



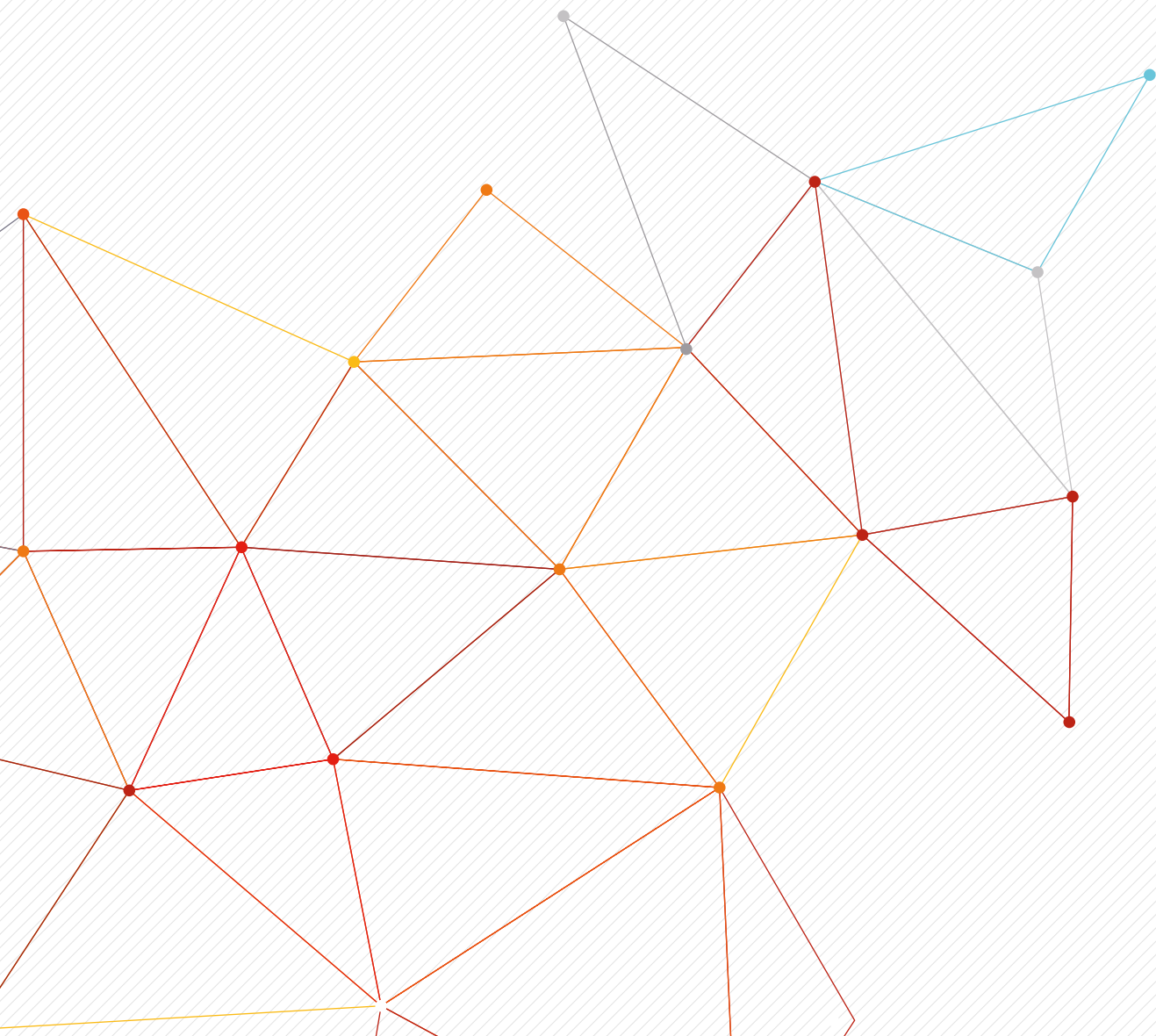
Spanish Business Climate Barometer **survey of Foreign Investors**

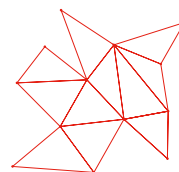
2025 Results

Index

| | | |
|-----------|--|-----------|
| 1 | Presentation | 3 |
| 2 | Executive summary | 5 |
| 3 | Context | 7 |
| 4 | General results | 10 |
| 4.1 | General rating | 12 |
| 4.2 | Main strengths and weaknesses | 13 |
| 4.3 | 2024-2025 Comparison | 14 |
| 4.4 | Main areas for action | 15 |
| 5 | Prospects of foreign companies in Spain | 16 |
| 5.1 | Investment prospects | 18 |
| 5.2 | Employment prospects | 18 |
| 5.3 | Turnover prospects | 19 |
| 5.4 | Export prospects | 19 |
| 5.5 | Impact of the United States' tariff policy on the company's results | 20 |
| 5.6 | Initiatives to minimise the effect of the tariff policy | 21 |
| 5.7 | The impact of armed conflict on company results | 22 |
| 6 | Results by area | 23 |
| 6.1 | Labour Market | 25 |
| 6.2 | Taxation | 26 |
| 6.3 | Regulatory Environment | 27 |
| 6.4 | Infrastructure | 28 |
| 6.5 | Costs | 29 |
| 6.6 | Financing | 30 |
| 6.7 | Human Capital | 31 |
| 6.8 | Innovation | 32 |
| 6.9 | Market Size | 33 |
| 6.10 | Quality of Life | 34 |
| 7 | Reasons for setting up in Spain | 35 |
| 8 | Sustainability goals | 38 |
| 8.1 | Companies with a Sustainability Strategy | 40 |
| 8.2 | Priority Sustainability Goals | 41 |
| 8.3 | Measurement and monitoring mechanisms | 42 |
| 8.4 | Conditions in Spain for the development of Sustainability Strategies | 43 |
| 9 | Analysis by country | 45 |
| 9.1 | Investment prospects | 48 |
| 9.2 | Workforce prospects | 49 |
| 9.3 | Turnover prospects | 50 |
| 9.4 | Export prospects | 51 |
| 9.5 | Reasons for location in Spain | 52 |
| 10 | Industry analysis | 53 |
| 10.1 | Investment prospects | 55 |
| 10.2 | Workforce prospects | 56 |
| 10.3 | Turnover prospects | 57 |
| 10.4 | Export prospects | 58 |
| 11 | Methodology | 59 |
| 12 | Appendix | 61 |

1 Presentation





This is the 18th edition of the “Spanish Business Climate Barometer Survey of foreign investors”, which has now become a flagship publication in Spain.

The 2025 edition contains an assessment of the importance attached to the business climate in Spain during the 2025 financial year by over 750 foreign-owned companies. Following generally established criteria, a business is considered to be foreign-owned when its foreign capital accounts for more than 10% of its total capital.

This report provides an overview in the medium term of the strengths that need to be maintained and the main areas of action where further efforts must be focused.

The report also includes forecasts for 2026 regarding investment, workforce, turnover and exports.

Previous editions have included a specific chapter on the economic situation, analysing the impact of armed conflicts on business results. This edition maintains this chapter, as well as a section on sustainability that analyses the sustainability strategies of foreign-owned companies in Spain, the main sustainability objectives and the degree to which conditions in Spain favour or do not favour the achievement of these objectives. A section has also been added on the impact of the United States’ tariff policy on companies’ results and the various initiatives they are undertaking to minimise this impact.

Investing companies confirmed their favourable performance in Spain in 2024, and maintain positive year-end figures for 2025. Although the international political and economic environment continues to present uncertainties, the forecasts by foreign-owned companies in Spain for investment, turnover, employment and exports are very positive for 2026.

The Barometer was jointly compiled by ICEX-Invest in Spain, *Multinacionales con España* and the International Center for Competitiveness (ICC) at the IESE Business School.

The Executive Division of Invest in Spain at ICEX has the mission of promoting, attracting and encouraging foreign direct investment (FDI) in Spain, as well as reinvestment from established foreign companies, serving as a reference point for foreign companies and as a point of contact for state, regional and local institutions engaged in promoting and attracting investment.

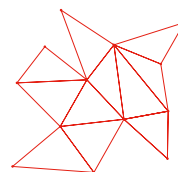
ICEX-Invest in Spain also performs activities to position Spain as a global platform for international investment and business: another area of activity of the organization is the improving of the business climate in Spain, in ongoing dialogue with other government departments, business associations and international representative institutions established in Spain,

Multinacionales con España is a business association that promotes awareness of the social, economic and environmental contributions made by foreign multinationals in Spain. Furthermore, it promotes Spain as a benchmark investment destination through positive, purposeful and proactive participation in the Spanish public agenda.

The Institute of Advanced Business Studies (IESE) is an institution dedicated to teaching advanced business studies. The ICC is one of its research centres, its mission being to promote strict learning and research in the field of competitiveness and its implications in different areas. Led by Professor Pascual Berrone, the ICC places particular emphasis on the European Union and its role in creating a favourable business climate.

2 Executive summary





Spain has maintained its score compared with 2024, and the areas of Infrastructure, Market Size and Human Capital continue to be the most highly rated by foreign investors.

The results of this edition of the Spanish Business Climate Barometer yield an average score of 2.85 out of 5, exactly the same as that obtained in 2024.

The most important area for foreign-owned companies is Market Size, followed by Human Capital, the Labour Market and Infrastructure. The area that is considered least important in this edition is once again Financing.

The areas most highly rated by the executives surveyed were Infrastructure, Market Size and Human Capital, as in the previous year. It is significant that the highest rated areas are also the most important for investors. The lowest-rated areas are Taxation and the Regulatory Environment, followed by Financing and Costs.

Investors are satisfied with aspects related to Human Capital in Spain, although they consider that attention should continue to be paid to language proficiency, learning capacity and the acceptance of responsibilities and objectives. They also point to other areas for action, such as reducing the bureaucratic burden, the cost to the company of employer Social Security contributions, and adapting labour legislation to companies' needs.

The areas with the greatest imbalances between the rating they receive and the importance they have for foreign companies are the Labour Market and Taxation. There are also some imbalances as regards Costs and the Regulatory Environment. However, the Infrastructure area obtained a score very similar to its importance, fully meeting companies' expectations.

As in previous editions, according to the majority of the executives surveyed, the main reasons for setting up in Spain are its geographical location, the size of the local market and access to other markets, infrastructure and labour costs. The Spanish language and cultural proximity are also considered major advantages, as well as the highly qualified workforce, which is key to attracting high value-added projects.

Forecasts for investment, turnover, employment generation and export volume for 2025 and 2026 are positive and very similar to those for the last edition.

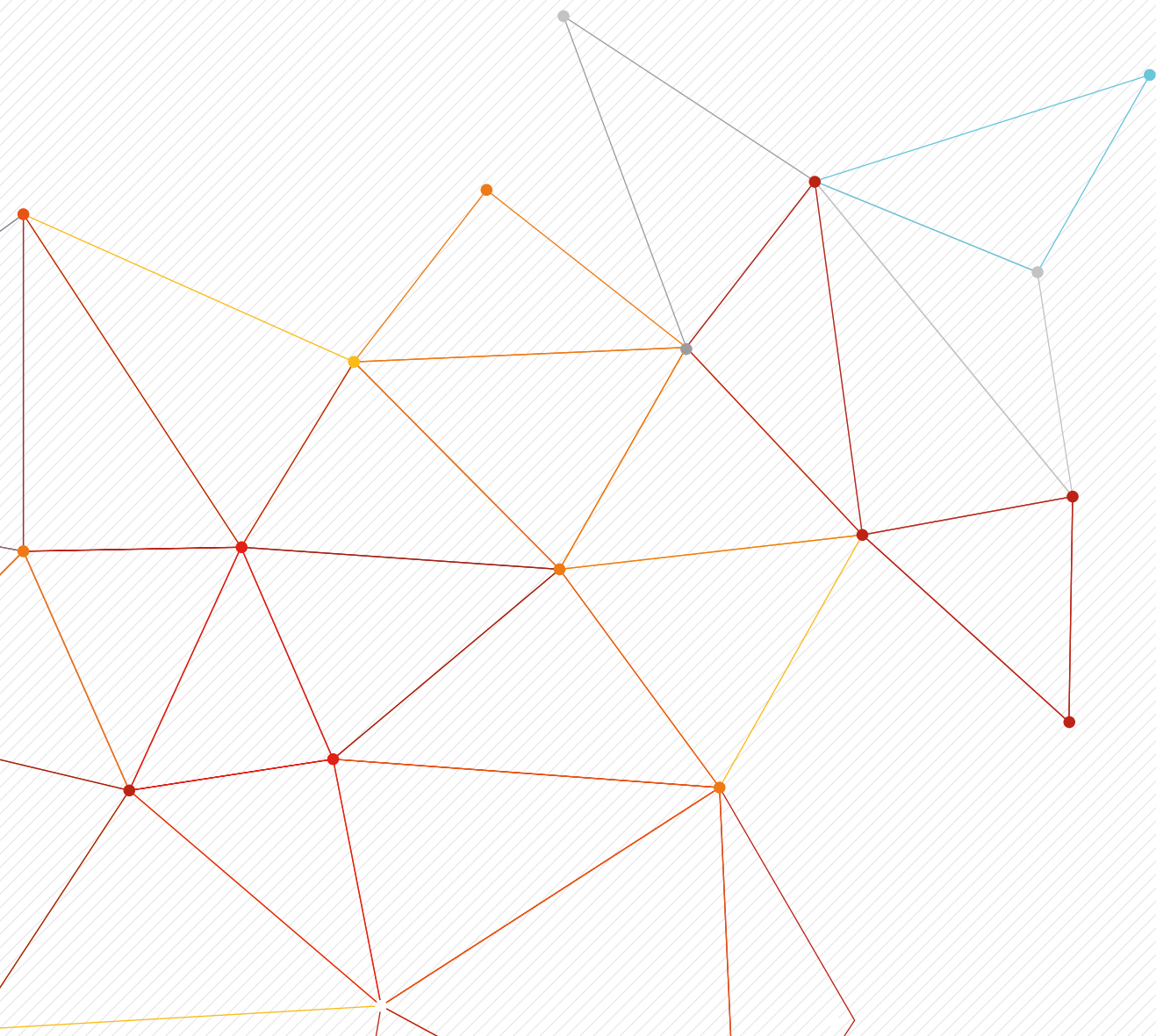
The investment outlook for 2025 on the part of foreign companies in Spain is positive, and very similar to that for 2024. Thus, 86% of the companies surveyed increased or maintained their investments in 2025, compared to 87% in 2024. For 2026, 85% of companies plan to increase or maintain their investments.

