

Spain Economic Outlook 3Q22



Growth forecast for 2022 unchanged, but downgraded for 2023

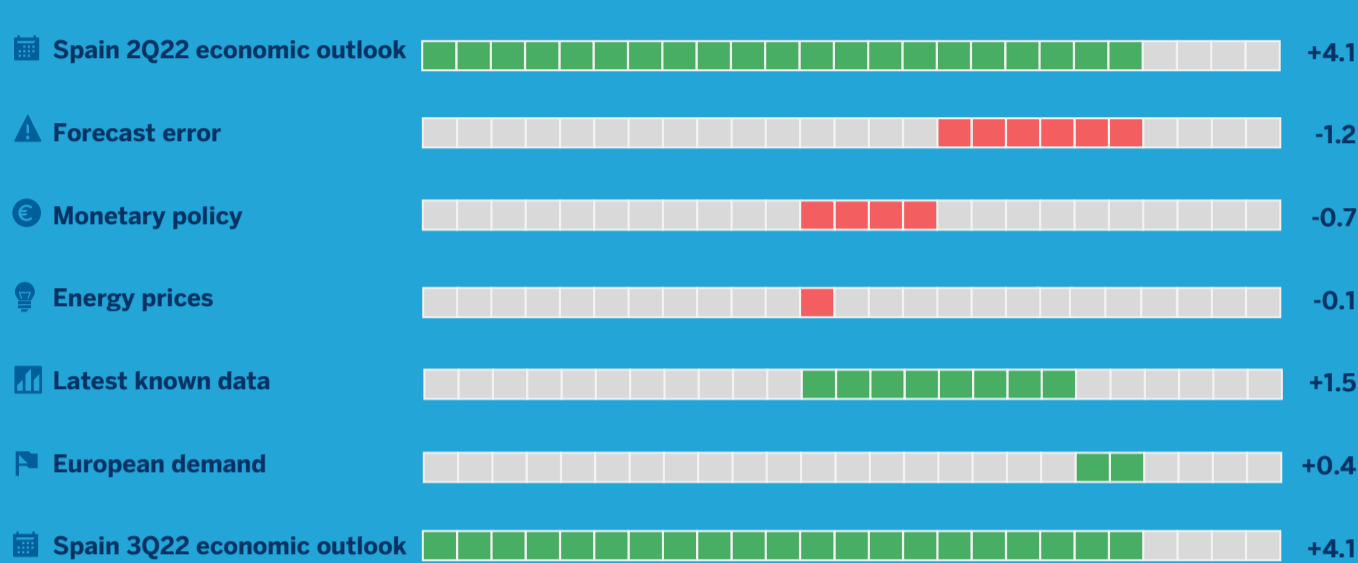


● Outlook revised downward ● Outlook unchanged

2022



A better 2Q22 will offset the slowdown in household consumption and tourism in 1Q22



2023



The emergence of new risks and the materialisation of existing ones have pushed down the growth forecast

- Lower growth prospects in EMU**
- Uncertainty on the rise**
- Tighter monetary policy**

IMPACT OF THE EMU REVISION ON SPANISH GDP GROWTH AND EXPORTS (PERCENTAGE POINTS)

