

	2023	2024	2025	MAIN REASONS FOR THE REVISION (with respect to the December projections)
GDP	1.6 % ↑ 0.3 pp	2.3 % ↓ 0.4 pp	2.1 % 0.0 pp	<ul style="list-style-type: none"> • The higher than expected growth in 2022, largely on account of the data revision implied by the flash QNA data published by the INE in late January, leads to a positive carry-over effect on the annual average rate for 2023, which is revised upwards by 0.3 pp. • Also, the assumptions made for external markets and fiscal variables are now somewhat more favourable for growth in 2023, offsetting the negative impact associated with the upward revision to future interest rate developments over the projection horizon. • As regards the rest of the projection horizon, the growth outlook for 2024 is revised downwards, while for 2025 it remains unchanged. • The inflation forecast is revised significantly downwards in 2023 owing to the lower contribution from the energy component, while food prices and underlying inflation are revised upwards.
Inflation	3,7 % ↓ 1.2 pp	3,6 % 0.0 pp	1,8 % 0.0 pp	MAIN SOURCES OF UNCERTAINTY <ul style="list-style-type: none"> • The geopolitical tensions and energy market developments resulting from the war in Ukraine. • The effects of the reopening of the Chinese economy on global activity and inflation. • The uncertainty over the extent to which lower energy prices will be passed through to other components.

SOURCE: Banco de España.