

## 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 of the Government of Spain  
Pedro Sánchez Perez-Castejon

**Currency:** Euro (EUR)

**Major Languages:** <p>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;5,000 speakers); note - Aragonese, Aranese Asturian, Basque, Calo, Catalan, Galician, and Valencian are recognized as regional languages under the European Charter for Regional or Minority Languages</p>

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

**Calling Code:** 34

**Voltage:** 230

## Key Websites

Main Government Page: [lamoncloa.gob.es](http://lamoncloa.gob.es)

Commerce Ministry: [portal.mineco.gob.es](http://portal.mineco.gob.es)

Export Promotion Agency: [icex.es](http://icex.es)

Investment Promotion Agency: [investinspain.org](http://investinspain.org)

## Key Economic Facts

Income Level (by per capita GNI):	High Income
Level of Development:	Developed
GDP, PPP (current international \$):	\$2,181.97 billion (2022)
GDP growth (annual %):	5.45% (2022)
GDP per capita, PPP (current international \$):	\$45,825.20 (2022)
Manufacturing, value added (% of GDP):	11.64% (2022)
Current account balance (BoP, current US\$):	\$7.58 billion (2022)
Inflation, consumer prices (annual %):	8.39% (2022)
Labor force, total:	23,716,311 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate):	13.01% (2022)
Imports of goods and services (current US\$):	\$560.99 billion (2022)
Exports of goods and services (current US\$):	\$580.88 billion (2022)

## GDP Composition %



\*Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.

## Rankings

Index	Rank
Corruption Perceptions Index	33 / 178
EY Globalization Index	20 / 60
Global Competitiveness Index	23 / 141
Global Enabling Trade Index	15 / 136
Global Manufacturing Competitiveness Index (GMCI)	25 / 40
Global Services Location Index	28 / 60
Index of Economic Freedom	51 / 176
International Logistics Performance Index (LPI)	17 / 160
Inward FDI Potential Index	25 / 139
KOF Index of Globalization	17 / 185
Networked Readiness Index (NRI)	35 / 139

## Risk Assessment (Provided by Coface)

**Country rating: A2** - The political and economic situation is good. A basically stable and efficient business environment nonetheless leaves room for improvement. Corporate default probability is low 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)
- Wide-sweeping reforms (labour market, banking sector, bankruptcy law, etc.)
- Increasing financial support from European institutions
- Major 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 labour market, high structural unemployment
- Large quota of small, low-productivity companies
- Fragmented and polarised political landscape, territorial unity threatened by the Catalan independence movement

## U.S. Embassy

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