

# Spanish economic forecasts panel: November 2015<sup>1</sup>

## FUNCAS Economic Trends and Statistics Department

### The growth forecast for 2015 remains unchanged at 3.2%

According to the preview of the INE's provisional figures, GDP grew by 0.8% in the third quarter, which is in line with panellists' expectations. The indicators suggest domestic demand slowed over the period, and that both export and import growth slackened.

The consensus forecast for 2015 remains unchanged at 3.2%. There was a slight modification to the expected composition of domestic demand, which is forecast to growth 3.4%, as in the previous Panel, due to the slight downward revision to the forecast for growth of private consumption and increase in that of public consumption and investment.

GDP growth is expected to slow by a tenth of a percent in the fourth quarter, to 0.7% (Table 2).

### The forecast for 2016 has been revised downwards a tenth of a point to 2.7%

The consensus forecast for GDP growth in 2016 is 2.7%, one tenth of a percentage point less than in the previous Panel. This revision is a result of the smaller expected contribution of domestic demand, which has dropped to 2.8 percentage

points, while the contribution of the external sector will be -0.1 pp.

The quarterly profile is for a growth rate of around 0.6% over the year as a whole.

### Favourable outlook for the industrial sector

The industrial production index's growth rate slowed in the third quarter, although it remains dynamic, and according to social security affiliation figures, job creation in the sector remains strong. Other indicators, such as the sector's PMI or confidence indicators, suggest activity slowed during the period.

The consensus forecast for IPI growth in 2015 is unchanged at 3.1%, and that for 2016 is 3.3%. These would be the best figures since 2006.

### Low oil prices are keeping inflation negative

The price of oil has hovered around 47 dollars per barrel in recent weeks, down from its levels at the start of the year, and even more so from prices a year ago. As a result, headline inflation remains negative, although core inflation has been around 0.8% in recent months –its highest level in two

<sup>1</sup> The Spanish Economic Forecasts Panel is a survey run by FUNCAS which consults the 16 analysis departments listed in Table 1. The survey, which has taken place since 1999, is published bi-monthly in the first half of January, March, May, July, September and November. The responses to the survey are used to produce a "consensus" forecast, which is calculated as the arithmetic mean of the 16 individual contributions. The forecasts of the Spanish Government, the Bank of Spain, and the main international organisations are also included for comparison, but do not form part of the consensus forecast.

years—indicating the absence of deflationary pressures in the economy.

The inflation forecast has been cut by one tenth of a percentage point for 2015 and 2016, to -0.4% and 1%, respectively. The forecast for December's year-on-year rate has also been revised down to 0.5% in 2015 and 1.3% in 2016 (Table 3).

## Positive trend in employment

According to the social security affiliation and LFS figures, the pace of job creation slowed somewhat in third quarter of the year. The employment growth forecast for 2015, in terms of full-time equivalent jobs, remains unchanged at 3%, and that for 2016 has been cut by two tenths of a percent to 2.5%. The unemployment rate is therefore expected to come to 22.2% this year and 20.4% the next; one tenth of a percent lower than in the previous panel in both cases.

Using the consensus estimates for GDP, employment and wage growth to estimate implicit productivity and unit labour cost (ULC) growth, productivity per worker is expected to rise by 0.2% in 2015 and 2016, while ULCs are expected to change by 0.4% this year and 0.7% the next.

## The current account balance continues to improve

The current account of the balance of payments to August posted a surplus of 6,308 million euros, compared with a surplus of 761 million euros registered in the same period of the previous year. This improvement is partly a result of a declining energy balance deficit, due to falling oil prices, and also the smaller negative balance on the income and transfers account.

The consensus forecast for the current account balance is for a surplus of 1.2% of GDP in 2015 and 1.1% in 2016; two tenths of a percent up on the previous Panel forecast.

## The government deficit will overshoot the target by a few tenths of a percent

The overall balance of the central government, the social security funds and autonomous regions to August was 3.4% of annual GDP, eight tenths of a percent lower than in the same period in 2014. In the case of the autonomous regions, the deficit was 0.7%, three tenths of a percent lower than in the year-earlier period, but already at the limit set for the year as a whole. The social security fund's deficit was 0.3%, which is two tenths of a percent higher than in the same period of the previous year. Although the target for 2015 as a whole is 0.6%, there is very little leeway, as the bulk of the deficit is concentrated at the end of the year.

