

PRESS RELEASE
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AIReF ENDORSES MACROECONOMIC FORECASTS OF CATALONIA FOR 2025

The Independent Authority for Fiscal Responsibility (AIReF) endorses the forecasts accompanying the draft budget of Catalonia for 2025, which presents growth estimates in the Gross Domestic Product (GDP) in volume terms and in employment for the period 2024-2025 that differ from the latest estimates of the Government of Spain'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.

Catalonia estimates GDP growth in volume terms of 2.2% for 2025. This forecast is similar to AIReF's forecast of 2.3% and is in the range of other agencies' forecasts 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 Catalonia 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.

However, in order to facilitate the evaluation of the macroeconomic forecasts, the best practice advice that AIReF has been issuing since 2021 is reiterated, in which it calls for the inclusion of employment forecasts in regional accounting terms. Furthermore, the best practice advice is also reiterated to extend the forecast horizon of the macroeconomic scenario beyond the period of the annual general budget, preferably to



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a four-year horizon, given that this is the term of the Structural-Fiscal Plan presented by the Government of Spain.