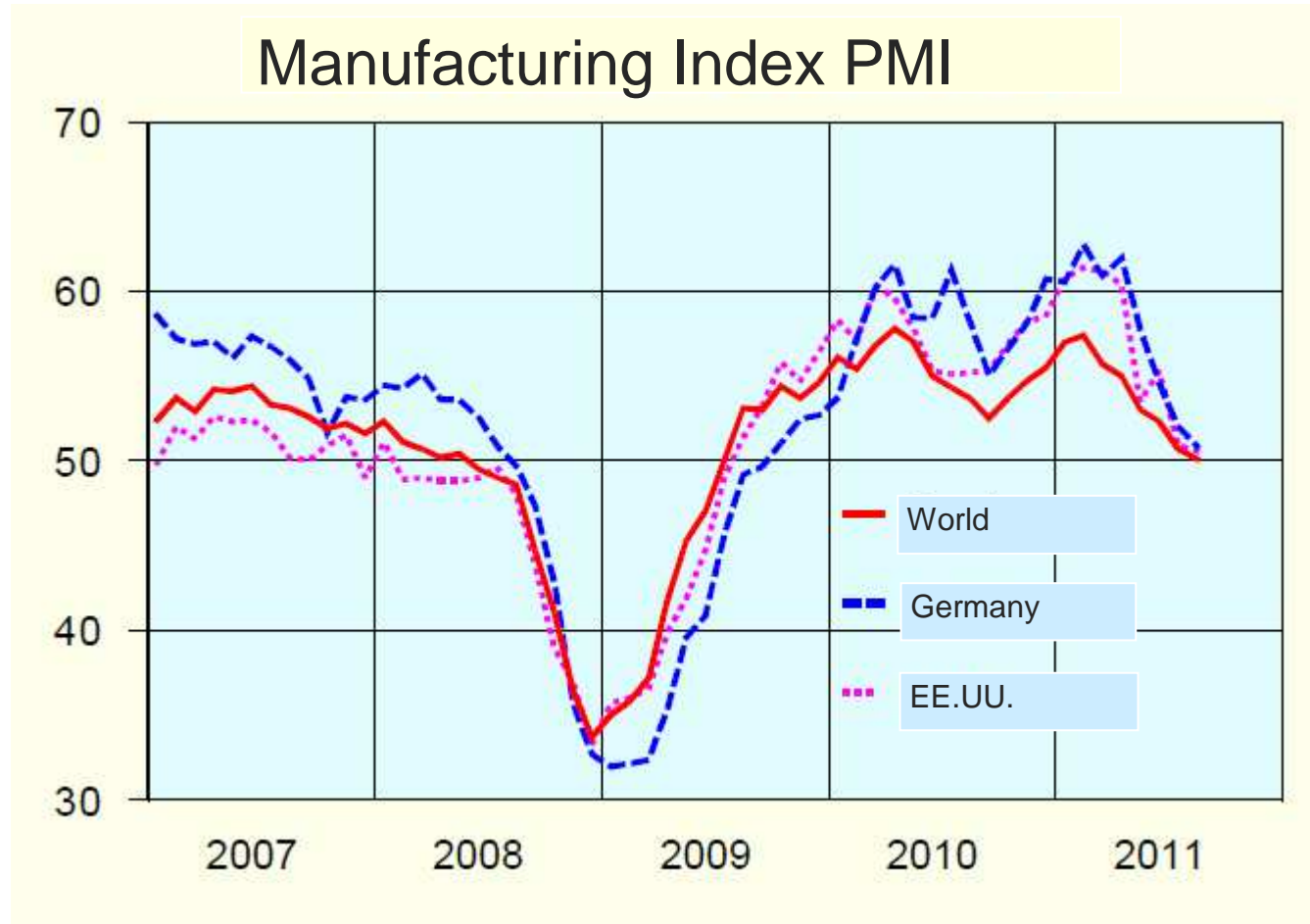




# The Sovereign Debt Crisis of the EZ and the Outlook of the Spanish Economy

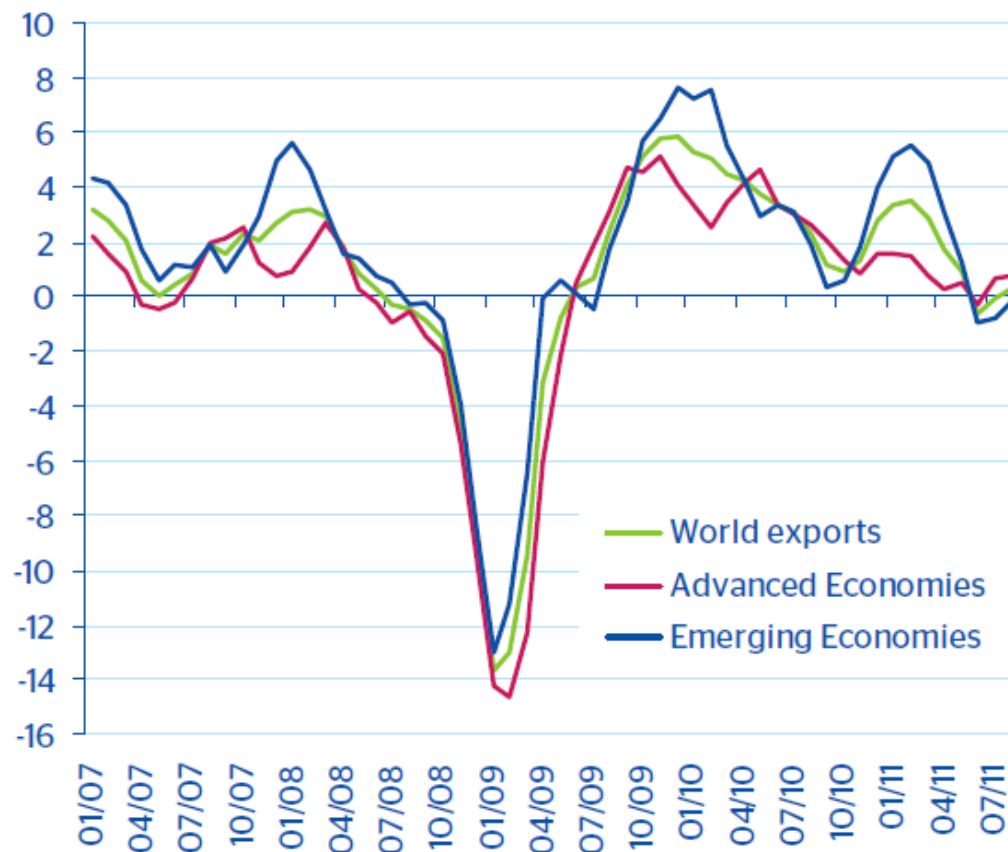
16<sup>th</sup> November 2011





# World Economy

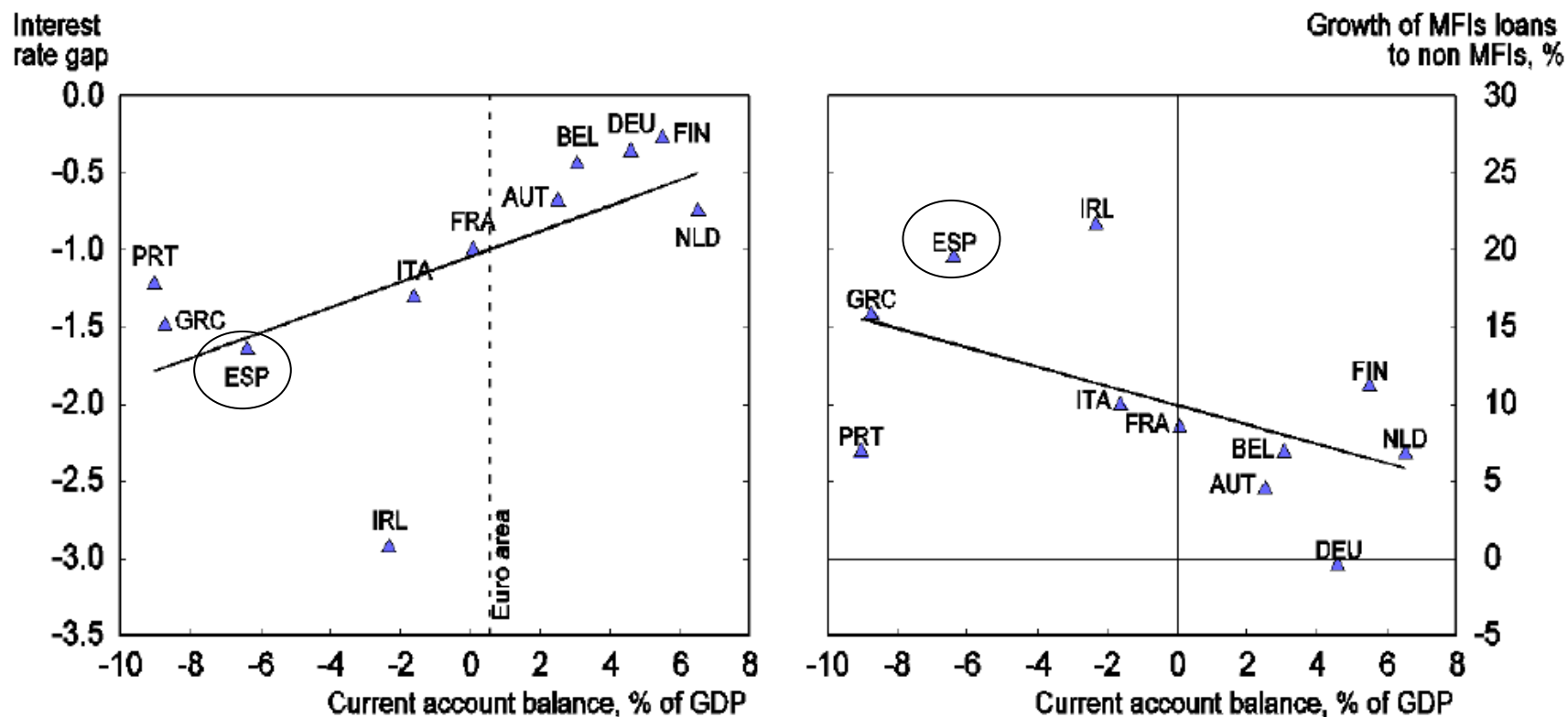
