

The Spanish Economy: a note

Carlos Llano Verduras*

CEPREDE

Instituto L.R. Klein-UAM

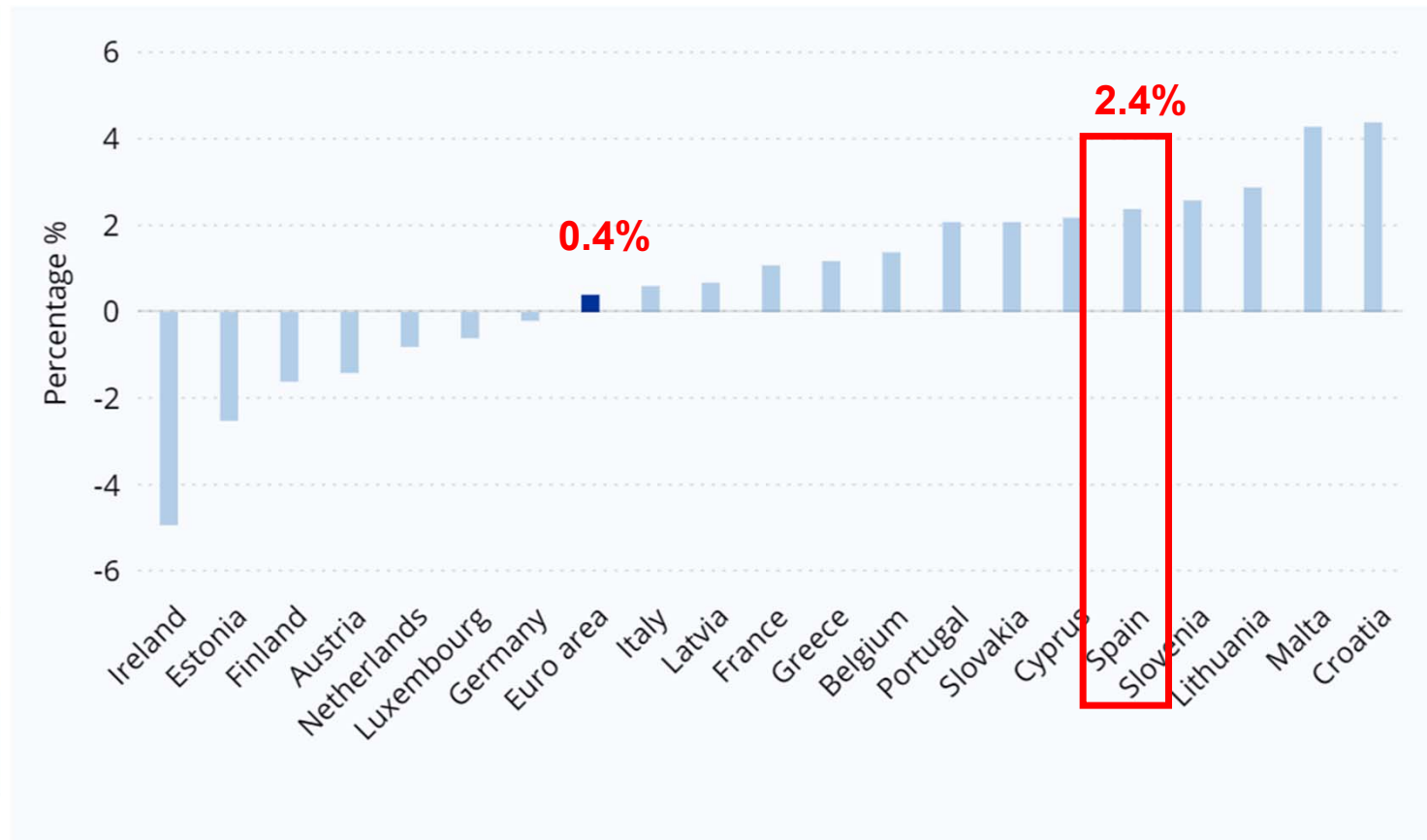
Departamento de Análisis Económico: Teoría e Historia Económica. UAM

