>1 772.1</i>	<i>1 794.9</i>	<i>1 733.6</i>
Deposits	192 161.9	206 865.0	208 373.3	208 918.8
<i>Banco de España</i>	<i>23 060.5</i>	<i>27 886.2</i>	<i>20 835.9</i>	<i>32 760.3</i>
<i>Other monetary financial institutions</i>	<i>91 262.1</i>	<i>99 326.4</i>	<i>105 569.6</i>	<i>92 683.9</i>
<i>Other resident sectors</i>	<i>77 839.4</i>	<i>79 652.4</i>	<i>81 967.8</i>	<i>83 474.6</i>
Other assets	7 681.0	7 805.4	8 018.6	8 478.3
Reserves	17 577.8	16 245.0	15 889.4	14 505.3

SOURCE: Banco de España.

INTERNATIONAL INVESTMENT POSITION

TABLE 7.2.2

Foreign investment in Spain

EUR millions	2004			
	Q1	Q2	Q3	Q4
Direct investment	264 858.9	274 134.8	275 934.4	279 200.9
Shares and other equity	204 582.9	210 684.0	213 020.1	213 736.9
Intercompany debt transactions	60 276.0	63 450.8	62 914.3	65 464.0
Portfolio investment	457 458.6	467 548.2	488 556.6	559 586.2
Shares and mutual fund shares	153 500.8	149 108.0	150 701.7	183 210.5
<i>Monetary financial institutions</i>	<i>52 288.2</i>	<i>49 410.6</i>	<i>45 561.6</i>	<i>65 570.6</i>
<i>Other resident sectors</i>	<i>101 212.5</i>	<i>99 697.4</i>	<i>105 140.1</i>	<i>117 639.9</i>
Bonds and notes	297 600.6	312 433.9	331 258.3	369 763.5
<i>General government</i>	<i>172 709.4</i>	<i>172 198.8</i>	<i>177 191.0</i>	<i>184 238.9</i>
<i>Monetary financial institutions</i>	<i>72 323.4</i>	<i>79 812.3</i>	<i>89 418.0</i>	<i>101 376.9</i>
<i>Other resident sectors</i>	<i>52 567.8</i>	<i>60 422.8</i>	<i>64 649.2</i>	<i>84 147.7</i>
Money market instruments	6 357.2	6 006.2	6 596.7	6 612.2
<i>General government</i>	<i>3 675.7</i>	<i>3 269.8</i>	<i>3 136.1</i>	<i>2 964.3</i>
<i>Monetary financial institutions</i>	<i>360.8</i>	<i>353.4</i>	<i>361.9</i>	<i>301.3</i>
<i>Other resident sectors</i>	<i>2 320.7</i>	<i>2 383.0</i>	<i>3 098.8</i>	<i>3 346.6</i>
Other investment (including Banco de España)	424 199.7	447 772.9	439 193.0	430 541.7
Loans	103 085.7	101 111.7	103 660.3	102 415.4
<i>General government</i>	<i>13 319.8</i>	<i>13 336.3</i>	<i>14 885.6</i>	<i>16 954.2</i>
<i>Other resident sectors</i>	<i>89 765.8</i>	<i>87 775.4</i>	<i>88 774.6</i>	<i>85 461.2</i>
Deposits	320 075.5	345 794.6	334 272.9	326 332.8
<i>Banco de España</i>	<i>62.3</i>	<i>0.5</i>	<i>0.5</i>	<i>15.7</i>
<i>Other monetary financial institutions</i>	<i>320 013.2</i>	<i>345 794.1</i>	<i>334 272.4</i>	<i>326 317.1</i>
Other liabilities	1 038.5	866.5	1 259.9	1 793.6

SOURCE: Banco de España.

7.3 INTERNATIONAL INVESTMENT POSITION IN 2003

INTERNATIONAL INVESTMENT POSITION

TABLE 7.3.1

Spanish investment abroad

EUR millions	2003			
	Q1	Q2	Q3	Q4
Direct investment	226 428.4	225 418.9	232 009.5	234 233.4
Shares and other equity	209 135.8	208 084.8	216 213.1	219 926.7
Intercompany debt transactions	17 292.6	17 334.2	15 796.4	14 306.7
Portfolio investment (including Banco de España)	279 910.5	292 213.3	322 108.3	336 652.5
Shares and mutual fund shares	47 066.6	51 370.0	56 820.5	62 654.1
<i>Monetary financial institutions</i>	3 010.9	2 783.3	3 162.3	3 188.9
<i>Other resident sectors</i>	44 055.8	48 586.7	53 658.2	59 465.1
Bonds and notes	223 538.8	226 278.0	246 877.7	256 587.6
<i>Banco de España</i>	639.7	2 284.0	6 961.3	9 786.8
<i>Other monetary financial institutions</i>	73 224.6	74 936.9	86 795.9	89 366.9
<i>General government</i>	29.1	27.0	25.0	54.6
<i>Other resident sectors</i>	149 645.4	149 030.1	153 095.6	157 379.4
Money market instruments	9 305.1	14 565.3	18 410.1	17 410.8
<i>Banco de España</i>	965.3	2 491.4	5 055.0	6 441.4
<i>Other monetary financial institutions</i>	5 040.5	7 832.9	8 909.8	7 175.9
<i>Other resident sectors</i>	3 299.3	4 241.1	4 445.3	3 793.4
Other investment (including Banco de España)	219 040.3	220 958.1	215 366.6	219 011.4
Loans	31 893.9	32 503.1	33 074.9	32 258.9
<i>General government</i>	5 319.5	5 161.4	5 112.3	4 897.2
<i>Monetary financial institutions</i>	25 318.9	26 045.5	26 564.8	25 857.6
<i>Other resident sectors</i>	1 255.5	1 296.2	1 397.7	1 504.2
Deposits	180 586.6	181 738.2	175 364.6	179 720.8
<i>Banco de España</i>	24 349.4	26 792.2	22 194.0	18 279.4
<i>Other monetary financial institutions</i>	82 319.3	79 117.2	76 696.7	87 145.4
<i>Other resident sectors</i>	73 918.0	75 828.8	76 473.9	74 296.0
Other assets	6 559.8	6 716.8	6 927.2	7 031.6
Reserves	35 435.8	31 325.6	25 394.6	21 228.8

SOURCE: Banco de España.

INTERNATIONAL INVESTMENT POSITION

TABLE 7.3.2

Foreign investment in Spain

EUR millions	2003			
	Q1	Q2	Q3	Q4
Direct investment	248 216.7	252 226.0	257 646.5	262 259.5
Shares and other equity	198 172.5	201 708.7	204 763.1	201 281.0
Intercompany debt transactions	50 044.2	50 517.4	52 883.4	60 978.6
Portfolio investment	360 159.7	390 997.9	384 981.3	411 953.7
Shares and mutual fund shares	116 359.0	133 812.1	130 592.9	147 878.2
<i>Monetary financial institutions</i>	<i>37 451.1</i>	<i>45 455.4</i>	<i>43 227.5</i>	<i>52 229.9</i>
<i>Other resident sectors</i>	<i>78 907.9</i>	<i>88 356.7</i>	<i>87 365.4</i>	<i>95 648.3</i>
Bonds and notes	238 611.1	251 296.7	248 057.5	257 067.0
<i>General government</i>	<i>167 050.8</i>	<i>172 246.1</i>	<i>160 714.4</i>	<i>156 301.6</i>
<i>Monetary financial institutions</i>	<i>39 596.5</i>	<i>44 802.9</i>	<i>49 195.6</i>	<i>56 575.3</i>
<i>Other resident sectors</i>	<i>31 963.8</i>	<i>34 247.7</i>	<i>38 147.5</i>	<i>44 190.1</i>
Money market instruments	5 189.7	5 889.2	6 331.0	7 008.6
<i>General government</i>	<i>2 196.2</i>	<i>3 069.4</i>	<i>3 559.6</i>	<i>4 385.7</i>
<i>Monetary financial institutions</i>	<i>315.3</i>	<i>322.7</i>	<i>353.2</i>	<i>326.0</i>
<i>Other resident sectors</i>	<i>2 678.3</i>	<i>2 497.1</i>	<i>2 418.2</i>	<i>2 296.8</i>
Other investment (including Banco de España)	385 302.3	390 474.3	413 558.3	417 875.8
Loans	95 507.2	94 304.8	99 438.0	99 934.6
<i>General government</i>	<i>12 984.3</i>	<i>12 253.6</i>	<i>13 741.6</i>	<i>12 743.8</i>
<i>Other resident sectors</i>	<i>82 523.0</i>	<i>82 051.2</i>	<i>85 696.4</i>	<i>87 190.8</i>
Deposits	289 132.5	295 421.6	313 452.9	317 537.2
<i>Banco de España</i>	<i>797.6</i>	<i>870.3</i>	<i>313.3</i>	<i>92.2</i>
<i>Other monetary financial institutions</i>	<i>288 334.9</i>	<i>294 551.4</i>	<i>313 139.6</i>	<i>317 445.0</i>
Other liabilities	662.6	748.0	667.4	404.0

SOURCE: Banco de España.

7.4 INTERNATIONAL INVESTMENT POSITION. BREAKDOWN BY ECONOMIC AND GEOGRAPHICAL AREAS

INTERNATIONAL INVESTMENT POSITION 2003

Geographical and economic areas breakdown

TABLE 7.4.1

EUR millions	WORLD TOTAL	EURO AREA	EU EXCLUDING EURO AREA	UNITED KINGDOM	SWEDEN	DENMARK	EUROPEAN INSTITUTIONS	OTHER	REST OF THE WORLD	OF WHICH:					REST OF ASIA	TAX HAVENS
										UNITED STATES	LATIN AMERICA	JAPAN	CHINA			
IIP EXCLUDING BANCO DE ESPAÑA																
Net direct investments (assets – liabilities) (a)	-28 026.1	-42 729.9	-38 076.0	-39 608.5	-1 484.1	93.5	-4.6	2 927.7	52 779.8	-25 148.7	74 493.0	-49.9	197.0	-862.8	352.8	
Spanish direct investment abroad	234 233.5	92 656.2	15 284.2	10 554.2	645.2	799.0	0.2	3 285.6	126 293.1	22 000.8	79 007.5	1 770.6	212.8	929.3	4 329.3	
Foreign direct investment in Spain	262 259.6	135 386.1	53 360.2	50 162.8	2 129.3	705.5	4.8	357.8	73 513.3	47 149.5	4 514.5	1 820.5	15.8	1 792.1	3 976.5	
Net portfolio investments (assets – liabilities)	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Spanish portfolio investment abroad	320 424.3	214 395.1	35 619.5	30 344.3	1 849.0	1 116.8	1 942.9	366.5	70 409.7	27 259.5	3 111.7	1 136.6	745.5	1 357.3	26 794.4	
General government	54.6	36.6	0.5	0.5	0.0	0.0	0.0	0.0	17.5	1.9	0.1	0.0	0.0	0.0	15.5	
Monetary financial institutions	99 731.8	74 378.8	9 614.8	7 952.6	455.4	549.5	449.8	207.5	15 738.2	6 849.6	483.1	124.2	25.6	27.0	5 370.9	
Other resident sectors	220 637.9	139 979.7	26 004.3	22 391.2	1 393.7	567.3	1 493.1	159.0	54 653.9	20 408.0	2 628.5	1 012.4	719.9	1 330.4	21 408.0	
Net other investments (assets – liabilities)	-217 496.2	-86 683.8	-55 368.8	-26 827.4	238.0	389.5	-28 298.8	-870.1	-75 443.6	-6 053.5	1 654.7	86.7	996.7	-1 877.1	-66 009.7	
Spanish other investment abroad	200 287.4	109 996.9	48 343.7	45 640.3	731.3	694.6	935.3	342.2	41 946.8	6 560.8	10 301.7	629.9	1 074.1	1 757.9	11 125.7	
General government	6 712.0	0.0	400.9	0.0	0.0	0.0	356.9	44.0	6 311.1	10.6	1 880.7	0.2	632.5	659.7	150.0	
Monetary financial institutions	113 323.5	66 378.2	27 232.9	26 186.0	240.3	593.7	0.0	212.9	19 712.4	3 850.0	7 719.3	463.6	403.1	843.5	2 245.6	
Other resident sectors	80 251.9	43 618.7	20 709.9	19 454.2	491.0	100.9	578.4	85.4	15 923.3	2 700.2	701.6	166.1	18.5	254.7	8 730.0	
Foreign other investment in Spain	417 783.6	196 680.7	103 712.4	72 467.6	493.4	305.1	29 234.0	1 212.3	117 390.5	12 614.3	8 647.0	543.2	77.4	3 635.0	77 135.4	
General government	12 743.9	3 749.9	8 463.1	1 818.4	0.1	0.0	6 644.6	0.0	530.9	199.9	0.1	119.5	0.0	0.1	0.1	
Monetary financial institutions	317 445.0	134 159.5	70 954.1	60 533.4	299.8	260.8	8 680.9	1 179.2	112 331.4	11 113.8	8 386.9	170.0	76.2	3 560.3	76 929.8	
Other resident sectors	87 595.0	58 771.4	24 295.4	10 115.8	193.5	44.3	13 908.6	33.2	4 528.2	1 300.7	259.9	253.6	1.1	74.6	205.5	

SOURCE: Banco de España.

a. In the case of direct investment, Spain's investments abroad include loans received by Spanish parent companies from their non-resident subsidiaries, which reduce such investment. Likewise, foreign investments in Spain include loans granted by Spanish subsidiary companies to their non-resident parents (see Chapter V).

NOTES:

EURO AREA: France, Belgium, Luxembourg, Netherlands, Germany, Italy, Ireland, Portugal, Austria, Finland, Greece and European Central Bank.

EU EXCLUDING EURO AREA: United Kingdom, Sweden, Denmark, European institutions, Cyprus, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Malta, Poland, Slovenia and Slovakia. It has been added intra EU information to this amount that corresponds to geographically unassigned information, which in no case represents large amounts.

OTHER: Cyprus, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Malta, Poland, Slovenia and Slovakia. It has been added intra EU information to this amount that corresponds to geographically unassigned information, which in no case represents large amounts.

REST OF THE WORLD: Countries not included in the European Union.

LATIN AMERICA: Mexico, Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica, Panama, Cuba, Colombia, Venezuela, Ecuador, Peru, Brazil, Chile, Bolivia, Paraguay, Uruguay and Argentina.

TAX HAVENS: Andorra, Antigua and Barbuda, Anguilla, Dutch Antilles, Barbados, Bahrain, Bermuda, Bahamas, Belize, Cook Islands, Dominica, Grenada, Guernsey, Gibraltar, Hong Kong, Isle of Man, Jersey, Jamaica, St. Kitts and Nevis, Cayman Islands, Lebanon, St. Lucia, Liechtenstein, Liberia, Marshall Islands, Montserrat, Nauru, Niue, Panama, Philippines, Singapore, Turks and Caicos, St. Vincent and the Grenadines, British Virgin Islands, US Virgin Islands, Vanuatu and Samoa.

INTERNATIONAL INVESTMENT POSITION 2004

Geographical and economic areas breakdown

TABLE 7.4.2

EUR millions	WORLD TOTAL	EURO AREA	EU EXCLUDING EURO AREA	UNITED KINGDOM	SWEDEN	DENMARK	EUROPEAN INSTITUTIONS	OTHER	REST OF THE WORLD	OF WHICH:					REST OF ASIA	TAX HAVENS
										UNITED STATES	LATIN AMERICA	JAPAN	CHINA			
IIP EXCLUDING BANCO DE ESPAÑA																
Net direct investments (assets – liabilities) (a)	-11 291.9	-39 338.1	-23 199.6	-26 061.7	-1 531.4	-12.8	-6.2	4 412.5	51 245.8	-28 578.2	79 187.5	22.8	262.9	-175.2	787.8	
Spanish direct investment abroad	267 908.9	104 704.3	32 818.5	26 464.7	695.3	829.4	0.1	4 829.0	130 386.1	19 999.3	84 250.5	1 785.5	283.0	958.6	4 248.1	
Foreign direct investment in Spain	279 200.8	144 042.4	56 018.1	52 526.4	2 226.7	842.2	6.3	416.5	79 140.3	48 577.5	5 063.0	1 762.7	20.0	1 133.8	3 460.3	
Net portfolio investments (assets – liabilities)	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Spanish portfolio investment abroad	359 153.6	240 087.3	43 545.1	36 846.7	2 141.4	1 425.4	2 515.0	616.6	75 521.2	32 082.6	4 474.2	1 479.1	23.2	1 772.6	24 046.3	
General government	894.2	886.8	0	0	0	0	0	0	7.4	2.5	0.2	0	0	0	4.5	
Monetary financial institutions	109 715.3	71 722.8	17 660.2	15 553.0	639.5	808.3	449.4	210.0	20 332.3	9 036.7	455.8	123.0	0.0	44.3	6 538.6	
Other resident sectors	248 544.2	167 477.6	25 885.0	21 293.7	1 502.0	617.1	2 065.5	406.7	55 181.6	23 043.4	4 018.3	1 356.2	23.2	1 728.3	17 503.2	
Net other investments (assets – liabilities)	-212 181.3	-90 565.0	-66 218.5	-35 560.2	696.1	222.5	-30 547.4	-1 029.5	-55 397.8	-9 796.7	178.3	79.2	795.5	-2 999.7	-39 914.5	
Spanish other investment abroad	218 344.7	121 524.8	53 697.7	50 069.1	1 173.1	446.5	1 122.6	886.4	43 122.2	6 688.2	9 297.3	471.3	903.6	1 673.1	10 417.0	
General government	7 217.4	0.0	530.1	0.0	0.0	0.0	493.3	36.8	6 687.3	28.8	1 943.7	0.3	604.7	637.7	153.7	
Monetary financial institutions	120 495.1	68 952.3	31 408.6	29 584.7	691.8	344.9	51.5	735.7	20 134.2	3 542.1	6 655.9	326.9	275.4	784.0	1 658.8	
Other resident sectors	90 632.1	52 572.4	21 759.0	20 484.4	481.3	101.6	577.8	113.9	16 300.7	3 117.3	697.6	144.2	23.4	251.4	8 604.5	
Foreign other investment in Spain	430 525.9	212 089.7	119 916.2	85 629.3	477.0	224.0	31 670.0	1 915.9	98 520.0	16 484.9	9 119.0	392.1	108.1	4 672.8	50 331.5	
General government	16 954.1	6 468.6	9 812.6	1 666.3	0.0	0.0	8 146.3	0.0	672.9	343.9	-0.1	99.2	0.0	0.1	0.0	
Monetary financial institutions	326 317.0	147 213.6	86 625.4	74 355.7	280.4	184.2	9 931.6	1 873.5	92 478.0	14 398.2	8 823.5	97.8	106.2	4 595.8	50 082.4	
Other resident sectors	87 254.8	58 407.5	23 478.2	9 607.3	196.5	39.8	13 592.1	42.5	5 369.1	1 742.8	295.5	195.1	1.9	76.9	249.1	

SOURCE: Banco de España.

a. In the case of direct investment, Spain's investments abroad include loans received by Spanish parent companies from their non-resident subsidiaries, which reduce such investment. Likewise, foreign investments in Spain include loans granted by Spanish subsidiary companies to their non-resident parents (see Chapter V).

NOTES:

EURO AREA: France, Belgium, Luxembourg, Netherlands, Germany, Italy, Ireland, Portugal, Austria, Finland, Greece and European Central Bank.

EU EXCLUDING EURO AREA: United Kingdom, Sweden, Denmark, European institutions, Cyprus, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Malta, Poland, Slovenia and Slovakia. It has been added intra EU information to this amount that corresponds to geographically unassigned information, which in no case represents large amounts.

OTHER: Cyprus, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Malta, Poland, Slovenia and Slovakia. It has been added intra EU information to this amount that corresponds to geographically unassigned information, which in no case represents large amounts.

REST OF THE WORLD: Countries not included in the European Union.

LATIN AMERICA: Mexico, Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica, Panama, Cuba, Colombia, Venezuela, Ecuador, Peru, Brazil, Chile, Bolivia, Paraguay, Uruguay and Argentina.

TAX HAVENS: Andorra, Antigua and Barbuda, Anguilla, Dutch Antilles, Barbados, Bahrain, Bermuda, Bahamas, Belize, Cook Islands, Dominica, Grenada, Guernsey, Gibraltar, Hong Kong, Isle of Man, Jersey, Jamaica, St. Kitts and Nevis, Cayman Islands, Lebanon, St. Lucia, Liechtenstein, Liberia, Marshall Islands, Montserrat, Maldives, Nauru, Niue, Panama, Philippines, Singapore, Turks and Caicos, St. Vincent and the Grenadines, British Virgin Islands, US Virgin Islands, Vanuatu and Samoa.

APPENDICES

APPENDIX I FOREIGN TRADE BY GEOGRAPHICAL AREA
AND PRODUCT GROUP
TIME SERIES, 1993-2004

Notes to the tables

The definition of geographical and economic areas used in this appendix is as follows:

EUROPEAN UNION: comprises Spain's fourteen Community partners. Intra-Community trade not allocated to a country is also included.

OECD: included in addition to the EU members are the United States, Canada, Mexico, Norway, Switzerland, Iceland, Turkey, Australia, Japan and New Zealand. The following OECD members have been excluded: Czech Republic, Hungary, Poland, South Korea and Slovak Republic.

OPEC: includes Saudi Arabia, Algeria, United Arab Emirates, Gabon, Iran, Iraq, Indonesia, Kuwait, Libya, Nigeria, Qatar and Venezuela. Ecuador, which was a member until 1992, has been excluded from the time series.

CIS and other central and eastern European countries: includes the countries of the former Soviet Union (Estonia, Latvia, Lithuania, Ukraine, Belarus, Moldova, Russia, Georgia, Armenia, Azerbaijan, Kazakhstan, Turkmenistan, Uzbekistan, Tajikistan and the Kyrgyz Republic), Poland, Czech Republic, Slovak Republic, Hungary, Romania, Bulgaria, Albania, Slovenia, Croatia, Bosnia-Herzegovina, Serbia and Montenegro, and FYR Macedonia.

CENTRAL AND SOUTH AMERICA: includes the entire American continent except United States, Canada, Mexico and Venezuela.

South East Asian NICs: Hong Kong, Taiwan, Singapore and South Korea.

REST OF THE WORLD: all countries not included in the foregoing groups.

Furthermore, the data published refer to the final figures provided by the Departamento de Aduanas (Spanish Customs Department), except those for 2004, which are provisional.

FOREING TRADE BY GEOGRAPHICAL AREA: IMPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
TOTAL	60 889	73 962	87 142	94 179	109 469	122 856	139 094	169 468	173 210	175 268	185 114	207 130
OECD	48 082	58 520	69 320	74 801	85 962	98 587	110 822	128 194	130 841	131 588	138 720	152 900
EU	37 912	47 348	57 282	62 517	71 817	83 327	93 597	107 753	110 949	112 427	118 504	129 059
Euro area	32 125	39 853	48 593	52 531	60 555	71 127	79 499	91 958	95 434	97 276	102 440	112 182
<i>Germany</i>	9 105	10 773	13 329	14 008	16 182	19 006	21 934	25 153	26 915	28 288	30 223	33 387
<i>France</i>	10 218	12 946	14 985	16 772	19 221	22 572	24 886	29 002	29 008	28 786	29 768	31 570
<i>Italy</i>	5 147	6 435	8 099	9 024	10 467	12 181	12 999	15 127	15 983	15 863	16 933	18 776
<i>Netherlands</i>	2 091	2 860	3 786	3 736	4 370	5 345	5 598	6 405	6 757	6 892	7 407	8 490
<i>Belgium-Luxembourg</i>	2 112	2 493	3 016	3 332	3 831	4 310	5 105	5 689	6 039	5 874	5 827	6 721
<i>Portugal</i>	1 615	2 035	2 599	2 759	2 994	3 440	3 858	4 609	4 857	5 449	5 995	6 738
<i>Ireland</i>	529	690	928	885	1 321	1 718	2 017	2 425	2 397	2 571	2 605	2 774
<i>Austria</i>	641	778	782	958	1 119	1 340	1 725	1 802	1 777	1 870	1 839	1 985
<i>Finland</i>	543	655	774	735	833	1 014	1 098	1 393	1 294	1 266	1 391	1 321
<i>Greece</i>	125	187	294	321	216	201	279	353	406	415	451	420
United Kingdom	4 529	5 917	6 867	7 787	8 894	9 461	10 388	12 060	12 176	11 434	11 867	12 683
Denmark	509	606	708	795	827	949	1 020	1 097	1 189	1 429	1 482	1 497
Sweden	749	972	1 114	1 396	1 542	1 790	2 691	2 639	2 150	2 288	2 715	2 697
United States	4 443	5 381	5 537	5 928	6 849	7 026	7 654	8 758	7 871	7 203	6 859	7 465
Japan	2 611	2 642	2 846	2 621	2 958	3 690	4 400	4 831	4 345	4 258	4 835	5 703
Canada	301	326	475	426	473	485	552	647	661	742	623	913
Rest of OECD	2 816	2 823	3 181	3 310	3 864	4 059	4 620	6 204	7 015	6 957	7 899	9 761
OPEC	3 552	4 453	4 822	5 972	7 254	6 152	7 126	13 903	12 774	11 374	11 594	12 840
CIS and other Central and Eastern European Countries	1 247	1 643	2 307	2 220	2 592	2 820	3 392	5 475	6 251	7 532	8 095	10 201
Central and South America	1 901	2 406	2 806	2 920	3 502	3 627	4 083	4 679	4 850	5 126	5 788	6 205
South-east Asian NICs	1 405	1 475	1 676	1 684	2 091	2 730	3 178	3 799	3 716	3 803	3 846	4 397
Rest of the world	4 209	5 324	6 201	6 583	8 068	8 939	10 492	13 418	14 778	15 842	17 051	20 494
Unclassified	493	142	10	0	1	0	1	1	0	3	2	46

SOURCE: Departamento de Aduanas.

a. Provisional data.

FOREING TRADE BY GEOGRAPHICAL AREA: EXPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
TOTAL	46 606	58 578	69 962	78 212	93 419	99 849	104 789	124 177	129 771	133 268	138 119	146 460
OECD	37 447	48 008	56 729	63 026	74 942	81 271	86 449	101 548	105 849	108 923	113 052	119 610
EU	32 143	41 471	50 146	55 842	65 844	71 353	75 628	87 688	92 962	94 884	99 182	103 972
Euro area	27 494	35 834	43 551	47 804	55 582	60 628	64 210	74 141	77 960	78 890	82 990	87 056
<i>Germany</i>	6 807	8 258	10 638	11 420	12 502	13 608	13 765	15 325	15 376	15 318	16 492	17 090
<i>France</i>	8 808	11 852	14 321	15 733	17 070	19 435	20 439	24 129	25 324	25 351	26 529	28 396
<i>Italy</i>	4 233	5 401	6 339	6 825	9 090	9 229	9 427	10 855	11 699	12 551	13 416	13 224
<i>Netherlands</i>	1 709	2 456	2 531	2 665	3 384	3 462	3 847	4 570	4 584	4 316	4 705	4 886
<i>Belgium-Luxembourg</i>	1 428	1 775	2 137	2 317	2 618	2 784	3 106	3 528	3 892	3 678	4 299	4 625
<i>Portugal</i>	3 385	4 606	5 806	6 847	8 469	9 407	10 496	11 855	13 225	13 560	13 292	14 265
<i>Ireland</i>	193	253	254	356	383	527	699	883	799	850	788	900
<i>Austria</i>	419	486	565	654	784	866	936	1 164	1 164	1 216	1 256	1 285
<i>Finland</i>	129	205	257	225	357	363	407	516	475	484	546	588
<i>Greece</i>	381	542	703	761	923	948	1 090	1 315	1 420	1 567	1 669	1 798
United Kingdom	3 835	4 811	5 494	6 485	8 176	8 408	8 748	10 199	11 714	12 863	12 902	13 226
Denmark	285	377	474	484	619	698	770	887	860	982	908	935
Sweden	528	448	627	709	906	1 110	1 224	1 251	1 304	1 215	1 320	1 474
United States	2 240	2 855	2 875	3 263	4 086	4 187	4 599	6 052	5 652	5 788	5 689	5 799
Japan	432	800	953	935	961	917	1 099	1 215	1 186	1 035	980	1 187
Canada	274	341	337	333	407	436	454	579	534	653	643	661
Rest of OECD	2 359	2 541	2 418	2 653	3 643	4 378	4 670	6 014	5 516	6 564	6 557	7 990
OPEC	1 845	1 828	2 045	2 149	2 501	2 705	2 484	3 023	3 274	3 603	3 408	3 821
CIS and other Central and Eastern European Countries	774	1 104	1 391	1 922	2 755	3 012	2 905	3 999	4 861	5 560	5 951	6 096
Central and South America	1 831	2 418	3 327	4 137	4 869	5 216	4 969	5 615	5 271	4 229	4 321	4 448
South-east Asian NICs	950	1 299	1 360	1 599	1 832	1 188	1 245	1 648	1 539	1 627	1 247	1 299
Rest of the world	3 529	3 845	4 431	4 807	5 934	5 857	6 095	7 324	7 895	8 327	8 977	9 798
Unclassified	230	77	678	572	587	600	642	1 019	1 082	999	1 139	1 276

SOURCE: Departamento de Aduanas.

a. Provisional data.