Volume of exports momentum  
Quarterly change in 3-month average (%)  
World and aggregates



Source: BBVA Research and World Trade Monitor

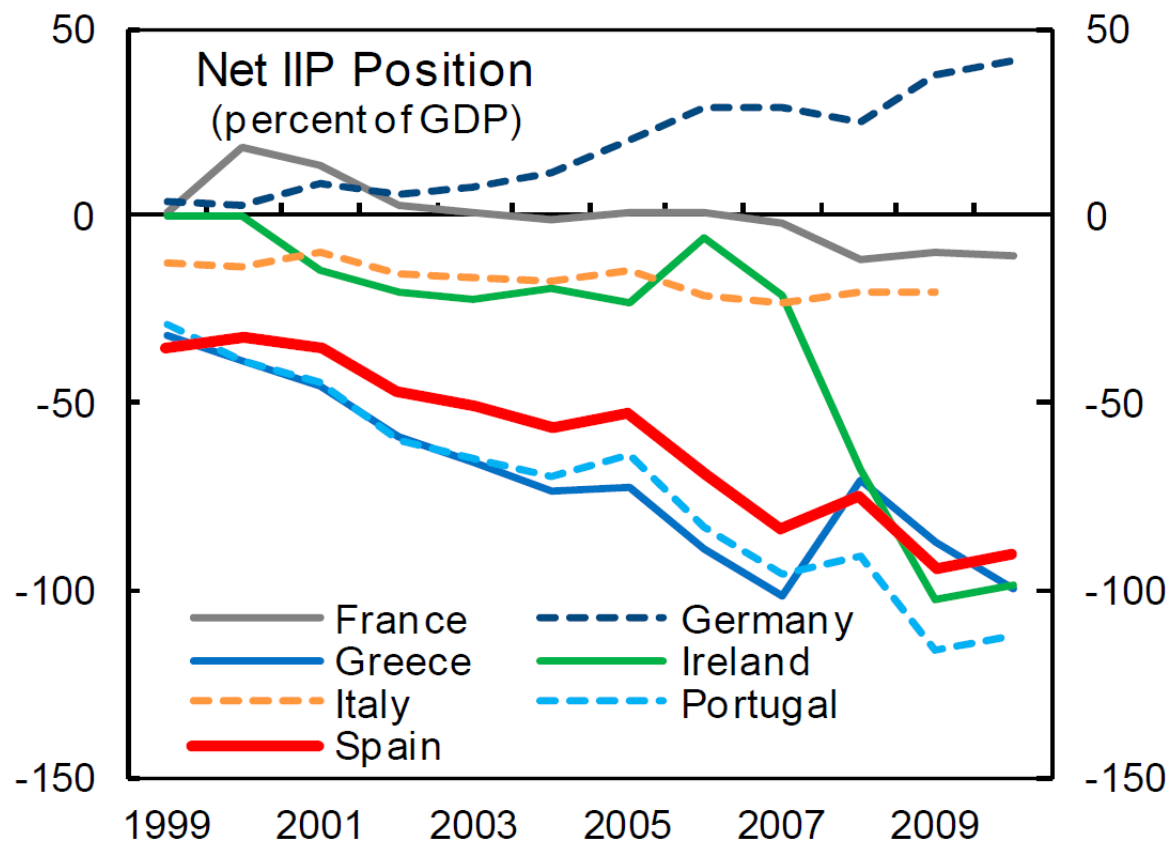
# EZ Debt Crisis – Diverging real interest rates –destabilising, sparking credit cycles

