# Spain

# Macroeconomic & Financial Outlook

**CaixaBank Research**

September 2026



Prepared with information available by September 10th , 2026

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# Key messages

| | |
|---|---|
| **Activity** | ▸ **The lack of progress towards de-escalation in the Middle East and continued hostilities between the US and Iran continue to keep energy prices elevated**. Energy futures now point to higher average prices in 2026 and 2027 than at the beginning of the summer. The average annual Brent price implied by futures stands at around \$89/b for 2026, compared with \$80/b two months ago, and at \$80/b for 2027, compared with \$72/b.<br>▸ **As expected, the ECB has raised the deposit rate by 25bp in September to 2.50%.** Markets are pricing in a high probability of a further hike to 2.75% in December 2026, followed by another increase to 3.00% in spring 2027. These expectations reflect the persistence of the conflict in the Middle East and renewed upward pressure on oil and gas prices.<br>▸ **Spanish GDP grew by 0.7% qoq and 2.7% yoy in the second quarter of the year**, outperforming both the euro area, which grew by 1.2% yoy, and our expectations. The composition of growth was healthy, with strong growth in investment, private consumption and services exports.<br>▸ **The strong Q2 GDP figure poses upside risks to our 2026 growth forecast, currently at 2.4%**. However, heightened geopolitical risks and the recent increase in energy prices warrant some caution. We will revise our scenario this month.<br>▸ **Spanish growth should remain dynamic and domestically driven in 2026**. Population growth linked to immigration inflows, elevated household savings, ongoing investment spurred by NGEU and strong services exports should continue to support activity, partly offsetting weaker goods trade.<br>▸ **Early Q3 indicators point to continued economic momentum** thanks to improving business sentiment, resilient household consumption and the recovery in services, particularly tourism, with international arrivals set to exceed 100 million in 2026. Employment creation remains strong, supported in part by the regularisation process of migrants, although growth among Spanish nationals has moderated.<br>▸ **Headline inflation rose by 0.7pp to 4.3% in August**, mainly driven by higher fuel prices amid renewed tensions in the Persian Gulf and, to a lesser extent, by the partial withdrawal of fuel subsidies**.** Risks to our inflation outlook are tilted to the upside, as a prolonged conflict could keep energy prices elevated and bring average inflation in 2026 closer to 3.5% than to the 3.2% in our current forecast.<br>▸ **House prices continue to grow at a strong pace, supported by persistent supply constraints**. Q2 indicators were mixed: house prices based on the Registrars Index accelerated while transaction-based prices (INE) moderated to 12.2% year-on-year after remaining broadly stable at around 13% over the previous year. Transactions remain at very high levels but are easing broadly in line with expectations.<br>▸ **Fiscal deficit remains contained**. The deficit is expected to reach 2.3% of GDP in 2026, 0.1pp below the 2025 level. Although temporary measures related to the Middle East conflict and the February storms will cost around 0.6% of GDP, stronger revenue growth should offset the fiscal impact. |
| **Banking Sector** | ▸ **New lending remains at elevated levels, while the credit portfolio continues to grow at a strong pace.** Asset quality is strong, with the NPL ratio contained at around 2.5% in June, while profitability remains among the highest in Europe (18.5% in 1Q26 vs. 10.5% in the euro area). Geopolitical risks continue to cloud the outlook, although Spanish banks have limited direct exposure to the affected regions |

# Main economic forecasts

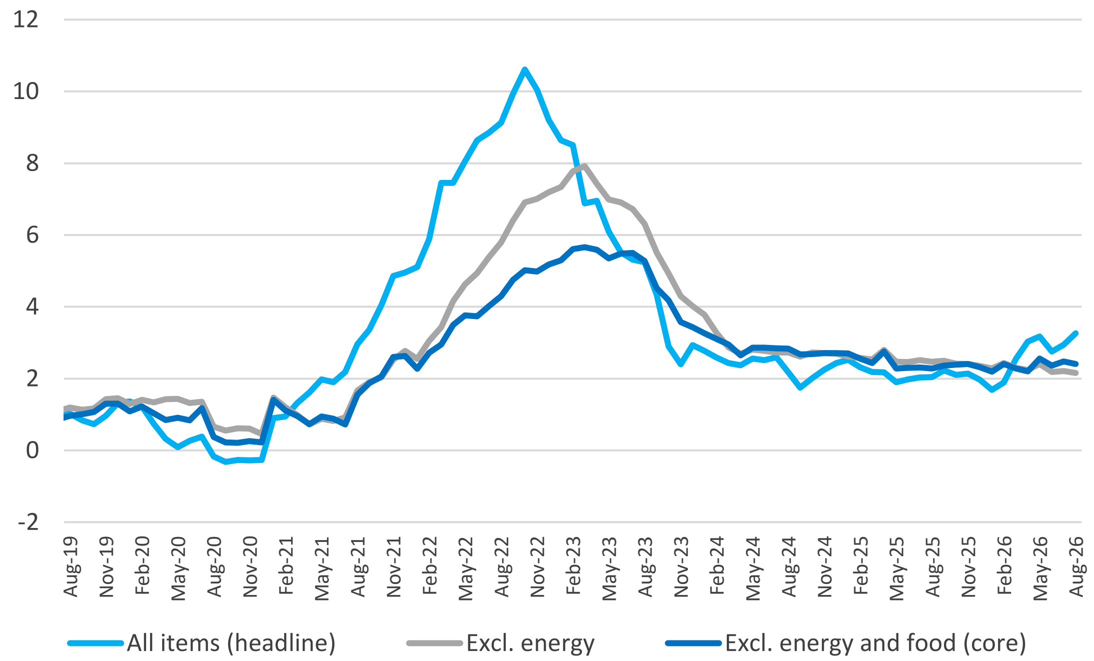
| %. YoY. unless otherwise specified | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 (Forecast) | 2027 (Forecast) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GDP | 2,9 | 2,9 | 2,4 | 2,0 | -10,9 | 6,7 | 6,4 | 2,5 | 3,5 | 2,8 | 2,4 | 2,0 |
| Private Consumption | 2,6 | 3,1 | 1,8 | 1,0 | -12,2 | 7,2 | 4,9 | 1,7 | 3,0 | 3,3 | 2,6 | 2,0 |
| Public Consumption | 0,9 | 1,0 | 2,1 | 2,2 | 3,5 | 3,6 | 0,8 | 4,5 | 2,9 | 2,4 | 2,0 | 2,0 |
| Gross Fixed Capital Formation (GFCF) | 2,0 | 6,8 | 6,5 | 4,9 | -8,9 | 2,6 | 4,2 | 5,9 | 3,6 | 5,8 | 4,5 | 2,4 |
| GFCF - equipment | 1,6 | 9,1 | 4,2 | 1,7 | -13,5 | 3,3 | 2,1 | 2,6 | 1,9 | 7,4 | 3,5 | 2,6 |
| GFCF - construction | 0,9 | 6,8 | 10,1 | 8,4 | -8,4 | 0,5 | 4,0 | 5,5 | 4,0 | 5,2 | 4,7 | 2,3 |
| Exports | 5,4 | 5,6 | 1,7 | 2,3 | -20,1 | 13,4 | 14,2 | 2,2 | 3,2 | 3,6 | 0,6 | 1,8 |
| Imports | 2,6 | 6,7 | 3,9 | 1,3 | -15,1 | 15,0 | 7,7 | 0,0 | 2,9 | 6,2 | 1,6 | 2,1 |
| Unemployment rate | 19,6 | 17,2 | 15,3 | 14,1 | 15,5 | 14,9 | 13,0 | 12,2 | 11,3 | 10,5 | 9,8 | 9,4 |
| CPI (average) | -0,2 | 2,0 | 1,7 | 0,7 | -0,3 | 3,1 | 8,4 | 3,5 | 2,8 | 2,7 | 3,2 | 2,4 |
| External current account balance (% GDP) | 3,1 | 2,8 | 1,9 | 2,1 | 0,8 | 0,8 | 0,4 | 2,7 | 3,2 | 2,9 | 2,3 | 2,5 |
| General Government Balance (% GDP) | -5.3 | -3,0 | -2,6 | -3,1 | -9,9 | -6,7 | -4,6 | -3,3 | -3,2 | -2,4 | -2,3 | -2,3 |
| General government debt (% GDP) | 101,9 | 101,2 | 99,8 | 97,7 | 119,3 | 115,7 | 109,3 | 105,2 | 101,6 | 100,7 | 99,2 | 97,8 |
| Housing prices | 1,9 | 2,4 | 3,4 | 3,2 | -1,1 | 2,1 | 5,0 | 3,9 | 5,8 | 11,2 | 6,3 | 7,3 |
| Risk premium (vs. 10Y Bund. bps. Dec.) | 124 | 120 | 97 | 88 | 86 | 67 | 104 | 102 | 81 | 59 | 46 | 55 |
| Bank credit (to the private domestic sector) | -2,9 | -1,9 | -2,6 | -1,2 | 2,5 | 0,5 | -0,4 | -3,4 | 0,7 | 3,5 | 4,5 | 4,2 |

**Note**: All GDP figures are based on ESA-2010 methodology.
**Source**: CaixaBank Research.

# Markets price an increasingly hawkish ECB

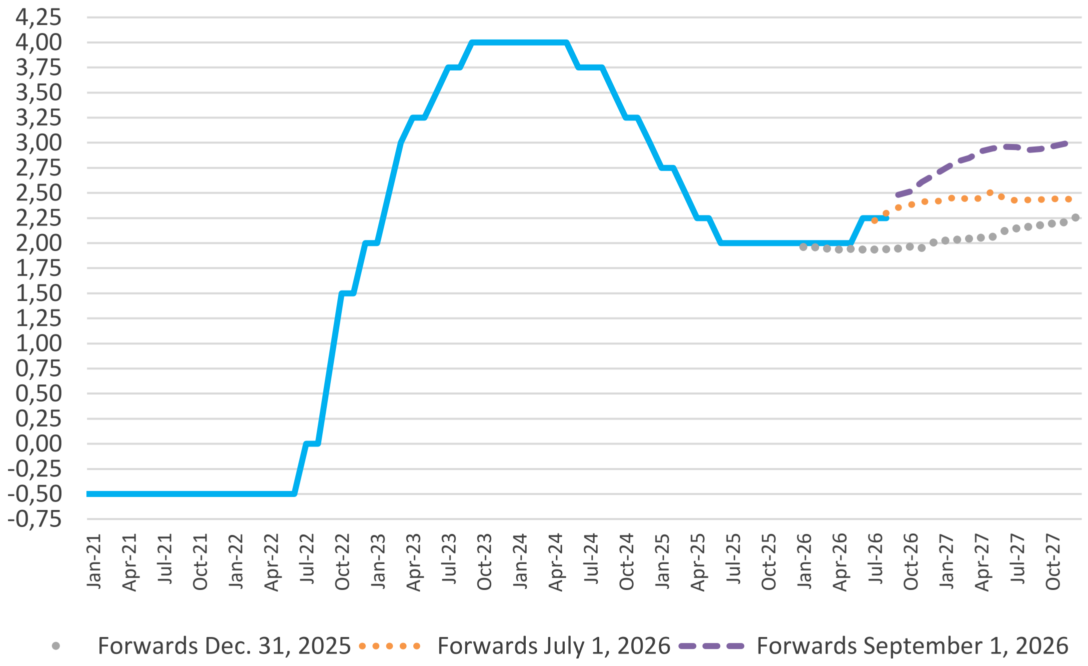
## Euro area: HICP inflation

(%)




## ECB deposit rate

(%)




- **The ECB eyes higher rates**. As expected, **the ECB raised the deposit facility rate by 25 bp to 2.50% on 10 September**, bringing it 50 bp above its pre-Iran-war level. There are several factors that explain the ECB's desire for somewhat higher rates. First and foremost, the Middle East conflict lingers on and has added renewed pressure on commodity prices throughout the summer. Thus, the latest crude oil and LNG futures suggest that the inflation deviation from target could last a few quarters longer than previously expected. Second, data suggest that the indirect effects of the energy shock on nonenergy prices are limited (e.g., while headline inflation rose to 3.3% in August, inflation excl. energy stood at 2.2%), but a prolonged period of high energy prices raises risks of significant indirect effects in the future. Third, euro area activity data have proved resilient in the last months –allowing ECB officials to be relatively more concerned about inflation than growth.
- **Markets expect the ECB deposit rate to reach 3.00% in 2027, implying a 25bp hike to 2.75% in December 2026 and a further increase to 3.00% in spring 2027. However, the ECB is likely to continue stressing its data-dependent and meeting-by-meeting approach**. The Middle East conflict is key to the economic outlook, and it can change in fast and abrupt ways. If the current stress on energy prices persists throughout the end of the year, there is a meaningful chance that the ECB will choose to raise rates again in December. At the same time, markets have already shown that oil and gas prices can fall fast in response to (expectations of) improvements in energy flows (as they did last June with the U.S.-Iran memorandum of understanding). Thus, the scenario argues for a data-dependent ECB (as highlighted by ECB officials themselves), keeping all options open at each policy meeting instead of pre-committing with any given interest rate path.

