

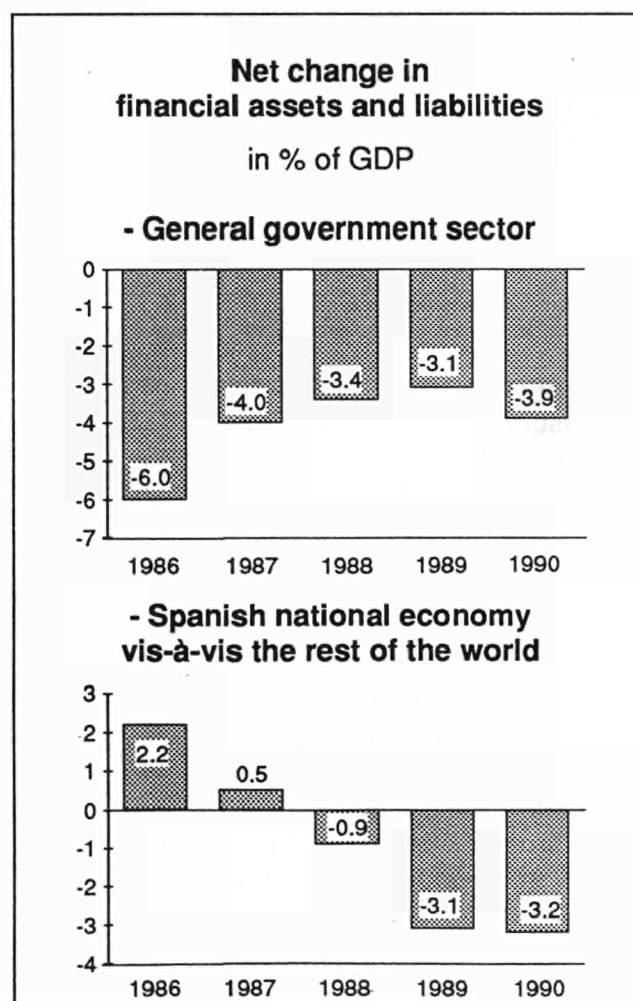
Financial Accounts

Spain 1990

In 1990, the **non-financial private sector**, which includes households, private non-profit institutions serving households and non-financial corporate and quasi-corporate enterprises, registered a smaller deficit in net change in financial assets and liabilities. This stood at a bare 1% of gross domestic product as opposed to slightly over 1½ % in the previous year. The explanation was the slowdown in the Spanish economy, together with a marked weakening of investment growth. The rise in interest rates was another contributory factor, backed by the Banco de España's lower ceiling on the extension of domestic loans to the non-financial private sector, introduced as part of their stabilization policies.

The deficit in the **general government sector** rose considerably in 1990 (see diagram). A higher share of this deficit was accounted for by local government.

On the other hand, the deficit in the net change in financial assets and liabilities of the **Spanish national economy vis-à-vis the rest of the world** stabilized in 1990. The Banco de España's currency reserves rose further as a result of extensive capital imports.



Financial transactions

Key macroeconomic data

Economic growth slowed in Spain in 1990 compared with the previous three years. Whereas real GDP for the years 1987, 1988 and 1989 rose by an average of over 5% per annum, the 1990 growth rate fell to something over 3½%. In contrast, the GDP deflator rose by half a percentage point from the previous year's figure, to just under 7½%. The fall in economic growth was particularly noticeable with respect to gross capital formation, the annual growth of which fell in nominal terms by one-third in 1990 as compared with the previous year. At over 13%, however, it was still two percentage points above the growth rate for nominal GDP. The contraction in economic growth was further accompanied by a large fall in import growth, and yet imports in 1990 rose, in value terms, by one percentage point more rapidly than exports. This led, as in the previous year, to a negative net export of goods and services of just under 3½% of GDP. In contrast, the deficit on current account rose from 3% in 1989 to 3½% in 1990.

As regards monetary policy, most of the measures adopted in 1989 after Spain had joined the European Monetary System exchange rate mechanism continued in force in 1990. The intervention rates were unchanged, and the obligation to sterilize a part of foreign borrowings at the central bank remained. The ceiling for the expansion of domestic loans to households and corporate enterprises was lowered by as much as three percentage points to 10%, but this was not sufficient to meet all the self-imposed monetary policy targets. The growth rate for the broad measure of money supply (ALP - Activos líquidos del Público) exceeded the upper limit of the target band set for 1990 by almost two percentage points and the previous year's growth rate by half a percentage point. Growth rates for the narrower definitions of money supply - M3, M2 and M1 - were as much as 4½, 6½ and 13 percentage points above the previous year's figures. In terms of annual average, however,

short-term interest rates rose by around half a percentage point and long-term rates by around one percentage point over the previous year, mainly as a result of the ceiling on domestic loans to the private sector. The Spanish peseta remained firm within the European Monetary System, taken as an average over the year, partly as a result of the long-term net capital imports needed to finance the deficit on current account.