Period averages 2002 to 2007



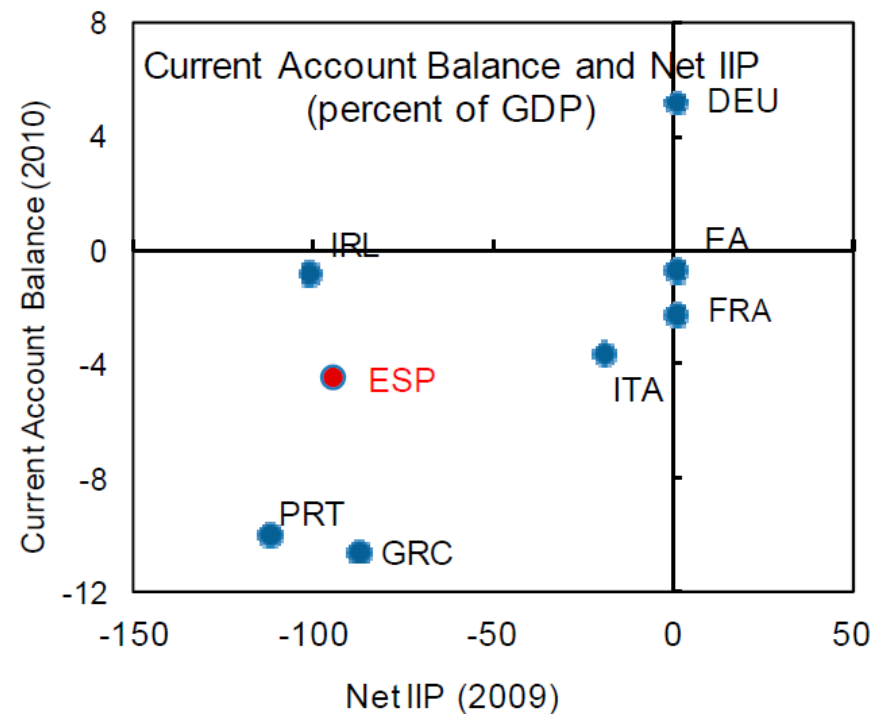
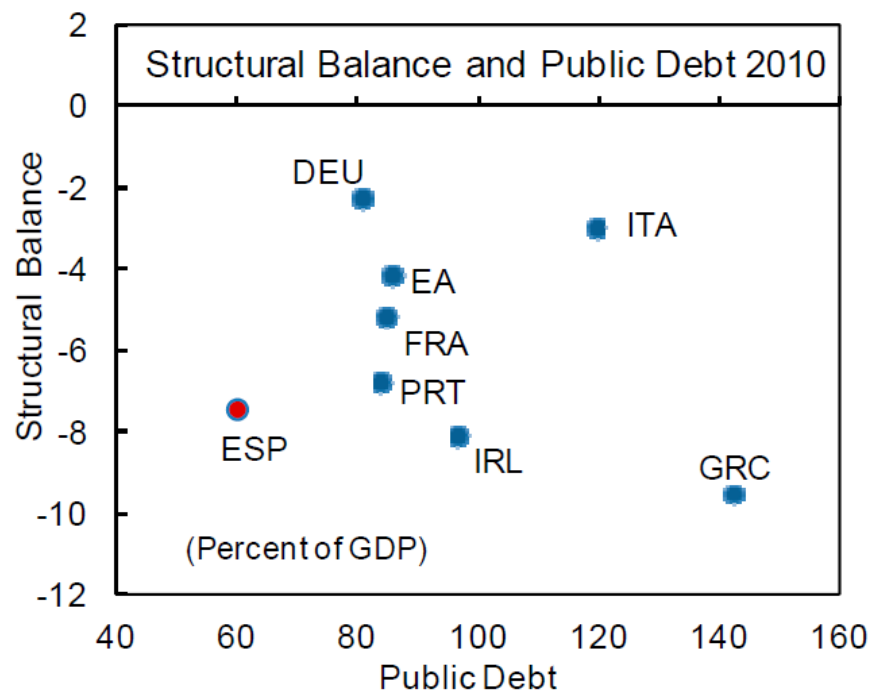
Source: OECD