# Energy prices have rebounded as the US-Iran conflict has re-escalated

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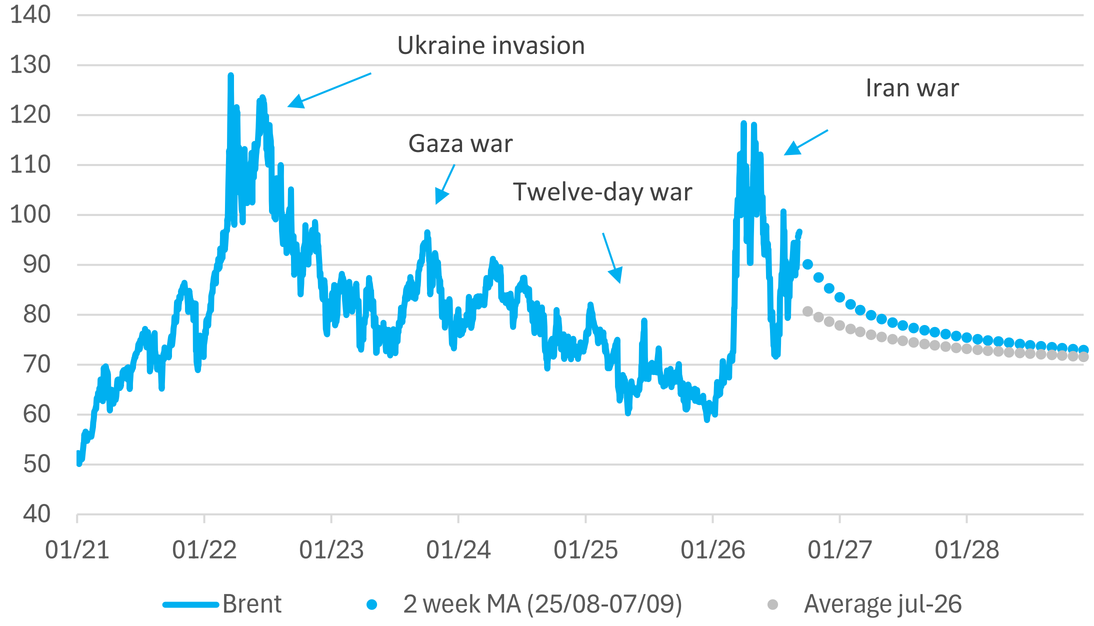
## Brent oil prices and futures

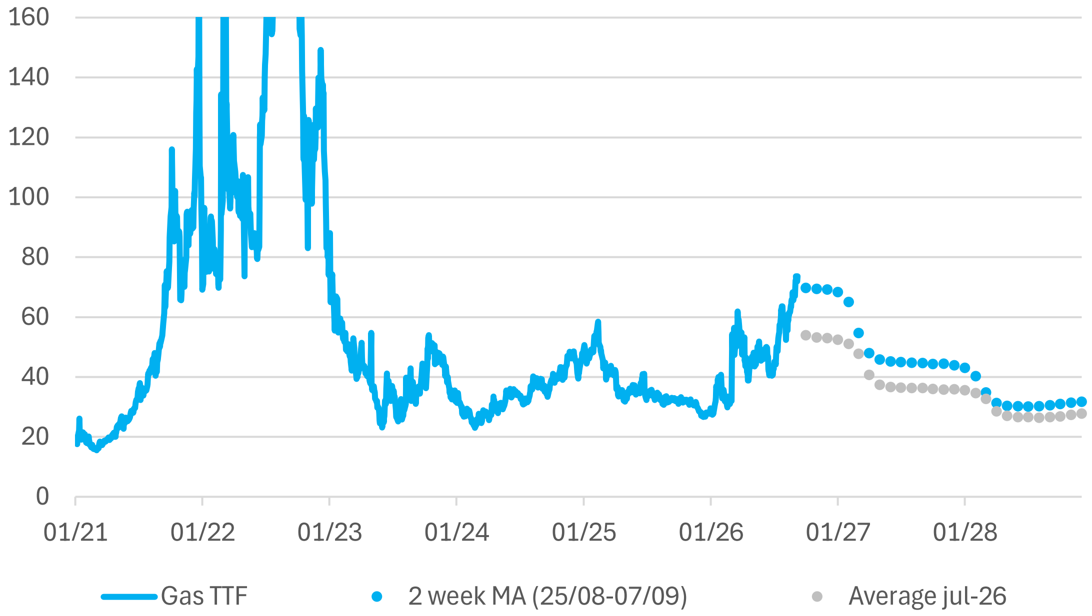
$ per barrel




**Note**: Graph elaborated with data as of September 7th.
**Source:** CaixaBank Research, based on data from Bloomberg.

## Gas prices and futures

€ per MWh



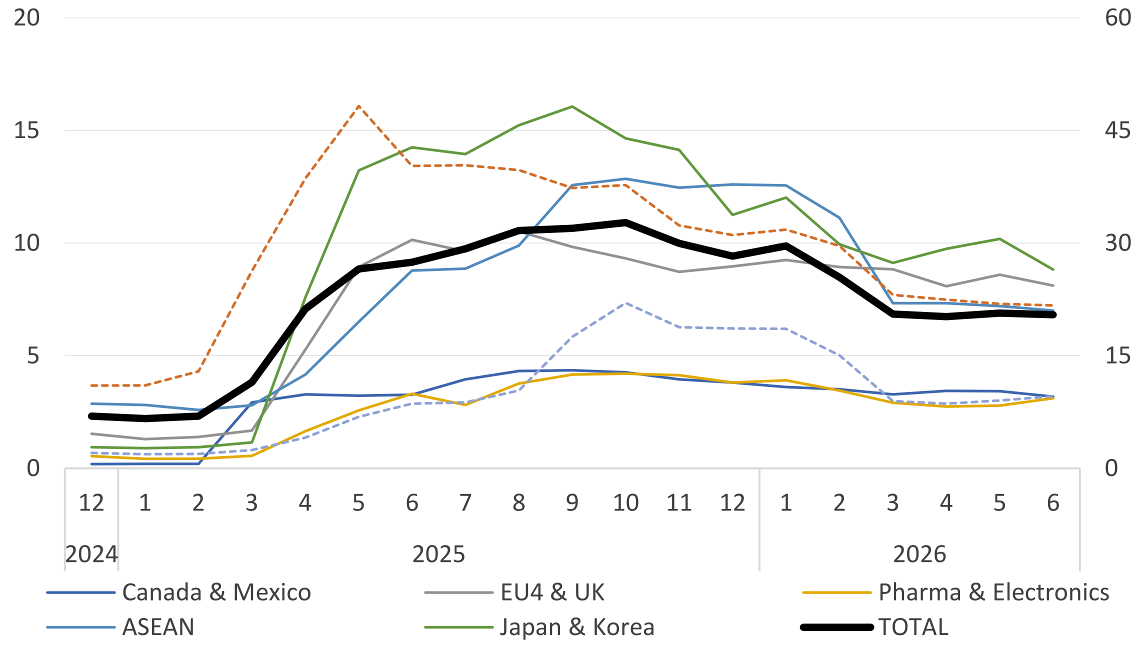

**Note**: Graph elaborated with data as of September 7th.
**Source:** CaixaBank Research, based on data from Bloomberg.

- **The Middle East conflict continues to weigh on energy markets.** Brent prices experienced significant volatility over recent weeks, trading within a wide range and averaging close to 90 dollars per barrel in August. Front-end prices currently stand in the 95-100$/b range, while futures contracts point to an average of 89$/b in 2026 (C. 80$/b in 2027). Geopolitical uncertainty, supply risks and global inventories near record lows continue to push prices. Measuring actual oil flows from the Persian Gulf has become increasingly difficult due to the rise in “shadow” maritime shipments and increasing opacity. Refined products markets (gasoline, diesel, etc.) are facing growing strains, as reflected by refining margins in the United States, Europe, and Asia at historically high levels.
- **Gas prices have also risen sharply**, with the average TTF price in August exceeding 60€/MWh and having surpassed 70€/MWh since early September. Futures contracts currently point to an average of 57€/MWh in 2026 (C. 55$€/MWh in 2027). This increase reflects the combination of lower-than-expected LNG supplies and stronger electricity demand driven by high summer temperatures across Europe. EU gas reserves now stand close to 67%, a seasonal low (average 2023-25 c. 88%, 2017-21 c. 81%), which will keep upward pressure on the European gas market into the winter season.
- **While a reduction in geopolitical tensions could lead to some correction in oil and gas prices, risks remain tilted to the upside.** With US-Iran negotiations apparently at a standstill, further escalation could heighten uncertainty over supply security, while low global inventories and the vulnerability of key transport routes continue to pose significant upside risks to energy prices in the short to medium term.

# Everything must change for tariffs to remain the same

## Effective US tariffs

By trading partner group (%)

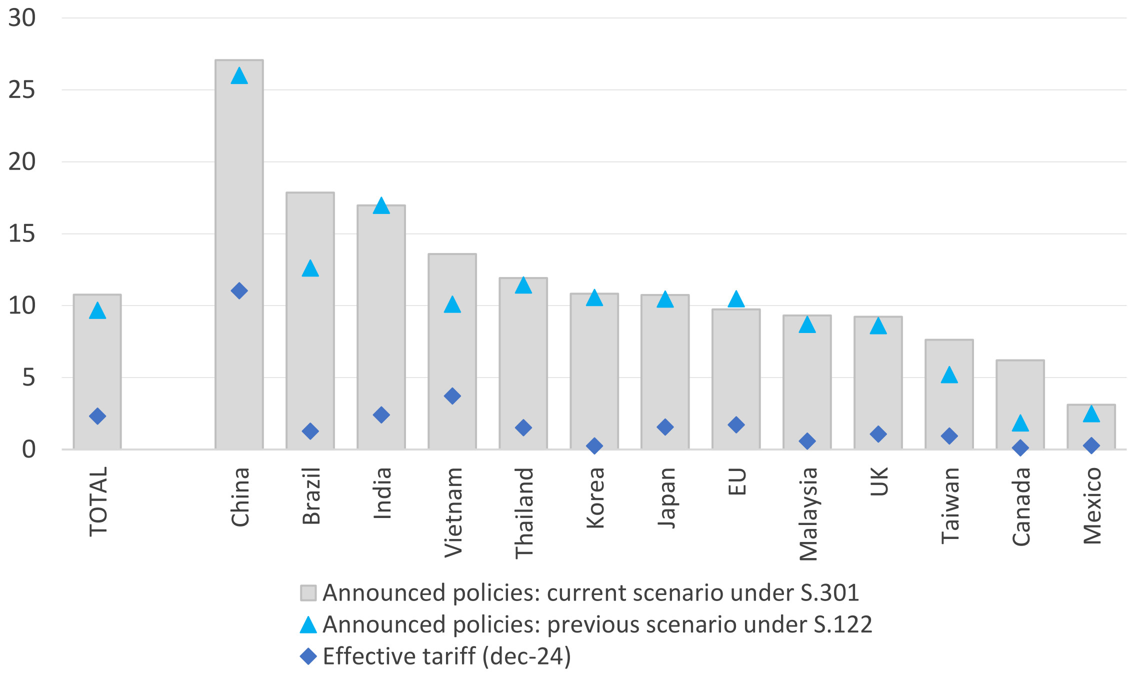



**Note**: EU4 = Germany, France, Italy and Spain. ASEAN = Cambodia, Philippines, Indonesia, Malaysia, Thailand and Vietnam. Pharmaceuticals and electronics (producers): Belgium, Ireland, the Netherlands, Switzerland, Singapore and Taiwan. Trade flows weighted using 2025 data.

**Source**: CaixaBank Research, based on Bloomberg data.

## US tariffs based on announced policies

By main trading partner (%)




**Note**: The current estimate is based on 2025 trade flows.

**Source**: CaixaBank Research, based on Bloomberg, UN COMTRADE and White House data.

- **The 2026 de-escalation has brought the effective US tariff rate back close to "Liberation Day" levels**, when the Trump administration announced a 10% baseline tariff on most imports in April 2025. This followed several trade agreements, shifts in import patterns and the Supreme Court's decision to invalidate the tariffs imposed under the International Emergency Economic Powers Act (IEEPA). After the temporary 10% tariff introduced under Section 122 expired, the Administration rebuilt its policy on more specific legal grounds, combining country-specific measures against unfair trade practices under Section 301 with sectoral tariffs.
- **Despite the change in legal instruments, the overall tariff burden and cross-country differences have changed little**. The announced tariff rate averages around 11%, with lower rates for Mexico and Canada, whose qualifying trade is largely protected by the United States-Mexico-Canada Agreement (USMCA), as well as for the UK and the EU, and higher rates for China, Brazil, India and other Asian economies. However, the new framework does not rule out renewed tensions, particularly with Canada, or further tariffs linked to excess capacity. Uncertainty also remains over the future of the USMCA and the trade truce with China.

# Spanish growth in 2026: dynamic thanks to internal demand

## Breakdown of GDP

Year-on-year (%)

| | 2014-19 | 2024 | 2025 | 2026 (f) |
|---|---|---|---|---|
| **GDP** | 2.6 | 3.5 | 2.8 | 2.4 |
| **Private consumption** | 2.2 | 3.0 | 3.3 | 2.6 |
| **Public consumption** | 1.3 | 2.9 | 2.4 | 2.0 |
| **Investment** | 5.0 | 3.6 | 5.8 | 4.5 |
| **Exports** | 4.0 | 3.2 | 3.6 | 0.6 |
| **Imports** | 4.4 | 2.9 | 6.2 | 1.6 |

## GDP: analysts' forecast

Year-on-year change (%)

| Ordered by forecast of 2026 | 2026 | 2027 |
|---|---|---|
| Government (Jun. 29) | 2.6 | 2.2 |
| Airef (Jul. 1) | 2.5 | 2.1 |
| Funcas (Jul. 7) | 2.5 | 1.8 |
| BBVA Research (Jun. 12) | 2.4 | 2.1 |
| **CaixaBank Research (Jul. 20)** | 2.4 | 2.0 |
| European Commission (May. 21) | 2.4 | 1.9 |
| Funcas panel (Jul. 13) | 2.3 | 2.0 |
| Consensus Forecasts (Jul. 13) | 2.3 | 1.9 |
| Bank of Spain (Jun.18) | 2.3 | 1.7 |
| OECD (Jun. 3) | 2.2 | 1.7 |
| IMF (Mar. 20) | 2.1 | 1.8 |

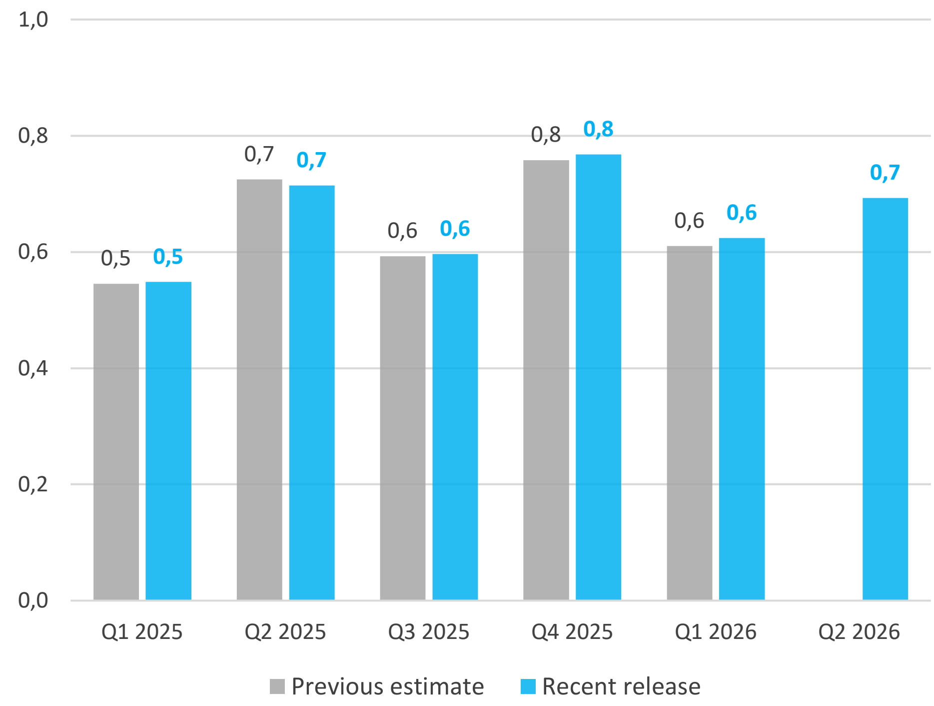
- **We forecast GDP growth at 2.4% in 2026 and 2.0% in 2027.** In 2026, the negative impact of the Middle East conflict should be partially offset by fiscal support, a decline in the household savings rate from 12.0% of GDI to 11.2%, and the redirection of some international tourist flows towards Spain amid turmoil in the Middle East. While renewed tensions since July between US and Iran have increased uncertainty and energy prices, the strength of Q2 GDP data and the positive evolution of Q3 activity indicators still point to **some upside risks to our GDP growth projections for 2026**. The situation remains highly fluid, and we will closely monitor developments in energy prices, Gulf shipping flows and geopolitical tensions.
- **Domestic demand will remain the main engine of growth,** led by robust private consumption, supported by strong population gains driven by immigration and continued employment growth. Investment should also remain resilient, underpinned by ongoing NGEU-funded projects and a favourable outlook for demand. On the external side, services exports—including both tourism and non-tourism activities—are expected to continue performing strongly. By contrast, goods exports are likely to make a more limited contribution, reflecting weak global trade dynamics and persistent geopolitical tensions in the Middle East.

