



**MADRID
ECONOMY
2009**
OBSERVATORIO ECONÓMICO

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FOREWORD

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Now in its fifth edition, this year's *Madrid Economy* report is set against a gloomy backdrop for both the worldwide and Spanish economies. The city of Madrid, given its standing as Spain's main economic hub, has also found itself embroiled in the worldwide recession, although the typical dynamism that characterises the city's economy can only help to mitigate the impact of the crisis and provide the cornerstones for sustained growth in the immediate future, given the economy's consistent past performance and the fact it boasts a considerable presence in advanced sectors.

The importance that Madrid has traditionally attached to its infrastructures should help cushion the blow and provide the building blocks for a recovery of its productive capacity to previously unseen levels. Moreover, its human capital will be one of the key factors helping the city to face the future with renewed optimism and in this regard, Madrid has already consolidated its status as a top-tier centre for training.

It is precisely these areas that this year's *Madrid Economy* report aims to tackle, while providing readers with the most significant economic data on Madrid, thereby helping to raise awareness of the city and pave the way for new stages of healthy and sustainable development.

June 2009

INTRODUCTION

The City of Madrid covers an area spanning 604.3 square kilometres and is divided administratively into 21 districts. The area is served by highly-developed communication infrastructures, making the Spanish capital the leading logistics hub for both Spain and all of southern Europe. It also boasts an impressive network of motorways, encompassing both ring roads and radial roads, and provides the backbone for Spain's railway network, thereby providing effective connections with not only other parts of the region, but also the rest of Spain and Europe as a whole. Madrid is also home to the Madrid-Barajas airport, Spain's flagship airport and one of the largest to be found worldwide.

In terms of population, Madrid currently ranks second among the cities of the European Union behind Berlin, and forms part of the third largest urban agglomeration in Europe, behind only Île-de-France, and Greater London. Over recent years, the city's appeal to foreign residents has grown exponentially to the extent that they currently represent 17.5% of the total population.

Economic activity in Madrid has experienced relentless growth over recent years but, in line with forecasts and as is indeed happening with all other developed economies worldwide, it has now begun to shrink in the wake of the international economic crisis, largely led by the financial sector, but also due to the recession of the property sector. The economy is characterised by its strong emphasis on services, particularly those geared towards companies, transport and communication services, property services and financial services. Tourism, which requires contributions from all the productive branches of the economy, also plays an important role in the city's economy.

The city is also a key player in the fields of innovation and technology. It is in fact Spain's heaviest investor in research and development, and exceeds both the national and European averages in terms of percentage invested of total GDP. It also plays home to a number of leading public and private universities and institutes, including prominent technology and research centres.

After years of impressive growth, employment levels are now waning, whereas unemployment currently stands at levels below the national average. The City of Madrid continues to provide employment for a large portion of the population from the surrounding metropolitan area and for many inhabitants from further afield.

The foregoing and other aspects are addressed at greater length throughout this report, which hopes to offer a summary of the economic reality within Madrid and its recent progress and performance.

1. POPULATION

As of 2009, Madrid has a population of 3,273,006 inhabitants, twice that of its nearest Spanish competitor, namely Barcelona, and four times that of Valencia, which comes in third. This makes Madrid the second largest municipality in the European Union, behind only Berlin. Housing a staggering 7% of the Spanish population, it is home to a higher percentage of the total national population than any other major European city.

The City of Madrid accounts for 51.5% of the population of the Autonomous Community of Madrid as a whole, which, with 6.36 million inhabitants, represents the third largest metropolitan area in Europe after Île-de-France and Greater London.

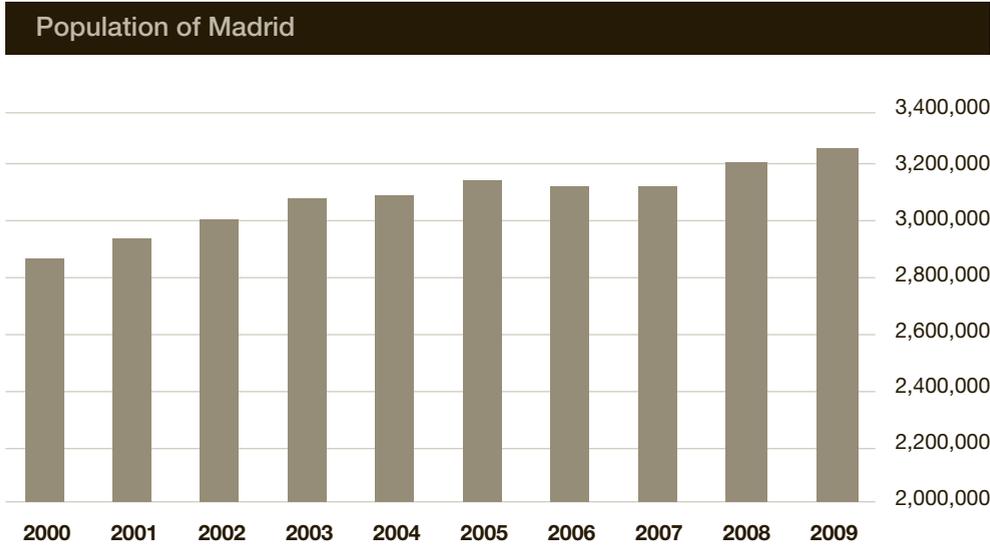
European cities					
City	Population	% of country	% of region	Metropolitan Area	Population
Berlin	3,416,255	4.2	100.0	Berlin	3,416,255
Madrid	3,273,006	7.0	51.5	Community of Madrid	6,360,241
Inner-London	3,000,300	4.9	39.7	Greater London	7,556,900
Rome	2,718,768	4.6	48.9	Lazio	5,561,017
Paris	2,181,371	3.6	18.9	Île de France	11,532,398

Source: General Department for Statistics of Madrid City Council (City of Madrid, 2009, provisional), National Statistics Institute (INE) (Spain and Community of Madrid, 2009, provisional), City Population (Germany, 2007, Italy, 2008 and France, 2006) and ONS (United Kingdom, 2007).

Spanish cities					
City	Population	% of country	% of region	Region	Population
Madrid	3,273,006	7.0	51.5	Community of Madrid	6,360,241
Barcelona	1,615,908	3.5	21.9	Catalonia	7,364,078
Valencia	807,200	1.7	16.0	Community of Valencia	5,029,601
Seville	699,759	1.5	8.5	Andalusia	8,202,220
Saragossa	666,129	1.4	50.2	Aragon	1,326,918

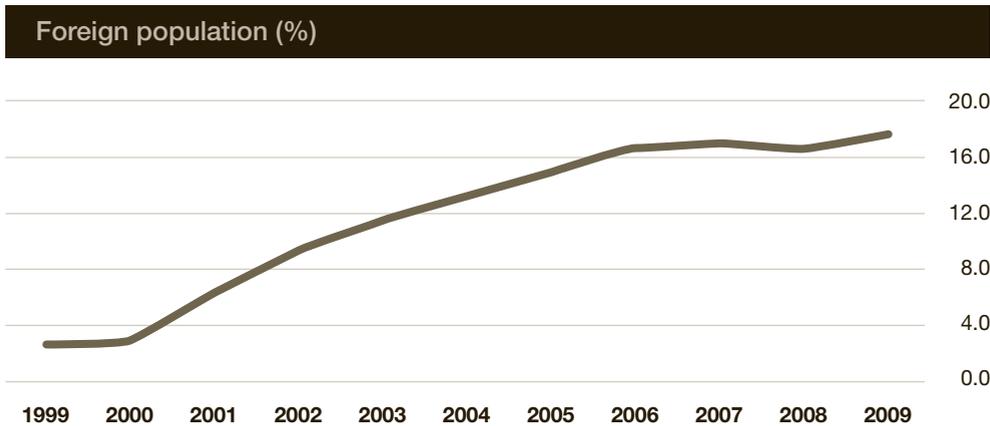
Source: General Department for Statistics of Madrid City Council (City of Madrid, 2009, provisional) and National Statistics Institute (INE) (Spain and Community of Madrid, 2009, provisional; remaining cities and autonomous communities, 2008).

Madrid's population has experienced growth over recent years due to the considerable influx of foreigners. As it currently stands, both overall and foreign population levels have levelled off, as can be seen from the following diagrams.



Source: General Department for Statistics of Madrid City Council (2009 population, provisional) and INE (official figures on population as of 1 January for other years).

