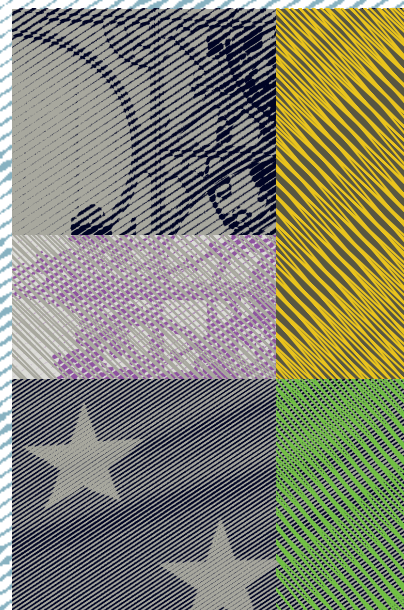


**THE SPANISH BALANCE  
OF PAYMENTS AND  
INTERNATIONAL  
INVESTMENT POSITION**

**2007**

**BANCO DE ESPAÑA**  
Eurosystem



THE SPANISH BALANCE OF PAYMENTS  
AND INTERNATIONAL INVESTMENT POSITION 2007

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## ABBREVIATIONS AND CONVENTIONAL SIGNS

bn	Billions (10 <sup>9</sup> ).
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

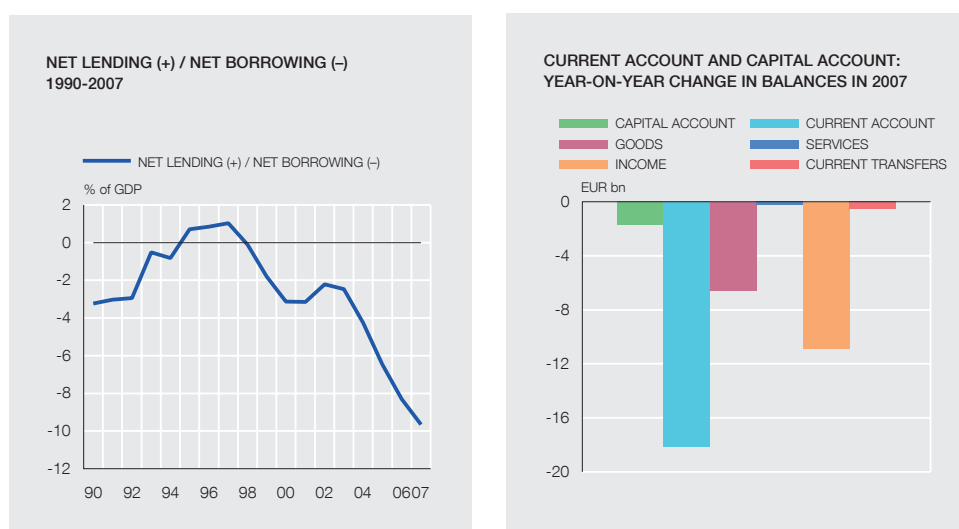
This chapter summarises the most salient developments in the balance of payments and in the international investment position in 2007, and the main changes introduced in connection with the production of these statistics since this report was last published.

In 2007, the world economy remained dynamic, driven as in 2006 by the strength of the emerging countries (especially, China and India), while the main industrialised economies showed signs of slowing, especially in the last quarter of the year. World trade grew at a notable rate, of close to 7%, albeit somewhat below that of the preceding three years. However, the magnitude of the slowdown of activity in the United States, the significant rise in the prices of raw materials and the rapidity with which the financial turbulence that emerged in the US sub-prime mortgage market became a global phenomenon prompted a significant change in the international conjuncture and downward revisions to the growth and world trade forecasts for 2008 of the main international organisations. The crisis of confidence which gave rise to the episode of financial instability was transmitted particularly strongly to the money markets, and also to the other wholesale financial markets, owing to a generalised repricing of risk on capital markets, which led to a tightening of the conditions for access to private sector financing at the world level. At the same time, the euro continued to appreciate against the dollar, a trend which has extended into the first few months of 2008, to reach all-time highs.

During 2007, the Spanish economy entered a slowdown. This was a result, on one hand, of the maturation of the long upswing and, on the other, of the impact in the second half of the year of the instability on international financial markets, which intensified the slowdown in certain spending components. However, the average growth rate for the year as a whole remained high, at 3.8%, down only 0.1 pp from the previous year, while the rebalancing between external and internal sources of growth continued, with the loss of buoyancy of domestic demand being counteracted by an improvement in the contribution of net external demand to GDP growth. The emergence of inflationary pressures at the international level, stemming from rises in energy and food commodity prices led to a substantial rise in the inflation rate in Spain in the final months of the year and in the first few months of 2008, with a widening in the consumer price growth differential vis-à-vis the euro area, following the improvement in the first half of 2007.

Despite the loss of domestic demand buoyancy and the increase in the contribution of the external sector to GDP growth, the Spanish economy's net borrowing from the rest of the world increased again in 2007 to 9.7% of GDP (8.3% in 2006), according to balance of payments methodology [the balance of the rest of the world account of the quarterly national accounts (QNA) recorded a similar increase, of 1.4 pp, to 9.5% of GDP]. However, there was a fall in the rate of expansion of net borrowing in 2007, with respect to previous years, as seen in Chart 1.1, which shows its level since 1990. Accordingly, external savings continued to finance the expansion of gross capital formation, which rose to 31.1% of GDP in 2007, exceeding gross national savings, which represented 21.3% of GDP that year, continuing the downward trend of previous years.

The increase in net borrowing basically reflects the increase in the current-account deficit, which rose to 10.1% of GDP in 2007 (8.9% in 2006) and, to a lesser extent, the decline in the capital account surplus, of 0.2 percentage points of GDP, to 0.4% (see Chart 1.1). The current account components contributing to the increase in the deficit were basically the income balance and, to a lesser extent, travel and goods trade.



SOURCE: Banco de España.

The trade gap amounted to 8.6% of GDP in 2007, which was 0.1 pp larger than in 2006 (see Table 1.1) a significantly smaller increase than in previous years. This reflected the widening of the trade deficit in real terms, in particular the non-energy component, since the terms of trade remained practically unchanged over the year, despite the rise in the price of raw materials. Goods imports in real terms slowed to 6% (down 2 pp from 2006, according to QNA data), in line with the reduced buoyancy of final demand and industrial activity. By contrast, exports were relatively strong (4.7%, a similar rate to 2006), despite the slower growth of Spain's main export markets and the deterioration in price competitiveness indicators. All the same, in 2007 goods imports continued to grow faster than exports, in real terms. As a result of the performance of Spain's exports, export shares in nominal terms, both to the euro area and the rest of the world, recovered somewhat. However, in real terms, export shares relative to the developed countries fell again, although at more moderate rates than in previous years. At the same time, the penetration of goods imports continued to increase, partly reflecting the strong price competitiveness of products exported by countries that have recently entered international trade.

As for the services balance, its nominal surplus fell by 0.2 pp of GDP to 2.1%, according to balance of payments data (see Table 1.1). This decline is explained by the smaller travel surplus, which fell to 2.6% of GDP, since the weight in GDP of the non-tourism services deficit was unchanged (-0.5%). The moderate growth in tourism receipts (3.6%, in nominal terms) confirms the difficulties that the Spanish economy has faced in recent years to increase its share of international tourist flows, specifically in relation to its two main markets, namely Germany and the United Kingdom. These difficulties are closely linked to the emergence of a large number of alternative destinations in the "sun and sand" segment, and the change in the profile of the average tourist, who tends to take a larger number of holidays during the year, but with a shorter duration and a lower average level of spending. The positive note last year was confirmation of recovery in the business and urban segment, which is generally associated with higher average spending per tourist. As a result of all these developments, real tourism receipts in 2007 remained practically unchanged from their 2006 levels, falling by 0.3% according to the QNA. In contrast to the slackness of receipts, tourism payments continued to grow at high rates (by 9.3% in nominal terms, according to balance of payments data, and by 5.8% in real terms, according to the QNA),

% of GDP	2002	2003	2004	2005	2006	2007
NET LENDING (+) / NET BORROWING (-)	-2.2	-2.5	-4.2	-6.5	-8.3	-9.7
Current account	-3.3	-3.5	-5.3	-7.4	-8.9	-10.1
<i>Goods</i>	-5.0	-5.1	-6.4	-7.6	-8.5	-8.6
<i>Services</i>	3.1	3.0	2.6	2.4	2.3	2.1
— Travel	3.5	3.5	3.2	2.9	2.8	2.6
— Other services	-0.4	-0.5	-0.6	-0.5	-0.5	-0.5
<i>Income</i>	-1.7	-1.3	-1.4	-1.9	-2.1	-3.0
— Of which: reinvested earnings	-0.2	0.0	0.0	0.2	0.4	0.5
<i>Current transfers</i>	0.3	-0.1	0.0	-0.4	-0.6	-0.6
Capital account	1.1	1.0	1.0	0.9	0.6	0.4
FINANCIAL ACCOUNT (a)	2.1	2.3	4.1	6.7	8.5	9.3
Excluding Banco de España	1.6	2.1	5.8	6.9	11.1	8.0
<i>Foreign direct investment</i>	0.9	-0.3	-3.4	-1.5	-6.0	-4.6
<i>Portfolio investment</i>	0.6	-3.4	10.2	6.5	20.4	9.9
<i>Other investment</i>	0.7	6.2	-1.0	1.9	-3.5	3.3
<i>Financial derivatives</i>	-0.7	-0.4	0.0	0.0	0.2	-0.7
Banco de España (b)	0.5	0.2	-1.7	-0.2	-2.6	1.4
ERRORS AND OMISSIONS	0.1	0.2	0.1	-0.2	-0.2	0.3

SOURCE: Banco de España.

a. Change in liabilities minus change in assets.

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

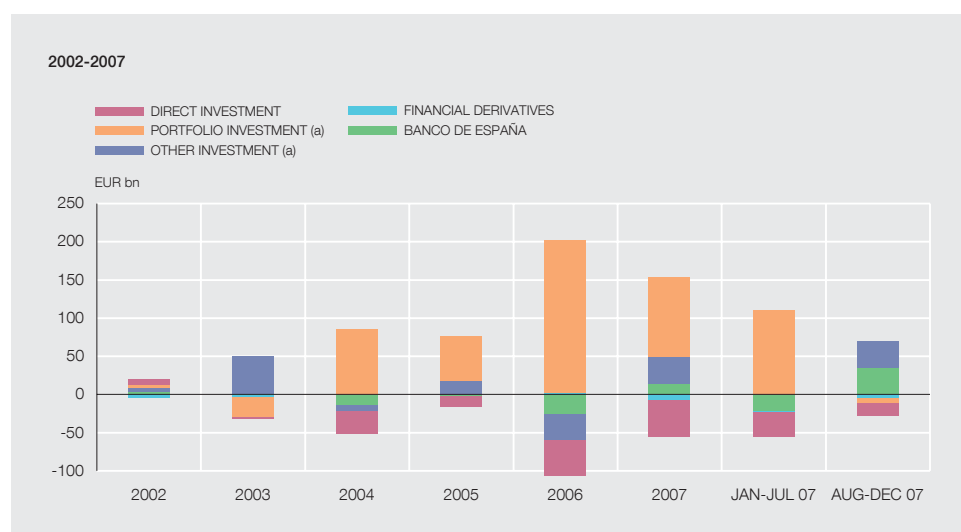
helped by the appreciation of the euro, although confirming the slowdown of recent years. Finally, both receipts and payments for non-tourism services again grew at very high rates (18% and 17%, respectively, in nominal terms), in line with the tendency at the world level for this type of transaction to increase. Notable, in particular, was the widening of the transport and business services deficits and the improvement in construction, financial and IT services. The buoyancy of non-tourism services reflects the progress in the liberalisation of international trade in these activities (which has occurred with some lag relative to goods), the fragmentation of productive processes and technical progress, which increases the possibilities for trade in certain services.

In 2007, the income deficit was the main determinant of the widening in the current-account deficit, its weight in GDP increasing by 0.9 pp, to 3%. This increase is basically explained by the higher indebtedness of the Spanish economy to the rest of the world and, to a lesser extent, by the trend in the spread between the returns on Spain's financial assets and liabilities vis-à-vis the rest of the world. By type of instrument, the increase in net payments of portfolio investment income explains most of the deterioration in the income balance, reflecting the way in which the Spanish economy has covered its borrowing requirement, mainly with bonds issued by Spanish financial institutions. These securities have mostly been issued with coupons indexed to short-term interest rates, which makes income payments especially sensitive to rises in such rates.

Finally, the current transfers balance remained unchanged at around 0.6% of GDP, as the favourable performance of net transfers vis-à-vis the EU almost completely offset the deterioration in workers' remittances and other transfers. Lastly, the capital account surplus, which depends basically on capital transfers vis-à-vis the EU, fell by 0.2 pp of GDP, to 0.4% of GDP.

**NET CROSS-BORDER FINANCIAL TRANSACTIONS,  
BY INSTRUMENT (NCL – NCA)**

CHART 1.2



SOURCE: Banco de España

a. Excluding the Banco de España.

In 2007 as a whole, most of the net capital inflows continued to take the form of portfolio investment [mainly in asset-backed securities<sup>1</sup> and in issues of subsidiaries of monetary financial institutions (MFIs), which are classified under other resident sectors (ORSs)] and, to a much lesser extent, of other investment. On the other hand, there were net outflows of funds arising from foreign direct investment (FDI) and financial derivative transactions. However, these annual results do not reflect the change that took place from the summer in the way in which the Spanish economy has covered its borrowing requirement. From August, the financial instability on international markets made it difficult to raise financing on the wholesale markets for long and medium-term debt, and in particular through the issuance of asset-backed securities. Consequently, in the second half of the year, Spanish financial institutions covered their liquidity requirements through the alternative channels of short-term securities issuance and recourse to the interbank market.

Chart 1.2 illustrates the above-mentioned change in the sources of financing. While in the first few months of the year there were net capital inflows in the form of portfolio investment as a consequence of the increase in non-residents' holdings of asset-backed securities and securities issued by the subsidiaries of MFIs, from August portfolio investment transactions with the rest of the world generated net capital outflows. These outflows reflect the reduction in non-residents' holdings of the above-mentioned securities and, to a lesser extent, of public debt, which was only partially offset by the repatriation of funds from abroad and by sales of foreign securities in the portfolios of resident investors (mainly mutual funds). This shift in agents' portfolios towards domestic securities is consistent with the greater uncertainty in international financial markets in the second half of the year. The lower amount of foreign capital raised through portfolio investment was partly offset by financial instruments classified under other investment, especially short-term deposits, which has increased MFIs' refinancing needs during the coming months, although they continue to be moderate given the predominant use made of medium and long-term instruments. However, the favourable reception by non-resi-

1. Asset-backed bonds issued by ORSs and mortgage covered bonds issued by MFIs.

dents of recent issues of Spanish financial institutions of medium and long-term bonds, and in particular covered bonds, suggests that the wholesale financing market is beginning to return to normal.

In 2007, the Banco de España's net foreign assets declined slightly, by 1.9% of GDP, as against an increase of 2.6% in 2006. This change in direction indirectly reflects the effect that the financial turbulence has had on the way in which the Spanish economy has covered its borrowing requirement during 2007. The decline was concentrated among the Banco de España's net assets vis-à-vis the Eurosystem, reflecting the change in the way MFIs have covered their liquidity requirements, since both other net assets and, to a much lesser extent, reserves increased.

The net capital inflows that took place during 2007 increased Spain's debit balance with the rest of the world, although at a lower rate than in the previous year, to 69.3% of GDP as at year-end (up 11.2 pp from end-2006). If the Banco de España is excluded, this percentage increases to 76.8% of GDP in 2007 (67.9% in 2006). Unlike in other years, the estimates made suggest that the contribution of the valuation effect to the deterioration in the Spanish economy's net debit international investment position (IIP) was limited, as the effects of the appreciation of the euro and the developments in the prices of the instruments that make up the foreign financial assets and liabilities offset each other, since they were of a similar size but with the opposite sign. As a result, developments in the IIP in 2007 were determined mainly by the financial transactions carried out during the period. In line with this result, the widening of Spain's net debit IIP, excluding the Banco de España, is mainly explained by the change in the portfolio investment debit balance and, to a lesser extent, by that of other investment and that of financial derivatives. By contrast, the FDI credit position increased.

As regards the new features described in this edition of the report, it should be pointed out that the main changes were not introduced in 2007, but during the first few months of 2008, so that they do not affect the data contained herein. First, as regards the information system used to compile the balance of payments and the IIP, it should be noted that the amount below which residents are exempt from the obligation to report the type of foreign transaction has been raised from €12,500 to €50,000. This has required a search for alternative sources to estimate the amount of certain headings under which a large number of transactions of an amount below the above-mentioned threshold are concentrated, a task on which progress was made during 2007. Second, and in relation to the foregoing, in April 2008 a new timetable came into force for the publication and revision of the balance of payments, basically as a result of the changes being made to the information system used to compile these statistics. These changes have made it necessary to review the periodicity of dissemination of certain headings of the balance of payments whose sources of information are no longer monthly. Finally, among the changes made in this edition, the improvement in the procedure for estimating reinvested earnings on direct investment is notable. Stock data for direct investment from the investment register of the Ministry of Industry, Tourism and Trade and from the Central Balance Sheet Data Office are used for this purpose.

## 2 THE CURRENT AND CAPITAL ACCOUNT BALANCES IN 2007

## 2 The current and capital account balances in 2007

### 2.1 Introduction

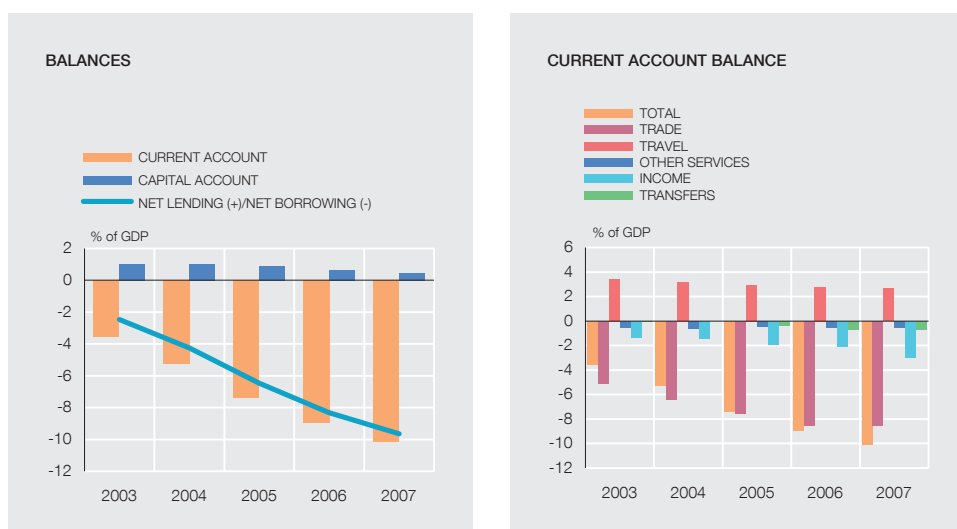
As in 2006, the external transactions of the Spanish economy in 2007 took place against the backdrop of a relatively buoyant international economy, since world GDP posted annual growth of approximately 5% for the fourth consecutive year. A contributing factor to this was strong domestic demand in emerging economies, mainly in China and India, which represented around two-thirds of world growth, while activity in the major industrialised economies showed clear signs of slowing down, especially in the second half of the year. As a result, international trade continued to grow at a very high rate, nearing 7% per year, albeit lower than that recorded in the three preceding years. Despite the worsening of the international economic situation, rising energy and non-energy commodity prices triggered an increase in inflationary pressures worldwide and also in the euro area, even though the euro exchange rate appreciated significantly (by more than 10% against the dollar over the year as a whole).

On international financial markets, entry conditions and the cost of financing were significantly affected by the financial turbulence which began in summer further to the rising defaults on US subprime mortgage loans. The tension caused, which was particularly acute on money markets, sparked a widespread repricing of risk on capital markets, thus leading to tighter financing conditions in the private sector in a good number of countries. Faced with this situation, international monetary authorities made funds available in an unprecedented manner and in some cases relaxed the criteria used to define eligible collateral for operations to inject liquidity. Co-ordinated action was also taken by various central banks. In addition, the US monetary authority considerably cut its interest intervention rate, while in the euro area the related rate held steady at its June level. Despite the source of the crisis being highly concentrated in the mortgage segment, the widespread lack of confidence caused the trouble to filter through to capital markets too, not only in segments linked to mortgage assets but also in other private debt markets, which undoubtedly affected international movements of capital and financing flows between countries and, in particular, the way in which the Spanish economy was covering its net borrowing.

In the above-mentioned scenario, the pace of growth of the Spanish economy only fell by 0.1 pp in the whole of 2007 to 3.8%, slowing rather more steeply as the year unfolded. These developments reflect less buoyant domestic demand (down 0.5 pp to 4.3%) and the considerable decrease in the negative contribution by the external sector (0.7 pp, in comparison with 1.2 pp last year). The rise in oil and food prices over the year led year-on-year inflation measured by the CPI to climb to 4.2% in December 2007 (the annual average rate was 2.8% in 2007), while core inflation stood at 3.3% in year-on-year terms (the annual average rate was 2.7% in 2007). As a result, the annual average inflation differential vis-à-vis the euro area, as measured by the HICP, stood at 0.7 pp (0.7 pp lower than the differential in 2006) and at 1.2 pp in December (0.4 pp above its value at the end of 2006). That, coupled with the significant appreciation of the euro (3.9% on average in the year against the developed countries in nominal effective terms), was reflected in the further deterioration of price-competitiveness indicators.

Notwithstanding the correction of the negative contribution of net external demand to GDP growth, the Spanish economy's net borrowing continued to expand significantly in 2007. In fact, although it increased less than in previous years, on balance of payments data Spain's net borrowing amounted to 9.7% of GDP in 2007 (€101,346 million), 1.4 pp higher than in 2006 (€81,519 million). Thus, foreign savings continued to finance the expansion of gross





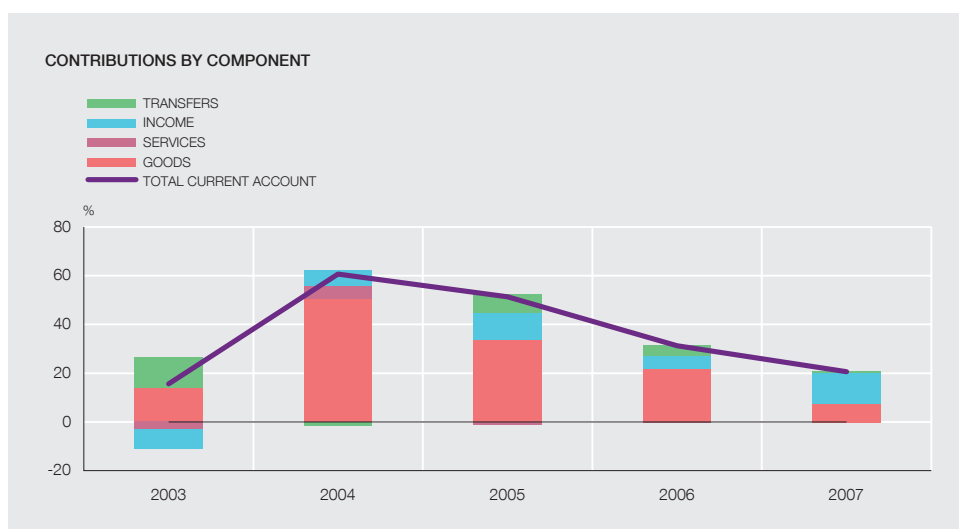
SOURCE: Banco de España.

capital formation, which amounted to 31.1% of GDP in 2007, far higher than gross national saving, which represented 21.3% of GDP that year.

The main reason for the increase in net borrowing was the widening of the current account deficit, which climbed to 10.1% of GDP (8.9% in 2006), since the weight of the capital account surplus in GDP fell 0.2 pp to 0.4% (see Chart 2.1). The income balance contributed most to the worsening of the current account balance, since its deficit rose by 0.9 pp of GDP to 3% (see Chart 2.2). The contribution of other headings was considerably smaller, the largest of which was services since its surplus fell 0.2 pp to 2.1% of GDP, primarily due to the lower tourism balance. Finally, the trade deficit, which was chiefly responsible for the current account imbalance, widened 0.1 pp to 8.6% of GDP.

The increase in the goods deficit in 2007 essentially reflects the widening of the trade imbalance in real terms and, specifically, of the non-energy component, albeit at a lower pace than in previous years. The slower rate of growth of imports contributed in particular to the latter and was in keeping with less buoyant final demand and industrial activity, since exports were relatively robust although their major export markets were less dynamic and losses in price-competitiveness had accumulated in recent years. Even so, goods imports growth continued to exceed that of exports. The terms of trade remained relatively stable despite higher commodity prices. In this situation, Spain's nominal export shares showed a slight recovery vis-à-vis the euro and the rest of the world. At the same time, export shares in real terms, though they continued to fall vis-à-vis the developed countries, did so at lower rates than in recent years. The penetration of goods imports continued in line with the trend in recent years, which partly reflects the gains in price-competitiveness of imported as opposed to Spanish products.

The deterioration of the balances of the other current account components is partially due to factors of a more structural nature. Thus, the moderate rise in tourism receipts shows the change in trend observed in the profile of tourists to Spain, who visit more frequently, but stay less time and spend less on average, while the significant growth of tourism payments is a reflection of the natural response to higher per capita income in Spain. The increase in the investment income deficit has been driven by the parallel widening of the Spanish economy's net



SOURCE: Banco de España.

debit position and by the changes in the differentials between the implicit returns on the Spanish economy's financial assets and external liabilities (see Box 4.1). Lastly, the negative balance of current transfers, which has traditionally helped to offset the trade deficit, widened moderately due to the rise in workers' remittance payments and donations, despite the improved performance of net transfers to and from the EU.

## 2.2 The current account balance

### 2.2.1 TRADE BALANCE

According to balance of payments figures in 2007, the trade deficit continued to widen although its rate of increase of approximately 8% was considerably lower than that of 21.4% seen in 2006, since the nominal goods exports growth rate (6.4% for the whole year) was similar to that of imports (6.9%). As a percentage of GDP, the deficit amounted to 8.6% in 2007 as against 8.5% in 2006.

The information on volumes and prices of foreign goods trade provided by the quarterly national accounts (QNA) of the National Statistics Institute (INE) reveals that, as has occurred since the beginning of the decade, in 2007 the widening of the imbalance was due to the changes in real trade. This was because imports once again outpaced exports, since the terms of trade remained relatively stable. As in previous years, this result is linked to the Spanish economy's position in the cycle, the losses in competitiveness accumulated in recent years and the diminished buoyancy of Spain's main export markets. However, there was a more even balance between import and export growth in 2007 than in the previous year, since imports slowed (to 6%, 0.2 pp down on 2006), in keeping with less robust final demand, while exports showed more sustained progress despite the worsening international economic climate, by increasing 4.7% on average, a similar rate to 2006.

The terms of trade (the ratio of export to import prices) remained practically stable, despite the increase in the price of imported crude (\$87.2 in December 2007 in comparison with \$50 at the beginning of the year) and, in general, in dollar-denominated agricultural and industrial commodities. This stability reflects not only the fact that the appreciation of the euro against the dollar countered most of the price rise in dollar-denominated commodities (the price of imported oil in euro only increased 1.5% in the whole of 2007), but also that the import prices of certain goods which have acquired a heavier weight in recent years in the breakdown of

**TRADE BALANCE**  
Nominal rate of change

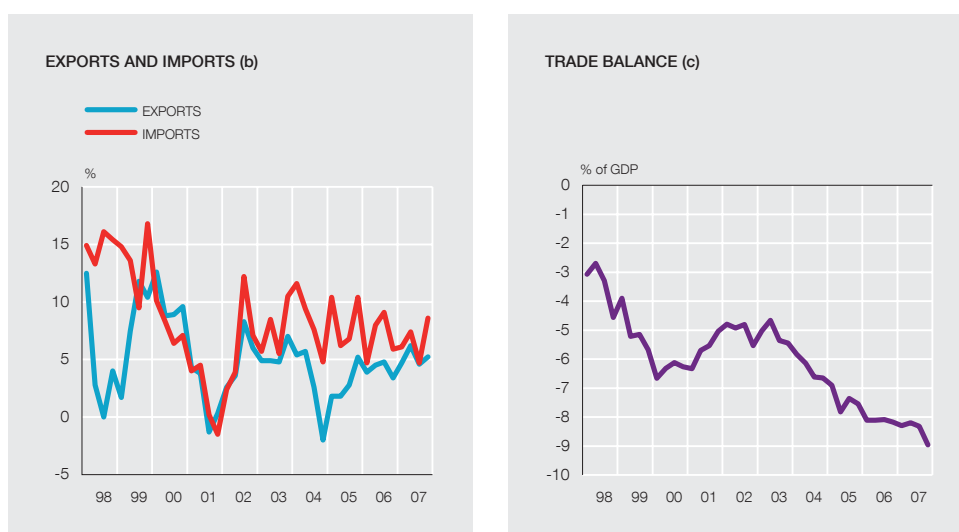
TABLE 2.1

	AVERAGE 1996-2003	2004	2005	2006	2007	2007			
						Q1	Q2	Q3	Q4
Receipts (exports)	9.0	6.6	6.0	11.3	6.4	5.3	5.3	8.9	6.4
Payments (imports)	10.0	12.8	11.8	14.4	6.9	4.6	4.8	8.8	9.4

SOURCE: Banco de España.

**TRADE BALANCE: COMPONENTS (a)**

CHART 2.3



SOURCE: Instituto Nacional de Estadística.

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

Spain's purchases from abroad have dropped. Some of the causes which contribute to explaining this behaviour are explored in Box 2.1.

As in previous editions of this report, detailed analysis of the growth and structure of foreign trade<sup>1</sup> is based on the excise figures published by the Spanish Customs Department, the main source of information for compiling the goods balance of the balance of payments and the QNA. Its growth in nominal terms, broken down by product group and geographical area, is shown in Table 2.2. Table 2.3 summarises the behaviour of exports and imports in volume and price terms, approximated by the unit value indices (UVIs) compiled by the Subdirectorato General of Macroeconomic Analysis of the Ministry of Economy and Finance. Finally, Table 2.4 presents the related percentage breakdown in nominal terms by geographical area and product group.

Throughout the text comparisons between 2006 and 2007 data are based on the provisional series, since the final data for 2007 were not available when this report went to press.

1. Appendix I to this report contains time series for Spanish foreign trade for the period 1996-2007, based on Customs data, broken down by product group and geographical area, and in greater detail than in this chapter.

Changes in an economy's trade balance can be analysed by examining the behaviour of the terms of trade, i.e. the ratio of goods and services export prices to import prices, and changes in real terms in exports and imports. As shown in the accompanying panel, in recent years the Spanish economy's terms of trade have remained relatively stable, despite the considerable rises in the price of oil, gas, metals and certain agricultural commodities, imports of which are most intensive, and which the appreciation of the euro has not been able to offset in full. This behaviour is in contrast to the deterioration seen during the energy crises in the seventies (see accompanying panel), when higher energy import prices triggered a rapid worsening of this variable. Accordingly, it is important to analyse the breakdown of information provided by the export and import unit value indices by sector to explore certain factors which have countered the effects on the terms of trade linked to a widespread rise in commodity prices.<sup>1</sup>

Changes in the terms of trade generally reflect the supply and demand characteristics prevailing on world markets. Thus, when world demand shifts to the products of a specific country, its export prices will tend to outpace its import prices and, consequently, the terms of trade will improve. Conversely, if the supply capacity of a country (of the rest of the world) expands, a relative drop in its export (import) prices and a deterioration (improvement) in the terms of trade can

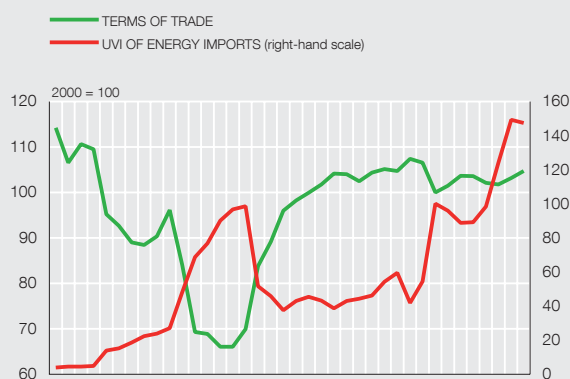
generally be expected. However, the magnitude of these effects will depend, among other things, on the degree of uniformity of output and the size of the countries. For example, if the expansion of production capacity is accompanied by improvements in product quality which stimulate demand, the adverse effects on the terms of trade that would arise from an increase in supply can be countered.

As seen in the accompanying panels, which present the average change in the export and import unit value indices broken down by economic sector in the period 2000-2007, the sectors of activity where improvements in the terms of trade are observed are those with high technological content, including most notably electronic and communications equipment (although this detail is not presented in the panel). Also, low-technology industries have shown an improvement in the terms of trade in recent years, which is particularly sharp in the case of textiles and textile products, footwear and sundry manufactures, which include, inter alia, toy manufacturing. As can be seen in the panel, in this sector import prices have dropped in recent years. In the case of high-technology content products, of which Spain is a net importer, this trend in prices has been influenced by ongoing technical progress which has triggered a drop in the relative prices of these products. Yet in these sectors, as in low-technology content sectors, the drop shown by import prices in recent years, which is shared with other developed economies, is largely due to the increase in production capacity arising from the emergence of low-cost economies on international markets (and, in particular, China), which has entailed a radical change in the geographical structure of Spanish imports. Thus, in 2007 China was the Spanish economy's main supplier of textile products and toys, and the value of Chinese imports almost doubled that of Italian imports. Only three years earlier Italy was Spain's leading supplier in these segments. In the same year, China was Spain's second-largest supplier of ICT-related products and the value of its imports was only slightly below that of Germany's.

1. In this box, the terms of trade are similar to the export and import unit value indices compiled by the Ministry of Finance. The changes in these indices are closely linked to those of National Accounts deflators. The information refers exclusively to the trade in goods. However, it should be mentioned that other alternative measurements of export and import prices like the UVIs compiled by Eurostat or the INE industrial export and import prices, reveal a slight worsening of the terms of trade in recent years. In any event, the magnitude of the discrepancies between the various sources of information is relatively small, except in capital goods, and does not invalidate the results presented in this Box.

DEVELOPMENTS IN THE TERMS OF TRADE

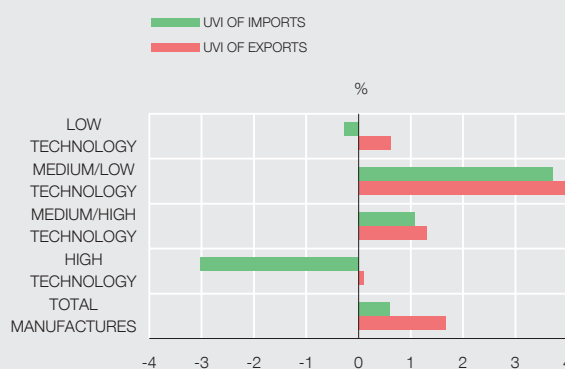
1 TERMS OF TRADE (a)



SOURCE: Ministerio de Economía y Hacienda.

a. UVI of total goods exports in relation to UVI of total goods imports

2 UVIs BY BRANCH OF TECHNOLOGICAL INTENSITY  
Rate of change in the average for the period 2000 - 2007



This shift away from the import source markets to low-cost economies has made it possible to counter the effect of higher commodity prices on the terms of trade. Adding to that is the potential impact of the refocusing of Spain's output on higher-quality and higher value added segments. This is seen in some of the sectors which are usually included among those with a lower technology content but which, in the face of increasing competi-

tion, have restructured and modernised, introducing more innovative processes and products, and providing for the continuing positive growth of their exports. Spanish industry should continue to make progress along these lines in order to square higher export prices, and their consequent effect on the population's well-being, with a greater presence of Spanish products in international markets.

On Customs data, and in contrast with the two previous years, the energy trade deficit scarcely increased in 2007, although its share in the total deficit held steady at approximately 30%, in line with its historical average. A contributing factor was the relative stability of euro-denominated energy import prices in the year as a whole. However, in the closing months of 2007, in response to the large rise in oil prices, the energy deficit widened considerably. On the contrary, the non-energy deficit increased by 15.2%. Non-energy intermediate products account for most of the trade imbalance, since their deficit represents more than 60% of the total non-energy balance. These developments in recent years are also explained by changes in the consumer goods balance. Since 2004, trade in this type of good has recorded a growing deficit, due to weak car exports (which were more resilient in 2007 than in previous years) and buoyant purchases of consumer goods from countries with very competitive prices (see Chart 2.4). Furthermore, in 2007 there was an increase of the deficit in the capital goods segment linked to greater business investment on average in the year.

This distribution of the deficit by product is closely tied to its structure by geographical area. With respect to the latter, the relative increase of the deficit with Germany (the Spanish economy's main supplier of capital goods) and also with China (which is the source of a growing percentage of imports for household consumption) should be noted. Overall, these two countries represented approximately 60% of the Spanish economy's non-energy deficit in 2007.

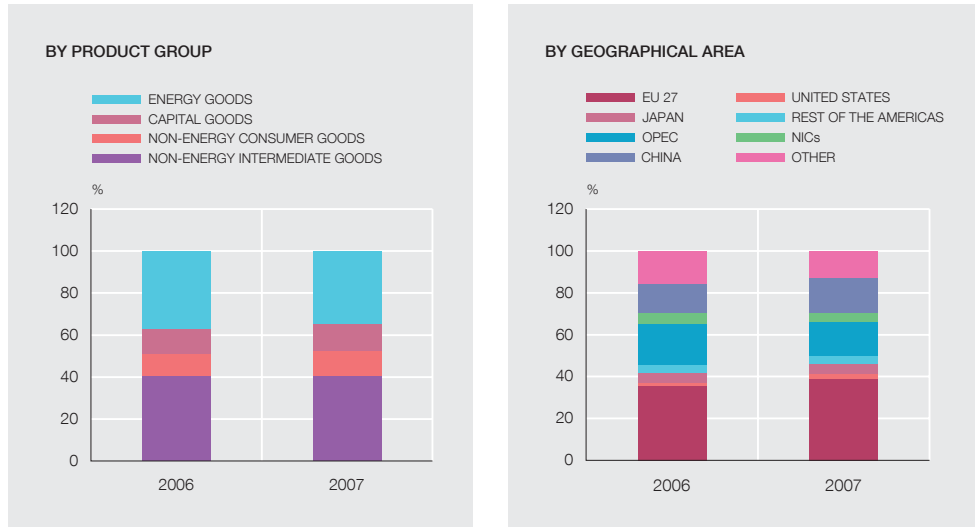
#### a. Goods exports

As discussed above, in 2007 goods exports posted real growth of approximately 5% in QNA terms, a similar rate to that seen since 2003, with the exception of 2005, when sales abroad were less buoyant. Goods exports performed slightly less favourably according to Customs information, since their annual growth rate eased somewhat in 2007 to 4.2% from 5.6% last year. In any event, the two figures show the relative strength of exports in 2007, given the background of a gradual worsening of the external environment, characterised by the slowdown of international demand, particularly that of industrialised countries, and the appreciation of the euro, which amplified losses in competitiveness arising from continued positive price and cost differentials.

In 2007 as a whole, world import growth stood at 6.2%, 3 pp less than in the previous year (see Chart 2.5). The slowdown of demand for imports was especially sharp in the United States and Japan, but it also spread to European markets where the bulk of Spanish firms' trading is conducted. Conversely, the imports of Asian emerging economies, and of Russia and other Latin American countries, which have benefited from high commodity prices, were stronger and continued to increase by more than 10% a year on average.

CONTRIBUTIONS TO CHANGE IN NOMINAL TRADE DEFICIT (a)

CHART 2.4

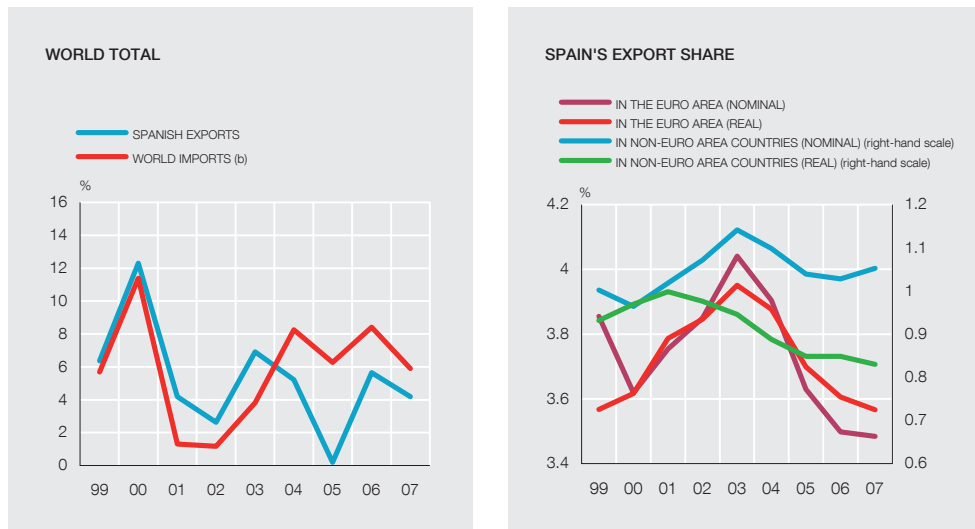


SOURCE: Departamento de Aduanas.

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

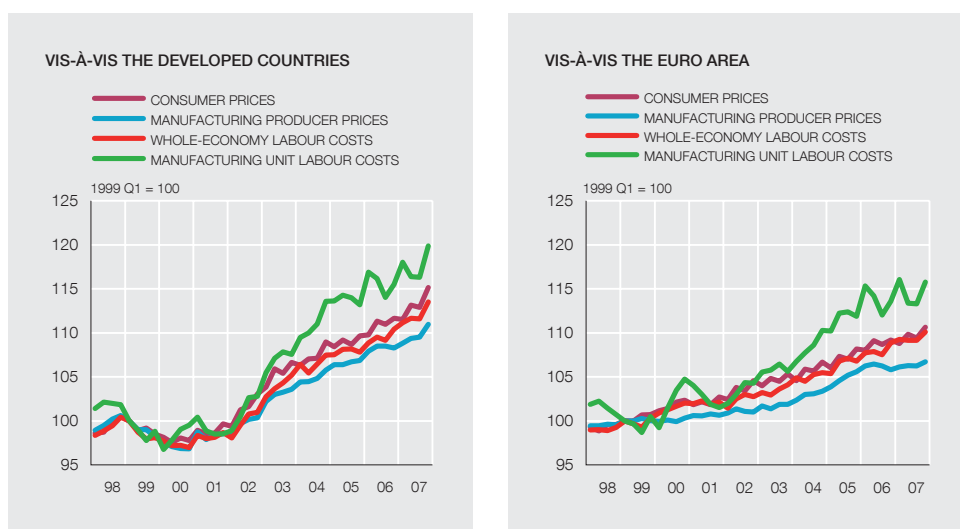
SPANISH EXPORTS OF GOODS AND EXPORT SHARE (a)

CHART 2.5



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.



SOURCE: Banco de España.

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

The main competitiveness indicators posted losses in price-competitiveness against developed countries throughout 2007, which was especially due to the appreciation of the euro against the dollar and, to a lesser extent, its appreciation against the currencies of other emerging economies. Although price and cost growth differentials continued to be positive, overall they were lower than those seen in 2006. The increase in prices relative to developed countries was only 0.1 pp for manufacturing producer prices, whereas it stood at approximately 1 pp for consumer prices and whole-economy labour costs. The growth differential of manufacturing unit labour costs was lower in 2007 than in previous years at 0.6 pp (see Chart 2.6 and Table 2.5).

Against a backdrop of slowing world demand and deteriorating price-competitiveness indicators, the relative strength shown by exports is a favourable result. Noteworthy in particular by geographical area are the buoyant sales to non-euro area countries, which advanced by 6.2% in real terms, and, especially, exports to China, Russia and other oil exporting countries, the Maghreb countries (Morocco, Algeria and Tunisia) and new EU partners which have joined since 2004. These patterns of behaviour, which are shared with other euro area countries, were consolidated in 2007 by the fact that the impact on these economies of the international financial crisis (which began after the summer) has been quite limited to date. Therefore, the fact that the share of Spanish products in these markets has stopped falling, despite the strength of the euro against their currencies, indicates that factors other than the traditional determinants could also be playing an important role in explaining the geographical diversification of exports. These factors include efforts to increase awareness about and the harnessing of opportunities offered by these high-growth potential markets, where Spanish firms bring up the rear. A contributing factor was the implementation of Comprehensive Market Development Plans in order to promote trade and economic relations with certain countries (see Box 5.2 of the Banco de España Annual Report, 2007).<sup>2</sup> In any event, it is still too soon to evaluate the impact of these plans and, especially, how long their effects will continue.

2. The comprehensive market development plans, which have been set in train by the Spanish Ministry of Industry, Tourism and Trade, include some of the countries to which Spanish goods exports most increased in 2007, such as Russia, China, India, Brazil, Algeria and Morocco. Conversely, exports to Japan, the United States and Mexico, for which these plans are also in place, were significantly slack last year.

FOREIGN TRADE  
Nominal rate of change

TABLE 2.2

	TOTAL			CONSUMER GOODS			CAPITAL GOODS			NON-ENERGY INTERMEDIATE GOODS			ENERGY INTERMEDIATE GOODS		
	Ø 93-05	2006 (a)	2007 (a)	Ø 93-05	2006 (a)	2007 (a)	Ø 93-05	2006 (a)	2007 (a)	Ø 93-05	2006 (a)	2007 (a)	Ø 93-05	2006 (a)	2007 (a)
<b>EXPORTS</b>															
TOTAL	11.0	10.6	6.8	10.4	8.5	2.5	10.1	14.8	-1.8	11.5	11.5	11.8	13.7	10.6	9.2
OECD	10.7	8.9	4.6	10.1	7.0	1.6	10.3	12.8	-1.5	11.2	10.7	9.6	13.1	-4.7	-23.5
EU 27	...	8.1	5.5	...	5.8	2.5	...	12.0	1.4	...	10.4	10.4	...	-7.7	-27.5
EU 15	10.5	7.5	4.5	9.7	5.4	1.3	10.1	10.2	0.8	11.0	9.9	9.7	14.3	-7.6	-28.6
<i>United Kingdom</i>	11.9	3.0	2.0	13.3	-1.1	-6.1	9.8	26.2	-6.3	11.1	2.9	14.9	-2.2	139.9	-23.1
Euro area (EMU 13)	...	7.8	5.8	...	6.2	2.6	...	7.7	2.4	...	10.3	8.8	...	-24.3	21.3
<i>Germany</i>	8.3	5.4	5.8	7.3	-0.9	-0.5	3.3	26.5	9.8	10.1	7.5	9.9	22.0	196.7	10.5
<i>France</i>	10.5	7.4	6.4	9.7	7.4	8.6	13.4	0.6	-5.6	10.9	9.0	7.1	3.5	10.8	-9.5
<i>Italy</i>	8.8	12.5	6.2	7.1	11.6	-3.3	9.5	3.5	14.3	10.8	15.0	12.7	-1.4	-1.7	157.6
US	9.8	22.9	0.9	8.6	27.2	-5.1	7.8	82.1	-43.0	11.4	11.3	13.6	-2.2	95.8	8.9
OPEC	8.7	3.4	22.3	9.9	12.5	-1.9	12.5	-15.3	41.8	7.2	8.4	27.0	7.1	-43.3	74.8
CIS and other central and eastern European countries	19.7	31.1	26.2	23.6	32.4	38.0	18.5	32.5	27.7	18.1	30.0	17.4	6.3	13.5	-30.1
Rest of the Americas	11.5	37.9	-7.8	13.4	58.1	-16.0	8.8	62.0	-32.3	12.5	17.6	14.1	19.5	15.2	-17.8
NICs	8.1	16.0	2.0	10.8	7.3	10.9	15.7	26.4	-43.0	6.3	18.4	7.5	5.8	-78.1	93.2
Rest of the world	11.8	11.6	15.8	12.7	6.4	10.8	8.4	0.4	12.6	12.7	11.7	20.3	16.6	44.3	5.1
<b>IMPORTS</b>															
TOTAL	10.8	12.2	8.0	10.8	8.6	6.2	9.9	1.6	7.1	10.3	12.8	11.3	13.8	26.8	2.3
OECD	9.8	7.8	8.0	10.1	5.7	6.6	8.6	1.1	7.0	9.6	10.7	8.2	13.0	10.1	17.4
EU 27	...	7.8	8.5	...	5.2	6.6	...	2.1	12.3	...	10.6	7.3	...	10.4	33.5
EU 15	10.1	6.7	8.3	10.2	3.3	6.2	9.5	1.6	11.0	9.9	9.8	7.1	14.6	10.4	37.0
<i>United Kingdom</i>	8.7	-3.4	3.7	8.8	-4.7	-1.0	8.7	-11.6	-3.4	8.8	-0.2	3.5	5.8	-1.7	53.9
Euro area (EMU 13)	...	7.5	9.0	...	3.9	7.5	...	2.2	12.5	...	10.5	7.6	...	14.6	37.5
<i>Germany</i>	9.9	9.2	15.1	11.9	9.2	16.4	7.9	7.6	18.9	9.3	8.0	13.2	23.8	91.3	18.4
<i>France</i>	9.7	1.3	3.2	10.6	-3.4	-0.8	9.9	-24.1	5.0	9.1	10.1	4.9	12.8	-17.2	14.9
<i>Italy</i>	9.6	6.8	14.6	8.6	2.0	12.3	6.7	6.7	13.8	10.7	9.4	9.3	21.2	5.2	65.4
US	4.0	8.3	17.1	7.4	5.2	15.6	1.0	4.0	-11.5	4.1	8.3	31.2	5.3	36.8	-14.1
OPEC	13.4	26.9	-4.9	10.7	13.7	-14.0	45.1	-84.9	79.7	15.4	26.9	8.7	13.1	29.8	-6.4
CIS and other central and eastern European countries	22.1	32.4	6.2	13.1	25.2	-24.3	33.9	-18.0	53.0	20.6	18.8	-2.7	23.7	39.8	11.1
Rest of the Americas	12.4	23.5	4.0	10.8	26.7	-7.2	45.4	-2.0	-53.5	11.3	16.2	28.8	14.0	183.0	-21.0
NICs	9.1	28.4	-3.2	7.7	17.3	-7.5	9.8	9.7	-18.0	10.9	43.4	5.0	42.2	551.2	8.5
Rest of the world	15.6	19.9	18.1	15.6	16.0	9.9	25.0	17.3	24.2	15.4	25.8	32.4	12.2	18.3	-1.0

SOURCE: Departamento de Aduanas.

a. Provisional data.

Conversely, exports to the euro area increased moderately, by just under 3%. The growth rate of exports to Germany rose modestly, while those to Italy and France slowed, albeit at a rate which remained higher than exports to the euro area as a whole.

As a result of the foregoing, in 2007 the geographical diversification of exports continued (see Table 2.4). The relative weight of the euro area in the structure of sales abroad fell to 56%, 7 pp below its highest share achieved in the mid-nineties. On the contrary, the relative share of Russia, China, Morocco and Algeria in total Spanish exports increased, although their weight remained small in comparison with the main euro area economies. Lastly, it should be noted that despite the better economic situation of Latin American markets, with the exception of Mexico, their share of total Spanish exports did not increase significantly.

By product, industrial intermediate goods were the most dynamic export component in 2007, with a notable expansion of sales of minerals and fabricated metal products to



emerging economies, although sales to the euro area also moved on an expansionary trend, linked to the continued strong industrial activity in this area. By contrast, sales of consumer goods slowed sharply, which reflected in particular diminishing sales of electronic and telecommunications equipment. In conjunction with this, although car sales posted higher growth than last year, they remained moderate. Finally, exports of capital goods dropped in 2007, in contrast with their buoyant performance a year earlier, although those exports to less developed countries which are still well into a phase of industrial expansion, with the consequent capital requirements, once again displayed more expansionary behaviour (see Table 2.2).

Lastly, turning to the breakdown of exports by sector of economic activity, in 2007 the progress of medium-high technology industries and, in particular, of sales of electrical and mechanical machinery and of the chemical industry were notable, although other lower-technology-content sectors such as the manufacture of metal products, textiles and textile products, leather and footwear, and food recorded relatively high growth rates. If the structure of exports by sector of activity is analysed with some hindsight, hardly any salient changes can be seen in recent years. Most significant is the increase in the relative importance of basic metals to the detriment of the manufacture of motor vehicles. The relative share of sectors which include cutting-edge technology has scarcely changed since the nineties.

Despite stable sales abroad, the export share of Spanish products underwent a further decline in real terms in 2007, especially vis-à-vis the euro area. The decline was, however, to a considerably lesser extent than in previous years, when China forcefully emerged onto the world stage, triggering a widespread drop in the share of industrialised economies in world trade (see Chart 2.5). It should be pointed out that Spain, together with Germany, is one of the developed economies whose export shares in world markets have declined least in recent years. This behaviour reflects the characteristics of Spain's export specialisation pattern, which is biased towards industries with a medium-technology content, while emerging economies have tended to devote their potential supply to more labour-intensive branches and certain high-technology industries for which Spain's output is low.

#### b. Goods imports

Goods imports grew 6% in real terms in 2007 on QNA data, the lowest rate for the last five years. The Customs data also showed in 2007 a moderation of the growth rate of goods imports in real terms, which rose by 6.9% as against 8.6% in 2006 (see Table 2.3). This slowdown of imports reflects less buoyant final demand since the competitiveness of imports in comparison with goods produced in Spain continued to improve, encouraged by the appreciation of the euro.

Although imports were slowing, the degree of import penetration in final demand continued to increase, underpinned by buoyant purchases abroad of capital goods (which grew by approximately 10% in real terms in 2007, up 7 pp on last year) and the resilient ongoing high growth rate of intermediate products. Consequently, the patterns observed in recent years continued. They involve growth in the weight of imported capital goods in the investment of Spanish companies, which use them as a channel for incorporating the latest technological advances, and an increase of imported inputs in the production processes of certain sectors which have a higher relative weight in Spain's industrial and export structure (such as automobiles and chemicals). This phenomenon is shared with other developed countries and is linked to the processes of fragmentation and geographical dispersion of production tasks seen internationally, which are driven by technological advances and trade deregulation in numerous economies. However, in the Spanish economy, the penetration of this type of product is comparatively high in relation to euro area countries, influ-

FOREIGN TRADE BY PRODUCT GROUP  
Rate of change

TABLE 2.3

		AVERAGE 1996-2005	2006	2007
IN REAL TERMS (a)	EXPORTS			
	TOTAL	6.9	5.6	4.2
	Capital goods	10.7	12.2	-0.5
	Consumer goods	5.0	4.8	0.1
	<i>Food</i>	5.5	5.8	3.0
	<i>Non-food</i>	4.7	4.2	-1.2
	Intermediate goods	7.4	5.0	8.0
	<i>Non-energy</i>	7.6	5.5	8.2
	<i>Energy</i>	2.7	-4.8	5.1
	IMPORTS			
	TOTAL	8.7	8.6	6.9
	Capital goods	11.3	3.2	9.8
	Consumer goods	9.9	8.9	5.1
	<i>Food</i>	6.9	5.4	7.4
	<i>Non-food</i>	11.0	9.8	4.5
	Intermediate goods	7.5	9.6	7.2
	<i>Non-energy</i>	8.0	10.5	8.0
	<i>Energy</i>	5.4	5.6	3.5
UNIT VALUE INDICES	EXPORTS			
	TOTAL	1.3	4.7	2.5
	Capital goods	-2.1	2.4	-1.3
	Consumer goods	2.3	3.6	2.4
	<i>Food</i>	1.7	0.7	2.9
	<i>Non-food</i>	2.6	5.1	2.2
	Intermediate goods	1.5	6.1	3.4
	<i>Non-energy</i>	1.1	5.6	3.4
	<i>Energy</i>	11.4	16.2	4.0
	IMPORTS			
	TOTAL	1.5	3.3	1.1
	Capital goods	-0.7	-1.6	-2.5
	Consumer goods	1.9	-0.2	1.1
	<i>Food</i>	0.8	-1.5	1.2
	<i>Non-food</i>	2.4	0.1	1.1
	Intermediate goods	1.9	5.9	1.7
	<i>Non-energy</i>	0.1	2.0	3.1
	<i>Energy</i>	10.4	20.1	-1.2

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

a. Provisional real export and import data of the last two years.

enced by Spain's weakness in creating its own technology and the relative importance of certain industries more geared towards the spatial fragmentation of the various phases of production.

In contrast with buoyant intermediate and capital goods purchases, imports of consumer goods in real terms slowed notably throughout 2007 to rates approaching 5%, approximately 4 pp down on the previous year. This slowdown was particularly sharp for consumer goods from emerging Asian countries and economies in central and eastern Europe (see Table 2.2). This could be a sign that there has been a departure from the previous situation of changes in the distribution of world trade by area and product. These changes were triggered by the emergence in the international arena of low-cost competitors which have raised world supply

STRUCTURE OF FOREIGN TRADE (a)  
Percentage share in nominal terms

TABLE 2.4

	SHARE IN TOTAL TRADE		BREAKDOWN OF TRADE IN THE AREA (b)					
	2006	2007	2006			2007		
			Consumer goods	Capital goods	Intermediate goods	Consumer goods	Capital goods	Intermediate goods
<b>EXPORTS</b>								
TOTAL	100.0	100.0	38.1	10.0	51.9	36.5	9.2	54.2
OECD	81.9	80.2	41.1	8.8	50.1	39.9	8.3	51.8
EU 27	70.9	70.1	41.7	8.1	50.2	40.5	7.8	51.7
EU 15	67.1	65.7	42.1	8.1	49.8	40.8	7.8	51.4
<i>United Kingdom</i>	7.9	7.5	51.0	8.9	40.2	46.9	8.1	44.9
Euro area (EMU 13)	56.5	55.9	41.6	8.1	50.3	40.3	7.8	51.9
<i>Germany</i>	10.9	10.8	39.4	6.5	54.1	37.1	6.7	56.2
<i>France</i>	18.7	18.6	44.2	9.6	46.2	45.1	8.5	46.4
<i>Italy</i>	8.5	8.5	42.9	7.4	49.7	39.0	7.9	53.0
US	4.4	4.2	33.7	11.1	55.3	31.7	6.3	62.1
OPEC	2.5	2.9	27.0	16.3	56.6	21.7	19.0	59.4
CIS and other central and eastern European countries	2.0	2.3	38.3	11.4	50.3	41.9	11.5	46.6
Rest of the Americas	4.0	3.5	26.8	28.8	44.5	24.4	21.2	54.5
NICs	1.0	1.0	21.9	12.6	65.6	23.8	7.0	69.2
Rest of the world	6.9	7.5	20.2	12.7	67.0	19.4	12.4	68.3
<b>IMPORTS</b>								
TOTAL	100.0	100.0	28.0	10.7	61.3	27.6	10.6	61.8
OECD	70.5	70.4	30.0	12.7	57.3	29.6	12.6	57.8
EU 27	58.8	59.1	30.3	12.5	57.3	29.7	12.9	57.4
EU 15	55.7	55.8	30.2	12.6	57.2	29.7	12.9	57.5
<i>United Kingdom</i>	4.9	4.7	38.0	10.6	51.5	36.2	9.9	53.9
Euro area (EMU 13)	48.9	49.3	29.5	12.6	57.9	29.1	13.0	57.9
<i>Germany</i>	14.2	15.2	32.0	14.1	53.9	32.4	14.5	53.1
<i>France</i>	12.8	12.2	31.7	8.6	59.7	30.4	8.7	60.8
<i>Italy</i>	8.2	8.7	25.1	14.4	60.6	24.5	14.3	61.2
US	3.3	3.5	16.0	20.4	63.7	15.8	15.4	68.8
OPEC	8.5	7.5	2.9	0.2	96.9	2.6	0.4	97.0
CIS and other central and eastern European countries	3.9	3.8	3.9	0.5	95.6	2.8	0.7	96.5
Rest of the Americas	3.8	3.7	32.8	10.5	56.7	29.3	4.7	66.0
NICs	2.4	2.2	41.4	13.4	45.2	39.6	11.3	49.1
Rest of the world	12.0	13.2	40.6	9.2	50.3	37.8	9.6	52.6

SOURCE: Departamento de Aduanas.

a. Provisional data.

b. The figures show the structure of trade flows with each of the areas specified.

of labour-intensive consumer products and other high-technology-content products which have been in high demand in Spanish households against the backdrop of the development of the information society.

As a result of changes in the purchases of goods from abroad in 2007, the euro area's share in Spain's total imports remained practically stable, interrupting the downward path of recent years, which had reduced its relative weight to less than 50% from nearly 60% at the end of the nineties. As for the main suppliers in the euro area, the relative share of purchases from Germany and Italy increased, while those from France dropped, linked to weak demand for automobiles, a high percentage of which are imported from France. As for other economies, imports increased from Russia (which is currently Spain's main supplier of oil), Brazil and, especially, China, which in 2007 once again increased its relative share in the imports structure to 7% of the total.

**COMPETITIVENESS**

TABLE 2.5

**Year-on-year 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											
2002	0.8	0.8	1.7	1.4	0.6	0.3	1.6	2.4	2.2	1.3	1.0
2003	2.8	1.3	1.2	2.8	0.5	0.6	4.1	4.1	5.7	3.3	3.4
2004	0.7	1.7	1.1	3.1	1.1	0.6	2.4	1.8	3.8	1.8	1.3
2005	0.1	1.2	1.4	2.4	1.5	0.6	1.4	1.5	2.5	1.6	0.7
2006	0.3	1.2	1.5	1.3	1.3	0.3	1.5	1.8	1.6	1.6	0.6
2007	1.2	1.1	0.9	0.6	0.1	0.5	2.3	2.0	1.7	1.3	1.7
Cumulative change on December 1998											
Dec-02	-2.6	3.7	5.6	4.1	2.7	1.0	0.5	2.9	0.9	0.1	-1.6
Dec-03	0.0	5.3	6.7	6.2	3.5	2.5	4.7	6.7	5.6	3.6	2.4
Dec-04	0.7	6.8	7.9	11.3	4.9	3.0	7.0	8.7	11.5	5.6	3.7
Dec-05	-0.4	7.9	9.7	11.8	6.7	3.3	7.3	9.3	11.1	6.3	2.9
Dec-06	0.8	9.6	10.6	13.0	7.2	4.1	10.0	11.5	13.4	8.0	4.9
Dec-07	2.5	10.7	12.3	15.3	8.2	3.3	13.0	15.1	17.7	10.9	5.9
Vis-à-vis the euro area (EMU 13)											
2002	0.0	0.4	1.4	0.8	0.4	0.0	0.4	1.4	0.8	0.4	0.0
2003	0.0	1.0	1.1	2.4	0.6	1.6	1.0	1.1	2.4	0.6	1.6
2004	0.0	1.5	1.0	2.4	1.2	0.9	1.5	1.0	2.4	1.2	0.9
2005	0.0	1.4	1.4	3.1	1.8	1.2	1.4	1.4	3.1	1.8	1.2
2006	0.0	1.4	1.5	1.9	1.3	0.5	1.4	1.5	1.9	1.3	0.5
2007	0.0	1.3	0.8	0.7	0.1	0.6	1.3	0.8	0.7	0.1	0.6
Cumulative change on December 1998											
Dec-02	0.1	3.5	4.9	3.5	1.2	-0.1	3.5	5.0	3.6	1.3	-0.1
Dec-03	0.1	4.8	5.7	4.8	2.3	2.1	4.9	5.8	4.9	2.4	2.2
Dec-04	0.1	6.2	6.8	9.4	3.7	2.9	6.3	6.9	9.5	3.8	3.0
Dec-05	0.1	7.5	8.5	11.0	5.7	3.9	7.6	8.6	11.1	5.9	4.0
Dec-06	0.1	9.6	9.5	12.7	6.2	4.6	9.7	9.6	12.8	6.3	4.8
Dec-07	0.1	10.8	11.0	14.9	7.3	4.8	10.9	11.1	15.0	7.4	5.0
Vis-à-vis the newly industrialised Asian countries (b)											
2002	4.6	—	2.5	—	1.5	—	—	7.3	—	6.2	—
2003	17.6	—	1.9	—	-1.0	—	—	19.7	—	16.4	—
2004	8.5	—	0.3	—	-2.4	—	—	8.8	—	5.9	—
2005	-2.5	—	0.2	—	-0.2	—	—	-2.3	—	-2.7	—
2006	-2.1	—	0.8	—	0.1	—	—	-1.3	—	-2.0	—
2007	4.5	—	0.0	—	-0.5	—	—	4.5	—	4.0	—
Cumulative change on December 1998											
Dec-02	-9.2	—	9.8	—	5.9	—	—	-0.3	—	-3.8	—
Dec-03	7.8	—	10.8	—	4.4	—	—	19.4	—	12.6	—
Dec-04	14.2	—	10.9	—	2.7	—	—	26.7	—	17.3	—
Dec-05	0.9	—	11.4	—	2.6	—	—	12.5	—	3.6	—
Dec-06	1.1	—	10.6	—	3.7	—	—	11.8	—	4.8	—
Dec-07	12.3	—	12.1	—	2.1	—	—	25.9	—	14.7	—

SOURCE: Banco de España.

a. Annual averages. A positive (negative) rate of change denotes a loss (gain) in competitiveness.

b. Includes newly industrialised Asian countries, namely China, Hong-Kong, India, Indonesia, Malaysia, Philippines, Singapore, South Korea, Taiwan and Thailand.



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.

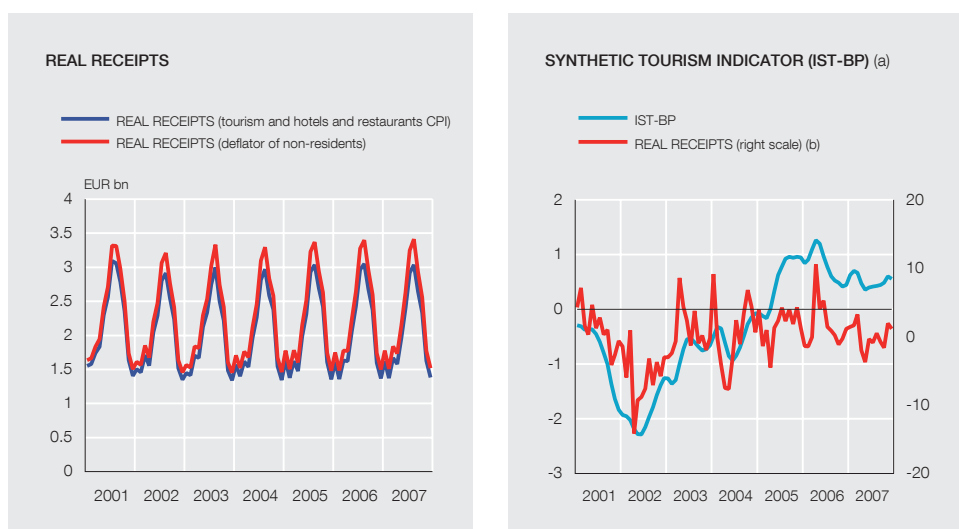
Although the deterioration of the economic picture entails lower export growth, the foreseeable stabilisation of the breakdown of world trade, following the profound changes arising from China's emergence and rising international profile and, especially, the slowdown of domestic demand in Spain, will favour a moderation of the rate at which the trade deficit deteriorates. As a result, technological advances and globalisation are triggering changes in the nature of trade flows which are most clearly discernible in the growing importance of the division of production chains across several countries. In this scenario, Spanish firms must harness the advantage of locating certain production stages in low-cost countries and specialise in goods or production tasks which contribute higher value added. For this reason, it is necessary to continue to further their internationalisation processes through trade, foreign direct investment and participation in business networks.

## 2.2.2 BALANCE OF SERVICES

The balance of services surplus continued to shrink in 2007 to 2.1% of GDP (€22,129 million), against 2.3% last year. This change reflects the 0.2 pp reduction in the travel surplus,<sup>3</sup> to 2.6% of GDP, thus extending the downward path which began in 2001. In line with previous years and with the rise in this type of transaction internationally, services receipts and, to a greater extent, services payments continued to show highly significant growth (11% and 15.3% in 2007, respectively). This buoyancy is essentially explained by non-tourism services transactions, since travel receipts and payments increased at slightly more moderate rates in 2007 than in recent years (3.6% and 8.3%, respectively). In contrast, other services reported double-digit growth rates of 17.2% for payments and 18% for receipts.

In 2007 travel receipts continued to show their characteristic weakness of recent years, since on QNA data their real annual growth rate was only 0.3%, following the moderate 1.5% rise in 2006. Consequently, as a percentage of GDP they continued to slide and stood at 4% in 2007, 0.2 pp less than in 2006 (see Chart 2.7). The information on the number of

3. In respect of the travel heading, note that it includes travellers' spending during their stay abroad, be they tourists or another type of traveller (for example, excursionists or business travellers).



SOURCE: Banco de España.

- a. The IST-BP indicator is in levels and real tourism receipts are year-on-year percentage rates of change. IST-BP data revised including all information available up to December 2007.
- b. The travel heading nominal receipts have been deflated using a price index calculated as the weighted average of the COICP groups CPIs (deflator of non-residents). The weightings were obtained from the 2007 Tourism Satellite Account.

foreign tourists to Spain and on the variables which characterise them – such as accommodation type, the use of a package or not, and country of origin – explain the lacklustre travel receipts in recent years, as reflected in the drop in real receipts by visitor seen since 2001 (see Chart 2.8).<sup>4</sup>

Drawing on data from the Survey on Tourism Movements at Borders (FRONTUR),<sup>5</sup> the number of foreign tourists increased in 2007 at a much lower rate than in 2006 [1.7% and 4.1%, respectively (see Table 2.6)], and below the rate estimated by the World Tourism Organisation (WTO) for international tourist flows that year (6.1%).<sup>6</sup> In comparison with other geographical areas, the slowdown of inbound tourism to Spain was in line with that in central Europe, although it was sharper than in Western Europe and in Africa. Conversely, the importance of Asia as a recipient of international tourist flows continued to increase. A disaggregated analysis of the FRONTUR statistics shows that, in the year as a whole, there was slightly positive growth in Spain's main source markets providing inbound tourists, such as the United Kingdom (0.5%) and France (1.2%), or even shrinkage, as in the case of Germany (-0.7%), while other European clients remained more buoyant, especially Italy, Portugal and the Scandinavian countries. The difficulties of increasing the share of German and British tourists, the two largest markets, are reflected in the modest increase shown by the data at aggregate level. There was notable growth in the number of tourists from the United States (22%) and, especially, from Japan (42%), which is striking given higher oil prices, which push up the cost of transport, and the appreciation of the euro throughout 2007.

4. These receipts per tourist are the result of dividing the series of real tourism receipts, obtained from balance of payments data, by the number of visitors entering at borders (FRONTUR). 5. Compiled by the IET in order to quantify and analyse inflows and outflows of tourists at Spanish borders. 6. For more detailed information, see the WTO *World Tourism Barometer*, volume 6, No. 1, January 2008 at [http://www.world-tourism.org/facts/eng/pdf/barometer/UNWTO\\_Barom08\\_1\\_excerpt\\_en.pdf](http://www.world-tourism.org/facts/eng/pdf/barometer/UNWTO_Barom08_1_excerpt_en.pdf).

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Nominal income	12.5	12.7	10.3	5.5	-1.9	4.4	3.8	6.0	5.6	3.6
Real income (a)	9.2	8.6	4.9	0.4	-6.5	0.1	0.1	2.3	1.5	-0.3
Nominal payments	14.5	16.5	17.0	13.1	5.4	4.2	22.0	24.1	9.4	8.3
Real payments (a)	11.5	14.1	11.0	11.0	2.4	2.9	19.3	20.6	6.0	5.8
Competitiveness index vis-à-vis the developed countries measured in terms of consumer prices (b)	...	-0.4	-1.3	1.1	2.4	4.1	1.8	1.5	1.8	2.0
— Nominal component	...	-1.4	-2.7	0.5	0.7	2.8	0.7	0.1	0.3	1.1
Developed countries GDP (c)	1.0	5.0	1.1	-1.2	4.1	11.9	10.7	4.5	4.7	8.7
MEMORANDUM ITEMS										
Number of foreign visitors lodged in Spanish hotels	10.7	20.6	1.3	-0.5	-1.5	2.1	1.4	5.1	6.0	4.4
Overnight stays by foreigners in Spanish hotels	6.0	21.7	-3.5	-0.2	-5.3	0.7	-1.6	3.4	6.6	2.5
Number of tourists (FRONTUR)	9.7	7.8	2.4	4.6	4.5	-2.8	3.1	6.6	4.1	1.7

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

a. Spanish Quarterly National Accounts figures, base year 2000.

b. Developed countries: Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, Malta, Netherlands, New Zealand Norway, Portugal, Slovenia, Sweden, Switzerland, United Kingdom and United States.

c. Aggregate GDP in dollars of all developed countries, applying the annual average exchange rate based on daily data.

Like the FRONTUR data, the Hotel Occupancy Survey (EOH) indicators<sup>7</sup> slowed in 2007, particularly sharply for overnight stays, which grew by 2.5%. As a result of this behaviour and in keeping with the profile of tourists visiting Spain, who make more frequent but shorter trips, the average stay decreased by 1.8% in 2007. By country of residence, the performance of the two major markets, Germany and the United Kingdom, remained very weak. Thus, overnight stays of German travellers increased by 1.2% in 2007, while those of UK travellers slipped 0.8%.

The above data reflect the increasingly set changes year after year in the profile of tourists visiting Spain. Consequently, in 2007 most travellers to Spain arrived by plane (74.9% of the total) and, in particular, they increasingly used low-cost companies (39.9% of total arrivals by plane). By type of accommodation, they predominantly stayed in hotels, which recovered in the last year (64.1% of the total), while fewer of them bought tourist packages to organise their visit (31.6% of the total). These changes were reflected in an increase in the number of trips by tourists to Spain and a decrease in the average length of their visit, which has led to a stagnation of the average spending per tourist. Therefore, according to the tourism expenditure survey (EGATUR),<sup>8</sup> total tourist spending and average spending per tourist, in nominal terms, posted moderate growth in 2007 (3.5% and 1.5% per year, respectively). The performance of average spending per tourist reflects the 2.8% decrease in the average stay which partially offset the 4.4% increase in average daily spending.

Overall in 2007, foreign tourists showed a greater preference for city destinations over the sun and beach segment, which was affected by greater pressure brought to bear by competing destinations in the eastern Mediterranean (especially Turkey and Egypt, against a backdrop of

7. Hotel Occupancy Survey conducted by the INE primarily to ascertain the behaviour of a series of variables allowing the essential features of the hotel industry to be known. 8. Including spending in country of origin which comprises *inter alia* international transport costs, unlike the travel heading in the balance of payments.

greater geopolitical stability in comparison with previous years). This factor undoubtedly influenced the number of travellers from Europe, which remained moderate. The performance of the IST-BP<sup>9</sup> synthetic indicator is consistent with the trend described for the tourism sector real indicators, with the result that following the recovery in 2006, the indicator dropped in 2007, reflecting the sector's difficulties in recovering its past buoyancy (see Table 2.6). The trends shown by the various tourism sector indicators reflect structural aspects, related to the characteristics of the Spanish tourist industry and growing competition from new countries, and conjunctural factors, related to the moderate growth posted by the main countries that provide tourists for Spain. How changes in the tourism sector affect the economy as a whole must be evaluated within the framework of a tourism satellite account (TSA). The main results of the TSA for 2006, which were recently published by the INE, are presented in Box 2.2 of this chapter.

The growth rate of tourism payments moderated in relation to the previous year to 8.3% (9.4% in 2006), although it remained high, supported by the gradual increase of trips abroad by Spaniards against a background of the population's higher income per capita and the appreciation of the euro against the dollar. This was a motivating factor behind travel to transoceanic destinations.

The deficit on non-tourism services in nominal terms widened by 11.1% in 2007 (22% in 2006), to €5,682 million. This deterioration occurred even though the growth rate of receipts picked up moderately to 18% (16.8% in 2006) and that of payments (17.2%) was similar to the previous year's. Consequently, the importance of trade in non-tourism services in the Spanish economy as a whole continued to increase, since the share of payments and receipts as a percentage of GDP rose by approximately 0.5 pp to 5.5% and 4.9%, respectively. Non-tourism services transactions increased more sharply than the GVA of services sectors. This trend reflects the growing internationalisation of the Spanish economy and the higher level of marketing of certain services due to the development of specific markets, progress on the deregulation of certain sectors and widespread access to new technologies. The establishment of Spanish firms abroad acts as a catalyst for international transactions in services, which remain centralised at the parent company (e.g. advertising or legal advisory services), and which the parent provides to group firms resident in other countries. Thus, for example, the transfer of the provision (hiring) of certain corporate services to another country may be part of the ongoing fragmentation of the production process witnessed in recent years. Therefore, it is no surprise that India and China are among the economies which are increasingly important in the international services trade. Significantly, the relative share of non-tourism services as a percentage of GDP is slightly smaller in Spain than in the euro area as a whole and, consequently, it could still have upside potential. The buoyancy of other services transactions is reflected in the upward trend in the world share of Spanish exports in this connection, which stands at around 3% in comparison with approximately 2% at the beginning of the decade.

The significant growth of trade in services is not exclusive to Spain but is common worldwide. On World Trade Organisation (WTO) data, the annual growth rate of world services exports averaged 12% in 2000-2007, a similar rate to that of the goods trade in nominal terms. However, in 2007 the services trade was markedly more buoyant than the goods trade (18% and 15%, respectively). The international increase of services transactions was widespread across the geographical areas. The EU is by far the leading region in the international services trade.

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9. The IST-BP is an indicator that summarises information on the trend of a set of indicators representative of inbound tourism. For further information, see Banco de España (2006), *The Spanish Balance of Payments and International Investment Position, 2005*.



According to World Tourism Organisation (WTO) data, Spain is one of the world's leading tourism destinations since it is ranked second in terms of tourist arrivals and tourism receipts, although its world share has decreased in recent years. This situation is reflected in the considerable importance of the tourism sector for the Spanish economy and in the crucial role the travel surplus plays in offsetting a significant amount of the external deficit. On balance of payments figures, the travel surplus stood at 2.6% of GDP in 2007, 1.5 pp below its peak in 2000, and accounted for approximately 31% of the trade deficit, a cover rate which has gradually declined in recent years. Although these data confirm the importance of the tourism sector in Spain, a proper assessment of its total effect on the economy as a whole can only be undertaken within the framework of the Tourism Satellite Account (TSA).<sup>1</sup>

The assessment of tourism as an economic phenomenon is complex since, unlike other sectors, it is not identified with a predefined set of goods and services or branches of activity but receives its distinctive character from the consumers to whom the service is provided. Under this premise, in the framework of the TSA tourism is defined as the set of activities undertaken by persons during their journeys to and stays in places other than their usual environment for a consecutive period of time of less than one year for leisure, business or other purposes. Tourism involves firms from different sectors of activity which, at the same time as they participate in the supply of services to visitors, they produce other goods and services unrelated to tourism. Therefore, the global economic dimension of tourism must be measured by constructing a TSA which includes, in the methodological framework of the Spanish National Accounts, a set of ac-

counts providing an interrelated presentation of the various economic parameters of tourism from a supply and demand standpoint on a specific date. This makes it possible to estimate tourism's contribution to the Spanish economy. In Spain the TSA has been compiled annually by the INE since 1995, and was re-based in 2000.

The economic behaviour of visitors essentially depends on the following variables: i) overnight stays (visitors are classified as tourists when they stay overnight in the place they visit and as same-day visitors when they do not); ii) purpose of the visit,<sup>2</sup> and iii) visitors' country of residence. Taking into account residence and destination, the essential typologies for the measurement of the economic impact of tourism are obtained: domestic tourism, inbound tourism and outbound tourism (see accompanying table). The fact that it is the type of consumer which determines whether or not the consumption of a good or service is part of tourism or not means that it is basically a demand phenomenon, which is measured by the expenditure related to the visitors' trip outside their usual environment and is made directly by said visitors or on their behalf. The components of tourism expenditure are tourism consumption and the general government and GFCF tourism-related<sup>3</sup> expenditure. Tourism's total contribution to GDP would be obtained by adding together these three components and subtracting tourism-related imports.<sup>4</sup>

According to TSA figures, tourism's contribution to the Spanish economy is significant, accounting in nominal terms for around 11% of

1. The other relevant macroeconomic statistics for analysing inbound and outbound tourism are the balance of payments and the account vis-à-vis the rest of the world of the Spanish National Accounts. There are certain methodological issues which might give rise to differences between travel receipts recorded in the BP and inbound/outbound tourism recorded in the TSA. These issues essentially affect the following concepts: a) international transport included in the TSA and not in the BP travel heading; b) the distinction between final consumption and intermediate consumption which is not made in the BP, and c) the consideration of patients and students who move from their country of residence for a period of more than a year as tourists in the BP but not in the TSA, since it is considered that they are located in their usual environment.

2. According to the UN classification, there are six major purposes: 1) Leisure, recreation and holidays; 2) Visiting friends and relatives; 3) Business and professional; 4) Health treatment; 5) Religion/pilgrimages, and 6) Other. Another possible classification would differentiate between urban and non-urban tourism, a transversal category of the above-mentioned various purposes of travel. 3. General government tourism-related expenditure includes individual and collective expenditure (e.g. promotion of tourism). The GFCF related to tourism includes the investment of sectors which supply goods and services for tourism. The GFCF associated with tourism in 2004, the last year for which data are available, represents 13.1% of the total. The relative share of general government tourism-related expenditure in that year was much smaller and stood at 1.2% of general government total consumption. 4. The TSA also provides supply-side information which is important for describing the characteristics of the tourism industry.

