

## Boxes

### Contents

#### **Box 1. Macroeconomic projections for the Spanish economy (2022-2024)**

The Banco de España's latest macroeconomic projections revise Spanish GDP growth slightly upwards in 2022, but significantly reduce the rate of growth in 2023. They also envisage higher and more persistent future inflation rates than those projected in June. These projections are subject to an exceptional level of uncertainty and the risks are tilted to the downside for activity and to the upside for inflation, especially on account of hypothetical adverse developments on energy markets.

#### **Box 2. Manufacturing in Spain: recent developments**

Between January and July 2022 manufacturing output in Spain increased, with respect to the same period in 2021, by proportionately more than in Germany, France and Italy. Beneath the aggregate performance lies a high level of heterogeneity across the different sub-sectors, the buoyancy of wearing apparel and of leather and related products contrasting with declines in output in basic metals and motor vehicles. This heterogeneity is explained by the differences between subsectors in the intensity of their energy consumption, their exposure to the recovery of social activities and the impact of bottlenecks.

#### **Box 3. An approach to the possible impact of the rise in interest rates on firms' financial position**

Rising interest rates will have an adverse impact on the incomes of indebted firms through the increase in the average cost of their debt. As a result of these developments, the share of corporate debt owed by firms under high financial pressure may increase considerably.

#### **Box 4. The pass-through of higher natural gas prices to inflation in the euro area and in Spain**

The increase in natural gas prices is passed through to inflation via direct and indirect effects. The latter, arising from the higher prices of products using this commodity in their productive process, take longer to materialise, but are more persistent. The sharp increase in natural gas prices since January 2021 may explain around one third of the inflation in the euro area and in Spain in August 2022.

#### **Box 5. A preliminary analysis of the sensitivity of energy consumption in Spain to energy price rises**

In recent quarters, the sharp increase in the price of electricity and vehicle fuel has given rise to a less pronounced fall in the consumption of these products than historical evidence would have suggested. However, it is still too early to assess the precise factors that may have contributed to this reduced sensitivity of demand to price, let alone to conclude that there has actually been a structural change in the price sensitivity of demand.

#### **Box 6. Recent indexation clauses: an analysis**

In the collective bargaining agreements recorded up to August an increase in the prevalence of indexation clauses is discernible in those effective in 2022 and, especially, in 2023. The historical evidence suggests that the coverage provided by indexation clauses against different inflation surprises has declined in recent years.