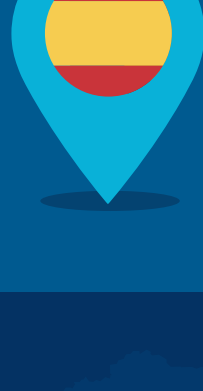


# Spain Economic Outlook



GDP recovery to **continue throughout 2025 and 2026**

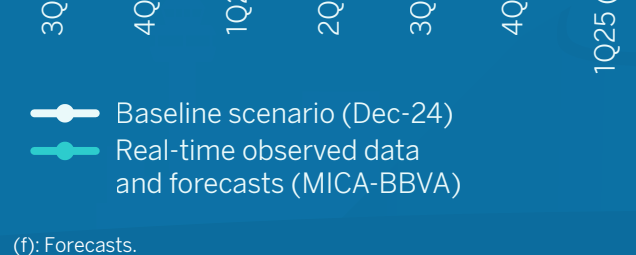
	2024	2025 (f)	2026 (f)
<b>PIB*</b>	<b>3.2%</b> ▲ +0.1 pp	<b>2.8%</b> ▲ +0.5 pp	<b>1.8%</b> ▲ +0.1 pp
<b>Inflation (average for the period)</b>	<b>2.8%</b> ▶	<b>2.4%</b> ▲ +0.6pp	<b>2.1%</b> ▲ +0.2pp
<b>Unemployment rate</b>	<b>11.3%</b> ▼ -0.1 pp	<b>10.4%</b> ▼ -0.3 pp	<b>9.9%</b> ▼ -0.4 pp

▲ Outlook raised ▶ Outlook unchanged ▼ Outlook lowered  
\* Average annual change.  
(f): Forecasts.  
Source: BBVA Research, based on INE data.



**GDP GROWTH** could remain high in the first quarter of 2025

## QUARTERLY GDP GROWTH (%)

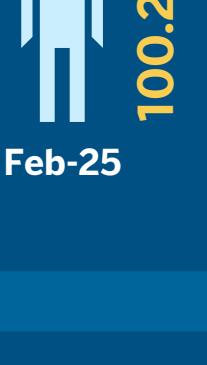


— Baseline scenario (Dec-24)  
— Real-time observed data and forecasts (MICA-BBVA)

(f): Forecasts.  
Source: BBVA Research, based on INE data.

The impact of the **flash floods** due to a **DANA** on economic growth looks to have **been less negative than feared**

**EFFECTIVE SOCIAL SECURITY AFFILIATION\* IN THE PROVINCE OF VALENCIA (PRE-FLASH FLOOD SCENARIO = 100)**



\*Excluding contributors on an ERTE.

Social Security affiliation data show **a pick-up**

**SOCIAL SECURITY AFFILIATION** Quarter-on-quarter growth



**Household consumption** continues to play a leading role

**HOUSEHOLD CONSUMPTION** Quarter-on-quarter growth



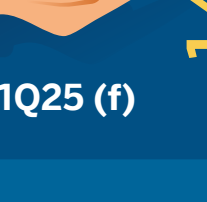
Investment begins to **recover**

**GROSS FIXED CAPITAL FORMATION** Quarter-on-quarter growth

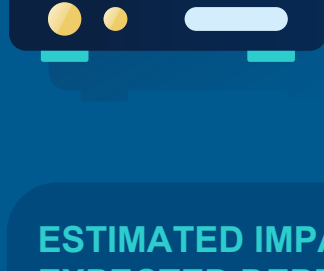


**Resilience** of services exports

**EXPORTS OF SERVICES** Quarter-on-quarter growth



(f): Forecasts.  
Source: BBVA Research, based on INE, MISSM and EM-DAT.



Growth is likely to remain **strong moving through 2025**, although a certain **slowdown is expected**

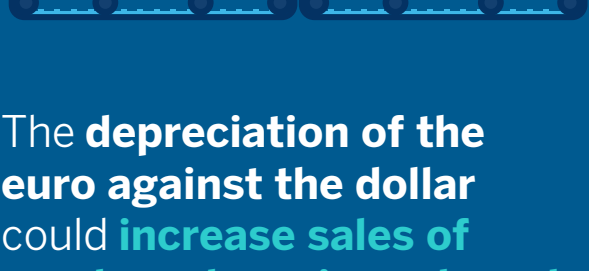
## ESTIMATED IMPACT OF THE EXPECTED DEPRECIATION OF THE EURO (DEVIATION FROM BASELINE IN PP)

**Depreciation 2025 3.2%**

**Impacts**

- GDP: **0.1**
- Exports: **0.7**
- Imports: **0.1**

Source: BBVA Research, based on INE data.



The **depreciation of the euro against the dollar** could **increase sales of goods and services abroad**



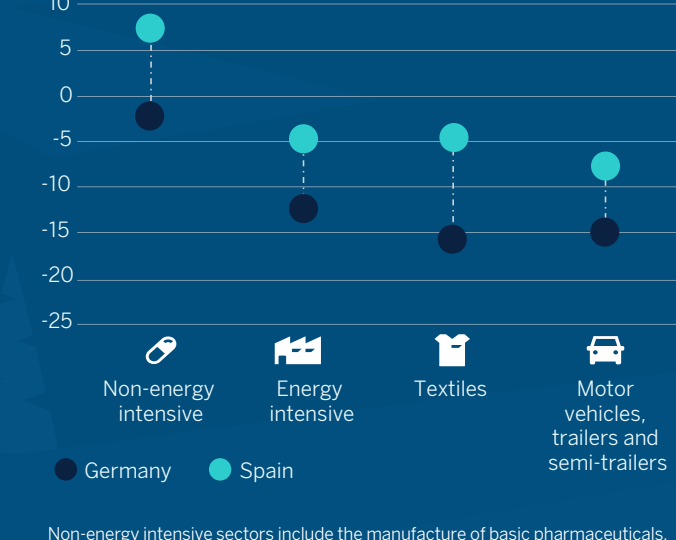
The greater penetration of **renewables** helps to **reduce prices** in the wholesale market

## IMPACT OF RENEWABLE ENERGIES ON WHOLESALE ELECTRICITY PRICES IN SPAIN (%)



\* The 2024 estimate includes observed data up to June 2024.  
Source: BBVA Research, based on OMIE, SENDECO and NECP.

