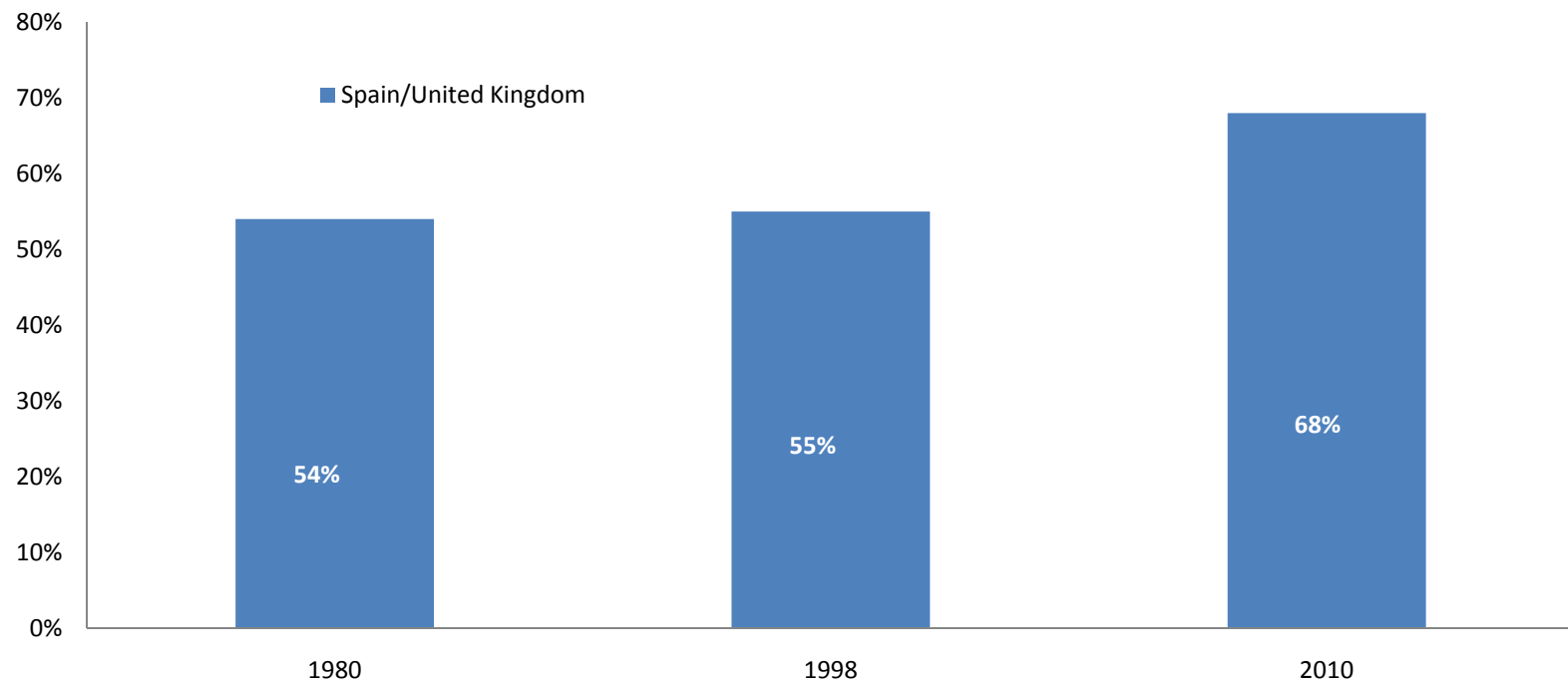


# How costly is for Spain to be in the EURO?

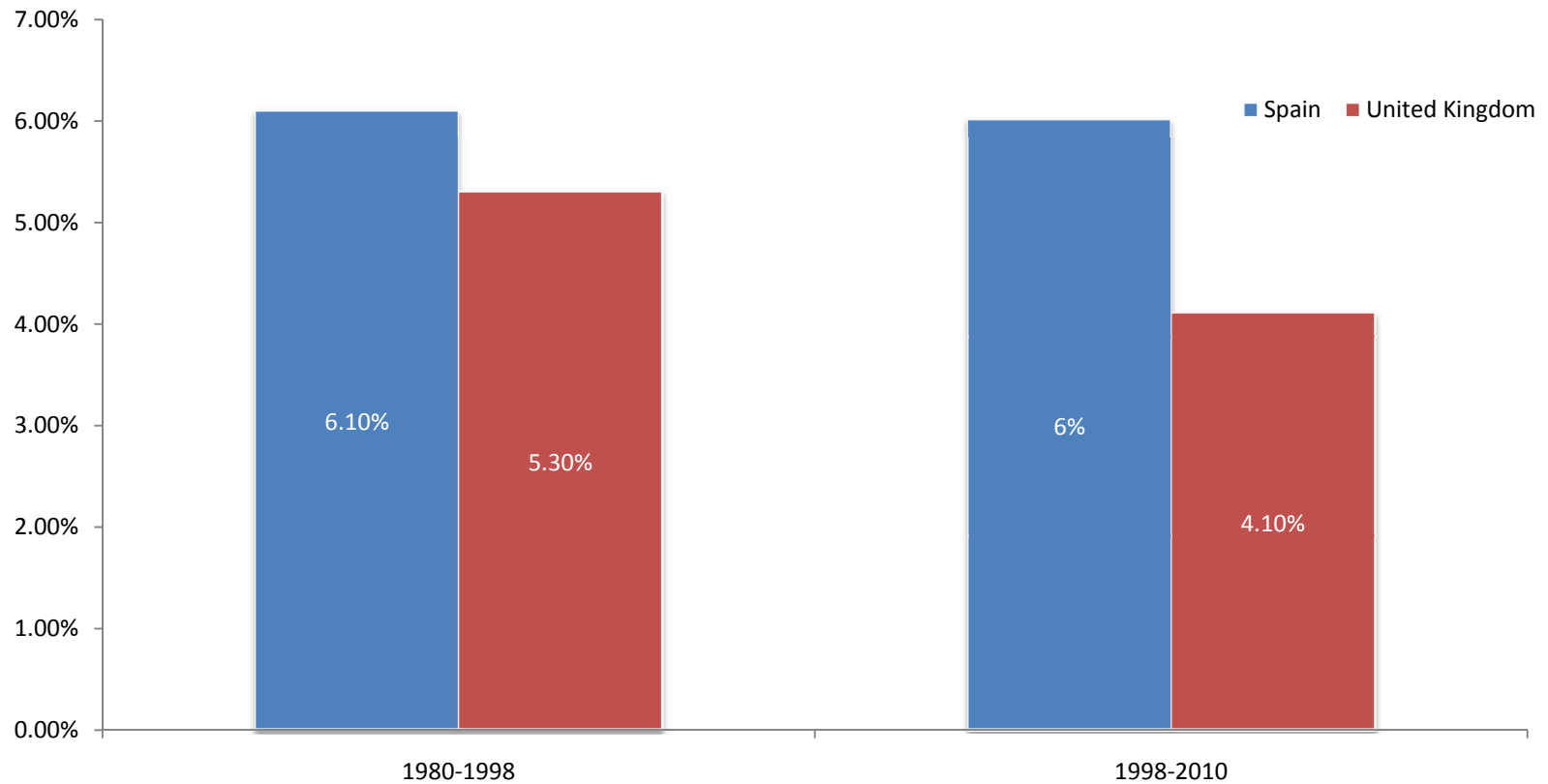
A suggestive comparison with the UK

Domingo Cavallo. Pamplona, June 18, 2011

# Relationship between Spain's GDP and UK's GDP



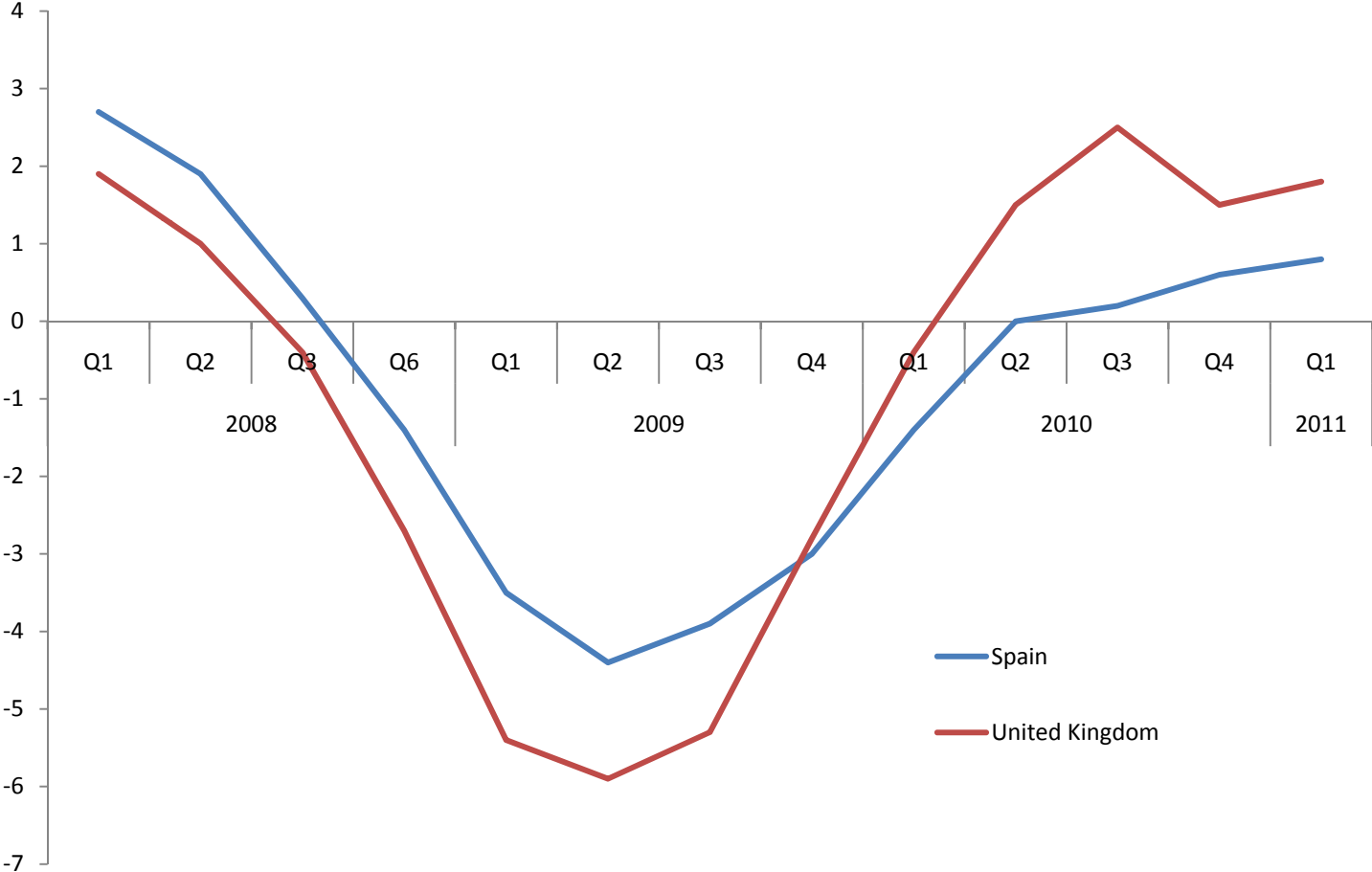
# GDP growth in Spain and the UK



# GDP Growth in Spain and the UK since 2008

	2008				2009				2010				2011	Growth during the whole period (%)
	Q1	Q2	Q3	Q6	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
	Growth rate compared to the same quarter of previous year (%)													
Spain	2.7	1.9	0.3	-1.4	-3.5	-4.4	-3.9	-3.0	-1.4	0.0	0.2	0.6	0.8	4.1
United Kingdom	1.9	1.0	-0.4	-2.7	-5.4	-5.9	-5.3	-2.8	-0.4	1.5	2.5	1.5	1.8	4.0