# EZ Debt Crisis - International investment position of some member countries



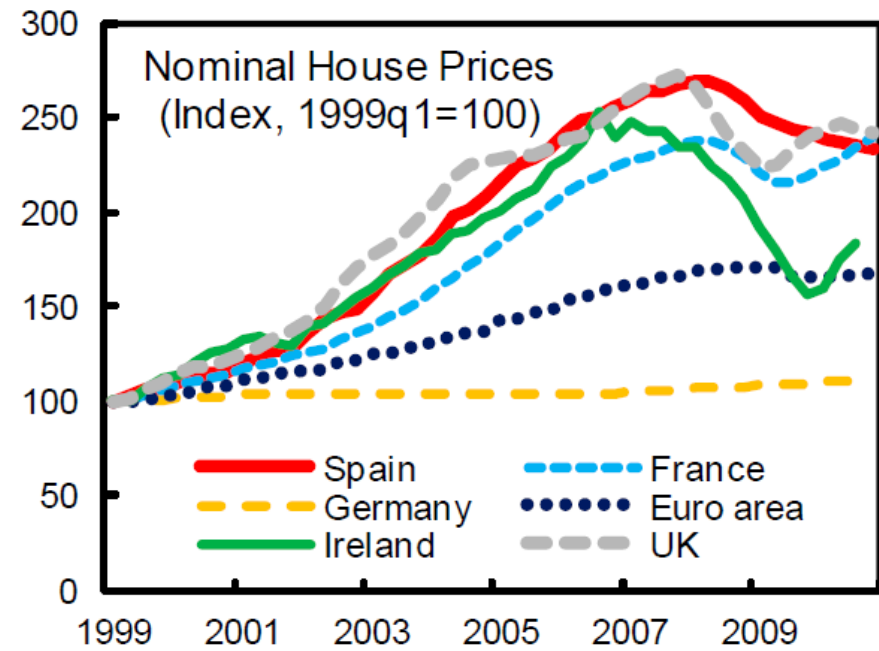
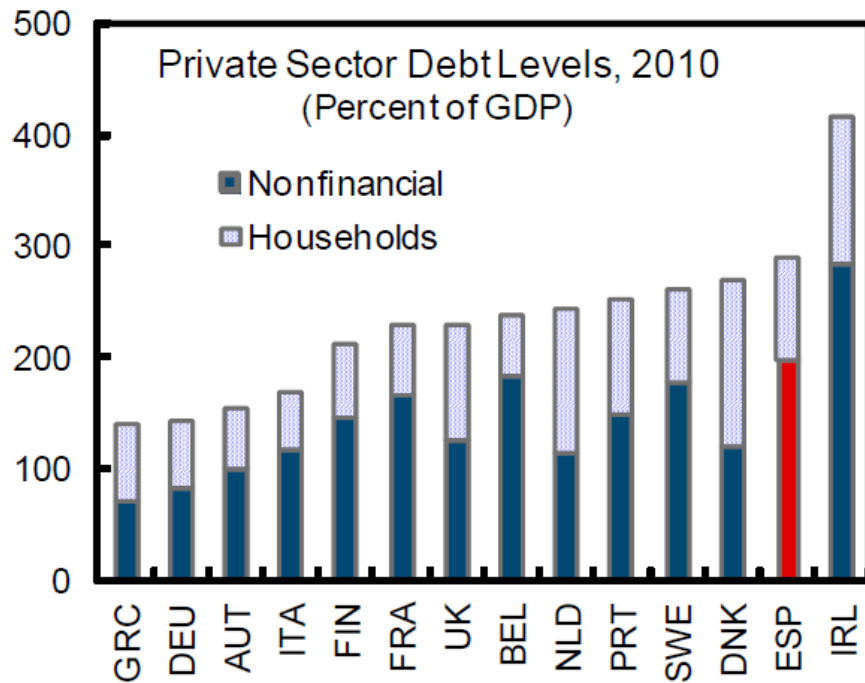
Source: IFS