## TOURISM FLOWS BY RESIDENCE AND DESTINATION OF TRAVELLERS

		DESTINATION TERRITORIES		
		INSIDE THE ECONOMIC TERRITORY	OUTSIDE THE ECONOMIC TERRITORY	TOTAL
RESIDENTS IN THE ECONOMIC TERRITORY	RESIDENTS IN THE ECONOMIC TERRITORY	DOMESTIC TOURISM	OUTBOUND TOURISM	NATIONAL TOURISM
	NON-RESIDENTS	INBOUND TOURISM		
TOTAL		INTERNAL TOURISM		

Spain's GDP over the last decade, although in recent years a gradual decline can be seen in its relative weight following its peak in 2000 (see accompanying Panel 1). This drop reflects the decrease in the relative importance of inbound tourism, of 1 pp of GDP between 2000 and 2006, to 4.8%. Domestic tourism has partially offset this behaviour since its relative weight has increased by 0.2 pp (6% of GDP). These developments have influenced the behaviour of the tourism sector in real terms which, until 2000, grew at above-GDP growth rates; in contrast, since then it has been less buoyant than the economy as a whole. Once again, domestic tourism has partially off-

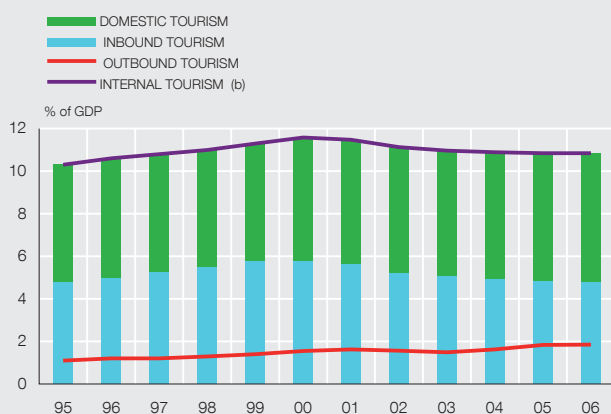
set this, since its growth rate stepped up slightly during the marked slowdown in inbound tourism at the beginning of this decade. Conversely, the weight of outbound tourism in GDP has gradually increased and amounted to 1.8% of GDP in 2006 (1.6% in 2000), against a background of rising per capita income during the expansion phase of the Spanish economy.

The drop in the economic weight of inbound tourism in Spain in recent years has been influenced by episodes of geopolitical uncertainty, the economic situation of the euro area for most of the period,

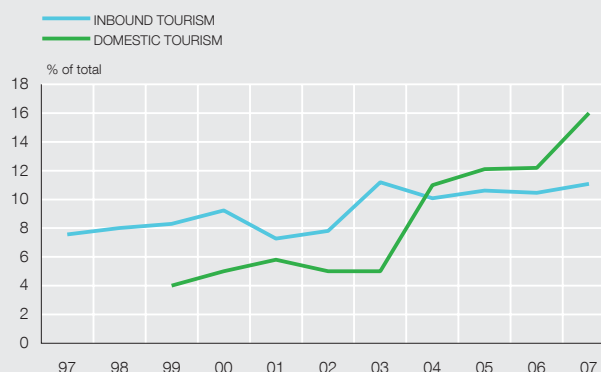
A HISTORICAL PERSPECTIVE OF THE TOURISM SATELLITE ACCOUNT

THE TOURISM SECTOR IN THE SPANISH ECONOMY

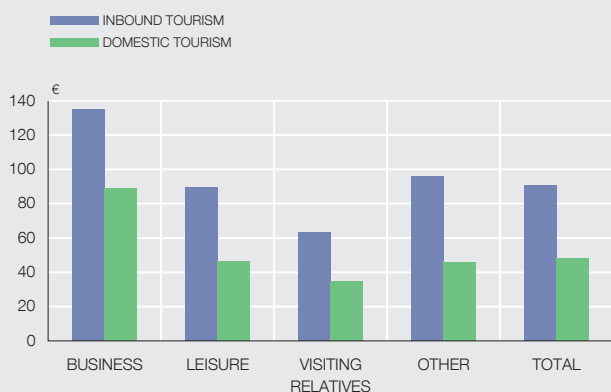
1 TOURISM SECTOR AND GDP (a)



2 BUSINESS TOURISM (c)



3 AVERAGE DAILY EXPENDITURE BY PURPOSE OF VISIT (2006)



4 TOURISM BY TYPE OF ACCOMMODATION (d)



SOURCES: INE and IET.

- a. From 2000 onwards the base year for the TSA data is 2000 (previously it was 1995).
- b. Internal tourism is the sum of domestic and inbound tourism.
- c. For domestic tourism, it is the proportion of the number of travellers; for inbound tourism it is the number of tourists. In 2005 a methodological change was introduced in the Familitur survey which covers travel by Spaniards. This methodological change entailed a revision of the 2004 data.
- d. Latest data: 2007, in both cases. Hotel accommodation includes hotels and similar accommodation; free accommodation includes the homes of tourists and their relatives and friends. Domestic tourism refers to the proportion of the number of travellers.

the firmer positioning of competing destinations in the Mediterranean Arch (especially Turkey) and structural changes in the pattern of tourism, which to date have been more important in inbound tourism than domestic tourism. In relation to this last point, the spread of information technologies and the expansion of low-cost airlines (which already account for around 40% of arrivals by air) have boosted independent travel (68% of non-resident tourists) and its frequency. As a result, the relative weight of hotel accommodation has decreased in favour of free accommodation slightly more sharply in the case of inbound than domestic tourism (see accompanying panels). In any event, the differences between the two types are important, and mean that average spending per inbound tourist is higher than by domestic tourist. The breakdown of daily average spending by purpose of travel confirms that in all cases and, particularly, business and other travel, spending by inbound tourists is higher than by domestic tourists. This is why it is important to identify the ongoing changes in

the preferences of non-resident tourists and to adopt the necessary measures so that, if a decrease in the total share of tourists visiting Spain cannot be avoided, those tourists with a higher propensity to spend are attracted to Spain. Accordingly, one positive aspect, if it firms, is the recent expansion of urban and business tourism (with the notable behaviour of domestic tourism), which contributes to enhancing segments other than the traditional segment, with higher average spending (as with business tourism) and lower exposure to competition from countries in the Mediterranean Arch. The increase in the number of homes owned by non-residents may contribute to building the loyalty of a significant fraction of inbound tourism and decrease its sensitivity to price changes relative to alternative destinations with cost advantages. For these processes to take root, it is necessary to increase the value added and quality of tourist services, and active collaboration between private agents and public authorities to improve infrastructures and Spain's promotion of tourism.

On Eurostat data, the euro area's non-tourism services exports increased 12.4% in 2007 (11.2% in 2006), which was higher than the rise in exports (9% and 9.3% in 2007 and 2006, respectively). In the euro area, services transactions quickened considerably in 2007: receipts grew 13.2% (7.7% in 2006), and payments were up by 12.3% (7.1% in 2006).

A disaggregated analysis of Spain's non-tourism services shows that the widening of the related deficit was primarily the result of the noticeable worsening of the negative balance of business services (66.1%), which accounted for more than 63% of the total deficit in 2007. The magnitude of the growth rates confirms the growing importance of offshore outsourcing, although the conclusions drawn about the factors giving rise to it should be interpreted with caution, since the increasingly common practice of centralising payments and receipts and recording certain inter-group transactions in only one institution creates difficulties when interpreting the available data. The widening of the royalties and transport services balances (by 59.8% and 17.8%, respectively) was also striking. These developments took place against a background of more buoyant payments than receipts which, in the case of royalties, slipped significantly. Nevertheless, there is no reason for a negative interpretation of this result since it reflects greater recourse to external technology which is essential for channelling more innovative advances to Spain. Transport services transactions eased in 2007 against a background of slowing world trade (and, in particular, of Spain's transactions) and of higher transport costs due to the rise in oil prices. However, in the case of receipts, the performance of tourism is more important than the trend in the trade of goods, given the weight of receipts generated by the international transportation of tourists. In contrast, the construction services surplus widened notably and stood at €1,708 million, in comparison with €692 million in 2006. The improvement in financial, IT and information services was also significant. Financial services went from a deficit of €53 million in 2006 to a surplus of €458 million, and the IT services surplus widened by 33.4%. In all instances, the improvement in the balances reflects more buoyant receipts than payments. Particularly notable are construction services exports, which are undoubtedly related to the higher participation of construction firms in the ongoing internationalisation of the Spanish economy via FDI. Similarly, financial services receipts grew significantly in the last three years against a background in which financial institutions have stepped up their internationalisation and the economies in which they are present have picked up.

**SERVICES BALANCE COMPONENTS**  
Year-on-year rate of change

TABLE 2.7

	RECEIPTS				PAYMENTS			
	EU 27		SPAIN		EU 27		SPAIN	
	2006	2007	2006	2007	2006	2007	2006	2007
TOTAL SERVICES	10.9	11.4	11.1	11.0	7.5	8.6	15.5	15.3
Travel	9.6	6.3	5.6	3.6	2.1	7.1	9.4	8.3
Other services (a)	11.2	12.4	16.8	18.0	9.3	9.0	17.3	17.2
Transport	4.4	8.5	11.0	8.5	10.2	4.8	10.0	9.6
Communications	18.5	11.3	-3.4	8.3	16.8	9.2	35.0	17.2
Construction	12.6	15.7	29.9	73.8	14.6	12.4	21.9	25.6
Insurance	141.1	-3.1	0.1	81.6	-13.4	6.9	57.4	26.1
Financial services	19.8	28.9	39.1	36.9	24.0	20.5	44.6	20.4
IT services	26.2	7.8	8.7	22.2	14.9	3.3	3.2	12.4
Royalties and income from intangible assets	3.2	4.6	67.7	-48.0	-0.1	12.9	-5.5	19.5
Business services	10.3	13.3	20.8	17.1	12.1	10.6	21.4	22.6
Cultural and leisure services	-3.0	5.4	14.0	22.7	17.0	-20.0	8.8	15.6
Government services	0.0	-2.7	-2.8	10.7	11.5	2.8	6.0	3.2

SOURCES: Eurostat and Banco de España.

a. In the case of EU 27, includes services not allocated to a specific heading.

The breakdown of other services reveals that transport and business services account for the bulk of receipts and payments (over 69% and around 73% of the total in 2007, respectively). The relative weight of the other headings is small, although financial and construction services receipts show an upward trend, representing 14.1% of the total in 2007. As for payments, financial services were to the fore at close to 7% of the total, while the other headings have a smaller share. This pattern is relatively similar to that for the EU as a whole,<sup>10</sup> in which transport and business services accounted for approximately 64% of receipts and 67% of payments in 2006. The other headings have a smaller share; financial services are worth noting on the exports side and royalties on the payments side. The two items account for more than 11% of the total (8.3% and 4.2%, respectively, in the case of Spain in 2007). Conversely, Spain continues to run a deficit in non-tourism services whereas the EU posts a surplus. In Spain's case, as indicated above, transport and business services generate most of the deficit (slightly more than 92% on average in 2006-2007). In contrast, in the EU as a whole, transport and business services represent just over 65% of the surplus.

Lastly, the breakdown by geographical area of non-tourism services shows that the EU was the counterparty of most of Spain's transactions, with approximately 65% of receipts and 67% of payments. The euro area accounts for more than 38% of total receipts and 45% of payments. The United Kingdom was the recipient of 22% of exports and the source of 19% of imports, in line with its importance as an international financial centre. Significant in the rest of the world on the receipts side are Switzerland, the United States and Latin America, which together account for nearly 22% of the total. On the payments side, the United States, Asia and Switzerland represent a slightly smaller proportion. In 2007 the EU accounted for a large share of the deficit in non-tourism services (approximately 85% of the total), although, as has occurred since 2001, a surplus was recorded with the United Kingdom. In fact, the deficit with

10. See M. Hussain (2008), *EU International Trade in Services in 2006*, Statistics in Focus, 21/2008, Eurostat.

	RECEIPTS										PAYMENTS									
	PERCENTAGE OF THE TOTAL						YEAR ON YEAR RATE OF CHANGE				PERCENTAGE OF THE TOTAL						YEAR ON YEAR RATE OF CHANGE			
	INTRA-EU 27			EXTRA-EU 27			INTRA-EU 27		EXTRA-EU 27		INTRA-EU 27			EXTRA-EU 27			INTRA-EU 27		EXTRA-EU 27	
	00-05	2006	2007	00-05	2006	2007	2006	2007	2006	2007	00-05	2006	2007	00-05	2006	2007	2006	2007	2006	2007
	OTHER SERVICES	100.0	100.0	100.0	100.0	100.0	100.0	16.7	12.9	17.1	28.5	100.0	100.0	100.0	100.0	100.0	100.0	16.5	17.8	18.9
Transport	36.9	34.2	31.7	31.3	29.7	27.2	11.6	4.6	9.7	17.6	30.7	29.6	27.4	42.2	40.7	38.6	6.6	9.2	15.3	10.2
Communications	3.9	3.0	2.9	1.7	1.8	1.5	-4.6	8.0	0.8	9.5	3.0	3.2	3.4	3.6	5.0	4.7	35.5	22.9	34.3	10.1
Construction	2.2	2.8	3.1	4.8	6.4	10.8	20.7	26.2	39.5	116.5	1.3	2.5	2.5	1.4	1.4	1.9	32.4	14.6	-5.7	65.9
Insurance	1.4	1.4	1.9	1.4	1.6	3.0	-1.3	48.1	2.7	143.6	2.0	2.9	3.5	1.8	3.6	3.1	71.2	43.3	39.7	-0.7
Financial services	6.5	8.7	10.1	3.8	4.0	5.1	37.8	31.0	45.5	63.8	5.4	7.8	7.8	2.5	4.0	4.5	43.7	17.5	48.2	31.7
IT services	3.4	4.0	3.4	17.1	13.7	14.8	15.4	-4.9	4.9	38.9	5.0	3.9	3.9	3.3	2.4	2.1	14.9	16.6	-21.9	-0.8
Royalties and income from intangible assets	1.2	1.0	0.7	1.8	3.1	0.9	6.3	-26.8	178.4	-62.7	5.4	4.2	4.4	6.8	3.8	3.7	-2.8	22.3	-10.8	13.4
Business services	40.4	41.2	42.7	33.6	35.9	32.9	20.8	16.8	20.7	18.0	42.8	42.6	44.0	31.8	34.3	36.8	19.0	21.6	27.7	25.0
Cultural and leisure services	2.0	2.0	2.1	3.0	2.8	2.7	14.7	20.8	13.0	25.6	3.7	2.9	3.0	5.3	3.5	3.3	5.2	21.0	15.3	6.8
Government services	2.0	1.6	1.5	1.5	1.0	1.0	4.4	6.7	-20.5	23.7	0.6	0.3	0.3	1.3	1.3	1.2	-16.7	-6.9	23.3	8.4

SOURCE: Banco de España.

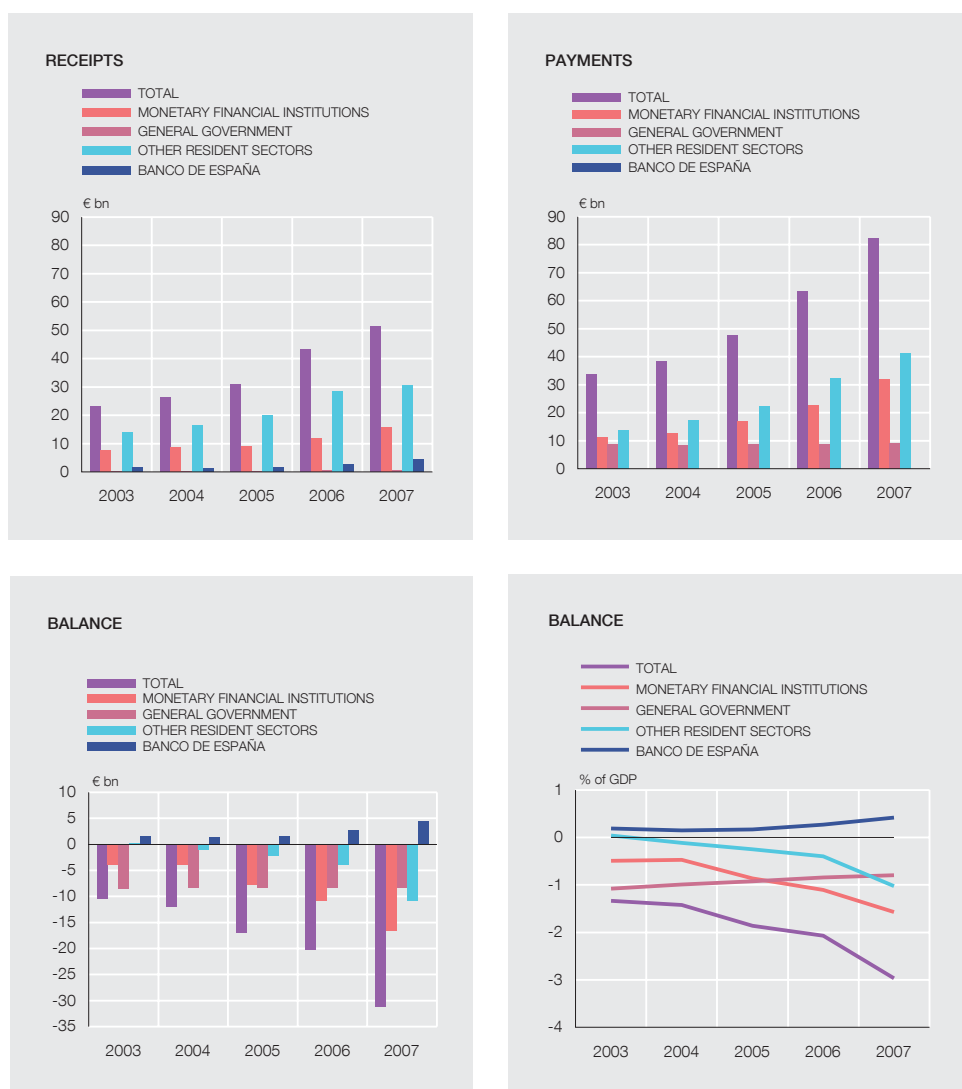
the euro area as a whole amounted to 98% of the total imbalance. In the rest of the world, Spain usually runs a deficit against the United States and a surplus against Latin America and Switzerland. The breakdown by type of service between the EU and the rest of the world shows, on the receipts side, the greater weight of transport and business services in transactions vis-à-vis the EU than in transactions vis-à-vis the rest of the world, which in the case of the former is due to the importance of EU tourism. Conversely, in the EU the proportion represented by construction, IT and information services is higher. On the payments side, transport services are less important in the EU than in the rest of the world, in line with the growing weight of trade in goods with certain extra-EU countries and the greater geographical distance, while the opposite is true of business services. In both cases, financial services have a greater weight in transactions vis-à-vis the EU than in those vis-à-vis the rest of the world (see Table 2.8).

### 2.2.3 BALANCE OF INCOME<sup>11</sup>

In 2007, the income balance deficit posted a further decline, the largest in recent years, widening by 52.7% (20.3% in 2006) and increasing its weight in GDP by 0.9 pp to 3% (–€31,435 million). This occurred even though receipts were highly buoyant, albeit less so than payments (18.7% and 29.5%, respectively). Developments in the income balance vis-à-vis the rest of the world essentially reflect the performance of net investment income, which accounted for approximately 99% of the change in receipts and payments in 2007, while labour income remained relatively insignificant.

The increase in the Spanish economy's foreign debt, which is reflected in Spain's debit balance at the end of 2007 (76.8% of GDP, excluding the Banco de España, 9 pp higher than in 2006), and the rise in interest rates, which began at the end of 2005, explain the worsen-

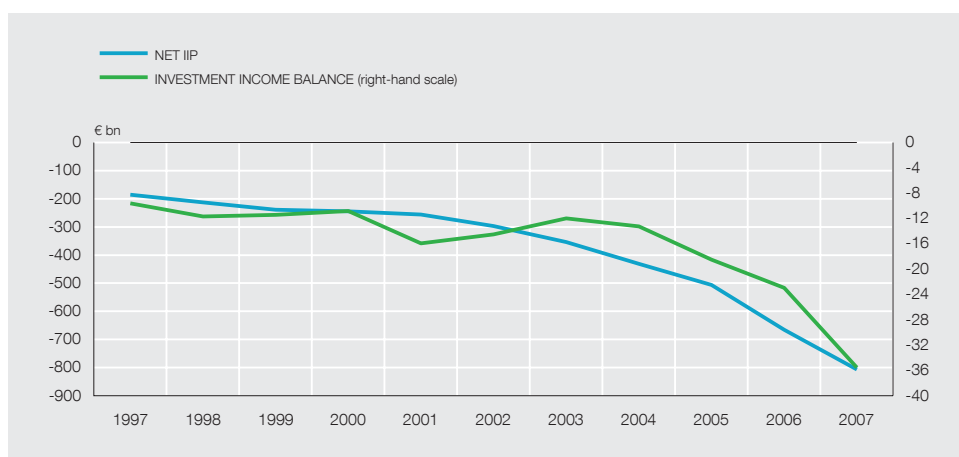
11. In 2007 the procedure for estimating reinvested earnings was improved. See Chapter 5 of this Report for a detailed description of the changes.



SOURCE: Banco de España.

ing of the income balance in recent years (see Chart 2.10). Specifically, the rapid rise in the stock of debt (position effect), rather than the changes in the net cost of financing received (return effect), has been chiefly responsible for most of the deterioration of the income balance in 2007. A historical perspective of the contributions of the position effect and return effect to changes in the net income balance in recent years is presented in Box 4.1 of this report.

The notable increase in the Banco de España's income surplus alone partly offset the rise in net payments made by ORSs and MFIs, whereas general government recorded a similar deficit to the previous year (see Chart 2.9). In effect, a characteristic of 2007 was that ORSs, in line with developments in recent years, continued to increase their relative share of the Spanish economy's income deficit abroad, representing approximately 34% of the total deficit accumulated in the year, nearly three times more than in the previous year. Along the same lines, the negative balance of MFIs continued to widen (52.1%), a contributing factor to explaining the 52.5% rise in the total income deficit. In both sectors, the increase in portfolio investment income payments and, to a lesser extent, FDI dividends with regard to receipts, explain the negative trend in net income payments. Unlike the private sector, the general government in-



SOURCE: Banco de España.

a. Excluding Banco de España.

come deficit (27.6% of the total) posted very moderate growth (1%), while the Banco de España's surplus widened significantly (64.1%).

Although portfolio investment income in particular contributed to the worsening of the investment income balance, Table 2.9 (which contains the year-on-year rate of change of the breakdown of investment income transactions by instrument,<sup>12</sup>) shows that other investment income and, to a lesser extent, direct investment income also played their part. Thus, the direct investment income surplus fell 24.3% to €3,906 million (€5,162 million in 2006). This result was influenced by buoyant dividend payments in contrast with the previous year's decline, against a background of considerable M&A activity, and interest payments on inter-company loans. The favourable performance of reinvested earnings and the notable rise in dividends collected, did not offset the aforementioned developments.

The negative balance of other investment income (essentially, loans, deposits and repos) increased by 32.2% (€12,578 million), due basically to higher net payments on income generated by long-term deposits and loans. By sector, this rise particularly affected MFIs, whose net payments in the form of other investment grew 33.1%, and, to a lesser extent, ORSs.

The portfolio investment income deficit widened considerably more than that of other investment income, increasing 44.2% (80.8% in 2006) to €26,860 million. In line with recent years, payments recorded highly significant growth (27.4%), while receipts held practically stable. As discussed above, the deterioration in the portfolio investment income balance was essentially due to the negative balance of income related to medium and long-term bonds and, to a much lesser degree, the performance of the dividends balance. By institutional sector, these changes reflect a widening of the deficits of MFIs and ORSs, which reached levels of €10,531 million and €8,588 million, respectively. This behaviour is in keeping with robust growth in recent years of non-residents' net investments in medium and long-term bonds in the two institutional sectors and with higher interest rates.<sup>13</sup> The fact that a large portion of the mortgage-

<sup>12</sup> Unless otherwise indicated, the analysis does not include the Banco de España. <sup>13</sup> However, from August, following the subprime crisis, resident financial institutions found it difficult to attract foreign funds through medium and long-term bonds, as they had done so until then; consequently, they had to resort to other sources of financing. A more detailed description of the impact of the subprime crisis, and the form in which foreign funds were channelled, is presented in Chapter 3 of this Report.

**INVESTMENT INCOME BY INSTRUMENT (a)**  
Year-on-year rate of change

TABLE 2.9

	AVERAGE 96-04	2005	2006	2007
<b>RECEIPTS</b>				
Total investment income	12.8	16.4	38.4	15.7
<i>Direct investment</i>	32.7	24.0	61.7	13.6
<i>Portfolio investment</i>	32.8	7.3	6.7	0.8
<i>Other investment</i>	-4.8	19.5	46.9	43.7
<b>PAYMENTS</b>				
Total investment income	11.4	24.4	33.0	29.8
<i>Direct investment</i>	16.2	19.1	25.2	26.0
<i>Portfolio investment</i>	12.5	36.9	42.6	27.4
<i>Other investment</i>	7.4	13.2	25.1	37.4

SOURCE: Banco de España.

a. Excluding Banco de España.

backed bonds issued by residents in Spain pay a coupon which is indexed to a short-term interest rate triggers a rapid pass-through of interest rate rises to income payments.

The general government portfolio investment income deficit decreased slightly for the fourth year running (0.9%), even though it continues to represent about one-third of Spain's total income deficit. A contributing factor was non-residents' divestments of Spanish public debt from 2007 Q2, which were particularly sharp in the second half of the year, against a background of net redemption of securities during 2007.<sup>14</sup> At the same time, general government portfolio investment abroad ended the strong growth path of the three previous years, dropping 42.5% to €6,093 million, reflecting the financial transactions undertaken by the Social Security Reserve Fund, which stood at €45,716 million in 2007.

In short, the substantial deterioration of the investment income deficit recorded in 2007 reflects the increase in the Spanish economy's level of foreign debt. The fact that net borrowing needs were mainly covered through monetary and non-monetary financial institutions by means of medium and long-term bond issues explains why, against a backdrop of rising interest rates, the portfolio investment income balance is chiefly responsible for the deterioration seen in the total investment income deficit. Moreover, these issues mostly have coupons indexed to short-term interest rates which, in a high interest rate scenario, contributes to accentuating the above-mentioned effect.

**2.2.4 BALANCE OF CURRENT TRANSFERS<sup>15</sup>**

In 2007, the annual rate of expansion of the current transfer deficit slowed significantly to 8.5%, in comparison with 82.7% in 2006, and as a result it remained stable as a percentage of GDP (0.6%, €6,726 million), following the previous years' declines. This change reflects the quickening of receipts (10.4%, against 4.1% in 2006) and the slowdown of the growth rate of payments (9.9%, compared with 17.6% in 2006). However, this situation seems unlikely to

<sup>14</sup>. See Chapter 3 of this publication. <sup>15</sup>. By virtue of the new Regulation EC (No.) 1290/2005, regulating the CAP, two new European agricultural funds were created: the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD). These funds replace, for all effects, from 16 October 2006, the European Agricultural Guidance and Guarantee Fund (EAGGF) Guarantee and Guidance Sections. However, since the settlement period of EAGGF-Guidance is two years, Spain will still continue to receive this type of funds.



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

TABLE 2.10

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
RECEIPTS	10,675	12,216	13,536	11,150	12,013	15,567	16,510	16,290	14,498	12,125	12,675
Current transfers	6,675	7,112	7,289	6,619	7,135	8,423	8,094	8,543	7,985	7,533	8,078
<i>Public</i>											
– ESF	1,816	1,746	1,969	797	1,085	1,795	1,653	1,774	1,784	1,251	1,691
– Other	56	55	63	48	53	79	79	68	100	137	53
<i>Private</i>											
– EAGGF (Guarantee) transfers	4,802	5,312	5,258	5,775	5,997	6,550	6,362	6,702	6,101	6,145	6,333
Capital transfers	4,000	5,104	6,247	4,530	4,877	7,144	8,417	7,746	6,513	4,593	4,598
<i>Public</i>											
– ERDF	2,547	2,823	3,727	2,819	3,381	4,046	5,344	4,712	3,851	2,214	2,761
– EAGGF (Guidance)	731	1,096	1,410	514	628	978	1,274	1,127	1,270	1,095	1,023
– Cohesion Fund	723	1,184	1,111	1,197	869	2,120	1,799	1,907	1,391	1,283	813
PAYMENTS	5,482	5,998	6,415	6,660	6,777	6,967	8,193	8,416	9,583	9,953	9,549
Current transfers	5,482	5,998	6,415	6,660	6,777	6,967	8,193	8,416	9,583	9,953	9,549
<i>Public</i>											
Traditional own resources (a)	700	823	910	1,020	1,005	949	1,005	1,273	1,463	1,597	1,720
– VAT resource	2,746	2,617	2,842	2,889	3,135	2,525	2,656	1,921	1,617	1,652	1,723
– Additional resource (GNP)	1,966	2,416	2,578	2,643	2,589	3,406	4,405	5,084	6,401	6,547	5,937
– EDF	71	141	86	109	48	87	129	137	103	157	169
BALANCE	5,194	6,218	7,122	4,490	5,236	8,600	8,317	7,874	4,915	2,173	3,126

SOURCES: Dirección General de Presupuestos (Secretaría de Estado de Hacienda) and Banco de España.

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.

continue in the next few years since essentially transitory factors are responsible for the end of the downward trend in the balance as a percentage of GDP. The more permanent factors contributing to the widening of the current transfers deficit will continue to have the same effect in the future. This is applicable to EU transfers in line with the new 2007-2013 Pluriannual Financial Framework, and migrants' remittances, albeit in the latter case to a lesser degree than in previous years.

An analysis by institutional sector reveals that the widening of the current transfers negative balance was due, for the fifth year running, to the decrease of the private sector surplus (by 25.8%, to €1,992 million), which offset the partial correction of the general government deficit of 1.8%, to €8,718 million, following the notable decline of the previous two years. These developments were due in the case of private sector transfers to more buoyant payments (20.2%) than receipts (11.2%). The correction of the general government transfers deficit reflected the 6.8% recovery of receipts (in contrast with a drop of 5.1% recorded in 2006), and the slow-down of payments (0.6% in comparison with 11.8% in 2006).

The drop in the general government negative balance was the result of the correction of the EU-related transfers deficit (see Table 2.10), which offset the decline in the balance of general government other transfers,<sup>16</sup> which showed a deficit of €149 million in 2007, in contrast with a

16. This item is made up of receipts and payments relating to donations, taxes, social security, etc.

surplus of €406 million in 2006. Current transfers from the EU increased considerably by 25.7% in comparison with the 26.3% fall in 2006, while payments dropped 3.4% as opposed to the rise of 3.7% posted the previous year. The higher receipts from the EU were centred on those linked to the European Social Fund (ESF), to promote employment, which grew 35.2%, in contrast to the 29.9% slide experienced in 2006. In the next few years, in line with the new 2007-2013 Pluriannual Financial Framework, a gradual reduction in the current transfers received from the EU is to be expected. Transfers to EU institutions declined moderately by 3.4%, against a rise of 3.7% the previous year. This change is explained by the 9.3% decrease in the payments related to the GNI (Gross National Income) resource,<sup>17</sup> following five years of growth. This heading is the main component of payments to the EU, accounting for more than 60% of the total. Conversely, there was an increase in the payments of the VAT resource<sup>18</sup> and traditional own resources (of which customs duties are the main component). This was lower in the case of the former (4.3% and 7.7%, respectively); however, they did not offset the decline in the GNI resource. Transfers to the EU corresponding to the European Development Fund (EDF), which represent less than 2% of total payments increased 7.8%.<sup>19</sup> The worsening of the general government other current transfers balance reflected the increase of payments for donations abroad (12.3%), the volume of which had risen significantly the previous year to €1,498 million in comparison with only €599 million in 2005. This heading is expected to hold on a growth path in the next few years due to the commitment for total official development aid to reach 0.7% of GDP in 2012.<sup>20</sup>

The drop in the private sector surplus is basically explained by the widening of the negative balance linked to workers' remittances, whose deficit increased 42.1%, to €2,826 million. It should be recalled here that this heading began to record a deficit from 2004 (of only €4 million). The increase posted in 2007 was the result of more buoyant payments than receipts (19.3% as opposed to 10%), although payments moved on a decelerating trend in line with changes in the number of foreigners in employment and recent family regrouping processes. In 2007, receipts from workers' remittances held steady at approximately 0.5% of GDP, while the weight of payments in the Spanish economy continued to increase to 0.8% of GDP, 0.1 pp more than in 2006.<sup>21</sup> This change took place against a backdrop of significant job creation in Spain in the last decade, largely involving migrants. However, the growth rate shown by remittances sent abroad is expected to ease, not only because the labour market is less strong but also because of family regrouping processes, which have had a negative impact on the volume of remittances sent by migrants to their country of origin. The intensity of immigration flows in recent years has led to Spain becoming one of the main sources of remittances at world level. The geographical breakdown shows that the leading recipient region of remittances from Spain is Latin America and the Caribbean, with more than 67% of the total, although its relative share has dropped slightly. The share of other areas is rather lower (see Table 2.11). The five main destinations in 2007 (Colombia, Ecuador, Bolivia, Romania and Morocco) together represented around 59% of the total, 2.2 pp less than in 2006, as a result of the decline of the relative weight of Colombia and Ecuador.

The surplus of other private transfers increased 3.1%, although payments rose more sharply than receipts (21.7% and 11.9%, respectively). The improvement in the surplus reflected the

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17. The total amount of the GNI resource is the difference between Community spending and other income. Its amount is divided up between the Member States in proportion to their respective GNIs. 18. In 2004 the rate applied to the VAT base was reduced from 0.75% to 0.5%. 19. The balance of payments data on EU-related receipts and payments for 2007 generally show less buoyancy than the settlement projections in cash terms contained in the 2008 State budget. 20. According to official projections, general government total official development aid would amount to 0.5% of GDP in 2008. 21. Coinciding with the publication of the definitive data for 2005, the remittances data from 2001 were revised on the basis of a new procedure for calculating workers' remittance payments, with the aim of overcoming the limitations of the previous one. As a result, the new series reflects the changes in migrant flows in recent years in Spain more accurately. For more information, see the 2005 edition of this publication.

**GEOGRAPHICAL DISTRIBUTION OF REMITTANCE PAYMENTS IN 2006 AND 2007**  
**Percentage of total**

TABLE 2.11

	2006	2007
LATIN AMERICA & CARIBBEAN	68.9	67.4
Colombia	19.7	17.6
Ecuador	17.0	16.0
Bolivia	10.8	11.7
Brazil	4.5	5.0
Dominican Republic	5.7	4.9
Peru	3.4	3.0
Argentina	1.8	1.7
Other	5.9	7.4
EU 15	10.4	9.1
Germany	1.8	1.4
United Kingdom	1.0	1.6
France	0.3	0.2
Other	7.4	5.8
REST OF EUROPE	8.3	8.1
Romania	7.2	6.9
Ukraine	0.5	0.6
Bulgaria	0.2	0.2
Other	0.4	0.4
REST OF THE WORLD	12.4	15.4
Morocco	6.1	6.5
Philippines	1.9	1.7
Senegal	2.1	2.1
Other	2.4	5.1

SOURCE: Banco de España.

3.1% increase in receipts related to the EAGF (0.7% in 2006). The latter replaces most of the funds included in EAGGF-Guarantee.<sup>22</sup>

### 2.3 The capital account

The surplus on the capital account, which largely depends on capital transfers to and from the EU, worsened more sharply than in the two previous years, dropping 27.5% (24.3% in 2006) to €4,492 million. This trend reflected the growth of payments (31.3%) and the decline in receipts for the fourth consecutive year (by 16.4% in 2007). There was a 0.2 pp decline in the capital account surplus to 0.4% of GDP (1.1% of GDP in 2002). However, this rate of deterioration is not expected to continue in the next few years, since it is partly as a function of the comparison with 2006, which was an exceptionally positive year due to the volume of repayments received for certain defaults assumed by the CESCE Group. By sector, the drop in the positive balance of the capital account spread to the private sector and, in particular, to general government. The contribution from the disposal of non-produced non-financial assets was small.<sup>23</sup>

The decrease in the general government surplus centred on transactions related to debt forgiveness. Its balance declined from a surplus of €1,646 million in 2006 to only €296 million in

<sup>22</sup> The rural development measures not included in Objective 1 programmes, which were previously part of FEOGA-Guarantee, are included in EAFRD. Objective 1 regions are those whose GDP per inhabitant does not exceed 75% of the EU average, regions of Finland and Sweden with very low population density and ultraperipheral regions (French overseas departments, the Canary Islands, the Azores and Madeira). <sup>23</sup> This heading comprises the acquisition/disposal of non-produced tangible assets (land and subsoil resources) and the acquisition/disposal of non-produced intangible assets (patents, copyrights, trademarks, licences, etc. and leases and other transferable contracts).

2007, as a result of the sharp drop in receipts (80.7%). The latter reflects the strong increase recorded in 2006 on repayments of loans, debts and past-due bills which had previously been assumed by the CESCE Group,<sup>24</sup> the export risk insurance company, whose principal shareholder is the Spanish State. The general government balance deteriorated despite the slight pick-up in capital transfers from the EU, which interrupted the downward path begun in 2004 (see Table 2.10). This interruption is explained by the 24.7% increase in receipts corresponding to FEDER funds (aimed at reducing regional imbalances within the EU and, in terms of amount, the most important in the EU), in contrast with the significant decline over the previous three years. However, these developments were largely offset by the drop of the EAGGF-Guidance funds and, especially, the Cohesion Funds (by 6.5% and 36.7%, respectively), which were partly affected by comparisons with 2006. The cash-basis projections for 2007 contained in the 2008 State budget show a considerably sharper increase in ERDF-related receipts and a smoother decline in Cohesion Funds.

The decrease in the private sector capital transfers surplus was steep in year-on-year terms (63.4%), although its stock was considerably smaller than that of general government. This change reflected the increase in payments for migrants' transfers classified under capital transfers (94.8%).<sup>25</sup>

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**24.** The CESCE Group's main shareholder is the Spanish State and its principal activity is the insurance of sales on credit of firms' products and services, both in the Spanish market and abroad. Likewise, it issues bonds to guarantee the fulfilment of obligations assumed by companies to a third party (public or private) as a result of undertaking its activity. It also insures Spanish firms' investments abroad. **25.** These transfers arise when workers change their place of residence. For example, when the change occurs the assets which the workers changing residence own in the country of origin become an asset vis-à-vis the rest of the world of the country they move to. Consequently, transfers included here refer to migrants' assets.



### 3 The financial account in 2007

#### 3.1 Introduction

During 2007 the Spanish economy's foreign financial transactions were affected by the episode of financial instability that arose in the United States further to the increase in defaults on subprime mortgage loans, and which rapidly spread to international financial markets. Tensions were particularly significant on the money markets, reflecting in part the greater demand for funds on the interbank market and, in part, the crisis of confidence that emerged among financial institutions. The outcome saw the significant widening of spreads between central bank intervention rates and interbank rates. The heightened uncertainty that these spreads reveal also affected the capital markets, prompting a generalised re-pricing of risk and a rise in private debt yield differentials, which was more marked in the case of financial sector issues (particularly those relating to securitisation instruments). Against this background, private sector financing conditions in the medium and long-term wholesale debt markets tightened considerably, restricting the possibility of raising funds through these markets. Consequently, from August Spanish financial institutions used alternative channels to meet their liquidity requirements. These included specifically the issuance of short-term securities, such as notes, the cost of which had been less affected by the financial turmoil than that of mortgage-backed securities, and the greater resort to interbank financing. Nonetheless, the bulk of the Spanish economy's financing needs was covered over the year as a whole, as in previous years, by foreign funds raised through portfolio investment securities, which was possible thanks to net placements in the first seven months of the year.

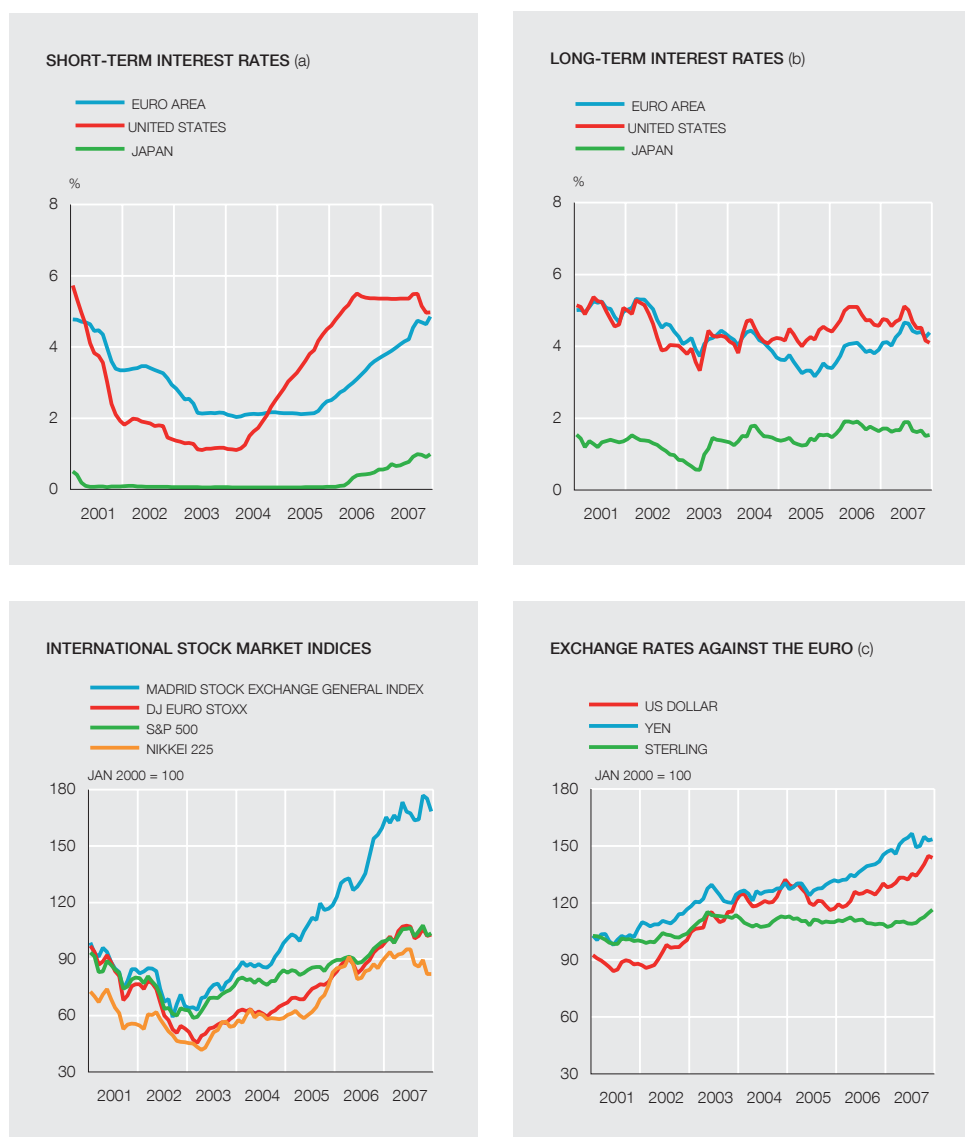
Stock market prices were relatively resilient in the closing months of 2007, posting gains for the year as a whole, although their volatility increased significantly (see Chart 3.1). In the case of the IBEX 35, these gains amounted to 7.3%, similar to those of the EURO STOXX-50 and above those of the S&P-500 (3.5%). However, stock market prices fell across the board in the opening months of 2008, affected by the worsening macroeconomic outlook (especially in the United States) and by the continuation of the financial turmoil. This, along with the reduction and subsequent reversal of interest rate spreads between the US economy and the euro area, contributed to the significant depreciation of the dollar against the euro during 2007 (by 9.5% in relation to December 2006).

On balance of payments figures, the Spanish economy's net borrowing for its overall non-financial transactions continued to widen in 2007 to €101,346 million (9.7% of GDP), 24% up on the previous year. Funds raised abroad by the resident sectors (€83,769 million, excluding the Banco de España) did not suffice to cover the financing needs generated during the year, whereby the Banco de España's net foreign assets fell by €14,322 million.<sup>1</sup>

According to the institutional sectors' non-financial accounts, the increase in the economy's overall financing needs reflects, above all, the widening of the gap between non-financial corporations' saving and investment (to 10.6% of GDP, up from 8.5% in 2006), since household net borrowing rose by 0.8 pp in 2007 to 2.8% of GDP. The general government budget surplus continued to increase, amounting to 2.2% of GDP (1.8% in 2006).

In 2007 this demand for funds from abroad was met (see Table 3.1) firstly by net capital inflows in the form of portfolio investment (€104,360 million was received in the period) and, secondly, by other investment (€34,624 million). Conversely, both foreign direct investment (FDI) and fi-

1. Hereafter the Banco de España is excluded from the analysis, unless otherwise indicated.



SOURCES: ECB and Bank of Japan.

- a. Three-month interbank market interest rates.  
 b. Ten-year government bond yields.  
 c. An increase in the value of the index denotes an appreciation of the euro against the currency in question.

financial derivatives generated net outflows totalling €48,383 million and €6,832 million, respectively. As earlier discussed (see Chart 3.2), further to the financial turmoil during the summer the possibilities of raising resources on long-term international fixed-income markets were considerably curtailed, meaning that from August Spanish financial institutions met their liquidity needs differently. Between January and July, net capital inflows in the form of fixed-income portfolio investment were recorded for the increase in the outstanding balance of asset-backed securities and of securities issued by non-monetary subsidiaries of resident monetary financial institutions (MFIs) held by non-residents, which remained the primary source of financing for the Spanish economy, while net outflows were recorded in other investment and FDI. Subsequently, from August, and as a result of the financial turmoil and of the ensuing decline in activity on long-term fixed income wholesale markets, resident financial institutions raised financing through the issuance of short-term instruments (notes) and greater resort to interbank financing. This change in the type of instruments with which the Spanish economy has ultimately covered its financing needs has also been seen in other countries. Specifically, in the United

% of GDP	2003	2004	2005	2006	2007
CURRENT ACCOUNT PLUS CAPITAL ACCOUNT BALANCE	-2.5	-4.2	-6.5	-8.3	-9.7
FINANCIAL ACCOUNT BALANCE (a)	2.1	5.8	6.9	11.1	8.0
Change in external liabilities (b)	16.2	18.2	24.6	25.6	21.7
<i>Foreign direct investment</i>	2.9	2.4	2.2	2.2	3.7
— Monetary financial institutions	-0.1	-0.1	0.0	0.0	0.1
— Other resident sectors	3.0	2.5	2.2	2.2	3.6
<i>Portfolio investment</i>	5.0	13.4	15.2	20.0	9.1
— General government	-1.0	2.7	0.3	1.4	-1.5
— Monetary financial institutions	3.4	5.9	6.2	8.3	3.6
— Other resident sectors	2.5	4.8	8.8	10.2	7.1
<i>Other investment</i>	8.3	2.4	7.1	3.5	8.9
— General government	-0.1	0.6	0.0	0.1	0.0
— Monetary financial institutions	7.1	1.8	5.6	0.4	7.1
— Other resident sectors	1.3	0.0	1.5	3.0	1.7
Change in foreign assets (c)	14.1	12.4	17.6	14.5	13.8
<i>Foreign direct investment</i>	3.2	5.8	3.7	8.1	8.3
— Monetary financial institutions	-0.9	1.6	0.1	0.5	2.9
— Other resident sectors	4.1	4.2	3.6	7.6	5.5
<i>Portfolio investment</i>	8.4	3.2	8.8	-0.4	-0.8
— General government	0.0	0.1	0.5	1.1	0.6
— Monetary financial institutions	4.2	0.6	4.5	-3.1	0.3
— Other resident sectors	4.2	2.5	3.7	1.6	-1.7
<i>Other investment</i>	2.0	3.4	5.2	7.0	5.6
— General government	0.0	0.2	0.1	0.0	0.1
— Monetary financial institutions	1.1	2.0	4.4	6.0	4.9
— Other resident sectors	0.9	1.2	0.8	1.0	0.6
<i>Financial derivatives (d)</i>	0.4	0.0	0.0	-0.2	0.7
NET CHANGE IN FOREIGN ASSETS OF BANCO DE ESPAÑA (e)	0.2	-1.7	-0.2	-2.6	1.4
Of which:					
<i>Reserve assets</i>	1.7	0.6	0.2	0.0	0.0
<i>Net assets vis-à-vis the Eurosystem</i>	0.6	-1.6	1.6	-1.3	2.7
<i>Other net assets</i>	-2.1	-0.6	-2.0	-1.3	-1.3
MEMORANDUM ITEMS:					
FINANCIAL ACCOUNT BALANCE INCLUDING BANCO DE ESPAÑA	2.3	4.1	6.7	8.5	9.3
Errors and omissions (f)	0.2	0.1	-0.2	-0.2	0.3

SOURCE: Balance of Payments, 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. They are recorded net of netted out amounts and have been allocated, by convention, to the net change in assets.

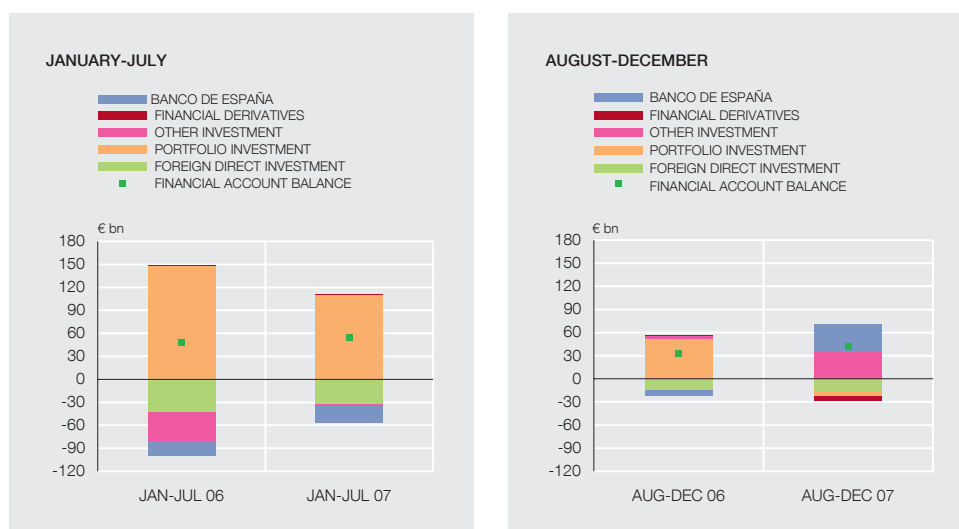
e. A positive (negative) sign denotes a decrease (increase) in Banco de España foreign assets.

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

States net capital inflows of portfolio investment fell in the second half of 2007, without this having hampered the coverage of US financing needs. Similarly, the euro area has been the recipient of less foreign financing in the form of portfolio investment, while in the United Kingdom no significant changes are discernible.

The breakdown by *institutional sector* (see Charts 3.3 and 3.4) shows that Other resident sectors (ORSs) raised most of the funds that the Spanish economy received from abroad (€82,492 million), followed by MFIs (€24,817 million). It should be recalled that this sector includes not only non-financial corporations but also non-monetary financial institutions [e.g. securitisation special-purpose entities (SPEs) and the subsidiaries of MFIs specialising in the issuance of securities], the weight of which in foreign portfolio investment transactions has been significant





SOURCE: Banco de España.

(see Table 3.2). Conversely, non-residents' holdings of public debt fell, coinciding with sizeable redemptions over the course of 2007.

### 3.2 Foreign direct investment

In 2007 the Spanish economy recorded net outflows in the form of FDI for an amount of €48,383 million (4.6% of GDP), compared with €58,479 million in 2006 (6% of GDP), against the background of a rise both in Spanish direct investment abroad (at an annual rate of 9%) and, above all, in foreign direct investment in Spain (an annual rate of 82%). It should be noted here that the Spanish FDI figures recorded in the balance of payments include, on both the assets and liabilities sides, the transactions of the so-called foreign-equity holding companies (ETVEs by their Spanish name), which generally do not give rise to either capital inflows or outflows, but which chiefly represent accounting entries.<sup>2</sup> Stripping out these transactions, whose actual influence on the economy is very limited, the behaviour of FDI does not change significantly, posting net outflows of €49,269, compared with outflows of €56,461 million in 2006. It would be premature to assess the impact of the financial turmoil on FDI transactions, but the tightening of financing conditions and the worsening of the growth outlook in the main developed economies might delay further direct investment projects, both outward and inward.

These developments occurred in an environment in which world FDI transactions remained relatively dynamic over the course of the year,<sup>3</sup> growing by 8% valued in euro (in dollars, this increase amounted to 17.8%).<sup>4</sup> Direct investment in the developed economies was slightly more expansionary than that in developing countries (respective growth stood at 7% and 6%), while the funds received by the European economies in transition, which are not included in the foregoing groupings, were 29% higher than in 2006. Over the year as a whole, multinational companies continued to expand their international activity, driven by mergers

2. These companies have frequently been set up in recent years by non-resident multinational groups to centralise the holding of their foreign 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 firms (BOE of 14 December 2000). To ensure that these transactions, which are difficult to identify using the ordinary reporting system, are included in the balance of payments, information has begun to be used from the Investments Register of the Spanish Ministry of Industry, Tourism and Trade. Other holding companies are included in this heading, which although not strictly ETVEs, have been set up in Spain for the main purpose of channelling direct investment. 3. See the UNCTAD press release, "Foreign Direct Investment reached new record in 2007", of 8.1.2008. 4. These preliminary estimates should be viewed with caution, since the figure for 2007 as a whole relates, in most countries, to the annualised figures of the first three quarters of that year.

**NET CROSS-BORDER FINANCIAL FLOWS BY SECTOR.**  
**NCL – NCA (a)**

CHART 3.3

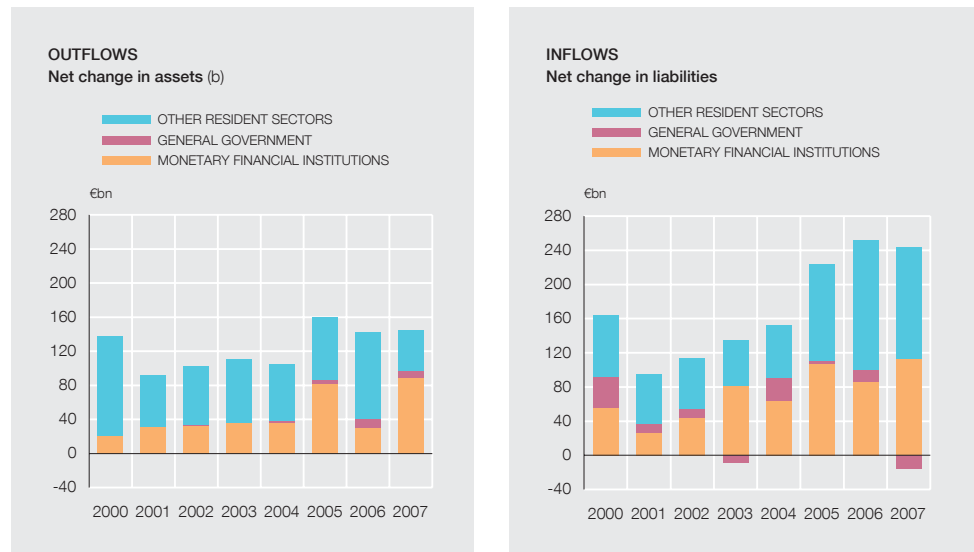


SOURCE: Banco de España.

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

and acquisitions. These, however, diminished in the second half of 2007, in line with the heightened uncertainty on the financial markets and with the deterioration in growth prospects in the main industrialised countries. Among the developed economies, there was prominent growth in FDI into the United Kingdom (12%) and France (39%). The United States remained the biggest global recipient of FDI, despite the flows received by this economy flattening out in 2007. FDI received by the EU as a whole continues to be higher (42% of global FDI).<sup>5</sup> Investment routed towards the developing economies reached an all-time high in 2007, underpinned by the favourable growth outlook and by the rise in commodities prices. Thus, both in Latin America and in the European economies in transition (the CIS and the south-east European countries), FDI rose most significantly (by 37.6% and 29.1%, respectively), with notable growth in investment in Russia. Investment in Africa reached an unprecedented scale.

5. Bulgaria and Romania are not included in the UNCTAD figures.



SOURCE: Banco de España.

a. Excluding the Banco de España.

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

*Spanish direct investment abroad* amounted to €87,388 million in 2007 (see Chart 3.5), up 9% on the previous year and marking a new high in terms of level. Nonetheless, as a percentage of GDP it remains below the high reached in 2000 (8.3% and 10%, respectively). The favourable result for 2007 essentially reflects three major operations during the year. Firstly, the purchase of a British electric utility by a Spanish company in the same sector; and, secondly, the respective acquisitions of a Dutch bank and a US bank by two Spanish MFIs. The favourable performance of this type of investment comes following a year in which FDI abroad also increased notably, owing to the purchase of a telecommunications operator in the United Kingdom by a Spanish company belonging to this sector. This increase in foreign investment, which entails the ongoing internationalisation of Spanish firms begun some years back, has tended to become generalised across sectors and regions. Box 3.1 analyses in depth the microeconomic determinants of Spanish corporate FDI decisions in recent years. As a result of the two above-mentioned operations, MFIs' FDI in 2007 accounted for 34% of the total, as opposed to only 6% in 2006.

In terms of instruments, direct investment abroad in 2007 was essentially in equities, which accounted for 83% of the total, increasing by 37%, and, to a lesser extent, through reinvested earnings, which represented 10% of invested funds and which increased by 8%.<sup>6</sup> The remaining items represented a much smaller magnitude, although there was notable growth (47%) in investment in real estate. Finally, inter-company debt transactions accounted for 1% of foreign direct investment.

Analysis by branch of activity, excluding ETVEs,<sup>7</sup> shows an increase in the degree of concentration in Spanish FDI in 2007 (see Table 3.3), brought about by the three above-mentioned

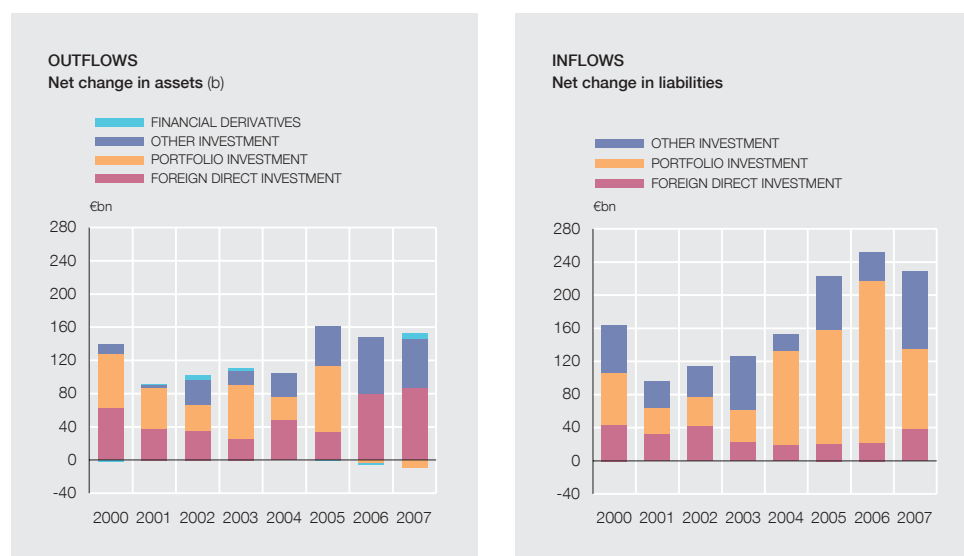
6. Reinvested earnings include the share of the direct investor (in proportion to its share in the capital stock) in the earnings that the subsidiaries or affiliate companies have not distributed as dividends, or in the earnings that branches have not remitted to the direct investor. Improvements to the calculation of this heading were made in 2007. See Chapter 5 of this Report. 7. ETVEs are included in the sector "Real estate, renting and business activities".

INSTRUMENT		BREAKDOWN OF ORSs	ASSETS		LIABILITIES	
			2006	2007	2006	2007
FOREIGN DIRECT INVESTMENT			75034.2	57314.3	21788.6	38060.9
		Non-monetary financial corporations	774.7	1150.5	1531.7	2107.5
		Non-financial corporations and households and non-profit institutions serving households	74259.5	56163.7	20256.8	35953.4
PORTFOLIO INVESTMENT	EQUITY		16562.1	-10149.9	-22123.7	15192.3
		Non-monetary financial corporations	9447.1	-14371.1	522.1	-395.9
		Non-financial corporations and households and non-profit institutions serving households	7115.0	4221.2	-22645.8	15588.2
	BONDS AND NOTES		1763.7	-5066.1	120867.7	63316.7
		Non-monetary financial corporations	-1120.2	-8346.8	112344.7	48343.7
		Non-financial corporations and households and non-profit institutions serving households	2883.9	3280.7	8523.0	14973.0
	MONEY MARKET INSTRUMENTS		-2582.6	-2303.5	1676.6	-4301.9
		Non-monetary financial corporations	-2720.4	-2403.9	1597.8	-4297.4
		Non-financial corporations and households and non-profit institutions serving households	137.8	100.4	78.7	-4.6
OTHER INVESTMENT			9906.3	6320.1	29136.8	18303.1
		Non-monetary financial corporations	445.7	-290.1	1933.0	-1458.3
		Non-financial corporations and households and non-profit institutions serving households	9460.6	6610.2	27203.7	19761.4

SOURCE: Banco de España.

operations. The three most active resident sectors were responsible for 74% of Spanish FDI. First ranked was the “Financial intermediation” branch, with 40% of the total (10% in 2006), followed by “Electricity, gas and water supply”, which accounted for 24% of direct investment transactions abroad. Third placed were investments in “Manufacturing”, representing 10% of the total. Running counter to this was the decline in the relative significance of “Transport, storage and communication”, which accounted for only 1% of total foreign direct investment in 2007, although this comparison is affected by the operation in the telecommunications sector in 2006.

As regards the geographical breakdown of Spanish FDI outflows (excluding ETVEs, see Table 3.4), the EU was, as has been habitual in recent years, the recipient of a large portion (69% of the total). The euro area accounted for a moderate proportion (34% of the total), with investment in the Netherlands to the fore, owing chiefly to the acquisition of a Dutch financial institution. The United Kingdom accounted for a significant proportion (23% of the total) of Spanish FDI, owing to the purchase of an electric utility. Outside the EU, the United States represented



SOURCE: Banco de España.

a. Excluding Banco de España.

b. Financial derivatives are recorded net of netted out amounts and allocated, by convention, to the net change in assets.

15% of total direct investment abroad, mainly as a result of the acquisition of a bank resident in this country. Finally, Latin America accounted for 10% of the total, a very moderate proportion compared with those achieved in the second half of the 1990s.

*Foreign direct investment in Spain* increased significantly (82%) to €39,005 million (3.7% of GDP, against 2.2% in 2006). Affecting this increase is the purchase of a Spanish electric utility by an Italian company belonging to the same sector, which explains why most FDI transactions in 2007 were made by the non-financial private sector.

The breakdown by instrument shows the significance of investment operations involving equities, which accounted for 39% of total FDI in Spain, while both inter-company debt transactions and FDI in the form of other equity holdings represented, in each case, around 18% of total FDI. The most significant change is that in FDI in real estate, which accounted for 14% of the total, thanks to the appreciable increase in this item in 2007 (14%), in contrast to the declining trend on which it had generally moved in the three previous years, after peaking in 2003. Finally, undistributed profits, which were 8% up on 2006, represented 11% of foreign direct investment in Spain.

The breakdown by branch of activity (excluding ETVEs) shows a higher concentration in 2007 in inward FDI than in outward FDI. The three most significant branches accounted for 82% of the total. In first position was the “Electricity, gas and water supply” branch, which received 55% of the total. Second ranked was real estate investment, which amounted to 15% of the total. Further behind were “Transport, storage and communications” and “Financial intermediation”, with each accounting for more than 12% of foreign direct investment abroad. Though on a lesser scale, net investment in “Wholesale and retail trade and repairs” was buoyant, standing at 5% of the total.

The geographical breakdown of FDI inflows to Spain (excluding ETVEs) shows that, as usual, the EU continued to be the main source of direct investment in Spain (89% of the total), with

The internationalisation of Spanish firms through foreign investment abroad has gathered renewed momentum in recent years, following the widespread easing off of this type of operation globally at the start of the current decade. On UNTACD figures, Spanish foreign direct investment (FDI) in 2006 accounted for 41.5% of GDP, exceeding Germany and Italy. Moreover, in contrast to what was seen in the second half of the 1980s, when investment was led by major corporations in the energy, financial and telecommunications sectors, the current expansion abroad is being characterised by the participation of a growing number of firms, with SMEs playing a greater role. At the same time, greater diversification can be seen both in the geographical destination of investment and in the sectors making such investment.

The decision by a firm to internationalise itself by making a direct investment abroad, bearing the greater costs and risks that this entails compared with exporting or establishing franchises, is essentially determined by a set of advantages that grant the firm a degree of market power and, above all, an edge over its competitors. These advantages, according to Dunning's so-called "eclectic theory" or "OLI paradigm" can be grouped under three headings: ownership, location and internalisation. The ownership advantages are those firm-specific characteristics arising both from the ownership of tangible assets (a patent or project) and of intangible assets (organisational and management capacity, technological drive, staff skills and previous experience). Location advantages are those that govern the choice of destination for the investment, and are thus related to host country-specific features (size, endowment of productive resources,

cultural proximity and transport costs). Finally, internalisation advantages group those factors that encourage the firm to maintain direct control over the production process, instead of outsourcing it. These incentives may arise from the presence of market failings that generate problems of asymmetric information, moral hazard and difficulties in entering into agreements with a foreign partner.

The shortage of disaggregated FDI figures at firm level has restricted work on testing the consequences suggested by the theory. In Spain's specific case, most papers addressing this matter use disaggregated information at sectoral level or information relating to a small number of companies that does not necessarily represent the population adequately. With the aim of circumventing these limitations, a recent paper has combined the balance of payments database, which contains information on all firms engaging in FDI operations abroad, with that of the Central Balance Sheet Data Office, which provides information on the characteristics of a high number of non-financial corporations. The period of analysis is confined to the most recent years (2003-2006), for which information common to both databases is available.<sup>1</sup> Table 1 offers some indicators of the representativeness of the sample of firms carrying out FDI operations abroad and that report to the Central Balance Sheet Data Office, in relation to the total population of non-financial corporations investing abroad. A high degree of coverage

1. Regard has been had only to FDI in the form of equity and capital holdings. Likewise, ETVEs and financial corporations have been eliminated from the analysis, as there is no information at the Central Balance Sheet Data Office on them.

## 1 REPRESENTATIVENESS OF THE SAMPLE IN RELATION TO BALANCE OF PAYMENTS STATISTICS

	REPRESENTATIVENESS PERCENTAGE	DISTRIBUTION OF VALUE OF FDI BY BRANCH OF ACTIVITY		DISTRIBUTION BY SIZE OF COMPANIES IN THE SAMPLE ENGAGING IN FDI	
	VALUE OF SAMPLE FDI RELATIVE TO THE BALANCE OF PAYMENTS	BALANCE OF PAYMENTS	SAMPLE	FEWER THAN 200 EMPLOYEES	MORE THAN 200 EMPLOYEES
Agriculture, livestock breeding and fisheries	14.9	0.1	0.0	93.0	7.0
Mining and quarrying	74.2	3.4	3.3	50.0	50.0
Manufacturing	74.9	26.9	26.8	29.8	70.2
Construction	56.9	4.3	3.2	32.0	68.0
Production and distribution of electricity, gas and water	84.5	7.1	8.0	24.2	75.8
Wholesale and retail trade and repairs	59.6	6.2	4.9	42.9	57.1
Restaurants and hotels	60.6	1.0	0.8	16.7	83.3
Transport, storage and communications	98.8	30.2	39.8	38.8	61.2
Real estate activities and business services	52.0	18.0	12.5	43.6	56.4
Other	13.9	3.0	0.6	44.0	56.0
TOTAL	75.0	100.0	100.0	35.7	64.3

SOURCE: Banco de España.

can be seen, since the sample of 868 companies accounts for 75% of total FDI, as can too a high representativeness by type of sector.<sup>2</sup> Mention should also be made of the weight in the sample of corporations with fewer than 200 employees, 36% of the total.

With the aim of exploring the characteristics of companies investing directly abroad, a Probit model has been estimated where the dependent variable takes the value 1 if the company invests abroad in the period 2003-2006 and 0 otherwise. According to the theory of internalisation of the firm, the selection of variables that influence the likelihood of a company undertaking FDI projects abroad has been conditioned by the information available at the Central Balance Sheet Data Office. These variables are: i) size, proxied by the number of employees, insofar as a minimum size is needed to undertake investment; ii) organisational capacity, which is often proxied by the number of years the company has been up and running; iii) international experience, measured by a dichotomic variable that takes the value 1 if the company invests and 0 otherwise, although a measure of exporting intensity was also considered, taking exports relative to total sales; iv) the physical capital/employee ratio; v) technological capacity, measured as R+D expenditure and tech-

nology transfer payments as a proportion of total company sales, as a proxy of innovative intensity; vi) human capital skills, proxied by the proportion of matches to total employees. However, these last two variables are only available for companies with more than 100 employees. Accordingly, so as to be able to use all the companies in the sample, two alternative variables were defined which proxy more indirectly the company's intangible assets, i.e. net intangible fixed assets per employee and the percentage of temporary employment; vii) the presence of foreign capital in the company, since it acts as a transmission channel of experience in foreign markets and of technological know-how; viii) ease of access to external financing, proxied by a dichotomic variable that takes the value 1 if the company is stock exchange-listed and 0 otherwise; and, finally, ix) degree of concentration or competition, measured by the market share of the five biggest companies in each sector.

The results of the estimate are given in Table 2. The exercise has been conducted for a broad sample, for which direct information is not available on the variables that proxy the company's intangible assets (4,747 companies, of which 792 carry out FDI), and for a small sample for which such information is actually available (1,598 companies, of which 574 carry out FDI). For each of these samples, the first column presents the marginal impact of an increase of one marginal unit in the related independent variable on the decision to invest abroad, and the second column the degree of significance of each variable.

According to the results obtained for the sectors as a whole, size, exporting experience, the presence of foreign capital in the company's

2. The best represented sectors are Production and distribution of electricity, gas and water, and Transport, storage and communications, as what are involved are large corporations that report to the Central Balance Sheet Data Office, and also Manufacturing. Conversely, Real estate activities and Business services, owing to ETVEs being excluded from the sample, and Agricultural activities and Other activities, which are of less relative significance in the total, are relatively poorly represented in the sample.

## 2 RESULTS OF THE ESTIMATE FOR ALL SECTORS (PROBIT MODEL) (a)

DETERMINANTS	TOTAL SAMPLE		REDUCED SAMPLE	
	EFFECT	T-RATIO	EFFECT	T-RATIO
Size	0,1	20,6	0,1	11,2
Experience	0,0	-0,8	0,0	-0,2
International experience	0,1	8,0	0,2	6,3
Exporting intensity	—	—	—	—
Physical capital/worker ratio	0,0	2,8	0,0	2,7
Intangible asset/worker ratio	0,0	6,4	—	—
Innovative intensity	—	—	0,0	1,8
Temporary employment ratio	0,0	-2,6	—	—
Skills	—	—	0,0	2,4
Stock market listing	0,4	8,8	0,3	5,5
Share of foreign capital	0,1	5,6	0,1	3,1
Import penetration in the sector	—	—	—	—
Degree of concentration of the sector	-0,2	-1,5	-0,7	-1,8
MEMORANDUM ITEMS				
Success rate	86,2%		72,3%	
LR chi2	1.142,0		349,1	
Pseudo R squared	0,3		0,2	
NUMBER OF ACTUAL OBSERVATIONS				
Investment	792,0		574,0	
Total	4.747,0		1.598,0	

SOURCE: Banco de España.

a. All the regressions include a constant and sectoral dummies. To make interpretation of the ratios easier, the influence of each variable on the probability of investing abroad is given, i.e. the marginal effects evaluated at the mean.

ownership structure and the fact it is stock market-listed are the variables that most influence the likelihood of investing abroad. In contrast, the age of the company does not have a significant impact, which might be related to the fact that, in the 2003-2006 period, FDI was characterised by its geographical and sectoral diversification, and, therefore, experience in the local market was of lesser importance. As might be expected, the capital-labour relationship and the indicators of human capital skills also have a positive influence on the likelihood of investing abroad. On the other hand, the somewhat sur-

prising result from the estimates is that technological effort is not significant when proxied by the company's R+D expenditure and technology transfer payments. However, the fact that the intangible fixed assets/employee ratio is significant and the difficulties of ascertaining technological effort at some of the companies in the sample suggest that this result should be interpreted with caution. Finally, the degree of sectoral concentration has a negative but not significant impact on the probability of investing abroad, which might be linked, as in the case of size, to the degree of diversification of FDI in recent years.

investment from the euro area proving particularly prominent (63% of the total). Within the euro area the biggest investor was Italy (56% of the total), owing essentially to the aforementioned operation involving an electric utility. The United Kingdom also accounted for a relevant proportion (23% of the total received). Finally, among investment from countries outside the EU, that by companies resident in the United States accounted for 4% of the total.

### 3.3 Portfolio investment

During 2007, portfolio investment continued to be the main instrument through which the Spanish economy raised funds from abroad. Net capital inflows valued at €104,360 million (€200,000 million in 2006) and representing 9.9% of GDP were recorded in this connection. These were concentrated essentially in medium and long-term bonds (74% of the total). Nonetheless, there were two clearly differentiated periods to developments in portfolio investment operations during the year. In the first, between January and July, before the onset of the financial turmoil on international markets, the Spanish economy received net funds from abroad in the form of portfolio investment for a value of €110,443 million (€147,806 million in the same period in 2006). In the second period running to the end of the year, net capital outflows amounting to €6,083 million were recorded (compared with net inflows of €52,224 million in the same period the previous year). This change reflects the impact on capital flows of the decision by both Spanish and foreign investors to increase the national bias in their portfolios, coinciding with greater uncertainty over the future course of financial markets and of the different economies. Thus, between August and December 2007, and at the same time as non-residents reduced their holdings of portfolio investment securities issued by Spaniards (by €29,089 million), residents in Spain repatriated capital from abroad for the reduction in the outstanding balance they held of portfolio investment securities issued by non-residents (€23,006 million). The net outcome of these operations led to net capital outflows in the form of portfolio investment being recorded in the second half of 2007.

The foregoing transactions came about in a setting in which total net issues of both public and private fixed income by residents in Spain fell by 2% in relation to 2006. These issues essentially comprised long-term securities issued by financial institutions and, in particular, by non-monetary institutions, since the issues by non-financial corporations were for a very small amount and redemptions of public debt were made. The behaviour over 2007 as a whole was affected by events from August, since net total issues by the resident sectors declined considerably, standing at €51,756 million, against issues totalling €149,099 million in the same period in 2006, reflecting once again the major impact of the bout of financial turmoil on the international markets.

*Spanish portfolio investment abroad* showed disinvestment totalling €8,586 million in 2007, up on the disinvestment the previous year (€4,092 million). This result basically reflects the reduc-



**FOREIGN DIRECT INVESTMENT TRANSACTIONS IN 2006 AND 2007**  
**Breakdown by economic sector**

TABLE 3.3

€ m	SPANISH DIRECT INVESTMENT OUTFLOWS		SPANISH DIRECT INVESTMENT INFLOWS	
	2006	2007	2006	2007
	TOTAL	79,913.0	87,388.2	21,433.8
Agriculture, hunting, forestry and fishing	44.8	35.0	-28.0	54.0
Mining and quarrying	2,573.5	1,472.7	156.4	205.2
Manufacturing	7,758.3	8,126.6	289.7	1,117.5
Electricity, gas and water supply	2,433.3	20,287.6	-277.0	19,222.5
Construction	6,769.5	-652.1	6.8	262.6
Wholesale and retail trade and repairs	2,384.4	2,395.2	97.6	1,637.0
Hotels and restaurants	874.1	935.0	372.8	399.1
Transport, storage and communication	26,674.5	893.4	4,575.6	4,303.1
Financial intermediation	7,225.9	33,481.6	3,065.3	4,259.0
Real estate and business activities	18,113.1	10,186.6	10,971.2	5,141.4
<i>Of which: ETVEs (a)</i>	<i>8,700.1</i>	<i>3,041.9</i>	<i>6,682.5</i>	<i>3,928.0</i>
Other services (b)	4,107.4	627.0	982.2	-462.0
Unclassified	954.2	9,599.6	1,221.3	2,865.9
<i>Real estate</i>	<i>2,257.9</i>	<i>3,318.3</i>	<i>4,703.3</i>	<i>5,378.8</i>
<i>Other</i>	<i>-1,303.8</i>	<i>6,281.3</i>	<i>-3,482.0</i>	<i>-2,512.9</i>

SOURCE: Banco de España.

a. Estimate based on CNAE classification. It includes the transactions of ETVEs and other holding companies which are not strictly ETVEs 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".

tion in residents' holdings of shares and investment fund participations, for a value of €6,767 million, since the outstanding balance in fixed-income securities, although it also fell, did so much more moderately (€1,819 million, accounted for in full by money market instruments). In this latter case net inflows are very moderate compared with those recorded in 2006 owing to the significant reduction in the outstanding balance of residents' medium and long-term bonds (€24,629 million), in contrast to the slight increase in 2007 (€844 million).

An analysis of Spanish portfolio investment transactions abroad by institutional sector shows that there were significant changes in 2007 compared with the previous year. ORSs' operations were the only ones to generate net inflows, for €17,519 million (in contrast to net outflows of €15,743 million in 2006), approximately half of which related to investment fund participations (€8,409 million) and somewhat more than one-third to medium and long-term bonds (€5,066 million). Some of these operations were transacted with the aim of obtaining funds to finance a direct investment operation abroad in 2007. Conversely, MFIs' transactions prompted net capital outflows amounting to €2,841 million in 2007 (compared with disinvestment of €30,435 million in 2006). General government holdings in portfolio investment securities issued by non-residents also declined considerably (influenced by the investment strategy pursued by the Social Security Reserve Fund), and stood at €6,093 million (€10,600 million in 2006).

As to *foreign portfolio investment in Spain*, non-residents' holdings of these types of securities issued by residents continued to increase over the course of 2007. However, this increase was far lower than that the previous year: €95,774 million and €195,938 million, respectively. This reduction shows how the effects of the financial turmoil bear on the raising of foreign capital

FOREIGN DIRECT INVESTMENT TRANSACTIONS IN 2006 AND 2007  
Breakdown by geographical area

TABLE 3.4

€m	SPANISH DIRECT INVESTMENT ABROAD				FOREIGN DIRECT INVESTMENT IN SPAIN			
	2006		2007		2006		2007	
	TOTAL	ETVEs (c)	TOTAL	ETVEs (c)	TOTAL	ETVEs (c)	TOTAL	ETVEs (c)
WORLD TOTAL	79,913.0	8,700.1	87,388.2	3,041.9	21,433.8	6,682.5	39,005.3	3,928.0
EUROPEAN UNION 27 (a)	61,259.5	7,285.1	62,199.6	4,029.0	15,077.9	4,729.2	36,051.1	4,960.8
Euro area	23,405.0	6,886.2	32,457.6	3,701.1	10,302.6	5,598.3	27,493.0	5,333.7
Germany	1,196.8	97.0	3,730.4	43.0	-602.8	72.5	-2,337.8	574.6
France	5,457.5	649.8	4,132.6	181.4	758.1	59.2	730.9	206.4
Netherlands	6,967.5	4,053.5	13,454.6	2,334.9	6,741.2	5,378.4	2,909.9	1,698.0
Italy	676.8	177.5	6,149.4	23.7	0.2	35.1	19,822.0	-9.5
Luxembourg	2,171.7	1,603.4	2,521.3	1,001.6	1,936.1	-49.1	5,377.5	2,554.8
Portugal	3,264.5	84.8	1,047.9	62.3	813.6	209.8	100.2	247.3
United Kingdom	33,380.3	-35.0	19,565.6	91.8	2,282.9	-989.9	7,514.0	-499.6
New EU members (b)	3,801.9	413.4	9,397.1	177.8	971.4	97.5	486.5	37.8
Switzerland	-228.6	-492.7	-369.3	-993.0	-1,872.1	-157.8	505.9	375.4
United States	8,768.5	477.2	11,138.0	-1,189.9	5,524.8	1,232.1	1,875.4	527.6
CENTRAL AND SOUTH AMERICA	7,483.1	762.7	9,776.1	1,067.9	699.0	324.6	979.5	-780.3
Argentina	1,357.6	463.1	815.2	97.3	-64.6	-62.4	9.8	3.3
Brazil	2,308.3	209.4	2,466.8	155.0	-94.6	-203.0	700.9	2.7
Chile	810.4	314.1	503.3	303.8	38.2	12.5	-25.8	12.0
Mexico	712.7	-657.7	3,944.6	178.6	152.3	12.1	-37.0	9.0
Morocco	875.3	14.4	317.4	13.5	-12.4	13.0	-1.9	2.8
Japan	108.7	9.2	78.9	8.5	100.4	0.9	-288.3	0.8
Australia	-58.7	40.7	526.5	9.1	2.2	1.1	35.3	1.1
MEMORANDUM ITEM: OECD	70,991.5	7,051.7	78,285.5	2,104.9	19,671.7	6,257.2	37,164.0	4,678.6

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, Cyprus, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Malta, Poland, Slovenia, Slovakia, Romania, Bulgaria and their dependencies.
- b. New member countries: Cyprus, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Malta, Poland, Slovakia, Romania and Bulgaria.
- c. Estimate based on CNAE classification. It includes the transactions of ETVEs and other holding companies which are not strictly ETVEs but which, like them, have been established in Spain for the main purpose of channelling direct investment flows.

via portfolio investment, with asset-backed securities particularly penalised by the crisis. From January to July, net inflows amounted to €124,863 million (14% less than in the same period in 2006) as the outstanding balance of these types of securities held by non-residents increased, while over the rest of the year there were net outflows of funds abroad since there was a decline in this balance of €29,089 million declined (compared with net inflows totalling €50,708 million in the same period in 2006).

The raising of financing abroad in the form of portfolio investment was primarily via medium and long-term bonds, which accounted for approximately 81.5% of the total (€78,028 million, 62% lower than in 2006). As in previous years, these inflows were in the form of fixed-income instruments issued by ORSs, especially in asset-backed bonds and in securities issued by the subsidiaries of MFIs,<sup>8</sup> and in medium and long-term bonds issued by MFIs, including most notably covered bonds. In all cases, non-residents' interest in these types of securities declined in the wake of the instability that emerged on international financial markets, reflecting

8. Law 19/2003 of 4 July 2003 refers to these issues. See Banco de España (2006), Annual Report, 2005, Box 5.2.

in part the increase in the national bias in investors' portfolios at times of uncertainty. Hence, the outstanding balance of asset-backed bonds issued by Spaniards in non-residents' hands declined significantly in the second half of the year, which generated net outflows totalling €962 million in the August-December period (compared with inflows amounting to €26,439 million recorded in the same period in 2006). All told, over the year as a whole funds raised abroad via these types of securities amounted to €46,448 million, 33% down on the net funds channelled from abroad the previous year. This reduction came about despite the fact that net issues of these types of securities remained significant not only in 2007 as a whole (€111,460 million, 62% more than in 2006), but also as from August (21.6% up on the same period in 2006), inferring that a large portion of these issues was acquired by residents. Funds raised abroad by the subsidiaries of MFIs specialising in the issuance of securities fell at an annual rate of 42% in 2007, standing at €19,246 million, following a period from August to December in which non-residents reduced their holdings of these types of securities. These developments came about against the background of a reduction in the volume of securities issued in 2007 as a whole (36%), placing net issues for the year at €35,882 million. Finally, non-residents increased their holdings of Spanish covered bonds (issued by MFIs) by 48% less than in 2006, giving rise to inflows of €14,755 million, and recording disinvestment in the August-December period. Net issues of these products eased in 2007 (€19,723 million, against €43,149 million in the same period in 2006).

