

Table 3.2.1. Basic assumptions of the Macroeconomic Scenario 2019-2022

year-on-year % change, unless otherwise specified

	2018 (A)	2019 (F)	2020 (F)	2021 (F)	2022 (F)
Short-term interest rates (3-month Euribor)	-0,3	-0,3	-0,3	0,1	0,2
Long-term interest rates (10-year debt, Spain)	1,4	1,3	1,4	1,5	1,6
USD/euro exchange rate	1,18	1,13	1,13	1,13	1,13
Nominal effective exchange rate of the Eurozone	4,8	-1,6	-0,1	0,0	0,0
World excluding EU, GDP growth	3,9	3,6	3,8	3,8	3,8
Euro-zone GDP growth	1,8	1,2	1,6	1,5	1,4
World import volume, excluding EU	4,7	3,0	3,6	3,6	3,6
Spanish export markets	3,0	2,6	3,2	3,0	2,9
Oil price (Brent, Dollars/barrel)	71,5	68,9	67,6	65,0	65,0
(A) Advance; (F) Forecast.					
Sources: European Central Bank, European Commission and Ministry of Economy and Business.					

Table 3.3.1. Macroeconomic prospects

Chain-linked volume indices
2010=100, unless otherwise specified

	ESA Code	2018 (A)	2018 (A)	2019 (F)	2020 (F)	2021 (F)	2022 (F)
		Level	year-on-year % change				
1. Real GDP	B1*g	108,2	2,6	2,2	1,9	1,8	1,8
2. Nominal GDP. Thousands of millions of Euros	B1*g	1208,2	3,6	3,9	3,6	3,6	3,5
Components of real GDP							
3. Private consumption expenditure (*)	P.3	103,0	2,3	1,9	1,6	1,5	1,4
4. Government consumption expenditure	P.3	99,4	2,1	1,9	1,5	1,4	1,3
5. Gross fixed capital formation	P.51	104,1	5,3	4,0	3,5	3,3	3,1
6. Change in inventories and net acquisition of valuables (% of GDP)	P.52 + P.53	0,1	0,1	0,0	0,0	0,0	0,0
7. Exports of goods and services	P.6	139,2	2,3	2,7	2,8	2,7	2,6
8. Imports of goods and services	P.7	116,7	3,5	3,1	2,9	2,8	2,7
Contributions to real GDP growth							
9. Final domestic demand		-	2,8	2,3	1,9	1,8	1,8
10. Change in inventories and net acquisition of valuables	P.52 + P.53	-	0,1	0,0	0,0	0,0	0,0
11. External balance of goods and services	B.11	-	-0,3	-0,1	0,0	0,0	0,0
(*) It also includes households and non-profit institutions serving households (NPISH).							
(A) Advance; (F) Forecast.							
Sources: National Institute of Statistics and Ministry of Economy and Business.							

Table 3.3.2. Labour Market^(*)

	ESA Code	2018 (A)	2018 (A)	2019 (F)	2020 (F)	2021 (F)	2022 (F)
		Level	year-on-year % change				
1. Total employment (Thousands of persons)		19,9	2,1	2,0	1,9	1,8	1,7
2. Full-time equivalent employment (Thousands of persons)		18,4	2,5	2,1	1,8	1,7	1,6
3. Employed (Thousands of hours worked)		33.900,5	2,8	2,7	2,3	2,0	1,8
4. Labour productivity per employee (Thousands Euros)		58,7	0,4	0,2	0,0	0,0	0,1
5. Labour productivity, full-time equivalent (Thousands Euros)		63,5	0,1	0,1	0,1	0,1	0,1
6. Productivity per hour worked (Euros)		0,0	-0,2	-0,4	-0,4	-0,2	0,0
7. Compensation per employee(**) (Thousands of Euros)		35,5	0,8	2,1	2,2	2,3	2,3
8. Unit Labour Cost		-	0,8	1,9	2,0	2,1	2,1
9. Compensation of employees (Million Euros)	D.1	569,7	4,1	4,3	4,1	4,1	4,1
10. Unemployment rate (% of labour force)		-	15,3	13,8	12,3	11,0	9,9

^(*) National Account data, except for unemployment rate.

^(**) Compensation per employee, full-time equivalent.

(A) Advance; (F) Forecast.

Sources: National Institute of Statistics and Ministry of Economy and Business.

Table 3.3.3. Price developments

	ESA Code	2018 (A)	2018 (A)	2019 (F)	2020 (F)	2021 (F)	2022 (F)
		Level	year-on-year % change				
1. GDP deflator		103,3	1,0	1,6	1,7	1,8	1,7
2. Private consumption deflator (*)		109,4	1,6	1,2	1,4	1,5	1,5
3. Public consumption deflator		101,0	1,1	2,0	1,4	1,5	1,5
4. Gross fixed capital formation deflator		98,9	1,9	2,5	2,4	2,5	2,3
5. Exports prices deflator (goods and services)		107,8	1,2	1,5	1,7	1,6	1,6
6. Imports prices deflator (goods and services)		115,4	3,1	1,6	1,5	1,4	1,4

(*) It includes households and non-profit institutions serving households.
(A) Advance; (F) Forecast.
Sources: National Institute of Statistics and Ministry of Economy and Business.

Table 3.3.4. Sectorial balances

% of GDP

	ESA Code	2018 (A)	2019 (F)	2020 (F)	2021 (F)	2022 (F)
1. Net lending (+) / Net borrowing (-) vis-à-vis the rest of the world	B.9	1,5	1,2	1,1	1,1	1,0
- <i>Balance on goods and services</i>		2,0	1,8	1,8	1,9	1,9
- <i>Balance of primary incomes and transfers</i>		-1,0	-1,1	-1,2	-1,2	-1,4
- <i>Capital account</i>		0,5	0,5	0,5	0,5	0,5
2. Net lending (+) / Net borrowing (-) of the private sector	B.9	3,9	3,2	2,3	1,5	1,0
3. Net lending (+) / Net borrowing (-) of General Government (*)	B.9	-2,5	-2,0	-1,1	-0,4	0,0

(*) The figures include financial assistance.

(A) Advance; (F) Forecast.

Sources: National Institute of Statistics and Ministry of Economy and Business.

Table 3.4.1. Comparison of Macroeconomic scenarios 2019-2020

year-on-year % change, unless otherwise specified

	EC		OECD		IMF		Bank of Spain	
	Forecast november 2018		Forecast november 2018		Forecast april 2019		Forecast march 2019	
	2018	2019	2018	2019	2018	2019	2018	2019
1. GROSS DOMESTIC PRODUCT	2,1 (1)	1,9 (1)	2,2	1,9	2,1	1,9	2,2	1,9
2. Private consumption expenditure (a)	1,8	1,4	1,8	1,5	2,0	1,7	2,0	1,7
3. Government consumption expenditure	1,7	1,5	1,6	1,3	1,7	0,8	1,8	1,3
4. Gross fixed capital formation	3,9	3,3	3,8	3,8	2,9	2,7	3,9	3,8
5. Change in inventories + net acquisition of valuables (b)	0,0	0,0	0,0	0,0	0,1	0,0	-	-
6. Exports of goods and services	3,3	3,4	2,8	4,0	2,5	3,5	3,3	4,0
7. Imports of goods and services	3,5	3,2	2,9	4,1	2,7	3,2	3,6	4,6
8. Domestic demand (b) (c)	2,2	1,8	2,3	1,9	2,2	1,7	2,3	2,0
9. External demand (b)	0,0	0,1	0,0	0,0	0,0	0,2	-0,1	-0,1
Memo items:								
10. Net lending(+)/net borrowing(-) (% GDP)	1,3	1,4	1,0 (3)	1,0 (3)	1,1	1,1	1,1	0,8
11. GDP Deflator	1,6	1,7	1,9	1,8	1,4	1,7	1,4	1,6
12. Private Consumption Deflator	1,2 (1)(2)	1,5 (1)(2)	1,9	1,9	1,2 (2)	1,6 (2)	1,2 (2)	1,5 (2)
13. Total employment (d)	1,7	1,5	2,0 (4)	1,8 (4)	1,6 (4)	0,6 (4)	1,6	1,6
14. Unemployment rate (% of labour force)	14,4	13,3	13,8	12,5	14,2	14,1	14,2	13,2
15. Unit labour costs	1,9	1,2	1,5 (5)	1,5 (5)	1,1	0,0	-	-
16. Net lending(+)/net borrowing(-) of General Government (% GDP)	-2,1	-1,9	-1,8	-1,2	-2,3	-2,3	-2,5	-2,0
(1) Winter 2019 projections.								
(2) Harmonised Index of Consumer Prices.								
(3) Current-account balance.								
(4) Labour Force Survey. Millions jobs.								
(5) OECD definition: Compensation of employees per unit of product.								
(a) Households and Non-profit institutions serving households.								
(b) Contribution to GDP growth.								
(c) OECD and IMF: annual growth of domestic demand.								
(d) Full-time equivalent jobs.								
Sources: European Commission, International Monetary Fund, OECD and Bank of Spain.								

