

ECONOMIC SITUATION OF SPAIN

Based on Europe 2020 Report

url: http://ec.europa.eu/europe2020/europe-2020-in-your-country/espana/country-specific-recommendations/index_en.htm

Economic situation and Outlook

Spain's economy has been stabilising over the last two years, with growth in 2014 and early 2015 supported by rapid employment creation, easier financing conditions, improved confidence, and lower energy prices. These factors are expected to continue to support growth in the short to medium term, despite high private and public debt levels continuing to exert a drag on growth. Labour market conditions are improving, but unemployment remains very high. Negative inflation in 2014 provided some relief for households. After a sizeable adjustment, the current account is expected to post small surpluses in 2015 and 2016. While the annual public deficit continues on a declining trend, overall public debt will keep rising.

In-depth economic review

Spain is experiencing macroeconomic imbalances, which require decisive policy action and specific monitoring. Spain exited the financial assistance programme for the recapitalisation of financial institutions in 2014 and is currently subject to post-programme surveillance and European Semester surveillance. Despite some improvement in the current account rebalancing, risks related to the high levels of private and public sector indebtedness and the highly negative net international investment position continue to deserve close attention in a context of very high unemployment. The need for action so as to reduce the risk of adverse effects on the Spanish economy and, given its size, of negative spillovers to the economic and monetary union, is particularly important.

Read a complete [analysis of Spain's economy in the country report 2015](#) [2 MB]



European Economic Forecast - Winter 2015

Forecasts for Spain	2013	2014	2015	2016
GDP growth (% , yoy)	-1,2	1,4	2,3	2,5
Inflation (% , yoy)	1,5	-0,2	-1,0	1,1
Unemployment (%)	26,1	24,3	22,5	20,7
Public budget balance (% of GDP)	-6,8	-5,6	-4,5	-3,7
Gross public debt (% of GDP)	92,1	98,3	101,5	102,5
Current account balance (% of GDP)	1,5	-0,1	0,6	0,5

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