Turning to non-residents' investments in equity holdings, these generated net inflows amounting to €11,976 million (12.5% of total net portfolio investment in Spain), compared with net outflows of €18,399 million the previous year. Under this heading, non-residents' outstanding balance of equities increased, while that in the form of investment funds declined. This behaviour came about in a setting in which residents' net share issues and public offerings far exceeded those of the previous year (€47,861 million and €10,214 million, respectively). Net inflows invested in money market instruments accounted for 6% of the total foreign capital raised through portfolio investment, standing at €5,771 million, little more than half that in 2006.

Lastly, the outstanding balance of Spanish public debt held by non-residents declined in 2007, posting net capital outflows amounting to €16,052 million, in contrast to the net inflows totalling €13,641 million in 2006. These developments, which affected both medium and long-term bonds and money market instruments, came about at a time of sizeable net redemptions of public debt (€4,361 million, compared with redemptions of €2,733 million in 2006). In this respect, the relative weight of non-residents in holdings of Treasury securities fell in 2007, significantly so in the case of medium and long-term bonds (45.4% of the held-to-maturity portfolio at end-2007 was held by non-residents, compared with 48.5% at end-2006). Partly contributing to this reduction was the aforementioned increase of the national bias in agents' portfolios.

### **3.4 Other investment (loans, deposits and repos)**

In 2007, residents' other investment transactions (essentially loans, deposits and repos) resulted in net inflows of €34,624 million (3.3% of GDP), in contrast to the net outflows of €34,393 million recorded in 2006 (equivalent to 3.5% of GDP that year). These net inflows were the outcome of the fact that foreign investment in Spain amounted to €93,535 million, compared with more moderate Spanish investment abroad, amounting to €58,911 million. The behaviour of this type of transaction was also influenced by the impact of the financial turmoil on international markets. Thus, between January and July 2007, net capital inflows relating to non-residents' investment in Spain were only slightly higher than the outflows generated by Spanish investment abroad, with net inflows of funds posting €163 million (in contrast to the high net outflows in the same period of the previous year, which amounted to

€37,408 million). This figure is in contrast to the sizeable net inflows in the form of other investment recorded from August, which amounted to €34,461 million, against only €3,015 million in the same period in 2006, and reflects the above-mentioned change in the way in which Spanish financial institutions have covered their liquidity requirements since the summer.

The breakdown by institutional sector shows that MFIs were responsible for the bulk of net inflows in the form of other investment (€23,750 million, accounting for close to 69% of the total), in contrast to the net outflows arising in 2006 (equivalent to €54,695 million). This change of sign was concentrated in other short-term investment, with net inflows of €31,283 million (compared with outflows of €45,157 million the previous year), and was extensive both to repos and to other instruments. Conversely, transactions in long-term instruments gave rise to net outflows valued at €7,533 million (€9,538 million in 2006). Unlike MFIs, ORSs' transactions in financial instruments classified as other investment gave rise to net capital inflows totalling €11,983 million (34.6% of total inflows in the form of other investment), far below the related figure the previous year (37.7%). This decline reflects developments both in net funds raised through long-term instruments, which fell by 9% (to €21,958 million), and in net outflows through short-term instruments (€9,975 million), which were double those recorded in 2006. General government transactions in other investment resulted in net outflows of €1,109 million, in contrast to net inflows of €1,071 million in 2006. This change in sign reflected the behaviour of transactions in short-term instruments which, having generated net inflows of €1,758 million, gave rise to outflows amounting to €1,050 million.

As to the breakdown by instrument, net inflows of funds from abroad were extensive to all maturities, corresponding in the main to short-term maturities, which were responsible for 58.5% of total funds received from abroad (€20,258 million, against outflows of €48,309 million the previous year). Somewhat lower were the net capital inflows attributable to long-term instruments, which amounted to €14,366 million (€13,915 million in 2006), and which were concentrated in ORSs. The increase in short-term financing reflects the scant activity and tightening of financing conditions for institutions on international wholesale markets, especially the long-term debt markets.

*Other Spanish investment abroad* recorded net outflows of €58,911 million in 2007, 14% down on the previous year (see Chart 3.6). Much of this decline related to MFIs, since their transactions gave rise to net outflows totalling €51,107 million, 13% down on the previous year, as a result of the reduction in funds placed in short-term instruments (by 20%, to stand at €39,604 million). Along the same lines, ORSs considerably reduced their net investment abroad (by 36%), which stood at €6,320 million. Influencing this reduction was the high level attained in 2006, which evidenced how a sizeable foreign direct investment transaction conducted in the United Kingdom was financed.<sup>9</sup>

As usual, general government activity was modest, giving rise to net inflows amounting to €1,484 million, in contrast to the disinvestment (i.e. net inflows) of €31 million in 2006.

As regards instrument maturity, the decline in other investment abroad recorded in 2007 was due to short-term transactions, as these gave rise to net outflows of 46,529 million, 19.8% down on those of the previous year. This decline reflected the behaviour of the transactions of ORSs and, to a greater extent, of MFIs, whose net investment fell by 31.7% and 20.5% to €6,190 million and €39,604 million, respectively. Conversely, investment in the form of long-term instruments gave rise to far higher net capital outflows than those recorded in 2006 (17%

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9. See the 2006 edition of this Report.

**CAPITAL OUTFLOWS (a)**  
**Net change in foreign assets**

CHART 3.6



SOURCE: Banco de España.

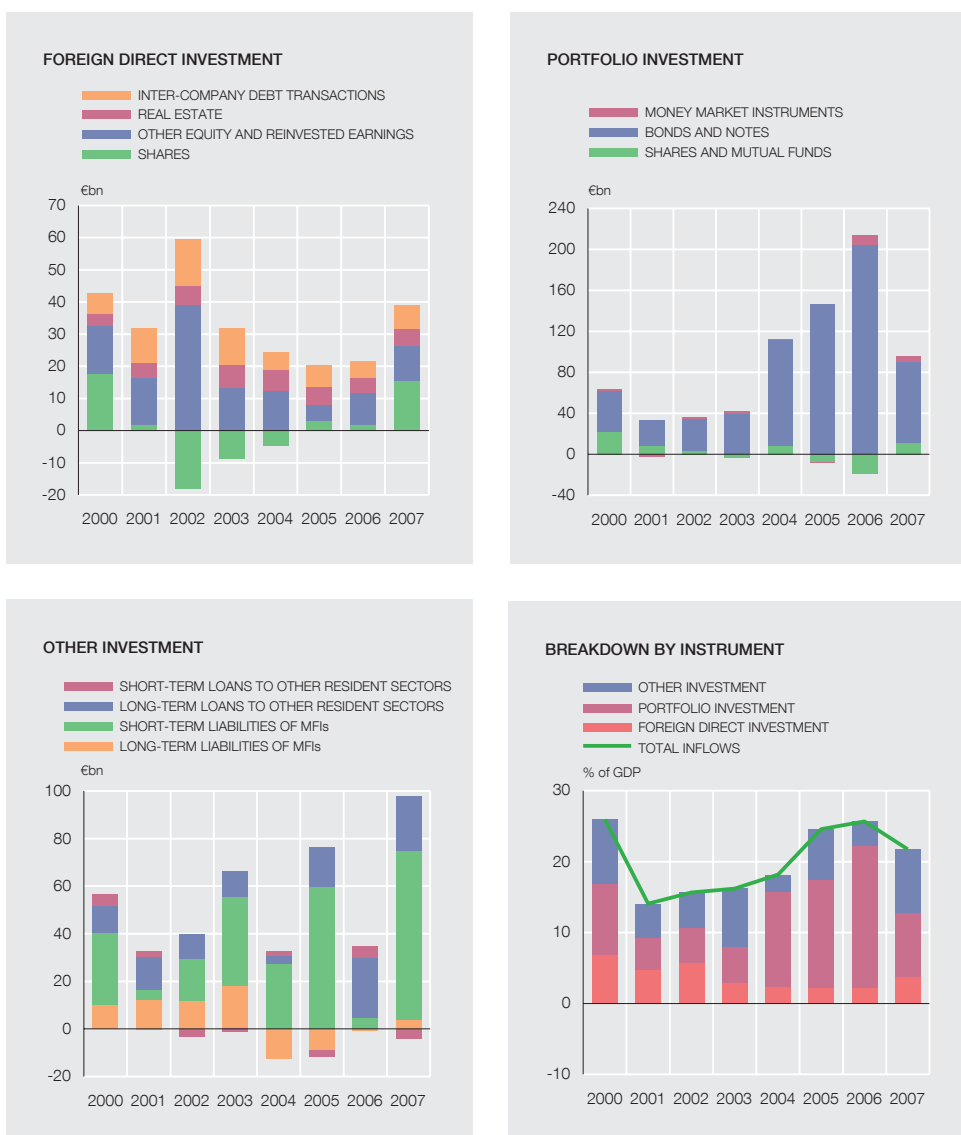
a. Excluding Banco de España.

up, amounting to €12,382 million). Contributing to this was the 28.7% increase (to €11,503 million) in MFIs' investment, which offset the decline to which the transactions by the other sectors gave rise.

There was a net inflow of *other foreign investment in Spain* of €93,535 million in 2007, far higher than the figure of €34,208 million recorded in 2006 (see Chart 3.7). Underlying this increase were the net funds routed from abroad through MFIs, totalling €74,857 million, against only €4,302 million in 2006. Most of these funds related to short-term instruments, amounting to €70,887 million (i.e. 94.7% of the total), against only €4,634 million in 2006. Of particular note was the considerable change in the behaviour of MFIs' repo transactions which, having given rise to disinvestment of €28,744 million in 2006, resulted in an inflow of €13,115 million in 2007. MFIs also raised funds from abroad in the form of other long-term investment for an amount of €3,970 million, which is in contrast to the disinvestment recorded the previous year (€603 million). Influencing the net flows raised by MFIs abroad through these types of financial

**CAPITAL INFLOWS (a)**  
**Net change in foreign liabilities**

CHART 3.7



SOURCE: Banco de España.

a. Excluding Banco de España.

instrument was the impact of the financial turmoil, which prompted a change in the foreign financing strategy of Spanish MFIs. The remaining sectors contributed negatively to the raising of foreign capital in the form of other investment. Specifically, the net inflow received by ORSs fell by 37% in 2007 to €18,303 million. This decline affected both long-term and, especially, short-term instruments. General government received net funds from abroad amounting to €375 million (€1,040 million in 2006), with the disinvestment by non-residents in short-term instruments influencing this figure.

Overall, other foreign investment transactions in Spain generated a net inflow in short-term instruments valued at €66,787 million in 2007, far higher than the previous year (€9,713 million), driven by MFIs. The inflow of funds in the form of long-term instruments, which increased by 9% to €26,748 million, was much more moderate. MFIs contributed fundamentally to this increase, although ORSs continue to account for the bulk of total inflows in long-term instruments (82.6%).

### **3.5 Derivative financial instruments**

Transactions involving derivative financial instruments in 2007 gave rise to net outflows totalling €6,832 million, marking a contrast with the net inflows the previous year (€1,919 million). It should be borne in mind that these types of transactions are not in response to the need to cover a financing gap in the economy, but to strategic and agents' hedging decisions, which is why they usually show some volatility. Most of these net outflows related to transactions with tailor-made instruments, i.e. those not negotiated on organised markets, for 89% of the total.

By institutional sector, MFIs gave rise to net outflows amounting to €4,582 million (compared with net inflows a year earlier of €2,429 million), followed by ORSs and, to a lesser extent, by general government, which posted net outflows of €1,964 million and €286 million, respectively.

### **3.6 Net assets of the Banco de España**

In 2007 the net assets of the Banco de España fell by €14,322 million (in contrast to the €25,800 million increase in 2006). This change in the course of net external assets indirectly reflects the effect that the financial turmoil has had on the way in which the Spanish economy met its financing needs during 2007. Thus, while in the January-July period the net external assets of the Banco de España increased by €21,503 million (€18,407 million in the same period in 2006), from August to December they declined by €35,825 million (compared with the €7,393 million increase in the same period in 2006). This decline reflects exclusively the reduction in the net assets of the Banco de España vis-à-vis the Eurosystem, as a result of the change in the coverage of MFIs' financing needs, in particular the greater resort to Eurosystem liquidity auctions.

Over the year as a whole, net assets vis-à-vis the Eurosystem declined by €28,329 million (against an increase of €12,327 million in 2006), while other net assets of the Banco de España (basically debt securities, which are classified under the heading of portfolio investment) increased by €13,843 million (€12,993 million in 2006). Finally, the increase in reserves was on a much lesser scale (€164 million in 2007, against €480 million in 2006).





## 4 Spain's international investment position in 2007

### 4.1 Introduction

Spain's net debit international investment position (IIP)<sup>1</sup> widened further in 2007, although slightly more slowly than in the previous year (28%, compared with 31%) to stand at €727,826 million in December (see Table 4.1). As a percentage of GDP, it increased by 11.2 pp to 69.3% (see Chart 4.1). Excluding the Banco de España, Spain's debit IIP increased by 21% to €806,747 million (76.8% of GDP, against 67.9% in 2006). The financial transactions included in the balance of payments<sup>2</sup> represented 62.2% of the change in the stock, a similar percentage to that of the previous year. If the monetary authority is excluded, the corresponding financial transactions amounted to 59.4% of the change in the net debit IIP excluding the Banco de España, a lower percentage than in the previous year. The wider debit balance vis-à-vis the external sector mainly reflects the Spanish economy's recourse to foreign savings to finance expansion of private investment and generates increased net payments of investment income to the rest of the world (Box 4.1 analyses in more detail the relationship between the change in Spain's debit IIP and the stock of investment income).

The aforementioned changes in the IIP were set against a backdrop of growing worldwide financial integration evidenced by the high level of external financial assets and liabilities outstanding between countries. In the case of Spain, the stocks of external liabilities and of external assets both continued to grow at high rates (by 14% and 8%, respectively), amounting to €2,143,125 million and €1,415,299 million, respectively.<sup>3</sup> As a result, the degree of financial integration (approximated by the sum of external financial assets and liabilities as a percentage of GDP) stood at nearly 339% of GDP at the end of 2007, nearly 15 pp more than in the previous year (despite the increased national bias in agents' investment decisions) and above that of the euro area and the United States.<sup>4</sup>

The widening of Spain's net debit IIP in recent years has been less vigorous than in other economies which have notably higher net debit positions, such as Greece and Portugal (94% and 89.9% of GDP in 2007, respectively) (see Chart 4.2). In the United States, the net debit IIP (19.2% of GDP in 2006) is relatively steady, against a background of significant current account deficits, while Japan's credit position widened appreciably to more than 52% of GDP. The euro area has a relatively small net debit balance (14.8% of GDP), although it is growing. Among the European countries, apart from those already mentioned, the United Kingdom is noteworthy for its deteriorating debit position in recent years, which contrasts with the net credit position of Germany. Although the process of international financial integration has meant that the dispersion of the IIPs of the main developed economies has increased,<sup>5</sup> these larger divergences mainly reflect their different cyclical position and the increasingly marked global imbalances of recent years.

As a result of Spain's larger debit position vis-à-vis the external sector, payments of income to the rest of the world have increased considerably. The contribution of this increase and that of the implicit return on the instruments comprising the financial assets and liabilities portfolio to the widening of the income deficit is analysed in detail in Box 4.1.

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1. The term "credit (debit) position" is used in this chapter to refer to the difference between external financial assets and external financial liabilities, i.e. the net credit (debit) position. 2. The net financial transactions of an economy do not coincide with its net lending/borrowing: the difference represents errors and omissions. However, over long periods of time these errors and omissions tend to cancel out. 3. From end-2006 the stock of financial derivatives is included (information available only since December 2006). 4. Contributing to this result is the fact that Spain is a smaller economy. 5. The cross-country comparison of IIP balances includes data relating to the monetary authority.

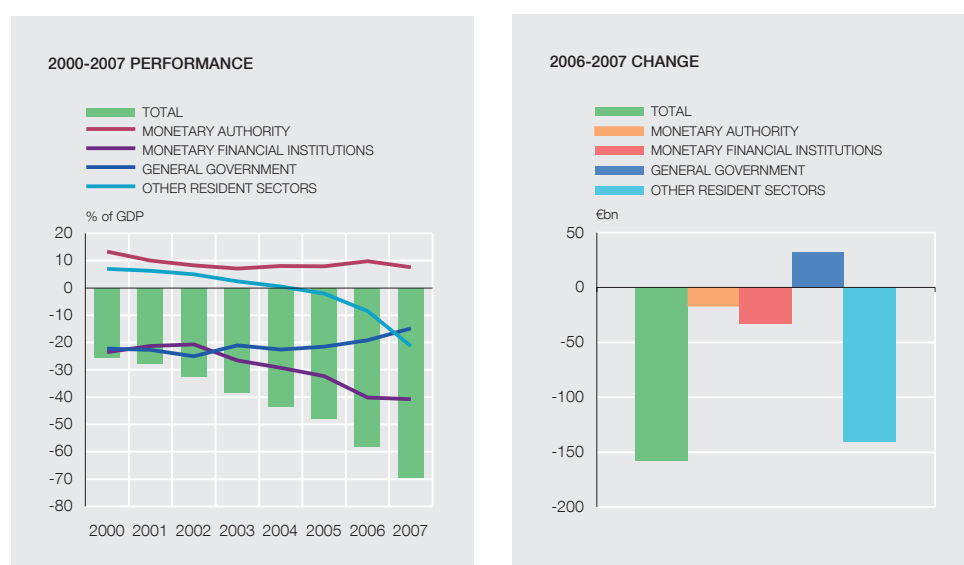
€m	2005	2006	2007			
			Q1	Q2	Q3	Q4
NET INTERNATIONAL INVESTMENT POSITION (A-L)	-434,999	-570,119	-612,766	-646,209	-683,977	-727,826
Excluding Banco de España	-506,718	-665,797	-713,153	-758,355	-773,626	-806,747
Foreign direct investment	3,434	56,423	62,988	68,599	76,926	76,697
Portfolio investment	-273,648	-508,895	-579,890	-612,874	-635,543	-638,141
Other investment (a)	-236,504	-203,730	-184,961	-198,145	-197,122	-226,454
Financial derivatives	...	-9,595	-11,290	-15,935	-17,887	-18,849
Banco de España	71,719	95,678	100,387	112,146	89,649	78,922

SOURCE: Banco de España.

a. Principally, loans, deposits and repos.

### NET IIP BY SECTOR 2000-2007 PERFORMANCE AND 2006-2007 CHANGE

CHART 4.1



SOURCE: Banco de España.

The change in an economy's IIP between two points in time basically depends on three factors: (i) the financial transactions that have taken place in the period, which reflect the economy's net borrowing; (ii) valuation effects, consisting of changes in the exchange rates of the currencies in which the external financial assets and liabilities are denominated and of changes in their prices (of which stock market prices or bond prices are a reasonable indicator); and, finally, (iii) other adjustments,<sup>6</sup> which are sporadic and include reclassifications of positions between headings. At this point it should be noted that changes in the exchange rate and in external financial asset and liability prices directly affect the value of the stock, but that they also affect it indirectly through their influence on the investment decisions of economic agents. For a detailed analysis of changes in the balance of payments financial transactions and of the setting in which they took place, see Chapter 3 of this report.

6. Including the gold sales by the Banco de España in 2007 for an amount equal to 0.2% of GDP

The significant increase in net payments of investment income to the rest of the world has been a major factor in the rise in borrowing by the Spanish economy in recent years. As evidence of this, in 2007 the investment income deficit amounted to 3% of GDP, substantially higher than in 2000 (1.2%) and accounting for nearly 30% of the increase in borrowing by Spain in that period.<sup>1</sup> These developments in the income balance reflect both the deterioration in the international investment position (IIP) of the economy and the changes in the returns on the financial instruments comprising it.

As regards the IIP, the debit balance of the Spanish economy vis-à-vis the external sector has widened uninterruptedly since 2000 to 69% of GDP at the end of 2007 (44 pp more than in 2000). The main reason for this deterioration has been the increase in the net debit position in portfolio investment, which reflects how the Spanish economy has met its net borrowing needs in recent years.

Unlike the IIP, the return on asset- and liabilities-side financial instruments vis-à-vis the external sector has not followed a clear trend, showing rises

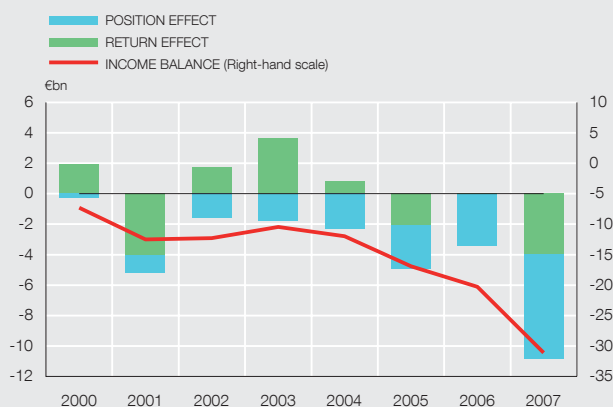
and falls throughout the period, albeit of moderate size compared with past episodes. Short and long-term interest rates fell significantly from 2000 to 2003, holding relatively steady at those levels until end-2005, when they resumed an upward path which became steeper in the wake of the subprime crisis.<sup>2</sup> Finally, the stock markets (in Spain and in the main developed countries alike), after falling significantly in 2001 and 2002, subsequently initiated an upward trend which ran into 2007.<sup>3</sup>

The contribution of these two factors – changes in return and in stock – to the investment income balance has varied over time. Expression [1] represents the variation in the income received (paid) for holding a financial asset (liability) vis-à-vis the rest of the world as the sum of two components. The first approximates the changes associated

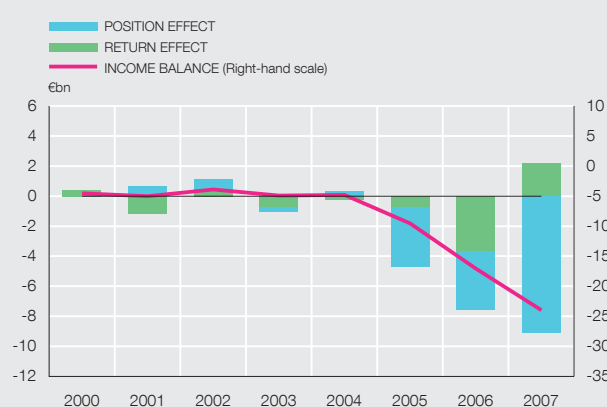
2. The three-month Euribor declined from around 4.2% to close to 2% in 2003, rising subsequently as from end-2005 to stand at 4.6% in 2007. Along these same lines, the interest rate on three-year German bonds fell from nearly 4% to somewhat less than 3% in 2003, rising subsequently to 4% at end-2007. 3. The performance of stock market indices over an extensive period is considered a good indicator of corporate dividends to be paid, although year-to-year the relationship is not direct. Moreover, in this case dividend payment decisions are affected by other factors not always related to stock market prices.

1. For convenience, the terms “investment income” and “income” will be used interchangeably.

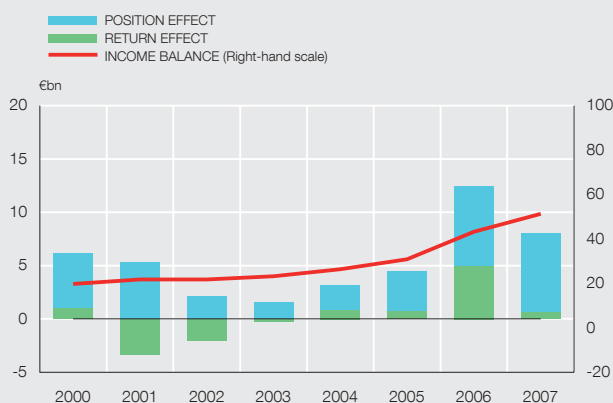
1 INVESTMENT INCOME BALANCE



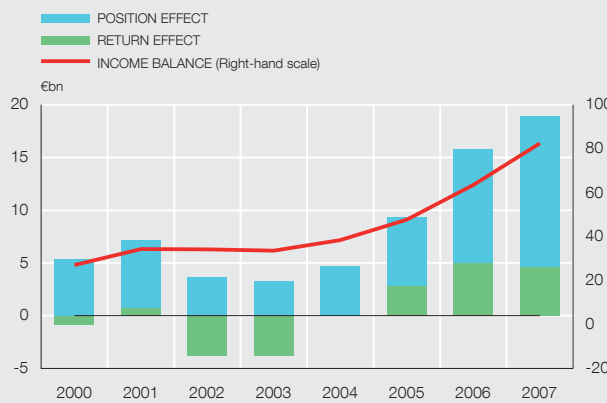
2 PORTFOLIO INVESTMENT BALANCE



3 INVESTMENT INCOME RECEIPTS



4 INVESTMENT INCOME PAYMENTS



SOURCE: Banco de España

with the variation in the implied return of the asset (return effect),<sup>4</sup> and the second the variation in the level of net debt (position effect).<sup>5</sup>

$$\Delta R_t = R_t - R_{t-1} \approx \Delta i_t \text{PII}_{t-2} + i_{t-1} \Delta \text{PII}_{t-1} \quad [1]$$

This expression can be used to obtain the contribution of each of those components to the change in investment income receipts and payments and, therefore, the deterioration in the income balance in recent years. The accompanying panels show the position and return effects estimated from equation [1] for the change in the total balance of investment income, in the balance of portfolio investment (the most important component in the behaviour of the total balance), and for the change in investment income receipts and payments.

Panel 1 shows that, after an initial period in which the return effect determined the behaviour of the total income balance, from 2004 the position effect took on a dominant role. This result is consistent with the increase in the IIP debit balance since then, which has been particularly significant in the last two years. The contribution of the return effect to the deterioration in the income balance, which has shown fluctuations generally consistent with the aforementioned behaviour of the financial markets, was also positive on average between 2005 and 2007, in line with the rise in interest rates. These results are similar to those obtained separately for the case of investment income receipts and payments (see accompanying panels). As regards the position effect, this has dominated the behaviour of receipts and payments throughout the whole of the period, reflecting the increase in the level of financial assets and liabilities vis-à-vis the external sector, against the background of financial integration and globalisation. Also, since 2004 this effect has been particularly important in payments, coinciding with an increase in borrowing by the Spanish economy. By contrast, the return effect, partly because of the moderate fluctuations in the prices of financial instru-

4. Implied returns (which exclude capital gains) are obtained by dividing the income flow generated by an instrument at  $t$  by the external asset or liability stock at  $t-1$ . This means that the changes in the position between  $t$  and  $t-1$  are not taken into account. A description of the behaviour of these returns is given in Box 4.2 of last year's report. 5. The approximation would be exact if the term  $\Delta i_t \text{PII}_{t-1}$  were included. This term has generally taken small values in all the headings and instruments discussed in the period 2000-2007.

ments, has, except on limited occasions, made a fluctuating and smaller contribution to income receipts and payments. Of note is the positive contribution of the return effect to the behaviour of income receipts and payments in response to the increase in interest rates.

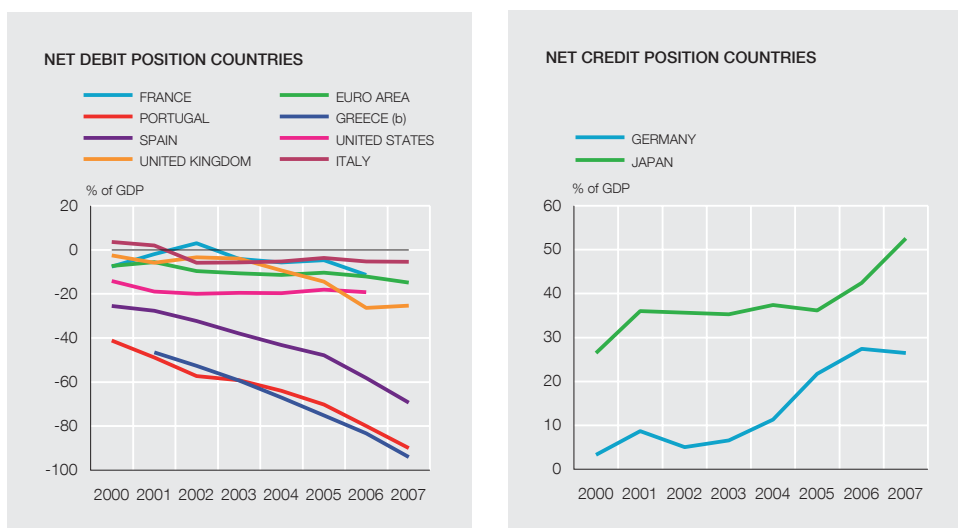
As noted above, portfolio investment is the item which has most contributed to the recent change in the income balance, owing basically to the position effect (see panel 2). This reflects the fact that a portion of the funds raised abroad took the form of purchases of bonds issued by (monetary and non-monetary) financial institutions, particularly asset-backed securities<sup>6</sup>, which prompted a deterioration in the portfolio investment debit balance. The position effect has not only been very significant in the deterioration in the income balance, but also accounts for most of the increase in stocks of foreign financial claims on and liabilities to the rest of the world. Unlike the position effect, governed by portfolio investment, changes in the return effect cannot be associated with a specific item. Thus, for instance, the positive contribution of the return effect to the deterioration in the income deficit is mainly due to other investment<sup>7</sup> and direct investment<sup>8</sup>, which offset the mitigating effect on the portfolio investment income balance.<sup>9</sup>

The return and position effects were of similar significance in the dynamic of receipts, payments and income balance between 2000 and 2003; yet in the period 2004-2007, changes in investment income balances were mainly due to the effects of the increase in the net external debt position (75% of the total), while the return effects, which were generally consistent with developments on markets, had a significantly smaller weight (25% of the total) and showed greater fluctuations.

6. A significant fraction of these asset-backed securities were variable-rate instruments, generally indexed to a money market interest rate. See Chapter 2 of this Report. 7. During the period 2000-2006, the changes in the net balance of other investment income were minor, and, generally, the position and return effects were moderate and of the opposite sign. 8. In the case of FDI, the position and return effects in the net balance of income have behaved erratically throughout the period according to the results obtained in this exercise. This highlights, first, the greater volatility of dividends, and, further, the practical problems of valuing FDI shares and other equity at market prices (see Chapter 5 of this Report). 9. In the case of portfolio investment, the positive return effect chiefly reflects the significant increase in income associated with assets of these types of securities owing to the rise in interest rates.

In 2007 the direct impact of valuation effects<sup>7</sup> and other adjustment effects was not very significant in total (see Table 4.2). The euro's appreciation in 2007, both against the dollar and

7. The impact of valuation effects may differ considerably from one type of investment to another. It depends on the size of the external assets and liabilities in each type of investment, on the characteristics of the instruments in which it is made, on the currencies used and, finally, on the characteristics of the information sources and calculation methods used to estimate the stocks of its type of investment. Thus, in the case of Spain, most foreign direct investment (FDI) in the form of shares and other equity is not valued at market prices, since in this case the stock is compiled as the accumulation of balance of payments financial transactions, adjusted by exchange rate changes. For this reason, the price changes reflected by the IIP do not move fully in parallel with stock market price movements. In other financial instruments, the IIP adequately reflects price variations, either because the information sources used enable the stocks to be measured at market prices in each period (this is so in portfolio investment) or because the instruments are not negotiable and, under the applicable methodology, their price changes must not be recorded (this is the case of loans and deposits).



SOURCE: National sources and ECB.

- a. Monetary authority data are included. The latest available information is given.  
 b. Data available from 2001.

against sterling (see Table 4.3), reduced the equivalent euro value of assets and liabilities denominated in other currencies.<sup>8</sup> In line with the mix of currencies in the IIP, the exchange rate developments are having a particular influence on the foreign direct investment assets and on the assets and liabilities of other investments.<sup>9</sup> Meanwhile, the stock markets ended 2007 with moderate gains, which in Spain were larger than in the United States but similar to those in the rest of Europe.<sup>10</sup> Lastly, the prices of European fixed-income securities fell, in line with the rise in their interest rates, while in the United States the year ended with slightly higher prices (see Table 4.3). The overall impact of the aforementioned developments in financial variables on Spain's IIP was small, since the negative effect of the euro's appreciation was practically offset by the positive price effect. Specifically, in the case of the widening of the net debit IIP, excluding the Banco de España and financial derivatives,<sup>11</sup> which was 8.2 pp of GDP, financial account transactions represented 6.1 pp of GDP, with the rest relating mainly to other adjustments. According to the estimates made (which require assumptions, so the results should be interpreted with caution), the behaviour of external financial asset and liability prices contributed, in overall terms, to reducing the net debit IIP of the Spanish economy by approximately 0.9 pp of GDP, which contrasts with the contribution of opposite sign estimated for previous years. Most of this reduction was due to investment in fixed-income instruments (0.6 pp of GDP), and the remainder to capital holdings. This was largely offset by the valuation effect as-

8. An appreciation of the euro of 10% against the dollar means that Spain's debit balance vis-à-vis the rest of the world widens by slightly less than 0.5 pp of GDP. 9. At end-2007 more than 69% of external assets and nearly 85% of external liabilities were denominated in euro. Currencies other than the euro accounted for nearly 46% of total FDI assets and somewhat more than 35% and 22% of the assets held in the form of portfolio investment securities under the capital holdings and other investment headings, respectively. Notable in FDI abroad were the dollar, with 23%, and sterling, with more than 14%, while in the balance of capital holdings issued by non-residents, the dollar exceeded 15%, accounting for nearly 12% of other investment assets (sterling exceeded 4%). As for foreign liabilities, only in other investment did the currencies other than the euro account for a truly significant proportion (nearly 26%), with the dollar making up nearly 16% and sterling more than 8%. 10. It should be taken into account that non-residents' investments in the capital issued by residents in Spain are concentrated in a small number of companies, which means that the change in the IBEX 35 does not always properly reflect the impact of the valuation effect on the stock of IIP. The same can be said of assets taking the form of capital holdings, which are concentrated in European firms. 11. Financial derivatives are excluded because of the difficulty in finding representative price indices which enable the valuation effects of this heading to be estimated satisfactorily.

€m	NET (b)			ASSETS			LIABILITIES		
	CHANGE IN STOCK	TRANSACTION	% VALUATION EFFECT AND OTHER ADJUSTMENTS (c)	CHANGE IN STOCK	TRANSACTION	% VALUATION EFFECT AND OTHER ADJUSTMENTS (c)	CHANGE IN STOCK	TRANSACTION	% VALUATION EFFECT AND OTHER ADJUSTMENTS (c)
	2005	-75,718	-62,932	3.0	187,013	160,263	3.1	262,731	223,196
2006	-159,079	-109,076	9.9	167,344	142,503	2.4	326,423	251,579	4.8
2007	-140,950	-83,769	8.7	124,631	144,545	-1.7	265,581	228,314	2.0

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 transactions, in terms of stock at beginning of the period.

## FINANCIAL MARKET DEVELOPMENTS

### Prices, interest rates and exchange rates

TABLE 4.:

	STOCK EXCHANGE INDICES (a)			EXCHANGE RATE (b)		LONG-TERM INTEREST RATE (c)		
	IBEX 35	EUROSTOXX 50	S&P 500	DOLLAR	STERLING	EURO AREA	US	UK
2005	18.2	21.3	3.0	-11.6	-2.3	3.41	4.46	4.27
2006	31.8	15.1	13.6	9.1	-1.0	3.90	4.57	4.54
2007	7.3	6.8	3.5	10.2	7.2	4.38	4.10	4.68

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.

sociated with the exchange rate in 2007, which acted to widen the debit position by around 0.8 pp of GDP. Finally, in 2007 other adjustments widened the debit balance by 2.2 pp of GDP, an appreciably higher percentage than in previous years.

A basic factor to be taken into account in assessing Spain's net debit position vis-à-vis the external sector is the fact that part of this increase stemmed from financial instruments which, by their very nature, are not claimable, such as shares and other corporate capital holdings,<sup>12</sup> so the actual indebtedness of the Spanish economy is lower than that suggested by the total figures. Lastly, the size of valuation effects in the behaviour of the net external financial wealth of the various institutional sectors depends on the composition of their portfolios, as described in Box 4.2, which analyses the sensitivity of the private and public sectors' net external financial wealth to changes in asset prices and exchange rates.

#### 4.2 Composition of the IIP by institutional sector

The sectoral disaggregation shows that the widening of the net debit IIP (by 11.2 pp of GDP) was mainly due to other resident sectors (ORSs), the debit balance of which increased by 12.8 pp (see Chart 4.1). Also contributing to this widening were the decrease

<sup>12</sup> In the period 2003-2007, the net price effect of capital holdings was, in annual average terms, around 25% of the growth of the net debit IIP (excluding the Banco de España).

The increase in the Spanish economy's net debit position vis-à-vis the rest of the world reflects a recurring gap in recent years between Spanish saving and investment. It also shows that foreign financial assets held by Spaniards have appreciated to a lesser degree than their liabilities vis-à-vis the rest of the world. The impact of changes in foreign asset and liabilities prices on the various institutional sectors' foreign financial wealth is not uniform, since it depends on whether or not these sectors have a credit or debit position vis-à-vis the rest of the world and on the breakdown by instrument of their position. At times of uncertainty and volatility on financial markets, when changes in prices and the exchange rate bear increasingly on the international investment position (IIP), it is worth identifying the extent to which the various sectors' net financial wealth vis-à-vis the rest of the world responds to these changes.

The change in the whole economy's IIP from one year to the next can be broken down into: the sum of financial transactions made throughout the year; the impact of changes in prices (the price effect)<sup>1</sup> and in the exchange rate (the exchange rate effect) on the value of financial assets and liabilities held at the beginning of the period; and the other adjustments which, by definition, cannot be classified in the above categories.<sup>2</sup> In order to estimate these effects, indices were constructed representing changes in prices and in the exchange rate of the euro against the currencies in which the

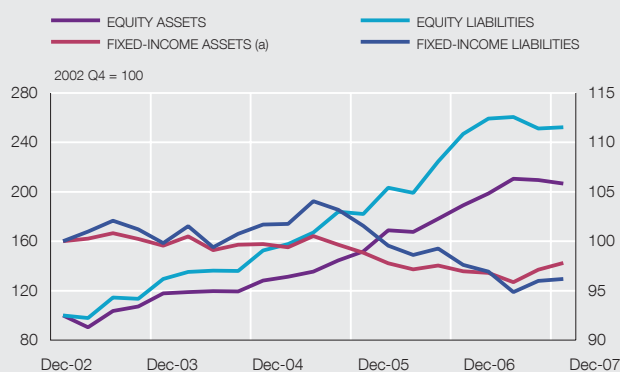
1. The market prices of financial instruments which, due to their characteristics, can undergo changes are: shares and other equity (direct investment and portfolio investment) and bonds and notes (portfolio investment). However, due to practical problems, a substantial part of the IIP's direct investment in shares and other equity does not reflect price changes from one period to the next. Chapter 5 of this report includes a detailed description of the calculation procedure used to measure the various IIP components. 2. According to the fifth edition of the *Balance of Payments Manual*, the other adjustments include, for example, reclassifications between portfolio investment and direct investment, the monetisation and demonetisation of gold, changes in sectoral structure and classification, and changes in the residence of the economic units.

various financial instruments comprising the IIP<sup>3</sup> are issued. Furthermore, these indices are built for each institutional sector in order to take into account the different composition of their portfolios.<sup>4</sup> To estimate the various effects, however, it is necessary to make certain simplifying assumptions and, consequently, the results obtained must be interpreted with caution.<sup>5</sup>

At end-2007, the Spanish economy, excluding the monetary authority, recorded a debit position<sup>6</sup> of 75% of GDP, 34.4 pp up on the end-2002 figure. Of this rise, 66.9% is explained by financial transactions with non-residents during the 2003-2007 period (23.0 pp of GDP), and the remainder by valuation effects (price and exchange rate effects) and other adjustments (11.4 pp of GDP). The fact that Spain has a credit position in foreign currency, i.e. that foreign assets denominated in a currency other than the euro exceed the corre-

3. All the currencies which have a weight in each sector's asset or liability instrument of 3% or more were included in the construction of the exchange rate index. In many cases, the number of currencies which meet this requirement is small and confined to the main currencies (euro, dollar, sterling, Swiss franc and yen), which, nevertheless, represent a very large amount of the total. It is more complicated to construct a price index, and simplifying assumptions were introduced which could bias the results. This applies to portfolio investment in fixed-income securities, in which the reference price used for all institutional sectors and all instruments is the price of public debt securities issued by non-residents and held by Spaniards (on the assets side) and Spanish public debt held by non-residents (on the liabilities side). In the case of portfolio investment in other equity, on the asset side changes in the principal stock markets on which ORSs and MFIs purchase securities are considered, and on the liabilities side changes in the IBEX 35 are taken, which has proved to be a good proxy of the price effect of this IIP heading, distinguishing, in turn, between a specific stock market index for MFIs and another for ORSs. 4. Once these indices have been prepared, the price and exchange rate effects implicit in the total IIP and by sector are estimated following the procedure used by the ECB, which employs the Kalman filter to optimise the estimate on the basis of information about its determinants. See *Main changes in the components of the International Investment Position of the Euro Area*, European Central Bank, 2006. 5. See Note 3. 6. Financial derivatives and transactions of the monetary authority are excluded from the analysis throughout the Box.

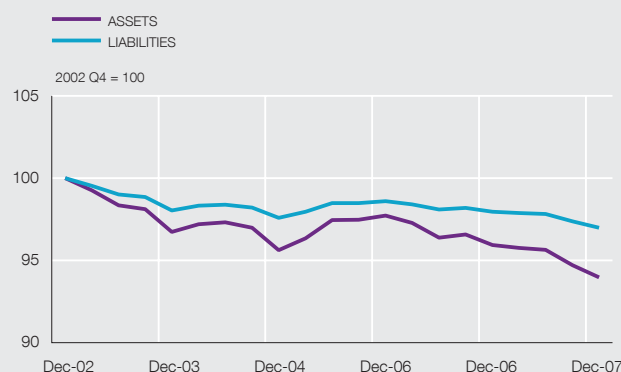
1 PRICE INDICES



SOURCE: Banco de España

a. Excluding the Banco de España.  
b. Of the euro versus other currencies.

2 EXCHANGE RATE INDICES (a) (b)



## ON THE IIP (cont'd)

sponding liabilities, means that an appreciation in effective terms of the euro has a negative impact on the IIP, which is calculated in euro. For this reason, the euro's appreciation since 2002 (see Chart 3) explains around 2.5 pp of GDP of the increase in the Spanish economy's debit position. The price effect was much more significant since it contributed to the IIP increasing by 7.4 pp. This result is the sum of two contributions of opposite signs: that of other equity, which had a negative impact, and that of fixed income, which had a positive impact. In the first case, the result reflects the higher average appreciation of non-residents' holdings in the equity of Spanish firms in comparison with that of residents' holdings in foreign firms, while in the second case it is due to the higher drop recorded, since the second half of 2005, by Spanish fixed-income securities prices in relation to those issued by non-residents (see Chart 3).<sup>7</sup> Lastly,

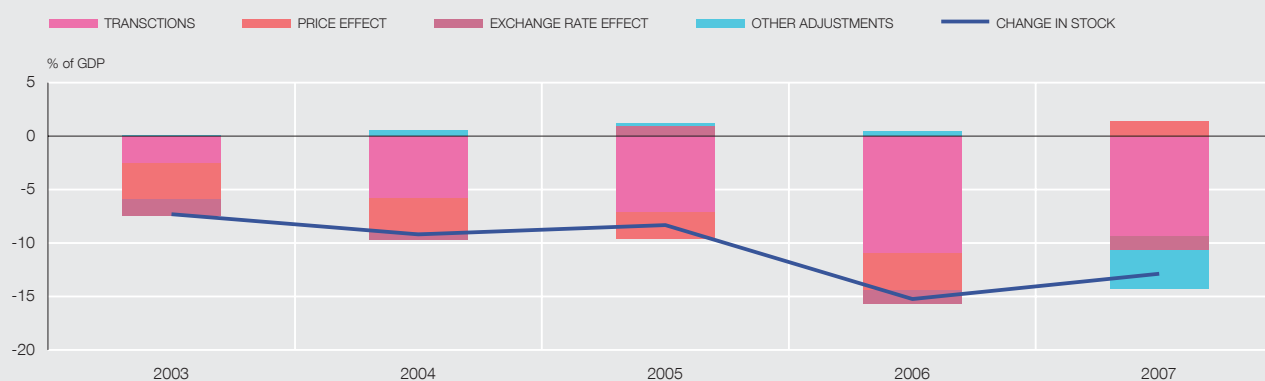
7. A higher debit or credit position in portfolio investment in equities or fixed income will sharpen the impact of price changes on the position in the following period, with the result that the position will widen or narrow depending on the direction and intensity of movements in the prices of securities which make up its foreign assets and liabilities. In the case of Spain's IIP, the only financial instruments with a price effect, in practice, are portfolio investment in bonds and notes, and in shares and other equity (see Note 2), which are characterised over the period analysed by their debit positions (averaging 33.3% and 20.9%, respectively, of the economy's debit position).

other adjustments account for the remaining 1.5 pp of GDP change in the IIP.<sup>8</sup>

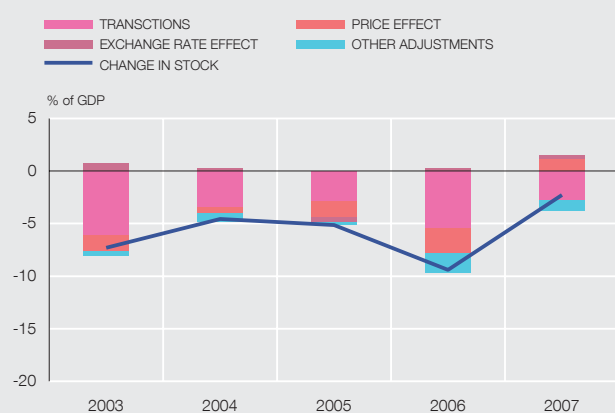
The impact of price and exchange rate changes on the net foreign financial wealth of monetary financial institutions (MFIs) and other resident sectors (ORSs) is very different. For MFIs, which had a debit IIP at the end of 2007 totalling 39% of GDP (18.3 pp up on 2002), a substantial amount of the widening of their debit position is accounted for by financial transactions undertaken throughout the period amounting to 13.1 pp of GDP (see Chart 4). The price effect (3.1 pp) also contributed to this rise on account of the higher relative appreciation of liabilities in the form of other equity in relation to assets, since the net impact of changes in fixed-income security prices was very modest. However, the latter effect has become increasingly important in recent years because a substantial amount of net borrowing in the period was financed with bonds and notes. In 2007, unlike what happened previously over the 2003-2007 period as a whole, the price effect was positive, contributing

8. The most important other adjustments were in the FDI shares and other equity heading and affected the liabilities side more than the assets side. That said, their impact on the IIP throughout the 2003-2007 period was very small (0.8% and -0.1% on the assets and liabilities sides, respectively).

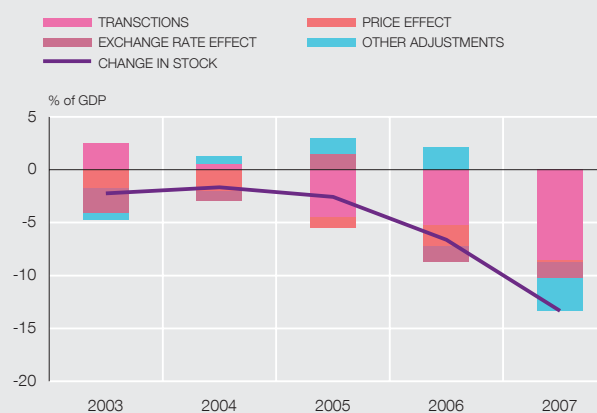
## 3 TOTAL (a)



## 4 MONETARY FINANCIAL INSTITUTIONS (b)



## 5 OTHER RESIDENT SECTORS (c)



SOURCE: Banco de España.

- a. Not including the monetary authority or financial derivatives.  
 b. Not including non-monetary financial institutions or financial derivatives.  
 c. Including non-monetary financial institutions.



## ON THE IIP (cont'd)

to reducing the MFIs' foreign debit balance due to the poorer performance of share prices in the resident financial sector relative to those which made up its foreign assets. The exchange rate effect, unlike events in the economy as a whole, contributed to reducing the sector's debit position by 0.6 pp of GDP. This result is explained by the fact that there are more foreign-currency-denominated securities on the liabilities side than on the assets side and, consequently, MFIs have a foreign currency net external debit position.<sup>9</sup> Finally, other adjustments explained 2.8 pp of GDP of the widening in the period analysed.

The external debit position of ORSs, which include non-monetary financial institutions, stood at 21.3% of GDP in 2007, in contrast with the credit position of 5% of GDP in 2002. Chart 5 shows that, like MFIs, financial transactions in the period account for most of the widening of the ORSs' external debit position (14.2 pp of GDP). Additionally, in this case, unlike MFIs and general government, transactions have played a larger and growing role since 2005. This shows that the Spanish economy has covered its borrowing needs in recent years to a greater degree with securitised assets (against a backdrop of significant growth in mortgage credit) and with issues by subsidiaries of MFIs classified under ORSs.<sup>10</sup> As at MFIs, the

9. This fact mainly reflects the high weight of liabilities denominated in currency other than the euro under Other investment. The positive impact on changes in the MFIs' net IIP between 2007 and 2002 of the exchange rate effect associated with MFIs' Other investment is estimated to be around 0.9 pp of GDP. Conversely, the exchange rate effect on MFIs' portfolio investment in fixed income was negative and stood at 0.4 pp of GDP, since foreign-currency-denominated assets exceeded liabilities. 10. See Box 3.2 of the report *The Spanish Balance of Payments and International Investment Position, 2005*: "The securitisation process and its impact on the balance of payments".

price effect contributed to raising the external debt position (7.1 pp of GDP) due to the negative effect of other equity (7.7 pp of GDP), since fixed income had a positive effect (0.6 pp of GDP). However, unlike MFIs, changes in the prices of liabilities classified as other equity were relatively more favourable in 2007 than those in the corresponding assets and, consequently, the total price effect continued to be negative that year. Similarly, the exchange rate effect pushed the external debit balance 5.7 pp of GDP higher during the period, in this case due to the larger volume of assets denominated in foreign currency than liabilities.<sup>11</sup> Other adjustments contributed to reducing the ORSs' debit position vis-à-vis the rest of the world by 0.7 pp of GDP.

In short, the respective impact of price and exchange rate changes on MFIs' and ORSs' net external wealth has been different. These divergences are mainly explained by the different composition of their financial assets and external liabilities. In the two major sectors analysed, financial transactions carried out in the period explain most of the changes in their net external investment positions. This has been so because these sectors have attracted the foreign saving required to cover the Spanish economy's net borrowing. However, the exchange rate effect has had a negative impact on the ORSs' net debit IIP and a positive effect on that of MFIs. Conversely, the price effect has, on average, had a negative impact on both sectors, although this was sharper in the case of ORSs.

11. Unlike MFIs, the sign of the exchange rate effect stems from the equity of direct investment issued by non-residents (5.2 pp of GDP), in which the weight of foreign currency is significant. On average in the period, 40.4% of ORSs' total assets took the form of FDI shares and other equity, 42.7% of which is denominated in foreign currency. Conversely, in the corresponding liabilities, scarcely 2% is denominated in foreign currency.

in the Banco de España's credit position and the increase in the net debit balance of monetary financial institutions (MFIs) (by 2.2 pp and 0.5 pp, respectively). By contrast, the debit position of general government decreased by 4.3 pp.

In 2007 the rate of expansion of the debit position of MFIs moderated appreciably (8%, against 35% in 2006), taking it to €427,140 million in December (see Chart 4.3). This widening took place against a background in which financial assets showed greater dynamism than financial liabilities (24% and 16%, respectively). Thus the balance as a percentage of GDP increased slightly to 40.7%. MFIs have played a significant role in channelling from abroad the funds needed to finance the gap between credit and deposits in Spain, primarily through the issuance of debt securities.

In 2007 the net debit position of the ORSs increased further to €223,698 million, against €83,475 million at end-2006. This amounted to 21.3% of GDP, against 8.5% in 2006 (see Chart 4.3). Liabilities grew more strongly than assets (19% and 3%, respectively). According to the financial transactions data of the balance of payments, ORSs channelled more than 84% of the net inflows recorded by the Spanish economy in 2007, through asset-backed se-



SOURCE: Banco de España.

curities and fixed income issues by MFI subsidiaries. Despite this, from summer the stock of this type of securities held by non-residents declined.

By contrast, the debit position of general government decreased more sharply in 2007, with a fall of 17%. As a result, this balance stood at €155,909 million (14.9% of GDP). This correction of the net debit position was in line with the net outflows of funds resulting from financial transactions with the rest of the world, in a year in which the share of non-residents in the holdings of securities issued by the Treasury decreased, against a background of net redemptions of debt by general government. Additionally, the Social Security Reserve Fund continued its portfolio investments abroad.

In 2007 the net credit position of the monetary authority decreased by 17% to €78,922 million, representing 7.5% of GDP. This change reflected primarily that of net assets vis-à-vis the Eurosystem and, to a much lesser extent, that of reserves. The increase in other net assets could not offset the changes in those items.

The developments described above affected the sectoral structure of the external financial assets and liabilities of the Spanish economy (see Table 4.4). On the assets side, increases were seen in the relative weight of MFIs and, to a lesser extent, of general government, while the share of the monetary authority and of ORSs decreased.<sup>13</sup> Notable on the liabilities side was the decrease in those to general government, while the weight of the rest of the sectors, particularly the ORSs, increased.

### 4.3 Composition of the IIP by type of investment

In 2007 the net debit position of the Spanish IIP excluding the monetary authority<sup>14</sup> increased by 21% to €806,747 million (76.8% of GDP, against 67.9% in 2006). The breakdown by instrument reveals that the increase is explained mainly by portfolio investments (see Chart 4.4), the debit balance of which increased by 8.9 pp of GDP. Much less sizeable were the contributions of other investment and of financial derivatives, the debit balances of which

<sup>13</sup> When analysing the sectoral composition of the assets it is important to take into account that it is affected by the fact that a large proportion of the investments of Spanish MFIs in the capital of non-resident companies is routed through holding companies, which are included in the sector ORSs. <sup>14</sup> Unless otherwise indicated, the analysis in this chapter does not include the Banco de España.

**INTERNATIONAL INVESTMENT POSITION**  
Distribution by sector

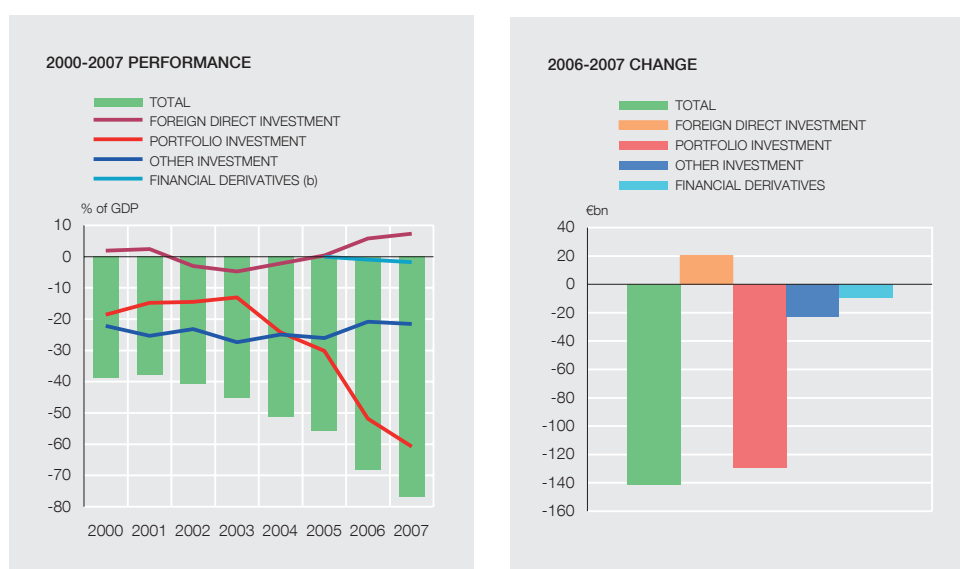
TABLE 4.4

% of total	MONETARY AUTHORITY		MFIs		GENERAL GOVERNMENT		ORSs	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES	ASSETS	LIABILITIES	ASSETS	LIABILITIES
	Average 2002-2004	7.6	0.1	28.3	38.6	1.4	17.1	62.8
2005	6.5	0.0	30.5	40.9	1.6	13.8	61.4	45.3
2006	7.4	0.0	28.8	41.1	2.1	11.5	61.7	47.4
2007	5.8	0.2	32.9	41.7	2.5	8.9	58.8	49.3

SOURCE: Banco de España.

**NET IIP BY INSTRUMENT**  
2000-2007 PERFORMANCE AND 2006-2007 CHANGE (a)

CHART 4.4



SOURCE: Banco de España.

a. Excluding Banco de España.

b. In 2006 Q4 the Banco de España began to publish data on the financial derivatives position.

increased by 0.8 pp of GDP in both cases. By contrast, the credit position of FDI widened by 1.6 pp of GDP.

Meanwhile, during 2007 the relative weight of portfolio investment in total assets decreased, while that of the other instruments rose, particularly that of FDI and other investment. On the liabilities side, the changes were less significant, with a decrease in the share represented by portfolio investment and an increase in the weight of financial derivatives (see Table 4.5).

**4.3.1 FOREIGN DIRECT INVESTMENT**

The net credit balance of foreign direct investment (FDI) increased appreciably (see Chart 4.5) to €79,697 million, representing 7.3% of GDP. This was mainly due to the large amount of Spain's direct investment abroad, which reached a new all-time high in terms of levels. Foreign direct investment transactions in Spain rose appreciably.

The performance of the stock of direct investment abroad was shaped mostly by the behaviour of the related balance of payments financial transactions (see Table 4.6). A significant ef-

**INTERNATIONAL INVESTMENT POSITION**  
Breakdown by instrument (a)

TABLE 4.5

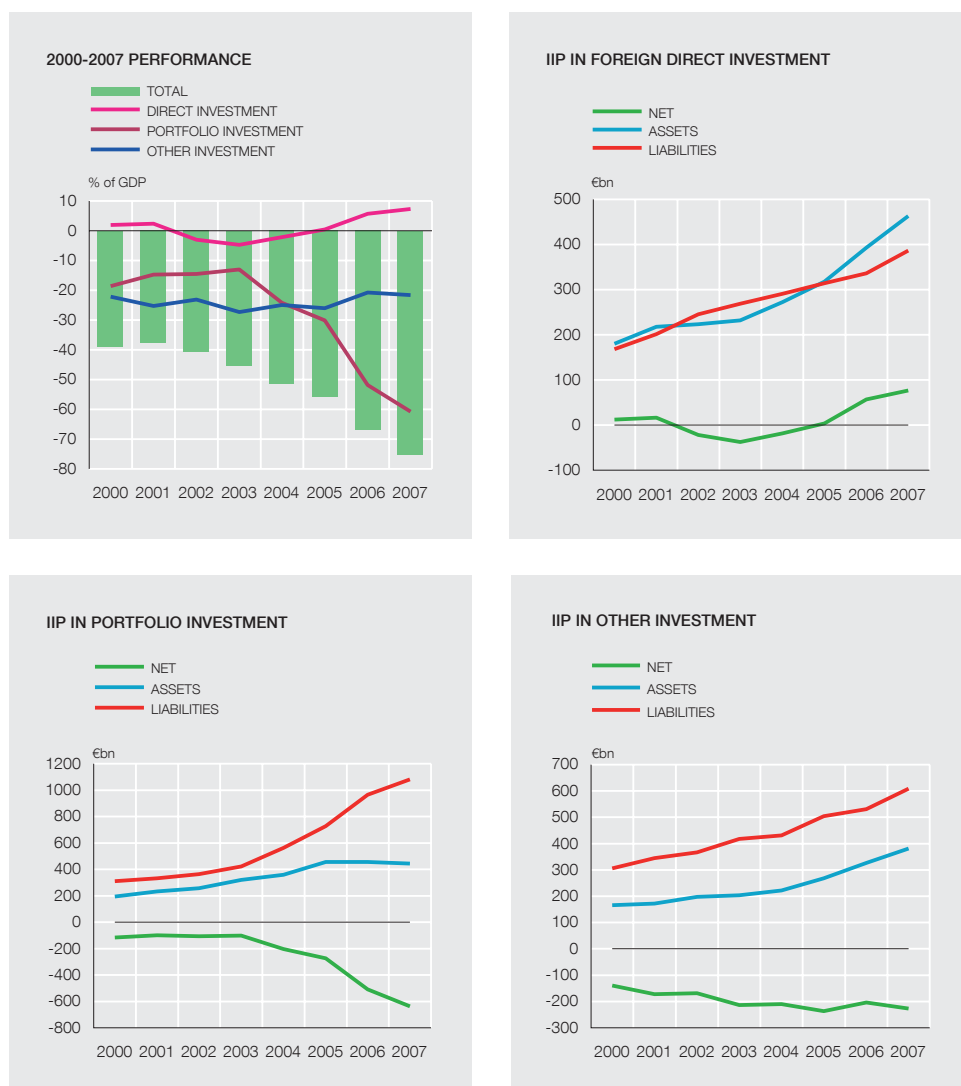
% of total	FOREIGN DIRECT INVESTMENT		PORTFOLIO INVESTMENT		OTHER INVESTMENT		FINANCIAL DERIVATIVES	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES	ASSETS	LIABILITIES	ASSETS	LIABILITIES
	Average 2002-2004	31.8	24.0	40.8	39.7	27.4	36.3	...
2005	30.5	20.3	43.7	47.1	25.8	32.6	...	...
2006	32.5	17.9	37.7	51.5	27.1	28.3	2.7	2.3
2007	34.7	18.1	33.3	50.5	28.6	28.4	3.3	3.0

SOURCE: Banco de España.

a. Excluding Banco de España.

**INTERNATIONAL INVESTMENT POSITION, BY INSTRUMENT (a)**

CHART 4.5



SOURCE: Banco de España

a. Excluding Banco de España.

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

	NET (b)			ASSETS			LIABILITIES		
	CHANGE IN STOCK	TRANSACTION	% VALUATION EFFECT AND OTHER ADJUSTMENTS (c)	CHANGE IN STOCK	TRANSACTION	% VALUATION EFFECT AND OTHER ADJUSTMENTS (c)	CHANGE IN STOCK	TRANSACTION	% VALUATION EFFECT AND OTHER ADJUSTMENTS (c)
2005	21,825	13,517	45.2	45,593	33,636	4.4	23,769	20,119	1.3
2006	52,989	58,479	159.9	74,714	79,913	-1.6	21,725	21,434	0.1
2007	20,274	48,383	49.8	70,449	87,388	-4.3	50,175	39,005	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 transactions, in terms of the stock at the beginning of the period.

fect was also exerted by the appreciation of the euro against the main currencies, particularly the dollar,<sup>15</sup> which generated a negative valuation effect on the equivalent euro value of external financial assets. All this meant that the stock of Spanish direct investment abroad rose by 18% in 2007 (23% in 2006) to €463,081 million (44.1% of GDP, up 4.1 pp on 2006).

The breakdown by instrument of the stock of Spain's foreign direct investment abroad showed a high degree of concentration in shares and other equity, while the rest was concentrated in inter-company debt transactions. Within equity, shares are the preferred form of residents' holdings of FDI (76.3% of the total), while other direct holdings amounted to 16.8%.<sup>16</sup> The relative weight of shares increased by nearly 4 pp at the expense of other direct holdings. Lastly, real estate continues to account for a minority, albeit growing, share (2.2%).

Geographical analysis confirms the predominance of the EU, with nearly 63% of Spanish FDI abroad (see Table 4.7), including most notably the euro area (39.6% of total FDI assets). The United Kingdom accounted for a significant share of the stock (17.1%), reflecting the significant FDI transactions by Spanish firms in this country in recent years. The new members of the EU accounted for 5.3% of total. As regards the rest of the world, Latin America was again the leading area (20.7% of total), followed at a distance by the United States (7.8%). Comparison with end-2006 shows a moderate increase in the relative importance of the EU, mainly due to the euro area. In the rest of the world, the share of Latin America decreased and that of the United States increased. These changes generally reflected the course of Spanish FDI transactions abroad in 2007, with a significant increase in those with the euro area, and the impact of the euro's appreciation, which lowered the equivalent euro value of investments outside the euro area.

The stock of FDI in Spain grew by 15% in 2007 to €386,384 million, which in terms of GDP was an increase of 2.5 pp to 36.8%. The balance of payments financial transactions were responsible for a large part of the increase in this stock (see Table 4.6).<sup>17</sup>

Disaggregation by instrument of the stock of FDI in Spain in 2007 showed, as usual, a lower concentration than that of FDI assets, basically due to the importance of non-residents' invest-

15. See Notes 8 and 9. 16. Other equity includes principally capital contributions to branches, acquisitions of firms without PLC status and reinvested profits. 17. See Notes 8 and 9.

	SPANISH FOREIGN DIRECT INVESTMENT				FOREIGN DIRECT INVESTMENT IN SPAIN			
	2006		2007		2006		2007	
	€m	% OF TOTAL	€m	% OF TOTAL	€m	% OF TOTAL	€m	% OF TOTAL
WORLD TOTAL	392,631.7	100.0	463,080.5	100.0	336,208.8	100.0	386,383.5	100.0
EU 27 (a)	236,443.4	60.2	290,875.6	62.8	248,599.2	73.9	296,240.9	76.7
Euro area	151,749.0	38.6	183,514.2	39.6	178,094.7	53.0	217,563.5	56.3
Germany	14,922.3	3.8	18,513.9	4.0	20,487.4	6.1	18,161.1	4.7
France	24,624.2	6.3	28,611.1	6.2	21,154.2	6.3	23,212.9	6.0
Netherlands	26,711.9	6.8	40,309.2	8.7	50,021.2	14.9	52,349.1	13.5
Luxembourg	38,585.0	9.8	40,559.6	8.8	37,893.5	11.3	42,957.2	11.1
Portugal	21,302.0	5.4	22,462.6	4.9	14,132.9	4.2	14,472.4	3.7
United Kingdom	65,569.3	16.7	79,021.5	17.1	61,704.5	18.4	68,661.2	17.8
New EU members (b)	15,910.6	4.1	24,397.4	5.3	1,488.7	0.4	1,785.1	0.5
Switzerland	12,928.1	3.3	12,307.8	2.7	8,977.8	2.7	9,447.7	2.4
United States	27,485.0	7.0	36,255.0	7.8	56,453.7	16.8	57,891.3	15.0
LATIN AMERICA	93,582.7	23.8	96,055.4	20.7	5,518.3	1.6	7,449.3	1.9
Argentina	20,686.4	5.3	18,496.2	4.0	279.7	0.1	272.4	0.1
Brazil	28,309.7	7.2	29,798.4	6.4	729.8	0.2	1,394.9	0.4
Chile	9,360.4	2.4	9,323.3	2.0	999.7	0.3	1,018.2	0.3
Mexico	20,367.3	5.2	23,249.1	5.0	1,150.0	0.3	1,117.8	0.3
Morocco	2,965.4	0.8	3,264.9	0.7	107.7	0.0	109.8	0.0
Japan	1,780.9	0.5	1,781.8	0.4	2,411.7	0.7	2,118.3	0.5
Australia	800.6	0.2	2,066.7	0.4	177.0	0.1	209.9	0.1
MEMORANDUM ITEM: OECD	301,122.2	76.7	368,657.8	79.6	323,584.6	96.2	371,910.8	96.3

SOURCE: Banco de España.

a. EU 27: 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, Romania, Bulgaria and the corresponding dependencies of their economic territory.

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

ments in real estate. Thus shares and other equity accounted for 77.8% of total. The relative weight of shares slightly exceeded that of other direct holdings (31.2% and 28.9% of the total, respectively), unlike the situation in FDI abroad. Another notable feature is the importance of the balance of non-residents' real estate, which amounted to 17.7% of the total. Meanwhile, inter-company debt transactions represented 22.2% of the total, a higher percentage than in the case of FDI assets.

Turning to the geographical composition of FDI in Spain, as usual the EU was the main investor, since it accounts for most of the stock (76.7% of the total of 2007) (see Table 4.7). The euro area accounted for a significant fraction, with more than 56% of the total liabilities, this share being appreciably higher than in assets. Also notable was the relative importance of the United Kingdom (17.8% of total). In the rest of the world, the main investor country was the United States, with 15%. Unlike in Spanish FDI abroad, the role of Latin America was, as might be expected, minor. The behaviour of FDI financial transactions in Spain augmented the concentration of FDI from the euro area, such that its share in the stock increased by 3.3 pp in that year.

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

€m	NET (b)			ASSETS			LIABILITIES		
	CHANGE IN STOCK	TRANSACTION	% VALUATION EFFECT AND OTHER ADJUSTMENTS (c)	CHANGE IN STOCK	TRANSACTION	% VALUATION EFFECT AND OTHER ADJUSTMENTS (c)	CHANGE IN STOCK	TRANSACTION	% VALUATION EFFECT AND OTHER ADJUST- MENTS(c)
<b>TOTAL</b>									
2005	-70,464	-58,734	5.8	95,429	79,741	4.4	165,892	138,475	4.9
2006	-235,247	-200,030	12.9	951	-4,092	1.1	236,198	195,938	5.5
2007	-129,246	-104,360	4.9	-12,396	-8,586	-0.8	116,850	95,774	2.2
<b>EQUITIES AND SHARES IN MUTUAL FUNDS</b>									
2005	11,967	23,667	11.1	26,104	15,757	13.3	14,137	-7,910	12.0
2006	-19,299	39,513	63.1	29,037	21,114	7.6	48,336	-18,399	33.8
2007	-38,053	-18,742	17.2	1,603	-6,767	6.3	39,656	11,976	11.3
<b>BONDS AND NOTES AND MONEY MARKET INSTRUMENTS</b>									
2005	-82,431	-82,401	0.0	69,325	63,984	1.9	151,756	146,385	1.4
2006	-215,948	-239,543	-13.1	-28,086	-25,206	-0.8	187,862	214,337	-5.0
2007	-91,193	-85,618	1.4	-13,999	-1,819	-3.8	77,194	83,799	-0.9

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 transactions, in terms of the stock at the beginning of the period.

## 4.3.2 PORTFOLIO INVESTMENT

In 2007 the debit position in portfolio investment widened by 25%, following a strong rise (of 86%) in the previous year. This took the position to €638,141 million (see Chart 4.5), equal to 60.8% of GDP. Unlike in the 1990s, when the net debit balance of portfolio investment rose due to the acquisition of Spanish public debt by non-residents, in the last few years this increase has come from securities issued by the private sector (MFIs and ORSs), in keeping with the pattern of net borrowing by the various institutional sectors.

The widening of the net debit position in portfolio investment was generally consistent with the behaviour of the balance of payments financial transactions (see Table 4.8). The appreciation of the euro also contributed to the increase in this debit position, since it reduced the equivalent euro value of assets denominated in other currencies, whereas the price effect acted in the opposite direction, mainly due to the positive net effect of debt security price changes on financial assets and liabilities held in the form of bonds.

Analysis by institutional sector of the portfolio investment balance shows that MFIs accounted for 43.6% of the resulting net debit balance, followed by ORSs with 33.2% and, to a lesser extent, by general government with 23.2%. The relative weight of ORSs increased significantly in line with the increase in their borrowing needs, while the improvement in the public accounts acted in the opposite direction. The private sector's debit position (the result of aggregating the positions of MFIs and ORSs) amounted to 46.7% of GDP, up 13.2 pp on 2006. Mention should be made of the high volume of both liabilities and, in particular, portfolio assets of ORSs (49.3% and 72.6% of the total, respectively).

The stock of Spain's portfolio investment abroad stood at €443,290 million in 2007, a decrease of nearly 3% with respect to end-2006. Consequently, its share of GDP decreased by

4.2 pp to 42.2%. This decline, which was concentrated in the second half of the year, coincided with a sharper appreciation of the euro against the dollar and with the financial turmoil in the international markets, which has affected the manner in which the Spanish economy finances its external imbalance. The prices of financial instruments moved unevenly. The stock markets ended 2007 with moderate gains, somewhat more significant in Europe than in the United States,<sup>18</sup> while the prices of European debt securities fell and those of US debt rose slightly (see Table 4.3).

By instrument, the most important heading continued to be bonds, which represented 70.6% of the total, followed by shares and mutual funds, which amounted to 26.6%, with a significant proportion being accounted for by ORSs in both cases. Lastly, the stock of money market instruments continued to be very low (2.9%). This pattern scarcely underwent changes worthy of mention with respect to that at end-2006. Comparison between the financial account transactions and the stocks reveals that most of the change in the asset-side portfolio investment position relates to transactions.

The breakdown by geographical area confirms that the stock of portfolio investment is highly concentrated in the EU (80.9% of total), with the euro area having a particularly significant role (69.3% of total). The United Kingdom accounted for 10.2%. Most notable in the rest of the world were the United States and the tax havens (8.4% and 4.2% of the total, respectively). In comparison with 2006, there was a slight decrease in the relative weight of the EU (by 0.6 pp), due to the United Kingdom and to the United States and tax havens (down by 0.2 pp in both cases).

The stock of foreign portfolio investment in Spain grew more moderately in 2007, rising by 12% to €1,081,431 million, which represented 103% of GDP, nearly 5 pp more than at end-2006. This performance reflects the role of this type of instruments in raising foreign funds to cover the net borrowing requirements of Spanish non-financial corporations and households in recent years. However, the last part of the year saw a decrease in this stock (down by 1% with respect to the close of 2007 Q3), under the impact of the financial turmoil.

Financial account transactions accounted for 82% of the change in the total stock of foreign portfolio investment in Spain (see Table 4.8). The valuation effects were particularly significant in the case of capital holdings, against a background of moderate gains in stock market indices. By contrast, in fixed income the cumulative transactions in 2007 as a whole amounted to 109% of the change in the stock, countering the negative impact of the price falls in these instruments.

The breakdown by instrument is similar to that of assets. The most important heading continued to be bonds, which represented 71.6% of the total, followed by shares and mutual funds, with 26.4%. ORSs and MFIs accounted for most of the stock of bonds, with more than 72% of the total. The weight of these sectors is growing, while that of general government has been declining continuously since 2003. As for capital holdings, ORSs have the largest proportion of the stock. Finally, the stock of money market instruments accounted for a very small share (2%). This pattern underwent modest changes with respect to that at end-2006, with the share of bonds decreasing at the expense of the other items.

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**18.** It should be taken into account that non-residents' investments in the capital issued by residents in Spain are concentrated in a small number of companies, which means that the change in the IBEX 35 does not always properly reflect the impact of the valuation effect on the stock of IIP. The same can be said of assets taking the form of capital holdings, which are concentrated in European firms.



**STOCK OF FOREIGN PORTFOLIO INVESTMENT BY SPAIN**  
**Breakdown by geographical area and by instrument. CPIS data. 2006**

TABLE 4.9

€m				
	EQUITY SECURITIES	DEBT SECURITIES	TOTAL	WEIGHT IN TOTAL (%)
France	24,208	42,919	67,127	14.7
Germany	9,830	43,137	52,966	11.6
Italy	5,907	49,939	55,846	12.3
United Kingdom	6,952	43,088	50,040	11.0
Netherlands	6,120	38,139	44,258	9.7
Luxembourg	44,447	4,762	49,209	10.8
United States	9,360	30,248	39,608	8.7
Cayman Islands	843	14,263	15,106	3.3
Ireland	6,546	14,705	21,251	4.7
Belgium	1,000	7,277	8,278	1.8
Portugal	2,725	3,382	6,107	1.3
Other	15,255	30,634	45,889	10.1
<b>TOTAL ASSETS</b>	<b>133,193</b>	<b>322,492</b>	<b>455,685</b>	<b>100.0</b>

SOURCES: Banco de España and IMF.

Turning to the geographical distribution of portfolio investment liabilities, the IIP does not give an adequate breakdown, since it only provides information on the first known non-resident counterparty. In many cases this refers to the country of residence of a financial intermediary which does not generally coincide with that of the ultimate holder of the securities, the latter being the relevant party for the purpose of economic analysis. Analysis based on the end-investor principle can be performed using information from the geographical breakdown of portfolio assets of other countries in Spain, contained in the latest Coordinated Portfolio Investment Survey (CPIS),<sup>19</sup> which is for 2006. According to CPIS data, the most notable feature of the stock of foreign portfolio investment in Spain is its high degree of concentration, since, as at end-2006, 10 countries accounted for 91% of the total. The main investors continued to be the euro area countries, which in 2006 slightly increased their securities holdings to 71% of the total. France and Germany stood out within the area, together accounting for more than 40% of the total. In the case of fixed-income securities, the weight of the euro area is even higher, since at end-2006 they represented 79.5% of total portfolio investment issued by residents in Spain. As for non-euro area countries, the liabilities were concentrated to the United States, the United Kingdom and Japan (together accounting for 22.5% of the total). The relative weight of the United States in equities stands out, the heading in which it is by far the largest investor, accounting for 35% of total. When the end-country principle is considered, the geographical distribution of the portfolio investment liabilities is relatively similar to that of portfolio investment assets, the most significant difference being the considerably lower weight of France and, in particular, of Germany among the latter countries, ceding ground to Italy and, above all, Luxembourg (see Tables 4.9 and 4.10). The relatively high share of Luxembourg in assets is due to the significance of the investment by residents in equities.

#### 4.3.3 OTHER INVESTMENT

The net debit position of other investment (basically loans, deposits and repos) increased by 11% in 2007, in contrast to the decrease in 2006 (see Chart 4.5). This lowered the debit balance to €226,454 million (21.6% of GDP, 0.8 pp more than in 2006). This increase was achieved

<sup>19</sup> The CPIS data are available at the IMF website: <http://www.imf.org/external/np/sta/pi/cpis.htm>. For further information, see "El stock de la inversión de cartera de España y la Encuesta Coordinada del Fondo Monetario Internacional", Boletín Económico, Banco de España (June 2006). The geographical breakdown of the portfolio assets abroad is similar to that contained in the IIP.

**STOCKS OF FOREIGN PORTFOLIO INVESTMENT**

TABLE 4.10

**Breakdown by geographical area and by instrument, and comparison with CPIS data (a). 2006**

€m	EQUITY SECURITIES		DEBT SECURITIES		TOTAL (b)		WEIGHT IN TOTAL (%)	
	FKC	EI	FKC	EI	FKC	EI	FKC	EI
	France	22,272	18,587	72,481	150,555	94,753	169,142	9.8
Germany	10,067	11,988	69,635	151,664	79,701	163,652	8.3	19.8
Luxembourg	23,356	19,604	169,487	54,694	192,843	74,298	20.0	9.0
United Kingdom	74,874	23,833	20,554	52,558	95,428	76,392	9.9	9.3
United States	69,475	64,996	27,755	19,253	97,229	84,249	10.1	10.2
Netherlands	10,028	4,103	13,415	43,451	23,443	47,554	2.4	5.8
Ireland	1,192	8,456	5,703	48,977	6,895	57,433	0.7	7.0
Japan	322	5,697	2	19,685	324	25,383	0.0	3.1
Belgium	3,778	3,657	5,780	21,634	9,559	25,291	1.0	3.1
Italy	11,077	3,956	219,667	21,211	230,744	25,167	23.9	3.0
Unassigned	-1,510	0	107,265	0	105,755	0	11.0	0.0
Other	20,753	21,591	7,153	53,065	27,906	76,825	2.9	9.3
<b>TOTAL LIABILITIES</b>	<b>245,682</b>	<b>186,468</b>	<b>718,897</b>	<b>636,748</b>	<b>964,579</b>	<b>825,385</b>	<b>100.0</b>	<b>100.0</b>

SOURCE: Banco de España and IMF.

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

b. The value of the total stock of foreign portfolio investment in Spain differs from the sum of the stock of equity securities and debt securities because certain countries which participate in the CPIS, for reasons of confidentiality, provide the geographical breakdown of their total portfolio investment assets but not the breakdown of the various instruments in which they are invested.

**OTHER INVESTMENT**

TABLE 4.11

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

€m	NET (b)			ASSETS			LIABILITIES		
	CHANGE IN STOCK	TRANSACTION	% VALUATION EFFECT AND OTHER ADJUSTMENTS (c)	CHANGE IN STOCK	TRANSACTION	% VALUATION EFFECT AND OTHER ADJUSTMENTS (c)	CHANGE IN STOCK	TRANSACTION	% VALUATION EFFECT AND OTHER ADJUSTMENTS (c)
	2005	-27,079	-17,349	4.6	45,991	47,253	-0.6	73,070	64,601
2006	32,774	34,393	0.7	58,706	68,601	-3.7	25,931	34,208	-1.6
2007	-22,724	-34,624	-5.8	54,907	58,911	-1.2	77,631	93,535	-3.0

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 transactions, in terms of stock at beginning of the period.

despite the fact that assets grew more quickly than liabilities (17% and 15%, respectively) and stemmed from the behaviour of the corresponding financial transactions (see Table 4.11).

The stock of Spain's other investment abroad rose by nearly 17% in 2007 to €381,813 million, a more moderate growth rate than in 2006 (21.9%). In any event, the growth path of recent years continued. As a percentage of GDP, other investment assets increased by 3 pp to 36.4%. The trend in Spain's other investment abroad is related basically to the behaviour of balance of payments transactions, counterbalancing the direct negative impact of the appreciation of the euro against the dollar and sterling<sup>20</sup> (see Table 4.11).

By instrument, the most notable feature is that Spain's other investment abroad is concentrated in deposits, which account for nearly 82% of the total. Most of these deposits were short term (83.4%). MFIs accounted for most of the deposits (65.2% of the total), increasing their share by 4.1 pp, mainly at the expense of ORSs. This pattern extended to the whole of other investment assets and, as a result, MFIs accounted for most of the stock.

By geographical area, other investment abroad was concentrated in the EU, which accounted for more than 83% of the total at end-2007. The euro area's share exceeded 54% and that of the United Kingdom, at more than 26%, represented a significant fraction of the total. As for the rest of the world, Latin America, tax havens and the United States had relatively similar weights, ranging from 3% to 4% of the total.<sup>21</sup> With respect to 2006, there was a modest increase in the share of the United States at the expense of Latin America and tax havens.

