

# Spain

## An overview of the economy and of the business environment



On 1 July, Spain will take over the Presidency of the Council of the European Union, holding the Rotating Presidency for the fifth time since its accession to the then-European Community back in 1986.

In the first quarter of 2023, Spanish GDP recorded a stronger-than-expected increase thanks also to a strong tourism season. However, in the current quarter, the economy should be losing some strength. In politics, the ruling coalition performed poorly in local elections held on 28 May, which prompted President Sánchez to call early elections for 23 July and this implies some political instability which affects also economy because uncertainty about future government policies could undermine investor confidence



Having a more general overview at the last years, Spain has been in the midst of a balanced economic recovery after the COVID-19 crisis led the country into an unprecedented downturn in economic activity, with the deepest contraction among EU member states. Nevertheless, the Spanish economy expanded firmly in 2021 and 2022 thanks to the recovery of tourism activity and the resilience of the labour market.

Agriculture contributes around 2.6% of the Spanish GDP and employs 4% of the workforce (World Bank, latest data available). The country is home to almost one million agricultural and livestock businesses, covering 30 million hectares of land. Spain is the world's largest producer of olive oil and the world's third-largest producer of wine.



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The country is also one of the largest producers of oranges and strawberries in the world. The main crops are wheat, sugar beet, barley, tomatoes, olives, citrus fruits, grapes and cork. Livestock is also important, especially for pigs and cattle. Data by the Agricultural ministry shows that land destined for biological cultivation accounts for 10.79% of the total arable land, with 58.485 active operators in the sector (in production or distribution).

The industrial sector accounts for 20.4% of GDP and employs one-fifth of the active population. Manufacturing as a whole is the most important sector as it accounts alone for around 12% of GDP (World Bank), although factory activity in Spain shrank for six consecutive months in the second half of 2022 (data INE).



The industrial sector is dominated by automotive, textiles, industrial food processing, iron and steel, naval machines, and engineering. New sectors such as outsourcing of electronic components production, information technology, and telecommunications provide high growth potential. The renewable energy sector is also growing at a fast pace.

The tertiary sector contributes 67.4% of GDP and employs 76% of the active population. The tourism sector is crucial for the country's economy, as it is Spain's main source of income. The banking sector is also important and is composed of ten banking groups under the direct supervision of the Single Supervisory Mechanism (representing more than 90% of the industry) and 48 private banks, 2 saving banks and 61 cooperative banks supervised by Banco de España (European Banking Federation).



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The top exports of Spain are Cars, Refined Petroleum, Packaged Medicaments, Motor vehicles, parts and accessories, Vaccines, blood, antisera, toxins and cultures. Spain exports mostly to France, Germany, Italy, Portugal and United Kingdom.

The top imports of Spain are Crude Petroleum, Cars, Packaged Medicaments, Motor vehicles; parts and accessories, and Vaccines, blood, antisera, toxins and cultures, importing mostly from Germany, France, China, Italy and Netherlands.



Especially today when the economic scenario changes quickly, in order to establish safe and profitable business relationships it is always necessary to count on local expert business information providers. On SkyMinder we are able to support you with the leading local provider of business information on all Spanish companies. Thanks to the expertise and deep knowledge of our local suppliers, SkyMinder offers the most complete and updated full reports on any company registered in Spain.

All SkyMinder Full Reports on Spain are online and updated and they include the following information (if available at local sources):

- Complete company identification details: correct company name, address(es), contact details such as phone, fax, email, webs, etc.
- Company registration details: our local providers try to access local registries and to get registration number, company id, fiscal code, and any information that can be retrieved at the local registry
- Directors and company structure: board of directors, shareholders and related companies
- Financials: balance sheet and profit and loss (if companies are obliged to disclose).
- Credit rating and suggested credit limit
- Negative information on the company, probability of default, payment information
- Number of employees
- Activity details: sector and industry of the company, branches, import export situation,
- Banks

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In addition to the Full Report including all complete details on Spanish companies, it is possible to keep them monitored thanks to the Full Monitoring service: every time a change affects a company, a detailed notification is generated, with all the specifics about the type of variation and the area interested. In addition, a new overview of the company, including changes, will be available on the platform.

On SkyMinder it is possible to order other types of reports depending on your specific needs:

- Slim Report which include synthetic information about the company credit situation.
- Compliance Check Report and Extended Check Report: Through SkyMinder you can access the Lexis Nexis Risk Solutions platform and check if a business partner is involved in financial crimes, bribery, corruption and money laundering actions.
- Patent Due Diligence Report: a report with an in-depth analysis of the patents owned by a company
- Cyber Risk Report: thanks to the test performed to a company website and related domains and emails, you can understand in advance if a partner or potential partner is vulnerable to a cyber-attack.
- Company registries and LEI documents.

Sources: <https://santandertrade.com/en/portal/analyse-markets/spain/economic-political-outline>; <https://think.ing.com/>