NOTA DE PRENSA
8/11/2022

AIREF ENDORSES MURCIA'S MACROECONOMIC FORECASTS FOR 2023

The Independent Authority for Fiscal Responsibility (AIReF) endorses the forecasts presented by Murcia for 2023. These macroeconomic forecasts are prepared in a context of uncertainty that complicates their assessment at a national level, but heightens them at a territorial level, since the latest information available on the Spanish Regional Accounts refers to 2020 and is not in line with the information for the country as a whole following the statistical revisions made back in September.

This report assesses the macroeconomic forecasts that accompany the draft budget for 2023 for the Region of Murcia, which includes GDP growth estimates in volume terms and expenditure for the period 2022-2023 that are different from those used in the General State Budget (GSB).

The forecasts made by this Region are framed within a context of the materialisation of a number of risks identified by AIReF since the end of 2021, and particularly over the course of 2022, which would impact the expectations of economic growth of the European Union and Spain in the coming years. Specifically, AIReF indicates the risks surrounding the energy crisis, the persistence of inflation and the tightening of financing conditions.

According to the macroeconomic scenario of Murcia, regional GDP could grow by 4% in 2022. Although the forecast falls within the range of forecasts of other private bodies and institutions, AIReF considers that this may be optimistic, given the worsening outlook for economic growth.

For 2023, Murcia estimates GDP growth in volume terms of 0.9% and of 5.4% at current prices, similar to AIReF's estimates. These forecasts fall within the range of estimates of the consensus of analysts of the Autonomous Regions but lower than those provided for in the macroeconomic outlook that accompanies the General State Budget. Taking these constraints into account, AIReF estimates that the forecasts are feasible and, as such, endorses them.

AIReF stresses that, given the importance of medium-term planning, it would be desirable to include a macroeconomic scenario that covers a period greater than that of the general annual budget.

AIReF stresses that Murcia complies with the recommendation to submit, prior to the publication of the draft budget, the information on the macroeconomic forecasts that underpin it and the corresponding request for endorsement. The Region also complies satisfactorily with the advice on good practices to include a comparison with other independent forecasts and to provide detailed information on the econometric techniques, models and parameters and on the assumptions used in its macroeconomic forecasts.

In order to provide more homogeneous information and facilitate its comparison, AIReF reiterates the advice on good practices proposed in October 2021 to include expenditure forecasts in terms of the Regional Accounts.

Finally, as with the other Autonomous Regions, AIReF makes a recommendation to include the assumptions on the macroeconomic impact associated with the Recovery, Transformation and Resilience Plan (RTRP) for the period forecast among the information provided.