

Repsol welcomes Argentine gas price liberalization

A. E., Madrid

Fear of a gas shortage as winter approaches in the southern hemisphere has forced the Argentine government to promise to fully liberalize natural gas prices in an effort to ensure continued supply from the country's principal producers, led by Spain's Repsol YPF.

Under the terms of an agreement reached between officials in Buenos Aires and gas producers, the government will initiate a series of structured increases in the price of natural gas from this year with a view to allowing companies to freely raise prices for industrial use from July 2005 and for domestic use from December 2006. The move puts an end to the freeze on energy prices initiated during Argentina's economic meltdown in 2002, which at the time was intended to combat rampant inflation.

The Argentine government's decision was welcomed yesterday by Repsol YPF, whose interests in Argentina had been severely affected by both the economic crisis and the government's response to it. "This is very positive," a Repsol spokesperson said. "It removes many uncertainties and returns the market to normalcy."

A little less than half of that market is controlled by Repsol, which merged with Argentina's YPF in 1999. The two other principal gas suppliers in Argentina are French-Belgian group TotalFinaElf and Brazil's Petrobrás.

In exchange for liberalization, companies must guarantee supply, principally to the country's gas-fired power plants, and maintain investments, many of which were paralyzed when gas prices were frozen. The first structured gas price rise is now due to take place on May 1 and will be followed by others in October 2004, May 2005 and June 2005.

The move follows the approval of a \$3.1 billion loan to Buenos Aires on March 22 by the International Monetary Fund.

March unemployment rate decreases slightly to 9.18%

But 8,188 drop in number out of work lowest since 1993

From page 1

De Miguel said the March figures also reflected the impact of the failure of the incoming Socialist Party (PSOE) government to detail its economic plans after its surprise victory in the general elections on March 14. However, De Miguel said she was optimistic the PSOE would follow the same lines of action adopted by the outgoing Popular Party government over the past eight years.

Although Spain has created jobs over that period at a faster rate than its European Union partners, unemployment in Spain still remains the highest in Europe. According to harmonized figures from the European Union statistics office Eurostat for February — the latest available — unemployment in Spain stood at 11.2 percent, compared with an average for the euro-zone of 8.8 percent.

In the 12 months to March, the number of people out of work grew by 1.4 percent, or 24,135, from the same period a year earlier. Leading labor organization UGT said these figures showed the failure of the Popular Party's labor policies in a situation in which Spain's economic growth has outstripped the European average. The Popular Party "has not solved the main problems of our labor market and has failed to take advantage of the situation of an economic boom to move toward the average (unemployment rate) in Europe."

The UGT urged the incoming government to place the creation of quality jobs at the center of its economic policy. While the number of labor contracts signed in March rose 25.9 percent from a year earlier to a record 1.42 million for the month, only 10.2 percent were permanent work contracts.

The drop in the number of jobless was felt across the board, dropping 1.0 percent in the services sector, 0.4 percent in construction, 0.2 percent in industry and 0.5 percent in agriculture. There were also both fewer men and women out of work, with the male unemployment rate at 6.2 percent and the rate for female workers at 13.4 percent.

Spain set to benefit from expected further pick-up in global trade this year

F. G., Madrid

The Spanish economy is set to benefit from an expected further pick-up in global trade this year, which the World Trade Organization (WTO) estimated at 7.5 percent after a rise of 4.3 percent in 2003.

Although Spanish gross domestic product (GDP) grew an estimated 2.4 percent last year, this was driven by domestic demand, with the foreign sector making a negative contribution of one percentage point, which however, narrowed to a negative 0.4 percentage points in the last quarter of the year as the global

economic recovery began to kick in. Spain has registered a persistent trade deficit, with the gap widening 10.4 percent last year to a record €46.279 billion.

In a report issued yesterday, the WTO said the export sector in Spain and in other member countries in the euro-zone benefited last year from the strong appreciation of the euro against the dollar in value terms, although in terms of volume, trade was virtually at a standstill. The total value of world trade last year came in at \$7.38 trillion. The WTO said the strengthening of the euro allowed Germany to

take over from the United States as the world's leading exporter in dollar terms, while Spain climbed two places to become the 14th biggest exporter, accounting for 2 percent of total global exports. China stood head and shoulders above other countries in growth in trade last year, with exports up 35 percent and imports up 40 percent.

The price of trade products as a whole in dollar terms climbed 10.5 percent last year, the biggest jump since 1995. The largest increase was posted by fuel prices, which rose 16 percent in dollar terms.