# EZ Debt Crisis - Comparative indicators of some member countries



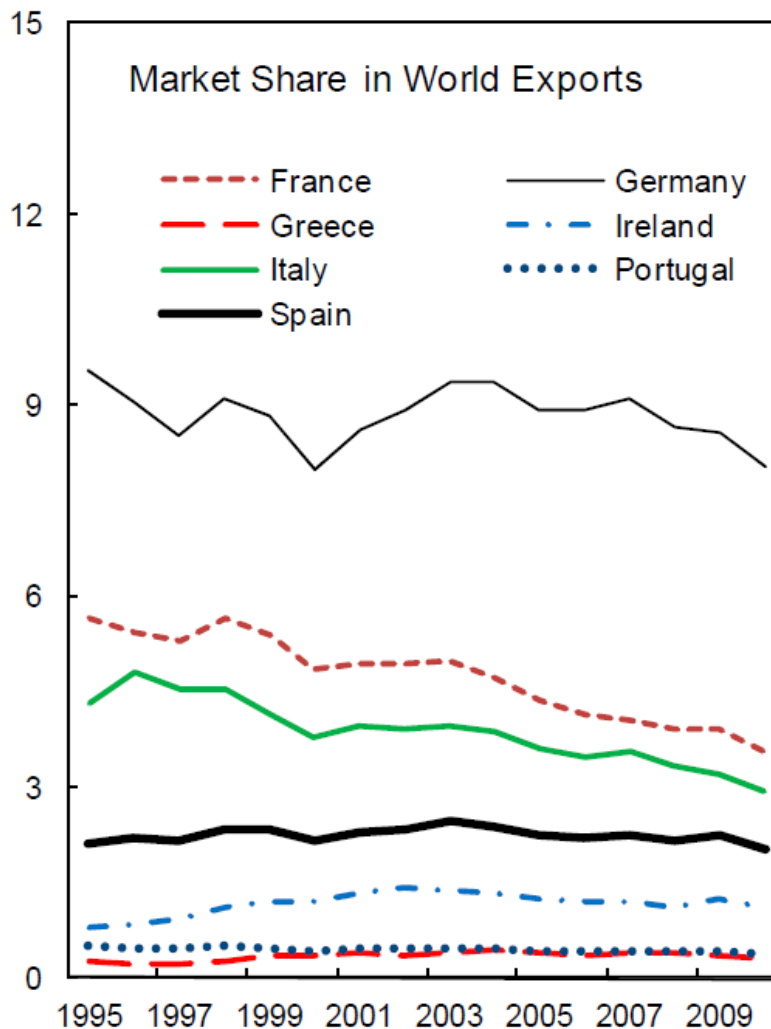
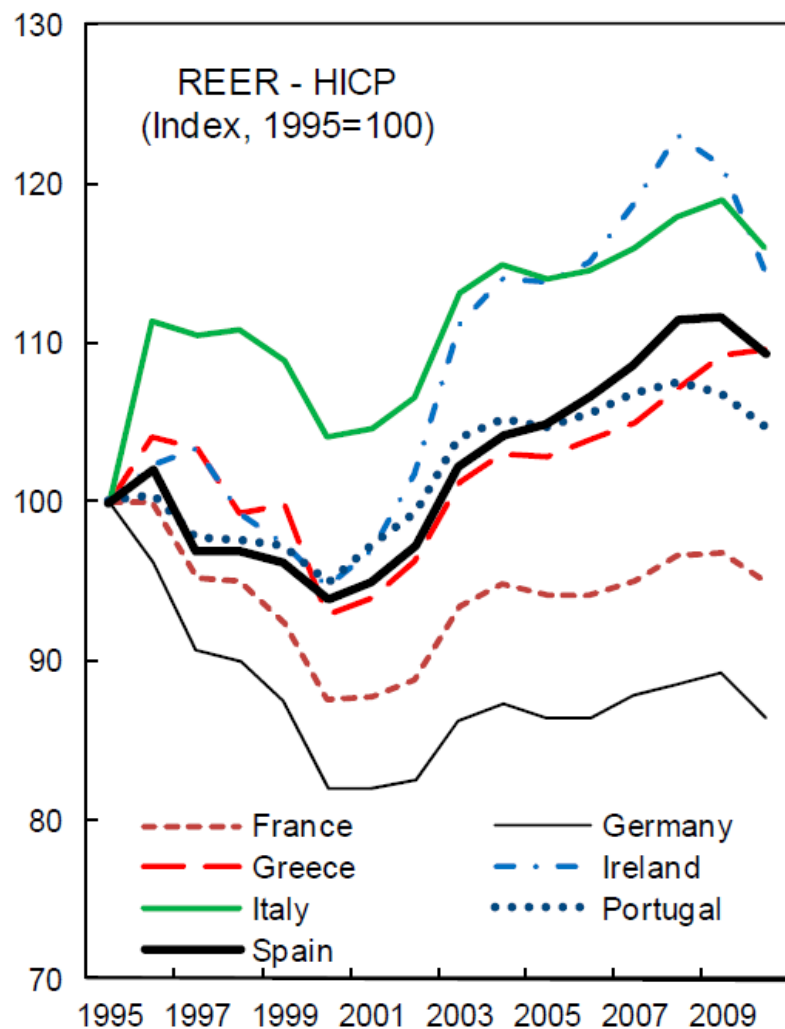
Source: WEO, OECD, Bloomberg, Bank of Spain, ECB, IMF Staffs estimates