carlos.llano@ceprede.es

carlos.llano@uam.es

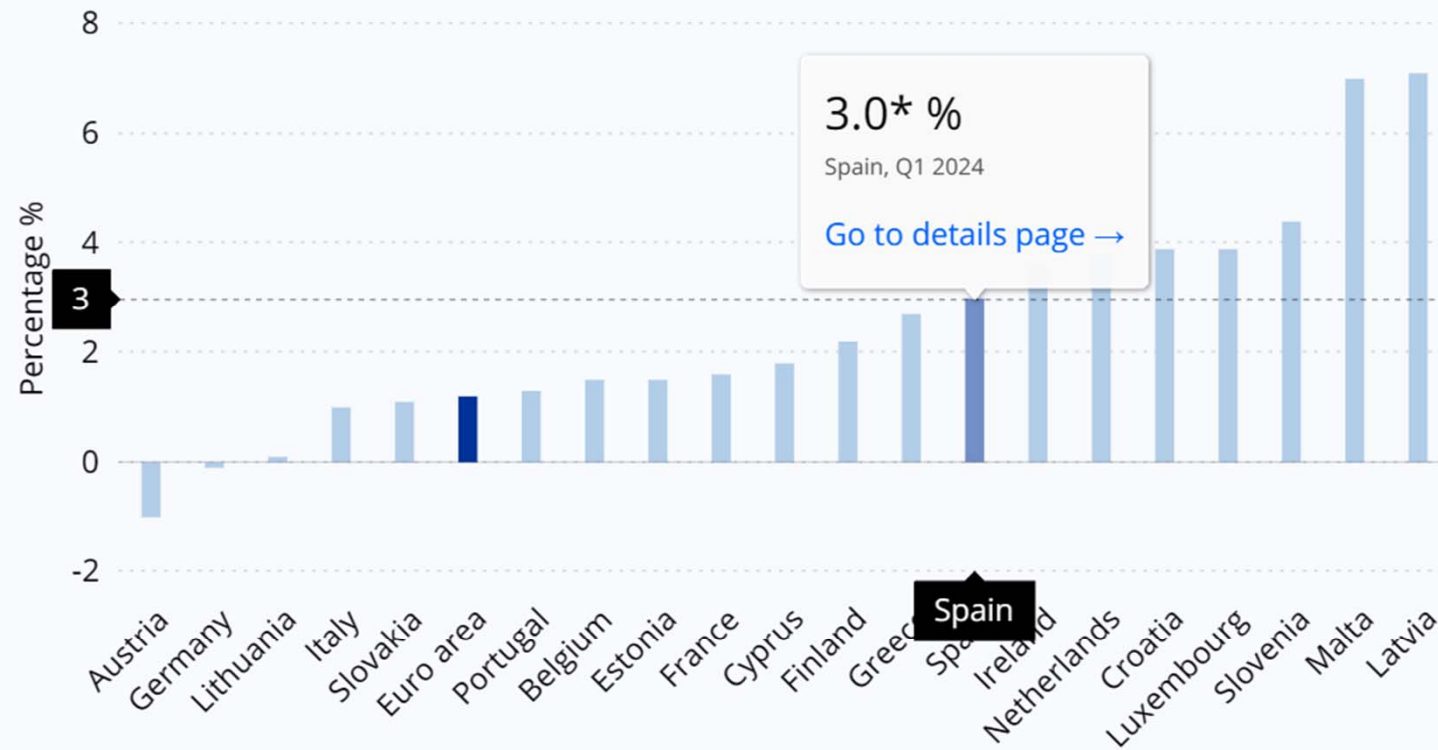
Spain

GDP growth (%). Q1.2024

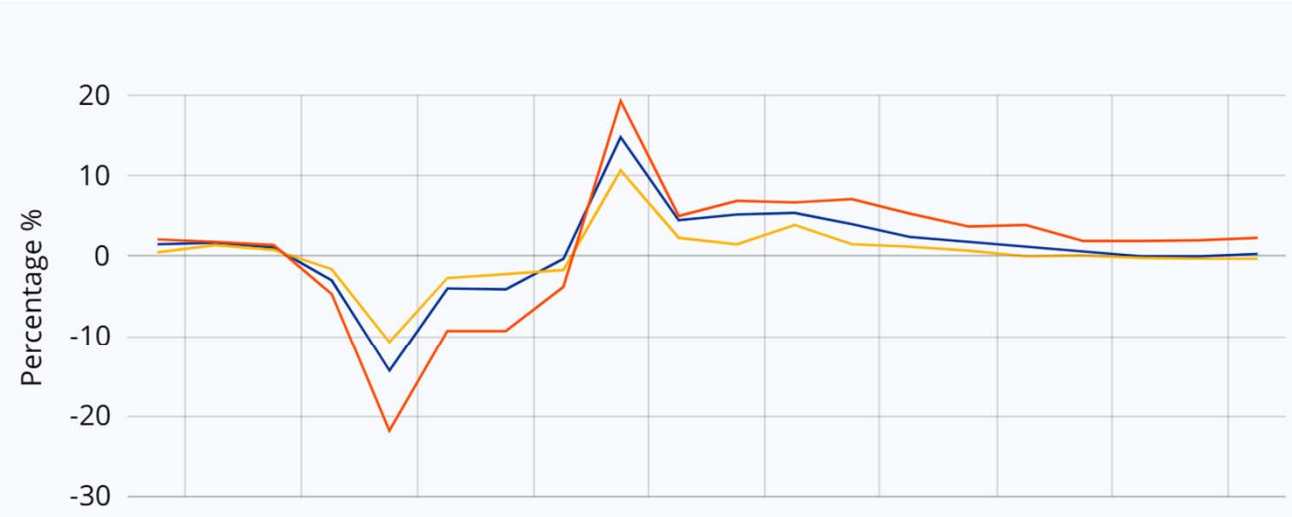


Spain