Spain's economic development is reflected in the financial accounts for the various sectors and sub-sectors in 1990 as follows:

Credit institutions and insurance enterprises sectors

The structure of the financial account for the combined sub-sectors other monetary institutions and other credit institutions (S42/S43) was determined mainly by three measures affecting the Spanish money and capital markets in 1990.

Firstly, during the last ten days of March 1990, the Banco de España reduced the minimum reserve ratio from 17% to 5%. To stem what would otherwise have been a sudden increase in liquidity, the credit institutions had to subscribe for certificates of deposit issued by the Banco de España, which bore interest at 6% per annum and were not freely negotiable. These changes were reflected in the financial account of the credit institutions mainly as an exchange of assets between the headings currency and transferable sight deposits and other deposits.

In addition, the reform of the Spanish minimum reserve system was accompanied by a change on the conduct of monetary policy. Since May 1990 the liquidity of the Spanish economy is controlled by open market operations taking the form of repurchase agreements on the Banco de España certificates of deposit. These transactions, which replaced the monetary regulation loans, are recorded in the financial account under other deposits.

Net change in financial assets and liabilities					
	<i>Ptas '000 million</i>				
Sectors	1986	1987	1988	1989	1990
Credit institutions (S40) and insurance enterprises (S50)	383.0	584.5	560.9	714.5	734.3
Households (S80) and private non-profit institutions serving households (S70)	2295.5	1343.0	1047.9	758.1	1287.1
Non-financial corporate and quasi-corporate enterprises (S10)	-56.8	-322.4	-605.6	-1483.0	-1687.8
General government (S60)	-1929.5	-1429.8	-1352.1	-1358.1	-1925.6
National economy vis-à-vis the rest of the world	692.2	175.3	-348.9	-1368.5	-1592.0

Secondly, loans granted by the credit institutions fell by one-sixth in 1990 compared with the previous year, owing to the lower ceiling on credit expansion for the households and corporate enterprises sectors.

Thirdly, competition between credit institutions for transferable sight deposits in national currency, on which sizeable interest rates were offered, grew fiercer. Growth in this field accounted for almost one-third of additional liabilities. In particular, households and corporate enterprises increased their transferable sight deposits in national currency at the expense of time and savings deposits. In contrast to this, credit institutions accepted a much greater amount of time and savings deposits in foreign currency than in the past.

Apart from the impact of the revised minimum reserve system and the new focal point of monetary policy, the main feature of the Banco de España's financial account (S41) for 1990 was further inflows of foreign currency.

In the case of insurance enterprises (S50), which have undergone to a structural change since the midst 1980s, the sharp rise in insurance technical reserves continued in 1990.

The combined households and private non-profit institutions serving households sector

There was a sharp rise in the net change in financial assets and liabilities of the sectors

households (S80) and private non-profit institutions (S70), compared with the 1989 figures. The boost in interest rates resulting from credit restrictions led to increased savings alongside a rise in the acquisition of interest-bearing financial assets and at the same time curbed loans to finance consumer durables and housing construction. There was also an exceptional rise in the gross saving of the combined sector as a result of the deferment of tax refunds from the final quarter of 1989 to the first quarter of 1990.

Whilst the borrowing of households and private non-profit institutions fell by one-eighth in 1990 compared with 1989, in peseta terms there was a slight rise in the acquisition of financial assets. Thus the structure of investments was dominated by the interest-related competition of the credit institutions for transferable sight deposits. The percentage share of the change in financial assets accounted for by currency and transferable sight deposits in national currency doubled. At 55%, it was twice as high as the share of time and savings deposits in national currency which in previous years had been by far the most important item. Furthermore, households and private non-profit institutions carried out only a comparatively limited amount of switching of financial assets.

The non-financial corporate and quasi-corporate enterprises sector

In contrast to the situation with the combined sector households and private non-profit

institutions serving households, the net change in the financial assets and liabilities of the non-financial corporate and quasi-corporate enterprises sector (S10) was not only negative but moved towards an even greater deficit than in previous years. The deterioration was still only moderate, however, partly because of the slowdown in the growth of gross capital formation (which was nevertheless, in terms of GDP, running at a high level) and partly because of the increase in gross saving.