The consensus forecast for the general government deficit for 2015 and 2016 has been raised one tenth of a percent with respect to the previous Panel to 4.6% and 3.3% of GDP, respectively, thus overshooting the government's targets in both cases.

## The perception of the state of the global economy has barely changed

The international economic context is still being shaped by the slowdown in China and deterioration of the emerging economies, whose situation could become even more difficult when the United States starts to raise interest rates, which could happen in December. For its part, the U.S. economy grew by 1.5% on an annualised quarter-on-quarter basis in the third quarter. U.S. trend growth remains somewhat unsatisfactory, but in any event, is better than that in the eurozone.

The majority view among panellists is that the situation in the EU is neutral, and opinions about the trend over the next few months are divided between those who expect no change and those who expect an improvement.

As regards the situation outside the EU, as in the previous Panel, there is still a split between

neutral and unfavourable, with the majority still expecting the situation to remain unchanged over the coming months.

### The consensus view is that long-term interest rates are too low

Short-term interest rates (three-month EURIBOR) have been negative since mid-April. As in previous Forecast Panels, the rate is still felt to be too low, but is expected to remain unchanged over the months ahead.

Long-term interest rates (10 years) have fallen to close to 1.7% in recent weeks, having stood at over 2% in the summer. However, this level is still higher than in the first few months of the year. Most panellists continue to think this level is very low, but expect it to remain stable over the coming months.

### The euro will continue to depreciate

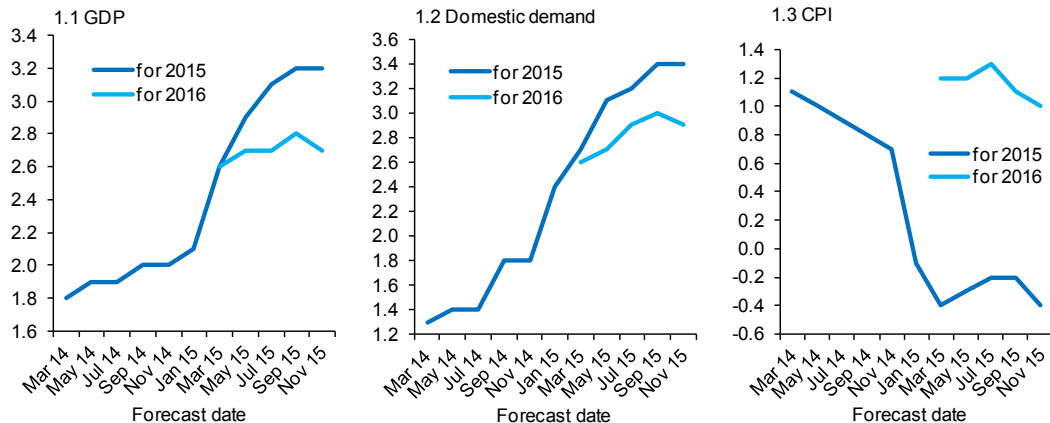
The euro has hovered around 1.10 dollars in recent weeks. Most panellists consider this exchange rate to be neither over- nor undervalued, but expect the value of the euro to decline over the next few months.

### Fiscal policy is too expansionary

As in the previous Panel, most participants consider fiscal policy to be expansionary relative to the state of the Spanish economy, and that the fiscal policy stance ought to be neutral. As regards monetary policy there is unanimity that it is expansionary, and near unanimity that this stance is appropriate.

Exhibit 1

#### Change in forecasts (Consensus values) (Percentage annual change)



Source: FUNCAS Panel of forecasts.

Table 1

# **Economic Forecasts for Spain – November 2015**

(Average year-on-year change, as a percentage, unless otherwise stated)

