

We use cookies to make your connection secure and make statistics about the number of visits. In order to get more information about cookies and find out how to refuse them, [visit our cookie policy page](#).

[Cookies settings](#)

REQUIRED ONLY

ACCEPT  
ALL

## INVEST

### FOREIGN DIRECT INVESTMENT

After falling as a result of the financial crisis, Spanish FDIs recovered in recent years due to an increase in competitiveness and investor confidence in the country. According to UNCTAD's [World Investment Report 2023](#), FDI inflows increased by 58.5% year-on-year in 2022, reaching USD 34.8 billion (12th position worldwide). In the same year, FDI stock stood at USD 787.3 billion, representing around 56.2% of the country's GDP.

Geographically, the U.S. was the main investor in Spain, accounting for 27.7% of the investment flows into the country in 2022, followed by the U.K. (17.8% of the investment) and Germany (14%). By sector, more than half of the total foreign investment in Spain (55.1%) went to the services sector, followed by industry (42.2%) and then construction (2.5%) and the primary sector (0.2% - official government data). Furthermore, in 2022, the manufacturing sector surpassed EUR 10.1 billion, establishing a new record. The telecommunications sector secured over EUR 2.7 billion, marking its highest performance in the last decade. The collective investment in renewable energies exceeded EUR 2.8 billion, with EUR 872 million allocated to wind (the third-highest in the historical series) and EUR 1.9 billion to solar (the fourth-highest in the series). The programming and IT sector achieved EUR 1.4 billion, the second-best result in the series after 2021. The research and development sector surpassed EUR 800 million, more than doubling any previous year. The Community of Madrid, the Basque Country, Catalonia, Valencia and Andalusia were the regions that received the most foreign investment in 2022. These five regions account for 87.6% of all foreign investment received. According to the latest figures from OECD, FDI inflows to Spain totalled USD 15 billion in the first half of 2023, compared to USD 24.5 billion in the same period one year earlier (-36.5%).

The country's strengths in terms of FDI attractiveness include a restructured financial sector, the boom in tourism, its highly efficient transport network, its development of renewable energies and the cultural proximity to Latin America, with the presence of a number of Spanish multinational companies. Spain also aspires to become one of the world's key research actors. On the other hand, the country has high levels of private and public debt, a very negative net external position and a high level of structural unemployment. However, Spain suspended the FDI liberalisation regime and government authorisation is now required for direct investments of more than 10% of a Spanish company's capital made by residents of non-EU or EFTA countries (including the UK) in certain sectors, including critical infrastructure and technologies, media and food safety. In 2023, the Spanish Government approved additional regulations (Royal Decree 571/2023) pertaining to FDIs in Spain. These updated provisions officially took effect on September 1, 2023, and include providing clarity as to which transactions are caught by the FDI regime, as well as a new consultation procedure to confirm whether doubtful investments are subject to an FDI screening mechanism. The timeframe for issuing decisions regarding the FDI screening mechanism is shortened from 6 to 3 months; if no decision is rendered within this period, the request for FI authorization is considered as denied. Spain ranks 63rd out of 82 countries in the Economist Business Environment ranking and 36th out of 63 in the World Competitiveness Ranking. Furthermore, it is ranked 55th out of 184 economies in the [2023 Index of Economic Freedom](#) and 29th among the 132 economies on the [Global Innovation Index 2023](#).

Foreign Direct Investment	2020	2021	2022
<b>FDI Inward Flow</b> <i>(million USD)</i>	17,948	21,957	34,811

Foreign Direct Investment	2020	2021	2022
<b>FDI Stock</b> <i>(million USD)</i>	804,418	782,903	787,311
<b>Number of Greenfield Investments*</b>	558	849	861
<b>Value of Greenfield Investments (million USD)</b>	13,626	32,652	44,588

Source: UNCTAD - Latest available data.

Note: \* Greenfield Investments are a form of Foreign Direct Investment where a parent company starts a new venture in a foreign country by constructing new operational facilities from the ground up.

Country Comparison For the Protection of Investors	Spain	OECD	United States	Germany
<b>Index of Transaction Transparency*</b>	7.0	6.5	7.0	5.0
<b>Index of Manager's Responsibility**</b>	6.0	5.3	9.0	5.0
<b>Index of Shareholders' Power***</b>	6.0	7.3	9.0	5.0

Source: Doing Business - Latest available data.

Note: \*The Greater the Index, the More Transparent the Conditions of Transactions. \*\*The Greater the Index, the More the Manager is Personally Responsible. \*\*\* The Greater the Index, the Easier it Will Be For Shareholders to Take Legal Action.

