Recovery, Transformation and Resilience Plan

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Kingdom of Spain Presentation

December 2023
ECONOMIC FORECAST 2023
EU Commission Autumn 2023
GDP growth %

Spain: 2.4 (2023), 1.7 (2024)
Germany: -0.3 (2023), 0.8 (2024)
France: 1.0 (2023), 1.2 (2024)
Italy: 0.7 (2023), 0.9 (2024)
Euro area: 0.6 (2023), 1.2 (2024)

Source: European Commission
LABOUR MARKET
Social Security affiliation
Millions of persons

Source: Social Security Treasury General
LABOUR MARKET

Employment

% of variation between 2018Q3 and 2023Q3

<table>
<thead>
<tr>
<th>Category</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICT and R&amp;D</td>
<td>45%</td>
</tr>
<tr>
<td>Other professional serv.</td>
<td>22%</td>
</tr>
<tr>
<td>Education, health, social</td>
<td>17%</td>
</tr>
<tr>
<td>Finance and real estate</td>
<td>15%</td>
</tr>
<tr>
<td>Construction</td>
<td>11%</td>
</tr>
<tr>
<td>Total</td>
<td>9%</td>
</tr>
<tr>
<td>Manufactures</td>
<td>5%</td>
</tr>
<tr>
<td>Hospitality &amp; Entertainment</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: National Statistics Institute
BALANCE OF PAYMENTS

% of GDP

-4% -3% -2% -1% 0% 1% 2% 3% 4% 5% 6%

19Q3 19Q4 20Q1 20Q2 20Q3 20Q4 21Q1 21Q2 21Q3 21Q4 22Q1 22Q2 22Q3 22Q4 23Q1 23Q2 23Q3

Capital Acct. Income Goods and Non-tourism Services Tourism Lending capacity

Source: Bank of Spain
COMPETITIVENESS

Share in intra-EU exports

100 = December 2019

Source: Eurostat
AVERAGE WHOLESALe ELECTRICITY MARKET PRICES

Euros per megawatt hour

June, 2022 to December, 2023

Source: OMIE
PRIVATE DEBT

% of GDP

Source: Bank of Spain
INFLATION

Cumulative change in the Harmonised Consumer Price Index
% variation since September 2021

Source: Eurostat
FINANCIAL STABILITY

Banking indices and selected financial institutions quotes

100 = December 2022

Source: Reuters
FISCAL OUTLOOK

Public Debt

% of GDP

Source: Bank of Spain, Ministry of Finance

(*) SP = Stability Programme
FISCAL OUTLOOK

Public deficit

% of GDP

Source: IGAE, Ministry of Finance

(*) SP = Stability Programme
GROSS AND NET DEBT ISSUANCE

Funding programs since 2012
Billion euros

Source: Spanish Treasury
COST OF DEBT
average cost of outstanding debt

Source: Spanish Treasury
Note: 2023 as of 30 November
DEBT AVERAGE MATURITY

years

Source: Spanish Treasury

Note: 2023 as of 30 November
LOW PORTFOLIO REFINANCING RISK

% Refinancing risk in 1 year time of outstanding debt

Source: European Sovereign Debt Markets Sub-Committee of the EFC
INTEREST PAYMENT AND PUBLIC DEBT

Interest Burden
% of GDP and revenues

Source: Spanish Treasury
SPREAD
Spain 10-year yield and spread vs Germany
% and basis points

