

# Spanish economic forecasts panel: March 2024\*

Funcas Economic Trends and Statistics Department

## **The 2024 growth forecast has been raised to 1.9%**

GDP grew by 0.6% in the fourth quarter of 2023, double the consensus estimate in the January Panel. The knock-on effect of this result on the annual rate for 2024, together with the positive performance as suggested by available indicators from the start of the year, has led to an upward revision of the forecast for 2024 by three tenths of a percentage point, to 1.9% (Table 1).

The growth projection for domestic demand has been revised upwards – mainly for public consumption, while investment (GFCF) has been revised downwards. Likewise, the contribution of the external sector has been revised upwards from negative to zero. Quarter-on-quarter rates of 0.4% are expected throughout the entire year (Table 2).

## **The 2025 GDP forecast is 2%**

The Panel requested forecasts for the year 2025 for the first time. The consensus is for 2% GDP growth. The acceleration with respect to 2024 is expected to come from GFCF and the increase in the contribution of the foreign sector, which is estimated at 0.2 percentage points, while public consumption is expected to slow down significantly. Quarter-on-quarter GDP growth rates are still projected at around 0.5%.

## **The inflation rate is still expected to be above 2% at the end of 2025**

The inflation rate slowed in February somewhat more sharply than anticipated, to 2.8%, largely influenced by the weather-related drop in electricity prices.

The panelists expect the rate to move upwards again in the coming months (Table 3). For the year as a whole, an average annual rate of 3% is expected for the overall rate (unchanged from the previous forecast) and 3.1% for the core rate (up one tenth of a percentage point).

Forecasts for 2025 stand at 2.3% and 2.5% for the general and core rates, respectively. The December year-on-year rate remains above 2%.

## **The labor market continues to show strength**

The labor market continued to show strength at the beginning of the year. Seasonally adjusted job creation even accelerated in February, according to Social Security enrollment data.

The employment growth forecast for 2024 has been revised upwards by five tenths of a percentage point to 2%. A slowdown to 1.8% is expected for 2025. The average annual unemployment rate is expected to stand at 11.6% this year and 11.2% next year.

The implicit forecast for productivity and unit labor cost (ULC) growth is obtained from the forecasts for GDP, employment and wage growth. Productivity per full-time equivalent job is expected to fall by 0.1% this year and to grow by 0.2% next year while ULCs are expected to increase by 3.7% in 2024 and 2.8% in 2025, in line with the process of price disinflation.

## **Higher-than-expected external surplus in 2023**

The current account balance recorded a surplus of 36.6 billion euros (provisional figures) in 2023, the best result in the historical series in nominal terms. Relative to GDP, the surplus was 2.5%, just below the historical highs of 2016 and 2017. Particularly noteworthy was the trade surplus, an all-time high, in this case, both in nominal terms and as a percentage of GDP.

The current account surplus forecast for 2024 has been raised to 1.9% of GDP, and that for 2025 is set at 2%, still high by historical standards.

### **Public deficit projection has been maintained**

The figures for the general government deficit for 2023 are not yet known. Up to November, general government excluding local corporations recorded a deficit of 27.9 billion euros, only 1.9 billion less than in the same period of the previous year.

The consensus among analysts maintains the public deficit forecast at 3.6% of GDP for 2024, and it is not expected to fall below 3% in 2025 –the forecast is 3.2%.

### **The European environment remains unfavorable**

Global uncertainties, together with armed conflicts, continue to weigh on international trade and force a complex transition of supply chain and energy models. Another factor complicating the scenario has been the effect of the restrictive interest rate hike cycle. In both cases, the impact in the eurozone is more pronounced than in other advanced economies, particularly the US. Finally, the international environment is also suffering from China's adjustment following the bursting of the credit bubble, with implications on domestic demand and international trade.