# Solid Spanish growth data in Q2



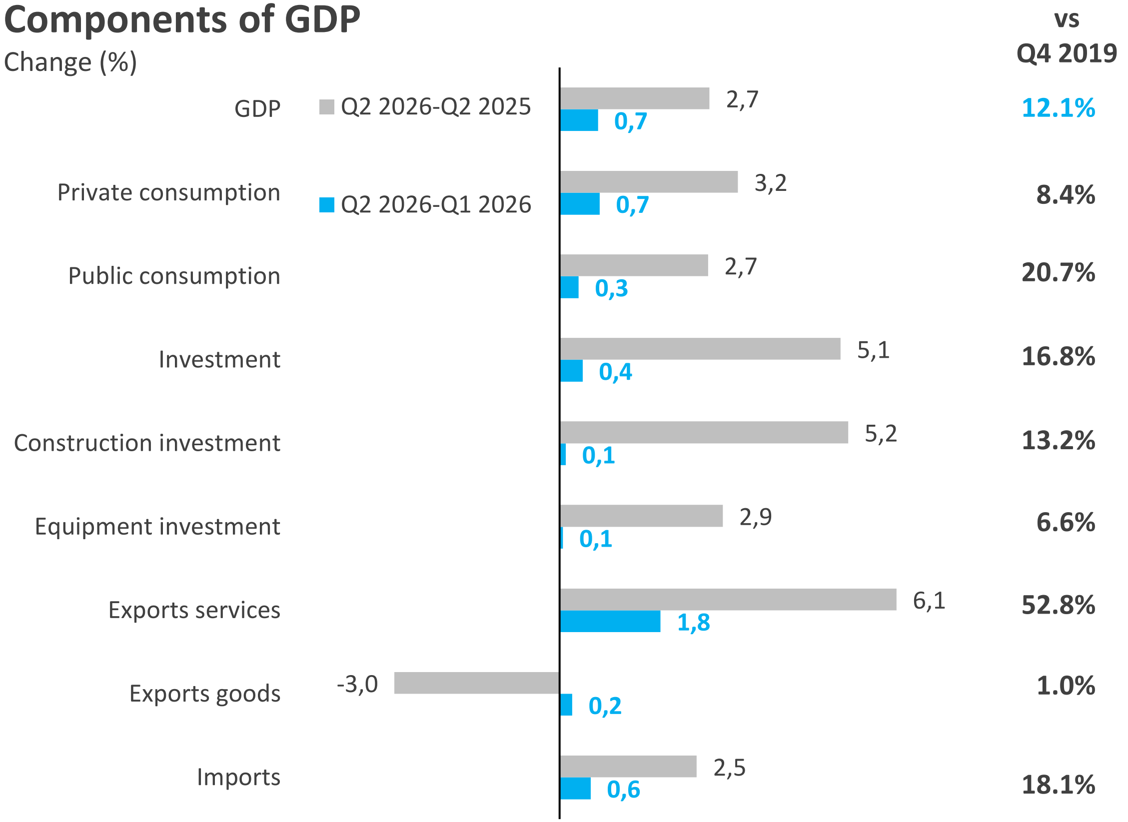
## GDP growth: revisions

Quarter-on-quarter change (%)




## Components of GDP

Change (%)




- **Spain's GDP exceeded expectations in Q2 2026, growing by 0.7% qoq**, up from 0.6% in the previous quarter and above our forecast of 0.5%. In year-on-year terms, GDP grew by 2.7%, significantly outpacing the euro area's 1.2% growth. This performance is particularly noteworthy given the challenging international backdrop, shaped primarily, though not exclusively, by the conflict in the Middle East.
- **Healthy growth breakdown, with substantial contributions from private consumption, investment and services exports.** Private consumption grew by 0.7% qoq, a remarkable figure considering a backdrop of higher inflation due to increased energy prices. Investment grew 0.4% qoq, driven by intangible investment (1.7% qoq), non-transport equipment and residential investment (0.7% both). On the external demand side, exports grew at a faster pace than imports (0.8% qoq vs 0.6%), driven by services exports, which allowed external demand to make a positive contribution to quarterly growth, for the second quarter in a row.
- **The latest GDP growth figure adds upward pressure to our full-year 2026 forecast, currently at 2.4%.** Strong Q2 GDP data adds to the body of evidence that the momentum of the economy might be slightly stronger than what we expected. However, heightened geopolitical risks add a note of caution. This month we will revise our scenario.

# Spain: The economy started Q3 on a firm footing

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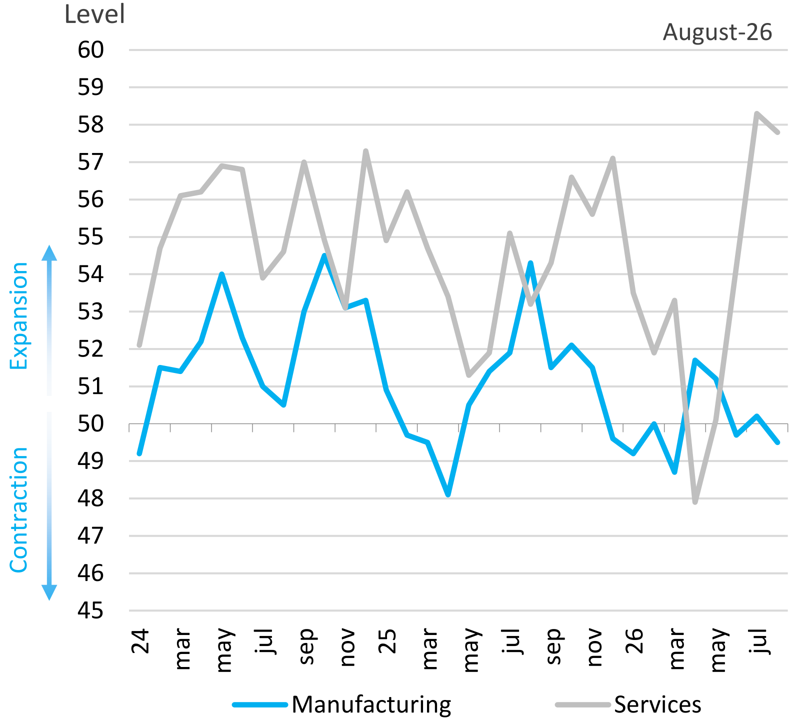
## PMI indices



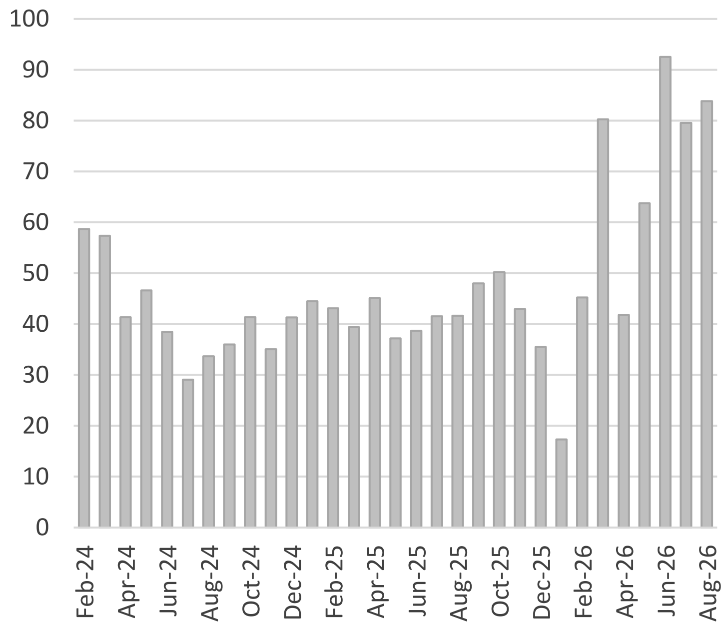

## Indicators of economic activity

| | Q3 2026 | Q2 2026 | Data up to |
|---|---|---|---|
| **Workers registered to the Social Security system** (qoq growth in % SA) | 0.9 | 0.8 | Aug. |
| **CaixaBank Consumption Monitor** (yoy growth in %) | 2.5 | 1.5 | Aug. 21st |
| **Retail sales** (qoq growth in %, SA) | -0.5 | -0.3 | Jul. |
| **Foreign tourist expenditure** (yoy growth in %) | 10.9 | 7.4 | Jul. |
| **Manufacturing PMI** level, >50 expansion | 49.9 | 50.9 | Aug. |
| **Services PMI** level, >50 expansion | 58.1 | 50.7 | Aug. |

**Note:** (1) PMIs are in green if > 50.The remaining indicators, are in green if > 0.

## Social Security registered members*

Month-on-month change (thousand)



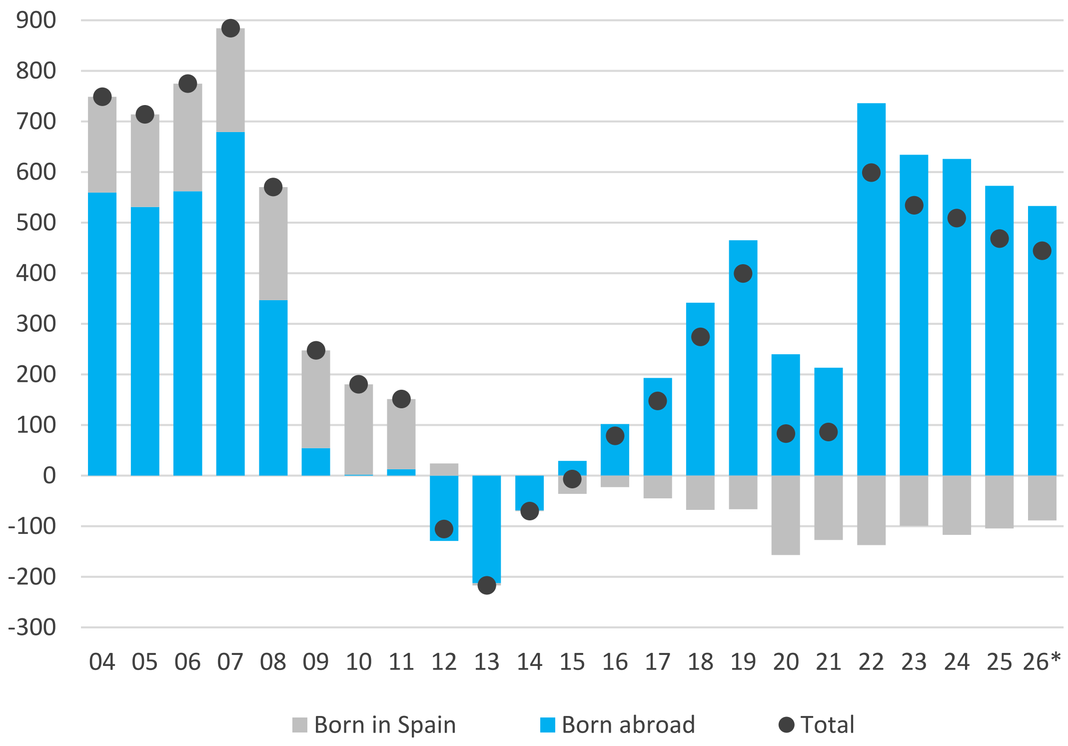

**Note:** (*) Seasonally adjusted.
**Source:** CaixaBank Research, with data from the MISSM.

- **The available indicators for Q3 point to continued strength**. Our CaixaBank Consumption Monitor grew by 2.5% yoy in July-August, above the 1.5% of Q2. The services PMI rebounded sharply to 58.1 points in July-August, its highest reading since Q3 2021, signaling a strong pace of expansion in the sector; in manufacturing, the PMI stood at 49.9 points, very close to the 50-point threshold that separates expansion from contraction.
- **Labour market dynamics remain resilient in Q3**. Up to August, Social Security affiliation rose by 0.9% q/q, up from 0.8% in Q2. However, the figure is boosted by the extraordinary regularisation process introduced in April 2026, which allows certain undocumented migrants already residing in Spain, many of whom were working informally, to obtain residence and work permits. According to the Government, the process added around 340,000 affiliates by August.
- **All considered, GDP growth in Q3 could land slightly above our current forecast of 0.5% qoq**. Our nowcasting model points to GDP growth of around 0.6-0.7% qoq. Airef's nowcasting model forecasts quarterly growth of 0.6%. However, caution is in order as uncertainty around the forecast is large considering that there is still a small body of information available.

