

# SPANISH MACROECONOMIC PROJECTIONS

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27 MARCH 2026

BANCODE **ESPAÑA**  
Eurosistema



1

**PRE-SHOCK  
DATA AND  
NOWCAST**

2

**SUPPLY-SIDE  
SHOCK**

3

**PROJECTIONS  
BASELINE  
SCENARIO**

4

**UNCERTAINTY  
AND  
ALTERNATIVE  
SCENARIOS**

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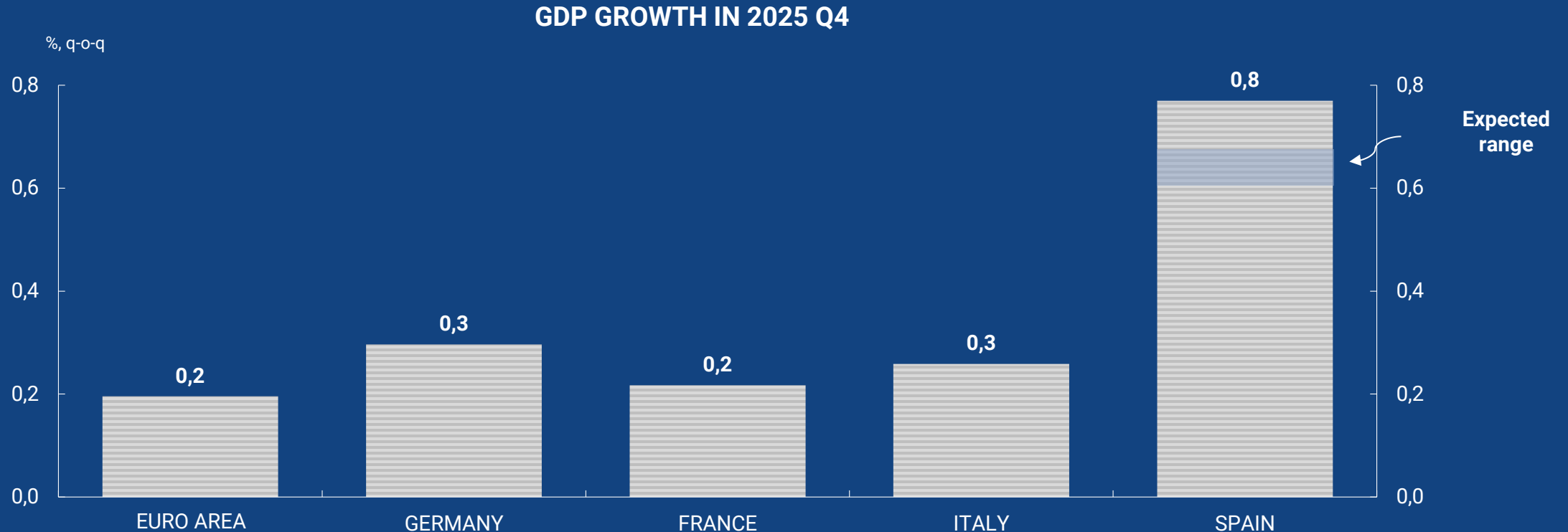
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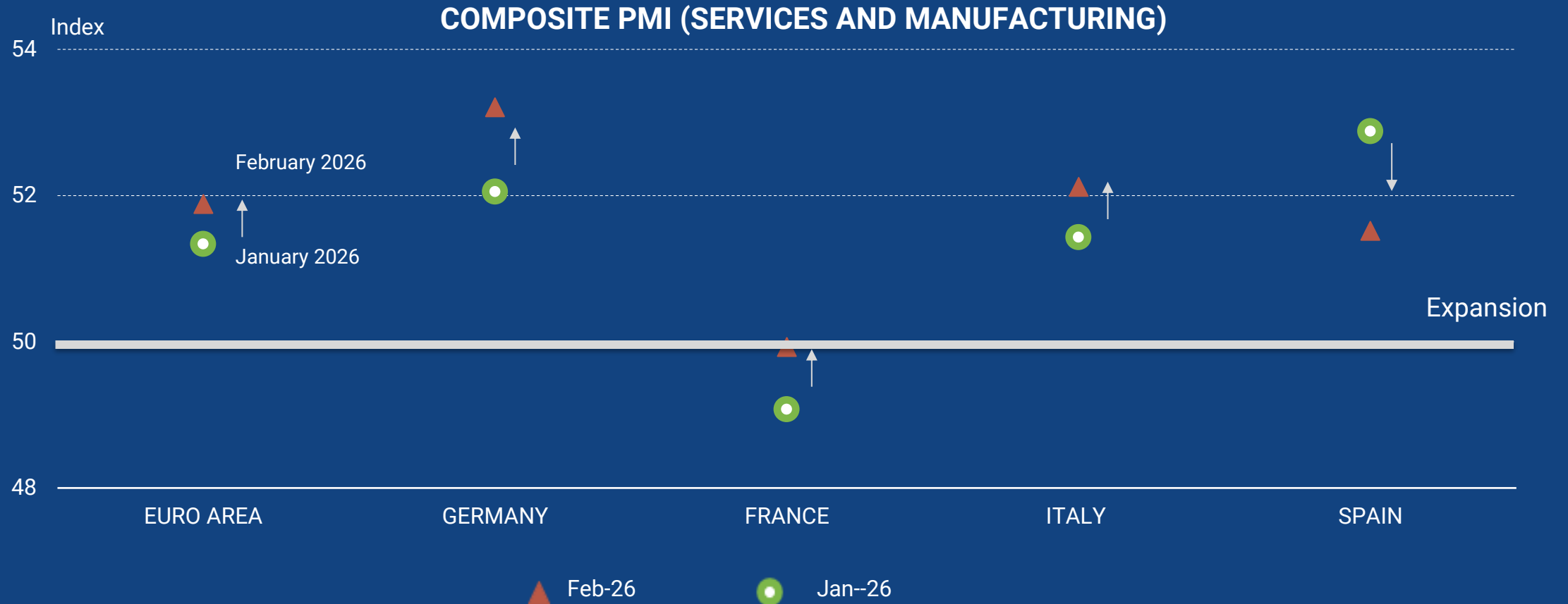
# GDP ROSE 0.2% IN THE EURO AREA AND 0.8% IN SPAIN IN 2025 Q4



Sources: Eurostat and Eurosystem.

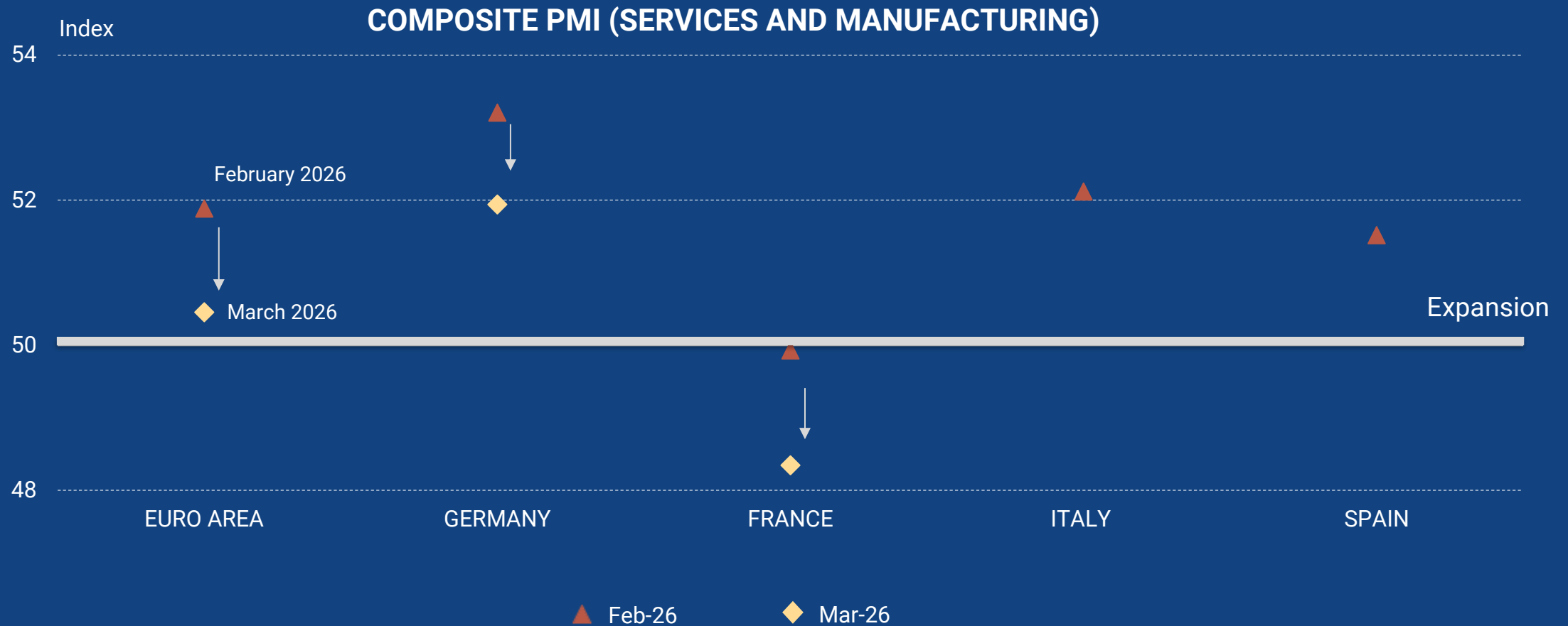
Growth in the main countries exceeded the Eurosystem's December BMPE projections, offsetting the contraction in Ireland (-3.8% q-o-q)

# PMIs REMAINED POSITIVE UP TO FEBRUARY



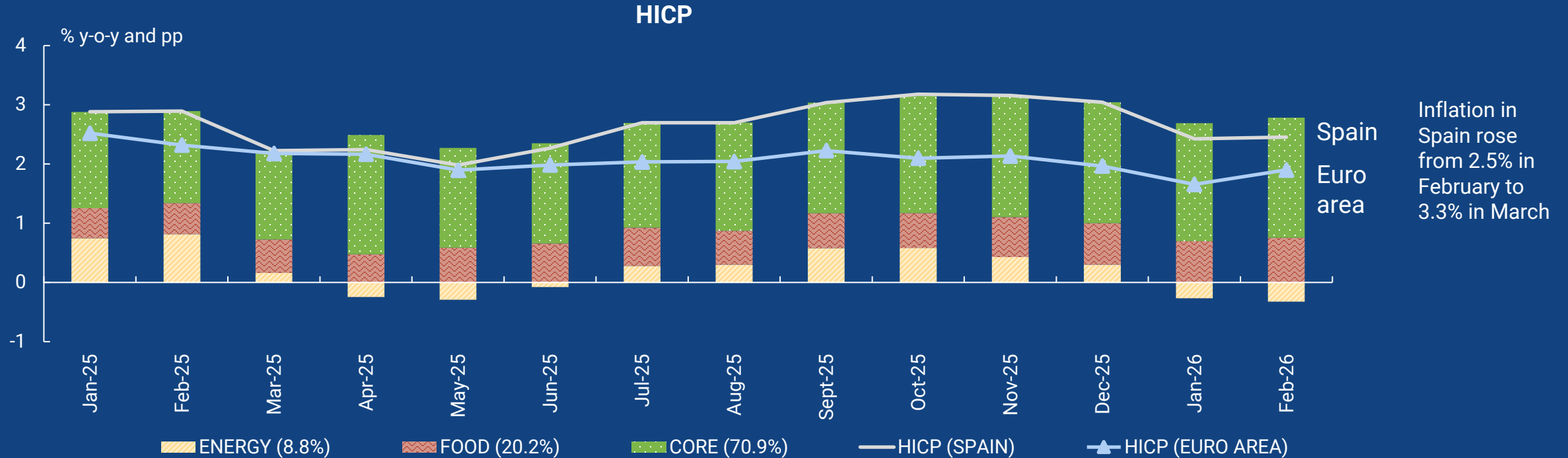
Source: S&P Global.