Table 4.1.1. General Government balance in 2018

% of GDP

	2017	2018
Central Government	-1,89	-1,36
Regional Governments	-0,36	-0,23
Local Governments	0,61	0,52
Social Security	-1,44	-1,41
General Government	-3,08	-2,48
<i>Financial assistance</i>	<i>-0,04</i>	<i>-0,01</i>
General Government⁽¹⁾	-3,03	-2,47
⁽¹⁾ Excluding financial assistance		
Source: General State Comptroller (IGAE).		

Table 4.1.2. General Government in 2018

	2017	2018	year-on-year % change	2017	2018
	Million euros			% of GDP	
Revenues	442.223	469.538	6,2	37,92	38,86
Tax revenues	259.601	276.383	6,5	22,26	22,87
Direct taxes	124.359	134.499	8,2	10,66	11,13
Indirect taxes	135.242	141.884	4,9	11,60	11,74
Social contributions	143.056	150.114	4,9	12,27	12,42
Other revenues	39.566	43.041	8,8	3,39	3,56
Expenditures	478.126	499.520	4,5	40,99	41,34
Compensation of employees	123.045	127.017	3,2	10,55	10,51
Intermediate consumption	58.817	60.634	3,1	5,04	5,02
Social transfers	177.711	185.093	4,2	15,24	15,32
Interests	29.817	29.752	-0,2	2,56	2,46
Subsidies	12.088	12.108	0,2	1,04	1,00
Social transfers in kind (market production)	30.014	30.863	2,8	2,57	2,55
EU own resources: VAT and GNR	8.082	10.314	27,6	0,69	0,85
Fixed gross capital formation	23.019	25.442	10,5	1,97	2,11
Aids to investment and other capital transfers	6.863	10.154	48,0	0,59	0,84
Other expenses	8.670	8.143	-6,1	0,74	0,67
Net lending (+) / Net borrowing (-)	-35.903	-29.982	-16,5	-3,08	-2,48
<i>Financial assistance</i>	-508	-78	-84,6	-0,04	-0,01
Net lending (+) / Net borrowing (-)⁽¹⁾	-35.395	-29.904	-15,5	-3,03	-2,47

⁽¹⁾ Excluding financial assistance

Source: General State Comptroller (IGAE).

Table 4.1.3. Central Government in 2018

	2017	2018	year-on-year % change	2017	2018
	Million euros			% of GDP	
Revenues	196.151	212.948	8,6	16,82	17,62
Tax revenues	161.035	173.832	7,9	13,81	14,39
Direct taxes	66.983	75.001	12,0	5,74	6,21
Indirect taxes	94.052	98.831	5,1	8,06	8,18
Social contributions	10.085	10.022	-0,6	0,86	0,83
Current transfers within General Government	10.352	12.425	20,0	0,89	1,03
Other revenues	14.679	16.669	13,6	1,26	1,38
Expenditures	218.187	229.324	5,1	18,71	18,98
Compensation of employees	23.200	23.937	3,2	1,99	1,98
Intermediate consumption	8.609	8.832	2,6	0,74	0,73
Social transfers	18.217	19.053	4,6	1,56	1,58
Interests	26.461	26.422	-0,1	2,27	2,19
Current transfers within General Government	110.551	113.400	2,6	9,48	9,39
EU own resources: VAT and GNR	8.082	10.314	27,6	0,69	0,85
Fixed gross capital formation	7.085	7.899	11,5	0,61	0,65
Investment grants and other capital transfers	3.703	6.768	82,8	0,32	0,56
Other expenditures	12.279	12.699	3,4	1,05	1,05
Net lending (+) / Net borrowing (-)	-22.036	-16.376	-25,7	-1,89	-1,36
<i>Financial assistance</i>	-508	-78	-84,6	-0,04	-0,01
Net lending (+) / Net borrowing (-)⁽¹⁾	-21.528	-16.298	-24,3	-1,85	-1,35
⁽¹⁾ Excluding financial assistance					
Source: General State Comptroller (IGAE).					

Table 4.1.4. Regional Governments in 2018

	2017	2018	year-on-year % change	2017	2018
	Million euros			% of GDP	
Revenues	169.153	177.958	5,2	14,50	14,73
Tax revenues	60.175	63.108	4,9	5,16	5,22
Direct taxes	45.385	47.068	3,7	3,89	3,90
Indirect taxes	14.790	16.040	8,5	1,27	1,33
Current transfers within General Government	91.241	95.019	4,1	7,82	7,86
Other revenues	17.737	19.831	11,8	1,52	1,64
Expenditures	173.384	180.768	4,3	14,87	14,96
Compensation of employees	74.848	77.395	3,4	6,42	6,41
Intermediate consumption	28.212	29.352	4,0	2,42	2,43
Interests	4.354	4.405	1,2	0,37	0,36
Social transfers in kind (market production)	27.374	28.070	2,5	2,35	2,32
Current transfers within General Government	14.842	17.181	15,8	1,27	1,42
Fixed gross capital formation	10.196	10.747	5,4	0,87	0,89
Investment grants and other capital transfers	2.431	2.697	10,9	0,21	0,22
Other expenditures	11.127	10.921	-1,9	0,95	0,90
Net lending (+) / Net borrowing (-)	-4.231	-2.810	-33,6	-0,36	-0,23
Source: General State Comptroller (IGAE).					

Table 4.1.5. Local Corporations in 2018

	2017	2018	year-on-year % change	2017	2018
	Million euros			% of GDP	
Revenues	75.039	75.711	0,9	6,43	6,27
Tax revenues	38.391	39.443	2,7	3,29	3,26
Direct taxes	11.991	12.430	3,7	1,03	1,03
Indirect taxes	26.400	27.013	2,3	2,26	2,24
Current transfers within General Government	25.132	24.566	-2,3	2,15	2,03
Other revenues	11.516	11.702	1,6	0,99	0,97
Expenditures	67.900	69.419	2,2	5,82	5,75
Compensation of employees	22.486	23.151	3,0	1,93	1,92
Intermediate consumption	20.958	21.382	2,0	1,80	1,77
Interests	628	574	-8,6	0,05	0,05
Subsidies	1.355	1.311	-3,2	0,12	0,11
Current transfers within General Government	12.409	12.068	-2,7	1,06	1,00
Fixed gross capital formation	5.590	6.634	18,7	0,48	0,55
Other expenditures	4.474	4.299	-3,9	0,38	0,36
Net lending (+) / Net borrowing (-)	7.139	6.292	-11,9	0,61	0,52

Source: General State Comptroller (IGAE).

Table 4.1.6. Social Security funds in 2018

	2017	2018	year-on-year % change	2017	2018
	Million euros			% of GDP	
Revenues	148.418	155.103	4,5	12,73	12,84
Social contributions	132.410	139.526	5,4	11,35	11,55
Current transfers within General Government	14.892	14.664	-1,5	1,28	1,21
Other revenues	1.116	913	-18,2	0,10	0,08
Expenditures	165.193	172.191	4,2	14,16	14,25
Compensation of employees	2.511	2.534	0,9	0,22	0,21
Intermediate consumption	1.038	1.068	2,9	0,09	0,09
Social transfers	154.931	161.454	4,2	13,28	13,36
Subsidies	2.179	2.323	6,6	0,19	0,19
Current transfers within General Government	3.815	4.025	5,5	0,33	0,33
Other expenditures	719	787	9,5	0,06	0,07
Net lending (+) / Net borrowing (-)	-16.775	-17.088	1,9	-1,44	-1,41

Source: General State Comptroller (IGAE).