The differential impact of these shocks across blocs is reflected in the economic indicators. The PMI business turnover index remains in contractionary territory within the eurozone, although a slight upturn is perceptible according to the March figure. In its March projections, the ECB cut its growth forecast for the eurozone to 0.6% (two tenths of a percentage point lower than in the December round). This context of weak demand has also led to a reduction in the inflation forecast to 2.3% (four tenths of a percentage point lower). By contrast, in the case of the US, the PMI indicator points to continued expansion in both industry and services. Finally, in China, the indicator is consistent with the persistence of a weak growth rate.

Altogether, the Panel's assessments remain pessimistic about the international context (Table 4). There is no clear change in trend in the short-term in the EU. Outside Europe, however, the number of panelists anticipating a deterioration has been reduced (3 *versus* 6 in the previous Panel).

### **Interest rates expected to fall slowly**

Central banks consider that the de-escalation of inflation faces important challenges. On the one hand, wages continue to rise at a faster pace than would be consistent with the price stability objective. In addition, inflation in the services sector is resilient to the downside – a phenomenon already observed in other inflationary episodes. Not to mention the risks to energy prices and shipping from the turmoil in the Middle East.

This explains why, for the time being, central banks are opting for a cautious approach to interest rate cuts – although such a shift would be consistent with weak demand, at least in Europe. In any case, both the ECB and the Federal Reserve are sticking to their balance sheet reduction plans. As a consequence of this quantitative tightening policy and the high levels of debt in most advanced economies, the OECD expects a significant increase in the supply of debt securities to be placed on the market over the next two years.

Everything points to the ECB maintaining its current interest rates at least until June. Analysts expect the first rate cut in that month, followed by two additional cuts, bringing the deposit facility to around 3.25% by the end of the year, unchanged from January's assessment (Table 2). The downward path would continue in 2025, although the terminal level of interest rates would be much higher than that prevailing in the monetary easing era.

Market interest rates would follow a less pronounced trend. The Euribor is still expected to stand at 3.2% at the end of this year (practically the same as in the previous assessment) and 2.75% at the end of 2025. The decline in yields on Spanish 10-year government bonds is expected to be even more gradual, still standing at around 3% at the end of next year.

### **Stability of the euro against the dollar**

Since the last Panel, the euro has depreciated slightly against the dollar, reflecting the relative strength of the US economy. However, the trend appears to have been interrupted, and analysts are forecasting relative exchange rate stability over the forecast period (Table 2).

### Fiscal policy should be less expansionary

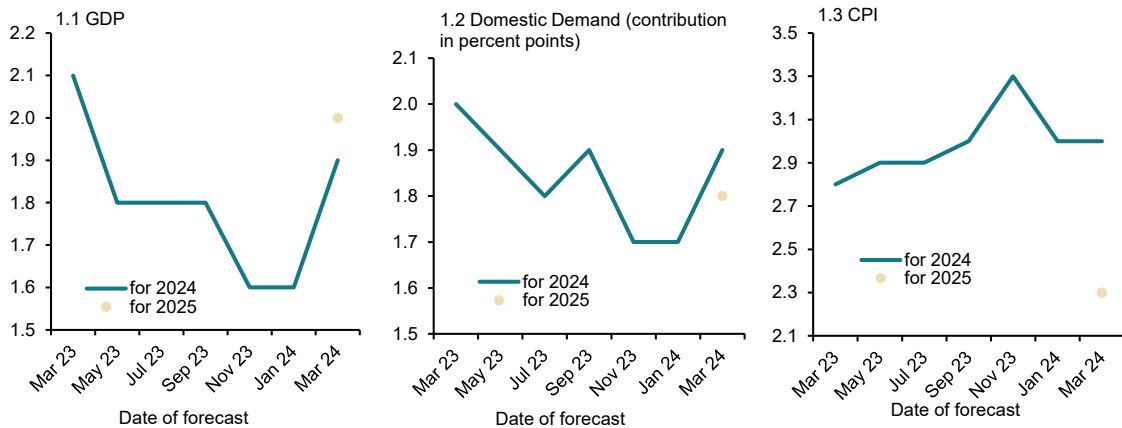
Quasi-unanimity persists with respect to the expansionary impulse being exerted by fiscal policy, when a more neutral position would be expected given the relative strength of the Spanish

economy (Table 4). As to monetary policy, the assessments continue to coincide in its current restrictive stance. However, there is a slight increase in the number of panelists who consider that this policy should be less restrictive (10 *versus* 8 in the previous Panel).