# EZ Debt Crisis – Private sector debt and Property Bubbles



Source: OECD

# EZ Debt Crisis – Competitiveness of member countries

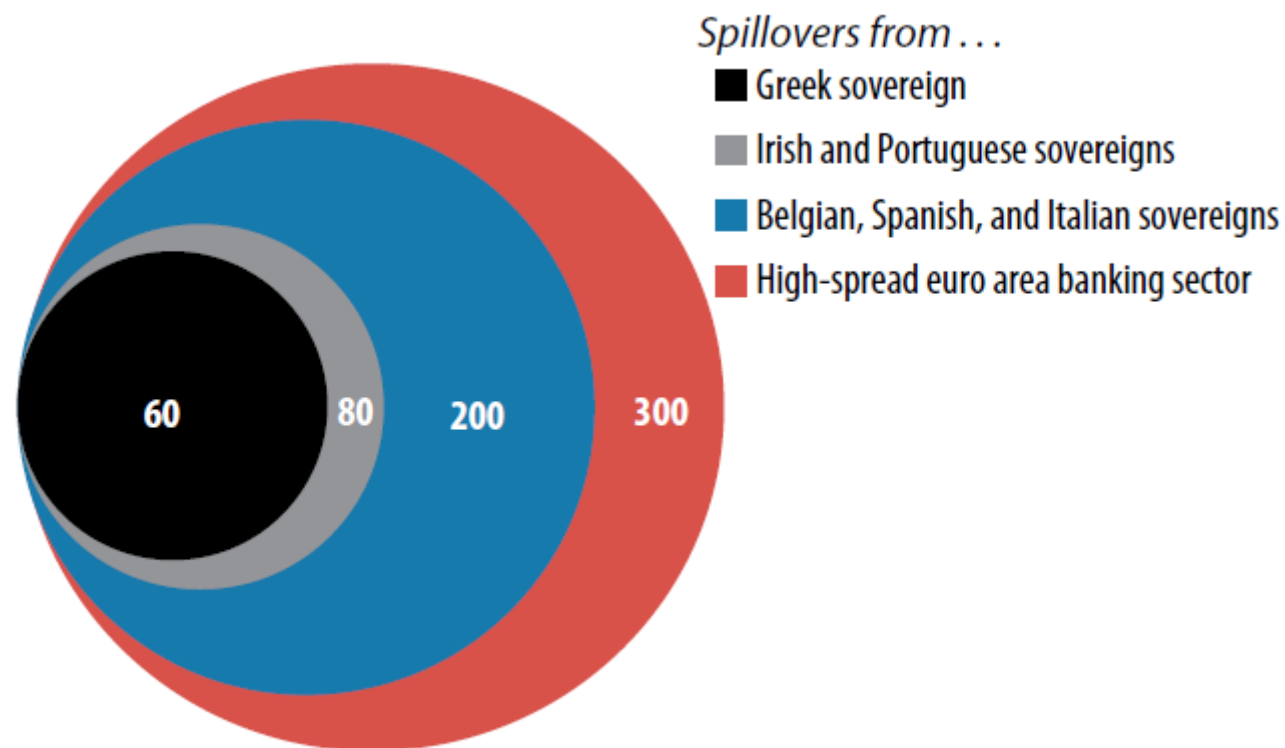


Source: Direction of Trade, Eurostat, WEO



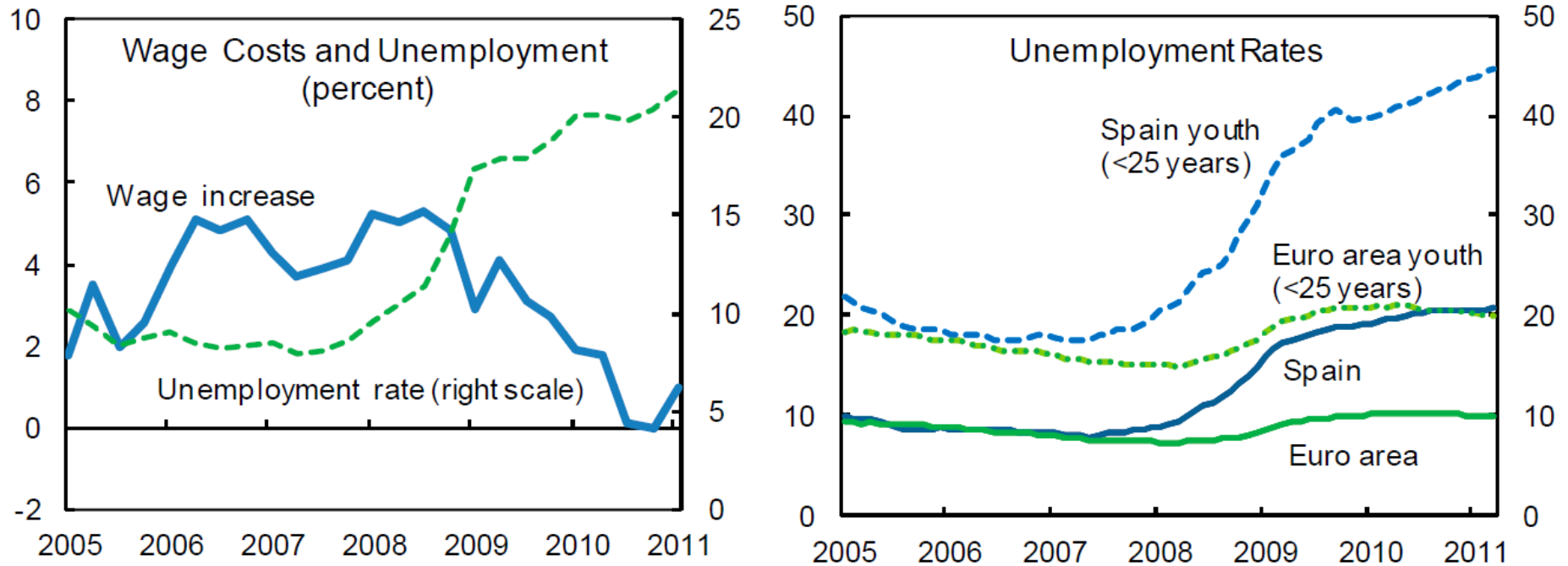
# EZ Debt Crisis - Cumulative spillovers from high-spread Euro Area sovereigns to the European Union banking system

(Billions of euros)