Table 4.1.7. Deviations between the 2018 year-end forecast included in the 2019 Draft Budgetary Plan and actual year-end data

% of GDP

	ESA Code	2018 Forecast included in Draft Budgetary Plan 2019	2018 Year-end data	Difference
1. Total revenue target	TR	38,53	38,86	0,33
1.1. Taxes on production and imports	D.2	11,71	11,74	0,04
1.2. Current taxes on income, wealth, ect.	D.5	10,45	10,68	0,22
1.3. Capital taxes	D.91	0,48	0,46	-0,03
1.4. Social contributions	D.61	12,41	12,42	0,02
1.5. Property income	D.4	0,62	0,63	0,01
1.6. Other		2,86	2,93	0,07
2. Total expenditure target	TE	41,25	41,34	0,10
2.1. Compensation of employees	D.1	10,44	10,51	0,07
2.2. Intermediate consumption	P.2	5,00	5,02	0,02
2.3. Social transfers	D.62, D.63	17,86	17,87	0,02
Of which unemployment benefits		1,42	1,45	0,03
2.4. Interests	D.41	2,44	2,46	0,02
2.5. Subsidies	D.3	0,99	1,00	0,01
2.6. Gross fixed capital formation	P.5	2,23	2,10	-0,13
2.7. Capital transfers	D.9	0,70	0,84	0,14
2.8. Other		1,58	1,53	-0,05

Source: Ministry of Finance.

Table 4.2.1.1. Total tax revenues 2018-2019

Million euros

Taxes	Incomes 2018	Forecast 2019	Year-on-year % change
Personal Income Tax	82.858	86.126	3,9
<i>Withholdings on earned-incomes and business activity</i>	73.339	77.504	5,7
<i>Withholdings on rentings</i>	1.870	1.931	3,3
<i>Withholdings on investmen funds</i>	504	583	15,6
<i>Withholdings on capital</i>	3.126	3.244	3,8
<i>Lottery tax</i>	405	450	11,2
<i>Split payments</i>	2.923	3.100	6,1
<i>Result of tax declarations and Administration liquidations</i>	12.212	11.872	-2,8
<i>Tax returns</i>	11.265	12.290	9,1
<i>Pay to the Catholic church</i>	256	268	4,6
Corporate Income Tax	24.838	26.063	4,9
Non-residents Income Tax	2.665	2.874	7,8
Environmental taxes	1.872	1.000	-46,6
Others	201	220	9,5
I. Direct Taxes	112.433	116.283	3,4
VAT	70.177	73.712	5,0
Excise duties	20.528	22.440	9,3
<i>Tax on alcohol and alcoholic beverages</i>	821	874	6,4
<i>Tax on beer</i>	320	340	6,4
<i>Tax on intermediate products</i>	21	23	8,3
<i>Hydrocarbons tax</i>	11.210	12.963	15,6
<i>Tax on tobacco products</i>	6.533	6.594	0,9
<i>Electricity tax</i>	1.352	1.353	0,1
<i>Tax on coal</i>	271	293	8,0
Others	3.573	3.695	3,4
II. Indirect taxes	94.278	99.847	5,9
III. Others tax revenues	1.973	2.119	7,4
TOTAL TAX REVENUES	208.684	218.249	4,6

Source: Ministry of Finance.

Table 4.2.2.1. Measures increasing social contributions

Million euros

Measure description	Regulation	Impact	
The social contribution to Social Security of the policemen benefiting from the reduction coefficient of the retirement age is increased in an additional percentage	Law 6/2018, of 3 July, of General State Budgets for 2018	254	
Increase of social contributions and minimum contribution bases due to the increase of the minimum inter-professional wage up to 900 €	Royal Decree 1462/2018, of 21 December, setting the minimum inter-professional wage	1.339	
Increase of the maximum contribution bases by 7%	Royal Decree-Law 28/2018, of 28 December, on the revaluation of public pensions and other urgent measures related to social, labour and employment issues	850	
The minimum contribution tariff for professional contingencies is increased up to 1,5%		425	
The contribution tariff of professional contingencies for self-employed workers is increased up to the maximum if there is a reduction coefficient of the retirement age		31	
Total coverage of professional contingencies in the Special Regime for Self-Employed Workers (RETA)		205	
Increase of the farm workers contribution		14	
New covenant for training and non-work placements		74	
New contribution tranche in the Special Scheme for Domestic Workers		16	
Additional contribution in contracts lasting no more than 5 days		50	
Increase of social contributions due to the reinstatement of the unemployment benefit for people over 52 years		Royal Decree-Law 8/2019, of 8 March, on urgent measures for social protection and against job insecurity	193
Reduction of the contribution of farm workers			-42
The contributions corresponding to all contingencies of self-employed workers with activity cessation in 2018 and who have been in a temporary disability situation for more than 60 days when the RDL 28/2018 entered into force, will be paid by the managing entity of the contributions linked to the activity cessation	81		
Reinstatement of the contributions of non-professional carers of dependent people	Royal Decree-Law 6/2019, of 1 March, on urgent measures to ensure equal treatment and opportunities for women and men in employment and the workplace	296	
Total		3.786	

Source: Ministry of Finance.

Cuadro 4.2.2.2. Medidas de gasto social		
Million euros		
Measure description	Regulation	Impact
The age to access retirement pension is reduced using a reduction coefficient for those local policemen who fulfilled certain requirements	Royal Decree 1449/2018, of 14 December, establishing the coefficient reducing the retirement age of local police of Local Administracion	142
Increase of the contribution base used for calculating the widow´s pension from 56% to 60%	Royal Decree-Law 28/2018, of 28 December, on the revaluation of public pensions and other urgent measures related to social, labour and employment issues	357
3% increase of non contributory pensions in 2019		77
3% increase of minimum pensions in 2019		618
1,6% increase of contributory pensions		1.619
Revaluation of pensions with 2018 CPI.Amount of the one pay to compensate for the 0.1% deviation in 2018		123
Revaluation by 3.1% in 2019 of the allowance paid to families with children > 18 years and a disability		33
TOTAL MEASURES INCLUDED IN RDL 28/2018		2.827
Orphanage allowance: an economic allowance is established for the children of women killed by gender-based violence if they are in a situation of absolute orphanage	Law 3/2019, of 1 March, to improve the orphanage situation of the children of women killed by gender-based violence	5
In 2019 the extension of the parental leave for the natural parent other than the biological mother is extended from five to eight weeks	Royal Decree-Law 6/2019, of 1 March, on urgent measures to ensure equal treatment and opportunities for women and men in employment and the workplace	252
Joint responsibility in the lactating child care: the working day is reduced half an hour for both parents.		17
Reinstatement of the unemployment benefit for people over 52 years	Royal Decree-Law 8/2019, of 8 March, on urgent measures for social protection and against job insecurity	349
The family allowance for having children is increased for the most vulnerable families. The annual allowance is raised from 291 € to 341 € for families in poverty situation and to 588 € for families in extreme poverty situation		158
The minimum amount of the pension linked to permanent disability due to common disease is fixed for people under 60 years		25
TOTAL MEASURES APPROVED IN 2019		806
TOTAL MEASURES		3.775
New measures financed by the extended budget		
Measures to support the extension of the activity period of seasonal workers in highly seasonal, tourism-related sectors: 50% reduction of the social contribution of the employer for common contingencies, unemployment, FOGASA and FP	Royal Decree-Law 8/2019, of 8 March, on urgent measures for social protection and against job insecurity	15
Conversion plan to encourage farm workers to work under open-ended contracts or permanent seasonal contracts		13
Bonuses for the hiring of long-term unemployed people		26
Total		54
Source: Ministry of Finance.		