WORLD TOTAL: IMPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	16 964	19 210	20 955	22 843	26 737	31 969	37 085	41 630	46 141	48 284	52 365	59 389
Food, beverages and tobacco	4 952	6 094	6 868	6 794	7 622	8 634	9 191	10 100	11 581	11 611	12 517	13 392
Consumer durables	6 785	7 233	7 386	8 565	10 138	13 050	15 923	17 475	18 722	18 955	20 661	24 804
<i>Automobiles</i>	<i>4 060</i>	<i>4 355</i>	<i>4 513</i>	<i>5 550</i>	<i>6 584</i>	<i>8 951</i>	<i>11 379</i>	<i>12 245</i>	<i>13 098</i>	<i>12 978</i>	<i>14 160</i>	<i>17 441</i>
<i>Other</i>	<i>2 725</i>	<i>2 877</i>	<i>2 873</i>	<i>3 015</i>	<i>3 554</i>	<i>4 099</i>	<i>4 544</i>	<i>5 230</i>	<i>5 624</i>	<i>5 977</i>	<i>6 501</i>	<i>7 363</i>
Other consumer non-durables	5 227	5 883	6 701	7 484	8 978	10 286	11 971	14 054	15 838	17 718	19 186	21 193
Capital goods	9 460	11 637	13 881	15 989	18 763	22 189	26 972	30 953	29 079	27 864	29 653	33 707
Machinery and other capital goods	6 788	8 262	10 253	11 494	13 347	15 940	18 516	21 541	21 019	19 855	21 520	24 821
Transport equipment	1 233	1 658	1 870	2 440	3 211	3 720	5 614	6 480	5 007	4 645	4 770	5 622
<i>Overland non-railway</i>	<i>505</i>	<i>746</i>	<i>1 368</i>	<i>1 444</i>	<i>2 026</i>	<i>2 510</i>	<i>3 127</i>	<i>3 283</i>	<i>3 080</i>	<i>3 064</i>	<i>3 560</i>	<i>4 043</i>
<i>Railway</i>	<i>19</i>	<i>15</i>	<i>17</i>	<i>18</i>	<i>21</i>	<i>34</i>	<i>17</i>	<i>49</i>	<i>42</i>	<i>42</i>	<i>220</i>	<i>114</i>
<i>Maritime</i>	<i>89</i>	<i>64</i>	<i>58</i>	<i>121</i>	<i>331</i>	<i>335</i>	<i>378</i>	<i>279</i>	<i>316</i>	<i>294</i>	<i>290</i>	<i>289</i>
<i>Air</i>	<i>619</i>	<i>832</i>	<i>427</i>	<i>857</i>	<i>833</i>	<i>840</i>	<i>2 092</i>	<i>2 870</i>	<i>1 569</i>	<i>1 245</i>	<i>700</i>	<i>1 176</i>
Other capital goods	1 439	1 716	1 758	2 055	2 205	2 528	2 843	2 932	3 053	3 364	3 363	3 263
Intermediate goods	34 465	43 116	52 306	55 347	63 968	68 698	75 036	96 885	97 990	99 120	103 096	114 035
Intermediate agricultural, forestry and fishing products	2 063	2 637	3 629	3 206	3 617	3 645	3 607	3 543	3 816	4 168	3 795	3 945
Intermediate energy products	6 379	6 878	7 175	8 639	9 685	7 732	9 800	20 160	19 128	18 776	19 000	22 904
Intermediate industrial products	26 022	33 602	41 503	43 503	50 667	57 320	61 630	73 182	75 046	76 176	80 301	87 185
Total imports	60 889	73 962	87 142	94 179	109 469	122 856	139 094	169 468	173 210	175 268	185 114	207 130
Energy products	6 620	6 983	7 249	8 737	9 755	7 798	9 922	20 396	19 352	18 940	19 148	23 049
Non-energy products	54 269	66 979	79 893	85 443	99 714	115 058	129 172	149 072	153 858	156 328	165 966	184 081

SOURCE: Departamento de Aduanas.

a. Provisional data.

WORLD TOTAL: EXPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	19 295	24 797	29 376	31 982	37 193	40 549	42 647	49 297	53 308	55 206	57 006	58 355
Food, beverages and tobacco	6 089	7 643	8 892	9 920	12 156	12 629	12 961	14 241	15 869	16 581	17 466	17 404
Consumer durables	9 322	12 033	14 559	15 480	17 177	19 080	20 081	23 654	24 649	24 435	25 571	26 502
<i>Automobiles</i>	<i>7 542</i>	<i>9 850</i>	<i>11 666</i>	<i>12 212</i>	<i>13 146</i>	<i>14 635</i>	<i>15 502</i>	<i>18 515</i>	<i>18 929</i>	<i>18 702</i>	<i>20 035</i>	<i>21 263</i>
<i>Other</i>	<i>1 780</i>	<i>2 183</i>	<i>2 893</i>	<i>3 268</i>	<i>4 031</i>	<i>4 445</i>	<i>4 578</i>	<i>5 140</i>	<i>5 720</i>	<i>5 732</i>	<i>5 536</i>	<i>5 239</i>
Other consumer non-durables	3 883	5 121	5 924	6 582	7 860	8 840	9 606	11 401	12 790	14 191	13 969	14 448
Capital goods	6 489	7 753	8 831	10 994	13 647	14 213	14 958	16 784	16 035	16 087	17 038	18 770
Machinery and other capital goods	3 710	4 621	5 785	6 590	8 017	8 068	8 678	9 900	9 761	9 406	10 118	10 636
Transport equipment	2 076	2 542	2 402	3 461	4 572	4 947	5 046	5 441	4 745	5 124	5 408	6 599
<i>Overland non-railway</i>	<i>773</i>	<i>1 234</i>	<i>1 602</i>	<i>2 131</i>	<i>3 066</i>	<i>3 652</i>	<i>3 296</i>	<i>3 644</i>	<i>3 718</i>	<i>3 654</i>	<i>4 079</i>	<i>4 212</i>
<i>Railway</i>	<i>19</i>	<i>153</i>	<i>54</i>	<i>123</i>	<i>368</i>	<i>279</i>	<i>157</i>	<i>159</i>	<i>136</i>	<i>146</i>	<i>265</i>	<i>242</i>
<i>Maritime</i>	<i>843</i>	<i>424</i>	<i>444</i>	<i>669</i>	<i>772</i>	<i>864</i>	<i>1 150</i>	<i>1 107</i>	<i>427</i>	<i>681</i>	<i>896</i>	<i>1 553</i>
<i>Air</i>	<i>440</i>	<i>730</i>	<i>302</i>	<i>537</i>	<i>366</i>	<i>152</i>	<i>443</i>	<i>530</i>	<i>465</i>	<i>644</i>	<i>167</i>	<i>592</i>
Other capital goods	703	591	645	943	1 059	1 198	1 234	1 443	1 529	1 557	1 512	1 535
Intermediate goods	20 823	26 029	31 755	35 236	42 579	45 088	47 184	58 097	60 427	61 975	64 075	69 335
Intermediate agricultural, forestry and fishing products	947	1 249	1 111	1 498	1 904	1 801	1 589	1 922	2 195	2 638	2 623	2 825
Intermediate energy products	1 118	1 046	1 440	1 898	2 277	1 803	2 013	3 880	3 088	2 996	3 699	4 637
Intermediate industrial products	18 757	23 734	29 204	31 840	38 399	41 483	43 582	52 294	55 145	56 341	57 753	61 874
Total exports	46 606	58 578	69 962	78 212	93 419	99 849	104 789	124 177	129 771	133 268	138 119	146 460
Energy products	1 321	1 277	1 623	2 102	2 448	2 026	2 256	4 502	3 699	3 411	4 142	5 470
Non-energy products	45 285	57 302	68 339	76 110	90 972	97 823	102 532	119 676	126 072	129 857	133 977	140 991

SOURCE: Departamento de Aduanas.

a. Provisional data.

TOTAL OECD: IMPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	13 407	15 217	16 299	17 986	20 648	24 862	28 644	31 594	35 087	36 456	39 110	44 446
Food, beverages and tobacco	3 728	4 564	5 004	4 946	5 539	6 240	6 705	7 170	8 207	8 414	9 031	9 843
Consumer durables	6 082	6 467	6 399	7 552	8 861	11 378	13 742	15 048	16 094	16 016	17 173	20 557
<i>Automobiles</i>	<i>3 931</i>	<i>4 233</i>	<i>4 292</i>	<i>5 298</i>	<i>6 229</i>	<i>8 355</i>	<i>10 541</i>	<i>11 425</i>	<i>12 275</i>	<i>12 196</i>	<i>13 204</i>	<i>16 080</i>
<i>Other</i>	<i>2 151</i>	<i>2 234</i>	<i>2 107</i>	<i>2 254</i>	<i>2 633</i>	<i>3 024</i>	<i>3 201</i>	<i>3 624</i>	<i>3 819</i>	<i>3 820</i>	<i>3 968</i>	<i>4 476</i>
Other consumer non-durables	3 596	4 186	4 896	5 488	6 248	7 244	8 197	9 375	10 786	12 025	12 907	14 046
Capital goods	8 735	10 762	12 744	14 742	17 094	20 355	24 725	27 864	25 589	24 088	24 775	27 311
Machinery and other capital goods	6 352	7 587	9 253	10 492	12 194	14 661	16 794	18 977	18 062	16 687	17 238	19 169
Transport equipment	1 149	1 565	1 832	2 322	2 845	3 323	5 291	6 214	4 755	4 346	4 528	5 275
<i>Overland non-railway</i>	<i>486</i>	<i>706</i>	<i>1 346</i>	<i>1 416</i>	<i>1 978</i>	<i>2 434</i>	<i>3 035</i>	<i>3 156</i>	<i>2 992</i>	<i>2 986</i>	<i>3 469</i>	<i>3 902</i>
<i>Railway</i>	<i>17</i>	<i>14</i>	<i>16</i>	<i>16</i>	<i>20</i>	<i>26</i>	<i>14</i>	<i>35</i>	<i>35</i>	<i>36</i>	<i>212</i>	<i>109</i>
<i>Maritime</i>	<i>87</i>	<i>31</i>	<i>50</i>	<i>39</i>	<i>38</i>	<i>104</i>	<i>259</i>	<i>193</i>	<i>161</i>	<i>107</i>	<i>154</i>	<i>99</i>
<i>Air</i>	<i>560</i>	<i>815</i>	<i>420</i>	<i>851</i>	<i>809</i>	<i>759</i>	<i>1 983</i>	<i>2 830</i>	<i>1 567</i>	<i>1 217</i>	<i>692</i>	<i>1 165</i>
Other capital goods	1 233	1 610	1 658	1 928	2 056	2 371	2 641	2 673	2 772	3 056	3 010	2 867
Intermediate goods	25 941	32 541	40 278	42 074	48 219	53 370	57 453	68 736	70 165	71 044	74 834	81 143
Intermediate agricultural, forestry and fishing products	1 245	1 534	2 300	1 921	2 109	2 124	1 944	1 970	2 163	2 194	2 196	2 168
Intermediate energy products	1 564	1 772	1 719	2 078	2 334	1 931	2 280	4 454	4 532	4 509	5 000	6 437
Intermediate industrial products	23 132	29 235	36 260	38 075	43 776	49 315	53 230	62 312	63 469	64 341	67 638	72 539
Total imports	48 082	58 520	69 320	74 801	85 962	98 587	110 822	128 194	130 841	131 588	138 720	152 900
Energy products	1 651	1 866	1 793	2 176	2 402	1 997	2 402	4 690	4 731	4 635	5 148	6 578
Non-energy products	46 431	56 655	67 527	72 625	83 560	96 590	108 420	123 504	126 109	126 953	133 573	146 322

SOURCE: Departamento de Aduanas.

a. Provisional data.

TOTAL OECD: EXPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (A)
Consumer goods	17 302	22 217	25 725	28 031	32 248	35 480	37 963	43 383	46 707	48 307	50 086	51 326
Food, beverages and tobacco	5 397	6 763	7 748	8 744	10 533	10 989	11 465	12 484	14 062	14 709	15 546	15 432
Consumer durables	8 611	11 070	12 972	13 763	15 209	17 116	18 359	21 444	22 078	21 849	22 902	23 962
<i>Automobiles</i>	<i>7 266</i>	<i>9 344</i>	<i>10 789</i>	<i>11 284</i>	<i>12 174</i>	<i>13 638</i>	<i>14 689</i>	<i>17 352</i>	<i>17 606</i>	<i>17 307</i>	<i>18 661</i>	<i>19 921</i>
<i>Other</i>	<i>1 345</i>	<i>1 726</i>	<i>2 183</i>	<i>2 479</i>	<i>3 035</i>	<i>3 479</i>	<i>3 671</i>	<i>4 092</i>	<i>4 472</i>	<i>4 542</i>	<i>4 241</i>	<i>4 041</i>
Other consumer non-durables	3 294	4 384	5 005	5 524	6 506	7 375	8 139	9 455	10 566	11 749	11 638	11 932
Capital goods	4 401	5 513	6 294	7 925	10 068	10 668	11 544	12 873	12 389	12 224	12 826	13 921
Machinery and other capital goods	2 592	3 150	3 962	4 797	5 894	6 042	6 701	7 631	7 347	6 964	7 821	8 033
Transport equipment	1 394	1 949	1 846	2 514	3 508	3 879	3 925	4 193	3 970	4 189	3 919	4 697
<i>Overland non-railway</i>	<i>643</i>	<i>1 046</i>	<i>1 401</i>	<i>1 824</i>	<i>2 756</i>	<i>3 282</i>	<i>2 923</i>	<i>3 236</i>	<i>3 302</i>	<i>3 174</i>	<i>3 373</i>	<i>3 736</i>
<i>Railway</i>	<i>7</i>	<i>74</i>	<i>31</i>	<i>74</i>	<i>132</i>	<i>104</i>	<i>99</i>	<i>119</i>	<i>105</i>	<i>109</i>	<i>163</i>	<i>165</i>
<i>Maritime</i>	<i>330</i>	<i>230</i>	<i>200</i>	<i>143</i>	<i>317</i>	<i>367</i>	<i>503</i>	<i>433</i>	<i>272</i>	<i>270</i>	<i>250</i>	<i>452</i>
<i>Air</i>	<i>414</i>	<i>600</i>	<i>213</i>	<i>472</i>	<i>303</i>	<i>126</i>	<i>401</i>	<i>405</i>	<i>291</i>	<i>636</i>	<i>132</i>	<i>344</i>
Other capital goods	416	413	485	615	666	748	918	1 049	1 072	1 071	1 087	1 191
Intermediate goods	15 744	20 278	24 711	27 070	32 625	35 124	36 942	45 292	46 753	48 392	50 140	54 363
Intermediate agricultural, forestry and fishing products	872	1 100	1 025	1 430	1 804	1 698	1 447	1 791	2 027	2 374	2 366	2 564
Intermediate energy products	709	670	630	1 087	1 461	1 199	1 265	2 667	2 028	2 007	2 506	3 091
Intermediate industrial products	14 163	18 508	23 056	24 554	29 361	32 226	34 229	40 834	42 698	44 012	45 268	48 708
Total exports	37 447	48 008	56 729	63 026	74 942	81 271	86 449	101 548	105 849	108 923	113 052	119 610
Energy products	868	849	733	1 192	1 548	1 329	1 402	3 018	2 458	2 244	2 783	3 659
Non-energy products	36 579	47 159	55 996	61 834	73 394	79 942	85 047	98 531	103 390	106 679	110 268	115 951

SOURCE: Departamento de Aduanas.

a. Provisional data.

EU TOTAL: IMPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	11 262	13 111	14 277	15 841	18 236	21 782	25 263	27 834	31 365	32 776	34 749	38 773
Food, beverages and tobacco	3 301	4 072	4 457	4 349	4 979	5 598	6 040	6 451	7 445	7 709	8 243	8 885
Consumer durables	4 834	5 360	5 488	6 640	7 748	9 805	11 987	13 143	14 301	14 320	15 105	17 721
<i>Automobiles</i>	<i>3 566</i>	<i>3 855</i>	<i>3 872</i>	<i>4 847</i>	<i>5 706</i>	<i>7 504</i>	<i>9 562</i>	<i>10 416</i>	<i>11 421</i>	<i>11 363</i>	<i>11 998</i>	<i>14 372</i>
<i>Other</i>	<i>1 269</i>	<i>1 505</i>	<i>1 616</i>	<i>1 794</i>	<i>2 042</i>	<i>2 300</i>	<i>2 425</i>	<i>2 728</i>	<i>2 880</i>	<i>2 957</i>	<i>3 107</i>	<i>3 350</i>
Other consumer non-durables	3 127	3 679	4 332	4 851	5 508	6 379	7 237	8 240	9 619	10 747	11 401	12 166
Capital goods	6 340	8 061	10 179	12 163	13 923	16 805	19 845	22 501	21 187	19 946	20 827	23 077
Machinery and other capital goods	4 846	5 984	7 413	8 667	9 976	12 132	13 922	15 881	15 300	14 174	14 683	16 294
Transport equipment	621	870	1 499	2 007	2 364	2 856	3 913	4 662	3 861	3 431	3 893	4 649
<i>Overland non-railway</i>	<i>448</i>	<i>662</i>	<i>1 283</i>	<i>1 345</i>	<i>1 856</i>	<i>2 306</i>	<i>2 825</i>	<i>2 904</i>	<i>2 759</i>	<i>2 693</i>	<i>3 103</i>	<i>3 482</i>
<i>Railway</i>	<i>7</i>	<i>10</i>	<i>11</i>	<i>13</i>	<i>17</i>	<i>23</i>	<i>13</i>	<i>30</i>	<i>31</i>	<i>28</i>	<i>175</i>	<i>102</i>
<i>Maritime</i>	<i>83</i>	<i>24</i>	<i>32</i>	<i>33</i>	<i>31</i>	<i>49</i>	<i>95</i>	<i>109</i>	<i>90</i>	<i>74</i>	<i>71</i>	<i>55</i>
<i>Air</i>	<i>83</i>	<i>173</i>	<i>174</i>	<i>616</i>	<i>459</i>	<i>477</i>	<i>980</i>	<i>1 618</i>	<i>982</i>	<i>637</i>	<i>544</i>	<i>1 011</i>
Other capital goods	873	1 207	1 267	1 488	1 583	1 818	2 010	1 958	2 026	2 341	2 251	2 134
Intermediate goods	20 309	26 175	32 826	34 513	39 659	44 740	48 489	57 418	58 397	59 706	62 928	67 209
Intermediate agricultural, forestry and fishing products	807	970	1 400	1 200	1 187	1 328	1 309	1 309	1 479	1 504	1 498	1 613
Intermediate energy products	580	707	794	904	1 011	923	1 131	2 344	2 378	2 467	2 756	3 265
Intermediate industrial products	18 923	24 499	30 632	32 409	37 461	42 489	46 049	53 765	54 540	55 735	58 674	62 330
Total imports	37 912	47 348	57 282	62 517	71 817	83 327	93 597	107 753	110 949	112 427	118 504	129 059
Energy products	667	801	868	1 002	1 078	985	1 253	2 566	2 570	2 583	2 892	3 393
Non-energy products	37 245	46 547	56 414	61 514	70 739	82 342	92 344	105 186	108 378	109 844	115 612	125 665

SOURCE: Departamento de Aduanas.

a. Provisional data.

EU TOTAL: EXPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	15 447	19 491	23 099	25 233	28 924	31 848	33 946	38 221	41 812	42 993	45 145	45 535
Food, beverages and tobacco	4 725	5 898	6 945	7 824	9 468	9 851	10 058	10 943	12 534	13 154	14 018	13 879
Consumer durables	8 238	10 326	12 130	12 982	14 235	15 986	17 184	19 625	20 680	20 400	21 407	21 924
<i>Automobiles</i>	<i>7 106</i>	<i>8 867</i>	<i>10 199</i>	<i>10 780</i>	<i>11 594</i>	<i>12 926</i>	<i>13 949</i>	<i>16 117</i>	<i>16 787</i>	<i>16 488</i>	<i>17 733</i>	<i>18 430</i>
<i>Other</i>	<i>1 132</i>	<i>1 459</i>	<i>1 931</i>	<i>2 203</i>	<i>2 641</i>	<i>3 061</i>	<i>3 235</i>	<i>3 507</i>	<i>3 893</i>	<i>3 912</i>	<i>3 674</i>	<i>3 494</i>
Other consumer non-durables	2 483	3 267	4 024	4 427	5 220	6 010	6 704	7 654	8 599	9 439	9 720	9 732
Capital goods	3 445	4 526	5 395	6 968	8 810	9 170	9 695	10 801	10 795	10 518	10 994	11 945
Machinery and other capital goods	2 173	2 614	3 441	4 214	5 037	5 111	5 575	6 442	6 380	5 814	6 524	6 784
Transport equipment	1 007	1 556	1 517	2 193	3 162	3 388	3 348	3 423	3 459	3 777	3 550	4 098
<i>Overland non-railway</i>	<i>626</i>	<i>1 031</i>	<i>1 383</i>	<i>1 776</i>	<i>2 676</i>	<i>3 171</i>	<i>2 854</i>	<i>3 111</i>	<i>3 214</i>	<i>3 059</i>	<i>3 164</i>	<i>3 499</i>
<i>Railway</i>	<i>6</i>	<i>21</i>	<i>3</i>	<i>46</i>	<i>120</i>	<i>98</i>	<i>92</i>	<i>108</i>	<i>104</i>	<i>104</i>	<i>157</i>	<i>135</i>
<i>Maritime</i>	<i>109</i>	<i>18</i>	<i>36</i>	<i>60</i>	<i>234</i>	<i>95</i>	<i>111</i>	<i>137</i>	<i>101</i>	<i>189</i>	<i>197</i>	<i>236</i>
<i>Air</i>	<i>266</i>	<i>486</i>	<i>94</i>	<i>311</i>	<i>132</i>	<i>25</i>	<i>290</i>	<i>68</i>	<i>41</i>	<i>424</i>	<i>30</i>	<i>228</i>
Other capital goods	264	356	437	561	611	671	772	935	955	928	921	1 063
Intermediate goods	13 251	17 454	21 652	23 641	28 111	30 335	31 986	38 666	40 355	41 372	43 043	46 492
Intermediate agricultural, forestry and fishing products	824	1 060	974	1 355	1 721	1 613	1 368	1 695	1 931	2 237	2 238	2 415
Intermediate energy products	535	532	507	941	1 264	1 002	1 136	2 317	1 792	1 823	2 260	2 860
Intermediate industrial products	11 893	15 862	20 172	21 346	25 125	27 720	29 482	34 653	36 633	37 312	38 544	41 217
Total exports	32 143	41 471	50 146	55 842	65 844	71 353	75 628	87 688	92 962	94 884	99 182	103 972
Energy products	564	568	573	979	1 303	1 078	1 190	2 465	1 929	1 873	2 301	2 897
Non-energy products	31 578	40 902	49 573	54 864	64 541	70 275	74 438	85 223	91 032	93 012	96 881	101 075

SOURCE: Departamento de Aduanas.

a. Provisional data.

EURO AREA: IMPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	9 243	10 517	11 740	12 946	15 085	18 285	21 274	23 366	26 718	28 315	30 116	33 472
Food, beverages and tobacco	2 385	2 988	3 380	3 273	3 772	4 355	4 734	5 035	5 869	6 246	6 653	7 293
Consumer durables	4 196	4 385	4 623	5 529	6 556	8 381	10 367	11 419	12 819	12 910	13 682	15 729
<i>Automobiles</i>	<i>3 095</i>	<i>3 156</i>	<i>3 279</i>	<i>4 052</i>	<i>4 854</i>	<i>6 419</i>	<i>8 252</i>	<i>9 040</i>	<i>10 275</i>	<i>10 303</i>	<i>10 955</i>	<i>12 785</i>
<i>Other</i>	<i>1 101</i>	<i>1 230</i>	<i>1 344</i>	<i>1 477</i>	<i>1 702</i>	<i>1 962</i>	<i>2 115</i>	<i>2 379</i>	<i>2 543</i>	<i>2 607</i>	<i>2 727</i>	<i>2 943</i>
Other consumer non-durables	2 662	3 144	3 738	4 144	4 757	5 549	6 173	6 912	8 030	9 159	9 781	10 451
Capital goods	5 421	6 840	8 636	10 204	11 773	14 395	16 714	19 057	17 897	17 048	17 955	20 114
Machinery and other capital goods	4 082	5 073	6 237	7 214	8 243	10 305	11 509	12 972	12 682	11 918	12 544	13 987
Transport equipment	516	711	1 318	1 706	2 207	2 603	3 584	4 443	3 627	3 213	3 580	4 303
<i>Overland non-railway</i>	<i>353</i>	<i>576</i>	<i>1 179</i>	<i>1 216</i>	<i>1 759</i>	<i>2 170</i>	<i>2 638</i>	<i>2 756</i>	<i>2 603</i>	<i>2 499</i>	<i>2 867</i>	<i>3 161</i>
<i>Railway</i>	<i>6</i>	<i>10</i>	<i>11</i>	<i>11</i>	<i>17</i>	<i>23</i>	<i>12</i>	<i>29</i>	<i>27</i>	<i>25</i>	<i>170</i>	<i>89</i>
<i>Maritime</i>	<i>74</i>	<i>10</i>	<i>18</i>	<i>20</i>	<i>25</i>	<i>42</i>	<i>75</i>	<i>92</i>	<i>64</i>	<i>64</i>	<i>58</i>	<i>46</i>
<i>Air</i>	<i>83</i>	<i>115</i>	<i>111</i>	<i>460</i>	<i>406</i>	<i>369</i>	<i>859</i>	<i>1 567</i>	<i>933</i>	<i>627</i>	<i>484</i>	<i>1 007</i>
Other capital goods	823	1 057	1 081	1 284	1 323	1 486	1 621	1 641	1 588	1 916	1 831	1 824
Intermediate goods	17 461	22 495	28 217	29 382	33 697	38 448	41 511	49 535	50 818	51 913	54 369	58 595
Intermediate agricultural, forestry and fishing products	717	819	1 130	994	907	1 045	1 099	1 098	1 267	1 294	1 212	1 334
Intermediate energy products	368	445	502	632	630	644	726	1 421	1 645	1 650	1 994	2 552
Intermediate industrial products	16 375	21 231	26 585	27 755	32 160	36 759	39 686	47 016	47 907	48 968	51 162	54 708
Total imports	32 125	39 853	48 593	52 531	60 555	71 127	79 499	91 958	95 434	97 276	102 440	112 182
Energy products	441	526	557	698	691	703	826	1 629	1 837	1 763	2 130	2 679
Non-energy products	31 684	39 326	48 036	51 834	59 864	70 424	78 673	90 328	93 597	95 513	100 310	109 503

SOURCE: Departamento de Aduanas.

a. Provisional data.

EURO AREA: EXPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	13 313	16 698	19 945	21 607	24 556	26 960	28 488	31 964	34 259	34 772	37 329	37 577
Food, beverages and tobacco	3 883	4 912	5 823	6 579	7 942	8 260	8 415	9 180	10 504	11 021	11 847	11 658
Consumer durables	7 304	9 016	10 704	11 235	12 233	13 696	14 541	16 477	16 696	16 202	17 582	17 866
<i>Automobiles</i>	<i>6 263</i>	<i>7 787</i>	<i>9 036</i>	<i>9 382</i>	<i>10 032</i>	<i>11 119</i>	<i>11 892</i>	<i>13 593</i>	<i>13 513</i>	<i>13 006</i>	<i>14 449</i>	<i>14 860</i>
<i>Other</i>	<i>1 042</i>	<i>1 229</i>	<i>1 669</i>	<i>1 853</i>	<i>2 201</i>	<i>2 577</i>	<i>2 650</i>	<i>2 884</i>	<i>3 182</i>	<i>3 196</i>	<i>3 133</i>	<i>3 006</i>
Other consumer non-durables	2 125	2 769	3 418	3 793	4 381	5 005	5 531	6 307	7 059	7 549	7 900	8 052
Capital goods	2 900	4 045	4 783	5 951	7 045	7 885	8 529	9 452	9 321	8 710	9 161	10 082
Machinery and other capital goods	1 770	2 278	2 998	3 611	3 728	4 431	4 960	5 709	5 584	4 937	5 450	5 797
Transport equipment	795	1 434	1 377	1 810	2 746	2 831	2 844	2 877	2 866	2 923	2 872	3 306
<i>Overland non-railway</i>	<i>592</i>	<i>954</i>	<i>1 259</i>	<i>1 581</i>	<i>2 363</i>	<i>2 727</i>	<i>2 448</i>	<i>2 638</i>	<i>2 636</i>	<i>2 481</i>	<i>2 627</i>	<i>3 050</i>
<i>Railway</i>	<i>4</i>	<i>19</i>	<i>2</i>	<i>34</i>	<i>60</i>	<i>38</i>	<i>89</i>	<i>48</i>	<i>100</i>	<i>79</i>	<i>145</i>	<i>16</i>
<i>Maritime</i>	<i>24</i>	<i>18</i>	<i>23</i>	<i>39</i>	<i>193</i>	<i>51</i>	<i>43</i>	<i>124</i>	<i>89</i>	<i>177</i>	<i>70</i>	<i>121</i>
<i>Air</i>	<i>175</i>	<i>442</i>	<i>93</i>	<i>155</i>	<i>131</i>	<i>14</i>	<i>264</i>	<i>66</i>	<i>41</i>	<i>187</i>	<i>30</i>	<i>119</i>
Other capital goods	335	333	408	530	571	624	725	866	871	849	839	978
Intermediate goods	11 281	15 091	18 824	20 246	23 980	25 782	27 193	32 726	34 379	35 409	36 500	39 398
Intermediate agricultural, forestry and fishing products	781	1 006	911	1 285	1 640	1 508	1 259	1 573	1 793	2 083	2 077	2 234
Intermediate energy products	394	398	398	498	677	536	526	1 120	869	1 156	1 420	1 731
Intermediate industrial products	10 107	13 687	17 515	18 462	21 663	23 737	25 408	30 033	31 717	32 170	33 004	35 432
Total exports	27 494	35 834	43 551	47 804	55 582	60 628	64 210	74 141	77 960	78 890	82 990	87 056
Energy products	424	434	442	529	706	592	561	1 246	986	1 201	1 461	1 768
Non-energy products	27 070	35 400	43 109	47 275	54 876	60 036	63 649	72 896	76 974	77 689	81 530	85 289

SOURCE: Departamento de Aduanas.

a. Provisional data.