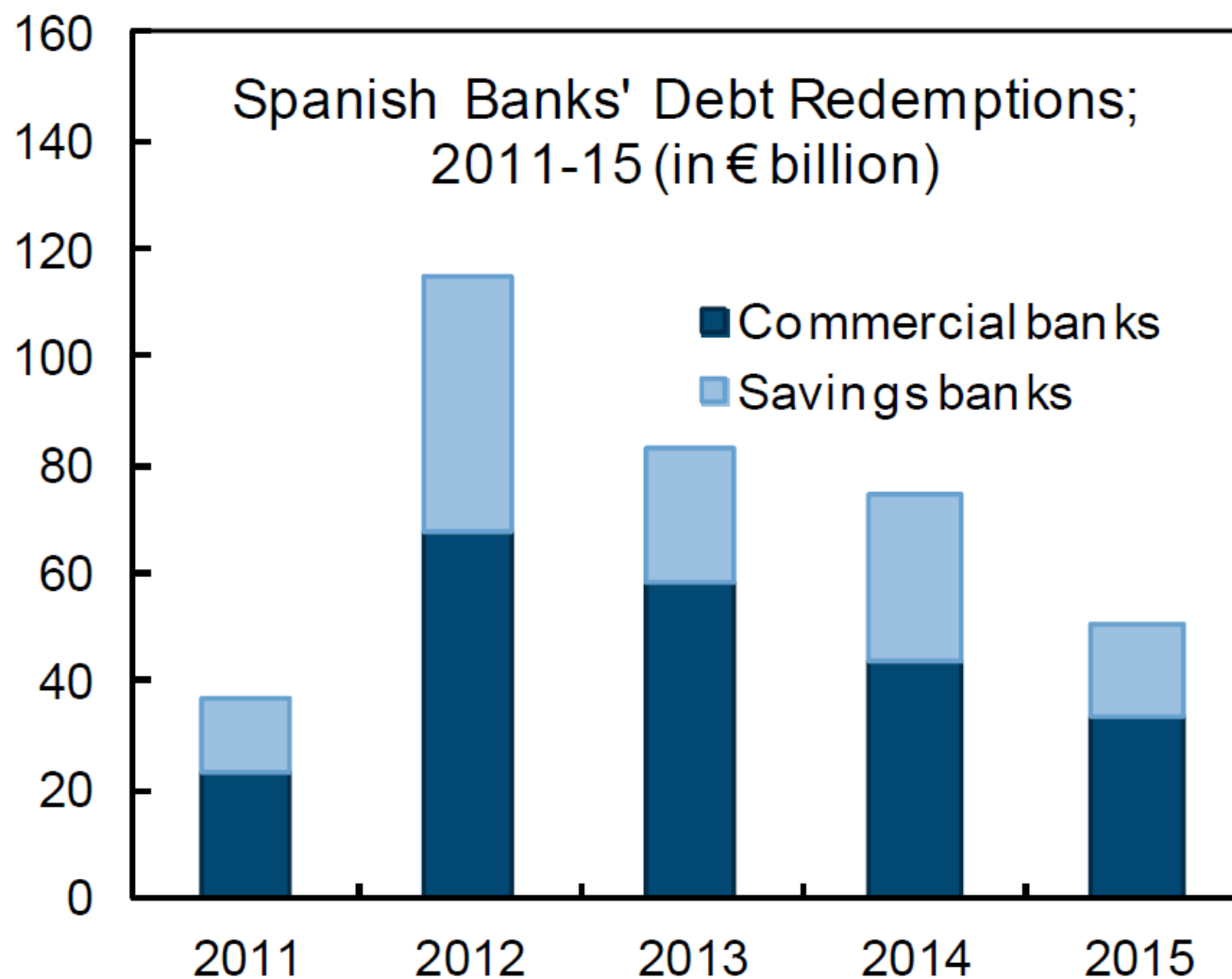
Source: IMF staff estimates

# Spanish Economy - High levels of unemployment



Source: Ministry of Labor and Immigration; Eurostat; and INE

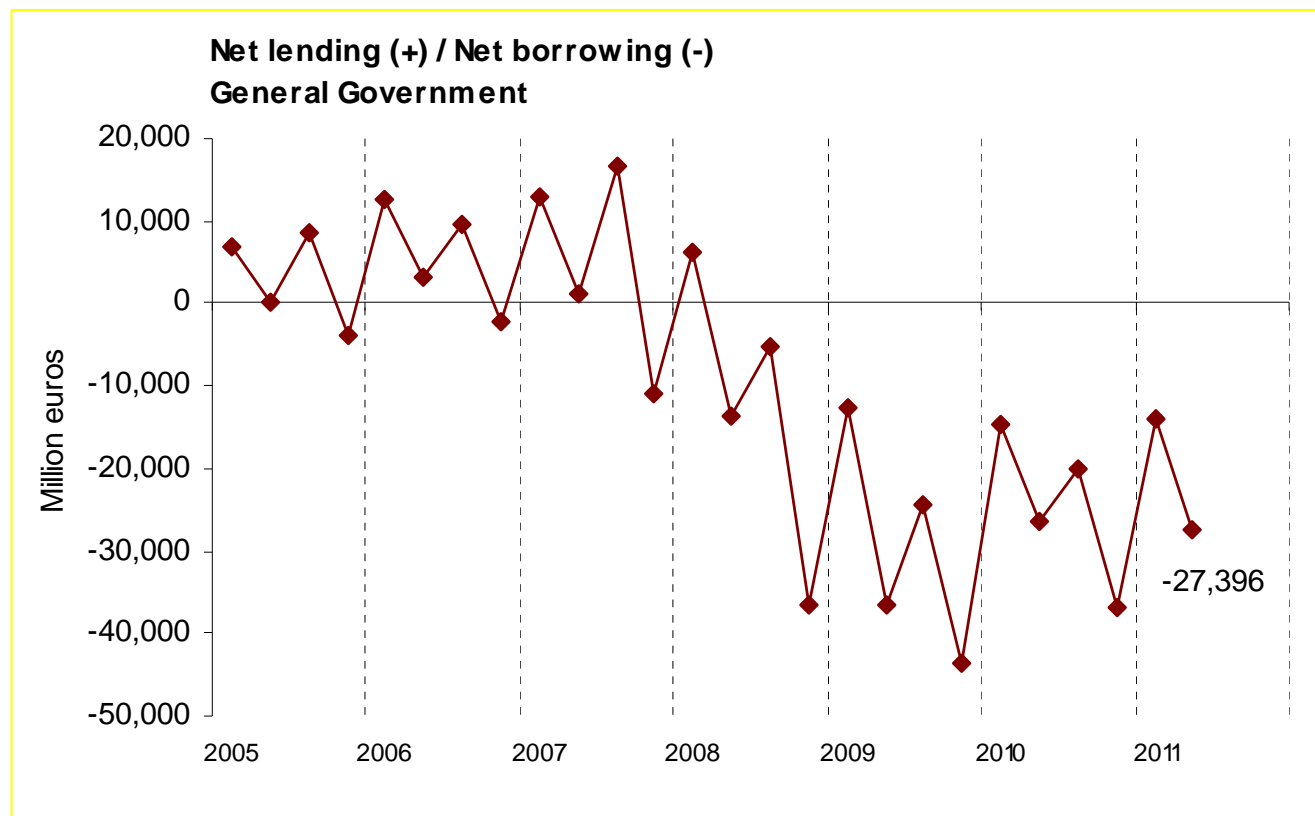
# Spanish Economy - Funding and liquidity pressure to remain elevated



Source: Bank of Spain, Asociación Española de Banca, Confederación Española de Cajas de Ahorros, Bloomberg, IMF Staffs estimates