During 1990, only two-thirds of the external financing of corporate enterprises was in the form of borrowing. Owing to the ceiling on credit expansion and the resulting rise in interest rates, net bank borrowings, in particular, were lower. Primarily, short-term bank loans were replaced by a rapidly developing market for bills and short-term bonds, used by corporate enterprises mainly for liquidity equalization. For this reason, the unconsolidated financial account of the corporate enterprises shows a sharp rise in the bills and short-term bonds entry on both sides. On the other hand, the unconsolidated financial account contracted in 1990 because the rise in trade credits granted by corporate enterprises (which is estimated only indirectly) was less steep than in 1989.

In 1990, corporate enterprises were financed by shares and other equities at roughly the same level as in the previous two years. Once again, it was mainly foreign investors who took up such securities, whilst there was a net fall in those held by Spanish households and private non-profit institutions.

The general government sector

The deficit in the net change in financial assets and liabilities in the general government sector (S60) increased in 1990 to almost 4% of GDP as opposed to only just over 3% in 1989. This sector's three sub-sectors were almost equally responsible for this increase of 570 000 million pesetas. If, however, for the sake of comparability, the tax refunds to households, which were deferred from the final quarter of 1989 to the first quarter of 1990, are discounted, the deficit would be smaller as a percentage of GDP

than in 1989. Even without this correction, however, the volume of public investment was again much higher than the net change in financial assets and liabilities.

The deficit of the sub-sector central government (S61) was slightly above 2½ % of GDP in the year under review, financed primarily by the issue of bills and short-term bonds and long-term bonds, which accounted for over 90% of additional liabilities. In the case of net new borrowings, by far the largest creditors were once again the credit institutions.

Since 1987, the net change in the financial assets and liabilities of the local government sub-sector (S62) has shown a steadily increasing deficit, financed to an ever greater extent in 1990 by bank loans. On the other hand, holdings of bills and short-term bonds, which had risen sharply in 1989 as a result of the issue of Pagarés Forales (promissory notes), declined somewhat under central government pressure. For the first time since 1986, the sub-sector social security funds (S63) recorded a negative net change in financial assets and liabilities.


National economy vis-à-vis the rest of the world

In 1990, there was only a slight fall in Spain's net change in financial assets and liabilities in relation to the rest of the world (S90), which by definition corresponds largely to the balance on current account. As in 1989, the deficit was running at slightly over 3% of GDP. The trade balance was mainly responsible for stabilizing the balance on current account: measured against GDP, the import surplus fell by almost one percentage point to just over 6½ %. On the other hand, there were smaller surpluses in net invisibles and net transfer payments, net revenue from travel showing a particularly sharp fall.

There was a considerable rise in Spain's financial assets and liabilities in relation to the rest of the world in the wake of the lifting of almost all restrictions on capital movements. As regards capital imports, the acquisition of shares and other equities by foreign investors rose once again, even if only slightly, although their share of capital imports fell back to 30%