# Demographics and the labour market continue to drive growth

### Total population

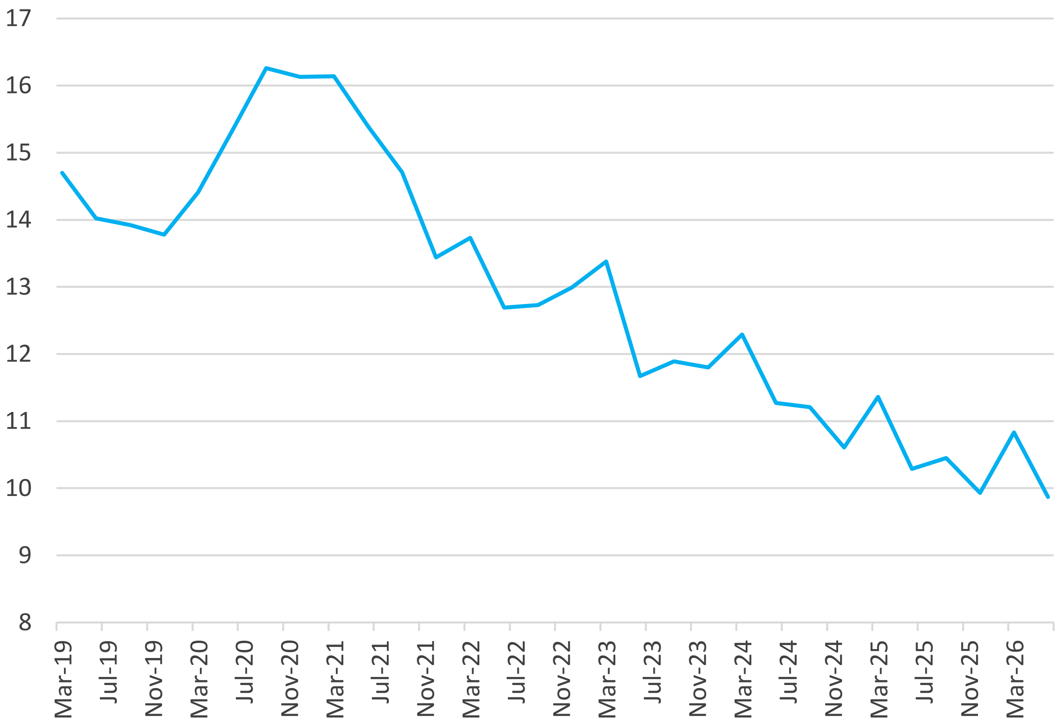
Annual variation in thousands




**Note** (*) Q2 2026 vs. Q2 2025.
**Source**: CaixaBank Research, with data from INE (ECP).

### Unemployment rate

% of active population



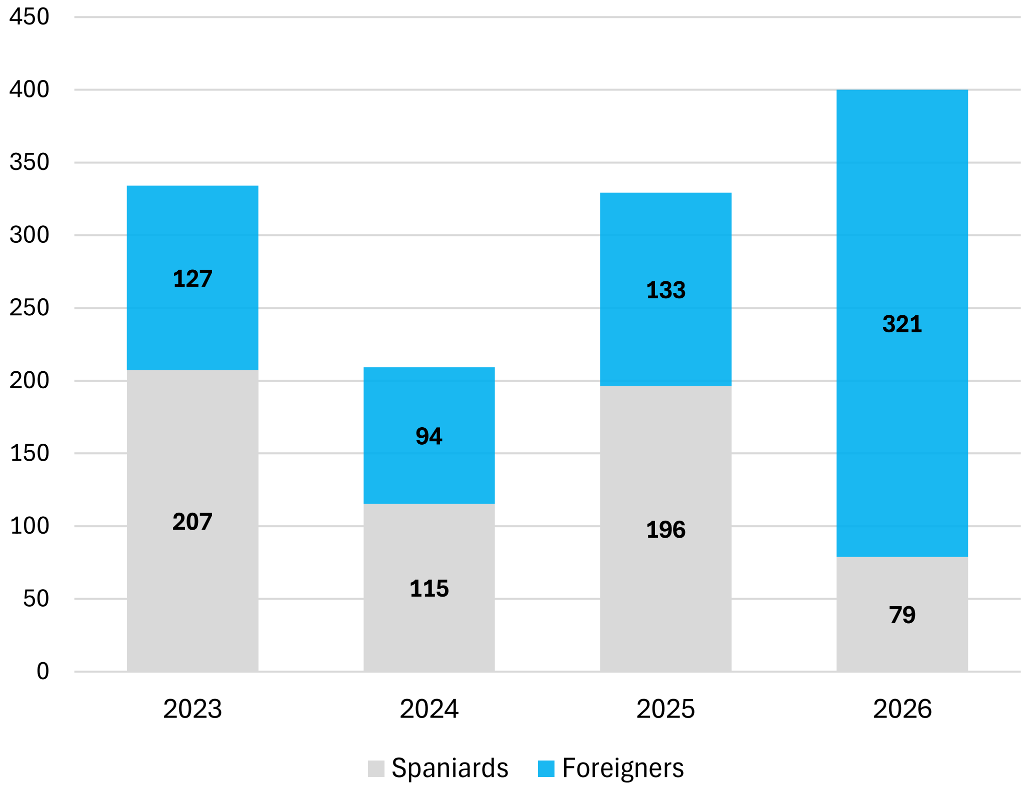

**Source**: CaixaBank Research, with data from EPA.

- **Employment in Spain grew by 2.3% yoy in Q2 2026**, a 0.1pp deceleration from the previous quarter. Active population grew by 1.8% yoy, remaining above the 1.7% average recorded in 2023–2025, while population grew by 1.0% year on year.
- **The unemployment rate declined to 9.9%, 0.4pp lower than a year earlier**. Adjusted for seasonality, the unemployment rate stood at 10.1%, down 0.2pp from the previous quarter.

# Foreign employment gains momentum while national employment moderates

### Increase in employment by nationality

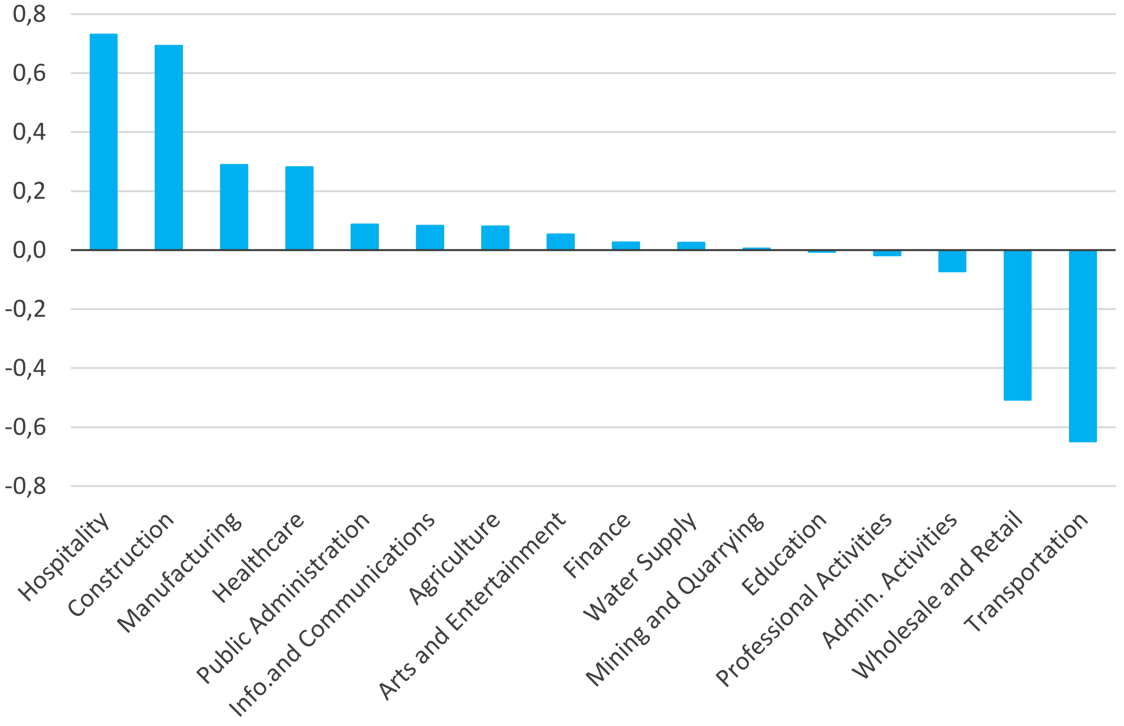
Change between 30 March and 31 July, thousands




**Note:** End-of-month data.
**Source:** CaixaBank Research, based on Ministry of Inclusion, Social Security and Migration (MISSM) data.

### Foreign employment by sector

Contribution to year-on-year total sectoral growth by foreign employment: difference between the April-July periods of 2026 and 2025




**Note:** Monthly average data. Energy supply, real estate activities and other services are excluded, as these sectors show a structural break in the series from January 2026 onwards.
**Source:** CaixaBank Research, based on Ministry of Inclusion, Social Security and Migration (MISSM) data.

- **The extraordinary regularization process is boosting foreign employment growth**, while employment growth among nationals has slowed.
- Compared with the April-July period a year ago, foreign employment growth has accelerated particularly in hospitality, construction, manufacturing and healthcare. By contrast, it has slowed in wholesale and retail trade, as well as in transportation.

# Spain: Fuel prices push inflation above 4% in August

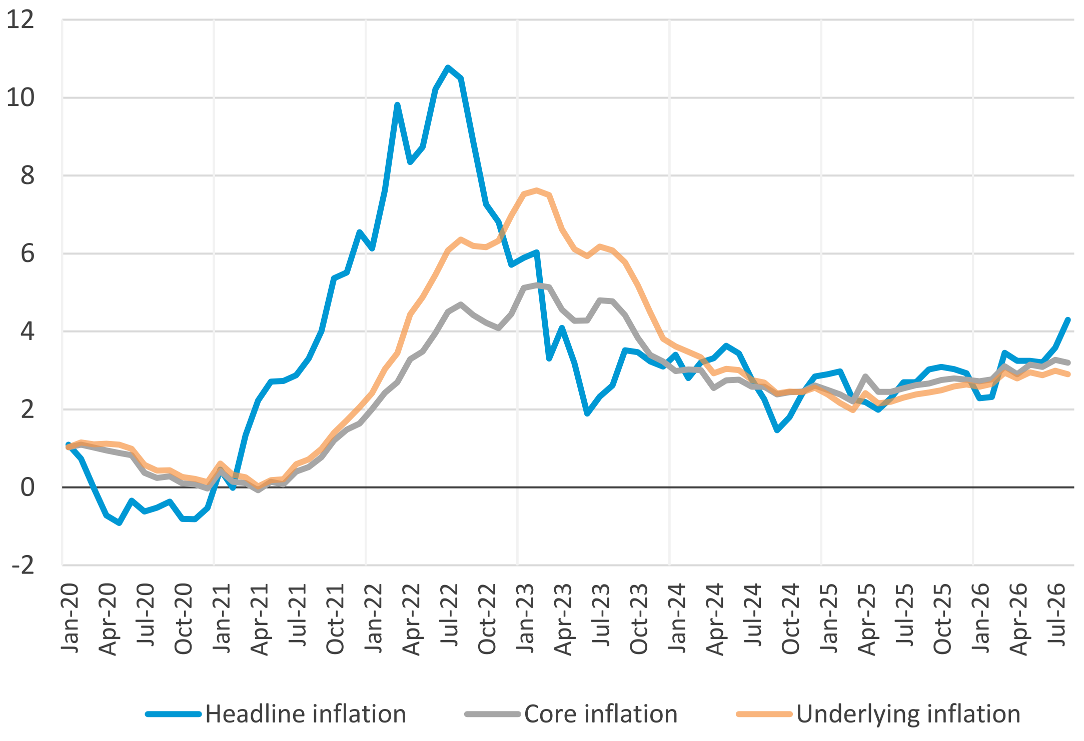
## Spain: Inflation components

(%)

| | Avg. 2025 | May.-26 | Jun.-26 | Jul.-26 | Aug.-26 |
|---|---|---|---|---|---|
| **Headline inflation** | 2.7 | 3.2 | 3.2 | 3.6 | 4.3 |
| **Underlying inflation** (excl. energy and unprocessed food) | 2.3 | 3.0 | 2.9 | 3.0 | 2.9 |
| **Core inflation** (excluding energy and food) | 2.6 | 3.2 | 3.1 | 3.3 | 3.2 |
| - Industrial goods | 0.6 | 0.9 | 1.0 | 1.1 | 1.3 |
| - Services | 3.4 | 4.1 | 3.9 | 4.0 | 3.8 |
| **Food, beverages & tobacco** | 2.7 | 2.4 | 2.1 | 1.8 | 2.4 |
| **Energy** | 3.4 | 5.9 | 6.7 | 10.1 | 17.0 |
| - Electricity | 15.0 | -5.5 | 6.0 | 8.4 | .. |
| - Fuel | -3.2 | 12.3 | 7.0 | 11.0 | .. |

## Spain: Headline, underlying and core inflation

(%)




- **Headline inflation rose by 0.7pp to 4.3% in August,** driven by higher fuel prices amid rising oil prices and the partial withdrawal of support measures. Beyond energy, services inflation remains high despite a soft moderation, while fresh food prices exerted upward pressure. The 20 cents/litre diesel discount was reinstated in September, after diesel prices recorded year-on-year growth above 15% in July. By contrast, the discount applied to gasoline was reduced to 5 cents/litre.
- **Higher oil prices have worsened the near-term inflation outlook**. Following the rupture of the memorandum of understanding between the US and Iran, oil and gas prices went up sharply, returning broadly to pre-agreement levels. As of publication, futures markets point to an average oil price of around USD 89/bbl in 2026, above the USD 80/bbl assumed in our current forecast. If sustained, this could bring inflation in 2026 a few tenths above our current 3.2% projection.

# The elevated savings rate will help cushion the impact of inflation on consumption

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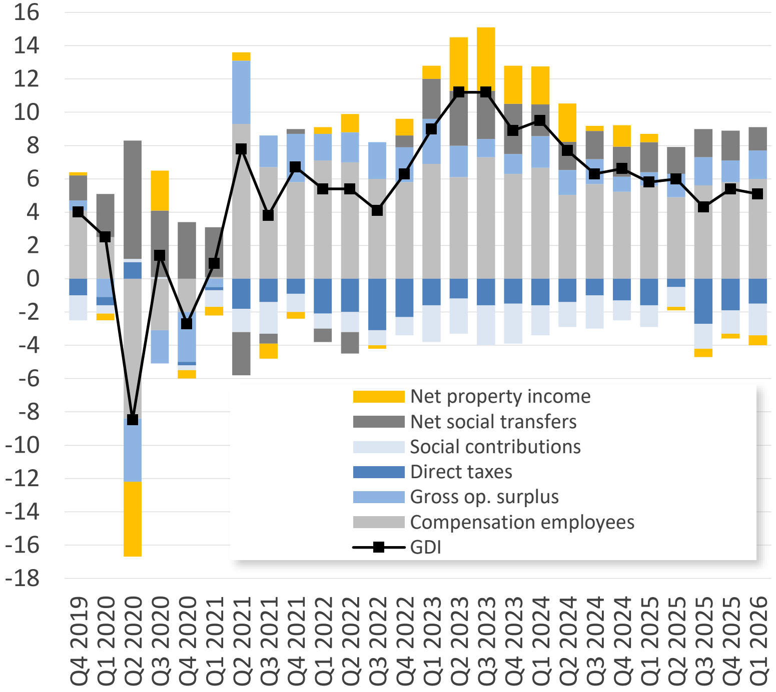
## Gross disposable income (GDI)

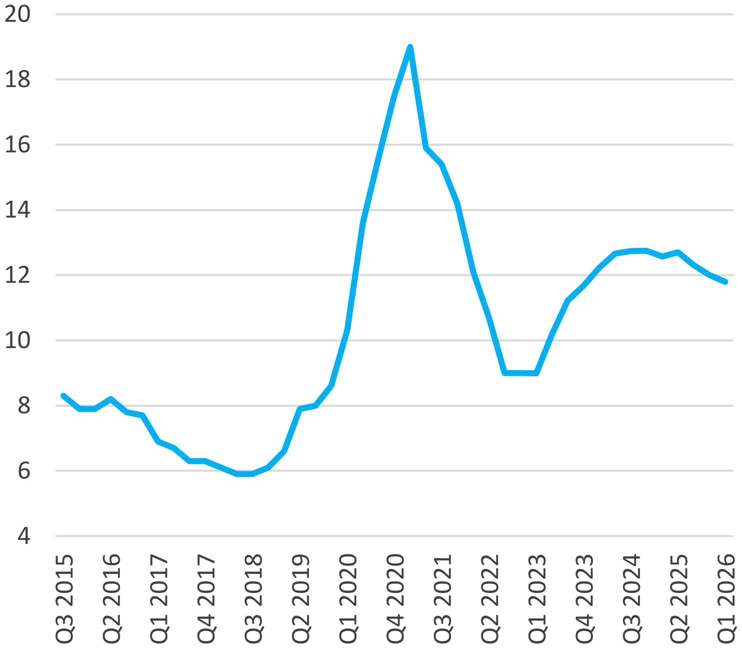
Year-on-year variation (%) and contributions