Government consumption growth (%). Q1.2024

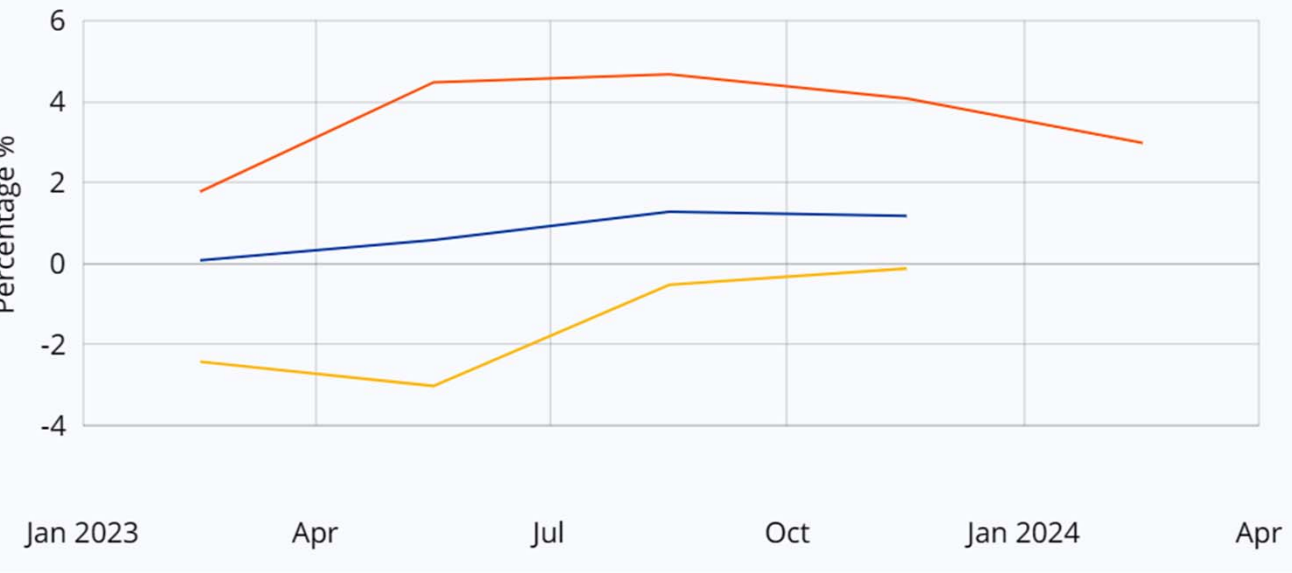


GDP growth (%)



Euro area Germany Spain

Government consumption growth (%)



