





MACROECONOMIC PROJECTIONS

QUARTERLY REPORT ON THE SPANISH ECONOMY

		2024	(P) 2025	(P) 2026	(P) 2027
GDP		3.2%	2.6% ▲0.2 pp	1.8% =	1.7% =
Inflation		2.9%	2.5% ▲0.1 pp	1.7% =	2.4% ▼0.1 pp
Unemployment rate		11.3%	10.5% =	10.2% =	9.7% =
Deficit		3.2%	2.5% ▼0.3 pp	2.3% ▼0.3 pp	2.3% ▼0.3 pp

The **forecast for 2025 has been revised up on account of the sound data for Q2** but the slowdown continues

After rising in recent months, inflation is expected to **ease towards the end of the year** and to stand **below 2%** in 2026

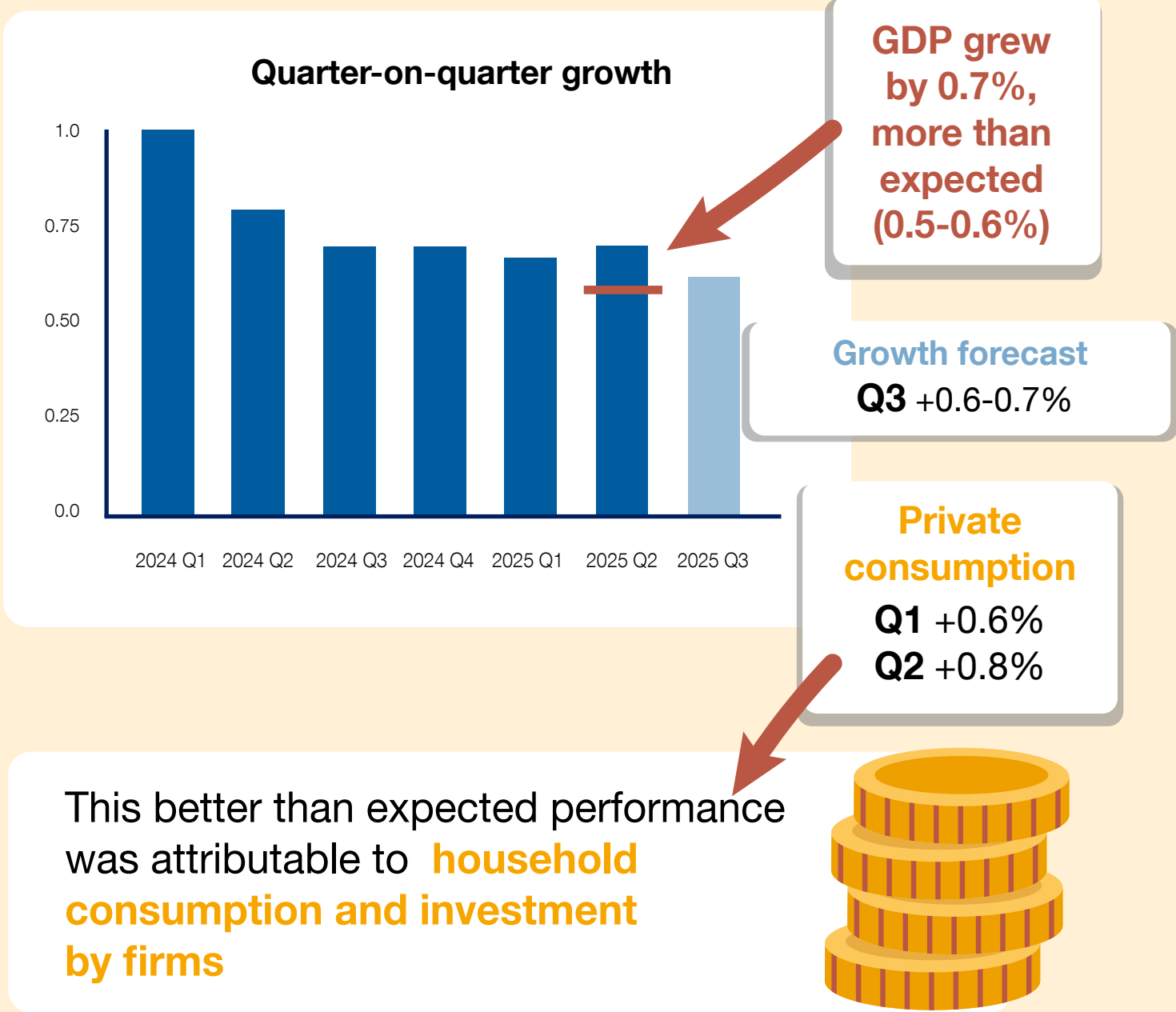
Unemployment will hold on a **slightly downward path**

The budget **deficit will continue to fall** more than expected, owing to the sound revenue performance

*(P)= projections, for 2025, 2026 and 2027.