In 2007 the stock of other investment in Spain increased by around 15%, a smaller rise than that recorded by assets. This rate was, however, significantly higher than that posted in 2006 (5.1%). As a result, external liabilities in the form of other investment stood at €608,267 million at end-2007, equivalent to 57.9% of GDP (3.8 pp more than at end-2006). The main factor responsible for these developments was balance of payments financial transactions (see Table 4.11). In the period analysed, these transactions rose sharply, driven by those carried out by MFIs in short-term instruments, against the background of financial turmoil mentioned throughout this chapter.

The breakdown by instrument shows that 72.7% of the liabilities were deposits. As also occurs in the case of Spain's other investment abroad, most of the deposits were short term (more than 74% of the total). Analysis by institutional sector shows that MFIs accounted for the largest share of the stock, followed by ORSs.

Finally, the breakdown by geographical area shows a similar composition to that for assets. The EU accounts for around 86% of the total, with 52% of the total stock corresponding to the euro area. The United Kingdom, at 25%, also accounts for a significant fraction. As for the rest

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20. As mentioned in the introduction, in this case the changes in the other investment position from one period to another are basically explained by balance of payments transactions and by exchange rate movements. 21. Financing granted to Latin America represents a small portion of the total but, according to BIS data, Spanish banks lead the field in international bank financing in the region, accounting for more than 35% of the total. 22. The data on the stock of financial derivatives were disseminated for the first time with the publication of the IIP data relating to end-2006. These data on the stock of derivatives relate to MFIs (the most important sector) and to general government. The data on MFIs' stocks are taken from a new accounting statement established in Banco de España Circular 4/2004 which includes financial derivatives and credit derivatives at market prices. The general government stocks relate to the Treasury and were obtained from information provided by the Treasury. These were the sources of information used to collect data on the stocks of financial derivative assets and liabilities separately, although, because of the characteristics of certain instruments, the data in net terms are more reliable. At present, preliminary work in co-ordination with the Banco de España's Central Balance Sheet Data Office is under way to enable the future incorporation of data on the stock of financial derivatives of ORSs.

of the world, the United States represented 4.6% of the total, followed by tax havens with nearly 3%. Comparison with 2006 shows a moderate increase in the relative importance of the EU, which reflects the higher weight of both the euro area and of the United Kingdom.

#### 4.3.4 FINANCIAL DERIVATIVES<sup>22</sup>

The net debit position of financial derivatives practically doubled in 2007, rising to €18,849 million. This figure amounts to 1.8% of GDP, compared with 1% at the end of the previous year. This increase came about because external liabilities grew faster than external assets (49.2% and 35.4%, respectively). As a percentage of GDP, liabilities rose to 6% (1.7 pp more than at end-2006), while assets amounted to 4.3% (0.9 pp more than in 2006). The breakdown by institutional sector shows, on the information available so far, that MFIs accounted for practically all the stock, both assets and liabilities.

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

## 5 The Balance of Payments and the International Investment Position: Methodological note

### 5.1 Introduction

In 2007 work continued with the process of adapting the information system used to compile the balance of payments and international investment position, which began in previous years, and progress was made essentially with the incorporation of data provided by other Spanish or international statistics agencies.

The changes introduced in the information system are detailed in the description below of the Balance of Payments and International Investment Position headings and in the section on changes introduced in this chapter. The section on changes introduced also includes the progress made in 2007 with the revision of the International Monetary Fund's (IMF) Balance of Payments Manual, which is the methodological reference manual for the preparation of the data disseminated in this report. The main changes which will be included in the sixth edition of this Manual were described in the 2006 edition of this report.

The most important of the changes introduced in 2007 is the incorporation of data from the Investment Register of the Ministerio de Industria, Turismo y Comercio (Ministry of Industry, Tourism and Trade) in the estimates of reinvested earnings on direct investment. Including these data has made it possible to provide a better approximation of the item being measured.

Unlike other years, the changes introduced in 2007 did not involve an in-depth revision of the calculation methods or procedures used and, consequently, there were no extraordinary revisions of the data disseminated previously. However, they did make it possible to fulfil new reporting requirements of international agencies and to introduce improvements in the estimates made to date. Furthermore, in general, the new sources were used more intensively in quality controls of the data disseminated.

Nevertheless, it is worth mentioning the usual revisions which account for the differences between the information published in this report and that disseminated previously. 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, have normally been made each year when the January data are published. The most important of the revisions affecting the current account are those arising from the incorporation of the revised goods trade figures published by the Departamento de Aduanas de la Agencia Estatal de la Administración Tributaria (Customs and Excise Department) and from the updating of information that is preliminary and, therefore, subject to major revision, used to estimate the reinvested earnings on direct investment. In the financial account, the main revisions affect the portfolio investment and direct investment headings, in this case partly due to the aforementioned updating of reinvested earnings and partly due to the incorporation of information from the Foreign Investment Register of the Ministerio de Industria, Turismo y Comercio which, because it does not give rise to any receipt or payment, is received with a certain time lag.

In April 2008 the calendar for the dissemination and revision of balance of payments data was changed. The publication of monthly data on Spain's balance of payments has been brought forward 15 days with the result that the data are published two months after the end of the related month. The quarterly data will be published three months after the end of the quarter to which they refer. At the same time, data are revised more frequently, the practice mentioned in the paragraph above of only one revision at year-end has been replaced by quarterly and

annual revisions. Consequently, after the dissemination of the data for 2008 in the Statistical Bulletin, when the data for each new quarter are published, the data of the immediately previous quarter and the related monthly data will be revised. Also, with the publication of the data for the fourth quarter, the monthly and quarterly series of the last two years will be revised. The changes and reasons behind them are described in detail in Box 5.1.

The calendar for the dissemination and revision of the international investment position data has not been changed and, therefore, the periodic revisions to these data will continue to be made when the quarterly data are compiled and will generally affect the current and the two previous years. These revisions are mainly 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.

The balance of payments data in Chapter 6 of this report are strictly consistent with Chapter 17 of the May 2008 edition of the Banco de España's *Boletín Estadístico*. The related time series are available monthly since 1990 in the case of the balance of payments, and quarterly since 1992 in the case of the international investment position<sup>1</sup>, and can be found in the statistics section of the Banco de España website (<http://www.bde.es>).<sup>2</sup> Note that the *Boletín Estadístico* also includes additional tables with details of the heading other services of the balance of payments by type of service and counterpart area or country, a breakdown by lender and borrower of the outstanding credit received from abroad by non-credit sectors, and the composition of reserve assets under the IIP.

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 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, made further headway towards homogeneity, 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 explain the discrepancies that may exist at any given moment between these two sets of statistics.

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 change made as a result of Spain's joining the euro area - the separate presentation of the Banco de España's transactions and stocks - has been maintained.

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

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1. Reserve assets have a monthly periodicity and start from January 1962. 2. There are also 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.

solution. This solution, which involves including the change in the net 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 net assets vis-à-vis 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 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, 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.

Note that the footnotes to all tables in Chapter 6 state the sign convention used in recording balance of payments transactions. It should be pointed out 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 borne in mind that as financial derivatives are recorded as net assets and liabilities in the balance of payments they cannot be distributed geographically.



This chapter is organised as follows. Following this introduction, Section 5.2 is devoted to the balance of payments, 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 transactions of the balance of payments. Lastly, Section 5.4 explains the most important changes in the information sources and calculation procedures, in the dissemination of statistics and in the design and implementation of new information sources. This section also presents the main progress made in the revision of the IMF Balance of Payments Manual.

## **5.2 Balance of payments. Methodology**

### **5.2.1 INFORMATION SOURCES**

#### **5.2.1.1 Trade balance**

For the trade balance, the Spanish balance of payments uses as its basic source the foreign trade statistics compiled by the Departamento de Aduanas de la Agencia Estatal de la Administración Tributaria, albeit with the relevant adjustments. Section I.4.1 of the 1993 report described the data-collection methods applied by the Departamento de Aduanas de la Agencia Estatal de la Administración Tributaria, 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 Departamento de Aduanas (Customs Department), and they may learn of the practical workings of the system from the resolutions issued annually which detail the applicable regulations. 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 Departamento de Aduanas 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 Departamento de Aduanas 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.

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, is 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 sup-

pliers and their customers. Moreover, transactions are generally recorded in the period when the merchandise is physically moved (see, however, the exceptions to this general rule that follow from Section 5.2.2 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.

#### 5.2.1.2 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 the Banco de España Circular 15/1992. For reporting purposes, transactions with 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. As mentioned in previous editions of this report, in 2007 the regulations governing the declaration of transactions described herein were changed. The change entails raising the threshold for which the content of transactions must be reported from EUR 12,500 to EUR 50,000.<sup>3</sup> This change came into force in January 2008 and, consequently, it does not affect the data disseminated in this report. More details about this change are provided in section 5.4 on changes introduced.

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.

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3. It should be pointed out that although no content is available for unreported transactions, there is information on the total amount of these transactions. Various estimates are used to distribute these transactions by heading, basically in accordance with the distribution of the transactions for amounts immediately higher than them.

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 3/2006. This Circular replaced the previous Circular 24/1992, and includes electronic data transmission as a form of submitting information, making it easier for declarants to group together the transactions that they have to report and raising the ceiling for aggregating movements.

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 3/2006. 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 expecta-

tions) 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.

The increasing use of information provided by other institutions and by other departments of the Banco de España is also notable. This information sometimes supplements that supplied by the main sources and at other times replaces it. In this respect, the 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) and by the CNMV is used to calculate the income from portfolio investment and other indicators of the prices of the instruments which make up the assets and liabilities of the international investment position. For their part, transfers include data supplied by the Treasury and the FEGA (Spain's State Agricultural Guarantee Fund) 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 Ministerio de Industria, Turismo y Comercio and from the Banco de España's Central Balance Sheet Data Office have been taken into account to calculate direct investment, financial transactions and their associated income. 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 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 information available on firms that report directly their transactions with the rest of the world. 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 directly by credit institutions with the accounting statements that such institutions submit in accordance with the applicable circulars.

## 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.<sup>4</sup> 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.

### 5.2.2.1 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 establishments, 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 transactions 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.

### 5.2.2.2 Timing of recording of transactions: 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 transactions 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.

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4. The IMF's Balance of Payments Manual is currently being revised. This revision is part of a widespread process to adapt macroeconomic statistics on the foreign sector to the growing globalisation and internationalisation of real and financial markets. For a more detailed explanation of this process and of the changes envisaged, see Box 5.1, "The Spanish Balance of Payments and International Investment Position 2006" and the section on changes introduced in this report.

In order to comply with the accrual principle required, certain adjustments are made in the Spanish balance of payments to data obtained from the general information system. These adjustments basically affect data on merchandise trade, portfolio investment income, reinvested earnings of direct investment firms, FEGA transfers from the EU and, sometimes, payments of other current transfers with a counterparty other than the EU. In the rest of the balance of payments, transactions are recorded, in principle, when effective receipt or payment occurs<sup>5</sup>, although, as explained above, numerous transactions are also included that do not generate payments (offsets, transactions credited or debited in inter-company accounts, etc.) or that do so only for amounts far below their book value.

Merchandise trade is generally recorded on an accrual basis, when the actual transaction occurs, because customs statistics are used as the basic 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 2007 report. The Departamento de Aduanas 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, since 1993, been recorded on the basis of the interest accrued rather than that paid, and likewise since 2005 in the case of other income from portfolio investment. 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 the value of investment. 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.

From 2005 all the portfolio investment income data will follow the methodological criteria of the 5th edition of the IMF Balance of Payments Manual in regard to the application of the accrual principle. Nevertheless, the detailed security-by-security income 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 more accurately 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

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5. It should be taken into account that, in many cases, the difference between applying one criterion rather than the other is minimal, and that generally the headings which include the aforementioned adjustments are the most affected ones.

deemed to provide additional capital to the enterprises and to increase the value of an economy'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. The calculation procedure used to estimate the reinvested earnings on foreign direct investment in Spain is not the same as that used to calculate those on Spanish investment abroad. In each case, the procedure used depends on the information sources available, although 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, until this year the estimate has been obtained from the ratio of net saving to own funds for the whole non-financial corporations sector obtained essentially from the National Accounts and Financial Accounts. In the last year, due to the comparison of the results with new information sources, differences were identified between the rate of return calculated in this way and that which would be obtained if the specific behaviour of foreign direct investment firms were considered. This has led to adjusting the estimates published for 2006 and 2007, taking into account the accounting information on these firms provided by the Investment Register of the Ministerio de Industria, Turismo y Comercio and from the Banco de España's Central Balance Sheet Data Office. As a result of greater integration of data from the Foreign Investment Register in the balance of payments processes, it has also been possible to improve the estimate of reinvested earnings of non-resident firms. Consequently, the data for 2006 and 2007 were calculated using a combination of information published by Eurostat about reinvested income flows for the European Union vis-à-vis the main counterparty countries of Spanish foreign direct investment abroad<sup>6</sup>, and information provided by the Investment Register about the different rates of return of resident and non-resident foreign direct investment firms.

#### 5.2.2.3 Valuation. Transactions 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 transactions or, in other words, the relationship between the balance of payments and the international investment position. The 5th edition of

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6. See the changes-introduced section of the 2004 report for a more detailed explanation of this estimate.

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 a period and its value at the end of the same period. 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 financial account, the corresponding stock or international investment position.

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 transactions.

5.2.2.4 Classification of financial transactions 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 transactions (residents' purchases of assets vis-à-vis non-residents, less their sales and redemptions) and the net liabilities-side transactions (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 transactions is no longer of significance given the extraordinary mobility of capital, which has increased the purchase and sale transactions 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 transactions 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 transactions 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 transactions 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 out-flow. If what it is sought to show in a table is the fact that a country's assets increase or de-



crease, 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, or the receipts or payments generated by them, 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 transactions, 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 5.2.5.3.1.

### 5.2.3 CLASSIFICATION OF TRANSACTIONS BY HEADING AND INSTITUTIONAL SECTOR

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

#### 5.2.3.1 Classification by heading

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 2 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 return 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 com-

pany (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), and reinvested earnings. Investment in real estate is also recorded under this heading. Moreover, the direct investment heading should include both the original transaction, which determined the party's status as a direct investor, and all subsequent financing transactions 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 transactions thus recorded is increased if the financing transactions 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 shareholdings 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. Meanwhile, in the subsequent detailed tables, they are broken down into change in assets, on one hand, and change in liabilities, on the other.

### 5.2.3.2 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 = FIAMM)<sup>7</sup>
- 2 *General government sector*
  - 1 Central government
    - 1 State
    - 2 Central government agencies – including autonomous administrative agencies (except social security units), universities and corporations considered to be government
  - 2 Regional (autonomous) governments
  - 3 Local government
  - 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 Other financial intermediaries (excluding insurance corporations and pension funds)
      - 1 Collective investment institutions (except money market funds)
        - a) Investment companies
        - b) Capital-market mutual funds
      - 2 Real estate investment institutions
        - a) Real estate investment companies
        - b) Real estate mutual funds

7. The number of mutual funds assigned to this sub-sector has gradually decreased since the entry into force of Law 35/2003 of 4 November 2003, due to the change in their objectives with the result that no fund has been assigned to this sub-sector since December 2006. The new regulation provides that the National Securities Market Commission will establish the categories of collective investment institutions based on their investment objectives and, consequently, from then onwards the funds which are deemed monetary funds will be determined and included in monetary financial institutions.

- 3 Securities dealer companies
- 4 Financial vehicle corporations
- 5 Venture capital funds and companies
- 6 *Financial holding corporations*
- 7 Issuers of preference shares and other negotiable securities
- 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 (until absorbed by Consorcio de Compensación de Seguros)
  - 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 Public and private non-financial corporations
- 4 Households and non-profit institutions (NPIs serving households) Households and non-profit institutions (NPIs serving households)

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 CONTENT 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 content of each heading, which is the same as in the 2004 edition of this report, is 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 2007 are presented in the tables whose headings begin with 6.1, and the revised 2006

figures in those with 6.2. The data from 1992 onwards 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 2007 and 2006) 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 for the period 1999-2007. 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 2007 and 2006), 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, 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 an institutional 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.

Tables 6.1.10 and 6.2.10 show, for 2007 and 2006 respectively, the total foreign direct investment transactions, 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 regime<sup>8</sup> 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 magnitude. Thus, although the impact of these transactions on net assets and liabilities is smaller, it is very important to identify the transactions 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

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8. See Corporate Income Tax Law 43/1995 and Law 6/2000.

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 2007 and 6.2.10, for 2006, give an estimate of the direct investment transactions of and in ETVEs resident in Spain. The estimate is based on the breakdown of direct investment according to the economic activity (NACE) of the resident enterprise. 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 resident 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.

It is important to point out that from 2004 onwards, information is included on the distribution of MFI transactions 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, certain 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

### 5.2.5.1 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 Departamento de Aduanas de la Agencia Estatal de la Administración Tributaria, 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 trade statistics of the Departamento de Aduanas. The data incorporate an estimate, obtained from information supplied by the Departamento de Aduanas, 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, an 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

“changes introduced” chapter in the 2004 report for further details of the adjustments introduced). Also, until 2005, 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. The Departamento de Aduanas intra-EU trade data for 2005, and its total data for 2006, no longer include transactions relating to repairs. Consequently, a new adjustment to the figures provided by the aforementioned Department has been made which involved totalling the net amounts of the repairs obtained from the balance of payments general information system. The 2006 data are the revised figures of the Departamento de Aduanas. The 2007 data are provisional.

The increasing importance of certain inter-company transactions related to the internationalisation of production is worth mentioning with regard to the recording of goods that do not cross borders. In recent years, the identification of these transactions on the basis of the balance of payments general information system has given rise to considerable revisions.

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. As explained in detail in the changes-introduced section in the 2006 edition of this report, the 2005 travel receipts were calculated using a factorial econometric model which includes information from EGATUR and supply and demand indicators (including passengers on international flights, prices and overnights stays) and other supplementary information (including that from the general information system for receipts and payments). The estimates for travel payments are based on the information available regarding payments made by means other than euro banknotes (essentially bank transfers, credit cards and foreign notes) although supplementary sources are also used such as counterparty country data and, in the short term, the results of univariate analysis of the series.

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.

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 transactions 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 above-mentioned 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, documentation 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 heading includes, from 1995 onwards, social contributions and direct taxes on compensation received (paid) by (to) resident (non-resident) workers. That is to say, from 1995 the figures are recorded gross, as recommended by the 5th IMF Balance of Payments Manual, rather than net, as was done previously (see the section on changes introduced in the 2005 report for more detail).

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.

As from 2005, all portfolio investment income is calculated on an accrual basis, as recommended by the 5th edition of the IMF Balance of Payments Manual. Until 2005, the accrual principle was applied only to payments of income on general government bonds denominated in euro (see the section on changes introduced in the 2005 report for more detail).

The general information collection system does not adequately cover undistributed earnings and transfers from direct investors to subsidiaries and branches to offset losses. These transactions therefore have to be calculated using different information sources, as described in section 5.2.2.2 and previous editions of this report.<sup>9</sup>

The interest on subsidiary/parent company loans is recorded under the same criterion used for principal transactions (described under the heading "Direct investment" in Section 5.2.5: inter-

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9. For a more detailed explanation, see the chapter on changes introduced in the 2004 edition of this report.

est 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 between the acquisition cost and selling price of real estate investments 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 income 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, the profit generated by holdings in mutual funds is not included as income. Interest on the repurchase agreements 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.

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 (see the section on changes introduced

in the 2005 report for a description of the estimate procedure used that year for data from 2001); 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, in the case of insurance other than life assurance 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.

#### 5.2.5.2 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.

#### 5.2.5.3 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 transactions) 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.

##### 5.2.5.3.1 Direct investment

Before describing the components of this heading, it should be noted that the classification structure of direct investment transactions 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 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 non-resident 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.

5.2.5.3.2 Portfolio investment, excluding Banco de España 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).

5.2.5.3.3 Other investment, excluding the Banco de España 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 5.2.3.1.

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 transactions.<sup>10</sup>

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 transactions as well as information on the deposits and accounts of the credit system contained in the balance sheets of credit institutions.

Since 2002 this heading includes, on the asset side, 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. This estimate has been revised in accordance with that made under the travel heading for 2005 and 2006.

#### 5.2.5.3.4 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.

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<sup>10</sup> 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.

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 or currency (FRAs), currency and interest rate swaps, and other swaps are recorded at the difference between the amounts paid and received. Nonetheless, when these instruments are associated with another transaction, they may be incorrectly recorded under the corresponding heading of the transaction, given the practical difficulties in distinguishing between them.

#### 5.2.5.3.5 Financial account of the Banco de España

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 net claims on the Eurosystem includes the balance of 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, 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.

Note that, despite its generic name "net 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 transactions, i.e. the change in the balances of this account, the sign these transactions 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 or other foreign investment in Spain, depending on whether the end-quarter balance is a credit or debit balance, respectively. Other foreign investment in Spain also includes other assets of the Banco de España (except reserves).

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, can not be considered as reserves. It should be noted that included here is the Banco de España's contribution to the ECB's capital in 1998, and the 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 financial account transactions. 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 is still valid. 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 of this report 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, which commences in December 2002, is available in the Banco de España's Economic Bulletin and at its website.

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 4/2004 of 22 December 2004 establishes the accounting rules to be applied by credit institutions and the formats for the financial statements they must periodically submit to the Banco de España. This Circular came into force on 30 June 2005; previously these rules were contained in Circular 4/1991. These circulars apply and adapt to the credit institutions sector the accounting rules of the Spanish Commercial Code, the Law on public limited companies (Ley de Sociedades Anónimas) and other legal provisions specifically applicable to them. For the direct investment, other investment and financial derivatives 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 twelve of Circular 4/2004, are set out below:

*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 Negotiable Securities Register

This statistic is compiled by the Banco de España from information provided by resident investors carrying out negotiable securities transactions directly via a non-resident financial intermediary and by Iberclear, which provides security-by-security breakdowns of its securities accounts whose holders are non-resident, including those held with other central securities depositories. As required by Circular 2/2001, the amounts are given in nominal terms and 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 re-

ceived 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 September of the same year. The figures obtained from this source include the loans between 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) and other investment (all other loans). The register of loans contains information on balances which is supplemented by information on the transactions relating to each loan. This information is obtained from the general reporting system for receipts and payments in order to obtain the time series of stocks to be included in the IIP.

#### 5 The Spanish balance of payments

This Banco de España statistic has been used to construct the stocks, by accumulation of transactions, 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 (BIS)

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.

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 the 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 all the series on the credit system's assets and liabilities, whose data, except for portfolio investments, 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; the loans extended and received by other resident sectors, which are obtained from the register of such loans; and the Banco de España series.

Accumulation of transactions. 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 transactions, 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 transactions 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 transactions the average market exchange rate as of the date to which the position refers. Also, these accumulated transactions 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. This procedure is used to calculate the direct investment and asset-side deposits of other resident sectors.

### 5.3.3 STRUCTURE AND CONTENT 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 1998, two more detailed tables with quarterly data for 2006 and 2007 and a table for each year, with a breakdown by country and by economic and geographical area, are published. As pointed out above, the estimates for successive quarters and the revisions of the provisional data for previous quarters will be published in Chapter 17 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.

Both Spanish investment abroad and foreign investment in Spain are broken down into their four main categories (direct, portfolio, derivatives and other investment), with disaggregated information for each one (except in the case of derivatives for which it is not available), 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 ON EACH HEADING

#### 5.3.4.1 Direct investment

The headings of the IIP tables coincide with those of the IMF's Balance of Payments Manual.

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 includes shares 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 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 real property including that held on a time-share basis.

Financing to related enterprises includes all types of financing, whatever the instrument or term, extended between companies other than credit institutions. According to the directional principle established in methodological manuals, loans extended by resident parent companies to non-resident subsidiaries and those extended by resident subsidiaries to other non-

resident group companies, but not the parent company, are included on the asset side and financing received by the resident parent company from non-resident subsidiaries is deducted from this amount. Similarly, loans extended by non-resident parent companies to resident subsidiaries and those extended by non-resident subsidiaries to other resident group companies, but not the parent company, are included on the liabilities side and financing extended by resident subsidiaries to their non-resident parent companies is deducted from this amount. This heading also includes the balance of inter-company accounts under assets if the resident company is the parent and otherwise under liabilities.

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

As discussed in the section on changes introduced, this limitation could be remedied in future due to the use of stocks data from the Investment Register of the Ministerio de Industria, Turismo y Comercio.

#### 5.3.4.2 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.

This information is supplemented with data on issues abroad obtained from the following sources: the Official Gazette of the Mercantile Registry and the annual accounts of companies filed there; information obtained directly from the Treasury and the regional governments; official gazettes of the regional governments, in the case of local government and, finally, financial statements reported to Banco de España under Circular 4/2004 in the case of securities issued by MFIs.

#### 5.3.4.3 Other investment, excluding Banco de España

The items under this heading encompass the various investments indicated in the 5th edition of the Manual. As for the separation of loans and deposits, on the liabilities side this depends on the resident institution's sector: deposits are included in the case of MFIs and loans for the other sectors. On the assets side, stocks of resident MFIs held vis-à-vis non-residents, other than credit institutions, are classified as loans, and stocks of resident credit institutions held vis-à-vis non-resident credit institutions and all the stocks relating to other resident sectors (mostly vis-à-vis 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 (including repos) of MFIs were obtained directly from credit institutions' balance sheets, whereas those relating to other resident sectors were obtained from the loans register, to which the balance of the account between general government and the European Union was added. The data on deposits between credit institutions are also 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 transactions to the initial 1993 stock, adjusting those deposits denominated in foreign currency for the exchange rate valuation effect.

The data on loans refer strictly to loans and credits. In other words, they do not include private placements of negotiable securities (which are recorded as portfolio investment) or debt transactions between companies of the same group, other than credit institutions, which is recorded as direct investment applying the directional principle described in Section 5.3.4.1 above.

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

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

#### 5.3.4.4 Financial derivatives

In the 2006 edition of this report the financial derivatives heading was included for the first time in these statistics. The items of this heading include the various derivatives as indicated in the 5th edition of the IMF Manual. However, information is currently only available from December 2006 for the MFI sector (the most important sector) and general government. MFIs' stocks are taken from a new financial statement established in Banco de España Circular 4/2004 which includes financial derivatives and credit derivatives at market prices. The general government's stocks were obtained from information provided by the Treasury.

As discussed in Section 5.2.5.3.4 on financial derivatives in the balance of payments, the classification of derivatives transactions by asset or liability is difficult not only from a practical standpoint, but also conceptually, since certain instruments turn from assets into liabilities depending on the price of the underlying asset. For this reason, financial derivatives are recorded in the balance of payments as the net amount of the change in liabilities less the change in assets and the same procedure is applied in this publication. Nevertheless, in the IIP it was possible to obtain from the above-mentioned sources of information, data on stocks of financial derivatives by assets and by liabilities, which are presented with this breakdown in the related tables. However, due to the characteristics of certain derivatives, in particular, derivatives not traded on organised markets and the difficulty of measuring them in gross terms, the net data are more reliable.

#### 5.3.4.5 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 foreign assets. Their content was explained in Section 5.2.5.3.5 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 5.2.5.3.5 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 THE CHANGE IN THE STOCKS OF THE IIP AND THE BALANCE OF PAYMENTS TRANSACTIONS

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 asset prices during the period. Nonetheless, there are differences between the two statistics 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 investment transactions abroad by Spain's different sectors, assigning them to those which acquire 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.

##### 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

#### 5.4.1 CHANGES IN THE INFORMATION SOURCES AND CALCULATION PROCEDURES

Most noteworthy among the changes introduced, which affect the information system used, is the raising of the compulsory reporting threshold for the content of transactions between residents and non-residents through deposit institutions, which are referred to in section 5.2.1.2. Under the Resolution of 20 December 2007 of the Directorate General of the Treasury and Financial Policy, which came into force on 1 January 2008, the reporting of foreign transactions amounting to EUR 50,000 or less (EUR 12,500 until that date)<sup>11</sup> is not obligatory. This change was the result of EU regulations on cross-border payments, the development of the single payment area for the euro<sup>12</sup> and, finally, the general rise in the amounts of transfers in the market. For the moment, raising the threshold does not affect the data disseminated in this report. However, it has meant significant changes in information systems (as discussed in previous editions). Thus, alternative information sources are available for the headings accounting for a larger number of transactions of an amount lower than the reporting threshold, which are either included directly in the data published (as is the case of travel and certain freight services) or which will be included in the immediate future. These sources are being used until that time as an additional tool to monitor the quality of the estimates made (this is the case, for example, of the results obtained from the new survey on International Trade in Services).

#### 5.4.2 CHANGES IN THE DISSEMINATION OF STATISTICS

In 2007 and early 2008 work has been done on changing the policy of dissemination and revision of balance of payments statistics. As mentioned in the introduction to this chapter, the

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<sup>11</sup> It should be remembered in both cases that the threshold is for simplification purposes. This means that, although information is available for the amount of total transactions, they are not obliged to declare the content for transactions of an amount lower than the threshold established. <sup>12</sup> Specifically, Regulation 2560/2001 of the European Parliament and of the Council of 19 December 2001 and the guidelines of the fifth report on the Single European Payments Area, published on 20 July 2007 by the European Central Bank.



publication of the monthly Spanish balance of payments data has been brought forward 15 days from April 2008 and a more frequent calendar of revisions for published figures has been included. Box 5.1 describes in detail the changes and the reasons behind them.

#### 5.4.3 CHANGES IN THE DESIGN AND IMPLEMENTATION OF NEW INFORMATION SOURCES

In 2007 significant progress was made in integrating the results of the Survey on International Trade in Services (CIS by its Spanish acronym) and information supplied by the Foreign Investment Register in the databases and processes used to compile the balance of payments statistics. Priority was given to implementing the changes required for the automated processing of the results. Consequently, it was possible to perform a more detailed and efficient analysis of the information, thus facilitating a comparison with the data obtained from the balance of payments general information system. This comparison was essential not only for processing and improving the quality of the information communicated to either source, but also for identifying and evaluating some methodological differences. On-line access to information is the main change with respect to the Centralised Securities Database (CSDB). The specific changes to each heading are described in detail below.

##### a) Other services

In addition to the progress mentioned in the previous paragraph with regard to the CIS, other advances have been made which are more of an organisational and technical type and have undoubtedly resulted in the improved quality of the results obtained. In 2007 the CIS survey was included in a specialisation process of data collection units undertaken by the National Statistics Office for conjunctural surveys targeted at companies. This involved a drastic reduction in the number of units involved in the CIS survey<sup>13</sup> and made it possible to provide more specific training to employees performing these tasks. Furthermore, in the last year the National Statistics Office has introduced improvements in the information transmission systems and made available to the declarant firms a new electronic questionnaire which is accessed through its website. Since the information is available for a longer period of time, it has been possible to revise the processing methods used to date, and new techniques have been introduced to ensure that the results are statistically consistent and to assign non-response rates. Lastly, from 2008 onwards, the National Statistics Office and the Banco de España, in view of the response rate obtained to date, decided to eliminate the simplified version of the questionnaire and to send the detailed questionnaire to all sample firms.<sup>14</sup> In recent months progress was also made in studying the appropriate method for the monthly distribution of the survey's quarterly results. Two alternatives were considered: firstly, using ARIMA models based on historical balance of payments information and, secondly, using the trend in foreign transactions, reported to the Banco de España within the general information system, which exceed the new minimum reporting threshold of EUR 50,000.

##### b) Direct investment

The improvements introduced in 2007 to integrate the new sources of information in the balance of payments databases and automated processes are important for data on the stock of direct investment from the Investment Register of the Ministerio de Industria, Turismo y Comercio, due to the volume and detail of this information. In the last year the Ministry has provided information to the Banco de España about Spanish investment abroad reported by approximately 1,800 firms and foreign investment in Spain declared by more than 3,500 firms.

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<sup>13</sup> Until January 2007, information for the survey on International Trade in Services was collected at 52 provincial offices and at the central services of the National Statistics Institute. From that date onwards 10 provincial offices have been involved. <sup>14</sup> In the detailed questionnaire the value of exports and imports is requested with the maximum breakdown by type of service required by international agencies, 51 headings, the individual counterparty country and in the last quarter of the year, the distribution by transaction currency in the annual total of exports and imports. In the simplified version a less detailed breakdown was requested by type of service than above, 10 aggregate headings and the weight in the total exports and imports of the three main counterparty countries.

The Spanish balance of payments is a monthly statistic which, until 2007, has been published two and a half months after the month to which the data refer. Furthermore, additional breakdowns of the services headings have been disseminated quarterly. Likewise, the annual data of various accounts and sub-accounts with more breakdowns have been published in the annual report on the Spanish balance of payments and international investment position.

The monthly base for the preparation of the balance of payments and, indirectly, of its current dissemination calendar, is highly influenced by the information system based on the reporting of individual transactions (essentially foreign receipts and payments), which is being modified at present with the progressive inclusion of surveys and other sources of information.

As a result of the changes in European payment systems and, in particular, the entry into force in January 2008 of the Single Euro Payments Area (SEPA), and at the request of the Governing Council of the European Central Bank and the European Commission, most euro area countries that still use information on foreign receipts and

payments (including Spain) as a data source for preparing the balance of payments raised the minimum threshold for reporting these receipts and payments to EUR 50,000.<sup>1</sup> In Spain, this threshold was increased through the Resolution of 20 December 2007 of the Directorate General of the Treasury and Financial Policy. It came on top of the rise in 2001 establishing a threshold of EUR 12,500, and reduces even further the usefulness of the receipts and payments data for preparing the balance of payments, especially for headings in which most transactions were for amounts lower than the above-mentioned threshold (the bulk of services and income, and workers' remittances, among them).

Therefore, from January 2008, in view of the rise in the reporting threshold, different sources of information and calculation methods, which complement or replace foreign receipts and payments data,

1. It should be remembered that in the case of Spain the threshold is for simplification purposes and, consequently, although information is available for the amount of total transactions, institutions are not obliged to report the content for transactions amounting to less than the threshold established.

#### COMPARISON OF THE NEW PUBLICATION AND REVISION CALENDAR FOR THE BALANCE OF PAYMENTS AND THE CALENDARS FOR THE INTERNATIONAL INVESTMENT POSITION, FINANCIAL ACCOUNTS OF THE SPANISH ECONOMY AND NATIONAL ACCOUNTS

DATA REFERRING TO THE PERIOD (a)						
	Balance of Payments Monthly Data	Balance of Payments Quarterly Data	International Investment Position	Financial Accounts of the Spanish Economy	Quarterly National Accounts (INE)	Quarterly Non-financial Accounts of the Institutional Sectors (INE)
April 2008	FEB 2008 <i>JAN 2006 - DEC 2007</i>			2007 Q4 <i>2005 Q4 - 2007 Q3</i>		2007 Q4 <i>2007 Q1 - 2007 Q3</i>
May 2008	MAR 2008				2008 Q1	
June 2008	APRIL 2008 <i>OCT 2007 - MAR 2008</i>	2008 Q1 <i>2007 Q4</i>	2008 Q1 <i>2005 Q1 - 2007 Q4</i>	2004 Q1 - 2007 Q4		
July 2008	MAY 2008			2008 Q1 <i>2006 Q1 - 2007 Q4</i>		2008 Q1
August 2008	JUNE 2008				2008 Q2 <i>2005 Q1 - 2008 Q1</i>	
September 2008	JULY 2008 <i>JAN - JUNE 2008</i>	2008 Q2 <i>2008 Q1</i>	2008 Q2 <i>2006 Q1 - 2008 Q1</i>			
October 2008	AUG 2008			2008 Q2 <i>2006 Q2 - 2008 Q1</i>		2008 Q2 <i>2005 Q1 - 2008 Q1</i>
November 2008	SEPT 2008				2008 Q3 <i>2008 Q1 - 2008 Q2</i>	
December 2008	OCT 2008 <i>APRIL - SEPT 2008</i>	2008 Q3 <i>2008 Q2</i>	2008 Q3 <i>2006 Q1 - 2008 Q2</i>			2008 Q3 <i>2008 Q1 - 2008 Q2</i>
January 2009	NOV 2008			2008 Q3 <i>2006 Q3 - 2008 Q2</i>		
February 2009	DEC 2008				2008 Q4 <i>2008 Q1 - 2008 Q3</i>	
March 2009	JAN 2009 <i>JAN 2007 - DEC 2008</i>	2008 Q4 <i>2007 Q1 - 2008 Q3</i>	2008 Q4 <i>2006 Q1 - 2008 Q3</i>			2008 Q4 <i>2008 Q1 - 2008 Q3</i>
April 2009	FEB 2009			2008 Q4 <i>2006 Q4 - 2008 Q3</i>		

a. The data disseminated for the first time are presented in normal print and the usual revisions of previous periods are in italics. In exceptional cases longer periods can be revised.

are used to prepare the balance of payments data to a greater extent than in the past. The periodicity of the vast majority of these alternative sources and methods is lower and, consequently, in the absence of data that provide foreign receipts and payments, it is not possible to prepare monthly data for certain balance of payments headings.

The revisions policy followed to date was also conditioned by the same reason, since the information gathered on foreign receipts and payments gave rise to revisions of a relatively small magnitude. The changes in the information system, as mentioned, entail the inclusion of new sources, most of which are not monthly; consequently, the monthly estimates of data obtained from these sources may be expected to be less reliable and need to be revised more frequently. In short, the loss of the relative importance of foreign receipts and payments in the information system warrants a change in the balance of payments dissemination and revision policy to adapt it to the new situation.

From the standpoint of international agencies' requirements, the compilation and dissemination of monthly balances of payments has not been established as mandatory, generally, by the IMF. In the European arena, Eurostat only lays down quarterly reporting requirements for EU Member States, while the European Central Bank uses the euro area's balance of payments to evaluate the area's economic and financial position and to decide on the direction of its monetary policy. To this end, it compiles monthly data (in addition to quarterly and annual data) of the euro area members to prepare the balance of payments and international investment position of the euro area as a whole. Therefore, there is a monthly demand, at least for certain accounts, for the balance of payments which euro area members must provide to the ECB. However, not all euro area members disseminate monthly balances of payments. This is the case, for example, of Belgium, the Netherlands, Luxembourg and Ireland and, among EU members, the United Kingdom, Sweden, Cyprus and Hungary.<sup>2</sup> In most instances, the dissemination of a monthly balance of payments was discontinued as the compilation systems based on foreign receipts and payments information were replaced, as in the case of Spain, by combined systems or systems based exclusively on sur-

2. While not an exhaustive list but one merely for illustrative purposes, outside Europe the United States, Canada, Switzerland, Hong Kong and practically all Latin American countries do not disseminate monthly balances of payments.

veys, and the cost of obtaining them monthly rose at the same time as their reliability fell.

The balance of payments is a source of information for the international investment position, the financial accounts and the Spanish national accounts, which are compiled and disseminated quarterly. Thus, coordinating the dissemination and revision calendars is essential to ensure consistency between these statistics. The balance of payments dissemination and revision calendars were not fully consistent with those of other macroeconomic statistics and, therefore, it was advisable to revise them.

For the above-mentioned reasons, in April 2008 the balance of payments dissemination and revision policy was changed with the result that the balance of payments monthly data will be disseminated two months after the end of the period to which they refer and the quarterly data will be disseminated three months after the quarter to which they refer.<sup>3</sup> The monthly data will follow the standard IMF presentation and will show the major headings of the current and capital accounts and a certain level of detail for the financial account. The quarterly data will retain the level of detail of the data published monthly to date.<sup>4</sup> At the same time, the frequency with which the data are revised will increase, replacing the current practice of only one annual revision at the close of each year with quarterly and annual revisions. Hence, when the data for each new quarter are published, the data of the immediately preceding quarter will be revised, as will the monthly data. Furthermore, with the publication of the data for the fourth quarter, the monthly and quarterly series of the last two years will be revised.

A table with the various publication and revision calendars of the balance of payments, the international investment position, the financial accounts of the Spanish economy, the non-financial accounts of institutional sectors and Spanish national accounts accompanies this Box.

3. The detailed dissemination calendar of the balance of payments data is available on the Banco de España website ([http://www.bde.es/bpagos/SDDS\\_2008.pdf](http://www.bde.es/bpagos/SDDS_2008.pdf)). 4. The details of the indicators to be disseminated monthly and quarterly are available in the changes introduced in the April 2008 edition of the *Boletín Estadístico* of the Banco de España (<http://www.bde.es/infoest/htmls/novebe.htm>).

As for the detail of these data, approximately 15 variables are considered in each case. These variables provide accounting information not only on the firms directly related to the declarants but also on other group companies. The Register provides coverage of two levels of participation for Spanish investment abroad and three levels of participation for foreign investment in Spain.<sup>15</sup> As a result of greater efficiency in analysing this information, it has been possible, for

15. In both cases (Spanish investment abroad and foreign investment in Spain) the new source provides coverage of more than 10,000 firms.

**MAIN METHODOLOGICAL AND PRESENTATIONAL MODIFICATIONS INTRODUCED IN THE BALANCE OF PAYMENTS AND THE INTERNATIONAL INVESTMENT POSITION SINCE 2000**

TABLE 5.1

Year	Change	Remarks
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 Industry, Tourism and Trade, 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.

Year	Change	Remarks
2005	Gross treatment of the heading compensation of employees, incorporating the net payments by non-resident (resident) employers to resident (non-resident) employees, the amounts relating to taxes and social contributions.	The required information for treatment in gross terms of the heading was obtained from the estimates made by the INE for the National Accounts. This enabled the differences between the balance of payments and the rest of the world account to be eliminated. Data revised from 1995.
	Estimation of portfolio investment income by the accrual principle. Until 2005, this principle was only used to record income in the case of investment income paid to non-residents arising from interest on peseta- or euro-denominated bonds issued by general government.	The procedure used to calculate income under the accrual principle takes into account the IIP data on the stock of portfolio investment, which include disaggregated security-by-security information and the most representative interest rates. The change affects data for 2005 and subsequent years.
	Application of the accrual principle to the recording of funds transferred by the European Commission to Spain under the guarantee section of the European Agricultural Guarantee and Guidance Fund. These funds are included under the heading other current private transfers and, until 2005, were recorded when the European Commission paid them to the Spanish government.	This treatment was changed in co-ordination with that introduced by the INE into the Spanish National Accounts. This new criterion is applied retroactively to 1995.
	Revision of the procedure for estimating payments under the heading workers' remittances.	The new method includes information on outward transfers issued from Spain via currency-exchange bureaux. Data revised from 2001.
2006	Revision of the procedure for estimating travel receipts.	Travel receipts were estimated using a factorial econometric model which includes information from EGATUR (Tourism Expenditure Survey) and supply and demand indicators (passengers on international flights, prices and overnight stays, among others) and other supplementary information (including that from the general information system for receipts and payments). Applied to data from 2005.
	Inclusion of the data on financial derivatives stocks in the IPP.	For the first time data from December 2006 for the MFI and the general government sectors were included.
	Change in the information source for repairs in the goods balance.	Customs data no longer includes repairs for intra-EU data from 2005 and for extra-EU data from 2006 and, consequently, an adjustment is made to calculate the goods balance which adds to this source the repairs obtained from the general system for receipts and payments.

the moment, to achieve improvements in the quality control of the data published. Accordingly, as mentioned in section 5.2.2.2., in 2008 the estimates of reinvested earning for the 2006 and 2007 data were adjusted, taking into account the accounting information provided by the Register on resident and non-resident firms. Also, with a view to including the new source for the production of data on shares and other equity, the changes introduced in the last year are also essential for evaluating the differences between the methods used to date and those envisaged in Guideline ECB/2004/15 and Regulation EC (No) 184/2005 of the European Parliament and of the Council on the sending of data to the European Central Bank and to Eurostat, respectively. As explained in section 5.3.4.1, these stocks are currently estimated by combining the accumulation of transactions for the other resident sectors sector with accounting information for monetary financial institutions, while under the above-mentioned requirements financial statements must be used in all cases. Lastly, it should be pointed out that the full adaptation of the new annual source to the calendar and methodology envisaged for IPP data requires quarterly estimates and this is the overriding priority of the work in progress.

c) Portfolio investment

With regard to portfolio investment, progress was made with work relating to the integration of the ECB's Centralised Securities Database<sup>16</sup> in 2007 and early 2008 in relation to the ration-

<sup>16</sup> More detailed information about the whole project is presented in the 2004 and 2005 reports.

alisation of quality control tasks which must be performed by the national central banks (NCBs) participating in the Project.<sup>17</sup> Thus, it was considered important to broach the definition of automated processes to detect and assign anomalous or non-existent values<sup>18</sup> and to follow-up the information provided by commercial suppliers, as prior tasks to the direct involvement of the NCBs. However, undoubtedly, the major new development in the new database's quality control processes is on-line access to the system as a result of which the NCB will perform quality control tasks more effectively. Access to the database was staggered: five NCBs<sup>19</sup> connected to the database in December 2007, in order to identify possible shortfalls and improvements, and the remaining NCBs connected to the database later in March 2008. Lastly, it should be pointed out that in recent months the CSDB has gained importance as a reference source for purposes other than the compilation of balance of payments and IIP statistics. Accordingly, a project in which the BIS, IMF and ECB participate has been revived, the purpose of which is to draft a good practices manual for designing a global, security-by-security database. This project is part of the G8 action plan for the development of local debt markets in emerging market economies and developing countries.

#### 5.4.4 NEW DEVELOPMENTS IN THE REVISION OF THE INTERNATIONAL MONETARY FUND'S BALANCE OF PAYMENTS MANUAL

2007 and early 2008 saw the continuation of the revision of the Balance of Payments Manual detailed in Box 5.1 of the previous edition of this report. In March 2008, the IMF's Statistics Department published a second draft including the changes proposed to the first version of March 2007 by approximately sixty institutions. The aim of most of the changes accepted is to clarify the content of the previous version, especially as refers the processing of transactions which must be recorded under the direct investment and reserves headings.<sup>20</sup> There are fewer changes representing a revision of previously agreed upon concepts and classifications. In order to facilitate interpretation of the Manual, unlike the previous draft, the new draft includes numerous practical examples and explanatory tables. Furthermore, new appendices have been included for the in-depth analysis of certain issues such as the activity of multinational enterprises, remittances and the consistency between balance of payments and national account statistics. The changes between the sixth and fifth editions of the Manual have also been included in a new appendix. The electronic version of the sixth edition of the Balance of Payments Manual will be published at the end of 2008 and the print version will foreseeably be available during 2009.

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**17.** The participating NCBs are responsible for ensuring the quality of information on the securities issued by their residents, while the ECB ensures the quality in the case of non-EU issues. **18.** Taking into account the results of the latest quality report prepared in June 2007 by the European Central Bank's Statistics Department, special attention was paid to the coverage and accuracy of the information on prices and accrued income. **19.** The Pioneer Group in which Germany, Austria, Finland, the Netherlands and Italy participated. **20.** Noteworthy is the introduction in the new draft of detailed explanations for the recording in the balance of payments and IIP of transactions/positions arising between firms that are both direct investees of the same investor and do not have a direct ownership interest, of 10% or more, in each other.

6 STATISTICAL TABLES OF THE BALANCE OF PAYMENTS

## 6.1 THE SPANISH BALANCE OF PAYMENTS IN 2007



## BALANCE OF PAYMENTS IN 2006 AND 2007: MAIN COMPONENTS

TABLE 6.1.1

## Annual data

EUR m	2006			2007		
	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET
<b>CURRENT ACCOUNT</b>	322,078.2	409,793.5	-87,715.3	352,821.0	458,659.2	-105,838.1
Trade balance	175,882.7	259,154.3	-83,271.6	187,193.9	276,999.5	-89,805.6
Services	84,731.9	62,396.8	22,335.1	94,091.1	71,962.5	22,128.6
<i>Travel</i>	40,715.0	13,265.7	27,449.3	42,170.5	14,360.4	27,810.1
<i>Other services</i>	44,016.9	49,131.2	-5,114.2	51,920.6	57,602.1	-5,681.5
Income	44,381.7	64,962.7	-20,581.0	52,686.0	84,120.7	-31,434.7
<i>Labour</i>	1,204.0	1,485.8	-281.8	1,421.5	1,728.1	-306.6
<i>Investment</i>	43,177.7	63,476.9	-20,299.2	51,264.5	82,392.6	-31,128.1
Current transfers	17,081.9	23,279.7	-6,197.8	18,850.0	25,576.5	-6,726.5
<b>CAPITAL ACCOUNT</b>	7,645.9	1,449.6	6,196.3	6,395.8	1,904.0	4,491.8
<b>CURRENT AND CAPITAL ACCOUNTS</b>	<b>329,724.1</b>	<b>411,243.1</b>	<b>-81,519.0</b>	<b>359,216.8</b>	<b>460,563.2</b>	<b>-101,346.4</b>
	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)
<b>FINANCIAL ACCOUNT (a)</b>	—	—	<b>83,276.1</b>	—	—	<b>98,091.4</b>
EXCLUDING BANCO DE ESPAÑA	—	—	109,076.3	—	—	83,769.3
Foreign direct investment	—	—	-58,479.1	—	—	-48,382.9
<i>Spanish investment abroad</i>	—	79,913.0	-79,913.0	—	87,388.2	-87,388.2
<i>Foreign investment in Spain</i>	21,433.8	—	21,433.8	39,005.3	—	39,005.3
Portfolio investment	—	—	200,029.9	—	—	104,360.3
<i>Spanish investment abroad</i>	—	-4,092.3	4,092.3	—	-8,586.0	8,586.0
<i>Foreign investment in Spain</i>	195,937.6	—	195,937.6	95,774.3	—	95,774.3
Other investment (b)	—	—	-34,393.3	—	—	34,623.9
<i>Spanish investment abroad</i>	—	68,601.3	-68,601.3	—	58,910.8	-58,910.8
— Monetary financial institutions	—	58,726.5	-58,726.5	—	51,107.1	-51,107.1
— General government	—	—	31.5	—	1,483.6	-1,483.6
— Other resident sectors	—	9,906.3	-9,906.3	—	6,320.1	-6,320.1
<i>Foreign investment in Spain</i>	34,208.0	—	34,208.0	93,534.7	—	93,534.7
— Monetary financial institutions	4,031.5	—	4,031.5	74,856.9	—	74,856.9
— General government	1,039.7	—	1,039.7	374.8	—	374.8
— Other resident sectors	29,136.8	—	29,136.8	18,303.1	—	18,303.1
Financial derivatives	—	—	1,918.8	—	—	-6,832.0
<b>BANCO DE ESPAÑA</b>	—	—	-25,800.1	—	—	14,322.1
Reserves	—	—	-480.4	—	—	-164.2
Net claims on the Eurosystem	—	—	-12,327.0	—	—	28,329.0
Other net assets	—	—	-12,992.7	—	—	-13,842.7
<b>ERRORS AND OMISSIONS</b>	—	—	<b>-1,757.2</b>	—	—	<b>3,255.0</b>

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 net 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 m

	2007	2007			
		Q1	Q2	Q3	Q4
<b>CREDITS</b>					
CURRENT ACCOUNT	352,821.0	82,423.5	89,202.1	87,170.6	94,024.8
Trade balance	187,193.9	46,673.1	48,015.4	43,683.9	48,821.5
Services	94,091.1	19,492.1	22,493.9	28,884.7	23,220.5
<i>Travel</i>	42,170.5	7,794.4	10,149.4	15,004.1	9,222.7
<i>Other services</i>	51,920.6	11,697.7	12,344.5	13,880.6	13,997.8
Income	52,686.0	11,735.0	15,106.7	11,201.3	14,643.0
<i>Labour</i>	1,421.5	364.2	349.0	334.5	373.7
<i>Investment</i>	51,264.5	11,370.7	14,757.7	10,866.8	14,269.3
Current transfers	18,850.0	4,523.3	3,586.2	3,400.7	7,339.8
CAPITAL ACCOUNT	6,395.8	1,847.1	942.7	965.5	2,640.3
CURRENT AND CAPITAL ACCOUNTS	359,216.8	84,270.7	90,144.8	88,136.1	96,665.2
<b>DEBITS</b>					
CURRENT ACCOUNT	458,659.2	109,060.2	113,566.3	113,179.3	122,853.5
Trade balance	276,999.5	66,495.3	69,659.8	66,291.4	74,553.0
Services	71,962.5	16,458.7	17,114.1	19,069.1	19,320.6
<i>Travel</i>	14,360.4	3,153.8	3,212.2	4,339.3	3,655.0
<i>Other services</i>	57,602.1	13,304.8	13,901.9	14,729.7	15,665.6
Income	84,120.7	18,892.8	21,539.9	21,537.0	22,151.0
<i>Labour</i>	1,728.1	438.9	445.2	417.1	426.9
<i>Investment</i>	82,392.6	18,453.8	21,094.7	21,119.9	21,724.1
Current transfers	25,576.5	7,213.5	5,252.4	6,281.8	6,828.8
CAPITAL ACCOUNT	1,904.0	742.6	326.5	459.3	375.6
CURRENT AND CAPITAL ACCOUNTS	460,563.2	109,802.8	113,892.8	113,638.5	123,229.0
<b>BALANCES</b>					
CURRENT ACCOUNT	-105,838.1	-26,636.7	-24,364.2	-26,008.7	-28,828.6
Trade balance	-89,805.6	-19,822.1	-21,644.5	-22,607.5	-25,731.5
Services	22,128.6	3,033.4	5,379.7	9,815.6	3,899.8
<i>Travel</i>	27,810.1	4,640.6	6,937.1	10,664.7	5,567.7
<i>Other services</i>	-5,681.5	-1,607.2	-1,557.4	-849.1	-1,667.9
Income	-31,434.7	-7,157.8	-6,433.2	-10,335.7	-7,508.0
<i>Labour</i>	-306.6	-74.7	-96.2	-82.6	-53.2
<i>Investment</i>	-31,128.1	-7,083.1	-6,337.0	-10,253.1	-7,454.8
Current transfers	-6,726.5	-2,690.2	-1,666.2	-2,881.1	511.0
CAPITAL ACCOUNT	4,491.8	1,104.5	616.2	506.2	2,264.8
CURRENT AND CAPITAL ACCOUNTS	-101,346.4	-25,532.2	-23,747.9	-25,502.4	-26,563.8
<b>FINANCIAL ACCOUNT (NCL-NCA) (a)</b>	<b>98,091.4</b>	<b>23,650.7</b>	<b>23,072.7</b>	<b>28,075.6</b>	<b>23,292.4</b>
EXCLUDING BANCO DE ESPAÑA (NCL-NCA)	83,769.3	29,459.0	36,657.6	5,467.8	12,184.9
Spanish investment abroad (NCA)	137,713.0	52,423.6	40,109.5	26,588.1	18,591.8
<i>Foreign direct investment</i>	87,388.2	7,884.3	29,130.0	14,868.5	35,505.4
<i>Portfolio investment</i>	-8,586.0	10,401.5	6,648.1	-14,009.8	-11,625.7
<i>Other investment (b)</i>	58,910.8	34,137.9	4,331.4	25,729.4	-5,287.9
— Monetary financial institutions	51,107.1	35,379.2	641.9	21,986.7	-6,900.7
— General government	1,483.6	-1,714.8	47.0	-358.2	3,509.7
— Other resident sectors	6,320.1	473.5	3,642.5	4,101.0	-1,896.9
Foreign investment in Spain (NCL)	228,314.3	81,471.7	76,661.5	35,238.9	34,942.2
<i>Foreign direct investment</i>	39,005.3	-653.4	9,852.2	1,876.9	27,929.6
<i>Portfolio investment</i>	95,774.3	63,065.6	49,970.6	6,671.1	-23,932.9
<i>Other investment (b)</i>	93,534.7	19,059.5	16,838.7	26,691.0	30,945.5
— Monetary financial institutions	74,856.9	18,122.4	9,059.7	18,659.8	29,014.9
— General government	374.8	-678.6	487.8	668.9	-103.3
— Other resident sectors	18,303.1	1,615.6	7,291.2	7,362.3	2,033.9
Financial derivatives (NCL-NCA)	-6,832.0	411.0	105.6	-3,183.1	-4,165.5
BANCO DE ESPAÑA (NCL-NCA)	14,322.1	-5,808.3	-13,584.8	22,607.8	11,107.5
Reserves	-164.2	43.3	-354.5	294.5	-147.5
Net claims on the Eurosystem	28,329.0	-2,469.0	-8,870.0	25,951.0	13,717.0
Other net assets	-13,842.7	-3,382.6	-4,360.4	-3,637.7	-2,462.0
<b>ERRORS AND OMISSIONS</b>	<b>3,255.0</b>	<b>1,881.5</b>	<b>675.2</b>	<b>-2,573.1</b>	<b>3,271.4</b>

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 net 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 m

	2007	2007			
		Q1	Q2	Q3	Q4
<b>CREDITS</b>	<b>94,091.1</b>	<b>19,492.1</b>	<b>22,493.9</b>	<b>28,884.7</b>	<b>23,220.5</b>
TRAVEL	42,170.5	7,794.4	10,149.4	15,004.1	9,222.7
TRANSPORTATION	15,633.5	3,534.7	4,013.5	4,052.0	4,033.3
Freight	5,733.8	1,397.5	1,458.0	1,354.0	1,524.3
Passenger transport	5,286.7	1,172.8	1,399.5	1,398.3	1,316.1
<i>Air transport</i>	<i>5,047.9</i>	<i>1,123.6</i>	<i>1,344.9</i>	<i>1,330.6</i>	<i>1,248.8</i>
<i>Overland and other transport</i>	<i>44.7</i>	<i>11.0</i>	<i>9.4</i>	<i>12.6</i>	<i>11.7</i>
<i>Sea transport</i>	<i>194.1</i>	<i>38.2</i>	<i>45.3</i>	<i>55.1</i>	<i>55.6</i>
Other (a)	4,613.0	964.3	1,156.0	1,299.8	1,192.9
COMMUNICATION SERVICES	1,242.9	257.2	266.1	336.2	383.3
CONSTRUCTION SERVICES	3,025.3	475.0	525.8	611.1	1,413.4
INSURANCE SERVICES	1,176.5	227.1	266.3	347.2	336.0
FINANCIAL SERVICES	4,318.4	901.2	1,017.7	1,308.9	1,090.6
COMPUTER AND INFORMATION SERVICES	3,862.7	1,094.3	675.7	1,133.7	959.0
OTHER BUSINESS SERVICES	20,360.1	4,707.7	5,015.9	5,463.1	5,173.5
Merchanting (b)	1,354.9	274.3	273.0	671.9	135.7
Operational leasing (c)	854.7	116.6	203.8	210.5	323.8
Miscellaneous business, professional and technical	18,150.6	4,316.9	4,539.0	4,580.7	4,714.0
PERSONAL, CULTURAL AND RECREATIONAL SERVICES	1,211.5	251.0	299.3	378.5	282.8
Audiovisual	524.1	119.5	150.4	146.1	108.1
Other cultural and recreational services	687.4	131.5	148.9	232.4	174.7
GOVERNMENT SERVICES	700.4	155.1	174.0	177.0	194.3
ROYALTIES AND LICENCE FEES	389.2	94.4	90.3	73.0	131.5
<b>DEBITS</b>	<b>71,962.5</b>	<b>16,458.7</b>	<b>17,114.1</b>	<b>19,069.1</b>	<b>19,320.6</b>
TRAVEL	14,360.4	3,153.8	3,212.2	4,339.3	3,655.0
TRANSPORTATION	17,938.0	4,058.2	4,488.6	4,645.3	4,746.0
Freight	11,618.1	2,784.2	2,886.7	2,815.6	3,131.5
Passenger transport	3,242.8	627.1	840.4	972.6	802.6
<i>Air transport</i>	<i>3,133.1</i>	<i>606.7</i>	<i>821.0</i>	<i>934.0</i>	<i>771.4</i>
<i>Overland and other transport</i>	<i>28.5</i>	<i>3.9</i>	<i>8.8</i>	<i>10.4</i>	<i>5.4</i>
<i>Sea transport</i>	<i>81.1</i>	<i>16.5</i>	<i>10.7</i>	<i>28.2</i>	<i>25.7</i>
Other (a)	3,077.2	646.8	761.4	857.0	811.8
COMMUNICATION SERVICES	2,195.1	509.8	525.8	546.2	613.2
CONSTRUCTION SERVICES	1,317.1	285.6	341.2	324.1	366.2
INSURANCE SERVICES	1,940.3	396.6	491.6	553.5	498.5
FINANCIAL SERVICES	3,860.1	862.8	897.1	1,189.2	911.0
COMPUTER AND INFORMATION SERVICES	1,886.9	467.9	437.2	443.6	538.2
OTHER BUSINESS SERVICES	23,963.2	5,718.3	5,661.6	5,808.7	6,774.6
Merchanting (b)	1,578.3	395.7	381.6	346.0	455.0
Operational leasing (c)	1,367.3	361.8	251.3	451.8	302.3
Miscellaneous business, professional and technical	21,017.6	4,960.7	5,028.6	5,011.0	6,017.3
PERSONAL, CULTURAL AND RECREATIONAL SERVICES	1,763.6	430.6	416.1	522.3	394.6
Audiovisual	1,011.7	276.1	258.3	246.4	230.9
Other cultural and recreational services	751.9	154.5	157.8	275.9	163.7
GOVERNMENT SERVICES	342.2	82.0	100.5	74.7	85.1
ROYALTIES AND LICENCE FEES	2,395.5	493.0	542.2	622.2	738.2

SOURCE: Banco de España.

a. Includes transport support and auxiliary services.

b. Includes other trade-related services.

c. Includes rental of transportation without crew.

## BALANCE OF SERVICES BY COMPONENT (cont'd)

TABLE 6.1.3

EUR m	2007	2007			
		Q1	Q2	Q3	Q4
<b>BALANCE</b>	<b>22,128.6</b>	<b>3,033.4</b>	<b>5,379.7</b>	<b>9,815.6</b>	<b>3,899.8</b>
TRAVEL	27,810.1	4,640.6	6,937.1	10,664.7	5,567.7
TRANSPORTATION	-2,304.5	-523.5	-475.1	-593.2	-712.7
Freight	-5,884.3	-1,386.7	-1,428.7	-1,461.6	-1,607.2
Passenger transport	2,044.0	545.7	559.1	425.6	513.5
<i>Air transport</i>	<i>1,914.8</i>	<i>516.9</i>	<i>523.9</i>	<i>396.6</i>	<i>477.4</i>
<i>Overland and other transport</i>	<i>16.1</i>	<i>7.1</i>	<i>0.6</i>	<i>2.2</i>	<i>6.3</i>
<i>Sea transport</i>	<i>113.0</i>	<i>21.7</i>	<i>34.6</i>	<i>26.9</i>	<i>29.9</i>
Other (a)	1,535.8	317.5	394.5	442.8	381.0
COMMUNICATION SERVICES	-952.2	-252.6	-259.6	-210.0	-229.9
CONSTRUCTION SERVICES	1,708.2	189.4	184.7	287.0	1,047.2
INSURANCE SERVICES	-763.8	-169.6	-225.4	-206.4	-162.5
FINANCIAL SERVICES	458.3	38.4	120.5	119.7	179.6
COMPUTER AND INFORMATION SERVICES	1,975.7	626.4	238.4	690.1	420.8
OTHER BUSINESS SERVICES	-3,603.1	-1,010.6	-645.7	-345.6	-1,601.1
Merchandising (b)	-223.5	-121.5	-108.6	325.9	-319.3
Operational leasing (c)	-512.6	-245.3	-47.5	-241.3	21.5
Miscellaneous business, professional and technical	-2,867.1	-643.9	-489.6	-430.3	-1,303.3
PERSONAL, CULTURAL AND RECREATIONAL SERVICES	-552.0	-179.6	-116.8	-143.8	-111.8
Audiovisual	-487.5	-156.6	-107.9	-100.3	-122.7
Other cultural and recreational services	-64.5	-23.0	-8.9	-43.5	10.9
GOVERNMENT SERVICES	358.2	73.1	73.5	102.3	109.2
ROYALTIES AND LICENCE FEES	-2,006.3	-398.6	-451.8	-549.2	-606.6

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 m	2007	2007			
		Q1	Q2	Q3	Q4
<b>CREDITS</b>	<b>51,264.5</b>	<b>11,370.7</b>	<b>14,757.7</b>	<b>10,866.8</b>	<b>14,269.3</b>
MONETARY FINANCIAL INSTITUTIONS	19,990.8	4,790.5	5,637.5	4,410.2	5,152.6
GENERAL GOVERNMENT	681.2	146.1	174.9	176.3	184.0
OTHER RESIDENT SECTORS	30,592.4	6,434.1	8,945.3	6,280.4	8,932.6
<b>DEBITS</b>	<b>82,392.6</b>	<b>18,453.8</b>	<b>21,094.7</b>	<b>21,119.9</b>	<b>21,724.1</b>
MONETARY FINANCIAL INSTITUTIONS	32,060.1	7,439.0	7,588.4	8,416.5	8,616.3
GENERAL GOVERNMENT	9,015.0	2,206.3	2,217.7	2,295.4	2,295.6
OTHER RESIDENT SECTORS	41,317.5	8,808.6	11,288.6	10,408.0	10,812.2
<b>BALANCE</b>	<b>-31,128.1</b>	<b>-7,083.1</b>	<b>-6,337.0</b>	<b>-10,253.1</b>	<b>-7,454.8</b>
MONETARY FINANCIAL INSTITUTIONS	-12,069.3	-2,648.5	-1,950.9	-4,006.3	-3,463.6
GENERAL GOVERNMENT	-8,333.7	-2,060.2	-2,042.8	-2,119.1	-2,111.6
OTHER RESIDENT SECTORS	-10,725.0	-2,374.4	-2,343.3	-4,127.7	-1,879.6

SOURCE: Banco de España.

## INVESTMENT INCOME BY INSTRUMENT

TABLE 6.1.5

	EUR m				
	2007	2007			
		Q1	Q2	Q3	Q4
<b>CREDITS</b>	<b>51,264.5</b>	<b>11,370.7</b>	<b>14,757.7</b>	<b>10,866.8</b>	<b>14,269.3</b>
FOREIGN DIRECT INVESTMENT INCOME	23,804.8	4,473.2	7,952.0	4,196.5	7,183.1
PORTFOLIO INVESTMENT INCOME	14,698.3	3,905.1	3,844.9	3,447.4	3,500.9
Distributed dividends	2,111.6	321.5	913.3	442.5	434.2
Other portfolio investment	12,586.7	3,583.6	2,931.5	3,004.9	3,066.7
OTHER INVESTMENT INCOME	12,761.4	2,992.4	2,960.8	3,222.9	3,585.3
<b>DEBITS</b>	<b>82,392.6</b>	<b>18,453.8</b>	<b>21,094.7</b>	<b>21,119.9</b>	<b>21,724.1</b>
FOREIGN DIRECT INVESTMENT INCOME (a)	19,898.8	4,179.0	5,907.9	4,775.7	5,036.2
PORTFOLIO INVESTMENT INCOME (b)	38,650.6	8,632.5	9,861.8	10,258.0	9,898.3
Distributed dividends (b)	6,941.7	1,319.5	1,945.8	2,018.0	1,658.3
Other negotiable securities investment	31,708.9	7,313.0	7,916.0	8,240.0	8,240.0
OTHER INVESTMENT INCOME	23,843.2	5,642.3	5,325.0	6,086.3	6,789.6

SOURCE: Banco de España.

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

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

## CURRENT TRANSFERS BY SECTOR

TABLE 6.1.6

	EUR m				
	2007	2007			
		Q1	Q2	Q3	Q4
<b>CREDITS</b>	<b>18,850.0</b>	<b>4,523.3</b>	<b>3,586.2</b>	<b>3,400.7</b>	<b>7,339.8</b>
GENERAL GOVERNMENT	3,622.6	1,236.2	373.1	817.9	1,195.3
Of which: with the EU	1,744.4	599.6	133.6	435.4	575.7
OTHER SECTORS	15,227.5	3,287.1	3,213.0	2,582.8	6,144.5
Workers' remittances	5,304.7	1,211.1	1,303.4	1,462.3	1,327.9
Other transfers	9,922.8	2,076.0	1,909.6	1,120.6	4,816.6
Of which: with the EU	6,333.4	1,105.9	1,178.3	265.3	3,783.9
<b>DEBITS</b>	<b>25,576.5</b>	<b>7,213.5</b>	<b>5,252.4</b>	<b>6,281.8</b>	<b>6,828.8</b>
GENERAL GOVERNMENT	12,341.0	3,943.0	2,164.2	2,954.3	3,279.6
Of which: with the EU	10,314.1	3,345.2	1,728.4	2,546.0	2,694.5
OTHER SECTORS	13,235.5	3,270.5	3,088.2	3,327.5	3,549.3
Workers' remittances	8,130.4	1,923.1	1,914.8	2,100.2	2,192.4
Other transfers	5,105.0	1,347.4	1,173.5	1,227.3	1,356.9
<b>BALANCE</b>	<b>-6,726.5</b>	<b>-2,690.2</b>	<b>-1,666.2</b>	<b>-2,881.1</b>	<b>511.0</b>
GENERAL GOVERNMENT	-8,718.5	-2,706.8	-1,791.0	-2,136.4	-2,084.2
Of which: with the EU	-8,569.7	-2,745.6	-1,594.8	-2,110.5	-2,118.8
OTHER SECTORS	1,992.0	16.6	124.8	-744.6	2,595.3
Workers' remittances	-2,825.7	-712.0	-611.4	-637.9	-864.5
Other transfers	4,817.7	728.6	736.2	-106.7	3,459.7
Of which: with the EU	6,333.4	1,105.9	1,178.3	265.3	3,783.9

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

## CAPITAL ACCOUNT

TABLE 6.1.7

EUR m	2007	2007			
		Q1	Q2	Q3	Q4
<b>CREDITS</b>	<b>6,395.8</b>	<b>1,847.1</b>	<b>942.7</b>	<b>965.5</b>	<b>2,640.3</b>
CAPITAL TRANSFERS	6,247.4	1,827.9	910.2	896.5	2,612.8
General government	4,947.3	1,506.9	580.6	538.6	2,321.1
<i>Of which: with the EU</i>	4,597.5	1,469.3	537.4	512.1	2,078.7
Other sectors	1,300.2	321.0	329.5	357.9	291.7
DISPOSAL OF NON-PRODUCED INTANGIBLE ASSETS	148.4	19.2	32.6	69.1	27.5
<b>DEBITS</b>	<b>1,904.0</b>	<b>742.6</b>	<b>326.5</b>	<b>459.3</b>	<b>375.6</b>
CAPITAL TRANSFERS	1,209.1	589.5	175.5	249.4	194.8
General government	96.0	24.1	18.3	23.7	29.8
<i>Of which: with the EU</i>	—	—	—	—	—
Other sectors	1,113.2	565.3	157.1	225.7	165.0
ACQUISITION OF NON-PRODUCED INTANGIBLE ASSETS	694.9	153.2	151.1	209.9	180.7
<b>BALANCE</b>	<b>4,491.8</b>	<b>1,104.5</b>	<b>616.2</b>	<b>506.2</b>	<b>2,264.8</b>
CAPITAL TRANSFERS	5,038.3	1,238.5	734.7	647.1	2,418.0
General government	4,851.3	1,482.8	562.3	514.9	2,291.3
<i>Of which: with the EU</i>	4,597.5	1,469.3	537.4	512.1	2,078.7
Other sectors	187.0	-244.3	172.4	132.2	126.7
DISPOSAL (+)/ACQUISITION (-) OF NON-PRODUCED INTANGIBLE ASSETS	-546.5	-134.0	-118.5	-140.8	-153.2

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

EUR m

	2007	2007			
		Q1	Q2	Q3	Q4
<b>SPANISH INVESTMENT ABROAD (NCA)</b>	<b>133,334.4</b>	<b>58,275.3</b>	<b>53,339.9</b>	<b>4,274.9</b>	<b>17,444.4</b>
FOREIGN DIRECT INVESTMENT	87,388.2	7,884.3	29,130.0	14,868.5	35,505.4
Monetary financial institutions	30,073.9	1,071.5	1,371.8	6,975.9	20,654.6
Other resident sectors	57,314.3	6,812.7	27,758.2	7,892.5	14,850.8
PORTFOLIO INVESTMENT (INCLUDING BANCO DE ESPAÑA)	5,765.0	13,645.3	11,355.6	-10,347.8	-8,888.0
Banco de España	14,351.0	3,243.8	4,707.5	3,662.0	2,737.7
Other monetary financial institutions	2,840.8	4,808.7	499.0	-62.9	-2,404.1
General government	6,092.7	2,712.9	-36.7	2,814.8	601.8
Other resident sectors	-17,519.5	2,879.9	6,185.8	-16,761.8	-9,823.5
OTHER INVESTMENT (INCLUDING BANCO DE ESPAÑA) (b)	40,181.2	36,745.7	12,854.4	-245.8	-9,173.0
Banco de España	-18,729.6	2,607.9	8,522.9	-25,975.2	-3,885.2
Other monetary financial institutions	51,107.1	35,379.2	641.9	21,986.7	-6,900.7
General government	1,483.6	-1,714.8	47.0	-358.2	3,509.7
Other resident sectors	6,320.1	473.5	3,642.5	4,101.0	-1,896.9
<b>FOREIGN INVESTMENT IN SPAIN (NCL)</b>	<b>238,422.0</b>	<b>81,471.7</b>	<b>76,661.5</b>	<b>35,239.0</b>	<b>45,049.8</b>
FOREIGN DIRECT INVESTMENT	39,005.3	-653.4	9,852.2	1,876.9	27,929.6
Monetary financial institutions	944.4	-2.1	118.1	245.6	582.8
Other resident sectors	38,060.9	-651.3	9,734.1	1,631.3	27,346.8
PORTFOLIO INVESTMENT	95,774.3	63,065.6	49,970.6	6,671.1	-23,932.9
Monetary financial institutions	37,619.4	15,734.1	20,642.3	5,921.8	-4,678.9
General government	-16,052.2	3,611.0	-687.8	-9,351.5	-9,623.9
Other resident sectors	74,207.1	43,720.5	30,016.1	10,100.7	-9,630.1
OTHER INVESTMENT (INCLUDING BANCO DE ESPAÑA) (b)	103,642.4	19,059.5	16,838.7	26,691.1	41,053.2
Banco de España	10,107.7	0.0	0.0	0.1	10,107.6
Other monetary financial institutions	74,856.9	18,122.4	9,059.7	18,659.8	29,014.9
General government	374.8	-678.6	487.8	668.9	-103.3
Other resident sectors	18,303.1	1,615.6	7,291.2	7,362.3	2,033.9
FINANCIAL DERIVATIVES (NCL – NCA)	-6,832.0	411.0	105.6	-3,183.1	-4,165.5
Monetary financial institutions	-4,581.5	-87.0	391.9	-1,387.1	-3,499.4
General government	-286.2	-82.7	-31.9	27.0	-198.7
Other resident sectors	-1,964.2	580.6	-254.4	-1,823.0	-467.5
<b>RESERVES</b>	<b>-164.2</b>	<b>43.3</b>	<b>-354.5</b>	<b>294.5</b>	<b>-147.5</b>

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 reserves.

EUR m

	2007	2007			
		Q1	Q2	Q3	Q4
<b>GENERAL GOVERNMENT (NCL – NCA)</b>	<b>-23,540.0</b>	<b>1,851.8</b>	<b>-242.3</b>	<b>-11,112.1</b>	<b>-14,037.4</b>
PORTFOLIO INVESTMENT (NCL – NCA)	-22,144.9	898.2	-651.1	-12,166.3	-10,225.7
Spanish investment abroad (NCA)	6,092.7	2,712.9	-36.7	2,814.8	601.8
<i>Bonds and notes</i>	6,099.2	2,712.8	-37.1	2,814.7	608.8
Foreign investment in Spain (NCL)	-16,052.2	3,611.0	-687.8	-9,351.5	-9,623.9
<i>Bonds and notes</i>	-15,513.2	3,766.4	-1,131.4	-8,800.9	-9,347.3
<i>Money market instruments</i>	-539.0	-155.4	443.6	-550.6	-276.6
OTHER INVESTMENT (NCL – NCA) (b)	-1,108.8	1,036.3	440.8	1,027.2	-3,613.0
Spanish investment abroad (NCA)	1,483.6	-1,714.8	47.0	-358.2	3,509.7
<i>Long-term loans and deposits</i>	748.9	112.6	158.1	261.2	217.0
<i>Short-term loans and deposits</i>	734.7	-1,827.4	-111.2	-619.5	3,292.7
Foreign investment in Spain (NCL)	374.8	-678.6	487.8	668.9	-103.3
<i>Long-term loans</i>	690.1	474.9	84.5	-216.7	347.4
<i>Short-term loans</i>	-315.3	-1,153.4	403.2	885.6	-450.7
FINANCIAL DERIVATIVES (NCL – NCA)	-286.2	-82.7	-31.9	27.0	-198.7
<b>OTHER RESIDENT SECTORS (NCL – NCA)</b>	<b>82,492.0</b>	<b>35,099.3</b>	<b>9,200.5</b>	<b>22,039.5</b>	<b>16,152.7</b>
FOREIGN DIRECT INVESTMENT (NCL – NCA)	-19,253.4	-7,464.0	-18,024.1	-6,261.3	12,496.0
Spanish investment abroad (NCA)	57,314.3	6,812.7	27,758.2	7,892.5	14,850.8
<i>Shares</i>	43,046.8	4,535.0	28,122.1	2,147.5	8,242.2
<i>Other equity</i>	1,941.2	1,077.8	1,706.5	-2,826.8	1,983.7
<i>Reinvested earnings</i>	8,016.2	2,004.1	2,004.1	2,004.1	2,004.1
<i>Intercompany debt transactions</i>	1,005.7	-1,722.8	-5,006.0	5,779.3	1,955.2
<i>Real estate</i>	3,304.4	918.6	931.6	788.5	665.7
Foreign investment in Spain (NCL)	38,060.9	-651.3	9,734.1	1,631.3	27,346.8
<i>Shares</i>	15,427.9	-1,188.9	13.2	-814.2	17,417.9
<i>Other equity</i>	6,230.6	1,452.5	499.4	2,528.0	1,750.7
<i>Reinvested earnings</i>	3,895.7	973.9	973.9	973.9	973.9
<i>Intercompany debt transactions</i>	7,127.8	-3,110.2	6,815.3	-2,306.7	5,729.4
<i>Real estate</i>	5,378.8	1,221.5	1,432.2	1,250.2	1,474.9
PORTFOLIO INVESTMENT (NCL – NCA)	91,726.6	40,840.5	23,830.2	26,862.5	193.4
Spanish investment abroad (NCA)	-17,519.5	2,879.9	6,185.8	-16,761.8	-9,823.5
<i>Listed shares and mutual funds</i>	-10,149.9	2,103.6	4,423.1	-10,755.3	-5,921.2
<i>Bonds and notes</i>	-5,066.1	614.3	1,374.3	-4,347.3	-2,707.5
<i>Money market instruments</i>	-2,303.5	162.0	388.4	-1,659.1	-1,194.8
Foreign investment in Spain (NCL)	74,207.1	43,720.5	30,016.1	10,100.7	-9,630.1
<i>Shares and mutual funds</i>	15,192.3	6,770.8	8,638.3	5,829.6	-6,046.4
<i>Bonds and notes</i>	63,316.7	36,582.3	21,421.6	6,882.0	-1,569.1
<i>Money market instruments</i>	-4,301.9	367.4	-43.9	-2,610.9	-2,014.5
OTHER INVESTMENT (NCL – NCA) (b)	11,983.0	1,142.1	3,648.7	3,261.3	3,930.8
Spanish investment abroad (NCA)	6,320.1	473.5	3,642.5	4,101.0	-1,896.9
<i>Long-term loans and deposits</i>	130.1	134.4	187.0	37.9	-229.3
<i>Short-term loans and deposits</i>	6,190.0	339.1	3,455.5	4,063.0	-1,667.6
Foreign investment in Spain (NCL)	18,303.1	1,615.6	7,291.2	7,362.3	2,033.9
<i>Long-term loans</i>	22,088.0	2,980.9	1,210.6	13,023.0	4,873.5
<i>Short-term loans</i>	-3,784.9	-1,365.2	6,080.6	-5,660.7	-2,839.5
FINANCIAL DERIVATIVES (NCL – NCA)	-1,964.2	580.6	-254.4	-1,823.0	-467.5

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 m

	2007	2007			
		Q1	Q2	Q3	Q4
<b>MONETARY FINANCIAL INSTITUTIONS, EXCLUDING</b>					
<b>BANCO DE ESPAÑA (NCL–NCA)</b>	<b>24,817.3</b>	<b>-7,492.1</b>	<b>27,699.4</b>	<b>-5,459.6</b>	<b>10,069.6</b>
FOREIGN DIRECT INVESTMENT (NCL–NCA)	-29,129.5	-1,073.7	-1,253.7	-6,730.3	-20,071.8
Spanish investment abroad (NCA)	30,073.9	1,071.5	1,371.8	6,975.9	20,654.6
Shares	29,250.6	942.6	1,140.2	6,755.9	20,411.9
Other equity	-23.9	-87.7	17.5	10.8	35.5
Reinvested earnings	833.4	208.3	208.3	208.3	208.3
Real estate	13.9	8.3	5.8	0.9	-1.1
Foreign direct investment in Spain (NCL)	944.4	-2.1	118.1	245.6	582.8
Unlisted shares	85.3	-49.6	50.0	144.1	-59.1
Other equity	658.2	-2.7	17.9	51.3	591.7
Reinvested earnings	200.9	50.2	50.2	50.2	50.2
PORTFOLIO INVESTMENT (NCL–NCA)	34,778.6	10,925.4	20,143.4	5,984.7	-2,274.8
Spanish investment abroad (NCA)	2,840.8	4,808.7	499.0	-62.9	-2,404.1
Listed shares and mutual funds	3,383.1	1,987.9	1,289.2	1,346.0	-1,239.9
Bonds and notes	-189.1	-738.2	3,832.6	-2,006.7	-1,276.8
Money market instruments	-353.3	3,559.1	-4,622.8	597.8	112.6
Foreign investment in Spain (NCL)	37,619.4	15,734.1	20,642.3	5,921.8	-4,678.9
Listed shares	-3,216.7	-2,748.7	-2,291.9	914.9	909.0
Bonds and notes	30,224.5	14,031.6	22,296.9	1,373.6	-7,477.6
Money market instruments	10,611.6	4,451.2	637.4	3,633.3	1,889.7
OTHER INVESTMENT (NCL–NCA) (b)	23,749.7	-17,256.8	8,417.8	-3,326.9	35,915.6
Spanish investment abroad (NCA)	51,107.1	35,379.2	641.9	21,986.7	-6,900.7
Long-term	11,502.8	3,621.4	4,268.3	2,381.1	1,232.0
Short-term	39,604.4	31,757.8	-3,626.3	19,605.6	-8,132.7
— Loans	6,598.5	-3,245.6	268.5	2,537.7	7,037.9
— Deposits	33,005.9	35,003.4	-3,894.9	17,067.9	-15,170.6
Foreign investment in Spain (NCL)	74,856.9	18,122.4	9,059.7	18,659.8	29,014.9
Long-term	3,969.8	501.6	2,423.8	2,108.4	-1,064.1
Short-term	70,887.1	17,620.8	6,635.9	16,551.4	30,079.0
FINANCIAL DERIVATIVES (NCL–NCA)	-4,581.5	-87.0	391.9	-1,387.1	-3,499.4
<b>BANCO DE ESPAÑA (NCL–NCA)</b>	<b>14,322.1</b>	<b>-5,808.3</b>	<b>-13,584.8</b>	<b>22,607.8</b>	<b>11,107.5</b>
PORTFOLIO INVESTMENT (NCL–NCA)	-14,351.0	-3,243.8	-4,707.5	-3,662.0	-2,737.7
OTHER INVESTMENT (NCL–NCA)	28,837.3	-2,607.8	-8,522.9	25,975.3	13,992.8
Spanish investment abroad (NCA)	-18,729.6	2,607.9	8,522.9	-25,975.2	-3,885.2
Foreign investment in Spain (NCL)	10,107.7	0.0	0.0	0.1	10,107.6
RESERVES	<b>-164.2</b>	<b>43.3</b>	<b>-354.5</b>	<b>294.5</b>	<b>-147.5</b>

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).