Financial Accounts - Spain 1990

million spanish pesetas

 Sectors		Credit institutions and insurance enterprises				Non-profit institutions and households	Non-financial corporate and quasi-corporate enterprises	General government				National economy vis-à-vis the rest of the world	
		Total	Central banking authorities	Other monetary and credit institutions	Insurance enterprises			Total	Central government	Local government	Social security funds		
Financial transactions		ESA	S40/S50	S41	S42/S43	S50	S70/S80	S10	S60	S61	S62	S63	
Change in assets			8 152 000	- 216 000	7 806 900	561 100	4 612 900	5 260 500	857 800	495 400	162 000	200 400	2 766 600
Currency and transferable sight deposits	F20		-3 071 700	712 300	-3 787 600	3 600	2 516 700	516 400	-142 700	1 600	-133 500	-10 800	714 000
- in national currency	F21		-3 785 700	0	-3 789 200	3 500	2 516 700	511 200	-142 700	1 600	-133 500	-10 800	0
- in foreign currency	F22		636 300	634 600	1 600	100	0	5 200	0	0	0	0	636 300
Net position in the IMF	F23		-3 700	-3 700	0	0	0	0	0	0	0	0	-3 700
Ecu position vis-à-vis the EMCF	F24		81 400	81 400	0	0	0	0	0	0	0	0	81 400
Other deposits	F30		6 056 300	1 274 000	4 718 900	63 400	1 314 000	857 500	35 500	92 100	-93 000	36 400	684 800
- in national currency	F31		5 027 000	1 277 900	3 687 600	61 500	1 285 500	784 700	35 500	92 100	-93 000	36 400	-6 500
- in foreign currency	F32		1 029 300	-3 900	1 031 300	1 900	28 500	72 800	0	0	0	0	691 300
Insurance technical reserves	F90		38 600	0	0	38 600	484 700	65 500	0	0	0	0	36 900
Bills and short-term bonds	F40		703 600	-286 700	936 400	53 900	434 900	1 432 600	18 400	0	12 400	6 000	0
Long-term bonds	F50		486 600	-23 900	384 400	126 100	-193 700	-104 500	13 400	0	-3 200	16 600	115 600
Shares and other equities	F60		150 600	-300	136 300	14 600	-211 800	136 200	141 700	134 700	5 200	1 800	330 600
Financial gold	F00		14 900	14 900	0	0	0	0	-18 400	-18 400	0	0	-3 500
Special drawing rights (SDRs)	F10		-19 600	-19 600	0	0	0	0	0	0	0	0	-19 600
Loans	F70/F80		3 792 700	-1 886 700	5 418 500	260 900	268 100	2 356 800	809 900	285 400	374 100	150 400	907 800
Change in liabilities			7 417 700	- 464 900	7 218 500	664 100	3 325 800	6 948 300	2 783 400	1 870 100	630 100	283 200	4 358 600
Currency and transferable sight deposits	F20		-919 100	-3 192 200	2 273 100	0	0	0	15 500	15 500	0	0	-8 300
- in national currency	F21		-877 000	-3 146 300	2 269 300	0	0	0	15 500	15 500	0	0	39 000
- in foreign currency	F22		-30 900	-34 700	3 800	0	0	0	0	0	0	0	-36 100
Net position in the IMF	F23		-11 200	-11 200	0	0	0	0	0	0	0	0	-11 200
Other deposits	F30		9 132 900	2 812 200	6 391 800	-71 100	0	-45 900	3 900	3 900	0	0	1 512 400
- in national currency	F31		7 670 600	2 812 200	4 929 500	-71 100	0	-45 900	3 900	3 900	0	0	489 400
- in foreign currency	F32		1 462 300	0	1 462 300	0	0	0	0	0	0	0	1 023 000
Insurance technical reserves	F90		551 900	0	-26 100	578 000	0	0	0	0	0	0	0
Bills and short-term bonds	F40		0	0	0	0	0	1 639 400	890 500	1 115 500	-235 000	0	-69 600
Long-term bonds	F50		-170 500	0	-170 500	0	0	400	556 600	587 100	-30 500	0	300 300
Shares and other equities	F60		319 200	0	249 000	70 200	0	904 300	0	0	0	0	1 337 400
Special drawing rights (SDRs)	F10		0	0	0	0	0	0	0	0	0	0	0
Loans	F70/F80		-1 496 700	-84 900	-1 498 800	87 000	3 325 800	4 450 100	1 326 900	148 100	895 600	283 200	1 286 400
Net change in financial assets and liabilities			734 300	248 900	588 400	-103 000	1 287 100	-1 687 800	-1 925 600	-1 374 700	-468 100	-82 800	-1 592 000