## INDUSTRIAL PRODUCTION INDEX (AVERAGE % CHANGE 2024 VS. 2022)



Non-energy intensive sectors include the manufacture of basic pharmaceuticals, furniture production, or the repair and installation of machinery and equipment.  
Energy-intensive industries include, among others, food and beverage production, chemical production and metal production.  
Source: Source: BBVA Research based on Eurostat data.

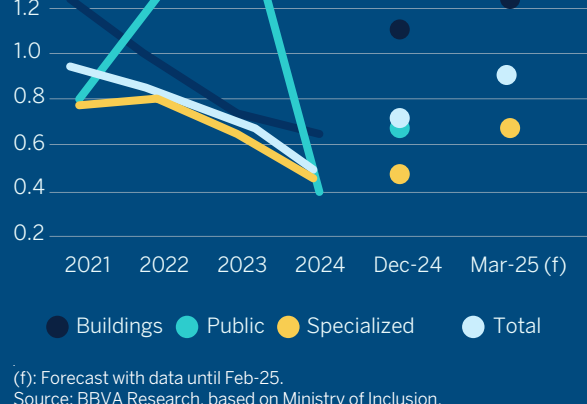


**Improved competitiveness** will benefit services and industry



**Lower interest rates** will boost a recovery in investment

## CHANGE IN SOCIAL SECURITY AFFILIATION IN CONSTRUCTION (ANNUAL AVERAGES AND QUARTERLY CHANGE, SWDA)



(f): Forecast with data until Feb-25.  
Source: BBVA Research, based on Ministry of Inclusion, Social Security and Migration data.

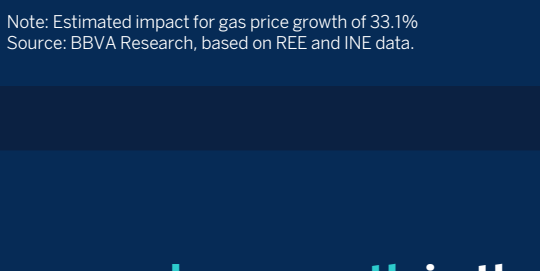
The current recovery **breaks the pattern observed** after previous crises

- Labour market indicators** point to a **greater capacity for growth of the Spanish economy.**
- Spending on intangible assets** continues to **outpace all other components of investment.**
- The economy is about to **reach the GDP level** it would have attained if the pre-pandemic growth trend had continued.

## Higher likelihood of risk scenarios

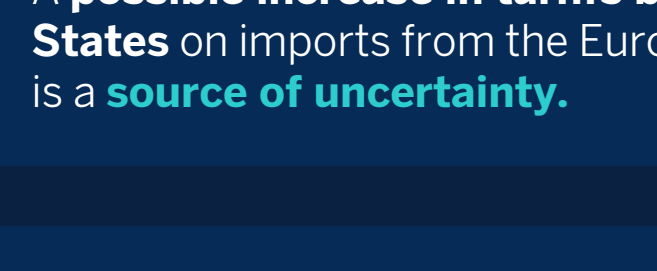
The **increase in the price of gas** and its **pass-through to the rest of the consumer basket** may limit **the fall in inflation**

## IMPACT OF THE INCREASE IN GAS PRICES ON ACTIVITY AND PRICES IN 2025



Note: Estimated impact for gas price growth of 23.1%.  
Source: BBVA Research, based on REE and INE data.

**QUARTER-ON-QUARTER GROWTH OF THE EMU**



Source: BBVA Research

**Low growth in the eurozone** is a drag on Spanish exports.

A possible increase in tariffs by the **United States** on imports from the European Union is a **source of uncertainty.**

**HOUSEHOLD SAVING RATE (% OF GROSS DISPOSABLE INCOME)**

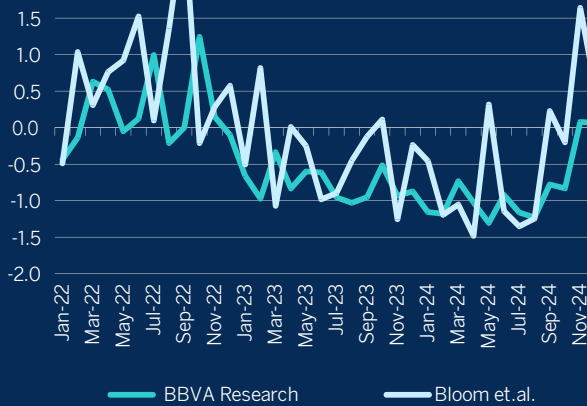


(e): Estimated.  
Source: BBVA Research, based on INE data.

The **savings rate of households in Spain** remains **uncharacteristically high**, which shows the difficulties for consumption to lead the advance of activity.

The **recovery in investment** remains **historically weak**, partly weighed down by increased policy uncertainty.

## SPAIN, ECONOMIC POLICY UNCERTAINTY INDICES. STANDARD DEVIATIONS FROM THE MEAN



Source: BBVA Research and Baker-Bloom-Davis.