|   | GDP        |            | Household consumption |            | Public consumption |            | Gross fixed capital formation |            | GFCF machinery and capital goods |                    | GFCF Construction |            | Domestic demand |            |
|---|------------|------------|-----------------------|------------|--------------------|------------|-------------------------------|------------|----------------------------------|--------------------|-------------------|------------|-----------------|------------|
|   | 2015       | 2016       | 2015                  | 2016       | 2015               | 2016       | 2015                          | 2016       | 2015                             | 2016               | 2015              | 2016       | 2015            | 2016       |
| Analistas Financieros Internacionales (AFI)             | 3.2        | 2.7        | 3.5                   | 3.0        | 1.2                | 1.1        | 5.8                           | 5.0        | 8.6                              | 7.1                | 5.3               | 4.9        | 3.4             | 2.9        |
| Banco Bilbao Vizcaya Argentaria (BBVA)                  | 3.2        | 2.7        | 2.9                   | 2.5        | 1.8                | 0.4        | 6.2                           | 5.5        | 8.9                              | 6.3                | 5.6               | 5.0        | 3.3             | 2.6        |
| Bankia  | 3.2        | 2.8        | 3.4                   | 3.0        | 0.8                | 0.6        | 6.2                           | 5.3        | 9.6                              | 8.2                | 5.1               | 3.8        | 3.4             | 3.0        |
| CaixaBank   | 3.1        | 2.7        | 3.0                   | 2.5        | 1.9                | 0.1        | 6.2                           | 4.5        | 9.1                              | 5.6                | 5.1               | 3.8        | 3.3             | 2.4        |
| Cemex   | 3.1        | 2.5        | 3.0                   | 2.5        | 2.0                | 1.2        | 5.8                           | 5.6        | 8.2                              | 5.3                | 4.8               | 5.9        | 3.2             | 2.8        |
| Centro de Estudios Económicos de Madrid (CEEM-URJC)     | 3.2        | 2.7        | 3.4                   | 2.7        | 1.0                | 0.8        | 5.5                           | 5.7        | 6.7                              | 6.2                | 5.4               | 5.9        | 3.2             | 2.8        |
| Centro de Predicción Económica (CEPREDE-UAM)            | 3.1        | 2.4        | 3.5                   | 2.8        | 0.9                | 1.0        | 6.2                           | 5.4        | 9.5                              | 7.0                | 5.0               | 4.6        | 3.5             | 2.9        |
| CEOE  | 3.2        | 2.9        | 3.4                   | 2.8        | 1.0                | 0.7        | 6.1                           | 4.9        | 9.3                              | 6.0                | 5.1               | 4.7        | 3.3             | 2.8        |
| Fundación Cajas de Ahorros (FUNCAS)                     | 3.2        | 2.8        | 3.0                   | 3.5        | 1.3                | 0.8        | 6.0                           | 5.2        | 8.9                              | 7.0                | 5.5               | 4.5        | 3.4             | 3.2        |
| Instituto Complutense de Estudios Económicos (ICAE-UCM) | 3.1        | 2.8        | 3.3                   | 2.6        | 1.0                | 0.9        | 5.8                           | 5.1        | 8.9                              | 7.3                | 5.0               | 4.8        | 3.2             | 2.7        |
| Instituto de Estudios Económicos (IEE)                  | 3.3        | 2.7        | 3.4                   | 3.0        | 1.3                | 0.9        | 6.0                           | 5.3        | 9.1                              | 7.6                | 5.2               | 4.9        | 3.4             | 3.0        |
| Instituto Flores de Lemus (IFL-UC3M)                    | 3.2        | 2.7        | 3.3                   | 2.3        | 1.3                | -0.7       | 6.1                           | 6.2        | 9.6                              | 10.6               | 4.9               | 4.1        | 3.3             | 2.7        |
| Intermoney  | 3.2        | 2.9        | 3.5                   | 3.1        | 1.6                | 0.4        | 6.3                           | 5.6        | 9.2                              | 7.6                | 5.5               | 4.8        | 3.6             | 3.2        |