## FOREIGN DIRECT INVESTMENT

TABLE 6.1.10

EUR m	2007	2007			
		Q1	Q2	Q3	Q4
<b>FOREIGN DIRECT INVESTMENT</b>					
SPANISH INVESTMENT ABROAD (NCA)	87,388.2	7,884.3	29,130.0	14,868.5	35,505.4
Of which: ETVE (a)	3,041.9	2,211.2	314.7	950.5	-434.5
FOREIGN INVESTMENT IN SPAIN (NCL)	39,005.3	-653.4	9,852.2	1,876.9	27,929.6
Of which: ETVE (a)	3,928.0	2,684.3	638.1	392.0	213.6

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 foreign direct investment flows.

**BALANCE OF PAYMENTS IN 2007**  
Breakdown by selected economic area (a)

TABLE 6.1.11

EUR m									
	WORLD TOTAL			EUROPE			EU 27		
	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET
<b>CURRENT ACCOUNT</b>	<b>352,821.0</b>	<b>458,659.2</b>	<b>-105,838.1</b>	<b>276,571.8</b>	<b>326,727.2</b>	<b>-50,155.4</b>	<b>253,175.7</b>	<b>300,256.4</b>	<b>-47,080.7</b>
GOODS	187,193.9	276,999.5	-89,805.6	145,818.1	184,923.7	-39,105.6	133,906.9	166,970.4	-33,063.5
SERVICES	94,091.1	71,962.5	22,128.6	76,736.2	53,660.9	23,075.3	68,358.3	47,702.6	20,655.7
Travel	42,170.5	14,360.4	27,810.1	37,177.6	10,457.1	26,720.5	34,825.6	9,351.7	25,473.9
Other services	51,920.6	57,602.1	-5,681.5	39,558.6	43,203.8	-3,645.2	33,532.7	38,350.9	-4,818.2
Labour income	1,421.5	1,728.1	-306.6	1,019.2	986.3	32.9	885.5	902.6	-17.1
Investment income	51,264.5	82,392.6	-31,128.1	36,931.5	71,516.1	-34,584.6	34,941.6	69,430.5	-34,488.8
Monetary financial institutions	19,990.8	32,060.1	-12,069.3	15,215.3	27,914.5	-12,699.2	14,751.7	27,262.8	-12,511.1
General government	681.2	9,015.0	-8,333.7	586.3	8,691.2	-8,104.9	584.2	8,663.9	-8,079.8
Other resident sectors	30,592.4	41,317.5	-10,725.0	21,129.8	34,910.4	-13,780.5	19,605.8	33,503.8	-13,898.0
CURRENT TRANSFERS	18,850.0	25,576.5	-6,726.5	16,066.9	15,640.2	426.7	15,083.4	15,250.4	-167.0
<b>CAPITAL ACCOUNT</b>	<b>6,395.8</b>	<b>1,904.0</b>	<b>4,491.8</b>	<b>5,797.5</b>	<b>1,136.8</b>	<b>4,660.7</b>	<b>5,574.2</b>	<b>983.3</b>	<b>4,591.0</b>
	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)
<b>FINANCIAL ACCOUNT (excluding Banco de España) (b)</b>	...	...	...	...	...	...	...	...	...
MONETARY FINANCIAL INSTITUTIONS	113,420.6	84,021.8	29,398.8	94,591.6	64,436.9	30,154.8	91,489.5	61,450.9	30,038.6
Foreign direct investment (c)	944.4	30,073.9	-29,129.5	730.4	20,951.5	-20,221.1	725.0	21,070.3	-20,345.3
Portfolio investment	37,619.4	2,840.8	34,778.6	25,969.7	465.7	25,504.0	25,305.6	418.0	24,887.6
Other investment	74,856.9	51,107.1	23,749.7	67,891.5	43,019.6	24,871.9	65,458.9	39,962.5	25,496.3
GENERAL GOVERNMENT	-15,677.4	7,576.3	-23,253.7	-14,004.4	7,182.2	-21,186.6	-13,917.9	7,108.6	-21,026.5
Portfolio investment	-16,052.2	6,092.7	-22,144.9	-14,910.4	6,093.9	-21,004.2	-14,823.9	6,093.9	-20,917.8
Other investment	374.8	1,483.6	-1,108.8	906.0	1,088.3	-182.3	906.0	1,014.7	-108.7
OTHER RESIDENT SECTORS	130,571.1	46,114.9	84,456.2	117,768.3	29,068.3	88,700.0	118,251.2	27,138.2	91,113.0
Foreign direct investment (c)	38,060.9	57,314.3	-19,253.4	36,409.3	42,251.2	-5,841.9	35,326.1	41,129.2	-5,803.1
Portfolio investment	74,207.1	-17,519.5	91,726.6	63,295.4	-18,443.6	81,739.0	64,939.7	-19,296.9	84,236.6
Other investment	18,303.1	6,320.1	11,983.0	18,063.6	5,260.7	12,802.9	17,985.4	5,305.9	12,679.5

SOURCE: Banco de España.

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

b. Derivatives not included.

c. In the case of foreign 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 5).

NOTE:

EUROPEAN UNION (EU 27): 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, Romania, Bulgaria and their dependencies.

**BALANCE OF PAYMENTS IN 2007** (cont'd)  
**Breakdown by selected economic area (a)**

TABLE 6.1.11

EUR m									
	EURO AREA (EMU 13)			UNITED KINGDOM			SWEDEN		
	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET
<b>CURRENT ACCOUNT</b>	<b>177,046.8</b>	<b>228,940.6</b>	<b>-51,893.8</b>	<b>50,559.2</b>	<b>41,293.1</b>	<b>9,266.1</b>	<b>3,698.1</b>	<b>4,373.9</b>	<b>-675.8</b>
GOODS	107,421.0	139,224.8	-31,803.7	15,029.5	13,566.4	1,463.1	1,854.5	3,383.5	-1,529.0
SERVICES	38,661.7	31,155.7	7,506.0	25,683.8	13,874.6	11,809.1	1,495.7	737.1	758.5
Travel	18,751.4	5,675.2	13,076.2	14,195.8	3,183.5	11,012.3	944.7	89.5	855.2
Other services	19,910.3	25,480.5	-5,570.3	11,487.9	10,691.1	796.8	551.0	647.7	-96.7
Labour income	566.9	644.3	-77.4	277.1	219.7	57.5	9.6	5.8	3.7
Investment income	26,240.7	54,617.6	-28,376.8	7,094.5	12,702.0	-5,607.5	172.4	219.2	-46.7
<i>Monetary financial institutions</i>	<i>10,742.0</i>	<i>20,057.8</i>	<i>-9,315.8</i>	<i>3,672.6</i>	<i>6,540.3</i>	<i>-2,867.6</i>	<i>68.7</i>	<i>33.6</i>	<i>35.1</i>
<i>General government</i>	<i>576.8</i>	<i>7,410.9</i>	<i>-6,834.1</i>	<i>5.2</i>	<i>859.5</i>	<i>-854.3</i>	<i>—</i>	<i>0.2</i>	<i>-0.2</i>
<i>Other resident sectors</i>	<i>14,921.9</i>	<i>27,148.8</i>	<i>-12,226.9</i>	<i>3,416.7</i>	<i>5,302.2</i>	<i>-1,885.6</i>	<i>103.8</i>	<i>185.5</i>	<i>-81.7</i>
CURRENT TRANSFERS	4,156.4	3,298.1	858.2	2,474.3	930.4	1,543.9	165.9	28.2	137.7
<b>CAPITAL ACCOUNT</b>	<b>543.2</b>	<b>686.6</b>	<b>-143.4</b>	<b>383.1</b>	<b>192.7</b>	<b>190.4</b>	<b>8.3</b>	<b>7.6</b>	<b>0.7</b>
	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)
<b>FINANCIAL ACCOUNT</b> (excluding Banco de España) (b)	...	...	...	...	...	...	...	...	...
MONETARY FINANCIAL INSTITUTIONS	69,209.8	49,350.0	19,859.8	21,147.8	12,505.4	8,642.4	-142.7	199.8	-342.5
Foreign direct investment (c)	125.5	20,408.5	-20,283.0	599.2	660.7	-61.6	0.3	0.8	-0.5
Portfolio investment	20,417.3	4,606.6	15,810.7	5,152.3	-3,779.9	8,932.2	-201.6	-206.5	4.9
Other investment	48,666.9	24,334.9	24,332.0	15,396.4	15,624.6	-228.2	58.6	405.6	-347.0
GENERAL GOVERNMENT	-717.9	5,986.6	-6,925.1	-13,823.4	224.5	-14,928.7	0.2	—	0.2
Portfolio investment	-1,105.6	6,086.7	-7,192.3	-13,803.1	7.2	-13,810.3	0.2	—	0.2
Other investment	387.7	-100.2	487.8	-20.3	217.3	-237.6	—	—	—
OTHER RESIDENT SECTORS	66,918.9	-5,074.6	71,993.5	45,252.1	21,793.3	23,458.8	1,857.6	916.0	941.7
Foreign direct investment (c)	27,367.5	12,049.1	15,318.4	6,914.8	18,904.9	-11,990.1	738.1	657.4	80.7
Portfolio investment	36,380.5	-19,669.4	56,049.9	27,261.8	109.4	27,152.4	1,121.4	257.4	864.0
Other investment	3,170.9	2,545.7	625.2	11,075.5	2,779.1	8,296.4	-2.0	1.1	-3.0

SOURCE: Banco de España.

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

b. Derivatives not included.

c. In the case of foreign 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 5).

NOTE:

EURO AREA (EMU 13): France, Belgium, Luxembourg, Netherlands, Germany, Italy, Ireland, Portugal, Austria, Finland, Greece, Slovenia and European Central Bank.

**BALANCE OF PAYMENTS IN 2007** (cont'd)  
**Breakdown by selected economic area (a)**

TABLE 6.1.11

EUR m									
	DENMARK			NEW MEMBERS			EUROPEAN INSTITUTIONS		
	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET
<b>CURRENT ACCOUNT</b>	<b>2,817.2</b>	<b>2,626.2</b>	<b>191.1</b>	<b>10,378.7</b>	<b>11,103.6</b>	<b>-724.9</b>	<b>8,675.6</b>	<b>11,919.2</b>	<b>-3,243.5</b>
GOODS	1,748.6	1,989.3	-240.6	7,853.3	8,806.5	-953.2	-0.1	—	-0.1
SERVICES	877.7	451.4	426.3	1,180.2	1,480.3	-300.1	459.2	3.3	455.9
Travel	539.6	53.0	486.6	394.0	350.5	43.6	0.1	—	0.1
Other services	338.1	398.4	-60.2	786.2	1,129.9	-343.7	459.2	3.3	455.9
Labour income	7.3	9.0	-1.7	24.4	23.4	1.0	0.2	0.3	-0.1
Investment income	131.2	151.4	-20.2	1,204.0	177.1	1,026.9	98.6	1,563.2	-1,464.6
<i>Monetary financial institutions</i>	67.6	15.3	52.2	146.9	107.3	39.5	53.9	508.4	-454.5
<i>General government</i>	0.0	1.6	-1.6	2.1	0.4	1.8	—	391.4	-391.4
<i>Other resident sectors</i>	63.7	134.5	-70.8	1,055.0	69.4	985.6	44.7	663.4	-618.7
CURRENT TRANSFERS	52.3	25.0	27.3	116.7	616.3	-499.6	8,117.8	10,352.3	-2,234.6
<b>CAPITAL ACCOUNT</b>	<b>7.7</b>	<b>5.7</b>	<b>2.0</b>	<b>21.7</b>	<b>90.6</b>	<b>-68.9</b>	<b>4,610.2</b>	<b>0.1</b>	<b>4,610.1</b>
	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)
<b>FINANCIAL ACCOUNT</b> (excluding Banco de España) (b)	...	...	...	...	...	...	...	...	...
MONETARY FINANCIAL INSTITUTIONS	154.6	-549.0	703.6	770.2	233.2	537.1	349.8	-288.5	638.3
Foreign direct investment (c)	—	0.2	-0.3	—	0.1	-0.1	—	—	—
Portfolio investment	-49.8	-37.5	-12.3	-12.5	120.2	-132.8	—	-284.9	284.9
Other investment	204.4	-511.7	716.1	782.8	112.8	669.9	349.8	-3.6	353.4
GENERAL GOVERNMENT	85.0	—	85.0	0.4	-7.3	7.7	537.8	904.9	-367.1
Portfolio investment	85.0	—	85.0	0.1	—	0.1	-0.6	—	-0.6
Other investment	—	—	—	0.3	-7.3	7.6	538.3	904.9	-366.5
OTHER RESIDENT SECTORS	-150.8	10.5	-161.4	697.2	9,442.4	-8,745.2	3,676.3	50.6	3,625.6
Foreign direct investment (c)	-181.8	120.8	-302.6	486.6	9,397.0	-8,910.5	0.9	—	0.9
Portfolio investment	19.8	-52.6	72.4	175.7	8.3	167.5	-19.5	50.0	-69.5
Other investment	11.2	-57.7	68.9	34.9	37.1	-2.2	3,694.9	0.6	3,694.3

SOURCE: Banco de España.

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

b. Derivatives not included.

c. In the case of foreign 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 5).

NOTE:

NEW MEMBERS: Cyprus, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Malta, Poland, Slovakia, Romania and Bulgaria.

**BALANCE OF PAYMENTS IN 2007** (cont'd)  
**Breakdown by selected economic area (a)**

TABLE 6.1.11

EUR m									
	REST OF EUROPE			SWITZERLAND			NORTH AMERICA		
	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET
<b>CURRENT ACCOUNT</b>	<b>23,396.1</b>	<b>26,470.8</b>	<b>-3,074.7</b>	<b>9,718.9</b>	<b>8,264.9</b>	<b>1,454.1</b>	<b>21,752.4</b>	<b>27,088.8</b>	<b>-5,336.4</b>
GOODS	11,911.3	17,953.3	-6,042.1	2,596.5	2,856.7	-260.2	9,273.8	10,422.9	-1,149.1
SERVICES	8,377.9	5,958.3	2,419.6	5,043.8	3,409.1	1,634.7	7,532.1	7,451.5	80.6
Travel	2,352.0	1,105.4	1,246.6	744.1	219.4	524.7	2,987.6	1,982.8	1,004.9
Other services	6,025.9	4,852.9	1,173.0	4,299.7	3,189.7	1,110.0	4,544.5	5,468.7	-924.2
Labour income	133.6	83.7	49.9	92.6	47.2	45.3	223.4	270.5	-47.1
Investment income	1,989.8	2,085.6	-95.8	1,223.4	1,773.2	-549.9	3,074.0	8,199.7	-5,125.7
<i>Monetary financial institutions</i>	463.7	651.7	-188.1	139.3	445.8	-306.5	1,714.9	2,034.7	-319.8
<i>General government</i>	2.1	27.3	-25.2	0.0	26.9	-26.9	13.0	174.3	-161.3
<i>Other resident sectors</i>	1,524.1	1,406.6	117.4	1,084.1	1,300.6	-216.6	1,346.1	5,990.7	-4,644.5
CURRENT TRANSFERS	983.5	389.9	593.6	762.7	178.6	584.2	1,649.0	744.2	904.9
<b>CAPITAL ACCOUNT</b>	<b>223.3</b>	<b>153.5</b>	<b>69.8</b>	<b>166.1</b>	<b>86.0</b>	<b>80.1</b>	<b>90.4</b>	<b>101.2</b>	<b>-10.7</b>
	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)
<b>FINANCIAL ACCOUNT</b> (excluding Banco de España) (b)	...	...	...	...	...	...	...	...	...
MONETARY FINANCIAL INSTITUTIONS	3,102.1	2,986.0	116.1	2,033.0	122.9	1,910.1	23,222.8	12,980.6	10,242.1
Foreign direct investment (c)	5.4	-118.8	124.3	5.2	28.3	-23.1	107.4	7,687.7	-7,580.3
Portfolio investment	664.1	47.7	616.4	174.7	103.3	71.4	10,920.1	657.2	10,263.0
Other investment	2,432.6	3,057.1	-624.5	1,853.1	-8.7	1,861.8	12,195.2	4,635.8	7,559.4
GENERAL GOVERNMENT	-86.5	73.6	-160.1	-86.7	—	-86.7	-965.1	0.7	-701.7
Portfolio investment	-86.5	—	-86.5	-86.7	—	-86.7	-965.1	-0.1	-965.0
Other investment	—	73.6	-73.6	—	—	—	-0.1	0.8	-0.8
OTHER RESIDENT SECTORS	-482.9	1,930.1	-2,413.0	-927.9	63.7	-991.5	10,111.4	6,648.8	3,462.6
Foreign direct investment (c)	1,083.2	1,122.0	-38.8	500.7	-397.7	898.4	638.5	4,057.0	-3,418.5
Portfolio investment	-1,644.3	853.3	-2,497.6	-1,404.5	433.8	-1,838.3	9,447.3	1,674.2	7,773.1
Other investment	78.2	-45.2	123.4	-24.1	27.5	-51.6	25.7	917.6	-892.0

SOURCE: Banco de España.

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

b. Derivatives not included.

c. In the case of foreign 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 5).

NOTE:

REST OF EUROPE: Countries not included in the European Union.

**BALANCE OF PAYMENTS IN 2007** (cont'd)  
**Breakdown by selected economic area (a)**

TABLE 6.1.11

	EUR m								
	UNITED STATES			CANADA			CENTRAL AND SOUTH AMERICA		
	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET
<b>CURRENT ACCOUNT</b>	<b>20,038.0</b>	<b>24,838.5</b>	<b>-4,800.4</b>	<b>1,713.5</b>	<b>2,248.4</b>	<b>-534.9</b>	<b>24,928.5</b>	<b>25,860.5</b>	<b>-932.0</b>
GOODS	8,498.5	9,554.6	-1,056.1	775.2	867.5	-92.4	10,450.2	14,161.7	-3,711.6
SERVICES	6,945.9	6,501.2	444.7	585.5	949.3	-363.8	4,450.0	3,648.9	801.1
Travel	2,717.0	1,354.4	1,362.5	270.7	628.3	-357.7	1,331.3	1,023.5	307.8
Other services	4,228.9	5,146.7	-917.8	314.8	320.9	-6.1	3,118.7	2,625.4	493.3
Labour income	203.1	263.9	-60.8	20.4	6.6	13.7	104.0	332.7	-228.7
Investment income	2,968.1	8,046.4	-5,078.2	105.9	153.2	-47.4	9,158.8	1,502.4	7,656.3
<i>Monetary financial institutions</i>	<i>1,696.3</i>	<i>1,982.7</i>	<i>-286.3</i>	<i>18.5</i>	<i>52.0</i>	<i>-33.5</i>	<i>2,301.5</i>	<i>1,236.4</i>	<i>1,065.1</i>
<i>General government</i>	<i>13.0</i>	<i>164.6</i>	<i>-151.6</i>	<i>0.0</i>	<i>9.7</i>	<i>-9.7</i>	<i>63.9</i>	<i>78.5</i>	<i>-14.6</i>
<i>Other resident sectors</i>	<i>1,258.8</i>	<i>5,899.1</i>	<i>-4,640.3</i>	<i>87.3</i>	<i>91.6</i>	<i>-4.3</i>	<i>6,793.3</i>	<i>187.5</i>	<i>6,605.9</i>
CURRENT TRANSFERS	1,422.4	472.4	950.0	226.6	271.7	-45.1	765.6	6,214.8	-5,449.2
<b>CAPITAL ACCOUNT</b>	<b>85.5</b>	<b>96.6</b>	<b>-11.2</b>	<b>3.8</b>	<b>4.6</b>	<b>-0.8</b>	<b>411.5</b>	<b>581.5</b>	<b>-170.0</b>
	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)
<b>FINANCIAL ACCOUNT</b> (excluding Banco de España) (b)	...	...	...	...	...	...	...	...	...
MONETARY FINANCIAL INSTITUTIONS	22,940.0	13,140.2	9,799.8	282.1	-159.4	441.5	-6,052.1	2,873.2	-8,925.2
Foreign direct investment (c)	107.4	7,687.7	-7,580.3	—	—	—	-1.7	906.8	-908.5
Portfolio investment	10,681.8	689.5	9,992.3	238.3	-32.4	270.6	514.9	1,119.3	-604.4
Other investment	12,150.8	4,763.0	7,387.8	43.8	-127.1	170.9	-6,565.3	847.0	-7,412.3
GENERAL GOVERNMENT	-981.2	0.7	-717.8	16.1	—	16.1	-108.9	-69.2	-39.8
Portfolio investment	-981.1	-0.1	-981.1	16.1	—	16.1	-105.8	-1.1	-104.7
Other investment	-0.1	0.8	-0.8	—	—	—	-3.1	-68.1	65.0
OTHER RESIDENT SECTORS	10,946.3	5,926.7	5,019.5	-834.9	722.0	-1,557.0	1,600.6	8,024.8	-6,424.2
Foreign direct investment (c)	1,768.0	3,450.4	-1,682.3	-1,129.6	606.6	-1,736.2	981.2	8,869.3	-7,888.1
Portfolio investment	9,236.3	1,559.4	7,676.9	210.9	114.7	96.2	501.1	-817.9	1,319.0
Other investment	-58.1	916.9	-975.0	83.7	0.7	83.0	118.4	-26.6	145.0

SOURCE: Banco de España.

- a. The difference between the world total amounts and the sum of the geographical areas corresponds to geographically unallocated information, which in no case represents large amounts, and to amounts corresponding to international organisations other than those of the European Union.
- b. Derivatives not included.
- c. In the case of foreign 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 5).

**BALANCE OF PAYMENTS IN 2007** (cont'd)  
**Breakdown by selected economic area (a)**

TABLE 6.1.11

EUR m									
	AFRICA			ASIA			JAPAN		
	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET
<b>CURRENT ACCOUNT</b>	10,520.1	23,504.7	-12,984.6	15,280.3	51,757.1	-36,476.8	1,951.7	6,458.0	-4,506.3
GOODS	8,469.4	19,922.1	-11,452.7	11,791.5	46,324.9	-34,533.4	1,386.2	5,755.1	-4,368.9
SERVICES	1,354.1	2,294.5	-940.4	2,816.4	4,371.8	-1,555.4	423.8	604.9	-181.2
Travel	101.6	368.5	-266.9	426.1	468.0	-41.8	146.1	36.3	109.8
Other services	1,252.5	1,926.0	-673.5	2,390.2	3,903.8	-1,513.6	277.7	568.6	-291.0
Labour income	30.8	40.3	-9.5	32.7	42.0	-9.3	4.4	9.6	-5.2
Investment income	588.2	236.3	351.9	485.3	485.1	0.2	109.4	78.3	31.1
<i>Monetary financial institutions</i>	56.5	189.8	-133.3	160.0	326.7	-166.8	34.5	21.0	13.5
<i>General government</i>	6.8	0.0	6.8	11.0	15.8	-4.8	—	1.4	-1.4
<i>Other resident sectors</i>	524.9	46.5	478.5	314.4	142.6	171.7	74.9	55.8	19.1
CURRENT TRANSFERS	77.5	1,011.5	-934.0	154.4	533.3	-378.8	28.0	10.1	17.8
<b>CAPITAL ACCOUNT</b>	32.6	31.0	1.6	40.5	37.5	3.1	1.7	7.1	-5.4
	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)
<b>FINANCIAL ACCOUNT</b> (excluding Banco de España) (b)	...	...	...	...	...	...	...	...	...
MONETARY FINANCIAL INSTITUTIONS	1,044.2	354.3	689.9	718.0	2,914.3	-2,196.3	84.9	424.9	-340.1
Foreign direct investment (c)	105.1	-	105.0	2.9	527.3	-524.4	2,966,097	0,370,393	2,595,704
Portfolio investment	5.8	126.1	-120.3	25.8	613.5	-587.7	0.6	-68.1	68.8
Other investment	933.3	228.2	705.2	689.3	1,773.5	-1,084.2	81.3	492.7	-411.4
GENERAL GOVERNMENT	1.7	51.8	-50.2	-7.5	46.3	211.1	-16.6	0.1	248.2
Portfolio investment	1.7	—	1.7	-7.5	—	-7.5	-16.6	—	-16.6
Other investment	—	51.8	-51.8	—	46.3	-46.3	—	0.1	-0.1
OTHER RESIDENT SECTORS	60.0	1,015.3	-955.3	-358.7	777.7	-1,136.5	-295.2	-308.9	13.7
Foreign direct investment (c)	107.7	959.6	-851.8	-123.2	539.8	-663.0	-291.3	78.5	-369.8
Portfolio investment	0.7	37.5	-36.9	-261.4	205.7	-467.0	-2.3	-402.9	400.5
Other investment	-48.4	18.2	-66.6	25.8	32.3	-6.4	-1.6	15.4	-17.0

SOURCE: Banco de España.

- a. The difference between the world total amounts and the sum of the geographical areas corresponds to geographically unallocated information, which in no case represents large amounts, and to amounts corresponding to international organisations other than those of the European Union.
- b. Derivatives not included.
- c. In the case of foreign 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 5).



**BALANCE OF PAYMENTS IN 2007** (cont'd)  
**Breakdown by selected economic area (a)**

TABLE 6.1.11

EUR m									
	CHINA			OCEANIA AND POLAR REGIONS			OECD		
	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET
<b>CURRENT ACCOUNT</b>	<b>2,410.1</b>	<b>19,155.8</b>	<b>-16,745.7</b>	<b>1,985.2</b>	<b>1,587.6</b>	<b>397.6</b>	<b>298,650.5</b>	<b>354,874.1</b>	<b>-56,223.6</b>
GOODS	2,119.2	17,853.7	-15,734.5	1,271.4	1,190.1	81.3	153,632.7	197,388.4	-43,755.7
SERVICES	194.2	1,209.5	-1,015.3	306.0	218.2	87.8	83,912.7	60,591.6	23,321.1
Travel	22.8	104.7	-81.9	146.2	60.5	85.7	39,984.9	11,891.1	28,093.8
Other services	171.4	1,104.9	-933.4	159.8	157.8	2.1	43,927.8	48,700.5	-4,772.7
Labour income	2.8	6.9	-4.1	5.7	8.2	-2.6	1,227.7	1,254.6	-26.9
Investment income	67.9	11.6	56.2	360.1	154.0	206.0	42,174.4	79,767.6	-37,593.3
<i>Monetary financial institutions</i>	9.4	9.2	0.2	59.4	128.3	-68.9	18,514.8	29,987.9	-11,473.0
<i>General government</i>	3.0	0.0	2.9	—	4.9	-4.9	600.4	8,871.4	-8,271.0
<i>Other resident sectors</i>	55.5	2.4	53.1	300.7	20.9	279.8	23,059.2	40,908.3	-17,849.2
CURRENT TRANSFERS	26.0	74.0	-48.1	42.1	17.0	25.1	17,703.1	15,871.8	1,831.2
<b>CAPITAL ACCOUNT</b>	<b>6.2</b>	<b>5.3</b>	<b>1.0</b>	<b>4.9</b>	<b>4.1</b>	<b>0.7</b>	<b>5,857.7</b>	<b>1,584.6</b>	<b>4,273.1</b>
	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)
<b>FINANCIAL ACCOUNT</b> (excluding Banco de España) (b)	...	...	...	...	...	...	...	...	...
MONETARY FINANCIAL INSTITUTIONS	273.2	728.6	-455.4	414.0	179.3	234.7	117,424.4	79,389.5	38,035.0
Foreign direct investment (c)	—	25.7	-25.7	—	0.5	-0.5	840.5	29,511.1	-28,670.5
Portfolio investment	0.1	688.0	-687.9	183.0	-147.2	330.2	37,069.8	893.5	36,176.2
Other investment	273.1	14.9	258.2	231.0	326.1	-95.0	79,514.1	48,984.9	30,529.3
GENERAL GOVERNMENT	-2.9	29.4	-32.3	-65.0	—	-65.0	-15,045.8	7,152.0	-22,770.3
Portfolio investment	-2.9	—	-2.9	-65.0	—	-65.0	-15,951.7	6,093.8	-22,045.5
Other investment	—	29.4	-29.4	—	—	—	905.9	1,058.2	-152.3
OTHER RESIDENT SECTORS	-7.6	202.8	-210.4	1,171.5	421.0	750.5	128,293.8	37,260.6	91,033.2
Foreign direct investment (c)	-2.2	188.9	-191.1	36.6	526.2	-489.6	36,323.5	48,774.4	-12,450.9
Portfolio investment	-4.8	1.8	-6.6	1,143.9	-106.7	1,250.5	73,963.9	-17,748.5	91,712.5
Other investment	-0.6	12.1	-12.7	-8.9	1.5	-10.3	18,006.4	6,234.8	11,771.6

SOURCE: Banco de España.

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

b. Derivatives not included.

c. In the case of foreign 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 5).

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, Slovakia, Poland and South Korea, and their dependencies.

**BALANCE OF PAYMENTS IN 2007** (cont'd)  
**Breakdown by selected economic area (a)**

TABLE 6.1.11

EUR m									
	NAFTA			OPEC			NICs		
	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET
<b>CURRENT ACCOUNT</b>	<b>28,281.0</b>	<b>30,910.8</b>	<b>-2,629.7</b>	<b>8,071.8</b>	<b>22,195.8</b>	<b>-14,123.9</b>	<b>2,475.2</b>	<b>6,720.0</b>	<b>-4,244.8</b>
GOODS	12,542.8	13,153.6	-610.8	5,390.9	20,119.4	-14,728.5	1,886.5	5,866.1	-3,979.6
SERVICES	8,588.3	8,139.5	448.8	2,091.1	1,610.9	480.1	421.9	727.8	-305.9
Travel	3,440.8	2,203.6	1,237.2	364.2	64.0	300.1	86.3	71.1	15.2
Other services	5,147.5	5,935.9	-788.4	1,726.9	1,546.9	180.0	335.6	656.8	-321.1
Labour income	234.5	288.0	-53.5	23.4	63.2	-39.8	8.8	4.8	4.0
Investment income	5,136.3	8,360.4	-3,224.1	301.9	333.4	-31.5	128.7	100.5	28.3
<i>Monetary financial institutions</i>	3,306.8	2,168.4	1,138.4	126.8	270.9	-144.1	85.5	68.2	17.3
<i>General government</i>	16.4	174.3	-157.9	5.7	0.3	5.4	—	14.0	-14.0
<i>Other resident sectors</i>	1,813.1	6,017.6	-4,204.5	169.4	62.3	107.2	43.2	18.2	25.0
CURRENT TRANSFERS	1,779.2	969.3	809.9	264.6	68.8	195.7	29.3	20.9	8.5
<b>CAPITAL ACCOUNT</b>	<b>117.0</b>	<b>527.2</b>	<b>-410.2</b>	<b>61.6</b>	<b>30.8</b>	<b>30.9</b>	<b>4.0</b>	<b>3.2</b>	<b>0.8</b>
	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)
<b>FINANCIAL ACCOUNT</b> (excluding Banco de España) (b)	...	...	...	...	...	...	...	...	...
MONETARY FINANCIAL INSTITUTIONS	23,171.9	14,619.4	8,552.5	879.6	375.8	503.7	67.1	1,439.9	-1,372.8
Foreign direct investment (c)	107.2	8,560.2	-8,453.0	103.9	18.6	85.3	0.0	498.3	-498.3
Portfolio investment	10,887.8	737.5	10,150.2	26.6	126.5	-99.9	0.2	-5.6	5.8
Other investment	12,177.0	5,321.7	6,855.3	749.0	230.7	518.3	66.8	947.2	-880.4
GENERAL GOVERNMENT	-960.1	-19.7	-676.2	-0.3	35.6	-36.0	12.1	-0.1	12.2
Portfolio investment	-960.0	-0.1	-959.9	-0.3	—	-0.3	12.1	—	12.1
Other investment	-0.1	-19.6	19.6	—	35.6	-35.6	—	-0.1	0.1
OTHER RESIDENT SECTORS	10,102.4	9,734.5	367.9	125.9	526.6	-400.7	-155.5	411.3	-566.8
Foreign direct investment (c)	601.6	7,129.1	-6,527.4	182.4	539.3	-356.9	9.7	120.8	-111.2
Portfolio investment	9,467.4	1,691.1	7,776.3	-76.6	-16.9	-59.7	-180.4	304.5	-484.8
Other investment	33.3	914.3	-880.9	20.1	4.3	15.9	15.2	-14.0	29.2

SOURCE: Banco de España.

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

b. Derivatives not included.

c. In the case of foreign 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 5).

NOTES:

NAFTA: USA, Canada and Mexico.

OPEC: Algeria, Gabon, 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 2007** (cont'd)  
**Breakdown by selected economic area (a)**

TABLE 6.1.11

EUR m									
	ASEAN			COMMONWEALTH OF INDEPENDENT STATES			TAX HAVENS		
	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET
<b>CURRENT ACCOUNT</b>	<b>1,925.9</b>	<b>6,505.1</b>	<b>-4,579.2</b>	<b>3,577.8</b>	<b>10,153.9</b>	<b>-6,576.1</b>	<b>7,810.8</b>	<b>5,760.0</b>	<b>2,050.8</b>
GOODS	1,536.0	5,549.3	-4,013.3	2,682.6	9,283.2	-6,600.6	4,971.2	2,728.8	2,242.4
SERVICES	305.6	687.4	-381.8	742.2	710.5	31.7	1,508.4	1,718.9	-210.5
Travel	17.4	108.5	-91.1	429.8	87.4	342.5	417.4	701.7	-284.4
Other services	288.2	578.9	-290.7	312.4	623.1	-310.7	1,091.0	1,017.2	73.8
Labour income	4.6	7.9	-3.2	19.3	14.3	5.0	58.5	15.3	43.3
Investment income	54.8	83.3	-28.4	88.9	55.8	33.1	1,109.7	1,048.4	61.2
<i>Monetary financial institutions</i>	7.3	71.8	-64.5	27.0	53.8	-26.8	321.9	947.2	-625.2
<i>General government</i>	5.9	0.2	5.7	0.9	0.0	0.9	1.3	0.5	0.8
<i>Other resident sectors</i>	41.6	11.3	30.4	61.1	2.0	59.0	786.5	100.7	685.7
CURRENT TRANSFERS	24.8	177.3	-152.5	44.8	90.1	-45.2	163.0	248.6	-85.6
<b>CAPITAL ACCOUNT</b>	<b>16.5</b>	<b>3.2</b>	<b>13.3</b>	<b>25.2</b>	<b>37.4</b>	<b>-12.3</b>	<b>37.1</b>	<b>24.6</b>	<b>12.5</b>
	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)
<b>FINANCIAL ACCOUNT</b> <b>(excluding Banco de España) (b)</b>	...	...	...	...	...	...	...	...	...
MONETARY FINANCIAL INSTITUTIONS	-64.6	-57.6	-7.0	676.4	319.9	356.6	-6,481.7	1,511.8	-7,993.5
Foreign direct investment (c)	—	1.1	-1.1	—	5.2	-5.2	—	369.1	-369.1
Portfolio investment	-6.8	5.5	-12.3	-0.4	8.2	-8.6	466.1	-49.4	515.5
Other investment	-57.8	-64.2	6.5	676.8	306.5	370.4	-6,947.8	1,192.0	-8,139.8
GENERAL GOVERNMENT	-0.2	5.6	-5.9	—	—	—	-23.0	-0.1	-22.9
Portfolio investment	-0.2	—	-0.2	—	—	—	-19.9	-1.1	-18.8
Other investment	—	5.6	-5.6	—	—	—	-3.1	0.9	-4.1
OTHER RESIDENT SECTORS	-152.3	-96.4	-55.9	322.5	106.7	215.8	-895.5	232.2	-1,127.7
Foreign direct investment (c)	2.8	-76.6	79.4	328.9	126.6	202.3	-1,036.1	492.1	-1,528.2
Portfolio investment	-169.2	-3.1	-166.1	-0.4	-22.2	21.8	36.5	-112.3	148.8
Other investment	14.2	-16.7	30.9	-6.0	2.3	-8.2	104.1	-147.6	251.7

SOURCE: Banco de España.

- a. The difference between the world total amounts and the sum of the geographical areas corresponds to geographically unallocated information, which in no case represents large amounts, and to amounts corresponding to international organisations other than those of the European Union.
- b. Derivatives not included.
- c. In the case of foreign 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 5).

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.

## FOREIGN DIRECT INVESTMENT

TABLE 6.1.12

## Breakdown by selected geographical and economic area (a)

EUR m	2000	2001	2002	2003	2004	2005	2006	2007
SPANISH INVESTMENT ABROAD								
WORLD TOTAL	63,184.7	36,996.7	34,761.0	25,444.6	48,750.1	33,635.9	79,913.0	87,388.2
EUROPE	29,279.78	23,417.77	22,684.13	19,216.30	39,332.88	24,819.44	61,342.93	63,202.75
EU 27	27,065.673	22,076.631	21,039.396	18,956.234	37,183.367	20,755.068	61,259.493	62,199.556
— Euro area (EMU 13)	22,732.1	21,113.9	19,736.7	12,778.0	17,301.9	11,492.5	23,405.0	32,457.6
— Germany	5,434.4	2,322.7	2,155.7	5,109.0	675.5	776.8	1,196.8	3,730.4
— Austria	353.9	117.8	266.1	21.9	91.7	360.1	829.3	70.4
— Belgium	-1,384.2	638.0	141.7	321.2	777.6	163.5	2,080.4	412.9
— Finland	217.0	30.1	56.1	0.6	322.9	121.6	75.2	-4.6
— France	708.1	564.8	1,541.6	1,043.2	3,745.8	7,533.1	5,457.5	4,132.6
— Greece	14.9	107.1	448.5	394.9	91.6	85.7	242.3	1,031.2
— Netherlands	2,778.1	4,233.9	5,654.0	-394.0	3,066.6	258.0	6,967.5	13,454.6
— Ireland	187.3	514.2	497.2	876.1	442.4	-2,612.9	451.8	-88.9
— Italy	1,466.28	2,437.40	1,373.10	1,535.00	2,027.49	1,033.29	676.79	6,149.40
— Luxembourg	9,350.321	8,931.062	6,364.258	1,560.553	3,709.151	1,748.007	2,171.680	2,521.283
— Portugal	3,605.6	1,216.4	1,236.9	2,308.8	2,350.1	2,003.6	3,264.5	1,047.9
— Slovenia	0.4	0.4	1.5	0.7	1.1	21.6	-8.8	0.4
— United Kingdom	1,953.9	705.4	1,104.0	4,354.0	17,177.3	2,186.1	33,380.3	19,565.6
— Denmark	606.4	20.4	13.2	94.5	339.8	293.2	95.4	121.1
— Sweden	71.1	-5.9	97.3	410.7	471.2	-26.3	576.6	658.2
New members	1,702.2	242.8	88.3	1,318.0	1,892.2	6,809.6	3,801.9	9,397.1
— Hungary	1,205.3	181.2	10.3	1,125.2	1,378.9	2,409.7	1,323.6	6,760.7
— Poland	476.6	41.5	21.2	140.6	420.8	343.8	1,263.5	1,352.6
Rest of Europe	2,214.1	1,341.1	1,644.7	260.1	2,149.5	4,064.4	83.4	1,003.2
Switzerland	1,957.0	1,322.9	1,359.4	204.2	1,516.0	4,168.3	-228.6	-369.3
NORTH AMERICA	7,738.3	2,439.1	1,712.8	1,673.2	-879.4	2,142.6	8,831.6	11,744.6
United States	7,725.5	2,368.0	1,670.2	1,458.2	-407.9	1,947.9	8,768.5	11,138.0
CENTRAL AND SOUTH AMERICA	25,827.31	11,280.56	6,822.59	2,454.00	10,023.74	5,059.34	7,483.14	9,776.12
Argentina	3,701.783	2,026.856	2,726.158	-1,129.842	-1,403.616	1,695.227	1,357.649	815.175
Brazil	12,582.6	3,435.1	-1,811.6	1,552.8	1,490.1	1,786.2	2,308.3	2,466.8
Chile	856.5	239.0	-11.4	539.4	1,312.5	62.4	810.4	503.3
Mexico	4,455.5	3,123.5	3,785.1	1,188.4	7,340.6	1,971.5	712.7	3,944.6
AFRICA	-127.2	-590.7	456.1	1,909.9	608.3	808.8	1,422.3	959.6
Morocco	45.3	11.7	58.1	1,467.5	57.2	175.4	875.3	317.4
ASIA	327.3	402.5	1,605.7	144.5	337.0	228.9	775.1	1,067.1
China	64.1	15.5	27.9	39.8	76.0	122.6	219.4	214.6
Japan	30.7	279.0	1,468.0	86.4	86.5	44.9	108.7	78.9
Newly industrialised countries (NICs)	109.4	26.3	14.3	14.9	-23.9	66.1	54.2	619.2
OCEANIA AND POLAR REGIONS	127.2	34.6	1,460.4	25.7	-710.8	75.6	-55.7	526.7
MEMORANDUM ITEM:								
OECD	41,409.0	29,211.4	30,996.1	22,101.5	45,007.9	28,736.3	70,991.5	78,285.5

SOURCE: Banco de España.

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

## NOTES:

EUROPEAN UNION (EU 27): 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, Romania, Bulgaria and their dependencies.

NEW MEMBERS: Cyprus, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Malta, Poland, Slovakia, Romania and Bulgaria.

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, Slovakia, Poland and South Korea, and their dependencies.

FOREIGN DIRECT INVESTMENT (cont'd)  
Breakdown by selected geographical and economic area (a)

TABLE 6.1.12

EUR m	2000	2001	2002	2003	2004	2005	2006	2007
FOREIGN INVESTMENT IN SPAIN								
WORLD TOTAL	42,954.8	31,746.4	41,675.9	22,876.8	19,941.4	20,119.2	21,433.8	39,005.3
EUROPE	30,759.7	28,957.2	23,328.1	17,450.8	19,207.3	18,352.9	14,220.4	37,139.7
EU 27	29,320.4	26,992.3	22,958.7	15,707.6	17,789.8	18,185.3	15,077.9	36,051.1
— Euro area (EMU 13)	10,253.5	23,844.9	17,539.6	6,517.2	11,508.7	14,687.2	10,302.6	27,493.0
— Germany	2,170.7	1,004.3	3,659.6	-749.9	-1,331.5	-1,008.6	-602.8	-2,337.8
— Austria	121.7	11.9	57.8	28.6	127.0	72.6	182.1	158.5
— Belgium	212.7	3,331.0	-1,138.3	-528.4	6,180.3	-30.0	-65.1	-177.5
— Finland	51.5	31.5	76.7	59.6	13.2	-14.9	-58.5	-111.6
— France	1,242.4	3,907.2	2,529.4	-368.5	-1,843.6	-129.9	758.1	730.9
— Greece	4.1	13.8	99.1	5.3	4.1	11.1	-4.7	-6.0
— Netherlands	3,048.0	4,077.4	3,769.4	1,409.9	-933.9	9,276.0	6,741.2	2,909.9
— Ireland	315.6	228.5	208.4	1,382.3	83.5	1,805.5	611.8	1,018.8
— Italy	597.1	768.2	1,305.3	671.8	686.4	532.9	0.2	19,822.0
— Luxembourg	1,744.1	2,125.0	8,234.9	3,707.1	6,370.1	3,595.1	1,936.1	5,377.5
— Portugal	745.8	8,346.0	-1,262.9	899.1	2,149.1	574.3	813.6	100.2
— Slovenia	-0.1	0.3	0.1	0.1	4.0	2.8	-9.2	8.2
— United Kingdom	18,404.0	2,838.9	5,249.1	9,061.1	4,921.9	1,852.9	2,282.9	7,514.0
— Denmark	162.4	-62.6	155.5	-4.7	151.9	98.8	301.2	-181.8
— Sweden	474.3	216.5	-62.3	106.4	1,159.2	1,509.1	1,213.7	738.4
New members	23.6	155.1	78.1	30.8	48.1	37.3	971.4	486.5
— Hungary	6.1	91.2	54.5	-14.4	13.2	-21.1	194.9	207.5
— Poland	8.7	16.1	-3.6	7.8	8.6	-5.0	27.1	9.7
Rest of Europe	1,439.3	1,964.9	369.4	1,743.2	1,417.5	167.7	-857.5	1,088.6
Switzerland	1,105.0	1,590.8	-146.5	1,381.8	1,109.4	-464.8	-1,872.1	505.9
NORTH AMERICA	11,777.6	2,119.6	16,495.8	5,429.2	240.3	2,017.9	6,226.6	745.9
United States	11,784.0	2,104.1	15,457.5	4,221.1	-351.0	2,035.2	5,524.8	1,875.4
CENTRAL AND SOUTH AMERICA	242.4	362.7	1,707.3	-102.3	888.0	-236.1	699.0	979.5
Argentina	18.9	-20.5	45.7	13.5	-59.3	5.9	-64.6	9.8
Brazil	5.7	15.1	-181.8	102.1	135.5	129.5	-94.6	700.9
Chile	-2.6	-11.2	1,507.5	-530.4	9.2	-5.9	38.2	-25.8
Mexico	57.3	386.2	89.7	415.9	21.7	-389.8	152.3	-37.0
AFRICA	20.3	38.9	-79.9	29.7	15.2	45.5	120.0	212.8
Morocco	11.5	8.6	-69.6	14.8	-7.4	10.4	-12.4	-1.9
ASIA	170.1	249.9	203.5	40.2	-461.0	670.6	155.2	-120.3
China	1.2	3.6	2.7	-1.8	4.8	4.9	0.2	-2.2
Japan	89.2	98.8	127.8	-81.9	165.8	275.2	100.4	-288.3
Newly industrialised countries (NICs)	22.3	34.5	14.0	-3.2	16.1	4.4	-49.1	9.7
OCEANIA AND POLAR REGIONS	-19.8	5.8	4.4	3.9	40.3	19.8	5.5	36.6
MEMORANDUM ITEM:								
OECD	42,523.9	31,449.5	39,716.6	22,912.5	19,441.2	19,922.2	19,671.7	37,164.0

SOURCE: Banco de España.

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

NOTES:

EUROPEAN UNION (EU 27): 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, Romania, Bulgaria and their dependencies.

NEW MEMBERS: Cyprus, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Malta, Poland, Slovakia, Romania and Bulgaria.

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, Slovakia, Poland and South Korea, and their dependencies.

## 6.2 THE SPANISH BALANCE OF PAYMENTS IN 2006 (REVISED DATA)

## BALANCE OF PAYMENTS IN 2005 AND 2006: MAIN COMPONENTS

TABLE 6.2.1

## Annual data

EUR m	2005			2006		
	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET
<b>CURRENT ACCOUNT</b>	282,498.0	349,357.7	-66,859.7	322,078.2	409,793.5	-87,715.3
Trade balance	157,977.5	226,580.7	-68,603.2	175,882.7	259,154.3	-83,271.6
Services	76,247.4	54,007.7	22,239.7	84,731.9	62,396.8	22,335.1
Travel	38,558.3	12,125.2	26,433.1	40,715.0	13,265.7	27,449.3
Other services	37,689.1	41,882.5	-4,193.3	44,016.9	49,131.2	-5,114.2
Income	31,870.4	48,973.7	-17,103.3	44,381.7	64,962.7	-20,581.0
Labour	1,059.8	1,237.5	-177.7	1,204.0	1,485.8	-281.8
Investment	30,810.7	47,736.2	-16,925.5	43,177.7	63,476.9	-20,299.2
Current transfers	16,402.6	19,795.6	-3,392.9	17,081.9	23,279.7	-6,197.8
<b>CAPITAL ACCOUNT</b>	9,081.3	900.9	8,180.4	7,645.9	1,449.6	6,196.3
<b>CURRENT AND CAPITAL ACCOUNTS</b>	<b>291,579.3</b>	<b>350,258.6</b>	<b>-58,679.3</b>	<b>329,724.1</b>	<b>411,243.1</b>	<b>-81,519.0</b>
	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)
<b>FINANCIAL ACCOUNT (a)</b>	–	–	<b>60,818.0</b>	–	–	<b>83,276.1</b>
EXCLUDING BANCO DE ESPAÑA	–	–	62,932.2	–	–	109,076.3
Foreign direct investment	–	–	-13,516.7	–	–	-58,479.1
Spanish investment abroad	–	33,635.9	-33,635.9	–	79,913.0	-79,913.0
Foreign investment in Spain	20,119.2	–	20,119.2	21,433.8	–	21,433.8
Portfolio investment	–	–	58,734.2	–	–	200,029.9
Spanish investment abroad	–	79,740.8	-79,740.8	–	-4,092.3	4,092.3
Foreign investment in Spain	138,475.0	–	138,475.0	195,937.6	–	195,937.6
Other investment (b)	–	–	17,348.6	–	–	-34,393.3
Spanish investment abroad	–	47,252.8	-47,252.8	–	68,601.3	-68,601.3
– Monetary financial institutions	–	39,846.5	-39,846.5	–	58,726.5	-58,726.5
– General government	–	542.2	-542.2	–	-31.5	31.5
– Other resident sectors	–	6,864.1	-6,864.1	–	9,906.3	-9,906.3
Foreign investment in Spain	64,601.4	–	64,601.4	34,208.0	–	34,208.0
– Monetary financial institutions	51,055.1	–	51,055.1	4,031.5	–	4,031.5
– General government	100.0	–	100.0	1,039.7	–	1,039.7
– Other resident sectors	13,446.2	–	13,446.2	29,136.8	–	29,136.8
Financial derivatives	–	–	366.1	–	–	1,918.8
<b>BANCO DE ESPAÑA</b>	–	–	-2,114.2	–	–	-25,800.1
Reserves	–	–	1,439.5	–	–	-480.4
Net claims on the Eurosystem	–	–	14,855.0	–	–	-12,327.0
Other net assets	–	–	-18,408.7	–	–	-12,992.7
<b>ERRORS AND OMISSIONS</b>	–	–	<b>-2,138.7</b>	–	–	<b>-1,757.2</b>

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 net 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 m	2006	2006			
		Q1	Q2	Q3	Q4
<b>CREDITS</b>					
CURRENT ACCOUNT	322,078.2	74,893.8	81,760.8	77,875.4	87,548.1
Trade balance	175,882.7	44,306.8	45,597.1	40,109.2	45,869.6
Services	84,731.9	17,702.7	20,727.2	25,172.4	21,129.6
Travel	40,715.0	7,373.8	9,986.8	14,531.3	8,823.1
Other services	44,016.9	10,328.8	10,740.4	10,641.2	12,306.5
Income	44,381.7	9,626.8	11,497.7	9,525.4	13,731.8
Labour	1,204.0	297.4	296.3	286.9	323.3
Investment	43,177.7	9,329.4	11,201.4	9,238.5	13,408.5
Current transfers	17,081.9	3,257.5	3,938.8	3,068.4	6,817.2
CAPITAL ACCOUNT	7,645.9	1,292.2	1,396.3	1,694.3	3,263.2
CURRENT AND CAPITAL ACCOUNTS	329,724.1	76,186.0	83,157.1	79,569.7	90,811.4
<b>DEBITS</b>					
CURRENT ACCOUNT	409,793.5	97,571.6	101,518.3	99,726.5	110,977.0
Trade balance	259,154.3	63,585.2	66,456.7	60,934.9	68,177.5
Services	62,396.8	14,679.0	15,048.4	16,089.3	16,580.1
Travel	13,265.7	2,827.8	2,956.9	4,058.9	3,422.0
Other services	49,131.2	11,851.2	12,091.4	12,030.4	13,158.1
Income	64,962.7	13,408.4	15,397.9	17,188.5	18,967.8
Labour	1,485.8	357.9	390.3	359.1	378.4
Investment	63,476.9	13,050.5	15,007.6	16,829.5	18,589.4
Current transfers	23,279.7	5,899.1	4,615.3	5,513.8	7,251.5
CAPITAL ACCOUNT	1,449.6	411.9	313.5	394.4	329.7
CURRENT AND CAPITAL ACCOUNTS	411,243.1	97,983.6	101,831.9	100,121.0	111,306.7
<b>BALANCES</b>					
CURRENT ACCOUNT	-87,715.3	-22,677.8	-19,757.5	-21,851.1	-23,428.8
Trade balance	-83,271.6	-19,278.4	-20,859.6	-20,825.7	-22,307.9
Services	22,335.1	3,023.6	5,678.8	9,083.2	4,549.5
Travel	27,449.3	4,546.0	7,029.8	10,472.4	5,401.1
Other services	-5,114.2	-1,522.4	-1,351.0	-1,389.2	-851.7
Income	-20,581.0	-3,781.6	-3,900.3	-7,663.2	-5,236.0
Labour	-281.8	-60.5	-94.1	-72.1	-55.1
Investment	-20,299.2	-3,721.0	-3,806.2	-7,591.0	-5,180.9
Current transfers	-6,197.8	-2,641.5	-676.5	-2,445.4	-434.4
CAPITAL ACCOUNT	6,196.3	880.3	1,082.7	1,299.8	2,933.5
CURRENT AND CAPITAL ACCOUNTS	-81,519.0	-21,797.6	-18,674.8	-20,551.2	-20,495.3
<b>FINANCIAL ACCOUNT (NCL-NCA) (a)</b>	<b>83,276.1</b>	<b>24,020.2</b>	<b>17,414.3</b>	<b>22,717.7</b>	<b>19,123.9</b>
EXCLUDING BANCO DE ESPAÑA (NCL-NCA)	109,076.3	34,501.7	22,910.2	19,139.4	32,525.0
Spanish investment abroad (NCA)	144,422.0	71,236.4	15,036.6	28,219.8	29,929.2
Foreign direct investment	79,913.0	30,680.7	18,544.4	16,028.0	14,659.9
Portfolio investment	-4,092.3	21,675.8	-22,621.0	-5,903.1	2,756.1
Other investment (b)	68,601.3	18,879.9	19,113.2	18,095.0	12,513.2
— Monetary financial institutions	58,726.5	20,642.8	14,816.0	13,854.2	9,413.5
— General government	-31.5	-3,012.1	692.5	-257.2	2,545.3
— Other resident sectors	9,906.3	1,249.3	3,604.7	4,497.9	554.4
Foreign investment in Spain (NCL)	251,579.5	105,289.0	37,658.4	46,957.3	61,674.7
Foreign direct investment	21,433.8	281.7	6,970.2	8,423.3	5,758.6
Portfolio investment	195,937.6	69,222.6	56,580.2	31,949.9	38,184.9
Other investment (b)	34,208.0	35,784.6	-25,891.9	6,584.1	17,731.1
— Monetary financial institutions	4,031.5	15,288.0	-22,733.5	348.4	11,128.6
— General government	1,039.7	-200.8	200.1	1,189.7	-149.3
— Other resident sectors	29,136.8	20,697.5	-3,358.5	5,046.0	6,751.8
Financial derivatives (NCL-NCA)	1,918.8	449.1	288.4	401.9	779.4
BANCO DE ESPAÑA (NCL-NCA)	-25,800.1	-10,481.4	-5,495.9	3,578.3	-13,401.1
Reserves	-480.4	-213.0	340.4	-518.4	-89.5
Net claims on the Eurosystem	-12,327.0	-9,751.0	-5,410.0	6,810.0	-3,976.0
Other net assets	-12,992.7	-517.5	-426.3	-2,713.3	-9,335.6
<b>ERRORS AND OMISSIONS</b>	<b>-1,757.2</b>	<b>-2,222.6</b>	<b>1,260.5</b>	<b>-2,166.5</b>	<b>1,371.4</b>

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 net 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 m

	2006	2006			
		Q1	Q2	Q3	Q4
<b>CREDITS</b>	<b>84,731.9</b>	<b>17,702.7</b>	<b>20,727.2</b>	<b>25,172.4</b>	<b>21,129.6</b>
TRAVEL	40,715.0	7,373.8	9,986.8	14,531.3	8,823.1
TRANSPORTATION	14,413.9	3,224.4	3,729.1	3,721.0	3,739.4
Freight	5,393.7	1,333.2	1,384.4	1,238.7	1,437.4
Passenger transport	4,966.2	1,059.0	1,340.0	1,344.6	1,222.6
<i>Air transport</i>	<i>4,796.3</i>	<i>1,035.5</i>	<i>1,310.6</i>	<i>1,276.1</i>	<i>1,174.0</i>
<i>Overland and other transport</i>	<i>41.8</i>	<i>7.6</i>	<i>8.3</i>	<i>13.6</i>	<i>12.2</i>
<i>Sea transport</i>	<i>128.1</i>	<i>15.9</i>	<i>21.0</i>	<i>54.9</i>	<i>36.3</i>
Other (a)	4,054.0	832.2	1,004.8	1,137.7	1,079.4
COMMUNICATION SERVICES	1,147.5	208.6	304.5	293.0	341.3
CONSTRUCTION SERVICES	1,741.1	475.1	360.5	428.5	476.9
INSURANCE SERVICES	647.8	81.1	99.1	173.8	293.8
FINANCIAL SERVICES	3,153.5	677.1	715.2	749.8	1,011.3
COMPUTER AND INFORMATION SERVICES	3,160.2	982.6	761.3	582.1	834.1
OTHER BUSINESS SERVICES	17,384.2	3,935.0	4,238.9	4,160.8	5,049.5
Merchandising (b)	1,642.4	313.8	363.4	426.5	538.7
Operational leasing (c)	439.6	80.1	102.7	117.1	139.7
Miscellaneous business, professional and technical	15,302.2	3,541.2	3,772.7	3,617.2	4,371.1
PERSONAL, CULTURAL AND RECREATIONAL SERVICES	987.0	171.9	272.0	265.9	277.2
Audiovisual	437.6	71.1	107.4	138.0	121.0
Other cultural and recreational services	549.5	100.8	164.6	127.9	156.2
GOVERNMENT SERVICES	632.7	144.1	158.7	154.5	175.4
ROYALTIES AND LICENCE FEES	749.2	428.8	101.0	111.8	107.6
<b>DEBITS</b>	<b>62,396.8</b>	<b>14,679.0</b>	<b>15,048.4</b>	<b>16,089.3</b>	<b>16,580.1</b>
TRAVEL	13,265.7	2,827.8	2,956.9	4,058.9	3,422.0
TRANSPORTATION	16,370.4	3,809.1	4,188.6	4,145.4	4,227.3
Freight	10,889.9	2,667.5	2,758.3	2,598.4	2,865.7
Passenger transport	2,898.9	565.0	757.7	828.3	748.0
<i>Air transport</i>	<i>2,793.6</i>	<i>548.6</i>	<i>731.4</i>	<i>794.6</i>	<i>719.0</i>
<i>Overland and other transport</i>	<i>36.9</i>	<i>5.0</i>	<i>11.5</i>	<i>6.8</i>	<i>13.6</i>
<i>Sea transport</i>	<i>68.4</i>	<i>11.4</i>	<i>14.8</i>	<i>26.8</i>	<i>15.5</i>
Other (a)	2,581.6	576.7	672.7	718.6	613.6
COMMUNICATION SERVICES	1,872.6	473.2	435.0	448.1	516.3
CONSTRUCTION SERVICES	1,048.7	235.2	322.8	200.3	290.5
INSURANCE SERVICES	1,538.7	313.6	397.2	416.8	411.0
FINANCIAL SERVICES	3,206.2	779.5	771.5	790.9	864.3
COMPUTER AND INFORMATION SERVICES	1,678.8	441.4	364.4	436.1	436.9
OTHER BUSINESS SERVICES	19,553.7	4,784.9	4,647.8	4,675.1	5,445.9
Merchandising (b)	1,474.8	376.2	366.2	342.8	389.6
Operational leasing (c)	1,192.2	343.7	273.9	304.3	270.2
Miscellaneous business, professional and technical	16,886.7	4,065.0	4,007.7	4,028.0	4,786.1
PERSONAL, CULTURAL AND RECREATIONAL SERVICES	1,525.9	386.6	351.0	413.7	374.5
Audiovisual	917.0	248.3	202.4	236.5	229.7
Other cultural and recreational services	608.9	138.3	148.6	177.2	144.8
GOVERNMENT SERVICES	331.6	121.5	70.8	58.8	80.5
ROYALTIES AND LICENCE FEES	2,004.6	506.2	542.3	445.3	510.8

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 m	2006	2006			
		Q1	Q2	Q3	Q4
<b>BALANCE</b>	<b>22,335.1</b>	<b>3,023.6</b>	<b>5,678.8</b>	<b>9,083.2</b>	<b>4,549.5</b>
TRAVEL	27,449.3	4,546.0	7,029.8	10,472.4	5,401.1
TRANSPORTATION	-1,956.5	-584.7	-459.5	-424.3	-488.0
Freight	-5,496.2	-1,334.2	-1,373.9	-1,359.8	-1,428.3
Passenger transport	2,067.3	494.0	582.3	516.3	474.6
<i>Air transport</i>	<i>2,002.7</i>	<i>486.9</i>	<i>579.2</i>	<i>481.5</i>	<i>455.1</i>
<i>Overland and other transport</i>	<i>4.9</i>	<i>2.6</i>	<i>-3.2</i>	<i>6.8</i>	<i>-1.3</i>
<i>Sea transport</i>	<i>59.7</i>	<i>4.5</i>	<i>6.3</i>	<i>28.0</i>	<i>20.9</i>
Other (a)	1,472.4	255.5	332.1	419.1	465.8
COMMUNICATION SERVICES	-725.1	-264.6	-130.5	-155.1	-175.0
CONSTRUCTION SERVICES	692.3	239.9	37.8	228.2	186.4
INSURANCE SERVICES	-890.9	-232.5	-298.2	-243.0	-117.2
FINANCIAL SERVICES	-52.7	-102.4	-56.3	-41.1	147.0
COMPUTER AND INFORMATION SERVICES	1,481.4	541.2	396.9	146.0	397.2
OTHER BUSINESS SERVICES	-2,169.5	-849.9	-408.9	-514.3	-396.4
Merchandising (b)	167.6	-62.4	-2.8	83.7	149.1
Operational leasing (c)	-752.6	-263.6	-171.2	-187.2	-130.5
Miscellaneous business, professional and technical	-1,584.5	-523.8	-234.9	-410.8	-415.0
PERSONAL, CULTURAL AND RECREATIONAL SERVICES	-538.8	-214.7	-79.0	-147.9	-97.3
Audiovisual	-479.4	-177.1	-95.0	-98.6	-108.7
Other cultural and recreational services	-59.4	-37.6	16.0	-49.3	11.4
GOVERNMENT SERVICES	301.1	22.6	87.9	95.7	94.8
ROYALTIES AND LICENCE FEES	-1,255.4	-77.4	-441.3	-333.5	-403.2

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 6.2.4

EUR m	2006	2006			
		Q1	Q2	Q3	Q4
<b>CREDITS</b>	<b>43,177.7</b>	<b>9,329.4</b>	<b>11,201.4</b>	<b>9,238.5</b>	<b>13,408.5</b>
MONETARY FINANCIAL INSTITUTIONS	14,415.8	3,003.3	3,768.6	3,229.5	4,414.4
GENERAL GOVERNMENT	443.0	79.3	100.7	107.6	155.4
OTHER RESIDENT SECTORS	28,318.9	6,246.8	7,332.1	5,901.3	8,838.6
<b>DEBITS</b>	<b>63,476.9</b>	<b>13,050.5</b>	<b>15,007.6</b>	<b>16,829.5</b>	<b>18,589.4</b>
MONETARY FINANCIAL INSTITUTIONS	22,553.2	4,392.4	5,752.6	5,961.1	6,447.0
GENERAL GOVERNMENT	8,706.5	2,095.1	2,163.1	2,211.7	2,236.6
OTHER RESIDENT SECTORS	32,217.2	6,562.9	7,091.8	8,656.7	9,905.7
<b>BALANCE</b>	<b>-20,299.2</b>	<b>-3,721.0</b>	<b>-3,806.2</b>	<b>-7,591.0</b>	<b>-5,180.9</b>
MONETARY FINANCIAL INSTITUTIONS	-8,137.4	-1,389.1	-1,984.1	-2,731.6	-2,032.6
GENERAL GOVERNMENT	-8,263.5	-2,015.8	-2,062.4	-2,104.1	-2,081.2
OTHER RESIDENT SECTORS	-3,898.3	-316.1	240.3	-2,755.3	-1,067.1

## INVESTMENT INCOME BY INSTRUMENT

TABLE 6.2.5

	EUR m				
	2006	2006			
		Q1	Q2	Q3	Q4
<b>CREDITS</b>	<b>43,177.7</b>	<b>9,329.4</b>	<b>11,201.4</b>	<b>9,238.5</b>	<b>13,408.5</b>
FOREIGN DIRECT INVESTMENT INCOME	20,959.6	4,344.7	5,713.7	3,893.4	7,007.8
PORTFOLIO INVESTMENT INCOME	13,250.5	3,150.2	3,589.3	3,136.9	3,374.1
Distributed dividends	1,833.4	292.9	814.0	424.0	302.6
Other portfolio investment	11,417.0	2,857.3	2,775.3	2,712.9	3,071.5
OTHER INVESTMENT INCOME	8,967.6	1,834.5	1,898.4	2,208.2	3,026.5
<b>DEBITS</b>	<b>63,476.9</b>	<b>13,050.5</b>	<b>15,007.6</b>	<b>16,829.5</b>	<b>18,589.4</b>
FOREIGN DIRECT INVESTMENT INCOME (a)	15,798.0	3,258.6	3,588.7	3,712.8	5,238.0
PORTFOLIO INVESTMENT INCOME (b)	30,326.2	6,208.4	7,365.0	8,466.3	8,286.6
Distributed dividends (b)	6,346.4	1,055.5	1,638.0	2,203.3	1,449.6
Other negotiable securities investment	23,979.8	5,152.9	5,727.0	6,263.0	6,837.0
OTHER INVESTMENT INCOME	17,352.7	3,583.5	4,053.9	4,650.4	5,064.8

SOURCE: Banco de España.

- a. Does not include income from foreign direct investment in listed shares; includes income from portfolio investment in unlisted shares.  
 b. Includes income from foreign direct investment in listed shares; does not include income from portfolio investment in unlisted shares.

## CURRENT TRANSFERS BY SECTOR

TABLE 6.2.6

	EUR m				
	2006	2006			
		Q1	Q2	Q3	Q4
<b>CREDITS</b>	<b>17,081.9</b>	<b>3,257.5</b>	<b>3,938.8</b>	<b>3,068.4</b>	<b>6,817.2</b>
GENERAL GOVERNMENT	3,390.4	863.1	655.1	490.7	1,381.6
Of which: with the EU	1,387.7	351.3	174.2	88.5	773.7
OTHER SECTORS	13,691.5	2,394.5	3,283.8	2,577.7	5,435.6
Workers' remittances	4,824.4	1,050.4	1,194.3	1,345.1	1,234.7
Other transfers	8,867.1	1,344.1	2,089.5	1,232.6	4,200.9
Of which: with the EU	6,145.2	765.1	1,386.3	592.4	3,401.5
<b>DEBITS</b>	<b>23,279.7</b>	<b>5,899.1</b>	<b>4,615.3</b>	<b>5,513.8</b>	<b>7,251.5</b>
GENERAL GOVERNMENT	12,271.2	3,466.1	1,936.1	2,752.2	4,116.8
Of which: with the EU	10,674.3	3,126.4	1,777.3	2,492.8	3,277.9
OTHER SECTORS	11,008.5	2,432.9	2,679.2	2,761.6	3,134.8
Workers' remittances	6,812.5	1,423.6	1,652.3	1,744.6	1,992.0
Other transfers	4,196.0	1,009.3	1,026.9	1,017.0	1,142.8
<b>BALANCE</b>	<b>-6,197.8</b>	<b>-2,641.5</b>	<b>-676.5</b>	<b>-2,445.4</b>	<b>-434.4</b>
GENERAL GOVERNMENT	-8,880.8	-2,603.1	-1,281.0	-2,261.5	-2,735.2
Of which: with the EU	-9,286.7	-2,775.1	-1,603.1	-2,404.3	-2,504.2
OTHER SECTORS	2,683.0	-38.4	604.6	-183.9	2,300.8
Workers' remittances	-1,988.1	-373.3	-458.0	-399.5	-757.3
Other transfers	4,671.1	334.8	1,062.6	215.6	3,058.1
Of which: with the EU	6,145.2	765.1	1,386.3	592.4	3,401.5

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

## CAPITAL ACCOUNT

TABLE 6.2.7

EUR m	2006	2006			
		Q1	Q2	Q3	Q4
<b>CREDITS</b>	<b>7,645.9</b>	<b>1,292.2</b>	<b>1,396.3</b>	<b>1,694.3</b>	<b>3,263.2</b>
CAPITAL TRANSFERS	7,524.3	1,251.5	1,362.9	1,671.6	3,238.3
General government	6,303.1	920.3	1,073.0	1,413.3	2,896.5
<i>Of which: with the EU</i>	4,592.5	766.4	899.8	457.6	2,468.8
Other sectors	1,221.2	331.2	289.9	258.3	341.9
DISPOSAL OF NON-PRODUCED INTANGIBLE ASSETS	121.6	40.7	33.4	22.7	24.9
<b>DEBITS</b>	<b>1,449.6</b>	<b>411.9</b>	<b>313.5</b>	<b>394.4</b>	<b>329.7</b>
CAPITAL TRANSFERS	807.0	293.3	177.0	158.7	178.1
General government	96.9	33.7	26.1	18.0	19.2
<i>Of which: with the EU</i>	—	—	—	—	—
Other sectors	710.1	259.6	150.9	140.7	158.9
ACQUISITION OF NON-PRODUCED INTANGIBLE ASSETS	642.5	118.6	136.6	235.7	151.6
<b>BALANCE</b>	<b>6,196.3</b>	<b>880.3</b>	<b>1,082.7</b>	<b>1,299.8</b>	<b>2,933.5</b>
CAPITAL TRANSFERS	6,717.3	958.2	1,185.9	1,512.9	3,060.3
General government	6,206.2	886.6	1,046.9	1,395.4	2,877.3
<i>Of which: with the EU</i>	4,592.5	766.4	899.8	457.6	2,468.8
Other sectors	511.1	71.6	139.0	117.5	183.0
DISPOSAL (+) / ACQUISITION (-) OF NON-PRODUCED INTANGIBLE ASSETS	-521.0	-77.9	-103.2	-213.0	-126.8

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

EUR m

	2006	2006			
		Q1	Q2	Q3	Q4
<b>SPANISH INVESTMENT ABROAD (NCA)</b>	<b>169,638.2</b>	<b>81,846.7</b>	<b>20,716.1</b>	<b>23,834.6</b>	<b>43,240.8</b>
FOREIGN DIRECT INVESTMENT	79,913.0	30,680.7	18,544.4	16,028.0	14,659.9
Monetary financial institutions	4,878.7	329.7	1,544.2	1,416.7	1,588.1
Other resident sectors	75,034.2	30,351.1	17,000.1	14,611.3	13,071.8
PORTFOLIO INVESTMENT (INCLUDING BANCO DE ESPAÑA)	9,651.6	22,702.9	-22,308.1	-2,806.8	12,063.5
Banco de España	13,743.8	1,027.1	313.0	3,096.3	9,307.4
Other monetary financial institutions	-30,435.2	3,436.6	-26,073.4	-7,466.5	-331.9
General government	10,599.8	5,060.5	31.4	4,240.0	1,267.9
Other resident sectors	15,743.1	13,178.7	3,420.9	-2,676.5	1,820.0
OTHER INVESTMENT (INCLUDING BANCO DE ESPAÑA) (b)	80,073.7	28,463.1	24,479.8	10,613.4	16,517.4
Banco de España	11,472.3	9,583.2	5,366.5	-7,481.6	4,004.2
Other monetary financial institutions	58,726.5	20,642.8	14,816.0	13,854.2	9,413.5
General government	-31.5	-3,012.1	692.5	-257.2	2,545.3
Other resident sectors	9,906.3	1,249.3	3,604.7	4,497.9	554.4
<b>FOREIGN INVESTMENT IN SPAIN (NCL)</b>	<b>251,475.9</b>	<b>105,630.8</b>	<b>37,501.6</b>	<b>46,668.7</b>	<b>61,674.7</b>
FOREIGN DIRECT INVESTMENT	21,433.8	281.7	6,970.2	8,423.3	5,758.6
Monetary financial institutions	-354.7	8.9	127.8	-649.5	158.1
Other resident sectors	21,788.6	272.8	6,842.4	9,072.8	5,600.5
PORTFOLIO INVESTMENT	195,937.6	69,222.6	56,580.2	31,949.9	38,184.9
Monetary financial institutions	81,876.3	30,723.1	17,511.3	18,438.5	15,203.4
General government	13,640.8	6,980.7	3,465.6	1,247.0	1,947.5
Other resident sectors	100,420.5	31,518.9	35,603.2	12,264.4	21,034.0
OTHER INVESTMENT (INCLUDING BANCO DE ESPAÑA) (b)	34,104.4	36,126.5	-26,048.7	6,295.6	17,731.1
Banco de España	-103.6	341.8	-156.8	-288.6	0.0
Other monetary financial institutions	4,031.5	15,288.0	-22,733.5	348.4	11,128.6
General government	1,039.7	-200.8	200.1	1,189.7	-149.3
Other resident sectors	29,136.8	20,697.5	-3,358.5	5,046.0	6,751.8
FINANCIAL DERIVATIVES (NCL – NCA)	1,918.8	449.1	288.4	401.9	779.4
Monetary financial institutions	2,429.5	1,257.8	80.8	891.4	199.5
General government	-26.2	-45.1	8.9	-24.7	34.7
Other resident sectors	-484.5	-763.7	198.7	-464.8	545.2
<b>RESERVES</b>	<b>-480.4</b>	<b>-213.0</b>	<b>340.4</b>	<b>-518.4</b>	<b>-89.5</b>

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 reserves.

EUR m	2006	2006			
		Q1	Q2	Q3	Q4
<b>GENERAL GOVERNMENT (NCL – NCA)</b>	<b>4,086.0</b>	<b>4,686.5</b>	<b>2,950.7</b>	<b>-1,570.8</b>	<b>-1,980.3</b>
PORTFOLIO INVESTMENT (NCL – NCA)	3,041.0	1,920.2	3,434.2	-2,993.0	679.6
Spanish investment abroad (NCA)	10,599.8	5,060.5	31.4	4,240.0	1,267.9
<i>Bonds and notes</i>	10,593.9	5,060.5	32.0	4,240.0	1,261.4
Foreign investment in Spain (NCL)	13,640.8	6,980.7	3,465.6	1,247.0	1,947.5
<i>Bonds and notes</i>	11,524.6	4,599.8	4,527.4	-851.5	3,248.8
<i>Money market instruments</i>	2,116.3	2,381.0	-1,061.8	2,098.4	-1,301.3
OTHER INVESTMENT (NCL – NCA) (b)	1,071.2	2,811.3	-492.4	1,446.9	-2,694.6
Spanish investment abroad (NCA)	-31.5	-3,012.1	692.5	-257.2	2,545.3
<i>Long-term loans and deposits</i>	806.1	249.8	192.0	272.4	91.9
<i>Short-term loans and deposits</i>	-837.6	-3,261.9	500.5	-529.6	2,453.3
Foreign investment in Spain (NCL)	1,039.7	-200.8	200.1	1,189.7	-149.3
<i>Long-term loans</i>	119.8	56.8	-132.9	66.0	129.9
<i>Short-term loans</i>	919.9	-257.6	333.0	1,123.7	-279.2
FINANCIAL DERIVATIVES (NCL – NCA)	-26.2	-45.1	8.9	-24.7	34.7
<b>OTHER RESIDENT SECTORS (NCL – NCA)</b>	<b>50,177.6</b>	<b>6,946.5</b>	<b>15,260.0</b>	<b>9,485.8</b>	<b>18,485.3</b>
FOREIGN DIRECT INVESTMENT (NCL – NCA)	-53,245.7	-30,078.2	-10,157.7	-5,538.5	-7,471.2
Spanish investment abroad (NCA)	75,034.2	30,351.1	17,000.1	14,611.3	13,071.8
<i>Shares</i>	48,656.8	28,467.6	9,951.6	5,491.2	4,746.4
<i>Other equity</i>	15,401.6	2,518.6	1,362.8	7,749.6	3,770.6
<i>Reinvested earnings</i>	7,517.7	1,879.4	1,879.4	1,879.4	1,879.4
<i>Intercompany debt transactions</i>	1,192.5	-3,011.0	3,286.1	-1,041.4	1,958.8
<i>Real estate</i>	2,265.6	496.4	520.2	532.5	716.4
Foreign investment in Spain (NCL)	21,788.6	272.8	6,842.4	9,072.8	5,600.5
<i>Shares</i>	2,287.2	-1,161.8	4,179.6	-218.1	-512.4
<i>Other equity</i>	6,224.9	649.5	579.6	1,522.5	3,473.3
<i>Reinvested earnings</i>	3,590.6	897.6	897.6	897.6	897.6
<i>Intercompany debt transactions</i>	4,982.5	-1,155.6	-32.7	5,758.4	412.4
<i>Real estate</i>	4,703.3	1,043.1	1,218.2	1,112.4	1,329.6
PORTFOLIO INVESTMENT (NCL – NCA)	84,677.4	18,340.2	32,182.3	14,940.9	19,214.0
Spanish investment abroad (NCA)	15,743.1	13,178.7	3,420.9	-2,676.5	1,820.0
<i>Listed shares and mutual funds</i>	16,562.1	10,663.9	4,432.8	-357.3	1,822.7
<i>Bonds and notes</i>	1,763.7	3,783.7	-291.3	-2,733.9	1,005.2
<i>Money market instruments</i>	-2,582.6	-1,268.9	-720.7	414.7	-1,007.8
Foreign investment in Spain (NCL)	100,420.5	31,518.9	35,603.2	12,264.4	21,034.0
<i>Shares and mutual funds</i>	-22,123.7	293.8	-3,512.1	-3,998.9	-14,906.6
<i>Bonds and notes</i>	120,867.7	31,676.0	37,615.3	15,596.0	35,980.4
<i>Money market instruments</i>	1,676.6	-451.0	1,500.0	667.3	-39.8
OTHER INVESTMENT (NCL – NCA) (b)	19,230.4	19,448.2	-6,963.3	548.1	6,197.4
Spanish investment abroad (NCA)	9,906.3	1,249.3	3,604.7	4,497.9	554.4
<i>Long-term loans and deposits</i>	838.2	102.5	63.8	383.7	288.2
<i>Short-term loans and deposits</i>	9,068.2	1,146.8	3,541.0	4,114.2	266.2
Foreign investment in Spain (NCL)	29,136.8	20,697.5	-3,358.5	5,046.0	6,751.8
<i>Long-term loans</i>	24,978.4	20,136.4	-2,330.4	1,150.4	6,021.9
<i>Short-term loans</i>	4,158.4	561.1	-1,028.2	3,895.6	729.9
FINANCIAL DERIVATIVES (NCL – NCA)	-484.5	-763.7	198.7	-464.8	545.2

SOURCE: Banco de España.

- a. Changes in assets and liabilities are both net of repayments.  
b. Mainly loans, repo operations and deposits.

ACCOUNTING CONVENTION:

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 m	2006	2006			
		Q1	Q2	Q3	Q4
<b>MONETARY FINANCIAL INSTITUTIONS, EXCLUDING</b>					
<b>BANCO DE ESPAÑA (NCL–NCA)</b>	<b>54,812.6</b>	<b>22,868.8</b>	<b>4,699.5</b>	<b>11,224.4</b>	<b>16,019.9</b>
FOREIGN DIRECT INVESTMENT (NCL–NCA)	-5,233.4	-320.8	-1,416.5	-2,066.2	-1,430.0
Spanish investment abroad (NCA)	4,878.7	329.7	1,544.2	1,416.7	1,588.1
Shares	3,950.6	123.6	1,325.4	1,164.3	1,337.2
Other equity	273.0	39.4	63.2	86.6	83.8
Reinvested earnings	662.8	165.7	165.7	165.7	165.7
Real estate	-7.7	1.0	-10.1	0.1	1.4
Foreign direct investment in Spain (NCL)	-354.7	8.9	127.8	-649.5	158.1
Unlisted shares	-575.1	-26.9	81.9	-708.8	78.6
Other equity	32.4	-11.2	-1.2	12.3	32.5
Reinvested earnings	188.0	47.0	47.0	47.0	47.0
PORTFOLIO INVESTMENT (NCL–NCA)	112,311.5	27,286.5	43,584.7	25,905.0	15,535.3
Spanish investment abroad (NCA)	-30,435.2	3,436.6	-26,073.4	-7,466.5	-331.9
Listed shares and mutual funds	4,552.1	851.9	1,926.3	1,175.3	598.6
Bonds and notes	-36,986.3	2,352.5	-27,761.4	-10,428.5	-1,148.9
Money market instruments	1,999.0	232.2	-238.3	1,786.7	218.4
Foreign investment in Spain (NCL)	81,876.3	30,723.1	17,511.3	18,438.5	15,203.4
Listed shares	3,724.5	1,701.3	-700.4	-170.8	2,894.3
Bonds and notes	72,209.3	28,796.0	16,841.7	15,462.4	11,109.2
Money market instruments	5,942.5	225.8	1,370.0	3,146.8	1,199.9
OTHER INVESTMENT (NCL–NCA) (b)	-54,695.0	-5,354.8	-37,549.5	-13,505.8	1,715.1
Spanish investment abroad (NCA)	58,726.5	20,642.8	14,816.0	13,854.2	9,413.5
Long-term	8,935.6	9,372.9	1,178.1	2,398.8	-4,014.2
Short-term	49,790.9	11,269.9	13,638.0	11,455.3	13,427.7
— Loans	12,475.4	2,264.0	4,540.0	936.5	4,734.9
— Deposits	37,315.5	9,005.9	9,098.0	10,518.9	8,692.8
Foreign investment in Spain (NCL)	4,031.5	15,288.0	-22,733.5	348.4	11,128.6
Long-term	-602.8	-2,133.7	-244.9	1,794.7	-19.0
Short-term	4,634.4	17,421.7	-22,488.6	-1,446.3	11,147.6
FINANCIAL DERIVATIVES (NCL–NCA)	2,429.5	1,257.8	80.8	891.4	199.5
<b>BANCO DE ESPAÑA (NCL–NCA)</b>	<b>-25,800.1</b>	<b>-10,481.4</b>	<b>-5,495.9</b>	<b>3,578.3</b>	<b>-13,401.1</b>
PORTFOLIO INVESTMENT (NCL–NCA)	-13,743.8	-1,027.1	-313.0	-3,096.3	-9,307.4
OTHER INVESTMENT (NCL–NCA)	-11,575.9	-9,241.4	-5,523.3	7,193.0	-4,004.2
Spanish investment abroad (NCA)	11,472.3	9,583.2	5,366.5	-7,481.6	4,004.2
Foreign investment in Spain (NCL)	-103.6	341.8	-156.8	-288.6	0.0
RESERVES	<b>-480.4</b>	<b>-213.0</b>	<b>340.4</b>	<b>-518.4</b>	<b>-89.5</b>

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 reserves.