**Source**: CaixaBank Research, based on data from INE.

## Savings rate

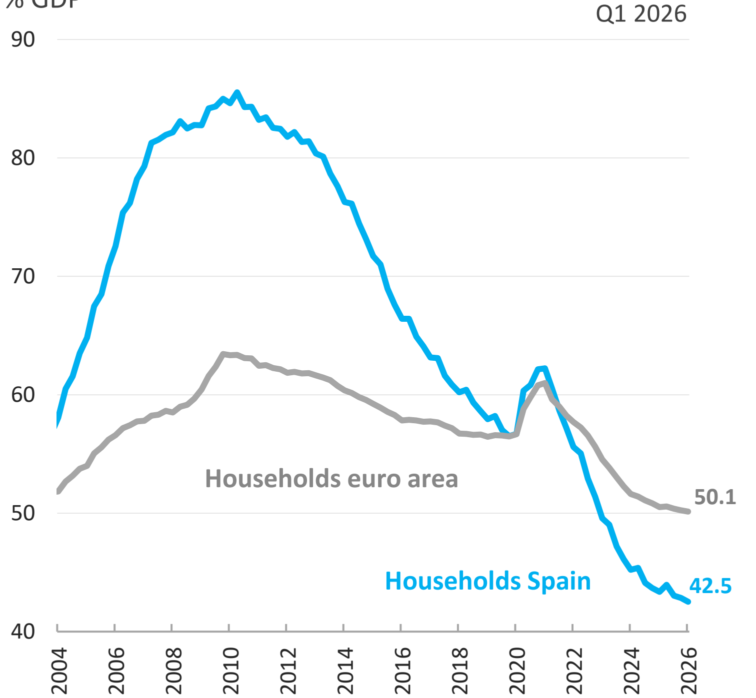
% Gross Disposable Income



**Note**: Accumulated data four quarters.
**Source**: CaixaBank Research, based on data from INE.

## Households' debt

% GDP



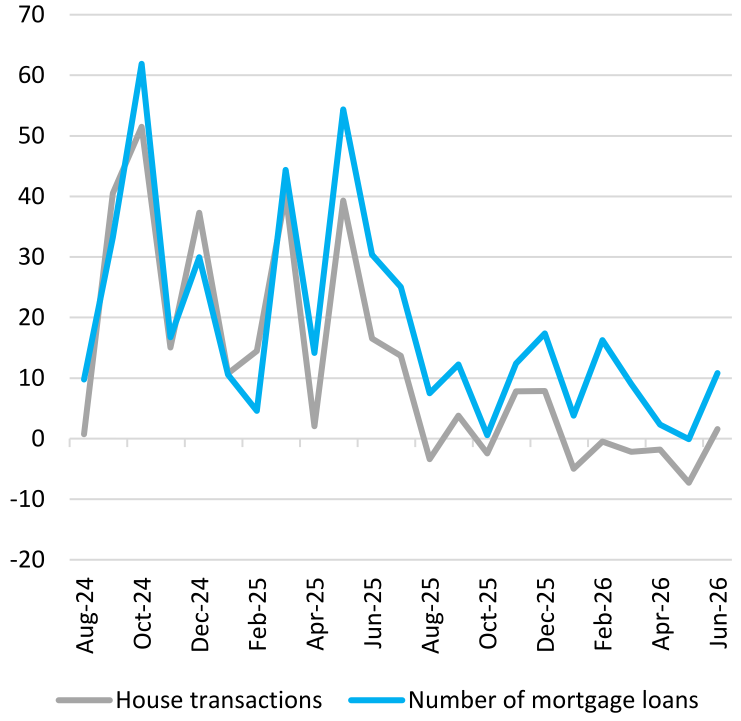

**Source**: CaixaBank Research, based on data from Bank of Spain and Eurostat.

- **The household savings rate remains high, although it continues to moderate gradually**. In Q1 2026, it stood at 11.8% of gross household disposable income on a 4-quarter cumulative basis, down from 12.0% in Q4 2025, but still well above the 2015-2019 average of 7.3%.
- **Gross household disposable income continued to grow at a solid pace** in Q1 2026, increasing by 5.1% yoy, supported by the strength of the labour market. However, household consumption remained dynamic and grew above disposable income, explaining the slight decline in the savings rate.
- **In our scenario, we expect the savings rate to moderate gradually in 2026, but to remain at historically high levels, at around 11.0% of gross household disposable income**. In the context of the Middle East conflict, households should have more room for adjustment than during the Ukraine shock, as the impact on energy prices is expected to be more contained.

# Housing demand remains strong and price pressures persist

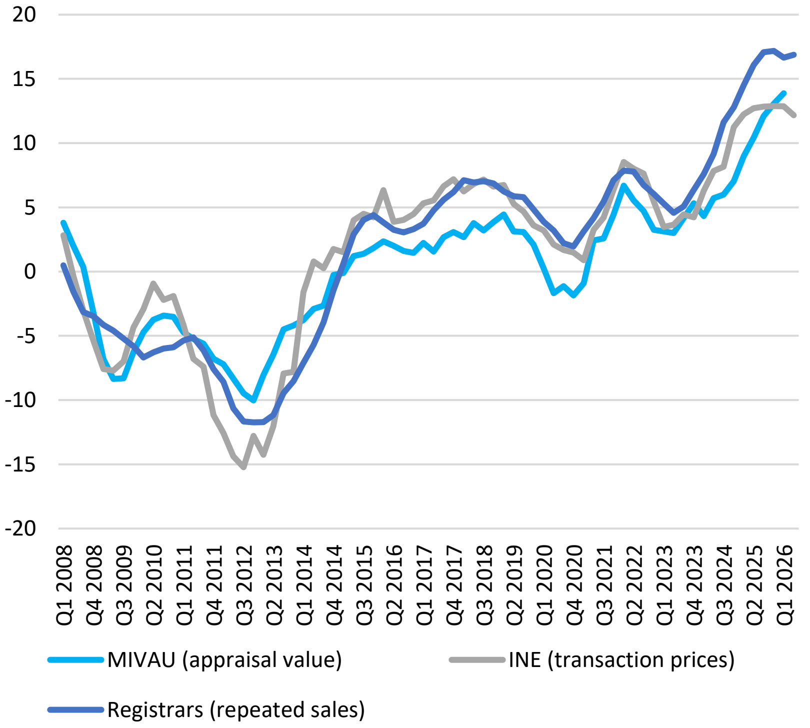
## Spain: Housing sales and mortgages

(Year-on-year change, %)



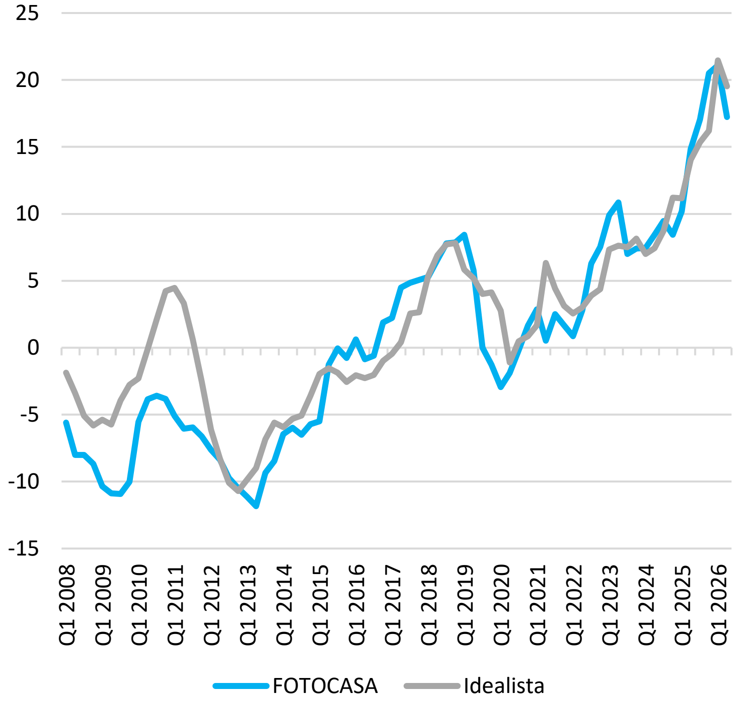

## Spain: Housing Prices

(Year-on-year change, %)




## Spain: House Prices Based on Property Portals

(Year-on-year change, %)




- **Housing transactions rose by 1.6% year-on-year in June, ending five consecutive months of declines**. While housing demand has moderated from the exceptionally strong pace seen in 2024-25, it remains at historically high levels. Year-to-date volumes remain the second highest since 2007, surpassed only by 2025, while on a rolling 12-month basis, transactions still stood at around 704,000.
- **House prices continue to rise sharply amid persistent supply constraints, although some indicators point to a recent moderation in momentum**. In Q2, the Registrars' House Price Index accelerated to 16.9% year-on-year, up 2 percentage points from the previous quarter, while INE transaction prices slowed to 12.2%, from around 13% over the previous year**. Prices advertised by sellers on property portals continue to rise at a very elevated pace**, with both Fotocasa and Idealista reporting growth rates close to 20% yoy in 2026 despite a slight moderation.

# Positive outlook for the tourist sector

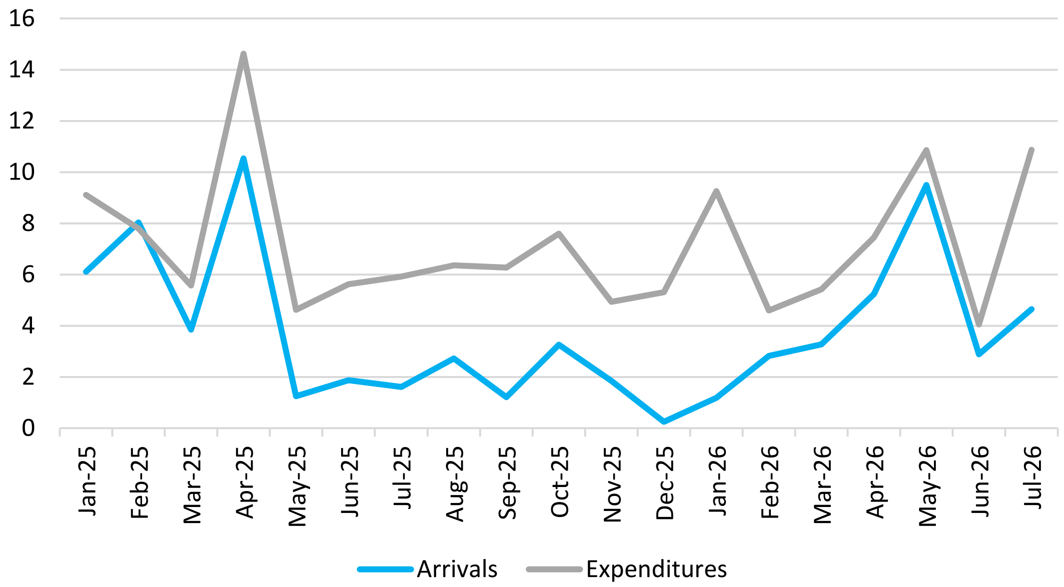
### International tourist expenditure by origin

| Country | Jan-Feb 2026 (YoY) | Mar-Aug 2026 (YoY) | Difference |
|---|---|---|---|
| **Spain** | **4,11** | **4,16** | **0,05** |
| United Kingdom | 8,11 | 11,99 | 3,87 |
| France | 7,78 | 7,44 | -0,34 |
| Germany | 6,19 | 6,98 | 0,79 |
| Italy | 10,42 | 7,68 | -2,74 |
| Other Western Europe | 5,79 | 6,59 | 0,79 |
| United States | 6,69 | 13,08 | 6,39 |
| Latin America | 24,47 | 20,92 | -3,56 |
| China | 12,31 | 3,86 | -8,45 |
| South Korea | 10,63 | 6,60 | -4,02 |
| Japan | 19,03 | 7,62 | -11,41 |
| Other Asia and Oceania | 20,75 | 15,48 | -5,27 |
| Middle East | 14,24 | 12,77 | -1,47 |

**Source**: CaixaBank Research, with data from CaixaBank Points of Sales.

### Spain: Tourist arrivals and expenditures

(Year-on-year change, %)




- **The tourism sector is showing even stronger momentum than in 2025**. In July 2026, international arrivals rose by 4.6% year-on-year, while tourist expenditure increased by 10.9%. More importantly, year-to-date growth has outpaced last year in both arrivals (+4.6% in 2026 versus +4.2% in 2025) and expenditure (+7.8% versus +7.2%). Overnight stays show a similar pattern, rising by 1.5% year-on-year in the first seven months of 2026, compared with 0.9% growth in 2025 as a whole.
- **Spain's tourism outlook has improved since the outbreak of the conflict with Iran. International arrivals are now expected to exceed 100 million in 2026**, while tourism GDP growth has been revised up from 2.1% to around 3.1%. The redirection of international tourism flows towards Spain is more than offsetting weaker income growth in source markets and higher airfares. CaixaBank's high-frequency indicators show that growth in tourist spending has accelerated markedly among US and UK visitors since the conflict began, while slowing significantly across Asian markets.