#### Exhibit 1

### Change in forecasts (Consensus values)

Annual rates in %



Source: Funcas Panel of Forecasts.

\* The Spanish Economic Forecasts Panel is a survey run by Funcas which consults the 19 research departments listed in Table 1. The survey, circulated since 1999, is a bi-monthly publication issued in the months of January, March, May, July, September and November. The responses to the survey are used to produce a “consensus” forecast, which is calculated as the arithmetic mean of the 19 individual contributions. The forecasts of the Spanish Government, the Bank of Spain, and the main international organizations are also included for comparison, but do not form part of the consensus forecast.

# Spanish economic forecasts panel: March 2024\*

Funcas Economic Trends and Statistics Department

Table 1

## Economic Forecasts for Spain – March 2024

Average year-on-year change, as a percentage, unless otherwise stated

|  | GDP        |            | Household consumption |            | Public consumption |            | Gross fixed capital formation |            | GFCF machinery and capital goods |            | GFCF construction |            | Domestic demand <sup>3</sup> |            |
|--|------------|------------|-----------------------|------------|--------------------|------------|-------------------------------|------------|----------------------------------|------------|-------------------|------------|------------------------------|------------|
|  | 2024       | 2025       | 2024                  | 2025       | 2024               | 2025       | 2024                          | 2025       | 2024                             | 2025       | 2024              | 2025       | 2024                         | 2025       |
| Analistas Financieros Internacionales (AFI)            | 1.8        | 1.8        | 2.0                   | 1.3        | 1.9                | 0.8        | 1.6                           | 2.5        | 2.7                              | 2.9        | 0.4               | 1.4        | 1.9                          | 1.4        |
| BBVA Research  | 2.1        | 2.0        | 2.0                   | 1.7        | 2.6                | 1.0        | 3.1                           | 7.3        | 2.5                              | 8.9        | 3.5               | 7.2        | 2.5                          | 2.5        |
| CaixaBank Research                                     | 1.9        | 2.2        | 2.4                   | 2.3        | 2.9                | 1.6        | 0.3                           | 3.1        | -0.2                             | 3.8        | -0.2              | 2.8        | 2.3                          | 2.3        |
| Cámara de Comercio de España                           | 2.0        | 1.9        | 1.7                   | 1.5        | 2.5                | 1.4        | 2.1                           | 2.1        | 1.8                              | 1.9        | 2.4               | 2.2        | 1.9                          | 1.9        |
| Centro de Estudios Economía de Madrid (CEEM-URJC)      | 1.9        | 2.3        | 2.0                   | 2.4        | 1.2                | 1.0        | 1.9                           | 2.1        | 2.5                              | 2.3        | 1.5               | 1.9        | 1.8                          | 2.1        |
| Centro de Predicción Económica (CEPREDE-UAM)           | 2.1        | 2.4        | 1.7                   | 1.4        | 4.5                | 2.3        | 6.6                           | 5.1        | 8.9                              | 5.8        | 5.8               | 4.3        | 3.2                          | 2.3        |
| CEOE   | 1.8        | 2.0        | 1.5                   | 1.7        | 1.0                | 0.5        | 1.1                           | 1.6        | 1.0                              | 1.4        | 1.0               | 1.3        | 1.6                          | 1.4        |
| Equipo Económico (Ee)                                  | 2.1        | 2.0        | 1.9                   | 2.0        | 2.9                | 0.7        | 2.0                           | 2.5        | 2.4                              | 2.9        | 2.0               | 2.5        | 1.9                          | 1.7        |
| EthiFinance Ratings                                    | 1.9        | 2.0        | 2.1                   | 1.8        | 2.3                | 0.8        | 2.3                           | 5.9        | 3.1                              | 3.0        | 1.3               | 5.9        | --                           | --         |
| Funcas   | 1.8        | 2.0        | 1.8                   | 2.0        | 2.8                | 0.7        | 0.5                           | 2.8        | 0.4                              | 2.7        | 0.6               | 2.9        | 2.0                          | 1.8        |
| Instituto Complutense de Análisis Económico (ICAE-UCM) | 2.1        | 2.0        | 1.7                   | 1.8        | 2.0                | 1.0        | 2.2                           | 3.2        | 2.1                              | 3.4        | 2.0               | 3.0        | 2.0                          | 2.1        |
| Instituto de Estudios Económicos (IEE)                 | 1.7        | 1.9        | 1.4                   | 1.5        | 1.5                | 1.0        | 1.3                           | 2.4        | 0.8                              | 3.0        | 1.4               | 2.0        | 1.7                          | 1.6        |
| Intermoney   | 1.8        | 1.7        | 2.2                   | 1.8        | 1.0                | 1.2        | 3.2                           | 2.6        | 3.0                              | 3.9        | 3.5               | 1.5        | 2.1                          | 0.0        |