Table 4.3.1. Budgetary projections

Excessive Deficit Procedure

	ESA Code	2018 (A)	2018 (A)	2019 (F)	2020 (F)	2021 (F)	2022 (F)
		Level (Million €)	% of GDP				
Net lending (+) / Net Borrowing (-) (EDP.B9)							
1. Total General Government(*)	S. 13	-29.982	-2,5	-2,0	-1,1	-0,4	0,0
1a. Excluding the net costs to support the banking sector		-29.904	-2,5	-2,0	-1,1	-0,4	0,0
2. Central Government (*)	S. 1311	-16.376	-1,4	-0,5	-0,1	0,0	0,0
3. Regional Government	S. 1312	-2.810	-0,2	-0,3	-0,1	0,0	0,0
4. Local Government (**)	S. 1313	6.292	0,5	0,0	0,0	0,0	0,0
5. Social Security funds	S. 1314	-17.088	-1,4	-1,2	-0,9	-0,4	0,0
General Government (S.13)							
6. Total revenue	TR	469.538	38,9	39,1	39,8	40,3	40,7
7. Total expenditure	TE	499.520	41,3	41,1	41,0	40,7	40,7
7a. Net balance linked to banking restructuring		-78	0,0	0,0	0,0	0,0	0,0
8. Net lending / Net borrowing	EDP. B9	-29.982	-2,5	-2,0	-1,1	-0,4	0,0
8a. Net borrowing without banking restructuring expenditures		-29.904	-2,5	-2,0	-1,1	-0,4	0,0
9. Interest expenditure	EDP. D41	29.752	2,5	2,4	2,3	2,2	2,2
10. Primary balance		-230	0,0	0,3	1,2	1,8	2,1
11. Temporary measures		-3.653	-0,3	-0,2	0,0	0,0	-0,1
Revenues							
12. Total Taxes		276.383	22,9	22,8	23,5	23,8	24,1
12a. Indirect taxes	D.2	141.884	11,7	11,6	11,8	11,8	11,8
12b. Direct taxes	D.5	128.996	10,7	10,7	11,2	11,6	11,9
12c. Taxes on capital	D.91	5.503	0,5	0,4	0,4	0,4	0,4
13. Social contributions	D.61	150.114	12,4	12,7	12,8	12,9	13,0
14. Property income	D.4	7.591	0,6	0,7	0,7	0,7	0,7
15. Other revenue		35.450	2,9	2,9	2,9	2,9	2,9
16. Total revenue	TR	469.538	38,9	39,1	39,8	40,3	40,7
p.m.: Tax burden		424.659	35,1	35,7	36,5	36,9	37,3
Expenditures							
17. Compensation of employees and intermediate consumption (17a+17b)	D.1+P.2	187.651	15,5	15,5	15,5	15,4	15,3
17a. Compensation of employees	D.1	127.017	10,5	10,5	10,5	10,4	10,4
17b. Intermediate consumption	P.2	60.634	5,0	5,0	5,0	4,9	4,9
18. Social payments (18= 18a+18b)		215.956	17,9	18,0	18,1	18,1	18,1
18a. Social transfers in kind supplied via market producers	D.63 (1)	30.863	2,6	2,5	2,5	2,4	2,3
18b. Social transfers other than in kind	D.62	185.093	15,3	15,5	15,6	15,7	15,8
19. Interest expenditure	EDP D.41	29.752	2,5	2,4	2,3	2,2	2,2
20. Subsidies	D.3	12.108	1,0	1,0	0,9	0,9	0,9
21. Gross capital formation	P.5	25.414	2,1	2,0	2,0	2,0	2,1
22. Capital transfers		10.154	0,8	0,7	0,7	0,6	0,6
23. Other		18.485	1,5	1,6	1,6	1,5	1,5
24. Total expenditure	TE	499.520	41,3	41,1	41,0	40,7	40,7
p.m.: Government consumption	P.3	222.643	18,4	18,3	18,2	18,0	17,9

(*) Including the net cost to support the banking sector.

(**) In accordance with current regulation, a target of budgetary equilibrium is set.

(1) D.63 = D.6311+D.63121+D.63131.

(A) Advance; (F) Forecast.

Sources: Ministry of Economy and Business and Ministry of Finance.

Table 4.3.2 Impact of new revenue measures

Million euros

Measures	Impact
Corporate Income tax: exemption limitation and minimum taxation	1.776
Corporate Income tax: Reduction tax rate for SMEs	-260
Increase Personal Income Tax	328
Environmental taxes	670
VAT: reduction tax rate for veterinary services	-35
Measures of gender tax and equity	-18
VAT: reduction tax rate for e-book	-24
Increase Wealth Tax	339
New Financial Transaction Tax	850
New Digital Services Tax	1.200
Fight against tax fraud: cash payment limitation	218
Fight against tax fraud: reinforcement tax defaulters list	110
Fight against tax fraud: adopt the best international practices	500
Total impact	5.654
Source: Ministry of Finance.	

Table 4.3.3 Forecasts in a no-policy-change scenario

	2018 (A)	2018 (A)	2019 (P)	2020 (P)	2021 (P)	2022 (P)
	Level (Million €)	% of GDP				
Total Revenues	469.538	38,9	39,1	39,4	39,8	40,2
Total Expenditures	499.520	41,3	41,1	41,0	40,7	40,7
(A) Advance; (F) Forecast. Source: Ministry of Finance.						

Table 4.3.4. Comparison with the Commission's forecasts

% of GDP

	2019		2020	
	Spain	European Commission	Spain	European Commission
Total Revenue	39,1%	38,8%	39,8%	38,8%
Total Expenditure	41,1%	40,9%	41,0%	40,8%
Net lending (+) / Net borrowing (-)	2,0%	2,1%	1,1%	1,9%

Source: Ministry of Finance.

Cuadro 4.4.1.1. Budgetary of the Regional Governments

year-on-year % change

Total Regional Governments	Budget 2019 / 2018 % change	Budget 2019 / Recognized Rights or Obligations 2018	Budget 2019 / Recognized Rights or Obligations 2018 adjusted
Chap. 1,2,4. Taxes & Current Transfers	4,00%	4,19%	4,19%
System resources subject to payment and settlement	3,24%	3,89%	3,89%
Inheritance and Gift Tax	4,17%	2,81%	2,81%
Property transfer & Stamp Duty Tax	11,61%	6,52%	6,52%
Other tax	-1,20%	0,15%	0,15%
Other current transfers	7,71%	7,24%	7,24%
3. Fees, public prices and other Revenues	10,27%	-12,47%	-12,47%
5. Property income	-3,61%	142,30%	142,30%
6. Real investment sales	34,69%	113,61%	113,61%
7. Capital Transfers	0,25%	53,70%	53,70%
Non-Financial Revenues	4,06%	5,14%	5,14%
1. Personnel Spending	2,65%	2,25%	2,06%
2. Current spending in goods and services	1,27%	-4,07%	-6,22%
3. Financial Spending	-2,81%	5,81%	5,67%
4. Current Transfers	3,29%	2,23%	2,27%
5. Contingency fund	5,59%	-	990,72%
6. Real Investments	3,05%	53,64%	52,96%
7. Capital Transfers	4,98%	46,51%	47,45%
Non-Financial Expenditure	2,56%	5,04%	4,49%

Source: Ministry of Finance.

Table 4.5.1. Debt stock-flow adjustment in 2018

% of GDP

	2018
Stock-flow adjustment	-0,1
Net acquisition of financial assets(*)	0,8
Other accounts payable(*)	-0,7
Other adjustments	-0,2
(*) Operations within General Government consolidated.	
Sources: Bank of Spain and Ministry of Economy and Business.	

Table 4.5.2. Public debt developments

% of GDP

	2018	2019	2020	2021	2022	Cumulated 2018-2022
1. Gross debt / GDP ratio	97,1	95,8	94,0	91,4	88,7	
2. Change in gross debt / GDP ratio	-1,0	-1,2	-1,9	-2,5	-2,7	-8,4
Contributions to change in gross debt / GDP ratio						
3. Primary balance	0,0	-0,3	-1,2	-1,8	-2,1	-5,4
4. Interest expenditure	2,5	2,4	2,3	2,2	2,2	9,0
5. Effect of nominal GDP growth	-3,4	-3,6	-3,4	-3,3	-3,1	-13,4
6. Other factors (stock-flow adjustment)	-0,1	0,3	0,4	0,4	0,4	1,4
p.m.: Implicit interest rate	2,6	2,5	2,5	2,4	2,4	
Source: Ministry of Economy and Business.						

Table 4.6.1. Cyclical developments⁽¹⁾

% of GDP, unless otherwise specified

	2018	2019	2020	2021	2022
1. Real GDP growth (% change)	2,6	2,2	1,9	1,8	1,8
2. Net lending (+) / Net borrowing of General Government	-2,5	-2,0	-1,1	-0,4	0,0
3. Interest expenditure	2,5	2,4	2,3	2,2	2,2
4. One-offs and other temporary measures	-0,3	-0,2	0,0	0,0	-0,1
5. Potential GDP growth (% change)	1,3	1,4	1,6	1,7	1,8
Contributions:					
- <i>total factor productivity</i>	0,3	0,3	0,3	0,3	0,4
- <i>labour</i>	0,5	0,6	0,7	0,8	0,8
- <i>capital</i>	0,4	0,5	0,5	0,6	0,6
6. Output gap	0,6	1,5	1,8	1,9	1,9
7. Cyclical balance	0,4	0,9	1,1	1,2	1,2
8. Cyclically-adjusted balance (2-7)	-2,9	-2,9	-2,2	-1,6	-1,2
9. Cyclically-adjusted primary balance (8+3)	-0,4	-0,5	0,1	0,6	1,0
10. Structural balance (8-4)	-2,6	-2,7	-2,2	-1,6	-1,1
11. <i>Primary structural balance (10+3)</i>	-0,1	-0,4	0,1	0,6	1,1

⁽¹⁾ Using Potential GDP (output function). NAWRU calculated with a forward-looking Phillips Curve.

