Spain

Introduction
Spain is a country located in Southwestern Europe. The coastlines include the Bay of Biscay, Mediterranean Sea, and Northern Atlantic Ocean. Neighboring countries include Andorra, France, Gibraltar, Portugal, and Morocco. Spain controls a number of territories in northern Morocco including several enclaves and the Canary Islands. Spain borders the Pyrenees Mountains, but much of the country is high plateaus. The government system is a parliamentary monarchy; the chief of state is the king, and the head of government is the president. Spain has a mixed capitalist economy in which there is a variety of private freedom, combined with centralized economic planning and government regulation. Spain is a member of the European Union (EU).

Location: Southern Europe
Capital City: Madrid (+1 GMT)
Chief of State: King Felipe VI
Head of Govt.: President Pedro Sánchez Perez-Castejon
Currency: Euro (EUR)

Major Languages:
- Castilian Spanish (official nationwide) 74%, Catalan (official in Catalonia, the Balearic Islands, and the Valencian Community (where it is known as Valencian)) 17%, Galician (official in Galicia) 7%, Basque (official in the Basque Country and in the Basque-speaking area of Navarre) 2%, Aranese (official in the northwest corner of Catalonia (Vall d’Aran) along with Catalan, &lt;1,500 speakers; note - Aragonese, Aranese Asturian, Basque, Catalan, Galician, and Valencian are recognized as regional languages under the European Charter for Regional or Minority Languages</p>

Primary Religions:
- Roman Catholic 58.2%, atheist 16.2%, agnostic 10.8%, other 2.7%, non-believer 10.5%, unspecified 1.7% (2021 est.)

Calling Code: 34
Voltage: 230

Key Websites
Main Government Page: lamoncloa.gob.es

Key Economic Facts

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Rankings

Risk Assessment (Provided by Coface)
Country rating: A3 - Changes in generally good but somewhat volatile political and economic environment can affect corporate payment behavior. A basically secure business environment can nonetheless give rise to occasional difficulties for companies. Corporate default probability is quite acceptable on average.

Business Climate rating: A1 - The business environment is very good. Corporate financial information is available and reliable. Debt collection is efficient. Institutional quality is very good. Intercompany transactions run smoothly in environments rated A1.

Strengths
- Strong comparative advantage in renewable energy (solar, wind)
- Important reforms (labor market, banking sector, bankruptcy law, etc.)
- Increasing financial support from European institutions
- Important private-sector deleveraging (pre-pandemic)
- Manufacturing sector has shown reinvention capacity in recent times

Weaknesses
- High private and public debt, highly negative international investment position
- Dual labor market, high structural unemployment
- Large quota of small, low-productivity companies
- High exposure to pandemic-sensitive sectors
- Fragmented and polarized political landscape, territorial unity threatened by the Catalan independence movement

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