| Mapfre Economics                                       | 1.4        | 1.8        | 1.4                   | 1.7        | 0.7                | 0.9        | 1.7                           | 4.9        | --                               | --         | --                | --         | 1.0                          | 1.9        |
| Metysis  | 2.0        | 2.0        | 1.9                   | 2.1        | 1.1                | 1.3        | 2.8                           | 2.5        | 2.3                              | 2.2        | 3.5               | 3.0        | 2.0                          | 1.9        |
| Oxford Economics                                       | 2.1        | 1.7        | 1.8                   | 1.7        | 2.9                | 0.6        | 1.7                           | 5.3        | 1.5                              | 4.5        | -0.2              | 3.3        | 1.7                          | 2.0        |
| Repsol   | 1.5        | 2.3        | 2.0                   | 2.1        | 2.3                | 2.0        | 2.4                           | 2.4        | 5.9                              | 3.2        | 0.5               | 1.7        | 1.3                          | 2.1        |
| Santander  | 1.8        | 2.0        | 2.2                   | 1.9        | 1.6                | 0.0        | 1.5                           | 5.2        | 0.5                              | 5.3        | 0.7               | 4.9        | 1.8                          | 2.0        |
| Universidad Loyola Andalucía                           | 1.8        | 1.5        | 2.2                   | 1.8        | 3.4                | 2.5        | 1.2                           | 1.0        | 2.0                              | 1.6        | 1.0               | 2.6        | 1.3                          | 0.9        |
| <b>CONSENSUS (AVERAGE)</b>                             | <b>1.9</b> | <b>2.0</b> | <b>1.9</b>            | <b>1.8</b> | <b>2.2</b>         | <b>1.1</b> | <b>2.1</b>                    | <b>3.4</b> | <b>2.4</b>                       | <b>3.5</b> | <b>1.7</b>        | <b>3.0</b> | <b>1.9</b>                   | <b>1.8</b> |
| Maximum  | 2.1        | 2.4        | 2.4                   | 2.4        | 4.5                | 2.5        | 6.6                           | 7.3        | 8.9                              | 8.9        | 5.8               | 7.2        | 3.2                          | 2.5        |
| Minimum  | 1.4        | 1.5        | 1.4                   | 1.3        | 0.7                | 0.0        | 0.3                           | 1.0        | -0.2                             | 1.4        | -0.2              | 1.3        | 1.0                          | 0.0        |
| Change on 2 months earlier <sup>1</sup>                | 0.3        | --         | 0.1                   | --         | 0.9                | --         | -0.3                          | --         | -0.2                             | --         | -0.3              | --         | 0.2                          | --         |
| - Rise <sup>2</sup>                                    | 16         | --         | 8                     | --         | 15                 | --         | 5                             | --         | 5                                | --         | 5                 | --         | 11                           | --         |
| - Drop <sup>2</sup>                                    | 1          | --         | 7                     | --         | 3                  | --         | 9                             | --         | 8                                | --         | 9                 | --         | 3                            | --         |
| Change on 6 months earlier <sup>1</sup>                | 0.1        | --         | 0.1                   | --         | 0.8                | --         | -1.3                          | --         | -1.0                             | --         | -1.5              | --         | 0.0                          | --         |
| Memorandum items:                                      |            |            |                       |            |                    |            |                               |            |                                  |            |                   |            |                              |            |
| Government (October 2023)                              | 2.0        | --         | 2.5                   | --         | 0.2                | --         | 4.0                           | --         | --                               | --         | --                | --         | 2.2                          | --         |
| Bank of Spain (March 2024)                             | 1.9        | 1.9        | 2.3                   | 1.9        | 1.2                | 1.7        | 0.4                           | 2.7        | --                               | --         | --                | --         | 2.0                          | 1.9        |
| EC (February 2024)                                     | 1.7        | 2.0        | --                    | --         | --                 | --         | --                            | --         | --                               | --         | --                | --         | --                           | --         |
| IMF (January 2024)                                     | 1.5        | 2.1        | --                    | --         | --                 | --         | --                            | --         | --                               | --         | --                | --         | --                           | --         |
| OECD (November 2023)                                   | 1.4        | 2.0        | 1.9                   | 2.0        | 1.6                | 1.3        | 1.4                           | 2.3        | --                               | --         | --                | --         | --                           | --         |

