

Spain Economic Outlook 2022



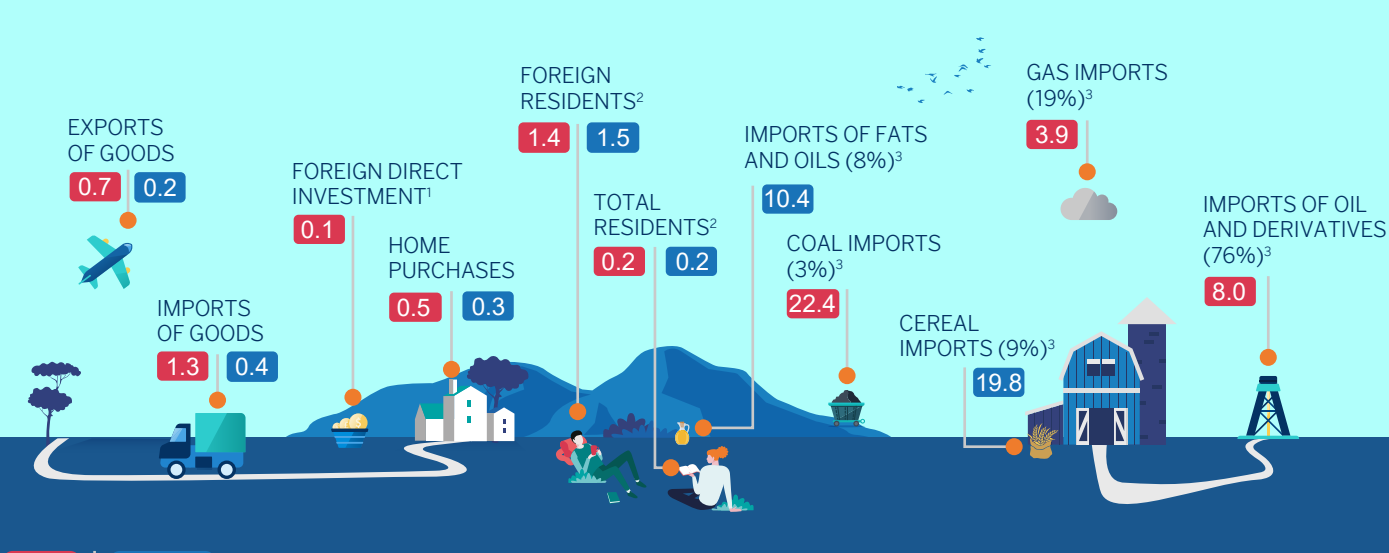
Growth forecasts revised downward due to the impact of the invasion of Ukraine



Spain has limited direct exposure to Russia and Ukraine, but it lies in important sectors for the output chain

