

COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCI&S INDIA-SPAIN BILATERAL TRADE RELATIONS

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

1. The Kingdom of Spain, in south-western Europe, forms more than four-fifths of the Iberian peninsula. The country also includes the Balearic Islands in the Mediterranean Sea, the Canary Islands in the Atlantic Ocean and a few small enclaves in Morocco. Mainland Spain is bounded to the north by France and to the west by Portugal. To the east is the Mediterranean Sea, and Morocco lies 30 km to the south. Spain is a member of the United Nations, World Trade Organisation and the Council of Europe.

2. Spain's capitalist mixed economy is the 15th largest worldwide and the 4th largest in the European Union, as well as the Eurozone's 4th largest. The Executive Board of the International Monetary Fund (IMF) completed the Article IV Consultation for Spain. The authorities have consented to the publication of the Staff Report prepared for this consultation. With a growth rate of 3.2 percent in 2024, Spain has been one of the fastest-growing economies in the euro area. Growth has been fuelled by robust services exports and labor force growth, including due to immigration. Because high GDP growth has been accompanied by high employment growth, GDP per capita gains have been more modest. Despite recent progress, Spain still has one of the lowest employment rates in Europe, and a persistent gap in (hourly labor) productivity vis-à-vis the euro area and even more so the US. Growth is projected to reach 2.5 percent in 2025 before slowing to 1.8 percent in 2026 as export and working-age population gains normalize. Growth will be primarily supported by private domestic demand, including due to a decline in the household saving rate and a pickup in investment. Inflation is projected to decline further and return close to the ECB's target by end-2025.

A snapshot of Spain's selected economic indicators is as under.

TABLE 1

	Projections 1/					
	2021	2022	2023	2024	2025	2026
Demand and supply in constant prices						
Gross domestic product	6.4	5.8	2.5	2.4	2.5	1.8
Private consumption	7.1	4.7	1.8	1.8	1.9	2.3
Public consumption	3.4	-0.2	3.8	0.9	1.2	0.5
Gross fixed investment	2.8	2.4	0.8	4.5	4.8	2.2
Total domestic demand	6.7	3.0	1.7	2.2	2.4	1.9
Net exports (contribution to growth)	-0.2	2.9	0.8	0.0	-0.2	-0.1
Exports of goods and services	13.5	15.2	2.3	3.4	3.1	3.1
Imports of goods and services	14.9	7.0	0.3	3.0	4.0	3.6
Potential output growth	1.6	1.7	1.9	2.1	2.2	1.8
Output gap (percent of potential)	-4.2	-0.4	0.2	0.4	0.2	0.1
Prices						
GDP deflator	2.6	4.2	5.9	2.8	2.3	1.7
HICP (average)	3.0	8.3	3.4	2.9	2.3	1.9
HICP (end of period)	6.6	5.5	3.3	2.5	2.1	1.8
Core inflation (average)	0.7	5.2	5.8	3.0	2.1	1.8
Core inflation (end of period)	2.2	6.7	4.6	2.5	2.1	1.8
Employment and wages						
Unemployment rate (percent)	14.9	13.0	12.2	11.8	11.5	11.2
Labor costs, private sector	0.0	2.6	5.6	3.3	3.5	2.8

Employment growth	3.3	3.6	3.1	1.3	0.9	0.8
Balance of payments (percent of GDP)						
Current account balance	0.8	0.6	2.6	2.6	2.3	2.0
Net international investment position	-71.0	-60.0	-52.8	-46.5	-41.4	-37.1
Public finance (percent of GDP)						
General government balance	-6.7	-4.7	-3.6	-3.0	-2.9	-3.1
Primary balance	-4.8	-2.6	-1.8	-0.6	-0.3	-0.4
Structural balance	-4.1	-4.5	-3.7	-3.2	-3.0	-3.2
General government debt	116.8	111.6	107.7	105.6	104.4	104.3

Sources: IMF, World Economic Outlook; data provided by the authorities; and IMF staff estimates.
 1/ The projections incorporate spending financed by the EU Recovery and Resilience Facility (including the grant and the loan component) amounting to about 0.4, 0.9, 1.0, 1.0, 1.0, 0.9, and 0.2 percent of GDP from 2021 to 2027.