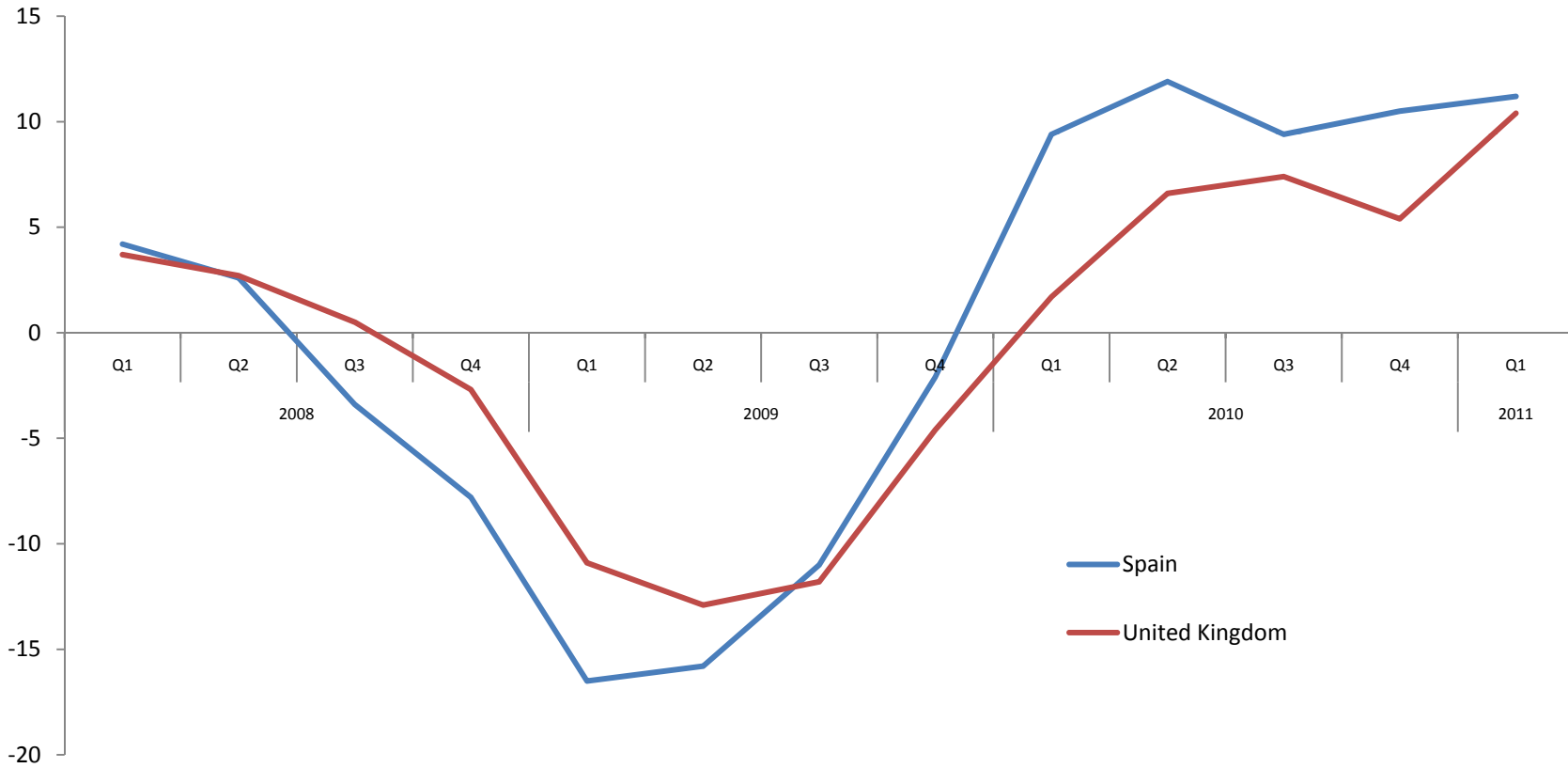
# GDP Growth in Spain and the UK since 2008



# Exports Growth in Spain and the UK

	2008				2009				2010				2011	Growth during the whole period (%)
	Q1	Q2	Q3	Q6	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
	Growth rate compared to the same quarter of previous year (%)													
Spain	4.2	2.6	-3.4	-7.8	-16.5	-15.8	-11.0	-2.1	9.4	11.9	9.4	10.5	11.2	1.5
United Kingdom	3.7	2.7	0.5	-2.7	-10.9	-12.9	-11.8	-4.6	1.7	6.6	7.4	5.4	10.4	0.1

