

PRESS RELEASE  
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## AIReF ENDORSES THE MACROECONOMIC FORECASTS OF NAVARRE FOR 2024

The Independent Authority for Fiscal Responsibility (AIReF) endorses the forecasts that accompany the 2024 draft budget for Navarre, which present growth estimates of the Gross Domestic Product (GDP) in volume terms and at current prices, the GDP deflator, the Consumer Price Index (CPI) and employment for the period 2023-2026.

According to the Organic Law on the Creation of AIReF, the macroeconomic forecasts incorporated in the draft budgets of all General Government sub-sectors must include a report from the institution indicating whether they have been endorsed.

AIReF endorses Navarre's macroeconomic forecasts for 2024. This region estimates GDP growth in volume terms of 1.3% in 2024. This forecast falls within percentiles 40-60 of AIReF's estimates, with a central forecast of 1.4%, close to the lower end of the range of forecasts made by other organisations — although some of these have not yet incorporated the recent revisions of the national accounts. Navarre's expected nominal growth for 2024 (4.4%) is also lower than that forecast by AIReF (4.6%).

It should be stressed that the macroeconomic forecasts for the Autonomous Regions are made in a context of great uncertainty, due to increasing geopolitical tensions, persistent inflation and the tightening of financing conditions, which are adversely affecting the economic growth expectations of the European Union and Spain for the coming years. In addition, it should be noted that the latest available information on Spain's Regional Accounts was published in December 2022, referring to 2021, making it difficult to monitor the regional situation in an environment marked by high volatility in macroeconomic estimates. Neither is this information aligned with the most recent estimates for the country as a whole stemming from the latest statistical revisions made by the National Statistics Institute (INE) for the years 2020 to 2023, published on September 18<sup>th</sup> and 22<sup>nd</sup>.

### Recommendations

AIReF highlights that Navarre complies with the recommendation to submit, prior to the publication of the draft budget, information on the macroeconomic forecasts that underpin it, along with the corresponding request for endorsement. It also complies with the best practices advice on the inclusion of a comparison with other independent forecasts and the provision of information on the econometric techniques, models and parameters used, as well as the assumptions underpinning its forecasts. Furthermore, given the importance of medium-term planning, AIReF stresses that Navarre should extend the forecast horizon of the macroeconomic scenario beyond the period of the annual general budget.

Regarding the Recovery, Transformation, and Resilience Plan (RTRP), Navarre satisfactorily complies with the recommendation to provide information on the expected impact throughout the forecast horizon.