

INTRODUCTION

During the last two years the Spanish economy has been able to generate more than 800,000 new jobs, rendering it one of the fastest growing economies. This has been consistent with an acceleration of the deleveraging of the private sector.

This newsletter provides a summary of the funding programme of the Spanish Treasury, and also sheds light on recent developments in the labour market and on the deleveraging of the private sector.

The electronic version contains hyperlinks to sources and additional material. Please do not hesitate to contact the Spanish Treasury Team if you wish to unsubscribe from this Newsletter's distribution list.

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Related Documents

[Tesoro Público. Investors Presentation](#)

[Macroeconomic Scenario Update](#)

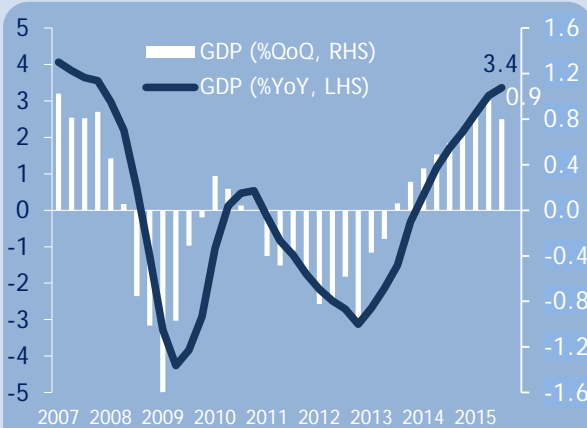
[Macroeconomic Indicators and Reports](#)

[Draft Budgetary Plan 2016](#)

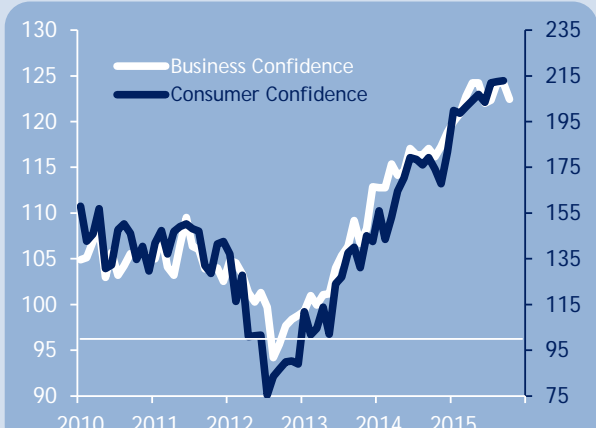
RECENT MACROECONOMIC INDICATORS

The flash GDP estimate for 2015Q3 released by the National Statistics Institute reflects a GDP growth to 0.8% QoQ, and 3.4% YoY, in line with recent confidence indicators.

Gross Domestic Product 2007-2015



Business & Consumer Confidence. 2012=100



Source: National Statistics Institute.

As in the last two previous years the net funding target for 2015 has progressively been revised to €48 bn, down from the initially projected €55 bn.

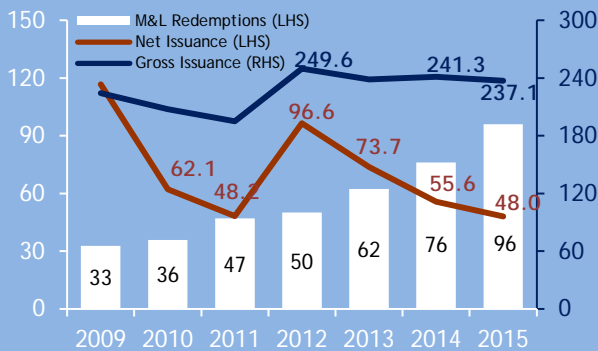
| (in € mn) | January 2015 Forecast | October 2015 Forecast | October Revision vs. January Forecast |
|------------------------------------|-----------------------|-----------------------|---------------------------------------|
| Net Issuance | 55,000 | 48,000 | -7,000 |
| Gross Issuance | 239,369 | 237,099 | -2,270 |
| <i>Medium- & Long-term</i> | | | 0 |
| <i>Gross Issuance</i> ¹ | 141,996 | 138,996 | -3,000 |
| <i>Redemptions</i> ¹ | 91,996 | 95,996 | 4,000 |
| <i>Net Issuance</i> ¹ | 50,000 | 43,000 | -7,000 |
| <i>Letras del Tesoro</i> | | | 0 |
| <i>Gross Issuance</i> | 97,373 | 98,103 | 730 |
| <i>Redemptions</i> | 92,373 | 93,103 | 730 |
| <i>Net Issuance</i> | 5,000 | 5,000 | 0 |

¹Includes foreign currency debt, Bonos & Obligaciones, Loans & Assumed debts.