# Exports Growth in Spain and the UK

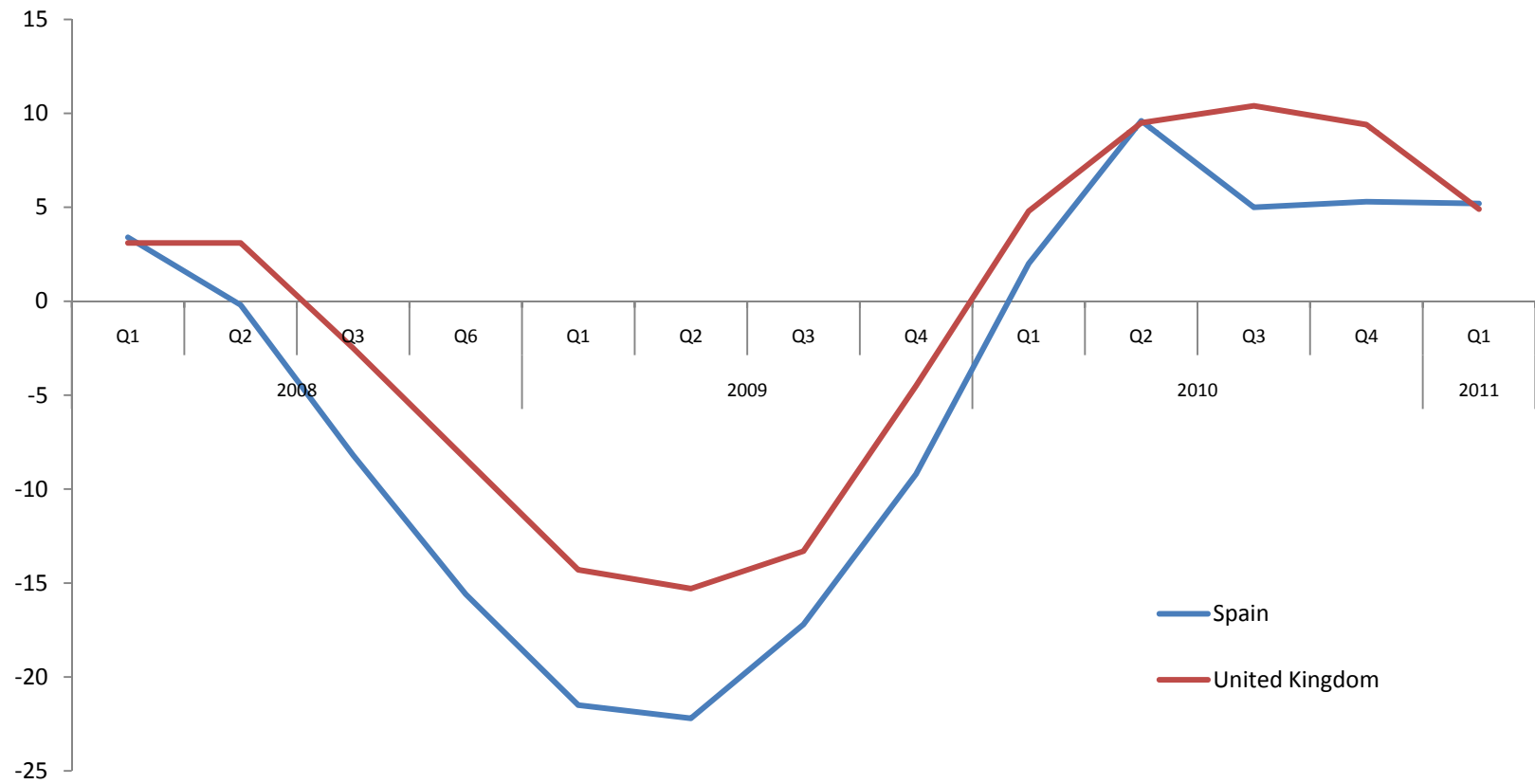


# Imports Growth in Spain and the UK

	2008				2009				2010				2011	Growth during the whole period (%)
	Q1	Q2	Q3	Q6	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
	Growth rate compared to the same quarter of previous year (%)													
Spain	3.4	-0.2	-8.2	-15.6	-21.5	-22.2	-17.2	-9.2	2.0	9.6	5.0	5.3	5.2	-15.8
United Kingdom	3.1	3.1	-2.5	-8.4	-14.3	-15.3	-13.3	-4.5	4.8	9.5	10.4	9.4	4.9	-5.7



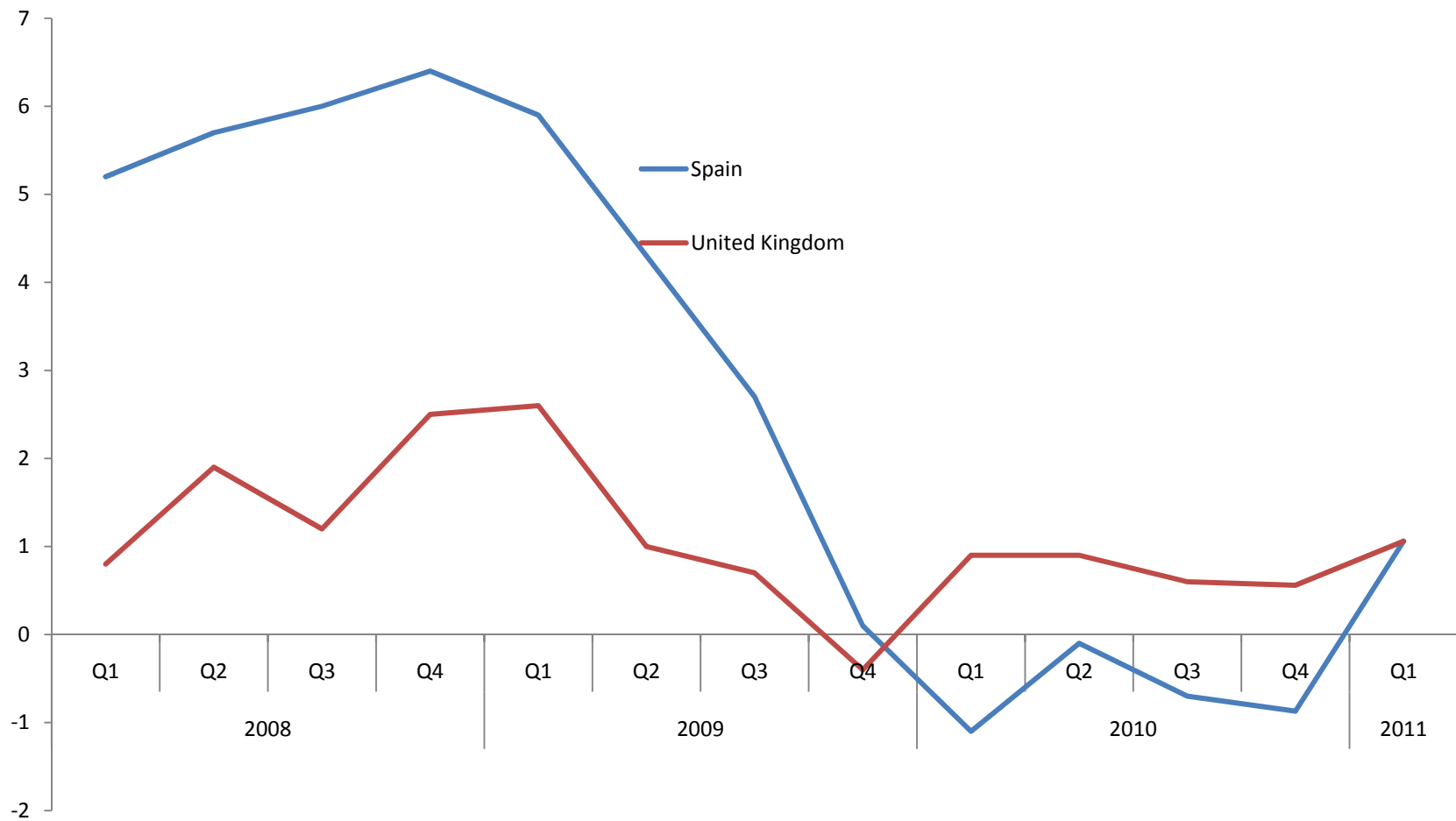
# Inports Growth in Spain and the UK



# Public Consumption Growth in Spain and the UK

	2008				2009				2010				2011
	Q1	Q2	Q3	Q6	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
	Growth rate compared to the same quarter of previous year (%)												
Spain	5.2	5.7	6.0	6.4	5.9	4.3	2.7	0.1	-1.1	-0.1	-0.7	-0.9	1.0
United Kingdom	0.8	1.9	1.2	2.5	2.6	1.0	0.7	-0.4	0.9	0.9	0.6	0.6	1.1