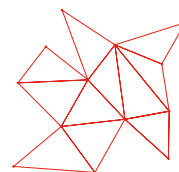
Employment prospects are also positive, and are once again similar to the previous year. In 2025, 85% of companies increased or maintained their workforce, compared with 84% in 2024. For 2026, the forecasts are noticeably better; 90% of participating companies state that they plan to increase or maintain their workforces.

With regard to turnover, 79% of participating companies maintained or increased their turnover in 2025, compared with 78% in 2024. For 2026, forecasts have clearly improved and 89% of the companies surveyed expect to increase or maintain their turnover in Spain.

Finally, with regard to export volume, the high export profile has been maintained, as 74% of the foreign companies surveyed export to third markets from Spain. The outlook is positive, and only 12% of companies will reduce their exports in 2025. The outlook for 2026 is even better, with only 6% of foreign companies planning to reduce their exports.

3 Context





A company's competitiveness and profitability depend on a complex mix of internal and external factors. Internal factors are those factors and elements inherent to the company's own structure and which depend on its management or direct influence. This means those factors that can be directly controlled by the company. This Barometer is not intended to analyse these types of factors.

A company's competitiveness also depends on certain external aspects and factors over which, in principle, the company does not exercise direct control, but which influence the organisation's decision-making, affecting its strategies and results. They are linked to the economic and regulatory environment or to the institutional framework and are structural in nature; i.e. they existed before companies were established, they evolve throughout their lifetime and will remain when the companies cease to operate in a given area. The main aim of this Barometer is to analyse these factors, their changes and their evolution over time.

A third group of elements that affect companies' competitiveness are those that we refer to as contextual and that are also external to companies; i.e. company management cannot influence them in any significant way and, moreover, they fall outside the natural scope of this Barometer due to their unpredictable, accidental or merely temporary nature, or because they have an international origin, not directly related to Spain.

In a hugely interconnected world, these contextual factors have been playing a far more prominent role in recent years than they did in the past. Brexit, the Covid-19 pandemic, the rise of protectionism and growing tariff threats, geopolitical tensions and the armed conflicts that have taken place in recent years have decisively shaped the results of this Barometer in previous editions.

So, although analysing these contextual factors is not the Barometer's natural objective, a certain amount of attention has been paid to them in recent editions of this document. In fact, the questionnaire sent to respondents for this edition of the Barometer includes questions on the impact of US tariff policy and ongoing armed conflicts on the results of the companies surveyed, as well as the initiatives companies are undertaking to minimise the impact of the rising tariffs to which international companies are being subjected.

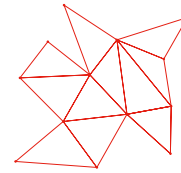
And, characterised by volatility and instability on many fronts, 2025 has been a year which, from an economic standpoint, has been marked globally by the new trade measures adopted by the United States, which entailed a notable increase in tariff rates to levels not seen for several decades. Nevertheless, in the following months, the United States reached trade agreements with most of its main trading partners. Overall, these announcements made it possible to reduce the effective tariff rates of the United States from their April peaks and bring them within a range of 10% to 20% for most countries.

Although the tariff shock is smaller than initially announced, the consequences for the global economy are already becoming apparent in the short term. The IMF's October 2025 World Economic Outlook notes that global growth is slowing from 3.3% in 2024 to 3.2% in 2025 and to 3.1% in 2026. The impact on developed economies will be even greater. The IMF forecasts that growth in advanced economies will stand at around 1.5% in 2025–2026, and that in the United States growth will slow to 2.0%.

The impact of these tensions could intensify in the coming months as companies gradually pass tariffs on to customers, and as multinationals consolidate new, more stable trade routes, and the global economy gradually loses efficiency.

There are also other additional factors of uncertainty that directly affect the companies surveyed, as well as the global economy and trade. Such factors include those relating to China's trade and manufacturing policy and those linked to the European Union's response to the outstanding industrial challenges it faces. Such challenges include consolidating a more stable framework for action in the area of the energy transition, reducing external dependence in the semiconductor sector and closing the innovation gap with major global powers such as China and the United States. This is in addition to addressing the future of the automotive sector in the EU, a key sector that faces a series of decisive challenges as a result of the transition to electric cars, the digitalisation of the sector and fierce global competition.

These factors related to commercial and industrial uncertainty, as well as geopolitical tensions, armed conflicts, economic fragmentation and multinational efforts to reduce risks in supply chains, are of course affecting the global economy, but they are affecting foreign direct investment much more, as it has a particular aversion to this type of risk and uncertainty.



UNCTAD confirmed the fragility of the trend in international FDI flows in its Global Investment Trends Monitor, No. 49. After two consecutive years of decline, the preliminary data for the first half of 2025 forecast a further drop of 3% in foreign direct investment worldwide. And this decline has been greater in developed countries, where the fall has amounted to 7% and, especially, in the European Union, where the decline has exceeded 25%.

The decline has also been felt in greenfield projects, which, of all the forms of foreign investment, are the most important because this type of project entails a direct injection of wealth and jobs into the host economies. According to the Financial Times Group's fDi Markets database, in the first eleven months of 2025 the number of greenfield projects carried out worldwide fell by 17%, and the Capex they represented was 8% lower.

Spain has managed to weather this unfavourable international context for foreign investment in recent years and has continued to record sustained growth. Figures for the whole of 2025 are not yet available; however, for the time being, in the first three quarters of the year, the still provisional data on FDI inflows received by Spain appear to be experiencing a certain decline compared with 2024, despite the fact that our country is recording economic growth that is well above that being experienced by other countries in our region.

However, we are still dealing with provisional figures relating to very short periods from which to draw patterns or trends, all the more so bearing in mind that last year, 2024, was the year in which Spain received the second highest volume of foreign direct investment on record.

Moreover, Spain has continued to be a highly attractive market for greenfield projects: in the first eleven months of 2025, Spain was the fifth-largest recipient of greenfield projects worldwide, after the United States, the United Arab Emirates, the United Kingdom and India. That means Spain has been the largest recipient of this type of project across the entire EU and has attracted more projects than major economies such as China, Japan, Canada, France, or Germany. During the first eleven months of the year, 628 greenfield projects were established in Spain, representing an investment volume of approximately €30 billion and the creation of more than 50,000 jobs.

Spain also continues to record highly promising results in the most advanced and productive forms of foreign direct investment. In fact, in the January–November 2025 period, our country was the third-largest global recipient of greenfield projects in the renewable energy sector. In this sector, it is interesting to note that our country is also the second-largest recipient of projects related to clean hydrogen. Likewise, it is sixth in the list of countries which receive the most projects in the communications sector. It is also sixth in the list of countries with the highest number of foreign-owned greenfield projects carried out in the software and IT services sector. Spain is in addition fourth in the list of countries which receive the highest number of greenfield projects involving R&D activities, and it is sixth in the list regarding the volume of investment it receives in greenfield projects in the artificial intelligence sector.

4 General results

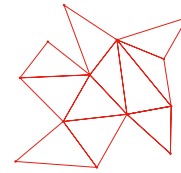


The most important area for foreign-owned companies is Market Size, followed by Human Capital, the Labour Market and Infrastructure.

4 General results

- 4.1** General rating
- 4.2** Main strengths and weaknesses
- 4.3** 2023-2024 Comparison
- 4.4** Main areas for action

4 General results



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survey of Foreign
Investors

2025 Results

4.1 General rating

Figure 1 shows the level of importance and the score, on a scale of 1 to 5, given by foreign-owned companies to each of the ten areas covered by the 2025 Business Climate Barometer.

The most important area for foreign-owned companies is Market Size, followed by Human Capital, the Labour Market and Infrastructure. The area considered of least importance in this edition is once again Financing, and it is again the only one to which they give an importance rating of below 3.

The areas most highly rated by the executives surveyed were Infrastructure, Market Size and Human Capital, as in the previous year. It is significant that the highest rated areas are also the most important for investors.

The lowest-rated areas are Taxation and the Regulatory Environment, followed by Financing and Costs.

As can be seen in Figure 1, in the areas of Labour Market and Taxation there are significant differences between the score they receive and the importance they have for foreign-owned companies. There are also some imbalances as regards Costs and the Regulatory Environment. However, the Infrastructure area obtained a score very similar to its importance, fully meeting companies' expectations.

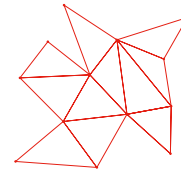
With regard to Quality of Life, Financing and Innovation, investors' expectations are also being met to a greater extent.

Importance and scores by area in 2025

Figure 1



4 General results



4.2 Main strengths and weaknesses

Spain's main strengths, as in previous editions, are related to Infrastructure, as shown in Figure 2.

Companies rated the quality of airports, roads and ports particularly highly, as well as the availability of infrastructure and telecommunications services, and the availability of supplier and distribution networks. Other aspects with high scores are leisure and culture, and the capacity for learning.

On the other hand, the main weaknesses are once again associated with aspects of the Regulatory Environment, such as

bureaucracy and the speed and effectiveness of the commercial courts, as shown in Figure 3. There are also issues of costs, both in terms of the cost of living and electricity, as well as adaptation to environmental regulations.

Tax aspects related to employment were once again mentioned this year, in this case employer Social Security contributions. In this edition, the corporation tax burden also stands out as a weakness.

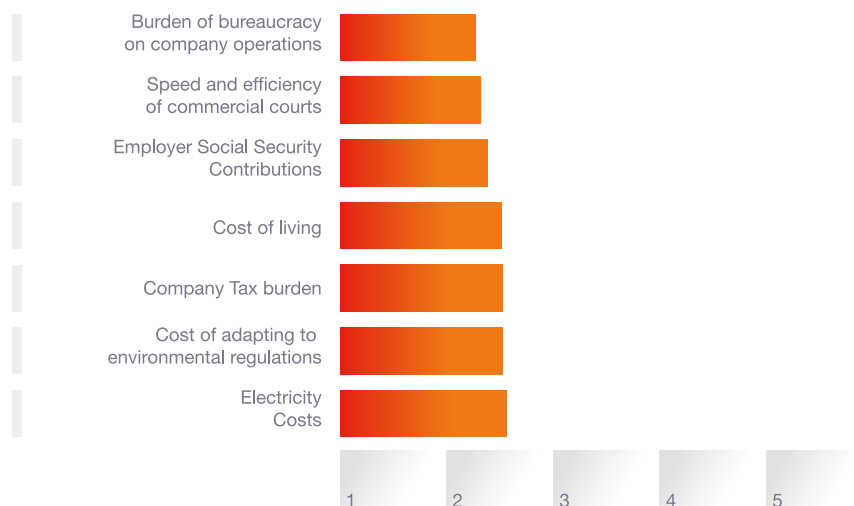
Main strengths

Figure 2

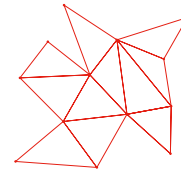


Main weaknesses

Figure 3



4 General results



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Investors

2025 Results

4.3 2024-2025 Comparison

The overall score for 2025 remains exactly the same as in 2024 (2.85 out of 5).

The scores by area are very similar to those in 2024, as shown in Figure 4. The differences, whether positive or negative, do not in any case exceed a tenth between 2024 and 2025.

The main decline in the score is seen in relation to Infrastructure, with all the aspects considered receiving a lower score than last year, and the drop experienced by high-speed rail standing

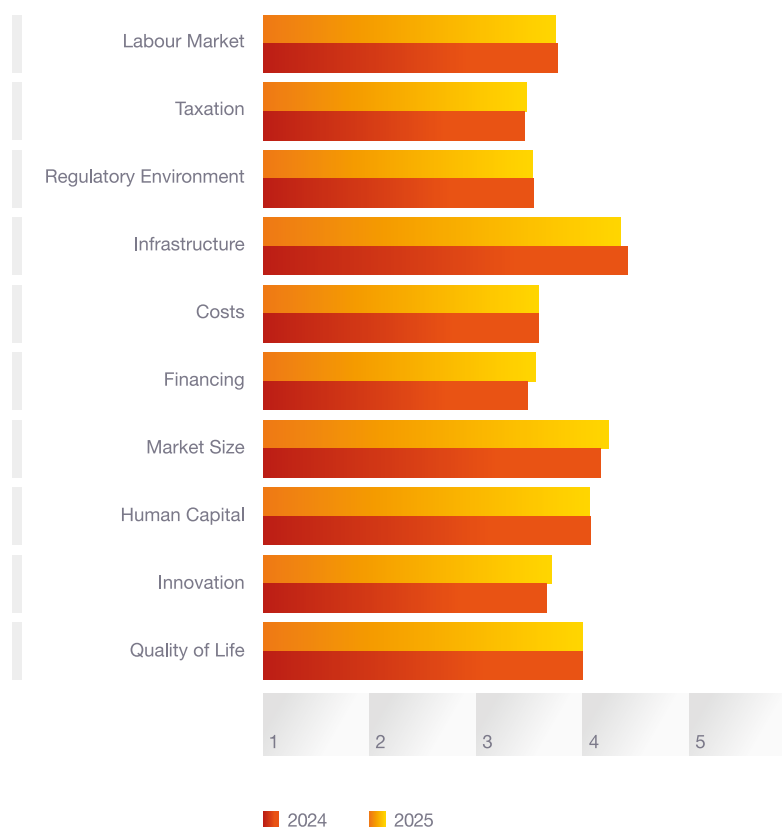
out. There are also slight negative differences in the areas of the Labour Market and the Regulatory Environment, although they are minimal.

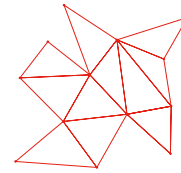
The areas of Market Size and Financing show the greatest improvement in score in this edition. The score for Innovation has also improved compared with 2024.

The areas of Costs, Human Capital and Quality of Life have maintained exactly the same scores as in 2024.

Comparison of scores 2024-2025

Figure 4





4.4 Main areas for action

The priority areas for action have been selected based on the size of the gap between the importance attached to them by the executives surveyed and their weighted score¹. In this edition, all the areas for action match those in the previous edition, albeit in a different order of importance.

1. Language skills

The executives surveyed have highlighted language proficiency as one of the main problems for years. On this occasion, its score remains practically the same as in 2024, but it is very far removed from the importance that companies attach to it (it is the fifth most important aspect of the survey). As in previous editions, it is important to note that Human Capital aspects are the most important for the executives surveyed and fundamental for Spain's medium and long-term competitiveness.

2. Acceptance of responsibilities and objectives

Acceptance of responsibilities and objectives is the second most important aspect for the executives surveyed. The score obtained in 2025 is positive, but it has fallen compared to last year. Nevertheless, its importance for investors has increased, so it is essential to continue paying attention to this aspect, which companies consider essential.