Spain: a summary

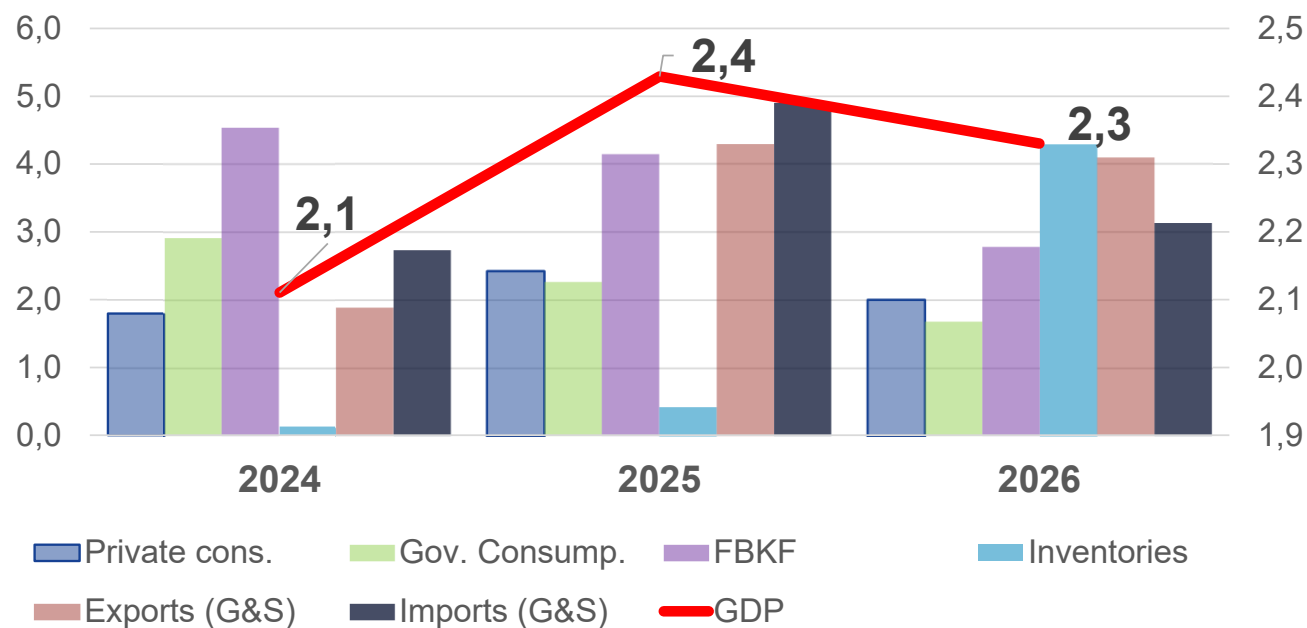
- Higher growth than the EU27.
- More dynamic economy than expected:
 - Upward correction of the official GDP (INE) in 2023.
 - Forecast from the Bank of Spain, also corrected upwards for 2024.
 - Very positive performance in employment, tourists and migration.
- But with some weaknesses:
 - The main upward components are government cons. and stock-bulding.
 - Gross FKF and private consumption performed worse than expected.
 - Productivity remains weak.
 - Rise in unit labour costs,
 - Sticky domestic inflationary pressures
 - Potential international competitiveness losses.

