

The budgets are evaluated from the perspective of their compliance with fiscal targets, with the changes with respect to the draft budgets and main budgetary lines of October



We analyse:

- ✓ Extension on the General State Budget
- ✓ The budgets of the Autonomous Regions
- ✓ The budgets of the Local Governments



In a unique context:

- ✓ Reactivation of the fiscal rules and new fiscal framework
- ✓ Fiscal targets not approved by the Parliament
- ✓ Excessive deficit procedure report with data for 2023 and 2024

We update our macroeconomic and fiscal **forecasts** and **medium-term scenarios**

Macroeconomic forecasts



We revise GDP growth upwards to 2% by 2024, but the medium-term outlook remains unchanged

Long-term uncertainties

- Labour market
- Investment
- RTRP

	2024	2025	2026	2027	2028
GDP	2%	1,9%	1,7%	1,6%	1,5%
Nominal GGP	5,2%	4,1%	3,7%	3,6%	3,4%
CPI	3,1%	2,2%	2%	2%	2%
Unemployment rate	11,6%	11,1%	10,8%	10,8%	10,7%

Fiscal forecasts



We maintain the deficit forecast at 3% of GDP for 2024 and its stabilisation in the medium term, with the margin for its reduction being exhausted.

	2023 (Observed)	2024	2025	2026	2027	2028
GG	-3,6%	-3%	-2,9%	-3,1%	-3,2%	-3,2%
CG	-2,1%	-2,7%	-2,2%	-2,4%	-2,5%	-2,6%
SSFs	-0,6%	-0,3%	-0,4%	-0,4%	-0,4%	-0,4%
ARs	-0,9%	-0,1%	-0,3%	-0,3%	-0,2%	-0,2%
LGs	-0,1%	0,1%	0%	0%	0%	0%

Saldo presupuestario en % de PIB

Risk of non-compliance with the **European recommendation**

Risk of non-compliance with the **national expenditure rule** by the Central Government, the ARs and 10 LGs

Debt forecasts



We maintain the stabilisation of public debt at around 100% of GDP

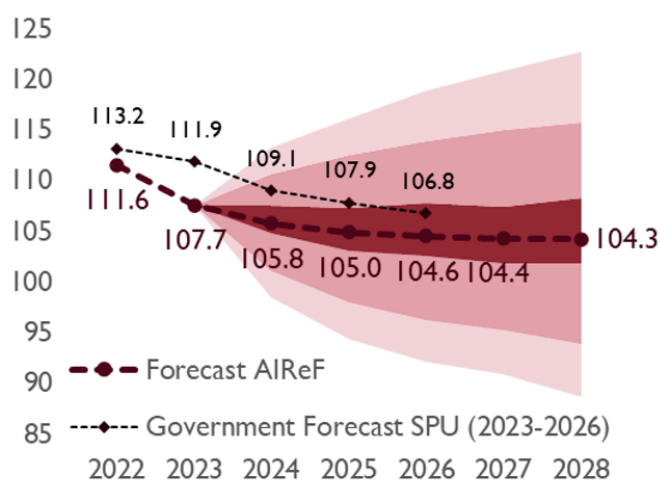


An adjustment will be necessary to comply with the new fiscal framework



At AIReF, we estimate the adjustment at between 0.63 GDP points per year over four years and 0.43 GDP points per year over seven years

DEBT % GDP



Recomendaciones

1

AIReF recommends that the Central Government, the Autonomous Regions and 10 Local Governments monitor the execution of their budget and adopt the measures they deem appropriate to correct the growth of eligible expenditure for the purposes of the expenditure rule and thus avoid the structural deterioration of their accounts over the medium and long term

2

AIReF recommends that the Ministry of Finance initiate dialogue and work with all General Government authorities in order to draw up a medium-term fiscal-structural plan. This process should clarify the practical application of fiscal rules in 2024 and lay the foundations for a new national fiscal framework for the implementation of the medium-term fiscal-structural plan.