FOREIGN TRADE

3. As per recent available inputs on WITS (World Integrated Trade Solution), the five major merchandise export partners of Spain are France, Germany, Italy, Portugal, and United Kingdom. On the other hand five major import partners of Spain are Germany, China, France, USA and Italy. Major four exported goods of Spain are i) Petroleum oils, etc, (excl. crude); preparation ii) Automobiles with reciprocating piston engine di iii) Automobiles nes including gas turbine powered iv) Other medicaments of mixed or unmixed products. On the other hand major five imported goods of Spain are i) Petroleum oils and oils obtained from bituminous ii) Other medicaments of mixed or unmixed products iii) Petroleum oils, etc, (excl. crude); preparation iv) Natural gas, liquefied v) Automobiles nes including gas turbine powered

4. Spain's total exports in 2020 were of the order of USD 312081million. It was USD 403703 million in 2024. During the period 2020 to 2024, Exports from Spain had increased maximum by 25.47% in the year 2021 followed by another 8.36% increase in 2022 over the respective previous year. During the period from 2020 to 2024, the annual average compound rate of growth of exports was 6.65%.

5. Spain's total imports in 2020 were of the order of USD 329739 million and which was USD 451303 million in 2024. Imports of Spain jumped by 29.21% in 2021 compared to 2020. During the period from 2020 to 2024, the annual average compound rate of growth of imports was 8.16%.

6. Spain runs an overall Balance of Trade deficit from 2020 to 2024 and that was USD 47600.20 million in 2024. During the period from 2020 to 2024, the annual average compound rate of growth of total volume of trade was 7.43%.

A snapshot of Spain's overall Trade Statistics is presented in **Table 2** and **Figure 1** below.

TABLE 2
SPAIN'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE
AND BALANCE OF TRADE BETWEEN 2020 TO 2024

(Figures in USD Mln)

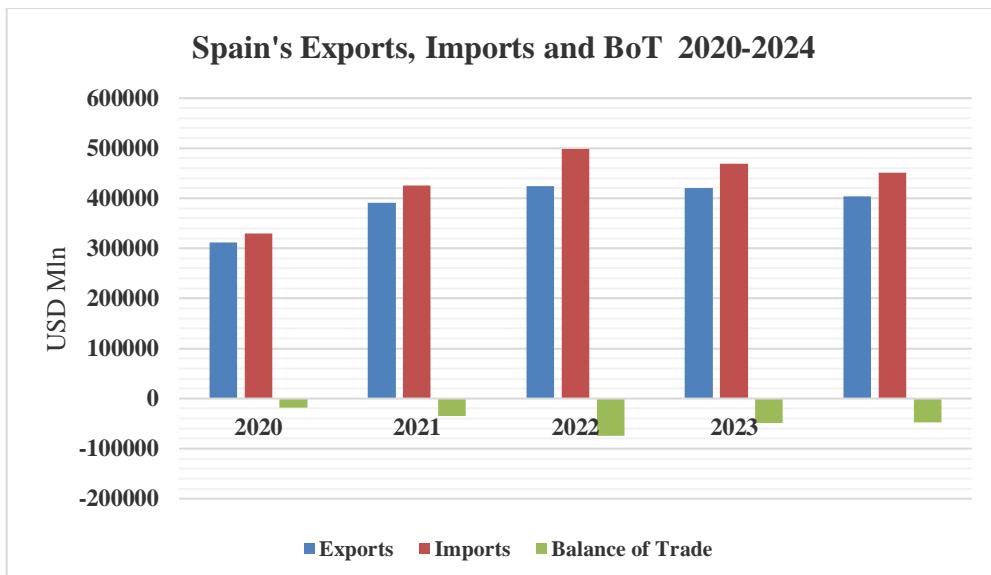
Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020	312081		329739		6,41,819		-17658.29
2021	391559	25.47	426060	29.21	8,17,618	27.39	-34501.30
2022	424286	8.36	499055	17.13	9,23,341	12.93	-74769.01
2023	420170	-0.97	469043	-6.01	8,89,213	-3.70	-48873.50
2024	403703	-3.92	451303	-3.78	8,55,006	-3.85	-47600.20

