Economic Outlook Spain
March 2023

UPWARD REVISION OF PROJECTED GDP GROWTH IN 2023 AND DOWNWARD REVISION IN 2024

Economy holding up better than forecast

Factors limiting growth

THE IMPROVEMENT of the Spanish economy’s competitiveness continues

BOTTLENECKS attenuate MOTOR VEHICLE MANUFACTURING

EXECUTION OF NGEU FUNDS evolves in line with expectations

Rising interest rates will have negative effects on demand

-3.4 -0.5
2023(f) 2024(f)

Upward pressure on inflation continues

Excess savings accumulated during the pandemic are reduced

QUARTERLY CHANGE IN GDP (%)

0.2 -0.1
0.2 3Q22 4Q22 1Q23(f) 0.2 0.4

IMPACT OF DOWNWARD REVISION IN OIL AND GAS PRICES (PP OF ANNUAL GROWTH RATE IN 2023)

GDP DEFLATOR IN THE EUROZONE-12 AND DIFFERENCES WITH SPAIN* (CUMULATIVE RATES OF CHANGE 2020-2022 IN % AND PP)

CONTRIBUTION OF INTEREST RATE CHANGES TO PRIVATE CONSUMPTION GROWTH*

REAL NET FINANCIAL WEALTH (4Q19=100, SWDA DATA)

MOTOR VEHICLE PRODUCTION AND AUTOMOBILE REGISTRATIONS IN 2022/3 (SWDA DATA 2019 = 100. MONTHLY AVERAGE)

(a): advance. (f): forecast.

Source: BBVA Research based on INE data.

(*)}: Difference in the cumulative change in the deflator for Spain 2020-22 with respect to the Eurozone-12. Source: BBVA Research based on INE and Eurostat.

Source: BBVA Research, based on INE and Ideauto.

Source: BBVA Research based on INE and BoS.

*Mortgage rates deflated by the private consumption deflator.

Source: BBVA Research based on INE and BoS.

*R: Nominal NFR deflated by the private consumption deflator.

For more information see our Economic Outlook Spain March 2023
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UNEXPECTED, significant and over a short period of time.

COMPETITIVENESS LOSSES for firms and purchasing power of households if domestic inflation accelerates faster than external inflation.

SLOWDOWN in the implementation of NGEU funds.

INCREASED uncertainty over economic policy.

NON-FULFILLMENT of the reforms agreed with the European Commission.

CURRENT FORECAST DEC-22 -0.1 -2.9 2023 (f) -0.8 1.27 0.99 TOTAL Spain WAGES PRODUCTIVITY MARGINS TAXES -0.46 -1.37 -0.31 78.4ene-.22 - jul.-22 93.8 ago-.22 - ene.-23 91.6

RISKS

UNEXPECTED UNEXPECTED

COMPETITIVENESS LOSSES COMPETITIVENESS LOSSES

ECONOMICS ECONOMICS

NON PLACEMENT NON PLACEMENT

INCREASED INCREASED