<sup>1</sup> Difference in percentage points between the current month's average and that of two months earlier (or six months earlier).

<sup>2</sup> Number of panellists revising their forecast upwards (or downwards) since two months earlier.

<sup>3</sup> Contribution to GDP growth, in percentage points.

Table 1 (Continued)

**Economic Forecasts for Spain – March 2024**

Average year-on-year change, as a percentage, unless otherwise stated

|  | Exports of goods & services |            | Imports of goods & services |            | CPI (annual av.)   |                    | Core CPI (annual av.) |                    | Wage earnings <sup>3</sup> |            | Jobs <sup>4</sup>  |                    | Unempl. (% labour force) |             | C/A bal. of payments (% of GDP) <sup>5</sup> |            | Gen. gov. bal. (% of GDP) |             |
|--|-----------------------------|------------|-----------------------------|------------|--------------------|--------------------|-----------------------|--------------------|----------------------------|------------|--------------------|--------------------|--------------------------|-------------|--|------------|---------------------------|-------------|
|  | 2024                        | 2025       | 2024                        | 2025       | 2024               | 2025               | 2024                  | 2025               | 2024                       | 2025       | 2024               | 2025               | 2024                     | 2025        | 2024   | 2025       | 2024                      | 2025        |
| Analistas Financieros Internacionales (AFI)            | 0.8                         | 4.1        | 1.0                         | 3.3        | 3.1                | 2.2                | 2.8                   | 2.4                | 3.5                        | 2.7        | 0.9                | 2.2                | 11.8                     | 11.6        | 0.7  | 1.3        | -3.0                      | -3.0        |
| BBVA Research  | 3.4                         | 2.7        | 5.0                         | 4.4        | 3.1                | 2.3                | 3.1                   | 2.1                | 3.6                        | 3.6        | 2.6                | 1.8                | 11.4                     | 10.9        | 3.2  | 2.8        | -3.6                      | -2.9        |
| CaixaBank Research                                     | 0.2                         | 2.1        | 1.2                         | 2.3        | 3.0                | 2.5                | 2.7                   | 2.5                | 3.9                        | 3.0        | 2.4                | 1.8                | 11.8                     | 11.4        | 2.3  | 2.5        | -3.4                      | -2.9        |
| Cámara de Comercio de España                           | 1.4                         | 2.5        | 1.2                         | 2.4        | 2.7                | 2.6                | 3.3                   | 3.0                | --                         | --         | 1.9                | 1.7                | 11.3                     | 10.9        | 2.6  | 2.5        | -3.5                      | -3.0        |
| Centro de Estudios Economía de Madrid (CEEM-URJC)      | 3.4                         | 4.6        | 3.2                         | 2.9        | 3.3                | 2.8                | 3.2                   | 3.0                | --                         | --         | 1.2                | 2.1                | 10.4                     | 10.0        | 1.0  | 1.0        | -3.4                      | -2.8        |
| Centro de Predicción Económica (CEPREDE-UAM)           | 2.4                         | 4.3        | 5.5                         | 4.1        | 2.9                | 2.4                | --                    | --                 | 4.3                        | 3.2        | 2.3                | 1.7                | 12.2                     | 11.9        | 1.0  | 0.7        | -4.4                      | -4.6        |
| CEOE   | 2.4                         | 5.0        | 2.1                         | 3.8        | 3.1                | 2.2                | 3.1                   | 2.3                | 3.7                        | 2.9        | 2.0                | 2.1                | 11.8                     | 11.0        | 1.5  | 1.7        | -3.7                      | -3.2        |
| Equipo Económico (Ee)                                  | 1.5                         | 1.9        | 1.0                         | 1.3        | 3.0                | 2.3                | 3.2                   | 2.4                | 3.9                        | 3.6        | 2.1                | 1.3                | 11.8                     | 11.7        | 1.4  | 1.8        | -3.7                      | -3.5        |