GERMANY: IMPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	2 294	2 639	2 914	2 783	3 477	4 330	5 483	6 051	7 374	8 408	8 960	10 344
Food, beverages and tobacco	294	409	425	438	514	685	943	1 071	1 451	1 505	1 574	1 813
Consumer durables	1 552	1 747	1 914	1 743	2 229	2 816	3 591	3 904	4 619	4 957	5 563	6 504
<i>Automobiles</i>	<i>1 251</i>	<i>1 368</i>	<i>1 513</i>	<i>1 367</i>	<i>1 814</i>	<i>2 345</i>	<i>3 057</i>	<i>3 303</i>	<i>3 984</i>	<i>4 296</i>	<i>4 886</i>	<i>5 813</i>
<i>Other</i>	<i>301</i>	<i>379</i>	<i>402</i>	<i>376</i>	<i>415</i>	<i>471</i>	<i>534</i>	<i>602</i>	<i>635</i>	<i>661</i>	<i>677</i>	<i>690</i>
Other consumer non-durables	447	483	575	602	735	829	948	1 075	1 304	1 945	1 824	2 027
Capital goods	1 697	1 920	2 537	3 152	3 522	4 328	5 248	5 886	5 795	5 620	6 308	7 055
Machinery and other capital goods	1 290	1 468	1 815	2 273	2 506	3 063	3 781	4 199	4 153	3 927	4 471	5 200
Transport equipment	142	170	442	474	596	795	973	1 192	1 121	1 000	1 178	1 253
<i>Overland non-railway</i>	<i>139</i>	<i>168</i>	<i>431</i>	<i>426</i>	<i>559</i>	<i>779</i>	<i>961</i>	<i>994</i>	<i>1 062</i>	<i>912</i>	<i>1 108</i>	<i>1 217</i>
<i>Railway</i>	<i>2</i>	<i>1</i>	<i>0</i>	<i>4</i>	<i>11</i>	<i>10</i>	<i>4</i>	<i>5</i>	<i>11</i>	<i>4</i>	<i>21</i>	<i>14</i>
<i>Maritime</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>7</i>	<i>2</i>	<i>6</i>	<i>1</i>	<i>6</i>	<i>23</i>	<i>18</i>	<i>34</i>	<i>10</i>
<i>Air</i>	<i>1</i>	<i>1</i>	<i>10</i>	<i>38</i>	<i>23</i>	<i>0</i>	<i>6</i>	<i>187</i>	<i>25</i>	<i>66</i>	<i>16</i>	<i>11</i>
Other capital goods	265	282	280	405	420	470	494	495	521	693	659	602
Intermediate goods	5 114	6 213	7 878	8 073	9 182	10 348	11 203	13 216	13 746	14 261	14 954	15 988
Intermediate agricultural, forestry and fishing products	24	39	167	118	77	72	74	49	149	105	126	126
Intermediate energy products	16	19	22	25	29	34	42	131	101	129	146	234
Intermediate industrial products	5 074	6 156	7 689	7 930	9 075	10 242	11 086	13 036	13 496	14 027	14 683	15 627
Total imports	9 105	10 773	13 329	14 008	16 182	19 006	21 934	25 153	26 915	28 288	30 223	33 387
Energy products	24	24	24	25	29	34	43	131	102	130	146	234
Non-energy products	9 081	10 748	13 305	13 983	16 153	18 972	21 891	25 022	26 814	28 159	30 077	33 152

SOURCE: Departamento de Aduanas.

a. Provisional data.

GERMANY: EXPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	3 347	3 833	4 628	5 069	5 466	5 745	6 009	6 182	6 442	6 498	7 218	7 259
Food, beverages and tobacco	1 120	1 355	1 566	1 725	1 990	2 025	2 068	2 132	2 423	2 601	2 818	2 622
Consumer durables	1 714	1 806	2 276	2 538	2 605	2 810	2 975	2 880	2 826	2 640	3 010	3 350
<i>Automobiles</i>	<i>1 433</i>	<i>1 509</i>	<i>1 899</i>	<i>2 127</i>	<i>2 157</i>	<i>2 332</i>	<i>2 508</i>	<i>2 416</i>	<i>2 348</i>	<i>2 108</i>	<i>2 485</i>	<i>2 899</i>
<i>Other</i>	<i>281</i>	<i>297</i>	<i>377</i>	<i>411</i>	<i>447</i>	<i>478</i>	<i>467</i>	<i>464</i>	<i>478</i>	<i>532</i>	<i>525</i>	<i>451</i>
Other consumer non-durables	513	672	786	806	871	909	967	1 170	1 193	1 258	1 390	1 287
Capital goods	782	890	1 238	1 500	1 590	1 889	1 690	1 970	1 792	1 323	1 553	1 555
Machinery and other capital goods	520	682	1 009	1 182	1 117	1 409	1 318	1 542	1 396	1 004	1 148	1 117
Transport equipment	165	157	167	256	407	410	300	341	306	233	296	284
<i>Overland non-railway</i>	<i>121</i>	<i>139</i>	<i>167</i>	<i>181</i>	<i>394</i>	<i>408</i>	<i>298</i>	<i>312</i>	<i>276</i>	<i>220</i>	<i>282</i>	<i>282</i>
<i>Railway</i>	<i>0</i>	<i>17</i>	<i>1</i>	<i>14</i>	<i>13</i>	<i>1</i>	<i>1</i>	<i>2</i>	<i>1</i>	<i>4</i>	<i>2</i>	<i>2</i>
<i>Maritime</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>8</i>	<i>0</i>	<i>1</i>	<i>0</i>	<i>27</i>	<i>24</i>	<i>9</i>	<i>12</i>	<i>0</i>
<i>Air</i>	<i>43</i>	<i>...</i>	<i>...</i>	<i>53</i>	<i>0</i>	<i>1</i>	<i>0</i>	<i>0</i>	<i>4</i>	<i>0</i>	<i>...</i>	<i>...</i>
Other capital goods	97	51	62	62	65	70	72	87	90	85	109	154
Intermediate goods	2 679	3 536	4 772	4 852	5 446	5 974	6 066	7 174	7 142	7 497	7 721	8 275
Intermediate agricultural, forestry and fishing products	130	152	177	193	226	236	234	277	269	277	283	282
Intermediate energy products	26	41	39	43	37	54	41	125	65	65	74	114
Intermediate industrial products	2 522	3 342	4 557	4 616	5 183	5 684	5 791	6 772	6 807	7 155	7 363	7 880
Total exports	6 807	8 258	10 638	11 420	12 502	13 608	13 765	15 325	15 376	15 318	16 492	17 090
Energy products	26	41	39	43	37	54	41	125	65	65	74	114
Non-energy products	6 781	8 217	10 600	11 378	12 465	13 554	13 724	15 200	15 311	15 253	16 418	16 976

SOURCE: Departamento de Aduanas.

a. Provisional data.

FRANCE: IMPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	2 866	3 166	3 499	4 131	4 799	6 105	6 836	7 795	8 756	8 811	9 610	10 176
Food, beverages and tobacco	925	1 070	1 202	1 268	1 386	1 507	1 541	1 620	1 900	1 930	2 087	2 110
Consumer durables	1 188	1 153	1 201	1 605	2 014	2 946	3 467	4 149	4 517	4 468	4 805	5 189
<i>Automobiles</i>	<i>960</i>	<i>908</i>	<i>902</i>	<i>1 272</i>	<i>1 598</i>	<i>2 405</i>	<i>2 931</i>	<i>3 597</i>	<i>3 960</i>	<i>3 920</i>	<i>4 185</i>	<i>4 588</i>
<i>Other</i>	<i>228</i>	<i>245</i>	<i>299</i>	<i>332</i>	<i>416</i>	<i>541</i>	<i>536</i>	<i>552</i>	<i>557</i>	<i>547</i>	<i>620</i>	<i>602</i>
Other consumer non-durables	753	943	1 095	1 258	1 399	1 652	1 828	2 026	2 338	2 413	2 718	2 876
Capital goods	1 589	2 183	2 519	3 246	3 906	4 482	4 934	5 657	4 712	4 374	4 262	4 830
Machinery and other capital goods	1 165	1 481	1 719	2 120	2 543	3 007	2 971	3 232	2 790	2 660	2 665	2 625
Transport equipment	114	288	394	684	885	975	1 505	1 986	1 519	1 210	1 166	1 803
<i>Overland non-railway</i>	<i>82</i>	<i>184</i>	<i>350</i>	<i>333</i>	<i>514</i>	<i>636</i>	<i>808</i>	<i>856</i>	<i>734</i>	<i>727</i>	<i>745</i>	<i>913</i>
<i>Railway</i>	<i>3</i>	<i>3</i>	<i>7</i>	<i>4</i>	<i>3</i>	<i>5</i>	<i>4</i>	<i>6</i>	<i>5</i>	<i>1</i>	<i>1</i>	<i>2</i>
<i>Maritime</i>	<i>1</i>	<i>3</i>	<i>3</i>	<i>2</i>	<i>3</i>	<i>5</i>	<i>52</i>	<i>20</i>	<i>7</i>	<i>8</i>	<i>8</i>	<i>12</i>
<i>Air</i>	<i>28</i>	<i>98</i>	<i>34</i>	<i>345</i>	<i>365</i>	<i>328</i>	<i>641</i>	<i>1 104</i>	<i>774</i>	<i>473</i>	<i>412</i>	<i>876</i>
Other capital goods	310	413	406	441	479	500	459	439	404	503	431	402
Intermediate goods	5 763	7 597	8 967	9 396	10 516	11 985	13 116	15 550	15 540	15 602	15 896	16 564
Intermediate agricultural, forestry and fishing products	494	505	517	512	579	699	674	721	701	724	641	745
Intermediate energy products	90	140	178	238	175	241	265	352	344	373	424	445
Intermediate industrial products	5 179	6 953	8 272	8 646	9 762	11 045	12 177	14 478	14 494	14 505	14 831	15 374
Total imports	10 218	12 946	14 985	16 772	19 221	22 572	24 886	29 002	29 008	28 786	29 768	31 570
Energy products	117	171	189	258	188	278	323	457	430	430	482	481
Non-energy products	10 101	12 775	14 795	16 514	19 034	22 294	24 563	28 545	28 578	28 357	29 287	31 089

SOURCE: Departamento de Aduanas.

a. Provisional data.

FRANCE: EXPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	4 609	6 025	7 346	7 830	7 913	9 129	9 610	11 209	12 002	11 855	12 509	12 957
Food, beverages and tobacco	1 186	1 392	1 679	1 881	2 157	2 278	2 370	2 660	3 043	3 209	3 448	3 535
Consumer durables	2 784	3 816	4 621	4 770	4 425	5 324	5 504	6 614	6 765	6 337	6 631	6 924
<i>Automobiles</i>	<i>2 468</i>	<i>3 437</i>	<i>4 097</i>	<i>4 178</i>	<i>3 718</i>	<i>4 480</i>	<i>4 669</i>	<i>5 707</i>	<i>5 676</i>	<i>5 303</i>	<i>5 572</i>	<i>5 867</i>
<i>Other</i>	<i>317</i>	<i>379</i>	<i>524</i>	<i>592</i>	<i>707</i>	<i>844</i>	<i>835</i>	<i>907</i>	<i>1 089</i>	<i>1 034</i>	<i>1 059</i>	<i>1 057</i>
Other consumer non-durables	639	816	1 047	1 180	1 331	1 527	1 735	1 935	2 194	2 309	2 430	2 498
Capital goods	899	1 376	1 696	2 201	2 535	2 942	3 006	3 433	3 222	3 229	3 397	4 070
Machinery and other capital goods	517	735	902	1 177	1 268	1 517	1 741	2 129	1 844	1 703	1 887	2 061
Transport equipment	300	563	698	905	1 135	1 261	1 077	1 090	1 162	1 310	1 289	1 778
<i>Overland non-railway</i>	<i>262</i>	<i>502</i>	<i>689</i>	<i>855</i>	<i>1 039</i>	<i>1 247</i>	<i>968</i>	<i>1 065</i>	<i>1 151</i>	<i>1 193</i>	<i>1 267</i>	<i>1 668</i>
<i>Railway</i>	<i>2</i>	<i>0</i>	<i>0</i>	<i>13</i>	<i>1</i>	<i>3</i>	<i>1</i>	<i>3</i>	<i>7</i>	<i>8</i>	<i>19</i>	<i>7</i>
<i>Maritime</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>44</i>	<i>1</i>	<i>1</i>	<i>3</i>	<i>4</i>	<i>109</i>	<i>2</i>	<i>86</i>
<i>Air</i>	<i>36</i>	<i>60</i>	<i>8</i>	<i>36</i>	<i>50</i>	<i>10</i>	<i>106</i>	<i>19</i>	<i>0</i>	<i>1</i>	<i>0</i>	<i>17</i>
Other capital goods	82	79	96	120	132	164	187	214	216	216	221	231
Intermediate goods	3 301	4 452	5 279	5 701	6 622	7 364	7 823	9 487	10 101	10 267	10 624	11 369
Intermediate agricultural, forestry and fishing products	162	254	217	282	324	323	311	339	383	420	484	492
Intermediate energy products	94	104	74	149	220	148	111	224	195	201	236	285
Intermediate industrial products	3 045	4 094	4 988	5 271	6 078	6 893	7 401	8 925	9 523	9 646	9 904	10 593
Total exports	8 808	11 852	14 321	15 733	17 070	19 435	20 439	24 129	25 324	25 351	26 529	28 396
Energy products	103	126	101	169	249	165	125	256	229	227	267	298
Non-energy products	8 705	11 726	14 220	15 564	16 821	19 269	20 314	23 873	25 095	25 123	26 262	28 098

SOURCE: Departamento de Aduanas.

a. Provisional data.

ITALY: IMPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	1 553	1 921	2 178	2 455	2 642	2 942	3 160	3 426	3 973	4 193	4 363	4 746
Food, beverages and tobacco	229	308	364	326	372	432	481	459	530	605	651	670
Consumer durables	557	702	727	865	916	1 022	1 091	1 133	1 348	1 445	1 412	1 642
<i>Automobiles</i>	<i>209</i>	<i>343</i>	<i>322</i>	<i>384</i>	<i>357</i>	<i>438</i>	<i>462</i>	<i>457</i>	<i>590</i>	<i>664</i>	<i>657</i>	<i>797</i>
<i>Other</i>	<i>348</i>	<i>359</i>	<i>405</i>	<i>481</i>	<i>560</i>	<i>584</i>	<i>628</i>	<i>676</i>	<i>758</i>	<i>781</i>	<i>754</i>	<i>845</i>
Other consumer non-durables	767	911	1 087	1 264	1 354	1 488	1 588	1 834	2 094	2 143	2 301	2 435
Capital goods	1 041	1 252	1 608	1 820	2 270	2 814	2 955	3 160	3 101	3 014	3 217	3 631
Machinery and other capital goods	864	1 065	1 376	1 520	1 813	2 321	2 444	2 652	2 708	2 544	2 489	2 850
Transport equipment	82	75	111	144	274	288	286	270	164	203	455	480
<i>Overland non-railway</i>	<i>48</i>	<i>66</i>	<i>105</i>	<i>142</i>	<i>270</i>	<i>277</i>	<i>276</i>	<i>221</i>	<i>157</i>	<i>192</i>	<i>327</i>	<i>307</i>
<i>Railway</i>	<i>1</i>	<i>4</i>	<i>3</i>	<i>2</i>	<i>1</i>	<i>4</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>5</i>	<i>120</i>	<i>51</i>
<i>Maritime</i>	<i>1</i>	<i>5</i>	<i>0</i>	<i>0</i>	<i>2</i>	<i>4</i>	<i>3</i>	<i>45</i>	<i>1</i>	<i>1</i>	<i>2</i>	<i>3</i>
<i>Air</i>	<i>33</i>	<i>0</i>	<i>4</i>	<i>0</i>	<i>1</i>	<i>3</i>	<i>4</i>	<i>...</i>	<i>...</i>	<i>5</i>	<i>5</i>	<i>118</i>
Other capital goods	95	112	120	157	182	205	225	237	230	267	274	300
Intermediate goods	2 553	3 261	4 314	4 749	5 556	6 425	6 884	8 542	8 909	8 657	9 353	10 398
Intermediate agricultural, forestry and fishing products	41	52	78	53	36	44	61	48	60	66	64	88
Intermediate energy products	119	159	172	199	277	260	285	671	924	822	1 072	1 282
Intermediate industrial products	2 393	3 051	4 064	4 497	5 243	6 121	6 539	7 823	7 925	7 768	8 217	9 028
Total imports	5 147	6 435	8 099	9 024	10 467	12 181	12 999	15 127	15 983	15 863	16 933	18 776
Energy products	140	195	204	237	313	281	311	758	1 016	876	1 148	1 371
Non-energy products	5 006	6 239	7 895	8 787	10 154	11 899	12 688	14 370	14 967	14 987	15 785	17 405

SOURCE: Departamento de Aduanas.

a. Provisional data.

ITALY: EXPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	2 151	2 560	2 914	3 029	4 350	4 211	4 246	4 830	5 178	5 745	6 548	5 966
Food, beverages and tobacco	414	578	653	838	1 171	1 153	1 183	1 328	1 453	1 603	1 850	1 801
Consumer durables	1 502	1 681	1 893	1 781	2 689	2 491	2 496	2 847	2 980	3 325	3 869	3 236
<i>Automobiles</i>	<i>1 333</i>	<i>1 477</i>	<i>1 639</i>	<i>1 563</i>	<i>2 415</i>	<i>2 162</i>	<i>2 134</i>	<i>2 436</i>	<i>2 543</i>	<i>2 864</i>	<i>3 414</i>	<i>2 801</i>
<i>Other</i>	<i>169</i>	<i>204</i>	<i>255</i>	<i>218</i>	<i>273</i>	<i>329</i>	<i>363</i>	<i>411</i>	<i>438</i>	<i>461</i>	<i>455</i>	<i>435</i>
Other consumer non-durables	234	300	368	410	490	567	566	655	745	817	829	929
Capital goods	364	426	556	656	846	1 038	1 262	1 220	1 236	1 433	1 366	1 435
Machinery and other capital goods	173	194	257	269	304	345	490	479	539	625	674	724
Transport equipment	142	153	205	272	425	552	629	566	559	663	546	519
<i>Overland non-railway</i>	<i>75</i>	<i>149</i>	<i>205</i>	<i>272</i>	<i>382</i>	<i>545</i>	<i>558</i>	<i>555</i>	<i>559</i>	<i>539</i>	<i>508</i>	<i>507</i>
<i>Railway</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>0</i>	<i>7</i>
<i>Maritime</i>	<i>1</i>	<i>3</i>	<i>...</i>	<i>0</i>	<i>9</i>	<i>7</i>	<i>7</i>	<i>10</i>	<i>0</i>	<i>2</i>	<i>8</i>	<i>6</i>
<i>Air</i>	<i>66</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>34</i>	<i>...</i>	<i>65</i>	<i>...</i>	<i>0</i>	<i>121</i>	<i>30</i>	<i>0</i>
Other capital goods	49	80	94	115	117	141	143	175	137	145	146	192
Intermediate goods	1 719	2 415	2 868	3 140	3 894	3 980	3 919	4 805	5 285	5 374	5 502	5 822
Intermediate agricultural, forestry and fishing products	232	317	160	405	639	481	283	473	618	867	751	886
Intermediate energy products	53	86	64	66	104	73	70	88	54	39	52	32
Intermediate industrial products	1 433	2 012	2 645	2 669	3 150	3 425	3 566	4 244	4 613	4 468	4 699	4 904
Total exports	4 233	5 401	6 339	6 825	9 090	9 229	9 427	10 855	11 699	12 551	13 416	13 224
Energy products	73	94	73	69	104	77	70	108	69	39	56	42
Non-energy products	4 160	5 307	6 265	6 756	8 985	9 151	9 357	10 748	11 630	12 512	13 359	13 182

SOURCE: Departamento de Aduanas.

a. Provisional data.

NETHERLANDS: IMPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	749	944	1 147	998	1 191	1 425	1 496	1 544	1 702	1 876	2 107	2 473
Food, beverages and tobacco	523	648	791	609	701	781	752	804	807	942	1 054	1 210
Consumer durables	72	95	119	147	157	188	222	261	346	303	330	434
<i>Automobiles</i>	<i>38</i>	<i>55</i>	<i>62</i>	<i>78</i>	<i>91</i>	<i>99</i>	<i>127</i>	<i>90</i>	<i>145</i>	<i>105</i>	<i>120</i>	<i>82</i>
<i>Other</i>	<i>34</i>	<i>39</i>	<i>56</i>	<i>69</i>	<i>66</i>	<i>89</i>	<i>95</i>	<i>171</i>	<i>201</i>	<i>198</i>	<i>210</i>	<i>352</i>
Other consumer non-durables	153	201	237	242	333	456	521	479	549	631	724	828
Capital goods	292	504	700	683	644	1 005	1 098	1 426	1 608	1 451	1 536	1 967
Machinery and other capital goods	173	298	387	288	342	639	664	907	1 105	918	994	1 344
Transport equipment	22	49	132	199	179	229	233	287	266	272	286	334
<i>Overland non-railway</i>	<i>18</i>	<i>34</i>	<i>93</i>	<i>142</i>	<i>165</i>	<i>201</i>	<i>222</i>	<i>273</i>	<i>259</i>	<i>263</i>	<i>280</i>	<i>326</i>
<i>Railway</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>0</i>	<i>0</i>
<i>Maritime</i>	<i>3</i>	<i>0</i>	<i>2</i>	<i>0</i>	<i>2</i>	<i>10</i>	<i>9</i>	<i>9</i>	<i>5</i>	<i>9</i>	<i>6</i>	<i>8</i>
<i>Air</i>	<i>1</i>	<i>16</i>	<i>37</i>	<i>57</i>	<i>12</i>	<i>18</i>	<i>3</i>	<i>5</i>	<i>2</i>	<i>...</i>	<i>...</i>	<i>0</i>
Other capital goods	97	157	181	196	123	138	200	232	237	261	255	288
Intermediate goods	1 050	1 412	1 939	2 055	2 535	2 915	3 004	3 435	3 447	3 564	3 763	4 051
Intermediate agricultural, forestry and fishing products	63	78	92	89	88	109	121	117	152	178	150	158
Intermediate energy products	30	25	25	55	34	43	64	84	72	119	112	205
Intermediate industrial products	957	1 309	1 823	1 912	2 412	2 764	2 820	3 234	3 222	3 268	3 501	3 687
Total imports	2 091	2 860	3 786	3 736	4 370	5 345	5 598	6 405	6 757	6 892	7 407	8 490
Energy products	31	27	26	56	38	43	79	84	72	120	112	205
Non-energy products	2 060	2 833	3 760	3 680	4 333	5 302	5 519	6 321	6 685	6 772	7 295	8 285

SOURCE: Departamento de Aduanas.

a. Provisional data.

NETHERLANDS: EXPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	860	1 094	1 277	1 328	1 723	1 879	1 921	2 145	2 235	2 132	2 171	2 008
Food, beverages and tobacco	497	600	688	664	853	802	759	797	848	912	947	912
Consumer durables	210	266	363	418	532	666	779	897	886	701	744	676
<i>Automobiles</i>	<i>153</i>	<i>191</i>	<i>265</i>	<i>251</i>	<i>333</i>	<i>394</i>	<i>508</i>	<i>627</i>	<i>652</i>	<i>543</i>	<i>617</i>	<i>553</i>
<i>Other</i>	<i>57</i>	<i>75</i>	<i>99</i>	<i>167</i>	<i>199</i>	<i>272</i>	<i>272</i>	<i>270</i>	<i>234</i>	<i>159</i>	<i>127</i>	<i>123</i>
Other consumer non-durables	154	229	226	246	338	411	383	452	501	519	480	420
Capital goods	159	487	201	221	402	301	521	543	457	494	528	502
Machinery and other capital goods	99	119	119	113	130	145	225	241	259	295	297	296
Transport equipment	44	350	63	85	242	130	263	261	166	166	209	173
<i>Overland non-railway</i>	<i>36</i>	<i>60</i>	<i>60</i>	<i>56</i>	<i>170</i>	<i>120</i>	<i>211</i>	<i>203</i>	<i>165</i>	<i>155</i>	<i>190</i>	<i>173</i>
<i>Railway</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>6</i>	<i>40</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Maritime</i>	<i>8</i>	<i>7</i>	<i>2</i>	<i>0</i>	<i>32</i>	<i>10</i>	<i>15</i>	<i>43</i>	<i>0</i>	<i>10</i>	<i>20</i>	<i>0</i>
<i>Air</i>	<i>0</i>	<i>282</i>	<i>...</i>	<i>23</i>	<i>...</i>	<i>...</i>	<i>37</i>	<i>15</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>...</i>
Other capital goods	16	18	19	24	30	27	33	41	32	34	22	33
Intermediate goods	690	875	1 054	1 116	1 259	1 282	1 405	1 882	1 892	1 689	2 006	2 375
Intermediate agricultural, forestry and fishing products	60	54	71	80	98	108	90	100	93	89	103	118
Intermediate energy products	67	59	73	76	68	73	112	202	220	125	253	352
Intermediate industrial products	563	763	909	961	1 093	1 101	1 203	1 580	1 578	1 475	1 650	1 906
Total exports	1 709	2 456	2 531	2 665	3 384	3 462	3 847	4 570	4 584	4 316	4 705	4 886
Energy products	67	62	77	80	68	104	118	242	241	128	253	352
Non-energy products	1 642	2 394	2 454	2 585	3 317	3 358	3 729	4 328	4 343	4 188	4 452	4 534

SOURCE: Departamento de Aduanas.

a. Provisional data.

BELGIUM-LUXEMBOURG: IMPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	859	827	805	1 129	1 267	1 459	2 041	2 121	2 380	2 067	1 928	2 385
Food, beverages and tobacco	170	209	212	212	242	284	270	295	381	357	386	452
Consumer durables	559	456	380	697	748	868	1 381	1 411	1 497	1 152	984	1 254
<i>Automobiles</i>	<i>505</i>	<i>394</i>	<i>321</i>	<i>624</i>	<i>684</i>	<i>786</i>	<i>1 300</i>	<i>1 292</i>	<i>1 382</i>	<i>1 010</i>	<i>828</i>	<i>1 109</i>
<i>Other</i>	<i>54</i>	<i>62</i>	<i>59</i>	<i>73</i>	<i>64</i>	<i>82</i>	<i>81</i>	<i>119</i>	<i>115</i>	<i>142</i>	<i>155</i>	<i>145</i>
Other consumer non-durables	130	161	214	220	277	307	390	416	502	558	559	678
Capital goods	196	240	381	353	456	526	702	818	871	866	888	851
Machinery and other capital goods	108	122	192	196	226	279	365	429	497	505	489	494
Transport equipment	73	96	159	127	197	212	290	346	328	309	350	295
<i>Overland non-railway</i>	<i>52</i>	<i>96</i>	<i>159</i>	<i>127</i>	<i>197</i>	<i>212</i>	<i>290</i>	<i>345</i>	<i>327</i>	<i>308</i>	<i>296</i>	<i>291</i>
<i>Railway</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>3</i>	<i>0</i>
<i>Maritime</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>...</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>3</i>
<i>Air</i>	<i>21</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>1</i>	<i>0</i>	<i>...</i>	<i>51</i>	<i>0</i>
Other capital goods	14	22	30	30	33	35	47	43	46	52	50	63
Intermediate goods	1 058	1 426	1 830	1 849	2 108	2 325	2 361	2 749	2 789	2 942	3 011	3 485
Intermediate agricultural, forestry and fishing products	13	22	28	20	18	19	16	15	15	21	20	21
Intermediate energy products	33	24	31	28	35	30	24	61	77	62	70	96
Intermediate industrial products	1 012	1 381	1 771	1 801	2 055	2 277	2 321	2 674	2 697	2 859	2 920	3 368
Total imports	2 112	2 493	3 016	3 332	3 831	4 310	5 105	5 689	6 039	5 874	5 827	6 721
Energy products	33	24	32	28	43	31	24	61	77	63	70	97
Non-energy products	2 079	2 469	2 984	3 303	3 788	4 280	5 080	5 628	5 962	5 811	5 758	6 624

SOURCE: Departamento de Aduanas.

a. Provisional data.

