

Conclusions of the report entitled "The growth and sustainability of the Spanish economy" prepared by the Competitiveness Advisory Board

THE SPANISH ECONOMY IS RELIABLE AND WILL START TO RECOVER NEXT YEAR

The Spanish economy's strength stems from the increase in its competitive and business capacity, the restructuring of its financial sector and its sustainable external debt, in line with those of the leading EU countries

- According to the report, the economy will bottom out in the fourth quarter of 2012 before a steady improvement gets underway from the second quarter, underpinned by international activity.
- External debt stands at 42% of GDP, a controlled sustainable ratio backed by assets and which is falling.
- The CEC believes that the fiscal adjustment undertaken is viable, with the reduction to be achieved 50% lower in 2013 than in 2012. A disposal of government real estate assets would reduce the deficit by an additional 10 billion euros.
- Real estate market: according to the report, the housing stock will stabilise at normal levels in 3 to 4 years.
- Good progress is being made on consolidation and the banking sector adjustment. By the end of the year provisions and restructuring to the value of 20% of GDP are expected to have been carried out since the onset of the crisis.
- All ratios comparable with those of other countries show that Spain has been excessively punished by the markets. A level of 150 basis points would be more in line with the country's actual economic situation.