BBVA Research

Creating Opportunities

Spain Economic Outlook

2Q22

Situation and outlook for the Spanish Economy in 2T22

April 2022

GDP growth in Spain has been revised down to 4.1% in 2022 and 3.3% in 2023 from the 5.5% and 4.9%, respectively, forecasted three months ago. The main reason is the impact which is already being felt of the invasion of Ukraine, the sanctions imposed on the Russian economy and price rises, above all of fuel and electricity, over the last few months. The slowdown in economic activity will mainly affect electricity-intensive sectors. For its part, private consumption could mitigate this slowdown thanks to the easing of the restrictions associated with the pandemic and cumulative savings since 2020. Expansionary demand policies will support the growth of spending, but also continue to push prices up. Although the health risks associated with COVID-19 are falling, those related to the geopolitical environment, bottlenecks in the supply chain and domestic inflation are all rising.

The effect of the Ukraine invasion will be passed on through several channels, although the impact through direct relations with the two countries involved will be moderate. The war will have a devastating effect on the Russian and Ukraine economy, which will reduce their demand of goods and services. Moreover, the sanctions imposed by the European Union, preventing trade and financial relations with Russia, will reduce relations with the country to a minimum. In the 2014-2021 period, Spanish exports of goods to these destinations accounted for only 1% of the total, while imports amounted to 1.7%. Foreign direct investment in Spain by Russians and Ukrainians barely accounted for 0.1% of the total in 2019, while their purchase of residential real estate accounted for 4.5% of the total bought by foreigners in the last seven years. In addition, from 2016 to 2019, Russian visitors accounted for 1.4% of all foreign tourists and 2.1% of tourist spending. And the exposure of the financial system to the economies of the two countries is also very limited. All these figures suggest that the fall in demand from these two warring countries could be replaced in the short term without any major direct effects. Nonetheless, it cannot be ruled out that there may be some regions, companies or sectors which could be particularly affected.

The growth in prices of some raw materials in which Russia and Ukraine have a major market share will be the factor with the greatest impact on the Spanish economy. Between 2014 and 2021, a fifth of the coal imported by Spain came from Russia, as did 8% of petroleum and its derivatives. Of all the cereals bought abroad in the same period, 20% came from Ukraine, as did 10% of fats and oils. These goods are expendables and can also be expected to be replaced using different suppliers or by switching consumption of these products for similar alternatives. However, the weight of Russia in the global supply of fuel and the sanctions imposed have meant that expectations of relative shortages are reflected in high prices of gasoline and gas. With respect to gas, Spain is in a better position than many other European countries to deal with the consequences of scarcity. The possibility of importing liquefied natural gas, given its unused regasification capacity, as well as alternatives from north Africa, will prevent cuts in supply, unlike the case in other EU countries. However, the price is expected to hit record highs and affect spending on electricity, even if the European Commission approves the proposals of the Spanish and Portuguese governments to limit it. **The estimates of BBVA Research suggest that the impact of higher gas prices will have a negative effect on GDP of 0.5 pp in 2022 and 0.2 pp in 2023.**

The oil price per barrel may remain at high levels of around an average of 105 dollars in 2022 and 87 in 2023. This could cut around 1.5 pp off growth in both 2022 and 2023. The above assumes that around 75% of the growth in fuel costs since the third quarter of last year is due to supply restrictions. The effects of increases of this kind on the oil price have a different impact than those generated by demand. In particular, historically they are associated by a contraction in economic activity, and impact different sectors in several ways. The increase in transportation costs will be particularly negative for sectors open to the global economy, above all industry and tourism. This is relevant in a country which has invested so much in sea and road transportation. Consequently, a fall in competitiveness will be one of the most relevant results.

Uncertainty about the availability of intermediate goods and their prices could lead to more important disruptions in the value chain of production. Bottlenecks in the industry are expected to remain until the first quarter of next year as a consequence of several factors. In China, the authorities continue to implement their "zero tolerance" policy to COVID-19, leading to lockdowns and closures of factories, which will maintain delays in the arrival of essential raw materials for some manufactured goods. Moreover, as a result of the volatility in the market for raw materials, many suppliers are not able to guarantee prices in advance, or are unwilling to enter into long-term contracts. Moreover, the increasing energy costs have led to some companies to reduce production instead of producing at a loss. Finally, it is possible that when next winter comes, the governments of a number of European countries may see the need to restrict the availability of gas for industry, in order to guarantee supplies to homes. All the above would delay industrial recovery. **In this respect, BBVA Research estimates that the bottlenecks observed up to date and their extension into 2022 will cut average annual growth this year by between 1.2 pp and 1.4 pp. This figure is 0.2 pp higher than estimated three months ago.**