BELGIUM-LUXEMBOURG: EXPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	550	685	782	819	944	1 095	1 227	1 365	1 571	1 541	1 969	2 153
Food, beverages and tobacco	161	206	251	261	319	337	310	347	417	437	457	461
Consumer durables	260	327	343	353	394	488	620	686	744	691	1 028	1 216
<i>Automobiles</i>	<i>223</i>	<i>283</i>	<i>285</i>	<i>290</i>	<i>333</i>	<i>419</i>	<i>537</i>	<i>593</i>	<i>618</i>	<i>542</i>	<i>874</i>	<i>1 088</i>
<i>Other</i>	<i>37</i>	<i>44</i>	<i>58</i>	<i>64</i>	<i>61</i>	<i>69</i>	<i>83</i>	<i>93</i>	<i>126</i>	<i>149</i>	<i>155</i>	<i>128</i>
Other consumer non-durables	129	152	188	204	231	270	297	332	409	413	484	477
Capital goods	208	171	246	317	299	267	247	287	396	281	452	439
Machinery and other capital goods	141	132	167	227	121	90	124	119	144	115	294	306
Transport equipment	25	28	69	78	164	159	104	140	221	143	134	104
<i>Overland non-railway</i>	<i>25</i>	<i>27</i>	<i>46</i>	<i>67</i>	<i>156</i>	<i>159</i>	<i>104</i>	<i>126</i>	<i>124</i>	<i>89</i>	<i>103</i>	<i>103</i>
<i>Railway</i>	<i>...</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>14</i>	<i>87</i>	<i>54</i>	<i>30</i>	<i>0</i>
<i>Maritime</i>	<i>0</i>	<i>0</i>	<i>3</i>	<i>11</i>	<i>7</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>10</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Air</i>	<i>...</i>	<i>...</i>	<i>19</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>0</i>	<i>1</i>
Other capital goods	43	12	11	13	15	18	19	28	31	24	25	29
Intermediate goods	670	919	1 108	1 181	1 374	1 422	1 632	1 876	1 925	1 856	1 877	2 033
Intermediate agricultural, forestry and fishing products	34	28	41	69	67	59	70	73	73	80	84	84
Intermediate energy products	25	42	44	52	52	42	30	119	89	93	130	89
Intermediate industrial products	611	849	1 023	1 059	1 256	1 321	1 531	1 684	1 764	1 683	1 663	1 860
Total exports	1 428	1 775	2 137	2 317	2 618	2 784	3 106	3 528	3 892	3 678	4 299	4 625
Energy products	25	42	45	52	52	42	33	119	100	93	130	89
Non-energy products	1 403	1 734	2 092	2 265	2 566	2 742	3 073	3 410	3 791	3 585	4 168	4 537

SOURCE: Departamento de Aduanas.

a. Provisional data.

PORTUGAL: IMPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	595	636	789	998	1 041	1 192	1 264	1 421	1 510	1 750	1 893	2 053
Food, beverages and tobacco	102	178	221	260	308	366	366	457	488	531	510	581
Consumer durables	200	138	172	304	267	255	293	257	227	308	326	449
<i>Automobiles</i>	<i>114</i>	<i>56</i>	<i>88</i>	<i>216</i>	<i>150</i>	<i>128</i>	<i>133</i>	<i>78</i>	<i>47</i>	<i>135</i>	<i>110</i>	<i>230</i>
<i>Other</i>	<i>86</i>	<i>82</i>	<i>84</i>	<i>89</i>	<i>117</i>	<i>127</i>	<i>159</i>	<i>178</i>	<i>180</i>	<i>174</i>	<i>216</i>	<i>218</i>
Other consumer non-durables	293	320	396	434	466	571	606	708	795	910	1 057	1 024
Capital goods	99	177	235	235	229	273	352	460	471	468	510	479
Machinery and other capital goods	78	128	177	164	135	175	238	315	334	319	359	348
Transport equipment	8	29	37	52	60	60	73	97	64	92	90	68
<i>Overland non-railway</i>	<i>8</i>	<i>27</i>	<i>35</i>	<i>41</i>	<i>45</i>	<i>49</i>	<i>66</i>	<i>39</i>	<i>45</i>	<i>69</i>	<i>86</i>	<i>67</i>
<i>Railway</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>0</i>
<i>Maritime</i>	<i>0</i>	<i>2</i>	<i>2</i>	<i>10</i>	<i>15</i>	<i>11</i>	<i>8</i>	<i>5</i>	<i>19</i>	<i>20</i>	<i>4</i>	<i>0</i>
<i>Air</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>53</i>	<i>0</i>	<i>3</i>	<i>...</i>	<i>0</i>
Other capital goods	13	20	21	19	34	38	41	48	73	57	60	63
Intermediate goods	920	1 222	1 575	1 526	1 723	1 974	2 241	2 728	2 876	3 231	3 593	4 205
Intermediate agricultural, forestry and fishing products	40	54	87	68	78	70	91	113	136	149	143	158
Intermediate energy products	81	52	69	51	36	26	40	81	89	89	111	224
Intermediate industrial products	799	1 115	1 418	1 406	1 609	1 879	2 110	2 535	2 650	2 993	3 339	3 823
Total imports	1 615	2 035	2 599	2 759	2 994	3 440	3 858	4 609	4 857	5 449	5 995	6 738
Energy products	95	58	77	56	37	26	40	81	93	89	112	226
Non-energy products	1 519	1 977	2 522	2 703	2 957	3 414	3 818	4 528	4 765	5 360	5 884	6 512

SOURCE: Departamento de Aduanas.

a. Provisional data.

PORTUGAL: EXPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	1 296	1 806	2 148	2 528	2 949	3 540	3 917	4 252	4 880	4 866	4 772	4 946
Food, beverages and tobacco	368	616	781	986	1 173	1 357	1 387	1 536	1 891	1 780	1 831	1 835
Consumer durables	570	736	738	801	905	1 144	1 283	1 348	1 403	1 342	1 197	1 274
<i>Automobiles</i>	<i>434</i>	<i>575</i>	<i>474</i>	<i>499</i>	<i>529</i>	<i>722</i>	<i>812</i>	<i>840</i>	<i>825</i>	<i>732</i>	<i>634</i>	<i>692</i>
<i>Other</i>	<i>135</i>	<i>161</i>	<i>264</i>	<i>302</i>	<i>375</i>	<i>422</i>	<i>470</i>	<i>508</i>	<i>579</i>	<i>610</i>	<i>563</i>	<i>582</i>
Other consumer non-durables	358	455	629	741	871	1 038	1 247	1 368	1 586	1 744	1 745	1 836
Capital goods	371	509	653	830	1 086	1 157	1 371	1 429	1 736	1 482	1 304	1 407
Machinery and other capital goods	257	345	463	547	672	794	903	933	1 171	953	854	937
Transport equipment	77	85	78	107	225	180	225	206	242	219	167	166
<i>Overland non-railway</i>	<i>61</i>	<i>58</i>	<i>66</i>	<i>91</i>	<i>128</i>	<i>133</i>	<i>155</i>	<i>189</i>	<i>201</i>	<i>170</i>	<i>149</i>	<i>155</i>
<i>Railway</i>	<i>1</i>	<i>2</i>	<i>1</i>	<i>1</i>	<i>0</i>	<i>18</i>	<i>63</i>	<i>1</i>	<i>5</i>	<i>4</i>	<i>4</i>	<i>1</i>
<i>Maritime</i>	<i>15</i>	<i>4</i>	<i>11</i>	<i>15</i>	<i>97</i>	<i>27</i>	<i>7</i>	<i>16</i>	<i>36</i>	<i>45</i>	<i>14</i>	<i>11</i>
<i>Air</i>	<i>...</i>	<i>22</i>	<i>...</i>	<i>0</i>	<i>0</i>	<i>3</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>0</i>	<i>0</i>	<i>0</i>
Other capital goods	37	79	112	177	189	183	243	290	324	310	283	304
Intermediate goods	1 718	2 291	3 004	3 489	4 435	4 710	5 207	6 174	6 609	7 212	7 216	7 912
Intermediate agricultural, forestry and fishing products	142	177	223	228	252	273	244	275	312	298	325	326
Intermediate energy products	113	52	91	102	186	128	142	335	240	624	666	833
Intermediate industrial products	1 463	2 061	2 691	3 158	3 997	4 309	4 821	5 564	6 057	6 290	6 226	6 753
Total exports	3 385	4 606	5 806	6 847	8 469	9 407	10 496	11 855	13 225	13 560	13 292	14 265
Energy products	113	54	92	105	186	128	149	348	266	640	671	843
Non-energy products	3 272	4 552	5 714	6 742	8 283	9 279	10 347	11 507	12 959	12 919	12 621	13 422

SOURCE: Departamento de Aduanas.

a. Provisional data.

IRELAND: IMPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	185	212	230	205	355	431	505	503	499	543	620	649
Food, beverages and tobacco	119	134	134	122	214	252	290	228	191	183	229	256
Consumer durables	9	10	10	11	12	14	19	31	20	11	9	13
<i>Automobiles</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Other</i>	<i>9</i>	<i>10</i>	<i>10</i>	<i>11</i>	<i>12</i>	<i>13</i>	<i>19</i>	<i>31</i>	<i>20</i>	<i>11</i>	<i>9</i>	<i>13</i>
Other consumer non-durables	56	67	87	72	130	165	196	244	287	350	381	380
Capital goods	92	117	179	137	128	217	425	639	374	358	247	402
Machinery and other capital goods	66	86	113	96	109	148	256	402	307	236	193	347
Transport equipment	12	1	33	21	1	27	83	142	35	81	1	9
<i>Overland non-railway</i>	<i>0</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>2</i>	<i>2</i>	<i>3</i>	<i>5</i>	<i>1</i>	<i>1</i>	<i>1</i>
<i>Railway</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>0</i>
<i>Maritime</i>	<i>12</i>	<i>...</i>	<i>6</i>	<i>...</i>	<i>0</i>	<i>5</i>	<i>2</i>	<i>5</i>	<i>8</i>	<i>0</i>	<i>0</i>	<i>7</i>
<i>Air</i>	<i>...</i>	<i>...</i>	<i>26</i>	<i>20</i>	<i>...</i>	<i>20</i>	<i>79</i>	<i>135</i>	<i>21</i>	<i>80</i>	<i>...</i>	<i>...</i>
Other capital goods	14	30	33	20	18	41	86	95	32	41	53	46
Intermediate goods	252	362	519	543	837	1 070	1 087	1 282	1 525	1 670	1 738	1 724
Intermediate agricultural, forestry and fishing products	4	5	5	5	7	8	6	8	7	8	7	6
Intermediate energy products	0	...	0	0	3	4	0	0	0	37	40	58
Intermediate industrial products	248	357	514	538	828	1 057	1 081	1 275	1 518	1 625	1 691	1 660
Total imports	529	690	928	885	1 321	1 718	2 017	2 425	2 397	2 571	2 605	2 774
Energy products	0	0	0	0	3	4	0	0	0	37	40	58
Non-energy products	529	690	928	885	1 318	1 714	2 017	2 425	2 397	2 534	2 565	2 717

SOURCE: Departamento de Aduanas.

a. Provisional data.

IRELAND: EXPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	54	85	108	146	179	239	304	416	340	370	296	328
Food, beverages and tobacco	17	22	24	32	34	38	46	50	59	70	67	68
Consumer durables	23	40	59	93	118	163	206	314	215	231	151	181
<i>Automobiles</i>	<i>19</i>	<i>35</i>	<i>53</i>	<i>85</i>	<i>104</i>	<i>137</i>	<i>182</i>	<i>288</i>	<i>187</i>	<i>205</i>	<i>128</i>	<i>159</i>
<i>Other</i>	<i>4</i>	<i>6</i>	<i>6</i>	<i>8</i>	<i>15</i>	<i>25</i>	<i>24</i>	<i>26</i>	<i>28</i>	<i>26</i>	<i>23</i>	<i>22</i>
Other consumer non-durables	15	23	24	21	27	38	52	52	65	69	78	78
Capital goods	41	71	25	77	41	83	182	211	191	146	182	231
Machinery and other capital goods	8	8	11	14	18	20	23	28	40	31	41	51
Transport equipment	32	60	13	62	20	60	155	178	139	107	132	171
<i>Overland non-railway</i>	<i>2</i>	<i>4</i>	<i>7</i>	<i>13</i>	<i>16</i>	<i>38</i>	<i>82</i>	<i>94</i>	<i>89</i>	<i>45</i>	<i>34</i>	<i>52</i>
<i>Railway</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>17</i>	<i>4</i>	<i>28</i>	<i>0</i>	<i>8</i>	<i>89</i>	<i>...</i>
<i>Maritime</i>	<i>0</i>	<i>0</i>	<i>6</i>	<i>5</i>	<i>4</i>	<i>5</i>	<i>11</i>	<i>25</i>	<i>13</i>	<i>0</i>	<i>10</i>	<i>18</i>
<i>Air</i>	<i>30</i>	<i>56</i>	<i>0</i>	<i>43</i>	<i>1</i>	<i>0</i>	<i>57</i>	<i>32</i>	<i>36</i>	<i>54</i>	<i>...</i>	<i>101</i>
Other capital goods	1	2	1	1	3	3	4	5	12	9	9	9
Intermediate goods	98	97	121	133	163	205	213	255	269	334	310	341
Intermediate agricultural, forestry and fishing products	1	1	1	1	2	3	3	2	4	7	5	5
Intermediate energy products	3	4	0	0	0	1	1	2	0	0	0	0
Intermediate industrial products	94	92	119	131	161	201	209	251	265	327	304	336
Total exports	193	253	254	356	383	527	699	883	799	850	788	900
Energy products	3	4	0	0	0	1	1	2	0	0	0	0
Non-energy products	190	249	253	355	383	526	698	881	799	850	788	900

SOURCE: Departamento de Aduanas.

a. Provisional data.

AUSTRIA: IMPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	104	127	134	198	258	323	368	370	359	461	433	474
Food, beverages and tobacco	8	11	9	18	17	14	27	31	42	80	73	117
Consumer durables	53	79	97	149	202	265	289	269	223	231	219	202
<i>Automobiles</i>	<i>16</i>	<i>29</i>	<i>71</i>	<i>109</i>	<i>159</i>	<i>218</i>	<i>237</i>	<i>222</i>	<i>167</i>	<i>173</i>	<i>168</i>	<i>162</i>
<i>Other</i>	<i>37</i>	<i>50</i>	<i>26</i>	<i>40</i>	<i>43</i>	<i>47</i>	<i>51</i>	<i>47</i>	<i>56</i>	<i>58</i>	<i>51</i>	<i>40</i>
Other consumer non-durables	43	38	28	31	40	45	52	70	94	151	142	155
Capital goods	284	354	343	419	446	503	713	650	667	630	541	568
Machinery and other capital goods	275	342	336	409	417	447	523	527	520	584	489	491
Transport equipment	4	1	2	3	5	8	135	89	126	29	30	48
<i>Overland non-railway</i>	<i>4</i>	<i>0</i>	<i>2</i>	<i>2</i>	<i>4</i>	<i>4</i>	<i>8</i>	<i>12</i>	<i>11</i>	<i>16</i>	<i>15</i>	<i>28</i>
<i>Railway</i>	<i>0</i>	<i>1</i>	<i>...</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>0</i>	<i>13</i>	<i>5</i>	<i>12</i>	<i>14</i>	<i>20</i>
<i>Maritime</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Air</i>	<i>...</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>127</i>	<i>64</i>	<i>110</i>	<i>0</i>	<i>0</i>	<i>0</i>
Other capital goods	5	11	6	8	24	47	56	34	21	17	22	29
Intermediate goods	253	297	305	341	415	514	643	782	751	779	866	943
Intermediate agricultural, forestry and fishing products	0	1	1	2	1	1	1	3	3	0	1	1
Intermediate energy products	0	0	0	0	0	0	0	7	0	0	0	0
Intermediate industrial products	252	297	304	340	414	513	643	772	747	778	864	942
Total imports	641	778	782	958	1 119	1 340	1 725	1 802	1 777	1 870	1 839	1 985
Energy products	0	0	0	0	0	0	0	9	0	0	0	0
Non-energy products	641	778	782	958	1 119	1 340	1 725	1 793	1 777	1 870	1 839	1 985

SOURCE: Departamento de Aduanas.

a. Provisional data.

AUSTRIA: EXPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	213	250	275	327	376	403	405	506	517	530	570	622
Food, beverages and tobacco	61	64	72	78	105	103	108	126	134	141	144	137
Consumer durables	116	141	160	199	208	234	219	288	271	270	310	351
<i>Automobiles</i>	<i>98</i>	<i>116</i>	<i>131</i>	<i>169</i>	<i>172</i>	<i>188</i>	<i>173</i>	<i>236</i>	<i>234</i>	<i>227</i>	<i>268</i>	<i>317</i>
<i>Other</i>	<i>18</i>	<i>25</i>	<i>28</i>	<i>30</i>	<i>36</i>	<i>46</i>	<i>46</i>	<i>51</i>	<i>37</i>	<i>43</i>	<i>41</i>	<i>34</i>
Other consumer non-durables	35	45	44	50	64	66	78	92	112	119	117	134
Capital goods	37	39	47	73	91	108	120	206	134	156	164	177
Machinery and other capital goods	26	27	30	33	37	48	70	151	90	104	116	127
Transport equipment	5	7	12	33	47	55	43	46	34	44	40	41
<i>Overland non-railway</i>	<i>5</i>	<i>7</i>	<i>12</i>	<i>33</i>	<i>47</i>	<i>55</i>	<i>43</i>	<i>46</i>	<i>34</i>	<i>33</i>	<i>40</i>	<i>41</i>
<i>Railway</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>0</i>	<i>...</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Maritime</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>0</i>	<i>...</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>0</i>
<i>Air</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>11</i>	<i>...</i>	<i>0</i>
Other capital goods	6	5	5	6	7	5	7	8	10	8	8	9
Intermediate goods	169	197	243	254	317	355	411	453	513	530	522	486
Intermediate agricultural, forestry and fishing products	11	8	8	8	9	10	12	15	16	17	20	16
Intermediate energy products	1	0	5	2	0	1	1	1	1	5	1	1
Intermediate industrial products	158	189	230	244	308	344	398	437	496	508	500	469
Total exports	419	486	565	654	784	866	936	1 164	1 164	1 216	1 256	1 285
Energy products	1	0	5	2	0	1	1	1	1	5	1	1
Non-energy products	418	486	559	652	784	865	935	1 163	1 163	1 211	1 255	1 284

SOURCE: Departamento de Aduanas.

a. Provisional data.

FINLAND: IMPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	17	18	16	16	20	24	21	22	28	36	33	29
Food, beverages and tobacco	5	6	6	3	1	4	4	8	8	9	7	6
Consumer durables	4	4	2	6	10	6	2	2	4	5	5	5
<i>Automobiles</i>	<i>2</i>	<i>2</i>	<i>0</i>	<i>3</i>	<i>1</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>2</i>
<i>Other</i>	<i>3</i>	<i>2</i>	<i>2</i>	<i>3</i>	<i>9</i>	<i>6</i>	<i>2</i>	<i>2</i>	<i>4</i>	<i>5</i>	<i>5</i>	<i>3</i>
Other consumer non-durables	7	8	8	7	8	14	15	12	16	23	22	17
Capital goods	122	88	125	151	160	237	281	353	288	248	421	300
Machinery and other capital goods	54	79	117	141	147	218	264	303	264	217	386	276
Transport equipment	60	1	4	3	3	10	6	34	4	11	20	10
<i>Overland non-railway</i>	<i>3</i>	<i>1</i>	<i>4</i>	<i>2</i>	<i>3</i>	<i>9</i>	<i>6</i>	<i>14</i>	<i>3</i>	<i>10</i>	<i>10</i>	<i>7</i>
<i>Railway</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>0</i>	<i>...</i>	<i>0</i>	<i>...</i>	<i>1</i>	<i>0</i>	<i>...</i>	<i>9</i>	<i>1</i>
<i>Maritime</i>	<i>57</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>...</i>	<i>1</i>	<i>0</i>	<i>1</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>2</i>
<i>Air</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>18</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>
Other capital goods	8	8	3	7	10	9	11	16	20	21	15	15
Intermediate goods	404	549	633	568	653	754	795	1 018	978	981	937	992
Intermediate agricultural, forestry and fishing products	0	0	3	0	0	1	1	1	8	2	6	13
Intermediate energy products	0	17	1	1	1	0	0	5	3	2	1	1
Intermediate industrial products	403	532	629	567	651	753	795	1 012	966	977	930	979
Total imports	543	655	774	735	833	1 014	1 098	1 393	1 294	1 266	1 391	1 321
Energy products	0	17	1	1	1	0	0	5	3	2	1	1
Non-energy products	542	638	773	734	832	1 014	1 098	1 388	1 291	1 264	1 390	1 320

SOURCE: Departamento de Aduanas.

a. Provisional data.

FINLAND: EXPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	62	76	92	95	141	179	194	262	226	258	289	281
Food, beverages and tobacco	39	44	46	48	56	67	71	75	86	98	97	86
Consumer durables	13	15	24	22	52	81	91	151	103	115	147	149
<i>Automobiles</i>	<i>9</i>	<i>11</i>	<i>19</i>	<i>18</i>	<i>40</i>	<i>64</i>	<i>71</i>	<i>91</i>	<i>42</i>	<i>53</i>	<i>88</i>	<i>104</i>
<i>Other</i>	<i>5</i>	<i>4</i>	<i>5</i>	<i>4</i>	<i>12</i>	<i>16</i>	<i>20</i>	<i>60</i>	<i>61</i>	<i>62</i>	<i>58</i>	<i>45</i>
Other consumer non-durables	10	17	22	25	33	31	32	36	38	45	46	46
Capital goods	8	35	58	30	87	34	50	54	57	59	78	101
Machinery and other capital goods	7	12	14	18	18	23	14	30	38	40	60	73
Transport equipment	0	22	44	10	68	10	34	23	17	18	16	26
<i>Overland non-railway</i>	<i>0</i>	<i>0</i>	<i>3</i>	<i>10</i>	<i>18</i>	<i>10</i>	<i>14</i>	<i>23</i>	<i>17</i>	<i>18</i>	<i>16</i>	<i>26</i>
<i>Railway</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>5</i>	<i>...</i>	<i>19</i>	<i>...</i>	<i>...</i>	<i>0</i>	<i>...</i>	<i>0</i>
<i>Maritime</i>	<i>...</i>	<i>0</i>	<i>...</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Air</i>	<i>...</i>	<i>21</i>	<i>41</i>	<i>...</i>	<i>45</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>
Other capital goods	1	1	0	2	1	1	2	2	2	2	2	3
Intermediate goods	59	94	107	101	129	149	163	201	192	166	179	206
Intermediate agricultural, forestry and fishing products	3	6	7	6	8	8	9	9	8	10	8	7
Intermediate energy products	0	0	0	0	0	8	2	3	1	1	3	22
Intermediate industrial products	56	89	100	95	120	134	153	189	183	155	167	178
Total exports	129	205	257	225	357	363	407	516	475	484	546	588
Energy products	0	0	0	0	0	8	2	3	1	1	3	22
Non-energy products	129	205	257	225	357	355	405	514	474	483	543	566

SOURCE: Departamento de Aduanas.

a. Provisional data.

GREECE: IMPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	21	27	28	33	34	53	100	113	137	170	168	144
Food, beverages and tobacco	8	15	17	17	17	28	60	61	71	103	84	78
Consumer durables	1	1	0	2	1	3	12	2	17	30	30	35
<i>Automobiles</i>	...	0	0	...	0	1	2	0	...	...	...	1
<i>Other</i>	1	1	0	2	1	2	10	2	17	30	30	35
Other consumer non-durables	12	11	10	14	17	22	27	49	49	36	54	31
Capital goods	10	6	9	7	10	11	5	9	9	20	25	31
Machinery and other capital goods	9	5	5	7	4	7	3	7	5	7	10	12
Transport equipment	0	...	4	0	5	0	0	0	1	7	3	3
<i>Overland non-railway</i>	0	...	0	0	...	...	0	...	...	0	0	3
<i>Railway</i>	...	...	...	0	...	...	0	0	...	...	1	0
<i>Maritime</i>	...	...	4	...	0	0	0	0	1	7	3	0
<i>Air</i>	...	...	...	...	5	...	...	...	...	...	...	...
Other capital goods	0	1	0	0	1	3	2	2	4	5	12	16
Intermediate goods	95	154	257	281	172	137	175	231	259	226	258	245
Intermediate agricultural, forestry and fishing products	37	64	151	128	23	24	54	25	34	42	54	18
Intermediate energy products	0	9	3	36	39	5	6	30	33	15	19	7
Intermediate industrial products	58	81	103	118	110	109	115	177	191	168	185	220
Total imports	125	187	294	321	216	201	279	353	406	415	451	420
Energy products	1	9	3	36	39	5	6	45	44	15	19	7
Non-energy products	124	178	291	286	178	196	274	308	362	400	432	413

SOURCE: Departamento de Aduanas.

a. Provisional data.

GREECE: EXPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	170	284	374	436	514	541	655	797	869	976	987	1 056
Food, beverages and tobacco	20	35	64	66	84	98	114	130	150	170	189	201
Consumer durables	112	187	226	261	305	295	368	452	502	549	495	510
<i>Automobiles</i>	93	153	174	203	230	220	298	358	389	430	369	380
<i>Other</i>	19	34	52	58	75	75	70	94	113	119	127	130
Other consumer non-durables	38	61	84	109	125	148	173	215	216	257	303	346
Capital goods	32	41	62	46	68	65	80	99	100	106	137	164
Machinery and other capital goods	23	25	26	32	44	41	50	57	62	68	80	105
Transport equipment	5	10	29	4	13	12	14	25	21	21	42	44
<i>Overland non-railway</i>	5	6	4	4	13	12	14	25	21	20	38	44
<i>Railway</i>	0	0	0	...	...	...	...	...	...	...	...	...
<i>Maritime</i>	1	4	...	...	0	0	0	0	0	1	5	0
<i>Air</i>	...	...	25	...	...	...	...	...	...	...	...	...
Other capital goods	3	6	7	10	11	12	16	18	17	17	14	14
Intermediate goods	179	217	267	279	341	342	355	419	451	485	545	577
Intermediate agricultural, forestry and fishing products	6	9	5	12	15	7	4	10	16	19	13	19
Intermediate energy products	11	11	9	9	9	9	16	22	5	3	5	4
Intermediate industrial products	161	197	253	259	316	326	335	387	430	464	527	554
Total exports	381	542	703	761	923	948	1 090	1 315	1 420	1 567	1 669	1 798
Energy products	11	11	9	9	9	12	23	43	13	3	5	7
Non-energy products	370	531	695	752	914	936	1 067	1 272	1 408	1 564	1 663	1 790

SOURCE: Departamento de Aduanas.

a. Provisional data.

UNITED KINGDOM: IMPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	1 660	2 150	2 131	2 437	2 642	2 881	3 176	3 554	3 679	3 544	3 741	4 315
Food, beverages and tobacco	696	832	829	804	910	917	966	1 052	1 216	1 077	1 181	1 158
Consumer durables	617	881	803	1 044	1 111	1 302	1 424	1 490	1 282	1 230	1 230	1 760
<i>Automobiles</i>	<i>439</i>	<i>648</i>	<i>567</i>	<i>762</i>	<i>815</i>	<i>1 007</i>	<i>1 163</i>	<i>1 210</i>	<i>1 014</i>	<i>953</i>	<i>917</i>	<i>1 422</i>
<i>Other</i>	<i>178</i>	<i>232</i>	<i>236</i>	<i>282</i>	<i>296</i>	<i>295</i>	<i>261</i>	<i>280</i>	<i>268</i>	<i>277</i>	<i>313</i>	<i>338</i>
Other consumer non-durables	347	438	498	589	621	662	787	1 011	1 181	1 236	1 330	1 398
Capital goods	697	893	1 137	1 470	1 628	1 791	2 148	2 335	2 586	2 128	2 013	2 057
Machinery and other capital goods	538	669	848	1 107	1 300	1 322	1 571	1 939	2 057	1 661	1 526	1 634
Transport equipment	62	101	133	194	108	185	233	132	151	116	132	177
<i>Overland non-railway</i>	<i>54</i>	<i>37</i>	<i>59</i>	<i>67</i>	<i>68</i>	<i>74</i>	<i>97</i>	<i>74</i>	<i>77</i>	<i>98</i>	<i>122</i>	<i>156</i>
<i>Railway</i>	<i>1</i>	<i>1</i>	<i>0</i>	<i>2</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>0</i>	<i>2</i>	<i>1</i>	<i>4</i>	<i>12</i>
<i>Maritime</i>	<i>8</i>	<i>6</i>	<i>11</i>	<i>4</i>	<i>5</i>	<i>5</i>	<i>17</i>	<i>7</i>	<i>23</i>	<i>6</i>	<i>6</i>	<i>6</i>
<i>Air</i>	<i>0</i>	<i>58</i>	<i>62</i>	<i>119</i>	<i>34</i>	<i>106</i>	<i>119</i>	<i>50</i>	<i>49</i>	<i>10</i>	<i>0</i>	<i>2</i>
Other capital goods	98	123	157	170	220	284	344	263	378	351	354	246
Intermediate goods	2 172	2 873	3 599	3 880	4 624	4 788	5 064	6 171	5 912	5 762	6 112	6 311
Intermediate agricultural, forestry and fishing products	69	136	241	177	264	235	176	194	169	178	238	235
Intermediate energy products	211	231	233	224	365	274	375	850	698	636	628	426
Intermediate industrial products	1 892	2 507	3 125	3 479	3 994	4 280	4 513	5 127	5 044	4 948	5 246	5 650
Total imports	4 529	5 917	6 867	7 787	8 894	9 461	10 388	12 060	12 176	11 434	11 867	12 683
Energy products	224	243	249	257	372	277	398	864	699	639	629	426
Non-energy products	4 305	5 674	6 617	7 531	8 522	9 184	9 990	11 195	11 477	10 794	11 238	12 257

SOURCE: Departamento de Aduanas.

a. Provisional data.