# MARCH PMI FLASH ESTIMATE: A SLIGHT FALL IN THE EURO AREA



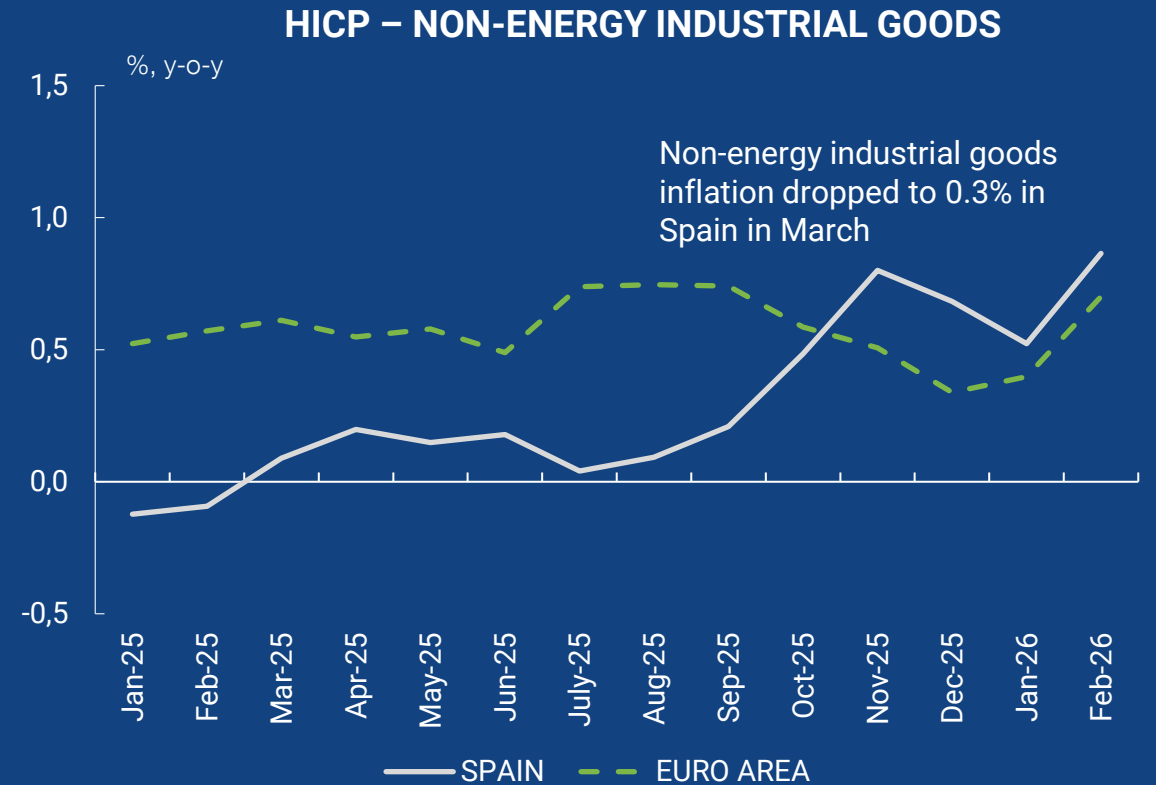
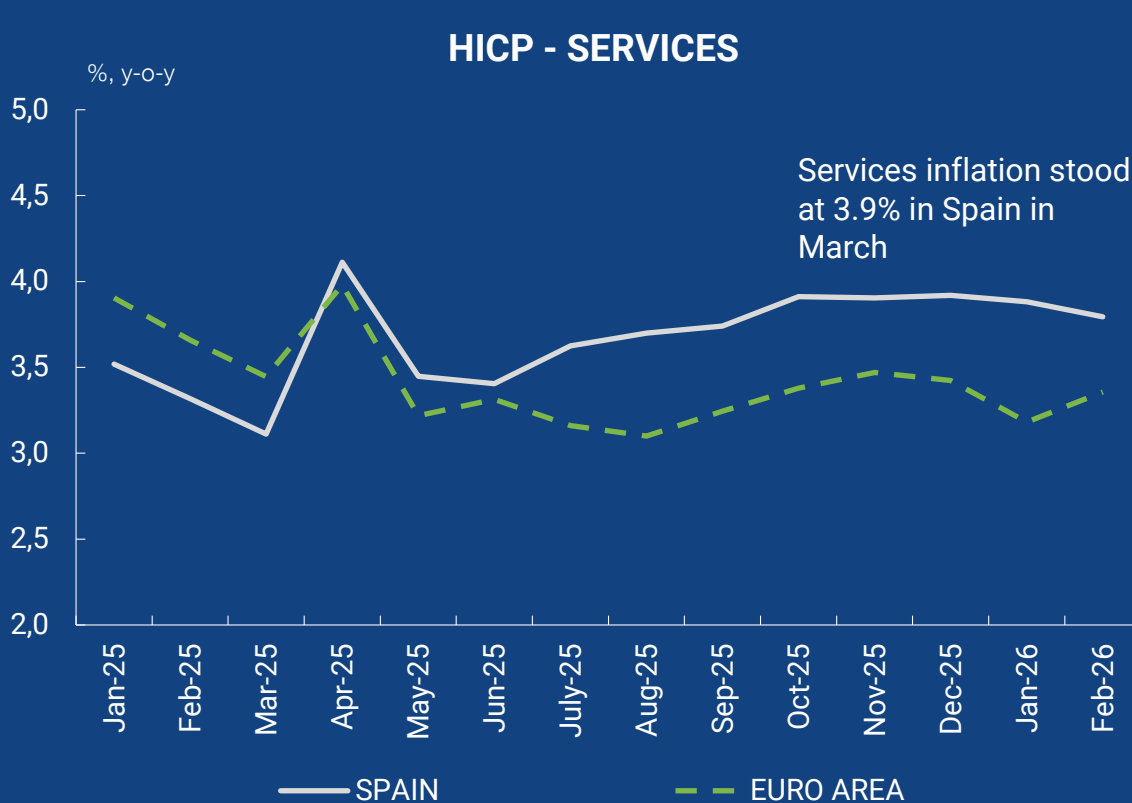
Source: S&P Global. Latest observation: March for the euro area, Germany and France (flash estimates).

# INFLATION STOOD AT 3.3% IN SPAIN IN MARCH



Sources: INE, Eurostat and Banco de España.

# CORE INFLATION: SERVICES INFLATION REMAINED STICKY IN MARCH WHILE NON-ENERGY GOODS INFLATION DECELERATED

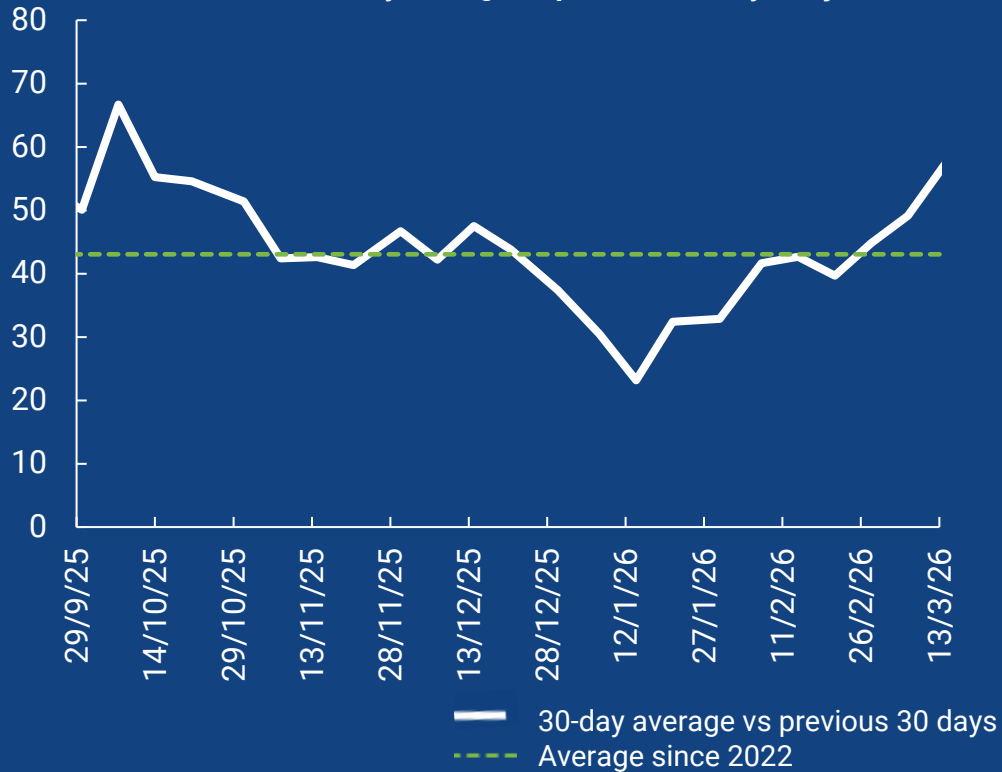


Sources: INE and Eurostat.

# HIGH FREQUENCY: MARCH DATA SHOW STRENGTH

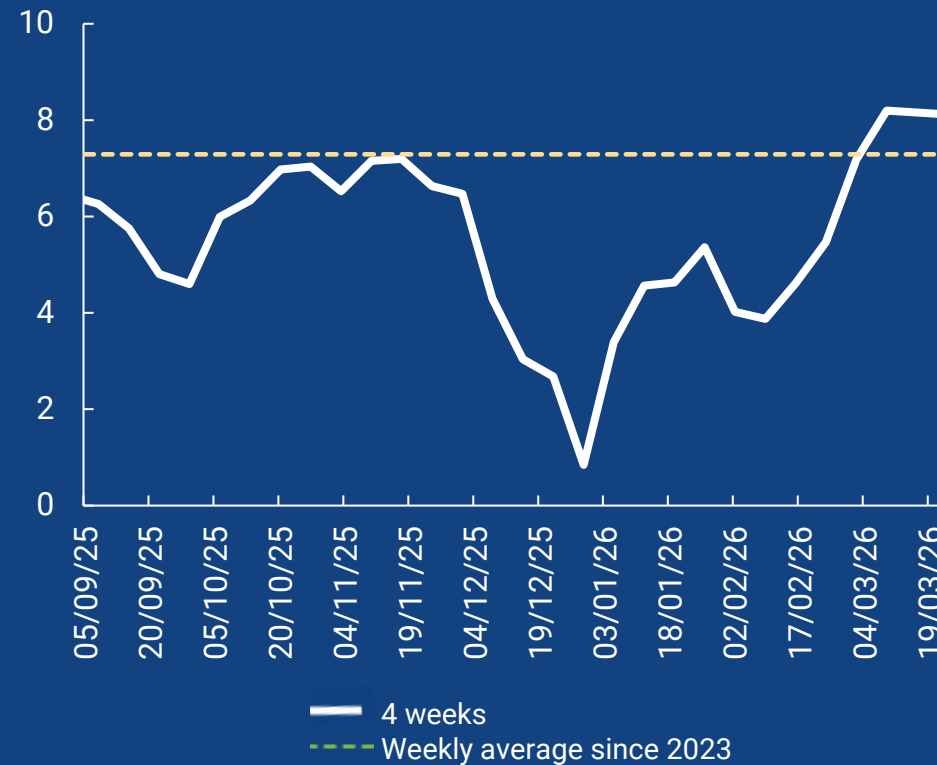
## SOCIAL SECURITY REGISTRATIONS: CHANGE IN NUMBER OF WORKERS

Thousands, 30-day average vs previous 30 days, adjusted



## CARD SPENDING

Nominal, %, y-o-y



Consistent with growth between 0.5% and 0.6% in Q1

Sources: Ministry of Inclusion, Social Security and Migration and card and payment systems drawing on Redsys data.  
Latest data available: social security registrations: 13 March; card spending: 15 March.