Outlook: Spain

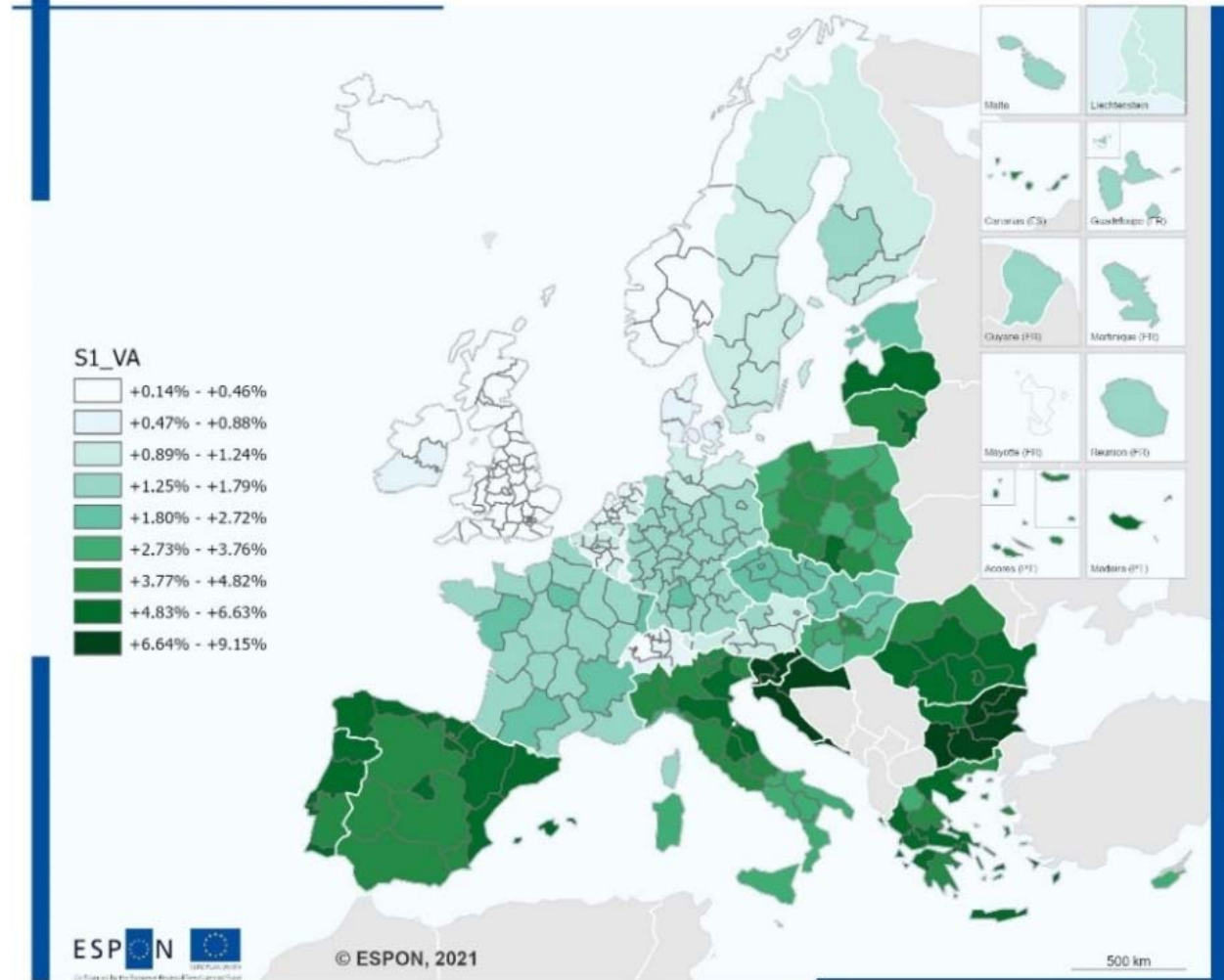
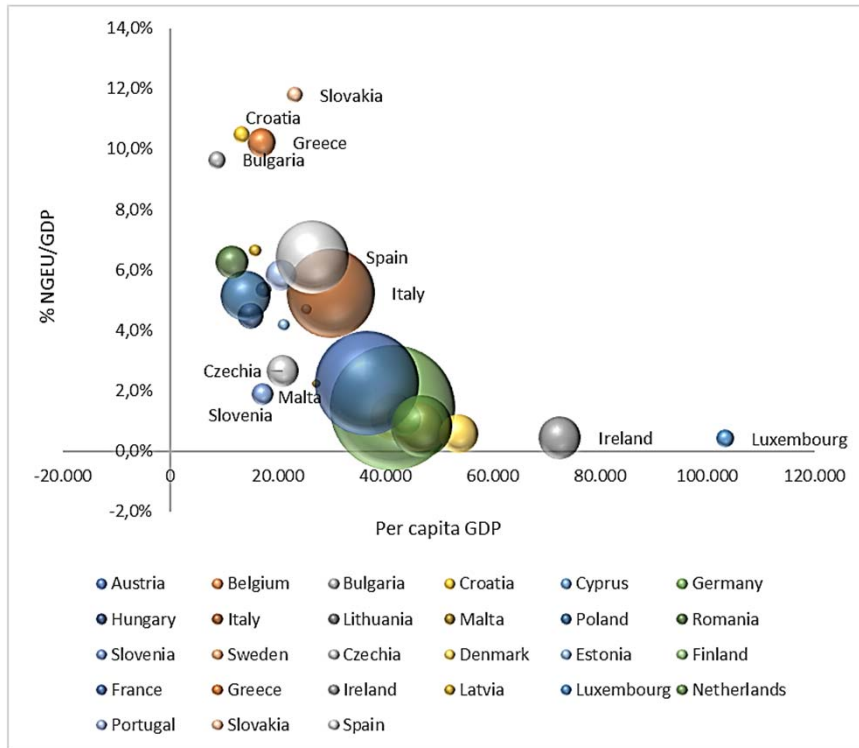


BANCO DE ESPAÑA
Eurosisistema

	2024	2025	2026
GDP	1.9% ↑ 0.3 pp	1.9% =	1.7% =
Inflation	2.7% ↓ 0.6 pp	1.9% ↓ 0.1 pp	1.7% ↓ 0.2 pp



The potential impact of NGEU (ex ante)



Thank you!

Carlos Llano Verduras*

CEPREDE

Instituto L.R. Klein-UAM

Departamento de Análisis Económico: Teoría e Historia Económica. UAM

carlos.llano@ceprede.es

carlos.llano@uam.es



Spain & NGEU (*in transitu*)