Source: Ministry of Economy and Business.

Cuadro 4.6.2. Expenditure Benchmark

Billion euros, unless otherwise specified

	2018	2019
Nominal GDP (1)	1.208,2	1.255,2
Total General Government expenditure (2)	499,5	516,0
Interest expenditure (3)	29,8	29,8
Government expenditure on EU programmes fully matched by EU funds revenues (4)	6,58	5,61
<i>Gross fixed capital formation fully matched by EU funds revenue</i>	3,94	3,01
<i>Total Gross fixed capital formation</i>	25,4	24,8
Gross fixed capital formation net of EU funds revenues (5)	21,5	21,8
Annual average gross fixed capital formation t-3 to t, net of EU funds revenues (6)	21,17	21,00
Cyclical unemployment expenditure (7)	0,2	-0,9
Corrected expenditure aggregate (nominal) (8 = 2-3-4-5+6-7)	462,7	480,8
Discretionary revenue measures (9) (*)	0,6	3,4
One-offs on the revenue side (10)	0,0	-0,7
One-offs on the expenditure side (11)	-3,6	-1,2
Total one-offs (12)	-3,6	-1,9
Discretionary revenue measures net of one-offs on the revenue side (13) (*)	1,35	4,07
Corrected expenditure aggregate net of one-offs on the expenditure side (nominal) (14) = (8) + (11)	459,1	479,5
Corrected expenditure aggregate net of one-offs (nominal) (15) = (14) - (13)	457,8	475,4
Change in corrected expenditure aggregate net of one-offs in % (nominal)		3,9
(*) On an incremental basis over the previous year.		
Sources: Ministry of Economy and Business and Ministry of Finance.		

Table 5.1.1. Differences with the previous Stability Programme update

	2018	2019	2020	2021	2022
GDP (% volume growth)					
Previous update	2,7	2,4	2,3	2,3	
Current update	2,6	2,2	1,9	1,8	1,8
Difference	-0,1	-0,2	-0,4	-0,5	
Budget Balance (% GDP)					
Previous update	-2,2	-1,3	-0,5	0,1	
Current update	-2,5	-2,0	-1,1	-0,4	0,0
Difference	-0,3	-0,7	-0,6	-0,5	
EDP Debt (% PIB)					
Previous update	97,0	95,2	92,4	89,1	
Current update	97,1	95,8	94,0	91,4	88,7
Difference	0,1	0,6	1,6	2,3	
GDP deflator (% growth)					
Previous update	1,5	1,8	1,9	1,9	
Current update	1,0	1,6	1,7	1,8	1,7
Difference	-0,5	-0,2	-0,2	-0,1	
Source: Ministry of Economy and Business.					

Table 5.1.1.1. Impact of a 120 b.p. increase of the interest rate

Cumulative deviations from the baseline scenario

	2019	2020	2021	2022
Real GDP	-0,6	-0,5	-0,9	-1,0
General Government revenue (net of lump-sum transfers)	-0,1	0,0	0,1	0,1
Total Government expenditure	0,1	0,4	0,7	0,8
Government balance	-0,2	-0,3	-0,6	-0,7
Government debt	0,2	0,6	1,2	2,0
Equivalent employment	-0,6	-0,3	-0,4	-0,3
Employment rate	-0,3	-0,4	-0,7	-0,8
Source: Ministry of Economy and Business.				

Cuadro 5.1.2.1. Impact of a 4 points fall in export demand growth

Cumulative deviations from the baseline scenario

	2019	2020	2021	2022
Real GDP	-0,5	-0,3	-0,4	-0,4
General Government revenue (net of lump-sum transfers)	-0,1	0,0	0,0	0,0
Total Government expenditure	0,0	0,0	0,1	0,1
Government balance	-0,1	0,0	0,0	-0,1
Government debt	0,1	0,1	0,2	0,2
Equivalent employment	-0,7	-0,3	-0,3	-0,3
Employment rate	-0,2	-0,2	-0,3	-0,2
Exports	-3,0	-3,0	-3,1	-3,4
Source: Ministry of Economy and Business.				

Table 5.1.3.1. Assumptions on oil price

	2018	2019	2020	2021	2022
Baseline scenario (Dollars / barrel)	71,5	68,9	67,6	65,0	65,0
Baseline scenario (Euros / barrel)	60,6	61,0	59,8	57,5	57,5
Alternative scenario (Dollars / barrel)	71,5	78,9	77,6	75,0	75,0
Alternative scenario (Euros / barrel)	60,6	69,8	68,7	66,4	66,4
Source: Ministry of Economy and Business.					

Table 5.1.3.2. Impact of a 8,9 Euros/barrel increase in oil prices

Cumulative deviations from the baseline scenario

	2019	2020	2021	2022
Real GDP	-0,1	-0,3	-0,4	-0,4
General Government revenue (net of lump-sum transfers)	-0,1	-0,2	-0,2	-0,1
Total Government expenditure	0,0	0,0	0,0	0,0
Government balance	-0,1	-0,2	-0,2	-0,2
Government debt	0,1	0,2	0,5	0,7
Equivalent employment	-0,1	-0,2	-0,2	-0,1
Employment rate	0,0	-0,1	-0,1	-0,2
Source: Ministry of Economy and Business.				

Table 6.1.1. 2016-70 Projections of ageing-related expenditure

% of GDP

	Increase 2016-2070	2016	2020	2030	2040	2050	2060	2070
TOTAL EXPENDITURE (1+2+3+4+5)	-0,2	24,0	24,1	24,6	26,5	27,1	24,9	23,8
1. Pension expenditure	-1,5	12,2	12,3	12,6	13,9	13,9	11,4	10,7
Old age and early retirement pensions ^(a)	-0,7	8,7	9,0	9,4	10,8	10,9	8,6	8,0
Disability pensions	-0,2	1,2	1,1	1,1	1,1	0,8	0,8	1,0
Survivor pensions	-0,5	2,3	2,2	2,0	2,1	2,1	1,9	1,8
2. Healthcare expenditure	0,5	5,9	6,0	6,4	6,7	6,8	6,7	6,4
3. Long-Term care expenditure	1,3	0,9	1,0	1,2	1,5	1,9	2,2	2,2
4. Education expenditure	0,3	3,7	3,7	3,5	3,7	4,1	4,1	3,9
5. Unemployment expenditure	-0,9	1,3	1,1	0,9	0,7	0,5	0,5	0,5
Memo items: Main Assumptions								
<i>Potential GDP real growth^(b)</i>	1,5	0,4	0,8	1,3	1,0	1,8	2,2	1,9
<i>Labour productivity growth^(b)</i>	0,8	0,7	1,0	1,1	1,5	1,6	1,6	1,5
<i>Male participation rate (15-64)</i>	-1,4	79,3	79,1	78,8	78,4	77,9	77,6	77,9
<i>Female participation rate (15-64)</i>	7,1	69,2	71,7	75,6	77,0	76,4	76,0	76,2
<i>Total participation rate (15-64)</i>	2,8	74,3	75,4	77,3	77,7	77,1	76,8	77,1
<i>Unemployment rate (15-64)</i>	-13,1	21,5	17,7	15,0	11,6	8,4	8,4	8,4
<i>Population over 64/population 15 to 64</i>	18,0	28,6	31,0	40,8	54,7	61,9	53,2	46,6
^(a) Including minimum and non-contributory pensions.								
^(b) The column "Increase 2016-2070" is the 2016-2070 average growth rate.								
Sources: Ageing Report 2018, Ministry of Economy and Business, OECD, UOE and ESSPROS.								

Table 6.1.2. Comparison of ageing-related expenditure projections

% of GDP

Simulation⁽¹⁾	2016	2030	2040	2050
Ageing Report 2015	12,0%	11,2%	11,9%	12,3%
Ageing Report 2018 ⁽¹⁾	12,2%	12,6%	13,9%	13,9%
Migrations and Social Security ⁽²⁾	10,7%	10,1%	10,0%	9,4%
<p>(1) In the Ageing Report 2015 and in the Ageing Report 2018, the maximum entry pension was revalued with the GDP deflator with no maximum limit.</p> <p>(2) It does not include retired civil servants pensions and non-contributory pensions. In addition, it considers that the maximum entry pension is revalued with the PRI and that the sustainability factor enters into force in 2019.</p> <p>Sources: Ministry of Economy and Business, Ministry of Finance, European Commission and Labour, Migrations and Social Security.</p>				

Table 6.1.3. Evolution of pension expenditure. Core AIReF scenario

% of GDP

Simulation	2023	2028	2038	2048
Pension expenditure projections	10,9%	11,1%	12,7%	13,4%

Source: AIReF (Opinion 1/19 on the sustainability of the Social Security System).