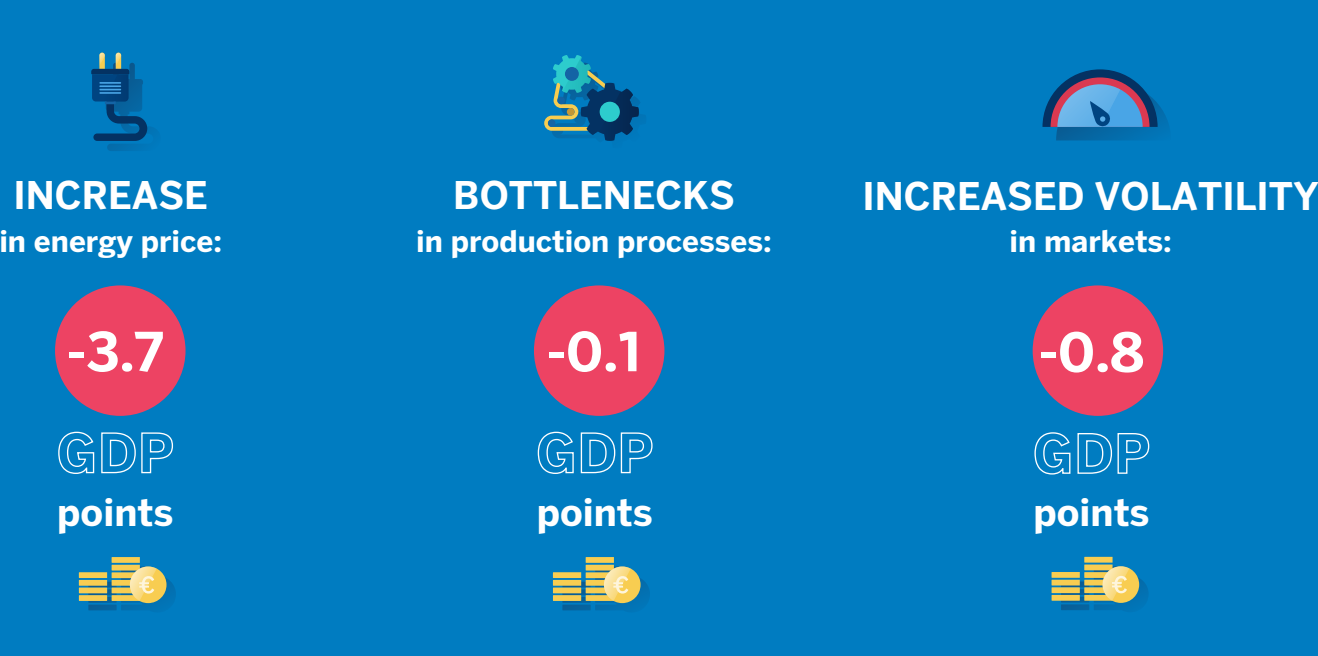
TRADING RELATIONS OF RUSSIA AND UKRAINE WITH SPAIN

(%, WEIGHT OF TOTAL, AVERAGE 2014-21, UNLESS OTHERWISE INDICATED)



1: Stock, % weight over total 2019.
2: %, weight over total 2021, by country of birth.
3: In brackets, weight of each product in Spain's total energy or food imports.
Source: BBVA Research based on Datacomex, ICEX, INE, MITMA and Registrars.

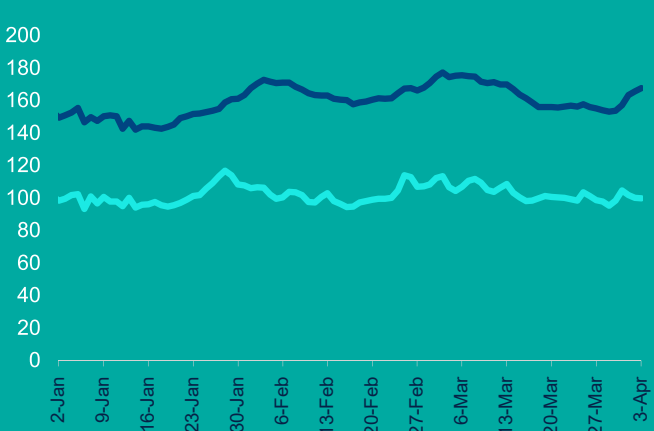
Main negative impacts on GDP growth in the biennium 2022-2023:



Real-time data already show signs of a slowdown in the economy, but with limited impact

CARD SPENDING AND CASH WITHDRAWALS* IN 2022

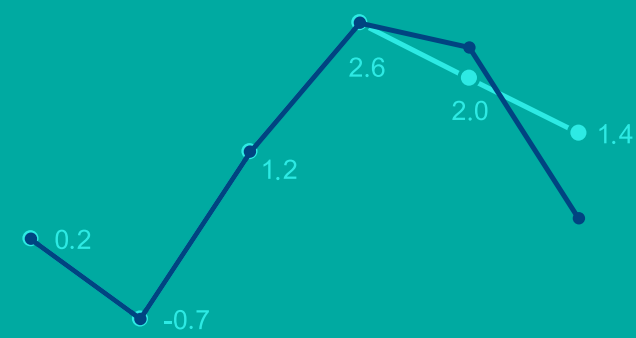
(SAME WEEK 2019 = 100)



*Spending with BBVA-issued cards plus non-customer spending at BBVA POS. Cash withdrawals with cards by BBVA customers.
Source: BBVA Research based on BBVA data.

CHANGE IN GDP

(%, QoQ)