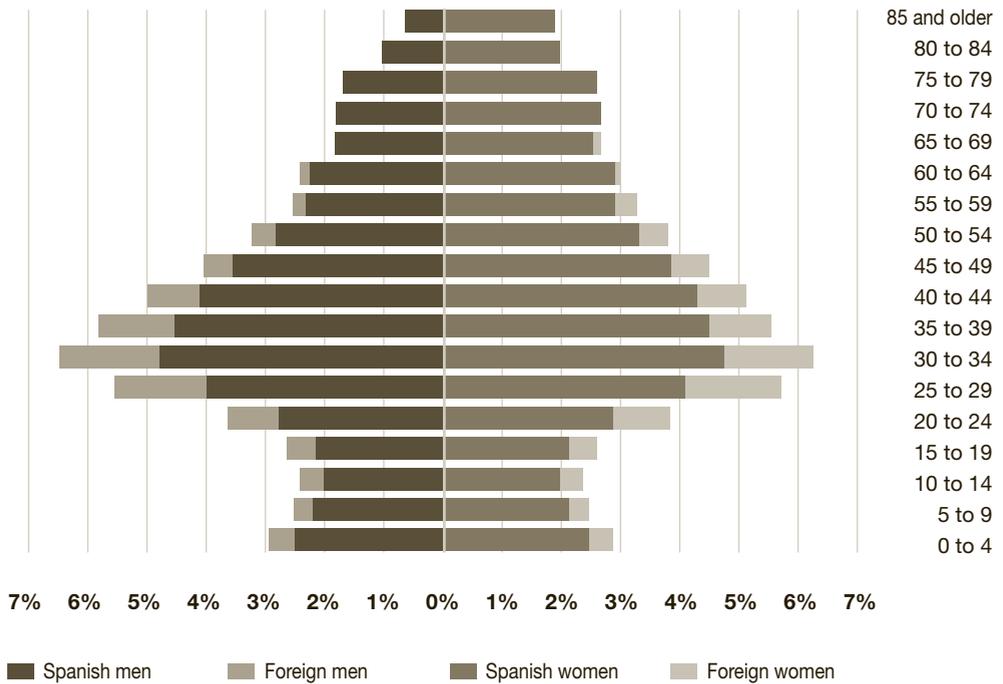
The significant number of foreign immigrants settling in the city over recent years has meant that foreign citizens currently account for 17.5% of the city’s total population (roughly 575,000 as of 1 January 2009), in stark contrast to the 2.8% reported for 1999. The recent spike in the foreign population can be put down to the increasing trend among foreigners to change nationality. In any case, the growth in foreign residents now appears to be levelling off.



Source: General Department for Statistics of Madrid City Council.

La The arrival of people from outside Spain has enabled the city to bolster its productive capacity with foreign workers, thereby opening up the population pyramid in the 20 to 49 age groups, while simultaneously broadening the base of the population pyramid enormously as part of an intensive and necessary rejuvenation process.

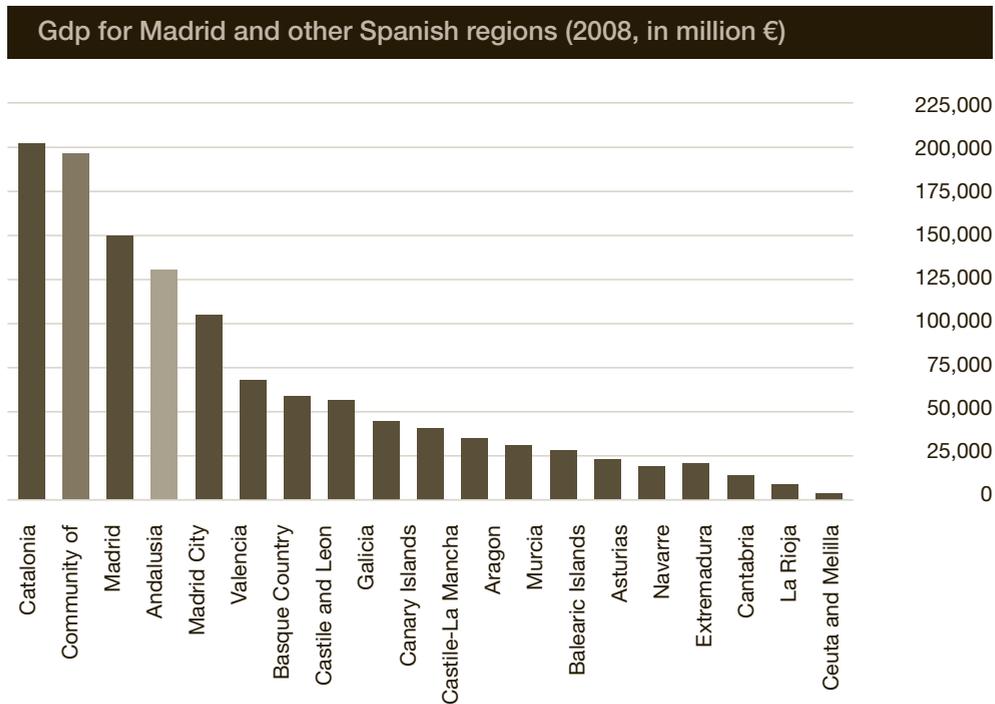
City of Madrid - Population pyramid



Source: General Department for Statistics of Madrid City Council.

2. ECONOMIC ACTIVITY

Gross Domestic Product (GDP) for the City of Madrid in 2008 is estimated at 130,067 million euros, representing 67.0% of total GDP for the Autonomous Community of Madrid as a whole, and 11.9% of total Spanish GDP, placing it considerably above the relative weighting of the population in each of these two areas, which stand at 51.2% and 7.0% respectively of the national total. The city's production levels exceed those of all the Spanish Autonomous Communities except for Catalonia and Andalusia, but including the Autonomous Community of Madrid itself, and likewise outstrip levels for eleven of the twelve latest arrivals to the European Union (barring Poland).

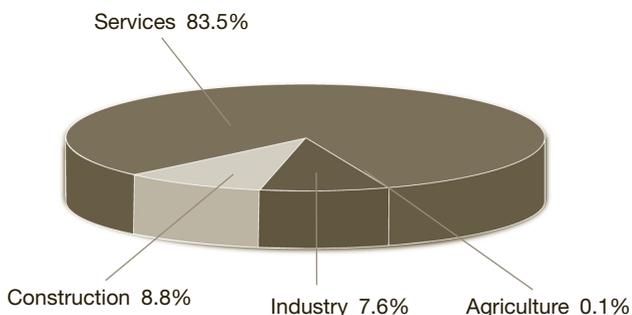


Source: National Statistics Institute (INE) for Madrid; GDP estimated by the Economic Observatory of Madrid City Council.

Industry (chiefly graphics, energy, chemicals, transport and electronics) contributes 7.6% of total production, while construction, which has witnessed dynamic expansion over recent years, accounts for 8.8%. Yet it is the services sector that underpins production within the City of Madrid, turning in a massive 83.5% of total economic activity.

Gross value added (2008, in thousand €)

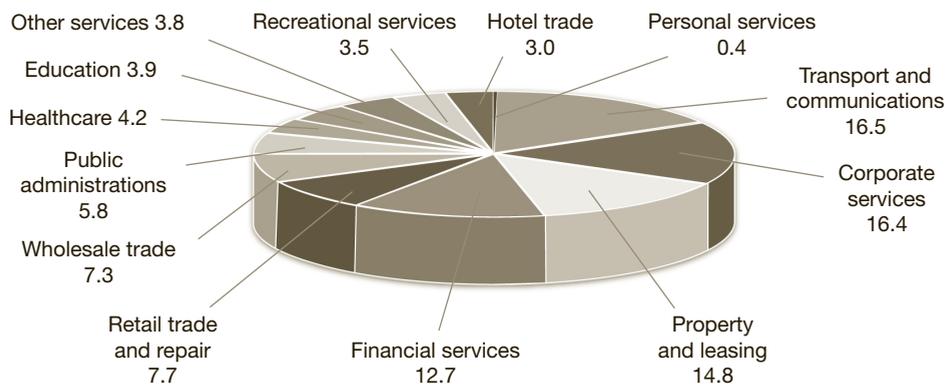
Agriculture	139,460
Industry	9,026,676
Construction	10,455,744
Services	98,914,704
Total	118,536,584



Source: Estimated by the Economic Observatory based on figures published by the General Department for Statistics of Madrid City Council.

The most notable of these services are those geared towards companies, followed by transport and communications, property and financial services. These four groups generate 49% of gross value added for Madrid's economy and 60.4% of gross value added for the services sector.

Services in Madrid (%)



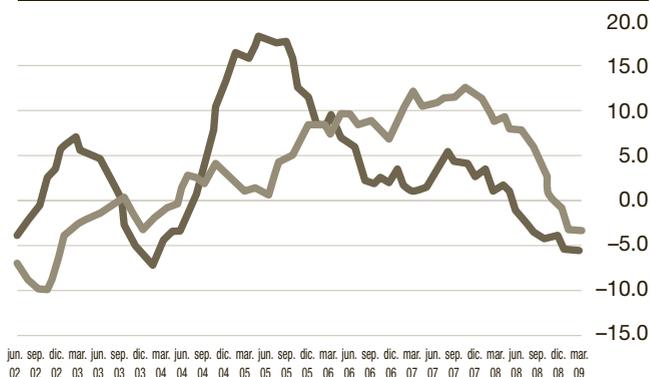
Fuente: General Department for Statistics of Madrid City Council.

