

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, <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

Commerce Ministry: portal.mineco.gob.es

Export Promotion Agency: icex.es

Investment Promotion Agency: 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

U.S. Embassy Madrid
Calle de Serrano, 75
28006 Madrid, Spain
Phone: (+34) 91-587-2200

<https://es.usembassy.gov>