

REPORT ON INITIAL BUDGET OF GENERAL GOVERNMENT 2025



Update of our macroeconomic and fiscal forecasts for 2025



Macroeconomic forecasts

In the **updated macroeconomic scenario**, we **maintain** GDP growth forecasts at **2.5%** in 2025

Why are forecasts maintained?

- ✓ Strong domestic demand
- ✓ High savings rates
- ✓ Improved financing conditions
- ✓ Recovery of investment



Elevated downside risks

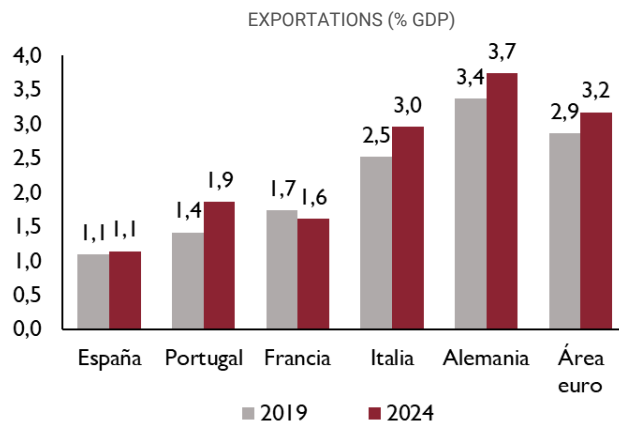
	AIReF		GOB
	April 25	January 25	January 25
	2024	2025	2025
GDP	3.2%	2.5%	2.6%
Nominal GDP	6.2%	4.8%	5.4%



We do **not incorporate the impact of the trade war or increased uncertainty**, but an exercise on their possible effect has been undertaken



Spain's direct and indirect **exposure is limited**



But uncertainty may subtract 0.5 points from GDP in 2025

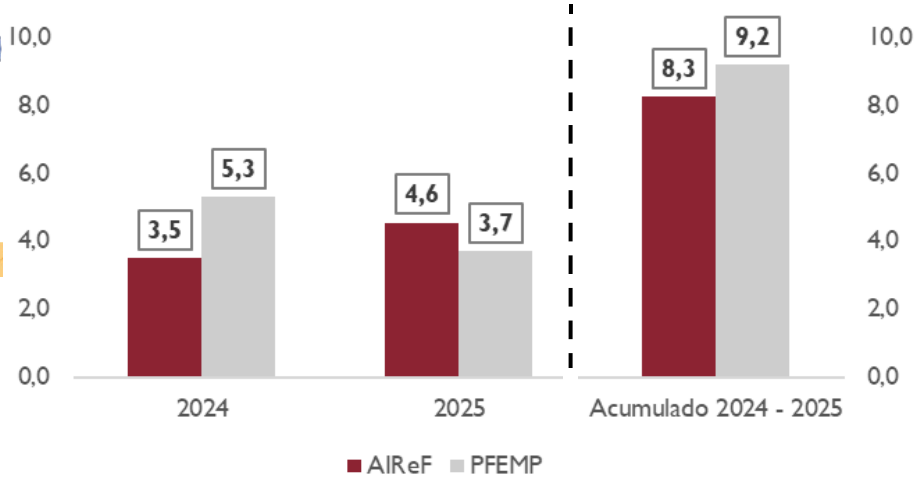


Fiscal forecasts

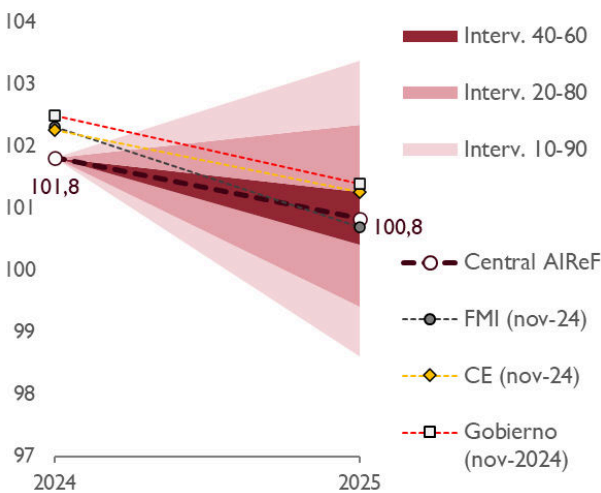
Primary expenditure net of general government revenue measures will grow by 4.6% in 2025, 9 tenths of a percentage point higher than agreed the MTP



PRIMARY EXPENDITURE NET OF GENERAL GOVERNMENT REVENUE MEASURES (% GDP)



Debt will stand at **100.8%** of GDP



The **public deficit** will stand at **2.7%** of GDP, 2.4% excluding the impact of DANA

	2025	
	Current report	Previous report
General Government	-2.7%	-2.7%
Central Administration	-2.2%	-2%
Social Security Funds	-0.3%	-0.2%
Autonomous Regions	-0.5%	-0.5%
Local Governments	0.3%	0.0%



Recomendations

1

Monitoring budget execution and establishing the necessary coordination mechanisms to **guarantee compliance with the national and European expenditure rules** by all public administrations

2

Publishing monthly figures of **primary expenditure net of revenue measures** for the purposes of the European expenditure rule and to recover the monthly publication of the **computable expenditure of the national expenditure rule**

3

Sign an **agreement** with the Ministry of Finance to provide the **necessary information for the report's preparation**