

Business Confidence Indicators (BCI)
First quarter of 2014

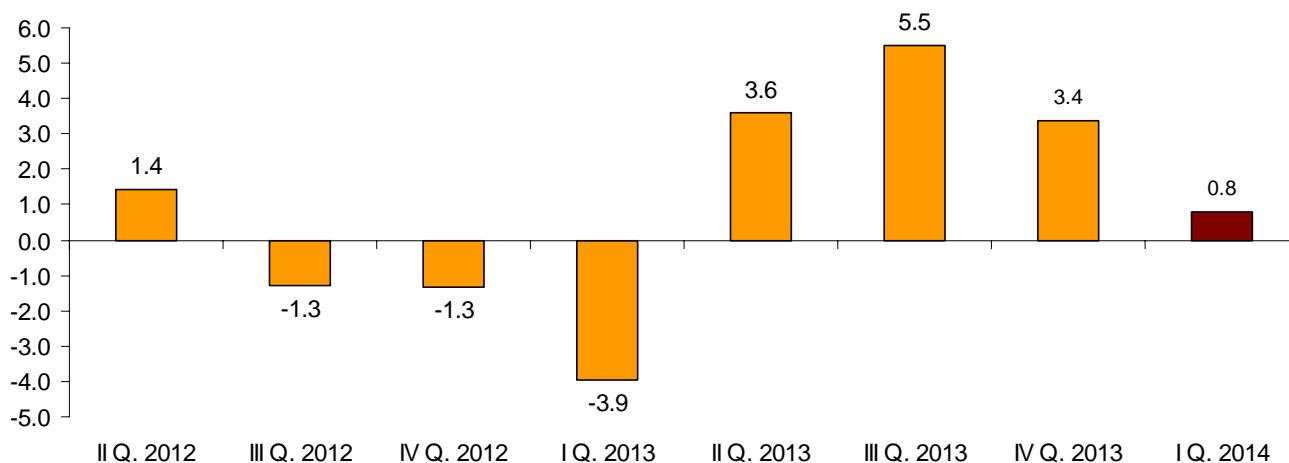
The Harmonised Business Confidence Index (HBCI) registers a rise of 0.8%, as compared with the fourth quarter of 2013

11.0% of the business establishments are optimistic about the performance of their business, as compared with 11.6% in the previous quarter

Evolution of the Harmonised Business Confidence Index. HBCI

In the first quarter of 2014, the Harmonised Business Confidence Index (HBCI) registered a rise of 0.8%, as compared with the fourth quarter 2013, showing an increase in the business confidence.

Harmonised Business Confidence Index (HBCI)
Quarter-on-quarter rate



Opinions regarding the coming quarter (Expectations)

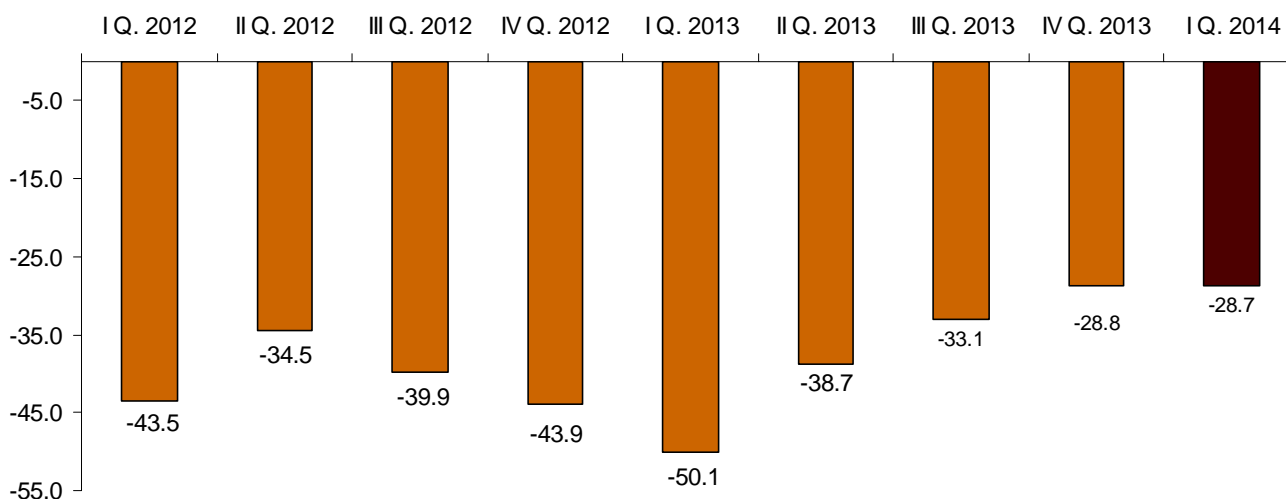
11.0% of the establishments' managers considered that the performance of their business during the first quarter of 2014 would be favourable, whereas 39.7% considered that it would be unfavourable. The remaining 49.3% considered that it would be normal.