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# SURGE IN ENERGY PRICES

## OIL: SPOT PRICE AND FUTURES



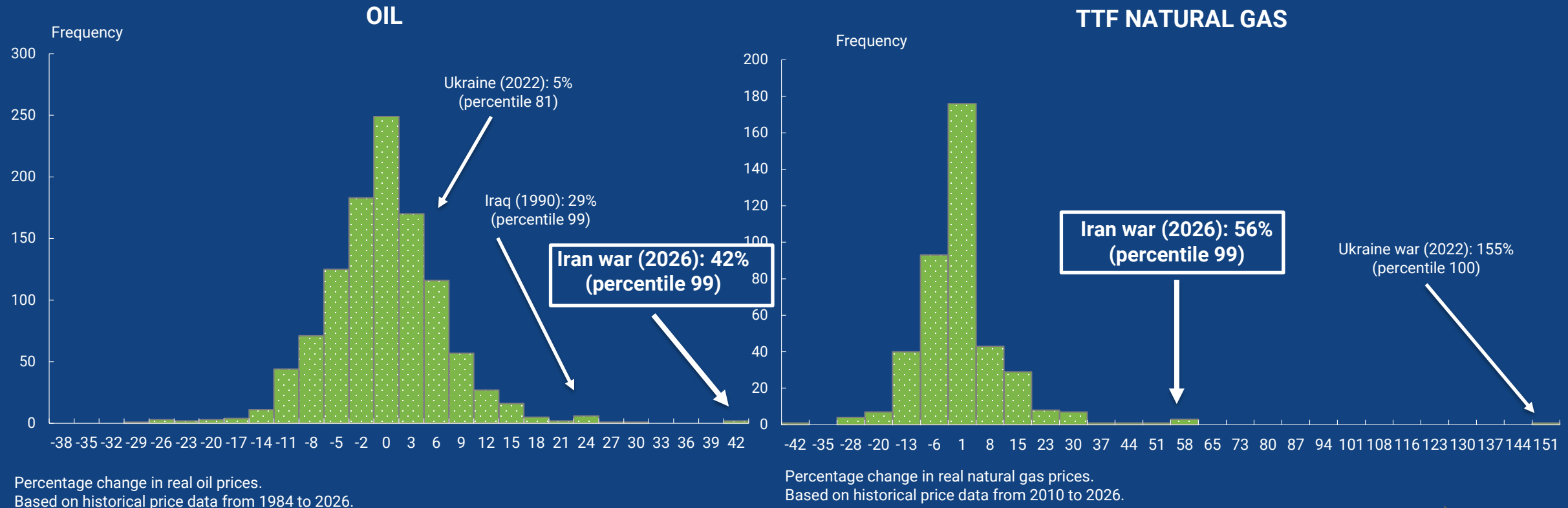
## TTF NATURAL GAS: SPOT PRICE AND FUTURES



Source: LSEG. Latest observation: 24 March.

# A HUGE ENERGY PRICE RISE BY HISTORICAL STANDARDS

## PERCENTAGE CHANGE IN REAL PRICES TWO WEEKS AFTER THE START OF THE CONFLICT



Volatility

Source: Banco de España calculations based on two-week percentage changes in energy prices. Latest observation: 13/03/2026.

# GLOBAL SUPPLY-SIDE SHOCK: IMPACT ON ENERGY, FERTILISERS AND SEMICONDUCTORS

## SECTOR AFFECTED

## IMPACT

**1** ENERGY

~20% OF PRODUCTION AFFECTED

**2** FERTILISERS

~1/3 OF GLOBAL TRADE BLOCKED

**3** SEMICONDUCTORS

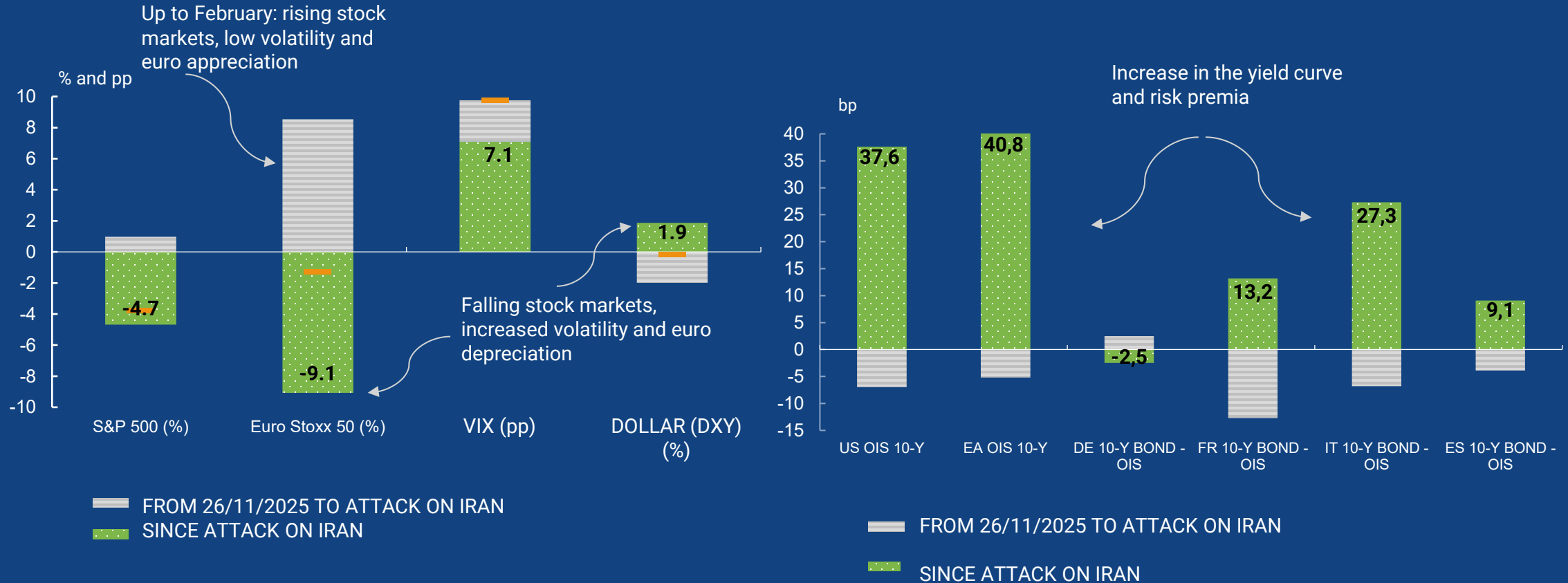
HELIUM AND NEON DISRUPTED:  
4-8 WEEKS OF INVENTORIES



- RISK OF CHIP FABRICATION SHUTDOWNS
- DELAYS IN AI/DATA CENTRE BUILDOUTS

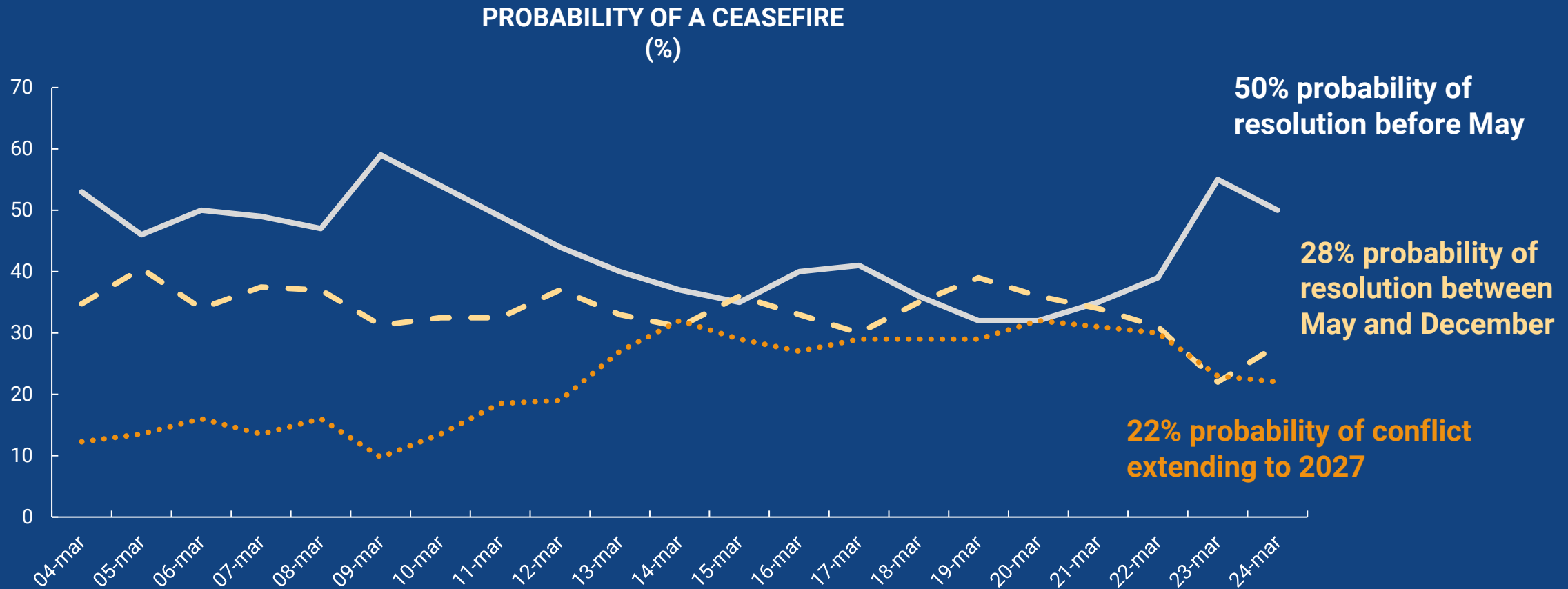
# CHANGE IN MARKET DYNAMICS AFTER THE ATTACK ON IRAN

## MARKET REACTION TO THE ATTACK ON IRAN CHANGES SINCE DECEMBER 2025 BMPE



Source: Bloomberg Data Licence. Latest observation: 24/03/2026.

# POLYMARKET BETS (AT 24 MARCH): STRONG VARIABILITY IN OPINIONS ON THE PROBABILITY OF CONFLICT RESOLUTION



Source: Polymarket. Latest observation: 24 March.

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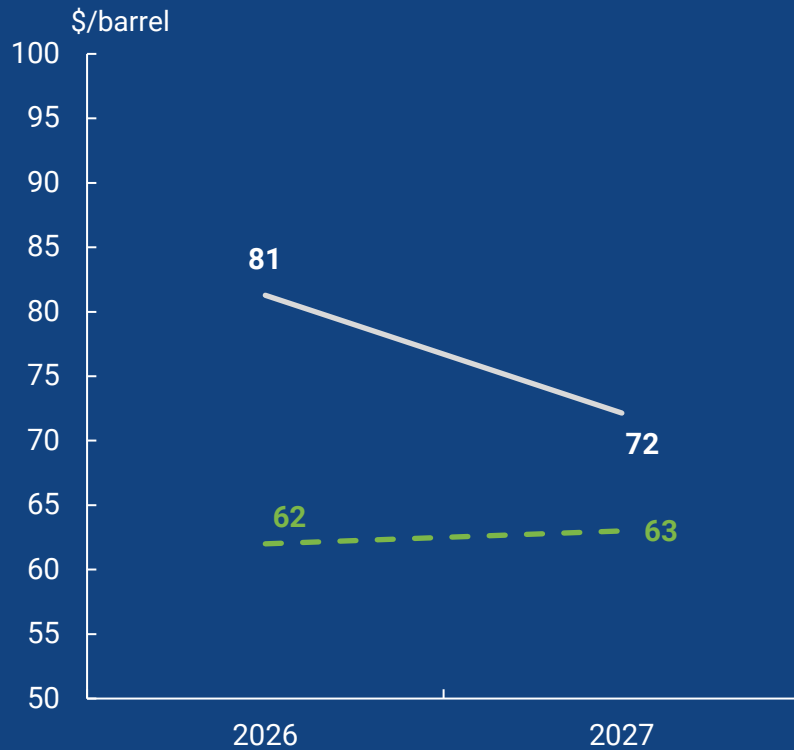
## BASELINE PROJECTIONS