Total Grants Allocated
€69.513 Million

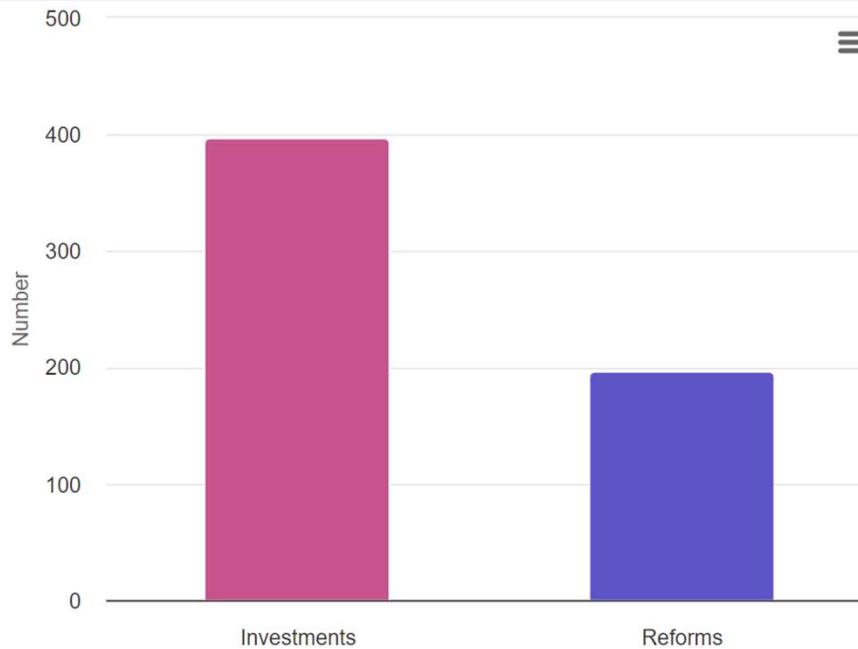
Total Loans Allocated
€0 Million

RRP Allocation as Share of GDP
5.76 %

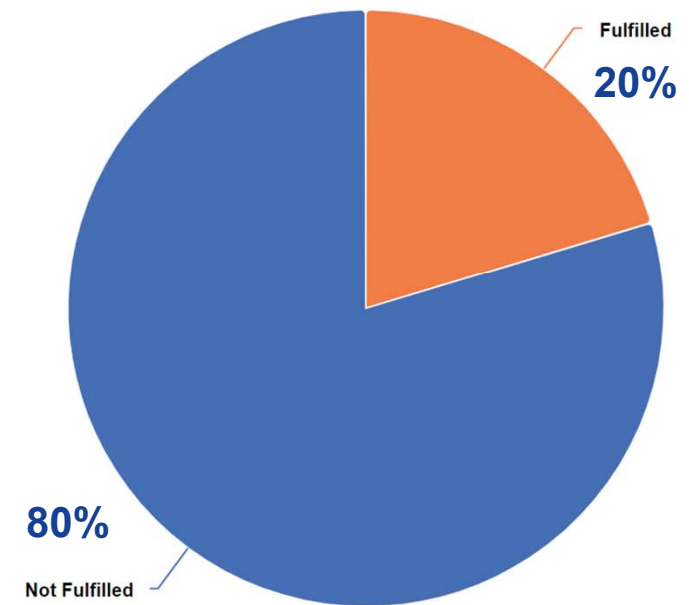
Timeline



Milestones and targets per type of measure



Milestones and targets fulfilment status





NGEU allocation and disbursement (*in transitu*)

Country	Funds allocation					Funds disbursed		
	Grants	Loans	Total RRF	% "Green"	% Digital	M€	% over country total	#Rank
Italy	69,042	122,602	191,644	38%	25%	85,441	45%	2
Spain	79,854	0	79,854	40%	28%	37,037	46%	1
France	40,270	0	40,270	46%	21%	12,518	31%	11
Greece	17,431	17,728	35,159	38%	23%	11,091	32%	9
Poland	22,527	12,100	34,627	43%	21%	0	0%	23
Germany	28,026	0	28,026	42%	52%	2,250	8%	22
Romania	12,129	14,942	27,071	41%	21%	9,117	34%	7
Portugal	16,325	3	16,328	38%	22%	5,142	31%	10
Czechia	7,676	0	7,676	42%	22%	1,843	24%	15
Slovakia	6,007	0	6,007	43%	21%	1,930	32%	8
Hungary	5,813	0	5,813	48%	30%	0	0%	23
Bulgaria	5,690	0	5,690	59%	26%	1,369	24%	14
Croatia	5,512	0	5,512	40%	20%	2,218	40%	3
Netherlands	5,441	0	5,441	48%	26%	0	0%	23
Belgium	4,525	0	4,525	50%	27%	770	17%	18
Austria	3,961	0	3,961	59%	53%	1,150	29%	13
Sweden	3,182	0	3,182	44%	21%	0	0%	23
Slovenia	1,613	1,072	2,685	42%	21%	281	10%	21
Lithuania	2,100	0	2,100	38%	32%	831	40%	4
Latvia	1,835	0	1,835	38%	21%	438	24%	16
Finland	1,823	0	1,823	50%	27%	271	15%	19
Denmark	1,626	0	1,626	59%	25%	503	31%	12
Cyprus	916	200	1,116	41%	23%	242	22%	17
Ireland	915	0	915	42%	32%	0	0%	23
Estonia	863	0	863	42%	22%	126	15%	20
Malta	258	0	258	54%	26%	93	36%	6
Luxembourg	83	0	83	61%	32%	32	39%	5