## WHAT TO CONSIDER IF YOU INVEST IN SPAIN

### Strong Points

The country's main strong points are:

- Flexibility and adaptability of economic operators
- The cultural proximity to Latin American countries, making Spain a bridgehead to those countries
- A developed infrastructure network
- A diversified economy that welcomes big international companies
- A government pursuing reform policies
- Improved financial state of enterprises
- An important tourism sector
- Quality of life

### Weak Points

The country's weak points are

- State unity threaten by the secession movement in Catalonia
- High unemployment rate
- Low productivity of certain enterprises
- High indebtedness (public, private and exterior)
- A growing trade balance deficit
- The complexity of the regulation system with regard to the 17 Autonomous Communities

## Government Measures to Motivate or Restrict FDI

Spain applies the principle of free establishment and non-discrimination of foreign investors. Foreign investors can operate any type of business under the same conditions as a local investor. The CEE Council Directive no. 88/361/CEE from 1988, concerning the free movement of capital between the residents of member States was adopted in the Spanish legislation by Law no. 18/1992 and by Royal Decree no. 1816/1991 on Foreign Economic Transactions. The gaming, television, radio and air transport sectors are protected by restrictions on investors residing outside an EU member country; it is the same for businesses manufacturing and selling arms. In the latter case, these restrictions also applies to investors within the European Community.

The Government provides various incentives for investors, such as grants, tax benefits, professional training, preferential access to credit, etc. For more information consult [this link](#). ICEX Spain Trade and Investment is a public corporation at the national level whose mission involves promoting the internationalization of Spanish companies, to support their competitiveness and add value to the economy as a whole, as well as attracting foreign investment to Spain. Moreover, since Spain is an EU Member State, potential investors can benefit from European aid programs, which make investment in Spain even more attractive.

The [Re-industrialization Aid and Industrial Competitiveness Program 2019](#) is intended to encourage new industrial plants either by transfer of productive activity from another previously existing site or creating a new establishment, as well as increasing production capacity through the introduction of new lines of production in existing facilities. It aims also at developing the “Connected Industry 4.0 technologies”.

---

## INVESTMENT OPPORTUNITIES

### The Key Sectors of the National Economy

Real estate, Energy, Finance and insurance, Telecommunications, Wholesale trade and retail trade, Manufacturing of non-metallic minerals, Construction, Civil engineering, Business consultancy, Transportation and storage.

### High Potential Sectors

The website [Invest in Spain](#) suggests a range of investment opportunities related to the industrial sectors (aerospace, life sciences, chemical sector, automotive and ITC) and to the Spanish regions.

In the energy sector, the government plan for renewable energies represents an opportunity for investments in technological innovation. The biotechnology sector is developing faster in Spain than in other EU countries. The investments in this sector are growing at a rate of more than 25% per year, making Spain the fourth biggest contributor in the world in scientific production in the biotechnology sector. According to the Spanish Institute for External Trade, the chemical, pharmaceutical and plastics industry represent great investment opportunities.

In the agrarian sector, Spain has become the largest European producer of organic foodstuff. It is one of the top markets in the EU for legumes, nuts and sea products.

Spain has become one of the most attractive destinations for call centres. It has attracted several multinationals (Avis, Hewlett-Packard, Citigroup, etc.) thanks to a labour cost 30% less expensive than in other European countries. R&D in the Information Technology (IT) and data processing (software development, artificial intelligence, supercomputers, etc.) is also one of the spearheads of Spain. Finally, numerous investments in property for development of tourism infrastructure are possible, even though some tourist areas are saturated.

### Privatization Programmes

No privatisation has been announced.

## **Tenders, Projects and Public Procurement**

[Ted - Tenders Electronic daily](#), Business opportunities in the EU

[Globaltenders](#), Tenders & Projects in Spain

[Tenders Info](#), Tenders in Spain

[DgMarket](#), Tenders Worldwide

[Tendios](#), Spain's Public Tenders: Alerts and Analysis

[Plataforma de Contratación del Sector Público](#), Spain's Government Public Sector Procurement Platform

## **Sectors Where Investment Opportunities Are Fewer**

### **Monopolistic Sectors**

The Spanish government retains control in the following sectors:

- Energy. The government retains a controlling stake (that is, more than 51% ownership, including 100%) in Ensa, Grupo Enusa and Grupo Hunosa. It retains a minority stake (that is, less than 50% ownership) in Enagás, Enresa and Red Eléctrica Corporación.
- Foreign trade and finance. The government retains a controlling stake in Grupo Cofivacasa, Defex (in liquidation) and Grupo Navantia. It retains a minority stake in Hispasat and Indra.
- Food environment and leisure. The government retains a controlling stake in CETARSA, Hipódromo de la Zarzuela, MAYASA, Grupo Mercasa, SAECA and Grupo Tragsa. It retains a minority stake in Ebro Foods.
- Communications and transport. The government retains a controlling stake in, among others, Agencia EFE, Grupo Correos and Grupo SEPIDES. It retains a minority stake in International Airlines Group (IAG), Airbus Group and Alestis Aerospace.

### **Sectors in Decline**

Textile, agriculture.

## **Finding Assistance For Further Information**

### **Investment Aid Agency**

[Invest in Spain \(ICEX Spain Trade & Investment\)](#)

### **Doing Business Guides**

[Spain country profile \(KPMG\)](#)

[Establishing a business in Spain \(Thomson Reuters Practical Law\)](#)

[Spain - Market Overview \(U.S. Department of Commerce\)](#)