| Repsol  | 3.2        | 2.9        | 3.4                   | 2.9        | 1.4                | 0.8        | 6.4                           | 5.3        | 10.0                             | 7.9                | 5.4               | 4.0        | 3.4             | 2.9        |
| Santander   | 3.2        | 2.9        | 3.6                   | 3.1        | 1.1                | 1.0        | 6.3                           | 5.9        | 8.9                              | 5.4                | 5.4               | 6.4        | 3.5             | 3.2        |
| Solchaga Recio & asociados                              | 3.2        | 2.7        | 3.4                   | 3.0        | 0.9                | 1.0        | 6.4                           | 5.5        | 8.8                              | 6.9                | 5.4               | 5.5        | 3.5             | 3.1        |
| <b>CONSENSUS (AVERAGE)</b>                              | <b>3.2</b> | <b>2.7</b> | <b>3.3</b>            | <b>2.8</b> | <b>1.3</b>         | <b>0.7</b> | <b>6.1</b>                    | <b>5.4</b> | <b>9.0</b>                       | <b>7.0</b>         | <b>5.2</b>        | <b>4.9</b> | <b>3.4</b>      | <b>2.9</b> |
| Maximum   | 3.3        | 2.9        | 3.6                   | 3.5        | 2.0                | 1.2        | 6.4                           | 6.2        | 10.0                             | 10.6               | 5.6               | 6.4        | 3.6             | 3.2        |
| Minimum   | 3.1        | 2.4        | 2.9                   | 2.3        | 0.8                | -0.7       | 5.5                           | 4.5        | 6.7                              | 5.3                | 4.8               | 3.8        | 3.2             | 2.4        |
| Change on 2 months earlier <sup>1</sup>                 | 0.0        | -0.1       | -0.1                  | -0.1       | 0.2                | -0.1       | 0.1                           | 0.0        | 0.2                              | -0.1               | 0.1               | 0.0        | 0.0             | -0.1       |
| - Rise <sup>2</sup>                                     | 4          | 2          | 3                     | 4          | 7                  | 2          | 6                             | 3          | 5                                | 3                  | 5                 | 5          | 4               | 1          |
| - Drop <sup>2</sup>                                     | 2          | 5          | 5                     | 2          | 1                  | 4          | 1                             | 4          | 2                                | 5                  | 1                 | 2          | 5               | 5          |
| Change on 6 months earlier <sup>1</sup>                 | 0.3        | 0.0        | 0.0                   | 0.1        | 0.6                | 0.1        | 0.7                           | 0.1        | 1.2                              | 0.1                | 1.7               | 0.5        | 0.3             | 0.2        |
| <u>Memorandum items:</u>                                |            |            |                       |            |                    |            |                               |            |                                  |                    |                   |            |                 |            |
| Government (September 2015)                             | 3.3        | 3.0        | 3.4                   | 3.0        | 0.1                | 0.3        | 6.2                           | 5.4        | --                               | --                 | 5.5               | 5.5        | 3.4             | 3.0        |
| Bank of Spain (June 2015)                               | 3.1        | 2.7        | 3.4                   | 2.3        | 0.1                | 0.1        | 5.9                           | 6.1        | 8.8                              | 8.9                | 4.8               | 4.5        | --              | --         |
| EC (November 2015)                                      | 3.1        | 2.7        | 3.4                   | 2.7        | 0.8                | 0.2        | 6.3                           | 5.4        | 9.6 <sup>(3)</sup>               | 8.2 <sup>(3)</sup> | --                | --         | 3.5             | 2.8        |
| IMF (October 2015)                                      | 3.1        | 2.5        | 4.1                   | 2.8        | 0.5                | -0.2       | 5.9                           | 3.8        | --                               | --                 | --                | --         | 3.7             | 2.4        |
| OECD (November 2015)                                    | 3.2        | 2.7        | 3.1                   | 3.0        | 1.4                | 0.3        | 6.4                           | 5.1        | --                               | --                 | --                | --         | 3.4             | 2.9        |