The difference between the percentages of favourable and unfavourable responses, known as *Expectations Balance*, stood at -28.7 points for Spain as a whole, as compared with -28.8 of the previous quarter.

Opinions regarding the coming quarter (Expectations)

Period	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
2012 Quarter I	6.3	43.9	49.8	-43.5
Quarter II	8.4	48.7	42.9	-34.5
Quarter III	7.3	45.5	47.2	-39.9
Quarter IV	6.2	43.7	50.1	-43.9
2013 Quarter I	5.8	38.2	56.0	-50.1
Quarter II	8.3	44.7	47.0	-38.7
Quarter III	10.9	45.1	44.0	-33.1
Quarter IV	11.6	48.0	40.4	-28.8
2014 Quarter I	11.0	49.3	39.7	-28.7

Evolution of the Expectations balance



Opinions regarding the last quarter (Situation)

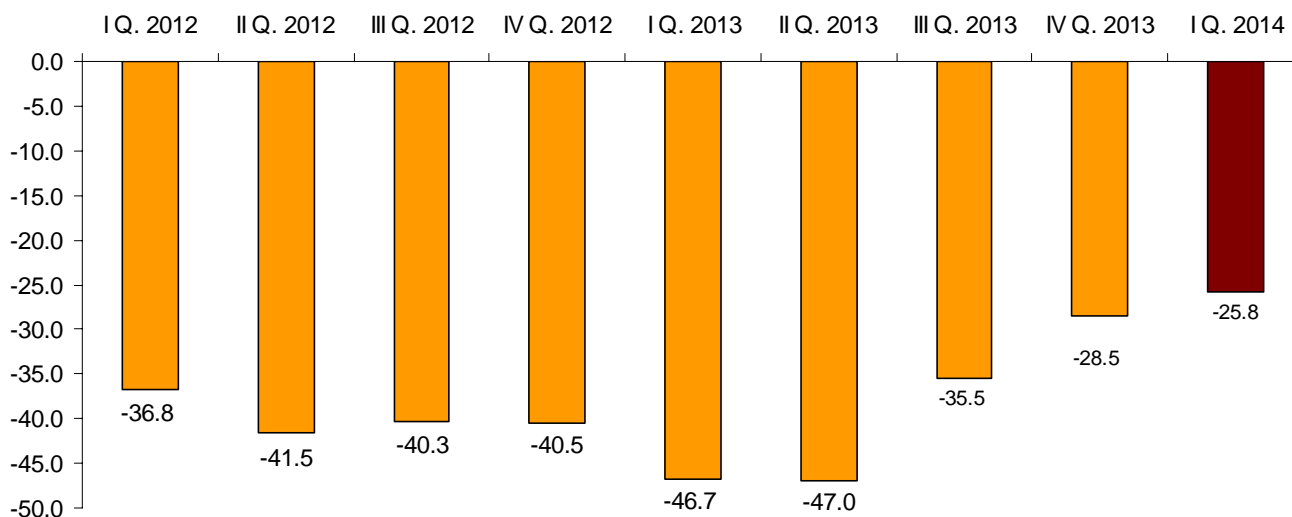
13.0% of the establishments' managers expressed a favourable opinion regarding the performance of their business in the fourth quarter of 2013. In turn, 38.8% had an unfavourable opinion.

