

Country sheet: Spain

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Spain Facts



Capital:	Madrid
Population:	40,525,002 (July 2009 est.)
Language:	Castilian Spanish
GDP per capita:	\$33,700 (2009 est.)
GDP total:	\$.1.367 trillion (2009 est.)
GDP - real growth rate:	-3.7% (2009 est.)
Currency:	Euro (EUR)

Economic outlook

Spain's accession to the European Community in 1986 ushered the country into opening its economy, modernize its industrial base and revise economic legislation. In doing this effort-supported from the EU with grants from the European Regional Development Fund Spain greatly improved infrastructures, increased GDP growth, reduced the public debt, reduced unemployment.

Major industries are textiles, apparel, footwear, food and beverages, shipbuilding, automobiles, machine tools, metals and metal manufactures, chemicals, tourism, clay and refractory products, pharmaceuticals, and medical equipment.

However, after continuous economic growth that exceeded the euro-zone average, the Spanish economy is in under a sharp and prolonged recession, marked by increases in unemployment and government budget deficit. Spain's unemployment rate rose to almost 20% in 2009, and its fiscal balance deteriorated from a deficit of over 10% of GDP in 2009. In 2009 GDP per capita shrank 3.8%.

The reversal in Spain's economic growth shows a great decline in the construction sector, decreased consumer spending, and falling exports. Government efforts to boost the economy through stimulus spending, tax breaks, and loan guarantees have not significantly reduced the unemployment rate which was at about 18.1% in 2009.

Spain's banking sector has been somewhat insulated from the global financial crisis, partly due to the conservative supervision by the Bank of Spain.

Supervisory Framework

After the start of the Stage Three of Economic and Monetary Union (EMU) on January 1st, 1999 and the institution of the European System of Central Banks (ESCB) and the European Central Bank (ECB) several functions previously performed by the Banco de España, the Spanish central Bank, have been subjected to modifications. As of today the Bank's main responsibilities are:

- Defining and implementing the Eurosystem's monetary policy, with the principal aim of maintaining price stability across the European area
- Conducting currency exchange operations consistent with the provisions of Article 109 of the Treaty on European Union, and holding and managing the States' official currency reserves
- Promoting the sound working of payment systems in the European area
- Issuing legal tender banknotes
(Source: Bank of Spain)

The Comisión Nacional del Mercado de Valores (CNMV) is the agency in charge of supervising and inspecting the Spanish Stock Markets and the activities of all the participants in those markets.

The actions of the Commission relate to companies which issue securities for public placement, to the secondary markets in securities and to investment services companies. The Commission also exercises prudential supervision over the last two in order to ensure transaction security and the solvency of the system.

Collective Investment Schemes, a category which includes: investment companies (securities and real estate), investment funds (securities and real estate) and their management companies.

Broker-Dealers and Dealers, which are entities engaging primarily in the purchase and sale of securities.

Portfolio Management Companies, i.e. entities focusing primarily on managing individuals assets (principally securities).

The Directorate General for Insurance and Pensions Funds, which reports to the Secretariat of State of the Economy, is the authority responsible for carrying out the functions of oversight with regard to private insurance and reinsurance, insurance intermediation, capitalisation and pension funds, except those expressly entrusted to the Minister of the Economics.

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