3. Adaptation of labour law to the needs of the company

The adequacy of labour legislation to meet companies' needs is the third most important aspect in the entire survey, increasing in comparison with 2024. Its score has fallen again compared with last year, albeit moderately. Labour Market aspects are also considered among the most important for foreign-owned companies in Spain.

4. Employer Social Security contributions

The cost to the company of employer Social Security contributions receives a very low score from investors, the second worst in the entire survey, and is among the main weaknesses in this edition. Although the score remains unchanged compared to last year, the importance of this aspect has increased slightly for investors. Tax aspects, in general terms, have received the lowest scores in this edition, as was the case in 2024.

5. Learning capacity

Learning capacity is once again the most important aspect of the entire survey for foreign-owned companies in Spain. Its score is positive and remains unchanged compared with 2024, but its importance has increased for the executives surveyed, so it once again constitutes one of the priority areas for action, the third relating to Human Capital.

6. Burden of bureaucracy on company operations

The bureaucratic burden in running a business is the worst-rated aspect of the entire survey, the only one with a score of below 2, and has already been identified as one of the overall weaknesses in the study. In this edition, its score has also declined compared with last year, and it is an aspect that investors have been drawing attention to for years.

1. See Section 11 on Methodology.

5 Prospects of foreign **companies** in Spain

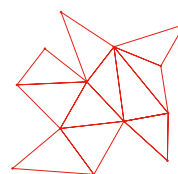


The percentage of companies planning to increase their investments has risen to 32% (from 30% in 2025).

5 Prospects of foreign companies in Spain

- 5.1** Investment prospects
- 5.2** Employment prospects
- 5.3** Turnover prospects
- 5.4** Export prospects
- 5.5.** The impact of armed conflict on business performance
- 5.6** Aspects most affected by the consequences of armed conflicts
- 5.7** Importance for the company of access to the Recovery, Transformation and Resilience Plan/Next Generation EU Funds (NGEU)

5 Prospects of foreign companies in Spain



Spanish Business
Climate Barometer
survey of Foreign
Investors

2025 Results

5.1 Investment prospects

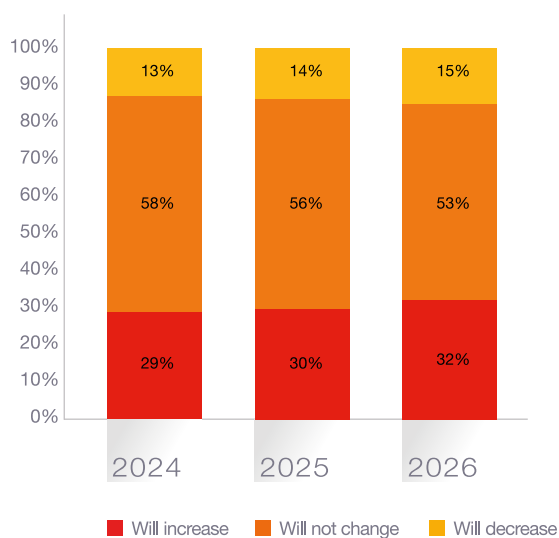
The investment outlook for 2025 on the part of foreign companies in Spain is positive, and very similar to that for 2024. Thus, 86% of the companies surveyed increased or maintained their investments in 2025, compared to 87% in 2024. 85% of companies plan to increase or maintain their investments by 2026, and the percentage of companies planning to increase their investments has risen to 32% (from 30% in 2025).

5.2 Employment prospects

Employment prospects are also positive, and once again similar to the previous year. In 2025, 85% of companies increased or maintained their workforce, compared with 84% in 2024. For 2026, the forecasts are noticeably better, 90% of participating companies stating that they plan to increase or maintain their workforces, as shown in Figure 6.

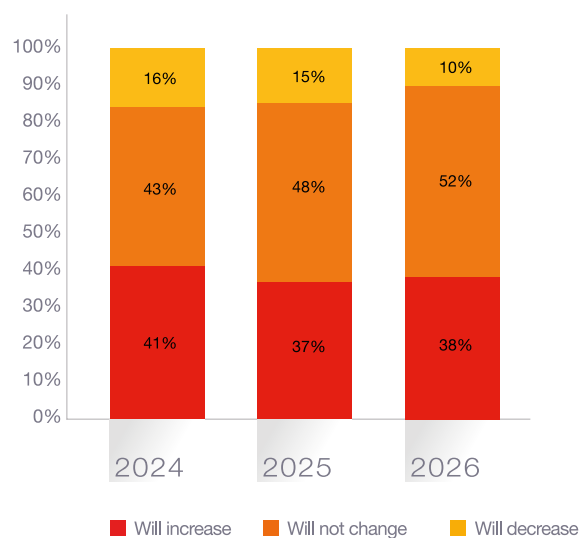
Investment forecast 2024-2026

Figure 5

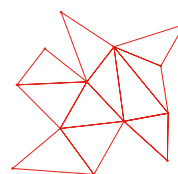


Workforce forecast 2024-2026

Figure 6



5 Prospects of foreign companies in Spain



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Investors

2025 Results

5.3 Turnover prospects

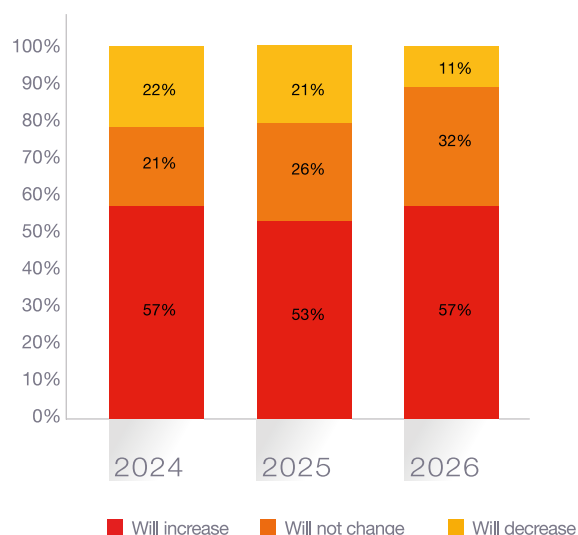
In 2025, 79% of participating companies maintained or increased their turnover, compared with 78% in 2024, although in 2025 there was a decline in the percentage of companies planning to increase their turnover (53% compared with 57% in 2024). For 2026, forecasts have clearly improved and 89% of the companies surveyed expect to increase or maintain their turnover in Spain.

5.4 Export prospects

Finally, with regard to export volume, the high export profile has been maintained, as 74% of the foreign companies surveyed export to third markets from Spain. The outlook is positive, and only 12% of companies will reduce their exports in 2025. The outlook for 2026 is even better, with only 6% of foreign companies planning to reduce their exports.

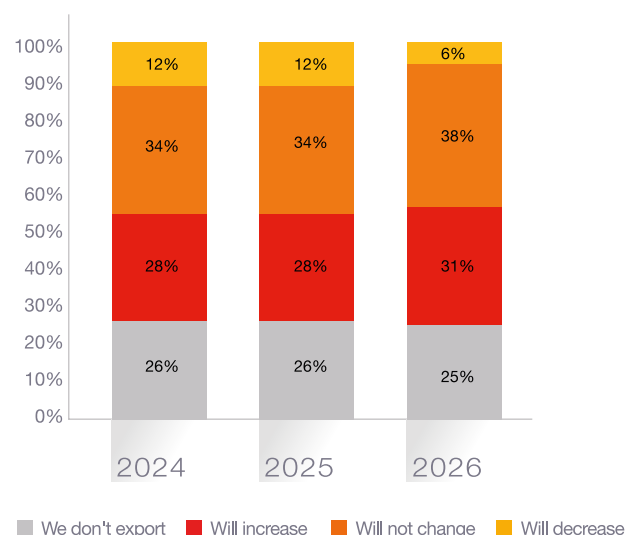
Turnover forecast 2023-2025

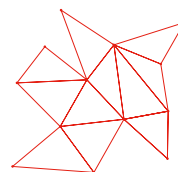
Figure 7



Export forecast 2023-2025

Figure 8



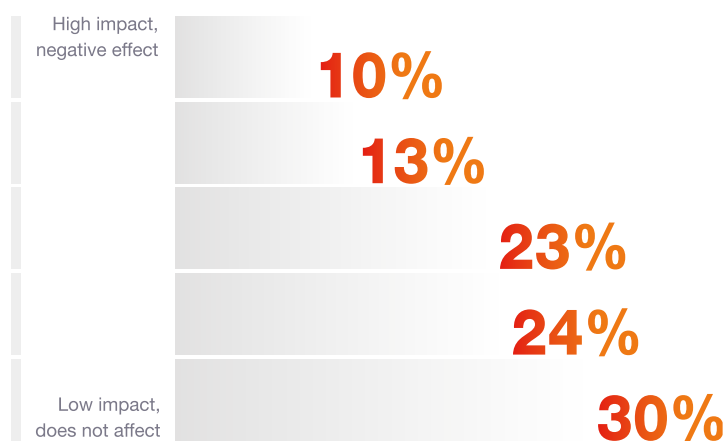


5.5. Impact of the United States' tariff policy on the company's results

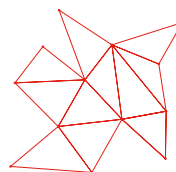
In this edition, a section has been included to analyse the impact of the current tariff framework on companies' results. 23% of companies consider the impact to have been high or very high. A significantly higher percentage (54%) considers that the United States' tariff policy is having a low or very low impact on their results.

Impact of the United States' tariff policy on the company's results

Figure 9



5 Prospects of foreign companies in Spain



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Climate Barometer**
survey of Foreign
Investors

2025 Results

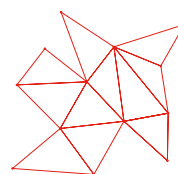
5.6 Initiatives to minimise the effect of the tariff policy

With regard to the initiatives they are undertaking to minimise the impact of tariffs, more than half of the companies (52%) state that they are not taking any action. Among the companies that are taking measures, notable actions include targeting new markets, increasing prices or sourcing from markets other than the United States.

Initiatives to minimise the effect of the tariff policy

Figure 10



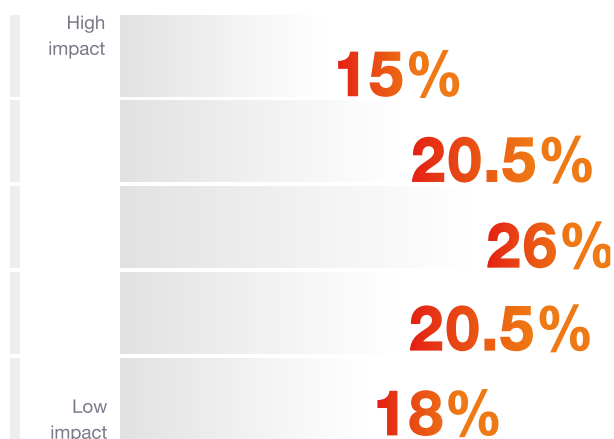


5.7. The impact of armed conflict on company results

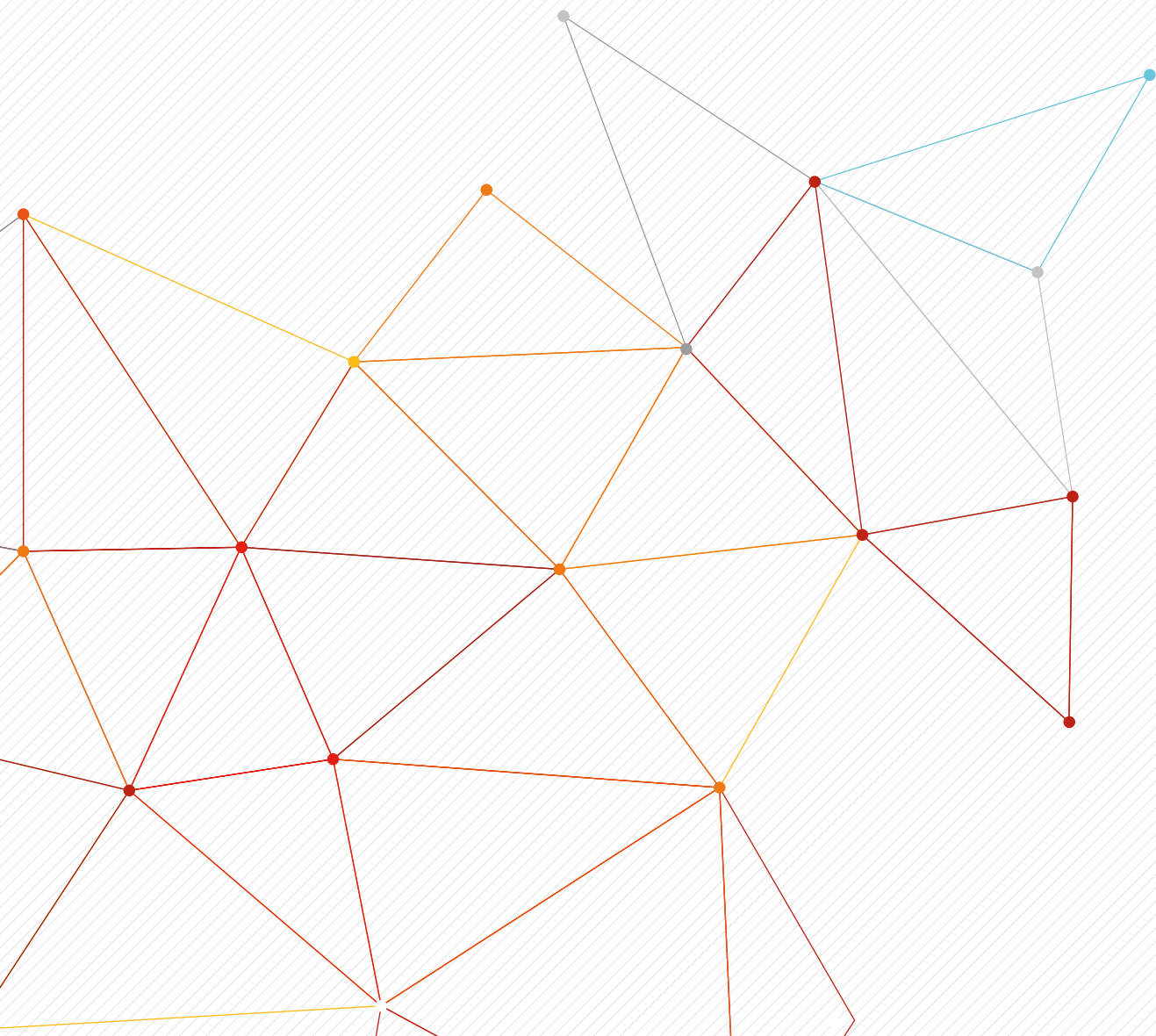
The question on the effects that the different armed conflicts are having on business results has been kept. 35.5% of companies consider the impact to be high or very high (a lower percentage than the 41% recorded last year). 18% of companies consider that the conflicts have had a very low impact on their activity (compared with 11% in the previous edition).