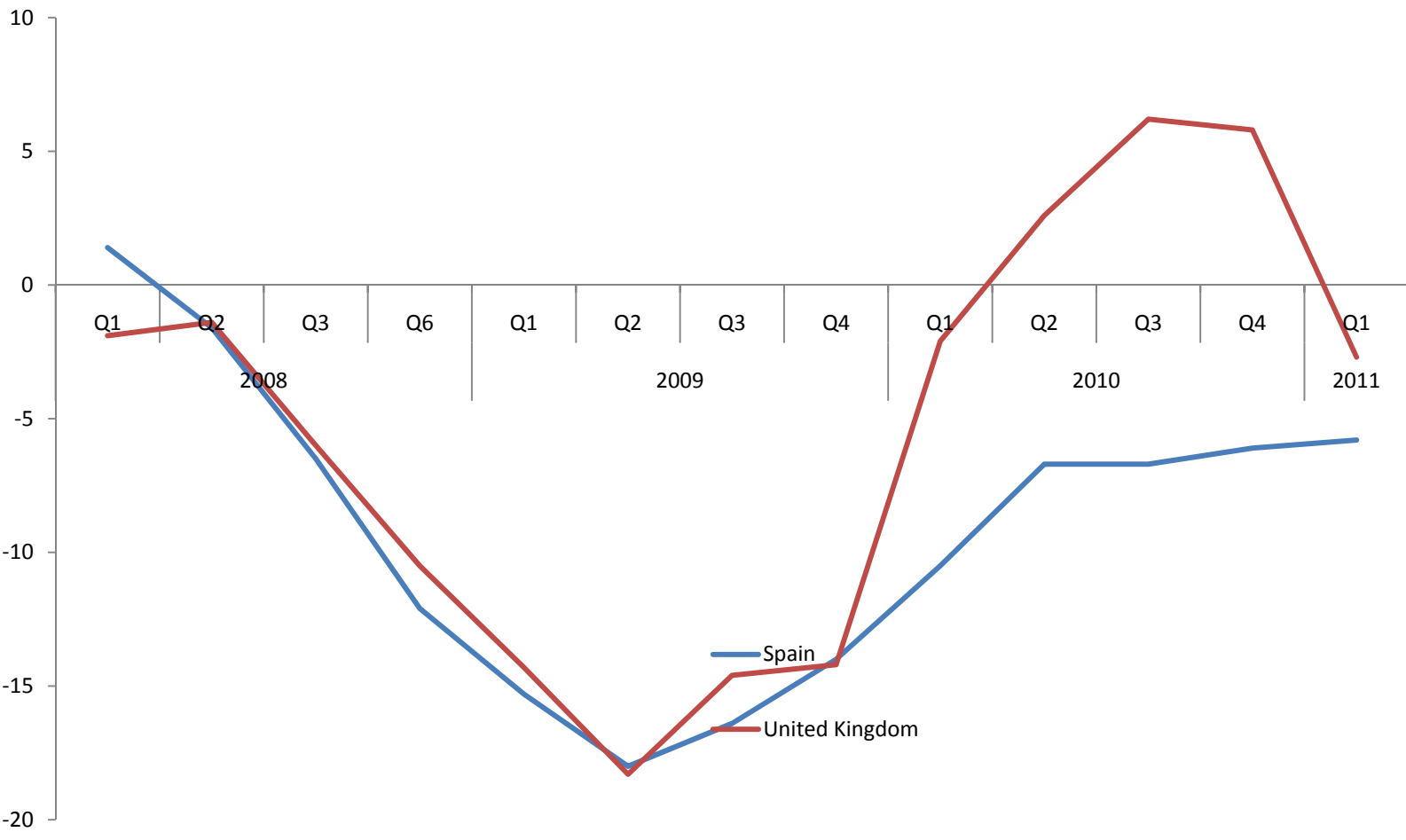
# Public Consumption Growth in Spain and the UK



# Investment Growth in Spain and the UK

	2008				2009				2010				2011
	Q1	Q2	Q3	Q6	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
	Growth rate compared to the same quarter of previous year (%)												
Spain	1.4	-1.6	-6.5	-12.1	-15.3	-18.0	-16.4	-14.0	-10.5	-6.7	-6.7	-6.1	-5.8
United Kingdom	-1.9	-1.4	-6.0	-10.5	-14.3	-18.3	-14.6	-14.2	-2.1	2.6	6.2	5.8	-2.7

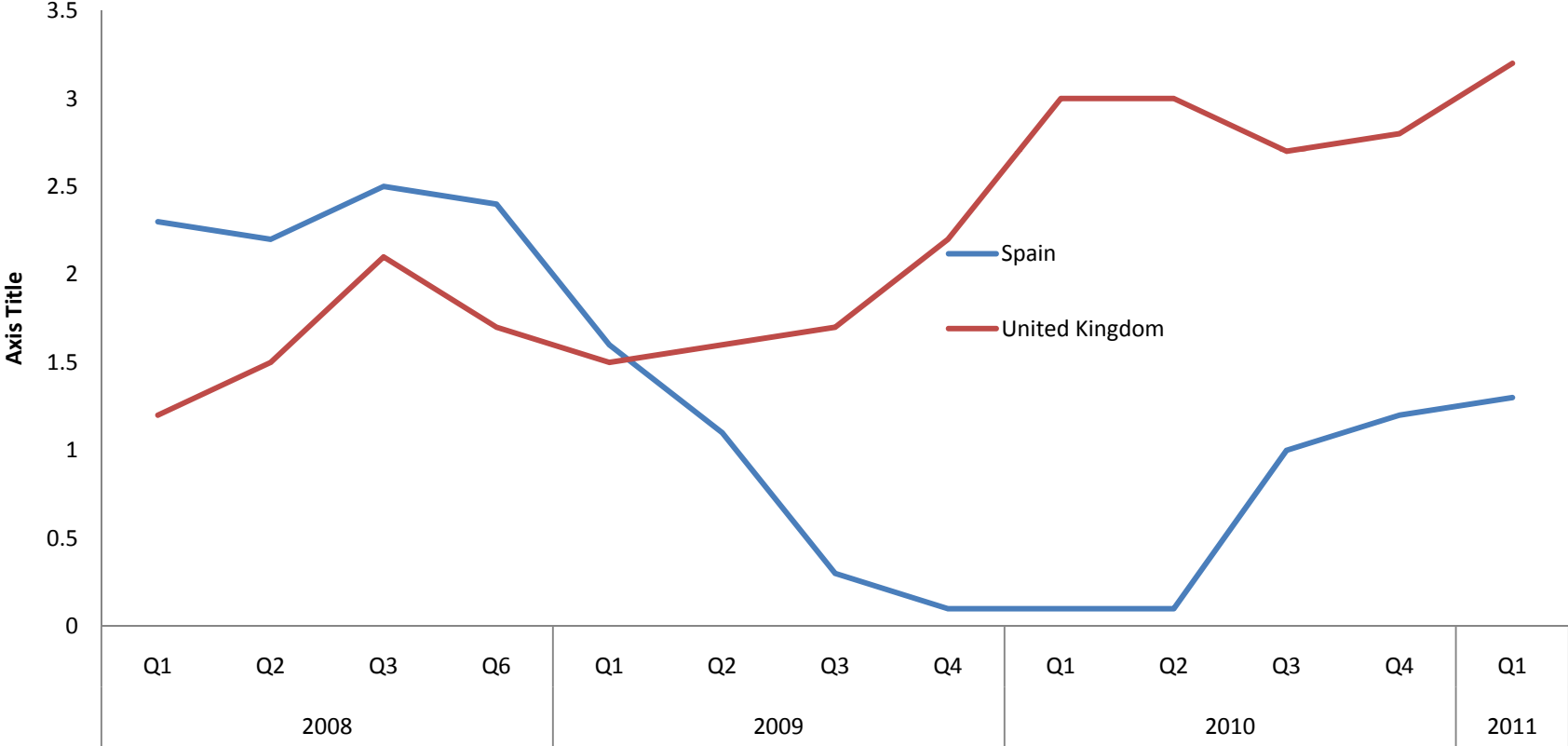
# Investment Growth in Spain and the UK



# CPI non-food non-energy inflation in Spain and the UK

	2008				2009				2010				2011
	Q1	Q2	Q3	Q6	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
	Growth rate compared to the same quarter of previous year (%)												
Spain	2.3	2.2	2.5	2.4	1.6	1.1	0.3	0.1	0.1	0.1	1.0	1.2	1.3
United Kingdom	1.2	1.5	2.1	1.7	1.5	1.6	1.7	2.2	3.0	3.0	2.7	2.8	3.2