The difference between these percentages of favourable and unfavourable responses referring to the last quarter, known as *Situation Balance*, stood at -25.8 points, thereby improving the *Expectations* previously expressed for that fourth quarter, which stood at -28.8 points.

Opinions regarding the last quarter (Situation)

Period	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
2012 Quarter I	8.9	45.4	45.7	-36.8
Quarter II	6.7	45.1	48.2	-41.5
Quarter III	7.1	45.5	47.4	-40.3
Quarter IV	7.3	44.9	47.8	-40.5
2013 Quarter I	6.9	39.5	53.6	-46.7
Quarter II	6.1	40.8	53.1	-47.0
Quarter III	9.4	45.7	44.9	-35.5
Quarter IV	12.1	47.3	40.6	-28.5
2014 Quarter I	13.0	48.2	38.8	-25.8

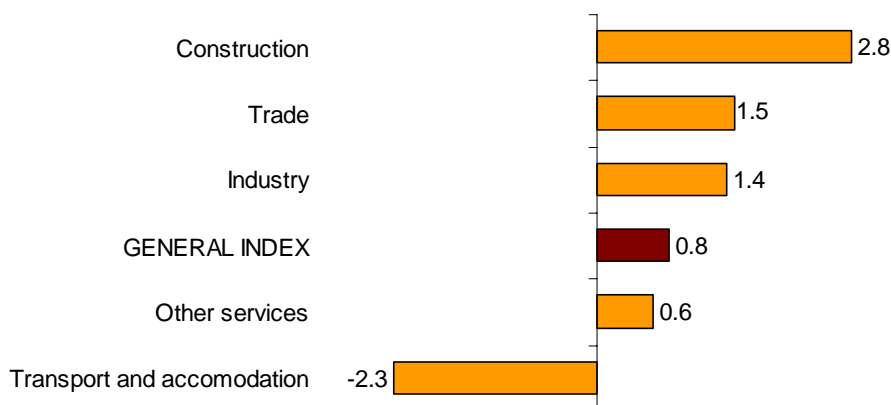
Evolution of the Situation Balance



Harmonised Business Confidence Index by activity sector

In the first quarter 2014, four out of five activity sectors analysed presented an improvement on the confidence, as compared with the fourth quarter 2013. *Construction* registered the greatest increase (2.8%), whereas *Transport and accommodation* is the only sector registering a decrease in confidence (−2.3%).

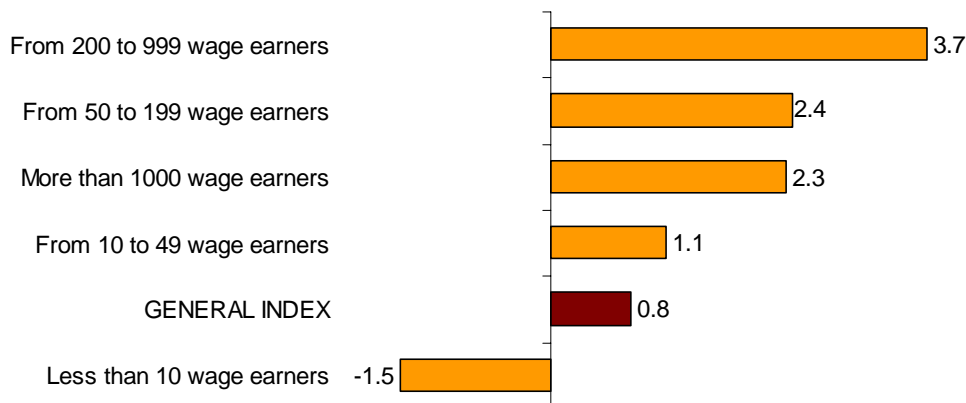
**Quarter-on-quarter rate of the HBCI
General Index and by activity sectors**