Spain

BANCO DE ESPAÑA
Eurosistema

Table 3

Projections for the main macroeconomic aggregates of the Spanish economy (a)

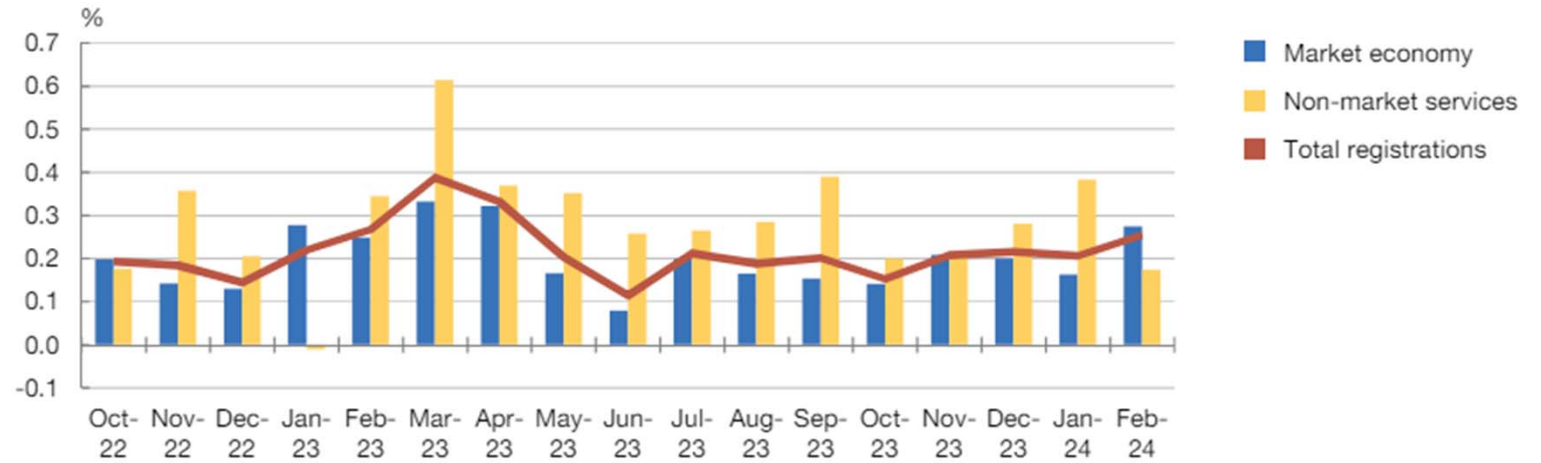
Annual rate of change in volume terms (%) and % of GDP

	2023	March 2024 projections			December 2023 projections		
		2024	2025	2026	2024	2025	2026
GDP	2.5	1.9	1.9	1.7	1.6	1.9	1.7
Private consumption	1.8	2.3	1.9	1.7	2.3	1.7	1.5
Government consumption	3.8	1.2	1.7	1.5	0.8	1.5	1.3
Gross fixed capital formation	0.6	0.4	2.7	1.9	2.7	2.7	1.8
Exports of goods and services	2.4	1.7	3.0	2.9	0.3	3.0	2.9
Imports of goods and services	0.3	2.1	3.4	3.0	1.3	3.0	2.7
Domestic demand (contribution to growth)	1.7	2.0	1.9	1.6	2.0	1.8	1.5
Net external demand (contribution to growth)	0.8	-0.1	0.0	0.1	-0.4	0.1	0.2
Nominal GDP	8.6	4.8	4.1	3.6	4.2	4.2	3.8
GDP deflator	5.9	2.9	2.2	1.9	2.6	2.3	2.1
HICP	3.4	2.7	1.9	1.7	3.3	2.0	1.9
HICP excluding energy and food	4.1	2.2	1.9	1.8	1.9	1.9	1.8
Employment (hours)	1.9	1.8	1.1	0.9	1.3	1.1	0.9
Unemployment rate (% of labour force). Annual average	12.1	11.6	11.5	11.3	11.7	11.4	11.3
Net lending (+)/net borrowing (-) of the nation (% of GDP)	3.6	3.4	3.5	3.6	2.9	3.0	3.0
General government net lending (+)/net borrowing (-) (% of GDP)	-3.8	-3.5	-3.5	-3.5	-3.4	-3.6	-3.6
General government debt (% of GDP)	107.7	106.5	107.2	108.4	106.3	107.2	108.4