Table 6.3.1. Guarantees granted by the General Government. Outstanding balance

Million euros

Guarantees granted by the General Government ^(*)	2012	2013	2014	2015	2016	2017	2018
General Government							
One-off guarantees							
Total stock, excluding debt assumed by Government	218.179	193.152	133.627	102.955	86.527	77.650	67.213
of which: public corporations	103.175	91.108	74.048	53.538	40.848	34.838	29.488
financial corporations	212.742	188.277	129.585	99.723	83.158	73.827	65.563
Guarantees granted in the context of financial turmoil	105.093	95.604	55.090	46.385	42.656	39.369	36.435
Standardised guarantees							
Total stock	0	0	0	0	0	0	0
Central Government							
One-off guarantees							
Total stock, excluding debt assumed by Government	213.124	188.593	129.842	99.795	83.248	73.920	65.666
of which: public corporations	102.675	90.609	73.557	53.065	40.393	34.416	29.099
financial corporations	212.742	188.277	129.585	99.723	83.158	73.827	65.563
Guarantees granted in the context of financial turmoil	105.093	95.604	55.090	46.385	42.656	39.369	36.435
Standardised guarantees							
Total stock							
Regional Government							
One-off guarantees							
Total stock, excluding debt assumed by Government	3.994	3.604	3.024	2.500	2.411	1.933	1.060
of which: public corporations							
financial corporations							
Guarantees granted in the context of financial turmoil							
Standardised guarantees							
Total stock							
Local Government							
One-off guarantees							
Total stock, excluding debt assumed by Government	1.061	955	761	660	868	1.797	487
of which: public corporations	500	499	491	473	455	422	389
financial corporations							
Guarantees granted in the context of financial turmoil							
Standardised guarantees							
Total stock							
(*) Notes:							
1. These are only "one-off guarantees".							
2. Following the conclusions of the "Task Force on the implications of Council Directive 2011/85 on the collection and dissemination of fiscal data", the section "Total stock of guarantees, excluding debt assumed by government", does not include guaranteed debt of units in the General Government sector (S.13) (FROB, FTDSE...) nor guaranteed debt of the ESF.							
3. Only the guaranteed principal is included.							
SourceS: Ministry of Economy and Business and Ministry of Finance.							

Table 7.1.2.1. Spending review 2019

Tax benefit	Tax	Expense (million €)
Reduction for earned-incomes	Personal Income Tax	2.575
Reduction for house rentals incomes (owner) and tax deduction for rent (tenant)	Personal Income Tax	1.080
Reduction for contribution to social welfare systems	Personal Income Tax	1.630
Reduction for joint taxation	Personal Income Tax	2.140
Tax deduction for donations	Personal Income Tax	500
Social tax deductions (maternity, large family, disability)	Personal Income Tax	4.800
Incentive to R+D activities	Corporate Income tax	355
Reduced tax rates	Corporate Income tax	395
Donations	Corporate Income tax	127
Reduced tax rates	VAT	25.600
Social exemptions: health service and education	VAT	9.010
Exemption in financial services	VAT	7.040
Reduced tax rate in Hydrocarbons tax	Excise duties	1.935
Total		57.187

Source: AIREF.

	2015	2016	2017	2018	2019
1. Capacidad(+) o necesidad(-) de financiación de las AAPP (2+3+4)	-4.2	-2.9	-1.4	-0.3	0.6
2. Saldo público estructural	-0.8	-0.7	-0.5	-0.2	0.1
3. Saldo público cíclico	-3.0	-1.8	-0.9	-0.1	0.6
4. One-offs y otras medidas temporales	-0.5	-0.4	0.0	0.0	0.0
5. Capacidad(+) o necesidad(-) de las AAPP (6+7)	81.8	80.7	80.3	80.0	79.7
6. Ingresos	38.7	38.9	39.4	39.8	40.2
7. Gastos	43.1	41.9	41.0	40.2	39.5
Importes a excluir de la referencia del gasto					
7a. Gastos de intereses	3.1	2.9	2.7	2.6	2.4
7b. Gasto en programas de la UE financiados completamente con fondos de la UE					
7c. Gasto cíclico en prestaciones por desempleo	0.7	0.4	0.2	0.1	-0.1
7d. Efectos de las medidas discrecionales de ingresos					
8. Presión fiscal	34.5	34.7	35.3	35.9	36.4
9. Deuda bruta	99.6	99.5	98.2	95.7	92.1

(1) NAWRU calculada con Curva de Phillips forward-looking.
Fuente: Ministerio de Economía y Competitividad

Table 9.1.4.1. Thresholds for variables not included in the Funcas Panel

% of GDP

	Umbral (%)
Private consumption deflator	0,27
Public consumption deflator	0,17
GFCF deflator	0,21
Exports deflator (goods and services)	0,42
Imports deflator (goods and services)	0,68
Employment (persons)	0,17
Full-time equivalent employment (FTE)	0,20
Employment (hours)	0,33
Labour productivity per employee (persons)	0,39
Labour productivity per employee (FTE)	0,25
Productivity per hour worked	1,20
Current account balance (% GDP)	0,37
Balance of goods and services (% GDP)	0,33
Balance of incomes and transfers (% GDP)	0,08
Capital balance (% GDP)	0,13
Net lending (% GDP)	0,25
Source: Ministry of Economy and Business.	