Tourism plays a particularly important role within Madrid, and helps to keep a large proportion of the city's population employed in the retail and hotel trade, transport and the leisure industry. Figures for 2007 as a whole smashed all-time records, with 7.3 million visitors and 14.2 million overnight stays in hotels alone. Figures for 2008 and annualised rates up to April of 2009 point to a moderate slump, mirroring the worldwide decline in tourism brought on by the economic crisis.

Tourism in the city

Tourism in the city (thousands)		
Year	Travellers	Overnight stays
2001	5,109.4	10,975.1
2002	5,297.6	11,128.0
2003	5,193.7	10,633.1
2004	5,749.9	11,546.7
2005	6,413.9	12,599.5
2006	6,740.4	13,226.7
2007	7,317.8	14,194.0
2008	7,299.4	13,975.2
2009*	7,133.4	13,605.4

Overnight stays according to residency (inter-annual % variation of an average of 12 months)



* 12 months to April.

Source: National Statistics Institute (INE). Provisional figures from May 2008.

Source: National Statistics Institute (INE) (Hotel Occupation Survey).

— En España

— En el extranjero

The city has a significant and growing number of hotel beds to cater to the equally significant number of visitors. As of April 2009, Madrid was able to offer 73,750 hotel beds among its 877 establishments, all run by 12,289 workers, representing a year-on-year increase of 22 establishments and 4,633 beds. 61% of the beds are offered by four and five-star hotels, which are in turn responsible for 76% of the total beds created over the last year.

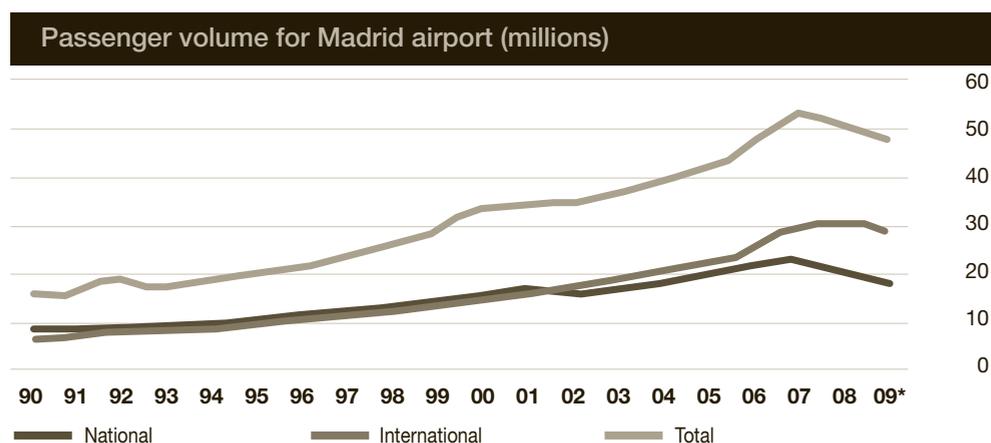
Hotel establishments

Category (stars)	Number	Beds	Employees
Hotels			
Five	23	11,038	3,563
Four	110	33,926	5,439
Three	71	11,542	1,567
Two and One	25	3,280	321
Total hotels	229	59,786	10,890
Hostels			
Three and Two	190	6,596	704
One	458	7,368	695
Total hostels	648	13,964	1,399
Total	877	73,750	12,289

Source: National Statistics Institute (INE) (Hotel Occupation Survey, April 2009).

Air traffic bears a close relationship with levels of tourism. Numbers of passengers passing through Madrid airport have dropped off, not only due to the recent slump in tourism but also because of the arrival of new high-speed (AVE) railway lines,

of which we would highlight the Madrid to Barcelona route. That said, Barajas airport welcomes roughly 48 million passengers a year on commercial flights, ranking it fourth in Europe and eleventh worldwide. Commercial passenger figures for 2008 came in 2.5% below figures for the previous year, although the rate of decline has picked up speed over the first few months of 2009. At any rate, the Barajas airport extension rolled out in 2006 will allow the city to meet future increases in demand up to a potential passenger volume of 70 million a year.



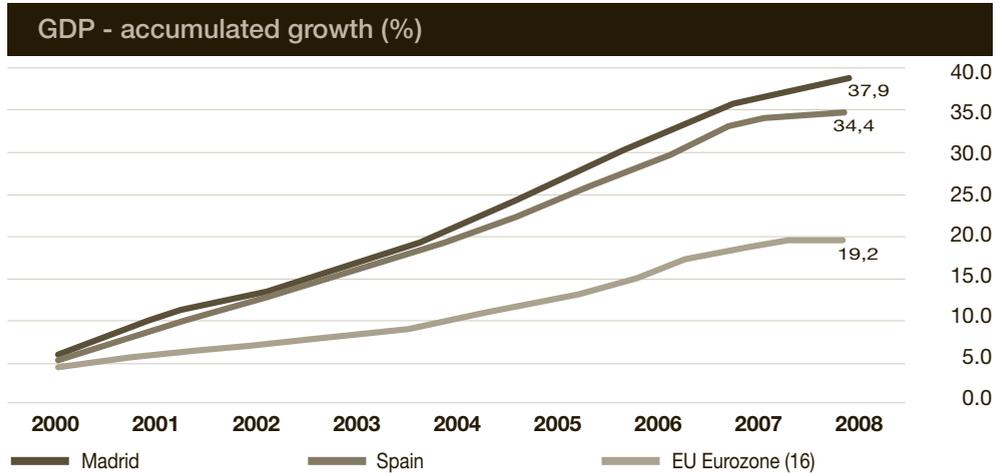
Source: AENA (Spanish Airports and Air Navigation Operator). *12 months to May 2009.

Business activity within the City of Madrid has been closely pegged to the national and international crisis, leading to a reduction in the number of new companies, although in this regard Madrid still stands at the forefront in Spain. Despite this gloom, more than 11,000 companies were created over the last 12 months, with a combined subscribed capital of nearly 1,400 million euros.

The strength of Madrid's economy has been more than evident over recent years, and it comes as little surprise that recent growth in the region has outpaced growth in other regions of Spain, outstripping Spain as a whole by 3.5% over the 2000-2008 period and the sixteen countries of the Monetary Union by 18.7%. Madrid has been the Spanish region that has witnessed the greatest growth over the last five years, specifically 18.7%, in comparison to the national average of 16.6%.

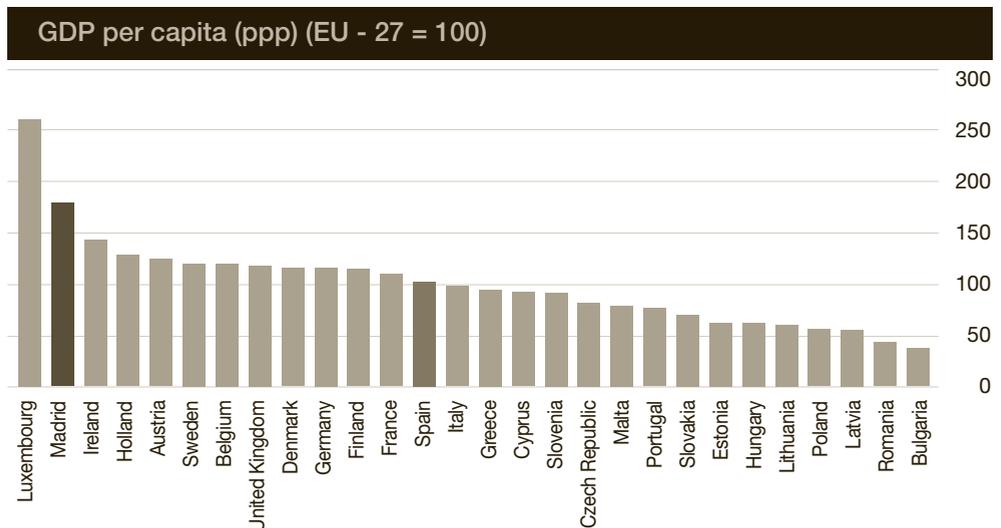
The city's economy grew by 1.6% in real terms over 2008, but is expected to decline by around 2.3% during 2009 on account of the national and international economic crisis. Yet this contraction is still somewhat below projected levels for all Eurozone countries in 2009, which the European Commission dropped to -4.0% in May. Estimated deceleration for Spain stands at -3.2%. In 2008, it was mainly the services sector that helped to spur on the city's economy, ably assisted

by the energy sector, which reported the greatest gains. In 2009, these two sectors will continue to play centre stage in the economic recovery.