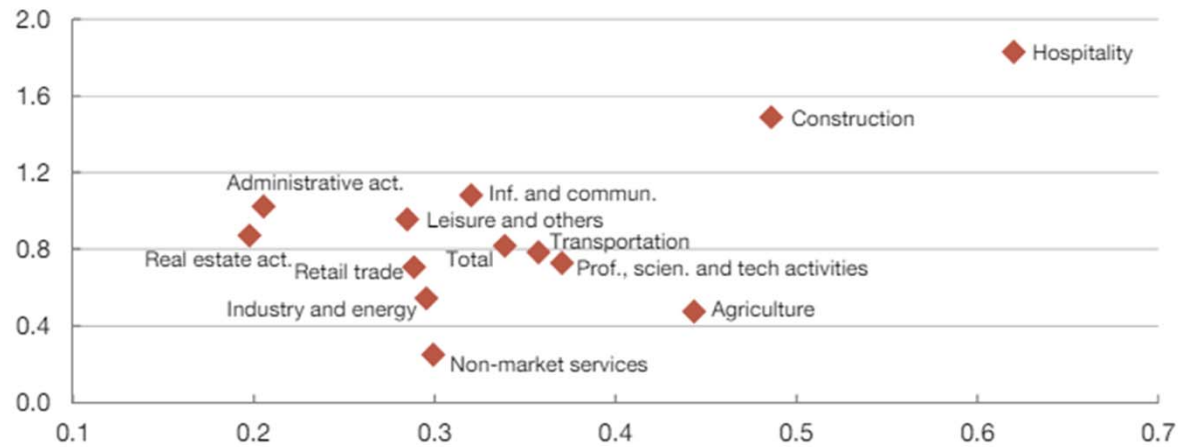
Spain

BANCO DE ESPAÑA
Eurosistema

11.a Total social security registrations in the market economy and non-market services sectors (a)



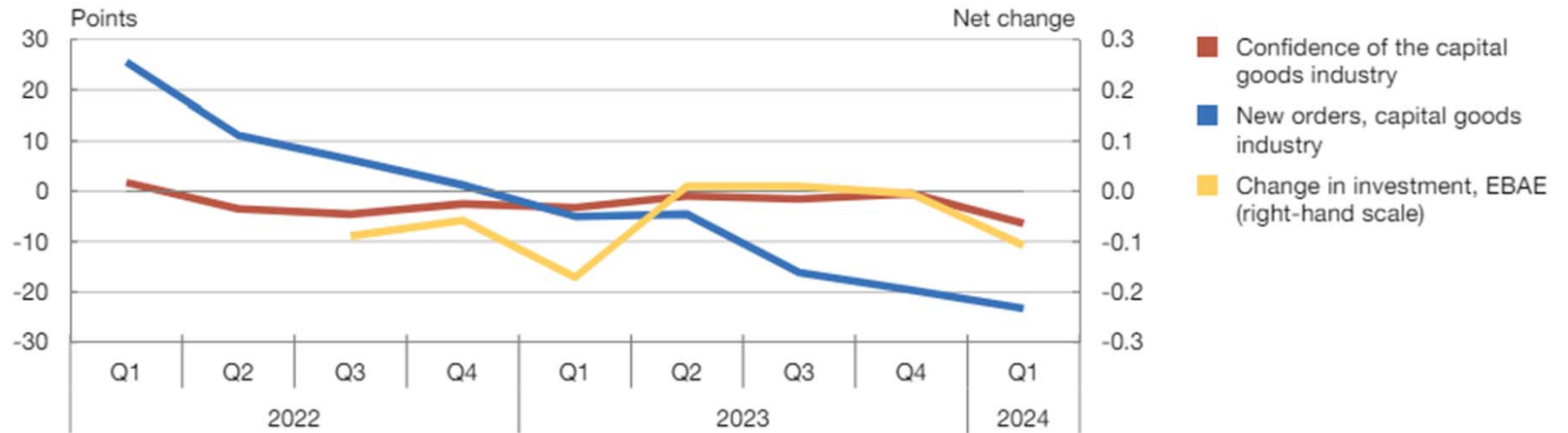
11.b Relationship between growth in registrations of foreign nationals and perceived labour shortages (b)



Spain

BANCO DE ESPAÑA
Eurosistema

14.a Qualitative indicators of investment (a)



14.b Changes in the main residential investment indicators (b)



SOURCES: European Commission, EBAE (Banco de España), Centro de Información Estadística del Notariado, INE and Ministerio de Transportes y Movilidad Sostenible.