## FOREIGN DIRECT INVESTMENT

TABLE 6.2.10

EUR m	2006	2006			
		Q1	Q2	Q3	Q4
<b>FOREIGN DIRECT INVESTMENT</b>					
SPANISH INVESTMENT ABROAD (NCA)	79,913.0	30,680.7	18,544.4	16,028.0	14,659.9
Of which: ETVE (a)	8,700.1	1,144.9	4,884.8	1,116.2	1,554.1
FOREIGN INVESTMENT IN SPAIN (NCL)	21,433.8	281.7	6,970.2	8,423.3	5,758.6
Of which: ETVE (a)	6,682.5	760.7	4,293.4	208.9	1,419.6

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 foreign direct investment flows.



**BALANCE OF PAYMENTS IN 2006**  
Breakdown by selected economic area (a)

TABLE 6.2.11

EUR m	WORLD TOTAL			EUROPE			EU 27		
	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET
	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)
CURRENT ACCOUNT	322,078.2	409,793.5	-87,715.3	253,643.9	289,005.2	-35,361.3	233,664.4	265,325.5	-31,661.0
GOODS	175,882.7	259,154.3	-83,271.6	137,559.1	172,520.2	-34,961.1	126,239.3	155,505.0	-29,265.7
SERVICES	84,731.9	62,396.8	22,335.1	70,119.7	46,394.0	23,725.7	63,373.1	41,306.9	22,066.2
<i>Travel</i>	40,715.0	13,265.7	27,449.3	35,988.6	9,815.5	26,173.1	33,667.1	8,747.5	24,919.6
<i>Other services</i>	44,016.9	49,131.2	-5,114.2	34,131.1	36,578.5	-2,447.4	29,706.0	32,559.4	-2,853.4
Labour income	1,204.0	1,485.8	-281.8	878.7	780.2	98.5	752.5	680.3	72.1
Investment income	43,177.7	63,476.9	-20,299.2	30,373.4	54,354.8	-23,981.5	29,403.2	53,205.4	-23,802.2
<i>Monetary financial institutions</i>	14,415.8	22,553.2	-8,137.4	11,377.6	19,552.7	-8,175.1	11,051.4	19,049.8	-7,998.4
<i>General government</i>	443.0	8,706.5	-8,263.5	353.8	8,456.3	-8,102.4	352.1	8,418.7	-8,066.6
<i>Other resident sectors</i>	28,318.9	32,217.2	-3,898.3	18,642.0	26,345.9	-7,703.9	17,999.7	25,736.9	-7,737.1
CURRENT TRANSFERS	17,081.9	23,279.7	-6,197.8	14,713.0	14,955.9	-242.9	13,896.4	14,627.9	-731.5
CAPITAL ACCOUNT	7,645.9	1,449.6	6,196.3	6,129.0	1,080.2	5,048.8	5,477.3	910.1	4,567.2
FINANCIAL ACCOUNT (excluding Banco de España) (b)	...	...	...	...	...	...	...	...	...
MONETARY FINANCIAL INSTITUTIONS	85,553.1	33,170.0	52,383.1	80,202.4	22,017.1	58,185.3	79,914.2	21,465.7	58,448.5
<i>Foreign direct investment (c)</i>	-354.7	4,878.7	-5,233.4	-522.6	-29.2	-493.5	-525.8	589.4	-1,115.2
<i>Portfolio investment</i>	81,876.3	-30,435.2	112,311.5	76,462.2	-31,991.9	108,454.1	76,310.9	-31,900.4	108,211.3
<i>Other investment</i>	4,031.5	58,726.5	-54,695.0	4,262.9	54,038.2	-49,775.3	4,129.1	52,776.7	-48,647.6
GENERAL GOVERNMENT	14,680.5	10,568.3	4,059.9	10,610.3	10,026.1	218.4	10,596.7	9,931.1	299.7
<i>Portfolio investment</i>	13,640.8	10,599.8	3,041.0	9,913.4	10,598.6	-685.2	9,899.7	10,598.6	-698.8
<i>Other investment</i>	1,039.7	-31.5	1,071.2	696.9	-572.5	1,269.4	696.9	-667.4	1,364.4
OTHER RESIDENT SECTORS	151,345.9	100,683.7	50,662.1	134,705.0	84,629.3	50,075.6	136,094.3	83,488.2	52,606.1
<i>Foreign direct investment (c)</i>	21,788.6	75,034.2	-53,245.7	14,743.0	61,372.1	-46,629.1	15,603.7	60,670.1	-45,066.4
<i>Portfolio investment</i>	100,420.5	15,743.1	84,677.4	91,411.5	14,508.2	76,903.3	92,252.7	14,191.8	78,061.0
<i>Other investment</i>	29,136.8	9,906.3	19,230.4	28,550.5	8,749.0	19,801.4	28,237.9	8,626.4	19,611.5

SOURCE: Banco de España.

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

b. Derivatives not included.

c. In the case of foreign 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 5).

NOTE:

EUROPEAN UNION (EU 27): 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, Romania, Bulgaria and their dependencies.

**BALANCE OF PAYMENTS IN 2006** (cont'd)  
**Breakdown by selected economic area (a)**

TABLE 6.2.11

EUR m	EURO AREA (EMU 13)			UNITED KINGDOM			SWEDEN		
	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET
	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)
CURRENT ACCOUNT	167,224.6	201,438.6	-34,214.0	44,628.6	35,104.1	9,524.6	3,144.1	4,375.2	-1,231.1
GOODS	101,804.4	129,067.6	-27,263.2	14,737.3	13,381.7	1,355.6	1,772.9	3,393.8	-1,620.9
SERVICES	37,324.7	27,502.6	9,822.1	22,866.0	11,516.5	11,349.5	1,166.1	715.4	450.7
<i>Travel</i>	18,432.6	5,296.5	13,136.1	13,785.6	2,919.7	10,865.9	715.0	176.7	538.3
<i>Other services</i>	18,892.1	22,206.1	-3,314.0	9,080.4	8,596.8	483.6	451.1	538.7	-87.6
Labour income	476.4	526.2	-49.7	245.1	114.9	130.2	3.7	5.9	-2.1
Investment income	23,379.5	41,784.6	-18,405.1	4,845.3	9,323.7	-4,478.3	146.0	242.5	-96.5
<i>Monetary financial institutions</i>	8,076.5	13,857.2	-5,780.7	2,748.5	4,693.5	-1,945.1	61.7	22.9	38.8
<i>General government</i>	350.3	7,389.8	-7,039.5	1.0	702.7	-701.7	—	0.1	-0.1
<i>Other resident sectors</i>	14,952.7	20,537.6	-5,584.9	2,095.9	3,927.4	-1,831.6	84.3	219.5	-135.2
CURRENT TRANSFERS	4,239.6	2,557.7	1,682.0	1,934.9	767.3	1,167.6	55.4	17.6	37.8
CAPITAL ACCOUNT	571.6	702.7	-131.1	273.9	163.0	110.9	7.6	7.9	-0.2
FINANCIAL ACCOUNT (excluding Banco de España) (b)	...	...	...	...	...	...	...	...	...
MONETARY FINANCIAL INSTITUTIONS	50,214.5	-1,696.5	51,911.0	30,250.2	22,095.5	8,154.6	74.4	241.9	-167.5
<i>Foreign direct investment (c)</i>	-549.6	346.8	-896.5	23.0	208.1	-185.1	0.6	—	0.6
<i>Portfolio investment</i>	43,835.1	-33,534.9	77,370.0	32,612.0	1,875.4	30,736.5	-119.1	25.4	-144.6
<i>Other investment</i>	6,929.1	31,491.6	-24,562.5	-2,384.8	20,012.0	-22,396.8	192.9	216.4	-23.5
GENERAL GOVERNMENT	10,902.9	10,267.0	593.3	-610.2	-1.3	-932.0	-118.6	—	-118.6
<i>Portfolio investment</i>	10,868.1	10,599.8	268.2	-589.6	-1.3	-588.3	-118.6	—	-118.6
<i>Other investment</i>	34.8	-332.9	367.7	-20.6	0.0	-20.6	—	—	—
OTHER RESIDENT SECTORS	83,521.8	44,021.0	39,500.8	46,412.0	35,141.6	11,270.3	1,394.9	555.0	839.9
<i>Foreign direct investment (c)</i>	10,852.3	23,058.1	-12,205.8	2,260.0	33,172.2	-30,912.2	1,213.1	576.6	636.6
<i>Portfolio investment</i>	59,166.5	14,027.6	45,138.9	32,784.0	391.9	32,392.2	178.3	-24.2	202.5
<i>Other investment</i>	13,503.0	6,935.3	6,567.7	11,368.0	1,577.6	9,790.4	3.5	2.6	0.9

SOURCE: Banco de España.

- a. The difference between the world total amounts and the sum of the geographical areas corresponds to geographically unallocated information, which in no case represents large amounts, and to amounts corresponding to international organisations other than those of the European Union.
- b. Derivatives not included.
- c. In the case of foreign 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 5).

NOTE:

EURO AREA (EMU 13): France, Belgium, Luxembourg, Netherlands, Germany, Italy, Ireland, Portugal, Austria, Finland, Greece, Slovenia and European Central Bank.

**BALANCE OF PAYMENTS IN 2006** (cont'd)  
**Breakdown by selected economic area (a)**

TABLE 6.2.11

EUR m	DENMARK			NEW MEMBERS			EUROPEAN INSTITUTIONS		
	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET
	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)
CURRENT ACCOUNT	2,571.5	2,737.7	-166.2	8,013.3	9,684.7	-1,671.4	8,082.1	11,985.2	-3,903.1
GOODS	1,640.3	1,884.6	-244.3	6,284.4	7,777.3	-1,492.9	—	—	—
SERVICES	759.5	356.5	403.0	810.5	1,209.8	-399.2	446.2	6.2	440.1
<i>Travel</i>	484.1	74.4	409.8	249.4	280.3	-30.9	0.4	—	0.4
<i>Other services</i>	275.4	282.1	-6.7	561.2	929.5	-368.4	445.9	6.2	439.7
Labour income	7.3	6.8	0.5	19.9	25.1	-5.1	—	1.5	-1.5
Investment income	113.7	471.5	-357.7	821.5	99.7	721.7	97.0	1,283.4	-1,186.4
<i>Monetary financial institutions</i>	56.3	10.8	45.5	75.1	82.1	-7.0	33.3	383.2	-349.9
<i>General government</i>	—	2.0	-2.0	0.8	—	0.8	—	324.1	-324.1
<i>Other resident sectors</i>	57.5	458.7	-401.2	745.5	17.6	728.0	63.7	576.1	-512.3
CURRENT TRANSFERS	50.7	18.4	32.3	76.9	572.8	-495.9	7,538.8	10,694.1	-3,155.3
CAPITAL ACCOUNT	6.0	2.9	3.1	19.9	32.4	-12.6	4,598.3	1.3	4,597.1
FINANCIAL ACCOUNT (excluding Banco de España) (b)	...	...	...	...	...	...	...	...	...
MONETARY FINANCIAL INSTITUTIONS	-13.8	-50.2	36.4	-862.2	1,005.3	-1,867.6	251.2	-249.7	500.9
<i>Foreign direct investment (c)</i>	0.2	—	0.2	—	34.4	-34.4	—	—	—
<i>Portfolio investment</i>	-13.2	-179.6	166.3	-3.8	136.6	-140.4	—	-223.4	223.4
<i>Other investment</i>	-0.8	129.3	-130.1	-858.5	834.3	-1,692.8	251.2	-26.3	277.5
GENERAL GOVERNMENT	-212.5	—	-212.5	-45.4	-1.2	-44.3	680.5	-333.4	1,013.9
<i>Portfolio investment</i>	-212.5	—	-212.5	-45.4	—	-45.4	-2.2	—	-2.2
<i>Other investment</i>	—	—	—	—	-1.2	1.2	682.7	-333.4	1,016.1
OTHER RESIDENT SECTORS	396.2	-255.3	651.5	1,157.7	3,992.4	-2,834.7	3,211.7	33.3	3,178.4
<i>Foreign direct investment (c)</i>	301.0	95.4	205.6	971.4	3,767.5	-2,796.1	5.9	—	5.9
<i>Portfolio investment</i>	83.4	-351.0	434.5	1.9	137.7	-135.7	38.5	10.0	28.5
<i>Other investment</i>	11.8	0.4	11.4	184.4	87.3	97.2	3,167.2	23.3	3,143.9

SOURCE: Banco de España.

- a. The difference between the world total amounts and the sum of the geographical areas corresponds to geographically unallocated information, which in no case represents large amounts, and to amounts corresponding to international organisations other than those of the European Union.
- b. Derivatives not included.
- c. In the case of foreign 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 5).

NOTE:

NEW MEMBERS: Cyprus, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Malta, Poland, Slovakia, Romania and Bulgaria.

**BALANCE OF PAYMENTS IN 2006** (cont'd)  
**Breakdown by selected economic area (a)**

TABLE 6.2.11

EUR m	REST OF EUROPE			SWITZERLAND			NORTH AMERICA		
	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET
	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)
CURRENT ACCOUNT	19,979.4	23,679.7	-3,700.3	8,050.1	7,312.4	737.7	19,816.5	22,774.5	-2,958.0
GOODS	11,319.8	17,015.2	-5,695.4	2,800.6	3,403.8	-603.2	9,306.6	9,013.0	293.6
SERVICES	6,746.6	5,087.1	1,659.5	4,136.1	2,818.4	1,317.7	6,713.4	6,387.2	326.1
<i>Travel</i>	2,321.5	1,068.0	1,253.5	804.7	184.8	619.9	2,978.0	1,539.5	1,438.4
<i>Other services</i>	4,425.1	4,019.1	406.0	3,331.4	2,633.6	697.8	3,735.4	4,847.7	-1,112.3
Labour income	126.2	99.9	26.3	77.3	32.8	44.5	159.1	206.3	-47.1
Investment income	970.2	1,149.5	-179.3	465.0	914.5	-449.5	2,652.9	6,854.3	-4,201.4
<i>Monetary financial institutions</i>	326.2	502.9	-176.7	110.7	350.2	-239.4	1,268.7	1,288.9	-20.3
<i>General government</i>	1.7	37.5	-35.8	—	37.2	-37.2	12.2	164.7	-152.5
<i>Other resident sectors</i>	642.3	609.1	33.2	354.2	527.1	-172.9	1,372.1	5,400.7	-4,028.6
CURRENT TRANSFERS	816.7	328.1	488.6	571.2	142.9	428.3	984.5	313.7	670.8
CAPITAL ACCOUNT	651.7	170.1	481.6	136.6	146.5	-9.8	110.6	83.0	27.5
FINANCIAL ACCOUNT (excluding Banco de España) (b)	...	...	...	...	...	...	...	...	...
MONETARY FINANCIAL INSTITUTIONS	288.2	551.5	-263.2	311.8	984.1	-672.2	4,643.9	8,347.2	-3,703.4
<i>Foreign direct investment</i> (c)	3.2	-618.6	621.8	3.2	25.4	-22.3	73.0	4,551.0	-4,478.0
<i>Portfolio investment</i>	151.3	-91.4	242.7	-22.8	62.1	-84.9	4,399.1	1,933.5	2,465.6
<i>Other investment</i>	133.8	1,261.6	-1,127.7	331.4	896.5	-565.1	171.7	1,862.8	-1,691.0
GENERAL GOVERNMENT	13.6	94.9	-81.3	-7.3	—	-7.3	-527.3	4.6	-225.6
<i>Portfolio investment</i>	13.6	—	13.6	-7.3	—	-7.3	-342.1	-0.6	-341.5
<i>Other investment</i>	—	94.9	-94.9	—	—	—	-185.2	5.1	-190.4
OTHER RESIDENT SECTORS	-1,389.4	1,141.1	-2,530.5	-2,446.7	113.4	-2,560.0	15,058.4	6,721.9	8,336.5
<i>Foreign direct investment</i> (c)	-860.6	702.1	-1,562.7	-1,875.2	-254.0	-1,621.2	6,153.6	4,280.6	1,873.0
<i>Portfolio investment</i>	-841.3	316.4	-1,157.7	-838.9	233.5	-1,072.4	8,611.4	1,394.9	7,216.5
<i>Other investment</i>	312.5	122.6	189.9	267.5	133.9	133.6	293.4	1,046.3	-752.9

SOURCE: Banco de España.

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

b. Derivatives not included.

c. In the case of foreign 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 5).

NOTE:

REST OF EUROPE: Countries not included in the European Union.

**BALANCE OF PAYMENTS IN 2006** (cont'd)  
**Breakdown by selected economic areas (a)**

TABLE 6.2.11

EUR m	UNITED STATES			CANADA			CENTRAL AND SOUTH AMERICA		
	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET
	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)
CURRENT ACCOUNT	18,140.0	21,213.9	-3,074.0	1,675.9	1,551.2	124.7	24,809.0	24,457.5	351.5
GOODS	8,500.0	8,276.0	224.0	806.5	729.8	76.7	10,636.7	14,077.5	-3,440.8
SERVICES	5,990.6	5,734.3	256.4	722.3	651.0	71.3	4,518.5	3,248.7	1,269.8
<i>Travel</i>	2,753.3	1,216.9	1,536.4	224.7	322.6	-98.0	1,171.3	1,077.0	94.3
<i>Other services</i>	3,237.3	4,517.4	-1,280.1	497.6	328.3	169.3	3,347.2	2,171.7	1,175.4
Labour income	154.2	197.3	-43.1	5.0	8.9	-4.0	108.1	368.8	-260.7
Investment income	2,545.1	6,704.6	-4,159.5	107.8	149.7	-41.9	8,559.6	1,353.5	7,206.1
<i>Monetary financial institutions</i>	1,252.0	1,256.1	-4.0	16.6	32.9	-16.2	1,231.3	1,113.8	117.5
<i>General government</i>	12.2	162.0	-149.9	0.0	2.6	-2.6	24.6	35.2	-10.6
<i>Other resident sectors</i>	1,281.0	5,286.5	-4,005.5	91.2	114.2	-23.0	7,303.7	204.5	7,099.2
CURRENT TRANSFERS	950.0	301.8	648.3	34.4	11.9	22.6	986.1	5,408.9	-4,422.8
CAPITAL ACCOUNT	100.5	78.8	21.6	10.1	4.2	5.9	288.6	222.4	66.1
FINANCIAL ACCOUNT (excluding Banco de España) (b)	...	...	...	...	...	...	...	...	...
MONETARY FINANCIAL INSTITUTIONS	3,868.8	8,182.8	-4,314.0	775.0	164.4	610.5	-4,562.4	2,696.0	-7,258.4
<i>Foreign direct investment (c)</i>	73.0	4,551.1	-4,478.0	—	-0.1	0.1	-1.0	344.5	-345.5
<i>Portfolio investment</i>	3,616.3	1,903.2	1,713.1	782.8	30.2	752.6	112.4	28.6	83.8
<i>Other investment</i>	179.4	1,728.5	-1,549.1	-7.8	134.3	-142.1	-4,673.8	2,322.9	-6,996.7
GENERAL GOVERNMENT	-530.3	4.6	-228.6	3.0	—	3.0	1,625.4	166.6	1,458.8
<i>Portfolio investment</i>	-345.1	-0.6	-344.5	3.0	—	3.0	1,625.4	1.7	1,623.6
<i>Other investment</i>	-185.2	5.1	-190.4	—	—	—	—	164.9	-164.9
OTHER RESIDENT SECTORS	14,329.5	6,683.1	7,646.4	728.8	38.8	690.1	1,485.3	6,835.1	-5,349.8
<i>Foreign direct investment (c)</i>	5,451.7	4,217.5	1,234.3	701.8	63.1	638.7	699.9	7,138.6	-6,438.7
<i>Portfolio investment</i>	8,617.2	1,420.0	7,197.2	-5.8	-25.0	19.3	589.9	-340.0	929.9
<i>Other investment</i>	260.6	1,045.7	-785.1	32.8	0.6	32.2	195.5	36.5	159.1

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 those of the European Union.

b. Derivatives not included.

c. In the case of foreign 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 5).

**BALANCE OF PAYMENTS IN 2006** (cont'd)  
**Breakdown by selected economic areas (a)**

TABLE 6.2.11

EUR m									
	AFRICA			ASIA			JAPAN		
	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET
CURRENT ACCOUNT	8,750.6	23,406.2	-14,655.7	12,311.8	46,743.8	-34,432.0	1,848.8	6,229.1	-4,380.3
GOODS	7,225.8	20,239.0	-13,013.2	10,057.8	42,001.1	-31,943.3	1,324.2	5,642.0	-4,317.8
SERVICES	913.2	2,123.7	-1,210.6	1,721.2	3,907.8	-2,186.6	358.5	506.4	-147.9
<i>Travel</i>	70.5	340.1	-269.6	383.4	443.9	-60.5	168.6	30.3	138.4
<i>Other services</i>	842.7	1,783.6	-941.0	1,337.8	3,463.9	-2,126.0	189.9	476.2	-286.3
Labour income	22.0	34.7	-12.7	27.0	41.7	-14.7	5.2	10.0	-4.8
Investment income	511.6	155.0	356.6	378.5	348.5	30.1	131.6	59.7	71.9
<i>Monetary financial institutions</i>	37.9	112.5	-74.6	98.8	218.5	-119.7	28.6	9.0	19.6
<i>General government</i>	33.8	0.0	33.7	18.1	13.0	5.1	—	3.3	-3.3
<i>Other resident sectors</i>	440.0	42.6	397.4	261.7	117.0	144.7	103.0	47.4	55.6
CURRENT TRANSFERS	78.0	853.7	-775.8	127.3	444.8	-317.5	29.4	11.0	18.4
CAPITAL ACCOUNT	1,057.3	27.7	1,029.6	40.5	25.4	15.1	1.7	5.4	-3.7
	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	1,203.3	253.9	949.3	2,340.8	327.5	2,013.3	249.8	-521.3	771.1
<i>Foreign direct investment (c)</i>	72.4	-0.2	72.5	23.3	12.6	10.7	2.7	0.3	2.4
<i>Portfolio investment</i>	-7.3	1.3	-8.6	63.6	-70.6	134.2	-0.4	1.1	-1.5
<i>Other investment</i>	1,138.3	252.8	885.4	2,254.0	385.5	1,868.4	247.5	-522.7	770.2
GENERAL GOVERNMENT	2,555.6	-36.9	2,592.5	-12.3	-5.6	0.5	-8.0	-0.4	-0.4
<i>Portfolio investment</i>	2,555.6	0.0	2,555.6	-12.3	—	-12.3	-8.0	—	-8.0
<i>Other investment</i>	—	-36.9	36.9	—	-5.6	5.6	—	-0.4	0.4
OTHER RESIDENT SECTORS	54.4	1,466.0	-1,411.6	57.4	1,043.1	-985.6	97.5	78.9	18.6
<i>Foreign direct investment (c)</i>	47.6	1,422.5	-1,374.9	131.9	762.5	-630.6	97.7	108.4	-10.7
<i>Portfolio investment</i>	1.4	40.8	-39.3	-144.3	253.8	-398.1	0.7	-19.8	20.4
<i>Other investment</i>	5.3	2.7	2.6	69.8	26.7	43.1	-1.0	-9.8	8.8

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 those of the European Union.

b. Derivatives not included.

c. In the case of foreign 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 5).

**BALANCE OF PAYMENTS IN 2006** (cont'd)  
**Breakdown by selected economic areas (a)**

TABLE 6.2.11

EUR m									
	CHINA			OCEANIA AND POLAR REGIONS			OECD		
	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET
<b>CURRENT ACCOUNT</b>	<b>1,972.9</b>	<b>14,895.4</b>	<b>-12,922.6</b>	<b>1,457.1</b>	<b>1,604.6</b>	<b>-147.5</b>	<b>274,834.2</b>	<b>314,068.6</b>	<b>-39,234.4</b>
GOODS	1,766.6	13,760.7	-11,994.1	997.3	1,223.8	-226.4	146,296.5	184,688.6	-38,392.1
SERVICES	140.0	1,035.3	-895.3	230.1	180.0	50.1	76,973.6	52,343.2	24,630.4
Travel	10.6	132.9	-122.3	123.1	49.5	73.6	38,999.9	10,863.0	28,136.9
Other services	129.4	902.3	-773.0	107.0	130.5	-23.5	37,973.7	41,480.3	-3,506.5
Labour income	2.6	9.7	-7.1	1.7	4.7	-3.0	1,017.2	953.7	63.5
Investment income	47.8	3.8	44.0	185.7	185.5	0.2	34,550.0	61,338.2	-26,788.2
<i>Monetary financial institutions</i>	9.0	2.8	6.2	57.3	92.7	-35.5	13,268.6	20,856.9	-7,588.4
<i>General government</i>	5.5	0.0	5.4	—	1.5	-1.5	370.4	8,625.7	-8,255.3
<i>Other resident sectors</i>	33.3	0.9	32.4	128.4	91.3	37.1	20,911.1	31,855.6	-10,944.5
CURRENT TRANSFERS	15.9	86.0	-70.1	42.3	10.5	31.7	15,996.8	14,744.8	1,252.0
<b>CAPITAL ACCOUNT</b>	<b>4.1</b>	<b>5.7</b>	<b>-1.6</b>	<b>3.4</b>	<b>5.7</b>	<b>-2.2</b>	<b>5,784.3</b>	<b>1,177.5</b>	<b>4,606.7</b>
	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)
<b>FINANCIAL ACCOUNT</b>	...	...	...	...	...	...	...	...	...
<i>(excluding Banco de España) (b)</i>	...	...	...	...	...	...	...	...	...
MONETARY FINANCIAL INSTITUTIONS	80.9	10.7	70.2	397.1	-625.4	1,022.4	86,268.7	30,114.1	56,154.6
Foreign direct investment (c)	—	1.4	-1.4	—	—	—	-447.2	5,701.9	-6,149.1
Portfolio investment	-0.8	-0.3	-0.5	846.4	-487.2	1,333.6	81,733.3	-30,805.7	112,538.9
Other investment	81.7	9.7	72.1	-449.3	-138.1	-311.2	4,982.6	55,217.9	-50,235.3
GENERAL GOVERNMENT	—	-4.7	4.8	-99.1	—	-99.1	9,955.1	9,976.9	-74.1
Portfolio investment	—	—	—	-99.1	—	-99.1	9,443.4	10,598.0	-1,154.6
Other investment	—	-4.7	4.7	—	—	—	511.7	-621.1	1,132.8
OTHER RESIDENT SECTORS	-1.8	221.6	-223.4	-42.1	-146.6	104.5	148,662.8	90,612.7	58,050.1
Foreign direct investment (c)	0.2	218.0	-217.8	5.5	-55.7	61.2	20,118.9	65,289.6	-45,170.7
Portfolio investment	-2.3	-12.8	10.4	-46.8	-93.2	46.4	99,764.1	15,629.9	84,134.1
Other investment	0.3	16.3	-16.0	-0.8	2.3	-3.1	28,779.8	9,693.2	19,086.6

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 those of the European Union.

b. Derivatives not included.

c. In the case of foreign 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 5).

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, Slovakia, Poland and South Korea, and their dependencies.

**BALANCE OF PAYMENTS IN 2006** (cont'd)  
**Breakdown by selected economic areas (a)**

TABLE 6.2.11

EUR m									
	NAFTA			OPEC			NICS		
	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET
<b>CURRENT ACCOUNT</b>	<b>25,852.9</b>	<b>26,311.7</b>	<b>-458.8</b>	<b>6,162.2</b>	<b>23,483.5</b>	<b>-17,321.3</b>	<b>2,240.4</b>	<b>6,847.8</b>	<b>-4,607.3</b>
GOODS	12,400.4	11,613.2	787.2	4,353.1	21,564.0	-17,210.9	1,856.5	6,044.6	-4,188.1
SERVICES	7,728.8	7,017.1	711.8	1,219.1	1,571.6	-352.4	296.1	713.7	-417.6
Travel	3,454.0	1,805.6	1,648.4	199.3	55.8	143.5	69.5	74.5	-5.0
Other services	4,274.8	5,211.4	-936.6	1,019.8	1,515.7	-495.9	226.6	639.2	-412.6
Labour income	170.9	224.5	-53.6	15.1	57.8	-42.7	4.9	5.3	-0.4
Investment income	4,125.4	6,979.8	-2,854.4	431.2	222.7	208.5	54.3	67.2	-12.9
<i>Monetary financial institutions</i>	<i>1,882.6</i>	<i>1,379.2</i>	<i>503.4</i>	<i>97.3</i>	<i>179.5</i>	<i>-82.2</i>	<i>31.7</i>	<i>41.4</i>	<i>-9.8</i>
<i>General government</i>	<i>17.8</i>	<i>164.7</i>	<i>-146.9</i>	<i>11.5</i>	<i>0.2</i>	<i>11.3</i>	<i>—</i>	<i>9.5</i>	<i>-9.5</i>
<i>Other resident sectors</i>	<i>2,224.9</i>	<i>5,435.8</i>	<i>-3,210.9</i>	<i>322.3</i>	<i>43.0</i>	<i>279.3</i>	<i>22.6</i>	<i>16.2</i>	<i>6.4</i>
CURRENT TRANSFERS	1,427.4	477.2	950.2	143.7	67.5	76.2	28.6	17.0	11.6
<b>CAPITAL ACCOUNT</b>	<b>173.4</b>	<b>114.1</b>	<b>59.3</b>	<b>712.5</b>	<b>29.7</b>	<b>682.8</b>	<b>5.3</b>	<b>3.1</b>	<b>2.3</b>
	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)
<b>FINANCIAL ACCOUNT</b> (excluding Banco de España) (b)	...	...	...	...	...	...	...	...	...
MONETARY FINANCIAL INSTITUTIONS	5,326.4	9,759.2	-4,432.8	1,134.8	-251.1	1,386.0	627.4	825.4	-198.0
Foreign direct investment (c)	72.6	4,802.5	-4,730.0	90.8	11.6	79.2	—	14.8	-14.8
Portfolio investment	4,445.4	1,903.5	2,541.9	1.3	-173.1	174.5	66.8	-76.7	143.6
Other investment	808.4	3,053.1	-2,244.7	1,042.7	-89.6	1,132.3	560.5	887.3	-326.8
GENERAL GOVERNMENT	-527.4	-22.7	-198.4	2,554.5	8.2	2,546.3	-1.0	—	-1.0
Portfolio investment	-342.1	-0.6	-341.6	2,554.5	0.0	2,554.5	-1.0	—	-1.0
Other investment	-185.2	-22.1	-163.1	—	8.2	-8.2	—	—	—
OTHER RESIDENT SECTORS	15,054.6	7,092.1	7,962.5	-66.7	603.8	-670.5	12.7	51.9	-39.2
Foreign direct investment (c)	6,306.3	4,741.7	1,564.6	67.9	546.2	-478.3	-49.1	39.4	-88.5
Portfolio investment	8,440.9	1,402.2	7,038.8	-141.4	52.6	-194.1	-8.9	-12.2	3.3
Other investment	307.3	948.2	-640.9	6.8	5.0	1.8	70.8	24.8	46.0

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 those of the European Union.
- b. Derivatives not included.
- c. In the case of foreign 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 5).

NOTES:

NAFTA: USA, Canada and Mexico.

OPEC: Algeria, Gabon, 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 2006 (cont'd)**  
**Breakdown by selected economic areas (a)**

TABLE 6.2.11

EUR m

	ASEAN			COMMONWEALTH OF INDEPENDENT STATES			TAX HAVENS		
	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET	CREDITS	DEBITS	NET
<b>CURRENT ACCOUNT</b>	<b>1,613.7</b>	<b>6,014.8</b>	<b>-4,401.0</b>	<b>2,569.7</b>	<b>9,353.8</b>	<b>-6,784.1</b>	<b>8,584.2</b>	<b>6,726.3</b>	<b>1,857.9</b>
GOODS	1,323.6	5,139.6	-3,816.0	1,975.9	8,599.7	-6,623.8	6,048.1	3,718.3	2,329.7
SERVICES	218.4	630.3	-411.9	488.2	631.9	-143.7	1,258.7	1,683.5	-424.8
Travel	13.0	98.0	-85.0	311.9	85.0	226.9	440.1	752.4	-312.3
Other services	205.4	532.3	-326.9	176.3	546.9	-370.5	818.5	931.1	-112.6
Labour income	3.7	5.5	-1.9	18.2	13.9	4.4	56.7	37.9	18.8
Investment income	54.1	75.1	-21.0	56.9	41.3	15.6	974.9	1,039.9	-65.0
Monetary financial institutions	11.2	56.8	-45.6	12.2	38.9	-26.7	253.4	934.9	-681.5
General government	9.8	0.0	9.8	1.0	—	1.0	2.1	0.2	1.9
Other resident sectors	33.1	18.3	14.8	43.8	2.4	41.4	719.4	104.7	614.7
CURRENT TRANSFERS	14.0	164.2	-150.2	30.4	67.1	-36.7	245.8	246.7	-0.9
<b>CAPITAL ACCOUNT</b>	<b>21.1</b>	<b>3.4</b>	<b>17.8</b>	<b>493.9</b>	<b>8.3</b>	<b>485.6</b>	<b>41.8</b>	<b>20.8</b>	<b>21.0</b>
	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)
<b>FINANCIAL ACCOUNT</b> <b>(excluding Banco de España) (b)</b>	...	...	...	...	...	...	...	...	...
MONETARY FINANCIAL INSTITUTIONS	418.4	-147.0	565.4	-208.0	156.5	-364.5	-5,507.6	1,014.1	-6,521.7
Foreign direct investment (c)	—	11.5	-11.5	0.0	0.3	-0.3	-0.1	-1,026.0	1,025.9
Portfolio investment	1.0	-17.1	18.2	-1.5	-4.0	2.4	162.4	232.4	-70.0
Other investment	417.3	-141.4	558.7	-206.5	160.2	-366.7	-5,669.9	1,807.7	-7,477.6
GENERAL GOVERNMENT	0.1	-12.5	12.6	0.1	—	0.1	-102.5	0.1	-102.6
Portfolio investment	0.1	—	0.1	0.1	—	0.1	-102.5	1.8	-104.3
Other investment	—	-12.5	12.5	—	—	—	—	-1.7	1.7
OTHER RESIDENT SECTORS	94.2	224.9	-130.7	200.1	129.2	70.9	1,695.4	467.4	1,228.0
Foreign direct investment (c)	21.9	208.1	-186.2	175.9	132.7	43.2	697.6	663.4	34.2
Portfolio investment	0.3	-8.3	8.6	3.1	-4.1	7.2	801.0	-275.1	1,076.1
Other investment	72.0	25.1	46.9	21.1	0.7	20.4	196.8	79.1	117.7

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 those of the European Union.
- b. Derivatives not included.
- c. In the case of foreign 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 5).

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: 1998-2007

INTERNATIONAL INVESTMENT POSITION  
Summary

TABLE 7.1.1

EUR m	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
TOTAL NET POSITION (ASSETS-LIABILITIES)	-160,530.1	-165,226.6	-160,140.8	-187,972.9	-235,981.0	-297,687.2	-362,914.1	-434,998.8	-570,119.0	-727,825.6
Net position excluding Banco de España (assets-liabilities)	-213,072.1	-238,952.8	-244,097.3	-256,439.0	-296,622.6	-353,765.9	-431,000.2	-506,718.2	-665,797.1	-806,747.2
<i>Direct investment: net position (assets-liabilities)</i>	<i>-44,505.0</i>	<i>-7,286.9</i>	<i>12,220.5</i>	<i>16,336.1</i>	<i>-22,083.6</i>	<i>-37,361.6</i>	<i>-18,390.9</i>	<i>3,433.7</i>	<i>56,422.9</i>	<i>76,697.0</i>
– Spanish investment abroad	63,538.7	117,499.9	180,246.4	217,464.0	223,082.6	231,563.2	272,324.3	317,917.5	392,631.7	463,080.5
– Foreign investment in Spain	108,043.7	124,786.9	168,025.9	201,127.8	245,166.2	268,924.8	290,715.2	314,483.8	336,208.8	386,383.5
<i>Portfolio investment: net position (assets-liabilities)</i>	<i>-136,412.5</i>	<i>-141,003.9</i>	<i>-116,976.3</i>	<i>-100,428.5</i>	<i>-105,652.7</i>	<i>-102,250.7</i>	<i>-203,184.0</i>	<i>-273,647.7</i>	<i>-508,894.7</i>	<i>-638,140.8</i>
– Spanish investment abroad	73,125.7	127,386.8	193,682.2	232,647.4	256,805.9	319,793.2	359,305.9	454,734.5	455,685.5	443,289.9
– Foreign investment in Spain	209,538.2	268,390.7	310,658.5	333,076.0	362,458.7	422,043.9	562,489.9	728,382.2	964,580.2	1,081,430.6
<i>Other investment: net position (assets-liabilities)</i>	<i>-32,155.0</i>	<i>-90,662.2</i>	<i>-139,341.9</i>	<i>-172,346.9</i>	<i>-168,886.3</i>	<i>-214,153.6</i>	<i>-209,425.2</i>	<i>-236,504.1</i>	<i>-203,729.8</i>	<i>-226,454.1</i>
– Spanish investment abroad	161,501.9	152,792.9	166,435.9	172,498.1	197,388.3	203,955.7	222,209.6	268,200.7	326,906.4	381,813.2
– Foreign investment in Spain	193,656.9	243,455.2	305,777.8	344,845.0	366,274.6	418,109.3	431,634.9	504,704.9	530,636.2	608,267.3
<i>Financial derivatives: net position (assets-liabilities)</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>-9,595.4</i>	<i>-18,849.3</i>
– Spanish investment abroad	...	...	...	...	...	...	...	...	32,973.3	44,643.8
– Foreign investment in Spain	...	...	...	...	...	...	...	...	42,568.7	63,493.1
Banco de España: net position (assets-liabilities)	52,542.4	73,726.5	83,956.9	68,466.4	60,641.7	56,078.7	68,086.1	71,719.4	95,678.1	78,921.6
Reserves	52,095.2	37,287.8	38,233.9	38,865.3	38,431.5	21,228.8	14,505.3	14,601.3	14,684.5	12,945.6
Net claims on the Eurosystem	–	36,028.0	45,278.3	29,156.4	22,650.1	18,269.3	31,909.1	17,052.9	29,380.8	1,074.0
Other net assets (assets-liabilities)	447.2	410.7	444.7	444.7	-439.9	16,580.6	21,671.7	40,065.2	51,612.7	64,902.0

SOURCE: Banco de España.

## 7.2 INTERNATIONAL INVESTMENT POSITION IN 2007

**INTERNATIONAL INVESTMENT POSITION**  
**Spanish investment abroad**

TABLE 7.2.1

EUR m	2007			
	Q1	Q2	Q3	Q4
<b>DIRECT INVESTMENT</b>	398,798.3	426,149.9	436,002.6	463,080.5
Shares and other equity	378,457.6	410,883.3	415,045.1	441,587.7
Intercompany debt transactions	20,340.7	15,266.6	20,957.5	21,492.8
<b>PORTFOLIO INVESTMENT (INCLUDING BANCO DE ESPAÑA)</b>	514,243.3	528,611.1	516,741.4	507,585.0
Shares and mutual fund shares	140,731.1	153,759.1	142,124.4	134,796.5
<i>Monetary financial institutions</i>	14,508.5	17,683.4	18,396.4	15,424.3
<i>Other resident sectors</i>	126,222.6	136,075.7	123,728.0	119,372.2
Bonds and notes	352,698.7	355,958.5	356,882.4	358,220.2
<i>Banco de España</i>	45,852.7	47,688.9	51,775.7	56,447.5
<i>Other monetary financial institutions</i>	82,983.3	85,245.0	82,767.9	82,752.2
<i>General government</i>	18,571.4	18,282.4	21,294.6	22,007.3
<i>Other resident sectors</i>	205,291.3	204,742.2	201,044.2	197,013.3
Money market instruments	20,813.4	18,893.5	17,734.6	14,568.4
<i>Banco de España</i>	7,410.8	9,937.3	9,756.7	7,847.7
<i>Other monetary financial institutions</i>	6,008.2	1,513.1	2,095.5	1,441.7
<i>General government</i>	6.9	7.0	7.0	—
<i>Other resident sectors</i>	7,387.5	7,436.1	5,875.4	5,279.0
<b>OTHER INVESTMENT (INCLUDING BANCO DE ESPAÑA)</b>	393,846.8	406,190.1	402,391.7	387,044.2
Loans	59,329.4	60,923.8	61,346.6	69,168.0
<i>General government</i>	6,720.6	6,569.4	5,805.0	9,161.0
<i>Monetary financial institutions</i>	50,789.4	52,696.5	53,369.4	58,008.5
<i>Other resident sectors</i>	1,819.5	1,658.0	2,172.2	1,998.6
Deposits	321,688.8	331,047.3	327,111.8	303,429.6
<i>Banco de España</i>	32,963.5	41,632.6	15,463.1	4,793.3
<i>Other monetary financial institutions</i>	189,895.3	187,116.3	205,963.1	194,733.6
<i>Other resident sectors</i>	98,829.9	102,298.4	105,685.6	103,902.7
Other assets	12,828.6	14,219.0	13,933.3	14,446.6
<b>FINANCIAL DERIVATIVES</b>	33,196.7	39,921.2	44,181.2	44,643.8
<b>RESERVES</b>	14,044.6	12,872.6	12,493.5	12,945.6

SOURCE: Banco de España.

**INTERNATIONAL INVESTMENT POSITION**  
**Foreign investment in Spain**

TABLE 7.2.2

EUR m	2007			
	Q1	Q2	Q3	Q4
<b>DIRECT INVESTMENT</b>	335,810.2	357,551.2	359,076.3	386,383.5
Shares and other equity	259,146.3	274,134.9	278,154.1	300,516.2
Intercompany debt transactions	76,664.0	83,416.4	80,922.2	85,867.3
<b>PORTFOLIO INVESTMENT</b>	1,040,869.9	1,083,858.6	1,090,752.3	1,081,430.6
Shares and mutual fund shares	256,532.5	269,505.6	273,560.0	285,339.2
<i>Monetary financial institutions</i>	89,156.0	92,365.7	87,360.1	95,308.6
<i>Other resident sectors</i>	167,376.6	177,139.8	186,199.9	190,030.6
Bonds and notes	762,762.3	792,816.4	795,319.5	774,685.4
<i>General government</i>	195,176.4	188,891.1	174,952.1	165,762.7
<i>Monetary financial institutions</i>	251,967.7	269,401.5	274,031.0	265,527.2
<i>Other resident sectors</i>	315,618.2	334,523.8	346,336.4	343,395.5
Money market instruments	21,575.1	21,536.7	21,872.8	21,406.1
<i>General government</i>	4,901.1	5,446.2	4,819.5	4,504.6
<i>Monetary financial institutions</i>	11,371.3	10,672.1	14,900.2	16,893.5
<i>Other resident sectors</i>	5,302.7	5,418.4	2,153.1	8.0
<b>OTHER INVESTMENT (INCLUDING BANCO DE ESPAÑA)</b>	545,728.8	562,687.7	583,890.0	611,817.5
Loans	149,861.8	157,032.1	164,313.1	165,870.1
<i>General government</i>	18,706.5	19,186.4	19,871.8	19,768.8
<i>Other resident sectors</i>	131,155.3	137,845.7	144,441.2	146,101.3
Deposits	394,858.3	404,149.1	418,293.0	445,223.8
<i>Banco de España</i>	322.2	423.4	277.3	3,550.2
<i>Other monetary financial institutions</i>	394,536.1	403,725.8	418,015.7	441,673.6
Other liabilities	1,008.6	1,506.5	1,283.9	723.6
<b>FINANCIAL DERIVATIVES</b>	44,486.8	55,856.2	62,068.6	63,493.1

SOURCE: Banco de España.

### 7.3 INTERNATIONAL INVESTMENT POSITION IN 2006



**INTERNATIONAL INVESTMENT POSITION**  
**Spanish investment abroad**

TABLE 7.3.1

EUR m	2006			
	Q1	Q2	Q3	Q4
<b>DIRECT INVESTMENT</b>	348,477.9	363,766.2	380,503.5	392,631.7
Shares and other equity	329,988.5	342,094.7	359,862.7	370,304.5
Intercompany debt transactions	18,489.4	21,671.5	20,640.8	22,327.2
<b>PORTFOLIO INVESTMENT (INCLUDING BANCO DE ESPAÑA)</b>	515,396.5	483,173.7	489,553.1	506,194.5
Shares and mutual fund shares	119,452.2	122,046.7	126,169.8	133,193.1
<i>Monetary financial institutions</i>	8,561.6	10,266.9	11,700.5	11,593.8
<i>Other resident sectors</i>	110,890.6	111,779.7	114,469.3	121,599.3
Bonds and notes	374,070.1	337,559.9	344,491.3	357,938.7
<i>Banco de España</i>	28,999.6	26,837.7	35,943.0	45,990.5
<i>Other monetary financial institutions</i>	129,404.8	98,596.9	87,238.8	83,707.4
<i>General government</i>	10,552.3	10,465.9	14,859.7	15,980.7
<i>Other resident sectors</i>	205,113.3	201,659.3	206,449.8	212,260.0
Money market instruments	21,874.2	23,567.2	18,892.1	15,062.7
<i>Banco de España</i>	9,670.9	12,010.4	5,957.9	4,518.5
<i>Other monetary financial institutions</i>	4,120.1	3,092.1	4,551.6	2,809.5
<i>General government</i>	—	—	—	6.5
<i>Other resident sectors</i>	8,083.3	8,464.7	8,382.5	7,728.3
<b>OTHER INVESTMENT (INCLUDING BANCO DE ESPAÑA)</b>	313,733.2	334,329.8	341,669.6	357,671.7
Loans	54,149.3	55,341.5	58,351.2	63,305.6
<i>General government</i>	6,605.7	6,906.8	6,346.5	8,798.1
<i>Monetary financial institutions</i>	45,958.1	46,798.4	50,287.5	52,753.5
<i>Other resident sectors</i>	1,585.5	1,636.3	1,717.2	1,754.1
Deposits	249,416.8	267,944.2	272,374.7	282,394.8
<i>Banco de España</i>	28,503.6	33,755.4	26,398.3	30,332.6
<i>Other monetary financial institutions</i>	130,708.7	140,784.4	148,148.3	153,935.5
<i>Other resident sectors</i>	90,204.5	93,404.4	97,828.0	98,126.7
Other assets	10,167.1	11,044.1	10,943.7	11,971.3
<b>FINANCIAL DERIVATIVES</b>	...	...	...	32,973.3
<b>RESERVES</b>	15,376.5	14,604.6	14,972.3	14,684.5

SOURCE: Banco de España.

**INTERNATIONAL INVESTMENT POSITION**  
**Foreign investment in Spain**

TABLE 7.3.2

EUR m	2006			
	Q1	Q2	Q3	Q4
FOREIGN DIRECT INVESTMENT	314,709.7	320,759.6	330,245.9	336,208.8
Shares and other equity	240,318.3	246,756.0	250,437.9	256,599.5
Intercompany debt transactions	74,391.4	74,003.6	79,808.0	79,609.3
PORTFOLIO INVESTMENT	803,793.9	843,498.2	906,765.2	964,580.2
Shares and mutual fund shares	214,645.4	206,547.4	232,493.9	245,682.9
<i>Monetary financial institutions</i>	81,961.2	75,656.9	85,914.5	95,784.3
<i>Other resident sectors</i>	132,684.2	130,890.5	146,579.5	149,898.6
Bonds and notes	580,612.3	626,861.7	658,286.5	703,023.0
<i>General government</i>	191,300.3	191,380.9	188,569.2	191,871.3
<i>Monetary financial institutions</i>	193,633.2	208,797.1	225,646.6	236,038.2
<i>Other resident sectors</i>	195,678.9	226,683.8	244,070.7	275,113.5
Money market instruments	8,536.2	10,089.1	15,984.8	15,874.2
<i>General government</i>	4,628.5	3,619.5	6,069.9	4,835.9
<i>Monetary financial institutions</i>	1,002.8	2,186.4	5,273.6	6,251.9
<i>Other resident sectors</i>	2,904.9	4,283.3	4,641.4	4,786.5
OTHER INVESTMENT (INCLUDING BANCO DE ESPAÑA)	536,821.4	507,995.0	515,967.0	530,917.0
Loans	140,482.0	136,913.5	142,895.9	148,937.5
<i>General government</i>	18,146.2	18,335.9	19,531.6	18,851.8
<i>Other resident sectors</i>	122,335.9	118,577.6	123,364.3	130,085.7
Deposits	395,421.2	370,246.2	371,742.6	380,797.2
<i>Banco de España</i>	535.4	328.2	316.3	280.7
<i>Other monetary financial institutions</i>	394,885.8	369,918.1	371,426.3	380,516.5
Other liabilities	918.2	835.3	1,328.5	1,182.3
FINANCIAL DERIVATIVES	...	...	...	42,568.7

SOURCE: Banco de España.

7.4 INTERNATIONAL INVESTMENT POSITION. BREAKDOWN BY ECONOMIC  
AND GEOGRAPHICAL AREA

INTERNATIONAL INVESTMENT POSITION 2007  
Breakdown by economic and geographical area

TABLE 7.4.1

EUR m	WORLD TOTAL	EURO AREA (EMU 13)	EU EXCLUDING EURO AREA	DENMARK	SWEDEN	UNITED KINGDOM	EUROPEAN INSTITUTIONS	OTHER	REST OF THE WORLD	OF WHICH:						
										UNITED STATES	JAPAN	CHINA	REST OF ASIA	LATIN AMERICA	TAX HAVENS	
IIP EXCLUDING BANCO DE ESPAÑA																
Net direct investment (assets-liabilities) (a)	76,697.0	-34,049.3	28,684.1	220.1	-4,504.9	10,360.3	-5.7	22,614.3	82,062.3	-21,636.3	-336.5	799.6	734.2	88,606.1	2,484.0	
<i>Spanish direct investment abroad</i>	463,080.5	183,514.2	107,361.4	1,592.8	2,347.6	79,021.5	0.0	24,399.5	172,204.9	36,255.0	1,781.8	821.4	2,469.7	96,055.4	6,002.6	
<i>Foreign direct investment in Spain</i>	386,383.5	217,563.5	78,677.4	1,372.7	6,852.5	68,661.2	5.8	1,785.1	90,142.6	57,891.3	2,118.3	21.8	1,735.5	7,449.3	3,518.7	
Net portfolio investment (assets-liabilities)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
<i>Spanish portfolio investment abroad</i>	443,289.9	307,198.3	51,469.5	972.6	2,607.8	45,235.0	1,620.1	1,034.0	84,622.1	37,290.7	835.3	835.5	8,981.3	4,522.9	18,505.9	
— <i>General government</i>	22,007.3	21,961.0	37.7	0.0	0.0	37.7	0.0	0.0	8.6	1.3	0.0	0.0	0.0	0.0	7.2	
— <i>Monetary financial institutions</i>	99,618.2	58,754.6	19,639.2	385.3	756.4	17,699.1	373.8	424.6	21,224.3	9,549.5	24.3	803.4	36.6	3,039.3	5,092.8	
— <i>Other resident sectors</i>	321,664.4	226,482.6	31,792.6	587.3	1,851.4	27,498.2	1,246.3	609.4	63,389.2	27,739.8	810.9	32.1	8,944.7	1,483.6	13,405.9	
Net other investment (assets-liabilities)	-226,454.1	-107,563.5	-96,297.3	562.4	530.5	-55,707.3	-41,417.4	-265.6	-22,593.3	-12,187.2	414.2	432.3	-2,596.6	1,661.6	-5,273.2	
<i>Spanish other investment abroad</i>	381,813.2	207,609.3	109,640.9	1,028.3	1,447.5	99,528.6	5,230.0	2,406.4	64,563.0	15,648.4	1,018.8	851.0	4,128.4	11,727.4	12,569.1	
— <i>General government</i>	12,842.8	23.5	4,752.9	0.0	0.0	28.5	4,694.2	30.2	8,066.7	87.7	17.3	596.5	643.9	2,257.1	179.5	
— <i>Monetary financial institutions</i>	255,823.6	136,066.4	82,189.5	982.9	997.8	78,109.0	1.1	2,098.8	37,567.7	10,915.6	893.6	237.5	3,217.3	8,701.2	4,432.7	
— <i>Other resident sectors</i>	113,146.8	71,519.4	22,698.8	45.5	449.9	21,391.2	534.7	277.5	18,928.6	4,645.1	107.9	17.1	267.2	769.1	7,956.9	
<i>Foreign other investment in Spain</i>	608,267.3	315,172.8	205,938.2	466.0	917.0	155,235.9	46,647.4	2,672.0	87,156.3	27,835.6	604.6	418.8	6,725.0	10,065.8	17,842.3	
— <i>General government</i>	19,768.8	7,810.7	11,774.8	0.1	0.2	82.6	11,691.8	0.1	183.3	0.0	183.1	0.0	0.1	0.0	0.1	
— <i>Monetary financial institutions</i>	441,673.6	230,093.3	132,153.2	402.4	683.3	117,428.5	11,259.4	2,379.6	79,427.1	25,666.0	367.8	412.6	6,520.1	9,420.3	17,157.0	
— <i>Other resident sectors</i>	146,824.9	77,268.8	62,010.3	63.5	233.5	37,724.8	23,696.2	292.3	7,545.8	2,169.6	53.8	6.1	204.8	645.4	685.1	

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 5).

NOTES:

EURO AREA (EMU 13): France, Belgium, Luxembourg, Netherlands, Germany, Italy, Ireland, Portugal, Austria, Finland, Greece, Slovenia and European Central Bank.

EU EXCLUDING EURO AREA: United Kingdom, Sweden, Denmark, European institutions, Cyprus, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Malta, Poland, Bulgaria, Romania and Slovakia. Intra-EU information has been added to this amount, corresponding to geographically unallocated information, which in no case represents large amounts.

OTHER: Cyprus, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Malta, Poland, Slovakia, Bulgaria and Romania. Intra-EU information has been added to this amount, corresponding to geographically unallocated 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.

INTERNATIONAL INVESTMENT POSITION 2006  
Breakdown by economic and geographical area

TABLE 7.4.2

EUR m	WORLD TOTAL	EURO AREA (EMU 13)	EU EXCLUDING EURO AREA	DENMARK	SWEDEN	UNITED KINGDOM	EUROPEAN INSTITUTIONS	OTHER	REST OF THE WORLD	OF WHICH:					
										UNITED STATES	JAPAN	CHINA	REST OF ASIA	LATIN AMERICA	TAX HAVENS
IIP EXCLUDING BANCO DE ESPAÑA															
Net direct investment (assets-liabilities) (a)	56,422.9	-26,345.8	14,189.9	315.4	-4,410.0	3,864.7	-4.5	14,424.3	68,578.7	-28,968.8	-630.9	641.1	106.4	88,064.4	733.3
<i>Spanish direct investment abroad</i>	<i>392,631.7</i>	<i>151,749.0</i>	<i>84,694.4</i>	<i>1,513.8</i>	<i>1,698.4</i>	<i>65,569.3</i>	<i>0.0</i>	<i>15,913.0</i>	<i>156,188.3</i>	<i>27,485.0</i>	<i>1,780.9</i>	<i>665.7</i>	<i>1,699.4</i>	<i>93,582.7</i>	<i>5,305.5</i>
<i>Foreign direct investment in Spain</i>	<i>336,208.8</i>	<i>178,094.7</i>	<i>70,504.5</i>	<i>1,198.4</i>	<i>6,108.4</i>	<i>61,704.5</i>	<i>4.5</i>	<i>1,488.7</i>	<i>87,609.6</i>	<i>56,453.7</i>	<i>2,411.7</i>	<i>24.6</i>	<i>1,593.0</i>	<i>5,518.3</i>	<i>4,572.2</i>
Net portfolio investment (assets-liabilities)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Spanish portfolio investment abroad</i>	<i>455,685.5</i>	<i>314,056.2</i>	<i>57,301.2</i>	<i>982.6</i>	<i>3,056.3</i>	<i>50,039.6</i>	<i>2,231.7</i>	<i>991.0</i>	<i>84,328.0</i>	<i>39,608.0</i>	<i>1,962.8</i>	<i>29.9</i>	<i>4,808.1</i>	<i>5,315.1</i>	<i>18,874.3</i>
— <i>General government</i>	<i>15,987.2</i>	<i>15,942.1</i>	<i>32.8</i>	<i>0.0</i>	<i>0.0</i>	<i>32.8</i>	<i>0.0</i>	<i>0.0</i>	<i>12.4</i>	<i>1.3</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>11.0</i>
— <i>Monetary financial institutions</i>	<i>98,110.7</i>	<i>53,198.8</i>	<i>24,900.3</i>	<i>393.7</i>	<i>1,041.2</i>	<i>22,710.2</i>	<i>435.3</i>	<i>319.8</i>	<i>20,011.7</i>	<i>9,898.9</i>	<i>119.7</i>	<i>5.2</i>	<i>42.6</i>	<i>1,934.9</i>	<i>5,138.7</i>
— <i>Other resident sectors</i>	<i>341,587.6</i>	<i>244,915.4</i>	<i>32,368.2</i>	<i>588.9</i>	<i>2,015.1</i>	<i>27,296.6</i>	<i>1,796.4</i>	<i>671.2</i>	<i>64,304.0</i>	<i>29,707.8</i>	<i>1,843.0</i>	<i>24.7</i>	<i>4,765.5</i>	<i>3,380.2</i>	<i>13,724.7</i>
Net other investment (assets-liabilities)	-203,729.8	-91,534.0	-84,142.6	1,328.9	159.0	-47,374.4	-38,552.0	295.9	-28,053.2	-7,283.8	35.7	690.8	-3,778.3	1,631.1	-13,325.4
<i>Spanish other investment abroad</i>	<i>326,906.4</i>	<i>177,384.4</i>	<i>94,613.0</i>	<i>1,586.4</i>	<i>1,056.0</i>	<i>85,329.5</i>	<i>4,341.3</i>	<i>2,299.7</i>	<i>54,909.0</i>	<i>11,025.1</i>	<i>598.6</i>	<i>860.1</i>	<i>3,015.1</i>	<i>12,057.5</i>	<i>11,991.2</i>
— <i>General government</i>	<i>12,022.6</i>	<i>113.5</i>	<i>3,863.6</i>	<i>0.0</i>	<i>0.0</i>	<i>28.1</i>	<i>3,800.2</i>	<i>35.3</i>	<i>8,045.7</i>	<i>85.4</i>	<i>18.0</i>	<i>612.0</i>	<i>689.2</i>	<i>2,500.8</i>	<i>180.8</i>
— <i>Monetary financial institutions</i>	<i>208,263.6</i>	<i>111,121.5</i>	<i>68,756.2</i>	<i>1,518.8</i>	<i>597.8</i>	<i>64,617.4</i>	<i>5.7</i>	<i>2,016.5</i>	<i>28,385.8</i>	<i>6,946.9</i>	<i>477.6</i>	<i>235.6</i>	<i>2,062.9</i>	<i>8,808.4</i>	<i>3,463.0</i>
— <i>Other resident sectors</i>	<i>106,620.2</i>	<i>66,149.4</i>	<i>21,993.4</i>	<i>67.7</i>	<i>458.4</i>	<i>20,684.0</i>	<i>535.3</i>	<i>247.9</i>	<i>18,477.4</i>	<i>3,992.8</i>	<i>103.1</i>	<i>12.5</i>	<i>263.0</i>	<i>748.3</i>	<i>8,347.4</i>
<i>Foreign other investment in Spain</i>	<i>530,636.2</i>	<i>268,918.4</i>	<i>178,755.6</i>	<i>257.5</i>	<i>897.1</i>	<i>132,703.9</i>	<i>42,893.3</i>	<i>2,003.9</i>	<i>82,962.2</i>	<i>18,308.9</i>	<i>563.0</i>	<i>169.4</i>	<i>6,793.5</i>	<i>10,426.4</i>	<i>25,316.5</i>
— <i>General government</i>	<i>18,851.8</i>	<i>7,225.3</i>	<i>11,427.3</i>	<i>0.0</i>	<i>0.1</i>	<i>103.8</i>	<i>11,323.2</i>	<i>0.2</i>	<i>199.2</i>	<i>0.0</i>	<i>198.9</i>	<i>0.0</i>	<i>0.2</i>	<i>0.0</i>	<i>0.1</i>
— <i>Monetary financial institutions</i>	<i>380,516.5</i>	<i>184,919.0</i>	<i>120,460.4</i>	<i>209.3</i>	<i>647.2</i>	<i>106,752.5</i>	<i>11,099.4</i>	<i>1,752.1</i>	<i>75,137.1</i>	<i>15,975.1</i>	<i>307.0</i>	<i>161.9</i>	<i>6,600.0</i>	<i>9,790.0</i>	<i>24,703.5</i>
— <i>Other resident sectors</i>	<i>131,268.0</i>	<i>76,774.1</i>	<i>46,867.9</i>	<i>48.1</i>	<i>249.8</i>	<i>25,847.7</i>	<i>20,470.7</i>	<i>251.6</i>	<i>7,625.9</i>	<i>2,333.8</i>	<i>57.2</i>	<i>7.4</i>	<i>193.3</i>	<i>636.5</i>	<i>613.0</i>

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 5).

NOTES:

EURO AREA (EMU 13): France, Belgium, Luxembourg, Netherlands, Germany, Italy, Ireland, Portugal, Austria, Finland, Greece, Slovenia and European Central Bank.

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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 1996-2007

## Notes to the tables

The definition of geographical and economic areas used in this appendix is as follows:

EU 27: comprises the international institutions of the European Union, the 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, Romania, Bulgaria and their dependencies.

EU 15: comprises the international institutions of the European Union, the European Central Bank, France, Belgium, Netherlands, Germany, Italy, United Kingdom, Ireland, Denmark, Greece, Portugal, Luxembourg, Austria, Finland and Sweden.

Euro area (EMU 12): France, Belgium, Luxembourg, Netherlands, Germany, Ireland, Italy, Portugal, Austria, Finland, Greece and the European Central Bank.

OECD: included in addition to the EU 15 are the United States, Canada, Mexico, Norway, Switzerland, Iceland, Turkey, Australia, Japan and New Zealand. Since 2000, the Czech Republic, Hungary, Poland, South Korea and Slovakia have been included.

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 (Ukraine, Belarus, Moldova, Russia, Georgia, Armenia, Azerbaijan, Kazakhstan, Turkmenistan, Uzbekistan, Tajikistan and the Kyrgyz Republic), Romania, Bulgaria, Albania, Croatia, Bosnia-Herzegovina, Serbia and FYR Macedonia. Included until 1999 were Estonia, Latvia, Lithuania, Poland, Czech Republic, Slovakia, Hungary and Slovenia. Included until 2005 were Montenegro and Kosovo.

CENTRAL AND SOUTH AMERICA: includes the entire American continent except the 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.

In February 2005, correspondence between the TARIC and User Groups was revised for data relating to the year 2000 and thereafter. This has a bearing on the comparability of figures with those from previous years. Moreover, the data published refer to the final figures provided by the Departamento de Aduanas (Spanish Customs Department), except those for last year (2007), which are provisional.



## FOREIGN TRADE BY GEOGRAPHICAL AREA: IMPORTS

EUR m	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
TOTAL	94,179	109,469	122,856	139,094	169,468	173,210	175,268	185,114	208,411	232,954	262,687	280,431
OECD	74,801	85,962	98,587	110,822	131,973	135,345	136,529	144,457	160,739	170,583	185,138	197,563
EU 27	63,515	73,086	84,881	95,455	110,376	114,334	116,262	123,045	135,216	142,821	154,753	165,729
EU 15	62,517	71,817	83,327	93,597	107,753	110,949	112,427	118,504	129,768	136,579	146,708	156,563
Euro area (EMU 13)	52,572	60,605	71,201	79,587	92,061	95,554	97,408	102,589	112,925	118,966	128,415	138,390
— Germany	14,008	16,182	19,006	21,934	25,153	26,915	28,288	30,223	33,366	34,357	37,281	42,508
— France	16,772	19,221	22,572	24,886	29,002	29,008	28,786	29,768	31,840	32,851	33,520	34,233
— Italy	9,024	10,467	12,181	12,999	15,127	15,983	15,863	16,933	18,947	19,891	21,712	24,306
— Netherlands	3,736	4,370	5,345	5,598	6,405	6,757	6,892	7,407	8,523	9,396	10,509	10,826
— Belgium-Luxembourg	3,332	3,831	4,310	5,105	5,689	6,039	5,874	5,827	6,742	7,471	8,100	8,167
— Portugal	2,759	2,994	3,440	3,858	4,609	4,857	5,449	5,995	6,798	7,512	8,533	9,070
— Ireland	885	1,321	1,718	2,017	2,425	2,397	2,571	2,605	2,769	3,502	3,976	3,548
— Austria	958	1,119	1,340	1,725	1,802	1,777	1,870	1,839	2,007	1,898	2,233	2,739
— Finland	735	833	1,014	1,098	1,393	1,294	1,266	1,391	1,340	1,355	1,642	1,871
— Greece	321	216	201	279	353	406	415	451	435	523	656	712
— Slovenia	40	50	74	88	103	121	132	149	158	209	254	409
— United Kingdom	7,787	8,894	9,461	10,388	12,060	12,176	11,434	11,867	12,794	13,236	13,285	13,226
— Denmark	795	827	949	1,020	1,097	1,189	1,429	1,482	1,503	1,602	1,849	1,944
— Sweden	1,396	1,542	1,790	2,691	2,639	2,150	2,288	2,715	2,704	2,984	3,413	3,412
United States	5,928	6,849	7,026	7,654	8,758	7,871	7,203	6,859	7,494	7,484	8,587	9,927
Japan	2,621	2,958	3,690	4,400	4,831	4,345	4,258	4,835	5,750	5,923	5,918	6,039
Canada	426	473	485	552	647	661	742	623	918	980	762	906
Rest of OECD	3,310	3,864	4,059	4,620	6,204	7,015	6,957	7,899	9,815	11,912	13,043	13,386
OPEC	5,972	7,254	6,152	7,126	13,903	12,774	11,374	11,594	13,078	17,903	22,656	21,111
CIS (b)	2,220	2,592	2,820	3,392	3,201	3,361	4,318	4,132	5,520	7,706	10,258	10,787
Central and South America	2,920	3,502	3,627	4,083	4,679	4,850	5,126	5,788	6,248	8,077	10,026	10,331
South-east Asian NICs	1,684	2,091	2,730	3,178	3,799	3,716	3,803	3,846	4,410	4,905	6,306	6,115
Rest of the world	6,583	8,068	8,939	10,492	13,374	14,731	15,778	16,986	20,588	26,173	31,444	36,902
Unclassified	0	1	0	1	1	0	3	2	46	16	7	0

SOURCE: Departamento de Aduanas.

a. Provisional data.

b. And other Central and Eastern European countries.

## FOREIGN TRADE BY GEOGRAPHICAL AREA: EXPORTS

EUR m	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
TOTAL	78,212	93,419	99,849	104,789	124,177	129,771	133,268	138,119	146,925	155,005	170,439	181,479
OECD	63,026	74,942	81,271	86,449	104,292	108,982	112,526	116,840	123,749	128,991	139,782	145,489
EU 27	57,357	67,850	73,737	78,083	91,115	96,894	99,476	103,988	109,225	112,118	121,206	127,146
EU 15	55,842	65,844	71,353	75,628	87,688	92,962	94,884	99,182	104,290	106,690	114,768	119,191
Euro area (EMU 13)	47,937	55,753	60,836	64,440	74,411	78,280	79,246	83,314	87,627	89,567	96,519	101,512
— Germany	11,420	12,502	13,608	13,765	15,325	15,376	15,318	16,492	17,084	17,608	18,592	19,559
— France	15,733	17,070	19,435	20,439	24,129	25,324	25,351	26,529	28,487	29,740	31,895	33,792
— Italy	6,825	9,090	9,229	9,427	10,855	11,699	12,551	13,416	13,276	12,954	14,529	15,387
— Netherlands	2,665	3,384	3,462	3,847	4,570	4,584	4,316	4,705	4,895	4,846	5,637	5,887
— Belgium-Luxembourg	2,317	2,618	2,784	3,106	3,528	3,892	3,678	4,299	4,638	4,546	5,159	5,389
— Portugal	6,847	8,469	9,407	10,496	11,855	13,225	13,560	13,292	14,341	14,838	15,173	15,661
— Ireland	356	383	527	699	883	799	850	788	900	949	1,047	1,023
— Austria	654	784	866	936	1,164	1,164	1,216	1,256	1,288	1,321	1,407	1,411
— Finland	225	357	363	407	516	475	484	546	586	642	731	750
— Greece	761	923	948	1,090	1,315	1,420	1,567	1,669	1,799	1,719	1,908	2,171
— Slovenia	133	171	208	230	270	320	356	323	333	406	442	481
— United Kingdom	6,485	8,176	8,408	8,748	10,199	11,714	12,863	12,902	13,266	13,026	13,579	13,681
— Denmark	484	619	698	770	887	860	982	908	938	1,096	1,362	1,367
— Sweden	709	906	1,110	1,224	1,251	1,304	1,215	1,320	1,475	1,493	1,639	1,702
United States	3,263	4,086	4,187	4,599	6,052	5,652	5,788	5,689	5,802	6,393	7,526	7,569
Japan	935	961	917	1,099	1,215	1,186	1,035	980	1,167	1,153	1,266	1,331
Canada	333	407	436	454	579	534	653	643	661	709	782	750
Rest of OECD	2,653	3,643	4,378	4,670	6,014	5,516	6,564	6,557	8,015	9,943	10,597	10,881
OPEC	2,149	2,501	2,705	2,484	3,023	3,274	3,603	3,408	3,824	4,221	4,273	5,295
CIS (b)	1,922	2,755	3,012	2,905	1,126	1,469	1,701	1,934	2,110	2,555	3,358	4,224
Central and South America	4,137	4,869	5,216	4,969	5,615	5,271	4,229	4,321	4,464	4,988	6,710	6,305
South-east Asian NICs	1,599	1,832	1,188	1,245	1,648	1,539	1,627	1,247	1,306	1,494	1,742	1,766
Rest of the world	4,807	5,934	5,857	6,095	6,987	7,654	7,976	8,691	9,544	10,585	11,788	13,609
Unclassified	572	587	600	642	1,019	1,082	999	1,139	1,329	1,637	2,189	3,704

SOURCE: Departamento de Aduanas.

a. Provisional data.

b. And other Central and Eastern European countries.

## WORLD TOTAL: IMPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	22,843	26,737	31,969	37,085	43,460	47,137	49,450	54,165	61,754	67,653	72,514	77,296
Food, beverages and tobacco	6,794	7,622	8,634	9,191	9,887	11,426	11,448	12,357	13,339	14,122	14,815	15,831
Consumer durables	8,565	10,138	13,050	15,923	20,541	21,016	21,401	23,833	28,609	31,410	33,443	35,401
<i>Automobiles</i>	5,550	6,584	8,951	11,379	12,245	13,098	12,978	14,160	17,462	18,520	19,246	20,938
<i>Other</i>	3,015	3,554	4,099	4,544	8,296	7,918	8,423	9,672	11,147	12,889	14,197	14,464
Other consumer non-durables	7,484	8,978	10,286	11,971	13,032	14,695	16,601	17,975	19,806	22,121	24,256	26,064
CAPITAL GOODS	15,989	18,763	22,189	26,972	22,188	21,069	19,360	20,228	22,620	26,881	28,010	29,705
Machinery and other capital goods	11,494	13,347	15,940	18,516	13,689	13,982	12,616	13,186	14,666	16,125	18,082	19,065
Transport equipment	2,440	3,211	3,720	5,614	5,983	4,518	4,150	4,206	5,044	7,593	6,206	6,222
<i>Overland non-railway</i>	1,444	2,026	2,510	3,127	2,846	2,668	2,644	3,143	3,561	3,729	4,021	4,655
<i>Railway</i>	18	21	34	17	49	42	42	220	117	146	62	170
<i>Maritime</i>	121	331	335	378	217	237	216	131	189	2,186	2,083	1,364
<i>Air</i>	857	833	840	2,092	2,871	1,572	1,248	712	1,177	1,532	40	34
Other capital goods	2,055	2,205	2,528	2,843	2,516	2,569	2,595	2,836	2,910	3,163	3,723	4,418
INTERMEDIATE GOODS	55,347	63,968	68,698	75,036	103,820	105,004	106,458	110,721	124,037	138,420	162,163	173,430
Intermediate agricultural, forestry and fishing products	3,206	3,617	3,645	3,607	3,665	3,770	4,134	3,668	3,729	4,367	4,066	5,019
Intermediate energy products	8,639	9,685	7,732	9,800	20,361	19,319	18,900	19,171	23,412	32,768	41,242	41,469
Intermediate industrial products	43,503	50,667	57,320	61,630	79,794	81,915	83,424	87,881	96,896	101,285	116,855	126,942
TOTAL IMPORTS	94,179	109,469	122,856	139,094	169,468	173,210	175,268	185,114	208,411	232,954	262,687	280,431
ENERGY PRODUCTS	8,737	9,755	7,798	9,922	20,597	19,543	19,065	19,319	23,555	32,922	41,464	41,788
NON-ENERGY PRODUCTS	85,443	99,714	115,058	129,172	148,871	153,667	156,203	165,795	184,856	200,032	221,223	238,642

SOURCE: Departamento de Aduanas.

a. Provisional data.

## WORLD TOTAL: EXPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	31,982	37,193	40,549	42,647	49,813	53,776	56,047	58,434	59,762	60,324	64,335	66,325
Food, beverages and tobacco	9,920	12,156	12,629	12,961	14,871	16,480	17,226	18,158	18,189	18,806	19,936	21,077
Consumer durables	15,480	17,177	19,080	20,081	24,559	25,649	25,699	27,428	28,342	26,721	27,840	28,188
<i>Automobiles</i>	12,212	13,146	14,635	15,502	18,515	18,929	18,702	20,035	21,141	19,366	19,416	20,500
<i>Other</i>	3,268	4,031	4,445	4,578	6,045	6,721	6,996	7,392	7,201	7,355	8,424	7,688
Other consumer non-durables	6,582	7,860	8,840	9,606	10,383	11,647	13,122	12,849	13,231	14,798	16,559	17,060
CAPITAL GOODS	10,994	13,647	14,213	14,958	12,591	11,893	11,584	11,727	13,195	14,848	17,094	16,755
Machinery and other capital goods	6,590	8,017	8,068	8,678	6,393	6,392	5,591	5,699	5,841	6,422	7,182	7,531
Transport equipment	3,461	4,572	4,947	5,046	5,179	4,480	4,844	5,001	6,344	7,403	8,822	8,049
<i>Overland non-railway</i>	2,131	3,066	3,652	3,296	3,422	3,503	3,419	3,774	3,986	4,455	5,768	6,215
<i>Railway</i>	123	368	279	157	159	136	146	265	243	288	252	238
<i>Maritime</i>	669	772	864	1,150	1,067	375	635	794	1,523	2,295	2,797	1,591
<i>Air</i>	537	366	152	443	531	466	645	168	592	365	5	5
Other capital goods	943	1,059	1,198	1,234	1,019	1,020	1,149	1,028	1,010	1,022	1,090	1,175
INTERMEDIATE GOODS	35,236	42,579	45,088	47,184	61,773	64,102	65,637	67,957	73,968	79,833	89,010	98,398
Intermediate agricultural, forestry and fishing products	1,498	1,904	1,801	1,589	603	764	794	845	774	713	795	1,120
Intermediate energy products	1,898	2,277	1,803	2,013	3,743	2,939	2,912	3,535	4,352	5,328	5,884	6,407
Intermediate industrial products	31,840	38,399	41,483	43,582	57,428	60,400	61,930	63,576	68,842	73,792	82,330	90,871
TOTAL EXPORTS	78,212	93,419	99,849	104,789	124,177	129,771	133,268	138,119	146,925	155,005	170,439	181,479
ENERGY PRODUCTS	2,102	2,448	2,026	2,256	4,364	3,550	3,327	3,979	5,185	6,381	7,483	7,918
NON-ENERGY PRODUCTS	76,110	90,972	97,823	102,532	119,813	126,221	129,941	134,140	141,739	148,623	162,956	173,560

SOURCE: Departamento de Aduanas.

a. Provisional data.

## OECD TOTAL: IMPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	17,986	20,648	24,862	28,644	34,843	37,671	39,232	42,585	48,695	52,540	54,573	58,550
Food, beverages and tobacco	4,946	5,539	6,240	6,705	7,044	8,095	8,299	8,938	9,801	10,289	10,497	11,373
Consumer durables	7,552	8,861	11,378	13,742	18,832	19,304	19,384	21,261	25,513	27,837	28,844	30,907
<i>Automobiles</i>	5,298	6,229	8,355	10,541	12,225	13,078	12,949	14,128	17,395	18,384	19,070	20,610
<i>Other</i>	2,254	2,633	3,024	3,201	6,607	6,226	6,434	7,133	8,118	9,452	9,773	10,297
Other consumer non-durables	5,488	6,248	7,244	8,197	8,968	10,273	11,549	12,386	13,381	14,415	15,232	16,269
CAPITAL GOODS	14,742	17,094	20,355	24,725	20,905	19,659	17,969	18,528	20,628	22,589	23,444	24,809
Machinery and other capital goods	10,492	12,194	14,661	16,794	12,762	12,861	11,544	11,850	13,074	14,025	15,459	16,263
Transport equipment	2,322	2,845	3,323	5,291	5,800	4,444	4,053	4,110	4,928	5,774	4,724	5,010
<i>Overland non-railway</i>	1,416	1,978	2,434	3,035	2,751	2,612	2,589	3,073	3,480	3,603	3,881	4,452
<i>Railway</i>	16	20	26	14	44	36	36	213	113	133	49	163
<i>Maritime</i>	39	38	104	259	157	225	206	112	168	516	754	362
<i>Air</i>	851	809	759	1,983	2,848	1,571	1,221	712	1,166	1,523	40	33
Other capital goods	1,928	2,056	2,371	2,641	2,343	2,353	2,373	2,567	2,627	2,790	3,261	3,536
INTERMEDIATE GOODS	42,074	48,219	53,370	57,453	76,225	78,015	79,328	83,344	91,416	95,454	107,122	114,205
Intermediate agricultural, forestry and fishing products	1,921	2,109	2,124	1,944	2,042	2,131	2,219	2,126	2,116	2,444	2,095	2,310
Intermediate energy products	2,078	2,334	1,931	2,280	4,679	4,748	4,654	5,183	6,756	8,449	9,217	10,533
Intermediate industrial products	38,075	43,776	49,315	53,230	69,503	71,136	72,454	76,034	82,544	84,561	95,811	101,361
TOTAL IMPORTS	74,801	85,962	98,587	110,822	131,973	135,345	136,529	144,457	160,739	170,583	185,138	197,563
ENERGY PRODUCTS	2,176	2,402	1,997	2,402	4,915	4,947	4,780	5,331	6,895	8,603	9,431	10,853
NON-ENERGY PRODUCTS	72,625	83,560	96,590	108,420	127,057	130,398	131,749	139,126	153,844	161,980	175,707	186,710

SOURCE: Departamento de Aduanas.

a. Provisional data.

## OECD TOTAL: EXPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	28,031	32,248	35,480	37,963	44,745	48,211	50,415	52,721	53,890	54,158	56,979	58,113
Food, beverages and tobacco	8,744	10,533	10,989	11,465	13,477	15,022	15,771	16,685	16,646	17,152	18,015	18,866
Consumer durables	13,763	15,209	17,116	18,359	22,567	23,407	23,564	25,141	26,126	24,247	24,777	25,010
<i>Automobiles</i>	11,284	12,174	13,638	14,689	17,625	17,971	17,772	19,141	20,266	18,270	18,332	18,961
<i>Other</i>	2,479	3,035	3,479	3,671	4,942	5,436	5,792	6,000	5,859	5,977	6,445	6,048
Other consumer non-durables	5,524	6,506	7,375	8,139	8,701	9,781	11,081	10,896	11,118	12,759	14,186	14,237
CAPITAL GOODS	7,925	10,068	10,668	11,544	9,635	9,299	8,793	8,749	9,643	10,761	12,277	12,009
Machinery and other capital goods	4,797	5,894	6,042	6,701	4,836	4,744	3,994	4,177	4,234	4,665	5,147	4,905
Transport equipment	2,514	3,508	3,879	3,925	4,126	3,878	4,096	3,883	4,657	5,364	6,350	6,281
<i>Overland non-railway</i>	1,824	2,756	3,282	2,923	3,161	3,220	3,094	3,356	3,654	4,065	5,144	5,543
<i>Railway</i>	74	132	104	99	129	106	109	164	168	260	228	200
<i>Maritime</i>	143	317	367	503	430	259	255	229	473	771	973	533
<i>Air</i>	472	303	126	401	406	293	638	133	361	267	4	4
Other capital goods	615	666	748	918	674	677	703	689	752	732	781	822
INTERMEDIATE GOODS	27,070	32,625	35,124	36,942	49,912	51,472	53,318	55,370	60,216	64,072	70,526	75,367
Intermediate agricultural, forestry and fishing products	1,430	1,804	1,698	1,447	503	652	630	687	617	591	623	754
Intermediate energy products	1,087	1,461	1,199	1,265	2,533	1,881	1,928	2,346	2,837	3,301	3,166	2,392
Intermediate industrial products	24,554	29,361	32,226	34,229	46,876	48,940	50,760	52,337	56,762	60,181	66,737	72,221
TOTAL EXPORTS	63,026	74,942	81,271	86,449	104,292	108,982	112,526	116,840	123,749	128,991	139,782	145,489
ENERGY PRODUCTS	1,192	1,548	1,329	1,402	2,883	2,312	2,165	2,623	3,406	4,140	4,562	3,762
NON-ENERGY PRODUCTS	61,834	73,394	79,942	85,047	101,409	106,671	110,361	114,217	120,343	124,851	135,219	141,727

SOURCE: Departamento de Aduanas.

a. Provisional data.