<sup>1</sup> Difference in percentage points between the current month's average and that of two months earlier (or six months earlier).

<sup>2</sup> Number of panelists revising their forecast upwards (or downwards) since two months earlier.

<sup>3</sup> Investment in capital goods.

Table 1 (Continued)

**Economic Forecasts for Spain – November 2015**

(Average year-on-year change, as a percentage, unless otherwise stated)

|  | Exports of goods & services |            | Imports of goods & services |            | Industrial output |            | CPI (annual av.) |            | Labour costs <sup>3</sup> |            | Jobs <sup>4</sup> |            | Unempl. (% labour force) |             | C/A bal. of payments (% of GDP) <sup>5</sup> |                    | Gen. gov. bal. (% of GDP) <sup>7</sup> |             |
|--|-----------------------------|------------|-----------------------------|------------|-------------------|------------|------------------|------------|---------------------------|------------|-------------------|------------|--------------------------|-------------|--|--------------------|--|-------------|
|  | 2015                        | 2016       | 2015                        | 2016       | 2015              | 2016       | 2015             | 2016       | 2015                      | 2016       | 2015              | 2016       | 2015                     | 2016        | 2015   | 2016               | 2015                                   | 2016        |
| Analistas Financieros Internacionales (AFI)            | 5.3                         | 5.6        | 6.4                         | 6.9        | --                | --         | -0.4             | 1.0        | --                        | --         | 3.0               | 2.5        | 22.4                     | 20.9        | 0.4  | 0.3                | -4.7                                   | -4.0        |
| Banco Bilbao Vizcaya Argentaria (BBVA)                 | 5.2                         | 5.2        | 6.1                         | 5.2        | --                | --         | -0.4             | 1.2        | 0.7                       | 1.5        | 3.0               | 2.5        | 22.2                     | 20.5        | 1.5  | 1.9                | -4.5                                   | -3.0        |
| Bankia   | 6.1                         | 5.9        | 7.1                         | 6.9        | 2.9               | 2.7        | -0.5             | 0.7        | 0.4                       | 0.6        | 2.9               | 2.4        | 22.2                     | 20.5        | 1.8  | 2.0                | --                                     | --          |
| CaixaBank  | 5.4                         | 5.9        | 6.4                         | 5.1        | 3.0               | 3.0        | -0.4             | 1.3        | 0.7                       | 1.1        | 3.0               | 2.5        | 22.2                     | 20.3        | 1.9  | 1.7                | -4.8                                   | -3.3        |
| Cemex  | 5.5                         | 5.3        | 6.7                         | 7.1        | --                | --         | -0.4             | 1.2        | --                        | --         | 2.7               | 2.7        | 22.2                     | 20.5        | 1.0  | 0.5                | -4.2                                   | -2.8        |
| Centro de Estudios Economía de Madrid (CEEM-URJC)      | 5.6                         | 5.7        | 6.1                         | 6.3        | --                | --         | -0.5             | 0.8        | --                        | --         | 3.2               | 2.6        | 21.9                     | 19.8        | 0.8  | 0.7                | -4.2                                   | -3.0        |
| Centro de Predicción Económica (CEPREDE-UAM)           | 5.7                         | 5.4        | 7.3                         | 7.4        | 2.5               | 2.7        | -0.4             | 1.0        | 0.4                       | 1.1        | 2.8               | 1.6        | 22.2                     | 21.4        | 0.3  | -0.2               | -4.9                                   | -3.6        |
| CEOE   | 6.0                         | 5.9        | 6.7                         | 5.9        | --                | --         | -0.5             | 0.9        | 0.5                       | 1.0        | 3.0               | 2.7        | 22.2                     | 20.2        | 1.4  | 1.2                | -4.2                                   | -3.0        |
| Fundación Cajas de Ahorros (FUNCAS)                    | 5.7                         | 4.5        | 6.9                         | 6.2        | 4.1               | 4.9        | -0.5             | 0.9        | 0.5                       | 0.9        | 2.9               | 2.5        | 22.2                     | 20.2        | 1.8  | 1.6                | -5.2                                   | -4.0        |
| Instituto Complutense de Análisis Económico (ICAE-UCM) | 5.8                         | 6.6        | 6.4                         | 7.1        | 2.9               | 2.8        | -0.3             | 1.1        | --                        | --         | 3.0               | 2.5        | 22.3                     | 20.6        | 1.2  | 1.2                | -4.5                                   | -3.0        |
| Instituto de Estudios Económicos (IEE)                 | 4.9                         | 4.8        | 5.8                         | 6.0        | 3.3               | 3.2        | -0.3             | 0.9        | 0.6                       | 0.8        | 3.1               | 2.8        | 22.2                     | 20.6        | 0.9  | 0.8                | -4.6                                   | -3.4        |
| Instituto Flores de Lemus (IFL-UC3M)                   | 4.3                         | 4.1        | 5.3                         | 4.1        | 3.2               | 3.3        | -0.5             | 0.6        | --                        | --         | 2.9               | 1.9        | 22.2                     | 20.4        | --   | --                 | --                                     | --          |
| Intermoney   | 4.7                         | 5.2        | 6.3                         | 6.9        | --                | --         | -0.5             | 1.0        | --                        | --         | 3.0               | 2.6        | 22.1                     | 20.4        | 1.0  | 0.9                | -4.7                                   | -3.3        |