Financial Accounts - Spain 1990

million ecus

 Sectors		Credit institutions and insurance enterprises				Non-profit institutions and households	Non-financial corporate and quasi-corporate enterprises	General government				National economy vis-à-vis the rest of the world	
		Total	Central banking authorities	Other monetary and credit institutions	Insurance enterprises			Total	Central government	Local government	Social security funds		
Financial transactions		ESA	S40/S50	S41	S42/S43	S50	S70/S80	S10	S60	S61	S62	S63	
Change in assets			63 039	- 1 670	60 371	4 339	35 672	40 679	6 633	3 831	1 253	1 550	21 394
Currency and transferable sight deposits	F20		- 23 753	5 508	- 29 289	28	19 462	3 993	- 1 103	12	- 1 032	- 84	5 521
- in national currency	F21		- 29 275	0	- 29 302	27	19 462	3 953	- 1 103	12	- 1 032	- 84	0
- in foreign currency	F22		4 921	4 907	12	1	0	40	0	0	0	0	4 921
Net position in the IMF	F23		- 29	- 29	0	0	0	0	0	0	0	0	- 29
Ecu position vis-à-vis the EMCF	F24		629	629	0	0	0	0	0	0	0	0	629
Other deposits	F30		46 833	9 852	36 491	490	10 161	6 631	275	712	- 719	281	5 296
- in national currency	F31		38 874	9 882	28 516	476	9 941	6 068	275	712	- 719	281	- 50
- in foreign currency	F32		7 960	- 30	7 975	15	220	563	0	0	0	0	5 346
Insurance technical reserves	F90		298	0	0	298	3 748	507	0	0	0	0	285
Bills and short-term bonds	F40		5 441	- 2 217	7 241	417	3 363	11 078	142	0	96	46	0
Long-term bonds	F50		3 763	- 185	2 973	975	- 1 498	- 808	104	0	- 25	128	894
Shares and other equities	F60		1 165	- 2	1 054	113	- 1 638	1 053	1 096	1 042	40	14	2 557
Financial gold	F00		115	115	0	0	0	0	- 142	- 142	0	0	- 27
Special drawing rights (SDRs)	F10		- 152	- 152	0	0	0	0	0	0	0	0	- 152
Loans	F70/F80		29 329	- 14 590	41 901	2 018	2 073	18 225	6 263	2 207	2 893	1 163	7 020
Change in liabilities			57 361	- 3 595	55 821	5 135	25 718	53 731	21 524	14 461	4 873	2 190	33 705
Currency and transferable sight deposits	F20		- 7 107	- 24 685	17 578	0	0	0	120	120	0	0	- 64
- in national currency	F21		- 6 782	- 24 330	17 548	0	0	0	120	120	0	0	302
- in foreign currency	F22		- 239	- 268	29	0	0	0	0	0	0	0	- 279
Net position in the IMF	F23		- 87	- 87	0	0	0	0	0	0	0	0	- 87
Other deposits	F30		70 625	21 747	49 428	- 550	0	- 355	30	30	0	0	11 695
- in national currency	F31		59 317	21 747	38 120	- 550	0	- 355	30	30	0	0	3 785
- in foreign currency	F32		11 308	0	11 308	0	0	0	0	0	0	0	7 911
Insurance technical reserves	F90		4 268	0	- 202	4 470	0	0	0	0	0	0	0
Bills and short-term bonds	F40		0	0	0	0	0	12 677	6 809	8 626	- 1 817	0	- 538
Long-term bonds	F50		- 1 318	0	- 1 318	0	0	3	4 304	4 540	- 236	0	2 322
Shares and other equities	F60		2 468	0	1 926	543	0	6 993	0	0	0	0	10 342
Special drawing rights (SDRs)	F10		0	0	0	0	0	0	0	0	0	0	0
Loans	F70/F80		- 11 574	- 657	- 11 590	673	25 718	34 413	10 261	1 145	6 926	2 190	9 948
Net change in financial assets and liabilities			5 678	1 925	4 550	- 796	9 953	- 13 052	- 14 891	- 10 631	- 3 620	- 640	- 12 311