Second quarter

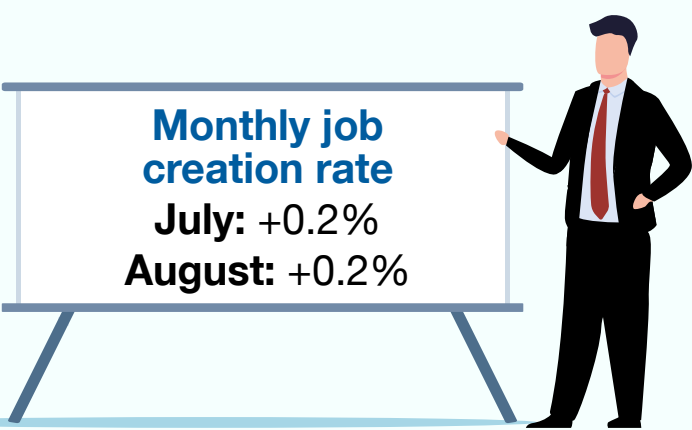
The Spanish economy saw robust growth in Q2, outstripping its Q1 rate and the pace forecast



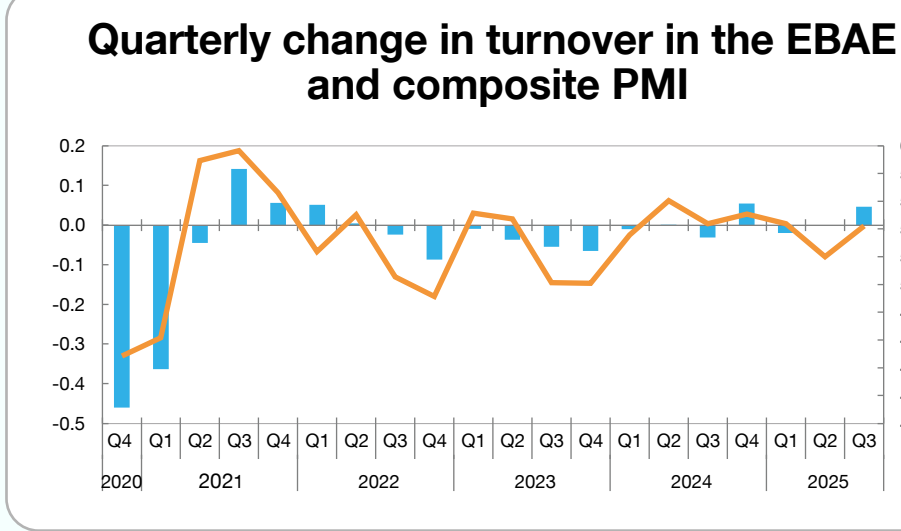
Third quarter

Based on the (partial) data available, growth is expected to remain strong in Q3

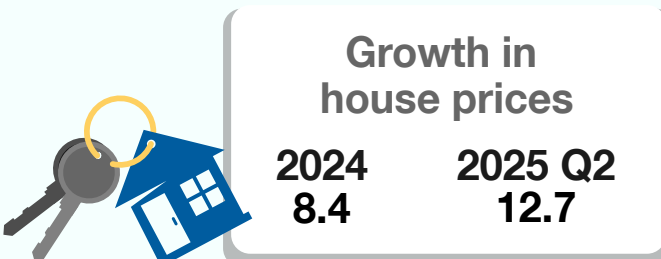
- Over the summer the number of Social Security registrations rose at a similar rate to that observed in H1



- Business turnover looks to have risen between July and September



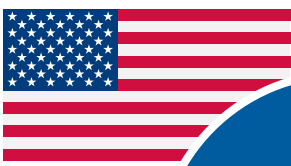
- Residential investment is expected to slow down in Q3, based on house sale and construction data



At international level, tariffs continue to be the main source of uncertainty

The United States has committed:

- Not to impose tariffs of more than 15% on pharmaceuticals, semiconductors and lumber**
- To apply a **15% tariff on automobiles and automobile parts**

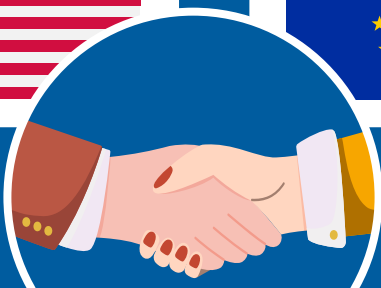


The EU has committed to:

- Increase **procurement of energy and military equipment** from the United States
- Make **investments**
- Reduce non-tariff barriers**



A minimum 15% tariff will be applied to European exports to the United States, although tariffs on some goods will remain at their 2024 levels



27 July

EU tariffs on US goods will remain unchanged or be eliminated

As a result, uncertainty has lessened, but it remains at historically high levels

Tariffs on European exports to the United States have increased by **12 pp** from their 2024 levels