# CPI non-food non-energy inflation in Spain and the UK

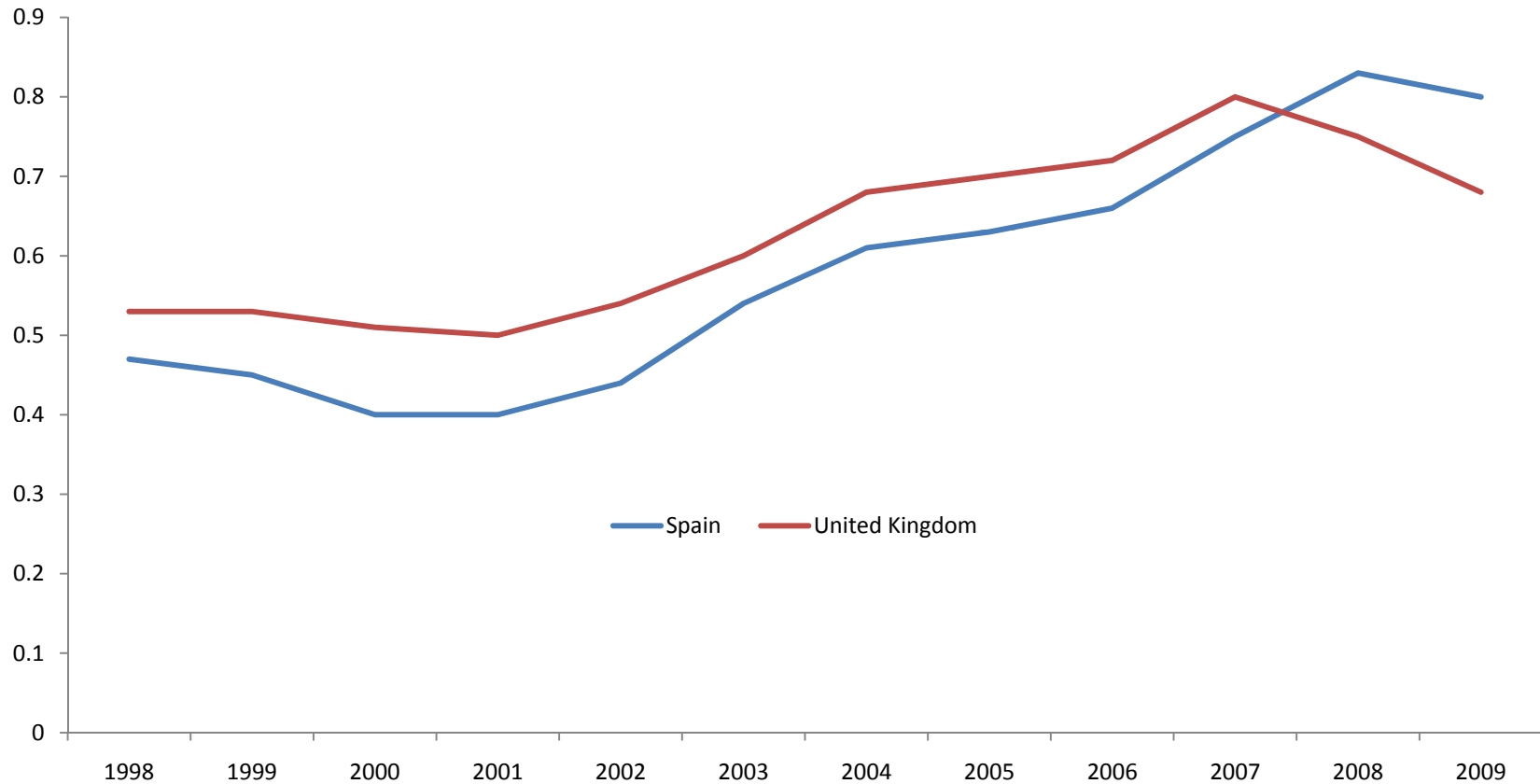


# Exchange Rate Adjusted Unit labor costs in Spain and the UK

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Spain	0.47	0.45	0.40	0.40	0.44	0.54	0.61	0.63	0.66	0.75	0.83	0.80	..
United Kingdom	0.53	0.53	0.51	0.50	0.54	0.60	0.68	0.70	0.72	0.80	0.75	0.68	0.69