Harmonised Business Confidence Index by size of the establishments

Four out of five activity sectors analysed presented an improvement, as compared with the fourth quarter of 2013. The greatest rise was registered in establishments with 200 to 999 wage earners (3.7%). In turn, the establishments with less than 10 wage earners registered a decrease in confidence (−1.5%).

**Quarter-on-quarter rate of the HBCI
General index and by size of the establishments**

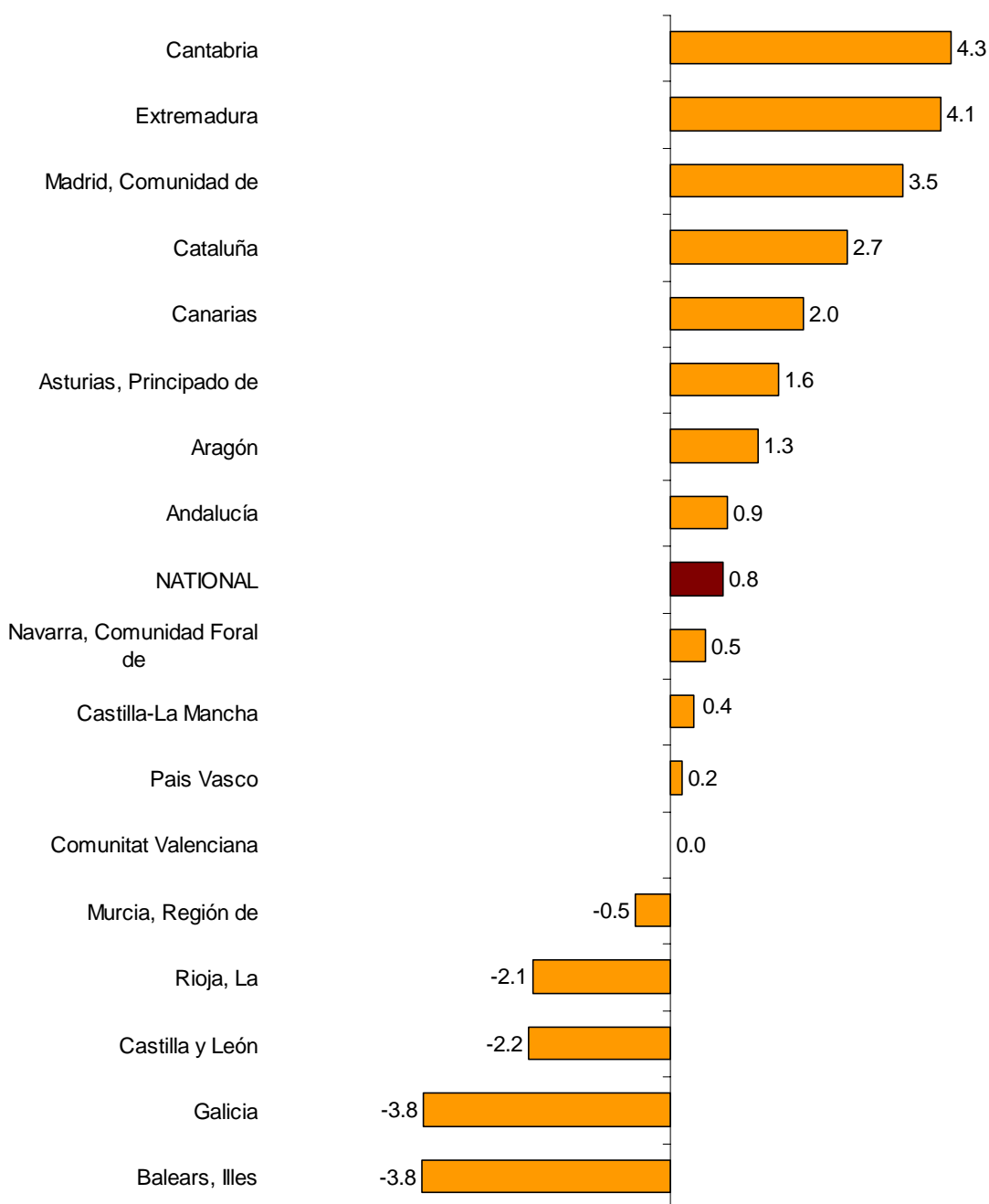


Harmonised Business Confidence Index. Results by Autonomous Community

In the first quarter 2014, the Business Confidence Index improved in 11 Autonomous Communities. Cantabria (4.3%), Extremadura (4.1%) and Comunidad de Madrid (3.5%) registered the greatest increases, as compared with the previous quarter.

In turn, Illes Balears and Galicia (both with -3.8%) registered the greatest drops in the business confidence, as compared with the previous quarter.

Quarter-on-quarter rate of the HBCI General Index and by Autonomous Community



Methodological note

The survey on which the BCIs are based is the first opinion poll conducted by the INE, and it is prepared based on a representative sample of establishments, whose opinions began to be collected for the first quarter of 2012.

The methodology of the survey enables the integration of the analogous data compiled by the statistics services of the Autonomous Communities. Once their consistency is checked, so they can be incorporated in the general process of the survey according to the appropriate agreements for this purpose. The data from Andalucía, Illes Balears, Canarias, Castilla y León and Cataluña were integrated during the first quarter of 2013. The data from La Rioja did so by the third quarter 2013.

The population scope of the survey is comprised of all those establishments whose main activity is included in the following sections of CNAE-2009: B to N (inclusive, except division 70), R (only divisions 92 and 93) and S (only divisions 95 and 96).