| EthiFinance Ratings                                    | 2.0                         | 1.5        | 3.0                         | 3.7        | 3.2                | 2.5                | 3.3                   | 2.5                | --                         | --         | --                 | --                 | 11.6                     | 11.0        | 1.3  | 1.0        | -3.8                      | -3.1        |
| Funcas   | 1.2                         | 2.9        | 1.4                         | 2.7        | 3.1                | 2.1                | 2.9                   | 2.2                | 3.0                        | 2.7        | 1.3                | 1.3                | 11.5                     | 10.6        | 2.4  | 2.8        | -3.5                      | -3.3        |
| Instituto Complutense de Análisis Económico (ICAE-UCM) | 3.8                         | 3.0        | 2.7                         | 3.5        | 3.2                | 2.5                | 3.1                   | 2.8                | --                         | --         | 1.5                | 1.5                | 11.4                     | 10.8        | 2.5  | 2.5        | -3.4                      | -3.0        |
| Instituto de Estudios Económicos (IEE)                 | 3.1                         | 4.0        | 3.2                         | 3.5        | 3.1                | 2.7                | 3.2                   | 2.9                | 3.6                        | 3.0        | 2.0                | 2.1                | 11.9                     | 11.2        | 1.4  | 1.6        | -3.8                      | -3.3        |
| Intermoney   | 1.5                         | 2.9        | 2.3                         | 3.2        | 3.5                | 2.2                | 3.2                   | 2.1                | --                         | --         | 2.0                | 1.6                | 12.0                     | 11.6        | 1.8  | --         | -3.6                      | -3.4        |
| Mapfre Economics                                       | 2.3                         | 3.4        | 1.4                         | 4.1        | 2.4                | 2.0                | 3.0                   | 2.5                | --                         | --         | --                 | --                 | 11.4                     | 11.4        | 3.2  | 3.4        | -4.0                      | -3.1        |
| Metysis  | 2.0                         | 3.0        | 1.5                         | 2.5        | 2.9                | 2.2                | 3.1                   | 2.5                | 3.4                        | 2.8        | 2.4                | 1.7                | 11.2                     | 10.8        | 2.4  | 2.7        | -3.4                      | -3.3        |
| Oxford Economics                                       | 2.1                         | 2.7        | 1.0                         | 3.8        | 3.1                | 2.0                | 3.0                   | 2.0                | --                         | --         | --                 | --                 | 11.5                     | 11.3        | 3.8  | 3.8        | -3.6                      | -2.9        |
| Repsol   | 2.3                         | 3.8        | 1.7                         | 3.5        | 3.1                | 2.5                | 3.3                   | 2.7                | 3.2                        | 2.5        | 2.1                | 2.5                | 11.9                     | 11.0        | 1.0  | 1.5        | -3.5                      | -3.0        |
| Santander  | 1.9                         | 2.8        | 3.0                         | 3.1        | 3.0                | 2.3                | 3.1                   | 2.2                | --                         | --         | 1.4                | 1.6                | 11.7                     | 11.2        | --   | --         | --                        | --          |
| Universidad Loyola Andalucía                           | 2.0                         | 2.3        | 0.6                         | 1.8        | 2.0                | 1.7                | 3.7                   | 3.5                | --                         | --         | 3.1                | 1.9                | 11.4                     | 11.9        | 1.1  | 1.2        | -4.2                      | -3.8        |
| <b>CONSENSUS (AVERAGE)</b>                             | <b>2.1</b>                  | <b>3.1</b> | <b>2.2</b>                  | <b>3.2</b> | <b>3.0</b>         | <b>2.3</b>         | <b>3.1</b>            | <b>2.5</b>         | <b>3.6</b>                 | <b>3.0</b> | <b>2.0</b>         | <b>1.8</b>         | <b>11.6</b>              | <b>11.2</b> | <b>1.9</b>                                   | <b>2.0</b> | <b>-3.6</b>               | <b>-3.2</b> |