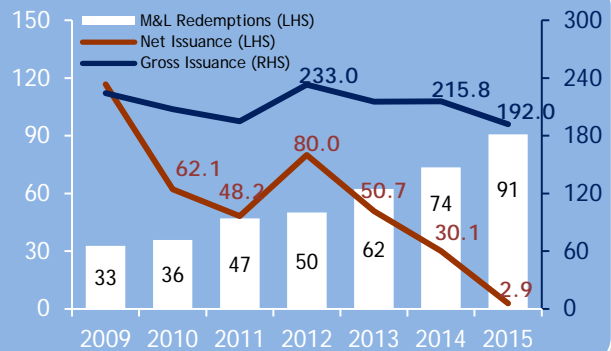
This constitutes the lowest net funding requirement in the last seven years even after including the enhanced liquidity mechanisms for Regions & Local Governments which have been in place since 2012.

EVOLUTION OF THE FUNDING PROGRAMME 2009-2015 (€ bn)

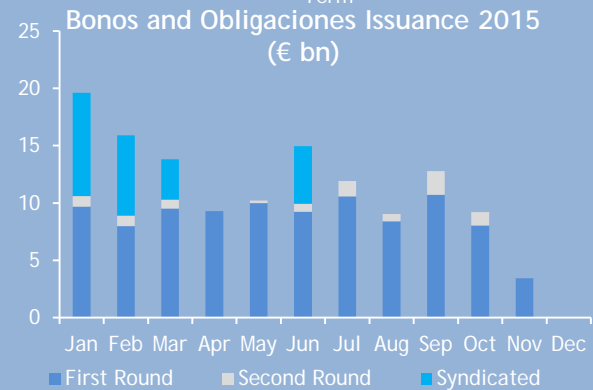
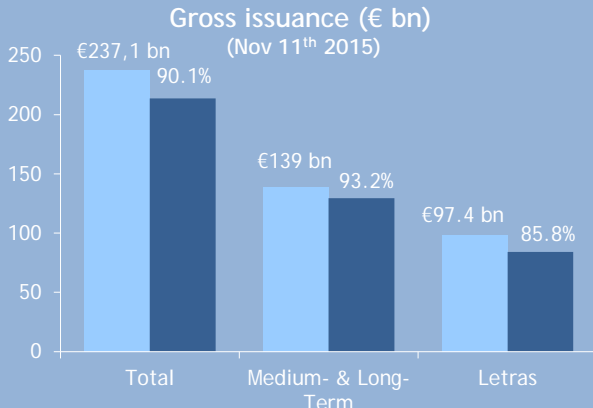
Funding Programmes
In € bn



