

PRESS RELEASE
07/11/2024

AIReF ENDORSES MACROECONOMIC FORECASTS OF ASTURIAS FOR 2025

The Independent Authority for Fiscal Responsibility (AIReF) endorses the forecasts accompanying the draft budget of Asturias for 2025, which presents growth estimates in the Gross Domestic Product (GDP) in volume terms, of the GDP deflator and employment for 2024-2026 that differ from the latest estimates of the Spanish Government's macroeconomic scenario for the country as a whole.

In accordance with the provisions of the Organic Law on the Creation of AIReF, the macroeconomic forecasts incorporated in the draft budgets of all General Government (GG) authorities must include a report from AIReF indicating whether they have been endorsed.

Asturias estimates GDP growth in volume terms of 2% for 2025. This forecast is similar to, albeit higher than, AIReF's forecast of 1.8%, but it is lower than the forecasts of other agencies for the region.

It should be stressed that the macroeconomic forecasts for the Autonomous Regions (ARs) are performed in a context of great uncertainty. In addition to the risks stemming from the geopolitical environment, there is another fundamental source of uncertainty in the case of the ARs related to the lack of essential information for drawing up the macroeconomic scenarios of these GG authorities. Specifically, the latest figures available from the Spanish Regional Accounts refer to 2022, published in December 2023. AIReF recalls that up to and including 2020, the National Statistics Institute (INE) made an initial estimate of the Spanish Regional Accounts in April of each year. As of 2021, that estimate is made in December. This means that, until December 2024, the Regional Accounts series, consistent with the 2024 Statistical Revision published on September 18th, will not be available. This lack of information hinders the preparation of macroeconomic forecasts and the budgetary planning of ARs which, in a system as decentralised as Spain's, may potentially have repercussions on compliance with national and European fiscal rules and commitments.

AIReF highlights the fact that Asturias complies with the recommendation to submit, prior to the publication of the draft budget, the information on the macroeconomic forecasts that underpin the budget and the corresponding request for endorsement. It also complies with the best practice advice regarding the inclusion of a comparison with other independent forecasts and the provision of information on the econometric techniques, models and parameters used, as well as on the assumptions underpinning its forecasts.

This region also complies with the best practice advice concerning the inclusion of macroeconomic forecasts beyond the year for which budgets are prepared, which is essential for assessing the consistency of the forecasts of the ARs with the Government's Medium-term Structural-Fiscal Plan. In this regard, best practice advice is issued to extend the scenarios presented, given that the Structural-Fiscal Plan is in force for four years.