- Assumptions consistent with the ECB for oil and natural gas
- Specificity of the impact on electricity prices
- Include measures approved under Royal Decree-Law (RDL) 7/2026

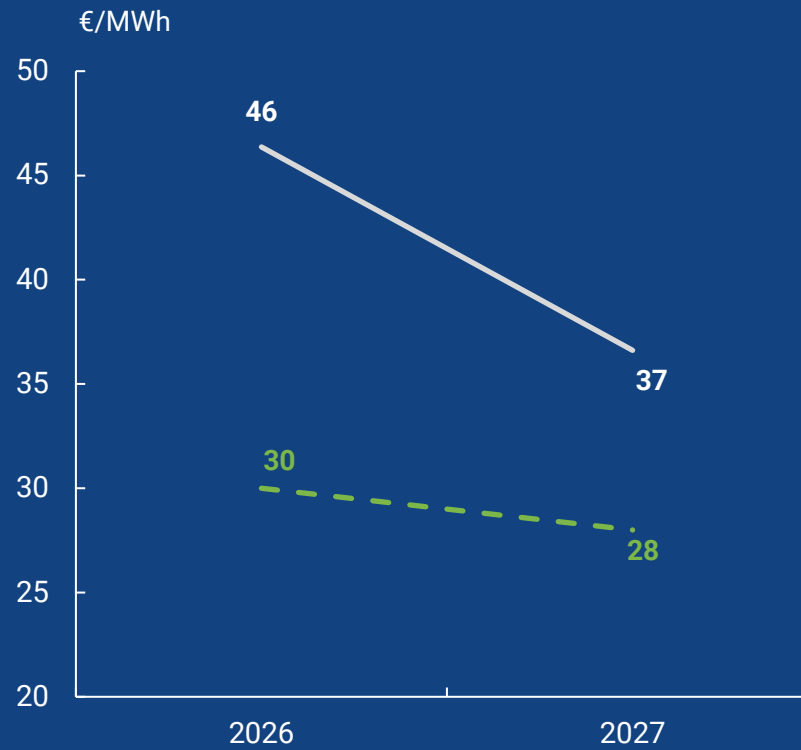
# BASELINE ASSUMPTIONS FOR SPAIN

CONSISTENT WITH ECB ASSUMPTIONS

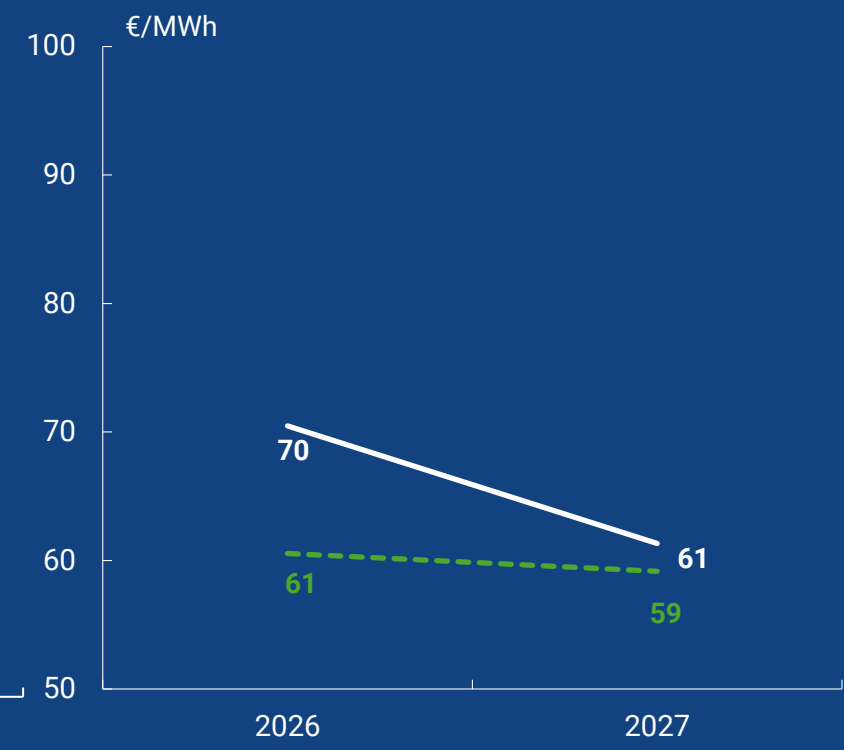
## OIL PRICES



## NATURAL GAS PRICES



## ELECTRICITY PRICES



— Baseline

- - - BMPE Dec-25

# PASS-THROUGH OF ENERGY SHOCK TO ELECTRICITY AND FUEL PRICES IN SPAIN AND IN THE EURO AREA

**Pass-through of higher gas prices to electricity prices**

1. **Smaller pass-through (to wholesale prices) in Spain** owing to energy mix
2. **Faster pass-through (to retail prices) in Spain** due to flexible rates and smart meters

**Pass-through of higher oil prices to fuel prices**

Greater pass-through in Spain on account of:

1. **Higher weight** in the HICP basket (4.3% vs 3.8% in the euro area)
2. **Lower excise duty on retail fuel prices than in the euro area**, meaning that an increase in fuel commodity prices has a larger proportional impact on total prices

# TODAY, HIGHER GAS PRICES HAVE A LOWER IMPACT ON WHOLESALE ELECTRICITY PRICES

## RELATIONSHIP BETWEEN ELECTRICITY PRICES AND THE MARGINAL COST OF GAS GENERATION



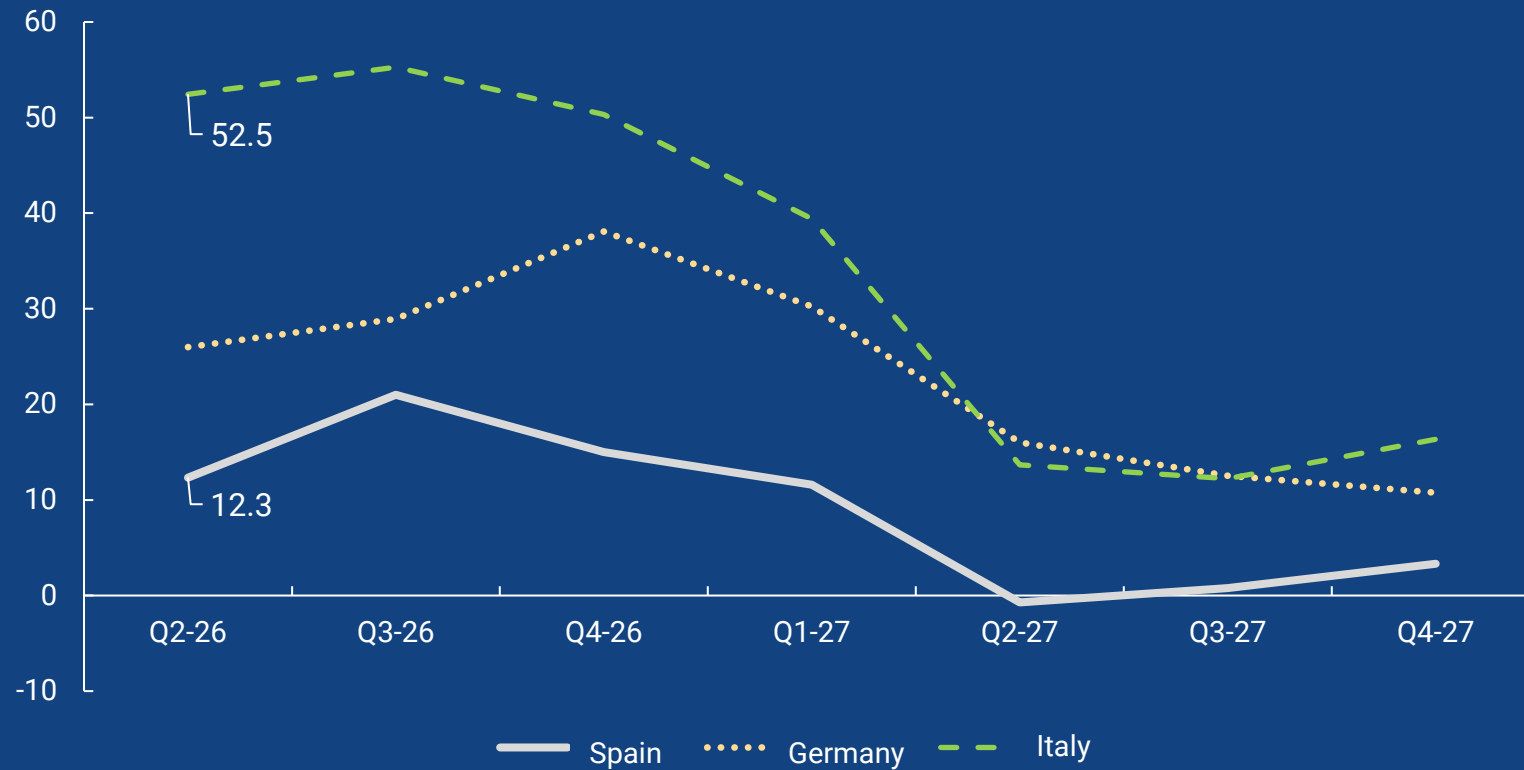
- Up to 2020, in practice, **gas prices set electricity prices** throughout most of the day
- Nowadays, **renewables set lower prices in several time bands** (Correa-López, Delgado-Téllez and Suárez-Varela, 2026)

Sources: MIBGAS, ENTSO-E, EEX.

Note: \*2026 calculated up to 18 March. The cost of using gas to generate electricity is calculated assuming technical efficiency of 50% and emissions of 0.37 tonnes of CO<sub>2</sub> equivalent per MWh.

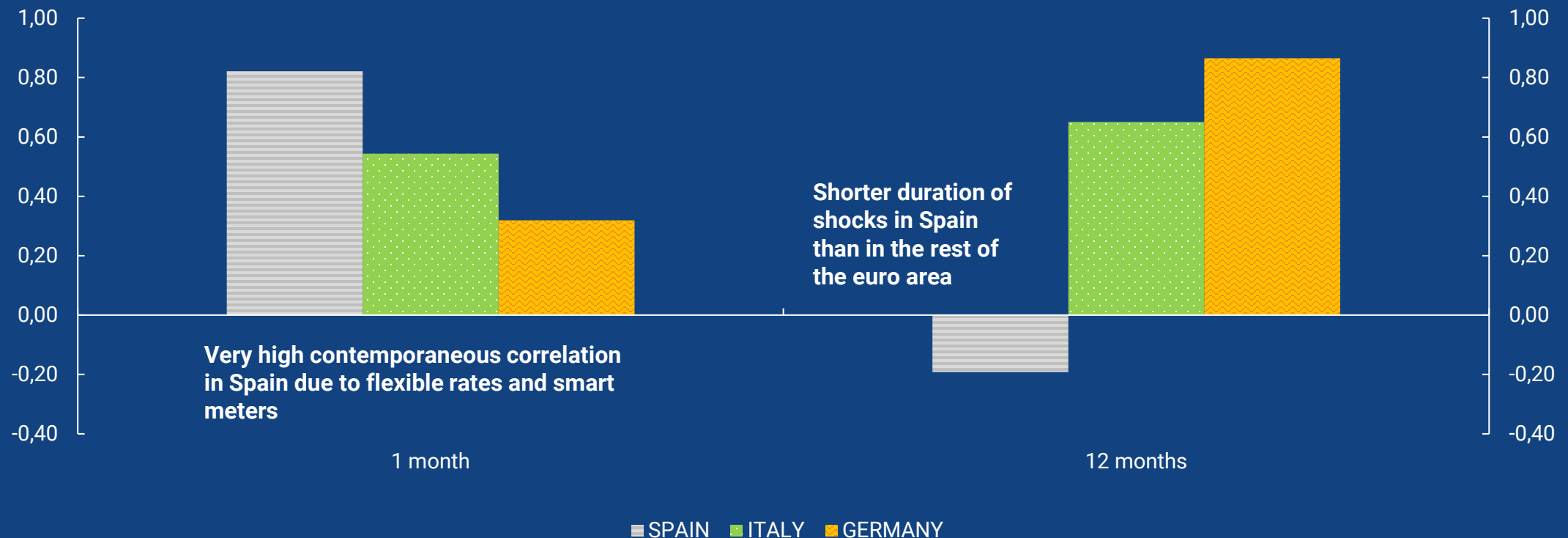
# ELECTRICITY FUTURES PRICES HAVE INCREASED LESS IN SPAIN THAN IN OTHER EUROPEAN COUNTRIES

IMPACT OF SHOCK ON ELECTRICITY FUTURES  
(€/MWh, change between 23 February and 19 March)



# IN SPAIN, CHANGES IN WHOLESALE ELECTRICITY PRICES PASS THROUGH MORE QUICKLY TO THE ELECTRICITY HICP

## CORRELATION BETWEEN WHOLESALE AND RETAIL ELECTRICITY PRICES



Sources: Eurostat, ESIOS and Banco de España.