# Spain’s external sector is driving the post-pandemic expansion.

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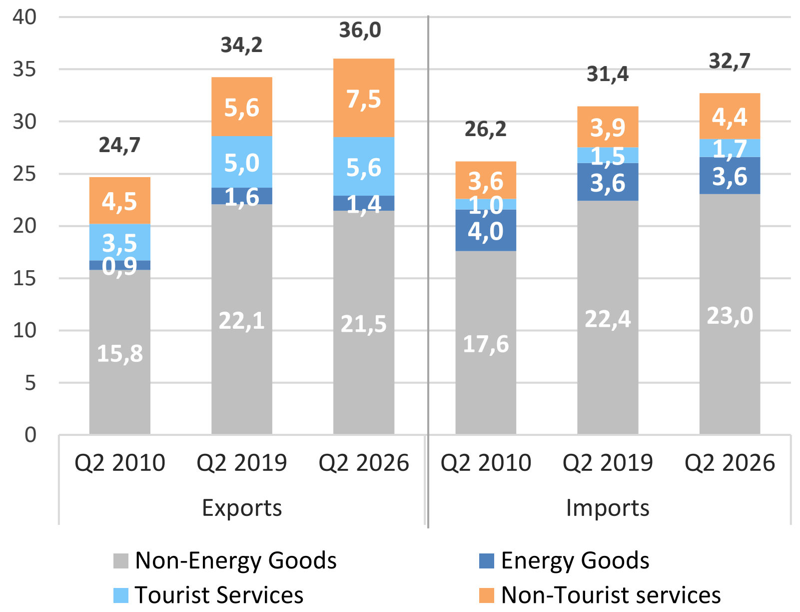
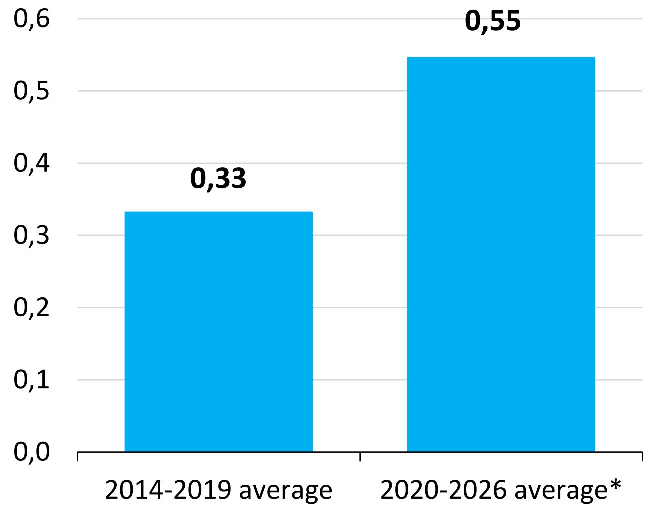
### Exports and Imports of Goods and Services

Year-to-date (% of GDP)




### Non-tourism exports

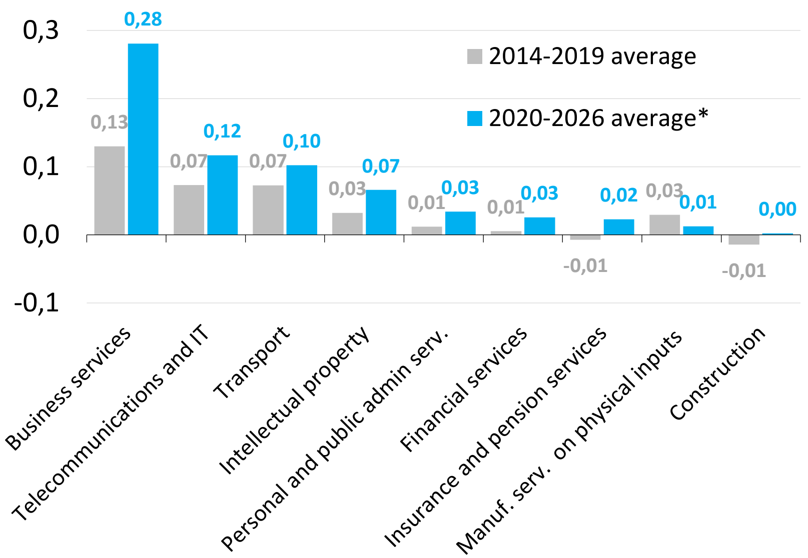
Contribution to real GDP growth (pp)




**Note**: *Accumulated data four quarters until Q1.

### Non-tourism exports

Contribution to nominal GDP growth (pp)




**Note**: *Accumulated data four quarters until Q1.

- **Spain’s export sector remains a key growth driver**, with exports reaching 36% of GDP in 2026 (vs. 34.7% in 2019), supported by a strong expansion in service exports despite weaker goods export performance.
- **The goods and services trade surplus remained above its pre-pandemic level**. In Q2 2026, the goods and services trade surplus reached 3.3% of GDP, 0.5 pp above the level of Q2 2019. This improvement is mainly driven by the strong performance of services exports, which rose by 2.5 pp of GDP compared to pre-pandemic levels, especially non-tourist services exports.
- **Growth is increasingly driven by high value-added non-tourism services**, particularly business, technology and transport services, pointing to a structural shift towards a more knowledge-intensive export model.
- **June trade data weakened as imports continued to outpace exports**, widening the goods deficit to €7.7bn and bringing the 1S shortfall to €32.8 bn, the largest since 2008. On a 12-month cumulative basis, the non-energy goods deficit widened from 1.7% of GDP in May to 1.8% in June. Tourism services held firm at 4.1% of GDP, while non-tourism services surplus improved slightly from 3.1% to 3.2%. This improvement only partially offset the deterioration in goods. As a result, the overall goods and services surplus declined from 3.8% of GDP in May to 3.6% in June, equivalent to €66.2bn. **This poses downward risks to our current account forecast at 2.3% of GDP in 2026.**

# Decoupling between productivity per hour worked and productivity per employee

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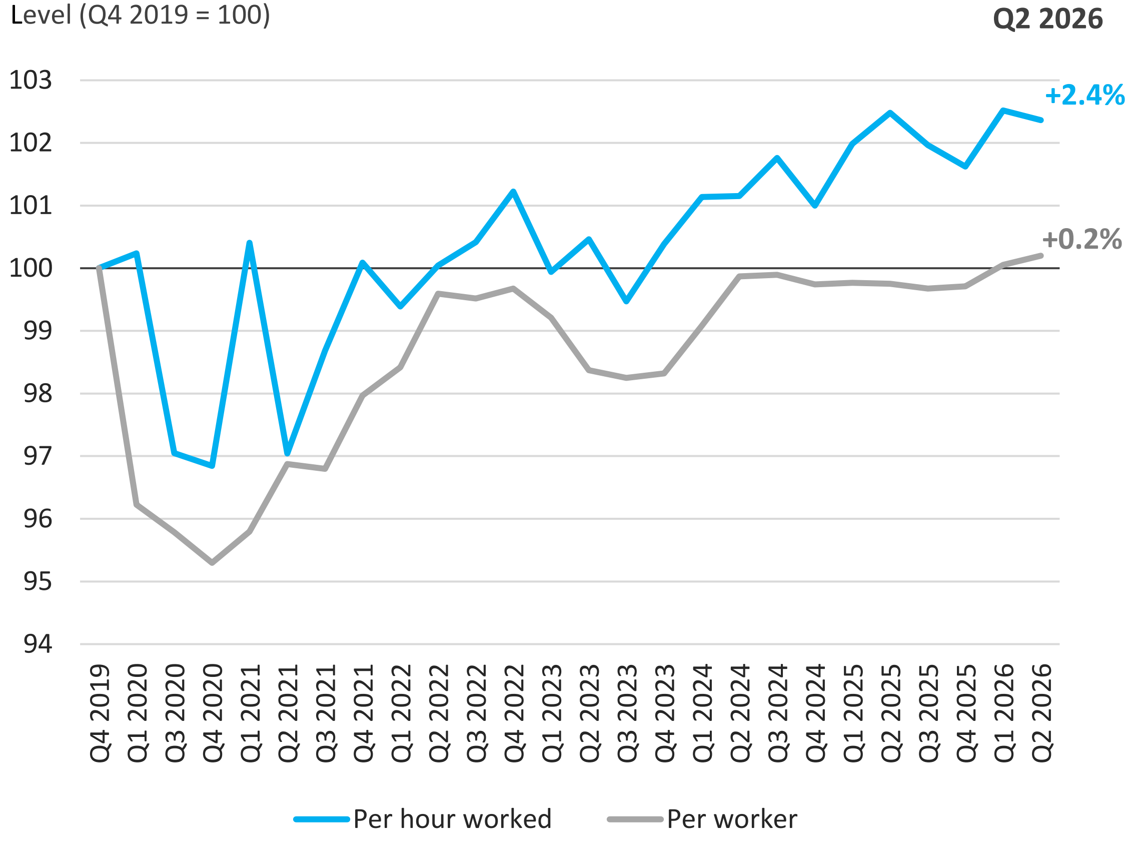
## Labor productivity

Level (Q4 2019 = 100)




## Average annual productivity growth

(%)

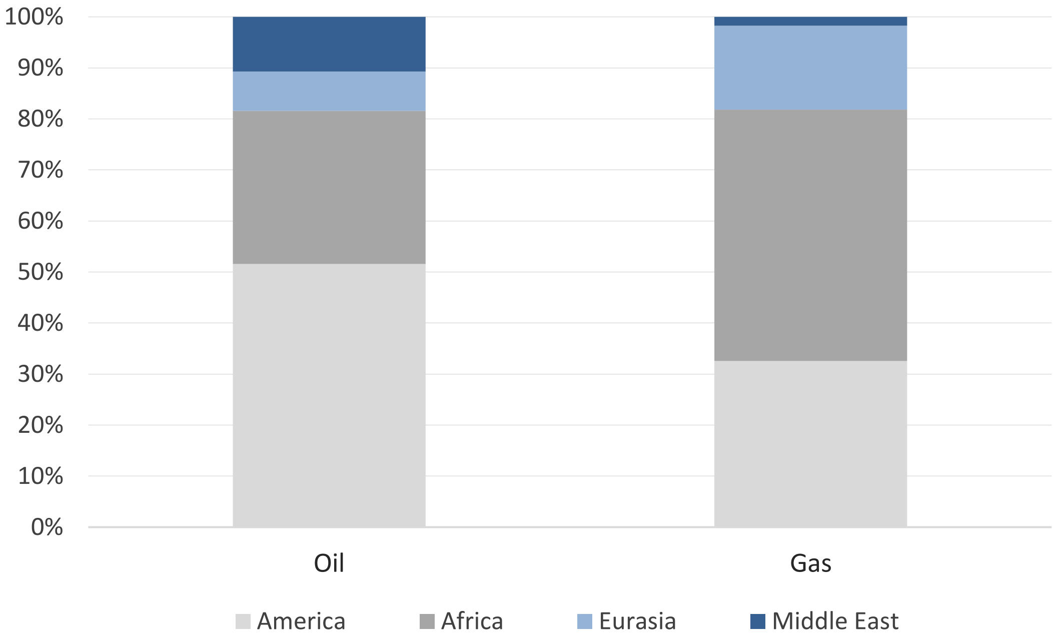
| | Last 3 years | Last 2 years | Last year | Since Q4-19 | Q4.14-Q4.19 | Since Q4-14 |
|---|---|---|---|---|---|---|
| **Per worker** | 0.6 | 0.2 | 0.5 | 0.0 | 0.3 | 0.1 |
| **Per hour worked** | 0.6 | 0.6 | -0.1 | 0.4 | 0.5 | 0.4 |

- **Productivity per hour worked in Q2 26 is 2.4% above the level at the end of 2019, while per worker is just 0.2% above**. The difference between productivity per hour worked and per worker reflects the fall in hours worked per employee. Main factors behind: increase in work permits and in temporary sick leaves.

# Spain: limited direct exposure to the Gulf region

## Oil and gas imports by region

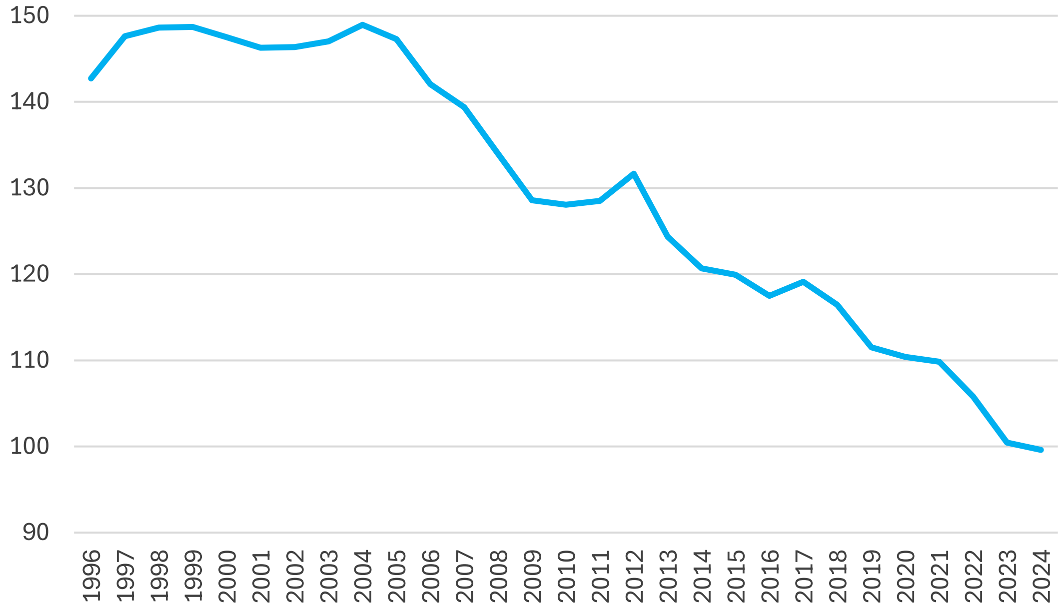
Percentage over total (%)




**Note:** Data from 2025.
**Source:** CaixaBank Research, based on data from CORES.

## Energy intensity

Kilograms of oil equivalent per €1,000 of real GDP




**Note:** Real GDP. Units of energy correspond to gross available energy, which includes primary production, recovered & recycled products, net exports and stock changes.
**Source:** CaixaBank Research, based on data from Eurostat.

- **Spain's direct exposure to Middle East energy exports is relatively limited**. Around 10% of Spain's imported oil comes from the Middle East, while less than 2% of imported gas originates from the region. In both cases, close to 80% of imports come from the Americas and Africa.
- **Lower energy intensity, while energy dependence remains high**. Spain's energy intensity—measured as the amount of energy required to produce €1,000 of real GDP—has fallen by one third since the early 2000s, placing the country slightly below the euro area average. However, Spain continues to show a high reliance on external energy sources.
- **Limited trade exposure**. The Gulf accounts for 2.3% of Spain's goods exports and a further 2.3% of non-tourism services exports, all of which is equivalent to roughly 0.7% of GDP. On the goods side, exports are concentrated in machinery, perfumery products, electrical equipment and vehicles. Imports from the region are even smaller—just 1.8% of Spain's total—two-thirds of which is energy. The remainder is largely plastics and aluminium, while fertilizer purchases from the Gulf are negligible.

# Trump 2.0: Spain's exposure to the US is relatively low

| Main Spanish goods exports to the US in 2025 | Mill. € | % of total | % of sector |
|---|---|---|---|
| Chemical products (including pharma) | 3,249 | 19.4 | 4.9 |
| Industrial machinery | 1,675 | 10.0 | 8.8 |
| Electrical appliances | 1,621 | 9.7 | 9.9 |
| Construction materials | 957 | 5.7 | 12.4 |
| Engines | 860 | 5.1 | 19.1 |
| Fats and oils | 843 | 5.0 | 11.5 |
| Energy products | 768 | 4.6 | 3.2 |
| Fruits and vegetables | 579 | 3.5 | 2.2 |
| Processed food products | 385 | 2.3 | 5.5 |
| Automotive sector | 380 | 2.3 | 0.8 |
| Iron and steel | 378 | 2.3 | 4.3 |
| Beverages | 358 | 2.1 | 6.7 |
| Transport equipment | 302 | 1.8 | 2.0 |
| Fishing products | 283 | 1.7 | 4.9 |
| Textiles | 264 | 1.6 | 1.4 |
| Sugar, coffee and cocoa | 246 | 1.5 | 5.8 |
| Meat | 244 | 1.5 | 1.9 |
| Precision equipment | 235 | 1.4 | 7.0 |
| Paper | 200 | 1.2 | 4.0 |
| Furniture | 186 | 1.1 | 5.7 |
| **TOTAL** | **16,716** | **100.0** | **4.3** |

**Source**: CaixaBank Research, with data from Data Comex.

- The effective tariff on Spanish exports to the United States increased from 1.7% in December 2024 to a peak of 12.4% in January 2026, before declining to 9.3% in June, the latest available figure. **We estimate that the average tariff implied by currently announced policies stands at 9.9%, slightly above the EU average of 9.7%** but around 1 percentage point below the overall average of 10.8%. This is also lower than our previous estimate of 11.0%, calculated while the 10% general tariff introduced following the adverse Supreme Court ruling remained in force.
- Overall, **the impact of the tariff increase relative to the pre-Trump period amounts to slightly below 0.2% of GDP**, including both direct exposure through exports to the U.S. and indirect exposure via Spanish value added embedded in third-country exports. The sectors most exposed to the tariff increases include chemicals, capital goods (machinery, engines and electrical equipment), oils and construction materials.