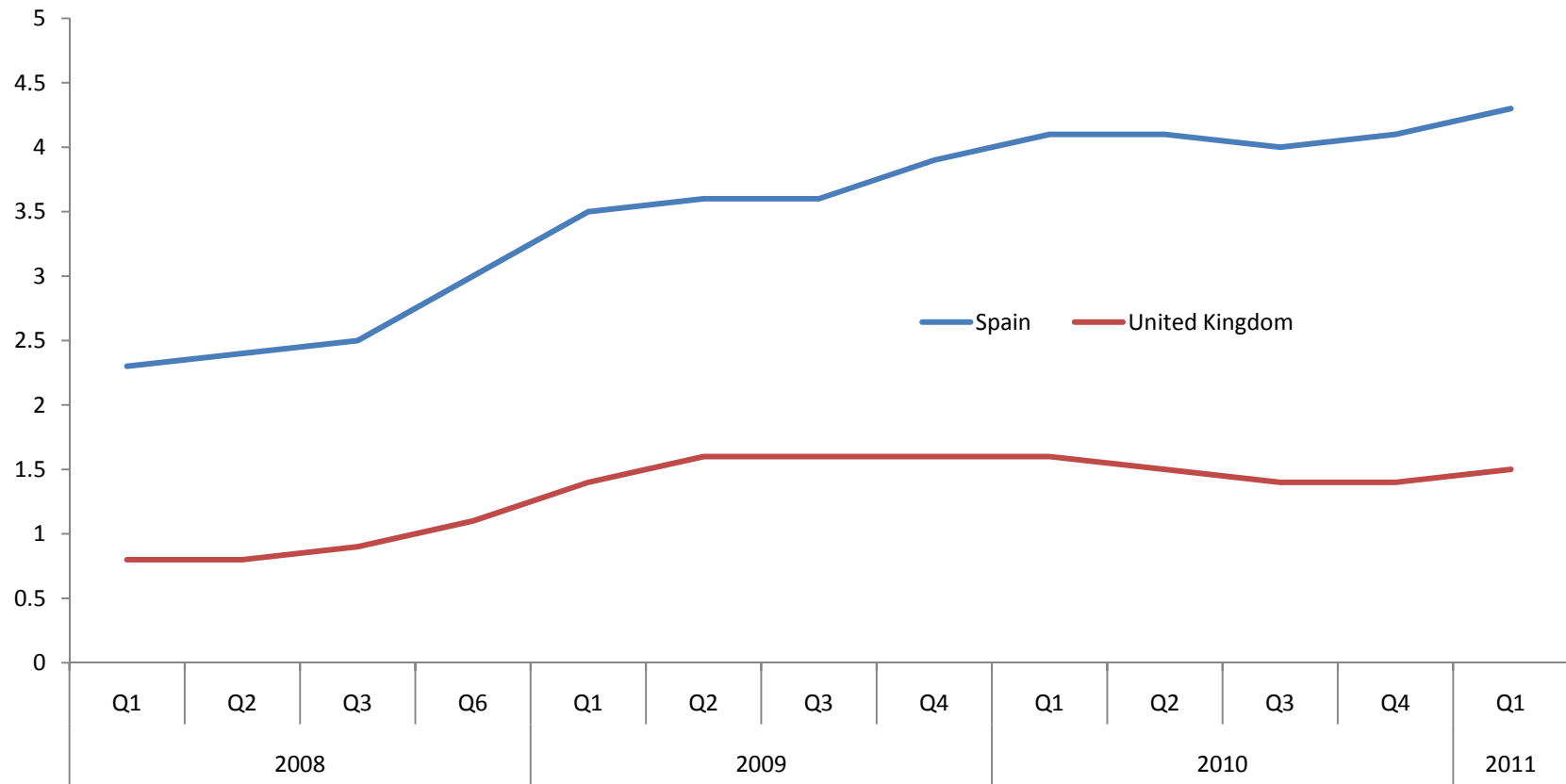
# Exchange Rate Adjusted Unit labor costs in Spain and the UK



# Registered Unemployment in Spain and the UK

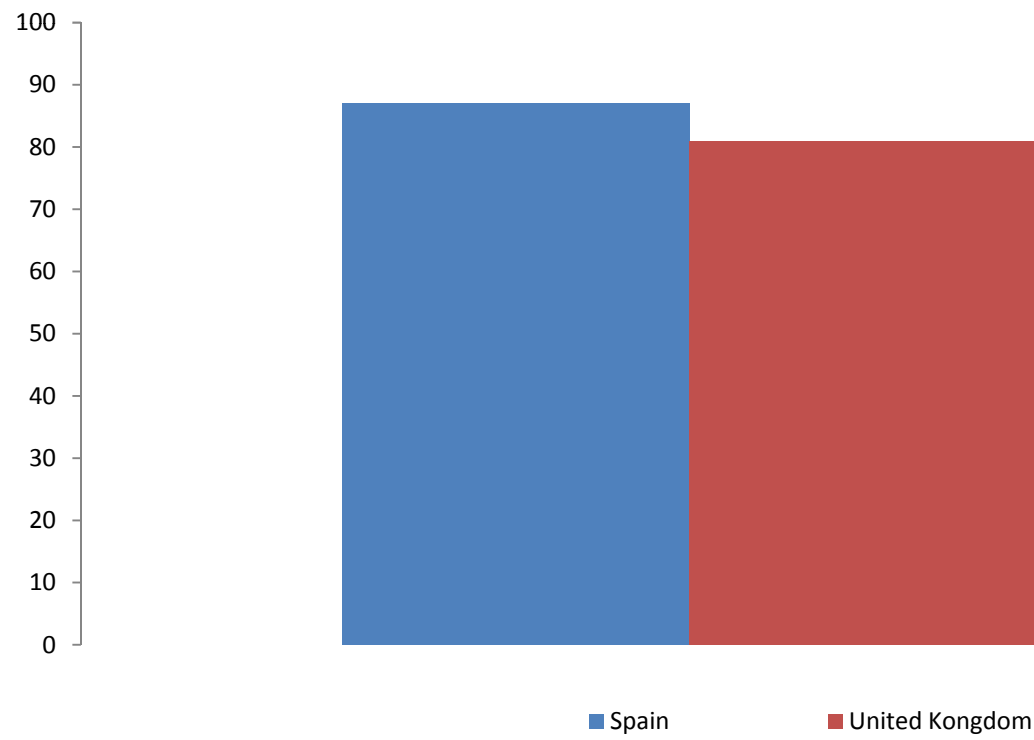
	2008				2009				2010				2011
	Q1	Q2	Q2	Q3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
	In millions of persons												
Spain	2.3	2.4	2.5	3.0	3.5	3.6	3.6	3.9	4.1	4.1	4.0	4.1	4.3
United Kingdom	0.8	0.8	0.9	1.1	1.4	1.6	1.6	1.6	1.6	1.5	1.4	1.4	1.5