| Maximum  | 3.8                         | 5.0        | 5.5                         | 4.4        | 3.5                | 2.8                | 3.7                   | 3.5                | 4.3                        | 3.6        | 3.1                | 2.5                | 12.2                     | 11.9        | 3.8  | 3.8        | -3.0                      | -2.8        |
| Minimum  | 0.2                         | 1.5        | 0.6                         | 1.3        | 2.0                | 1.7                | 2.7                   | 2.0                | 3.0                        | 2.5        | 0.9                | 1.3                | 10.4                     | 10.0        | 0.7  | 0.7        | -4.4                      | -4.6        |
| Change on 2 months earlier <sup>1</sup>                | 0.5                         | --         | 0.2                         | --         | 0.0                | --                 | -0.1                  | --                 | 0.1                        | --         | 0.5                | --                 | -0.1                     | --          | 0.4  | --         | 0.0                       | --          |
| - Rise <sup>2</sup>                                    | 10                          | --         | 7                           | --         | 4                  | --                 | 7                     | --                 | 5                          | --         | 10                 | --                 | 4                        | --          | 11   | --         | 4                         | --          |
| - Drop <sup>2</sup>                                    | 3                           | --         | 7                           | --         | 8                  | --                 | 7                     | --                 | 3                          | --         | 2                  | --                 | 10                       | --          | 0  | --         | 3                         | --          |
| Change on 6 months earlier <sup>1</sup>                | -0.5                        | --         | -0.9                        | --         | 0.0                | --                 | 0.0                   | --                 | 0.1                        | --         | 0.4                | --                 | -0.4                     | --          | 0.8  | --         | 0.0                       | --          |
| Memorandum items:                                      |                             |            |                             |            |                    |                    |                       |                    |                            |            |                    |                    |                          |             |  |            |                           |             |
| Government (October 2023)                              | 2.4                         | --         | 3.3                         | --         | --                 | --                 | --                    | --                 | --                         | --         | 1.4                | --                 | 10.9                     | --          | 1.9  | --         | -3.0                      | --          |
| Bank of Spain (March 2024)                             | 1.7                         | 3.0        | 2.1                         | 3.4        | 2.7 <sup>(6)</sup> | 1.9 <sup>(6)</sup> | 2.2 <sup>(7)</sup>    | 1.9 <sup>(7)</sup> | --                         | --         | 1.8 <sup>(8)</sup> | 1.1 <sup>(8)</sup> | 11.6                     | 11.5        | --   | --         | -3.5                      | -3.5        |
| EC (February 2024)                                     | --                          | --         | --                          | --         | 3.2 <sup>(6)</sup> | 2.1 <sup>(6)</sup> | --                    | --                 | --                         | --         | --                 | --                 | --                       | --          | --   | --         | --                        | --          |
| IMF (January 2024)                                     | --                          | --         | --                          | --         | --                 | --                 | --                    | --                 | --                         | --         | --                 | --                 | --                       | --          | --   | --         | --                        | --          |
| OECD (November 2023)                                   | 1.4                         | 2.6        | 2.0                         | 2.4        | 3.7 <sup>(6)</sup> | 2.3 <sup>(7)</sup> | 3.1 <sup>(7)</sup>    | 2.2 <sup>(7)</sup> | 3.1                        | 3.1        | 2.2                | 2.3                | 12.0                     | 11.8        | 1.4  | 1.2        | -3.2                      | -3.1        |