Excluding Regional & Local
Liquidity Mechanisms & Suppliers Fund. In € bn



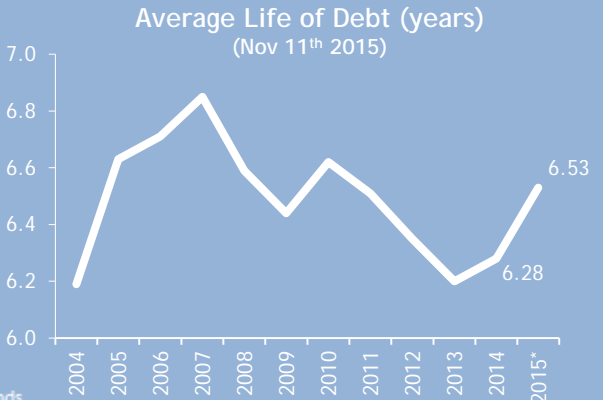
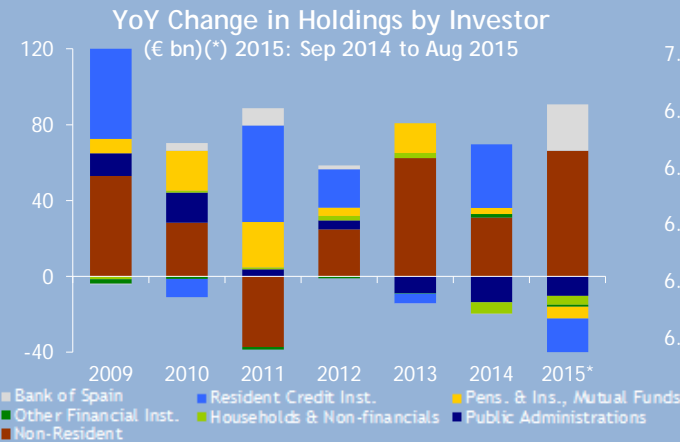
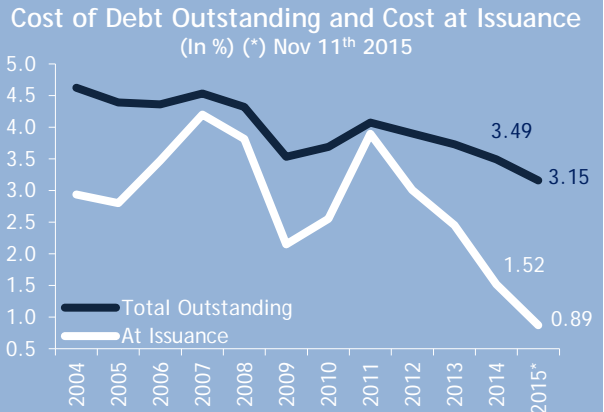
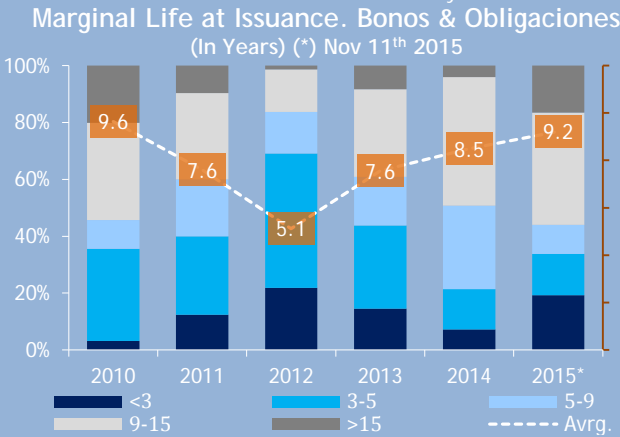
The 2015 Funding Programme (II): Execution Highlights



Up to November 11th the Spanish Treasury has funded €213.7 bn, representing 90.1% of the expected programme; €129.5 bn of the medium- and long-term gross issuance (93.2%), and €84.2 bn of its short-term programme (85.8%).

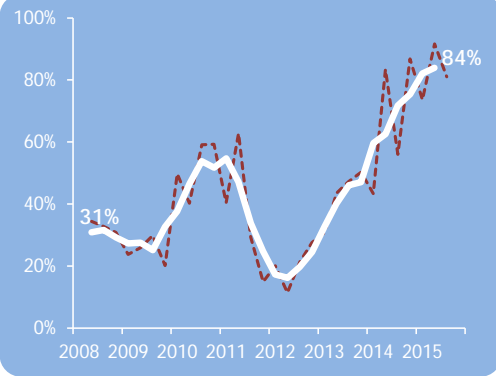
In 2015 the Spanish Treasury continues gradually increasing the average life of its total portfolio (to 6.53 years); more than 66% of the total Bonos and Obligaciones issuance has had an initial maturity above 5 years, leaving the average maturity of new Bonos & Obligaciones issues up to November 11th at 9.2 years.

At the same time, the cost of issuance has diminished, pushing down the cost of the total portfolio towards historical lows (0.89% and 3.15%, respectively).

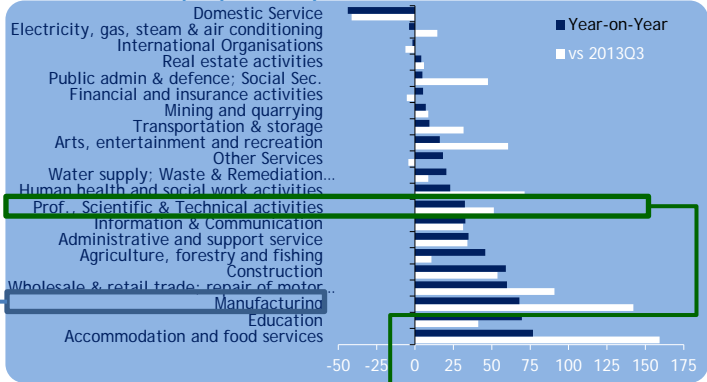


Employment has increased by more than 810,000 persons in the last two years, 544,600 in the last four quarters; 84% of all economic branches are experiencing net job creation, the highest degree of expansion in employment in the last 7 years.