Inflation is reducing the purchasing power of families, which will have negative effects on consumption. The rise in prices no longer affects just energy and some foods, but also most goods and services. This can be seen from the figures for core inflation, which hit 3.5% in March. Households disposable income is expected to fall in real terms by 1.2% in 2022, compared with the growth of 1.9% forecast three months ago, as a result of the expected increase in the CPI, which will rise from 3.5% to 7% on average this year, with the cap on the price of electricity expected to be finally approved in the coming weeks. The consequences for private spending in the coming months may be significant: **according to BBVA Research estimates, in the short term, a fall of 10% in real disposable income of families reduces their consumption by 2% (4% in the long term).**

Finally, declining confidence may have negative effects on investment and consumption. Market volatility is a reflection of current uncertainty. After a significant decline at the start of the conflict, equities have recovered. However, the Eurostoxx 50 ended March at 9% below its level of the start of the year in a highly uncertain environment. This has probably had a negative impact on the financial wealth of Spanish families, and thus on their expected consumption. Specifically, BBVA Research estimates that the consequences of a fall in real net financial wealth of 10% could lead to a reduction of household consumption of 0.3% in the short term and 1% in the long term. Moreover, the increase in financial volatility, quantified by the VIX indices, will cut growth by 0.6 pp this year and 0.2 pp next.

In this situation, it is possible that the economy will shrink or stagnate over the coming months, in line with the negative impact of the invasion of Ukraine on the EU as a whole. European GDP growth has been revised down in 2022 from 3.7% to 2.0%, and in 2023 from 2.7% to 1.8%. The impact will be asymmetric across the continent: the closer a country to Ukraine and Russia, the greater the trade and financial relations and flows of people. Moreover, economies as important as Germany or Italy have committed to Russian gas as a source of energy, which it will be difficult to replace in the short term. All this gives rise to a significant revision which lowers the European GDP at the end of next year to between 2.5 and 3 percentage points below what was initially expected, reducing the demand of goods and services from Spain, with a negative impact on industrial production and foreign tourism. Moreover, the high level of uncertainty could affect investment, which is particularly sensitive to marked changes in economic activity. **BBVA Research estimates that reductions in the GDP of the EMU as**

a whole are passed on one-for-one to Spanish GDP. The result may be that moderate falls in GDP will be observed during the second and third quarters of the year.

The sum of all these factors results in a downward revision of GDP forecasts for Spain, which could grow by 4.1% in 2022 and 3.3% in 2023. The change is significant, above all taking into account that in the second half of last year, when the uptick in the prices of raw materials or the invasion of Ukraine was still not expected, expected growth for the two years was estimated at between 6% and 7%. In any case, the shock affects a Spanish economy that has continued to experience sound growth and where, at present, there are few indications of the impact of the crisis. Moreover, after two years, the health risks associated with COVID-19 appear to be declining, and this time the reduction could be permanent. In addition, the Government is applying measures to limit the impact of growth on the price of fuel and electricity. To this has to be added that the stance of demand-side policies continues to be expansive.

GDP growth was significant in the last three months of 2021 and remained around 1.4% in the first quarter of 2022, although with a high level of uncertainty with respect to hours worked and productivity. This means a less extreme slowdown than the one predicted in the Spain Economic Outlook in January of this year. At the end of 2021 and the start of 2022, there was a significant increase in COVID-19 infections. Combined with rising costs of production and continued bottlenecks in the industrial chain of production, the economy looked likely to weaken. In line with this argument, the exports of goods would have accumulated two consecutive falls through March, while spending by foreign tourists would have slowed considerably. Household consumption would continue to grow at a slower pace than GDP, maintaining the household saving rate at higher levels than their historical average. As a result, the driver of growth during the most recent period has been spending on investment, above all in machinery, capital goods and other construction. At this point, the acceleration in the execution of the Next General EU (NGEU) funds would have begun to be noted. This is despite the drag resulting from purchases of freight vehicles, affected by the lack of raw materials which limit their production, and by housing, which has not yet gained traction despite the positive behavior of demand and prices.