The impact of armed conflict on company results

Figure 11



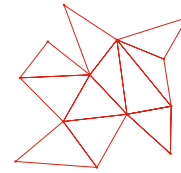
6 Results by area



Local market size, availability and quality of supplier networks, and costs of adapting to different regional and local regulations are the factors that have increased most in importance in the entire survey for the executives consulted.

6 Results by area

- 6.1 Labour Market
- 6.2 Taxation
- 6.3 Regulatory Environment
- 6.4 Infrastructure
- 6.5 Costs
- 6.6 Financing
- 6.7 Human Capital
- 6.8 Innovation
- 6.9 Market Size
- 6.10 Quality of Life



6.1 Labour Market

The Labour Market area is the area that shows the largest gap for improvement of all those analysed, and its score has declined, albeit very slightly, compared to the previous year.

As shown in Figure 12, employment incentives and subsidies is the aspect with the lowest score in this section, scoring slightly lower than in 2024, and with a significant gap compared to the importance that companies attach to it.

The second aspect with the greatest room for improvement is the adaptation of labour legislation to company needs, which

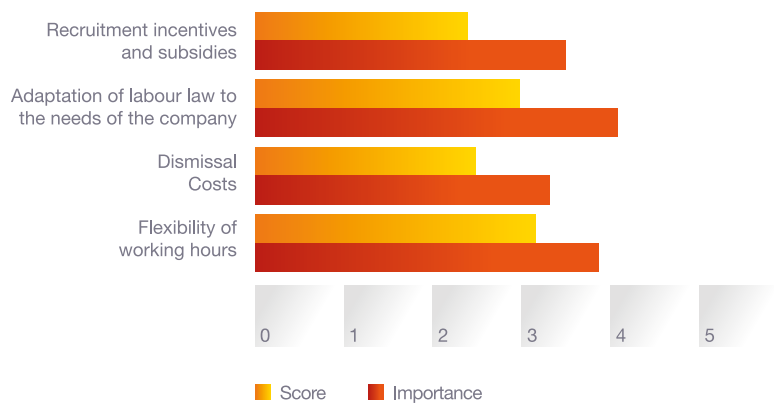
is also the most important for companies in the Labour Market area, and has been identified as one of the priority areas for action this year.

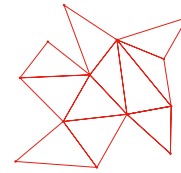
Dismissal costs are once again the least important aspect in this section, although the score is low and there is still room for improvement.

Lastly, the flexibility of working hours has improved slightly in terms of the score, and although it has also increased in terms of importance, the gap is smaller.

Labour Market

Figure 12





6.2 Taxation

Taxation is, in general terms, the section with the poorest score in the entire report in 2025, and it has the second largest gap or difference between the score and the importance attached to it by investors.

The cost of employer Social Security contributions constitutes one of the priority areas for action in this edition and continues to be the main difficulty in this section in the opinion of foreign-owned companies. This is the second lowest-rated aspect in the entire study, remaining unchanged compared to 2024.

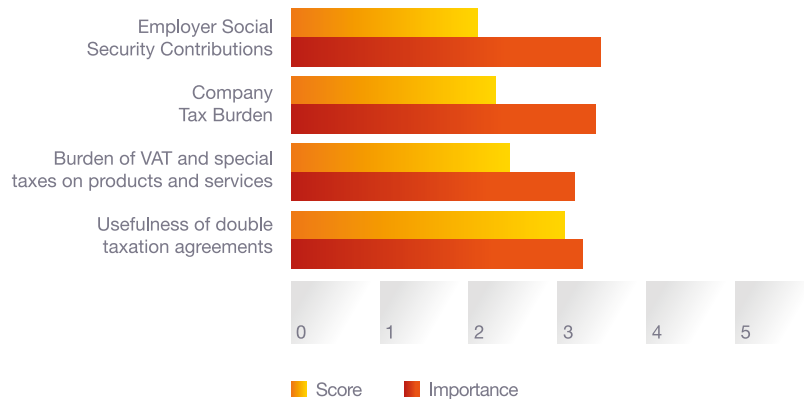
The Corporation Tax burden also receives a low score, the fifth lowest in the entire survey, and continues to show considerable room for improvement. It is one of the general weaknesses in the report in this edition.

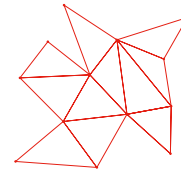
The burden of VAT and excise duties on products and services poses fewer problems in the opinion of the executives surveyed and maintains its score compared with the previous edition.

The usefulness of double taxation treaties, as in previous years, does not appear to pose problems for foreign-owned companies in Spain.

Taxation

Figure 13





6.3 Regulatory Environment

The Regulatory Environment is the area with the second worst overall score, second only to Taxation.

The main problem lies in the bureaucratic burden in running a business, which has received the lowest score in the entire survey, and is also clearly lower than last year's. As previously noted, it is one of the overall weaknesses highlighted by the study and has been included as a general area for action.

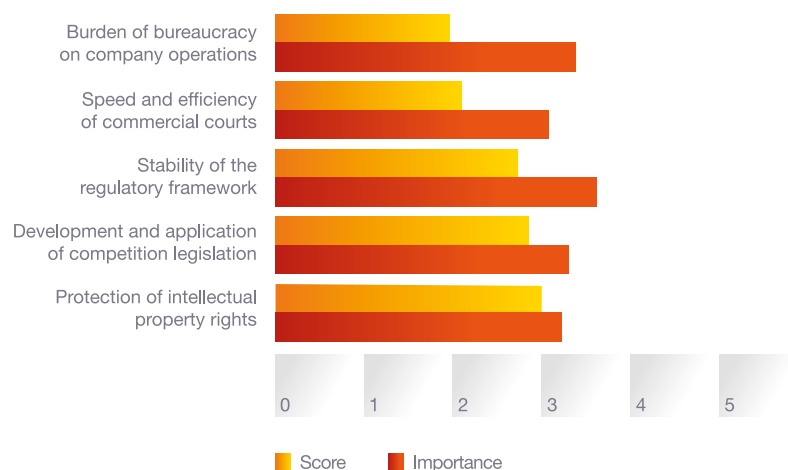
The speed and effectiveness of the commercial courts is once again the third lowest-rated aspect overall in the study and is also included among the weaknesses in this edition.

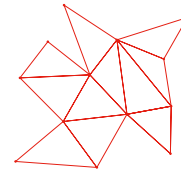
The most important aspect for the executives surveyed in this area is the stability of the regulatory framework. This is a very important issue in terms of attracting and retaining foreign investment and, as shown by Figure 14, it continues to show clear room for improvement.

As is usually the case, the development and enforcement of competition law and the protection of intellectual property rights do not seem to pose problems for foreign investors in Spain and meet their expectations to a greater extent.

Regulatory Environment

Figure 14





6.4 Infrastructure

As in previous years, Infrastructure is the highest-rated area in the entire Barometer, largely meeting the expectations of foreign-owned companies in Spain and it is, moreover, one of the most important in general terms. However, as in the previous edition, the rating of all the aspects analysed have decreased compared to 2024, although in general these are moderate declines.

The availability of telecommunications services is the most important aspect of this section and the fourth overall in the report. Despite having a positive score, it has declined this year and shows some room for improvement.

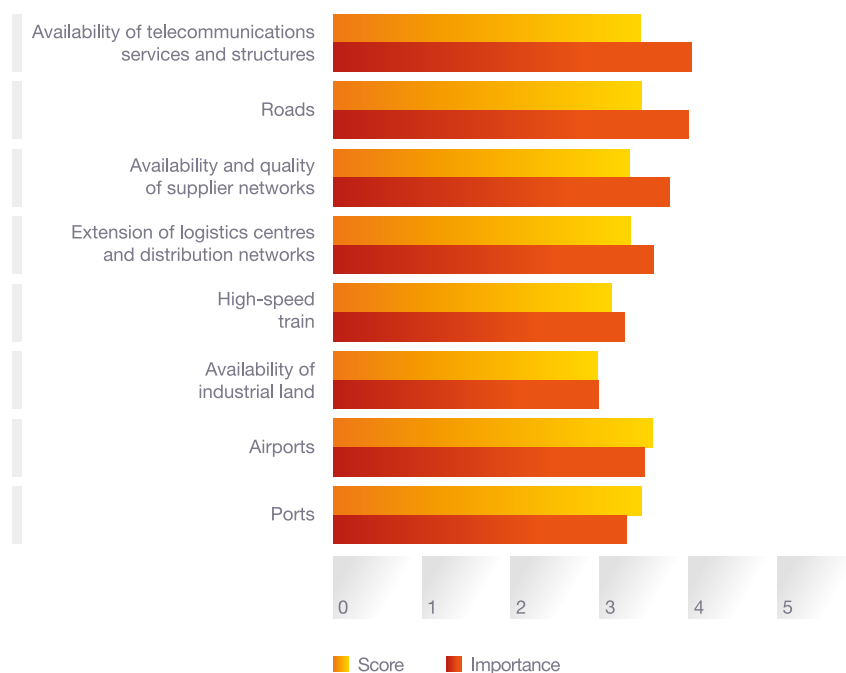
Roads also receive a very positive score, although they have seen a decline in their rating and also show some room for improvement.

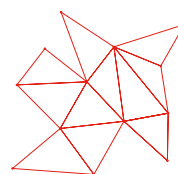
High-speed rail has recorded the largest decline in the entire survey, falling by almost two tenths, as was also the case in the previous edition.

The rest of the variables included in this section are rated very positively and perfectly meet the expectations of the executives surveyed. In fact, five of the aspects considered here constitute overall strengths in the report: the availability of telecommunications services and infrastructure, airports, roads, ports and supplier and distribution networks.

Infrastructure

Figure 15





6.5 Costs

The Costs area is among the lowest rated in this edition, although its score remains unchanged compared to 2024. It is one of the areas with the largest gap between importance and score and, as shown in Figure 16, shows clear imbalances.

The cost of electricity continues to show the greatest room for improvement, and receives the sixth lowest score in the entire survey. It is one of the overall weaknesses in the report, and it should be pointed out again that this is a fundamental issue for the competitiveness of the industrial sector.

There are also significant gaps in relation to transport costs and the costs of adaptation to the different regulations. The latter also show a decline in terms of score, especially those relating to adaptation to regional and local regulations. The score for office rental costs has also decreased, albeit moderately.

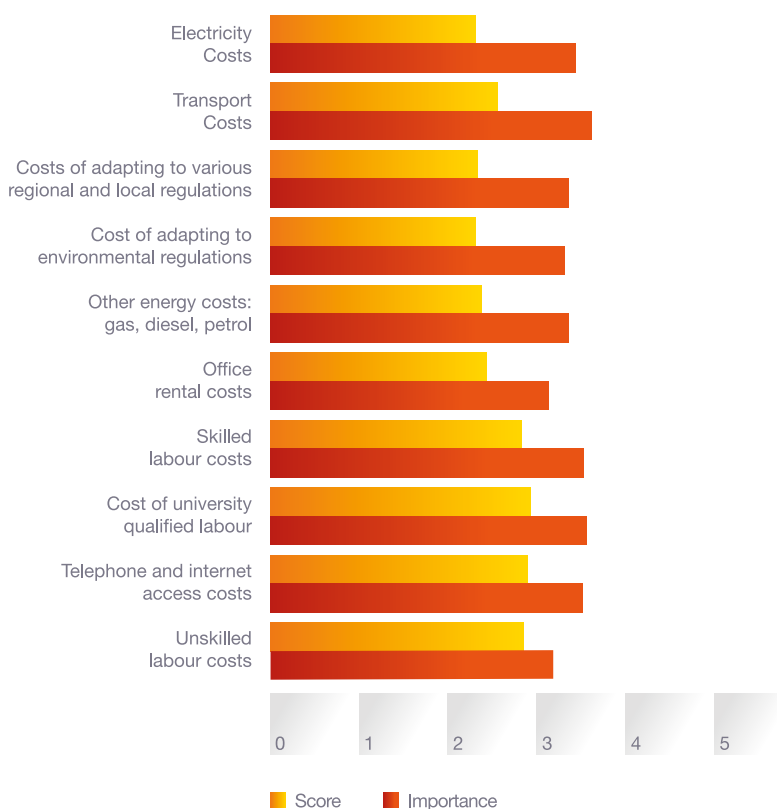
The costs of other energy sources, while still showing clear room for improvement, have increased their score by more than a tenth, following the trend of previous surveys.

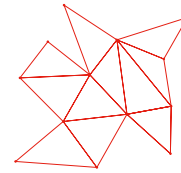
Labour costs in Spain, both skilled and unskilled, receive positive scores that are very similar to those in 2024. This is one of the reasons the companies surveyed continue to cite for setting up in Spain.

As in other editions, investors attach more importance to skilled labour than to unskilled labour, which is indicative of the type of investments made by foreign-owned, high value-added companies.

Costs

Figure 16





6.6 Financing

The Financing area is the least important for the investors surveyed, and the only area with an importance rated below 3. An improvement can be observed in this edition in the overall score in this area and in all the aspects considered.

The main room for improvement once again lies in the availability of public subsidies, as shown in Figure 17.

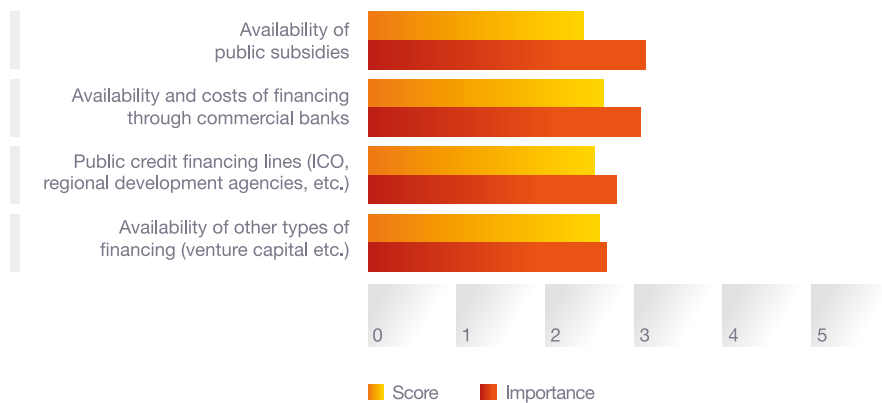
The availability and costs of financing in commercial banking continue to offer some room for improvement, but its score rises

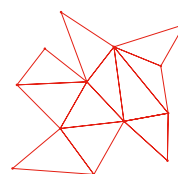
by almost two tenths, recording the largest increase in the entire survey.