## EU 27 TOTAL: IMPORTS

EUR m	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	...	...	...	...	30,027	32,815	34,424	36,864	41,296	44,553	45,837	49,280
Food, beverages and tobacco	...	...	...	...	6,293	7,275	7,556	8,102	8,804	9,183	9,403	10,362
Consumer durables	...	...	...	...	15,859	16,343	16,443	17,700	20,723	22,639	23,130	24,889
<i>Automobiles</i>	...	...	...	...	10,617	11,690	11,578	12,282	14,687	15,345	15,604	16,912
<i>Other</i>	...	...	...	...	5,242	4,653	4,864	5,418	6,036	7,294	7,527	7,976
Other consumer non-durables	...	...	...	...	7,875	9,197	10,425	11,063	11,769	12,732	13,304	14,030
CAPITAL GOODS	...	...	...	...	16,444	15,952	14,550	15,392	17,296	18,735	19,467	21,396
Machinery and other capital goods	...	...	...	...	10,584	10,903	9,833	10,055	11,152	12,294	13,452	14,131
Transport equipment	...	...	...	...	4,236	3,446	3,007	3,484	4,216	4,448	3,647	4,705
<i>Overland non-railway</i>	...	...	...	...	2,510	2,374	2,301	2,712	3,070	3,099	3,419	4,143
<i>Railway</i>	...	...	...	...	31	35	29	176	106	123	39	149
<i>Maritime</i>	...	...	...	...	76	53	36	33	29	25	155	388
<i>Air</i>	...	...	...	...	1,620	985	641	563	1,012	1,202	33	25
Other capital goods	...	...	...	...	1,624	1,602	1,711	1,853	1,929	1,992	2,368	2,560
INTERMEDIATE GOODS	...	...	...	...	63,905	65,567	67,287	70,788	76,623	79,533	89,448	95,053
Intermediate agricultural, forestry and fishing products	...	...	...	...	1,267	1,384	1,548	1,411	1,624	2,216	2,021	1,619
Intermediate energy products	...	...	...	...	2,623	2,804	2,857	3,186	3,642	4,327	4,931	6,255
Intermediate industrial products	...	...	...	...	60,014	61,379	62,882	66,192	71,357	72,990	82,496	87,179
TOTAL IMPORTS	63,515	73,086	84,881	95,455	110,376	114,334	116,262	123,045	135,216	142,821	154,753	165,729
ENERGY PRODUCTS	...	...	...	...	2,846	2,996	2,984	3,322	3,774	4,481	5,153	6,575
NON-ENERGY PRODUCTS	...	...	...	...	107,530	111,338	113,278	119,723	131,442	138,340	149,600	159,155

SOURCE: Departamento de Aduanas.

a. Provisional data.

## EU 27 TOTAL: EXPORTS

EUR m	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	...	...	...	...	40,008	43,801	45,622	48,254	48,618	47,827	50,169	51,553
Food, beverages and tobacco	...	...	...	...	12,005	13,571	14,304	15,265	15,221	15,735	16,527	17,345
Consumer durables	...	...	...	...	20,744	21,985	22,142	23,650	24,106	22,428	23,224	23,450
<i>Automobiles</i>	...	...	...	...	16,516	17,278	17,092	18,382	18,948	17,115	17,431	18,023
<i>Other</i>	...	...	...	...	4,228	4,707	5,050	5,268	5,158	5,313	5,793	5,426
Other consumer non-durables	...	...	...	...	7,259	8,244	9,176	9,339	9,291	9,664	10,417	10,757
CAPITAL GOODS	...	...	...	...	8,046	7,954	7,601	7,347	8,195	8,640	9,889	9,922
Machinery and other capital goods	...	...	...	...	3,986	3,970	3,216	3,211	3,402	3,697	3,886	3,908
Transport equipment	...	...	...	...	3,496	3,400	3,804	3,580	4,128	4,307	5,352	5,341
<i>Overland non-railway</i>	...	...	...	...	3,063	3,157	3,002	3,208	3,481	3,838	4,854	5,017
<i>Railway</i>	...	...	...	...	118	104	105	158	137	259	228	157
<i>Maritime</i>	...	...	...	...	219	97	272	183	265	54	267	165
<i>Air</i>	...	...	...	...	97	42	426	31	245	156	3	3
Other capital goods	...	...	...	...	564	584	581	556	665	636	651	673
INTERMEDIATE GOODS	...	...	...	...	43,061	45,139	46,253	48,387	52,412	55,651	61,148	65,672
Intermediate agricultural, forestry and fishing products	...	...	...	...	485	629	604	667	597	572	602	725
Intermediate energy products	...	...	...	...	2,192	1,658	1,791	2,180	2,647	3,068	2,818	2,042
Intermediate industrial products	...	...	...	...	40,384	42,852	43,858	45,540	49,168	52,011	57,729	62,905
TOTAL EXPORTS	57,357	67,850	73,737	78,083	91,115	96,894	99,476	103,988	109,225	112,118	121,206	127,146
ENERGY PRODUCTS	...	...	...	...	2,362	1,812	1,840	2,220	2,702	3,146	2,922	2,162
NON-ENERGY PRODUCTS	...	...	...	...	88,752	95,082	97,635	101,768	106,522	108,972	118,284	124,984

SOURCE: Departamento de Aduanas.

a. Provisional data.

## EU 15: IMPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	15,841	18,236	21,782	25,263	29,136	31,822	33,348	35,640	39,839	42,921	43,314	46,431
Food, beverages and tobacco	4,349	4,979	5,598	6,040	6,243	7,215	7,495	8,049	8,727	9,073	9,258	10,174
Consumer durables	6,640	7,748	9,805	11,987	15,189	15,604	15,674	16,834	19,700	21,523	21,229	22,717
<i>Automobiles</i>	4,847	5,706	7,504	9,562	10,416	11,421	11,363	11,998	14,386	15,031	14,914	16,173
<i>Other</i>	1,794	2,042	2,300	2,425	4,773	4,182	4,311	4,836	5,313	6,492	6,316	6,544
Other consumer non-durables	4,851	5,508	6,379	7,237	7,704	9,004	10,179	10,757	11,412	12,325	12,827	13,540
CAPITAL GOODS	12,162	13,923	16,805	19,845	16,304	15,718	14,339	15,112	16,859	17,948	18,568	20,172
Machinery and other capital goods	8,667	9,976	12,132	13,922	10,473	10,699	9,661	9,826	10,812	11,728	12,762	13,348
Transport equipment	2,007	2,364	2,856	3,913	4,228	3,438	2,999	3,475	4,169	4,314	3,534	4,383
<i>Overland non-railway</i>	1,345	1,856	2,306	2,825	2,504	2,372	2,300	2,712	3,031	2,977	3,311	4,134
<i>Railway</i>	13	17	23	13	30	31	28	175	105	122	36	145
<i>Maritime</i>	33	31	49	95	76	52	32	33	22	18	155	80
<i>Air</i>	616	459	477	980	1,618	984	639	556	1,012	1,198	32	24
Other capital goods	1,488	1,583	1,818	2,010	1,603	1,581	1,679	1,811	1,878	1,906	2,272	2,441
INTERMEDIATE GOODS	34,513	39,659	44,740	48,489	62,314	63,408	64,740	67,751	73,070	75,710	84,826	89,959
Intermediate agricultural, forestry and fishing products	1,200	1,187	1,328	1,309	1,215	1,357	1,414	1,382	1,529	1,881	1,681	1,565
Intermediate energy products	904	1,011	923	1,131	2,537	2,558	2,580	2,915	3,509	4,070	4,635	6,030
Intermediate industrial products	32,409	37,461	42,489	46,049	58,562	59,493	60,746	63,454	68,032	69,759	78,510	82,364
TOTAL IMPORTS	62,517	71,817	83,327	93,597	107,753	110,949	112,427	118,504	129,768	136,579	146,708	156,563
ENERGY PRODUCTS	1,002	1,078	985	1,253	2,760	2,751	2,696	3,050	3,636	4,224	4,849	6,349
NON-ENERGY PRODUCTS	61,514	70,739	82,342	92,344	104,993	108,198	109,731	115,453	126,131	132,355	141,859	150,213

SOURCE: Departamento de Aduanas.

a. Provisional data.

## EU 15: EXPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	25,233	28,924	31,848	33,946	38,764	42,321	43,882	46,509	46,743	45,866	47,943	48,645
Food, beverages and tobacco	7,824	9,468	9,851	10,058	11,598	13,130	13,789	14,705	14,643	15,045	15,718	16,315
Consumer durables	12,982	14,235	15,986	17,184	20,119	21,266	21,293	22,775	23,182	21,565	22,361	22,357
<i>Automobiles</i>	10,780	11,594	12,926	13,949	16,117	16,787	16,488	17,733	18,301	16,567	16,839	17,209
<i>Other</i>	2,203	2,641	3,061	3,235	4,002	4,480	4,805	5,042	4,882	4,998	5,522	5,148
Other consumer non-durables	4,427	5,220	6,010	6,704	7,047	7,925	8,800	9,029	8,918	9,255	9,864	9,973
CAPITAL GOODS	6,968	8,810	9,170	9,695	7,689	7,690	7,203	6,906	7,753	8,252	9,322	9,290
Machinery and other capital goods	4,214	5,037	5,111	5,575	3,849	3,804	3,041	3,015	3,160	3,438	3,537	3,525
Transport equipment	2,193	3,162	3,388	3,348	3,300	3,328	3,617	3,371	3,964	4,216	5,167	5,130
<i>Overland non-railway</i>	1,776	2,676	3,171	2,854	2,990	3,086	2,912	3,001	3,356	3,761	4,680	4,805
<i>Railway</i>	46	120	98	92	108	104	104	157	136	259	227	157
<i>Maritime</i>	60	234	95	111	135	97	177	182	244	41	257	165
<i>Air</i>	311	132	25	290	68	41	424	30	228	156	2	2
Other capital goods	561	611	671	772	539	558	545	520	629	598	618	635
INTERMEDIATE GOODS	23,641	28,111	30,335	31,986	41,235	42,951	43,799	45,766	49,794	52,573	57,502	61,256
Intermediate agricultural, forestry and fishing products	1,355	1,721	1,613	1,368	472	620	600	660	578	551	580	694
Intermediate energy products	941	1,264	1,002	1,136	2,165	1,649	1,776	2,147	2,609	3,046	2,801	2,000
Intermediate industrial products	21,346	25,125	27,720	29,482	38,598	40,683	41,423	42,960	46,607	48,976	54,121	58,562
TOTAL EXPORTS	55,842	65,844	71,353	75,628	87,688	92,962	94,884	99,182	104,290	106,690	114,768	119,191
ENERGY PRODUCTS	979	1,303	1,078	1,190	2,313	1,787	1,826	2,188	2,646	3,122	2,905	2,107
NON-ENERGY PRODUCTS	54,864	64,541	70,275	74,438	85,375	91,175	93,058	96,994	101,644	103,568	111,862	117,085

SOURCE: Departamento de Aduanas.

a. Provisional data.

## EURO AREA (EMU 13): IMPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	...	...	...	...	23,954	26,684	28,393	30,612	34,299	36,582	37,133	40,318
Food, beverages and tobacco	...	...	...	...	4,812	5,632	6,009	6,439	7,128	7,411	7,557	8,394
Consumer durables	...	...	...	...	12,813	13,724	13,895	15,100	17,525	18,745	18,624	20,207
<i>Automobiles</i>	...	...	...	...	9,040	10,276	10,303	10,956	12,811	13,065	13,226	14,696
<i>Other</i>	...	...	...	...	3,773	3,448	3,592	4,144	4,714	5,680	5,399	5,511
Other consumer non-durables	...	...	...	...	6,330	7,327	8,489	9,073	9,646	10,427	10,951	11,718
CAPITAL GOODS	...	...	...	...	14,194	13,521	12,533	13,244	14,882	15,644	16,225	17,971
Machinery and other capital goods	...	...	...	...	8,736	8,873	8,206	8,394	9,278	9,968	10,974	11,697
Transport equipment	...	...	...	...	4,064	3,288	2,843	3,236	3,935	3,961	3,216	4,103
<i>Overland non-railway</i>	...	...	...	...	2,403	2,276	2,163	2,544	2,814	2,739	3,086	3,859
<i>Railway</i>	...	...	...	...	29	27	25	170	93	117	32	141
<i>Maritime</i>	...	...	...	...	64	50	27	26	21	15	66	79
<i>Air</i>	...	...	...	...	1,568	935	628	496	1,008	1,090	32	24
Other capital goods	...	...	...	...	1,395	1,360	1,484	1,614	1,669	1,715	2,034	2,170
INTERMEDIATE GOODS	...	...	...	...	53,913	55,349	56,482	58,734	63,743	66,739	75,058	80,100
Intermediate agricultural, forestry and fishing products	...	...	...	...	1,036	1,177	1,244	1,133	1,272	1,546	1,428	1,315
Intermediate energy products	...	...	...	...	1,438	1,669	1,653	2,008	2,563	3,157	3,729	4,912
Intermediate industrial products	...	...	...	...	51,439	52,503	53,585	55,592	59,908	62,036	69,901	73,873
TOTAL IMPORTS	52,572	60,605	71,201	79,587	92,061	95,554	97,408	102,589	112,925	118,966	128,415	138,390
ENERGY PRODUCTS	...	...	...	...	1,646	1,861	1,766	2,143	2,689	3,310	3,929	5,216
NON-ENERGY PRODUCTS	...	...	...	...	90,415	93,694	95,641	100,446	110,235	115,655	124,487	133,174

SOURCE: Departamento de Aduanas.

a. Provisional data.

## EURO AREA (EMU 13): EXPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	...	...	...	...	32,579	34,762	35,551	38,486	38,678	37,908	39,929	40,957
Food, beverages and tobacco	...	...	...	...	9,803	11,050	11,605	12,476	12,387	12,652	13,204	13,786
Consumer durables	...	...	...	...	16,970	17,251	16,979	18,695	18,936	17,351	18,292	18,617
<i>Automobiles</i>	...	...	...	...	13,661	13,571	13,072	14,516	14,810	13,303	13,912	14,599
<i>Other</i>	...	...	...	...	3,309	3,680	3,907	4,178	4,127	4,048	4,380	4,019
Other consumer non-durables	...	...	...	...	5,807	6,461	6,967	7,315	7,354	7,905	8,433	8,554
CAPITAL GOODS	...	...	...	...	6,706	6,645	5,896	5,702	6,483	7,097	7,750	7,916
Machinery and other capital goods	...	...	...	...	3,449	3,401	2,614	2,509	2,717	3,001	2,965	3,058
Transport equipment	...	...	...	...	2,780	2,758	2,798	2,730	3,194	3,555	4,230	4,284
<i>Overland non-railway</i>	...	...	...	...	2,544	2,532	2,367	2,499	2,936	3,253	3,886	4,028
<i>Railway</i>	...	...	...	...	48	100	79	145	17	202	174	157
<i>Maritime</i>	...	...	...	...	122	85	165	55	123	23	169	97
<i>Air</i>	...	...	...	...	66	41	187	30	119	77	1	2
Other capital goods	...	...	...	...	477	486	484	464	572	542	554	574
INTERMEDIATE GOODS	...	...	...	...	35,125	36,872	37,799	39,126	42,465	44,562	48,840	52,639
Intermediate agricultural, forestry and fishing products	...	...	...	...	442	591	564	627	540	514	534	649
Intermediate energy products	...	...	...	...	970	729	1,111	1,310	1,469	1,430	1,117	1,301
Intermediate industrial products	...	...	...	...	33,713	35,552	36,124	37,189	40,456	42,619	47,189	50,689
TOTAL EXPORTS	47,937	55,753	60,836	64,440	74,411	78,280	79,246	83,314	87,627	89,567	96,519	101,512
ENERGY PRODUCTS	...	...	...	...	1,119	846	1,157	1,351	1,506	1,506	1,222	1,421
NON-ENERGY PRODUCTS	...	...	...	...	73,292	77,434	78,089	81,963	86,120	88,061	95,298	100,091

SOURCE: Departamento de Aduanas.

a. Provisional data.

## GERMANY: IMPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	2,783	3,477	4,330	5,483	6,101	7,434	8,561	9,297	10,814	11,299	11,855	13,768
Food, beverages and tobacco	438	514	685	943	1,009	1,383	1,457	1,522	1,769	1,887	1,783	1,806
Consumer durables	1,743	2,229	2,816	3,591	4,139	4,864	5,282	6,096	7,254	7,463	7,876	9,819
<i>Automobiles</i>	1,367	1,814	2,345	3,057	3,303	3,984	4,296	4,886	5,826	5,461	6,276	8,058
<i>Other</i>	376	415	471	534	836	880	985	1,210	1,428	2,002	1,600	1,761
Other consumer non-durables	602	735	829	948	953	1,187	1,822	1,679	1,791	1,949	2,196	2,143
CAPITAL GOODS	3,152	3,522	4,328	5,248	4,500	4,354	3,975	4,486	4,774	4,734	5,232	6,176
Machinery and other capital goods	2,273	2,506	3,063	3,781	3,027	2,907	2,669	2,824	3,076	3,284	3,486	3,819
Transport equipment	474	596	795	973	1,029	978	854	1,052	1,105	922	1,029	1,539
<i>Overland non-railway</i>	426	559	779	961	831	922	783	991	1,078	805	1,002	1,407
<i>Railway</i>	4	11	10	4	5	11	4	21	14	100	21	125
<i>Maritime</i>	7	2	6	1	6	20	1	16	1	2	1	5
<i>Air</i>	38	23	0	6	187	25	66	24	12	15	5	1
Other capital goods	405	420	470	494	444	469	451	610	593	529	717	818
INTERMEDIATE GOODS	8,073	9,182	10,348	11,203	14,553	15,127	15,753	16,439	17,777	18,324	20,194	22,564
Intermediate agricultural, forestry and fishing products	118	77	72	74	46	139	104	120	121	171	219	89
Intermediate energy products	25	29	34	42	143	113	143	161	248	369	705	834
Intermediate industrial products	7,930	9,075	10,242	11,086	14,364	14,876	15,505	16,158	17,409	17,784	19,270	21,641
TOTAL IMPORTS	14,008	16,182	19,006	21,934	25,153	26,915	28,288	30,223	33,366	34,357	37,281	42,508
ENERGY PRODUCTS	25	29	34	43	143	113	144	162	248	369	705	834
NON-ENERGY PRODUCTS	13,983	16,153	18,972	21,891	25,010	26,802	28,145	30,061	33,118	33,988	36,576	41,674

SOURCE: Departamento de Aduanas.

a. Provisional data.

## GERMANY: EXPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	5,069	5,466	5,745	6,009	6,305	6,552	6,713	7,529	7,409	7,365	7,291	7,255
Food, beverages and tobacco	1,725	1,990	2,025	2,068	2,346	2,621	2,809	3,034	2,828	2,852	2,815	2,901
Consumer durables	2,538	2,605	2,810	2,975	2,992	2,919	2,828	3,279	3,499	3,306	3,217	3,035
<i>Automobiles</i>	2,127	2,157	2,332	2,508	2,416	2,348	2,108	2,485	2,864	2,710	2,627	2,498
<i>Other</i>	411	447	478	467	576	571	720	794	635	596	590	536
Other consumer non-durables	806	871	909	967	967	1,012	1,076	1,216	1,082	1,206	1,260	1,319
CAPITAL GOODS	1,500	1,590	1,889	1,690	1,403	1,243	772	824	902	951	1,204	1,316
Machinery and other capital goods	1,182	1,117	1,409	1,318	1,012	890	496	474	536	534	552	649
Transport equipment	256	407	410	300	325	290	213	273	271	315	547	579
<i>Overland non-railway</i>	181	394	408	298	296	262	208	269	269	314	546	558
<i>Railway</i>	14	13	1	1	2	1	4	2	2	0	0	1
<i>Maritime</i>	8	0	1	0	27	22	0	1	0	0	0	19
<i>Air</i>	53	0	1	0	0	4	0	0	0	0	0	0
Other capital goods	62	65	70	72	67	63	63	76	95	102	106	89
INTERMEDIATE GOODS	4,852	5,446	5,974	6,066	7,617	7,581	7,833	8,139	8,773	9,293	10,096	10,988
Intermediate agricultural, forestry and fishing products	193	226	236	234	47	63	61	57	58	54	47	39
Intermediate energy products	43	37	54	41	90	37	53	50	69	44	130	143
Intermediate industrial products	4,616	5,183	5,684	5,791	7,480	7,481	7,719	8,032	8,646	9,195	9,919	10,805
TOTAL EXPORTS	11,420	12,502	13,608	13,765	15,325	15,376	15,318	16,492	17,084	17,608	18,592	19,559
ENERGY PRODUCTS	43	37	54	41	90	37	53	50	69	44	130	143
NON-ENERGY PRODUCTS	11,378	12,465	13,554	13,724	15,234	15,339	15,265	16,442	17,015	17,564	18,462	19,416

SOURCE: Departamento de Aduanas.

a. Provisional data.

## FRANCE: IMPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	4,131	4,799	6,105	6,836	8,281	8,767	8,881	9,659	10,246	10,776	10,363	10,420
Food, beverages and tobacco	1,268	1,386	1,507	1,541	1,532	1,801	1,841	1,997	2,044	2,036	2,187	2,454
Consumer durables	1,605	2,014	2,946	3,467	4,902	4,801	4,760	5,092	5,481	5,876	5,259	4,888
<i>Automobiles</i>	1,272	1,598	2,405	2,931	3,597	3,960	3,920	4,185	4,592	4,986	4,464	4,066
<i>Other</i>	332	416	541	536	1,305	841	839	907	889	890	795	822
Other consumer non-durables	1,258	1,399	1,652	1,828	1,847	2,165	2,281	2,570	2,721	2,864	2,917	3,078
CAPITAL GOODS	3,246	3,906	4,482	4,934	3,593	3,217	2,985	2,902	3,630	3,821	2,920	2,993
Machinery and other capital goods	2,120	2,543	3,007	2,971	1,375	1,517	1,460	1,476	1,586	1,501	1,664	1,609
Transport equipment	684	885	975	1,505	1,881	1,422	1,115	1,064	1,692	1,983	898	1,011
<i>Overland non-railway</i>	333	514	636	808	768	641	635	645	806	905	891	1,004
<i>Railway</i>	4	3	5	4	6	5	1	1	4	2	2	3
<i>Maritime</i>	2	3	5	52	3	2	4	3	5	8	4	4
<i>Air</i>	345	365	328	641	1,105	775	474	414	876	1,068	2	1
Other capital goods	441	479	500	459	337	278	410	363	352	337	358	373
INTERMEDIATE GOODS	9,396	10,516	11,985	13,116	17,127	17,024	16,920	17,207	17,965	18,254	20,236	20,820
Intermediate agricultural, forestry and fishing products	512	579	699	674	707	686	722	646	753	935	784	735
Intermediate energy products	238	175	241	265	353	358	371	426	450	517	436	456
Intermediate industrial products	8,646	9,762	11,045	12,177	16,068	15,980	15,827	16,135	16,762	16,803	19,017	19,629
TOTAL IMPORTS	16,772	19,221	22,572	24,886	29,002	29,008	28,786	29,768	31,840	32,851	33,520	34,233
ENERGY PRODUCTS	258	188	278	323	458	443	428	484	485	563	467	460
NON-ENERGY PRODUCTS	16,514	19,034	22,294	24,563	28,544	28,565	28,358	29,284	31,355	32,288	33,053	33,772

SOURCE: Departamento de Aduanas.

a. Provisional data.

## FRANCE: EXPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	7,830	7,913	9,129	9,610	11,229	12,021	11,937	12,645	13,081	13,179	14,056	15,252
Food, beverages and tobacco	1,881	2,157	2,278	2,370	2,722	3,114	3,290	3,549	3,668	3,758	3,951	4,088
Consumer durables	4,770	4,425	5,324	5,504	6,659	6,875	6,520	6,895	7,180	7,075	7,614	8,742
<i>Automobiles</i>	4,178	3,718	4,480	4,669	5,707	5,676	5,303	5,572	5,839	5,834	6,352	7,495
<i>Other</i>	592	707	844	835	952	1,199	1,217	1,323	1,341	1,242	1,262	1,247
Other consumer non-durables	1,180	1,331	1,527	1,735	1,847	2,032	2,126	2,200	2,233	2,345	2,491	2,422
CAPITAL GOODS	2,201	2,535	2,942	3,006	2,160	2,080	2,037	2,096	2,659	2,964	3,036	2,864
Machinery and other capital goods	1,177	1,268	1,517	1,741	953	797	594	680	753	811	769	780
Transport equipment	905	1,135	1,261	1,077	1,061	1,134	1,291	1,267	1,751	2,000	2,110	1,922
<i>Overland non-railway</i>	855	1,039	1,247	968	1,037	1,125	1,174	1,246	1,641	1,920	2,029	1,882
<i>Railway</i>	13	1	3	1	3	7	8	19	7	2	1	33
<i>Maritime</i>	0	44	1	1	1	3	108	1	86	1	79	6
<i>Air</i>	36	50	10	106	19	0	1	0	17	77	0	1
Other capital goods	120	132	164	187	146	149	153	149	155	153	158	162
INTERMEDIATE GOODS	5,701	6,622	7,364	7,823	10,740	11,223	11,377	11,788	12,747	13,597	14,803	15,676
Intermediate agricultural, forestry and fishing products	282	324	323	311	108	141	152	186	147	138	154	186
Intermediate energy products	149	220	148	111	221	193	199	266	279	247	277	238
Intermediate industrial products	5,271	6,078	6,893	7,401	10,411	10,889	11,026	11,336	12,320	13,211	14,372	15,252
TOTAL EXPORTS	15,733	17,070	19,435	20,439	24,129	25,324	25,351	26,529	28,487	29,740	31,895	33,792
ENERGY PRODUCTS	169	249	165	125	253	227	225	297	293	256	302	246
NON-ENERGY PRODUCTS	15,564	16,821	19,269	20,314	23,876	25,097	25,126	26,232	28,194	29,483	31,593	33,546

SOURCE: Departamento de Aduanas.

a. Provisional data.



## ITALY: IMPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	2,455	2,642	2,942	3,160	3,339	3,784	4,052	4,272	4,807	5,256	5,369	5,965
Food, beverages and tobacco	326	372	432	481	472	549	610	658	690	774	842	896
Consumer durables	865	916	1,022	1,091	1,284	1,476	1,616	1,623	1,986	2,149	2,038	2,223
<i>Automobiles</i>	384	357	438	462	457	590	664	657	800	782	808	935
<i>Other</i>	481	560	584	628	827	886	952	966	1,186	1,367	1,230	1,288
Other consumer non-durables	1,264	1,354	1,488	1,588	1,583	1,758	1,825	1,991	2,130	2,333	2,490	2,846
CAPITAL GOODS	1,820	2,270	2,814	2,955	2,564	2,487	2,366	2,547	2,779	2,838	3,057	3,470
Machinery and other capital goods	1,520	1,813	2,321	2,444	2,117	2,127	1,991	1,929	2,105	2,214	2,352	2,600
Transport equipment	144	274	288	286	239	134	159	398	423	344	423	552
<i>Overland non-railway</i>	142	270	277	276	191	127	148	272	251	332	381	520
<i>Railway</i>	2	1	4	3	4	5	5	120	51	5	7	4
<i>Maritime</i>	0	2	4	3	44	1	1	0	2	0	14	5
<i>Air</i>	0	1	3	4	0	0	5	6	119	7	23	22
Other capital goods	157	182	205	225	208	227	217	220	251	279	282	319
INTERMEDIATE GOODS	4,749	5,556	6,425	6,884	9,225	9,712	9,445	10,114	11,361	11,798	13,286	14,871
Intermediate agricultural, forestry and fishing products	53	36	44	61	39	49	52	44	48	50	46	57
Intermediate energy products	199	277	260	285	671	924	823	1,072	1,278	1,419	1,552	2,467
Intermediate industrial products	4,497	5,243	6,121	6,539	8,515	8,739	8,571	8,998	10,035	10,329	11,687	12,347
TOTAL IMPORTS	9,024	10,467	12,181	12,999	15,127	15,983	15,863	16,933	18,947	19,891	21,712	24,306
ENERGY PRODUCTS	237	313	281	311	758	1,016	877	1,149	1,366	1,497	1,696	2,736
NON-ENERGY PRODUCTS	8,787	10,154	11,899	12,688	14,369	14,967	14,986	15,784	17,581	18,394	20,016	21,570

SOURCE: Departamento de Aduanas.

a. Provisional data.

## ITALY: EXPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	3,029	4,350	4,211	4,246	4,926	5,229	5,791	6,739	6,210	5,619	6,189	6,004
Food, beverages and tobacco	838	1,171	1,153	1,183	1,445	1,530	1,684	1,946	1,913	1,890	2,024	2,067
Consumer durables	1,781	2,689	2,491	2,496	2,917	3,048	3,393	4,052	3,481	2,796	3,087	2,751
<i>Automobiles</i>	1,563	2,415	2,162	2,134	2,436	2,543	2,864	3,414	2,773	2,167	2,298	1,993
<i>Other</i>	218	273	329	363	481	505	529	638	708	629	789	758
Other consumer non-durables	410	490	567	566	564	651	713	741	815	934	1,078	1,187
CAPITAL GOODS	656	846	1,038	1,262	945	982	1,117	892	936	988	1,060	1,221
Machinery and other capital goods	269	304	345	490	304	363	422	330	331	326	348	371
Transport equipment	272	425	552	629	558	543	619	496	488	593	659	789
<i>Overland non-railway</i>	272	382	545	558	547	543	497	458	475	472	537	718
<i>Railway</i>	0	0	0	0	0	0	1	0	7	121	122	58
<i>Maritime</i>	0	9	7	7	10	0	1	7	6	0	0	13
<i>Air</i>	0	34	0	65	0	0	121	30	0	0	0	0
Other capital goods	115	117	141	143	83	76	75	66	118	69	53	61
INTERMEDIATE GOODS	3,140	3,894	3,980	3,919	4,984	5,489	5,644	5,784	6,131	6,347	7,280	8,161
Intermediate agricultural, forestry and fishing products	405	639	481	283	67	123	100	117	92	62	100	119
Intermediate energy products	66	104	73	70	86	48	36	49	28	27	27	69
Intermediate industrial products	2,669	3,150	3,425	3,566	4,831	5,318	5,508	5,618	6,010	6,258	7,153	7,973
TOTAL EXPORTS	6,825	9,090	9,229	9,427	10,855	11,699	12,551	13,416	13,276	12,954	14,529	15,387
ENERGY PRODUCTS	69	104	77	70	105	63	36	53	38	27	27	69
NON-ENERGY PRODUCTS	6,756	8,985	9,151	9,357	10,750	11,636	12,515	13,362	13,238	12,927	14,502	15,317

SOURCE: Departamento de Aduanas.

a. Provisional data.

## NETHERLANDS: IMPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	998	1,191	1,425	1,496	1,544	1,696	1,845	2,107	2,538	2,755	2,868	2,987
Food, beverages and tobacco	609	701	781	752	779	786	916	1,035	1,186	1,155	1,165	1,419
Consumer durables	147	157	188	222	276	377	309	389	580	701	811	614
<i>Automobiles</i>	78	91	99	127	90	145	105	120	82	58	64	48
<i>Other</i>	69	66	89	95	186	233	204	269	498	643	747	566
Other consumer non-durables	242	333	456	521	488	533	621	682	772	900	892	954
CAPITAL GOODS	683	644	1,005	1,098	1,328	1,460	1,332	1,362	1,630	1,884	2,262	2,232
Machinery and other capital goods	288	342	639	664	864	1,017	851	866	1,063	1,227	1,459	1,539
Transport equipment	199	179	229	233	246	229	234	258	297	351	407	323
<i>Overland non-railway</i>	142	165	201	222	241	226	232	257	293	349	404	307
<i>Railway</i>	0	0	0	0	0	0	1	0	0	0	1	1
<i>Maritime</i>	0	2	10	9	0	1	1	1	3	2	1	15
<i>Air</i>	57	12	18	3	5	2	0	0	0	0	2	0
Other capital goods	196	123	138	200	218	214	247	238	270	305	396	370
INTERMEDIATE GOODS	2,055	2,535	2,915	3,004	3,533	3,602	3,714	3,938	4,355	4,756	5,379	5,606
Intermediate agricultural, forestry and fishing products	89	88	109	121	112	141	169	141	154	168	172	201
Intermediate energy products	55	34	43	64	88	74	119	111	205	289	476	505
Intermediate industrial products	1,912	2,412	2,764	2,820	3,333	3,387	3,425	3,686	3,995	4,299	4,731	4,900
TOTAL IMPORTS	3,736	4,370	5,345	5,598	6,405	6,757	6,892	7,407	8,523	9,396	10,509	10,826
ENERGY PRODUCTS	56	38	43	79	88	74	120	111	205	294	476	513
NON-ENERGY PRODUCTS	3,680	4,333	5,302	5,519	6,317	6,684	6,772	7,296	8,317	9,101	10,033	10,313

SOURCE: Departamento de Aduanas.

a. Provisional data.

## NETHERLANDS: EXPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	1,328	1,723	1,879	1,921	2,243	2,341	2,233	2,268	2,169	1,952	2,236	2,208
Food, beverages and tobacco	664	853	802	759	860	905	965	992	996	1,035	1,056	1,110
Consumer durables	418	532	666	779	947	948	762	815	771	549	743	683
<i>Automobiles</i>	251	333	394	508	627	652	543	617	546	301	349	388
<i>Other</i>	167	199	272	272	320	296	219	198	225	248	394	295
Other consumer non-durables	246	338	411	383	436	488	507	461	402	368	436	414
CAPITAL GOODS	221	402	301	521	458	347	342	373	328	358	336	366
Machinery and other capital goods	113	130	145	225	174	160	153	149	133	201	182	191
Transport equipment	85	242	130	263	250	158	156	200	167	130	115	134
<i>Overland non-railway</i>	56	170	120	211	192	157	146	182	167	130	114	133
<i>Railway</i>	6	40	0	0	0	1	0	0	0	0	0	0
<i>Maritime</i>	0	32	10	15	43	0	10	18	0	0	0	0
<i>Air</i>	23	0	0	37	15	0	0	0	0	0	0	0
Other capital goods	24	30	27	33	35	29	33	24	28	27	39	40
INTERMEDIATE GOODS	1,116	1,259	1,282	1,405	1,869	1,896	1,741	2,064	2,398	2,535	3,066	3,314
Intermediate agricultural, forestry and fishing products	80	98	108	90	19	20	21	30	23	23	21	28
Intermediate energy products	76	68	73	112	98	90	99	140	143	198	129	214
Intermediate industrial products	961	1,093	1,101	1,203	1,752	1,786	1,621	1,894	2,232	2,313	2,916	3,072
TOTAL EXPORTS	2,665	3,384	3,462	3,847	4,570	4,584	4,316	4,705	4,895	4,846	5,637	5,887
ENERGY PRODUCTS	80	68	104	118	138	111	102	140	143	204	143	231
NON-ENERGY PRODUCTS	2,585	3,317	3,358	3,729	4,432	4,473	4,214	4,565	4,751	4,642	5,494	5,656

SOURCE: Departamento de Aduanas.

a. Provisional data.

## BELGIUM-LUXEMBOURG: IMPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	1,129	1,267	1,459	2,041	2,112	2,361	2,048	1,896	2,347	2,647	2,564	2,407
Food, beverages and tobacco	212	242	284	270	276	353	329	359	429	444	471	514
Consumer durables	697	748	868	1,381	1,431	1,519	1,173	992	1,266	1,504	1,395	1,157
<i>Automobiles</i>	624	684	786	1,300	1,292	1,382	1,010	828	1,098	1,324	1,148	963
<i>Other</i>	73	64	82	81	139	136	163	163	168	180	247	194
Other consumer non-durables	220	277	307	390	406	489	546	546	653	699	698	735
CAPITAL GOODS	353	456	526	702	715	776	737	773	731	805	871	1,017
Machinery and other capital goods	196	226	279	365	357	419	411	402	388	490	512	618
Transport equipment	127	197	212	290	320	303	279	327	285	260	298	336
<i>Overland non-railway</i>	127	197	212	290	318	303	278	274	285	258	298	335
<i>Railway</i>	0	0	0	0	0	0	0	3	0	2	0	0
<i>Maritime</i>	0	0	0	0	0	0	0	0	0	0	0	1
<i>Air</i>	0	0	0	0	1	0	0	51	0	0	0	0
Other capital goods	30	33	35	47	39	53	47	44	58	55	60	63
INTERMEDIATE GOODS	1,849	2,108	2,325	2,361	2,861	2,903	3,089	3,158	3,664	4,019	4,665	4,743
Intermediate agricultural, forestry and fishing products	20	18	19	16	13	13	19	19	23	20	17	18
Intermediate energy products	28	35	30	24	61	78	62	69	96	113	228	159
Intermediate industrial products	1,801	2,055	2,277	2,321	2,787	2,812	3,009	3,070	3,544	3,886	4,420	4,567
TOTAL IMPORTS	3,332	3,831	4,310	5,105	5,689	6,039	5,874	5,827	6,742	7,471	8,100	8,167
ENERGY PRODUCTS	28	43	31	24	61	78	63	69	96	116	231	174
NON-ENERGY PRODUCTS	3,303	3,788	4,280	5,080	5,627	5,961	5,811	5,758	6,646	7,355	7,869	7,993

SOURCE: Departamento de Aduanas.

a. Provisional data.

## BELGIUM-LUXEMBOURG: EXPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	819	944	1,095	1,227	1,380	1,569	1,534	2,003	2,188	1,885	1,957	1,920
Food, beverages and tobacco	261	319	337	310	396	463	476	505	510	521	571	585
Consumer durables	353	394	488	620	702	772	702	1,062	1,244	933	981	895
<i>Automobiles</i>	290	333	419	537	593	618	542	874	1,082	787	837	758
<i>Other</i>	64	61	69	83	109	154	160	188	161	146	144	137
Other consumer non-durables	204	231	270	297	282	335	356	436	434	431	405	440
CAPITAL GOODS	317	299	267	247	233	326	220	239	223	263	401	511
Machinery and other capital goods	227	121	90	124	77	91	64	90	106	113	128	107
Transport equipment	78	164	159	104	140	220	142	132	101	136	261	388
<i>Overland non-railway</i>	67	156	159	104	125	123	88	101	101	136	261	329
<i>Railway</i>	0	0	0	0	14	87	54	30	0	0	0	49
<i>Maritime</i>	11	7	0	0	0	10	0	0	0	0	0	10
<i>Air</i>	0	0	0	0	0	0	0	0	1	0	0	0
Other capital goods	13	15	18	19	17	16	15	17	16	14	13	15
INTERMEDIATE GOODS	1,181	1,374	1,422	1,632	1,915	1,996	1,924	2,057	2,227	2,397	2,801	2,959
Intermediate agricultural, forestry and fishing products	69	67	59	70	12	17	26	21	18	29	18	14
Intermediate energy products	52	52	42	30	117	106	94	130	89	152	198	153
Intermediate industrial products	1,059	1,256	1,321	1,531	1,786	1,873	1,804	1,906	2,120	2,217	2,585	2,791
TOTAL EXPORTS	2,317	2,618	2,784	3,106	3,528	3,892	3,678	4,299	4,638	4,546	5,159	5,389
ENERGY PRODUCTS	52	52	42	33	117	118	94	130	89	152	198	153
NON-ENERGY PRODUCTS	2,265	2,566	2,742	3,073	3,411	3,774	3,584	4,168	4,549	4,394	4,960	5,236

SOURCE: Departamento de Aduanas.

a. Provisional data.

## PORTUGAL: IMPORTS

EUR m	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	998	1,041	1,192	1,264	1,415	1,481	1,698	1,859	2,054	2,319	2,408	2,492
Food, beverages and tobacco	260	308	366	366	432	464	494	490	563	622	666	810
Consumer durables	304	267	255	293	289	254	340	356	487	644	667	514
<i>Automobiles</i>	216	150	128	133	78	47	135	110	235	369	357	143
<i>Other</i>	89	117	127	159	211	207	205	246	251	275	310	371
Other consumer non-durables	434	466	571	606	694	763	865	1,013	1,005	1,054	1,075	1,168
CAPITAL GOODS	235	229	273	352	371	398	384	432	400	446	533	555
Machinery and other capital goods	164	135	175	238	249	288	260	305	297	348	379	394
Transport equipment	52	60	60	73	97	63	90	90	66	53	108	111
<i>Overland non-railway</i>	41	45	49	66	39	44	68	86	64	51	61	62
<i>Railway</i>	0	0	0	0	0	0	0	1	0	1	1	1
<i>Maritime</i>	10	15	11	8	5	19	20	4	0	0	46	48
<i>Air</i>	0	0	0	0	53	0	3	0	0	0	0	0
Other capital goods	19	34	38	41	25	47	34	37	37	45	46	50
INTERMEDIATE GOODS	1,526	1,723	1,974	2,241	2,823	2,978	3,367	3,704	4,343	4,748	5,591	6,023
Intermediate agricultural, forestry and fishing products	68	78	70	91	99	118	131	125	145	161	162	198
Intermediate energy products	51	36	26	40	78	83	76	106	218	368	276	265
Intermediate industrial products	1,406	1,609	1,879	2,110	2,646	2,777	3,159	3,474	3,980	4,219	5,154	5,560
TOTAL IMPORTS	2,759	2,994	3,440	3,858	4,609	4,857	5,449	5,995	6,798	7,512	8,533	9,070
ENERGY PRODUCTS	56	37	26	40	79	86	76	106	221	388	298	272
NON-ENERGY PRODUCTS	2,703	2,957	3,414	3,818	4,531	4,771	5,372	5,889	6,577	7,124	8,235	8,798

SOURCE: Departamento de Aduanas.

a. Provisional data.

## PORTUGAL: EXPORTS

EUR m	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	2,528	2,949	3,540	3,917	4,387	4,996	5,041	4,963	5,110	5,416	5,497	5,648
Food, beverages and tobacco	986	1,173	1,357	1,387	1,618	1,951	1,864	1,916	1,944	2,069	2,231	2,424
Consumer durables	801	905	1,144	1,283	1,448	1,500	1,470	1,332	1,393	1,390	1,312	1,270
<i>Automobiles</i>	499	529	722	812	840	825	732	634	693	593	545	569
<i>Other</i>	302	375	422	470	607	675	738	698	700	797	767	701
Other consumer non-durables	741	871	1,038	1,247	1,321	1,545	1,707	1,714	1,773	1,957	1,954	1,954
CAPITAL GOODS	830	1,086	1,157	1,371	1,002	1,265	1,050	866	966	1,122	1,175	1,143
Machinery and other capital goods	547	672	794	903	722	933	738	633	698	834	792	763
Transport equipment	107	225	180	225	177	210	194	128	135	136	220	212
<i>Overland non-railway</i>	91	128	133	155	161	170	145	110	124	117	156	165
<i>Railway</i>	1	0	18	63	1	5	4	4	1	0	1	0
<i>Maritime</i>	15	97	27	7	16	36	45	14	9	18	63	47
<i>Air</i>	0	0	3	0	0	0	0	0	0	0	0	0
Other capital goods	177	189	183	243	103	122	119	106	134	153	163	169
INTERMEDIATE GOODS	3,489	4,435	4,710	5,207	6,465	6,964	7,468	7,463	8,265	8,300	8,502	8,869
Intermediate agricultural, forestry and fishing products	228	252	273	244	175	212	186	200	185	191	181	241
Intermediate energy products	102	186	128	142	330	237	621	664	834	732	345	444
Intermediate industrial products	3,158	3,997	4,309	4,821	5,960	6,515	6,661	6,599	7,246	7,377	7,976	8,183
TOTAL EXPORTS	6,847	8,469	9,407	10,496	11,855	13,225	13,560	13,292	14,341	14,838	15,173	15,661
ENERGY PRODUCTS	105	186	128	149	344	263	637	669	844	794	395	468
NON-ENERGY PRODUCTS	6,742	8,283	9,279	10,347	11,511	12,962	12,922	12,622	13,496	14,044	14,778	15,193

SOURCE: Departamento de Aduanas.

a. Provisional data.

## IRELAND: IMPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	205	355	431	505	498	509	551	656	673	758	788	930
Food, beverages and tobacco	122	214	252	290	217	178	177	221	246	271	248	262
Consumer durables	11	12	14	19	42	46	42	60	58	77	60	66
<i>Automobiles</i>	0	0	0	0	0	0	0	0	0	9	0	0
<i>Other</i>	11	12	13	19	42	46	42	60	57	68	60	66
Other consumer non-durables	72	130	165	196	238	285	332	374	370	410	479	602
CAPITAL GOODS	137	128	217	425	622	355	332	210	376	521	583	523
Machinery and other capital goods	96	109	148	256	398	295	219	164	328	452	515	454
Transport equipment	21	1	27	83	140	31	80	1	8	4	4	4
<i>Overland non-railway</i>	1	1	2	2	0	1	1	1	1	1	4	3
<i>Railway</i>	0	0	0	0	0	0	0	0	0	0	0	0
<i>Maritime</i>	0	0	5	2	5	8	0	0	7	2	0	2
<i>Air</i>	20	0	20	79	135	21	80	0	0	0	0	0
Other capital goods	20	18	41	86	84	29	32	45	40	65	64	64
INTERMEDIATE GOODS	543	837	1,070	1,087	1,305	1,533	1,689	1,739	1,720	2,223	2,605	2,095
Intermediate agricultural, forestry and fishing products	5	7	8	6	2	1	1	1	1	1	0	0
Intermediate energy products	0	3	4	0	0	1	39	41	58	1	2	1
Intermediate industrial products	538	828	1,057	1,081	1,303	1,531	1,650	1,698	1,661	2,221	2,603	2,094
TOTAL IMPORTS	885	1,321	1,718	2,017	2,425	2,397	2,571	2,605	2,769	3,502	3,976	3,548
ENERGY PRODUCTS	0	3	4	0	0	1	39	41	58	1	2	1
NON-ENERGY PRODUCTS	885	1,318	1,714	2,017	2,424	2,397	2,533	2,564	2,711	3,501	3,974	3,547

SOURCE: Departamento de Aduanas.

a. Provisional data.

## IRELAND: EXPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	146	179	239	304	412	337	374	301	334	402	416	405
Food, beverages and tobacco	32	34	38	46	50	60	72	68	69	84	96	115
Consumer durables	93	118	163	206	319	222	233	156	188	224	215	182
<i>Automobiles</i>	85	104	137	182	288	187	205	128	157	197	180	149
<i>Other</i>	8	15	25	24	31	35	28	27	30	27	35	33
Other consumer non-durables	21	27	38	52	43	55	69	77	77	93	105	108
CAPITAL GOODS	77	41	83	182	206	184	141	172	213	171	182	145
Machinery and other capital goods	14	18	20	23	27	38	29	35	42	45	41	33
Transport equipment	62	20	60	155	176	136	105	130	165	120	134	103
<i>Overland non-railway</i>	13	16	38	82	91	86	43	32	46	39	67	86
<i>Railway</i>	0	0	17	4	28	0	8	89	0	77	49	15
<i>Maritime</i>	5	4	5	11	25	13	0	9	18	4	18	2
<i>Air</i>	43	1	0	57	32	36	54	0	101	0	0	0
Other capital goods	1	3	3	4	4	10	6	7	7	6	7	9
INTERMEDIATE GOODS	133	163	205	213	264	278	336	315	353	375	450	473
Intermediate agricultural, forestry and fishing products	1	2	3	3	1	3	5	5	3	2	2	1
Intermediate energy products	0	0	1	1	2	0	0	0	0	0	0	0
Intermediate industrial products	131	161	201	209	262	275	330	310	350	373	448	472
TOTAL EXPORTS	356	383	527	699	883	799	850	788	900	949	1,047	1,023
ENERGY PRODUCTS	0	0	1	1	2	0	0	0	0	0	0	0
NON-ENERGY PRODUCTS	355	383	526	698	881	799	850	788	900	948	1,047	1,023

SOURCE: Departamento de Aduanas.

a. Provisional data.

## AUSTRIA: IMPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	198	258	323	368	384	357	448	460	477	367	354	664
Food, beverages and tobacco	18	17	14	27	30	41	76	69	114	140	111	146
Consumer durables	149	202	265	289	295	231	230	255	212	72	99	390
<i>Automobiles</i>	109	159	218	237	222	167	173	168	162	22	41	314
<i>Other</i>	40	43	47	51	73	63	57	87	49	50	59	76
Other consumer non-durables	31	40	45	52	58	85	141	136	151	156	143	129
CAPITAL GOODS	419	446	503	713	295	317	265	300	351	357	514	692
Machinery and other capital goods	409	417	447	523	192	178	224	258	279	294	442	439
Transport equipment	3	5	8	135	89	126	29	28	50	30	36	214
<i>Overland non-railway</i>	2	4	4	8	12	11	16	13	30	25	35	208
<i>Railway</i>	1	2	3	0	13	5	12	14	20	6	1	6
<i>Maritime</i>	0	0	0	0	0	0	0	0	0	0	0	0
<i>Air</i>	0	0	0	127	64	110	0	0	0	0	0	0
Other capital goods	8	24	47	56	14	12	12	14	22	32	36	39
INTERMEDIATE GOODS	341	415	514	643	1,123	1,103	1,157	1,079	1,179	1,174	1,364	1,383
Intermediate agricultural, forestry and fishing products	2	1	1	1	2	3	1	1	1	1	1	4
Intermediate energy products	0	0	0	0	7	0	0	0	0	2	1	1
Intermediate industrial products	340	414	513	643	1,114	1,100	1,156	1,078	1,177	1,171	1,363	1,377
TOTAL IMPORTS	958	1,119	1,340	1,725	1,802	1,777	1,870	1,839	2,007	1,898	2,233	2,739
ENERGY PRODUCTS	0	0	0	0	9	0	0	0	0	2	1	1
NON-ENERGY PRODUCTS	958	1,119	1,340	1,725	1,793	1,777	1,870	1,839	2,006	1,896	2,232	2,738

SOURCE: Departamento de Aduanas.

a. Provisional data.

## AUSTRIA: EXPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	327	376	403	405	508	530	568	617	660	643	585	599
Food, beverages and tobacco	78	105	103	108	138	147	152	153	145	148	148	148
Consumer durables	199	208	234	219	297	289	309	357	391	361	284	296
<i>Automobiles</i>	169	172	188	173	236	234	227	268	316	295	229	251
<i>Other</i>	30	36	46	46	61	55	81	89	75	66	56	45
Other consumer non-durables	50	64	66	78	74	95	108	108	124	135	152	155
CAPITAL GOODS	73	91	108	120	171	87	89	77	77	92	120	103
Machinery and other capital goods	33	37	48	70	124	52	44	37	36	35	50	47
Transport equipment	33	47	55	43	44	31	41	35	36	52	66	50
<i>Overland non-railway</i>	33	47	55	43	44	31	30	35	36	52	65	49
<i>Railway</i>	0	0	0	0	0	0	0	0	0	0	0	0
<i>Maritime</i>	0	0	0	0	0	0	0	0	0	0	0	0
<i>Air</i>	0	0	0	0	0	0	11	0	0	0	0	1
Other capital goods	6	7	5	7	4	5	4	5	5	5	5	6
INTERMEDIATE GOODS	254	317	355	411	485	547	559	562	551	586	702	709
Intermediate agricultural, forestry and fishing products	8	9	10	12	6	4	3	2	3	2	1	2
Intermediate energy products	2	0	1	1	1	1	5	1	1	3	1	1
Intermediate industrial products	244	308	344	398	478	542	551	559	547	581	700	706
TOTAL EXPORTS	654	784	866	936	1,164	1,164	1,216	1,256	1,288	1,321	1,407	1,411
ENERGY PRODUCTS	2	0	1	1	1	1	5	1	1	3	1	1
NON-ENERGY PRODUCTS	652	784	865	935	1,163	1,163	1,211	1,255	1,287	1,318	1,406	1,410

SOURCE: Departamento de Aduanas.

a. Provisional data.

## FINLAND: IMPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	16	20	24	21	154	145	120	224	146	185	334	357
Food, beverages and tobacco	3	1	4	4	2	5	5	4	4	3	4	4
Consumer durables	6	10	6	2	144	130	100	203	128	160	310	329
<i>Automobiles</i>	3	1	0	0	0	0	0	0	2	6	1	0
<i>Other</i>	3	9	6	2	143	130	100	202	126	154	309	329
Other consumer non-durables	7	8	14	15	8	11	16	17	13	22	20	25
CAPITAL GOODS	151	160	237	281	183	139	131	189	167	171	172	235
Machinery and other capital goods	141	147	218	264	147	120	112	161	146	146	150	204
Transport equipment	3	3	10	6	23	1	2	14	8	6	4	7
<i>Overland non-railway</i>	2	3	9	6	3	1	2	5	4	6	4	7
<i>Railway</i>	0	0	0	0	1	0	0	9	3	0	0	0
<i>Maritime</i>	1	0	1	0	1	0	0	0	2	0	0	0
<i>Air</i>	0	0	0	0	18	0	0	0	0	0	0	0
Other capital goods	7	10	9	11	13	18	17	14	13	19	18	23
INTERMEDIATE GOODS	568	653	754	795	1,057	1,010	1,015	979	1,027	998	1,135	1,279
Intermediate agricultural, forestry and fishing products	0	0	1	1	3	9	3	7	14	14	5	4
Intermediate energy products	1	1	0	0	7	6	4	3	3	28	3	32
Intermediate industrial products	567	651	753	795	1,047	996	1,008	969	1,010	966	1,127	1,242
TOTAL IMPORTS	735	833	1,014	1,098	1,393	1,294	1,266	1,391	1,340	1,355	1,642	1,871
ENERGY PRODUCTS	1	1	0	0	7	6	4	3	3	28	3	32
NON-ENERGY PRODUCTS	734	832	1,014	1,098	1,387	1,288	1,262	1,388	1,337	1,327	1,639	1,839

SOURCE: Departamento de Aduanas.

a. Provisional data.

## FINLAND: EXPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	95	141	179	194	261	226	263	300	313	346	426	372
Food, beverages and tobacco	48	56	67	71	78	90	101	100	91	93	93	103
Consumer durables	22	52	81	91	155	106	123	160	183	187	253	231
<i>Automobiles</i>	18	40	64	71	91	42	53	88	103	85	135	142
<i>Other</i>	4	12	16	20	63	64	69	72	80	102	118	90
Other consumer non-durables	25	33	31	32	28	30	39	40	40	66	80	38
CAPITAL GOODS	30	87	34	50	44	51	47	50	59	73	76	78
Machinery and other capital goods	18	18	23	14	22	35	30	33	32	51	51	42
Transport equipment	10	68	10	34	21	14	16	15	24	19	23	26
<i>Overland non-railway</i>	10	18	10	14	21	14	16	15	24	19	23	26
<i>Railway</i>	0	5	0	19	0	0	0	0	0	0	0	0
<i>Maritime</i>	0	0	0	0	0	0	0	0	0	0	0	0
<i>Air</i>	0	45	0	0	0	0	0	0	0	0	0	0
Other capital goods	2	1	1	2	2	2	2	2	3	3	2	10
INTERMEDIATE GOODS	101	129	149	163	211	198	174	197	214	223	229	300
Intermediate agricultural, forestry and fishing products	6	8	8	9	0	1	1	1	2	3	4	3
Intermediate energy products	0	0	8	2	3	12	1	3	22	21	6	0
Intermediate industrial products	95	120	134	153	208	185	172	192	189	199	219	297
TOTAL EXPORTS	225	357	363	407	516	475	484	546	586	642	731	750
ENERGY PRODUCTS	0	0	8	2	3	12	1	3	22	21	6	0
NON-ENERGY PRODUCTS	225	357	355	405	514	463	483	543	564	621	725	750

SOURCE: Departamento de Aduanas.

a. Provisional data.

## GREECE: IMPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	33	34	53	100	116	140	174	163	160	159	146	128
Food, beverages and tobacco	17	17	28	60	62	72	104	84	83	79	80	83
Consumer durables	2	1	3	12	3	19	35	23	44	43	31	12
<i>Automobiles</i>	0	0	1	2	0	0	0	0	1	7	4	0
<i>Other</i>	2	1	2	10	3	19	35	23	43	37	28	12
Other consumer non-durables	14	17	22	27	51	49	36	57	33	36	35	33
CAPITAL GOODS	7	10	11	5	8	6	13	27	25	26	47	47
Machinery and other capital goods	7	4	7	3	6	3	4	6	5	7	6	12
Transport equipment	0	5	0	0	0	1	1	3	0	1	1	0
<i>Overland non-railway</i>	0	0	0	0	0	0	0	0	0	0	1	0
<i>Railway</i>	0	0	0	0	0	0	0	1	0	1	0	0
<i>Maritime</i>	0	0	0	0	0	1	1	3	0	0	0	0
<i>Air</i>	0	5	0	0	0	0	0	0	0	0	0	0
Other capital goods	0	1	3	2	1	3	7	18	19	18	40	35
INTERMEDIATE GOODS	281	172	137	175	230	260	228	260	251	338	463	537
Intermediate agricultural, forestry and fishing products	128	23	24	54	14	18	42	30	11	25	21	8
Intermediate energy products	36	39	5	6	30	33	15	19	7	51	50	192
Intermediate industrial products	118	110	109	115	186	209	171	212	232	263	392	338
TOTAL IMPORTS	321	216	201	279	353	406	415	451	435	523	656	712
ENERGY PRODUCTS	36	39	5	6	45	44	15	19	7	51	50	192
NON-ENERGY PRODUCTS	286	178	196	274	308	362	400	432	428	472	606	520

SOURCE: Departamento de Aduanas.

a. Provisional data.

## GREECE: EXPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	436	514	541	655	805	869	989	1,008	1,093	997	1,146	1,175
Food, beverages and tobacco	66	84	98	114	132	154	171	188	201	183	198	218
Consumer durables	261	305	295	368	458	505	563	510	536	475	546	482
<i>Automobiles</i>	203	230	220	298	358	389	430	369	374	285	323	312
<i>Other</i>	58	75	75	70	99	117	133	142	162	191	223	170
Other consumer non-durables	109	125	148	173	216	211	255	309	356	339	402	475
CAPITAL GOODS	46	68	65	80	73	72	72	94	104	100	123	135
Machinery and other capital goods	32	44	41	50	33	39	40	42	47	47	50	63
Transport equipment	4	13	12	14	24	20	18	40	46	45	66	63
<i>Overland non-railway</i>	4	13	12	14	24	20	17	36	42	45	65	63
<i>Railway</i>	0	0	0	0	0	0	0	0	0	0	0	0
<i>Maritime</i>	0	0	0	0	0	0	1	4	4	0	0	0
<i>Air</i>	0	0	0	0	0	0	0	0	0	0	0	0
Other capital goods	10	11	12	16	16	13	14	12	11	8	8	9
INTERMEDIATE GOODS	279	341	342	355	437	479	506	567	601	622	639	861
Intermediate agricultural, forestry and fishing products	12	15	7	4	7	8	8	8	8	9	6	15
Intermediate energy products	9	9	9	16	22	5	3	5	4	5	4	37
Intermediate industrial products	259	316	326	335	408	467	495	554	589	608	629	808
TOTAL EXPORTS	761	923	948	1,090	1,315	1,420	1,567	1,669	1,799	1,719	1,908	2,171
ENERGY PRODUCTS	9	9	12	23	43	13	3	5	7	5	18	95
NON-ENERGY PRODUCTS	752	914	936	1,067	1,272	1,408	1,564	1,663	1,792	1,714	1,889	2,075

SOURCE: Departamento de Aduanas.

a. Provisional data.



## SLOVENIA: IMPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	...	...	...	...	12	12	14	19	37	61	82	200
Food, beverages and tobacco	...	...	...	...	0	0	0	0	0	1	0	0
Consumer durables	...	...	...	...	9	8	9	12	31	55	77	195
<i>Automobiles</i>	...	...	...	...	0	0	0	1	12	42	63	170
<i>Other</i>	...	...	...	...	9	8	9	11	19	14	15	25
Other consumer non-durables	...	...	...	...	3	4	4	8	6	5	5	5
CAPITAL GOODS	...	...	...	...	15	12	13	15	19	42	33	30
Machinery and other capital goods	...	...	...	...	4	2	4	4	3	4	9	9
Transport equipment	...	...	...	...	0	0	0	0	1	7	6	6
<i>Overland non-railway</i>	...	...	...	...	0	0	0	0	1	7	6	6
<i>Railway</i>	...	...	...	...	0	0	0	0	0	0	0	0
<i>Maritime</i>	...	...	...	...	0	0	0	0	0	0	0	0
<i>Air</i>	...	...	...	...	0	0	0	0	0	0	0	0
Other capital goods	...	...	...	...	11	9	9	11	14	31	17	16
INTERMEDIATE GOODS	...	...	...	...	76	96	105	115	102	105	139	179
Intermediate agricultural, forestry and fishing products	...	...	...	...	0	0	0	0	0	0	0	0
Intermediate energy products	...	...	...	...	0	0	0	0	0	0	0	0
Intermediate industrial products	...	...	...	...	76	96	105	115	102	105	139	179
TOTAL IMPORTS	40	50	74	88	103	121	132	149	158	209	254	409
ENERGY PRODUCTS	...	...	...	...	0	0	0	0	0	0	0	0
NON-ENERGY PRODUCTS	...	...	...	...	103	121	132	149	158	209	254	409

SOURCE: Departamento de Aduanas.

a. Provisional data.

## SLOVENIA: EXPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	...	...	...	...	123	90	107	114	111	104	132	118
Food, beverages and tobacco	...	...	...	...	16	16	21	26	23	19	23	26
Consumer durables	...	...	...	...	77	66	76	76	71	54	40	51
<i>Automobiles</i>	...	...	...	...	68	58	66	68	62	49	36	43
<i>Other</i>	...	...	...	...	9	8	10	8	9	4	4	8
Other consumer non-durables	...	...	...	...	29	8	11	12	17	31	69	41
CAPITAL GOODS	...	...	...	...	9	7	11	20	16	15	37	33
Machinery and other capital goods	...	...	...	...	2	4	6	5	4	5	4	11
Transport equipment	...	...	...	...	6	2	4	14	11	9	32	18
<i>Overland non-railway</i>	...	...	...	...	6	2	4	13	11	9	23	18
<i>Railway</i>	...	...	...	...	0	0	0	0	0	0	0	0
<i>Maritime</i>	...	...	...	...	0	0	0	0	0	0	9	0
<i>Air</i>	...	...	...	...	0	0	0	0	0	0	0	0
Other capital goods	...	...	...	...	1	1	1	1	1	2	2	4
INTERMEDIATE GOODS	...	...	...	...	138	222	237	190	206	287	273	329
Intermediate agricultural, forestry and fishing products	...	...	...	...	0	0	0	1	0	0	0	1
Intermediate energy products	...	...	...	...	0	0	0	0	0	0	0	0
Intermediate industrial products	...	...	...	...	137	222	237	189	205	287	272	329
TOTAL EXPORTS	133	171	208	230	270	320	356	323	333	406	442	481
ENERGY PRODUCTS	...	...	...	...	23	0	0	0	0	0	0	14
NON-ENERGY PRODUCTS	...	...	...	...	247	320	356	323	332	406	442	468

SOURCE: Departamento de Aduanas.

a. Provisional data.

## UNITED KINGDOM: IMPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	2,437	2,642	2,881	3,176	3,884	4,066	3,907	4,057	4,525	5,127	4,834	4,794
Food, beverages and tobacco	804	910	917	966	1,073	1,233	1,103	1,211	1,174	1,207	1,231	1,286
Consumer durables	1,044	1,111	1,302	1,424	1,753	1,565	1,467	1,451	1,912	2,406	2,120	2,117
<i>Automobiles</i>	762	815	1,007	1,163	1,210	1,014	953	917	1,423	1,728	1,382	1,287
<i>Other</i>	282	296	295	261	543	551	514	534	490	679	738	830
Other consumer non-durables	589	621	662	787	1,058	1,268	1,337	1,395	1,439	1,513	1,483	1,392
CAPITAL GOODS	1,470	1,628	1,791	2,148	1,525	1,752	1,312	1,235	1,323	1,560	1,471	1,303
Machinery and other capital goods	1,107	1,300	1,322	1,571	1,238	1,459	1,068	974	1,005	1,140	1,059	919
Transport equipment	194	108	185	233	111	110	100	109	152	265	235	190
<i>Overland non-railway</i>	67	68	74	97	58	58	84	102	137	162	145	189
<i>Railway</i>	2	1	1	1	0	2	1	4	12	0	1	1
<i>Maritime</i>	4	5	5	17	3	1	4	1	1	1	88	1
<i>Air</i>	119	34	106	119	50	49	10	0	3	102	0	0
Other capital goods	170	220	284	344	175	183	145	152	167	156	177	194
INTERMEDIATE GOODS	3,880	4,624	4,788	5,064	6,651	6,358	6,214	6,575	6,946	6,548	6,980	7,128
Intermediate agricultural, forestry and fishing products	177	264	235	176	164	138	140	202	214	266	176	181
Intermediate energy products	224	365	274	375	1,001	855	746	773	658	697	722	1,031
Intermediate industrial products	3,479	3,994	4,280	4,513	5,486	5,365	5,328	5,600	6,074	5,586	6,081	5,917
TOTAL IMPORTS	7,787	8,894	9,461	10,388	12,060	12,176	11,434	11,867	12,794	13,236	13,285	13,226
ENERGY PRODUCTS	257	372	277	398	1,015	856	749	773	658	697	737	1,047
NON-ENERGY PRODUCTS	7,531	8,522	9,184	9,990	11,044	11,321	10,685	11,094	12,137	12,539	12,548	12,179

SOURCE: Departamento de Aduanas.

a. Provisional data.

## UNITED KINGDOM: EXPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	3,039	3,639	4,108	4,556	5,356	6,682	7,443	7,078	7,124	6,924	6,804	6,422
Food, beverages and tobacco	934	1,172	1,257	1,290	1,440	1,691	1,761	1,782	1,806	1,911	2,042	2,031
Consumer durables	1,573	1,763	2,009	2,311	2,837	3,737	4,069	3,819	3,966	3,870	3,520	3,186
<i>Automobiles</i>	1,297	1,415	1,625	1,821	2,258	3,067	3,296	3,093	3,333	3,145	2,735	2,427
<i>Other</i>	276	348	383	490	578	670	773	725	633	726	785	759
Other consumer non-durables	533	704	842	955	1,078	1,254	1,613	1,478	1,351	1,143	1,242	1,204
CAPITAL GOODS	854	1,544	1,099	931	811	843	1,075	1,033	971	911	1,268	1,113
Machinery and other capital goods	483	1,178	545	511	329	296	361	421	339	321	409	354
Transport equipment	347	332	515	379	431	488	666	568	589	550	811	707
<i>Overland non-railway</i>	175	260	403	337	360	474	476	429	330	397	669	654
<i>Railway</i>	11	60	58	2	60	3	25	12	118	57	53	0
<i>Maritime</i>	6	12	43	14	12	12	9	127	101	18	89	53
<i>Air</i>	154	0	11	26	0	0	156	0	40	79	1	0
Other capital goods	24	33	38	40	51	59	48	44	43	40	47	51
INTERMEDIATE GOODS	2,592	2,993	3,201	3,261	4,032	4,189	4,345	4,791	5,171	5,191	5,507	6,147
Intermediate agricultural, forestry and fishing products	59	70	90	92	26	22	30	27	30	31	40	36
Intermediate energy products	119	63	54	60	152	48	34	31	81	47	111	85
Intermediate industrial products	2,414	2,859	3,058	3,109	3,854	4,119	4,281	4,733	5,060	5,113	5,357	6,025
TOTAL EXPORTS	6,485	8,176	8,408	8,748	10,199	11,714	12,863	12,902	13,266	13,026	13,579	13,681
ENERGY PRODUCTS	127	74	74	78	174	68	34	31	81	47	111	85
NON-ENERGY PRODUCTS	6,358	8,101	8,334	8,669	10,025	11,646	12,829	12,871	13,185	12,979	13,469	13,596

SOURCE: Departamento de Aduanas.

a. Provisional data.

## DENMARK: IMPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	331	365	413	446	518	536	703	682	694	759	808	844
Food, beverages and tobacco	249	275	304	320	332	316	346	357	363	388	388	378
Consumer durables	17	19	23	26	39	47	136	82	63	67	104	108
<i>Automobiles</i>	0	0	0	0	1	1	0	0	1	3	1	0
<i>Other</i>	17	19	23	26	38	47	136	81	62	65	103	108
Other consumer non-durables	64	71	86	101	147	173	220	243	268	304	317	357
CAPITAL GOODS	143	112	137	134	119	141	122	132	148	228	200	278
Machinery and other capital goods	116	89	110	106	84	112	87	102	116	182	142	227
Transport equipment	9	2	2	4	9	2	2	4	2	10	12	5
<i>Overland non-railway</i>	0	0	0	0	0	0	0	2	1	2	9	2
<i>Railway</i>	0	0	0	0	0	1	2	1	1	0	3	3
<i>Maritime</i>	9	1	1	3	9	1	0	0	0	2	1	0
<i>Air</i>	0	1	0	1	0	0	0	1	0	6	0	0
Other capital goods	18	21	25	23	26	27	32	27	30	36	45	46
INTERMEDIATE GOODS	321	350	399	439	459	512	605	668	661	615	840	823
Intermediate agricultural, forestry and fishing products	13	9	21	13	7	12	12	29	11	34	37	35
Intermediate energy products	47	12	4	7	25	4	57	48	35	6	36	9
Intermediate industrial products	261	329	373	420	427	497	536	591	615	576	788	778
TOTAL IMPORTS	795	827	949	1,020	1,097	1,189	1,429	1,482	1,503	1,602	1,849	1,944
ENERGY PRODUCTS	47	12	4	7	25	4	57	48	35	6	36	9
NON-ENERGY PRODUCTS	748	815	944	1,013	1,072	1,185	1,372	1,434	1,468	1,596	1,813	1,935

SOURCE: Departamento de Aduanas.

a. Provisional data.

## DENMARK: EXPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	276	339	369	443	471	476	522	528	532	665	805	819
Food, beverages and tobacco	133	164	167	170	177	194	208	220	221	248	229	253
Consumer durables	96	118	131	171	189	177	186	164	167	276	438	428
<i>Automobiles</i>	54	65	70	114	122	107	115	96	93	102	144	120
<i>Other</i>	42	53	61	57	67	70	71	68	74	174	294	308
Other consumer non-durables	47	57	71	103	105	105	129	143	144	142	139	138
CAPITAL GOODS	51	87	91	100	101	95	152	78	98	84	155	103
Machinery and other capital goods	37	42	52	42	40	49	34	41	36	33	78	55
Transport equipment	12	41	35	54	57	42	113	34	58	46	68	42
<i>Overland non-railway</i>	12	41	35	51	57	42	30	33	45	46	67	42
<i>Railway</i>	0	0	0	0	0	0	0	0	0	0	0	0
<i>Maritime</i>	0	0	0	2	0	0	2	0	13	0	0	0
<i>Air</i>	0	0	0	0	0	0	81	0	0	0	0	0
Other capital goods	3	4	4	4	4	5	4	4	5	5	9	6
INTERMEDIATE GOODS	157	193	237	227	315	288	308	302	308	347	401	445
Intermediate agricultural, forestry and fishing products	4	6	9	8	2	3	3	3	4	3	3	4
Intermediate energy products	10	17	18	17	61	5	1	1	1	2	1	4
Intermediate industrial products	143	169	211	202	252	281	304	299	303	341	397	437
TOTAL EXPORTS	484	619	698	770	887	860	982	908	938	1,096	1,362	1,367
ENERGY PRODUCTS	10	17	18	17	61	5	1	1	1	2	1	4
NON-ENERGY PRODUCTS	474	601	680	753	826	855	981	907	938	1,095	1,361	1,363

SOURCE: Departamento de Aduanas.

a. Provisional data.

## SWEDEN: IMPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	121	144	203	367	791	549	359	308	358	514	621	675
Food, beverages and tobacco	17	23	22	20	26	34	38	42	63	67	82	116
Consumer durables	50	61	99	171	592	276	184	213	230	360	458	480
<i>Automobiles</i>	33	37	78	147	165	131	107	126	164	278	368	360
<i>Other</i>	18	25	21	24	427	144	77	87	66	83	90	120
Other consumer non-durables	54	59	82	176	172	240	137	54	65	86	81	79
CAPITAL GOODS	345	409	482	850	481	316	385	517	523	557	706	650
Machinery and other capital goods	230	344	394	736	419	258	304	360	416	443	595	514
Transport equipment	99	47	66	91	43	38	54	126	81	85	77	90
<i>Overland non-railway</i>	61	28	63	89	42	38	53	63	80	81	77	89
<i>Railway</i>	0	0	0	0	0	0	0	0	0	4	0	0
<i>Maritime</i>	0	0	1	0	0	0	0	5	0	0	0	0
<i>Air</i>	37	19	2	2	0	0	1	59	1	0	0	0
Other capital goods	16	18	23	23	19	20	27	30	26	30	33	47
INTERMEDIATE GOODS	930	988	1,105	1,475	1,367	1,285	1,544	1,890	1,822	1,913	2,086	2,087
Intermediate agricultural, forestry and fishing products	15	7	28	22	8	29	17	17	32	35	40	34
Intermediate energy products	1	3	1	23	73	31	124	86	254	211	147	78
Intermediate industrial products	914	978	1,076	1,431	1,286	1,225	1,403	1,786	1,536	1,667	1,899	1,975
TOTAL IMPORTS	1,396	1,542	1,790	2,691	2,639	2,150	2,288	2,715	2,704	2,984	3,413	3,412
ENERGY PRODUCTS	1	3	1	23	73	31	124	86	255	211	147	78
NON-ENERGY PRODUCTS	1,395	1,538	1,789	2,668	2,566	2,119	2,164	2,629	2,449	2,773	3,265	3,334

SOURCE: Departamento de Aduanas.

a. Provisional data.

## SWEDEN: EXPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	284	355	409	458	480	490	467	529	517	470	532	563
Food, beverages and tobacco	152	155	167	182	193	211	234	252	250	252	264	270
Consumer durables	78	120	151	161	200	167	135	172	182	121	150	176
<i>Automobiles</i>	47	82	111	122	144	100	71	95	127	68	84	106
<i>Other</i>	32	39	40	38	56	67	65	77	55	54	66	70
Other consumer non-durables	54	79	92	115	86	112	98	105	86	96	118	117
CAPITAL GOODS	109	129	91	134	79	113	90	113	208	175	177	177
Machinery and other capital goods	82	86	81	60	34	62	36	51	72	88	87	69
Transport equipment	24	41	6	71	38	41	43	53	126	74	81	100
<i>Overland non-railway</i>	8	12	6	17	36	41	43	53	56	74	81	100
<i>Railway</i>	0	0	0	1	0	0	0	0	1	0	0	0
<i>Maritime</i>	15	29	0	52	0	0	0	0	0	0	0	0
<i>Air</i>	1	1	0	0	2	0	0	0	70	0	0	0
Other capital goods	3	2	4	3	8	10	11	10	10	12	9	7
INTERMEDIATE GOODS	316	422	609	632	692	701	658	677	750	848	929	963
Intermediate agricultural, forestry and fishing products	6	5	6	9	2	4	3	3	3	3	4	6
Intermediate energy products	1	0	5	4	12	10	5	3	6	5	4	7
Intermediate industrial products	309	417	598	620	678	687	649	671	740	840	922	949
TOTAL EXPORTS	709	906	1,110	1,224	1,251	1,304	1,215	1,320	1,475	1,493	1,639	1,702
ENERGY PRODUCTS	1	0	5	4	12	10	5	3	6	5	4	7
NON-ENERGY PRODUCTS	708	906	1,104	1,220	1,239	1,293	1,210	1,317	1,469	1,488	1,635	1,695

SOURCE: Departamento de Aduanas.

a. Provisional data.

## UNITED STATES: IMPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	665	743	795	848	962	990	1,004	1,002	1,200	1,246	1,375	1,564
Food, beverages and tobacco	230	230	260	259	254	255	257	281	351	391	419	392
Consumer durables	167	224	219	241	303	312	295	267	344	357	380	577
<i>Automobiles</i>	57	66	90	107	71	66	51	48	81	82	114	202
<i>Other</i>	110	158	128	134	233	246	244	219	263	275	266	375
Other consumer non-durables	269	288	316	348	405	423	452	454	504	498	576	594
CAPITAL GOODS	1,347	1,718	1,800	2,607	2,814	1,991	1,552	1,225	1,259	1,329	1,662	1,529
Machinery and other capital goods	835	1,049	1,185	1,209	1,115	979	738	665	711	634	903	809
Transport equipment	258	399	293	1,042	1,285	559	413	155	148	281	286	83
<i>Overland non-railway</i>	21	52	33	37	71	53	56	36	46	35	63	71
<i>Railway</i>	2	1	1	0	0	4	1	22	1	3	5	3
<i>Maritime</i>	2	2	2	3	1	1	8	4	1	6	211	1
<i>Air</i>	233	344	258	1,001	1,212	502	348	93	101	238	7	8
Other capital goods	254	269	321	356	414	453	401	405	399	413	472	637
INTERMEDIATE GOODS	3,916	4,389	4,431	4,198	4,982	4,890	4,648	4,632	5,035	4,910	5,551	6,835
Intermediate agricultural, forestry and fishing products	602	709	608	423	576	586	606	581	395	309	191	617
Intermediate energy products	268	315	237	176	245	270	215	191	357	395	548	461
Intermediate industrial products	3,046	3,365	3,586	3,599	4,162	4,033	3,827	3,860	4,284	4,206	4,812	5,756
TOTAL IMPORTS	5,928	6,849	7,026	7,654	8,758	7,871	7,203	6,859	7,494	7,484	8,587	9,927
ENERGY PRODUCTS	268	315	237	176	245	270	215	191	357	395	548	461
NON-ENERGY PRODUCTS	5,660	6,534	6,789	7,478	8,514	7,601	6,988	6,668	7,138	7,089	8,040	9,466

SOURCE: Departamento de Aduanas.

a. Provisional data.

## UNITED STATES: EXPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	1,097	1,341	1,415	1,568	1,865	1,990	1,908	1,828	1,832	2,016	2,460	2,396
Food, beverages and tobacco	356	435	498	633	701	702	722	697	653	669	697	716
Consumer durables	104	168	165	174	353	369	365	373	329	265	290	260
<i>Automobiles</i>	0	0	1	1	2	2	1	2	1	1	3	3
<i>Other</i>	103	168	165	173	351	367	364	371	328	264	288	257
Other consumer non-durables	637	738	752	761	811	919	821	758	850	1,082	1,472	1,420
CAPITAL GOODS	483	534	515	683	753	490	535	532	414	476	833	473
Machinery and other capital goods	298	432	452	489	389	303	301	413	293	347	535	396
Transport equipment	158	75	22	120	293	143	179	69	78	73	229	5
<i>Overland non-railway</i>	1	3	15	9	5	4	3	2	5	17	8	3
<i>Railway</i>	0	0	0	0	10	0	4	3	18	0	0	1
<i>Maritime</i>	74	1	1	1	0	0	1	0	2	0	220	0
<i>Air</i>	83	71	6	110	278	139	172	65	53	56	1	1
Other capital goods	26	26	42	74	71	43	55	50	43	56	69	73
INTERMEDIATE GOODS	1,683	2,211	2,257	2,348	3,434	3,172	3,345	3,329	3,556	3,900	4,233	4,699
Intermediate agricultural, forestry and fishing products	34	29	33	35	6	4	6	4	6	6	8	13
Intermediate energy products	104	143	147	89	286	178	106	109	80	85	173	172
Intermediate industrial products	1,545	2,039	2,077	2,224	3,143	2,990	3,233	3,216	3,471	3,810	4,052	4,514
TOTAL EXPORTS	3,263	4,086	4,187	4,599	6,052	5,652	5,788	5,689	5,802	6,393	7,526	7,569
ENERGY PRODUCTS	171	185	196	154	455	459	267	314	420	576	1,034	956
NON-ENERGY PRODUCTS	3,092	3,901	3,991	4,445	5,597	5,192	5,520	5,376	5,382	5,817	6,491	6,613

SOURCE: Departamento de Aduanas.

a. Provisional data.

## JAPAN: IMPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	708	832	1,226	1,374	1,570	1,426	1,408	1,847	2,350	2,419	2,532	2,487
Food, beverages and tobacco	2	4	5	3	5	4	6	5	6	7	5	5
Consumer durables	581	680	1,047	1,181	1,448	1,316	1,283	1,720	2,224	2,281	2,392	2,343
<i>Automobiles</i>	379	441	747	850	913	765	759	1,095	1,465	1,544	1,641	1,700
<i>Other</i>	202	239	300	331	536	552	523	625	759	738	751	643
Other consumer non-durables	125	149	174	190	117	105	120	122	121	131	135	139
CAPITAL GOODS	860	981	1,128	1,507	878	794	744	840	898	850	774	797
Machinery and other capital goods	690	778	878	1,163	557	511	468	556	608	547	493	639
Transport equipment	40	59	81	156	140	100	128	118	129	91	69	41
<i>Overland non-railway</i>	39	58	81	156	140	93	128	118	129	91	60	41
<i>Railway</i>	0	0	0	0	0	0	0	0	0	0	0	0
<i>Maritime</i>	1	0	0	0	0	7	0	0	0	0	9	0
<i>Air</i>	0	0	0	0	0	0	0	0	0	0	0	0
Other capital goods	130	144	169	188	181	182	147	165	161	212	213	117
INTERMEDIATE GOODS	1,053	1,145	1,336	1,519	2,383	2,126	2,107	2,148	2,501	2,653	2,612	2,755
Intermediate agricultural, forestry and fishing products	2	1	1	2	2	2	2	2	2	1	2	3
Intermediate energy products	2	2	0	1	0	4	4	3	6	7	6	9
Intermediate industrial products	1,049	1,142	1,334	1,517	2,381	2,119	2,101	2,143	2,494	2,645	2,604	2,743
TOTAL IMPORTS	2,621	2,958	3,690	4,400	4,831	4,345	4,258	4,835	5,750	5,923	5,918	6,039
ENERGY PRODUCTS	2	2	0	1	0	4	4	3	6	7	6	9
NON-ENERGY PRODUCTS	2,619	2,956	3,690	4,399	4,831	4,341	4,255	4,832	5,744	5,915	5,912	6,029

SOURCE: Departamento de Aduanas.

a. Provisional data.