Available indicators so far for the Spanish economy since the invasion of Ukraine and the announcement of sanctions point to a negative, though as yet limited, impact on economic activity. Card spending by BBVA card holders and via BBVA POS terminals show a slowdown in the second half of March, which will be greater in real terms, considering the acceleration of inflation. The most affected sectors by this slowdown are affected by the greater uncertainty and the cost of fuel. In particular, there is a less dynamism on-site spending, transport and on food. In the latter two sectors, the slowdown was preceded by an upturn, so it cannot be excluded that households and the self-employed have decided to advance expenses in the face of the strike in the freight sector, or that they have tried to anticipate the probable shortage of some products given the armed conflict. For its part, the unemployment registered at the end of the month was practically stagnant. Finally, although Social Security affiliation remained high in March, temporary redundancy plans continued to decline and the rate of temporary employment fell once more.

Private spending will continue to increase, supported by the reduction in the severity of COVID-19 and cumulative savings since 2020. Although the sixth wave brought with it very high levels of infections, both the rate of hospitalization and mortality have fallen considerably. As a result, households have changed their spending patterns slightly after the end of December last year, and the restrictions have been less severe than in other waves. To the above should be added the support provided by the good performance of employment. Moving forward, this greater security, the steady removal of restrictions, the good performance of the labor market and accumulated household savings should lead to a continued increase in private consumption. However, this growth will continue to be moderate, given the higher inflation and uncertainty. BBVA Research estimates that at the end of 2021, the increment in wealth as a result of the confinement and changes in consumer habits would have reached 80 billion euros with respect to the fourth quarter of 2019. Although its distribution is uneven and not all the money will be turned into spending, it is expected that a share will be used on services which have particularly suffered from the restrictions (accommodations, leisure, hospitality, etc.). This will lead to an increase of consumption of 3.4% in 2022 and 2.7% in 2023.

Home purchases continue to be supported by changes in household preferences, the total pool of savings and inflation. There is evidence that after confinement, many families have decided to look for residences outside urban centers. This expansion has been fueled by the need to have more space, together with the rise in teleworking. In addition, part of the spending that was saved on travel has been spent on the acquisition of real estate. Finally, the growth in inflation and its impact on rentals has made residential real estate an attractive investment asset, in particular in the low interest-rate environment. Unfortunately, this positive trend has not encourage the growth in new housing construction. Although part of the reason for this may be due to recent cost increases, the reasons for the distinct behavior of supply go back earlier in time. The problem is more likely to lie in the limited availability of land to initiate new projects relatively quickly, given the complexity and time involved in the administrative procedures for the authorization of new developments, and above all, the high level of regulatory uncertainty in the sector. Even so, investment in housing is expected to increase by 4.1% in 2022, and accelerate to 17.1% in 2023, supported by the NGEU program.

The upturn in the spending associated with the NGEU will boost the transition to investment-based growth. From December 2020 to December 2021 gross fixed capital formation in other constructions grew by 10%, comparable to two other years with strong expansion in this component (1998 and 2000). At the close of 2023, this demand component is expected to have registered the largest growth in the history of Spain for a three-year period (60%), as a result of the government announcements on the amount of tenders expected in the coming months and the progress made in the development of the Strategic Projects for Economic Recovery and Transformation (PERTE). Investment in machinery and equipment will also benefit from public expenditure. However, in the short term it could be negatively affected by the strong growth in the second half of last year, the increase in uncertainty, problems in the supply chain and increased production costs. Growth of 3.6% is expected in 2022 and 15.5% in 2023.

Exports of services will continue to support growth, while goods exports may suffer more from the increased costs of production and transportation. Spain is currently one of the few tourist countries among its neighbors that can guarantee a secure environment with respect to the health situation, where the probability that restrictions (such as lockdown) will have to be imposed is falling and which is far from countries in conflict. Depending on future travel costs, the country may receive a significant number of foreign tourists this year. In-person spending with foreign cards at BBVA POS terminals remains high. However, the most positive aspect is remote spending, associated with reservations, which have accelerated over the last month. This, combined with the excellent figures on non-tourist services, allows us to estimate that already in the first quarter of the year exports of services would have hit their highest pre-pandemic levels. Industry is a different story, above all if it is intensive in electricity use and depends on road freight transport that uses fossil fuels to deliver its products. To this has to be added the continued bottlenecks which may intensify with the strikes related to the increase in input prices. Thus the industrial sector could be most affected and there may be contractions in activity over the coming months.