Both public credit lines (ICO, regional development agencies etc.) and the availability of other types of financing, such as venture capital, are of lesser importance for foreign-owned companies, and this importance has in addition decreased compared with 2024, so they do not appear to pose problems.

Financing

Figure 17





6.7 Human Capital

The Human Capital area in this edition is the second most important for the executives surveyed and is among the highest rated.

Three of the aspects in this section (language proficiency, learning capacity and the acceptance of responsibilities and objectives) are once again priority areas for action.

Language proficiency presents the greatest room for improvement, and although it maintains its score compared to 2024, it is still a long way from what the executives participating in the survey expect.

Learning capacity is once again the most important aspect of the entire survey for the executives consulted, followed by acceptance of responsibilities and objectives. Both variables receive positive scores, especially learning capacity, as shown in Figure 18. However, the existing potential for progress is also clearly observable.

The quality of the education system, both university and vocational training, is positive, with both the score and the importance that investors attach to the vocational training system having increased.

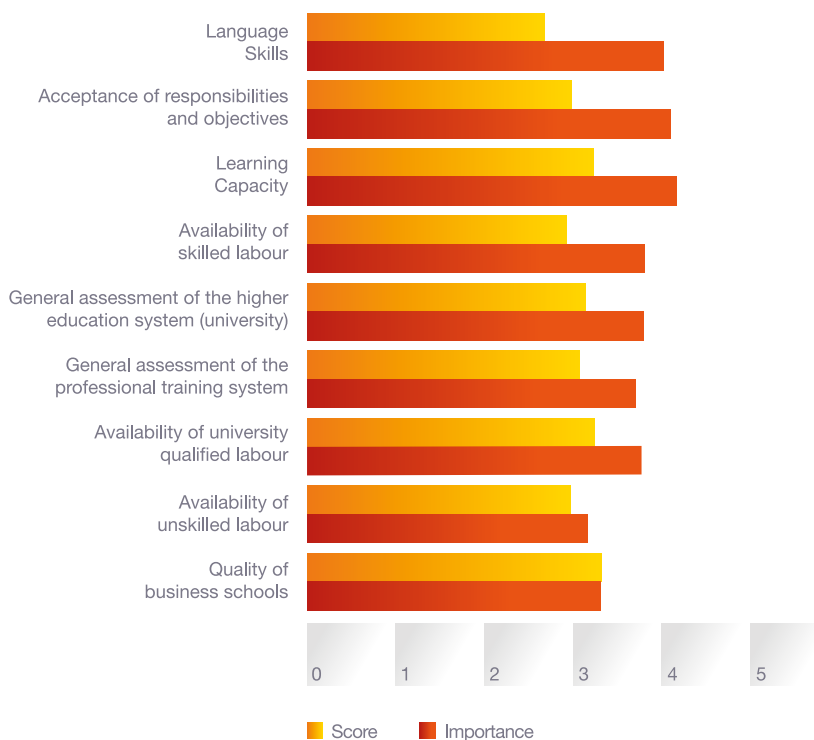
As in previous editions, the executives surveyed attach very different levels of importance to the availability of skilled and unskilled labour, with the former being much more significant, something which is very positive. The availability of unskilled labour, despite its score falling by almost a tenth, appears to meet investors' expectations. However, there is room for improvement in terms of the availability of skilled labour, especially with vocational qualifications.

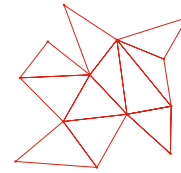
As regards the quality of business schools, the expectations of the executives surveyed are being met.

Again, it is essential to focus on the Human Capital aspects, as these are essential for ensuring the country's competitiveness in the medium and long term. Although they receive positive scores overall, significant imbalances still remain.

Human Capital

Figure 18





6.8 Innovation

As in the previous year, the area of Innovation has an average score, although it has increased slightly in general terms. It is the penultimate area in terms of importance for the executives surveyed.

The total volume of public spending on R&D&I presents the main imbalance, although it is the aspect that has improved the most in terms of score in this section and, unlike last year, is no longer one of the overall weaknesses in the report.

The innovativeness of companies is once again the most important aspect in the Innovation area for the foreign-owned

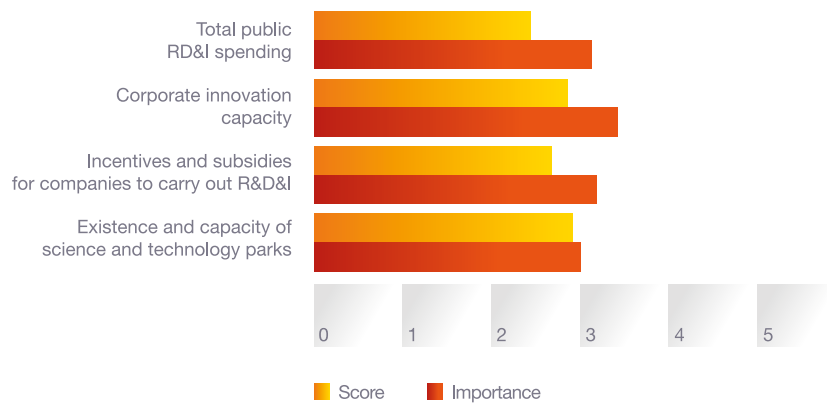
companies surveyed and still has some room for improvement, although its score has improved in 2025.

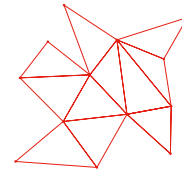
Incentives and subsidies for companies to carry out R&D&I shows a smaller gap, although its importance has risen this year.

Finally, the existence of science and technology parks is the highest-rated aspect in terms of innovation among company executives, and in this area the expectations of foreign companies in Spain are being met.

Innovation

Figure 19





6.9 Market Size

Market Size is, in this edition, the most important area for the executives participating in the survey, and one of the best rated. It is also one of the main reasons why foreign companies set up in Spain.

The two aspects considered, the size of the local market and the access that Spain provides to foreign markets, receive very positive scores.

Once again this year, the size of the Spanish market is somewhat more important for foreign-owned companies. The

score has improved by more than a tenth compared to 2024, although there is still some room for improvement.

Access to external markets has also received a very positive score, slightly higher than last year's, and does not pose problems for participating companies.

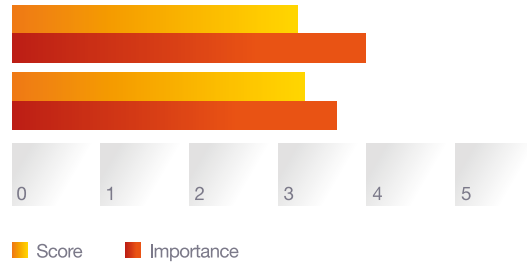
These two aspects are very important and are repeatedly pointed out as the main attractions for investing in Spain, so it is necessary to pay special attention to them on an ongoing basis.

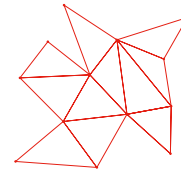
Market Size

Figure 20

Size of the local
Spanish market

Access to
foreign markets





6.10 Quality of Life

The Quality-of-Life area is rated very positively and shows no change compared with 2024 overall.

The cost of living is the only aspect of this section that poses difficulties. It is the fourth lowest-rated aspect in the entire survey and has been identified as one of the overall weaknesses.

Security is once again the most important aspect in terms of quality of life for the executives surveyed, and although the score is positive, it has fallen compared with the previous edition.

The quality of the healthcare system still has some room for improvement and is also an important issue for foreign-owned companies.

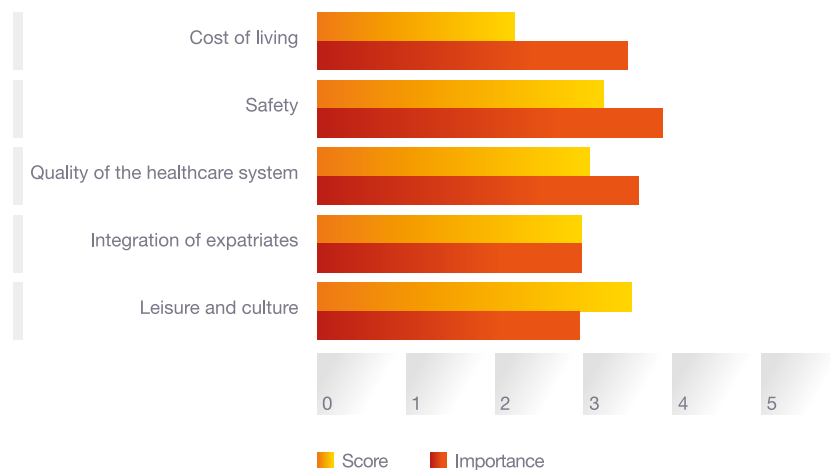
Leisure and culture is of noticeably lesser importance, but receives a very positive score, the second best in the entire survey, and more than meets the expectations of the executives surveyed.

The integration of expatriates does not seem to pose a problem in the opinion of foreign-owned companies in Spain.

As in previous editions, quality of life is an area that is very highly rated by foreign investors in Spain.

Quality of Life

Figure 21



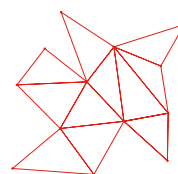
7 Reasons for **setting up** in Spain



As in previous editions, a large majority of companies indicated that the main reasons for setting up in Spain were geographical location, as well as the size of the local market and access to other markets.

7 Reasons for setting up in Spain

7 Reasons for setting up in Spain



**Spanish Business
Climate Barometer**
survey of Foreign
Investors

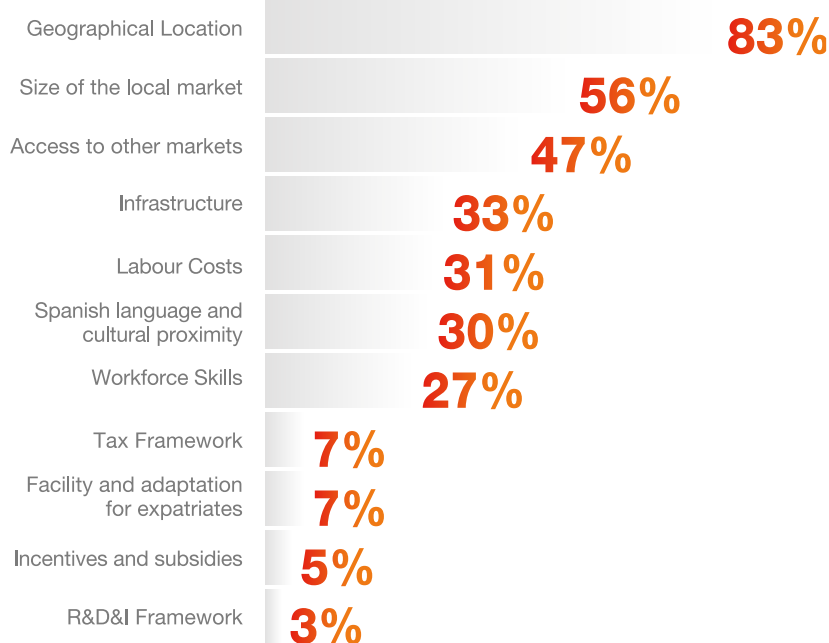
2025 Results

As in previous editions, a large majority of companies indicated that the main reasons for setting up in Spain were geographical location, as well as the size of the local market and access to other markets. Other important factors were infrastructure and labour costs. The Spanish language and cultural proximity, as well as the skills of the workforce, are also considered advantages by the executives surveyed.

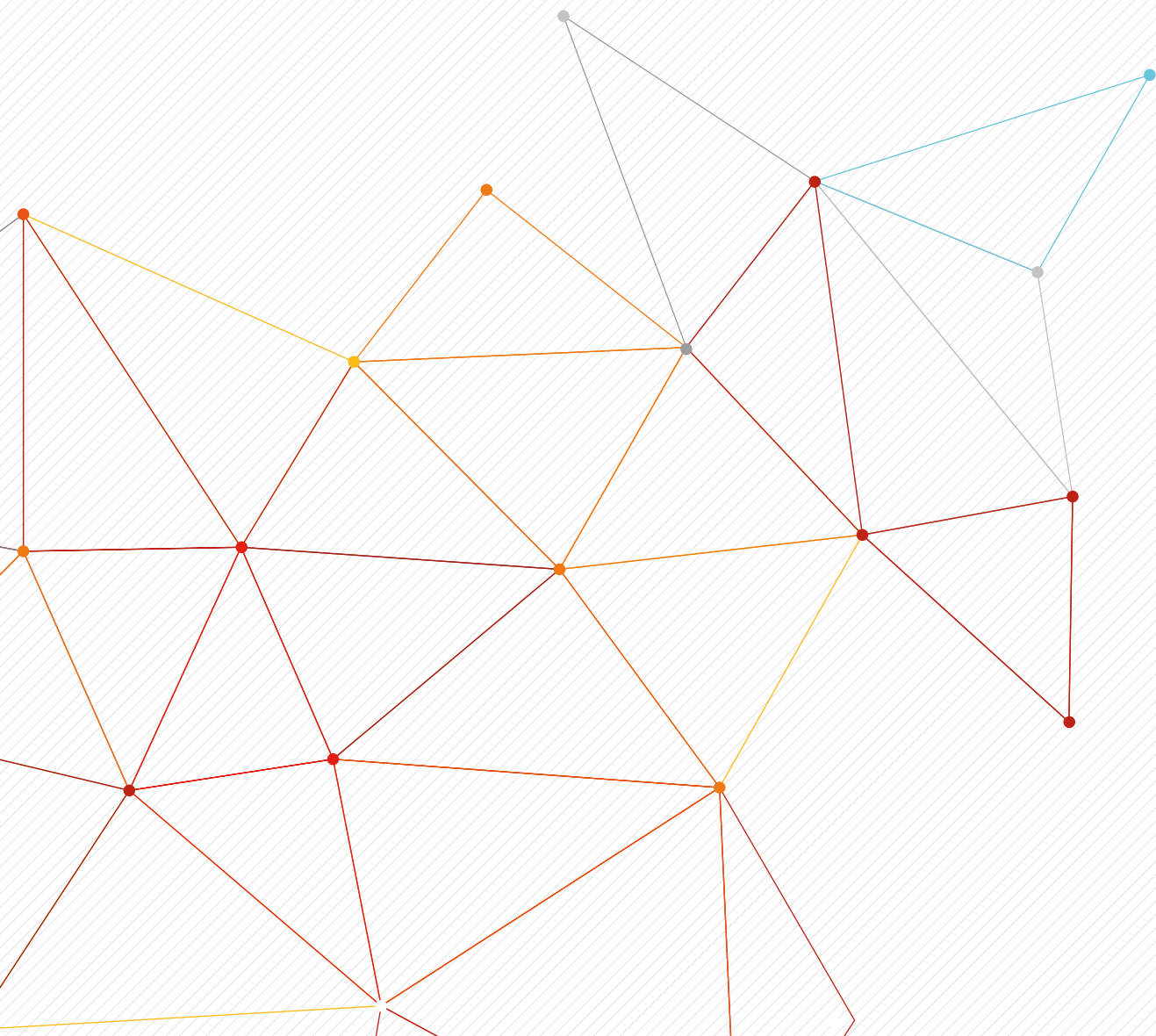
Reasons for setting up in Spain

(percentage of companies indicating each reason)

Figure 22



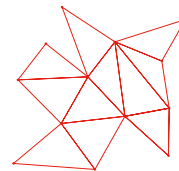
8 Sustainability goals



Among the factors that most favour the development of Sustainability Strategies at companies in Spain, executives again highlight the awareness of workers in first place, followed by the awareness of consumers and society.