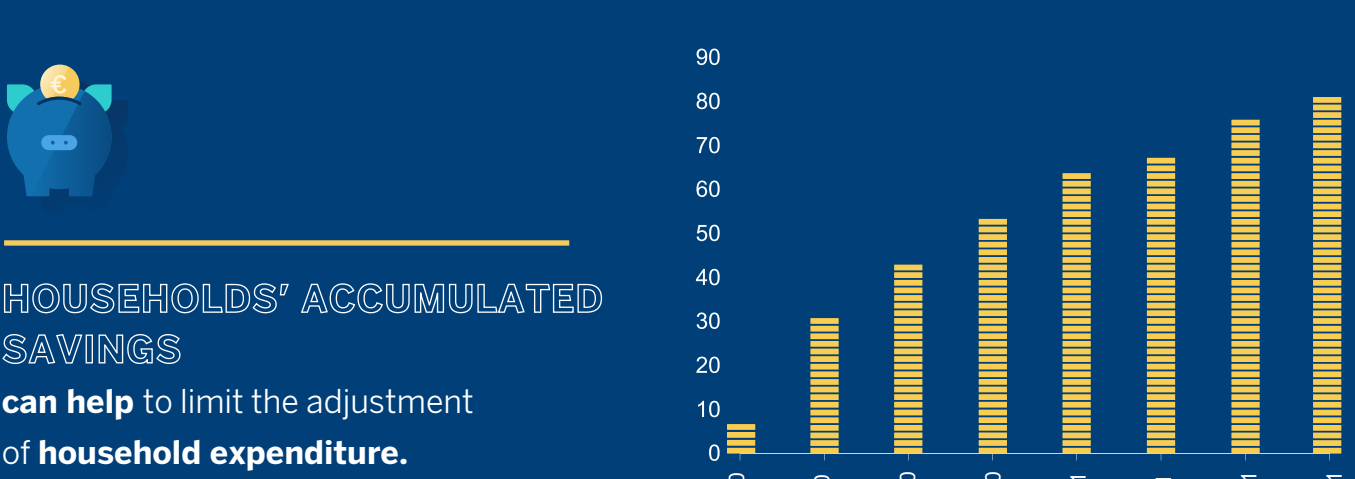
Source: BBVA Research based on INE data.

OUTLOOK 2022-2023:

activity remains dynamic

EXCESS HOUSEHOLD SAVINGS

(BILLIONS OF EUROS ACCUMULATED SINCE Q419)



Source: BBVA Research based on Bank of Spain and INE data.

MUNICIPAL CONTRIBUTION TO THE YEAR-ON-YEAR GROWTH OF HOUSING SALES

(PP.Y %)



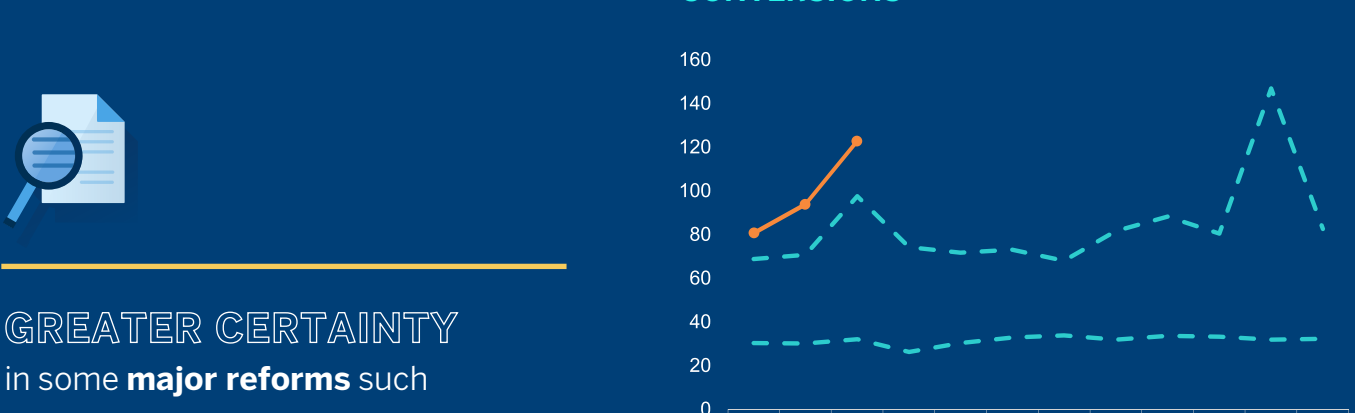
Source: BBVA Research based on MITMA data.

GROWTH more focused on investing in households and businesses.

PERMANENT CONTRACTS

(THOUSANDS OF CONTRACTS, SWDA)

CONVERSIONS



Source: BBVA Research based on Ministry of Labor and Social Economy.

GREATER CERTAINTY in some major reforms such as the labor market.

RISKS

COVID-19

Uncertainty is lower, but risk persists.

INFLATION

Inequality in cost-sharing can lead to social unrest.

COMPETITIVENESS

May be undermined by persistent inflation.

NGEU

Delayed implementation and/or increased expenditure on imports.

UNCERTAINTY

Over economic policy.

Consensus is needed to push forward with measures to accelerate and consolidate recovery.