Source: National Statistics Institute (INE) and Eurostat.

As a result of the foregoing, GDP per capita for the City of Madrid, measured both in nominal terms and in terms of purchasing power parity, is second to none in Spain. As regards purchasing power, the city stood at 69% above the Spanish average for 2008, and 76% above the average for the 27 member states of the European Union. .

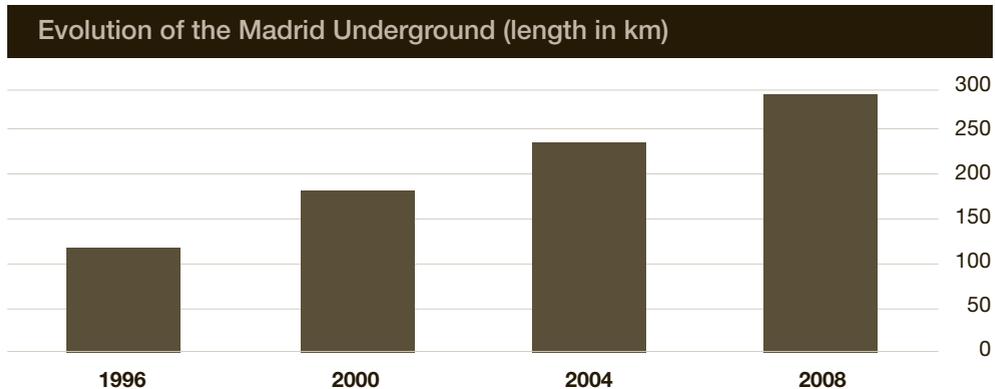


Source: Eurostat. Madrid figures prepared by authors.

3. TRANSPORTATION INFRASTRUCTURES

One of Madrid's greatest assets is its superb network of transport infrastructures, which effortlessly connect the city with regional, national and international locations, while catering to the city's own internal transport needs.

As regards the latter, the Madrid Underground plays a pivotal role by covering vast areas of the city and even stretching beyond. Over the last twelve years, the underground network has expanded by nearly 250% and by 25% in the last two years alone to span a total of 283 kilometres, making it the second largest in Europe with only the London Underground lying ahead.



Source: Statistics Institute for the Community of Madrid.

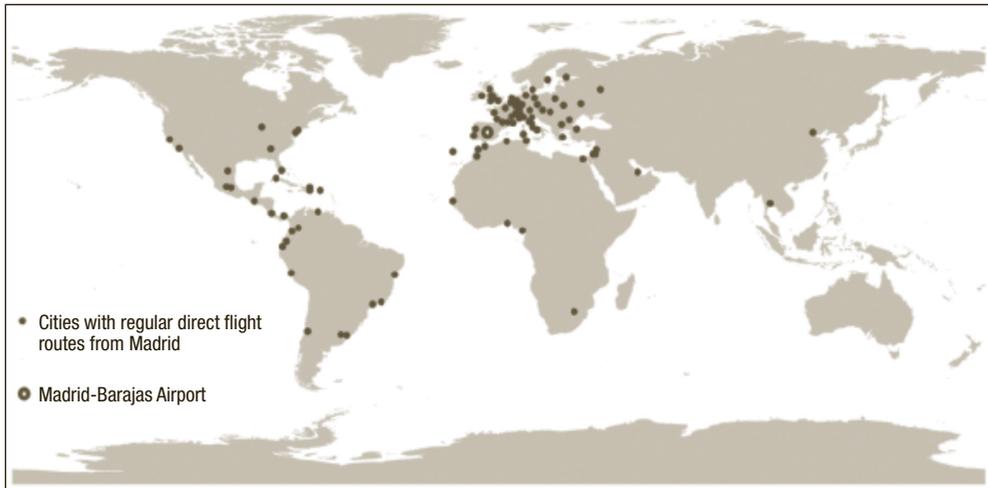
Partnering the metro we have the railway network, which, boasting 350 kilometres of track among ten different lines, some of which operate as frequently as the underground, provides connections between the various areas of Madrid, and between Madrid and the rest of the region and the two neighbouring regions. Let us not forget the 115 kilometres of new line scheduled under the 2009-2015 Commuter Railway Infrastructure Plan for Madrid.

This railway network is ably supported by an impressive and ever-expanding network of city buses. The overall length of the bus network of Madrid's Municipal Transport Corporation (Empresa Municipal de Transportes, or EMT) at year-close 2008 stood at 3,690 kilometres, marking a 31% increase over the last eight years. These routes are serviced by a growing fleet of over 2,000 vehicles, while the network as a whole is undergoing a continuous improvement process with a view to attaining the utmost standards of speed, quality and sustainability.

An key driving force behind effective transport within a city is its intermodal transfer facilities, enabling travellers to change from one means of transport to another. Madrid currently features 26 modern transfer facilities that allow travellers to change between the different modes of transport at strategic points, including each of the main entry points into the city (see map in the middle of the report).

Madrid enhances its public transport network with a fully modernised and extensive road network, which not only connects the city with the rest of the region, but also with Spain and, from there on, the rest of Europe. Over the last ten years alone, the network of major roads has experienced a 46% leap to bring its combined total length to over 950 kilometres, representing 28% of an expansive 3,400-km network for the entire region.

Yet one of the main pillars underpinning Madrid's connections with the rest of Spain and abroad is the high-speed rail network. Three new lines were brought into service in 2008, drastically cutting travel times with cities such as Barcelona and Malaga. This gradual process will eventually connect Madrid with the major cities on the Mediterranean routes, as well as Lisbon and Paris, to name but a few. Madrid now ranks alongside Tokyo and Paris as one of the world's three largest high-speed railway hubs.



Source: Prepared by authors from AENA information.

All things said, the main mode of transport linking Madrid with the international community remains its airport: Barajas. Serving as a gateway to all corners of the globe, Barajas is one of the world's largest airports with a potential capacity of 70 million passengers a year, having recently completed extension work to increase its existing worldwide connections by 25%, thereby bringing the current total to over 140, 75% of which are located abroad.

4. RESEARCH AND TRAINING

The sheer dynamism of Madrid would not be possible without a key factor lying behind the development of any economy: high quality training and research. Madrid has a large number of university students relative to its population. The various universities located throughout the city and its metropolitan area have 268,000 students currently enrolled on their courses, of which 26% are reading architecture or engineering.

Students enrolled with Madrid universities (2008-2009 academic year)			
Course	Public	Private	Total
Humanities	21,841	1,299	23,140
Social Sciences and Law	115,146	15,612	130,758
Experimental Sciences	17,171	955	18,126
Health Sciences	15,306	11,209	26,515
Technical Studies	58,457	11,212	69,669
Total	227,921	40,287	268,208

Source: Department for Education of the Community of Madrid.

The City of Madrid has 540 on-campus university students for every thousand people aged from 18 to 25, while the average for Spain stands at 280. The Madrid region as a whole also leads the way in Spain, with 375 students. Madrid offers a truly rich and varied selection of universities to choose from within its metropolitan area (sixteen universities, seven of which are public and nine private), all attracting a large number of non-resident students, many of whom on completing their chosen studies become part of the productive system in the city and the surrounding metropolitan area.

Madrid universities	
Public	Private
University of Alcalá	Alfonso X El Sabio University
Autonomous University of Madrid	Antonio de Nebrija University
Carlos III University of Madrid	Camilo José Cela University
Complutense University of Madrid	European University of Madrid
Polytechnic University of Madrid	Francisco de Vitoria University
King Juan Carlos University	Pontificia Comillas University
National Distance-Learning University (UNED)	Pontificia University of Salamanca in Madrid
	San Pablo-Ceu University
	Distance Learning University of Madrid (UDIMA)

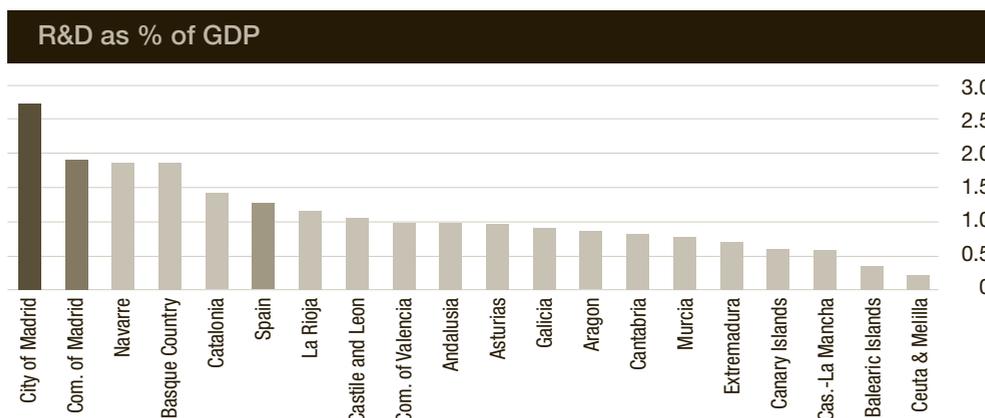
Source: Department for Education of the Community of Madrid.