8 Sustainability goals

- 8.1 Companies with a Sustainability Strategy**
- 8.2 Priority Sustainability Goals**
- 8.3 Measurement and monitoring mechanisms**
- 8.4 Conditions in Spain for the development of Sustainability Strategies**



In this section, the executives surveyed were asked whether they have a sustainability strategy, what Sustainability Goals they pursue and whether they have mechanisms for measuring and monitoring compliance. The aim was also to analyse Spain's relative position in terms of Sustainability Goals, as well as the degree to which different factors in Spain favour the fulfilment of these goals.

8.1. Companies with a Sustainability Strategy

Firstly, foreign companies in Spain were asked whether they have a Sustainability Strategy. 58% of companies do not have a Sustainability Strategy, compared to 42% that do. This result is slightly higher than that in 2024 (39%), and an upward trend has been observed in recent years.

Companies with a Sustainability Strategy

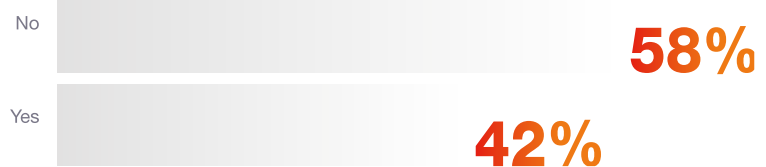
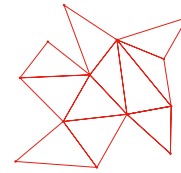


Figure 23



8.2 Priority Sustainability Goals

As in the last edition, out of the 17 Sustainability Goals defined, foreign companies operating in Spain clearly highlight Gender Equality, which is at 62% (compared to 63% last year). Good health and well-being is the second most important, mentioned by 53% of the companies surveyed (48% in the previous year). They are followed by affordable and clean energy, and responsible consumption and production, both at 49%. Climate action

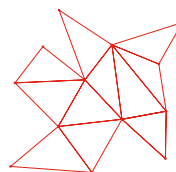
is also a prominent goal, mentioned by 48%, although significantly less than in 2024 (59%), as is decent work and economic growth.

Other goals, such as Zero Hunger, End of Poverty, Peace, Justice and Strong Institutions, and Aquatic Life, continue to be chosen by a very small percentage of foreign companies in Spain.

Main Sustainability Goals

Figure 24





8.3 Measurement and monitoring mechanisms

Among the foreign companies that have Sustainability Strategies, 76% say that they use measurement and monitoring mechanisms that allow them to control compliance with the defined objectives. However, 24% of companies do not use any monitoring and control mechanisms, the same as in the previous edition.

Companies with measurement and monitoring mechanisms

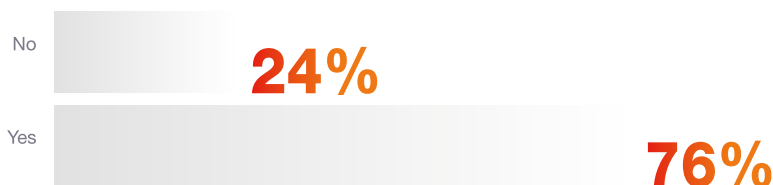
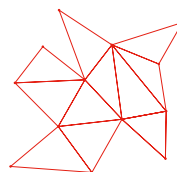


Figure 25

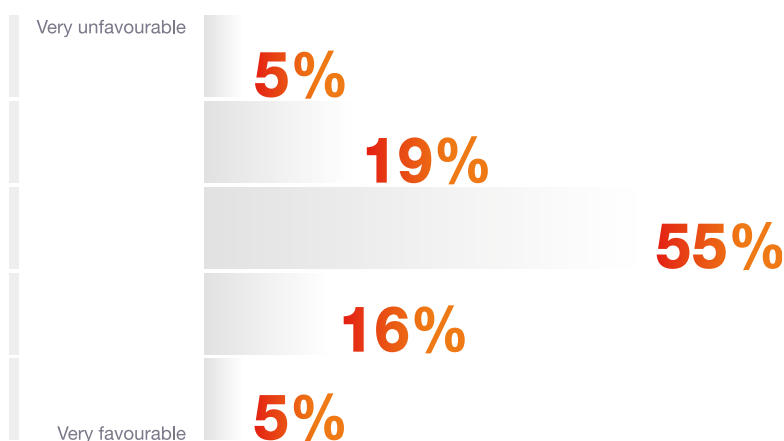


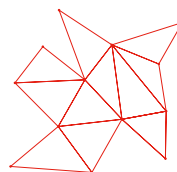
8.4 Conditions in Spain for the development of Sustainability Strategies

Among foreign companies in Spain with a sustainability strategy, 24% believe that companies in Spain are in a more unfavourable position compared with their countries of origin in terms of the Sustainability Goals, with results similar to those of 2024. In contrast, 21% believe that companies in Spain are in a more favourable position than those in their country of origin with regard to the Sustainability Goals.

Situation of companies in Spain with respect to the country of origin in terms of the Sustainability Goals

Figure 26





Among the factors that most favour the development of Sustainability Strategies at companies in Spain, executives again highlight the awareness of workers in first place, followed by the awareness of consumers and society. They also highlight the responsible behaviour of suppliers and customers, the same as in the previous year.

However, executives give a lower score to the contribution of legislation and regulations, sustainable transport infrastructure and taxation mechanisms aligned with the Sustainability Goals, which are once again the factors that contribute least in Spain to developing these strategies in the opinion of foreign companies.

Factors favouring the development of the Sustainability Strategy in Spain

Figure 27



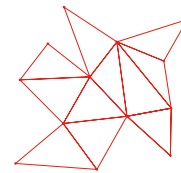
9 Analysis by country



The main participating countries mostly show very similar developments, albeit with some differences. US-based companies have less favourable plans, and those from Italy, France and the United Kingdom have somewhat more favourable investment forecasts.

9 Analysis by country

- 9.1** Investment prospects
- 9.2** Workforce prospects
- 9.3** Turnover prospects
- 9.4** Export prospects
- 9.5** Reasons for location in Spain



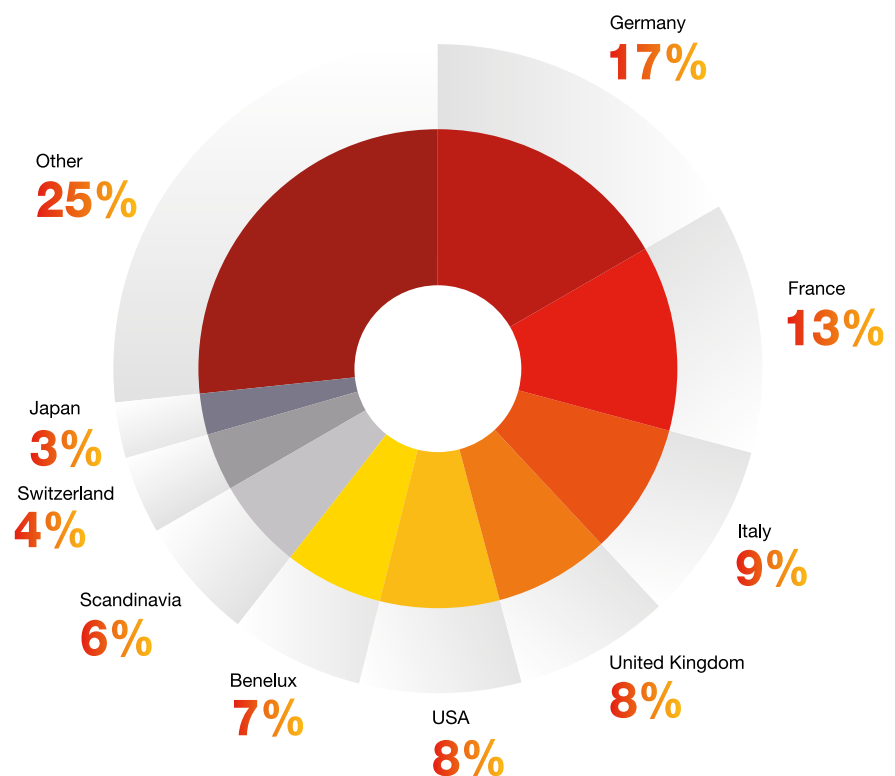
9.1 Analysis by country

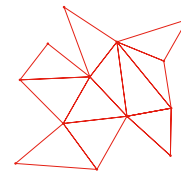
As in previous editions, analysis focused on whether there are significant differences in the replies of the respondents surveyed to certain questions, depending on their country of origin. The responses obtained are generally similar, regardless of the origin of the company, but there are some interesting nuances that are highlighted below.

The countries most represented in the survey are Germany, France, Italy, the United Kingdom and the United States, followed by companies from Benelux and Scandinavia.

Countries represented

Figure 28



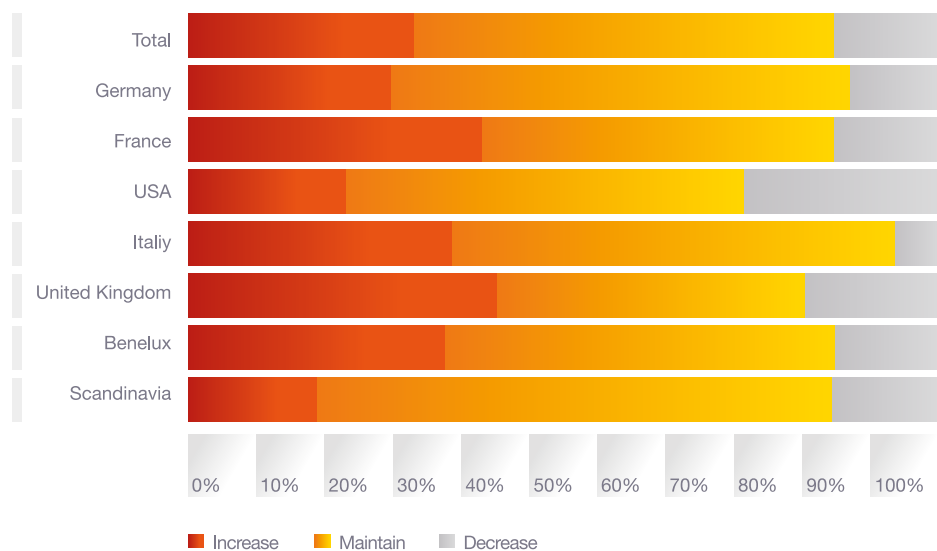


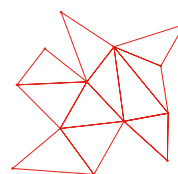
9.2 Investment prospects

In the study as a whole, 86% of the companies surveyed plan to increase or maintain their investments in Spain in 2025. The main participating countries mostly show very similar developments, albeit with some differences. US-based companies have less favourable plans, and those from Italy, France and the United Kingdom have somewhat more favourable investment forecasts.

Investment prospects by country

Figure 29



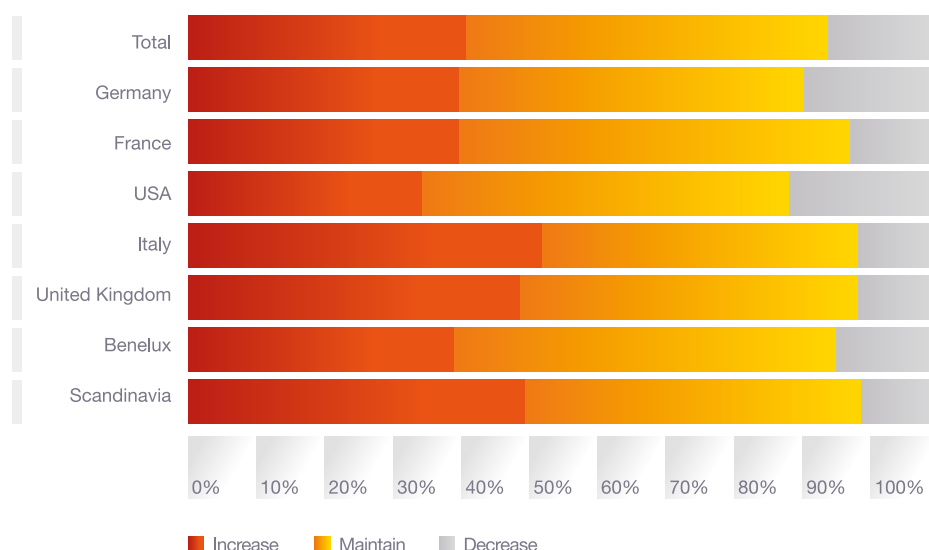


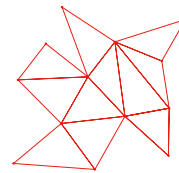
9.3 Workforce prospects

With regard to the number of employees planned in Spain for 2025, 85% of companies intend to increase or maintain their workforce. Companies' expectations according to their country of origin are once again similar; in this case they are very similar for companies regardless of their country of origin, although a slightly more positive forecast can be seen for companies from Italy, and a slightly less positive forecast for companies from the United States.

