

# REPORT ON DRAFT BUDGETS AND MAIN BUDGETARY LINES OF THE GG FOR 2026

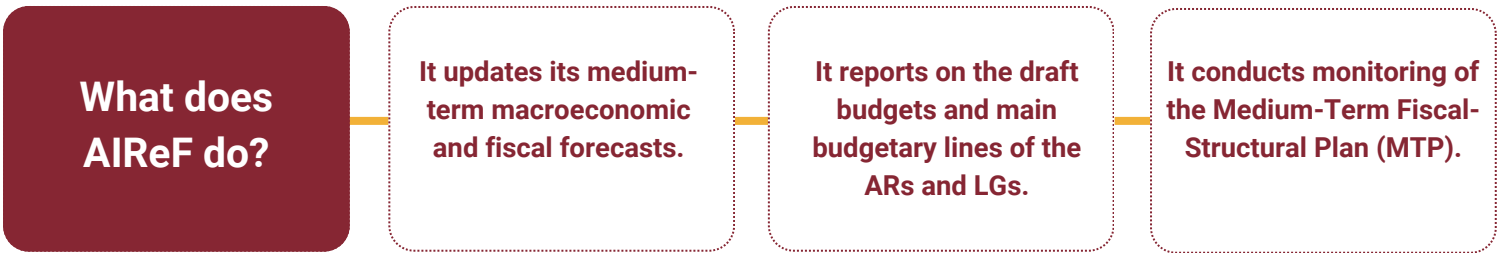
The Organic Law on Budgetary Stability and Financial Sustainability establishes the **obligation for AIReF to assess the draft budgets and main budgetary lines of the General Government (GG)** from the perspective of compliance the stability and debt targets, as well as the expenditure rule.

**Limited scope report for this year due to delays in the budgeting cycle**

**Delays** affect AIReF's fiscal **supervision**, the planning capabilities of other GG authorities and **institutional quality**.

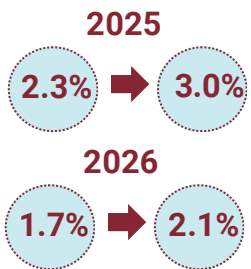
<b>Delay in fiscal policy coordination</b> <ul style="list-style-type: none"> <li>No budgetary stability or public debt targets.</li> <li>No reference rate for the 2026-2028 expenditure rule.</li> </ul>	<b>No GSB and delays in information from the ARs</b> <ul style="list-style-type: none"> <li>Failure to meet the <b>legally established deadline</b>: September 30<sup>th</sup>.</li> <li><b>Heterogeneity</b> in information from the ARs.</li> </ul>	<b>No Budgetary Plan presented</b> <ul style="list-style-type: none"> <li>Failure to meet the <b>illegally deadline</b> established by European regulations.</li> <li><b>Second consecutive year</b> without a Budgetary Plan.</li> </ul>
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The **GSB** is the **main economic policy instrument** and a guarantor of **institutional quality**.

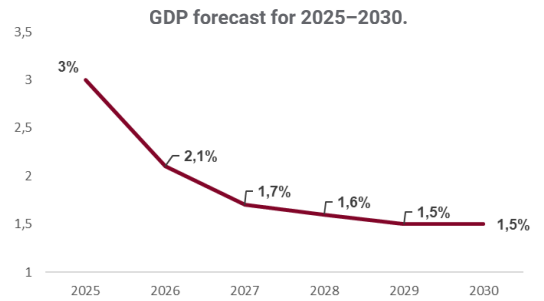


## Macroeconomic forecasts

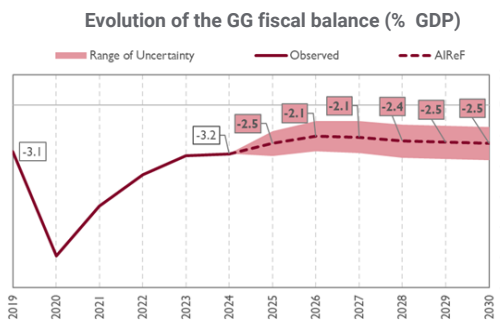
AIReF **improves its growth forecast for 2025 and 2026**, but warns that in the medium term GDP will lose momentum, falling to 1.5% in 2030.



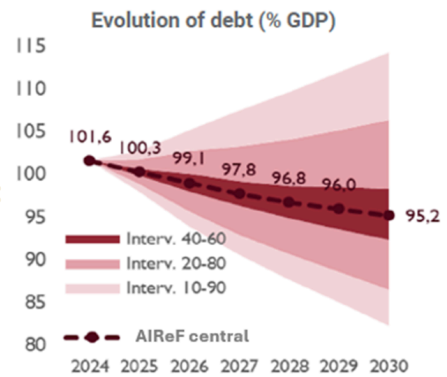
- Factors contributing to the improvement:**
- Better **growth** performance.
  - Better **global trade** performance.
  - The pull effect of the **National Statistics Institute revisions**.
  - The strength of **domestic demand**.



## Fiscal forecasts



The **public deficit and public debt forecasts have been improved**, however, it is estimated that, as of 2027, the pressure of expenditure associated with **ageing, the interest burden and defence** will break the downward path of the deficit.



## Monitoring of the MTP and its fit in the national fiscal framework

AIReF forecasts **non-compliance** with the **national expenditure rule** in the short term and with the **European rule** at the end of the MTP period.

Computable expenditure for the purposes of the expenditure rule (% change)

	2025	2026	2027
<b>Reference Rates</b>	3.2	3.3	3.4
<b>CG</b>	7.1	3.4	5.4
<b>ARs</b>	5.5	4.2	4.7
<b>LGs</b>	3.7	3.8	3.1

**Compliance with the national expenditure rule in 2025 would be adequate to meet the reference rate contained in the MTP, but not in 2026 and 2027.**

Growth in net primary expenditure (% change)

Tasa crecimiento del gasto computable	2024	2025	2026	2027	2028	2029	2030	2031
<b>Gobierno PFEMP</b>								
Anual	5,3	3,7	3,5	3,2	3,0	3,0	2,5	2,4
Acumulado		9,2	13,0	16,6	20,1	23,7	26,8	29,9
<b>AIReF políticas constantes</b>								
Anual	4,3	4,6	4,6	4,3	4,0	4,4	3,9	3,5
Acumulado		9,1	14,2	19,2	24,1	29,6	34,9	39,8

- Control Account**
- |            | 2024 | 2025 | 2026 | 2027 | 2028 |
|------------|------|------|------|------|------|
| Annual     | 0,4  | -0,4 | -0,4 | -0,4 | -0,4 |
| Cumulative | 0,4  | 0,0  | -0,4 | -0,8 | -1,2 |
- 2025: **exceeds the control account.**
  - 2026: **only the annual control account is met.**
  - 2027 y 2028: **additional measures-**



## Recommendations

AIReF recommends that the Ministry of Finance **ensure consistency between the stability and debt targets and the two expenditure rules in force**. The Law on Budgetary Stability demands this consistency.