The BCIs gather the opinions of the establishment managers regarding the performance of their business for each last quarter, and regarding their expectations for each coming quarter. The methodology is based on the Japanese **TANKAN** index. In other words, there are no weightings or elevations according to the characteristics of the establishments, as the opinion of each respondent carries the same weight.

The BCIs are compiled and published quarterly. Three indicators are based on this question from the questionnaire:

1. How would you assess the performance of the business in your establishment?

	Favourable	Normal	Unfavourable
1. In the quarter that is ending?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. In the quarter that is commencing?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The **Harmonised Expectation Indicator** (known as the **Expectations**) includes the difference or balance between the percentages of favourable and unfavourable responses with regard to the coming quarter. It can fluctuate between -100 (all of the respondents are pessimistic - that is, they have marked the *Unfavourable* box - regarding the coming quarter) and +100 (all of the respondents are optimistic - that is, they have marked the *Favourable* box-).

An intuitive interpretation thereof is simple and direct. If the *Expectations* are positive, the optimists exceed the pessimists with regard to the coming quarter. In turn, the **Harmonised Situation Indicator** (known as the **Situation**) is the difference or balance between the percentages of favourable and unfavourable responses with regard to the quarter that is ending.

The **Harmonised Business Confidence Index** (HBCI) is built using the *Situation* and the *Expectations*. The base for this index is the first quarter of 2013, and the value of that first quarter is therefore equal to 100. Information about the three indicators is disseminated for the national total and for each Autonomous Community, by activity sectors¹ and size of the establishments.