Workforce prospects by country

Figure 30



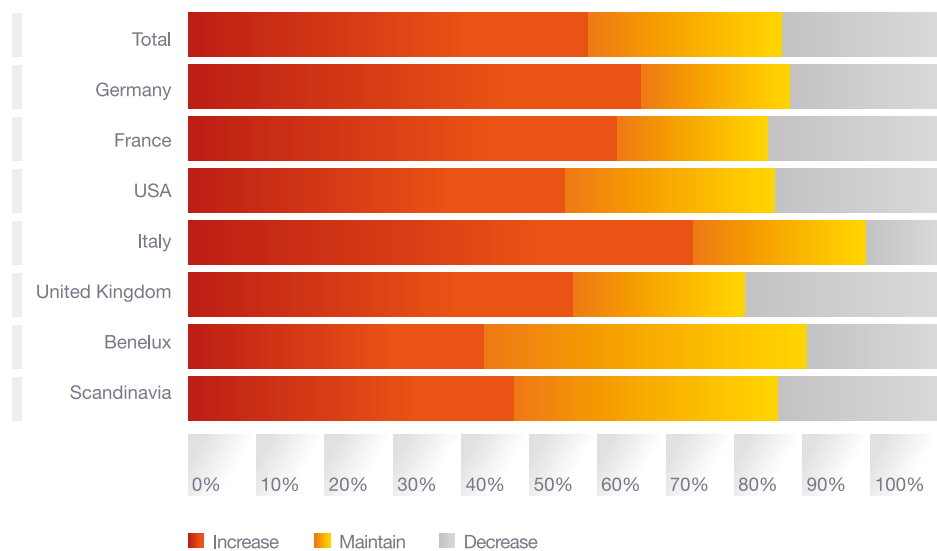


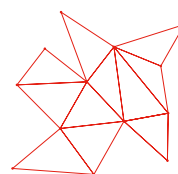
9.4 Turnover prospects

As regards turnover, 79% of companies plan to increase their turnover in 2025. Once again, companies from Italy have somewhat more positive forecasts, as do those from Germany. However, companies from Benelux and Scandinavia have slightly lower expectations.

Turnover prospects by country

Figure 31



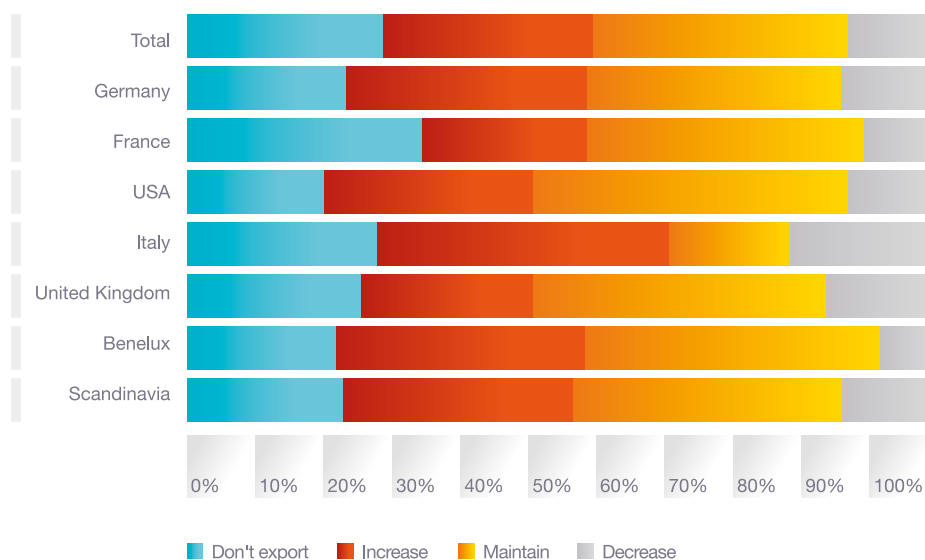


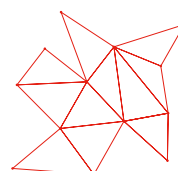
9.5 Export prospects

Finally, as regards export forecasts, 74% of the foreign companies surveyed export to third markets from Spain. In this case, those from the United States, Benelux and Germany have the highest export profile, while French-owned companies have a lower export profile. Only 12% of companies expect to reduce their exports in 2025. Benelux-owned companies have the best export prospects.

Export prospects by country

Figure 32



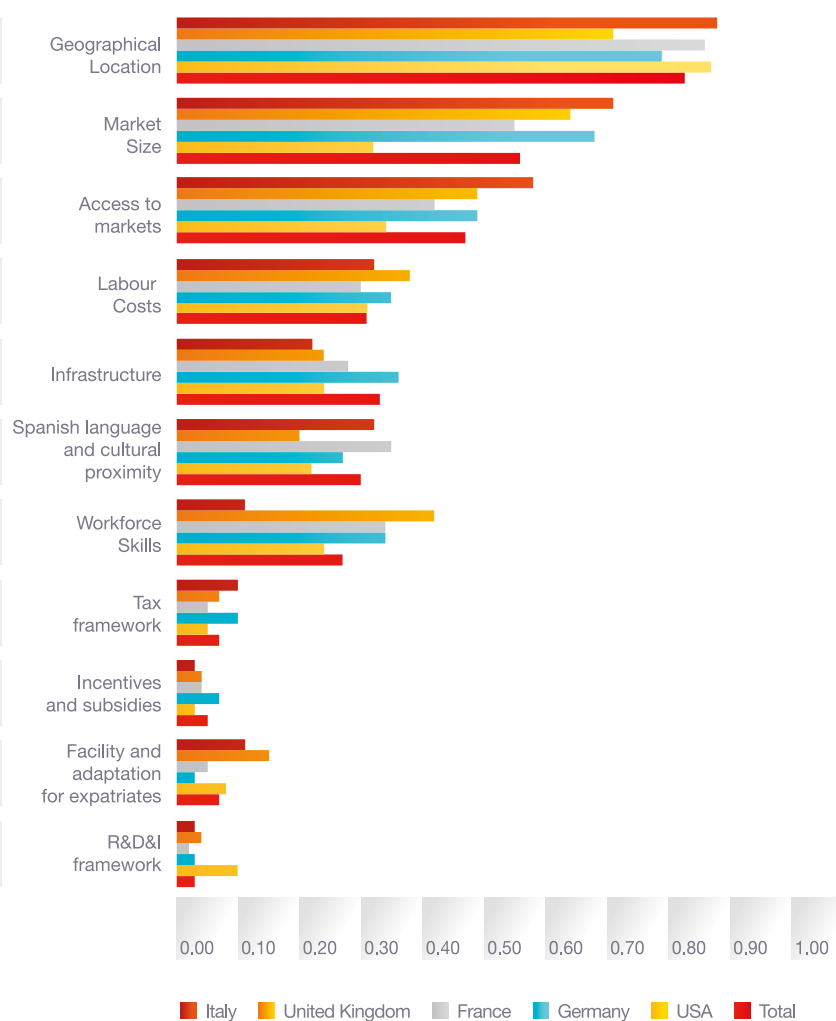


9.6 Reasons for location in Spain

The main reasons for setting up in Spain continue to be its geographical location, the market size and access to other countries, but there are some significant differences. Companies from Italy and Germany attach more importance than the average to market size. Companies from the United States attach less weight to market size, but more than average to the R&D&I framework. The skills of the workforce are a reason more frequently mentioned by UK companies.

Reasons for location in Spain by country

Figure 33



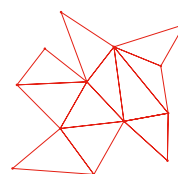
10 Industry analysis



Companies in the Logistics, Food and Beverage, Commercial Distribution and Consumer Goods, and Building and Engineering Services sectors recorded the strongest figures in terms of investment in 2025.

10 Industry analysis

- 10.1 Investment prospects
- 10.2 Workforce prospects
- 10.3 Turnover prospects
- 10.4 Export prospects



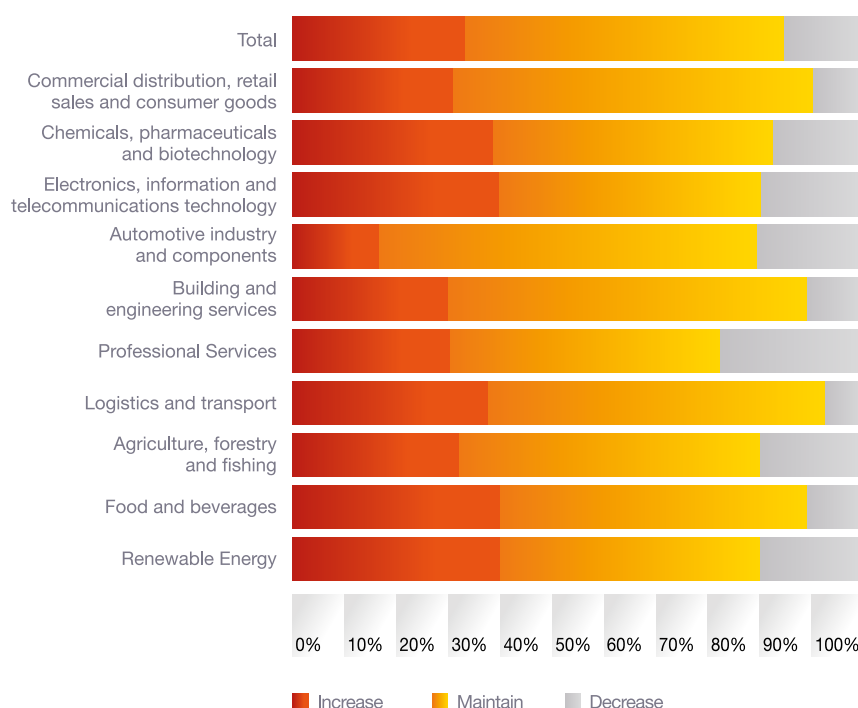
As in previous editions, a comparative study of investors' perspectives has been carried out for the ten most represented industries in the survey, in order to analyse whether there are significant differences between different industries. For this purpose, the forecasts for the end of 2025 were compared by industry in terms of investment, workforce, turnover and exports.

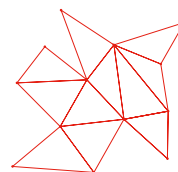
10.1 Investment prospects

In the study as a whole, 86% of the companies surveyed plan to increase or maintain their investments in Spain in 2025. The main industries represented show some noteworthy differences. As in the previous edition, the automotive and automotive components industry shows below-average results. However, companies in the logistics or food & beverage industries maintain better than average forecasts for investment in 2025.

Investment prospects by industry

Figure 34



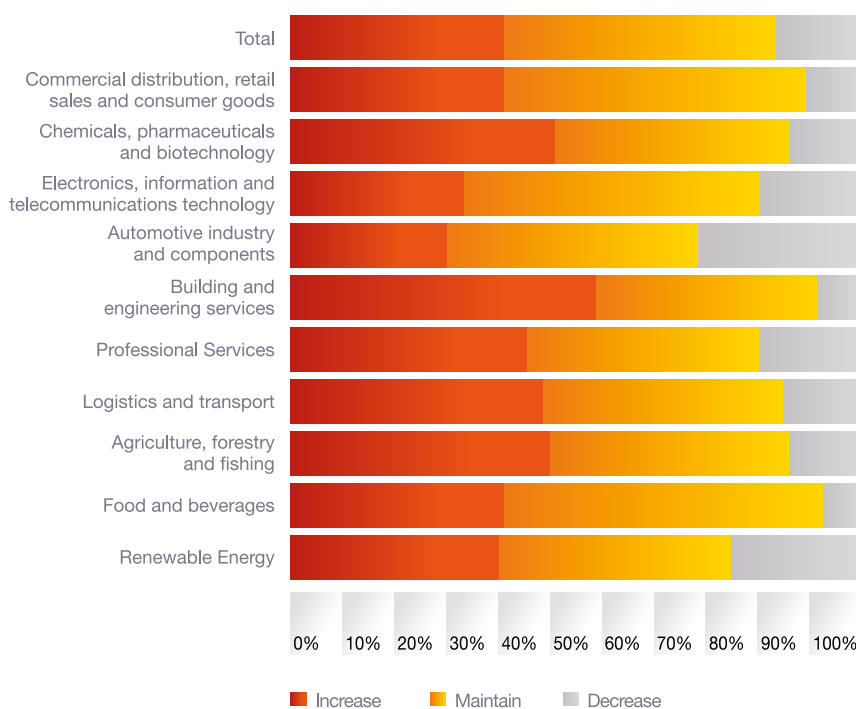


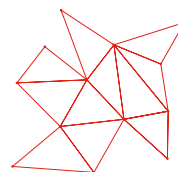
10.2 Workforce prospects

In the study as a whole, 85% of the companies surveyed plan to increase or maintain their workforce in Spain in 2025. Forecasts are lower among companies in the automotive, automotive components and electronics industries. However, companies in the construction and chemical industries show more favourable results.

Workforce prospects by industry

Figure 35



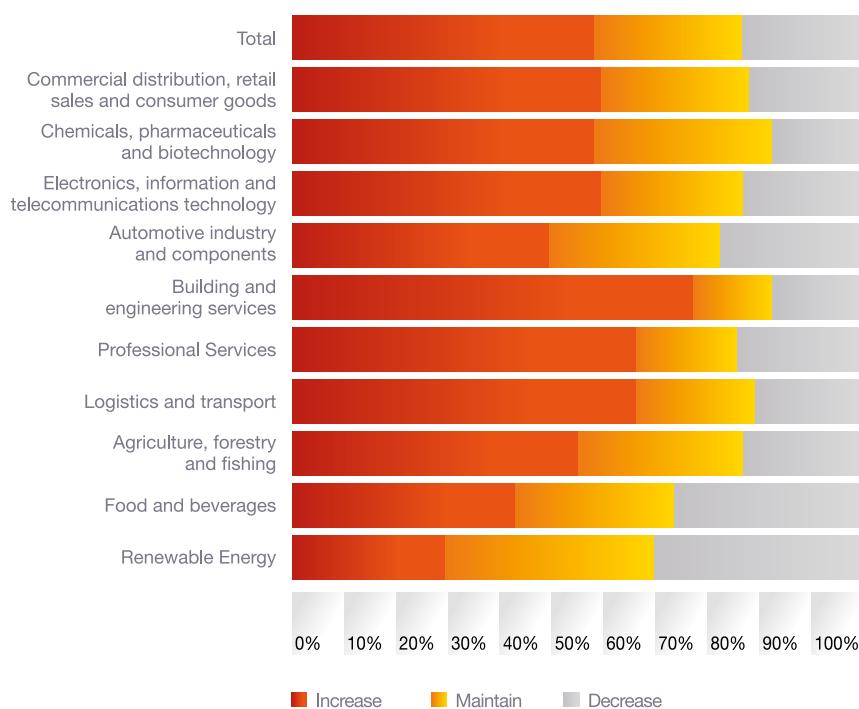


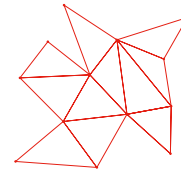
10.3 Turnover prospects

Generally, 79% of participating firms expect to end 2025 by either increasing or maintaining their turnover. In terms of turnover, there is considerable variation across industries. The food and beverages, automotive and renewable energy industries have less favourable outlooks than average. However, in other industries, such as construction and logistics and transport, the outlook is somewhat more positive.