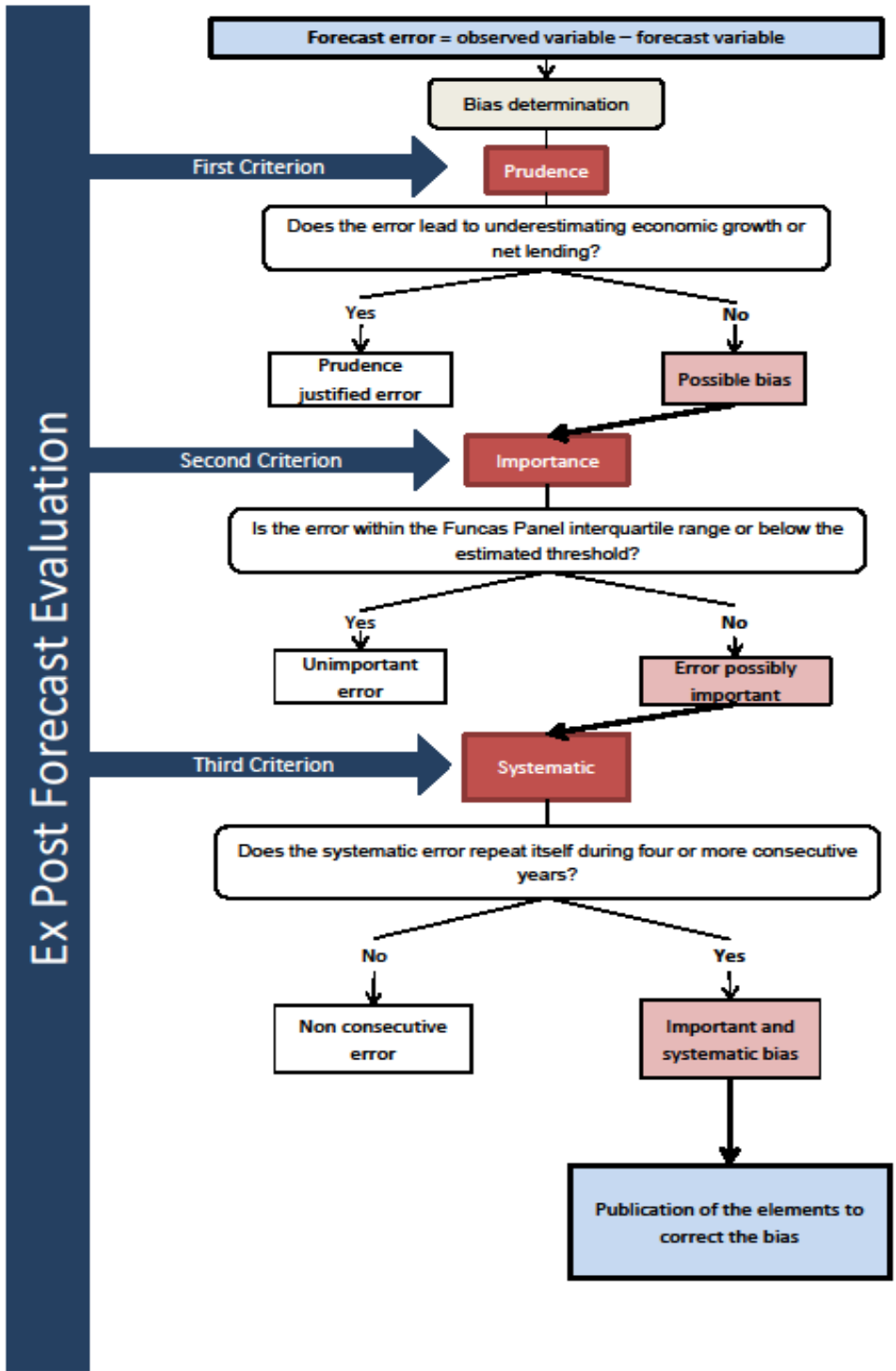


Table 9.2.1. Comparison of EU assumptions and actual development

	2014			2015			2016			2017			2018		
	Assumption	Real	Comparison	Assumption	Real	Comparison	Assumption	Real	Comparison	Assumption	Real	Comparison	Assumption	Real	Assumption
Short-term interest rates (3-month Euribor)	0,4	0,2	0,2	0,0	0,0	0,0	-0,3	-0,3	0,0	-0,3	-0,3	0,0	-0,3	-0,3	0,0
Long-term interest rates (10-year debt, Spain)	3,7	2,7	1,0	1,3	1,7	-0,4	1,7	1,4	0,3	1,7	1,7	0,0	1,6	1,4	0,2
USD/euro exchange rate	1,37	1,30	0,07	1,11	1,11	0,00	1,1	1,1	0,0	1,1	1,1	-0,1	1,23	1,18	0,05
Nominal effective exchange rate of the Eurozone (% change)	1,7	2,1	-0,4	-6,2	-6,8	0,6	1,2	2,7	-1,5	0,5	2,1	-1,6	4,7	4,8	-0,1
World excluding EU, GDP growth	3,6	3,7	0,1	4,0	3,2	-0,8	3,4	3,2	-0,2	3,7	3,9	0,2	4,2	3,9	-0,3
EU GDP growth	1,2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Euro-zone GDP growth	-	0,9	-	1,5	1,6	0,1	1,4	1,8	0,4	1,7	2,5	0,8	2,4	1,9	-0,5
World import volume, excluding EU	-	-	-	3,9	0,8	-3,1	2,2	0,9	-1,3	3,0	5,1	2,1	5,0	4,8	-0,2
Spanish export markets	4,0	2,4	-1,6	3,8	3,7	-0,1	4,1	2,9	-1,2	3,6	4,4	0,8	4,5	3,0	-1,5
Oil price (Brent, Dollars/barrel)	107,3	99,4	7,4	61,5	52,2	15,2	39,7	44,8	-12,8	53,5	54,2	-1,3	67,7	71,5	-5,7
Oil price (Brent, Euros/barrel)	78,3	76,5	2,4	55,4	47,0	15,2	36,4	40,4	-10,8	50,0	48,0	4,1	55,0	60,6	-10,0

The gray shaded cells correspond to the hypotheses that have turned out to be optimistic with respect to what has been observed, because if they had been fulfilled, a higher growth rate could be expected for the variables that determine real or nominal GDP

The positive values in the column named "Comparative" indicate that the variable has presented a more favorable behavior than the assumption, while the negative signs indicate a less favorable behavior.

In the case of the price of oil, the relevant variable is the price in euros of the Brent barrel and not in dollars, since it allows comparing the change experienced by the agents' costs in the Spanish economy with respect to the corresponding forecasts.

Source: Ministry of Economy and Business

Table 9.2.2. Forecast bias

	2014		2015		2016		2017		2018	
	Previsión	Real	Previsión	Real	Previsión	Real	Previsión	Real	Previsión	Real
1. Real GDP	1,24	1,39	2,92	3,21	2,74	3,24	2,71	3,05	2,70	2,58
2. Nominal GDP	1,72	0,89	3,56	3,84	3,70	3,55	4,24	4,04	4,26	3,59
Components of real GDP										
3. Private consumption expenditure (*)	1,41	2,42	3,30	3,10	3,15	3,23	2,56	2,38	2,04	2,29
4. Government consumption expenditure	-1,29	0,11	0,10	2,66	1,00	0,78	0,75	1,57	1,10	2,13
5. Gross fixed capital formation	0,53	3,44	6,33	6,38	5,60	3,11	2,82	5,01	4,68	5,26
6. Change in inventories (% of GDP)	0,00	0,15	0,00	0,13	0,00	0,14	0,00	0,12	0,00	0,09
7. Exports of goods and services	5,03	4,16	5,42	5,41	5,26	4,38	5,54	5,03	4,81	2,28
8. Imports of goods and services	3,63	7,63	6,66	7,48	7,03	3,26	4,33	4,66	4,10	3,45
Contributions to real GDP growth										
9. Final domestic demand	0,67	2,07	3,16	3,57	3,15	2,64	2,18	2,67	2,34	2,79
10. Change in inventories	0,00	0,15	0,00	0,13	0,00	0,14	0,00	0,12	0,00	0,09
External balance	0,56	-0,84	-0,24	-0,49	-0,41	0,45	0,53	0,26	0,35	-0,30
Price developments										
1. GDP deflator	0,48	-0,50	0,62	0,61	0,93	0,31	1,49	0,95	1,52	0,99
2. Private consumption deflator (*)	0,34	-0,09	-0,40	-0,54	-0,15	-0,21	1,45	1,77	1,43	1,63
3. Public consumption deflator	0,26	-0,85	0,00	0,41	0,30	0,09	1,04	0,30	1,06	1,07
4. Gross fixed capital formation deflator	0,00	-0,58	0,06	1,43	0,78	1,51	2,84	1,84	2,40	1,92
5. Exports deflator (goods and services)	-0,20	-1,69	-0,91	0,34	0,51	-1,12	2,88	2,50	1,23	1,18
6. Imports deflator (goods and services)	-0,92	-1,26	-3,71	-1,43	-1,96	-1,58	3,55	4,37	1,32	3,08
Labour market										
1. Total employment (Thousands of persons)	0,90	1,27	3,08	2,94	2,74	2,68	2,74	2,59	2,58	2,15
2. Full-time equivalent employment	0,62	1,16	3,03	2,98	2,50	2,85	2,45	2,81	2,50	2,52
3. Employed (Thousands of hours worked)	0,70	0,65	2,82	2,53	3,00	2,33	2,75	1,69	2,00	2,80
4. Labour productivity per employee (Thousands Euros)	0,33	0,12	-0,15	0,27	0,00	0,54	-0,03	0,45	0,12	0,43
5. Labour productivity, full-time equivalent	0,61	0,23	-0,10	0,23	0,23	0,37	0,25	0,23	0,19	0,06
6. Productivity per hour worked (Euros)	0,46	0,74	0,10	0,67	-0,26	0,89	-0,04	1,34	0,68	-0,21
7. Compensation per employee(**)	0,19	-0,21	0,16	0,51	0,76	0,01	1,25	0,14	1,16	0,85
8. Unit Labour Cost	-0,42	-0,44	0,26	0,28	0,53	-0,36	1,00	-0,09	0,97	0,79
9. Compensation of employees (Million Euros)	0,66	1,35	3,29	3,88	3,38	3,09	3,84	3,27	3,79	4,09
10. Unemployment rate (% of labour force)	24,87	24,44	22,07	22,06	19,86	19,63	17,59	17,22	15,51	15,25
Sectorial balances (% of GDP)										
1. Net lending (+) / Net borrowing (-) vis-à-vis the rest of the world	2,05	1,03	1,73	2,13	2,43	2,04	2,02	1,98	1,92	1,47
Current balance vis-à-vis the rest of the world	1,31	0,61	1,30	1,40	1,73	1,88	1,89	1,76	1,71	0,94
- Balance of goods and services	-0,73	2,38	2,90	2,49	2,80	2,91	3,19	2,67	2,91	1,95
- Balance of primary income and current transfers	-1,84	-1,77	-1,60	-1,09	-1,06	-1,03	-1,30	-0,91	-1,20	-1,02
- Capital account	0,74	0,42	0,43	0,73	0,69	0,17	0,13	0,23	0,20	0,53
2. Net lending (+) / Net borrowing (-) of the private sector	7,51	6,83	5,92	7,22	6,07	6,58	5,16	5,10	4,15	3,95
3. Net lending (+) / Net borrowing (-) of General Government (*)	-5,46	-5,80	-4,19	-5,08	-3,65	-4,54	-3,14	-3,11	-2,24	-2,48
(*) It includes households and non-profit institutions serving households.										
(**) Full-time equivalent										
Sources: Ministry of Economy and Business.										