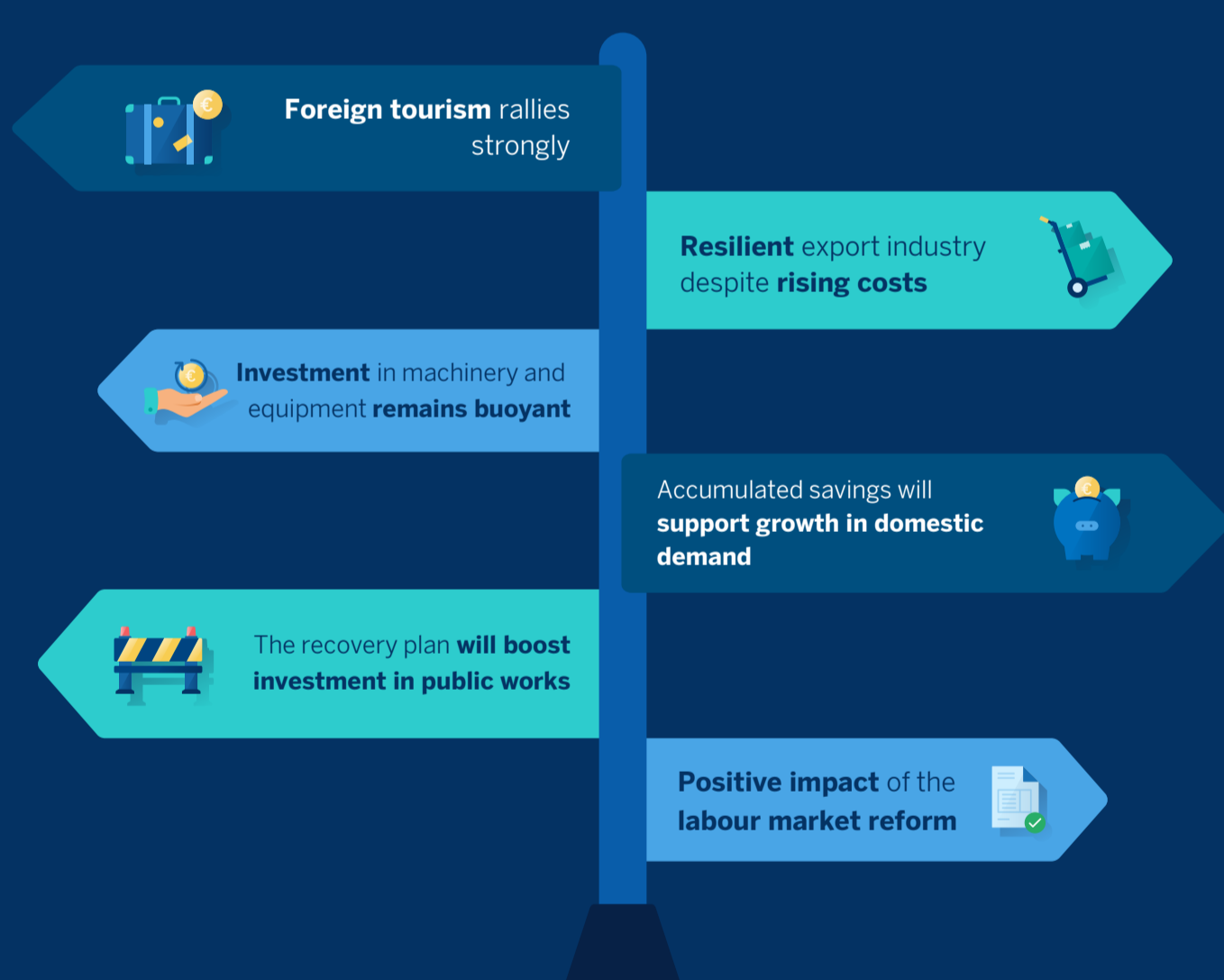


Source: BBVA Research.

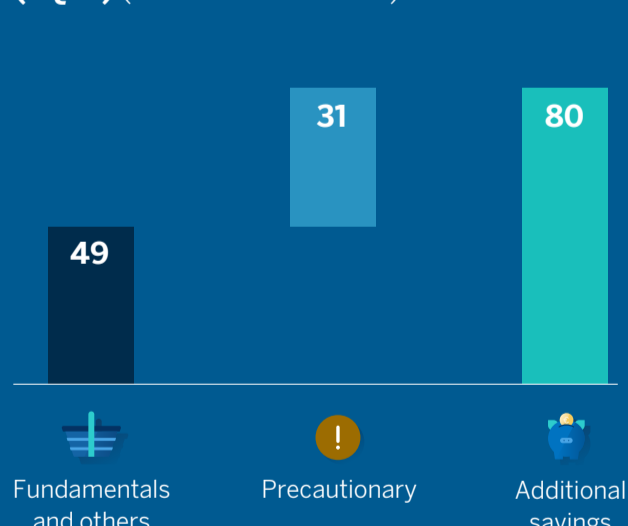
2022 - 2023 OUTLOOK



Growth continues to hold up, with a virtuous composition

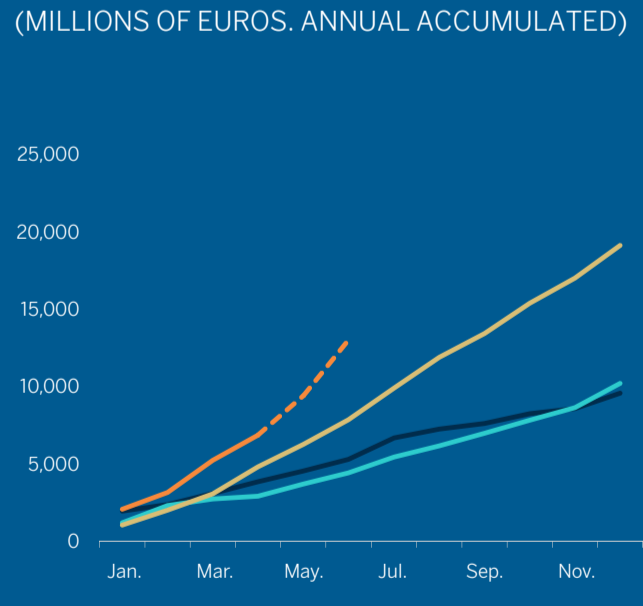


ADDITIONAL SAVINGS UP TO 1Q22 COMPARED TO THE PRE-CRISIS LEVEL (4Q19) (BILLIONS OF EUROS)



Source: BBVA Research.

OPEN TENDERS (MILLIONS OF EUROS. ANNUAL ACCUMULATED)



Source: BBVA Research a partir de MITMA.

RISKS

- Risk premium**: An increase could threaten the sustainability of public finances.
- High inflation**: Looking more and more likely, including second-round effects on wages.
- Income Pact**: Scant progress made.

Failure to implement the necessary measures

REFORM AGENDA

The government must continue to make progress in fulfilling its commitments, with ambitious reforms in line with the European Commission's recommendations.

SPAIN HAS MUCH AT STAKE

It must seize the opportunity to create conditions conducive to a stronger and more sustainable recovery. It is important to maintain an environment and certainty to promote investment and growth.

CREDIBILITY UNDER THREAT

The ECB's desire to avoid fragmentation of sovereign debt markets may be called into question if any of the members of the monetary union fail to deliver on their commitments.



For more information see our **Spain Economic Outlook 3Q22**

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