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million ecus

 Sectors		Credit institutions and insurance enterprises				Non-profit institutions and households	Non-financial corporate and quasi-corporate enterprises	General government				National economy vis-à-vis the rest of the world
		Total	Central banking authorities	Other monetary and credit institutions	Insurance enterprises			Total	Central government	Local government	Social security funds	
Financial transactions	SEC	S40/S50	S41	S42/S43	S50	S70/S80	S10	S60	S61	S62	S63	
Change in assets		87 549	11 793	75 584	172	34 893	37 715	11 493	4 053	7 588	- 148	12 861
Currency and transferable sight deposits	F20	12 970	3 867	8 776	327	9 475	1 574	6 164	538	5 570	56	3 904
- in national currency	F21	9 066	0	8 754	312	9 475	1 532	6 164	538	5 570	56	0
- in foreign currency	F22	3 348	3 311	22	15	0	41	0	0	0	0	3 348
Net position in the IMF	F23	198	198	0	0	0	0	0	0	0	0	198
Ecu position vis-à-vis the EMCF	F24	358	358	0	0	0	0	0	0	0	0	358
Other deposits	F30	3 623	- 1 677	7 681	- 2 380	15 288	12 331	1 804	560	1 104	140	1 757
- in national currency	F31	2 464	- 1 666	6 514	- 2 384	14 496	12 274	1 804	560	1 104	140	273
- in foreign currency	F32	1 159	- 12	1 167	4	792	57	0	0	0	0	1 484
Insurance technical reserves	F90	470	0	0	470	3 922	1 230	0	0	0	0	367
Bills and short-term bonds	F40	5 144	- 3 432	7 798	778	8 285	- 176	130	0	86	44	0
Long-term bonds	F50	413	43	- 245	615	- 3 419	134	134	0	42	92	563
Shares and other equities	F60	1 469	- 13	1 577	- 94	- 4 173	2 074	1 019	929	84	6	1 481
Financial gold	F00	515	515	0	0	0	0	- 8	- 8	0	0	507
Special drawing rights (SDRs)	F10	87	87	0	0	0	0	0	0	0	0	87
Loans	F70/F80	62 857	12 404	49 997	456	5 514	20 548	2 251	2 036	701	- 486	4 195
Change in liabilities		82 070	9 887	70 838	1 345	29 080	49 087	21 908	12 861	9 770	- 723	23 355
Currency and transferable sight deposits	F20	26 007	13 016	12 991	0	0	0	275	275	0	0	3
- in national currency	F21	25 926	13 036	12 890	0	0	0	275	275	0	0	- 37
- in foreign currency	F22	81	- 20	101	0	0	0	0	0	0	0	40
Net position in the IMF	F23	0	0	0	0	0	0	0	0	0	0	0
Other deposits	F30	36 185	- 2 712	42 197	- 3 300	0	402	18	18	0	0	5 315
- in national currency	F31	31 195	- 2 712	37 207	- 3 300	0	402	18	18	0	0	850
- in foreign currency	F32	4 990	0	4 990	0	0	0	0	0	0	0	4 465
Insurance technical reserves	F90	5 255	0	1 630	3 625	0	0	0	0	0	0	0
Bills and short-term bonds	F40	0	0	0	0	0	- 2 062	15 805	9 704	6 102	0	360
Long-term bonds	F50	- 1 972	0	- 1 972	0	0	- 1 102	1 889	1 930	- 41	0	2 116
Shares and other equities	F60	2 076	0	1 558	518	0	6 847	0	0	0	0	10 014
Special drawing rights (SDRs)	F10	0	0	0	0	0	0	0	0	0	0	0
Loans	F70/F80	14 519	- 418	14 433	503	29 080	45 003	3 921	935	3 709	- 723	5 547
Net change in financial assets and liabilities		5 479	1 906	4 746	- 1 173	5 813	- 11 372	- 10 414	- 8 807	- 2 182	575	- 10 494