¹ For Industry and Construction, there is more information available about the climate indicators on the Business Tendency Survey, carried out by the Ministry of Industry, Energy and Tourism. <http://www.minetur.gob.es/ES/IndicadoresyEstadisticas/Industria/EncuestaCoyuntura/Paginas/EncuestaCoyuntura.aspx>

Business Confidence Indicators First quarter of 2013

Provisional data

13 January 2014

1. Harmonized Business Confidence Index by sectors

Period	TOTAL	Industry	Construction	Trade	Transport and accommodation	Other Services
2013 I Quarter	100.0	100.0	100.0	100.0	100.0	100.0
II Quarter	103.6	102.7	102.0	103.3	106.7	103.5
III Quarter	109.3	109.4	105.9	111.1	115.6	107.0
IV Quarter	113.0	110.9	109.1	117.1	119.2	110.9
2014 I Quarter	113.9	112.5	112.2	118.9	116.5	111.6

2. Harmonized Business Confidence Index by size

Period	TOTAL	Less than 10 wage earners	From 10 to 49 wage earners	From 50 to 199 wage earners	From 200 to 999 wage earners	Over 1000 wage earners
2013 I Quarter	100.0	100.0	100.0	100.0	100.0	100.0
II Quarter	103.6	104.6	103.7	103.0	101.7	101.3
III Quarter	109.3	110.5	110.0	109.2	107.1	101.8
IV Quarter	113.0	114.1	114.5	112.3	110.1	107.4
2014 I Quarter	113.9	112.4	115.8	115.0	114.2	109.9

3. Harmonized Business Confidence Index by Autonomous Communities

Period	NATIONAL	Andalucía	Aragón	Asturias, Principado de	Balears, Illes	Canarias
2013 I Quarter	100.0	100.0	100.0	100.0	100.0	100.0
II Quarter	103.6	105.2	103.0	105.2	111.8	103.1
III Quarter	109.3	112.8	110.2	110.5	123.1	103.9
IV Quarter	113.0	115.7	113.0	116.3	119.0	113.5
2014 I Quarter	113.9	116.7	114.5	118.2	114.5	115.8

Period	Cantabria	Castilla y León	Castilla- La Mancha	Cataluña	Comunitat Valenciana	Extremadura
2013 I Quarter	100.0	100.0	100.0	100.0	100.0	100.0
II Quarter	106.7	103.2	106.5	105.6	100.7	96.2
III Quarter	108.6	110.8	113.8	112.6	105.6	105.6
IV Quarter	112.7	115.5	114.1	115.5	107.3	107.3
2014 I Quarter	117.5	113.0	114.5	118.6	107.3	111.7

Period	Galicia	Madrid, Comunidad de	Murcia, Región de	Navarra, Comunidad Foral	País Vasco	Rioja, La
2013 I Quarter	100.0	100.0	100.0	100.0	100.0	100.0
II Quarter	98.9	103.2	102.1	105.6	104.4	102.4
III Quarter	106.4	106.6	107.3	110.2	105.4	110.8
IV Quarter	114.6	110.1	110.4	112.9	111.3	115.3
2014 I Quarter	110.3	114.0	109.8	113.5	111.5	112.9

4. Opinions regarding the coming quarter (Expectations) by sectors

Activity sectors	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
TOTAL	11.0	49.3	39.7	-28.7
Industry	14.9	51.0	34.1	-19.2
Construction	7.6	39.0	53.4	-45.8
Trade	10.8	49.2	40.0	-29.2
Transport and accommodation	10.3	45.2	44.5	-34.2
Other services	10.4	53.6	36.0	-25.6

5. Opinions regarding the coming quarter (Expectations) by size

Size of the establishment	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
TOTAL	11.0	49.3	39.7	-28.7
Less than 10 wage earners	7.6	42.1	50.3	-42.7
From 10 to 49 wage earners	10.5	50.4	39.1	-28.6
From 50 to 199 wage earners	15.0	54.1	30.9	-15.9
From 200 to 999 wage earners	16.5	60.4	23.1	-6.6
Over 1000 wage earners	15.9	63.7	20.4	-4.5