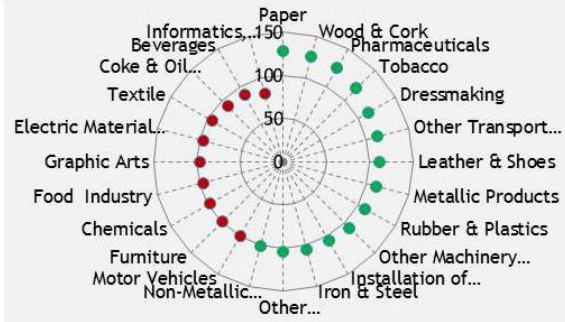
Weighted Average % of Branches of Economic Activity with QoQ Employment Growth



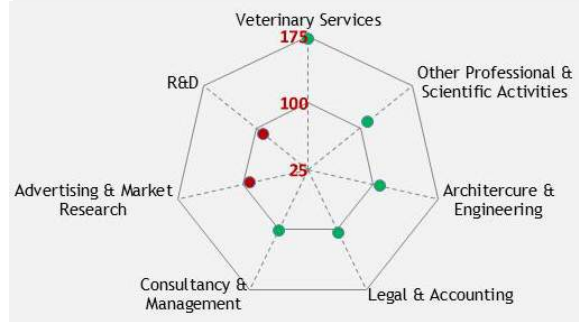
Labour Force Survey. Employment by Branch. 2014Q3=100



Recent Evolution in Employment. Index 2014Q3=100 (Green: sectors with job creation // Red: sectors with fewer jobs)

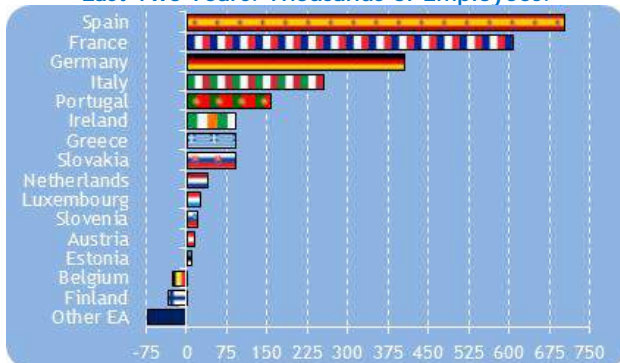


Recent Evolution in Employment. Index 2014Q3=100 (Green: sectors with job creation // Red: sectors with fewer jobs)

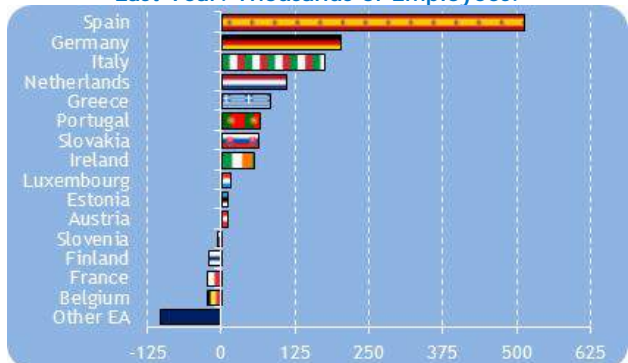


Employment has increased by more than 810,000 persons in the last two years, 544,600 in the last four quarters; 84% of all economic branches are experiencing net job creation, the highest degree of expansion in employment in the last 7 years.

Employment Generated in the Euro Area in the Last Two Years. Thousands of Employees.