In addition to these university establishments, Madrid plays host to a considerable number of research institutions specialising in all fields, of which we would highlight the Advanced Centre for Scientific Research (*Consejo Superior de Investigaciones Científicas*, or CSIC), whose research focuses primarily on the fields of science and technology.

State research centres and institutes based in Madrid	
Centre for Energy, Environmental and Technological Research (CIEMAT)	Institute for Energy Diversification and Saving (IDAE)
Higher Council for Scientific Research (CSIC): 46 centres and institutes	Centre for Public Works Studies and Experiments (CEDEX)
Spanish Institute of Oceanography (IEO)	National Geographical Institute (IGN)
National Institute for Agrarian and Food Research and Technology (INIA)	Fiscal Studies Institute (IEF)
Spanish Institute for Geomining Technology (IGME)	Centre for Legal Studies (CEJ)
Education Research and Documentation Centre (CIDE)	National Metrological Institute (INM)
National Institute for Aerospace Technology (INTA)	Centre for Political and Constitutional Studies (CEPCO)
El Pardo Hydrodynamic Experience Channel (CEHIPAR)	Centre for Sociological Research (CIS)
Army Engineering Laboratories (LIE)	National Centre for Oncological Research (CNIO)
Navy Research and Development Centre (CIDA)	National Centre for Cardiovascular Research (CNIC)
	Carlos III Health Institute (ISCIII)
	National Institute for Health and Safety at Work (INSHT)

Source: Department for Education of the Community of Madrid.

Madrid is Spain’s heaviest investor in R&D. The metropolitan area of Madrid channelled 3,584 million euros into R&D over 2007, representing 26.9% of total national investment and employing to such end 49,973 people, who in turn represent 24.8% of the total for Spain. Private companies are responsible for 59.2% of this investment, with 24.8% being picked up by public bodies. Most of this investment activity takes places within the City of Madrid, bringing R&D investment in the city to around 2.7% of its GDP and to 1.93% for the region, the highest GDP-investment rate among all Spanish regions, which average 1.27%. The city’s investment in R&D also far outstrips the investment within the European Union, which currently stands at 1.83%.



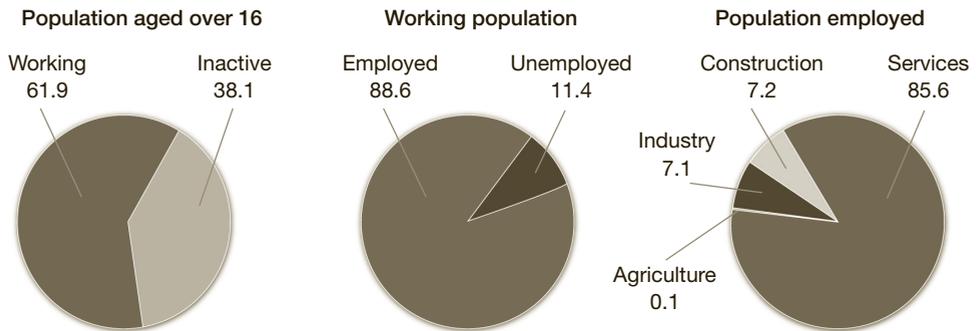
Source: National Statistics Institute (INE).

5. EMPLOYMENT

The aforementioned demographic and productive information and figures on the City of Madrid, coupled with its high levels of innovation, all have a strong bearing on jobs in the local area. Its activity rate is therefore higher than both the Spanish and European averages, whereas its unemployment rate is significantly lower than the rest of the Spain.

Over recent years, Madrid has displayed an impressive job creation capacity above and beyond the European average. Worthy of particular note is the steadily increasing incorporation of women into the labour market. This process has now ground to a standstill, seeing as though the prevailing economic outlook is not only preventing the creation of jobs, but is also raising levels of unemployment, all set against the backdrop of a relentless increase in the economically active population.

Population and its connection to the 2009 activity (%)



Employment situation	
Population / Situation	Number
Aged > 16	2,685,900
— Economically Active	1,662,600
• Employed	1,473,100
– Agriculture	2,200
– Industry	104,800
– Construction	105,900
– Services	1,260,400
• Unemployed	189,500
— Inactive	1,023,300

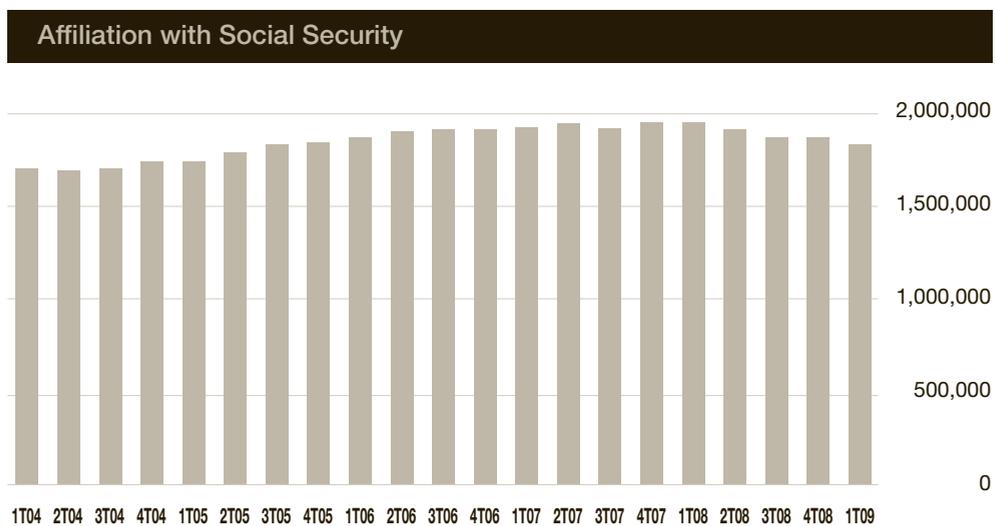
Source: General Department for Statistics of Madrid City Council (Figures obtained from Labour Force Survey, CNAE 2009).

According to EPA data (Spanish Economically Active Population Survey), the sector that employs most Madrid citizens is services, in line with the hefty weighting of this sector within the city’s economy. The number of workers employed in this particular sector stands at 1,260,400, equivalent to 85.6% of total workers. In contrast, 7.1% of Madrid citizens work in industry and 7.2% in construction.

Of the 1,473,100 people currently employed, 159,000 are self-employed, 1,042,300 are salaried workers in the private sector and 270,900 are salaried workers from the public sector. For the first quarter of 2009, over three quarters of total salaried workers, 80.9% to be precise, were employed under permanent contracts, marking a 3.1% increase year-on-year.

Yet Madrid does not only employ its residents. Leaving place of abode out of the equation, the City of Madrid currently provides employment to a grand total of 1,828,000 people, all duly affiliated and signed up with the Spanish Social Security System. This means that roughly 400,000 workers commute into and out of Madrid on a daily basis on account of their work.

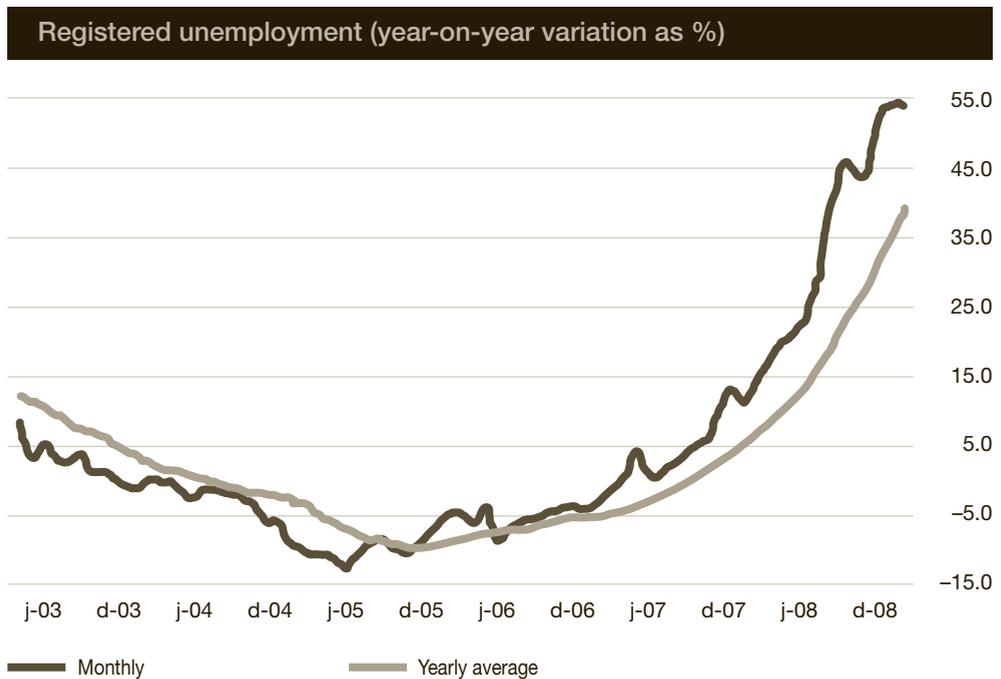
Worker affiliation with the Spanish Social Security has also witnessed significant generalised growth over recent years, although we have seen year-on-year reductions since the second quarter of 2008. Over the last twelve months leading up to March 2009, Social Security affiliation within Madrid has shrunk by 2.4% in comparison to the previous twelve-month period, confirming the continuing downward trend reported since the end of the 2005 job standardisation process, which resulted in dizzying levels of Social Security affiliation.