Financial Accounts - Spain 1988

million spanish pesetas

 Sectors		Credit institutions and insurance enterprises				Non-profit institutions and households	Non-financial corporate and quasi-corporate enterprises	General government				National economy vis-à-vis the rest of the world	
		Total	Central banking authorities	Other monetary and credit institutions	Insurance enterprises			Total	Central government	Local government	Social security funds		
Financial transactions		ESA	S40/S50	S41	S42/S43	S50	S70/S80	S10	S60	S61	S62	S63	
Change in assets			8 772 700	404 600	7 079 600	1 288 500	4 001 700	3 496 000	- 755 500	-1 149 600	331 500	62 600	1 959 600
Currency and transferable sight deposits	F20		948 500	873 300	133 400	- 58 200	1 002 400	598 700	248 200	54 400	174 200	19 600	874 000
- in national currency	F21		74 500	0	132 300	- 57 800	1 002 400	598 500	248 200	54 400	174 200	19 600	0
- in foreign currency	F22		812 700	812 000	1 100	- 400	0	200	0	0	0	0	812 700
Net position in the IMF	F23		36 500	36 500	0	0	0	0	0	0	0	0	36 500
Ecu position vis-à-vis the EMCF	F24		24 800	24 800	0	0	0	0	0	0	0	0	24 800
Other deposits	F30		2 098 700	172 100	1 367 100	559 500	1 819 000	849 600	102 100	21 500	62 400	18 200	106 300
- in national currency	F31		1 726 400	152 000	1 016 300	558 100	1 772 900	850 600	103 400	21 500	63 700	18 200	25 400
- in foreign currency	F32		372 300	20 100	350 800	1 400	46 100	- 1 000	- 1 300	0	- 1 300	0	80 900
Insurance technical reserves	F90		5 700	0	0	5 700	1 084 100	53 600	0	0	0	0	2 000
Bills and short-term bonds	F40		1 106 000	314 500	750 800	40 700	- 68 700	374 300	6 500	0	0	6 500	0
Long-term bonds	F50		968 200	25 100	507 100	436 000	- 167 600	153 800	10 500	0	1 300	9 200	24 400
Shares and other equities	F60		343 400	700	273 700	69 000	- 291 500	439 300	210 700	201 300	9 400	0	177 400
Financial gold	F00		81 200	81 200	0	0	0	0	400	400	0	0	81 600
Special drawing rights (SDRs)	F10		6 700	6 700	0	0	0	0	0	0	0	0	6 700
Loans	F70/F80		3 214 300	-1 069 000	4 047 500	235 800	624 000	1 026 700	-1 333 900	-1 427 200	84 200	9 100	687 200
Change in liabilities			8 211 800	404 200	6 457 200	1 350 400	2 953 800	4 101 600	596 600	111 300	472 000	13 300	2 308 500
Currency and transferable sight deposits	F20		2 073 500	654 800	1 418 700	0	0	0	50 100	50 100	0	0	199 800
- in national currency	F21		2 024 600	611 000	1 413 600	0	0	0	50 100	50 100	0	0	151 100
- in foreign currency	F22		48 900	43 800	5 100	0	0	0	0	0	0	0	48 700
Net position in the IMF	F23		0	0	0	0	0	0	0	0	0	0	0
Other deposits	F30		5 250 400	- 75 300	4 994 200	331 500	0	- 15 300	3 700	3 700	0	0	475 700
- in national currency	F31		4 564 200	- 75 300	4 308 000	331 500	0	- 15 300	3 700	3 700	0	0	124 700
- in foreign currency	F32		686 200	0	686 200	0	0	0	0	0	0	0	351 000
Insurance technical reserves	F90		1 141 400	0	298 900	842 500	0	0	0	0	0	0	0
Bills and short-term bonds	F40		0	0	0	0	0	518 800	929 100	839 300	89 800	0	29 800
Long-term bonds	F50		76 400	0	76 400	0	0	- 45 300	992 000	989 600	2 400	0	82 600
Shares and other equities	F60		382 400	0	315 900	66 500	0	902 500	0	0	0	0	760 400
Special drawing rights (SDRs)	F10		0	0	0	0	0	0	0	0	0	0	0
Loans	F70/F80		- 712 300	- 175 300	- 646 900	109 900	2 953 800	2 740 900	-1 378 300	-1 771 400	379 800	13 300	760 200
Net change in financial assets and liabilities			560 900	400	622 400	- 61 900	1 047 900	- 605 600	-1 352 100	-1 260 900	- 140 500	49 300	- 348 900

Financial Accounts - Spain 1988

million ecus

 Sectors		Credit institutions and insurance enterprises				Non-profit institutions and households	Non-financial corporate and quasi-corporate enterprises	General government				National economy vis-à-vis the rest of the world
		Total	Central banking authorities	Other monetary and credit institutions	Insurance enterprises			Total	Central government	Local government	Social security funds	
Financial transactions	ESA	S40/S50	S41	S42/S43	S50	S70/S80	S10	S60	S61	S62	S63	
Change in assets		63 755	2 940	51 451	9 364	29 082	25 407	- 5 491	- 8 355	2 409	455	14 241
Currency and transferable sight deposits	F20	6 893	6 347	960	- 423	7 285	4 351	1 804	395	1 266	142	6 352
- in national currency	F21	541	0	961	- 420	7 285	4 350	1 804	395	1 266	142	0
- in foreign currency	F22	5 906	5 901	8	- 3	0	1	0	0	0	0	5 906
Net position in the IMF	F23	265	265	0	0	0	0	0	0	0	0	265
Ecu position vis-à-vis the EMCF	F24	180	180	0	0	0	0	0	0	0	0	180
Other deposits	F30	15 252	1 251	9 935	4 066	13 219	6 174	742	156	453	132	773
- in national currency	F31	12 547	1 105	7 386	4 056	12 884	6 182	751	156	463	132	185
- in foreign currency	F32	2 706	146	2 549	10	335	- 7	- 9	0	- 9	0	588
Insurance technical reserves	F90	41	0	0	41	7 879	390	0	0	0	0	15
Bills and short-term bonds	F40	8 038	2 286	5 456	296	- 499	2 720	47	0	0	47	0
Long-term bonds	F50	7 036	182	3 685	3 169	- 1 218	1 118	76	0	9	67	177
Shares and other equities	F60	2 496	5	1 989	501	- 2 118	3 193	1 531	1 463	68	0	1 289
Financial gold	F00	590	590	0	0	0	0	3	3	0	0	593
Special drawing rights (SDRs)	F10	49	49	0	0	0	0	0	0	0	0	49
Loans	F70/F80	23 360	- 7 769	29 415	1 714	4 535	7 461	- 9 694	- 10 372	612	66	4 994
Change in liabilities		59 679	2 938	46 927	9 814	21 467	29 808	4 336	809	3 430	97	16 777
Currency and transferable sight deposits	F20	15 069	4 759	10 310	0	0	0	364	364	0	0	1 452
- in national currency	F21	14 714	4 440	10 273	0	0	0	364	364	0	0	1 098
- in foreign currency	F22	355	318	37	0	0	0	0	0	0	0	354
Net position in the IMF	F23	0	0	0	0	0	0	0	0	0	0	0
Other deposits	F30	38 157	- 547	36 295	2 409	0	- 111	27	27	0	0	3 457
- in national currency	F31	33 170	- 547	31 308	2 409	0	- 111	27	27	0	0	906
- in foreign currency	F32	4 987	0	4 987	0	0	0	0	0	0	0	2 551
Insurance technical reserves	F90	8 295	0	2 172	6 123	0	0	0	0	0	0	0
Bills and short-term bonds	F40	0	0	0	0	0	3 770	6 752	6 100	653	0	217
Long-term bonds	F50	555	0	555	0	0	- 329	7 209	7 192	17	0	600
Shares and other equities	F60	2 779	0	2 296	483	0	6 559	0	0	0	0	5 526
Special drawing rights (SDRs)	F10	0	0	0	0	0	0	0	0	0	0	0
Loans	F70/F80	- 5 177	- 1 274	- 4 701	799	21 467	19 919	- 10 017	- 12 874	2 760	97	5 525
Net change in financial assets and liabilities		4 076	3	4 523	- 450	7 616	- 4 401	- 9 826	- 9 164	- 1 021	358	- 2 536