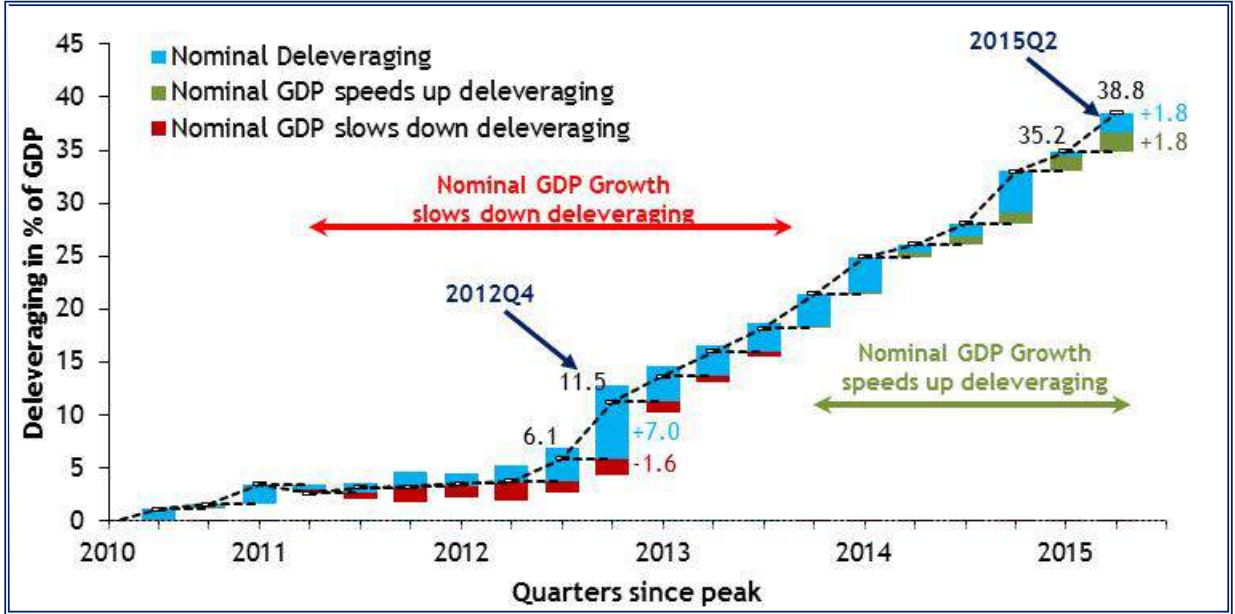
Employment Generated in the Euro Area in the Last Year. Thousands of Employees.



Source: National Statistics Institute and OECD.

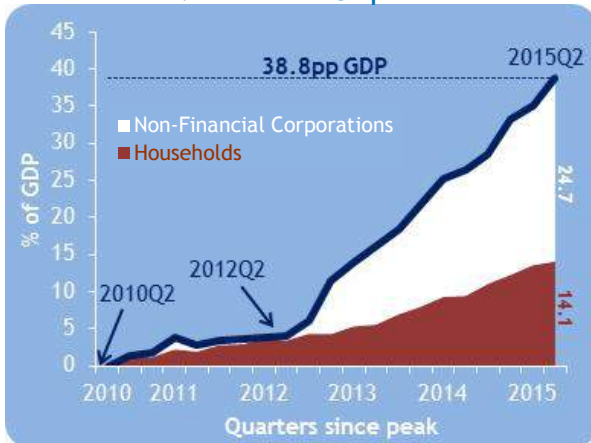
The debt to GDP ratio for households and non-financial corporations reached its peak in 2010Q2 of 217.5%. Since then the ratio has declined by 38.8 pp of GDP to 178.7%. If measured in nominal terms, this implies a deleveraging of €453.1 bn. Between 2011Q2 and 2013Q3, despite a substantial deleveraging effort, nominal GDP growth reduced the pace of deleveraging. Since 2013Q4 the situation has reversed and nominal growth is facilitating the process.

Deleveraging by Households and Non-Financial Corporations since 2010Q2

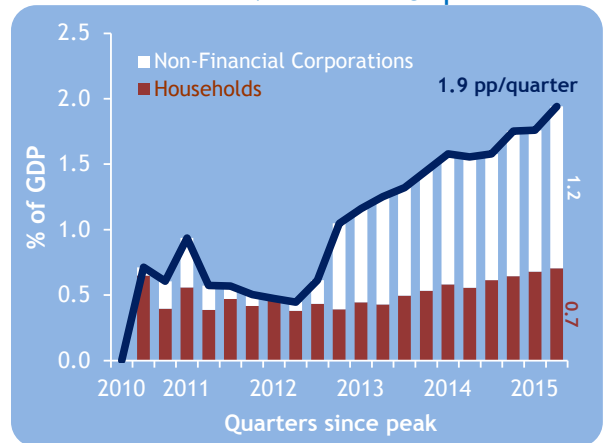


Of the 38.8 pp of GDP of deleveraging since 2010Q2 and 2015Q2, non-financial corporations have deleveraged by 24.7pp and households by 14.1pp. Supported by nominal GDP growth, the pace of deleveraging is accelerating.