Public policies will continue to be expansionary, although in the case of monetary policy, the start of an interest-rate normalization process is expected. The European Central Bank (ECB) has concluded the expansion of its Pandemic Emergency Purchase Program (PEPP) and will do the same with the Asset Purchase Program (APP) in the coming months. The upturn in inflation, and the perception that the impact of the European economic crisis will be limited, have led the market to assume the possible start of an increase in interest rates by the ECB in September. The scenario we have presented here assumes that the first increase in the deposit facility will be at the end of the year, once uncertainty dissipates regarding the GDP evolution and availability of gas. At the end of 2023, the interest rates of the main financing transactions should reach barely 50 basis points. Crucially, the measures announced by European governments are expected to be successful in limiting increases in electricity prices or reducing their impact on households and companies. Moreover, it is assumed that the prices of fuel and gas will fall over the coming months, which should reduce inflation expectations. This will allow a gradual normalization of interest rates. With respect to fiscal policy, what is known in the last three months points to a greater stimulus. Germany has announced its intention of increasing military spending, and greater resources will be needed to receive and help immigrants from Ukraine. Finally, many of the projects designed to reduce the energy dependency on Russia will be will be accelerated. To sum up, monetary policy will continue to be expansionary, even though greater increases in interest rates than those planned in the core scenario may be required, while fiscal policy is expected to continue to support demand over the coming months.

The impact of the emergency plan in Spain against the economic and social impact of the invasion of Ukraine will depend on the conditions imposed by the European Commission for its approval. Among the measures announced by the Government, the most important for controlling inflation is the proposal to set a benchmark price for gas used in the electricity production. Without knowing more details, the final result should guarantee a short transition toward a long-term reform which increases the interconnections and competition in Europe, with fewer barriers for market entry, maintaining legal security and with a reduced cost for public finances. Moreover, progress has been made in the "income pact", including tenants. The limit on revaluation in rentals could remain for a long time if inflation remains above 2% and thus will have pernicious effects on housing supply. In addition, the oil companies will contribute a reduction of 5 cents on the price of fuel, to which the Government will add a further 15 cents. The measure goes against the ideas of promoting progressive taxation, reducing the consumption of fossil fuels, improving its efficient use and promoting the transition to renewable energy sources. Elsewhere, in line with the labor measures approved two years ago, the Government has made its assistance to companies during the present crisis conditional on not destroying jobs. This could be positive if the difficulties are temporary, but it will remove flexibility if the rise in energy prices becomes structural. Moreover, there is a lack of measures to protect self-employed workers in this situation. The creation of a new line of ICO liquidity guarantees for 10 billion euros is a positive measure, although it takes place in an environment where funds from the last ICO line approved during the pandemic are still available. The extension of grace periods for companies which had already requested loans with public guarantees will reduce the effects of the current situation, but in some cases, it may shore up inviable companies and imply the establishment of provisions for these loans (which have not repaid capital for more than two years).

The current context continues highly uncertain, to the extent that it involves the interaction of a number of risks with consequences that are difficult to foresee. Insecurity with respect to health brought about by COVID-19 is falling thanks to the impact of a swift mass vaccination in Spain. In any event, the appearance of a new strain, more contagious and deadly than the previous ones, cannot yet be ruled out. This would lead to a return of restrictions, which would particularly affect the service sector and increase the probability of a recession.

Inflation has become the main threat to the consolidation of the Spanish economic recovery. Forecasts suggest it could close as an average at 7% in 2022 and 2.5% in 2023. Although most of the increased cost of the household consumer goods basket continues to be explained by the energy component, inflation is now affecting other goods and services in general. To the extent that this is also taking place in the EMU, the ECB could speed up the process of normalization of interest rates. Although Spanish debtors have recently increased the weight of fixed-income transactions, most of the loans to the private sector have been at a variable rate. A swift and significant increase in the financial burden could affect the expectations of household spending.