Annual Compound Growth Rate	6.65	8.16	7.43
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NOTE : Figures relate to calendar year (January to December)

SOURCE : UN COMTRADE PUBLICATION

FIGURE-1



BILATERAL TRADE WITH INDIA

Merchandise Trade

7. In FY 2024-25, bilateral trade value between India and Spain was USD 7176.95 million, with India's exports to Spain amounting to USDS 4763.71 million and imports totalling USD 2413.24 million. India's primary exports include mineral fuels, chemical products, iron and steel, electrical machinery, and apparel. India exported to Spain almost 1.09 % of its total export value in FY 2024-25. In the same financial year imports from Spain was 0.33% of India's total import value. Almost 0.53 % of India's total international trade value of goods was between India and Spain as recorded in DGCI&S database for FY 2024-25. Spain was the 37th major trading partner of India in FY 2024-25.

8. Indo- Spain total volume of bilateral trade in FY 2020-21 was of the order of USD 4750.72 million. It scaled up to USD 7,249.00 million in FY 2023-24. The annual compound growth rate of total volume of trade during the period from 2020-21 to 2024-25 was of the order of 10.87 %.

9. It appears from the available figures that between 2020-21 and 2024-25, India had a surplus Balance of Trade with Spain. Exports from India to Spain increased by 45.92% in FY 2021-22 over previous FY. The annual average compound rate of growth of Exports was 10.13 %. On the other hand, imports from Spain to India remarkably increased by 46.21% in FY 2022-23 just after a 35.79% increase in FY 2021-22 over the corresponding FY. During the period from 2020-21 to 2024-25, the annual average compound rate of growth of imports was 12.40 %.

A snapshot of India's merchandise trade statistics w.r.t. Spain is presented in **Table 3 & Figure 2**.

TABLE 3
INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. SPAIN
FY 2020-21 to 2024-25

(Figures in USD Mln)

Year	Exports from India to Spain	Percentage Growth in Exports	Imports from Spain to India	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020-21	3238.80		1511.92		4750.72		1726.88
2021-22	4725.95	45.92	2052.99	35.79	6778.94	42.69	2672.96
2022-23	4661.48	-1.36	3001.68	46.21	7663.16	13.04	1659.80
2023-24	4794.12	2.85	2454.88	-18.22	7249.00	-5.40	2339.24
2024-25	4763.71	-0.63	2413.24	-1.70	7176.95	-0.99	2350.47