Notes: The correlation coefficient is computed between the year-on-year change in wholesale market prices and the year-on-year change in the electricity HICP at constant taxes for each respective area. "1 month" refers to the correlation using a one-month lag of the year-on-year increase in the electricity HICP, while "12 months" refers to the correlation using a 12-month lag of the year-on-year increase in the electricity HICP. The period covered is January 2020 to February 2026.

## THE EFFECT OF FISCAL MEASURES IS INCLUDED

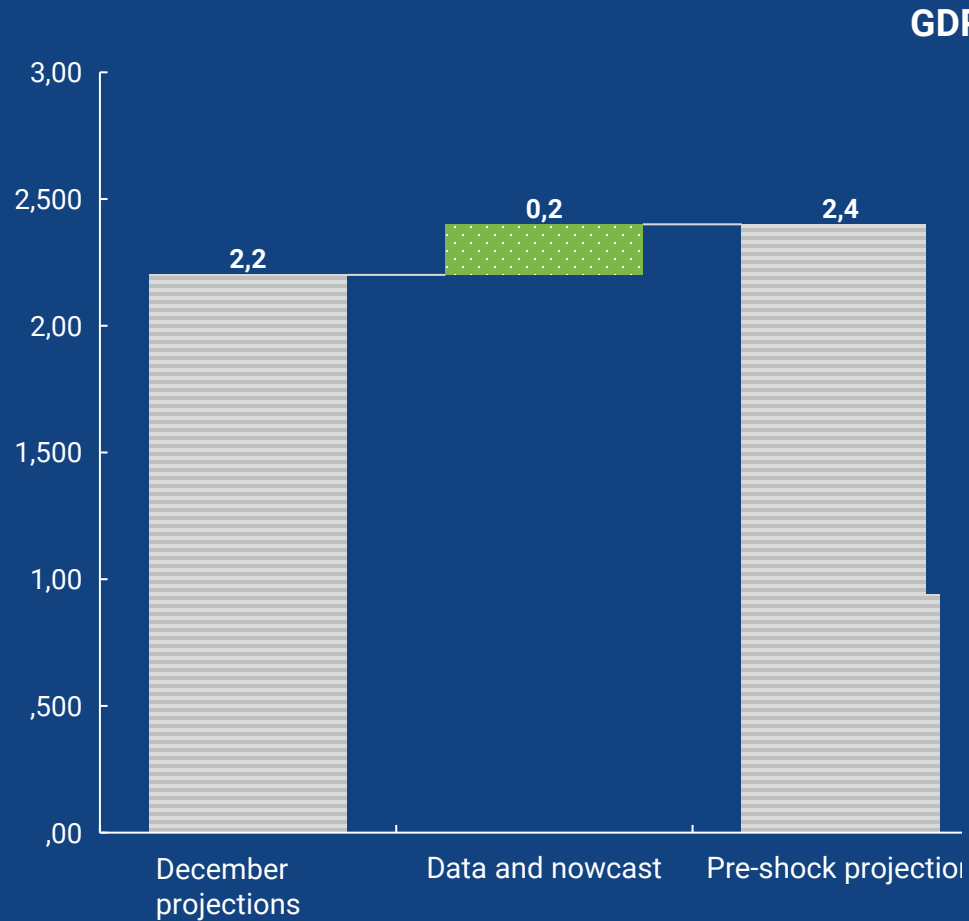
The Government has approved a package of measures to mitigate the effects of the crisis in Iran

### MEASURES INCLUDED IN RDL 7/2026

	AMOUNT (€ billion)	AMOUNT (% of GDP)	EXPIRY DATE
<b>Energy tax cuts</b>	<b>2.6</b>	<b>0.15</b>	
Reduction in fuel VAT (from 21% to 10%)*			30 June 2026
Reduction in VAT on electricity, gas and wood (from 21% to 10%)*			30 June 2026
Reduction in hydrocarbon excise duty*			30 June 2026
Reduction in the electricity tax (from 5.11% to 0.5%)*			30 June 2026
Suspension of the electricity generation tax (IVPEE)			30 June 2026
<b>Subsidies, direct aid and other measures</b>	<b>2.4</b>	<b>0.14</b>	
Fuel rebate of €0.20 per litre for the transport, agricultural and livestock sectors			30 June 2026
Aid for industrial and energy-intensive sectors			31 Dec. 2026
Transfers to the primary sector and maritime transport			31 Dec. 2026
Measures to protect energy consumers			31 Dec. 2026
Personal income tax deductions for the purchase of electric vehicles			31 Dec. 2026
<b>TOTAL</b>	<b>5.0</b>	<b>0.29</b>	

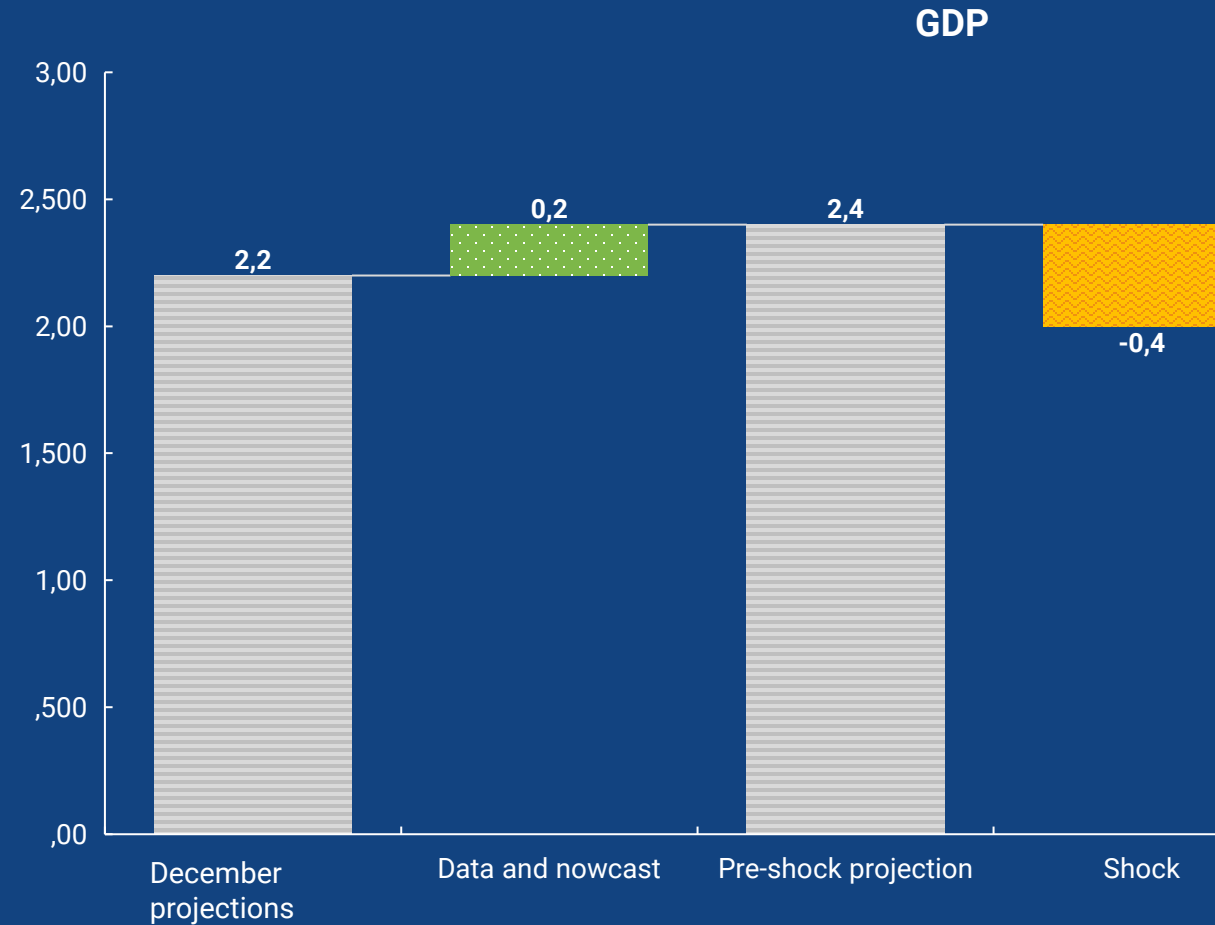
\* The reductions in VAT, hydrocarbon excise duty and electricity tax may expire at the end of May, depending on the April CPI figure.

# GDP PROJECTIONS FOR 2026: DATA BEFORE THE SHOCK



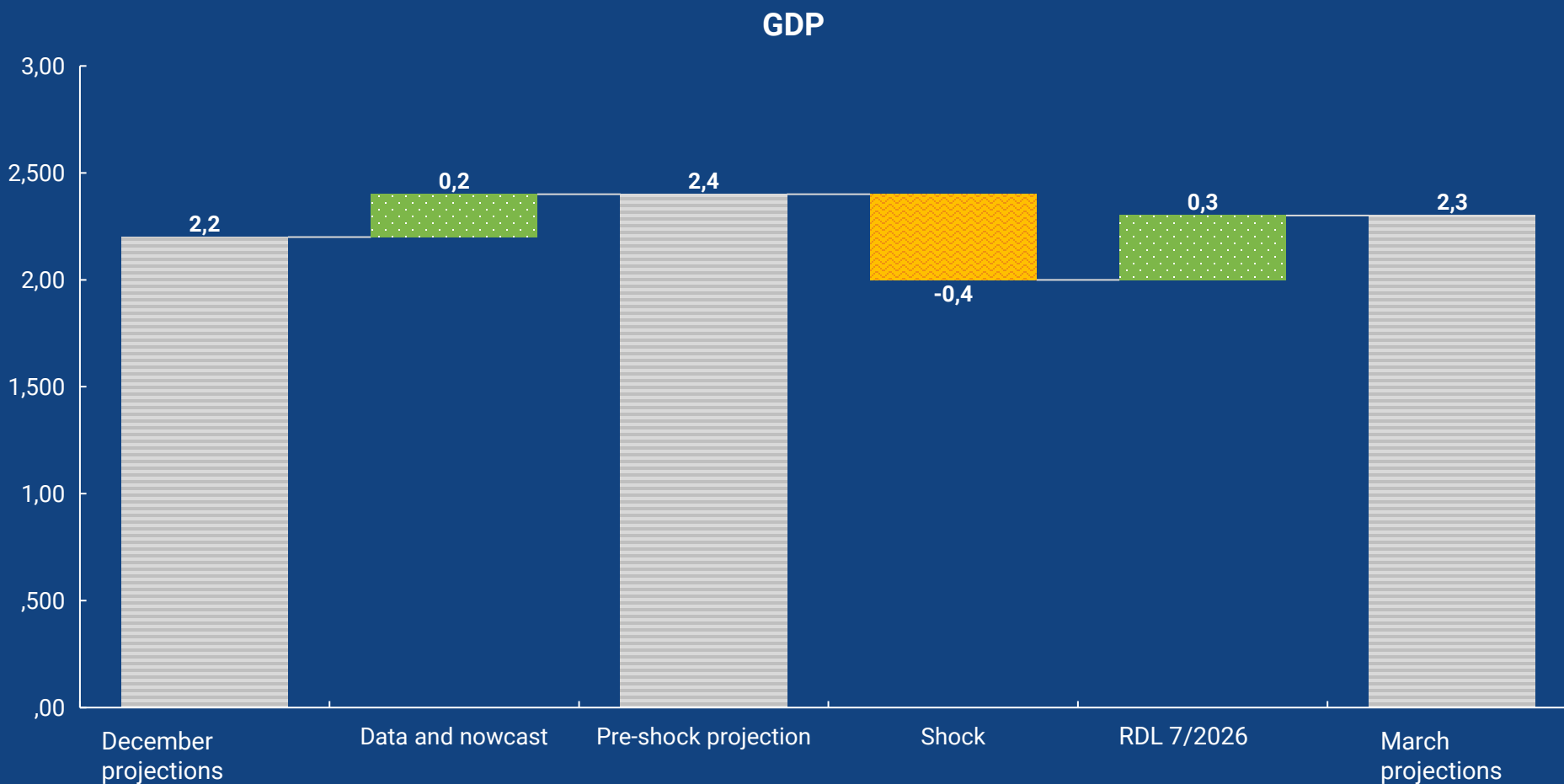
Source: Banco de España.