<sup>1</sup> Difference in percentage points between the current month's average and that of two months earlier (or six months earlier).<sup>2</sup> Number of panellists revising their forecast upwards (or downwards) since two months earlier.<sup>3</sup> Average earnings per full-time equivalent job.<sup>4</sup> In National Accounts terms: Full-time equivalent jobs.<sup>5</sup> Current account balance, according to Bank of Spain estimates.<sup>6</sup> Harmonized Index of Consumer Prices (HICP).<sup>7</sup> Harmonized Index excluding energy and food.<sup>8</sup> Hours worked.

Table 2

**Quarterly Forecasts – March 2024**

|  | 24-I Q | 24-II Q | 24-III Q | 24-IV Q | 25-I Q | 25-II Q | 25-III Q | 25-IV Q |
|--|--------|---------|----------|---------|--------|---------|----------|---------|
| GDP <sup>1</sup>   | 0.4    | 0.4     | 0.4      | 0.4     | 0.5    | 0.5     | 0.5      | 0.5     |
| Euribor 1 yr <sup>2</sup>                                  | 3.69   | 3.53    | 3.37     | 3.19    | 3.02   | 2.89    | 2.80     | 2.74    |
| Government bond yield 10 yr <sup>2</sup>                   | 3.25   | 3.22    | 3.15     | 3.09    | 3.03   | 2.99    | 2.97     | 2.95    |
| ECB main refinancing operations interest rate <sup>3</sup> | 4.50   | 4.30    | 4.02     | 3.72    | 3.43   | 3.15    | 2.95     | 2.82    |
| ECB deposit rates <sup>3</sup>                             | 4.00   | 3.81    | 3.53     | 3.23    | 2.94   | 2.66    | 2.48     | 2.34    |
| Dollar / Euro exchange rate <sup>2</sup>                   | 1.08   | 1.09    | 1.09     | 1.10    | 1.10   | 1.10    | 1.11     | 1.11    |

Forecasts in yellow.

<sup>1</sup> Qr-on-qr growth rates.

<sup>2</sup> End of period.

<sup>3</sup> Last day of the quarter.

Table 3

**CPI Forecasts – March 2024**

| Year-on-year change (%) |        |        |        |        |        |
|-------------------------|--------|--------|--------|--------|--------|
| Feb-24                  | Mar-24 | Apr-24 | May-24 | Dec-24 | Dec-25 |
| 2.8                     | 3.0    | 3.0    | 3.2    | 2.9    | 2.2    |

Table 4

**Opinions – March 2024**

Number of responses

|   | Currently   |         |              | Trend for next six months |           |              |
|---|-------------|---------|--------------|---------------------------|-----------|--------------|
|   | Favourable  | Neutral | Unfavourable | Improving                 | Unchanged | Worsening    |
| International context: EU               | 1           | 2       | 16           | 6                         | 11        | 2            |
| International context: Non-EU           | 0           | 4       | 15           | 2                         | 14        | 3            |
|   | Is being    |         |              | Should be                 |           |              |
|   | Restrictive | Neutral | Expansionary | Restrictive               | Neutral   | Expansionary |
| Fiscal policy assessment <sup>1</sup>   | 0           | 1       | 18           | 2                         | 17        | 0            |
| Monetary policy assessment <sup>1</sup> | 19          | 0       | 0            | 9                         | 10        | 0            |

<sup>1</sup> In relation to the current state of the Spanish economy.