Source: Madrid City Council Statistics Office (data Ministry of Works and Social Affairs).

As regards affiliation by sector of activity, industry contributes 5.3% of the total, construction 7.0% and services 87.5%. The remaining 0.1% is generated by agriculture.

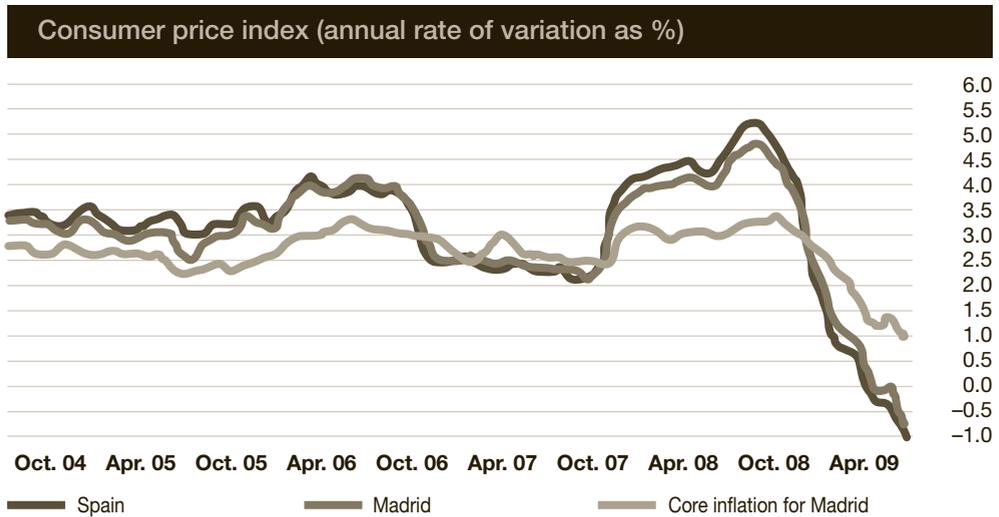
The adjustment in job creation levels links in with an unemployment rate of 11.4% of the economically active population, 4.4% above the rate reported for the previous year. This rate is still somewhat lower than the national average for Spain, but has now overtaken the average for the European Union. Moreover, registered unemployment has been increasing for two years, with women being the least affected and the older working population bearing the brunt.



Source: General Department for Statistics of Madrid City Council (Spanish Employment Institute (INEM) figures).

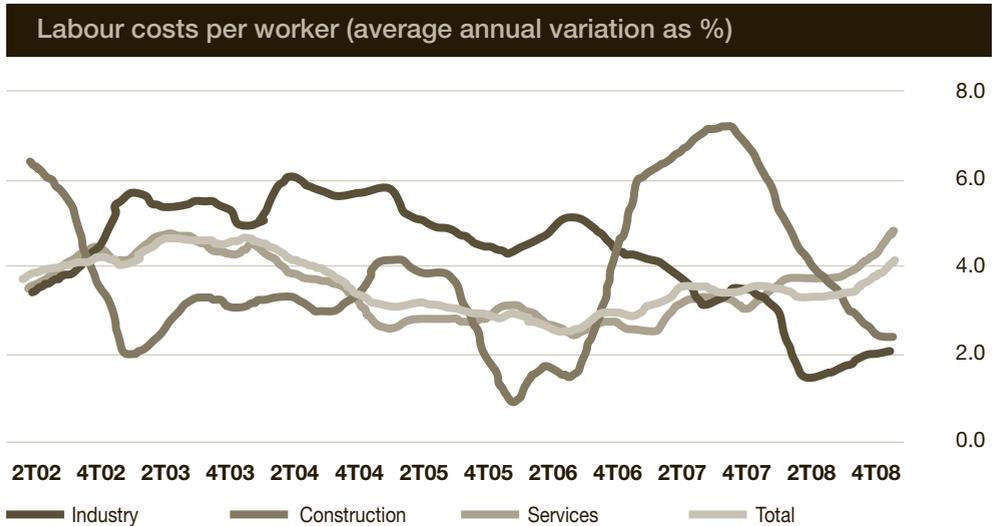
6. PRICES AND SALARIES

Summer 2008 marked the start of a process characterised by slumping consumer prices, which brought the Spanish CPI in March 2009 down to zero for the first time. By May, this had dropped further to -0.7% . Within an environment of reduced consumer spending, fuel, industrial materials and food prices lie at the heart of the issue, which has even dragged inflation for Spain as a whole to -0.9% in May and 0% for the Monetary Union. That said, core inflation, meaning inflation that ignores energy and unmanufactured food prices, remains in positive figures, although still relatively low. Despite the foregoing, forecasts clearly indicate that inflation will recover to positive healthier figures from the last few months of 2009 onward.



Fuente: INE

Labour costs in Madrid are higher than for Spain as a whole, as is to be expected given that jobs within Madrid tend to require higher levels of qualification. At the close of 2008, the average monthly labour cost stood at 2,933 euros, representing 15.7% more than the Spanish average. These costs have followed a moderately upward trend, with an average yearly increase over the last quarter of 2008 of 4.3%, partly due to the increase in severance pay. It's interesting to note that industry, which sports the highest average labour costs, also features the lowest average yearly increase, whereas construction dropped off considerably over the second quarter of 2008. It is therefore the services sector that is reporting the most bullish behaviour.

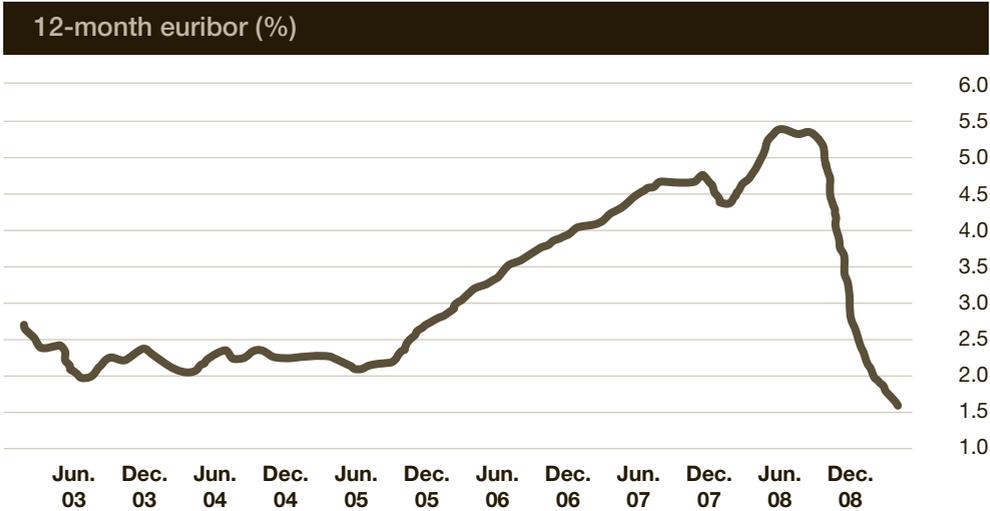


Source: National Statistics Institute (INE), Quarterly Labour Costs Survey.

Madrid is Spain's main financial hub, given that most financial transactions take place in markets located within the city. Although it is difficult to speak now of tangible financial markets, the fact that Spain's leading companies have their head offices or operational centres in the capital and that their financial brokers and intermediaries likewise reside in Madrid all afford the Spanish capital this central role. In fact, recent studies place Madrid in sixth place worldwide for banking facilities and ninth for stock market capitalisation.