Turnover prospects by industry

Figure 36



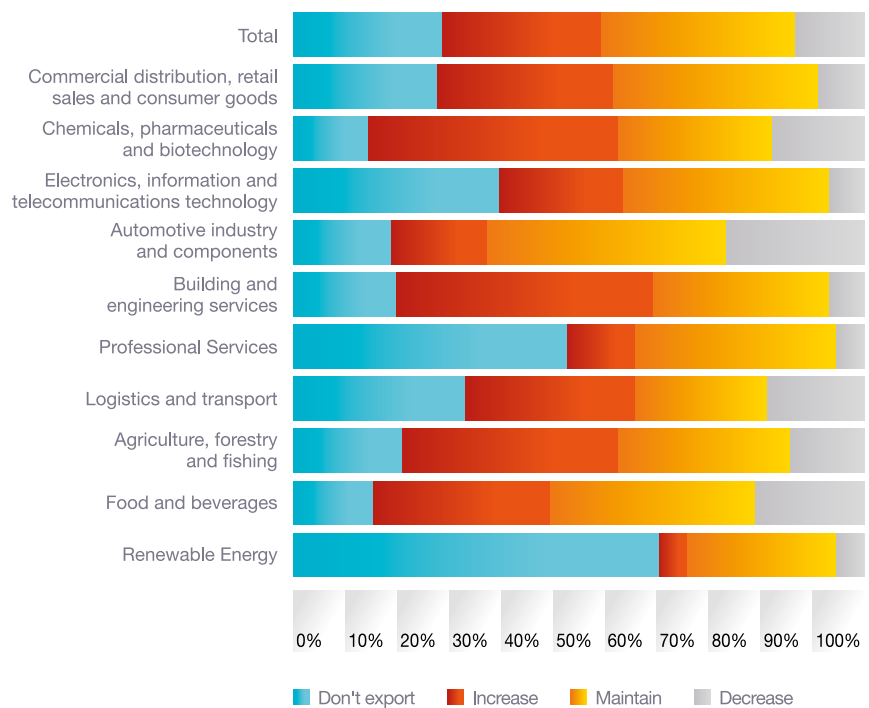


10.4 Export prospects

In the study as a whole, 74% of the companies surveyed exported to other countries from Spain. As Figure 40 shows, companies in the chemicals and pharmaceuticals and food industries maintain a higher export profile than the average. However, companies in the renewable energy and professional services industries clearly have a much lower export profile than the average. As regards export forecasts for 2025, the automotive industry shows somewhat more negative results, compared with the better export prospects of the construction industry.

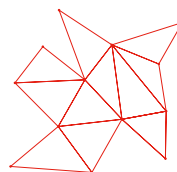
Export prospects by industry

Figure 37



11 Methodology





The Barometer has been jointly compiled by ICEX, Multinacionales en España and the International Center for Competitiveness (ICC) at the IESE Business School.

As in other years, the methodology employed in the survey required qualified managers at foreign companies operating in Spain to fill in a questionnaire. Following the criteria established by the IMF and employed by different international bodies like the World Bank and the Organisation for Economic Co-operation and Development, a company is considered foreign company when more than 10% of its total capital comes from abroad.

This year, more than 750 responses were received.

To achieve continuity in this study, since 2007, the areas included in the questionnaire are grouped into four main groups: General Panorama in Spain, Costs, Infrastructure and Resources, and Quality of Life. The average rating for Spain is obtained from the average of the ratings in each of these four groups.

1. GENERAL PANORAMA IN SPAIN

- Labour Market
- Regulatory Environment
- Market Size

2. COSTS

- Costs
- Taxation
- Financing

3. INFRASTRUCTURE AND RESOURCES

- Infrastructure
- Human Capital
- Innovation

4. QUALITY OF LIFE

The distribution of the survey and data collection took place between September and December 2025. The questionnaire seeks both the score that companies give Spain in each aspect and the importance they attach to each factor, so as to be able to weigh the results to reflect the true interests of businesses.

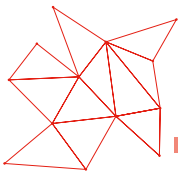
For each question, managers of foreign companies are asked to give a score from 1 to 5 for the importance that this heading

has for their company, as well as a second score using the same scale for the rating they give to Spain. The questions that show the greatest gap or difference between the importance and the weighted score² given by the executives surveyed are flagged as priority areas for action, as this difference highlights the fact that not all the interests of foreign-owned companies in Spain are being satisfied.

2. The weighted rating corresponds to 80% of the score obtained in Rating and 20% of the score obtained in Importance. It is weighted in order to take into account those aspects with lower ratings but which are also important for foreign companies.

Appendix





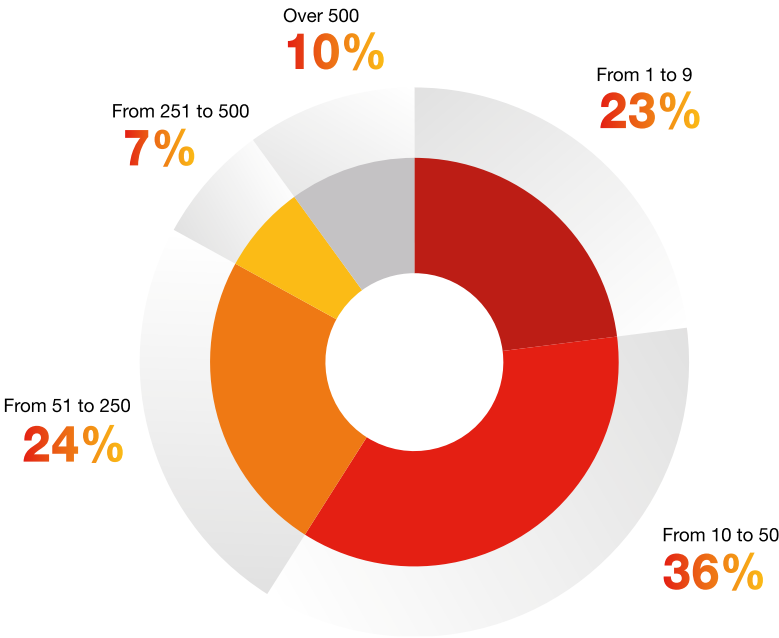
Profile of surveyed companies

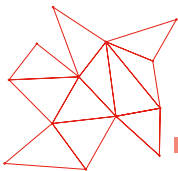
The profile of the companies taking part in the study was fairly uniform, with a representation of companies of all sizes, although the participation of companies with up to 250 employees is particularly worth noting, as can be seen in Figure 38.

The industries represented in the sample are very diverse, as shown in Figure 39. The most represented industry was commercial distribution, followed by chemicals and pharmaceuticals, electronics, information technology and telecommunications.

Number of company employees

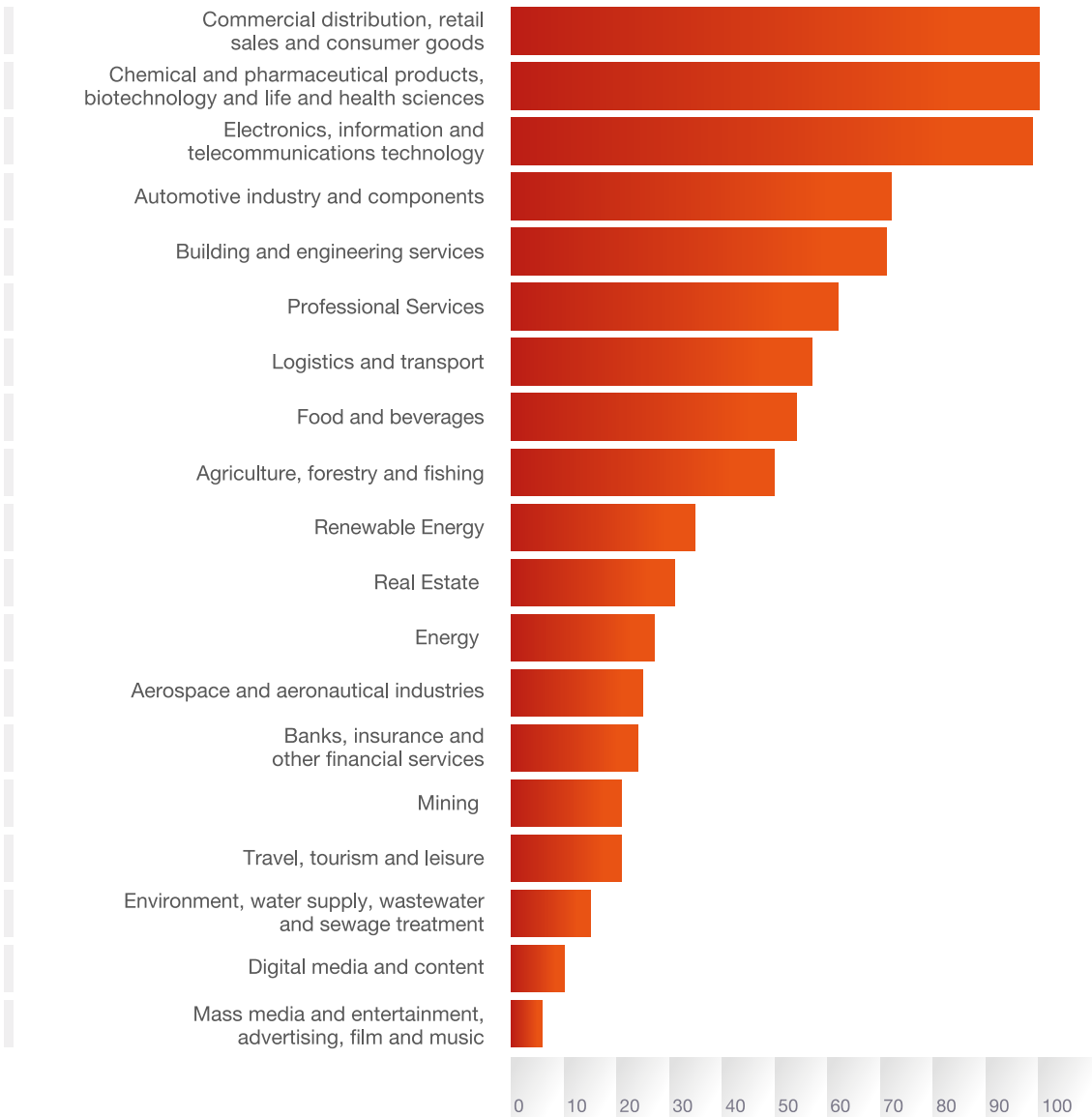
Figure 38

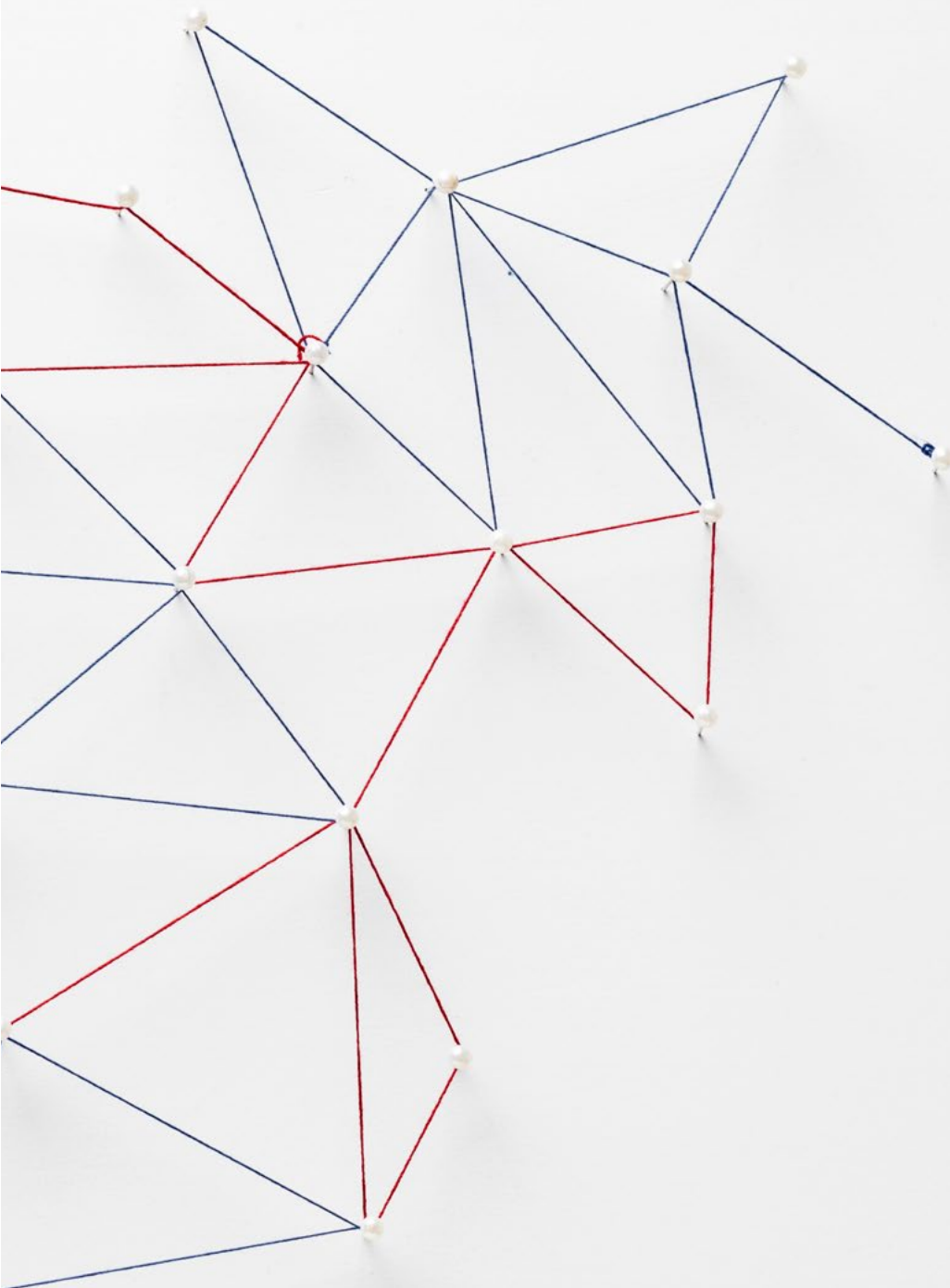




Companies and Industries (number of companies per industry)

Figure 39





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