



DOING BUSINESS IN SPAIN

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Market profile

Spain is a member of the European Union (EU) and is subject to EU trade regulatory requirements.

Economy and business structure

GDP was 2.5% in 2023, and it is forecasted to grow around 1.7% in 2024 (European Commission, 15.02.2024)

Coronavirus impact on Spain's economy was one of the highest in the EU. According to forecasts, the economy reached a pre-pandemic level by the beginning of 2023 (Spanish Ministry of Economy)

Spain is the world's 15th largest economy in 2023 and the 4th largest economy in the EU: GDP worth €1.5 trillion (IMF/WEO 2023)

GDP per capita by PPP current prices is €34,500 (International Monetary Fund, 2023)

Contribution to GDP: Services: 67.5%; Industry: 14.9%; Construction: 5.7%, Agriculture: 3.2%

Unemployment rate slightly increased in comparison with 2023: 12.9% in April 2023

Spain is a gateway to Latin America & Caribbean, North Africa, and Middle East due to its geographical location, language, and cultural connections

Tourism is one of the most important sectors in Spain: 2nd country worldwide in international tourist arrivals and in receipts (1st in Europe). In 2023 the number of tourists were 85.1 million. 19% more than 2022, and a higher figure than the 83.5 million in 2019 (National Statistics Bureau, 2023).

EU Recovery Funds: Spain is the 2nd net receiver with a total of €140 000 million (72 000 in grants and 68 in loans). At this moment, Spain has demanded only the grant part of this aid.

Spanish RRF (Recovery and Resilience Fund) plan dedicated 40% of its total allocation to green transition. This includes measures to promote urban and long-distance sustainable mobility, improve energy efficiency of buildings, industry decarbonization and reduce energy dependency, as well as to develop modern technologies for green hydrogen and renewables.

Another 28% of its total budget is destined to the digital transition, including digitalization of the public administration, industry, and businesses, as well as a dedicated program for SMEs (Small and Medium Enterprise) digitalization. Additional investments are planned for digital equipment for education and improving citizens' digital skills.

FACTS

- Capital: Madrid
- Official language: Spanish (81%)
 - Catalan (8%) · Valencian (4%)
 - Galician (3%) · Basque (1%).
- Area: 505 935 sq km
- Population: 47.4 million

Key industries and their trends

- Car manufacturing (main export product)
- Machinery and mechanical appliances
- Electrical equipment
- Chemical industry, pharmaceuticals, and medical equipment
- Textiles and apparel (including footwear)
- Food and beverages
- Shipbuilding
- Clay and refractory products

The strategic sectors for investing in Spain are currently: chemical; information and communications technologies (ICT); environment; water and water treatment; life sciences; agri-food; aerospace; the automotive industry; logistics; and renewable energy (ICEX, 2023).

Important things to consider when doing business in SPAIN

It is important to bear in mind that Spain is a remarkably diverse and decentralized country in terms of administrative division and decision-making process. Spain consists of 17 autonomous regions, or autonomous communities (Comunidades Autónomas). This status is similar to the Åland Archipelago in Finland. These include Andalusia, Catalonia, Galicia, the Basque Country, and the Canary and Balearic Islands; as well as two autonomous cities (Ceuta and Melilla) and small islands off the coast of Morocco, which are collectively known as Places of Sovereignty.

Spanish regions have their own cultures and some even have their own official languages, such as Catalan, Galician, Basque, and Valencian. Notably, Spaniards identify strongly with their home region and even with their specific province of origin.

Many family-owned businesses, as well as most government undertakings, are run in a traditional Spanish way. In short, they uphold strictly separated divisions and a strong hierarchical system. This strong hierarchical and bureaucratic organizational culture is changing, however, due to a growing number of young managers who have been educated abroad, and changes in Spanish society itself.

Market data sources and other useful links

- [ICEX – Commercial Office \(Equivalent to Business Finland\)](#)
- [Invest in Spain](#) (How to register a company, tax, and fiscal benefits, etc.)
- [INE – National Statistics Institute](#)
- [Spanish Chamber of Commerce](#)
- [Spanish Office for Patents and Brands](#)
- [Ministry of Finance](#)
- [Central Bank of Spain](#)
- [Ministry of Industry, Trade and Tourism](#)
- [Ministry of the Ecological Transition](#)
- [Ministry Economy and Digital Transformation](#)
- [The Spanish Economy](#)