# Registered Unemployment in Spain and the UK

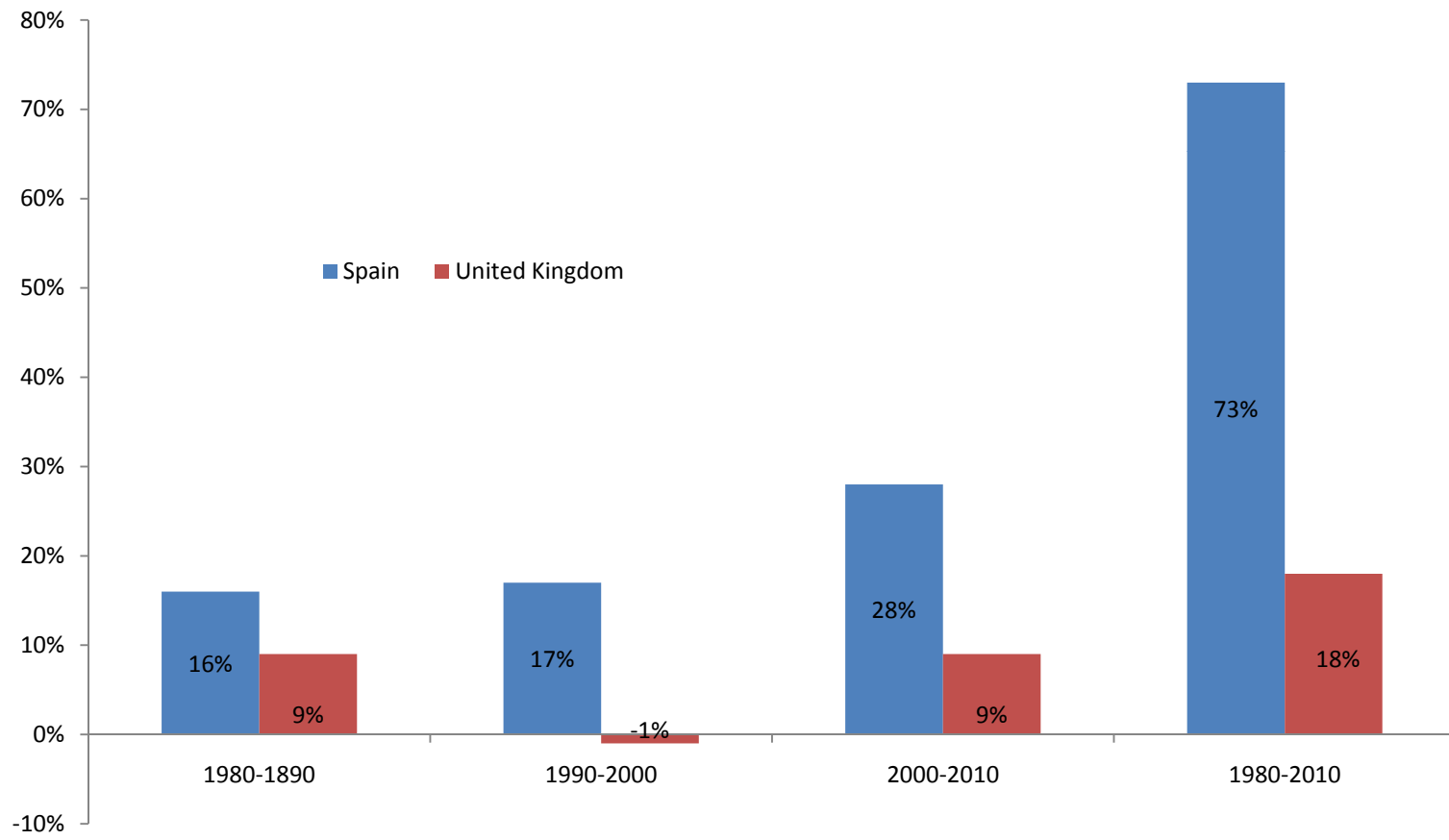


# Registered Unemployment in Spain and the UK

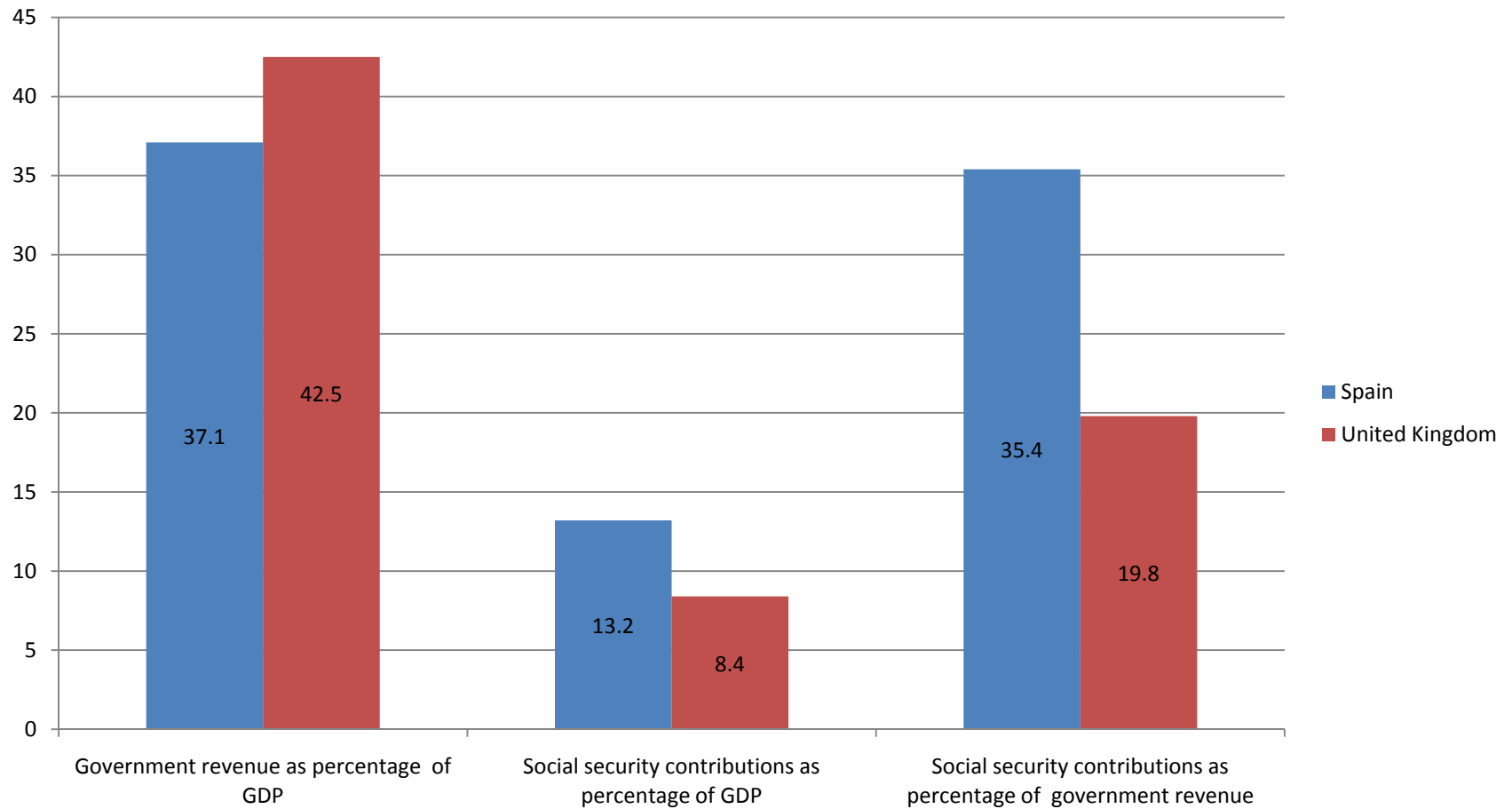
Percentage change between Q1 2008 and Q1 2011



# Labor Force in Spain and the UK



# Payroll Taxes in Spain and the UK



# Payroll Taxes in various countries