Euro-zone February retail sales up 0.8%

Retail sales in the euro-zone by volume were up 0.5 percent in February from the same month a year earlier, according to Eurostat, the European Union's statistics office. Retail sales were up 1.0 percent year-on-year in January. Retail sales in Spain were up 4.4 percent in February from a year earlier, while they fell 4.9 percent in The Netherlands and 0.8 percent in Germany.

Gate Gourmet purchase of Iber-Swiss approved

The Service for the Defense of Competition said it has approved Gate Gourmet Holding's acquisition of the 70-percent stake in Iber-Swiss Catering owned by the national flag carrier Iberia. Gate Gourmet already owned the remaining 30 percent of Iber-Swiss. Gate Gourmet agreed at the end of last year to pay Iberia €23.5 million for its stake in Iber-Swiss.

Spain January auto sector exports down 5%

Exports of the Spanish automotive sector fell 5 percent in January from the same month a year earlier to €2.72 billion, according to Economy Ministry figures. Exports of motor vehicles dropped 9.3 percent in the first month of the year to €1.499 billion, while exports of components rose 4.6 percent to €771 million. Automotive imports in January rose 5.7 percent from a year earlier to €2.261 billion.

Jazztel targets 20,000 new ADSL clients

Telecommunications group Jazztel said it is targeting 20,000 new clients by the end of this for its new ADSL service, which is four times faster than conventional broadband services. Jazztel is aiming to increase its overall sales this year by 10 percent as part of plans to book a gross operating profit in the form of EBITDA of between €4 and €6 million. Jazztel posted a gross operating loss last year of €6.8 million on a rise in sales of 4.7 percent to €229.4 million.

Slow pace

RAFAEL VIDAL

The period leading up to the Easter holidays was marked yesterday by a sharp fall in trading volumes, with many investors already absent from the stock market, while others appeared to show scant interest in proceedings.

The Spanish blue-chip Ibx 35 index added 0.20 percent — the smallest increase among the major European markets — to close at 8,285.90 points, while the Madrid general index put on 0.17 percent to 866.39 points. Turnover on the continuous market came in at €2.934 billion, almost €1.8 billion below Friday's session. Of the total, only €1.474 billion was accounted for by open market operations, with institutional activity particularly strong.

Analysts found the reasons behind the limited rises in the Spanish market difficult to explain, but for the most part avoided mention of the latest terrorist events in Spain. Some suggested investors might be taking a little breather after the recent significant recovery in year prices, which left the Ibx 35 up over 7 percent for the year.

Despite the fall in European retail sales for February, Frankfurt advanced 1.02 percent, while Paris put on 1.10 percent. London was up 0.34 percent.

New York helped push the European markets higher, with the Dow Jones up 0.30 percent at above 10,500 points by mid-session after a rise in the March non-manufacturing index.

IBEX 35 Close: 8,285.90 (+16.20; +0.20%)

