

## **Spanish economy may start recovering in 2013: central bank governor**

MADRID, Nov. 20 (Xinhua) -- The governor of the Bank of Spain Luis Maria Linde said on Tuesday that the Spanish economy would probably start recovering in 2013 if it meets its commitments such as the deficit target.

The central bank governor said that "foreign confidence depends on commitments" and that Spain needs to meet the deficit target set by the European Union (EU) which is 6.3 percent of economic output in 2012.

However, the recent data provided by the European Commission implies Spain will miss that target by a long way.

Linde said that the Spanish stock market situation is related to foreign confidence, commenting that the increase of the Spanish risk premium was due to the lack of market confidence.

"When confidence improves, the risk premium will also improve," he said.

One factor that could improve confidence was a move towards banking union in the EU, he said.

The central bank governor said "there will not be any uncertainties" in regard to the restructuring of Spanish banking system and he highlighted the efforts made by the Spanish financial entities in this process.

Meanwhile, the Spanish risk premium fell by 16 points to 445 on Tuesday in a session marked by Eurogroup discussion over Greece and the downgrade of France's sovereign debt by Moody's.

After a successful auction held on Tuesday by the Spanish treasury where it placed treasury bonds valued at 4.937 billion euros (6.326 billion U.S. dollars), the IBEX-35 stock market in Madrid rose by 0.19 percent, reaching 7,778 points at the end of the day's session.