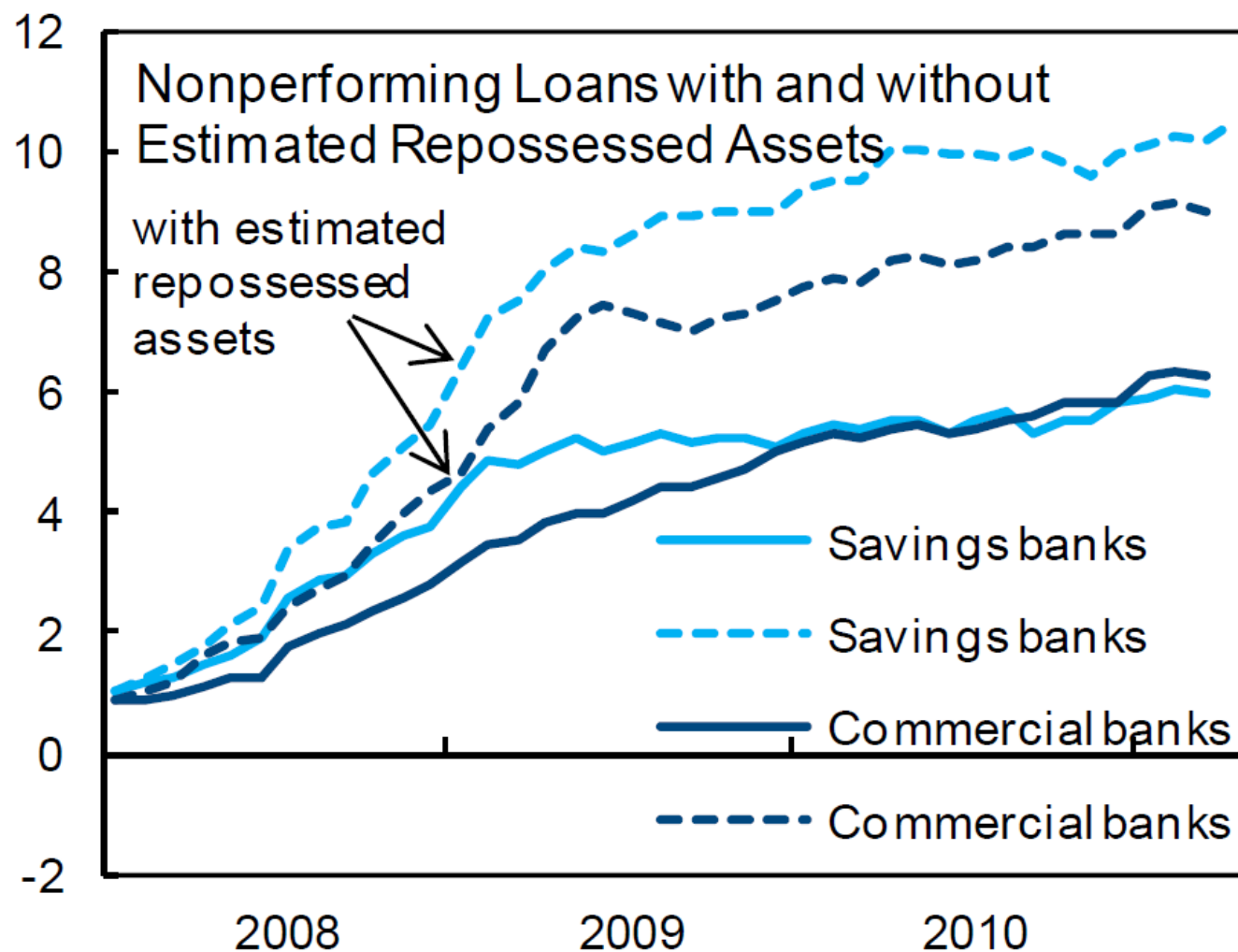


# Spanish Economy – Net borrowing / lending of the Spanish general government



Accumulating the results for the first two quarters, Public Administrations had net borrowing of 41,348 million, 7.7% of GDP

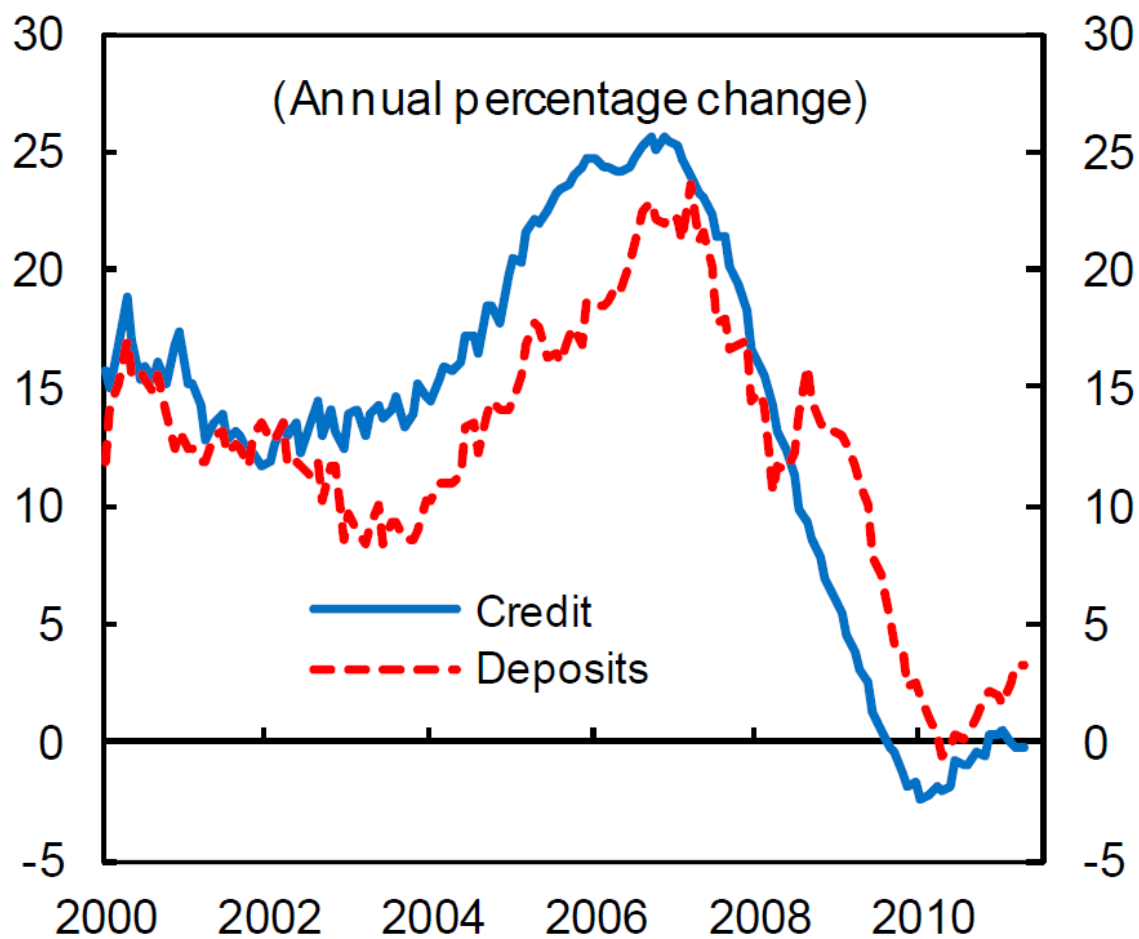
# Spanish Economy - Funding and liquidity pressure to remain elevated



Source: Bank of Spain, Asociación Española de Banca, Confederación Española de Cajas de Ahorros, Bloomberg, IMF Staffs estimates

# Spanish Economy - Financial sector indicators

Credit to the private sector plunged



Source: Bank of Spain, ECB



## Centro del Sector Financiero