## JAPAN: EXPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	628	552	548	660	671	645	504	430	591	451	472	481
Food, beverages and tobacco	208	210	218	304	300	277	234	188	243	204	198	230
Consumer durables	268	204	197	206	230	210	120	79	151	62	58	50
<i>Automobiles</i>	232	164	167	163	158	149	58	32	108	23	21	25
<i>Other</i>	35	40	30	42	72	61	62	47	43	39	37	25
Other consumer non-durables	152	139	133	151	141	158	150	163	197	185	216	201
CAPITAL GOODS	41	37	25	30	24	40	39	34	26	45	101	64
Machinery and other capital goods	38	35	21	26	22	33	21	22	19	32	86	55
Transport equipment	0	0	0	0	0	0	3	1	0	7	10	0
<i>Overland non-railway</i>	0	0	0	0	0	0	3	0	0	0	0	0
<i>Railway</i>	0	0	0	0	0	0	0	1	0	0	0	0
<i>Maritime</i>	0	0	0	0	0	0	0	0	0	7	10	0
<i>Air</i>	0	0	0	0	0	0	0	0	0	0	0	0
Other capital goods	4	2	4	4	3	7	16	11	6	6	5	9
INTERMEDIATE GOODS	266	371	345	409	520	501	492	516	550	657	692	786
Intermediate agricultural, forestry and fishing products	15	18	21	15	3	4	4	4	4	3	3	2
Intermediate energy products	0	0	0	2	8	0	1	1	1	0	9	0
Intermediate industrial products	251	353	323	392	508	497	487	511	545	654	681	783
TOTAL EXPORTS	935	961	917	1,099	1,215	1,186	1,035	980	1,167	1,153	1,266	1,331
ENERGY PRODUCTS	0	0	0	2	8	0	1	1	1	0	9	0
NON-ENERGY PRODUCTS	935	961	917	1,097	1,207	1,185	1,034	979	1,166	1,153	1,257	1,330

SOURCE: Departamento de Aduanas.

a. Provisional data.

## CANADA: IMPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	82	76	95	111	154	133	63	91	196	219	159	104
Food, beverages and tobacco	61	50	68	76	111	97	35	50	131	139	108	48
Consumer durables	11	15	17	23	31	26	19	18	29	38	18	18
<i>Automobiles</i>	4	3	7	15	9	5	4	6	15	12	7	1
<i>Other</i>	7	12	10	8	22	21	15	12	14	27	11	17
Other consumer non-durables	10	11	10	11	12	9	9	23	36	42	33	38
CAPITAL GOODS	31	42	57	74	86	122	292	105	123	243	87	107
Machinery and other capital goods	23	30	35	60	74	49	48	39	54	53	59	79
Transport equipment	3	6	16	5	1	49	232	55	55	175	10	13
<i>Overland non-railway</i>	2	0	1	1	1	0	0	1	4	18	10	13
<i>Railway</i>	0	0	0	0	0	0	0	0	0	0	0	0
<i>Maritime</i>	0	0	9	3	0	0	0	0	0	73	0	0
<i>Air</i>	1	5	6	1	0	49	232	55	51	84	0	0
Other capital goods	4	6	6	9	11	24	12	10	14	16	18	15
INTERMEDIATE GOODS	313	356	333	368	407	406	387	427	599	518	516	695
Intermediate agricultural, forestry and fishing products	30	45	51	62	58	58	47	71	81	36	44	39
Intermediate energy products	36	26	15	25	18	25	44	59	169	134	37	35
Intermediate industrial products	247	285	266	281	332	324	296	297	349	348	435	621
TOTAL IMPORTS	426	473	485	552	647	661	742	623	918	980	762	906
ENERGY PRODUCTS	36	26	15	25	18	25	44	59	169	134	37	35
NON-ENERGY PRODUCTS	390	448	470	527	629	636	698	564	749	846	725	871

SOURCE: Departamento de Aduanas.

a. Provisional data.

## CANADA: EXPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	110	137	138	145	188	157	197	197	230	201	234	225
Food, beverages and tobacco	48	57	59	73	87	78	89	85	85	92	98	99
Consumer durables	4	6	8	10	17	17	17	23	22	24	38	14
<i>Automobiles</i>	0	0	0	0	0	0	0	0	0	0	2	0
<i>Other</i>	4	6	8	10	17	17	17	23	22	24	36	14
Other consumer non-durables	57	74	70	62	84	61	92	89	124	85	98	111
CAPITAL GOODS	21	22	43	33	41	44	48	56	45	110	55	41
Machinery and other capital goods	19	21	30	31	39	42	38	43	43	31	51	34
Transport equipment	1	0	11	1	0	0	8	9	1	75	1	1
<i>Overland non-railway</i>	0	0	0	0	0	0	0	0	0	0	0	0
<i>Railway</i>	0	0	0	0	0	0	0	0	0	0	0	0
<i>Maritime</i>	0	0	10	0	0	0	7	9	0	75	0	0
<i>Air</i>	1	0	1	1	0	0	0	0	1	0	1	1
Other capital goods	1	1	1	2	2	2	3	4	2	4	4	6
INTERMEDIATE GOODS	203	248	256	276	351	333	407	391	386	398	492	484
Intermediate agricultural, forestry and fishing products	4	3	3	2	1	1	0	0	0	0	0	1
Intermediate energy products	14	14	5	21	16	28	23	49	51	48	80	106
Intermediate industrial products	185	231	248	252	335	304	384	342	335	349	412	378
TOTAL EXPORTS	333	407	436	454	579	534	653	643	661	709	782	750
ENERGY PRODUCTS	14	19	11	25	41	31	44	81	111	62	80	106
NON-ENERGY PRODUCTS	319	388	425	430	539	503	609	563	551	646	702	644

SOURCE: Departamento de Aduanas.

a. Provisional data.

## REST OF OECD: IMPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	690	763	965	1,048	1,296	1,411	1,533	1,886	2,464	2,761	3,231	3,859
Food, beverages and tobacco	304	276	309	327	355	415	413	456	482	553	550	563
Consumer durables	153	195	291	309	425	469	538	642	905	1,008	1,291	1,653
<i>Automobiles</i>	12	13	6	6	16	18	18	57	152	241	396	789
<i>Other</i>	141	182	285	303	409	451	519	586	753	768	895	864
Other consumer non-durables	232	292	364	412	516	527	583	787	1,077	1,200	1,390	1,644
CAPITAL GOODS	341	431	564	692	550	537	542	752	641	1,185	1,181	1,040
Machinery and other capital goods	277	360	431	439	338	292	330	339	270	290	363	379
Transport equipment	13	17	76	176	103	164	118	292	267	753	672	480
<i>Overland non-railway</i>	10	10	13	17	18	71	93	200	229	363	329	187
<i>Railway</i>	0	2	2	0	5	1	7	15	7	7	5	12
<i>Maritime</i>	3	4	43	158	80	56	17	75	29	382	338	281
<i>Air</i>	0	0	18	1	0	35	0	1	3	0	0	0
Other capital goods	52	54	57	77	110	81	94	120	104	142	146	182
INTERMEDIATE GOODS	2,278	2,670	2,530	2,880	4,359	5,067	4,883	5,262	6,710	7,966	8,631	8,486
Intermediate agricultural, forestry and fishing products	87	167	135	148	159	119	115	81	89	90	86	67
Intermediate energy products	868	980	757	948	1,853	1,861	1,785	1,996	2,687	3,805	3,890	3,969
Intermediate industrial products	1,324	1,523	1,639	1,784	2,347	3,086	2,982	3,185	3,934	4,070	4,654	4,450
TOTAL IMPORTS	3,310	3,864	4,059	4,620	6,204	7,015	6,957	7,899	9,815	11,912	13,043	13,386
ENERGY PRODUCTS	868	980	760	948	1,867	1,868	1,795	2,008	2,698	3,805	3,890	3,969
NON-ENERGY PRODUCTS	2,442	2,884	3,299	3,672	4,337	5,147	5,162	5,891	7,116	8,106	9,153	9,417

SOURCE: Departamento de Aduanas.

a. Provisional data.

## REST OF OECD: EXPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	962	1,294	1,532	1,644	2,316	2,002	2,622	2,446	3,102	4,151	4,274	4,324
Food, beverages and tobacco	307	363	363	397	452	471	510	557	555	578	643	687
Consumer durables	405	596	760	786	1,380	985	1,121	1,239	1,748	1,696	1,446	1,534
<i>Automobiles</i>	272	416	544	576	1,076	668	760	895	1,393	1,315	1,089	1,145
<i>Other</i>	133	180	216	210	305	317	361	344	355	381	357	390
Other consumer non-durables	251	335	409	462	483	547	991	650	800	1,877	2,185	2,103
CAPITAL GOODS	412	665	915	1,102	912	812	732	875	1,064	1,630	1,561	1,712
Machinery and other capital goods	229	369	428	580	413	420	460	539	529	637	668	627
Transport equipment	161	270	457	457	461	344	210	258	483	944	829	1,014
<i>Overland non-railway</i>	46	77	96	60	105	69	98	181	200	239	342	604
<i>Railway</i>	28	11	6	7	2	1	1	2	13	1	1	42
<i>Maritime</i>	9	83	261	390	295	162	70	37	208	649	486	367
<i>Air</i>	78	100	95	0	60	111	40	37	62	56	0	0
Other capital goods	23	25	29	66	38	47	62	79	52	49	65	72
INTERMEDIATE GOODS	1,278	1,685	1,931	1,923	2,786	2,702	3,210	3,236	3,849	4,162	4,762	4,844
Intermediate agricultural, forestry and fishing products	22	32	29	27	10	18	16	12	15	13	12	23
Intermediate energy products	29	40	44	17	57	25	18	38	82	116	100	109
Intermediate industrial products	1,227	1,613	1,859	1,879	2,720	2,659	3,177	3,185	3,751	4,033	4,650	4,713
TOTAL EXPORTS	2,653	3,643	4,378	4,670	6,014	5,516	6,564	6,557	8,015	9,943	10,597	10,881
ENERGY PRODUCTS	29	40	44	32	66	33	24	38	214	375	530	589
NON-ENERGY PRODUCTS	2,624	3,603	4,334	4,638	5,948	5,483	6,540	6,519	7,801	9,569	10,067	10,291

SOURCE: Departamento de Aduanas.

a. Provisional data.



## OPEC: IMPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	257	309	347	385	540	577	595	609	763	564	651	550
Food, beverages and tobacco	57	58	78	89	166	195	193	211	298	211	206	160
Consumer durables	41	49	63	83	144	145	172	164	194	145	199	137
<i>Automobiles</i>	0	0	1	0	0	0	0	1	1	1	1	1
<i>Other</i>	41	49	62	83	143	144	172	163	193	144	198	137
Other consumer non-durables	160	202	205	212	231	237	230	233	271	208	246	252
CAPITAL GOODS	26	84	129	62	25	26	27	25	35	302	46	84
Machinery and other capital goods	22	24	39	46	22	22	22	21	30	35	23	14
Transport equipment	1	56	84	7	1	0	3	2	0	262	21	66
<i>Overland non-railway</i>	0	0	1	0	1	0	0	0	0	0	0	0
<i>Railway</i>	0	0	0	1	0	0	2	1	0	0	0	0
<i>Maritime</i>	1	42	83	0	0	0	0	0	0	261	20	66
<i>Air</i>	0	14	0	6	0	0	0	0	0	0	0	0
Other capital goods	3	4	6	9	2	4	3	2	5	5	3	4
INTERMEDIATE GOODS	5,689	6,860	5,677	6,679	13,337	12,171	10,752	10,960	12,280	17,037	21,960	20,477
Intermediate agricultural, forestry and fishing products	88	109	73	59	45	48	50	66	78	84	125	120
Intermediate energy products	4,912	5,759	4,535	5,500	11,811	10,546	9,159	9,317	10,891	15,227	19,650	17,987
Intermediate industrial products	688	993	1,069	1,121	1,482	1,577	1,542	1,577	1,310	1,726	2,185	2,371
TOTAL IMPORTS	5,972	7,254	6,152	7,126	13,903	12,774	11,374	11,594	13,078	17,903	22,656	21,111
ENERGY PRODUCTS	4,912	5,761	4,535	5,500	11,811	10,546	9,159	9,317	10,891	15,227	19,650	17,987
NON-ENERGY PRODUCTS	1,060	1,492	1,617	1,626	2,092	2,228	2,215	2,277	2,187	2,676	3,007	3,124

SOURCE: Departamento de Aduanas.

a. Provisional data.

## OPEC: EXPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	501	648	800	686	929	944	1,037	903	958	1,049	1,105	1,147
Food, beverages and tobacco	184	238	333	249	262	264	234	224	220	214	233	289
Consumer durables	87	143	176	127	266	261	308	235	253	361	341	278
<i>Automobiles</i>	26	39	62	27	101	100	159	108	109	202	111	160
<i>Other</i>	60	104	114	99	166	160	149	127	143	159	230	118
Other consumer non-durables	230	267	290	310	400	419	496	443	485	474	531	580
CAPITAL GOODS	349	383	458	350	413	422	599	597	817	841	700	1,004
Machinery and other capital goods	197	223	277	283	316	284	351	290	334	337	386	525
Transport equipment	77	56	136	48	37	68	127	258	423	410	232	414
<i>Overland non-railway</i>	48	37	26	27	22	61	116	155	72	70	99	85
<i>Railway</i>	20	6	3	3	10	0	0	1	0	2	1	6
<i>Maritime</i>	9	12	95	16	2	7	10	101	351	319	132	323
<i>Air</i>	0	0	12	2	4	0	0	0	0	18	0	0
Other capital goods	75	104	45	20	60	70	122	49	61	94	82	65
INTERMEDIATE GOODS	1,299	1,469	1,448	1,447	1,681	1,908	1,967	1,908	2,049	2,331	2,467	3,144
Intermediate agricultural, forestry and fishing products	13	27	21	37	28	36	67	81	62	30	54	176
Intermediate energy products	62	18	26	25	30	34	31	31	65	111	71	104
Intermediate industrial products	1,224	1,424	1,400	1,386	1,623	1,838	1,868	1,796	1,922	2,190	2,342	2,864
TOTAL EXPORTS	2,149	2,501	2,705	2,484	3,023	3,274	3,603	3,408	3,824	4,221	4,273	5,295
ENERGY PRODUCTS	87	26	46	61	84	57	79	63	179	195	145	126
NON-ENERGY PRODUCTS	2,062	2,474	2,659	2,423	2,939	3,217	3,523	3,344	3,646	4,026	4,128	5,169

SOURCE: Departamento de Aduanas.

a. Provisional data.

## CIS AND OTHER CENTRAL AND EASTERN EUROPEAN COUNTRIES: IMPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	236	311	472	605	110	144	201	198	269	315	393	297
Food, beverages and tobacco	72	77	69	73	29	42	67	34	36	41	53	37
Consumer durables	89	122	249	342	13	19	21	26	23	40	69	84
<i>Automobiles</i>	38	32	114	164	1	2	1	1	1	14	38	37
<i>Other</i>	51	91	134	178	11	17	21	25	23	25	31	47
Other consumer non-durables	75	112	154	190	68	83	113	137	210	235	271	177
CAPITAL GOODS	209	263	255	279	22	33	19	20	22	60	54	77
Machinery and other capital goods	191	233	228	251	18	20	17	16	11	24	30	50
Transport equipment	12	21	13	10	1	11	1	1	9	33	17	9
<i>Overland non-railway</i>	3	4	8	7	0	0	0	1	0	0	0	0
<i>Railway</i>	2	0	0	1	1	4	1	0	1	0	1	0
<i>Maritime</i>	7	17	0	0	0	7	0	0	0	25	16	8
<i>Air</i>	0	0	5	1	0	0	0	0	8	8	0	0
Other capital goods	6	9	14	18	2	2	2	3	2	2	7	18
INTERMEDIATE GOODS	1,776	2,018	2,094	2,508	3,069	3,185	4,098	3,914	5,229	7,331	9,811	10,412
Intermediate agricultural, forestry and fishing products	105	95	108	138	84	179	575	93	161	375	348	138
Intermediate energy products	682	649	523	874	1,842	1,732	2,327	2,503	3,260	5,027	7,038	7,770
Intermediate industrial products	989	1,275	1,463	1,495	1,143	1,274	1,196	1,317	1,808	1,929	2,425	2,504
TOTAL IMPORTS	2,220	2,592	2,820	3,392	3,201	3,361	4,318	4,132	5,520	7,706	10,258	10,787
ENERGY PRODUCTS	682	649	523	874	1,843	1,732	2,338	2,503	3,264	5,027	7,045	7,770
NON-ENERGY PRODUCTS	1,538	1,943	2,297	2,518	1,358	1,629	1,980	1,628	2,256	2,678	3,213	3,017

SOURCE: Departamento de Aduanas.

a. Provisional data.

## CIS AND OTHER CENTRAL AND EASTERN EUROPEAN COUNTRIES: EXPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	967	1,368	1,368	1,190	478	607	635	707	758	968	1,280	1,768
Food, beverages and tobacco	387	581	552	486	246	281	281	331	358	412	549	642
Consumer durables	443	565	568	517	155	208	216	224	237	360	467	785
<i>Automobiles</i>	285	374	405	362	69	107	114	112	116	225	322	608
<i>Other</i>	158	192	163	155	86	101	102	112	121	135	145	176
Other consumer non-durables	136	222	248	187	77	119	138	152	163	196	264	341
CAPITAL GOODS	284	371	422	363	100	151	242	267	289	289	390	488
Machinery and other capital goods	200	218	255	241	72	100	127	151	172	198	266	343
Transport equipment	47	85	101	77	6	9	27	71	81	48	94	116
<i>Overland non-railway</i>	45	81	99	46	6	6	18	35	31	35	72	112
<i>Railway</i>	0	0	0	1	0	3	0	28	0	0	0	0
<i>Maritime</i>	0	4	0	0	0	0	9	8	18	13	21	4
<i>Air</i>	2	0	1	30	0	0	0	0	31	0	0	0
Other capital goods	38	68	66	45	22	42	88	45	36	42	30	29
INTERMEDIATE GOODS	672	1,016	1,222	1,352	548	711	824	960	1,062	1,298	1,688	1,969
Intermediate agricultural, forestry and fishing products	18	24	34	36	21	14	4	4	8	11	13	15
Intermediate energy products	1	2	3	10	7	6	8	9	11	15	17	12
Intermediate industrial products	653	990	1,186	1,305	520	690	812	947	1,044	1,272	1,658	1,942
TOTAL EXPORTS	1,922	2,755	3,012	2,905	1,126	1,469	1,701	1,934	2,110	2,555	3,358	4,224
ENERGY PRODUCTS	1	7	7	10	7	12	8	9	11	15	17	12
NON-ENERGY PRODUCTS	1,921	2,748	3,005	2,895	1,119	1,457	1,693	1,925	2,099	2,540	3,341	4,213

SOURCE: Departamento de Aduanas.

a. Provisional data.

## CENTRAL AND SOUTH AMERICA: IMPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	1,068	1,120	1,306	1,380	1,581	1,909	1,868	2,433	2,418	2,567	3,288	3,026
Food, beverages and tobacco	900	958	1,131	1,160	1,316	1,551	1,426	1,633	1,597	1,749	2,017	2,096
Consumer durables	107	89	95	121	160	243	312	646	629	611	1,074	739
<i>Automobiles</i>	0	0	9	6	2	1	2	1	2	3	4	2
<i>Other</i>	107	88	86	115	158	242	311	644	627	608	1,070	737
Other consumer non-durables	61	73	80	100	105	115	130	154	193	207	197	190
CAPITAL GOODS	126	273	166	260	44	29	57	53	66	1,024	1,038	484
Machinery and other capital goods	38	48	55	60	29	22	27	35	53	59	78	57
Transport equipment	81	218	104	191	8	2	23	3	2	949	946	414
<i>Overland non-railway</i>	7	5	6	9	6	1	1	3	2	18	6	5
<i>Railway</i>	0	0	0	0	0	0	0	0	0	0	0	0
<i>Maritime</i>	73	214	38	117	0	1	3	0	0	930	939	409
<i>Air</i>	1	0	59	64	2	0	20	0	0	0	0	0
Other capital goods	7	7	8	9	6	5	8	16	12	15	15	13
INTERMEDIATE GOODS	1,726	2,109	2,154	2,443	3,055	2,912	3,200	3,302	3,763	4,486	5,700	6,821
Intermediate agricultural, forestry and fishing products	554	701	734	784	836	855	773	824	779	812	794	1,692
Intermediate energy products	48	26	30	65	194	90	258	159	125	347	838	687
Intermediate industrial products	1,124	1,383	1,390	1,594	2,024	1,967	2,169	2,318	2,860	3,328	4,068	4,442
TOTAL IMPORTS	2,920	3,502	3,627	4,083	4,679	4,850	5,126	5,788	6,248	8,077	10,026	10,331
ENERGY PRODUCTS	48	26	30	65	194	90	258	159	125	347	838	687
NON-ENERGY PRODUCTS	2,872	3,476	3,597	4,018	4,485	4,760	4,868	5,628	6,123	7,730	9,188	9,644

SOURCE: Departamento de Aduanas.

a. Provisional data.

## CENTRAL AND SOUTH AMERICA: EXPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	1,014	1,087	1,235	1,106	1,159	1,299	1,018	1,272	1,154	1,170	1,743	1,538
Food, beverages and tobacco	161	209	246	236	239	208	160	137	144	154	190	203
Consumer durables	623	606	644	546	556	697	509	774	652	707	1,194	996
<i>Automobiles</i>	259	183	192	117	111	122	46	44	40	74	52	86
<i>Other</i>	364	423	452	429	444	575	463	730	612	633	1,142	909
Other consumer non-durables	230	271	345	324	364	394	349	362	358	309	359	339
CAPITAL GOODS	1,292	1,416	1,391	1,451	1,443	885	671	771	892	1,222	1,902	1,334
Machinery and other capital goods	693	894	848	706	610	616	450	370	373	419	530	591
Transport equipment	496	403	355	612	670	166	114	285	460	746	1,307	674
<i>Overland non-railway</i>	89	40	81	114	67	80	39	31	59	61	84	83
<i>Railway</i>	8	6	94	45	17	3	12	19	4	21	1	26
<i>Maritime</i>	376	298	173	444	493	76	62	211	279	665	1,222	564
<i>Air</i>	23	59	7	10	93	7	1	24	118	0	0	0
Other capital goods	103	119	189	133	163	102	108	116	59	57	65	69
INTERMEDIATE GOODS	1,831	2,366	2,590	2,412	3,013	3,087	2,539	2,278	2,417	2,596	3,065	3,433
Intermediate agricultural, forestry and fishing products	8	16	18	21	16	13	10	10	9	8	10	10
Intermediate energy products	11	20	15	12	60	69	47	67	93	101	132	95
Intermediate industrial products	1,813	2,331	2,556	2,378	2,938	3,006	2,482	2,202	2,316	2,487	2,922	3,328
TOTAL EXPORTS	4,137	4,869	5,216	4,969	5,615	5,271	4,229	4,321	4,464	4,988	6,710	6,305
ENERGY PRODUCTS	41	26	20	12	67	90	59	76	93	126	197	95
NON-ENERGY PRODUCTS	4,096	4,843	5,196	4,956	5,548	5,181	4,170	4,245	4,371	4,863	6,513	6,210

SOURCE: Departamento de Aduanas.

a. Provisional data.

## SOUTH EAST ASIAN NICs: IMPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	676	893	1,100	1,413	1,570	1,473	1,485	1,570	1,950	2,235	2,590	2,421
Food, beverages and tobacco	39	52	63	53	47	74	66	65	49	42	41	39
Consumer durables	368	497	665	891	1,082	1,013	1,037	1,133	1,567	1,909	2,145	2,048
<i>Automobiles</i>	193	303	453	643	599	540	550	652	1,021	1,245	1,426	1,222
<i>Other</i>	175	194	212	248	483	473	487	481	546	664	720	825
Other consumer non-durables	269	344	372	470	441	385	382	372	335	284	405	334
CAPITAL GOODS	367	443	468	634	552	686	685	677	922	763	841	693
Machinery and other capital goods	336	396	419	553	467	505	467	604	712	530	551	581
Transport equipment	9	17	17	43	36	131	161	6	136	138	172	4
<i>Overland non-railway</i>	9	14	17	21	11	22	11	6	5	4	7	4
<i>Railway</i>	0	0	1	0	8	0	0	0	0	0	0	0
<i>Maritime</i>	0	4	0	0	0	109	150	0	131	135	165	0
<i>Air</i>	0	0	0	22	16	0	0	0	0	0	0	0
Other capital goods	22	30	31	38	48	50	57	67	75	95	118	108
INTERMEDIATE GOODS	640	754	1,162	1,130	1,677	1,557	1,633	1,600	1,537	1,907	2,874	3,001
Intermediate agricultural, forestry and fishing products	3	3	3	4	5	3	2	2	1	2	3	3
Intermediate energy products	1	3	4	0	0	0	0	0	0	20	134	145
Intermediate industrial products	636	748	1,156	1,126	1,672	1,554	1,631	1,598	1,535	1,885	2,737	2,852
TOTAL IMPORTS	1,684	2,091	2,730	3,178	3,799	3,716	3,803	3,846	4,410	4,905	6,306	6,115
ENERGY PRODUCTS	1	3	4	0	0	0	0	0	0	20	134	145
NON-ENERGY PRODUCTS	1,683	2,088	2,726	3,178	3,799	3,716	3,803	3,846	4,409	4,885	6,172	5,970

SOURCE: Departamento de Aduanas.

a. Provisional data.

## SOUTH EAST ASIAN NICs: EXPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	267	352	234	241	361	372	374	300	308	352	381	420
Food, beverages and tobacco	42	74	61	80	113	112	105	100	108	123	140	157
Consumer durables	93	128	71	55	129	121	124	81	70	96	78	57
<i>Automobiles</i>	34	42	12	7	17	26	29	16	15	21	9	12
<i>Other</i>	59	86	59	49	112	95	95	65	55	75	69	45
Other consumer non-durables	132	150	102	106	119	139	146	119	130	133	163	206
CAPITAL GOODS	244	413	147	131	136	125	268	106	110	173	219	124
Machinery and other capital goods	214	187	104	102	104	93	81	72	71	75	78	97
Transport equipment	20	213	33	12	20	19	174	20	31	90	132	11
<i>Overland non-railway</i>	14	9	12	11	20	14	10	10	7	4	5	10
<i>Railway</i>	6	204	21	0	0	0	0	1	0	0	0	0
<i>Maritime</i>	0	0	0	1	0	5	164	0	24	86	127	1
<i>Air</i>	0	0	0	0	0	0	0	9	0	0	0	0
Other capital goods	11	12	11	17	12	13	13	15	8	7	9	16
INTERMEDIATE GOODS	1,088	1,068	807	873	1,152	1,042	985	840	887	970	1,141	1,222
Intermediate agricultural, forestry and fishing products	3	1	2	3	3	4	6	4	3	2	2	2
Intermediate energy products	1	3	1	2	1	21	4	11	29	10	2	4
Intermediate industrial products	1,084	1,063	804	868	1,148	1,017	975	826	855	957	1,137	1,215
TOTAL EXPORTS	1,599	1,832	1,188	1,245	1,648	1,539	1,627	1,247	1,306	1,494	1,742	1,766
ENERGY PRODUCTS	1	3	1	2	1	21	4	11	29	10	2	22
NON-ENERGY PRODUCTS	1,597	1,829	1,187	1,243	1,647	1,518	1,624	1,236	1,277	1,484	1,739	1,744

SOURCE: Departamento de Aduanas.

a. Provisional data.

## REST OF THE WORLD: IMPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	2,619	3,456	3,882	4,658	5,705	6,323	6,979	7,800	9,040	11,017	12,767	13,936
Food, beverages and tobacco	779	937	1,054	1,112	1,312	1,518	1,432	1,523	1,590	1,812	2,019	2,139
Consumer durables	409	520	599	744	1,084	1,142	1,296	1,538	1,988	2,415	2,808	2,986
<i>Automobiles</i>	21	20	18	25	17	12	14	18	38	47	52	109
<i>Other</i>	387	499	581	719	1,068	1,130	1,282	1,520	1,950	2,368	2,756	2,877
Other consumer non-durables	1,432	1,999	2,229	2,801	3,309	3,663	4,250	4,740	5,462	6,789	7,941	8,811
CAPITAL GOODS	520	605	817	1,012	787	910	898	1,152	1,364	2,410	2,877	3,558
Machinery and other capital goods	415	452	538	813	497	684	670	867	1,074	1,670	2,150	2,365
Transport equipment	16	53	180	72	172	60	65	89	81	468	361	413
<i>Overland non-railway</i>	8	25	45	55	88	54	54	66	76	100	126	191
<i>Railway</i>	0	0	7	1	4	3	3	5	1	11	5	6
<i>Maritime</i>	2	17	111	1	60	2	2	18	0	355	230	216
<i>Air</i>	6	10	18	15	20	1	7	0	3	1	0	0
Other capital goods	89	100	99	126	118	166	162	195	209	273	366	780
INTERMEDIATE GOODS	3,444	4,007	4,241	4,822	6,882	7,499	7,901	8,033	10,184	12,746	15,799	19,408
Intermediate agricultural, forestry and fishing products	535	600	604	677	648	553	506	553	584	579	638	747
Intermediate energy products	919	914	709	1,081	1,789	2,006	2,337	1,819	2,259	3,566	4,199	4,153
Intermediate industrial products	1,990	2,493	2,928	3,064	4,445	4,940	5,058	5,661	7,341	8,600	10,963	14,509
TOTAL IMPORTS	6,583	8,068	8,939	10,492	13,374	14,731	15,778	16,986	20,588	26,173	31,444	36,902
ENERGY PRODUCTS	919	914	709	1,081	1,789	2,030	2,365	1,819	2,259	3,566	4,199	4,153
NON-ENERGY PRODUCTS	5,664	7,153	8,230	9,411	11,585	12,701	13,413	15,166	18,329	22,606	27,245	32,749

SOURCE: Departamento de Aduanas.

a. Provisional data.

## REST OF THE WORLD: EXPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	1,162	1,440	1,426	1,454	1,881	2,011	2,200	2,183	2,244	2,244	2,371	2,636
Food, beverages and tobacco	364	474	444	442	479	528	601	587	597	637	681	744
Consumer durables	472	526	505	476	745	818	810	795	817	815	831	897
<i>Automobiles</i>	324	335	325	301	475	490	464	472	450	466	486	553
<i>Other</i>	148	191	179	175	270	327	346	323	368	348	345	343
Other consumer non-durables	327	440	477	537	657	665	790	801	829	792	859	995
CAPITAL GOODS	884	970	1,087	1,099	738	990	887	1,194	1,394	1,509	1,515	1,682
Machinery and other capital goods	482	589	532	633	455	550	574	626	645	703	764	1,045
Transport equipment	301	293	417	368	198	331	203	454	664	722	635	468
<i>Overland non-railway</i>	112	141	151	175	137	113	134	159	140	202	321	341
<i>Railway</i>	9	9	32	5	2	25	24	53	71	5	21	5
<i>Maritime</i>	140	138	227	187	58	28	39	242	372	434	293	122
<i>Air</i>	40	5	7	0	0	166	6	1	81	80	0	0
Other capital goods	101	87	138	99	86	109	110	113	84	84	117	169
INTERMEDIATE GOODS	2,761	3,524	3,344	3,541	4,367	4,653	4,889	5,314	5,907	6,832	7,901	9,291
Intermediate agricultural, forestry and fishing products	25	31	28	45	30	46	79	60	74	70	92	152
Intermediate energy products	302	346	271	387	581	436	435	508	608	865	1,182	1,315
Intermediate industrial products	2,434	3,147	3,045	3,109	3,756	4,171	4,375	4,746	5,225	5,897	6,628	7,824
TOTAL EXPORTS	4,807	5,934	5,857	6,095	6,987	7,654	7,976	8,691	9,544	10,585	11,788	13,609
ENERGY PRODUCTS	344	411	336	456	767	552	549	627	740	969	1,247	1,404
NON-ENERGY PRODUCTS	4,463	5,523	5,521	5,638	6,220	7,103	7,427	8,064	8,804	9,616	10,541	12,206

SOURCE: Departamento de Aduanas.

a. Provisional data.

## UNCLASSIFIED: IMPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	0	1	0	1	0	0	0	0	0	0	0	0
Food, beverages and tobacco	0	1	0	0	0	0	0	0	0	0	0	0
Consumer durables	0	0	0	1	0	0	0	0	0	0	0	0
<i>Automobiles</i>	0	0	0	1	0	0	0	0	0	0	0	0
<i>Other</i>	0	0	0	0	0	0	0	0	0	0	0	0
Other consumer non-durables	0	0	0	0	0	0	0	0	0	0	0	0
CAPITAL GOODS	0	0	0	0	0	0	1	0	0	1	7	0
Machinery and other capital goods	0	0	0	0	0	0	0	0	0	0	0	0
Transport equipment	0	0	0	0	0	0	1	0	0	1	7	0
<i>Overland non-railway</i>	0	0	0	0	0	0	0	0	0	0	0	0
<i>Railway</i>	0	0	0	0	0	0	1	0	0	1	7	0
<i>Maritime</i>	0	0	0	0	0	0	0	0	0	0	0	0
<i>Air</i>	0	0	0	0	0	0	0	0	0	0	0	0
Other capital goods	0	0	0	0	0	0	0	0	0	0	0	0
INTERMEDIATE GOODS	0	0	0	0	1	0	2	2	45	14	1	0
Intermediate agricultural, forestry and fishing products	0	0	0	0	0	0	0	0	0	0	0	0
Intermediate energy products	0	0	0	0	0	0	0	2	45	14	0	0
Intermediate industrial products	0	0	0	0	1	0	2	0	0	0	1	0
TOTAL IMPORTS	0	1	0	1	1	0	3	2	46	16	7	0
ENERGY PRODUCTS	0	0	0	0	0	0	0	2	45	14	0	0
NON-ENERGY PRODUCTS	0	1	0	1	1	0	3	0	0	1	7	0

SOURCE: Departamento de Aduanas.

a. Provisional data.

## UNCLASSIFIED: EXPORTS

EUR m

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
CONSUMER GOODS	40	51	7	6	9	13	16	15	86	97	106	115
Food, beverages and tobacco	37	47	4	2	3	5	7	5	32	36	38	43
Consumer durables	0	0	0	0	4	5	4	1	7	8	9	10
<i>Automobiles</i>	0	0	0	0	0	0	0	0	0	0	0	0
<i>Other</i>	0	0	0	0	4	5	4	1	7	8	9	10
Other consumer non-durables	3	3	3	3	2	3	5	9	47	53	59	62
CAPITAL GOODS	17	26	39	19	2	7	0	3	4	7	21	46
Machinery and other capital goods	8	11	10	12	1	3	0	1	0	1	0	1
Transport equipment	6	13	27	5	0	0	0	3	4	6	20	44
<i>Overland non-railway</i>	0	0	0	0	0	0	0	0	0	0	0	0
<i>Railway</i>	6	11	24	4	0	0	0	0	0	0	0	0
<i>Maritime</i>	1	2	3	0	0	0	0	3	4	6	20	44
<i>Air</i>	0	0	0	0	0	0	0	0	0	0	0	0
Other capital goods	2	2	2	2	1	4	0	0	0	0	0	1
INTERMEDIATE GOODS	515	510	554	617	1,008	1,062	983	1,121	1,239	1,533	2,062	3,543
Intermediate agricultural, forestry and fishing products	0	0	0	0	2	0	0	0	1	1	1	1
Intermediate energy products	435	427	288	312	512	489	455	540	695	917	1,310	2,450
Intermediate industrial products	79	83	266	305	494	574	527	581	543	614	752	1,092
TOTAL EXPORTS	572	587	600	642	1,019	1,082	999	1,139	1,329	1,637	2,189	3,704
ENERGY PRODUCTS	436	427	288	312	512	489	458	546	695	917	1,310	2,450
NON-ENERGY PRODUCTS	136	159	312	330	506	594	541	593	634	719	880	1,254

SOURCE: Departamento de Aduanas.

a. Provisional data.

APPENDIX II FOREIGN TRADE BY PRODUCTIVE BRANCH  
TIME SERIES 1997-2007

## Notes to the tables

The definition of geographical and economic areas used in this appendix is as follows:

EU 27: comprises the international institutions of the European Union, the 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, Romania, Bulgaria and their dependencies.

Euro area (EMU 13): France, Belgium, Luxembourg, Netherlands, Germany, Ireland, Italy, Portugal, Austria, Finland, Greece, Slovenia and the European Central Bank.



## WORLD TOTAL: IMPORTS

EUR m	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
A. AGRICULTURE, HUNTING AND FORESTRY	4,892	5,085	4,978	5,197	5,605	5,964	5,643	5,985	6,629	6,394	7,415
B. FISHING	2,523	2,944	2,842	3,408	3,958	3,840	3,918	3,823	4,068	4,496	4,461
C. MINING AND QUARRYING	9,624	7,878	9,440	18,074	17,043	16,687	16,254	19,011	27,019	34,406	33,636
CA. Mining and quarrying of energy producing materials	8,137	6,434	7,978	16,334	15,186	14,889	14,473	17,216	24,410	30,512	29,607
<i>Anthracite, coal, lignite and peat</i>	488	560	667	870	898	1,027	807	1,202	1,449	1,412	1,509
<i>Crude oil and natural gas</i>	7,649	5,874	7,311	15,440	14,287	13,861	13,666	16,013	22,961	29,100	28,098
<i>Uranium and thorium ores</i>	0	0	0	25	0	1	0	0	0	0	0
CB. Mining and quarrying, except of energy producing materials	1,488	1,443	1,462	1,740	1,856	1,798	1,781	1,795	2,609	3,894	4,029
<i>Metal ores</i>	1,073	982	973	1,178	1,272	1,236	1,234	1,217	1,972	3,230	3,339
<i>Non-metal ores and non-energy materials</i>	415	462	489	562	584	562	547	579	637	664	690
D. MANUFACTURING	91,787	106,357	121,133	141,402	144,873	147,189	157,648	177,549	193,238	215,792	232,677
DA. Food products, beverages and tobacco	6,708	7,198	7,783	8,114	9,008	9,418	10,052	11,194	11,941	12,461	13,814
<i>Food and beverages</i>	6,466	6,852	7,285	7,493	8,080	8,408	8,868	9,759	10,357	11,346	12,553
<i>Tobacco</i>	242	346	498	621	928	1,011	1,184	1,435	1,584	1,115	1,261
DB. Textiles and textile products	5,452	6,189	6,753	7,971	8,628	9,099	9,673	10,353	11,374	12,810	13,850
<i>Textiles</i>	2,991	3,450	3,513	4,014	4,071	4,049	4,073	4,054	4,024	4,250	4,412
<i>Textile products and fur</i>	2,461	2,738	3,240	3,957	4,557	5,050	5,600	6,299	7,350	8,560	9,437
DC. Leather and footwear	1,309	1,362	1,403	1,721	1,957	2,035	2,213	2,312	2,608	2,967	3,219
DD. Wood and cork	1,066	1,290	1,490	1,723	1,772	1,811	1,952	2,032	2,158	2,323	2,417
DE. Paper, publishing and printing	3,332	3,687	3,805	4,597	4,430	4,648	4,646	4,868	5,004	5,294	5,636
DF. Refined petroleum products	1,680	1,413	1,926	4,175	4,171	3,967	4,623	6,012	8,044	10,709	11,945
DG. Chemical industry	12,619	13,926	14,844	17,210	18,890	21,050	22,340	23,576	25,460	27,529	28,486
DH. Rubber and plastic products	2,983	3,469	3,732	4,233	4,339	4,519	4,893	5,205	5,370	6,172	6,634
DI. Other non-metallic mineral products	1,253	1,432	1,596	1,695	1,891	1,939	2,053	2,220	2,534	2,820	3,265
DJ. Basic metals and fabricated metal products	8,875	10,161	10,438	12,776	13,018	12,952	14,265	17,532	18,716	23,614	26,757
<i>Basic metals</i>	6,332	7,116	6,932	8,907	8,951	8,650	9,801	12,519	13,166	17,298	19,649
<i>Fabricated metal products</i>	2,543	3,045	3,506	3,869	4,068	4,302	4,464	5,013	5,550	6,315	7,108
DK. Machinery and equipment	9,746	11,699	13,112	14,606	15,456	14,928	15,710	17,379	19,294	20,423	22,738
DL. Electrical, electronic and optical equipment	14,760	17,434	20,527	24,444	23,889	22,734	24,029	26,880	29,248	33,336	34,274
<i>Office machinery and computers</i>	3,543	3,997	4,355	5,231	5,177	4,571	4,946	5,514	6,434	6,622	6,780
<i>Electrical machinery and apparatus</i>	4,017	4,732	5,227	6,017	6,549	6,349	6,959	7,540	7,716	8,741	10,033
<i>Electronic equipment</i>	4,342	5,388	7,225	9,204	8,025	7,513	7,748	9,288	10,201	12,418	12,194
<i>Medical and precision instruments</i>	2,859	3,317	3,720	3,992	4,138	4,300	4,376	4,538	4,897	5,555	5,267
DM. Transport equipment	19,120	23,804	29,893	33,830	32,955	33,307	35,950	42,021	44,871	48,242	51,392
<i>Motor vehicles</i>	16,910	21,446	25,954	29,154	29,392	29,833	32,546	37,499	37,596	40,296	44,444
<i>Other transport equipment</i>	2,210	2,358	3,939	4,676	3,563	3,474	3,404	4,521	7,276	7,945	6,948
DN. Manufacturing n.e.c.	2,884	3,295	3,832	4,307	4,468	4,783	5,249	5,966	6,615	7,091	8,251
<i>Manufacture of furniture and other</i>	2,884	3,295	3,832	4,307	4,468	4,783	5,249	5,966	6,615	7,091	8,251
E. ELECTRICITY, GAS AND WATER SUPPLY	95	150	162	117	215	242	252	364	502	267	294
UNCLASSIFIED	548	442	540	1,270	1,517	1,346	1,399	1,679	1,498	1,332	1,947
TOTAL	109,469	122,856	139,094	169,468	173,210	175,268	185,114	208,411	232,954	262,687	280,431

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

a. Provisional data.

## WORLD TOTAL: EXPORTS

EUR m

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
A. AGRICULTURE, HUNTING AND FORESTRY	6,959	7,170	7,050	7,712	8,449	9,173	9,665	9,170	9,283	9,741	10,276
B. FISHING	1,075	1,072	1,278	1,435	1,641	1,633	1,586	1,678	1,689	1,821	1,942
C. MINING AND QUARRYING	546	550	596	705	758	1,084	971	1,086	1,032	987	1,092
CA. Mining and quarrying of energy producing materials	2	9	2	2	15	371	325	288	119	24	104
<i>Anthracite, coal, lignite and peat</i>	2	2	1	2	4	2	5	7	8	23	62
<i>Crude oil and natural gas</i>	0	0	0	0	0	368	320	281	111	0	42
<i>Uranium and thorium ores</i>	0	7	0	0	12	0	0	0	0	0	0
CB. Mining and quarrying, except of energy producing materials	545	541	595	702	743	713	646	799	913	964	988
<i>Metal ores</i>	86	90	120	149	173	87	102	156	224	271	302
<i>Non-metal ores and non-energy materials</i>	459	451	475	554	570	625	544	643	690	692	686
D. MANUFACTURING	82,939	89,438	94,187	112,047	116,515	119,029	123,447	131,961	139,939	154,388	164,062
DA. Food products, beverages and tobacco	7,481	7,693	7,616	8,576	9,673	10,107	10,582	11,315	11,812	12,526	13,659
<i>Food and beverages</i>	7,407	7,640	7,549	8,500	9,593	10,020	10,499	11,200	11,687	12,416	13,545
<i>Tobacco</i>	75	53	67	76	80	87	83	114	126	110	114
DB. Textiles and textile products	4,176	4,686	4,924	5,622	6,123	6,677	6,545	6,608	6,695	7,462	7,934
<i>Textiles</i>	2,726	3,032	2,955	3,335	3,524	3,529	3,359	3,316	3,202	3,356	3,529
<i>Textile products and fur</i>	1,451	1,654	1,969	2,287	2,599	3,148	3,185	3,292	3,493	4,106	4,405
DC. Leather and footwear	2,414	2,439	2,364	2,673	2,926	2,921	2,661	2,484	2,368	2,506	2,764
DD. Wood and cork	626	689	738	870	922	1,007	950	1,029	1,053	1,176	1,202
DE. Paper, publishing and printing	2,572	2,736	2,892	3,798	3,975	3,966	3,918	4,105	4,115	4,481	4,782
DF. Refined petroleum products	2,229	2,027	2,231	4,465	3,668	2,995	3,689	4,763	6,202	7,602	7,977
DG. Chemical industry	7,321	8,036	8,955	11,109	12,309	13,893	14,366	15,059	17,578	19,280	20,610
DH. Rubber and plastic products	2,907	3,311	3,519	4,058	4,442	4,350	4,421	4,708	5,001	5,648	6,095
DI. Other non-metallic mineral products	3,038	3,333	3,457	3,872	4,157	4,302	4,137	4,166	4,297	4,703	5,018
DJ. Basic metals and fabricated metal products	8,459	7,884	7,826	9,717	9,651	9,678	10,039	11,636	13,213	16,169	18,976
<i>Basic metals</i>	5,084	4,863	4,752	6,139	5,905	5,809	6,065	7,316	8,645	11,237	13,272
<i>Fabricated metal products</i>	3,375	3,021	3,073	3,578	3,745	3,869	3,974	4,321	4,568	4,932	5,704
DK. Machinery and equipment	6,673	7,125	7,442	8,512	8,985	9,038	9,210	9,498	10,121	11,234	12,909
DL. Electrical, electronic and optical equipment	8,170	9,366	10,269	11,872	12,285	11,520	12,073	12,443	13,114	14,306	14,132
<i>Office machinery and computers</i>	1,287	1,529	1,698	2,021	1,791	1,288	1,343	1,319	1,231	1,072	982
<i>Electrical machinery and apparatus</i>	3,487	3,936	4,260	4,862	5,113	4,832	4,862	5,355	5,866	6,833	7,777
<i>Electronic equipment</i>	2,414	2,810	3,134	3,570	3,842	3,772	4,157	4,084	4,338	4,619	3,463
<i>Medical and precision instruments</i>	982	1,091	1,177	1,420	1,540	1,628	1,711	1,685	1,679	1,781	1,910
DM. Transport equipment	24,517	27,487	29,184	33,743	33,927	35,062	37,523	40,861	41,073	44,021	44,530
<i>Motor vehicles</i>	21,836	24,783	25,806	30,022	30,744	30,935	33,367	35,343	34,601	36,817	38,599
<i>Other transport equipment</i>	2,681	2,704	3,378	3,721	3,183	4,127	4,157	5,518	6,472	7,203	5,931
DN. Manufacturing n.e.c.	2,356	2,626	2,770	3,159	3,472	3,511	3,333	3,286	3,298	3,277	3,474
<i>Manufacture of furniture and other</i>	2,356	2,626	2,770	3,159	3,472	3,511	3,333	3,286	3,298	3,277	3,474
E. ELECTRICITY, GAS AND WATER SUPPLY	112	34	65	124	109	112	239	513	417	222	332
UNCLASSIFIED	1,788	1,585	1,613	2,154	2,299	2,237	2,213	2,517	2,645	3,279	3,774
TOTAL	93,419	99,849	104,789	124,177	129,771	133,268	138,119	146,925	155,005	170,439	181,479

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

a. Provisional data.

EUROPEAN UNION: IMPORTS (a)

EUR m	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (b)
A. AGRICULTURE, HUNTING AND FORESTRY	2,150	2,407	2,355	2,385	2,541	2,785	2,709	2,924	3,500	3,437	3,136
B. FISHING	959	977	1,024	1,181	1,313	1,412	1,369	1,399	1,447	1,506	1,567
C. MINING AND QUARRYING	511	436	484	830	830	841	788	668	851	989	1,031
CA. Mining and quarrying of energy producing materials	285	192	231	539	515	482	381	232	321	174	261
<i>Anthracite, coal, lignite and peat</i>	53	49	53	48	50	49	41	58	58	65	48
<i>Crude oil and natural gas</i>	232	143	178	466	465	433	340	175	263	109	213
<i>Uranium and thorium ores</i>	0	0	0	25	0	1	0	0	0	0	0
CB. Mining and quarrying, except of energy producing materials	226	243	254	291	315	359	408	435	529	815	770
<i>Metal ores</i>	62	60	65	70	86	135	172	187	264	545	511
<i>Non-metal ores and non-energy materials</i>	164	184	188	221	229	224	236	248	265	269	259
D. MANUFACTURING	69,176	80,732	91,245	105,160	108,714	110,380	117,210	128,918	135,683	147,898	158,830
DA. Food products, beverages and tobacco	4,555	5,018	5,503	5,818	6,728	6,950	7,500	8,209	8,760	8,969	9,893
<i>Food and beverages</i>	4,369	4,723	5,039	5,257	5,855	6,001	6,379	6,841	7,242	7,915	8,696
<i>Tobacco</i>	186	295	464	561	872	948	1,120	1,368	1,517	1,054	1,197
DB. Textiles and textile products	3,314	3,786	3,977	4,475	4,743	4,789	5,048	5,078	5,181	5,393	5,703
<i>Textiles</i>	2,049	2,353	2,395	2,683	2,704	2,693	2,728	2,613	2,500	2,531	2,536
<i>Textile products and fur</i>	1,265	1,433	1,582	1,792	2,040	2,095	2,320	2,464	2,681	2,861	3,166
DC. Leather and footwear	493	534	548	700	768	794	873	873	946	1,044	1,129
DD. Wood and cork	610	745	865	965	1,009	1,101	1,221	1,243	1,305	1,470	1,467
DE. Paper, publishing and printing	2,773	3,071	3,159	3,836	3,720	3,967	3,976	4,172	4,284	4,527	4,746
DF. Refined petroleum products	852	831	1,046	2,218	2,308	2,311	2,723	3,222	3,705	4,797	6,114
DG. Chemical industry	10,030	10,954	11,776	13,343	14,787	16,619	17,465	17,912	19,534	20,773	21,009
DH. Rubber and plastic products	2,566	2,955	3,146	3,545	3,685	3,839	4,166	4,392	4,454	5,110	5,279
DI. Other non-metallic mineral products	1,007	1,128	1,202	1,262	1,401	1,419	1,495	1,554	1,667	1,803	1,989
DJ. Basic metals and fabricated metal products	7,263	8,090	8,288	9,731	9,862	9,808	10,570	12,552	13,245	15,952	17,385
<i>Basic metals</i>	5,152	5,586	5,463	6,604	6,597	6,381	7,062	8,698	9,049	11,382	12,221
<i>Fabricated metal products</i>	2,111	2,504	2,825	3,127	3,265	3,427	3,509	3,854	4,196	4,570	5,164
DK. Machinery and equipment	7,745	9,454	10,194	11,288	11,933	11,696	12,220	13,136	14,473	15,384	16,901
DL. Electrical, electronic and optical equipment	9,762	11,666	14,018	16,633	16,143	15,039	15,534	17,324	18,856	20,933	20,848
<i>Office machinery and computers</i>	2,072	2,455	2,663	3,367	3,383	2,901	3,130	3,606	4,357	4,461	4,583
<i>Electrical machinery and apparatus</i>	3,230	3,798	4,128	4,649	5,177	4,920	5,184	5,404	5,599	6,266	7,121
<i>Electronic equipment</i>	2,817	3,485	5,060	6,313	5,163	4,586	4,635	5,610	6,198	7,234	5,992
<i>Medical and precision instruments</i>	1,642	1,928	2,166	2,304	2,419	2,633	2,585	2,704	2,702	2,971	3,151
DM. Transport equipment	16,373	20,342	25,086	28,786	28,842	29,043	31,208	35,646	35,398	37,666	41,407
<i>Motor vehicles</i>	15,281	19,161	23,133	26,142	26,809	27,297	29,414	33,261	32,600	34,722	38,433
<i>Other transport equipment</i>	1,092	1,181	1,953	2,644	2,033	1,746	1,794	2,385	2,799	2,944	2,974
DN. Manufacturing n.e.c.	1,835	2,156	2,436	2,558	2,785	3,005	3,210	3,604	3,875	4,077	4,959
<i>Manufacture of furniture and other</i>	1,835	2,156	2,436	2,558	2,785	3,005	3,210	3,604	3,875	4,077	4,959
E. ELECTRICITY, GAS AND WATER SUPPLY	95	150	162	115	201	222	244	353	479	201	248
UNCLASSIFIED	196	180	186	705	735	622	724	955	860	722	917
TOTAL	73,086	84,881	95,455	110,376	114,334	116,262	123,045	135,216	142,821	154,753	165,729

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

a. Intra-EU trade (EU 27) not assigned to any country is not included.

b. Provisional data.

EUROPEAN UNION: EXPORTS (a)

EUR m	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (b)
A. AGRICULTURE, HUNTING AND FORESTRY	6,456	6,665	6,498	7,111	7,801	8,412	8,898	8,437	8,572	8,894	9,204
B. FISHING	736	758	859	978	1,148	1,193	1,179	1,213	1,244	1,391	1,455
C. MINING AND QUARRYING	295	306	343	404	417	758	671	689	559	487	608
CA. Mining and quarrying of energy producing materials	2	9	1	2	15	371	316	248	117	21	89
<i>Anthracite, coal, lignite and peat</i>	2	2	1	2	3	2	5	6	6	21	56
<i>Crude oil and natural gas</i>	0	0	0	0	0	368	311	242	111	0	33
<i>Uranium and thorium ores</i>	0	7	0	0	12	0	0	0	0	0	0
CB. Mining and quarrying, except of energy producing materials	293	297	342	402	402	387	355	441	441	465	519
<i>Metal ores</i>	50	52	84	112	108	43	68	112	124	130	185
<i>Non-metal ores and non-energy materials</i>	243	244	257	290	294	344	286	329	317	335	334
D. MANUFACTURING	59,211	64,984	69,182	80,794	85,706	87,562	91,458	96,349	98,639	107,373	113,354
DA. Food products, beverages and tobacco	5,244	5,393	5,414	6,134	7,175	7,550	8,032	8,624	8,997	9,394	10,180
<i>Food and beverages</i>	5,221	5,366	5,388	6,105	7,141	7,498	7,970	8,540	8,917	9,319	10,118
<i>Tobacco</i>	23	27	27	28	34	53	63	84	81	75	62
DB. Textiles and textile products	2,931	3,362	3,518	3,865	4,178	4,488	4,509	4,535	4,614	4,987	5,232
<i>Textiles</i>	1,940	2,170	2,097	2,280	2,385	2,372	2,261	2,213	2,092	2,097	2,219
<i>Textile products and fur</i>	991	1,191	1,421	1,585	1,793	2,116	2,248	2,322	2,522	2,889	3,014
DC. Leather and footwear	1,531	1,618	1,652	1,802	2,051	2,052	1,943	1,810	1,730	1,763	1,978
DD. Wood and cork	425	488	534	626	671	711	672	709	732	788	861
DE. Paper, publishing and printing	1,686	1,801	2,003	2,654	2,779	2,871	2,930	3,043	3,066	3,287	3,530
DF. Refined petroleum products	780	747	713	1,559	1,101	869	1,112	1,260	1,379	1,475	1,666
DG. Chemical industry	4,866	5,434	6,117	7,575	8,506	9,211	9,840	10,191	10,889	12,194	13,114
DH. Rubber and plastic products	2,184	2,518	2,740	3,149	3,536	3,478	3,569	3,792	4,021	4,531	4,860
DI. Other non-metallic mineral products	1,752	2,021	2,142	2,324	2,489	2,582	2,560	2,638	2,756	2,963	3,241
DJ. Basic metals and fabricated metal products	5,913	5,468	5,619	6,850	6,831	7,023	7,346	8,617	9,634	12,172	14,086
<i>Basic metals</i>	3,479	3,533	3,500	4,413	4,206	4,260	4,465	5,462	6,269	8,645	10,056
<i>Fabricated metal products</i>	2,435	1,935	2,119	2,437	2,625	2,763	2,881	3,155	3,365	3,527	4,030
DK. Machinery and equipment	3,901	4,457	4,759	5,253	5,726	5,730	5,933	6,144	6,442	6,815	7,602
DL. Electrical, electronic and optical equipment	5,620	6,512	7,295	8,628	9,159	8,639	8,906	9,240	9,667	10,331	9,695
<i>Office machinery and computers</i>	874	1,179	1,365	1,762	1,488	1,032	991	1,057	988	829	686
<i>Electrical machinery and apparatus</i>	2,544	2,821	3,024	3,424	3,624	3,506	3,558	3,925	4,133	4,381	4,882
<i>Electronic equipment</i>	1,568	1,842	2,171	2,571	3,061	3,090	3,227	3,068	3,365	3,924	2,871
<i>Medical and precision instruments</i>	635	670	736	872	985	1,012	1,130	1,190	1,181	1,196	1,256
DM. Transport equipment	20,814	23,375	24,768	28,253	29,152	29,979	31,808	33,319	32,288	34,352	34,865
<i>Motor vehicles</i>	19,472	22,159	23,208	26,484	27,589	27,522	29,723	30,886	29,885	31,793	32,633
<i>Other transport equipment</i>	1,343	1,216	1,560	1,768	1,563	2,457	2,085	2,433	2,403	2,558	2,232
DN. Manufacturing n.e.c.	1,563	1,790	1,906	2,122	2,352	2,377	2,298	2,426	2,424	2,324	2,444
<i>Manufacture of furniture and other</i>	1,563	1,790	1,906	2,122	2,352	2,377	2,298	2,426	2,424	2,324	2,444
E. ELECTRICITY, GAS AND WATER SUPPLY	90	0	1	26	45	53	176	456	353	91	167
UNCLASSIFIED	500	515	524	592	652	565	544	765	837	859	948
TOTAL	67,288	73,228	77,407	89,905	95,769	98,542	102,925	107,909	110,203	119,095	125,736

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

a. Intra-EU trade (EU 27) not assigned to any country is not included.

b. Provisional data.

## EURO AREA (EMU 13): IMPORTS

EUR m

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
A. AGRICULTURE, HUNTING AND FORESTRY	1,772	2,028	2,017	2,063	2,228	2,395	2,349	2,481	2,723	2,708	2,679
B. FISHING	650	663	708	836	957	1,040	1,006	1,033	1,057	1,095	1,118
C. MINING AND QUARRYING	236	244	241	289	313	336	396	454	576	793	732
CA. Mining and quarrying of energy producing materials	44	36	34	42	42	36	40	74	103	57	44
<i>Anthracite, coal, lignite and peat</i>	31	28	28	28	29	29	31	33	38	37	34
<i>Crude oil and natural gas</i>	13	8	6	14	13	7	10	41	66	20	10
<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	193	208	207	246	271	300	356	380	473	736	688
<i>Metal ores</i>	59	57	56	65	77	108	151	165	243	505	469
<i>Non-metal ores and non-energy materials</i>	134	151	151	181	194	192	205	216	230	231	219
D. MANUFACTURING	57,679	67,955	76,299	88,154	91,221	92,883	97,960	107,746	113,422	123,019	132,789
DA. Food products, beverages and tobacco	3,535	3,972	4,379	4,595	5,330	5,662	6,091	6,789	7,250	7,394	8,227
<i>Food and beverages</i>	3,390	3,734	3,986	4,143	4,593	4,800	5,088	5,517	5,895	6,484	7,163
<i>Tobacco</i>	145	238	393	453	737	862	1,003	1,272	1,355	910	1,064
DB. Textiles and textile products	2,916	3,365	3,547	3,947	4,232	4,246	4,447	4,455	4,536	4,685	4,995
<i>Textiles</i>	1,813	2,107	2,152	2,419	2,464	2,442	2,468	2,371	2,266	2,285	2,279
<i>Textile products and fur</i>	1,103	1,258	1,395	1,528	1,767	1,803	1,980	2,083	2,270	2,400	2,716
DC. Leather and footwear	434	475	489	625	681	718	799	801	866	967	1,050
DD. Wood and cork	468	583	680	744	788	834	905	960	999	1,130	1,146
DE. Paper, publishing and printing	2,327	2,579	2,701	3,275	3,161	3,397	3,397	3,569	3,602	3,821	4,003
DF. Refined petroleum products	609	555	662	1,510	1,643	1,536	1,879	2,288	2,766	3,720	4,992
DG. Chemical industry	8,407	9,284	9,942	11,198	12,202	13,839	14,269	15,068	16,576	17,659	17,935
DH. Rubber and plastic products	2,288	2,646	2,801	3,141	3,266	3,393	3,656	3,823	3,882	4,458	4,578
DI. Other non-metallic mineral products	865	972	1,024	1,062	1,183	1,217	1,329	1,400	1,514	1,594	1,770
DJ. Basic metals and fabricated metal products	5,896	6,587	6,808	8,154	8,315	8,345	8,890	10,461	11,124	13,467	14,865
<i>Basic metals</i>	4,023	4,335	4,268	5,332	5,422	5,295	5,774	7,016	7,357	9,373	10,250
<i>Fabricated metal products</i>	1,873	2,252	2,540	2,822	2,893	3,050	3,116	3,445	3,767	4,095	4,615
DK. Machinery and equipment	6,627	8,101	8,770	9,826	10,110	10,050	10,315	11,120	12,236	12,782	14,043
DL. Electrical, electronic and optical equipment	7,296	9,022	10,418	12,492	12,622	11,667	12,250	13,572	14,733	15,974	16,042
<i>Office machinery and computers</i>	1,407	1,926	2,093	2,721	2,686	2,317	2,583	2,981	3,323	3,534	3,506
<i>Electrical machinery and apparatus</i>	2,837	3,331	3,566	3,986	4,377	4,166	4,384	4,429	4,655	5,170	5,782
<i>Electronic equipment</i>	1,661	2,144	2,901	3,785	3,478	2,875	3,036	3,821	4,394	4,704	4,075
<i>Medical and precision instruments</i>	1,391	1,621	1,859	2,000	2,081	2,309	2,247	2,341	2,361	2,566	2,679
DM. Transport equipment	14,507	18,035	22,105	25,498	25,515	25,671	27,204	30,478	30,299	32,151	35,407
<i>Motor vehicles</i>	13,582	17,074	20,474	23,155	23,800	24,143	25,673	28,361	27,841	29,567	33,081
<i>Other transport equipment</i>	924	961	1,632	2,343	1,715	1,528	1,531	2,117	2,457	2,584	2,326
DN. Manufacturing n.e.c.	1,503	1,780	1,973	2,087	2,174	2,308	2,530	2,961	3,040	3,217	3,735
<i>Manufacture of furniture and other</i>	1,503	1,780	1,973	2,087	2,174	2,308	2,530	2,961	3,040	3,217	3,735
E. ELECTRICITY, GAS AND WATER SUPPLY	95	150	162	115	200	222	244	353	465	169	227
UNCLASSIFIED	173	161	160	604	635	532	633	859	723	632	846
TOTAL	60,605	71,201	79,587	92,061	95,554	97,408	102,589	112,925	118,966	128,415	138,390

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

a. Provisional data.

## EURO AREA (EMU 13): EXPORTS

EUR m

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
A. AGRICULTURE, HUNTING AND FORESTRY	5,329	5,378	5,225	5,693	6,187	6,613	7,071	6,592	6,637	6,802	6,967
B. FISHING	696	726	828	946	1,109	1,152	1,133	1,160	1,180	1,314	1,376
C. MINING AND QUARRYING	257	266	302	358	369	706	632	581	490	425	510
CA. Mining and quarrying of energy producing materials	2	9	1	2	15	370	315	247	117	20	51
<i>Anthracite, coal, lignite and peat</i>	2	2	1	2	3	2	4	5	6	20	51
<i>Crude oil and natural gas</i>	0	0	0	0	0	368	311	242	111	0	0
<i>Uranium and thorium ores</i>	0	7	0	0	12	0	0	0	0	0	0
CB. Mining and quarrying, except of energy producing materials	256	256	301	356	354	336	316	334	373	405	460
<i>Metal ores</i>	43	43	70	96	91	29	65	69	93	111	174
<i>Non-metal ores and non-energy materials</i>	213	214	231	260	263	307	251	265	279	294	285
D. MANUFACTURING	48,956	54,020	57,622	66,870	70,002	70,236	73,833	78,192	80,216	87,180	91,803
DA. Food products, beverages and tobacco	4,444	4,546	4,503	5,158	6,067	6,448	6,873	7,382	7,583	7,892	8,576
<i>Food and beverages</i>	4,422	4,519	4,478	5,132	6,034	6,396	6,812	7,298	7,504	7,818	8,515
<i>Tobacco</i>	22	27	25	27	33	52	62	84	79	73	61
DB. Textiles and textile products	2,517	2,910	3,048	3,323	3,580	3,782	3,752	3,757	3,884	4,127	4,172
<i>Textiles</i>	1,581	1,797	1,723	1,868	1,948	1,904	1,795	1,772	1,683	1,656	1,793
<i>Textile products and fur</i>	936	1,113	1,325	1,455	1,633	1,878	1,957	1,985	2,202	2,471	2,379
DC. Leather and footwear	1,210	1,267	1,323	1,459	1,625	1,614	1,520	1,427	1,394	1,433	1,603
DD. Wood and cork	354	408	456	534	566	599	569	590	592	634	693
DE. Paper, publishing and printing	1,345	1,456	1,623	2,150	2,261	2,341	2,468	2,542	2,536	2,775	2,959
DF. Refined petroleum products	659	596	573	1,271	983	803	1,033	1,101	1,296	1,345	1,560
DG. Chemical industry	4,127	4,531	4,985	6,150	6,857	7,089	7,743	8,129	8,886	9,996	10,819
DH. Rubber and plastic products	1,836	2,125	2,301	2,646	2,932	2,912	2,969	3,185	3,348	3,754	4,015
DI. Other non-metallic mineral products	1,408	1,523	1,670	1,861	1,992	2,039	2,003	2,049	2,146	2,329	2,515
DJ. Basic metals and fabricated metal products	4,522	4,705	4,882	5,947	5,876	5,962	6,172	7,264	8,029	10,168	11,707
<i>Basic metals</i>	3,001	3,037	3,056	3,858	3,645	3,649	3,803	4,618	5,262	7,283	8,433
<i>Fabricated metal products</i>	1,521	1,668	1,826	2,089	2,231	2,313	2,370	2,646	2,767	2,885	3,274
DK. Machinery and equipment	3,194	3,666	3,918	4,281	4,597	4,522	4,405	4,729	4,857	5,012	5,592
DL. Electrical, electronic and optical equipment	4,546	5,231	5,948	6,974	7,382	6,800	6,999	7,356	7,561	7,797	7,326
<i>Office machinery and computers</i>	794	1,060	1,247	1,579	1,289	888	839	886	888	690	603
<i>Electrical machinery and apparatus</i>	2,144	2,342	2,490	2,770	2,946	2,809	2,829	3,162	3,341	3,443	3,803
<i>Electronic equipment</i>	1,080	1,291	1,608	1,897	2,320	2,266	2,396	2,322	2,367	2,695	1,898
<i>Medical and precision instruments</i>	528	538	603	729	826	837	935	987	965	969	1,022
DM. Transport equipment	17,455	19,513	20,782	23,337	23,374	23,360	25,374	26,580	25,990	27,903	28,172
<i>Motor vehicles</i>	16,397	18,596	19,518	21,964	21,995	21,531	23,713	24,888	24,053	25,710	26,293
<i>Other transport equipment</i>	1,058	917	1,264	1,373	1,379	1,829	1,661	1,692	1,937	2,193	1,879
DN. Manufacturing n.e.c.	1,339	1,543	1,611	1,780	1,909	1,964	1,954	2,101	2,114	2,016	2,094
<i>Manufacture of furniture and other</i>	1,339	1,543	1,611	1,780	1,909	1,964	1,954	2,101	2,114	2,016	2,094
E. ELECTRICITY, GAS AND WATER SUPPLY	90	0	1	26	42	53	175	455	348	78	149
UNCLASSIFIED	425	447	461	518	571	485	470	647	697	720	707
TOTAL	55,753	60,836	64,440	74,411	78,280	79,246	83,314	87,627	89,567	96,519	101,512

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

a. Provisional data.

## NON-COMMUNITY AREAS: IMPORTS

EUR m

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
A. AGRICULTURE, HUNTING AND FORESTRY	2,742	2,678	2,623	2,812	3,064	3,179	2,934	3,061	3,128	2,957	4,279
B. FISHING	1,564	1,967	1,818	2,226	2,645	2,428	2,549	2,424	2,621	2,989	2,894
C. MINING AND QUARRYING	9,113	7,442	8,955	17,245	16,213	15,846	15,466	18,343	26,169	33,417	32,605
CA. Mining and quarrying of energy producing materials	7,852	6,242	7,747	15,795	14,672	14,407	14,092	16,983	24,089	30,339	29,347
<i>Anthracite, coal, lignite and peat</i>	435	511	614	821	849	978	766	1,145	1,391	1,347	1,461
<i>Crude oil and natural gas</i>	7,417	5,731	7,134	14,974	13,823	13,428	13,326	15,839	22,698	28,992	27,885
<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	1,262	1,200	1,208	1,449	1,541	1,439	1,374	1,360	2,080	3,079	3,259
<i>Metal ores</i>	1,010	922	908	1,108	1,186	1,101	1,062	1,029	1,708	2,685	2,828
<i>Non-metal ores and non-energy materials</i>	251	278	300	341	355	338	311	331	372	394	431
D. MANUFACTURING	22,610	25,626	29,888	36,242	36,158	36,810	40,438	48,631	57,555	67,894	73,847
DA. Food products, beverages and tobacco	2,154	2,179	2,280	2,296	2,280	2,469	2,552	2,985	3,181	3,493	3,920
<i>Food and beverages</i>	2,097	2,129	2,245	2,236	2,224	2,407	2,489	2,918	3,115	3,431	3,857
<i>Tobacco</i>	56	50	35	60	56	62	63	67	67	62	64
DB. Textiles and textile products	2,138	2,403	2,776	3,496	3,884	4,310	4,625	5,276	6,193	7,418	8,147
<i>Textiles</i>	942	1,097	1,117	1,330	1,367	1,355	1,345	1,440	1,525	1,719	1,876
<i>Textile products and fur</i>	1,196	1,305	1,659	2,166	2,517	2,955	3,280	3,835	4,669	5,699	6,271
DC. Leather and footwear	816	828	855	1,021	1,189	1,241	1,339	1,439	1,662	1,923	2,090
DD. Wood and cork	456	544	624	757	764	710	731	788	853	854	950
DE. Paper, publishing and printing	559	616	645	760	710	681	670	696	720	768	890
DF. Refined petroleum products	827	581	880	1,957	1,864	1,656	1,899	2,790	4,339	5,912	5,831
DG. Chemical industry	2,589	2,972	3,068	3,866	4,102	4,431	4,876	5,664	5,926	6,756	7,477
DH. Rubber and plastic products	417	514	585	688	654	680	727	813	916	1,061	1,354
DI. Other non-metallic mineral products	246	304	394	433	490	521	558	665	867	1,016	1,276
DJ. Basic metals and fabricated metal products	1,612	2,071	2,150	3,045	3,156	3,144	3,695	4,979	5,472	7,662	9,371
<i>Basic metals</i>	1,180	1,530	1,469	2,303	2,354	2,269	2,739	3,821	4,118	5,916	7,428
<i>Fabricated metal products</i>	432	541	681	742	803	875	955	1,158	1,354	1,745	1,944
DK. Machinery and equipment	2,001	2,245	2,917	3,318	3,523	3,232	3,490	4,243	4,821	5,039	5,838
DL. Electrical, electronic and optical equipment	4,998	5,768	6,509	7,811	7,746	7,694	8,495	9,556	10,392	12,403	13,426
<i>Office machinery and computers</i>	1,470	1,542	1,692	1,864	1,793	1,670	1,816	1,908	2,077	2,161	2,197
<i>Electrical machinery and apparatus</i>	786	934	1,099	1,368	1,371	1,429	1,774	2,136	2,117	2,475	2,912
<i>Electronic equipment</i>	1,525	1,903	2,164	2,891	2,862	2,927	3,113	3,678	4,003	5,184	6,202
<i>Medical and precision instruments</i>	1,216	1,389	1,553	1,688	1,719	1,668	1,791	1,834	2,195	2,584	2,116
DM. Transport equipment	2,747	3,462	4,807	5,044	4,113	4,264	4,742	6,375	9,473	10,575	9,984
<i>Motor vehicles</i>	1,630	2,286	2,821	3,013	2,582	2,536	3,132	4,239	4,996	5,574	6,010
<i>Other transport equipment</i>	1,118	1,176	1,986	2,032	1,531	1,728	1,610	2,136	4,477	5,001	3,974
DN. Manufacturing n.e.c.	1,049	1,138	1,396	1,749	1,683	1,778	2,040	2,361	2,740	3,014	3,292
<i>Manufacture of furniture and other</i>	1,049	1,138	1,396	1,749	1,683	1,778	2,040	2,361	2,740	3,014	3,292
E. ELECTRICITY, GAS AND WATER SUPPLY	0	0	0	2	13	20	7	10	23	67	46
UNCLASSIFIED	352	262	354	564	782	724	675	725	638	610	1,030
TOTAL	36,382	37,976	43,638	59,092	58,876	59,006	62,069	73,195	90,134	107,935	114,701

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

a. Provisional data.

## NON-COMMUNITY AREAS: EXPORTS

EUR m

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (a)
A. AGRICULTURE, HUNTING AND FORESTRY	503	506	552	601	648	761	766	733	711	847	1,072
B. FISHING	340	314	419	457	493	440	407	464	444	431	488
C. MINING AND QUARRYING	251	244	253	301	341	326	300	398	473	501	484
CA. Mining and quarrying of energy producing materials	0	0	0	1	0	0	9	40	1	2	15
<i>Anthracite, coal, lignite and peat</i>	0	0	0	1	0	0	0	1	1	2	6
<i>Crude oil and natural gas</i>	0	0	0	0	0	0	8	39	0	0	9
<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	251	244	253	300	341	326	291	358	472	498	469
<i>Metal ores</i>	35	38	35	37	65	45	34	44	100	141	117
<i>Non-metal ores and non-energy materials</i>	216	207	218	263	276	281	258	313	372	357	352
D. MANUFACTURING	23,727	24,453	25,005	31,254	30,809	31,467	31,989	35,612	41,301	47,015	50,707
DA. Food products, beverages and tobacco	2,237	2,299	2,202	2,442	2,498	2,557	2,550	2,691	2,815	3,132	3,480
<i>Food and beverages</i>	2,185	2,274	2,161	2,395	2,453	2,522	2,529	2,661	2,770	3,097	3,427
<i>Tobacco</i>	52	26	40	47	45	35	20	30	45	35	53
DB. Textiles and textile products	1,246	1,324	1,406	1,757	1,945	2,189	2,036	2,073	2,081	2,475	2,701
<i>Textiles</i>	786	861	858	1,055	1,139	1,158	1,098	1,103	1,110	1,259	1,310
<i>Textile products and fur</i>	460	463	549	702	806	1,032	937	969	971	1,217	1,391
DC. Leather and footwear	882	822	712	871	875	869	718	674	638	743	786
DD. Wood and cork	201	201	204	244	251	296	278	320	321	388	341
DE. Paper, publishing and printing	887	935	889	1,144	1,196	1,095	988	1,062	1,049	1,194	1,253
DF. Refined petroleum products	1,449	1,281	1,518	2,906	2,567	2,126	2,577	3,503	4,824	6,127	6,311
DG. Chemical industry	2,455	2,602	2,838	3,534	3,804	4,682	4,526	4,868	6,689	7,087	7,496
DH. Rubber and plastic products	722	792	778	909	906	872	852	916	979	1,117	1,235
DI. Other non-metallic mineral products	1,286	1,312	1,315	1,549	1,668	1,720	1,577	1,528	1,541	1,740	1,777
DJ. Basic metals and fabricated metal products	2,546	2,416	2,207	2,867	2,820	2,655	2,693	3,019	3,578	3,997	4,890
<i>Basic metals</i>	1,606	1,330	1,252	1,726	1,699	1,549	1,601	1,853	2,376	2,592	3,216
<i>Fabricated metal products</i>	940	1,085	955	1,141	1,121	1,106	1,092	1,166	1,203	1,404	1,675
DK. Machinery and equipment	2,772	2,668	2,683	3,260	3,259	3,308	3,277	3,354	3,679	4,419	5,308
DL. Electrical, electronic and optical equipment	2,550	2,854	2,974	3,244	3,126	2,881	3,167	3,203	3,447	3,975	4,437
<i>Office machinery and computers</i>	413	350	333	259	303	257	352	262	243	243	296
<i>Electrical machinery and apparatus</i>	943	1,116	1,236	1,438	1,488	1,326	1,304	1,430	1,732	2,452	2,895
<i>Electronic equipment</i>	846	968	963	999	780	682	931	1,015	974	695	591
<i>Medical and precision instruments</i>	348	421	441	548	554	617	581	496	498	585	654
DM. Transport equipment	3,702	4,111	4,415	5,491	4,774	5,082	5,716	7,542	8,785	9,669	9,665
<i>Motor vehicles</i>	2,364	2,624	2,598	3,538	3,155	3,412	3,644	4,457	4,716	5,024	5,966
<i>Other transport equipment</i>	1,339	1,487	1,818	1,953	1,620	1,670	2,072	3,085	4,069	4,645	3,699
DN. Manufacturing n.e.c.	792	836	865	1,037	1,120	1,134	1,035	860	875	953	1,029
<i>Manufacture of furniture and other</i>	792	836	865	1,037	1,120	1,134	1,035	860	875	953	1,029
E. ELECTRICITY, GAS AND WATER SUPPLY	22	34	64	98	64	58	63	57	64	131	165
UNCLASSIFIED	1,288	1,070	1,089	1,562	1,646	1,672	1,669	1,752	1,808	2,420	2,827
TOTAL	26,132	26,622	27,382	34,273	34,002	34,725	35,194	39,016	44,802	51,344	55,743

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

a. Provisional data.



APPENDIX III EXCHANGE RATES  
TIME SERIES 1991-2007

## Notes to the tables

The definition of geographical and economic areas used in this appendix is as follows:

Developed countries: Austria, Australia, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, Malta, Netherlands, New Zealand, Norway, Portugal, Slovenia, Sweden, Switzerland, United Kingdom and United States.

Non-euro area developed countries: Australia, Canada, China, Denmark, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Norway, Philippines, Singapore, South Korea, Sweden, Switzerland, Taiwan, Thailand, United Kingdom and United States.

EU 27: comprises the international institutions of the European Union, the 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, Romania, Bulgaria and their dependencies.

Euro area (EMU 12): France, Belgium, Luxembourg, Netherlands, Germany, Ireland, Italy, Portugal, Austria, Finland, Greece, Slovenia and the European Central Bank.

## 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
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
2005	1.244	136.849	1.548	0.684	9.282	7.452	8.009	1.509	1.632	1.766	0.842
2006	1.256	146.063	1.573	0.682	9.253	7.459	8.046	1.424	1.667	1.937	0.853
2007	1.371	161.239	1.643	0.685	9.252	7.451	8.018	1.469	1.636	1.863	0.895

SOURCES: European Commission, European Central Bank and IMF for SDR.

a. To December 31 1998, European Commission ecu exchange rate.

## EXCHANGE RATES (a)

	EURO AREA NOMINAL EFFECTIVE EXCHANGE RATE INDEX (b)	NOMINAL COMPONENT OF SPAIN'S COMPETITIVENESS INDICES VIS-À-VIS:			
		DEVELOPED COUNTRIES	INDUSTRIALISED COUNTRIES (NON-EURO)	EU 27	EMU 13
1999 Q1 = 100					
1991	106.6	...	...	...	...
1992	108.9	...	...	...	...
1993	95.2	...	...	...	...
1994	98.0	...	...	...	...
1995	104.0	...	...	...	...
1996	104.8	...	...	...	...
1997	98.2	...	...	...	...
1998	100.2	100.3	100.6	99.7	100.1
1999	96.3	98.8	95.7	99.5	100.0
2000	87.0	96.1	86.2	98.6	100.1
2001	87.7	96.6	87.7	99.0	100.1
2002	90.1	97.3	90.1	99.1	100.1
2003	100.6	100.0	99.9	100.3	100.1
2004	104.4	100.7	102.4	100.1	100.1
2005	103.3	100.8	102.9	100.1	100.1
2006	103.7	101.1	104.0	100.0	100.1
2007	107.7	102.3	108.6	99.9	100.1

SOURCES: European Central Bank and Banco de España.

a. In January 2007, the European Central Bank began to disseminate harmonised competitiveness indicators for the euro area countries, based on consumer price indices. As a result, the series relating to indices of competitiveness have been recompiled. The weights calculated by the ECB, obtained from the manufacturing trade figures for the period 1999-2001, have been used as from 1999 for the aggregates.

b. Vis-à-vis the group of countries made up by the twelve EU Member States that are not 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	SLOVENIAN TOLAR
1990	42.426	2.052	129.411	6.914	0.768	1,521.983	2.312	14.439	181.109	4.855	201.412	...
1991	42.223	2.051	128.469	6.973	0.768	1,533.235	2.311	14.431	178.614	5.002	225.216	...
1992	41.593	2.020	132.526	6.848	0.761	1,595.515	2.275	14.217	174.714	5.807	247.026	121.860
1993	40.471	1.936	149.124	6.634	0.800	1,841.228	2.175	13.624	188.370	6.696	268.567	135.381
1994	39.656	1.925	158.919	6.583	0.794	1,915.059	2.158	13.540	196.896	6.191	288.026	153.826
1995	38.552	1.874	163.000	6.525	0.816	2,130.103	2.099	13.182	196.105	5.709	302.989	156.953
1996	39.299	1.910	160.748	6.493	0.793	1,958.958	2.140	13.434	195.762	5.828	305.546	173.833
1997	40.533	1.964	165.887	6.613	0.748	1,929.303	2.211	13.824	198.589	5.881	309.355	180.797
1998	40.621	1.969	167.184	6.601	0.786	1,943.646	2.220	13.854	201.695	5.983	330.731	185.058
1999											325.763	194.473
2000											336.630	206.613
2001												217.980
2002												225.977
2003												233.849
2004												239.087
2005												239.568
2006												239.596
1999	40.340	1.956	166.386	6.560	0.788	1,936.270	2.204	13.760	200.482	5.946		
2001											340.750	
2007												239.640

SOURCES: European Commission, European Central Bank and Reuters.

a. As from January 2001, the irrevocable conversion rate of the Greek drachma against the euro is 340.75 drachma per euro. As from January 2007, the irrevocable conversion rate of the Slovenian tolar against the euro is 239.640 tolar per euro.

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