UNITED KINGDOM: EXPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	1 907	2 408	2 670	3 039	3 639	4 108	4 556	5 285	6 584	7 252	6 797	6 938
Food, beverages and tobacco	657	783	878	934	1 172	1 257	1 290	1 402	1 639	1 704	1 718	1 770
Consumer durables	959	1 202	1 275	1 573	1 763	2 009	2 311	2 774	3 663	3 916	3 535	3 747
<i>Automobiles</i>	<i>803</i>	<i>1 012</i>	<i>1 065</i>	<i>1 297</i>	<i>1 415</i>	<i>1 625</i>	<i>1 821</i>	<i>2 258</i>	<i>3 067</i>	<i>3 296</i>	<i>3 093</i>	<i>3 348</i>
<i>Other</i>	<i>156</i>	<i>190</i>	<i>210</i>	<i>276</i>	<i>348</i>	<i>383</i>	<i>490</i>	<i>515</i>	<i>597</i>	<i>620</i>	<i>442</i>	<i>399</i>
Other consumer non-durables	291	422	518	533	704	842	955	1 110	1 282	1 631	1 544	1 421
Capital goods	380	410	509	854	1 544	1 099	931	1 122	1 200	1 480	1 550	1 467
Machinery and other capital goods	230	275	357	483	1 178	545	511	615	621	723	896	794
Transport equipment	111	118	130	347	332	515	379	450	507	692	589	606
<i>Overland non-railway</i>	<i>24</i>	<i>73</i>	<i>114</i>	<i>175</i>	<i>260</i>	<i>403</i>	<i>337</i>	<i>378</i>	<i>492</i>	<i>500</i>	<i>450</i>	<i>347</i>
<i>Railway</i>	<i>3</i>	<i>0</i>	<i>2</i>	<i>11</i>	<i>60</i>	<i>58</i>	<i>2</i>	<i>60</i>	<i>3</i>	<i>25</i>	<i>12</i>	<i>118</i>
<i>Maritime</i>	<i>84</i>	<i>0</i>	<i>13</i>	<i>6</i>	<i>12</i>	<i>43</i>	<i>14</i>	<i>12</i>	<i>12</i>	<i>10</i>	<i>127</i>	<i>102</i>
<i>Air</i>	<i>...</i>	<i>44</i>	<i>1</i>	<i>154</i>	<i>0</i>	<i>11</i>	<i>26</i>	<i>0</i>	<i>...</i>	<i>156</i>	<i>0</i>	<i>40</i>
Other capital goods	39	17	22	24	33	38	40	58	71	65	66	67
Intermediate goods	1 549	1 994	2 314	2 592	2 993	3 201	3 261	3 791	3 931	4 132	4 554	4 821
Intermediate agricultural, forestry and fishing products	32	45	52	59	70	90	92	104	114	125	129	148
Intermediate energy products	76	112	97	119	63	54	60	155	50	36	34	87
Intermediate industrial products	1 440	1 836	2 165	2 414	2 859	3 058	3 109	3 533	3 767	3 971	4 391	4 586
Total exports	3 835	4 811	5 494	6 485	8 176	8 408	8 748	10 199	11 714	12 863	12 902	13 226
Energy products	76	113	120	127	74	74	78	176	71	36	34	87
Non-energy products	3 759	4 698	5 374	6 358	8 101	8 334	8 669	10 023	11 643	12 827	12 868	13 139

SOURCE: Departamento de Aduanas.

a. Provisional data.

DENMARK: IMPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	280	312	309	331	365	413	446	515	538	613	652	677
Food, beverages and tobacco	212	241	235	249	275	304	320	339	329	356	374	377
Consumer durables	19	18	17	17	19	23	26	32	40	42	41	45
<i>Automobiles</i>	<i>0</i>	<i>0</i>	<i>...</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>1</i>	<i>...</i>	<i>0</i>	<i>1</i>
<i>Other</i>	<i>19</i>	<i>18</i>	<i>17</i>	<i>17</i>	<i>19</i>	<i>23</i>	<i>26</i>	<i>32</i>	<i>40</i>	<i>42</i>	<i>41</i>	<i>44</i>
Other consumer non-durables	50	53	58	64	71	86	101	143	168	216	237	255
Capital goods	56	73	103	143	112	137	134	142	170	238	192	188
Machinery and other capital goods	41	50	84	116	89	110	106	99	132	193	154	147
Transport equipment	2	9	4	9	2	2	4	11	4	5	6	5
<i>Overland non-railway</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>0</i>	<i>1</i>	<i>2</i>	<i>2</i>
<i>Railway</i>	<i>0</i>	<i>...</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>2</i>	<i>1</i>	<i>1</i>
<i>Maritime</i>	<i>1</i>	<i>8</i>	<i>2</i>	<i>9</i>	<i>1</i>	<i>1</i>	<i>3</i>	<i>10</i>	<i>3</i>	<i>3</i>	<i>2</i>	<i>2</i>
<i>Air</i>	<i>...</i>	<i>...</i>	<i>1</i>	<i>...</i>	<i>1</i>	<i>...</i>	<i>1</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>1</i>	<i>0</i>
Other capital goods	13	15	15	18	21	25	23	33	35	39	33	35
Intermediate goods	173	221	296	321	350	399	439	439	481	579	638	632
Intermediate agricultural, forestry and fishing products	23	14	21	13	9	21	13	9	14	14	30	12
Intermediate energy products	0	30	55	47	12	4	7	24	3	56	47	34
Intermediate industrial products	149	176	220	261	329	373	420	407	463	509	561	586
Total imports	509	606	708	795	827	949	1 020	1 097	1 189	1 429	1 482	1 497
Energy products	0	30	55	47	12	4	7	24	3	56	47	34
Non-energy products	509	576	653	748	815	944	1 013	1 073	1 186	1 373	1 435	1 462

SOURCE: Departamento de Aduanas.

a. Provisional data.

DENMARK: EXPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	145	199	253	276	339	369	443	468	464	496	491	487
Food, beverages and tobacco	76	98	118	133	164	167	170	174	189	202	214	216
Consumer durables	47	70	94	96	118	131	171	182	164	157	131	123
<i>Automobiles</i>	<i>29</i>	<i>48</i>	<i>63</i>	<i>54</i>	<i>65</i>	<i>70</i>	<i>114</i>	<i>122</i>	<i>107</i>	<i>115</i>	<i>96</i>	<i>93</i>
<i>Other</i>	<i>18</i>	<i>23</i>	<i>31</i>	<i>42</i>	<i>53</i>	<i>61</i>	<i>57</i>	<i>60</i>	<i>57</i>	<i>42</i>	<i>35</i>	<i>30</i>
Other consumer non-durables	21	31	42	47	57	71	103	112	112	137	146	147
Capital goods	26	40	51	51	87	91	100	120	126	196	127	154
Machinery and other capital goods	23	35	39	37	42	52	42	56	78	74	88	89
Transport equipment	2	3	8	12	41	35	54	59	43	116	35	59
<i>Overland non-railway</i>	<i>2</i>	<i>3</i>	<i>8</i>	<i>12</i>	<i>41</i>	<i>35</i>	<i>51</i>	<i>59</i>	<i>43</i>	<i>33</i>	<i>34</i>	<i>46</i>
<i>Railway</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Maritime</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>2</i>	<i>0</i>	<i>0</i>	<i>2</i>	<i>0</i>	<i>13</i>
<i>Air</i>	<i>...</i>	<i>...</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>81</i>	<i>...</i>	<i>...</i>
Other capital goods	1	2	4	3	4	4	4	5	5	6	5	6
Intermediate goods	115	138	171	157	193	237	227	299	269	290	289	293
Intermediate agricultural, forestry and fishing products	6	5	5	4	6	9	8	8	9	14	12	13
Intermediate energy products	12	12	10	10	17	18	17	61	5	1	1	1
Intermediate industrial products	97	121	155	143	169	211	202	230	256	275	276	280
Total exports	285	377	474	484	619	698	770	887	860	982	908	935
Energy products	12	12	10	10	17	18	17	61	5	1	1	1
Non-energy products	273	365	465	474	601	680	753	826	855	981	907	934

SOURCE: Departamento de Aduanas.

a. Provisional data.

SWEDEN: IMPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	88	132	96	121	144	203	367	399	430	304	240	308
Food, beverages and tobacco	9	11	13	17	23	22	20	24	30	30	35	58
Consumer durables	47	76	45	50	61	99	171	201	160	138	152	188
<i>Automobiles</i>	<i>31</i>	<i>51</i>	<i>26</i>	<i>33</i>	<i>37</i>	<i>78</i>	<i>147</i>	<i>165</i>	<i>131</i>	<i>107</i>	<i>126</i>	<i>164</i>
<i>Other</i>	<i>16</i>	<i>25</i>	<i>20</i>	<i>18</i>	<i>25</i>	<i>21</i>	<i>24</i>	<i>36</i>	<i>29</i>	<i>31</i>	<i>26</i>	<i>24</i>
Other consumer non-durables	33	45	38	54	59	82	176	174	240	136	53	63
Capital goods	175	254	303	345	409	482	850	967	533	532	666	719
Machinery and other capital goods	122	193	245	230	344	394	736	871	429	401	459	525
Transport equipment	39	48	44	99	47	66	91	75	79	96	175	165
<i>Overland non-railway</i>	<i>39</i>	<i>48</i>	<i>44</i>	<i>61</i>	<i>28</i>	<i>63</i>	<i>89</i>	<i>74</i>	<i>78</i>	<i>95</i>	<i>111</i>	<i>163</i>
<i>Railway</i>	<i>0</i>	<i>0</i>	<i>...</i>	<i>0</i>	<i>0</i>	<i>...</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>0</i>
<i>Maritime</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>1</i>	<i>5</i>	<i>1</i>
<i>Air</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>37</i>	<i>19</i>	<i>2</i>	<i>2</i>	<i>...</i>	<i>0</i>	<i>...</i>	<i>59</i>	<i>1</i>
Other capital goods	13	13	14	16	18	23	23	22	25	34	33	29
Intermediate goods	486	586	714	930	988	1 105	1 475	1 272	1 187	1 452	1 809	1 670
Intermediate agricultural, forestry and fishing products	0	0	9	15	7	28	22	8	30	18	18	32
Intermediate energy products	1	1	4	1	3	1	23	49	31	124	86	253
Intermediate industrial products	484	585	701	914	978	1 076	1 431	1 216	1 126	1 310	1 705	1 386
Total imports	749	972	1 114	1 396	1 542	1 790	2 691	2 639	2 150	2 288	2 715	2 697
Energy products	1	1	7	1	3	1	23	49	31	124	86	254
Non-energy products	748	971	1 107	1 395	1 538	1 789	2 668	2 590	2 119	2 164	2 629	2 443

SOURCE: Departamento de Aduanas.

a. Provisional data.

SWEDEN: EXPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	176	186	231	284	355	409	458	503	505	468	525	531
Food, beverages and tobacco	109	104	127	152	155	167	182	186	202	225	238	234
Consumer durables	28	38	58	78	120	151	161	192	157	125	159	187
<i>Automobiles</i>	<i>11</i>	<i>20</i>	<i>36</i>	<i>47</i>	<i>82</i>	<i>111</i>	<i>122</i>	<i>144</i>	<i>100</i>	<i>71</i>	<i>95</i>	<i>128</i>
<i>Other</i>	<i>17</i>	<i>18</i>	<i>22</i>	<i>32</i>	<i>39</i>	<i>40</i>	<i>38</i>	<i>48</i>	<i>57</i>	<i>54</i>	<i>64</i>	<i>59</i>
Other consumer non-durables	38	44	47	54	79	92	115	125	146	118	128	110
Capital goods	126	30	53	109	129	91	134	106	147	132	155	242
Machinery and other capital goods	29	26	47	82	86	81	60	61	96	79	90	103
Transport equipment	95	2	2	24	41	6	71	38	42	45	54	128
<i>Overland non-railway</i>	<i>5</i>	<i>0</i>	<i>2</i>	<i>8</i>	<i>12</i>	<i>6</i>	<i>17</i>	<i>36</i>	<i>42</i>	<i>45</i>	<i>54</i>	<i>57</i>
<i>Railway</i>	<i>...</i>	<i>1</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>0</i>	<i>1</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>1</i>
<i>Maritime</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>15</i>	<i>29</i>	<i>0</i>	<i>52</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Air</i>	<i>91</i>	<i>0</i>	<i>...</i>	<i>1</i>	<i>1</i>	<i>...</i>	<i>...</i>	<i>2</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>70</i>
Other capital goods	2	3	4	3	2	4	3	7	8	8	11	11
Intermediate goods	227	231	344	316	422	609	632	642	652	615	640	701
Intermediate agricultural, forestry and fishing products	6	4	5	6	5	6	9	11	15	15	20	20
Intermediate energy products	52	9	2	1	0	5	4	12	10	5	3	5
Intermediate industrial products	170	218	336	309	417	598	620	620	627	595	617	676
Total exports	528	448	627	709	906	1 110	1 224	1 251	1 304	1 215	1 320	1 474
Energy products	52	9	2	1	0	5	4	12	10	5	3	5
Non-energy products	477	439	625	708	906	1 104	1 220	1 239	1 293	1 210	1 317	1 469

SOURCE: Departamento de Aduanas.

a. Provisional data.

UNITED STATES: IMPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	453	698	526	665	743	795	848	901	1 016	957	939	1 159
Food, beverages and tobacco	105	159	186	230	230	260	259	258	262	261	285	360
Consumer durables	180	358	139	167	224	219	241	239	315	220	174	264
<i>Automobiles</i>	<i>83</i>	<i>86</i>	<i>55</i>	<i>57</i>	<i>66</i>	<i>90</i>	<i>107</i>	<i>71</i>	<i>66</i>	<i>51</i>	<i>48</i>	<i>80</i>
<i>Other</i>	<i>97</i>	<i>272</i>	<i>84</i>	<i>110</i>	<i>158</i>	<i>128</i>	<i>134</i>	<i>168</i>	<i>249</i>	<i>169</i>	<i>127</i>	<i>184</i>
Other consumer non-durables	168	181	202	269	288	316	348	404	438	476	480	535
Capital goods	1 170	1 458	1 188	1 347	1 718	1 800	2 607	3 033	2 158	1 782	1 436	1 505
Machinery and other capital goods	530	603	716	835	1 049	1 185	1 209	1 336	1 203	970	871	967
Transport equipment	478	647	258	258	399	293	1 042	1 289	565	416	157	150
<i>Overland non-railway</i>	<i>4</i>	<i>6</i>	<i>12</i>	<i>21</i>	<i>52</i>	<i>33</i>	<i>37</i>	<i>74</i>	<i>55</i>	<i>58</i>	<i>38</i>	<i>48</i>
<i>Railway</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>2</i>	<i>1</i>	<i>1</i>	<i>0</i>	<i>0</i>	<i>4</i>	<i>1</i>	<i>22</i>	<i>1</i>
<i>Maritime</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>2</i>	<i>2</i>	<i>2</i>	<i>3</i>	<i>3</i>	<i>5</i>	<i>9</i>	<i>5</i>	<i>1</i>
<i>Air</i>	<i>474</i>	<i>641</i>	<i>245</i>	<i>233</i>	<i>344</i>	<i>258</i>	<i>1 001</i>	<i>1 212</i>	<i>502</i>	<i>348</i>	<i>93</i>	<i>100</i>
Other capital goods	161	208	214	254	269	321	356	409	390	397	408	388
Intermediate goods	2 819	3 225	3 823	3 916	4 389	4 431	4 198	4 824	4 698	4 464	4 485	4 801
Intermediate agricultural, forestry and fishing products	376	471	734	602	709	608	423	435	478	522	532	369
Intermediate energy products	232	241	244	268	315	237	176	239	265	209	186	350
Intermediate industrial products	2 211	2 513	2 844	3 046	3 365	3 586	3 599	4 149	3 955	3 733	3 766	4 081
Total imports	4 443	5 381	5 537	5 928	6 849	7 026	7 654	8 758	7 871	7 203	6 859	7 465
Energy products	232	241	244	268	315	237	176	239	265	209	186	350
Non-energy products	4 210	5 139	5 293	5 660	6 534	6 789	7 478	8 519	7 606	6 994	6 673	7 114

SOURCE: Departamento de Aduanas.

a. Provisional data.

UNITED STATES: EXPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	824	1 083	994	1 097	1 341	1 415	1 568	1 934	2 027	1 925	1 834	1 877
Food, beverages and tobacco	266	315	330	356	435	498	633	705	707	727	705	660
Consumer durables	68	93	101	104	168	165	174	251	236	240	219	227
<i>Automobiles</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>1</i>	<i>2</i>	<i>2</i>	<i>1</i>	<i>2</i>	<i>1</i>
<i>Other</i>	<i>67</i>	<i>92</i>	<i>100</i>	<i>103</i>	<i>168</i>	<i>165</i>	<i>173</i>	<i>249</i>	<i>233</i>	<i>239</i>	<i>217</i>	<i>226</i>
Other consumer non-durables	490	675	563	637	738	752	761	978	1 085	958	910	990
Capital goods	173	325	336	483	534	515	683	964	608	741	660	531
Machinery and other capital goods	138	246	258	298	432	452	489	600	391	485	520	385
Transport equipment	6	53	57	158	75	22	120	298	157	183	75	82
<i>Overland non-railway</i>	<i>2</i>	<i>3</i>	<i>2</i>	<i>1</i>	<i>3</i>	<i>15</i>	<i>9</i>	<i>10</i>	<i>9</i>	<i>7</i>	<i>7</i>	<i>8</i>
<i>Railway</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>10</i>	<i>0</i>	<i>4</i>	<i>3</i>	<i>17</i>
<i>Maritime</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>74</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>9</i>	<i>1</i>	<i>0</i>	<i>4</i>
<i>Air</i>	<i>3</i>	<i>50</i>	<i>55</i>	<i>83</i>	<i>71</i>	<i>6</i>	<i>110</i>	<i>277</i>	<i>138</i>	<i>171</i>	<i>64</i>	<i>53</i>
Other capital goods	30	25	21	26	26	42	74	67	61	73	65	64
Intermediate goods	1 244	1 448	1 546	1 683	2 211	2 257	2 348	3 153	3 016	3 121	3 195	3 391
Intermediate agricultural, forestry and fishing products	16	14	24	34	29	33	35	45	41	63	58	64
Intermediate energy products	158	123	75	104	143	147	89	277	184	142	158	92
Intermediate industrial products	1 070	1 310	1 447	1 545	2 039	2 077	2 224	2 831	2 791	2 917	2 979	3 235
Total exports	2 240	2 855	2 875	3 263	4 086	4 187	4 599	6 052	5 652	5 788	5 689	5 799
Energy products	273	241	107	171	185	196	154	446	465	303	363	433
Non-energy products	1 967	2 614	2 768	3 092	3 901	3 991	4 445	5 606	5 186	5 485	5 327	5 367

SOURCE: Departamento de Aduanas.

a. Provisional data.

JAPAN: IMPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	727	683	738	708	832	1 226	1 374	1 422	1 202	1 170	1 502	1 933
Food, beverages and tobacco	7	5	2	2	4	5	3	5	5	6	5	6
Consumer durables	588	546	598	581	680	1 047	1 181	1 234	1 033	997	1 338	1 767
<i>Automobiles</i>	<i>278</i>	<i>282</i>	<i>357</i>	<i>379</i>	<i>441</i>	<i>747</i>	<i>850</i>	<i>913</i>	<i>765</i>	<i>759</i>	<i>1 095</i>	<i>1 461</i>
<i>Other</i>	<i>309</i>	<i>264</i>	<i>240</i>	<i>202</i>	<i>239</i>	<i>300</i>	<i>331</i>	<i>321</i>	<i>269</i>	<i>238</i>	<i>243</i>	<i>306</i>
Other consumer non-durables	133	131	138	125	149	174	190	183	164	167	159	160
Capital goods	955	935	937	860	981	1 128	1 507	1 598	1 462	1 410	1 496	1 736
Machinery and other capital goods	738	759	774	690	778	878	1 163	1 230	1 089	1 054	1 151	1 383
Transport equipment	28	33	42	40	59	81	156	155	115	142	128	140
<i>Overland non-railway</i>	<i>28</i>	<i>33</i>	<i>41</i>	<i>39</i>	<i>58</i>	<i>81</i>	<i>156</i>	<i>155</i>	<i>107</i>	<i>142</i>	<i>128</i>	<i>140</i>
<i>Railway</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>...</i>	<i>0</i>	<i>...</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Maritime</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>7</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Air</i>	<i>...</i>	<i>...</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>
Other capital goods	188	143	121	130	144	169	188	212	259	215	218	213
Intermediate goods	929	1 024	1 170	1 053	1 145	1 336	1 519	1 812	1 681	1 678	1 837	2 035
Intermediate agricultural, forestry and fishing products	1	2	2	2	1	1	2	2	2	2	2	1
Intermediate energy products	1	2	5	2	2	0	1	0	4	4	3	6
Intermediate industrial products	927	1 021	1 163	1 049	1 142	1 334	1 517	1 810	1 675	1 672	1 832	2 028
Total imports	2 611	2 642	2 846	2 621	2 958	3 690	4 400	4 831	4 345	4 258	4 835	5 703
Energy products	1	2	5	2	2	0	1	0	4	4	3	6
Non-energy products	2 610	2 640	2 840	2 619	2 956	3 690	4 399	4 831	4 341	4 255	4 832	5 697

SOURCE: Departamento de Aduanas.

a. Provisional data.

JAPAN: EXPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	224	546	647	628	552	548	660	694	667	537	452	623
Food, beverages and tobacco	130	210	164	208	210	218	304	301	277	234	188	260
Consumer durables	25	218	341	268	204	197	206	202	183	96	54	133
<i>Automobiles</i>	<i>6</i>	<i>194</i>	<i>312</i>	<i>232</i>	<i>164</i>	<i>167</i>	<i>163</i>	<i>158</i>	<i>149</i>	<i>58</i>	<i>32</i>	<i>108</i>
<i>Other</i>	<i>19</i>	<i>25</i>	<i>28</i>	<i>35</i>	<i>40</i>	<i>30</i>	<i>42</i>	<i>44</i>	<i>34</i>	<i>38</i>	<i>22</i>	<i>25</i>
Other consumer non-durables	69	117	142	152	139	133	151	191	206	207	210	229
Capital goods	21	27	33	41	37	25	30	38	52	39	47	53
Machinery and other capital goods	15	23	31	38	35	21	26	33	42	29	32	45
Transport equipment	0	0	0	0	0	0	0	0	1	3	2	1
<i>Overland non-railway</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>3</i>	<i>1</i>	<i>1</i>
<i>Railway</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>0</i>	<i>1</i>	<i>0</i>
<i>Maritime</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Air</i>	<i>...</i>	<i>...</i>	<i>0</i>	<i>...</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>
Other capital goods	6	4	2	4	2	4	4	5	9	7	13	7
Intermediate goods	187	228	273	266	371	345	409	483	467	459	481	511
Intermediate agricultural, forestry and fishing products	4	2	6	15	18	21	15	15	18	20	21	24
Intermediate energy products	1	0	0	0	0	0	2	0	0	1	1	1
Intermediate industrial products	182	226	267	251	353	323	392	467	448	437	459	487
Total exports	432	800	953	935	961	917	1 099	1 215	1 186	1 035	980	1 187
Energy products	1	0	0	0	0	0	2	0	0	1	1	1
Non-energy products	431	800	953	935	961	917	1 097	1 215	1 185	1 034	979	1 186

SOURCE: Departamento de Aduanas.

a. Provisional data.

CANADA: IMPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	48	72	77	82	76	95	111	146	128	64	93	197
Food, beverages and tobacco	39	55	51	61	50	68	76	111	97	37	51	130
Consumer durables	4	13	18	11	15	17	23	21	19	11	13	24
<i>Automobiles</i>	2	8	4	4	3	7	15	9	5	4	6	15
<i>Other</i>	3	5	14	7	12	10	8	11	14	7	6	9
Other consumer non-durables	4	5	7	10	11	10	11	14	13	17	29	43
Capital goods	29	22	28	31	42	57	74	101	139	311	126	151
Machinery and other capital goods	23	16	22	23	30	35	60	88	65	61	57	78
Transport equipment	3	1	2	3	6	16	5	1	49	237	59	59
<i>Overland non-railway</i>	0	1	0	2	0	1	1	1	0	0	1	4
<i>Railway</i>	...	0	0	...	...	...	0	...	0	0	0	0
<i>Maritime</i>	0	...	...	0	0	9	3	0	0	5	3	4
<i>Air</i>	3	1	1	1	5	6	1	0	49	232	55	51
Other capital goods	3	5	4	4	6	6	9	12	25	13	10	14
Intermediate goods	224	232	370	313	356	333	368	400	394	366	404	565
Intermediate agricultural, forestry and fishing products	8	18	82	30	45	51	62	54	55	44	68	77
Intermediate energy products	17	21	18	36	26	15	25	17	25	44	58	166
Intermediate industrial products	198	192	271	247	285	266	281	329	314	279	278	321
Total imports	301	326	475	426	473	485	552	647	661	742	623	913
Energy products	17	21	18	36	26	15	25	17	25	44	58	166
Non-energy products	284	305	457	390	448	470	527	630	636	698	565	746

SOURCE: Departamento de Aduanas.

a. Provisional data.

CANADA: EXPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	111	143	123	110	137	138	145	193	163	203	206	234
Food, beverages and tobacco	43	51	43	48	57	59	73	87	77	86	84	83
Consumer durables	5	5	15	4	6	8	10	11	12	15	22	15
<i>Automobiles</i>	0	...	...	0	0	0	0	0	0	0	0	0
<i>Other</i>	5	5	15	4	6	8	10	10	11	15	22	15
Other consumer non-durables	63	86	65	57	74	70	62	96	74	101	100	136
Capital goods	30	16	20	21	22	43	33	52	55	57	72	59
Machinery and other capital goods	9	14	17	19	21	30	31	49	52	46	53	52
Transport equipment	1	2	1	1	0	11	1	0	0	8	15	5
<i>Overland non-railway</i>	1	1	1	...	0	...	0	0	0	0	0	0
<i>Railway</i>	...	...	0	0	...	...	0	...	...	0	0	...
<i>Maritime</i>	...	...	1	...	0	10	0	...	0	8	15	4
<i>Air</i>	0	1	0	1	...	1	1	...	...	...	...	1
Other capital goods	20	1	1	1	1	1	2	3	3	3	4	2
Intermediate goods	133	183	194	203	248	256	276	335	316	393	365	368
Intermediate agricultural, forestry and fishing products	1	2	2	4	3	3	2	4	4	6	4	4
Intermediate energy products	4	4	23	14	14	5	21	16	28	23	49	51
Intermediate industrial products	128	177	169	185	231	248	252	315	284	363	312	314
Total exports	274	341	337	333	407	436	454	579	534	653	643	661
Energy products	6	20	23	14	19	11	25	41	31	44	81	111
Non-energy products	268	321	314	319	388	425	430	539	503	609	563	551

SOURCE: Departamento de Aduanas.

a. Provisional data.

REST OF OECD: IMPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	913	653	681	690	763	965	1 048	1 291	1 377	1 489	1 828	2 384
Food, beverages and tobacco	276	273	308	304	276	309	327	346	398	402	448	461
Consumer durables	478	191	156	153	195	291	309	411	426	469	542	781
<i>Automobiles</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>12</i>	<i>13</i>	<i>6</i>	<i>6</i>	<i>16</i>	<i>18</i>	<i>18</i>	<i>57</i>	<i>152</i>
<i>Other</i>	<i>476</i>	<i>188</i>	<i>153</i>	<i>141</i>	<i>182</i>	<i>285</i>	<i>303</i>	<i>395</i>	<i>407</i>	<i>450</i>	<i>485</i>	<i>629</i>
Other consumer non-durables	160	189	217	232	292	364	412	534	553	619	838	1 142
Capital goods	256	286	411	341	431	564	692	631	644	639	891	843
Machinery and other capital goods	205	225	327	277	360	431	439	443	404	428	477	447
Transport equipment	19	14	32	13	17	76	176	107	166	120	292	277
<i>Overland non-railway</i>	<i>6</i>	<i>5</i>	<i>9</i>	<i>10</i>	<i>10</i>	<i>13</i>	<i>17</i>	<i>21</i>	<i>71</i>	<i>93</i>	<i>201</i>	<i>228</i>
<i>Railway</i>	<i>9</i>	<i>3</i>	<i>5</i>	<i>0</i>	<i>2</i>	<i>2</i>	<i>0</i>	<i>5</i>	<i>1</i>	<i>7</i>	<i>15</i>	<i>7</i>
<i>Maritime</i>	<i>3</i>	<i>6</i>	<i>18</i>	<i>3</i>	<i>4</i>	<i>43</i>	<i>158</i>	<i>81</i>	<i>58</i>	<i>20</i>	<i>75</i>	<i>39</i>
<i>Air</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>18</i>	<i>1</i>	<i>0</i>	<i>35</i>	<i>0</i>	<i>0</i>	<i>3</i>
Other capital goods	33	46	52	52	54	57	77	81	74	91	123	119
Intermediate goods	1 646	1 885	2 089	2 278	2 670	2 530	2 880	4 282	4 995	4 829	5 180	6 534
Intermediate agricultural, forestry and fishing products	52	73	82	87	167	135	148	170	149	123	96	106
Intermediate energy products	733	800	658	868	980	757	948	1 853	1 861	1 785	1 996	2 649
Intermediate industrial products	861	1 011	1 350	1 324	1 523	1 639	1 784	2 259	2 985	2 922	3 088	3 779
Total imports	2 816	2 823	3 181	3 310	3 864	4 059	4 620	6 204	7 015	6 957	7 899	9 761
Energy products	733	800	658	868	980	760	948	1 867	1 868	1 795	2 008	2 662
Non-energy products	2 082	2 023	2 523	2 442	2 884	3 299	3 672	4 337	5 147	5 162	5 891	7 099

SOURCE: Departamento de Aduanas.

a. Provisional data.