At the same time, the inequality in the distribution of costs of inflation could generate social discontent. Low-income families spend relatively more on electricity and less on fuel. Young people, who spend more on transportation, tend to rent and are more affected by the indexation of rental agreements to the CPI; and they do not have the purchasing power of their income guaranteed, unlike the case of pensioners. Although much of the increase in energy costs represents a transfer to fuel-producing countries, some domestic companies are enjoying abnormally high profits. Some of the measures taken by the Government have the specific aim to redistribute these costs among individuals. Thus, the temporary increase of 15% in the Minimum Living Income or the increase in the number of families eligible to receive the electricity rate subsidy have been welcomed. However, others such as lowering the cost of fuel, may be regressive, not transparent or have undesirable effects (such as price controls in rental). If any groups see themselves as particularly harmed, social conflict could return. That is why it is important that the so-called "income pact" should be the result of social consensus, which involves labor unions and employers, consumers and producers, pensioners, people paying in to the Social Security system, etc. Without this, or the perception that everyone must assume part of the cost, the economy may lose its competitiveness and its recovery could be weaker and more unequal.

There is still a great deal of uncertainty about when the execution of the NGEU funds will accelerate, and about their final impact. Although there are now signs that the administrative bottlenecks are being resolved, the arrival of money to companies and households continues to disappoint after two years. Moreover, the problem now is that there is a risk that spending will speed up precisely when there is an increase in consumption (derived from a reduction in restrictions) and when prices of raw materials are high. Thus the effectiveness of the fiscal stimulus may be reduced if a significant part of the funds is allocated to the purchase of more expensive exported goods.

Now more than ever supply-side policies may be important to provide a response to the expected increase in demand. Support has to be provided for the growth of companies in Spain, and it is vital to make progress in making sectors which increase the cost of production in the country more competitive. Public policies must promote the availability of human capital with the right training needed by companies. This requires an increase in funds allocated to the training of the unemployed, but also an increase in the efficiency of such training. Moreover, a migration policy adapted to the new reality and consistent with the digitalization and sustainability model which is being promoted in the country is needed. To boost this model, there is also a need to develop financial markets that can help increase the scale of companies and the promotion of projects based on intangible assets. All this must take place in a highly uncertain environment, where not only will factors such as the pandemic or the invasion of Ukraine have their impact, but also where the effect of the domestic electoral cycle will become increasingly evident over the next year and a half.

Tables

Table 1.1. **GROSS DOMESTIC PRODUCT** (ANNUAL AVERAGE, %)

	2019	2020	2021	2022	2023
United States	2.3	3.7	5.7	3.1	2.4
Eurozone	1.6	-6.5	5.3	2.0	1.8
China	6.0	2.3	8.1	5.2	5.2
World	2.9	-3.0	6.1	4.0	3.6

* Argentina, Brazil, Chile, Colombia, México, Paraguay, Perú and Uruguay.
Forecast closing date: April 1, 2022.
Source: BBVA Research & FMI.

Table 1.2. **INFLATION** (ANNUAL AVERAGE, %)

	2019	2020	2021	2022	2023
United States	1.8	1.2	4.7	5.7	3.0
Eurozone	1.2	0.3	2.6	5.9	1.9
China	2.9	2.5	0.9	2.5	2.5
World	3.6	3.1	3.8	4.8	3.6

* Argentina, Brazil, Chile, Colombia, México, Paraguay, Perú and Uruguay.
Forecast closing date: April 1, 2022.
Source: BBVA Research & FMI.

Table 1.3. **INTEREST RATE ON TEN-YEAR PUBLIC DEBT** (ANNUAL AVERAGE, %)

	2019	2020	2021	2022	2023
United States	2.14	0.90	1.44	2.36	2.94
Germany	-0.21	-0.48	-0.31	0.38	0.89

Forecast closing date: April 1, 2022.
Source: BBVA Research & FMI.

Table 1.4. **EXCHANGE RATES** (ANNUAL AVERAGE)

	2019	2020	2021	2022	2023
EUR-USD	0.89	0.88	0.84	0.91	0.89
USD-EUR	1.12	1.14	1.18	1.10	1.13
CNY-USD	6.91	6.91	6.45	6.46	6.60

Forecast closing date: April 1, 2022.
Source: BBVA Research & FMI.

Table 1.5. **OFFICIAL INTEREST RATES** (END OF PERIOD, %)

	2019	2020	2021	2022	2023
United States	1.75	0.25	0.25	2.00	3.00
Eurozone	0.00	0.00	0.00	0.00	0.50
China	4.35	4.35	4.35	3.60	3.60

Forecast closing date: April 1, 2022.
Source: BBVA Research & FMI.