Trading in euros

Nominal	Equity	Latest price	Former	Daily variation		Yesterday		Trading volume (1,000)		% Annual variation	
				Euros	%	Min.	Max.	Yest.	Accum.	Previous	Current
3.00	Abertis	13.59	13.73	-0.14	-1.02	13.59	13.84	951.4	53,729.2	11.02	13.34
1.00	Acciona	51.45	51.60	-0.15	-0.29	51.30	51.80	64.9	15,041.2	22.93	6.63
1.00	Acerinox	41.70	41.76	-0.06	-0.14	41.15	41.70	449.2	34,382.5	6.83	11.56
1.50	ACS-Dragnados	40.80	41.04	-0.24	-0.58	40.45	40.97	418.8	37,809.4	26.26	5.43
0.60	Alliads	25.30	25.51	-0.21	-0.82	25.25	25.78	1,225.7	141,161.1	3.50	12.44
0.01	Amadeus	4.91	4.92	-0.01	-0.20	4.87	4.95	3,765.5	407,679.6	31.04	-4.66
5.00	Arcelor	15.09	15.15	-0.06	-0.40	14.92	15.20	431.5	36,784.2	18.87	10.39
0.50	Banco Popular	47.72	47.87	-0.15	-0.31	47.62	47.88	596.3	53,579.7	21.38	0.89
1.77	Banesto	10.22	10.20	0.02	0.20	10.11	10.25	256.5	36,148.5	34.37	7.58
1.50	Bankinter	33.29	33.29	=	=	32.75	33.50	232.9	11,169.1	37.87	2.27
0.49	BBVA	11.22	11.18	0.04	0.36	11.10	11.28	17,958.5	1,398,894.4	20.07	2.47
0.50	Corpor. Mapfre	10.35	10.05	0.30	2.99	10.06	10.35	1,346.9	31,074.8	45.28	-7.84
1.50	Enagás	9.49	9.60	-0.11	-1.15	9.44	9.64	499.2	47,540.9	48.28	10.35
1.20	Endesa	15.21	15.25	-0.04	-0.26	15.13	15.29	7,527.4	500,556.4	36.77	-0.26
1.00	FCC	30.11	30.30	-0.19	-0.63	30.05	30.36	251.3	20,547.5	36.64	2.98
1.00	Ferrovial	33.55	33.39	0.16	0.48	33.01	33.75	358.5	27,751.8	15.03	20.77
0.50	Gamesa	34.62	35.11	-0.49	-1.40	34.45	35.05	234.8	23,637.7	67.14	32.69
1.00	Gas Natural	20.88	20.66	0.22	1.06	20.38	20.92	1,007.6	53,203.3	2.66	12.56
3.00	Iberdrola	17.08	17.14	-0.06	-0.35	17.01	17.24	3,353.1	289,311.3	17.38	9.00
0.78	Iberia	2.83	2.76	0.07	2.54	2.72	2.83	5,665.9	446,063.4	62.86	24.12
0.15	Inditex	18.75	18.79	-0.04	-0.21	18.62	18.87	1,111.4	146,464.4	-28.48	16.46
0.20	Indra	10.90	10.79	0.11	1.02	10.79	10.92	592.0	62,822.0	56.94	7.18
1.50	Metrovacesa	32.03	31.94	0.09	0.28	31.78	32.03	137.3	9,741.5	34.41	17.97
2.00	NH Hoteles	8.92	8.85	0.07	0.79	8.76	8.94	614.1	38,382.6	11.23	-2.09
0.10	Prisa	15.46	15.25	0.21	1.38	14.89	15.46	404.1	46,654.2	85.19	34.43
2.00	REE	13.84	13.79	0.05	0.36	13.72	13.85	182.8	29,151.0	34.85	6.46
1.00	Repsol YPF	17.24	16.86	0.38	2.25	16.89	17.30	11,532.0	530,623.5	22.70	11.51
1.00	Sacyr Vallehermoso	13.30	13.39	-0.09	-0.67	13.30	13.39	620.1	24,023.8	21.21	10.83
0.50	Santander	9.28	9.26	0.02	0.22	9.21	9.34	19,541.3	1,843,775.4	43.58	-1.17
2.00	Sogetel	35.65	35.50	0.15	0.42	35.29	35.75	430.2	66,416.6	223.51	28.89
1.00	Telefónica	12.78	12.78	=	=	12.70	12.89	25,498.9	2,430,951.1	39.18	9.79
0.50	Telefónica Móviles	8.99	8.93	0.06	0.67	8.89	9.03	886.2	129,790.0	33.55	8.57
0.05	TPI	6.23	6.14	0.09	1.47	6.19	6.28	2,966.7	155,035.1	43.56	43.22
3.00	Unión Fenosa	17.61	17.79	-0.18	-1.01	17.45	17.75	785.6	114,056.6	18.65	18.27
0.05	Zeltia	5.66	5.61	0.05	0.89	5.56	5.68	595.9	53,982.8	3.32	1.07

CONTINUOUS MARKET

BIGGEST HIGHS

	%	Euros
Service Point	4.35	0.02
Mecalux	3.70	0.17
EADS	3.29	0.61
Corpor. Mapfre	2.99	0.30
Iberia	2.54	0.07
Tubacex	2.45	0.04
Repsol YPF	2.25	0.38
Nicolás Correa	2.04	0.06
Banco Vasconia	1.71	0.20
Bodegas Riojanas	1.57	0.14

BIGGEST LOWS

	%	Euros
Elecnor	-4.17	-1.50
Nueva Montaña	-2.94	-0.01
Global Steel Wire	-2.66	-0.05
Telepizza	-2.47	-0.04
Sniace	-1.59	-0.01
Reno de Medici	-1.56	-0.01
Uralita	-1.56	-0.14
Banco de Galicia	-1.50	-0.30
Gamesa	-1.40	-0.49
Urbas	-1.37	-0.01

FOREIGN CURRENCIES

	Buy	Sell
US dollar	1.2008	1.2005
Japanese yen	126.2800	126.2800
Sterling pound	0.6607	0.6606
Australian dollar	1.5946	1.5938
Swiss franc	1.5667	1.5665
Norwegian kroner	8.3660	8.3639

Units per euro at 18:00

Source: Cinco Días