Deleveraging per Quarter of Households and Non-Financial Corporations



Average Deleveraging Pace per Quarter. Households and Non-Financial Corporations



Source: Bank of Spain.

Building up on the statistics generated and collected by the National Statistical Authorities various recent initiatives have been developed in order to enhance transparency on the Spanish economy, on reform initiatives and, especially, on the financial and public sectors.

National Statistics Institute

Includes all relevant short-term and structural statistics generated by the National Statistics Authorities.



The Spanish Economy

Contains a collection of relevant reports on economic outlook, public finances, public debt, the financial sector and reform initiatives.



Ministry for the Economy and Competitiveness

Includes the latest economic forecasts and reports as well as a database with over 21,000 short-term and long-term indicators and macroeconomic aggregates.



Central de Información de las Administraciones Públicas

Contains all relevant information on the economic & financial activity of the public administrations (Budgetary execution, Budgets and planning, civil servants, etc.).



Bank Spain

Compiles and provides monetary, banking and financial statistics, interest rates, balance of payments. Also contains useful tools for statistical analysis of time series data, amongst other features.



| | September | October | November | December |
|--------------------------------------------------------|------------------------|----------------------|--------------------|--------------------------------|
| National Accounts | | | | |
| Annual National Accounts | 15/Sep (1995-2014) | | | Accounting series 1995-2014 |
| Quarterly National Accounts | | | 26/Nov (Q3/15) | |
| Quarterly National Accounts (Flash) | | 30/Oct (Q3/15) | | |
| Quarterly Non-Financial Accounts | 30/Sep (Q2/15) | | | |
| Quarterly Financial Accounts | | 15/Oct (Q2/15) | | |
| Deficit and Debt | | | | |
| Consolidated Deficit. Excl. Local Gov. | 29/Sep (Jun-Jul/15) | 27/Oct (Aug/2015) | 24/Nov (Sep/15) | 22/Dec (Oct/15) |
| Deficit of the Public Administrations | 30/Sep (Q2/15) | | | |
| Tax Collection | 29/Sep (Aug/15) | 27/Oct (Sep/2015) | 24/Nov (Oct/15) | 22/Dec (Nov/15) |
| EDP Debt | 11/Sep (Q2/15) | | | 11/Dec (Q3/15) |
| Labour Market | | | | |
| Labour Force Survey | | 22/Oct (Q3/15) | | |
| Economically Active Population Flow | | 22/Oct (Q3/15) | | |
| Harmonised Labour Cost Index | 9/Sep (Q2/15) | | | 10/Dec (Q3/15) |
| Social Security Affiliation | 2/Sep (Aug/15) | 2/Oct (Sep/15) | 3/Nov (Oct/15) | 2/Dec (Nov/15) |
| Registered Unemployment | 2/Sep (Aug/15) | 2/Oct (Sep/15) | 3/Nov (Oct/15) | 2/Dec (Nov/15) |
| Industry and Services | | | | |
| Industrial Production Index | 10/Sep (Jul/15) | 7/Oct (Aug/15) | 6/Nov (Sep/15) | 4/Dec (Oct/15) |
| Services Sector Activity Indicators | 18/Sep (Jul/15) | 20/Oct (Aug/15) | 16/Nov (Sep/15) | 18/Dec (Oct/15) |
| Industrial New Orders | 18/Sep (Jul/15) | 20/Oct (Aug/15) | 16/Nov (Sep/15) | 18/Dec (Oct/15) |
| Industry Turnover Index | 18/Sep (Jul/15) | 20/Oct (Aug/15) | 16/Nov (Sep/15) | 18/Dec (Oct/15) |
| External Sector | | | | |
| Balance of Payments (Monthly) | 30/Sep (Jul/15) | 30/Oct (Aug/15) | 30/Nov (Sep/15) | 30/Dec (Oct/15) |
| Balance of Payments (Quarterly) | 30/Sep (Q2/15) | | | 30/Dec (Q3/15) |
| International Investment Position | 30/Sep (Q2/15) | | | 30/Dec (Q3/15) |
| Merchandise Exports | 21/Sep (Jul/15) | 22/Oct (Aug/15) | 19/Nov (Sep/15) | 21/Dec (Oct/15) |

Links to complete release calendars:



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