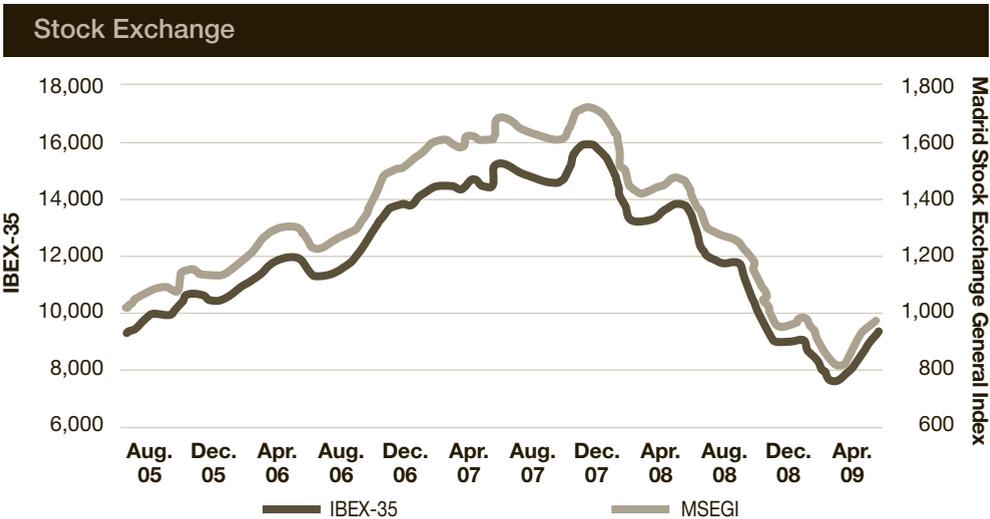
Madrid also plays homes to the vast majority of component bodies and markets that make up the Spanish financial system: The Bank of Spain, the Spanish National Securities Market Commission (CNMV), the General Directorates for Treasury and Financial Policy and for Insurance and Pension Funds, the Spanish stock market and financial system operator Bolsas y Mercados Españoles (BME), AIAF, SENAF, MEFF-RV and IBERCLEAR, amongst others. Madrid likewise boasts Spain's main stock exchange, to which the city lends its name – La Bolsa de Madrid, or Madrid Stock Exchange.

Interest rates throughout the Eurozone have experienced a marked decrease since the end of 2008, thereby mirroring the decisions of the European Central Bank which, in an attempt to tackle liquidity problems stemming from the international financial crisis, has been steadily curbing base rates to bring them down to a record 1% in May, a rate that still remains in effect to date. Interest rates have followed suit, such that average daily figures for May placed the one-year interbank interest rate at 1.64 %.



Average figures, in %. Interbank market.
Source: Central Bank of Spain.

The leading stock indices, particularly the Madrid Stock Exchange General Index, have been enjoying significant gains over recent years, although the end of 2007 marked a U-turn for both Spanish and international indices, all of which began to report significant losses. Although they have certainly rallied over the last few months, with figures since March steadily on the up, they are still a far cry from the maximum levels seen in October 2007.



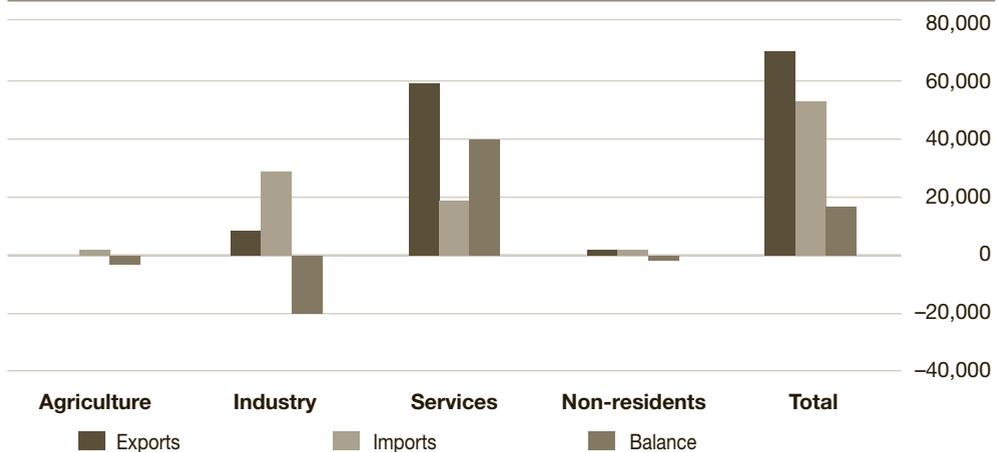
Source: Madrid Stock Exchange.

7. EXTERNAL SECTOR

Commercial dealings between the City of Madrid and other economies display a positive balance. Trading takes place, as one would expect, with the rest of the Autonomous Community of Madrid, with the rest of Spain and with the international community. The estimated balance of trade between exports and imports of goods and services to and from the rest of the Autonomous Community, the rest of Spain and abroad points to a trade surplus of 17,036 million euros.

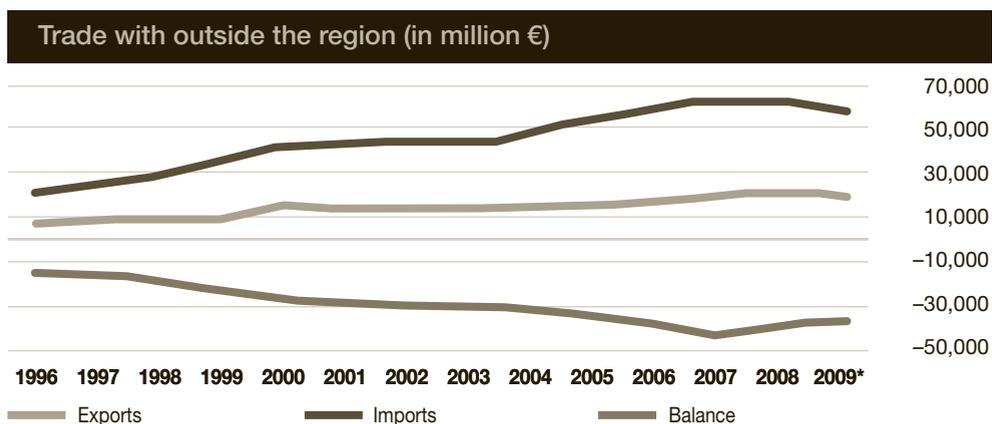
Despite being located in Spain's second largest industrial area, the city imports a large proportion of the goods it consumes, but this negative balance is more than offset by the positive performance of the services sector, which exports many of the services it offers.

Economic relations with outside the region			
	Exports	Imports	Balance
Agriculture	24.9	2,178.7	-2,153.8
Industry	9,598.6	29,707.4	-20,108.8
Services	58,923.9	18,771.0	40,152.9
Non-residents	2,491.9	3,346.3	-854.4
Total	71,039.3	54,003.4	17,035.9



Source: Economic Observatory (estimate figures based on Community of Madrid input-output tables).

The Autonomous Community of Madrid, within which lies the City of Madrid, plays a leading role in this regard. In 2008, it ranked second in Spain for volume of both exports and imports of goods, second only to Catalonia. Over the year, it accounted for 11.5% of exports and 21.7% of imports for Spain as a whole, levels which it has been able to maintain during the first few months of 2009.



* 12 months to March.

Source: Secretary of State for Trade and Commerce.

Over 2008, Madrid exports of goods grew by 6.3%, while imports receded by 1.6%, thereby wiping 5.5% off the trade deficit. Looking to the first quarter of 2009, exports increased by 1.8% year-on-year while imports slackened by 11.1%, cutting 17.1% off the shortfall. In any case, let us not forget that these figures must be read in light of the widespread contraction in international trade.