Methodological Notes

The sectors and sub-sectors, together with financial transactions, are delimited in line with the **European System of Integrated Economic Accounts (ESA)**, second edition. In order to identify the headings clearly, the S and F codes of the ESA are given. Instead of the rest of the world (S90), the national economy in the form of the consolidated financial account of the domestic sectors vis-à-vis the rest of the world is shown. Changes in the financial assets of this account are, for every F code heading, identical with changes in the liabilities of the rest of the world and vice versa.

The **financial accounts** ideally show transactions in the various financial assets within a given reporting period, valued at transaction prices. There is thus a definitional difference between these accounts and those showing changes in stocks, which indicate differences between closing and opening stocks in a given reference period valued at the prices on given reference dates. As well as this difference in valuation, the method of covering changes in quantity not attributable to financial transactions also varies. Nevertheless, in practice some financial account headings are estimated from changes in stocks, which also implies that, for the changes in financial assets or liabilities in question, only the figures for the increased and decreased balances during the reporting period are available.

A **specific arithmetical formula** applies to the financial accounts of the domestic sectors and the rest of the world taken together. For each F code heading, the sum total of changes in financial assets across all the sectors is equal to the corresponding sum total of changes in liabilities. Thus the sum total of changes in financial assets calculated across all F code sectors and headings gives

a result identical to the sum total of changes in liabilities, and net changes in financial assets and liabilities, totalled across all sectors, amount to zero.

The balance of a financial account should in theory be equal to the balance of the corresponding **capital account**, i.e. the net lending or net borrowing of the appropriate sector or sub-sector. However, since the two balances are calculated in different ways and on the basis of different statistical data, there is in most cases a statistical difference between them, an "adjustment item".

The **financial accounts for Spain** were supplied to the Statistical Office of the European Communities (Eurostat) by the Banco de España in thousand million pesetas. These were converted to ecus using the following annual average exchange rates: 1990 - 129.316; 1989 - 130.406; 1988 - 137.600 pesetas per ecu. The loans heading (F70/F80) is not available in a breakdown into short-term (F70) and medium and long-term loans (F80). Spain's financial accounts are predominantly unconsolidated.

The following **Eurostat publications** contain harmonized financial accounts for the European Community Member States: "Money and finance", "National Accounts ESA - Detailed tables by sector" and "General government accounts and statistics".

Further information on the financial account is available from the **Financial and Monetary Statistics Unit** of the Statistical Office of the European Communities, Jean Monnet Building, L-2920 Luxembourg. Methodology: Werner Bier, Tel. (.352) 4301-3722; Data management: Thomas McGrath, Tel. (.352) 4301-3716.