**Annual
Compound
Growth
Rate**

10.13

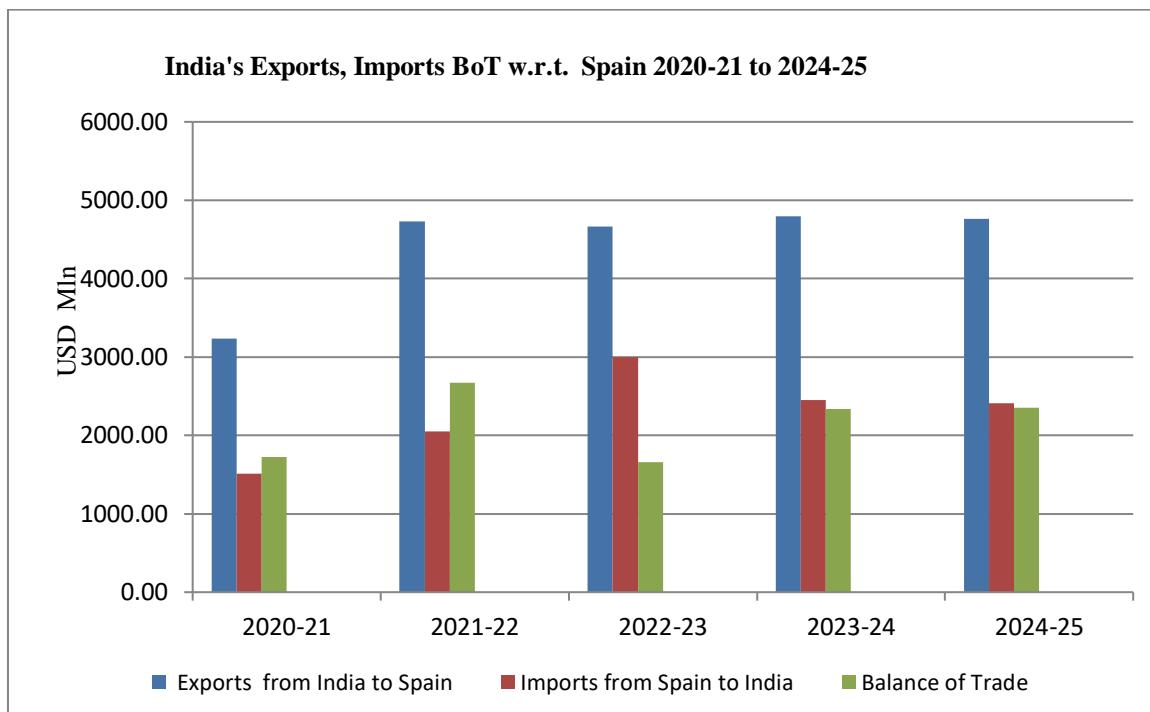
12.40

10.87

NOTE : Figures relate to Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

FIGURE 2



10. Additionally, from Tables 4 & 5 presented below the following are stated:

- a. **RMG Cotton Incl. Accessories, Iron And Steel and Telecom Instruments** occupied the top three slots in India's exports to Spain in FY 2024-25. **RMG Cotton Incl. Accessories** occupied 8.13 % share of India's total exports to Spain in FY 2024-25.
- b. **Petroleum Products, Indl. Machinery For Dairy Etc. and Plastic Raw Materials** were the three major commodities in India's imports list from Spain in FY 2024-25, India imported **Petroleum Products** from Spain with a share of 8.95% of total imports from Spain recorded in FY 2024-25.

TABLE 4
INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO SPAIN
2020-21 TO 2024-25 AND THEIR GROWTH RATES