Trade outside the region of Madrid (in million €)

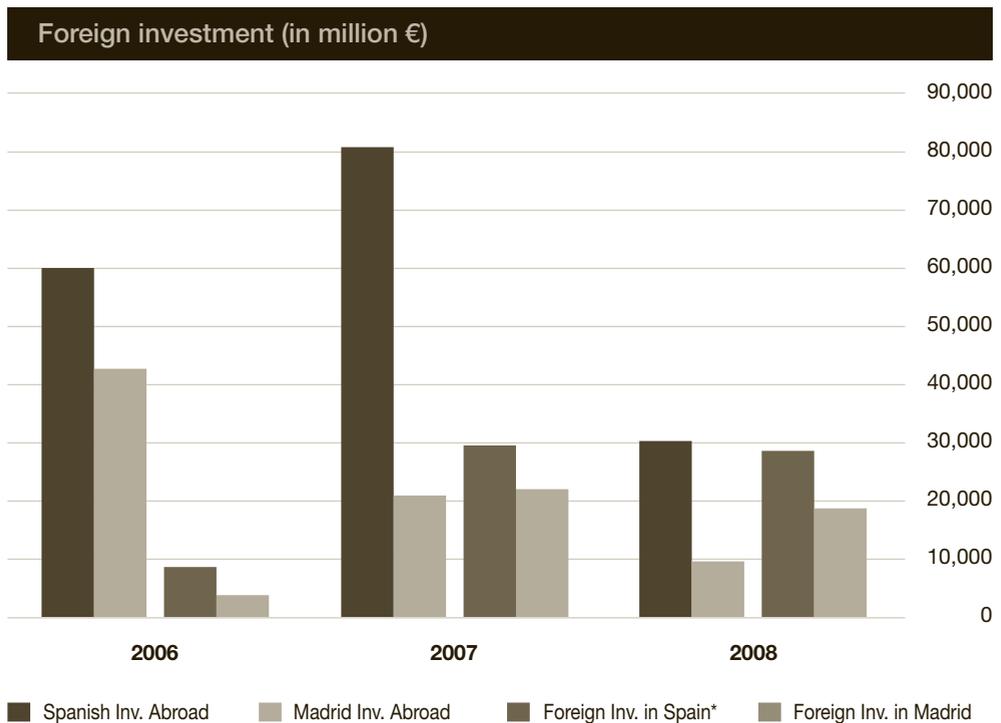
Sector	2008*		2009*		% VARIATION	
	Export	Import	Export	Import	Export	Import
Food	809	3,464	935	3,372	15.7	-2.7
Energy	1,903	4,567	2,386	3,149	25.4	-31.1
Raw materials	178	473	150	430	-15.8	-9.2
Semi-manufactured goods	5,739	13,446	6,405	13,992	11.6	4.1
Capital assets	7,483	23,965	6,660	20,225	-11.0	-15.6
Automobile sector	1,715	8,143	1,650	6,704	-3.8	-17.7
Consumer durables	392	2,067	321	1,710	-18.0	-17.3
Consumer goods	1,823	7,351	1,762	7,128	-3.3	-3.0
Other goods	292	543	426	222	46.0	-59.1
Total	20,333	64,019	20,696	56,932	1.8	-11.1

* 12 months to March.

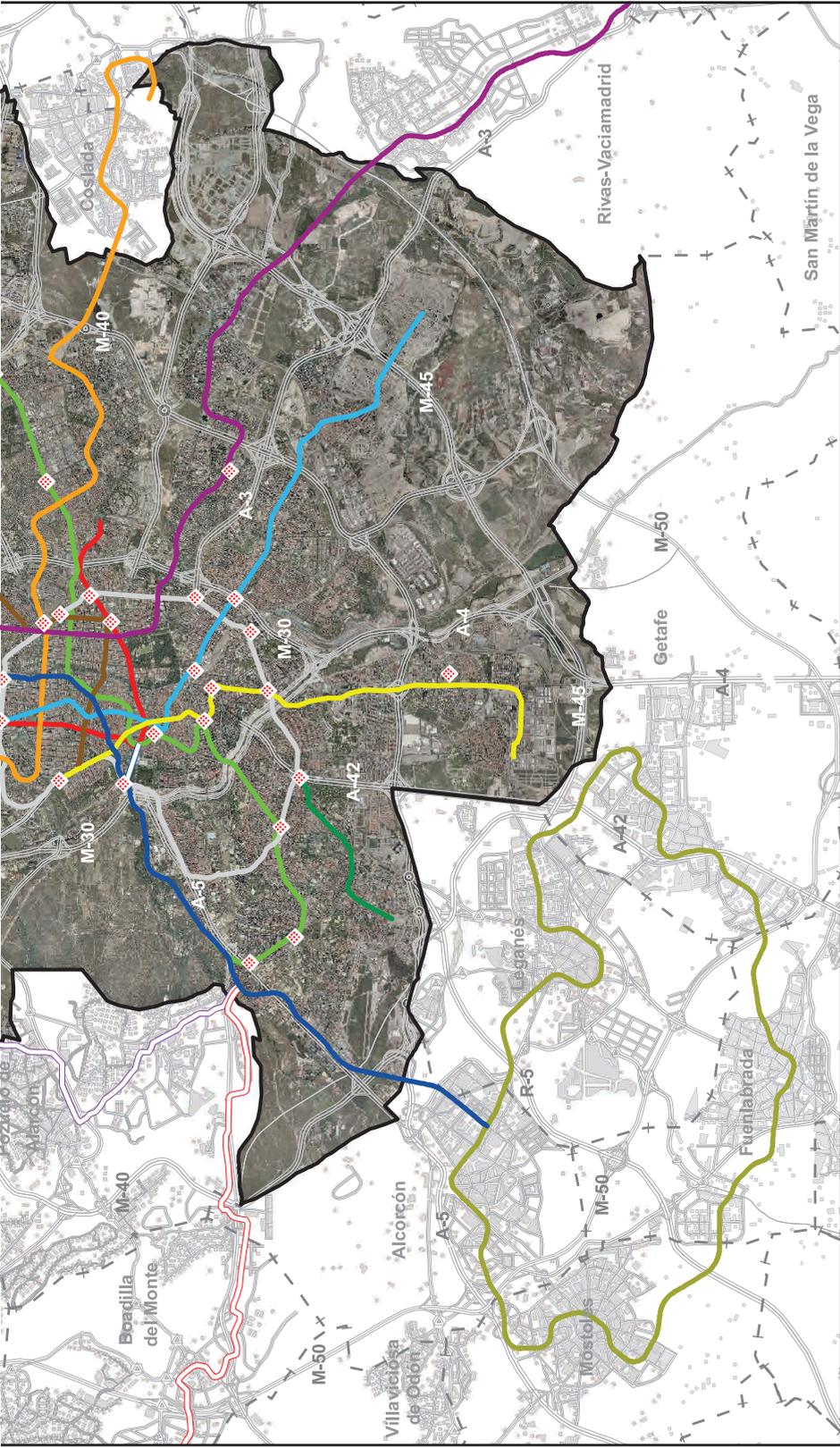
Source: Secretary of State for Trade and Commerce.

Capital assets make up the bulk of the Madrid region's external trade, representing 32% and 36% respectively of exports and imports of goods as calculated yearly. In this particular field, both imports and, to a lesser extent, exports have dropped off over the last twelve months. The automotive industry, the next highest in order of importance, has experienced growth in trade, particularly in terms of exports.

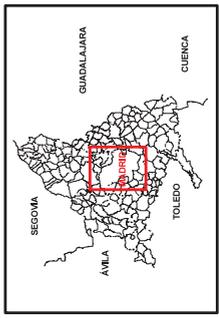
Furthermore, Madrid attracts the most foreign investor interest in Spain. In 2008, the Autonomous Community of Madrid as a whole attracted 32.4% of total investment in Spain and accounted for 86.0% of foreign investment, making it the leading Spanish Autonomous Community for both incoming and outgoing investment. Madrid's investment outside Spain over 2008 experienced an appreciable drop, while the region witnessed a slight increase in investment from other countries, leading to a net balance of over 14,000 million euros. This reverses the trend of previous years, in which investment abroad tended to outstrip incoming foreign investment.



* Only investment reported by Autonomous Communities.
Source: Secretary of State for Trade and Commerce.



METRO DE MADRID E INTERCAMBIADORES	
	Línea 1. Pinar de Chamartín / Valdecarros
	Línea 2. La Elipa / Cuatro Caminos
	Línea 3. Villaverde Alto / Moncloa
	Línea 4. Argüelles / Pinar de Chamartín
	Línea 5. Alameda de Osuna / Casa de Campo
	Línea 6. Circular
	Línea 7. Hospital de Henares / Pitis
	Línea 8. Nuevos Ministerios / Aeropuerto T4
	Línea 9. Herrera Oria / Arganda del Rey
	Línea 10. Hospital del Norte / Puerta del Sur
	Línea 11. Plaza Elíptica / La Peseta
	MetroSur
	R. Ópera / Principe Pío
	mL1. Pinar de Chamartín / Las Tablas
	mL2. Colonia Jardín / Estación de Aravaca
	mL3. Colonia Jardín / Puerta de Boadilla
	Intercambiador de Transporte



Término Municipal de Madrid

Sistema de Referencia: ETRS89 Hayford, Datum Potsdam
 Fuente de Datos: IGM de Madrid - Cartografía v. mayo 2007
 Área de Gobierno de Urbanismo y Vivienda
 Ayuntamiento de Madrid

Proyección: UTM - Huso 30

Línea de Metro: Metro de Madrid
 Intercambiadores de Transporte: Callejero Municipal
 Cartografía General de la Comunidad de Madrid 200.000 (julio 2002)
 Cartografía de los Municipios y Ayuntamientos del Territorio

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Kilómetros