# GDP PROJECTION 2026: EFFECT OF THE SHOCK



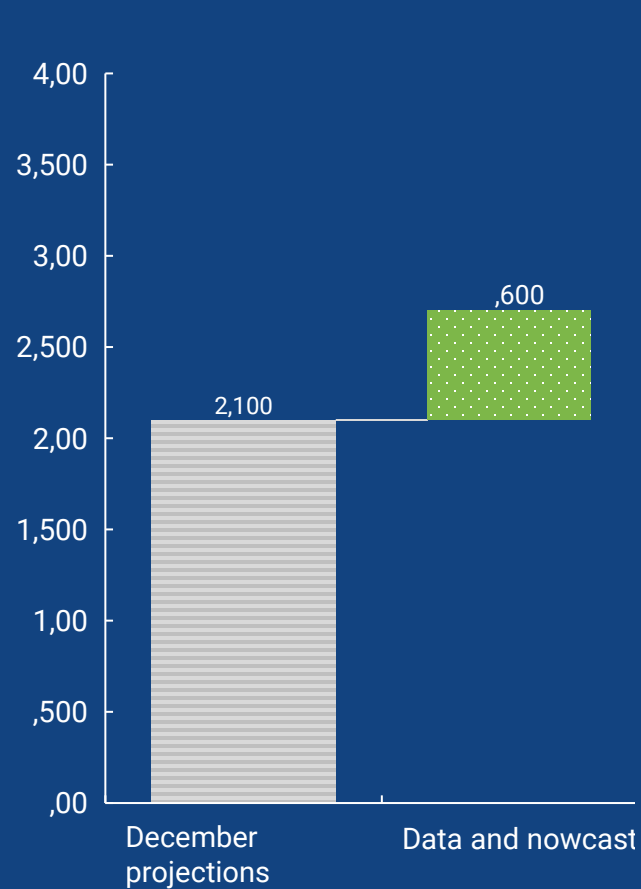
Source: Banco de España.

# GDP PROJECTION 2026: DATA, SHOCK AND FISCAL MEASURES



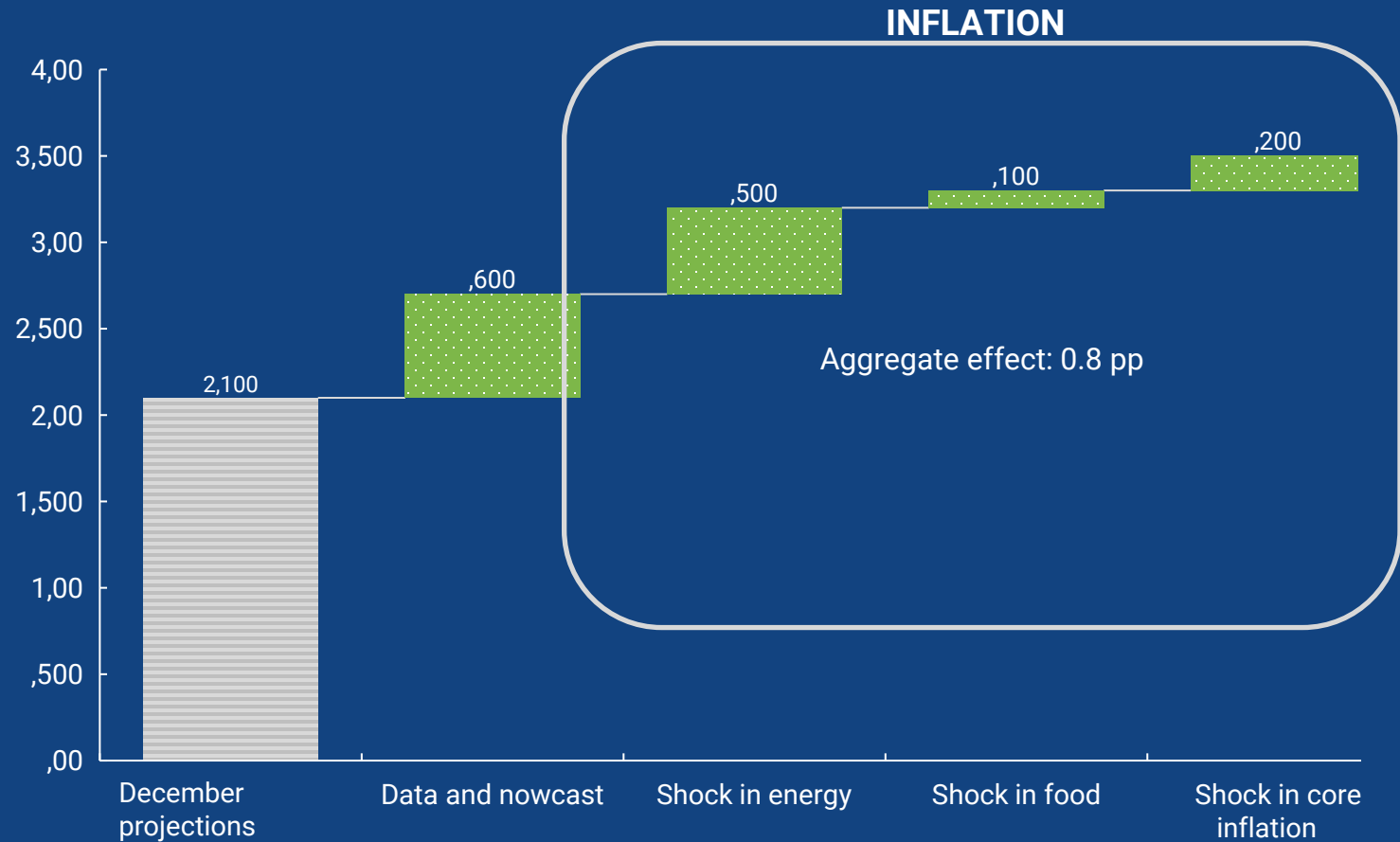
Source: Banco de España.

# HICP PROJECTIONS FOR 2026: DATA BEFORE THE SHOCK



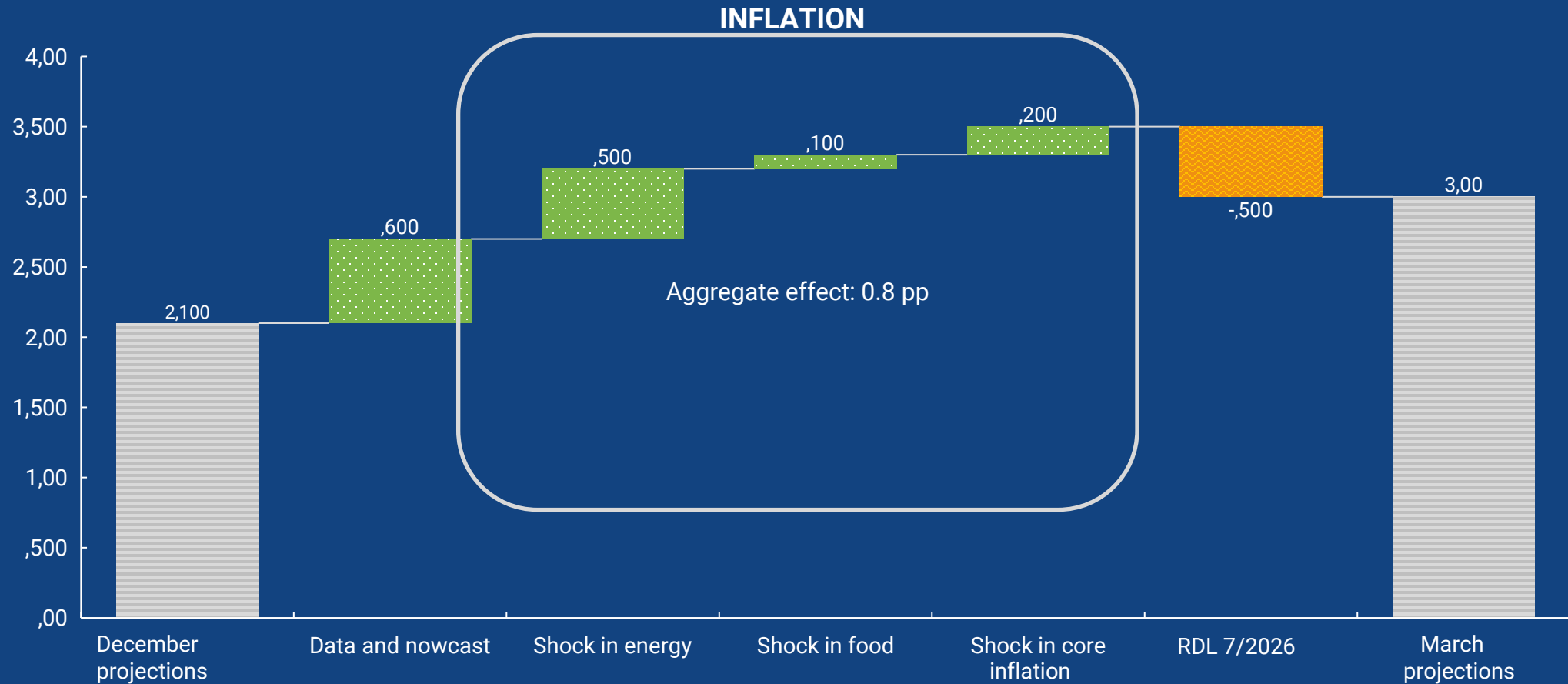
Source: Banco de España.

# HICP PROJECTION 2026: EFFECT OF THE SHOCK



Source: Banco de España.

# HICP PROJECTION 2026: DATA, SHOCK AND FISCAL MEASURES



Source: Banco de España.