REST OF OECD: EXPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	695	955	862	962	1 294	1 532	1 644	2 341	2 037	2 648	2 449	3 056
Food, beverages and tobacco	233	289	267	307	363	363	397	448	466	507	551	549
Consumer durables	275	428	385	405	596	760	786	1 357	968	1 098	1 200	1 662
<i>Automobiles</i>	<i>154</i>	<i>283</i>	<i>277</i>	<i>272</i>	<i>416</i>	<i>544</i>	<i>576</i>	<i>1 076</i>	<i>668</i>	<i>760</i>	<i>895</i>	<i>1 382</i>
<i>Other</i>	<i>122</i>	<i>145</i>	<i>108</i>	<i>133</i>	<i>180</i>	<i>216</i>	<i>210</i>	<i>281</i>	<i>300</i>	<i>338</i>	<i>305</i>	<i>280</i>
Other consumer non-durables	187	238	211	251	335	409	462	537	603	1 043	698	845
Capital goods	758	620	510	412	665	915	1 102	1 018	879	868	1 053	1 333
Machinery and other capital goods	257	254	215	229	369	428	580	507	483	590	692	767
Transport equipment	380	338	271	161	270	457	457	472	353	218	277	511
<i>Overland non-railway</i>	<i>14</i>	<i>11</i>	<i>16</i>	<i>46</i>	<i>77</i>	<i>96</i>	<i>60</i>	<i>115</i>	<i>78</i>	<i>106</i>	<i>201</i>	<i>227</i>
<i>Railway</i>	<i>0</i>	<i>53</i>	<i>28</i>	<i>28</i>	<i>11</i>	<i>6</i>	<i>7</i>	<i>2</i>	<i>1</i>	<i>1</i>	<i>2</i>	<i>13</i>
<i>Maritime</i>	<i>220</i>	<i>211</i>	<i>163</i>	<i>9</i>	<i>83</i>	<i>261</i>	<i>390</i>	<i>295</i>	<i>162</i>	<i>72</i>	<i>37</i>	<i>208</i>
<i>Air</i>	<i>145</i>	<i>62</i>	<i>64</i>	<i>78</i>	<i>100</i>	<i>95</i>	<i>0</i>	<i>60</i>	<i>111</i>	<i>40</i>	<i>37</i>	<i>62</i>
Other capital goods	121	28	24	23	25	29	66	39	44	59	84	55
Intermediate goods	906	966	1 045	1 278	1 685	1 931	1 923	2 655	2 599	3 048	3 055	3 601
Intermediate agricultural, forestry and fishing products	27	22	19	22	32	29	27	32	33	47	44	58
Intermediate energy products	12	11	25	29	40	44	17	57	25	18	38	87
Intermediate industrial products	867	933	1 001	1 227	1 613	1 859	1 879	2 566	2 542	2 983	2 973	3 456
Total exports	2 359	2 541	2 418	2 653	3 643	4 378	4 670	6 014	5 516	6 564	6 557	7 990
Energy products	24	19	30	29	40	44	32	66	33	24	38	218
Non-energy products	2 335	2 522	2 388	2 624	3 603	4 334	4 638	5 948	5 483	6 540	6 519	7 772

SOURCE: Departamento de Aduanas.

a. Provisional data.

OPEC: IMPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	158	204	226	257	309	347	385	518	527	561	574	672
Food, beverages and tobacco	34	41	40	57	58	78	89	133	137	154	166	209
Consumer durables	29	30	34	41	49	63	83	130	129	159	161	177
<i>Automobiles</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>1</i>
<i>Other</i>	<i>28</i>	<i>30</i>	<i>33</i>	<i>41</i>	<i>49</i>	<i>62</i>	<i>83</i>	<i>130</i>	<i>129</i>	<i>159</i>	<i>160</i>	<i>176</i>
Other consumer non-durables	96	132	153	160	202	205	212	256	261	248	247	286
Capital goods	7	11	10	26	84	129	62	50	49	51	56	78
Machinery and other capital goods	5	10	8	22	24	39	46	38	34	32	34	56
Transport equipment	0	0	0	1	56	84	7	1	0	2	2	0
<i>Overland non-railway</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>0</i>	<i>1</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Railway</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>0</i>	<i>0</i>	<i>2</i>	<i>1</i>	<i>0</i>
<i>Maritime</i>	<i>...</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>42</i>	<i>83</i>	<i>0</i>	<i>0</i>	<i>...</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Air</i>	<i>...</i>	<i>...</i>	<i>0</i>	<i>...</i>	<i>14</i>	<i>...</i>	<i>6</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>0</i>	<i>...</i>
Other capital goods	1	1	1	3	4	6	9	11	15	17	21	22
Intermediate goods	3 387	4 238	4 586	5 689	6 860	5 677	6 679	13 335	12 198	10 762	10 964	12 090
Intermediate agricultural, forestry and fishing products	87	81	82	88	109	73	59	34	41	43	53	66
Intermediate energy products	3 046	3 692	3 993	4 912	5 759	4 535	5 500	11 811	10 546	9 159	9 317	10 672
Intermediate industrial products	253	465	510	688	993	1 069	1 121	1 490	1 611	1 559	1 594	1 352
Total imports	3 552	4 453	4 822	5 972	7 254	6 152	7 126	13 903	12 774	11 374	11 594	12 840
Energy products	3 048	3 695	3 993	4 912	5 761	4 535	5 500	11 811	10 546	9 159	9 317	10 672
Non-energy products	504	757	828	1 060	1 492	1 617	1 626	2 092	2 228	2 215	2 277	2 169

SOURCE: Departamento de Aduanas.

a. Provisional data.

OPEC: EXPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	327	414	499	501	648	800	686	946	944	1 040	890	959
Food, beverages and tobacco	131	176	204	184	238	333	249	283	273	245	230	223
Consumer durables	52	61	87	87	143	176	127	256	241	285	199	223
<i>Automobiles</i>	<i>4</i>	<i>12</i>	<i>12</i>	<i>26</i>	<i>39</i>	<i>62</i>	<i>27</i>	<i>101</i>	<i>100</i>	<i>159</i>	<i>108</i>	<i>109</i>
<i>Other</i>	<i>48</i>	<i>49</i>	<i>75</i>	<i>60</i>	<i>104</i>	<i>114</i>	<i>99</i>	<i>155</i>	<i>140</i>	<i>126</i>	<i>91</i>	<i>114</i>
Other consumer non-durables	144	177	208	230	267	290	310	408	431	511	460	512
Capital goods	187	157	275	349	383	458	350	436	505	705	734	905
Machinery and other capital goods	160	118	170	197	223	277	283	363	345	431	363	407
Transport equipment	17	19	98	77	56	136	48	45	82	148	316	431
<i>Overland non-railway</i>	<i>15</i>	<i>17</i>	<i>19</i>	<i>48</i>	<i>37</i>	<i>26</i>	<i>27</i>	<i>30</i>	<i>75</i>	<i>137</i>	<i>207</i>	<i>80</i>
<i>Railway</i>	<i>0</i>	<i>0</i>	<i>...</i>	<i>20</i>	<i>6</i>	<i>3</i>	<i>3</i>	<i>10</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>0</i>
<i>Maritime</i>	<i>2</i>	<i>2</i>	<i>79</i>	<i>9</i>	<i>12</i>	<i>95</i>	<i>16</i>	<i>2</i>	<i>7</i>	<i>10</i>	<i>108</i>	<i>351</i>
<i>Air</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>12</i>	<i>2</i>	<i>4</i>	<i>...</i>	<i>0</i>	<i>...</i>	<i>0</i>
Other capital goods	10	19	8	75	104	45	20	28	79	126	55	67
Intermediate goods	1 331	1 257	1 272	1 299	1 469	1 448	1 447	1 641	1 824	1 858	1 784	1 957
Intermediate agricultural, forestry and fishing products	31	96	22	13	27	21	37	25	35	78	92	66
Intermediate energy products	52	47	41	62	18	26	25	31	34	31	31	66
Intermediate industrial products	1 248	1 114	1 208	1 224	1 424	1 400	1 386	1 585	1 755	1 749	1 662	1 825
Total exports	1 845	1 828	2 045	2 149	2 501	2 705	2 484	3 023	3 274	3 603	3 408	3 821
Energy products	52	58	48	87	26	46	61	86	57	79	63	180
Non-energy products	1 793	1 770	1 997	2 062	2 474	2 659	2 423	2 937	3 217	3 523	3 344	3 641

SOURCE: Departamento de Aduanas.

a. Provisional data.

CIS AND OTHER CENTRAL AND EASTERN EUROPEAN COUNTRIES: IMPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	178	210	247	236	311	472	605	751	955	1 024	1 116	1 221
Food, beverages and tobacco	58	65	101	72	77	69	73	78	112	126	83	117
Consumer durables	72	82	79	89	122	249	342	436	552	566	643	645
<i>Automobiles</i>	<i>53</i>	<i>49</i>	<i>35</i>	<i>38</i>	<i>32</i>	<i>114</i>	<i>164</i>	<i>202</i>	<i>270</i>	<i>216</i>	<i>285</i>	<i>301</i>
<i>Other</i>	<i>18</i>	<i>33</i>	<i>44</i>	<i>51</i>	<i>91</i>	<i>134</i>	<i>178</i>	<i>233</i>	<i>282</i>	<i>350</i>	<i>359</i>	<i>345</i>
Other consumer non-durables	49	64	66	75	112	154	190	238	292	332	390	458
Capital goods	37	119	263	209	263	255	279	581	786	935	1 442	1 994
Machinery and other capital goods	29	103	251	191	233	228	251	544	743	888	1 387	1 893
Transport equipment	3	4	3	12	21	13	10	12	16	5	10	51
<i>Overland non-railway</i>	<i>2</i>	<i>3</i>	<i>...</i>	<i>3</i>	<i>4</i>	<i>8</i>	<i>7</i>	<i>9</i>	<i>2</i>	<i>1</i>	<i>2</i>	<i>40</i>
<i>Railway</i>	<i>0</i>	<i>1</i>	<i>0</i>	<i>2</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>1</i>	<i>...</i>	<i>1</i>	<i>1</i>	<i>2</i>
<i>Maritime</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>7</i>	<i>17</i>	<i>...</i>	<i>...</i>	<i>0</i>	<i>8</i>	<i>1</i>	<i>0</i>	<i>0</i>
<i>Air</i>	<i>0</i>	<i>...</i>	<i>0</i>	<i>...</i>	<i>0</i>	<i>5</i>	<i>1</i>	<i>2</i>	<i>2</i>	<i>...</i>	<i>7</i>	<i>8</i>
Other capital goods	5	11	9	6	9	14	18	25	27	42	45	51
Intermediate goods	1 033	1 314	1 797	1 776	2 018	2 094	2 508	4 142	4 509	5 574	5 537	6 986
Intermediate agricultural, forestry and fishing products	20	67	67	105	95	108	138	132	204	623	108	193
Intermediate energy products	576	505	590	682	649	523	874	1 904	1 942	2 512	2 687	3 379
Intermediate industrial products	437	742	1 140	989	1 275	1 463	1 495	2 106	2 364	2 439	2 742	3 414
Total imports	1 247	1 643	2 307	2 220	2 592	2 820	3 392	5 475	6 251	7 532	8 095	10 201
Energy products	576	505	590	682	649	523	874	1 904	1 942	2 523	2 687	3 383
Non-energy products	672	1 138	1 717	1 538	1 943	2 297	2 518	3 571	4 309	5 009	5 408	6 818

SOURCE: Departamento de Aduanas.

a. Provisional data.

CIS AND OTHER CENTRAL AND EASTERN EUROPEAN COUNTRIES: EXPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	370	496	708	967	1 368	1 368	1 190	1 505	1 852	2 167	2 171	2 236
Food, beverages and tobacco	200	274	346	387	581	552	486	599	657	721	817	848
Consumer durables	83	148	260	443	565	568	517	637	776	946	917	905
<i>Automobiles</i>	<i>60</i>	<i>107</i>	<i>183</i>	<i>285</i>	<i>374</i>	<i>405</i>	<i>362</i>	<i>413</i>	<i>535</i>	<i>652</i>	<i>666</i>	<i>664</i>
<i>Other</i>	<i>23</i>	<i>41</i>	<i>76</i>	<i>158</i>	<i>192</i>	<i>163</i>	<i>155</i>	<i>224</i>	<i>241</i>	<i>294</i>	<i>251</i>	<i>241</i>
Other consumer non-durables	86	75	102	136	222	248	187	269	419	500	437	483
Capital goods	152	278	195	284	371	422	363	488	635	723	863	971
Machinery and other capital goods	137	172	153	200	218	255	241	330	457	500	496	656
Transport equipment	8	93	22	47	85	101	77	88	79	118	274	233
<i>Overland non-railway</i>	<i>7</i>	<i>19</i>	<i>17</i>	<i>45</i>	<i>81</i>	<i>99</i>	<i>46</i>	<i>78</i>	<i>74</i>	<i>107</i>	<i>236</i>	<i>145</i>
<i>Railway</i>	<i>...</i>	<i>...</i>	<i>6</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>1</i>	<i>...</i>	<i>3</i>	<i>...</i>	<i>29</i>	<i>2</i>
<i>Maritime</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>4</i>	<i>...</i>	<i>...</i>	<i>0</i>	<i>0</i>	<i>9</i>	<i>8</i>	<i>38</i>
<i>Air</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>1</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>1</i>	<i>48</i>
Other capital goods	7	13	20	38	68	66	45	69	99	105	93	82
Intermediate goods	252	329	488	672	1 016	1 222	1 352	2 007	2 375	2 670	2 917	2 889
Intermediate agricultural, forestry and fishing products	19	11	12	18	24	34	36	39	47	60	60	67
Intermediate energy products	...	9	7	1	2	3	10	9	9	13	13	17
Intermediate industrial products	227	309	469	653	990	1 186	1 305	1 959	2 319	2 597	2 844	2 805
Total exports	774	1 104	1 391	1 922	2 755	3 012	2 905	3 999	4 861	5 560	5 951	6 096
Energy products	...	16	18	1	7	7	10	32	15	13	13	17
Non-energy products	768	1 088	1 373	1 921	2 748	3 005	2 895	3 968	4 847	5 547	5 938	6 078

SOURCE: Departamento de Aduanas.

a. Provisional data.

CENTRAL AND SOUTH AMERICA: IMPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	615	825	1 058	1 068	1 120	1 306	1 380	1 600	1 887	1 857	2 368	2 393
Food, beverages and tobacco	544	689	874	900	958	1 131	1 160	1 351	1 549	1 430	1 663	1 619
Consumer durables	21	84	122	107	89	95	121	133	214	283	535	570
<i>Automobiles</i>	6	2	1	0	0	9	6	2	1	2	1	2
<i>Other</i>	14	82	121	107	88	86	115	132	213	282	533	568
Other consumer non-durables	50	52	61	61	73	80	100	115	124	144	170	204
Capital goods	85	79	58	126	273	166	260	145	93	118	205	167
Machinery and other capital goods	21	31	37	38	48	55	60	104	57	59	79	96
Transport equipment	62	43	17	81	218	104	191	33	30	49	113	56
<i>Overland non-railway</i>	2	12	9	7	5	6	9	6	1	1	3	6
<i>Railway</i>	0	0	0	0	...	0	0	0	0	0	0	0
<i>Maritime</i>	0	31	7	73	214	38	117	25	29	29	110	50
<i>Air</i>	59	0	1	1	0	59	64	2	...	20	...	0
Other capital goods	3	5	5	7	7	8	9	8	6	10	13	16
Intermediate goods	1 201	1 502	1 690	1 726	2 109	2 154	2 443	2 935	2 870	3 151	3 214	3 646
Intermediate agricultural, forestry and fishing products	365	405	556	554	701	734	784	818	866	805	863	820
Intermediate energy products	54	56	63	48	26	30	65	194	90	258	159	124
Intermediate industrial products	781	1 040	1 072	1 124	1 383	1 390	1 594	1 923	1 914	2 089	2 192	2 702
Total imports	1 901	2 406	2 806	2 920	3 502	3 627	4 083	4 679	4 850	5 126	5 788	6 205
Energy products	54	56	63	48	26	30	65	194	90	258	159	124
Non-energy products	1 846	2 350	2 743	2 872	3 476	3 597	4 018	4 485	4 760	4 868	5 628	6 081

SOURCE: Departamento de Aduanas.

a. Provisional data.

CENTRAL AND SOUTH AMERICA: EXPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	406	652	1 071	1 014	1 087	1 235	1 106	1 135	1 298	1 010	1 232	1 116
Food, beverages and tobacco	97	115	137	161	209	246	236	246	212	164	144	149
Consumer durables	211	388	747	623	606	644	546	503	666	473	702	572
<i>Automobiles</i>	66	155	348	259	183	192	117	111	122	46	44	40
<i>Other</i>	144	233	399	364	423	452	429	391	543	427	657	532
Other consumer non-durables	98	150	188	230	271	345	324	386	420	373	386	394
Capital goods	644	712	905	1 292	1 416	1 391	1 451	1 675	1 062	827	941	1 075
Machinery and other capital goods	335	452	625	693	894	848	706	776	731	570	468	501
Transport equipment	250	168	214	496	403	355	612	721	212	156	355	503
<i>Overland non-railway</i>	34	66	77	89	40	81	114	81	93	51	37	70
<i>Railway</i>	12	4	8	8	6	94	45	17	3	12	19	4
<i>Maritime</i>	204	69	96	376	298	173	444	529	108	93	274	311
<i>Air</i>	...	28	33	23	59	7	10	93	7	0	24	118
Other capital goods	59	92	66	103	119	189	133	178	118	102	118	71
Intermediate goods	781	1 054	1 351	1 831	2 366	2 590	2 412	2 805	2 911	2 392	2 147	2 257
Intermediate agricultural, forestry and fishing products	3	4	10	8	16	18	21	25	23	24	18	26
Intermediate energy products	19	23	17	11	20	15	12	60	69	48	67	93
Intermediate industrial products	759	1 026	1 324	1 813	2 331	2 556	2 378	2 721	2 819	2 320	2 062	2 138
Total exports	1 831	2 418	3 327	4 137	4 869	5 216	4 969	5 615	5 271	4 229	4 321	4 448
Energy products	19	27	29	41	26	20	12	67	90	59	76	93
Non-energy products	1 813	2 391	3 298	4 096	4 843	5 196	4 956	5 548	5 180	4 169	4 245	4 355

SOURCE: Departamento de Aduanas.

a. Provisional data.

SOUTH-EAST ASIAN NICS: IMPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	672	597	681	676	893	1 100	1 413	1 440	1 325	1 314	1 408	1 825
Food, beverages and tobacco	33	47	48	39	52	63	53	48	74	66	65	49
Consumer durables	299	262	366	368	497	665	891	852	756	765	866	1 323
<i>Automobiles</i>	<i>64</i>	<i>68</i>	<i>169</i>	<i>193</i>	<i>303</i>	<i>453</i>	<i>643</i>	<i>599</i>	<i>540</i>	<i>550</i>	<i>652</i>	<i>1 019</i>
<i>Other</i>	<i>235</i>	<i>194</i>	<i>197</i>	<i>175</i>	<i>194</i>	<i>212</i>	<i>248</i>	<i>252</i>	<i>215</i>	<i>215</i>	<i>215</i>	<i>304</i>
Other consumer non-durables	340	288	267	269	344	372	470	541	495	483	477	452
Capital goods	320	308	356	367	443	468	634	934	1 110	1 098	1 084	1 332
Machinery and other capital goods	274	267	323	336	396	419	553	845	934	887	1 025	1 142
Transport equipment	5	7	9	9	17	17	43	47	140	171	17	146
<i>Overland non-railway</i>	<i>3</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>14</i>	<i>17</i>	<i>21</i>	<i>22</i>	<i>30</i>	<i>21</i>	<i>17</i>	<i>15</i>
<i>Railway</i>	<i>2</i>	<i>0</i>	<i>1</i>	<i>...</i>	<i>...</i>	<i>1</i>	<i>0</i>	<i>8</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Maritime</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>4</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>109</i>	<i>150</i>	<i>0</i>	<i>131</i>
<i>Air</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>22</i>	<i>16</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>
Other capital goods	41	34	25	22	30	31	38	42	37	41	43	44
Intermediate goods	412	569	638	640	754	1 162	1 130	1 425	1 281	1 390	1 354	1 240
Intermediate agricultural, forestry and fishing products	5	4	7	3	3	3	4	4	3	2	2	1
Intermediate energy products	0	0	0	1	3	4	0	0	0	0	0	0
Intermediate industrial products	407	565	631	636	748	1 156	1 126	1 421	1 278	1 389	1 353	1 239
Total imports	1 405	1 475	1 676	1 684	2 091	2 730	3 178	3 799	3 716	3 803	3 846	4 397
Energy products	0	0	0	1	3	4	0	0	0	0	0	0
Non-energy products	1 405	1 475	1 676	1 683	2 088	2 726	3 178	3 799	3 716	3 803	3 846	4 397

SOURCE: Departamento de Aduanas.

a. Provisional data.

SOUTH-EAST ASIAN NICS: EXPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	123	219	278	267	352	234	241	324	356	339	279	299
Food, beverages and tobacco	32	34	44	42	74	61	80	116	113	106	101	111
Consumer durables	34	89	125	93	128	71	55	74	78	72	46	43
<i>Automobiles</i>	<i>8</i>	<i>44</i>	<i>72</i>	<i>34</i>	<i>42</i>	<i>12</i>	<i>7</i>	<i>17</i>	<i>26</i>	<i>29</i>	<i>16</i>	<i>15</i>
<i>Other</i>	<i>26</i>	<i>45</i>	<i>53</i>	<i>59</i>	<i>86</i>	<i>59</i>	<i>49</i>	<i>57</i>	<i>53</i>	<i>43</i>	<i>30</i>	<i>29</i>
Other consumer non-durables	57	96	110	132	150	102	106	134	164	162	133	145
Capital goods	83	261	215	244	413	147	131	240	208	361	180	169
Machinery and other capital goods	76	138	192	214	187	104	102	166	157	158	133	119
Transport equipment	...	115	14	20	213	33	12	50	32	186	29	35
<i>Overland non-railway</i>	<i>...</i>	<i>13</i>	<i>11</i>	<i>14</i>	<i>9</i>	<i>12</i>	<i>11</i>	<i>50</i>	<i>27</i>	<i>22</i>	<i>19</i>	<i>12</i>
<i>Railway</i>	<i>...</i>	<i>0</i>	<i>0</i>	<i>6</i>	<i>204</i>	<i>21</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>1</i>	<i>...</i>
<i>Maritime</i>	<i>...</i>	<i>0</i>	<i>3</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>0</i>	<i>5</i>	<i>164</i>	<i>0</i>	<i>24</i>
<i>Air</i>	<i>...</i>	<i>101</i>	<i>...</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>0</i>	<i>...</i>	<i>9</i>	<i>...</i>
Other capital goods	7	8	9	11	12	11	17	24	19	18	19	15
Intermediate goods	744	819	866	1 088	1 068	807	873	1 085	976	927	787	831
Intermediate agricultural, forestry and fishing products	1	1	2	3	1	2	3	2	6	8	14	35
Intermediate energy products	30	0	8	1	3	1	2	1	21	4	11	29
Intermediate industrial products	713	818	857	1 084	1 063	804	868	1 081	948	915	763	767
Total exports	950	1 299	1 360	1 599	1 832	1 188	1 245	1 648	1 539	1 627	1 247	1 299
Energy products	30	4	8	1	3	1	2	1	21	4	11	29
Non-energy products	920	1 294	1 352	1 597	1 829	1 187	1 243	1 647	1 518	1 624	1 236	1 270

SOURCE: Departamento de Aduanas.

a. Provisional data.

REST OF THE WORLD: IMPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	1 762	2 145	2 435	2 619	3 456	3 882	4 658	5 726	6 360	7 072	7 783	8 824
Food, beverages and tobacco	555	686	791	779	937	1 054	1 112	1 320	1 502	1 421	1 509	1 554
Consumer durables	216	307	386	409	520	599	744	876	977	1 165	1 283	1 531
<i>Automobiles</i>	<i>5</i>	<i>2</i>	<i>16</i>	<i>21</i>	<i>20</i>	<i>18</i>	<i>25</i>	<i>17</i>	<i>12</i>	<i>14</i>	<i>18</i>	<i>39</i>
<i>Other</i>	<i>211</i>	<i>304</i>	<i>369</i>	<i>387</i>	<i>499</i>	<i>581</i>	<i>719</i>	<i>859</i>	<i>965</i>	<i>1 150</i>	<i>1 266</i>	<i>1 492</i>
Other consumer non-durables	990	1 152	1 258	1 432	1 999	2 229	2 801	3 530	3 881	4 487	4 991	5 738
Capital goods	263	356	450	520	605	817	1 012	1 380	1 452	1 573	2 089	2 821
Machinery and other capital goods	200	263	381	415	452	538	813	1 033	1 189	1 302	1 758	2 464
Transport equipment	15	39	9	16	53	180	72	174	67	72	99	94
<i>Overland non-railway</i>	<i>14</i>	<i>19</i>	<i>3</i>	<i>8</i>	<i>25</i>	<i>45</i>	<i>55</i>	<i>89</i>	<i>55</i>	<i>56</i>	<i>69</i>	<i>81</i>
<i>Railway</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>7</i>	<i>1</i>	<i>4</i>	<i>3</i>	<i>3</i>	<i>5</i>	<i>1</i>
<i>Maritime</i>	<i>1</i>	<i>3</i>	<i>0</i>	<i>2</i>	<i>17</i>	<i>111</i>	<i>1</i>	<i>60</i>	<i>9</i>	<i>6</i>	<i>24</i>	<i>9</i>
<i>Air</i>	<i>0</i>	<i>17</i>	<i>6</i>	<i>6</i>	<i>10</i>	<i>18</i>	<i>15</i>	<i>20</i>	<i>1</i>	<i>7</i>	<i>...</i>	<i>3</i>
Other capital goods	48	54	60	89	100	99	126	173	195	199	232	264
Intermediate goods	2 184	2 823	3 316	3 444	4 007	4 241	4 822	6 312	6 967	7 197	7 179	8 849
Intermediate agricultural, forestry and fishing products	338	545	617	535	600	604	677	585	539	501	572	696
Intermediate energy products	831	809	809	919	914	709	1 081	1 797	2 017	2 338	1 835	2 247
Intermediate industrial products	1 015	1 469	1 890	1 990	2 493	2 928	3 064	3 930	4 410	4 358	4 772	5 906
Total imports	4 209	5 324	6 201	6 583	8 068	8 939	10 492	13 418	14 778	15 842	17 051	20 494
Energy products	831	809	809	919	914	709	1 081	1 797	2 042	2 366	1 835	2 247
Non-energy products	3 377	4 515	5 393	5 664	7 153	8 230	9 411	11 620	12 736	13 477	15 217	18 247

SOURCE: Departamento de Aduanas.

a. Provisional data.

REST OF THE WORLD: EXPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	656	791	1 033	1 162	1 440	1 426	1 454	1 995	2 140	2 328	2 321	2 364
Food, beverages and tobacco	215	277	355	364	474	444	442	511	547	629	617	623
Consumer durables	226	277	368	472	526	505	476	741	809	810	801	775
<i>Automobiles</i>	<i>137</i>	<i>188</i>	<i>261</i>	<i>324</i>	<i>335</i>	<i>325</i>	<i>301</i>	<i>521</i>	<i>539</i>	<i>510</i>	<i>536</i>	<i>503</i>
<i>Other</i>	<i>89</i>	<i>89</i>	<i>107</i>	<i>148</i>	<i>191</i>	<i>179</i>	<i>175</i>	<i>220</i>	<i>270</i>	<i>300</i>	<i>265</i>	<i>273</i>
Other consumer non-durables	215	237	310	327	440	477	537	743	784	889	904	965
Capital goods	927	830	933	884	970	1 087	1 099	1 052	1 210	1 241	1 478	1 705
Machinery and other capital goods	461	589	678	482	589	532	633	615	701	780	825	908
Transport equipment	410	197	200	301	293	417	368	343	370	327	512	693
<i>Overland non-railway</i>	<i>78</i>	<i>73</i>	<i>77</i>	<i>112</i>	<i>141</i>	<i>151</i>	<i>175</i>	<i>169</i>	<i>146</i>	<i>163</i>	<i>207</i>	<i>168</i>
<i>Railway</i>	<i>0</i>	<i>2</i>	<i>2</i>	<i>9</i>	<i>9</i>	<i>32</i>	<i>5</i>	<i>2</i>	<i>25</i>	<i>24</i>	<i>53</i>	<i>71</i>
<i>Maritime</i>	<i>306</i>	<i>123</i>	<i>65</i>	<i>140</i>	<i>138</i>	<i>227</i>	<i>187</i>	<i>143</i>	<i>33</i>	<i>134</i>	<i>252</i>	<i>373</i>
<i>Air</i>	<i>26</i>	<i>0</i>	<i>56</i>	<i>40</i>	<i>5</i>	<i>7</i>	<i>0</i>	<i>29</i>	<i>166</i>	<i>6</i>	<i>1</i>	<i>81</i>
Other capital goods	56	43	55	101	87	138	99	95	138	134	141	104
Intermediate goods	1 945	2 224	2 466	2 761	3 524	3 344	3 541	4 277	4 545	4 758	5 178	5 730
Intermediate agricultural, forestry and fishing products	21	37	40	25	31	28	45	39	57	94	74	65
Intermediate energy products	203	245	212	302	346	271	387	600	437	439	531	631
Intermediate industrial products	1 721	1 941	2 214	2 434	3 147	3 045	3 109	3 637	4 051	4 225	4 573	5 033
Total exports	3 529	3 845	4 431	4 807	5 934	5 857	6 095	7 324	7 895	8 327	8 977	9 798
Energy products	247	271	262	344	411	336	456	786	569	553	649	782
Non-energy products	3 282	3 574	4 169	4 463	5 523	5 521	5 638	6 538	7 326	7 773	8 328	9 017

SOURCE: Departamento de Aduanas.

a. Provisional data.