Source: Bloomberg
INVESTOR BASE

Holdings of Letras and Bonos del Estado
% of outstanding debt

Source: Bank of Spain
INVESTOR BASE

Non-resident holdings of public debt
% of outstanding debt

Source: IMF
GREEN BOND FRAMEWORK

- **INAUGURAL ISSUANCE**
  - 5,000 MC
  - Jun 2021

- **FIRST TAP 2022**
  - 1,216 MC
  - Sep 2021

- **SECOND TAP 2022**
  - 1,020 MC
  - Mar 2022

- **THIRD TAP 2022**
  - 971 MC
  - Jun 2022

- **FIRST TAP 2023**
  - 1,441 MC
  - Nov 2022

- **SECOND TAP 2023**
  - 1,924 MC
  - Apr 2023

- **TOTAL ISSUED 2021**
  - 5,000 MC

- **TOTAL ISSUED 2022**
  - 3,207 MC

- **TOTAL ISSUED 2023**
  - 3,365 MC

**Source**: Spanish Treasury
## FUNDING PROGRAMME FOR 2023

Execution as of 12 December

<table>
<thead>
<tr>
<th></th>
<th>2023Billions of Euros</th>
<th>EXECUTION IN 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GROSS ISSUANCE</strong></td>
<td></td>
<td></td>
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<tr>
<td>Letras</td>
<td>84.3</td>
<td>100.0</td>
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<tr>
<td>Medium-Long Term</td>
<td>167.5</td>
<td>100.0</td>
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<tr>
<td><strong>REDEMPTIONS</strong></td>
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<td></td>
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<tr>
<td>Letras</td>
<td>89.3</td>
<td>100.0</td>
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<tr>
<td>Medium-Long Term</td>
<td>97.5</td>
<td>98.9</td>
</tr>
<tr>
<td><strong>NET ISSUANCE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Letras</td>
<td>-5</td>
<td></td>
</tr>
<tr>
<td>Medium-Long Term</td>
<td>70</td>
<td></td>
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</tbody>
</table>

Source: Spanish Treasury
TREASURY INFLOWS AND OUTFLOWS

Billion euros

Source: Ministry of Economy, Trade and Enterprise
PROGRESS ON INVESTMENTS
Allocation of funds to the regions
November, 2023

Source: Ministry of Finance

TOTAL ALLOCATED TO THE REGIONS 26.1 B€
CALLS FOR GRANTS AND TENDERS AWARDED

Billion euros and % over total
November, 2023

CENTRAL GOVERNMENT  +28
DIRECT EXECUTION  +23.6
OTHER INSTRUMENTS  +4.4
83%

AUTONOMOUS COMMUNITIES  +5.6
17%

BUSINESSES  +17
>50%

LOCAL ENTITIES  +7.2
>20%

AUTONOMOUS COMMUNITIES  +3

R&D CENTRES (UNIVERSITIES, EDUCATIONAL, TECHNOLOGICAL AND RESEARCH CENTRES)  +2.1

OTHER ENTITIES  +1.6

PUBLIC ORGANIZATIONS  +1.4

INDIVIDUALS  +1.3

+33.6

+600,000 BENEFITED PROJECTS

+400,000 BUSINESSES

+150,000 INDIVIDUALS

+5,960 MUNICIPALITIES

+600,000

+400,000

+150,000

+5,960
MAP OF PROJECTS NEXTGENERATIONEU
EUROPEAN COMMISSION

European Semester (europa.eu)

Source: European Commission
160 B€ NEXTGENERATIONEU FUNDS

70 B€ PHASE 1 OF THE RECOVERY PLAN

+93 B€ ADDENDUM TO THE RECOVERY PLAN

7.7 B€ ADDITIONAL TRANSFERS

STRENGTHENING OF STRATEGIC PROJECTS

2.6 B€ REPOWEREU TRANSFERS

DIVERSIFICATION OF ENERGY SOURCES, DEPLOYMENT OF RENEWABLES AND ENERGY SAVINGS

83 B€ LOANS

LOANS CHANNELLED THROUGH FUNDS EXISTING AND OF NEW CREATION

Source: Ministry of Economy, Trade and Enterprise
PERTEs
Strategic Projects for Recovery and Transformation

EUR 10.3 B in transfers and EUR 18 B in loans

to expand ongoing investments and launch new projects

Source: Ministry of Economy, Trade and Enterprise
FINANCIAL INSTRUMENTS TO CHANNEL LOANS (I)

**INSTITUTO DE CRÉDITO OFICIAL (ICO)**

- **ICO-GREEN AND ICO-ENTERPRISE LINES**
  - 30 B€

- **ICO-PROMOTION OF SOCIAL HOUSING FOR RENT LINE**
  - 4 B€

- **NEXT TECH FUND: TO SCALE UP TECH STARTUPS**
  - 4 B€

- **SPAIN AUDIOVISUAL HUB FUND**
  - 1.5 B€

**EUROPEAN INVESTMENT BANK (EIB)**

- **REGIONAL RESILIENCE FUND**
  - 20 B€

  - **PUBLIC PROJECTS OF THE REGIONS**
  - **PRIVATE PROJECTS**

Source: Ministry of Economy, Trade and Enterprise
FINANCIAL INSTRUMENTS TO CHANNEL LOANS (II)

- **CO-INVESTMENT FUND**: 2 B€
- **TAX INCENTIVES FUND**: 483 M€
- **CYBERRESILIENCE AND SECURITY INSTRUMENT**: 2.1 B€
- **FUND FOR COMPANIES IMPACTED BY THE COVID-19**: 1 B€
- **SME FINANCING SUPPORT INSTRUMENT**: 913 M€
- **SOCIAL IMPACT FUND**: 400 M€

*Source: Ministry of Economy, Trade and Enterprise*
MACROECONOMIC IMPACT OF THE RECOVERY PLAN AND ADDENDUM ON GDP

p.p. deviation from inertial scenario

Source: Ministry of Economy, Trade and Enterprise
Thank you

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