## GDP GROWTH COMPARED WITH THE EURO AREA (WITHOUT RDL 7/2026): SIMILAR IMPACT

GDP growth projections							
	Spain				Euro area		
	December	March w/out RDL 7/2026	Change		December	March	Change
2026	2.2	2.0	+0.2 (former)	-0.4 (shock)	1.2	0.9	-0.3
2027	1.9	1.8	-0.1		1.4	1.3	-0.1
Cumulative			-0.3				-0.4

## INFLATION COMPARED WITH THE EURO AREA (WITHOUT RDL 7/2026): SIMILAR IMPACT

Inflation projections							
	Spain			Euro area			
	December	March w/out RDL 7/2026	Change		December	March	Change
2026	2.1	3.5	+0.6 (former)	+0.8 (shock)	1.9	2.6	+0.7
2027	1.9	2.0	+0.1		1.8	2.0	+0.2
Cumulative			+1.5				+0.9

Although the direct impact of the shock is similar, inflation in Spain had already been revised upwards by a larger amount before the shock

## PROJECTIONS 2026-2027: BASELINE SCENARIO INCLUDING RDL 7/2026

	2025	2026	2027
<b>GDP</b>	2.8	2.3	1.7
<b>Private consumption</b>	3.4	2.7	1.5
<b>Public consumption</b>	2.4	1.8	1.9
<b>Gross capital formation</b>	5.8	5.5	2.1
<b>Exports of goods and services</b>	3.6	2.4	2.6
<b>Imports of goods and services</b>	6.2	4.9	2.9
<b>Net external demand (contribution)</b>	-0.7	-0.7	0.0
<b>Headline inflation</b>	2.7	3.0	2.5
<b>Core inflation</b>	2.6	2.7	2.7
<b>Employment (persons)</b>	2.7	2.2	1.3
<b>Unemployment rate</b>	10.5	9.9	9.6
<b>General government deficit (% of GDP)</b>	2.5	2.3	2.3

Solid growth in private consumption and investment in 2026

Core inflation is expected to remain highly persistent

RDL 7/2026 adds 0.3 pp to the deficit in 2026

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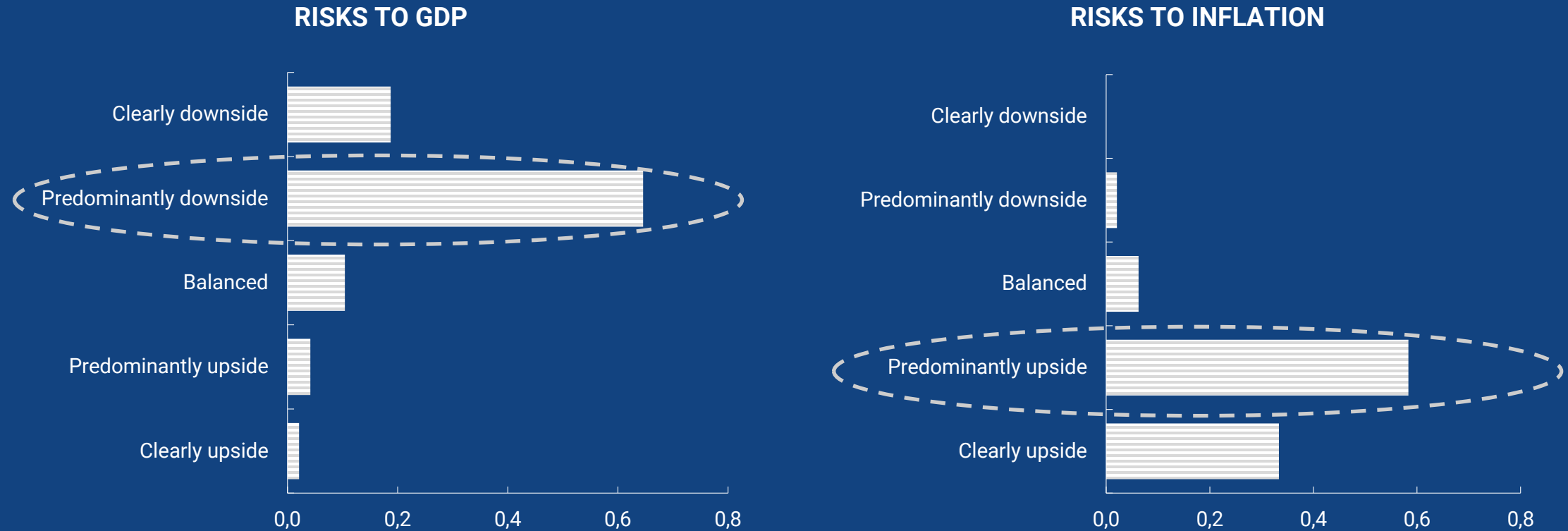
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# RISK SURVEY: DOWNSIDE RISKS TO GDP AND UPSIDE RISKS TO INFLATION ARE IDENTIFIED

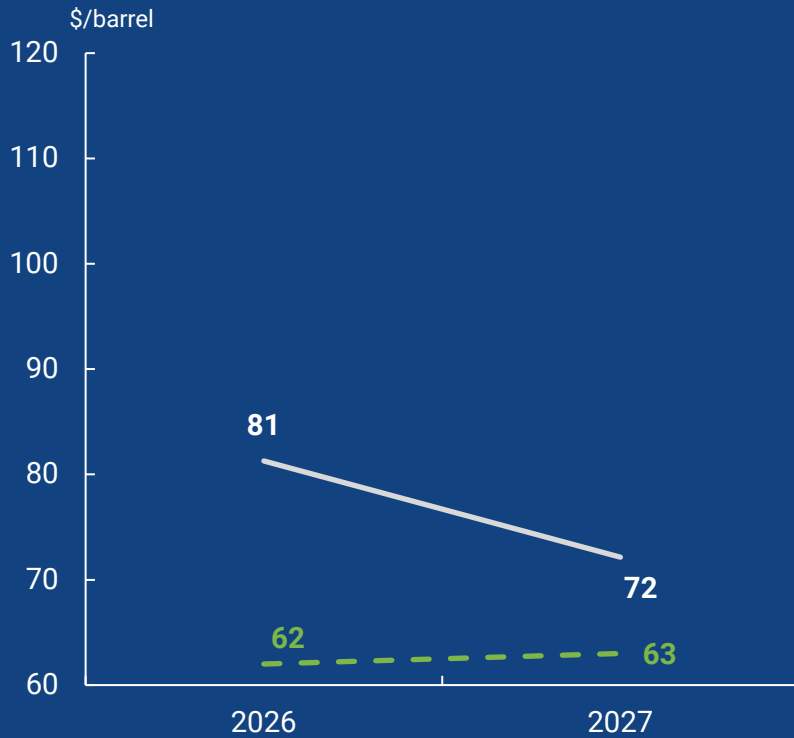


Source: Banco de España.

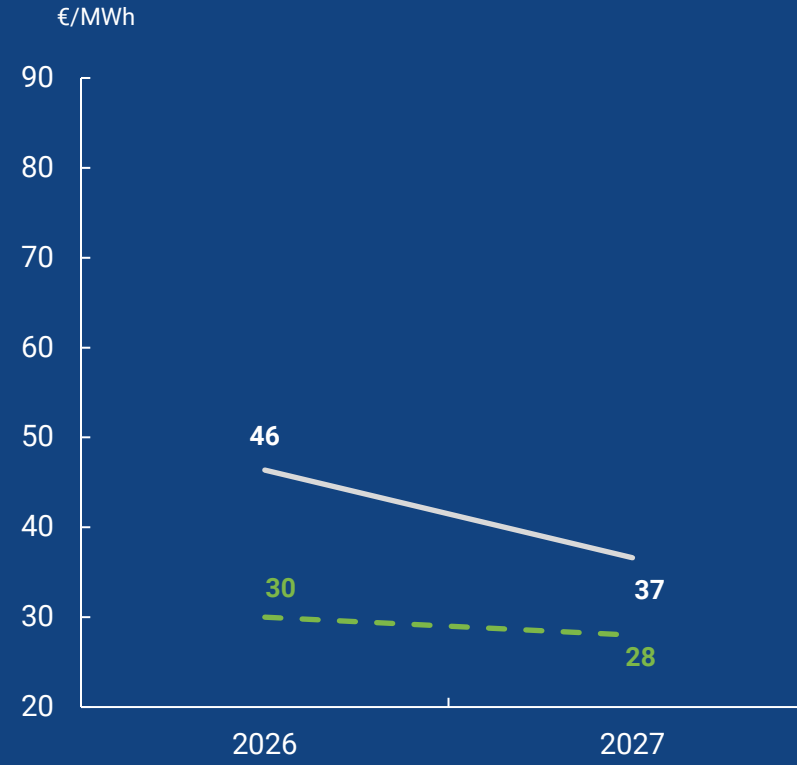
Survey of Banco de España staff involved in the preparation of the projections (48 responses).

# ASSUMPTIONS UNDER THE BASELINE SCENARIO

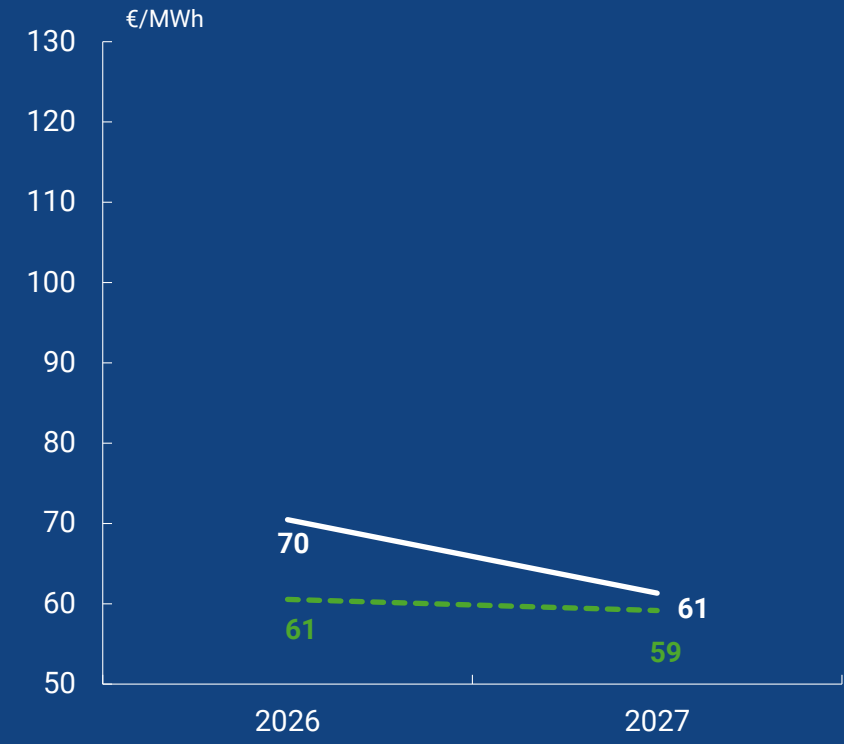
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## NATURAL GAS PRICES



