

**EXECUTIVE
BOARD
MEETING**

SM/20/163
Supplement 1

October 27, 2020

To: Members of the Executive Board

From: The Secretary

Subject: **Spain—Staff Report for the 2020 Article IV Consultation—Informational Annex**

Board Action:	Executive Directors' consideration (Formal)
Tentative Board Date:	Wednesday, November 11, 2020
Publication:	Yes*
Questions:	Ms. Schaechter, EUR (ext. 37791) Ms. Liu, EUR (ext. 34157)
Document Transmittal in the Absence of an Objection and in accordance with Board policy:	Forthwith—European Central Bank Wednesday, October 28, 2020—European Commission After Board Consideration—Food and Agriculture Organization, Organisation for Economic Cooperation and Development, World Trade Organization

***Unless an objection from the authorities is received prior to the conclusion of the Board's consideration, the document will be published.**



SPAIN

STAFF REPORT FOR THE 2020 ARTICLE IV CONSULTATION—INFORMATIONAL ANNEX

October 26, 2020

Prepared By

European Department

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FUND RELATIONS

(As of September 30, 2020)

Membership Status: Joined September 15, 1958.

General Resources Account:	SDR Million	Percent of Quota
Quota	9,535.50	100.00
Fund holdings of currency	7,464.59	78.28
Reserve position in Fund	2,071.17	21.72
Lending to the Fund		
New Arrangements to Borrow	162.58	

SDR Department:	SDR Million	Percent of Allocation
Net cumulative allocation	2,827.56	100.00
Holdings	2,525.05	89.29

Outstanding Purchases and Loans: None

Latest Financial Arrangements: None

Projected Payments to Fund

(SDR Million; based on existing use of resources and present holdings of SDRs):

	Forthcoming				
	2020	2021	2022	2023	2024
Principal					
Charges/Interest	0.06	0.28	0.28	0.28	0.28
Total	0.06	0.28	0.28	0.28	0.28

2020 Article IV Consultation: Before the intensification of the COVID-19 crisis, discussions took place in Madrid during February 25–29 and remotely through March 10, 2020 focusing on the government's pre-crisis policy priorities. A staff Concluding Statement was issued on March 11. As the health crisis and recession unfolded, regular exchanges between the Spanish authorities and IMF staff continued with comprehensive virtual meetings taking place during September 11–29. The staff team comprised Andrea Schaechter (head), Lucy Liu, Jorge Salas, Ara Stepanyan, William Oman, and Nicolas Arregui (all EUR). Svetlana Vtyurina contributed to the earlier discussions. Dora Iakova (EUR incoming mission chief) joined the February and September missions. Pablo Moreno (Alternate Executive Director) and Rosa Moral (Advisor to the Executive Director) attended some of the meetings. Jai-Ryung (Jenny) Lee and Dilcia Noren (EUR) supported the mission from headquarters. The mission met with Vice-President Nadia Calviño, Banco de España Governor Pablo Hernández de Cos, Secretary of State of the Economy Ana de la Cueva, Secretary of State of Digital Transformation and Artificial Intelligence Carmen Artigas, Secretary General of the Treasury

Carlos San Basilio, and other senior officials. The mission also talked with representatives of the financial sector, labor organizations, think tanks, and political parties. The concluding statement was published September 30, and the staff report is expected to be published as well. Spain is on a standard 12-month cycle. The last Article IV consultation was concluded on November 18, 2018 (IMF Country Report No. 17/319).

Financial Sector Assessment Program (FSAP): An FSAP Update was conducted between October 2016 and July 2017 and included several missions. The 2017 Financial Sector Stability Assessment (FSSA) was discussed by the IMF Board in conjunction with the 2017 Article IV consultation and published (Country Report No. 17/321).

Exchange Rate Arrangements and Restrictions: Spain's currency is the euro, which floats freely and independently against other currencies. Spain has accepted the obligations of Article VIII, Sections 2, 3, and 4, and maintains an exchange rate system free of restrictions on payments and transfers for current international transactions, other than restrictions notified to the Fund under Decision No. 144 (52/51).

STATISTICAL ISSUES

(As of September 30, 2020)

I. Assessment of Data Adequacy for Surveillance	
General: Data provision is adequate for surveillance.	
II. Data Standards and Quality	
Subscriber to the Fund's Special Data Dissemination Standard (SDDS) since September 1996. In 2015, Spain subscribed to SDDS Plus, together with the first group of adherents.	No data ROSC available.

Table 1. Common Indicators Required for Surveillance
(As of September 30, 2020)

	Date of latest observation	Date received	Frequency of Data ⁷	Frequency of Reporting ⁷	Frequency of Publication ⁷	Memo Items:	
						Data Quality – Methodological soundness ⁸	Data Quality – Accuracy and reliability ⁹
Exchange Rates	September 2020	September 2020	D	D	D		
International Reserve Assets and Reserve Liabilities of the Monetary Authorities ¹	August 2020	September 2020	M	M	M		
Reserve/Base Money	August 2020	September 2020	M	M	M	O,O,LO,LO	O,O,O,O,LO
Broad Money	August 2020	September 2020	M	M	M		
Central Bank Balance Sheet	August 2020	September 2020	M	M	M		
Consolidated Balance Sheet of the Banking System	August 2020	September 2020	M	M	M		
Interest Rates ²	September 2020	September 2020	D	D	D		
Consumer Price Index	September 2020	September 2020	M	M	M	O,O,O,O	LO,O,LO,O,O
Revenue, Expenditure, Balance and Composition of Financing ³ – General Government ⁴	Q2 2020	September 2020	Q	Q	Q	LO,O,LO,O	LO,O,O,O,LO
Revenue, Expenditure, Balance and Composition of Financing ³ – Central Government	August 2020	September 2020	M	M	M		
Stocks of Central Government and Central Government-Guaranteed Debt ⁵	July 2020	September 2020	M	M	M		
External Current Account Balance	July 2020	September 2020	M	M	M	O,LO,LO,O	LO,O,LO,O,LO
Exports and Imports of Goods and Services	July 2020	September 2020	M	M	M		
GDP/GNP	Q2 2020	September 2020	Q	Q	Q	O,O,O,O	LO,LO,O,O,O
Gross External Debt	Q2 2020	September 2020	Q	Q	Q		
International Investment position ⁶	Q2 2020	September 2020	Q	Q	Q		

¹ Any reserve assets that are pledged or otherwise encumbered should be specified separately. Also, data should comprise short-term liabilities linked to a foreign currency but settled by other means as well as the notional values of financial derivatives to pay and to receive foreign currency, including those linked to a foreign currency but settled by other means.

² Both market-based and officially-determined, including discount rates, money market rates, rates on treasury bills, notes and bonds.

³ Foreign, domestic bank, and domestic nonbank financing.

⁴ The general government consists of the central government (budgetary funds, extra budgetary funds, and social security funds) and state and local governments.

⁵ Including currency and maturity composition.

⁶ Includes external gross financial asset and liability positions vis a vis nonresidents.

⁷ Daily (D); weekly (W); monthly (M); quarterly (Q); annually (A); irregular (I); and not available (NA).

⁸ Reflects the assessment provided in the data ROSC or the Substantive Update for the dataset corresponding to the variable in each row. The assessment indicates whether international standards concerning concepts and definitions, scope, classification/sectorization, and basis for recording are fully observed (O); largely observed (LO); largely not observed (LNO); not observed (NO); and not available (NA).

⁹ Same as footnote 8, except referring to international standards concerning source data, statistical techniques, assessment and validation of source data, assessment, and revisions.