Table 1.6. **EMU: MACROECONOMIC FORECASTS** (YoY) (ANNUAL AVERAGE, %)

	2019	2020	2021	2022	2023
GDP at constant prices	**1.6**	**-6.5**	**5.3**	**2.0**	**1.8**
Private consumption	1.4	-8.0	3.5	3.2	1.8
Public consumption	1.8	1.1	3.8	1.9	1.1
Gross fixed capital formation	6.8	-7.3	4.3	0.0	1.1
Inventories (*)	-0.1	-0.5	0.4	0.0	0.0
Domestic demand (*)	**2.4**	**-6.1**	**4.0**	**2.1**	**1.4**
Exports (goods and services)	2.7	-9.4	10.9	3.3	1.7
Imports (goods and services)	4.8	-9.2	8.6	3.8	1.2
External demand (*)	**-0.8**	**-0.4**	**1.4**	**-0.1**	**0.3**
Prices and Costs					
CPI	1.2	0.3	2.6	5.9	1.9
CPI Core	1.2	0.9	1.5	3.1	2.0
Labour Market					
Employment	1.3	-1.5	1.1	0.9	0.5
Unemployment rate (% of labour force)	7.6	8.0	7.7	7.6	7.7
Public sector					
Surplus (+) / Deficit (-) (% GDP)*	-0.6	-7.2	-5.6	-5.8	-3.2
Public debt (% GDP)*	83.6	97.3	95.7	96.7	96.3
External Sector					
Current Account Balance (% GDP)	2.4	1.9	2.5	1.4	1.9

Annual rate change in %, unless expressly indicated.
Forecast closing date: April 1, 2022.
(*) Excluding financial aid for Spanish banks.
Source: BBVA Research.

Table 1.7. **SPAIN: MACROECONOMIC FORECASTS**
(ANNUAL RATES OF CHANGE IN %, UNLESS OTHERWISE INDICATED)

(Annual average, %)	**2019**	**2020**	**2021**	**2022**	**2023**
Activity					
Real GDP	**2.1**	**-10.8**	**5.1**	**4.1**	**3.3**
Private Consumption	0.9	-12.2	4.7	3.5	2.7
Public Consumption	2.0	3.3	3.1	1.1	1.7
Gross Fixed Capital Formation	4.5	-9.5	4.3	7.0	18.1
Equipment and machinery	3.2	-12.9	16.0	3.7	15.5
Construction	7.1	-9.6	-2.8	8.6	20.2
Housing	6.6	-11.2	-5.3	4.1	17.0
Domestic Demand (contribution to growth)	**1.6**	**-8.6**	**4.7**	**3.9**	**5.6**
Exports	2.5	-20.1	14.7	9.3	7.8
Imports	1.2	-15.2	13.9	9.0	14.8
External Demand (contribution to growth)	**0.5**	**-2.2**	**0.4**	**0.2**	**-2.3**
GDP at current prices	3.4	-9.8	7.4	10.2	5.9
(Billions of Euros)	1244.4	1121.9	1205.1	1328.1	1406.6
Labour market					
Employment, Labour Force Survey	2.3	-2.9	3.0	2.1	1.7
Unemployment rate (% Labour force)	14.1	15.5	14.8	14.2	13.8
Employment, full time equivalent	2.6	-7.6	6.6	2.6	1.5
Productivity	-0.5	-3.3	-1.5	1.5	1.8
Prices and Costs					
CPI (average)	0.7	-0.3	3.1	7.0	2.5
CPI (end of period)	0.8	-0.5	5.8	5.2	2.6
GDP deflator	1.3	1.0	2.3	6.1	2.6
Compensation per employee	2.6	1.3	-0.7	3.9	3.6
Unit Labour Cost (ULC)	3.1	4.6	0.8	2.4	1.8
External sector (*)					
Current Account Balance (% GDP)	2.0	0.6	0.7	-0.4	-2.2
Public sector					
Debt (% GDP)	95.5	120.0	118.4	113.4	111.7
Deficit (% GDP) (*)	-2.9	-10.1	-6.4	-6.0	-4.6
Households					
Nominal disposable income	0.5	0.6	-5.2	-0.4	0.0
Savings rate (% nominal disposable income)	9.7	10.4	6.8	8.3	6.6

Annual rate change in %, unless expressly indicated.
Forecast closing date: April 1, 2022.
(*) Excluding financial aid for Spanish banks.
Source: BBVA Research.

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