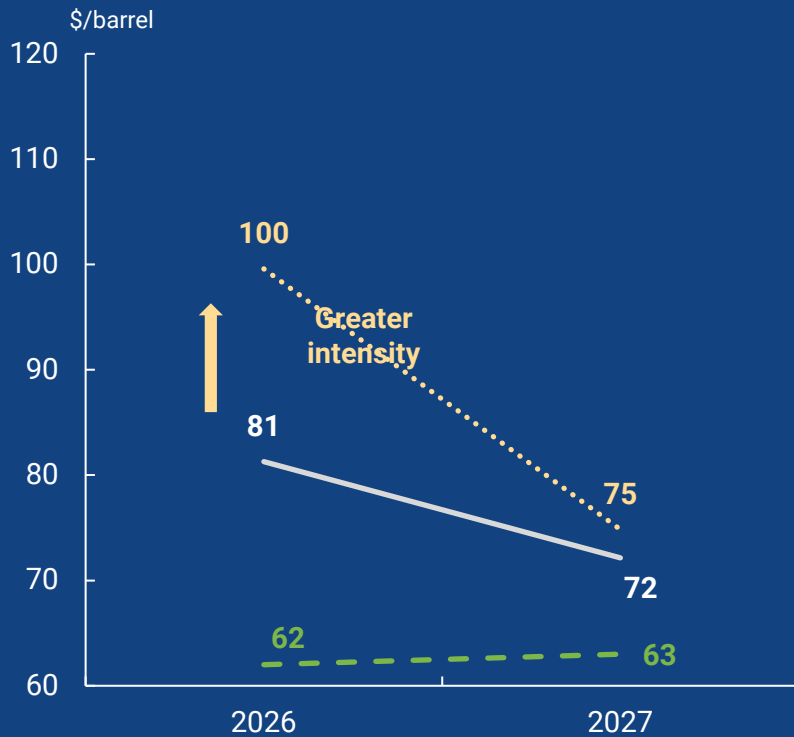
## ELECTRICITY PRICES



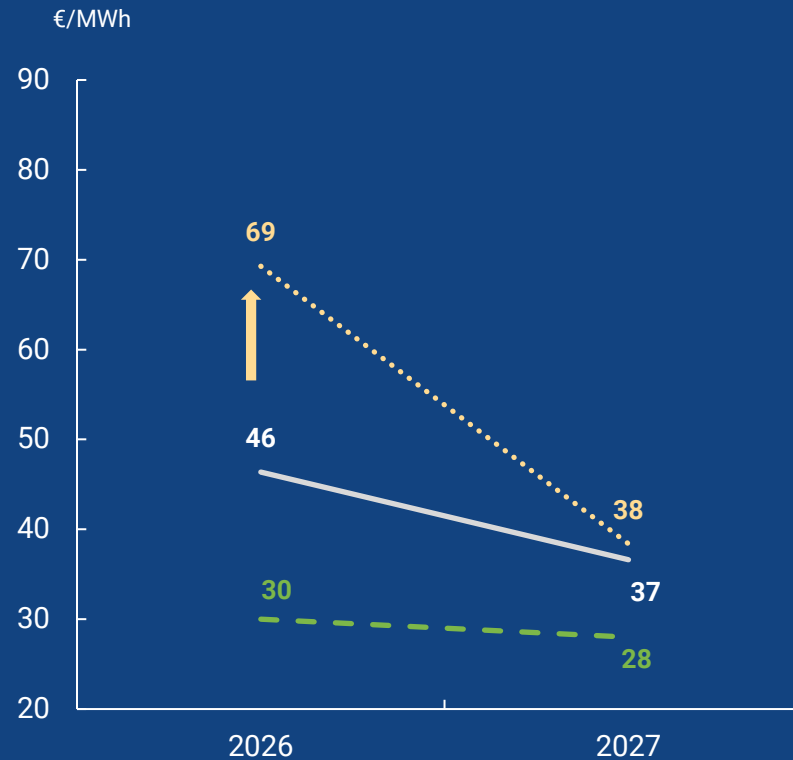
— Baseline      - - - BMPE Dec-25

# ASSUMPTIONS UNDER THE ADVERSE SCENARIO

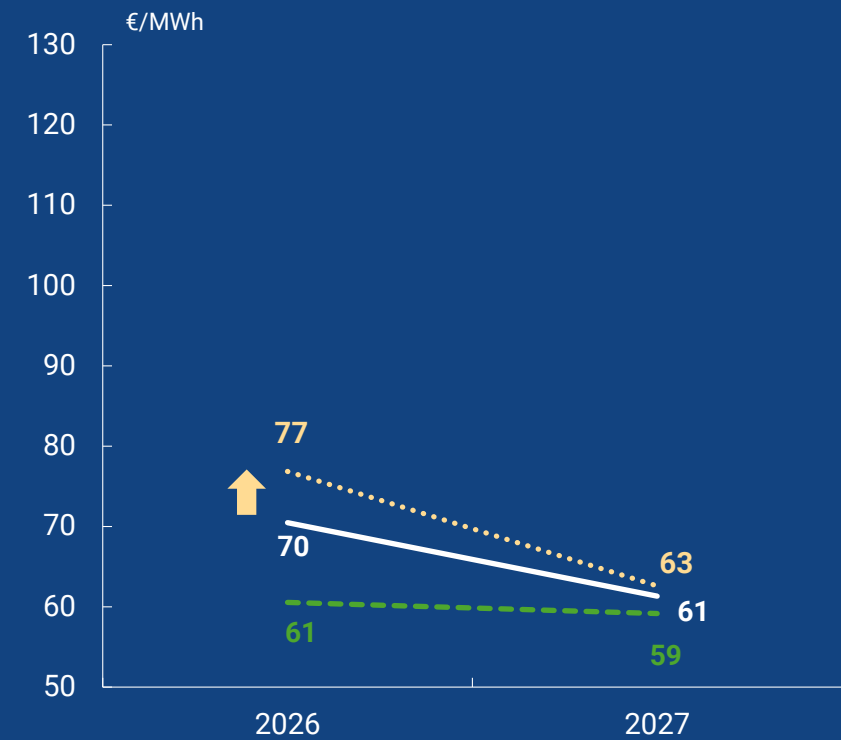
## OIL PRICES



## NATURAL GAS PRICES



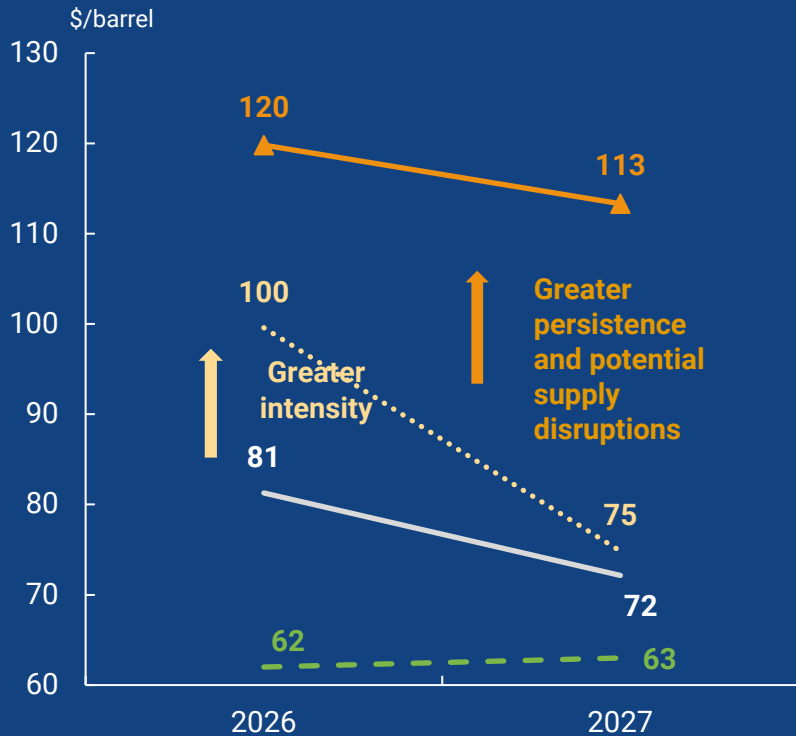
## ELECTRICITY PRICES



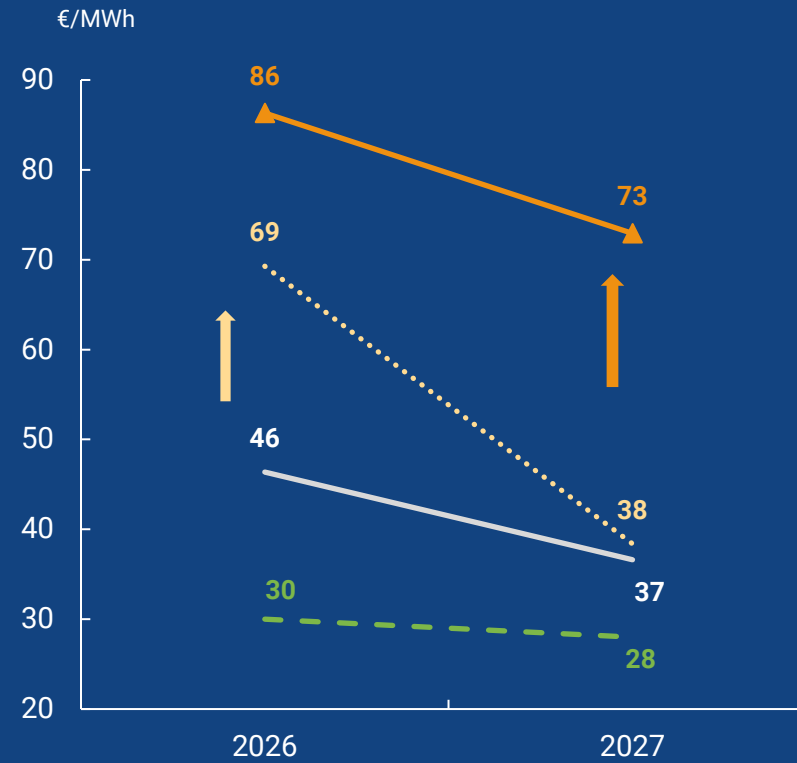
— Baseline    - - - BMPE Dec-25    ..... Adverse

# ASSUMPTIONS UNDER THE SEVERE SCENARIO

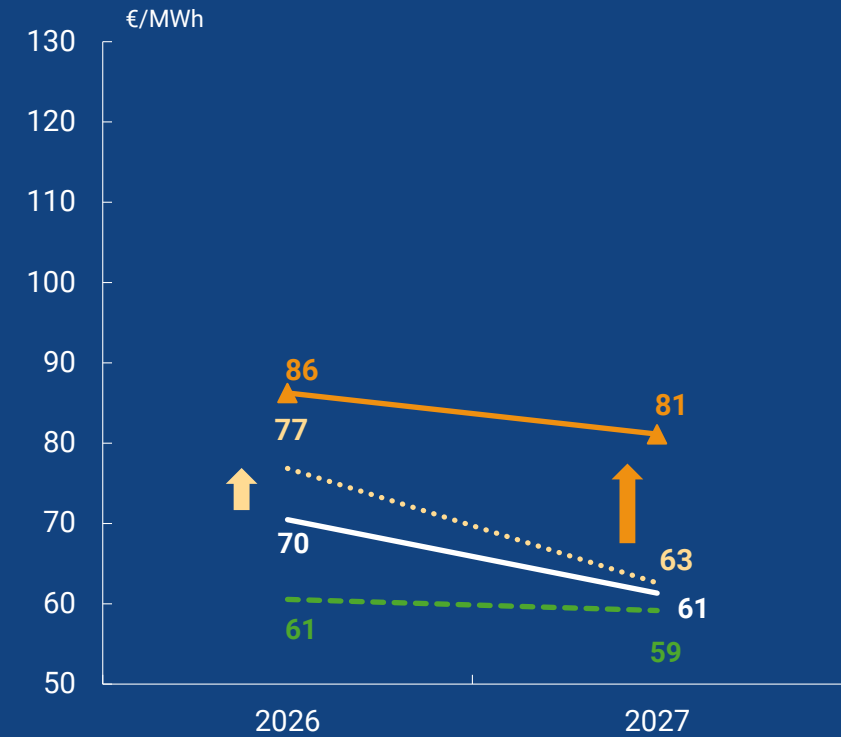
## OIL PRICES



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## ELECTRICITY PRICES



— Baseline  
 ..... Adverse  
 - - - - - BMPE Dec-25  
 —▲— Severe

# IMPACT OF THE SCENARIOS ON GDP AND INFLATION PROJECTIONS

## SPAIN

## EURO AREA

Impact on GDP						
	Baseline (with RDL 7/2026)	Adverse (dev. from baseline)	Severe (dev. from baseline)	Baseline	Adverse (dev. from baseline)	Severe (dev. from baseline)
2026	2.3	-0.1	-0.4	0.9	-0.3	-0.5
2027	1.7	-0.2	-0.6	1.3	-0.1	-0.4
<b>Cumulative</b>		<b>-0.3</b>	<b>-1.0</b>		<b>-0.4</b>	<b>-0.9</b>

Similar impact on GDP in cumulative terms

Impact on inflation						
2026	3.0	+0.9	+2.9	2.6	+0.9	+1.8
2027	2.5	-0.5	+0.7	2.0	+0.1	+2.8
<b>Cumulative</b>		<b>0.4</b>	<b>3.6</b>		<b>1.0</b>	<b>4.6</b>

Impact on inflation is more rapid but less intense

Thank you

# EXTREME ENERGY MARKET VOLATILITY

## PERCENTAGE CHANGE IN OIL VOLATILITY INDEX (OVX) AFTER TWO WEEKS