# Middle East Crisis Response Plan: Q3 extension

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*The Council of Ministers has approved a new Royal Decree-Law extending most March response measures to 30 September. Its fiscal cost will be c.€2bn (0.1% of GDP). The previous package in Q2 had a fiscal impact of c.0.25% of GDP.*

## Fuel tax relief

- The April–June scheme provided an estimated total effective discount of around 24 c€/l for gasoline 95 and 19 c€/l for diesel on a pre-VAT-equivalent basis, reflecting the combined effect of lower excise duties and reduced VAT at 10%.
- Since July, support has been limited to the excise-duty cut, which was set to be phased down to 15/10/5c€/l in July/August/September. However, a safeguard clause raises the rebate to 20 c€/l if fuel prices increase by more than 15% YoY. This clause has been activated for diesel: the rebate has risen from 10 c€/l in August to 20 c€/l in September, after diesel inflation exceeded the 15% YoY threshold in July. By contrast, the petrol rebate falls from 10 c€/l to 5 c€/l, as petrol inflation remained below the threshold. Both rebates are due to expire at the end of September.

## Electricity and gas taxes

- Tax on electricity production (IVPEE): the statutory rate remains at 7% throughout 2026, but the effective burden is being adjusted through temporary taxable-base reductions: the effective rate was 6.3% in Q1, fell to 0% in April–June, and now rises to 4.9% in Q3 and 4.2% in Q4. From 2027, the statutory rate itself is cut to 3.5%, and to 0% from 2028.
- VAT and excise tax discounts on electricity and gas were discontinued at the beginning of June and will no longer apply.

## Sector and professional support

- 20 c€/l rebate on professional diesel for hauliers, farmers, livestock farmers and fishermen
- Additional €165 million in aid for fertilisers, on top of the €500 million already approved for April–June.

## Assessment

- The extension smooths the withdrawal of the fuel shield and avoided an abrupt jump at the pump in July.
- The package performs relatively well in terms of timeliness and temporariness, but less so in terms of targeting.
- The main risk is policy persistence: repeated extensions could raise the fiscal cost and slow the adjustment away from fossil-fuel consumption.

# Strong revenue growth, but minimal fiscal adjustment in 2026

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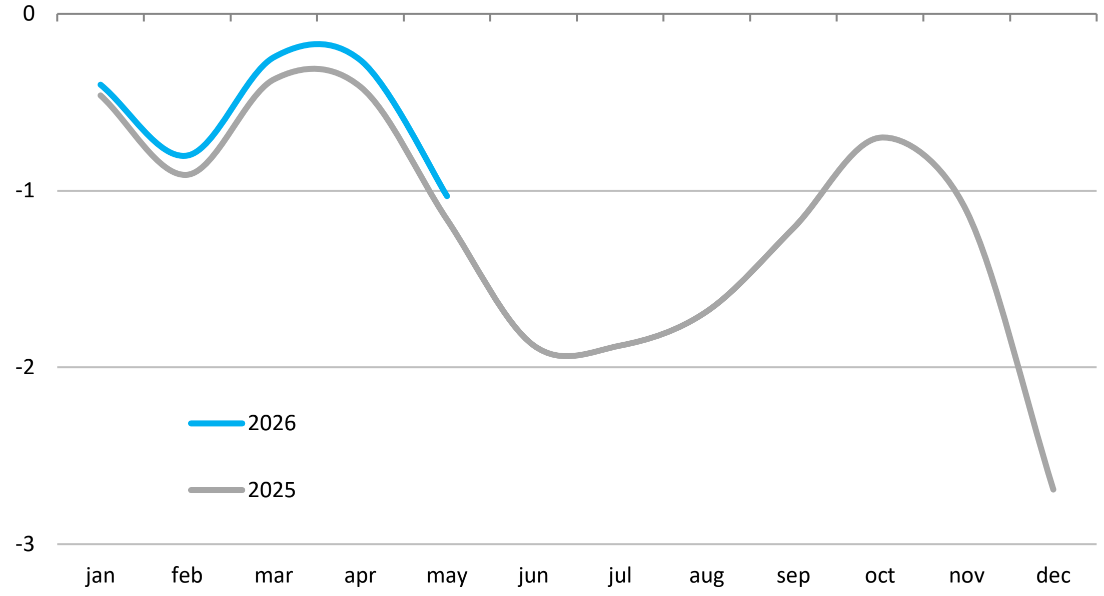
### Budgetary execution: Financing needs Public Administrations*

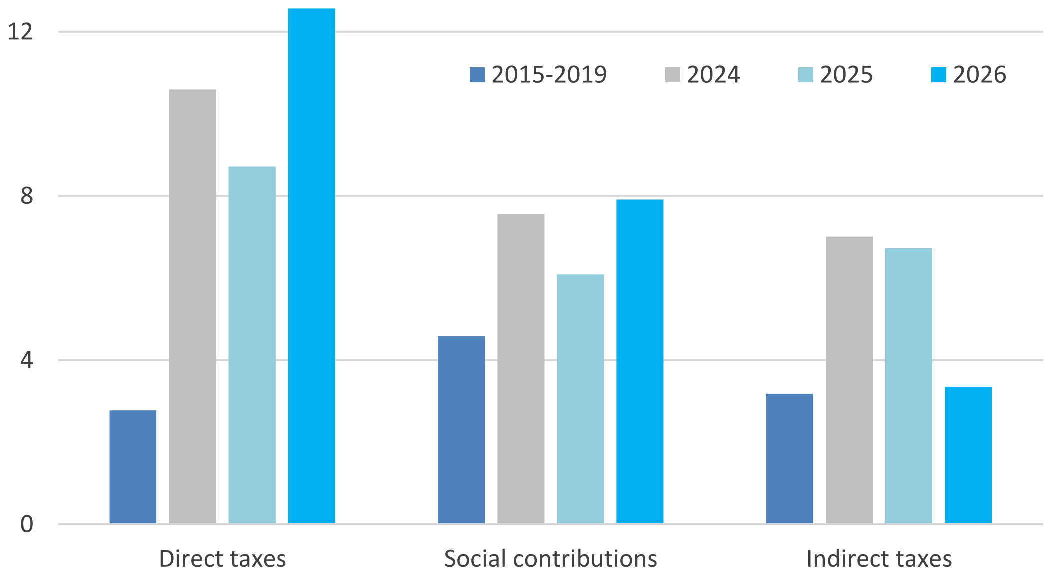
% GDP




**Note***: Consolidated data excluding Local Corporations.
**Source**: CaixaBank Research, with data from IGAE.

### Fiscal revenues Public Administrations*

YoY growth accumulated until May (%)




**Note:** *Excluding Local Corporations.

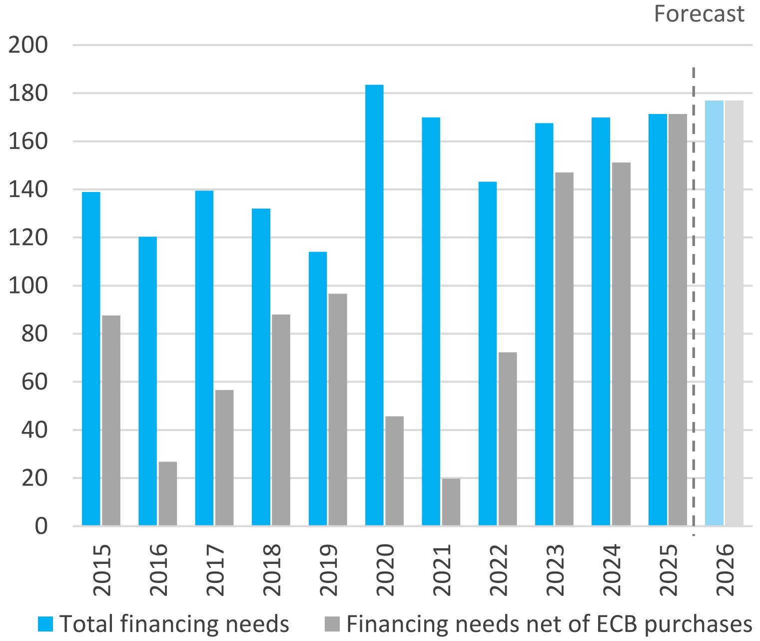
- **We expect the general government deficit to decline slightly, from 2.4% of GDP in 2025 to 2.3% in 2026**. The cost of the package of measures associated with the conflict in the Middle East, close to 0.3% of GDP, and of the support and reconstruction measures linked to the February storms, amounting to between 0.2% and 0.3% of GDP, would be offset by the higher tax revenues associated with inflation, higher social security contribution revenues resulting from the pension reform and the regularisation process, and the withdrawal of DANA-related expenditure.
- The fiscal cost of the wildfires should be limited: between 2005 and 2025, it averaged less than €30 million per year and reached a peak of €140 million in 2012.
- Public debt is expected to fall by c.1.5 p.p., to slightly above 99% of GDP.
- **Budget execution points to a similar deficit to that of 2025, in line with the forecasts**. Revenues are growing at a year-on-year rate of 7.8%, while expenditure is increasing by 6.7%. Particularly noteworthy is the strong growth in direct tax revenues, driven by increases in employment, wages and corporate profits, as well as by the fact that personal income tax brackets have not been adjusted for inflation.
- Following Parliament's second rejection of the fiscal path, the Government still plans to present the 2027 State Budget in 2026, taking as a reference the general government deficit target of 1.8% of GDP committed to Brussels.

# Moderate increase in financing needs for 2026, comfortably absorbed thanks to robust demand

CaixaBank

## Spain: Gross financing needs

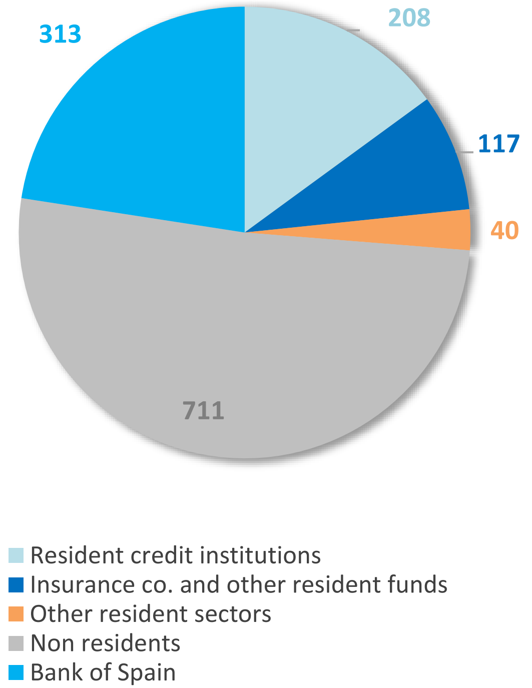
€ Bn




**Note:** *Amortisation funds do not include short-term bills.
**Source**: CaixaBank Research, with data from the Directorate-General for the Treasury.

## Public debt holdings (excl. bills)

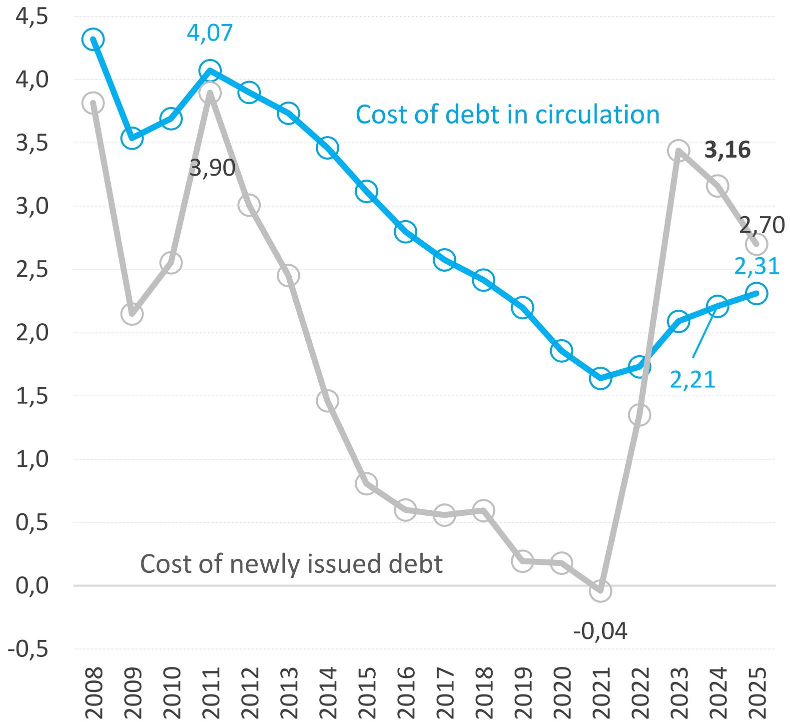
€ Bn




**Note:** June data.

## Cost of debt: State

%

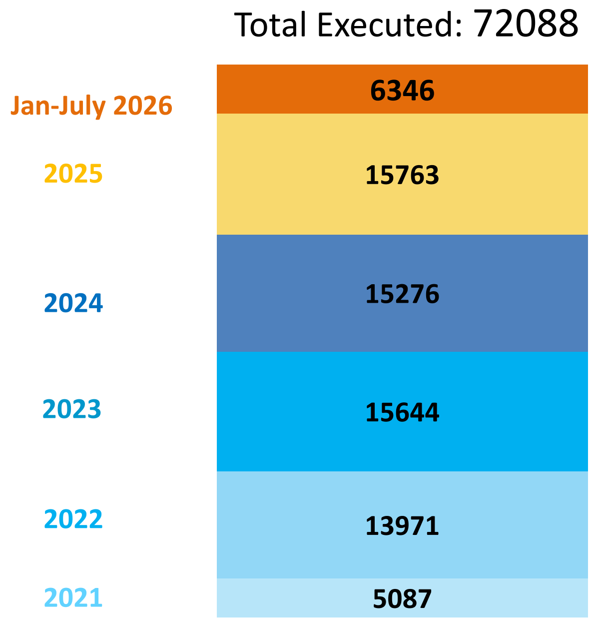



- **Gross funding needs in 2026** will be slightly above those of 2021-2025 net of ECB purchases. However, higher interest rates with respect to pre-pandemic levels should maintain the appeal of public debt holdings for investors and facilitate the absorption of Spain's financing needs.
- **Government debt is diversified**. In June 2026, foreign investors had increased their holdings of Spanish debt compared with June 2025 (excluding T-bills) by €74bn, reflecting strong appetite for Spanish debt.
- **The average cost of debt is expected to remain contained**. The average lifespan of the stock of debt is elevated (c. 8 years), so the share of debt that needs to be re-financed every year is small. Interest payments on debt of the public administrations could stand at 2.5% of GDP in 2026, a similar level to that of 2025, but much lower than a decade ago (in 2014, it was 3.5%).