UNCLASSIFIED: IMPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	157	12	9	0	1	0	1	0	0	0	0	0
Food, beverages and tobacco	1	1	9	0	1	0	0	0	...	...	...	...
Consumer durables	3	1	0	...	0	0	1	0	...	...	...	...
<i>Automobiles</i>	<i>0</i>	<i>1</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>0</i>	<i>1</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>
<i>Other</i>	<i>3</i>	<i>0</i>	<i>0</i>	<i>...</i>	<i>0</i>	<i>...</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>
Other consumer non-durables	153	9	0	0	0	0	0	0	0	0	0	0
Capital goods	1	2	0	0	0	0	...	0	0	1	0	0
Machinery and other capital goods	1	1	0	0	0	0	...	0	0	...	...	...
Transport equipment	0	0	...	0	...	0	...	...	...	1	0	0
<i>Overland non-railway</i>	<i>0</i>	<i>0</i>	<i>...</i>	<i>0</i>	<i>...</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>
<i>Railway</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>0</i>	<i>...</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>1</i>	<i>0</i>	<i>0</i>
<i>Maritime</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>
<i>Air</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>
Other capital goods	0	0	0	...	0	...	...	...	...	...	0	...
Intermediate goods	335	128	1	0	0	0	0	1	0	2	2	45
Intermediate agricultural, forestry and fishing products	1	0	0	...	0	...	0	0	0	...	...	...
Intermediate energy products	307	44	0	0	0	0	0	0	0	0	2	45
Intermediate industrial products	27	84	0	0	0	0	0	1	0	2	0	0
Total imports	493	142	10	0	1	0	1	1	0	3	2	46
Energy products	459	52	0	0	0	0	0	0	0	0	2	45
Non-energy products	34	90	10	0	1	0	1	1	0	3	0	0

SOURCE: Departamento de Aduanas.

a. Provisional data.

UNCLASSIFIED: EXPORTS

EUR millions	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
Consumer goods	24	6	62	40	51	7	6	8	12	16	14	10
Food, beverages and tobacco	17	4	58	37	47	4	2	3	5	7	4	3
Consumer durables	1	0	0	0	0	0	0	0	1	1	1	1
<i>Automobiles</i>	<i>0</i>	<i>0</i>	<i>...</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>
<i>Other</i>	<i>1</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>
Other consumer non-durables	6	2	3	3	3	3	3	6	6	8	9	6
Capital goods	84	2	14	17	26	39	19	20	27	4	13	9
Machinery and other capital goods	83	1	5	8	11	10	12	19	22	4	11	5
Transport equipment	0	0	8	6	13	27	5	0	0	0	3	4
<i>Overland non-railway</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>...</i>	<i>0</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>0</i>	<i>...</i>
<i>Railway</i>	<i>0</i>	<i>0</i>	<i>7</i>	<i>6</i>	<i>11</i>	<i>24</i>	<i>4</i>	<i>0</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>
<i>Maritime</i>	<i>0</i>	<i>...</i>	<i>1</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>3</i>	<i>4</i>
<i>Air</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>
Other capital goods	1	1	2	2	2	2	2	1	4	0	0	0
Intermediate goods	122	69	602	515	510	554	617	990	1 044	979	1 111	1 257
Intermediate agricultural, forestry and fishing products	0	...	0	0	0	0	0	2	...	0	0	0
Intermediate energy products	99	51	526	435	427	288	312	512	489	455	540	711
Intermediate industrial products	22	18	76	79	83	266	305	476	555	523	571	547
Total exports	230	77	678	572	587	600	642	1 019	1 082	999	1 139	1 276
Energy products	99	51	526	436	427	288	312	512	489	458	546	711
Non-energy products	131	26	152	136	159	312	330	506	594	541	593	566

SOURCE: Departamento de Aduanas.

a. Provisional data.

APPENDIX II FOREIGN TRADE BY PRODUCTIVE BRANCH
TIME SERIES. 1994-2004

WORLD TOTAL: IMPORTS

EUR millions	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
A. Agriculture, hunting and forestry	3 881	4 889	4 606	4 958	5 152	5 045	5 270	5 659	6 022	5 702	6 021
B. Fishing	1 826	2 029	2 063	2 442	2 861	2 757	3 313	3 880	3 755	3 831	3 699
C. Mining and quarrying	7 359	7 717	9 040	10 554	8 806	10 231	19 144	18 061	17 666	17 461	20 710
CA. Mining and quarrying of energy producing materials	5 723	5 897	7 172	8 137	6 434	7 978	16 334	15 186	14 889	14 473	16 965
<i>Anthracite, coal, lignite and peat</i>	<i>435</i>	<i>512</i>	<i>471</i>	<i>488</i>	<i>560</i>	<i>667</i>	<i>870</i>	<i>898</i>	<i>1 027</i>	<i>807</i>	<i>1 214</i>
<i>Crude oil and natural gas</i>	<i>5 288</i>	<i>5 385</i>	<i>6 700</i>	<i>7 649</i>	<i>5 874</i>	<i>7 311</i>	<i>15 440</i>	<i>14 287</i>	<i>13 861</i>	<i>13 666</i>	<i>15 751</i>
<i>Uranium and thorium ores</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>25</i>	<i>0</i>	<i>1</i>	<i>0</i>	<i>0</i>
CB. Mining and quarrying, except of energy producing materials	1 636	1 820	1 868	2 417	2 372	2 253	2 810	2 875	2 777	2 988	3 745
Metal ores	1 343	1 506	1 533	2 018	1 927	1 785	2 274	2 320	2 238	2 462	3 185
<i>Non-metal ores and non-energy materials</i>	<i>292</i>	<i>314</i>	<i>335</i>	<i>398</i>	<i>445</i>	<i>467</i>	<i>536</i>	<i>555</i>	<i>539</i>	<i>525</i>	<i>560</i>
D. Manufacturing	60 398	72 254	77 743	90 873	105 445	120 360	140 354	143 878	146 237	156 470	174 700
DA. Food products, beverages and tobacco	5 320	6 030	5 991	6 708	7 198	7 783	8 114	9 008	9 418	10 052	11 100
<i>Food and beverages</i>	<i>5 086</i>	<i>5 644</i>	<i>5 834</i>	<i>6 466</i>	<i>6 852</i>	<i>7 285</i>	<i>7 493</i>	<i>8 080</i>	<i>8 408</i>	<i>8 868</i>	<i>9 671</i>
<i>Tobacco</i>	<i>233</i>	<i>386</i>	<i>157</i>	<i>242</i>	<i>346</i>	<i>498</i>	<i>621</i>	<i>928</i>	<i>1 011</i>	<i>1 184</i>	<i>1 429</i>
DB. Textiles and textile products	3 642	4 169	4 526	5 468	6 205	6 771	7 993	8 652	9 125	9 701	10 281
<i>Textiles</i>	<i>1 669</i>	<i>1 948</i>	<i>2 071</i>	<i>2 584</i>	<i>2 982</i>	<i>2 980</i>	<i>3 420</i>	<i>3 461</i>	<i>3 398</i>	<i>3 293</i>	<i>3 149</i>
<i>Textile products and fur</i>	<i>1 973</i>	<i>2 220</i>	<i>2 455</i>	<i>2 884</i>	<i>3 224</i>	<i>3 790</i>	<i>4 572</i>	<i>5 191</i>	<i>5 727</i>	<i>6 407</i>	<i>7 132</i>
DC. Leather and footwear	795	877	993	1 309	1 362	1 403	1 721	1 957	2 035	2 213	2 304
DD. Wood and cork	697	831	839	1 066	1 290	1 490	1 723	1 772	1 811	1 952	1 996
DE. Paper, publishing and printing	2 325	3 048	2 958	3 332	3 687	3 805	4 597	4 430	4 648	4 646	4 810
DF. Refined petroleum products	1 220	1 248	1 430	1 553	1 248	1 809	4 007	3 986	3 837	4 460	5 757
DG. Chemical industry	7 570	8 952	9 019	10 818	11 959	12 586	14 733	16 389	18 153	19 343	20 366
DH. Rubber and plastic products	3 075	4 135	4 277	4 910	5 601	6 107	6 877	7 025	7 545	8 054	8 656
DI. Other non-metallic mineral products	807	1 004	1 084	1 270	1 449	1 617	1 722	1 921	1 963	2 075	2 220
DJ. Basic metals and fabricated metal products	5 076	6 854	6 720	8 108	9 428	9 884	11 968	12 288	12 306	13 449	16 024
Basic metals	3 197	4 656	4 378	5 386	6 171	6 119	7 811	7 902	7 648	8 573	10 537
<i>Fabricated metal products</i>	<i>1 879</i>	<i>2 198</i>	<i>2 342</i>	<i>2 722</i>	<i>3 257</i>	<i>3 765</i>	<i>4 158</i>	<i>4 386</i>	<i>4 657</i>	<i>4 877</i>	<i>5 487</i>
DK. Machinery and equipment	7 888	9 894	10 863	12 722	14 966	16 253	17 573	18 457	18 055	19 127	21 019
DL. Electrical, electronic and optical equipment	9 750	11 412	12 907	14 581	17 221	20 268	24 155	23 570	22 378	23 616	26 146
<i>Office machinery and computers</i>	<i>2 360</i>	<i>2 702</i>	<i>3 008</i>	<i>3 543</i>	<i>3 997</i>	<i>4 355</i>	<i>5 231</i>	<i>5 177</i>	<i>4 571</i>	<i>4 946</i>	<i>5 462</i>
<i>Electrical machinery and apparatus</i>	<i>2 818</i>	<i>3 453</i>	<i>3 558</i>	<i>4 048</i>	<i>4 772</i>	<i>5 280</i>	<i>6 055</i>	<i>6 551</i>	<i>6 333</i>	<i>6 923</i>	<i>7 390</i>
<i>Electronic equipment</i>	<i>2 638</i>	<i>3 147</i>	<i>4 068</i>	<i>4 342</i>	<i>5 388</i>	<i>7 225</i>	<i>9 204</i>	<i>8 025</i>	<i>7 513</i>	<i>7 748</i>	<i>9 176</i>
<i>Medical and precision instruments</i>	<i>1 933</i>	<i>2 110</i>	<i>2 273</i>	<i>2 649</i>	<i>3 064</i>	<i>3 409</i>	<i>3 666</i>	<i>3 817</i>	<i>3 961</i>	<i>4 000</i>	<i>4 118</i>
DM. Transport equipment	10 271	11 674	13 791	16 144	20 538	26 751	30 863	29 954	30 180	32 533	38 163
<i>Motor vehicles</i>	<i>8 645</i>	<i>10 270</i>	<i>11 712</i>	<i>13 785</i>	<i>17 981</i>	<i>22 589</i>	<i>25 929</i>	<i>26 131</i>	<i>26 427</i>	<i>28 844</i>	<i>33 350</i>
<i>Other transport equipment</i>	<i>1 627</i>	<i>1 405</i>	<i>2 080</i>	<i>2 359</i>	<i>2 557</i>	<i>4 162</i>	<i>4 934</i>	<i>3 823</i>	<i>3 752</i>	<i>3 689</i>	<i>4 813</i>
DN. Manufacturing n.e.c.	1 963	2 126	2 345	2 884	3 295	3 832	4 307	4 468	4 783	5 249	5 859
<i>Manufacture of furniture and other</i>	<i>1 963</i>	<i>2 126</i>	<i>2 345</i>	<i>2 884</i>	<i>3 295</i>	<i>3 832</i>	<i>4 307</i>	<i>4 468</i>	<i>4 783</i>	<i>5 249</i>	<i>5 859</i>
E. Electricity, gas and water supply	62	129	161	95	150	162	117	215	242	252	364
Unclassified	436	124	567	548	442	540	1 270	1 517	1 346	1 399	1 636
TOTAL	73 962	87 142	94 179	109 469	122 856	139 094	169 468	173 210	175 268	185 114	207 130

SOURCES: Departamento de Aduanas, Ministerio de Economía y Hacienda and Banco de España.

a. Provisional data.

WORLD TOTAL: EXPORTS

EUR millions	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
A. Agriculture, hunting and forestry	4 840	5 473	5 892	7 013	7 234	7 109	7 766	8 525	9 239	9 739	9 244
B. Fishing	625	668	839	1 021	1 009	1 216	1 380	1 565	1 566	1 509	1 595
C. Mining and quarrying	413	481	547	803	740	894	1 071	1 185	1 533	1 388	1 407
CA. Mining and quarrying of energy producing materials	1	2	0	2	9	2	2	15	371	325	288
<i>Anthracite, coal, lignite and peat</i>	<i>1</i>	<i>0</i>	<i>0</i>	<i>2</i>	<i>2</i>	<i>1</i>	<i>2</i>	<i>4</i>	<i>2</i>	<i>5</i>	<i>7</i>
<i>Crude oil and natural gas</i>	<i>0</i>	<i>2</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>368</i>	<i>320</i>	<i>281</i>
<i>Uranium and thorium ores</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>7</i>	<i>0</i>	<i>0</i>	<i>12</i>	<i>0</i>	<i>0</i>	<i>0</i>
CB. Mining and quarrying, except of energy producing materials	412	479	546	801	731	893	1 069	1 170	1 162	1 063	1 119
<i>Metal ores</i>	<i>175</i>	<i>206</i>	<i>234</i>	<i>345</i>	<i>283</i>	<i>420</i>	<i>517</i>	<i>604</i>	<i>540</i>	<i>522</i>	<i>510</i>
<i>Non-metal ores and non-energy materials</i>	<i>236</i>	<i>273</i>	<i>312</i>	<i>456</i>	<i>447</i>	<i>473</i>	<i>551</i>	<i>566</i>	<i>622</i>	<i>541</i>	<i>609</i>
D. Manufacturing	52 503	62 207	70 187	82 682	89 248	93 891	111 682	116 088	118 581	123 032	131 238
DA. Food products, beverages and tobacco	4 345	4 953	5 807	7 481	7 693	7 616	8 576	9 673	10 107	10 582	11 173
<i>Food and beverages</i>	<i>4 322</i>	<i>4 901</i>	<i>5 757</i>	<i>7 407</i>	<i>7 640</i>	<i>7 549</i>	<i>8 500</i>	<i>9 593</i>	<i>10 020</i>	<i>10 499</i>	<i>11 070</i>
<i>Tobacco</i>	<i>23</i>	<i>52</i>	<i>50</i>	<i>75</i>	<i>53</i>	<i>67</i>	<i>76</i>	<i>80</i>	<i>87</i>	<i>83</i>	<i>103</i>
DB. Textiles and textile products	2 394	3 035	3 492	4 177	4 686	4 927	5 623	6 124	6 678	6 547	6 616
<i>Textiles</i>	<i>1 392</i>	<i>1 811</i>	<i>1 986</i>	<i>2 390</i>	<i>2 674</i>	<i>2 634</i>	<i>2 961</i>	<i>3 126</i>	<i>3 119</i>	<i>2 974</i>	<i>2 904</i>
<i>Textile products and fur</i>	<i>1 002</i>	<i>1 224</i>	<i>1 506</i>	<i>1 787</i>	<i>2 013</i>	<i>2 292</i>	<i>2 662</i>	<i>2 997</i>	<i>3 559</i>	<i>3 573</i>	<i>3 712</i>
DC. Leather and footwear	1 729	1 864	2 038	2 414	2 439	2 364	2 673	2 926	2 921	2 661	2 480
DD. Wood and cork	393	457	509	626	689	738	870	922	1 007	950	1 018
DE. Paper, publishing and printing	1 612	2 216	2 156	2 572	2 736	2 892	3 798	3 975	3 966	3 918	4 067
DF. Refined petroleum products	1 296	1 441	1 859	2 227	2 024	2 230	4 446	3 650	2 991	3 656	4 753
DG. Chemical industry	4 093	4 477	5 370	5 877	6 525	7 282	8 898	10 008	11 598	12 014	12 421
DH. Rubber and plastic products	2 650	3 412	3 653	4 353	4 825	5 193	6 289	6 761	6 650	6 807	7 347
DI. Other non-metallic mineral products	2 055	2 405	2 608	3 041	3 336	3 459	3 875	4 161	4 306	4 140	4 158
DJ. Basic metals and fabricated metal products	5 514	6 398	6 945	8 540	8 072	7 895	9 761	9 686	9 656	10 021	11 654
<i>Basic metals</i>	<i>3 693</i>	<i>4 125</i>	<i>4 264</i>	<i>4 825</i>	<i>4 670</i>	<i>4 452</i>	<i>5 771</i>	<i>5 475</i>	<i>5 356</i>	<i>5 645</i>	<i>6 947</i>
<i>Fabricated metal products</i>	<i>1 820</i>	<i>2 273</i>	<i>2 681</i>	<i>3 715</i>	<i>3 402</i>	<i>3 443</i>	<i>3 990</i>	<i>4 211</i>	<i>4 300</i>	<i>4 376</i>	<i>4 706</i>
DK. Machinery and equipment	4 690	5 856	6 996	8 042	8 709	9 081	10 161	10 499	10 432	10 849	11 221
DL. Electrical, electronic and optical equipment	5 011	5 917	6 647	7 830	8 984	9 899	11 459	11 819	11 089	11 671	11 975
<i>Office machinery and computers</i>	<i>915</i>	<i>1 103</i>	<i>1 232</i>	<i>1 287</i>	<i>1 529</i>	<i>1 698</i>	<i>2 021</i>	<i>1 791</i>	<i>1 288</i>	<i>1 343</i>	<i>1 306</i>
<i>Electrical machinery and apparatus</i>	<i>2 082</i>	<i>2 437</i>	<i>2 797</i>	<i>3 246</i>	<i>3 644</i>	<i>3 968</i>	<i>4 536</i>	<i>4 755</i>	<i>4 501</i>	<i>4 567</i>	<i>5 051</i>
<i>Electronic equipment</i>	<i>1 422</i>	<i>1 753</i>	<i>1 851</i>	<i>2 414</i>	<i>2 810</i>	<i>3 134</i>	<i>3 570</i>	<i>3 842</i>	<i>3 772</i>	<i>4 157</i>	<i>4 057</i>
<i>Medical and precision instruments</i>	<i>592</i>	<i>624</i>	<i>766</i>	<i>883</i>	<i>1 002</i>	<i>1 099</i>	<i>1 333</i>	<i>1 432</i>	<i>1 528</i>	<i>1 603</i>	<i>1 561</i>
DM. Transport equipment	15 432	18 133	20 177	23 148	25 902	27 546	32 095	32 413	33 667	35 885	39 122
<i>Motor vehicles</i>	<i>13 408</i>	<i>16 310</i>	<i>17 876</i>	<i>20 366</i>	<i>23 034</i>	<i>24 047</i>	<i>28 247</i>	<i>29 095</i>	<i>29 395</i>	<i>31 581</i>	<i>33 454</i>
<i>Other transport equipment</i>	<i>2 024</i>	<i>1 822</i>	<i>2 301</i>	<i>2 782</i>	<i>2 868</i>	<i>3 499</i>	<i>3 848</i>	<i>3 318</i>	<i>4 272</i>	<i>4 303</i>	<i>5 668</i>
DN. Manufacturing n.e.c.	1 288	1 643	1 930	2 356	2 626	2 770	3 159	3 472	3 511	3 333	3 234
<i>Manufacture of furniture and other</i>	<i>1 288</i>	<i>1 643</i>	<i>1 930</i>	<i>2 356</i>	<i>2 626</i>	<i>2 770</i>	<i>3 159</i>	<i>3 472</i>	<i>3 511</i>	<i>3 333</i>	<i>3 234</i>
E. Electricity, gas and water supply	4	20	55	112	34	65	124	109	112	239	512
Unclassified	194	1 112	693	1 788	1 585	1 613	2 154	2 299	2 237	2 213	2 465
TOTAL	58 578	69 962	78 212	93 419	99 849	104 789	124 177	129 771	133 268	138 119	146 460

SOURCES: Departamento de Aduanas, Ministerio de Economía y Hacienda and Banco de España.

a. Provisional data.

EUROPEAN UNION: IMPORTS (a)

EUR millions	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (b)
A. Agriculture, hunting and forestry	1 811	2 246	2 027	2 148	2 402	2 302	2 348	2 526	2 664	2 691	2 824
B. Fishing	732	767	818	924	943	983	1 138	1 271	1 366	1 322	1 330
C. Mining and quarrying	875	1 037	874	1 166	1 074	1 045	1 648	1 628	1 605	1 654	2 101
CA. Mining and quarrying of energy producing materials	193	190	152	270	177	210	522	470	445	301	192
<i>Anthracite, coal, lignite and peat</i>	35	35	39	38	34	32	31	30	30	32	35
<i>Crude oil and natural gas</i>	158	154	113	232	143	178	466	439	414	269	157
<i>Uranium and thorium ores</i>	0	0	0	0	0	0	25	0	1	0	0
CB. Mining and quarrying, except of energy producing materials	683	848	722	896	897	835	1 126	1 159	1 160	1 353	1 909
<i>Metal ores</i>	573	721	595	748	728	667	929	957	958	1 139	1 679
<i>Non-metal ores and non-energy materials</i>	109	127	127	148	169	168	197	202	202	215	229
D. Manufacturing	43 746	53 019	58 259	67 290	78 581	88 923	101 844	104 641	105 986	111 911	121 576
DA. Food products, beverages and tobacco	3 608	4 143	4 071	4 504	4 974	5 450	5 759	6 646	6 883	7 441	8 043
<i>Food and beverages</i>	3 418	3 799	3 951	4 319	4 679	4 986	5 198	5 773	5 935	6 320	6 680
<i>Tobacco</i>	190	344	120	186	295	464	561	872	948	1 120	1 363
DB. Textiles and textile products	2 209	2 626	2 901	3 247	3 710	3 879	4 329	4 581	4 589	4 819	4 754
<i>Textiles</i>	1 124	1 314	1 458	1 745	2 017	2 025	2 269	2 261	2 243	2 199	2 057
<i>Textile products and fur</i>	1 085	1 312	1 443	1 502	1 693	1 853	2 059	2 319	2 346	2 620	2 697
DC. Leather and footwear	317	350	400	463	510	528	678	746	774	852	837
DD. Wood and cork	396	469	480	589	716	822	908	939	995	1 097	1 090
DE. Paper, publishing and printing	1 960	2 543	2 470	2 731	3 015	3 116	3 785	3 676	3 923	3 925	4 065
DF. Refined petroleum products	565	570	712	739	687	903	1 985	1 927	1 936	2 374	2 876
DG. Chemical industry	5 595	6 638	6 771	8 216	9 062	9 683	11 070	12 453	13 935	14 616	14 948
DH. Rubber and plastic products	2 700	3 561	3 734	4 264	4 763	5 149	5 721	5 895	6 318	6 768	7 175
DI. Other non-metallic mineral products	638	787	835	978	1 083	1 146	1 186	1 301	1 309	1 422	1 480
DJ. Basic metals and fabricated metal products	4 130	5 320	5 414	6 497	7 351	7 666	8 834	8 891	8 961	9 522	10 893
<i>Basic metals</i>	2 589	3 518	3 463	4 292	4 730	4 704	5 580	5 495	5 391	5 894	6 880
<i>Fabricated metal products</i>	1 541	1 803	1 951	2 205	2 621	2 961	3 254	3 396	3 570	3 628	4 014
DK. Machinery and equipment	6 266	7 755	8 689	10 178	12 149	12 742	13 603	14 135	13 907	14 247	15 075
DL. Electrical, electronic and optical equipment	5 853	7 096	8 472	9 396	11 160	13 373	15 619	15 023	13 821	14 209	15 526
<i>Office machinery and computers</i>	1 256	1 465	1 704	2 057	2 435	2 624	3 304	3 320	2 803	2 998	3 352
<i>Electrical machinery and apparatus</i>	2 170	2 711	2 805	3 164	3 691	3 991	4 449	4 867	4 601	4 847	4 964
<i>Electronic equipment</i>	1 335	1 702	2 635	2 678	3 280	4 830	5 811	4 665	4 047	4 069	4 851
<i>Medical and precision instruments</i>	1 093	1 218	1 328	1 497	1 754	1 929	2 055	2 171	2 369	2 296	2 358
DM. Transport equipment	8 385	9 889	11 844	13 671	17 274	22 069	25 860	25 705	25 738	27 499	31 436
<i>Motor vehicles</i>	7 790	9 232	10 625	12 458	15 940	19 906	22 989	23 441	23 765	25 470	28 811
<i>Other transport equipment</i>	594	657	1 218	1 214	1 335	2 163	2 871	2 265	1 973	2 028	2 625
DN. Manufacturing n.e.c.	1 126	1 272	1 466	1 815	2 128	2 398	2 507	2 724	2 896	3 120	3 379
<i>Manufacture of furniture and other</i>	1 126	1 272	1 466	1 815	2 128	2 398	2 507	2 724	2 896	3 120	3 379
E. Electricity, gas and water supply	62	129	161	95	150	162	115	201	222	244	354
Unclassified	122	83	370	195	178	182	660	681	584	682	875
TOTAL	47 348	57 282	62 510	71 817	83 327	93 597	107 753	110 949	112 427	118 504	129 058

SOURCES: Departamento de Aduanas, Ministerio de Economía y Hacienda and Banco de España.

a. It does not include the intra EU trade that it is not assigned to any country.

b. Provisional data.

EUROPEAN UNION: EXPORTS (a)

EUR millions	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
A. Agriculture, hunting and forestry	4 294	4 939	5 361	6 309	6 462	6 291	6 862	7 560	8 105	8 580	8 091
B. Fishing	387	451	600	684	696	799	923	1 070	1 121	1 095	1 119
C. Mining and quarrying	272	347	346	411	355	484	574	572	941	826	818
CA. Mining and quarrying of energy producing materials	1	2	0	2	9	1	2	15	371	316	248
<i>Anthracite, coal, lignite and peat</i>	1	0	0	2	2	1	2	3	2	5	6
<i>Crude oil and natural gas</i>	0	2	0	0	0	0	0	0	368	311	242
<i>Uranium and thorium ores</i>	0	0	0	0	7	0	0	12	0	0	0
CB. Mining and quarrying, except of energy producing materials	270	345	346	409	345	482	573	557	571	510	570
<i>Metal ores</i>	108	144	137	170	106	231	289	272	235	233	278
<i>Non-metal ores and non-energy materials</i>	163	201	209	239	239	252	283	285	335	277	292
D. Manufacturing	36 398	43 990	48 948	57 299	62 826	66 862	77 516	81 957	83 183	86 917	91 505
DA. Food products, beverages and tobacco	2 848	3 243	4 000	5 133	5 276	5 305	5 986	7 001	7 363	7 816	8 290
<i>Food and beverages</i>	2 845	3 222	3 980	5 111	5 250	5 279	5 959	6 968	7 311	7 754	8 206
<i>Tobacco</i>	3	22	20	22	27	26	27	33	52	62	84
DB. Textiles and textile products	1 600	2 114	2 417	2 852	3 266	3 406	3 701	3 961	4 222	4 198	4 196
<i>Textiles</i>	1 008	1 320	1 438	1 685	1 884	1 807	1 932	1 984	1 934	1 798	1 738
<i>Textile products and fur</i>	591	794	979	1 167	1 382	1 599	1 769	1 977	2 288	2 400	2 458
DC. Leather and footwear	1 051	1 157	1 222	1 479	1 553	1 603	1 752	1 982	1 977	1 873	1 744
DD. Wood and cork	267	326	353	414	476	521	606	650	683	647	674
DE. Paper, publishing and printing	1 057	1 527	1 452	1 658	1 768	1 960	2 598	2 716	2 802	2 863	2 920
DF. Refined petroleum products	584	535	576	753	700	677	1 509	1 058	852	1 047	1 199
DG. Chemical industry	2 472	2 915	3 225	3 643	4 129	4 674	5 728	6 504	7 246	7 760	7 942
DH. Rubber and plastic products	2 017	2 669	2 755	3 249	3 618	3 943	4 666	5 125	4 929	5 127	5 476
DI. Other non-metallic mineral products	1 120	1 331	1 430	1 638	1 893	2 015	2 179	2 336	2 418	2 389	2 437
DJ. Basic metals and fabricated metal products	3 448	4 393	4 559	5 913	5 540	5 572	6 757	6 766	6 870	7 193	8 402
<i>Basic metals</i>	2 319	2 927	2 847	3 333	3 443	3 323	4 186	3 983	4 000	4 230	5 167
<i>Fabricated metal products</i>	1 129	1 466	1 712	2 580	2 097	2 248	2 571	2 783	2 871	2 963	3 235
DK. Machinery and equipment	2 888	3 679	4 507	4 896	5 601	5 897	6 343	6 619	6 369	6 908	7 081
DL. Electrical, electronic and optical equipment	3 270	4 066	4 564	5 194	6 016	6 818	8 005	8 432	7 983	8 196	8 370
<i>Office machinery and computers</i>	647	799	881	863	1 158	1 347	1 694	1 413	1 011	978	1 028
<i>Electrical machinery and apparatus</i>	1 505	1 834	2 013	2 294	2 539	2 733	3 083	3 204	3 099	3 092	3 406
<i>Electronic equipment</i>	751	1 009	1 169	1 453	1 694	2 053	2 405	2 886	2 932	3 087	2 860
<i>Medical and precision instruments</i>	367	425	501	584	625	684	822	928	941	1 040	1 077
DM. Transport equipment	12 941	14 931	16 592	18 967	21 255	22 624	25 632	26 594	27 232	28 689	30 470
<i>Motor vehicles</i>	11 879	14 189	15 542	17 621	19 998	21 024	23 900	24 934	24 789	26 574	28 056
<i>Other transport equipment</i>	1 061	742	1 051	1 346	1 257	1 600	1 732	1 659	2 443	2 115	2 415
DN. Manufacturing n.e.c.	835	1 104	1 296	1 511	1 734	1 847	2 053	2 213	2 236	2 212	2 304
<i>Manufacture of furniture and other</i>	835	1 104	1 296	1 511	1 734	1 847	2 053	2 213	2 236	2 212	2 304
E. Electricity, gas and water supply	0	13	55	90	0	1	26	46	53	176	455
Unclassified	120	406	172	490	505	516	576	633	546	526	704
TOTAL	41 471	50 146	55 482	65 282	70 844	74 952	86 478	91 837	93 951	98 119	102 691

SOURCES: Departamento de Aduanas, Ministerio de Economía y Hacienda and Banco de España.

a. It does not include the intra EU trade that it is not assigned to any country.

b. Provisional data.