| Repsol   | 4.7                         | 5.0        | 5.9                         | 5.6        | 3.2               | 3.6        | -0.5             | 1.0        | 0.8                       | 0.6        | 3.2               | 2.9        | 22.7                     | 20.6        | 1.1  | 0.7                | -4.3                                   | -3.0        |
| Santander  | 4.6                         | 4.6        | 5.8                         | 5.9        | --                | --         | -0.4             | 0.7        | 0.8                       | 1.0        | 3.0               | 2.4        | 22.1                     | 19.8        | 1.6  | 1.2                | -5.0                                   | -2.8        |
| Solchaga Recio & asociados                             | 5.3                         | 4.7        | 6.8                         | 6.4        | --                | --         | -0.3             | 1.3        | --                        | --         | 3.0               | 2.8        | 22.2                     | 19.9        | 1.5  | 1.6                | -4.7                                   | -3.6        |
| <b>CONSENSUS (AVERAGE)</b>                             | <b>5.3</b>                  | <b>5.3</b> | <b>6.4</b>                  | <b>6.2</b> | <b>3.1</b>        | <b>3.3</b> | <b>-0.4</b>      | <b>1.0</b> | <b>0.6</b>                | <b>0.9</b> | <b>3.0</b>        | <b>2.5</b> | <b>22.2</b>              | <b>20.4</b> | <b>1.2</b>                                   | <b>1.1</b>         | <b>-4.6</b>                            | <b>-3.3</b> |
| Maximum  | 6.1                         | 6.6        | 7.3                         | 7.4        | 4.1               | 4.9        | -0.3             | 1.3        | 0.8                       | 1.5        | 3.2               | 2.9        | 22.7                     | 21.4        | 1.9  | 2.0                | -4.2                                   | -2.8        |
| Minimum  | 4.3                         | 4.1        | 5.3                         | 4.1        | 2.5               | 2.7        | -0.5             | 0.6        | 0.4                       | 0.6        | 2.7               | 1.6        | 21.9                     | 19.8        | 0.3  | -0.2               | -5.2                                   | -4.0        |
| Change on 2 months earlier <sup>1</sup>                | 0.2                         | 0.0        | 0.2                         | -0.2       | 0.0               | 0.0        | -0.1             | -0.1       | 0.0                       | -0.1       | 0.0               | -0.2       | -0.1                     | -0.1        | 0.2  | 0.2                | -0.1                                   | -0.1        |
| - Rise <sup>2</sup>                                    | 6                           | 4          | 7                           | 5          | 2                 | 2          | 0                | 2          | 3                         | 1          | 2                 | 0          | 2                        | 2           | 7  | 7                  | 0                                      | 1           |
| - Drop <sup>2</sup>                                    | 3                           | 5          | 2                           | 4          | 1                 | 2          | 13               | 8          | 1                         | 2          | 5                 | 6          | 6                        | 7           | 1  | 2                  | 5                                      | 2           |
| Change on 6 months earlier <sup>3</sup>                | -0.1                        | -0.5       | -0.2                        | -0.4       | 0.9               | 0.5        | -0.1             | -0.2       | 0.4                       | 0.1        | 0.4               | 0.1        | 0.0                      | -0.1        | 0.4  | 0.3                | -0.2                                   | -0.1        |
| <b>Memorandum items:</b>                               |                             |            |                             |            |                   |            |                  |            |                           |            |                   |            |                          |             |  |                    |  |             |
| Government (September 2015)                            | 5.5                         | 6.0        | 6.0                         | 6.4        | --                | --         | --               | --         | 0.5                       | 1.4        | 3.0               | 3.0        | 22.0                     | 19.7        | 1.2  | 1.2                | -4.2                                   | -2.8        |
| Bank of Spain (June 2015)                              | 5.1                         | 5.7        | 5.3                         | 5.9        | --                | --         | -0.2             | 1.3        | --                        | --         | 2.9               | 2.6        | --                       | --          | 1.2 <sup>(6)</sup>                           | 1.1 <sup>(6)</sup> | --                                     | --          |
| EC (November 2015)                                     | 4.9                         | 5.3        | 6.1                         | 5.8        | --                | --         | -0.5             | 0.7        | 0.7                       | 0.6        | 2.8               | 2.5        | 22.3                     | 20.5        | 1.4  | 1.3                | -4.7                                   | -3.6        |
| IMF (October 2015)                                     | 5.1                         | 5.1        | 7.4                         | 4.8        | --                | --         | -0.3             | 0.9        | --                        | --         | 3.0               | 2.0        | 21.8                     | 19.9        | 0.9  | 1.1                | -4.4                                   | -3.2        |
| OECD (November 2015)                                   | 5.6                         | 5.1        | 6.5                         | 5.8        | --                | --         | -0.6             | 0.3        | --                        | --         | 3.0               | 2.7        | 22.1                     | 19.8        | 1.5  | 1.3                | -4.2                                   | -2.9        |