# NGEU: final stretch

## Execution of NGEU

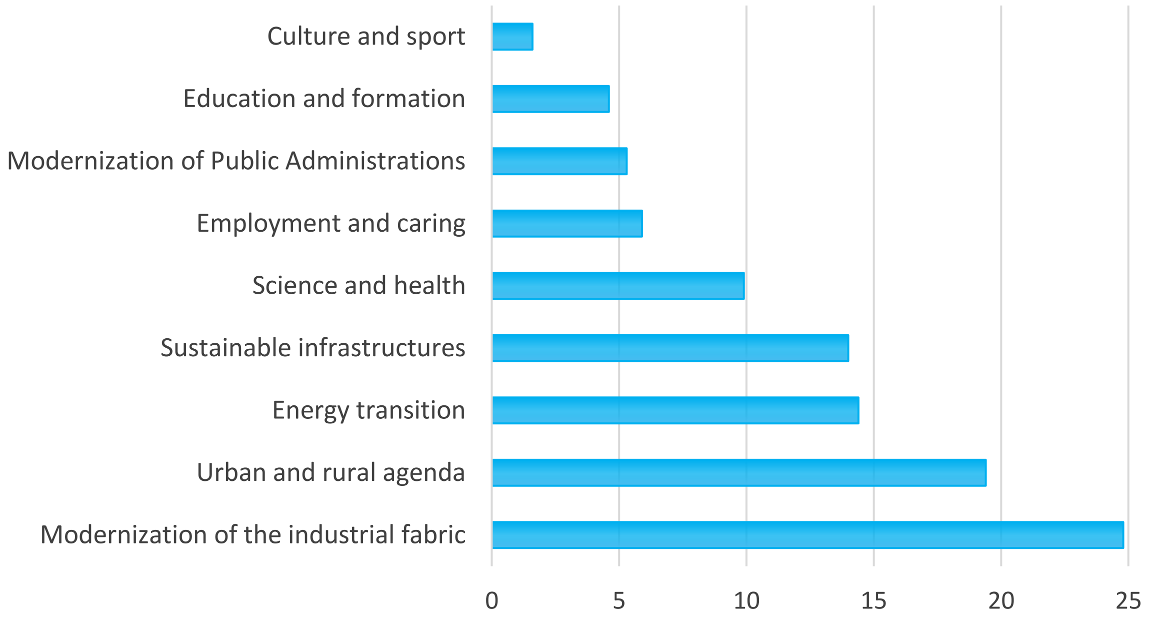
**Total grants** (Million euros)




**Note**: Execution is defined as the awarding of tenders and grants.
**Source:** CaixaBank Research, based on data from ELISA, Ministry of Economy.

## Resolved calls by area

% over the total resolved



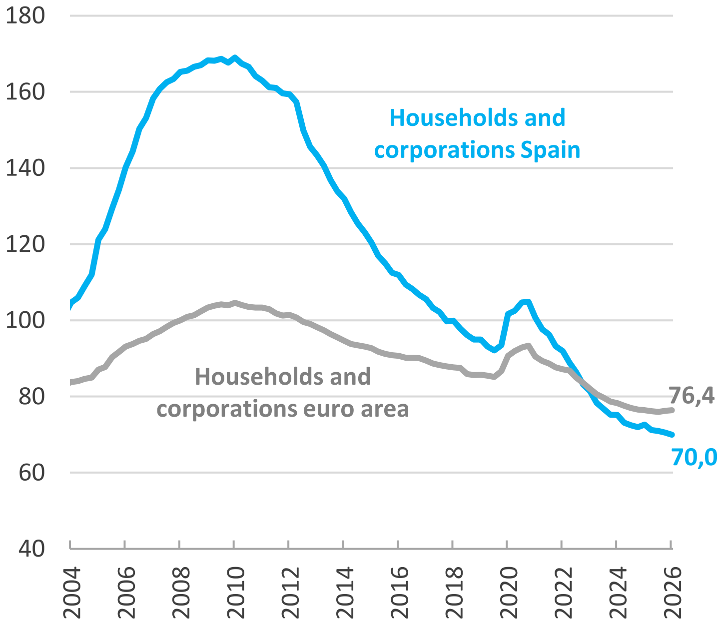

**Source**: CaixaBank Research, based on data from the ELISA portal, Government of Spain.

- **By the end of July, €72.1 billion had been "executed", in terms of resolved calls for applications recorded by the Ministry of Economy**, out of a total of close to €80 billion in grants. This metric may not fully capture the Plan's administrative implementation, particularly that channelled through financial instruments, agreements or other mechanisms other than traditional calls for applications. Everything suggests that Spain has been able to meet the vast majority of the remaining milestones and targets by the 31 August deadline, which would make it possible to complete practically the entire Plan.
- **We do not expect a "cliff effect" after August 2026**, but rather a gradual withdrawal of the stimulus from European funds. Implementation may initially be limited to designating beneficiaries or creating financial instruments, while many projects, España Crece and the ICO credit lines will be rolled out over several years. Moreover, investments generate effects beyond the year in which they are made. We estimate that NGEU funds will contribute 0.4 p.p. to growth in 2026 and 0.2 p.p. in 2027.
- **With the disbursement in August of the sixth payment, Spain has received €78 billion in grants and loans**, 76.5% of the total allocation, and has fulfilled 338 milestones and targets, close to 70% of the Plan. Spain plans to submit a seventh and final payment request for the remaining €25 billion this month. The outstanding milestones and targets must be fulfilled by 31 August, and the request must be submitted by 30 September.

# Banking system: robust credit growth

## Bank credit to the private sector

% GDP




**Note**: latest data available as of Jun-26.
**Source**: Caixabank Research with data from ECB, Eurostat.

## Private domestic credit

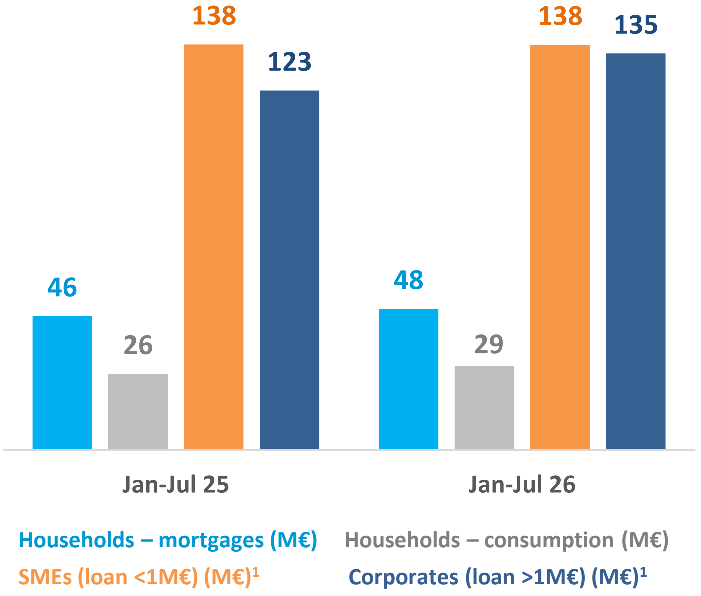
Year-on-year (%)

| | Dec-25 | Jul-26 (latest) | 2026 (forecast) |
|---|---|---|---|
| | % yoy | % yoy | % yoy |
| **Total credit** | **3.5%** | **3.3%** | **4.5%** |
| **Households** | 3.8% | 2.5% | 4.5% |
| Housing mortgages | 3.5% | 3.8% | 4.2% |
| Other purposes | 4.6% | -0.9% | 5.2% |
| Of which consumption | 10.5% | 11.2% | 9.0% |
| **Businesses** | 2.9% | 4.5% | 4.5% |
| Non-real estate developers[1] | 3.2% | 3.9% | - |
| Real estate developers[1] | 1.9% | 2.7% | - |

**Note**: (1) latest data available Mar-26.
**Source**: Caixabank Research with data from Bank of Spain.

## New lending activity by sector

YTD, €Bn




**Source**: Caixabank Research with data from Bank of Spain.

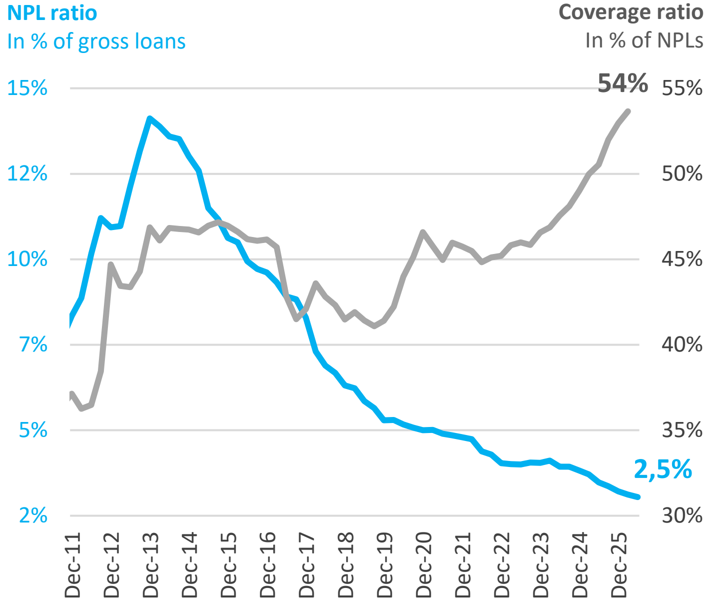
- **Household and corporate debt levels** (including debt securities) remain below euro area averages in 1Q26. Both sectors have deleveraged relative to GDP and remain below their pre-pandemic debt ratios.
- **New mortgage production** continues to grow, but at a more moderate pace after a period of strong expansion (accumulated new lending from January to July grows +5.5% yoy).
- **New lending for consumption** remains buoyant (accumulated new lending from January to July grows +10.3% yoy).
- **New lending to corporates** is driven by growth in loans above 1M€ (accumulated new lending from January to July grows, excluding renegotiations, +5.4% yoy).
- **Consequently, growth in the adjusted stock[1] of credit to the Spanish resident private sector continued to grow at a solid pace through July**. We expect this trend to continue in the year and gradually converge to a growth rate below nominal GDP growth.

**Note**: (1) adjusted for an accounting reclassification in April 2026 by the BoS of advances to pensioners, reclassified from "lending for other purposes" to "advances and receivables other than loans" (Bank of Spain Circular 1/2025).

# Banking system: solid financials

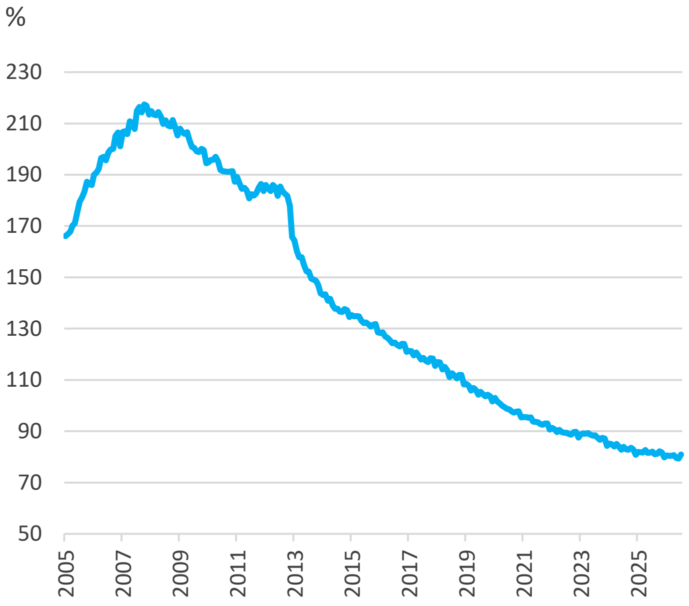


## NPLs and coverage ratios[1]



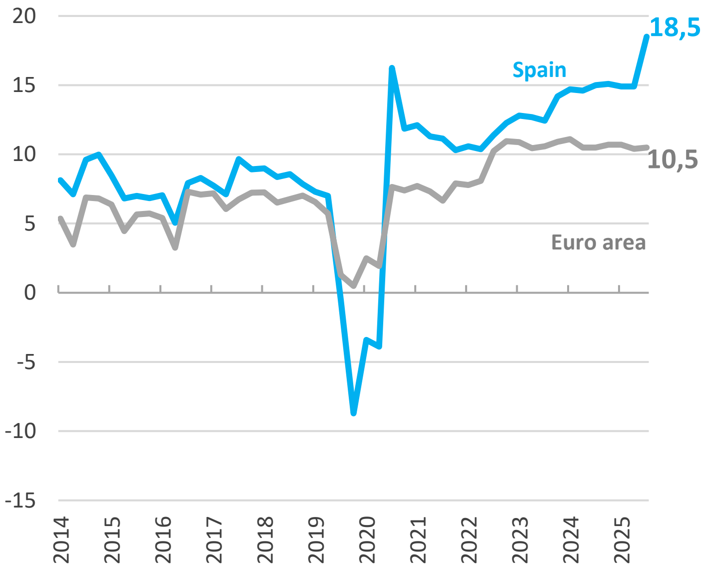

**Note**: (1) latest available data Jun-26 and Mar-26, respectively
**Source**: CaixaBank Research with data from Bank of Spain.

## HHs & NFCs loan to deposit ratio




**Note:** loans and deposits to residents in Spain, on a non-consolidated basis. Latest data available July'26.
**Source:** CaixaBank Research with data from Bank of Spain.

## Banks' profitability




**Note:** The 1Q26 figure was partly boosted by non-recurring gains related to the sale of a 49% stake in Santander Bank Polska. Excluding this effect, Spanish banks' ROE would have stood at around 15.2%.
**Source**: CaixaBank Research with data from EBA (Dashboard Q1 26).

- **NPLs remain stable below 3.0%.** The share of stage 2 loans on a group level stood at 6.5% in 1Q26 (slightly up from 4Q25), remaining below the EU average.
- **Household and non-financial corporation (NFC) deposits in July 2026 remained close to the all-time high reached one month earlier, with a 4.7% yoy increase on a seasonally adjusted basis.** Loan to deposit ratio remains stable at very comfortable levels (c. 80%).
- **Profitability increased markedly in 1Q26, with ROE rising to 18.5% from 14.9% in 4Q25.** The strong performance reflects resilient recurring earnings, supported by positive loan growth, higher fee income and contained credit losses, while also benefiting from non-recurring gains related to the sale of a foreign subsidiary by one of the major Spanish banking groups. Excluding this extraordinary effect, the Spanish banking sector's ROE would have stood at around 15.2%.
- **The capital position of Spanish banks remains comfortable with a 13.7% CET1 ratio in 1Q26.** The latest Bank of Spain 2025–2027 stress tests[1] confirm the banking sector's resilience under extreme oil price scenarios, with a limited impact on capital.

**Note**: (1) Forward-Looking Exercise on Spanish Banks (FLESB).