EURO AREA: IMPORTS

EUR millions	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
A. Agriculture, hunting and forestry	1 584	1 871	1 745	1 794	2 050	2 042	2 088	2 248	2 416	2 371	2 491
B. Fishing	471	505	534	622	635	675	800	925	1 006	970	975
C. Mining and quarrying	537	642	597	720	689	688	896	923	909	989	1 430
CA. Mining and quarrying of energy producing materials	39	28	54	44	36	34	42	42	36	40	74
<i>Anthracite, coal, lignite and peat</i>	30	28	32	31	28	28	28	29	29	31	33
<i>Crude oil and natural gas</i>	8	0	22	13	8	6	14	13	7	10	41
<i>Uranium and thorium ores</i>	0	0	0	0	0	0	0	0	0	0	0
CB. Mining and quarrying, except of energy producing materials	498	614	543	676	653	654	854	881	872	948	1 357
<i>Metal ores</i>	406	509	437	556	515	521	695	712	701	763	1 160
<i>Non-metal ores and non-energy materials</i>	92	105	106	121	138	134	159	169	171	185	197
D. Manufacturing	37 121	45 376	49 162	57 151	67 443	75 772	87 459	90 505	92 191	97 235	106 108
DA. Food products, beverages and tobacco	2 772	3 328	3 240	3 534	3 970	4 379	4 595	5 330	5 661	6 090	6 717
<i>Food and beverages</i>	2 611	3 026	3 145	3 389	3 732	3 986	4 143	4 592	4 799	5 088	5 449
<i>Tobacco</i>	161	302	96	145	238	393	453	737	862	1 003	1 267
DB. Textiles and textile products	1 980	2 358	2 595	2 920	3 369	3 552	3 957	4 241	4 257	4 458	4 396
<i>Textiles</i>	1 028	1 195	1 326	1 567	1 838	1 861	2 107	2 122	2 094	2 042	1 912
<i>Textile products and fur</i>	952	1 163	1 269	1 353	1 531	1 692	1 850	2 119	2 163	2 416	2 484
DC. Leather and footwear	295	324	370	427	473	487	622	679	716	798	799
DD. Wood and cork	298	359	380	468	582	678	743	785	830	899	932
DE. Paper, publishing and printing	1 682	2 204	2 124	2 316	2 572	2 695	3 272	3 158	3 391	3 390	3 526
DF. Refined petroleum products	443	419	504	578	544	651	1 499	1 622	1 524	1 867	2 277
DG. Chemical industry	4 569	5 511	5 541	6 803	7 546	7 982	9 050	10 063	11 429	11 700	12 283
DH. Rubber and plastic products	2 477	3 281	3 431	3 920	4 389	4 764	5 291	5 415	5 801	6 220	6 636
DI. Other non-metallic mineral products	580	716	759	877	983	1 039	1 081	1 204	1 233	1 345	1 398
DJ. Basic metals and fabricated metal products	3 506	4 468	4 534	5 516	6 270	6 507	7 695	7 865	7 951	8 498	9 740
<i>Basic metals</i>	2 106	2 846	2 764	3 525	3 874	3 798	4 695	4 777	4 689	5 146	6 027
<i>Fabricated metal products</i>	1 400	1 622	1 770	1 992	2 396	2 709	3 000	3 087	3 262	3 352	3 714
DK. Machinery and equipment	5 517	6 799	7 585	8 913	10 661	11 072	11 870	12 137	12 048	12 148	12 905
DL. Electrical, electronic and optical equipment	4 766	5 716	6 482	7 165	8 861	10 226	12 283	12 393	11 418	11 977	13 168
<i>Office machinery and computers</i>	977	1 184	1 207	1 407	1 926	2 092	2 721	2 686	2 316	2 583	2 956
<i>Electrical machinery and apparatus</i>	1 952	2 436	2 513	2 833	3 318	3 577	3 995	4 366	4 135	4 347	4 365
<i>Electronic equipment</i>	924	1 088	1 639	1 660	2 144	2 900	3 783	3 477	2 874	3 035	3 780
<i>Medical and precision instruments</i>	913	1 008	1 123	1 265	1 473	1 656	1 784	1 864	2 093	2 012	2 067
DM. Transport equipment	7 275	8 821	10 377	12 215	15 446	19 770	23 419	23 445	23 628	25 320	28 468
<i>Motor vehicles</i>	6 791	8 287	9 391	11 168	14 329	17 952	20 864	21 506	21 867	23 552	26 119
<i>Other transport equipment</i>	483	534	987	1 047	1 117	1 818	2 555	1 939	1 762	1 768	2 348
DN. Manufacturing n.e.c.	960	1 072	1 240	1 501	1 776	1 969	2 083	2 168	2 302	2 523	2 863
<i>Manufacture of furniture and other</i>	960	1 072	1 240	1 501	1 776	1 969	2 083	2 168	2 302	2 523	2 863
E. Electricity, gas and water supply	62	129	161	95	150	162	115	200	222	244	353
Unclassified	78	69	333	173	161	160	599	633	532	630	824
TOTAL	39 853	48 593	52 531	60 555	71 127	79 499	91 958	95 434	97 276	102 440	112 181

SOURCES: Departamento de Aduanas, Ministerio de Economía y Hacienda and Banco de España.

a. Provisional data.

EURO AREA: EXPORTS

EUR millions	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
A. Agriculture, hunting and forestry	3 621	4 182	4 609	5 364	5 418	5 262	5 727	6 240	6 657	7 115	6 610
B. Fishing	366	433	574	650	672	776	900	1 045	1 092	1 068	1 091
C. Mining and quarrying	234	289	304	369	319	444	532	534	905	784	729
CA. Mining and quarrying of energy producing materials	1	2	0	2	9	1	2	15	370	315	247
<i>Anthracite, coal, lignite and peat</i>	1	0	0	2	2	1	2	3	2	4	5
<i>Crude oil and natural gas</i>	0	2	0	0	0	0	0	0	368	311	242
<i>Uranium and thorium ores</i>	0	0	0	0	7	0	0	12	0	0	0
CB. Mining and quarrying, except of energy producing materials	232	287	303	367	310	442	530	519	535	469	483
<i>Metal ores</i>	92	112	122	157	99	214	272	260	231	220	220
<i>Non-metal ores and non-energy materials</i>	141	175	182	210	211	229	259	260	304	249	263
D. Manufacturing	31 544	38 336	42 162	48 685	53 772	57 267	66 439	69 528	69 698	73 378	77 559
DA. Food products, beverages and tobacco	2 442	2 763	3 412	4 431	4 536	4 498	5 152	6 059	6 439	6 861	7 283
<i>Food and beverages</i>	2 440	2 742	3 392	4 409	4 509	4 472	5 125	6 026	6 387	6 800	7 199
<i>Tobacco</i>	2	21	20	22	26	25	27	33	52	62	84
DB. Textiles and textile products	1 420	1 898	2 149	2 512	2 906	3 045	3 317	3 567	3 773	3 745	3 756
<i>Textiles</i>	858	1 136	1 207	1 401	1 600	1 540	1 665	1 725	1 678	1 575	1 529
<i>Textile products and fur</i>	562	762	942	1 111	1 305	1 505	1 652	1 843	2 094	2 170	2 227
DC. Leather and footwear	832	928	1 007	1 209	1 265	1 320	1 456	1 621	1 611	1 518	1 424
DD. Wood and cork	225	278	301	353	408	456	534	566	598	569	582
DE. Paper, publishing and printing	865	1 250	1 201	1 345	1 455	1 621	2 146	2 259	2 338	2 465	2 501
DF. Refined petroleum products	480	454	494	652	596	572	1 247	965	801	999	1 097
DG. Chemical industry	2 204	2 622	2 842	3 139	3 486	3 853	4 686	5 302	5 607	6 153	6 386
DH. Rubber and plastic products	1 760	2 341	2 395	2 819	3 161	3 426	4 098	4 489	4 373	4 564	4 923
DI. Other non-metallic mineral products	982	1 167	1 253	1 409	1 524	1 669	1 860	1 992	2 039	2 001	2 036
DJ. Basic metals and fabricated metal products	2 888	3 772	3 926	4 572	4 828	4 901	5 964	5 934	5 959	6 224	7 319
<i>Basic metals</i>	1 910	2 484	2 422	2 887	2 980	2 912	3 681	3 476	3 446	3 646	4 454
<i>Fabricated metal products</i>	978	1 288	1 504	1 686	1 847	1 989	2 282	2 458	2 513	2 578	2 864
DK. Machinery and equipment	2 487	3 147	3 824	4 136	4 779	5 127	5 556	5 701	5 505	5 664	5 942
DL. Electrical, electronic and optical equipment	2 856	3 577	3 904	4 374	5 042	5 763	6 767	7 140	6 582	6 772	7 084
<i>Office machinery and computers</i>	584	736	797	794	1 060	1 247	1 579	1 289	888	839	873
<i>Electrical machinery and apparatus</i>	1 340	1 633	1 786	2 006	2 182	2 345	2 600	2 745	2 636	2 656	2 995
<i>Electronic equipment</i>	615	839	895	1 078	1 290	1 607	1 895	2 319	2 265	2 396	2 302
<i>Medical and precision instruments</i>	317	368	426	496	510	564	693	787	793	881	915
DM. Transport equipment	11 371	13 155	14 304	16 406	18 250	19 408	21 883	22 029	22 116	23 895	25 176
<i>Motor vehicles</i>	10 413	12 522	13 536	15 277	17 241	18 060	20 415	20 549	20 185	22 138	23 370
<i>Other transport equipment</i>	958	633	767	1 129	1 009	1 349	1 467	1 480	1 931	1 758	1 806
DN. Manufacturing n.e.c.	733	983	1 151	1 330	1 538	1 607	1 775	1 904	1 958	1 947	2 051
<i>Manufacture of furniture and other</i>	733	983	1 151	1 330	1 538	1 607	1 775	1 904	1 958	1 947	2 051
E. Electricity, gas and water supply	0	13	55	90	0	1	26	42	53	175	453
Unclassified	69	298	101	425	446	461	517	571	484	469	614
TOTAL	35 834	43 551	47 804	55 582	60 628	64 210	74 141	77 960	78 890	82 990	87 056

SOURCES: Departamento de Aduanas, Ministerio de Economía y Hacienda and Banco de España.

a. Provisional data.

NON-COMMUNITY AREAS: IMPORTS

EUR millions	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
A. Agriculture, hunting and forestry	2 070	2 643	2 579	2 810	2 750	2 742	2 922	3 133	3 358	3 011	3 197
B. Fishing	1 094	1 262	1 245	1 518	1 918	1 774	2 175	2 609	2 389	2 509	2 369
C. Mining and quarrying	6 484	6 679	8 166	9 387	7 732	9 186	17 497	16 433	16 061	15 807	18 609
CA. Mining and quarrying of energy producing materials	5 530	5 707	7 020	7 866	6 257	7 768	15 812	14 717	14 444	14 172	16 773
<i>Anthracite, coal, lignite and peat</i>	<i>400</i>	<i>476</i>	<i>432</i>	<i>449</i>	<i>526</i>	<i>635</i>	<i>838</i>	<i>868</i>	<i>997</i>	<i>775</i>	<i>1 179</i>
<i>Crude oil and natural gas</i>	<i>5 130</i>	<i>5 231</i>	<i>6 588</i>	<i>7 417</i>	<i>5 731</i>	<i>7 134</i>	<i>14 974</i>	<i>13 848</i>	<i>13 447</i>	<i>13 397</i>	<i>15 594</i>
<i>Uranium and thorium ores</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
CB. Mining and quarrying, except of energy producing materials	953	972	1 146	1 521	1 475	1 418	1 684	1 717	1 617	1 634	1 836
<i>Metal ores</i>	<i>770</i>	<i>785</i>	<i>938</i>	<i>1 270</i>	<i>1 199</i>	<i>1 119</i>	<i>1 345</i>	<i>1 364</i>	<i>1 281</i>	<i>1 324</i>	<i>1 506</i>
<i>Non-metal ores and non-energy materials</i>	<i>183</i>	<i>187</i>	<i>208</i>	<i>251</i>	<i>276</i>	<i>299</i>	<i>339</i>	<i>353</i>	<i>337</i>	<i>310</i>	<i>331</i>
D. Manufacturing	16 652	19 235	19 484	23 582	26 864	31 436	38 510	39 237	40 250	44 559	53 125
DA. Food products, beverages and tobacco	1 712	1 886	1 920	2 204	2 224	2 333	2 355	2 362	2 535	2 611	3 057
<i>Food and beverages</i>	<i>1 668</i>	<i>1 845</i>	<i>1 883</i>	<i>2 148</i>	<i>2 174</i>	<i>2 299</i>	<i>2 296</i>	<i>2 306</i>	<i>2 473</i>	<i>2 548</i>	<i>2 991</i>
<i>Tobacco</i>	<i>43</i>	<i>42</i>	<i>36</i>	<i>56</i>	<i>50</i>	<i>35</i>	<i>60</i>	<i>56</i>	<i>62</i>	<i>63</i>	<i>66</i>
DB. Textiles and textile products	1 433	1 542	1 625	2 221	2 496	2 892	3 664	4 071	4 536	4 882	5 527
<i>Textiles</i>	<i>545</i>	<i>634</i>	<i>613</i>	<i>839</i>	<i>965</i>	<i>955</i>	<i>1 151</i>	<i>1 199</i>	<i>1 155</i>	<i>1 095</i>	<i>1 091</i>
<i>Textile products and fur</i>	<i>888</i>	<i>908</i>	<i>1 012</i>	<i>1 382</i>	<i>1 531</i>	<i>1 937</i>	<i>2 513</i>	<i>2 872</i>	<i>3 381</i>	<i>3 787</i>	<i>4 436</i>
DC. Leather and footwear	478	528	593	846	852	875	1 044	1 211	1 261	1 361	1 467
DD. Wood and cork	301	362	359	476	574	668	815	833	816	855	906
DE. Paper, publishing and printing	365	505	487	601	672	689	812	754	725	721	745
DF. Refined petroleum products	655	677	718	814	560	905	2 021	2 059	1 901	2 086	2 881
DG. Chemical industry	1 974	2 315	2 248	2 602	2 896	2 903	3 663	3 937	4 218	4 726	5 418
DH. Rubber and plastic products	375	574	543	646	838	958	1 157	1 130	1 226	1 285	1 481
DI. Other non-metallic mineral products	169	217	249	291	366	471	536	620	653	652	741
DJ. Basic metals and fabricated metal products	947	1 534	1 306	1 611	2 077	2 218	3 134	3 397	3 345	3 928	5 131
<i>Basic metals</i>	<i>608</i>	<i>1 139</i>	<i>915</i>	<i>1 094</i>	<i>1 441</i>	<i>1 415</i>	<i>2 231</i>	<i>2 407</i>	<i>2 258</i>	<i>2 679</i>	<i>3 658</i>
<i>Fabricated metal products</i>	<i>339</i>	<i>395</i>	<i>391</i>	<i>517</i>	<i>637</i>	<i>803</i>	<i>904</i>	<i>990</i>	<i>1 087</i>	<i>1 249</i>	<i>1 473</i>
DK. Machinery and equipment	1 622	2 139	2 174	2 544	2 816	3 512	3 970	4 323	4 148	4 880	5 944
DL. Electrical, electronic and optical equipment	3 897	4 316	4 435	5 185	6 061	6 895	8 536	8 547	8 557	9 407	10 620
<i>Office machinery and computers</i>	<i>1 105</i>	<i>1 237</i>	<i>1 304</i>	<i>1 486</i>	<i>1 562</i>	<i>1 732</i>	<i>1 927</i>	<i>1 857</i>	<i>1 768</i>	<i>1 949</i>	<i>2 110</i>
<i>Electrical machinery and apparatus</i>	<i>648</i>	<i>741</i>	<i>753</i>	<i>884</i>	<i>1 081</i>	<i>1 289</i>	<i>1 606</i>	<i>1 684</i>	<i>1 731</i>	<i>2 076</i>	<i>2 426</i>
<i>Electronic equipment</i>	<i>1 304</i>	<i>1 446</i>	<i>1 433</i>	<i>1 663</i>	<i>2 108</i>	<i>2 395</i>	<i>3 393</i>	<i>3 361</i>	<i>3 466</i>	<i>3 679</i>	<i>4 325</i>
<i>Medical and precision instruments</i>	<i>841</i>	<i>892</i>	<i>945</i>	<i>1 152</i>	<i>1 310</i>	<i>1 480</i>	<i>1 611</i>	<i>1 646</i>	<i>1 592</i>	<i>1 704</i>	<i>1 760</i>
DM. Transport equipment	1 887	1 785	1 948	2 472	3 264	4 682	5 003	4 249	4 442	5 034	6 727
<i>Motor vehicles</i>	<i>854</i>	<i>1 038</i>	<i>1 086</i>	<i>1 327</i>	<i>2 041</i>	<i>2 683</i>	<i>2 940</i>	<i>2 691</i>	<i>2 662</i>	<i>3 374</i>	<i>4 538</i>
<i>Other transport equipment</i>	<i>1 032</i>	<i>748</i>	<i>861</i>	<i>1 145</i>	<i>1 222</i>	<i>1 999</i>	<i>2 063</i>	<i>1 558</i>	<i>1 780</i>	<i>1 661</i>	<i>2 188</i>
DN. Manufacturing n.e.c.	837	854	879	1 069	1 167	1 434	1 800	1 744	1 886	2 129	2 480
<i>Manufacture of furniture and other</i>	<i>837</i>	<i>854</i>	<i>879</i>	<i>1 069</i>	<i>1 167</i>	<i>1 434</i>	<i>1 800</i>	<i>1 744</i>	<i>1 886</i>	<i>2 129</i>	<i>2 480</i>
E. Electricity, gas and water supply	0	0	0	0	0	0	2	13	20	7	10
Unclassified	314	42	197	353	265	357	609	836	762	717	761
TOTAL	26 614	29 861	31 670	37 652	39 529	45 496	61 715	62 262	62 841	66 610	78 071

SOURCES: Departamento de Aduanas, Ministerio de Economía y Hacienda and Banco de España.

a. Provisional data.

NON-COMMUNITY AREAS: EXPORTS

EUR millions	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (a)
A. Agriculture, hunting and forestry	546	535	530	704	772	818	904	965	1 134	1 159	1 153
B. Fishing	238	218	239	338	313	418	456	495	445	414	476
C. Mining and quarrying	141	134	201	393	385	410	497	613	592	562	589
CA. Mining and quarrying of energy producing materials	0	0	0	0	0	0	1	0	0	9	40
<i>Anthracite, coal, lignite and peat</i>	0	0	0	0	0	0	1	0	0	1	1
<i>Crude oil and natural gas</i>	0	0	0	0	0	0	0	0	0	8	39
<i>Uranium and thorium ores</i>	0	0	0	0	0	0	0	0	0	0	0
CB. Mining and quarrying, except of energy producing materials	141	134	201	392	385	410	496	613	591	553	549
<i>Metal ores</i>	68	62	97	175	177	189	228	332	305	289	232
<i>Non-metal ores and non-energy materials</i>	74	72	104	218	208	221	268	281	286	264	317
D. Manufacturing	16 105	18 217	21 239	25 384	26 422	27 029	34 166	34 131	35 398	36 115	39 734
DA. Food products, beverages and tobacco	1 497	1 709	1 808	2 348	2 416	2 311	2 590	2 671	2 744	2 766	2 883
<i>Food and beverages</i>	1 476	1 679	1 778	2 296	2 390	2 270	2 541	2 625	2 708	2 745	2 864
<i>Tobacco</i>	20	30	30	52	26	41	49	46	36	21	19
DB. Textiles and textile products	795	922	1 075	1 325	1 420	1 521	1 922	2 163	2 456	2 349	2 420
<i>Textiles</i>	384	491	548	705	789	827	1 029	1 142	1 185	1 176	1 166
<i>Textile products and fur</i>	411	430	527	619	631	693	893	1 021	1 271	1 173	1 253
DC. Leather and footwear	679	706	816	935	887	762	921	944	944	788	736
DD. Wood and cork	126	132	156	212	213	217	264	272	324	303	344
DE. Paper, publishing and printing	555	689	704	914	968	932	1 199	1 259	1 165	1 055	1 147
DF. Refined petroleum products	712	906	1 283	1 474	1 324	1 553	2 937	2 592	2 139	2 609	3 554
DG. Chemical industry	1 621	1 562	2 145	2 234	2 396	2 608	3 170	3 505	4 351	4 254	4 478
DH. Rubber and plastic products	633	743	898	1 104	1 207	1 250	1 623	1 636	1 721	1 680	1 871
DI. Other non-metallic mineral products	935	1 074	1 178	1 403	1 444	1 444	1 695	1 824	1 888	1 752	1 721
DJ. Basic metals and fabricated metal products	2 066	2 006	2 386	2 626	2 532	2 324	3 004	2 920	2 786	2 828	3 252
<i>Basic metals</i>	1 374	1 199	1 417	1 492	1 227	1 129	1 585	1 492	1 356	1 414	1 781
<i>Fabricated metal products</i>	691	807	970	1 134	1 305	1 195	1 419	1 428	1 429	1 413	1 471
DK. Machinery and equipment	1 802	2 177	2 489	3 146	3 108	3 183	3 817	3 880	4 064	3 941	4 140
DL. Electrical, electronic and optical equipment	1 742	1 850	2 083	2 637	2 968	3 081	3 455	3 387	3 107	3 474	3 605
<i>Office machinery and computers</i>	269	304	351	424	370	351	327	377	277	366	278
<i>Electrical machinery and apparatus</i>	577	603	785	952	1 105	1 234	1 453	1 551	1 403	1 475	1 645
<i>Electronic equipment</i>	671	744	682	961	1 116	1 081	1 164	956	840	1 071	1 198
<i>Medical and precision instruments</i>	225	199	266	300	376	415	511	504	587	563	485
DM. Transport equipment	2 491	3 202	3 584	4 181	4 647	4 921	6 463	5 820	6 435	7 196	8 651
<i>Motor vehicles</i>	1 529	2 121	2 334	2 745	3 036	3 022	4 348	4 161	4 606	5 007	5 398
<i>Other transport equipment</i>	963	1 080	1 250	1 436	1 611	1 899	2 115	1 659	1 829	2 188	3 253
DN. Manufacturing n.e.c.	453	539	634	844	892	924	1 106	1 259	1 275	1 121	930
<i>Manufacture of furniture and other</i>	453	539	634	844	892	924	1 106	1 259	1 275	1 121	930
E. Electricity, gas and water supply	4	7	0	22	34	64	98	64	58	63	57
Unclassified	74	706	521	1 298	1 080	1 097	1 578	1 665	1 691	1 686	1 761
TOTAL	17 108	19 816	22 730	28 138	29 006	29 837	37 699	37 934	39 317	40 000	43 770

SOURCES: Departamento de Aduanas, Ministerio de Economía y Hacienda and Banco de España.

a. Provisional data.

APPENDIX III EXCHANGE RATES
TIME SERIES, 1990-2004

EXCHANGE RATES OF THE ECU (TO DECEMBER 1998) AND OF THE EURO (FROM JANUARY 1999)

Monetary units per ecu/euro (a)

	US DOLLAR	JAPANESE YEN	SWISS FRANC	STERLING	SWEDISH KRONA	DANISH KRONE	NORWEGIAN KRONE	CANADIAN DOLLAR	AUSTRALIAN DOLLAR	NEW ZEALAND DOLLAR	MEMORANDUM ITEM: SDR
1990	1.273	183.661	1.762	0.714	7.521	7.857	7.949	1.485	1.630	2.132	0.937
1991	1.239	166.493	1.772	0.701	7.479	7.909	8.017	1.420	1.591	2.143	0.905
1992	1.298	164.223	1.818	0.738	7.533	7.809	8.042	1.569	1.769	2.411	0.920
1993	1.171	130.150	1.730	0.780	9.122	7.594	8.310	1.511	1.724	2.166	0.839
1994	1.190	121.322	1.621	0.776	9.163	7.543	8.374	1.625	1.624	2.002	0.830
1995	1.308	123.013	1.546	0.829	9.332	7.328	8.286	1.795	1.765	1.993	0.863
1996	1.270	138.084	1.568	0.814	8.515	7.359	8.197	1.731	1.623	1.847	0.874
1997	1.134	137.076	1.644	0.692	8.651	7.484	8.018	1.569	1.528	1.715	0.824
1998	1.121	146.413	1.622	0.676	8.916	7.499	8.466	1.665	1.787	2.097	0.826
1999	1.066	121.317	1.600	0.659	8.808	7.436	8.310	1.584	1.652	2.015	0.780
2000	0.924	99.475	1.558	0.609	8.445	7.454	8.113	1.371	1.589	2.029	0.700
2001	0.896	108.682	1.511	0.622	9.255	7.452	8.048	1.386	1.732	2.130	0.703
2002	0.946	118.063	1.467	0.629	9.161	7.431	7.509	1.484	1.738	2.037	0.729
2003	1.131	130.971	1.521	0.692	9.124	7.431	8.003	1.582	1.738	1.944	0.807
2004	1.244	134.445	1.544	0.679	9.124	7.440	8.370	1.617	1.690	1.873	0.839

SOURCES: European Commission, European Central Bank and IMF for SDR.

a. To December 31 1998, European Commission exchange rate in ecu.

EXCHANGE RATES

	EURO AREA NOMINAL EFFECTIVE EXCHANGE RATE INDEX (a)	NOMINAL COMPONENT OF SPAIN'S COMPETITIVENESS INDICES VIS-À-VIS			
		DEVELOPED COUNTRIES	DEVELOPED COUNTRIES (NON-EURO)	EU	EURO AREA
	1999 Q1 = 100	1999 Q1 = 100	1999 Q1 = 100	1999 Q1 = 100	1999 Q1 = 100
1990	109.5	130.6	140.5	126.8	126.7
1991	106.3	130.8	137.6	127.9	128.0
1992	109.9	127.7	137.9	124.4	123.7
1993	98.6	112.8	119.1	112.5	110.7
1994	100.4	105.3	109.6	105.4	103.7
1995	106.1	104.4	112.2	103.9	101.4
1996	106.8	105.2	113.5	104.2	102.1
1997	98.6	100.7	101.3	100.5	100.5
1998	100.7	100.4	100.8	99.8	100.1
1999	96.0	98.7	95.9	99.5	100.0
2000	86.1	95.8	86.5	98.5	100.0
2001	86.7	96.3	88.1	99.0	100.0
2002	89.2	97.1	90.5	99.1	100.0
2003	99.9	100.0	100.0	100.1	100.0
2004	103.8	100.8	102.3	99.9	100.0

SOURCES: European Central Bank and Banco de España.

a. Vis-à-vis group of countries made up by the thirteen members of the EU that aren't members of the euro area, and Australia, Canada, China, South Korea, United States, Hong-Kong, Japan, Norway, Singapore and Switzerland.

EXCHANGE RATE OF EURO AREA CURRENCIES AGAINST THE ECU (a)

Monetary units per ecu

	BELGIAN FRANC	D-MARK	PESETA	FRENCH FRANC	IRISH POUND	ITALIAN LIRA	DUTCH GUILDER	AUSTRIAN SCHILLING	PORTUGUESE ESCUDO	FINNISH MARKKA	GREEK DRACHMA
1990	42.426	2.052	129.411	6.914	0.768	1521.983	2.312	14.439	181.109	4.855	201.412
1991	42.223	2.051	128.469	6.973	0.768	1533.235	2.311	14.431	178.614	5.002	225.216
1992	41.593	2.020	132.526	6.848	0.761	1595.515	2.275	14.217	174.714	5.807	247.026
1993	40.471	1.936	149.124	6.634	0.800	1841.228	2.175	13.624	188.370	6.696	268.567
1994	39.656	1.925	158.919	6.583	0.794	1915.059	2.158	13.540	196.896	6.191	288.026
1995	38.552	1.874	163.000	6.525	0.816	2130.103	2.099	13.182	196.105	5.709	302.989
1996	39.299	1.910	160.748	6.493	0.793	1958.958	2.140	13.434	195.762	5.828	305.546
1997	40.533	1.964	165.887	6.613	0.748	1929.303	2.211	13.824	198.589	5.881	309.355
1998	40.621	1.969	167.184	6.601	0.786	1943.646	2.220	13.854	201.695	5.983	330.731
1999											325.763
2000											336.630
EURO IRREVOCABLE CONVERSION RATE											
1999	40.340	1.956	166.386	6.560	0.788	1936.270	2.204	13.760	200.482	5.946	
2001											340.750

SOURCES: European Commission and European Central Bank.

a. As from January 2001, the irrevocable conversion rate of the Greek drachma against the euro is 340.75 drachma per euro.

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