<sup>1</sup> Difference in percentage points between the current month's average and that of two months earlier (or six months earlier).<sup>2</sup> Number of panellists revising their forecast upwards (or downwards) since two months earlier.<sup>3</sup> Average earnings per full-time equivalent job.<sup>4</sup> In National Accounts terms: full-time equivalent jobs.<sup>5</sup> Current account balance, according to Bank of Spain estimates.<sup>6</sup> Net lending position vis-à-vis rest of world.<sup>7</sup> Excluding financial entities bail-out expenditures.

Table 2

**Quarterly Forecasts - November 2015<sup>1</sup>**

|                                    | Quarter-on-quarter change (percentage) |       |       |       |       |       |       |       |
|------------------------------------|--|-------|-------|-------|-------|-------|-------|-------|
|                                    | 15-Q1                                  | 15-Q2 | 15-Q3 | 15-Q4 | 16-Q1 | 16-Q2 | 16-Q3 | 16-Q4 |
| GDP <sup>2</sup>                   | 0.9                                    | 1.0   | 0.8   | 0.7   | 0.7   | 0.6   | 0.6   | 0.6   |
| Household consumption <sup>2</sup> | 0.7                                    | 1.0   | 0.8   | 0.8   | 0.7   | 0.6   | 0.6   | 0.6   |

<sup>1</sup> Average of forecasts by private institutions listed in Table 1.

<sup>2</sup> According to series corrected for seasonality and labour calendar.

Table 3

**CPI Forecasts – November 2015<sup>1</sup>**

|  | Monthly change (%) |        |        |        | Year-on-year change (%) |        |
|--|--------------------|--------|--------|--------|-------------------------|--------|
|  | Sep-15             | Oct-15 | Nov-15 | Dec-15 | Dec-15                  | Dec-16 |
|  | -0.3               | 0.4    | 0.2    | 0.1    | 0.5                     | 1.3    |

<sup>1</sup> Average of forecasts by private institutions listed in Table 1.

Table 4

**Opinions – November 2015  
(Number of responses)**

|   | Currently               |                     |                          | Trend for next six months |           |              |
|---|-------------------------|---------------------|--------------------------|---------------------------|-----------|--------------|
|   | Favourable              | Neutral             | Unfavourable             | Improving                 | Unchanged | Worsening    |
| International context: EU               | 7                       | 9                   | 0                        | 8                         | 8         | 0            |
| International context: Non-EU           | 0                       | 8                   | 8                        | 2                         | 12        | 2            |
|   | Low <sup>1</sup>        | Normal <sup>1</sup> | High <sup>1</sup>        | Increasing                | Stable    | Decreasing   |
| Short-term interest rate <sup>2</sup>   | 12                      | 4                   | 0                        | 0                         | 15        | 1            |
| Long-term interest rate <sup>3</sup>    | 12                      | 4                   | 0                        | 4                         | 11        | 1            |
|   | Overvalued <sup>4</sup> | Normal <sup>4</sup> | Undervalued <sup>4</sup> | Appreciation              | Stable    | Depreciation |
| Euro/dollar exchange rate               | 3                       | 9                   | 4                        | 0                         | 7         | 9            |
|   | Is being                |                     |                          | Should be                 |           |              |
|   | Restrictive             | Neutral             | Expansionary             | Restrictive               | Neutral   | Expansionary |
| Fiscal policy assessment <sup>1</sup>   | 2                       | 5                   | 9                        | 4                         | 7         | 5            |
| Monetary policy assessment <sup>1</sup> | 0                       | 0                   | 16                       | 0                         | 1         | 15           |

<sup>1</sup> In relation to the current state of the Spanish economy.

<sup>2</sup> Three-month Euribor.

<sup>3</sup> Yield on Spanish 10-year public debt.

<sup>4</sup> Relative to theoretical equilibrium rate.