6. Opinions regarding the coming quarter (Expectations) by Autonomous Communities

	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
NATIONAL	11.0	49.3	39.7	-28.7
Andalucía	13.1	48.0	38.9	-25.8
Aragón	9.1	48.9	42.0	-32.9
Asturias, Principado de	11.4	50.0	38.6	-27.2
Balears, Illes	9.3	46.9	43.8	-34.5
Canarias	16.3	48.9	34.8	-18.5
Cantabria	7.8	47.8	44.4	-36.6
Castilla y León	8.0	43.3	48.7	-40.7
Castilla- La Mancha	8.1	41.5	50.4	-42.3
Cataluña	12.7	55.4	31.9	-19.2
Comunitat Valenciana	11.7	48.4	39.9	-28.2
Extremadura	11.4	38.6	50.0	-38.6
Galicia	8.1	51.9	40.0	-31.9
Madrid, Comunidad de	12.6	55.4	32.0	-19.4
Murcia, Región de	12.3	53.0	34.7	-22.4
Navarra, Comunidad Foral de	11.8	47.7	40.5	-28.7
País Vasco	8.7	50.0	41.3	-32.6
Rioja, La	9.3	48.9	41.8	-32.5

7. Opinions regarding the last quarter (Situation) by sectors

Activity sectors	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
TOTAL	13.0	48.2	38.8	-25.8
Industry	16.6	49.0	34.4	-17.8
Construction	9.0	41.0	50.0	-41.0
Trade	12.2	48.4	39.4	-27.2
Transport and accommodation	12.6	46.4	41.0	-28.4
Other services	12.9	50.9	36.2	-23.3

8. Opinions regarding the last quarter (Situation) by size

Size of the establishment	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
TOTAL	13.0	48.2	38.8	-25.8
Less than 10 wage earners	8.8	43.2	48.0	-39.2
From 10 to 49 wage earners	14.6	47.8	37.6	-23.0
From 50 to 199 wage earners	17.3	51.9	30.8	-13.5
From 200 to 999 wage earners	17.5	56.6	25.9	-8.4
Over 1000 wage earners	16.6	60.8	22.6	-6.0

9. Opinions regarding the last quarter (Situation) by Autonomous Communities

	Favourable (%) (optimistic)	Normal (%)	Unfavourable (%) (pessimistic)	Balance (optimistic - pessimistic)
NATIONAL	13.0	48.2	38.8	-25.8
Andalucía	14.2	46.1	39.7	-25.5
Aragón	11.6	47.5	40.9	-29.3
Asturias, Principado de	13.2	45.6	41.2	-28.0
Balears, Illes	10.7	50.5	38.8	-28.1
Canarias	17.9	47.6	34.5	-16.6
Cantabria	7.4	52.2	40.4	-33.0
Castilla y León	11.3	43.9	44.8	-33.5
Castilla- La Mancha	9.2	41.5	49.3	-40.1
Cataluña	16.1	50.2	33.7	-17.6
Comunitat Valenciana	14.8	46.1	39.1	-24.3
Extremadura	12.6	44.9	42.5	-29.9
Galicia	10.7	50.7	38.6	-27.9
Madrid, Comunidad de	14.8	53.1	32.1	-17.3
Murcia, Región de	11.9	48.2	39.9	-28.0
Navarra, Comunidad Foral de	9.5	51.6	38.9	-29.4
País Vasco	14.8	45.7	39.5	-24.7
Rioja, La	11.9	49.4	38.7	-26.8

10. Other economic variables. Opinions with regard to the quarter that is beginning

Economic variables	It will increase	It will remain the same	It will decrease	Balance (increase - decrease)
Empleo (personal contratado)	4.6	74.2	21.2	-16.6
Nivel de precios	7.7	74.4	17.9	-10.2

11. Other economic variables. Opinions with regard to the quarter that has ended

Economic variables	It increased	It remained the same	It decreased	Balance (increase - decrease)
Employment (hired personnel)	9.6	66.3	24.1	-14.5
Price level	4.1	73.6	22.3	-18.2