Table 9.2.3. Forecasts with significant biases

	2014		2015		2016		2017		2018	
	Previsión	Real	Previsión	Real	Previsión	Real	Previsión	Real	Previsión	Real
1. Real GDP	1,24	1,39	2,92	3,21	2,74	3,24	2,71	3,05	2,70	2,58
2. Nominal GDP	1,72	0,89	3,56	3,84	3,70	3,55	4,24	4,04	4,26	3,59
Components of real GDP										
3. Private consumption expenditure (*)	1,41	2,42	3,30	3,10	3,15	3,23	2,56	2,38	2,04	2,29
4. Government consumption expenditure	-1,29	0,11	0,10	2,66	1,00	0,78	0,75	1,57	1,10	2,13
5. Gross fixed capital formation	0,53	3,44	6,33	6,38	5,60	3,11	2,82	5,01	4,68	5,26
6. Change in inventories (% of GDP)	0,00	0,15	0,00	0,13	0,00	0,14	0,00	0,12	0,00	0,09
7. Exports of goods and services	5,03	4,16	5,42	5,41	5,26	4,38	5,54	5,03	4,81	2,28
8. Imports of goods and services	3,63	7,63	6,66	7,48	7,03	3,26	4,33	4,66	4,10	3,45
Contributions to real GDP growth										
9. Final domestic demand	0,67	2,07	3,16	3,57	3,15	2,64	2,18	2,67	2,34	2,79
10. Change in inventories	0,00	0,15	0,00	0,13	0,00	0,14	0,00	0,12	0,00	0,09
External balance	0,56	-0,84	-0,24	-0,49	-0,41	0,45	0,53	0,26	0,35	-0,30
Price developments										
1. GDP deflator	0,48	-0,50	0,62	0,61	0,93	0,31	1,49	0,95	1,52	0,99
2. Private consumption deflator (*)	0,34	-0,09	-0,40	-0,54	-0,15	-0,21	1,45	1,77	1,43	1,63
3. Public consumption deflator	0,26	-0,85	0,00	0,41	0,30	0,09	1,04	0,30	1,06	1,07
4. Gross fixed capital formation deflator	0,00	-0,58	0,06	1,43	0,78	1,51	2,84	1,84	2,40	1,92
5. Exports deflator (goods and services)	-0,20	-1,69	-0,91	0,34	0,51	-1,12	2,88	2,50	1,23	1,18
6. Imports deflator (goods and services)	-0,92	-1,26	-3,71	-1,43	-1,96	-1,58	3,55	4,37	1,32	3,08
Labour market										
1. Total employment (Thousands of persons)	0,90	1,27	3,08	2,94	2,74	2,68	2,74	2,59	2,58	2,15
2. Full-time equivalent employment	0,62	1,16	3,03	2,98	2,50	2,85	2,45	2,81	2,50	2,52
3. Employed (Thousands of hours worked)	0,70	0,65	2,82	2,53	3,00	2,33	2,75	1,69	2,00	2,80
4. Labour productivity per employee (Thousands Euros)	0,33	0,12	-0,15	0,27	0,00	0,54	-0,03	0,45	0,12	0,43
5. Labour productivity, full-time equivalent	0,61	0,23	-0,10	0,23	0,23	0,37	0,25	0,23	0,19	0,06
6. Productivity per hour worked (Euros)	0,46	0,74	0,10	0,67	-0,26	0,89	-0,04	1,34	0,68	-0,21
7. Compensation per employee(**)	0,19	-0,21	0,16	0,51	0,76	0,01	1,25	0,14	1,16	0,85
8. Unit Labour Cost	-0,42	-0,44	0,26	0,28	0,53	-0,36	1,00	-0,09	0,97	0,79
9. Compensation of employees (Million Euros)	0,66	1,35	3,29	3,88	3,38	3,09	3,84	3,27	3,79	4,09
10. Unemployment rate (% of labour force)	24,87	24,44	22,07	22,06	19,86	19,63	17,59	17,22	15,51	15,25
Sectorial balances (% of GDP)										
1. Net lending (+) / Net borrowing (-) vis-à-vis the rest of the world	2,05	1,03	1,73	2,13	2,43	2,04	2,02	1,98	1,92	1,47
Current balance vis-à-vis the rest of the world	1,31	0,61	1,30	1,40	1,73	1,88	1,89	1,76	1,71	0,94
- Balance of goods and services	-0,73	2,38	2,90	2,49	2,80	2,91	3,19	2,67	2,91	1,95
- Balance of primary income and current transfers	-1,84	-1,77	-1,60	-1,09	-1,06	-1,03	-1,30	-0,91	-1,20	-1,02
- Capital account	0,74	0,42	0,43	0,73	0,69	0,17	0,13	0,23	0,20	0,53
2. Net lending (+) / Net borrowing (-) of the private sector	7,51	6,83	5,92	7,22	6,07	6,58	5,16	5,10	4,15	3,95
3. Net lending (+) / Net borrowing (-) of General Government (*)	-5,46	-5,80	-4,19	-5,08	-3,65	-4,54	-3,14	-3,11	-2,24	-2,48
(*) It includes households and non-profit institutions serving households.										
(**) Full-time equivalent										
Sources: Ministry of Economy and Business.										

Methodology, economic models and assumptions underlying the macroeconomic and budgetary forecasts contained in the Stability Programme

Estimation technique	Phase of the process in which it is used	Relevant features of technique/model used
Short-term forecast equation models	Preparation of macroeconomic scenario under no-policy change assumption	Multi-factor model and transfer functions
Long-term forecast equation models	Preparation of macroeconomic scenario under no-policy change assumption	Co-integration error correction models
REMS model	Analysis of fiscal and macroeconomic impact of new measures	General dynamic equilibrium macroeconomic model
Tax revenue forecasts	Basis for the fiscal Budgetary Plan and the General Budgetary Plan and quantification of the General State Draft Budget and calculation of the fiscal effect of measures	Microsimulation models based on macroeconomic provisions and analysis of temporal statistical series
Expenditure forecasts	Basis of Budgetary Plan and General State Draft Budget	The expenditure forecasts are based on compliance with fiscal rules, on the sectoral budgetary proposals, the analysis of the time statistical series and on the measures adopted by the Government in relation to, among other, public sector personnel and pension policies
Fiscal effort forecasts	Estimation of structural effort and break-down by ESA subsectors	European Commission methodology developed in the Output Gap Working Group

Table A.1. Amounts to be excluded from the expenditure benchmark

	2018	2018	2019	2020	2021	2022
	Level (millions €)	% of GDP				
Expenditure on EU Programs fully funded with EU funds	6.584	0,54	0,45	0,44	0,43	0,42
<i>Of which, fully financed investments with EU funds</i>	3.937	0,33	0,24	0,23	0,23	0,23
Cyclical expenditure on unemployment benefits	-540	-0,04	-0,13	-0,20	-0,26	-0,29
Interest expenditure	29.752	2,46	2,37	2,27	2,20	2,16
Source: Ministry of Finance.						

Chart A.2. Expenditure by functions

Functions	COFOG Code	2016	2017	2018	2019	2020	2021
		% of GDP					
1. General public services	1	5,6	5,6	5,5	5,4	5,2	5,1
2. Defense	2	0,9	0,9	0,9	0,9	0,9	0,9
3. Public order and safety	3	1,8	1,8	1,8	1,8	1,8	1,8
4. Economic affairs	4	3,8	4,0	3,7	3,6	3,6	3,6
5. Environmental protection	5	0,9	0,9	0,9	0,9	0,8	0,9
6. Housing and community amenities	6	0,4	0,5	0,4	0,4	0,4	0,4
7. Health *	7	6,0	6,0	6,0	6,0	6,0	6,0
8. Recreation, culture and religion	8	1,1	1,1	1,1	1,1	1,0	1,0
9. Education *	9	4,0	4,0	4,0	4,0	4,0	4,0
10. Social protection	10	16,6	16,7	16,8	16,9	17,0	17,1
11. Total expenditure	TE	41,0	41,3	41,1	41,0	40,7	40,7

* These figures collect the evolution of trend expenditure, which is expected to increase as a result of the reform of the territorial financing system.

Source: Ministry of Finance.