(Figures in USD Mln)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2020- 21	2021- 22	2022- 23	2023- 24	2024- 25	21-22 over 2020- 21	22-23 over 2021- 22	23-24 over 2022- 23	24-25 over 2023- 24
1	RMG Cotton Incl. Accessories	272.53	326.88	361.83	338.92	387.29	19.94	10.69	-6.33	14.27
	Share in total export	8.41	6.92	7.76	7.07	8.13				
2	Iron And Steel	274.60	547.85	391.56	573.43	350.19	99.51	28.53	46.45	38.93
	Share in total export	8.48	11.59	8.40	11.96	7.35				
3	Telecom Instruments	129.22	100.77	190.70	164.27	270.31	-22.02	89.24	-13.86	64.55
	Share in total export	3.99	2.13	4.09	3.43	5.67				
4	Organic Chemicals	263.00	337.20	256.84	226.24	209.81	28.21	23.83	-11.91	-7.26
	Share in total export	8.12	7.14	5.51	4.72	4.40				
5	Residual Chemicals And Allied Prods.	144.61	168.74	171.10	171.93	205.30	16.69	1.40	0.49	19.41
	Share in total export	4.46	3.57	3.67	3.59	4.31				
6	Marine Products	151.12	208.46	233.34	190.45	204.24	37.94	11.94	-18.38	7.24
	Share in total export	4.67	4.41	5.01	3.97	4.29				
7	RMG Of Othr Textile Matrl	101.92	124.84	124.84	122.15	156.43	22.49	0.00	-2.15	28.06
	Share in total export	3.15	2.64	2.68	2.55	3.28				
8	Products Of Iron And Steel	95.90	164.28	175.87	165.43	151.09	71.30	7.06	-5.94	-8.67
	Share in total export	2.96	3.48	3.77	3.45	3.17				
9	Electric Machinery And Equipments	57.98	151.67	172.38	146.18	148.20	161.59	13.65	-15.20	1.38
	Share in total export	1.79	3.21	3.70	3.05	3.11				
10	RMG Manmade Fibres	118.86	129.58	149.09	132.95	139.12	9.02	15.06	-10.83	4.64
	Share in total export	3.67	2.74	3.20	2.77	2.92				
	Total exports to SPAIN	3238.80	4725.95	4661.48	4794.12	4763.71	45.92	-1.36	2.85	-0.63

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

TABLE 5
INDIA'S MAJOR ITEMS OF MERCHANTISE IMPORTS FROM SPAIN
2020-21 TO 2024-25 AND THEIR GROWTH RATES

(Figures in USD Mln)

Sl. No.	Name of the Merchandise Commodities	Value of Import					Annual Growth Rates			
		2020- 21	2021- 22	2022- 23	2023- 24	2024- 25	21-22 over 2020- 21	22-23 over 2021- 22	23-24 over 2022- 23	24-25 over 2023- 24
1	Petroleum Products	54.72	157.33	189.14	116.22	216.10	187.52	20.22	-38.55	85.94
	Share in total import	3.62	7.66	6.30	4.73	8.95				
2	Indl. Machinery For Dairy Etc.	63.64	72.54	121.19	136.95	181.59	13.98	67.07	13.00	32.60
	Share in total import	4.21	3.53	4.04	5.58	7.52				
3	Plastic Raw Materials	69.52	135.51	149.41	112.90	111.49	94.92	10.26	-24.44	-1.25
	Share in total import	4.60	6.60	4.98	4.60	4.62				
4	Paint, Varnish And Alld. Products	103.00	117.41	127.87	114.22	101.18	13.99	8.91	-10.67	-11.42
	Share in total import	6.81	5.72	4.26	4.65	4.19				
5	Residual Chemicals And Allied Products	112.20	124.50	152.85	105.22	93.22	10.96	22.77	-31.16	-11.40
	Share in total import	7.42	6.06	5.09	4.29	3.86				
6	Paper, Paper Board And Products	89.96	128.22	127.21	86.87	89.61	42.53	-0.79	-31.71	3.15
	Share in total import	5.95	6.25	4.24	3.54	3.71				
7	Bulk Drugs, Drugs Intermediates	86.69	83.03	89.30	88.15	89.21	-4.22	7.55	-1.29	1.20
	Share in total import	5.73	4.04	2.98	3.59	3.70				
8	Aluminium, Products Of Aluminium	29.14	47.06	72.21	92.72	84.92	61.50	53.44	28.40	-8.41
	Share in total import	1.93	2.29	2.41	3.78	3.52				
9	Ship, Boat And Floating Struct	114.28	13.66	1.29	10.16	73.89	-88.05	90.56	687.60	627.26
	Share in total import	7.56	0.67	0.04	0.41	3.06				
10	RMG Manmade Fibres	37.57	47.67	61.69	56.51	64.54	26.88	29.41	-8.40	14.21
	Share in total import	2.48	2.32	2.06	2.30	2.67				
	Total imports from SPAIN	1511.92	2052.99	3001.68	2454.88	2413.24	35.79	46.21	-18.22	-1.70

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

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